PRESS RELEASE – FOR RELEASE ON 24 NOVEMBER 2026

Pepkor's retail-powered consumer platform drives 9.7% normalised HEPS growth and crosses R100 billion revenue milestone

South Africa, 24 November 2026: JSE-listed Pepkor Holdings Limited delivered 9.7% growth in normalised headline earnings per share (HEPS) for the financial year ended 30 September 2026 (FY26). Normalised HEPS excludes pre-operating investments in its PlusB digital banking proposition.

The group crossed R100 billion in annual revenue for the first time, reporting an 11.9% increase to R105.9 billion (+7.3% organic; two-year organic CAGR of 9.6%) and a dividend of 57.9 cents per share was declared, up 9.3%.

Pieter Erasmus, Chief Executive Officer of Pepkor Holdings Limited, noted that the group's unique retail-powered consumer platform continued to outpace broader market conditions, expanding market share (RLC) by more than 200 basis points across core product categories. "Passing R100 billion in revenue is a proud milestone, but how we got there matters more. Our store network is no longer merely a conduit for retail sales; with over 38 million known customers across more than 6 700 stores and a rapidly scaling digital ecosystem, it operates as a powerful customer acquisition platform," said Erasmus.
He added: "Our customers faced a challenging year with constrained disposable income, and they continued choosing our stores for affordable value and easy access. By connecting retail, financial services and informal market fintech, we solve real customer needs. Financial services and the informal market fintech businesses now contribute close to a fifth of our headline earnings, with significant runway ahead."

Performance Highlights – Continuing Operations

Metric	FY26 Performance
Revenue	Up 11.9% to R105.9 billion (+7.3% organic; 2-year organic CAGR: +9.6%)
Gross profit margin	Up 170 basis points to 41.5% (+60 bps retail gross margin)

Metric	FY26 Performance
Operating profit (before capital items)	Up 7.4% to R11.9 billion (+9.0% normalised[3])
Headline earnings per share (HEPS)	Up 6.9% to 171.3 cents (+9.7% normalised[3] to 177.5 cents)
Cash generated from operations	Up 40.6% to R15.3 billion
Free cash flow	More than doubled to R4.8 billion (FY25: R1.7 billion)
Dividend declared	57.9 cents per share, up 9.3%
Platform & omnichannel scale	6 744 retail stores (699 net stores added); >18.5 million +more members (+45%); online sales up 42.2%

Normalised figures exclude pre-operating investments in the group's PlusB digital banking proposition.

Improved free cash flow, capital discipline and a strengthened balance sheet

Disciplined working capital management and clean inventory levels drove a 40.6% increase in cash generated from operations to R15.3 billion. As capital expenditure on strategic infrastructure started to moderate, free cash flow rose to R4.8 billion (FY25: R1.7 billion), while net debt-to-EBITDA improved to 0.67 times (FY25: 0.77 times) – well within the group's target range.

Retail Platform: Defending value and winning market share

Pepkor's retail-powered consumer platform continued to expand across physical and digital channels, deepening customer touchpoints across a network of 6 744 stores (+326 opened, 93 converted and 541 acquired). Group retail sales increased by 10.1% (+4.8% excluding acquisitions), with like-for-like (LFL) sales growing 2.6%. South African retail operations consistently outperformed the broader market despite subdued consumer spending, elevated living costs and cycling the prior year's initial two-pot retirement withdrawals. Online sales grew

42.2% to represent 1.5% of group sales, while active +more loyalty members exceeded 18.5 million and A+ credit accounts grew by 1.4 million to 4.1 million.

- **PEP:** Delivered sales growth of 5.1% and expanded market share across Babies, Kids, Adult, Footwear and Home. PEP opened 95 new stores to reach 2 772 stores and ended the year with its full product assortment launched online. Operational momentum remained strong, with 9 million cellular handsets sold and PAXI parcel volumes rising 18% to 8.1 million.
- **Ackermans:** Experienced a more subdued year, with sales edging up 0.2% following deliberate tightening of credit granting and assortment challenges in Babies and Kids. The Babies and Kids assortment was reset and market share was gained in Schoolwear, Footwear, Women and Beauty, while online sales grew 50%.
- **Speciality:** Speciality sales jumped 51% following the successful integration of the Legit, Swagga and Style (+474 stores) acquisition, providing scale in adultwear.
- **Lifestyle:** Grew sales by 15.3% and achieved R1 billion in online sales, while the group also integrated 67 non-RSA OK Furniture and House & Home stores acquired.
- **Brazil:** In Brazil, Avenida delivered a strong operational recovery with constant currency sales up 12.5%.

FinTech & Financial Services: Disruptive scale and deepening engagement

Financial Services is Pepkor's fastest-growing and highest-margin segment, multiplying customer lifetime value by deploying accessible solutions across the retail store footprint. Segment revenue rose 35.2% to R6.2 billion, while operating profit grew 37.0% to R1.5 billion. FoneYam's active cellular rental customer base expanded 32% to 2.7 million, with repeat rentals outperforming expectations at a 42% take-up rate. Abacus Insurance achieved a R1.0 billion profit contribution one year ahead of plan and now covers more than 1.6 million lives through funeral policies.

The process to obtain a banking licence has advanced positively and is in the final stage of adjudication. Acquisition of CloudBadger technology was completed, while build costs remain within the R920 million target ahead of an H2FY27 launch (subject to regulatory approval).

Erasmus commented: "A bank is the natural next step for a business that already serves millions of South Africans every day. Our customers already pay bills, buy airtime and send money in our stores – PlusB will provide them with a simple, affordable solution, close to where they live and shop."

Informal Market Platform: Flash reaches R1 billion profit with further expansion planned

Now reported as an independent operating segment, the Informal Market Platform delivered a standout performance. Flash throughput rose 17.6% to R71 billion across a growing network of 176 000 active traders, propelling operating profit to R1 billion for the first time. In July 2026,

Pepkor announced the combination of Flash with Shop2Shop to establish FintechCo – a transformative fintech platform in which Pepkor will own more than 50%, with a combined throughput potential exceeding R200 billion. Subject to regulatory approval, completion is anticipated in the second half of FY27.

Looking ahead: Compounding platform value in FY27

Macroeconomic uncertainty, elevated living and transport costs and intense retail competition will continue to weigh on household budgets in the year ahead. However, Pepkor enters FY27 with distinctive competitive strengths: undisputed price leadership, unmatched physical and informal market scale, proven financial services capabilities and committed people.
In FY27, Pepkor's focus extends beyond growing retail sales to compounding the value of the broader Pepkor platform – opening more than 200 new stores, launching PlusB in the second half of the financial year (subject to regulatory approval) and completing the merger of Flash and Shop2Shop.
"We enter the festive trading season with a clean inventory position, a strong balance sheet and a clear strategic roadmap. Times remain tough for our customers, and that is precisely when Pepkor shows up for them." concluded Erasmus.
Ends.

About Pepkor

JSE-listed Pepkor Holdings Limited is a leading omnichannel retailer and fintech group serving value-conscious consumers across southern Africa and Brazil. Pepkor's retail-powered consumer platform serves more than 38 million known customers across 6 744 retail stores, including trusted brands such as PEP, Ackermans, Refinery, Legit, Incredible and Bradlows, alongside 176 000 traders in the informal market. Pepkor continues to solve everyday customer needs by making life's essentials affordable and accessible to all: clothing families, improving homes and connecting South Africans.