



Siya Kolisi - Springbok Rugby Captain
Mr Price Brand Ambassador

FY2021

Annual Results to 3 April 2021

A year
like no
other.

 **mr price** group limited

Backdrop

01



Performance

02



Vision & Strategy

03





01

Backdrop



Retail Environment Overview
and Group Performance

BY MARK BLAIR - CEO

A year like no other

We proved that our business model is resilient in the worst of times and that our people are highly adaptable

OUR KEY PRIORITIES WERE

- **Staff:** to ensure their physical, psychological and financial safety
- **Customers:** to create a safe shopping environment in our stores and a good omni-channel experience
- **Our value of partnership:** in our engagement with all stakeholders. We acted on the principle that how we treated people during the height of the pandemic would be remembered long afterwards
- **Our connected supply chain:** showed that it is the right structure to support our business model. Our suppliers are true partners to our business, demonstrated by their flexibility and response
- **Cash generation:** our balance sheet enabled us to keep a growth mindset and expand the business into exciting new opportunities

We are proud



of our people for their performance, grateful to our suppliers and shareholders for their support and committed to adding value to our customers.

Group performance

HIGHLIGHTS

- Gained R1.2bn (150bps) market share
- Delivered R500m new sales growth through organically launched departments
- Online sales grew by 64.1% and nearly doubled in contribution to 2.4% of group sales
- Retail sales accelerated by 8.5% in H2 with both Home divisions & Cellular achieving double digit growth
- Increased GP margin by 130bps to 42.5% - lower markdowns
- Supply chain strengthened & 39.7% (at cost) of merchandise sourced from South Africa (78m units)
- Overhead expense growth tightly controlled
- Diluted HEPS grew by double digits in H2
- Annual dividends up 116.1%
- Acquired Power Fashion (effective 1 April 2021) & Yuppiechef (Comp Comm in process)
- Strong cash position - post acquisition cash of R4.9bn available to fund future growth. Group remains free of financing debt

PERFORMANCE AHEAD OF THE MARKET

Mr Price Group
sales growth[#]

Vs

RSA market
growth

Total **-2.6%**

RSA **-2.8%**

Group market
share gain
+150bps =

R1.2^{bn}

RLC **-10.3%**

*Stats SA **-8.9%**

Source: RLC | *Type D: Textiles, Clothing, Footwear & Leather goods (Includes Home segment)
#52 weeks, total operations basis

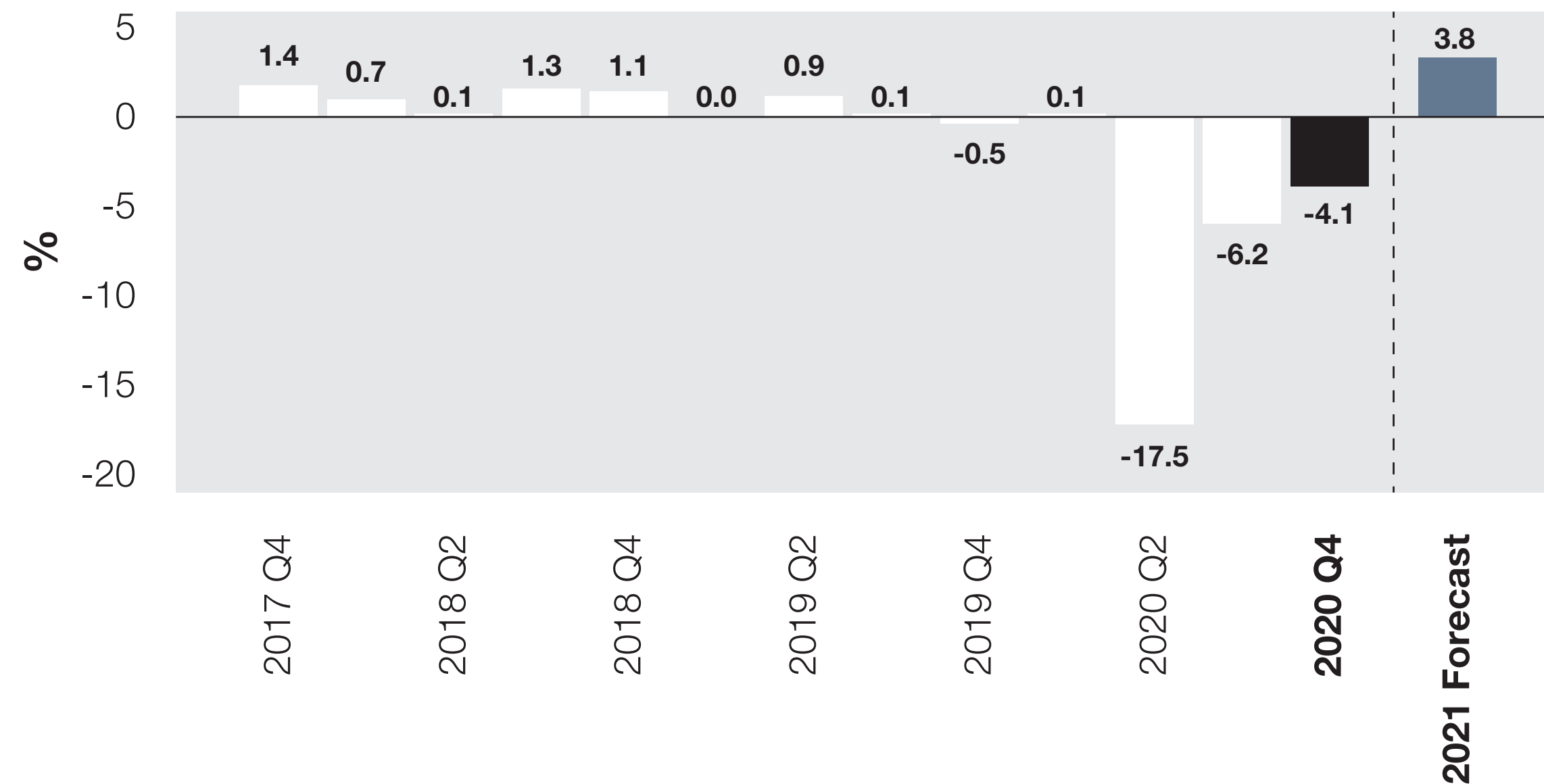


Operating environment

Economic recovery could be slower than expected

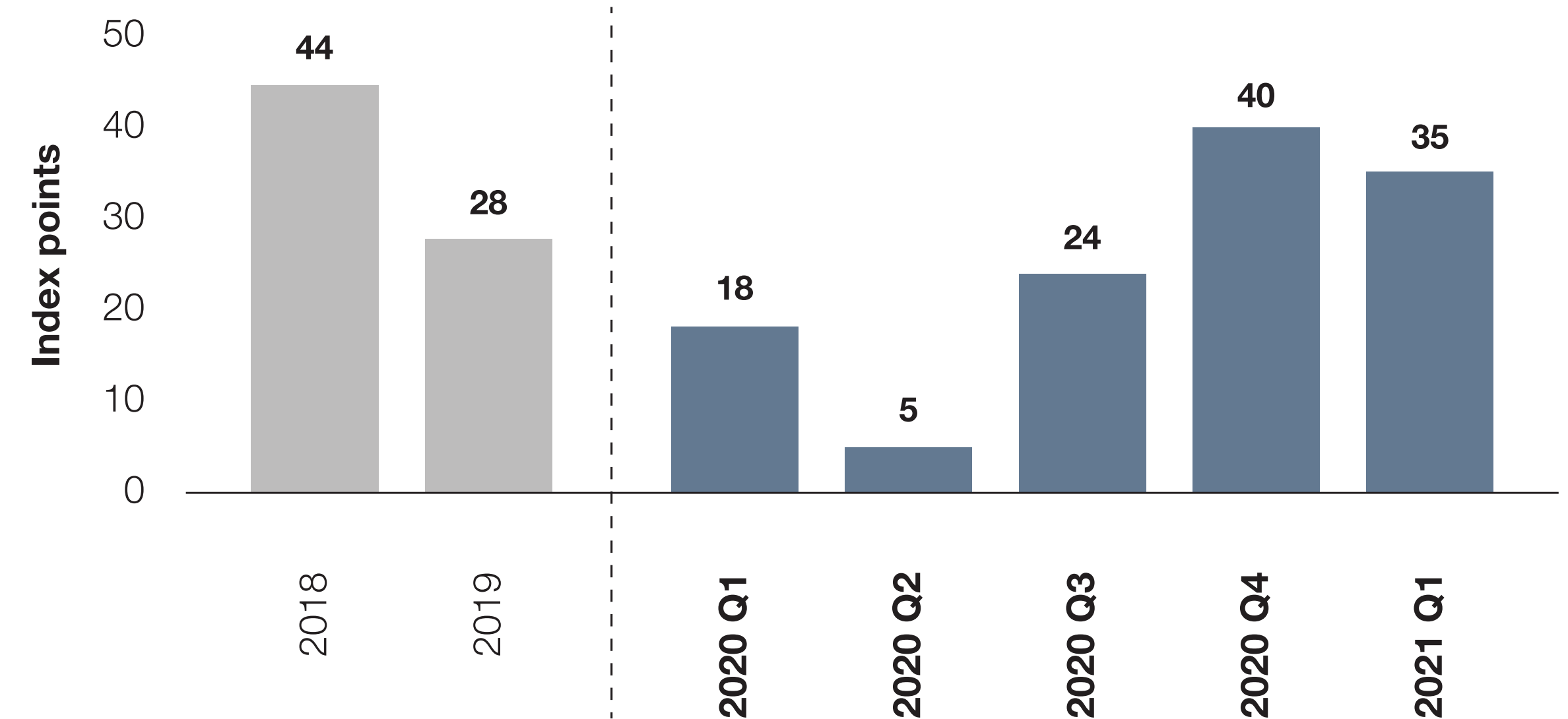
SA GDP GROWTH

Low growth environment long before COVID-19



BUSINESS CONFIDENCE

Recovering but still low relative to prior years



UNEMPLOYMENT

- 32.5% unemployment rate- highest since 2008
- 2.8m jobs lost in hard lockdown. 2.1m jobs added June-Oct 2020
- 1.4m fewer people employed in Q4 2020 VS Q4 2019

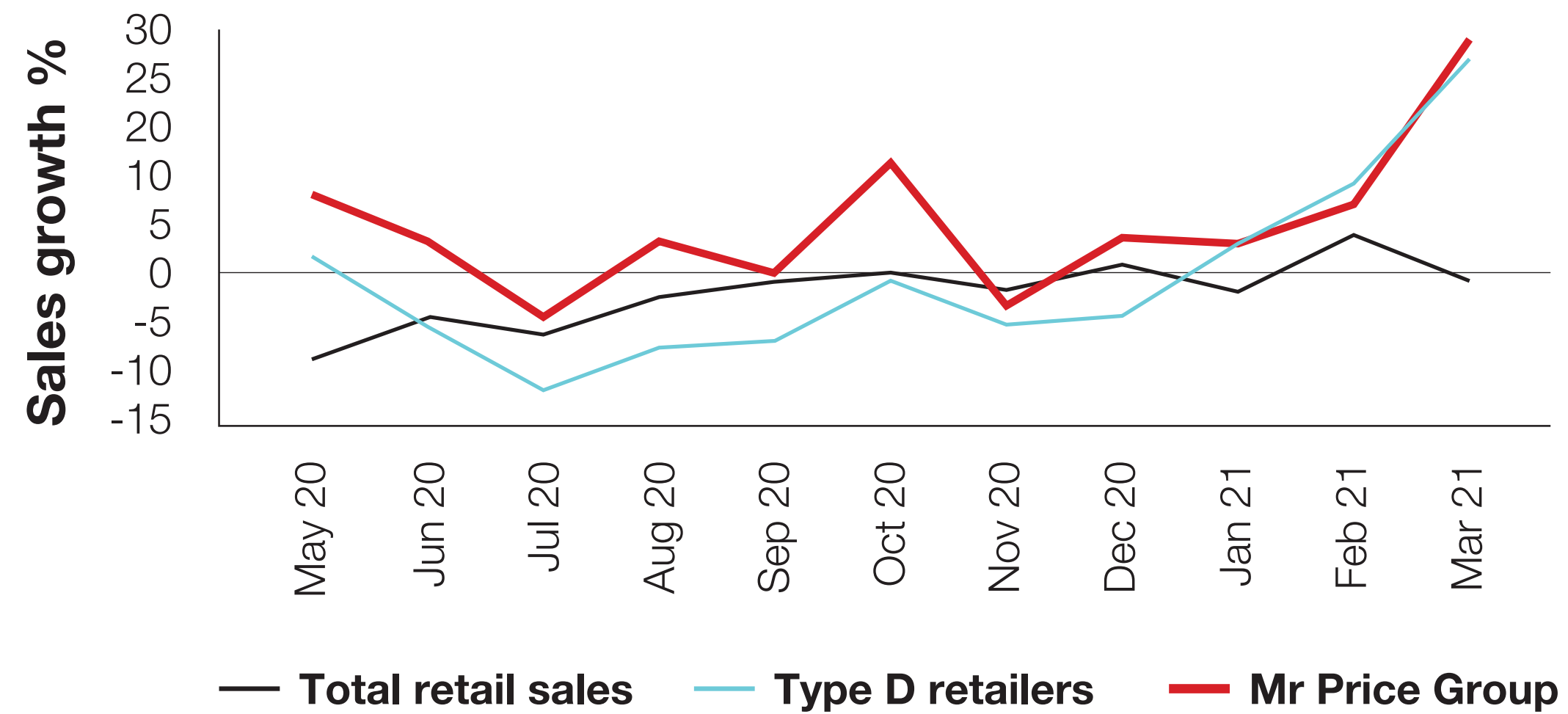
FACTORS INFLUENCING RECOVERY

- Pace of vaccine roll-out
- Threat of future waves
- Load shedding
- Limited govt. economic stimulus
- Global inflation threat
- Exchange rate impact

Consumer environment

Unpredictable consumer environment likely to continue in 2021

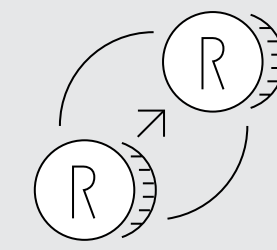
EVIDENCE OF CONSUMER SPENDING VOLITILITY



HOUSEHOLD IMPACT

Q4 2020

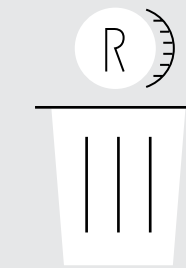
Q4 2019



Real wage growth

-2.5%

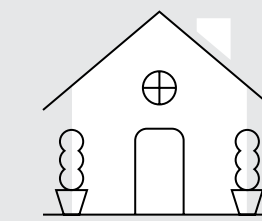
+1.0%



Disposable income growth

+3.0%

+5.0%

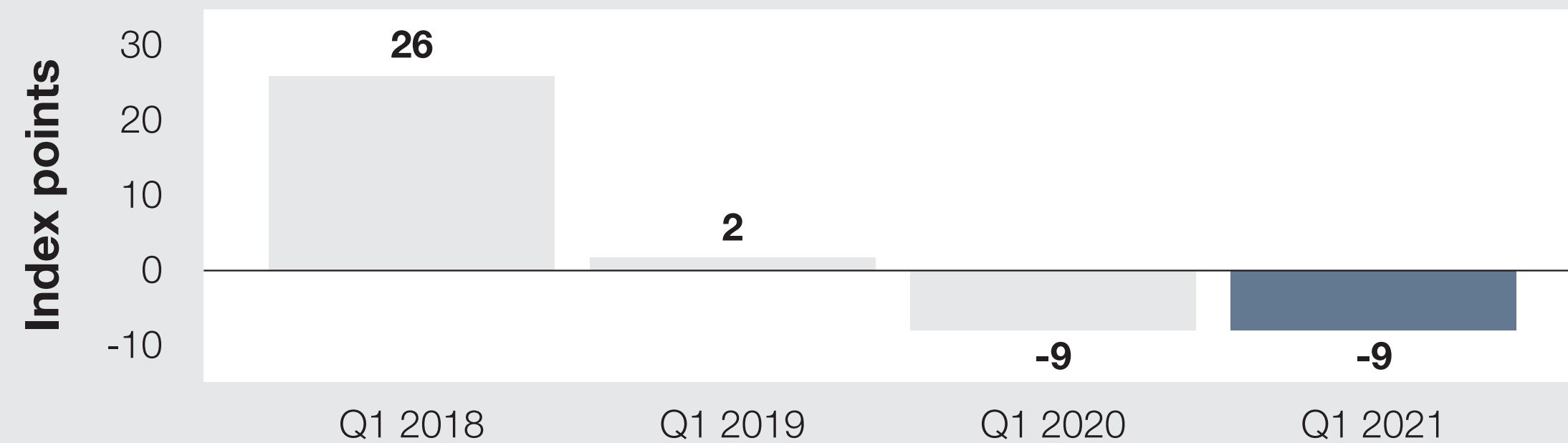


Consumption expenditure

+7.5%

+1.4%

CONSUMER CONFIDENCE



FACTORS INFLUENCING HOUSEHOLD EXPENDITURE

Positive:

- Lowest repo rate in 5 years
- Reduced debt to income
- Higher savings
- Prolonged period of increased social grants
- Short term TERS support
- Consumers seeking deals over Black Friday & Festive trade

Negatives:

- Additional social grants ending
- Further TERS support unlikely
- Significant increases in petrol & electricity prices
- Further lockdowns could impact both unemployment & consumer mobility
- Additional pressure on disposable income

Group performance

		53 weeks	52 weeks	H2
Revenue	R22.8bn	(0.6%)	(2.9%)	7.3%
EBITDA*	R5.6bn	(1.0%)	(4.2%)	8.6%
Profit after tax	R2.7bn	(2.6%)	(7.3%)	12.1%
Operating Margin	17.1%	(40bps)	16.7% (80bps)	19.6% 70bps
Total diluted HEPS	1 049.0c	1.9%	(2.8%)	26 weeks: 13.2% 27 weeks: 21.4%
Dividend per share	672.8c	116.1%		

Based on continuing operations

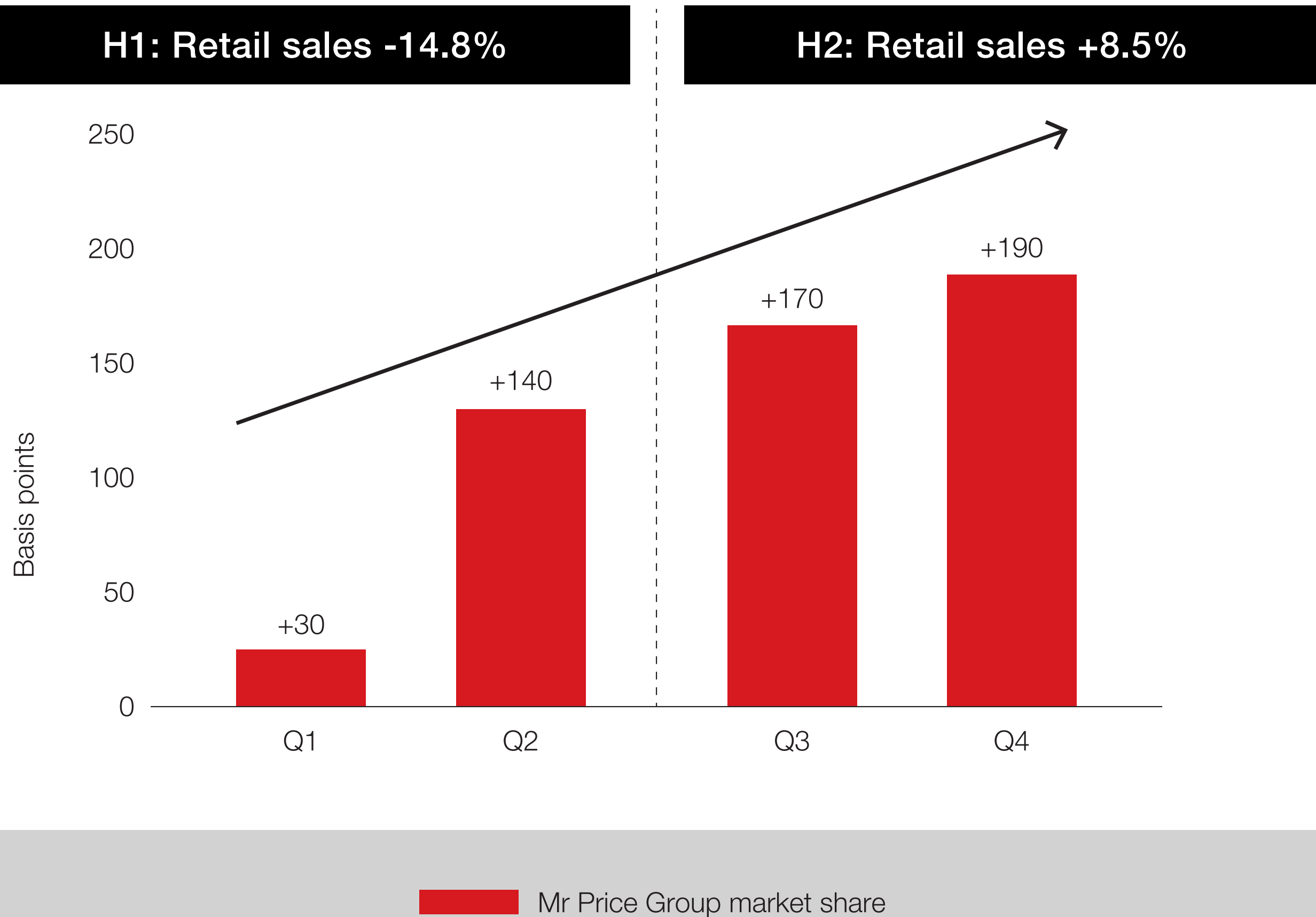
*EBITDA reconciliation on pg 63

Note: The remainder of the presentation is based on 52 weeks & continuing operations unless otherwise stated



Annual market share performance

R1.2BN MARKET SHARE GAIN IN FY2021



*Market share data per RLC & GFK

MARKET SHARE ANALYSIS

H1

Market share gains despite level 5 lockdown in April & merchandise restrictions in May, indicating consumers' preference for value. Agile supply chain enabled optimal inventory levels to meet demand.

H2

Merchandise offer (fashionability + price) delivered strong value to customers, driving market share gains in Q3 & Q4. High % of items purchased at full price with low markdowns levels. March 2021 performance supported by weak base in the last two weeks.

Highlights

- Group gained in every quarter, up 150bps annually.
- Mr Price apparel (largest division) gained in all months:
 - gained 1.9% share of baby market since launch in Nov'20
 - gained 2.6% share of school wear market since launch in Dec'20
- Home segment gained in 8/10 months since restrictions.
- Mr Price Cellular gained 90bps.



02

Performance
(52/52 weeks)



Detailed Group &
Divisional Results

BY MARK STRITON - CFO

Group Income Statement & Growth Drivers

R'M	2021	2020	% Change	
			Annual	H2
Continuing operations				
Retail sales & other income (pg 62) ¹	22 032	22 708	(3.0%)	7.4%
Gross profit (pg 15) ²	9 067	9 047	0.2%	9.2%
Expenses (pg 16) ³	6 087	5 872	3.7%	5.0%
Profit from operating activities	3 687	3 979	(7.3%)	10.9%
Net finance (expense)	(202)	(200)	1.1%	3.0%
Profit before taxation	3 485	3 779	(7.8%)	11.2%
Taxation	957	1 053	(9.1%)	8.6%
Profit after taxation	2 528	2 727	(7.3%)	12.1%
Net loss from discontinued operations	(8)	(23)		
Profit attributable to shareholders ⁴	2 520	2 704	(6.8%)	13.6%

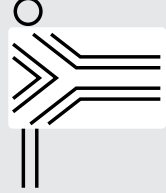
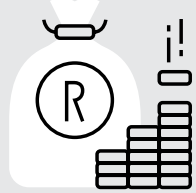
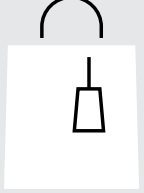
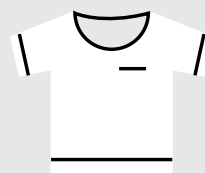
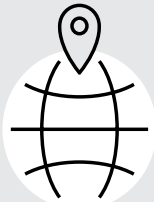
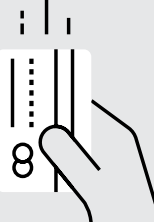

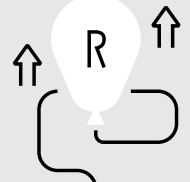
- ¹Significant change in momentum in H2. Double digit growth in Q4
- ²Gross margin improved in both H1 & H2. 130bps increase annually driven by lower markdowns
- ³Expenses well controlled. Refer pg 16 for detailed analysis
- ⁴Positive wedge supported strong H2 profit growth

Strong second half performance creating a healthy profit wedge				
*RSOI	H1	(14.8%)		
	H2			7.4%
GROSS PROFIT Rands	H1	(10.6%)		
	H2			9.2%
EXPENSES	H1			2.2%
	H2			5.0%
OPERATING PROFIT	H1	(32.0%)		
	H2			10.9%

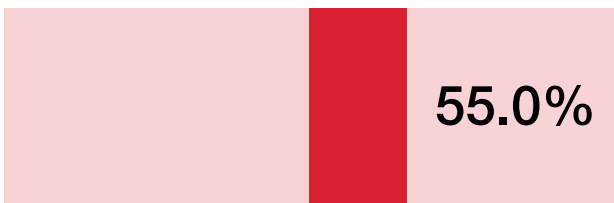
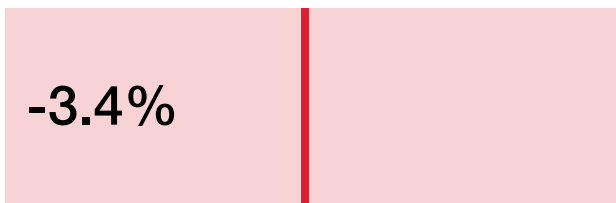
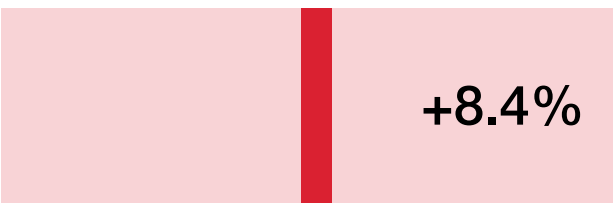
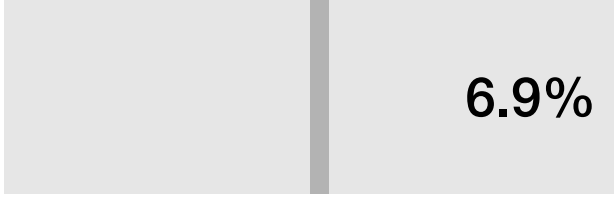
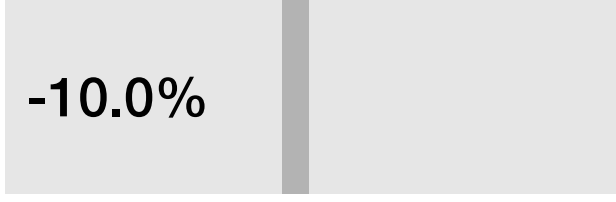
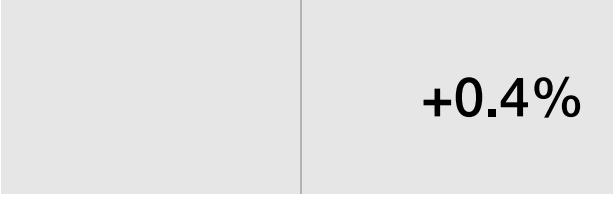



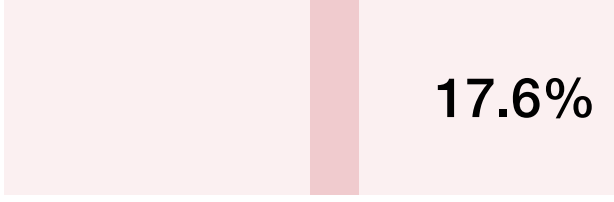
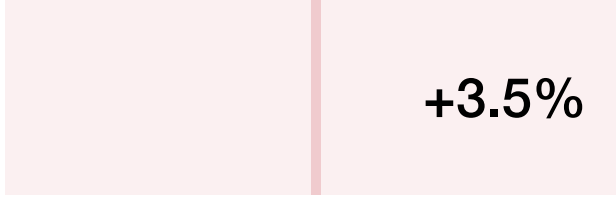
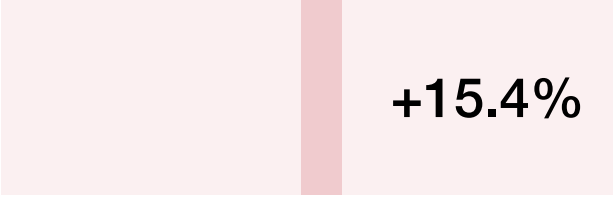
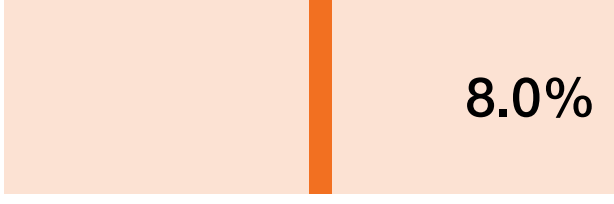
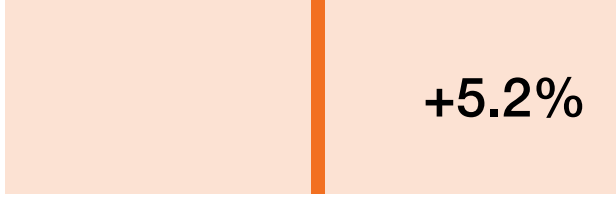
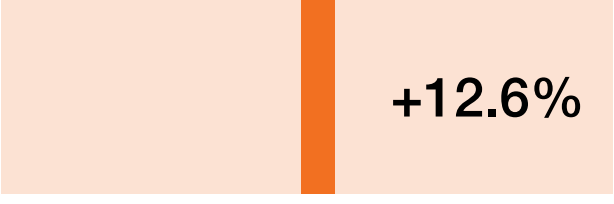
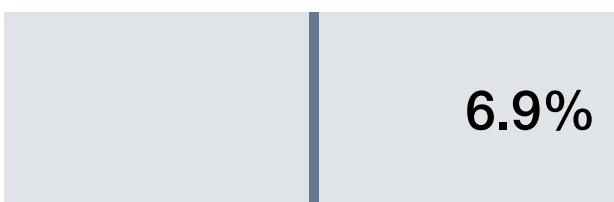
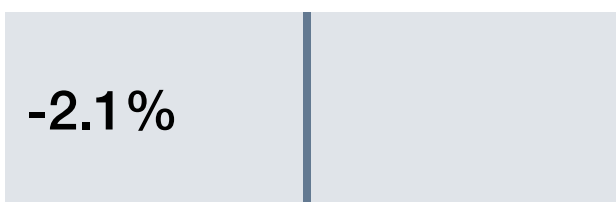
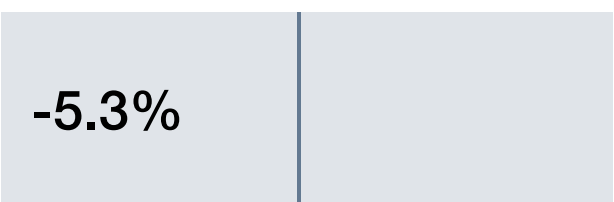
Note: all analysis excludes Power Fashion | *Retail sales & other income

Group sales[^] growth drivers

Despite the challenges of COVID-19 the group sold >200m units during the year. Significant change in momentum in H2

GEOGRAPHY		TENDER TYPE		CHANNEL		MERCHANDISE	
FY21	H2 FY21	FY21	H2 FY21	FY21	H2 FY21	FY21	H2 FY21
 RSA		 *CASH		 BRICKS		 UNIT GROWTH	
-2.6%	+8.1%	-0.2%	+10.4%	-3.6%	+7.2%	-7.6%	+1.3%
 NON RSA		 #CREDIT		 ONLINE		 RSP INFLATION	
-2.8%	+10.0%	-14.5%	-4.0%	+64.1%	+78.7%	+5.3%	+6.9%
92.4%	92.4%	86.4%	86.7%	97.6%	97.7%	203m	122m
RSA % of sales		Cash % of sales		Bricks % of sales		units sold	

Divisional performance and insights

*RETAIL SALES & OTHER INCOME				
	Contribution	Growth		Insights
		FY21	H2	
MR PRICE	 55.0%	 -3.4%	 +8.4%	Retail sales up 8.2% in H2 at higher GP margin. Gained market share every month & achieved highest monthly market share on record between Aug 20-Jan 21. Online sales doubled
MR PRICE SPORT	 6.9%	 -10.0%	 +0.4%	Materially impacted by seasonal sports, gym & school closures. Positive growth in H2 despite continued disruptions. Online sales grew 97.4%
MILADYS	 5.7%	 -20.1%	 -8.6%	Most impacted division by COVID-19 consumer behaviour changes. Sales momentum improved from H1 (-32.8%) to H2 (-8.5%). Online launched July '21
MR PRICE HOME	 17.6%	 +3.5%	 +15.4%	Homeware segment continues to capitalise on prevailing global trend. Positive annual growth performance despite Apr 20 store closures & further restrictions in May 2020. In H2, both divisions grew retail sales by double digits & gained further market share
SHEET STREET	 8.0%	 +5.2%	 +12.6%	
MR PRICE MONEY	 6.9%	 -2.1%	 -5.3%	Double digit growth for Telecoms segment, driven by cellular handsets (grew market share by 90bps) & accessories. Credit environment subdued impacting interest & charges and lower new account approvals. Insurance portfolio impacted by constrained consumers

*Retail sales & other income | Based on total operations

Space growth



Total Group Owned
1 418 stores

Store & space growth insights (Refer pg 65 for detail)

- Intentionally opened less stores in H1 (17) due to COVID-19 capex considerations. Opened 37 new stores in H2, totaling 54 new stores annually
- Store growth of 2.8% is higher than w.avg space growth due to smaller store formats
- Annualised: 2.5% new space growth & 1.6% net growth (w.avg)
- 315 new leases renewed. Further improvements in annual escalations & base rental reversions aligned with industry trends
- Power Fashion (PF): 174 stores. Group footprint incl. PF 1 592 stores

Performance insights

- Retail sales from larger format stores were impacted by consumer behaviour changes to convenient locations in H1
- Sales momentum improved in larger format and urban centre stores in H2; recovery has continued in Q1 FY22
- Group trading density of R32 235m⁻². Trading density in the Home segment grew 3.1% despite significant disruptions to trade
- Online grew at 64.1% as consumers e-commerce adoption surged
- Performance of diversified footprint & omni-channel model supported business continuity

APPAREL SEGMENT

Mr Price	538 stores
Miladys	239 stores
Mr Price Sport	136 stores

HOME SEGMENT

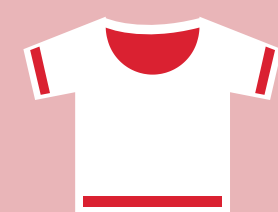
Mr Price Home	183 stores
Sheet Street	322 stores



Total gross space
773 839m⁻²



Gross profit analysis



Merchandise GP

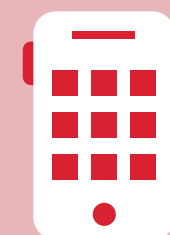
2019
2020
2021

43.6%

42.1%

43.5%

- Increase driven by lowest markdown levels in the last 5 years
- Strong merchandise assortment led to increase in full price sale items
- Clean December inventory
- Pockets of slow moving stock in Mr Price Sport & Miladys



Telecoms GP

2019
2020
2021

19.1%

18.7%

19.0%

- Intentional changes to sales contribution mix in favour of higher margin products
- Cellular products sold on credit & online for the first time positively impacting growth
- Continued market share gains has improved commercial negotiations with networks



Total GP

2019
2020
2021

42.9%

41.2%

42.5%

- Gains driven by Apparel, Homeware & Telecoms segments
- Exchange rate pressure in H2 offset by low markdown levels

Improvement in GP margin in both H1 & H2

Overhead expenses

Total expenses	+3.7%
Total expenses excl. impairment	+1.4%

Selling expenses (R'M)

2021	2020	% Change	
		Annual	H2
4 340	4 482	(3.1%)	0.0%

- W.avg space growth of 1.6% (new space growth of 2.5%)
- Occupancy costs down 8.5%. Rental concessions, lower turnover rentals & rent reversions aided expense control
- Employment costs decreased 9.2% (TERS, reduced over time & hiring freeze)
- Net bad debt (write-off less recoveries) up 78.1% due to customer distress
- General austerity measures continue

Administrative expenses (R'M)

2021	2020	% Change	
		Annual	H2
1 747	1 391	25.6%	21.3%

- Excluding IT impairment (H1) & incentives, total admin costs decreased 1.1%
- Retail Modernisation:
 - Ammortisation from intangibles & licenses up 20.0%
- Excluding incentives, employment costs decreased 5.0% (salary increases curtailed, TERS)
- Exec salaries & NED fees reduced for 6 months

Strong balance sheet



Net asset value per share
4 200 cents, increased 15.5%

R'M	Mar 2021	Mar 2020
Non-current assets¹	9 288	6 950
Current assets	10 587	10 244
Inventories	3 298	2 719
Trade & other receivables ²	2 155	2 268
Cash & cash equivalents	4 949	4 726
Reinsurance assets	154	182
Other	31	349
Total	19 875	17 194
Shareholders equity	10 838	9 428
Total liabilities ³	9 037	7 037
Total	19 875	17 194

- Power Fashion (PF) effective date fell within 53rd week
- Inventory excl PF increased 10.5%. Non-comp categories impacted growth
- Freshness & stock turn improved. Strong clearances post-lockdown. Lower % stock provision
- Marked down units % stock on hand decreased 220bps

- Allocated ~35% of opening cash to acquisition & share buyback
- Cash at R4.9bn after PF acquisition
- High cash generation since trade restrictions in early H1
- R542m held in non RSA territories & share trusts
- Refer strategy section (pg 21 to 60) for capital allocation plans

- ¹Core business capex R452m; PF assets & goodwill raised
- ²Reduced credit sales, lower interest rates & higher write-offs
- ³Impacted by PF liabilities inclusion
- ³Shift in hedging derivatives mark to market from PY
- ³Trade payables: improved payment terms & timing of week 53

Note: 53 week basis

Cash flow movements

R'M	Mar 2020	4 726			
Cash from operations	5 428			Operating R4.8bn Investing (R1.9bn) Financing (R2.6bn)	Increased 4.8% on PY despite Apr 20 store closures
Working capital		192			Higher inventory balance offset by sales in week 53 trade
Net interest received		564			Interest received impacted by lower interest rates & debtors' book
Taxation		(1 417)			Timing of cash payment vs PY
PPE & intangibles		(441)			PPE additions: R296m Intangible additions: R156m
Acquisitions		(1 511)			Acquisition of Power Fashion net of cash acquired
Dividends		(552)			Lower dividends paid due to no final dividend declared in FY20
Treasury shares		(334)			Share buybacks of R165m & share scheme hedging costs & instruments
Repayment of lease liabilities		(1 649)			Rental payments under financing cash flow
Other		(57)			Exchange losses on foreign currency translation
Mar 2021	4 949				

Note: 53 week basis

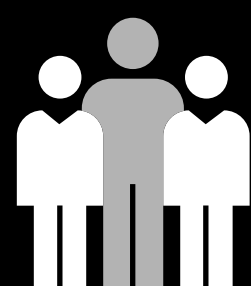
Mr Price Group credit performance



Credit
sales

R2.9bn
(14.5%)

- High double digit credit declines in H1 (-27.3%) slowed to low single digit declines in H2 (-4.0%). Home segment & Cellular reported positive credit growth in H2 of 2.1% & 17.2% respectively
- Transactions were 30.7% lower but basket sizes increased 14.3%
- Additional income verification measures lowered approval rate offsetting applications growth in H2
- Credit sales in FY22 expected to be impacted by lower new accounts, credit utilisation & transaction frequency



(13.6%)
Applications



(19.4%)
Approvals



32.0%
Approval rate
FY 2020: 34.3%



Trade receivables

R'M	Mar 21	Sep 20	Mar 20	% Change	
				Mar/Sep	Mar/Mar
Total debtors book	1 970	2 031	2 300	(3.2%)	(14.0%)
NBD: book (excl collection costs)	12.1%	8.1%	6.3%		
Impairment provision	13.4%	15.2%	10.5%		

- Factors effecting credit environment:
 - Distressed low to mid LSM consumer
 - Interest rates down 275bps since Jan 2020
 - Curtailed new account growth to manage risk
 - Increase in paydowns: customers managed debt in uncertainty
- NBD: book % increased due to:
 - Lower debtors book balance
 - Higher write offs
 - Lower bad debt recoveries
- Book is stabilising with improved collections as % of debtors' book. Recovery in H2 but still signs of distress across the portfolio vs prior years



03

Vision & Strategy

BY MARK BLAIR - CEO

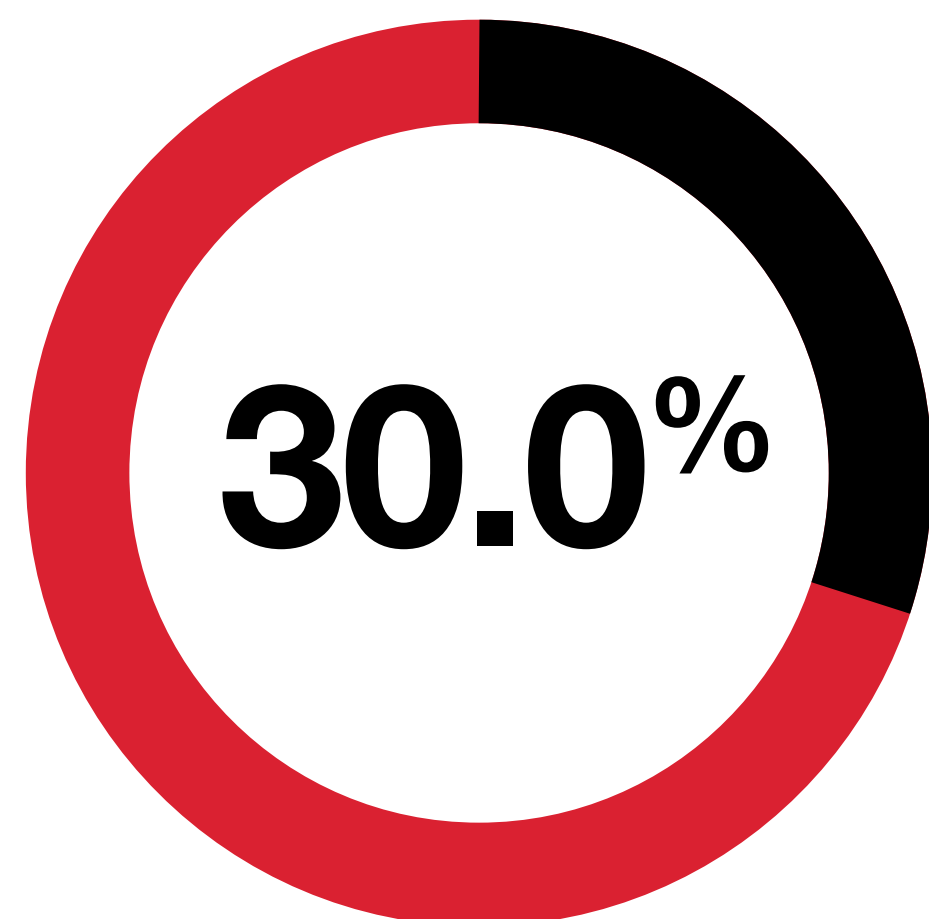


Market leaders

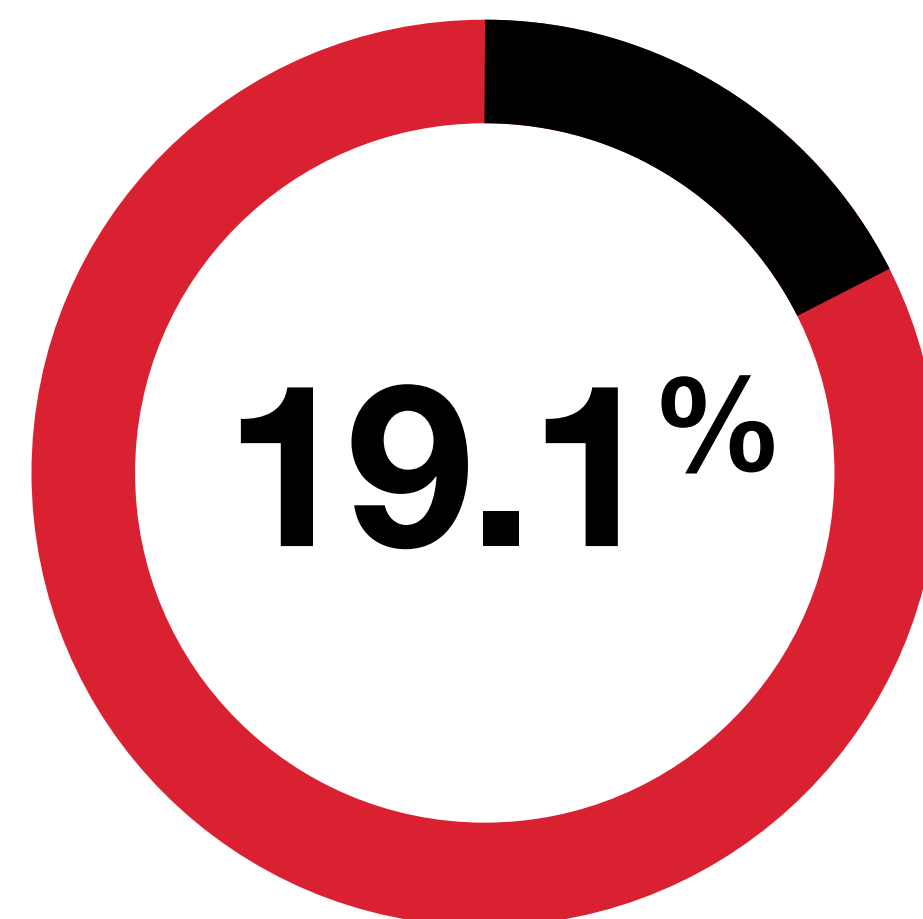
Market leading metrics for an extended period of time

Profitability*

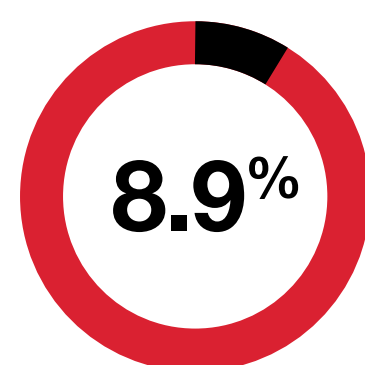
Return on Equity



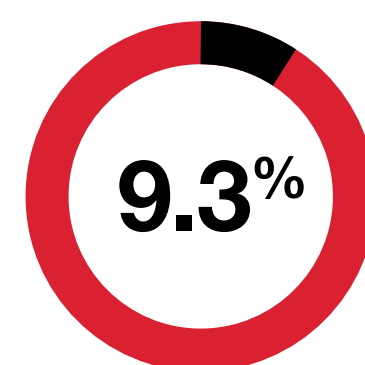
Return on Assets



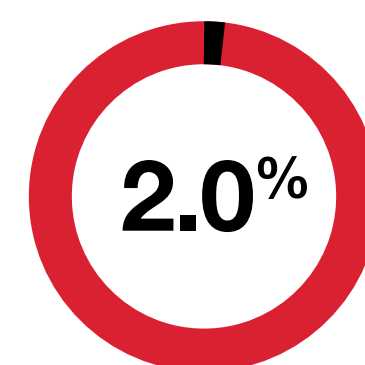
JSE Top 40



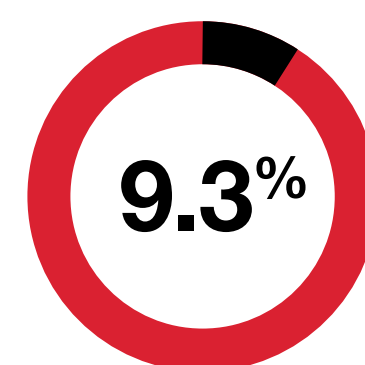
Competitors



JSE Top 40



Competitors



Performance & returns

HEPS growth

19.4%

35 year CAGR

mr price group limited

***14.0%**

10 year CAGR

mr price group limited

***2.0%**

10 year CAGR

Competitors

Total shareholder returns

***15.0%**

10 year CAGR

mr price group limited

***4.0%**

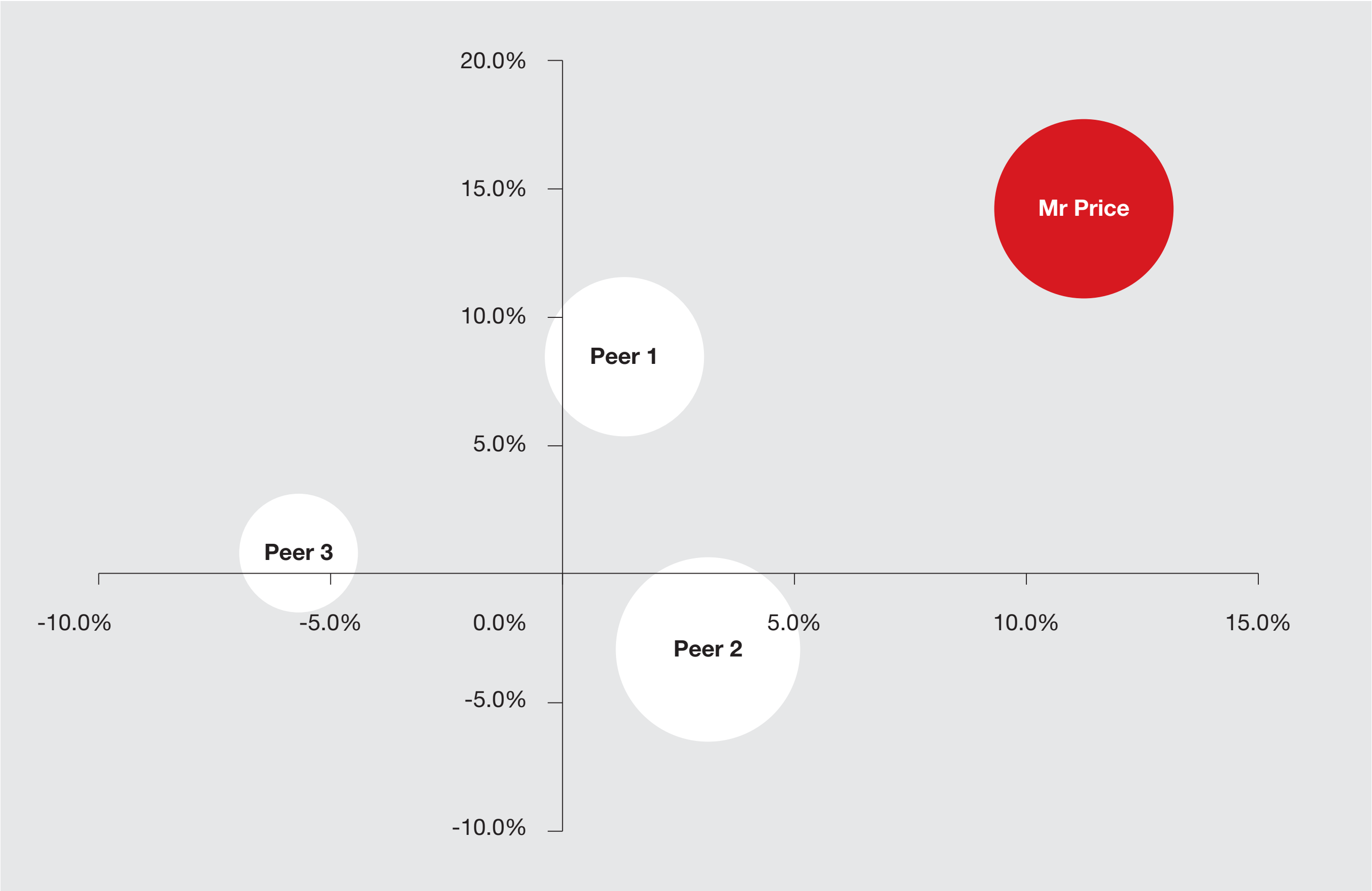
10 year CAGR

Competitors

Source: Bloomberg
Competitors: Average of WHL, TFG, TRU, PEP
*FY2020 for comparable purposes

Delivered superior returns over last 10 years

10 year HEPS growth (CAGR)

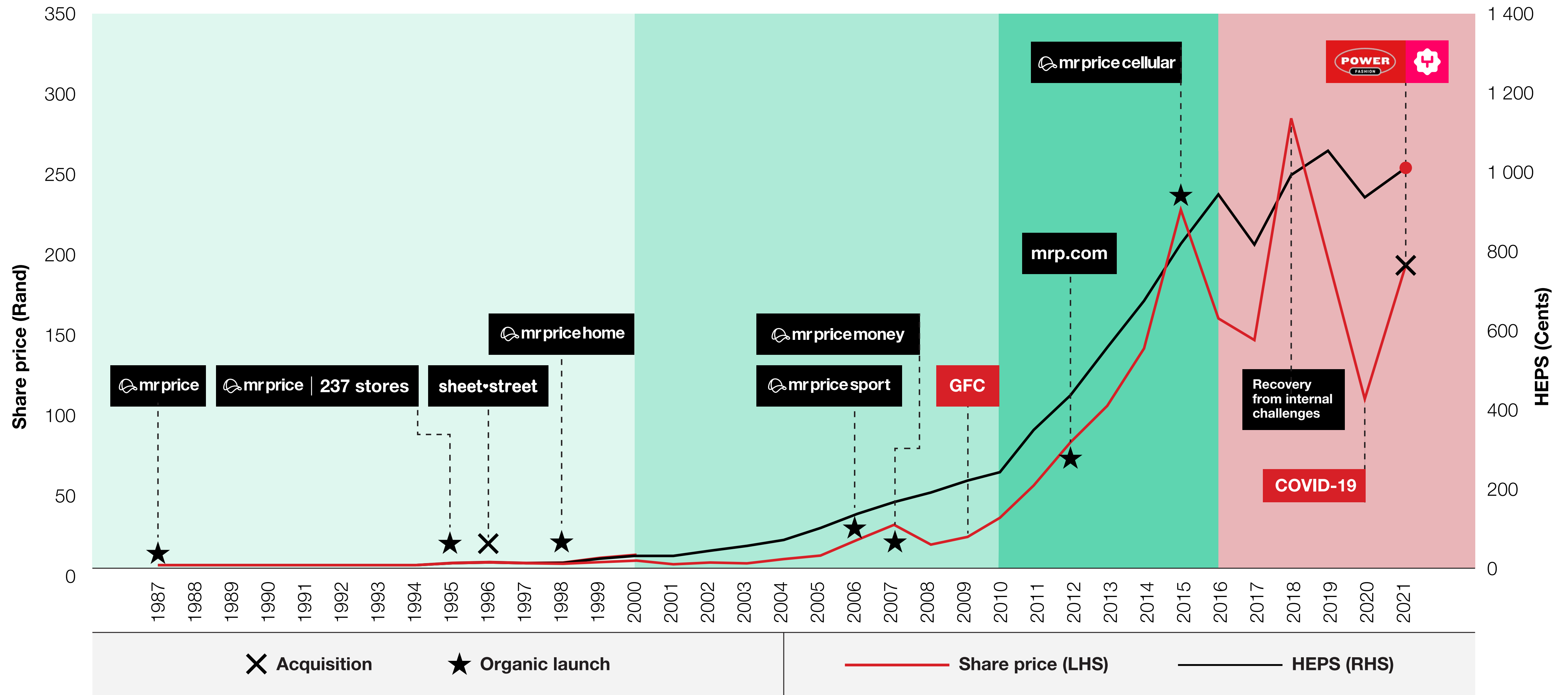


10 year share price growth CAGR

Source: Bloomberg | Size of circle represents market capitalisation | FY2020 for comparison



A history of building brands & delivering returns... but 'spiky' last 5 years



So what's changed?

Last 5 years

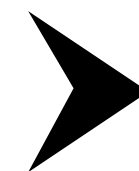
Didn't do enough in the good years to protect us from a cycle of economic headwinds

Operational mindset

Lack of adherence to our proven merchandise processes

Lack of top-line growth - focus was on margin management via GP & cost reduction

Vision not measurable



Now

Detailed research to develop new long term vision & strategy (future proofing the business)

Good balance between operations & strategy. Extraction from detail to work on the business vs in the business

New management appointed, strong focus on culture

Constant pipeline of growth initiatives & greater focus on the top line as the earnings generator

Measurable vision, share price growth impacts all our associates & maintains our remuneration structure as a competitive advantage

Vision

To be the most valuable* retailer in Africa

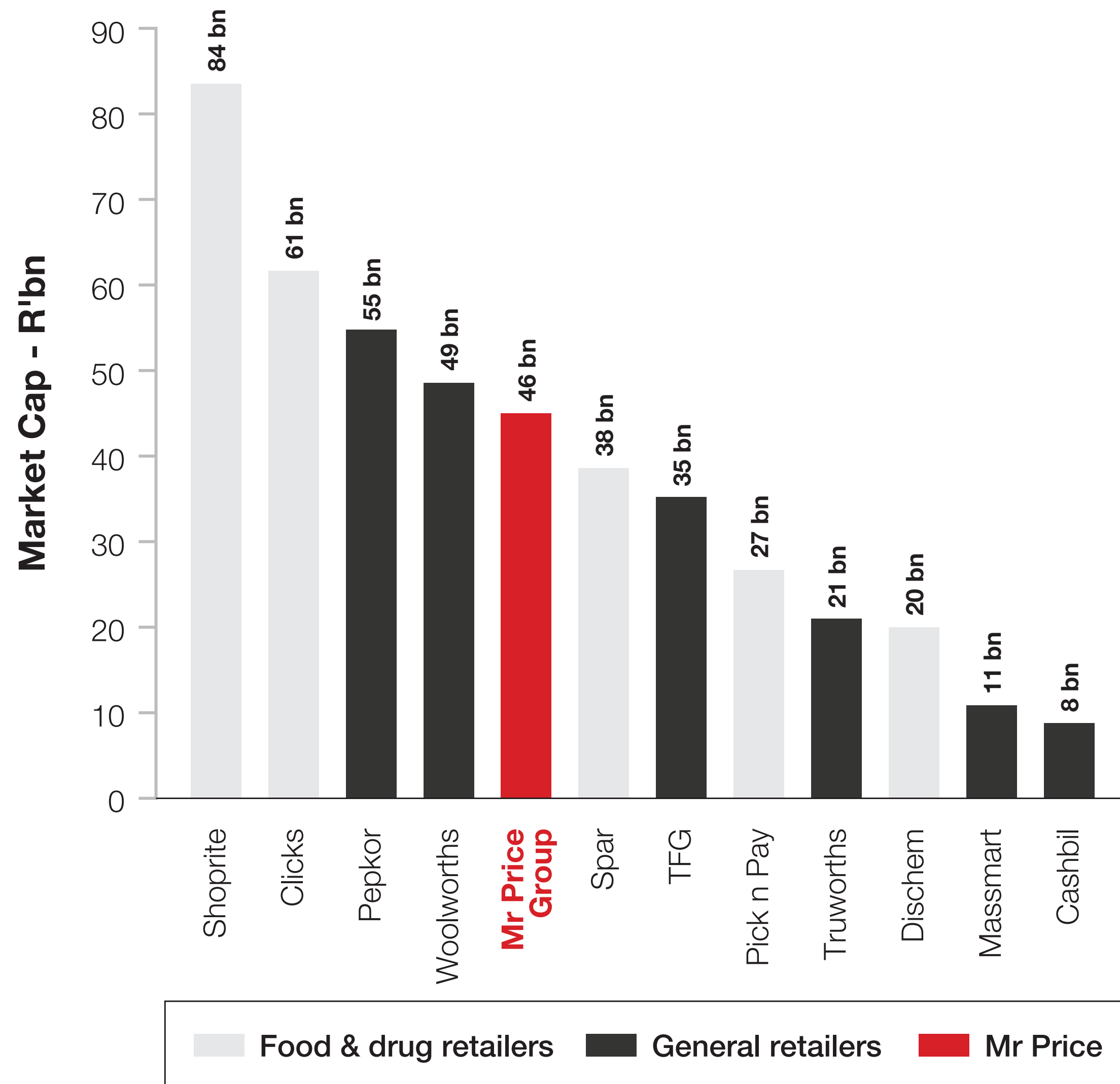
Trading divisions will focus on existing markets for next 3-5 years, removing the distraction of international markets while we:

- Strengthen our backbone: technology & innovation, sustainability
- Acquire & launch new businesses & categories locally

*Market capitalisation



Defining success



Source: JSE 26 March 2021

What we will look like in the future:

- Multiple growth opportunities with sector leading sales growth
- Double the number of trading divisions & exponentially grow e-comm
- Strong test mentality:
 - Implement innovative concepts & grow the best performers either organically or acquisitively
 - Allocate capital to the most attractive opportunities
- Strengthened earnings & brand values
- Focus on the long-term while delivering earnings growth
- Alignment of actions & reward systems to strategy
- Lead in our relationships with stakeholders



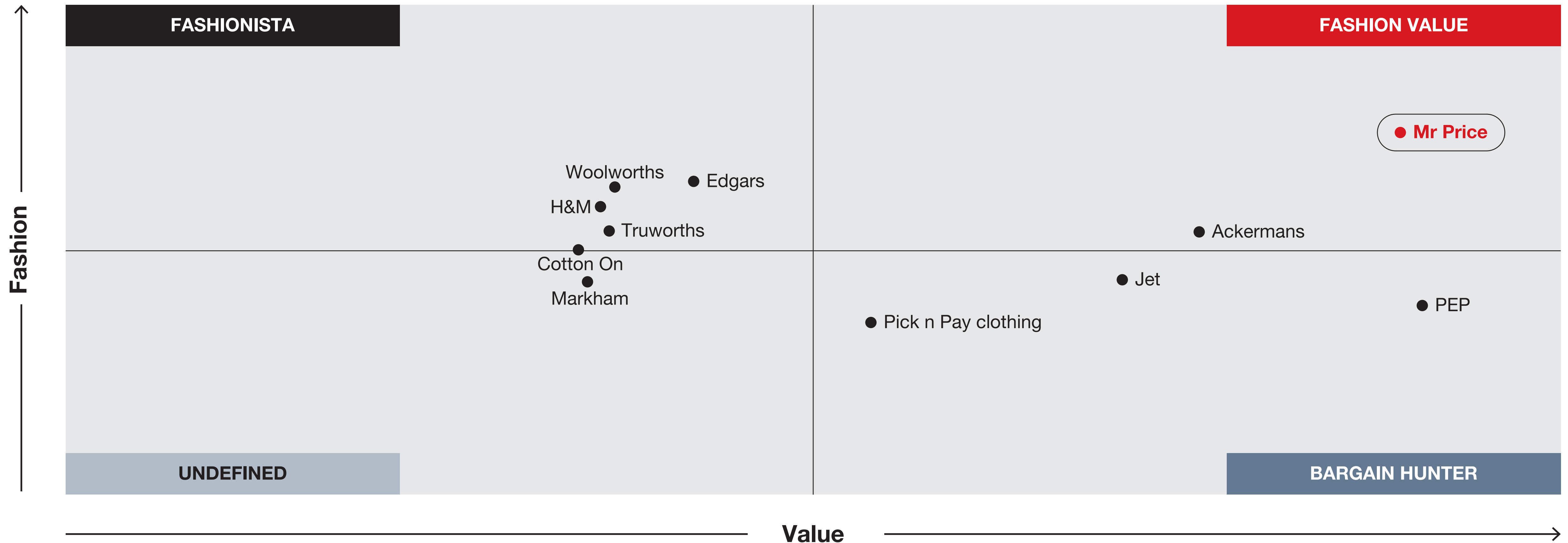


Purpose

Your Value Champion

Mr Price apparel continues to offer the best fashion-value...

Fashion Value-Total Apparel

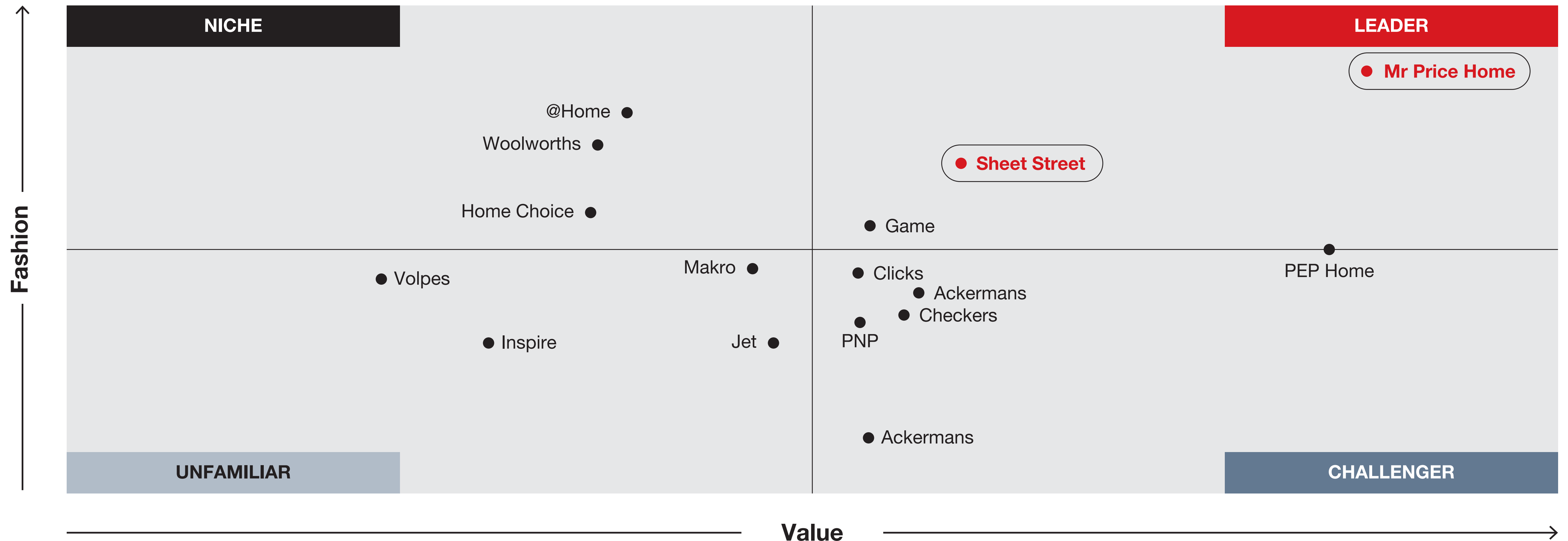


Source: Borderless Access Summer 2020

Expand 'value' definition from price + quality + fashionability to include experience & convenience

... as does Mr Price Home & Sheet Street

Fashion Value-Total Homeware



Our strategy is working

- Strengthened our culture & organisational health
- Increased visibility of our brands
- Added >R4bn to annualised revenue:
 - gained R1.2bn market share FY21
 - introduced many new categories adding ~R500m in non comp revenue
 - lay-bys/ RCS/ tender types
 - concluded market research & acquired two businesses





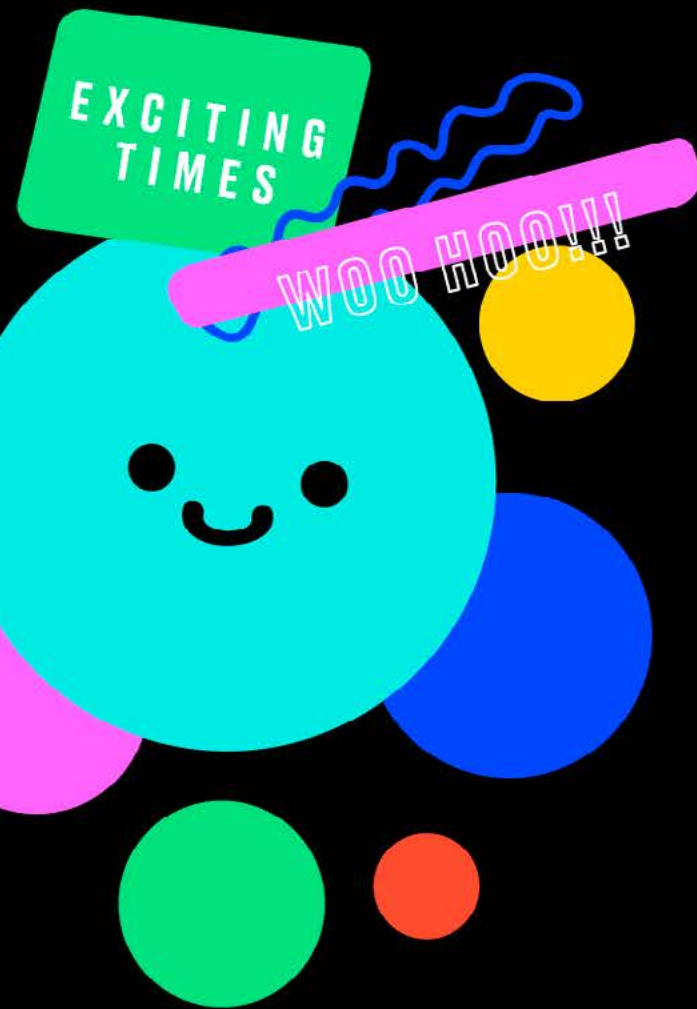
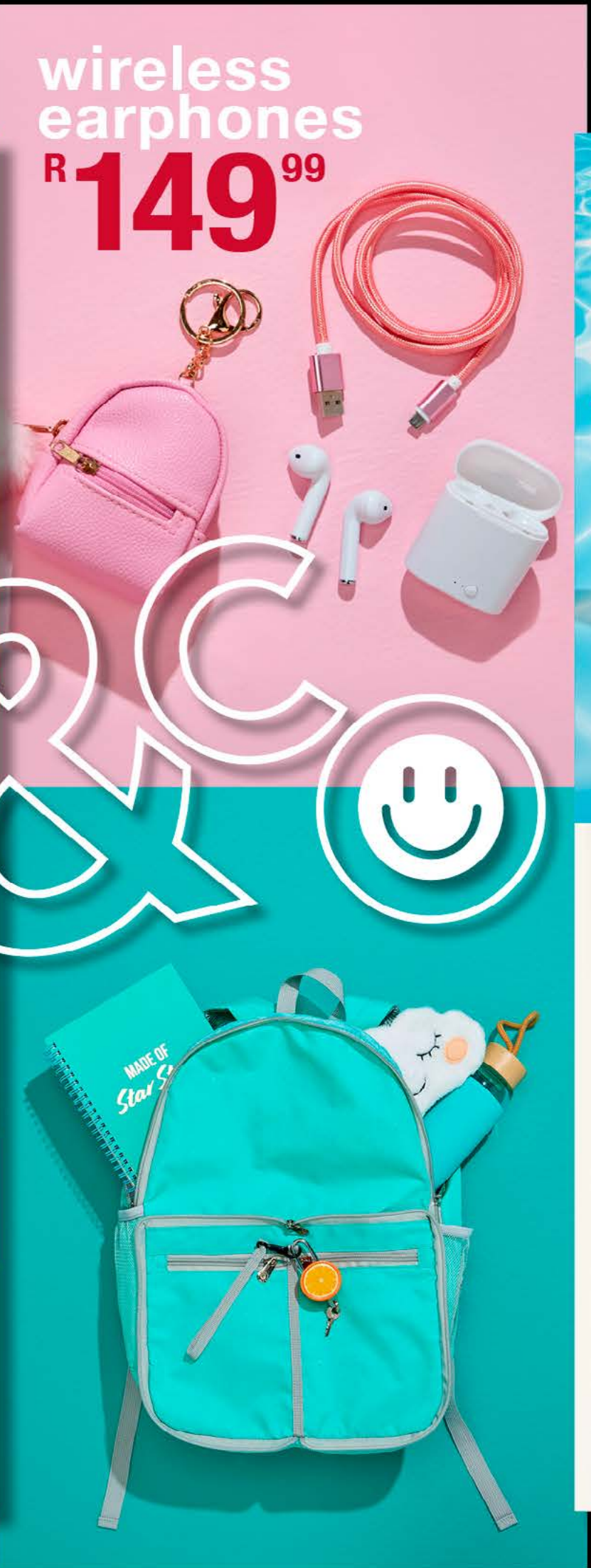
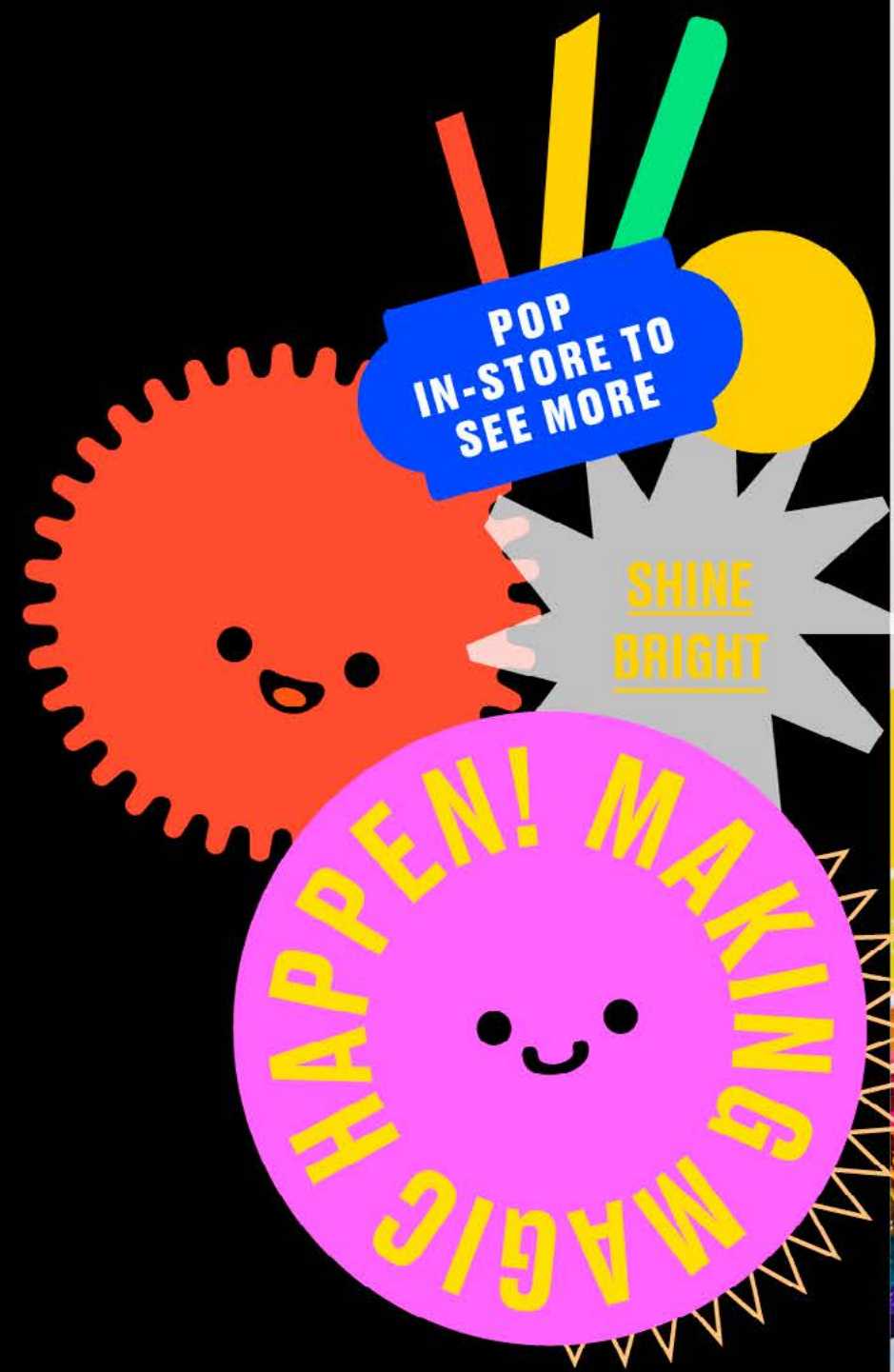
+size



 mr price

mrp
B A B Y







mrp
SCHOOLGEAR



scarlet·hill

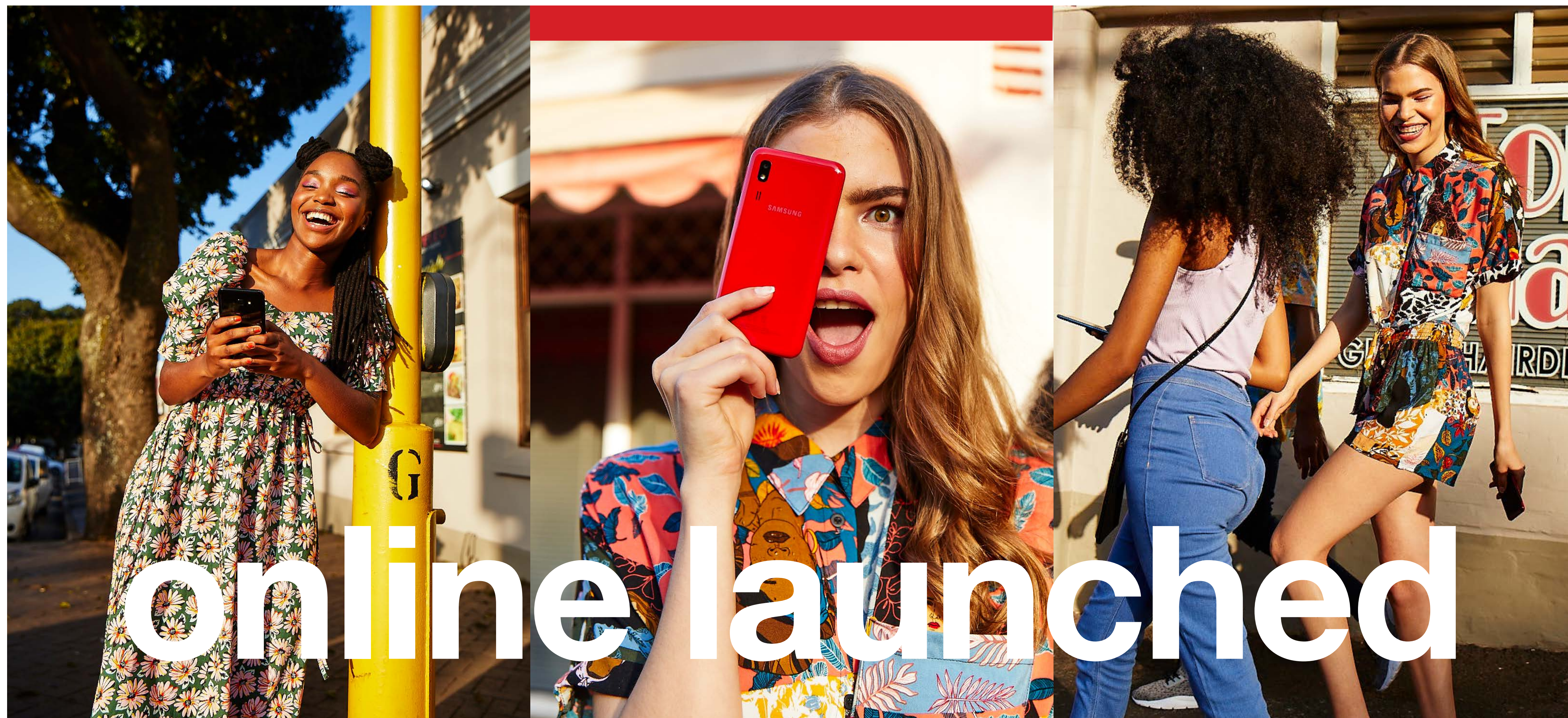
beauty



maXed ELITE







online launched

Strategy

Our 6 strategic pillars



Stakeholder
engagement



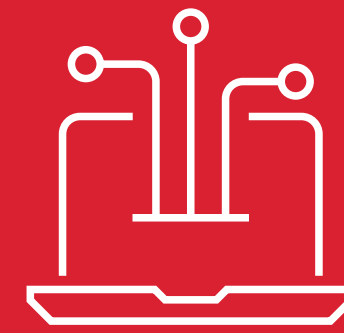
People



Growth



Brand
Promise



Technology
& innovation



Sustainability



Our ability to deliver value depends on our relationships with stakeholders. We do not win at their expense, we win with them.

Objective	Our stakeholder relationships are based on the true spirit of partnership and we are ranked as the leading retailer in 'engagement and delivery'.
Key results	<ul style="list-style-type: none">• Established an expanded & dedicated stakeholder engagement group function• Develop a more formal stakeholder engagement strategy:<ul style="list-style-type: none">- Assess stakeholder needs & develop plans to improve our performance on the areas prioritised and adopted- Conduct an annual assessment on our progress in meeting the needs of & creating value for our stakeholders• Be recognised by stakeholders as having the best two-way communication in the industry



Significantly increased Employment Equity goals. In FY21, our African, Coloured & Indian appointments were:

- 99% of hires in stores
- 76% of hires & 70% of promotions at head office

In a thriving growth business, there will be career opportunities for all who perform

Having acquired Yuppiechef, we will set up a hub in Cape Town for 3 key reasons:

- differentiate our 'value' businesses from our 'aspirational value' ones
- target retail & tech skills
- aid internal transfers

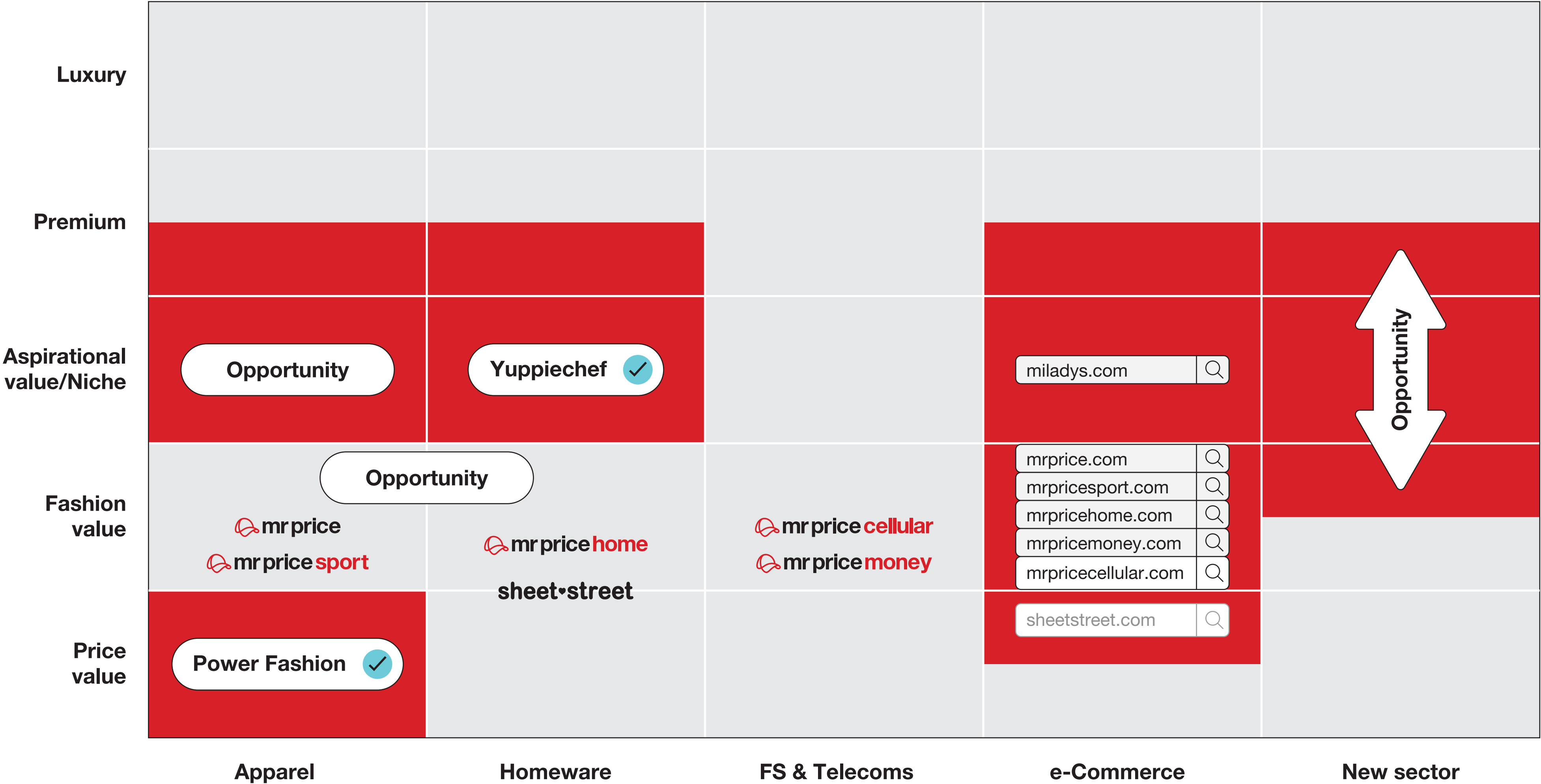
Objective	Our energised environment and unique culture drives our performance and positions Mr Price Group to be the most sought-after retail employer.
Key results	<ol style="list-style-type: none"> 1. Our cultural DNA, Guiding Principles & Values are clearly defined, widely understood & lived-out and our personality is communicated at all touchpoints 2. Develop a mechanism to evaluate organisational health. No material breaches of code of conduct 3. A transformed & relevant South African business - improved employment equity score 4. Associates share in our performance, and reward structures are understood by & motivate all 5. Our talent is engaged, developed & retained. Our workplace & ways of working are innovative & mutually satisfying 6. A well-developed & implementable succession plan



Growth mindset will engage our workforce, produce a winning culture and provide room for all stakeholders to prosper

Objective	To be the top performer in total shareholder returns in the retail sector.		
Focus areas	Earnings growth <ul style="list-style-type: none">• Sales growth• GP margin• Overheads• Interest• Taxation	Rating (PE ratio) <ul style="list-style-type: none">• Consistency of performance• Relative performance vs sector• Earnings growth• Financial metrics incl. free cash flow• Capital allocation• ESG stance• Communications (IR)	Dividends <ul style="list-style-type: none">• Growth• Policy consistency• Special dividends unlikely

Opportunities to grow



80:20

We will always remain focused on:

Cash : Credit
Fashion/price value : Aspirational value
Private label : Brands



- Effective date 1 April 2021
- Purchase consideration R1.5bn net of cash acquired
- Founder retired, management team fully retained
- Senior managing director appointed from Mr Price Group
- 174 stores (RSA 165, Lesotho & Eswatini 9) at take on (~64 000m²)
- Revenue last 12 months R1.7bn which includes impact of level 5 lockdown
- Cash focus & lay-bys. No plans to introduce credit
- Focus on current trade, integration plan & growth



YUPPIECHEF

- Submission to competition commission on 15 April 2021. Expected effective date of July/August 2021
- Wholesale 5%; Retail 95% (75% online, 21% stores)
- Strong credentials in kitchen, MRPG to complement with skills in homeware categories
- MRPG will not risk 'pre-implementation', but has been working on business case for aspirational value homewares prior to acquisition
- Entire management team to remain intact
- All 11 shareholders have accepted the option of a portion of the purchase consideration being paid in MRPG shares (purchased in market & excludes two non-management shareholders)

Opportunity to increase contribution of private label at higher margins

Select Brands

Brands



Private label



Group e-commerce - FY21 performance

REVENUE

Group achieved online growth of **64.1%** & nearly doubled in contribution to 2.4% of sales

Group online revenue was the equivalent of

three

flagship stores

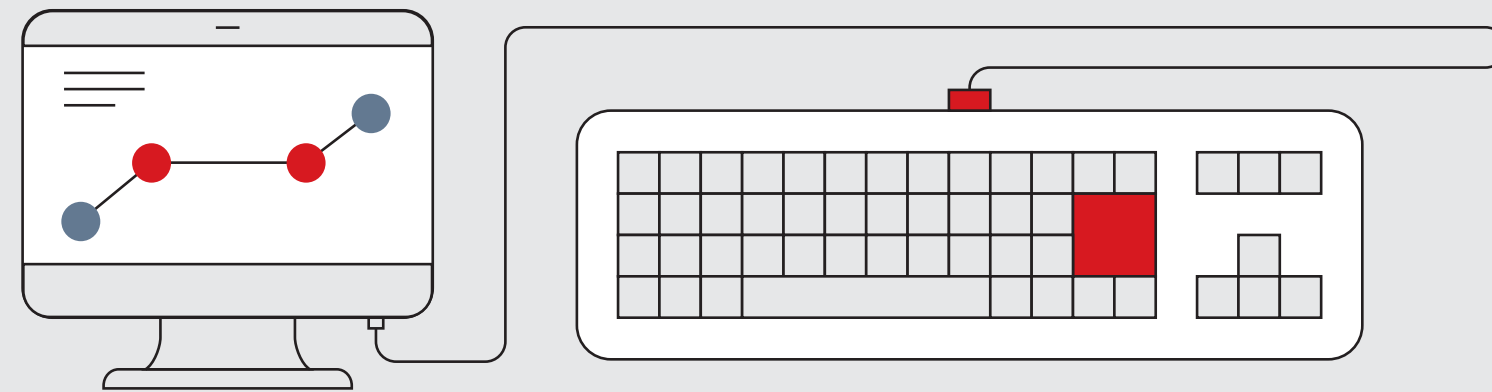
TRAFFIC

Group traffic increased

65.7%

Mr Price Apparel has the highest market share of traffic across all omni-channel apparel retail brands[#]

& totalled **96.2m** visits through either web or the app

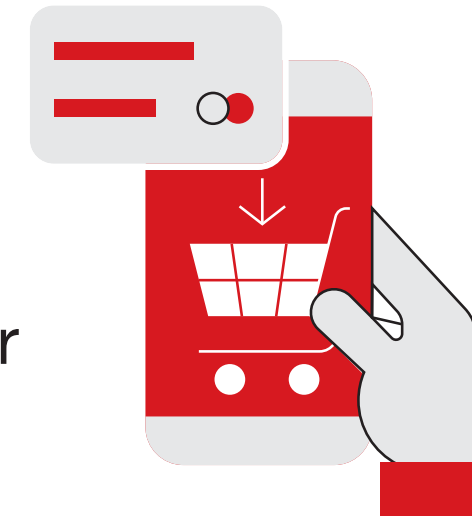


86.4% of group traffic is from a mobile device and app traffic has grown **92.3%**
(We are at our customers fingertips)

ORDERS

674^k

orders processed. Average orders per day doubled compared to LY



Every

58 seconds

an order was processed (LY every 1m40s)

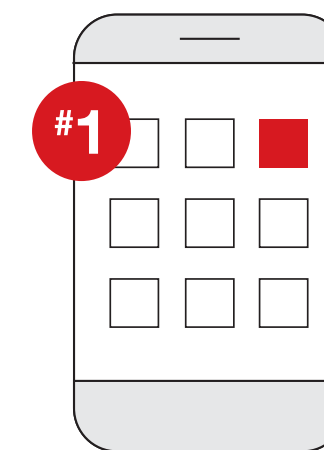


Click+collect was requested every 6/10 orders

11 seconds

During Black Friday week, an order was processed every

Ongoing platform investment enabled processing of significantly larger order volumes



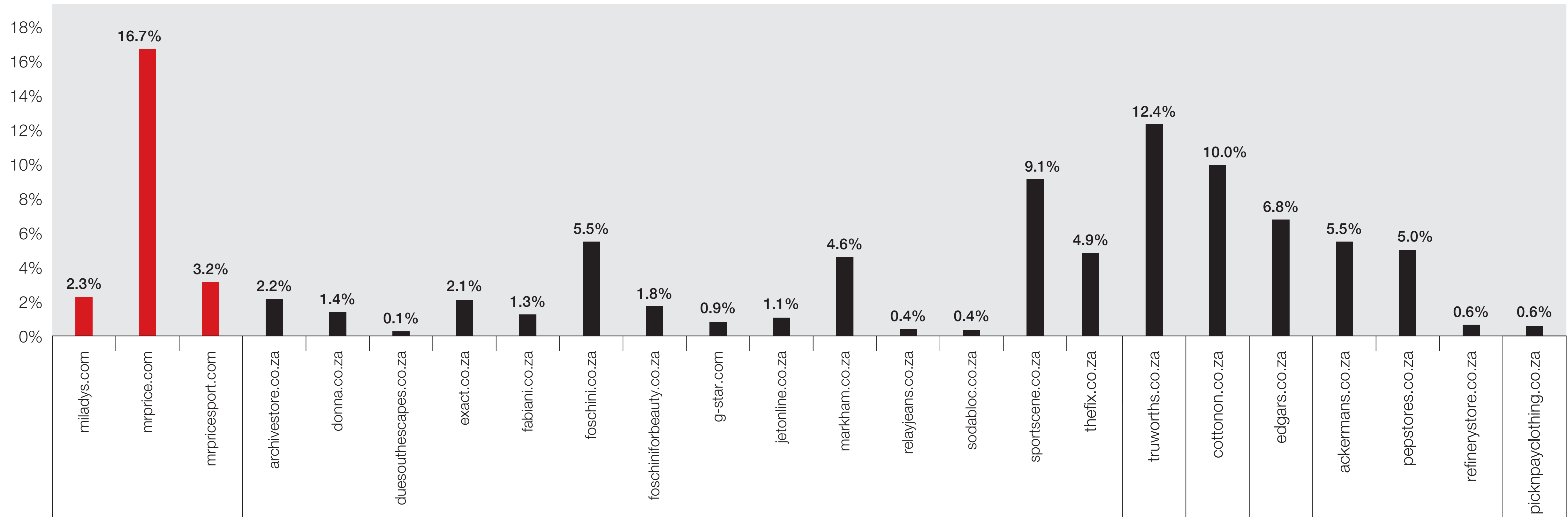
Mr Price app:

- Remains #1 ranked Fashion Shopping app in SA*
- 2nd highest daily & monthly active users in SA (Superbalist 1st)
- Active shoppers increased 88.7%, new shoppers grew 111.2%

Mr Price Apparel has the highest market share of web traffic in SA

Omni-Channel Fashion Brands

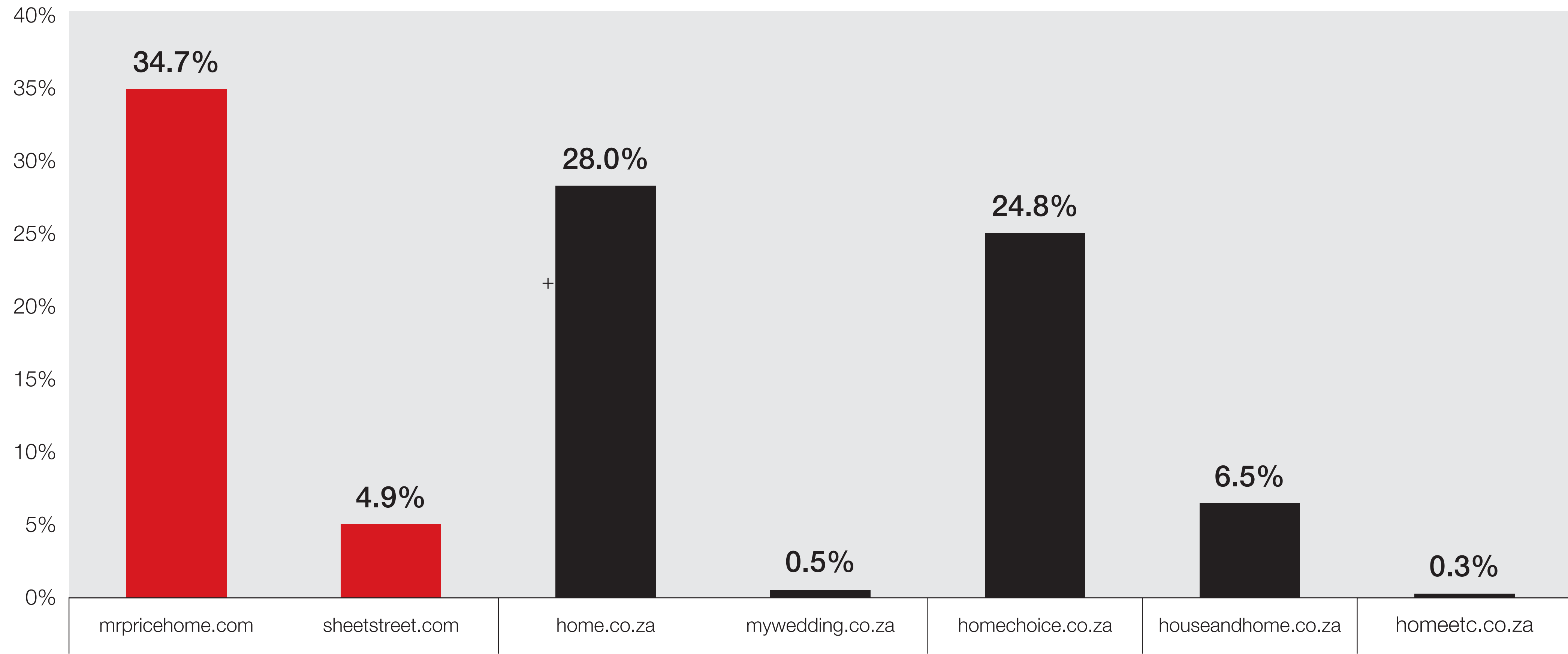
April 2020 - March 2021



Mr Price Home has the highest market share of web traffic in SA

Omni-Channel Homeware Brands

April 2020 - March 2021



Capital allocation

- Invest for the long term in the most attractive opportunities - returns & scalability
- Company strategy is primarily targeted at revenue & earnings growth
- Leading metrics - but not at the expense of growth
- Share buy-backs will be continually evaluated against market conditions, growth opportunities & plans
- R165m spent on buy-backs at an avg price of R127 per share. Program structure resulted in cessation during closed period
- Special dividends unlikely



Brand promise



- Expand our traditional interpretation of value, particularly for our new ‘aspirational value’ segment
- CRM business case developed & currently being evaluated. Data to provide actionable insights to serve our customers better & grow sales

Objective

Grow brand value by surprising and delighting our customers with the wanted item at great value and a satisfying all-round experience

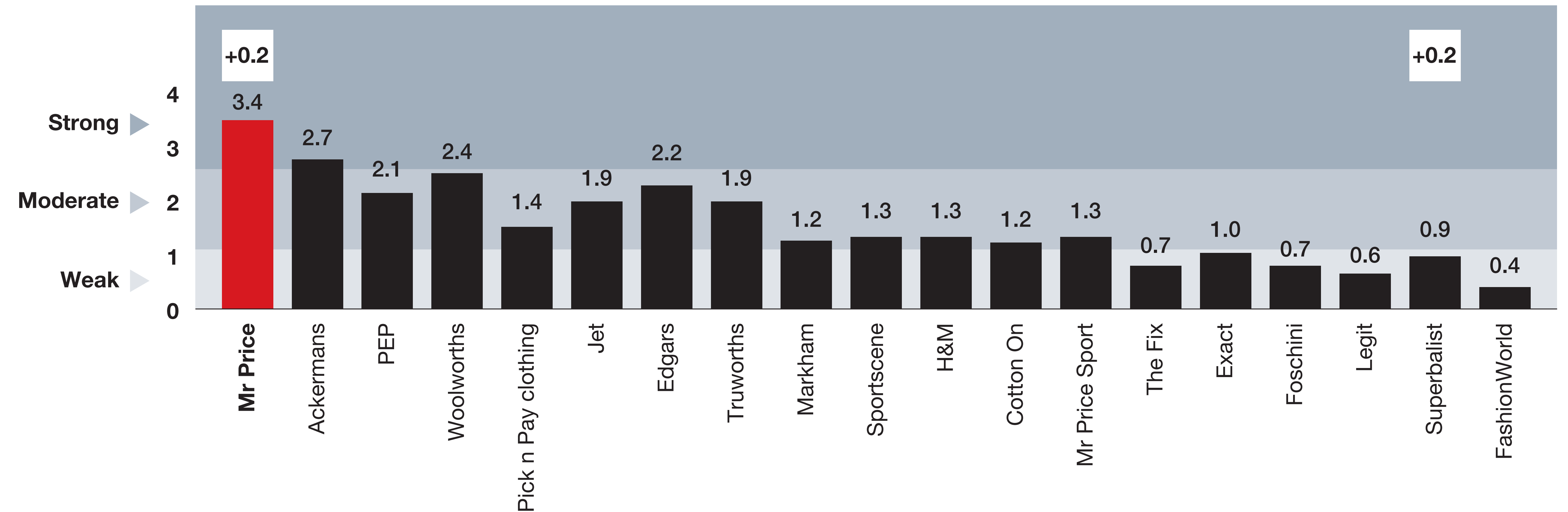
Key results

1. We have a clear understanding of our customers and their needs
2. Increased brand equity scores and brand value
3. Improved ranking per Brand Z most valuable RSA brands from 21st to 15th by 2026
4. Increase market share from 13.1% to 20% by 2026 (Stats SA type D retailers)

Increase brand equity scores for each division & for company from 2.7 to 3.2 by 2026

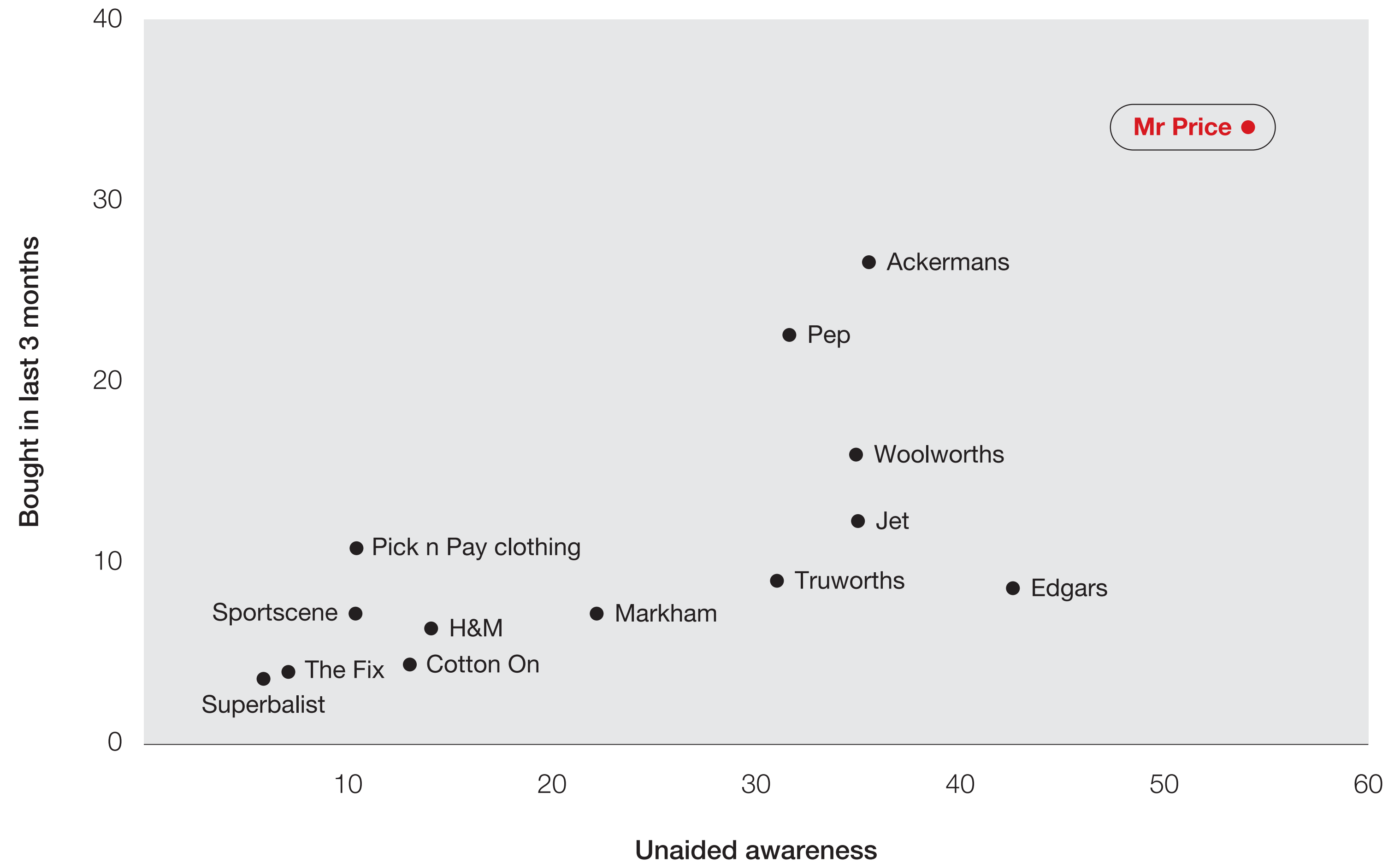
Brand Equity

Mr Price Apparel has the highest brand equity - one of two brands to gain

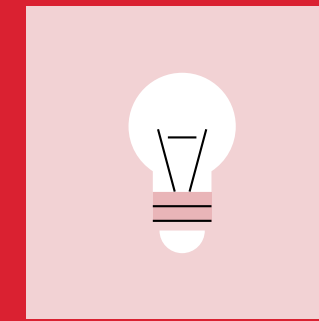


Mr Price has the highest conversion: awareness to purchasing

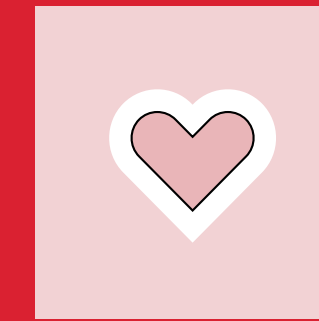
Unaided awareness > bought in last 3 months



Retail brand value ranking



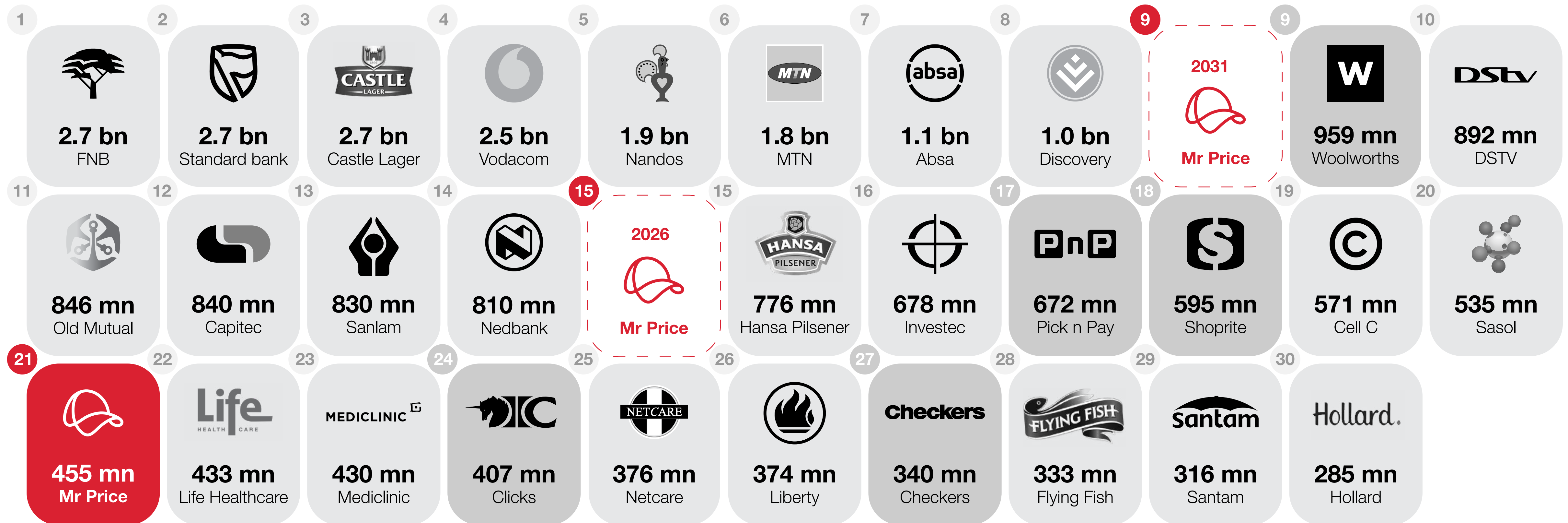
5th
most innovative



4th
most loved

Increased brand value per BrandZ most valuable RSA brands

$$\text{\$2bn Financial value} \times 22\% \text{ Brand contribution} = \text{\$455m Brand value}$$



Dark grey - Retail companies | 2020 (USD bn)

Retail brand value ranking explained

GOAL		ACTION
Purpose Brand is perceived to make people's lives better	Win	<ul style="list-style-type: none"> • Establish divisional plans to communicate our purpose & ESG so that customers know what we stand for • Continue to improve quality & fit • Maintain Fashion-Value positioning
Innovation Setting trends, being creative & shaking things up	Win	<ul style="list-style-type: none"> • Technology & Innovation (pg 57) • Currently rank 5th in RSA
Experience Ability to anticipate and react to customer needs & deliver a strong experience		<ul style="list-style-type: none"> • Set a more formal store revamp policy. Action where customer experience is poor. • Allocated R150m for store revamps in FY22: <ul style="list-style-type: none"> - Evaluate performance/ROA vs investment & tailor as appropriate - Review store layouts for navigation, clarity of offer & signage showing value - Rebrand stores from mrp to Mr Price • Invest in Customer Care & appoint senior ownership
Love Customers have a real emotional bond	Win	<ul style="list-style-type: none"> • Usually as a result of the factors above. Tends to happen naturally • Currently ranked 4th in RSA
Communication Powerful & memorable advertising	Win	<ul style="list-style-type: none"> • Campaigns to be representative of our personality – fun, irreverent, maverick • Appoint brand ambassadors • Sponsorships

mrp to
Mr Price



The
Sharks

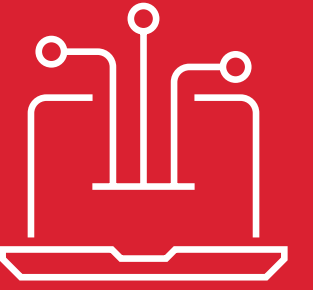


Comrade's
Marathon



SA Olympic
Team





- **Transition tech focus from infrastructure & applications to innovation**
- **Agile & secure platform & systems to support our strategic needs:**
 - Bed down Retail Modernisation Programme (foundation of our core functions)
 - Finance ERP successfully implemented
 - Key FY22 deliverables include go-live on new ERP system, replatforming e-commerce to Magento 2 & evolving our CRM strategy
- **Become a tech enabled, insights driven business:**
 - Comprehensive digital transformation strategy defined in FY22
 - Established Mr Price Advance team to:
 - Consolidate data sources into one repository
 - Introduce Robotic Process Automation & Analytical Process Automation to augment decision making with AI & ML
- **Continue with with appropriate retail innovation:**
 - e-commerce, click & collect with mobile device, cashless check out, mobile POS
 - support our focus on customer experience & brand score & value

We aim to lead from the edge & migrate from a support function to a thought leader



We aim to be recognised by our stakeholders as a relevant, ethical & sustainable Proudly South African company

Focus areas	Working towards inclusion in FTSE/JSE Repsponsible investment Top 30 index ESG activities recently consolidated under director leadership		
	1. Environmental	2. Social	3. Governance
	<ul style="list-style-type: none"> • Improve removal of single use plastic from 46% to 80% by FY26 • Packaging plastic reduced by 50% (remaining 50% fully recyclable) by FY24 • Reduce energy usage to 16 watts/m2 in stores • Maintain improving trend in H/O and DC water consumption below 22 000kl 	<ul style="list-style-type: none"> • Increase RSA procurement to 100m units by 2030 • Play a leading role in job creation in RSA • Achieve employment equity goals • Alignment of rem across race and gender • Exponential impact of Mr Price Foundation and TWDG campaign 	<ul style="list-style-type: none"> • Strengthened integrated assurance • Targeting a strong rating per org. health dashboard • Low staff turnover • No material non-compliance with legislation & policies • Non-aggressive tax policy

Outlook

- **Tough & unpredictable retail environment expected:**
 - RSA COVID-19: 3rd wave
 - Most impactful on Mr Price Sport & Miladys
 - Mid single digit RSP inflation expected in H1
- **Capex of ~R700m including Power Fashion:**
 - Plan to open ~100 new stores
 - W. avg space growth 12.0%, excluding Power Fashion 2.9%
 - Revamping & rebranding
- **Sales growth post year end to 15th May 2021:**
 - Growth on 2019 - Group +27.5%
 - Excluding Power Fashion +16.7%
- **Will continue to be guided by our spirit of partnership:**
 - Associate incentives
 - Special year end appreciate bonus for frontline store staff



Thank you

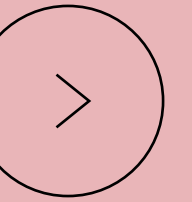




Detailed supporting
information

04

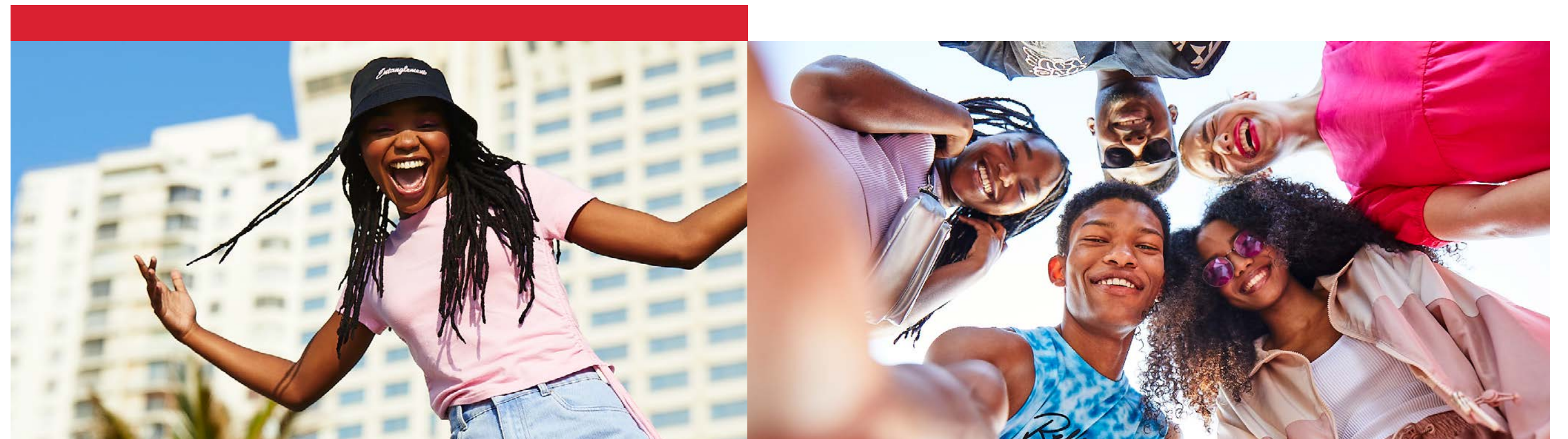
Appendix



Revenue



Continuing operations	2021	2020	% Change
Retail sales	21 172	21 687	(2.4%)
Other income	860	1 021	(15.7%)
Financial services & Telecoms	804	950	(15.3%)
Other	56	71	(21.1%)
Total retail sales, interest & other income	22 032	22 708	(3.0%)
Finance income	274	257	6.4%
Total revenue	22 306	22 964	(2.9%)



EBITDA reconciliation

R'M	53 weeks			52 weeks			H2		
	FY21	FY20	% growth	FY21	FY20	% growth	FY21	FY20	% growth
Profit from operating activities	3 863.8	3 979.0	(2.9%)	3 687.2	3 979.0	(7.3%)	2 539.3	2 290.0	10.9%
Depreciation incl ROUA	1 609.5	1 567.6	2.7%	1 609.5	1 567.6	2.7%	800.0	790.0	1.3%
Amortisation	89.5	75.1	19.1%	89.5	75.1	19.1%	49.1	39.4	24.7%
Total depreciation & amortisation	1 699.0	1 642.7	3.4%	1 699.0	1 642.7	3.4%	849.1	829.3	2.4%
EBITDA	5 562.8	5 621.8	(1.0%)	5 386.1	5 621.8	(4.2%)	3 388.4	3 119.4	8.6%

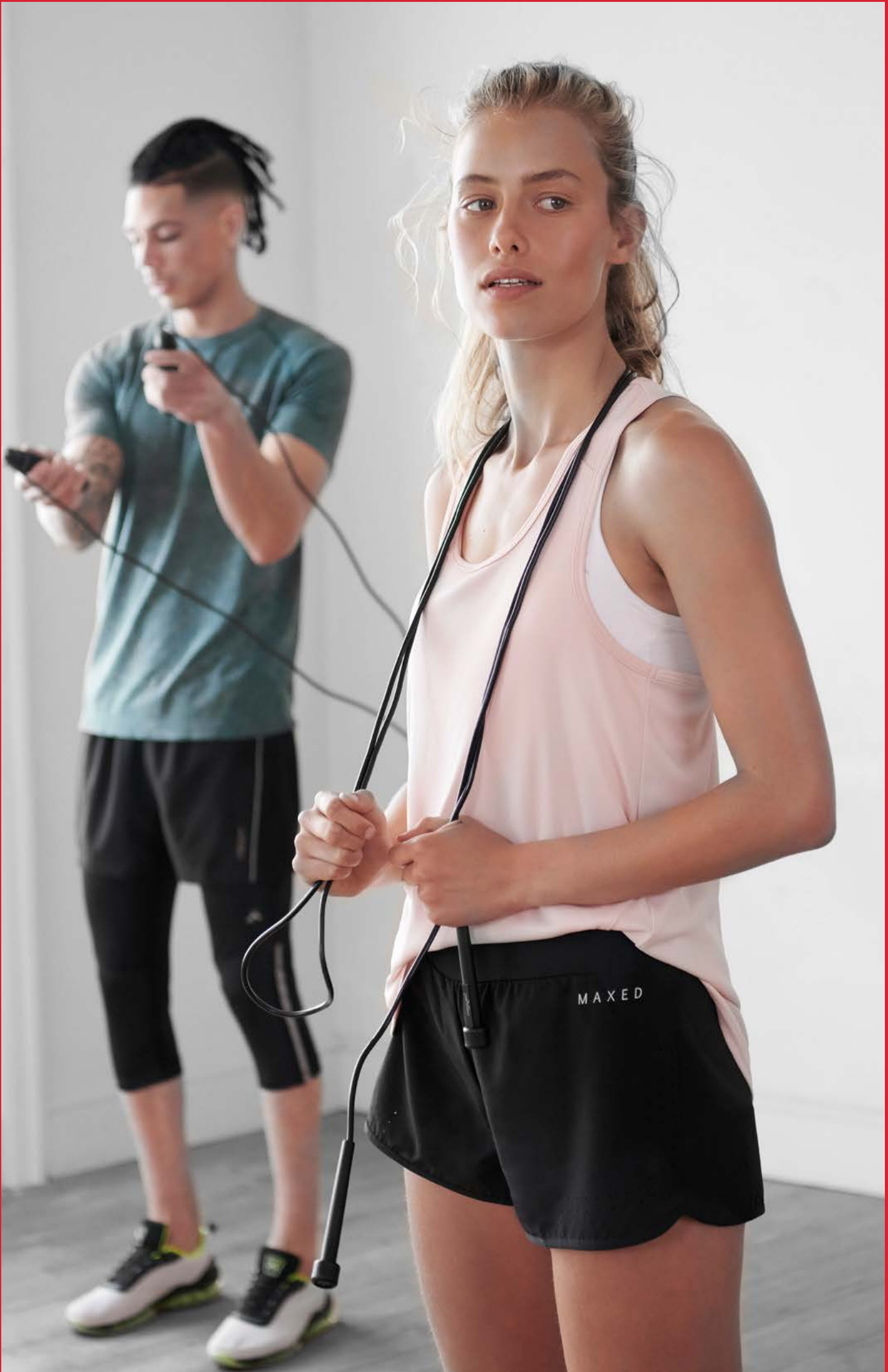
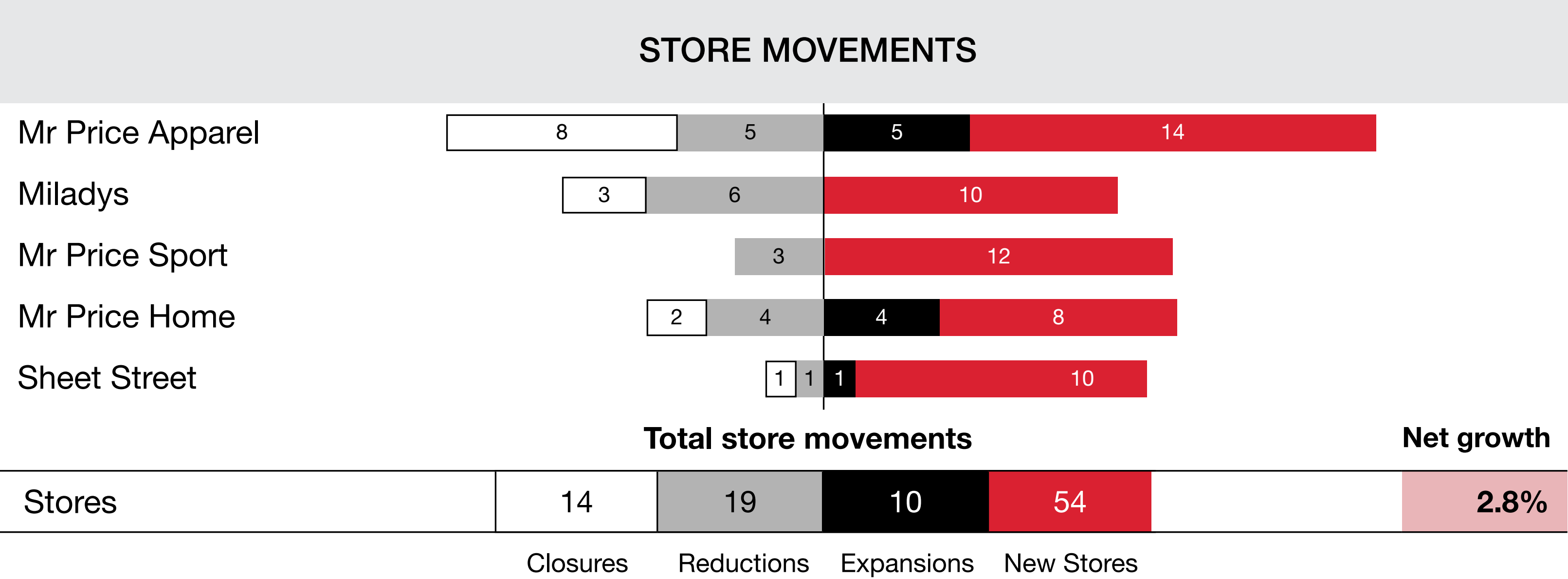
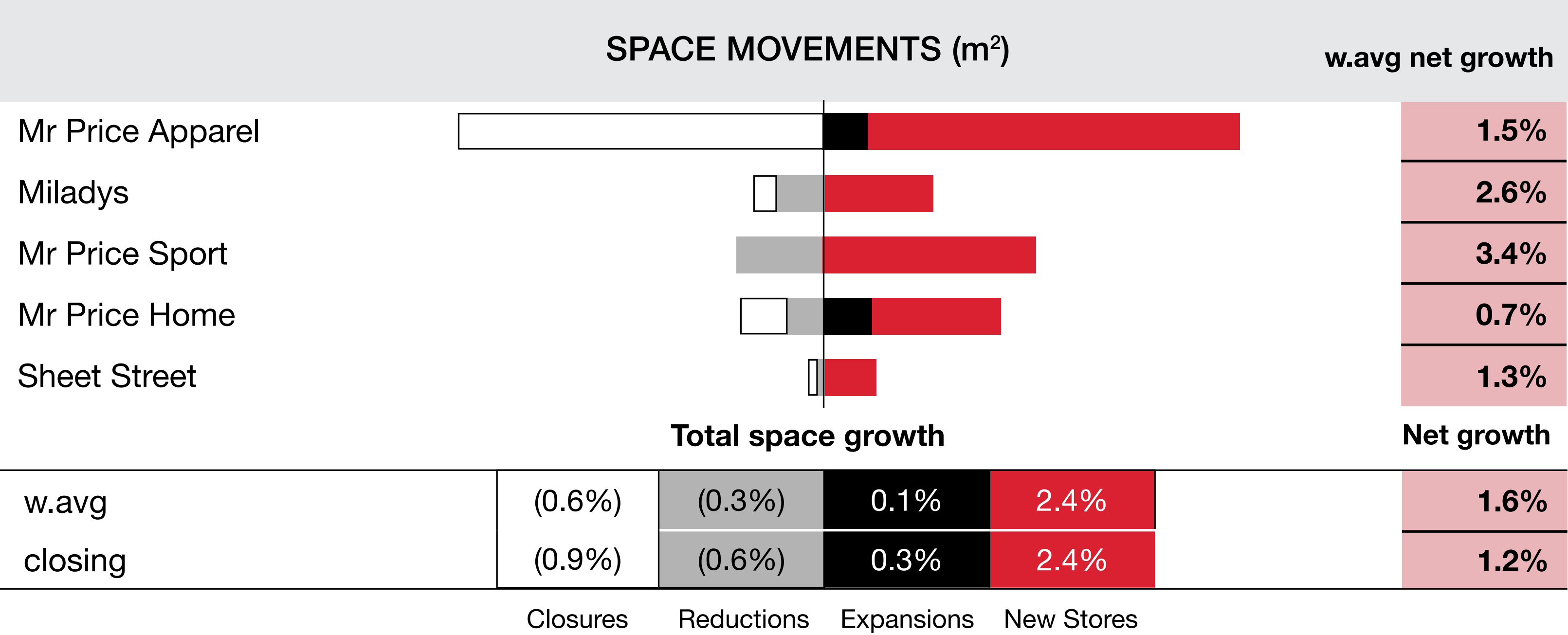
Earnings & dividend per share

	2021	2020	% Change
Profit attributable to shareholders (R'm)	2 648	2 704	(2.1%)
W. Avg shares in issue (000)	258 671	259 419	
Basic earnings per share	1 023.6c	1 042.4c	(1.8%)
Addbacks (R'm)	114	12	
Headline earnings (R'm)	2 762	2 716	
Headline earnings per share	1 067.9c	1 047.0c	2.0%
Shares for diluted earnings (000)	263 334	263 866	
Diluted headline earnings per share	1 049.0c	1 029.4c	1.9%
Dividend per share	672.8c	311.4c	116.1%

*Based on 53 weeks



Space growth

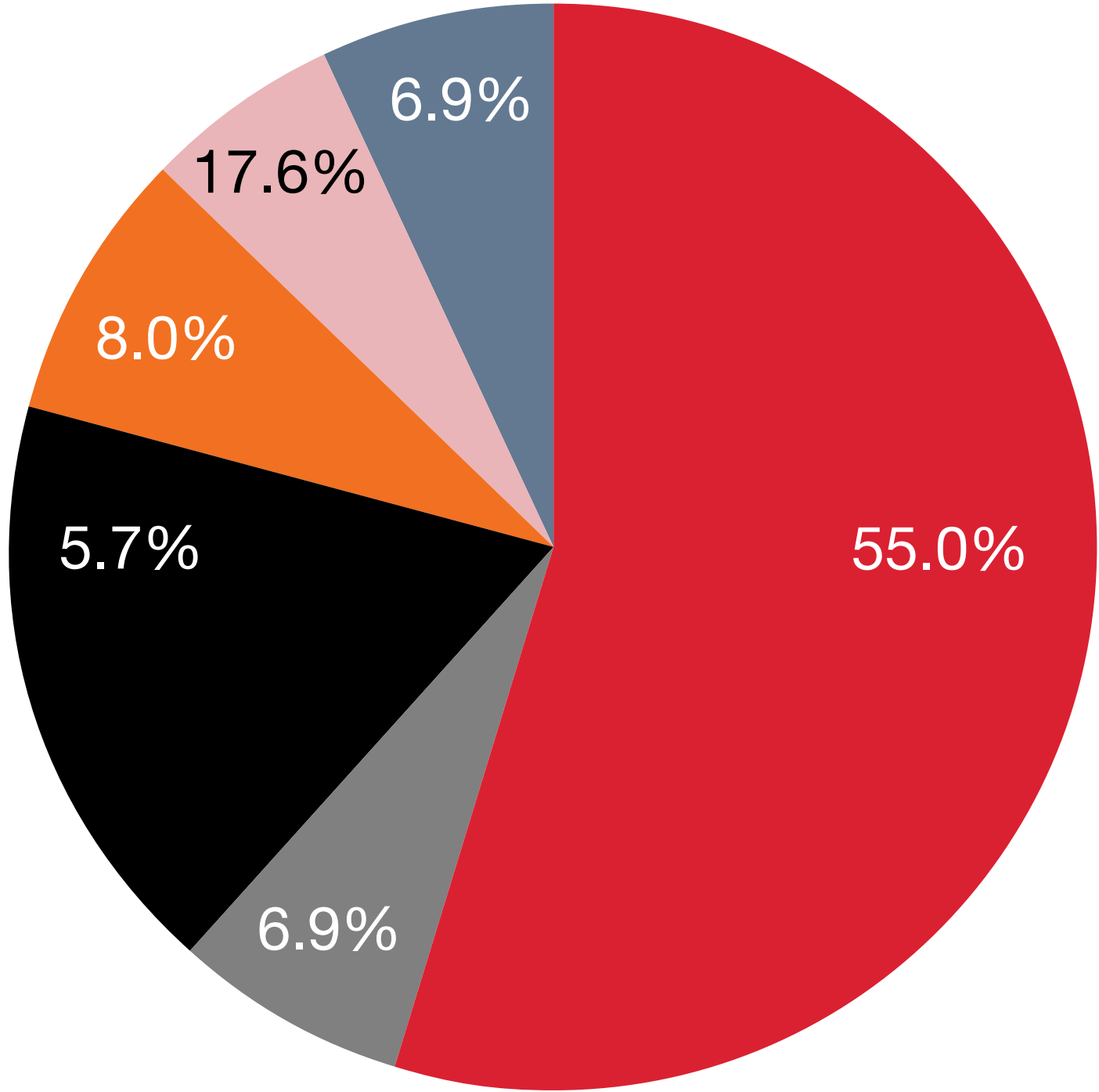


Segment performance

*RSOI CONTRIBUTION

RSOI GROWTH

SEGMENT GROWTH



Apparel

Mr Price Apparel (3.4%)	Mr Price Sport (10.0%)	Miladys (20.1%)
----------------------------	---------------------------	--------------------

Home

Mr Price Home 3.5%	Sheet Street 5.2%
-----------------------	----------------------

FS & Telecoms

Mr Price Money (2.1%)

	Annual	H2
Apparel		
RSOI	(5.8%)	5.9%
Operating profit	2.5%	31.5%
Operating margin	18.4%	21.9%

Home		
RSOI	4.0%	14.5%
Operating profit	17.8%	39.2%
Operating margin	20.8%	23.9%

FS & Telecoms		
RSOI	(2.1%)	(5.3%)
Operating profit	(36.1%)	(7.0%)
Operating margin	18.6%	23.6%

*Retail sales & other income | Based on total operations

Apparel segment



Mr Price Apparel				Miladys			Mr Price Sport		
	2021	2020	% Change	2021	2020	% Change	2021	2020	% Change
Retail sales ¹	R12 065m	R12 499m	(3.5%)	R1 233m	R1 550m	(20.5%)	R1 511m	R1 679m	(10.0%)
Comparable sales growth	(4.8%)	(3.3%)		(23.8%)	1.4%		(16.7%)	4.6%	
Unit sales	136m	148m	(8.3%)	6.1m	7.6m	(20.0%)	11.8m	13.9m	(15.1%)
RSP inflation ²	5.3%	(0.8%)		(1.3%)	2.6%		6.0%	4.8%	
Weighted avg. space growth	1.5%	3.9%		2.6%	1.5%		3.4%	2.5%	
Sales density	R35 716m ⁻²	R37 550m ⁻²	(4.9%)	R19 656m ⁻²	R25 350m ⁻²	(22.5%)	R22 202m ⁻²	R25 516m ⁻²	(13.0%)

• ¹Excludes franchise & VAT | ²Includes VAT

Home segment



	Mr Price Home			Sheet Street		
	2021	2020	% Change	2021	2020	% Change
Retail sales ¹	R3 871m	R3 739m	3.5%	R1 753m	R1 666m	5.2%
Comparable sales growth	2.2%	0.3%		4.3%	1.7%	
Unit sales	32.7m	33.1m	(1.3%)	17.2m	17.7m	(2.7%)
RSP inflation ²	4.9%	4.2%		8.1%	6.2%	
Weighted avg. space growth	0.7%	(0.9%)		1.3%	0.6%	
Trading density	R29 657m ⁻²	R28 859m ⁻²	2.8%	R33 237m ⁻²	R32 007m ⁻²	3.8%

• ¹Excludes franchise & VAT | ²Includes VAT

Mr Price Money

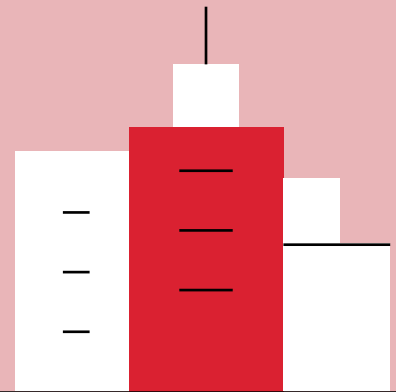


Mr Price Money

R'm	2021	2020	% Change
Telecoms	862	773	11.6%
Financial services	653	764	(14.5%)
Total revenue	1 515	1 536	(1.4%)



Rest of Africa



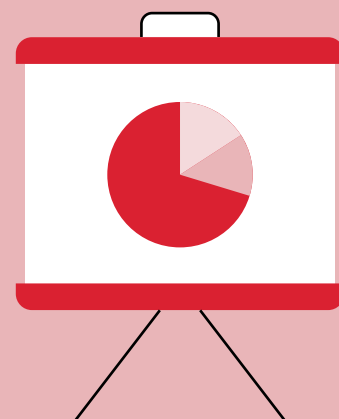
Total % of Group sales

7.6% FY20: 7.6%



No. of stores

128 Corporate owned stores: 120



Sales growth (ZAR)

(2.7%) FY20: (2.2%)
H2: +10.0%



