

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

SALES UPDATE FOR 19 WEEK PERIOD ENDED 8 MAY 2022

Total group sales for Massmart for the 19-week period ended 8 May 2022 amounted to R30.4 billion, a decrease of 0.2% over the prior year, with comparable store (like-for-like) sales increasing by 2.3% over the same period. Comparable stores sales exclude the impact of those stores opened or closed during the period, including those stores impacted by the unrest in July 2021.

Sales from continued operations, which excludes Cambridge, Rhino and Massfresh, amounted to R27.9 billion, an increase of 1.4% over the prior year period, with comparable store sales for continued operations increasing by 3.9%. Sales relating to our continued operations in South Africa increased by 1.6%, with comparable stores sales increasing by 4.4%, whilst sales from continued operations in our stores in the Rest of Africa decreased by 0.6% on a total and comparable stores basis.

The business has seen higher product and supply chain costs year-to-date; weighted average sales inflation across the business is approximately 3.6%, primarily in food and DIY categories.

In comparison to the same period in 2019 (which may be considered a reasonable basis for comparison as this period represents a base not impacted by Covid-19, as well as KwaZulu-Natal unrest), sales from continued operations in South Africa increased by 3.1%.

Summarised Sales growth - YTD	Total Sales 19 weeks	Comp Sales 19 weeks	Total Sales vs 2019 19 weeks
Continuing Operations SA	+1.6%	+4.4%	+3.1%
Continuing Operations ex- SA	-0.6%	-0.6%	-9.5%
<i>Total - Continuing Operations</i>	<i>+1.4%</i>	<i>+3.9%</i>	<i>+1.8%</i>
Discontinued Operations	-15.4%	-12.5%	-45.8%
<i>Total Group</i>	<i>-0.2%</i>	<i>+2.3%</i>	<i>-5.0%</i>

Business Unit Recap - Continuing Operations

In Makro, total sales for the 19 weeks increased by 6.7% over the same prior year period, with comparable stores sales increasing by 9.7%. One Makro store (Pietermaritzburg) has not yet re-opened and is currently under re-construction following the significant damage suffered during the July 2021 unrest. Sales in our Cash & Carry business increased by 1.0% over the same period last year, with comparable stores sales increasing by 5.5%. Whilst food and liquor sales have performed well, sales relating to general

merchandise, specifically in Makro, declined on the prior year period as cash strapped consumers focused their spending more toward non-durable items. Compared to the same period in 2019, sales in Makro increased by 6.0%, indicative of the impact the pandemic had on our Makro customers.

In Builders, total sales decreased by 3.9% over the prior year on the back of an exceptionally strong base in 2021, with comparable stores sales decreasing by 3.4%. However, Builders sales outpaced industry-wide sales reported in the hardware, paint and glass sector as measured by the latest Stats SA data release, suggesting that Builders is gaining market share. Trade sales continue to be challenged by the slow recovery of the commercial construction industry, whilst general home improvement market growth is slowing compared to the exceptionally strong Covid-19 induced growth of the last 24-month period. Compared to the same period in 2019, total sales in Builders grew by 5.9%.

Game was impacted by softer general merchandise sales, as the pressure on disposable income resulted in consumers shifting their spending in favour of non-discretionary items. Total sales decreased by 3.7%, with comparable stores sales coming in 0.9% lower on the same period last year. Total sales in Game's stores in South Africa declined by 1.8%, with comparable stores sales increasing by 2.0%. Encouragingly, we are seeing consistently positive sales performance trends, both as a result of increased customer traffic, larger basket sizes and the positive impact of our store relay and light remodel programme. Sales from our ex- South Africa Game stores decreased by 12.0% on a total and comparable stores basis, as operations in various markets were impacted by depressed in-stock levels resulting from regional supply chain challenges specific to those markets.

Encouragingly comparable stores sales growth relating to our core Game portfolio, being all stores excluding the 29 non-core stores subject to divestiture as previously announced, have increased by 1.7% over the prior year period while non-core comparable stores sales have decreased by 18.9%.

Discontinued operations

Total sales in Cambridge of R2.2 billion was 18.6% lower than the same period in last year. Sales were directly impacted by the civil unrest that took place in July 2021, as stores impacted and re-opened have not re-introduced all product categories. This has been exacerbated by customers in this segment of the market being mostly impacted by the pressures of increased unemployment and lower disposable income.

The information above has not been audited or reviewed or otherwise reported on by the Company's external auditors.

19 May 2022
Johannesburg

Sponsor
J.P. Morgan Equities South Africa (Pty) Ltd