



2022 INTERIM RESULTS PRESENTATION

FOR THE 26 WEEKS
ENDED 2 JANUARY 2022

SHOPRITE 
HOLDINGS LTD

SHOPRITE Checkers Checkers Hyper U\$ave

Checkers Foods LiquorShop SHOPRITE LiquorShop Checkers SIXTY60 littleme

Medirite+ Pharmacy Transpharm GFS Checkers Food Services Freshmark Petshop science

rainmaker MEDIA SHOPRITE X MoneyMarket m K'nect mobile

Computicket Travel COMPUTICKET OK Furniture OK Power Express House&Home OK FRANCHISE DIVISION



PRESENTATION OUTLINE

OPERATIONAL REVIEW
Pieter Engelbrecht

FINANCIAL RESULTS
Anton de Bruyn

STRATEGY UPDATE
QUESTIONS
Pieter Engelbrecht



OPERATIONAL REVIEW

Chief Executive Officer
PIETER ENGELBRECHT



The Group in review

2022 KEY HIGHLIGHTS



R91.1bn

Sales

+10.0%

+9.3% Like-for-like



R22.0bn

Gross profit

+10.1%

24.1% Gross margin



R5.4bn

Trading profit

+14.5%

6.0% Trading margin

Continuing operations



2022 OPERATIONAL METRICS

MORE CUSTOMERS RETURNING TO STORES



+4.7%

Basket size growth

+6.0%

Customer visits

HIGHER VOLUMES



+4.5%

Volume growth

+145m

Additional products sold

PROFITABLE MARKET SHARE GAIN



+R3.6bn

H1 RSA market share gain

34

Months of uninterrupted
market share gains

(NielsenIQ, 2021)

Continuing operations



Resilient operational performance

SUPERMARKETS RSA

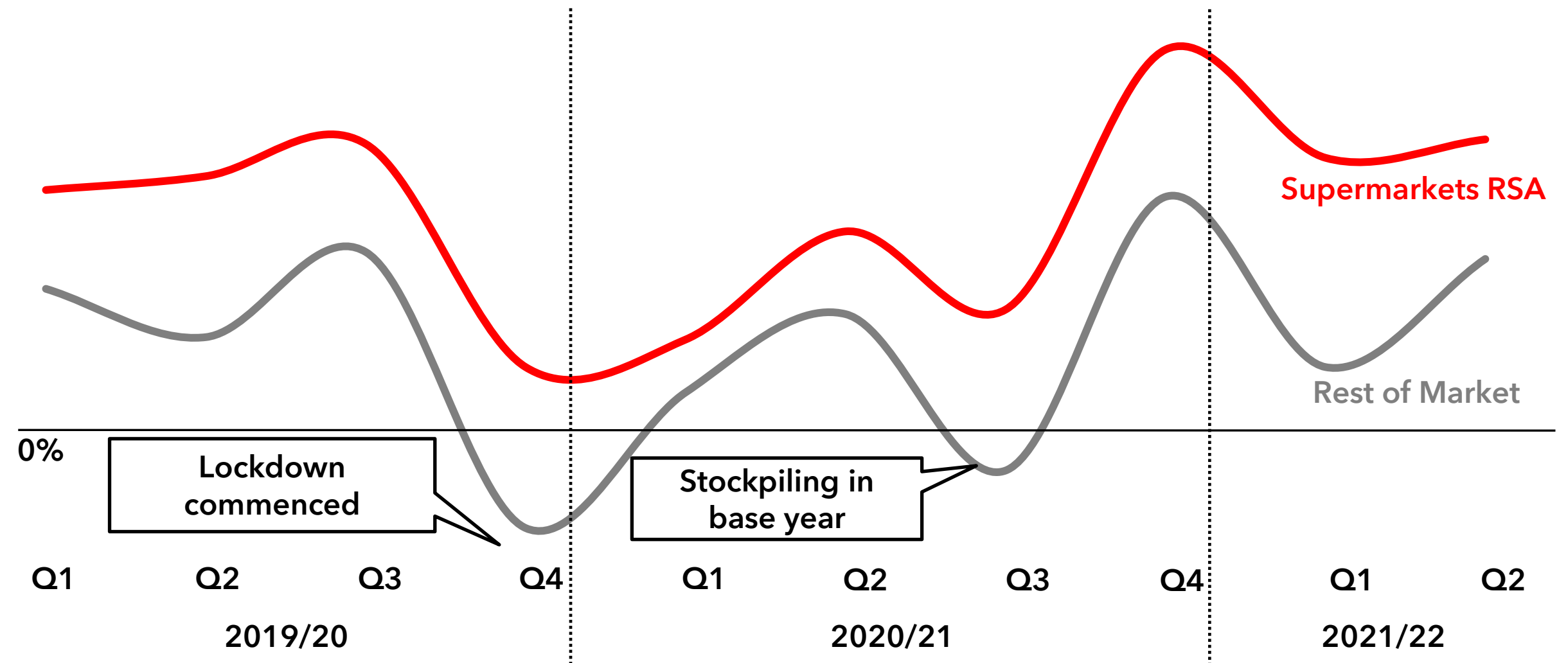


A Stronger Shoprite

- Supermarkets RSA sales momentum assisted by return of liquor trade
 - +11.3% sales growth (+9.1% excl. LiquorShop) and trading margin improved
- LiquorShop sales **+49.8%** (48 vs 79 trading days in the comparative period lost due to lockdown restrictions)
- Built back stronger through operational excellence following July unrest
- All supermarket brands continued to gain market share vs peers
- Well-positioned for shifting consumer needs and digital step change:
 - Value safe-haven for increasingly price-conscious consumers
 - Leading online position after first-scaler advantage



Sales growth outpaced Rest of Market for 10 consecutive quarters



Supermarkets RSA sales growth vs Rest of Market (incl. liquor)

Source: NielsenIQ, 2019- 2021. Other Retailers Universe includes Pick n Pay, Boxer, Clicks, Woolworths, Dis-Chem, Fruit & Veg City, Game, Spar, PEP, Jetmart (NOTE: Pick n Pay supermarket numbers from Oct - Dec 2021 extrapolated after withdrawal from the market share universe)



Commitment to Customers

SUPERMARKETS RSA



Unwavering focus on Affordability & Accessibility for Customers

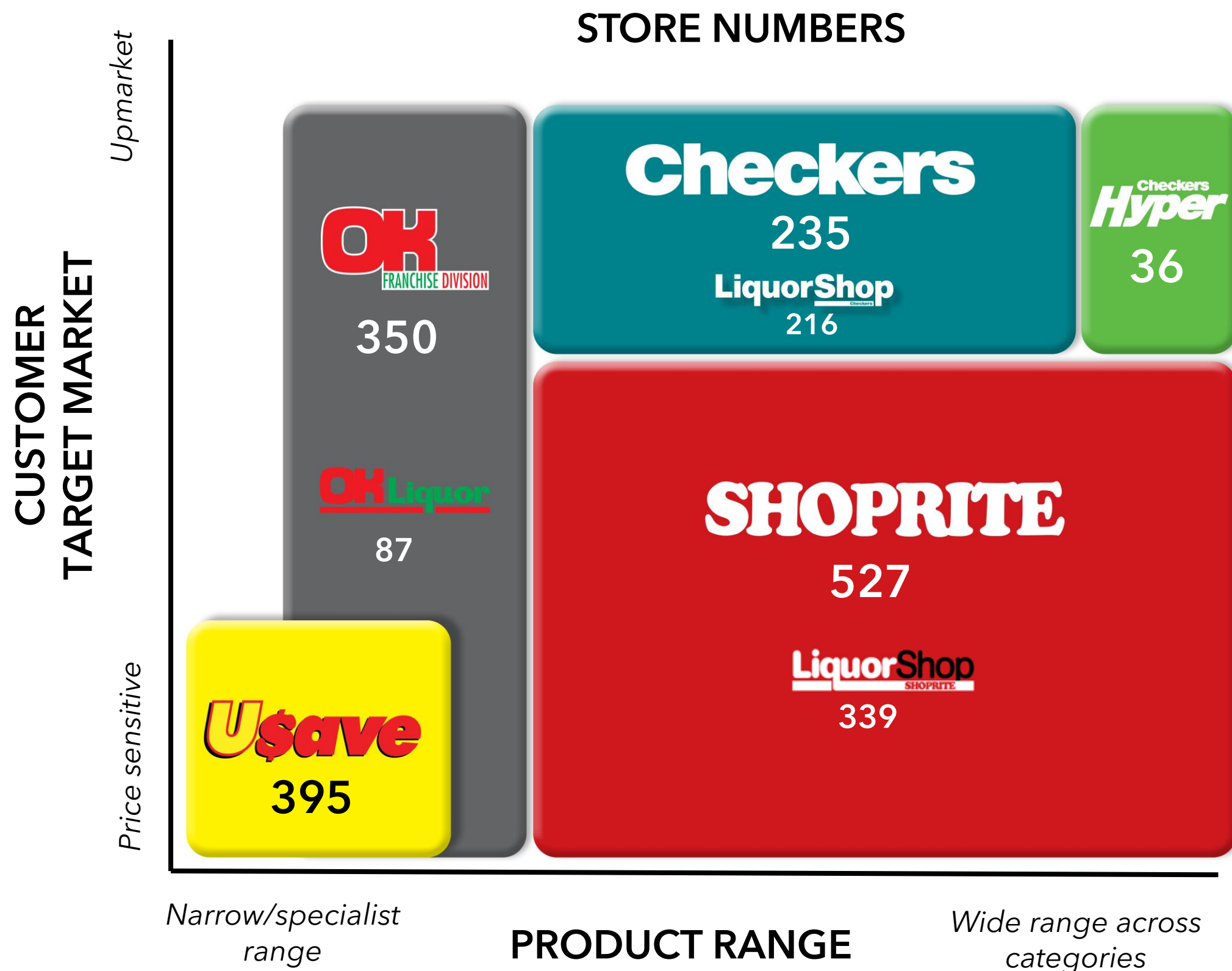
- **Shoprite remains Low Price Champion and rated No. 1 for Low Prices***
 - Internal price inflation of 2.6%, well below official food inflation of 6.2%
 - R4.5bn in Xtra Savings in H1 2022
 - Subsidised more than 1 million loaves of R5 bread every week
- **Taking retail to the people**
 - **Shoprite** footprint to be bolstered by 113 stores pending Masscash deal
 - **Checkers** home delivery available from 266 sites
 - **Usave** stores operate in 395 communities



*Customer satisfaction survey July 2021



SUPERMARKETS STORE BRAND PORTFOLIO RSA



SHOPRITE

AFRICA'S LOW PRICE LEADER

Lowest prices on the trusted brands without compromising on customer service and product quality

CHECKERS

BEST VALUE IN FRESH & PREMIUM

Omnichannel market leader in value on fresh produce groceries and premium food

CHECKERS HYPER

AMPLIFIED VALUE

Checkers with wider ranges in bulk groceries, general merchandise, key upmarket categories like Pet, Baby and Electronics

USAVE

LIMITED ASSORTMENT DISCOUNTER

Offering a limited assortment of the most popular grocery items at everyday low prices in more accessible locations

OK FRANCHISE DIVISION

ONE-STOP CONVENIENCE SHOPPING

Franchise arm of the Group, offering groceries, fresh foods and Liquor closer to communities



Operational resilience

SUPERMARKETS NON-RSA



A more manageable, profitable group of core countries

- **Supermarkets Non-RSA sales improved 8.4%** (Continuing operations)
 - Q2 sales growth accelerated to 14.4%
 - Zambia was a star performer increasing sales by 35.3%
- **Constant currency sales increased by 11.4%** (Continuing operations)
- **Madagascar sale concluded end January 2022**
- **Uganda sale in final stages**
- **Strict capital allocation continued and remains self-funding**
- **Stronger oil and copper price should assist economic recoveries**



2022 INTERIM FINANCIAL RESULTS

Chief Financial Officer
ANTON DE BRUYN



Impact of discontinued operations

RESTATEMENTS SINCE PREVIOUS YEAR

H1 2022 26 WEEKS ENDED 2 JAN '22

IFRS 5: NON-CURRENT ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS

- Classify the Group's Kenyan, Ugandan and Madagascan operations as discontinued operations
- Statement of comprehensive income reflects profit from discontinued operations separately
- Assets and liabilities relating to the Madagascan and Ugandan discontinued operations classified as held for sale

H1 2021* 26 WEEKS ENDED 27 DEC '20

- Comparative statement of comprehensive income restated for newly classified discontinued operations during H2 2021 (refer to note 2 of the condensed consolidated interim financial statements)

	Restatement impact Rm
Sale of merchandise	(610)
Gross profit	(99)
Net expenses	130
Trading profit	31
Exchange rate losses	5
Profit on lease modifications and terminations	(74)
Items of a capital nature	(20)
Operating profit	(58)
Finance costs	16
Profit before income tax	(42)
Income tax expense	4
Profit from continuing operations	(38)
Profit from discontinued operations	38
Profit for the period	-

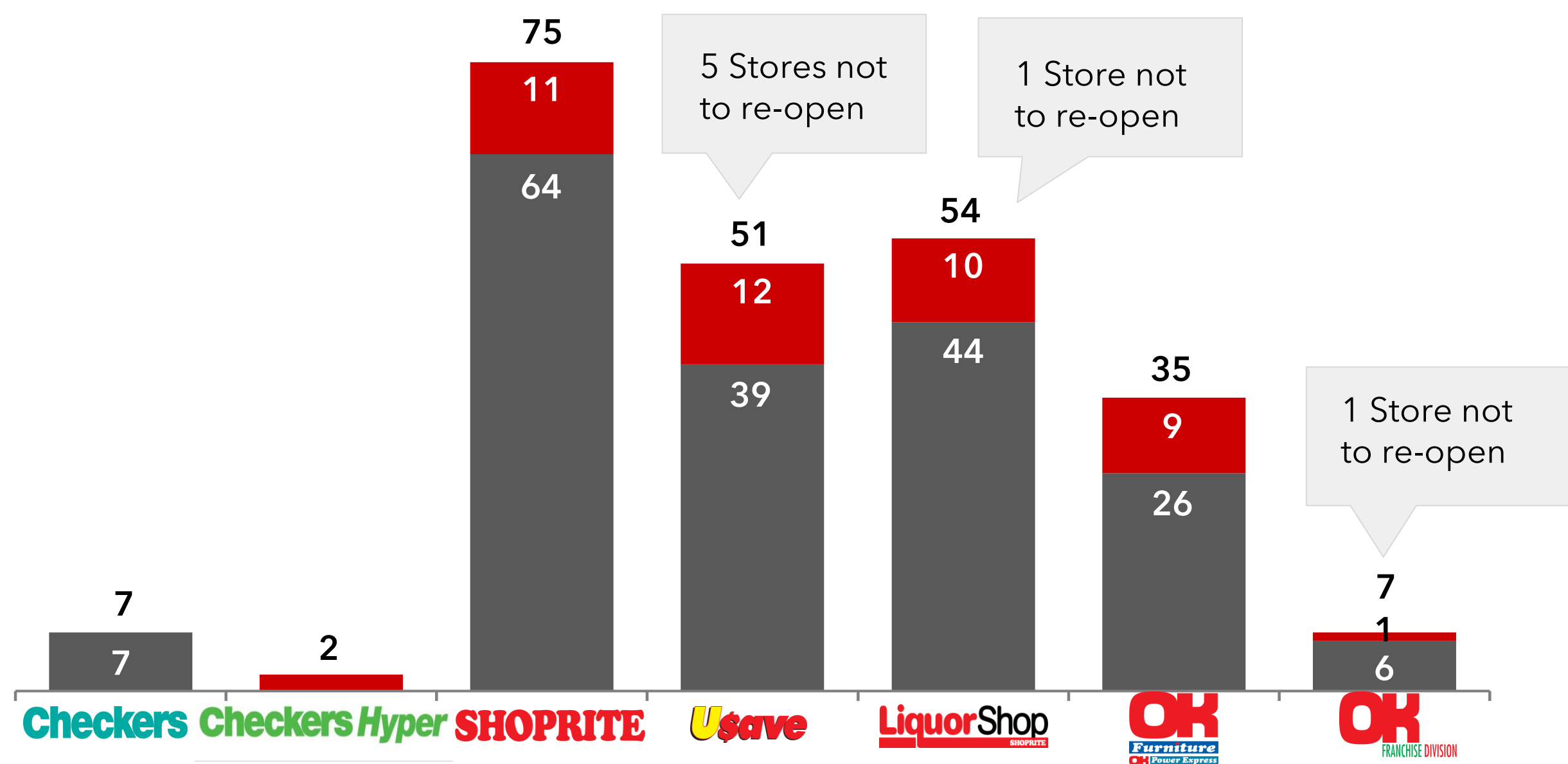
* Restated for the classification of the Group's Kenyan, Ugandan and Madagascan operations as discontinued operations in accordance with IFRS 5: Non-current Assets Held for Sale and Discontinued Operations



KwaZulu-Natal and Gauteng CIVIL UNREST IMPACT

231 STORES IMPACTED

Total stores re-opened 186
Total stores still closed 45
Stores that will not re-open 7



H1 2022 impact:

- Cost of sales**
- Inventory write-downs of R968m
 - Claimed R968m from insurance
- Expenses**
- Civil unrest related cost of R134m not recovered through insurance to date
- Items of a capital nature**
- Property write-downs of R100m
 - Equipment, fixtures and fittings amounting to R162m written off
 - Total impact of R262m claimed from insurance
- Trade and other receivables**
- R307m outstanding insurance claims included in trade and other receivables
- Statement of cash flows**
- R935m proceeds received from insurance claims for inventory
- Contingent assets**
- R308m insurance claims not yet recorded



H1 2022 key metrics

FINANCIAL OVERVIEW

	Change %	26 weeks 2 Jan '22 Rm	Restated* 26 weeks 27 Dec '20 Rm
Continuing operations			
Sale of merchandise	10.0	91 125	82 820
Gross profit	10.1	21 955	19 942
Other operating income	15.6	1 461	1 264
Interest revenue	(3.2)	270	279
Total expenses	9.1	(18 264)	(16 748)
Trading profit	14.5	5 422	4 737
Exchange rate losses	>100	(127)	(15)
Items of a capital nature	(42.7)	(199)	(347)
EBITDA	12.9	7 854	6 958
		cents	cents
DHEPS	25.2	519.3	414.8
Adjusted DHEPS	32.5	536.3	404.8
Dividend	22.0	233.0	191.0
		%	%
Gross margin		24.1	24.1
Trading margin		6.0	5.7
Effective tax rate		30.8	29.5
ROIC		13.3	11.3

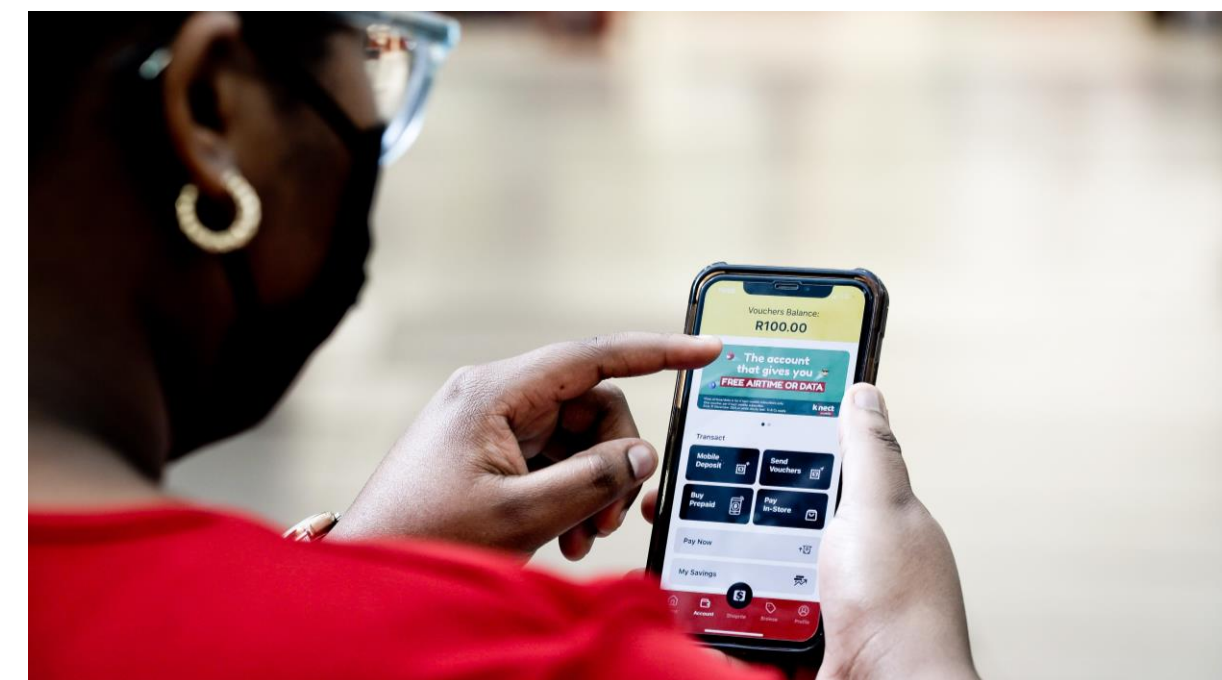
Notes to the results:

Other operating income growth 15.6%

- commissions received +12.7%
- dividends received from unlisted share investments of R103m
- delivery recoveries almost doubled

Expense growth 9.1%

- excluding civil unrest cost: +8.3% (R134m)
- employee benefits +7.2%
- depreciation and amortisation +1.4%
- other operating expenses +12.3%



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



	Change %	26 weeks 2 Jan '22 cents	Restated* 26 weeks 27 Dec '20 cents
DHEPS continuing operations previously reported			418.0
Restated for IFRS 5: Discontinued operations			(3.2)
DHEPS continuing operations	25.2	519.3	414.8
DHEPS discontinued operations	(55.0)	5.8	12.9
DHEPS including discontinued operations	22.8	525.1	427.7
DHEPS continuing operations	25.2	519.3	414.8
Adjusted for:			
Forex		23.1	2.6
Hyperinflation		3.2	6.3
Lease modifications and terminations		(3.0)	(10.4)
Related income tax effect		(6.3)	(8.5)
Adjusted DHEPS from continuing operations	32.5	536.3	404.8

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



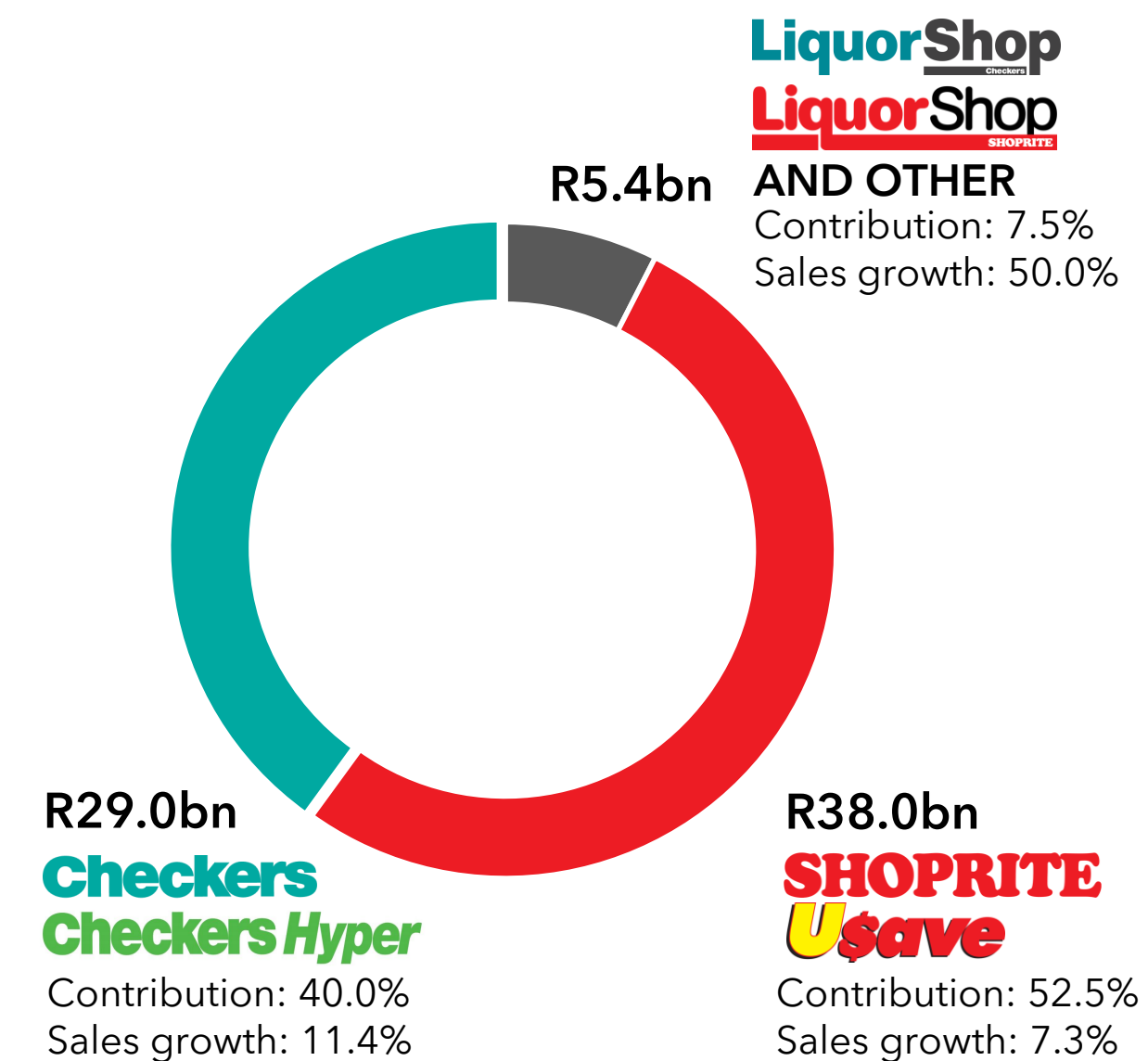
Segmental analysis

SALES GROWTH

	Total sales 26 weeks %	Like-for-like 26 weeks %	Number of net new stores 12 months*
Continuing operations			
Supermarkets RSA	11.3	10.7	104
Supermarkets Non-RSA	8.4	6.2	3
Furniture	(6.5)	(3.9)	(1)
Other operating segments	8.9	7.7	8
Total continuing operating segments	10.0	9.3	114

Supermarkets RSA

Brand contribution and sales growth



* Net new stores opened over the last 12 months excluding the impact of store closures due to the civil unrest



Segmental analysis

TRADING PROFIT



	Change %	26 weeks 2 Jan '22 Rm	Restated* 26 weeks 27 Dec '20 Rm	Trading margin 26 weeks 2 Jan '22 %
Continuing operations				
Supermarkets RSA	16.2	4 887	4 206	6.7
Supermarkets Non-RSA	5.9	179	169	2.1
Furniture	(27.2)	193	265	5.4
Other operating segments	36.4	180	132	2.8
Total continuing operating segments	14.0	5 439	4 772	6.0
Hyperinflation effect	(51.4)	(17)	(35)	-
Consolidated	14.5	5 422	4 737	6.0

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



Gearing impact

NET FINANCE COSTS



	Change %	26 weeks 2 Jan '22 Rm	Restated* 26 weeks 27 Dec '20 Rm
Continuing operations			
Interest received from bank account balances	(24.3)	112	148
Finance cost: borrowings	(66.8)	(158)	(476)
Finance cost: lease liabilities	17.5	(1 264)	(1 076)
Net finance costs	(6.7)	(1 310)	(1 404)

Include R178m breakage cost on early settlement of a US\$250m fixed interest rate loan.

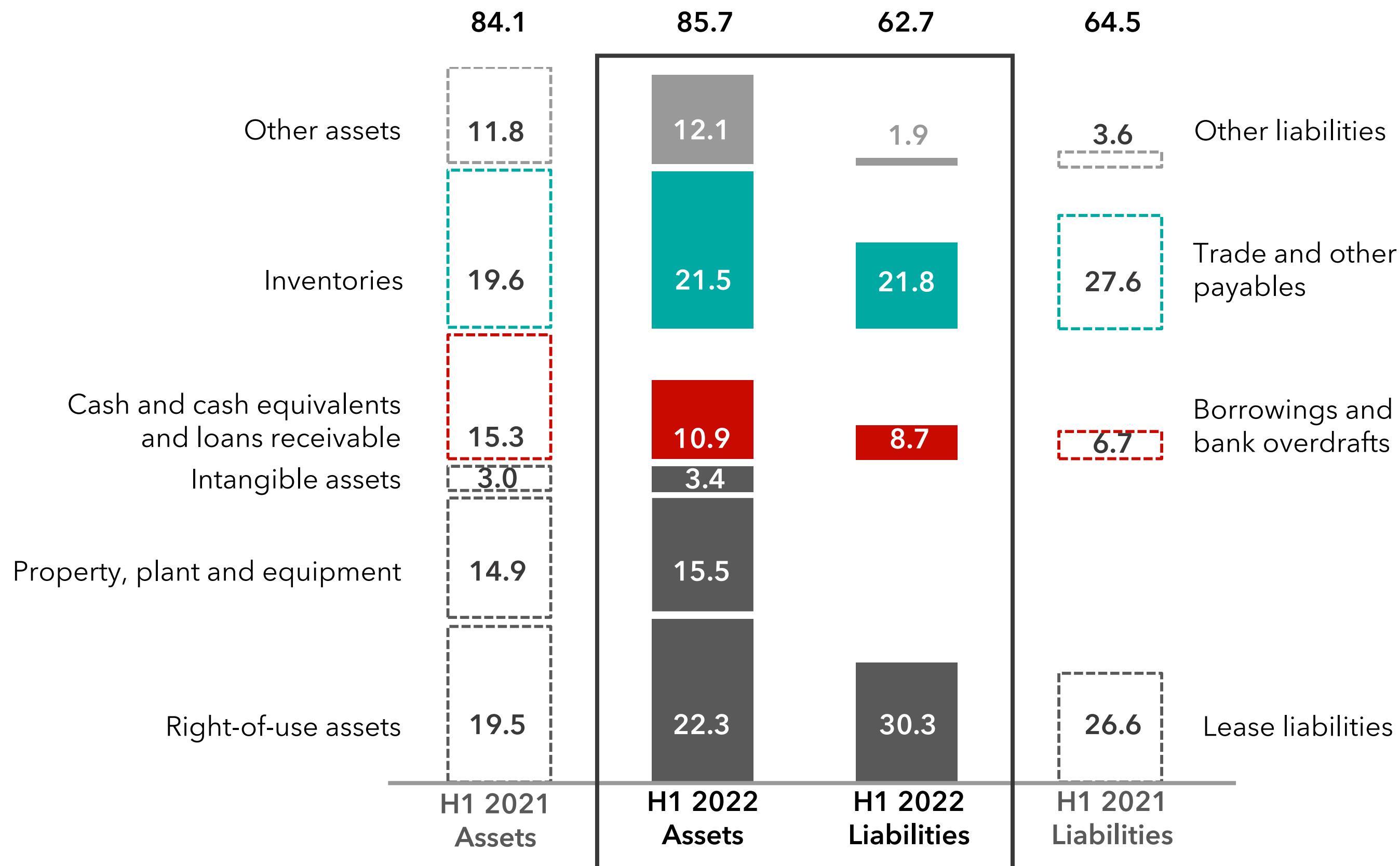
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Capital allocation

BALANCE SHEET COMPOSITION

Rbn



BORROWINGS AS % OF EQUITY

H1 2022: 22.9%

H1 2021: 27.9%

TRADE AND OTHER PAYABLES

H1 2022: R21.8bn

H1 2021: R27.6bn

-21.1%

ROIC
(Return on
average invested capital)

H1 2022: 13.3%

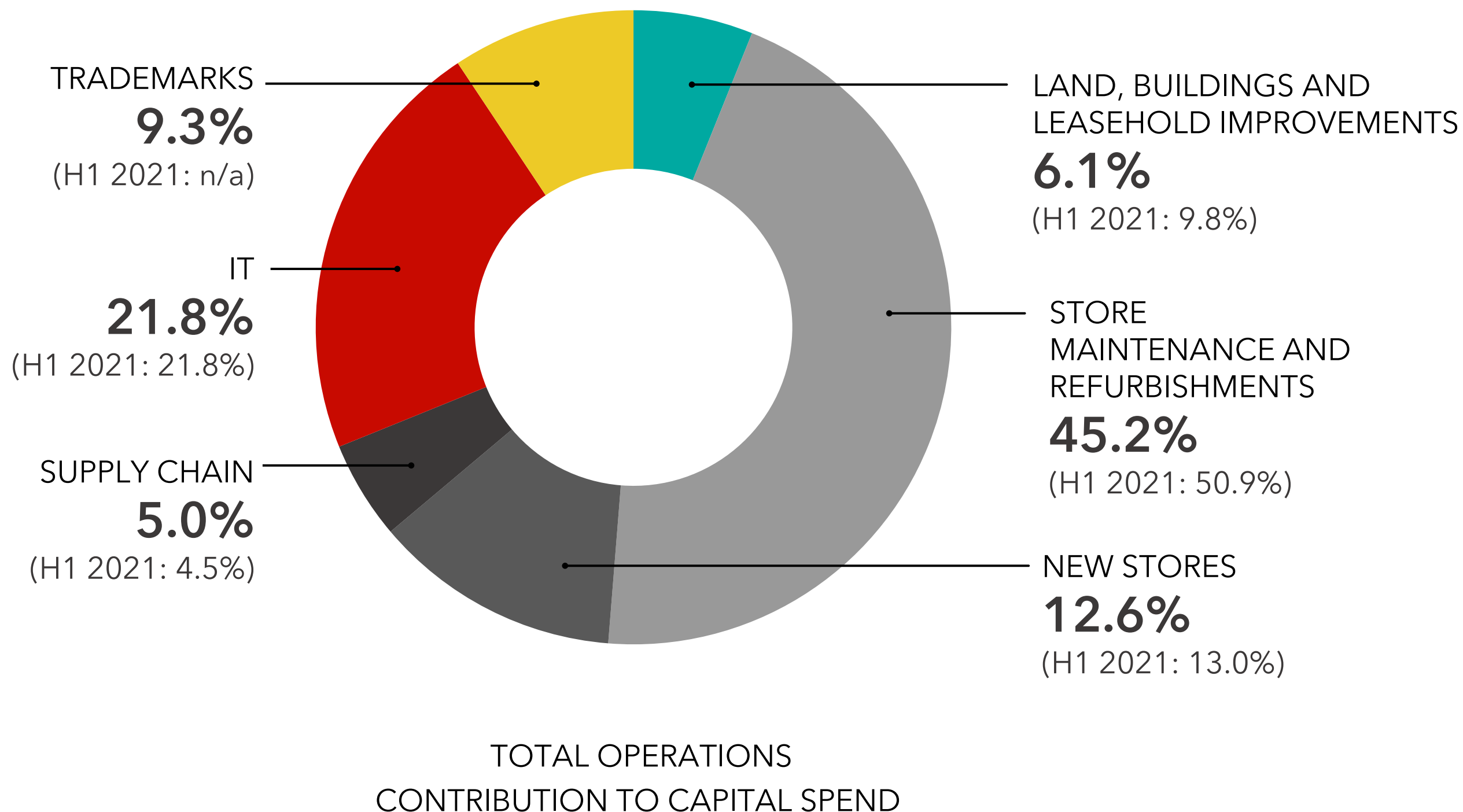
FY 2021: 12.4%

H1 2021: 11.3%



Investing in our business

CAPITAL EXPENDITURE



CAPITAL SPEND
H1 2022: R2.7bn
H1 2021: R1.6bn

63.2%

CAPITAL SPEND AS RESULT
OF CIVIL UNREST
H1 2022: R199m

CAPITAL SPEND AS % OF LAST
26 WEEKS SALES
H1 2022: 2.9%
H1 2021: 2.0%

2022 GUIDANCE: R4.8bn

(Excludes investment capital for trademarks purchased, potential Masscash purchase and new RTT on-demand business)



Replenishing our stores

INVENTORIES

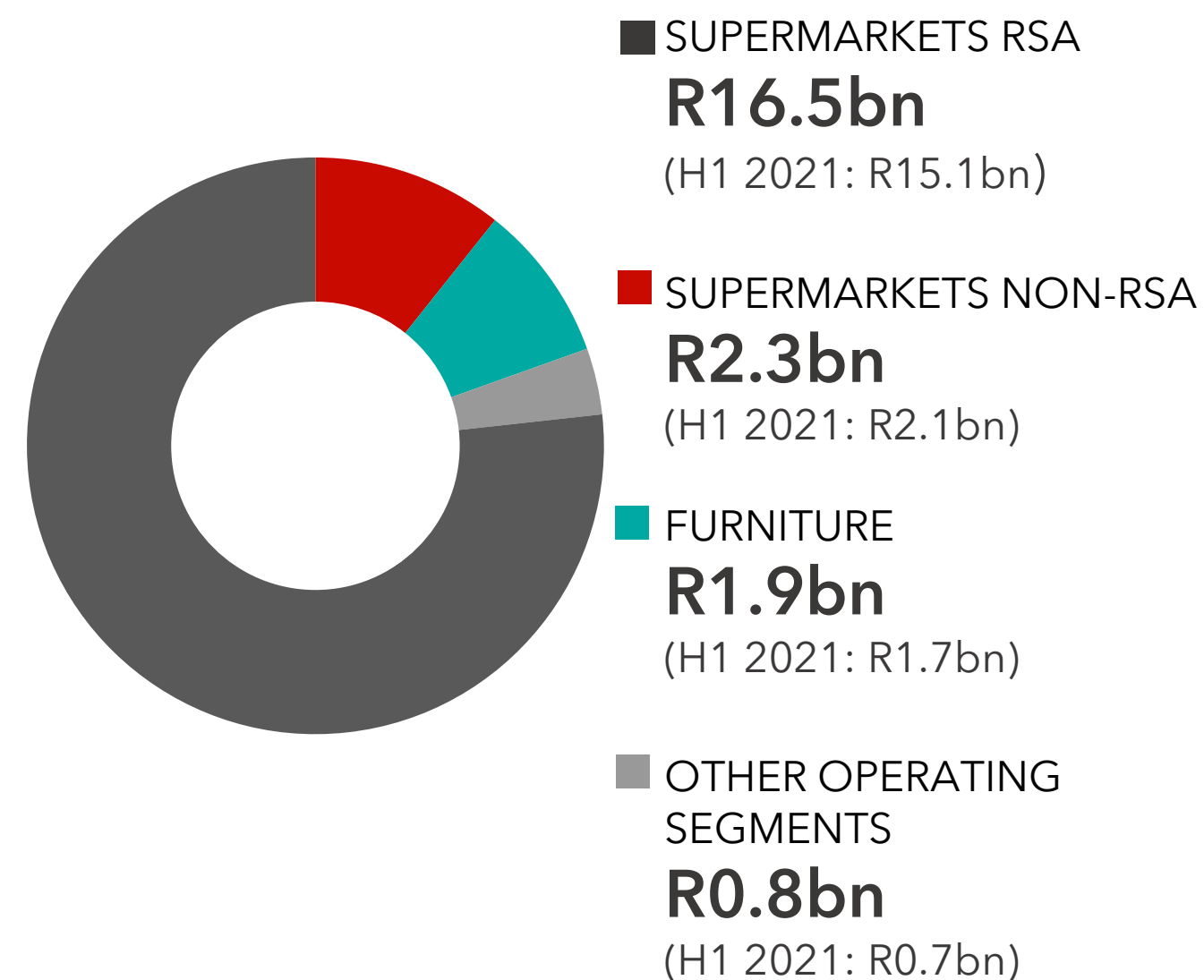
Inventories as % of sales (52 weeks) from continuing operations	2 Jan '22 %	Restated* 27 Dec '20 %
Supermarkets RSA	11.9	12.0
Supermarkets Non-RSA	14.7	12.8
Furniture	29.9	28.3
Other operating segments	6.5	5.8
Total continuing operating segments	12.5	12.3

2022 GUIDANCE: 11.5%

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

INVENTORIES
H1 2022: R21.5bn
H1 2021: R19.6bn

+10.0%





Cash vs debt

NET GEARING



	2 Jan '22 Rm	27 Dec '20 Rm
Total cash position	5 437	12 076
Borrowings	(5 267)	(5 463)
Net cash position	170	6 613
Lease liabilities	(30 334)	(26 611)
Net debt	(30 164)	(19 998)

NET CASH
H1 2022: R0.2bn
H1 2021: R6.6bn
>100%

US\$ BORROWINGS
H1 2022: US\$59m
H1 2021: US\$78m
-24.9%

TOTAL CASH POSITION
(on comparable basis)
H1 2022: R16.0bn
excludes the impact of
month-end cut-off

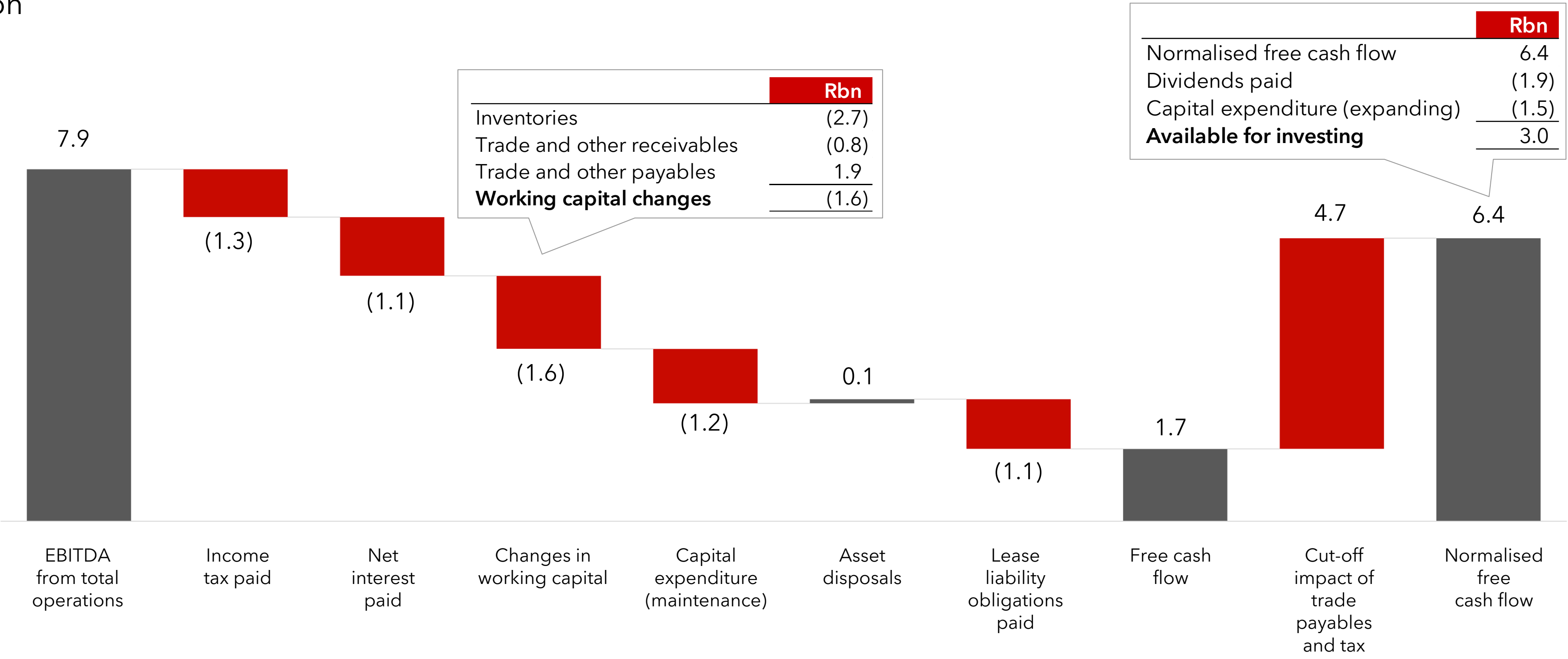
SHARE BUY-BACK
H1 2022: R339m
FY 2021: R515m



Cash generation

FREE CASH FLOW

Rbn



FREE CASH FLOW DEFINITION:
Cash generated after accounting for cash outflows to support operations and maintain capital assets



June 2022

GUIDANCE CONSIDERATIONS

SUPERMARKETS RSA

- Back-to-School impact in H2 vs delayed school opening in prior year
- Liquor sales growth vs lockdown restrictions in prior year
- Masscash acquisition awaiting competition commission approval

SUPERMARKETS NON-RSA

- Madagascar sold on 31 Jan 2022
- Expect economic stimulation and growth in regions outside RSA

TAX

- 30%-32% effective tax rate

CAPEX

- R4.8bn
- Excludes investment capital for trademark purchased, potential Masscash purchase and new RTT on-demand business

INVENTORIES % OF SALES

- 11.5%
- Excludes potential Masscash purchase



STRATEGY UPDATE

Chief Executive Officer
PIETER ENGELBRECHT



Focus areas for future growth

9 STRATEGIC DRIVERS

Investing in a 'Smarter Shoprite' with a focus on optimising our **core retail capabilities** in **existing markets**

1. | A TRULY
CUSTOMER-FIRST
CULTURE

4. | TRUSTED,
PROFITABLE
PRIVATE LABELS

7. | UNLOCK
ALTERNATIVE
REVENUE

2. | DEVELOP
FUTURE-FIT
CHANNELS

5. | GROW SHARE IN
PREMIUM AND
FRESH FOOD

8. | FUTURE-FIT
TALENT

3. | ENABLE
PRECISION
RETAILING

6. | A STRONGER
FRANCHISE
OFFER

9. | LEVERAGE
PLATFORM
ADVANTAGE



A SMARTER
SHOPRITE



CLOSING THE GAP IN
KEY SEGMENTS



WINNING IN THE
LONG TERM



Multi-year Transformation Journey

SHOPRITE TODAY





Multi-year Transformation Journey

SHOPRITE TODAY



2017-2018

- ✓ SAP ERP re-platforming for **single system of record**
- ✓ **Aligned operational management** to supermarket banners
- ✓ **Checkers pursuit of growth** focused on affluent segment
 - ✓ Re-imagined fresh food theatre with FreshX store format
 - ✓ Step-change in private label & fresh food development
- ✓ **Consolidated franchise brands** and distribution for a stronger OK franchise offer
- ✓ **Expanded distribution capacity:** New Basson Western Cape DC

RE-PLATFORM



2020-2021

2019-2020



2022-2023



Multi-year Transformation Journey

SHOPRITE TODAY



2022-2023



2020-2021



2019-2020

- ✓ **Shifted from explosive expansion to Precision Retailing**
- ✓ **Significant investment in Digital Transformation for Customers**
 - ✓ Launched Xtra Savings Rewards Programme to accelerate Customer Centricity
- ✓ **Pioneered quick commerce** revolution with Sixty60 1-hour grocery delivery
- ✓ **Unlocked supply chain efficiencies & optimised inventory levels**
- ✓ Continued to **close market share gaps in key segments**
 - ✓ Private label premiumisation
 - ✓ LiquorShop store expansion
 - ✓ Convenience food innovation & fresh distribution capability
- ✓ **Significant market share gains** and industry-leading Checkers growth



TRANSFORM



Multi-year Transformation Journey

SHOPRITE TODAY



2022-2023



2020-2021

- ✓ **Unrivaled operational resilience** through pandemic and unrest
- ✓ **Investment in price leadership** as value-obsession intensified
- ✓ Evolved smaller, **closer-to-home store formats**
- ✓ **Emerged as SA's No.1 on-demand grocery app**
- ✓ **Expanded Ecosystem to unlock alternative revenue**
 - ✓ Financial services, mobile and Rainmaker Media
- ✓ **Prioritised Future-fit talent** incl. launch of Shoprite^x digital hub
- ✓ Consolidated **Non-RSA operations**
- ✓ **Bolstered governance and Board** incl. new Independent Chairman
- ✓ **Strengthened Balance Sheet:**
 - ✓ DC and fleet sale & leaseback
 - ✓ Right-sized property portfolio
 - ✓ Improved net debt position and free cash flow

OPTIMISE



Multi-year Transformation Journey

SHOPRITE TODAY



2022-2023



2020-2021



- ✓ **A Smarter Shoprite**
- ✓ **Embracing digital**
- ✓ **Closing gaps in key segments and premium food retail**
- ✓ **Organic growth in core markets**
- ✓ **Partnerships, adjacencies and M&A in our ecosystem**
- ✓ **Clear capital allocation framework**
- ✓ **Force for Good**
- ✓ **Leveraging Platform advantage to unlock value in the Ecosystem**

AMPLIFY



A SMARTER SHOPRITE



- **Xtra Savings Rewards Programme has signed up +23.1m members**
 - Checkers Xtra Savings has become SA's No.1 Retail Loyalty Programme
 - Shoprite Xtra Savings voted Best Newcomer



- **Customer-first culture driving innovation**
 - Rewards integration with Sixty60: over 5 000 deals, now delivered
 - Free Money Market bank account
 - Xtra Savings free funeral benefit
- **Rich consumption data powering a Smarter Shoprite**

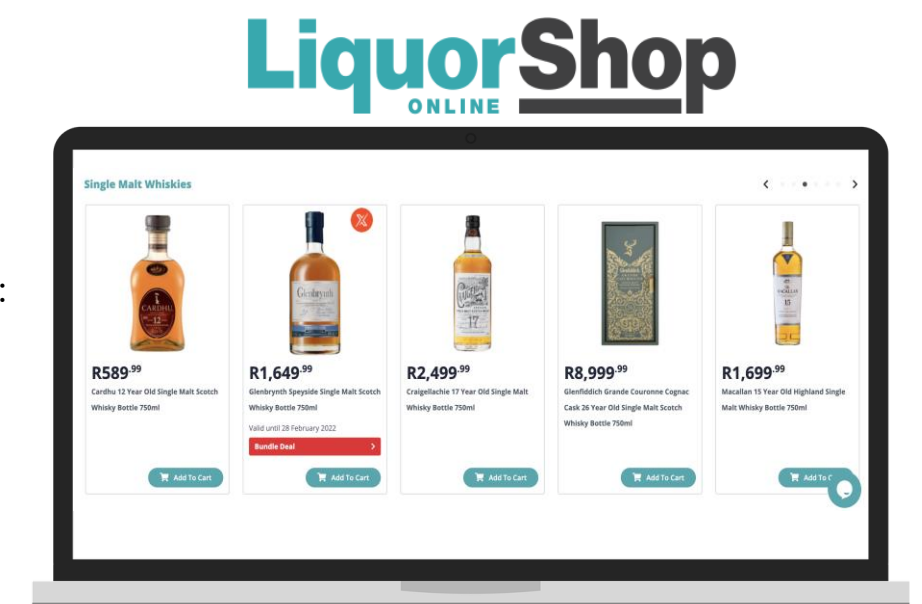
EMBRACING DIGITAL



- **Sixty60 performance continues after once-in-a-generation shift to online**
 - 250% growth in H1 online orders
 - 1/3 of Sixty60 customers are new to Checkers
 - SA's No.1 grocery app with 2.2m downloads & 20 Innovation awards
 - Online supporting job creation, 4 210 opportunities since launch
- **Investing to extend lead in winner-takes-most market dynamics**
 - Building a moat in crucial last-mile logistics with RTT on-demand
- **Shoprite^X continued investment in effortless omnichannel retail**

**checkers
SIXTY60**
Record 11 minute delivery
(Jan 2022, Zevenwacht)

Launched
LiquorShop Online:
Extended ranges
with central
fulfillment





CLOSING GAPS IN KEY SEGMENTS



STARBUCKS™



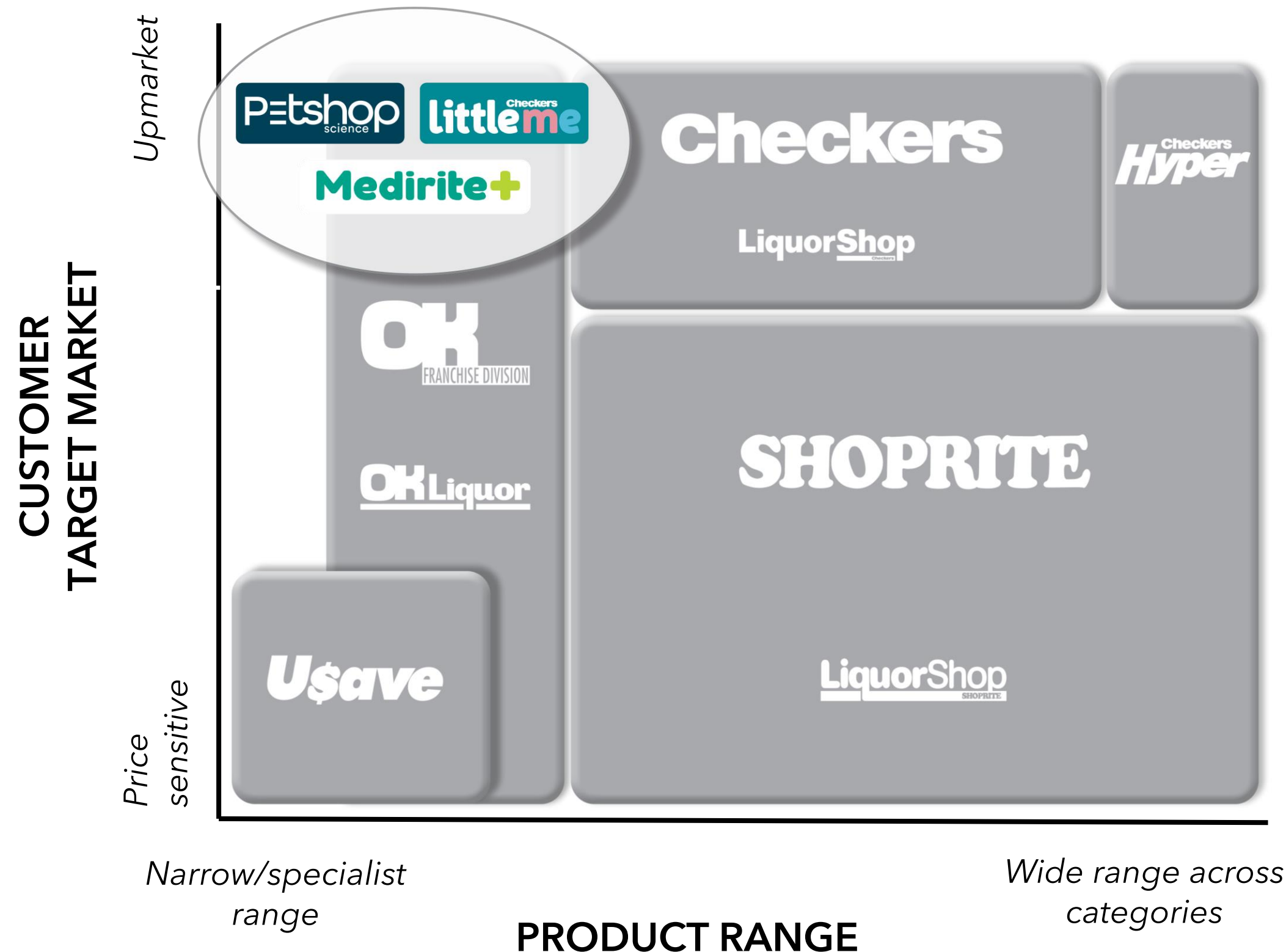
- Checkers remains the fastest growing grocer in the premium food segment
 - R7bn in Checkers market share gains over three years
 - Headroom remains to grow share of wallet from upmarket customers
- Checkers store renewal program leading in food theatre & paying dividends
 - 95 of 271 Checkers stores are updated: +57 targeted in next 12 months
- Private label sales participation up from 13.3% to 18.0% since 2016
 - Opportunity in new categories and innovation (695 new products in H1)
- Differentiating through Win-Win product partnerships





CLOSING GAPS IN KEY SEGMENTS

Growth opportunity for upmarket, specialist ranges in adjacent retail categories





SHOPRITE: A FORCE FOR GOOD



First responder to communities in crisis



All shopping bags are made from recycled content and recyclable



161 Sustainable community food gardens covering more than 4 million m²



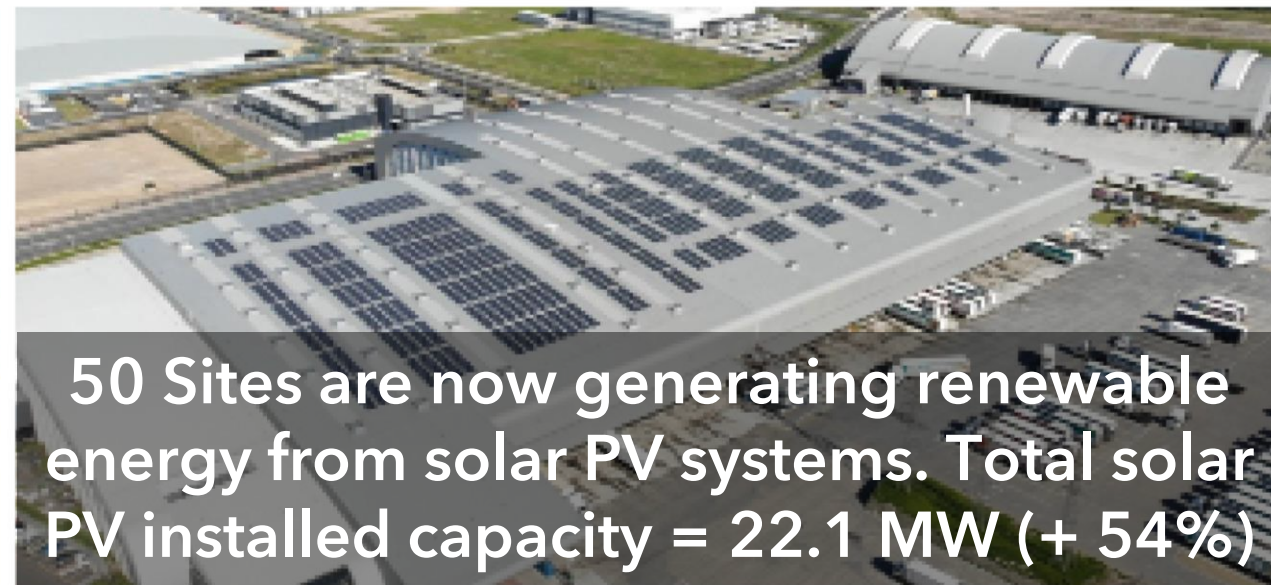
Largest private employer in SA with 129 166 team members



Highest impact YES youth employment creator in RSA (6 259 opportunities since inception)



Recycled more than 20 000 tons of cardboard and 2 400 tons of plastic



50 Sites are now generating renewable energy from solar PV systems. Total solar PV installed capacity = 22.1 MW (+ 54%)



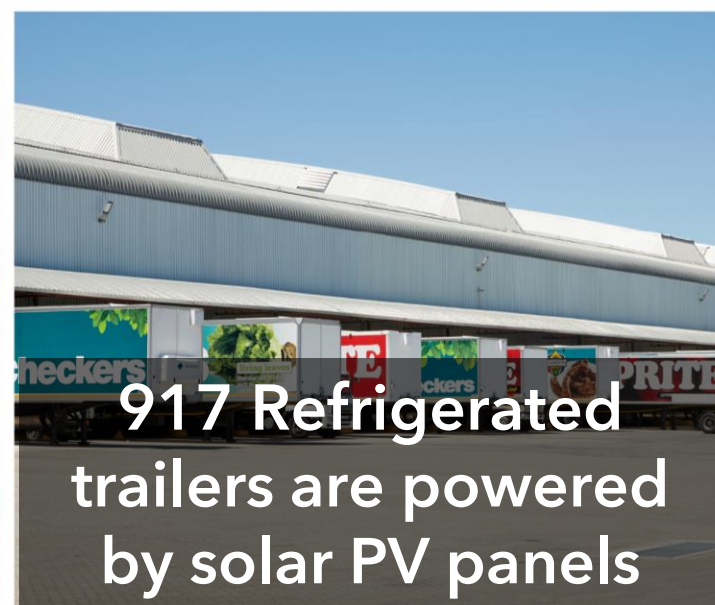
Empowering future-fit talent



Donated more than R72 million worth of surplus food and goods



28 Mobile soup kitchens served more than 2.5 million meals



917 Refrigerated trailers are powered by solar PV panels



Supporting 103 Early Childhood Development Centres



Supporting 2 623 household food gardens

BUILDING OUT OUR ECOSYSTEM





Sustained momentum

LOOKING FORWARD



- ✓ Supermarkets RSA trading in line with H1, boosted by earlier Back-to-School
- ✓ Inflation pressures inevitable, although Jan '22 RSA internal price inflation 2.5%
- ✓ Non-RSA expected to sustain profitability and benefit from higher oil prices
- ✓ Online grocery demand continues despite lockdown easing
- ✓ Masscash Competition Commission approval in progress
- ✓ Our business remains highly cash generative and in a strong financial position
- ✓ Optimistic about our strategic momentum despite tough climate



**THANK YOU
QUESTIONS**



2022 INTERIM ADDITIONAL INFORMATION

Chief Financial Officer
ANTON DE BRUYN

ADJUSTED DHEPS RECONCILIATION



	Headline earnings Rm	DHEPS* cents
Headline earnings including discontinued operations	2 885	525.1
Headline earnings discontinued operations	(32)	(5.8)
Headline earnings continuing operations	2 853	519.3
Adjusted for:		
Forex	127	23.1
Hyperinflation	17	3.2
Lease modifications and terminations	(17)	(3.0)
Related income tax effect	(34)	(6.3)
Adjusted headline earnings from continuing operations	2 946	536.3

*DHEPS based on 549 252 629 weighted average number of ordinary shares adjusted for dilution



Unpacking the impact

ITEMS OF A CAPITAL NATURE

Continuing operations	26 weeks 2 Jan '22 Rm	Restated* 26 weeks 27 Dec '20 Rm
Impairment of PPE	(74)	(607)
Impairment of right-of-use assets	(91)	(73)
Impairment of intangible assets	-	(6)
Non-financial asset impairments	(165)	(686)
Profit on sale and leaseback transaction	-	160
Profit on disposal of assets held for sale	10	142
(Loss)/profit on disposal and scrapping of PPE and intangible assets	(184)	47
Loss on disposal and scrapping of property	(101)	(48)
Insurance claims receivable	242	38
Other	(1)	-
Total	(199)	(347)

Notes to the results:

Non-financial asset impairments by segment	26 weeks 2 Jan '22 Rm
Supermarkets RSA	25
Supermarkets Non-RSA	97
Furniture	28
Total operating segments	150
Hyperinflation effect	15
Consolidated continuing operations	165

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



Return on average invested capital

ROIC



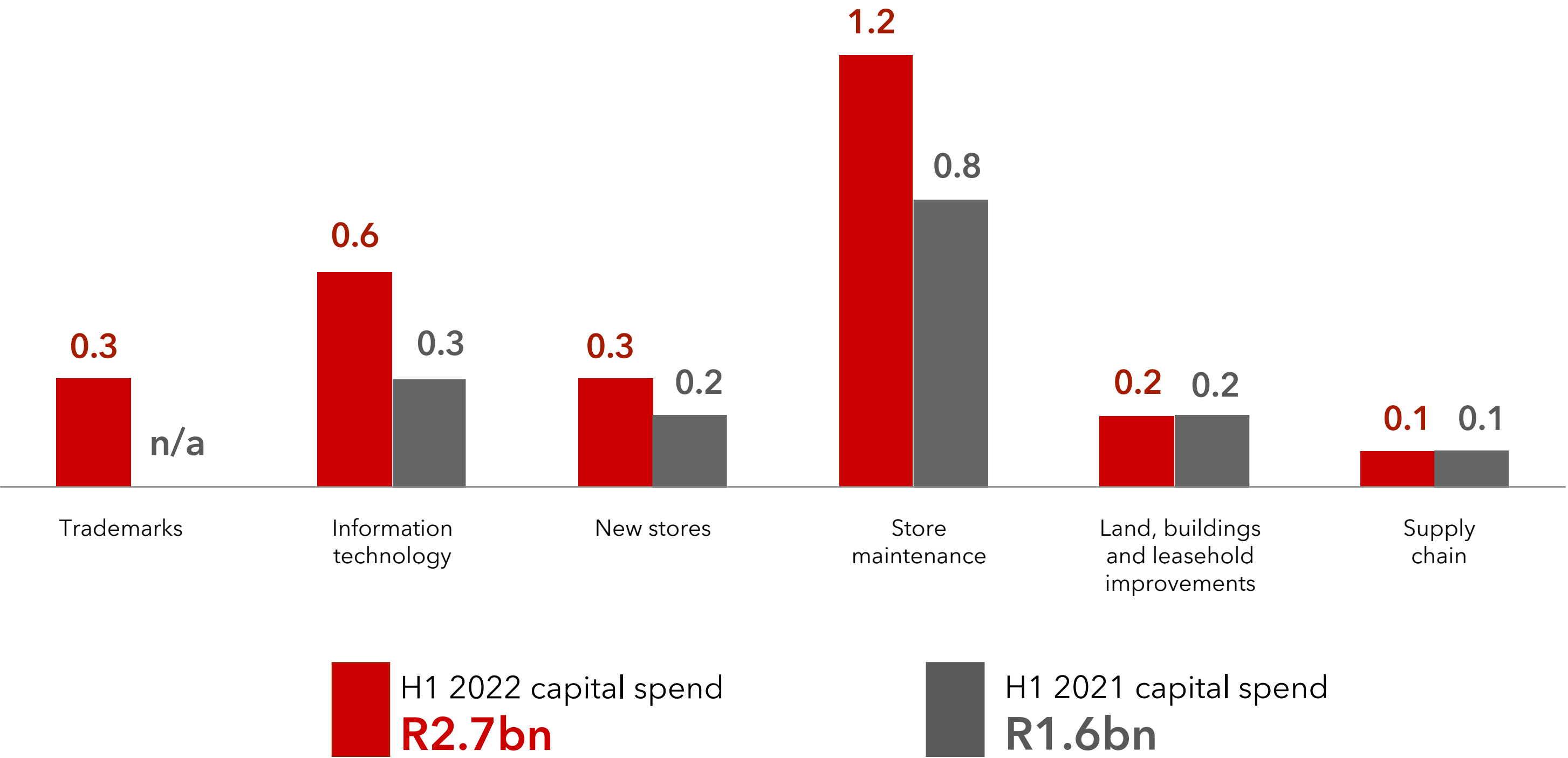
	H1 2022 Rm	FY 2021 Rm	H1 2021 Rm
12-months trading profit from continuing operations	11 017	10 322	9 008
Effective tax rate at period-end	30.8%	32.2%	29.5%
Trading profit after tax	7 620	7 004	6 349
Invested capital	62 099	55 426	52 887
Net asset value	23 006	21 204	19 555
Borrowings	5 267	5 279	5 463
Lease liabilities	30 334	27 722	26 611
Bank overdraft	3 492	1 221	1 258
12-month average invested capital	57 493	56 398	56 164
ROIC	13.3%	12.4%	11.3%



Capital allocation

CAPITAL SPEND

TOTAL OPERATIONS
Rbn





Currency impact

EXCHANGE RATE EXPOSURE

H1
2022
vs
H1
2021

H1
2021
vs
H1
2020

Zambia kwacha



0.4%

(32.7%)

Angola kwanza



(8.1%)

(39.7%)

Mozambique metical



1.9%

(3.4%)

ZAR average rates

27.8%

(48.7%)

20.9%

(32.9%)

20.4%

(13.9%)

ZAR closing rates

21.3%

(53.6%)

13.9%

(37.4%)

13.3%

(17.7%)

USD closing rates