ANNUAL INTEGRATED REPORT

2024

2 April 2023 - 30 March 2024

mr price group limited

START

Annual Integrated Report 2024

mr price group limited

CONTENTS

QUICK ACCESS TO OUR REPORTING SUITE

YOUR VALUE CHAMPION

VISION

To be the most **valuable retailer in Africa**

PURPOSE

Your Value **Champion**

mr price | mr price home | mr price sport | mr price money
sheet street | MILADYS | YUPPIECHEF | POWER FASHION | studio 88

mr price group limited

Group Performance

CFO's report >
Six-year review >

Revenue growth **+15.5%**	EBITDA **+13.5%**	Operating margin **14.0%**
HEPS **+6.7%**	Return on equity **+23.3%**	Dividend payout ratio **63.0%**

STRONG BALANCE SHEET

No long-term borrowing

R2.8bn Cash available	Retail sales	**R36.6bn**
	South Africa as a % of total sales	**92.2%**
86.9% Cash conversion ratio	Cash sales as a % of total sales	**88.9%**

Group Performance

CONTINUED

CHAMPION YOUR VALUE

Associates

> 32 000
employed

Engagement score 73%
Gallup 'exceptional workplace' category

top EMPLOYER SOUTH AFRICA 2024
CERTIFIED EXCELLENCE IN EMPLOYEE CONDITIONS

Associate value creation >

ESG

ENVIRONMENTAL

>47m of products
have a sustainable attribute

>91%
of waste recycled at head offices and DCs

SOCIAL

96.9% tier 1 & 2
factory visibility

R29.5m donated
to Mr Price Foundation

ECONOMIC

>103m units
procured in South Africa

R29.0m
invested in small and medium black-owned suppliers

Customers*

Most shopped
apparel and homeware retailer in SA

#1 most valuable
fashion apparel retailer in SA

Highest brand equity
in apparel and homeware segments in SA

Customer value creation >

Sustainability report >

* Nielsen | Kantar BrandZ | MAPS

YOUR VALUE CHAMPION

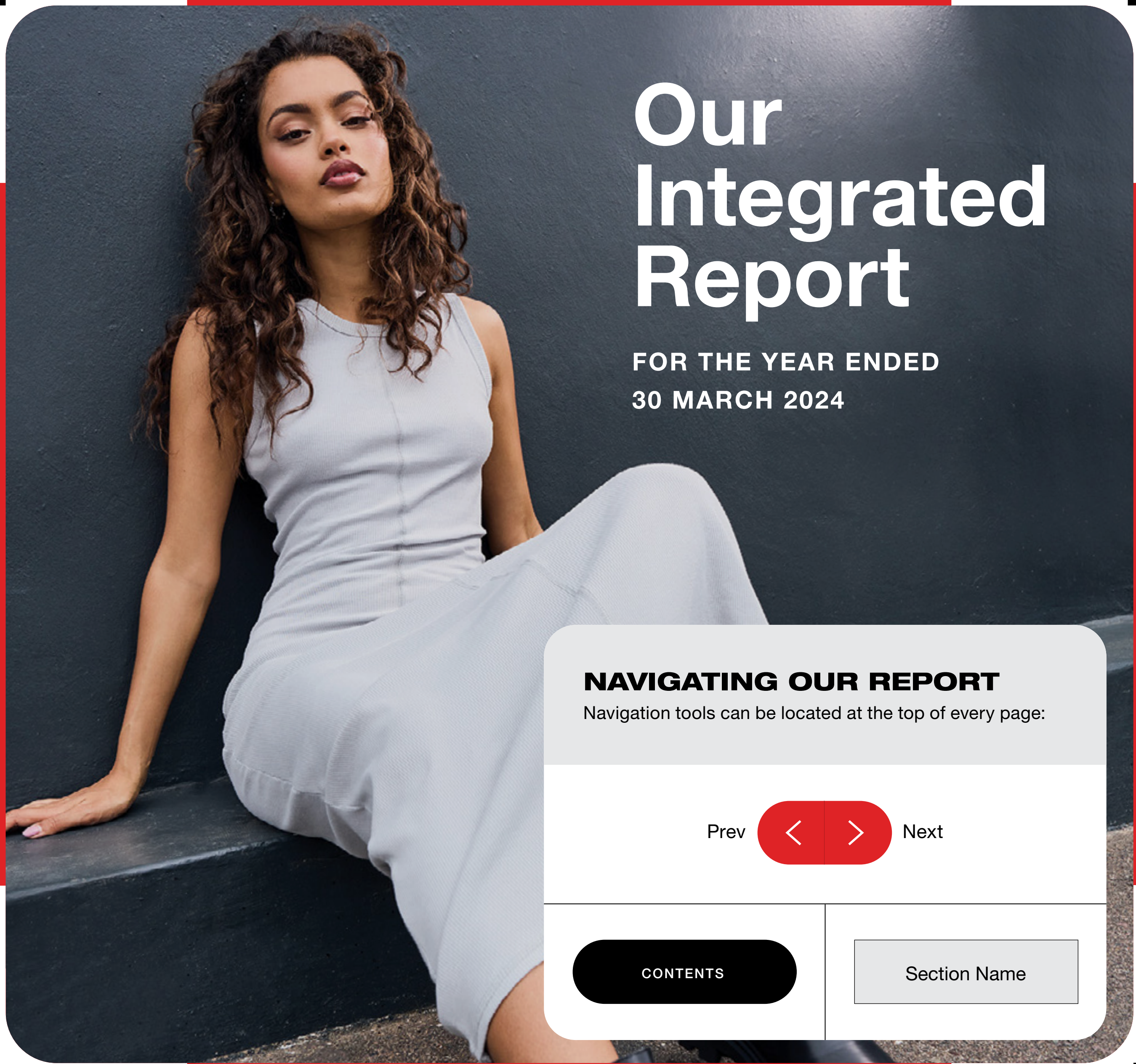
CHAPTER

01

Our Integrated Report

Contents

mr price group limited



Our Integrated Report

FOR THE YEAR ENDED 30 MARCH 2024

NAVIGATING OUR REPORT

Navigation tools can be located at the top of every page:

Prev Next

CONTENTS | Section Name

We have pleasure in presenting the 2024 integrated report (this report) for Mr Price Group Limited and its subsidiaries (the group). The purpose of this report is to provide our stakeholders with a comprehensive overview of our business, detailing how we work towards achieving the group's purpose of being Your Value Champion.

Your feedback

We value your feedback and encourage your input as we strive to continually improve our reporting. Feedback can be directed to: klechman@mrpricegroup.com

OUR REPORTING SUITE

To support our commitment to holistic and comprehensive reporting, this report is supported by the following publications:

2024
Integrated Report
Details the group's integrated processes which support sustainable value creation for all stakeholders and outlines progress against its strategy.

Contents

2024
Remuneration Report
Highlights the group's approach to fair, equitable and responsible remuneration and details its remuneration policy and implementation.

View

2024
Governance Report
Provides a comprehensive disclosure of the group's governance related matters including governance structure, processes and policies.

View

2024
Notice of AGM
Provides shareholders with supporting information for participation in the group's annual general meeting (AGM).

View

2024
Sustainability Report
Details the group's sustainability journey and achievements in the last financial year and strategy to ensure a sustainable future.

View

2024
Annual Financial Statements
Details the group's financial position and performance over the last financial year.

View

Our integrated reporting suite is available at www.mrpricegroup.com

Our Reporting Framework

Our reporting suite is in compliance with and has applied the following frameworks:

- International Integrated Reporting Framework (Framework)
- The Companies Act. No 71 of 2008, as amended (Companies Act)
- JSE Limited Listings Requirements
- King IV Report on Corporate Governance for South Africa 2016 (King IV™)*
- International Financial Reporting Standards (IFRS)

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About Our Report

Our integrated reporting suite is developed to fulfil the information needs of the group's key stakeholders which include investors, shareholders, associates, suppliers, landlords, customers and community.

The reporting suite details the group's business model, financial standing and performance, sustainability journey and achievements, governance processes and policies, and remuneration policy and implementation, which combined work towards value creation for all our stakeholders.

Scope

This report provides a consolidated view of the group's performance for the 52-week period ended 30 March 2024. It includes the financial results of Mr Price Group Limited trading in South Africa, Botswana, Ghana, Lesotho, Namibia, eSwatini, Zambia and Kenya, as well as Mr Price Foundation, and income received from franchise operations trading elsewhere in Africa.

The information contained in this report is consistent with the indicators used for our internal management and board reports and is comparable with previous integrated reports. We have strived to provide useful information that enables stakeholders to make informed decisions. The outputs contained within this report are the result of a focused and considered process by senior management, the board and its committees.

This report aligns with the requirements of King IV™ and the Framework. The Framework contains the six forms of capital that impact on value creation and diminution in a business. These comprise human, manufactured, social and relationship, intellectual, financial and natural capital as detailed on this page.

The Framework requires organisations to report on the resources and relationships that it utilises or affects, and the critical interdependencies between them. The group is committed to integrated reporting and, as such, has adopted the Framework. The **business model** on pages 63 - 64, details the group's value creation through the use of the six capitals. The group considers the trade-offs between these capitals when allocating capital resources and seeks to maximise positive outcomes.

Value Creation Through the Capitals

H — **HUMAN**
The skill and experience vested in our associates that enables us to deliver our products and services and implement our strategy, creating value for our stakeholders.

M — **MANUFACTURED**
The stores, warehousing, infrastructure and distribution network throughout Southern, East and West Africa, which enables us to source, import, deliver and sell our products and services.

S — **SOCIAL AND RELATIONSHIP**
The key relationships cultivated with customers, suppliers, landlords, associates, shareholders, government and community.

I — **INTELLECTUAL**
The intangibles that constitute our brand, products, processes, proprietary systems and service offerings which provide our strategic differentiation and competitive advantage.

F — **FINANCIAL**
The group's pool of funds is predominately cash based (low gearing), generated from operations, interest income and funds reinvested.

N — **NATURAL**
The natural resources used throughout our product and packaging supply chains, and in fixed capital formation.

Materiality

The board has approved a materiality framework which determines the process to identify **material matters** (refer to pages 105 - 110). Our report focuses on issues which the board and management believe are material to the group and could impact the group's ability to create and sustain value including the six capitals over the short, medium and long term.

We have aimed to demonstrate the connectivity between these material matters and our business model, strategy, risks, key performance indicators (KPIs), remuneration policies and prospects. The material matters are reviewed on an ongoing basis to ensure that they remain relevant and management assumes the responsibility for the approval of these material matters, which are then endorsed by the board.

All matters that are considered material to the business have been included in this report. These matters have been identified and prioritised after taking into consideration:

- External factors that impact on the group's ability to create value in the short, medium and long term
- The retail industry cycle and its dependence on GDP, employment and credit growth
- Strategic objectives and key business risks arising from the group's strategic planning framework
- Items that are top-of-mind to the board and executive management
- Issues derived from key stakeholder engagement
- South Africa's sovereign rating, political landscape and rule of law
- Volatility in key input cost drivers being commodities and exchange rates

Boundary

The boundary extends beyond the group to include the risks, opportunities and outcomes attributable to or associated with other organisations independent of the group, that have a significant impact on its ability to create value for its stakeholders over the short, medium and long term.

Assurance

The board is satisfied with the integrity of the report and the level of assurance applied. The group's consolidated annual financial statements have been audited by independent external auditor, Deloitte & Touche. The material performance metrics, both financial and non-financial within the **sustainability report** were independently reviewed by KPMG as outsourced internal auditors. The board is satisfied with the level of assurance of the integrated report and does not believe that it should be subject to further external assurance. Any forecast financial information contained herein has not been reviewed and reported on by the group's external auditors, and has been produced with due diligence and care by management.

Additional Information

This report aims to focus on material matters only. Where additional or ancillary information is available, this has been separately published on the group's website: **www.mrpricegroup.com**

Board approval

The Audit and Compliance Committee has reviewed this report and recommended it to the board for approval. The board acknowledges its responsibility for ensuring the integrity of the 2024 integrated report and collectively applied its mind to the preparation process and reviewed and assessed the content of this report in accordance with the Framework. The 2024 integrated report was approved by the board for release to stakeholders on **28 June 2024.**

Daisy Naidoo
INDEPENDENT, NON-EXECUTIVE DIRECTOR

Jane Canny
INDEPENDENT, NON-EXECUTIVE DIRECTOR

Harish Ramsumer
INDEPENDENT, NON-EXECUTIVE DIRECTOR

Lucia Swartz
INDEPENDENT, NON-EXECUTIVE DIRECTOR

Mark Blair
CHIEF EXECUTIVE OFFICER

Mark Bowman
LEAD INDEPENDENT, NON-EXECUTIVE DIRECTOR

Praneel Nundkumar
CHIEF FINANCIAL OFFICER

Richard Inskip
INDEPENDENT, NON-EXECUTIVE DIRECTOR

Neill Abrams
INDEPENDENT, NON-EXECUTIVE DIRECTOR

Nigel Payne
CHAIRMAN

Refilwe Nkabinde
INDEPENDENT, NON-EXECUTIVE DIRECTOR

Stewart Cohen
HONORARY CHAIRMAN

Our Integrated Value Creation Process

How our report describes our value creation process

We recognise that sustainable value creation is dependent on an evolving, agile and sustainable business model which supports the effective execution of our strategy. Strongly linked to this is the efficient use of our six capitals to optimise business activities to create outcomes that meet the needs and expectations of our stakeholders. Fundamental to this process is the effective trade-offs made while maximising outputs to create stakeholder value and minimise the impact of waste on our communities. Our strategy is continuously assessed and shaped by our operating environment, stakeholder engagement processes, material matters, and key risks and opportunities identified. The integration of our strategy into our business model allows for strong execution of the group's strategy, ensuring that all business activities are aligned to the group's strategic focus areas of value creation. The effective and efficient execution of our strategy through our business model allows our group to deliver consistent financial returns, while simultaneously creating long-term sustainable value for all our stakeholders. This is guided by the group's robust governance framework and supported by King IV™ principles.

Guided by our Governance Framework

01 Who We Are

The connection between the group's vision, purpose and its guiding values of passion, value and partnership.

View More

02 Value Creation through the Business Model

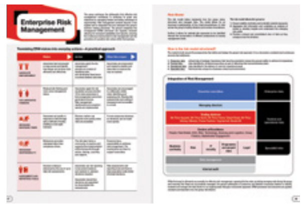
Value creation, preservation or erosion over time contributes to the increase, decrease or transformation of the group's capitals through its business activities and outputs.

View More

03 Stakeholder Value Creation

The group's processes, activities and products sold are not done in isolation, but in a sustainable connection to a wide group of stakeholders.

View More



04 Risk Approach and Material Matters

The group's enterprise risk function identifies and develops mitigation activities and alerts executives to elevating risks beyond its appetite and tolerance to reduce impact on value creation. Material matters are the top-of-mind current and future challenges, risks and opportunities that have the most significant impact on the group's ability to enhance value to all stakeholders.

View More

05 Strategic Execution

The group's value creation is led by the successful development and execution of its strategy, which is measured against six key pillars.

View More

06 Performance and Results

Summary of performance demonstrating how the group's financial capital has been increased, utilised and transformed through its operating, financing and investing activities during the financial reporting period.

View More

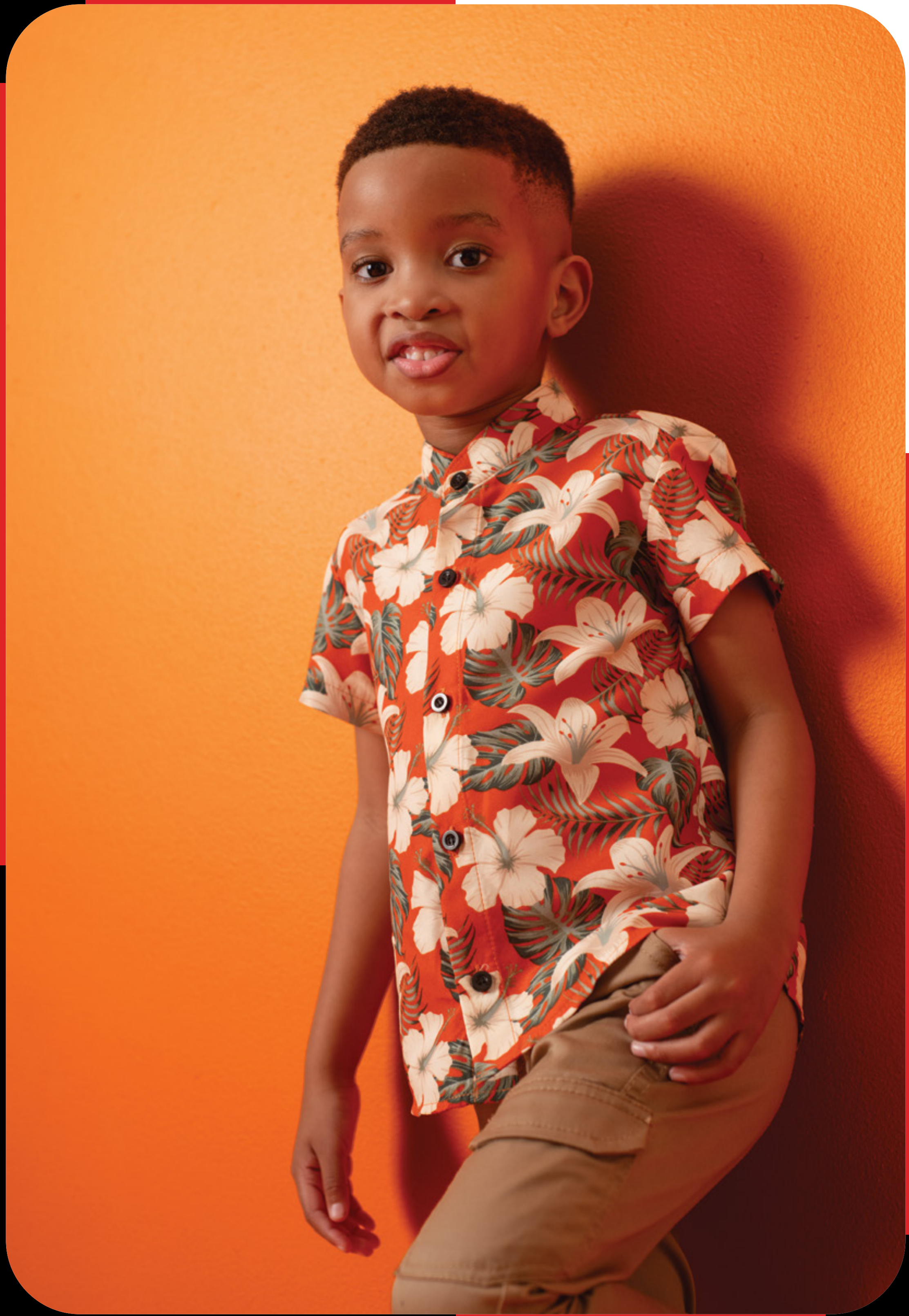
Supported by King IV™ Principles

Building a sustainable business measured by its impact on the UN Sustainable Development Goals

Primary SDGs considered material for the group:

6 CLEAN WATER AND SANITATION
7 AFFORDABLE AND CLEAN ENERGY
8 DECENT WORK AND ECONOMIC GROWTH
10 REDUCED INEQUALITIES
12 RESPONSIBLE CONSUMPTION AND PRODUCTION
13 CLIMATE ACTION
17 PARTNERSHIPS FOR THE GOALS

YOUR VALUE CHAMPION



CHAPTER

02

Who We Are

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mr price group limited

Why Mr Price

MARKET LEADERS IN FASHION-VALUE RETAIL

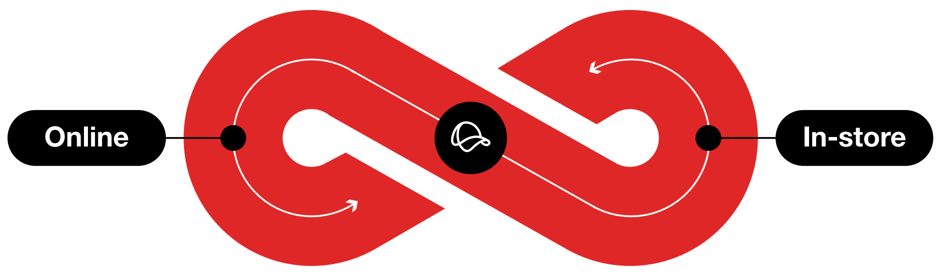
A business that aims to deliver the wanted item at great value and a satisfying all round experience.

Unrivalled long-term returns		Defensive low-cost business model
38-year HEPS CAGR:	**18.4%**	Lowest operating expenses per square meter in the retail sector*
38-year dividend CAGR:	**19.6%**	

Strong balance sheet	Market leading metrics
Zero long-term debt^	Operating margin: 16.3% (5-year avg)

Omni-channel

- 2 900 stores
- Leading online platform in South Africa



Brand awareness

The Mr Price brand is one of the most loved and recognised across South Africa and was ranked by Kantar BrandZ as the #1 most valuable fashion apparel retailer in South Africa.

SEE PAGE 94

Fashion value

Attract, delight and surprise our customers with value price points for differentiated fashion items, while servicing everyday basics merchandise at every day low prices.

Cash-based business

A high contribution of 88.9% of sales are cash. The group's ability to generate cash is highlighted by its cash conversion ratio of 86.9%.

SEE PAGE 118

Stakeholder Engagement

The group's partnership value is taken seriously and it aims to be the leading retailer in engagement and delivery.

OUR INVESTMENT CASE

ESG leadership

- Maintained inclusion in the FTSE4Good Index Series
- Listed as one of the Morningstar Sustainalytics ESG Top-Rated Companies and achieved a 'low risk' rating, now the second best ranked apparel retailer in SA

together we do good.

For further ESG insights

SUSTAINABILITY REPORT

For further detail on governance structure and processes

GOVERNANCE REPORT

A History of Building Brands

and providing our customers with a diverse range of differentiated fashion-value offerings

Acquisition | Organic Launch

1985
mr price
The beginning - the first store opens.

1987
MILADYS
Helping women be and feel comfortable in their skin.

1991
Launch of The Red Cap. A symbol that would become synonymous with differentiated fashion-value.

1996
sheet•street
Entered the homeware segment providing value home offerings.

1998
mr price home
Expanded our homeware offerings, making beautiful homes affordable and accessible.

2005
mr price foundation
Established as an NPO focused on positively impacting the issues of youth unemployment and access to quality education.

2006
mr price sport
Began providing sportswear for the value-minded sports and outdoor enthusiast.

2007
mr price money
Began providing convenient credit and insurance.

2012
mrp.com
Opened the door to omni-channel shopping.

2014
mr price mobile
Expanded our value offering through the introduction of our own network (MVNO).

2015
mr price cellular
Extended our cellular offerings to include handsets and accessories across all networks.

2021
YUPPIECHEF
Acquired a premium omni-channel homeware business broadening our aspirational homeware offerings.

2021
POWER
Acquired a price-value apparel business and extended our low priced fashion-value offerings.

2022
studio88
Acquired a leading branded apparel and footwear business, expanding our offerings into the aspirational value segment.

2023
mr price kids
Evolution of Mr Price Baby and Mr Price Kids into standalone concept.

Who We Are

A cash-based, omni-channel business obsessed with providing fashion-value to our customers.

We operate in the apparel, homeware, sportswear, financial services and telecoms segments.

WHAT VALUE MEANS TO OUR CUSTOMER

We work towards remaining the most **loved and valuable** brand in South Africa

PRICE	QUALITY	FASHION	CONVENIENCE	EXPERIENCE
Recognised as the Value Champion by consistently providing value for money	Continuously improve the quality of our offerings	Our passion for fashion drives the differentiation of our offerings	Our omni-channel footprint facilitates an improved shopping experience	We continue to hold a place in the hearts and minds of South Africans

Bringing differentiated fashion-value to a diverse range of customers

CHAMPION YOUR VALUE
CHAMPION YOUR VALUE

Organisational overview

RETAIL SALES

R36.6bn

2 900 stores
> 32 000 associates

SOUTH AFRICA

92.2%

REST OF AFRICA

7.8%

Retail sales contribution

APPAREL SEGMENT

79.7%

HOMEWARE SEGMENT

17.1%

TELECOMS SEGMENT

3.2%

mr price
mr price sport
mr price home
mr price money
MILADYS
POWER FASHION
studio 88
YUPPIECHEF
sheet street

Passion

Value

Partnership

Where We Are

We operate predominantly in South Africa

TOTAL OWNED STORES

2 900

Total gross traded area
1 194 387m²

STORES BY GEOGRAPHY

South Africa
2 665

Rest of Africa
235

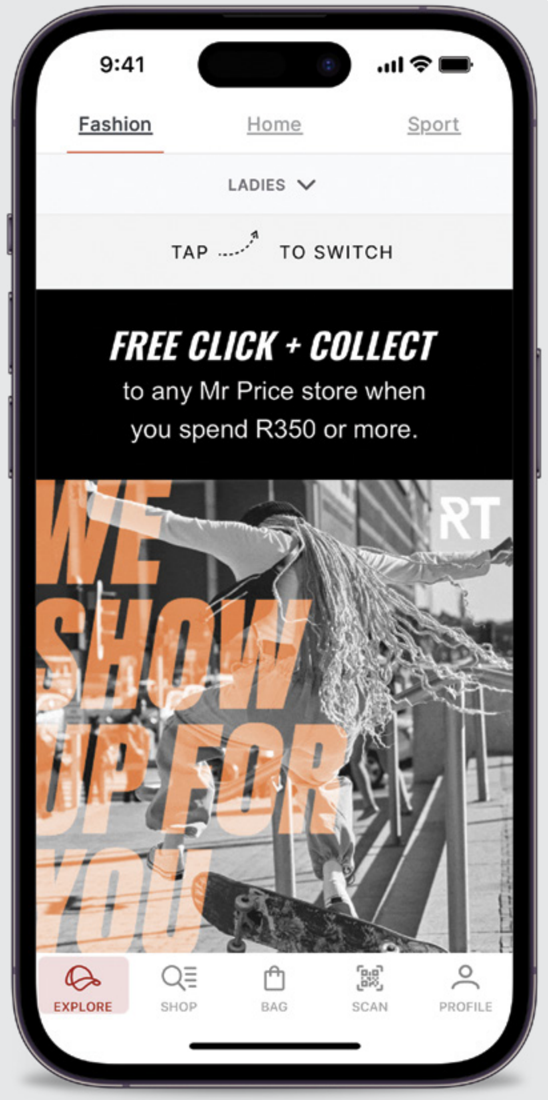
Digital Footprint

2.1%
contribution to total retail sales

59%
of website and app users research online and shop in store

86%
of online traffic is from mobile devices

66%
of Mr Price Apparel orders are click and collect



The online channel is a key window and platform that continues to drive customers to our stores

Our Divisions

APPAREL

- mr price
- mr price sport
- MILADYS
- POWER FASHION
- studio 88

HOMEWARE

- mr price home
- sheet street
- YUPPIECHEF

FINANCIAL SERVICES & TELECOMS

- mr price money

APPAREL

mr price

CONTRIBUTION TO GROUP RETAIL SALES

42.2%

STORES

630

ONLINE

WEBSITE | OUR APP | STORE TOUR

Who We Are

A fashion-leading retailer that offers on-trend and differentiated merchandise at extraordinary value to women, men and kids.

Through ongoing innovation and product development, staying on the pulse of international fashion trends and diligent resourcing, we are able to make trend-led fashion accessible to customers at highly competitive prices.

More than 4m shoppers

Highest number of shoppers in the apparel sector

Customer & Positioning

Youthful customers who love fashion, appreciate extraordinary value and are primarily in the middle-income demographic.

Product Offering

Fashion-differentiated clothing, accessories, underwear, footwear and cosmetics.

Over 3.7m

fans across our social media platforms

Sub brands

RT | RT KIDS 7-14 | mrp | OR oakridge
red | redX | PROJECT | scarlet·hill beauty

A space of their own - Mr Price Kids standalone concept

The evolution of Mr Price Baby and Mr Price Kids into a standalone concept has enabled the growth of our differentiated product range. Mr Price Kids improves the shopping experience for our customers and offers a wider selection within each assortment. Initial feedback indicates that our customers appreciate the differentiation of the Mr Price Kids offering which is reflective of the fashion-value approach of our adult business.

APPAREL

mr price sport

CONTRIBUTION TO GROUP RETAIL SALES

5.4%

STORES

175

ONLINE

WEBSITE | OUR APP | STORE TOUR

Who We Are

We are passionate about making an active, sport and outdoor lifestyle possible for all South Africans. Our competitive pricing increases accessibility to a wide range of technical apparel, equipment and athleisure for the budget-conscious consumer.

Customer & Positioning

Our customer is the value-minded sports or outdoor enthusiast who is a middle- to upper-income earner. With gear for infants, kids and adults, we aim to serve everyone who's fit, fun and forever young.

Product Offering

Sporting, outdoor and fitness ranges - all comprising footwear, apparel, equipment and accessories.

Sub brands

maXed | maXed ELITE | JOURNAL | TERRAIN

Supporting sportsmanship at the Comrades Marathon

The Mr Price Sports team were excited to re-sign as the official technical sport apparel partner of the Comrades Marathon – The Ultimate Human Race. This partnership not only builds brand awareness, but also fosters a sense of unity among athletes from all walks of life. With our Maxed Elite Running Club, we've aided local runners in reaching their athletic aspirations, evident in our club members' achievement of 10 medals in 2023. Through this ongoing collaboration, we remain committed to breaking barriers, pursuing aspirations, and embracing the lively essence of sportsmanship embodied by the Comrades Marathon.

APPAREL

MILADYS

CONTRIBUTION TO GROUP RETAIL SALES

STORES

266

ONLINE

WEBSITE

STORE TOUR

Who We Are

For us fit is everything. We believe that fashion should be for all body types and should feel like it was made for you. We know the shapes that fit, and flatter, and we pay attention to every detail. We interpret trends in a way that feels right for our customers, helping them feel confident in their own skin.

Customer & Positioning

We are the only local women's retailer to offer size 32 to size 50 across all of our fashion, ensuring that our customer will always find her fit - no exceptions.

Product Offering

Women's smart and casual fashion, intimate wear, footwear, and accessories of exceptional quality and versatility at competitive prices, with clothing offered in extended size ranges.

Sub brands

WonderFit
DENIM THAT WORKS WONDERS

The re-entry of Playtex to South Africa

Miladys has reintroduced Playtex to South Africa with a locally designed range that is now exclusively offered at Miladys stores across the country, enhancing our array of comfortable options for women.

This partnership aligns seamlessly with our value-for-money approach and dedication to providing customers with a diverse selection of brands.

APPAREL

CONTRIBUTION TO GROUP RETAIL SALES

6.7%

STORES

295

ONLINE

WEBSITE

Who We Are

We are a price-value fashion retailer, serving the needs of the whole family.

Our purpose is to help people feel good about themselves, by delivering low-priced fashion, directly to the people who need it most.

Customer & Positioning

Located in the heart of our communities, the Power Fashion team works to deliver a product offering and shopping experience that delights our price-focused customer throughout Southern Africa.

Product Offering

Power Fashion: clothing, accessories, cosmetics, babywear, schoolwear, footwear and underwear.

Power Cell: mobile devices and accessories, value added services including airtime, data, electricity, DStv and bus ticketing.

Making affordable fashion accessible to all

Power Fashion successfully delivered on providing high-quality merchandise at competitive prices, catering to the entire family. By leveraging strategic collaborations and expanding our sourcing network to multiple countries, we curated the best assortment at unbeatable prices for our customers. As our business expands, we aim to unlock more opportunities to provide our customers with a wider range of affordable Bozza Brands.

APPAREL - STUDIO 88 GROUP

CONTRIBUTION TO GROUP RETAIL SALES

20.9%

STORES

890

ONLINE

WEBSITE

Who We Are

Studio 88 Group is South Africa's largest branded fashion clothing and footwear retailer. We make it our business to bring our customers the latest trends in sneakers, footwear and clothing at competitive prices. We operate through a group of store formats which service different customer needs and products: Studio 88, Skipper Bar, Side Step, John Craig and Specialty which includes Aeronautica Militare, Paul & Shark and DMD Linea Italiana.

Customer & Positioning

Studio 88 Group has broad appeal to aspirational and trend conscious (predominantly male) customers across a wide range of age profiles and affordability levels.

Product Offering

Branded clothing, footwear, football supporters' gear and smart casual wear.

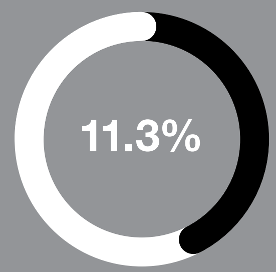
Welcome to another icon - Playboy

Studio 88 obtained the license rights for Playboy, adding the iconic and playful brand to our licensed portfolio alongside Ellesse and GTI. In 2023, the "Year of the Rabbit" range was launched, exclusively available at Side Step stores and online. The collection featured a wide array of bold graphic tees and cosy hoodies, catering to diverse tastes. The brand's performance has highlighted its promising potential to develop a loyal following in South Africa, enriching our customer offerings with greater variety.

HOMEWARE

mr price home

CONTRIBUTION TO GROUP RETAIL SALES



STORES
229

ONLINE
WEBSITE | OUR APP | STORE TOUR

Who We Are

Our purpose is to make beautiful homes affordable and accessible to all. We aim to inspire our customers with on trend homeware and furniture that is designed to look and feel good. We're passionate about making life beautiful, and this passion is firmly rooted in our belief that good design shouldn't cost anything extra.

Most shopped homeware retailer in SA

Customer & Positioning

We appeal to a broad spectrum of consumers who are value-minded, aged 21 onwards, who love to express who they are and what is important to them through their homes.

Most loved, with highest brand equity in homeware sector

Product Offering

Home textiles, decor, accessories, kitchen, dining, furniture and kids merchandise.

Sub brands

kids home

PREMIUMRANGE

Differentiation through local collaborations

Building on our unique product range and embracing local creativity, Mr Price Home commemorated Heritage Day with exclusive collections crafted by three South African artists: Zinhle Sithebe, Xolani Mhlongo, and Faatimah Mohamed-Luke. Each artist captured the beauty, diversity and vibrancy of South Africa through their distinctive creations. These collaborations not only foster appreciation for local talent and products but also highlight the differentiation that resonates with both our business and our nation.

HOMEWARE

sheet street

CONTRIBUTION TO GROUP RETAIL SALES

STORES

354

ONLINE

WEBSITE

STORE TOUR

Who We Are

We strive to be your most loved Value Champion in homeware, keeping our customer at the heart of everything we do, allowing our customers to create the home they love and are proud of, on a budget they can afford.

Customer & Positioning

Middle income, family focused and responsible consumers, looking to co-ordinate their homes tastefully and responsibly. Fashion followers who shop for price and exceptional value.

Product Offering

Affordable home textile and decor products for the bedroom, living room, bathroom, kitchen and dining room.

Bringing change to our value offering

Over the year, Sheet Street has worked to reconstruct its strategy in the face of rising competition in the value market. Our teams have examined our store footprint and expanded our merchandise offerings with our customers in mind. We will be launching a new merchandise mix in FY2025 – watch this space!

HOMEWARE

YUPPIECHEF

CONTRIBUTION TO GROUP RETAIL SALES

STORES

20

ONLINE

WEBSITE

Who We Are

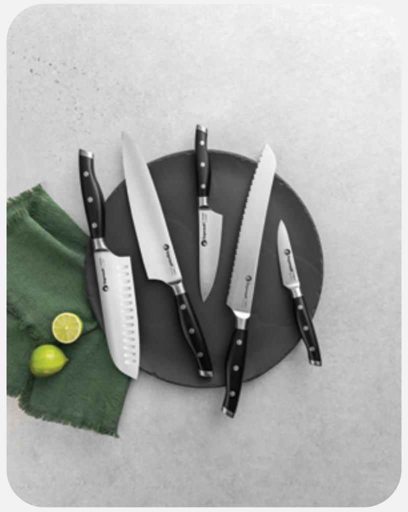
We believe that using the right product for the right task can make everyone's day a little bit better. We're always hunting out exciting new premium kitchen and home finds locally and internationally, looking to inspire ourselves and our customers.

Customer & Positioning

Yuppiechef's customers are those who know they deserve something more than average, and appreciate quality and detail. They are likely women in high-income households, aged 25 - 50.

Product Offering

Premium kitchenware, small appliances, table and barware, bed and bath, furniture and decor, outdoor and specialist food and drink.



Sub brands

Sagenwolf

Jimmy Public

YUPPIECHEF

HUMBLE + MASH

Expanding our footprint and offering

Yuppiechef celebrated the opening of its 20th store in 2023 bringing our most loved and popular brands closer to our customers – old and new. We also expanded on our offering with a first ever seasonal private label range introducing new products across bedding, towels, rugs, scatter cushions and other decor items. This expansion in product assortment has allowed us to bring an improved premium range offering to our customers.

FINANCIAL SERVICES & TELECOMS

mr price money

CONTRIBUTION TO GROUP RETAIL SALES

3.2%*

*Telecoms only

STORES

41

ONLINE

WEBSITE

Who We Are

The Mr Price Money division is all about bringing value and innovation to shoppers with financial services and telco solutions. Through research and data, we strive to meet customers right where they're at, fulfilling real needs in the market.

mr price money

We offer shoppers a choice of easy payment solutions: a traditional six- or 12-month store card offering, a four-month StartUp facility aimed at the new-to-credit customer, and an 18-month BiggerBuys account offering for one-off bigger baskets targeted to homeware customers and lay-bys. Through our Insiders rewards, our customers are rewarded with data when shopping on account.

mr price insurance

We have created relevant and affordable insurance products that are built on value, choice, and convenience. We recently introduced a simplified life insurance product that offers much-needed protection, without the high monthly premiums, to the under-served segment in the market. Our customers can opt for cash payments or for billing to store accounts.

mr price cellular

We are the go-to destination for deal-seeking, tech-savvy customers whose way of life is keeping connected. We bring both value offerings and a digitised in-store experience to our customers through self-service Money kiosks, gaming, recharge stations, and the personalised "Find Your Fit" app which lets customers shop according to their budget and preferences. We've got it all - devices, packages, data and airtime across networks as well as our very own Mr Price Mobile network.

Customer & Positioning

Our customers love the Mr Price Group retail brands. They love fashion and finding great value. We help them shop a combination of credit, lay-by cash and other tender types while being tech-savvy and staying connected via their smartphone devices.

Product Offering

Value, always! We deliver value through payment solutions that are relevant to our customers, insurance products that matter, and keep customers connected through a variety of cellular products at the best price in the market.

Hold the phone - we launched our own cellphone!

When Mr Price Cellular started out, we had a dream to be South Africa's most loved telecoms brand. We had our very own network, along with all the other major networks. We had devices from entry level to flagship. We went online. We opened our first store (and then a few more). What was next? We knew the smartphone market expands rapidly. Shoppers are always looking for devices where they can save a buck or two, without compromising on features. This is the kind of value that Mr Price Cellular speaks, and it brings us back to our dream:

To be South Africa's most Loved Telecoms brand...

We give you:

SALT

YOUR VALUE CHAMPION

CHAPTER

03

Value Creation

Contents

mr price group limited

Operating Environment

The challenging operating environment experienced in FY2023 carried into FY2024, as global and domestic markets remained volatile. Like others, the South African retail sector was not shielded from the resulting impact, with both the economic and consumer environments remaining constrained. The group remained focused on executing against its unique fashion-value model, which provided the resilience needed to navigate the tough trading conditions.

Global Economy

The 2024 financial year offered little in the way of respite from the volatility in the operating environment from 2023.

The lasting inflationary effects of the COVID-19 pandemic, the war in Ukraine and renewed conflict in the Middle East, rapidly shifted global economic conditions which remain mixed and the outlook uncertain.

The resultant global monetary tightening has exacerbated fiscal and debt vulnerabilities in developing countries, with borrowing costs and a strong dollar resulting in the underperformance of developing market growth.

Additionally, stubborn inflation, rising interest rates and heightened uncertainties created obstacles for sustainable growth and the hopes of consumer recovery in most markets. While upward price pressures slowly eased, inflation in many countries remained well above the comfort zone of central banks. Amid local supply disruptions and high import costs, food inflation was elevated in most developing countries, typically impacting the lowest income households.

Despite these conditions, global growth was better than anticipated, largely driven by the soft-landing in the United States, with inflation steadily declining and growth holding up. However, the pace of expansion remains slow and the 2025 financial year is expected to have many of the same challenges. Monetary policy actions are anticipated to create some breathing room in the second half of the year, bringing support to growth levels. Based on this outlook, global growth according to the IMF is expected to land at 3.1% in 2024, supported by higher growth in developing markets with more pedestrian growth expected in advanced economies.

South African Economy

The operating environment in South Africa was not shielded from global effects. While headline inflation in South Africa has steadily eased (5.9% in 2023) and relative to most global markets, has been well regulated, food and public transport inflation of 10.8% and 8.2% remained sticky and high.

The cost-of-living crisis continued to impact the most economically vulnerable households. High interest rates persisted with rate cuts only expected from the latter part of 2024, likely triggered by movement from the US Federal Reserve. The resultant impact has been another year of flat real wage growth and a stuttering post-COVID recovery.

Muted growth outcomes in the country were compounded by the ongoing challenges from the energy crisis (loadshedding), broader under-performing national infrastructure and structural unemployment impacts. GDP growth of 0.6% in 2023 under-performed other emerging markets (IMF: 4.1%) and the forecast of 1.0% for 2024 is not sufficient to support the growth outcomes required for the country's advancement.

South African Retail

The South African retail sector continued to face many challenges during the year. The constrained consumer environment in itself was a major drain on discretionary spending, made worse by the material impact of loadshedding on the sector and the changes to consumer shopping behaviour.

During the period, loadshedding levels were the highest on record, and caused a significant elevation in inventory carry across the sector throughout 2023. This was compounded by the global and domestic supply chain disruptions causing inventory flow and stock timing to be suboptimal in the sector.

The resultant markdown activity created an 'always on' promotional environment, leading consumers to become more attuned to price discounting and materially impacting the margins across the sector. This impacted value retailers as higher price point merchandise and perceived higher value encroached on the lower price points of value retailers.

The details of these and other material challenges and the group's strategic responses are outlined on the next page.

Key factors impacting the group and its stakeholders

COMPETITIVE LANDSCAPE

REFER MATERIAL MATTERS PG 107

Issue

- Sector wide high inventory levels led to elevated markdown activity, which compromised the group's value offering and Every Day Low Price model
- Structural changes to the homeware segment post COVID-19 with a significant rise in competitor store openings and expanded consumer choice
- Emergence and growth of foreign, pure-play online retailers competing on price and fashionability

Strategic response

GROWTH & INNOVATION

- Executed growth & innovation pillar:
  - Continued value extraction from acquired businesses
  - Opened 238 new stores
  - Launched Mr Price Kids stand-alone concept (31 new stores)
  - Accelerated roll-out of Mr Price Cellular store roll-out to 41
- Gained 30bps market share according to the Retailers' Liaison Committee (RLC)
- Preserved and protected core business through disciplined execution of competitive response plans
- Focused intent on fashion-differentiation and Every Day Low Price model to enhance customer value proposition
- Updated homeware merchandise mix in test stores
- Continued focus on omni-channel offering

LOADSHEDDING

Issue

- Highest loadshedding levels on record in 2023
- Negative impact on customer shopping behaviour
- Private household backup power solutions impacted disposable income
- Estimated R226m lost in group turnover

Strategic response

BRAND PROMISE | STRATEGIC ENABLEMENT

- Executed brand promise and strategic enablement pillars:
  - Capex of R153m allocated to backup power solutions
  - Achieved 100% store backup power by June 2023
  - Equipped to handle high levels of loadshedding
  - Superior lighting levels across store base during loadshedding enhancing customer experience
  - Reduction to base electricity load through lighting retrofit programme
  - Head office and distribution centre (DC) at lower levels of risk due to solar solutions

CONSUMER CONSTRAINT

Issue

- Headline inflation of 5.9% driven by high food and public transport inflation, diverting discretionary spend
- Elevated interest rate at 11.75% increased cost of borrowing
- FNB/BER consumer confidence remaining at very low levels -15 index points (Q1 2024)
- Transunion consumer credit index reported lowest level on record at 39 index points
- Real wage growth of -3.1% in Q4 2023 – 14 consecutive quarters of negative growth

Strategic response

BRAND PROMISE

- Executed brand promise pillar:
  - No. 1 ranked most valuable fashion value apparel retailer
  - Mr Price Apparel and Mr Price Home have the highest brand equity in their respective segments (Nielsen)
  - #1 coolest clothing store in SA
  - Most shopped apparel retailer with 4.1 million shoppers (Marketing All Product Survey (MAPS) 2023 Retail Report)
  - 96% of consumers recognise that Mr Price Apparel provides either the same or better value for money than last year
  - Executed strategic value proposition: price, quality, fashionability, customer experience and convenience

Key factors impacting the group and its stakeholders Continued

TECHNOLOGICAL INNOVATION AND DIGITAL TRANSFORMATION

REFER MATERIAL MATTERS PG 109

Issue

- Continued rise in online customer engagement post COVID-19
- Increase in pure-play e-commerce offerings
- Artificial intelligence (AI) and resulting impact on customer shopping experiences
- Insight driven data analytics and robotic process automation (RPA)
- Rise in cybersecurity threats and greater need for robust controls for mitigation

Strategic response

STRATEGIC ENABLEMENT

- Executed strategic enablement pillar:
  - Continuously refresh social media marketing strategies across relevant platforms
  - Leveraged well-established online channels and evolved customer experience
  - Store network supported omni-channel offering and defensive price positioning
  - Continued maturing of Mr Price Advance enabling the group to become a data-led business
  - Cybersecurity crisis response committee continues to evaluate and mitigate risks
- Completed transition process to new ERP system
- Identified provision for ecommerce IT spend in FY2025

INFRASTRUCTURE CHALLENGES IN SA

Issue

- Material supply chain disruption due to operational inefficiencies at South African port operations
- Continued impact of loadshedding due to constrained energy supply
- Water shortages due to lack of infrastructure maintenance
- Local municipality service delivery challenges

Strategic response

GROWTH & INNOVATION

- Executed growth & innovation pillar:
  - Implemented appropriate supply chain buffers to better manage lead times
  - Invested in secondary DC site for risk mitigation, and local suppliers account for 50.0% of supply chain
  - Backup power solutions in all stores
  - Head office and DC draw off solar power solutions
  - DC water supply harvested from rain water, with zero municipal water utilised since inception
  - High levels of engagement with industry bodies and local and central government

Your Value Champion

Value Creation

Our Integrated Business Model

Strategic Execution

The group achieves its strategic objectives through the successful development and execution of a series of strategies. These strategies are underpinned by sound financial, information and operating systems, as well as people and governance processes.

The group delivers on these strategies through action plans and projects, which are implemented and refined each year.

VIEW MORE

The Capitals of Value Creation

Value creation, preservation or erosion over time contributes to the increase, decrease or transformation of the group's capitals through its business activities and outputs.

The group is always guided by its business model, through good and bad times, which directs its consistent focus on long-term value creation.

VIEW MORE

Stakeholders

The group's ability to create value for its shareholders is inextricably linked to the value created for its customers and employees, as well as other stakeholders including suppliers, shareholders, regulators, landlords, governments and the broader society in which it trades, as illustrated in the accompanying value-creation model.

VIEW MORE

	STAKEHOLDER ENGAGEMENT	PEOPLE	GROWTH & INNOVATION	BRAND PROMISE	STRATEGIC ENABLEMENT	SUSTAINABILITY
Capitals	H, I, M, F, S, N	H, I, F, S	H, I, M, F	H, I, M, F, S	H, I, M, F	H, I, M, F, S, N

Capitals

H Human	I Intellectual	M Manufactured
F Financial	N Natural	S Social & Relationship

CHAMPION YOUR VALUE
CHAMPION YOUR VALUE

Stakeholders

Shareholders | Customers | Associates | Suppliers | Government & Community | Landlords

Business Activities

VIEW MORE

The group's business activities are enabled by the collective actions of its people, systems, suppliers and logistics, which together support sustainable growth for the group and all stakeholders. The outcomes of the group's business activities include the internal and external consequences for its stakeholders and resources, acknowledging that these can be positive or negative, and collectively result in the value that the group creates over time.

People

CAPITALS: H I F S

STRATEGIC PILLARS

- Passionate
- Energised organisational culture
- Partners who act as business owners

At the heart of the business is the group's highly passionate and committed people.

Share schemes and an incentive remuneration philosophy encourage them to act as owners and participate in the group's success.

Value Proposition

CAPITALS: H I F

STRATEGIC PILLARS

- Best price for quality and fashion offered
- Every Day Low Prices
- The way the group serves the business, stakeholders and each other

The group retails differentiated private label assortments, supported by homegrown sub brands, as well as selected branded product that are dominant in the wanted fashion items of the season.

By remaining a cash-driven retailer and having a high cash conversion, the group can fund future growth without incurring debt.

Communication

CAPITALS: H M F S

STRATEGIC PILLARS

- Positional
- Promotional
- Aligned to brand personality

Product presentation, together with its visual support material, provides customers with a consistently clear offering of what the brand stands for.

Transparent and frequent communication with all stakeholders across various internal and external channels, supports the group's value of Partnership.

Supply Chain Operations

CAPITALS: H I M F S N

STRATEGIC PILLARS

- Warehousing
- Distribution centres
- Transportation

Supply chain operations have been developed with the core focus being placed on customers to ensure that product is shipped, fulfilled, distributed and delivered to the right place, at the right time and at the right cost.

This includes getting product to stores and fulfilling online orders to customers' preferred delivery location. The group is committed to continuously evaluating, innovating and upgrading technology and processes, ensuring sustained gains in operational efficiency.

Merchandise

CAPITALS: H I M F S N

STRATEGIC PILLARS

- Style, fashion and assortment
- Merchandise intensity and quality
- Ethical and sustainable

The group satisfies its customers' needs for fashionable items through specialist trend teams and thorough research. International retailers and local and international street styles offer inspiration and opportunities to stay in touch with what customers will be wearing.

The merchandise teams identify key fashion looks for their customers with test programmes managing business risks.

Operations

CAPITALS: H I M F S N

STRATEGIC PILLARS

- Store size and location
- Layout and design
- Omni-channel

The group retails apparel, homeware and sportswear through physical stores and online channels. Retail operations are located primarily in South Africa, with a presence in several other African markets.

The group builds stores at a cost aligned to its value model while delivering an appealing store experience to customers. The group's e-commerce platform and mobile app provide strategic channels to interact with customers and continues to increase in importance.

Technology

CAPITALS: H I M F S N

STRATEGIC PILLARS

- Customer-centric solution design
- Critical enabler for all business processes
- Central to innovation and automation

The group's systems provides agile and innovative solutions to enable the effective execution of omni-channel business processes and the delivery of strategic projects, to ultimately assist the group in achieving its strategic vision.

Suppliers

CAPITALS: I S N

STRATEGIC PILLARS

- Strategic supplier partnerships provide flexibility
- High volume resourcing
- Ability to shift supply base dynamically

The group builds strategic partnerships with key suppliers to enable it to add value to its customers' lives. The group continues to focus on enhancing its sustainable competitive value chain. The group interacts with suppliers according to high professional and ethical standards and its suppliers are expected to comply with the group's code of conduct.

The group sources its merchandise from both local (RSA and Africa) and international suppliers. The local supplier base accounts for 50.0% of total group merchandise spend.

Value Creation Through Our Business Model

INPUTS: RESOURCES APPLIED & KEY RELATIONSHIPS

Inputs include the human, intellectual, manufactured, financial, social and relationship, and natural capitals which the group uses in its business activities to create value for all its stakeholders.

H HUMAN CAPITAL

The skill and experience vested in the group's associates that enable it to deliver its products and services and implement its strategy, creating value for its stakeholders.

- > 32 000 associates
- R65.56m spent on learning and development
- R4.0bn remuneration paid to associates
- Succession planning maturity to ensure resilient pipeline of talent

I INTELLECTUAL CAPITAL

The intangibles that constitute the group's brand, product and service offering and provide its competitive advantage.

- Established Mr Price brands and trademarks
- The Mr Price Way: Vision, Purpose and Values
- Mr Price fashion-value formula
- 38 years of historical data available
- Organically developed new brands
- Internally developed custom applications
- Three acquired businesses

M MANUFACTURED CAPITAL

The stores, distribution network and general infrastructure throughout Southern, East and West Africa, which enables it to procure, import, deliver and sell its products and services.

- 2 900 stores
- 1 194 386m² of gross space
- E-commerce capabilities: websites, apps, social media
- Trading in nine countries
- Three acquired businesses
- Four distribution centres and depots

F FINANCIAL CAPITAL

The group's pool of funds consists of cash generated from operations, interest income and funds reinvested.

- R2.8bn cash available (opening)
- R1.9bn credit facilities unutilised
- Capital expenditure of R1.1bn
- Working capital programme with suppliers

S SOCIAL & RELATIONSHIP CAPITAL

The key and long-term relationships that the group has cultivated with customers, suppliers, associates, shareholders, government and community.

- R29.5m donated by Mr Price Group to Mr Price Foundation
- R17.3m external donations to Mr Price Foundation
- 38-year track record with landlords and suppliers
- 7 252 participated in skills development programmes through Mr Price Foundation
- Combined corporate social investment of R33.9m
- Introduced supply chain finance programme

N NATURAL CAPITAL

The resources that are used in the production of goods and the store environment.

- Latest energy sources and products
- Carbon footprint reduction initiatives
- Recycling programme
- Clothing donations to The Clothing Box and Taking Care of Business
- Sustainable cotton initiatives
- Sustainable materials used in products

BUSINESS ACTIVITIES

Enabled by the group's systems, suppliers, landlords and logistics, which collectively support its ability to provide sustained growth and value for its stakeholders.

TRADE-OFFS

Decision making is guided by the group's strategic pillars enabling it to focus on what matters most to its business. In doing so, the group can optimise the trade-offs between its capitals that arise as a consequence of its business activities. For detail on trade-offs made, refer to strategic execution on pg 89.

OUTPUTS

Throughout the reporting period, the group continued to deliver value to its customers through wanted product at Every Day Low Prices. The group actively sought to minimise waste (refer to sustainability report on page 22) throughout its business activities to ensure that it conscientiously reduced the impact on the communities and environment in which it operates.

OUTCOMES

The group mindfully uses and trades off the capitals to sustain investment in its employees, supplier and landlord relationships, and operations to meet the wants and needs of its customers while entrenching strong corporate governance and actively managing its costs and investments.

H HUMAN CAPITAL

- Upskilled associates and increased pipeline of leaders
- 99.0% of new hires were ACI appointments
- 95.6% of promotions were ACI associates
- Continuation of HiPo and succession planning programme
- 160 learning and development offerings available for associates

I INTELLECTUAL CAPITAL

- No.1 ranked most valuable fashion apparel brand in SA
- Mr Price Apparel and Mr Price Home have the highest brand equity in their segments
- Gained 30bps market share as per the RLC
- Mr Price Apparel has 4.1m customers, highest in sector (MAPS 2023)

M MANUFACTURED CAPITAL

- 16.4% new weighted average space growth
- 292m units sold
- 238 new stores opened
- 155m website and app visits
- 2.8m Instagram followers
- 6.9m Facebook followers
- 874k X followers
- 553k TikTok followers
- Net Promoter Score (NPS): 70.5%

F FINANCIAL CAPITAL

- ROE of 23.3%
- Net Asset Value increased 10.9%
- Revenue increase of 15.5%
- R1.9bn dividends paid
- Operating margin of 14.0%
- Cash conversion ratio of 86.9%

S SOCIAL & RELATIONSHIP CAPITAL

- Listed on the FTSE4Good Index Series
- Morningstar Sustainalytics top-rated ESG company
- 40 primary schools supported, 25 214 learners and 62 educators impacted
- 103.5m units sourced from SA, totalling R4.5bn
- 6 568 JumpStarters employed
- 96.9% of tier 1 and 2 factories mapped in value chain
- R29.0m invested in small and medium black-owned suppliers

N NATURAL CAPITAL

- 2.2% reduction of scope 1, 2 and 3 carbon emissions
- 8.4m plastic shopper bags removed from circulation
- 22% of product units contain a sustainable material or cleaner production attribute
- Renewable energy contributes 26.4% of energy usage at head office and DC
- Paperless administration saved 2 016km of paper
- 100% of DC's water supply is from harvested rain water
- Sustainable cotton made up 11.8% of the group's cotton products
- R49.5m donated to Taking Care of Business

Stakeholder Value Creation

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

Stakeholder Engagement

VIEW MORE

The Role of Stakeholder Engagement

The group recognises that it does not operate in isolation but is interlinked to a diverse group of key stakeholders. The ability to deliver sustainable value is dependent on the relationships, contributions and activities of all stakeholders. By addressing their needs and fulfilling their expectations, value is generated both for stakeholders and the group.

The group's approach to effective stakeholder engagement is ultimately guided by understanding its impact within society. Success of the group is linked to thriving communities and a healthy environment, which necessitates a transformative approach to create shared and sustainable value for all stakeholders.

A Transformative and Integrated Approach to Stakeholder Engagement

As one of the group's six strategic pillars, the stakeholder engagement strategy aims to promote and protect the group's reputation, acting as the overarching custodian of the brand.

The pillar's strategy is dynamic, adapting to the evolving needs and expectations of the group's primary stakeholder groups. This ongoing evolution guarantees that the group consistently enhances the effectiveness and efficiency of its interactions with all stakeholders.

A crucial aspect of the group's strategy involves integrating engagement across all levels of its business operations rather than operating in isolation. This integration promotes the development and enhancement of relationships with key stakeholders, thereby creating value for all.

The pillar's strategy remains focused on building stakeholder relationships that are based on the true spirit of partnership and aims to be ranked as the leading retailer in **'engagement and delivery'.**

Stakeholder Engagement Assessments

In support of the group's vision to be the most valuable retailer in Africa, the stakeholder engagement pillar remains focused on how each stakeholder contributes to this value. Each interaction aims to build relationships that create value for both the group and its stakeholders.

To better understand the evolving needs and expectations of key stakeholders, relationship health is regularly evaluated for each group. This approach ensures that the group's engagement strategy is tailored to meet the unique requirements of each stakeholder group, rather than employing a blanketed approach.

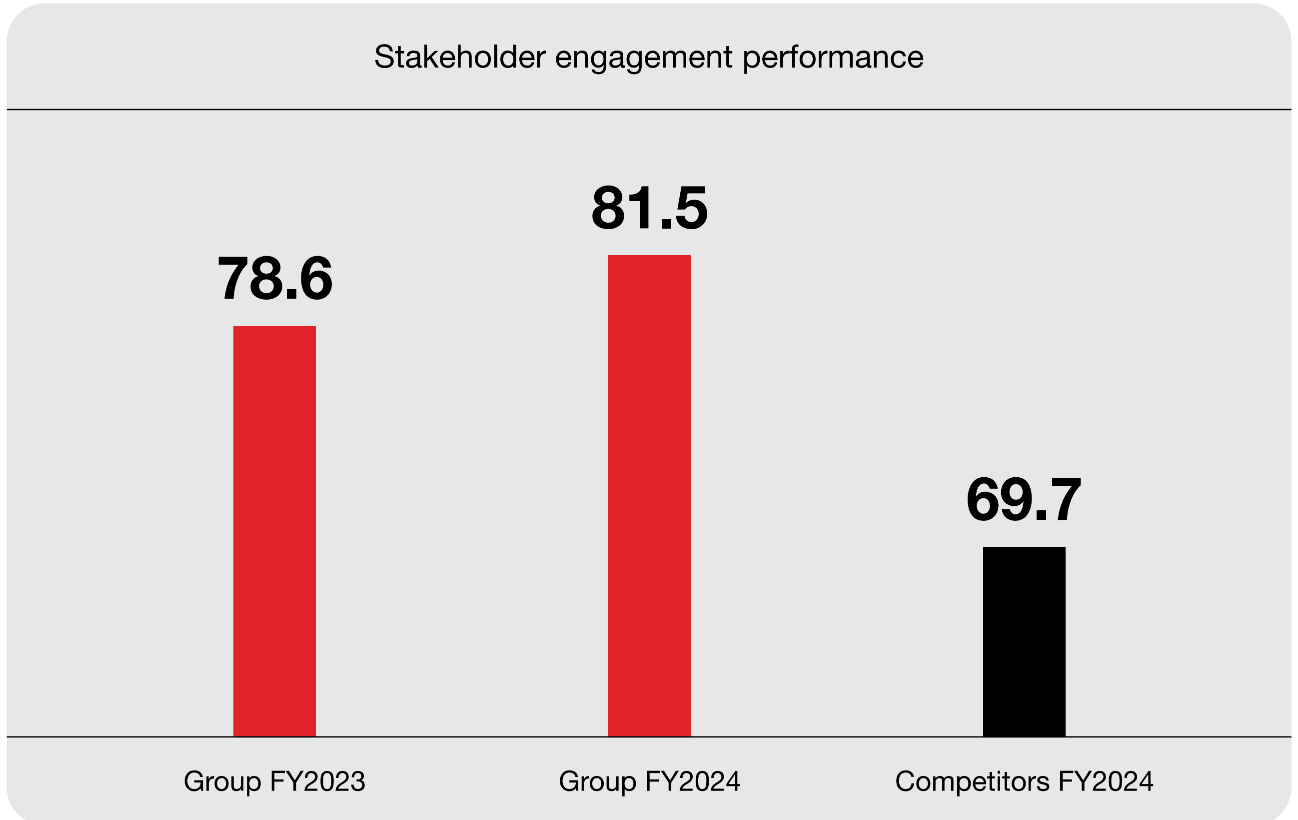
The assessment of relationship health occurs throughout the year through annual engagement surveys, individual engagement sessions, marketing and social media statistics and Net Promoter Scores.

The analysis of stakeholder feedback shapes the group's engagement efforts, allowing for the continuous improvement of the pillar's strategy.

Annual engagement surveys

The group conducts annual engagement surveys with the aim of assessing the relationship health with its key stakeholders. Results from the surveys are combined with feedback from other assessments, which highlight key areas of improvement and enable the continued execution of activities that have supported value creation for existing relationships. The surveys are targeted at individual stakeholder groups – investors, suppliers, landlords and associates.

The group's overall engagement score for FY2024 was 81.5%, which is an improvement from FY2023 and highlights the effectiveness of the group's engagement strategy in supporting sustainable value creation for all stakeholders. Further insights and scores for individual stakeholders are unpacked on pages 69 - 82.



Our Stakeholder Universe

The group's key stakeholders have been identified based on level of influence on the group's operations, the group's impact on them and extent of collaboration.

The manner, level and extent of engagements by the group are driven by the influence, interests, expectations and concerns of individual stakeholder groups.

SHAREHOLDERS
CUSTOMERS
ASSOCIATES
SUPPLIERS
GOVERNMENT & COMMUNITY
LANDLORDS

Our Objectives

- Execution of the stakeholder engagement strategy, with focus on:
  - Continual assessment of stakeholder needs and improvement of existing plans to better perform in areas that are prioritised and adopted
  - Annual assessments on progress in meeting the needs of and creating value for stakeholders
- Be recognised by stakeholders as having the best two-way communication in the industry

The board is the ultimate custodian of the group's stakeholder engagement efforts. The process of engaging with stakeholders is decentralised to form part of its various divisions and support function operations.

Stakeholder engagement is guided by the values of Passion, Value, Partnership. Each business area is required to report regularly on its stakeholder engagements to the board.

Key focus areas | FY2024

- Continued delivery of strategic communications with all stakeholders, reinforcing the group's vision and purpose, and ensuring transparent and collaborative engagement across all stakeholders
- Increased communication of the group's business activities and trade performance to all stakeholders
- Continued communication between senior management and key stakeholders, allowing for greater connectivity and accessibility to the group's 'centre'
- Executed on key strategic annual engagements such as annual landlord day and sectoral supplier days
- Analysis of feedback from engagement surveys (associates, suppliers, landlords and investors) identified key areas for improvement and continued execution of activities that have delivered value among stakeholders
- Investor roadshows and focused engagement sessions following the release of results and trading updates

Future focus areas

- Continued execution of stakeholder engagement strategy through focused engagement with all stakeholders
- Monitor progress on areas identified for improvement during FY2024 across all stakeholder groups
- Continued research to improve quality and methods of engagements

Intellidex Top Investor Relations Awards

The group was rated in the Intellidex Top Investor Relations awards across the Johannesburg Stock Exchange as follows:

#1 investor relations in consumer services

#6 on the JSE

Shareholders

Value Creation Sustainable and quality earnings growth and capital returns

Shareholding weighting increased towards local as global capital flows underwent significant changes due to volatile market dynamics

72.2% local holding

27.8% international holding

Investor engagement hosted at the group's Hammarsdale DC

Our engagement strategy

Frequent and consistent engagement that prioritises transparency, honesty and accessibility for all shareholders, through the following:

- Transparent and timeous disclosure of the group's performance, investments and strategy through interim and annual results presentations, SENS announcements and trading updates
- Consistent and frequent communication with investors and analysts through one-on-one meetings, attendance at investor conferences, and group-led investor roadshows
- Timeous updates of company information through email and calls, and ease of access to relevant company information via a dedicated investor relations website page
- Targeted investor engagements such as pre-AGM meetings on proposed resolutions

Relationship quality and achievements

The group continued to strengthen its relations with the investor community, and remains focused on the foundations of trust, mutual benefit and understanding. Listed below are key indicators of the relationship quality:

- Engagement performance:

FY2024 (%)	
Group	73.5
Competitors	56.0

- Key wins:
  - o Improvement in accessibility to management
  - o Improvement of ESG disclosures
- Top quadrant metrics in retail sector
- 264 investor and analyst engagements through meetings and conference calls

Key matters

BRAND PROMISE

MACRO AND CONSUMER ENVIRONMENT

Prolonged low GDP growth, coupled with high interest rates and inflation continued to impact consumers' disposable income levels and their ability to make discretionary purchases

- Sharp focus on executing the group's five pillars of value: price, quality, fashionability, customer experience and convenience
- Effectively implementing the Every Day Low Price model to showcase value to customers

BRAND PROMISE

VALUE RETAIL

Rising competition and foreign entrants

- Diversification of customer target market through acquisitions and category extensions or reductions
- Every Day Low Pricing execution
- Sharp focus on fashion-value differentiation
- Leverage strong brand equity and high customer affinity
- Omni-channel strategy delivering enhanced customer convenience

STRATEGIC ENABLEMENT
BRAND PROMISE

IMPACT OF LOADSHEDDING

The group lost 65 000 trading hours and an estimated R226m in revenue in FY2024 and was impacted by continued disruption to consumer shopping behaviour and diverted disposable income spend for household backup solutions

- The group achieved 100% backup power by June 2023 by spending capex of R153m
- Installed solution equipped to handle high levels of loadshedding and enhanced lighting to improve customers' shopping experience

Key matters (CONTINUED)

STRATEGIC ENABLEMENT
BRAND PROMISE

PORT AND LOGISTICS INFRASTRUCTURE CHALLENGES

Business interruptions due to under-performing national infrastructure had an impact on supply chains and efficient movement of stock

- Implemented appropriate supply chain buffers to manage lead times
- Invested in secondary DC site to mitigate risk
- Local suppliers account for more than 50% of supply chain
- High levels of engagement with relevant bodies and government forums to increase accountability for provincial service delivery

PEOPLE

EFFECTIVE REMUNERATION

Remuneration policy implementation

- The group achieved a vote in favour of its remuneration policy of 79.2% and facilitated rigorous shareholder engagement regarding its implementation policy which provided sufficient comfort to shareholders

STAKEHOLDER ENGAGEMENT
SUSTAINABILITY

IMPROVED DISCLOSURES

Financial and ESG

- Review of financial disclosure with enhanced reporting and target ranges reported in FY2024 annual results
- Inaugural capital markets day planned for FY2025
- ESG scorecard and retrospective reporting continues to account for one fifth of senior management's long-term incentive requirement

SUSTAINABILITY

THE BOARD

Composition, independence, tenure and skills

- Further positive board rotation occurred during the year, building on the consistent progress made since 2018
- Key focus on balancing tenure, skills and experience
- Additional board refresh activities occurred during the year
- Engagement with top 25 shareholders prior to AGM on key proposed resolutions

Customers

Our engagement strategy

- Understanding customer needs and concerns through traditional and interactive social media marketing, live chat feedback on e-commerce sites, customer surveys and call centres
- Promotion of products and services through advertising campaigns, competitions, club publications and store account communication
- Divisional brand equity scores through independent Brand Health Trackers

Relationship quality and achievements

- Social media following:
  - Instagram: 2.8m
  - Facebook: 6.9m
  - X: 874k
  - TikTok: 553k
- Website and app visits across the business: 155m
- R3.1m donated by customers to Mr Price Foundation
- Net Promoter Score (NPS): 70.5%

Key matters

STRATEGIC ENABLEMENT, BRAND PROMISE	**IMPACT OF LOADSHEDDING**	Refer issue three on page 70.
BRAND PROMISE	**VALUE FOR MONEY**	• 96% of consumers recognise that Mr Price provides either the same or better value for money than last year. • Consistent improvement in quality of merchandise since FY2021, achieving the highest quality level on record in FY2024 measured through independent AQL scores
BRAND PROMISE	**CASH VALUE RETAILING** Highest cash contribution to sales across listed retailers in SA	• Cash transactions contribute 88.9% to the group's total sales which highlights the reduced accessibility to consumer credit and the group's stringent approvals in new credit applications which was 19.3% in FY2024

Value Creation Surprise and delight customers with the wanted item at great value and a satisfying all-round experience

No.1 ranked most valuable fashion value apparel retailer

Mr Price Apparel and Mr Price Home have the highest brand equity and are the most loved brands in their respective segments

Mr Price Apparel and Mr Price Home are the most shopped retailers in their respective segments in SA

Associates

Value Creation

Share in the success of the business through market-related compensation and benefits, training, development and wellness programmes, long-term career growth opportunities, regular engagement with management on performance and areas of improvement, vibrant and positive work environment

> 32 000 associates employed

Certified as a **Top Employer 2024** by the Top Employers Institute

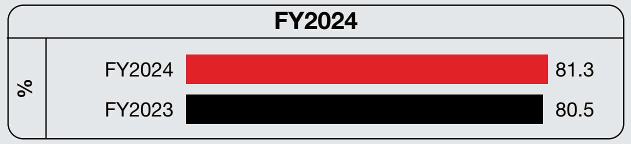
Our engagement strategy

- Induction programmes for new associates provides a basis for understanding the group's DNA and its values of Passion, Value and Partnership
- Consistent and frequent communication with management focused on performance reviews and career development
- Training and development programmes for the upskilling of associates
- Wellness programmes and events allowing associates to prioritise personal wellness
- The use of relevant and current digital platforms to share updates with associates
- Annual events, engagement surveys and incentive programmes

Relationship quality and achievements

Associate satisfaction is evaluated on the following:

- Engagement performance:



- Key wins:
  Internal engagement level exceeds international benchmarks and placed the group in the 'exceptional workplace' category (Gallup engagement model)

Key matters

PEOPLE	**CAREER DEVELOPMENT AND PROGRESSION** The dynamic nature of the post COVID-19 work environment and the need to continue innovating in the development of its people	• The group's learning and development team work continuously to further the development and training of its associates. Connect sessions encourage associates to think about their future goals, needs and support required for career growth
PEOPLE	**TALENT ACQUISITION AND RETENTION** The retail sector in South Africa has become increasingly competitive requiring a focused strategy to recruit and retain staff	• The group has worked hard at its unique employer value position to support its talent acquisition strategy • The group was voted as a Top Employer bringing credibility to its value offered as a leading workplace
PEOPLE	**ASSOCIATE WELLNESS** Creating relevant services and support structures to keep associates healthy and engaged	• Dedicated wellness team that actively manages programmes across many functional areas addressing all associates' wellbeing • Executive wellness programme implemented
PEOPLE	**REMUNERATION AND REWARD** Aligning remuneration philosophy with implementation	• The group regularly reviews its remuneration philosophy and implementation at all levels of the business to ensure its market competitiveness • The group underwent a Cost to Company conversion in FY2024 to ensure associates had more control and flexibility within their remuneration structure

Associate participation in wellness activations held at the group's office sites

Suppliers

Value Creation Partner with suppliers to build quality and sustainable win-win commercial relationships

> 1 000 active suppliers

PROCUREMENT

Local: **50%**
Foreign: **50%**

103.5m units locally procured

Our engagement strategy

- Increased understanding of the group's vision, strategy and business updates through the hosting of annual sectoral supplier days and sharing of quarterly business updates
- Ongoing supplier engagement and development through supplier grading and performance metrics, supplier workshops and focus groups, monthly meetings, factory visits and audits, and industry body engagement

Relationship quality and achievements

The group evaluates supplier partnerships through surveys and performance metrics:

- Engagement performance:

FY2024 (%)	
Group	85.5
Competitors	76.1

  - Key wins:
    o Respectful working relationship and awareness of requirements
    o The group lives up to its values of Passion, Value and Partnership
    o Ease of communication with and responsiveness of the group
- Supplier grading which focuses on delivery on-time and in-full delivery performance

Key matters

SUSTAINABILITY	**VISIBILITY OF PERFORMANCE METRICS** Improving performance on time and in full delivery metrics is a win-win outcome for both the group and suppliers	• The group's suppliers are graded on performance that is primarily measured on delivery on-time and delivery in-full (OTIF). The group's suppliers increased their OTIF performance for FY2024 to 82.0%
STAKEHOLDER ENGAGEMENT	**GROUP'S STRATEGY** Supplier understanding and alignment to the group's strategy is key to facilitating better outcomes	• Annual divisional supplier days are key engagement points for suppliers to interact with senior management and to better understand the group's strategy • The biannual business updates provides suppliers with updates on group performance, contextualising results in the retail sector
STRATEGIC ENABLEMENT SUSTAINABILITY	**INVENTORY MANAGEMENT** Supply chain disruptions	• Red Sea shipping delays and domestic port challenges impact the timeous arrival of goods to the group, and fabric to suppliers for local production of merchandise • Leveraged agile supply chain network and scale of shipping units

Engagement of Mr Price Group senior leadership with suppliers at the group's annual apparel sector supplier expo

Landlords

Value Creation Partner with suppliers to build quality and sustainable win-win commercial relationships

2 900 stores across the group

238 new stores

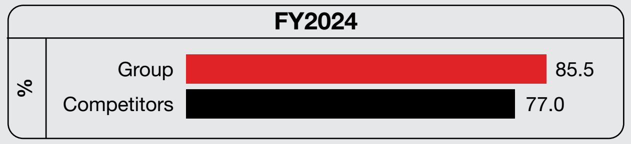
Our engagement strategy

- Host annual landlord day, which serves as a key engagement point focused on sharing the group's vision, strategy and business updates
- Sharing of digital quarterly business updates
- Daily operational engagement through dedicated group real estate team
- Engage landlord partners as a group to realise scale efficiencies

Relationship quality and achievements

The group evaluates landlord partnerships through surveys and performance metrics:

- Engagement performance:



  - Key wins:
    o Respectful working relationship
    o The group lives up to its values of Passion, Value and Partnership
    o Ease of communication with and responsiveness of the group
    o Improved connectivity to the group's business activities
- Rental escalations and reversions as a measure of commercial partnership
- Group sites remain key foot traffic drivers within landlords' assets

Key matters

GROWTH & INNOVATION	**COMPETITION FOR 'GOOD' SPACE IN SA REAL ESTATE** The competition for good real estate space continues despite broader space consolidation in the retail sector	• The group's new weighted average space growth of 16.4% highlights its intent to invest through the cycle despite lower space growth from competitors. Strong competition remains for the most sought-after locations across SA
GROWTH & INNOVATION	**SPEED OF DECISION MAKING** Improved processes and swifter decision making	• The need for swifter decision making from both the group's real estate team and its landlord partners was identified as an area for improvement. Key processes have been modified internally to ensure that the group continues to deliver against its feasibilities while ensuring it provides swift feedback and confirmation to landlords
STAKEHOLDER ENGAGEMENT	**RENTAL ESCALATIONS** Competitive and market related commercial contracts	• The group aims to secure the best possible commercial contracts for its trading space through its ability to attract high footfall positions to negotiate appropriate base and rental escalations

Engagement of senior leadership with the group's landlords at its annual landlord engagement day

Government & Community

Value Creation

Group activities are aligned to positively contribute to the achievement of the sustainable development goals, national priorities, the Retail-CTFL Master Plan 2030, reduced environmental impact, commitment to transformation and job creation, and fulfilment of legislative requirements

Founding signatory of the Retail-CTFL Master Plan 2030

Included in the FTSE4Good Index

R29.5m donated to Mr Price Foundation

Our engagement strategy

- Engagement with industry bodies and government through focused task teams
- Paying member of various organisations
- Donor to multiple non-profit bodies
- Partnerships and programmes implemented by Mr Price Foundation that focus on youth, social and skills development

Graduation of JumpStart participants

Key matters

SUSTAINABILITY	**YOUTH UNEMPLOYMENT AND SKILLS DEVELOPMENT** Unemployment remains a key structural issue in South Africa and a primary reason for muted GDP growth and persistent poverty	• In FY2024 the group donated R29.5m to Mr Price Foundation which through its JumpStart programme focuses on the development of local manufacturing and retail skills for South African youth, upskilling them for placement in formal employment
SUSTAINABILITY	**LOCAL PROCUREMENT** The group continues to strive to support local manufacturing while continuing to deliver value to customers	• The group is a founding signatory of the Retail-CTFL Master Plan 2030 and remains committed to increasing local procurement and the development of South Africa's retail sector • The group has achieved over 103m units sourced from South Africa and continues to develop local capabilities for sustainable materials
SUSTAINABILITY	**SOUTH AFRICAN RETAIL SECTOR** The retail sector is a key contributor to economic growth and employment in South Africa and the group strives to play its part in preserving its health	• The group's CEO serves as a member of the National Clothing Retail Federation (NCRF) which represents the interests of clothing retailers in South Africa and focuses on and addresses matters that impact the sustainability of retailers and suppliers, ensuring that retailers can provide value products to its consumers

JumpStart youth employed at Mr Price Home

YOUR VALUE CHAMPION

CHAPTER

04

How We Did

Contents

mr price group limited

INTRODUCING

CEO's Report

MARK BLAIR - CEO

There is no greater reward to a CEO than seeing an engaged and motivated workforce going about their work.

We are blessed with an incredibly talented team, ranging from the store assistant to the board member, which has enabled the group to withstand the headwinds to date.

Dear Stakeholders

A critical element of our vision is stakeholder engagement. Without strong relationships internally and externally, based on transparency and trust, we simply cannot succeed in our ambitions. We're in the pursuit of consistency – that our activities result in an ever-improving position, and that we are rated above our peer group.

Quick links
Strategy and Performance
Enterprise Risk Management
Material Matters

Importantly, the need for transparency and communication is at its highest during challenging times, such as we are presently experiencing, with prevailing uncertainty due to a host of external factors that include the state of our economy, consumers' financial positions, and the outcome of our country's general elections held on 29 May 2024. Our messaging to stakeholders receives great attention. Our approach, based on our corporate culture and values, is one of balanced reporting, and complete avoidance of any sugar-coating. We know that we will be judged by the passage of time.

I am satisfied that the clarity we provided to the market particularly at the last two financial reporting periods, were reflective of our genuine views, and that future events unfolded broadly in line with our expectations. We advised that a loss in market share in FY2023 was a result of factors which we believed were temporary, including overstocking in the market in general and the resultant disruption caused by severe discounting and promotional activity, and internal issues relating to the transition to the new ERP system and the rollout of power backup solutions to all our stores, both of which have now been successfully concluded. At the last year end, we advised that we expected a tough H1 in FY2024 given the above, but that we were planning on a recovery in market share and trading performance in H2.

Pleasingly, the group's market share per the RLC (excludes Mr Price Sport and Studio 88) increased 30bps and per Stats SA (includes all trading divisions) increased 110bps. H2 headline earnings per share increased 17.8%, bringing annual earnings growth to 6.7%. We were rated the No.1 most valuable fashion apparel retailer in SA per the Kantar BrandZ survey and re-entered the JSE Top40 Index in 37th position.

Our strong H2 performance was driven by our apparel and telecoms sectors, which combined represent 83% of total group sales. Double digit operating profit growth was achieved in these two sectors in H2 and on an annual basis. In the smaller homeware sector, where we hold a dominant market position, annual operating profits were 23% lower. Post COVID-19, this sector has attracted much competitor attention as people spent more on their homes and embraced remote working. Performance did improve slightly in H2, with further gains expected as internal initiatives gain traction.

Our stakeholder focus achieved our desired outcomes, while providing valuable insights for further improvement. One element of our various engagements was to ascertain the views of suppliers, landlords and investors, with respect to their experience with us. Each of these resulted in our rating improving on last year and stakeholders rating the group higher than our competitors.

This positive recognition was further supported by our internal associate engagement survey which had a remarkable response rate of 98% of our total associates. Our rating of 73% placed the group in the 'exceptional workplaces' category as defined by Gallup. The group was also awarded Top Employer certification for the first time and joins an elite group of 2 200 companies in 122 countries. An Organisational Health Index was developed to assist our divisions, centres of excellence and the board to monitor the temperature of our business, and this will continue to receive our close attention, particularly as it relates to associate wellness and transformation. These aspects are solid foundations for our "built to last" company.

South Africans are known for their resilience and grit, and this is especially true for our red cap team. In the last three years we have grown retail sales and other income by 67% from R22.5bn to R37.8bn and profit attributable to shareholders by 24% from R2.6bn to R3.3bn in what has been the most prolonged period of disruption and uncertainty I have experienced. Our growth was supported by making three strategic acquisitions into new segments and markets, while simultaneously evaluating several new

organic concepts, two of which have been brought to market and are showing great promise – Mr Price Cellular and Mr Price Kids. Importantly, we also declined numerous opportunities that did not meet our stringent requirements.

The year ahead will be tough - in the absence of growth in GDP and employment, consumers will continue to be hard-pressed financially. Disruptions to supply chains are ongoing and we are hopeful that new leadership at Transnet will accelerate progress regarding port congestion. Despite these ongoing concerns, we have the positioning, brands and people to perform well relative to our sector.

There is no greater reward to a CEO than seeing an engaged and motivated workforce going about their work. We are blessed with an incredibly talented team, ranging from the store assistant to the board member, which has enabled the group to withstand the headwinds to date. However, more are to come, and I know from the track-record set, that I can depend on our team to tackle any obstacles with the same vigour as previously. Thank you to you and your families for your dedication and support. You have my sincere gratitude.

We will continue to be focused, but with a shift in emphasis, and in so doing, prepared to make trade-offs. Whereas in the last three years, our SA growth has been supported by acquisitions, FY2025 will be focused on our existing operations, servicing our customers, and investing appropriately to ensure their overall experience meets their expectations, especially considering the threats of global ecommerce players. Profitable market share gains while retaining our strong operating and balance sheet metrics will be our focus against which all executives are measured. The contribution of acquisitions to operating profits is approaching the R1bn mark, and while we will continue with our growth plans for these businesses, we will also be stepping up our integration activities to simplify doing business and identify efficiencies across the group. Our Centres of Excellence including People, Stakeholder Engagement, Technology, Supply Chain, ESG, Real Estate, Risk and Mr Price Foundation now focus on all 13 trading chains.

We are committed to investing in South Africa, as evidenced by our capital expenditure of R1.1bn in FY2024 and R1bn in FY2025, local procurement of 103m units of merchandise in FY2024, and the direct employment of more than 32 000 associates. We will continue to invest our time and service to initiatives and institutions that promote the rebuilding of South Africa. The general elections in South Africa saw a historic outcome as a government of national unity was formed through the collation of multiple political parties. This is a favourable outcome as evidenced by the positive market reaction to the result and one which should bring greater accountability and transparency to national and local government . The proof of its efficacy will be in its execution, but there is no doubt that this could create a strong platform to revitalise much needed growth in the country.

I look forward to engaging with you at our forthcoming trading update in July and inaugural Capital Markets Day in September 2024.

Mark Blair
Chief Executive Officer

Strategy and Performance

The group strategy continues to be built on and aligned to its six strategic pillars of stakeholder engagement, people, growth and innovation, brand promise, strategic enablement, and sustainability.

The group recognises that strategy, particularly in the retail environment, is dynamic and that while the strategy function has key areas of responsibility (see adjacent page), time and resource is allocated to key annual initiatives expected to deliver the highest impact. The function spent much of FY2021 focused on research, scanning the South African market for both organic and acquisitive growth opportunities and establishing the group opportunity matrix. FY2022 and FY2023 were more heavily weighted toward the group's M&A strategy (acquiring Power Fashion, Yuppiechef and Studio 88) and working with the divisional teams to set strategies that not only aligned to the new group strategy but were relevant and executable in a rapidly evolving post COVID-19 trading environment. The deterioration in the South African operating environment (see pages 53 to 57), significant internal opportunities and a structured approach to ensuring optimal value was extracted from the three acquired businesses led to FY2024 being a year of focused strategic execution.

As strategies were calibrated during the annual strategic planning process, the strategy team's focus shifted to ensuring that research, opportunity scanning and internal initiatives were set to deliver sustainable and scalable growth. The success of strategic execution at both a group and divisional level is managed by robust quarterly performance reporting, with remedial plans and actions put in place when KPI's are at risk of not being achieved and stretch targets implemented when actual results exceed expectations.

Over the past three years, the group has enhanced its strategic planning processes and established a filtering process to analyse and approve capital allocated to new opportunities. These processes are actioned within the group's capital allocation framework and capital return thresholds. While a number of organic and inorganic opportunities were assessed this year, they were all declined on the basis of valuation, returns that did not meet the group's stringent thresholds or indicated limited long-term scalability.

Key responsibilities

The strategy function's main responsibilities include:

- Research, identification and business case development of new growth vehicles and markets, whether these be organic or acquisitive opportunities
- M&A activity
- Managing the strategic planning process and ensuring alignment between group and divisional strategic activities
- Performance measurements via the quarterly KPI process, progress reporting and intervention to ensure consistent delivery of key strategic initiatives

Group strategy framework

Vision: to be the most valuable retailer in Africa

FRONTLINE
Surprise and delight our customers

STRATEGIC OUTCOMES

1 Profitable market share	**3 Diversified offering**	**5 Operational excellence**
• Growing comparable sales • Space growth • Category extensions	• Omni-channel • Differentiated fashion • Value positioning	• Digital & tech modernisation • Supply chain • Efficiencies & leverage
2 Customer obsessed	**4 Scalable opportunities**	**6 Top quartile returns**
• Leading brand equity • Customer engagement • Data insights	• Strategy function • New growth vehicles	• Disciplined capital allocation framework • Industry leading metrics

ENABLERS
People | Operations | Sustainability

SUPPORTED BY

Six Strategic Pillars

Growth and Innovation | Brand Promise | Stakeholder Engagement | Strategic Enablement | People | Sustainability

VIEW MORE

Strategy and performance

Stakeholder Engagement

The stakeholder engagement strategy aims to promote and protect the group's reputation and acts as the overarching custodian of the group brand.

The strategy is focused on ensuring that the group continues to differentiate itself, and it has set the objective for stakeholder relationships to be based on the true spirit of partnership and aims to be ranked as the leading retailer in 'engagement and delivery'.

The excellent progress achieved in external communication and engagement strategies is evidenced in the stakeholder engagement survey scores exceeding targeted scores, and independent recognition in the annual Intellidex Top Investor Relations rankings.

CAPITALS

I F N H M S

STAKEHOLDERS

OBJECTIVE

Stakeholder relationships are based on the true spirit of partnership and the group is ranked as the leading retailer in 'engagement and delivery'

PERFORMANCE RATING

Key objectives

- Centralised stakeholder engagement function
- Facilitate key strategic engagements with respective stakeholder groups
- Stakeholders have an improved understanding of the group strategy
- Investors/analysts have an improved understanding of financial performance, strategic direction (including ESG) and capital allocation framework
- Conducted annual surveys across stakeholder groups
- Annual survey scores meet or exceed targets

Trade-offs

- The group has a small stakeholder engagement team that continually balances time, financial and technological investment across the five stakeholder communities they serve
- Integration of acquired businesses into all of the group's communication channels, targeted sharing of relevant communication through cost effective channels implemented in the short-term

Progress

- Centralised stakeholder engagement function ensures continued effective execution of stakeholder engagement strategy
- Tailored engagement sessions with investors, landlords and suppliers
- Ranked by Intellidex as top-rated investor relations in the consumer services sector
- Stakeholder engagement surveys conducted
- Aggregate stakeholder engagement score of 81.5% exceeding target of 75%

People

SUSTAINABILITY REPORT >
REMUNERATION REPORT >

The group cannot achieve its vision without attracting, developing and retaining the best talent pool in the retail industry. The group has a unique and special culture that is underpinned by its DNA (see page 59), which guide the appropriate integration principles for acquired or newly launched businesses. The group's associates showed their grit and resilience once again, navigating a weaker macro environment, the disruptions of loadshedding and adopting technological changes as the group's modernisation strategy is delivered. The group recognises the stresses of operating in the South African retail market and remains focused on associate wellness which is a key pillar of the group's people strategy.

As the group continues to execute the strategy, it will be increasingly important to ensure that the correct structures and capabilities are created to manage the complexities of growth, launching new divisions, and integrating acquisitions. Trading divisions' managing directors will continue to execute the strategies as agreed for each of their divisions, leveraging the centralised thought leadership that exists in the group's centres of excellence.

CAPITALS

I F H S

STAKEHOLDERS

OBJECTIVE

The group's energised environment and unique culture drive performance and position the group as the most sought-after retail employer

PERFORMANCE RATING

Key objectives

- Strong organisational health ensures engaged and energetic associates to execute the strategy
- Talent is engaged, developed and retained
- A transformed and relevant South African business with an inclusive culture, improving employment equity scores
- Group and divisional organisational designs are aligned and appropriate for a value retailer
- Organisational change management capability in place to support and navigate the complexity of change
- Leading leadership capabilities with strong succession pipelines

Trade-offs

- To ensure full alignment to business needs and delivery of planned benefits, the implementation of the Oracle HCM project has been calibrated to allow associates to better navigate the change
- Continued trade-off on scale, investment and scope of projects to align to the new People strategy. This includes prioritising remuneration strategies over wellness and training interventions
- Change management lead appointment made in FY2024, effective in FY2025

Progress

- Organisation health scores (baseline) established in FY2024
- Annual engagement score of 72.8% exceeds target of 65%
- Wellbeing strategy established
- Group labour turnover declined 210bps
- Achieved Top Employer certification
- Progress against employment equity targets:
  - Top management 21.4% (below target)
  - Senior management 38.6% (ahead of target)
  - Professionally qualified 58.1% (below target)
- Phase 1 of new organisational design implemented effective 1 April 2024
- Head of change management appointed in FY2024
- 65 associates attended LEAD programme

Growth and Innovation

CAPITALS

I F H M

STAKEHOLDERS

For FY2024 the group remained focused on growing profitable market share in Southern Africa, extracting value from the acquired businesses, rolling out new concepts such as Mr Price Kids and Mr Price Cellular and innovating in new non-comp categories to grow its average basket spend. During the year, there was no change to the group's shareholding in the Studio 88 group (70%). The test of the Mr Price Baby concept was concluded, and the group made the decision to move forward with the rollout of a combined baby and kids concept under the Mr Price Kids branding. This will not only expand the offering and the identity of the baby and kids categories as the standalone footprint is increased, but in many locations, the kids offering will be extracted from the Mr Price Apparel store allowing for an improved offering and shopping experience for its adult fashion-value customer.

The key drivers of the group's growth strategy remain:

- Comparable store sales growth
- Non-comparable growth (new stores and new categories within existing divisions)
- Launching new concepts
- Acquiring new businesses

The divisions continue to open new stores, innovate and test new product and categories, guided by data and research to identify these opportunities. The group's investment criteria into future growth opportunities will be led by the executive investment committee's capital allocation framework and the group's disciplined financial approach to maintain top quartile metrics in the sector.

OBJECTIVE

To be the top performer in total shareholder returns in the retail sector

PERFORMANCE RATING

Key objectives

- Sector leading sales growth (relative to Stats SA and peers) and increased market share
- Consistently achieve top quartile earnings growth
- Capital allocation policies consistently applied
- Capital allocated to high yielding and diversified growth opportunities
- Increased PE Ratio (maintain premium PE rating in the sector)
- Predictable and consistent dividend policy

Trade-offs

- Continual trade-off of choosing highest impact and strongest return growth vehicles (declined various acquisition opportunities and did not launch further new concepts in FY2024)
- Stronger focus on exploiting internal opportunities – capital allocated to stores, technology and people

Progress

- Retail sales increased 16.2%
- Online contribution: 2.1%
- Market share increased 30bps (RLC)
- Capital allocated to higher yielding internal initiatives – opened 31 Mr Price Kids stores and 41 Mr Price Cellular stores
- 71.1% of FY2024 capex allocated to stores
- Key financial metrics:
  - ROE: 23.3% (24.8% in FY2023)
  - ROA: 11.7% (12.5% in FY2023)
- Cash conversion: 86.9% (82.0% in FY2023)
- Stock turn: 3.1x (3.4x in FY2023)
- TSR: 26.2%
- R1.9bn paid in dividends
- No change to dividend policy

Brand Promise

CAPITALS

I F H M S

STAKEHOLDERS

The group's brand promise and purpose remain – Your Value Champion. The objective of this pillar is to grow brand value by surprising and delighting the group's customers with the wanted item at great value and a satisfying all-round experience. Historically its interpretation of value (Price + Fashion + Quality) was very focused on price.

While this is key for the Power Fashion customer, the group now serves a broader customer base and has updated the definition of value to include convenience and experience.

As customers will move up and down the value spectrum over their shopping and economic lifetime, the group understands that for some customers price will drive their decision making, while for others, their equation is weighted toward fashion, quality, experience or convenience.

OBJECTIVE

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

PERFORMANCE RATING

Key objectives

- The group has a clear understanding of its customers and their needs
- Increase market share as measured by RLC and Stats SA
- Increased brand equity scores across all divisions
- Improved ranking in Kantar BrandZ
- Most Valuable South African Brands - improve from 21st position
- Frontline performance is measured and drives continual improvement in appropriate customer experience

Trade-offs

- Revamp programme slowed, allocating capital to higher return opportunities and energy backup power
- Further investment in CRM and ecommerce programmes deferred further due to ERP implementation and ensuring successful re-platforming to Magento 2
- Continue to look for cost effective solutions to align acquired businesses
- Delayed appointment of Brand Promise owner

Progress

- Increased focus on customer research and data analytics
- Market share increased 30bps (RLC)
- Market share increased 110bps (Stats SA)
- Improved divisional brand equity scores
- Kantar BrandZ survey – No.1 most valuable fashion apparel retailer in SA
- Continued success of the one store card despite tighter credit granting criteria
- Continued positive momentum in divisional net promoter scores
- Port disruptions impacted flow of stock and customer's experience
- Group social media stats:
  - 155m website and app visits
  - 2.8m Instagram followers
  - 6.9m Facebook fans
  - 874k X followers
  - 553k TikTok followers

Strategic Enablement

CAPITALS

I F H M

STAKEHOLDERS

The group's trading division strategies are enhanced by their access to the thought leadership and executional capabilities in the Centres of Excellence – Technology, Logistics, People, Real Estate, ESG, Risk and Internal Audit, Group Finance (including treasury and tax) and Stakeholder Engagement. The strategic enablement strategy straddles technology, logistics and real estate. With the new enterprise resource planning (ERP) in place, the group will continue to focus on de-risking the technology portfolio as it moves away from legacy systems. In the medium- to long-term the technology spend will be weighted toward innovation as the group continues to deliver market-leading customer-facing technologies and grows its position as a leading omni-channel retailer. The approach remains one of researching and adopting the trends that are aligned to achieving the group's vision. This will see continued investment in business intelligence and data analytics to support data driven decision making and further investment in RPA, machine learning and artificial intelligence (AI) technologies.

The logistics strategy is largely focused on delivering the lowest possible distribution costs while ensuring the group has sufficient capacity to achieve its growth ambitions.

OBJECTIVE

Entrench group culture and differentiation by leading with technology and innovation across our strategic enablement capabilities

PERFORMANCE RATING

Key objectives

- Strong, agile, secure platforms and systems to support group strategic needs
- Transition technology focus from infrastructure and applications to innovation
- Become a technology-enabled, insight driven business
- Innovation drives business sustainability, reduces costs and supports delivery of strategic growth initiatives
- DC capacity is available at appropriate cost and returns
- Space strategy delivers desired space at commercially viable cost

Trade-offs

- Store capex is allocated to divisions delivering best returns
- Technology projects managed via return, resource, capability and group's ability to absorb change
- Balance between synergies and efficiency benefits and acquired businesses' capacity to integrate

Progress

- Achieved targeted cybersecurity rating
- Roadmap in place to ensure strategic technology and logistics needs can be met
- Mr Price Advance team improved data visualisation, augmented processes with robotic process automation, aided decision making via machine learning and introduced additional artificial intelligence tools
- Technology investment R165m
- Further advanced supply chain strategy
- High Jump DC system successfully implemented at Power Fashion
- Store capex R780m
- Opened 238 stores, adding 61 724sqm of trading space

Sustainability

SUSTAINABILITY REPORT

CAPITALS

I F N H M S

STAKEHOLDERS

The group strongly believes that the ESG strategy plays a key role in protecting and influencing its brand reputation, its ability to attract and retain key talent and investors, and that building a sustainable value chain will positively impact the socio-economic landscape.

The success of the group's ESG strategy and commitments is recognised via its inclusion on ESG indices and positive ESG assessments ratings.

The strategic imperatives remain:

- Responsible environmental impact
- Strengthened supplier partnerships
- Proactive compliance
- Agility in contracting
- Disclose with integrity

OBJECTIVE

To be recognised by stakeholders as a relevant, ethical and sustainable proudly South African company

PERFORMANCE RATING

Key objectives

- Continued inclusion in FTSE4Good Index
- Environmental strategy executed and scorecard improved annually
- Social strategy executed and scorecard improved annually
- Governance strategy executed and scorecard improved annually

Trade-offs

- The group continually balances its sustainability journey and the investment required to deliver on planned strategic initiatives while prioritising its core purpose of being Your Value Champion
- Integration of acquired businesses into the group's sustainability approach and practices will continue at an appropriate pace and cost, with due regard to resource capacity and availability

Progress

- Maintained inclusion in the FTSE4Good Index
- Recognised as ESG leader and achieved C rating from ISS
- Maintained low risk ESG rating from Morningstar Sustainalytics
- R29.5m donated to Mr Price Foundation
- Appointed new Mr Price Foundation director
- 96.9% tier 1 and tier 2 factory visibility (97.6% in FY2023)
- Reduction of 8.4m single-use plastic shopper bags
- 21.8% of products sold contain a sustainable material or cleaner production attribute
- 100% of the DC's water supply harvested from rainwater
- 103.5m units locally procured
- Head office and DC solar supply and electricity efficiency

Enterprise Risk Management

The group embraces the philosophy that effective risk management contributes to achieving its goals and objectives by managing threats and taking advantage of opportunities. Risk management extends beyond a risk register and is integrated into and underpins the group's decision making processes. The group's enterprise risk management (ERM) processes are regularly reviewed allowing for increased capabilities and capacity, ensuring continuous improvement to risk management and the promotion of a positive risk culture within the business.

Translating ERM visions into everyday actions – A practical approach

	Vision	Action	What this means
ASSOCIATE EMPOWERMENT	Associates feel empowered to raise events of concern and identify how things can be done more efficiently and effectively	Associates apply the risk management process as a means of identifying risks and developing threat plans to achieve desired outcomes	Associates are empowered and trusted to identify and raise risks to improve the way the group operates
COLLABORATIVE THINKING	Reduced siloed thinking and increased cross management teams	Associates apply the risk escalation process to raise awareness with line management and at key governance forums. Risk management dashboards and exception reports are implemented	Associates are encouraged to collaborate widely when identifying and assessing a risk. Sharing risk assessments and making the assessments transparent and accessible is a must
IMPROVED RESPONSE TIMES	Associates act quickly in response to risks through early notification thereby enabling a more agile business	Decision makers can respond more quickly when risks are escalated	A more responsive business as decisions can be made more quickly
INCREASED RESPONSIBILITY	Behaviours are action orientated rather than compliance driven	The risk team forms a community of practice and supports the implementation of this framework through advice, training, coaching and support	Everyone has a responsibility to embrace risk management. The mechanisms provide support to associates
ASSESSMENT AND REPORTING TOOLS	Decision making is enhanced by the use of up to date risk assessments	Associates use risk reporting to document evidence and analysis to underpin decisions required. Associates ensure that decisions are supported by documented risk assessments	Risk assessments and reporting tools are provided to help associates make better informed decisions

Risk Model

The risk model below is a visual representation of how the group thinks about, structures and manages risks. Its purpose is to enable the group to understand the relationships between risks across multiple divisions that reflect its core business. It is also used as a means to capture material risk exposures generated from different perspectives.

It allows the group to:

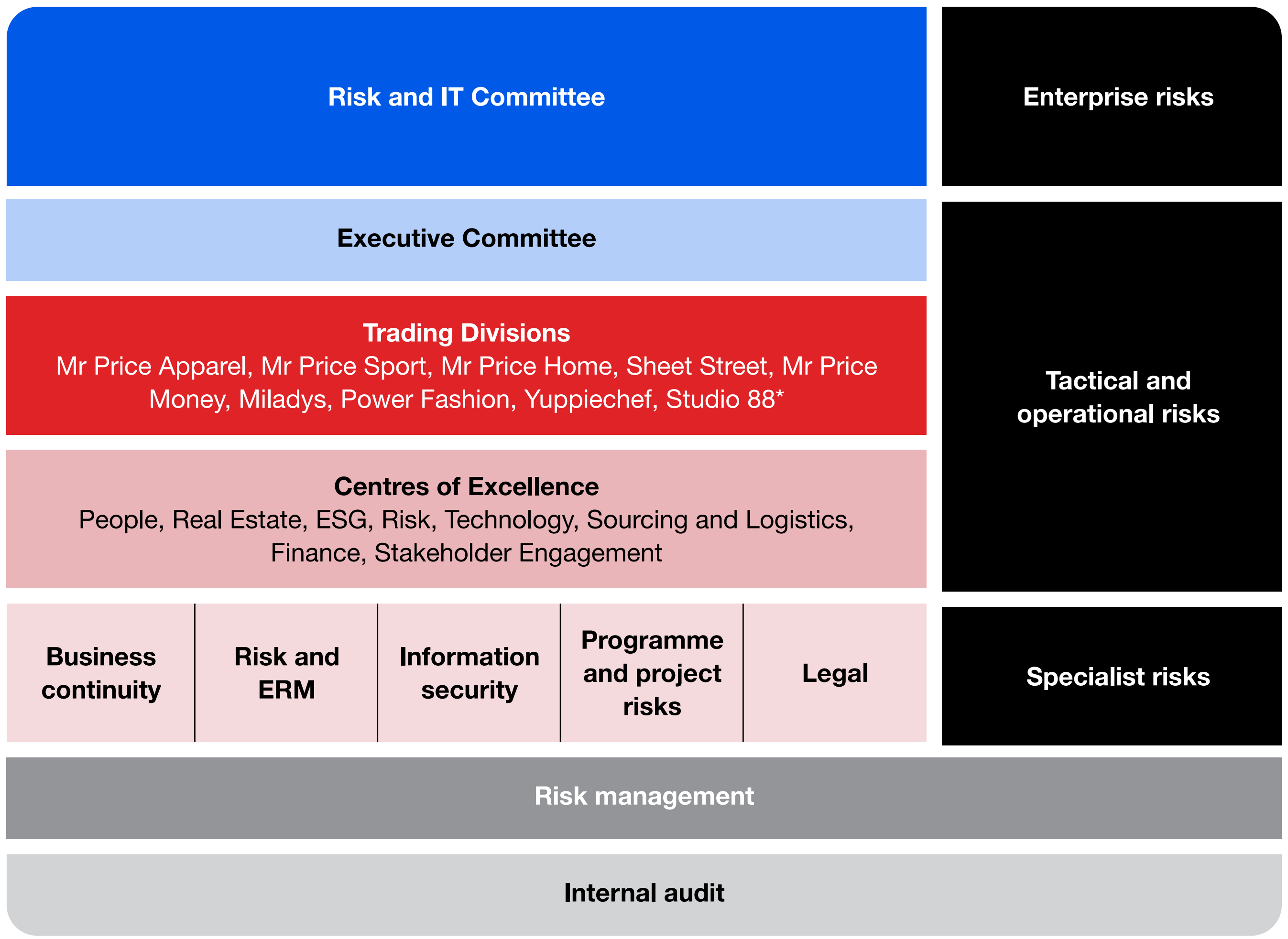
1. Ensure visibility of all risks to identify material risk exposures
2. Aggregate risk information and undertake an analysis of trends to develop insights and understand the changing risk profile
3. Provide a shared and consolidated view of risks as they emerge across the trading divisions and centres of excellence

How is the risk model structured?

The model is built around four perspectives that define and design the group's risk approach. It is a structured, consistent and continuous process that addresses:

1. Enterprise risks: Critical risks of strategic importance that have the potential to impact the group's ability to achieve its imperatives
2. Tactical risks: Risks identified by divisional executives as part of delivering their annual business plans
3. Operational risks: Risks identified in the delivery of common operational areas
4. Specialist risks: Technical risks unique to a business context and environment

Integration of risk management



*ERM implementation in progress

The board is ultimately accountable for effective risk management and agreeing on key risks which is inclusive of emerging risks facing the group and ensuring that these are successfully managed. In addition, the group's philosophy of autonomy and freedom empowers its leaders to identify, evaluate and manage the risks faced on an ongoing basis through a structured approach. ERM processes and outcomes are guided, overseen and reported on by the group risk director.

Key Areas of Focus

Risk Strategy

As previously reported, in developing the group's ERM capabilities much time and effort has gone into developing fit for purpose, simplified processes and supporting frameworks. The desired levels of risk maturity and improved capabilities have been achieved in 2023. However, it was recognised that with the group's growth aspirations comes risk commensurate with the level of desired growth. To this extent, a medium- to long-term ERM strategy was finalised in 2023. Action taken in support of the key strategic objectives include:

Increased consistency in the framework's application across the group through:

- Provision of a groupwide ERM framework
- Risk training at all levels
- Empowered risk representation across all trading divisions and centres of excellence
- Integration of risk induction modules into strategy training
- Maintenance of the risk maturity score
- Reduced time between risk identification and management responses
- Embedded escalation processes
- A new organisational structure that facilitates quicker responses
- Revised delegation of authority
- Direct and indirect reporting to executive directors and Risk and IT Committee

Increased number of complex risks analysed and resolved by treatment plans through:

- Focused resilience plans for unprecedented risks such as a national electricity grid failure
- Robust cybersecurity treatment plans
- Global supply chain risk deep dives
- Global and local election risk impact analysis
- Increased use of formal risk management techniques to inform key decisions
- The use of key risk indicators
- The use of improved risk assessment methodologies
- Integration of risk into strategy process
- The use of a risk movement analysis

Reduced number of issues over time through:

- Fewer or less significant operational incidents
- Improvement in system uptimes
- Improved information security posture
- Improved trading performance
- Improvement in market share

Business resilience

The primary objective of the group's business resilience imperative is to proactively identify potential impacts on business operations that may be caused by an adverse or disastrous event that could result in a major interruption to business activities or threaten the group's reputation, and to minimise the effects of such an event/s.

Emergency and crisis response

The overall resilience of the group continues to improve. Significant effort has been expended to develop reliable and tested plans for emergency response and crisis management. This is further supported by the selection of appropriate mitigating strategies designed to enable speedy resumption of operational activities, in an organised manner, following the occurrence of an undesirable event.

Disruption and crisis scenarios response plans have been developed for:

- Supply chain disruptions
- Electricity grid collapse
- Fire
- Water outages
- Cyber attacks
- Social unrest
- Road blockages

Insurance

Insurance is viewed as a risk transfer tool that falls directly within the scope of ERM. Every year significant focus is placed on the renewal processes to ensure adequate cover on various risk classes, based on a globally changing risk profile and cover that was available in the insurance market. The group's insurance purchasing philosophy is based on the following objectives:

- To protect the business against low frequency but high severity losses such as natural disasters, by purchasing insurance from financially sound insurance markets with a minimum rating of A from one of the approved international credit rating agencies
- To maintain long-term sustainable relationships with key insurance markets
- To manage high frequency but low severity predictable losses to secure deductible levels, and not pass such risks to insurers
- To apply a premium allocation model that allocates group insurance premiums equitably among the group's individual operations, taking into account declared sums insured/values, claims experience, risk rating and other factors agreed from time to time
- That all operations must participate in all group insurance programmes

> A crisis is defined as any event that renders a business facility inoperable or unusable so that it interferes with the organisation's ability to deliver essential business services or an event that threatens the group's reputation.

Group Risk Themes

Risk theme		Risk statement	Interconnected potential risk/impact	Risk movement since prior year	Strategic pillar
01	Competitive landscape	The risk that actions of competitors or new entrants to the market threaten the group's competitive advantage	• Competitor imitation strategies • Increased consumer price sensitivity • Increased online presence of local and foreign competitors • Store space availability • Market share loss • Technology investments by competitors • Inability to maintain GP margins	Elevated	Growth & Innovation
02	Macro, socio-political, socio-economic and regulatory environment	The risk that adverse political action, poor state-owned entity performance, social unrest, declining economic conditions and onerous legislative requirements impacts growth imperatives	• Disruption of business activities • Increased cost of doing business • Exchange rate volatility • Constrained discretionary spend due to increased cost of living	Elevated	Growth & Innovation
03	Supply chain	The risk of an inefficient, ineffective and unreliable supply chain that will result in poor inventory management impacting the group's competitive advantage	• Disruption of business activities • Concentration risk of suppliers and territories • Increased logistics costs • Merchandise critical path • Unsustainable rise in input costs • Increased lead times • Increased working capital costs	Elevated	Growth & Innovation
04	Talent attraction and retention	The risk that the inability to attract and retain key skills impacts the group's capacity to execute its strategy	• Unsustainable cost growth to attract and retain key talent • Deterioration of employee wellbeing • Loss of intellectual property to competitors • Disruption of business continuity • Deterioration of leadership capacity • Inability to execute group and divisional strategies	Unchanged	People
05	Brand reputation	The risk that associates, or parties with whom the group transacts, conduct themselves in a manner that damages the reputation of the group	• Reputational damage • Poor service and/or quality of product • Deterioration of organisational health • Escalation of social media risks	Unchanged	Brand Promise
06	Information technology	The risk that technology systems lack capability and capacity to support operations and future growth	• Inadequate investment in IT systems and management structures to facilitate improved execution of business operations and delivery of growth initiatives • Increased occurrence of cybersecurity attacks on systems or related infrastructure	Unchanged	Strategic Enablement
07	Strategy	The risk that a lack of a clearly articulated strategy and execution thereof will result in the group's inability to achieve its desired growth	• Distraction and deviation from core principles • Inability to grow • Incorrect allocation of resources • Misalignment of priorities • Poor execution of growth strategy	Unchanged	Growth & Innovation
08	Transformation	The risk that a slow pace of transformation will result in adverse reputational and commercial damage, and hinder the group's diversity, equity and inclusion (DEI) strategy	• Considered to be an undesirable corporate citizen and reputational damage • Legal penalties • Dissatisfaction with pace of change creating distraction and disruption • Promoting above capability to meet targets	Unchanged	People
09	Leadership and organisational agility	The risk that leadership behaviour and resultant impact on the organisational health impacts the group's ability to achieve its goals	• Inability to innovate and grow • Siloed thinking • Dilution of entrepreneurial mindset • Lack of experimentation • Loss of customer relevance • Redundant people/processes	Unchanged	People
10	Culture and behaviours	The risk that the group's culture and behaviours do not engender the right values and behaviours to protect the group's organisational health	• Deterioration of organisational health • Siloed thinking • Loss of entrepreneurial thinking and risk taking • Poor agility	Unchanged	People

Group Risk Map

Likelihood (Low → Very High) / Consequences (Low → Very High)

	INCIDENTAL	MINOR	MODERATE	MAJOR	CRITICAL
ALMOST CERTAIN					
LIKELY				1, 2, 3, 4	
POSSIBLE			7, 6, 10, 9, 8	5	
UNLIKELY					
RARE					

Material Matters

"An ongoing, structured and adjusted approach towards achieving our objectives."

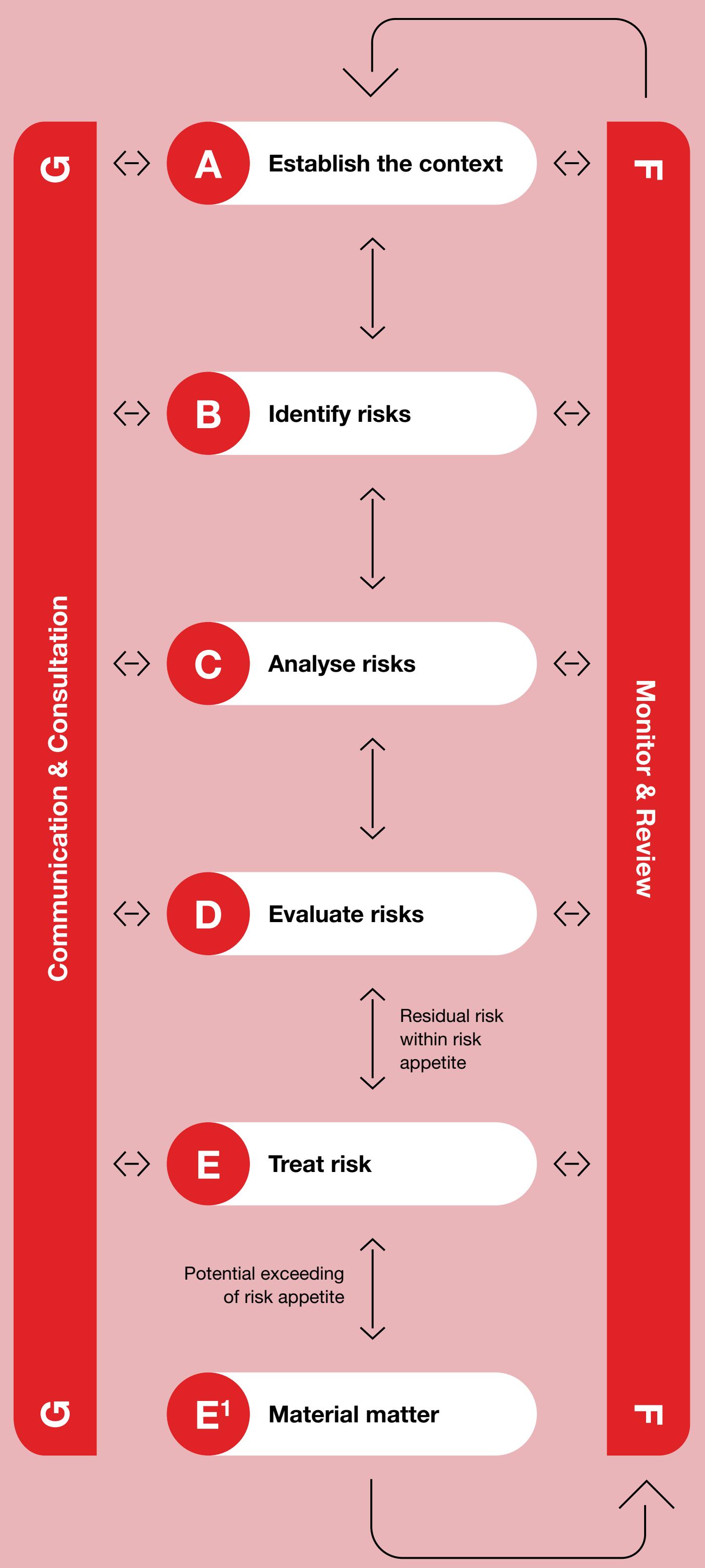
The group's material matters, risks and opportunities are identified through an ongoing, structured and embedded ERM process as illustrated in the adjacent diagram.

While the group's growth strategy remains relevant, there exists the need for ongoing monitoring and adjustments for effective responses to a rapidly changing external risk landscape. The capabilities of agility and flexibility in support of an ongoing and adjusted approach to strategy is therefore critical to the success of the group. As indicated in the adjacent diagram, ERM processes are circular thereby ensuring that changes to the operating and trading environments are dealt with through ongoing assessments of risk ratings and risk responses to manage risks within the desired risk appetites. Key risks that have the potential of exceeding the group's approved risk appetite and the impact of the group's ability to achieve its strategic objectives, have manifested into the following six material matters:

1. Challenging retail environment
2. Competitor landscape
3. Supply chain disruptions
4. Digital transformation
5. Human capital preservation
6. Brand reputation protection

Guided by the group's strategic pillars, and the interconnected nature of each risk, material matter and group response, the group's material matters were consolidated and aligned to its strategic pillars resulting in the six material matters listed above.

Process for determining materiality



Material Matters

RISK THEMES

1 Competitive landscape
2 Macro environment
3 Supply chain
7 Strategy

GROWTH AND INNOVATION

1. Challenging retail environment

RISK THEMES 1 2 3 7

As the group's trading activity is predominantly based in South Africa, the challenges facing the country's retail environment renders it a material matter. The following factors are of particular concern for the group's growth aspirations:

- Weak economic growth and uncertainty of future performance
- Lower disposable income due to high cost of living
- Constrained consumer spending and resultant impact on demand
- Volatility of the US dollar
- Increased credit sales and poor collection due to pressures on disposable income
- Increased cost of business e.g. compliance, insurance, security
- Increased competition through aggressive discounting
- Continued electricity and water shortages
- Post election political uncertainty

Our response

- Execution of growth strategy both organically and acquisitively
- Diversification of customer base through acquisitions that are guided by the group's opportunity matrix
- Other strategic initiatives
- Use of RLC data as a tool to adjust trade activities in real-time
- Credit risk management
- Leverage strong retail skills in the value retailing segment
- Leverage strong merchandise disciplines
- Brand strength and value
- Increased cash contribution to total sales, with low reliance on consumer credit to drive sales

GROWTH AND INNOVATION

2. Competitor landscape

RISK THEMES 1 2 3 7

High cost of living and unemployment has further constrained consumers' discretionary spend, leading to increased competitor activity in the value retail sector. Factors elevating competitor risks include:

- Rise in local and foreign retailers targeting the lower LSM customer
- Competitor imitation of the group's divisional strategies and cornerstone categories
- Competitor replication of the group's Every Day Low Price model
- Rise in organic concepts by competitors
- Continued low barriers to foreign entry
- Highly promotional environment due to elevated inventory levels
- Increased consumer price sensitivity
- Change in consumer spending behaviour i.e. more wear/buy demand
- Increased competition for store space in prime/strategic locations

Our response

- Progress towards diversification of target customer market through strategic acquisitions, and category extensions or reductions
- Future acquisitions to be focused on expanding the group's offerings and diversifying customer segments
- Other strategic initiatives
- Continued focus on differentiated fashion-value offerings
- Leverage EDLP model
- Continue positive momentum of market share gains by attracting, delighting and surprising customers with differentiated fashion-value offerings
- Cash-based business, with low reliance on consumer credit to drive sales

GROWTH AND INNOVATION

3. Supply chain disruptions

RISK THEMES 1 2 3 7

Local and international supply chain disruptions continue to impact the retail sector. The timeous movement of merchandise by road and sea has evolved into a material matter due to:

- Anticipated Red Sea delays that could impact global shipping routes
- Ailing SA logistical infrastructure
- Poor port service levels and reliability since September 2023
- Road disruptions due to roadworks, poor maintenance and strike activity
- Elevated levels of crime and attacks on road carriers/merchandise on route

Our response

- Agile sourcing strategy
- Supply chain optimisation strategy
- Service agreements with shipping service providers
- Strategic supplier partnerships with strong feedback loops
- Supplier performance measurement and visibility of production cycles
- Ongoing focus of divisional management teams on OTIFs (on time, in full)
- Approved economic operator status registration
- Procurement of locally manufactured products to increase agility and flexibility
- Crisis response plans
- Transport risk management
- System enhancements with early warning indicators

Material Matters Continued

RISK THEMES

4 Talent attraction and retention
5 Brand reputation
6 Information technology
8 Transformation
9 Leadership and organisational agility
10 Culture and behaviours

STRATEGIC ENABLEMENT

4. Digital transformation

RISK THEME 6

The group recognises and appreciates that systems' capabilities are essential to support business continuity, future growth and to differentiate itself as a competitor. Reliance and transformation of technology systems will always be deemed a material matter for the group due to:

- Speed of technological advances
- Return on capital investments on system enhancements
- Reliance on information generated to base key decisions
- Information security
- Compliance (data privacy, POPIA)
- Interruptions to business activities

Our response

- Execution of technology modernisation and digital improvement strategy
- Annual review and alignment of information and cybersecurity objectives to the group's business imperatives
- Execute and evolve group cybersecurity roadmap
- Embedded IT disaster recovery response plans
- Incident response simulation
- E-commerce optimisation
- Continuous improvement to merchandise solutions
- Mr Price Advance accelerating the use of AI, ML and RPA

PEOPLE

5. Human capital

RISK THEMES 4 8 9 10

The group is aware that its performance and reputation is highly dependent on the deployment of a disciplined, engaged, agile and experienced team with strong retail acumen, technology and leadership skills. This is further supported by organisational health that is strengthened by a strong culture that engenders the correct values and behaviours. This dependency on human capital deems it a material matter for the group due to:

- SA's shortage of retail skills and resulting competition to attract and retain key skills
- The speed of change and the world of VUCA (volatility, uncertainty, complexity and ambiguity) requires skills for the group to adapt to a new way
- Cost of required skills impacting the value model
- Reputational risks associated with behaviour and decision making across the organisation

Our response

- Organisation structure to improve capacity and allow for greater focus on strategic initiatives
- Leadership Development Framework
- Executive Development Programme
- Executive Wellbeing Programme
- Execution of transformation strategy
- Principles of diversity and inclusivity integrated into the group's culture
- Targeted restraint and retention mechanisms across the group and linked to key performance indicators
- Recruitment aligned to employment equity targets
- Ongoing review of reward philosophy
- Remuneration adjustments for critical skills
- Progression of the group's succession plan
- Fast track development plans for key successors
- Alignment of transformation targets across the group and linked to KPIs

BRAND PROMISE

6. Brand reputation

RISK THEME 5

As previously reported, due to the size of the organisation and the vast number of associates who represent the brand, either in their personal capacity or while representing the group, there is an inherent level of risk of brand damage. While mechanisms are in place to manage such incidents, there are certain situations, especially with the speed in which information is transferred, that extend beyond the risk appetite of the organisation. The risk of brand disrepute is therefore deemed to be a material matter.

Our response

- Group code of conduct
- FairCalll whistleblower hotline available to all associates and partners
- Ethics awareness and training
- Social media policies
- Social media screening
- Escalation guidelines
- Group communication function

INTRODUCING

CFO's Report

PRANEEL NUNDKUMAR - CFO

The group will continue to focus on effective execution of its business strategy, seeking out positive market share gains at enhanced gross margins. We will invest over R1bn in capital expenditure into the South African economy to support the growth of the business.

Financial Performance Highlights

Revenue	EBITDA	Cash Generated from Operations	Operating Profit^
R37.9bn	R8.2bn	R7.1bn	R5.3bn
+15.5%	+13.5%	+20.3%	+7.9%

Operating Margin	Diluted HEPS	Dividend Per Share	New Store Investment
-110bps	1 252.6c	810.3c	238 New stores
14.0%	+6.3%	pay-out ratio maintained 63%	New w.avg space growth +16.4%

^Incl non controlling interest in Studio 88

Reflecting on the first year of my appointment to CFO, the group has had to navigate continued pressure from a challenging macro-economic environment in South Africa, characterised by "higher for longer" interest rates and sticky food and fuel inflation, with low GDP growth that restricted economic expansion. The higher cost of living negatively impacted disposable income of consumers, constraining spend particularly in the discretionary retail category, as noted in our operating environment (refer page 53), which resulted in elevated competitor activity for market share.

In this context, the group responded with laser focus on the execution of its strategy and business model, with a focused intent on driving our fashion-value differentiation and Every Day Low Pricing to enhance the customer value proposition. The financial results of which are highlighted in the table above.

Pleasing results were noted for FY2024, with revenue growing 15.5% at a higher gross margin, up 20bps to 39.7% (+160bps in H2) and market share gains per the RLC of 30bps (+90bps in H2). Operating profit grew 7.9% (+13.2% in H2), while cash generated from operations grew 20.3% to R7.1bn. The group invested R1.1bn in capital expenditure, with 238 new stores being opened at robust returns. Diluted headline earnings per share grew 6.3% (up 17.4% in H2), with dividends to shareholders maintained at a 63.0% payout ratio resulting in R1.9bn being returned to shareholders over the year.

Group market share	FY2024	+30bps
	H2	+90bps
GP margin growth	FY2024	+20bps
	H2	+160bps
Operating profit growth	FY2024	+7.9%
	H2	+13.2%

Key focus areas

FINANCIAL METRIC MANAGEMENT

To achieve our vision of being the most valuable retailer in Africa, our financial strategy and business model continues to be guided by key metrics and ratios that are intentional for the delivery of the desired outcome.

To this end, we have increased focus on key metric management at trading division level, which will ensure the group maintains its defensive low-cost business model, delivering unrivalled long-term returns.

INTERNAL CONTROL ENVIRONMENT

As noted in the **FY2023 integrated report**, significant focus was placed on the internal control environment over the past year, with several projects identified to enhance the environment. It is pleasing to note the progress made by year end, and the audit thereof by KPMG (the group's internal auditors) have provided independent assurance on the enhancements.

The robustness of the control environment extends to the store environment.

ENHANCED DISCLOSURE

As the group has gained momentum and grown over the past three years, we have reassessed the level of disclosure provided to stakeholders, who rely on the information disclosed by management to make their investment decisions.

We have enhanced financial disclosure which is detailed in the **FY2024 analyst presentation**, and highlights targets set at sector level. This supports management's position on transparency and integrity in reporting and provides a forward view on medium-term targets that the group is working towards.

CAPITAL ALLOCATION

During the year, a significant area of focus has been the enhancement of the group's capital allocation framework, directing cash generated into strategic investments and operational capital expenditure, with internal reporting mechanisms enhanced to track returns and benefit realisation. Our dividend payout ratio still accounts for one of the largest areas of allocation, together with investments in our store portfolio, which saw 238 new stores being opened across the group, at returns above threshold. Over the past three years, we have allocated approximately R5.5bn into the acquisition of three new businesses and we are proud to have achieved this entirely with cash reserves. We continue to have zero long-term debt on the balance sheet (excluding Studio 88), and our focus on cash generation (with a cash conversion ratio of 86.9%), creates a buffer for the funding of new projects and business operations.

EXTERNAL AUDITOR TRANSITION

As noted in the **FY2023 integrated report**, there was a transition of the group's external auditors from Ernst and Young to Deloitte & Touche. As expected, the change required additional time from management to ensure a smooth transition, particularly in areas where there were differing interpretations on accounting standards between the audit firms.

We are pleased to report that there were no material transition differences that required restatement of prior year financial statements.

Accounting policies and new statements

IFRS 17: Insurance contracts

IFRS 17 is effective for annual reporting periods beginning on or after 1 January 2023. Based on the group's assessment, the transition from IFRS 4 to IFRS 17 has an increase in liabilities of R1.7m and a decrease in profit and loss of R1.7m, as a result of increase in the Liability for Incurred Claims (LIC) due to the inclusion of the risk adjustment. It has been assessed by the group that the adoption of IFRS 17 for the cell captive arrangement has not had a material impact on the consolidated financial statements.

IFRS 9: Expected credit losses

During the year, the group reassessed the suitability of the write off point applied to the retail debtor's portfolio. This resulted in an increase in the estimated total gross carrying amount at default held in Stage 3 as well as an increase in the lifetime expected credit losses. The resultant net impact on net trade receivables is not deemed material (R3.4m) and there has been no change to the credit strategy or policies of the group.

IAS 7 and IFRS 7: Supplier finance arrangements

IAS 7 and IFRS 7 has been introduced incorporating supplier finance arrangements, the standard is effective for annual reporting periods beginning 1 January 2024. The group has an established Supplier Chain Finance Programme in place which has been effective in unlocking working capital benefits. The prevailing arrangements will be assessed in line with the standard, with the appropriate accounting disclosures in FY2025.

Financial Commentary

Summarised income statement

Financial summary		FY2024	FY2023	% Change
Revenue	R'm	**37 944**	32 853	15.5
Gross profit	%	**39.7**	39.5	20bps
EBITDA margin	%	**21.8**	22.2	-40bps
Profit from operating activities	R'm	**5 307**	4 920	7.9
Group operating margin	%	**14.0**	15.1	-110bps
Profit attributable to shareholders	R'm	**3 280**	3 115	5.3
Headline earnings per share	cents	**1 286.2**	1 205.7	6.7
Diluted headline earnings per share	cents	**1 252.6**	1 178.4	6.3

FY2024 was a tale of two halves, with operating profit declining by 0.4% in H1, due to the challenges noted in FY2023 that flowed into the first quarter of FY2024. The group experienced a momentum shift in the second quarter and into H2, with operating profit growing 13.2% on the prior year, driven by market share gains of 90bps (RLC) and gross profit margin expanding 160bps to 40.6%, together with tight cost control measures implemented. This resulted in profit growth of 7.9% to R5.3bn for FY2024.

REVENUE

Revenue increased to R37.9bn, up 15.5%. This performance includes the acquired Studio 88 Group, effective 4 October 2022 (not in the base in H1 FY2024), excluding which revenue grew 5.8% to R30.3bn. Group retail sales grew 16.2% to R36.6bn and comparable store sales by 1.8%. Excluding Studio 88 retail sales grew 6.2%. In H2, performance improved with retail sales and comparable store sales increasing 8.4% and 3.6% respectively (excluding Studio 88: 8.3% and 3.8% respectively).

In accordance with the group's growth strategy, investment into the group's store footprint continued, as South African consumers continue to favour the convenience of omni-channel shopping. Trading space increased 16.0% on a weighted average basis and by 5.3% excluding Studio 88. Total store sales increased 16.6% (excluding Studio 88: 6.5%), contributing 97.9% to retail sales and online sales decreased 2.2% (excluding Studio 88: -3.7%). Total unit sales increased 3.8% (excluding Studio 88: 1.6%). Group retail selling price inflation of 12.2% was impacted by higher price point merchandise in Studio 88. Excluding Studio 88, inflation of 4.8% was well contained as the group focused on ensuring that customers continued to experience superior price value.

The group continues to trade solely in Africa with its primary market focus being South Africa contributing 92.2% to total retail sales.

Cash sales grew 18.3% for FY2024 contributing 88.9% to retail sales, further entrenching the cash-based business model. Credit sales grew 1.7% as consumer credit affordability weakened and debt servicing costs escalated due to higher interest rates. Demand for credit remained high during the period with new account applications increasing 18.7%, in line with the market, however the group's approval rate decreased to 19.3% as its credit risk tolerance remains low and the tightening of the credit scorecard from the prior year continued.

Other income increased 2.3% aided by the growth in interest and charges earned on the group's retail debtors of 12.1% but was negatively impacted by higher insurance receipts in the base which were once-off.

GROSS PROFIT

The gross profit margin increased by 20bps to 39.7%, and the merchandise GP margin expanded to 40.5%. The group leveraged its agile supply chain model to minimise the supply chain disruptions experienced during the festive period and reduced the anticipated risks. Focused stock management resulted in lower markdown levels than the previous year. As a result, GP margin in H2 expanded 160bps to 40.6%.

EXPENSES

Total expenses increased 20.1%. Excluding Studio 88, expenses were up 7.7%, predominantly driven by new weighted average space growth of 16.4% and a higher operating cost environment driven by the national minimum wage increase of 9.6%, together with the NERSA electricity increase of 18.7%. Additional costs were also incurred for backup power during loadshedding (which impacted H1 performance). Despite these challenges, group expenses to retail sales and other income (RSOI) of 27.3% was within the group's targeted range of <28%.

PROFIT FROM OPERATING ACTIVITIES

Profit from operating activities increased 7.9% to R5.3bn and the operating margin decreased 110bps to 14.0% of RSOI, predominantly impacted by performance in H1 and the inclusion of Studio 88 for the full year (which has a lower margin structure than the core business). In H2, operating profit increased 13.2% and the operating margin expanded 70bps to 16.0%.

The group's interest earned on cash reserves declined in line with the R3.6bn outflow for the purchase of 70% equity stake in Studio 88 in the prior year together with an increase in interest on lease liabilities from the take on of Studio 88 rental agreements.

Profit attributable to shareholders increased 5.3% to R3.3bn. A marginal decrease in weighted average number of shares of 0.1% was noted. Headline earnings per share increased 6.7% for the period to 1 286.2 cents (up 17.8% in H2).

Segmental Analysis

The group is organised and managed in three core trading segments: apparel, homeware, and financial services and telecoms.

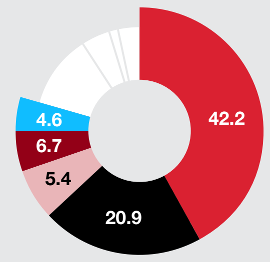
		Apparel	Homeware	Financial Services and Telecoms
Retail sales	R'm	29 145	6 270	1 171
Retail sales (Ex Studio 88)	R'm	21 505	6 270	1 171
Retail sales growth	%	20.5	0.3	10.2
Retail sales growth (Ex Studio 88)	%	7.9	0.3	10.2
Operating profit	R'm	4 455	662	647
Operating profit growth	%	15.8	-23.0	32.6

Mr Price Apparel | Studio 88 | Mr Price Sport | Power Fashion | Miladys | Mr Price Home | Sheet Street | Yuppiechef | Mr Price Cellular & Powercell

APPAREL SEGMENT

The apparel segment increased retail sales by 20.5% to R29.1bn (excluding Studio 88: +7.9%) and comparable retail sales increased 3.3%. In H2, retail sales grew 9.8% and comparable sales growth accelerated to 5.0%. The group's largest division, Mr Price Apparel (42.2% contribution to retail sales) gained market share for seven consecutive months with lower markdowns and higher GP margin. The division remains the most shopped retailer in South Africa according to MAPS. Power Fashion continued its positive momentum with double-digit sales growth and 26 consecutive months of market share gains. Studio 88, which contributes 20.9% to group retail sales, grew retail sales by 9.0% against growth in the base of 10.2%.

Divisional Contribution (Retail sales %)

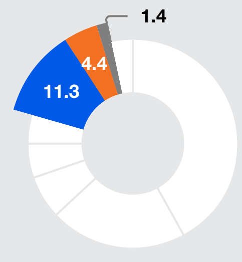


HOMEWARE SEGMENT

The homeware segment's retail sales increased 0.3% to R6.3bn and comparable retail sales decreased 3.8%. Improved retail sales growth in H2 confirms management's view that the biggest impact from the structural changes to the homeware sector have been absorbed. Growth rates are now aligned with the comparable RLC homeware market and focus has shifted to winning back market share and expanding margins.

All three homeware divisions have strong brand positions in their respective customer segments and their strategic plans are clear. With over 30% market share collectively, they provide a healthy platform for incremental growth to the group.

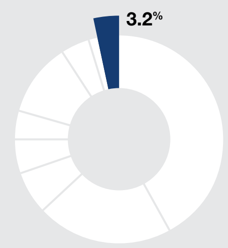
Divisional Contribution (Retail sales %)



FINANCIAL SERVICES & TELECOMS SEGMENT

The telecoms segment's retail sales increased 10.2% to R1.2bn and comparable sales grew 1.5%. Mr Price Cellular standalone stores continued to perform strongly and delivered some of the highest returns in the group. As a result, 30 new standalone stores were opened during the period, taking the total footprint including combo stores to 804 locations. Cellular handsets and accessories gained 80bps of market share according to GfK. The financial services segment's revenue increased 4.8% to R869m. Debtors' interest and fees increased 12.1% due to a higher average debtors' book and a 50bps increase in the repo rate over the period. Considering the difficult economic conditions, the net bad debt to book percentage remains low by industry standards and the group remains sufficiently provided for.

Divisional Contribution (Retail sales %)



Statement of Financial Position

R'm	30 March 2024	1 April 2023
Non current assets	**16 838**	17 003
Current assets	**12 978**	11 778
Inventories	**7 078**	7 321
Trade and other receivables	**2 969**	2 733
Cash and cash equivalents	**2 798**	1 442
Other assets	**133**	282
Total assets	**29 816**	28 781
Shareholders equity	**15 426**	13 928
Total liabilities	**14 390**	14 853
Total equity and liabilities	**29 816**	28 781

The group's balance sheet has strengthened over the past year, due to the increase in cash and cash equivalents of R1.3bn, after the outflow in the prior year due to the investment in Studio 88 of R3.6bn. The focus on net working capital and cash generation is a key driver of the business model. A continual assessment at each reporting period is performed over the intangible assets and goodwill raised on the recent acquisitions to ensure sufficient headroom.

INVENTORY

In line with management's expectation, gross inventory decreased by 4.2%, adequately provided by the impairment provision of 7.9% (FY2023: 7.9%). The decrease in inventory was driven by strict stock management, and weighted average space growth of 16.0%.

Inventory turn was lower than last year at 3.1 times, impacted by a slower inventory turnover due to Studio 88. Continued focus is being placed on inventory management, especially due to the local and international supply chain disruptions noted in the **material matters** section on page 108.

Inventories

-4.2%

Stock freshness: **85.8%**

TRADE AND OTHER RECEIVABLES

Trade receivables increased 8.6%, primarily due to growth in the group's retail credit book which reported a credit sales increase of 1.7% and the growth in interest charged on the retail debtors' portfolio increasing by 13.6% on the prior year due to higher interest rates.

Refer also to **accounting policies and new statements** section on page 114 for a note on the increase in debtors' balance due to the reassessment of the group's write-off point.

Trade and other receivables

8.6%

Elevated interest rates

TRADE AND OTHER PAYABLES

Trade payables increased 6.1% due to the continued successful rollout of the group's supply chain finance programme across its supply base.

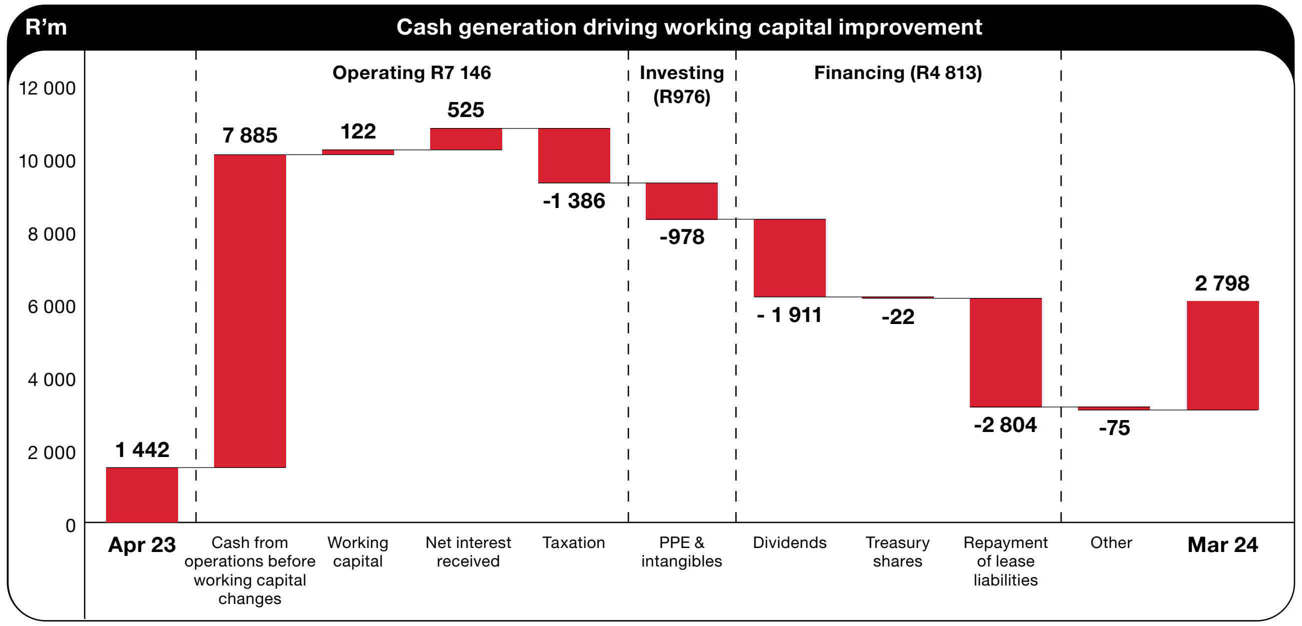
This initiative has yielded over R1.1bn in capital with room to grow further, positively assisting cash conversion targets.

Trade and other payables

6.1%

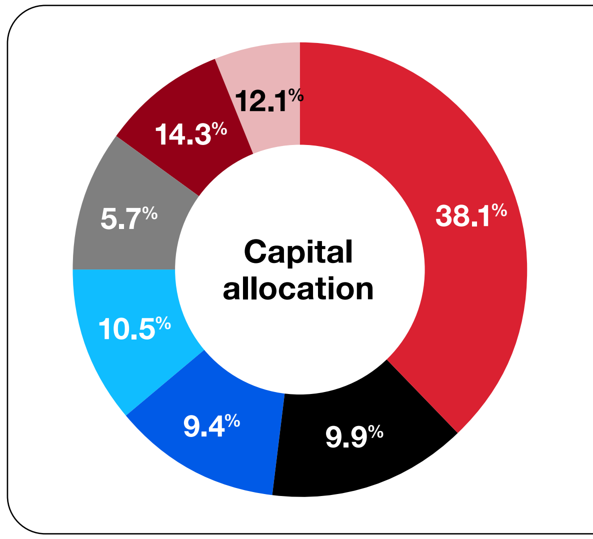
Supply chain finance progress

Cash Flow Movements



The group's cash conversion ratio improved to 86.9% (FY2023: 82.0%), with free cash flow conversion improving to 74.9% (FY2023: 70.4%). The group successfully increased its cash generated from operations by 20.3% to R 7.1bn, with positive net working capital of R122m. The group invested R1.1bn in capital expenditure over the period, 71.7% of which was allocated to store development activities. Despite the tough trading environment, new stores for most of the trading divisions produced returns on investment above the thresholds set by management. A continual assessment of capital allocation in this climate is necessary to ensure the group remains agile to threats and opportunities. Through its banking partners it has adequate borrowing facilities should it require them on a short- or longer-term basis.

Funded wholly from cash reserves



Capital expenditure FY2024

R1.1bn

Key

- New stores
- Logistics
- Expansions
- Backup power
- Revamps
- Other
- Technology

During the period, the group's cash financing activities resulted in distributions of R1.9bn to shareholders in the form of dividends, maintaining the payout ratio of 63.0%, together with R2.8bn being allocated to repayment of lease liabilities.

Net asset value increased 10.8% to R15.4bn. The group's debt to equity ratio is 0.93 and its current and quick ratios closed at 1.74 and 0.79 respectively, further reinforcing the strength of the group's balance sheet. Return on equity at 23.3% remains high relative to the sector, however it was impacted by the inclusion of Studio 88 whose capital structure is heavier than the traditional group balance sheet.

Outlook

The South African macro-economic environment is expected to remain strained in the short-term, with anticipation of consumer relief expected in the latter part of 2024, once inflation moderates into the mid-range of the 3% to 6% target, which should signal a relief from high interest rates. This should assist the consumer and stimulate spend in the economy but must be tempered by the uncertainty surrounding the impact of loadshedding in FY2025 and port infrastructure and global supply chain challenges.

The group will continue to focus on effective execution of its business strategy, seeking out positive market share gains at enhanced gross margins. We will invest over R1bn in capital expenditure into the South African economy to support the growth of the business.

The key focus areas for FY2025 from a fiscal management perspective will be:

- Financial metric and ratio management to ensure we deliver desired returns
- Maintaining superior cash conversion and management of cash flow to continue building up reserves
- Agile capital allocation decisions, with investment directed to opportunities that yield the highest returns
- Cost and expense management to drive positive profit wedge outcomes

Appreciation

I would like to express my gratitude to the board, and in particular the chairperson of the Audit and Compliance Committee, Daisy Naidoo, who retires from the board later this year. Through her stewardship, guidance and support over the years, Daisy has made an invaluable contribution to the success of our business, and we wish her well for her future endeavours.

My gratitude also goes to all the finance teams across the group for their commitment and support in delivering our FY2024 results. While the past year has had its challenges, we have gained momentum as the year progressed, and have delivered results we can be proud of. This is a testament not only to the great business we have, but to all the passionate people who make it happen every day!

Praneel Nundkumar
Chief Financial Officer

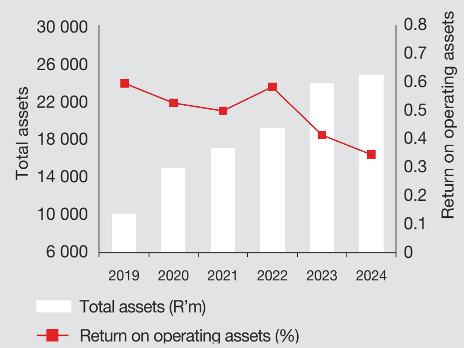
Six-Year Review

Abridged statements of financial position, cash flows and income

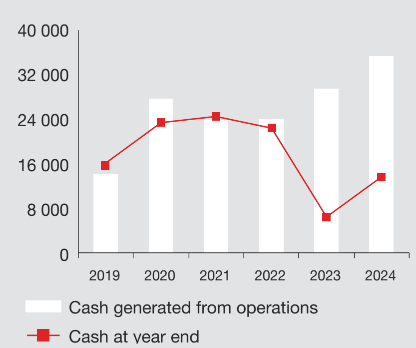
R'm	38 year compound growth %	Five year compound growth %	2024	2023	2022	2021	2020	2019
Statement of financial position								
Assets								
Non-current assets			**16 838**	17 003	11 296	9 288	6 950	2 664
Property, plant and equipment			**4 072**	3 598	2 518	2 236	2 137	2 126
Right-of-use assets			**7 237**	7 737	6 315	5 000	4 202	-
Other			**5 529**	5 668	2 463	2 052	611	538
Current assets			**12 978**	11 778	11 381	10 587	10 244	8 481
Inventories			**7 078**	7 321	3 956	3 298	2 719	2 692
Trade and other receivables			**2 969**	2 733	2 551	2 155	2 268	2 179
Cell captive structure			**124**	-	-	-	-	-
Reinsurance asset			**-**	219	190	154	182	304
Cash			**2 798**	1 442	4 612	4 949	4 726	3 275
Derivative financial instruments			**2**	51	64	24	342	27
Taxation			**7**	12	8	7	7	4
			29 816	28 781	22 677	19 875	17 194	11 145
Equity and liabilities								
Equity attributable to shareholders			**14 368**	13 014	12 056	10 838	9 428	8 682
NCI			**1 058**	914				
Non-current liabilities			**6 915**	7 466	6 002	4 800	4 032	289
Lease liability			**6 512**	7 028	5 951	4 776	4 014	-
Other non-current liabilities			**403**	438	51	24	18	289
Current liabilities			**7 475**	7 387	4 619	4 237	3 734	2 174
Trade and other payables			**5 175**	4 877	2 895	2 542	2 136	1 920
Lease liability			**2 126**	2 093	1 460	1 164	1 027	-
Reinsurance liabilities			**-**	44	43	45	46	46
Other			**174**	373	221	486	525	208
			29 816	28 781	22 677	19 875	17 194	11 145
Statement of cash flows								
Cash flows from operating activities			**7 146**	5 940	4 807	4 767	5 661	2 857
Cash flows from investing activities			**(976)**	(4 270)	(925)	(1 945)	(472)	(451)
Cash flows from financing activities			**(4 813)**	(4 841)	(4 207)	(2 550)	(3 655)	(2 002)
Net increase/(decrease) in cash and cash equivalents			**1 357**	(3 171)	(325)	272	1 534	404
Cash and cash equivalents at beginning of the year			**1 442**	4 612	4 949	4 726	3 150	2 720
Exchange gains/(losses)			**(1)**	1	(12)	(49)	42	26
Cash and cash equivalents at end of the year			**2 798**	1 442	4 612	4 949	4 726	3 150
Income statement								
Retail sales	17.4%	11.9%	**36 586**	31 498	26 683	21 690	21 686	20 580
Retail sales and other income	17.5%	11.1%	**37 783**	32 668	27 865	22 553	22 707	22 334
Profit from operating activities	19.3%	6.0%	**5 307**	4 920	4 946	3 864	3 979	3 965
Profit attributable to shareholders and NCI	21.4%	2.8%	**3 424**	3 115	3 347	2 648	2 704	2 982
Headline earnings attributable to shareholders	21.2%	1.8%	**3 306**	3 102	3 305	2 762	2 716	3 026

Notes:
1. 2021 was 53 week period.
2. The 38 year compound growth rates are calculated from the date of acquiring joint control in 1986.
3. FY2019 and FY2020 income statements were represented for discontinued operations.

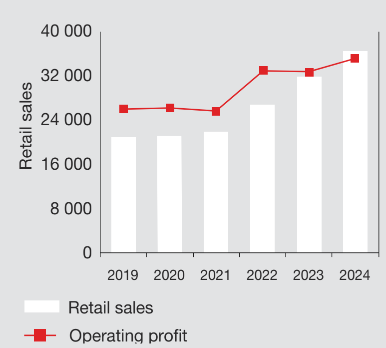
Total assets (R'million) and return on operating assets (%)



Cash generated and cash at year end (R'million)



Retail sales and operating profit (R'million)



Stores and Productivity Measures

R'm	38 year compound growth %	Five year compound growth %	2024	2023	2022	2021	2020	2019
Operating statistics								
Depreciation as a % sales [a]			**1.5%**	1.1%	1.2%	1.5%	1.5%	1.4%
Employment costs as a % sales [b]			**11.4%**	10.8%	11.0%	10.3%	10.7%	11.0%
Occupancy costs as a % sales [c]			**9.2%**	7.9%	7.9%	7.9%	8.1%	7.5%
Total expenses as a % sales [d]			**29.1%**	27.3%	26.6%	28.4%	27.3%	29.2%
Number of stores by segment								
Mr Price Apparel			**630**	595	558	538	532	512
Mr Price Sport			**175**	169	157	136	124	112
Power Fashion			**295**	262	209			
Studio 88			**890**	825				
Miladys			**266**	255	251	239	232	214
Total Apparel Stores			**2 256**	2 106	1 175	912	888	838
Mr Price Home			**229**	216	205	183	177	179
Yuppiechef			**20**	14	7			
Sheet Street			**354**	354	333	322	313	306
Total Home stores			**603**	584	545	505	490	485
Mr Price Cellular			**41**	12	1			
Total Cellular stores			**41**	12	1			
Franchise			**8**	8	8	8	9	18
Total group stores	9.0%	16.7%	**2 908**	2 710	1 729	1 426	1 387	1 341
FT associates [e]			**27 775**	20 767	20 443	17 831	17 986	18 983
Trading area								
- weighted average net m²			**994 824**	857 853	733 569	651 875	641 246	627 367
- closing average net m²	9.4%	9.9%	**1 015 229**	962 763	752 044	657 763	649 700	633 813
Total sales (R'm)	17.4%	11.9%	**36 586**	31 498	26 683	21 690	21 686	20 850
Traditional comparable sales growth %			**1.8**	(3.4)	14.1	-5.1	-1.4	1.6
Retail selling price inflation %			**12.2**	15.1	(6.4)	5.3	1.4	5.1
Cash sales %			**88.9**	87.3	86.1	86.4	84.3	84.2
Credit sales %			**11.1**	12.7	13.9	13.6	15.7	15.8
Sales per store (R'm)			**13**	12	16	15	16	16
Sales per full time associates (Rand) [f]			**1 317 223**	1 516 733	1 305 227	1 216 396	1 205 739	1 098 361
Sales density excluding sales to Franchise (Rand per weighted average net m²)			**36 760**	36 678	36 316	31 346	32 958	33 201

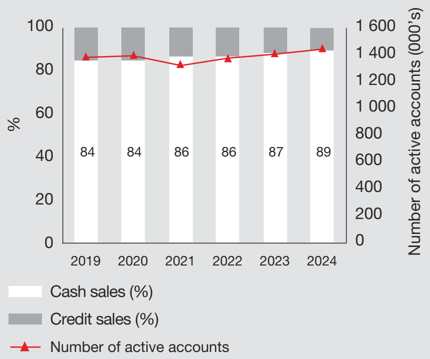
Notes:
1. 2021 was 53 week period.
2. The 38 year compound growth rates are calculated from the date of acquiring joint control in 1986.
a Depreciation on property, plant and equipment only.
b Employment costs include salaries, wages & other benefits, share based payments, restraint of trade expenses, defined contribution pension fund expense, defined benefit pension fund net expense and post retirement medical aid benefits.
c Occupancy costs include depreciation on right of use asset and interest on lease liability from FY2020. Occupancy costs include land and building lease expenses, including straight line lease adjustments prior to 2020.
d Total expenses excluding interest on lease liability
e FT: Full time.

Returns, Profitability and Share Information

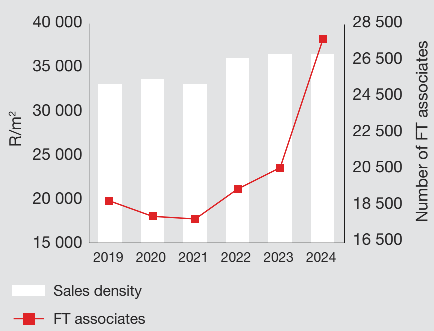
R'm	38 year compound growth %	Five year compound growth %	2024	2023	2022	2021	2020	2019
Productivity ratios								
Net asset turn			**2.4**	2.2	2.2	2.0	2.3	2.4
Gross margin (%)			**39.7**	39.5	40.7	42.6	40.7	42.9
Operating margin (%) [3]			**14.0**	15.1	17.7	17.1	17.5	17.8
EBITDA margin (%)			**22.5**	23.0	25.8	25.5	25.9	20.7
Profitability and gearing ratios								
Return on net worth (%)			**22.8**	23.9	27.8	24.4	28.7	34.3
Return on average equity (%) [5,6]			**23.3**	24.8	29.2	26.1	29.9	37.0
Return on capital employed (%) [5,7]			**22.5**	23.1	27.3	24.7	34.4	49.1
Return on operating assets (%) [8]			**43.0**	51.0	74.6	63.5	66.7	76.0
Solvency and liquidity ratios								
Current ratio			**1.7**	1.6	2.5	2.5	2.6	3.9
Quick ratio			**0.8**	0.6	1.6	1.7	1.9	2.7
Inventory turn			**3.1**	3.4	4.4	4.2	4.8	5.0
Total liabilities to total shareholders equity			**0.9**	1.1	0.9	0.8	0.8	0.3
Per share performance (cents)								
Headline earnings	18.4%	1.9%	**1 286.2**	1 205.7	1 282.1	1 067.9	1 047.0	1 168.6
Diluted headline earnings	18.3%	1.9%	**1 252.6**	1 178.4	1 254.0	1 049.0	1 029.4	1 142.3
Dividends	19.6%	1.9%	**810.3**	759.6	807.3	672.8	311.4	736.2
Operating cash flow			**2 780.3**	2 308.8	1 898.2	1 843.0	2 182	1 103
Net worth			**5 594.4**	5 415.0	4 686.2	4 199.7	3 636	3 345
Dividend payout ratio (%)			**63.0**	63.0	63.0	63.0	29.7	63.0
Stock exchange information								
Number of shares in issue ('000)			**256 828**	257 194	257 264	258 067	259 309	259 588
Number of shares on which earnings based ('000)			**257 016**	257 274	257 778	258 671	259 419	258 922
Shares traded ('000)			**401 707**	287 613	282 496	361 695	392 932	317 866
Percentage of shares traded (%)			**156.3**	111.8	109.6	139.8	151.5	122.8
Earnings yield (%)			**7.4**	8.4	5.9	5.4	8.8	6.2
Dividend yield (%)			**4.7**	5.3	3.7	3.4	2.6	3.9
P:E ratio			**13.6**	11.9	16.6	19.3	11.0	16.2
Market capitalisation (R'm)			**44 633**	37 029	55 475	50 672	31 008	48 696
Share price (cents)								
- high			**18 005**	22 575	24 498	19 811	25 001	29 910
- low			**12 407**	13 450	18 066	11 092	10 374	18 050
- closing	19.7%	-1.7%	**17 381**	14 420	21 599	19 798	11 848	18 952
Foreign shareholding at year end (%)			**34.0**	45.6	41.0	44.4	51.5	48.4

Notes:
1. 2021 was 53 week period.
2. The 38 year compound growth rates are calculated from the date of acquiring joint control in 1986.
3. Operating margin calculated as operating profit/retail sales and other income.
4. Market capitalisation is calculated based on number of shares in issue and closing share price.
5. Return on average equity, return on capital employed and return on operating assets were redefined in current year
6. Calculated as net profit over total equity
7. EBIT over capital employed (total equity and interest bearing loans)
8. Calculated as EBIT less rent paid plus depreciation on ROUA over total assets excluding goodwill and cash less payables

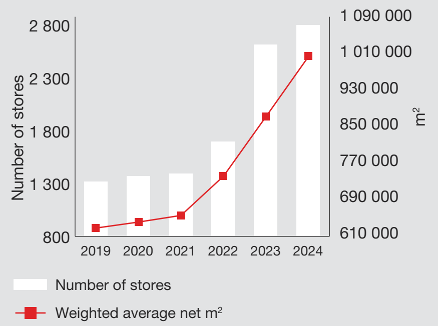
Credit sales and group number of active accounts



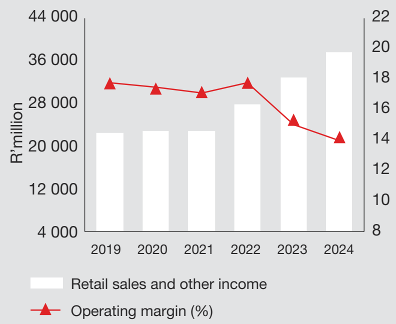
Sales density and number of FT associates



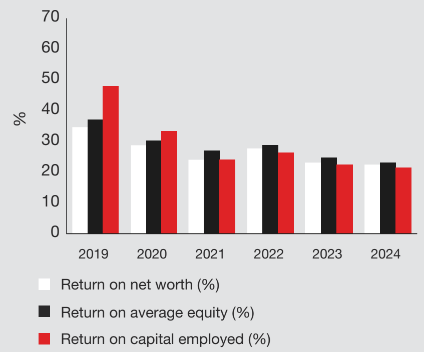
Number of stores and trading area



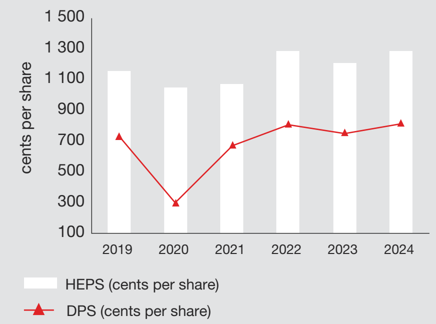
Retail sales and other income and operating margin



Return on net worth equity and capital



Headline earnings and dividend per share



mr price group limited

Administration and Contact Details

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Power Fashion	350 Umhlangane Road, Riverhorse Valley, Redhill, 4071	031 570 8400		powerfashion.co.za
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Mr Price Money Mr Price Mobile	214 Dr Pixley KaSeme Street, Durban, 4001 PO Box 4996, Durban, 4000	031 334 1011		mrpmoney.co.za
KPMG FairCall	BNT 371, PO Box 14671 Sinoville, 0129	0800 00 6465		www.thornhill.co.za/kpmgfair- callreport/questionnaire/main/
Customer Care		0800 212 535		
Account Services		0861 066 639		

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Email: proxy@computershare.co.za

Domicile and Country of Incorporation

Republic of South Africa

Sponsor

Investec Bank Limited

Registration Number

1933/004418/06

Independent Auditors

FY2024 Deloitte & Touche