mr price group limited

Interim results and cash dividend declaration for the 26 weeks ended 26 September 2026

This short-form announcement has been prepared in compliance with the JSE Limited Listings Requirements and is the responsibility of the Mr Price Group Limited board of directors. It is a summary of the information in the detailed results announcement available on https://senspdf.jse.co.za/documents/2026/JSE/ISSE/MRPE/20112026.pdf and https://www.mrpricegroup.com and does not contain full or complete details. The information contained in this announcement has not been reviewed or reported on by the company's auditors. These documents and the results presentation to the investment community are available on the group's website at www.mrpricegroup.com and copies may be requested from the company secretary (Legal@Mrpricegroup.com or +27 31 310 8000). Any investment decision in relation to the company's shares should be based on the full announcement.

Summary

Revenue	Gross profit margin	Cash generated
R26.1bn	**47.9%**	**R4.8bn**
+40.5%	+790bps	91.4% cash sales
Operating profit	**Diluted HEPS**	**Interim dividend per share**
R2.8bn	**508.6c**	**329.5c**
+30.7%	+2.2%	+2.0%

Interim Cash Dividend Declaration

An interim of 329.50 cents per share (263.60 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	08 December 2026
Date trading commences 'ex' dividend	Wednesday	09 December 2026
Record date	Friday	11 December 2026
Payment date	Monday	14 December 2026

Note:
Shareholders may not dematerialise or rematerialise their share certificates between Wednesday, 09 December 2026 and Friday, 11 December 2026, both dates inclusive.

Commentary: Market outperformance and consistent earnings growth through volatile trading environments

Group results summary

For the 26 weeks ended 26 September 2026 ("Period"), Mr Price Group reported revenue growth of 40.5% to R26.1bn and operating profit growth of 30.7% to R2.8bn. The inclusion of NKD Group GmbH ("NKD"), acquired effective 31 March 2026, expanded the group's presence into European value retail. The group ended the Period with 5 410 stores across its African and European operations.

The group's operations excluding NKD are referred to as "Africa" in this announcement and will be reported as such going forward. Africa retail sales increased 3.1%, ahead of the RLC's market growth of 1.2%. Through disciplined stock and cost management, in a highly promotional environment, Africa expanded its gross profit (GP) margin by 60bps to 40.6% and operating margin by 30bps to 11.8%. Africa operating profit increased 5.9% to R2.2bn.

As anticipated, financing costs impacted the group's earnings growth during the Period, with basic earnings per share increasing 0.2% to 513.6 cents. Headline and diluted headline earnings per share increased 2.0% and 2.2% to 523.0 and 508.6 cents, respectively.

Operating and consumer environment

The operating environment was characterised by persistent volatility and heightened unpredictability across the group's African and European markets, contributing to challenging consumer conditions. Global geopolitical tensions contributed to substantially higher oil prices, renewed inflationary pressure and tighter monetary conditions, increasing household living costs and constraining discretionary spending.

Despite these challenges, both businesses navigated the difficult trading environment effectively, delivering sales growth ahead of their respective markets while maintaining a disciplined focus on execution and profitability.

Africa

Retail sales of R18.4bn increased 3.1% and comparable store sales were flat. Retail sales growth was relatively consistent across the first (+3.2%) and second (+2.9%) quarters, despite challenging consumer conditions, and continued to outperform the broader market (RLC).

Total unit sales grew 1.6%, while retail selling price inflation remained low at 1.4%, reflecting the group's continued intentional focus on delivering value to its customers.

Store sales increased 3.2% and online sales were down 1.0%. Store sales accounted for 97.7% of retail sales, reinforcing the continued importance of physical retail to the value-focused customer. The Africa segment opened 101 new stores during the Period, growing its total store base to 3 248 stores and increasing weighted average trading space by 3.8%. New stores across the portfolio continue to deliver strong returns, well in excess of their cost of capital.

Cash sales increased 2.9% and constituted 88.1% of retail sales. Credit sales grew 3.7%, driven primarily by existing account holders, while the new account approval rate of 22.9% was marginally higher than the prior period.

GP margin increased 60bps to 40.6%, despite high competitor promotional activity during the Period. Effective input cost management, disciplined stock control and a smooth transition out of winter and into fresh spring/summer merchandise resulted in all trading segments expanding their margins in both Q1 and Q2.

Financial Services revenue increased 3.2% to R484m. Debtors' interest and fees were 6.1% higher due to the 50bps increase in the repo rate compared to the prior Period. Despite the deteriorating consumer environment, the net bad debt to book ratio decreased 20bps compared to the prior Period. The ongoing caution applied to credit granting enabled this performance and the group remains adequately provided for with a 30bps increase in its impairment provision to 13.3%.

Operating expenses increased 3.8%, reflecting disciplined cost management despite new weighted average trading space growth of 4.0%. Operating profit increased 5.9% to R2.2bn. Operating margin increased 30bps to 11.8% of retail sales and other revenue. The operating margin in H1 is seasonally lower than H2.

Europe — NKD

NKD contributed retail sales of R6.9bn and operating profit of R526m during the Period. Its financial reporting has been aligned with Mr Price Group's accounting policies. NKD outperformed both the German total apparel market and the value apparel market in Q1 and Q2, according to Textilwirtschaft. The business recorded 8 net store openings (new stores: 44, closures: 36), ending the Period with 2 162 stores across its 7 markets. Strategic store closures continued as planned, supporting profitability and improved store portfolio productivity.

NKD delivered a GP margin of 67.4%, supported by disciplined markdown management and its agile sourcing model. Disciplined cost control supported an operating margin of 7.5%. The re-financing of NKD's German debt was completed in September, incurring once-off re-financing costs of R32.3m in the Period, with lower financing costs expected to benefit H2 and more fully in FY2028 and beyond.

NKD's earnings are materially weighted towards Mr Price Group's H1, and its interim and annual earnings contribution should therefore be assessed in the context of this seasonality.

Group inventory, cash flow and capital allocation

At the end of the period, gross inventory was 29.0% higher, skewed by the inclusion of NKD, while Africa gross inventory increased 0.8%.

Capital expenditure of R619m was allocated during the Period, which was predominantly driven by new stores and the go-live of the modernised Gosforth Park distribution centre in Gauteng in September 2026. The annual capex forecast remains approximately R1.5bn, primarily weighted towards stores, with approximately 300 new stores planned inclusive of NKD. The group generated R4.8bn in cash from operations and delivered a cash conversion ratio of 82.4%. Capital allocation is focused on supporting investment growth, dividend payments and debt servicing. The group's net asset value per share increased 2.9% to 5 577 cents and closed the Period with net debt of R7.7bn.

Outlook

The global operating environment remains volatile and uncertain, with geopolitical developments and their impact on energy prices, inflation and interest rates continuing to influence consumer confidence and discretionary spending. Supply chain disruption has also persisted, initially due to adverse weather conditions in key sourcing regions and constrained vessel availability, and more recently compounded by operational challenges at the Durban Port. The group is actively managing these challenges to minimise potential impacts during the key festive trading period. While an improvement in economic conditions could provide some relief to consumers across Africa and Europe, any recovery is expected to be gradual, with trading conditions likely to remain challenging for the remainder of the financial year.

Against this backdrop, the group remains focused on delivering profitable market share gains through differentiated merchandise, compelling customer value and disciplined execution. Its agile trading model, diverse brand portfolio and effective stock and cost management position the businesses to respond to changing consumer demand while protecting profitability.

Development of the next strategic roadmap is well underway, with a primary focus on unlocking growth opportunities, leveraging group scale and assets, and accelerating operational efficiencies through technology and digital transformation. This process will inform the next phase of growth and long-term value creation, with further details to be communicated.

Having delivered six consecutive reporting periods of earnings growth, the group remains confident in the strength of its diversified portfolio and its ability to sustain returns through changing economic cycles.

Mr Price Group Limited Registration Number: 1933/004418/06 - Incorporated in the Republic of South Africa - ISIN: ZAE000200457 - JSE/A2X code: MRP,
Directors NG Payne* (Chairman), MM Blair (CEO), P Nundkumar (CFO), N Abrams*, MJ Bowman*, JA Canny*, RJD Inskip*, TE Mashilwane*, H Ramsumer*, LA Swartz*, R Nkabinde* | *Non-executive director
Sponsor Investec Bank Limited
Transfer Secretaries Computershare Investor Services (Pty) Ltd