



H1 FY27 Results

26 weeks ended
30 August 2026

Introduction

Sean Summers

Results Overview

Tina Rookledge

CEO Update

Sean Summers

INTRODUCTION – STEADY PROGRESS ON OUR TURNAROUND



- **Progress on Pick n Pay turnaround initiatives** with tangible signs that our strategy and plans are delivering
- **Pleased with the narrowing of both Group and Pick n Pay losses** – more work to do
- **Customers choosing us more** – positive like-for-like volume growth across PnP SA supermarkets, despite consumer pressures and a severely constraint market
- **Solid Boxer performance** – 600th store opened, with profit before tax increased on last year
- **Strong balance sheet** with R10bn net cash, supporting our path to FY29 break-even



H1 FY27 Results

26 weeks ended
30 August 2026

Introduction

Sean Summers

Results Overview

Tina Rookledge

CEO Update

Sean Summers

GROUP KEY METRICS

Turnover	GP margin	Trading expenses	Trading profit
R60.5bn +2.4% (LfL 1.8%)	18.8% +70bps	4.5% growth	R0.5bn improved R0.2bn
EBITDA*	Loss before tax & capital items	Headline loss	Net cash
R0.4bn improved R0.2bn	-R0.1bn improved R0.2bn	-R0.3bn improved 31.9%	R10.0bn up R6.9bn on FY26

* EBITDA (pre-IFRS 16): Refer to Appendix of Group interim financial statements

GROUP TURNOVER BY SEGMENT

Turnover (Rbn)	H1 FY27	H1 FY26	% change	LfL* % change
Boxer	24.1	22.7	6.3	1.4
Pick n Pay	36.4	36.4	(0.1)	2.0
South Africa	34.7	34.9	(0.5)	1.4
Rest of Africa	1.7	1.5	10.8	20.2
Group	60.5	59.0	2.4	1.8

PnP SA LfL* sales growth %	H1 FY26	H2 FY26	H1 FY27
Company-owned supermarkets	4.8	3.0	2.4
Franchise supermarkets	1.8	(0.2)	1.0
Clothing standalone stores	7.5	(5.6)	(0.7)

- Turnover growth impacted by constrained consumer spending and low inflation
- PnP SA internal selling price inflation of 1.5%, below CPI food inflation of 2.0%
- Company-owned supermarkets
 - 0.9% LfL volume growth
 - Focus remains on driving LfL sales growth
 - Store estate reset plan concluded
- Omnichannel turnover +35.4%
 - asap! innovations driving sales momentum
- PnP Clothing +3.9% (LfL -0.7%)

GROUP TRADING PROFIT SEGMENTATION

Rbn	H1 FY27			H1 FY26		
	Group	Pick n Pay	Boxer	Group	Pick n Pay	Boxer
Turnover	60.5	36.4	24.1	59.0	36.4	22.7
Trading profit/(loss)	0.5	(0.5)	1.0	0.3	(0.6)	0.9
Trading profit/(loss) margin	0.8%	(1.4%)	4.2%	0.5%	(1.7%)	4.1%
Trading result after leases*	(0.3)	(1.1)	0.7	(0.5)	(1.2)	0.7
Trading result after leases margin	(0.5%)	(3.0%)	3.1%	(0.8%)	(3.2%)	3.1%

- Boxer trading profit grew 8.1%
 - Trading margin improved 10bps to 4.2%
- PnP trading loss reduced by 16.9% to R0.5bn
 - Gross profit growth exceeded trading expense growth



BOXER FINANCIAL HIGHLIGHTS

TURNOVER

R24.1bn

Total: 6.3%

LFL: 1.4%

GP MARGIN

20.7% of Turnover

+0.5% vs. H1 FY26

TRADING EXPENSES

17.6% of Turnover

+0.6% vs. H1 FY26

TRADING MARGIN

4.2%

+0.1% vs. H1 FY26

EBITDA

R1 749m

+8.4% vs. H1 FY26

HEADLINE EARNINGS

R565m

+9.1% vs. H1 FY26

PICK N PAY KEY METRICS

Turnover	GP margin	Trading expenses	Trading loss
R36.4bn -0.1% (LfL 2.0%)	17.5% +70bps	1.7% (LfL 2.0%)	-R0.5bn improved R0.1bn
Trading loss after leases*	EBITDA*	Loss before tax & capital items	Net cash
-R1.1bn improved R0.1bn	-R0.7bn improved R0.1bn	-R0.9bn improved R0.1bn	R7.7bn increased R5.3bn from FY26

PICK N PAY TRADING RESULT OVERVIEW

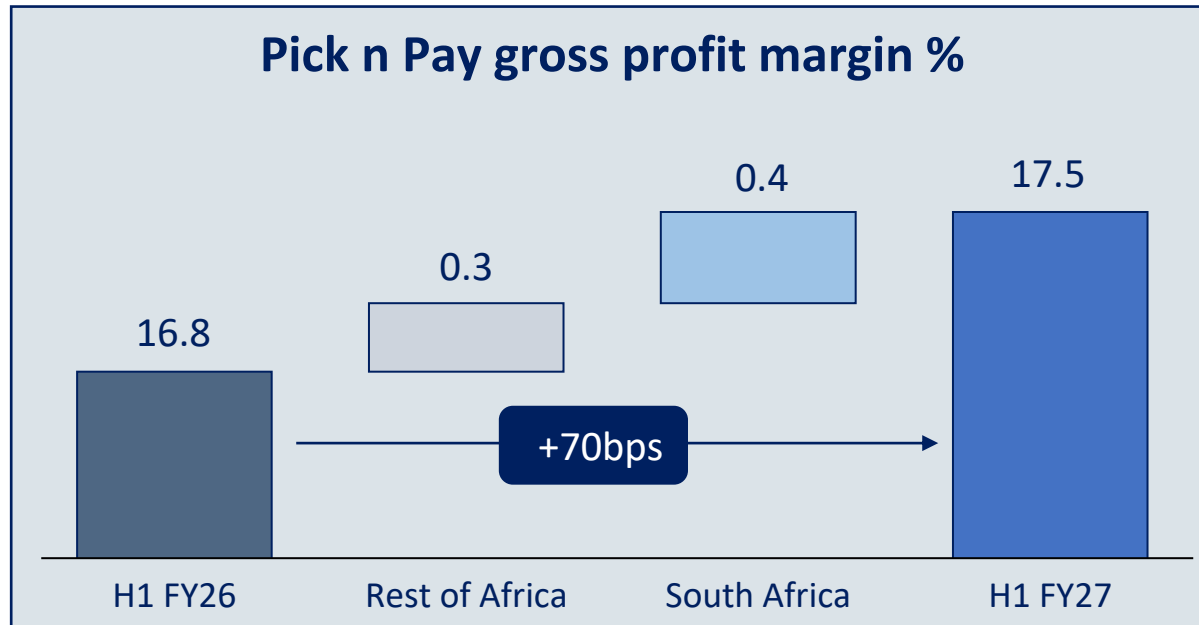
Rbn	H1 FY27	H1 FY26	% change
Turnover	36.4	36.4	(0.1)
Gross profit	6.4	6.1	3.9
Other income	1.2	1.2	0.1
Trading expenses	(8.1)	(8.0)	1.7
Trading loss	(0.5)	(0.6)	16.9
Net lease finance expense	(0.6)	(0.5)	3.1
Trading loss after leases*	(1.1)	(1.2)	7.6
Gross profit margin %	17.5	16.8	+0.7
Expenses as % of turnover	22.3	21.9	+0.4
Trading loss margin %	(1.4)	(1.7)	+0.3
TPAL* margin %	(3.0)	(3.2)	+0.2

- Trading loss reduced 16.9%
- 3.9% Gross profit growth exceeded 1.7% trading expense growth
- Other income growth impacted by
 - Reduced franchise fee income
 - Partially offset by increased online delivery fees
- LfL expenses +2.0% in line with LfL sales +2.0%



GROSS PROFIT MARGIN ANALYSIS

Gross profit	H1 FY27 Rbn	% change	Margin %	Margin % change
Pick n Pay	6.4	3.9	17.5	+70bps
Boxer	5.0	8.7	20.7	+50bps
Group	11.4	6.0	18.8	+70bps



- PnP GP margin +70bps to 17.5%
- PnP South Africa contributing 40bps
 - Better category and margin management offsets increased diesel spend
- PnP Rest of Africa contributing 30bps
 - Zambia margin improvement
 - Botswana corporatization
- Diesel spend of R426m, up 14.9% y-o-y
 - Primarily recorded in COGS, also in trading expenses relating to store generators
 - 22.5% increase in South Africa
 - Offset by Rest of Africa reduction

TRADING EXPENSES

Trading expenses (Rbn)	H1 FY27	H1 FY26	% change
Pick n Pay	8.1	8.0	1.7
Boxer	4.2	3.8	10.2
Group	12.4	11.8	4.5

Pick n Pay trading expenses (Rbn)	H1 FY27	% change	LfL* % change
Employee costs	3.4	2.7	3.0
Occupancy costs	1.0	-0.4	-3.1
Operations costs	2.2	5.0	4.8
Merchandise & admin	1.4	-5.0	-3.0
Expected credit losses	0.1		
Total trading expenses	8.1	1.7	2.0

- LfL expenses +2.0% vs. +6.7% for full year FY26
- Employee costs
 - Support office restructure savings offset above-inflation store wage increases
- Occupancy costs
 - Profit on lease termination R99m (LY R126m)
 - Excl. termination profits, occupancy costs -2.6%
 - Renegotiation of some rental agreements
 - Insurance costs reduced
- Operations costs
 - Increased energy costs (diesel and electricity)
 - Omnichannel delivery costs increased
- Merchandise and admin costs
 - Cost-effective advertising and promo spend

NET FINANCE COSTS AND NET CASH

Pick n Pay (Rbn)	H1 FY27	H1 FY26	% change
Net funding interest	0.2	0.1	10.9
Net lease interest	(0.6)	(0.5)	3.1
Net finance costs	(0.4)	(0.4)	0.3

Net cash (Rbn)	H1 FY27	FY26	H1 FY26
Gross debt (excl. leases)	-	(0.2)	(0.7)
Cash & cash equivalents	10.0	3.3	5.7
Group net cash	10.0	3.1	5.0
Pick n Pay net cash	7.7	2.4	3.9
Boxer net cash	2.3	0.7	1.1

PnP Income statement

- PnP net finance costs +0.3%
 - Funding interest reflects healthy cash position
 - IFRS 16 interest +3.1% reflects stable store estate

Group Balance sheet

- Group net cash at R10.0bn, of which R7.7bn within PnP
- 12.5% Boxer sale raised R4.7bn gross cash
- Excluding the R4.7bn, PnP net cash +R0.6bn (inclusive of R232m Boxer dividend)

WORKING CAPITAL MANAGEMENT

Pick n Pay working capital balances (Rbn)	H1 FY27	H1 FY26	% change
Inventory	6.7	7.0	-3.2
Trade and other receivables	3.4	3.8	-9.3
Trade and other payables	(10.8)	(10.7)	1.6
Net working capital	(0.7)	0.1	

Net working capital cashflow movement (Rbn)	H1 FY27	H1 FY26
Pick n Pay	1.4	0.7
Boxer	1.3	1.0
Group liquidity inflow	2.7	1.7

PnP Balance sheet

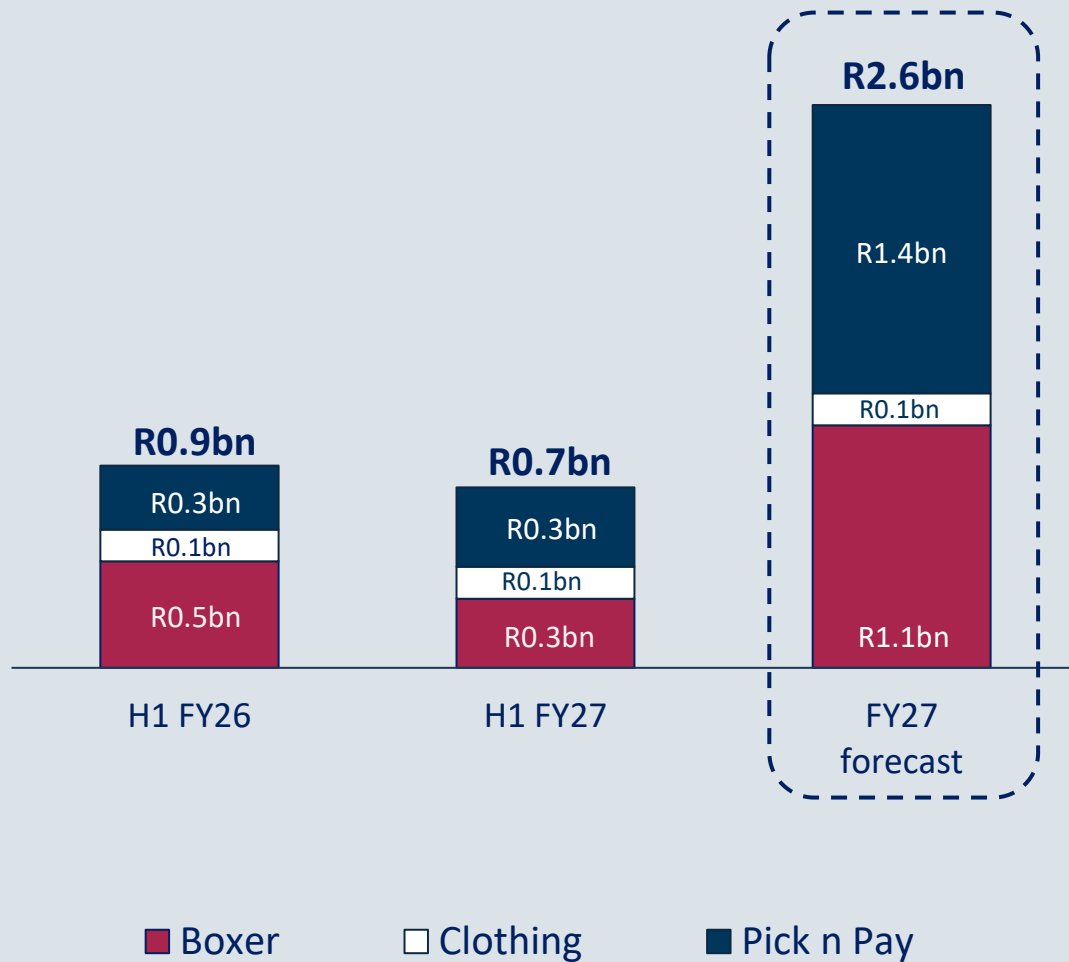
- 3.2% inventory decline vs 0.1% turnover decline
- R225m inventory reduction despite investment in inventory range

Group Cash flow statement

- Group working capital released R2.7bn liquidity
 - Normal seasonal pattern, partly unwind in H2
- Pick n Pay released R1.4bn liquidity
 - Focused inventory reduction plan

GROUP CAPEX INVESTMENT

Net capital investment* (Rbn)



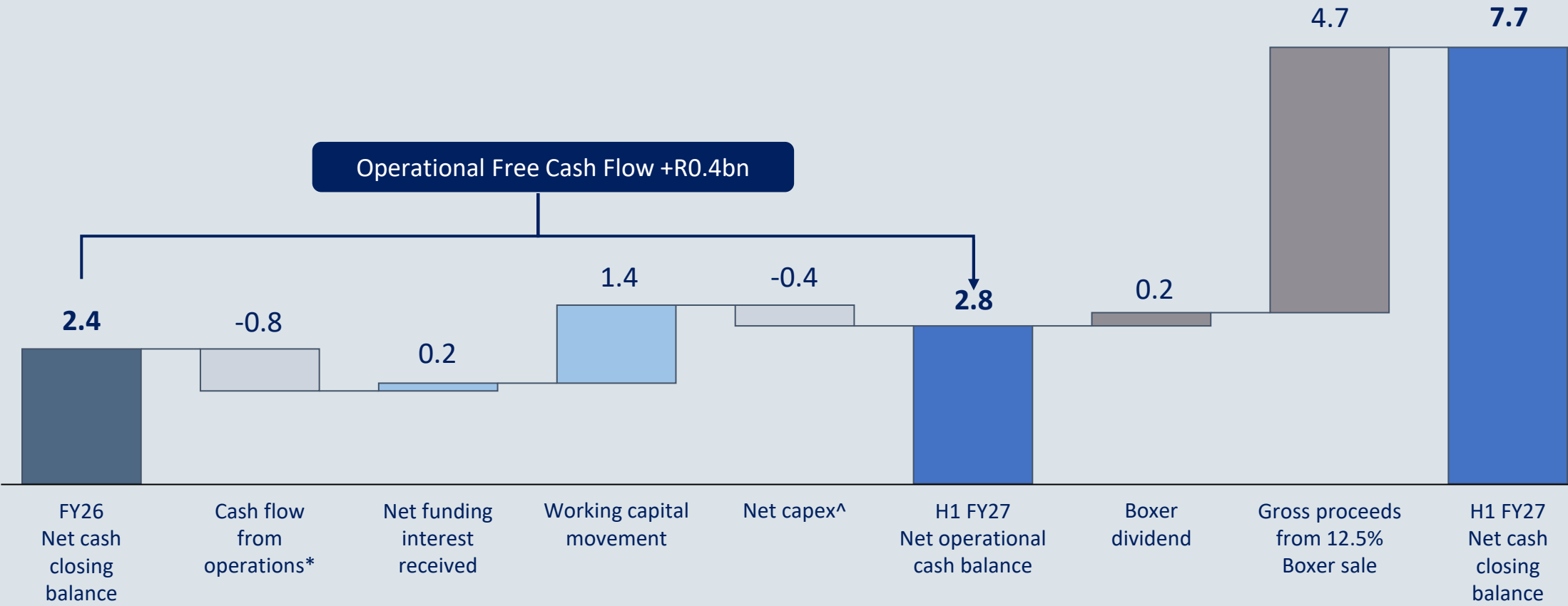
- Group H1 net capex of R0.7bn
- PnP H1 gross capex of R0.6bn (+20.7% y-o-y)
- PnP H1 net capex of R0.4bn y-o-y (+5.5% y-o-y), after R0.2bn of asset disposals
- PnP full year gross capex guidance unchanged at R1.7bn
- Strategic revamps prioritised



*Capex net of all asset disposal proceeds

PICK N PAY FREE CASH FLOW PROFILE

Cash generation and utilisation (Rbn)



*Cash flow from operations includes lease payments

^Capex net of all asset disposal proceeds

GROUP EARNINGS PER SHARE

Rm	H1 FY27	H1 FY26	% change
Loss for the period	(38)	(323)	88.2
Non-controlling interest	(232)	(173)	34.1
Loss attributable to PIK equity holders	(270)	(496)	45.6
Headline adjustments	(29)	57	
Headline loss for the period	(299)	(439)	31.9
WANOS* (millions)	734	734	<i>flat</i>
HEPS (cents)	(40.71)	(59.77)	31.9
EPS (cents)	(36.77)	(67.53)	45.6

- 88.2% loss reduction
 - PnP effective tax rate 32.9%
- 34.1% Boxer NCI increase
 - Minority shareholding increased from 34.4% to 46.9% during May
- Headline loss reduced 31.9% to R299m
- WANOS flat
- 31.9% HEPS growth to 40.71 cps



H1 FY27 Results

26 weeks ended
30 August 2026

Introduction

Sean Summers

Results Overview

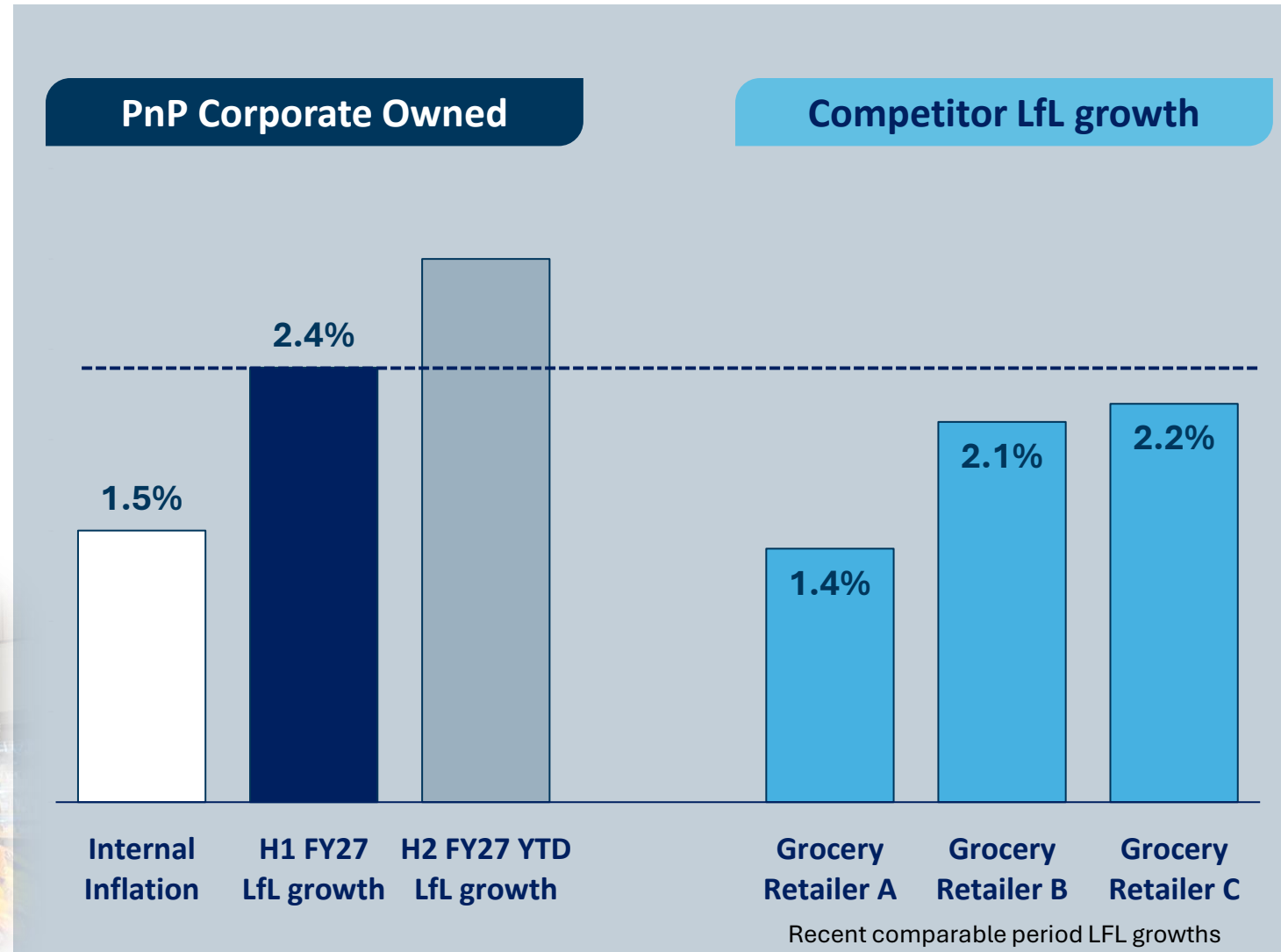
Tina Rookledge

CEO Update

Sean Summers

VOLUME-LED GROWTH GAINING MOMENTUM

- Positive LfL volume growth across company-owned supermarkets
- H1 LfL growth of 2.4% slightly ahead of recent comparable period competitors results
- Momentum building, with H2 YTD LfL growth ahead of H1
- Franchise LfL growth at 1.0% is a slight improvement on FY26 full year, with a focus on improving the offer to drive sales



OFFICIAL FOOD INFLATION LOWEST IN 16 YEARS

* Note: CPI Food incl. Non-Alcoholic Beverages

- PnP SA internal selling price inflation at 1.5% - below CPI food inflation of 2.0%. Boxer recorded deflation of -2.4%, reflecting its high exposure to commodities, where price declines were pronounced
- An expected El Niño weather pattern could reduce 2026–27 summer crops, with price consequences more likely visible in 2027
- Middle East tensions continue to drive uncertainty in the outlook for fuel and broader price inflation

Internal inflation versus CPI Food*

(March 2026 to August 2026)

CPI Food*

2.0%

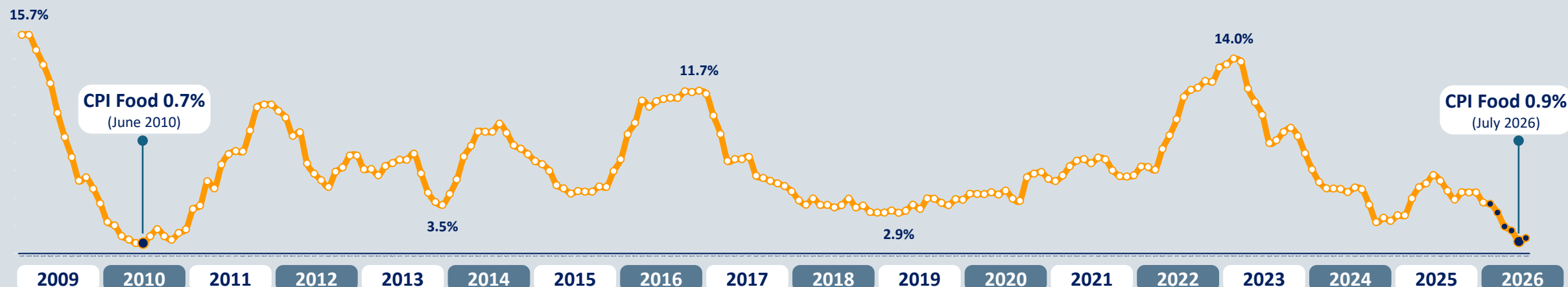
Pick n Pay

1.5%

BOXER

-2.4%

Official Stats SA Food and NAB inflation (monthly inflation yoy%)

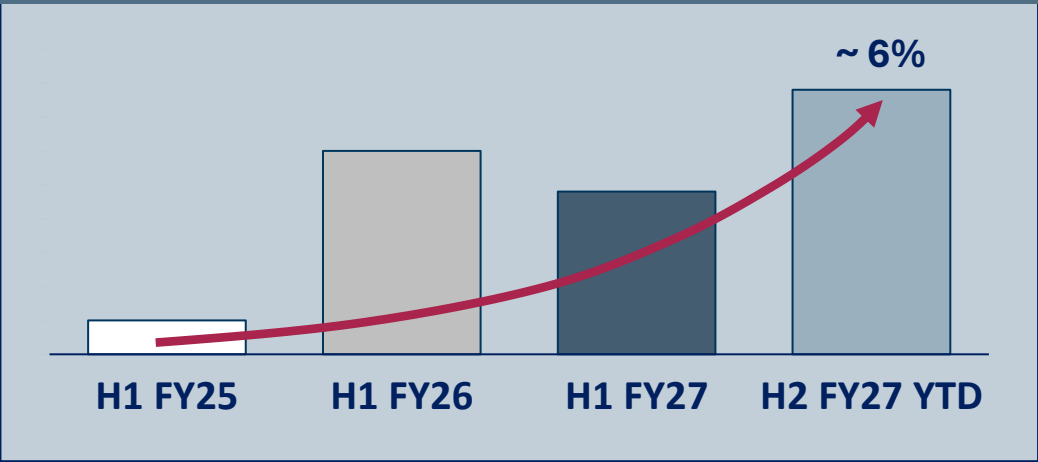


FRESH STRENGTHENS OUR TURNAROUND

Growth is accelerating



Owned Store Fresh LfL sales growth %



Fresh Skills Training



New product Development



Quality we stand behind



Value for families



ADVANCING OUR ASAP! OFFER

AI Shopping assistant



Pick n Pay
asap!

Penny

Gets it!

*Grocery shopping
became a conversation*

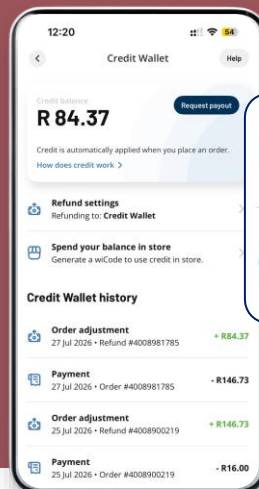
-  **Ask for meal ideas**
-  **Say what you need**
-  **Snap fridge photo**
-  **Repeat usual shop**
-  **Build my basket**



Credit Wallet

*Your money
back in seconds*

-  **Instant Refunds**
-  **Spend anywhere**
-  **It never expires**



Refund settings

Refunding to: **Credit Wallet**



Spend your balance in store

Generate a wiCode to use credit in store.

Clothing online

PnP Clothing on
**Pick n Pay
asap!**



Style. **Delivered.**

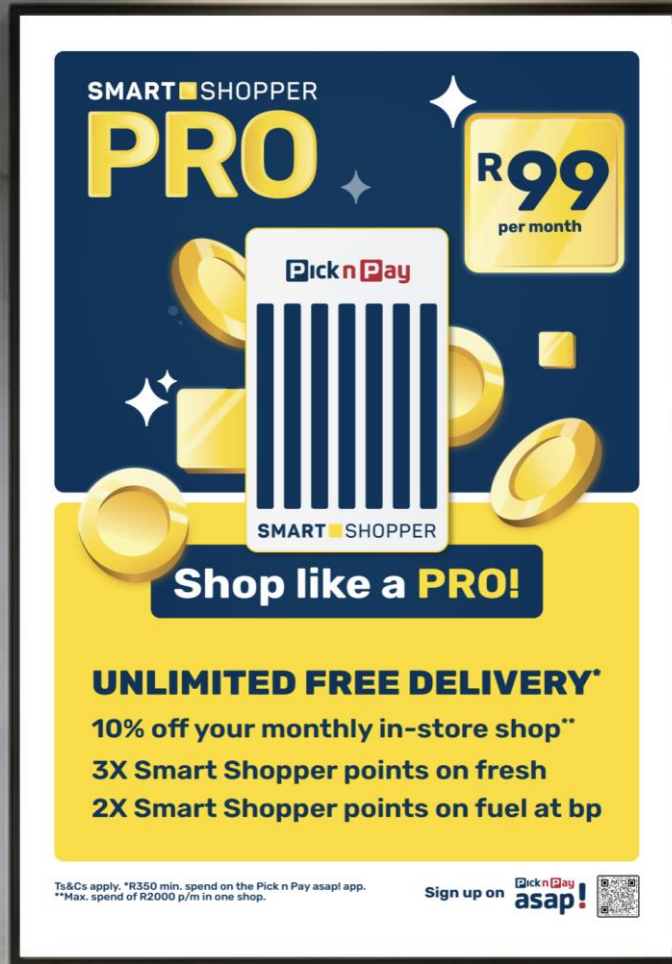
**PnP Clothing launched
on ASAP! in March 2026**

ONLINE SALES

+137%

**YEAR-ON-YEAR
vs Mar-Aug 2025**

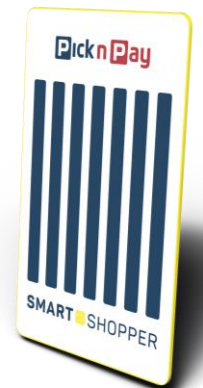
SMART SHOPPER PRO | MORE VALUE MORE OFTEN



- Launching Smart Shopper PRO – a new premium paid-loyalty tier, a first for PnP
- Four everyday benefits: unlimited free asap! delivery, extra 10% off in-store, 3x points on fresh, 2x points on bp fuel
- Deeper engagement across asap!, in-store and bp – more frequent shopping, bigger baskets and stronger retention
- Richer first-party insight into how customers shop, powering more personalised, more relevant value for them

A dark blue rounded rectangle containing four benefits, each with a yellow icon and text. The benefits are: 'UNLIMITED FREE ASAP! DELIVERY' with a delivery scooter icon, '10% extra in-store discount' with a shopping cart icon, '3X points on fresh groceries' with a basket icon, and '2X points on bp fuel' with a fuel pump icon. A yellow star is in the bottom right corner.

- UNLIMITED FREE ASAP! DELIVERY**
- 10% extra in-store discount**
- 3X points on fresh groceries**
- 2X points on bp fuel**



SUPPLY CHAIN EFFICIENCY GAINS REMAIN ON TRACK

- Inventory optimisation released significant working capital, whilst maintaining customer service levels
- Improvements across forecasting, replenishment and store planning disciplines advancing decision making
- DP World and Lieben Logistics delivering guaranteed savings as per plan
- Strong cost control helping to mitigate economic and trading headwinds



STORE LABOUR MODEL AGREEMENT CONCLUDED

- Pick n Pay and SACCAWU have concluded a collective agreement following the Section 189A consultation process initiated on 4 May 2026
- The agreement establishes a more flexible, efficient and sustainable store labour model, with implementation commencing on 1 November 2026
- The agreed measures substantially address the Company's operational requirements and support improved labour productivity, workforce flexibility and customer service
- The agreement provides greater certainty for employees and the business, creating a stable platform from which to further progress PnP's recovery plans
- The successful conclusion of the process reflects the constructive engagement and cooperation demonstrated by both PnP and its organised labour partners during the consultation period, which was ably facilitated by the CCMA
- No operational-requirements dismissals have been necessary, enabling PnP to enter its peak trading period with stability, alignment and focus on serving customers



PNP CLOTHING GROWTH SUPPORTED BY HIGHER VOLUMES

- Our growth remains volume led with positive growth over the 6 months against unit decline reported in the market
- Market share gains continue* driven by lifestyle apparel, Baby and Schoolwear
- Launched PnP Clothing on ASAP! and relaunched website – combined online sales growth of +137% for H1
- Opened 7 new stores and revamped 13, with sales growth since revamps outperforming rest of the estate
- Priorities for the second half include:
 - 10 store revamps planned for H2
 - Introduction of hybrid picking and assortment planning tools



YEAR-ON-YEAR
vs Mar-Aug 2025

3.9% ▲

Pick n Pay Clothing

0.3%

Rest of market*

2-YEAR CAGR
vs Mar-Aug 2024

7.9% ▲

Pick n Pay Clothing

2.5%

Rest of market*

PARTNERSHIPS UNLOCKING GROWTH



~6m FNB eBucks customers

99c bread expansion

eBucks spend on asap!



55+ years partnership

Banking, retail, digital

SA's most cost-effective domestic money transfers



Campaigns drive frequency, benefiting both Fuel and PnP Express shop



BOXER | H1 FY27 HIGHLIGHTS



Operational momentum

- 24 new stores opened with no closures, taking estate to 600 stores
- Healthy LFL implied volume growth in the context of internal selling price deflation
- Sustained monthly market share gains*

Solid financial result despite challenging environment

- Careful management of operational levers to deliver earnings growth
- R2.3bn net cash on hand, with all long-term debt repaid

Strategic Initiative Advancement

- B-Media launched, with successful flagship Nyama Battle series on eTV
- Further B-inside supplier on-boarding
- Strengthened store opening pipeline
- Focus on business efficiencies within the Boxer virtuous circle
- Improved B-BBEE Scorecard to Level 5

* Boxer's independent calculations are based on data reported by NielsenIQ through its Retail Index Service for FMCG, for the period week ending 08/03/2026 to week ending 30/08/2026, Modern Trade South Africa. (Copyright© 2026 NielsenIQ.)

STEADY DELIVERY AGAINST OUR STRATEGIC PRIORITIES

Completed initiatives:

- Successful recapitalization of the business
- Leadership structures re-established and succession plans in place across senior roles, incl. CEO successor
- Store estate reset plan (targeting loss-making stores) successfully executed
- Strengthened partnerships delivering mutual growth



In-progress initiatives:

- Positive like-for-like volume growth in a challenging market
- Significant progress across our Future Fit priorities – concluded Store Labour Model agreement is a critical milestone now achieved



**WELCOME
SPENCER SONN**

KEY TAKEAWAYS



- Pick n Pay reduced its loss despite a challenging market, but substantial further profitability improvement remains necessary
- An improving customer experience is supporting topline growth, and initial benefits of other turnaround priorities in place are beginning to show in financial results
- Further benefits from several initiatives are expected over the next 2½ years towards the FY29 break-even target
- Importantly, the concluded Store Labour Model agreement is critical to PnP's ability to reach profit break-even
- We are encouraged by PnP SA supermarket LfL sales growth that has further improved after period-end
- I thank all colleagues and our valued franchise partners as we rebuild and re-energise the business