



# H1 FY26 Results

26 weeks ended  
31 August 2025

The logo for Pick n Play, with 'Pick n' in blue and 'Play' in red, is prominently displayed at the top of the image. Below it, the interior of a supermarket is visible, featuring a 'Pizza' sign, a 'BUTCHER' sign, and a large pizza oven. The foreground shows a display of flowers and shopping carts.

Pick n Play

# H1 FY26 Results

26 weeks ended  
31 August 2025

Introduction

Sean  
Summers

Results Overview

Lerena  
Olivier

Strategic Update

Sean  
Summers

# INTRODUCTION



- Successful turnaround of PnP Segment remains our primary goal
- We are clear, as stated before, that it will be a multi-year journey
- We operate in a highly constrained and very competitive market
- Notwithstanding, H1 FY26 reflects further steady PnP improvement
- Our Boxer business continues to deliver a strong performance
- I am encouraged by both our progress and my team's commitment



# Pick n Play

# H1 FY26 Results

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# GROUP KEY METRICS

Turnover

**R58.8bn**

▲4.9% (▲ LfL 4.7%)

GP margin

**18.2%**

▲30bps

Total expenses

**4.8%**

growth

Trading profit

**R0.3bn**

▲ R0.2bn

Loss before tax  
& capital items

**-R0.3bn**

improved R0.7bn

EBITDA\*

**R0.3bn**

▲ R0.1bn

Headline loss

**-R0.4bn**

improved 45.3%

Net cash

**R5.1bn**

▲ R0.9bn since Feb 25

\* EBITDA (pre-IFRS16): Refer to Appendix 1 in Group interim financial statements

# TURNOVER GROWTH BY SEGMENT

Turnover (Rbn)	H1 FY26	H1 FY25	% change	LfL* % change
Pick n Pay	36.3	36.3	0.1	4.4
South Africa	34.8	34.7	0.4	▲ 4.3
Rest of Africa	1.5	1.6	(6.3)	
Boxer	22.5	19.8	13.9	▲ 5.3
Group	58.8	56.1	4.9	4.7

Pick n Pay SA Supers^ LfL sales growth %	H1 FY26	H2 FY25	H1 FY25
Company-owned	▲ 4.8	3.6	3.1
Franchise#	▲ 1.7	1.1	(1.4)
Pick n Pay SA Supers	3.8	2.7	1.3

- Pick n Pay SA Supermarkets LfL sales acceleration
  - Company-owned LfL +4.8% (LY +3.1%)
  - Franchise LfL +1.7% (LY -1.4%)
- Pick n Pay segment turnover in line with LY, reflecting Store Estate Reset
- Omnichannel sales +34.4%
- Pick n Pay Clothing +12.0% (LfL +7.5%)
- Boxer market leading sales +13.9% (LfL +5.3%)

\* Like-for-like: Refer to Appendix 2 in Group interim financial statements

^ Pick n Pay SA Supermarkets includes Hypermarkets and excludes Clothing standalone stores

# Franchise sales refers to wholesale sales from Pick n Pay to franchisees

# GROUP TRADING PROFIT SEGMENTATION

Rbn	H1 FY26			H1 FY25		
	Group	Pick n Pay	Boxer <sup>^</sup>	Group	Pick n Pay	Boxer <sup>^</sup>
Turnover	58.8	36.3	22.5	56.1	36.3	19.8
Trading profit/(loss)	0.3	(0.6)	0.9	0.1	(0.7)	0.8
Trading profit/(loss) margin	0.5%	(1.7%)	4.1%	0.1%	(2.0%)	4.1%
Trading result after leases <sup>*</sup>	(0.5)	(1.2)	0.7	(0.7)	(1.3)	0.6
Trading result after leases <sup>*</sup> margin	(0.8%)	(3.2%)	3.1%	(1.2%)	(3.5%)	3.1%

- Pick n Pay trading loss after lease interest margin improvement +30bps
- Boxer trading profit +16.2% to R0.9bn, trading margin maintained at 4.1%, reflecting strong trading result

\* Lease finance expense less lease finance income. Refer to Appendix 1 in Group interim financial statements

<sup>^</sup> As consolidated by the PIK Group



# BOXER KEY METRICS

<p><b>Turnover</b></p> <p><b>R22.5bn</b> ▲ 13.9% (Lfl ▲ 5.3%)</p>	<p><b>GP margin</b></p> <p><b>20.3%</b> in line with LY</p>	<p><b>Trading profit</b></p> <p><b>R0.9bn</b> ▲ 16.2%</p>
<p><b>Trading margin</b></p> <p><b>4.1%</b> in line with LY</p>	<p><b>EBITDA*</b></p> <p><b>R1.1bn</b> ▲ 14.2%</p>	<p><b>Headline earnings</b></p> <p><b>R0.5bn</b> ▲ 5.3%</p>



As consolidated by the PIK Group, Boxer 65.6% owned since November 2024

\* EBITDA (pre-IFRS16): Refer to Appendix 1 in Group interim financial statements

# PICK N PAY KEY METRICS

Turnover

**R36.3bn**

▲0.1% (▲Lfl 4.4%)

GP margin

**16.9%**

▲40bps

Trading loss

**-R0.6bn**

improved 13.5%

Trading loss after  
leases\*

**-R1.2bn**

improved R0.1bn

EBITDA\*

**-R0.8bn**

in line with LY

Loss before tax  
& capital items

**-R1.0bn**

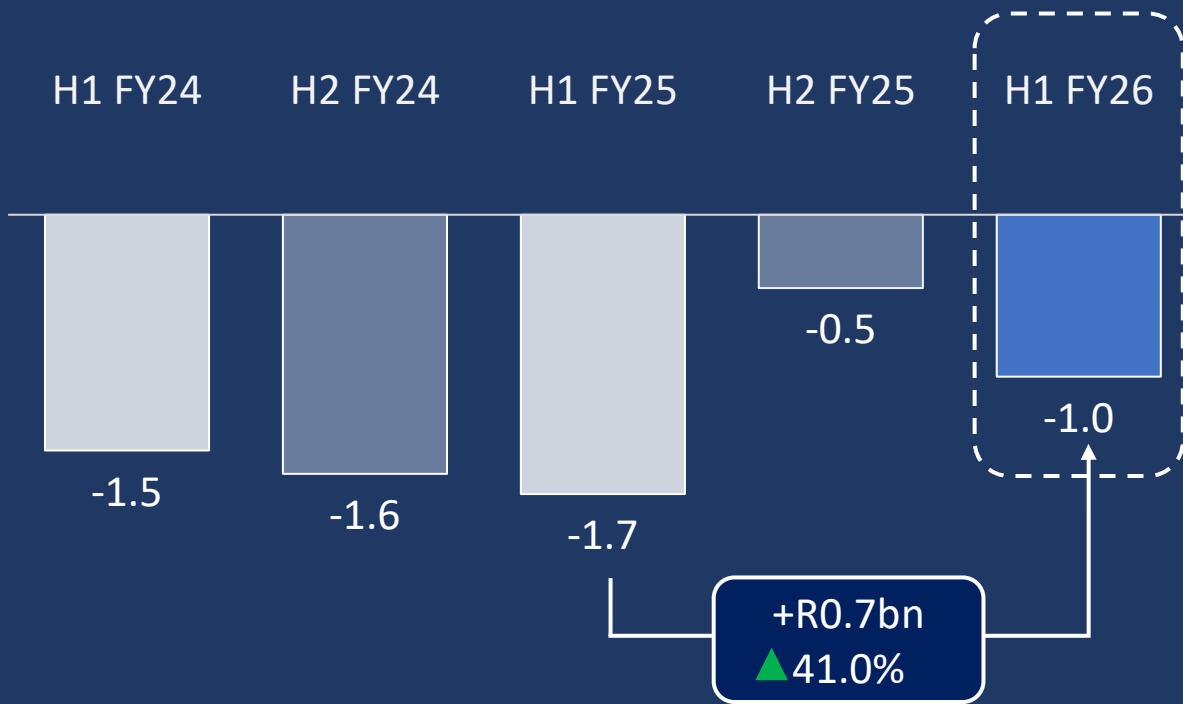
improved R0.7bn



\* Trading loss after leases and EBITDA (pre-IFRS16): Refer to Appendix 1 in Group interim financial statements

# PICK N PAY PROFIT MOMENTUM

Loss before tax & capital items (Rbn)



- Meaningful improvement to profitability
  - Loss before tax and capital items R1bn (LY R1.7bn)
  - Year-on-year improvement R707m
- FY25 Recapitalisation delivered interest benefit R598m
- Trading loss improved R97m

# PICK N PAY TRADING RESULT OVERVIEW

Rbn	H1 FY26	H1 FY25	% change
Turnover	36.3	36.3	0.1
Gross profit	6.1	6.0	2.2
Other income	1.3	1.3	2.7
Trading expenses	(8.0)	(8.0)	0.9
Trading loss	(0.6)	(0.7)	(13.5)
EBITDA*	(0.8)	(0.8)	in line
Gross profit margin	16.9%	16.5%	
Expenses as a % of turnover	22.2%	22.0%	
Trading loss margin	(1.7%)	(2.0%)	

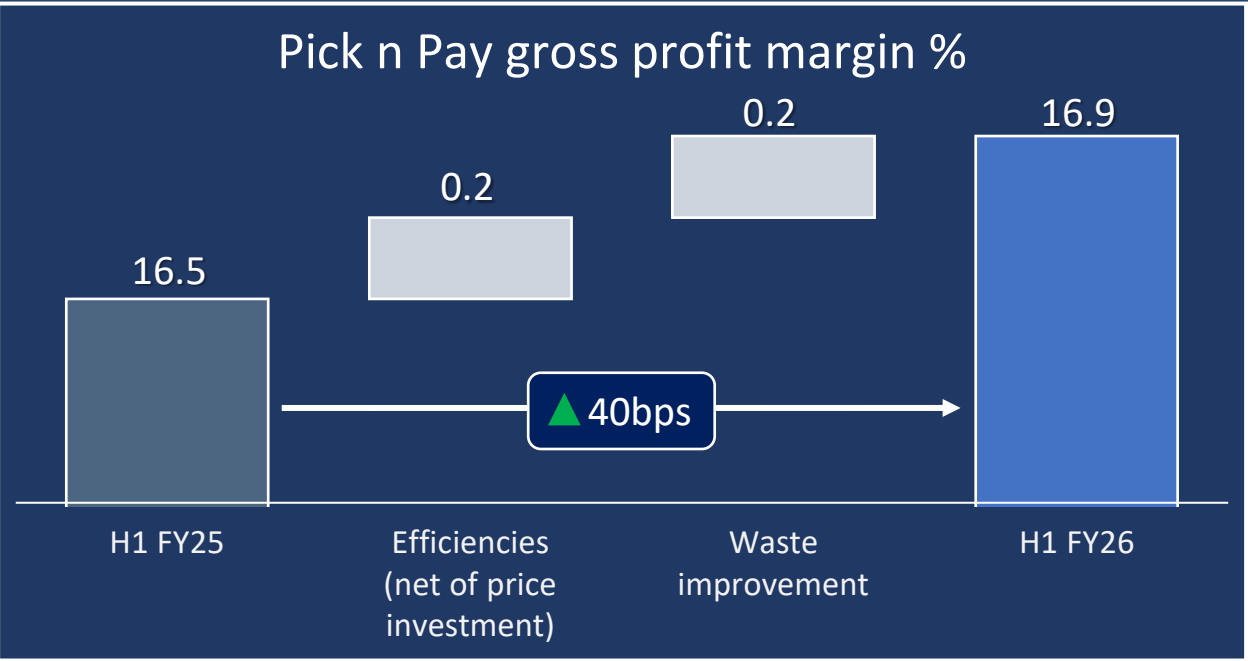
- Trading loss reduced to R621m
- Trading margin improved +30bps
  - Improved GP margin +40bps
  - Expenses as a % of turnover +20bps
  - Other income +2.7%, ahead of sales growth
- Store Estate Reset successfully executed
  - Benefits reinvested to build retail excellence
  - LfL expenses +6.2% ahead of LfL sales +4.4%
  - EBITDA in line with LY

\* EBITDA (pre-IFRS16): Refer to Appendix 1 in Group interim financial statements

# GROSS PROFIT MARGIN ANALYSIS

Rbn	H1 FY26	% change	Margin %	Margin % change
Pick n Pay	6.1	▲ 2.2	16.9	▲ 40bps
Boxer	4.6	▲ 14.3	20.3	Flat
Group	10.7	▲ 7.0	18.2	▲ 30bps

- Pick n Pay GP margin +40bps to 16.9%
  - Price competitive
  - Improved customer offer
  - Investment in franchise
  - Category management & logistic efficiencies
  - Further momentum on waste reduction
- Pick n Pay SA internal selling inflation 2.1%, in line with LY, below CPI food 4.6%
- Positive LfL volume growth 2.2%



# TRADING EXPENSES

Group (Rbn)	H1 FY26	H1 FY25	% change
Pick n Pay	8.0	8.0	0.9
Boxer <sup>^</sup>	3.8	3.4	14.0
Total	11.9	11.4	4.8

Pick n Pay (Rbn)	H1 FY26	% change	LfL* % change
Employee costs	3.3	3.3	7.4
Occupancy costs	1.1	(10.8)	1.5
Operations costs	2.1	0.6	6.1
Merchandise & admin	1.6	6.3	8.2
Expected credit loss allowance	0.1	(17.4)	
Total	8.0	0.9	6.2

- Pick n Pay LfL expenses driven by investment to build a future-fit business
  - Enhanced in-store customer experience
    - Focused staff training
    - Selective hiring of key skills
  - Brand investment
  - Remaining expenses well controlled
- Pick n Pay trading expenses only +0.9%
  - Store Estate Reset & related depreciation savings
  - Occupancy costs excluding lease profits -1.8%
- LFL expenses key focus area going forward

\* Like-for-like: Refer to Appendix 2 in Group interim financial statements

<sup>^</sup> As consolidated by the PIK Group

# PICK N PAY NET FINANCE COSTS

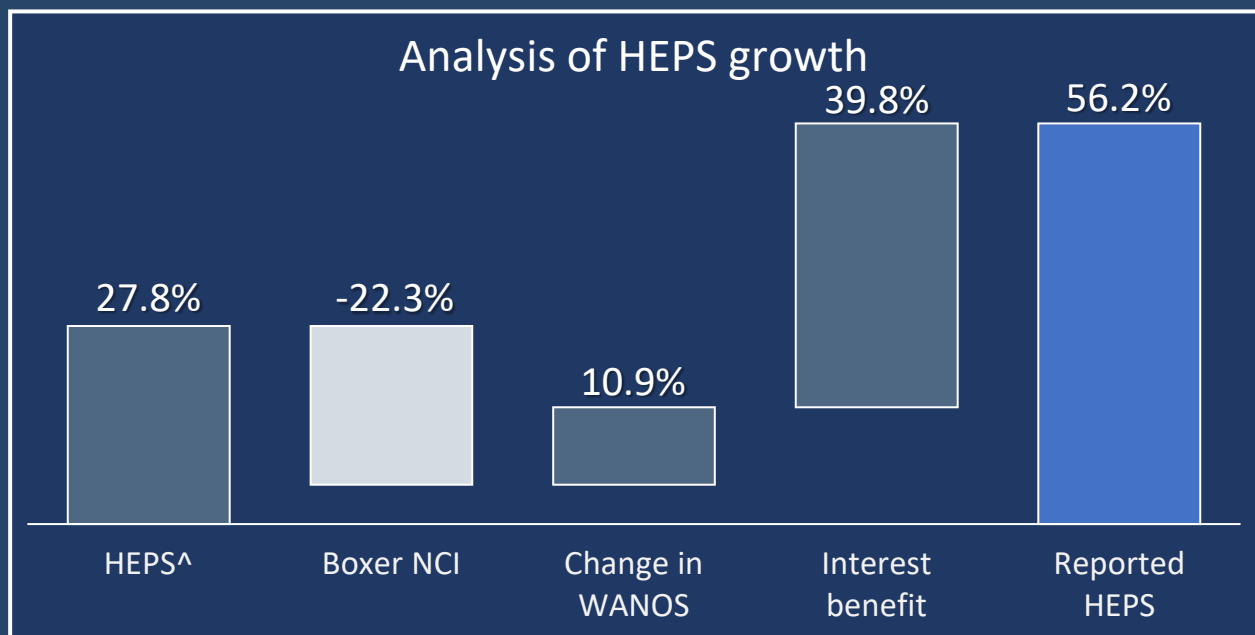
Pick n Pay (Rbn)	H1 FY26	H1 FY25	% change
Net funding interest	0.1	(0.4)	(132.6)
Net lease interest	(0.5)	(0.6)	(2.2)
Net finance costs	(0.4)	(1.0)	(60.6)

- Pick n Pay net finance costs reduced 60.6%
  - Net funding interest positive swing
  - H2 FY25 debt paydown on conclusion of recapitalisation
- Net lease interest reflects Store Estate Reset



# GROUP EARNINGS PER SHARE

	H1 FY26	H1 FY25	% change
Headline loss (Rm)	(439)	(803)	45.3
HEPS (cents)	(59.77)	(136.60)	56.2
EPS (cents)	(67.53)	(140.83)	52.0
WANOS* (millions)	734.5	587.5	25.0



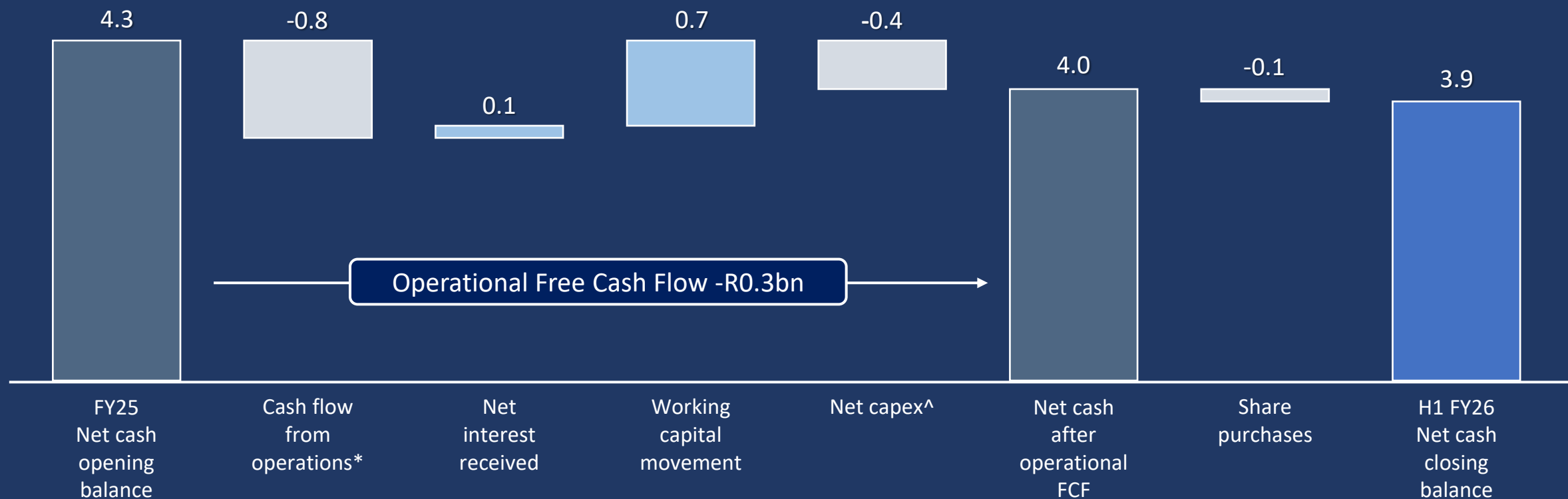
- Significant improvement in HEPS +56.2%
  - Net funding interest benefit R537m
  - 25% increase in WANOS from PIK Rights Offer Aug 2024
  - Boxer 34.4% non-controlling interest Nov 2024
- Excluding these items, HEPS improved 27.8% reflecting trading result improvements in both Pick n Pay and Boxer

\*WANOS: weighted average number of ordinary shares

<sup>^</sup>HEPS before change in WANOS, Boxer NCI and interest benefit

# PICK N PAY FREE CASH FLOW PROFILE

Cash generation and utilisation (Rbn)



FCF – Free cash flow

\* Before non-cash flow impact of IFRS16 & include FCF items for tax & non-cash shares

^ Net capex include asset disposal proceeds

# WORKING CAPITAL MANAGEMENT

Net working capital movement (Rbn)	H1 FY26	H1 FY25
Pick n Pay	0.7	0.6
Boxer^	1.0	0.2
Group liquidity release	1.7	0.8

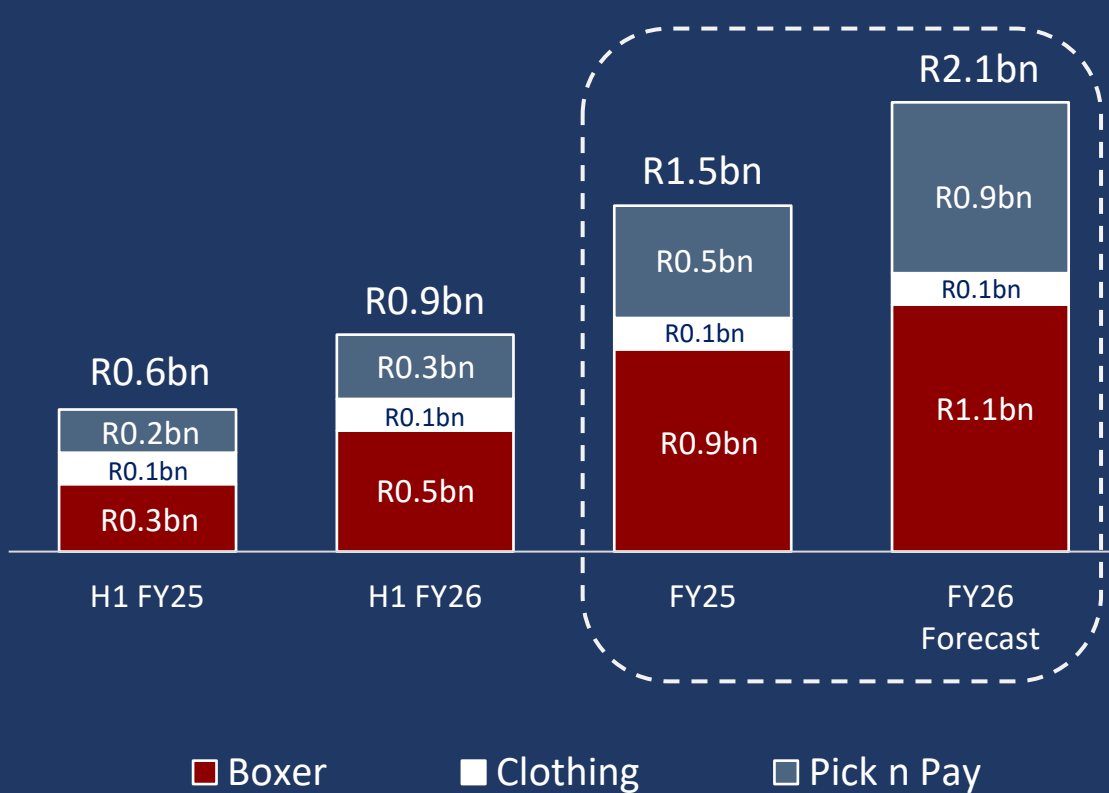
Pick n Pay (Rbn)	H1 FY26	H1 FY25	% change
Inventory	7.0	7.2	(3.5)
Trade and other receivables	3.8	3.8	(1.3)
Trade and other payables	(10.7)	(11.3)	(5.8)
Net working capital	(0.2)	(0.6)	

- Group working capital liquidity release R1.7bn
  - Boxer R1.0bn, Pick n Pay R0.7bn
  - Cyclical timing between H1 / H2
  - Some period-end cut-off benefit
- Pick n Pay working capital management
  - Dedicated focus on inventory optimisation
  - Improved franchise model reflected in debt control

^ As consolidated by the PIK Group

# CAPEX INVESTMENT

Net capital investment\* (Rbn)



- H1 FY26 Group gross capex R1.0bn (R0.9bn net of disposal proceeds)
  - Boxer and Clothing aligned to expansion
  - Measured Pick n Pay investment
  - Focus on customer facing strategies
  - Strategic revamps and franchise acquisitions
  - Full year forecast +R0.4bn to R0.9bn
- FY26 Group capex guidance of R2.2bn (R2.1bn net of disposal proceeds)

\* Capex as per cash flow statement, net of asset disposal proceeds

# NET FUNDING

Rm	Aug 2025	Feb 2025	Aug 2024
Gross debt	(650)	(1 150)	(7 246)
Cash & cash equivalents	5 713	5 328	4 951
Group net cash/(debt)	5 063	4 178	(2 295)
Pick n Pay net cash	3 937	4 358	
Boxer net cash/(debt)	1 126	(180)	

- Group net cash reserves of R5.1bn
  - R0.9bn improvement since Feb 25 (R1.3bn Boxer, -R0.4bn Pick n Pay)
- Pick n Pay working capital facilities R3.0bn
  - Unsecured and unutilised





Pick n Play

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# STRATEGIC UPDATE



- Our H1 FY26 results reflect further steady PnP improvement
- This demonstrates that our strategic turnaround remains on track
- Our success will be determined by:
  1. A strengthening of our customer offer
  2. Acceleration in Like-for-Like sales
  3. Establishing a sustainable future-fit business
  4. Growth engines supporting the turnaround
- Ultimately, rebuilding retail excellence will deliver long-term success

# STRENGTHENING OUR CUSTOMER OFFER

## RANGE

- Extended ranges across key categories
- Strengthened our Private Label offering
- Targeted category interventions



## QUALITY

- Ongoing focus to grow and improve our Fresh offer
- Fresh programmes launched (MasterCut, Fresh Academy, Managers)
- Priority focus on in-store execution and compliance



## VALUE

- Maintaining selling price inflation below CPI Food
- PnP matching market price on key product lines
- More strategic promotions deliver superior value



## SERVICE

- Recruiting to ensure key positions filled in stores
- Phase 2 customer service training for 28,000 staff
- In-store standards actively managed



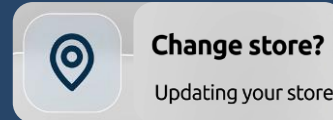
# OUR FOCUS ON FRESH – THE VIRTUOUS CIRCLE



# ONGOING IMPROVEMENT IN ONLINE

- Successful migration to NEW asap! grocery on-demand app
- Seamless transition and smoother shopping experience - enhancing value for customers
- Strong total on-demand\* growth in H1 at 44% yoy
- Online division profitable on fully costed basis

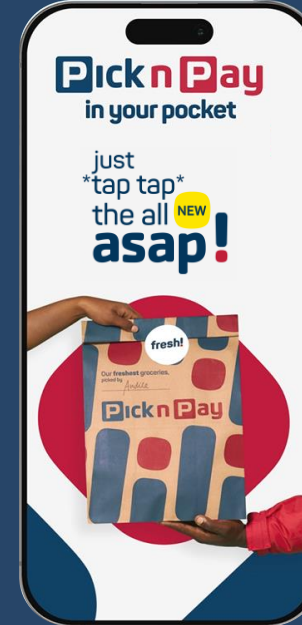
Choose your preferred store



Broad range to shop

**35,000 + products**

Find what you need



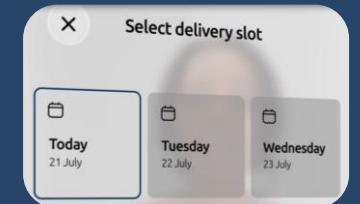
Full power of Smart Shopper



Delivered ASAP!

delivered in **60 minutes**

Or when it best suits



\* Total On-Demand comprises of asap! and Mr D

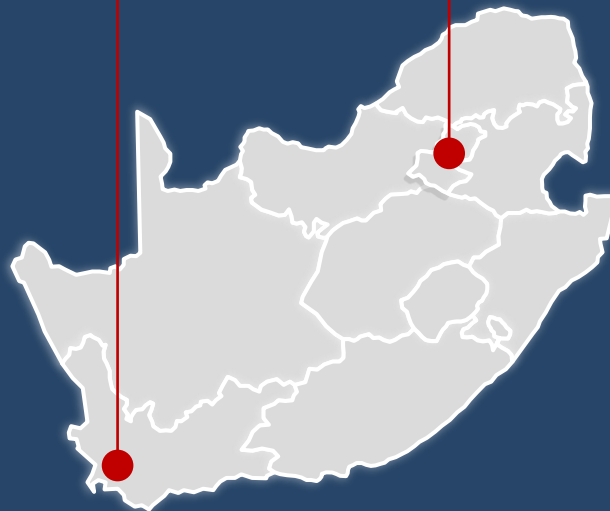
# FRANCHISE – A STRENGTHENING PARTNERSHIP

- Strong collaboration with our Franchise partners a key strategic priority – driving mutual value
- New Franchise agreement in place, and ongoing engagements strengthening our partnership
- Successful recent Franchise Conference, reinforcing unified approach and shared purpose

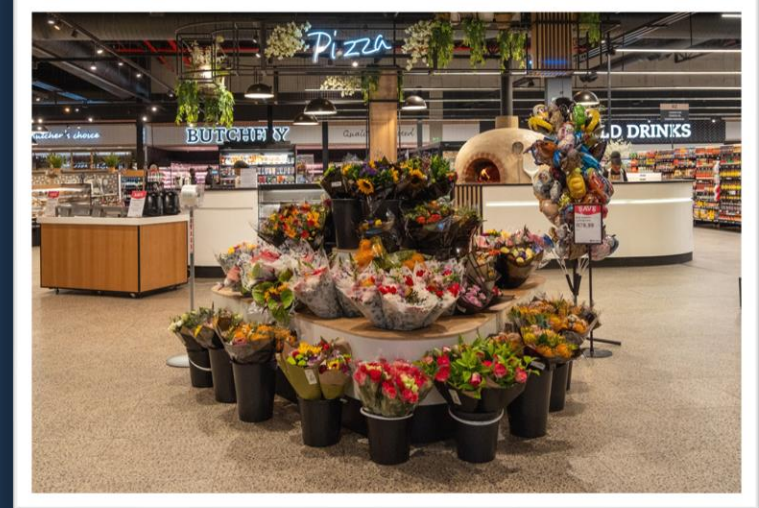
Kuils River Store



Store revamp August 2025



The Verge Store



Store opened April 2025

# OUR HYPERMARKET ASSETS

- Hypermarkets remain a key value and volume driver for us
- Fulfills an important weekly and monthly shopping mission
- Our 4 key priorities include:
  1. Reflowing Hypers to improved customer experience
  2. Resizing and refurbishes to optimise trading densities
  3. Unique high-value Hyper specific deals and promos
  4. Step-changing breadth of range all under one roof
- We will have 23 Hypers by the end of FY26, with limited further conversions of large Supermarkets being evaluated

**Pick n Pay**  
**HYPERMARKET**

**Summer living at home**  
Style your space for the season  
SHOP NOW

**Hyper savings**  
Get deals on homeware, appliances and more.  
SHOP NOW  
Valid until 6 October 2025. While stocks last. T&Cs apply.

**DAY**  
**Contemporary homeware, designed in Denmark.**  
Shop all

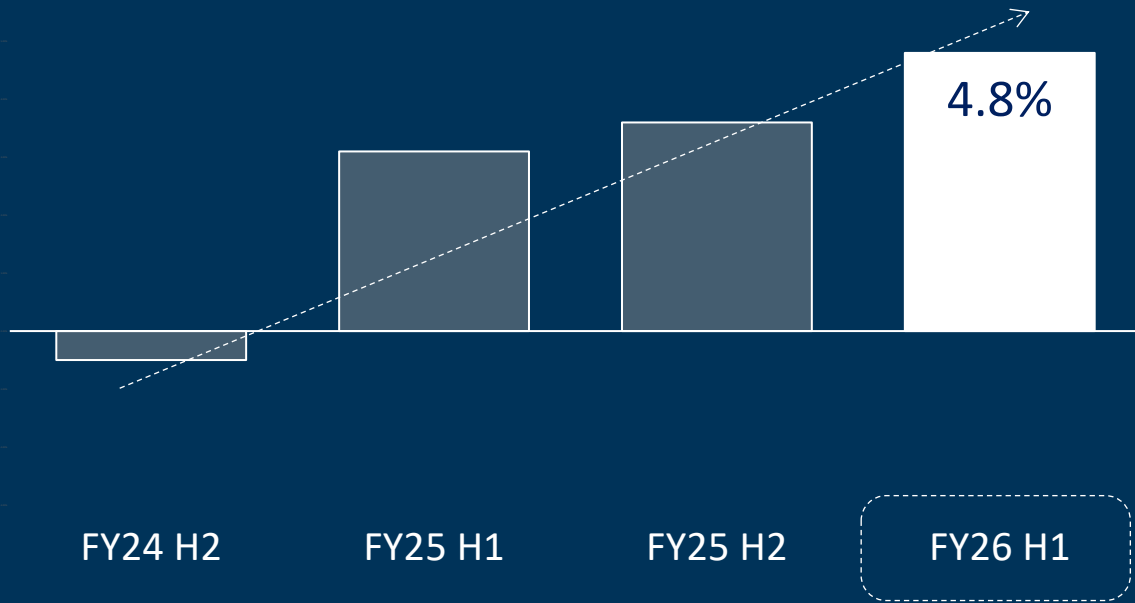
**Summer Savings**  
Refresh your outdoor space  
SHOP NOW

**omni ONE** Your all-in-one Tech Solution!  
Bundle | Product | Data | Software | Warranty | Insurance | More

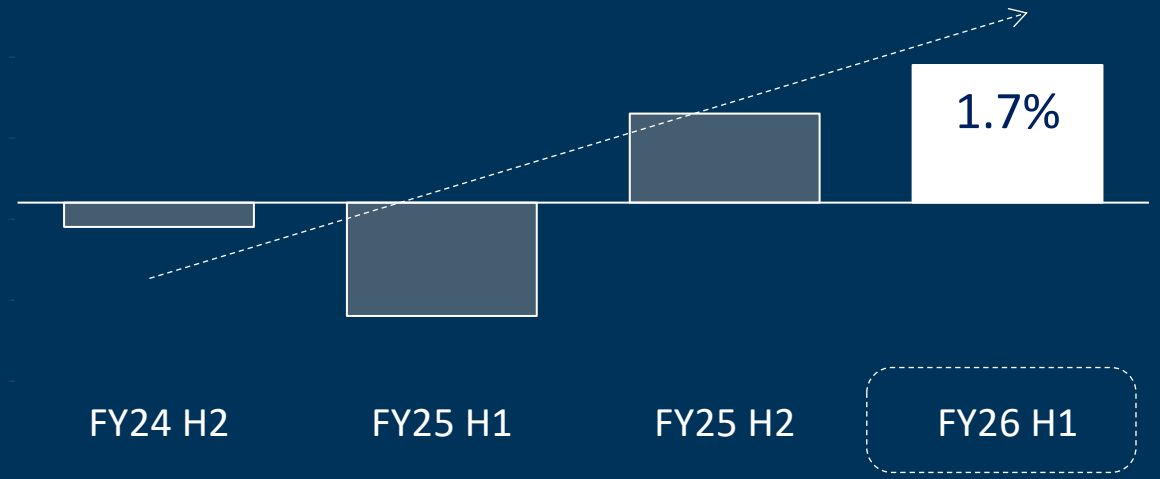
# ACCELERATION IN LIKE-FOR-LIKE SALES

- Acceleration in LfL sales across Owned and Franchise Supers\* confirms tangible progress in our plans
- LfL customer growth accelerated to 7.4% in H1 FY26 from 3.7% in FY25 across Owned stores
- Encouraged by improving topline performance of our Franchise partners – closing gap to Owned

Owned Stores LfL sales growth %



Franchise LfL issues growth %



\* Pick n Pay SA Supermarkets, includes Hypermarkets and excludes Clothing standalone stores

# ESTABLISHING A FUTURE-FIT BUSINESS

Significant progress across focus areas to establish a sustainable future-fit business:



Shortage (incl. waste)

Initiatives delivering tangible improvements – more planned



Support Offices

Rightsizing well underway – workflow automation a priority



Working Capital

Notable reduction in inventory levels across targeted areas



Store Operations

Optimising store operations a key focus area



Store Estate Reset

Nearing completion of all priority conversions and closures

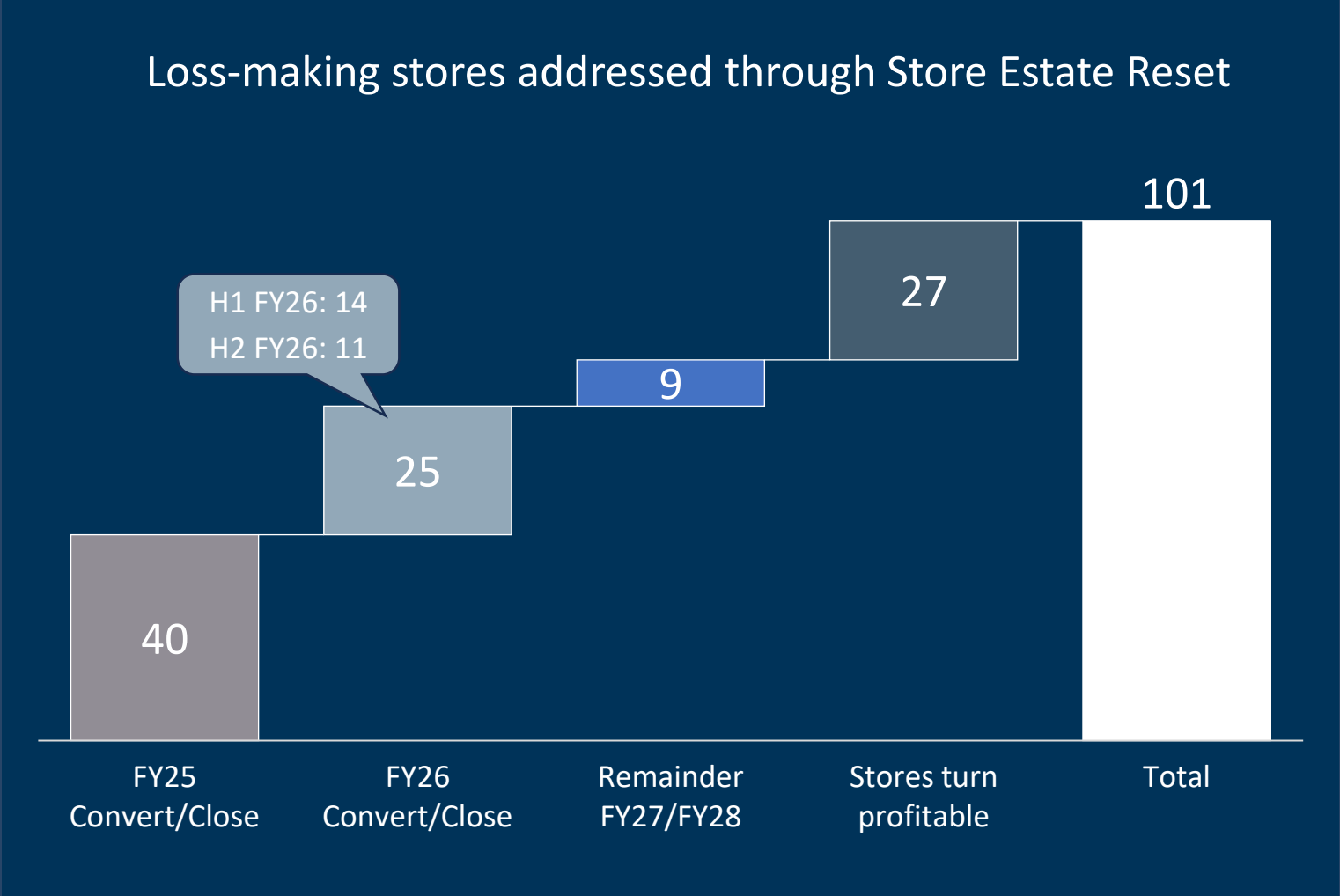


Supply Chain

Costs well controlled - future strategic partnership

# STORE ESTATE RESET NEARING COMPLETION

- We have successfully executed on our store estate reset plan
- 65 loss-making company-owned stores expected to have converted or closed by the end of FY26
- This, together with the stores turning profitable, will see us reach our original target of c.100 stores



# STRATEGIC SUPPLY CHAIN PARTNERSHIP

- Excited to announce our new long-term strategic partnership with DP World
- Will significantly reduce our distribution costs and raise service levels across our operations
- The partnership not only targets lower unit costs, but also to keep shelves fully stocked, improve fresh quality and faster replenishment
- Plans will ensure a stable peak period with tangible savings expected from the next fiscal

**Pick n Play**



# DIGITAL TRANSFORMATION – FUELING THE FUTURE

## Retail Media



- GIG Retail appointed as new partner to fast-track growth and capabilities
- Strong Retail Media income growth achieved in H1 FY26

## Data and Analytics



- New all-in-one Data Insights Platform launching in November
- PnP Cloud Data Warehouse powering AI and advanced analytics
- Refined order-forecasting models to optimise picker/driver capacity



- >600k new customers joined Smart Shopper in H1 FY26
- Registered Smart Shopper sales up 9% in H1 vs LY
- Won multiple accolades at recent 2025 SA Loyalty Awards

## VAS



- First retailer to enable Capitec direct deposits
- Multiple FNB mini branches opened in PnP stores - FNB eWallet withdrawals launched
- PnP mobile re-launched MVNO

# RECENT AWARDS - AFFIRMING OUR PROGRESS



Pick n Pay has reaffirmed its leadership in loyalty innovation by winning multiple accolades at the prestigious 2025 SA Loyalty Awards.

BEST SHORT-TERM LOYALTY MARKETING CAMPAIGN  
**WINNER**  
Pick n Pay | eBucks

GET MORE THIS BURGER FRIDAY.

A promotional graphic for Burger Friday. It features a 1.5L bottle of Coca-Cola Zero/No Sugar for R9.99, a pack of burger patties, a pack of lettuce, a pack of white hamburger buns, and a pack of burger sauce. Plus signs are used to connect the items.

BEST SHORT-TERM LOYALTY MARKETING CAMPAIGN  
**HIGHLY COMMENDED**  
Pick n Pay | PRICE PALOOZA

BEST USE OF MULTI-CHANNEL LOYALTY COMMUNICATION / ENGAGEMENT  
**HIGHLY COMMENDED**  
Pick n Pay | PRICE PALOOZA

Pick n Pay Smart Shopper  
**PRICE PALOOZA**  
CALLING ALL THE SMART SHOPPERS

An advertisement for the Price Palooza promotion. It features a woman in a blue and yellow jacket holding a smartphone, standing in a grocery store aisle. The background is filled with shelves of products.

These awards affirm that our commitment to innovation, data-driven insights and personalised rewards is resonating with South Africans in meaningful ways

# CLOTHING WINNING MORE CUSTOMERS

- Opened 400<sup>th</sup> store recently at Westgate Mall - now trading across 406 stores
- Investing in future growth with 17 of our top 100 stores revamped in the half
- Market share gains continue - notably strong performance across menswear, kidswear and baby
- Local manufacturing increased by 29% in volume – now totaling 46% of sales



# BOXER H1 FY26 HIGHLIGHTS

- **Strong operational momentum**
  - Accelerated turnover and LfL growth since H2 FY25
  - Consistent market share gains
  - Opened 25 new stores to reach 547 stores
  - Stable trading profit margin despite listed-entity related expenses
- **Building on our successful November 2024 IPO**
  - Rapid de-gearing and now net cash positive
  - Maiden dividend declared post IPO
- **Executed on key strategic initiatives**
  - Boxer Rewards Club now 2.3m members (12 months after launch)
  - Launch of Boxer Supplier Portal (B-Inside)
  - KZN Tongaat DC Facility opened on-time
  - Community support an ongoing focus and priority



# SUPPORTING OUR COMMUNITIES

## Feed the Nation

Addressing hunger and food insecurity for vulnerable children & families



## Schools Club

Free educational materials reaching 2.3 million learners from >3,100 schools



## Disaster Relief

Rapid response with food and essentials in partnership with Disaster Management and Red Cross



## Food Donations

Donation of groceries to NPOs and other community-based organisations



## Food Gardens

182 community food garden initiatives that help support >11,000 families



## Beach Cleanups

Waste collected in nationwide beach and community cleanups



# UNITED TO UPLIFT AND INSPIRE OUR NATION

“Having Pick n Pay as our sponsor is a powerful message to our girls that we are “seen”. The investment helps grow the women's game, inspiring young girls to dream big and play hard. It also helps us build a stronger connection with our fans, showing that major brands believe in the power and potential of women's rugby in South Africa”



Cindy Boo

An advertisement for Pick n Pay as a proud retail sponsor of the Springboks. The main image shows two players in green jerseys embracing. One player's jersey has 'Pick n Pay' and the number '11' on it. The other player is wearing a white headband. Text on the right reads 'SOUTH AFRICA, WE'VE GOT YOUR BACK!'. Below this is a logo for 'SPRINGBOKS' and 'Pick n Pay' with the text 'PROUD RETAIL PARTNER'. At the bottom, it says 'PROUD RETAIL SPONSOR OF THE SPRINGBOKS!'. The background of the ad is dark with a green border.

“I know how vital it is to have partners who believe in our journey — and Pick n Pay is one of those trusted names every South African knows and respects. When a brand like Pick n Pay stands with us, it sends a powerful message that rugby is for everyone, and that unity and pride are at the heart of our nation.”



Siya Kolisi

# CLOSING REMARKS AND OUTLOOK

- PnP made meaningful progress in H1 FY26 - much remains to be done
  - LfL sales and GP margin both heading in the right direction
  - *For now*, this is not being reflected in trading profit as we reinvest in our ability to serve customers
- Boxer segment will continue to grow turnover and trading profit as per existing guidance
- PnP segment targeting break-even at *trading profit after lease interest level* by FY28
  - FY26 trading loss likely to be broadly in line with FY25
  - Expect to generate positive operational leverage from FY27 as Future Fit Structure initiatives take effect
  - R3.9bn net cash sustains PnP segment on its journey to profitability. FY26 cash burn guided at c.R1.6bn
- PIK Group will not declare a dividend until the Group has returned to sustainable profitability

## Our Strategic Priorities

