Mr Price Group Limited
(Registration number 1933/004418/06)
Incorporated in the Republic of South Africa
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("Company" or "group")

VOLUNTARY TRADING UPDATE FOR THE 13 WEEKS ENDED 27 JUNE 2026

- Group retail sales up 45.3%
- African sales growth outperforms RLC growth
- African gross margin expands 40bps
- NKD sales growth outperforms total market and value market growth in key German market
- Group exits quarter with clean stock levels

During the first quarter from 29 March 2026 to 27 June 2026 ("the Period") of the financial year ending 3 April 2027, the group's retail sales increased by 45.3% to R13.1bn and other income grew 12.5% to R352m. This performance includes the contribution from the recently acquired Pegasus Group Holding GmbH, which trades as the retail business of NKD Group GmbH ("NKD"), effective 31 March 2026. Sales for cash now constitute 91.1% of group sales.

Excluding NKD, retail sales in Africa increased 3.2% to R9.3bn, exceeding retail sales growth per the Retailers' Liaison Committee (RLC) of 0.8%. The competitor environment was promotional during the Period and intensified in June. The objective of growing sales ahead of the market but not at the expense of gross margin was achieved, with African gross margin expanding 40bps.

The retail operating environment in both African and European markets remained unpredictable. Prolonged geopolitical uncertainty arising from the US-Iran conflict weighed on consumer confidence, which remained negative and contributed to cautious consumer spending.

Inflation rose across both markets, reaching two-year highs in the two key countries of South Africa and Germany. Higher interest rates also impacted consumers' disposable income and willingness to spend on discretionary categories.

Current economic conditions continue to reinforce the resilience of the value retail sector. The group remains confident that its portfolio of 16 trading chains is well positioned to outperform in its respective markets.

Q1 Performance - Mr Price Group excluding NKD (Africa)

The group reported in its FY2026 annual results disclosure that post-year end trade was challenging in April with some improvement into May. Africa recorded retail sales growth of 2.7% in these two months combined, against growth in the base of 11.6%. Trade in June was against a weaker base of -5.1% (prior year school holiday shift from June to July), and Africa delivered retail sales growth of 4.3%, ahead of the RLC’s decline of 2.6%. Consumer confidence decreased from -7 index points to -19 index points, as the realities of the higher inflationary environment and rising cost of living took effect, impacting consumer spending.

Total retail sales grew 3.2% to R9.3bn and comparable store sales were flat. South African retail sales grew 3.5% to R8.6bn while non-South African corporate-owned store sales decreased 0.3%. Total store sales increased 3.1% while online sales increased 4.7%, contributing 2.4% of total retail sales.

Retail selling price (RSP) inflation of 1.5% was carefully managed to protect the customer value proposition in a rising inflation environment. Total unit sales increased 1.7% to 68.7m.

The store footprint increased by 32 stores (net) and the total footprint expanded to 3 214 stores. Trading space increased 3.8% on an annual weighted average basis.

Cash sales, which constitute 87.5% of total retail sales, increased 3.1%. Credit sales increased 3.8% and the new account approval rate decreased 50bps to 22.8% as the group continues to cautiously manage its credit granting in a constrained consumer environment.

Retail sales for the group’s corporate-owned stores excluding NKD were as follows:

	Retail sales growth	Cont. to retail sales
Q1 FY2027 vs FY2026		
Apparel segment	3.4%	78.8%
Homeware segment	0.7%	17.3%
Telecoms segment	11.2%	3.9%
Group	3.2%	100.0%

Retail sales in the Apparel segment grew 3.4% compared to the RLC’s flat performance. Comparable store sales increased 0.6% and unit sales increased 1.9%. All divisions in the segment grew against double-digit base effects in the months of April and May, and sales growth improved in June, albeit against a weak base.

The Homeware segment increased retail sales by 0.7% compared with the RLC’s growth of 5.8%. Comparable store sales decreased 3.3% and unit sales increased 0.2%. Mr Price Home and Sheet Street, which focus on value seeking customers, competed in a highly promotional competitor environment. Despite this, their focus on achieving profitable sales growth enabled the chains to maintain their GP margins. Yuppiechef, which targets a higher-income and typically more resilient customer base, delivered double-digit sales growth against a double-digit base, and improved their GP margin.

The Telecoms segment increased retail sales by 11.2% against a double-digit base and GfK market growth of 2.1% (May 2026, latest available data).

The business exited winter in a clean stock position and management is comfortable with its closing inventory.

Q1 Performance – NKD (Europe)

Retail sales (100% cash sales) in Europe totaled R3.8bn.

NKD outperformed both the total apparel market and the value segment in Germany, which accounts for approximately 60% of its sales (Textilwirtschaft market share data Q2 CY2026). In accordance with its space optimisation programme, 21 stores were closed during the Period, and 23 opened, increasing the total footprint to 2 156 stores.

The business exited the quarter in a clean stock position and management is comfortable with its closing inventory.

Management is confident of achieving its annual store growth targets. NKD management is focused on operational excellence and delivery of strategic objectives. The process of reducing NKD’s cost of debt is well advanced.

Outlook

The global macroeconomic environment remains uncertain as geopolitical tensions continue to fluctuate with low expectations of a near-term resolution. The resultant inflationary pressures and potential for further interest rate increases are expected to continue to weigh on consumer confidence and discretionary spending across the group's key markets. Trading conditions are therefore expected to remain challenging and unpredictable over the balance of the financial year.

Against this backdrop, the group's differentiated fashion-value merchandise offering, diversified portfolio of 16 trading chains and broad customer reach position it for sustained growth. Strong inventory management and disciplined cost control remain key priorities, supporting the group’s objective of delivering gross margin gains and operating leverage while responding quickly to changes in the trading environment.

The group is confident in its value-focused operating model and ability to navigate the current environment. Management remains focused on disciplined execution, delivering its medium-term targets and responding appropriately to market conditions as they change.

The above-mentioned figures and information contained herein do not constitute an earnings forecast or estimate and have not been reviewed and reported on by the Company’s external auditors.

Durban
23 July 2026

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