

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')

AUDITED GROUP RESULTS FOR THE 52 WEEKS ENDED 25 JUNE 2023 AND CASH DIVIDEND DECLARATION

FINANCIAL OVERVIEW

	Total Group	Continuing operations
Turnover	+7.0% to R85.7bn	+10.6% to R72.3bn
Turnover and concession sales	+6.9% to R93.0bn	+10.8% to R73.2bn
Profit before tax	+29.5% to R6.7bn	+9.8% to R5.4bn
Adjusted profit before tax	+29.6% to R6.6bn	+13.2% to R5.5bn
Earnings per share	+42.2% to 551.0cps	+15.3% to 421.1cps
Headline earnings per share	+29.0% to 514.7cps	+14.8% to 423.4cps
Adjusted diluted headline earnings per share	+35.6% to 508.3cps	+18.7% to 427.7cps
Net borrowings (excluding lease liabilities) of	R2.5bn (2022: R229m net cash)	
Total dividend per share	+36.4% to 313.0cps (2022: 229.5cps)	
Return on capital employed	23.5% (2022: 16.8%)	

COMMENTARY ON PERFORMANCE

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 has been 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').

The Group delivered a strong set of results, notwithstanding a challenging macroeconomic backdrop across both geographies, and the continued severe impacts of loadshedding in South Africa.

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'). 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 period. 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.

Earnings per share ('EPS') for the Total Group, which includes the profit on sale of David Jones, grew by 42.2% to 551.0cps, compared to 387.4cps for the prior year. Headline EPS ('HEPS') and adjusted diluted HEPS increased by 29.0% and 35.6% over the prior year to 514.7cps and 508.3cps, respectively.

EPS from continuing operations grew by 15.3% to 421.1cps, compared to 365.2cps for the prior year, while HEPS and adjusted diluted HEPS increased by 14.8% and 18.7% over the prior year to 423.4cps and 427.7cps, respectively.

The Group ended the year with net borrowings of R2.5 billion, with Australia in a net cash position, and WSA well within its targeted gearing ratio. Continued focus on cash generation resulted in a cash conversion ratio of 93% and Free Cash Flow of 410.7cps. In line with the Group's enhanced focus on capital allocation, we have repurchased shares to a value of a further R2.9 billion during the current year, bringing the total buyback over the past two years to 6.6% of issued shares. The share repurchases positively impact EPS, HEPS, adHEPS, DPS, and other capital return metrics in both the current and future periods.

DISPOSAL OF DAVID JONES

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 gross total proceeds on disposal was R1 129 million, on which we have recognised a profit on disposal of R411 million, net of costs to sell and the carrying value of the disposed entity.

As previously communicated, WHL has retained the flagship property asset in Bourke Street, Melbourne, which has been leased back to David Jones on market-related terms.

The David Jones segment has been reported as a discontinued operation in the Group's results for the year and the comparative Group Statement of Comprehensive Income has been restated to disclose the discontinued operation separately from continuing operations, in accordance with IFRS 5.

#### SOUTHERN AFRICA

##### IMPACT OF LOADSHEDDING

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 of our product, whilst simultaneously implementing ways to minimise the operational and financial impacts of extended power outages.

##### WOOLWORTHS FASHION, BEAUTY AND HOME ('FBH')

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 notably 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.

Continued focus and further improvement in full-price sales and markdown metrics supported gross profit margin gains of 90bps to 48.5%, notwithstanding inflationary supply chain and loadshedding costs. Expense growth was 6.8%, with store cost growth contained to 4.2%, as we continued to reduce unproductive space.

Adjusted operating profit increased by 21.3% to R1 953 million, resulting in an operating margin of 13.2% for the current year, compared to 11.9% in the prior year. Excluding the impact of loadshedding, adjusted operating profit grew by 24.8%, implying an operating margin of 13.6%.

##### WOOLWORTHS FOOD

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 further 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.

Gross profit margin increased by 40bps to 24.4%, notwithstanding the impact of loadshedding on waste and supply chain costs, the growth in online sales, and the ongoing investment in price. Additional loadshedding related diesel costs, coupled with higher cost inflation, resulted in expense growth of 12.4%. Adjusted operating profit grew by 2.9% to R2 976 million, returning an operating profit margin of 6.9% for the current year, compared to 7.3% in the prior year. Excluding the impact of loadshedding, adjusted operating profit grew by 9.1%, returning an operating margin of 7.3%, above our medium-term margin guidance.

##### WOOLWORTHS FINANCIAL SERVICES ('WFS')

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 increased pressure on consumers in the current macroeconomic climate which has resulted in elevated default rates, particularly in the last quarter of the year.

#### AUSTRALIA AND NEW ZEALAND

Following a very positive first half, 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 spend.

##### COUNTRY ROAD GROUP ('CRG')

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, as customers returned to physical stores.

Strong full-price sales, reduced promotional activity and supply chain efficiencies drove an increase in gross profit

margin of 310bps to 62.6%. Expenses increased by 15.9% on the lockdown-impacted prior year base. Adjusted operating profit increased by 25.6% to A\$151.0 million, returning an operating profit margin of 12.4%, compared to 11.1% in the prior year.

DAVID JONES ('DJ')

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.

Gross profit margin was broadly in line with the comparable period, at 35.3%, while expenses were well controlled, increasing by only 1.6% on the prior year. Adjusted operating profit for the nine months was A\$140.8 million, returning an operating profit margin of 7.7%, compared to 2.0% in the prior comparable period.

#### OUTLOOK

The trading environment is likely to remain challenging across both geographies for the foreseeable future, as elevated inflation and interest rates pose a headwind to the outlook for disposable income and discretionary spend. This is having a particular impact on Australian consumer confidence, resulting in a contraction in retail footfall. In the case of South Africa, whilst our Food business is inherently more resilient, severe energy shortages are likely to continue to weigh on the overall cost of doing business.

Notwithstanding the challenging macro backdrop, we remain confident in our ability to deliver against our strategies. We have a robust balance sheet and a simplified Group structure post the sale of David Jones, and are well positioned to leverage our strengthened foundation, to not only optimise and grow our businesses, but to permanently step change the value creation profile of WHL.

Any reference to future financial performance included in this announcement has not been reviewed or reported on by the Group's external auditors and does not constitute an earnings forecast.

H Brody	R Bagattini
Chairman	Group Chief Executive Officer
Cape Town	
29 August 2023	

#### DIVIDEND DECLARATION

The Board of Directors of WHL ('Board') has taken a decision to declare a final gross cash dividend per ordinary share ('dividend'), based on a payout ratio of 70% of Continuing operation earnings.

Notice is hereby given that the Board has declared a final dividend of 154.5 cents (123.6 cents net of dividend withholding tax) for the 52 weeks ended 25 June 2023, being a 3.7% increase on the prior year's 149.0 cents. This brings the total dividend for the year to 313.0 cents, representing a 36.4% increase on the prior year's total dividend of 229.5 cents. The dividend has been declared from reserves and therefore does not constitute a distribution of 'contributed tax capital' as defined in the Income Tax Act, 58 of 1962. A dividend withholding tax of 20% will be applicable to all shareholders who are not exempt.

The issued share capital at the declaration date is 988 695 949 ordinary shares. The salient dates for the dividend will be as follows:

Last day of trade to receive a dividend	Tuesday, 19 September 2023
Shares commence trading 'ex' dividend	Wednesday, 20 September 2023
Record date	Friday, 22 September 2023
Payment date	Tuesday, 26 September 2023

Share certificates may not be dematerialised or rematerialised between Wednesday, 20 September 2023 and Friday, 22 September 2023, both days inclusive.

Ordinary shareholders who hold dematerialised shares will have their accounts at their CSDP or broker credited or updated on Tuesday, 26 September 2023. Where applicable, dividends in respect of certificated shares will be transferred electronically to shareholders' bank accounts on the payment date. Where the transfer secretaries do not have the banking details of any certificated shareholders, the cash dividend will be held in trust by the transfer secretaries pending receipt of the relevant certificated shareholder's banking details after which the cash dividend will be paid via electronic transfer into the personal bank account of the certificated shareholder.

CA Reddiar  
Group Company Secretary

Cape Town  
29 August 2023

ABOUT THIS ANNOUNCEMENT

Statement and availability

The audited Group Annual Financial Statements were approved by the Board on 29 August 2023, upon which KPMG have issued an unqualified report.

The Group Annual Financial Statements and auditors' report is available for review by accessing the following links:

<https://senspdf.jse.co.za/documents/2023/JSE/ISSE/WHLE/AFS2023.pdf>

<https://www.woolworthsholdings.co.za/wp-content/uploads/2023/08/whlfy23.pdf>

This short-form announcement, including the constant currency and pro forma financial information, is the responsibility of the directors. As it does not provide all the details of the Group Annual Financial Statements, any investment decisions by investors and/or shareholders and/or bondholders should be based on consideration of the full Group Annual Financial Statements.

An electronic copy of the full announcement may be requested and obtained, at no charge, from the Group Company Secretary at [Governance@woolworths.co.za](mailto:Governance@woolworths.co.za) or the Head of Investor Relations at [InvestorRelations@woolworths.co.za](mailto:InvestorRelations@woolworths.co.za).

The Analyst Presentation will be available on the website later today at the link

[https://www.woolworthsholdings.co.za/wp-content/uploads/2023/08/Analyst\\_Presentation.pdf](https://www.woolworthsholdings.co.za/wp-content/uploads/2023/08/Analyst_Presentation.pdf)

DIRECTORATE AND STATUTORY INFORMATION

Non-executive Directors

Hubert Brody (Chairman)

Nombulelo Moholi (Lead Independent Director)

Lwazi Bam

Christopher Colfer (Canadian)

Rob Collins (British)

Belinda Earl (British)

David Kneale (British)

Thembisa Skweyiya

Clive Thomson

Executive Directors

Roy Bagattini (Group Chief Executive Officer)

Sam Ngumeni (Group Chief Operating Officer)

Group Company Secretary

Chantel Reddiar

Debt officer

Ian Thompson

Registration number

1929/001986/06

LEI

37890095421E07184E97

Share code

WHL

Share ISIN

ZAE000063863

Bond Company code

WHLI

Registered address  
Woolworths House  
93 Longmarket Street  
Cape Town, 8001, South Africa  
PO Box 680, Cape Town 8000, South Africa

Tax number  
9300/149/71/4

JSE Equity and Debt Sponsor  
Investec Bank Limited

Transfer secretaries  
Computershare Investor Services Proprietary Limited

30 August 2023