mr price group limited

Investor Presentation: NKD Group GmbH

17 March 2026

Chairman’s opening remarks

- Executing the growth strategy has been a consistent key agenda item for the Mr Price Group (MRPG) main board and executive management - across South Africa and new markets
- International expansion under active consideration for the past three years
- Developing M&A track record since 2020
- Regulatory suspensive conditions (FSR and SARB) for the NKD acquisition have been fulfilled and transaction will close on 31 March 2026
- NKD is the right business which has the opportunity to realise its full retail capability under MRPG
- Believe this opportunity is one of the most exciting evaluated by MRPG in the past few years

What can you expect from today?

01	**Welcome and opening**	Nigel Payne
02	**Key messages**	Mark Blair
03	**NKD investment case**	Mark Blair
04	**Transaction impact**	Praneel Nundkumar
05	**NKD brand, customer and competitive positioning**	Alexander Schmökel
06	**Wrap up**	Mark Blair
07	**Q&A**	All
08	**Closing**	Nigel Payne
09	**Appendices**	

Introduction to the team

Nigel Payne

CHAIRMAN OF THE BOARD

mr price group limited

Mark Blair

CHIEF EXECUTIVE OFFICER

mr price group limited

Praneel Nundkumar

CHIEF FINANCIAL OFFICER

mr price group limited

Alexander Schmökel

CHIEF EXECUTIVE OFFICER

NKD

Nils Bolender

CHIEF FINANCIAL OFFICER

NKD

Key assumptions underlying all financial disclosures

- Based on NKD management's 5-year business plan using December year-end
- Uses management accounting policies – full IFRS adjustments are currently only made in year-end accounts
- Commercial assumptions assessed in due diligence
- Accounting policy alignment (if necessary) and alignment of year-end will be addressed post-closing
- Numbers have not been reviewed or audited by the company's external auditors
- Base figures remain from the 2024 audited financials - the 2025 audit is in progress
- Per JSE Listings Requirements (paragraph 11.23), no earnings guidance for FY2026 or FY2027
- Constant cross currency assumed
- Disclaimer - see page 58

02

Key messages

MARK BLAIR

Key messages

1. INTRODUCING GROWTH BEYOND OUR CORE MARKET

- South Africa remains our core, while adding a new growth vector
- Diversifying earnings, introducing a platform for regional growth, while preserving local leadership in both markets

2. STRATEGIC FIT: EXTENSION OF THE VALUE RETAIL MODEL

- Expanding on the model that has underpinned success in South Africa – value, private label, cash-based
- Not a high rental, high-street model, but a tight expense-controlled value model like MRPG

3. EUROPEAN VALUE RETAIL IS STRUCTURALLY ATTRACTIVE AND RESILIENT

- Value retail has proven its resilience during economic weakness
- Provides access to larger consumer markets, stable currencies and a growth opportunity across Europe

Key messages

4. PATH TO EARNINGS ACCRETION

- The past is not reflective of the future potential of the business
- Based on current assumptions for MRPG and NKD, accretion anticipated in Year 2
- NKD management plan is sound and execution plan is on track
- Value created through operational excellence and organic growth, not financial engineering – investment case is not dependent on synergies

5. MAINTAIN CAPITAL DISCIPLINE, CASH GENERATION AND HEALTHY BALANCE SHEET

- Both NKD and MRPG provide cash generative models which self-fund expansionary and maintenance capital expenditure
- Dividend policy to be maintained
- Group Net Debt:EBITDA (pre-IFRS 16) expected to be between 1.5x - 1.75x
- Comfortable headroom relative to group debt covenant levels

6. MANAGE RISK THROUGH LOCAL EXPERTISE, STRATEGIC OVERSIGHT, PHASED INTEGRATION AND SYNERGY EXPLORATION

- Retain local management expertise and market knowledge
- MRPG executive management to provide strategic oversight, allocate capital and drive further profitable growth
- Considered and phased integration and knowledge sharing

03

NKD investment case

MARK BLAIR

About NKD

A CASH-BASED VALUE-FOCUSED APPAREL AND HOMEWARE RETAILER OPERATING ACROSS CENTRAL AND EASTERN EUROPE

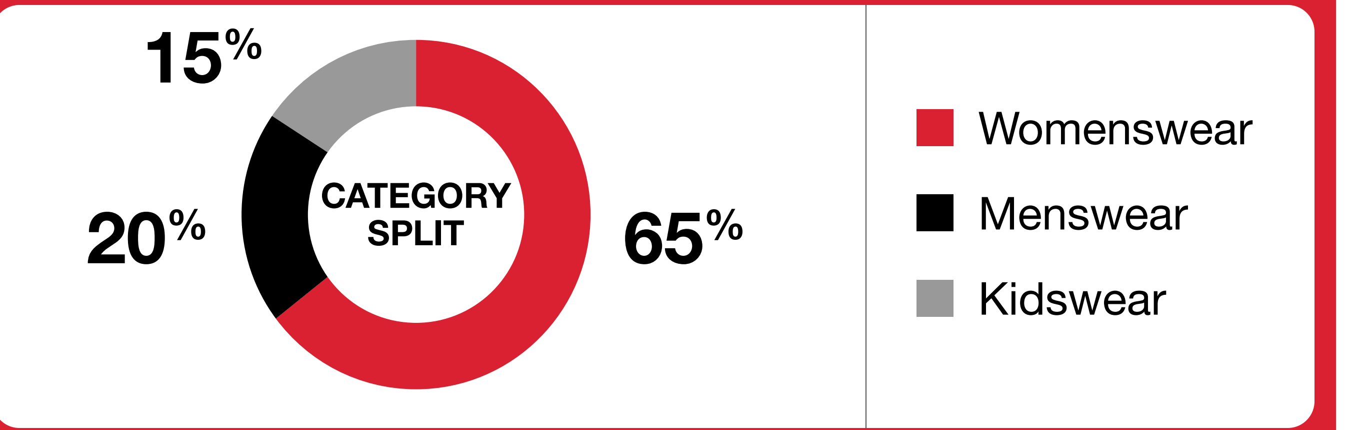
Target customer

- Quality and price-conscious
- Predominantly females aged 45 and above
- Largely located in rural areas and small towns
- High propensity for click-and-collect (63% of online orders)

Merchandise offering

A COMPREHENSIVE RANGE OF HIGH-QUALITY EVERY DAY ITEMS FOR THE ENTIRE FAMILY AT COMPELLING PRICE POINTS

APPAREL
75%



HOMEWARE
20%

OTHER
5%

Geographical footprint

Total stores: 2 178 across seven countries

Skilled and committed management team

Alexander Schmökel

CEO - 2022*
>35 YEARS OF RETAIL EXPERIENCE

Nils Bolender

CFO - 2023
>20 YEARS OF FINANCE EXPERIENCE

Abraham Tadesse

SENIOR DIRECTOR MERCHANDISE MANAGEMENT & DATA SCIENCE - 2016

Udo-Stefan Wiedemann

SENIOR DIRECTOR SALES INTERNATIONAL - 2013

Florian Walter

SENIOR DIRECTOR CONTROLLING, STRATEGY & BUSINESS TRANSFORMATION - 2024

Stephanie Blaha

DIRECTOR MARKETING & E-COMMERCE - 2006

Gabriele Fluck

DIRECTOR HR - 2024

Mike Mählmann

DIRECTOR PRODUCT & PURCHASING MANAGEMENT - 2016

Norbert Siedlaczek

DIRECTOR LOGISTICS - 2013

*Joined NKD in 2017

Key investment case highlights

- NKD provides MRPG with a material entry into the growing and resilient European value apparel and homeware market
- Value segment accounts for ~22% of the Total Addressable European Retail Market* (~€500bn) and is expected to grow at twice the pace of overall retail sales in the next five years

- Established European brand with a 60-year heritage, high customer brand affinity and strong top-of-mind awareness, supported by an experienced and committed management team

- Clearly differentiated private label, value-discount positioning vs peers, offering a comprehensive product range for the entire family at compelling price points with minimal fashion risk
- 100% cash sales
- Appropriate omni-channel strategy and investment, with online contribution to sales similar to MRPG

- Robust expansion runway underpinned by identified whitespaces in existing markets and opportunity to expand into other European countries

*See slide 52

Key investment case highlights Continued.

- Robust and scalable supply chain with fully integrated and cost-efficient in-house logistics network and diverse and sustainable, highly CSR compliant supplier base with long-term relationships

- Team driving a unique and data-driven culture
- Values aligned to the MRPG DNA

- Data science tools support margin-accretive decision optimisation across the value chain and profitability predictive site selection with a proven track record of ROIC uplift (400bps increase in store contribution margins since introduction)

- Clearly articulated, multi-layered medium- and long-term growth plan
- Operating profit growth to exceed revenue growth

Historical performance background

2019
- **TDR acquired from OpCapita**
- Inflation: 1.3%
- GDP: 0.9%

2020
- Inflation: 0.3%
- GDP: -4.1%

2021
- Inflation: 3.2%
- GDP: 3.9%

COVID-19 (2020–2021)

2022
- **New CEO appointed**
- Inflation: 8.6%
- Multiple of ECB inflation target^: 3.45x
- GDP: 1.8%

2023
- **New CFO appointed**
- Inflation: 5.9%
- Multiple of ECB inflation target: 2.95x
- GDP: -0.8%

High inflation, slower GDP growth (2022–2023)

2024
- Inflation: 2.4%
- GDP: -0.5%

2025
- Inflation: 2.3%
- GDP: 0.2%

Improved performance under new management (2024–2025)

Macroeconomic data for Germany, percentages represent inflation and real GDP growth | ^ECB inflation target of 2%

The vision for NKD

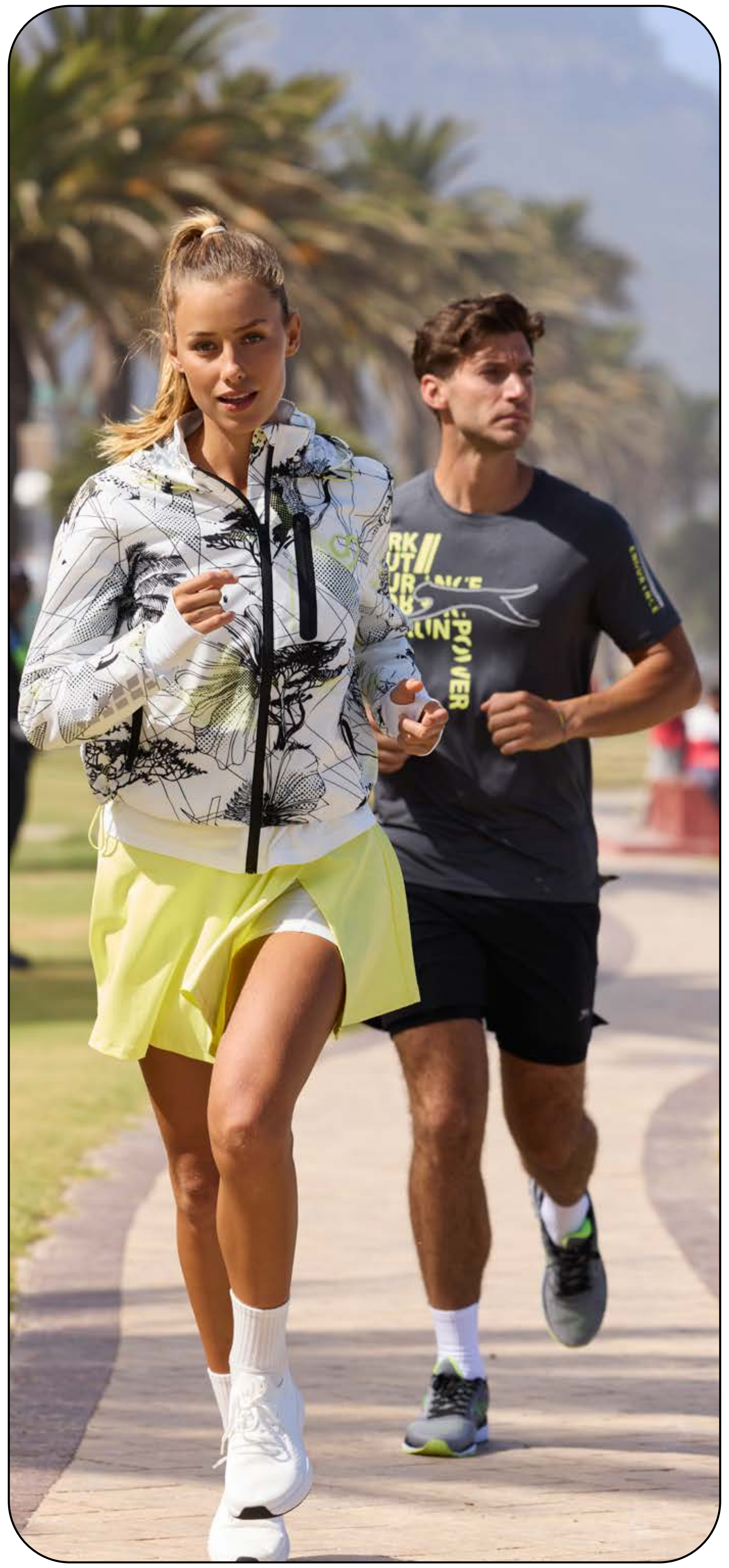
BY 2030, NKD AIMS TO BE A €1 BILLION SALES BUSINESS DELIVERING A DOUBLE-DIGIT OPERATING MARGIN, UNDERPINNED BY:

- Continued focus on like-for-like growth in core markets
- Accelerated store openings and decelerated store closures
- Focused expansion in Germany, Poland and Italy
- Continued expansion of GP margin
- Focus on efficiency to deliver further operating margin expansion, including continued rollout of data science tools across all markets

What's required to deliver the 2030 vision

Profitability	2024	2030	CAGR: 2024 – 2030
Net sales	€712m	~€1bn	~6.5%
Gross margin	61.6%	~62% - 64%	
EBIT			~15% - 20%
EBIT margin	4.0%	~8% - 10%	
Number of stores	2 108	~2 700	~100 p.a.

Cash & capital management	Focus	Financial impact
Debt management	Reduce level and cost of debt	Lower overall cost of debt (interest rate cycle dependent)
Cash management	Maximise cash generation and allocate to high return capital expenditure and debt reduction	Free cash flow after capital expenditure ~€40m p.a.
Capital expenditure		~€25m p.a.



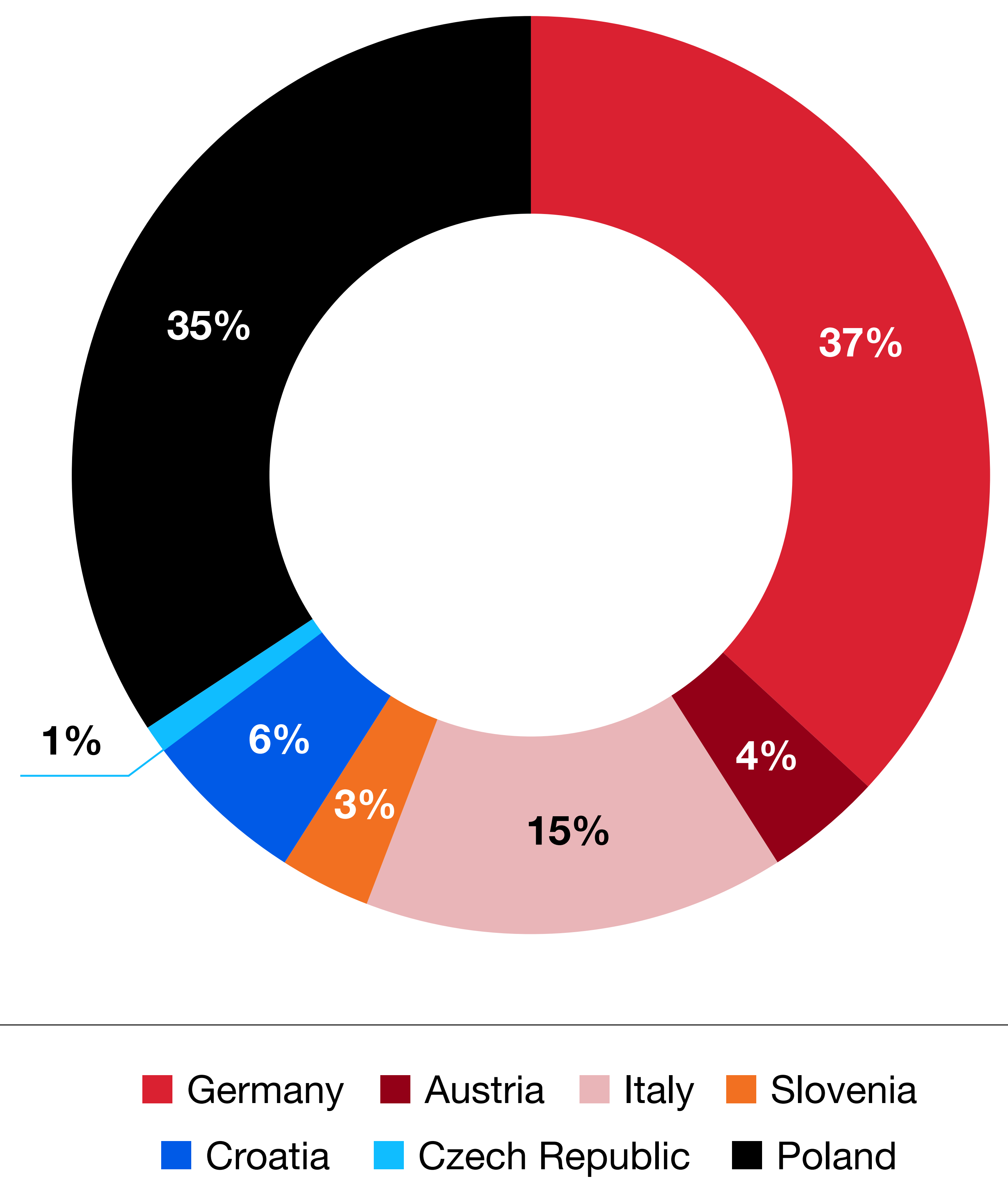
Financial disclosure based on NKD year-end of December and management's accounts 5-year business plan

Sales

TOTAL SALES GROWTH OF 6% - 7% P.A. DRIVEN BY:

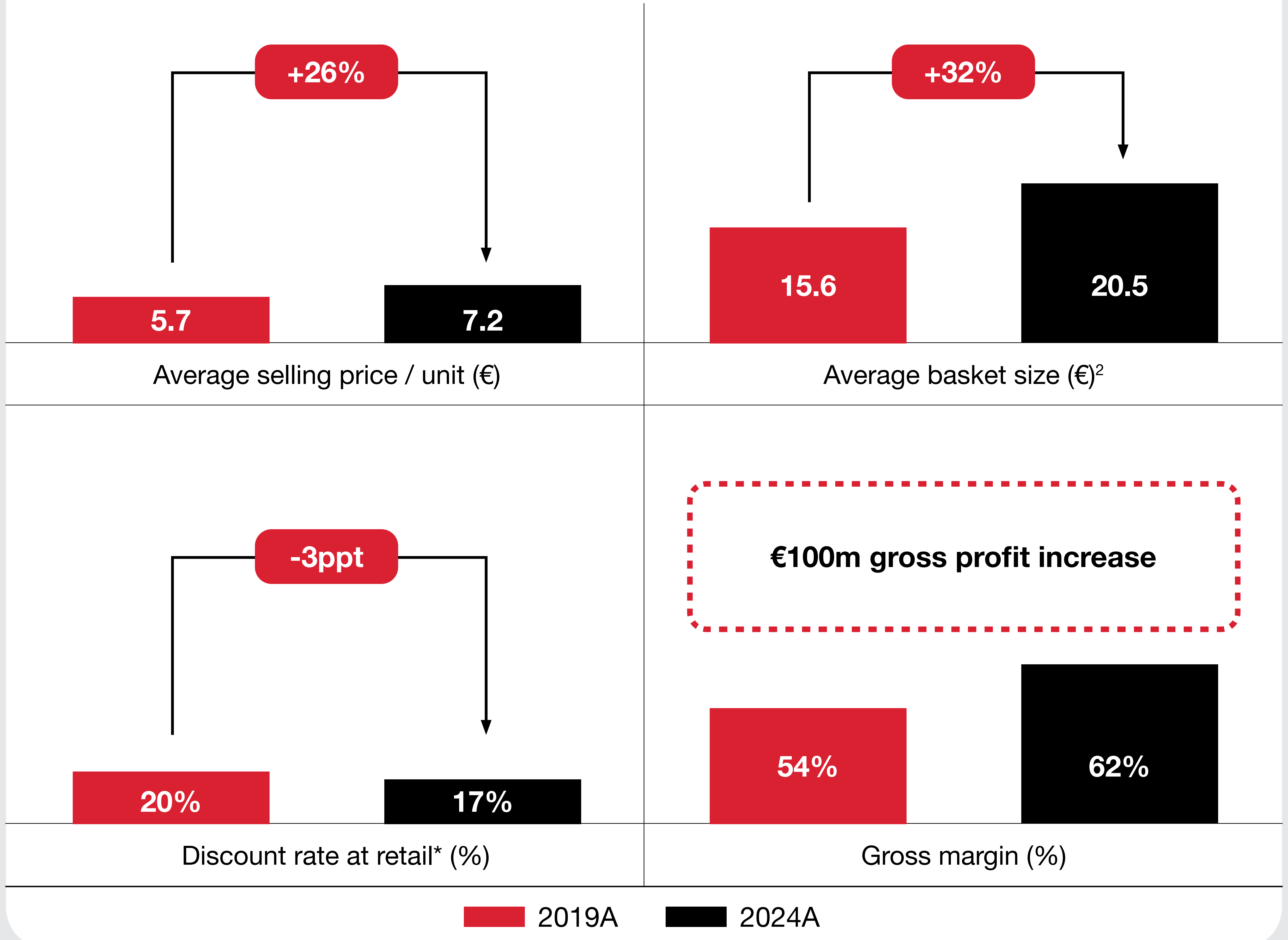
- Group like-for-like growth:
  - Targeting 3% p.a. on average (existing markets)
  - Supported by economic factors, data science tools relating to allocation and assortment processes, RRP optimisation, and continued disciplined revamp model
- Space growth:
  - Total net space growth – average of 3% to 4% p.a.
  - New space growth averages 7% p.a., accelerating due to Italy and Poland
    - Currently >1 900 white spaces identified (not all opening in the next 5 years)
    - ~40% of new stores planned are in Germany, generates excellent ROIC for the group and further generates cash for expansion
    - Profitability of store openings driven by the maturing of the geo-tool algorithm beyond Germany and Austria
  - Store closures average 3% but decelerates over the 5-year period
    - ~30% of store closures are relocations where stores are located in less favourable locations within good trading space
    - Closures (loss-making stores) to decelerate due to the execution of the new location strategy in Italy and Czech Republic

STORE OPENINGS PER COUNTRY: 2026 - 2030



Gross margin

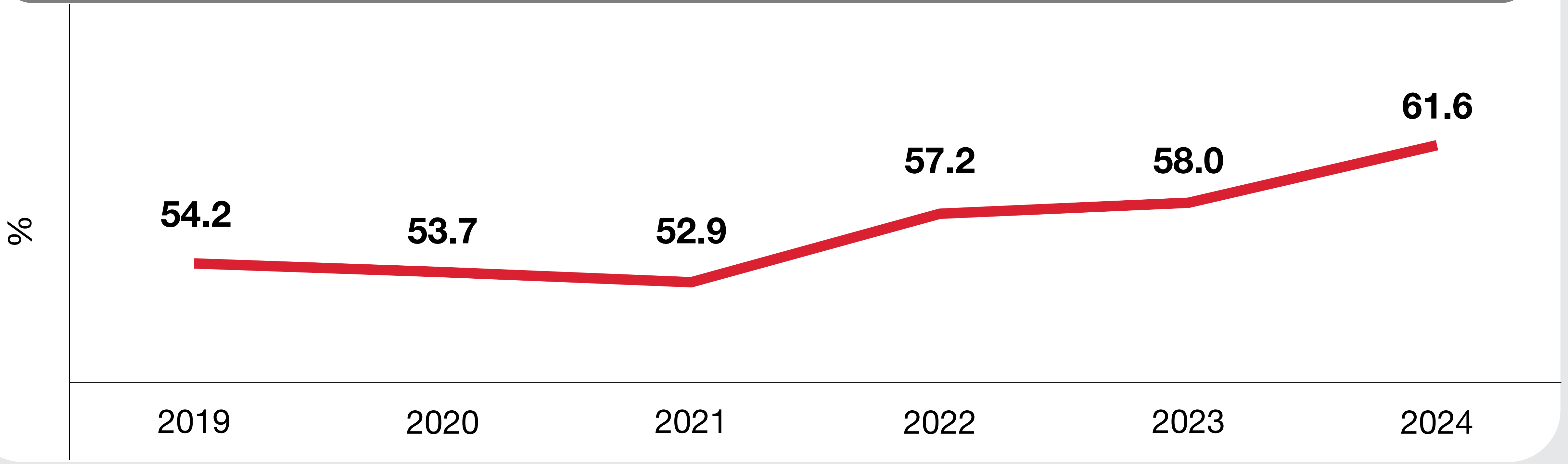
BETTER PRICING, MARKDOWN AND MARKETING MANAGEMENT



DRIVERS TO ACHIEVE TARGET RANGE:

- Scale benefit of buying office volume
- Dual sourcing model
- Data science tools deliver:
  - Optimised assortment width and depth, minimising stock-outs and elimination of unprofitable SKUs
  - Markdown optimiser by store
  - Promotion management via A/B testing and predictive sales

GP MARGIN



*Discount rate (%, ASP/RRP-1)

Operating margin

SUPPORTIVE OF A VALUE MODEL

- Positive operating leverage
- Lean cost structures (appropriate to Europe - sales:RSOI will not be comparable to SA)
- Continual focus on efficiency - will rollout further data science tools

Unquantified opportunities

EXPERIENCED VALUE RETAIL MANAGEMENT TEAMS COLLABORATING:

- NKD has deep European retail experience
- MRPG has experience in investing for the long-term: profitably scaling businesses, while building value retail brands that customers love

- Acceleration of store rollouts in existing markets
- Research, identify, test and scale beyond the 7 current countries:
  - Cash generation would support testing and roll out into new markets
- Evaluation of exporting MRPG brands
- Benefit of Group Treasury strategy:
  - Cash management
  - Cost of debt management
  - Forex management
- Explore beneficial synergies such as:
  - Combined buying power
  - Strategic logistics relationships
  - Exchange of data science knowledge
  - Sharing of end-to-end merchandise processes

04

Transaction impact

PRANEEL NUNDKUMAR

Transaction summary: Locked box as at June 2025

	10 December 2025 announcement	Update
Enterprise value	€500m	€500m
Equity value	€415m	
Shareholder loan	€38.5m	
Maximum purchase consideration	€487m	
Anticipated closing purchase consideration*		€478m
Debt facilities		~R7.0bn

TRANSACTION TO BE SETTLED IN CASH, FUNDED BY AVAILABLE CASH RESOURCES AND DEBT FACILITIES.

*Elected to apply hedge accounting at a group level

MRPG considerations

BALANCE SHEET

- Gearing ratio of combined group Net Debt (excluding lease liabilities):EBITDA (pre-IFRS 16) expected to be 1.5x - 1.75x (~R7.0bn in South Africa, R1.2bn in Germany*)
- Dividend policy to remain at 63% pay-out ratio
- NKD can self-fund growth for current business plan
- NKD cash > long-term external debt*

CASH FLOW AND CAPITAL MANAGEMENT

- Cash conversion remains a key KPI
- Group treasury management
  - Management of local vs international debt
  - Management of cost of debt

VALUATION AND MULTIPLE UNWIND

- Expect transaction to be earnings accretive in Year 2
- Execution of current business plan drives significant multiple unwind

*At June 2025

NKD’s 2025 Annual Financial Statements

CONSIDERATIONS

- The FY2025 audit is in progress (to be approved and signed off by current Directors)
- Timing of AFS release - likely in June with MRPG Annual Integrated Report
- Transaction-related and other once-off costs
- Alignment of financial year to MRPG will be part of the post-closing process

05

NKD brand, customer and competitive positioning

ALEXANDER SCHMÖKEL

Product range

NKD PREDOMINANTLY TARGETS FEMALE CUSTOMERS AGED 45 TO 60 WITH WOMENSWEAR MAKING UP 65% OF APPAREL SALES

Product range for the entire family

Apparel ~75%

Womenswear (~65% of apparel)

Menswear (~20% of apparel)

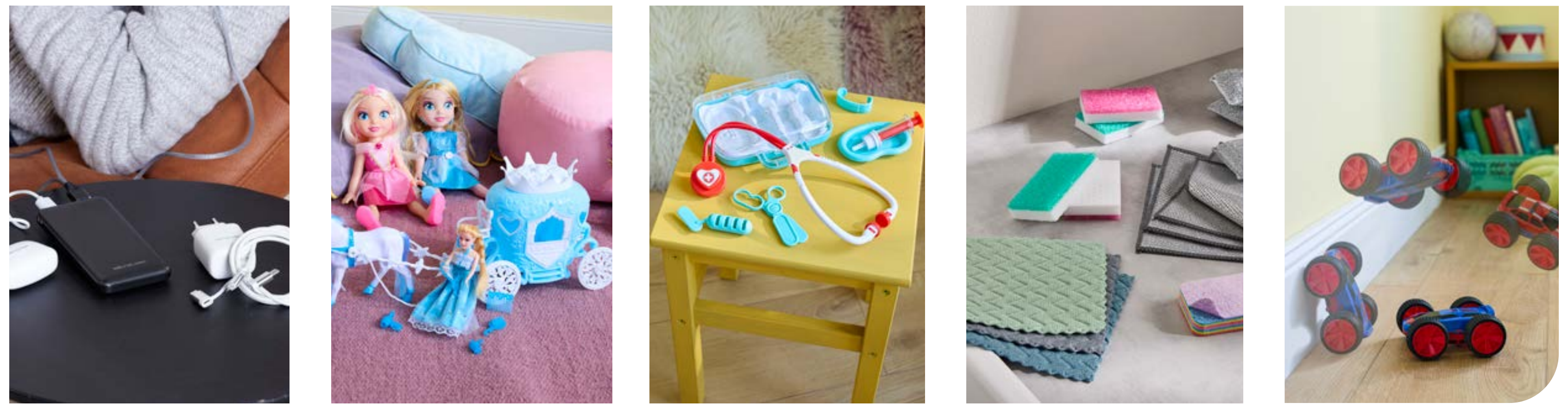
Kidswear (~15% of apparel)

Home ~20%

Home textiles and decoration

Other ~5%

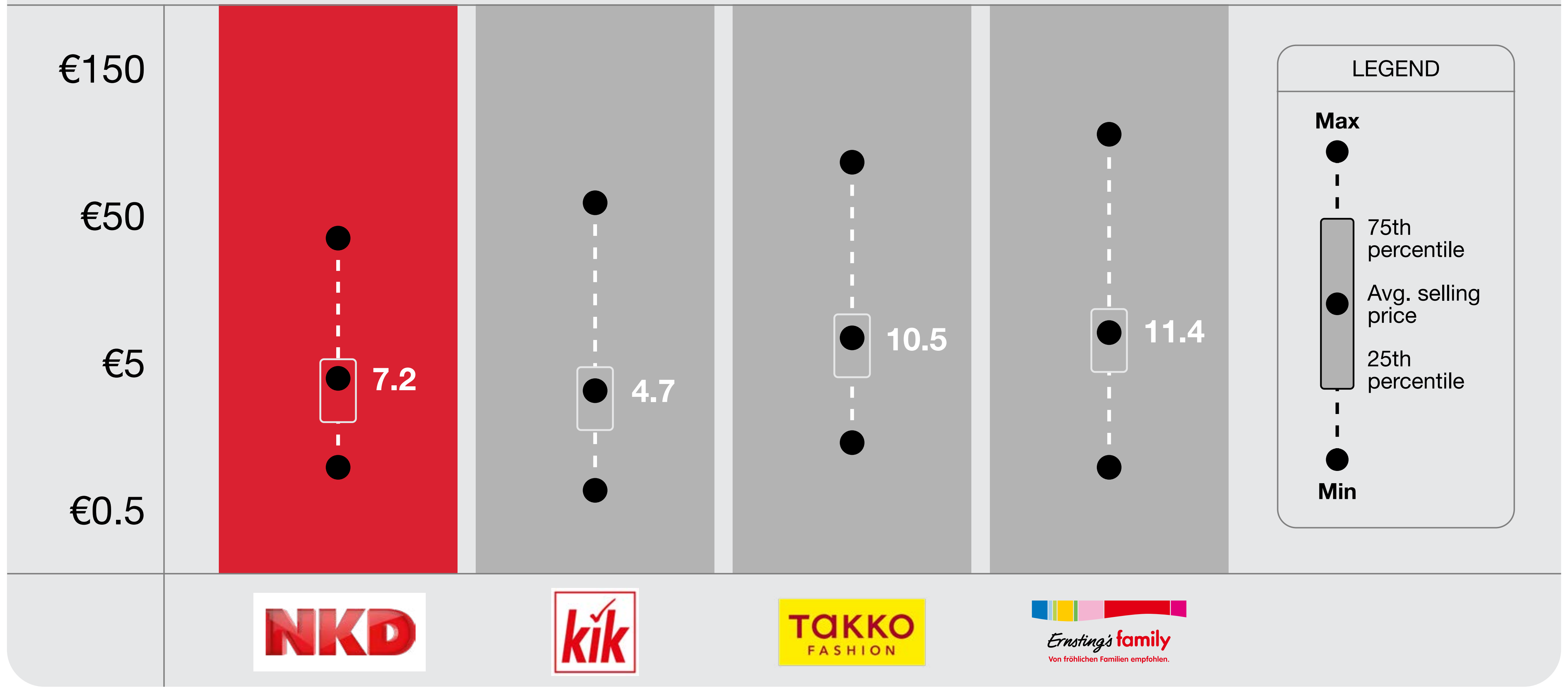
Household items, electronics and toys



Quality products at attractive price points

NKD offers products at similar or lower price points…

Average prices compared to competitors[1] (all product categories)



…and outperforms competitors through better quality and experience

	Quality	Experience	Customer service	Value for money
NKD	6.9	8.4	6.7	2.7
kik	(10.5)	(6.0)	(5.8)	(5.0)
TAKKO FASHION	(10.5)	(0.1)	(1.0)	(3.4)
Ernsting's family	4.7	2.9	0.9	(2.1)
WOOLWORTH	(15.9)	(6.5)	0.9	(9.2)

NKD OUTPERFORMS COMPETITORS SHOPPING EXPERIENCE AND CUSTOMER SERVICE WHILE MAINTAINING HIGHER QUALITY STANDARDS AT COMPARABLE OR BETTER PRICES.

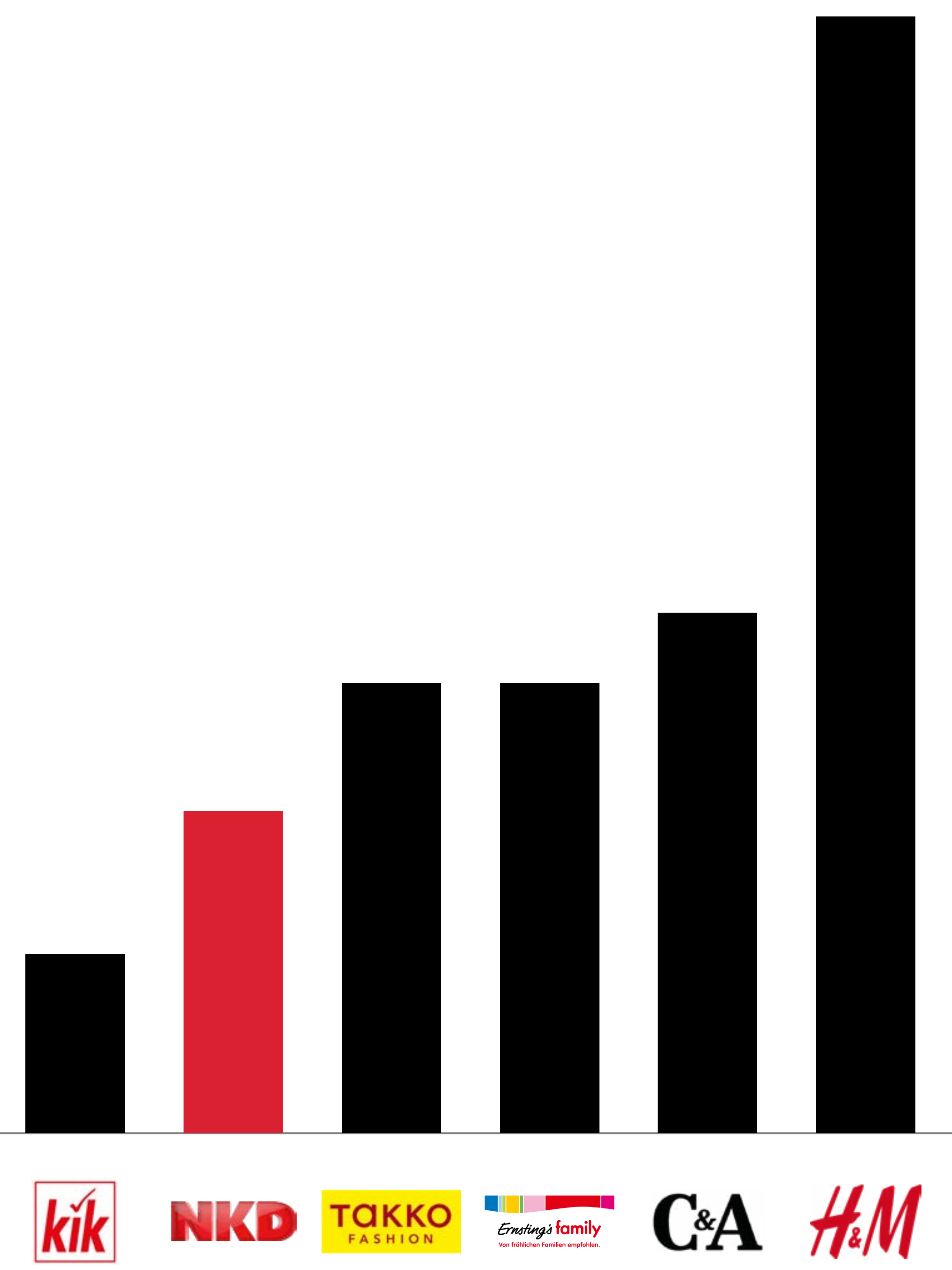
NKD PERFORMS BEST WITH THE VALUE-FOR-MONEY SEEKER SEGMENT, WHILE KIK IS FOCUSING ON THE DEAL HUNTING SEGMENT OF THE MARKET.

Source: External market research partner. Product range figures based on FY2024 net sales | [1]Across German product offering; as at March 2025; averages rebased to NKD ASP

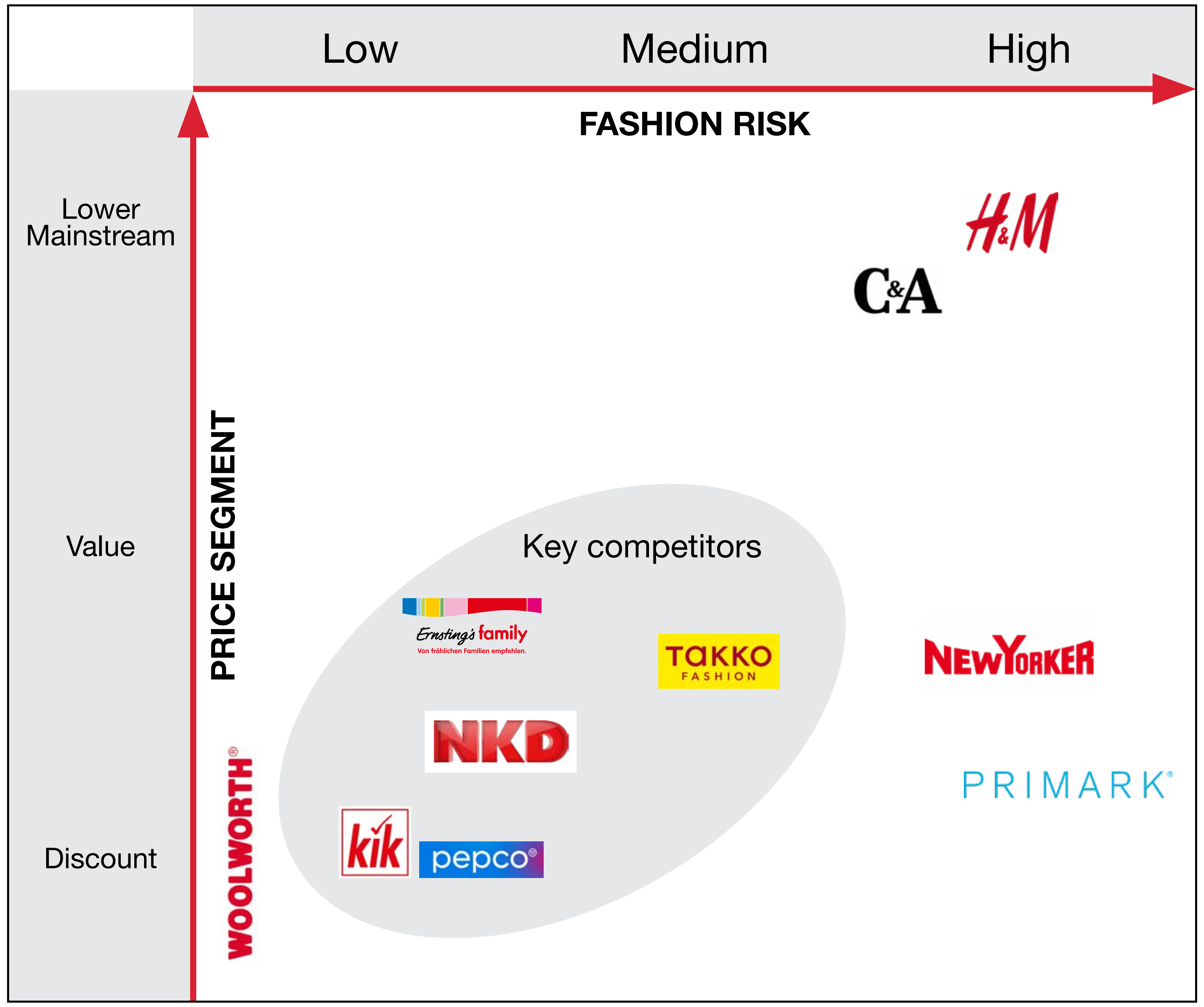
Market positioning and competition

ATTRACTIVE PRICE POINTS FOR HIGH QUALITY MERCHANDISE

Average price points (€)



Retail matrix



WELL-POSITIONED TO CAPTURE CURRENT TRENDS FAVOURING THE EUROPEAN VALUE MARKET

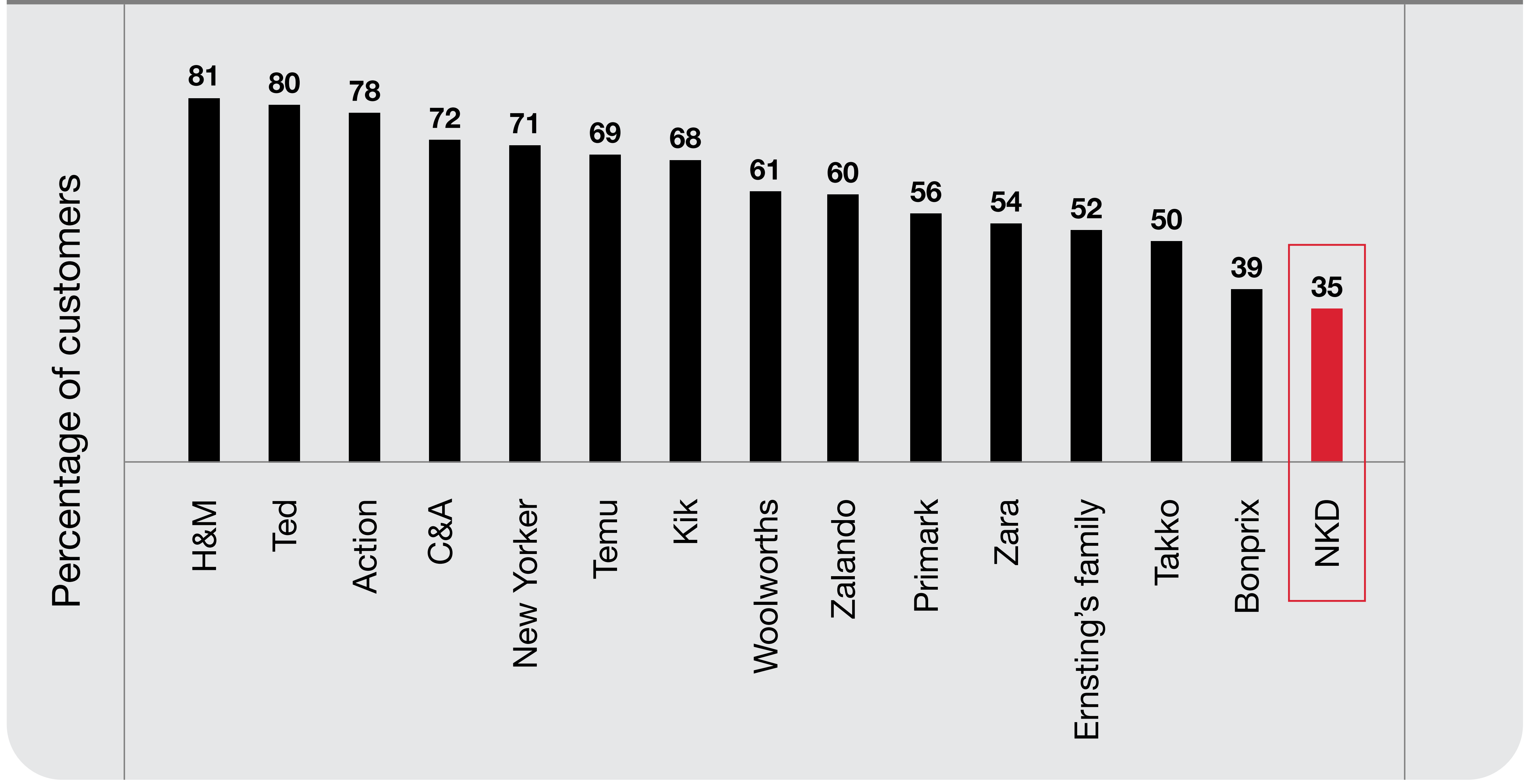
- Growing appeal and affinity for value retailers independent of economic conditions
  - Growth in share being taken from mid-market segments
- Consumers trade down under economic stress, and stay due to attractive value propositions
- Consumers continue to favour in-store shopping, often combining e-commerce touchpoints with in-store experiences

POSITIONED AS EXCELLENT VALUE FOR MONEY, NOT NECESSARILY THE PRICE LEADER

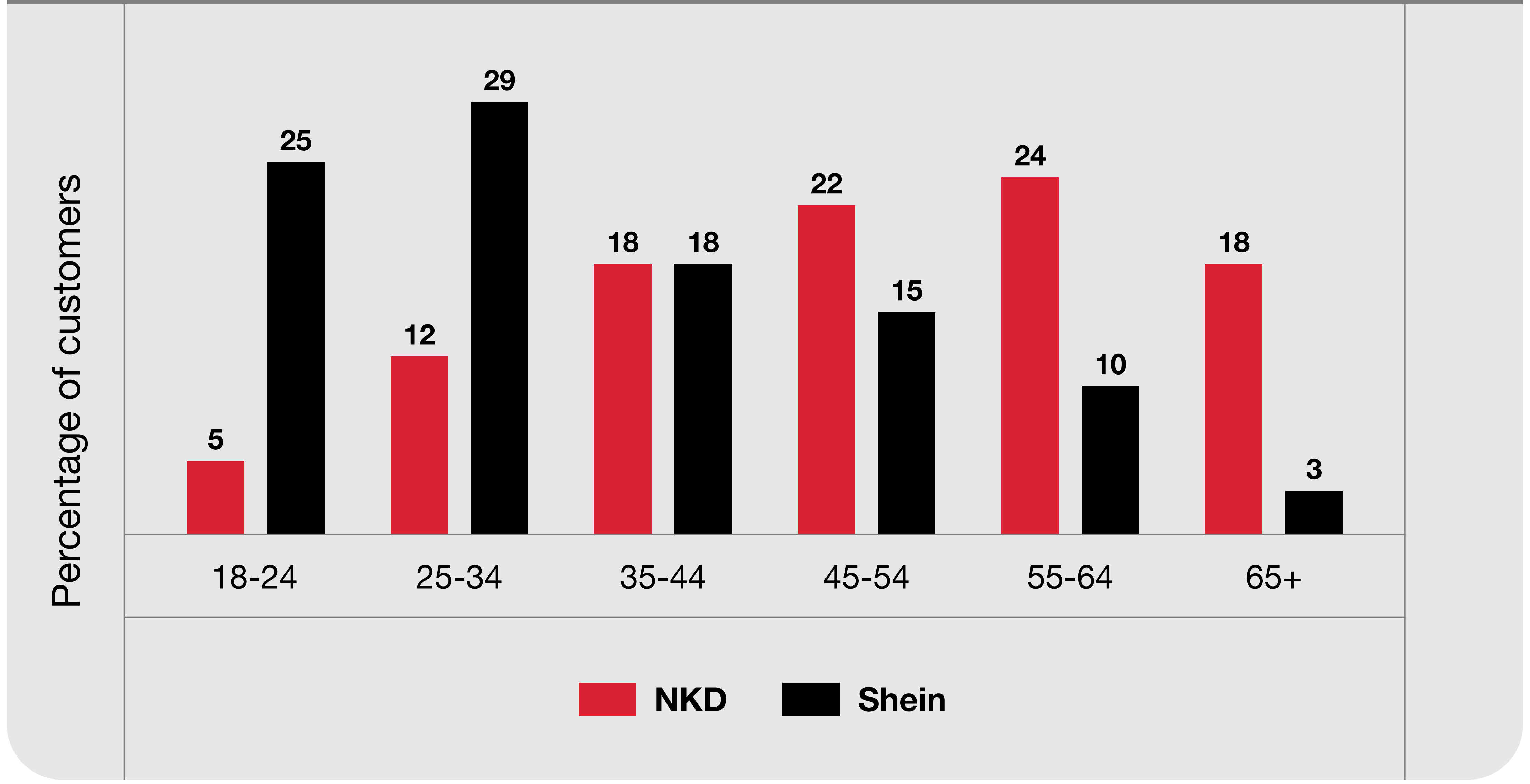
Market positioning and competition | Shein

NKD TARGETS FAMILIES WHO SEEK GOOD QUALITY AT APPEALING PRICES, FOCUSING ON WOMEN AGED 45 – 60

Cross-purchasing of Shein customers



Age distribution of customers: NKD vs Shein



- 35% of NKD customers cross-shop with Shein – lowest among key competitor set
- 63% of NKD customers are 45 years and older versus 49% of Shein customers being 34 years and younger
- Older customers are less likely to shop online, with only 3% of customers aged 65 and older having shopped at Shein

MINIMAL DIRECT COMPETITION WITH SHEIN: NKD CATERS TO DISTINCTLY DIFFERENT CUSTOMER GROUPS

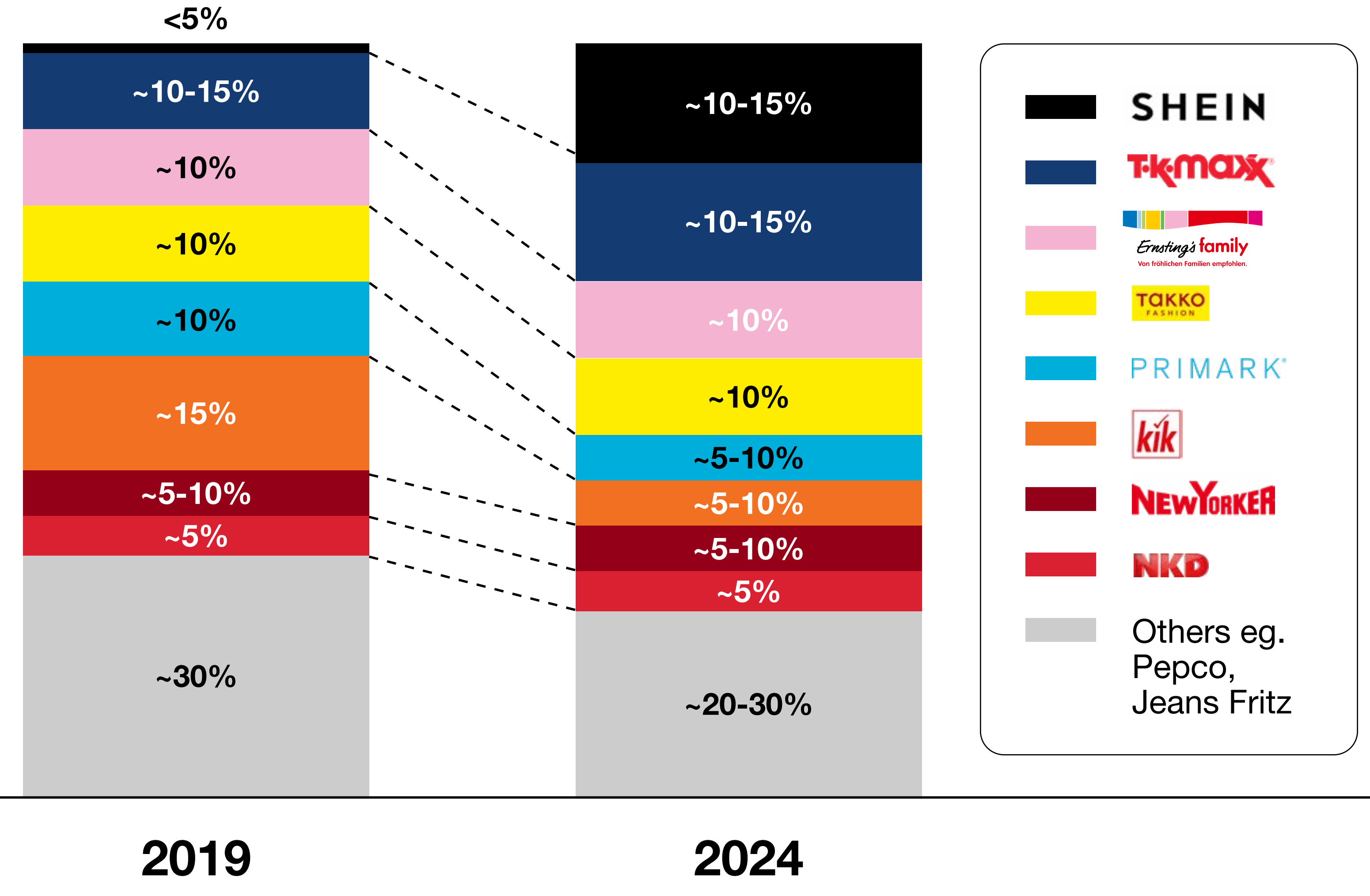
Source: External research partner

Market share and customer recognition

NO SINGLE SOURCE OF REGULARLY OR RELIABLY REPORTED MARKET SHARE FOR EACH INDIVIDUAL MARKET OR ON A COMBINED BASIS

In their largest market, NKD has maintained market share between 2019 and 2024 despite new entrants into the segment. In bricks and mortar only, NKD has gained market share

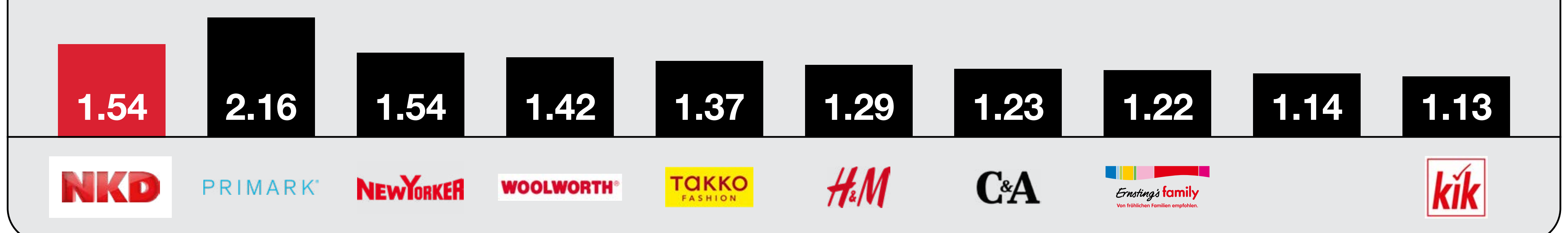
TOP DISCOUNT APPAREL[1] RETAILERS BY MARKET SHARE



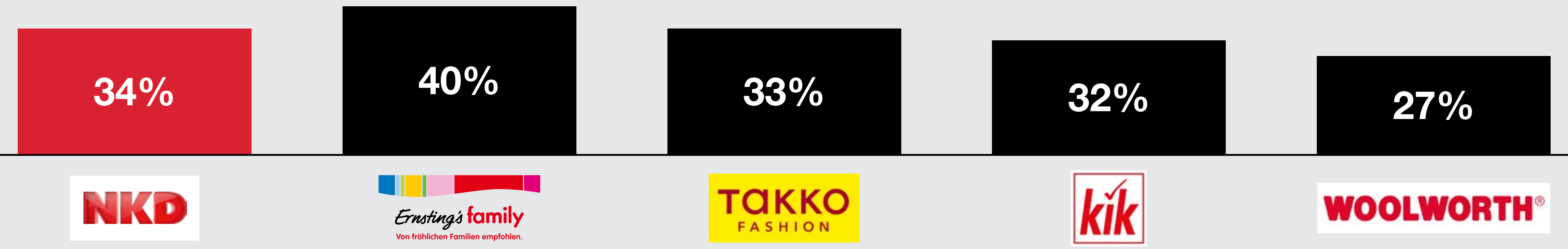
IN 2025, NKD GREW AHEAD OF THE MARKET IN EACH QUARTER PER TW ML[2]

NKD has strong brand recognition and excellent customer ratings

BRAND RECOGNITION: 2ND HIGHEST ESTATE SIZE ADJUSTED AWARENESS[1, 2]



CUSTOMER RATINGS: SUPERIOR SHARE OF CUSTOMERS RATING NKD A 9-10/10 VS. IMMEDIATE COMPETITORS, TAKKO AND KIK[1, 3]



Source: Euromonitor, Oxford Economics, GlobalData, Statista, Expert interviews, External research partner
Notes:

1. Excludes footwear-only retailers; Includes footwear revenue from apparel retailers; Market values in current prices; Rounding differences might occur.
2. TW ML: Textilwirtschaft Monolabel; benchmark figures based on single-brand retailers participating in theTextilwirtschaft Testclub

Source: Customer survey from IntelliSurvey
Notes:

1. Customer survey from June 2025 in Germany, n = 3,189
2. Awareness index = % of consumers who answered 'aware' / % of consumers who answered 'I have a store nearby'
3. % of P6M customers (purchased from each brand in the last six months) who rated the brand 9-10/10, when asked if they would recommend it to others for apparel

An award winning retailer

Best value for money

9x

Best and most popular brand

8x Consecutively

Excellent customer service

8x Consecutively

Best online shop

8x Consecutively

Best product quality

5x Consecutively

Sustainable engagement

4x Consecutively

Employer of the future

NEU

Committed to quality and ESG standards

NKD QUALITY PROMISE:

"...with our 2024 quality campaign, efforts and investments in our products become visible and tangible across all customer touchpoints"

NKD IS A MEMBER OF:

UCEP Bangladesh · amfori Trade with purpose · Bündnis für nachhaltige Textilien · German Importers · 100% Pelzfrei

CREDENTIALS IN SOURCING HIGH QUALITY AND ESG COMPLIANT GOODS:

- Audits done in-house
- Controlled list of approved suppliers
- Long supplier relationships
- Rigorous training standards of suppliers

HIGH STANDARDS

Textiles are thoroughly tested by independent and certified laboratories, e.g. OEKO-TEX-Standard 100

FAIR CONDITIONS

Continual improvement of work and social standards across the global supply chain

NOTICEABLY GOOD MATERIALS

Use of materials that promote consumer wellbeing through skin friendly and product comfort properties

TESTED QUALITY

Each product is thoroughly tested internally and externally against stringent standards for contaminants and durability

YES TO THE ENVIRONMENT

Responsible resource usage and application of a standardised environmental management system

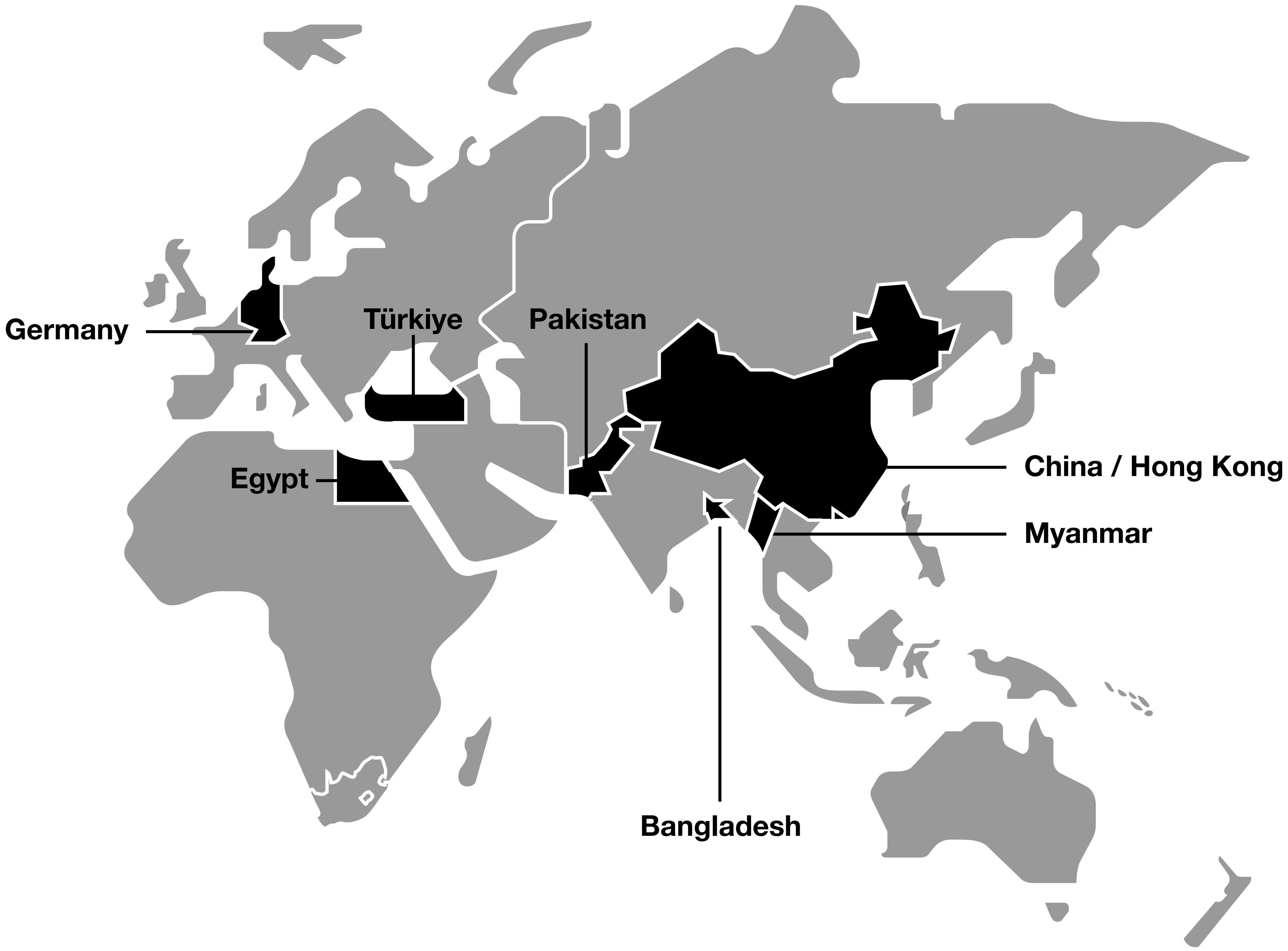
OUR COMMITMENT

Environmental and societal commitments further supported through partnerships with key organisations

Robust and agile supply chain

EXCELLENT SOURCING AND OPERATIONAL AGILITY SUPPORTING GROSS MARGIN

KEY SOURCING COUNTRIES



FULLY INTEGRATED SUPPLY CHAIN

- In-house DC and owned-truck fleet provides agility and control
  - Partner with external logistics partners for geographical flexibility and commercial efficiency
- High throughput with ~35 million units transported annually
- Integrated in-house sourcing agent operating in the East (offices in Bangladesh and China)

DIVERSE SUPPLIER BASE

- A strong network of suppliers in major manufacturing hubs
- High social compliance standards across value chain
- More than 100 suppliers holding relations for more than 10 years

COST CONTROL

- Dual sourcing supports price benchmarking and mitigates supply risk
- De-risked category mix supports early sourcing and leverages low-cost transport

Store economics

A CAPITAL-LIGHT, SMALL-FORMAT STORE PLATFORM DELIVERING PROFITABILITY AND ACHIEVING SCALE SUFFICIENT TO SELF-FUND GROWTH FROM INTERNALLY GENERATED CASH

~300m² average store size

SMALL FORMAT LOCATIONS

Store maturity reached

AT THE END OF FULL YEAR 3 IN OPERATIONS

Fully self-funded, end-to-end retail platform

Strong store economics

ACROSS SIZES, LOCATIONS AND TYPES. STORES PERFORM WELL WITH LIMITED COMPETITION AND EQUALLY IN AREAS WITH HIGHER COMPETITION OR INCREASED COMPARATIVE SHOPPING

On average, full capex payback achieved after 2.4 years

WELL AHEAD OF FULL STORE MATURITY

Improved

ROIC SUPPORTING PROFITABILITY

Store economics Continued.

MODEL CAN BE SUCCESSFULLY ROLLED OUT IN MULTIPLE FORMATS:

Main shopping street

Situated next to other retailers in small towns (<25k inhabitants) at shopping streets with car traffic – usually mixed positioning and price points

- **Stores*: ~570**
- **Store contribution margin: 20%**

Specialist retail park

Destination discount shopping retail park with or without discount supermarket

- **Stores: ~525**
- **Store contribution margin: 19%**

Outskirts

Located in a residential area or the outskirts of a town with only one or no other store nearby – generally lower footfall

- **Stores: ~320**
- **Store contribution margin: 20%**

Pedestrian zone

Located in a city centre pedestrian zone (no cars) with dense retail outlets – higher footfall

- **Stores: ~180**
- **Store contribution margin: 17%**

Shopping mall/centre

Shopping mall/centre with no supermarket and mix of stores at more price points or segments – value and mid-market

- **Stores: ~150**
- **Store contribution margin: 16%**

*Number of stores by location type based on stores open as of June 2025, excluding stores closed YTD (June 2025), known closures and 2022-2024 vintages as not matured (excluding central store cost centres)

06

Wrap up

MARK BLAIR

Looking to the future

PLATFORM FOR GROWTH

- Delivery under long-term strategic ownership after two rounds of Private Equity ownership
- Group to be run on following principles:
  - Global discipline + local execution autonomy + centralised scale advantage + protected focus on core
- Group structures in place – capital governance, strategy development and execution, regional performance oversight
- Executive and management structure aligned to greater complexity
- Dedicated regional leadership – engaged and committed
- Clear accountability through updated structures, all with defined KPIs
- Will explore potential synergies and centralised benefits where it makes sense and does not impact local agility

MRPG investment case

OUR VIEW OF MRPG GOING FORWARD AND NKD'S ALIGNMENT

1. DELIVERING SCALABLE OPPORTUNITIES THROUGH NEW GROWTH VEHICLES AND CONSISTENT DELIVERY TO STAKEHOLDERS

- The acquisition supports the achievement of the group's long-term vision introducing a platform to grow in the European value retail market
- European value apparel market is anticipated to grow at 2.5x the overall apparel market

2. MULTI-GEOGRAPHY VALUE RETAILER, PROVIDING DIFFERENTIATED PRIVATE LABEL FASHION-VALUE MERCHANDISE

- The NKD European store footprint, bolsters the broader MRPG offering through a cash-based, value-focused apparel and homeware
- Introduces a scaled business with a proven track record of expanding into new markets

3. STRONG CASH GENERATION, SUPPORTED BY HIGH CASH SALES

- NKD's cash-based model, supported by a lean capex model, delivers strong cash conversion metrics, ensuring the business remains self-funded in the long-term

4. APPROPRIATE OMNI-CHANNEL OFFERING SUPPORTS A GROWING ONLINE PRESENCE, ALLOWING FOR ENHANCED CUSTOMER CONVENIENCE

- NKD executes an omni-channel strategy predominantly through physical stores supplemented by its online platform

MRPG investment case Contined.

OUR VIEW OF MRPG GOING FORWARD AND NKD'S ALIGNMENT

5. OPERATIONAL EXCELLENCE THROUGH DIGITAL AND TECH MODERNISATION AND AN AGILE FIT-FOR-PURPOSE SUPPLY CHAIN

- NKD's data science capabilities support an agile supply chain, enabled with excellent sourcing and operational agility

6. A MANAGEMENT TEAM WITH A DEMONSTRATED TRACK RECORD OF DELIVERING GROWTH AND SHAREHOLDER RETURNS

- The NKD management team are highly seasoned, regionally focused retailers with a strong track record and business culture that aligns with MRPG

Key takeaways

MARKETS

- South African business well positioned to capitalise on the expected improved macro environment
- Value segment in Europe provides multi-decade growth platform

NKD

- Is the right company which has the opportunity to realise its full retail capability under the strategic ownership of MRPG
- Can self fund growth
- Attractive medium-term financial outlook - Year 2 accretion anticipated

LEADERSHIP

- NKD management is experienced and committed and will drive operational execution
- MRPG executive management will provide strategic oversight – NKD CEO to report to MRPG CEO
- MRPG local leadership structure to remain focused on operational execution in South Africa

07

Q&A

ALL

08

Closing

NIGEL PAYNE

09

Appendices

09a

MRPG strategic process

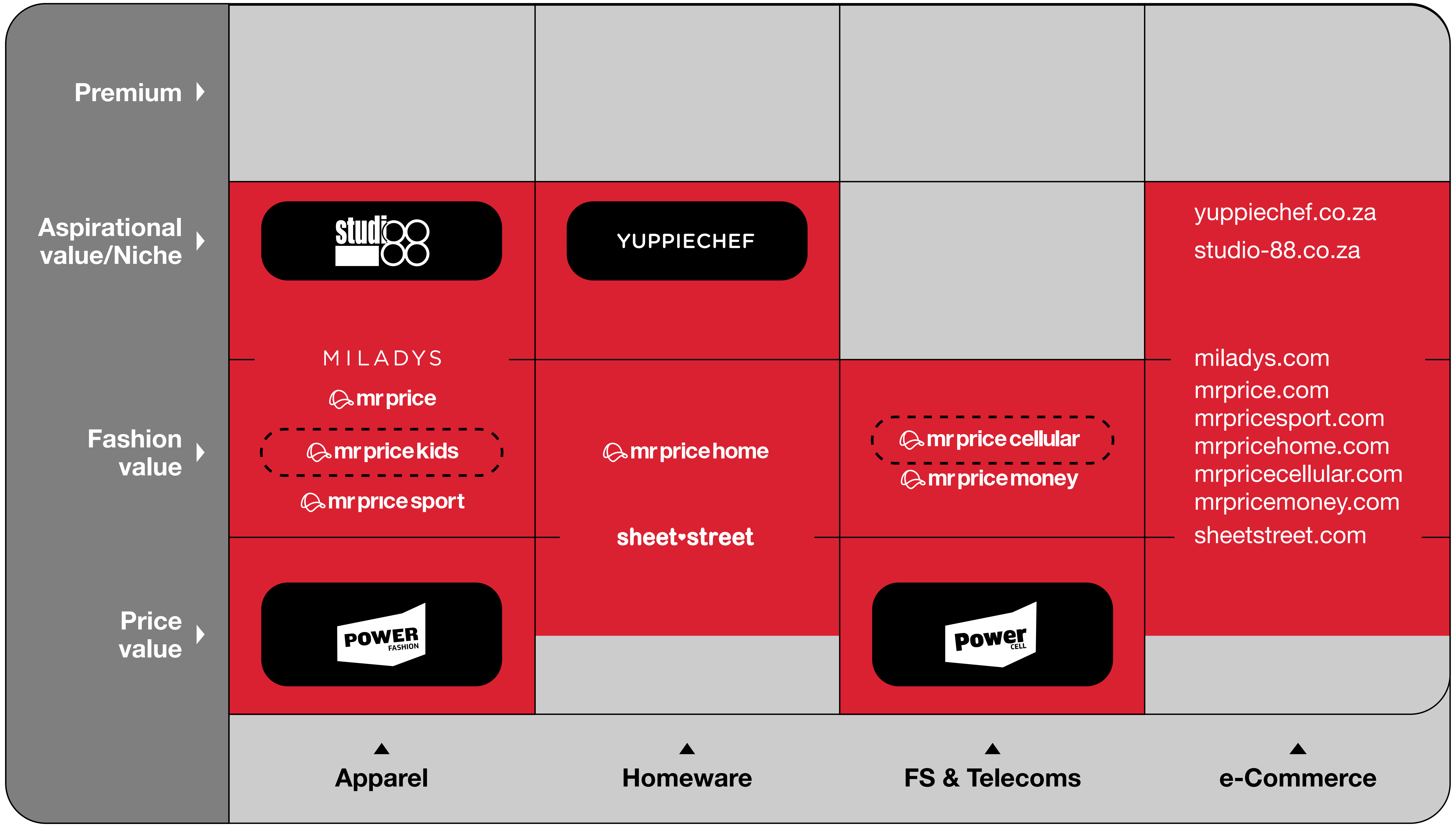
Strategic expansion of the group’s portfolio

2021 - 2023

KEY PROGRESS:

- Introduced new group strategy
- Strengthened leadership capacity
- Invested in organisational backbone
- Strategic decisions to ignite additional growth:
  - Remained focused on South Africa during volatile post COVID-19 period
  - Remained focused on categories where we have expertise
- Grew via acquisitions and organic launches:
  - Initial bolt-on acquisitions to prove integration and execution capability
  - Studio 88 – larger transaction, acquired from Private Equity, introduced branded athleisure, proved benefit of phased integration

Acquisition Organic launch



Significant business growth

Revenue	
FY2019	FY2025
R22.6bn	**R40.9bn**

Brand portfolio	
FY2019	FY2025
6 divisions with 5 retail chains	**9 divisions with 15 retail chains**

Store footprint	
FY2019	FY2025
1 323	**3 030**

ROCE	
MRPG	Competitors*
22.2%	**11.6%**

Acquisitions and organic launches: performance^

YUPPIECHEF, POWER, studio88	mr price kids, mr price cellular
• Combined retail sales of R11.7bn | 29.3% of total group sales • Combined operating profit of R1.2bn	• Combined retail sales of R4.3bn • Total number of standalone stores: 112

High performing with strong future growth opportunities

While achieving profit growth, the group has also reduced dependency risk and expanded its consumer base while maintaining cost discipline and phasing integration.

Between 2019 and 2025:

- Delivered HEPS CAGR of 6.3%
- Maintained dividend payout ratio of 63%
- Funded new growth vehicles, capex and dividends from cash resources

^All information related to FY2025 | *Average of listed apparel retailers

Research and considerations for next phase of growth

DEDICATED RESOURCES ALLOCATED TO FOCUS ON IDENTIFYING NEW AREAS OF GROWTH TO SUPPORT THE ACHIEVEMENT OF THE GROUP'S LONG-TERM VISION

ADOPTED A MULTILAYERED APPROACH SUPPORTED BY THIRD-PARTY RESEARCH AND ADVISORS

01 Organic vs Acquisitive consideration

02 Market research: South Africa, including new segments of retail

03 Market research: New territories, preferred consumer segments, operating models, approach to reach scale and minority vs majority stakes

Organic launch vs acquisition

ORGANIC LAUNCH

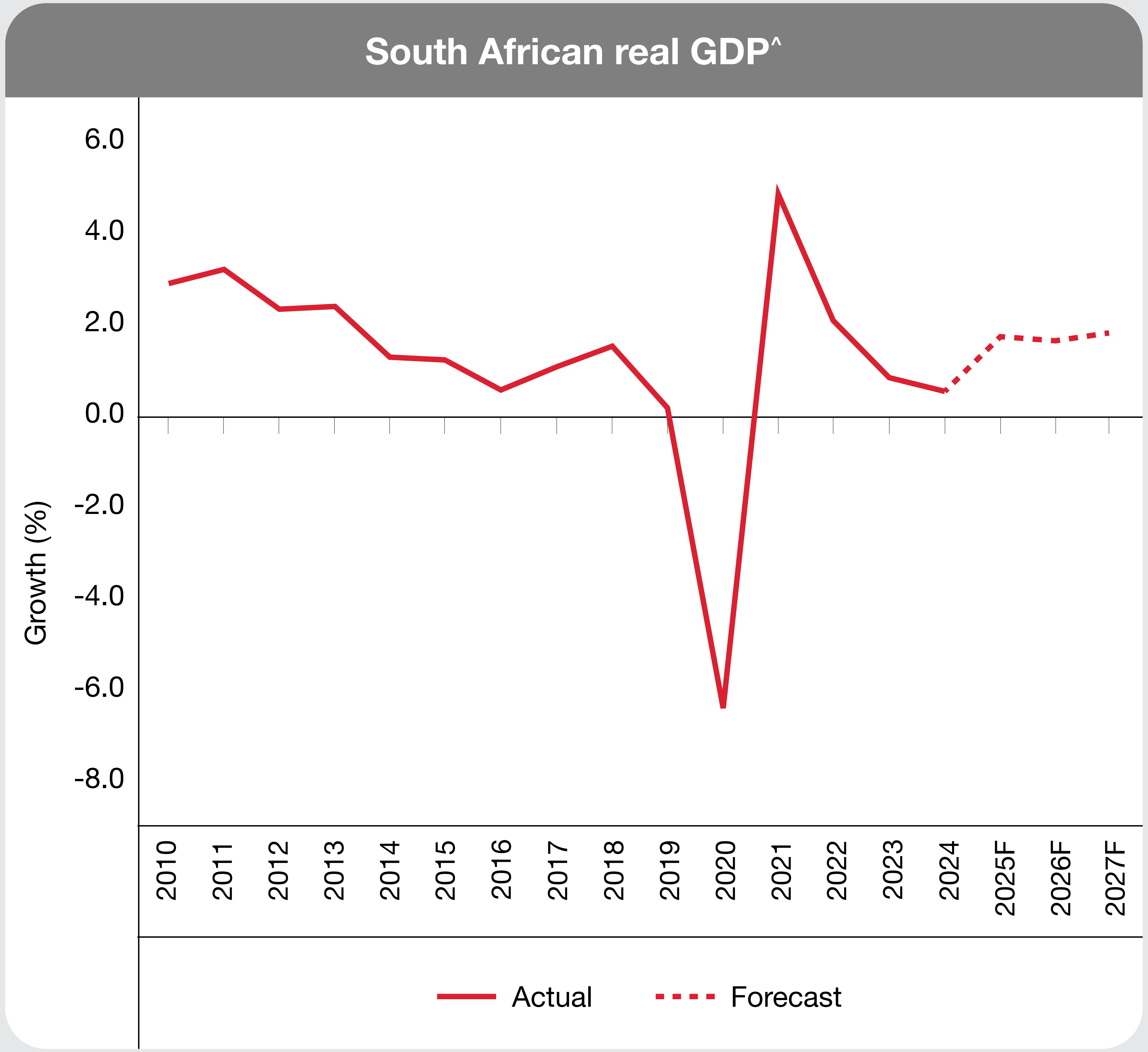
- Slow build within existing skill-set
- More management time required and greater risk of distraction
- Potential immaterial earnings impact for extended period – cost and investment ahead of profit. High cost:
  - To set up management teams
  - Of business without economies of scale
  - Associated with testing models
- Introduces further supply chain complexity
- May introduce contra-seasonal merchandise complexity
- Larger competitors with scale can disrupt
- Apparel brands don't travel easily:
  - Low customer affinity if brands are not known in chosen new market
  - Requires significant marketing spend up front, impacting results until scale is achieved
- Limited local market knowledge

ACQUISITION

- Access to growth businesses with existing skilled teams
- Clear future growth prospects including platform for regional growth and expansion
- Less South African management time required
- Potential for earlier accretion
- Short-term dilution expected and acceptable if medium-term value creation is clear
- Preference for value retail assets in apparel and homeware – leverage what we know
- Scaled businesses can generally self-fund growth but can offer opportunities for accelerated growth with additional funding
- Knowledge sharing for the good of the combined group is a benefit but investment thesis must not be dependent on synergies
- Recognition of risks in execution, management retention and business case realisation - considered learnings of successes and failures of other retailers

MARKET SIZE, NEW RETAIL SEGMENTS AND CAPITAL ALLOCATION CONSIDERATIONS

- South African business is well-positioned to outperform the market and capitalise on any improvement in South African consumer environment
- Discretionary apparel and homeware market is very competitive
- Value in particular has seen increased new competition
- Expanding into adjacent categories is not risk free:
  - Skill-sets required outside of existing capabilities
  - Discretionary retail categories are generally saturated
  - Elevated competition for diverted discretionary retail spend
- Acquisitions: limited opportunities that align to our investment criteria
- Return to shareholders:
  - Investing for long-term sustainable growth and shareholder value creation
  - Dividend policy



^Source: National Treasury Economic Outlook (2010 - 2027), Stats SA

Research and identification of new territories

Identified suitable regions and markets for long-term growth

CONSIDERATIONS FOR NEW TERRITORIES

- Market size, ease of doing business and competitive landscape
- Regulatory and tax regimes
- Stable macroeconomic and political environments with tailwinds for sustainable growth
- Stable currency environment
- Growing value retail segment

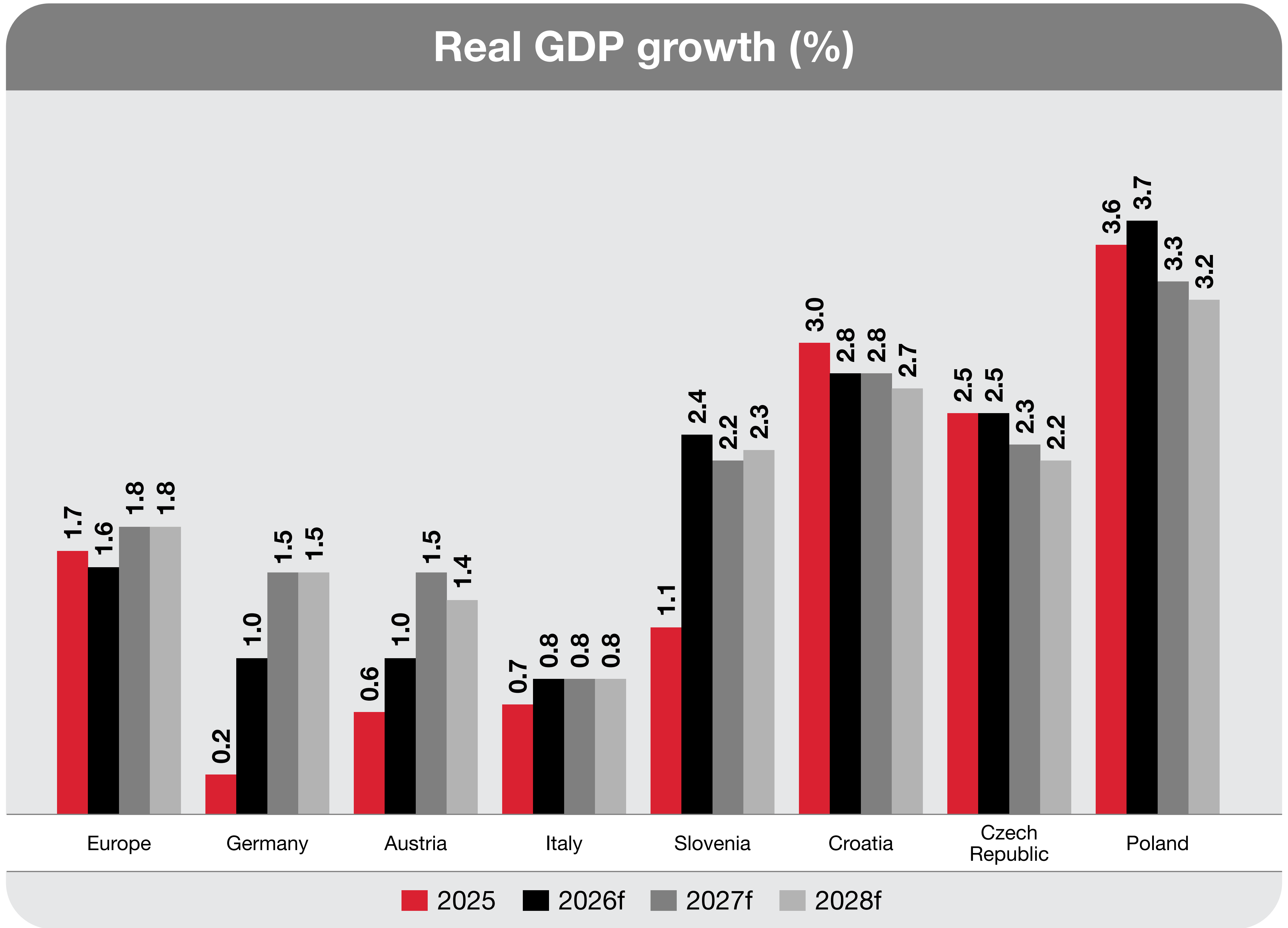
GUIDING INVESTMENT PRINCIPLES

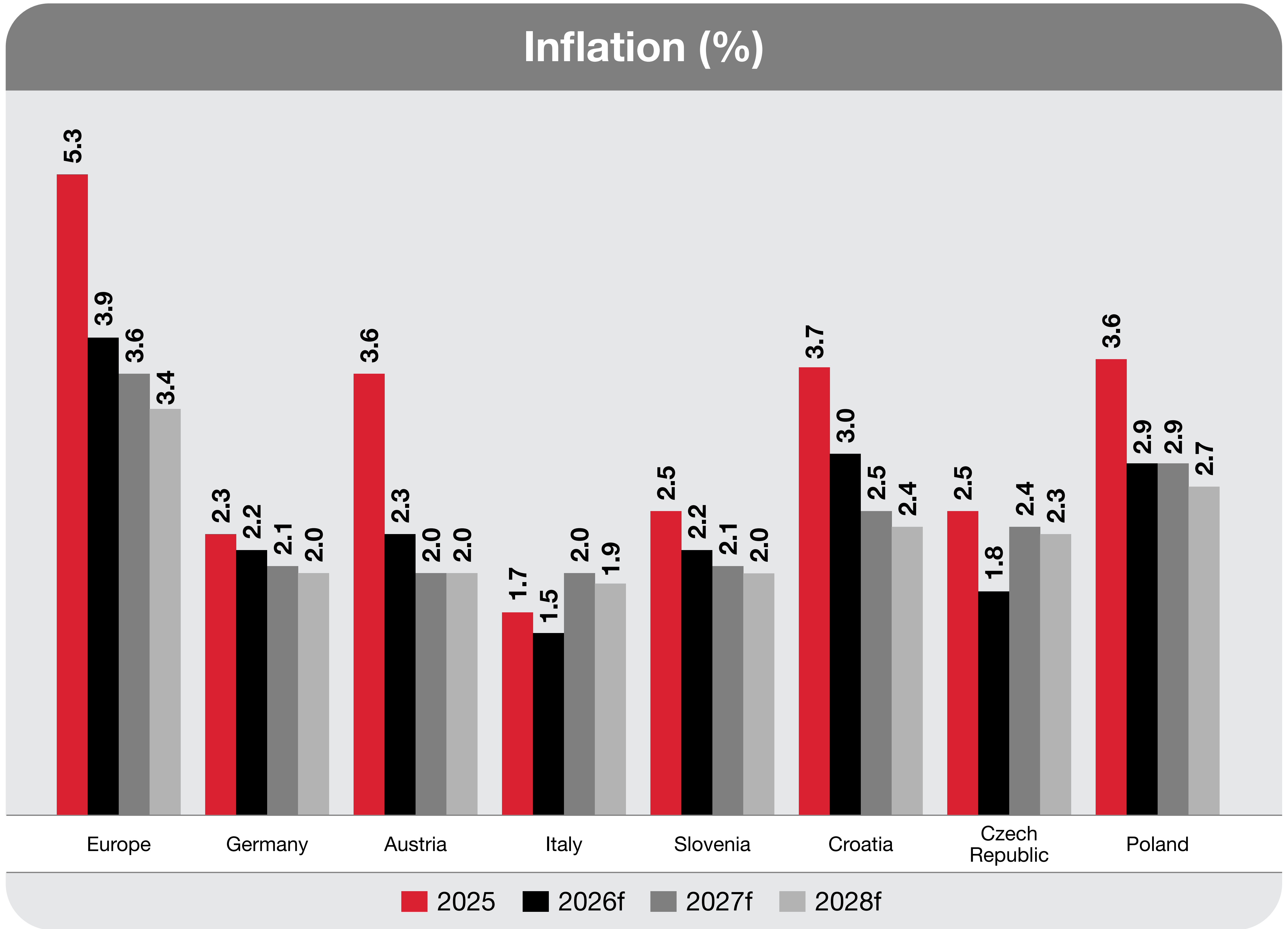
- Acquire on the merits of the target:
  - Value retail in apparel and homeware
  - Clear future growth prospects – no turnarounds
  - Platform for regional growth and expansion
- Size of transactions to be appropriately considered:
  - Assets of scale
  - Short-term dilution acceptable if medium-term value creation is clear
  - Future funding requirements assessed
- Assessment of group synergies – investment case should not be synergy dependent

09b

Market rationale

European macro backdrop





- Central and Eastern Europe (CEE) - identified as attractive market in initial market research
- Germany set for an increase in investment and economic growth over next 5 - 10 years
- Stable and improving GDP growth expected across core growth markets
- Inflation forecast to unwind further
- Continued real wage growth expected, including key NKD markets

Source: Economist Intelligence unit

Market sizing | European retail

TOTAL ANNUAL RETAIL SALES^ ($'BN)

- European retail market offers access to larger consumer markets
- Value retail in Europe is structurally defensive and growing
- Many players have expanded successfully into multiple geographies – single brands can access multiple markets

Source: Economist Intelligence Unit | ^Total annual sales of retail enterprises, excluding cash & carry (includes VAT) | *Excludes Croatia and Slovenia due to data unavailability

Market sizing | European value retail

VALUE SEGMENT ACCOUNTS FOR ~22% OF THE TOTAL ADDRESSABLE EUROPEAN* RETAIL MARKET AND IS EXPECTED TO GROW AT TWICE THE PACE OF OVERALL RETAIL SALES IN THE NEXT FIVE YEARS

Total Market Excluding Food

Total Addressable Market
€500 Billion

Serviceable Market
€113 Billion

Total market excluding food:
All non-food retailers

Total addressable market:
Apparel (excludes footwear-only retailers) and general merchandise market

Serviceable market:
Value apparel (excludes footwear-only retailers) and general merchandise market

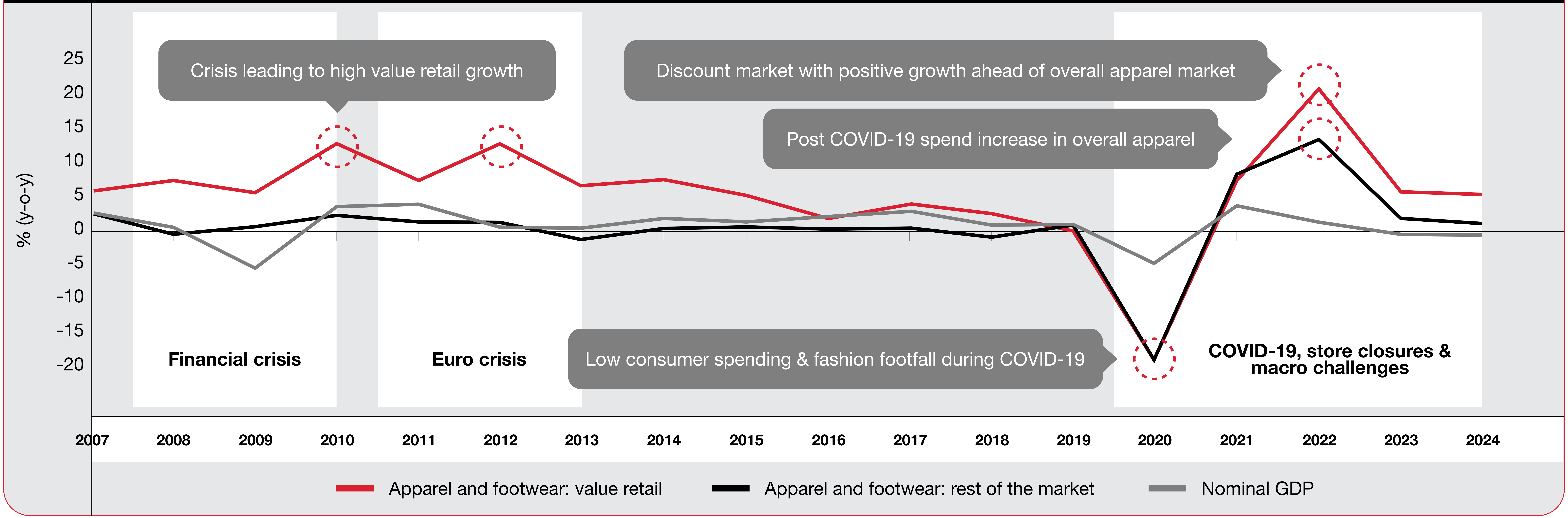
NKD

Source: Market data provided by external research partner | *Western & Eastern Europe, excluding Russia

European value retail | Historical performance

STRUCTURALLY DEFENSIVE AND HAS GROWN AHEAD OF THE OVERALL MARKET OVER THE LONG-TERM

Germany: GDP and apparel and footwear market growth

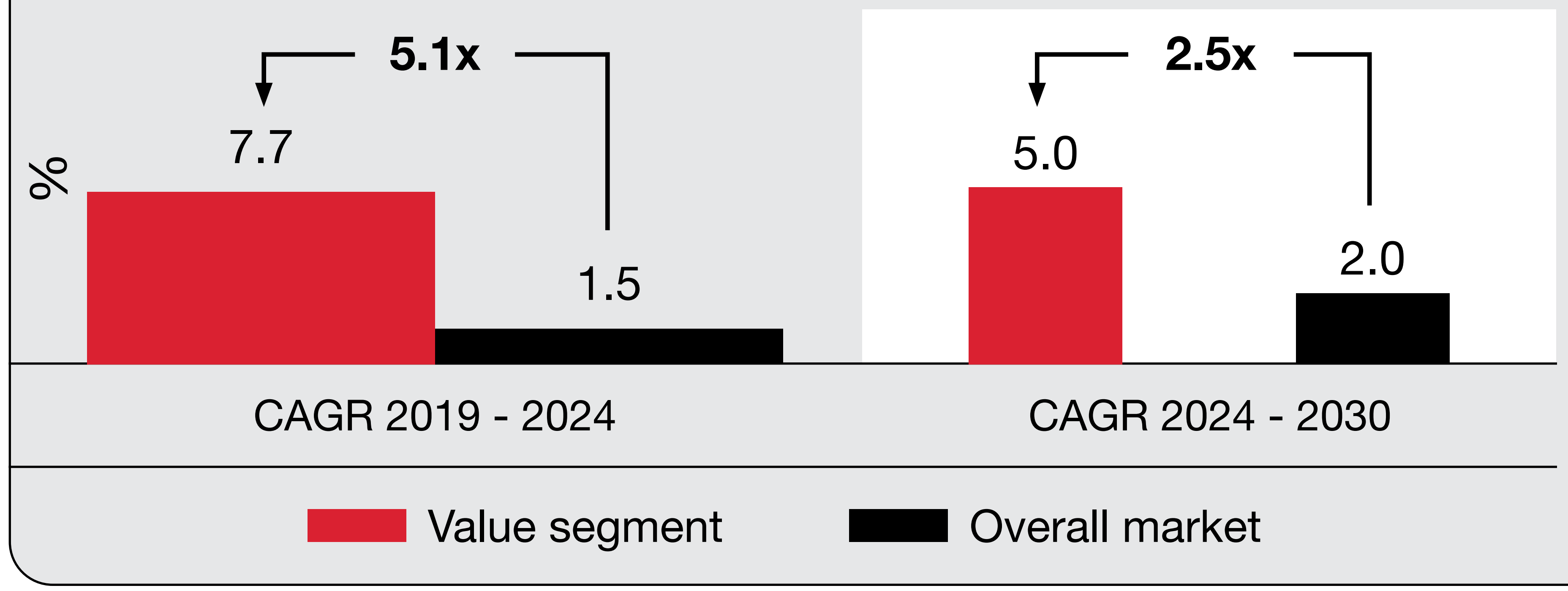


Source: Market data provided by external research partner

European value retail | Historical performance Continued.

VALUE IS AN ATTRACTIVE FORMAT IN EUROPE WITH VALUE RETAILERS OUTPERFORMING THE MARKET ACROSS ALL MAJOR CATEGORIES INCLUDING APPAREL AND GENERAL MERCHANDISE

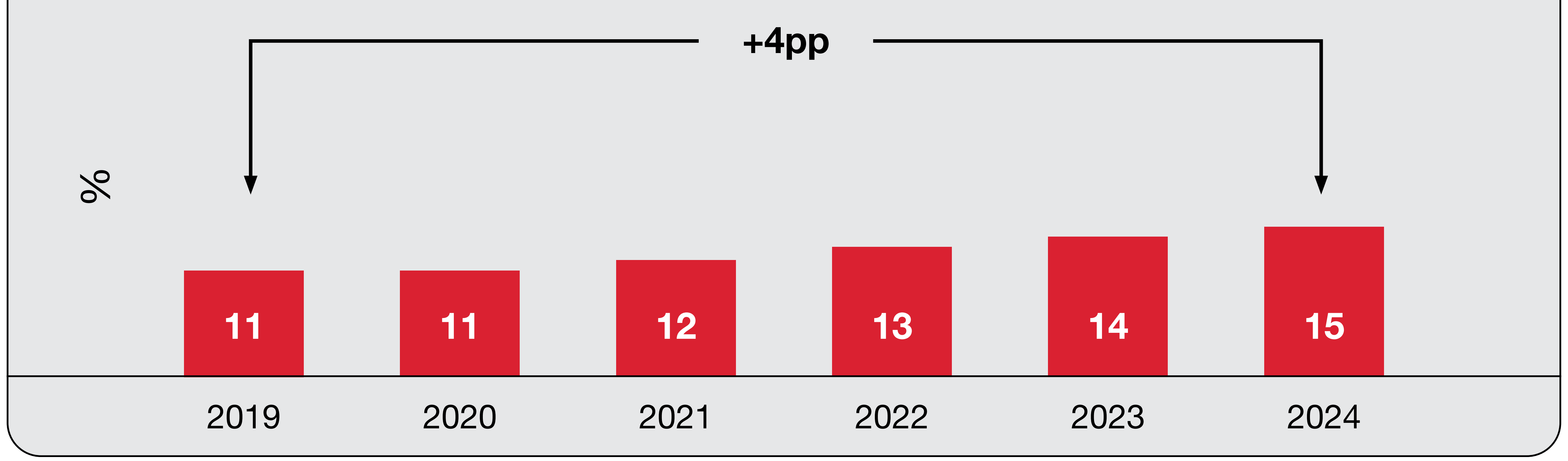
Apparel[1]



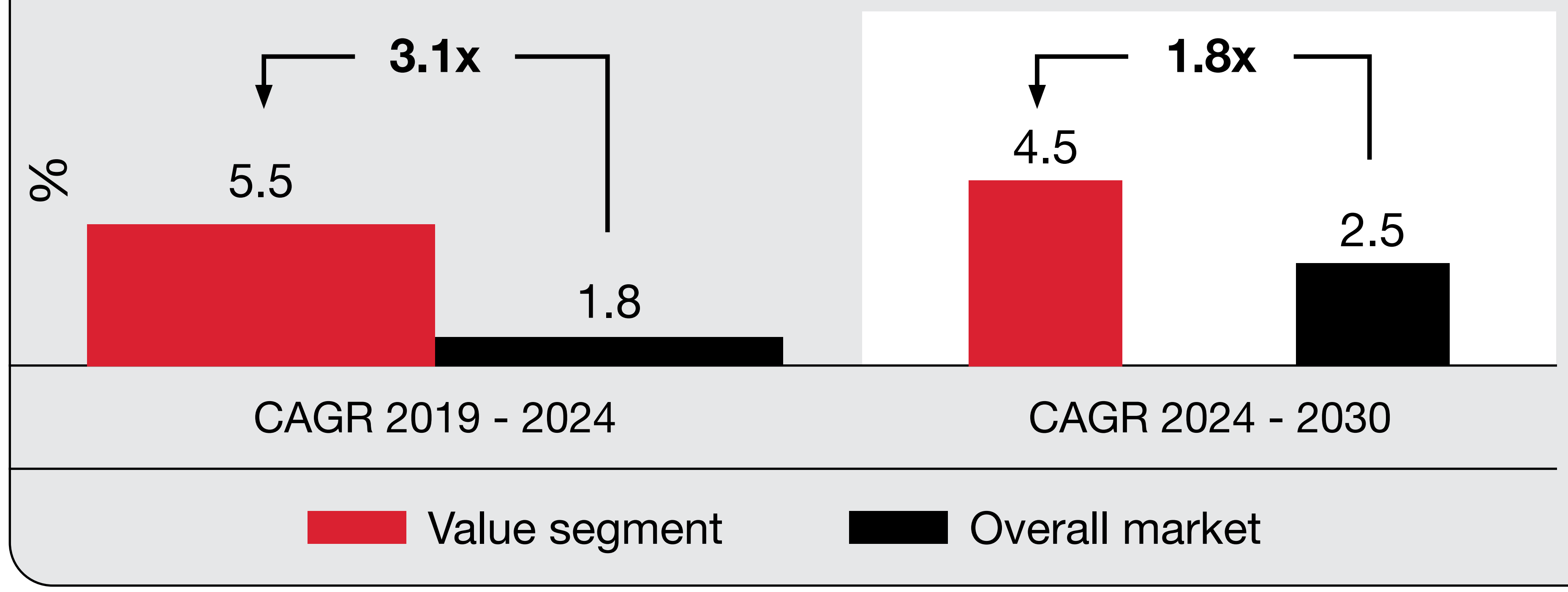
KEY VALUE PLAYERS

APPAREL MARKET:
VALUE PENETRATION GREW FROM ~11% TO ~15% IN 2024

Europe: value penetration rate vs. full apparel market



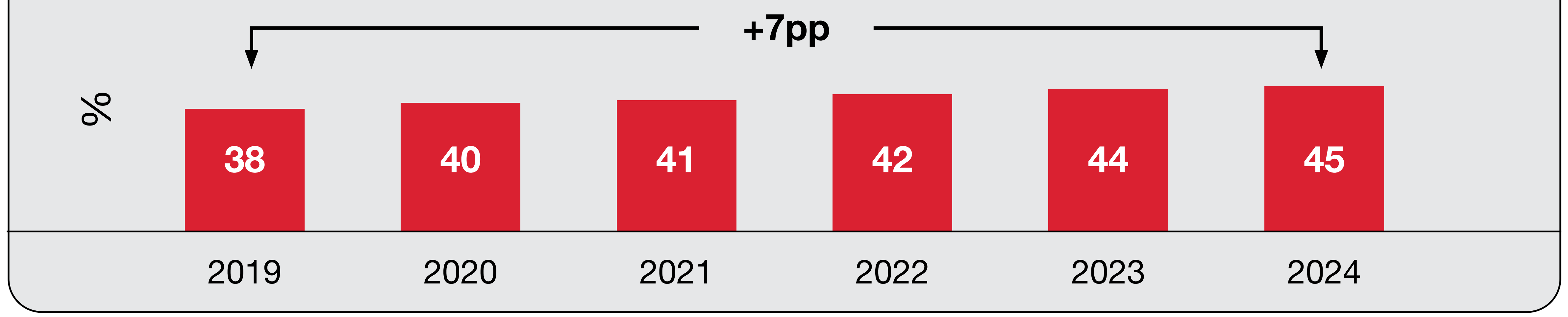
General merchandise



KEY VALUE PLAYERS

GENERAL MERCHANDISE MARKET:
VALUE PENETRATION GREW FROM ~38% TO ~45% IN 2024

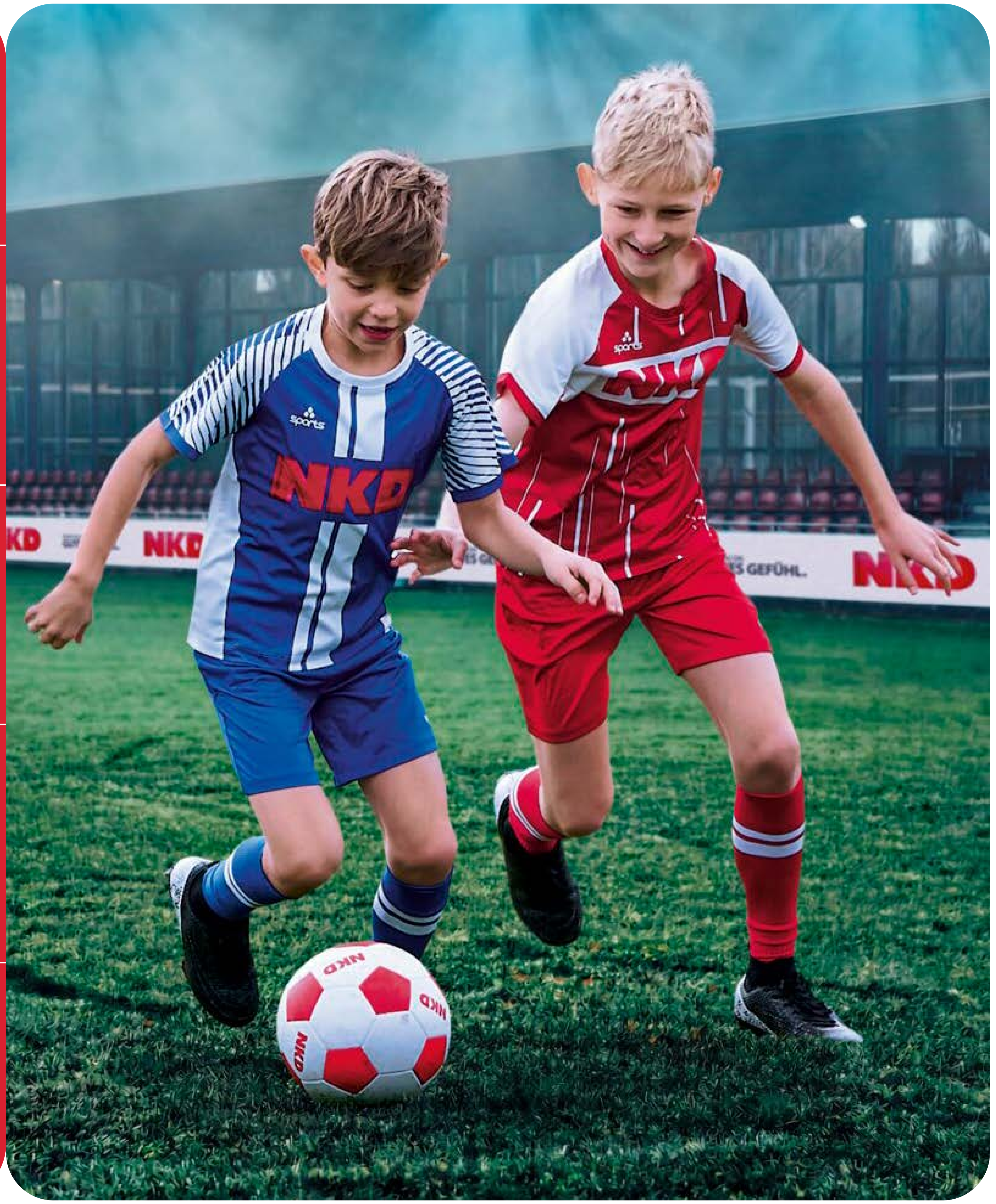
Europe: value penetration rate vs. full GM market



Source: Euromonitor and external research partner | [1]Excludes footwear-only retailers; Includes footwear revenue from apparel retailers

Why value retailing is growing | Consumer trends

~40%	of households are price-conscious*
~42%	of consumers are buying more at value retailers*
~35%	of consumers generally prefer more affordable brands^
~39%	of consumers buy more private label merchandise, moving away from brand-centric shopping^
~59%	of consumers globally prefer consistent discounts across all products vs deep discounts on selected products



Source: Euromonitor, Eurostat, OECD, Oxford Economics, GlobalData, Statista, External research partner | *Austria and Germany | ^Germany only

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