

Massmart Holdings Limited
(Incorporated in the Republic of South Africa)
(Registration Number: 1940/014066/06)
Share Code: MSM
ISIN: ZAE000152617
("Massmart" or the "Company" or "the Group")

Sales update for the 52 weeks ended 26 December 2021

Group sales

Total group sales for the 52-week period ended 26 December 2021 amounted to R84.9 billion, which was 1.9% lower than the same period in 2020, with comparable stores sales being 1.7% higher than the same period in 2020. Sales were impacted by various factors, including Covid-19 liquor trading restrictions, lost sales from 43 stores damaged during the July unrest in Gauteng and KwaZulu-Natal, unrest related supply chain disruptions and the impact of global supply shortages. These local and global supply chain shortages coupled with the two Makro stores impacted by the riots in KwaZulu-Natal resulted in general merchandise sales, our second largest sales category being 9.7% lower in Q4 2021 (comparable sales - 4.5%) compared to the same period in 2020. Sales from continuing operations for the 52-week period ended 26 December 2021 of R77.6bn were marginally higher than the same period in 2020, with comparable store sales from continuing operations being 3.0% higher. Comparable store sales account for stores opened or closed during the period, but also adjusts for the impact of stores damaged through the civil unrest. Sales performance are summarised in the table below:

Sales growth	Q3 YTD Total Sales	Q4 Total Sales	FY 2021 Total Sales	Q3 YTD Comp Sales	Q4 Comp Sales	FY 2021 Comp Sales
Continuing Operations SA	+3.9%	-5.9%	+0.9%	+6.3%	-0.4%	+4.3%
Continuing Operations ex- SA	-9.2%	-3.0%	-7.5%	-9.9%	-1.8%	-7.7%
<i>Total - Continuing Operations</i>	<i>+2.5%</i>	<i>-5.6%</i>	<i>+0.1%</i>	<i>+4.5%</i>	<i>-0.6%</i>	<i>+3.0%</i>
Discontinued Operations	-20.1%	-16.3%	-18.8%	-11.9%	-6.3%	-10.6%
<i>Total Group</i>	<i>+0.2%</i>	<i>-8.1%</i>	<i>-1.9%</i>	<i>+2.9%</i>	<i>-1.9%</i>	<i>+1.7%</i>

Trading Banner Sales Update

At Makro, total sales of R29.0bn for the 52-week period were 6.6% higher than in 2020, whilst comparable sales were 10.6% higher. Liquor sales performed especially strongly, with comparable sales growth of 39.8% compared to the same period in 2020, whilst comparable sales of general merchandise increased by 7.2% over the same period in 2020. Comparable sales of food in Makro grew at a slower pace, increasing by 1.5% over the same period in 2020. Business activity specifically in the hospitality and catering sector remains at lower than normal levels, as this industry was impacted by various levels of trading restrictions as well as international travel restrictions during the year.

Sales in our Wholesale Cash & Carry business of R19.1bn for the 52-week period were 6.3% lower than the same period in 2020, whilst comparable sales were 1.6% lower. This was largely the result of lower sales to the Hospitality, Restaurant and Catering (HORECA) sector which continues to be significantly impacted by the negative consequences of the Covid-19 pandemic.

Builders total sales of R14.9bn for the 52-week period were 7.1% higher than the same period in 2020, whilst comparable sales increased by 5.2%. Retail sales continue to perform at similar strong levels as seen throughout the year, whilst trade sales to contractors have remained subdued, due to slow re-commencement of Covid-19 impacted large commercial construction projects and infrastructure development by Government, both of which remain at low levels. Sales in Q4 2021 have slowed down from the previously noted year to date trend, mainly as a result of the strong home improvement and DIY focused sales base in Q4 2020.

At Game, total sales of R15.3bn for the 52-week period were 8.1% lower than the same period in 2020, whilst comparable sales were 5.6% lower than in 2020. Total South African store sales were 6.9% lower, whilst comparable South African store sales were 3.7% lower. Notwithstanding continued lower mall-based foot traffic and the discretionary spending pressure on Game's core customer, the Game supply chain was particularly susceptible to unrest related supply chain disruption that resulted in insufficient in-stocks of some core appliances and home electronics in the period following the unrest, exacerbated by lower in-stock levels on key lines of certain electronics and appliance products as a result of global supply shortages.

Total sales in our Game stores outside South Africa (including the 14 East and West Africa stores that are subject to divestiture discussions) of R2.9bn for the 52-week period were 12.8% lower than in the same period in 2020. In constant currency, total and comparable sales have decreased by 2.6% over the same period in 2020.

Sales from discontinued operations (that include the Cambridge, Rhino and Massfresh businesses) of R7.2bn was 18.8% lower than in 2020, whilst comparable sales were 10.6% lower.

Shareholders are reminded of the trading statement announcement released on SENS on 21 December 2021 outlining the Group's expected earnings and headline earnings performance. The Group will issue a further trading statement to provide specific guidance once the Group is reasonably certain regarding the earnings per share and headline earnings per share for the 52 weeks ended 26 December 2021.

The financial information on which this sales update was based has not been reviewed or reported on by the Company's auditors.

Johannesburg

28 January 2022

Sponsor: JP Morgan Equities South Africa (Pty) Ltd