



REVIEWED RESULTS

FOR THE 52 WEEKS ENDED 2 JULY 2023



(Reg. No. 1936/007721/06)
 (ISIN: ZAE000012084)
 (JSE Share code: SHP)
 (A2X Share code: SHP)
 (NSX Share code: SRH)
 (LuSE Share code: SHOPRITE)
 ("Shoprite Holdings" or "the Group")

Reviewed results for the 52 weeks ended 2 July 2023

Double-digit growth sees sales reaching R215 billion

- > Group sale of merchandise increased by 16.9% to R215.0 billion
- > Supermarkets RSA sale of merchandise increased by 17.8% to R173.6 billion
- > Diluted headline earnings per share (DHEPS) increased by 9.7% to 1 159.4 cents (restated* 2022: 1 056.9 cents)
- > Adjusted headline earnings per share** (adjusted HEPS) increased by 3.8% to 1 161.2 cents (restated* 2022: 1 118.6 cents)
- > Full year dividend per share (DPS) increased by 10.5% to 663 cents (2022: 600 cents). This is a result of the interim DPS increasing by 6.4% to 248 cents (2022: 233 cents) and final DPS increasing by 13.1% to 415 cents (2022: 367 cents)
- > The Group opened a net number of 340 stores during the past 12 months
- > 94 stores were acquired from Massmart Holdings Ltd ("Massmart") of which 92 stores were integrated into our Shoprite, Usave and Shoprite LiquorShop businesses during our second half period (awaiting approval of two liquor licenses)
- > The Group created 8 131 new jobs including 4 480 jobs retained from the Massmart acquisition

* Restated for the classification of the Group's DRC operations as discontinued operations in accordance with IFRS 5: Non-current Assets Held for Sale and Discontinued Operations.

** The adjusted HEPS constitutes pro forma financial information in terms of the JSE Limited Listings Requirements and for a full appreciation of the pro forma financial information please refer to pages 09 to 10.

Pieter Engelbrecht, Chief Executive Officer:

In many aspects our 2023 year was extraordinary. The Group gained record levels of market share, saved customers over R13.5 billion in Xtra Savings and still managed to increase profits and dividends, despite the prohibitive cost to the business as a result of unprecedented levels of load-shedding.

Sales growth of 17.8% in our core Supermarkets RSA business is evidence that we continue to derive the benefits of our multi-year transformation strategy underpinned by our Smarter Shoprite and core supermarkets segmentation strategy.

Checkers and Checkers Hyper's 18.0% sales growth can be attributed to superb delivery on the value and range our customers have come to know, trust and expect from the brand. Checkers Sixty60 increased sales by 81.5%, underscoring the continued growth of our Checkers omnichannel customer and validating our strategy in terms of our investment in digital and data-led decision making.

Shoprite and Usave's commitment to the lowest prices and affordability resulted in sales growth of 15.6%. This customer, core to our business and what we stand for, is battling higher food, transport and interest costs, spurring us to continually improve product affordability. Our second half sales growth was assisted by the successful integration of the 92 Massmart stores into our Shoprite, Usave and Shoprite LiquorShop operations. We are pleased with the performance of these stores, especially in light of the considerable customer equity that was lost due to the prolonged nature of the transaction period.

We remain humbled by the extent to which our customers continued to vote with their wallets in support of our efforts across our core supermarket and LiquorShop businesses in South Africa, spending in no small measure an additional R26.0 billion more than last year with us. During a time when every cent really does count, this equated to a 1.4% increase in market share, extending our period of uninterrupted South African market share gains to 52 months.

In the context of the country's power challenges we are pleased to still report growth in headline earnings and dividends per share. It is disappointing, however, that if not for the R1.3 billion diesel expense incurred to power generators across our South African store base, our market leading sales growth would have delivered considerably higher returns for our shareholders. Similarly, our profit growth would also have resulted in a higher Shoprite Employee Trust distribution for our employees.

In a record year for store growth, we added 340 net new stores to our base this year to total 3 326 as a Group. Our Group created 3 651 new jobs not including the 4 480 people employed by the Group since January 2023 as part of the acquisition of select businesses from Massmart. Notwithstanding the impact of the diesel on profits this year, our Shoprite Employee Trust, now in its second year, expensed R235 million (2022: R128 million) in relation to employee distributions in South Africa and equivalent awards to qualifying employees in countries outside South Africa during 2023. Despite the challenges these are amongst many commendable Group achievements this year of which I am incredibly proud. My sincere thanks are extended to our valued customers and almost 154 000 employees that make up Team Shoprite. It is a result of your leadership and collective commitment that this performance, which in turn benefits so many, was made possible.



Results commentary for the 52 weeks ended 2 July 2023

Introduction

The results referred to in this commentary pertain to the Group's continuing operations after the restatement for the classification of the Group's DRC operations as discontinued operations in accordance with IFRS 5: Non-current Assets Held for Sale and Discontinued Operations, as well as the reclassification of the Group's share of profit of equity accounted investments, unless stated otherwise.

The Group has delivered strong financial results, increasing sales by 16.9% to R215.0 billion. This was a well-rounded result, underpinned by our core Supermarkets RSA segment, to which all supermarket brands contributed significantly. Included in the second half results, effective 9 January 2023, is the contribution from the 92 stores acquired from Massmart, noting that an additional two stores are yet to commence trading while awaiting confirmation of liquor license transfer.

The Group's 24.1% reported gross margin is lower year-on-year (restated 2022: 24.5%) due to our investment in selling prices which support our customer value proposition.

Trading profit increased by 5.7% resulting in a trading margin of 5.5% (restated 2022: 6.1%). This was notably impacted by the R1.3 billion (2022: R226 million) diesel expense required to operate generators across our Supermarkets RSA store base during the year due to higher stages of load-shedding.

The Group's earnings before interest, income tax, depreciation and amortisation (EBITDA) increased by 13.0% and measured R18.8 billion.

The Group's financial position remains strong with a borrowings to equity ratio of 24.2%, below our target range of 25.0%-30.0%. Capital allocation remains a focus area with our return on invested capital (excluding IFRS 16 Leases) measuring 14.9% (restated 2022: 16.9%).

During the year the Group opened 382 stores expanding its continuing operations footprint to 3 326 stores. Total operations capital expenditure to continuing operations' sales for the period measured 3.1%.

The Group's cash generative capability is reflected in its cash generated from operations in the amount of R18.2 billion for the period.

The Board has declared a final dividend of 415 cents per share, representing full year dividend per share growth of 10.5%.

The Group did not repurchase any shares under the authorised share buy-back programme in the current year in favour of preserving liquidity in the event of higher stages of load-shedding. Since the inception of the Group's share buy-back programme in our 2021 financial year we have repurchased 8.4 million shares to the value of R1.5 billion. This equates to an average purchase price of R179.32 per share.

Earnings per share (EPS)

The following table provides a summary of the Group's earnings per share metrics.

	Change %	2023 cents	Restated* 2022 cents
Earnings per share from continuing operations:			
Basic EPS	10.0	1 161.4	1 055.5
HEPS	9.6	1 166.2	1 063.9
DHEPS	9.7	1 159.4	1 056.9
Earnings per share including discontinued operations:			
Basic EPS	3.4	1 084.3	1 048.3
HEPS	3.7	1 095.3	1 056.3
DHEPS	3.8	1 088.9	1 049.4

* Restated for the classification of the Group's DRC operations as discontinued operations in accordance with IFRS 5: Non-current Assets Held for Sale and Discontinued Operations.

For ease of comparison, an adjusted DHEPS is included on the following page which excludes the Shoprite Employee Trust distributions to eligible employees in South Africa and equivalent awards granted by subsidiaries in countries outside South Africa, exchange rate differences, hyperinflation accounting and lease modifications and terminations as well as the related tax effects.

This measure is not adjusted for the impact of any other abnormal or external events.

Earnings per share (EPS) continued

	Change %	2023 cents	Restated* 2022 cents
DHEPS continuing operations	9.7	1 159.4	1 056.9
Adjusted for the impact of:			
Shoprite Employee Trust distributions to eligible employees in South Africa and equivalent awards granted by subsidiaries in countries outside South Africa	84.2	43.1	23.4
Exchange rate differences	>100	(70.4)	47.4
Hyperinflation	30.4	9.0	6.9
Lease modifications and terminations	(9.1)	(11.0)	(12.1)
Related income tax effect	>100	24.3	(11.2)
Adjusted DHEPS** from continuing operations	3.9	1 154.4	1 111.3

* Restated for the classification of the Group's DRC operations as discontinued operations in accordance with IFRS 5: Non-current Assets Held for Sale and Discontinued Operations.

** The adjusted DHEPS from continuing operations constitutes pro forma financial information in terms of the JSE Limited Listings Requirements and for a full appreciation of the pro forma financial information please refer to pages 09 to 10.

Sale of merchandise

The Group's sale of merchandise increased by 16.9% to R215.0 billion. Like-for-like sales increased by 10.6%.

The following table gives the relevant sale of merchandise growth percentages per segment:

	Change %	2023 Rm	Restated* 2022 Rm
Supermarkets RSA	17.8	173 634	147 368
Supermarkets Non-RSA	16.4	19 622	16 857
Furniture	5.1	7 064	6 723
Other operating segments	13.3	14 636	12 920
Total continuing operating segments	16.9	214 956	183 868
Discontinued operations		94	569
Total operating segments including discontinued operations	16.6	215 050	184 437

* Restated for the classification of the Group's DRC operations as discontinued operations in accordance with IFRS 5: Non-current Assets Held for Sale and Discontinued Operations.

Supermarkets RSA: R173.6 billion (2022: R147.4 billion)

The Group's core business, Supermarkets RSA, making up 80.8% of sales is represented by 2 121 stores across our major trading brands Shoprite, Usave, Checkers, Checkers Hyper, LiquorShop and other.

As a segment, Supermarkets RSA achieved 17.8% sales growth and like-for-like sales increased by 10.3%. Excluding the R2.4 billion sales contribution from the stores acquired from Massmart, Supermarkets RSA increased sales by 16.2%.

Customer visits for the period increased by 14.1% and average basket spend increased by 3.3%.

Internal selling price inflation measured 10.1% for the year (2022: 3.9%) reflecting the Group's exposure to higher inflation commodity lines.

The Checkers supermarket chain, including its 38 larger format Checkers Hypers, contributed 39.9% to the Group's core Supermarkets RSA segment's sales and increased its sale of merchandise by 18.0%. Checkers' clear value positioning, store upgrade strategy focusing on fresh and value-add categories and on-demand Sixty60 service for customers continues to drive market share gains in its mid-to-upper segment of the market. In terms of store openings, Checkers and Checkers Hyper opened a net of 24 new stores, of which, two were Checkers Hyper re-openings and four were in our new smaller Checkers Foods neighbourhood format. In terms of stand-alone adjacent format stores, 56 were opened during the year (31 Petshop Science premium pet stores, eight Little Me baby stores, nine UNIQ clothing stores and eight Checkers Outdoor stores). Outside of these aforementioned adjacent formats, Checkers, inclusive of Checkers Hyper (but not including Checkers LiquorShop) ended the period with 299 supermarkets and at the end of the period 87 of these stores had been upgraded into a version of our successful FreshX format.

Checkers Sixty60, the Group's on-demand grocery delivery app increased sales by 81.5% (2022: 149.8%), expanding the store base from which it services Checkers customers to 466 stores (2022: 300 stores).

The Shoprite and Usave supermarket businesses together contribute 51.9% to Supermarkets RSA's sales. Collectively they have increased sales by 15.6% for the period. Individually, Shoprite and Usave increased sales for the period by 15.7% and 14.6% respectively. Excluding the impact of the 51 Shoprite stores and one Usave store acquired from Massmart, Shoprite and Usave sales collectively increased by 12.9%.



Results commentary for the 52 weeks ended 2 July 2023 continued

Supermarkets RSA: R173.6 billion (2022: R147.4 billion) continued

Shoprite, our price-fighting supermarket business ended the period with 615 stores after opening a net of 81 new stores over the 12-month period of which 51 related to the Massmart acquisition. Usave, our low-cost, no frills, limited assortment discount supermarket ended the period with 441 stores. For the 12 months, Usave opened a net of 31 new stores of which one related to the Massmart acquisition.

The segment's LiquorShop business increased sales by 30.8% for the period. First quarter growth was positively impacted by base effects arising from Covid-19 related store closures. The LiquorShop business represents 8.0% of Supermarkets RSA's sales and opened a net 112 new stores over the last 12 months of which 40 related to the Massmart acquisition. Excluding the impact of the 40 trading stores acquired from Massmart, LiquorShop sales increased by 27.7% for the year.

Our private label brands participate in a significant number of categories across all our supermarket chains, offering better value and choice to our customers. The Group's private label participation, excluding liquor, measured 20.9% (2022: 20.5%) for the year.

Supermarkets Non-RSA: R19.6 billion (restated 2022: R16.9 billion)

Supermarkets Non-RSA continuing operations increased sales in rand terms, by 16.4% and contributed 9.1% to Group sales. In constant currency, sales increased by 9.6%.

We estimate internal food inflation for the region averaged 6.1% for the period.

The Group exited its operations in the DRC during the period, resulting in the closure of the three stores trading in the region. Consequently, it has been classified as a discontinued operation in the statement of comprehensive income.

The segment now operates in nine countries with 230 stores. Over the 12 months, the segment's store base increased by a net of two stores including the three stores closed in DRC.

Furniture: R7.1 billion (2022: R6.7 billion)

Sales in the Group's Furniture segment, representing 3.3% of sales, increased by 5.1%. Like-for-like sales increased by 2.0%. Credit sales participation increased to 14.9% (2022: 13.4%).

The segment's store base on a net basis increased by eight stores during the period to end with 434 stores (RSA: 345 stores, Non-RSA: 89 stores).

Other operating segments: R14.6 billion (2022: R12.9 billion)

The Group's Other operating segments include OK Franchise, Transpharm, Medirite Pharmacies, Red Star Wholesale Catering Services (previously Checkers Food Services) and Computicket. Sales generated by this segment increased by 13.3% for the period and represent 6.8% of sales.

Sales to our OK Franchise business increased by 13.7% and the franchise division ended the year with 535 stores.

Gross profit

Gross margin for the year declined to 24.1% (restated 2022: 24.5%) as a result of our investment in selling prices to assist with customer affordability. However, the Group managed to improve gross margin in the second half of the year after reporting a reduction of 64 basis points to 23.5% (restated 2022: 24.1%) for the first half period.

Other operating income

Other operating income, made up of various adjacent revenue streams stemming predominantly from the Group's core supermarket operations, increased by 25.4%.

	Change %	2023 Rm	Restated* 2022 Rm
Commissions received	15.6	1 141	987
Franchise fees received	13.7	166	146
Marketing and media	>100	383	185
Delivery recoveries	48.9	627	421
Other revenue	9.7	635	579
Operating lease income	7.1	468	437
Premiums and other insurance income earned	(14.4)	137	160
Other income**	>100	273	57
Dividends received from unlisted share investments	(45.1)	79	144
Other operating income	25.4	3 909	3 116

* Restated for the classification of the Group's DRC operations as discontinued operations in accordance with IFRS 5: Non-current Assets Held for Sale and Discontinued Operations.

** Includes R244 million from loss of profit insurance claim due to 2021 social unrest.

Expenses

Total expense growth for the period measured 18.6% and can be attributed to the following:

- › Depreciation and amortisation increased by 17.1% to measure 2.9% (restated 2022: 2.9%) of Group sales.
- › Employee benefits increased by 15.3% reflecting the overall growth of the business, our increased headcount and additional factors, specifically:
 - Distributions amounting to R235 million to eligible employees in South Africa from the Shoprite Employee Trust and equivalent awards granted by subsidiaries in countries outside South Africa.
 - An across-the-board above inflation increase in the Shoprite minimum wage in South Africa implemented during our second half 2023 period.
 - R285 million of employee benefits relating to 4 480 new positions created as a result of the stores acquired from Massmart.
 - Employee tax incentive rebates received from Government were R101 million lower year-on-year due to the Covid-19 and social unrest incentives received from Government in the prior year.
 - R91 million was spent on training 2 068 participants in the Youth Employment Service (YES) programme which trains unemployed youth and provides them with workplace experience.
- › Other operating expenses increased by 21.6%, before the allocation to cost of sales, inclusive of:
 - A 36.7% increase in electricity and water expense as a result of the increase in electricity costs impacted by an 8.6% National Energy Regulator of South Africa (NERSA) increase and the surge in diesel costs due to generator usage during higher stages of electricity load-shedding (322 days of the year) which resulted in a R1.3 billion diesel expense to ensure our Supermarkets RSA stores traded uninterrupted. As such, the increase in diesel cost as a result of load-shedding in our core Supermarkets RSA business resulted in the business incurring an additional R1.1 billion charge compared to the prior year.
 - A R185 million increase in insurance costs predominantly due to an increase in the insurance premium following the 2021 period of social unrest and the Group's subsequent decision to secure insurance coverage beyond what Sasria offers. As a result, we have bolstered our Canelands (KwaZulu-Natal) and Centurion (Gauteng) distribution centre perimeters in order to potentially reduce premiums going forward.
 - Delivery expenses increased by 63.7%, repairs and maintenance by 17.6%, advertising expenses by 15.2% and the cost of security services increased by 12.5%.

Trading profit

Trading profit from continuing operations increased by 5.7% to R11.9 billion, and as a result, the Group's trading margin measured 5.5% (restated 2022: 6.1%).

The following table gives the relevant trading profit, per segment, for continuing operations:

	Change %	2023 Rm	Trading margin 2023 %	Restated* 2022 Rm	Restated* trading margin 2022 %
Supermarkets RSA	5.6	10 841	6.2	10 263	7.0
Supermarkets Non-RSA	24.0	594	3.0	479	2.8
Furniture	(50.7)	104	1.5	211	3.1
Other operating segments	17.6	427	2.9	363	2.8
Total continuing operating segments	5.7	11 966	5.6	11 316	6.2
Hyperinflation effect	—	(50)	—	(38)	—
Consolidated continuing operations	5.7	11 916	5.5	11 278	6.1

* Restated for the classification of the Group's DRC operations as discontinued operations in accordance with IFRS 5: Non-current Assets Held for Sale and Discontinued Operations and the reclassification of the Group's share of profit of equity accounted investments.

After accounting for R1.3 billion spend on diesel to power generators, Supermarkets RSA's trading profit increased by 5.6% to measure R10.8 billion (restated 2022: R10.3 billion) resulting in the segment reporting a 6.2% trading margin (restated 2022: 7.0%).

Supermarkets Non-RSA reported a R594 million trading profit (restated 2022: R479 million) of which R192 million (2022: R186 million) can be attributed to interest revenue included in trading profit.

The Furniture segment's trading profit decreased by 50.7% to R104 million due to the combined impact of a lower gross margin and provisioning for bad debt on the back of credit sales increasing by 17.1% during the period. Based on the external assessment of expected credit losses, the furniture division's debtors book provision declined to 40.3% (2022: 44.7%).

Other operating segments' trading profit increased by 17.6%. This segment, underpinned by the continued growth and improvement of our OK Franchise business was also positively impacted by an improved contribution from Computicket.



Results commentary for the 52 weeks ended 2 July 2023 continued

Exchange rate gains

The Group recorded exchange rate gains of R384 million (2022: R260 million loss) for the period. This relates mostly to foreign exchange rate gains on AOA, USD Index Linked, Angola Government Bonds with the Angola kwanza currency devaluing approximately 93.1% against the US dollar during the financial year. The majority of this gain realised in the second half of the year.

Items of a capital nature

Items of a capital nature amounted to a net expense of R16 million (restated 2022: R29 million), driven mostly by impairments of non-financial assets.

Net finance costs

Net finance costs increased by 18.0% to R3.2 billion (restated 2022: R2.7 billion), impacted mostly by the increase in interest on the Group's lease liabilities to R3.1 billion (restated 2022: R2.6 billion). This was as a result of the 350-basis point increase in South Africa's prime lending rate over the period together with the increase in the Group's lease liabilities to R35.6 billion (2022: R31.6 billion) following the sale and leaseback of our Canelands and Wells Estate (Eastern Cape) distribution centres and the new lease agreements for the acquired Massmart stores.

	Change %	2023 Rm	Restated* 2022 Rm
Interest received from bank account balances	67.8	453	270
Lease liabilities finance charges	16.3	(3 070)	(2 640)
Borrowings and other finance charges	68.6	(595)	(353)
Net finance costs	18.0	(3 212)	(2 723)

* Restated for the classification of the Group's DRC operations as discontinued operations in accordance with IFRS 5: Non-current Assets Held for Sale and Discontinued Operations.

Taxation

The Group's effective income tax rate measured 30.8% (restated 2022: 30.6%).

The effective tax rate is higher than the nominal income tax rate of South Africa (27.0%) due to the different tax rates in the countries where the Group operates. In some of the countries outside of South Africa, minimum taxes or rental income taxes are applicable in addition to the statutory tax rates resulting in effective tax rates being higher than 27.0%.

Capital expenditure

The Group's total capital spend amounted to R6.8 billion for the period (2022: R5.4 billion) and represented 3.1% of sales (restated 2022: 2.9%). 68% of the capital expenditure related to continued investment to refurbish and expand the Group's core South African supermarkets portfolio and fund the Group's future-fit digital commerce and technology related initiatives. R213 million was spent on capital assets to onboard the Massmart stores since acquisition and it is expected that additional capital will be required to be spent to bring the stores in line with the standards of the Group.

Government bonds and bills

Local currency cash and short-term deposits in Angola are subject to onerous local exchange control regulations which limit the repatriation of surplus cash. The Group is utilising said cash for its local trade and has invested surplus cash in AOA, USD Index Linked, Angola Government Bonds as well as AOA, Angola Government Bonds and Angola Treasury Bills.

	2023 Rm	2022 Rm
AOA, USD Index Linked, Angola Government Bonds	637	739
AOA, Angola Government Bonds	338	598
Angola Treasury Bills	162	—
Total government bonds and bills	1 137	1 337

Inventories

Inventories increased by 14.7% to R25.1 billion (2022: R21.9 billion) driven by new store openings, the acquisition of stores from Massmart, the inflationary impact on inventory values and increased inventory holding in the distribution centres to support elevated levels of sales growth. Inventory growth was lower than sales growth and as a percentage of the last 12 months' sales, improved to 11.7% (restated 2022: 11.9%).

Inventories as % of sales over a 52-week period	2023 %	Restated* 2022 %
Supermarkets RSA	11.7	11.7
Supermarkets Non-RSA	11.4	13.9
Furniture	24.8	24.8
Other operating segments	5.6	4.9
Total continuing operations	11.7	11.9

* Restated for the classification of the Group's DRC operations as discontinued operations in accordance with IFRS 5: Non-current Assets Held for Sale and Discontinued Operations.

Excluding the impact of the Massmart acquisition, inventory as a percentage of the last 12 months' sales in the Supermarket RSA segment improved to 11.4%.

The improvement in the inventory as a percentage of the last 12 months' sales ratio in the Supermarket Non-RSA segment was driven by the Angola kwanza currency devaluing approximately 68.7% against the rand during the financial year and the disinvestment from DRC.

Cash and cash equivalents and bank overdrafts

Net cash (including restricted cash and after deducting bank overdrafts) amounted to R6.6 billion (2022: R6.0 billion).

R630 million of the R662 million purchase consideration for the Massmart acquisition was paid from cash reserves. The remaining R32 million will be paid in the next financial year.

The R650 million classified as restricted cash pertains to R292 million ring-fenced guarantees held in Angola on behalf of the Angola General Tax Administration and R358 million held in Nigeria, as a result of challenges repatriating the proceeds received from the sale of our Nigeria subsidiary, Retail Supermarkets Nigeria Ltd in May 2021 and the related administration agreement.

	2023 Rm	2022 Rm
Restricted cash	650	300
Cash and cash equivalents	12 548	10 665
Bank overdrafts	(6 604)	(4 998)
Net cash	6 594	5 967

Borrowings and lease liabilities

Total borrowings increased by R856 million to R6.4 billion (2022: R5.5 billion). The majority of the Group's borrowings remain rand denominated with an exposure of US\$29 million (2022: US\$43 million) to foreign exchange movements. The borrowings to equity ratio increased to 24.2% (2022: 21.5%).

The Group's lease liabilities increased by R4.0 billion owing to new leases and renewals.

	2023 Rm	2022 Rm
Borrowings	6 368	5 512
Lease liabilities	35 582	31 623
Total debt	41 950	37 135



Group outlook

For the first six weeks of 2024, sales growth in our core RSA Supermarkets segment remains in double-digits and ahead of market but at a level lower than that reported for 2023 reflecting 1) the reduction in selling price inflation from its peak in February this year to 8.6% for July 2023 and 2) the base against which the segment reports which increased sales by 19.9% during the first quarter last year.

In terms of costs, the Group's increased diesel expense as a result of the step change in load-shedding from last year is in our cost base from September 2023. The Group continues to trade uninterrupted at current higher stages of load-shedding as a result of the Group's solar PV installations and considerable diesel generator infrastructure in place across our South African supermarket operations.

It is clear that our customers' disposable incomes are under enormous pressure and there is an increasing need for us to sustain the lowest prices and best value across our various supermarket formats. Shoprite was founded on this ideal and we continuously refine our operating model to improve how we meet this need in the most efficient, accessible and convenient way possible. This translates over the medium-term to extensive plans that include continued store growth and refurbishments across all supermarket formats, a next phase multi-year supply chain expansion to meet our next decade volume and logistics requirements, further digital and e-commerce initiatives as well as growing our ancillary income from alternate revenue sources. In terms of cost, the collective capital expenditure spend across these various areas of the business in 2024 could amount to as much as R8.5 billion and compares to the R6.8 billion we spent for our 2023 year. In executing these plans, we strive to be globally competitive and relevant in terms of retail best practice whilst sustaining our market leading position domestically by being uniquely local in terms of supermarket segmentation, customer centricity and best in class operational execution.

The information in the Group outlook section has not been reviewed or reported on by the Group's auditors.

2023 results presentation webcast today:

Shoprite Holdings CEO Pieter Engelbrecht invites all who would like to attend the Group's 2023 year-end results presentation webcast at 9:30am today to please register via the Group website www.shopriteholdings.co.za or via Register.

Next reporting date:

The Group plans to report its first quarter 2024 operational update in conjunction with its Annual General Meeting on 13 November 2023 via the JSE SENS. Any updates to this timing will be reflected on the Group shareholder diary as part of the investor relations page on the Group website.

5 September 2023

Enquiries:

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Pro forma financial information

Certain financial information presented in these annual financial results constitutes pro forma financial information. The pro forma financial information is the responsibility of the Board of Directors of the Company and is presented for illustrative purposes only. Because of its nature, the pro forma financial information may not fairly present the Group's financial position, changes in equity, results of operations or cash flows.

The reported amounts and adjustments are extracted without adjustment, from the reviewed condensed consolidated financial statements or underlying accounting records of the Group for the years ended 2 July 2023 and 3 July 2022, respectively.

An assurance report (in terms of ISAE 3420: Assurance Engagements to Report on the Compilation of Pro Forma Financial Information) has been issued by the Group's auditors in respect of the pro forma financial information included in this announcement. The pro forma financial information, as set out below, should be read in conjunction with this assurance report.

Like-for-like comparisons

Like-for-like sales is a measure of the growth in the Group's year-on-year sales, removing the impact of new store openings and closures (including stores materially affected by the July 2021 social unrest) in the current or previous reporting periods.

References were made to the following subtotals of sale of merchandise	Like-for-like change %	As reported reviewed 52 weeks to 2 July 2023 Rm	Like-for-like 52 weeks to 2 July 2023 Rm	Restated* audited 52 weeks to 3 July 2022 Rm	Like-for-like* 52 weeks to 3 July 2022 Rm
Total continuing operations	10.6	214 956	201 801	183 868	182 436
Supermarkets RSA	10.3	173 634	161 579	147 368	146 484
Supermarkets Non-RSA continuing operations	16.3	19 622	19 373	16 857	16 661
Furniture	2.0	7 064	6 804	6 723	6 668
Other operating segments	11.3	14 636	14 045	12 920	12 623

* Restated for the classification of the Group's DRC operations as 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.

Impact of the Group's pro forma constant currency disclosure

The Group discloses constant currency information to indicate the Supermarkets Non-RSA operating segment's performance in terms of sales growth, excluding the effect of foreign currency fluctuations. To present this information, the current year's 52-week sales for entities reporting in currencies other than South Africa rand, are converted from local currency actuals into South Africa rand at the prior year's 52-week actual average exchange rates on a country-by-country basis.

The table below sets out the approximate average rand cost for one unit as well as percentage change in sales, based on the actual results for the 52 weeks on the comparative period sales of 52 weeks, in reported currency and constant currency for the following major currencies. The total impact on Supermarkets Non-RSA is also reflected after consolidating all currencies in this segment.

% Change in sales on prior year 52 weeks	Average exchange rates		Reported currency	Constant currency
	2023	2022		
Angola kwanza	0.035	0.028	24.2	(2.3)
Zambia kwacha	1.002	0.855	27.8	9.1
Mozambique metical	0.273	0.234	23.1	5.6
Supermarkets Non-RSA including discontinued operations			15.5	8.8
Supermarkets Non-RSA continuing operations			16.4	9.6

Adjusted headline earnings per share (adjusted HEPS) and adjusted diluted headline earnings per share (adjusted DHEPS)

During the previous financial year, the Group established the Shoprite Employee Trust, an evergreen B-BBEE employee benefit trust. Included in the reported amounts are the distributions and provisions for eligible employees in South Africa as well as an equivalent award granted to qualifying employees of subsidiaries in countries outside of South Africa. The distributions are additional incentives to reward employees for staying in service of the Group. The Group's reported results also include exchange rate differences which fluctuate from year to year. Although the Group manages its exposure to foreign currency fluctuations, economic factors outside of the Group's control have a significant impact on currency devaluations in countries where the Group operates. Furthermore, the reported results include cumulative hyperinflation adjustments in property, plant and equipment and right-of-use assets, resulting from the application of IAS 29: Financial Reporting in Hyperinflationary Economies up to 30 June 2019. It was assessed that the Angolan economy was no longer hyperinflationary for the current and comparative reporting periods. Although the current and comparative reporting periods' results consequently no longer include a similar net monetary gain, these results still include the impact of unwinding aforementioned cumulative hyperinflation adjustments. Lastly, the calculation of reported HEPS includes profit on lease modifications and terminations, while the impact of right-of-use asset impairments is excluded.



Pro forma financial information continued

Adjusted headline earnings per share (adjusted HEPS) and adjusted diluted headline earnings per share (adjusted DHEPS) continued

Adjusted HEPS and adjusted DHEPS are calculated by adjusting HEPS and DHEPS with the impact of the Shoprite Employee Trust distributions to eligible employees in South Africa and equivalent awards granted by subsidiaries in countries outside South Africa, exchange rate differences, hyperinflation adjustments, lease modifications and terminations as well as the related tax effects. In order to calculate the per share values, the adjusted headline earnings and adjusted diluted headline earnings are divided by the weighted average number of shares and the weighted average number of shares adjusted for dilution, respectively. Management believes adjusted HEPS and adjusted DHEPS as noted below, are more useful measures of the Group's underlying performance. However, this is not a defined term under IFRS and may not be comparable with similarly titled measures reported by other companies. The Group has therefore presented its HEPS and DHEPS for the current and previous year on a similar basis, excluding the impact of the Shoprite Employee Trust distributions to eligible employees in South Africa and equivalent awards granted by subsidiaries in countries outside South Africa, foreign exchange rate differences, hyperinflation accounting and lease modifications and terminations as well as the related income tax, to facilitate comparisons against the comparative year's results.

The table below presents the adjustments to the items reported.

	Reviewed 52 weeks 2023 Rm	Restated* audited 52 weeks 2022 Rm
Headline earnings including discontinued operations as reported	5 945	5 755
Impact of Shoprite Employee Trust distributions to eligible employees in South Africa and equivalent awards granted by subsidiaries in countries outside South Africa	235	128
Impact of exchange rate differences**	(80)	274
Impact of Angola hyperinflation adjustment***	50	38
Impact of lease modifications and terminations	5	(111)
Related income tax effect****	134	(68)
Adjusted headline earnings including discontinued operations	6 289	6 016
Headline earnings from continuing operations as reported	6 330	5 797
Impact of Shoprite Employee Trust distributions to eligible employees in South Africa and equivalent awards granted by subsidiaries in countries outside South Africa	235	128
Impact of exchange rate differences as reported	(384)	260
Impact of Angola hyperinflation adjustment***	50	38
Impact of lease modifications and terminations	(60)	(66)
Related income tax effect****	133	(62)
Adjusted headline earnings from continuing operations	6 304	6 095
Number of ordinary shares	'000	'000
– In issue	543 063	542 513
– Weighted average	542 882	544 910
– Weighted average adjusted for dilution	546 082	548 503
	Change %	cents
Diluted headline earnings per share including discontinued operations as reported	3.8	1 049.4
Adjusted headline earnings per share including discontinued operations	4.9	1 104.0
Adjusted diluted headline earnings per share including discontinued operations	5.0	1 096.7
Diluted headline earnings per share from continuing operations as reported	9.7	1 056.9
Adjusted headline earnings per share from continuing operations	3.8	1 118.6
Adjusted diluted headline earnings per share from continuing operations	3.9	1 111.3

* Restated for the classification of the Group's DRC operations as 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.

** The impact of exchange rate differences, including discontinued operations, consists of R384 million exchange rate gains (2022: R260 million exchange rate losses) as reported and R304 million (2022: R14 million) exchange rate losses from discontinued operations (refer to note 7 of the condensed consolidated financial statements).

*** The impact of the Angola hyperinflation adjustment resulted in an increase of R50 million (2022: R38 million) in headline earnings which is calculated by excluding the R41 million impact of items of a capital nature expense hyperinflation adjustment (2022: R11 million income) from the profit before income tax hyperinflation adjustment of R91 million (2022: R27 million).

**** The tax effect of exchange rate differences as well as lease modifications and terminations was calculated by applying the average effective tax rate of 30.8% (2022: 30.6%). The tax effect of hyperinflation adjustments and the Shoprite Employee Trust distributions to eligible employees in South Africa and equivalent awards granted by subsidiaries in countries outside South Africa was based on the actual tax charges.

Number of outlets as at 2 July 2023

	12 Months					Confirmed new stores 2024
	2022	Opened	Closed	Net movement	2023	
Supermarkets RSA*	1 820	314	13	301	2 121	195
Shoprite	534	84	3	81	615	33
Checkers	239	23	1	22	261	25
Checkers Hyper	36	2	—	2	38	—
Usave	410	36	5	31	441	37
LiquorShop	570	113	1	112	682	61
Other	31	56	3	53	84	39
Supermarkets Non-RSA	228	8	6	2	230	10
Shoprite	148	2	3	(1)	147	3
Checkers	9	—	—	—	9	1
Usave	47	2	3	(1)	46	3
LiquorShop	24	4	—	4	28	3
Furniture	426	14	6	8	434	2
OK Furniture	384	12	6	6	390	2
House & Home	42	2	—	2	44	—
Other operating segments**	515	46	20	26	541	107
OK Franchise	513	42	20	22	535	98
Medirite Plus	2	4	—	4	6	9
Total stores – including discontinued operations	2 989	382	45	337	3 326	314
Total stores – continuing operations	2 986	382	42	340	3 326	314
Total stores outside RSA – including discontinued operations	388	19	9	10	398	22
Total stores outside RSA – continuing operations	385	19	6	13	398	22
Countries outside RSA – including discontinued operations	10	—	1	(1)	9	—
Countries outside RSA – continuing operations	9	—	—	—	9	—

* Includes 92 stores relating to the Massmart Holdings Ltd acquisition.

** 134 Medirite pharmacies form part of Other operating segments but are excluded from these numbers as these Medirite pharmacies are located within supermarkets.

Dividend no. 149

The Board has declared a final dividend of 415 cents (2022: 367 cents) per ordinary share, payable to shareholders on Monday, 2 October 2023. The dividend has been declared out of income reserves. This brings the total dividend for the year to 663 cents (2022: 600 cents) per ordinary share. The last day to trade cum dividend will be Tuesday, 26 September 2023. As from Wednesday, 27 September 2023, all trading of Shoprite Holdings Ltd shares will take place ex dividend. The record date is Friday, 29 September 2023. Share certificates may not be dematerialised or rematerialised between Wednesday, 27 September 2023, and Friday, 29 September 2023, both days inclusive.

In terms of the Dividends Tax, the following additional information is disclosed:

1. The local dividend tax rate is 20%.
2. The net local dividend amount is 415 cents per share for shareholders exempt from paying Dividends Tax and 332 cents per share for shareholders liable to pay Dividends Tax.
3. The issued ordinary share capital of Shoprite Holdings Ltd as at the date of this declaration is 591 338 502 ordinary shares.
4. Shoprite Holdings Ltd's tax reference number is 9775/112/71/8.



Directorate and administration

Executive Directors

PC Engelbrecht (CEO), A de Bruyn (CFO)

Independent Non-executive Directors

WE Lucas-Bull (Chairman), NN Gobodo, P Cooper, L de Beer,
GW Dempster, MLD Marole, SN Maseko, H Mathebula,
PD Norman, EA Wilton

Non-executive Director

CH Wiese

Alternate Non-executive Director

JD Wiese

Company Secretary

PG du Preez

Registered office

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PO Box 215, Brackenfell, 7561, South Africa
Telephone: +27 (0)21 980 4000
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Transfer secretaries

South Africa

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E-mail: info@pangaea.co.zm
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Auditors

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Website: www.pwc.com/za

Independent auditor's review report on the condensed consolidated financial statements

To the shareholders of Shoprite Holdings Ltd

We have reviewed the condensed consolidated financial statements Shoprite Holdings Ltd, set out on pages 16 to 38, which comprise the condensed consolidated statement of financial position as at 2 July 2023 and the related condensed consolidated statements of comprehensive income, changes in equity and cash flows for the year then ended, and selected explanatory notes.

Directors' responsibility for the condensed consolidated financial statements

The directors are responsible for the preparation and presentation of these condensed consolidated financial statements in accordance with the requirements of the JSE Limited Listings Requirements for condensed financial statements, as set out in note 1 to the financial statements, and the requirements of the Companies Act of South Africa, and for such internal control as the directors determine is necessary to enable the preparation of condensed consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on these condensed consolidated financial statements. We conducted our review in accordance with International Standard on Review Engagements (ISRE) 2410, which applies to a review of historical financial information performed by the independent auditor of the entity. ISRE 2410 requires us to conclude whether anything has come to our attention that causes us to believe that the financial statements are not prepared in all material respects in accordance with the applicable financial reporting framework. This standard also requires us to comply with relevant ethical requirements.

A review of financial statements in accordance with ISRE 2410 is a limited assurance engagement. We perform procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluate the evidence obtained. The procedures performed in a review are substantially less than those performed in an audit conducted in accordance with International Standards on Auditing. Accordingly, we do not express an audit opinion on these financial statements.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed consolidated financial statements of Shoprite Holdings Ltd for the year ended 2 July 2023 are not prepared, in all material respects, in accordance with the requirements of the JSE Limited Listings Requirements for condensed financial statements, as set out in note 1 to the financial statements, and the requirements of the Companies Act of South Africa.

The logo for PricewaterhouseCoopers Inc, featuring the company name in a stylized, handwritten-style font.

PricewaterhouseCoopers Inc.

Director: JR de Villiers

Registered Auditor

Cape Town, South Africa

5 September 2023



Pro forma financial information assurance report

To the Directors of Shoprite Holdings Ltd

Report on the Assurance Engagement on the Compilation of Pro Forma Financial Information included in the Reviewed Shoprite Holdings Ltd results for the 52 weeks ended 2 July 2023

We have completed our assurance engagement to report on the compilation of the pro forma financial information of Shoprite Holdings Ltd (the "Company") and its subsidiaries (together the "Group") by the Directors. The pro forma financial information, as set out on pages 09 to 10 of the Reviewed Shoprite Holdings Ltd results for the 52 weeks ended 2 July 2023, consist of the like-for-like comparisons, the impact of the Group's pro forma constant currency disclosure on the Group's condensed consolidated statement of comprehensive income for the year ended 2 July 2023 and the impact on adjusted headline earnings per share and adjusted diluted headline earnings per share of certain non-headline earnings adjustments identified by management (adjusted HEPS and adjusted DHEPS) (collectively referred to as "pro forma financial information"). The applicable criteria on the basis of which the Directors have compiled the pro forma financial information are specified in the JSE Limited (JSE) Listings Requirements and described in the pro forma financial information section set out on pages 09 to 10 of the Reviewed Shoprite Holdings Ltd results for the 52 weeks ended 2 July 2023.

The pro forma financial information has been compiled by the Directors to illustrate the impact of revenue growth on a like-for-like basis as compared to the prior financial year, revenue growth in constant foreign exchange rates as compared to the prior financial year and the impact on headline earnings per share and diluted headline earnings per share of certain non-headline earnings adjustments identified by management (adjusted HEPS and adjusted DHEPS) (collectively referred to as "pro forma financial information"). As part of this process, information about the Group's consolidated financial position and consolidated financial performance has been extracted by the Directors from the Group's condensed consolidated financial statements for the year ended 2 July 2023, on which a review report has been published.

Directors' responsibility

The Directors of the Company are responsible for compiling the pro forma financial information on the basis of the applicable criteria specified in the JSE Listings Requirements and described in the pro forma financial information section set out on pages 09 to 10 of the Reviewed Shoprite Holdings Ltd results for the 52 weeks ended 2 July 2023.

Our independence and quality control

We have complied with the independence and other ethical requirements of the *Code of Professional Conduct for Registered Auditors*, issued by the Independent Regulatory Board for Auditors' (IRBA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour. The IRBA Code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)*.

The firm applies International Standard on Quality Management 1, *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements*, which requires the firm to design, implement and operate a system of quality management, including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting accountant's responsibility

Our responsibility is to express an opinion about whether the pro forma financial information has been compiled, in all material respects, by the Directors on the basis of the applicable criteria specified in the JSE Listings Requirements and described in the pro forma financial information section set out on pages 09 to 10 of the Reviewed Shoprite Holdings Ltd results for the 52 weeks ended 2 July 2023 based on our procedures performed.

We conducted our engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3420, *Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus* issued by the International Auditing and Assurance Standards Board. This standard requires that we plan and perform our procedures to obtain reasonable assurance about whether the pro forma financial information has been compiled, in all material respects, on the basis specified in the JSE Listings Requirements.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the pro forma financial information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the pro forma financial information.

The purpose of pro forma financial information is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the Group as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the event or transaction would have been as presented.

A reasonable assurance engagement to report on whether the pro forma financial information has been compiled, in all material respects, on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the Directors in the compilation of the pro forma financial information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- > The related pro forma adjustments give appropriate effect to those criteria; and
- > The pro forma financial information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on our judgement, having regard to our understanding of the nature of the Group, the event or transaction in respect of which the pro forma financial information has been compiled, and other relevant engagement circumstances.

Our engagement also involves evaluating the overall presentation of the pro forma financial information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the pro forma financial information has been compiled, in all material respects, on the basis of the applicable criteria specified by the JSE Listings Requirements and described in the pro forma financial information section set out on pages 09 to 10 of the Reviewed Shoprite Holdings Ltd results for the 52 weeks ended 2 July 2023.

The logo for PricewaterhouseCoopers Inc. is written in a black, cursive script font.

PricewaterhouseCoopers Inc.

Director: JR de Villiers
Registered Auditor

Cape Town, South Africa

5 September 2023



Condensed consolidated statement of comprehensive income

	Notes	Change %	Reviewed 52 weeks 2023 Rm	Restated* audited 52 weeks 2022 Rm
Revenue	5	17.1	219 530	187 528
Sale of merchandise	5	16.9	214 956	183 868
Cost of sales		17.6	(163 250)	(138 846)
Gross profit		14.8	51 706	45 022
Other operating income	5	25.4	3 909	3 116
Interest revenue	5	22.2	665	544
Share of profit of equity accounted investments	12	20.7	251	208
Depreciation and amortisation		17.1	(6 305)	(5 384)
Employee benefits		15.3	(17 027)	(14 767)
Credit impairment losses			(264)	(173)
Other operating expenses		21.6	(21 019)	(17 288)
Trading profit		5.7	11 916	11 278
Exchange rate gains/(losses)			384	(260)
Profit on lease modifications and terminations			60	66
Items of a capital nature			(16)	(29)
Operating profit		11.7	12 344	11 055
Interest received from bank account balances			453	270
Finance costs	6	22.5	(3 665)	(2 993)
Profit before income tax		9.6	9 132	8 332
Income tax expense		10.1	(2 812)	(2 553)
Profit from continuing operations		9.4	6 320	5 779
Loss from discontinued operations (attributable to owners of the parent)	7		(419)	(39)
Profit for the year		2.8	5 901	5 740
Other comprehensive (loss)/income, net of income tax			(1 847)	2 879
Items that will not be reclassified to profit or loss				
Re-measurements of post-employment medical benefit obligations			2	2
Items that may subsequently be reclassified to profit or loss				
Foreign currency translation differences from continuing operations			(1 719)	2 845
Foreign currency translation differences from discontinued operations			(9)	(48)
Release of foreign currency translation reserve on disposal of discontinued operations			—	18
(Loss)/profit on effective net investment hedge, net of income tax			(121)	62
Total comprehensive income for the year			4 054	8 619
Profit attributable to:			5 901	5 740
Owners of the parent			5 886	5 711
Non-controlling interest			15	29
Total comprehensive income attributable to:			4 054	8 619
Owners of the parent			4 039	8 590
Non-controlling interest			15	29
Total comprehensive income attributable to owners of the parent arises from:			4 039	8 590
Continuing operations			4 467	8 659
Discontinued operations			(428)	(69)
Earnings per share for profit from continuing operations attributable to owners of the parent:				
Basic earnings per share from continuing operations (cents)	8	10.0	1 161.4	1 055.5
Diluted earnings per share from continuing operations (cents)	8	10.1	1 154.6	1 048.6
Headline earnings per share from continuing operations (cents)	8	9.6	1 166.2	1 063.9
Diluted headline earnings per share from continuing operations (cents)	8	9.7	1 159.4	1 056.9
Earnings per share for profit attributable to owners of the parent:				
Basic earnings per share (cents)	8	3.4	1 084.3	1 048.3
Diluted earnings per share (cents)	8	3.5	1 077.9	1 041.5
Headline earnings per share (cents)	8	3.7	1 095.3	1 056.3
Diluted headline earnings per share (cents)	8	3.8	1 088.9	1 049.4

* Restated for the classification of the Group's DRC operations as discontinued operations in accordance with IFRS 5: Non-current Assets Held for Sale and Discontinued Operations and the reclassification of the Group's share of profit of equity accounted investments. Refer to notes 2 and 3 for details of the adjustments recognised for each individual line item.

Condensed consolidated statement of financial position

	Notes	Reviewed 2023 Rm	Audited 2022 Rm
Assets			
Non-current assets			
		54 485	51 782
Property, plant and equipment	9	16 601	16 816
Right-of-use assets	11	26 781	23 725
Intangible assets		4 225	3 561
Equity accounted investments	12	2 312	2 240
Convertible loans	13	22	—
Investment in insurance cell captive arrangements		128	131
Government bonds and bills	14	716	1 051
Loans receivable		647	1 510
Deferred income tax assets		2 875	2 520
Trade and other receivables		178	228
Current assets			
		47 871	39 673
Inventories		25 090	21 879
Trade and other receivables		5 697	4 988
Current income tax assets		441	769
Investment in insurance cell captive arrangements		289	157
Government bonds and bills	14	421	286
Loans receivable		1 346	509
Restricted cash		650	300
Cash and cash equivalents		12 548	10 665
Assets classified as held for sale	10	46 482	39 553
		1 389	120
Total assets		102 356	91 455
Equity			
Capital and reserves attributable to owners of the parent			
Stated capital	15	7 516	7 516
Treasury shares	15	(2 624)	(2 583)
Reserves		21 238	20 551
		26 130	25 484
Non-controlling interest			
		148	143
Total equity		26 278	25 627
Liabilities			
Non-current liabilities			
		38 662	33 340
Lease liabilities	16	32 482	28 458
Borrowings	17	5 770	4 500
Deferred income tax liabilities		10	8
Provisions		400	374
Current liabilities			
		37 416	32 488
Trade and other payables		25 081	21 477
Contract liabilities		1 023	991
Lease liabilities	16	3 100	3 165
Borrowings	17	598	1 012
Current income tax liabilities		786	661
Provisions		224	184
Bank overdrafts		6 604	4 998
Total liabilities		76 078	65 828
Total equity and liabilities		102 356	91 455



Condensed consolidated statement of changes in equity

Rm	Total equity	Non-controlling interest	Attributable to owners of the parent				
			Total	Stated capital	Treasury shares	Other reserves	Retained earnings
Audited 52 weeks to 3 July 2022							
Balance at 4 July 2021	21 204	127	21 077	7 516	(1 455)	(8 583)	23 599
Total comprehensive income	8 619	29	8 590	—	—	2 877	5 713
Profit for the year	5 740	29	5 711	—	—	—	5 711
Recognised in other comprehensive income							
Re-measurements of post-employment medical benefit obligations	2		2				2
Foreign currency translation differences	2 797		2 797			2 797	
Release of foreign currency translation reserve on disposal of discontinued operations	18		18			18	
Profit on effective net investment hedge	137		137			137	
Income tax effect of profit on effective net investment hedge	(75)		(75)			(75)	
Share-based payments – value of employee services	213		213			213	
Modification of cash bonus arrangement transferred from provisions	12		12			12	
Purchase of treasury shares	(1 255)		(1 255)		(1 255)		
Treasury shares disposed	65		65		45		20
Realisation of share-based payment reserve	—		—		82	(82)	
Dividends distributed to shareholders	(3 231)	(13)	(3 218)				(3 218)
Balance at 3 July 2022	25 627	143	25 484	7 516	(2 583)	(5 563)	26 114
Reviewed 52 weeks to 2 July 2023							
Total comprehensive income	4 054	15	4 039	—	—	(1 849)	5 888
Profit for the year	5 901	15	5 886	—	—	—	5 886
Recognised in other comprehensive income							
Re-measurements of post-employment medical benefit obligations	2		2				2
Foreign currency translation differences	(1 728)		(1 728)			(1 728)	
Loss on effective net investment hedge	(164)		(164)			(164)	
Income tax effect of loss on effective net investment hedge	43		43			43	
Share-based payments – value of employee services	229		229			229	
Modification of cash bonus arrangement transferred from provisions	11		11			11	
Purchase of treasury shares	(318)		(318)		(318)		
Treasury shares disposed	47		47		35		12
Realisation of share-based payment reserve	—		—		242	(226)	(16)
Dividends distributed to shareholders	(3 372)	(10)	(3 362)				(3 362)
Balance at 2 July 2023	26 278	148	26 130	7 516	(2 624)	(7 398)	28 636

Condensed consolidated statement of cash flows

	Notes	Reviewed 2023 Rm	Restated* audited 2022 Rm
Cash flows from operating activities		9 831	6 686
Operating profit ¹		11 921	11 029
Less: investment income and interest revenue earned		(744)	(688)
Non-cash items	19.1	7 235	6 425
Changes in working capital	19.2	(175)	(1 761)
Cash generated from operations		18 237	15 005
Settlement of cash-settled share-based payments	20	—	(196)
Interest received		1 080	794
Interest paid		(3 664)	(3 034)
Dividends received		262	313
Dividends paid		(3 370)	(3 228)
Income tax paid		(2 714)	(2 968)
Cash flows utilised by investing activities		(6 229)	(4 061)
Investment in trademarks to expand operations		(20)	(250)
Investment in property, plant and equipment and other intangible assets to expand operations		(4 594)	(3 222)
Investment in property, plant and equipment and other intangible assets to maintain operations		(2 095)	(1 909)
Landlord contributions received		—	5
Payment for investment in insurance cell captive arrangements		—	(41)
Investment in assets classified as held for sale		(46)	—
Investment in convertible loans		(20)	—
Proceeds on disposal of property, plant and equipment ²		1 045	333
Cash inflows as a result of the disposal of discontinued operations		49	23
Proceeds on disposal of assets classified as held for sale		331	75
Proceeds from insurance recovery for property, plant and equipment relating to social unrest	22	7	564
Payments for government bonds and bills		(679)	(38)
Proceeds from government bonds and bills		664	639
Loans receivable advanced		(177)	(302)
Loans receivable repaid		257	261
Increase in ring-fenced Angola tax guarantee		(292)	—
Investment in associate	12	(13)	—
Investment in joint venture	12	—	(175)
Acquisition of select businesses from Massmart Holdings Ltd	19.3	(630)	—
Acquisition of other operations		(16)	(24)
Cash flows utilised by financing activities		(2 855)	(4 016)
Repayment of lease liability obligations		(3 282)	(2 961)
Purchase of treasury shares		(318)	(1 255)
Proceeds from treasury shares disposed		47	65
Repayment of borrowings		(1 467)	(3 421)
Borrowings raised		2 165	3 556
Net movement in cash and cash equivalents		747	(1 391)
Cash and cash equivalents at the beginning of the year		5 967	6 729
Effect of exchange rate movements on cash and cash equivalents		(412)	629
Cash and cash equivalents at the end of the year		6 302	5 967
Consisting of:			
Restricted cash		358	300
Cash and cash equivalents		12 548	10 665
Bank overdrafts		(6 604)	(4 998)
		6 302	5 967

* Restated for the reclassification of the Group's share of profit of equity accounted investments. Refer to note 3 for details of the adjustments recognised for each individual line item.

1 Operating profit includes an insurance claim received for inventory of R2 million (2022: R966 million) relating to the social unrest. Refer to note 22.

2 Proceeds on disposal of property, plant and equipment and intangible assets includes R882 million relating to a sale and leaseback arrangement of distribution centres during the financial year. Refer to note 16.



Selected explanatory notes to the condensed consolidated financial statements

1 Basis of preparation

The Group reports on the retail calendar of trading weeks which treats each financial year as an exact 52-week period, incorporating trade from Monday to Sunday each week. This treatment effectively results in the loss of a day (or two in a leap year) per calendar year. These days are brought to account approximately every six years by including a 53rd week. Accordingly, the results for the financial year under review are for a 52-week period, ended 2 July 2023, compared to 52 weeks in the previous financial year.

The condensed consolidated financial statements are prepared in accordance with the requirements of the JSE Limited Listings Requirements for provisional reports and the requirements of the South African Companies Act, 71 of 2008. The Listings Requirements require provisional reports to be prepared in accordance with the framework concepts and the measurement and recognition requirements of International Financial Reporting Standards (IFRS), the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council and to also, as a minimum, contain the information required by IAS 34: Interim Financial Reporting.

The accounting policies applied in the preparation of the condensed consolidated financial statements are in terms of IFRS and are consistent with those applied in the preparation of the previous consolidated annual financial statements, except where the Group has applied new accounting policies or adopted new standards effective for year-ends starting on or after 1 January 2022.

Various revised accounting standards became effective during the year, but their implementation had no significant impact on the results of either the current or the previous year. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

The preparation of the condensed consolidated financial statements for the year ended 2 July 2023 have been supervised by the Chief Financial Officer (CFO), Mr A de Bruyn, CA(SA), and these condensed consolidated financial statements for the year ended 2 July 2023 have been reviewed by PricewaterhouseCoopers Inc., who expressed an unmodified review conclusion thereon. The review was performed in accordance with ISRE 2410: Review of Interim Financial Information Performed by the Independent Auditor of the Entity.

2 Comparative figures

Discontinued operations

Following the classification of the Group's DRC operations as discontinued operations in accordance with IFRS 5: Non-current Assets Held for Sale and Discontinued Operations (refer to note 7), comparative statement of comprehensive income figures have been restated. The adjustments recognised for each individual line item affected in the Group's condensed consolidated statement of comprehensive income for the 52 weeks ended 3 July 2022 are detailed below.

	Previously reported 52 weeks 2022 Rm	Discontinued operations restatement 52 weeks 2022 Rm	Restated audited 52 weeks 2022 Rm
Sale of merchandise	184 078	(210)	183 868
Cost of sales	(139 017)	171	(138 846)
Gross profit	45 061	(39)	45 022
Other operating income	3 118	(2)	3 116
Interest revenue	544	—	544
Share of profit of equity accounted investments*	208	—	208
Depreciation and amortisation	(5 406)	22	(5 384)
Employee benefits	(14 788)	21	(14 767)
Credit impairment losses	(173)	—	(173)
Other operating expenses	(17 326)	38	(17 288)
Trading profit	11 238	40	11 278
Exchange rate losses	(260)	—	(260)
Profit on lease modifications and terminations	66	—	66
Items of a capital nature	(29)	—	(29)
Operating profit	11 015	40	11 055
Interest received from bank account balances	270	—	270
Finance costs	(2 999)	6	(2 993)
Profit before income tax	8 286	46	8 332
Income tax expense	(2 556)	3	(2 553)
Profit from continuing operations	5 730	49	5 779
Profit/(loss) from discontinued operations (attributable to owners of the parent)	10	(49)	(39)
Profit for the year	5 740	—	5 740
Other comprehensive income, net of income tax	2 879	—	2 879
Items that will not be reclassified to profit or loss			
Re-measurements of post-employment medical benefit obligations	2	—	2
Items that may subsequently be reclassified to profit or loss			
Foreign currency translation differences from continuing operations	2 805	40	2 845
Foreign currency translation differences from discontinued operations	(8)	(40)	(48)
Release of foreign currency translation reserve on disposal of discontinued operations	18	—	18
Profit on effective investment hedge, net of income tax	62	—	62
Total comprehensive income for the year	8 619	—	8 619
Profit attributable to:	5 740	—	5 740
Owners of the parent	5 711	—	5 711
Non-controlling interest	29	—	29
Total comprehensive income attributable to:	8 619	—	8 619
Owners of the parent	8 590	—	8 590
Non-controlling interest	29	—	29
Total comprehensive income attributable to owners of the parent arises from:	8 590	—	8 590
Continuing operations	8 570	89	8 659
Discontinued operations	20	(89)	(69)

* Restated for the reclassification of the Group's share of profit of equity accounted investments. Refer to note 3 for details of the adjustments recognised for each individual line item.



Selected explanatory notes to the condensed consolidated financial statements continued

2 Comparative figures continued Discontinued operations continued

	Previously reported 52 weeks 2022 cents	Discontinued operations restatement 52 weeks 2022 cents	Restated audited 52 weeks 2022 cents
Earnings per share for profit from continuing operations attributable to owners of the parent:			
Basic earnings per share from continuing operations	1 046.5	9.0	1 055.5
Diluted earnings per share from continuing operations	1 039.7	8.9	1 048.6
Headline earnings per share from continuing operations	1 055.0	8.9	1 063.9
Diluted headline earnings per share from continuing operations	1 048.1	8.8	1 056.9
Earnings per share for profit attributable to owners of the parent:			
Basic earnings per share	1 048.3	—	1 048.3
Diluted earnings per share	1 041.5	—	1 041.5
Headline earnings per share	1 056.3	—	1 056.3
Diluted headline earnings per share	1 049.4	—	1 049.4

3 Reclassification of disclosure items

Certain reclassifications of statement of comprehensive income items and statement of cash flows in the current year resulted in changes to the relevant comparative information to ensure accurate comparability with the current year information. The affected line items are detailed below.

The Group's share of profit of equity accounted investments, previously included in profit before income tax, was reclassified during the year under review and is now presented within trading profit. This reclassification ensures that the Group's share of profit of equity accounted investments, forming an integral part of the Group's operations, is presented as part of trading profit on the statement of comprehensive income.

	Audited 52 weeks 2022 Rm
Statement of comprehensive income	
Increase in trading and operating profit	208
Profit for the period	—
Statement of cash flows	
Increase in operating profit	208
Decrease in non-cash items	(208)
Cash flows from operating activities	—

4 Condensed operating segment information

4.1 Analysis per reportable segment

Continuing operations	Supermarkets RSA Rm	Supermarkets Non-RSA Rm	Furniture Rm	Other operating segments Rm	Total operating segments Rm	Hyperinflation effect Rm	Consolidated Rm
Reviewed 2023							
Sale of merchandise	178 691	19 658	7 064	14 666	220 079	—	220 079
External	173 634	19 622	7 064	14 636	214 956	—	214 956
Inter-segment	5 057	36	—	30	5 123	—	5 123
Trading profit	10 841	594	104	427	11 966	(50)	11 916
Interest revenue included in trading profit	70	192	320	83	665	—	665
Depreciation and amortisation ³	5 884	774	343	80	7 081	50	7 131
Impairments	81	67	20	—	168	40	208
Property, plant and equipment	4	50	5	—	59	37	96
Right-of-use assets	40	17	15	—	72	3	75
Intangible assets	37	—	—	—	37	—	37
Total assets ⁴	78 857	12 810	5 076	4 934	101 677	679	102 356
Restated* audited 2022							
Sale of merchandise	151 911	16 886	6 723	12 928	188 448	—	188 448
External	147 368	16 857	6 723	12 920	183 868	—	183 868
Inter-segment	4 543	29	—	8	4 580	—	4 580
Trading profit	10 263	479	211	363	11 316	(38)	11 278
Interest revenue included in trading profit	43	186	260	55	544	—	544
Depreciation and amortisation ³	5 040	677	307	68	6 092	38	6 130
Impairments	53	88	17	—	158	(12)	146
Property, plant and equipment	1	56	2	—	59	(13)	46
Right-of-use assets	40	32	15	—	87	1	88
Intangible assets	12	—	—	—	12	—	12
Total assets ⁴	67 211	13 809	4 619	4 294	89 933	1 266	91 199

Refer to note 7 for operating segment disclosures of discontinued operations.

* Restated for the classification of the Group's DRC operations as discontinued operations in accordance with IFRS 5: Non-current Assets Held for Sale and Discontinued Operations and the reclassification of the Group's share of profit of equity accounted investments. Refer to notes 2 and 3 for details of the adjustments recognised for each individual line item.

³ Represent gross depreciation and amortisation before appropriate allocations of distribution cost.

⁴ Total assets of consolidated continuing operations, together with discontinued operations' total assets, equal total assets as presented in the statement of financial position. Discontinued operations had no total assets as at 2 July 2023 (2022: R256 million).



Selected explanatory notes to the condensed consolidated financial statements continued

4 Condensed operating segment information continued

4.2 Geographical analysis

Continuing operations	South Africa Rm	Outside South Africa Rm	Total operating segments Rm	Hyperinflation effect Rm	Consolidated Rm
Reviewed 2023					
Sale of merchandise – external	191 587	23 369	214 956	—	214 956
Non-current assets ^{5 and 6}	42 636	4 470	47 106	679	47 785
Restated* audited 2022					
Sale of merchandise – external	163 810	20 058	183 868	—	183 868
Non-current assets ^{5 and 6}	37 764	5 108	42 872	1 267	44 139

Refer to note 7 for operating segment disclosures of discontinued operations.

* Restated for the classification of the Group's DRC operations as discontinued operations in accordance with IFRS 5: Non-current Assets Held for Sale and Discontinued Operations. Refer to note 2 for details of the adjustments recognised for each individual line item.

5 Non-current assets consist of property, plant and equipment, right-of-use assets, intangible assets and non-financial trade and other receivables.

6 Non-current assets of consolidated continuing operations, together with discontinued operations' non-current assets, equal non-current assets as presented in the statement of financial position. Discontinued operations had no non-current assets at 2 July 2023 (2022: R191 million).

5 Revenue

	Reviewed 2023 Rm	Restated* audited 2022 Rm
Revenue from contracts with customers	217 908	186 186
Sale of merchandise (note 5.1)	214 956	183 868
Commissions received	1 141	987
Franchise fees received	166	146
Marketing and media	383	185
Delivery recoveries	627	421
Other revenue	635	579
Operating lease income	468	437
Premiums and other insurance income earned	137	160
Other income ⁷	273	57
Dividends received from unlisted share investments	79	144
Interest revenue	665	544
Instalment sale receivables	343	264
Government bonds and bills	153	159
Other loans receivable	169	121
	219 530	187 528
Consisting of:		
Sale of merchandise	214 956	183 868
Other operating income	3 909	3 116
Interest revenue	665	544
	219 530	187 528

* Restated for the classification of the Group's DRC operations as discontinued operations in accordance with IFRS 5: Non-current Assets Held for Sale and Discontinued Operations. Refer to note 2 for details of the adjustments recognised for each individual line item.

7 Includes insurance claims due to the social unrest. Refer to note 22 for the impact on each individual line item.

	Reviewed 2023 Rm	Restated* audited 2022 Rm
5 Revenue continued		
5.1 Sale of merchandise has been disaggregated as follows:		
Supermarkets RSA	173 634	147 368
Shoprite and Usave	90 036	77 874
Checkers and Checkers Hyper ⁸	69 306	58 718
LiquorShop ⁹	13 932	10 648
Other ¹⁰	360	128
Supermarkets Non-RSA	19 622	16 857
Shoprite and Usave	18 095	15 512
Checkers and Checkers Hyper	1 312	1 172
LiquorShop	205	164
Other	10	9
Supermarkets RSA and Non-RSA	193 256	164 225
Furniture	7 064	6 723
RSA	5 343	5 302
Non-RSA	1 721	1 421
Other operating segments	14 636	12 920
Drop-shipment sales to franchisees	7 602	6 771
Other sales	7 034	6 149
Consolidated sale of merchandise	214 956	183 868
<p>* Restated for the classification of the Group's DRC operations as discontinued operations in accordance with IFRS 5: Non-current Assets Held for Sale and Discontinued Operations. Refer to note 2 for details of the adjustments recognised for each individual line item.</p> <p>8 Checkers and Checkers Hyper includes sale of merchandise through the Checkers Sixty60 application which is less than 5% of the Group's consolidated sale of merchandise.</p> <p>9 LiquorShop includes sale of merchandise through LiquorShop Online which is less than 5% of the Group's consolidated sale of merchandise.</p> <p>10 Other includes sale of merchandise through Petshop Online which is less than 5% of the Group's consolidated sale of merchandise.</p>		
6 Finance costs		
Lease liabilities finance charges	3 070	2 640
Borrowings and other finance charges	647	387
Borrowing costs capitalised	(52)	(34)
	3 665	2 993

* Restated for the classification of the Group's DRC operations as discontinued operations in accordance with IFRS 5: Non-current Assets Held for Sale and Discontinued Operations. Refer to note 2 for details of the adjustments recognised for each individual line item.

7 Discontinued operations

The Group's discontinued operations are detailed in this note.

Retail Supermarkets Nigeria Ltd

In December 2020 the sale agreement to sell the majority stake of the Group's Nigeria subsidiary, Retail Supermarkets Nigeria Ltd, was concluded with conditions precedent met in May 2021. After the finalisation of the closing date accounts in the prior year, an additional profit was recognised on disposal of this subsidiary. Furthermore, included in the statement of comprehensive income are exchange rate losses and net finance income which relates to a bank account denominated in Nigeria naira which holds the proceeds from the sale of this subsidiary.

Shoprite Checkers Kenya Ltd

The Group decided to exit the Kenya market and the last store was closed at the end of January 2021. Consequently the results of Shoprite Checkers Kenya Ltd have been classified as discontinued operations in the statement of comprehensive income.



Selected explanatory notes to the condensed consolidated financial statements continued

7 Discontinued operations continued

Shoprite Checkers Uganda Ltd

The agreement to sell the properties, in-store assets and leases of the Group's Uganda subsidiary, Shoprite Checkers Uganda Ltd was concluded with conditions precedent met during the prior year.

Shoprite Madagascar S.A.

The sale agreement to sell the entire shareholding of the Group's Madagascar subsidiary, Shoprite Madagascar S.A. was concluded on 31 January 2022 with conditions precedent already being met.

Shoprite RDC SARL

The Group decided to exit the DRC market and the last store was closed at the end of December 2022. Consequently the results of Shoprite RDC SARL have been classified as discontinued operations in the statement of comprehensive income.

7.1 Financial performance and cash flow information

	Retail Supermarkets Nigeria Ltd Rm	Shoprite Checkers Kenya Ltd Rm	Shoprite Checkers Uganda Ltd Rm	Shoprite Madagascar S.A. Rm	Shoprite RDC SARL Rm	Total Rm
Reviewed 2023						
(Loss)/profit from discontinued operations						
Sale of merchandise	—	—	—	—	94	94
Gross profit	—	—	—	—	7	7
Other operating income	25	—	—	3	—	28
Depreciation and amortisation	—	—	—	—	(11)	(11)
Employee benefits reversals/(expenses)	—	—	1	—	(20)	(19)
Other operating (expenses)/reversals	(6)	—	7	—	(26)	(25)
Trading profit/(loss)	19	—	8	3	(50)	(20)
Exchange rate losses	(272)	—	(1)	—	(31)	(304)
Loss on lease modifications and terminations	—	—	—	—	(65)	(65)
Items of a capital nature	—	—	—	—	(34)	(34)
Operating (loss)/profit	(253)	—	7	3	(180)	(423)
Net finance income/(costs)	9	—	—	—	(3)	6
(Loss)/profit before income tax	(244)	—	7	3	(183)	(417)
Income tax	—	—	—	—	(2)	(2)
(Loss)/profit after income tax	(244)	—	7	3	(185)	(419)
Other comprehensive loss from discontinued operations						
Foreign currency translation differences from discontinued operations for the year	—	(1)	(1)	—	(7)	(9)
Cumulative foreign currency translation gains/(losses) recognised in other comprehensive income	—	18	(57)	—	(73)	(112)
Net cash inflows/(outflows) attributable to discontinued operations						
Operating activities	—	—	19	—	(29)	(10)
Investing activities	49	—	—	10	—	59
Financing activities	—	—	—	—	(5)	(5)
Net increase/(decrease) in cash generated by discontinued operations	49	—	19	10	(34)	44

7 **Discontinued operations** continued
7.1 **Financial performance and cash flow information** continued

	Retail Supermarkets Nigeria Ltd Rm	Shoprite Checkers Kenya Ltd Rm	Shoprite Checkers Uganda Ltd Rm	Shoprite Madagascar S.A. Rm	Shoprite RDC SARL Rm	Total Rm
Audited 2022						
Profit/(loss) from discontinued operations						
Sale of merchandise	—	—	63	296	210	569
Gross (loss)/profit	—	—	(9)	56	39	86
Other operating income	5	10	8	1	2	26
Depreciation and amortisation	—	—	—	—	(22)	(22)
Employee benefits	—	—	(6)	(14)	(21)	(41)
Other operating expenses	(8)	(3)	(36)	(24)	(38)	(109)
Trading (loss)/profit	(3)	7	(43)	19	(40)	(60)
Exchange rate (losses)/gains	(14)	—	(1)	1	—	(14)
Profit/(loss) on lease modifications and terminations Items of a capital nature	—	—	46	(1)	—	45
Operating (loss)/profit	(17)	7	19	19	(40)	(12)
Net finance income/(costs)	5	—	(2)	(2)	(6)	(5)
(Loss)/profit before income tax	(12)	7	17	17	(46)	(17)
Income tax expense	—	—	(4)	(1)	(3)	(8)
(Loss)/profit after income tax	(12)	7	13	16	(49)	(25)
Profit/(loss) on disposal of discontinued operations after income tax (note 7.2)	33	—	—	(47)	—	(14)
Profit/(loss) from discontinued operations	21	7	13	(31)	(49)	(39)
Other comprehensive (loss)/income from discontinued operations						
Foreign currency translation differences from discontinued operations for the year	—	(4)	(6)	2	(40)	(48)
Cumulative foreign currency translation gains/(losses) recognised in other comprehensive income	—	19	(56)	—	(65)	(102)
Net cash inflows/(outflows) attributable to discontinued operations						
Operating activities	—	12	3	(24)	(17)	(26)
Investing activities	44	—	90	31	(1)	164
Financing activities	—	—	(4)	(8)	(21)	(33)
Net increase/(decrease) in cash generated by discontinued operations	44	12	89	(1)	(39)	105



Selected explanatory notes to the condensed consolidated financial statements continued

7 Discontinued operations continued

7.2 Details of the disposal of discontinued operations

	Retail Supermarkets Nigeria Ltd Rm	Shoprite Checkers Kenya Ltd Rm	Shoprite Checkers Uganda Ltd Rm	Shoprite Madagascar S.A. Rm	Shoprite RDC SARL Rm	Total Rm
Reviewed 2023						
Cash received from outstanding debtor from sale of discontinued operations in prior year	49	—	—	—	—	49
Cash inflow on disposal of discontinued operations	49	—	—	—	—	49
Audited 2022						
Consideration received or receivable						
Cash received	—	—	—	5	—	5
Proceeds receivable in four equal instalments	33	—	—	—	—	33
Total disposal consideration	33	—	—	5	—	38
Carrying amount of net assets disposed	—	—	—	(34)	—	(34)
Profit/(loss) on disposal before reclassification of foreign currency translation reserve and income tax	33	—	—	(29)	—	4
Reclassification of foreign currency translation reserve	—	—	—	(18)	—	(18)
Income tax expense on profit/(loss) on disposal of discontinued operations	—	—	—	—	—	—
Profit/(loss) on disposal of discontinued operations after income tax	33	—	—	(47)	—	(14)
Details of the disposal of properties, in-store assets and inventory included in items of a capital nature						
Consideration received or receivable						
Cash received	—	—	90	—	—	90
Proceeds receivable in one final payment	—	—	38	—	—	38
Total disposal consideration	—	—	128	—	—	128
Carrying amount of net assets disposed	—	—	(133)	—	—	(133)
Loss on disposal of properties, in-store assets and inventory	—	—	(5)	—	—	(5)
The carrying amounts of assets and liabilities at the disposal date were as follows:						
Property, plant and equipment	—	—	110	37	—	147
Right-of-use assets	—	—	—	28	—	28
Inventories	—	—	23	43	—	66
Trade and other receivables	—	—	—	5	—	5
Cash and cash equivalents	—	—	—	26	—	26
Total assets	—	—	133	139	—	272
Lease liabilities	—	—	—	26	—	26
Borrowings	—	—	—	31	—	31
Provisions	—	—	—	1	—	1
Trade and other payables	—	—	—	45	—	45
Contract liabilities	—	—	—	2	—	2
Total liabilities	—	—	—	105	—	105
Net assets at disposal date	—	—	133	34	—	167
Net inflow of cash on disposal of discontinued operations comprise of the following:						
Cash proceeds on disposal	—	—	—	5	—	5
Cash and cash equivalents disposed	—	—	—	(26)	—	(26)
Cash received from outstanding debtor from sale of discontinued operations in prior year	44	—	—	—	—	44
Cash inflow on disposal of discontinued operations	44	—	—	(21)	—	23

8

Earnings/(loss) per share

	Reviewed 2023 Rm	Restated* audited 2022 Rm
Net profit attributable to owners of the parent	5 886	5 711
Loss from discontinued operations	419	39
Earnings from continuing operations	6 305	5 750
Re-measurements	16	29
(Profit)/loss on disposal and scrapping of property ¹¹	(1)	94
Profit on disposal of assets classified as held for sale (note 10)	(132)	(18)
Profit on sale and leaseback transaction (note 16)	(102)	—
Loss on disposal and scrapping of plant and equipment and intangible assets ¹¹	127	366
Impairment of property, plant and equipment	96	46
Impairment of right-of-use assets	75	88
Impairment of intangible assets	37	12
Impairment of investment in associate	—	23
Insurance claims receivable ¹¹	(82)	(582)
Profit on other investing activities	(2)	—
Income tax effect on re-measurements	9	18
Headline earnings from continuing operations	6 330	5 797
Loss from discontinued operations	(419)	(39)
Items of a capital nature from discontinued operations	34	(3)
Headline earnings	5 945	5 755

11 Comparative figures include amounts relating to the social unrest. Refer to note 22 for the impact on each individual line item.

Number of ordinary shares

	'000	'000
– In issue	543 063	542 513
– Weighted average	542 882	544 910
– Weighted average adjusted for dilution	546 082	548 503
Reconciliation of weighted average number of ordinary shares in issue during the year:		
Weighted average number of ordinary shares	542 882	544 910
Adjustments for dilutive potential of full share grants	3 200	3 593
Weighted average number of ordinary shares for diluted earnings per share	546 082	548 503

Earnings/(loss) per share (cents)	2023			Restated* 2022		
	Continuing operations	Discontinued operations	Total	Continuing operations	Discontinued operations	Total
– Basic earnings	1 161.4	(77.1)	1 084.3	1 055.5	(7.2)	1 048.3
– Diluted earnings	1 154.6	(76.7)	1 077.9	1 048.6	(7.1)	1 041.5
– Headline earnings	1 166.2	(70.9)	1 095.3	1 063.9	(7.6)	1 056.3
– Diluted headline earnings	1 159.4	(70.5)	1 088.9	1 056.9	(7.5)	1 049.4

* Restated for the classification of the Group's DRC operations as discontinued operations in accordance with IFRS 5: Non-current Assets Held for Sale and Discontinued Operations. Refer to note 2 for details of the adjustments recognised for each individual line item.



Selected explanatory notes to the condensed consolidated financial statements continued

	Reviewed 2023 Rm	Audited 2022 Rm
9		
Property, plant and equipment		
Carrying amount at the beginning of the year	16 816	14 374
Additions	5 538	4 326
Borrowing costs capitalised	—	4
Transfer to assets classified as held for sale (note 10)	(1 420)	(7)
Transfer from assets classified as held for sale (note 10)	—	50
Acquisition of select businesses from Massmart Holdings Ltd (note 19.3)	322	—
Acquisition of other operations	2	3
Disposal	(989)	(603)
Depreciation	(2 755)	(2 329)
Impairment	(96)	(122)
Reversal of impairment	—	76
Foreign currency translation differences	(817)	1 044
Carrying amount at the end of the year	16 601	16 816
10		
Assets classified as held for sale		
Carrying amount at the beginning of the year	120	532
Transfer from property, plant and equipment (note 9)	1 420	7
Transfer to property, plant and equipment (note 9)	—	(50)
Transfer to inventories	—	(43)
Transfer from trade and other receivables	—	5
Transfer from cash and cash equivalents	—	26
Disposal of discontinued operations	—	(272)
Derecognition of right-of-use assets	—	(56)
Disposal of land and buildings	(199)	(57)
Additions	45	17
Foreign currency translation differences	3	11
Carrying amount at the end of the year	1 389	120
11		
Right-of-use assets		
Carrying amount at the beginning of the year	23 725	20 520
Additions and lease liability remeasurements	6 537	6 675
Acquisition of select businesses from Massmart Holdings Ltd (note 19.3)	784	—
Transfer to net investment in lease receivable (included in trade and other receivables) ¹²	—	(324)
Derecognition	(210)	(135)
Depreciation	(3 867)	(3 367)
Impairment	(98)	(131)
Reversal of impairment	23	43
Landlord contributions	—	(5)
Foreign currency translation differences	(113)	449
Carrying amount at the end of the year	26 781	23 725

¹² The Group entered into a finance sublease agreement during the prior financial year.

		Reviewed 2023 Rm	Audited 2022 Rm
12	Equity accounted investments		
	Associates (note 12.1)	2 123	2 059
	Joint ventures (note 12.2)	189	181
		2 312	2 240
12.1	Associates		
	Carrying amount at the beginning of the year	2 059	2 025
	Investment in ordinary shares acquired	13	—
	Share of post-acquisition profits	208	202
	Dividends received from associates	(157)	(145)
	Impairment	—	(23)
	Carrying amount at the end of the year	2 123	2 059
	The associates listed below have share capital consisting solely of ordinary shares, which are held directly by the Group. These are private companies and no quoted market prices are available for their shares.		
		% Owned by the Group	
		2023	2022
	Retail Logistics Fund (RF) (Pty) Ltd	49.9%	49.9%
	Resilient Africa (Pty) Ltd	39.1%	39.1%
	Resilient Africa Managers (Pty) Ltd	39.1%	39.1%
	LBB Foods (Pty) Ltd	41.0%	41.0%
	Red Baron Agri (Pty) Ltd	41.0%	41.0%
	Trans Africa IT Solutions (Pty) Ltd	49.0%	—
	Zulzi On Demand (Pty) Ltd	26.0%	26.0%
		2 123	2 059
12.2	Joint ventures		
	Carrying amount at the beginning of the year	181	—
	Investment in ordinary shares acquired	—	175
	Share of post-acquisition profits	43	6
	Dividends received from joint ventures	(35)	—
	Carrying amount at the end of the year	189	181
	The Group acquired a 50% interest in Pingo Delivery (Pty) Ltd during the prior financial year. The share capital of Pingo Delivery (Pty) Ltd consist solely of ordinary shares, which are held directly by the Group. There are no quoted market prices available for the private company's shares.		
13	Convertible loans		
	Omnisient (RF) (Pty) Ltd		
	Recognised at fair value through profit or loss at initial recognition	22	—
	Reconciliation of carrying amount:		
	Carrying amount at the beginning of the year	—	—
	Investment in convertible loan acquired	20	—
	Interest income	2	—
	Carrying amount at the end of the year	22	—
	The amount is denominated in South Africa rand, earns interest at a weighted average variable interest rate (linked to the South African prime rate) of 13.6% p.a. and is convertible into shares within 14 months from the reporting date. The Group has the choice to demand repayment of the outstanding capital amount along with accrued interest after the maturity date.		



Selected explanatory notes to the condensed consolidated financial statements continued

	Reviewed 2023 Rm	Audited 2022 Rm
14 Government bonds and bills		
AOA, USD Index Linked, Angola Government Bonds (note 14.1)	637	739
AOA, Angola Government Bonds (note 14.2)	338	598
Angola Treasury Bills (note 14.3)	162	—
	1 137	1 337
Analysis of total government bonds and bills:		
Non-current	716	1 051
Current	421	286
	1 137	1 337

14.1 AOA, USD Index Linked, Angola Government Bonds

The AOA, USD Index Linked, Angola Government Bonds are to be settled in Angola kwanza, earn interest at an average rate of 6.1% (2022: 6.5%) p.a. and mature after two to 21 months from the reporting date. Accrued interest is payable bi-annually.

14.2 AOA, Angola Government Bonds

The AOA, Angola Government Bonds are denominated in Angola kwanza, earn interest at an average rate of 16.5% (2022: 16.4%) p.a. and mature after eight to 13 months from the reporting date. Accrued interest is payable bi-annually.

14.3 Angola Treasury Bills

The Angola Treasury Bills are denominated in Angola kwanza, earn interest at an average rate of 12.4% (2022: 16.1%) p.a. and mature after three months from the reporting date. Accrued interest is payable at maturity.

	Number of shares	
	Reviewed 2023	Audited 2022
15 Stated capital and treasury shares		
15.1 Stated capital		
Treasury shares held by Shoprite Checkers (Pty) Ltd are netted off against share capital on consolidation. The net number of ordinary shares in issue for the Group are:		
Issued ordinary share capital	591 338 502	591 338 502
Treasury shares (note 15.2)	(48 275 448)	(48 825 455)
	543 063 054	542 513 047
15.2 Treasury shares		
Reconciliation of movement in number of treasury shares for the Group:		
Balance at the beginning of the year	48 825 455	43 164 607
Shares purchased during the year under the authorised share buy-back programme ¹³	—	5 068 456
Shares purchased during the year for equity-settled share-based payments ¹⁴	1 394 275	1 382 109
Shares disposed during the year	(209 869)	(319 794)
Shares utilised for settlement of equity-settled share-based payment arrangements	(1 734 413)	(469 923)
Balance at the end of the year	48 275 448	48 825 455
Consisting of:		
Shares owned by Shoprite Checkers (Pty) Ltd	43 858 001	43 858 001
Shares held by Shoprite Checkers (Pty) Ltd for the benefit of participants to equity-settled share-based payment arrangements	4 417 447	4 967 454
	48 275 448	48 825 455

¹³ There were no shares purchased under the authorised share buy-back programme for the year (2022: average market price per share R196.69).

¹⁴ The average market price of the shares purchased for equity-settled share-based payments was R226.23 (2022: R183.39) per share.

16

Lease liabilities

	Reviewed 2023 Rm	Audited 2022 Rm
Reconciliation of carrying amounts:		
Balance at the beginning of the year	31 623	27 722
New leases and remeasurements	6 621	6 662
Acquisition of select businesses from Massmart Holdings Ltd (note 19.3)	784	—
Lease terminations	(205)	(201)
Transfer to other financial payables	(84)	—
Lease payments	(6 354)	(5 592)
Principal lease liability payments	(3 282)	(2 949)
Interest paid	(3 072)	(2 643)
Interest accruals	3 073	2 646
Exchange rate differences	164	(137)
Foreign currency translation differences	(40)	523
Balance at the end of the year	35 582	31 623
Analysis of total lease liabilities:		
Non-current	32 482	28 458
Current	3 100	3 165
	35 582	31 623
Sale and leaseback transactions:		
Sale and leaseback transactions relating to the Group's property, plant and equipment may become more prevalent as and when the opportunity arises. The Group secured long-term financing during the reporting period by entering into a sale and leaseback transaction on two of its distribution centres, namely the Canelands and Wells Estate distribution centres to Retail Logistics Fund (RF) (Pty) Ltd. The sale of the Canelands and Wells Estate distribution centres generated cash inflows of R716 million and R166 million as well as a profit R51 million per distribution centre.		
The impact of the Group's sale and leaseback transactions as well as its key terms and conditions are disclosed below:		
Cash proceeds received	882	—
Carrying amount at disposal date	(684)	—
Right-of-use assets recognised	357	—
Lease liabilities recognised	(453)	—
Profit on sale and leaseback transactions	102	—
Interest rate implicit to the lease	13.7% – 14.2%	—
Average lease term (years)	20	—

The age and the minimum estimated useful life of the distribution centres were used to determine a fair lease period and rental based on market values.

Payments not included in the measurement of the lease liabilities relating to the distribution centres include any operational costs, security and insurance costs, administration and maintenance costs, rates and taxes and any other municipal costs for water, electricity, sewerage and refuse. Only the rental portion, directly related to the market value of the properties, is included in the measurement of the lease liabilities. Normal maintenance charges are also not included to ensure that only the rental portion, directly related to the cost price, is included in the measurement of the lease liabilities.



Selected explanatory notes to the condensed consolidated financial statements continued

	Reviewed 2023 Rm	Audited 2022 Rm
17 Borrowings		
Consisting of:		
ABSA Bank Ltd (note 17.1)	2 487	1 540
FirstRand Bank Ltd (note 17.2)	1 502	1 501
Standard Bank Ltd (note 17.3)	2 006	2 004
Standard Chartered Bank (Mauritius) Ltd (note 17.4)	99	165
Stanbic Bank Botswana Ltd (note 17.5)	274	302
	6 368	5 512
Analysis of total borrowings:		
Non-current	5 770	4 500
Current	598	1 012
	6 368	5 512

17.1 ABSA Bank Ltd

South African rand denominated borrowings amount to R2.0 billion (2022: R1.0 billion) at the reporting date. This loan is unsecured, payable after 24 months from the reporting date and bears interest at an average rate of 7.9% (2022: 5.6%) p.a.

US dollar denominated borrowings amount to R441 million (2022: R539 million) at the reporting date. This loan is unsecured, payable after one to eight months from the reporting date and bears interest at an average rate of 5.8% (2022: 1.9%) p.a.

17.2 FirstRand Bank Ltd

This loan is denominated in South Africa rand and unsecured, payable after 21 months from the reporting date and bears interest at an average rate of 7.9% (2022: 5.6%) p.a.

17.3 Standard Bank Ltd

This loan is denominated in South Africa rand, unsecured, payable after 18 months from the reporting date and bears interest at an average rate of 7.7% (2022: 5.3%) p.a.

17.4 Standard Chartered Bank (Mauritius) Ltd

This loan is denominated in US dollar, unsecured and payable after one month from the reporting date and bears interest at an average rate of 5.9% (2022: 3.0%) p.a.

17.5 Stanbic Bank Botswana Ltd

This loan is denominated in Botswana pula, unsecured, payable after 32 months from the reporting date and bears interest at an average rate of 7.4% (2022: 5.9%) p.a.

18 Fair value disclosures

The Group has a number of financial instruments which are not measured at fair value in the statement of financial position. For the majority of these instruments, the fair values are not materially different to their carrying amounts, since the interest receivable/payable is either close to current market rates or the instruments are short-term in nature. Significant differences were identified for the following instruments at the end of the reporting period:

	Carrying amount		Fair value	
	Reviewed 2023 Rm	Audited 2022 Rm	Reviewed 2023 Rm	Audited 2022 Rm
Government bonds and bills	1 137	1 337	1 180	1 254
Loans receivable	1 993	2 019	1 968	2 009
Borrowings	6 368	5 512	7 282	6 569

19 Cash flow information

19.1 Non-cash items

	Reviewed 2023 Rm	Restated* audited 2022 Rm
Depreciation of property, plant and equipment	2 755	2 329
Depreciation of right-of-use assets	3 867	3 367
Amortisation of intangible assets	520	456
Share of profit of equity accounted investments	(251)	(208)
Credit impairment losses on loans receivable and government bonds and bills	143	85
Net fair value gains on financial instruments	(154)	(107)
Exchange rate (gains)/losses	(80)	274
Loss/(profit) on lease modifications and terminations	5	(111)
(Profit)/loss on disposal and scrapping of property	(1)	94
Profit on disposal of assets classified as held for sale	(132)	(18)
Profit on sale and leaseback transaction	(102)	—
Loss on disposal and scrapping of plant and equipment and intangible assets	161	366
Insurance recovery for property, plant and equipment relating to social unrest	—	(571)
Impairment of property, plant and equipment	96	46
Impairment of right-of-use assets	75	88
Impairment of intangible assets	37	12
Impairment of investment in associate	—	23
Loss on disposal of discontinued operations	—	47
Movement in provisions	65	(12)
Movement in cash-settled share-based payment accrual	—	47
Movement in share-based payment reserve	229	213
Movement in fixed escalation operating lease accruals	2	5
	7 235	6 425

* Restated for the reclassification of the Group's share of profit of equity accounted investments. Refer to note 3 for details of the adjustments recognised for each individual line item.

19.2 Changes in working capital

Inventories	(3 059)	(2 827)
Trade and other receivables	(687)	(665)
Trade and other payables	3 538	1 615
Contract liabilities	33	116
	(175)	(1 761)



Selected explanatory notes to the condensed consolidated financial statements continued

	Reviewed 2023 Rm	Audited 2022 Rm	
19	Cash flow information continued		
19.3	Acquisition of select businesses from Massmart Holdings Ltd		
	<p>The Group acquired select businesses from Massmart Holdings Ltd with an effective date of 9 January 2023. As a result of this acquisition, the Group is expected to expand its retail business operations in South Africa. The transaction led to the Group acquiring one meat plant and 94 stores which have been rebranded as 51 Shoprite, 42 Shoprite LiquorShop and one Usave. At the reporting date two Shoprite LiquorShops remained closed, awaiting for the liquor licence transfer. Furthermore, the acquisition contributed R2.4 billion to sale of merchandise and included 4 480 staff members joining the Group (who would be eligible to receive the Shoprite Employee Trust distributions subject to certain qualifying criteria).</p> <p>This acquisition had no significant impact on the Group's results.</p> <p>The assets and liabilities arising from this acquisition were as follows:</p>		
	Property, plant and equipment (note 9)	322	—
	Right-of-use assets (note 11)	784	—
	Inventories	367	—
	Lease liabilities (note 16)	(784)	—
	Trade and other payables	(27)	—
	Fair value of net assets acquired	662	—
	Purchase consideration consisting of:		
	Total purchase consideration	662	—
	Purchase consideration payable	(32)	—
	Purchase consideration paid on acquisition	630	—
	All other acquisitions of operations are not material to the Group's condensed consolidated financial statements and therefore no summary financial information is presented for these operations.		
20	Related party information		
	<p>The Group acquired a new associate, Trans Africa IT Solutions (Pty) Ltd during the year (refer to note 12). During the year under review, in the ordinary course of business, certain companies within the Group entered into transactions with each other. All intergroup transactions are similar to those in the prior year. The intergroup transactions with subsidiaries have been eliminated in the condensed financial statements on consolidation. Related party transactions also include deferred shares, key management personnel compensation and loans to associates.</p> <p>During the prior year, Non-executive Director, Dr CH Wiese, exercised his rights to cash-settled share-based payments, based on 1 000 000 shares, which were granted during 2004 at a strike price of R6.50 per share. This resulted in a cash outflow of R196 million as presented in the condensed consolidated statement of cash flows.</p>		
21	Supplementary information		
	Net asset value per share (cents)	4 812	4 697
	Contracted capital commitments	2 093	1 855
	Contingent assets (note 21.1)	—	367
	Contingent liabilities (note 21.2)	1 970	1 008

21 Supplementary information continued

21.1 Contingent assets

Contingent assets relate to insurance claims receivable resulting from the social unrest which have not been recorded in the previous year due to its recoverability having been assessed not to be virtually certain at that reporting date. Refer to note 22.

21.2 Contingent liabilities

Contingent liabilities consist of outstanding legal matters, including a judgement in Nigeria that has gone on appeal, as well as possible tax exposures that the Group has submitted objections to the possible tax exposures.

Management has assessed the merits of each of these cases in close collaboration with the Group's external advisors and remain confident that these exposures leading to additional payments are not probable. Accordingly, these are disclosed as contingent liabilities.

22 South Africa's social unrest

At the beginning of July 2021, the South African provinces of KwaZulu-Natal and Gauteng experienced extreme social unrest, manifesting in wide scale looting and destruction of infrastructure. The Group's Durban based KwaZulu-Natal fresh foods distribution centre was partially looted and the Pietermaritzburg Furniture distribution centre incurred fire damage. As a result of this direct impact, the Group took precautionary measures which included the closing of a considerable number of stores operating in the KwaZulu-Natal province and in its central Gauteng region during that same week. All of these stores that were closed on a precautionary basis have since re-opened, as has the Durban based distribution centre. This event resulted in 231 stores being impacted of which 177 have been classified as looted and 54 as having fire damage. At the reporting date, 171 (2022: 166) of the 177 looted stores and 39 (2022: 28) of the 54 fire damaged stores, have since re-opened. The decision was made that 13 stores will not be re-opened. The final settlement was received during the year, which resulted in the Group having received a total amount of R1.8 billion (2022: R1.6 billion) from Sasria and the Group riot wrap insurance policy. Refer to note 21 relating to the contingent assets in the prior year.

The analysis below details the loss of assets impact on the carrying amounts in the Group's statement of financial position and results of cash flows for the current and prior year. This excludes the impact of additional expenses incurred to become operational in the stores and to safeguard our assets.

	Loss incurred Rm	Insurance claims Rm	Nett impact Rm
Audited 2022			
Inventory write-downs (included in cost of sales)	(968)	968	—
Cash on hand write-offs (included in cost of sales)	(19)	12	(7)
Property write-downs (included in items of a capital nature)	(100)	100	—
Equipment, fixtures and fittings written off (included in items of a capital nature)	(162)	471	309
Insurance claim relating to loss of profits (included in other operating income)	—	22	22
Insurance claim relating to loss of rental (included in other operating income)	—	23	23
Total impact on statement of comprehensive income (operating profit)	(1 249)	1 596	347
Proceeds received from insurance claims		(1 584)	
Property, plant and equipment		(564)	
Inventory		(966)	
Cash on hand		(12)	
Loss of profits		(21)	
Loss of rental		(21)	
Outstanding insurance claims included in trade and other receivables		12	
Reviewed 2023			
Insurance claim relating to loss of profits (included in other operating income)	—	244	244
Total impact on statement of comprehensive income (operating profit)	—	244	244
Proceeds received from insurance claims		(256)	
Property, plant and equipment		(7)	
Inventory		(2)	
Loss of profits		(245)	
Loss of rental		(2)	
Outstanding insurance claims included in trade and other receivables		—	



Selected explanatory notes to the condensed consolidated financial statements continued

23 Events after the reporting date

23.1 Sale and leaseback of Sun Valley Mall

The Group signed an agreement during December 2022 with Heriot REIT Ltd to sell and lease back the Sun Valley Mall. Competition Commission approval was received during July 2023 and the Group is waiting on the transfer to be registered at the deeds office.

24 Going concern

The Board of Directors evaluated the going concern assumption as at 2 July 2023, taking into account the current financial position and their best estimate of the cash flow forecasts and considered it to be appropriate in the presentation of the condensed consolidated financial statements.

The Board has reviewed the cash flow forecast for the next 12 months and is of the opinion that the Group has more than sufficient liquidity to adequately support its working capital requirements and consequently, is satisfied with the Group's ability to continue as a going concern for the foreseeable future.

Financial covenants:

As at the reporting date the Group had unutilised banking facilities of R4.8 billion and is well within the financial covenants with its various financiers.