

↑7.0%
growth in revenue
to **R35.3bn**

↑25.2%
growth in operating
profit¹ to **R3.4bn**

6.9%
comparable²
operating profit
growth

↑39.9%
increase in headline earnings
per share to **50.7 cents**

3.4%
comparable²
headline earnings
per share growth
to **52.4 cents**

164
new stores opened
during the period

**Internal funding
of credit books
commenced**

Unaudited interim results

FOR THE SIX MONTHS
ENDED 31 MARCH 2019

PEPKOR
Holdings Limited

The Pepkor group reported satisfactory results during the six months ended 31 March 2019 (H1FY19) in a challenging retail market.

GROUP PERFORMANCE



As long as we stay passionate and sincere about understanding our customers and delivering on what they need, we will grow as a group.
- LEON LOURENS, CEO

Pepkor's defensive market positioning of offering value to customers by providing everyday products at affordable prices and at customers' convenience, underpins the group's performance.

Pepkor continued to grow its market share in the period under review, and the group's retail store footprint expanded to **5 332** stores, including **164** new store openings.

The group achieved revenue growth of **7.0%** to **R35.3 billion** and on a comparable basis, operating profit increased by **6.9%** to **R3.4 billion**. Earnings growth on a comparable basis was achieved with respectable headline earnings per share growth of **3.4%** to **52.4 cents**.

Pepkor has **49 000** employees whose purpose is to provide value that enriches customers' lives – making their lives better and easier. Management remains cautiously optimistic about the retail environment as the group continues to identify opportunities for growth and expansion.

As in the prior reporting period, the board resolved not to declare an interim dividend.

About this short-form announcement

This short-form announcement ('this announcement') is the responsibility of the directors.

It should be noted that this announcement is only a summary of the information in the detailed announcement and therefore does not contain full or complete details. Any investment decisions by investors and/or shareholders should be based on the information in the detailed announcement.

The detailed announcement is available on the company's website: www.pepkor.co.za and is available for inspection at the registered office of the company and the offices of the sponsor, free of charge to investors and/or shareholders, during office hours (09:00 – 17:00) from Monday to Friday. Copies of the detailed announcement may be requested by emailing investors@pepkor.co.za or by contacting Pepkor investor relations on +27 21 929 4800.

By order of the board
Company secretary
29 May 2019

Corporate information

PEPKOR HOLDINGS LIMITED ('Pepkor' or 'the company' or 'the group') (previously Steinhoff Africa Retail Limited) (Incorporated in the Republic of South Africa)
EXECUTIVE DIRECTORS LM Lourens (Chief executive officer), RG Hanekom (Chief financial officer) | **NON-EXECUTIVE DIRECTORS** J Naidoo (Chairman), JB Cilliers¹, PJ Dieperink, LJ du Preez, PJ Erasmus (resigned 29 January 2019), MJ Harris, W Luhabe² (appointed 1 January 2019), SH Müller, F Petersen-Cook, DM van der Merwe, JD Wiese³ *Lead independent* ¹Independent
REGISTRATION NUMBER 2017/221869/06 | **SHARE CODE** PPH | **ISIN** ZAE000259479 | **REGISTERED ADDRESS** 36 Stellenberg Road, Parow Industria 7493
POSTAL ADDRESS PO Box 6100, Parow East 7501 | **TELEPHONE** 021 929 4800 | **E-MAIL** info@pepkor.co.za | **TRANSFER SECRETARIES** Computershare Investor Services Proprietary Limited, Rosebank Towers, 15 Biermann Avenue, Rosebank 2196 | **COMPANY SECRETARY** Pepkor Proprietary Limited
AUDITORS PricewaterhouseCoopers Inc. | **SPONSOR** PSG Capital Proprietary Limited

STATUTORY RESULTS

	Six months ended 31 March 2019	Six months ended 31 March 2018	% change
Revenue (Rm)	35 298	32 998	7.0
Operating profit ¹ (Rm)	3 390	2 708	25.2
Earnings per share (cents)	50.8	36.2	40.2
Headline earnings per share (cents)	50.7	36.2	39.9
Net asset value per share (cents)	1 632.6	1 545.9	5.6

¹ Before capital items

² Pepkor's statutory results include one-off items that impact its comparison to the previous period.

Additional information is included in the detailed announcement available on the company's website: www.pepkor.co.za

SEGMENTAL PERFORMANCE

Clothing and general merchandise

The clothing and general merchandise segment reported revenue growth of **5.2%** to **R23.1 billion**, contributing **66%** of group revenue for the period under review. The challenging conditions within the discount and value retail sectors weighed on sales growth. By Pepkor standards, the sales growth achieved by many of its retail brands was lower than expected. However, the group increased its market share. Momentum in retail store footprint expansion continued. Retail brands within the segment opened **136** new stores during the period.

PEP maintained its market share and position as price leader despite particularly challenging trading conditions. Performance was supported by good growth in the Babies and Home departments, with strong growth achieved in Fast Moving Consumer Goods (FMCG) and Financial Services. The PAXI parcel delivery service celebrated its first full year of operation and reported good growth, with **45 000** parcels currently being sent on a monthly basis.

Ackermans' strong customer value proposition of providing value to 'women with kids in their lives' continued to drive growth and outperformed the market once again. Strong growth in Women's Wear continued to be reported, supported by the Ackermans Woman retail format.

PEP Africa contributed **3.4%** to group revenue during the period and reported like-for-like sales growth of **10.8%** in constant currency terms. The business continues to focus on enhancing processes, systems and efficiencies as it consolidates its base.

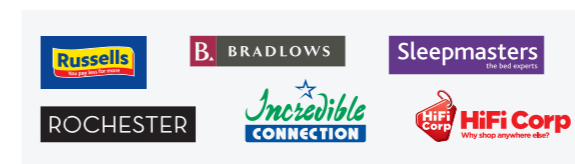
The Speciality division reported strong results with exceptional performances by the Refinery and John Craig retail brands.

Tekkie Town management has been successful in continuing to grow and expand the business while key projects are underway to enhance its supply chain and stock management ability.



Furniture, appliances and electronics

Performance in this segment was characterised by difficult trading conditions where customer spending was more focused on essentials than durables and resulted in merchandise sales growth of **1.4%**. Despite the challenging trading environment, profitability was restored, reflecting the positive outcome of management's focus on efficiency gains and containing the segment's cost of doing business.



Building materials

The Building Company reported sales growth of **1.5%** and like-for-like growth of **2.3%** during the period with the building materials market currently experiencing its worst contraction in more than a decade. As a result, the business faced the dual challenge of defending its market share while margins and profitability were under pressure.



FinTech

The FinTech segment increased revenue by **32.3%** to **R3.2 billion**. The FLASH business continues to report strong growth. The number of FLASH traders increased to **156 000** from **131 000** in the comparative period.

The Capfin business performed well during the period and Pepkor commenced internal funding for the new Capfin loan book.



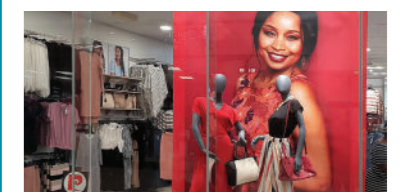
12 African countries



5 300+ stores



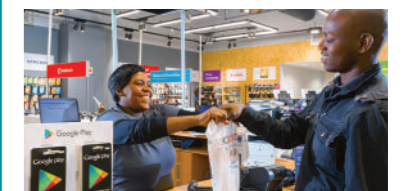
49 000 employees



2.4 million m² retail space



400 million+ transactions per annum



1 billion+ products sold per annum