



Group results for the year ended 28 June 2020

Pieter Engelbrecht, Chief Executive Officer

In a challenging year we are proud to report the Group's 6.4% increase in sales to a record R156.9 billion. Despite significant COVID-19 lockdown restrictions impacting the Group to varying degrees, our core Supermarkets RSA operating segment increased sales by 8.7%, representing a R9.8 billion increase to R122.4 billion. Our Supermarkets Non-RSA continuing operations' sales declined by 1.4% in rand terms, however, it increased by 6.6% in constant currency terms.

As evidenced by our results, our core business, Supermarkets RSA, made up of Shoprite, Usave, Checkers and Checkers Hyper, remained focused on their respective customer segments and continued to execute on their value proposition. Pleasingly, our South African supermarket business reported 2.3% volume growth, coupled with 16 months of consecutive market share gains up to and including June 2020. It was without doubt a milestone year strategically, with the successful launch of our industry first digital shopping application Checkers Sixty60 and our Checkers Xtra Savings Rewards Programme, which ended the year with 4.7 million customers registered.

As previously articulated, the Group has embarked on a process to consider the sale of either a majority stake or the entire shareholding in our Nigeria subsidiary and, as required by IFRS 5: *Non-current Assets Held for Sale and Discontinued Operations*, it is now reported as a discontinued operation. Overall, it has been a difficult six months for Supermarkets Non-RSA given lockdown regulations which impacted store openings, days and hours of trade, as well as severely restricting transport in some countries, impeding our employees and customers' ability to get to our stores.

Notwithstanding lockdown regulations resulting in the closure of our furniture and liquor stores, the Group reported a 20 basis point increase in trading margin to 5.3% after adjusting for the impact of hyperinflation. This is a considerable achievement and is a result of excellent sales growth, improved gross margin and commendable expense management, despite significant COVID-19 related costs.

We approached COVID-19 lockdown conservatively given our view of the economic contraction and job losses that would follow in what can only be described as a devastating year for South Africa. In doing so we prioritised two things – the health and safety of our employees and customers and the preservation of jobs for our people.

2020 was a team effort across the business, executing day-to-day operational excellence whilst delivering on a number of strategic initiatives. I am, as such, very proud of Shoprite, our people and these results.

Key information – continuing operations

	% change	52 weeks 2020	Restated 52 weeks 2019
Sale of merchandise (Rm)	6.4	156 855	147 478
Trading profit (Rm)	(2.7)	8 171	8 396
Operating profit (Rm)	(1.5)	7 751	7 867
Profit before income tax (Rm)	(5.3)	5 246	5 540
Income tax expense (Rm)	4.0	1 783	1 715
Profit for the year (Rm)	(9.5)	3 463	3 825
Attributable to owners of the parent (Rm)		3 443	3 813
Attributable to non-controlling interest (Rm)		20	12
Basic headline earnings per share (cents)	2.6	767.0	747.7
Basic earnings per share (cents)	(9.5)	622.6	687.6
Dividend per share (cents)	20.1	383.0	319.0
Profit for the year including discontinued operations (Rm)	(3.0)	3 376	3 480
Attributable to owners of the parent (Rm)		3 356	3 468
Attributable to non-controlling interest (Rm)		20	12
Basic headline earnings per share including discontinued operations (cents)	8.3	756.9	699.2
Basic earnings per share including discontinued operations (cents)	(2.9)	606.9	625.3

Declaration of ordinary dividend

The board has declared a final dividend of 227 cents (2019: 163 cents) per ordinary share, payable to shareholders on Monday, 5 October 2020. The dividend has been declared out of income reserves. This brings the total dividend for the year to 383 cents (2019: 319 cents) per ordinary share. The last day to trade cum dividend will be Tuesday, 29 September 2020. As from Wednesday, 30 September 2020, all trading of Shoprite Holdings Ltd shares will take place ex dividend. The record date is Friday, 2 October 2020. Share certificates may not be dematerialised or rematerialised between Wednesday, 30 September 2020, and Friday, 2 October 2020, 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 181.6 cents per share for shareholders liable to pay Dividends Tax and 227 cents per share for shareholders exempt from paying 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.

About this announcement

This short-form announcement is the responsibility of the directors of Shoprite Holdings Ltd. It is only a summary of the information in the condensed consolidated financial statements and does not contain full or complete details. The condensed consolidated financial statements for the year ended 28 June 2020 have been reviewed by Shoprite Holdings Ltd's external auditors who have reached an unmodified review conclusion. Any investment decisions by investors and/or shareholders should be based on consideration of the condensed consolidated financial statements published on the Stock Exchange News Service (SENS) and www.shopriteholdings.co.za as a whole.

The condensed consolidated financial statements have been released on the JSE (<https://senspdf.jse.co.za/documents/2020/jse/isse/SHP/ye2020.pdf>) and are also available for viewing at <https://www.shopriteholdings.co.za/content/dam/SENS/YE2020-Sep2020.pdf>. Copies of the condensed consolidated financial statements may be requested from the company secretary (cosec@shoprite.co.za, tel +27 (0) 21 980 4284) at PO Box 215, Brackenfell, 7561, South Africa.

By order of the board

CH Wiese
Chairman

PC Engelbrecht
Chief Executive Officer

Cape Town
8 September 2020

