



Interim Results

FY

**20
25**

to 28 September 2024

 **mr price group limited**

01

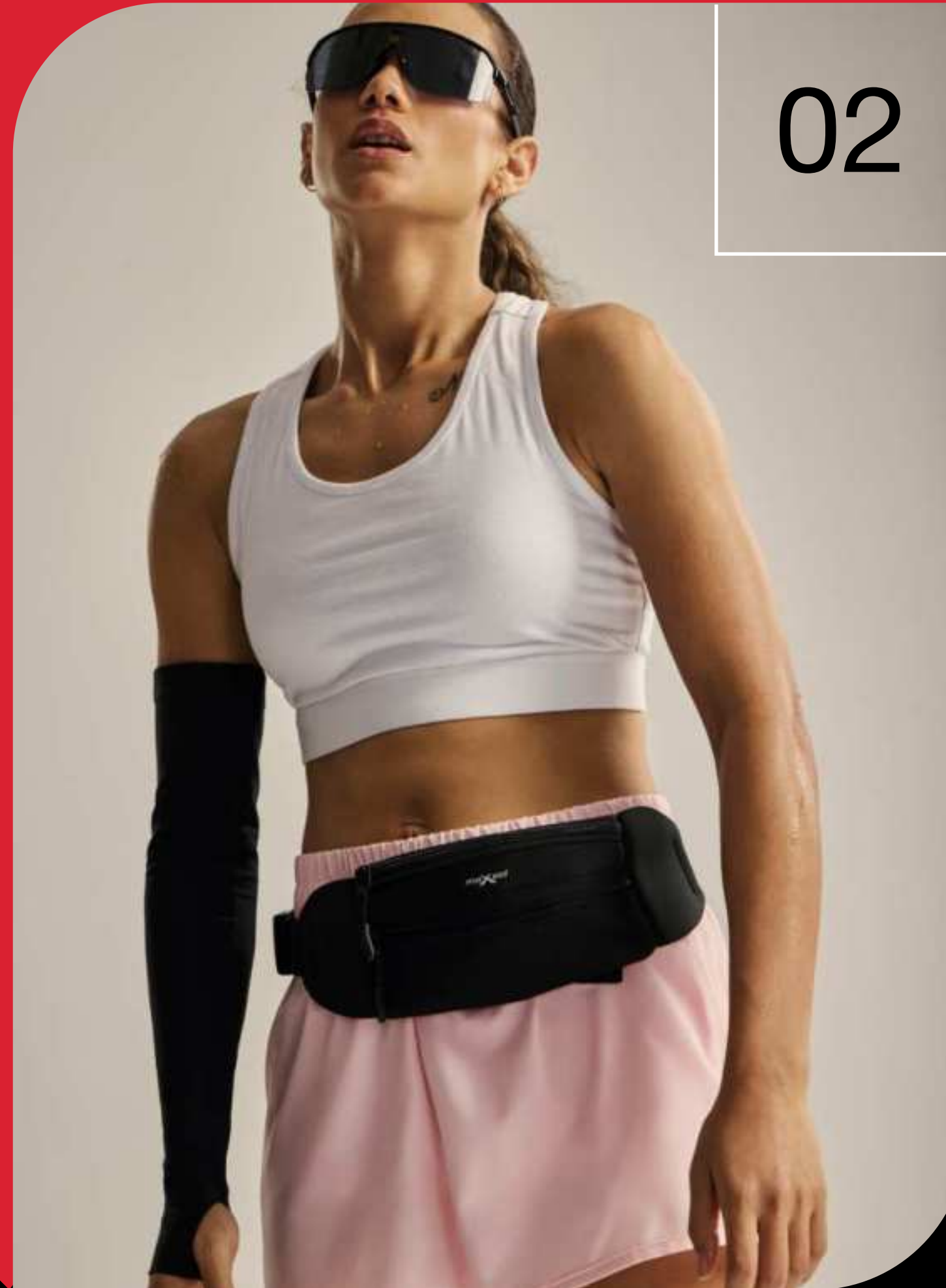


RETAIL ENVIRONMENT

Backdrop

By Mark Blair

02



GROUP PERFORMANCE

Performance

By Praneel Nundkumar

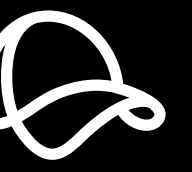
03



STRATEGY PROGRESS & OUTLOOK

Value Creation

By Mark Blair



RETAIL ENVIRONMENT

01

Backdrop



By Mark Blair - CEO

OPERATING ENVIRONMENT

**Persistence of economic and consumer pressures into 2024.
Local macroeconomic positives signal an upward inflection point**

Global:

- Ongoing geopolitical tensions
- Supply chain volatility
- Onset of interest rate cut from September

Several risks remain, however threat of recession & low growth environment has reduced

South Africa:

- Extended period of low growth
- Further economic contraction pre-election (May 2024)
- GDP growth improved from Q1 (-0.2%) into Q2 (0.5%) supported by:
 - No loadshedding since March 2024
 - Election concerns abated
 - Strengthening Rand, 1.7% improvement against the dollar
 - Business confidence improved by 5 index points to 35

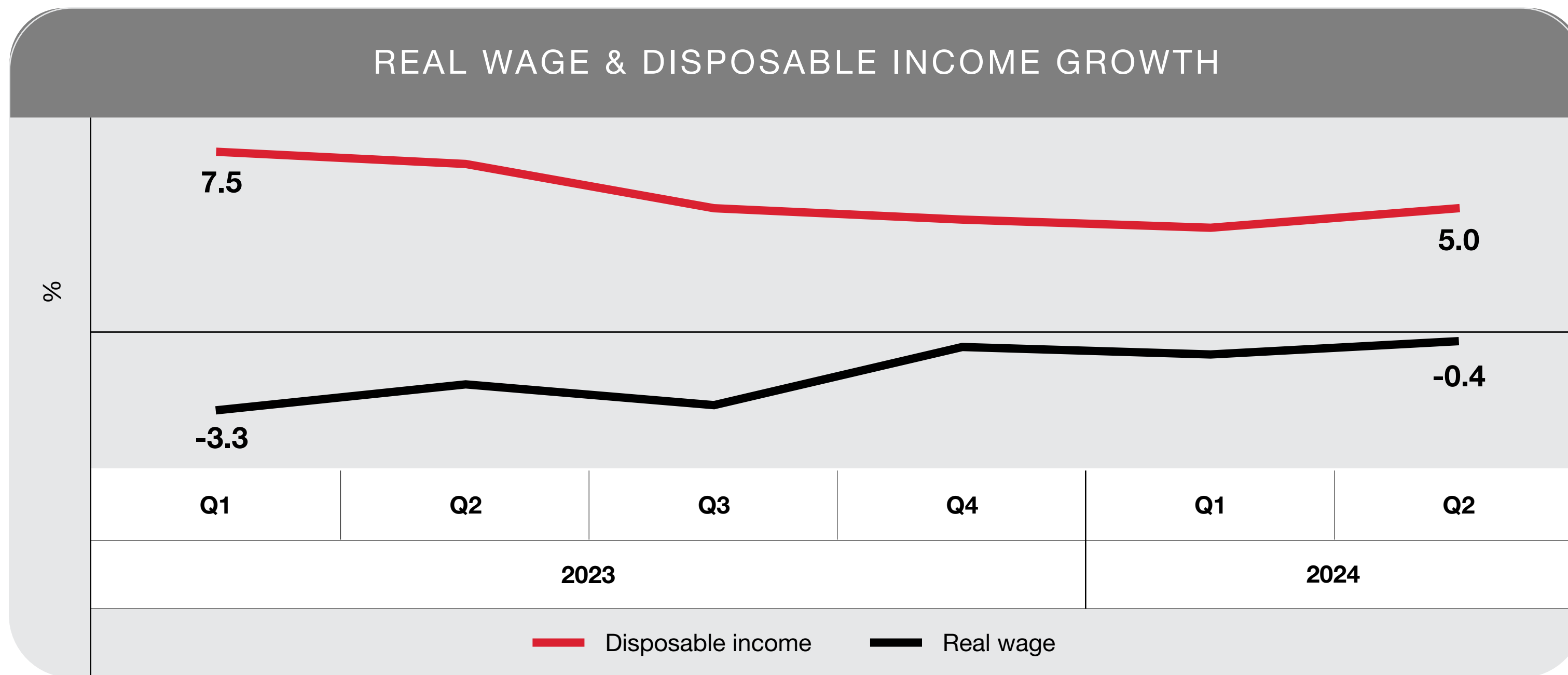
Renewed optimism for growth supported by a collaborative Government of National Unity



CONSUMER ENVIRONMENT



- Late onset of winter materially impacted retail sector sales performance in April and May
- Consumer affordability remained highly constrained during H1:
 - Inflation increases between 2022 – 2023 impacted disposable income
 - Higher for longer interest rates delayed change in consumer recovery cycle
 - Both contributing to negative real wage growth and lower disposable income
- Significant improvement in consumer confidence in the last 18 months from -23 to -5 index points



GROUP HIGHLIGHTS

Improving sales and comparable sales trend through H1

Profitable market share gains of 60bps

Gross profit increased 8.1% and gross margin expanded by 110bps to 39.7%

92 stores opened, 2 958 in total

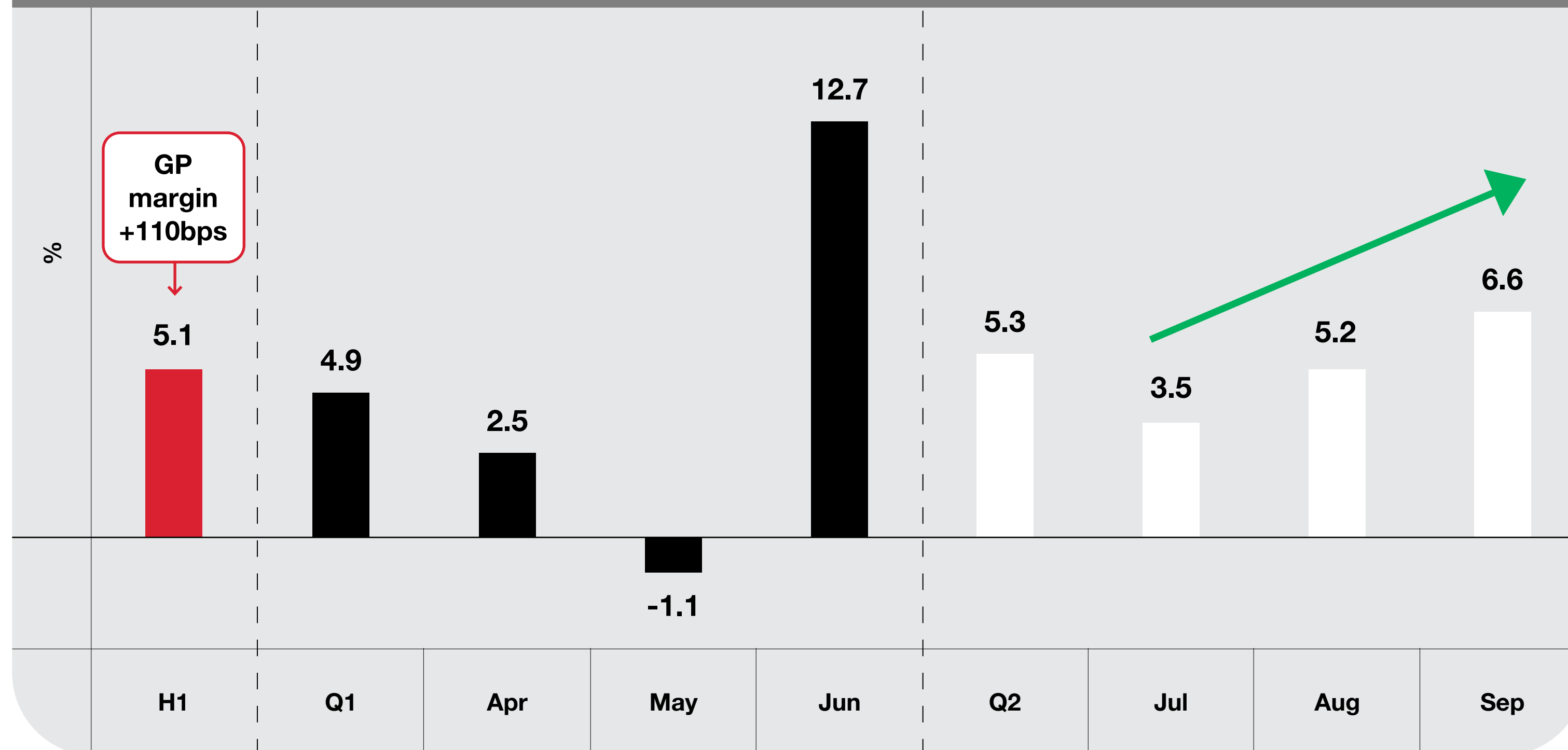
Significant sales momentum into H2, double digit growth across all segments



GROUP PERFORMANCE

Despite the challenging operating environment, sales momentum improved at better GP margin

SALES GROWTH



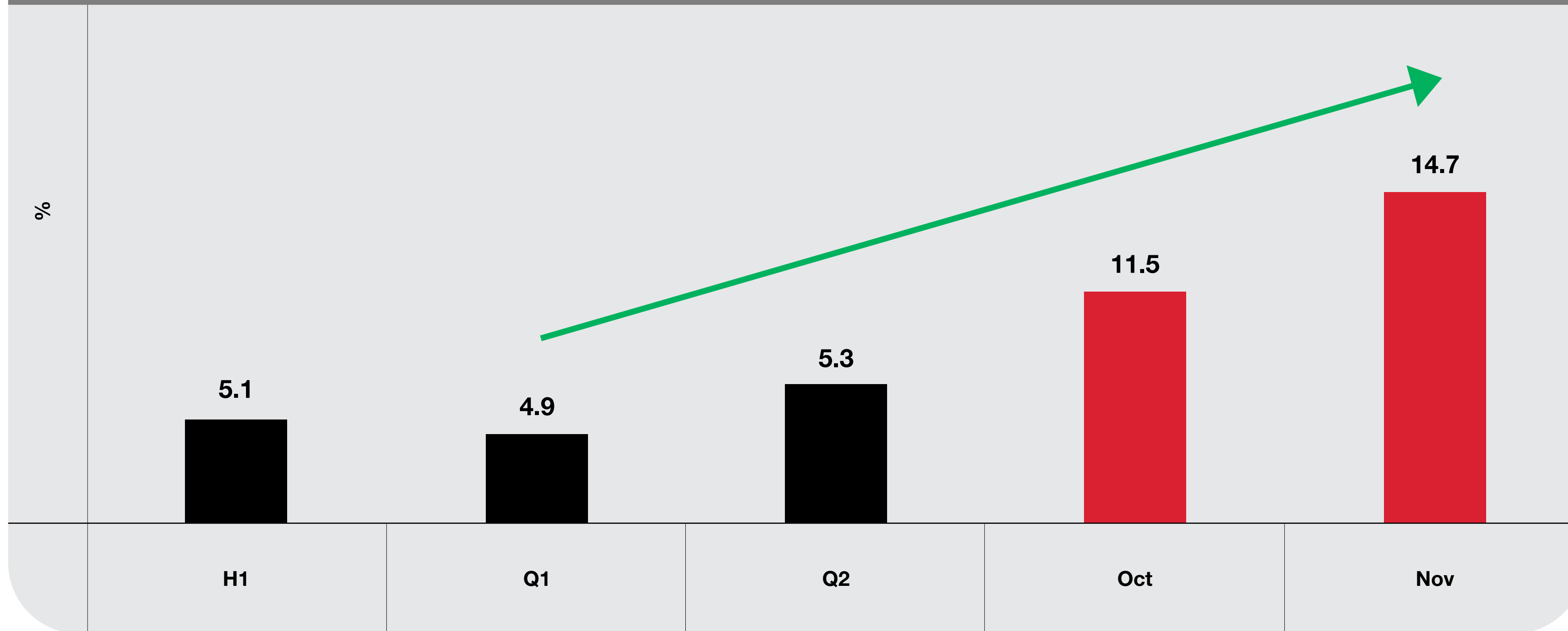
Insights

- Highly erratic spending patterns through the half
- April – May
 - Late onset of winter
 - Election uncertainty
- June
 - Pent-up winter demand
 - Improved consumer confidence post elections
- July
 - Highly promotional environment
 - Group gained GP margin
- August – September
 - Gradual improvement in sales momentum
 - Continued market share gains at better GP margin



October - 16 November 2024: strong sales momentum across the business, all segments reporting double digit growth and margin expansion

SALES GROWTH



GROUP INTERIM RESULTS




Revenue	Gross profit	EBITDA*	Operating profit
R17.6bn	R6.8bn	R3.5bn	R2.0bn
+5.2%	+8.1%	+5.8%	+4.0%
HEPS	Diluted HEPS#	Dividend per share	Cash reserves
481.8c	468.0c	303.6c	R2.2bn
+7.1%	+6.5%	+7.1%	+90.4%



GROUP PERFORMANCE

02

Performance



By Praneel Nundkumar - CFO

REVENUE



R'm	FY2025	FY2024	H1 % change
Retail sales	16 902	16 087	5.1%
Other income	636	607	4.8%
Financial services & telecoms	562	523	7.3%
Other ¹	74	84	(11.8%)
Total retail sales, interest & other income	17 538	16 694	5.1%
Finance income ²	91	57	59.4%
Total revenue	17 629	16 751	5.2%

- ¹Base inflated by insurance proceeds relating to business interruption insurance
- ²Interest earned on higher cash balance

Retail sales growth H1 FY2025		
	Q1	Q2
Total retail sales growth	4.9%	5.3%
Comparable stores sales growth	0.1%	0.7%



GROUP INCOME STATEMENT



R'm	FY2025	FY2024	H1 % change
Revenue	17 629	16 751	5.2%
Gross profit (pg 17)	6 751	6 245	8.1%
Expenses (pg 18)	(5 298)	(4 849)	9.2%
Profit from operating activities	2 000	1 923	4.0%
Net finance (expense) ¹	(313)	(336)	(7.0%)
Profit before taxation	1 687	1 587	6.3%
Taxation	(451)	(426)	5.9%
Profit after taxation	1 236	1 161	6.5%
Profit attributable to non-controlling interests ²	(3)	7	(137.6%)
Profit attributable to equity holders of parent	1 239	1 154	7.3%

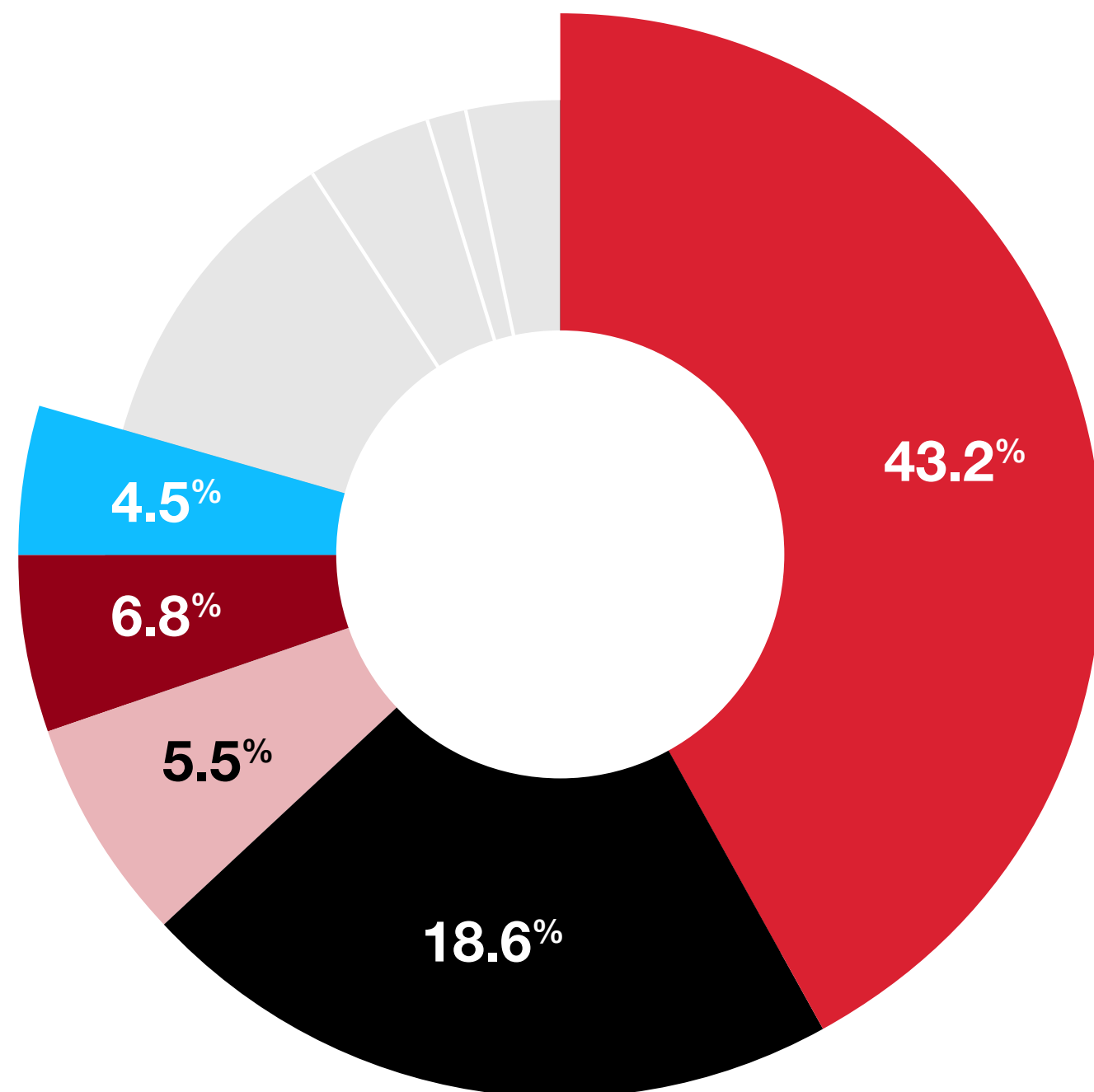
EBITDA up 5.8% to R3.5bn

- ¹Increase on interest on lease liabilities offset by interest income on higher cash balance
- ²Studio 88:
 - Materially seasonally weighted to H2
 - Net of amortisation on intangibles raised at acquisition





Divisional contribution (Retail sales)



■ Mr Price Apparel ■ Mr Price Sport ■ Miladys
■ Studio 88 ■ Power Fashion

Segment contribution

78.7% (LY: 78.8%)

% CHANGE

FY2025

Retail sales

+4.9%

Operating profit

(1.6%)

SALES DRIVERS

Comp sales growth

+0.6%

Units growth

+2.9%

RSP inflation

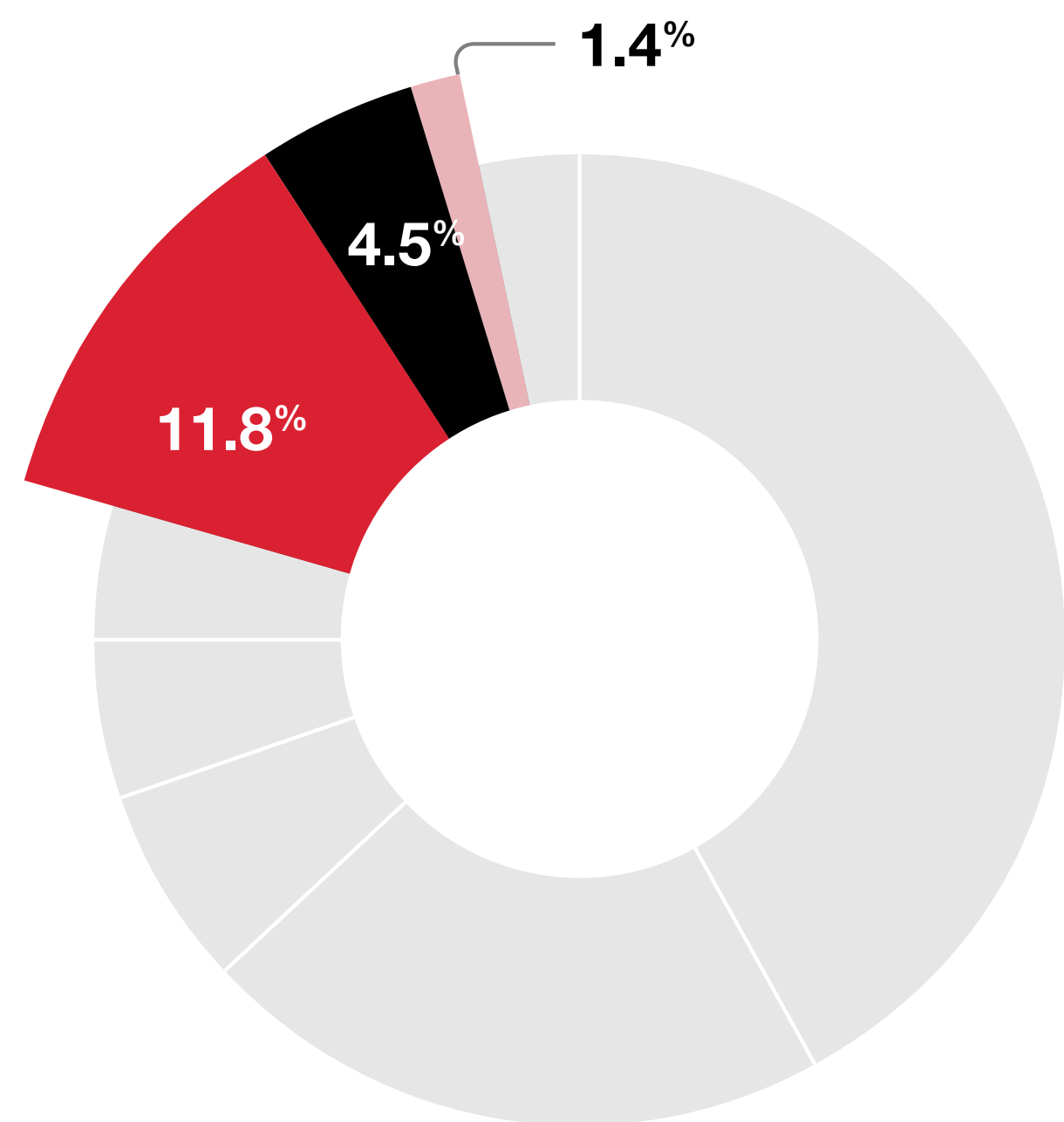
+1.5%

Sales density

R37 107m²



Divisional contribution (Retail sales)



■ Mr Price Home
 ■ Sheet Street
 ■ Yuppiechef

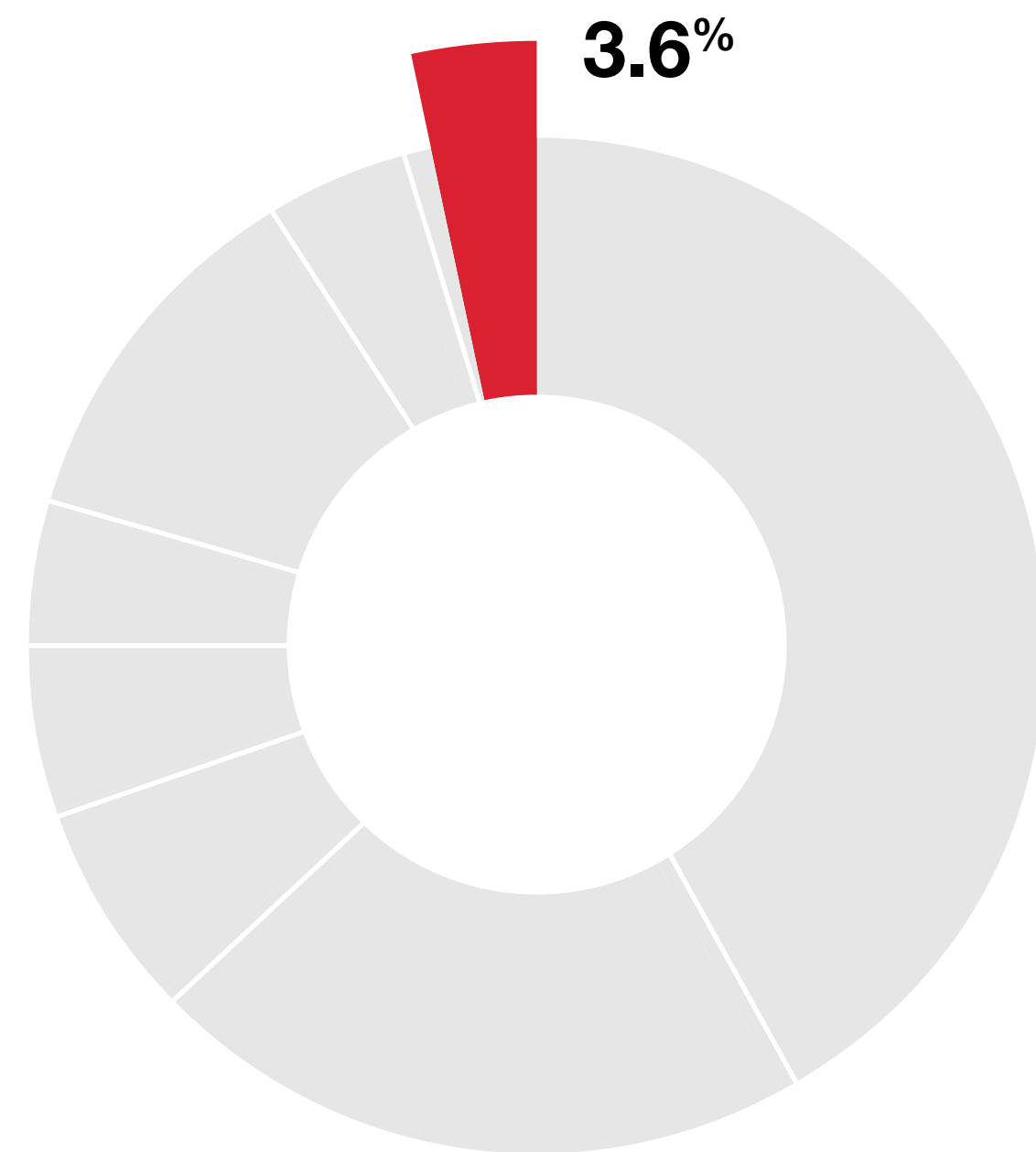
Segment contribution

17.7% (LY: 17.9%)

% CHANGE	FY2025
Retail sales	+4.3%
Operating profit	+7.8%
SALES DRIVERS	
Comp sales growth	+0.1%
Units growth	(1.5%)
RSP inflation	+5.5%
Sales density	R29 377m ²



Divisional contribution (Retail sales)



■ Mr Price Cellular and Powercell

Segment contribution

3.6% (LY: 3.3%)

% CHANGE

FY2025

Retail sales

+13.1%

Operating profit

+14.7%

SALES DRIVERS

Comp sales growth

(0.8%)

Units growth

(14.2%)

RSP inflation

37.1%

SPACE GROWTH

Total group owned:

2 958 stores



Apparel segment

2 318 stores

Homeware segment

594 stores

Cellular segment

46 stores

Mr Price	612
Mr Price Kids	38
<i>(Mr Price Kids assortment present in 650 stores)</i>	
Miladys	266
Mr Price Sport	176
Power Fashion	307
Studio 88 (5 trading chains)	919

Mr Price Home	232
Sheet Street	341
Yuppiechef	21

Mr Price Cellular	46
<i>(Total locations including store-in-store: 553)</i>	

Store and space growth insights (Refer pg 43 for detail)

- New stores: 92
 - Apparel segment: +80
 - Home segment: +7
 - Telecoms segment: +5
- New store returns well above internal thresholds and far in excess of WACC
- New w.avg space growth of 6.1%
- Net w.avg space growth of 4.9%



GROSS PROFIT ANALYSIS



	FY2025	FY2024
Group	39.7%	38.6%
Apparel	40.2%	39.1%
Homeware	42.2%	40.5%
Telecoms	20.3%	20.0%

- Group:
 - Strong product execution: merchandise GP margin up 120bps
 - Clean exit of winter season and lower markdowns
- Apparel:
 - Four out of five divisions grew GP margin
 - Power Fashion and Studio 88 continue to move towards targeted range
- Homeware:
 - All divisions improved GP margin
 - Strategic category extensions and growth in private label driving margin gains for Yuppiechef
- Telecoms:
 - Positive mix changes continue to contribute to margin gains as expected





OVERHEAD EXPENSES

Total expenses: Selling expenses 75.2%; admin expenses 24.8%

Manageable costs well controlled

R'm	FY2025	FY2024	H1 % change	% of RSOI#
Depreciation* and amortisation	1 479	1 364	8.4%	8.4%
Employment costs	2 054	1 944	5.7%	11.7%
Occupancy costs	543	475	14.4%	3.1%
Other operating costs	1 222	1 067	14.5%	7.0%
Total expenses	5 298	4 849	9.2%	30.2%

Excluding exchange rate fluctuations total expenses increased 7.9%

- Employment costs:
 - 209 new stores opened in last 12 months
 - Impact of minimum wage increase on higher staff complement
- Occupancy costs:
 - W.avg space growth of 4.9%
 - Increase in month-to-month leases during process of renewal
 - Further increases in utilities of 18.2%
- Other costs
 - Exchange rate fluctuations on foreign territories of R67m



OPERATING MARGIN



	FY2025	FY2024
Group	11.4%	11.5%
Apparel	11.3%	12.0%
Homeware	9.4%	9.1%
Telecoms	10.2%	10.1%

- Group:
 - H1 margin typically lower than H2
 - Weaker Q1 sales growth impacted operating leverage
- Apparel:
 - Margin impacted by high price point branded merchandise and impact of negative credit cycle on Miladys
- Homeware:
 - Continued improvement driven by higher sales than LY and improved gross margin
- Telecoms:
 - Growth of private label handsets and higher margin accessories positively impacting margin
 - 30 consecutive quarters of market share gains - reaping benefits of increasing scale



BALANCE SHEET ANALYSIS



Gross inventory

Excluding GIT*: 9.5%

13.6%

Stock freshness of 86.5% (+550bps)

Trade and other receivables

14.9%

Debtors' interest and charges up 6.0%

Trade & other payables

20.7%

Supply chain finance: growth in international

Net working capital

(R287m)

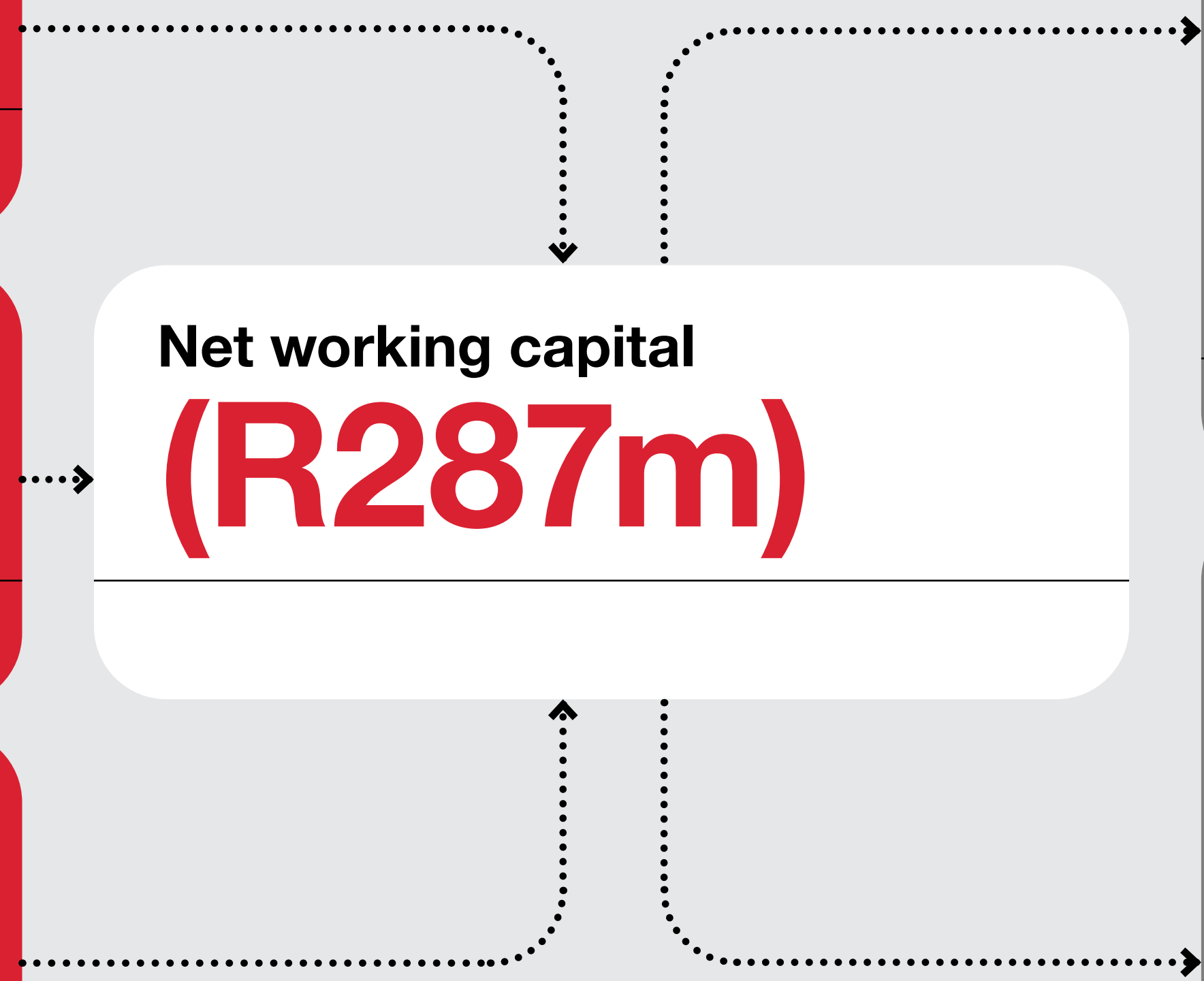
Debt free

Unencumbered balance sheet

Cash & cash equivalents

R2.2bn

Cash conversion ratio of 83.7% (+230bps)



The Working Capital Forum:

- Group received the award for 'Best Use of Supply Chain Finance' and the gold award for 'Best Use of Working Capital'
- First time an African country has received a gold award from the forum

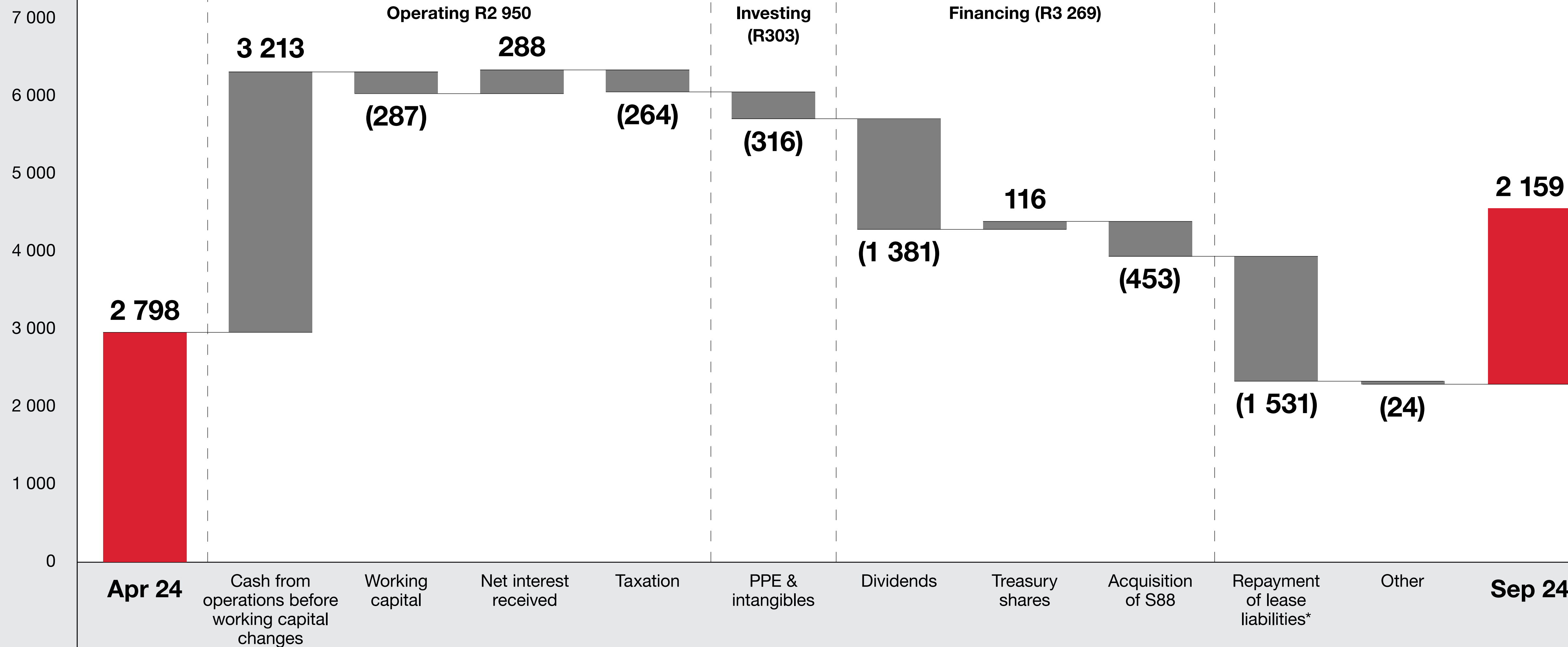


CASH FLOW MOVEMENTS



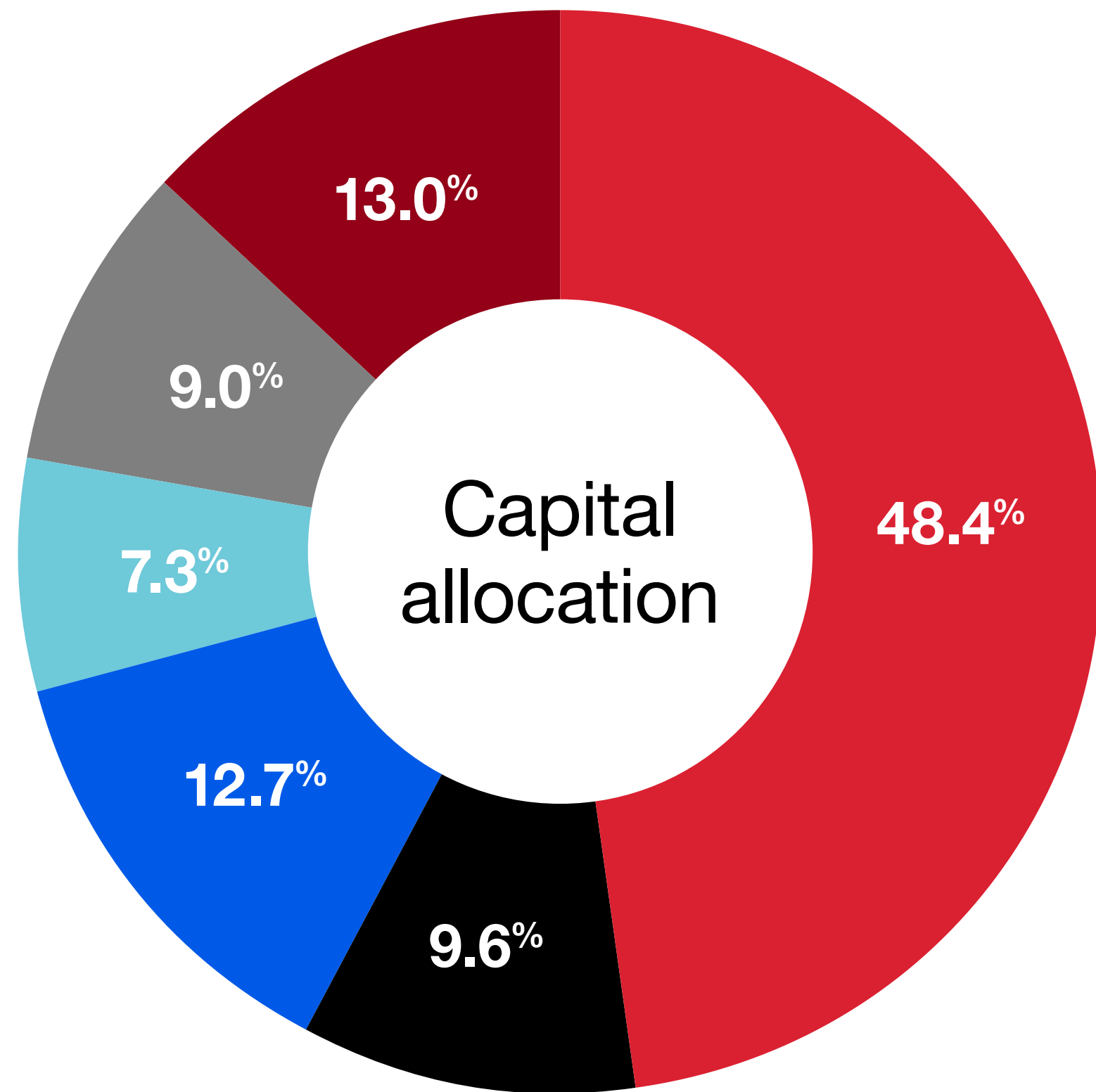
R'm

Cash generation driving working capital improvement



ALLOCATION OF CAPEX

Funded wholly from cash reserves



Capital expenditure H1 FY2025

R3883m

- Primarily allocated to stores (70.7%)
- Continued investment into revamps

Key

● New stores
● Logistics

● Expansions
● Other

● Revamps

● Technology



CREDIT GROWTH PERFORMANCE

Credit sales

R2.0bn

11.9% of total sales

+2.7% YoY growth

19.0% approval rate

Credit growth & contribution

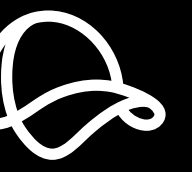
- Opportunity to increase to upper limits in positive trending cycle early signs of approval rate rising to >20%
- Risk tolerance to be driven by data insights

Debtors' book

R'm	Sep 24	Mar 24	Sep 23	% change	
				Sep/Mar	Sep/Sep
Debtors' book	2 851	2 848	2 440	0.1%	16.8%
NBD: book (excl collection costs)	1.0%	2.2%	10.0%		
Impairment provision	13.0%	13.9%	10.5%		

Book performance

- Re-assessed suitability of the write-off point:
 - Historically conservative - led to higher post-write off recoveries
 - Write off point moved out to create a charge off portfolio on balance sheet
- Resulted in:
 - Increase in debtors book and decrease in write-offs (lowering NBD %)
 - Increase in impairment provision % coverage due to higher debtors book
 - Net impact on income statement not material
 - NBD % expected to normalise at FY2025 year end
 - Book aging:
 - No change in current vs LY comparing on a like-for-like basis
 - Improvement in first installment defaulters on new accounts



STRATEGY PROGRESS
& OUTLOOK

03

Value Creation



By Mark Blair - **CEO**



CAPITAL MARKETS DAY 2024

- Hosted in September with 56% of the group's shareholding present
- 96% of attendees recognised the event as an effective engagement opportunity with management, and received greater clarity on group strategy
- Strong focus on strategic investment through the cycle, unlocking opportunities as the economy turns

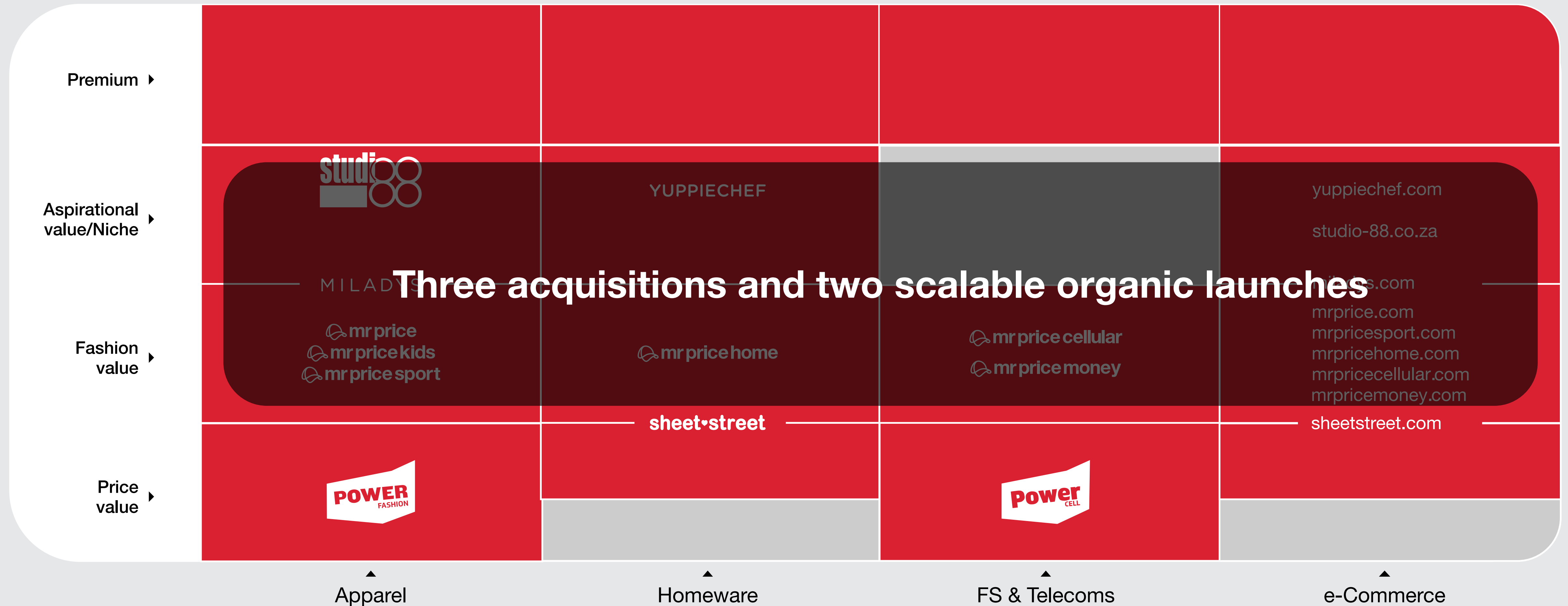


INVESTED THROUGH THE CYCLE

CUSTOMER DIVERSIFICATION

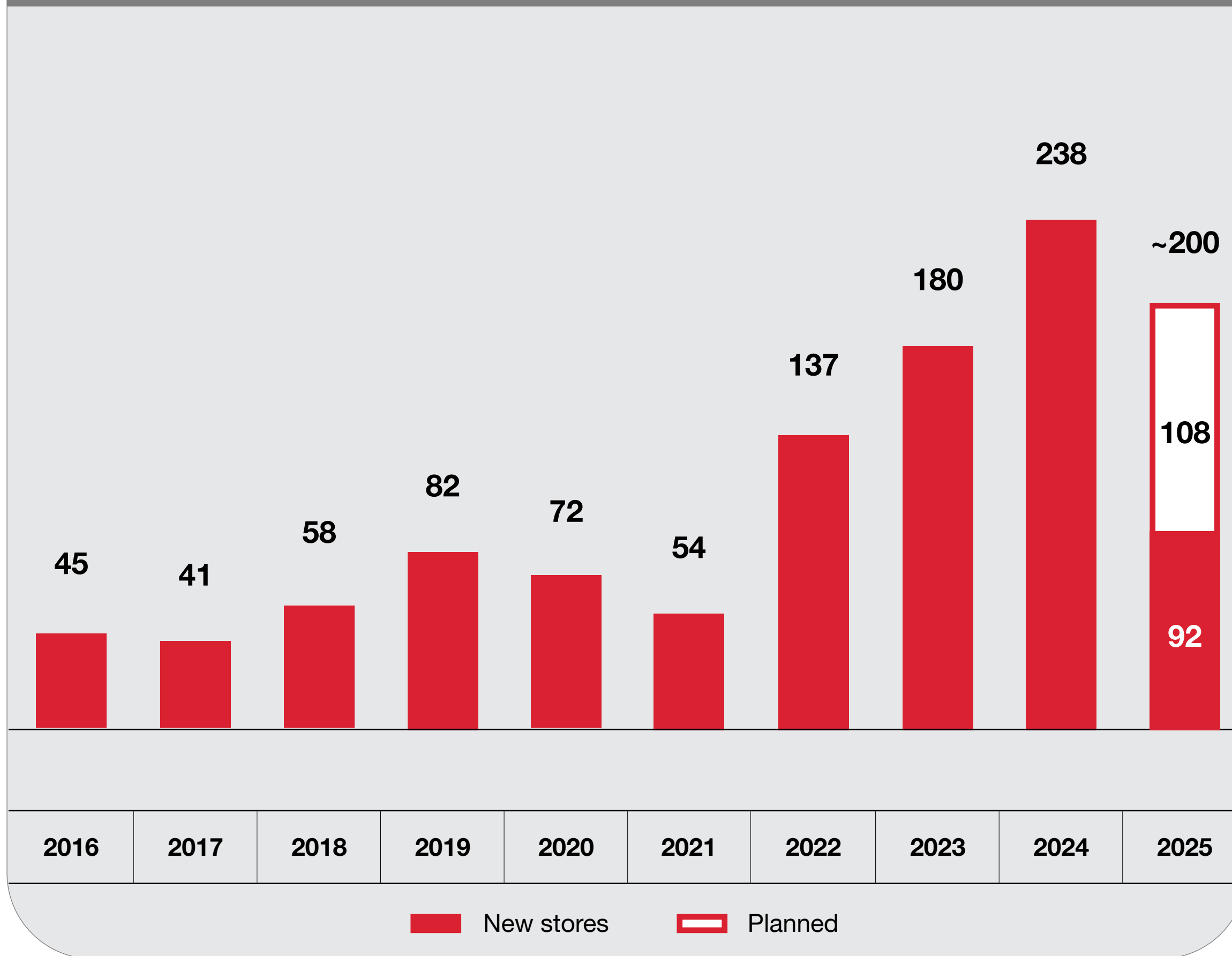
Strategic investment into acquisitions and organic concepts:

- Strengthening and diversification of the group's fashion-value offerings
- Expansion of customer base across multiple income segments

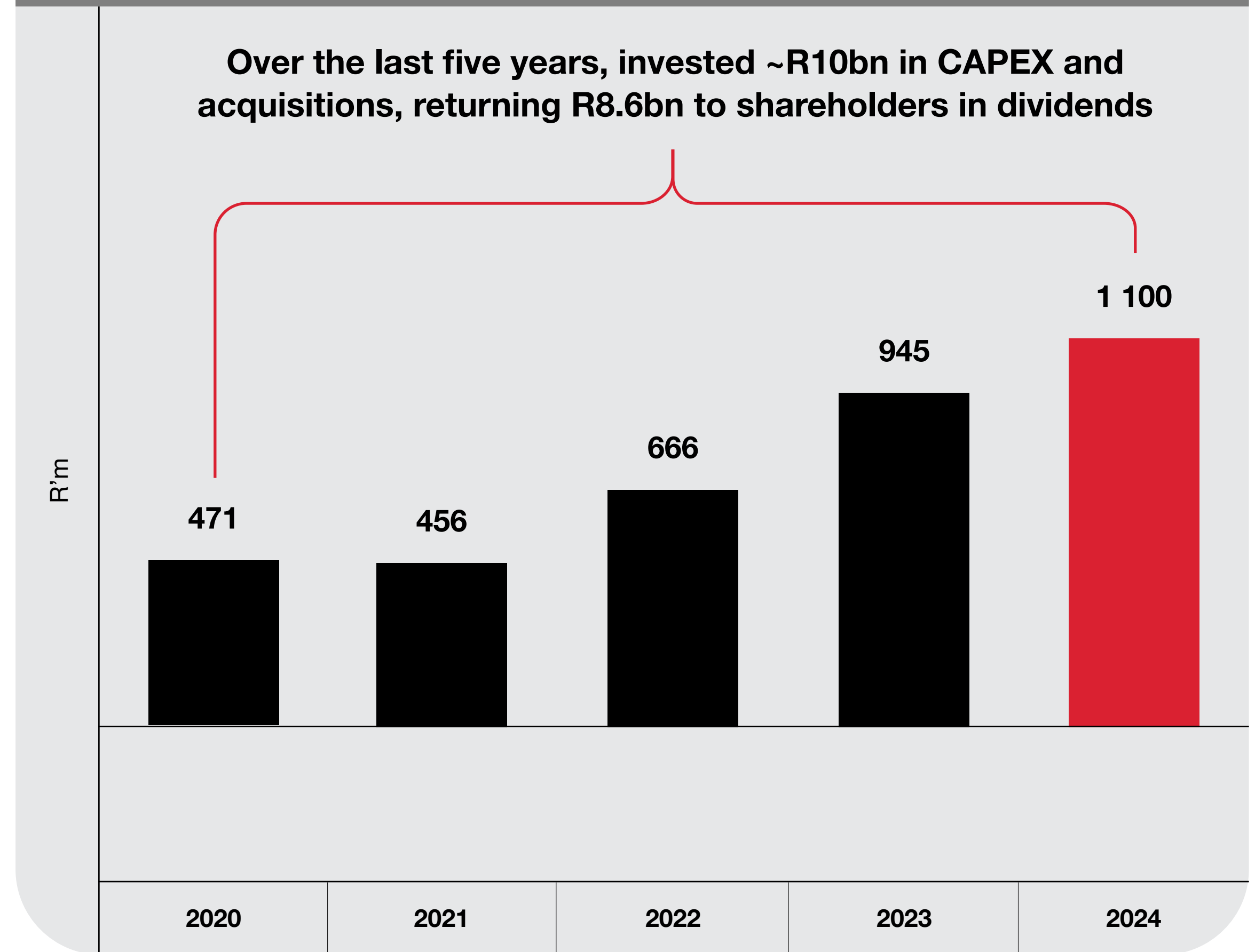




NUMBER OF NEW STORES OPENED



TOTAL CAPITAL EXPENDITURE





INVESTED THROUGH THE CYCLE

OPERATIONAL EXCELLENCE

Our people

Investment into a strong leadership team with deep succession



Merchandise processes

Reinforcing tried and tested multi-decade processes



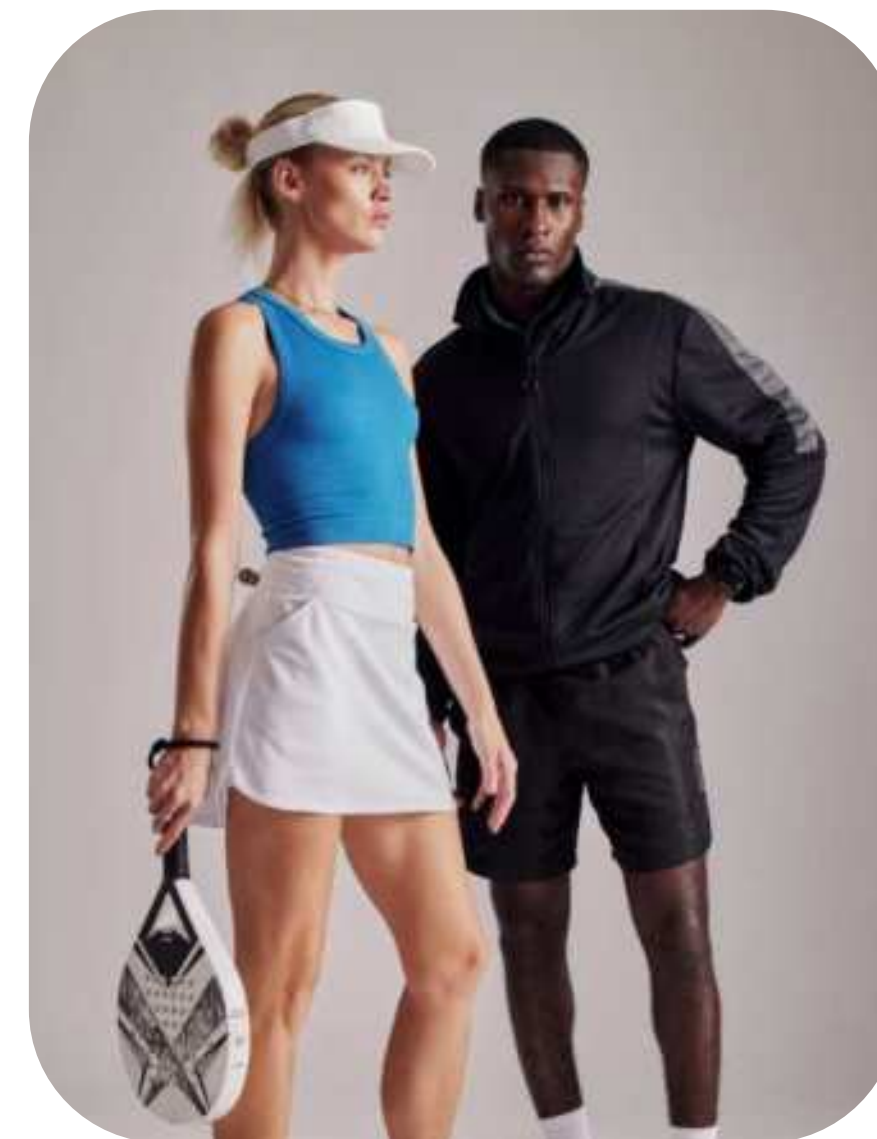
Technology

Successful implementation of ERP system



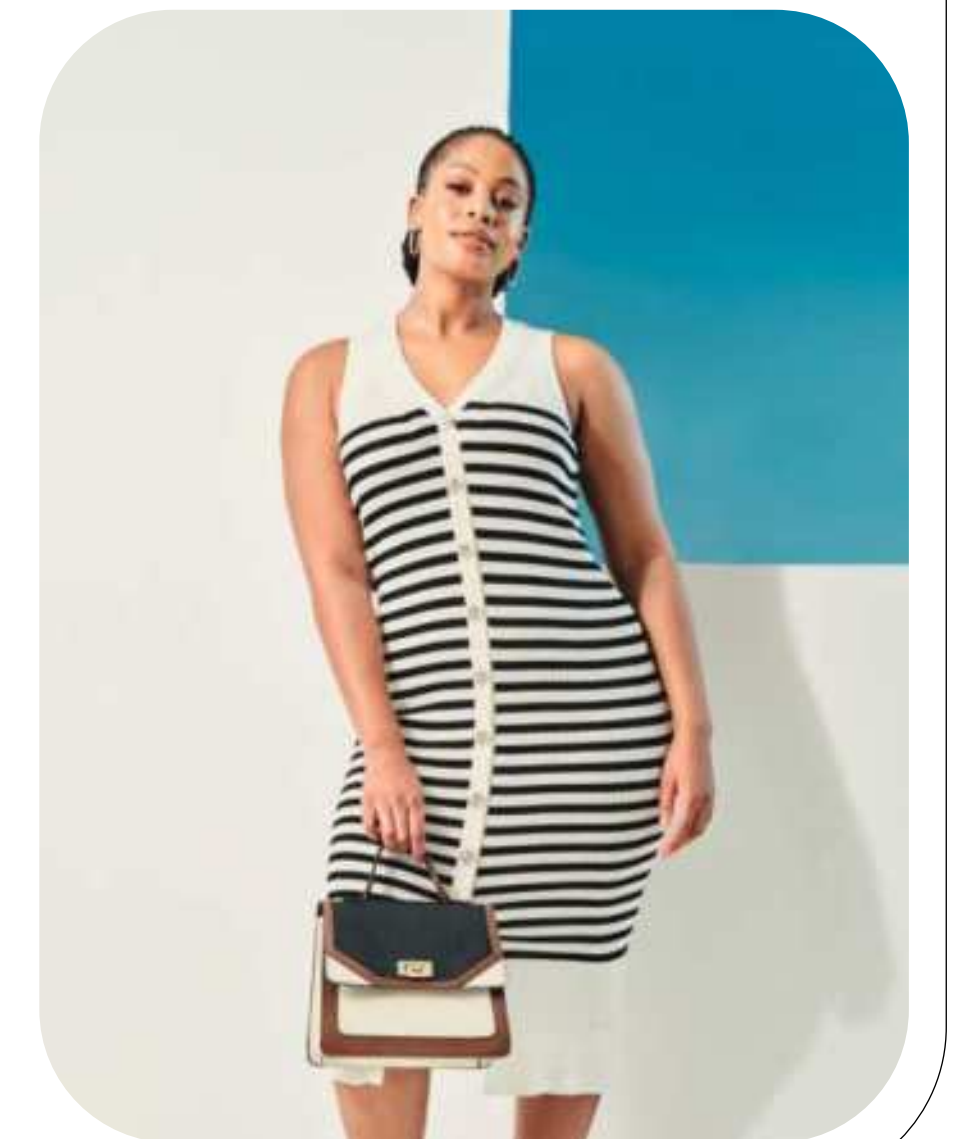
Supply chain

Improved agility enabling faster response times



Logistics

Established supply chain (logistics) blueprint



Strategic supply chain enablement

Current distribution centre facilities and operations:

- KwaZulu-Natal
 - Hammarsdale: 62 000m²
 - Power Fashion: 11 000m²
- Western Cape
 - Yuppiefchef: 4 000m²
- Gauteng
 - Studio 88: 10 000m²
 - Gosforth Park: 30 000m²

Reconfiguration of Gosforth Park facility

- Dual distribution centres will leverage group warehouse management principles
- Supporting sustainable growth while further mitigating risks through a multi-site strategy
- Expansion will efficiently and cost-effectively handle northern regional demand and support business growth in the region
- The facility will feature current warehouse management solutions and selected automated material handling systems to ensure robust and efficient operations



South Africans continue to choose our differentiated fashion-value offerings

Most shopped
apparel & homeware
retailer in
South Africa



Highest brand equity in the
apparel and
homeware
sectors



Supported by

- Store revamps
- Strong digital marketing presence
- Sought-after omni-channel offering
- Customer focus at every touch point

CAPITAL ALLOCATION FRAMEWORK

Committed to capital allocation framework:

- Allocate cash to highest returning opportunities
 - Invest for the long-term in the most attractive opportunities based on returns and scalability
- Ongoing assessment of dividend policy and share buybacks

CONCEPT CONSIDERATIONS: RESEARCH TO INFORM CAPITAL ALLOCATION

Acquisition considerations

- Level of earnings accretion
- Immediate access to new customer or merchandise segment
- Retention of existing management reduces group distraction
- Consider appropriate integration
- Regulatory approvals

Organic considerations

- Excellent opportunity to leverage internal skill and capability
- Ability to differentiate by launching unique and in-demand concepts
- Shape of profits (short-term losses vs size of long-term opportunity)
- Leverage strength of Mr Price and Power Fashion brands

CUSTOMER SEGMENT CONSIDERATIONS: RESEARCH TO INFORM CAPITAL ALLOCATION



STRATEGY FRAMEWORK

Strategic outcomes

FRONTLINE
Surprise and delight our customers

ENABLERS
People | Operations | Sustainability

1. Profitable market share	3. Diversified offering	5. Operational excellence
<ul style="list-style-type: none"> • Growing comp sales • Space growth • Category extensions 	<ul style="list-style-type: none"> • Omni-channel • Differentiated fashion • Value positioning 	<ul style="list-style-type: none"> • Digital & tech modernisation • Supply chain • Efficiencies & leverage
2. Customer obsessed	4. Scalable opportunities	6. Top quartile returns
<ul style="list-style-type: none"> • Leading brand equity • Customer engagement • Data insights 	<ul style="list-style-type: none"> • Strategy function • New growth vehicles 	<ul style="list-style-type: none"> • Disciplined capital allocation framework • Industry leading metrics

Underpinned By Six Strategic Pillars

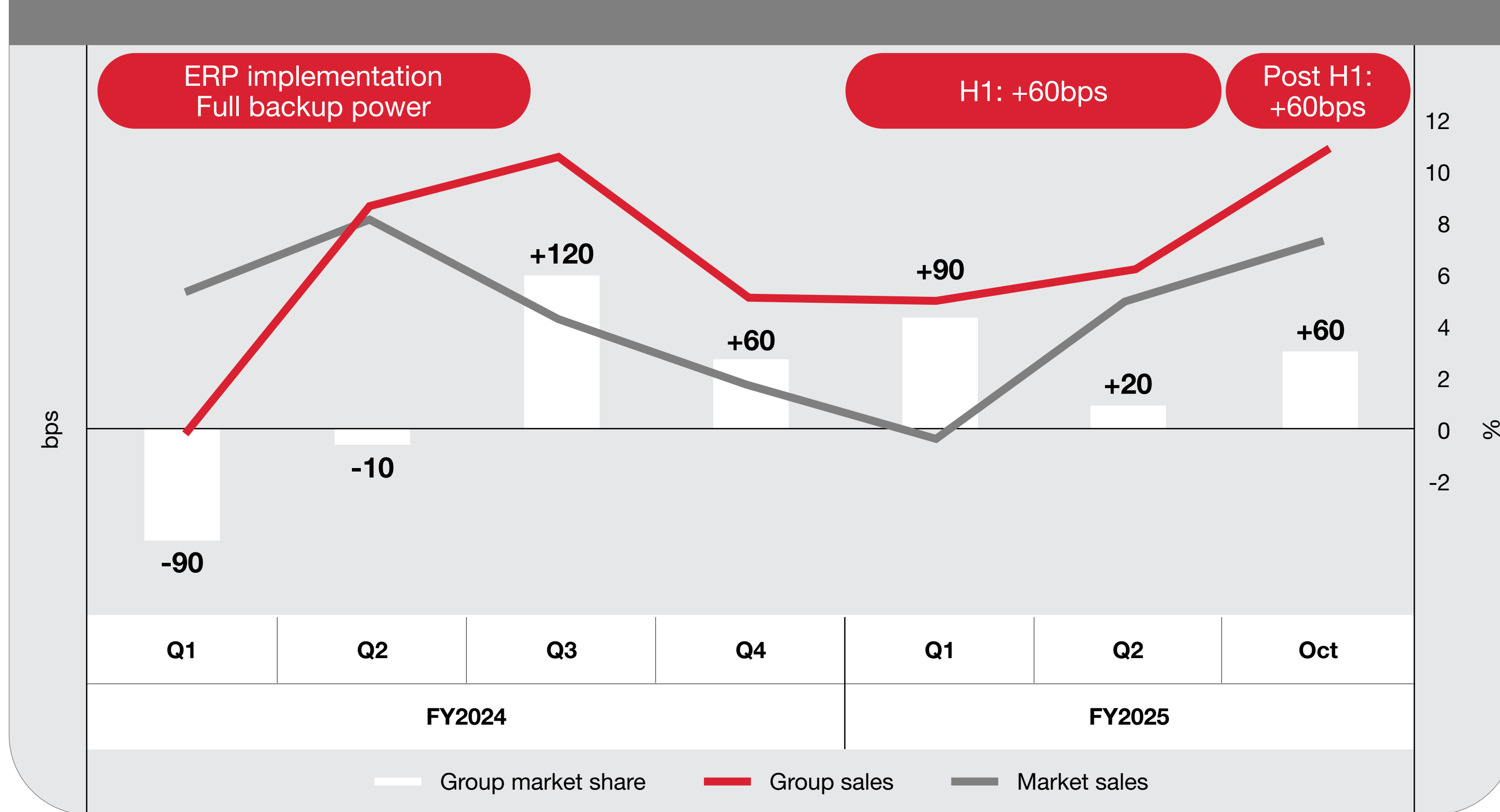


PROFITABLE MARKET SHARE

GROUP

Four quarters of consecutive market share gains; sales growth exceeding the market since Q2 FY2024

GROUP MARKET SHARE & SALES GROWTH



H1 market share gains

RLC	StatsSA
+60bps	+70bps*

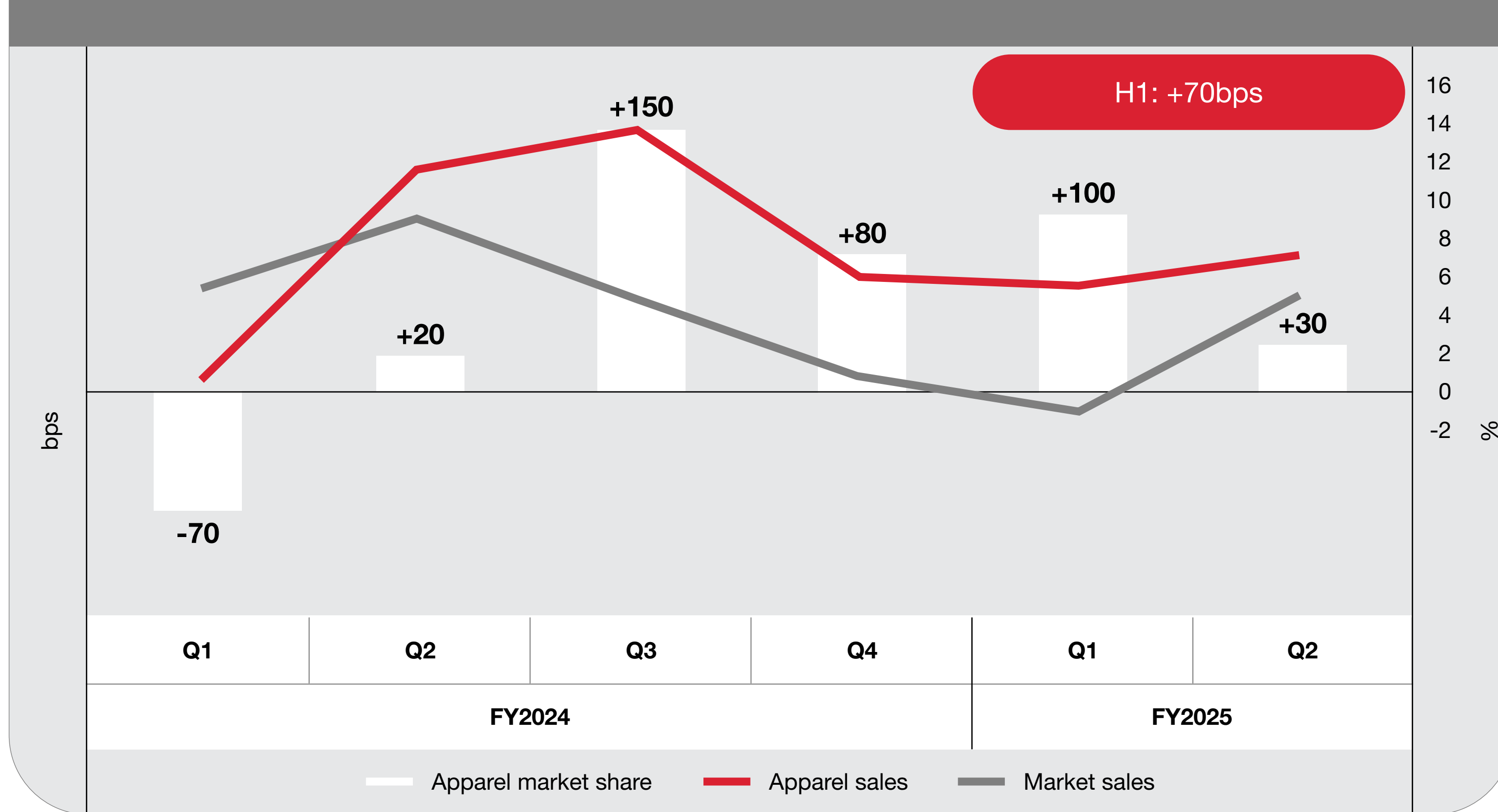


PROFITABLE MARKET SHARE

APPAREL SEGMENT

Five quarters of consecutive market share gains, more than R1bn recovered in the last 12 months

APPAREL SEGMENT MARKET SHARE & SALES GROWTH



Focus in H2

- Effective execution of differentiated fashion-value merchandise
- Organic growth of under-indexed departments
- Positive store growth across all divisions
- Continued improvements to omni-channel offering and key customer touchpoints
- Strengthening market share momentum from H1

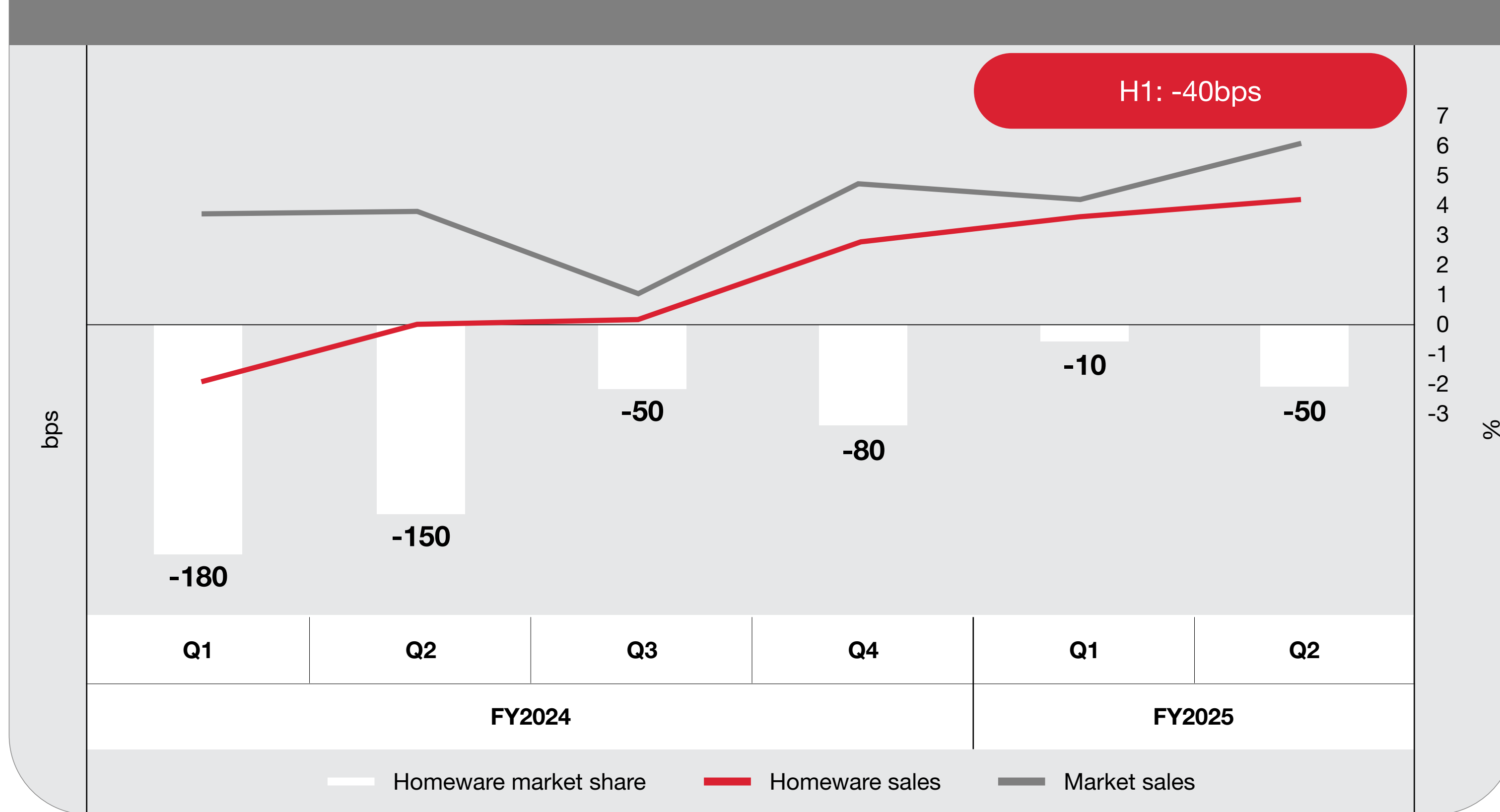


PROFITABLE MARKET SHARE

HOMEGWARE SEGMENT

Increasing sales momentum

HOMEGWARE SEGMENT MARKET SHARE & SALES GROWTH



Focus in H2

- Meaningful GP margin improvements
- Capitalise on additional discretionary spend anticipated in the second half
- Further build on sales growth trend



ECONOMIC OUTLOOK



Global

South Africa

UNCERTAINTY REMAINS:

- Ongoing geopolitical tensions
- Supply chain volatility
- US election outcome impact to be seen
 - Initial dollar strengthening against emerging markets



MANY POSITIVES SIGNALING A CHANGE IN CYCLE:

- GNU stability, with improved governance and increased transparency on public spending
- National infrastructure reforms supported by private sector collaboration
- No loadshedding since March 2024
- Unemployment rate declined in Q3 2024 for the first time in a year, number of people employed up 294 000
- Playing fields levelled against foreign ecommerce players - full import duties now apply
- Revised SA ratings outlook from stable to positive, possibility of future upgrade
- Medium-term economic growth forecast of 2.0%

CONSUMER OUTLOOK

Entering a more positive phase for consumers with improving disposable income & household expenditure

Two-pot retirement reform:

- R35bn paid out since 1 October 2024
- Individuals can access funds annually

Consumer confidence has reached a five-year high:

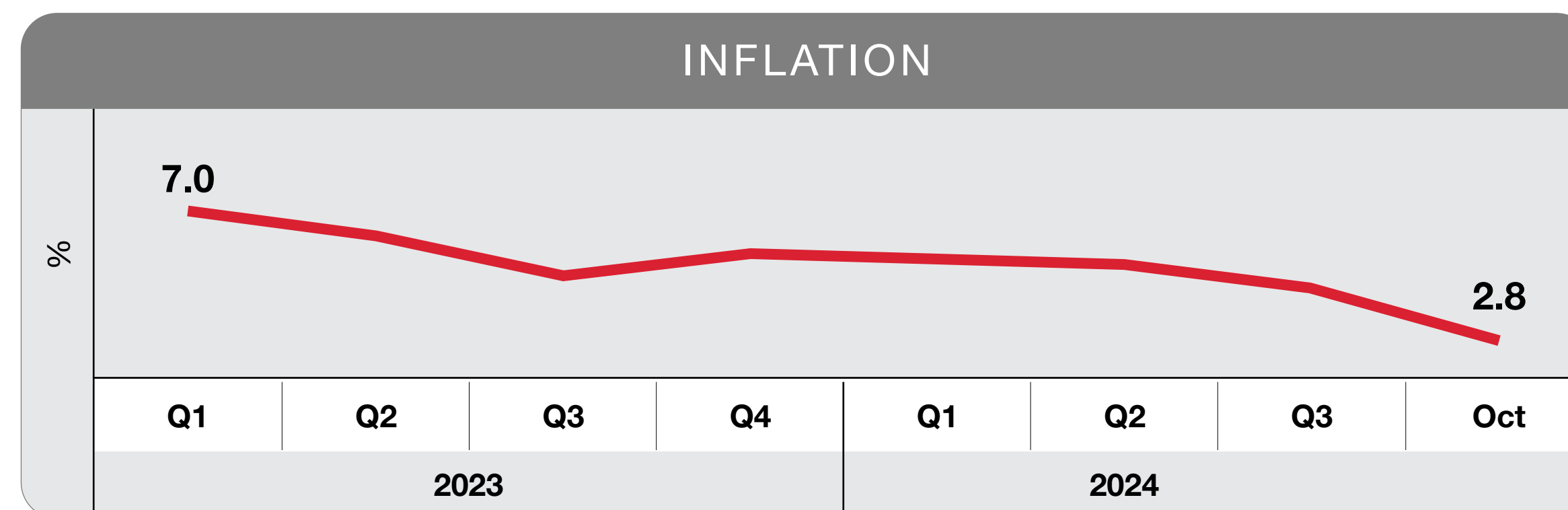
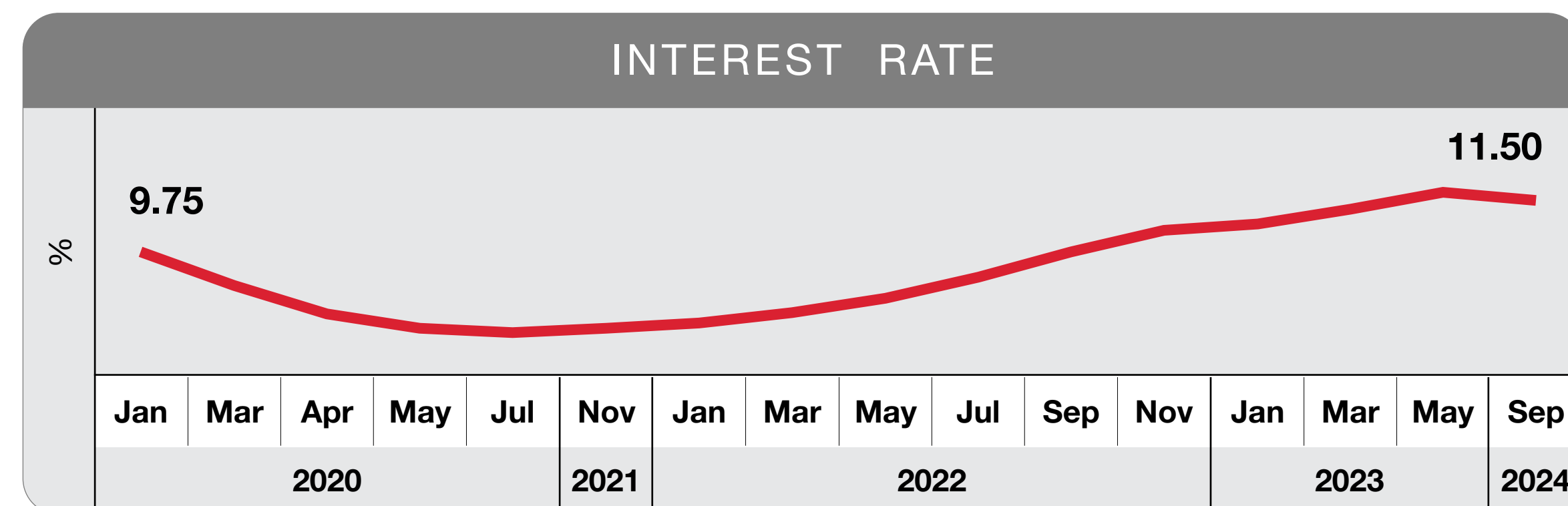
- Passenger vehicle sales highest in October since 2019
- Five months of consecutive fuel price decreases, lowest since March 2022

Interest rate cycle has changed:

- 25bps cut on 20 September 2024
- 25bps cut expected on 21 November 2024
- 50bps by year end. Further 125bps by March 2026

Inflation:

- Greatest impact of historically high food and transport inflation felt by low to mid income consumers
- Moderated to within Reserve Bank range of 3% – 6% in H1



The group is well positioned to benefit from the improving environment:

Lower to mid income consumers were the 'hardest hit' during the period of economic downturn



Sales growth trend

October	+11.5%
November (to 16th)	+14.7%
Combined 7-week period	+12.4%

Double digit sales growth in all three segments

Top 4 performing divisions: Studio 88, Mr Price Apparel, Power Fashion and Yuppiechef

Inventory position at end of September was well considered

Divisions with the highest stock growth are achieving the highest sales growth





Focus areas remain guided by our strategic outcomes

Further store rollouts | ~108 new stores in H2

Strong execution of launched organic concepts | Mr Price Kids and Mr Price Cellular

Growth in comp sales

Continued momentum of profitable market share gains

Continue selective and well paced integration of acquired businesses

Collective business efforts to achieve medium-term targets



PROGRESSING NEXT GROWTH PHASE



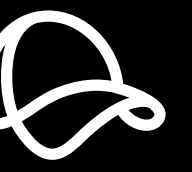
After closing the initial acquisition of Studio 88, the remainder of FY2023 was dedicated to:

- An inward focus on extracting value from the three acquisitions
- Scaling the two organic launches

Since then, the focus has shifted to:

- Research to identify new areas of growth
- Filtering process identified top opportunities which have received dedicated focus
- Established guiding principles for future investments
- Re-calibrated our investment criteria

Considerable progress has been made in identifying opportunities to lead the group into its next phase of growth



04

Appendix

SPACE GROWTH



Divisions	Store movements				Closing stores	W.avg net growth (m ²)
mrprice		3	20		650	4.9%
MILADYS	4	2	4		266	1.3%
mrprice sport		1			176	1.6%
studio (5 trading chains)	12		41		919	7.0%
POWER FASHION		2	14		307	9.1%
mrprice home	3	1	6		232	4.3%
sheet•street	13	1			341	(2.9%)
YUPPIECHEF		1	1		21	71.9%
mrprice money			5		46	39.7%
	Total store movements				Total	Net growth
Stores	34	4	4	92	2 958	4.9%
	CLOSURES	REDUCTIONS	EXPANSIONS	NEW STORES		

EARNINGS & DIVIDEND PER SHARE



	FY2025	FY2024	H1 % Growth
Profit attributable to shareholders (R'm)	1 239	1 154	7.3%
W. Avg shares in issue (000)	257 251	257 186	0.0%
Basic earnings per share	481.5c	448.8c	7.3%
Addbacks (R'm)	0.9	2.9	
Headline earnings (R'm)	1 240	1 157	7.1%
Headline earnings per share	481.8c	449.9c	7.1%
Shares for diluted earnings (000)	264 840	263 320	
Diluted headline earnings per share	468.0c	439.5c	6.5%
Dividend per share	303.6c	283.5c	7.1%



EBITDA RECONCILIATION



	FY2025	FY2024	H1 % Growth
Profit from operating activities	2 000	1 923	4.0%
Total depreciation & amortisation	1 524	1 408	8.2%
EBITDA	3 524	3 331	5.8%

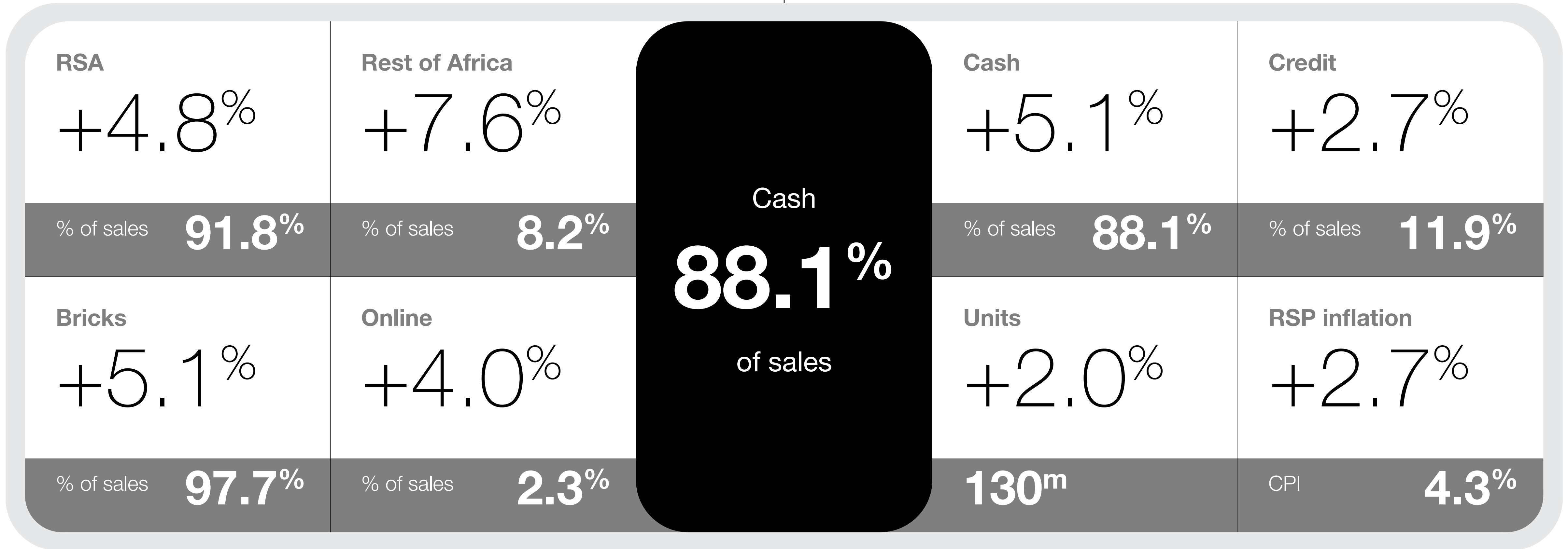


GROUP SALES GROWTH DRIVERS



Geography

Tender Type



Channel

Merchandise

REST OF AFRICA

Total % of group sales

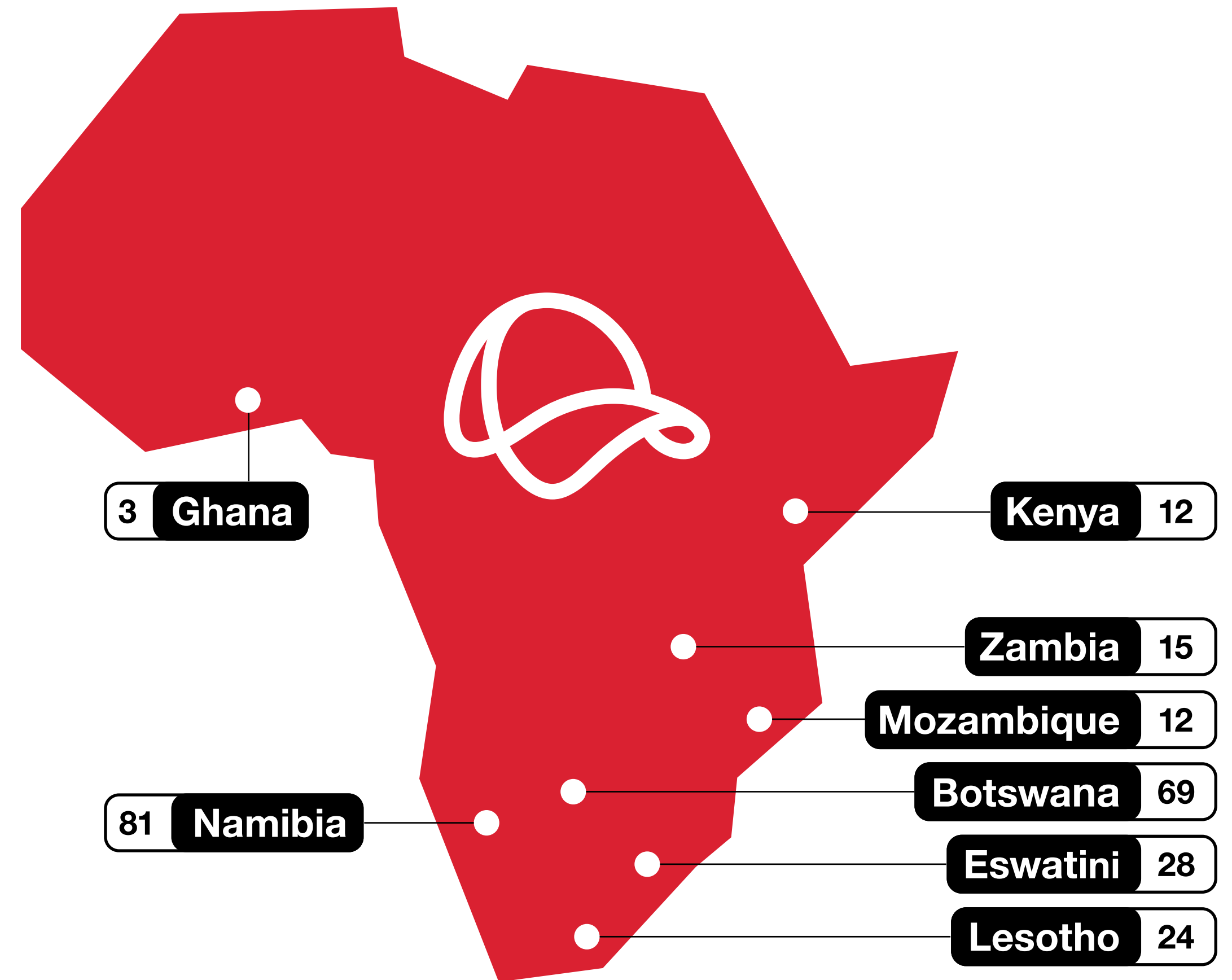
H1 FY2024	8.0%	H1 FY2025	8.2%
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No. of stores

Corporate owned stores	244	253
Franchise	9	

Sales growth (ZAR)

FY2025	+7.6%
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Thank you