

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")

TRADING UPDATE AND TRADING STATEMENT IN RESPECT OF THE 26 WEEKS ENDED 29 DECEMBER 2024

TRADING UPDATE

GROUP

Group turnover and concession sales for the 26 weeks ended 29 December 2024 (the "period") increased by 5.7% and by 6.2% on a constant currency basis against the prior comparative 26-week period ended 24 December 2023 (the "prior period"). In South Africa, whilst discretionary spend remains constrained, consumer sentiment is improving, supported by moderating inflation, interest rates easing, and the prolonged suspension of loadshedding. In Australia, notwithstanding improved consumer sentiment and the uplift in retail sector sales buoyed by Black Friday, the sustained effect of high interest rates and elevated living costs continues to weigh on consumer behaviour and discretionary spend.

The Group trading performance for the half reflects continued strong sales growth from our leading Food business, with lower contributions from our apparel businesses in South Africa, Australia and New Zealand. Both our Fashion, Beauty and Home ("FBH") and Country Road Group ("CRG") businesses are in the throes of significant transformation, which negatively impacted performance during the period. Sales growth for the last eight weeks of the period softened to 4.3%, in part, due to the shift in the trading calendar for the period versus the prior period.

WOOLWORTHS

Woolworths South Africa delivered turnover and concession sales growth of 9.1% for the period. Within this, our Food business delivered market-leading turnover and concession sales growth of 11.4% and 7.3% on a comparable-store basis. This was driven by positive underlying volume growth from improved availability, ongoing innovation, and our enhanced value proposition, reinforcing the trust that customers continue to place in our Woolies brand. Excluding Absolute Pets, which was acquired in the fourth quarter of the previous financial year, Food sales increased by 9.0%. Price movement for the period averaged 6.0%. Sales growth of 10.0% in the last eight weeks of the period (7.6% excluding Absolute Pets), reflects the impact of the shift of the trading calendar. Trading space, excluding Absolute Pets, increased by 1.3% on the prior period. Online sales increased by 37.2%, contributing 6.4% of Food sales, driven by our on-demand offering, Woolies Dash, which delivered sales growth of 49.2% for the period.

FBH turnover and concession sales increased by 2.5% and by 2.7% on a comparable-store basis. Sales growth in the last eight weeks of the period was constrained to 0.9%, impacted in part by temporary delays in product flow arising from late supplier deliveries, as well as processes and systems changes in our distribution centre related to our value chain transformation. Our Beauty business has sustained its momentum, delivering growth of 17.3% over the period, and further establishing Woolies as *the* Beauty destination in South Africa. FBH achieved positive

volume growth, with price movement of 1.2%, and Fashion deflation of 0.8%. In line with our strategy to rationalise unproductive space, net trading space decreased by 2.1% relative to the prior period, whilst online sales increased by 25.2% and contributed 6.6% of FBH sales.

The Woolworths Financial Services book decreased by 3.7% on a year-on-year basis to the end of December 2024, but increased by 1.0% when excluding the sale of part of the legal book. The annualised impairment rate for the six months ended 31 December 2024 improved to 5.4%, compared to 6.3% in the prior period, and remains sector leading.

COUNTRY ROAD GROUP

Following the sale of David Jones (“DJ”) in the 2023 financial year, and the successful separation of CRG from DJ in the 2024 financial year, CRG is currently in the midst of a significant restructure to reconfigure its operating model and reset its structural economics as a standalone business. Whilst the restructuring is on track to be completed ahead of the 2025 financial year end, this accelerated timeframe has necessitated increased internal focus during the period. In addition, the apparel trading environment in Australia and New Zealand remains heavily promotional, driven by price-sensitive consumers. Within this context, sales declined by 6.2% for the period and by 7.8% on a comparable-store basis. Trade performance in the last eight weeks of the period, particularly over Black Friday, Cyber Monday and the festive season, improved over the previous eighteen weeks, with sales growth declining by a lesser 2.7% on the prior period. Trading space decreased by 2.4%, while online sales contributed 27.1% of total sales for the period, up from 26.8% in the prior period.

The impact of a weaker topline, inflated import costs driven by a weaker Australian dollar and the business’ higher cost base post the David Jones separation, resulted in negative operational leverage for this business.

TRADING STATEMENT

As part of the David Jones sale transaction in 2023, the Group retained the flagship property asset situated at 294 to 310 Bourke Street, Melbourne, Australia (the “property”). The property was held as an investment asset and leased back to David Jones on market-related terms. During the month of December 2024, the Group successfully disposed of the property for A\$223.5 million and recognised the profit on disposal. As a result of the sale of the property, earnings per share (“EPS”) for the period is expected to be between 18.0% and 23.0% (between 239.4 cents and 249.6 cents) higher than the prior period reported EPS of 202.9 cents.

Whilst our Food business continues to perform strongly, the weaker than expected performances of our apparel businesses in both geographies resulted in negative operational leverage for the Group. As a result, headline EPS (“HEPS”) and adjusted diluted HEPS (“adHEPS”) for the period are expected to be lower than the reported HEPS and adHEPS for the prior period, within the ranges reflected in the table below.

	26 weeks to 24 December 2023 reported (cents)	26 weeks to 29 December 2024 expected range (%)	26 weeks to 29 December 2024 expected range (cents)
HEPS	203.3	-22.0% to -27.0%	148.4 to 158.6
adHEPS	209.7	-16.0% to -21.0%	165.7 to 176.1

CONSTANT CURRENCY INFORMATION

Constant currency information has been presented to illustrate the impact of changes in the Group's major foreign currency, the Australian dollar. In determining the constant currency growth rate, turnover and concession sales denominated in Australian dollars for the period have been adjusted by application of the aggregated monthly average Australian dollar exchange rate for the prior period. The aggregated monthly average Australian dollar exchange rate is R11.87 for the period and R12.21 for the prior period. 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 growth rate.

The information contained in this announcement, including constant currency and pro forma information, is presented in accordance with the JSE Limited Listings Requirements, and has not been audited, reviewed or reported on by the Group's external auditor. The constant currency and pro forma information is the responsibility of the Group's directors and has been prepared for illustrative purposes only and, because of its nature, may not fairly present the Group's financial position, results of operations or cash flows.

The Group's interim results for the period are expected to be released on or about Wednesday, 5 March 2025.

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Cape Town

28 January 2025

JSE Equity and Debt Sponsor

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