Pepkor Holdings Limited
(Incorporated in the Republic of South Africa)
(Registration number: 2017/221869/06)
Share code: PPH
Debt code: PPHI
ISIN: ZAE000259479
LEI: 3789006D677C34F69875
("**Pepkor**", the "**company**" or the "**group**")

INTERIM RESULTS FOR THE SIX MONTHS ENDED 31 MARCH 2026

Pepkor delivers 12.1% growth in normalised HEPS[1] off a high base

Continuing operations[2]

Performance highlights

- **Revenue:** R54.8 billion +**13.2%**
- **Gross profit margin:** 40.8% **+170bps**
- **EBITDA[3]:** R9.1 billion **+11.6%**
- **Operating profit:** R6.3 billion **+9.4% (+10.0% normalised[1])**
- **HEPS:** 93.1 cents **+10.3%**
- **Cash generated from operations:** R4.1 billion **+15.1%**
- **Return on net assets:** 20.7%

Strategic execution highlights

Demonstrating execution capabilities – continuing to build Pepkor's scalable retail-powered consumer platform

Retail Platform
- Retail gross profit margin improvement
- Market share expansion[4]
- 6 657 retail stores: 89 new stores opened
- +30.9% online sales growth
- 17 million +more members
- Strong recovery in Avenida (Brazil)
- Successful implementation of targeted acquisitions:
    - Growing adultwear market share: +474 Legit, Swagga, Style stores
    - Scaling the Lifestyle Home business: +67 OK Furniture stores outside SA

Financial Services

- +32% FoneYam cellular rental activations
- Profits doubled in cellular rental and insurance
- Acquired CloudBadger Technologies financial services platform and team
- Approval obtained to establish a bank

Informal Market Platform

- +20.3% Flash throughput to R34.7 billion
- 176 000 traders

Results from continuing operations	**Six months ended 31 March 2026**	**Six months ended 31 March 2025[2]**	**% change**
Revenue (Rm)	54 846	48 455	13.2%
Operating profit before capital items (Rm)	6 331	5 789	9.4%
Earnings per share (cents)	93.3	83.2	12.1%
Headline earnings per share (cents)	93.1	84.4	10.3%
Net asset value per share (cents)	1 760.7	1 642.2	7.2%
Results from total operations – including discontinued operations			
Earnings per share (cents)	90.9	83.1	9.4%
Headline earnings per share (cents)	90.8	84.3	7.7%

[1] Normalised results are adjusted for acquisitions and investment in PlusB. HEPS: Headline earnings per share
[2] Continuing operations: As reported previously, the Shoe City business within the Speciality division was closed during the first half of the 2026 financial year and is therefore classified as a discontinued operation. Prior period comparatives have been restated for the effect of the discontinued operation. Refer to note 7 in the detailed announcement for more details.
[3] EBITDA: Earnings before interest, tax, depreciation and amortisation, excluding capital items
[4] Retailers' Liaison Committee (RLC) data – March 2026 adjusted for retail stores acquired

Group performance

Pepkor’s normalised HEPS increased by 12.1%, building on a strong 19.2% growth in the prior period, which was supported by elevated consumer spending, fuelled by the two-pot retirement system withdrawals. On a two-year compound annual growth rate (CAGR) basis, normalised HEPS increased by 15.6%.

HEPS increased by 10.3% on a statutory basis.

Within the group’s consumer retail platform, trading strengthened through the period, with sales growth accelerating from 10.6% in the first quarter to 12.0% in the second quarter. This performance supported market share gains (RLC) and customer reach was further expanded across physical and digital channels.

Strong growth momentum continued in financial services, multiplying customer lifetime value, while the group’s informal market business also delivered solid growth.

The group's management teams successfully implemented a number of targeted acquisitions during the period, enhancing scale in strategic product categories and segments, and further strengthening financial services capability.

Segmental performance

The group’s reporting segments have been realigned to better reflect strategic priorities.

	1. CLOTHING AND GENERAL MERCHANDISE	**2. FURNITURE, APPLIANCES AND ELECTRONICS**	**3. FINANCIAL SERVICES**	**4. INFORMAL MARKET PLATFORM**
	RETAIL PLATFORM			
Revenue	R39.2 billion +11.6%	R7.8 billion +14.4%	R3.0 billion +41.6%	R4.9 billion +10.4%
Operating profit	R4.7 billion +3.6%	R391 million +1.0%	R691 million +63.4%	R562 million +23.5%
Operating profit contribution	74%	6%	11%	9%

RETAIL PLATFORM SEGMENTS

Group sales increased by 11.2% (5.8% excluding acquisitions), reflecting stronger trading momentum in the second quarter. Like-for-like sales, which exclude acquisitions, increased by 3.6% for the period off a prior-period base of 7.9%. On a 2-year CAGR basis, like-for-like sales increased by 5.7%.

The store base was expanded to 6 657 stores. A total of 89 new stores were opened, 40 stores were converted and 541 stores were added through acquisitions during the period.

Group online sales increased by 30.9% and +more membership increased to 17 million.

Total sales growth	**H1FY26**	**H1FY25[2]**	**Contribution to total sales H1FY26**
Retail segments*	11.2%	10.2%	100%
Clothing and General Merchandise segment*	10.7%	10.4%	84%
- PEP	6.3%	13.3%	42%
- Ackermans	1.3%	9.9%	23%
- Speciality*	49.1%	10.4%	11%
- PEP Africa**	8.7%	26.1%	3%
- Avenida**	16.4%	12.1%	5%
Furniture, Appliances and Electronics segment - Lifestyle	13.9%	9.2%	16%

Like-for-like sales growth	**H1FY26**	**H1FY25**	**2-Year CAGR**
Retail segments*	3.6%	7.9%	5.7%
Clothing and General Merchandise segment*	3.6%	8.2%	5.9%
- PEP	4.3%	11.9%	8.0%
- Ackermans	-0.5%	9.6%	4.4%

- Speciality*	5.1%	5.0%	5.0%
- PEP Africa**	9.3%	21.3%	15.2%
- Avenida**	10.3%	-1.8%	4.1%
Furniture, Appliances and Electronics segment - Lifestyle	3.6%	6.3%	5.7%

* Retail segments, Clothing and General Merchandise (CGM) segment and Speciality exclude Shoe City which is classified as a discontinued operation.

**Constant currency sales performance is reported for PEP Africa and Avenida.

Southern Africa

In southern Africa (excluding PEP Africa and Avenida), like-for-like sales increased by 2.9% compared to a prior-period base of 9.6%. On a 2-year CAGR basis, like-for-like sales increased by 6.2%.

The group outperformed the market and expanded market share per RLC data (excluding acquisitions).

PEP delivered strong sales growth, expanding market share across Babies, Kids, Adult and Home categories.

Choice Clothing performed well as the group's entry into the off-price segment, showing improved trading densities across its 118 stores.

Performance in Ackermans was impacted by seasonal transition challenges, the shift away from lay-bys in the key months of October and March and product execution issues in Babies and Kids. In addition, credit interoperability effects impacted performance as customers spent proportionally more at other Pepkor retail brands. Despite these challenges, Ackermans gained market share in schoolwear and footwear (RLC).

Speciality sales growth was inflated by the implementation of the newly acquired Legit, Swagga and Style brands to expand adultwear. Market share was expanded in terms of RLC data (excluding acquisitions).

The A+ retail credit book increased to R11.0 billion, serving as a sales enabler across the CGM retail brands based in South Africa.

Pepkor Lifestyle outperformed the market across several product categories, including TVs and large appliances (GfK data). The acquisition of the non-RSA component of OK Furniture and House & Home was implemented during the period while implementation of the South African component of the transaction has been delayed, pending review by competition authorities due to intervention by a competitor.

The Lifestyle Finance retail credit book increased to R2.9 billion with the addition of the OK Furniture and House & Home book.

International

Outside southern Africa (PEP Africa and Avenida), like-for-like sales increased by 9.9% in constant currency and by 11.5% in rand terms.

Trading momentum slowed in PEP Africa during the second quarter. Performance in Avenida recovered strongly during the period, reflecting stronger merchandise management, improved product mix and better operational execution across the business, resulting in a substantial improvement in gross profit margin.

FINANCIAL SERVICE SEGMENT

FoneYam cellular rentals exceeded expectations by adding 1.3 million accounts.

Capfin increased its credit book to 378 000 loans, and Abacus insurance revenue more than doubled.

Following regulatory approval and the acquisition of the CloudBadger Technologies platform and team, Pepkor is establishing a bank and has completed its section 16 application.

INFORMAL MARKET SEGMENT

Flash delivered strong growth with throughput increasing 20.3% to R34.7 billion, empowering its network of 176 000 active traders.

Outlook

During the first eight weeks following March, like-for-like sales increased by 3.7% (prior-period base +10.8%). Trading conditions are expected to remain challenging in the foreseeable future and, while the outlook for the remainder of the financial year remains cautious, the group continues to focus on addressing customer needs and multiplying customer lifetime value through leveraging its retail platform across financial services and the informal market.

Key priorities include:

- continued expansion of the Pepkor retail platform, with plans to open 200 new stores in FY26, alongside growth across categories, segments and geographies;
- integration of acquired businesses and execution of value-creation initiatives and synergies to strengthen and scale the group’s position in strategic categories;

- expansion of financial services through insurance, cellular rental and the group's banking proposition; and
- continued growth momentum and expansion of the group's presence across the informal market value chain.

Pepkor's business model and capabilities uniquely position the group to execute on these priorities and to deliver performance that outpaces broader market conditions and generates sustained value for shareholders.

Results webcast

A webcast of the results presentation will be broadcast at 10:00 am (SAST) on Tuesday, 26 May 2026. The webcast registration link is https://www.corpcam.com/Pepkor26052026
and can be accessed on the Pepkor website: www.pepkor.co.za.

Short-form announcement

This short-form announcement (this announcement) is the responsibility of the directors. It should be noted that this announcement is only a summary of the information contained in the detailed announcement and therefore does not contain full or complete details. This announcement and the results contained in this short-form announcement have been prepared in compliance with the JSE Limited's Listings Requirements.

Any investment decisions by investors and/or shareholders should be based on the information in the detailed announcement. The detailed announcement can be accessed at https://senspdf.jse.co.za/documents/2026/jse/isse/pphe/HY26.pdf.

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26 May 2026

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