



ACQUISITION OF SHOPRITE'S FURNITURE BUSINESS

3 September 2024

Agenda



PEPKOR

01

Strategy & Value creation

CEO: Pieter Erasmus

02

Transaction rationale

CEO Pepkor Lifestyle:
Peter Griffiths

03

Q&A

01

PIETER ERASMUS – CEO

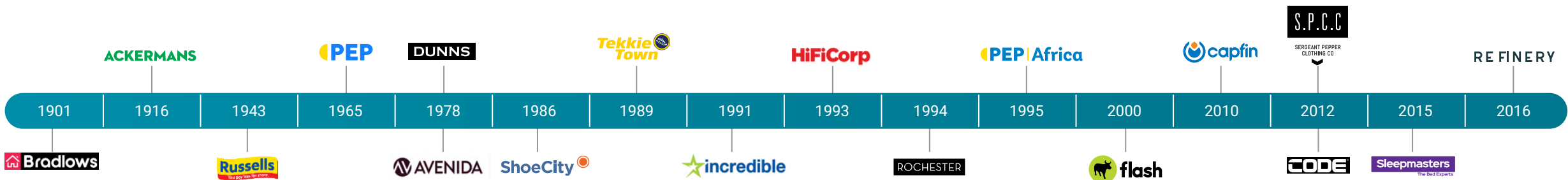
Strategy & Value creation



Pepkor today

Dominance in
Southern Africa

BUILDING INTERNATIONAL SCALE



Pepkor investment case

01 **Defensive, cash generative group with a track record of healthy returns**

Discount and value leadership

Defensive and resilient operating model

Strong cash generation

Healthy returns

02 **Closest to customers with unparalleled scale and capabilities**

 **1.9bn** transactions

 **6 000** retail stores

 **160 000** informal market traders

 **Iconic brands** and dominant market share

 **2** out of 3 baby garments (RLC)

 **1** out of 2 kids garments (RLC)

 **3** out of 4 prepaid cellular handsets (GfK)

 **Lowest** cost of doing business

03 **Significant growth opportunities**

FinTech enabled by retail core

Omnichannel development

Informal market

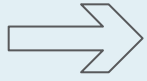
International expansion



Pepkor continues to evolve

Value creation process drives capital allocation

Value creation
plan process



01

Growth
prospects



02

Ability to scale
capabilities



03

Allocate capital
or divest

Divestments



PEP | Africa

Nigeria



Implemented
R1.2bn inflow

Investments

Traditional retail



FinTech



Transaction summary



100% of Shoprite Furniture business and assets in



South Africa



Botswana



Eswatini



Lesotho



Namibia



Zambia

Excludes



Angola



Mozambique

Adjusted

NAV valuation

- Credit book
- Insurance cell
- » • Inventory
- Fixed assets

Due diligence

completed

c.4%

of Pepkor market cap - cash purchase consideration

H2FY25

anticipated implementation



Transforming homes,
enriching lives.

02

PETER GRIFFITHS –
CEO PEPKOR LIFESTYLE

Transaction overview

Pepkor Lifestyle

Part of a powerhouse group



Rebranding completed



Common
philosophy



Serving customer
households'
needs

JD
GROUP



PEPKOR
Lifestyle



OVERVIEW

Pepkor Lifestyle

c.R11bn revenue (FY23)

6 retail brands

928 retail stores

16 distribution centres

5 countries



South Africa



Botswana



Lesotho



Namibia



Eswatini

20% credit mix in HOME (12% incl TECH)



The Bed Experts



OVERVIEW

Shoprite Furniture

c.R7bn revenue (FY24)

2 retail brands

407 retail stores

3 distribution centres



South Africa



Botswana



Lesotho



Namibia



Eswatini



Zambia

6 countries

15% credit mix



OVERVIEW

Combined entity

c.R18bn revenue

8 retail brands

1 335 retail stores

19 distribution centres

6 countries



South Africa



Botswana



Lesotho



Namibia



Eswatini



Zambia



Sleepmasters

The Bed Experts

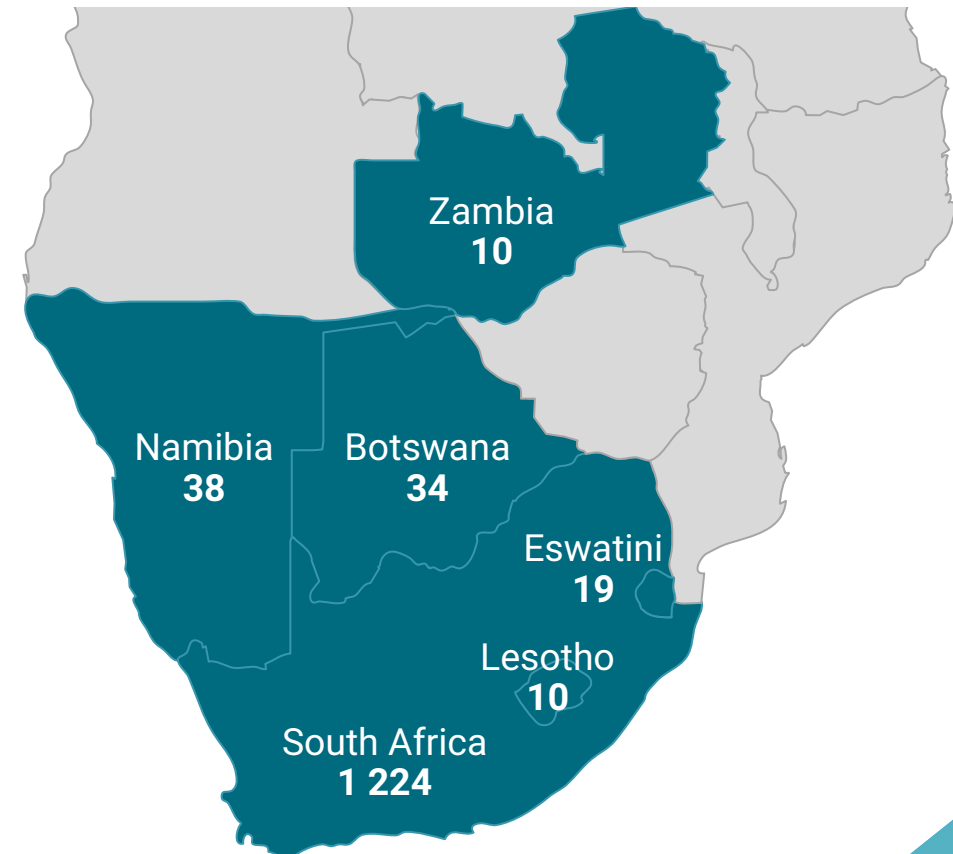
Bradlows

ROCHESTER

House & Home

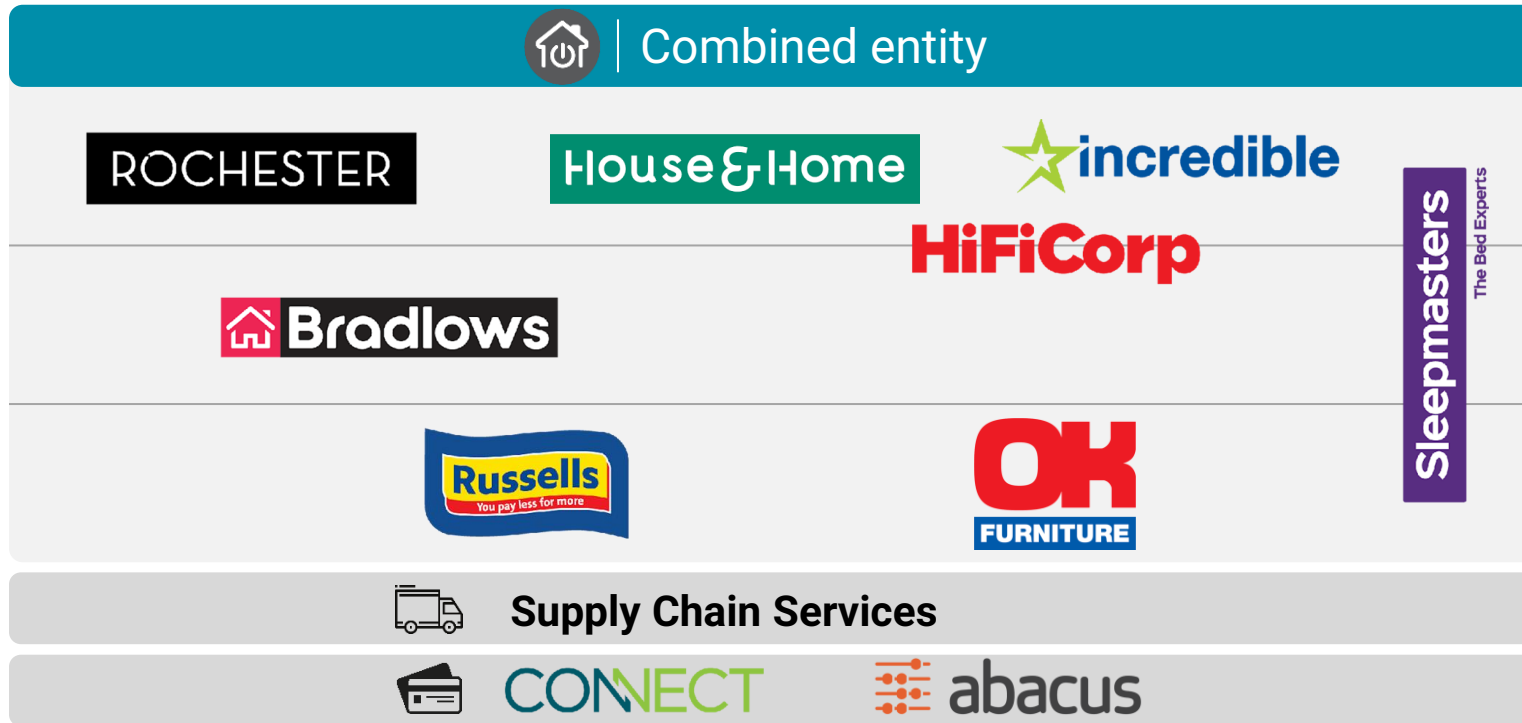


Store footprint



Pepkor Lifestyle

Improved customer value proposition



High-end,
Mass-middle

Value

Discount



Transaction rationale & Value creation

Opportunity to leverage scale & capability to enhance profitability



Value proposition

- Complementary product mix
- Leverage private label capability
- Strengthen mid-to-higher market offering



Geographic diversification and expansion

- Grow under-represented regions in SA and non-RSA
- Variety of store formats
- Rebalance and optimise store footprint



Economies of scale

- Digital first and scalable back-end systems
- Leverage fixed cost base
- Synergies & operational efficiencies
- Grow profitability over time



Financial services

- Leverage credit systems and capability
- Integrate insurance cell captive into Abacus
- Expand insurance offering



E-commerce

- Leverage e-commerce infrastructure and maturity
- Improve last mile efficiency

04

Q&A





THANK YOU