

Operational update for the 52 weeks ended 30 June 2024

For the 52 weeks ended 30 June 2024 ("the period", "the year" or "the 12 months") the Shoprite Group increased total sale of merchandise by 12.0% to approximately R240.7 billion from continuing operations, including the Ghana hyperinflation impact. Excluding hyperinflation, sale of merchandise increased to R240.8 billion (12.0%). The Group added a net 292 stores during the period, including a net of 73 OK Franchise stores, to total 3 639 stores from continuing operations.

Sales growth per segment, excluding hyperinflation, is outlined below:

	52 weeks 2023 Rbn	2024 Sales growth over the corresponding period last year		
		52 weeks 2024 compared to 52 weeks 2023 %	H1 ended 31 Dec 2023 %	H2 ended 30 Jun 2024 %
Approximate sales from continuing operations				
Total Group	215.0	12.0	13.9	10.2
By segment:				
Supermarkets RSA	173.6	12.3	14.6	10.1
Supermarkets Non-RSA	19.6	6.1	6.2	6.0
Furniture	7.1	2.3	1.7	3.2
Other operating segments	14.6	21.1	23.1	19.0

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

Supermarkets RSA

- The Group's core business, Supermarkets RSA, achieved sales growth of 12.3%, contributing 81.0% to Group sales. This growth is reported against the prior year period in which sales increased by 17.8%.
- Unlike our first half period sales growth which included the stores acquired from Massmart Holdings Ltd ("Massmart") and reported against a base in which they were not included, our second half sales growth of 10.1% was achieved with the acquired stores (51 Shoprite, one Usave and 40 Shoprite LiquorShop stores) included in our prior year base.
- Like-for-like sales growth for the period measured 6.3% noting that the stores acquired from Massmart were included in like-for-like sales growth only for the second half period.
- Internal selling price inflation averaged 5.8% for the period (first half period 7.7%; second half period 4.2%), ending the year at 3.0% for June 2024.
- Checkers and Checkers Hyper reported sales growth of 12.3% with online sales from our Checkers Sixty60 on-demand platform increasing by 58.1%.
- Shoprite and Usave reported sales growth of 10.7%.
- LiquorShop sales increased by 20.0%.
- Supermarkets RSA opened a net 201 stores (2023: 301 stores including the stores acquired from Massmart) during the year to total 2 322 stores. Of these net new openings, 20 were Shoprite, 22 Usave, 25 Checkers and 71 LiquorShop stores. The remaining 63 were new format, adjacent category specialist stores (Petshop Science added 33 new stores to total 86 stores; Checkers Outdoor added 14 new stores to total 22 stores; UNIQ clothing by Checkers added 13 new stores to total 22 stores and Little Me opened three new stores to total 12 stores).

Supermarkets Non-RSA

- In our reporting currency, the rand, Supermarkets Non-RSA's sales increased by 6.1% excluding hyperinflation and contributed 8.6% to Group sales. Supermarkets Non-RSA's store base increased by a net 15 stores to total 266 stores operating in nine countries.

Furniture

- The Group's Furniture segment, contributing 3.0% to Group sales, reported a 2.3% increase in sales for the year (like-for-like sales increased by 2.0%).
- The segment's store base decreased by a net four stores to end the year with 430 stores.

Other operating segments

The Group's Other operating segments comprises OK Franchise, Transpharm, Medirite, Red Star Wholesale Catering Services and Computicket.

- The segment reported sales growth of 21.1% for the period, representing 7.4% of Group sales.
- Sales to the Group's OK Franchise business increased by 23.8%. After opening a net 73 stores (2023: 22 stores) the OK Franchise division ended the year with 608 stores.
- The Group opened seven Medirite Plus standalone drug stores during the period to end the year with 13 stores in this new format, not including the 126 Medirite in-store pharmacies located within our core South African supermarkets business.

Additional comment

We highlight the following for consideration in terms of the Group's results for the year:

- The cost of diesel to power generators during load-shedding across our Supermarkets RSA store base for the year amounted to R754 million (first half period R500 million, second half period R254 million). This decrease in diesel costs should be considered in light of a commensurate increase in electricity usage. As a result, we anticipate the percentage increase in the Group's water and electricity expense for the year should be mid to low single digits.

Pro forma financial information

The pro forma financial information contained in this announcement, is the responsibility of the Group's Board of Directors and has been prepared for illustrative purposes only. It may not fairly present the Group's financial position, changes in equity, results of operations or cash flows:

1. Like-for-like sales growth is a measure of the growth in the Group's year-on-year sales, removing the impact of new store openings and closures. In addition, in respect of Ghana, the like-for-like sales have been prepared excluding the impact of hyperinflation.
2. For the period ended 30 June 2024, the economy of Ghana was assessed to be hyperinflationary. As such, hyperinflation accounting was applied with effect from 3 July 2023. To facilitate the comparison of the growth in sale of merchandise for the current period, the table below outlines the pro forma financial information, excluding the impact of hyperinflation.

	Reported		Pro forma (excluding hyperinflation)	
	Change %	52 weeks 2024 Rbn	Change %	52 weeks 2024 Rbn
Sale of merchandise				
Consolidated continuing operations	12.0	240.7	12.0	240.8

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

Group year-end results release, presentation invitation and registration link

Shoprite Holdings is currently in its closed period. The Group will release its year-end results for the period ended 30 June 2024 on the JSE Stock Exchange News Service (SENS) by 08:00am (SAST, GMT +2) on Tuesday, 3 September 2024.

The Group's 2024 year-end results presentation will follow, commencing at 09:30am (SAST, GMT +2) on Tuesday, 3 September 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/shoprite03092024>.

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