



FY21

Interim Results
to 26 September 2020



01

Backdrop



02

Performance



03

Value creation & growth



01

Backdrop

Retail Environment,
Group Performance
& COVID-19 Insights

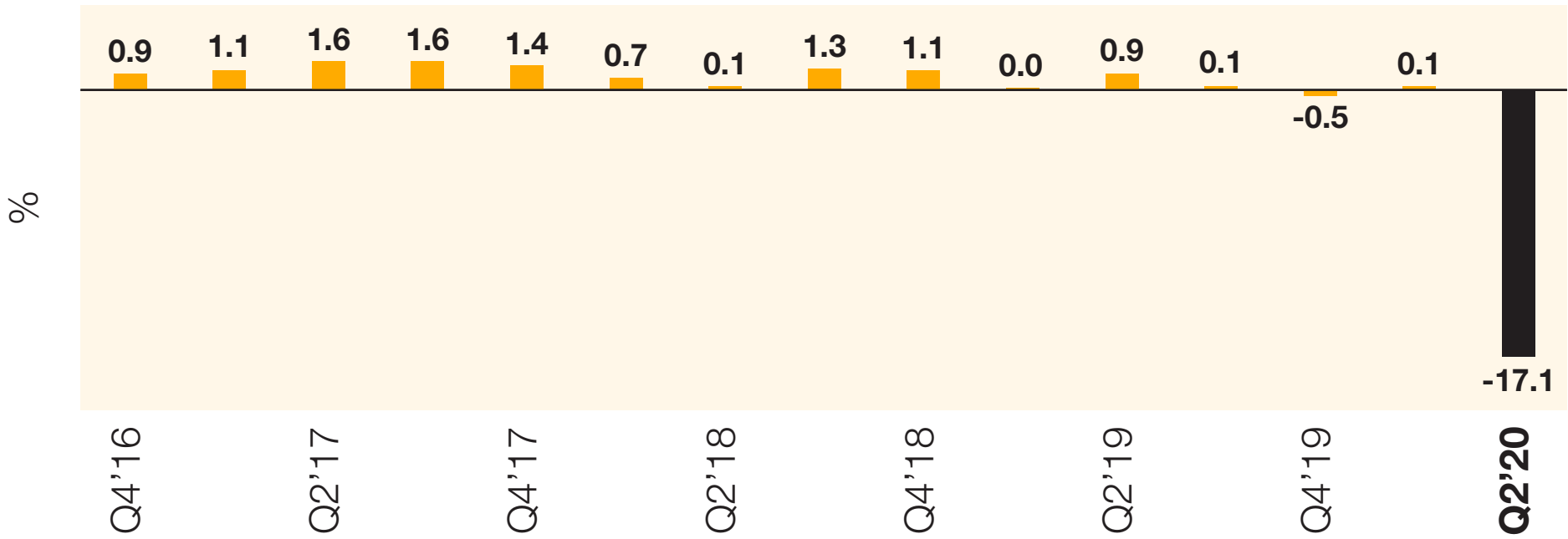
by **Mark Blair - CEO**

Macro-economic challenges

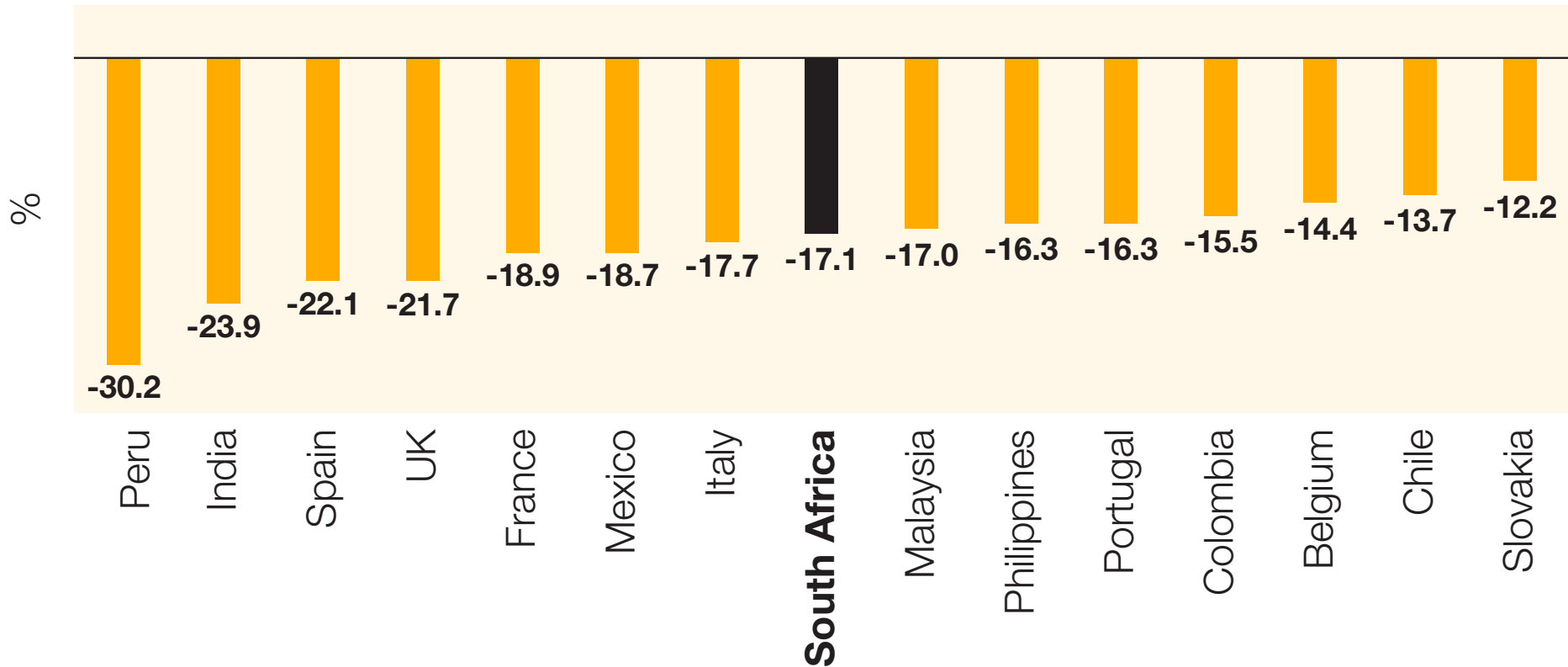


The impact of COVID-19 has been devastating on all economies across the world

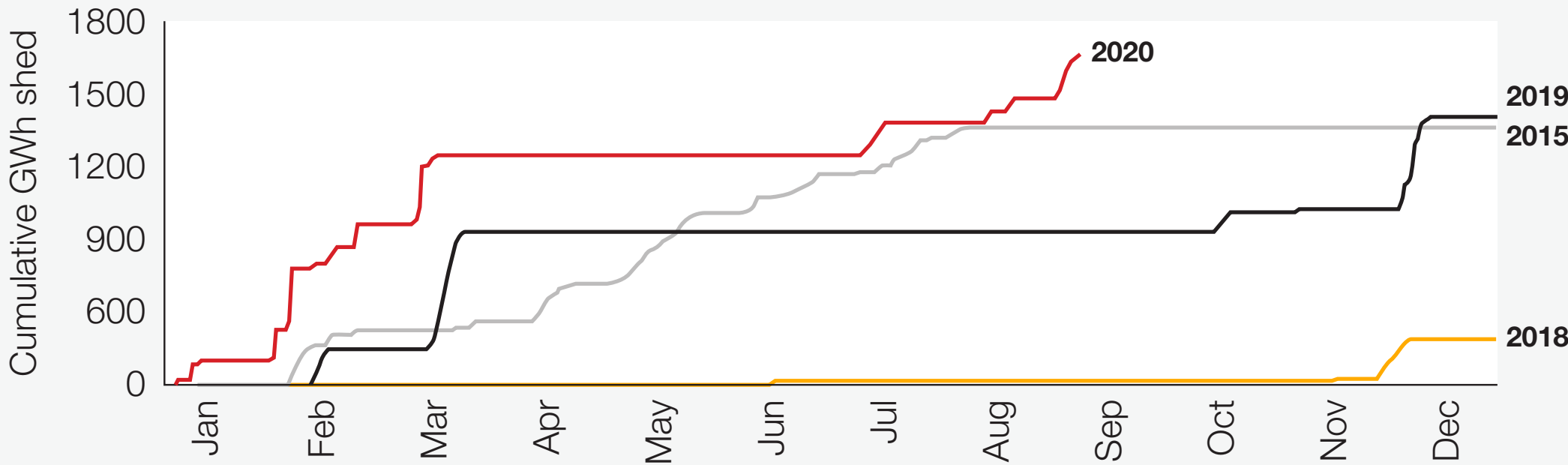
SA GDP growth



GDP growth Q2 2020

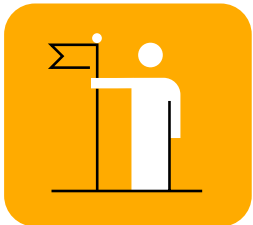


Cumulative load shedding



Source: SARB , BER Business Confidence

Business Confidence



26 index points
▲ Q4 2019

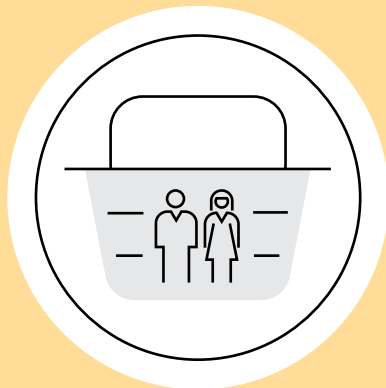
18 index points
▼ Q1 2020

5 index points
▼ Q2 2020

24 index points
▲ Q3 2020

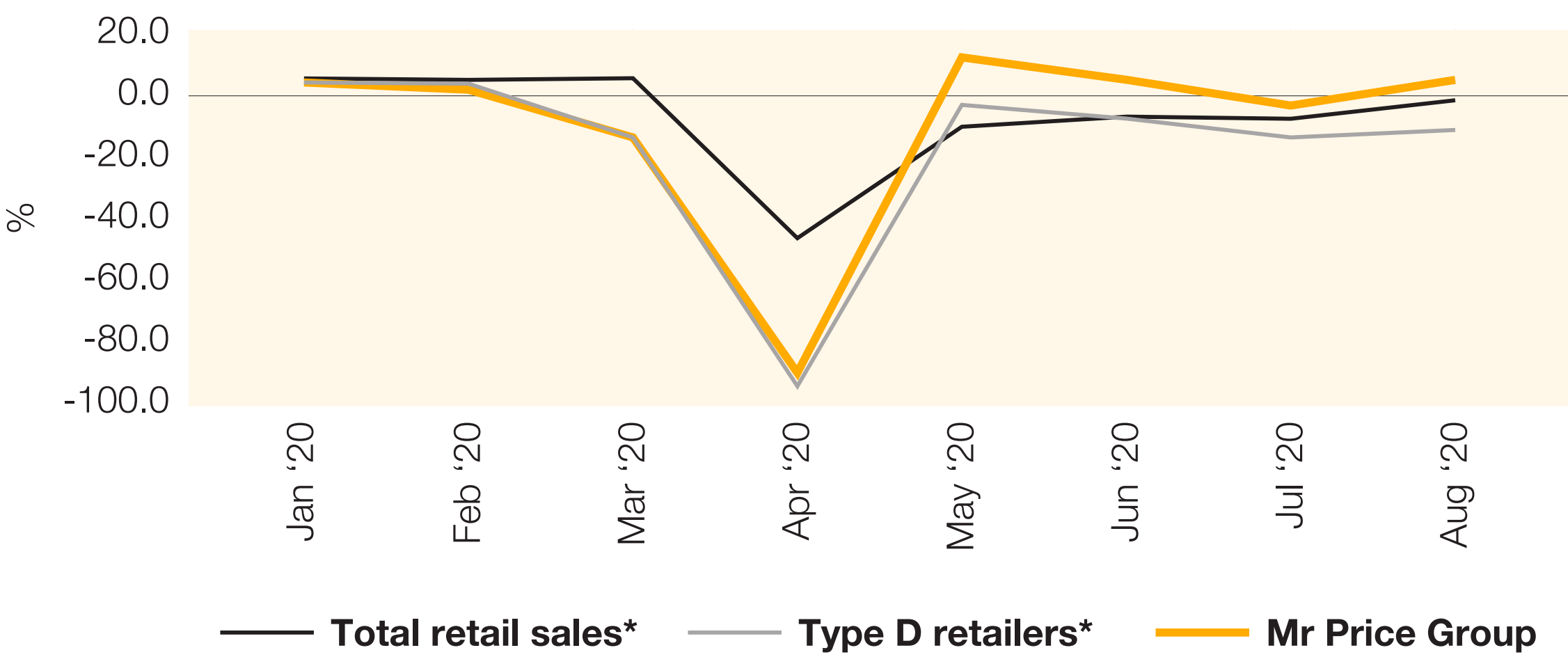
The bounce back in Q3 2020 was a result of the transition to level 1 lockdown & the economy opening up further

Consumer challenges



Consumers continue to be under pressure - unlikely to ease in the near term

SA retail sales growth



Unemployment

30.8%

Q3 2020 | 170bps increase
Highest level in 17 years

2.2m jobs lost in Q2 2020. Potentially haven't felt the full unemployment effect due to:

- Private sector retrenchment packages
- Temporary Employment Relief Scheme
- Credit providers payment holidays
- Significant repo rate cuts (300bps in 2020)
- Household discretionary income flowed into food, drug, apparel & homeware categories as entertainment, travel & liquor were curbed by restrictions
- Government relief funding via increased social grant payments & TERS. Support ceased Oct 20. R350 COVID-19 social relief grant extended by a further 3 months



Consumer Confidence
(Q2 2020: lowest level in 35 years)

-7.0%

▼ Q3 2019

-23.0%

▼ Q3 2020

Group performance

“Post Lockdown”: May to Sep 2020. April 2020 excluded due to all RSA stores closed under level 5 restrictions

Revenue	(14.4%)	R9.2bn	Operating Margin*	(150 bps)	14.4%
Post Lockdown:	+3.2%	R8.9bn	Post Lockdown:	+40bps	16.0%
EBITDA	(20.1%)	R2.0bn	HEPS	(24.8%)	333.5c
Post Lockdown:	(1.9%)	R2.0bn	Post Lockdown:	+5.9%	367.9c
Total diluted HEPS	(24.6%)	328.5c	Dividend per share	210.1c	Dividend resumed at 63.0% pay-out ratio
Post Lockdown:	+6.0%	362.4c			

*Adjusted operating margin: Excluding IT & right-of-use asset impairments

Group performance



Unprecedented challenges

Health & safety

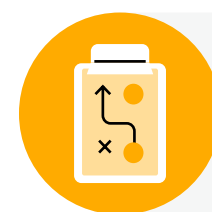
Cash preservation

Lockdown levels

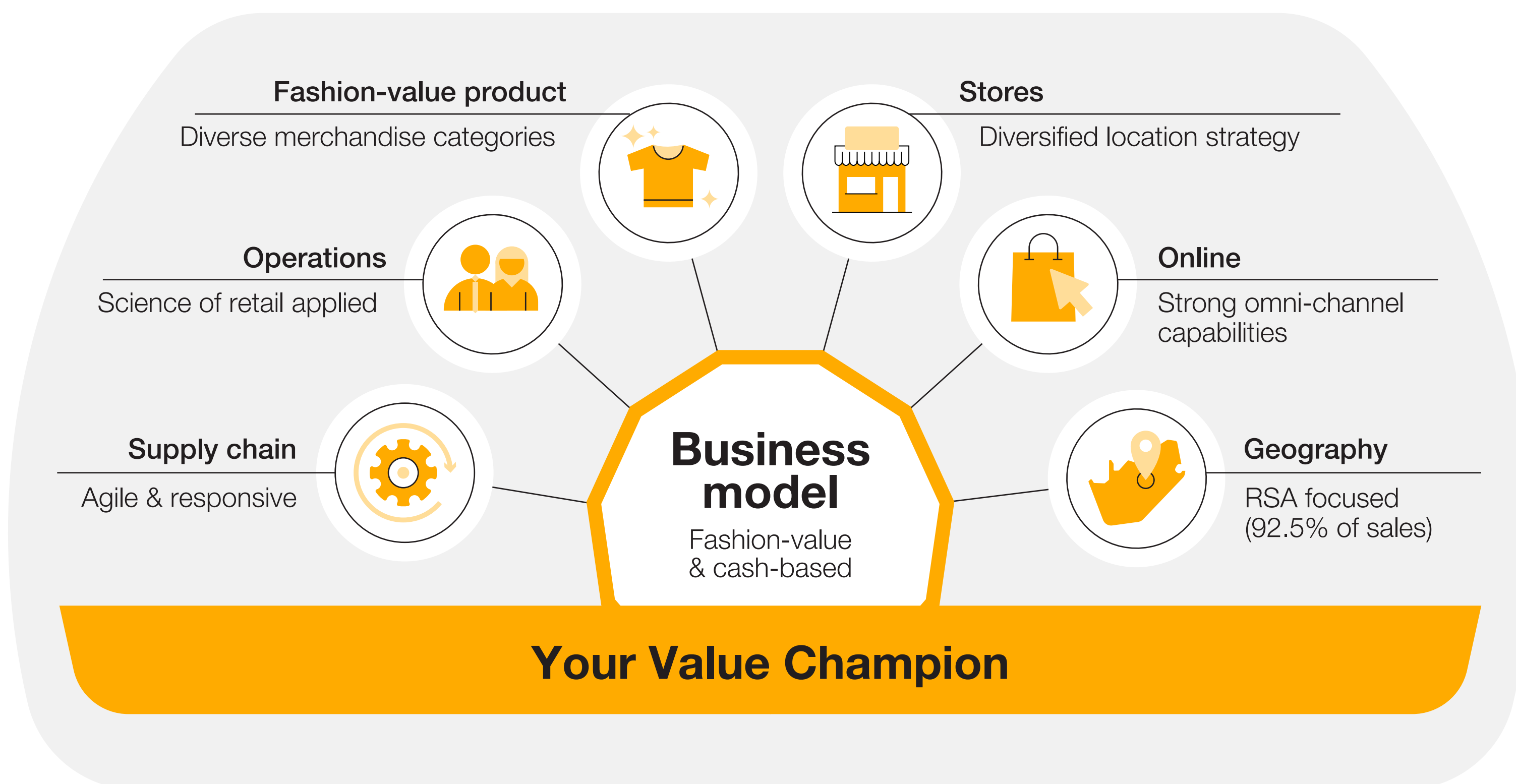
Supply chain

Consumer behaviour

- Significant pressure on household income
- Avoiding trips to regional & suburban centres to rather shop at convenient locations
- Fewer transactions but bigger baskets
- Rapid rise in online adoption & home shopping
- Strong emphasis on value purchases
- Preferring cash over credit



Response enablers



Group performance

Highlights

- Higher cash generation than anticipated despite estimated ~R1.8bn in lost sales
- Strong cash balance to execute operationally, invest in growth & return to shareholders
- Debt free: no distractions
- Quick in-season response through agile supply chain based on strategic partnership. In line with strategic intent, sourced 40.3% (cost value) of total merchandise in RSA
- Strong overhead expense management
- Stock on hand down 16.7% at the end of Sep 2020
- Home segment & Cellular reported double digit sales growth Post Lockdown
- Increased GP by 200bps due to low markdown levels
- Post Lockdown, online sales grew 71.5%, accounting for 2.5% of sales
- Value of partnership displayed by all stakeholders, embracing the call to action

Post Lockdown: May 2020 to Sep 2020

Mr Price Group sales growth

vs

Market growth

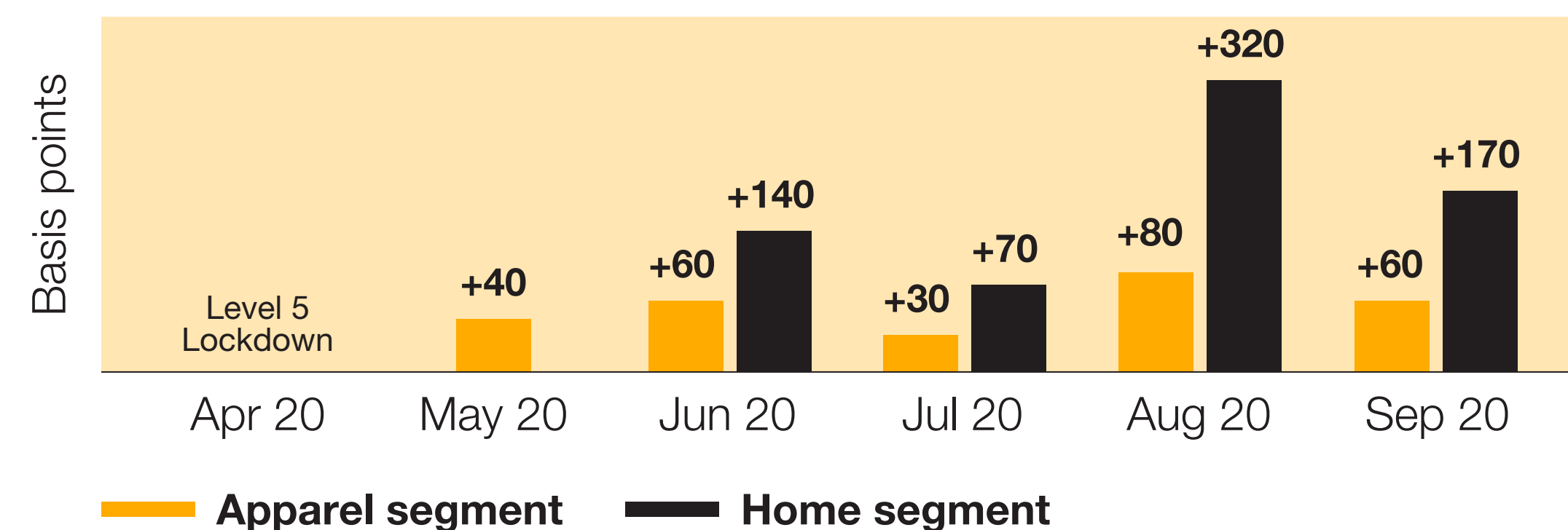
Total: +3.2%
RSA : +3.7%

Group market share gain +100bps

-4.7% (RLC)

-6.8% (*Stats SA)

Market share gains



Source: RLC | *Type D: Textiles, Clothing, Footwear & Leather goods. Includes Mr Price Home segment

- Largest division gained every month since March 20
- Home segment gained every month post restrictions



02

Performance

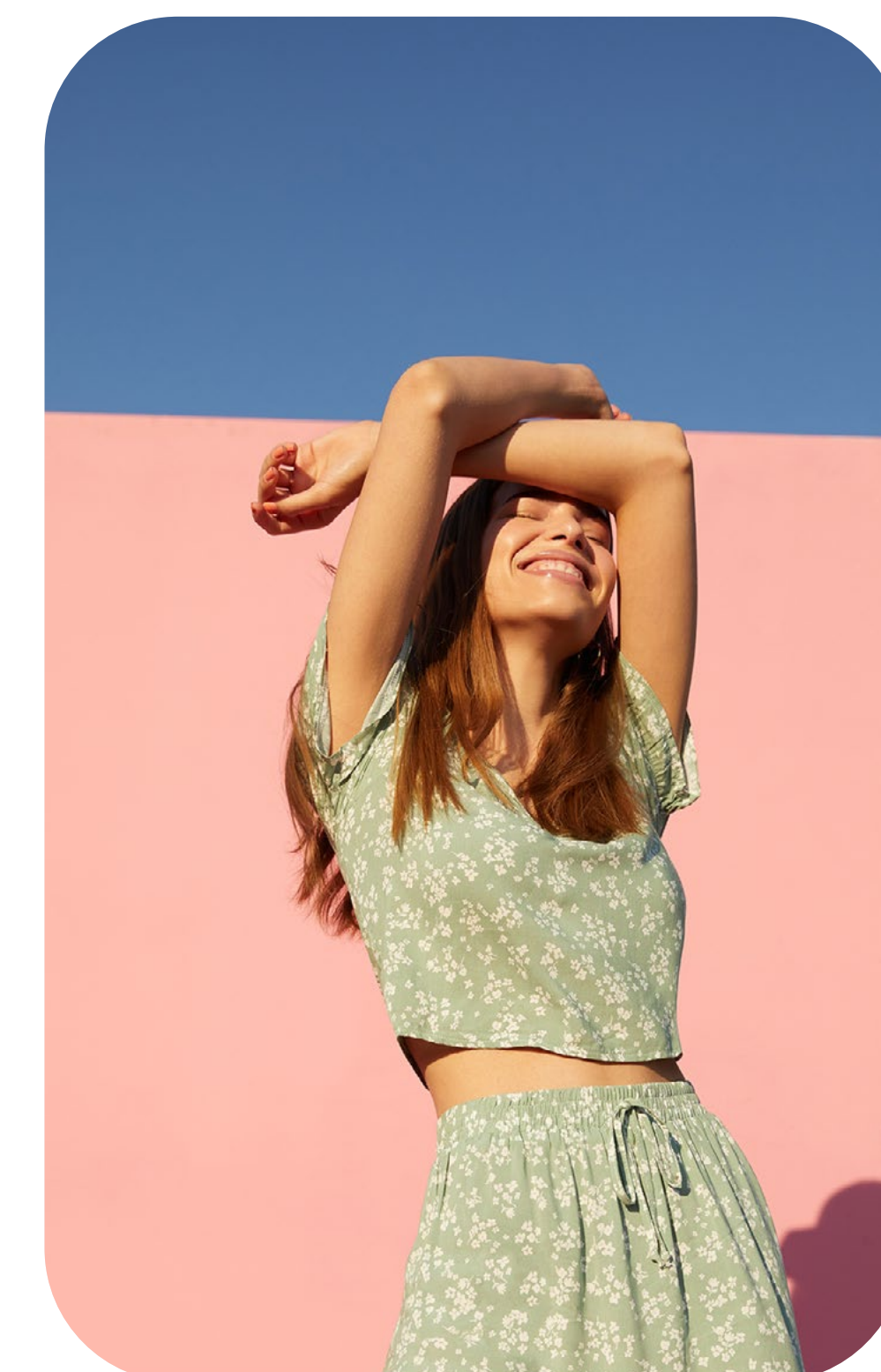
Detailed Group &
Divisional Results

By Mark Stirton - CFO

Group income statement

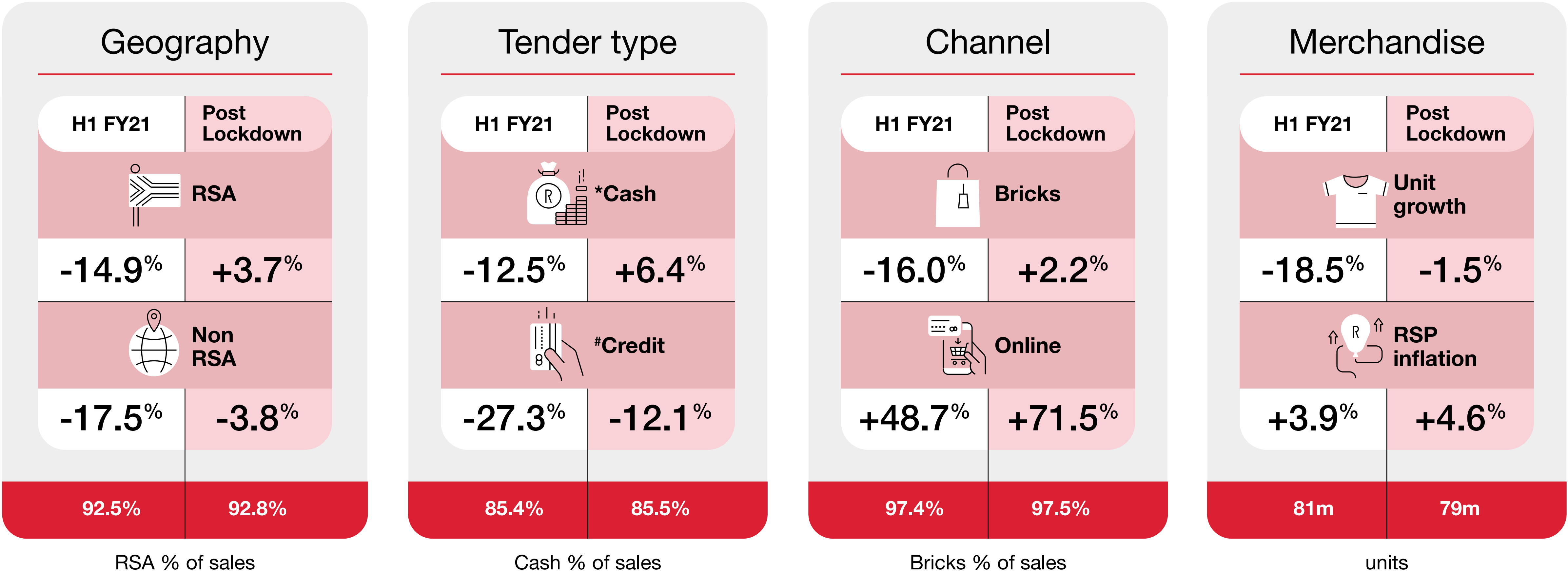
R'M	2020	2019	% Change
Continuing operations			
Retail sales & other income (pg 52) ¹	9 053	10 622	(14.8%)
Gross profit (pg 14) ²	3 660	4 096	(10.6%)
Expenses (pg 15) ³	2 864	2 801	2.2%
Profit from operating activities	1 148	1 688	(32.0%)
Net finance (expense)/income	(87)	(88)	(1.4%)
Profit before taxation	1 061	1 600	(33.7%)
Taxation ⁴	304	452	(32.6%)
Net profit from continuing operations	757	1 148	(34.1%)
Net loss from discontinued operations	(4)	(0)	
Profit attributable to shareholders ⁵	753	1 148	(34.4%)

- ¹Retail sales Post Lockdown up 3.2%, up 3.7% in RSA
- ²Gross margin level improved 200bps, driven by lower markdowns
- ³Cost curtailment efforts continued. Excluding impairments total expenses decreased 3.2%
- ⁴Effective tax rate 28.7% (PY 28.2%). Increased due to timing differences vs PY
- ⁵Profit growth impacted by lower sales, increased provisions & impairments/asset write-offs



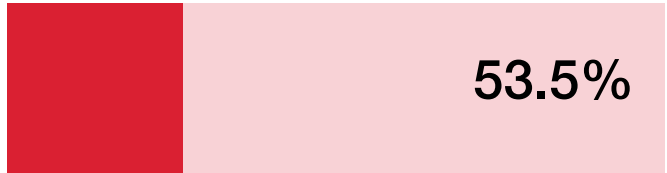
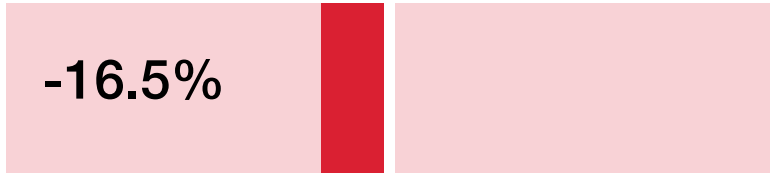
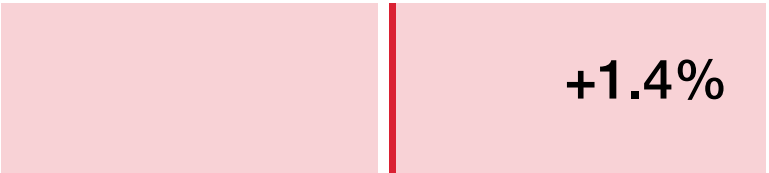
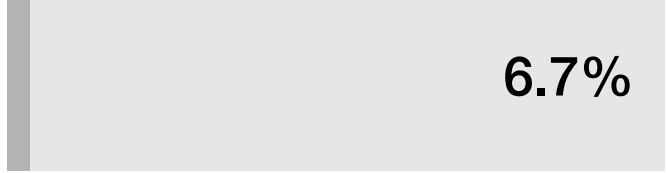
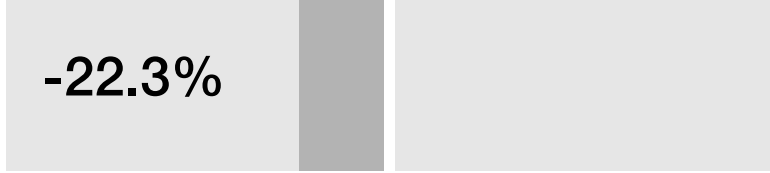
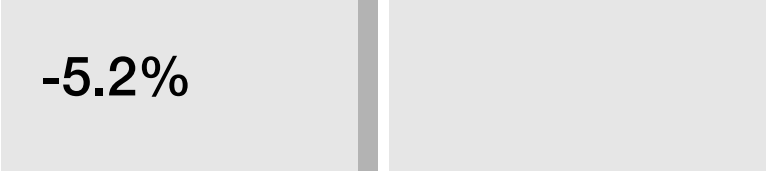
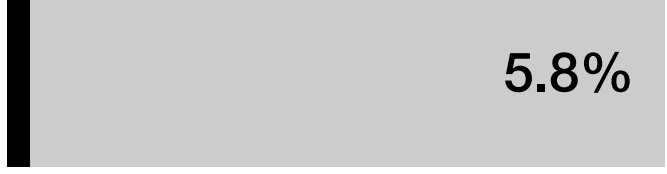
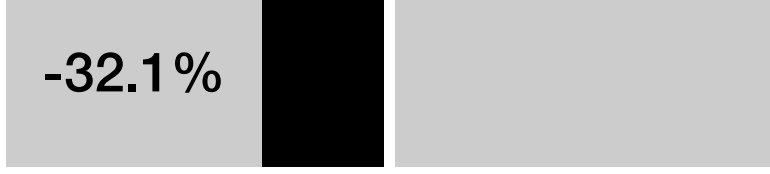
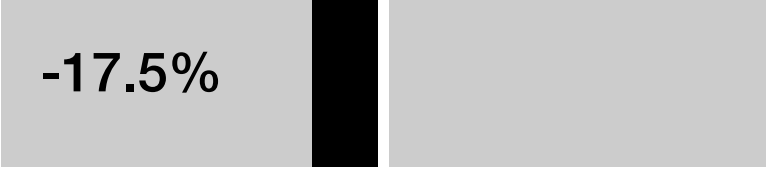
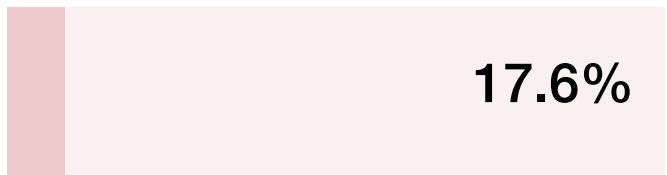
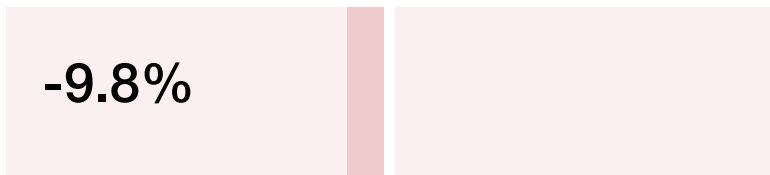
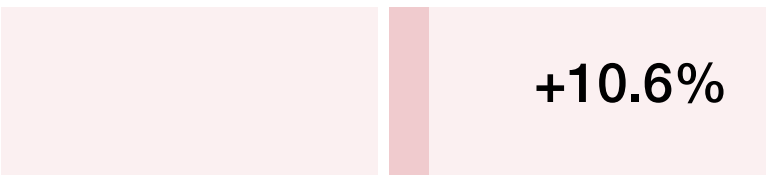
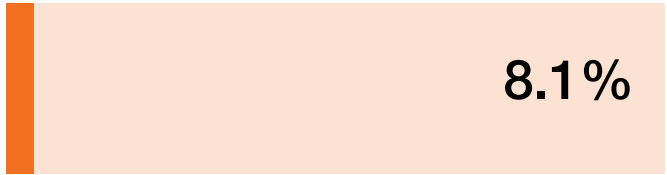
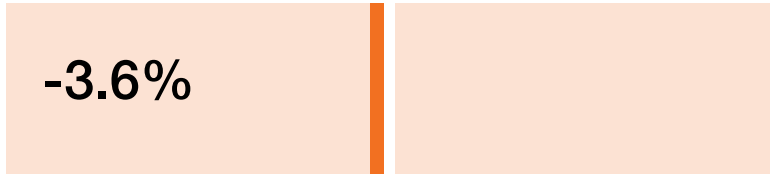
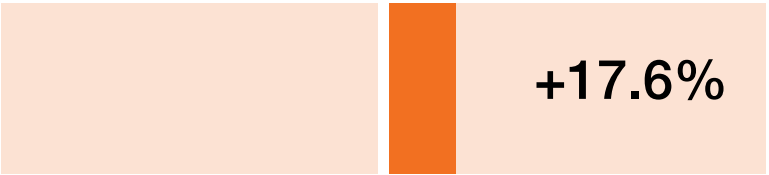
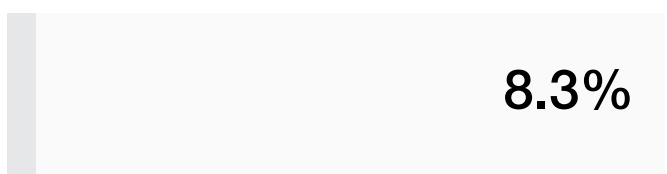
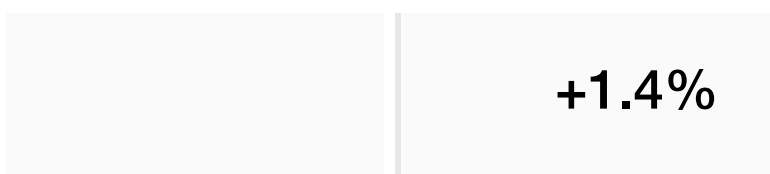

Group sales[^] growth drivers

- Post Lockdown starkly different to the full H1 period
- Bricks transactions down but Rands & units per basket up by double digits
- Strong online growth partly offset foot traffic decline
- Higher inflation driven by improved markdowns



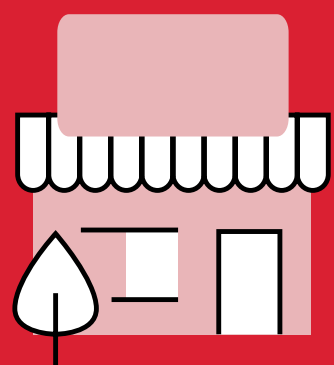
[^]Includes Cellular | *Cash & Card (debit/credit) | #Store card sale

Divisional performance & insights

Retail sales & other income				
	Contribution	Growth		Insights
		H1	May to Sep 2020	
Mr Price	 53.5%	 -16.5%	 +1.4%	<p>▶ Gained market share every month since March 2020. Aug 2020 market share was the highest level achieved in the last two years</p>
Mr Price Sport	 6.7%	 -22.3%	 -5.2%	<p>▶ Seasonal sports, gym & school disruptions impeded growth. Fitness apparel & equipment performed strongly</p>
Miladys	 5.8%	 -32.1%	 -17.5%	<p>▶ Higher proportion of credit sales & more mature, conservative customer avoided shopping centres. Impacted by store locations & trend of declining formalwear</p>
Mr Price Home	 17.6%	 -9.8%	 +10.6%	<p>▶ Global trend: more time at home, setup home office. Gaining share from premium competitors. Mr Price Home strategically increased stock holding over last 12 months & opportunistic buying in SS have both created competitive advantages</p>
Sheet Street	 8.1%	 -3.6%	 +17.6%	
Mr Price Money	 8.3%	 +1.4%	 +8.9%	<p>▶ Strong growth through cellular handsets & accessories. Credit sales in line with industry trend as customers prefer cash. New account growth curbed. Insurance portfolio similarly affected</p>

*Retail sales & other income

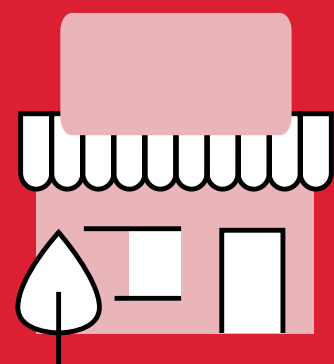
Space growth



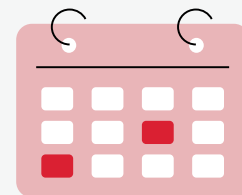
Total Group
1 386 stores

Mr Price Apparel
Miladys
Mr Price Sport
Mr Price Home
Sheet Street

528 stores
238 stores
128 stores
180 stores
312 stores

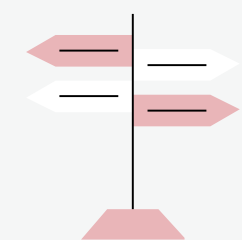


Total gross space
763 615m⁻²



Numbers (Refer pg 53 for detail)

- Annualised: 3.1% new space growth & 2.2% net growth (w.avg)
- H1: 1.7% new space growth & 1.3% net growth (w.avg)
- 17 new stores added. 10 stores less than original capex plan
- Strategic plan to close identified non-RSA stores impacted net space growth
- 125 renewed leases. Avg escalation has decreased & meaningful rent reversions have been achieved
- Group trading density >R30 000m⁻². Declined at a significantly lower rate than retail sales



Strategic approach

- Interrogated and re-baselined store metrics
- Strong relationship with landlords is important, driven by frequent & transparent communication
- Strategic growth vehicles (new concepts etc) provides opportunity for landlords to grow with us
- Diversified store profile micro, small & medium size stores enabled growth
- Store base supports click & collect model, enabling a profitable online channel
- Net space growth target for H2 is 1% to 2%



Gross profit analysis



Merchandise GP

2019	2020	2021
43.3%	40.8%	43.2%

Post Lockdown: Gross profit Rands up 8.7%

- Increase driven by low markdown levels offsetting negative avg exchange rate impact of 19.6% on PY
- Fashion-value assortment led to more full priced items sold per basket
- Clean stock levels end of winter



Telecoms GP

2019	2020	2021
19.1%	17.7%	20.3%

Post Lockdown: Gross profit Rands up 49.3%

- Increase driven by strategic mix changes in Mobile (MVNO)
- Cellular GP% increase driven by significant sales growth in handsets & accessories



Total GP

2019	2019	2021
42.6%	40.0%	42.0%

Post Lockdown: Gross profit Rands up 9.4%

- Gains across Apparel, Home & Telecoms segment
- ZAR/\$ depreciation will add pressure to H2 margins despite disciplined hedging strategy

Overhead expenses

Total	+2.2%
Total excl. impairments & additional debtors' provision	(4.5%)

Selling expenses* (R'M)

2020	2019	% Change
1 993	2 134	(6.6%)

- COVID-19 costs of ~R20m (PPE, cleaning & data costs)
- Employment costs down 18.3%, aided by TERS
- W.avg space growth of 2.2% (new space growth of 3.1%)
- Rental concessions of R116.2m & lower turnover rentals
- Rent reversions aiding expense declines
- Increased debtors impairment provision to account for COVID-19 impact
- Impairment of right-of-use assets of R10.6m
- Excluding right-of-use asset impairment & COVID-19 debtors' provision increase, selling expenses decreased 8.8%

Administrative expenses* (R'M)

2020	2019	% Change
871	667	30.5%

- Impairment of IT assets of R142.8m
- Employment costs excluding provisions down 3.8% (timing impact)
- Excluding IT impairment & employment cost timing, expenses decreased 1.8%

*Continuing operations

Market leading balance sheet



**Net asset value per share 3 874 cents,
increased 18.4%**

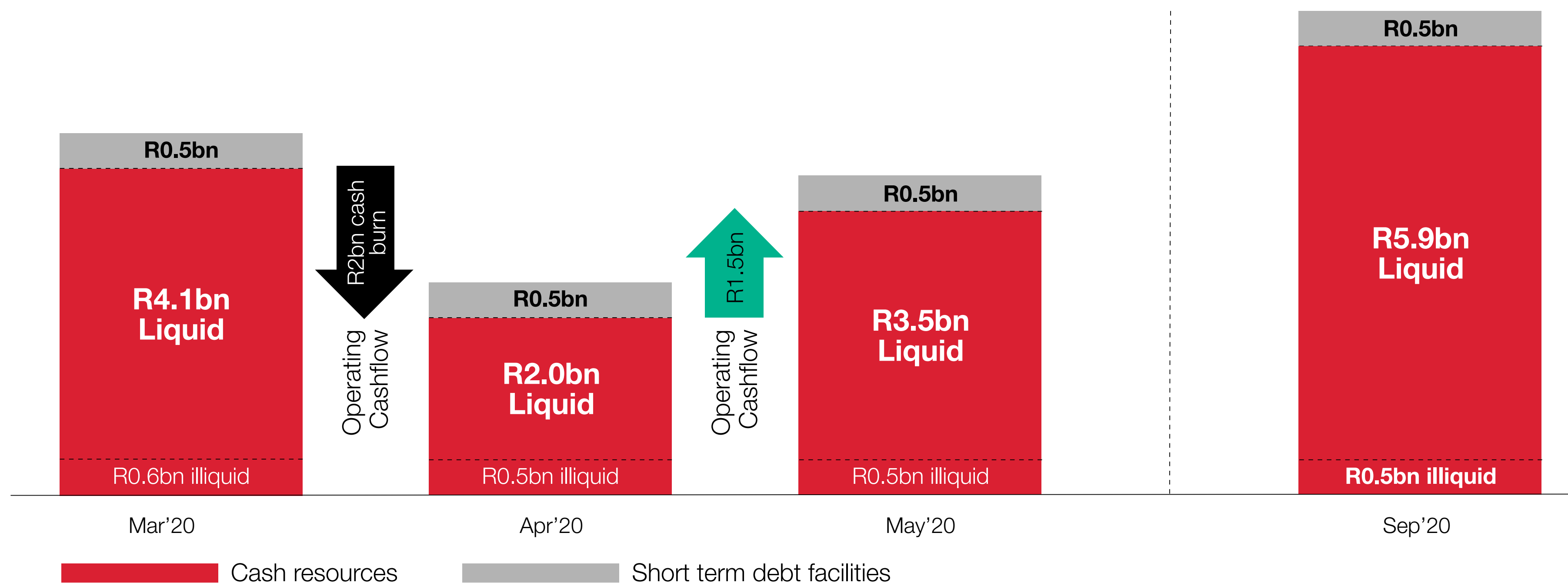
R'M	Sep 2020	Sep 2019
Non-current assets	7 076	6 969
Current assets	11 211	9 472
Inventories	2 426	2 669
Trade & other receivables ¹	1 985	2 222
Cash & cash equivalents	6 388	4 310
Reinsurance assets	238	202
Other ²	174	69
Total	18 287	16 441
Shareholders equity	10 019	8 487
Total liabilities	8 268	7 954
Total	18 287	16 441

- Inventory on hand excl GIT decreased 16.7% (Including GIT -7.3%). Agile supply chain enabled stock inputs to decrease in line with sales
- GIT up 44.0% due to summer input delays & exchange rates
- Markdown units ~40% lower than PY

- Higher than expected free cash flow generation (Refer pg 17)
- R531m held in non RSA territories & share trusts. Reduced from March 2020 as planned
- Working capital improved ~R1bn

- ¹Balance impacted by higher write-offs, reduced credit sales, slower new account growth & lower interest rates. Higher provision raised (refer pg 20)
- ²Fx hedging gains due to favourable mark to market movements

Cash generation



Utilisation

- Interim dividend of 210.1c declared at 63.0% pay-out ratio
- Additional short-term debt facilities not activated
- Will not implement equity raise. Will pursue capital allocation opportunities through cash & short-term debt (Refer pg 21 to 49)
- Budgeted capex continues to be closely monitored
- Share buyback during Sep 2020 & closed period
- COVID-19 second wave uncertainty & unpredictable trade

Cash flow movements

R'M	Mar 2020	4 726			
Cash from operations	1 959				Decreased 18.2% on PY due to Apr 20 store closures. Post lockdown up 3.7%
Working capital	980				Improved payment terms & creditor timing. Lower stock & debtors' balances
Net interest received	302				Interest received up 12.1% on higher cash balances
Taxation	(525)				Timing of provisional & final payments vs PY
PPE & intangibles	(118)				PPE additions: R52m Intangible additions: R69m
Dividends	0				No final dividend declared in FY20
Treasury shares	(85)				Share buybacks
Repayment of lease liabilities	(820)				Rental payments under financing cash flow
Other	(31)				Exchange losses on foreign currency translation
Sep 2020	6 388				

Operating
R2.7bnInvesting
(R0.1bn)Financing
(R0.9bn)

Credit performance

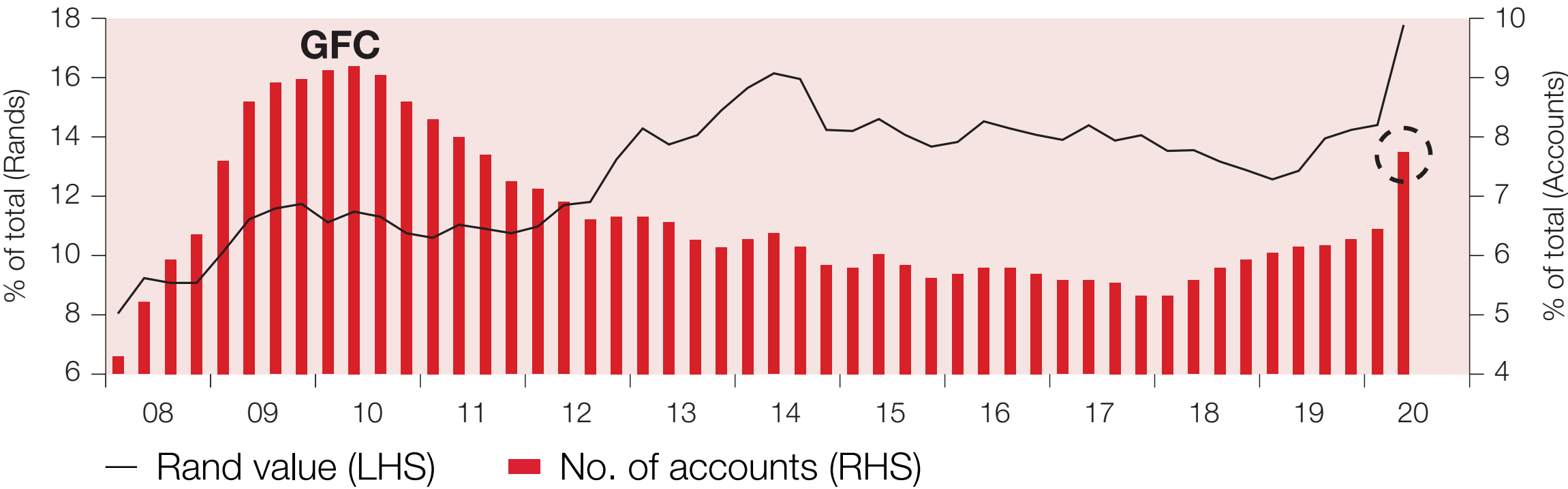
Credit market

Consumer Credit Index (CCI)



- Break-even level between improvement & deterioration is at 50

Accounts in arrears



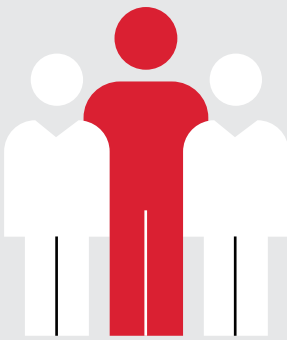
- Rose to 7.8% of total accounts from 6.4% in Q1

Source: Transunion | National Credit Regulator, Absa Research

Mr Price Group



- Credit sales declined 27.3% in line with market trends. Transactions decreased 24.5%, basket sizes grew 12.5%
- Sales growth decrease experienced across all divisions. Miladys impacted the most due to customer's cautious return to stores
- Applications in the market down ~45%. Rejection rate rose to all time high of 67.4%
- Will continue to adopt a cautious approach for balance of FY21



(27.4%)
Applications



(33.9%)
Approvals



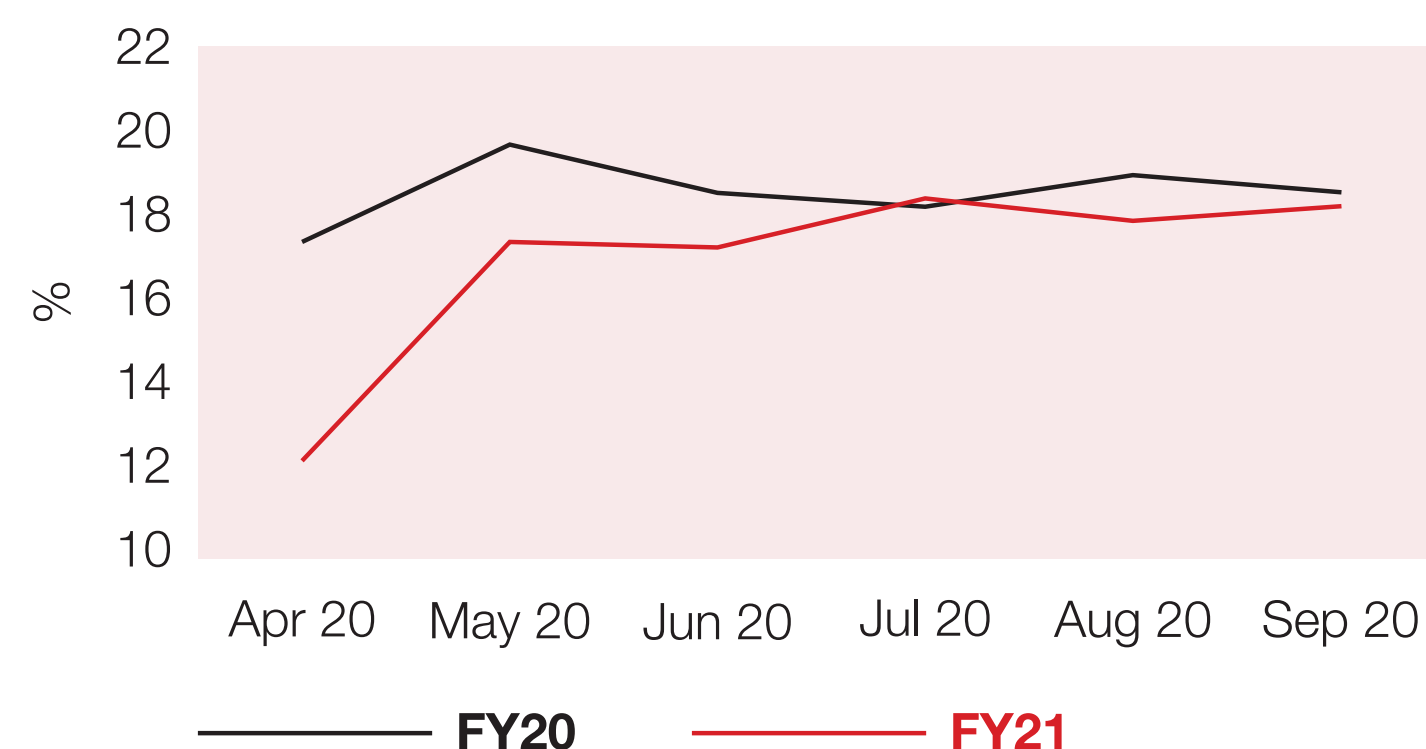
30.1%
Approval rate
2019: 33.2%

Trade receivables

R'M	Sep 20	Mar 20	Sep 19	% Change	
				Sep/Mar	Sep/Sep
Total debtors book	2 031	2 300	2 200	(11.7%)	(7.7%)
NBD: book (excl collection costs)	8.1%	6.3%	7.6%		
Impairment provision	15.2%	10.4%	7.5%		

- Credit sales deteriorated in line with market. April sales were significantly impacted by store closures
- Debtors' book freeze during lockdown level 5 resulted in no write-offs in March & April. Increase in the number of customers that rolled forward when aging resumed impacted NBD:book. Accelerated effects of book freeze anticipated in H2 FY21
- Increase in the provision compared to LY due to prescribed IFRS 9 modeling & economic overlays

Collections % of debtors book



Collection channels utilised

80%

Stores: impeded by closures in Apr 20 & customers shopping less frequently

20%

Other: encouraged settlement using alternative channels





03

Value creation & growth

Capital allocation
& Outlook

by **Mark Blair** - CEO

Strategy & capital allocation journey

What we said in May 2019

Undertook a detailed review of merchandise processes & structures, areas for improvement identified
Most significant immediate opportunity is for Mr Price apparel to re-gain market share
Commencing research phase to identify growth opportunities
Expect balance sheet strength & cash flow to fund our growth plans

Group strategic research

Reimagine

Sep 19 - Mar 20

Market share gain: +10bps

Capital allocation

- Frontline investment
- New categories
- Growth: organic or acquisition
- Geography: RSA
- Return to shareholders-dividends & share buyback

Apr 20 - Jun 20

Market share gain: +20bps

React

- Lockdown
- Cash preservation
- Authority for equity raise
- Explore acquisition targets
- Pent up demand
- Sales exceeded revised budget

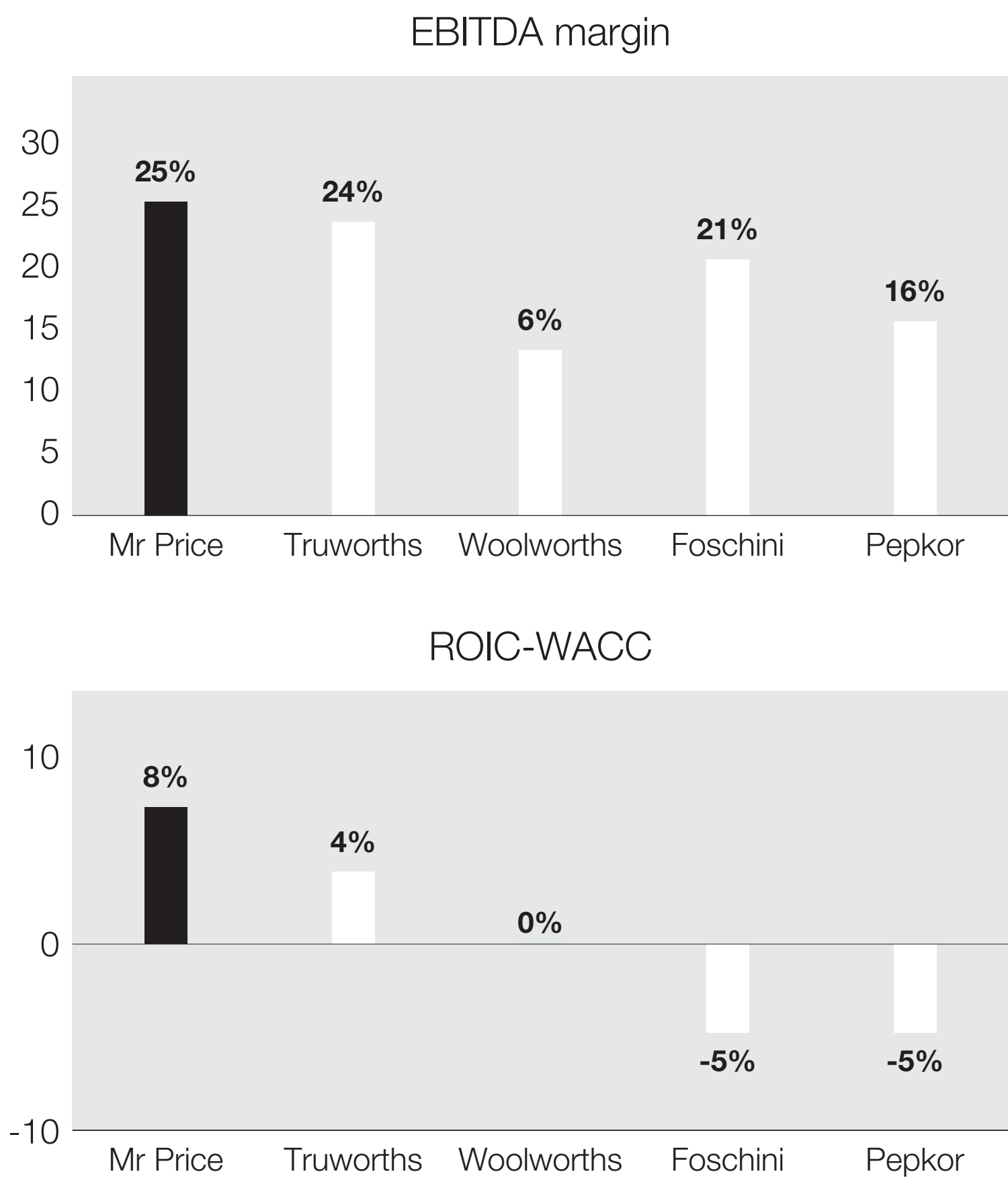
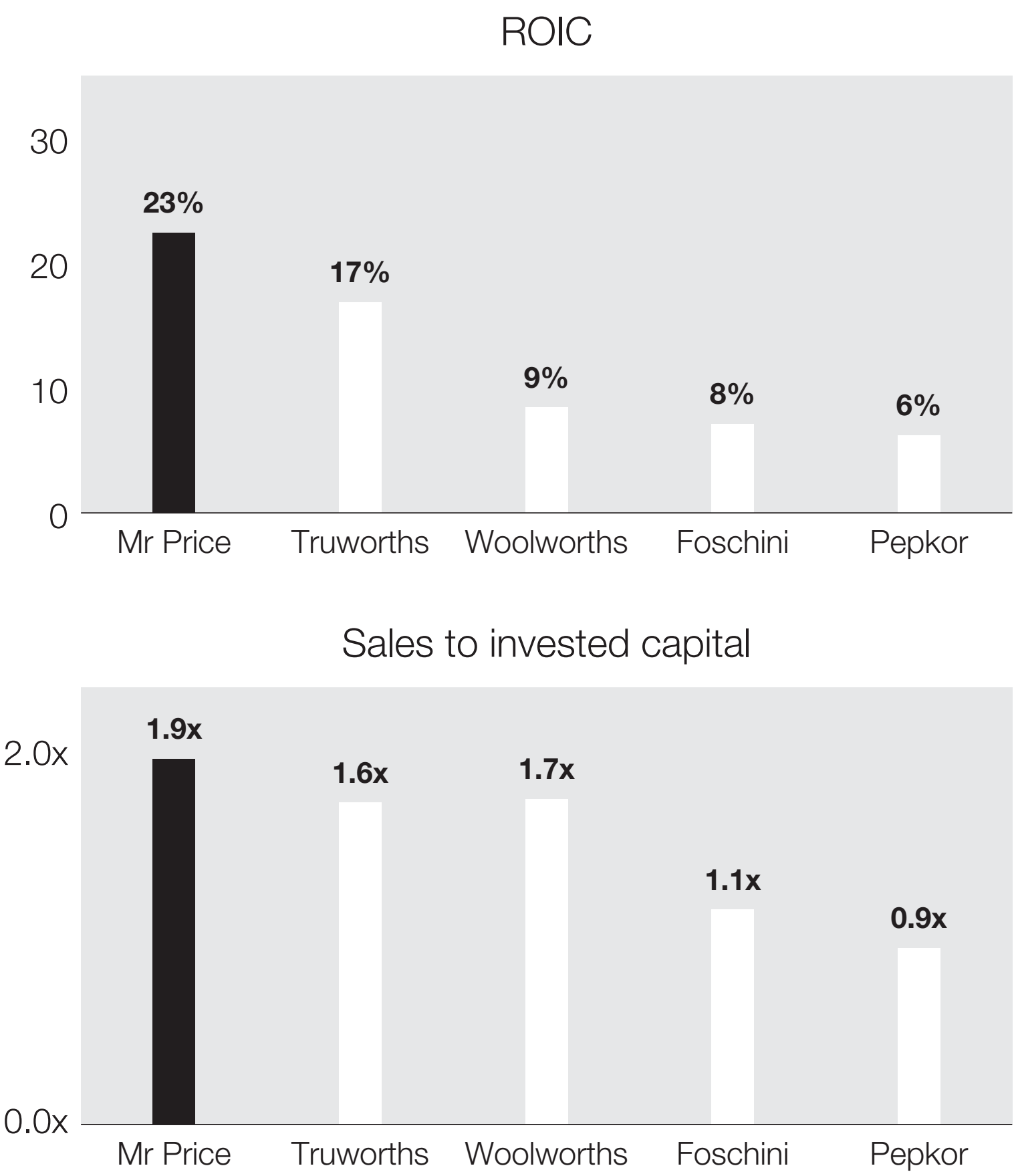
Jul 20 - Sep 20

Market share gain: +150bps

Reboot

- COVID-19 risk management
- Consumer demand slowing
- Sales exceeded budget = cash
- Explore acquisition targets
- Share buyback commenced
- Set group strategy

Capital allocation



Leading apparel retailer in generating return on capital

Source: JP Morgan - Annualised to Dec year end | Includes JPMe forecasts

Capital allocation

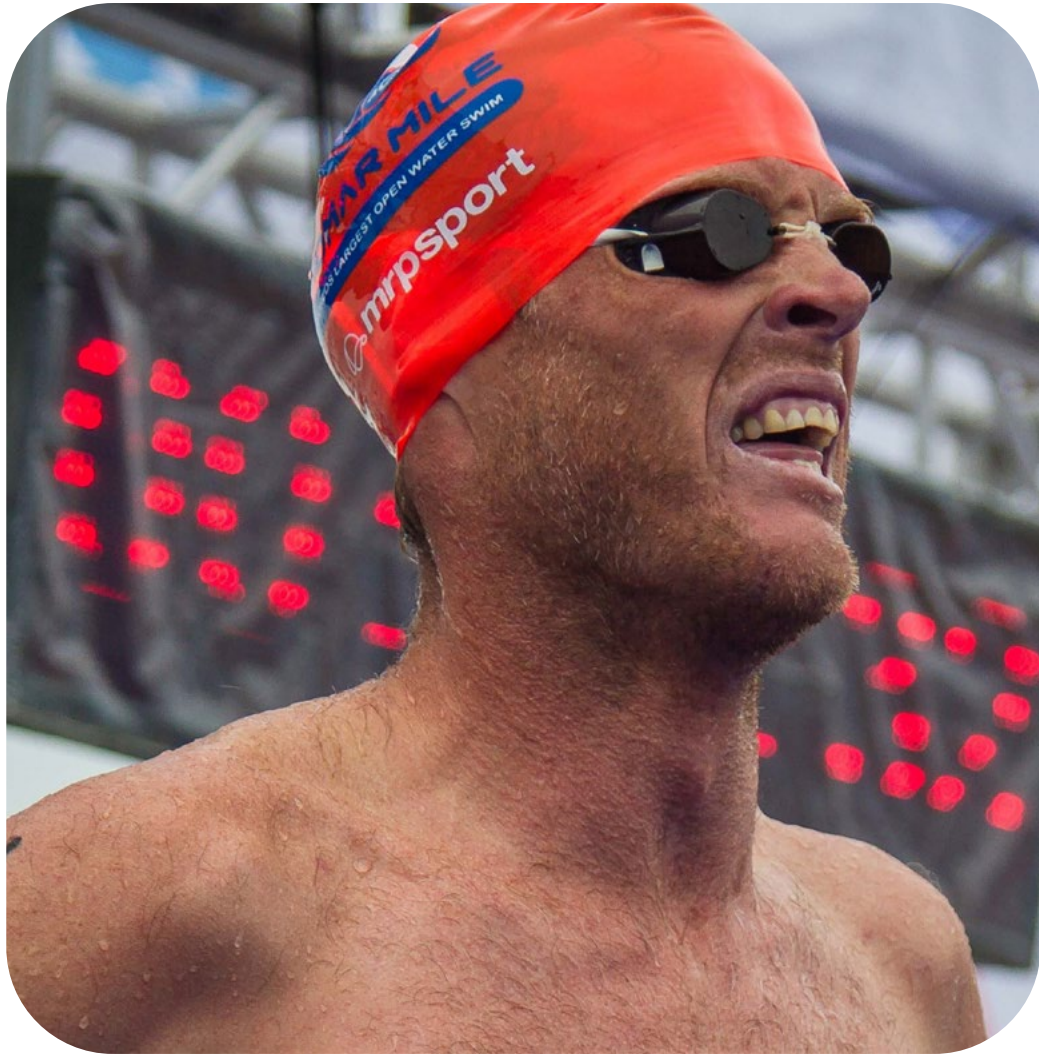
Interim Results FY2021 - Value creation & growth




Frontline


- Investment back into the Mr Price Brand & unique people culture
- Store enhancements & navigation
- Customer experience & blended retail
- Product quality: fabric, fit & sizing
- Brand sponsorship





Retail brand value ranking

**5th**
most innovative

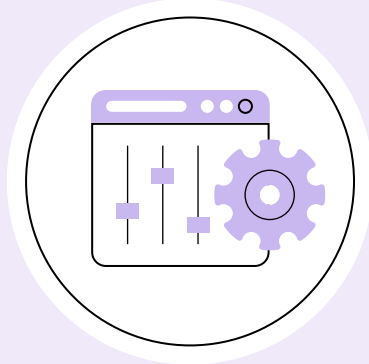
**4th**
most loved

Brandz™ South African Top 30 and Most Valuable Brands 2020 (USD bn)



Dark grey - Retail companies

Capital allocation



Enablers

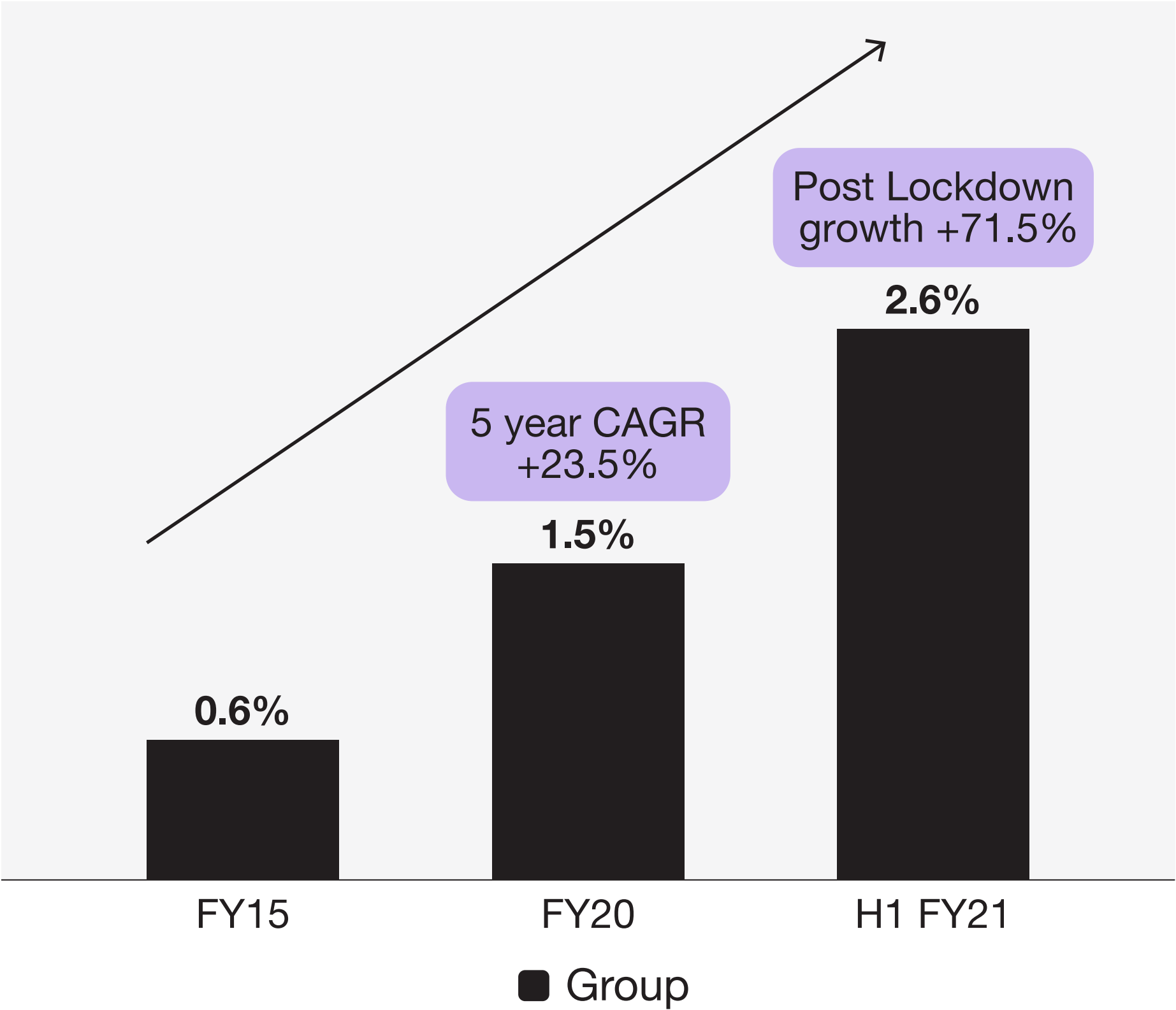
- Resourcing & supply chain capabilities
 - Supplier grading tool fully integrated in to business process. Used extensively to improve supply chain performance
 - Increased local sourcing & committed to CTFL Master Plan 2030 with growth from ~80m units to ~100m units (R5.5bn) by 2025
- ERP & planning systems
 - Building strong infrastructure base to handle increased capacity to support growth plans
 - Planning tools to raise stock accuracy & support higher sales levels
- Predictive analytics & machine intelligence capabilities
- e-Commerce
 - Magento 2 re-platform due Feb 2021. Cloud based, increasing speed & capacity to meet higher demand
 - Live in >900 Pargo collection points supporting customer convenience
 - Store fulfillment extended to additional stores. Shorter delivery times & lower logistics costs



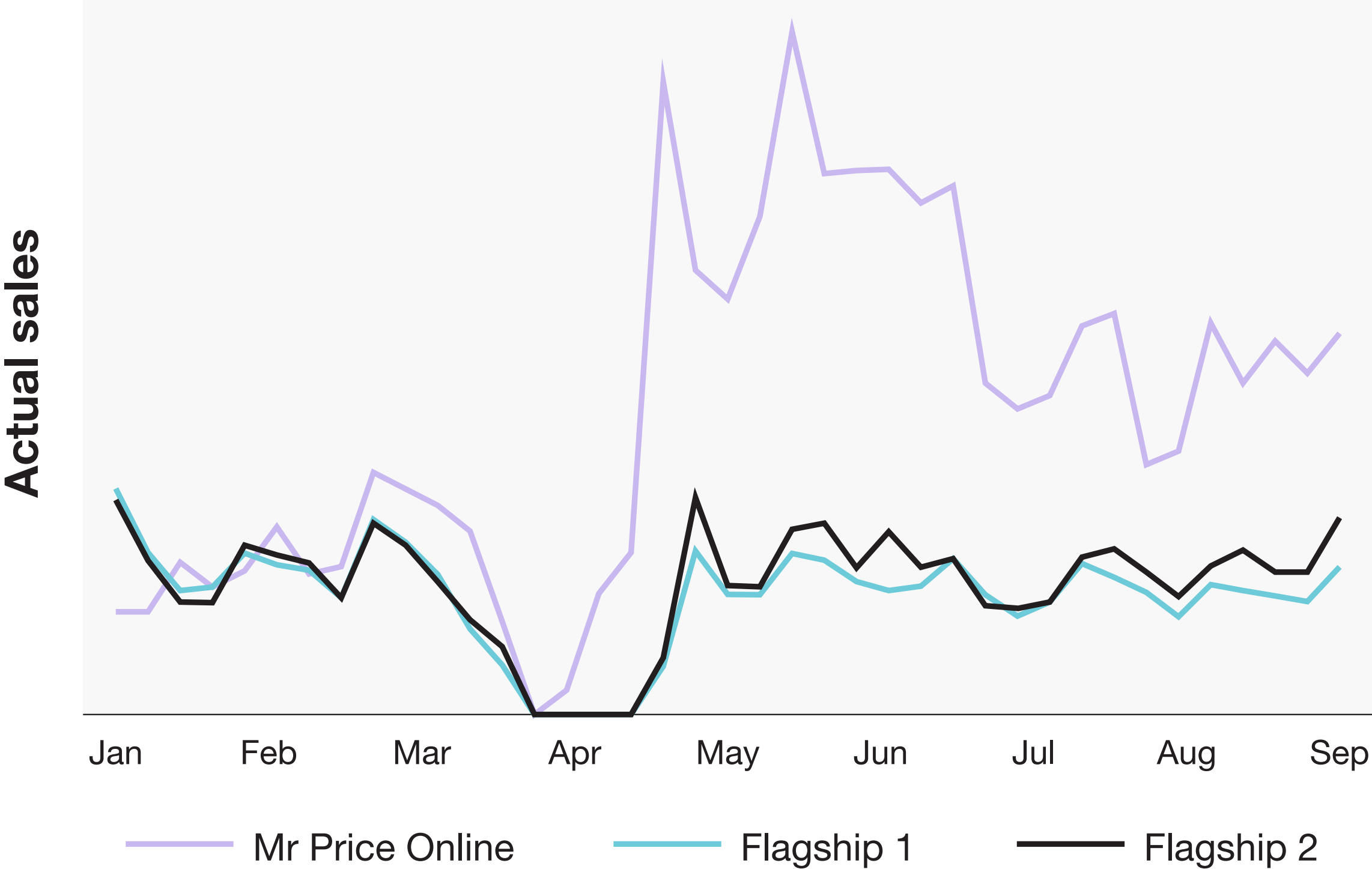
Strong e-commerce performance

Will continue to invest in the e-Commerce growth channel at an appropriate level that considers consumer trends & profitability

Online sales contribution

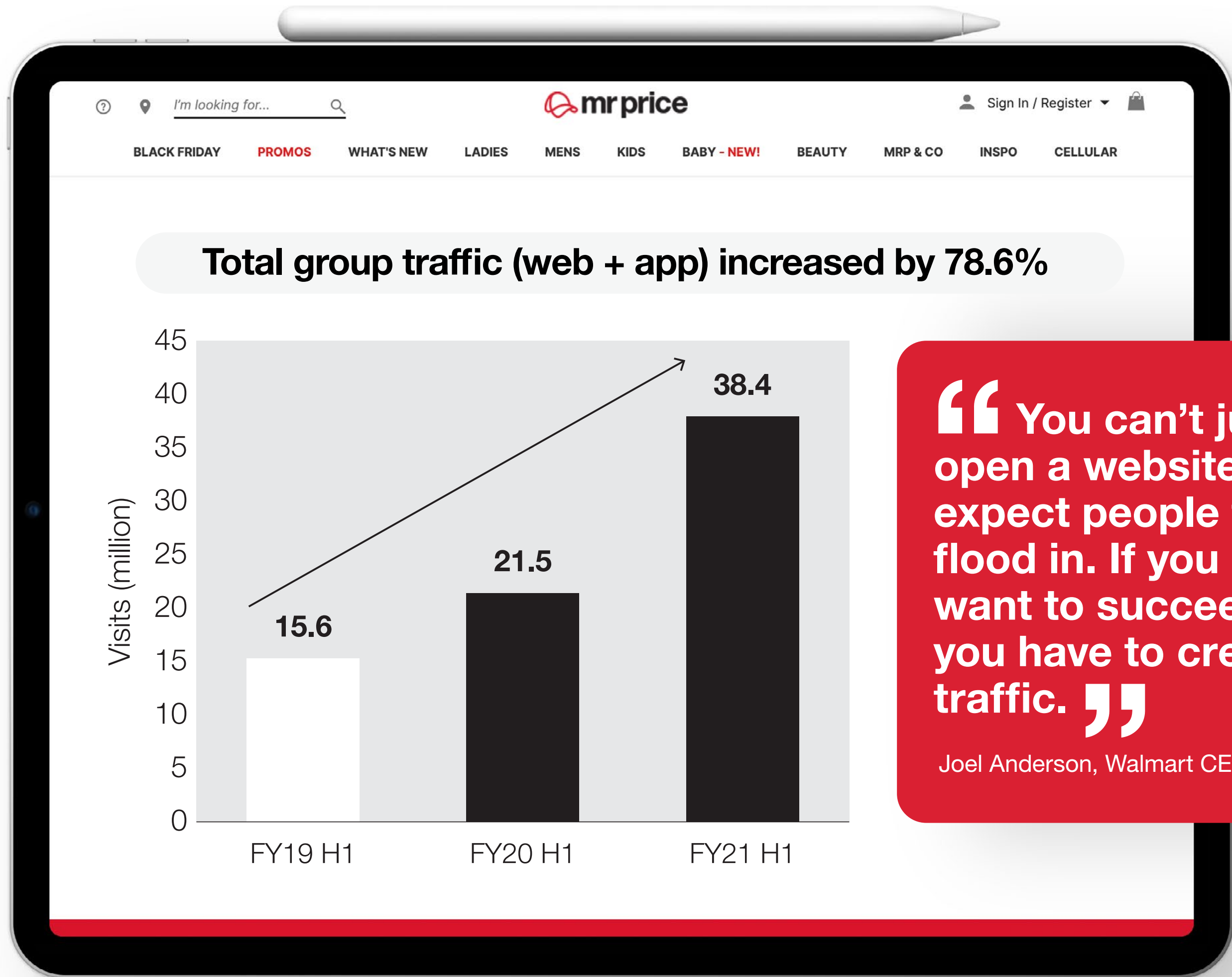


Mr Price Apparel online vs store sales H1 FY21



The power of traffic & mobile

“ Mr Price has been the most searched apparel retailer in South Africa for the last 5 years ”
Google Trends



“ You can’t just open a website and expect people to flood in. If you really want to succeed you have to create traffic. ”
Joel Anderson, Walmart CEO



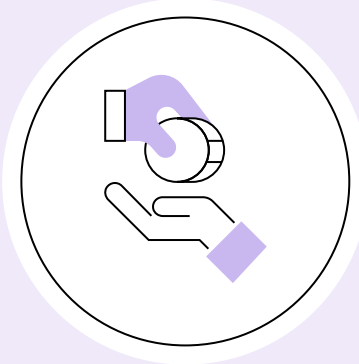
“ The future of mobile is the future of online. It is how people access online content now. ”

David Murphy, Founder and Editor of Mobile Marketing Daily

+97.5% Mobile traffic (app traffic +108.9%)

65.7% of online turnover via mobile device

Capital allocation



Share buyback

Once trading had become more 'stable' & the level of potential acquisition became clear:

- Commenced share buyback during Sep 2020 & closed period
- R165m re-purchased to date (1.3m shares at R126.50)
- Anticipated repurchasing a higher volume but were unable to alter parameters during closed period
- Future share buybacks will be determined in conjunction with other capital allocation decisions



Capital allocation



Growth vehicles

Last 12 months

- Delivered ~R400m non comp merchandise sales growth
- Scarlett Hill Beauty
- Extended sizes
- Active-wear
- Furniture
- Miladys online
- Cellular online
- Other

H2 FY21

- mrpBaby (R3.8bn market)
- mrpSchoolgear (R4.5bn market)
- mrp&co
- Tender types introduced:
 - Lay-by
 - Zapper
 - RCS card acceptance
- Acquisition



Key non-comp launches

Scarlett Hill Beauty

- Launched in Nov'19 in 40 stores
- Jul'20 = 80 stores full assortment plus another 100 stores with Tools
- Sep'20 = 120 stores full assortment plus another 60 stores with Tools
- Performing well ahead of plan
- GP% ahead of divisional average



Extended sizes

- Launched in response to voice of the customer
- Commenced from Oct'19. Incremental size roll-out in all stores
- Performing well ahead of plan
- GP% ahead of rest of merchandise-categories where implemented had higher margin than divisional average





oh hey
BABY

Cue the ooh, because there's a new baby in town!

Mr Price launched mrpBaby in 188 stores and online on the 5th of November.

Our aim is to gain our customer's TRUST by giving them QUALITY at GREAT PRICES & delivering on our promise to always EXCITE & DELIGHT!

We will do this through our fashionability & a ONE-OF-A-KIND print handwriting – making sure to give our customer something that they won't be able to find anywhere else.

mrp

B A B Y



mrp

SCHOOLGEAR

*Ready to make friends? Because, there's a new kid in school! **Mr Price will be launching Schoolgear** in all stores and online from mid-December.*

watch this space!



get it on
lay-by.

back to
SCHOOL
WITH **mr price**

MAJOR SAVER
shirts, shorts
& skirts
from **R17⁹⁹** each **A+**
On selected sizes, while stocks last.

From little and short to big and tall.
We've got sizes for them ALL!

Available in all stores and on mrprice.com from 07 December 2020.

mrp
SCHOOLGEAR

ALL UNDER R100
1st in class for value! **A+**

short sleeve shirts from **R59⁹⁹** get it now

skirts from **R79⁹⁹**

shorts from **R69⁹⁹**

2 pack socks from **R35⁹⁹** got to have a back up!

50 LUCKY KIDS STAND TO WIN **R10 000** each FOR THEIR SCHOOLING!
Buy schoolgear in-store or at mrprice.com to enter.
Shop on account to double your chances!

long sleeve shirts from **R69⁹⁹**

FROM SHIRTS TO SHOES... we've got you covered!

pants from **R109⁹⁹**

school shoes from **R109⁹⁹**
Available in boys and girls kids size 7 to adults size 10.

Toughees school shoes from **R219⁹⁹**
Available in kids size 7 to adults size 10.

mrp
SCHOOLGEAR

golfers from **R59⁹⁹**

tees from **R39⁹⁹**

sneakers from **R219⁹⁹**
Available in boys and girls kids size 7 to adults size 10.

get it on lay-by
no interest. no credit checks.
just a 10% deposit & 3 months to pay.
or get **R100 off schoolgear** when you spend R500 on account

Find out more in-store or at mrpricemoney.com
Offer valid between 1 Dec and 27 Jan 2021.

Mr Price Group Ltd is an authorised Financial Services & Credit Provider. FSPS 450 & NCR0P46. Ts & Cs apply.

mr price

Product available in all stores and online at mrprice.com from 07 December 2020, while stocks last.

mrp
SCHOOLGEAR

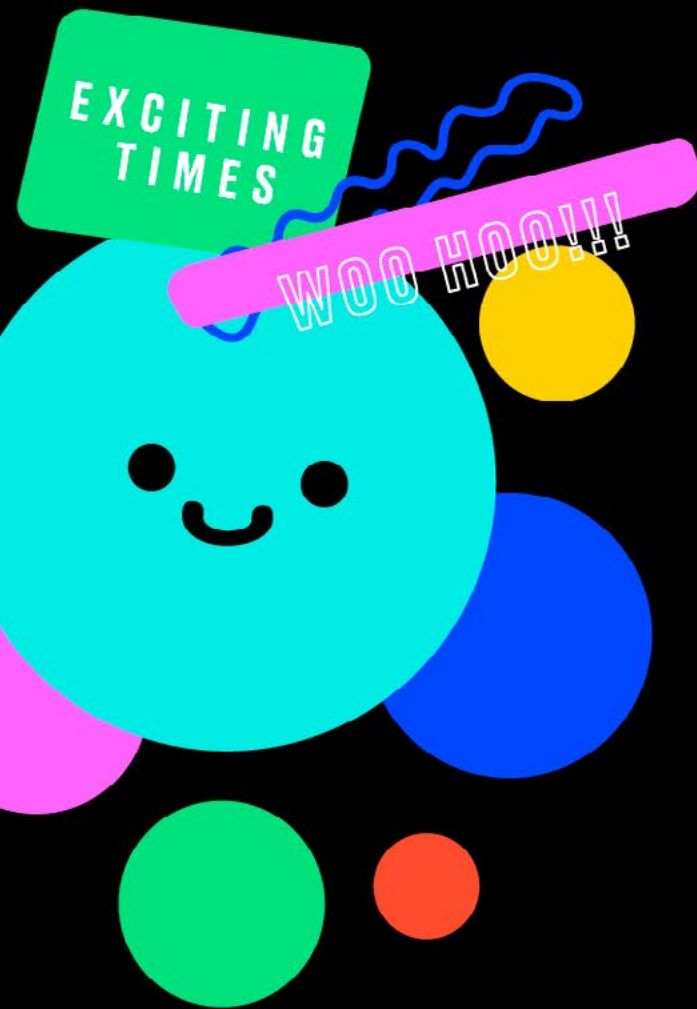
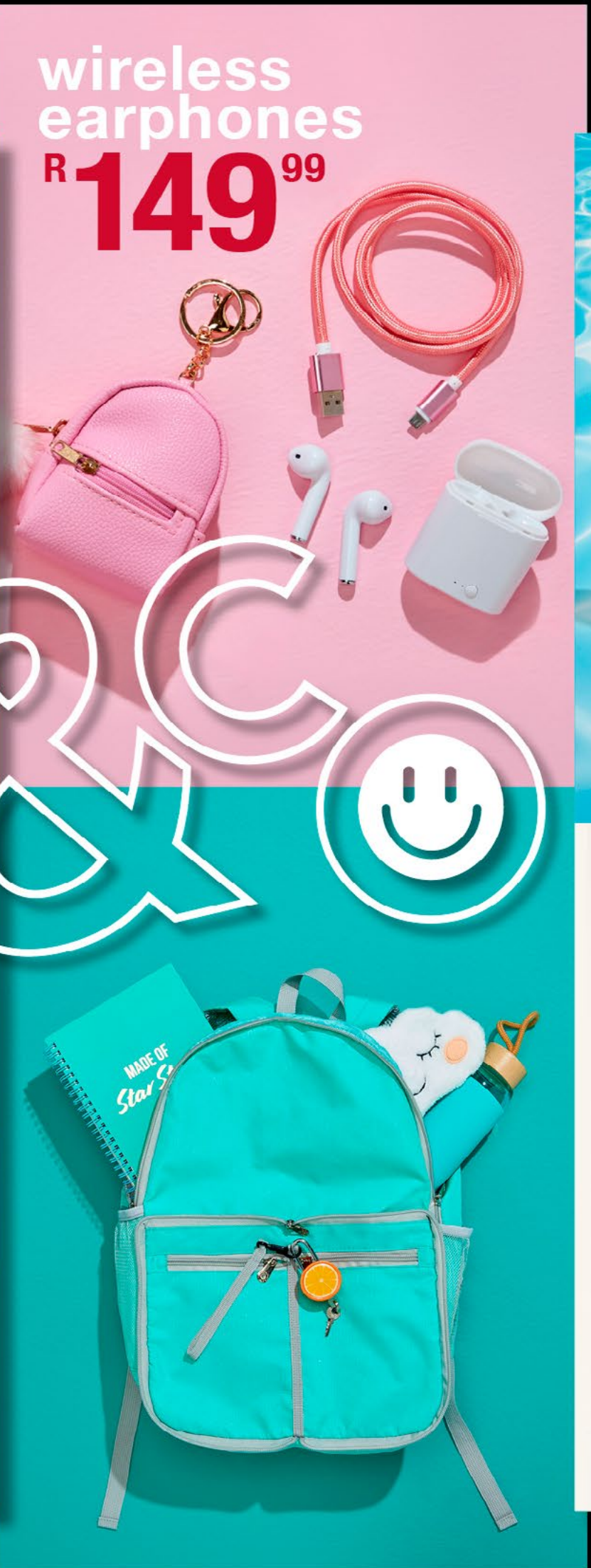
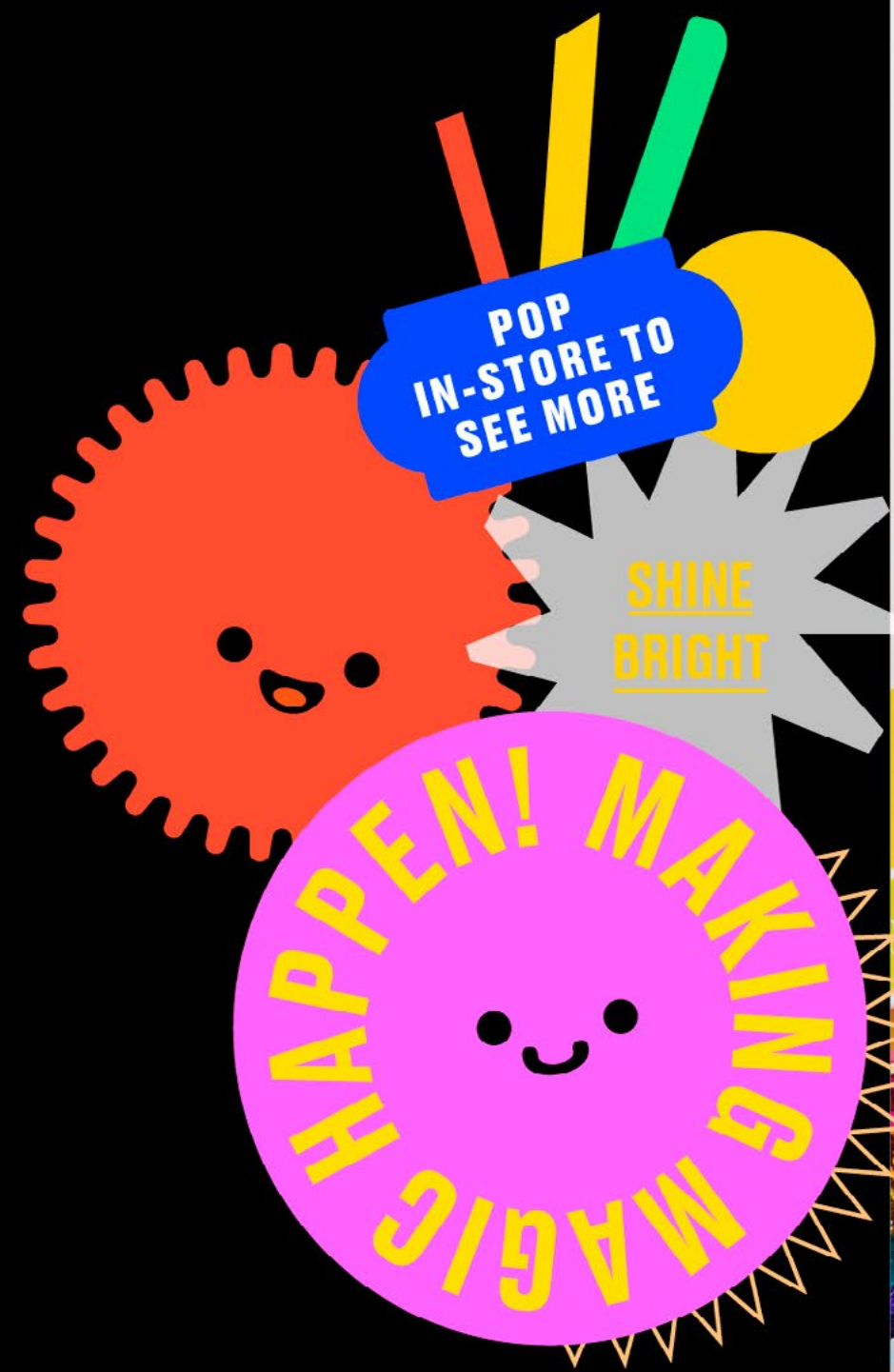


mrp&C 



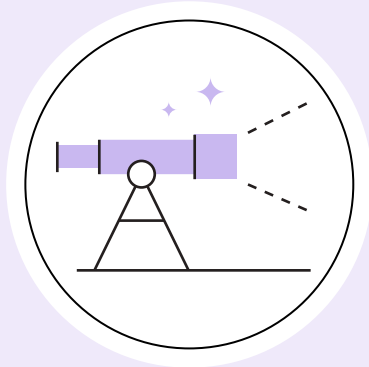
Key novelty and gifting categories including Tech, Pool & Beach, Lunch Club, Stationery and more!





Capital allocation

Interim Results FY2021 - Value creation & growth



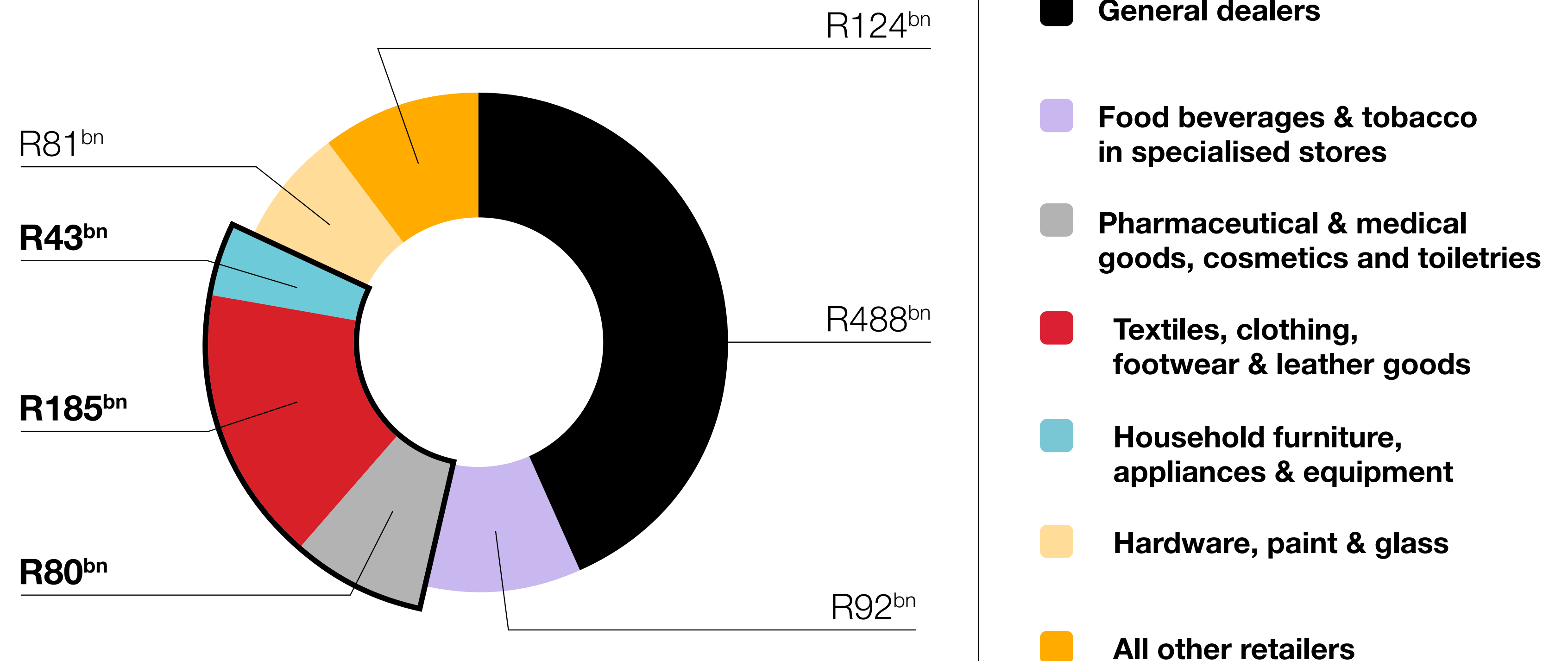
The Future

- Geography
- New concepts
- New sectors
- Acquisition



Sizing up the opportunity

2019 - Retail Sales by Category (R'bn)



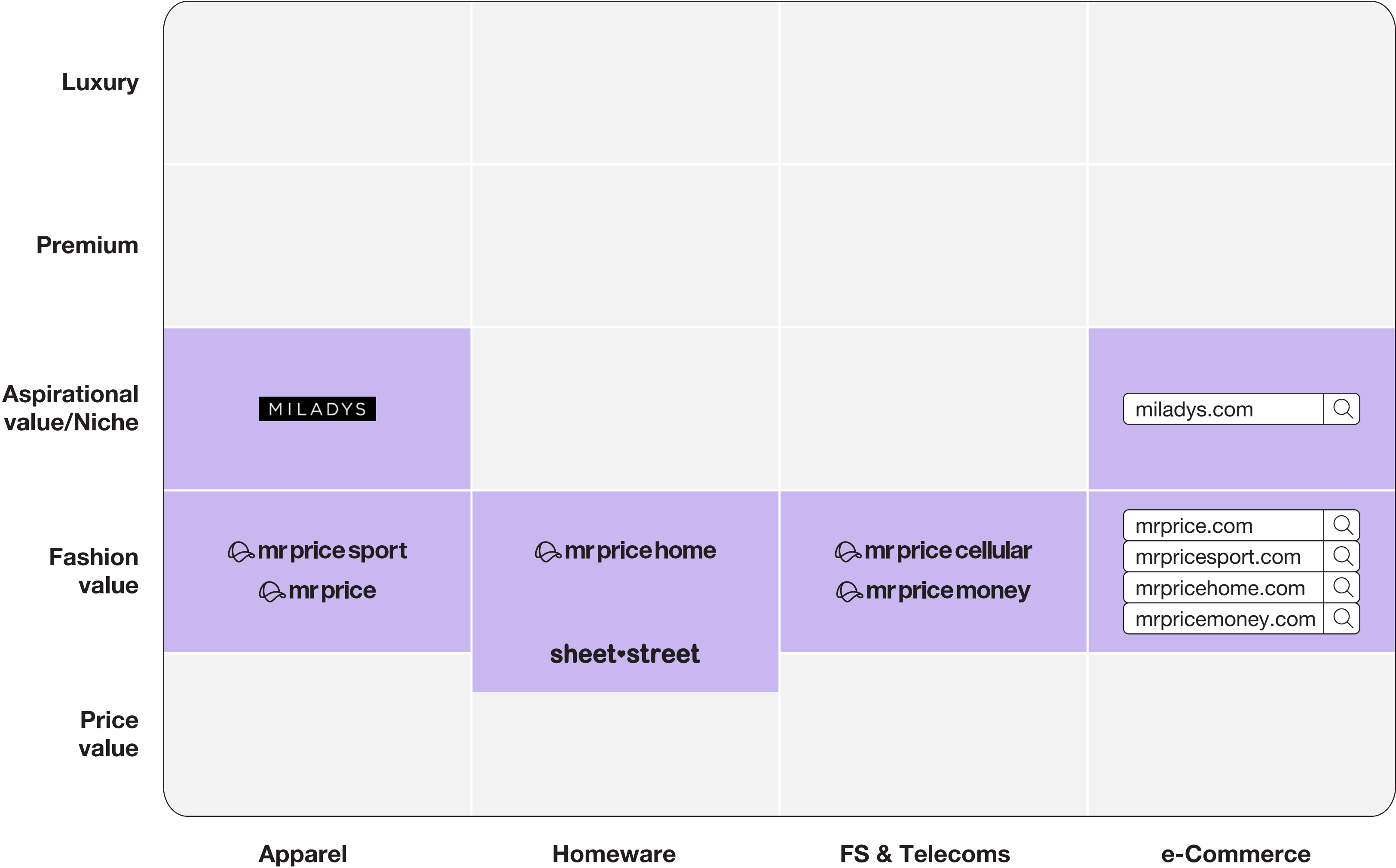
- Stats SA reported total retail sales in 2019 of ~R1.1t
- Focusing on gaining a greater share of the South African retail market. Currently MRPG ~R21bn across three sectors = 6.8% share of textiles, homeware & cosmetics/pharma
- R287bn market share available via:
 - Existing competitors
 - Organic rollout of new concepts
 - Acquisition

If our customers got to chose what we should invest in...

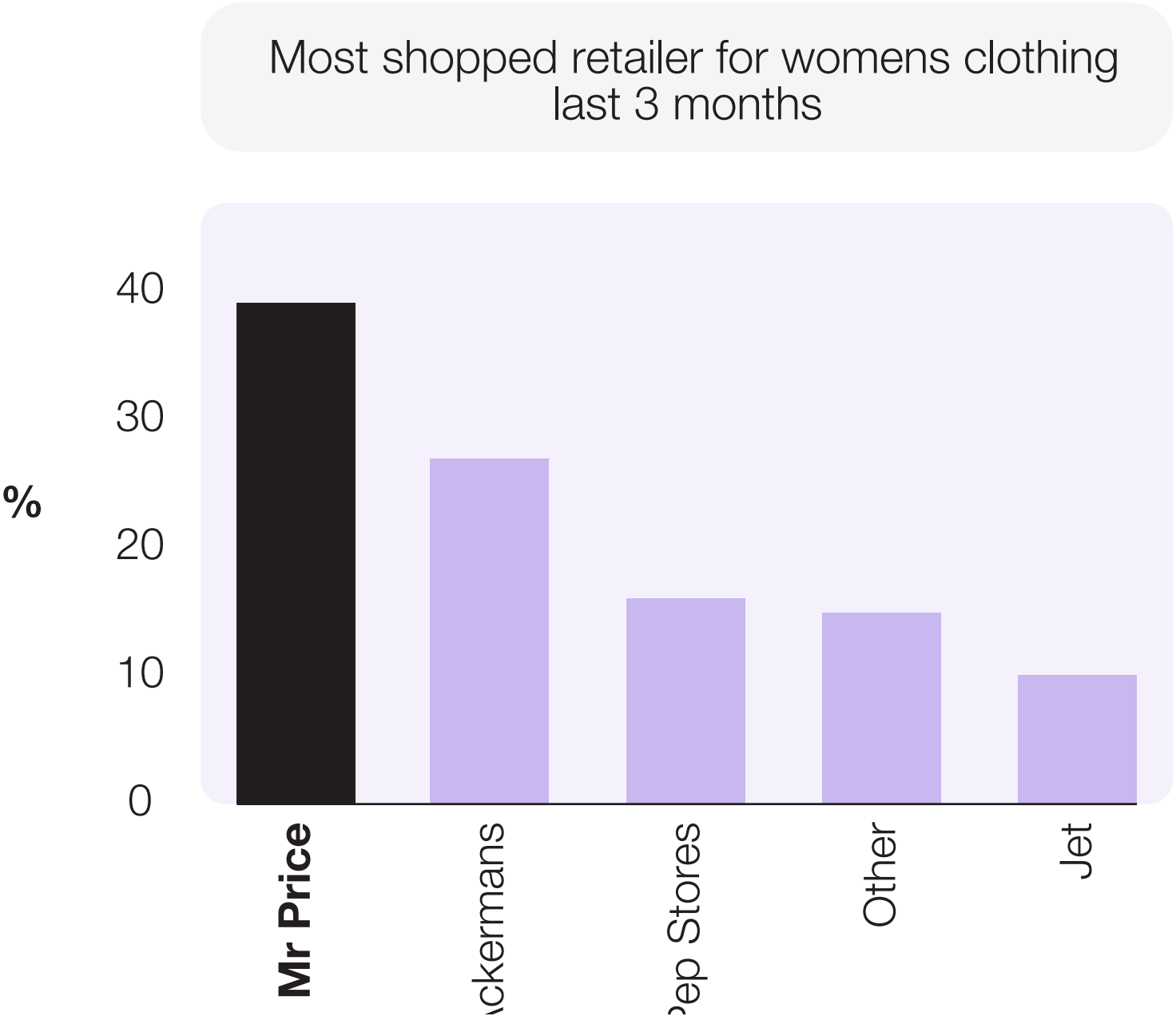


Mr Price Group and beyond

Existing business well positioned to capture market share. Each division has identified additional growth opportunities

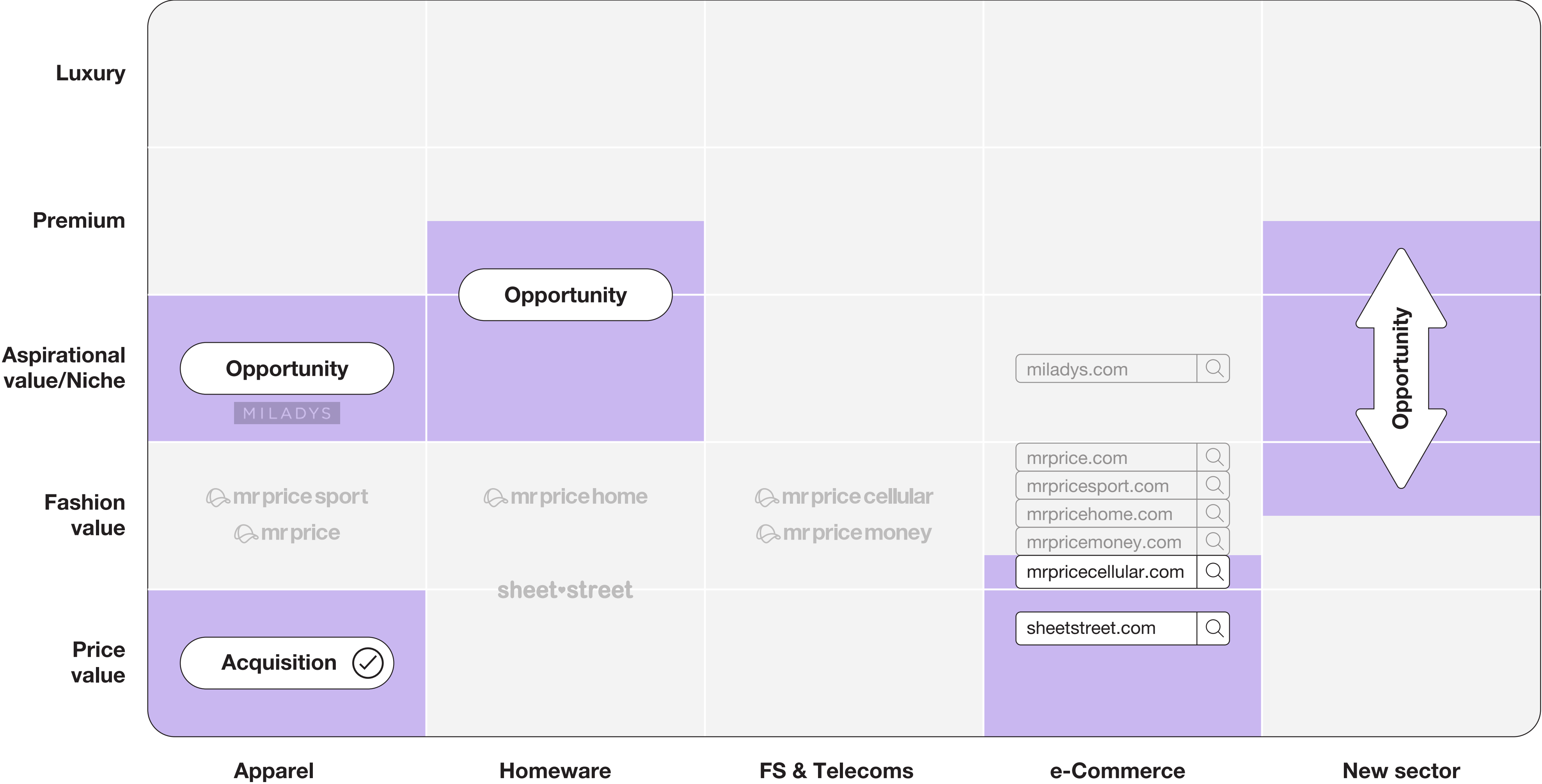


Mr Price was the most shopped apparel retailer in ladies & mens in the last 3 months



Source: MAPS Sep 2020

Mr Price Group and beyond



Mr Price Group and beyond



Growth vehicles

- Research undertaken has identified new retail concepts & detailed business cases are currently being developed
- In due course, will further explore the opportunity to extend the Red-Cap halo beyond the opportunities identified
- As per investment criteria, all opportunities must have strong leadership & a skilled team. Not pursuing growth at all costs, resource capacity has to be sufficient





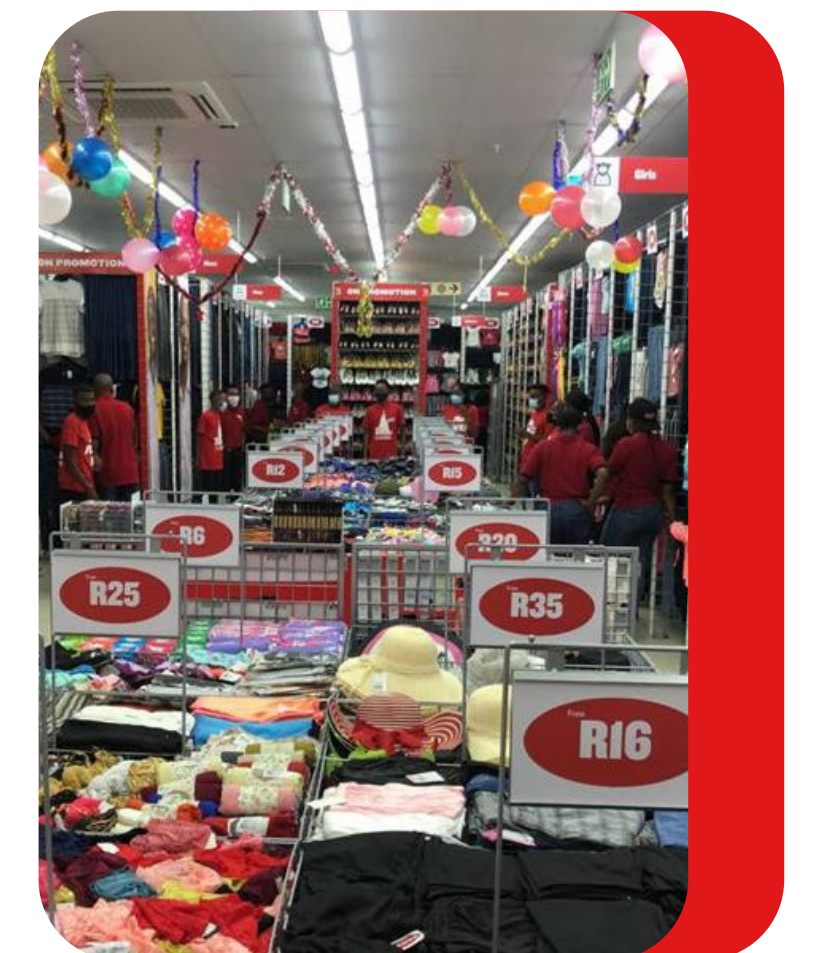
Acquisition



Durban based head office, 3rd generation family run business which started in the 1950's

Meets our strict investment criteria:

- 1** Value focused fashion business, cash-based. Aligned to our core capabilities
- 2** Transaction size ~4% of market cap, bolt on. Aligned to capital allocation strategy - to be settled in cash
- 3** High performing business (including through COVID-19) with strong track record. Not a “fixer-upper”
- 4** An existing business of attractive scale, available at a reasonable valuation. Immediately earnings accretive with opportunity for significant future growth in footprint & categories
- 5** Southern African footprint: 170 stores. Low risk of acquiring an entity in an unknown territory with additional foreign exchange risk
- 6** Strong management team, prevents distracting group management. Good cultural fit



Introducing Power Fashion

Customer

- Low to mid income households
- More value (price) than fashion focused
- Offers product for the whole family

Value proposition

- Value price positioning aligned to target market
- Fashionable but not fashion forward
- Mainly apparel, but also cellular, electricity, basic household items, basic cosmetics & other opportunistic products

Location

- High density & high foot traffic areas serving their target customer
- Typically high street & community centered malls rather than regional & super regional locations



A sufficiently differentiated business model
Provides access to a wider customer base

Introducing Power Fashion



Interim Results FY2021 - Value creation & growth

Agility

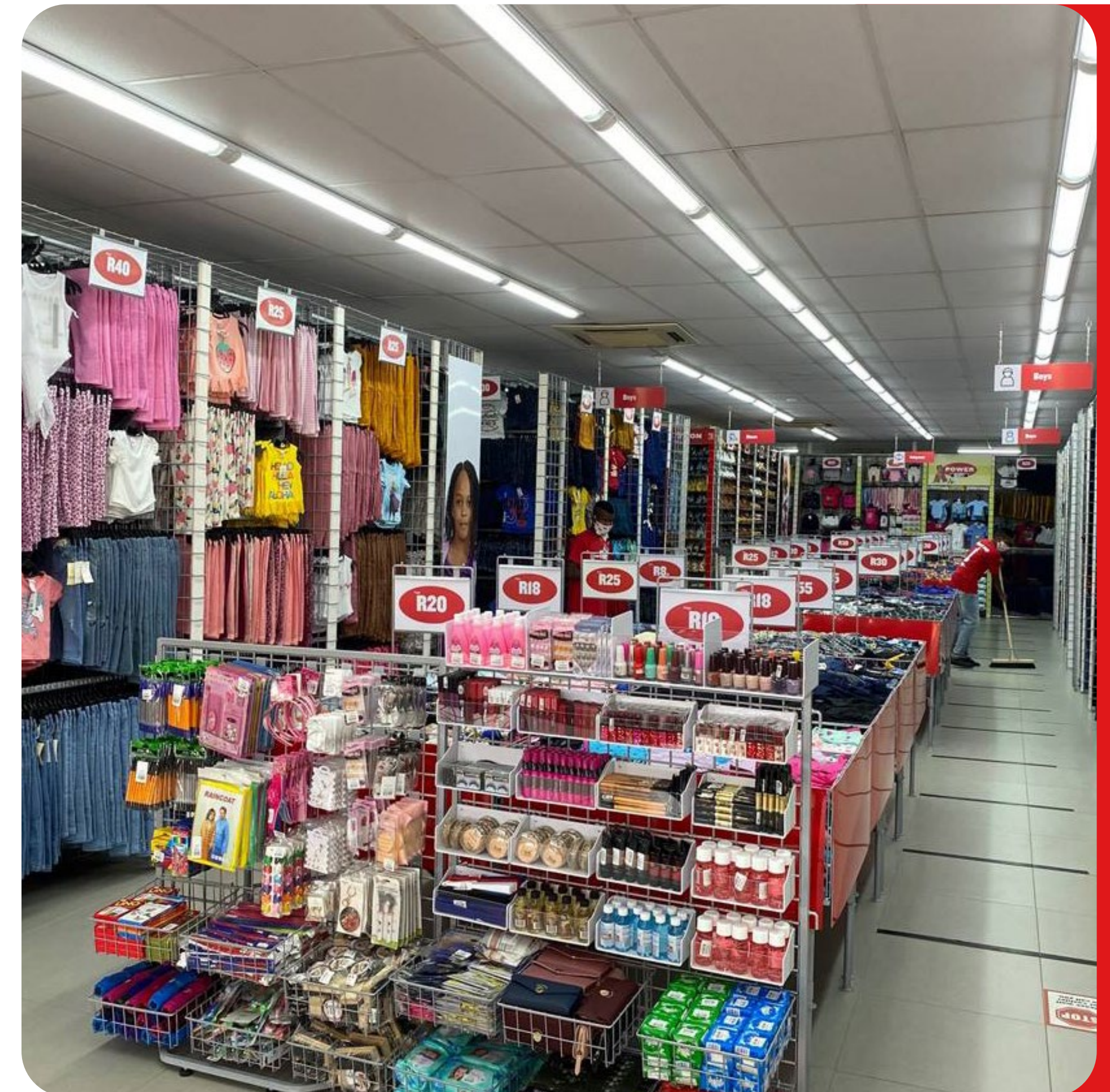
- Trading mentality with quick decision making
- Avoid complexities that introduce cost with limited benefit to the model
- Potential clearing house for Mr Price Group merchandise if needed

Performance metrics

- **Turnover** : Will contribute ~7% to Mr Price Group revenue. Strong double digit growth over an extended period of time
- **Expenses** : % of RSOI similar to Mr Price Group
- **Operating margin** : Double digit but lower than Mr Price Group. Strategically aligned to growth vision. Scale & group efficiencies will improve this
- **HEPS** : Immediately earnings accretive

Process

- Sale & purchase agreement signed 20 November 2020
- Subject to competition commission approval & fulfillment of conditions precedent
- Targeting effective date April 2021

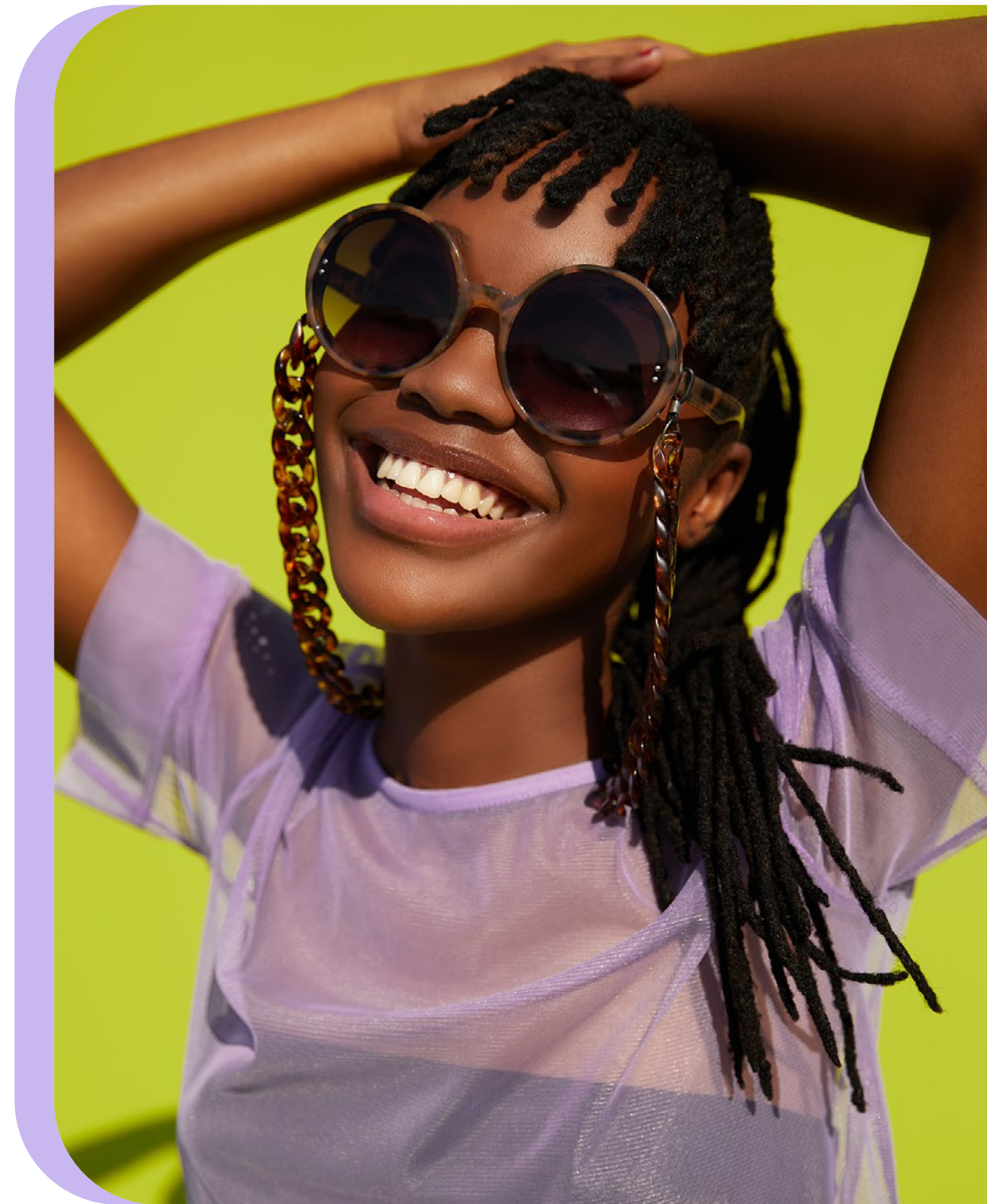


H2 outlook

- COVID-19 second wave uncertainty
- Stronger gross margin base in H2
- W.avg annual space growth to be between 1%-2%. 50 new stores planned (31 confirmed) in H2
- Double digit sales growth in first 6 weeks of H2. Sales growth flat in the week prior to Black Friday week
- Cautious on Black Friday week due to COVID-19 store restrictions & fragile consumer environment
- School holidays: same duration but different timing (less in Dec 2020 but more in Jan 2021)
- Next market communication: trading update in January 2021

Closing comments:

- **Our relative performance has proven the resilience of our associates & our business model**
- **Well positioned to navigate further uncertainty**
- **New vision & strategy is centred around growth & underpinned by culture, fueling internal optimism**





04

Appendix

Detailed supporting
information

Earnings & dividend per share

	2020	2019	% Change
Profit attributable to shareholders (R'm)	753	1 148	(34.4%)
W. Avg shares in issue (000)	259 262	258 881	
Basic earnings per share	290.5c	443.6c	(34.5%)
Addbacks (R'm)	111.4	(0.9)	
Headline earnings (R'm)	865	1 147	
Headline earnings per share	333.5c	443.2c	(24.8%)
Shares for diluted earnings (000)	263 171	263 224	
Diluted headline earnings per share	328.5c	435.9c	(24.6%)
Dividend per share	210.1c	311.4c	(32.5%)

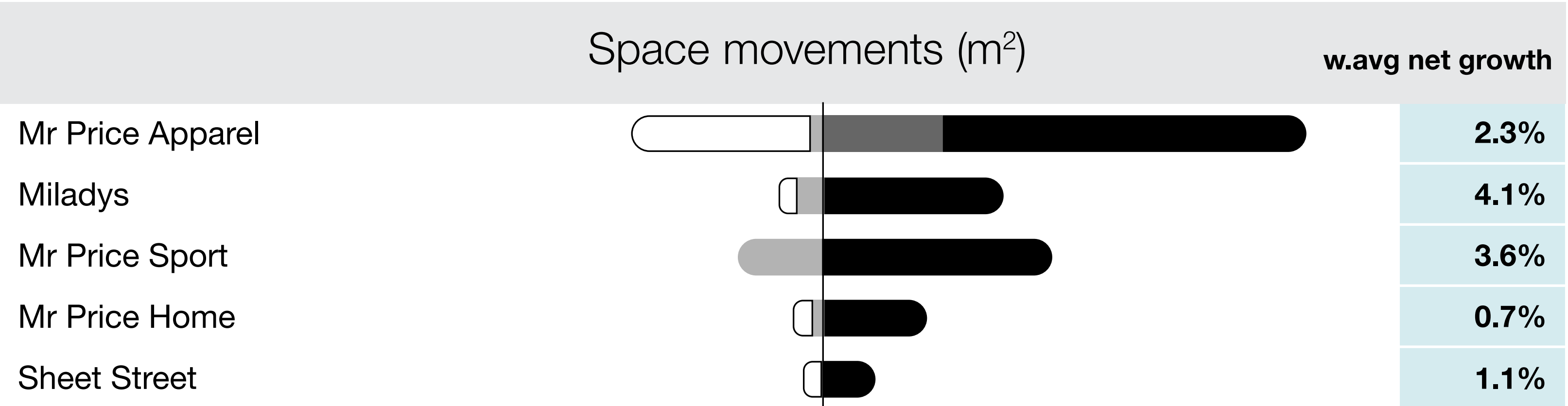


Revenue

R'M	2020	2019	% Change
Retail sales	8 620	10 120	(14.8%)
Other income	433	502	(13.6%)
Financial services & Telecoms	407	475	(14.3%)
Other	26	27	(1.8%)
Total retail sales, interest & other income	9 053	10 622	(14.8%)
Finance income	150	134	11.9%
Total revenue	9 204	10 757	(14.4%)



Space growth



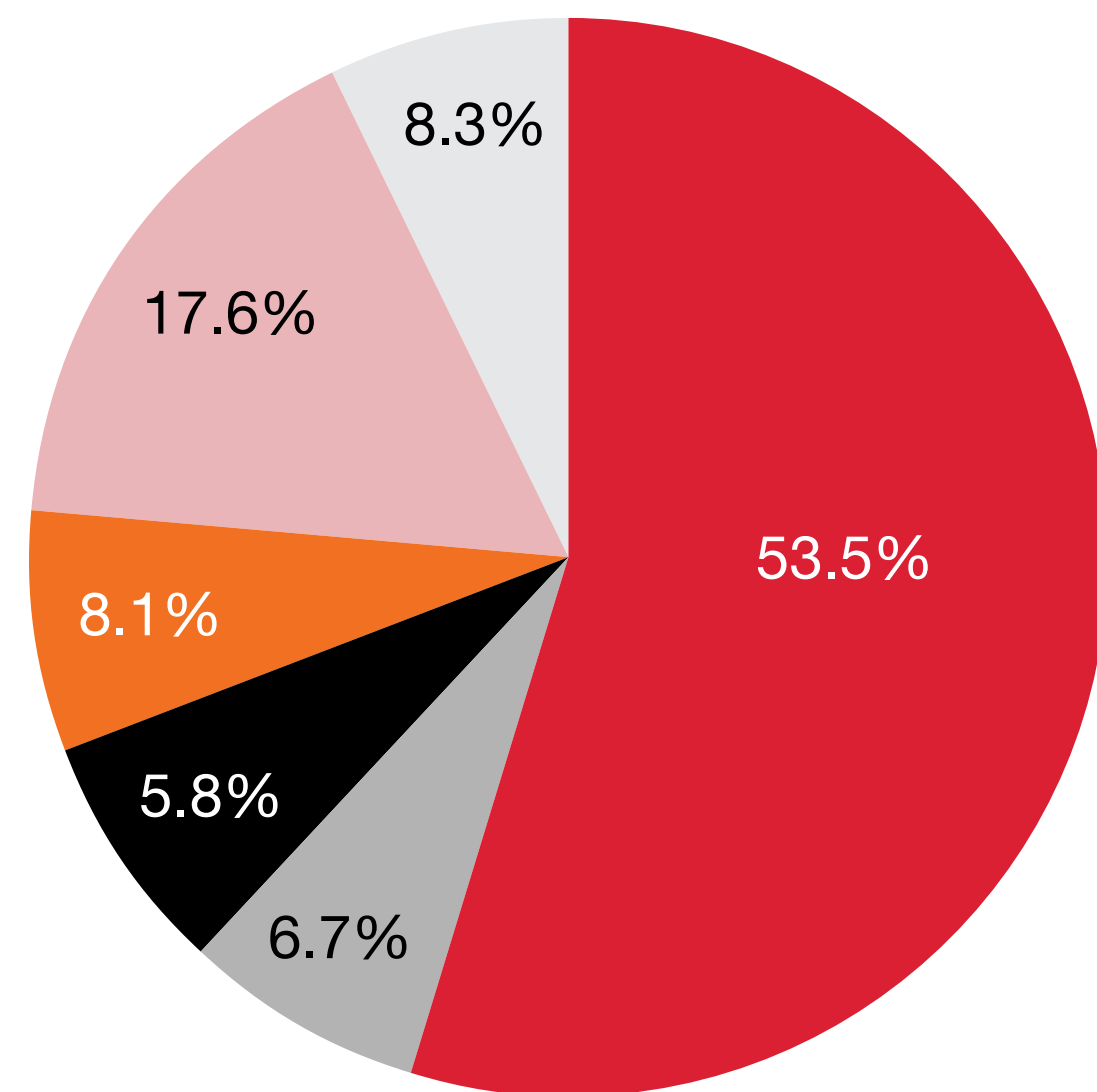
Total space growth					Net growth
w.avg	(0.6%)	(0.3%)	0.3%	2.8%	2.2%
closing	(0.8%)	(0.5%)	0.3%	2.7%	1.7%
	Closures	Reductions	Expansions	New Stores	



Total store movements					Net growth
Stores	9	12	2	17	3.6%
	Closures	Reductions	Expansions	New Stores	

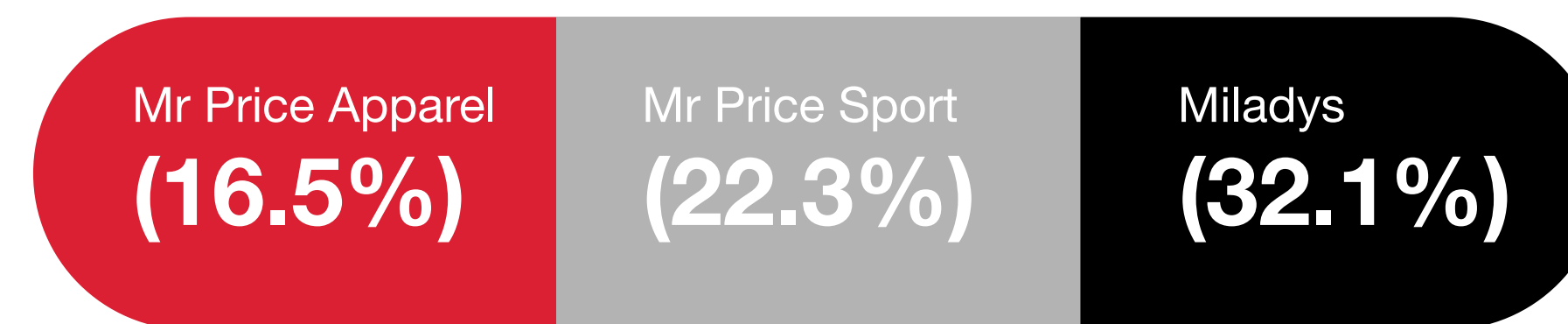
Segment performance

*RSOI Contribution

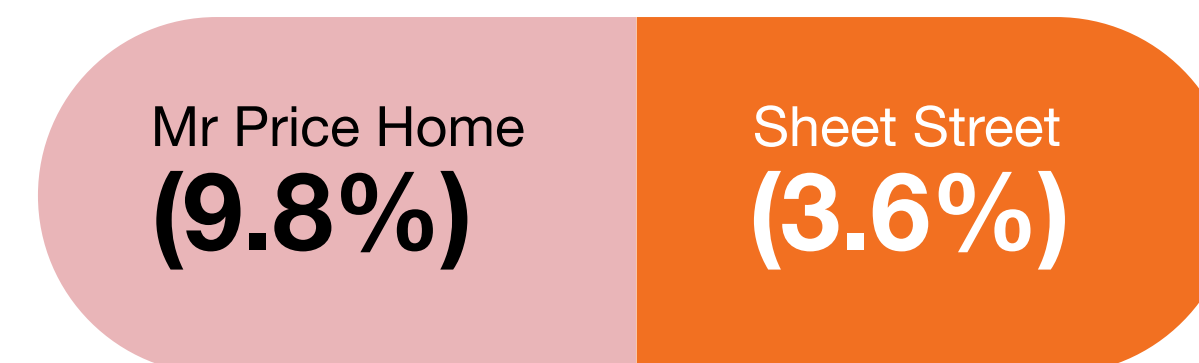


RSOI Growth

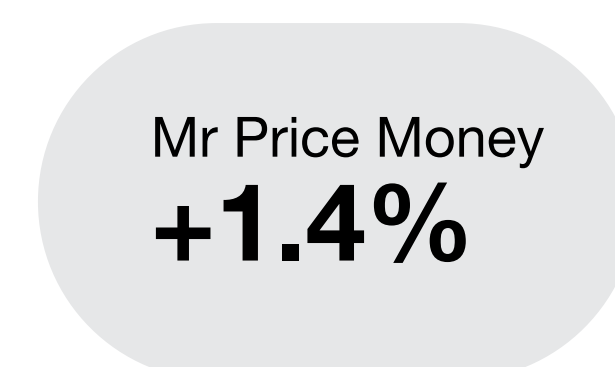
Apparel



Home



FS & Telecoms



Segment

	H1
Apparel	
RSOI	(18.8%)
Operating profit	(26.4%)
Operating margin	13.3%

Home	
RSOI	(7.9%)
Operating profit	(9.5%)
Operating margin	16.4%

FS & Telecoms	
RSOI	1.4%
Operating profit	(58.5%)
Operating margin	13.9%

*Retail sales & other income

Apparel segment



	Mr Price Apparel			Miladys			Mr Price Sport		
	2020	2019	% Change	2020	2019	% Change	2020	2019	% Change
Retail sales ¹	R4 835m	R5 819m	(16.9%)	R513m	R764m	(32.8%)	R603m	R775m	(22.3%)
Comparable sales growth	(18.4%)	(4.3%)		(36.5%)	3.3%		(25.6%)	6.1%	
Unit sales	53.2m	66.7m	(20.3%)	2.6m	3.8m	(31.7%)	4.6m	6.2m	(25.7%)
RSP inflation ²	4.2%	(0.9%)		(2.2%)	0.2%		4.6%	4.9%	
Weighted avg. space growth	2.3%	3.9%		4.1%	0.6%		3.6%	1.1%	
Sales density	R34 214m ⁻²	R38 137m ⁻²	(10.3%)	R20 840m ⁻²	R25 140m ⁻²	(17.1%)	R22 495m ⁻²	R25 218m ⁻²	(10.8%)

¹Excludes franchise & VAT | ²Includes VAT

Home segment

	Mr Price Home			Sheet Street		
	2020	2019	% Change	2020	2019	% Change
Retail sales ¹	R1 586m	R1 758m	(9.8%)	R735m	R763m	(3.6%)
Comparable sales growth	(11.2%)	1.8%		(4.4%)	2.5%	
Unit sales	13.3m	15.0m	(11.3%)	7.3m	7.8m	(6.4%)
RSP inflation ²	1.7%	7.5%		3.0%	11.0%	
Weighted avg. space growth	0.7%	(1.3%)		1.1%	0.4%	
Trading density	R27 485m ⁻²	R28 771m ⁻²	(4.5%)	R31 319m ⁻²	R31 755m ⁻²	(1.4%)



¹Excludes franchise & VAT | ²Includes VAT

Mr Price Money

Mr Price Money			
R'm	2020	2019	% Change
Telecoms	425	357	18.9%
Financial services	328	385	(14.8%)
Total revenue	753	743	1.4%



Rest of Africa

