



SHOPRITE HOLDINGS LIMITED
(Incorporated in the Republic of South Africa)
Reg. No. 1936/007721/06
ISIN: ZAE000012084
JSE share code: SHP
NSX share code: SRH
LuSE share code: SHOPRITE
("the Group")

OPERATIONAL UPDATE FOR THE SIX MONTHS ENDED 2 JANUARY 2022

For the six-month period to 2 January 2022 ("the period" or "the six months"), the Shoprite Group increased total sale of merchandise by 10.0% to approximately R91.1 billion. Excluding the impact of the temporary closure of the Supermarkets RSA LiquorShop business due to COVID-19 lockdown regulations, the Group increased total sale of merchandise by 8.2%.

During the six months, excluding the impact of store closures and reopenings due to civil unrest, the Group added a net of 57 stores to its corporate supermarket business to end the period with 2 003 supermarkets. The Group's OK Franchise business, excluding the one store permanently closed due to civil unrest, closed a net of one store to end with 511 stores.

In line with our first quarter reporting, no adjustments have been made to the Group's reported sales metrics or growth percentage for the impact of the July 2021 civil unrest which directly impacted 231 stores across the Group.

In the interests of full disclosure and in accordance with IFRS 8: Operating Segments, the Group reports sales by segment and the table below outlines this detail:

	H1 ended 2 Jan 2022 Rbn	% Sales growth over the corresponding period last year		
		H1 ended 2 Jan 2022 %	Q1 ended 3 Oct 2021 %	Q2 ended 2 Jan 2022 %
Approximate sales from continuing operations				
Total Group (including Supermarkets RSA LiquorShop)	91.1	10.0	9.3	10.6
Total Group (excluding Supermarkets RSA LiquorShop)	85.7	8.2	7.9	8.5
By segment:				
Supermarkets RSA (including RSA LiquorShop)	72.4	11.3	11.6	11.0
Supermarkets RSA (excluding RSA LiquorShop)	67.0	9.1	9.9	8.3
Supermarkets Non-RSA	8.6	8.4	1.9	14.4
Furniture	3.6	(6.5)	(10.5)	(3.2)
Other operating segments	6.5	8.9	7.3	10.3

The following information provides context to the overall sales growth for the six months:

Supermarkets RSA

- The Group's core business, Supermarkets RSA, contributing 79.5% to Group sales, achieved sales growth of 11.3% (like-for-like 10.7%).
- It is noteworthy that this growth was achieved notwithstanding the impact of the civil unrest which severely impacted 189 stores (135 supermarkets and 54 LiquorShops) and resulted in additional stores not directly impacted being closed for precautionary reasons.
- Supermarkets RSA, excluding LiquorShop sales, achieved sales growth of 9.1% (like-for-like 9.2%).
- Checkers and Checkers Hyper reported sales growth of 11.4%.
- Shoprite and Usave reported sales growth of 7.3%.
- The Group's LiquorShop business's sales increased by 49.8%. Due to COVID-19 nationwide lockdown regulations, the Group's LiquorShop business was required to close for 48 days over the six months under review (48 days during the first quarter; no closures during the second quarter). This compares to 79 days closed for the same reason in the prior year comparative period (60 days during the first quarter; 19 days during the second quarter).
- Internal selling price inflation measured 2.6% (first quarter 3.3%; second quarter 1.9%).
- At the end of the reporting period the number of stores still closed due to extensive damage during the civil unrest totaled 35 (including two Checkers Hypers). It is envisaged that six of these will not reopen, seven will open before year-end and the remainder should open in the next financial year.
- Outside of the civil unrest closures and reopenings, Supermarkets RSA added a net 62 stores during the period to total 1 768 stores.

Supermarkets Non-RSA

- Supermarkets Non-RSA increased sales in constant currency by 11.4%. This performance was underpinned by strong growth from our Zambian operations.
- In Rand terms, Supermarkets Non-RSA's sales increased by 8.4%.
- Subsequent to classifying Kenya, Uganda and Madagascar as discontinued operations, the Supermarkets Non-RSA segment is now represented by our businesses spanning ten African countries which collectively contribute 9.4% of Group sales.
- The segment's store base reduced by five stores due to the sale of our Ugandan operations. On a net basis, no new stores were opened and Supermarkets Non-RSA ended the reporting period with 235 stores.

Furniture

- The Group's Furniture segment, made up of OK Furniture and House & Home, reported a decline in sales of 6.5% (like-for-like sales declined by 3.9%). The segment contributes 4.0% to Group sales.
- Sales growth improved over the six months (first quarter sales declined by 10.5%; second quarter sales declined by 3.2%). Whilst the high base from the prior year impacted the whole period, it was more marked during the first quarter which also suffered from the civil unrest directly impacting 35 stores and resulting in a considerable number of adjacent stores being closed.
- At the end of the interim period, nine stores were still closed due to extensive civil unrest damage. It is expected six of these stores will reopen within six months and the remainder during our 2023 financial year.
- Outside of the civil unrest closures and reopenings, the segment's store base on a net basis increased by five stores over the period to close with 428 stores.

Other operating segments

- The Group's Other operating segments, comprising OK Franchise, Transpharm, MediRite Pharmacies, Checkers Food Services (CFS) and Computicket, reported sales growth of 8.9%. In terms of contribution to Group sales the segment makes up 7.1%.
- CFS continued to grow its sales despite continued COVID-19 lockdown constraints being imposed on its hospitality industry customer base.
- MediRite and Transpharm's sales growth increased notably on the comparative six months.
- The Group's OK Franchise division achieved sales growth of 6.5%. Seven stores were impacted by the civil unrest, of these six have been reopened and one permanently closed. Outside of this, the store base was reduced by a net of one, to end the period with 511 stores.

Impact of the Group's pro forma constant currency disclosure

The Group discloses unaudited constant currency information to indicate the Supermarkets Non-RSA operating segment's performance in terms of sales growth, excluding the effect of foreign currency fluctuations. To present this information, current period sales for entities reporting in currencies other than South Africa rand are converted from local currency actuals into South Africa rand at the prior year's actual average exchange rates on a country-by-country basis.

The table below sets out the percentage change in sales, based on the actual results for the period, in reported currency and constant currency for the following major currencies. The total impact on Supermarkets Non-RSA is also reflected after consolidating all currencies in this segment.

% Change in sales on prior period 26 weeks	Reported currency	Constant currency
Angola kwanza	(9.4)	(2.1)
Mozambique metical	(7.4)	(9.1)
Zambia kwacha	35.3	34.8
Supermarkets Non-RSA including discontinued operations	5.8	9.0
Supermarkets Non-RSA continuing operations	8.4	11.4

Statement on pro forma financial information

The pro forma financial information contained in this announcement, which is the responsibility of the Group's directors, has been prepared for illustrative purposes only and may not fairly present the Group's financial position, changes in equity, cash flows or results of operations.

The information contained in this announcement has not been reviewed or reported on by the Group's external auditors.

Group interim results release, presentation invitation and registration link

Shoprite is currently in its closed period and will release its 2022 interim results for the six months ended 2 January 2022 on the JSE Stock Exchange News Service (SENS) by 8 am on Tuesday, 8 March 2022.

The Group's interim results webcast presentation will follow, commencing at 9h30 am on 8 March 2022.

Shoprite's CEO Mr Pieter Engelbrecht invites all who would like to attend the webcast presentation to do so by registering via the Group's website www.shopriteholdings.co.za or alternatively via <https://www.corpcam.com/shoprite08032022>.

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