

RESULTS PRESENTATION

For the 26 weeks ended 30 August 2020

Pick n Play

H1
21





CHAIRMAN'S INTRODUCTION

Gareth Ackerman
Chairman

Chairman's Introduction



Thank you to colleagues, customers, suppliers and stakeholders for your support over the past months



Chairman's Introduction

Adapting to unprecedented changes

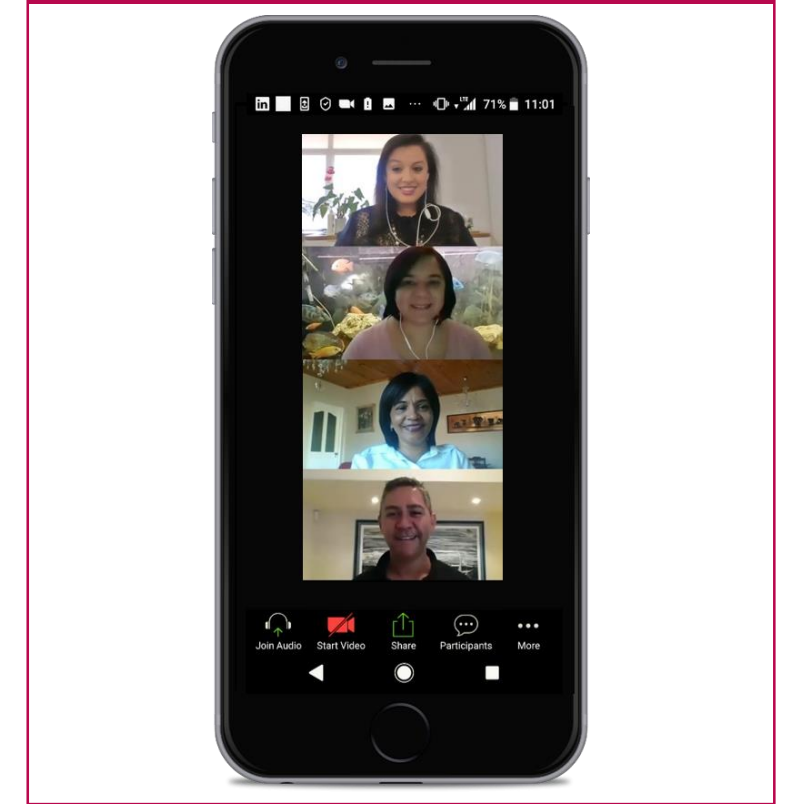
Hygiene and Safety



Shopping behaviour changes



Remote working



Chairman's Introduction



- Pick n Pay has already given a commitment not to enforce lease exclusivity against small or speciality retailers
- We have worked constructively with the Competition Commission and have now concluded a consent agreement with them which will see us end exclusivity in shopping centres by the end of December 2026
- Exclusivity is a diminishing feature of the market – it is right to bring an end to this debate so we can all focus on stimulating enterprise and creating jobs after Covid-19

Chairman's Introduction



- Tackling food waste is a global challenge, with added urgency in Africa where so many people still go hungry
- Pick n Pay is one of 10 retailers and manufacturers globally to sign the new global 10X20X30 initiative in the fight against food waste
- In support of the initiative, food manufacturers and retailer members of CGCSA launched the South African Food Loss and Waste Voluntary Agreement
- Pick n Pay continues to make progress to steadily reduce the amount of food which goes to landfill
- Public and private sectors have an obligation to work together, and ensure food security for all

Chairman's Introduction



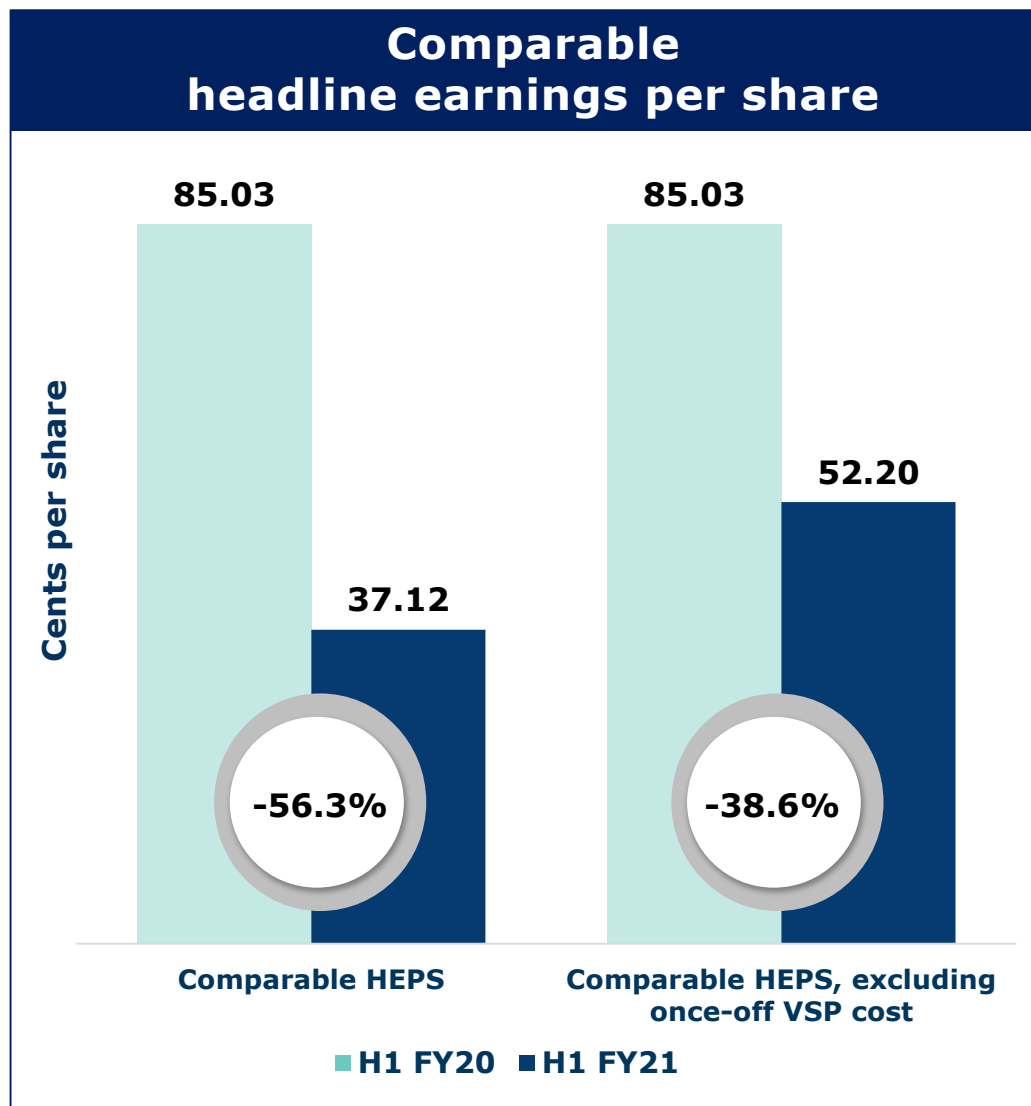
- Covid-19 has not gone away and risk of a resurgence is very real
- Health and hygiene measures must be sustained
- Pick n Pay will play our full part in ensuring this happens
- Government has a duty to ensure that their rules are justifiable and proportionate



RESULTS OVERVIEW

Lerena Olivier
Chief Finance Officer

Resilient underlying earnings performance



- H1 delivered almost entirely in the unprecedented conditions of Covid-19
- Sales and earnings impacted by:
 - Trading restrictions over higher-margin categories
 - Store closures and physical distancing
 - Additional Covid-19 operating costs
 - Cost of voluntary severance programme (VSP)
- Core food and grocery sales strong, anchored by strengthened customer offer
- Resilient result:
 - Cost and efficiency savings across supply chain
 - Increased opex and capex discipline
- Strong cash and liquidity management

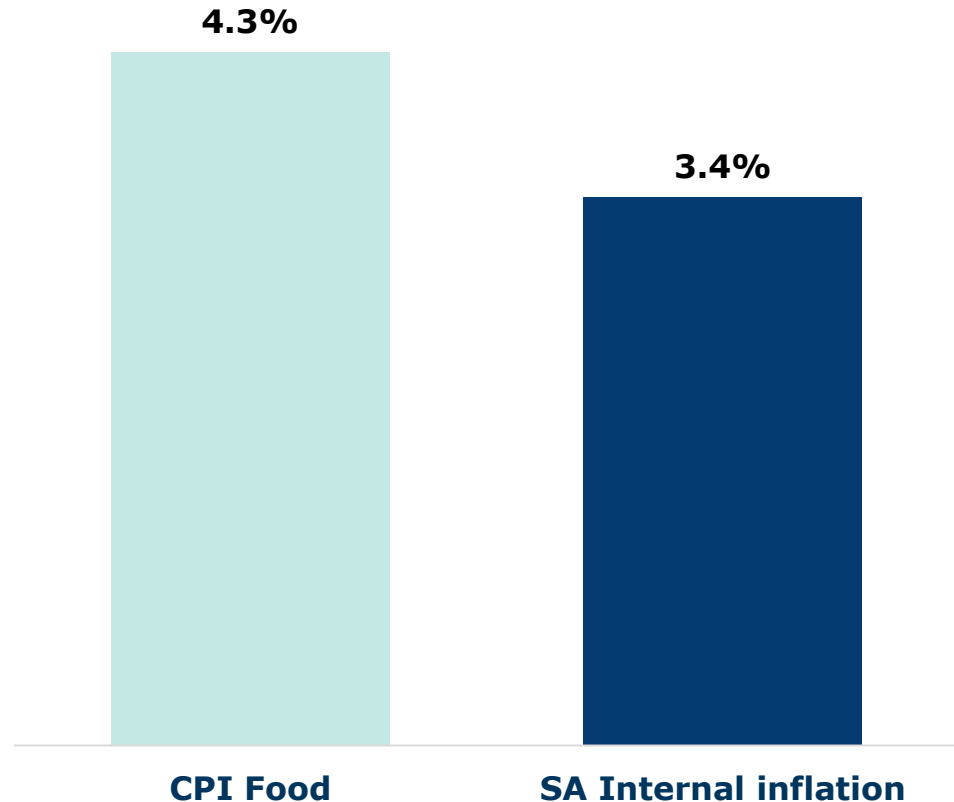
Result headlines - 26 weeks

	H1 FY21	H1 FY20	% change
Comparable turnover	R44.2bn	R43.1bn	2.6
Gross profit margin	19.6%	19.8%	
Trading expenses	R8.5bn	R8.1bn	4.8
Trading expenses, excl. VSP	R8.4bn	R8.1bn	3.6
Trading profit	R886m	R1 188m	(25.4)
Trading profit, excl. VSP	R986m	R1 188m	(17.0)
Comparable PBT*	R258m	R555m	(53.4)
Comparable PBT, excl. VSP	R358m	R555m	(35.4)

- Sales growth of 2.6% reflects substantial impact of Covid-19 trading and other restrictions
- Gross margin impact of Covid-19 contained to 20 basis points through effective buying and supply chain management
- Trading expenses, excluding once-off VSP costs, up just 3.6%, notwithstanding additional Covid-19 operating costs of R150m
- Effective cash and liquidity management, alongside interest rate benefits, resulted in net bank interest down 16.6% year-on-year
- Comparable PBT, excluding hyperinflation in Zimbabwe:
 - down 35.4% excluding the VSP cost
 - down 53.4% including the VSP cost

Lower prices when customers need it most

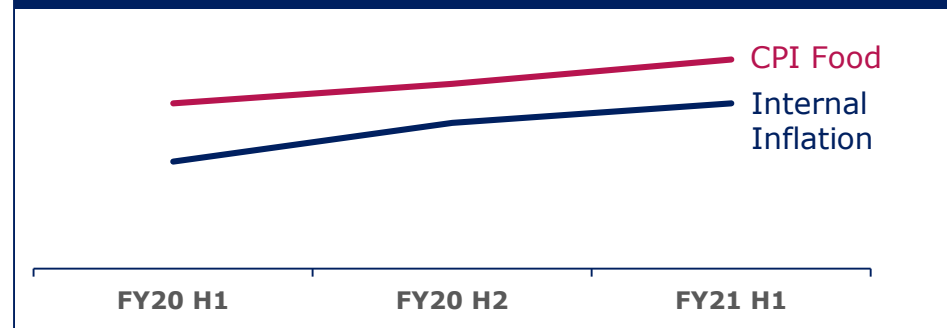
Price inflation versus CPI Food*



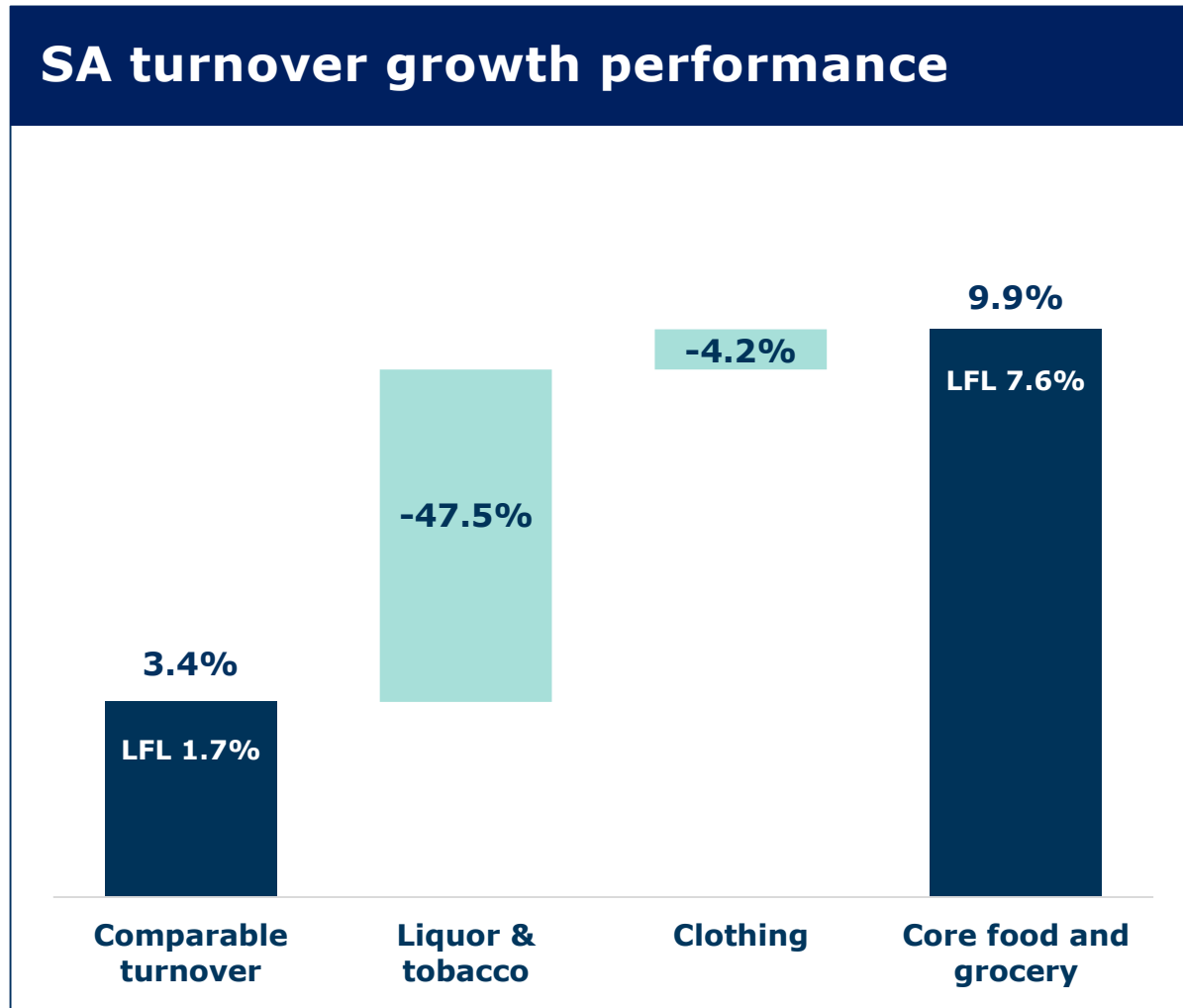
* Data from Stats SA

- Selling price inflation restricted to 3.4% for the period, notwithstanding additional Covid-19 cost pressure across the value chain
- Internal selling price inflation consistently well below general food inflation supported by:
 - better buying
 - supply chain efficiency
 - cost discipline
 - less waste

Price inflation vs CPI Food over time

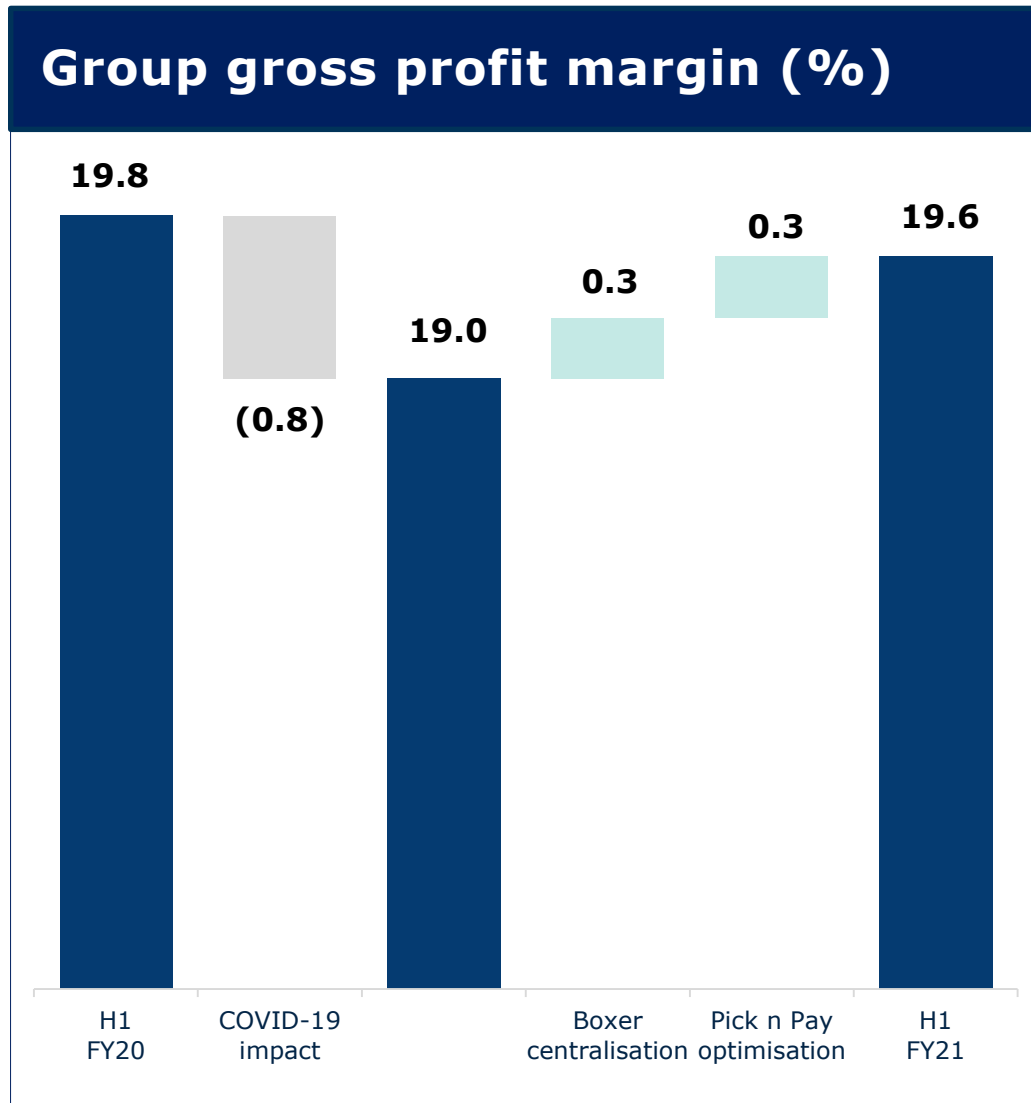


Strong performance in core food and grocery



- Liquor, tobacco and clothing reflect impact of trading restrictions in non-essential categories (up to 20% of Group turnover during Level 5)
- Core food and grocery categories exclude liquor, tobacco and clothing
- SA core food and grocery up 9.9% (7.6% LFL)
- Real volume growth of 4.2% in core food and grocery demonstrates increasing strength and competitiveness in customer offer
- Notwithstanding the Covid-19 restrictions in the construction industry the Group opened 42 new stores, adding 1.6%pts to turnover growth

Sustained gross profit margin improvements



- Underlying improvement in gross profit margin, mitigating the Covid-19 impact
- Lower net cost across Pick n Pay and Boxer distributions centres, with higher incentive income and greater efficiency
- Pick n Pay centralised supply at 80%, with focus on:
 - infrastructure efficiency and labour productivity
 - resource efficiency and waste reduction
- Boxer centralised supply now at 50%, up from 45%, with focus on:
 - accelerating volume of central supply
 - harnessing supplier incentive income

Other trading income reflects impact of Covid-19

Rm	H1 FY21	H1 FY20	% change
Other trading income	760.1	755.5	0.6
Franchise fee income	203.0	204.5	-0.7
Operating lease income	57.5	67.2	-14.4
Commissions and other income, including value-added services	499.6	483.8	3.3

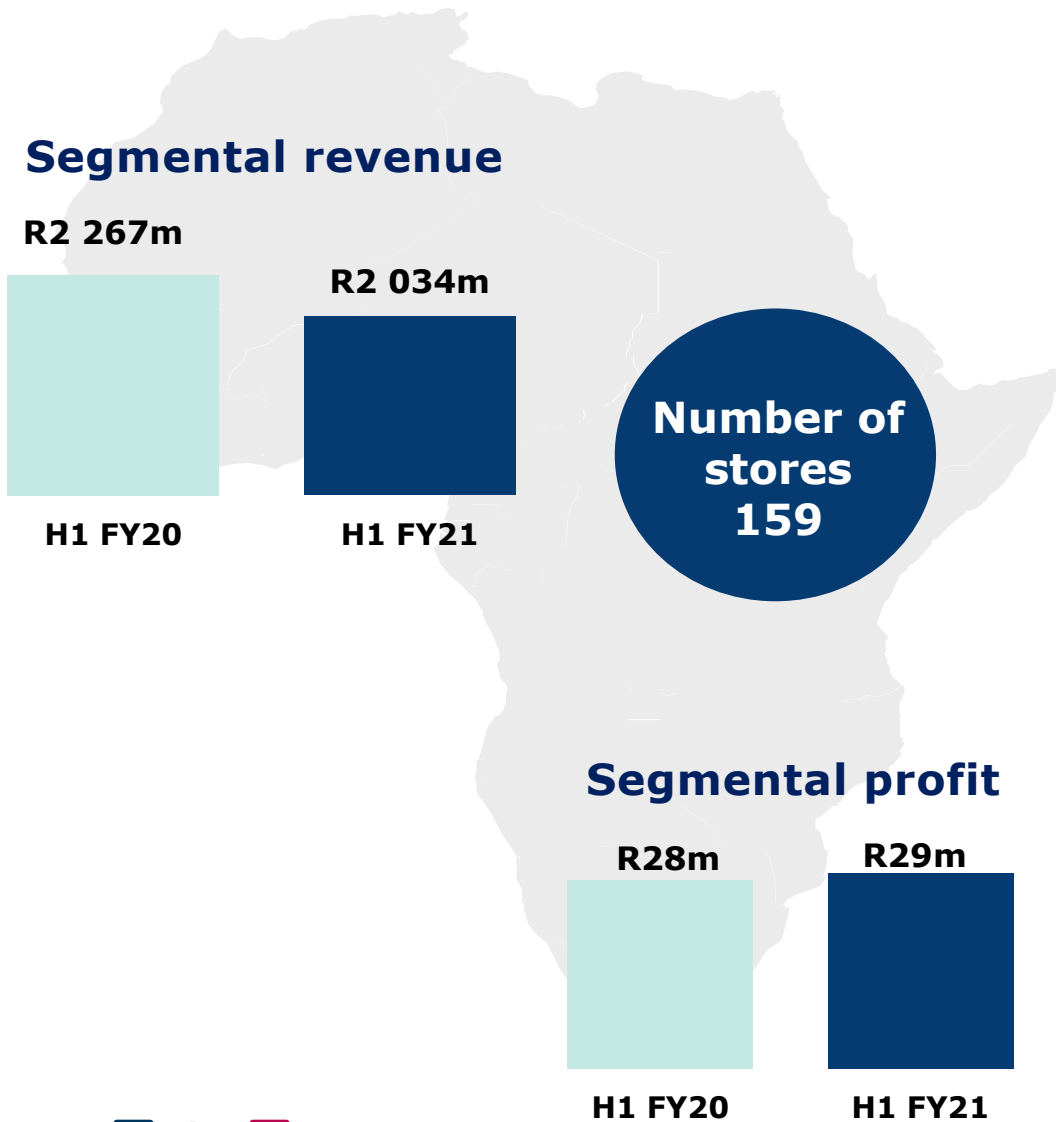
- Franchise fee income down 0.7%
 - franchisees resilient over period, benefitting from smaller, neighbourhood-based stores
 - modest support provided to franchisees with lower fees for smaller, emerging market stores to drive volume
- Commissions and other income, including income from value-added services, up 3.3%:
 - third party bill payments & prepaid electricity up 4.5%
 - all other commissions down, as a result of trading restrictions in respect of non-essential goods and services - including event and travel tickets

Project Future initiatives mitigate Covid-19 costs

Rm	H1 FY21	H1 FY20	% change	% LFL change
Trading expenses	8 521.6	8 128.2	4.8	3.2
Employee costs	3 952.8	3 876.4	2.0	0.7
Occupancy	1 200.1	1 119.7	7.2	6.1
Operations	2 038.8	1 879.7	8.5	6.0
Merchandising & administration	1 329.9	1 252.4	6.2	4.2

- Trading expenses grew 4.8% (LFL up only 3.2%)
- Trading expenses include R150m Covid-19 costs:
 - safety and hygiene costs R80m
 - staff appreciation bonus R50m
 - security and other costs R20m
- Employee costs include a further R100m once-off VSP costs. If excluded, employee costs are down 0.6%, delivered through strong cost control initiatives with some benefit from reduced operating hours
- Excluding the additional R250m costs related to Covid-19 and the VSP, trading expenses up just 1.8%
- Project Future is delivering significant cost discipline and efficiency savings - mitigating increases in security, insurance, rates, electricity & other regulated utility costs

Rest of Africa - profitable under difficult conditions



- Rest of Africa profitable notwithstanding a turbulent half year and ongoing challenges, specifically in Zimbabwe and Zambia
- Trading conditions remain difficult, exacerbated by Covid-19 challenges including stock shortages and trade and border restrictions
- Segmental revenue of R2bn, down 10.3% year-on-year, and down 7.3% in constant currency terms
- Segmental profit of R29m, including hyperinflation and all related impairments in Zimbabwe, up 6.9% on last year reflecting exceptional cost discipline
- 5 net new stores across Eswatini, Lesotho, Zambia and Zimbabwe
- Operational team resilient in its plans to cushion the impact of the tough environments in which we trade

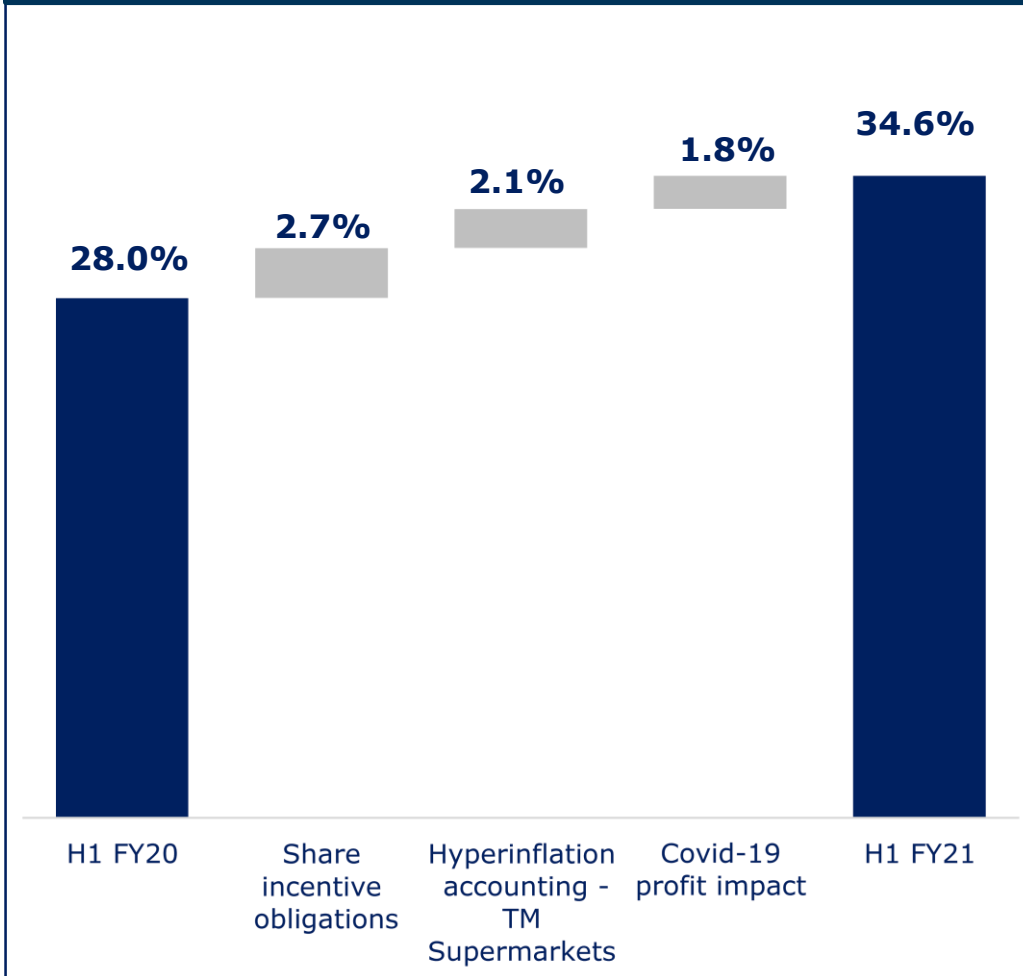
Strong local performance in Zimbabwe

Rm	H1 FY21	H1 FY20
Share of associate's earnings - excluding net monetary gain	29.6	16.6
TM trading result	38.7	74.6
Forex losses on translation of foreign debt	(9.1)	(58.0)
Hyperinflation - net monetary gain	31.8	29.7
Impairment of investment in associate	(47.4)	(48.0)
TM contribution to Group PBT	14.0	(1.7)
Equity investment in TM	62.4	50.4

- Solid trade and earnings performance under challenging economic conditions
- Sustained market share growth, anchored by outstanding customer offer and consistent on-shelf availability, notwithstanding in-country supply challenges
- Trade debt repaid in full this period
- The fair value of our 49% stake in TM reflects the application of hyperinflation accounting and significant currency devaluation over the period:
 - 1 March 2020: 30.8 ZWL : 1.0 USD
 - 30 August 2020: 110.0 ZWL : 1.0 USD
- Fair value of investment reassessed at R62.4m - recognising a strong local performance and elimination of all foreign denominated trade debt
- 61 supermarkets in Zimbabwe - 26 trading as Pick n Pay, with 2 new stores during the period

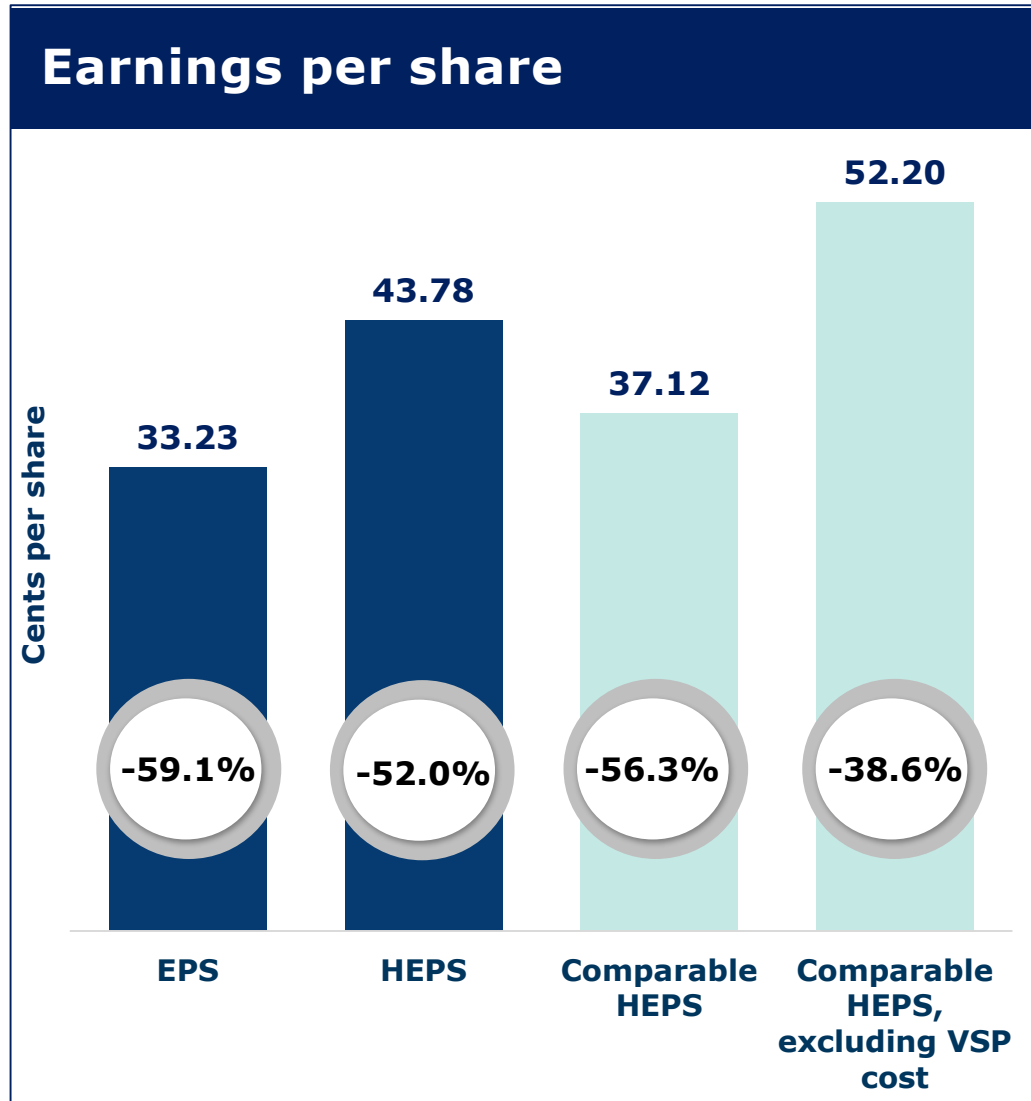
Increase in effective tax rate

Effective tax rate: year-on-year movement



- In line with FY20, Group tax rate increased from 28.0% last year to 34.6% this half year, driven by:
 - Significant reduction in the Group's share scheme obligations:
 - lower share price over the year
 - lower share scheme obligations and reversal of related deferred tax assets
 - Rest of Africa operations
 - hyperinflation in Zimbabwe and earnings pressure in Zambia
- Tax rate likely to remain over 30% while there is:
 - weakness in equity markets
 - pressure in the Rest of Africa

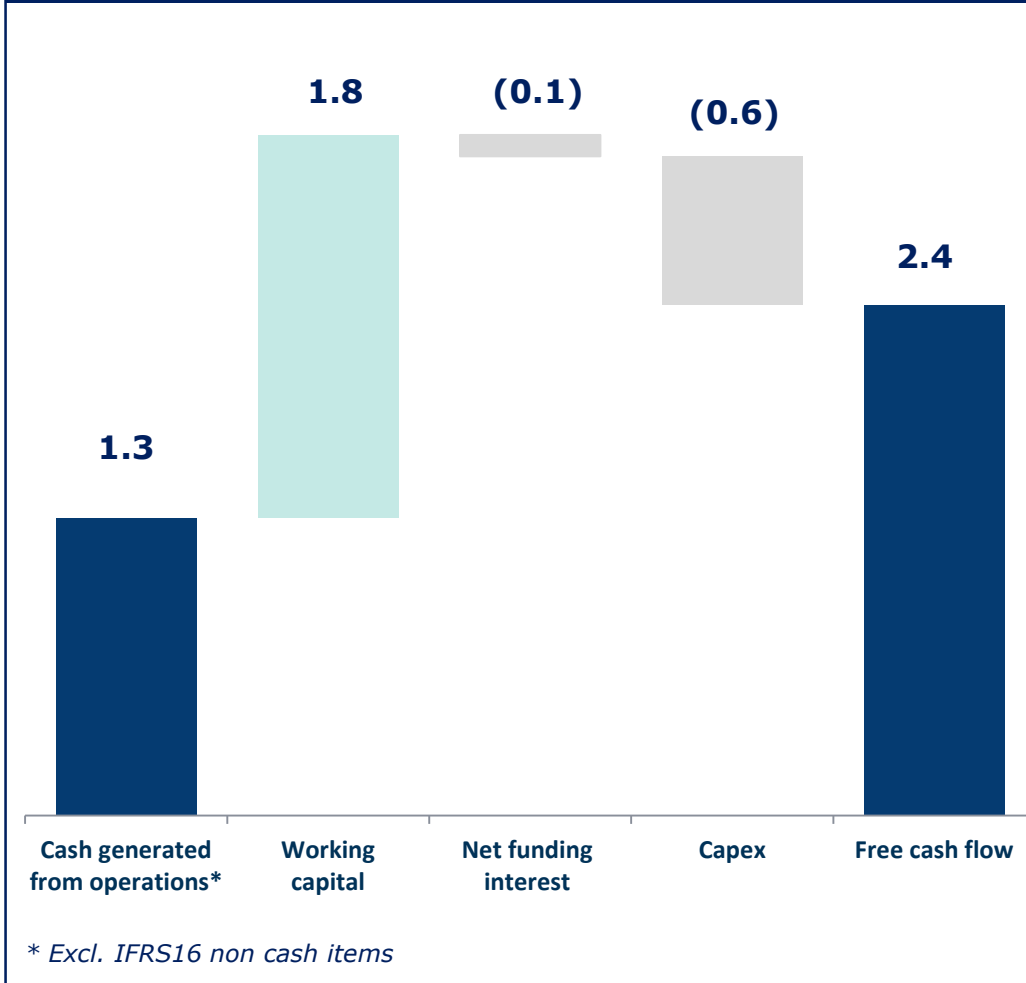
Earnings reflect a period dominated by Covid-19



- EPS includes the impact of hyperinflation in Zimbabwe and all items of a capital nature
- HEPS, excludes all capital items, but specifically includes hyperinflation net monetary gains in Zimbabwe
- Comparable HEPS (the Group's dividend driver) excludes the R31.8m (prior year: R29.7m) non-cash hyperinflation net monetary gain recognised in Zimbabwe over the period
- Comparable HEPS, excluding the R100m once-off cost of the Group's voluntary severance programme, is down 38.6% year-on-year

Strong free cash flow supported by operational discipline

Cash generation and utilisation – H1 FY21 (Rbn)



- Cash generated from operations of R1.3bn
- Cash from working capital of R1.8bn compared to R1.5bn last year:
 - benefit from financial calendar cut-off
 - resilient franchise debtors book
 - exceptional inventory management to limit the impact of trading restrictions
- Higher levels of inventory driven by:
 - non-essential categories, incl. liquor
 - targeted investment in essential products
 - growing store estate
 - increased centralisation in Boxer
- Capital spend of R590m (prior year: R758m) targeted at strategic investment and critical maintenance to safeguard Group liquidity and optimise ROI
- Capex investment of R1.5bn forecast for FY21 – R200m below last year

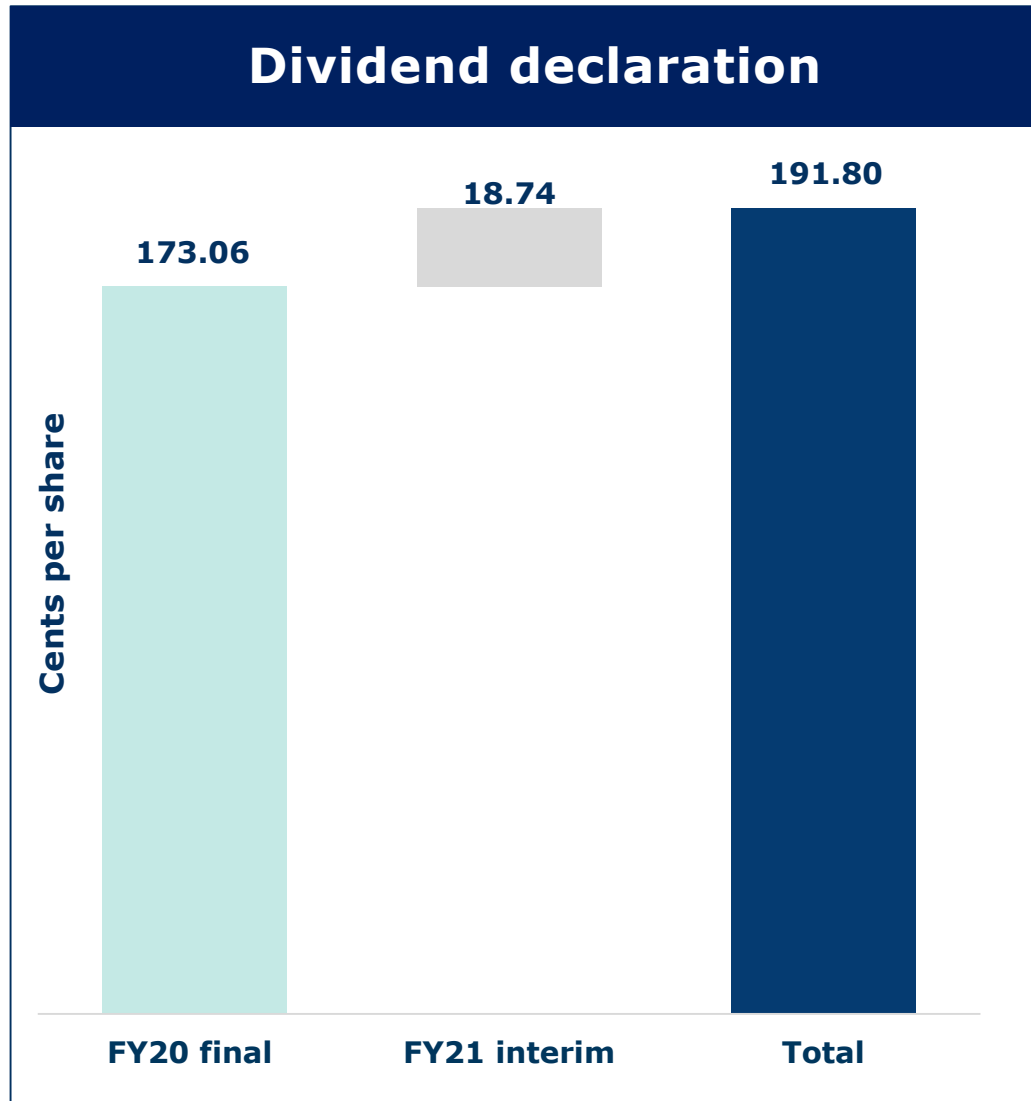
Low debt, stable liquidity

Rm	30 August 2020	1 March 2020
Cash	6 288.7	1 947.3
Cost-effective overnight borrowings	(2 050.0)	(2 050.0)
Cash and cash equivalents	4 238.7	(102.7)
1 to 3-month borrowings	(1 400.0)	(935.0)
6-month borrowings	(800.0)	-
12-month borrowings	(650.0)	-
Net funding position	1 388.7	(1 037.7)
Unutilised facilities	R4.3bn	R6.0bn

The Group's prudent approach to debt funding positioned it well into the Covid-19 crisis, providing a stable funding platform and strong liquidity

- All Covid-19 related liquidity pressures mitigated by strong operational discipline:
 - careful cash and liquidity management
 - delay in non-critical opex and capex spend
 - strong working capital management
 - prudent deferral of FY20 final dividend
- The Group's like-for-like net funding position, excluding the positive benefit of the FY20 dividend deferral and the financial calendar cut-off, is in line with the reported FY20 year-end position
- The Group has taken advantage of the low interest rate environment to term out shorter-dated debt into 6-month and 12-month funding
- The Group has no long-term funding, and its liquidity position remains strong, with R4.3bn of unutilised facilities at year-end

Strong balance sheet underpins dividend declaration



- The Board deferred its FY20 final dividend decision until the full impact of Covid-19 on Group operations and earnings could be reasonably known
- The pandemic and all related trading restrictions and costs had a substantial impact on earnings and inventory levels over the period
- However, the Group managed its overall debt position through cost and working capital discipline, and the delay of all non-critical capital spend
- Careful cash and liquidity management supports final FY20 and interim FY21 dividend declaration:
 - FY20 final dividend 173.06 cents per share
 - FY21 interim dividend 18.74 cents per share
- The Group has maintained a full year dividend cover of 1.3 times comparable headline earnings per share

Summary

- Solid result in a period severely disrupted by the Covid-19 pandemic
- Underlying strength of the performance demonstrated by:
 - Strong trade in core food and grocery offer in both Pick n Pay and Boxer
 - Sustained underlying improvement in gross profit margin
 - Resolute discipline over opex and capex spend
 - Profitable Rest of Africa division, with a solid future plan against a pressured outlook
 - Strong liquidity and low gearing
 - Declaration of final FY20 and interim FY21 dividend



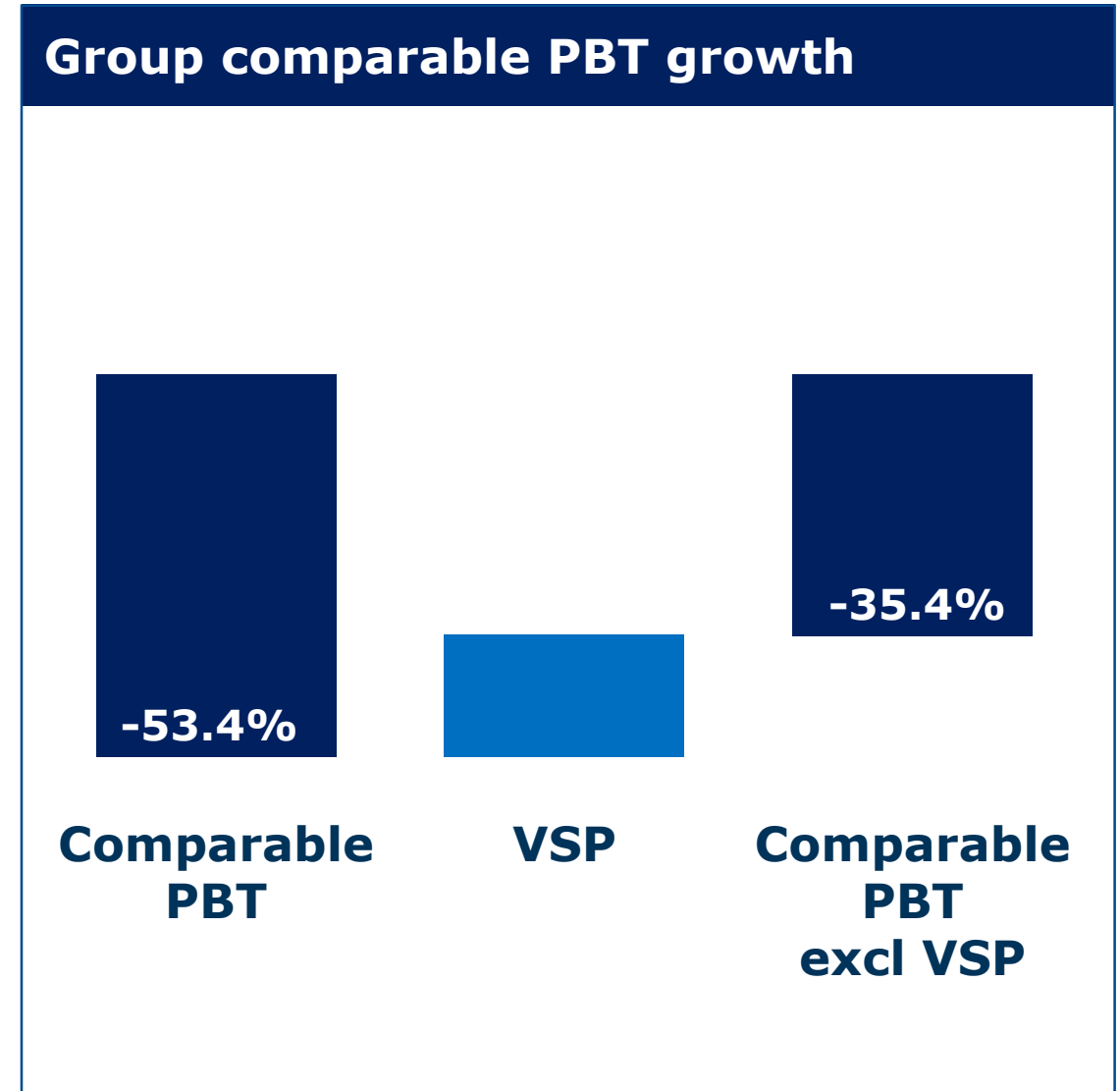
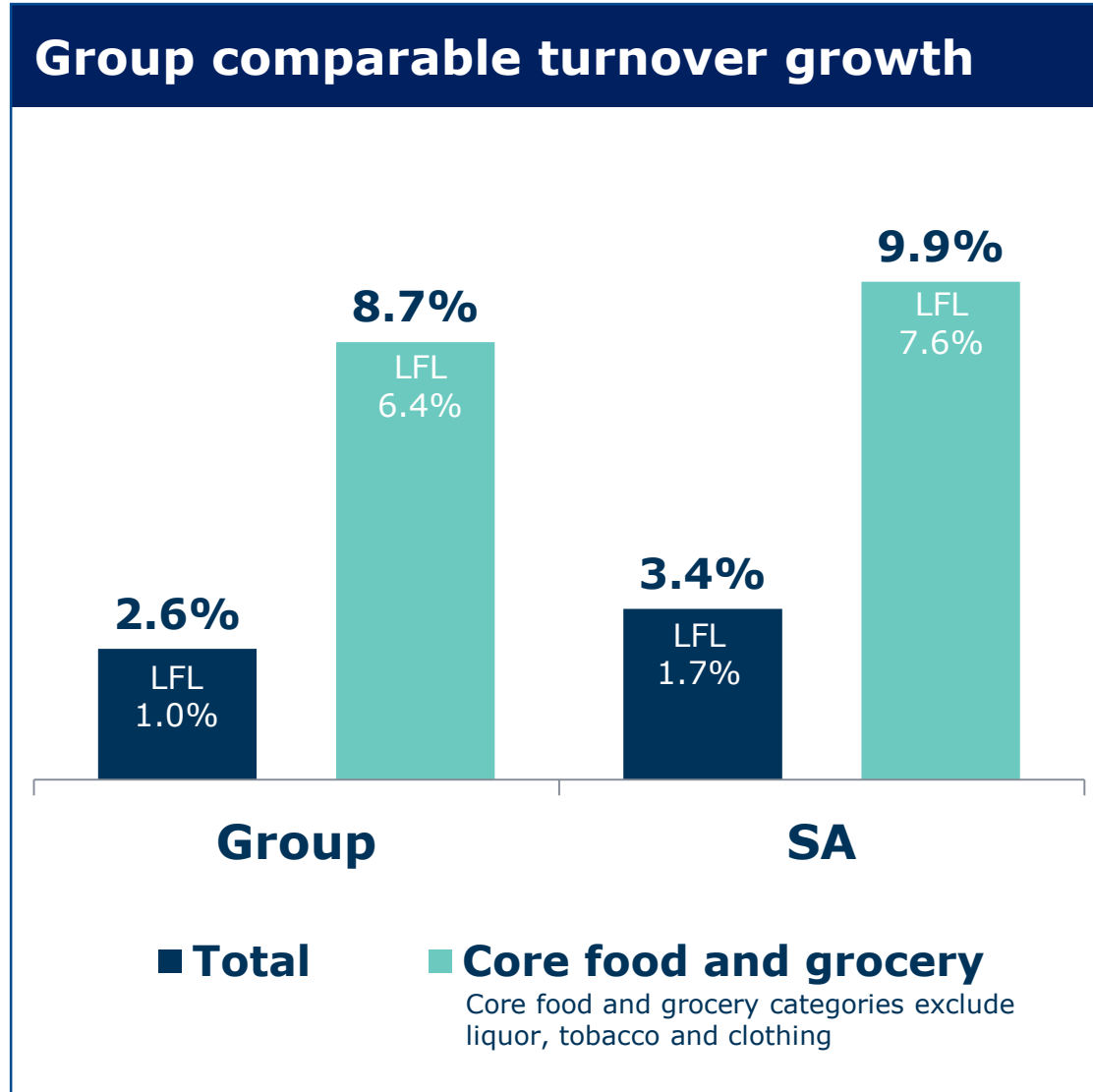
PROGRESS ON OUR PLAN

Richard Brasher
Chief Executive Officer

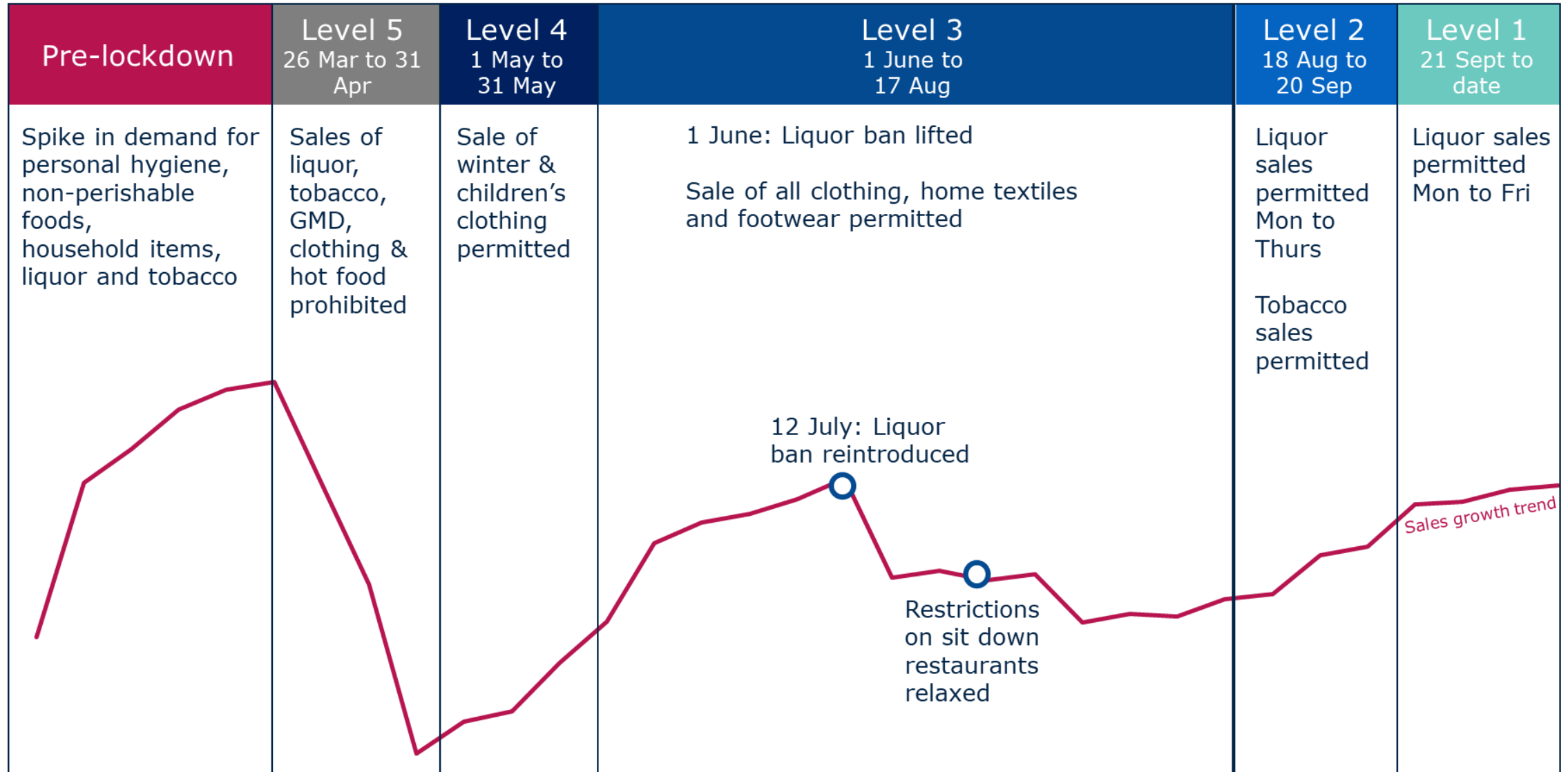
FY21 H1 Highlights

- **Stayed open, working, safe and stocked** throughout the crisis
- Core **retail sales (food, groceries and general merchandise) up 9.9%** in South Africa
- **Innovation in online** to meet lockdown surge in demand
- Opened **42 new stores** despite lockdown disruption
- **Exceptional cost control** with trading expenses growing below inflation
- Project Future **on-track to deliver R1bn savings** over two years
- Raised over **R80m through Feed the Nation** equivalent to over 20 million meals

FY21 H1 Results



COVID-19 Sales Impact



Our response to COVID-19

**OPEN
SAFE
FULL
WORKING**

Pick n Play

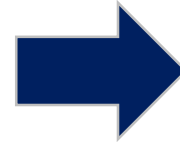
- Maintained public confidence at a time of great uncertainty by keeping our stores open
- Protected colleagues and customers through rigorous hygiene and effective social distancing
- Kept stores well-stocked with food and groceries throughout the crisis
- Minimised the impact of the pandemic on our colleagues and our essential functions
- Sanitised and fogged all stores every night

Adapting to changes in customer behaviour during lockdown

Customer Behaviour



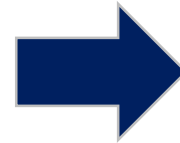
Severe pressure on household income



Exceptional prices on lines that matter most to customers



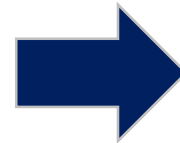
Fewer trips to the store but bigger baskets



More personalised discounts with Smart Shopper



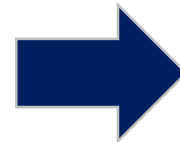
Switch to at-home consumption, greater emphasis on cooking, baking & snacking



More choice and greater value with own brand



Surge in demand for online



Leading online offer

Exceptional prices on lines that matter most to customers



- R500 million price investment on everyday essentials – helping to keep internal inflation below CPI food
- Great discounts through Smart Price promotions and combo deals – delivering strong volume growth in core food & grocery
- Significant improvement in customer satisfaction of specials & promotions



- Notable market share gains in edibles, perishables & fresh
- Positive growth from GMD despite trade restrictions

Record performance for Smart Shopper



**Voted South Africa's
favourite retail loyalty
programme.**

Thank you for your continued
support, Mzansi.

www.picknpay.co.za



Exclusive to Smart Shoppers

- Smart Shopper voted South Africa's favourite loyalty programme for 8 years running
- Close to 7 million active customers with participation increasing to 70% of sales
- Delivered over R2.5bn in savings to Smart Shoppers through Smart Price, combo deals, personalised discounts and points over the last 12 months
- Recorded a 50% increase in redemption of personalised discounts by giving customers what they want
- Smart Shoppers get exclusive club deals
- More rewards for customers through partnerships with BP, TymeBank, STEERS, Europcar and many more

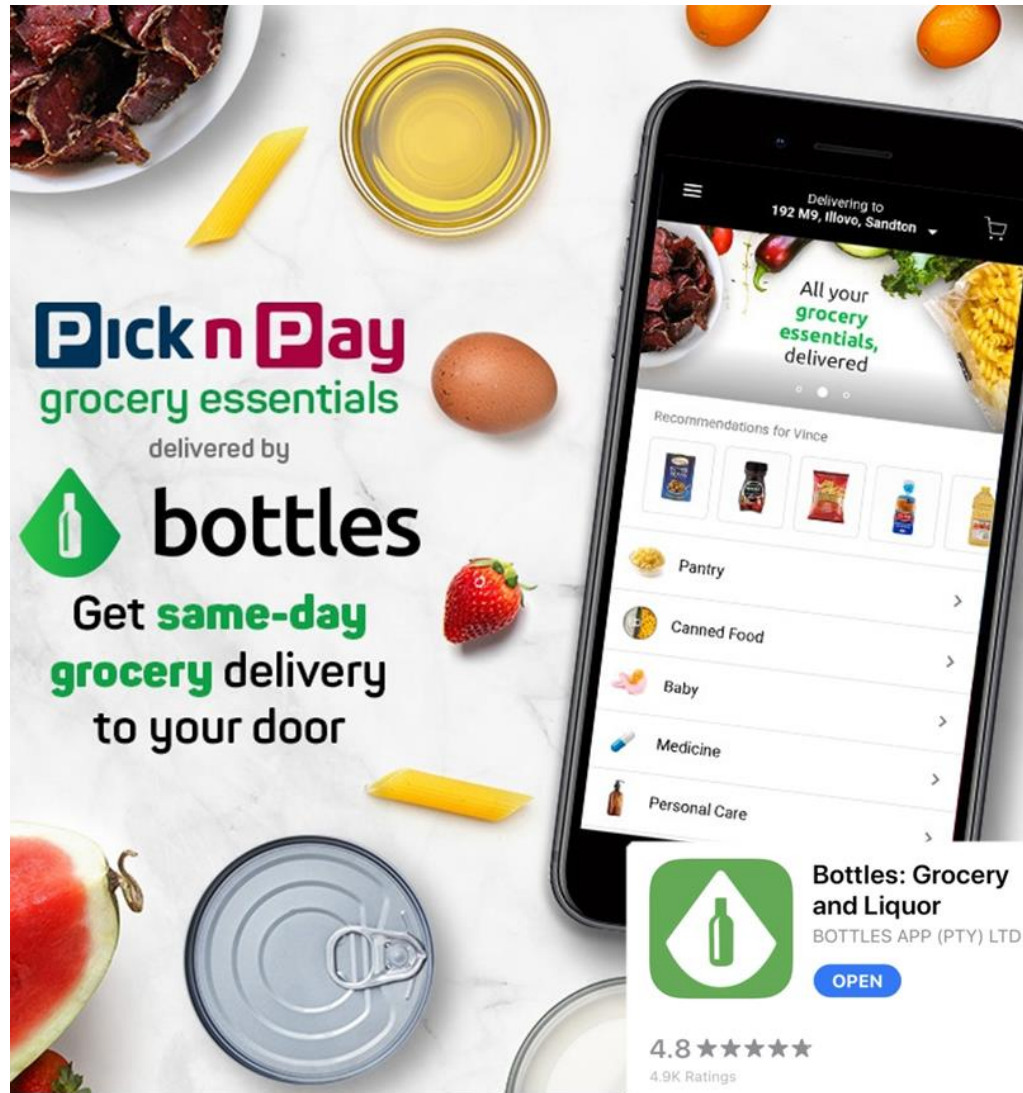
More choice and greater value with own brand



- Launched 550 new and redesigned own brand products across edible, non-edible groceries, fresh and frozen convenience meals
- Achieved an own brand sales participation in PnP of 24% with an 11% sales growth
- Boxer's own brand participation increased 3% year-on-year to 22%
- Strong growth delivered in Boxer's commodity brands, including Shibobo, Golden Ray & Best Cook - with key products reaching category participation of over 50%



Leading online offer and acquisition of Bottles



- More than 100% online sales growth delivered
- 200% increase in active online customers
- Re-engineered our digital platforms to meet the expansion in demand for online & Click n Collect
- Pick n Pay has 2 large online depots, & home-delivery & Click n Collect network comprising over 150 stores
- Over 150 franchise stores contribute to our online offer
- Pick n Pay buys online on-demand grocery disrupter Bottles
- Acquisition will strengthen what is already sub-Saharan Africa's largest & most popular online grocery business
- Bottles is rated the best app by customers in the sector

Launching PnP Mobile & Boxercom



Never pay more
than the
BOXERCOM
airtime & data price

Get MORE Data Rewards with PnP Mobile & Boxercom

Clothing outperforms the market



- Good progress despite prohibitions and restrictions on sale in lockdown
- High availability by switching to local production
- Strong market share gains, particularly in womenswear and childrenswear
- Successfully launched online clothing, customers spending twice as much online than in store
- Clothing has 246 stores - 11 new store openings in H1
- Launched a mentorship scheme with Gavin Rajah to nurture local designers

Flexible and winning estate



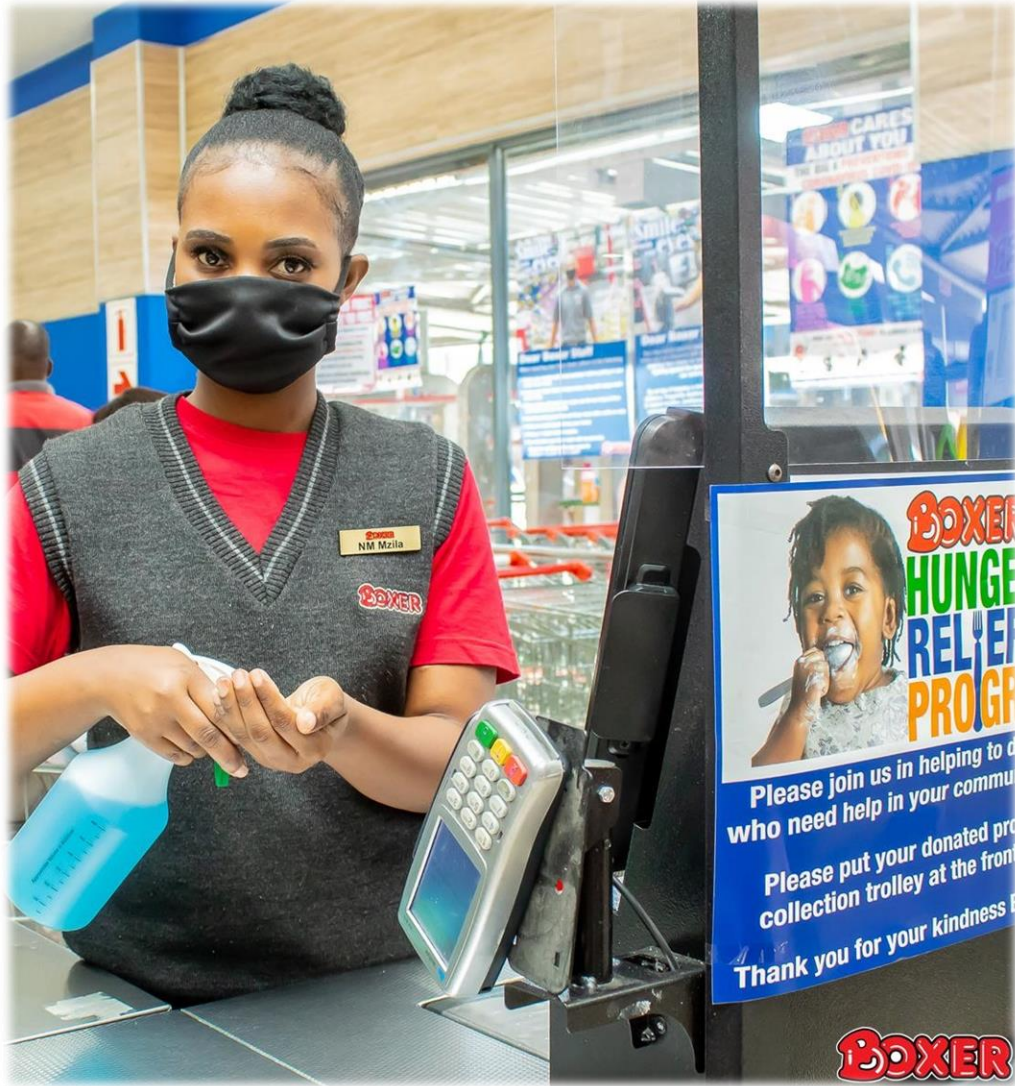
- Group now has 1 945 stores across all formats
- Dynamic and flexible store estate
 - Pick n Pay and Boxer
 - Company-owned and franchise
 - Hypermarkets, Supermarkets, Clothing, Liquor, Pharmacy, Market, Express and Boxer Build stores
- Opened 42 new stores, 26 company-owned stores, 14 franchises & 2 TM stores
- Decisive action taken to improve the profitability of our store estate through conversions between brands and formats and occasional closures

Effective and efficient Supply Chain operations



- Rigorous hygiene controls meant no disruption to distribution centres during pandemic peak
- Outstanding management action to deal with supplier disruption, customer surges and government restrictions
- Result was high levels of on-shelf availability throughout lockdown
- Boxer centralised supply chain increased from 45% to 50% - despite lockdown
- New Boxer depot opening in Polokwane this month
- Wage agreements covering all main sites and service partners

Boxer, fastest growing limited range discounter in South Africa



- Achieved industry-leading sales growth, despite household income being under even greater pressure
- Delivering exceptional value, market beating prices and promotions to less-affluent communities
- Over 50% increase in basket size as customers stocked up on essentials during less frequent shopping trips
- Gained market share, especially across commodity lines, including maize, oil, chicken and sugar
- Key focus on fresh delivered strong growths in the produce, butchery and bakery categories
- 88% of Boxer stores upgraded to new generation format
- Boxer now has 315 stores

Feed the Nation

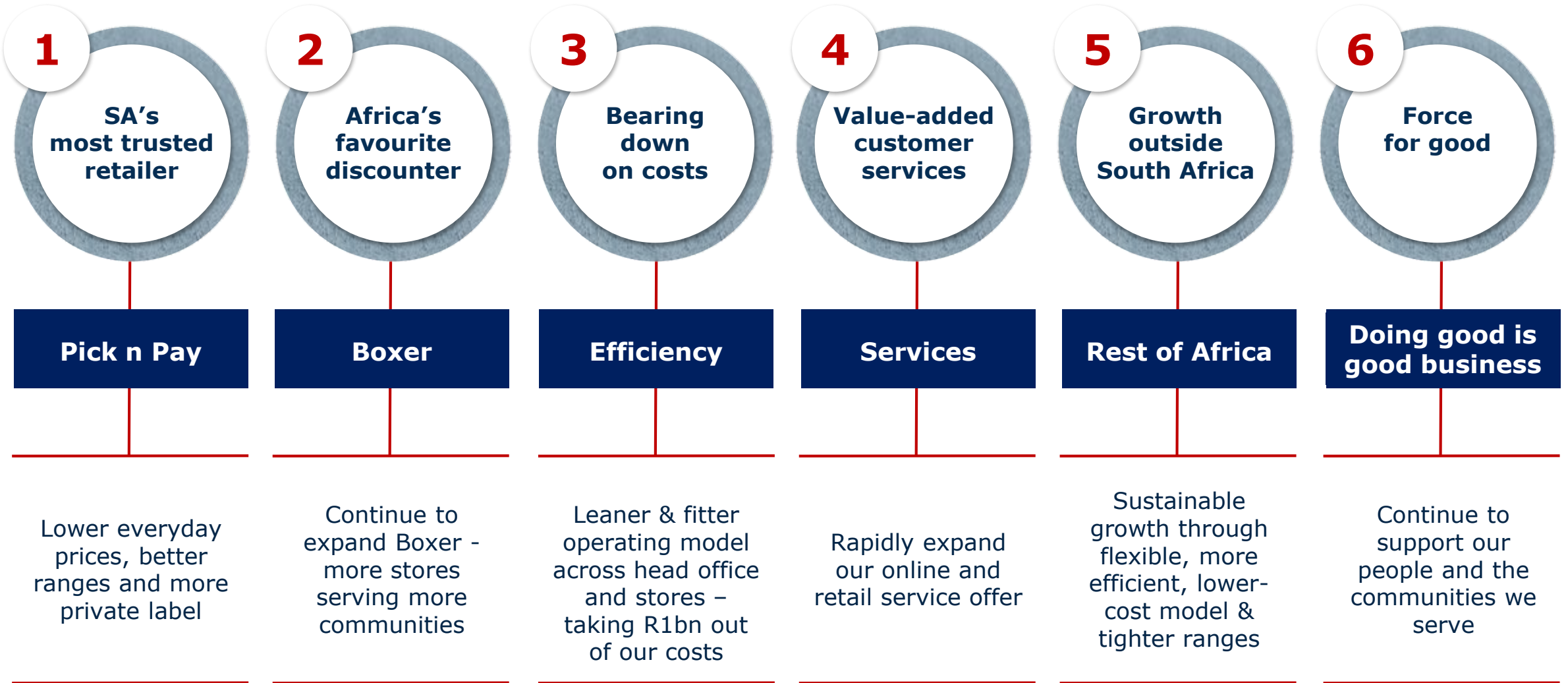


R80 million
in donations

20 million
meals



We continue to make progress against each of our pillars



Project Future: our plan to win customers in a changing world

We launched Project Future in January 2020 with two key objectives:

**LESS
COST**

Reducing cost not as an end in itself but an enabler:

- ▶ we give lower prices and better value to customers
- ▶ we become leaner, swifter and more competitive in pursuing growth
- ▶ Initial target to reduce costs by R1 billion over two years

**MORE
AGILE**

The winners of the future will combine knowledge, flexibility and speed:

- ▶ data and technology mean more customers in search of a seamless experience
- ▶ the world of work is changing, with major opportunities to work smarter, more productively and more flexibly

Project Future: great progress and much more in the pipeline

SOME ACHIEVEMENTS TO DATE	FUTURE PLANS INCLUDE
<ul style="list-style-type: none">• On-track to deliver R600m of the initial R1 billion savings target this year:<ul style="list-style-type: none">- Voluntary Severance Programme (VSP) and office review completed, removing over 1500 roles by adopting better ways of working- new store disciplines reduce fresh waste by 20%- tighter working capital management despite Covid-19 challenges- Strict control on property cost escalations• Reorganisation of PnP store portfolio into Value, Core and Select divisions means better focus on differing customer needs and opportunities for range and cost reductions• Rapid and successful transition to remote working for office staff - gains in productivity and flexibility	<ul style="list-style-type: none">• Further productivity improvement in store and supply chain operations• More flexible and lower-cost office - building on experience of remote working during Covid-19• More flexible use of our estate - reflecting the shift to smaller stores, PnP differentiation through Value, Core and Select, and the growing appeal of Boxer• Omnichannel grocery: so customers can access PnP anytime, anywhere and from any place• Savings reinvested into:<ul style="list-style-type: none">- lower prices and better promotions- more product innovation- more investment in private label

On-track to meet R1 billion target over two years with much more in future years

H2 Priorities

1. Continued vigilance on Covid-19 hygiene and safety
2. Tight cost discipline to give maximum support to customers
3. Growing Boxer and PnP Value – where the market will grow the most
4. Land Project Future – a more modern, streamlined and cost-efficient business
5. Acceleration on online and services to create more flexible ways to shop

APPENDIX



Technical accounting and reporting considerations

	TECHNICAL CONSIDERATIONS	COMMENTS
Financial calendar	26 weeks to 30 August 2020	<ul style="list-style-type: none"> Financial calendar cut-off can have an impact on cash generated from working capital H1 FY20 closed on 1 September 2019 - accounts payable reflect one additional day of supplier payments in the prior year
IAS 29: Hyperinflation accounting	Hyperinflation accounting for TM Supermarkets (TM) introduced in H1 of FY20	<ul style="list-style-type: none"> TM continues to trade in a hyperinflationary economy in Zimbabwe, categorised by currency weakness, currency illiquidity and high levels of inflation The Group remains conservative when recognising its share of income from its associate: Official auction rate: ZWL\$ 83.4 to the USD Group translation rate: ZWL\$110.0 to the USD
IFRS 16: Leases	IFRS 16: Leases adopted on a full retrospective basis in FY20	<ul style="list-style-type: none"> Operating leases capitalised on balance sheet Rentals (previously occupancy costs) replaced with depreciation (occupancy costs) and implied interest paid (finance charges)
IFRS 15: Revenue	Airtime and data now transacted on an agency basis	<ul style="list-style-type: none"> Sales and related purchases previously recognised in turnover and cost of sales now recognised in other income Comparative sales growth provided for accurate assessment of year-on-year performance

Sales performance

H1 FY21	Group % change	South Africa % change
Reported turnover	2.4	3.1
Comparable turnover	2.6	3.4
Like-for-like	1.0	1.7
New stores	1.6	1.7
Constant currency	2.8	3.4
Core food and grocery	8.7	9.9
Like-for-like	6.4	7.6
New stores	2.3	2.3
Liquor and tobacco	-47.0	-47.5
Clothing	-5.7	-4.2

- Turnover growth reflects trading period dominated by impact of Covid-19
- Comparable turnover provides an accurate assessment of year-on-year performance, excluding the impact of a strategic change in the Group's contractual arrangements with airtime and data providers
- Constant currency growth excludes the impact of currency fluctuations in Zambia and Botswana
- Strong underlying core food and grocery sales
- Selling price inflation of 3.4% in SA - real volume growth of 4.2% in core food and grocery demonstrates increasing strength and competitiveness of customer offer
- Liquor, tobacco and clothing reflect impact of trading restrictions in non-essential categories (up to 20%)
- Covid-19 trends: shift towards non-discretionary spending, less-frequent shopping trips (-28%) bigger baskets (+45%)

Reconciling EPS to Comparable HEPS

Cents per share	H1 FY21	H1 FY20	% change
EPS	33.23	81.31	(59.1)
Capital items	10.55	9.97	
HEPS	43.78	91.28	(52.0)
Hyperinflation net monetary gain	(6.66)	(6.25)	
Comparable HEPS	37.12	85.03	(56.3)
Once-off VSP cost	15.08	-	
Comparable HEPS, excl. VSP	52.20	85.03	(38.6)

- Reported EPS includes the impact of hyperinflation in Zimbabwe and all items of a capital nature
- Reported HEPS, excludes all capital items, but specifically includes hyperinflation net monetary gains in Zimbabwe
- Comparable HEPS excludes the R31.8m (prior year: R29.7m) non-cash hyperinflation net monetary gain recognised in Zimbabwe over the period
- Comparable HEPS, excluding the R100m once-off cost (R72m net of tax) of the Group's voluntary severance programme, is down 38.6% year-on-year
- Additional Covid-19 related costs of R150m have not been removed from comparable HEPS when assessing underlying performance, as Covid-19 regulations also resulted in some cost savings, principally as a result of reduced trading hours

Additional earnings metrics

Group	H1 FY21
EBITDA growth EBITDA margin	-3.7% 5.8%
EBIT growth EBIT margin	-17.0% 2.3%
Comparable PBT Comparable PBT margin	-35.4% 0.8%

All excluding capital items, TM Supermarkets in Zimbabwe and VSP once-off costs

- Previously, EBITDA and EBIT would be used by stakeholders as key measures of the Group's underlying operating performance
 - EBITDA is profit before tax excluding interest, depreciation, amortisation and all capital items
 - EBIT is profit before tax excluding interest and all capital items
- IFRS 16 has capitalised the majority of the Group's underlying operating leases - replacing rental costs with implied interest and depreciation costs
- It is no longer appropriate to focus on EBITDA and EBIT performance - as these measures exclude the majority of the Group's real cash cost of occupancy
- EBITDA and EBIT removing only the Group's non-IFRS 16 interest and depreciation charges have moved in line with the decrease in comparable PBT

Capital investment programme

Rm	Actual H1 FY21	Forecast FY21	Actual FY20
Expansion into new stores	335	600	545
Improving existing stores	150	600	874
Improving the customer experience	485	1 200	1 419
Investing in future infrastructure	45	150	133
Maintaining current infrastructure	60	150	165
Total capital investment	590	1 500	1 717

- The Group invested R590m in its capital improvement programme over the period – prioritising critical capex spend to preserve cash under Covid-19
- Over 80% of investment targeted at improving the customer experience through new space and refurbishments
- 42 new stores over the period:
 - 26 company-owned stores
 - 14 franchise stores
 - 2 TM Supermarkets
- Capex investment of R1.5bn forecast for FY21 - R200m below last year
- 45 company-owned stores planned for H2:
 - 24 Pick n Pay and Boxer supermarkets
 - 6 Clothing stores
 - 15 Liquor stores