

Woolworths Holdings Limited  
(Incorporated in the Republic of South Africa)  
Registration number 1929/001986/06  
LEI: 37890095421E07184E97  
Share code: WHL  
Share ISIN: ZAE000063863  
Bond Company code: WHLI  
(‘the Group’, ‘the Company’ or ‘WHL’)

## **TRADING UPDATE AND FURTHER TRADING STATEMENT IN RESPECT OF THE 26 WEEKS ENDED 25 DECEMBER 2022 AND SALE OF SHAREHOLDING OF DAVID JONES**

### **TRADING UPDATE IN RESPECT OF THE 26 WEEKS ENDED 25 DECEMBER 2022**

The Group’s turnover and concession sales for the 26 weeks ended 25 December 2022 (‘current period’ or ‘period’) increased by 18.5% compared to the 26 weeks ended 26 December 2021 (‘prior period’) and by 16.3% in constant currency terms.

As mentioned in our 20-week update, released on the JSE Limited’s Stock Exchange News Service (‘SENS’) on 16 November 2022, trade during this period is not directly comparable to that of the prior period due to the impact of government-imposed lockdowns in Australia. During the last six weeks of the period, which is directly comparable to the prior period, Group turnover and concession sales increased by 8.8%, underpinned by strong Black Friday and festive season trade.

The return of customers to physical stores, particularly in Australia, resulted in a substantial increase in brick-and-mortar sales, with the contribution of online sales moderating to 10.9% of total turnover and concession sales, compared to 13.7% for the prior period.

### **Southern Africa**

The Fashion Beauty Home (‘FBH’) turnaround strategy continues to gain traction. Turnover and concession sales grew by 11.2%, and by 11.0% on a comparable store basis, and strengthened to 12.0% in the last six weeks of the period. Price movement of 10.8% remained positively impacted by the ongoing focus on full-price sales and the continued reduction in markdowns. Trading space was further reduced by 2.2% over the prior period. Online sales grew by 4.5% and contributed 4.2% of South African sales.

The Food business grew turnover and concession sales by 7.6% and by 5.4% on a comparable store basis, with sales growth accelerating to 8.6% in the last six weeks of the period. This is notwithstanding the considerable disruption caused by loadshedding, which continues to have a pronounced impact on our predominantly fresh business in terms of foregone sales, and increased waste. Additionally, we continue to incur a significant increase in diesel costs to enable trade during the extended power outages. Price movement increased to 6.8% for the period, being below underlying product inflation of 8.4%, as we further enhance our overall customer value proposition. Space grew by 2.5% relative to the prior period. Online sales increased by 22.7%, contributing 3.6% of South African sales, as we continue to expand our on-demand offering, Woolies Dash.

The Woolworths Financial Services book reflects a year-on-year increase of 17.2% to the end of December 2022, driven by improved consumer spend, as well as new business and credit card advances. The annualised

impairment rate for the six months ended 31 December 2022 was 5.5%, compared to 4.0% in the prior period, as the rate normalises and due to the growth in new accounts.

### **Australia and New Zealand ('ANZ')**

Our businesses in ANZ continued their positive momentum, notwithstanding the increased inflationary pressures faced by consumers during the period.

Country Road Group sales grew by 25.5% and by 26.6% in comparable stores, underpinned by strong performances from the Country Road, Politix and Witchery brands in particular. The last six weeks of trade, which are comparable to that of the prior period, saw Country Road Group delivering strong sales growth of 8.5%. Space reduced by 5.5% during the period. Online sales contributed 26.1% to total sales, compared to 33.8% for the prior period.

David Jones' turnover and concession sales increased by 31.8% and by 27.6% on a comparable store basis, with our flagship and CBD stores performing ahead of expectations. Sales in the last six weeks grew by 2.3%. Trading space reduced by 3.6% relative to the prior period. Online sales contributed 17.2% of total sales, compared to 28.1% for the prior period.

### **UPDATED TRADING STATEMENT IN RESPECT OF THE 26 WEEKS ENDED 25 DECEMBER 2022**

Given the prolonged lockdowns in Australia in the prior period, our results for the first half of the 2023 financial year are not directly comparable to that of the prior period. Further to the announcement released on SENS on 16 November 2022, we expect earnings per share ('EPS'), headline EPS ('HEPS') and adjusted diluted HEPS ('adHEPS') for the current period to be within the ranges reflected in the table below.

	December 2021 reported (cents)	December 2022 expected increase (%)	December 2022 expected range (cents)
EPS	167.9	70.0% to 80.0%	285.4 to 302.2
HEPS	168.2	70.0% to 80.0%	285.9 to 302.8
AdHEPS	162.2	70.0% to 80.0%	275.7 to 292.0

### **SALE OF SHAREHOLDING OF DAVID JONES**

As announced on SENS on 19 December 2022, the Group has entered into an agreement to sell its entire shareholding in its Australian subsidiary, David Jones. The agreement is subject to terms and conditions customary for transactions of this nature, and WHL anticipates the transaction to complete by the end of March 2023, with the final proceeds to be determined based on completion accounts. Management expects to realise value in excess of the carrying value of the David Jones assets.

Accordingly, David Jones will be reported as a discontinued operation in the Group's Interim Results, which are scheduled to be released on SENS on or about 1 March 2023. The earnings guidance outlined above includes earnings from both continuing and discontinued operations.

### **CONSTANT CURRENCY INFORMATION**

The constant currency information contained in this announcement has been presented to illustrate the impact of changes in the Group's major foreign currency, the Australian dollar. In determining the constant currency

turnover and concession sales growth rate, Turnover and concession sales denominated in Australian dollars for the current period have been adjusted by the application of the aggregated monthly average Australian dollar exchange rate for the prior period. The aggregated monthly average Australian dollar exchange rate is R11.60 for the current period and R11.09 for the prior period. The foreign currency fluctuations of the Group's rest of Africa operations are not considered material and have therefore not been applied in determining the constant currency turnover and concession sales growth rate.

The constant currency information, 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, including estimated financial information and constant currency information, has not been reviewed or reported on by the Group's external auditors.

Contact:

Reezalsaacs@woolworths.co.za (Group Finance Director)

JeanineWomersley@woolworths.co.za (Investor Relations)

InvestorRelations@woolworths.co.za

Cape Town

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Equity Sponsor and Debt Sponsor

Rand Merchant Bank (A division of FirstRand Bank Limited)