

Lewis Group Limited  
Incorporated in the Republic of South Africa  
Registration number: 2004/009817/06  
Share code: LEW  
ISIN: ZAE000058236  
Bond code: LEWI  
("Lewis Group" or "the group")

## **TRADING UPDATE FOR THE NINE MONTHS ENDED DECEMBER 2023**

Lewis Group increased total revenue by 8.7% in the nine months to December 2023 in an environment of sustained pressure on consumer disposable income while load shedding and congestion at the local ports continued to negatively impact economic growth.

Group merchandise sales grew by 4.2%. The group's traditional retail brands of Lewis, Beares and Best Home & Electric grew sales by 6.6%, driven by the continued consumer demand for credit. Sales in the group's cash retail brand UFO declined by 14.5%.

Group credit sales increased by 17.5%, accounting for 65.8% of total sales. Group cash sales reflect the impact of higher fuel, energy, food and borrowing costs on discretionary spending and declined by 14.4%.

Comparable store sales in the traditional brands grew by 3.2% for the nine month period and by 1.5% for the group.

Group merchandise sales for the third quarter to December 2023 increased by 3.5%. Sales in the traditional retail business increased by 5.7% with UFO sales 14.8% lower.

Other revenue, consisting of effective interest income, ancillary services income and insurance revenue (measured in terms of IFRS 17), benefited from the strong credit sales growth over the past two years, increasing by 18.5% for the third quarter and 15.2% for the nine months.

Collection rates remained resilient in the weak consumer environment at similar levels to those reported for the interim results to September 2023. Collection rates settled at 80.7% for the nine months (Dec 2022: 82.0%) and 80.3% for the third quarter (Q3 2022: 82.7%). Debtor costs were 47.4% higher for the quarter and 59.8% higher for the nine month period due to the robust growth in the debtors' book.

The financial information in this trading update is the responsibility of the directors and has not been reviewed or reported on by the group's independent auditor. The group's annual results for the year to 31 March 2024 are expected to be released on SENS on or about 30 May 2024.

Cape Town  
26 January 2024

Sponsor  
The Standard Bank of South Africa Limited

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