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 ("Shoprite Holdings" or "the Group")

Operational update for the six months ended 31 December 2023

For the six-month period to 31 December 2023 ("the period"), the Shoprite Group increased total sale of merchandise by 13.9% to approximately R121.1 billion.

The table below outlines the sales growth by operating segment:

	H1 ended 31 Dec 2023 Rbn	% Sales growth over the corresponding period last year		
		H1 ended 31 Dec 2023 %	Q1 ended 1 Oct 2023 %	Q2 ended 31 Dec 2023 %
Approximate sales from continuing operations				
Total Group	121.1	13.9	13.2	14.6
By segment:				
Supermarkets RSA	97.5	14.6	13.3	15.8
Supermarkets Non-RSA	10.6	6.2	9.7	3.3
Furniture	4.0	1.7	0.5	2.5
Other operating segments	9.0	23.1	22.2	23.9

The following information provides context to the overall sales growth for the period:

Supermarkets RSA

- › The Group's core business, Supermarkets RSA, contributing 80.5% to Group sales, achieved sales growth of 14.6% (like-for-like 6.3%). This growth is reported against the six-month period ended 1 January 2023 ("first half 2023") when sales increased by 17.5% on the prior period.
- › Sustained high level of execution and continued customer momentum together with record Black Friday and festive season trade has extended the period of uninterrupted market share gains achieved by our core South African supermarket brands to 58 months.
- › Our ongoing commitment and investment into price leadership in support of our customers resulted in our Shoprite and Checkers Xtra Savings rewards programme customers saving R8.4 billion over the period.
- › Internal selling price inflation for the period measured 7.7%.
- › Checkers and Checkers Hyper reported sales growth of 13.7% with Checkers Sixty60 online sales increasing by 63.1%.
- › Shoprite and Usave reported sales growth of 13.1%.
- › LiquorShop sales increased by 25.2%.
- › As was the case during the second half of our 2023 financial year, the period's growth was positively impacted by the inclusion of the 94 stores acquired from Massmart Holdings Ltd ("Massmart") which were integrated into our operations as follows: Shoprite (51 stores), Usave (one store) and Shoprite LiquorShop (42 stores). Adjusting for this acquisition, the Supermarkets RSA segment sales increased by 11.2%.
- › Supermarkets RSA, inclusive of the stores acquired from Massmart, added a net 285 stores during the past 12 months to total 2 237 stores.

Supermarkets Non-RSA

- › In our reporting currency, the rand, Supermarkets Non-RSA's sales increased by 6.2% contributing 8.8% to Group sales.
- › In constant currency, Supermarkets Non-RSA increased sales by 20.0%.
- › The segment's store base increased by a net nine stores over the past 12 months to total 258 stores operating in nine countries.

Furniture

- › The Group's Furniture segment, made up of OK Furniture and House & Home, reported an increase in sales of 1.7% (like-for-like 0.7%). The segment contributes 3.3% to Group sales.
- › On a net basis, the segment's store base remained unchanged over the past 12 months to end the period with 432 stores.

Other operating segments

- › The Group's Other operating segments, comprising OK Franchise, Transpharm, Medirite Pharmacies, Red Star Wholesale Catering Services (previously Checkers Food Services) and Computicket, reported sales growth of 23.1%. The segment makes up 7.4% of Group sales.
- › The Group's sales to its OK Franchise operation increased by 25.0%. The OK Franchise store base increased by a net of 70 stores over the 12 months to end the period with 605 stores.

Additional information

We highlight the following for consideration in terms of the period's result:

- › During the corresponding period last year, the Group received non-recurring income of R244 million relating to a loss of profit insurance claim which was accounted for as part of other operating income;
- › Load-shedding related power outages resulted in a R500 million diesel expense to operate generators across our South African supermarket business for the six months ended 31 December 2023; and
- › A notable increase in finance charges as a result of the increases in the South African repurchase rate (repo rate).

Impact of the Group's pro forma constant currency disclosure

The Group discloses unaudited constant currency information to indicate the Supermarkets Non-RSA operating segment's performance in terms of sales growth, excluding the effect of foreign currency fluctuations. To present this information, the current period sales for entities reporting in currencies other than South Africa rand are converted from local currency actuals into South Africa rand at the prior period's actual average exchange rates on a country-by-country basis. In addition, in respect of Ghana, the constant currency information has been prepared excluding the impact of hyperinflation which is minimal in terms of its impact on the Supermarkets Non-RSA result.

The table below sets out the percentage change in sales, based on the actual results for the period, in reported currency and constant currency for the following major currencies. The total impact on Supermarkets Non-RSA is also reflected after consolidating all currencies in this segment.

% Change in sales on prior period 26 weeks	Reported currency	Constant currency
Angola kwanza	(8.3)	55.2
Ghana cedi	7.9	5.8
Mozambique metical	6.3	(2.2)
Zambia kwacha	6.2	27.3
Total Supermarkets Non-RSA	6.2	20.0

Statement on pro forma financial information

The pro forma financial information contained in this announcement, 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 has not been reviewed or reported on by the Group's external auditors.

Group interim results release, webcast presentation invitation and registration link

Shoprite Holdings is currently in its closed period and will release its 2024 interim results for the period ended 31 December 2023 on the JSE Stock Exchange News Service (SENS) by 08:00 on Tuesday, 5 March 2024.

The Group's interim results webcast presentation will commence at 09:30 on Tuesday, 5 March 2024.

Shoprite Holdings' CEO Pieter Engelbrecht invites all who would like to attend the webcast presentation to do so by registering via the Group's website www.shopriteholdings.co.za or alternatively via <https://www.corpcam.com/shoprite05032024>.

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Cape Town

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