

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 Trading Statement In Respect Of The 52 Weeks Ended 25 June 2023**

### **TRADING UPDATE IN RESPECT OF THE 52 WEEKS ENDED 25 JUNE 2023**

The WHL Group disposed of its David Jones operations, effective 27 March 2023, being the end of the third quarter of the Group’s 2023 financial year. Accordingly, David Jones will be reported as a discontinued operation in the Group’s full-year results. Given this, coupled with the impact of government-imposed lockdowns in Australia in the first half of the prior year, the Group’s results for the 52 weeks ended 25 June 2023 (‘current year’ or ‘year’) are therefore not directly comparable to the 52 weeks ended 26 June 2022 (‘prior year’ or ‘last year’).

Turnover and concession sales from continuing operations (i.e. excluding David Jones) increased by 10.8% for the year and by 9.3% in comparable stores. Sales grew by 9.2% in the second half of the year (‘H2’ or ‘half’), notwithstanding the impacts of rising inflation and interest rates in both geographies, and severe loadshedding in South Africa. Online sales grew by 9.3%, contributing 8.3% to the Group’s turnover and concession sales from continuing operations, compared to 8.4% for the prior year. On a Total basis (which includes only a 9-month contribution from David Jones in the current year, versus a full 12-month contribution in the prior year), Group turnover and concession sales increased by 6.9% on last year, and by 4.4% in constant currency terms.

### **South Africa**

South Africa’s debilitating energy crisis continues to have a pronounced impact on our economy, as well as on business and consumer confidence. This affected our predominantly Fresh food business, resulting in increased waste and a higher overall cost of doing business, due to the significant increase in diesel costs across both our store network and supply chain. Our focus throughout the year has been protecting the integrity and quality of our product, whilst simultaneously implementing ways to minimise the operational and financial impacts of extended power outages.

The Food business grew turnover and concession sales by 8.5% and by 6.3% on a comparable store basis for the full year. Growth accelerated to 9.4% in H2 (7.2% in comparable stores), driven by both increased footfall and improved availability, notwithstanding the considerable disruption caused by higher levels of loadshedding. Price movement of 8.3% for the year was below underlying product inflation of 9.9%, as we continued to enhance our overall customer value proposition. Trading space increased by 3.6% on last year. Online sales increased by 28.5% and contributed 3.8% of South African sales, supported by the further roll-out of our Woolies Dash on-demand offering.

We continue to make significant progress in improving the underlying health of our Fashion, Beauty and Home business. Turnover and concession sales grew by 8.9% and by 8.3% on a comparable store basis for the year. Whilst H2 sales growth of 6.7% slowed relative to the first half (5.6% in comparable stores), it was ahead of the

market, notwithstanding our ongoing strategic initiatives to rationalise SKUs, promotional activity, and unproductive space. Price movement of 11.6% remained positively impacted by the ongoing focus on full-price sales and the continued reduction in markdowns. Net trading space was largely unchanged over the prior year. Online sales grew by 3.8% and contributed 4.3% of South African sales.

The WFS book reflects a year-on-year increase of 14.5% to the end of June 2023, driven by growth in new accounts and credit card advances. The impairment rate for the 12 months ended 30 June 2023 was 7.3%, compared to 4.7% in the prior year, reflective of rising consumer strain in the current macro-economic climate which has resulted in elevated default rates, particularly in the last quarter of the year.

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

Following a very strong first half result, trading momentum saw a pronounced deceleration in the second half, as the impact of sustained increases in interest rates and higher costs of living weighed on consumer confidence and discretionary retail spend.

Country Road Group sales grew by 12.0% and by 12.4% in comparable stores, underpinned by strong growth from the Country Road, Politix and Witchery brands. Whilst sales growth in H2 slowed to 0.6%, it remained ahead of the market. Net space reduced by 3.9% during the year, as we continued to optimise our footprint. Online sales contributed 27.1% to total sales, compared to 31.6% for the prior year.

David Jones turnover and concession sales for the nine months in the current year decreased by 11.3% relative to the statutory twelve-months reported in the prior year. Turnover and concession sales on a comparable nine-month basis ("comparable period") increased by 23.6%, and by 21.0% in comparable stores.

### **TRADING STATEMENT IN RESPECT OF THE 52 WEEKS ENDED 25 JUNE 2023**

As previously communicated on the JSE Stock Exchange News Service ('SENS'), the legal completion of the sale of David Jones was concluded on 27 March 2023. The final disposal proceeds, and in turn the statutory earnings per share for the Total Group, are dependent on the conclusion of the completion accounts, which are in the process of being finalised. The David Jones segment will be reported as a discontinued operation in the Group's results for the year.

Earnings per share ('EPS'), Headline EPS ('HEPS') and Adjusted diluted HEPS ('adHEPS') for Continuing operations for the current year are expected to be within the ranges reflected in the table below.

	Continuing operations		
	26 June 2022	25 June 2023	25 June 2023
	reported	expected range	expected range
	(cents)	(%)	(cents)
EPS	365.2	10.0% to 20.0%	401.7 to 438.2
HEPS	368.7	10.0% to 20.0%	405.6 to 442.4
adHEPS	360.2	10.0% to 20.0%	396.2 to 432.2

We expect EPS, HEPS and adHEPS for the Total Group, including the contribution from David Jones, to be more than 20% higher than the reported EPS, HEPS and adHEPS for the prior year. We will issue a further trading statement in order to provide specific guidance on the Total Group once the Group is reasonably certain

regarding the EPS, HEPS and adHEPS ranges for the 52 weeks ended 25 June 2023. The Group's results for the year are expected to be released on or about the 30th of August 2023.

#### **CONSTANT CURRENCY AND PRO FORMA 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 year have been adjusted by the application of the aggregated monthly average Australian dollar exchange rate for the prior year. The aggregated monthly average Australian dollar exchange rate is R11.93 for Country Road Group for the current year and R11.76 for David Jones up to the period of disposal and R11.06 for both businesses for the prior year. 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 and pro forma 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 constant currency and pro forma information, is presented in accordance with the JSE Listings Requirements and is presented for illustrative purposes only.

The Group expects to release its results for the 52 weeks ended 25 June 2023, on the SENS on or about 30 August 2023.

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JSE Equity and Debt Sponsor

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