OUR BUSINESS

As a Group, Shoprite is Africa’s largest fast-moving consumer goods retailer. Its core business is in food retailing, complemented by furniture, pharmaceuticals, hospitality, ticketing, digital commerce, financial and cellular services.

Through its wide range of customer-facing brands, value-added services and operational support functions, the Group employs over 142,000 people and operates across numerous industries to deliver its comprehensive product and services offering.

Customer facing brands

- Corporate stores
  - SHOPRITE
  - U save
  - Checkers
  - Checkers Hyper
  - OK
  - House & Home
  - Liquor Shop
  - Digital commerce
    - Checkers Sixty60
    - Cellular
      - Knect
    - Pharmaceutical
      - Medirite
    - OK Franchise division
      - OK Foods, OK Minimark, OK Express, Senta, OK Liquor, Megasave (wholesale)
  - OK Liquor

Branded private labels

- Low price leadership (supermarket private labels): Ritebrand (Shoprite), Ubrand (Usave) and Checkers Housebrand (Checkers and Checkers Hyper)
- Best value (branded products): Pot-o-Gold (tinned products), Farmer’s Choice (poultry), Zip (cola), Lovies (nappies), Cape Point (frozen seafood), and Foreign Ground (coffee)
- Premium cross-category range: premium product range within one private label: Simple Truth, Forage and Feast
- General merchandise: Essentials (small appliances), Ottimo and Platinum (premium appliances), Bushbaby (outdoor products; tents and gazebo), Jolly Tots (baby accessories), Super Power (batteries) and Schultz (power tools)
- Fresh Foods: Bella Vita, Café Culture, Simply Great, Ready to Cook, Ready to Braai, Oh My Goodness
- Fruit and Vegetables: Freshmark, Padkos
- Meat Market: Championship Boerewors, Steakhouse Classic, Farmstead (pork), Kalahari Biltong, Old Smokehouse (smoked products), Cattlemen (bief), Dorsland Wors, Nosskardt Boerewors
- MediRite (health products)

What differentiates us:

- Wide spread of customers
- High volume of transactions
- Owned-brand and balanced portfolio predominantly in food retail across different formats and consumer markets
- Centralised supply chain infrastructure
- New and growing digital infrastructure
- Lean cost structure

Distribution of total operations as at 4 July 2021

Total corporate stores

2,400

Number of corporate stores over a 10-year period


1,499 1,651 1,822 2,044 2,192 2,301 2,425 2,319 2,330 2,400
The Group’s vision is distilled into a future-fit strategy.

Although we continuously evolve and adapt, we remain resolute in our commitment to customers to be Africa’s most accessible, affordable and innovative retailer. We have revised our strategic drivers to be more aligned with how the world around us has changed. The race for reach through digital technologies has become more critical and moved the dial on how we “enable precision retailing”. We are beginning to realise a return on investment as strategic initiatives underpinning this commitment become meaningful in terms of their impact on the business.
The Group’s long-term performance is illustrated below through comparative sales figures as well as the share price performance over a 10-year period:

### Financial highlights

<table>
<thead>
<tr>
<th></th>
<th>53 weeks 2021</th>
<th>Restated* 52 weeks 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sale of merchandise</td>
<td>168 030</td>
<td>155 409</td>
</tr>
<tr>
<td>Trading profit</td>
<td>10 332</td>
<td>8 272</td>
</tr>
<tr>
<td>Earnings before interest, income tax, depreciation and amortisation (EBITDA)</td>
<td>15 092</td>
<td>12 850</td>
</tr>
<tr>
<td>Profit before income tax</td>
<td>6 957</td>
<td>5 651</td>
</tr>
<tr>
<td>Basic headline earnings from continuing operations</td>
<td>5 276</td>
<td>4 395</td>
</tr>
</tbody>
</table>

### Performance measures

- Diluted headline earnings per share from continuing operations (cents) 952.5 | 793.4
- Dividend per share declared (cents) 544.0 | 383.0
- Trading margin (%) 5.3 | 6.1

### Analysis per reportable segment

#### Sale of merchandise

<table>
<thead>
<tr>
<th>Segment</th>
<th>2021</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Supermarkets RSA</td>
<td>133 852</td>
<td>122 412</td>
</tr>
<tr>
<td>Supermarkets Non-RSA</td>
<td>15 453</td>
<td>16 707</td>
</tr>
<tr>
<td>Furniture</td>
<td>6 818</td>
<td>5 470</td>
</tr>
<tr>
<td>Other operating segments</td>
<td>11 907</td>
<td>10 820</td>
</tr>
<tr>
<td>Total continuing operating segments</td>
<td>168 030</td>
<td>155 409</td>
</tr>
</tbody>
</table>

#### Discontinued operations

<table>
<thead>
<tr>
<th>(cents)</th>
<th>2021</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>3 591</td>
<td>4 180</td>
<td></td>
</tr>
</tbody>
</table>

#### Total operating segments including discontinued operations

<table>
<thead>
<tr>
<th>(cents)</th>
<th>2021</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>171 621</td>
<td>159 589</td>
<td></td>
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</tbody>
</table>

* Restated for newly classified discontinued operations in accordance with IFRS 5: Non-current Assets Held for Sale and Discontinued Operations. Refer to note 2 of the condensed consolidated financial statements for details of the adjustments recognised for each individual line item (see https://www.shopriteholdings.co.za/content/dam/SENS/YE2021-Sep2021.pdf for more).

** Trading profit excludes the impact of hyperinflation adjustments.