

**Pepkor Holdings Limited**

(Incorporated in the Republic of South Africa)

(Registration number: 2017/221869/06)

Share Code: PPH

Debt Code: PPHI

ISIN: ZAE000259479

(“Pepkor” the “group” or “the company”)

**TRADING STATEMENT FOR THE YEAR ENDED 30 SEPTEMBER 2021**

In terms of the JSE Limited (“JSE”) Listings Requirements (the “Requirements”), a listed company is required to publish a trading statement as soon as it becomes aware that a reasonable degree of certainty exists that the financial results for the financial period to be reported on next will differ by at least 20% from the financial results for the previous corresponding period.

Pepkor hereby advises shareholders and noteholders that a reasonable degree of certainty exists that its headline earnings per share (“HEPS”) and earnings per share (“EPS”) for the year ended 30 September 2021 (“FY21”) will increase by at least 20% as reflected below.

**HEPS and EPS:**

- HEPS is expected to increase by a minimum of 13.1 cents to at least 78.6 cents compared to HEPS of 65.5 cents reported for the year ended September 2020 (“FY20”), representing an increase of at least 20%; and
- EPS is expected to increase by a minimum of 164.8 cents to at least 78.6 cents compared to the loss per share of 86.2 cents reported for FY20.

The increase in HEPS and EPS is attributed to the following factors:

- improved trading performance compared to FY20 which was impacted by COVID-19 trading restrictions;
- lease modification gains in terms of IFRS 16 as a result of favourable lease renewals and retail footprint consolidation in specific retail brands. The acquisition of a portfolio of leased properties as announced on 14 April 2021 on JSE Limited’s Stock Exchange News Service (“SENS”) resulted in the derecognition of related right-of-use assets and lease liabilities;
- reduced finance costs due to the marked reduction in the group’s net debt; and
- impairment charges recognised during FY20 which specifically impacted EPS.

The Building Company will be remeasured and represented as continuing operations in the group's FY21 and FY20 financial results following the termination of the transaction to dispose of the business as announced on 12 August 2021 on the SENS. The HEPS and EPS guidance provided in this trading statement includes the results from The Building Company.

Further guidance of the likely increase in EPS and HEPS will be provided once the required degree of certainty in terms of the Requirements has been established.

Pepkor's financial results for FY21 will be announced on SENS on or about 19 November 2021.

The financial information on which this trading statement is based, has not been reviewed or reported on by the company's external auditors.

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5 October 2021

Equity Sponsor

PSG Capital



Debt Sponsor

Rand Merchant Bank (A division of FirstRand Bank Limited)

