

FINANCIAL OVERVIEW

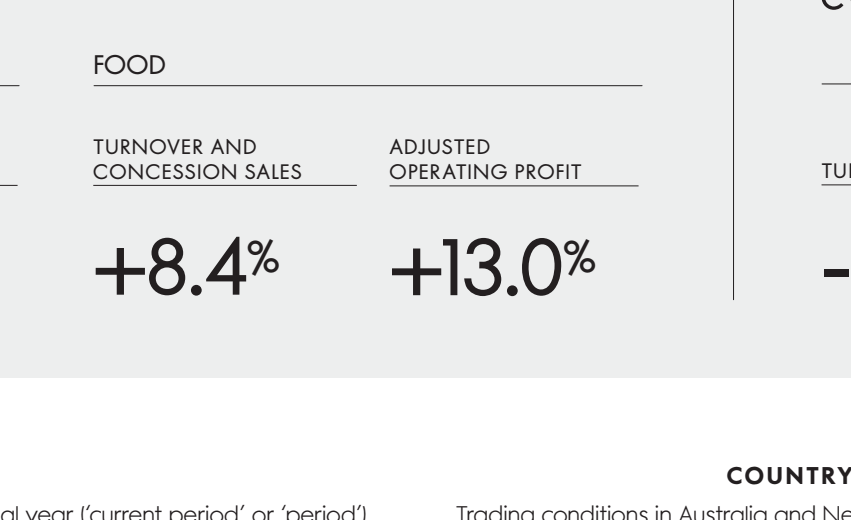
	Continuing operations	Total Group
Turnover	+5.1% to R37.5bn	-16.7% to R37.5bn
Turnover and concession sales	+5.4% to R38.1bn	-23.6% to R38.1bn
Profit before tax	-14.2% to R2.5bn	-33.5% to R2.5bn
Adjusted profit before tax	-12.1% to R2.6bn	-31.8% to R2.6bn
Earnings per share	-7.4% to 202.9cps	-30.9% to 202.9cps
Headline earnings per share	-7.5% to 203.3cps	-31.0% to 203.3cps
Adjusted diluted headline earnings per share	-5.6% to 209.7cps	-26.3% to 209.7cps
Net borrowings (excluding lease liabilities)	R4.1bn (Dec 2022: R671m)	
Interim dividend per share	-6.6% to 148.0cps (Dec 2022: 158.5cps)	
Return on capital employed	22.3% (Dec 2022: 22.5%; 19.5% Total Group)	



Woolworths, 2024

DIVISIONAL OVERVIEW

TURNOVER AND CONCESSION SALES



WOOLWORTHS

FASHION, BEAUTY AND HOME

TURNOVER AND CONCESSION SALES	ADJUSTED OPERATING PROFIT
+2.2%	-5.3%

FOOD

TURNOVER AND CONCESSION SALES	ADJUSTED OPERATING PROFIT
+8.4%	+13.0%

COUNTRY ROAD GROUP

COUNTRY ROAD GROUP ('CRG')

TURNOVER	ADJUSTED OPERATING PROFIT
-5.0%	-46.1%

The Group's results for the first half of the 2024 financial year ('current period' or 'period') are not directly comparable to that of the prior period, given the inclusion of the David Jones contribution in the prior period. As mentioned in our previous announcements on the Stock Exchange News Service ('SENS'), performance for the current period has been impacted by an increasingly challenging macro-economic backdrop, given the sustained effect of interest rate increases and higher living costs. This negatively impacted footfall, resulting in a greater-than-expected pullback in discretionary spend in both geographies. In South Africa, our business operations were further disrupted by higher levels of loadshedding, congestion at the ports, and the impact of Avian flu on the availability of key food product lines. The results should also be considered in the context of the high prior period base in which adjusted profit before tax from continuing operations grew by 32.3%.

The Group's turnover and concession sales from continuing operations (i.e. excluding David Jones, which was disposed of in the prior year) increased by 5.4%, and by 4.4% in constant currency terms. During the last six weeks of the period, which included trade during the key festive season, sales growth accelerated to 7.2%, supported by our robust trade plans. Group turnover and concession sales (including the six-month contribution of David Jones in the prior period, which is therefore non-comparable) decreased by 23.6% on the prior period on a total basis.

Whilst the Group has maintained its stringent focus on managing inventory and containing cost, we equally continue to invest behind our key strategic initiatives. This, coupled with the impact of subdued discretionary spend on the profitability of our apparel businesses (particularly in Australia), resulted in earnings per share ('EPS') from continuing operations declining by 7.4% to 202.9cps, while headline EPS ('HEPS') and adjusted diluted HEPS declined by 7.5% and 5.6% over the prior period, to 203.3cps and 209.7cps, respectively. The share repurchases in the prior financial year have positively impacted per share measures, including dividend per share and other capital return metrics in the current period.

Strong working capital management has also supported a healthy cash conversion ratio of 92.5%. The Group ended the half with net borrowings of R4.1 billion, with Australia in a net cash position of A\$44.0m, and WSA well within its targeted gearing ratio.

The Group has retained the Bourke Street property, which is a flagship David Jones store in Melbourne, Australia, as an investment asset. The property is valued at c.R3 billion and we have recognised rental income of R113 million in the current period.

WOOLWORTHS

The economic environment in South Africa remains challenging, exacerbated by the country's energy and logistics crises, which continue to impact both business and consumer confidence. Notwithstanding the challenging context, the combined Southern Africa business grew operating profit by 10% on last year.

WOOLWORTHS FOOD

Our Food business delivered solid growth, re-enforcing its strength and resilience, and the trust customers have in our brand. Turnover and concession sales grew by 8.4%, and by 7.2% on a comparable store basis, notwithstanding the impact of increased levels of loadshedding, Avian flu, and the taxi strike. Underlying product inflation for the period averaged 9.1%, being below headline food inflation as we continue to invest in price. Sales grew by 8.6% in the last six weeks of the period, delivering positive underlying volume growth as product inflation eased to 79%. Space grew by 3.3% over the prior period, while online sales increased by 46.6%, contributing 5.1% of South African sales, driven primarily by increased coverage of our on-demand Woolies Dash offering.

Gross profit margin increased by 80bps to 24.6%, driven by more targeted and effective promotions, as well as value chain efficiencies, which more than offset the impact of a growing online contribution, and the ongoing investment in price. An increase in operating expenses from new initiatives, coupled with higher cost inflation, resulted in expense growth of 11.1%. Adjusted operating profit grew by 13.0% to R1 595 million, returning an operating profit margin of 7.0% for the current period, compared to 6.7% in the prior period. Adjusting for the impact of loadshedding, operating profit declined by 4.3%, with an operating margin of 7.3%.

WOOLWORTHS FASHION, BEAUTY AND HOME ('FBH')

Fashion Beauty and Home continues to make steady progress against its strategic priorities. Sales for the 26-week period were however impacted by poor availability, due in part to the late arrival of certain summer ranges arising from congestion at the ports. Turnover and concession sales grew by 2.2%, with comparable store sales increasing by 1.5%. Sales growth in the last six weeks of the period improved to 3.8%, supported by the successful execution of our Black Friday promotions and festive season trade. Our teams remain focused on full-price sales, which positively impacted price movement of 11.4%. Net trading space increased by 0.3% relative to the prior period, while online sales grew by 26.9% and contributed 5.4% of South African sales.

Notwithstanding negative mix effects and inflationary supply chain costs, gross profit margin was maintained at 48.0%, attributable to continued focus and further improvement in full-price sales and markdown metrics. Expense growth was well managed to below inflation at 4.7%. Adjusted operating profit decreased by 5.3% to R927 million, resulting in an operating margin of 12.2% for the current period, compared to 13.1% in the prior period. Adjusting for the impact of loadshedding, operating profit declined by 4.3%, with an operating margin of 12.6%.

WOOLWORTHS FINANCIAL SERVICES ('WFS')

The WFS book reflects a year-on-year increase of 4.9% to the end of December 2023, driven by growth in new accounts and credit card advances. The annualised impairment rate for the six months ended 31 December 2023 was 6.3%, compared to 5.5% in the prior period. While this reflects the strain that consumers are under in the current macro-economic environment, it is reducing from the peak of the last quarter of the previous financial year. Profit after tax for the period was R122 million (excluding the R52 million IFRS 17 transition adjustment), which is a significant improvement on the prior period profit of R60 million.

The outlook for the rest of the financial year is expected to remain challenging. Whilst inflation is expected to ease gradually, interest rates across both geographies are likely to remain elevated, placing continued pressure on consumer disposable income. In South Africa, the ongoing energy crisis, port and infrastructure challenges are expected to further constrain economic activity. In addition, the upcoming elections and ongoing global geopolitical tensions increase uncertainty.

Notwithstanding this challenging macro backdrop, we remain confident in our ability to deliver against our strategies, and are well placed to benefit from any cyclical consumer recovery. We have a robust balance sheet, are highly cash generative, and are leveraging our strengthened foundation to optimise our existing businesses and invest in new sources of future growth.

Any reference to future financial performance included in this announcement has not been reviewed or reported on by the Group's external auditors and does not constitute an earnings forecast.

**H Brody**  
Chairman  
Cape Town  
27 February 2024

**R Bagattini**  
Group Chief Executive Officer

DIVIDEND DECLARATION

Notice is hereby given that the Board of Directors of WHL ('Board') has declared an interim gross cash dividend per ordinary share ('dividend') of 148.0 cents (118.4 cents net of dividend withholding tax) for the 26 weeks ended 24 December 2023, being a 6.6% decrease on the prior period's 158.5 cents, based on a payout ratio of 70% of earnings.

The dividend has been declared from reserves and therefore does not constitute a distribution of 'contributed tax capital' as defined in the Income Tax Act, 58 of 1962. A dividend withholding tax of 20% will be applicable to all shareholders who are not exempt.

The issued share capital at the declaration date is 988 695 949 ordinary shares. The salient dates for the dividend will be as follows:

Last day of trade to receive a dividend	Wednesday, 13 March 2024
Shares commence trading 'ex' dividend	Thursday, 14 March 2024
Record date	Monday, 18 March 2024
Payment date	Tuesday, 19 March 2024

Share certificates may not be dematerialised or rematerialised between Thursday, 14 March 2024 and Monday, 18 March 2024, both days inclusive.

Ordinary shareholders who hold dematerialised shares will have their accounts at their CSDP or broker credited or updated on Tuesday, 19 March 2024. Where applicable, dividends in respect of certificated shares will be transferred electronically to shareholders' bank accounts on the payment date. Where the transfer secretaries do not have the banking details of any certificated shareholders, the cash dividend will be held in trust by the transfer secretaries pending receipt of the relevant certificated shareholder's banking details after which the cash dividend will be paid via electronic transfer into the personal bank account of the certificated shareholder.

CHANGES TO THE BOARD

Shareholders and Senior Unsecured Floating Rate Noteholders are hereby advised that Hubert Brody will be stepping down from the WHL Board with effect from the conclusion of the Annual General Meeting ('AGM') in November 2024, having served a ten-year term on the Board.

As part of the WHL Board succession planning process, Clive Thomson has been appointed to succeed Hubert as Chairman of the Board when Hubert steps down. Clive was appointed to the WHL Board as an Independent Non-executive director in August 2019. He is the current chairman of the Group's Audit and Treasury Committees and a member of the Risk, Information and Technology, Social and Ethics; Nominations; and Remuneration and Talent Management Committees.

Clive's thorough understanding of the business gained during his time on the WHL Board, together with his appropriate skill set, make him a highly suitable successor to Hubert. The Board wishes Clive well as he transitions into the new role.

**CA Reddior**  
Group Company Secretary  
Cape Town  
27 February 2024

ABOUT THIS ANNOUNCEMENT

STATEMENT AND AVAILABILITY

The Unaudited Condensed Interim Group Results were approved by the Board on 27 February 2024, and are available for review by accessing the following links:  
<https://senspdf.jse.co.za/documents/2024/ISE/ISSE/WHLE/WHLFY24.pdf>  
<https://www.woolworthsholdings.co.za/wp-content/uploads/2024/02/whlfy24.pdf>

This short-form announcement, including the constant currency and pro forma financial information, is the responsibility of the directors. As it does not provide all the details of the Unaudited Condensed Interim Group Results, any investment decisions by investors and/or shareholders and/or bondholders should be based on consideration of the full announcement.

An electronic copy of the full announcement may be requested and obtained, at no charge, from the Group Company Secretary at [Governance@woolworths.co.za](mailto:Governance@woolworths.co.za) or the Head of Investor Relations at [InvestorRelations@woolworths.co.za](mailto:InvestorRelations@woolworths.co.za).

The Analyst Presentation will be available on the website later today at the link:  
[https://www.woolworthsholdings.co.za/wp-content/uploads/2024/02/Analyst\\_Presentation.pdf](https://www.woolworthsholdings.co.za/wp-content/uploads/2024/02/Analyst_Presentation.pdf)

DIRECTORATE AND STATUTORY INFORMATION

<b>Non-executive Directors</b> Hubert Brody (Chairman) Numbulelo Moholi (Lead Independent Director) Iwazi Barn Christopher Colfer (Canadian) Rob Collins (British) Belinda Earl (British) David Kneese (British) Themba Skweyiya Clive Thomson	<b>Group Company Secretary</b> Chantel Reddior <b>Debt officer</b> Ian Thompson <b>Registration number</b> 1929/001986/06 <b>LEI</b> 3789009542IE07184E97 <b>Share code</b> WHL <b>Whse ISIN</b> ZAE000063863	<b>Bond Company code</b> WHL <b>Registered address</b> Woolworths House 93 Longmarket Street Cape Town, 8001, South Africa PO Box 680, Cape Town 8000, South Africa <b>Tax number</b> 9300/149/71/4	<b>JSE Equity and Debt Sponsor</b> Investec Bank Limited <b>Transfer secretaries</b> Computershare Investor Services Proprietary Limited
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