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Summary		
Revenue R18.6bn +5.4%	Gross profit R7.2bn +6.3%	EBITDA R3.7bn +5.5%
HEPS 513.0c +6.5%	Cash resources R3.0bn +37.7%	Interim dividend per share 323.2c +6.5%

Interim cash dividend declaration		
An interim of 323.20 cents per share (258.56 cents net of dividend withholding tax of 20% for shareholders who are not exempt) was declared. The dividend has been declared from income reserves. The salient dates for the dividend are as follows:		
Last date to trade 'cum' dividend	Tuesday	09 December 2025
Date trading commences 'ex' dividend	Wednesday	10 December 2025
Record date	Friday	12 December 2025
Payment date	Monday	15 December 2025
Note: Shareholders may not dematerialise or rematerialise their share certificates between Wednesday, 10 December 2025 and Friday, 12 December 2025, both dates inclusive.		

Commentary: Positive earnings growth amid challenging trading conditions

For the 26 weeks ended 27 September 2025 ("Period"), Mr Price Group increased total revenue by 5.4% to R18.6bn. The group's retail sales growth of 5.5%, was higher than the comparable market's sales growth of 5.3% (RLC: April 2025 - September 2025). Despite a highly promotional retail sector for most of the period, the group expanded its gross profit (GP) margin by 30bps to 40.0% and delivered positive operating leverage through strict cost control, expanding its operating margin by 10bps to 11.5%.

Basic and headline earnings per share of 512.8 cents and 513.0 cents were up 6.5%. Diluted headline earnings per share grew 6.4% to 497.9 cents.

Despite the group's ability to deliver positive earnings growth for H1, the sales performance is reflective of a consumer environment that remains constrained. The prolonged period of negative real wage growth through 2022 and 2023 has had lasting impact, compromising household disposable income with resultant weak levels of consumer expenditure. Short-term relief through lower interest rates and inflation has not been sufficient to offset these effects, resulting in limited discretionary spending capacity. Continued negative consumer confidence emphasises this challenging environment.

Group CEO Mark Blair said, "I am pleased that we have once again executed our strategic intent of maximising sales growth at improved margins. Our gross margin increased despite a very challenging retail environment. Our value focused business model enabled us to effectively manage overheads and ensure that we consistently deliver positive earnings growth and returns to shareholders."

An interim dividend of 323.2 cents per share was declared, up 6.5% and a pay-out ratio of 63% was maintained.

GROUP RESULTS SUMMARY

Group retail sales of R17.8bn increased 5.5% and comparable store sales increased 2.1%. Other revenue of R625m decreased 1.6%.

The first quarter of H1 was characterised by shifting school holiday periods and base effects, particularly in the months of April and June. The group's Q1 retail sales growth of 6.3% resulted in market share gains but faced GP margin compression of 20bps due to markdowns required in the month of June. The group along with the rest of the sector reported negative sales growth for the month. The timely markdown activity in June and effective stock management enabled it to exit the winter season with a clean stock position.

As a result, fresh spring and summer inputs from Q2 enabled more full priced sales for the remainder of the period, albeit at lower growth levels than Q1, up 4.7% as the consumer environment deteriorated. The rest of the market was highly promotional in these months, with deep discounting prevalent across the sector. Consequently, the group's sales growth was in line with the market but came at improved GP margins compared to the prior year.

Group store sales increased 5.4% and online sales were up 9.7%. The group's omni-channel strategy continues to be effective and aligned with customers shopping preferences. Total unit sales increased 2.5% and retail selling price (RSP) inflation of 3.0% remained below CPI, as focus remained on delivering value to customers through the group's Every Day Low Price model.

The group opened 91 new stores during the period, growing its total store base to 3100 stores and increasing weighted average trading space by 3.5%. New stores across the group's portfolio continue to deliver strong returns.

Cash sales increased 5.6% and constituted 88.2% of retail sales. Credit sales grew 4.3%, driven primarily by existing account holders and the group approved 22.6% of new account applications. The latest Transunion Consumer Credit Index has signalled a modest improvement in household credit health, however the group's strict affordability

criteria remains appropriate.

The GP margin increased 30bps to 40.0%. Effective stock management ensured a smooth transition out of winter and into fresh spring/summer merchandise, enabling all trading segments to expand their margins in Q2.

Profit from operating activities increased 5.7% to R2.1bn. Effective cost control initiatives ensured total expense growth was contained at 5.6%, despite trading space growth. Operating margin increased 10bps to 11.5% of retail sales and other revenue. The group's operating margin in H1 is typically seasonally lower than H2.

Financial Services revenue decreased 0.8% to R469m. Debtors' interest and fees were 1.2% lower due to a 100bps reduction in the repo rate compared to the prior period. The group's prudent credit granting approach has enabled it to maintain its net bad debt to book ratio at low levels relative to the sector. It remains sufficiently provided for and will continue to manage its debtors' book cautiously.

The group's inventory management approach is data led and driven by tried and tested processes. It remains a key competitive advantage which has enabled it to expand its margins despite a volatile period of trade for the sector. At the end of the period, gross inventory was 4.5% higher and stock freshness (0 - 3 months ageing) remained healthy.

Capital expenditure of R574m was allocated and the annual capex forecast of approximately R1.5bn remains, which includes the Gauteng DC enhancement and approximately 200 new stores. The group ended the period debt free, with cash resources of R3.0bn and a cash conversion ratio of 81.8%.

OUTLOOK

The outlook for the consumer environment is fragile in the short-term, with hopeful improvement in 2026 supported by a lower inflationary and interest rate environment. Volatility in spending patterns are likely to persist as the monthly window for consumer spending is limited by constrained disposable income levels. Increasing food inflation and divergence in discretionary spending will likely place additional drain on share of wallets.

Consumers have become increasingly value-seeking and the group's diversified portfolio of brands remain well placed in their customer positioning. The group's investment into its brand strength and omni-channel platforms keep it closely aligned with its customers' needs. Its ongoing merchandise execution, focusing on delivering affordable fashion trends at high volumes, supported by leading inventory management and an agile supply chain, has enabled it to deliver consistent earnings growth. Its 3-year HEPS CAGR remains well ahead of the competitor set.

The base becomes increasingly more challenging in the remainder of the financial year, due to the two-pot withdrawals and combined with improved consumer affordability (lowering inflation and interest rate cuts) which supported increased consumer expenditure ahead of the festive season in the prior year. Sales calls ahead of these key months in 2025 have accounted for these factors and the broader macroeconomic conditions. Significant improvements in the operational capacity of the Durban port have positively impacted stock-flow and inventory management ahead of the key trading months. Retail sales in the first 7 weeks of H2 were up 3.3% against a firm base of 12.3%, with momentum improving from October to November.

As has been previously communicated, considerable progress has been made in the group's strategic research informing capital allocation decisions for future investment. This includes the evaluation of organic and acquisitive growth opportunities in existing and other high-potential markets.

Blair said, "I have strong confidence in our team, and their ability to continue achieving consistent earnings performances while also delivering for the future. We remain focused on execution across the business and providing value to all our stakeholders."