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# UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the 26 weeks ended 29 August 2021

PICK N PAY UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS 2021



Result summary: Resilience in the face of unprecedented external disruption	1
Comparable earnings performance	12
Dividend declaration	14
Group statement of comprehensive income	16
Group statement of financial position	17
Group statement of changes in equity	18
Group statement of cash flows	19
Notes to the financial information	20
Appendices	33
An overview of our store estate	38
Corporate information	41



## Resilience in the face of unprecedented external disruption

### KEY FINANCIAL INDICATORS

	26 weeks to 29 August 2021 H1 FY22	26 weeks to 30 August 2020 H1 FY21	% change
Group turnover	R46.0 billion	R44.2 billion	4.1%
Gross profit margin	18.2%	19.6%	
Trading expenses	R8.9 billion	R8.5 billion	4.1%
Net finance charges	R622.9 million	R656.9 million	-5.2%
Comparable profit before tax <sup>1</sup>	R481.2 million	R258.3 million	86.3%
Comparable profit before tax – South Africa <sup>1</sup>	R389.6 million	R211.4 million	84.3%
Profit after tax	R296.8 million	R158.7 million	87.0%
Headline earnings per share (HEPS)	61.28 cents	43.78 cents	40.0%
Comparable HEPS <sup>1</sup>	70.85 cents	37.12 cents	90.9%
FY22 – interim dividend per share	35.80 cents	18.74 cents	91.0%

<sup>1</sup> Comparable profit before tax and comparable headline earnings per share exclude the full impact of hyperinflation accounting in Zimbabwe and all items of a capital nature.

### Result summary

Group comparable headline earnings per share increased 90.9% year-on-year, a resilient performance in a period marked by unprecedented civil disorder in South Africa and the resumption of government restrictions on alcohol sales in response to the third wave of the Covid-19 pandemic.

The Group entered the FY22 financial year with positive trading momentum, and delivered a strong first quarter result, with sales up 9.0% against the same period last year. However, sales were severely impacted in the second quarter by the damage and disruption caused by the civil unrest – with looting, damage and destruction in KwaZulu-Natal and parts of Gauteng in July – and the re-introduction of government restrictions on the sale of alcohol. As a result, the Group's second quarter sales growth fell to -0.7%. The Group delivered turnover growth of 4.1% over the full first half, with turnover at R46.0 billion.

The Group estimates that the trading disruptions resulted in lost sales of approximately R1.7 billion in the Group's second quarter of FY22: R930 million in respect of the civil unrest and R800 million as a result of liquor restrictions<sup>2</sup>. Adding back this estimate of current period trade lost, management estimates that the Group would have delivered sales of R47.7 billion during this half, up 8.0% on the same period last year.

Over a two-year period, removing the estimated impact of all disruption, Group sales grew an estimated 5.2% per annum (5.7% per annum in South Africa)<sup>2</sup> – a solid performance in a highly-disrupted and increasingly challenging economy. The Group has benefited from strong performances from its Boxer, Pick n Pay Value and Clothing businesses, continued effective management of working capital, targeted capital investment, and pleasing momentum in its omni-channel offer. Further progress was also achieved over the half in the Pick n Pay turnaround. Project Future, the Group's modernisation programme, is on track to deliver its targeted R1 billion reduction in costs, with savings channeled into lower prices for customers.

The Group recognises that there is more progress to be made in the Pick n Pay turnaround. It is accelerating innovation – including in healthier, more convenient and more value-added products in the most affluent segment of the market through its Select stores plan. It is also focusing on simplifying decision-making so that customers benefit from an offer better tailored to local preferences. Despite an improvement in price perception, customers at all levels of the market continue to demand even lower prices and better promotions. The Group is responding by setting a stretching new Project Future target to save a further R3 billion over the next three years in its Pick n Pay operations – to accelerate its turnaround, give more value to customers and accelerate modernisation and innovation.

<sup>2</sup> Please refer to appendix 2 for further information.



## Response to the civil disorder

The response of colleagues across Pick n Pay and Boxer to the devastation in July was extraordinary. Putting customers first at all times, colleagues ensured that injuries were kept to a minimum, including through the precautionary closure of stores. Despite extensive damage to stores and other infrastructure, and in a still uncertain security environment, the Group's employees and franchise partners worked tirelessly to restore operations and re-open stores. Alongside similar efforts by others, this was instrumental in quelling fears that the civil disorder would lead to widespread food shortages across the affected regions and the broader country.

Many of Pick n Pay's valued franchise partners bore the brunt of the violence and disorder. They demonstrated tremendous resilience and resolve in the face of the crisis, and focused not only on rebuilding their own businesses, but on leading relief efforts among the communities they serve. The Group extends its sincere thanks to all colleagues and franchise partners.

### Highlights from the period include:

- Above market sales performances from Boxer and Pick n Pay Value stores<sup>1</sup>
- Exemplary response to civil disorder and violence in July – rebuilding and re-opening damaged stores and distribution centres as rapidly as possible
- Better value for customers – internal selling price inflation restricted to 3.6% against CPI Food of 6.5%
- Strong sales growth from 24 modernised Select stores, introducing 300 new lines with focus on fresh, convenience and plant-based meal solutions
- Boxer own brand offer grew by 26% year-on-year, reaching a sales penetration of 28% in participating categories
- Progress in developing Pick n Pay's omni-channel proposition – asap! has delivered 200% growth in on-demand online sales since launch
- Pick n Pay Clothing extended market share gains<sup>1</sup>, delivering 26% sales growth year-on-year
- Smart Shopper recognised as the most used loyalty programme in South Africa, with Pick n Pay loyalty penetration close to 80% of sales
- Greater efficiency in supply chain delivered further improvements in underlying gross profit margin
- Project Future target met – on track to deliver R1 billion of cost savings over two years
- New Project Future target – to drive further modernisation and save R3 billion in costs over the next three financial years
- Growing store estate – with 64 new stores across all formats
- The Group's Feed the Nation campaign has raised over R150 million in hunger relief since inception and played a pivotal role in supporting the communities affected by the recent civil unrest

## Sales and earnings impact of civil unrest

The civil unrest in KwaZulu-Natal and parts of Gauteng in July had a significant impact on Group operations.

212 stores (10% of the Group's estate) were damaged by looting and destruction, with many stores requiring extensive restoration before re-opening. In addition, Pick n Pay's two largest distribution centres in KwaZulu-Natal were looted of all stock and suffered considerable damage to infrastructure. At the height of the unrest, the Group closed an additional 551 stores (27% of the Group's estate) as a precautionary measure to protect staff and customers.

The Group made rapid progress in rebuilding and re-opening. Pick n Pay's distribution network was restored within two weeks. At the time of publication, 45 stores remain closed.

The Group incurred material damage losses (stock and assets) of R870 million. These losses were covered by the Group's SASRIA insurance policies, and the recovery thereof has been fully recognised in this result. The Group has received R600 million of insurance payments from SASRIA to date.

As not all damaged stores have re-opened, it is not yet possible to quantify the full impact of the business interruption on sales and earnings. The Group estimates that the unrest resulted in approximately R930 million of lost sales during this result period: R790 million in respect of damaged stores and R140 million in respect of precautionary store closures. The lost earnings related to damaged stores are largely expected to be recovered under the Group's programme of insurance, within policy limits and deductibles. The reported result for this half year includes the Group's best estimate of earning losses and some accrual for related insurance recoveries where the Group has the required certainty. Please refer to the detail provided under "Other Income – insurance recoveries" for further information.

<sup>1</sup> Measured against the formal grocery market using data sourced from StatsSA, and the formal apparel market using data sourced from the Retailer Liaison Committee (RLC).



## Detailed review of financial and operational performance

### Turnover

Group turnover grew 4.1% year-on-year (3.6% like-for-like) to R46.0 billion, reflecting the trading disruptions in the second quarter of the year, which resulted in an estimated R1.7 billion of lost sales.

The accumulated impact of trading disruptions over the past 18 months, with stringent Covid-19 trading restrictions in the prior period, complicates the comparable assessment of the Group's underlying trading momentum. To assist comparable analysis, the Group has provided a view of its H1 FY22 performance against a comparable H1 FY20 result. The Group believes that, where relevant, these two-year compound annual growth rates (CAGRs) provide a more transparent measure of the Group's underlying progress over the past two years (please refer to the appendix provided for further information on this additional qualitative information).

Over the two-year period, removing the estimated impact of all disruption, Group sales grew an estimated 5.2% per annum (5.7% per annum in South Africa)<sup>1</sup>, a solid performance in a highly-disrupted and increasingly challenging economy.

### Food and grocery<sup>2</sup>

An analysis of the trends in food and grocery sales over the half needs to take into account a number of factors:

- unusually high sales in the H1 FY21 base period, which included panic buying ahead of the Covid-19 lockdown, and the displacement of sales in prohibited categories into food and grocery
- the significant impact which the civil unrest in July 2021 had on sales as a result of damaged, looted and closed stores
- depressed sales in August 2021 across the economy, following the unrest in July 2021
- the government's restrictions on weekend liquor sales from mid-June through to the end of the trading period, which had a dampening effect on weekend food and grocery sales

As a result of all of these factors, food and grocery sales were flat year-on-year. However, on a comparable basis, removing the estimated impact of all disruption, the Group's food and grocery business has delivered two-year compound annual growth of 4.6% per annum (5.2% per annum in South Africa).

### Liquor

The Group's liquor business lost 55 trading days this period, as a result of the government's restriction of off-site alcohol sales. These restrictions resulted in an estimated R800 million in lost sales and a significant impact on Group earnings over the period. The equivalent period last year was also highly disrupted, with 126 trading days lost. Liquor and tobacco categories grew 86.7% year-on-year. On a comparable basis, adjusting for the impact of all disruption over the past two years, liquor and tobacco categories delivered an estimated two-year compound annual growth of 8.2%. The Group added 34 new liquor stores this period (23 Pick n Pay and 11 Boxer).

### Clothing

The Pick n Pay Clothing business grew sales 26.1% year-on-year, a strong recovery from a prior period constrained by Covid-19 trading restrictions. On a comparable basis, ignoring the impact of Covid-19 disruption, Pick n Pay Clothing delivered two-year compound annual growth of 11.6%, sustaining market share gains<sup>3</sup> with strong growth across womenswear, menswear and childrenswear. Pick n Pay Clothing supplements its core range of high-quality and great value wardrobe essentials with a curated range of on-trend pieces, developed through partnerships with emerging and innovative local designers. Increased local sourcing has protected the business from some of the impact of global supply chain disruptions during the period, ensuring high levels of availability. Online clothing sales increased 150% year-on-year (for the first comparable month), with the value of online baskets more than double those of in-store purchases. In addition, the Group began an exciting partnership with online retail platform Zando. The Group added eight clothing stores during the period and will continue to expand its reach through new stand-alone clothing stores, additional space in supermarkets, and a growing online offer.

<sup>1</sup> Please refer to appendix 2 further information.

<sup>2</sup> Including all food, grocery and general merchandise categories, including value-added categories such as hot foods, deli and bakery categories, but specifically excluding liquor, tobacco and clothing.

<sup>3</sup> Measured against the formal apparel market using data sourced from the Retailer Liaison Committee (RLC).



## Greater relevance and improved store operations

Notwithstanding the trade disruptions, the Group extended its gains in the value segment of the market through strong performances from its Boxer and Pick n Pay Value supermarkets, offering a targeted range of essential food and grocery products at exceptional value.

Boxer provides the Group with a highly-effective discount format – with lean and efficient store and supply chain operations delivering low prices and great value for customers. Boxer increased its share in a number of key commodity categories – including bread, maize and oil – over the period<sup>1</sup>, growing its own brand offer by 26% year-on-year, reaching a sales penetration of 28% in participating categories.

Using learnings from the Boxer model, the Group is repositioning its Pick n Pay Value supermarkets as an aspirational but affordable store for middle and lower-income customers. The Group is improving the layout of Pick n Pay Value stores, streamlining the operating model, and reducing the size of the range by up to 40%. A simplified customer offer has provided a good platform for more effective marketing, with deeper promotions, higher on-shelf availability, and less waste. As well as delivering strong growth, Pick n Pay Value supermarkets demonstrated significantly improved trading densities in the period.

The Group's segmentation of its store portfolio has also enabled it to differentiate the offer for more affluent customers in its Select stores. The Group modernised 24 Pick n Pay Select stores in the period, optimising their core food and grocery range, and introducing 300 new lines – with a focus on high-quality fresh produce, added-convenience, plant-based meal solutions and unique grocery lines. All 24 Select stores have delivered stronger sales and earnings, and are performing well ahead of the rest of the Select estate. The Select plan will be rolled-out across a further 16 stores in the second half of the year.

## Growing omni-channel offer

The Group successfully integrated the Bottles on-demand grocery service into its Pick n Pay online platform, and has recently relaunched it as asap!. The app has been improved, and picking in stores has been significantly enhanced by the deployment of dedicated pickers and an upgrade to the in-store picking interface. Customers have benefited from an improved user experience, simpler navigation, and a streamlined ordering and checkout process. The proportion of orders delivered in full and within 60 minutes has significantly improved.

The asap! offer is now being extended to more stores around the country. Since its relaunch in July, the service has delivered growth rates of over 200% year-on-year, with a significant increase in new and returning customers. The Group also extended the reach of its traditional 'Scheduled Delivery' and 'Click n Collect' online services, rolling these out across its franchise estate. The Pick n Pay Online offer is currently replenished through two dedicated warehouses and 174 supermarkets, providing our online customers with access to around 20 000 products at exceptional value.

## Smart Shopper – driving customer loyalty through personalisation

The Group has led innovation in customer loyalty for a decade through its unique Smart Shopper loyalty programme – rewarding customers through a combination of loyalty points and individual promotions tailored to the needs of each customer. Everyday low Smart Prices and bi-weekly personalised discounts have driven loyalty participation to close to 80% of Pick n Pay sales. Smart Shopper was recently recognised as the most used retail loyalty programme in South Africa<sup>2</sup> and recognised as South Africa's Coolest Loyalty Programme<sup>3</sup> by consumers under the age of thirty.

## Greater convenience, wider reach

The July civil unrest disrupted the Group's new space programme, with resources diverted to repairing the significant number of damaged stores. Despite this, the Group made good progress in delivering its growth ambitions, opening 45 Pick n Pay stores across all formats (25 company-owned and 20 franchise), 18 new Boxer stores, and one new TM Supermarket in Zimbabwe (trading as a Pick n Pay Express). In addition, the Group closed 16 under-performing Pick n Pay stores and converted 4 franchise stores to Pick n Pay owned stores.

<sup>1</sup> Measured against the formal grocery market using data sourced from AC Nielsen.

<sup>2</sup> 2021 Truth & BrandMapp South African Loyalty Whitepaper.

<sup>3</sup> 2021 Sunday Times NextGen awards.

## Gross profit

Gross profit decreased 3.4% to R8.4 billion, with a contraction in the gross profit margin to 18.2% of turnover. This contraction in gross profit reflects the significant impact of trading disruptions over the period, most notably the civil unrest which resulted in estimated lost sales of R930 million, stock losses of R633 million and increased costs of operating across the supply chain of R60 million. The majority of the losses are expected to be recovered through the Group's insurance programme. This has, where relevant, been recognised in this result within "other income" in line with International Financial Reporting Standards.

The accumulated impact of trading disruptions over the current and prior period complicates the assessment of the Group's underlying gross profit margin performance. To aid comparability, the Group provides below a view of the drivers of its gross profit margin over the past two years, from an undisrupted H1 FY20 base.

Gross profit margin evolution – over 2 years	Gross profit margin %
Gross profit margin – H1 FY20	19.8
Material margin drivers over two years:	
Supply chain optimisation	0.6
Strategic investment in lower prices	(0.4)
	20.0
Impact of civil unrest (stock losses and fixed and additional costs of distribution)	(1.8)
Gross profit margin – H1 FY22	18.2

## Competitive pricing, deeper value

To help customers through the ongoing Covid-19 crisis, the Group focused on delivering lower prices and deeper promotions – particularly on essential food and grocery items. The Group's internal selling price inflation was contained at 3.6% year-on-year, against CPI food inflation of 6.5% – notwithstanding significant underlying cost inflation in many basic commodity lines. The Group's pricing strategy has been particularly important for Pick n Pay this period, with independent consumer surveys demonstrating an improvement in price perception.

## Effective central distribution channel

Pick n Pay reduced its supply chain costs year-on-year, with a reduction in the number of functional outsourced partners leading to better managerial focus and higher productivity in its distribution centres. Despite fuel cost increases, Pick n Pay also delivered lower transport costs year-on-year through more efficient route planning and more effective backhauling of goods. Improvements in Pick n Pay's forecast and replenishment systems are enabling better collaboration with suppliers – delivering improvements in both inbound and outbound strike rates, and maintaining on-shelf availability at 95% over the period. Boxer has now centralised 64% of its supply chain, delivering further efficiencies and savings on cost, alongside increased distribution and incentive allowances from suppliers. The effectiveness of the Group's supply chain infrastructure was clearly demonstrated in the civil unrest. Pick n Pay's two largest distribution centres in KwaZulu-Natal suffered considerable physical damage and were looted of all stock – rendering them entirely inoperable. Pick n Pay supplies to stores in KwaZulu-Natal were maintained through exceptional collaboration across the Group, utilising Boxer's distribution centre in the region, and diverting supplies from Pick n Pay's Longmeadow (Gauteng) and Philippi (Western Cape) facilities. Both of the damaged distribution centres were repaired, re-stocked and operational again within two weeks.

## Future supply chain expansion to support growth

Boxer will begin to construct its second distribution centre in Gauteng in the second half of this year. The distribution centre will add 25 000m<sup>2</sup> of capacity, and service more than 100 stores. It will open in FY23, and will be an important driver of Boxer's accelerated growth strategy.

The development of Pick n Pay's new Eastport distribution centre in Gauteng – in partnership with Fortress REIT Limited (Fortress) – began in July 2021. It will replace the Group's Longmeadow distribution centre, and is planned to open in the first half of FY24. At just over 150 000m<sup>2</sup>, the facility will be 45% larger than Longmeadow. With 50% more capacity, and enhanced systems and layout, it is projected to deliver significant efficiency gains. The distribution centre will complete the Group's supply chain centralisation in the region and support the Group's growth ambitions for the next 15 years. The Group will purchase 60% of the asset from Fortress on completion of the development in FY24 at a projected value of R1.2 billion, and will enter into a long-term lease for the 40% balance. The capital investment will be funded through highly cost-effective long-term debt secured from a local funding partner.

## Other income

Other income increased to R1.6 billion, with the recognition of an R753.7 million insurance recovery in respect of the losses suffered by the Group as a result of the civil unrest. Further detail is provided below.

Other income, excluding the insurance recovery, increased 6.3% to R808.3 million.

**Franchise fee income** – the Group's royalty fee income, earned on franchise point of sale turnover, increased 1.8% to R206.6 million, reflecting the impact of the civil unrest and ongoing liquor restrictions on our franchise partners, as well as the conversion of a number of franchise supermarkets and liquor stores to company-owned Pick n Pay and Boxer stores over the past 18 months. Strong franchise partners are a key growth driver for the Group, with a further 20 new franchise stores added over the period across all formats.

**Commissions and other income** – this broad category of income includes income from value-added services and all other commission and incentive income not directly related to the sale of inventory. Commissions and other income, excluding the insurance recovery detailed below, increased 8.8% year-on-year to R543.8 million, reflecting a solid recovery in all services disrupted by Covid-19 restrictions in the prior period.

**Income from value-added services** – grew 16.8% year-on-year, with solid performances across travel and event ticketing and banking and insurance services. Providing a secure and convenient platform for banking and other financial transactions is an increasingly important part of the Group's value-added offer. The Group processed 35 million cash withdrawals this year with a value of R23.5 billion, facilitated 1.5 million local and cross-border money transfers, extended the reach of TymeBank to 3.2 million Pick n Pay and Boxer customers, and introduced mini Standard Bank kiosks into 11 of its Pick n Pay Supermarkets.

Pick n Pay and Boxer provide an important service in the monthly distribution of South African Social Security Agency (SASSA) grants, and in September 2021 were the first retailers to be selected as collection points for the South African government's Social Relief of Distress (SRD) grant.

## Insurance recoveries

The Group worked closely with insurance partners and claims specialists to quantify the losses suffered as a result of the July civil unrest, and to formulate and expedite claims within the prescribed terms and conditions of its contracts of insurance. The Group has submitted its material damage claims (stock and assets) and has made good progress in estimating its lost profits relating to this reported result (business interruption).

Insurers have provided confidence in their financial ability and commitment to settle outstanding claims in the market, and claims specialists have provided confidence in the validity of the Group's claims. On this basis, and with R600 million of insurance payments received to the date of publication (65% of estimated insured losses), the Group has the level of certainty required to provide for the recovery of the majority of its losses, in line with International Financial Reporting Standards. The Group has raised an insurance recovery of R753.7 million, largely related to its material damage claim with SASRIA, which includes part recovery of increased cost of working. The Group has not accrued for the recovery of approximately R65 million of business interruption losses related to this result period. These recoveries are expected to be realised during the second half of the year, but will be largely offset by the expected increase in the Group's cost of security and insurance post the civil unrest.

## Trading expenses

Trading expenses increased 4.1% year-on-year (1.9% like-for-like) to R8.9 billion. This increase includes additional costs related to the civil unrest, such as heightened security measures, reinstatement of insurance covers, and additional repairs and maintenance costs. The Group's year-on-year increase in operating costs also reflects the impact of its store conversion programme over the past 18 months, including the conversion of 38 franchise stores into company-owned Pick n Pay or Boxer stores – driving greater investment returns over the longer-term through improved sales growth and operating margins.

**Employee costs** – decreased 0.2% to R3.9 billion over the period (-3.5% like-for-like). Employee costs in the prior period included R150 million of once-off costs, arising from a voluntary severance programme (R100 million), and a Covid-19 appreciation bonus (R50 million) for frontline staff. Excluding the impact of these once-off costs, employee costs were up 3.7% year-on-year (0.5% like-for-like). The tight control of employee costs reflects the delivery of approximately R200 million of staff efficiency and productivity benefits in Pick n Pay this year, under the Group's Project Future programme, alongside an increase in Boxer staff costs, as a result of the conversion of a number of Pick n Pay franchise stores to company-owned Boxer stores last year.

**Occupancy costs** – increased 8.9% to R1.3 billion (4.5% like-for-like). The Group has experienced sustained cost pressures in occupancy costs over a number of years, driven primarily by above-inflation increases in rates, security and insurance costs. This cost pressure has been exacerbated by the recent unrest, with heightened security measures implemented across the Group and higher premiums on the reinstatement of certain insurance covers.

**Operations costs** – increased 8.0% to R2.2 billion (3.7% like-for-like), largely reflecting the impact of an expanded repairs and maintenance programme this year, partly as a result of the civil unrest, and partly due to the resumption of a programme of repairs and maintenance deferred last year due to the Covid-19 pandemic. The Group continues to enforce stringent health and hygiene protocols as result of the Covid-19 pandemic, repeating the majority of the related costs incurred in the prior period. The Group mitigated the impact of government regulated utility increases through increased levels of operational discipline and significantly reduced energy consumption under Project Future.

**Merchandising and administration costs** – increased 6.3% year-on-year to R1.4 billion (14.0% like-for-like), driven by significant investment in a strengthened marketing campaign this year.

## Net interest

Net interest paid, including implied interest charges under IFRS 16, decreased 5.2% year-on-year to R622.9 million.

**Funding interest** – the Group sustained its disciplined control over capital investment, operating costs and working capital over the period. Greater levels of liquidity allowed for the rapid deployment of capital to rebuild and restore store operations and distribution infrastructure damaged by the civil unrest. The Group's cost of net funding decreased 69.3% year-on-year, from R44.3 million to R13.6 million, supported by lower interest rates over the period and underlying improvements in working capital.

**Lease interest** – implied net interest charges under IFRS 16 decreased 0.5% year-on-year to R609.3 million, reflecting ongoing stability in the Group's broad lease portfolio.

## Rest of Africa Segment

The Group's Rest of Africa segment contributed R2.0 billion of segmental revenue, up 0.3% on last year. Segmental revenue increased 11.3% in constant currency terms, and 9.8% on a like-for-like basis. The Rest of Africa division delivered comparable profit before tax of R91.6 million, before the application of hyperinflation accounting, up R44.7 million or 95.3% on the same period last year.

Difficult trading conditions persisted across the Group's Rest of Africa division, reflecting low levels of economic growth (exacerbated by the impact of Covid-19 on tourism and hospitality), volatility in local currencies, high levels of inflation and increased costs of working.

Franchise operations remained resilient across southern Africa – albeit with increasingly difficult conditions in the countries where we trade. An outstanding performance from TM Supermarkets in Zimbabwe countered the lower contribution from the Group's Zambian operations.

Pick n Pay, in partnership with AG Leventis, opened a small supermarket in Lagos, Nigeria in March 2021. The pilot store is providing the Group with valuable learnings with limited risk, and the Group's approach to investment in the region remains cautious.

## Zambia

The trading environment in Zambia remained challenged, with low levels of economic growth, persistently high inflation, and low business and consumer confidence – particularly in the run-up to the general election in August this year. Volume growth remained constrained, although the business delivered a pleasing recovery in its underlying trade performance over the second quarter of the year. The Group made further progress in repositioning its Zambian store operations into a cost-effective limited range discount model, delivering exceptional cost and working capital discipline over the period. The business closed three under-performing stores, and added another small-format discount store, offering a targeted range of essential food and groceries at exceptional value. The Group looks forward to an improved second half, led by a strengthened management and commercial team in the region.

## Zimbabwe

TM Supermarkets (TM), the Group's 49%-owned associate in Zimbabwe, delivered another resilient trading and earnings performance in a difficult economic environment. The Group's share of TM's earnings, before any hyperinflation net monetary adjustments, grew 91.2% year-on-year to R56.6 million. The strong trading result reflects sustained market share gains and encouraging volume growth in the region, alongside disciplined cost and working capital management. The result was characterised by some moderation of inflationary pressures in the region, resulting in a non-cash R45.8 million net monetary loss on the revaluation of assets and liabilities, compared with a R31.8 million gain in the prior year (both excluded from our comparable headline earnings per share, the Group's main dividend driver). The Reserve Bank of Zimbabwe has forecast lower levels of inflation and greater levels of economic stability for the remainder of the year, underpinned by the support received from the International Monetary Fund.

	29 August 2021 Rm	30 August 2020 Rm
Investment in TM Supermarkets		
<b>Opening balance – February</b>	<b>69.7</b>	50.4
<b>Share of TM's earnings excluding net monetary adjustments</b>	<b>56.6</b>	29.6
Trading result	56.6	38.7
Foreign exchange loss on translation of foreign debt	–	(9.1)
<b>Hyperinflation accounting – net monetary adjustments</b>	<b>(45.8)</b>	31.8
<b>Dividend received</b>	<b>(20.1)</b>	–
<b>Foreign translation recorded in equity</b>	<b>(19.8)</b>	(2.0)
<b>Reversal/impairment on fair-value assessment</b>	<b>30.2</b>	(47.4)
<b>Closing balance – August</b>	<b>70.8</b>	62.4

The Group re-assessed the fair value of its investment in TM Supermarkets at R70.8 million, from R69.7 million at the end of FY21, recognising its strong underlying operating performance over the period, and the resumption of dividend payments, which have been successfully remitted to South Africa. TM opened its first Pick n Pay Express store in Harare this year, taking its store count to 62 (57 supermarkets and 5 liquor stores), with 29 stores trading under the Pick n Pay banner.

## Profit before tax – before hyperinflation and capital items (Comparable PBT)

The Group's Comparable PBT increased 86.3% year-on-year to R481.2 million, against a prior period highly disrupted by Covid-19 and associated restrictions. The performance this half was resilient during very challenging trading conditions, but was significantly impacted by ongoing liquor restrictions and the civil unrest in South Africa. The Group has accrued for the majority of its losses related to the civil unrest, with R65 million of unrecorded business interruption losses expected to be realised in the second half of the financial year. The Group's Project Future modernisation programme continues to remove cost and inefficiency from the business, while allowing reinvestment in the customer offer.

## Capital losses

The Group incurred capital losses of R7.2 million this period, against a R47.5 million charge in the prior period. Net capital losses include R58.1 million related to the sale, closure or impairment of underperforming stores, a net capital gain of R20.7 million on the recovery of insured assets at replacement value, and a R30.2 million capital gain on the Group's assessment of the fair value of its investment in TM Supermarkets (please refer to note 7 for further information). Net capital losses are added back in the calculation of headline earnings.

## Tax

The Group's effective tax rate of 30.7% reflects lower levels of profitability in operations outside of South Africa. The Group expects its tax rate to remain above South Africa's statutory tax rate of 28.0% for the foreseeable future.

## Earnings per share

**Comparable headline earnings per share (Comparable HEPS)** – excludes the Group's share of non-cash hyperinflation accounting remeasurements in TM Supermarkets. All impairment losses and other capital items are excluded in the calculation of comparable headline earnings per share. Comparable HEPS – the Group's primary measure in determining its dividend pay-out ratio – increased by 90.9% year-on-year to 70.85 cents per share.

**Headline earnings per share (HEPS)** – increased by 40.0% to 61.28 cents per share and includes the Group's share of non-cash hyperinflation accounting remeasurements in TM Supermarkets. All related impairment losses and other capital items are excluded in the calculation of headline earnings per share.

**Earnings per share (EPS)** – increased by 86.5% to 61.97 cents per share and includes the Group's share of non-cash hyperinflation remeasurements in TM Supermarkets and all items of a capital nature.

## Detailed review of financial position

The strength and stability of the Group's balance sheet is testament to a clear long-term plan which has targeted sustainable investment returns within carefully considered risk parameters. High levels of liquidity and strong cash generation supported the Group's highly-effective response to the civil unrest, enabling the rapid distribution of essential food and groceries into the affected areas and the deployment of capital to rebuild and restore disrupted operations.

## Liquidity

The Group manages its operating and working capital needs through short-term ZAR-denominated funding at highly competitive rates. The Group extended its borrowing facilities this year in order to preserve liquidity in a highly-disrupted trading environment, and took further advantage of the low-interest rate environment to term out shorter-dated debt into six and 12-month funding. The Group has drawn approximately 60% of its available facilities, and invested all surplus funds in high-yield money market accounts.

	29 August 2021 Rm	30 August 2020 Rm
<b>Net funding position</b>		
Cash balances	2 170.9	3 038.7
Cash investments	4 750.0	3 250.0
Cost effective overnight borrowings	(2 550.0)	(2 050.0)
<b>Cash and cash equivalents</b>	<b>4 370.9</b>	4 238.7
One to three-month borrowings	(1 973.2)	(1 400.0)
Six to 12-month borrowings	(1 950.0)	(1 450.0)
<b>Net funding position at period-end</b>	<b>447.7</b>	1 388.7
Financial calendar cut-off <sup>1</sup>	–	400.0
Delayed dividend payment in prior year <sup>2</sup>	–	(800.0)
<b>Net funding position at period-end, excluding timing differences</b>	<b>447.7</b>	988.7
Insurance recoveries received post period-end <sup>3</sup>	500.0	–
<b>Comparable net funding position</b>	<b>947.7</b>	988.7

<sup>1</sup> Month-end supplier payments made before period-end last year, and after period-end this year.

<sup>2</sup> The Group delayed the payment of its final FY20 dividend from June to December last year, protecting Group liquidity during the early months of the Covid-19 pandemic.

<sup>3</sup> The Group has received R600 million of insurance payments to date of publication in respect of losses suffered as a result of the civil unrest – R500 million of which was received post period-end, in September 2021.

The Group maintained a strong net funding position in the year-to-date, countering the sales and earnings impact of the trade disruption over the period with exceptional cost and working capital discipline. Insurance recoveries received post period-end have restored the Group's net funding position in line with the prior year – notwithstanding the continued capital investment programme to support growth.

## Working capital

The Group generated liquidity from working capital of R0.9 billion over the first half of the year, demonstrating the extraordinary effort of the team to limit the impact of trading disruptions on the Group's cash resources over the period. Working capital generated R1.6 billion of liquidity year-to-date, excluding the impact of the unrest (stock write-offs and support extended to franchisees).



## Inventory

Inventory at R7.3 billion increased just 2.9% on last year, notwithstanding the addition of 74 net new company-owned stores over the past 12 months. Pick n Pay delivered an absolute reduction in its stockholdings year-on-year, alongside a significantly strengthened product range.

The Group's store segmentation and range optimisation initiatives continue to remove uneconomic product lines from the business, while targeting strategic investment into fast-moving essential food and grocery categories, increasingly tailored to the customer served.

The recent unrest provided the Group with further opportunity to evaluate the inventory lines carried within its KwaZulu-Natal distribution and store network, with the subsequent removal of over 1 000 slow moving and duplicate product lines from the region.

Lower and more efficient stockholdings, with greater stock-turn, has been a material driver of the Group's strong liquidity position, and has contributed to lower levels of shrink and waste, higher levels of on-shelf availability and strengthened promotions and customer communication. On a like-for-like basis, taking into account the impact of all disruption, Group inventory days reduced by 1.4 days year-on-year.

## Trade and other receivables

Trade and other receivables (current and non-current) increased by 27.3% on last year to R5.0 billion. The increase is mainly attributable to an insurance receivable of R830.7 million at period-end, recognised in respect of the losses incurred as a result of the civil unrest, with R500 million recovered post period-end. Refer to note 14 of the summarised financial information for more detail.

## Trade debtors

The Group's franchise debt increased 7.0% year-on-year to R3.4 billion. The increase reflects the support provided to franchisees affected by the civil unrest, including R100 million of deferred payments and extended payment terms, largely secured by insurance receivables. The Group also engaged with strategic banking partners to ensure franchisees were able to access cost-effective short-term bridging finance as required. 58 franchise stores were severely damaged during the period of unrest, 33 of these stores were trading by the end of August. The Group has worked closely with its franchise partners to rebuild and re-open its damaged franchise estate as quickly possible, alongside combined efforts with insurers and claims adjustors to quantify claims and expedite insurance recoveries. At the time of publication, the Group expects all the affected franchise stores to re-open, with the possible exception of two smaller market stores. The Group maintained its impairment provision at 3.7% of the value of the trade debtors' book, in line with the position at FY21. The Group is confident with the overall quality of its debtors' book, delivering a further reduction in overdue debt over the period. On a like-for-like basis, taking into account the impact of all disruption, Group trade debtors' days reduced by one day year-on-year.

## Creditors

Trade and other payables increased by 6.5% on last year to R14.0 billion. On a comparable basis, excluding the benefits of financial calendar cut-off in the current year trade creditors' days improved by 1.4 days year-on-year, reflecting the Group's tight working capital management.

## Capital investment

The Group has made good progress against its capital plans for the year, notwithstanding the operational disruption of the civil unrest, and the temporary redirection of capital to restore distribution and store infrastructure in KwaZulu-Natal and Gauteng. The Group invested R1.0 billion in capital projects year-to-date (excluding restoration costs related to the unrest) – R310 million on new stores, R180 million on refurbishments and R510 million in the maintenance of existing supply chain capability and systems infrastructure. The Group maintains its capital investment guidance of R2.5 billion the full FY22 financial year.

## Shareholder distribution

The Board declared an interim dividend of 35.80 cents per share, up 91.0% on last year, in line with the growth in comparable headline earnings per share (excluding the impact of hyperinflation accounting in respect of the Group's 49% investment in TM Supermarkets in Zimbabwe). The dividend will be paid on 6 December 2021, please refer to the dividend declaration included with this announcement for detailed information.

## In summary

The first half of FY22 was the Group's first reporting period under the leadership of new CEO, Pieter Boone. Over these six months, Pick n Pay and Boxer – alongside the whole of South Africa – navigated some extraordinary and unforeseen challenges. The resilience demonstrated by this financial result is testament to unprecedented teamwork across the Group, and to a continued focus in Pick n Pay and Boxer on delivering against strategic priorities.

We thank all Boxer and Pick n Pay colleagues, and our valued franchise partners, for their commitment and contribution, and for their dedication to customers and communities, under very difficult circumstances.

Looking beyond the disruption, the Group is encouraged by its progress in delivering its long-term plan to build a stronger and more competitive company. In Boxer, it has a limited-range discount format which is delighting customers in search of unbeatable value, and which has considerable future growth potential. The Group is also excited by the performance of its clothing and omni-channel divisions, and the prospect for further sustainable growth in both areas.

The core Pick n Pay food and grocery division made progress in developing a stronger and more compelling customer offer, with reductions in cost through Project Future enabling lower prices for customers, and a very encouraging programme to improve range and service in its Select stores. However, the Group recognises that there is further to go in the Pick n Pay turnaround – in particular simplifying its operations and tailoring the offer even better to customers at different levels of the market, and in different regions and localities. Customers are constantly changing and seeking even better value. The Group has set a new ambition to deliver an additional R3 billion in savings over the next three financial years – to accelerate Pick n Pay's turnaround, and create headroom to drive new innovation and even lower prices.

At the time of publication, the number of Covid-19 cases has reduced dramatically across South Africa. The government has adjusted its pandemic response, and has lifted its restrictions on the retail sale of alcohol. The Group recognises the considerable risk of disruption from a potential fourth and subsequent Covid-19 waves. The Group is a strong advocate of vaccination as the most effective means of adjusting to a continuing pandemic reality with less devastation and disruption than we have experienced over the past 18 months.

Whatever the conditions, the Group's determination is strong, and it will be focused on maintaining positive momentum over the coming months and years.

**Gareth Ackerman**  
Chairman

19 October 2021

**Pieter Boone**  
Chief Executive Officer

## Comparable earnings performance

The table below presents the Group's earnings performance for the current and previous interim periods on a comparable basis. Comparable earnings excludes hyperinflation net monetary adjustments in respect of the Group's investment in associate attributable to IAS 29 *Financial Reporting in Hyperinflationary Economies* (IAS 29).

The financial result for the 26 weeks ended 29 August 2021 was severely impacted by trade disruptions, with the impact of these trade disruptions included in the result presented below. For further information on the impact of trade disruptions, refer to the result summary.

	26 weeks to 29 August 2021 Rm	% of turnover	% change	26 weeks to 30 August 2020 Rm	% of turnover
<b>Turnover</b>	<b>46 020.9</b>			44 227.4	
Cost of merchandise sold	(37 667.7)		4.1	(35 580.3)	
<b>Gross profit</b>	<b>8 353.2</b>	18.2	(3.4)	8 647.1	19.6
Other income	1 562.0	3.4	105.5	760.1	1.7
Franchise fee income	206.6	0.4	1.8	203.0	0.5
Operating lease income	57.9	0.1	0.7	57.5	0.1
Commissions and other income	543.8	1.2	8.8	499.6	1.1
Insurance recoveries**	753.7	1.6		-	
Trading expenses	(8 867.7)	19.3	4.1	(8 521.6)	19.3
Employee costs	(3 943.9)	8.6	(0.2)	(3 952.8)	8.9
Occupancy	(1 307.0)	2.8	8.9	(1 200.1)	2.7
Operations	(2 202.7)	4.8	8.0	(2 038.8)	4.6
Merchandising and administration	(1 414.1)	3.1	6.3	(1 329.9)	3.0
<b>Trading profit</b>	<b>1 047.5</b>	2.3	18.3	885.6	2.0
Net finance costs	(622.9)	1.3	(5.2)	(656.9)	1.5
Net funding	(13.6)	0.0	(69.3)	(44.3)	0.1
Leases	(609.3)	1.3	(0.5)	(612.6)	1.4
Share of associate's earnings excluding net monetary adjustments*	56.6			29.6	
<b>Comparable profit before tax before capital items*</b>	<b>481.2</b>	1.0	86.3	258.3	0.6
Share of associate's hyperinflation net monetary (loss)/gain*	(45.8)			31.8	
<b>Profit before tax before capital items</b>	<b>435.4</b>	0.9	50.1	290.1	0.7
Loss on capital items	(7.2)			(47.5)	
Profit/(loss) on sale of assets and insurance recoveries on scrapping of assets**	218.3			0.5	
Losses from impairments and scrapping of assets**	(255.7)			(0.6)	
Impairment reversal/(loss) on investment in associate	30.2			(47.4)	
<b>Profit before tax</b>	<b>428.2</b>	0.9	76.5	242.6	0.5
Tax	(131.4)	0.3	56.6	(83.9)	0.2
<b>Profit for the period</b>	<b>296.8</b>	0.6	87.0	158.7	0.4
<b>Comparable headline earnings*</b>	<b>339.3</b>		91.4	177.3	

\* Profit before tax and capital items, headline earnings, headline earnings per share (HEPS) and diluted headline earnings per share (DHEPS) includes hyperinflationary net monetary adjustments in respect of the Group's investment in associate under the requirements of IAS 29. In order to present the underlying operating performance of the Group on a comparable basis, the share of associate's earnings has been separately disclosed between components including and excluding hyperinflation net monetary adjustments. The Group has therefore presented comparable profit before tax before capital items, comparable headline earnings, comparable HEPS and comparable DHEPS, which excludes non-cash hyperinflation net monetary adjustments. Refer to the Appendices for further information.

\*\* Refer to note 14 of the unaudited condensed consolidated interim financial statements for further information on the impact of the civil unrest.

	26 weeks to 29 August 2021 Rm	% change	26 weeks to 30 August 2020 Rm
<b>South Africa operating segment</b>			
Turnover	44 515.0	4.2	42 720.3
Profit before tax before capital items	389.6	84.3	211.4
<b>Rest of Africa operating segment</b>			
Total segmental revenue	2 041.0	0.3	2 034.0
Comparable profit before tax before capital items*	91.6	95.3	46.9
<b>Earnings per share</b>	<b>Cents</b>		<b>Cents</b>
Basic earnings per share	61.97	86.5	33.23
Diluted earnings per share	61.60	85.8	33.16
Headline earnings per share	61.28	40.0	43.78
Diluted headline earnings per share	60.91	39.4	43.69
<b>Comparable headline earnings per share</b>	<b>Cents</b>		<b>Cents</b>
Headline earnings per share	70.85	90.9	37.12
Diluted headline earnings per share	70.42	90.1	37.05

\* Profit before tax and capital items, headline earnings, headline earnings per share (HEPS) and diluted headline earnings per share (DHEPS) includes hyperinflationary net monetary adjustments in respect of the Group's investment in associate under the requirements of IAS 29. In order to present the underlying operating performance of the Group on a comparable basis, the share of associate's earnings has been separately disclosed between components including and excluding hyperinflation net monetary adjustments. The Group has therefore presented comparable profit before tax before capital items, comparable headline earnings, comparable HEPS and comparable DHEPS, which excludes non-cash hyperinflation net monetary adjustments. Refer to the Appendices for further information.



Pick n Pay Stores Limited  
Incorporated in the Republic of South Africa  
Registration number: 1968/008034/06  
ISIN: ZAE000005443  
JSE share code: PIK

## Dividend declaration

Tax reference number: 9275/141/71/2  
Number of ordinary shares in issue: 493 450 321

Notice is hereby given that the directors have declared an interim gross dividend (number 107) of 35.80 cents per share out of income reserves.

The dividend declared is subject to dividend withholding tax at 20%.

The tax payable is 7.16 cents per share, resulting in shareholders who are not exempt from dividends tax with a net dividend of 28.64 cents per share.

## Dividend dates

The last day of trade in order to participate in the dividend (CUM dividend) will be Tuesday, 30 November 2021.

The shares will trade EX dividend from the commencement of business on Wednesday, 1 December 2021 and the record date will be Friday, 3 December 2021. The dividend will be paid on Monday, 6 December 2021.

Share certificates may not be dematerialised or rematerialised between Wednesday, 1 December 2021 and Friday, 3 December 2021, both dates inclusive.

On behalf of the Board of directors

### Debra Muller

Company Secretary

19 October 2021



# GROUP STATEMENT OF COMPREHENSIVE INCOME

## for the period ended

	Note	Unaudited 26 weeks to 29 August 2021 Rm	Unaudited 26 weeks to 30 August 2020 Rm	Audited 52 weeks to 28 February 2021 Rm
<b>Revenue</b>	2	<b>47 832.2</b>	45 206.1	95 108.6
<b>Turnover</b>	2	<b>46 020.9</b>	44 227.4	93 078.8
Cost of merchandise sold		<b>(37 667.7)</b>	(35 580.3)	(74 657.1)
<b>Gross profit</b>		<b>8 353.2</b>	8 647.1	18 421.7
<b>Other income</b>		<b>1 562.0</b>	760.1	1 580.9
Franchise fee income	2	<b>206.6</b>	203.0	412.7
Operating lease income	2	<b>57.9</b>	57.5	142.5
Commissions, dividend and other income	2	<b>1 297.5</b>	499.6	1 025.7
<b>Trading expenses</b>		<b>(8 867.7)</b>	(8 521.6)	(17 294.8)
Employee costs		<b>(3 943.9)</b>	(3 952.8)	(7 959.0)
Occupancy		<b>(1 307.0)</b>	(1 200.1)	(2 427.1)
Operations		<b>(2 202.7)</b>	(2 038.8)	(4 144.4)
Merchandising and administration		<b>(1 414.1)</b>	(1 329.9)	(2 764.3)
<b>Trading profit</b>		<b>1 047.5</b>	885.6	2 707.8
Finance income	2	<b>249.3</b>	218.6	448.9
Finance costs	3	<b>(872.2)</b>	(875.5)	(1 682.5)
Share of associate's earnings	7	<b>10.8</b>	61.4	80.0
<b>Profit before tax before capital items</b>		<b>435.4</b>	290.1	1 554.2
Loss on capital items		<b>(7.2)</b>	(47.5)	(145.9)
Profit/(loss) on sale of assets and insurance recoveries on scrapping of assets	14	<b>218.3</b>	0.5	(21.4)
Losses from impairments and scrapping of assets		<b>(255.7)</b>	(0.6)	(42.9)
Impairment reversal/(loss) on investment in associate	7	<b>30.2</b>	(47.4)	(81.6)
<b>Profit before tax</b>		<b>428.2</b>	242.6	1 408.3
Tax		<b>(131.4)</b>	(83.9)	(441.2)
<b>Profit for the period</b>		<b>296.8</b>	158.7	967.1
<b>Other comprehensive income, net of tax</b>				
<b>Items that will not be reclassified to profit or loss</b>		<b>11.2</b>	2.2	7.8
Remeasurement in retirement scheme assets		<b>15.6</b>	3.1	10.9
Tax on items that will not be reclassified to profit or loss		<b>(4.4)</b>	(0.9)	(3.1)
<b>Items that may be reclassified to profit or loss</b>		<b>17.6</b>	(7.0)	12.5
Foreign currency translations		<b>9.2</b>	3.9	28.4
Movement in cash flow hedge		<b>8.4</b>	(10.3)	(16.9)
Tax on items that may be reclassified to profit or loss		<b>-</b>	(0.6)	1.0
<b>Total comprehensive income for the period</b>		<b>325.6</b>	153.9	987.4
<b>Earnings per share</b>		<b>Cents</b>	Cents	Cents
Basic earnings per share	4	<b>61.97</b>	33.23	202.52
Diluted earnings per share	4	<b>61.60</b>	33.16	200.93

# GROUP STATEMENT OF FINANCIAL POSITION

Note	Unaudited As at 29 August 2021 Rm	Unaudited As at 30 August 2020 Rm	Audited As at 28 February 2021 Rm
<b>ASSETS</b>			
<b>Non-current assets</b>			
Intangible assets	<b>974.9</b>	934.0	1 006.0
Property, plant and equipment	<b>6 741.8</b>	6 456.8	6 642.6
Right-of-use assets	<b>10 182.2</b>	9 650.1	10 050.6
Net investment in lease receivables	<b>2 110.9</b>	1 882.3	2 134.1
Deferred tax assets	<b>919.7</b>	811.7	912.7
Investment in associate	<b>70.8</b>	62.4	69.7
Loans	<b>79.3</b>	74.1	59.2
Retirement scheme assets	<b>100.5</b>	72.9	82.7
Investment in insurance cell captive	<b>41.0</b>	65.5	32.7
Operating lease assets	<b>9.5</b>	12.7	11.0
Trade and other receivables	<b>138.0</b>	186.0	166.7
	<b>21 368.6</b>	20 208.5	21 168.0
<b>Current assets</b>			
Inventory	<b>7 261.0</b>	7 052.4	7 193.3
Trade and other receivables	<b>4 882.2</b>	3 756.9	3 743.7
Cash and cash equivalents	<b>6 920.9</b>	6 288.7	5 415.1
Net investment in lease receivables	<b>295.4</b>	447.3	277.1
Right-of-return assets	<b>18.8</b>	21.0	19.3
Derivative financial instruments	<b>0.9</b>	-	-
	<b>19 379.2</b>	17 566.3	16 648.5
<b>Total assets</b>	<b>40 747.8</b>	37 774.8	37 816.5
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	<b>6.0</b>	6.0	6.0
Treasury shares	<b>(727.6)</b>	(879.6)	(873.4)
Retained earnings	<b>3 939.1</b>	4 521.1	4 573.5
Other reserves	<b>8.4</b>	(10.3)	(6.6)
Foreign currency translation reserve	<b>(304.1)</b>	(339.4)	(313.3)
<b>Total equity</b>	<b>2 921.8</b>	3 297.8	3 386.2
<b>Non-current liabilities</b>			
Lease liabilities	<b>14 573.4</b>	13 914.3	14 312.6
Deferred tax liabilities	<b>13.2</b>	2.6	10.1
	<b>14 586.6</b>	13 916.9	14 322.7
<b>Current liabilities</b>			
Trade and other payables	<b>13 952.6</b>	13 099.6	12 198.8
Lease liabilities	<b>2 068.5</b>	1 875.1	2 046.8
Deferred revenue	<b>485.6</b>	426.5	353.3
Bank overdraft and overnight borrowings	<b>2 550.0</b>	2 050.0	1 951.4
Borrowings	<b>3 923.2</b>	2 850.0	3 331.2
Current tax liabilities	<b>259.5</b>	258.0	218.6
Derivative financial instruments	<b>-</b>	0.9	7.5
	<b>23 239.4</b>	20 560.1	20 107.6
<b>Total equity and liabilities</b>	<b>40 747.8</b>	37 774.8	37 816.5
Number of ordinary shares in issue – thousands	5.1	493 450.3	493 450.3
Weighted average number of ordinary shares in issue – thousands	4.2	478 928.0	477 524.8
Diluted weighted average number of ordinary shares in issue – thousands	4.2	481 855.7	478 639.8
Net asset value (property value based on directors' valuation) – cents per share		<b>669.2</b>	786.1
			769.9

## GROUP STATEMENT OF CHANGES IN EQUITY for the period ended

	Share capital Rm	Treasury shares Rm	Retained earnings Rm	Other reserves Rm	Foreign currency translation reserve Rm	Total equity Rm
<b>Unaudited</b>						
<b>At 1 March 2020</b>	6.0	(961.7)	4 303.2	5.3	(342.7)	3 010.1
<b>Total comprehensive income for the period</b>	-	-	160.9	(10.3)	3.3	153.9
Profit for the period	-	-	158.7	-	-	158.7
Foreign currency translations	-	-	-	-	3.3	3.3
Movement in cash flow hedge	-	-	-	(10.3)	-	(10.3)
Remeasurement in retirement scheme assets	-	-	2.2	-	-	2.2
<b>Other reserve movements</b>	-	-	-	(5.3)	-	(5.3)
<b>Transactions with owners</b>	-	82.1	57.0	-	-	139.1
Net effect of settlement of employee share awards	-	82.1	(82.1)	-	-	-
Share-based payments expense	-	-	139.1	-	-	139.1
<b>At 30 August 2020</b>	6.0	(879.6)	4 521.1	(10.3)	(339.4)	3 297.8
<b>Total comprehensive income for the period</b>	-	-	814.0	(6.6)	26.1	833.5
Profit for the period	-	-	808.4	-	-	808.4
Foreign currency translations	-	-	-	-	26.1	26.1
Movement in cash flow hedge	-	-	-	(6.6)	-	(6.6)
Remeasurement in retirement scheme assets	-	-	5.6	-	-	5.6
<b>Other reserve movements</b>	-	-	-	10.3	-	10.3
<b>Transactions with owners</b>	-	6.2	(761.6)	-	-	(755.4)
Dividends paid	-	-	(934.7)	-	-	(934.7)
Net effect of settlement of employee share awards	-	6.2	(6.2)	-	-	-
Share-based payments expense	-	-	179.3	-	-	179.3
<b>At 28 February 2021</b>	6.0	(873.4)	4 573.5	(6.6)	(313.3)	3 386.2
<b>Total comprehensive income for the period</b>	-	-	308.0	8.4	9.2	325.6
Profit for the period	-	-	296.8	-	-	296.8
Foreign currency translations	-	-	-	-	9.2	9.2
Movement in cash flow hedge	-	-	-	8.4	-	8.4
Remeasurement in retirement scheme assets	-	-	11.2	-	-	11.2
<b>Other reserve movements</b>	-	-	-	6.6	-	6.6
<b>Transactions with owners</b>	-	145.8	(942.4)	-	-	(796.6)
Dividends paid	-	-	(784.7)	-	-	(784.7)
Share purchases	-	(114.2)	-	-	-	(114.2)
Net effect of settlement of employee share awards	-	260.0	(260.0)	-	-	-
Share-based payments expense	-	-	102.3	-	-	102.3
<b>At 29 August 2021</b>	6.0	(727.6)	3 939.1	8.4	(304.1)	2 921.8

## GROUP STATEMENT OF CASH FLOWS for the period ended

	Note	Unaudited 26 weeks to 29 August 2021 Rm	Unaudited 26 weeks to 30 August 2020 Rm	Audited 52 weeks to 28 February 2021 Rm
<b>Cash flows from operating activities</b>				
Trading profit		1 047.5	885.6	2 707.8
Adjusted for dividend income		-	-	(40.0)
<b>Adjusted for non-cash items</b>		1 726.8	1 730.1	3 404.7
Depreciation on property, plant and equipment		615.7	592.9	1 187.3
Depreciation on right-of-use assets		1 016.1	897.2	1 793.0
Amortisation on intangible assets		61.1	67.8	131.9
Share-based payment expense		102.3	139.1	318.4
Insurance recoveries related to civil unrest	14	(653.7)	-	-
Inventory written off related to civil unrest	14	633.0	-	-
Lease adjustments		(20.5)	36.4	(91.2)
Movement in operating lease assets		1.5	0.3	2.0
Movement in retirement scheme assets		(2.2)	(1.1)	(3.1)
Fair value and foreign exchange adjustments		(26.5)	(2.5)	66.4
<b>Cash generated before movements in working capital</b>		2 774.3	2 615.7	6 072.5
<b>Movements in working capital</b>		914.9	1 769.6	591.5
Movements in trade and other payables and deferred revenue		1 886.1	1 972.1	998.1
Movements in inventory and right-of-return assets		(687.2)	(522.2)	(645.9)
Movements in trade and other receivables		(284.0)	319.7	239.3
<b>Cash generated from trading activities</b>		3 689.2	4 385.3	6 664.0
Other interest received		143.9	115.1	240.4
Other interest paid		(157.5)	(159.4)	(296.3)
Interest received on net investment in lease receivables		101.4	86.7	205.9
Interest paid on lease liabilities		(719.4)	(628.5)	(1 519.4)
<b>Cash generated from operations</b>		3 057.6	3 799.2	5 294.6
Dividends received	7	20.1	-	57.1
Dividends paid		(784.7)	-	(934.7)
Tax (paid)/received		(102.0)	66.7	(425.2)
<b>Cash generated from operating activities</b>		2 191.0	3 865.9	3 991.8
<b>Cash flows from investing activities</b>				
Investment in intangible assets		(38.0)	(36.5)	(81.2)
Investment in property, plant and equipment		(960.6)	(405.0)	(1 204.0)
Purchase of operations	12	(13.2)	(156.6)	(199.5)
Proceeds on disposal of intangible assets		-	-	0.7
Proceeds on disposal of property, plant and equipment		115.4	6.1	14.7
Principal net investment in lease receipts		121.7	147.2	254.4
Lease incentives received		12.9	3.3	42.8
Loans repaid		4.4	12.5	34.9
Loans advanced		(24.5)	-	(7.5)
<b>Cash utilised in investing activities</b>		(781.9)	(429.0)	(1 144.7)
<b>Cash flows from financing activities</b>				
Principal lease liability payments		(990.0)	(1 013.2)	(1 677.0)
Borrowings raised		2 703.3	4 900.0	7 540.3
Repayment of borrowings		(2 111.2)	(2 985.0)	(5 144.1)
Share purchases		(114.2)	-	-
<b>Cash (utilised in)/generated from financing activities</b>		(512.1)	901.8	719.2
<b>Net increase in cash and cash equivalents</b>		897.0	4 338.7	3 566.3
Net cash and cash equivalents at beginning of period		3 463.7	(102.7)	(102.7)
Foreign currency translations		10.2	2.7	0.1
<b>Net cash and cash equivalents at end of period</b>		4 370.9	4 238.7	3 463.7
<b>Consisting of:</b>				
Cash and cash equivalents		6 920.9	6 288.7	5 415.1
Bank overdraft and overnight borrowings		(2 550.0)	(2 050.0)	(1 951.4)



# NOTES TO THE FINANCIAL INFORMATION

## 1 Basis of preparation and accounting policies

The condensed consolidated interim financial statements are prepared in accordance with International Financial Reporting Standards (IFRS), IAS 34 *Interim Financial Reporting*, the SAICA *Financial Reporting Guides* as issued by the Accounting Practices Committee and Financial Pronouncements as issued by Financial Reporting Standards Council and the requirements of the Companies Act of South Africa. The accounting policies applied in the preparation of these condensed consolidated interim financial statements are in terms of IFRS and are consistent with those applied in the financial statements for the 52 weeks ended 28 February 2021. Amendments to IFRS 16 regarding the practical expedient allowed for rent concessions received as a result of Covid-19 have been extended to 30 June 2022. The Group has continued to apply this practical expedient. During the current period, the Group recognised rent concessions of R7.5 million, all of which were recorded in the statement of comprehensive income. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

These condensed consolidated interim financial statements have been prepared by the Finance Division under the supervision of the Chief Finance Officer, Lerena Olivier CA(SA), and have not been audited or reviewed by the Group's external auditors, Ernst & Young Inc.

### Considerations in respect of Covid-19 pandemic and trade disruptions

During the current reporting period, the Group was significantly impacted by trade disruptions, as a result of the government imposed trade restrictions on alcohol sales in response to the Covid-19 pandemic and the unprecedented civil unrest which occurred in parts of South Africa. The impact of these trade disruptions have been considered in the basis of preparation of the condensed consolidated interim financial information. The directors continue to consider it appropriate to adopt the going concern basis of accounting in preparing the interim financial information. Forecast liquidity has been assessed under a number of scenarios to support this assertion.

## 2 Revenue

	<b>Unaudited 26 weeks to 29 August 2021 Rm</b>	Unaudited 26 weeks to 30 August 2020 Rm	Audited 52 weeks to 28 February 2021 Rm
<b>Revenue from contracts with customers</b>	<b>47 525.0</b>	44 930.0	94 477.2
Turnover	<b>46 020.9</b>	44 227.4	93 078.8
Franchise fee income	<b>206.6</b>	203.0	412.7
Commissions and other income	<b>543.8</b>	499.6	985.7
Insurance recoveries (note 14)	<b>753.7</b>	-	-
<b>Operating lease income</b>	<b>57.9</b>	57.5	142.5
<b>Dividend income from investment in insurance cell captive</b>	<b>-</b>	-	40.0
<b>Finance income</b>	<b>249.3</b>	218.6	448.9
Bank balances and investments	<b>124.3</b>	92.7	201.7
Trade receivables and other	<b>19.6</b>	22.4	38.7
Net investment in lease receivables	<b>105.4</b>	103.5	208.5
	<b>47 832.2</b>	45 206.1	95 108.6

## 3 Finance costs

	<b>Unaudited 26 weeks to 29 August 2021 Rm</b>	Unaudited 26 weeks to 30 August 2020 Rm	Audited 52 weeks to 28 February 2021 Rm
Lease liabilities	<b>714.7</b>	716.1	1 386.2
Borrowings and other	<b>157.5</b>	159.4	296.3
	<b>872.2</b>	875.5	1 682.5

	<b>Unaudited 26 weeks to 29 August 2021</b>	Unaudited 26 weeks to 30 August 2020	Audited 52 weeks to 28 February 2021
	<b>Cents per share</b>	Cents per share	Cents per share
<b>4 Basic, headline and diluted earnings per share</b>			
Basic earnings per share	61.97	33.23	202.52
Diluted earnings per share	61.60	33.16	200.93
Headline earnings per share	61.28	43.78	229.31
Diluted headline earnings per share	60.91	43.69	227.51
	Rm	Rm	Rm
<b>4.1 Reconciliation between basic and headline earnings</b>			
<b>Profit for the period – basic earnings for the period</b>	<b>296.8</b>	158.7	967.1
Adjustments:	<b>(3.3)</b>	50.4	127.9
(Profit)/loss on sale of assets	<b>(41.3)</b>	3.6	21.4
Tax effect of profit/(loss) on sale of assets	<b>9.3</b>	(1.0)	(6.0)
Losses from impairments and scrapping of assets	<b>255.7</b>	0.6	42.9
Tax effect of losses from impairments and scrapping of assets	<b>(69.4)</b>	(0.2)	(12.0)
Impairment (reversal)/loss on investment in associate	<b>(30.2)</b>	47.4	81.6
Insurance recoveries on scrapping of assets due to civil unrest	<b>(177.0)</b>	-	-
Tax effect of insurance recoveries on scrapping of assets due to civil unrest	<b>49.6</b>	-	-
<b>Headline earnings for the period</b>	<b>293.5</b>	209.1	1 095.0
	<b>000's</b>	000's	000's
<b>4.2 Number of ordinary shares</b>			
Number of ordinary shares in issue	<b>493 450.3</b>	493 450.3	493 450.3
Weighted average number of ordinary shares (excluding treasury shares)	<b>478 928.0</b>	477 591.0	477 524.8
Diluted weighted average number of ordinary shares in issue	<b>481 855.7</b>	478 639.8	481 304.5
<b>Reconciliation of weighted average number of ordinary shares to diluted weighted average number of ordinary shares:</b>			
Weighted average number of ordinary shares (excluding treasury shares)	<b>478 928.0</b>	477 591.0	477 524.8
Dilutive effect of share awards	<b>2 927.7</b>	1 048.8	3 779.7
Diluted weighted average number of ordinary shares in issue	<b>481 855.7</b>	478 639.8	481 304.5

Any outstanding forfeitable and restricted shares, granted in terms of the Group's executive restricted share plan that have not yet met required performance hurdles, have no dilutive impact on the weighted average number of shares in issue.

For comparable headline earnings per share and comparable diluted headline earnings per share, refer to Appendix 3.

	<b>Unaudited 26 weeks to 29 August 2021</b>	Unaudited 26 weeks to 30 August 2020	Audited 52 weeks to 28 February 2021
	<b>Rm</b>	Rm	Rm
<b>5 Share capital</b>			
<b>5.1 Ordinary share capital</b>			
<b>Authorised</b>			
800 000 000 (2020: 800 000 000) ordinary shares of 1.25 cents each	<b>10.0</b>	10.0	10.0
<b>Issued</b>			
493 450 321 (2020: 493 450 321) ordinary shares of 1.25 cents each	<b>6.0</b>	6.0	6.0
	<b>000's</b>	000's	000's
<b>The number of shares in issue is made up as follows:</b>			
Treasury shares (note 6)	<b>13 691.6</b>	14 786.4	15 268.6
Shares held outside the Group	<b>479 758.7</b>	478 663.9	478 181.7
<b>Total shares in issue at end of period</b>	<b>493 450.3</b>	493 450.3	493 450.3
The Company can issue new shares to settle the Group's obligations under its employee share schemes, but issues in this regard are limited, in aggregate, to 5% of total issued share capital or 24 672 516 (2020: 24 672 516) shares. To date 15 743 000 (2020: 15 743 000) shares have been issued, resulting in 8 929 516 (2020: 8 929 516) shares remaining for this purpose.			
The holders of ordinary shares are entitled to receive dividends as declared, and are entitled to one vote per share at meetings of the Company.			
Certain ordinary shares are stapled to B shares and are subject to restrictions upon disposal. Refer to note 5.2.			
<b>5.2 B share capital</b>			
<b>Authorised</b>			
1 000 000 000 (2020: 1 000 000 000) unlisted, non-convertible, non-participating, no par value B shares	-	-	-
<b>Issued</b>			
259 682 869 (2020: 259 682 869) unlisted, non-convertible, non-participating, no par value B shares	-	-	-

B shares are stapled to certain ordinary shares and cannot be traded separately from each other. Stapled ordinary shares, together with B shares, are subject to restrictions upon disposal.

The holders of B shares are entitled to the same voting rights as holders of ordinary shares, but are not entitled to any rights to distributions by the Company or any other economic benefits. Refer to note 5.1.

	<b>Unaudited 26 weeks to 29 August 2021 Rm</b>	Unaudited 26 weeks to 30 August 2020 Rm	Audited 52 weeks to 28 February 2021 Rm
<b>6 Treasury shares</b>			
<b>At beginning of period</b>	<b>873.4</b>	961.7	961.7
Shares purchased during the period	<b>114.2</b>	-	-
Settlement of employee share awards	<b>(260.0)</b>	(82.1)	(88.3)
<b>At end of period</b>	<b>727.6</b>	879.6	873.4
	<b>000's</b>	000's	000's
<b>The movement in the number of treasury shares held is as follows:</b>			
<b>At beginning of period</b>	<b>15 268.6</b>	16 115.2	16 115.2
Shares purchased during the period	<b>2 200.0</b>	-	-
Shares sold during the period pursuant to the take-up of share options by employees	<b>(215.0)</b>	(48.4)	(163.4)
Shares delivered to participants of restricted share plan	<b>(3 562.0)</b>	(1 280.4)	(1 379.3)
Shares forfeited during the period pursuant to employee share schemes	-	-	696.1
<b>At end of period</b>	<b>13 691.6</b>	14 786.4	15 268.6

## 7 Investment in associate

### 7.1 Accounting for investment in associate

The Group has a 49% investment in TM Supermarkets (Pvt) Limited (TM Supermarkets), a private company incorporated in Zimbabwe, and which operates supermarkets throughout Zimbabwe. The Group accounts for its investment in associate under the equity method of accounting in accordance with IAS 28 *Investment in Associates and Joint Ventures*.

In accordance with the provisions of IAS 29 *Financial Reporting in Hyperinflationary Economies* (IAS 29), entities operating in Zimbabwe have been assessed to be operating in a hyperinflationary economy. The equity accounted results of TM Supermarkets included in this Group result have therefore been prepared in accordance with IAS 29, with the following key accounting principles applied within the results of TM Supermarkets:

- All previously published financial information was restated to reflect the current buying power of the Zimbabwe dollar (ZWL\$); and
- All assets and liabilities were revalued to reflect current values, which resulted in a non-cash net monetary adjustment recognised in the statement of comprehensive income of TM Supermarkets.

As the Group's presentation currency is not that of a hyperinflationary economy, the comparative information of the Group's financial results related to TM Supermarkets is not restated. Any difference between the Group's share of the TM Supermarkets adjusted equity balance after applying IAS 29 and the balance previously recorded by the Group as at 28 February 2021 is recognised in other comprehensive income in the current period, as part of foreign currency translations.

## 7 Investment in associate (continued)

### 7.2 Exchange rates applied in translating the results of investment in associate

The share of associate's income and net asset value of TM Supermarkets have been translated into the Group's presentation currency at the closing rate of exchange in accordance with the hyperinflationary provisions of IAS 21 *The Effects of Changes in Foreign Exchange Rates*.

Effective 1 June 2020, Zimbabwe implemented a formal market-based foreign exchange trading system to establish formalised trading in ZWL\$ with other currencies (referred to as the auction rate). The intention of this auction rate system is expected to bring transparency and efficiency in the trading of foreign currency in the economy.

In line with prior period assessments, management has assessed that the closing auction rate of 0.17 ZWL\$ (2020: 0.20 ZWL\$) to the South African rand is not available for immediate settlement, as shortages of foreign currency results in the official exchange rate not being liquid, and is therefore not an appropriate rate to use when accounting for the Group's investment in associate. An estimated exchange rate of 0.10 ZWL\$ (2020: 0.15 ZWL\$) to the South African rand was used when translating the result of TM Supermarkets as at 29 August 2021. Inputs considered in this estimate include the official inflation rate, the in-country fuel price and the exchange rate applicable to dividends received from the Group's investment in associate during the period.

The table below summarises the exchange rates at which the results of TM Supermarkets have been translated into South African rand, for the relevant periods under review. The closing ZWL\$ to ZAR exchange rate was calculated using the official USD to ZAR exchange rate divided by the management estimated USD to ZWL\$ exchange rate. For comparative informational purposes, exchange rates based on the USD to ZWL\$ auction rate have also been presented.

	1.0 ZWL\$ : 1.0 ZAR	1.0 USD : 1.0 ZAR	1.0 USD : 1.0 ZWL\$
<b>Closing rates at 29 August 2021</b>			
Exchange rates used by management	0.10	14.64	145.00
Auction rate	0.17	14.64	85.90
<b>Closing rates at 28 February 2021</b>			
Exchange rates used by management	0.13	15.08	115.00
Auction rate	0.18	15.08	83.90
<b>Closing rates at 30 August 2020</b>			
Exchange rates used by management	0.15	16.61	110.00
Auction rate	0.20	16.61	83.40



## 7 Investment in associate (continued)

	Unaudited 26 weeks to 29 August 2021 Rm	Unaudited 26 weeks to 30 August 2020 Rm	Audited 52 weeks to 28 February 2021 Rm
<b>7.3 Reconciliation of investment in associate</b>			
<b>At beginning of period</b>	<b>69.7</b>	50.4	50.4
Share of associate's earnings	<b>10.8</b>	61.4	80.0
Share of associate's earnings before net monetary adjustments	<b>56.6</b>	29.6	109.2
Share of associate's hyperinflation net monetary (loss)/gain	<b>(45.8)</b>	31.8	(29.2)
Foreign currency translations	<b>(19.8)</b>	(2.0)	20.9
Impairment reversal/(loss) on investment in associate	<b>30.2</b>	(47.4)	(81.6)
Dividend declared and received	<b>(20.1)</b>	-	-
<b>At end of period</b>	<b>70.8</b>	62.4	69.7

### 7.4 Impairment of investment in associate

During the period under review, significant judgement was applied by management in determining that the following impairment indicators of the Group's investment in associate exist:

- The devaluation and illiquidity of currency in Zimbabwe and the resultant impact on the Zimbabwean economy – the jurisdiction in which TM Supermarkets trades in;
- Currency shortages and currency devaluation led to high levels of food and other inflation;
- While there are indications that there is moderation in the rapid growth of inflation rates, the economy was still subjected to increases in Zimbabwe inflation rates as published by the RBZ; and
- The upward valuation of the assets of TM Supermarkets as a result of the application of hyperinflation accounting in terms of IAS 29.

Impairment reviews were performed and the Group concluded that the recoverable amount of its investment in associate exceeded its carrying value, resulting in an impairment reversal of R30.2 million recognised during the period under review. The impairment reversal is reflective of moderation in the rapid growth rate of inflation in Zimbabwe and the ability of the Group to receive dividends from its investment in associate. In addition, the RBZ has forecasted lower levels of inflation and greater levels of economic stability for the remainder of the year, underpinned by support received from the International Monetary Fund.

Management believes that the carrying value of the Group's investment in associate of R70.8 million is reflective of the value of its investment in TM Supermarkets and that any reasonable possible change in key assumptions on which the recoverable amounts are based would not result in any additional significant impairment losses or reversals. Refer to note 7.5.

## 7 Investment in associate (continued)

### 7.5 Sensitivity analysis

The following tables represent the sensitivity analysis performed by management on the significant judgements applied in the accounting of the Group's investment in associate for the 26 weeks ended 29 August 2021.

#### 7.5.1 Exchange rates applied in the translation of the results of the Group's investment in associate

If the exchange rate applied by management had been 10% higher or 10% lower, or the auction rate was applied, with all other variables held constant, the impact on the statement of comprehensive income and statement of financial position would have been as follows:

	+10% 1:0 ZWLS : 0:09 ZAR	Exchange rate applied by management 1:0 ZWLS : 0:10 ZAR	-10% 1:0 ZWLS : 0:11 ZAR	Auction rate* 1:0 ZWLS : 0:17 ZAR
<b>Impact on statement of comprehensive income</b>				
Share of associate's earnings (Rm)	9.8	10.8	12.0	18.2
Impairment reversal on investment in associate (Rm)	27.5	30.2	33.6	51.0
<b>Impact on statement of financial position</b>				
Investment in associate (Rm)	64.4	70.8	78.7	119.5

\*Calculated by applying the auction rate of 1 USD to 85.90 ZWL\$.

#### 7.5.2 Discount rate applied in the assessment of the recoverable amount of the Group's investment in associate

If the discount rate had been 10% higher or 10% lower, with all other variables held constant, the impact on the statement of comprehensive income and statement of financial position would have been as follows:

	+10%	As reported	-10%
<b>Impact on statement of comprehensive income</b>			
Impairment reversal on investment in associate (Rm)	17.5	30.2	49.7
<b>Impact on statement of financial position</b>			
Investment in associate (Rm)	58.1	70.8	90.3

#### 7.5.3 Growth rate applied in the assessment of the recoverable amount of investment in associate

The sensitivity of the Group's exposure to the growth rate risk is estimated by assessing the impact of a reasonable expected movement in the relevant growth rates on our investment in TM Supermarkets. A sensitivity analysis is not presented as the estimated impact is not considered to be material.

	Unaudited 26 weeks to 29 August 2021 Rm	Unaudited 26 weeks to 30 August 2020 Rm	Audited 52 weeks to 28 February 2021 Rm
<b>8 Trade and other receivables</b>			
Gross trade and other receivables	5 215.0	4 089.8	4 110.1
Allowance for impairment losses	(194.8)	(146.9)	(199.7)
<b>Net trade and other receivables</b>	<b>5 020.2</b>	<b>3 942.9</b>	<b>3 910.4</b>
<b>Disclosed as:</b>			
Non-current	138.0	186.0	166.7
Current	4 882.2	3 756.9	3 743.7
<b>8.1 Allowance for impairment losses</b>			
<b>Balance at the beginning of the period</b>	<b>199.7</b>	<b>134.3</b>	<b>134.3</b>
Irrecoverable debts written off	(49.9)	(114.2)	(130.2)
Additional impairment losses recognised	49.2	129.4	205.2
Prior allowances for impairment reversed	(4.2)	(2.6)	(9.6)
<b>At end of period</b>	<b>194.8</b>	<b>146.9</b>	<b>199.7</b>

Trade and other receivables include an insurance receivable of R830.7 million. Refer to note 14 for further information.

Unaudited	South Africa Rm	Rest of Africa Rm	Total operations Rm
<b>9 Operating segments</b>			
<b>26 weeks to 29 August 2021</b>			
<b>Total segment revenue</b>	<b>46 306.2</b>	<b>2 041.0</b>	<b>48 347.2</b>
Revenue from contracts with customers (note 2)	46 012.7	1 512.3	47 525.0
Operating lease income (note 2)	57.3	0.6	57.9
Finance income (note 2)	236.2	13.1	249.3
Direct deliveries*	-	515.0	515.0
<b>Segment external turnover</b>	<b>44 515.0</b>	<b>1 505.9</b>	<b>46 020.9</b>
<b>Comparable profit before tax before capital items**^</b>	<b>389.6</b>	<b>91.6</b>	<b>481.2</b>
<b>Profit before tax**</b>	<b>391.0</b>	<b>37.2</b>	<b>428.2</b>
<b>Other information</b>			
<b>Statement of comprehensive income</b>			
Finance costs (note 3)	856.2	16.0	872.2
Depreciation and amortisation on property, plant and equipment and intangible assets	653.2	23.6	676.8
Depreciation on right-of-use assets	996.5	19.6	1 016.1
Profit on sale and insurance recoveries on scrapping of assets	216.6	1.7	218.3
Losses from impairments and scrapping of assets	198.1	15.5	213.6
Impairment loss of right-of-use asset	17.1	25.0	42.1
Impairment reversal on investment in associate (note 7)	-	30.2	30.2
Share of associate's earnings (note 7)	-	10.8	10.8
<b>Statement of financial position</b>			
Total assets	39 215.5	1 532.3	40 747.8
Total liabilities	36 895.3	930.7	37 826.0
Investment in associate (note 7)	-	70.8	70.8
<b>26 weeks to 30 August 2020</b>			
<b>Total segment revenue</b>	<b>43 682.6</b>	<b>2 034.0</b>	<b>45 716.6</b>
Revenue from contracts with customers (note 2)	43 416.4	1 513.6	44 930.0
Operating lease income (note 2)	57.0	0.5	57.5
Finance income (note 2)	209.2	9.4	218.6
Direct deliveries*	-	510.5	510.5
<b>Segment external turnover</b>	<b>42 720.3</b>	<b>1 507.1</b>	<b>44 227.4</b>
<b>Comparable profit before tax before capital items**^</b>	<b>211.4</b>	<b>46.9</b>	<b>258.3</b>
<b>Profit before tax**</b>	<b>213.2</b>	<b>29.4</b>	<b>242.6</b>
<b>Other information</b>			
<b>Statement of comprehensive income</b>			
Finance costs (note 3)	861.5	14.0	875.5
Depreciation and amortisation on property, plant and equipment and intangible assets	640.5	20.2	660.7
Depreciation on right-of-use assets	872.2	25.0	897.2
Profit/(loss) on sale of assets	1.8	(1.3)	0.5
Impairment loss on assets	-	0.6	0.6
Impairment loss on investment in associate (note 7)	-	47.4	47.4
Share of associate's earnings (note 7)	-	61.4	61.4
<b>Statement of financial position</b>			
Total assets	36 137.0	1 637.8	37 774.8
Total liabilities	33 473.4	1 003.6	34 477.0
Investment in associate (note 7)	-	62.4	62.4

\* Included in segmental revenue, as reviewed by the Chief Operating Decision Maker of the Group, are deliveries made directly to franchisees by in-country suppliers, in those countries where the Group does not have a statutory presence. These deliveries do not qualify as revenue in terms of IFRS, but are included in segmental revenue for the purposes of the Group's review of operating segments. In those countries where the Group has a statutory presence, including South Africa, direct deliveries are included in the Group's reported revenue.

\*\* "Segmental profit before tax" and "segmental comparable profit before tax before capital items" are reported measures used for evaluating the performance of the Group's operating segments. On an overall basis, these metrics equal the Group's reported "profit before tax", and "comparable profit before tax before capital items", respectively. These metrics, for the Rest of Africa segment, comprise the segment's trading result and directly attributable costs only. No allocations are made for indirect or incremental costs incurred by the South Africa segment relating to the Rest of Africa segment.

^ Calculated as profit before tax before capital items, excluding the Group's share of the hyperinflation net monetary adjustments recognised by the Group's associate as a result of IAS 29. This is not a defined term under IFRS; however, it is a key measure of the comparable performance of our operations in the Rest of Africa. Refer to note 7 and the Appendices for more information.

## 10 Related party transactions

During the period under review, in the ordinary course of business, certain companies within the Group entered into transactions with each other. These intergroup transactions and related balances are eliminated on consolidation. Intergroup transactions are similar to those in the prior year and related parties remain unchanged from those reported at 28 February 2021.

For further information, refer to note 28 of the 2021 audited Group annual financial statements and note 8 of the 2021 audited Company annual financial statements. For disclosures relating to the investment in associate, refer to note 7.

## 11 Financial instruments

All financial instruments held by the Group are measured at amortised cost, with the exception of financial instruments at fair value through profit or loss and derivatives designated as hedging instruments, as set out below:

	Unaudited 26 weeks to 29 August 2021 Rm	Unaudited 26 weeks to 30 August 2020 Rm	Audited 52 weeks to 28 February 2021 Rm
<b>Financial assets at fair value through profit or loss</b>			
Investment in insurance cell captive – Level 2	41.0	65.5	32.7
<b>Derivative financial instruments (designated as hedging instruments)</b>			
Forward exchange contract assets/(liabilities) – Level 2	0.9	(0.9)	(7.5)

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques, consistent with those disclosed in the 2021 audited Group annual financial statements. These valuation techniques maximise the use of observable market data, where it is available, and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

The carrying value of all other financial instruments approximate their fair value.

There have been no transfers between level 1, level 2 and level 3 of the fair value hierarchy during the period.

## 12 Purchase of operations

During the current reporting period, the Group converted four franchise stores to company-owned Pick n Pay stores. Over the past 18 months, the Group converted a total of 38 franchise stores to company-owned Pick n Pay and Boxer stores.

These acquisitions had no significant impact on the Group's results, but are now delivering stronger sales growth and improved store profitability. The goodwill that arose from these acquisitions represents this value creation that the Group expects to realise.

During the 52 week period ended 28 February 2021, the Group purchased the application system infrastructure and the related intellectual property relating to the Bottles on-demand mobile application, for a purchase price of R33 million. No goodwill arose from this transaction as the fair value of the underlying assets purchased equated the consideration paid.

	Unaudited 26 weeks to 29 August 2021 Rm	Unaudited 26 weeks to 30 August 2020 Rm	Audited 52 weeks to 28 February 2021 Rm
The net assets arising from these acquisitions were as follows:			
<b>Identifiable net assets</b>			
Property, plant and equipment	4.9	40.4	72.4
Inventory	6.4	16.0	21.2
Intangible assets	–	–	33.0
<b>Total identifiable net assets at fair value</b>	<b>11.3</b>	56.4	126.6
<b>Goodwill</b>			
Purchase price of acquisitions at fair value	19.6	156.6	296.5
Less: total identifiable net assets at fair value	(11.3)	(56.4)	(126.6)
<b>Goodwill acquired</b>	<b>8.3</b>	100.2	169.9
<b>Net cash paid in respect of acquisitions</b>			
Purchase price of acquisitions at fair value	19.6	156.6	296.5
Less: amounts net settled against trade and other receivables	(6.4)	–	(97.0)
<b>Net cash paid</b>	<b>13.2</b>	156.6	199.5

## 13 Commitments

### Authorised capital expenditure

	Unaudited 26 weeks to 29 August 2021 Rm	Unaudited 26 weeks to 30 August 2020 Rm	Audited 52 weeks to 28 February 2021 Rm
<b>Contracted for</b>	<b>566.9</b>	81.1	383.4
Property	5.5	–	3.3
Furniture, fittings, equipment and vehicles	521.6	75.9	364.3
Intangible assets	39.8	5.2	15.8
<b>Not contracted for</b>	<b>933.1</b>	818.9	2 116.6
Property	45.9	–	232.9
Furniture, fittings, equipment and vehicles	826.5	646.6	1 810.4
Intangible assets	60.7	172.3	73.3
<b>Total commitments</b>	<b>1 500.0</b>	900.0	2 500.0

In addition to the above commitments, the Group expects to spend approximately R200 million on the replacement of assets lost during the civil unrest, all of which are recoverable from insurance providers.



## 14 Significant event – civil unrest in South Africa

During July 2021, the disruptive effects of civil unrest and looting in the KwaZulu-Natal and parts of the Gauteng regions of South Africa had a significant impact on the Group's result for the 26 weeks ending 29 August 2021.

Across the Group, 212 stores were damaged by looting and destruction, with many stores requiring significant restoration before re-opening. In addition, 2 distribution centres in KwaZulu-Natal were looted of all inventory and suffered considerable damage to infrastructure. Furthermore, at the height of the unrest, an additional 551 stores were closed as a precautionary measure to ensure the safety of staff and customers. The Group has made rapid progress in rebuilding and re-opening stores. Damage to the Pick n Pay's distribution network was restored within two weeks and, at the time of publication, 45 stores remain closed.

The Group suffered material losses to its assets and material disruption to its business operations as a result of lost sales from store closures, looted inventory and destruction of its infrastructure. The result for the period under review includes stock write-off losses, capital losses related to the scrapping of assets and management's best estimate of business interruption losses and related insurance recoveries.

The Group has adequate insurance cover in place for the majority of losses incurred, subject to relevant policy limits and deductibles. When recording insurance recoveries in accordance with IAS 37 *Provisions, Contingent Liabilities and Contingent Assets*, management has applied significant judgement in its assessment of the virtual certainty of the recoverability of insurance claims. This assessment was supported by the validation by insurers of the Group's insurance claims, the progress in the claims assessment process, the payments received to date from insurers, and the confidence provided in the market regarding the commitment and financial ability of insurers to settle outstanding claims.

Significant items relating to the civil unrest, recorded in the period under review, is tabled below.

Impact on statement of comprehensive income:	Rm
<b>Cost of sales</b> – inventory written off	633.0
<b>Other income</b> – insurance recovery of inventory, increased costs of operations and business interruption losses	753.7
<b>Capital items</b> – insurance recovery of material damages to assets	177.0
<b>Capital items</b> – loss of scrapping of assets	156.3
<b>Impact on statement of financial position:</b>	
Trade and other receivables*	830.7

\* Subsequent to the period-end, the Group received R500 million of insurance proceeds, resulting in R600 million of insurance proceeds, or 65% of the amounts relating to this result period, received to date.

## APPENDIX 1

### Pro forma information

Certain financial information presented in these unaudited condensed consolidated interim financial statements constitutes pro forma financial information. The pro forma financial information is the responsibility of the Board of directors of the Group and is presented for illustrative purposes only. Because of its nature, the pro forma financial information may not fairly present the Group's financial position, changes in equity, results of operations or cash flows. This additional information has not been reviewed nor reported on by the Group's auditors.

### Constant currency disclosures

Constant currency information constitutes pro forma information. The Group discloses constant currency information in order to report on the Group's turnover and the Group's Rest of Africa segmental revenue results, excluding the impact of foreign currency fluctuations (collectively the "constant currency pro forma information").

The constant currency pro forma information has been presented to illustrate the impact of changes in the Group's major foreign currencies, namely the Zambia kwacha and the Botswana pula.

The Group's turnover growth in constant currency is calculated by translating the prior period local currency turnover at the current period average exchange rates on a country-by-country basis and then comparing that against the current period turnover translated at current period average exchange rates.

The segmental revenue growth in constant currency is calculated by translating the prior period local currency segmental revenue at the current period average exchange rates on a country-by-country basis and then comparing that against the current period segmental revenue translated at the current period average exchange rates.

The average Zambia kwacha exchange rate to the South African rand for the 26 weeks ended 29 August 2021 is 1.50 (26 weeks ended 30 August 2020: 1.03) and the average Botswana pula exchange rate to the South African rand for the 26 weeks ended 29 August 2021 is 0.75 (26 weeks ended 30 August 2020: 0.67).

The constant currency pro forma information presented in accordance with the JSE Listings Requirements, is presented for illustrative purposes only and is the responsibility of the Board of directors of the Group.

	Increase reported currency	Increase constant currency
<b>26 weeks ended 29 August 2021</b>		
Group turnover (%)	4.1	4.5
Rest of Africa segmental revenue (%)	0.3	11.3

## APPENDIX 2

## Additional information

Additional information may not represent a defined term under IFRS and, as a result, it may not be comparable with similarly titled measures reported by other companies. Additional information is the responsibility of the Board of directors of the Group, is presented for illustrative purposes only and has not been reviewed nor reported on by the Group's auditors.

## 1 Comparable year-on-year earnings performance

Zimbabwe is classified as a hyperinflationary economy. The equity accounted earnings of the Group's investment in associate operating in Zimbabwe is therefore accounted for under IAS 29 *Financial Reporting in Hyperinflationary Economies* (IAS 29), with the impact presented below.

	26 weeks to 29 August 2021 Rm	26 weeks to 30 August 2020 Rm
Share of associate's earnings excluding net monetary adjustments	56.6	29.6
Share of associate's hyperinflation net monetary (loss)/gain	(45.8)	31.8
<b>Reported share of associate's earnings</b>	<b>10.8</b>	61.4
Impairment reversal/(loss) on investment in associate as a result of hyperinflation accounting	30.2	(47.4)
	<b>41.0</b>	14.0

Reported profit before tax and reported headline earnings includes the impact of hyperinflation accounting attributable to the Group's investment in associate. In management's view, this impact of hyperinflation accounting does not provide stakeholders with an accurate assessment of the Group's comparable year-on-year earnings performance. As a result, the Group has presented its earnings for the current and prior period on a comparable basis, by excluding the Group's share of associate's hyperinflation net monetary loss of R45.8 million (2020: net monetary gain of R31.8 million), with no impact on tax. The table below presents the key changes to items presented.

	As reported Rm	Remove impact of IAS 29 Rm	Comparable Rm
<b>26 weeks to 29 August 2021</b>			
Rest of Africa profit before tax before capital items	45.8	45.8	91.6
Group profit before tax before capital items	435.4	45.8	481.2
Group headline earnings	293.5	45.8	339.3
	<b>Cents</b>	<b>Cents</b>	<b>Cents</b>
Headline earnings per share	61.28	9.57	70.85
Diluted headline earnings per share	60.91	9.51	70.42
<b>26 weeks to 30 August 2020</b>	Rm	Rm	Rm
Rest of Africa profit before tax before capital items	78.7	(31.8)	46.9
Group profit before tax before capital items	290.1	(31.8)	258.3
Group headline earnings	209.1	(31.8)	177.3
	<b>Cents</b>	<b>Cents</b>	<b>Cents</b>
Headline earnings per share	43.78	(6.66)	37.12
Diluted headline earnings per share	43.69	(6.64)	37.05

Refer to note 7 of the unaudited condensed consolidated interim financial statements for more information.

## 2 Like-for-like turnover and expense growth comparisons

Like-for-like turnover and expense growth comparisons remove the impact of store openings, closures (including damaged and looted stores closed due to civil unrest) and conversions in the current and previous reporting periods.

## APPENDIX 2 (continued)

## 3 Turnover analysis excluding the impact of trade disruptions during the current reporting period

During the period under review, the Group's South African operations were significantly impacted by trade disruptions arising from the civil unrest in KwaZulu-Natal and parts of Gauteng (referred to as civil unrest); and by the resumption of government imposed trade restrictions on the sale of liquor during the period (referred to as Covid-19 liquor restrictions). Refer to the Result summary and note 14 of the unaudited condensed consolidated interim financial statements for further information.

## Estimated lost turnover: Civil unrest

Management estimates that the Group lost approximately R930 million of turnover during this reporting period related to the civil unrest from both stores closed due to damage and looting as well as stores closed preventatively. This estimation is based on approved internal financial budgets per affected store, and supported by recent turnover trends in the relevant stores. Elements of turnover transferred to existing operating stores are also taken into account in the lost turnover assessment.

## Estimated lost turnover: Covid-19 liquor restrictions

Management estimates that the Group lost approximately R800 million of turnover during the current reporting period as a result of the 55 trading days lost on the resumption of the Covid-19 liquor trading restrictions. This estimation is based on management's best estimate of the lost turnover during the restricted trading days, net of the increase in liquor sales on days surrounding the restricted days. This estimation is based on approved internal financial budgets per affected store and supported by recent turnover trends in the relevant stores.

## Estimated two-year comparable turnover growth analysis

Both these events had an unforeseen and significant impact on the Group's turnover performance for the period under review. In management's view, this impact does not provide stakeholders with an accurate assessment of the Group's year-on-year turnover growth. To further complicate year-on-year comparability, the Group's reported turnover for the prior period includes only 3 weeks of undisrupted trade due to the implementation of severe trading restrictions in response to the Covid-19 pandemic.

In order to provide stakeholders with management's view of the underlying comparable turnover growth, excluding the impact of all these combined and cumulative trade disruptions, a view of turnover growth over a two-year period is presented below (two-year compound annual growth rates).

In calculating the underlying two-year compound annual growth rates, management has adjusted the turnover base for the 26 weeks ended 1 September 2019 (H1 FY20) to reflect the comparable impact of the current year trade disruptions in the following manner:

- **Civil unrest:** the actual reported turnover as per the comparable trading days during the 26 weeks ended 1 September 2019 per impacted store
- **Covid-19 liquor restrictions:** the estimated impact for the current period (R800 million) adjusted for recorded internal selling price inflation and new store growth over the two-year period

## APPENDIX 2 (continued)

## 3 Turnover analysis excluding the impact of trade disruptions during the current reporting period (continued)

## Estimated two-year comparable turnover growth analysis (continued)

	Unaudited 26 weeks 29 August 2021 Rm	Unaudited 26 weeks 1 September 2019 Rm	2-year compound annual growth rate %
<b>Group Turnover</b>			
Turnover*	46 020.9	43 113.6	3.3
Estimated impact for the 26 weeks ended 1 September 2019		(1 492.0)	
Civil unrest		(777.0)	
Covid-19 liquor restrictions		(715.0)	
<b>Comparable turnover</b>	<b>46 020.9</b>	<b>41 621.6</b>	<b>5.2</b>
<b>South Africa Turnover</b>			
Turnover*	44 515.0	41 335.5	3.8
Estimated impact on for the 26 weeks ended 1 September 2019		(1 492.0)	
Civil unrest		(777.0)	
Covid-19 liquor restrictions		(715.0)	
<b>Comparable turnover</b>	<b>44 515.0</b>	<b>39 843.5</b>	<b>5.7</b>

\* As reported previously, turnover for the 26 weeks ended 1 September 2019 eliminates the impact of a historic strategic change in arrangements with airtime and data providers. Refer to the result announcement for the 26 weeks ended 1 September 2019 for further information, available on the Group's website.

## APPENDIX 3

## Comparable headline earnings performance

The table below presents the Group's basic, diluted and headline earnings performance for the current and previous periods on a comparable basis. Comparable headline earnings exclude hyperinflation non-cash net monetary adjustments in respect of the Group's investment in associate attributable to IAS 29 *Financial Reporting in Hyperinflationary Economies* (IAS 29). Refer to Appendix 2. The information contained in this Appendix is the responsibility of the Board of directors, is presented for illustrative purposes and has not been reviewed nor reported on by the Group's auditors.

	% change	Unaudited 26 weeks to 29 August 2021 Cents per share	Unaudited 26 weeks to 30 August 2020 Cents per share	Audited 52 weeks to 28 February 2021 Cents per share
<b>Earnings per share</b>				
Basic earnings per share	86.5	61.97	33.23	202.52
Diluted earnings per share	85.8	61.60	33.16	200.93
Headline earnings per share	40.0	61.28	43.78	229.31
Diluted headline earnings per share	39.4	60.91	43.69	227.51
<b>Comparable headline earnings per share</b>				
Headline earnings per share	90.9	70.85	37.12	235.42
Diluted headline earnings per share	90.1	70.42	37.05	233.57
		Rm	Rm	Rm
<b>Reconciliation between basic and headline earnings</b>				
<b>Profit for the period – basic earnings for the period</b>		296.8	158.7	967.1
Adjustments:		(3.3)	50.4	127.9
(Profit)/loss on sale of assets		(41.3)	3.6	21.4
Tax effect of profit/(loss) on sale of assets		9.3	(1.0)	(6.0)
Losses from impairments and scrapping of assets		255.7	0.6	42.9
Tax effect of losses from impairments and scrapping of assets		(69.4)	(0.2)	(12.0)
Impairment (reversal)/loss on investment in associate		(30.2)	47.4	81.6
Insurance recoveries on scrapping of assets due to civil unrest		(177.0)	-	-
Tax effect of insurance recoveries on scrapping of assets due to civil unrest		49.6	-	-
<b>Headline earnings for the period (note 4)</b>		293.5	209.1	1 095.0
Adjusted for hyperinflation net monetary loss/(gain) (note 7)		45.8	(31.8)	29.2
<b>Comparable headline earnings</b>		339.3	177.3	1 124.2
		000's	000's	000's
The table below presents the Group's share information				
Number of ordinary shares in issue		493 450.3	493 450.3	493 450.3
Weighted average number of ordinary shares in issue (excluding treasury shares)		478 928.0	477 591.0	477 524.8
Diluted weighted average number of ordinary shares in issue		481 855.7	478 639.8	481 304.5

## An Overview of our Store Estate

	Pick n Pay		Boxer	TM	Total
	Owned	Franchise	Owned	Associate	
South Africa	826	696	351	-	1873
Namibia	-	39	-	-	39
eSwatini	-	18	9	-	27
Zambia	22	-	-	-	22
Botswana	-	11	-	-	11
Lesotho	-	4	-	-	4
Zimbabwe	-	-	-	62	62
Nigeria	1	-	-	-	1
	<b>849</b>	<b>768</b>	<b>360</b>	<b>62</b>	<b>2 039</b>
Supermarkets	334	499	232	57	1122
Clothing	241	19	-	-	260
Liquor	274	250	98	5	627
Build	-	-	30	-	30

### The total number of sites where we sell clothing

Hypermarkets	Supermarkets	Stand-alone clothing stores	Total clothing sites
21	158	260	439

### South African store formats

#### Supermarkets

996

#### Clothing

259

#### Liquor

588

#### Build

30

#### Total South African stores

1873

**pick n pay** on-demand offer serviced from  
**asap!** 174 stores

## Store numbers report

Pick n Pay OWNED	28 February 2021	Opened	Closed	Conversions	29 August 2021
Hypermarkets	21	-	-	-	21
Supermarkets	310	7	(6)	2	313
<b>Supermarkets</b>	<b>331</b>	<b>7</b>	<b>(6)</b>	<b>2</b>	<b>334</b>
Clothing	235	7	(1)	-	241
Liquor	264	11	(3)	2	274
<b>Pick n Pay – owned</b>	<b>830</b>	<b>25</b>	<b>(10)</b>	<b>4</b>	<b>849</b>
<b>FRANCHISE</b>					
Supermarkets	284	2	-	(2)	284
Market stores	38	4	(2)	-	40
Express	174	1	-	-	175
<b>Supermarkets</b>	<b>496</b>	<b>7</b>	<b>(2)</b>	<b>(2)</b>	<b>499</b>
Clothing	20	1	(2)	-	19
Liquor	242	12	(2)	(2)	250
<b>Pick n Pay – franchise</b>	<b>758</b>	<b>20</b>	<b>(6)</b>	<b>(4)</b>	<b>768</b>
<b>TOTAL PICK N PAY STORES</b>	<b>1 588</b>	<b>45</b>	<b>(16)</b>	<b>-</b>	<b>1 617</b>
<b>Boxer OWNED</b>					
Supermarkets	208	7	-	-	215
Punch	17	-	-	-	17
<b>Supermarkets</b>	<b>225</b>	<b>7</b>	<b>-</b>	<b>-</b>	<b>232</b>
Liquor	87	11	-	-	98
Build	30	-	-	-	30
<b>TOTAL BOXER</b>	<b>342</b>	<b>18</b>	<b>-</b>	<b>-</b>	<b>360</b>
<b>TM Supermarkets INVESTMENT IN ASSOCIATE</b>					
Supermarkets	56	1	-	-	57
Trading as TM – Supermarkets	33	-	-	-	33
Trading as Pick n Pay – Supermarkets	23	1	-	-	24
Liquor					
Trading as Pick n Pay – Liquor	5	-	-	-	5
<b>TOTAL TM SUPERMARKETS</b>	<b>61</b>	<b>1</b>	<b>-</b>	<b>-</b>	<b>62</b>
South Africa	1 828	56	(11)	-	1 873
Rest of Africa	163	8	(5)	-	166
<b>TOTAL GROUP</b>	<b>1 991</b>	<b>64</b>	<b>(16)</b>	<b>-</b>	<b>2 039</b>



## CORPORATE INFORMATION

### Pick n Pay Stores Limited

Registration number: 1968/008034/06  
JSE share code: PIK  
ISIN: ZAE000005443

### Board of directors

#### Executive directors

Pieter Boone (CEO)  
Lerena Olivier (CFO)  
Suzanne Ackerman-Berman  
Jonathan Ackerman

#### Non-executive

Gareth Ackerman (Chairman)  
Aboubakar Jakoet  
David Robins

#### Independent non-executive

Haroon Borat  
Mariam Cassim  
David Friedland  
Hugh Herman  
Audrey Mothupi  
Annamarie van der Merwe  
Jeff van Rooyen

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Fax: +27 11 688 5248

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### JSE Limited sponsor

Investec Bank Limited  
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Sandton 2196

### Auditors

Ernst & Young Inc.

### Attorneys

Edward Nathan Sonnenbergs

### Principal transactional bankers

Absa Limited  
First National Bank

### Company Secretary

Debra Muller  
Email address: demuller@pnp.co.za

### Promotion of Access to Information Act

informationofficer@pnp.co.za

### Investor relations

Penny Gerber  
Email address: pennygerber@pnp.co.za

### Website

Pick n Pay: [www.picknpay.com](http://www.picknpay.com)  
Investor relations: [www.picknpayinvestor.co.za](http://www.picknpayinvestor.co.za)

### Customer careline

Pick n Pay  
Tel: +27 860 30 30 30  
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### Boxer

Tel: +27 860 02 69 37  
Email address: [customercare@boxer.co.za](mailto:customercare@boxer.co.za)

### Online shopping

Tel: +27 860 30 30 30  
[www.picknpay.com](http://www.picknpay.com)

### Engage with us on

