PICK N PAY GROUP FINANCIAL RESULTS FOR HY2027 (26 WEEKS ENDED 30 AUGUST 2026)

TRADE INTELLIGENCE COMMENT

Pick n Pay CEO Sean Summers gave an encouraging update on Pick n Pay's recovery, pointing out that the operational fixes put in place are steadily hitting the mark. Summers emphasised that customers are increasingly "*coming home to Pick n Pay"*, reflected in sustained like-for-like sales growth achieved against the backdrop of a constrained shopper environment. Although reporting a slight decline in turnover (0.1%) to R36.37bn at HY2027, Pick n Pay reduced its headline loss by 31.9% to R299m, and its trading loss also narrowed by 16.9% to R516m, indicating progress in reducing operating losses.

Pick n Pay continues to prioritise its fresh department while working to improve its overall business performance. Following the completion of its estate reset, Pick n Pay converted 10 franchise stores into company-owned supermarkets during the half-year, bringing conversions to 14 over the past 12 months, while also converting selected underperforming stores to Boxer. At the same time, online operations delivered 35.4% growth driven by the asap! platform, increased demand for clothing and the launch of the Smart Shopper Pro unlimited delivery subscription.

Looking ahead, Pick n Pay aims to strengthen its recovery and achieve its FY2029 break-even target, supported by cash reserves of more than R10bn. Operational risks have eased following the withdrawal of the Section 189A labour process and continued supply chain improvements in partnership with DP World. Summers ended by highlighting that the planned leadership succession, with Spencer Sonn set to join in February 2027, is expected to provide stability and support the retailer's long-term recovery and growth.

KEY GROUP HIGHLIGHTS

- **Group turnover** +2.4% to R60.5bn, in the context of constrained consumer spending and low inflation
- **Group gross profit** +6.0% to R11.4bn, margin 18.8% (HY2026: 18.1%)
  - **Boxer gross profit**: +8.7% to R5.0bn, margin increased to 20.7% (HY2026: 20.2%)
  - **PnP gross profit:** +3.9% to R6.4bn, margin 17.5% (HY2026: 16.8%), attributed to *"better category and margin management"* offsetting +14.9% increase in diesel spend
- **Group trading profit:** +58.1% to R490m (HY2026: R310m), margin 0.8% (HY2026: 0.5%), incl. **trading expenses** +4.5% to R12.4bn
  - **Boxer trading profit**: +8.1% to R1.0bn, margin increased to 4.2% (HY2026: 4.1%)
  - **PnP trading loss:** -R516m (HY2026: -R621m), margin improved but still negative, -1.4% (HY2026: -1.7%). Supported by the stronger gross margin, and contained trading expenses: +1.7% to R8.1bn, despite +5.0% growth in operating costs and +2.7% growth in employee costs
- **Group headline loss per share:** -40.71 cents per share (HY2026:-59.77 cps). No dividend (last dividend was in FY2023: 185cps). **Cash position improved**, supported by the Group selling 57.3 million shares in Boxer, generating R4.7bn, while still retaining a controlling stake in Boxer (53.1% of shares, from 65.6%). But there is still a cash burn[1] until the Group gets back to profitability

Pick n Pay Group HY2027 Financial Results Summary Table

	Turnover (R'bn)	Turnover Growth %	Comparable[2] Turnover Growth %	Internal Selling Price Inflation	Underlying Volume Growth %[5]
Group	**R60.5bn**	**+2.4%**	**+1.8%**	–	–
PnP	**R36.4bn**	**-0.1%**	**+2.0%**	–	–
PnP SA	R34.7bn	-0.5%	+1.4%	+1.5%[6] (FY2026: +1.9%)	-0.1%[6]
PnP Rest of Africa	R1.7bn	+10.8%	+20.2%	–	–
Boxer	**R24.1bn**	**+6.3%**	**+1.4%**	-2.4%[6]	+3.8%[6]

Notes: *– Data not reported | 1. Cash burn: reduction in the Group's net funding position – considering cash flows from operations, interest, tax, working capital movement | 2. Comparable removes the impact of new and closed stores in both periods, also known as like-for-like growth | 3. "Supermarket" includes Hypermarkets and includes groceries, liquor and general merchandise | 4. The Group does not report the size of the turnover for these channels, only the growth percentage | 5. Underlying volume growth is calculated as comparable growth less reported internal selling price inflation | 6. To account for the material impact of the change in basket mix (buying larger pack sizes), PnP has joined Boxer in calculating the 'underlying' internal selling price inflation to normalise for the mix change, also called as measured on a "volume-held-constant basis"*

PICK N PAY HIGHLIGHTS (*for info on Boxer, please see the results summary released by Trade Intelligence on 12 October 2026*)

- **PnP SA turnover growth:** -0.5% to R34.7bn , incl. clothing, liquor and online. Comparable growth: +1.4% and internal selling price inflation contained at +1.5% (FY2026: +1.9%)
  - **Company-owned** supermarkets (incl. hypers and liquor) comparable turnover:[3] +2.4% (FY2026: +3.9% | FY2025: +3.3%)[4] supported by *"customers coming back"*
  - **Comparable** wholesale turnover to **franchise supermarkets**:[3] +1.0% (FY2026: 0.9% | FY2025: -0.1%)[4] *"focus on improving the offer".* 10 supermarkets and 10 liquor stores became company-owned over the six months
- Standalone **Clothing:** +3.9% turnover growth[4] (FY2026: +5.3%) and comparable: -0.7% (FY2026: +0.7% | FY2025: +2.0%). +5 net new company-owned stores, to a total standalone store footprint of 439 stores (incl. 18 franchise stores)
- **Online:** +35.4 (FY2026: +32.7% | FY2025: +48.7%),[4] incl. +137% growth in online clothing sales (clothing launched on asap! in Mar 2026)

PICK N PAY COMMENT

> *If you just have a look at where Pick n Pay is positioned today, compared to where it was two years ago, we are showing up, and if this was not the case we would not be showing the positive growths that we are showing currently." –* ***Sean Summers, Pick n Pay Group CEO***