

SHOPRITE



(Reg. No. 1936/007721/06) | (ISIN: ZAE000012084) | (JSE Share code: SHP)
(NSX Share code: SRH) | (LuSE Share code: SHOPRITE) | ("the Group")

HOLDINGS LTD

Unaudited Group results for the 26 weeks to 27 December 2020

Pieter Engelbrecht, Chief Executive Officer

We are proud to report the Group's sales increasing by 4.7% for the six months. Within that, our core Supermarkets RSA segment, representing 78.0% of Group sales, increased sales by 5.6%. Adjusting for the closure of our RSA LiquorShop business as a result of nationwide COVID-19 lockdown regulations, our Supermarkets RSA business grew sales by 7.8%. This is an incredible result given that our customer base spans the entire South African food retail spectrum. Our South African supermarkets' internal selling price inflation of 4.3% for the six months reflects our unwavering commitment to our customers on price. In true Shoprite style it was a collective effort across our Shoprite, Usave, Checkers and Checkers Hyper banners and the team is to be commended. The Supermarkets RSA business has achieved 22 months of uninterrupted market share gains and in the six months to 27 December 2020 the Group created a total of 4 305 new jobs.

In significantly more adverse conditions, our Supermarkets Non-RSA continuing operations achieved constant currency sales growth of 0.9%. The business remained vigilant, combating the challenges faced across Africa, however, currency devaluations again eroded much of our efforts. We closed the last of our Kenyan stores in February 2021 and are at the approval stage in terms of the sale of our Nigeria supermarket operation. From here, our capital allocated to the region remains at a minimum and we continue to manage costs as best as we can.

The successful launch of our Xtra Savings Rewards Programme in our South African based Shoprite supermarket chain following the success in Checkers, gave rise to another strategic milestone for the Group. Our Checkers and Shoprite Xtra Savings Rewards Programme now has the largest membership base in South Africa, with 17 million rewards members. The opportunities that this programme affords the Group and its valued customers are significant and to say we are optimistic with regard to the future for our business as a result, would be an understatement.

It is noteworthy that the Group increased trading profit by 18.3%, whilst making significant strides in other areas: borrowings declined by R5.9 billion to R5.5 billion, inventories reduced by R3.0 billion and we lived well within our means in terms of capital expenditure of R1.6 billion.

None of this was achieved in isolation. It was due to the collective effort of the more than 140 000 employees across the Group, represented in areas not limited to our aforementioned supermarket operations, who came together daily to serve our customers and sustain the growth of this great company. It remained a difficult period in the context of COVID-19 which continued to weigh on our customers, our people and our operations and my acknowledgement and sincere thanks go out to all.

	Change %	27 Dec 2020	Restated* 29 Dec 2019
Key information – continuing operations			
Sale of merchandise (Rm)	4.7	83 430	79 711
Trading profit (Rm)	18.3	4 706	3 978
Operating profit (Rm)	5.0	4 490	4 275
Profit before income tax (Rm)	1.9	3 081	3 024
Income tax expense (Rm)	(4.0)	901	939
Profit for the period (Rm)	4.6	2 180	2 085
Attributable to owners of the parent (Rm)		2 169	2 076
Attributable to non-controlling interest (Rm)		11	9
Basic headline earnings per share (cents)	10.7	419.6	379.0
Basic earnings per share (cents)	4.7	392.9	375.2
Dividend per share (cents)	22.4	191.0	156.0
Profit for the period including discontinued operations (Rm)	7.9	2 232	2 068
Attributable to owners of the parent (Rm)		2 221	2 059
Attributable to non-controlling interest (Rm)		11	9
Basic headline earnings per share including discontinued operations (cents)	12.4	429.3	381.9
Basic earnings per share including discontinued operations (cents)	8.1	402.3	372.1

* Restated for discontinued operations in accordance with IFRS 5 and the change in guidance contained in SAICA Circular 1/2019: Headline Earnings relating to the IFRS 16: Leases rule.

Declaration of ordinary dividend

The board has declared an interim dividend of 191 cents (2019: 156 cents) per ordinary share, payable to shareholders on Monday, 12 April 2021. The dividend has been declared out of income reserves. The last day to trade cum dividend will be Tuesday, 6 April 2021. As from Wednesday, 7 April 2021, all trading of Shoprite Holdings Ltd shares will take place ex dividend. The record date is Friday, 9 April 2021. Share certificates may not be dematerialised or rematerialised between Wednesday, 7 April 2021, and Friday, 9 April 2021, both days inclusive.

In terms of the Dividends Tax, the following additional information is disclosed:

1. The local dividend tax rate is 20%.
2. The net local dividend amount is 152.8 cents per share for shareholders liable to pay Dividends Tax and 191 cents per share for shareholders exempt from paying Dividends Tax.
3. The issued ordinary share capital of Shoprite Holdings Ltd as at the date of this declaration is 591 338 502 ordinary shares.
4. Shoprite Holdings Ltd's tax reference number is 9775/112/71/8.

About this announcement

This short-form announcement is the responsibility of the directors of Shoprite Holdings Ltd. It is only a summary of the information in the condensed consolidated interim financial statements and does not contain full or complete details. Any investment decisions by investors and/or shareholders should be based on consideration of the condensed consolidated interim financial statements published on the Stock Exchange News Service (SENS) and www.shopriteholdings.co.za as a whole.

The condensed consolidated interim financial statements have been released on the JSE (<https://senspdf.jse.co.za/documents/2021/jse/isse/SHP/ie2020.pdf>) and are also available for viewing at <https://www.shopriteholdings.co.za/content/dam/SENS/INT2020-Mar2021.pdf>. Copies of the condensed consolidated interim financial statements may be requested from the company secretary (cosec@shoprite.co.za, tel +27 (0)21 980 4284) at PO Box 215, Brackenfell, 7561, South Africa.

By order of the board

WE Lucas-Bull
Chairman

PC Engelbrecht
Chief Executive Officer

Cape Town
16 March 2021