

Making a difference,
every day, everywhere

It's in our
DNA

Picture frame
Bradlows

Headphones
Incredible

Bedding
PEP Home

Jersey
Ackermans

Cellphone from PEP
and data was bought
from a Flash trader

Integrated report 20**25**

Contents

Quick read	1
FY25 highlights	10
Letters from our leaders	11
Chair's review	12
CEO's and COO's review	13
CFO's review	19
Operational context	27
Operating environment	28
Market position	31
Material matters	32
Risks and opportunities	34
Stakeholder engagement	35
Business overview	36
Retail core	37
PEP	37
Choice Clothing	38
Ackermans	39
Pepkor Speciality	40
PEP Africa	41
Avenida	42
Pepkor Lifestyle	43
Financial services and connectivity	44
Omnichannel	46
Leverage and efficiency	48
Further reading	49
About this report	50
History and development	51
Business model	52
Nine-year review	53
Retail footprint	55
Risks and opportunities detail	56
Shareholder analysis	60
Share performance	61
Pro forma financial information	62
Glossary	66
Corporate information	67
Shareholder diary	67

Quick read

Our purpose	1
Our customers	2
Our scale	3
Our business model	4
Our strategy	5
Our growth levers	6

Navigating the IR suite

Pepkor's IR suite is fully digital, and users are able to click through to additional information or reports.

Report navigation



Contents Return Previous Next

Page reference in this report

External reference on the web

United Nations Sustainable Development Goals (UN SDGs)

Where relevant and appropriate, links are made to the UN SDGs and these are identified by the official UN SDG icons.



The IR suite was prepared in accordance with the Integrated Reporting (<IR>) Framework. Refer to the **About this report** section for more information on how the IR suite was prepared.

About this report

Icons

Throughout the IR suite, cross references are made to our material matters, key risks and opportunities and the capitals as prescribed by the <IR> Framework. The following icons are used:

Material matters

- MM1** Customer focus
- MM2** Maintaining an efficient and effective supply chain
- MM3** Maintaining a low cost of doing business
- MM4** Attracting and retaining talent
- MM5** Allocating capital efficiently

Capitals

- FC** Financial
- MC** Manufactured
- HIC** Human and intellectual
- SRC** Social and relationship
- NC** Natural

Welcome to Pepkor's FY25 integrated report

This report is primarily aimed at serving the information needs of the investor community and is supported by additional reports that provide more detailed and specific information to serve the information needs of other stakeholders. The additional reports include:



Sustainability report

[CLICK HERE](#)



Corporate governance report

[CLICK HERE](#)



Remuneration report

[CLICK HERE](#)



Annual financial statements

[CLICK HERE](#)



Notice of annual general meeting

[CLICK HERE](#)

Read together, these reports represent Pepkor's integrated reporting suite (IR suite) and are available on the Pepkor website: www.pepkor.co.za.

OUR PURPOSE

Making a positive difference in people's lives is in our DNA.

We solve customer needs and make life's essentials affordable and accessible to all.

2 billion



customer transactions in 2025 – that
is more than **5 million transactions**
every day

We are part of the fabric of everyday life –
from school shoes and smartphones to
couches and insurance. We connect with our
customers two billion times a year, giving
people what they need, when they need it,
at a price they can afford.



Quick read

FY25 highlights

Letters from our leaders

Operational context

Business overview

Further reading

Corporate information

Shareholder diary

OUR CUSTOMERS

Our customers shape everything we do.

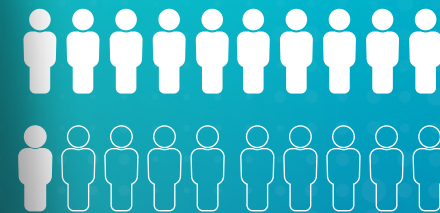
We listen, and design solutions that solve real-world challenges and fit their lives – from products to flexible payment solutions, mobile connectivity and insurance for peace of mind. We do that with empathy and at scale.

Innovation at Pepkor is about integrating technology and affordability – bringing retail, digital services and fintech together to meet customers where they are.



> 32 million

known customers – more than half of the total South African population



Quick read

FY25 highlights

Letters from our leaders

Operational context

Business overview

Further reading

Corporate information

Shareholder diary

OUR SCALE

We have the largest retail footprint

and have built a century-strong ecosystem that is rooted in trust.

Pepkor's strength lies in our unmatched scale and the trust our brands have earned over many years – giving customers value, consistency and care.

> 6 000 stores

More than IKEA, Target and Primark **combined**



Quick read

FY25 highlights

Letters from our leaders

Operational context

Business overview

Further reading

Corporate information

Shareholder diary

OUR BUSINESS MODEL

A scalable business, a sustainable model

Pepkor delivers consistent growth in a volatile world through scale, relevance and resilience. Our model combines a defensive retail core with high-growth fintech and a customer-centred omnichannel.

+23.4%

growth in normalised HEPS
for FY25

Clothing families, improving people's homes and connecting the South African nation isn't just what we do, it's in our DNA.



Quick read

FY25 highlights

Letters from our leaders

Operational context

Business overview

Further reading

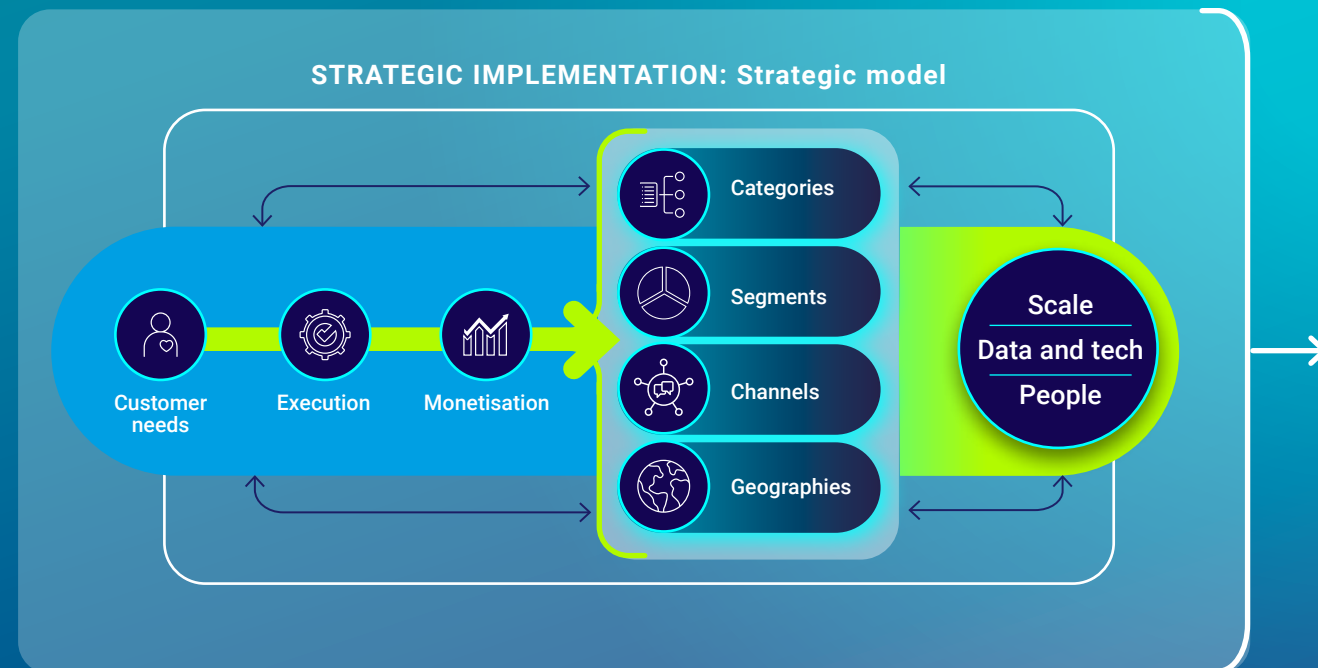
Corporate information

Shareholder diary

OUR STRATEGY

We understand and solve customers' needs first,

developing solutions that are effectively executed and monetised across product categories, customer segments, physical and digital channels and geographies.



Number ONE

in babieswear, kidswear, schoolwear and prepaid cellular handsets

This framework is the foundation of the group's solutions-driven offerings spanning physical products, financial services and connectivity. Our strategy is designed to turn our purpose into measurable performance – consistently, at scale and across our ecosystem of brands.

● Quick read

FY25 highlights

Letters from our leaders

Operational context

Business overview

Further reading

Corporate information

Shareholder diary

OUR GROWTH LEVERS

Retail

Expanding our foundations



+6.5%

like-for-like sales growth
ahead of inflation and
outperforming peers

**Pepkor's retail core
remains the backbone
of our business and
growth.**

It's where customer
relationships begin, and it's
the springboard that enables
us to expand into financial
services, connectivity and
omnichannel experiences.

FY25 highlights

Letters from our leaders

Operational context

Business overview

Further reading

Corporate information

Shareholder diary

Quick read

FY25 highlights

Letters from our leaders

Operational context

Business overview

Further reading

Corporate information

Shareholder diary

OUR GROWTH LEVERS

Financial services and connectivity

Scaling the future, not just the store

Retail is
our core

Financial services
and connectivity
is our next frontier

Technology is the catalyst

> 2 million

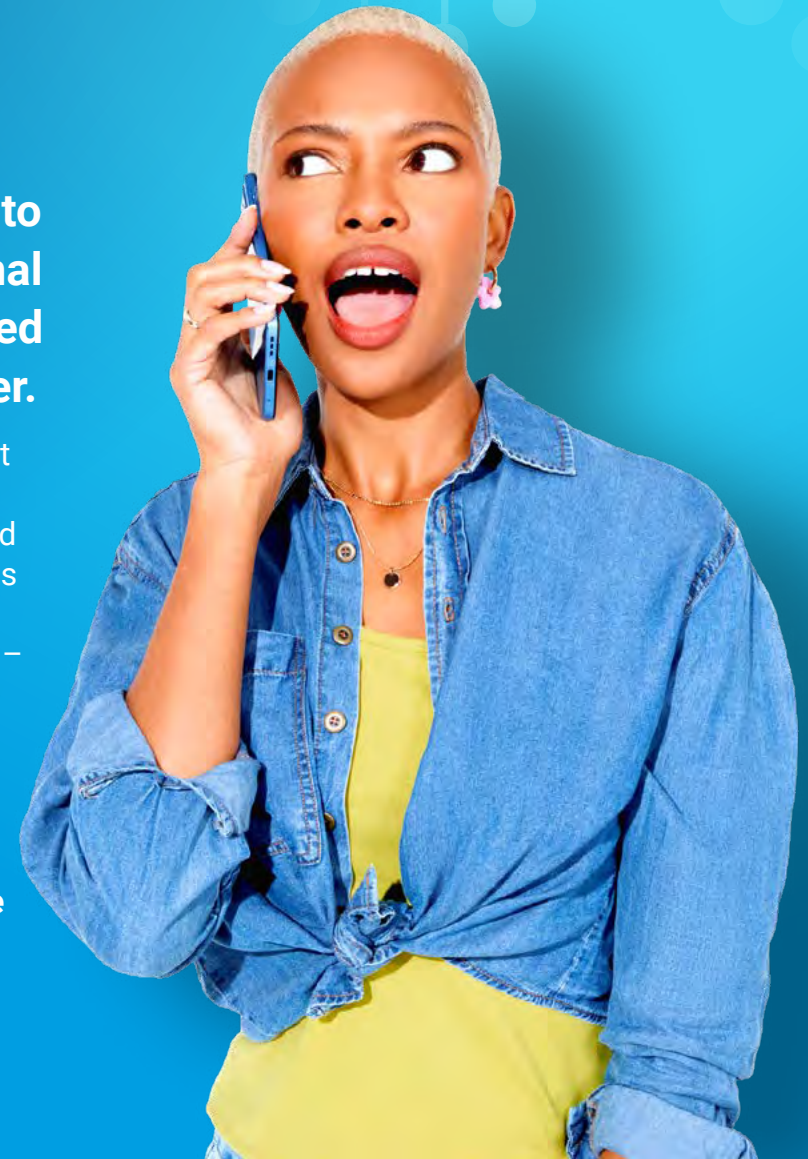
active **FoneYam** customers –
making smartphones
affordable for customers and
promoting digital inclusion



Our scale and data capabilities enable us to evolve from a traditional retailer into a connected fintech service provider.

We are able to unlock significant opportunity by leveraging the footprint and scale of our trusted retail brands, data-driven insights and integrated platforms to broaden customer participation – linking millions of customers to retail credit, insurance, cellular and financial services.

Deepening customer relationships • Expanding the value of every transaction



OUR GROWTH LEVERS

Omnichannel

Connecting the ecosystem

52 million

baskets tracked through **+more**, providing real-time insights into customer behaviour, basket composition and cross-shop potential



Omnichannel integration connects the dots:



In-store



Online



Informal market

From store to screen to spaza, we create seamless journeys in person, online and in between.

This approach links value, credit, connectivity and loyalty, ensuring that every customer interaction, whether in-store, online or through a Flash trader, is part of the same trusted Pepkor network.

FY25 highlights

Letters from our leaders

Operational context

Business overview

Further reading

Corporate information

Shareholder diary

OUR GROWTH LEVERS

Leverage and efficiency

Leveraging our scale



7.1 million

PAXI parcels distributed, leveraging our retail footprint to solve customer needs to send parcels



An integrated supply chain, disciplined sourcing and data-led technology power Pepkor's scale – enabling efficiency, resilience and affordable value across retail, financial services and technology and omnichannel platforms.

Retail core

Integrated supply chain and sourcing

=

Affordable retail

Financial services and technology

Shared platforms and data leverage

=

Low-cost financial access

Omnichannel

Unified technology and fulfilment

=

Seamless, connected experiences

FY25 highlights

The group's scale and affordability, access and execution continue to set us apart in a volatile operating environment.

Financial

Revenue

↑ 12.0%
R95.3bn

Operating profit

↑ 13.2%
R11.1bn

HEPS

↑ 14.8%
161 cents
+23.4% normalised¹

Gross profit margin

↑ 150bps
39.8%

Cash generated

R10.9bn
↓ Strategic investment in FoneYam

Return on net assets

↑
24.0%

Dividend declared ↑ 9.2%
53.0 cents



Operational

6 000th
store opened

R60bn
throughput enabled
by Flash

Top 30

FTSE Responsible
Investment Index
inclusion

**Continued market share
dominance²**

- 2 out of 3 **babieswear sales**
- 1 out of 2 **kidswear sales**
- 3 out of 4 **schoolwear sales**
- 1 out of 5 **homeware sales**
- 8 out of 10 **prepaid cellular handsets sold**

Our scale allows execution.

Pepkor serves **millions of customers**, generating over **60 transactions every second** across **two continents** and **10 countries**, supported by **48 500 employees**. This scale is unmatched on the African continent.

¹ Normalised HEPS growth is adjusted for the remeasurement of uncertain tax provisions in the prior year (FY24), reflecting a more representative growth rate for the current year (FY25).

² Retail Liaison Committee & GfK 12mma data – September 2025.

07:00

At the bus stop, Thandi adjusts her son's new headphones so he can listen to his favourite song while they wait.

- She bought his clothes from Ackermans, his backpack and shoes from PEP and his headphones from HiFiCorp.
- On the way here, she topped up her phone data using Flash at the corner spaza, a small everyday task that keeps her connected.

As usual, her day started with small wins that fit the budget, made possible by access and affordability.

#TouchingLivesEveryDay

Chair's review

Dear stakeholder,

At its heart, Pepkor exists to make life's essentials affordable and accessible. This purpose is not a slogan; it is the principle that guides the board's oversight of the group and shapes how we measure success – particularly in times of economic pressure.



WENDY LUHABE

FY25 was a year that tested resilience across markets and households. Despite a challenging environment, Pepkor delivered a solid performance, reaffirming the strength of a business built to serve customers at scale. From the board's perspective, these results reflect a deeply embedded culture of discipline, operational excellence and an unwavering focus on customer needs.

What sets Pepkor apart is not only what we sell, but how we serve. Across the group, growth remains firmly rooted in affordability through clothing, homeware, connectivity and financial services, while extending access to opportunity through employment, skills development and enterprise support. Every product, service and platform is designed to meet people where they are, and to grow with them over time. The group's success in the FoneYam product is worth noting, making smartphones affordable for more than two million customers and making a significant contribution to the group's profits.

As the group enters its next phase of expansion, the board is encouraged by management's focus on deepening customer relationships. Growth is not only about reach; it is about relevance. By increasing the frequency, value and breadth of engagement with existing customers, Pepkor is building trust, loyalty and long-term participation across its ecosystem.

The group's strategic priorities are clear and mutually reinforcing:

- Strengthening the retail core through category, customer and geographic expansion
- Responsibly scaling financial services and connectivity to meet real, everyday needs
- Enabling participation in the informal market through platforms such as Flash and PAXI
- Advancing omnichannel capabilities that seamlessly connect physical and digital experiences
- Leveraging scale, technology and data to unlock efficiency and sustain our low-cost advantage

Together, these capabilities position Pepkor as so much more than a retailer. They enable the group to convert scale into inclusion and efficiency into opportunity – creating value that is both commercial and societal.

The board remains committed to the highest standards of governance and ethical leadership. Through the continued roll-out of the Building Better Business framework, sustainability is increasingly embedded in how the group plans, operates and invests, ensuring that growth is delivered responsibly and with long-term impact in mind.

Looking ahead

The board is confident in Pepkor's ability to execute with discipline while continuing to evolve. As the group integrates recent acquisitions and advances its digital and data capabilities, its purpose remains constant: to keep life's essentials affordable and accessible, because it is in our DNA.

On behalf of the board, I thank our management team and employees for their dedication and care and our shareholders and customers for their trust. Together, we are building a business that delivers value today, while creating opportunity for the future.

Wendy Luhabe

Independent non-executive chair

CEO's and COO's review

It's in our DNA – Touching lives every day

In FY25, Pepkor achieved record profit growth, proving the strength of our unique, resilient business model focused on meeting customer needs.



PIETER ERASMUS AND SEAN CARDINAAL

“We continue to build a unique position of trust among millions of our customers, solving their needs and making life's essentials affordable and accessible – it's in our DNA.”

Pieter Erasmus CEO

Over the years, the group has identified customer needs, developed solutions to these needs and delivered these at scale in an accessible and, most importantly, affordable way. This started with basic baby and kids' clothing and expanded into cellphones, data, airtime, bill payments, money transfers, credit and insurance and, most recently, banking.

Strong operational results were delivered this year in parallel with successful execution of a number of strategic initiatives.

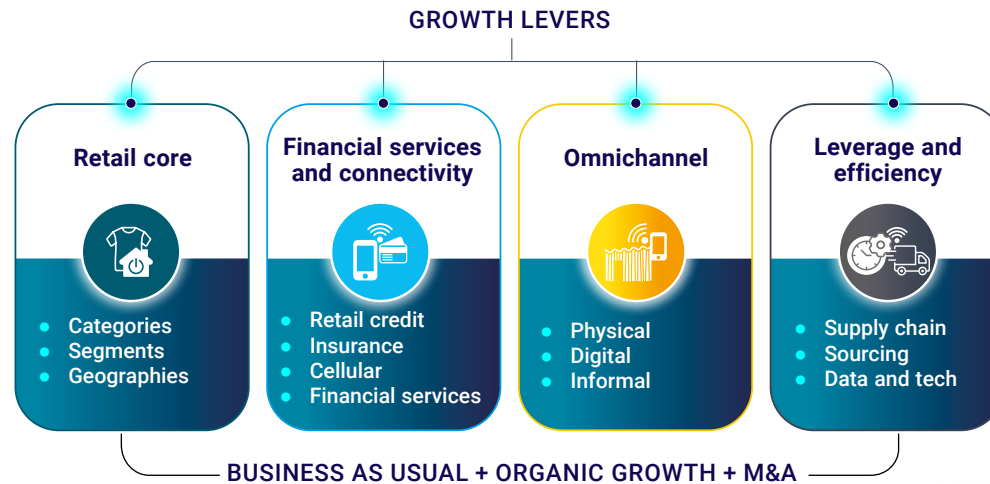
The consumer and operating environment showed some improvement compared to the previous year. Positive structural improvements include lower inflation and unemployment, modest GDP growth, reduced interest rates, enhanced port efficiency and improved electricity availability. In addition, the successful implementation of the two-pot retirement system reform provided a one-off benefit to consumer spending.

Some structural challenges remain, however, including ageing public infrastructure and rising spending on gaming, which continues to add pressure on household budgets.

Pepkor's core retail business outperformed the market, delivering strong trading and market share gains. The group further entrenched its position as a leading integrated retail and consumer platform, expanding its customer reach across both physical and digital channels, surpassing 6 000 retail stores and adding more than 10 million customers across its digital ecosystem this year. The group puts more than 600 000 smartphones in the hands of customers every month, making smartphones affordable for customers and supporting digital penetration.

The Flash business maintained strong momentum within the informal and fintech market, leveraging its extensive trader network and fintech ecosystem reach to further accelerate its growth and profitability.

Strategic execution – driving expansion and delivering profits



“It truly has been an exceptional year for Pepkor as retail continues to drive the vast majority of our revenue, delivering consistent cash-generative growth. This will continue to be the case as the group leverages its scale across our embedded fintech, telco and information market businesses to drive future growth.”

Sean Cardinaal COO

Strategic initiatives implemented during FY25

● Off-price market entry

Choice Clothing (strategic acquisition)

● Adultwear expansion

Ayana launched

● Distribution capability leveraged

Skooch courier launched
Dark store expansion

● Customer platform expansion

> 10 million customers added on A+, FoneYam, Abacus and +more

Entering new customer segments

Announced on 26 November 2024, the acquisition of Choice Clothing (Choice) was implemented on 1 June 2025 – marking the group's entry into the semi-formal off-price retail segment.

Choice operates 105 stores with the potential to expand to over 300 stores. While remaining a stand-alone entrepreneurial business, it will benefit from PEP's capability and infrastructure in sourcing, supply chain and financial services.

Expanding market share in adultwear

The Ayana brand was launched in Speciality to target the fashion-focused women's mid-market segment, using 32 existing stand-alone Ackermans Woman store sites in addition to launching an online offering.

Leveraging distribution capabilities

The group continued to leverage the Lifestyle division's e-commerce and last-mile distribution infrastructure and capability:

- Lifestyle's internal systems and delivery capabilities were expanded with the launch of the Skooch internal courier business. Skooch will distribute the majority of the 7.1 million PAXI parcels, resulting in significant logistics cost savings to the group.
- Lifestyle's existing dark store capability was expanded to include all the Speciality brands, improving online sales fulfilment efficiency and reducing last-mile delivery costs.

Customer platform expansion

During the year, more than 10 million customers were added across A+ retail credit, FoneYam cellular handset rental, Abacus insurance and the +more platform.

Pepkor's digital capability and omnichannel ecosystem continue to build strong momentum, leveraging the group's trusted brands, extensive retail footprint and unparalleled customer acquisition power across both physical and digital channels.

Online sales increased by
17%
year on year

The +more platform reached
13 million members
within just 18 months of launch

Strategic initiatives implemented after FY25

After year-end, the following strategic initiatives were implemented:

- Home expansion**
 OK Furniture and House & Home non-RSA, Boardmans (strategic acquisition)
- Adultwear expansion**
 Legit, Swagga, Style (strategic acquisition), New Refinery format, Shoe City closure
- Omnichannel expansion**
 PEP Home launched online
- Financial services capability expansion**
 CloudBadger (strategic acquisition), Banking presence establishment

Scaling the Lifestyle business

The acquisition of Shoprite’s furniture businesses (OK Furniture and House & Home) announced 3 September 2024 will add approximately 400 stores to the Lifestyle division’s 925-store base.

The transaction enhances the group’s position in furniture, bedding, appliances and electronics, expanding reach into underrepresented regions. Synergistic opportunities exist across supply chain, logistics and financial services, leveraging Lifestyle’s integrated systems and data-driven capabilities.

Implementation of the non-South African component (66 stores) was completed on 1 October 2025, following Competition Commission approval.

Implementation of the South African component is delayed pending review by competition authorities. Intervention by a competitor was overturned on appeal, but the competitor has taken the matter to the constitutional court for consideration.

Expanding market share in adultwear

Significant progress was made in strengthening Pepkor’s underrepresented position in adultwear through both organic and acquisitive strategic initiatives. The acquisition of Legit and other Retailability businesses, announced 25 March 2025 and implemented 2 November 2025, added 469 stores to Speciality’s 977-store base, with the potential to unlock scale and synergy through leveraging competencies across the retail value chain, including financial services. This acquisition will drive significant market share gains in womenswear.

A new Refinery format was launched in October 2025, expanding the brand into a larger format and into the activewear product category.

As part of management’s ongoing assessment of return on capital, the decision was made to close the subscale and underperforming Shoe City format. The 113 stores will be closed or converted into other group formats during the first half of FY26.

Omnichannel expansion

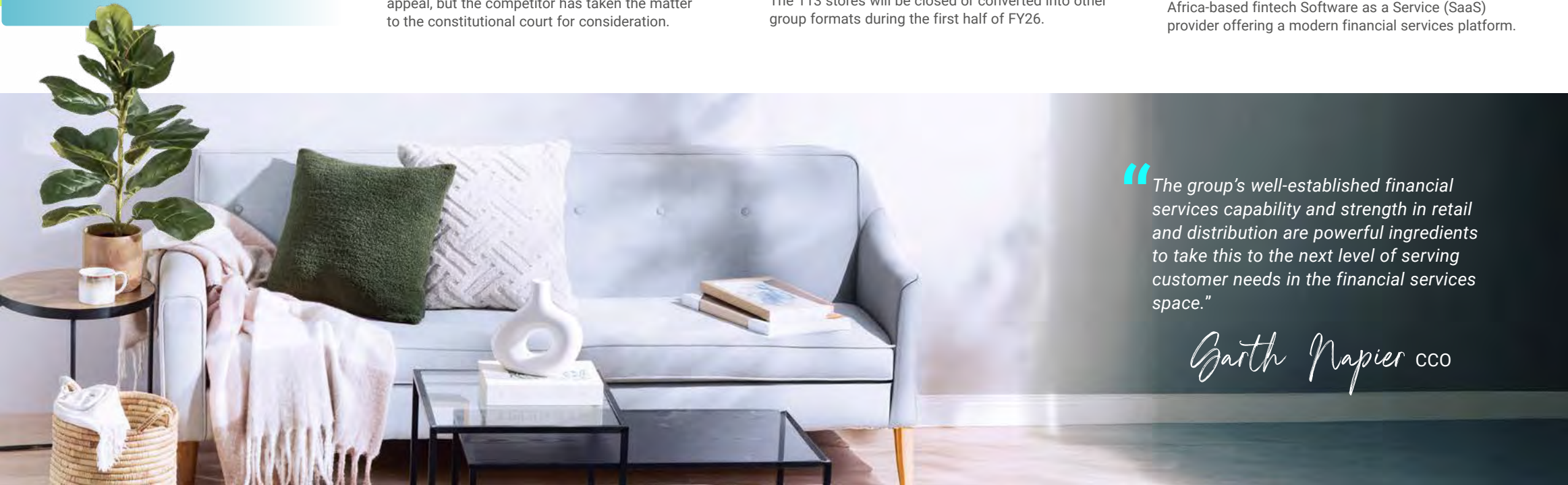
PEP Home successfully launched online during October 2025, expanding PEP’s online presence.

Expanding financial services capability

Pepkor has developed extensive capability in financial services over the years, including retail credit, lending, bill payments, money transfers and insurance. This foundation, combined with the group’s retail footprint, proven ability to acquire customers and brand equity, provides the ideal platform for expansion of the group’s financial services offering.

To this end, the group received regulatory approval (subject to certain conditions) from the Prudential Authority in terms of section 13(1) of the Banks Act to establish a banking presence in South Africa.

This strategy advanced further with the acquisition of CloudBadger Technologies on 1 October 2025, a South Africa-based fintech Software as a Service (SaaS) provider offering a modern financial services platform.



“The group’s well-established financial services capability and strength in retail and distribution are powerful ingredients to take this to the next level of serving customer needs in the financial services space.”

Garth Napier cco

Operational performance



RETAIL CORE

Group merchandise sales (sales) increased by 8.8% for the year, and like-for-like sales increased by 6.5%. In southern Africa (excluding PEP Africa and Avenida), like-for-like sales increased by 7.4%. Outside southern Africa (PEP Africa and Avenida), like-for-like sales increased by 8.9% in constant currency but decreased by 3.1% in rand terms.



Trading in South Africa during the first half of FY25 benefited from the introduction of the two-pot retirement system, which increased consumer spending during the first half. Improved product availability and price execution supported performance, and the group ended the year in a healthy and clean stock position.

From a tender type perspective, cash sales increased by 6% and credit sales increased by 28%, with a notable reduction in lay-by sales. Cash remains the largest tender type by far used by customers, with cash sales contributing 84% of total sales. The group credit sales mix increased to 16% from 14% in the prior year. Retail selling price inflation in CFH across PEP, Ackermans and Speciality (in aggregate) amounted to 6.2% for the year.

269 new stores were opened (168 net). This excludes 32 Ayana stores and 105 Choice stores acquired. The total store footprint expanded by 4.1% to 6 158 stores.

PEP increased sales by 10.8%, with like-for-like sales growth of 9.3%. The brand continued to expand its footprint with 95 new store openings, bringing the total store base to 2 693. PEP maintained its Best Price Leadership (BPL) position, widening the pricing gap versus competitors and gaining market share in Babies, Kids, School, Adult and Home (RLC). PEP Home continued its strong growth trajectory, opening 45 new stores to reach a total of 468 stores. In cellular, PEP sold 9.2 million handsets during the year, reflecting an increase of 12.2%.

ACKERMANS increased sales by 7.2% and like-for-like growth of 7.1%. 46 Ackermans Woman stores were closed during the year and 50 new Ackermans stores were opened, increasing the store base to 1 036. Full-price sales improved and the brand ended the year with a clean stock position. Ackermans achieved market share gains in Kids during the fourth quarter and expanded into adjacent product categories, including menswear in 80 stores during the second half of the year, with plans to expand to 200 stores in FY26. A new beauty range was also launched across 400 stores in November 2025. Ackermans sold 3.1 million cellular handsets during the year, with growth of 17.0%.

PEPKOR^{Speciality} The Speciality division delivered sales growth of 8.3%, with like-for-like sales up 3.0%, impacted by poor performance in Shoe City. The division opened 59 new stores (excluding 32 Ayana stores), bringing the total store base to 977. Market share gains were achieved in the adult and kidswear categories (RLC). Dunns delivered good performance and sold 327 000 cellular handsets during the year, reflecting an increase of 18.9%. Tekkie Town delivered a strong recovery in the second half, despite a competitive branded footwear market. Refinery expanded to 179 stores and Refinery Junior performed well, extending the brand into the kidswear category. The Ayana mid-market brand launched successfully across 32 stores in February 2025, receiving a positive customer response.

PEPKOR^{Lifestyle} Lifestyle increased sales by 7.2% with like-for-like sales growth of 4.7% and outperformed the market across several key product categories in Home and Tech (GfK). The Home division reported strong performance in beds, lounge furniture and small appliances. Performance in the Tech division was led by appliances and cellular categories. Online sales increased by 15%, supported by digital integration initiatives, contributing 6% to total sales and 9% of sales in the Tech division. Lifestyle opened 43 new stores, taking the total to 925.

PEP Africa PEP Africa maintained trading momentum despite trade disruptions in Mozambique during the first quarter. In constant currency terms, sales increased by 21.5%, with like-for-like growth of 22.3%, although results were adversely impacted by currency devaluation in rand terms.

AVENIDA Avenida increased sales by 12.9%, with like-for-like sales growth of 1.8% in constant currency terms. Targeted interventions in merchandise, product allocation and distribution supported a return to positive like-for-like growth from the second quarter onwards, with 8.8% like-for-like sales achieved for the fourth quarter. Avenida celebrated its 200th store opening during the year, with expansion deliberately limited to 19 new stores to refine the business model and position for long-term growth in this high-potential market.



Quick read
FY25 highlights

Letters from our leaders

Chair's review

CEO's and COO's review

CFO's review

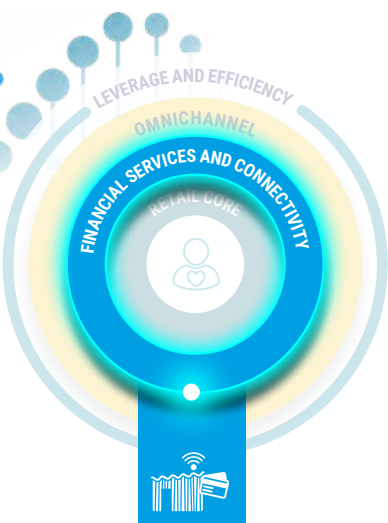
Operational context

Business overview

Further reading

Corporate information

Shareholder diary



FINTECH

Financial services

Retail credit

Retail credit facilitated 16% of sales across the group's retail brands, up from 14% in the prior year, supporting increased customer spend and cross-shopping within the Pepkor ecosystem.

CGM credit sales increased by 29.4%. The A+ credit book increased by 40.1% to R9.2 billion, expanded to 3.5 million active accounts, with a record 1.3 million new accounts added during the year. This represents 34% of all new retail credit accounts opened in South Africa this year, with 48% of these customers opening their first retail credit account with us.

Approximately 30% of the growth in the credit book was driven by the group's shadow limit strategy – advancing a lower level of credit to customers and increasing this based on good customer payment behaviour. The proportion of customers able to purchase remained stable at 74%, reflecting strong credit quality and effective affordability management. Provisions remained stable and non-performing loans reduced by 50 basis points.

In Lifestyle, credit sales increased by 18.1%. The Connect credit book increased by 13.0% to R2.2 billion with improved non-performing loans and a lower provision level, based on a new collections system that enhanced collections.

Connectivity

Pepkor continued to gain market share in cellular. Cellular handset sales increased by 17% to 13.5 million units, with the group now responsible for eight out of ten prepaid handset sales in South Africa (GfK), up from 7.5 last year. Smartphone penetration continued to rise, accounting for 65% of handsets sold, compared to 60% in the prior year, driven by affordability initiatives such as FoneYam.

FoneYam, Pepkor's innovative cellular handset rental product launched in 2024, delivered strong growth, surpassing 2 million active customers with average monthly activations of 170 000, up from 120 000 a year ago, reflecting strong customer demand for affordable smartphone access. The development of an 18-month rental product for customers completing their first FoneYam rental was launched in August 2025, with a pleasing take-up rate by customers. This successfully extends the customer lifetime value of FoneYam.

Lending

Capfin increased its loan base to 373 000 loans and the credit book increased by 39.5% to R4.6 billion. Provisions remained stable and non-performing loans within the tolerable range.

Insurance

Abacus increased revenue by 78.4% to R829 million and continued to expand its embedded and bundled insurance offerings across the group's brands, leveraging the Pepkor ecosystem and distribution capability.

Embedded insurance delivered the strongest growth, supported by seamless product integration. During the year, 7.1 million PAXI parcels were covered, and the offering was successfully extended to FoneYam in November 2024, covering 1.9 million devices.

In funeral cover, 360 000 policies were sold during the year, covering more than 1 million lives, demonstrating continued customer trust and brand reach.



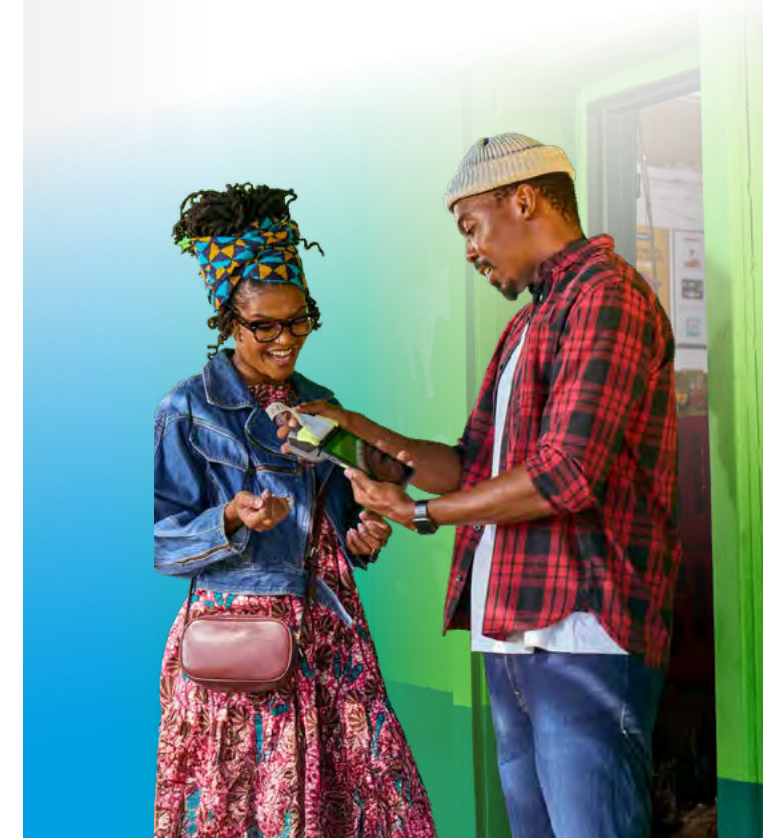
Informal market

Flash, the group's fintech and informal market platform, delivered 23% growth in throughput to R60 billion, supported by product diversification and digital innovation.

The Trader division ended the year with 170 000 active traders, while the number of acquiring devices increased to 68 000, driving a 37.6% increase in tapped value to R21 billion.

The Aggregation division increased throughput by 70%, driven by higher voucher spend and an expanding partner network. Voucher redemptions grew 34% to 372 million.

Flash revenue increased by 13.7% to R9.1 billion, with operating profit up 32.7% to R819 million.



Quick read

FY25 highlights

Letters from our leaders

Chair's review

CEO's and COO's review

CFO's review

Operational context

Business overview

Further reading

Corporate information

Shareholder diary

Outlook

The FY25 results underscore the group's ability to execute successfully on its unique business model, translating physical reach into a digital, transactional ecosystem which monetises across multiple verticals – including retail, financial services, telecommunications, fintech and the informal market. With record growth in profitability delivered in FY25, the group has established a solid foundation for FY26.

In the year ahead, focus will be on the integration of recent acquisitions, bedding down new retail formats and further building out the group's digital capability and omnichannel ecosystem. The expansion of fintech and financial services remains a key strategic priority, with numerous opportunities identified to deepen customer engagement and enhance accessibility, while maintaining cost discipline.

The group will open between 250 and 300 new stores in FY26, extending the group's physical presence and improving access for customers across markets. In addition, targeted merger and acquisition opportunities continue to be evaluated to strengthen and diversify the group's portfolio in fintech and its geographic footprint, evaluated against our return criteria, capital allocation framework and in line with our stated strategic priorities.

With a strong operational base, clear strategic focus and proven execution capability, Pepkor is well-positioned to outperform broader market conditions.

The group remains committed to meeting customer needs to make life's essentials affordable and accessible for its customers and, in doing so, delivering sustained value creation for shareholders.

FY26 STRATEGIC PRIORITIES

Integrate recent acquisitions

- Choice Clothing
- OK Furniture and House & Home
- Legit, Swagga and Style

Bed down retail formats

- Ayana
- New Refinery format
- Avenida

Strengthen digital capability and omnichannel ecosystem

- Grow digital and online presence
- Open 250 to 300 new stores

Expand financial services capability

- Expand cellular rental offering
- Develop banking customer value proposition

Pursue targeted merger and acquisition opportunities

- Diversify and expand geographic footprint
- Unlock value in Flash



CFO's review

Pepkor achieved strong cash generation and enhanced returns, notwithstanding high levels of strategic investment.



RIAAN HANEKOM

Revenue

↑ 12.0%

R95.3bn

Gross profit margin expansion

+150 bps

Operating profit

↑ 13.2%

R11.1bn

HEPS

↑ 14.8%

161 cents

+23.4% normalised*

RONA

24.0%

Cash generated

R10.9bn

MM5 Allocating capital efficiently

FC Financial

Group performance

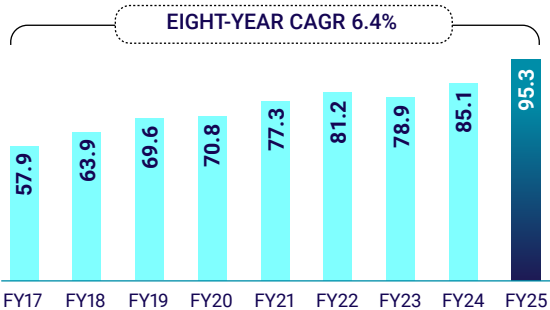
In FY25, Pepkor delivered a strong performance, in line with its long-established financial model, notwithstanding strategic execution of a number of initiatives.

MODEL	FY25
Double-digit top-line growth	+12.0% revenue
5 – 6% LFL growth	+6.5% LFL sales
3 – 4% space growth	+4.1% space growth
FinTech growth	+31.1% FinTech revenue
Positive operating leverage	+13.2% operating profit
Double-digit HEPS growth	+14.8% HEPS +23.4% normalised*
> 20% RONA	24.0% RONA

* Normalised HEPS growth is for the remeasurement of uncertain tax provisions in the prior year (FY24), reflecting a more representative growth rate for the current year (FY25).

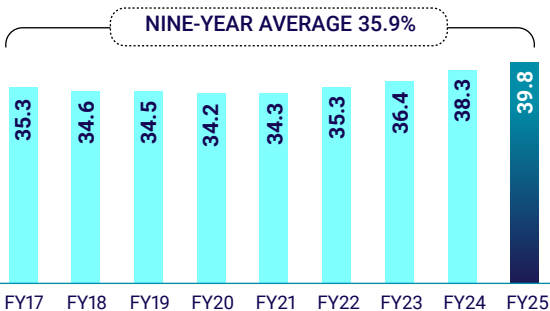
For the year ended 30 September 2025 (FY25), group revenue increased by 12.0% to R95.3 billion.

Revenue growth (Rbn)



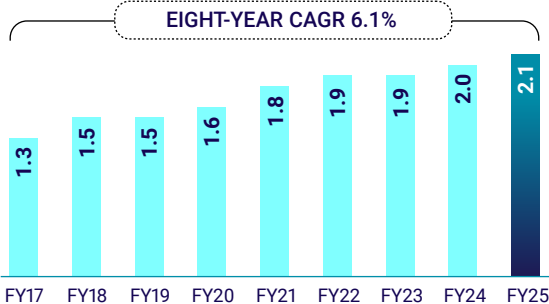
Group gross profit margin increased by 150 basis points to 39.8%, benefiting from growth in fintech. FinTech operates at a higher gross profit margin and its increased contribution to group gross profit resulted in an improvement in the overall group gross profit margin. While an increased cellular mix caused downward pressure on the overall retail gross profit margin, margin was maintained in the core clothing, footwear and home (CFH) space.

Gross profit margin history (%)



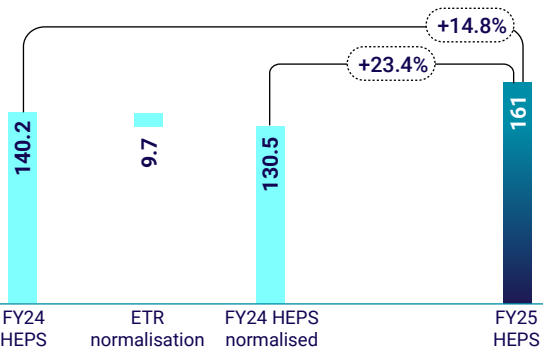
Ongoing revenue increased by 9.5% to R2.1 billion, exceeding internal targets. Pepkor earns revenue from long-term agreements with mobile network operators (MNOs) in South Africa, earning a share of future customer spend on SIM cards sold through its retail brands.

History of OGR earned (Rbn)



HEPS increased by 14.8% to 161 cents. On a normalised basis, HEPS increased by 23.4% when excluding the benefit of a lower effective tax rate applicable in the prior year.

Normalised HEPS (Cents)* Continuing operations



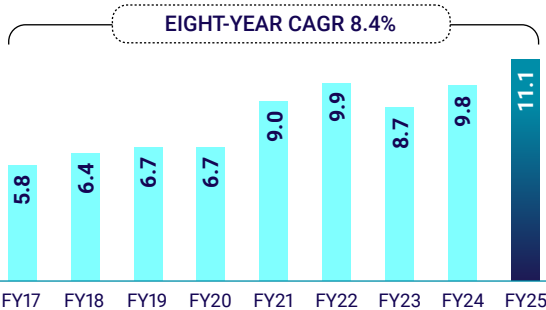
* Normalised headline earnings per share (HEPS) growth is adjusted for the remeasurement of uncertain tax provisions in the prior year (FY24), reflecting a more representative growth rate for the current year (FY25).

Operating costs increased by 12.5% (excluding debtors' costs, depreciation and amortisation), inflated by costs incurred to build capacity in the execution of strategic initiatives, customer acquisition, additional marketing and corporate activity. Excluding this, operating costs increased by 8.0%.

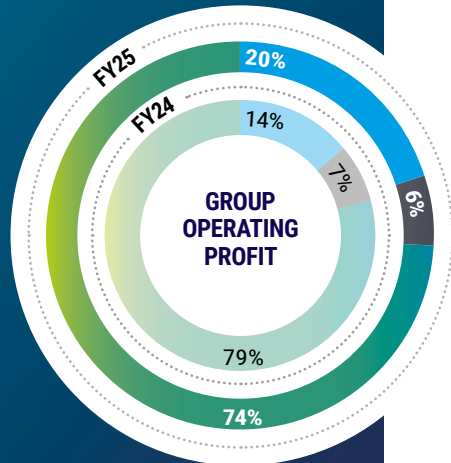
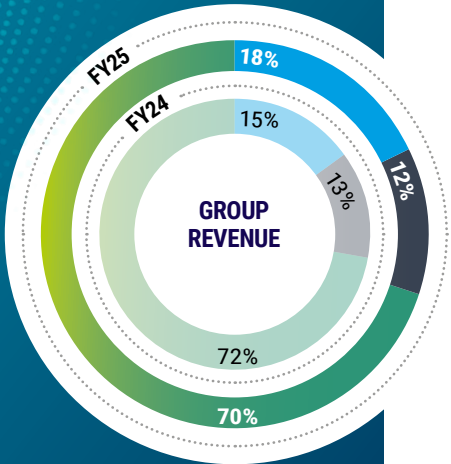
Debtors' costs increased by 62.3% to R4.1 billion, driven by growth in retail credit and cellular rentals. Debtors' costs pertaining to the new PEP A+ credit book and the new FoneYam rental book increased by more than 100% – as is the norm when new books are established. On the other established credit books, debtors' costs increased by 31%, aligned to growth in these books.

Operating profit (before capital items) increased by 13.2% to R11.1 billion due to positive trading and good cost management.

Operating profit history (Rbn)



Segmental performance



CGM
FAE
FinTech

Retail segments



PEP

ACKERMANS

PEPKOR[®] Speciality

PEP Africa

AVENIDA

Choice. clothing

SWAGGA

STYLE LEGIT

Bradlows

Russells

ROCHESTER

Sleepmasters The Bed Experts

HiFiCorp

incredible

boardmans

House & Home

OK FURNITURE

* Acquisitions concluded after year-end.

FinTech segment



A*

CONNECT FINANCIAL SOLUTIONS

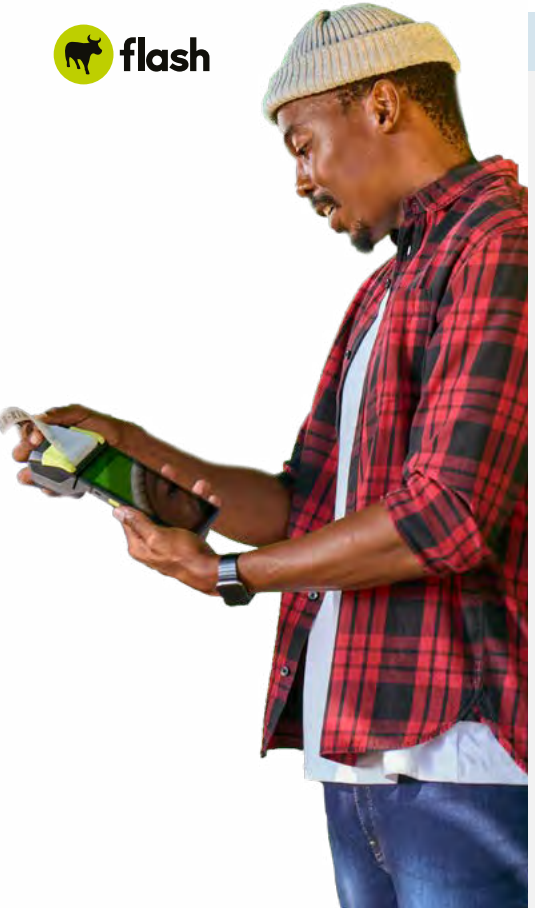
FoneYam Quick | Simple | Connected

capfin

abacus

flash

cloudbadger





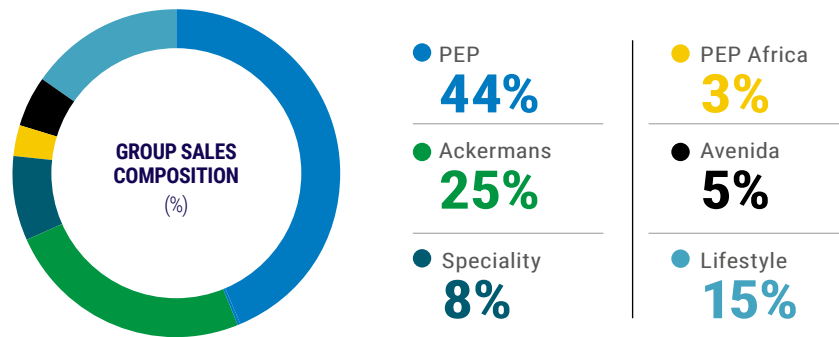
Retail segments

The Clothing and general merchandise (CGM) segment increased revenue by 8.9% to R66.9 billion, and the Furniture, appliances and electronics (FAE) segment increased revenue by 7.2% to R11.8 billion. The retail segments contributed 82% to the group’s revenue in FY25.

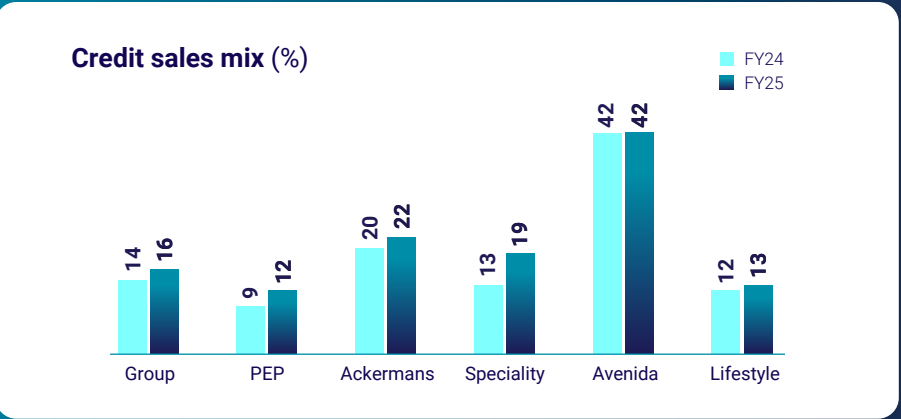
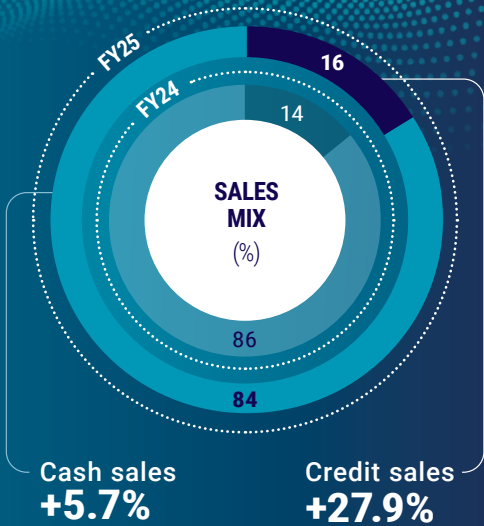
Group merchandise sales (sales) increased by 8.8% for the year, and like-for-like sales increased by 6.5%. In southern Africa (excluding PEP Africa and Avenida), like-for-like sales increased by 7.4%. Outside southern Africa (PEP Africa and Avenida), like-for-like sales increased by 8.9% in constant currency but decreased by 3.1% in rand terms. Retail space expanded by 4.1% following the opening of 269 new stores (168 on a net basis), as the group surpassed 6 000 stores during the year.

Sales growth	FY25 Total sales growth %	FY25 Like-for-like sales growth %
Retail segments	8.8	6.5
 Clothing and general merchandise segment	9.1	6.8
● PEP	10.8	9.3
● Ackermans	7.2	7.1
● Speciality	8.3	3.0
● PEP Africa*	21.5	22.3
● Avenida*	12.9	1.8
 Furniture, appliances and electronics segment Lifestyle	7.2	4.7

* Constant currency sales growth.



Group cash sales increased by 6% and credit sales increased by 28%. Cash sales represent 84% of total sales and the group credit sales mix increased to 16% from 14% in the prior year, supporting increased customer spending and cross-shopping within the Pepkor ecosystem. CGM credit sales increased by 29.4%. The A+ credit book increased to 3.5 million active accounts, with a record 1.3 million new accounts added during the year.



Gross profit margin decreased by 60 basis points to 37.5% in CGM, based on a larger cellular mix. In FAE, gross profit margin improved by 90 basis points to 29.3% based on growth in the Home division and increased volume.

In CGM, operating profit increased by 6.7% to R8.2 billion, negatively impacted by the new Ayana format, Shoe City and Avenida. FAE operating profit increased by 5.1% with growth impacted by investment in strategic initiatives. A change in treatment of lease renewal options in terms of IFRS 16 in Speciality and Lifestyle also had a negative impact on operating profit.



Quick read

FY25 highlights

Letters from our leaders

Chair’s review

CEO’s and COO’s review

CFO’s review

Operational context

Business overview

Further reading

Corporate information

Shareholder diary



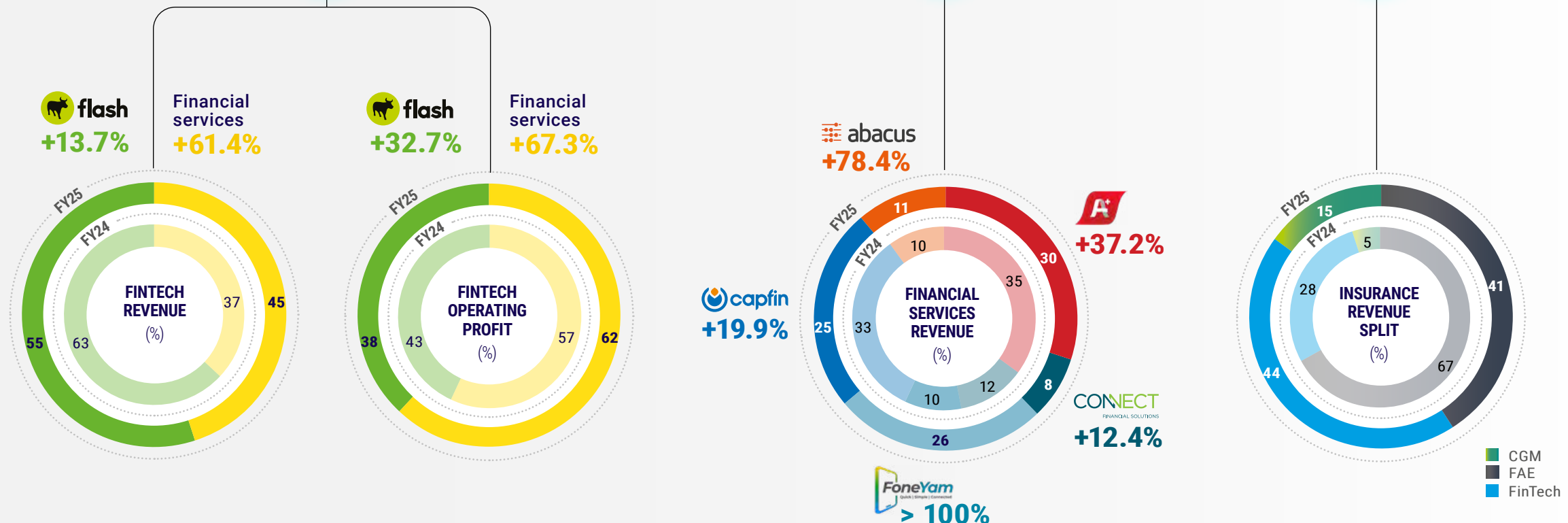
FinTech segment

The FinTech segment increased revenue by 31.1% to R16.6 billion, driven by 61.4% growth in financial services and 13.7% growth in Flash.

Gross profit margin expanded by 840 basis points to 56.4%. Operating profit increased by 52.3% to R2.2 billion. Flash increased operating profit by 32.7%, continuing on its strong growth trajectory. In Financial services, operating profit increased by 67.3%, driven by FoneYam.

FoneYam delivered half a billion rand in operating profit this year and, combined with the rest of cellular, contributed R3.3 billion in operating profit. This represents 30% of group operating profit and increased by 44.1% this year.

Insurance more than doubled its operating profit to R185 million, with the total operating profit contribution from a group perspective increasing by 38.2% to R351 million. This was driven by growth in embedded, bundled and funeral products enabled by the retail brands in the CGM and FAE segments.



Working capital

Inventory levels increased by 6.3% to R18.6 billion as a result of a larger store base and new Ayana and Choice retail formats.

The group's financial services books increased by 39.2% to R18.9 billion (gross) with the most significant increase relating to the A+ retail credit book and the growth in the FoneYam rental book.

A+ opened 1.3 million new accounts during the year and the gross credit book increased to R9.2 billion (FY24: R6.6 billion). The provision level was maintained at 19% (FY24: 19%) based on strong collections performance and consistent non-performing loans.

The FoneYam cellular rental book increased to R1.9 billion (gross) based on the high demand for the product that makes smartphones affordable.

The Connect gross credit book increased moderately to R2.2 billion (FY24: R2.0 billion) and the provision level decreased to 30% (FY24: 32%).

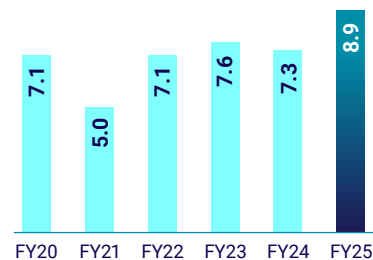
The Capfin gross credit book increased to R4.6 billion (FY24: R3.3 billion) as a result of activations of longer-term loans. Provisions remained stable and non-performing loans within the tolerable range.

The Club Mais gross credit book, which facilitates credit in Avenida, increased to R942 million (FY24: R824 million) with provision levels and non-performing loans reducing to 17% (FY24: 21%) and 12% (FY24: 13%) respectively.

Gearing

Gearing levels remained within the targeted range of between 0.5 and 1 times net debt-to-EBITDA at 0.77 times, with net debt (excluding IFRS 16 lease liabilities) of R8.9 billion. The group's debt repayment profile remains healthy, and it successfully raised R3.3 billion under its DMTN programme and replaced R9.8 billion in funding during the year – at substantially lower rates.

Net debt (Rbn)



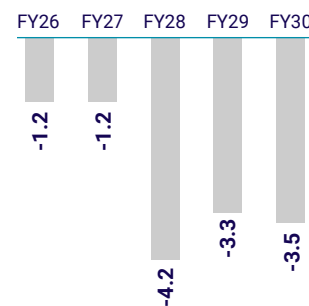
0.8

times net debt-to-EBITDA

7.3

times EBITDA interest cover

Debt repayment profile
30 September 2025 (Rbn)



R3.3bn

notes raised at
substantially lower rates

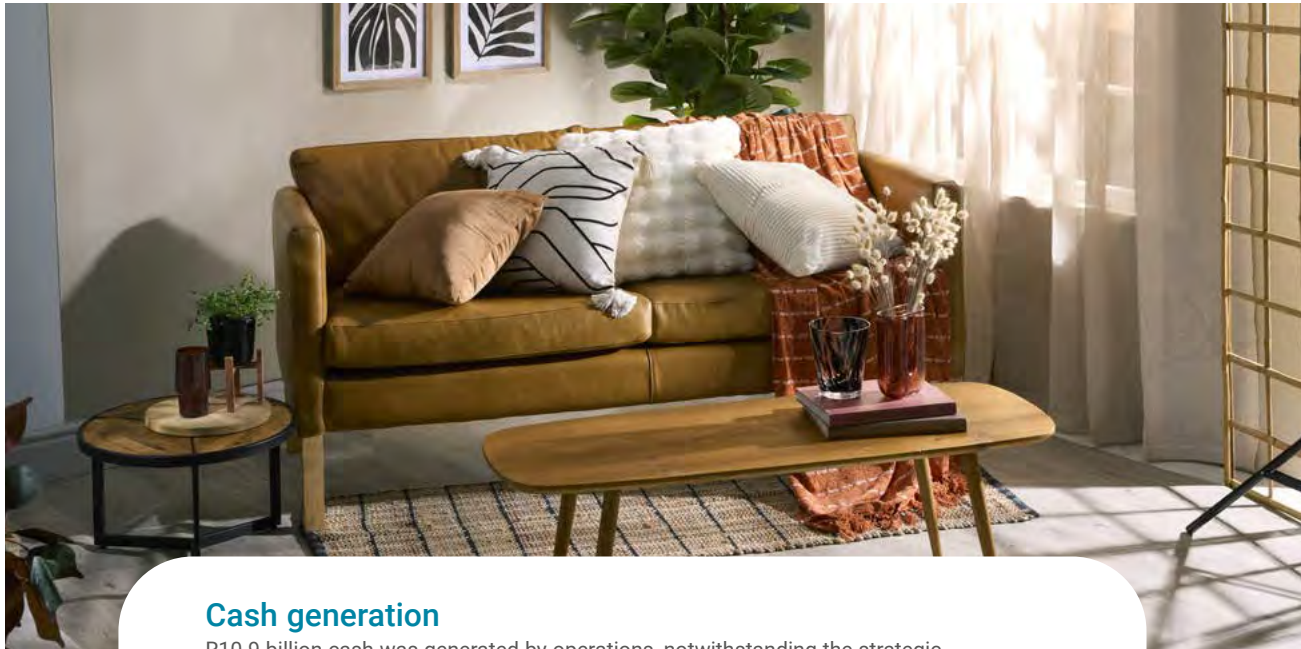
R9.8bn

funding replaced at
lower rates

“The group's financial services books increased by 39.2% to R18.9 billion (gross) with the most significant increase relating to the A+ retail credit book and the growth in the FoneYam rental book.”

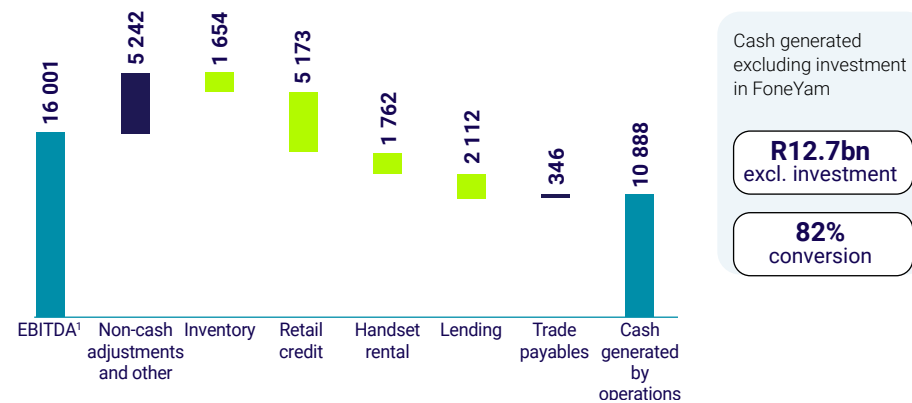
Riaan Haneekom
CFO





Cash generation

R10.9 billion cash was generated by operations, notwithstanding the strategic investment made in FoneYam. Excluding this investment, cash conversion was 82%.



¹ EBITDA before capital items (Rm).

Cash generated excluding investment in FoneYam

R12.7bn
excl. investment

82%
conversion

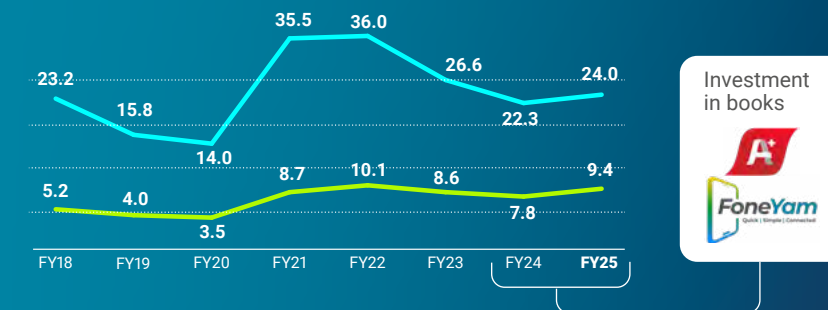
Returns

The group's return on equity has been adversely affected by the significant goodwill and trade and brand names recorded on its balance sheet, a result of the restructuring that shaped the group prior to its listing on the JSE in 2017.

As a result, return on net assets (RONA), which excludes, among others, goodwill and trade and brand names, serves as a more accurate measure of returns. From FY18 to FY20, returns were dampened by a strategic decision to build internally funded credit books (Connect and Capfin). Returns improved subsequently as these credit books matured.

In FY23 and FY24, the strategic decision to implement credit interoperability and build the handset rental book once again placed downward pressure on returns. In FY25, RONA increased to 24.0%.

Return on net assets and return on equity (%)



Investment in books



Eight-year average

– Return on net assets
24.7%

– Return on equity
7.2%



Quick read

FY25 highlights

Letters from our leaders

Chair's review

CEO's and COO's review

CFO's review

Operational context

Business overview

Further reading

Corporate information

Shareholder diary

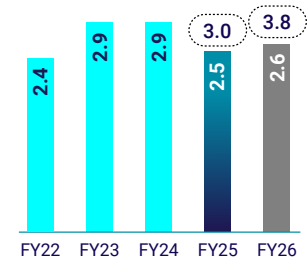
Capital allocation

The group deploys capital diligently in a prioritised manner to maximise return on investment.

1 Organic growth and expansion

Organic growth and expansion remains the first priority. In FY25, normal capital expenditure levels, excluding abnormal items and strategic investments, reduced slightly to 2.5% of revenue. Including strategic investments, capital expenditure remained c. 3% of group revenue and included investment in the roll-out and refurbishment of new stores, IT systems and expanding distribution capacity. In addition, significant investment was made in financial services books.

Capex % of revenue



Normal capex excluding abnormal items and strategic investments

Capex % including strategic investments

2 Mergers and acquisitions

Implemented during FY25

Announced on 26 November 2024, the acquisition of Choice Clothing was implemented on 1 June 2025 – marking the group’s entry into the semi-formal off-price retail segment.

Implemented after FY25

Implementation of the non-South African component of Shoprite’s furniture businesses (OK Furniture and House & Home) was completed on 1 October 2025, representing 66 of the total 400 stores. Implementation of the South African component is delayed pending review by competition authorities.

The acquisition of Legit and other Retailability businesses was implemented on 2 November 2025, adding 469 stores to Speciality’s 977-store base. This acquisition will drive significant market share gains in womenswear.

The group’s financial services strategy advanced further with section 13(1) approval received to establish a banking presence in South Africa. The group also acquired CloudBadger Technologies, a South Africa-based fintech Software as a Service (SaaS) provider offering a modern financial services platform, on 1 October 2025.

The group continues to consider opportunities for further growth and expansion through M&A from a fintech and international perspective.

3 Dividends

Based on the dividend policy of three times earnings cover, a dividend of 53.0 cents per share was declared for FY25, an increase of 9.2%. The impact on earnings arising from the impairment of goodwill and trade and brand names during the year was excluded from the determination of the dividend this year.



Outlook

While macroeconomic conditions remain dynamic, our strong and flexible balance sheet positions us well to execute strategic initiatives. We remain focused on disciplined capital allocation to deliver sustainable growth and returns.

“The group’s well-established financial services capability and strength in retail and distribution are powerful ingredients to take this to the next level of serving customer needs in the financial services space.”

Riaan Hanekom
CFO

11:00

At the diner next to the taxi rank, friends and entrepreneurs Simon and Thabo get ready for lunchtime trade.

- They will be serving sandwiches made from the bread that is delivered every morning and paid for via the Flash payment options and network.
- They are both wearing their unofficial uniform – T-shirts and jeans bought at the CODE store next door.

Pepkor's omnichannel ecosystem provides customers with access to retail, financial services and connectivity.

#MakingADifference



PEPKOR
Holdings Limited



Quick read

FY25 highlights

Letters from our leaders

Operational context

Operating environment

Market position

Material matters

Risks and opportunities

Stakeholder engagement

Business overview

Further reading

Corporate information

Shareholder diary

Operating environment

The global operating environment in 2025 was characterised by muted economic growth, heightened geopolitical uncertainty and accelerating structural shifts in trade, technology and climate. These dynamics are reshaping consumer behaviour, investment flows and supply chains, requiring resilience, agility and a clear focus on affordability and accessibility.



International economic and investment environment

Global growth continues to be soft and uncertain. The IMF projects ~3.0% growth in 2025, moderating slightly in 2026, reflecting mixed momentum across regions and lingering policy constraints. In contrast, the World Bank has cautioned that growth could fall to ~2.3% in 2025 if trade tensions and weak investment flows persist. The OECD adds that rising policy uncertainty and trade barriers may further weigh on demand.

Consumer sentiment remains fragile globally, with households balancing inflation, slower wage growth and high debt.

Investor appetite for emerging markets is growing, supported by relative growth potential and younger demographics but flows remain volatile and sensitive to US monetary policy.



South Africa

The consumer and operating environment in South Africa showed notable improvement compared to the previous year. This positive trend was supported by lower inflation and unemployment, modest GDP growth, reduced interest rates, enhanced port efficiency, the successful implementation of the two-pot retirement system reform, and improved electricity availability. However, some structural challenges remain, including ageing public infrastructure and rising spending on gaming, which continues to add pressure on household budgets.

In South Africa, retailer confidence fell below average in Q3 2025, while the BER survey showed textiles, footwear and clothing were among the few categories still recording growth.

According to Stats SA, retail trade sales increased by 2.7% in the third quarter of 2025. This includes growth of 3.8% in textiles, clothing, footwear and leather goods and 10.4% in household furniture, appliances and equipment. RLC data indicated annual growth of 5.9% in the CFH market.



Brazil

Brazil's economy entered 2025 with strong momentum, recording 5.7% annualised GDP growth in Q1. However, growth has since moderated as high interest rates and above-target inflation constrain household demand. The OECD projects that Brazil's GDP growth will slow from 2.9% in 2024 to 2.1% in 2025, before stabilising at around 2% in 2026. Inflation, while easing, remains above the central bank's 3% target, prompting a cautious monetary stance.

Consumer sentiment is improving – the Fundação Getulio Vargas confidence index rose to 87.5 in September 2025, its highest since December 2024. Yet, purchasing power is fragile, with real wages under pressure and credit conditions tight. Retail sales, which grew by 4.7% in 2024, softened in 2025 as cost-of-living concerns temper discretionary spending. Climate volatility also continues to affect the economy: severe flooding in southern states earlier in 2025 disrupted agriculture, logistics and local retail activity, highlighting the vulnerability of supply chains to extreme weather.

WHAT THIS MEANS FOR PEPKOR

- Our presence in emerging markets positions us to capture growth, but requires disciplined execution.
- Optionality in investment roll-out (able to accelerate or pause) is critical in volatile conditions.

- Value remains the decisive purchase driver.
- We must keep everyday essentials affordable and accessible.

- Brazil remains a strategically important emerging market, with long-term growth underpinned by a large, youthful consumer base.
- Short-term challenges – high rates, climate shocks and inflation – require disciplined inventory planning and a focus on value categories.



Retail market



Quick read

FY25 highlights

Letters from our leaders

Operational context

Operating environment

Market position

Material matters

Risks and opportunities

Stakeholder engagement

Business overview

Further reading

Corporate information

Shareholder diary

Clothing and footwear

South African apparel remains price sensitive and affordability is the top factor influencing purchases. South Africa's online retail market is set to exceed USD7 billion by 2025, accounting for nearly 10% of the country's total retail sales. E-commerce sales saw substantial growth of 35% in 2024, reaching USD5.2 billion, and this strong upward trend is continuing into 2025, reflecting the increasing integration of online shopping into South African consumer behaviour driven by improved digital payment systems and internet access.



Omnichannel growth and logistics efficiency are critical to capturing both online and offline demand.

Furniture and appliances

The South African furniture market was valued at ~USD2.47 billion in 2024 and is expected to reach USD3.65 billion by 2032 (CAGR ~5.17%). A separate forecast shows similar trends (USD2.40 billion in 2023 to USD3.74 billion by 2033). Online revenue for furniture alone was ~USD34 million in August 2025.

The home appliances market is expected to reach USD3.48 billion in 2025, growing to USD4.62 billion by 2030 (CAGR 5.8%). Consumer electronics generated ~USD19.8 billion in 2024, and is projected to grow to USD28 billion by 2030 (CAGR 5.6%).



Pepkor's acquisition of Shoprite's furniture business expands scale and creates synergies across retail categories.

Financial services/Fintech

South Africa's fintech market is scaling rapidly. It was valued at ~USD981 million in 2024 and is projected to reach USD3.69 billion by 2033 (CAGR ~15.9%). Another study suggests USD7.08 billion in 2023 growing to USD14.86 billion by 2033 (CAGR ~7.7%).



- Our retail footprint is a strategic advantage to embed financial services (retail credit, payments, insurance) into everyday transactions.
- Partnerships and responsible lending practices are key differentiators.

Information and connectivity

South Africa is Africa's largest ICT market, covering telecoms, cloud, digital media and software services. Telecom revenues were valued at ~USD10.4 to 10.9 billion in 2024, with forecasts of ~3.3% CAGR through 2030. Subscriber numbers exceed 99 million, reflecting multiple SIM use.

Operators are diversifying into fintech and cloud services to protect margins, while bundling data with digital wallets and value-added services.



- Integrating connectivity with retail and financial offerings strengthens loyalty and creates new revenue pools.
- Data and analytics capability are critical to deepen customer insight.

WHAT THIS MEANS
FOR PEPKOR





Global market



Quick read

FY25 highlights

Letters from our leaders

Operational context

Operating environment

Market position

Material matters

Risks and opportunities

Stakeholder engagement

Business overview

Further reading

Corporate information

Shareholder diary

Political influences – United States

The US election cycle continues to shape global markets. Effective tariff rates have risen to ~19.5%, the highest since the 1930s. Trade law experts caution that further tariff shifts or reshoring incentives could disrupt global supply chains.

US policy is also linking trade and climate: surveys show strong public support for carbon-based tariffs on imports with high emissions.



WHAT THIS MEANS FOR PEPKOR

- We must increase our resilience to respond to changes in trade flows, shipping costs and climate-linked regulations.
- Diversifying sourcing geographies reduces dependency on single trade corridors.



International freight and supply chain

Freight volatility persists. Congestion at ports, Red Sea disruptions and container shortages continue to elevate shipping costs. National security and climate concerns are accelerating moves to localise or regionalise supply chains.



- Expanding local sourcing and investing in building resilient anti-fragile logistics networks.
- Greater transparency, inventory buffers and 'just-in-case' planning must complement cost efficiency.



Climate change and environmental risk

Climate change is a systemic risk that is interconnected and materially impacts business beyond traditional retail operations: physical impacts (floods, storms, droughts), rising insurance costs and regulatory pressure for greener operations. Academic research suggests even under net-zero scenarios, global warming is still on track to exceed 2°C by 2100, escalating costs and volatility.

In South Africa and Brazil, climate extremes have already disrupted agriculture and consumer demand. Moody's notes that climate shocks will weigh on sub-national economies, amplifying risks to retail and infrastructure.

The US Retail Industry Leaders Association underscores that the sector must prioritise climate resilience and green supply chains.



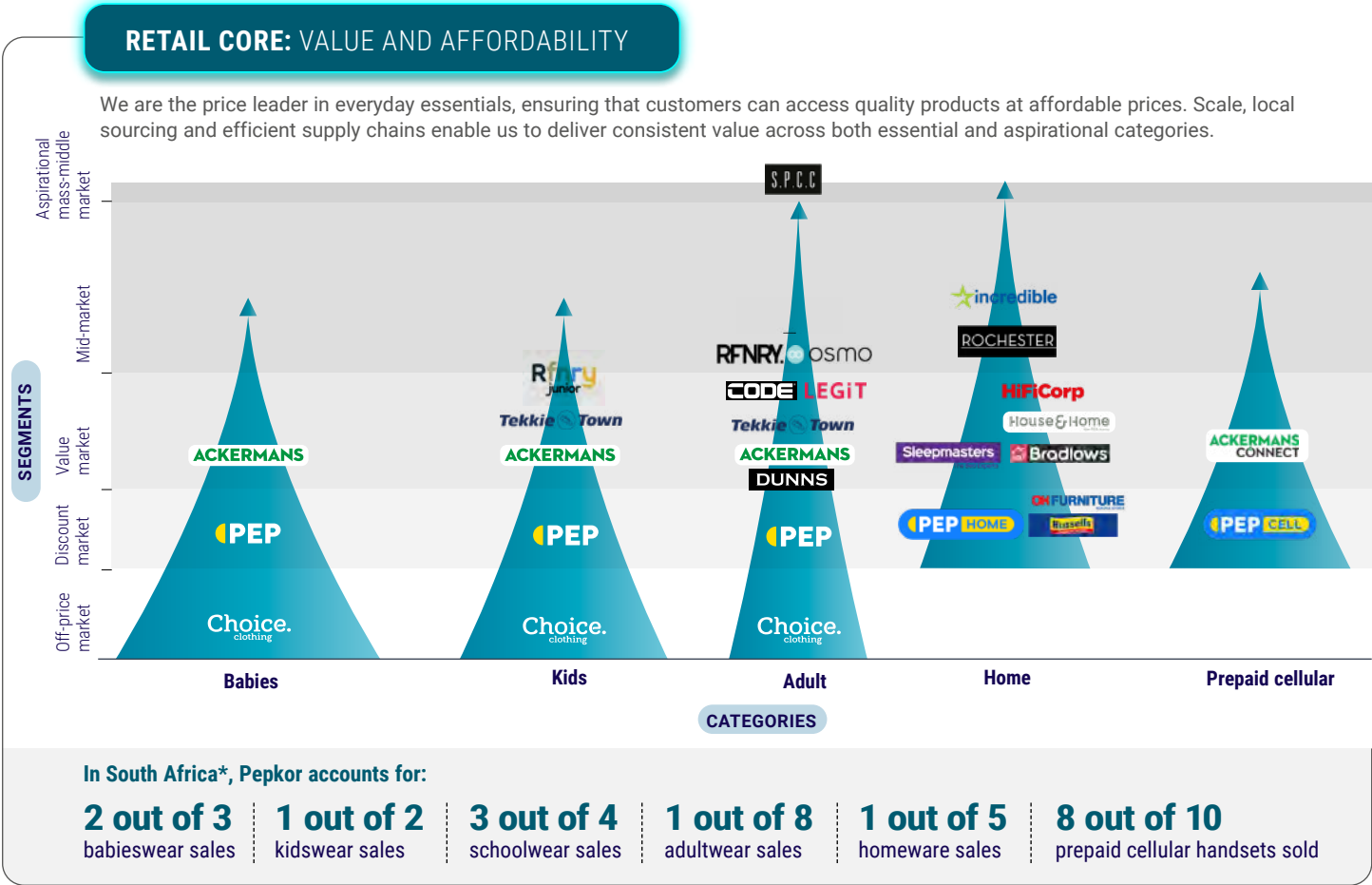
- Building our adaptive response to climate change through identifying and quantifying both physical and transition risk and opportunities.
- Prioritising profit-enabling sustainability innovations that are scalable to manage social and environmental impact.
- Integrating sustainability across operations to increase resilience to ESG disruption.



Sources: Analysys Mason, Arxiv study, Brookings, Business Insider Africa, Citizen, Covington, Deloitte, ECDB, Euromonitor, EY Global Outlook, Fortune Business Insights, Fullview, Grand View Research, IMARC, IMF, IOL, Ken Research, Moody's, Mordor Intelligence, OECD, Reuters, RILA, S&P Global, Spherical Insights, Trade.gov, Trading Economics, World Bank

Market position

Pepkor is southern Africa’s leading discount and value retailer, reaching millions of customers to provide life’s essentials. We combine price leadership with digital innovation to serve both formal and informal markets across South Africa and other emerging economies.



* RLC and GfK data.

CUSTOMER FOCUS

At the heart of our positioning is a deep understanding of value-seeking customers. We serve diverse communities across formal and informal markets, tailoring solutions that combine affordability, convenience and innovation to improve everyday lives.

> 32 million
known customers

13 million
+more rewards customers

FINTECH AND OMNICHANNEL: INTEGRATED ECOSYSTEM

Beyond our established retail base, Pepkor is further growing into fintech, consumer finance and the informal market to capture a greater share of household spend across all life stages. Our integrated business model extends beyond retail into financial services, connectivity, logistics and supply chain infrastructure – enabling us to offer credit, digital payments, insurance and reliable distribution to customers, small businesses and informal traders, wherever they are.

1.3 million
customers added to A+ retail credit

360 000
funeral policies sold, covering more than 1 million lives

In South Africa, we sell
8 out of 10
prepaid cellular handsets

13.5 million
handsets sold annually

170 000
informal market Flash traders

LEVERAGE AND EFFICIENCY: SCALE AND REACH

Pepkor is the largest discount and value retailer in southern Africa, operating thousands of stores across clothing, footwear, furniture, consumer electronics and homeware. Our brands reach more than half of all South African households, and we are steadily growing our presence in other emerging markets.

> 28 million km
travelled to deliver stock to stores

> 20 500
TEUs containers

2 billion
customer transactions in a year



Quick read

FY25 highlights

Letters from our leaders

Operational context

Operating environment

Market position

Material matters

Risks and opportunities

Stakeholder engagement

Business overview

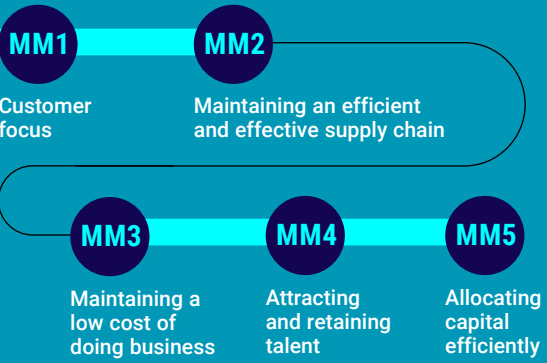
Further reading

Corporate information

Shareholder diary

Material matters

Our material matters represent the issues that have the greatest potential to influence Pepkor’s ability to create sustainable value over time.



Doing business responsibly and sustainably is what we do, and each material matter embodies an aspect of Pepkor’s DNA. The traits that have enabled us to thrive for more than a century are: customer centricity, operational discipline, inclusivity, innovation and integrity. Together, these define how we build a business that is both adaptable to change and anchored in its purpose. This section outlines our key material matters, with the associated risks and growth levers, that allow us to transform challenges into opportunities for long-term value creation.

They are informed by our stakeholder engagement, risk assessments, and the evolving social, economic and environmental context in which we operate.

MM1

Customer focus

CAPITALS FC MC HIC SRC

Understanding and meeting customer needs remain central to Pepkor’s strategy. In a challenging consumer environment, affordability, quality and accessibility are vital to sustaining trust and relevance. Data-driven insights and technology enable us to anticipate evolving preferences, tailor product ranges and enhance value through both retail and financial services offerings.

Associated risk

R1	Digital, technology and cybersecurity
R4	Changing market dynamics and competition
R8	Geopolitical tensions and trade
R9	Third party

Applying our growth levers

- Deepening customer insights through AI and data analytics, expanding value-added services (payment options)
- Strengthening omnichannel integration (embracing digital innovation)
- Sustainability and social responsibility

+more **13 million**
members in 18 months since launch

A+
34%
of all new accounts in SA

FTSE4Good
Inclusion in FTSE for Good,
Top 30

MM2

Maintaining an efficient and effective supply chain

CAPITALS MC HIC SRC NC

A resilient and transparent supply chain underpins Pepkor’s ability to deliver quality products at affordable prices. The group continues to strengthen supply chain visibility, reduce logistics bottlenecks and ensure responsible sourcing across local and international suppliers. Diversification and localisation are key to reducing risk exposure and improving agility.

Associated risk

R2	Supply chain disruption and diversification
R3	Political, social and infrastructure
R6	Extreme weather impacts
R10	Regulatory

Applying our growth levers

- Local supplier development, regional sourcing diversification (sourcing strategies, supporting local economies and sustainability, enhancing supply chain visibility and collaboration)
- Investment in digital logistics platforms for real-time visibility (distribution and logistics optimisation, integrating technology into supply chain management)

Product sourcing
235 million
units sourced locally

Product delivery
> 28 million
km travelled during DC to store distribution

Product sales
32
units sold every second



Quick read

FY25 highlights

Letters from our leaders

Operational context

Operating environment

Market position

Material matters

Risks and opportunities

Stakeholder engagement

Business overview

Further reading

Corporate information

Shareholder diary



Quick read

FY25 highlights

Letters from our leaders

Operational context

Operating environment

Market position

Material matters

Risks and opportunities

Stakeholder engagement

Business overview

Further reading

Corporate information

Shareholder diary

MM3

Maintaining a low cost of doing business

CAPITALS

FC

MC

HIC

NC

Pepkor's cost leadership is a defining competitive advantage. By maintaining operational discipline and leveraging scale, the group continues to absorb inflationary pressures and pass savings to customers. Efficiency programmes across energy, logistics and store operations also reinforce sustainability and resilience.

Associated risk

- R3** Political, social and infrastructure
- R4** Changing market dynamics and competition
- R6** Extreme weather impacts
- R8** Geopolitical tensions and trade

Applying our growth levers

- Process automation (strategic cost management and efficiency)
- Energy efficiency (supply chain optimisation)
- Renewable energy investment (sustainable business practices)
- Continuous cost-optimisation initiatives (passing on savings to customers)

Energy cost reduction

5% reduction in grid electricity consumption

Green energy
12 MWp
solar PV installed across the group

Product delivery efficiency
2% (on average) reduction in fuel usage per m³ since 2017

MM4

Attracting and retaining talent

CAPITALS

HIC

SRC

Pepkor's people are the foundation of our success. The group is focused on attracting and developing diverse talent while strengthening leadership succession and critical digital capabilities. Building an inclusive, learning-oriented culture ensures Pepkor remains agile and future-ready.

Associated risk

- R7** Leadership succession and talent management

Applying our growth levers

- Strengthened employee value proposition (EVP)
- Leadership development programmes (creating a future-ready workforce/internal mobility)
- Targeted graduate recruitment pipelines (supporting skills development and employment pipelines)

Equity and empowerment

58% of promotions/appointments at D-band and above were black individuals, with 75% of the total workforce being women

Skills development
3 937 learnerships, with Pepkor being the largest learnership participant within the W&RSETA

Leadership development
29 new graduates in our senior leaders' LEAD and Ascend programmes

MM5

Allocating capital effectively

CAPITALS

FC

HIC

SRC

NC

Prudent capital allocation balances investment in growth with financial discipline and shareholder returns. We prioritise organic expansion and digital transformation, supported by selective acquisitions that enhance scale and capability. Share repurchases and dividends ensure value is returned responsibly while maintaining balance sheet strength and self-funded growth.

Associated risk

- R5** M&A and project execution

Applying our growth levers

- Strategic investment in high-return growth opportunities, including digital transformation, expansion in new market segments and selective M&A (capital allocation priorities)
- Maintaining disciplined capital management and strong cash generation (financial flexibility)

Acquisitions

Expanded retail brand and footprint, and invested in FinTech business

Cash flow
R10.9 billion
from operations

Dividend
R1.8 billion
declared and paid to shareholders at 53cps

CAPITALS

FC

Financial

MC

Manufactured

HIC

Human and intellectual

SRC

Social and relationship

NC

Natural

Risks and opportunities

Our approach identifies where prudent risk management can create competitive advantage and long-term opportunity.

Pepkor’s risk landscape continues to evolve within a complex social, economic and regulatory environment across South Africa, Brazil and the broader southern African region. While our diversified retail and financial services portfolio provides resilience, systemic pressures, from infrastructure fragility and climate volatility to rapid technological change, require a proactive and opportunity-focused approach to risk management.

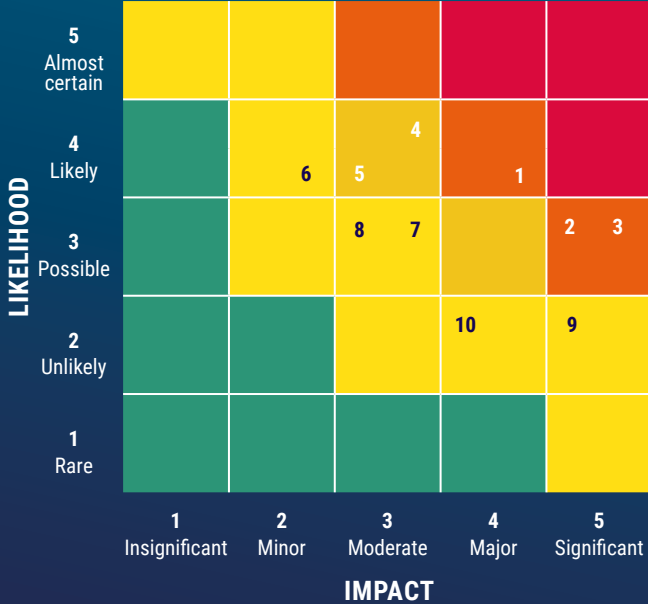
Our risk philosophy extends beyond protection to value creation. Each material risk presents both a challenge and an opportunity to strengthen Pepkor’s long-term competitiveness. For example, cybersecurity vigilance underpins digital innovation and customer trust; supply chain diversification drives resilience and local supplier development; and effective management of political, social and infrastructure risks reinforces operational continuity and community partnerships. Similarly, disciplined execution of mergers and acquisitions, agile responses to changing market dynamics and leadership succession planning enable sustainable growth and business continuity.

Across the group, Pepkor’s risk governance framework – underpinned by board oversight and embedded accountability within business units – ensures that risks are systematically identified, assessed and managed in alignment with our strategy. This integrated approach connects risk mitigation to opportunity realisation, supporting Pepkor’s purpose of making essential quality products and services accessible to all while building a better, more resilient business for the future.

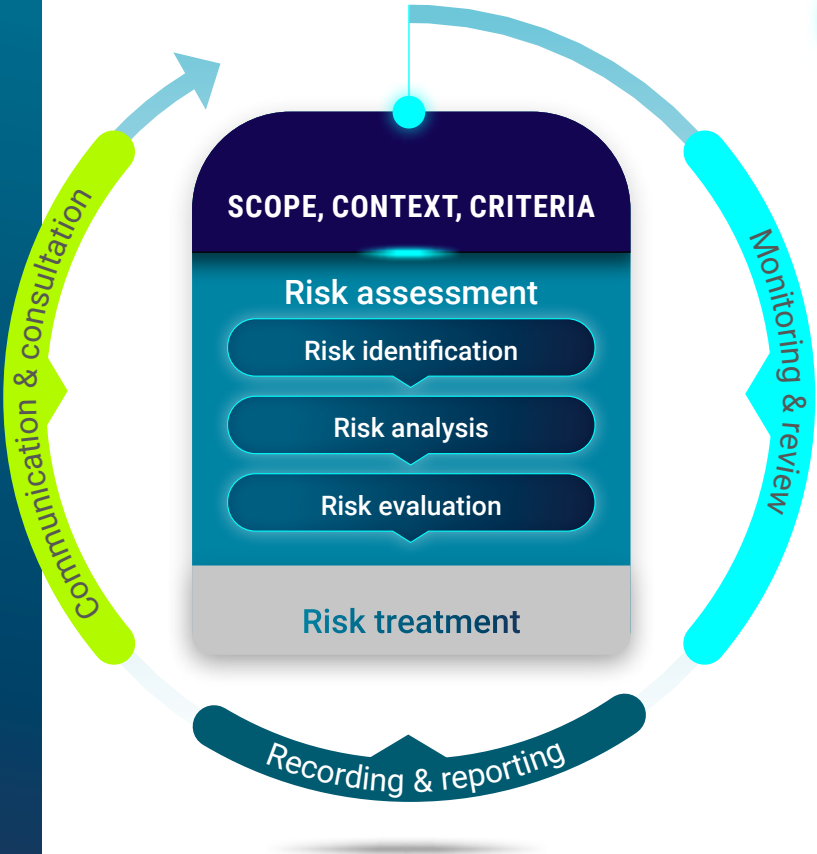
[Pg Risks and opportunities detail](#)

Residual risk heat map

- 1 Digital, technology and cybersecurity
- 2 Supply chain disruption and diversification
- 3 Political, social and infrastructure
- 4 Changing market dynamics and competition
- 5 M&A and project execution
- 6 Extreme weather impacts
- 7 Leadership succession and talent management
- 8 Geopolitical tensions and trade
- 9 Third party
- 10 Regulatory



Pepkor’s risk landscape continues to evolve within a complex social, economic and regulatory environment across South Africa, Brazil and the broader southern African region.



Stakeholder engagement

Creating sustainable value depends on meaningful engagement. By listening to stakeholders, responding to their needs and aligning our actions to shared priorities, we strengthen trust, resilience and long-term growth.

Our stakeholder relationships

Strong and trusted stakeholder relationships underpin Pepkor's ability to deliver sustainable growth and long-term value. By engaging proactively with the people and partners who shape our ecosystem, we ensure that our strategy remains relevant, responsible and aligned with our purpose to make essential quality products and services accessible to all. These relationships foster resilience, enable informed decision-making and help Pepkor to create shared value across our operating environment.

Our engagement approach

Stakeholder engagement is embedded across the group's decentralised structure, with operating businesses accountable for engaging directly with their customers, employees, suppliers and communities. At group level, engagement with investors, regulators and policymakers is coordinated to ensure consistency, transparency and compliance. Guided by our stakeholder engagement policy, code of ethics and data protection principles, our approach aims to strengthen confidence in Pepkor's governance, enhance our licence to operate and demonstrate our commitment to inclusive, responsible growth.

 Sustainability report

 Human and intellectual  Social and relationship

Our stakeholders, engagement and key issues can be summarised as follows:

STAKEHOLDER	THEIR EXPECTATIONS	HOW WE ENGAGE/PEPKOR'S RESPONSE	FY25 PERFORMANCE HIGHLIGHTS
 Customers	Affordable quality products and services that meet essential and aspirational needs. Seamless in-store and online experiences.	Data-driven customer insight and feedback (Voice of Customer). Expansion of omnichannel retail (PEP Home, Speciality and Lifestyle online). Personalised engagement via +more loyalty and fintech solutions, such as lay-by and A+.	> 32 million known customers +17% online sales 13 million +more customers
 Employees	An inclusive workplace, growth through meaningful development opportunities, fulfilling employee journey from recruitment to exit.	Driving a leader-led strategy focused on talent attraction, retention and culture change, supported by leadership and store-level development programmes. Strengthened by a sought-after employer brand that attracts and retains talent throughout the employee life cycle.	83.23% black employees 824 Lead and Ascend leadership training hours 17% employee turnover 1 million LinkedIn followers
 Suppliers and business partners	Ethical trade terms, reliability and shared growth. Compliance with labour and sourcing standards and responsible sourcing.	Responsible sourcing aligned with the R-CTFL Master Plan, supplier and enterprise development, supplier code of conduct adherence, strengthened supply chain transparency and local manufacturing partnerships. Fair payment terms, and collaboration on sustainable production. Participation in supplier climate dialogues and capability building.	1 200 suppliers signed to comply with Pepkor's code of conduct 148 suppliers engaged in supplier conference covering BBB supplier goals
 Investors and shareholders	Sustainable growth, transparency and clear linkages between ESG performance and financial outcomes.	Integrated reporting, investor briefings, capital markets day and Q&A sessions. Enhanced ESG disclosure, value-creation metrics and initiatives such as FoneYam demonstrating profit-enabled impact.	Second-time inclusion in Top 30 companies in JSE/RI 68 profit-enabled impact initiatives across the group
 Government, legislators and regulators	Compliance with laws, localisation, transformation and ethical conduct.	Engagement through industry forums and policy consultations, active participation in B-BBEE, EPR, tax, NCR, FSCA and JSE processes, transparent reporting on compliance and localisation.	235 million local units sourced EPR paper and packaging scheme registered and internal plan developed
 Communities and NGOs	Access to affordable products, job creation and local economic support.	Partnerships with NGOs and CSI programmes supporting education, sport, youth employability and enterprise development. Responsible credit initiatives, PAXI micro-logistics and financial literacy programmes.	334 CSI NGO partners 20 100 PAXI micro-entrepreneurs 170 000 Flash traders
 Environment and climate partners	Credible climate strategy and measurable progress.	Implementation of logistics and energy-efficiency measures, sustainable packaging and waste reduction, supplier climate engagement and climate risk reporting through the BBB Road to Green pillar.	2% fuel reduction since 2017 > 200% increase in renewable energy intensity

External partners



Internal partners



Compliance/reporting partners



Quick read

FY25 highlights

Letters from our leaders

Operational context

Operating environment

Market position

Material matters

Risks and opportunities

Stakeholder engagement

Business overview

Further reading

Corporate information

Shareholder diary

16:00

Kaylin and Peter are relaxing on the balcony of their one-bedroom flat while waiting for friends to join them for sundowners.

- Kaylin is wearing a new outfit from Refinery and holds up her phone – a new upgrade from Incredible – to capture the moment.
- They are celebrating the approval of Peter's Capfin loan that will fund the online course he enrolled for, and they will serve the drinks in new glasses they bought online from PEP Home.

From necessities to life's little pleasures, Pepkor meets customers where they are at.

#SomethingForEveryone



PEPKOR
Holdings Limited



Quick read

FY25 highlights

Letters from our leaders

Operational context

Business overview

Retail core

Financial services
and connectivity

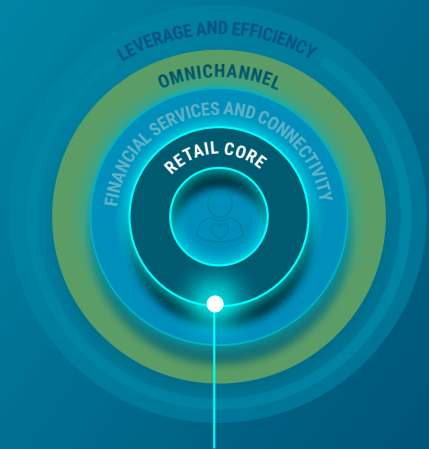
Omnichannel

Leverage and efficiency

Further reading

Corporate information

Shareholder diary



Retail core

The retail core remains the foundation of Pepkor’s ecosystem – the engine that drives scale, customer reach and market share. It anchors the group’s ability to deliver affordable essentials at volume, while enabling growth in new categories, segments and channels. This strong, trusted retail base provides the platform from which Pepkor expands into financial services, connectivity and omnichannel experiences. We are closest to our customers.

MM1 Customer focus



PEP is South Africa’s largest single-brand retailer and the cornerstone of Pepkor’s value model.

It fulfils its purpose of helping customers look and feel good by offering quality essentials and services at the lowest prices – always close to where people live, work and shop. The brand’s culture, *Sikhula KunYe* (‘growing together’), underpins high staff engagement and community investment through the PEP Academy and early childhood development (ECD) programmes.



PEP CELL

PEP HOME

HIGHLIGHTS

Launched
PEP Home online

43 million website visits

DNA focus

FOOTPRINT
2 693 stores
18 000 employees
5 countries
(South Africa, Botswana, Lesotho, Namibia, Eswatini)

Best Price Leadership – relentlessly focused on efficiency, making products accessible and affordable



Quick read

FY25 highlights

Letters from our leaders

Operational context

Business overview

Retail core

PEP

Choice Clothing
Ackermans
Pepkor Speciality
PEP Africa
Avenida
Pepkor Lifestyle

Financial services and connectivity

Omnichannel

Leverage and efficiency

Further reading

Corporate information

Shareholder diary

Choice.

clothing

Choice Clothing's purpose is to enable people to be the best versions of themselves through our value offering of superior fashion and quality at discount prices.

We hustle so that our customers don't have to. We offer an adult-focused, off-price apparel solution, underpinned with footwear and accessories, housed in a friendly, no frills, easy to shop environment. There is only one Choice.

HIGHLIGHTS

Acquired in **June 2025**

> 300 store potential

FOOTPRINT
🏪 **105**
stores

👥 **700**
employees

🌐 **2**
countries
(South Africa, Namibia)

 **DNA** focus

International fashion at local prices

ACKERMANS

Ackermans is the leading value retailer for mothers and families, known for its trusted quality, affordability and inclusive style.

Guided by the purpose of *Bringing Value to Life*, Ackermans serves more than a million customers weekly with accessible fashion and kidswear. The brand champions social impact through its Ububele community and ECD school network, supporting over 23 000 learners.

HIGHLIGHTS

Launched menswear

Developed beauty range



FOOTPRINT



1 036 stores



8 700 employees



5 countries

(South Africa, Botswana, Lesotho, Namibia, Eswatini)



Value – understanding the needs of families and delivering on quality and affordability



Quick read

FY25 highlights

Letters from our leaders

Operational context

Business overview

Retail core

PEP

Choice Clothing

Ackermans

Pepkor Speciality

PEP Africa

Avenida

Pepkor Lifestyle

Financial services and connectivity

Omnichannel

Leverage and efficiency

Further reading

Corporate information

Shareholder diary



PEPKOR^S

Speciality

Pepkor Speciality is Pepkor's growth engine for emerging fashion and footwear concepts, housing brands such as Dunns, CODE, Refinery, Tekkie Town and S.P.C.C.

The division nurtures lifestyle, youth, adult and active fashion brands that complement PEP and Ackermans in higher-income segments.

S.P.C.C.

SERGEANT PEPPER
CLOTHING CO

CODE

DUNNS

Rf^{nr}ry
junior

RFNRY.

Tekkie Town

AYANA

HIGHLIGHTS

Launched
Ayana, Osmo activewear label
in Refinery, RFNRY Jnr

Acquired
Legit, Swagga and Style
businesses in November 2025

DNA focus

Agility – where insight, creativity and speed combine to shape the trends that define value fashion

FOOTPRINT



977
stores



4 700
employees



5
countries

(South Africa, Botswana,
Lesotho, Namibia, Eswatini)

PEPKOR
Holdings Limited



Quick read

FY25 highlights

Letters from our leaders

Operational context

Business overview

Retail core

PEP

Choice Clothing

Ackermans

Pepkor Speciality

PEP Africa

Avenida

Pepkor Lifestyle

Financial services
and connectivity

Omnichannel

Leverage and efficiency

Further reading

Corporate information

Shareholder diary

PEP | Africa

PEP Africa is the largest formal clothing retailer on the African continent, offering trusted quality at unbeatable prices in Angola, Malawi, Mozambique and Zambia. Its value positioning and consistent service make it a preferred choice over informal traders.

HIGHLIGHTS

20% LFL two years running*

Recovery of trade in Mozambique

Growing customer base

* Constant currency.



FOOTPRINT

 **223**
stores

 **1 600**
employees

 **4**
countries
(Angola, Malawi, Mozambique, Zambia)

DNA focus

Access – reaching new markets, bridging distances and bringing affordable formal market access and quality to every community it serves

PEPKOR
Holdings Limited



Quick read

FY25 highlights

Letters from our leaders

Operational context

Business overview

Retail core

PEP
Choice Clothing
Ackermans
Pepkor Speciality

PEP Africa

Avenida
Pepkor Lifestyle

Financial services
and connectivity

Omnichannel

Leverage and efficiency

Further reading

Corporate information

Shareholder diary

- PEP
- Choice Clothing
- Ackermans
- Pepkor Speciality
- PEP Africa

- Financial services and connectivity
- Omnichannel
- Leverage and efficiency



Avenida brings Pepkor’s value retail model to Latin America.

Positioned among Brazil’s top 10 discount chains, it offers affordable clothing, footwear and homeware to families in the midwestern and northern regions.



FOOTPRINT



199 stores



2 900 employees



1 country
(Brazil)

HIGHLIGHTS

Improved trading performance

Second DC operational



Opportunity – proving that value retail can thrive anywhere through relevance, reach and human connection





Pepkor Lifestyle enables customers to live better by providing affordable furniture, appliances and technology through its Home and Tech divisions including Bradlows, Russells, Rochester, Sleepmasters, HiFiCorp and Incredible.



HIGHLIGHTS

Acquired non-RSA portion of House & Home and OK Furniture on 1 October 2025

+15% growth in online sales, including +44% in Home



FOOTPRINT

925 stores

6 200 employees

6 countries
(South Africa, Botswana, Lesotho, Namibia, Eswatini, Zambia)



Creating homes by turning aspiration into access



- Quick read
- FY25 highlights
- Letters from our leaders
- Operational context

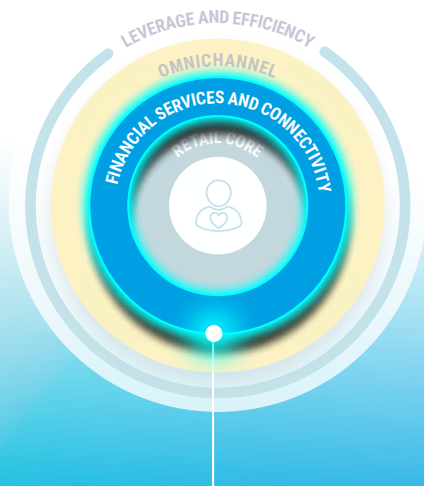
Business overview

Retail core

- PEP
- Choice Clothing
- Ackermans
- Pepkor Speciality
- PEP Africa
- Avenida

Pepkor Lifestyle

- Financial services and connectivity
- Omnichannel
- Leverage and efficiency
- Further reading
- Corporate information
- Shareholder diary



Financial services and connectivity

The FinTech segment is rooted in inclusion and trust. By combining scale, data and innovation, we will continue to expand financial access, strengthen customer loyalty and grow wallet share responsibly – positioning Pepkor as one of the largest and most accessible fintech solutions.

MM1 Customer focus

Retail credit

Pepkor’s in-house retail credit platforms make responsible credit accessible across the group’s apparel, footwear, furniture and electronics brands.



3.5 million active accounts | **+1.3 million** new accounts in FY25

A+ serves the clothing and footwear divisions, providing customers with a single interoperable account that can be used across PEP, Ackermans and Pepkor Speciality stores and also links to the +more loyalty programme. This shared platform enables cross-brand shopping and builds customer loyalty through convenience and affordability.



+19 000 new accounts in FY25

Connect supports the Pepkor Lifestyle brands by offering credit through instalment sales, helping customers furnish and equip their homes with essential items while managing their finances responsibly.

Both platforms are built on Pepkor’s disciplined credit management model and data-driven insights, ensuring affordability, inclusion and sustainable customer relationships.



Access to two responsible credit providers that empower customers to shop across the Pepkor ecosystem

Lending



Capfin provides short-term unsecured personal loans to lower- and middle-income consumers through a simple, transparent and ethical process. Loans are accessed digitally or through in-store partnerships with PEP and Ackermans, using technology to keep costs low and decisions fast.

Capfin’s approach balances inclusion with responsibility, supporting customers’ financial well-being while ensuring disciplined credit management and regulatory compliance.

373 000 loans (+17%)

Expanding to **36-month product**



Operating with integrity – offering financial support when it matters most, without hidden costs or complexity



Quick read

FY25 highlights

Letters from our leaders

Operational context

Business overview

Retail core

Financial services and connectivity

Omnichannel

Leverage and efficiency

Further reading

Corporate information

Shareholder diary

Insurance



Abacus is Pepkor's insurance arm, offering affordable, easy-to-understand insurance solutions that are seamlessly bundled with the group's retail and fintech products.

Through partnerships across PEP, Ackermans, Dunns, PAXI, Capfin and FoneYam, Abacus provides cover that protects customers' families, possessions and livelihoods.

Its embedded model ensures access to insurance at point of need – turning everyday transactions into opportunities for peace of mind.

1.9 million
cellular devices insured

622 000
credit insurance policies

360 000
funeral policies,
covering 1 million lives

Embedded insurance
in PAXI, FoneYam and
Capfin channels

DNA focus

Giving protection by delivering affordable cover that fits real lives and empowers customers to feel secure in the moments that matter

Smartphone rental



FoneYam bridges the digital divide by offering customers access to smartphones through an innovative rental model.

Available through PEP, Ackermans, Dunns and online, the product uses built-in device security to make technology accessible at manageable monthly costs and tolerable risk to the group.

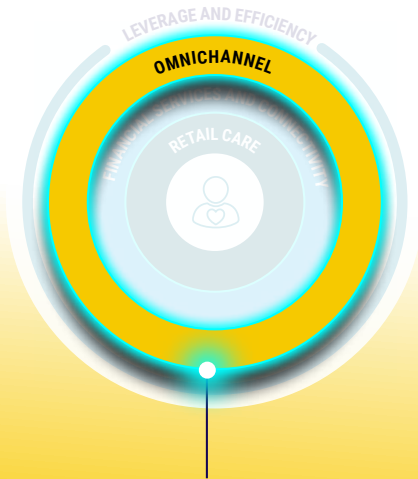
By enabling digital connectivity, FoneYam enhances customers' ability to work, learn and participate in the digital economy.

> 2 million
active customers (+140%)

16% share of cellular
handsets sold

Available in
3 500 stores

Connecting people by giving them access to the digital world through smart, affordable and secure technology and handsets



Omnichannel

As digital adoption accelerates, omnichannel becomes a key driver of customer lifetime value – strengthening loyalty, enabling credit participation and creating powerful cross-brand growth opportunities.

By linking physical reach with digital intelligence, we continue to leverage our scale to connect with customers – turning every store, trader and click into a moment of access, trust and value.

MM1 Customer focus

Integrated retail ecosystem

Pepkor’s omnichannel strategy connects its extensive physical footprint with growing digital and data capabilities to create a unified, customer-centric retail experience. With more than 6 000 stores across southern Africa, the group’s physical network remains the foundation of accessibility, trust and scale – now seamlessly linked to emerging digital and mobile platforms.



At the heart of this strategy is +more, Pepkor’s customer value platform that launched in 2024 and already has 13 million members. By integrating loyalty, rewards, personalised marketing and data analytics, +more transforms transactional relationships into lasting engagement across all brands.

Pepkor is also expanding its digital channels to complement in-store retail, enabling customers to browse, buy, pay, collect and return through the channel of their choice – whether online or in-store. These touchpoints are further enhanced by PAXI for parcel logistics and Flash for informal market access, making the ecosystem uniquely inclusive.

Monthly in-store activity

- > **500 000** parcels sent through PAXI
- > **170 000** phone rentals
- > **2 million** money transfers
- > **22 million** cash deposits
- > **4 million** bill payments
- > **22 million** cash withdrawals

DNA focus

Connection is at the core of the group’s omnichannel focus – linking every store, screen and street corner into one seamless retail experience

Informal market

The informal market is not only a high-growth revenue stream – it is a strategic differentiator. It strengthens customer relationships, expands data insights, and supports the roll-out of new financial services, insurance and digital wallet solutions across hard-to-reach markets.

We will continue to integrate Flash and PAXI into Pepkor’s broader fintech platform as we unlock new ways to serve customers and communities – deepening loyalty, enabling digital participation and sustaining growth at scale.

MM1 Customer focus

170 000
traders

68 000
acquiring devices

R60 billion
throughput

7.1 million
PAXI parcels distributed



Scale with connection

Pepkor’s participation in the informal market is a core growth engine and a key differentiator in South African retail. Through Flash, Pepkor empowers over 170 000 informal traders with digital tools that transform micro-enterprises into connected service hubs for their communities.

Using proprietary technology and an extensive distribution network, Flash enables traders to offer customers affordable access to airtime, data, prepaid electricity, bill payments, vouchers, money transfers, gaming and streaming services – creating a vibrant digital ecosystem rooted in accessibility and trust.

By integrating Flash’s reach with Pepkor’s broader fintech platforms, the informal market becomes a gateway for extending +more, FoneYam and Abacus insurance products to customers beyond formal retail. This deepens inclusion, builds resilience and opens new revenue channels across both B2B and B2C segments.

DNA focus

Empowering traders, enabling participation and bringing digital inclusion to the streets and settlements of South Africa’s informal economy



Quick read

FY25 highlights

Letters from our leaders

Operational context

Business overview

Retail core

Financial services and connectivity

Omnichannel

Leverage and efficiency

Further reading

Corporate information

Shareholder diary



Leverage and efficiency

Leverage and efficiency are Pepkor’s competitive edge – the mechanism that turns scale into value. By integrating sourcing, supply chain, technology and shared infrastructure, Pepkor enhances speed, resilience and cost efficiency across the group. These capabilities allow the business to do more with less, protect margins and pass savings to customers, ensuring sustainable growth and long-term competitiveness.

- MM2** Maintaining an efficient and effective supply chain
- MM3** Maintaining a low cost of doing business
- MC** Manufactured

Pepkor’s leverage and efficiency model is the backbone of its competitive advantage – turning scale into value across the group. Through shared infrastructure, centralised services and disciplined execution, Pepkor achieves one of the lowest costs of doing business in South African retail, enabling affordability for customers and resilience for shareholders.

The group’s support services network provides integrated operational capability across property, sourcing, logistics, manufacturing, IT and installations. Each function operates as a centre of excellence that enhances speed, consistency and cost efficiency throughout the retail value chain.



PepClo is South Africa’s largest apparel manufacturer under one roof, producing over **12 million garments a year** for PEP and Ackermans while safeguarding local jobs.



PEPKOR
Logistics

Pepkor Logistics (PKL) ensures fast, reliable product distribution across more than **5 000 stores, moving over 27 million parcels annually.**

Embedded automation

robotics and data-driven decisioning in DCs and logistics



PEPKOR
Sourcing & Services

Pepkor Sourcing & Services and Pepkor Product Solutions (Shanghai) deliver **strategic procurement and supplier partnerships** that ensure quality and affordability.

Expand **renewable energy generation** and energy-efficient store design



PEPKOR
NexTech

Pepkor NexTech drives **digital transformation** across the group – strengthening systems, data capability and in-store technology.



PEPKOR
Installations

Pepkor Installations executes around **47 store projects per month**, maintaining brand consistency and speed to market.



PEPKOR
Properties

Pepkor Properties manages all leases and renewed **more than 1 200 in FY25**, optimising space and costs through advanced site selection and negotiations.

Drive shared **service excellence** through digitisation and integration across support divisions

DNA focus

Efficiency transforms shared capability into cost leadership, operational speed and sustainable growth across the Pepkor ecosystem

20:00

At home after a long work day and finishing dinner, Kabelo and Lerato settle down with their daughter to watch their favourite show before going to bed.

- The TV was bought at HiFiCorp on credit through Connect, making it possible to bring home something special.
- Their daughter's jersey was bought at Ackermans, while the couch cushions were bought at PEP Home.

Pepkor's retail and financial services help families turn everyday moments into something special.

#TouchingLivesEveryDay

**PEPKOR**
Holdings Limited[Quick read](#)[FY25 highlights](#)[Letters from our leaders](#)[Operational context](#)[Business overview](#)**Further reading**[About this report](#)[History and development](#)[Business model](#)[Nine-year review](#)[Retail footprint](#)[Risks and opportunities detail](#)[Shareholder analysis](#)[Share performance](#)[Pro forma financial information](#)[Glossary](#)[Corporate information](#)[Shareholder diary](#)

About this report

Scope and boundary

Pepkor’s integrated reporting covers Pepkor Holdings Limited and its subsidiaries, collectively referred to as ‘the group’ or ‘the company’. Reporting continues to reflect the group’s decentralised operating model, providing a consolidated and holistic view of financial and non-financial performance.

This report covers the financial year from 1 October 2024 to 30 September 2025 (the reporting period), unless otherwise stated. Any material events after the reporting date and up to the board approval on 24 November 2025 have been included where relevant.

Unless otherwise indicated, the performance information relates to Pepkor’s operations in South Africa, the other African countries we operate in and Brazil, across our operating segments: Retail, Financial services and connectivity, Omnichannel, Leverage and efficiency (Group Strategic Services). Where information is specific to a single region or segment, this will be clearly noted.

The reporting boundary includes the group’s direct operations and subsidiaries across our supply chain, logistics and customer ecosystems, where these materially affect value creation or risk exposure.

Integrated reporting suite

The report forms part of Pepkor’s integrated reporting suite, which includes the Sustainability report, Corporate governance report, Remuneration report, Annual financial statements and Notice of annual general meeting – all available on www.pepkor.co.za. The integrated report is prepared primarily for shareholders, investors, lenders and other providers of capital, in line with the <IR> Framework. Read with the other reports, it is also relevant to employees, regulators, suppliers and community partners who have an interest in Pepkor’s capacity to create sustainable value.

Focus on value creation

The 2025 integrated report highlights Pepkor’s ability to create long-term sustainable value for stakeholders by managing financial, human, intellectual, natural, social and manufactured capitals. Reporting is guided by the International <IR> Framework (2021) and aligned with the ISSB’s IFRS S1 and S2 Sustainability Disclosure Standards, which integrate financial and sustainability-related disclosures. The report also references the JSE Sustainability and Climate Disclosure Guidance, GRI Standards (2021) and the Task Force on Climate-Related Financial Disclosures (TCFD) recommendations.

 [Business model](#)  [Sustainability report](#)

Materiality

Materiality remains central to our reporting process. The group identifies and assesses financially and strategically material matters that affect value creation over the short, medium and long term. These considerations inform both our risk management and disclosure practices, ensuring alignment with stakeholder priorities and the external environment.

Our materiality process follows a double materiality approach, considering both the financial implications for the group and the broader social, environmental and economic impacts of our activities on stakeholders.

Stakeholder engagement

Each operating business engages directly with its customers, employees, suppliers and communities, while Group Strategic Services coordinates engagement with investors, regulators and policymakers. This integrated approach ensures responsiveness, transparency and alignment with Pepkor’s purpose.

Forward-looking information

This report includes forward-looking statements on Pepkor’s operational, financial and strategic outlook. Such statements are subject to risks and uncertainties beyond the group’s control, including economic, regulatory and environmental changes. These forward-looking statements have not been reviewed or audited by the external auditor.

Assurance

Pepkor applies a combined assurance model that integrates management oversight, internal audit, external audit and subject matter experts to ensure the accuracy and integrity of both financial and non-financial disclosures.

Financial information is drawn from the audited annual financial statements, approved by the board of directors, while selected sustainability indicators have been subject to internal verification. The group intends to introduce limited third-party assurance of key ESG metrics in line with evolving ISSB and JSE sustainability assurance guidance.

Restatements and comparability

No material restatements have been made for the period under review, except where noted in the financial statements.

There have been no significant changes in the scope or boundary of the group’s reporting compared to the previous financial year. All acquisitions, disposals or structural adjustments have been incorporated in line with Pepkor’s accounting policies to maintain year-on-year comparability.

Reporting compliance

In preparing this report, the following principles, frameworks and legislation were applied:

- International <IR> Framework (2021)
- JSE Sustainability Disclosure Guidance
- ISSB IFRS S1 and S2 Sustainability Disclosure Standards (new 2025 update considered)
- Task Force on Climate-related Finance Disclosure (TCFD) recommendations
- King IV Report on Corporate Governance™ for South Africa, 2016
- The Companies Act, No. 71 of 2008
- JSE Listings Requirements and JSE Debt and Specialist Securities Listings Requirements
- Broad-Based Black Economic Empowerment Act, No. 53 of 2003
- United Nations Global Compact (UNGC), Organisation for Economic Co-operation and Development (OECD) and International Labour Organisation (ILO) principles

Report approval

The board, supported by the audit and risk committee, acknowledges its responsibility for the integrity of this integrated report. The directors confirm that the report addresses all material matters, presents a balanced account of performance, and fairly reflects Pepkor’s ability to create and preserve value.

Approved by the board for publication on 19 January 2026

Wendy Luhabe

Independent non-executive chair

Pieter Erasmus

Chief executive officer



Quick read

FY25 highlights

Letters from our leaders

Operational context

Business overview

Further reading

About this report

History and development

Business model

Nine-year review

Retail footprint

Risks and opportunities detail

Shareholder analysis

Share performance

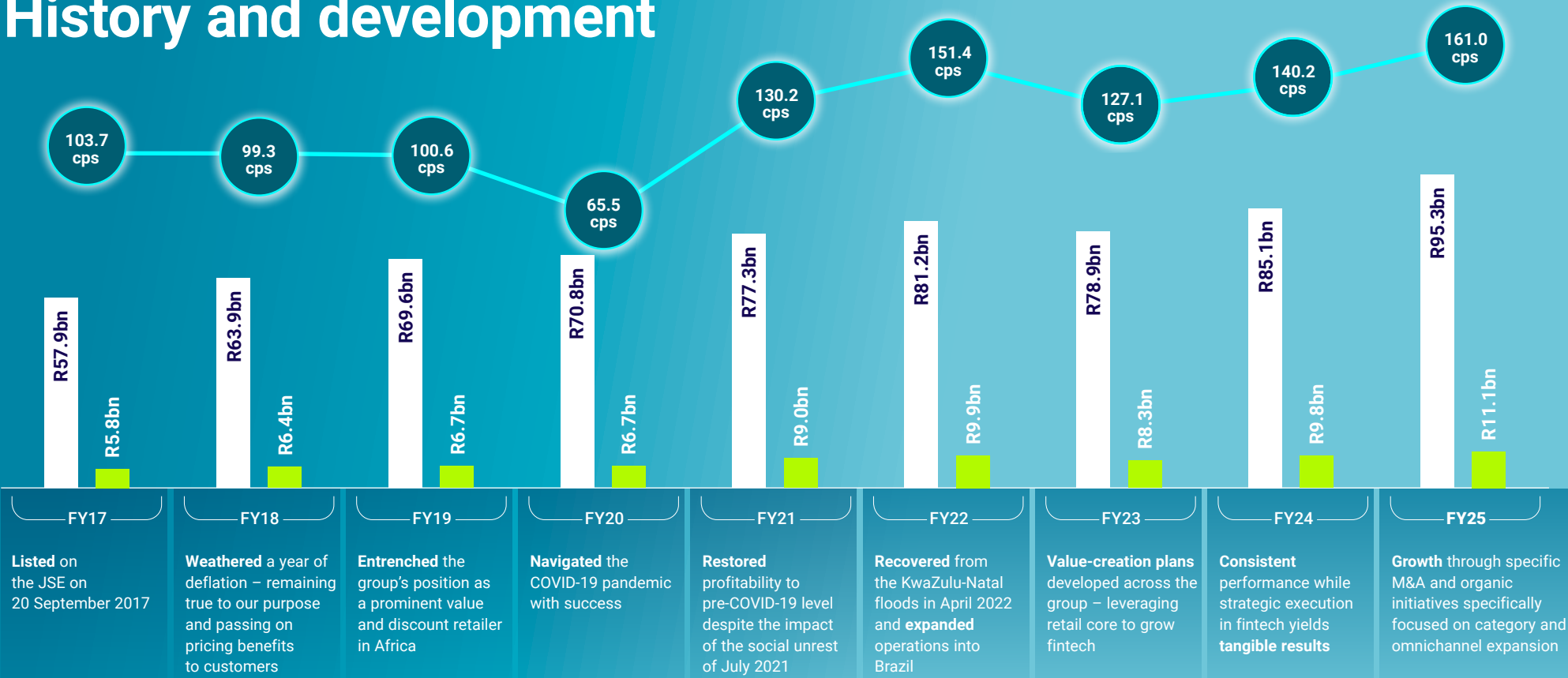
Pro forma financial information

Glossary

Corporate information

Shareholder diary

History and development



FY25 growth

- Revenue **+12%**
- Operating profit **+13.2%**
- HEPS **+23.4%**

FY24 and FY23 normalised and comparable results from continuing operations

Nine-year review



- Quick read
- FY25 highlights
- Letters from our leaders
- Operational context
- Business overview

Further reading

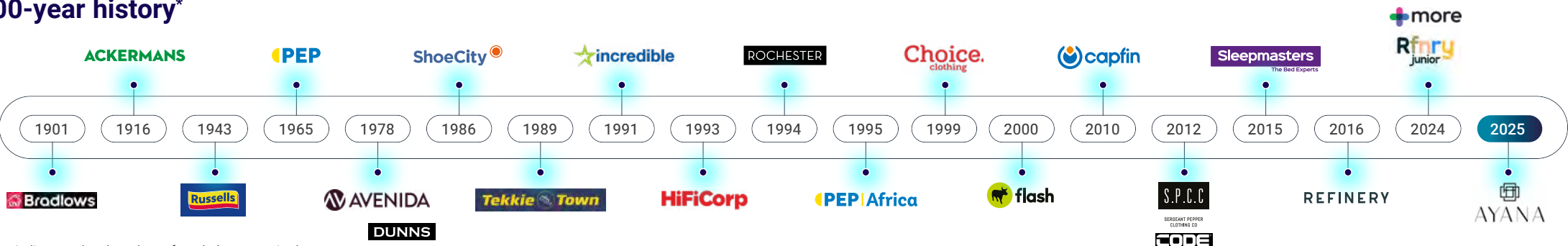
About this report

History and development

- Business model
- Nine-year review
- Retail footprint
- Risks and opportunities detail
- Shareholder analysis
- Share performance
- Pro forma financial information
- Glossary

- Corporate information
- Shareholder diary

100-year history*



* Year indicates when brand was founded, not acquired.

Business model

Strategy and approach

We use and apply our capital inputs to provide products and services to our customers through our brands and operational businesses.



Our business model is the foundation of the group's solutions-driven offerings spanning physical products, financial services and connectivity. Our strategy is designed to turn our purpose into measurable performance – consistently, at scale and across our ecosystem of brands.

Quick read: Our strategy

We measure and manage by-products (such as waste and carbon) that are produced during the manufacture and distribution of our products and services.

Sustainability report

Capitals	Dependencies we manage and rely on	Material matters
FC Financial capital - Achieving growth in a low-growth environment - Maintaining a low cost of doing business - Allocating capital effectively	Debt financing Customer sales Investor confidence	MM1 MM3 MM5
MC Manufactured capital - Maintaining an efficient and effective supply chain - Achieving growth in a low-growth environment	Access to product supply Reliable services Retail store network Logistics and IT infrastructure and systems	MM2 MM3
HIC Human and intellectual capital - Attracting and retaining talent - Maintaining an efficient and effective supply chain - Employee development	Employee commitment Strong board and executive team Diverse skills and talent Innovative capability Intellectual property Supplier management Trusted governance	MM1 MM2 MM4
SRC Social and relationship capital - Maintaining an efficient and effective supply chain - Customer enablement - Community support - Responsible sourcing	Market demand for needed products and services at affordable prices Brand loyalty Socio-economic stability Regulatory environment Stable and reliable supplier base Responsible supply chain practices Continued investment	MM1 MM2 MM4 MM5
NC Natural capital - Maintaining an efficient and effective supply chain - Maintaining a low cost of doing business - Environmental protection	Energy and water security Supply chain efficiencies Resource and waste management	MM2 MM3 MM5

* Excluding container yard, group infrastructure (dark store and group courier) and Pepkor Lifestyle DC.

Inputs	Outputs	Outcomes
R63.2 billion shareholder equity R8.9 billion net debt R18.8 billion operating expenditure	R10.9 billion cash generated by operations R1.58 billion net finance cost (excluding IFRS 16) 161.0 cents normalised HEPS 24.0% return on net assets 53.0 cents dividend per share declared	Sustainable returns for investors Strong and flexible financial position with optimal gearing levels to execute on growth opportunities Ethical and responsible business practices for long-term sustainability
R2.4 billion capital expenditure* 168 net new stores opened R218 million paid for Choice Clothing acquisition 105 stores added through M&A	6 158 stores 53 DCs and hubs 732 202 m² total DC and hub space 28 million parcels distributed per year through the PKL distribution network	Effective and efficient supply chain which optimises in-store serviceability of our retail store network and caters for long-term growth, expansion and enabling leverage
R10.2 billion paid in salaries and wages R261 million training investment Brand management Fintech and connectivity platforms	48 500 employees 83% permanent previously disadvantaged individuals employed in South African operations 512 400 training hours 17% employee turnover 28% cost of doing business 7.1 million PAXI parcels delivered 13 million +more customers 2 million FoneYam customers	Development, retention and attraction Fair remuneration Ethical and safe working conditions Diversity and inclusion Strong governance Digital transformation BPL with a low cost of doing business Trusted and responsible brands
740 Ubulele schools and 26 PEP Academies supported Commitment to the R-CTFL Master Plan and Furniture Industry Master Plan R65.7 million CSI spend 2 800 PAXI locations	> 32 million identifiable customers serviced 35 278 learners in ECD programmes through Ubulele schools and PEP Academies 98% of trade suppliers agreed to comply with Pepkor's SCOC Level 5 B-BBEE contributor level 235 million units sourced locally R13.7 million supplier spend on black women-owned SMMEs	Customer affordability, accessibility and convenience Supplier development Responsible sourcing Community development
12 MWp total solar generation capacity	Scope 1: 17 533 CO ₂ e tonnes Scope 2: 227 375 CO ₂ e tonnes Scope 3: 57 073 CO ₂ e tonnes 5 197 MWh consumed from renewable energy 100% recyclable shopping bags in PEP and Ackermans, all other brands use paper bags	Energy and fuel efficiencies Greenhouse gas emission reduction Reduced production waste Responsible packaging options



Quick read

FY25 highlights

Letters from our leaders

Operational context

Business overview

Further reading

About this report

History and development

Business model

Nine-year review

Retail footprint

Risks and opportunities detail

Shareholder analysis

Share performance

Pro forma financial information

Glossary

Corporate information

Shareholder diary

Nine-year review

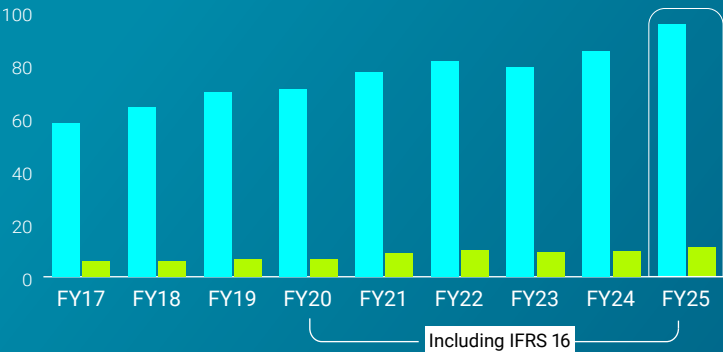
		FY17	FY18	FY19	FY20	FY21	FY22	FY23 ¹	FY24	FY25
Revenue and profitability										
Revenue	Rm	57 850	63 912	69 634	70 827	77 329	81 154	78 960	85 136	95 340
Gross profit	Rm	20 438	22 097	23 995	24 199	26 534	28 683	28 734	32 609	37 952
Gross profit margin	%	35.3	34.6	34.5	34.2	34.3	35.3	36.4	38.3	39.8
EBITDA	Rm	6 775	7 014	7 996	10 547	13 104	14 617	13 411	14 398	16 001
EBITDA (excluding IFRS 16)	Rm	6 775	7 014	7 996	6 722	8 408	9 708	8 577	9 647	11 270
Operating profit (statutory)	Rm	5 815	5 880	6 697	6 653	9 305	10 347	9 044	9 802	11 092
One-off items*	Rm	–	(511)	(40)	–	265	439	392	–	–
Operating profit (normalised)*	Rm	5 815	6 391	6 737	6 653	9 040	9 908	8 652	9 802	11 092
Capital items	Rm	(29)	(37)	(1 278)	(5 107)	(164)	169	(6 828)	(2 908)	(374)
Net finance costs	Rm	620	1 168	1 581	3 016	2 059	2 202	2 725	3 168	3 039
Net finance costs (excluding IFRS 16)	Rm	620	1 168	1 581	1 379	659	826	1 369	1 713	1 581
Effective tax rate	%	30.9	38.4	41.9	(81.6)	31.2	26.2	18.5	22.1	26.6
Earnings	Rm	3 550	2 874	2 230	(2 858)	4 875	6 155	(1 593)	2 329	5 638
Headline earnings	Rm	3 576	2 917	3 393	2 310	4 972	6 034	5 166	5 148	5 934
Headline earnings per share (statutory)	cents	133.6	84.5	98.3	65.5	135.4	163.3	140.8	140.2	161.0
Headline earnings per share (normalised)*	cents	103.7	99.3	100.6	65.5	130.2	151.4	133.0	140.2	161.0
Dividends per share	cents	–	27.8	20.9	–	44.2	55.2	48.1	48.5	53.0
Weighted average number of shares in issue	m	2 678	3 450	3 450	3 520	3 674	3 696	3 669	3 672	3 686
		↓	↓	↓	↓	↓	↓	↓	↓	
		JSE listing and issuance of 882m shares	Guarantee exposure provided for	Guarantee exposure provided for		IFRS 16 gain: Acquisition of properties	Guarantee exposure recovered	IFRS 16 gain: Development of PEP DC		
						–			–	–
				IFRS 9 IFRS 15 IFRIC 23	IFRS 16	–	–	–	IFRS 17	–

¹ Restated to exclude The Building Company.

* Normalisation note

IFRS implementation

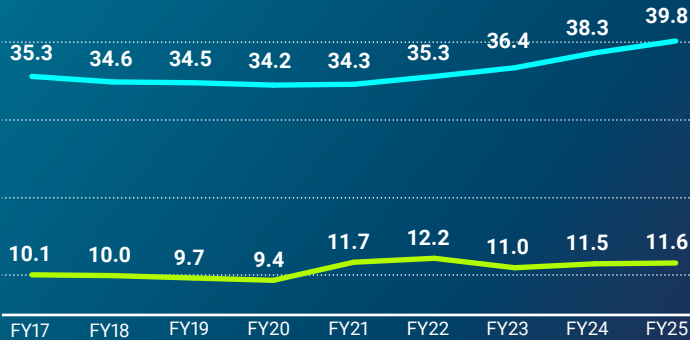
Resilient growth in revenue and profitability (Rbn)



Eight-year CAGR

Revenue **+6.4%** | Operating profit (normalised) **+8.4%**

Consistent profit margins (%)



Nine-year average

Gross profit margin **35.9%** | Operating profit margin (normalised) **10.8%**



Quick read

FY25 highlights

Letters from our leaders

Operational context

Business overview

Further reading

About this report

History and development

Business model

Nine-year review

Retail footprint

Risks and opportunities detail

Shareholder analysis

Share performance

Pro forma financial information

Glossary

Corporate information

Shareholder diary

		FY17	FY18	FY19	FY20	FY21	FY22	FY23 ¹	FY24	FY25
Cash generation										
Cash generated from operations	Rm	6 276	5 312	4 086	12 912	11 033	11 187	12 962	11 920	10 888
Cash conversion	%	96	79	94	122	84	75	91	79	68
Cash generated from operating activities	Rm	2 247	2 517	556	8 667	7 111	5 465	5 786	6 167	4 466
Cash flows from investment activities	Rm	6 211	(2 194)	(1 576)	(2 187)	(1 760)	(3 470)	(2 572)	(2 314)	(2 909)
Cash flows from finance activities	Rm	(7 312)	(220)	1 306	(4 621)	(4 985)	(3 773)	(3 630)	(3 496) ²	(1 288)
Capital allocation and gearing										
Capital expenditure	Rm	1 813	1 871	1 715	1 693	2 882	2 613	2 692	2 531	2 825
Capital expenditure as a percentage of revenue ³	%	3.1	2.9	2.5	2.4	3.7	3.2	3.4	3.0	3.0
Share repurchases	Rm	–	–	–	–	762	643	511	(29)	–
Net debt (including IFRS 16)	Rm	11 951	12 623	13 931	23 249	19 306	21 807	21 520	20 007	21 838
Net debt (excluding IFRS 16)	Rm	11 951	12 623	13 931	7 068	4 977	7 110	7 572	7 266	8 877
Net debt-to-EBITDA (excluding IFRS 16)	times	1.80	1.64	1.70	1.02	0.58	0.71	0.82	0.68	0.77
Returns										
Return on equity	%	6.7	5.2	4.0	3.5 ³	8.7	10.1	8.6 ⁴	7.8 ⁴	9.4⁴
Return on net assets	%	37.8	23.2	15.8	14.0 ³	35.5	36.0	26.6 ⁴	22.3 ⁴	24.0⁴
Operations										
Number of retail stores	No.	4 953	5 197	5 415	5 480	5 470	5 830	5 780	5 899	6 158
Retail space	'000 m ²	2 307	2 375	2 434	2 410	2 418	2 592	2 261	2 305	2 399
Trading density	R'000	23 087	24 306	24 907	24 402	27 041	27 939	27 417	30 641	32 359

¹ Restated to exclude The Building Company.

² Prior year cash flows from cash and cash equivalents and financing activities have been restated to more appropriately reflect the nature of certain bank overdraft financing facilities held by the group.

³ Includes container yard, group infrastructure (dark store and group courier) and Pepkor Lifestyle DC.

⁴ Excludes impairment on goodwill and trade and brand names.



Quick read

FY25 highlights

Letters from our leaders

Operational context

Business overview

Further reading

About this report

History and development

Business model

Nine-year review

Retail footprint

Risks and opportunities detail

Shareholder analysis

Share performance

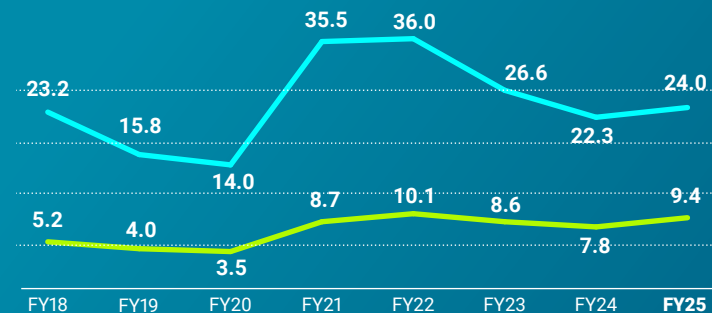
Pro forma financial information

Glossary

Corporate information

Shareholder diary

Return on net assets and return on equity (%)

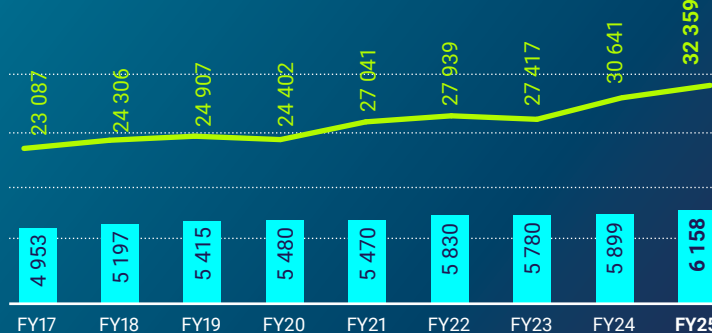


Eight-year average

– Return on net assets
24.7%

– Return on equity
7.2%

Robust store expansion



Eight-year CAGR

– Number of stores
+2.8%

– Trading density
+4.3%

Retail footprint

	30 SEPTEMBER 2024		OPENINGS	CLOSURES	NET MOVEMENT		30 SEPTEMBER 2025	
	Retail stores	Retail area '000 m²			Retail stores	Retail area '000 m²	Retail stores	Retail area '000 m²
 Clothing and general merchandise	4 993	1 910	363	(123)	240	85	5 233	1 995
 PEP	2 617	910	95	(19)	76	21	2 693	931
 Choice.	–	–	105	–	105	49	105	49
 ACKERMANS	1 041	557	50	(55)	(5)	–	1 036	557
 PEP Africa	230	90	3	(10)	(7)	(3)	223	87
 PEPKOR ¹	922	228	91	(36)	55	10	977	238
 AVENIDA	183	125	19	(3)	16	8	199	133
 Lifestyle	906	395	43	(24)	19	9	925	404
 PEPKOR ² Home ²	763	312	29	(22)	7	(2)	770	310
 PEPKOR ² Tech ³	143	83	14	(2)	12	11	155	94
PEPKOR Total	5 899	2 305	406	(147)	259	94	6 158	2 399

¹ Includes Dunns, Refinery, Shoe City, CODE, Ayana, S.P.C.C and Tekkie Town.

² Includes Russells, Bradlows, Rochester and Sleepmasters.

³ Includes Incredible and HiFiCorp.



Quick read

FY25 highlights

Letters from our leaders

Operational context

Business overview

● Further reading

About this report

History and development

Business model

Nine-year review

Retail footprint

Risks and opportunities detail

Shareholder analysis

Share performance

Pro forma financial information

Glossary

Corporate information

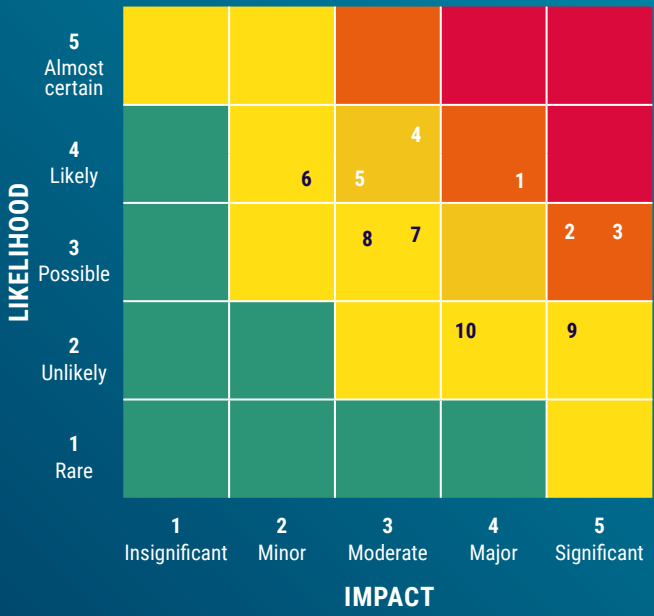
Shareholder diary

Risks and opportunities detail



Material risks and opportunities

- 1 Digital, technology and cybersecurity
- 2 Supply chain disruption and diversification
- 3 Political, social and infrastructure
- 4 Changing market dynamics and competition
- 5 M&A and project execution
- 6 Extreme weather impacts
- 7 Leadership succession and talent management
- 8 Geopolitical tensions and trade
- 9 Third party
- 10 Regulatory





- Quick read
- FY25 highlights
- Letters from our leaders
- Operational context
- Business overview

Further reading

- About this report
- History and development
- Business model
- Nine-year review
- Retail footprint

Risks and opportunities detail

- Shareholder analysis
- Share performance
- Pro forma financial information
- Glossary
- Corporate information
- Shareholder diary

TREND:  Increasing  Stable

1 Digital, technology and cybersecurity

Risk context

Across Pepkor’s retail, fintech, payments, lending and insurance businesses, safeguarding customer data and digital systems is essential. The group’s large, integrated technology environment increases exposure to cybersecurity threats, data breaches and operational disruptions that could erode customer trust or result in regulatory non-compliance. Expanding use of AI and data-driven tools heightens the need for strong governance and ethical data management.

Opportunity

Proactively managing these risks creates an opportunity to strengthen resilience and differentiate Pepkor through trust and innovation. A secure, well-governed technology ecosystem enables the responsible use of AI and advanced analytics to enhance efficiency, deliver more personalised customer experiences and expand access to affordable, technology-enabled services.

Mitigations

- Board-level oversight of cybersecurity, data governance and responsible AI use.
- Ongoing penetration testing, vulnerability scanning and incident response readiness.
- Continuous employee awareness and response training.
- Dedicated information security teams for prevention, detection and recovery.
- Regular third-party security and compliance assessments.
- Comprehensive data governance framework aligned with POPIA and other regulations.
- Group-wide AI governance policy to ensure ethical and responsible implementation.

Material matters

MM1



2 Supply chain and diversification

Risk context

Pepkor’s diversified retail operations depend on reliable, cost-efficient supply chains spanning local and international markets. Disruptions from port congestion, shipping delays or adverse weather can affect product availability and increase costs. At the same time, growing expectations around ethical and sustainable sourcing require stronger transparency and due diligence across supplier networks.

Opportunity

Effectively managing these risks creates the opportunity to build a more resilient, agile and responsible supply chain. By diversifying sourcing channels, strengthening local manufacturing partnerships and embedding ethical standards, Pepkor can enhance operational continuity, reduce import exposure and reinforce customer trust in our products and brands.

Mitigations

- Maintain buffer inventory for key product lines to absorb logistical delays.
- Use advanced supply chain visibility tools for real-time monitoring and early intervention.
- Activate alternative routing options to reduce dependence on high-risk ports.
- Negotiate flexible supplier terms to share and manage disruption risk.
- Expand local sourcing partnerships to shorten lead times and strengthen resilience.
- Invest in supplier development and align supplier compliance with global labour and environmental standards.

Material matters

MM2



3 Political, social and infrastructure

Risk context

Political and social dynamics in South Africa, Brazil and southern Africa present ongoing operational considerations for Pepkor. Challenges such as governance capacity, infrastructure constraints and economic pressures can influence store operations, logistics and customer access. These factors, combined with constrained consumer income, reliance on social grants and the online betting and gambling crisis, may affect spending and repayment patterns, as well as crime and social unrest prevalence.

Opportunity

Proactively managing these systemic risks enables Pepkor to build greater operational resilience and deepen community trust. By investing in infrastructure resilience, security partnerships and local engagement, Pepkor strengthens its ability to operate safely and consistently in challenging environments while reinforcing its reputation as a trusted, community-rooted retailer.

Mitigations

- Continuously monitor default risks and apply dynamic scoring models to grant credit responsibly.
- Invest in renewable energy and energy-efficiency programmes to reduce grid reliance.
- Enhance water resilience through storage, reuse and harvesting systems at stores and DCs.
- Implement advanced physical security and co-ordinated response operations for high-risk sites.
- Equip store staff with de-escalation and emergency response training.
- Strengthen partnerships with law enforcement and community forums to improve intelligence.
- Maintain comprehensive insurance for civil unrest and business interruption.

Material matters

MM2

MM3





Quick read

FY25 highlights

Letters from our leaders

Operational context

Business overview

Further reading

About this report

History and development

Business model

Nine-year review

Retail footprint

Risks and opportunities detail

Shareholder analysis

Share performance

Pro forma financial information

Glossary

Corporate information

Shareholder diary

TREND: Increasing Stable

4 Changing market dynamics and competition

Risk context

Competitive intensity across value retail is growing, driven by rising operational costs, price-sensitive consumers and expansion by other discount and online retailers. Shifts towards lower-margin essentials and promotional pricing pressure profitability. The fintech and lending businesses also face increased competition from digital disruptors and evolving customer expectations.

Opportunity

Adapting to these dynamics creates opportunities to strengthen Pepkor's position as the leading affordable retailer. Leveraging data, AI and customer insights enables sharper product assortment, improved value perception and innovation across financial and connectivity services, unlocking new revenue streams and deepening loyalty.

Mitigations

- Reinforce core strengths: Best Price Leadership, availability and relevant assortment.
- Optimise product mix to reflect changing customer demand for essentials and value.
- Accelerate omnichannel integration for a seamless online/offline experience.
- Apply AI-driven demand forecasting to improve stock accuracy.
- Invest in organic and acquisitive growth to diversify categories and geographies.
- Build value-added ecosystems through financial, connectivity and insurance products.

Material matters

MM1

MM3



5 M&A and project execution

Risk context

Mergers, acquisitions and transformation projects are central to Pepkor's long-term growth. However, complex integrations across retail, fintech, payments and lending can disrupt operations and dilute value if not managed carefully. Poor benefit realisation or execution delays risk, undermining expected synergies and stakeholder confidence.

Opportunity

Disciplined programme management and benefit tracking provide opportunities to extract full value from acquisitions and major projects. Effective integration strengthens Pepkor's ecosystem, enhances cross-selling potential and drives efficiency and innovation across divisions.

Mitigations

- Apply robust governance and programme management with clear milestones and accountability.
- Track benefits against original business cases, focusing on cost, revenue and efficiency synergies.
- Maintain performance monitoring to validate value capture and compliance.
- Deploy experienced integration teams to prevent operational disruption.

Material matters

MM5



6 Extreme weather impacts

Risk context

Climate volatility, including floods, droughts and storms, increasingly affects Pepkor's operations, infrastructure and customer base across southern Africa and Brazil. Weather disruptions can damage facilities, delay logistics and alter consumer spending patterns, while drought-related food insecurity reduces disposable income.

Opportunity

Strengthening climate resilience offers opportunities to protect operations, reduce costs and align with investor expectations for sustainable practices. Incorporating climate analysis into strategic decisions enhances preparedness, while energy and water-efficiency initiatives deliver long-term operational benefits.

Mitigations

- Integrate climate scenario planning into strategic and financial frameworks, including the adaptation of seasonal product strategies.
- Enhance disaster preparedness and business continuity for distribution networks.
- Review insurance coverage for climate-sensitive assets.
- Embed efficiency measures in store and DC operations to reduce energy and water dependency.

Material matters

MM2

MM3



7 Leadership succession and talent management

Risk context

Attracting, developing and retaining critical and diverse talent remains essential for Pepkor's success. Scarcity of technical, digital and data science skills and extended recruitment lead times create challenges, particularly in competitive markets. Effective leadership succession planning is critical for continuity and transformation progress.

Opportunity

Strengthening talent management builds long-term leadership capacity and embeds a culture of learning and inclusion – essential for Pepkor's growth and innovation. Developing internal pipelines and enhancing the employee value proposition supports retention and positions Pepkor as an employer of choice.

Mitigations

- Strengthen the employee value proposition and reward framework for key skills.
- Formalise succession plans for executive and senior roles.
- Benchmark remuneration regularly to stay competitive.
- Identify and develop high-potential employees through mentoring and cross-functional exposure.
- Expand graduate and internship programmes to nurture future talent.

Material matters

MM4



8

Geopolitical tensions and trade

▲

Risk context

Global geopolitical instability, shifting trade agreements and tariff adjustments can impact import costs, supply reliability and exchange rate volatility. These dynamics influence Pepkor's pricing structures, sourcing strategies and profitability across its multi-jurisdictional footprint.

Opportunity

By diversifying sourcing strategies and strengthening regional supplier networks, Pepkor can mitigate exposure while promoting local development. Active treasury management also provides flexibility to respond to volatility, supporting competitive pricing and supply continuity.

Mitigations

- Diversify sourcing to reduce single-market dependency.
- Implement active currency hedging and treasury management programmes.
- Monitor trade and policy developments to adapt procurement and pricing.
- Strengthen local supplier partnerships to reduce import exposure.
- Drive operational efficiency to maintain price competitiveness.

Material matters

MM1

MM3

👉

9

Third party

▲

Risk context

Pepkor relies on third-party providers for key infrastructure, data, payment and technology services. Disruptions or non-compliance by vendors could affect core operations, data integrity and customer experience, particularly within financial services.

Opportunity

Enhancing vendor management frameworks ensures operational resilience and regulatory compliance. Building strategic, diversified partnerships with proven providers supports reliability, innovation and service quality across Pepkor's ecosystem.

Mitigations

- Strengthen vendor risk frameworks with clear performance and compliance criteria.
- Maintain contingency and business continuity plans for critical dependencies.
- Monitor service-level performance and incident response procedures continuously.
- Regularly test failover capabilities to ensure readiness.
- Define robust contractual terms covering data, liability and exit provisions.

Material matters

MM1

👉

10

Regulatory

●

Risk context

Pepkor operates across multiple jurisdictions subject to evolving regulations, including tax reforms, consumer protection, national payment system and telecommunications compliance, environmental frameworks and data protection laws. These shifts introduce complexity and potential compliance risks across the retail and financial services portfolio.

Opportunity

Proactive compliance and transparent governance strengthen Pepkor's reputation and stakeholder trust. Investing in compliance systems and early engagement with regulators enhances agility, ensuring the group adapts quickly to new requirements while maintaining its competitive position.

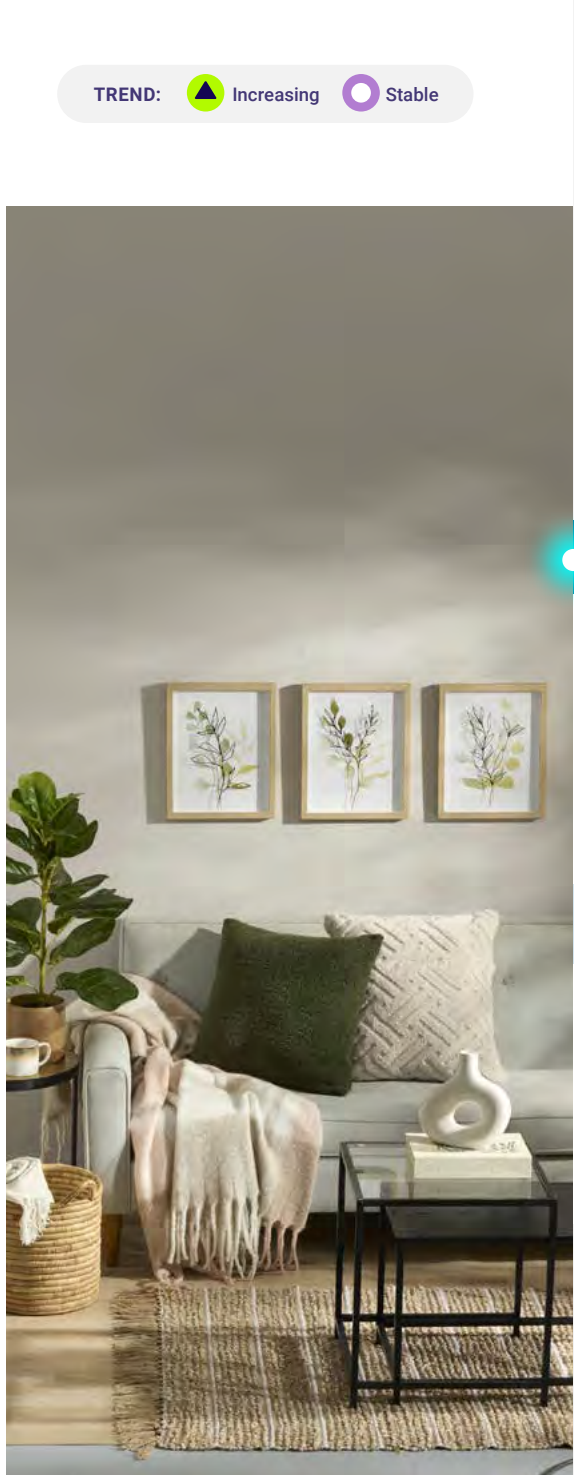
Mitigations

- Maintain a comprehensive compliance register and governance framework.
- Provide regular compliance reporting and board oversight.
- Monitor legislative changes and communicate updates to business units.
- Engage proactively with regulatory authorities.
- Implement an incident response plan for potential compliance breaches.

Material matters

MM2

👉



TREND: ▲ Increasing ● Stable



- Quick read
- FY25 highlights
- Letters from our leaders
- Operational context
- Business overview

Further reading

- About this report
- History and development
- Business model
- Nine-year review
- Retail footprint

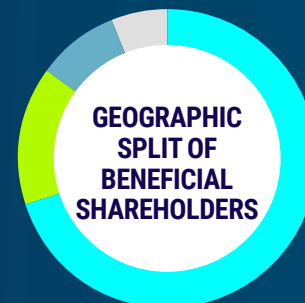
Risks and opportunities detail

- Shareholder analysis
- Share performance
- Pro forma financial information
- Glossary
- Corporate information
- Shareholder diary

Shareholder analysis

	Ordinary shares			
	Number of shareholders	%	Number of shares	%
Shareholder spread				
1 – 1 000 shares	29 005	67.37	3 374 676	0.09
1 001 – 10 000 shares	10 665	24.77	36 167 188	0.98
10 001 – 100 000 shares	2 225	5.17	65 973 541	1.79
100 001 – 1 000 000 shares	790	1.83	272 224 591	7.37
1 000 001 shares and over	369	0.86	3 315 744 248	89.77
Total	43 054	100.00	3 693 484 244	100.00
Distribution of shareholders				
Pension funds	202	0.47	1 152 831 752	31.21
Unit trusts	338	0.78	933 606 678	25.28
Mutual funds	182	0.42	328 152 686	8.88
Trading position	25	0.06	273 430 172	7.40
Private investors	110	0.26	251 093 572	6.80
Sovereign wealth	18	0.04	203 052 304	5.50
Exchange-traded funds	46	0.11	97 356 079	2.64
Insurance companies	20	0.05	94 773 197	2.57
Hedge funds	39	0.09	107 967 313	2.92
Custodians	22	0.05	34 021 328	0.92
Corporate holdings	4	0.01	18 871 315	0.51
Medical aid schemes	11	0.03	15 160 281	0.41
Charities	16	0.04	13 785 166	0.37
Investment trusts	4	0.01	7 901 992	0.21
Universities	9	0.02	6 958 978	0.19
ESG	3	0.01	2 517 479	0.07
Foreign governments	3	0.01	758 841	0.02
Private equity	1	0.00	730 266	0.02
Black economic empowerment	2	0.00	300 000	0.01
Remainder	41 999	97.54	150 214 845	4.07
Total	43 054	100.00	3 693 484 244	100.00
Public/non-public shareholders				
Public shareholders	43 049	99.99	3 628 413 370	98.24
Non-public shareholders				
Directors and associates	4	0.01	61 470 874	1.66
Strategic holdings (more than 10%)	–	–	–	–
Treasury shares	1	–	3 600 000	0.10
Total	43 054	100.00	3 693 484 244	100.00

	Number of shares	%
Beneficial shareholders holding 1% or more		
Public Investment Corporation (PIC)	735 549 747	19.91
Titan Premier Investments Proprietary Limited	140 840 000	3.81
Government of Norway	109 781 499	2.97
Alexander Forbes Investments	101 291 086	2.74
Various retail investors	72 096 359	1.95
Vista Treasury Proprietary Limited	60 000 000	1.62
Eskom Pension Fund	59 210 960	1.60
Old Mutual Life Assurance Company Limited	58 346 527	1.58
Vanguard Total International Stock Index	54 848 196	1.48
SBG Securities Proprietary Limited	53 772 597	1.46
New World Fund Incorporated	52 415 313	1.42
Total	1 498 152 284	40.56
Fund managers holding 1% or more		
PIC	556 633 307	15.07
Coronation Asset Management Proprietary Limited	242 135 713	6.56
Ninety One SA Proprietary Limited	166 964 096	4.52
The Vanguard Group Incorporated	149 796 067	4.06
Titan Premier Investments Proprietary Limited	140 840 000	3.81
M&G Investment Managers Proprietary Limited	134 466 634	3.64
BlackRock Advisors LLC	129 186 860	3.50
Truffle Asset Management Proprietary Limited	119 129 543	3.23
Sanlam Investment Management Proprietary Limited	101 873 760	2.76
Fairtree Asset Management Proprietary Limited	77 626 763	2.10
Old Mutual Investment Group SA	74 990 259	2.03
Value Capital Partners	69 692 250	1.89
Fidelity Management & Research Company	69 095 117	1.87
Abax Investments	64 813 099	1.75
360ne Asset Management	60 590 722	1.64
Vista Treasury Proprietary Limited	60 000 000	1.62
Total	2 217 834 190	60.05



● South Africa **70%**
● USA & Canada **15%**
● UK & Europe **9%**
● Other **6%**



- Quick read
- FY25 highlights
- Letters from our leaders
- Operational context
- Business overview

Further reading

- About this report
- History and development
- Business model
- Nine-year review
- Retail footprint
- Risks and opportunities detail

Shareholder analysis

- Share performance
- Pro forma financial information
- Glossary
- Corporate information
- Shareholder diary



Quick read

FY25 highlights

Letters from our leaders

Operational context

Business overview

Further reading

About this report

History and development

Business model

Nine-year review

Retail footprint

Risks and opportunities
detail

Shareholder analysis

Share performance

Pro forma financial
information

Glossary

Corporate information

Shareholder diary

Share performance

Analysis of trading

Month	High close (cents)	Low close (cents)	Volume (million shares)	Value (Rm)
October 2024	2 413	2 274	195	4 586
November 2024	2 673	2 205	296	7 142
December 2024	2 978	2 665	370	10 601
January 2025	2 898	2 582	206	5 587
February 2025	2 784	2 579	250	6 754
March 2025	2 635	2 411	279	7 095
April 2025	2 695	2 229	265	6 502
May 2025	2 919	2 634	210	5 775
June 2025	2 900	2 668	178	4 934
July 2025	2 815	2 668	2 322	62 622
August 2025	2 706	2 539	391	10 186
September 2025	2 585	2 413	383	9 588

Key statistics (12 months to September 2025)

Traded price (cents per share)	Close	2 431
	High	2 978
	Low	2 205
Market capitalisation as of 30 September 2025 (R billion)		89.8
Value of shares traded (R billion)		141.4
Value traded as % of market capitalisation		157.4%
Volume of shares traded (million)		5 346
Volume traded as a % of number of shares in issue		144.7%
PE ratio (statutory headline earnings)		15.1
Dividend yield (based on FY24 dividend declared)		1.9%
Earnings yield (statutory headline earnings)		6.6%
Period-end market price/NAV		1.42
Shares in issue (million)		3 693
Average number of shares in issue (million)		3 689
Net shares issued during the year – net of share repurchases (million)		9.83

PPH vs General retail index vs All share index (Rebased to 100%)



- JSE All share index
25%
- JSE General retail index
(21%)
- Pepkor Holdings
1%

Pro forma financial information

Independent Auditor’s Assurance Report

on the compilation of pro forma financial information included in the Pepkor Reviewed Annual Results for the year ended 30 September 2025

To the Directors of Pepkor Holdings Limited

We have completed our assurance engagement to report on the compilation of the pro forma financial information of Pepkor Holdings Limited (“Pepkor” or the “Company”) and its subsidiaries (together “the Group”) by the directors. The pro forma financial information, as set out on pages 31 to 33 of the Pepkor Reviewed Annual Results for the year ended 30 September 2025 (the “Document”) consists of non-IFRS financial measures and constant currency presentation (the “Pro Forma Financial Information”). The applicable criteria on the basis of which the directors have compiled the Pro Forma Financial Information are specified in the Listings Requirements of the JSE Limited (“the JSE Listings Requirements”), including Guidance Letter: *Presentation of constant currency information* dated 16 August 2012 and described in the pro forma financial information section of the Document (the “Applicable Criteria”).

The Pro Forma Financial Information has been compiled by the directors solely to illustrate the impact had the goodwill, trade and brand names assets not been impaired as required by IFRS Accounting Standards, and to provide constant currency information to exclude the effect of foreign currency fluctuations on financial results.

As part of this process, information about the Group’s consolidated financial position and financial performance has been extracted by the directors from Pepkor’s Reviewed Annual Results for the year ended 30 September 2025, on which a review opinion was issued on 24 November 2025.

Directors’ responsibility for the Pro Forma Financial Information

The directors are responsible for compiling the Pro Forma Financial Information on the basis of the Applicable Criteria.

Our Independence and Quality Management

We have complied with the independence and other ethical requirements of the *Code of Professional Conduct for Registered Auditors*, issued by the Independent Regulatory Board for Auditors (IRBA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour. The IRBA Code is

consistent with the corresponding sections of the International Ethics Standards Board for Accountants’ *International Code of Ethics for Professional Accountants (including International Independence Standards)*.

The firm applies International Standard on Quality Management 1, *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements*, which requires the firm to design, implement and operate a system of quality management, including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Auditor’s responsibility

Our responsibility is to express an opinion, as required by the JSE Listings Requirements, about whether the Pro Forma Financial Information has been compiled, in all material respects, by the directors, on the basis of the Applicable Criteria, based on our procedures performed.

We conducted our engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3420, *Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus* issued by the International Auditing and Assurance Standards Board. This standard requires that we plan and perform our procedures to obtain reasonable assurance about whether the Pro Forma Financial Information has been compiled, in all material respects, on the basis specified in the Applicable Criteria.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the Pro Forma Financial Information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the Pro Forma Financial Information.

The purpose of the Pro Forma Financial Information included in the Document is solely to illustrate the impact of adjusting for non-IFRS financial measures and constant currency rates on unadjusted financial information of the Group and may not fairly present the Group’s financial position and results of operations. Accordingly, we do not provide any

assurance that the actual outcome would have been as presented.

A reasonable assurance engagement to report on whether the Pro Forma Financial Information has been compiled, in all material respects, on the basis of the Applicable Criteria involves performing procedures to assess whether the Applicable Criteria used by the directors in the compilation of the Pro Forma Financial Information provide a reasonable basis for presenting the significant effects directly attributable to the events, and to obtain sufficient appropriate evidence about whether:

- The related pro forma adjustments give appropriate effect to those criteria; and
- The Pro Forma Financial Information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on our judgement, having regard to our understanding of the nature of the Group, the events in respect of which the Pro Forma Financial Information has been compiled, and other relevant engagement circumstances.

Our engagement also involves evaluating the overall presentation of the Pro Forma Financial Information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the Pro Forma Financial Information has been compiled, in all material respects, on the basis of the Applicable Criteria.

PricewaterhouseCoopers Inc.

PricewaterhouseCoopers Inc.
Director: JA Hugo
Registered Auditor
Cape Town, South Africa
24 November 2025



Quick read

FY25 highlights

Letters from our leaders

Operational context

Business overview

Further reading

About this report

History and development

Business model

Nine-year review

Retail footprint

Risks and opportunities detail

Shareholder analysis

Share performance

Pro forma financial information

Glossary

Corporate information

Shareholder diary

Pro forma financial information

The pro forma financial information, which is the responsibility of the group's directors, is presented in accordance with the JSE Listings Requirements, including Guidance Letter: *Presentation of constant currency information* dated 16 August 2012, and the SAICA Guide on Pro Forma Financial Information. The purpose of the pro forma financial information is to illustrate the impact on the group's earnings measures excluding the effects of the goodwill impairment recognised in the current and prior years, as well as the trade and brand name impairments and IFRIC 23 tax provision release in the prior year. The group believes that this information assists shareholders in understanding the underlying financial performance of the group by providing a basis for comparison with prior periods unaffected by these one-off non-trading items. Certain financial information presented in these annual financial results constitutes pro forma financial information and is presented for illustrative purposes only. Because of its nature, the pro forma financial information may not fairly present the group's financial position, change in equity, results of operations or cash flows. An assurance report (in terms of ISAE 3420: *Assurance Engagements to Report on the Compilation of Pro Forma Financial Information included in a prospectus issued by the International Auditing and Assurance Standards Board*) has been issued by the group's auditor, PricewaterhouseCoopers Inc., in respect of the pro forma financial information included in this announcement. The pro forma financial information should be read in conjunction with this assurance report on pages 11 and 12 of the reviewed annual results for the year ended 30 September 2025.

Normalised earnings, headline earnings, diluted earnings and diluted headline earnings per share (EPS, HEPS, DEPS and DHEPS)

The groups' reported EPS, HEPS, DEPS and DHEPS are adjusted for the impact of the goodwill impairment in the current and prior year, and for trade and brand names impairments and the impact of the IFRIC 23 tax provision release in the prior year.

The table below presents the adjustments to the items reported:

	As reported	Goodwill and trade and brand names impairment	Pro forma after adjustments	As reported	Goodwill and trade and brand names impairment	IFRIC 23 provision release relating to uncertain tax positions	Pro forma after adjustments	
	Year ended 30 September 2025 Reviewed ¹ Rm	Year ended 30 September 2025 Reviewed ² Rm	Year ended 30 September 2025 Reviewed Rm	Year ended 30 September 2024 Reviewed ³ Rm	Year ended 30 September 2024 Reviewed ² Rm	Year ended 30 September 2024 Reviewed ⁴ Rm	Year ended 30 September 2024 Reviewed ³ Rm	Pro forma % change on prior year
Revenue	95 340	–	95 340	85 136	–	–	85 136	12.0
Cost of sales	(57 388)	–	(57 388)	(52 527)	–	–	(52 527)	(9.3)
Gross profit	37 952	–	37 952	32 609	–	–	32 609	16.4
Other income	964	–	964	1 034	–	–	1 034	(6.8)
Operating expenses	(18 814)	–	(18 814)	(16 718)	–	–	(16 718)	(12.5)
Debtors' costs	(4 101)	–	(4 101)	(2 527)	–	–	(2 527)	(62.3)
Operating profit before depreciation, amortisation and capital items	16 001	–	16 001	14 398	–	–	14 398	11.1
Depreciation and amortisation	(4 909)	–	(4 909)	(4 596)	–	–	(4 596)	(6.8)
Operating profit before capital items	11 092	–	11 092	9 802	–	–	9 802	13.2
Capital items	(374)	85	(289)	(2 908)	2 741	–	(167)	(73.1)
Operating profit	10 718	85	10 803	6 894	2 741	–	9 635	12.1
Finance costs	(3 354)	–	(3 354)	(3 447)	–	–	(3 447)	2.7
Finance income	315	–	315	279	–	–	279	12.9
Profit before taxation	7 679	85	7 764	3 726	2 741	–	6 467	20.1
Taxation	(2 043)	–	(2 043)	(1 386)	(43)	(355)	(1 784)	(14.5)
Profit for the year from continuing operations	5 636	85	5 721	2 340	2 698	(355)	4 683	22.2
Loss from discontinued operations	–	–	–	(257)	–	–	(257)	100
Profit for the year	5 636	85	5 721	2 083	2 698	(355)	4 426	29.3
Profit/(loss) attributable to:								
Equity holders of the parent	5 638	85	5 723	2 072	2 698	(355)	4 415	29.6
Non-controlling interests	(2)	–	(2)	11	–	–	11	(118.2)
Profit for the year	5 636	85	5 721	2 083	2 698	(355)	4 426	29.3

[Quick read](#)[FY25 highlights](#)[Letters from our leaders](#)[Operational context](#)[Business overview](#)

Further reading

[About this report](#)[History and development](#)[Business model](#)[Nine-year review](#)[Retail footprint](#)[Risks and opportunities detail](#)[Shareholder analysis](#)[Share performance](#)

Pro forma financial information

[Glossary](#)[Corporate information](#)[Shareholder diary](#)



Quick read

FY25 highlights

Letters from our leaders

Operational context

Business overview

Further reading

About this report

History and development

Business model

Nine-year review

Retail footprint

Risks and opportunities detail

Shareholder analysis

Share performance

Pro forma financial information

Glossary

Corporate information

Shareholder diary

Pro forma headline earnings are adjusted for the goodwill and trade and brand name asset impairment as follows:

	As reported	Goodwill and trade and brand names impairment	Pro forma after adjustments	As reported	Goodwill and trade and brand names impairment	IFRIC 23 provision release relating to uncertain tax positions	Pro forma after adjustments	Pro forma % change on prior year
	Year ended 30 September 2025 Reviewed ¹ Rm	Year ended 30 September 2025 Reviewed ² Rm	Year ended 30 September 2025 Reviewed Rm	Year ended 30 September 2024 Reviewed ³ Rm	Year ended 30 September 2024 Reviewed ² Rm	Year ended 30 September 2024 Reviewed ⁴ Rm	Year ended 30 September 2024 Reviewed ³ Rm	
Earnings attributable to ordinary shareholders	5 638	85	5 723	2 072	2 698	(355)	4 415	29.6
Capital items (note 3 in the reviewed condensed consolidated financial statements)	374	(85)	289	3 459	(2 741)	–	718	(59.7)
Taxation effect of pro forma information	(78)	–	(78)	(79)	43	–	(36)	(116.7)
Headline earnings attributable to ordinary shareholders	5 934	–	5 934	5 452	–	(355)	5 097	16.4
Earnings per share (cents) ⁵								
Total basic earnings per share from continuing operations	153.0	2.3	155.3	63.4	73.5	(9.7)	127.2	22.1
Total basic earnings per share from discontinued operations	–	–	–	(7.0)	–	–	(7.0)	100.0
Total basic earnings per share ⁵	153.0	2.3	155.3	56.4	73.5	(9.7)	120.2	29.2
Total headline earnings per share from continuing operations	161.0	–	161.0	140.2	–	(9.7)	130.5	23.4
Total headline earnings per share from discontinued operations	–	–	–	8.3	–	–	8.3	(100.0)
Total headline earnings per share ⁵	161.0	–	161.0	148.5	–	(9.7)	138.8	16.0
Total diluted earnings per share from continuing operations	151.2	2.3	153.5	62.7	72.7	(9.6)	125.8	22.0
Total diluted earnings per share from discontinued operations	–	–	–	(6.9)	–	–	(6.9)	100.0
Total diluted earnings per share ⁵	151.2	2.3	153.5	55.8	72.7	(9.6)	118.9	29.1
Total diluted headline per share from continuing operations	159.1	–	159.1	138.6	–	(9.6)	129.1	23.3
Total diluted headline earning per share from discontinued operations	–	–	–	8.2	–	–	8.2	(100.0)
Total diluted headline earnings per share ⁵	159.1	–	159.1	146.8	–	(9.6)	137.3	15.9

Notes to the pro forma financial information

¹ The current year numbers were extracted without adjustment from the reviewed condensed consolidated financial statements of the group for the year ended 30 September 2025.

² The adjustment represents the impact of the goodwill and trade and brand names intangible asset impairment.

³ Prior year comparatives have been extracted from the pro forma financial information included in the Pepkor reviewed annual results for the year ended 30 September 2024.

⁴ The adjustment represents the impact of the IFRIC 23 tax provision release.

⁵ Pro forma earnings and diluted earnings per share, headline earnings and diluted headline earnings per share are calculated on the same basis and using the same weighted average number of ordinary shares and weighted average number of dilutive ordinary shares as per note 6 of the notes to the reviewed condensed consolidated financial statements of the group for the year ended 30 September 2025 and 2024.



Quick read

FY25 highlights

Letters from our leaders

Operational context

Business overview

Further reading

About this report

History and development

Business model

Nine-year review

Retail footprint

Risks and opportunities
detail

Shareholder analysis

Share performance

**Pro forma financial
information**

Glossary

Corporate information

Shareholder diary

Pro forma constant currency disclosure

The Pepkor group discloses unaudited constant currency information to indicate PEP Africa and Avenida's performance in terms of sales growth, excluding the effect of foreign currency fluctuations. To present this information, current year turnover for these businesses reported in currencies other than South African rand is converted from local currency actuals into rand at the prior period's actual average exchange rates per country. The average exchange rates were calculated using the average monthly exchange rates (determined on the last day of each of the months in the period). The table below sets out the approximate average South African rand cost for one unit as well as percentage change in sales, based on the actual continuing results for the period, in reported currency and constant currency, for the basket of currencies in which these businesses operate.

Change in sales on prior year (%)	Average exchange rate		Reported currency	Constant currency
	2025	2024		
Angolan kwanza	0.0198	0.0222	21.43	36.30
Malawian kwacha	0.0104	0.0116	28.16	42.78
Mozambican metical	0.2843	0.2869	(9.60)	(8.77)
Zambian kwacha	0.6859	0.7564	18.55	30.74
Total PEP Africa			11.77	21.52
Brazilian real	3.1410	3.6030	(1.60)	12.87



Glossary



<IR> Framework	Integrated Reporting Framework
12mma	12-month moving average
AI	artificial intelligence
B2B	business-to-business
B2C	business-to-consumer
BBB	Building Better Business
B-BBEE	broad-based black economic empowerment
BER	Bureau for Economic Research
bn	billion
BPL	Best Price Leadership
bps	basis points
CAGR	compound annual growth rate
capex	capital expenditure
CEO	chief executive officer
CFH	clothing, footwear and homeware
CFO	chief financial officer
CGM	Clothing and general merchandise reporting segment
CO ₂ e	carbon dioxide equivalent
COO	chief operating officer
COVID-19	novel coronavirus (SARS-CoV-2)
cps	cents per share
CSI	corporate social investment
DC	distribution centre
DEPS	diluted earnings per share
DHEPS	diluted headline earnings per share
DMTN programme	Domestic Medium Term Note programme
EBITDA	earnings before interest, taxes, depreciation and amortisation
ECD	early childhood development
EPR	Extended Producer Responsibility
EPS	earnings per share
ESG	environmental, social and governance
EVP	employee value proposition
FAE	Furniture, appliances and electronics reporting segment
fintech	financial technology
FinTech	Financial Technology reporting segment
FSCA	Financial Sector Conduct Authority
FTSE	Financial Times Stock Exchange 100 index
FY	financial year
GDP	gross domestic product
GfK	Growth from Knowledge data and consumer goods intelligence market research company
HEPS	headline earnings per share
ICT	information and communication technology
IFRIC	International Financial Reporting Interpretations Committee

IFRS	International Financial Reporting Standards
ILO	International Labour Organisation
IMF	International Monetary Fund
IR	integrated report
IRBA	Independent Regulatory Board for Auditors
ISAE	International Standard on Assurance Engagements
ISSB	International Sustainability Standards Board
IT	information technology
JSE	Johannesburg Stock Exchange
LFL	like-for-like
m	million
M&A	mergers and acquisitions
m ²	square metre
MNO	mobile network operator
MWp	megawatt peak
NAV	net asset value
NCR	National Credit Regulator
NGO	Non-governmental organisation
OECD	Organisation for Economic Co-operation and Development
PepClo	Pep Clothing
PKL	Pepkor Logistics
POPIA	Protection of Personal Information Act
PPH	Pepkor Holdings Limited JSE share code
PV	photovoltaic
Q1	first quarter of the financial year (1 October to 31 December)
Q2	second quarter of the financial year (1 January to 31 March)
Q3	third quarter of the financial year (1 April to 30 June)
Rbn	rand billion
R-CTFL	Retail – Clothing, Textile, Footwear and Leather
RLC	Retailers' Liaison Committee
Rm	Rand million
RONA	return on net assets
SaaS	Software as a Service
SAICA	South African Institute of Chartered Accountants
SMME	small, medium and micro enterprises
Stats SA	Statistics South Africa
TCFD	Task Force on Climate-Related Financial Disclosures
TEU	twenty-foot equivalent unit
UK	United Kingdom
UN SDGs	United Nations Sustainable Development Goals
UNGC	United Nations Global Compact
US	United States of America
USD	United States Dollar
W&RSETA	Wholesale and Retail Sector Education and Training Authority



Quick read

FY25 highlights

Letters from our leaders

Operational context

Business overview

Further reading

About this report

History and development

Business model

Nine-year review

Retail footprint

Risks and opportunities detail

Shareholder analysis

Share performance

Pro forma financial information

Glossary

Corporate information

Shareholder diary

PEPKOR

Holdings Limited

Corporate information

Registration number

2017/221869/06

Share code PPH

Debt code PPHI

ISIN ZAE000259479

LEI 3789006D677C34F69875

Registered address

36 Stellenberg Road
Parow Industria 7493

Postal address

PO Box 6100, Parow East 7501

Telephone

021 929 4800

Contact

E-mail: investors@pepkor.co.za

Investor relations and debt officer

Ian Nel

E-mail: investors@pepkor.co.za

Press enquiries

E-mail: press@pepkor.co.za

Company secretary

Masood Allie

E-mail: companysec@pepkor.co.za

Auditor

PricewaterhouseCoopers Inc.
5 Silo Square, V&A Waterfront
Cape Town 8012
PO Box 2799, Cape Town 8000

Equity and debt sponsor

Investec Bank Limited
(Registration number
1969/004763/06)
100 Grayston Drive, Sandown
Sandton 2196
PO Box 78055, Sandton 2146

Transfer secretary

Computershare Investor Services
Proprietary Limited



Shareholder diary

ANNUAL GENERAL
MEETING

24 February
2026

ANNOUNCEMENT OF
INTERIM RESULTS

May
2026

FINANCIAL YEAR-END

30 September
2026

ANNOUNCEMENT OF
ANNUAL RESULTS

November
2026

The logo for PEPKOR Holdings Limited. It features the word "PEPKOR" in a large, bold, white sans-serif font. Below it, the words "Holdings Limited" are written in a smaller, italicized white sans-serif font.

PEPKOR

Holdings Limited

The website URL "www.pepkor.co.za" is displayed in a yellow sans-serif font, centered within a yellow rounded rectangular border.

www.pepkor.co.za