

WOOLWORTHS HOLDINGS LIMITED

2024

*Unaudited Condensed Interim Group Results*  
for the 26 weeks ended 24 December 2023  
and Cash Dividend Declaration

START

# NAVIGATING OUR REPORT

---

***IN COMMITMENT TO OUR  
GOOD BUSINESS JOURNEY,  
THIS REPORT IS ONLY  
AVAILABLE DIGITALLY.***

THIS REPORT IS INTERACTIVE.  
YOU'LL FIND THESE TOOLS THROUGHOUT THE REPORT:



**HOME**  
BACK TO  
CONTENTS PAGE



**USEFUL LINKS**  
FOR MORE DETAIL



**FIND ADDITIONAL  
INFORMATION ON  
THE WEB**



**ROLLOVER FOR MORE  
DETAILED CONTENT**

## FINANCIAL OVERVIEW

	<i>Continuing operations</i>	<i>Total Group</i>
<i>Turnover</i>	<b>+5.1%</b> <i>to R37.5bn</i>	<b>-16.7%</b> <i>to R37.5bn</i>
<i>Turnover and concession sales</i>	<b>+5.4%</b> <i>to R38.1bn</i>	<b>-23.6%</b> <i>to R38.1bn</i>
<i>Profit before tax</i>	<b>-14.2%</b> <i>to R2.5bn</i>	<b>-33.5%</b> <i>to R2.5bn</i>
<i>Adjusted profit before tax</i>	<b>-12.1%</b> <i>to R2.6bn</i>	<b>-31.8%</b> <i>to R2.6bn</i>
<i>Earnings per share</i>	<b>-7.4%</b> <i>to 202.9cps</i>	<b>-30.9%</b> <i>to 202.9cps</i>
<i>Headline earnings per share</i>	<b>-7.5%</b> <i>to 203.3cps</i>	<b>-31.0%</b> <i>to 203.3cps</i>
<i>Adjusted diluted headline earnings per share</i>	<b>-5.6%</b> <i>to 209.7cps</i>	<b>-26.3%</b> <i>to 209.7cps</i>

*Net borrowings (excluding lease liabilities)* **R4.1<sup>bn</sup>** (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)



## GROUP

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 7.9%. 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 grew by 13.2%, returning 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.

### COUNTRY ROAD GROUP ('CRG')

Trading conditions in Australia and New Zealand have deteriorated further, with consumer sentiment in Australia at near-record lows, and household savings the weakest since the GFC. In addition, the retail industry has been disproportionately impacted by the shift in spending away from goods to services. CRG sales for the current period declined by 5.0% and by 9.5% in comparable stores, off a high prior period base in which sales grew by 25.5% following the strong recovery from the Covid-impacted lockdowns. Sales growth in the last six weeks of the period was positive, at 1.3%.

The Country Road brand continues to deliver a market-leading performance across key categories. Overall trading space increased by 6.6% during the period, supported by the ongoing expansion of our wholesale and concession channels. The contribution from online sales increased marginally to 26.8% of total sales.

Higher promotional activity to reduce inventory levels and the impact of a weaker Australian Dollar on input costs resulted in a 140bps decrease in the gross profit margin to 62.1%. Expenses were well controlled, increasing by 6.4%, notwithstanding the increased trading space. Given the impact of negative operational leverage arising from the softer top-line performance, adjusted operating profit decreased by 46.1% to A\$50.2 million, returning an operating profit margin of 8.5%, compared to 15.0% in the prior period.

## OUTLOOK

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 Reddiar

Group Company Secretary  
Cape Town  
27 February 2024





## UNAUDITED CONDENSED INTERIM GROUP RESULTS

---



## INTERIM GROUP STATEMENT OF COMPREHENSIVE INCOME

	Note	Unaudited 26 weeks to 24 Dec 2023 Rm	Unaudited 26 weeks to 25 Dec 2022 Rm	% change	Audited 52 weeks to 25 Jun 2023 Rm
<b>Continuing operations</b>					
<b>Revenue</b>	2	37 930	35 860	5.8	72 688
<b>Turnover</b>		37 536	35 703	5.1	72 266
Cost of sales		23 775	22 472	5.8	45 440
<b>Gross profit</b>		13 761	13 231	4.0	26 826
Other revenue		309	111	>100	281
Expenses		10 926	9 940	9.9	20 463
Store costs		7 046	6 430	9.6	12 987
Other operating costs		3 880	3 510	10.5	7 476
<b>Operating profit from core trading activities</b>		3 144	3 402	(7.6)	6 644
Transition, separation and transaction costs		116	–	–	71
<b>Operating profit before net finance costs</b>		3 028	3 402	(11.0)	6 573
Investment income		85	46	84.8	141
Finance costs		836	650	28.6	1 444
<b>Profit before earnings from joint ventures</b>		2 277	2 798	(18.6)	5 270
Earnings from joint ventures		175	60	>100	102
<b>Profit before tax</b>		2 452	2 858	(14.2)	5 372
Tax expense		631	815	(22.6)	1 489
<b>Profit from continuing operations</b>		1 821	2 043	(10.9)	3 883
<b>Discontinued operation</b>					
Profit from discontinued operation, net of tax		–	694	(100.0)	1 196
<b>Profit for the period</b>		1 821	2 737	(33.5)	5 079
<b>Amounts that may be reclassified to profit or loss</b>					
Fair value adjustments on financial instruments, after tax		(10)	200		560
Exchange differences on translation of foreign subsidiaries		(2)	830		1 184
Other comprehensive income from joint ventures		(30)	–		–
Reclassification to profit or loss of other comprehensive income of discontinued operation, net of tax		–	–		(116)
<b>Amounts that may not be reclassified to profit or loss</b>					
Post-retirement medical benefit liability: actuarial gain, after tax		–	–		17
<b>Other comprehensive income for the period</b>		(42)	1 030		1 645
<b>Total comprehensive income for the period</b>		1 779	3 767		6 724
<b>Profit attributable to:</b>		1 821	2 737		5 079
Shareholders of the parent		1 818	2 733		5 074
Non-controlling interests		3	4		5
<b>Total comprehensive income attributable to:</b>		1 779	3 767		6 724
Shareholders of the parent		1 776	3 763		6 719
Non-controlling interests		3	4		5
Earnings per share (cents)	3	202.9	293.7	(30.9)	551.0
Diluted earnings per share (cents)	3	200.9	289.3	(30.6)	542.0

	Note	Unaudited 26 weeks to 24 Dec 2023	Unaudited 26 weeks to 25 Dec 2022	% change	Audited 52 weeks to 25 Jun 2023
<b>Continuing operations</b>					
Earnings per share (cents)		202.9	219.2	(7.4)	421.1
Diluted earnings per share (cents)		200.9	215.8	(6.9)	414.2
Number of shares in issue (millions)		896.6	919.0	(2.4)	896.0
Weighted average number of shares in issue (millions)		896.1	930.4	(3.7)	920.9

### ADDITIONAL EARNINGS MEASURES

Headline earnings per share (cents)	4	203.3	294.5	(31.0)	514.7
Diluted headline earnings per share (cents)	4	201.3	290.0	(30.6)	506.3
Adjusted headline earnings per share (cents)	5	211.8	289.1	(26.7)	516.8
Adjusted diluted headline earnings per share (cents)	5	209.7	284.7	(26.3)	508.3
<b>Continuing operations</b>					
Headline earnings per share (cents)		203.3	219.9	(7.5)	423.4
Diluted headline earnings per share (cents)		201.3	216.6	(7.1)	416.5
Adjusted headline earnings per share (cents)		211.8	225.5	(6.1)	434.8
Adjusted diluted headline earnings per share (cents)		209.7	222.1	(5.6)	427.7

## INTERIM GROUP STATEMENT OF FINANCIAL POSITION

	Note	Unaudited At 24 Dec 2023 Rm	Unaudited At 25 Dec 2022 Rm	Audited At 25 Jun 2023 Rm
<b>ASSETS</b>				
<b>Non-current assets</b>		27 261	24 424	26 634
Property, plant and equipment	6	6 699	6 902	5 919
Investment property		1 754	–	1 750
Intangible assets	6	8 315	7 433	8 132
Right-of-use assets		8 134	8 076	8 645
Investment in joint ventures		1 191	1 006	1 047
Other loans		45	60	51
Derivative financial instruments	11	30	38	50
Deferred tax		1 093	909	1 040
<b>Current assets</b>		12 679	36 990	12 593
Inventories		7 603	7 391	7 072
Trade and other receivables		1 996	2 198	1 648
Derivative financial instruments	11	61	264	253
Tax		113	–	43
Cash and cash equivalents		2 906	6 069	3 577
Assets held for sale		–	21 068	–
<b>TOTAL ASSETS</b>		39 940	61 414	39 227
<b>EQUITY AND LIABILITIES</b>				
<b>TOTAL EQUITY</b>		11 628	12 246	12 021
Equity attributable to shareholders of the parent		11 600	12 217	11 991
Non-controlling interests		28	29	30
<b>Non-current liabilities</b>		15 636	14 665	14 913
Interest-bearing borrowings		5 450	5 300	5 050
Lease liabilities		9 411	8 746	9 267
Post-retirement medical benefit liability		358	364	350
Provisions and other payables		373	255	221
Derivative financial instruments	11	6	–	–
Deferred tax		38	–	25
<b>Current liabilities</b>		12 676	34 503	12 293
Trade and other payables		9 051	8 451	8 259
Provisions		725	843	1 149
Lease liabilities		1 241	1 789	1 735
Derivative financial instruments	11	142	66	30
Tax		21	28	126
Overdrafts and interest-bearing borrowings		1 496	1 387	994
Liabilities associated with assets held for sale		–	21 939	–
<b>TOTAL LIABILITIES</b>		28 312	49 168	27 206
<b>TOTAL EQUITY AND LIABILITIES</b>		39 940	61 414	39 227
<b>Net asset book value per share (cents)</b>		1 294	1 329	1 338

## INTERIM GROUP STATEMENT OF CASH FLOWS

	Note	Unaudited 26 weeks to 24 Dec 2023 Rm	Unaudited 26 weeks to 25 Dec 2022 Rm	Audited 52 weeks to 25 Jun 2023 Rm
<b>Cash flow from operating activities</b>				
Cash inflow from trading		4 287	7 334	12 427
Working capital movements		220	(751)	(1 052)
<b>Cash generated by operating activities</b>		4 507	6 583	11 375
Investment income received		74	65	179
Finance costs paid		(822)	(1 048)	(2 058)
Tax paid		(708)	(766)	(1 487)
<b>Cash generated by operations</b>		3 051	4 834	8 009
Dividends paid to ordinary shareholders		(1 402)	(1 401)	(2 869)
<b>Net cash inflow from operating activities</b>		1 649	3 433	5 140
<b>Cash flow from investing activities</b>				
Investment in property, plant and equipment and intangible assets to maintain operations		(692)	(637)	(1 302)
Investment in property, plant and equipment and intangible assets to expand operations		(936)	(601)	(1 175)
Net cash inflow from disposal of subsidiary		–	–	26
Other loans advanced		–	–	(5)
<b>Net cash outflow from investing activities</b>		(1 628)	(1 238)	(2 456)
<b>Cash flow from financing activities</b>				
Net acquisition of Treasury shares	7	(305)	(175)	(113)
Settlement of share-based payments through share purchases	7	(391)	(102)	(215)
Shares repurchased		–	(1 549)	(2 936)
Lease liabilities repaid		(886)	(1 417)	(2 592)
Borrowings raised		2 794	2 250	3 400
Borrowings repaid		(1 713)	(1 050)	(2 700)
<b>Net cash outflow from financing activities</b>		(501)	(2 043)	(5 156)
<b>(Decrease)/increase in cash and cash equivalents</b>		(480)	152	(2 472)
<b>Net cash and cash equivalents at the beginning of the period</b>		3 296	5 341	5 341
<b>Effect of foreign exchange rate changes</b>		(6)	152	427
<b>Net cash and cash equivalents at the end of the period</b>		2 810	5 645	3 296



## INTERIM GROUP STATEMENT OF CHANGES IN EQUITY

	Share- holders of the parent Rm	Non- controlling interests Rm	Unaudited Total 26 weeks to 24 Dec 2023 Rm	Share- holders of the parent Rm	Non- controlling interests Rm	Unaudited Total 26 weeks to 25 Dec 2022 Rm	Audited Total 52 weeks to 25 Jun 2023 Rm
<b>Shareholders' interest at the beginning of the period</b>	11 991	30	12 021	11 775	25	11 800	11 800
<b>Movements for the period:</b>							
Profit for the period	1 818	3	1 821	2 733	4	2 737	5 079
Other comprehensive income	(42)	–	(42)	1 030	–	1 030	1 645
Total comprehensive income for the period	1776	3	1779	3 763	4	3 767	6 724
Share-based payments	158	–	158	172	–	172	330
Net acquisition of Treasury shares and share-based payments settlements	(696)	–	(696)	(277)	–	(277)	(306)
Shares repurchased and cancelled	–	–	–	(1 574)	–	(1 574)	(3 081)
Transfer of Financial Instrument							
Revaluation Reserve to inventories	(232)	–	(232)	(241)	–	(241)	(577)
Dividends to ordinary shareholders	(1 397)	(5)	(1 402)	(1 401)	–	(1 401)	(2 869)
<b>Shareholders' interest at the end of the period</b>	11 600	28	11 628	12 217	29	12 246	12 021
Dividend per ordinary share (cents)			148.0			158.5	313.0
Dividend cover			1.37			1.77	1.69

## INTERIM GROUP SEGMENTAL ANALYSIS

	Note	Unaudited 26 weeks to 24 Dec 2023 Rm	Unaudited 26 weeks to 25 Dec 2022 Rm	% change	Audited 52 weeks to 25 Jun 2023 Rm
<b>REVENUE</b>					
<b>Turnover</b>		37 536	45 077	(16.7)	85 665
Woolworths Fashion, Beauty and Home		7 505	7 386	1.6	14 629
Woolworths Food		22 438	20 742	8.2	42 463
Woolworths Logistics		362	347	4.3	684
Country Road Group		7 231	7 228	0.0	14 490
David Jones*		–	9 374	(100.0)	13 399
<b>Other revenue and investment income</b>		394	1 357	(71.0)	2 195
Woolworths Fashion, Beauty and Home		35	22	59.1	47
Woolworths Food		89	73	21.9	156
Country Road Group		89	33	>100	62
Treasury		181	29	>100	157
David Jones*		–	1 509	(100.0)	2 224
Intragroup	14	–	(309)	(100.0)	(451)
<b>Total Group</b>		37 930	46 434	(18.3)	87 860
<b>GROSS PROFIT</b>					
Woolworths Fashion, Beauty and Home		3 599	3 543	1.6	7 101
Woolworths Food		5 509	4 943	11.5	10 340
Country Road Group		4 488	4 589	(2.2)	9 073
David Jones*		–	4 052	(100.0)	5 588
Intragroup	14	165	156	5.8	312
<b>Total Group</b>		13 761	17 283	(20.4)	32 414
<b>PROFIT BEFORE TAX</b>					
Woolworths Fashion, Beauty and Home		738	824	(10.4)	1 607
Woolworths Food		1 445	1 293	11.8	2 701
Woolworths Financial Services		174	60	>100	101
Country Road Group		483	991	(51.3)	1 616
Treasury		(272)	(246)	10.6	(513)
David Jones*		–	844	(100.0)	1 062
<b>Total Group – adjusted</b>		2 568	3 766	(31.8)	6 574
<b>Adjustments</b>		(116)	(81)		148
Transition, separation and transaction costs		(116)	(63)		(115)
Restructure costs		–	(3)		(31)
Unrealised foreign exchange (losses)/gains		–	(15)		(14)
Impairment of assets		–	–		(63)
Profit on disposal of David Jones		–	–		371
<b>Total Group – unadjusted</b>		2 452	3 685	(33.5)	6 722
Woolworths Fashion, Beauty and Home		738	803	(8.1)	1 594
Woolworths Food		1 433	1 278	12.1	2 692
Woolworths Financial Services		174	60	>100	101
Country Road Group		400	963	(58.5)	1 512
Treasury		(293)	(246)	19.1	(527)
David Jones*		–	827	(100.0)	1 350

\* Discontinued operation.

## INTERIM GROUP SEGMENTAL ANALYSIS (CONTINUED)

	Unaudited 26 weeks to 24 Dec 2023 Rm	Unaudited 26 weeks to 25 Dec 2022 Rm	Audited 52 weeks to 25 Jun 2023 Rm
<b>TOTAL ASSETS</b>	<b>39 940</b>	<b>61 414</b>	<b>39 227</b>
Woolworths*	22 589	22 016	21 416
Country Road Group	13 868	12 357	13 823
Woolworths Financial Services	1 177	993	1 033
Treasury	2 306	358	2 955
David Jones**	–	25 690	–
<b>INVENTORIES</b>	<b>7 603</b>	<b>10 820</b>	<b>7 072</b>
Woolworths*	5 348	5 435	5 103
Country Road Group	2 255	1 956	1 969
David Jones**	–	3 429	–
<b>TOTAL LIABILITIES</b>	<b>28 312</b>	<b>49 168</b>	<b>27 206</b>
Woolworths*	14 452	16 231	14 152
Country Road Group	6 709	5 937	6 920
Treasury	7 151	5 061	6 134
David Jones**	–	21 939	–
<b>APPROVED CAPITAL COMMITMENTS</b>	<b>1 643</b>	<b>1 931</b>	<b>3 159</b>
Woolworths*	1 376	1 259	2 500
Country Road Group	267	449	659
David Jones**	–	223	–
<b>CASH GENERATED BY OPERATING ACTIVITIES</b>	<b>4 507</b>	<b>6 583</b>	<b>11 375</b>
Woolworths*	3 862	3 116	6 701
Country Road Group	640	1 238	2 745
Treasury	5	20	(28)
David Jones**	–	2 209	1 957

\* Includes Woolworths Fashion, Beauty and Home, Woolworths Food and Woolworths Logistics.

\*\* Discontinued operation.

## NOTES TO THE INTERIM GROUP RESULTS

### 1. STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION

The Unaudited Condensed Interim Group Results are prepared in accordance with the requirements of the JSE Limited Listings Requirements and Debt Listings Requirements for condensed consolidated interim financial statements, and the requirements of the Companies Act of South Africa. The JSE Limited Listings Requirements and Debt Listings Requirements require condensed consolidated interim financial statements to be prepared in accordance with and containing the information required by IAS 34 Interim Financial Reporting, as well as the framework concepts and the measurement and recognition requirements of International Financial Reporting Standards (IFRS) and the SAICA Financial Reporting Guides, as issued by the Accounting Practices Committee and Financial Pronouncements, as issued by Financial Reporting Standards Council.

The accounting policies applied in the preparation of the Unaudited Condensed Interim Group Results are in terms of International Financial Reporting Standards and are consistent with those applied in the preparation of the Group Annual Financial Statements for the 52-week period to 25 June 2023 and with the prior period, except for the change in accounting policies adopted, as detailed in note 8. The Unaudited Condensed Interim Group Results have been prepared on the going concern and historical cost bases, except where otherwise indicated. The presentation currency is the South African rand, rounded to the nearest million, except where otherwise indicated.

The Unaudited Condensed Interim Group Results have been prepared under the supervision of the Group Finance Director, Zaid Manjra CA(SA), and are the full responsibility of the directors.

For details on the Group's performance, refer to the Commentary on performance.

### 2. REVENUE

	Unaudited 26 weeks to 24 Dec 2023 Rm	Unaudited 26 weeks to 25 Dec 2022 Rm	Audited 52 weeks to 25 Jun 2023 Rm
Turnover	37 536	35 703	72 266
Fashion, Beauty and Home	14 736	14 614	29 119
Food	22 438	20 742	42 463
Logistics services and other	362	347	684
Other revenue	309	111	281
Rentals	180	11	81
Concession sales commission	103	59	156
Insurance recoveries	–	3	3
Royalties and other	26	38	41
Investment income	85	46	141
Interest earned from cash and investments	85	46	141
	<b>37 930</b>	<b>35 860</b>	<b>72 688</b>

Revenue from contracts with customers has been further disaggregated by nature of business and retail chain. Refer to Group segmental analysis. Rentals and investment income fall outside the scope of IFRS 15. Investment income is measured in terms of the effective interest method in accordance with IFRS 9.

### 3. EARNINGS PER SHARE

The difference between earnings per share and diluted earnings per share is due to the impact of unvested shares under the Group's share incentive schemes (refer to note 7).

## NOTES TO THE GROUP RESULTS (CONTINUED)

### 4. HEADLINE EARNINGS

	Unaudited 26 weeks to 24 Dec 2023 Rm	Unaudited 26 weeks to 25 Dec 2022 Rm	% change	Audited 52 weeks to 25 Jun 2023 Rm
<b>Reconciliation of headline earnings</b>				
Basic earnings attributable to shareholders of the parent	1 818	2 733	(33.5)	5 074
Net loss on disposal of property, plant and equipment and intangible assets	3	4		29
Impairment of property, plant and equipment, intangible assets and right-of-use assets	3	5		78
Profit on disposal of discontinued operation	–	–		(371)
Tax impact of adjustments	(2)	(2)		(70)
Headline earnings	1 822	2 740	(33.5)	4 740

Headline earnings is calculated by starting with the Basic earnings number in terms of IAS 33 and then excluding all re-measurements that have been identified in The South African Institute of Chartered Accountants' Headline Earnings Circular 1/2023.

### 5. NON-IFRS MEASURES: ADJUSTED HEADLINE EARNINGS

Adjusted headline earnings is calculated by excluding items from headline earnings that have attributes of either being of a non-recurring nature, volatile, having a material impact on earnings or not incurred in the ordinary course of business, which would otherwise have not been considered under IAS 33: Earnings per share or the SAICA guideline on headline earnings. Management believes that the use of an adjusted headline earnings measure is helpful to users of financial statements and investors by providing a more meaningful measure of sustainable earnings or the quality of earnings and thereby improve performance comparisons between different reporting periods. The methodology of determining adjustments is applied consistently over the different reporting periods. Adjusted headline earnings is also one of the performance conditions applicable to the Group's share incentive schemes.

	As reported 26 weeks to 24 Dec 2023 Rm	As reported 26 weeks to 25 Dec 2022 Rm	% change	As reported 52 weeks to 25 Jun 2023 Rm
<b>Reconciliation of adjusted headline earnings</b>				
Headline earnings	1 822	2 740	(33.5)	4 740
Adjustments	76	(50)		19
Transition, separation and transaction costs	116	63		115
Restructure costs	–	3		31
Unrealised foreign exchange losses/(gains)	–	15		14
Tax losses utilised	(15)	(114)		(100)
Tax impact of adjustments	(25)	(17)		(41)
Adjusted headline earnings	1 898	2 690	(29.4)	4 759

The non-IFRS measures have not been reviewed or reported on by the Group's external auditors.

### 6. PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

The Group acquired property, plant and equipment at a cost of R1 297 million (Dec 2022: R901 million) and intangible assets at a cost of R424 million (Dec 2022: R305 million).

### 7. ISSUE AND PURCHASE OF SHARES

3 143 733 (Dec 2022: 1 613 329) ordinary shares totalling R237 million (Dec 2022: R102 million) were purchased from the market by Woolworths Proprietary Limited for the purposes of share incentive schemes and are held as Treasury shares by the Group. 345 141 (Dec 2022: 18 710) ordinary shares totalling R24 million (Dec 2022: R1 million) were sold to the market in terms of the Group's share incentive schemes. The shares were sold to the market as a result of employee forfeitures, after failing to satisfy vesting conditions. 3 378 686 (Dec 2022: 826 376) ordinary shares totalling R151 million (Dec 2022: R25 million) previously purchased were allocated to employees in terms of the Group's share incentive schemes.

In the prior period, 13 363 149 and 12 635 135 ordinary shares totalling R741 million and R833 million were repurchased from the open market on the JSE and cancelled, at an average price of R55.34 and R65.48 per share, respectively, in terms of the Board approved share repurchases.

In accordance with the plan rules and the JSE Limited Listing Requirements, the directors have adjusted the number of unvested awards issued in terms of the PSP, to reflect the repurchase of ordinary shares by the Company to place participants in such a position that they are entitled to the same proportion of the issued stated capital of the Company as that to which they were previously entitled, prior to the repurchase. The scheme allocation, as well as the maximum award to any one participant specified in the trust deed, have also been adjusted accordingly.

### 8. ACCOUNTING POLICIES

The adoption of certain new standards, which became effective in the current period, has resulted in minor changes to accounting policies and disclosure, none of which have a material impact on the financial position or performance of the Group.

#### STANDARDS ISSUED AND EFFECTIVE

##### Disclosure of Accounting Policies Amendments to IAS 1 and IFRS Practice Statements 2

The amendments to IAS 1 require the Group to disclose its material, rather than significant, accounting policies. The amendments define what is 'material accounting policy information' and explain how the Group should identify when accounting policy information is material. They further clarify that immaterial accounting policy information does not need to be disclosed. If it is disclosed, it should not obscure material accounting information.

##### Definition of Accounting Estimates - Amendments to IAS 8

The amendments to IAS 8 clarify how the Group should distinguish changes in accounting policies from changes in accounting estimates. This distinction is important, as changes in accounting policies are generally applied retrospectively to past transactions and other past events, as well as the current period; whereas changes in accounting estimates are applied prospectively to future transactions and other future events.

##### IFRS 17 Insurance Contracts

IFRS 17 is effective for the Group from the 2024 financial year, and is applicable primarily to the Group's joint venture, Woolworths Financial Services Proprietary Limited (WFS). Application of the standard has resulted in a net R2 million increase in the investment in the WFS joint venture, with a corresponding credit to profit or loss of R52 million and a debit to other comprehensive income of R50 million.

##### Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to IAS 12

The amendments to IAS 12 Income Taxes require the Group to recognise deferred tax on transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences. This will typically apply to transactions such as leases of lessees and decommissioning obligations and will require the recognition of additional deferred tax assets and liabilities.

## NOTES TO THE GROUP RESULTS (CONTINUED)

### 9. PRO FORMA FINANCIAL INFORMATION

This note sets out the illustrative impact on the financial information as follows:

- In note 9.1: for the 26 weeks to 24 Dec 2023, Turnover and concession sales have been reported against the prior period reported 26 weeks to 25 Dec 2022. These are important for understanding the underlying business performance and are described as "Non-IFRS financial information".
- In note 9.2: for the 26 weeks to 24 Dec 2023, adjustments, as detailed in supplementary notes 2 and 3, have been made (respectively, the 'Non-IFRS financial information'). These are important for understanding the underlying business performance and are described as "Non-IFRS financial information".
- In note 9.3.1: for the 26 weeks to 24 Dec 2023, Turnover and concession sales and Segmental contribution before interest and tax (EBIT) have been shown on a constant currency basis.
- In note 9.3.2: for the 26 weeks to 24 Dec 2023, Group statement of financial position items have been shown on a constant currency basis.

The Non-IFRS financial information and constant currency information (collectively the 'pro forma financial information') is presented in accordance with the JSE Limited Listings Requirements, which requires that pro forma financial information be compiled in terms of the JSE Limited Listings Requirements and the SAICA Guide on Pro Forma Financial Information.

The pro forma financial information is the responsibility of the Group's directors and is based on the Unaudited Condensed Interim Group Results for the 26 weeks ended 24 December 2023 and 26 weeks ended 25 December 2022.

The pro forma financial information includes the discontinued operation, and has been prepared for illustrative purposes only and, because of its nature, may not fairly present the Group's financial position, results of operations or cash flows.

#### 9.1 TURNOVER AND CONCESSION SALES

	As reported 26 weeks to 24 Dec 2023 (1) Rm	As reported 26 weeks to 25 Dec 2022 (1) Rm	% change
Turnover	37 536	35 703	
Concession sales	576	449	
Turnover and concession sales	38 112	36 152	5.4

#### Notes

- The '26 weeks to 24 Dec 2023' and '26 weeks to 25 Dec 2022' turnover financial information has been extracted, without adjustment, from the Group Statement of comprehensive income for the 26 weeks to 24 Dec 2023 and 26 weeks to 25 Dec 2022, as presented in the Unaudited Condensed Interim Group Results for the 26 weeks ended 24 December 2023. The Concession sales information has been extracted from the Group's accounting records.

This illustrates the impact on financial information by including the turnover of concession operators of goods sold (concession sales) within the Group's stores. Concession sales are the sale of goods by concession operators and are not included in revenue, and have been extracted from the Group's accounting records.

### 9.2 ADJUSTMENT OF EBIT AND PROFIT BEFORE TAX

	As reported 26 weeks to 24 Dec 2023 (1) Rm	Adjust- ments (2) Rm	Pro forma 26 weeks to 24 Dec 2023 (4) Rm	As reported 26 weeks to 25 Dec 2022 (1) Rm	Adjust- ments (3) Rm	Pro forma 26 weeks to 25 Dec 2022 (4) Rm
EBIT	3 108	116	3 224	3 466	64	3 530
Profit before tax	2 452	116	2 568	2 858	64	2 922

#### Notes

- The '26 weeks to 24 Dec 2023' and '26 weeks to 25 Dec 2022' financial information has been extracted, without adjustment, from the Group Statement of comprehensive income for the 26 weeks to 24 Dec 2023 and 26 weeks to 25 Dec 2022, as presented in the Unaudited Condensed Interim Group Results for the 26 weeks ended 24 December 2023. EBIT comprises Profit before tax, as illustrated on the Group Statement of comprehensive income for the 26 weeks to 24 Dec 2023 and 26 weeks to 25 Dec 2022, and excludes Investment income of R85 million (2022: R46 million), Finance costs of R836 million (2022: R650 million) and net Group entity income of R95 million (2022: R4 million net costs).
- EBIT adjustments for the '26 weeks to 24 Dec 2023' comprise of Transition, separation and transaction costs of R116 million, which results in an Adjusted EBIT. Profit before tax adjustments include all of the aforementioned adjustments, which results in an Adjusted profit before tax.
- EBIT adjustments for the '26 weeks to 25 Dec 2022' comprise of Transition and separation costs of R23 million, Restructure costs of R26 million and Unrealised foreign exchange losses of R15 million, which results in an Adjusted EBIT. Profit before tax adjustments include all of the aforementioned adjustments, which results in an Adjusted profit before tax.
- The 'Pro forma 26 weeks to 24 Dec 2023' and the 'Pro forma 26 weeks to 25 Dec 2022' columns reflect the pro forma financial information after adjusting for the items included in column 2 (2022: column 3), which results in Adjusted EBIT and Adjusted profit before tax.

### 9.3 CONSTANT CURRENCY INFORMATION

#### 9.3.1 GROUP STATEMENT OF COMPREHENSIVE INCOME ITEMS

	Pro forma 26 weeks to 24 Dec 2023 (1) Rm	As reported 26 weeks to 25 Dec 2022 (2) Rm	% change
Turnover and concession sales <sup>1</sup>	37 749	36 152	4.4
Adjusted EBIT	3 277	3 530	(7.2)

#### Notes

- Constant currency information has been presented to illustrate the impact of changes in the Group's major foreign currency, the Australian dollar. In determining the constant currency growth rate, Turnover and concession sales and Adjusted EBIT denominated in Australian dollars for the current period have been adjusted by application of the aggregated monthly average Australian dollar exchange rate for the prior period. The aggregated monthly average Australian dollar exchange rate is R12.21 for the current period and R11.60 for the prior period. Foreign currency fluctuations of the Group's rest of Africa operations are not considered material and have therefore not been applied in determining the constant currency growth rate.
- The Turnover and concession sales and Adjusted EBIT has been extracted from notes 9.1 and 9.2 above, respectively.

## NOTES TO THE GROUP RESULTS (CONTINUED)

### 9. PRO FORMA FINANCIAL INFORMATION (CONTINUED)

#### 9.3.2 GROUP STATEMENT OF FINANCIAL POSITION ITEMS

	Pro forma At 24 Dec 2023 (1) Rm	As reported At 25 Dec 2022 (2) Rm	% change
<b>Assets</b>			
Property, plant and equipment, investment property and intangible assets	16 077	14 335	12.2
Right-of-use assets	7 819	8 076	(3.2)
Investments in joint ventures	1 191	1 006	18.4
Inventories	7 407	7 391	0.2
Receivables, derivatives and loans	2 055	2 560	(19.7)
Deferred tax and tax assets	1 211	909	33.2
Cash and cash equivalents	2 837	6 069	(53.3)
Assets held for sale	–	21 068	(100.0)
Total assets	38 597	61 414	
<b>Equity and liabilities</b>			
Shareholders' funds	10 850	12 246	(11.4)
Borrowings and overdrafts	6 925	6 687	3.6
Lease liabilities	10 267	10 535	(2.5)
Deferred tax and tax liabilities	99	28	>100
Payables, derivatives and provisions	10 456	9 979	4.8
Liabilities associated with assets held for sale	–	21 939	(100.0)
Total equity and liabilities	38 597	61 414	

#### Notes

- The Group Statement of financial position items are at 24 December 2023 and the constant currency information has been determined by application of the closing Australian dollar exchange rate for the prior period to the current period Group Statement of financial position items. The closing Australian dollar exchange rate is R12.52/A\$ for the current period and R11.44/A\$ for the prior period.
- The 'At 25 Dec 2022' financial information has been extracted, without adjustment, from the reported Unaudited Condensed Interim Group Results for the 26 weeks ended 25 December 2022.

The pro forma financial information has not been reviewed or reported on by the Group's external auditors.

### 10. SIGNIFICANT EVENTS DURING THE PERIOD

On 31 October 2023, WHL announced its intention to acquire 93.45% of the shares in privately-owned pet retailer Absolute Pets (Proprietary) Limited (Absolute Pets), from Sanlam Private Equity and Absolute Pets management. The remaining management-retained shareholding will be acquired by WHL over an agreed period, post the completion of the transaction. The purchase consideration will be settled in cash, and the conclusion of the transaction is subject to the fulfilment of both regulatory and commercial suspensive conditions customary for a transaction of this nature, including the approval by the competition authorities of South Africa.

### 11. FAIR VALUE OF FINANCIAL INSTRUMENTS

The carrying value of trade and other receivables, trade and other payables and borrowings approximate their fair values.

In terms of IFRS 9: Financial Instruments, the Group's derivative financial instruments are measured at fair value. The derivative financial instruments are determined to be Level 2 instruments under the fair value hierarchy as per IFRS 13 Fair value measurement. Derivatives are valued using valuation techniques with market observable inputs, with derivatives being mainly in respect of interest rate swaps and foreign exchange forward contracts. The most frequently applied valuation techniques include forward pricing and swap models, using present value calculations. The models incorporate various inputs, including the credit quality of counterparties, foreign exchange spot and forward rates, interest rate curves and forward rate curves of the underlying index.

### 12. CONTINGENT LIABILITIES

Group companies are party to legal disputes and investigations that have arisen in the ordinary course of business. Whilst the outcome of these matters cannot readily be foreseen, the directors do not expect them to have any material financial effect.

### 13. BORROWING FACILITIES

Unutilised banking and debt facilities amount to R5 986 million (2022: R6 279 million) as follows:

	2023 Rm	2022 Rm
Committed	5 902	6 115
Uncommitted	84	164
Total	5 986	6 279

Notes to the value of R2.0 billion (2022: R2.7 billion) are outstanding under the South African Domestic Medium Term Note (DMTN) programme, which is a further source of funding to the Group. The DMTN programme is guaranteed by Woolworths Proprietary Limited and will be used to raise debt on an ongoing basis.

Debt facilities of A\$52.0 million (2022: A\$69.0 million) for Country Road Group (CRG) are secured by Real Property Mortgages and a General Security Deed over the assets of CRG. At period end, the facilities are undrawn.

### 14. RELATED-PARTY TRANSACTIONS

The Group entered into related-party transactions, the substance of which is disclosed in the Group's 2023 Annual Financial Statements. Intragroup adjustments relate to the sale of concession goods between segments and supply chain distribution adjustments.



## NOTES TO THE GROUP RESULTS (CONTINUED)

---

### 15. EVENTS SUBSEQUENT TO THE REPORTING DATE

On 27 February 2024, the Board declared an interim gross cash dividend of 148.0 cents (118.4 cents net of dividend withholding tax) (2022: 158.5 cents) for the 26 weeks ended 24 December 2023 to ordinary shareholders recorded at close of business on Monday, 18 March 2024, to be paid on Tuesday, 19 March 2024.

### 16. APPROVAL OF THE UNAUDITED CONDENSED INTERIM GROUP RESULTS

The Unaudited Condensed Interim Group Results approved by the Board of Directors on 27 February 2024.

### 17. AUDIT OPINION

The Unaudited Condensed Interim Group Results have not been reviewed or audited.





Woolworths, Summer 2024

## DIRECTORATE AND STATUTORY INFORMATION

### NON-EXECUTIVE DIRECTORS

Hubert Brody (Chairman)  
 Nombulelo Moholi (Lead Independent Director)  
 Lwazi Bam  
 Christopher Colfer (Canadian)  
 Rob Collins (British)  
 Belinda Earl (British)  
 David Kneale (British)  
 Thembisa Skweyiya  
 Clive Thomson

### EXECUTIVE DIRECTORS

Roy Bagattini (Group Chief Executive Officer)  
 Zaid Manjra (Group Finance Director)  
 Sam Ngumeni (Group Chief Operating Officer)

### GROUP COMPANY SECRETARY

Chantel Reddiar

### DEBT OFFICER

Ian Thompson

### REGISTRATION NUMBER

1929/001986/06

### LEI

37890095421E07184E97

### SHARE CODE

WHL

### SHARE ISIN

ZAE000063863

### BOND COMPANY CODE

WHLI

### REGISTERED ADDRESS

Woolworths House, 93 Longmarket Street  
 Cape Town, 8001, South Africa  
 PO Box 680, Cape Town 8000, South Africa

### TAX REFERENCE NUMBER

9300/149/71/4

### JSE EQUITY AND DEBT SPONSOR

Investec Bank Limited

### TRANSFER SECRETARIES

Computershare Investor Services Proprietary Limited

**WOOLWORTHS**

**COUNTRY ROAD GROUP**