

## FINAL

### **Pepkor delivers strong 12.1% normalised HEPS growth off a high base**

**South Africa, 26 May 2026:** JSE-listed [Pepkor Holdings Limited](#) has reported a 13.2% increase in group revenue to R54.8 billion and 12.1% growth in normalised headline earnings per share (HEPS) for the six months ended 31 March 2026 (H1FY26), delivered off a strong prior-year base that increased by 19.2%. Operating profit grew by 9.4% to R6.3 billion, while the group continued to expand its retail footprint, scale its financial services capabilities, and integrate strategic acquisitions.

Trading momentum strengthened through the period, with Retail Platform sales growth accelerating from 10.6% in the first quarter to 12.0% in the second quarter. This supported further market share gains, expanded customer reach across physical and digital channels, and strong growth across the Financial Services and Informal Market Platform segments.

Pieter Erasmus, Chief Executive Officer of Pepkor Holdings Limited, said: “These results reflect the strength of our business model and the disciplined execution of our strategy. We continue to expand our scalable, retail-powered consumer platform, extending our reach through financial services and the informal market - serving customer needs from babywear to banking.”

He added, “Growing normalised HEPS by 12.1% off a high base, and by 15.6% on a two-year CAGR basis, demonstrates the execution capability of Pepkor.”

### **Financial highlights (continuing operations)**

- **Revenue** up 13.2% to R54.8 billion (8.5% excluding acquisitions)
- **Operating profit** (before capital items) up 9.4% to R6.3 billion
- **Gross profit margin** expanded by 170 basis points to 40.8%
- **Headline Earnings Per Share (HEPS)** up 10.3% to 93.1 cents (+12.1% on a normalised basis)
- **EBITDA** up 11.6% to R9.1 billion
- **Cash generated from operations** up 15.1% to R4.1 billion
- **Return on net assets** of 20.7%
- **6 657 retail stores**, with 89 new stores opened and 541 added through acquisitions
- **17 million** +more loyalty members
- **Online sales growth** of 30.9%

## **Consistent growth across the Retail Platform**

Pepkor's Retail Platform, spanning the Clothing and General Merchandise and Furniture, Appliances and Electronics segments, increased sales by 11.2%, with like-for-like sales up 3.6% off a prior-year base of 7.9%. On a two-year basis, like-for-like sales grew by 5.7%.

PEP increased sales by 6.3%, with like-for-like growth of 4.3%, and expanded market share in Babies, Kids, Adult and Home. The brand added 38 new stores, reaching a footprint of 2 725, while PEP Home reached 483 stores and successfully launched online in October 2025. PEP sold 4.9 million handsets during the period and activated 750 000 FoneYam accounts, representing a 42% increase. PEP Home was launched online, followed by schoolwear and 30 000 online orders were completed during the period.

Ackermans grew sales by 1.3%, with like-for-like sales declining 0.5% off a high prior-year base of 9.6%, with challenges faced in seasonal transition, a shift away from lay-bys and product execution issues in Babies and Kids. Despite this, the brand gained market share in schoolwear and footwear, and online sales grew by 72%.

The Speciality division increased sales by 49.1%, inflated by the acquisition of Legit, Swagga and Style (474 stores). Like-for-like sales increased by 5.1% and market share was expanded in adultwear (excluding acquisitions). Newly acquired Legit outperformed expectations with 13.0% sales growth in womenswear, while CODE's performance accelerated through Swagga store conversions.

Choice Clothing, Pepkor's entry into the off-price segment, continued to gain traction, with trading densities up 6.2% and 15 new stores opened (14 stores opened in 1 day), expanding its footprint to 118 stores.

In the Furniture, Appliances, and Electronics segment, Lifestyle grew sales by 13.9%, outperforming the market across several key product categories, with online sales up 20%. The acquisition of OK Furniture and House & Home added 67 stores outside South Africa. Implementation of the South African component of the transaction has been delayed pending review by competition authorities and intervention by a competitor.

Internationally, performance in Avenida (Brazil) recovered strongly during the period, with like-for-like sales up 10.3% in constant currency. PEP Africa grew sales by 8.7% in constant currency, with like-for-like growth of 9.3%.

## **Standout growth in financial services and informal market expansion**

Pepkor's newly defined Financial Services segment delivered standout growth, with revenue up 41.6% to R3.0 billion and operating profit up 63.4% to R691 million. FoneYam activated

1.3 million cellular rental accounts during the period (+32%), taking the active base to 2.4 million. Customer take-up of a second FoneYam rental after completing the first has exceeded expectations, effectively extending customer lifetime value.

Abacus insurance revenue more than doubled to R718 million as the business continued to expand its embedded and bundled offerings across the group's brands. Funeral cover sold during the period extended insurance protection to more than 1.3 million lives. Capfin grew its active loan base to 378 000 loans, with the gross credit book increasing to R5.3 billion.

The group received regulatory approval (subject to conditions) from the Prudential Authority under section 13(1) of the Banks Act to establish a bank in South Africa, and has subsequently completed its section 16 application. CloudBadger Technologies, a South Africa-based financial services platform and team, was acquired effective 1 October 2025 to support the group's banking ambitions through PlusB.

The Informal Market Platform segment, anchored by Flash, increased throughput by 20.3% to R34.7 billion. Flash ended the period with 176 000 active traders and 79 000 acquiring devices in the Trader division, driving a 28% increase in tapped value. Aggregation throughput grew by 59%, while voucher redemptions in the Consumer division grew by 31% to 232 million.

## **Outlook**

Erasmus concluded, "Trading conditions are expected to remain challenging in the short term, with like-for-like sales growth of 3.7% recorded in the first eight weeks following March (against a high prior-year base of 10.8%). The group remains focused on the continued expansion of its Retail Platform across categories, segments and geographies, integration of acquired businesses, scaling of its financial services and banking proposition, and ongoing growth across the informal market value chain. Pepkor, through its business model and capabilities is uniquely positioned to outpace broader market conditions and to continue creating sustained value for shareholders."

## **ENDS**

### **About Pepkor:**

JSE-listed Pepkor has the largest retail store footprint in southern Africa, with more than 6 600 stores including trusted brands such as PEP, Ackermans, Refinery, Incredible Connection and Bradlows, some established over 100 years ago.

Pepkor continues living its purpose to make a difference by solving customer needs and making life's essentials affordable and accessible to all, continuing to play a critical role in clothing families, improving homes, and connecting the South African nation.