BOXER

















Annual Results Presentation 2025

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01

OVERVIEW

FY25 **HIGHLIGHTS**

Successful IPO and listing of Boxer Retail on the JSE

- R8.5bn raised and paid to PnP via dividend
- Multiple times oversubscribed at top-end of range
- Largest SA IPO in the last 8 years

Strong operational momentum maintained

- Double digit total turnover growth and strong LFL (15.8% 3 year sales CAGR)
- Consistent market share gains
- Added 48 stores to reach 525 stores
- Trading Margin exceeded IPO guidance
- 2 900 jobs created in FY25

Executed on key strategic initiatives

- Boxer Rewards Club launched in October 2024
- Inventory Management improvements
- Broke ground on new KZN Tongaat DC Facility



FY25 **FINANCIAL ACHIEVEMENTS (52w pro forma)**

Sales +10.4%
LFL +5.6%

Trading Profit +7.0%
(+14.0% ex. derecognition of PnP Financial Guarantee)

Trading Margin @ 5.4%

ROIC @ 25.5%
(73.6% excluding IFRS 16)

+53 new stores
(-5 closures)
Year end count: 525 stores

Store Space +9.1%

THE BOXER VISION







Our Vision

To be the "People's Champion" for the Communities We Serve, Growing a Lifetime of Loyalty

Our Mission

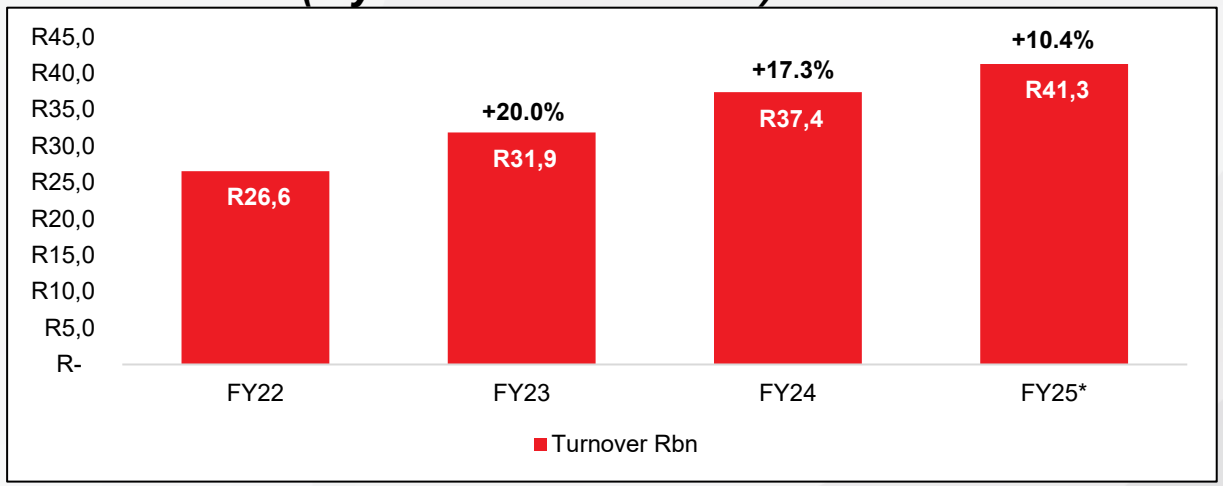
To be South Africa's No. 1 Discount Retailer

Our Strategic Ambition

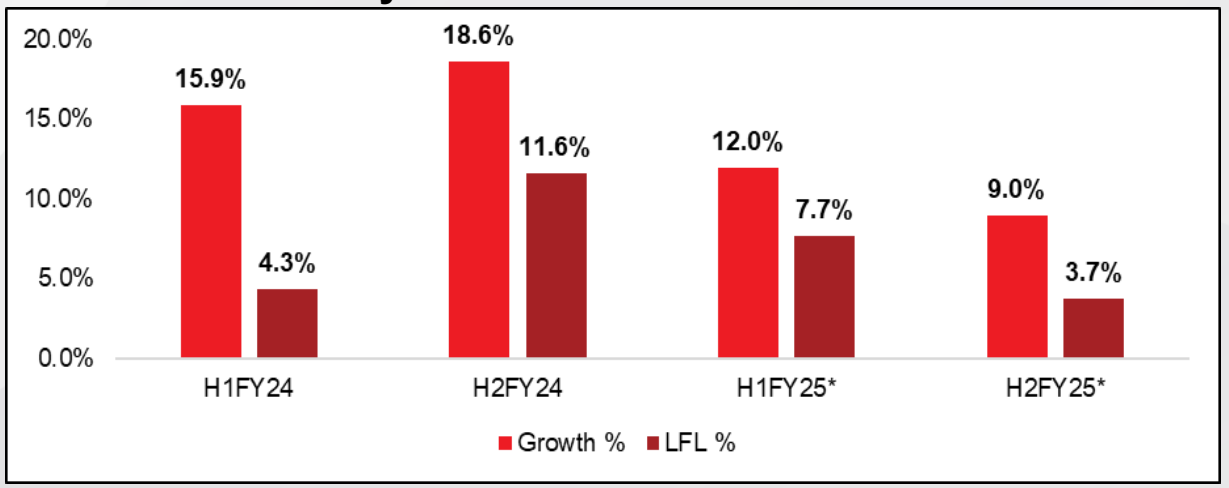
To continue Store Rollout across South Africa to Leverage the Whitespace Opportunity

A LONG-TERM **GROWTH FOCUS**

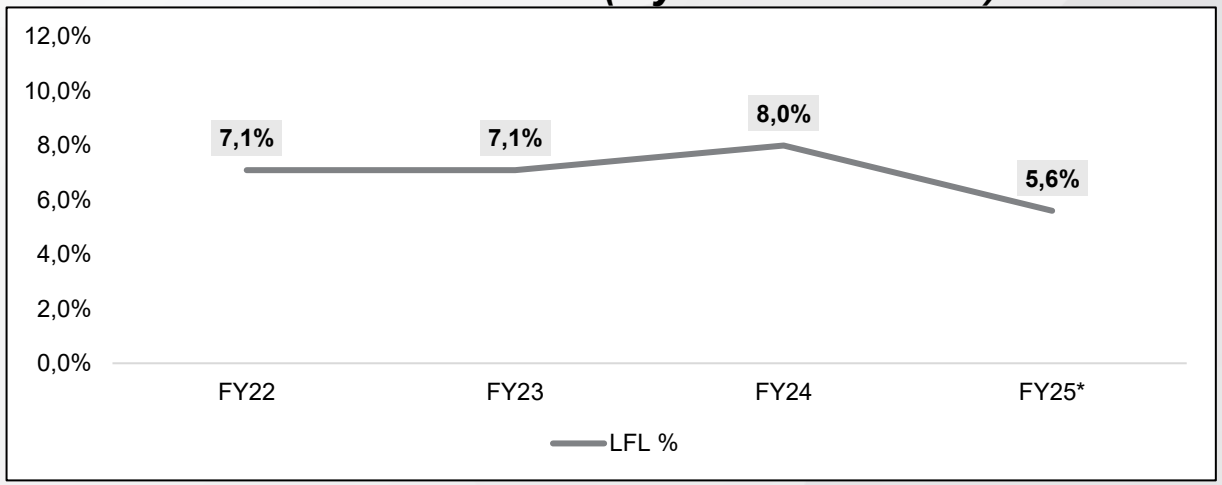
Turnover Rbn *(3 year CAGR of 15.8%)*



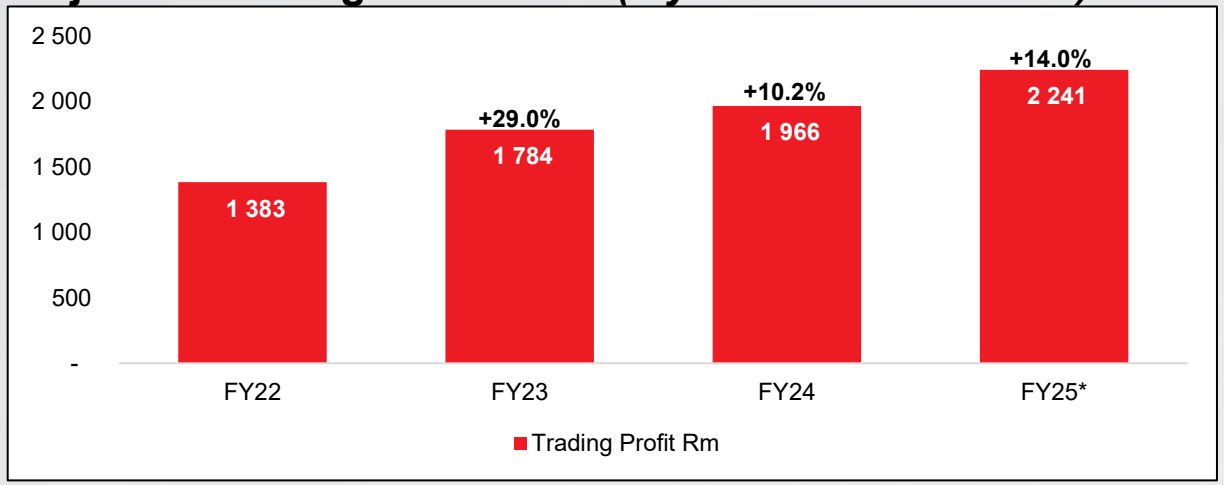
Sales Growth % by Half



Like-for-like Sales Growth % *(3 year ave of 7.0%)*



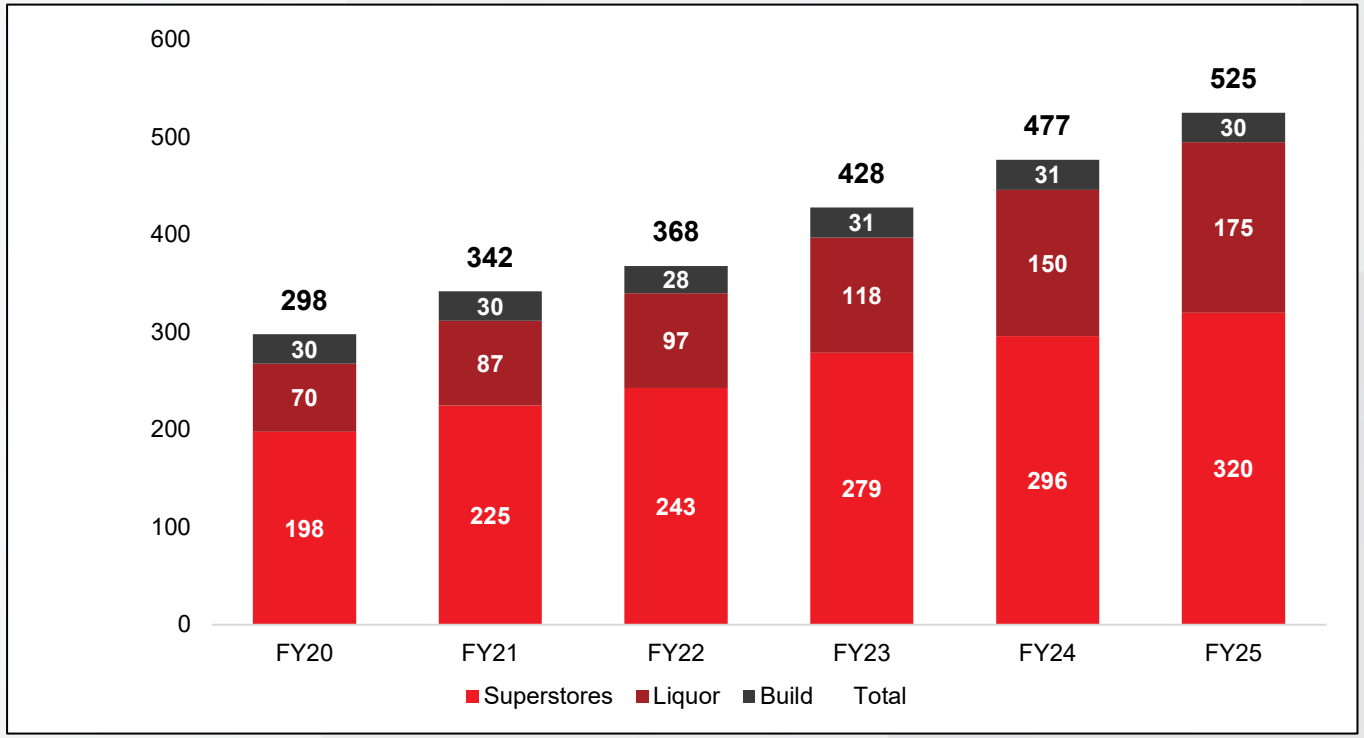
Adjusted Trading Profit** Rm *(3 year CAGR of 17.5%)*



- ***FY25 52 week pro forma***

***** FY24 and FY25 Adjusted for the effects of the PnP debt guarantee***

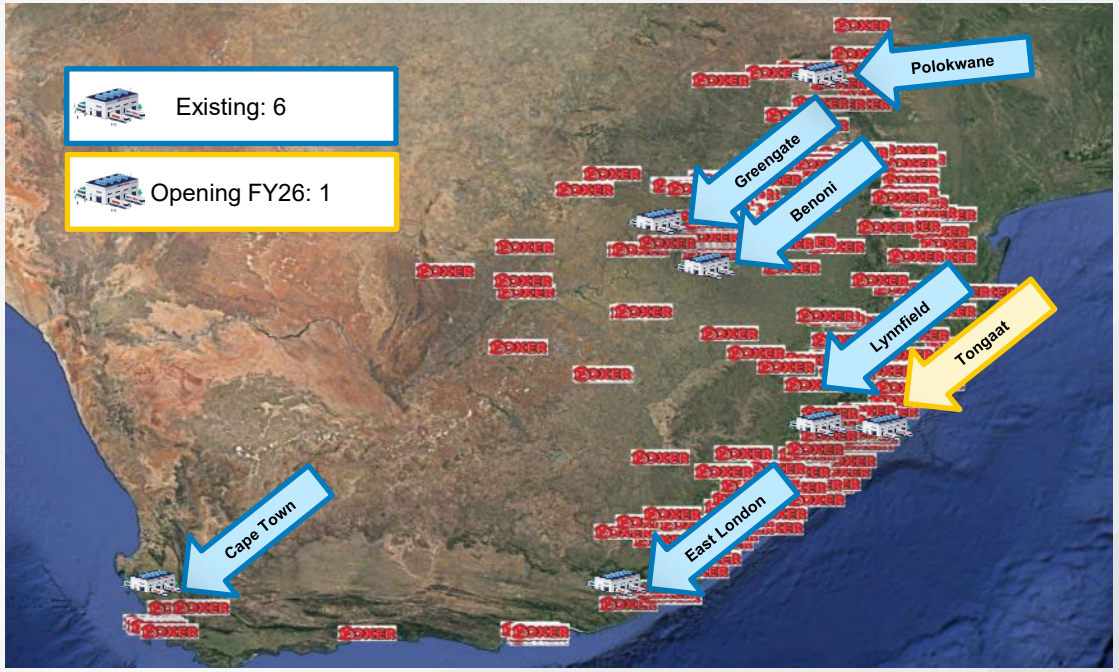
FY25 STORE GROWTH UNPACKED



Net New Stores	FY20	FY21	FY22	FY23	FY24	FY25
Superstores	14	27	18	36	17	24
Liquor	15	17	10	21	32	25
Build	-1	0	-2	3	0	-1
Total	**28**	**44**	**26**	**60**	**49**	**48**

- Superstore openings in-line with guidance
- Liquor openings constrained by licence approvals
  - 4 carry over liquor stores opened in March 2025
- Net store rollout heavily H2 weighted
  - H1:12
  - H2: 36
- Exceptional PnP conversion performance

DISTRIBUTION NETWORK SUPPORTS STORE ROLLOUT PLANS



Benoni DC (40% owned)

- Went live in October 2023
- Operating at approx. 60% capacity
- Supports the ability to grow in northern provinces

East London DC (100% owned)

- Transferred to a more efficient owned site in FY25

KZN Tongaat DC (50% owned)

- Scheduled September 2025 inbound go-live
- Total project cost R365m - 50% Boxer ownership (R182.5m)
  - Outstanding for FY26 is R45m (excl. fit-out and equipment)
- Approx. 120 stores can be served by this DC
- 30 000sqm (with potential future 10 000 sqm addition)
- Non-foods and imports to be distributed from this DC
- Release pressure on Lynnfield DC and close overflow site





02

FINANCIAL RESULTS

FY25 FINANCIAL HIGHLIGHTS (53 weeks)

TURNOVER

R42.3bn

Total: 13.2%

LFL: 5.6% (52 weeks)

GP MARGIN

21.4% of Turnover

+0.2% vs. LY

TRADING EXPENSES

16.7% of Turnover

+0.4% vs. LY

TRADING MARGIN

5.5%

-0.1% vs.LY

EBITDA

R3 566m

9.6% vs. LY

HEADLINE EARNINGS

-0.1% vs. LY

FY25 INCOME STATEMENT OVERVIEW

Rm	FY25	FY24	% growth
Turnover	**42 344**	**37 419**	***13.2%***
Gross profit	**9 053**	**7 921**	***14.3%***
Other trading income	312	269	*16.0%*
Trading expenses	(7 057)	(6 089)	*15.9%*
Trading profit	**2 308**	**2 101**	***9.9%***
Net finance charges	(367)	(251)	*46.2%*
PBT before capital items	**1 941**	**1 850**	***4.9%***
Capital items	(33)	(27)	*22.2%*
Profit before tax	**1 908**	**1 823**	***4.7%***
Tax	(525)	(438)	*19.9%*
Profit after tax	**1 383**	**1 385**	***-0.1%***
Headline earnings	1 407	1 408	*-0.1%*

Key income statement line items:

- **+9.9% Trading profit growth**
  - +0.2% Gross Margin expansion
  - +16.0% Other Income growth
  - +15.9% Trading Expense growth
- **Impact of derecognition of PnP debt guarantee**
  - Trading expense credit of R135m/R7m in FY24/FY25
  - Non-cash gains
  - 17.0% trading profit growth excluding this item
- **-0.1% Headline Earnings growth**
  - 46.2% net finance charge increase
  - Effective tax rate +3.5% to 27.5%

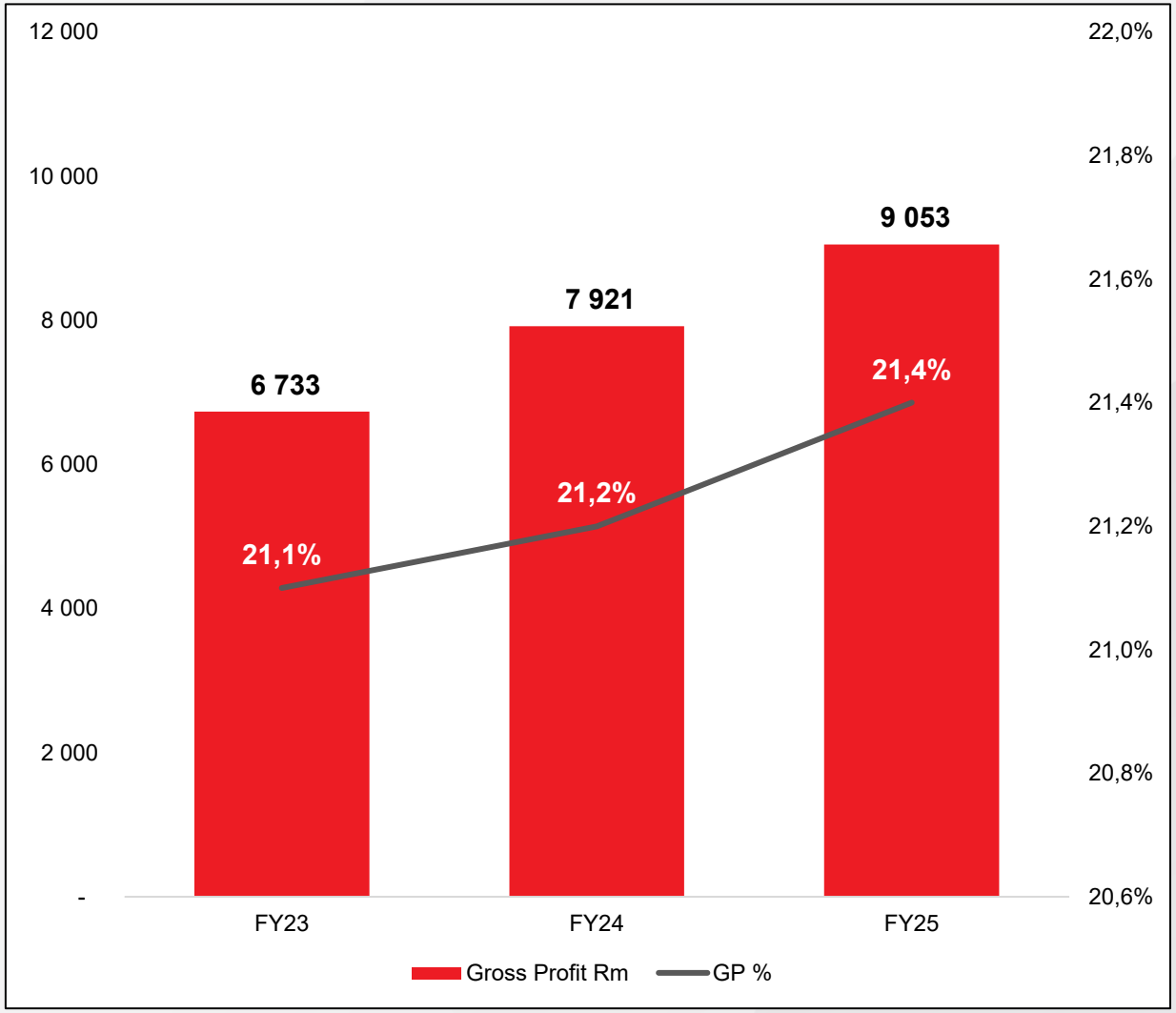
FY25 PRO FORMA RESULT FOR 52 WEEKS

Rm	FY25 as reported	Week 53 adjustment	FY25 (52w pro forma)	FY24	*Pro forma % change*
Turnover	42 344	(1 040)	41 304	37 419	*10.4%*
Trading profit	2 308	(60)	2 248	2 101	*7.0%*
Trading Margin	5.5%		5.4%	5.6%	



- **53rd week added R60m to trading profit**
- **52w pro forma trading profit +7.0% (5.4% trading margin)**
  - 14.0% trading profit growth ex. financial guarantee
- **53w trading profit +9.9% (5.5% trading margin)**
  - 17.0% trading profit growth ex. financial guarantee

FY25 **GROSS PROFIT**



- **0.2% FY25 gross margin increase**
  - Better buying & improved back-end margin allowed further investment in price (reduced front-end margin)
  - Vertical Integration initiatives
- **Consistant gross margin over multiple years**
  - Focus on driving efficiency through simplification and automation of business processes
- **Re-investing efficiency gains into price to drive the Virtuous Circle**

FY25 TRADING EXPENSES

FY25	Rm	% change
Trading Expenses	**7 057**	***15.9%***
Employee Costs	3 079	***19.1%***
Occupancy	1 182	***10.1%***
Operations	2 098	***6.6%***
Merchandise & Admin	698	***51.4%***



- **Trading Expenses grew by 15.9%**
  - +13.5% ex. PnP financial guarantee derecognition
- **Employee Costs +19.1%**
  - 9.9% employee growth and above-inflation wage increases
- **Occupancy +10.1%**
  - Driven by annual escalations and 9.1% space growth
- **Operations +6.6%**
  - R187m diesel cost reduction from reduced loadshedding
- **Merchandise & Admin +51.4%**
  - +18.5% ex. PnP guarantee derecognition
  - Includes costs to launch the Boxer Rewards Club
- **Annualised ongoing Listing Costs**
  - Of the guided R45m, only R16m was spent in FY25

FY25 GEARING AND NET FINANCE COSTS

Net interest paid

Rm	FY25	FY24	% growth
Net funding interest	45	86	*-47.7%*
Lease liabilities	(412)	(337)	*22.3%*
Total	**(367)**	**(251)**	***46.2%***

Gearing and Net debt / Ebitda

Rm	Net debt	Ebitda*	Net debt/ Ebitda
Cash	466		
Long term bank debt	(850)		
Net amounts owed by Pick n Pay	204		
Net debt excluding lease liabilities	**(180)**	**2 640**	**0.1**
Lease liabilities	(4 797)		
Net debt including lease liabilities	**(4 977)**	**3 566**	**1.4**

Income Statement

- Net Interest income declined 47.7%
  - Switched from R51m net interest income in H1 to R6m net interest paid in H2
- Lease liability interest impacted by store rollout, Benoni DC annualisation, and IFRS16 mechanics

Balance sheet

- Closing net debt of just R180m (after R205m share repurchase for the IPO Admission Award)
- 0.1x Net debt / Ebitda ex. leases, well below the 0.2x guidance on IPO
- Net amount owed by PnP relates to overnight operational transactions

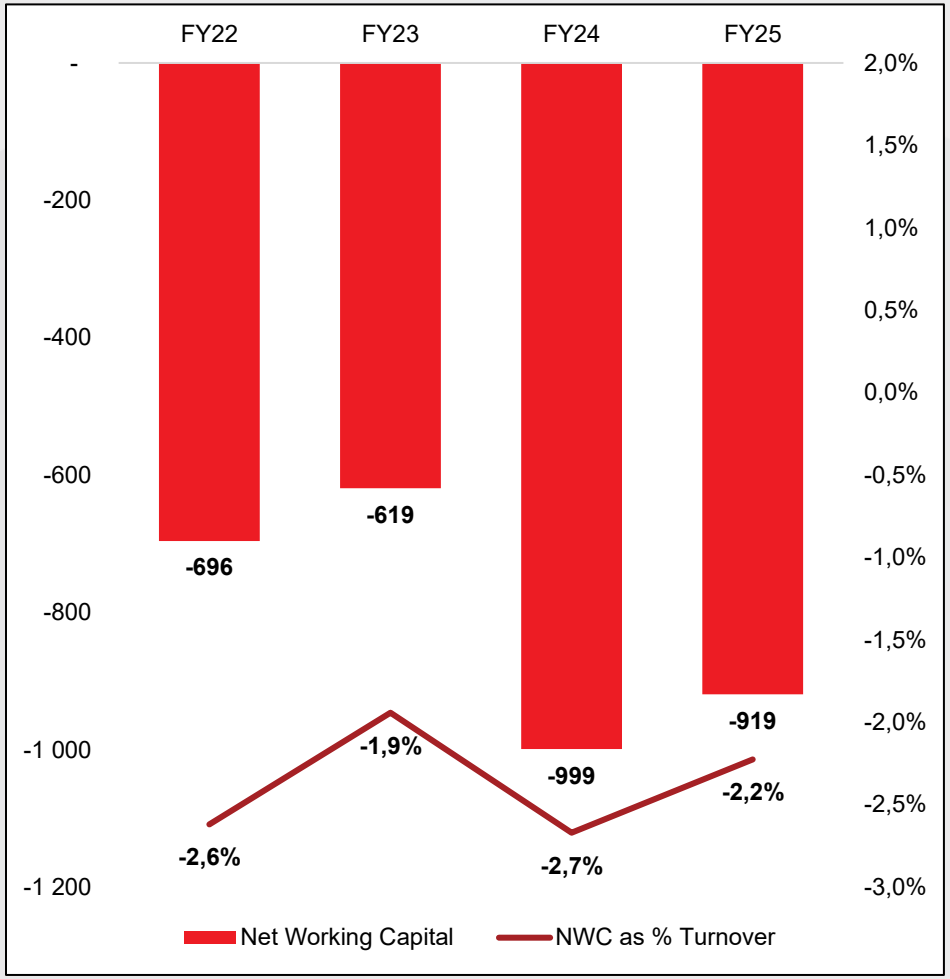
*Ebitda is matched to net debt including lease liabilities while Ebitda Pre IFRS 16 is matched to net debt excluding lease liabilities

FY25 WORKING CAPITAL UNPACKED

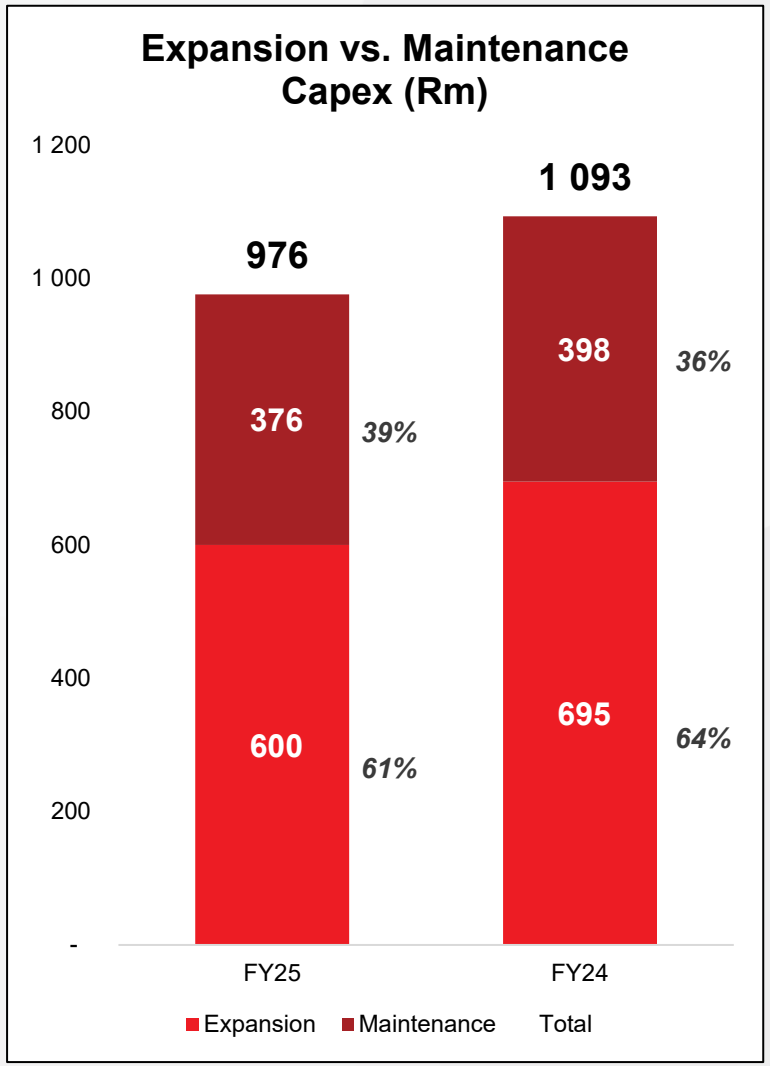
Rm	FY25	FY24	% change
Working Capital	**(919)**	**(999)**	***-8.0%***
Inventory	3 378	3 231	***4.5%***
Trade and other receivables	458	382	***19.9%***
Trade and other payables	(4 755)	(4 612)	***3.1%***

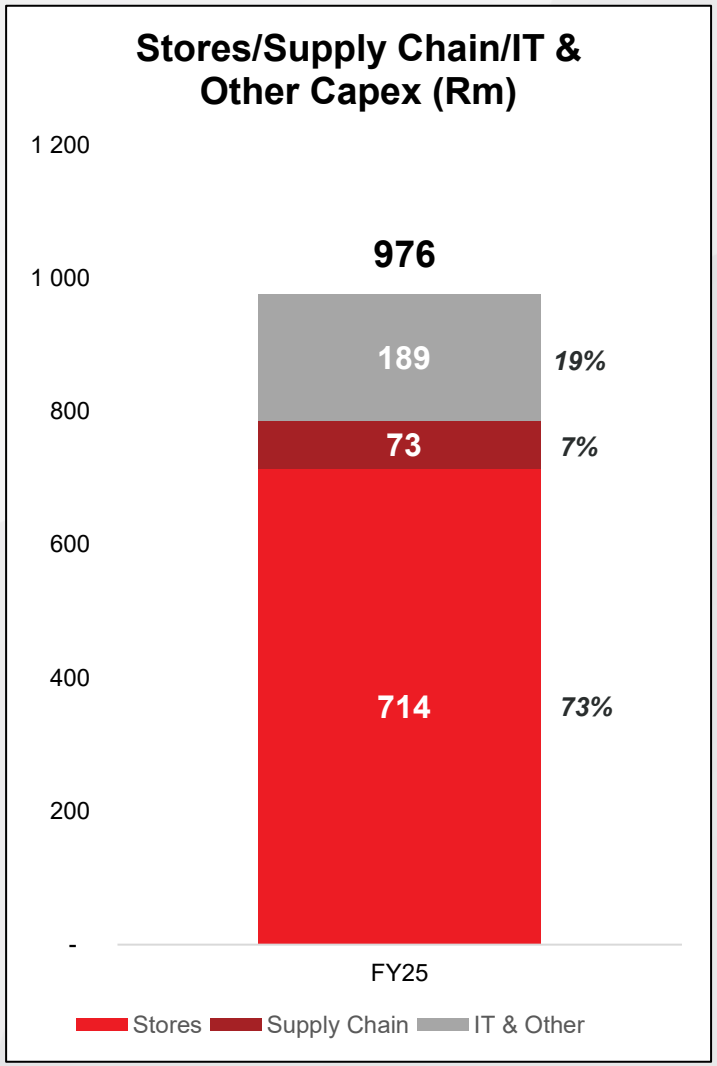
- **Inventory**
  - Tracked at less than half of sales growth
- **Trade Payables**
  - Impacted by 53rd week - some creditors paid which would not have been in the case of a 52w year
- **No bona fide Trade Receivables**

NWC as % of sales remains negative



FY25 CAPEX EXPENDITURE





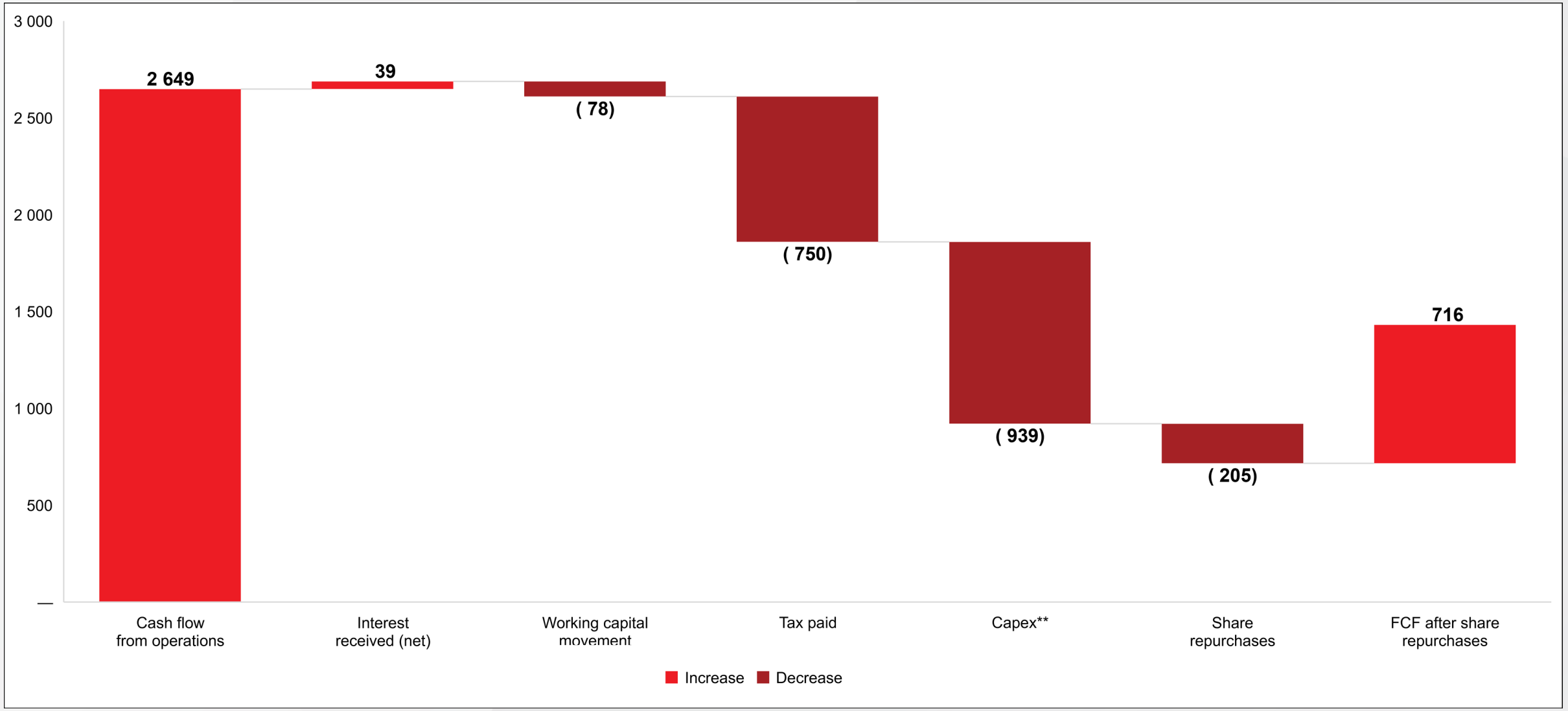
Total Capex Spend FY25: R976m

- Expansion: 61%
- Maintenance: 39%

- **R36m spent on KZN Tongaat DC**
- **R48m on PnP store purchases**
- **Store estate in good condition**
  - 97% of the estate updated to new generation look

FY25 Capex total includes R37m of non-cash expenditure

FREE **CASH FLOW**



*Cash flow from Operations includes lease payments
**Capex after disposals and net of bridging finance loans to landlords

FY25 HEPS RECONCILIATION

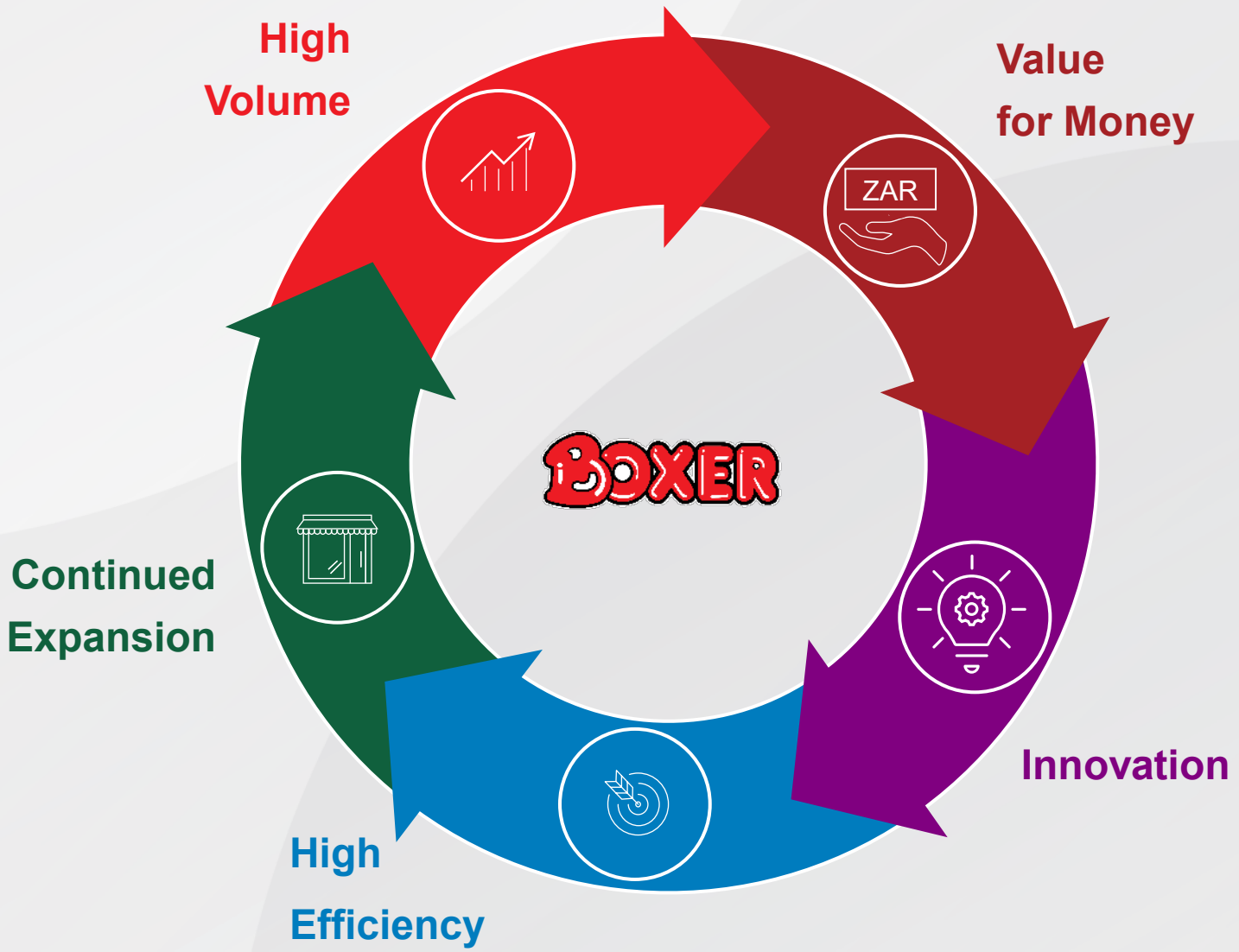
	FY25	FY24	% growth
Profit after tax (Rm)	**1 383**	**1 385**	*-0.1%*
Headline adjustments (Rm)	24	23	
Headline Earnings (Rm)	**1 407**	**1 408**	*-0.1%*
WANOS (m)	340.05	300.00	*13.4%*
Closing shares (m)	457.40	300.00	*52.5%*
HEPS (cents/share)	**413.76**	**469.33**	*-11.8%*



- **IPO share issuance**
  - 157.4m new shares issued to take share count to 457.4m
  - 52.5% increase in ordinary issued shares
- **Share count impact on FY25 HEPS**
  - New shares included within WANOS for 3 months
  - 13.4% increase in WANOS to 340.1m
- **Expected share count impact on FY26 HEPS**
  - New shares included within WANOS for 12 months
  - c. 34% WANOS increase
  - May result in an FY26 HEPS decline
- **Expected Share count impact on H1 FY26 HEPS**
  - c. 52% y-on-y WANOS increase
  - H1 FY26 EPS & HEPS to decline >20%
- **Focus should be on absolute FY26 Earnings growth**
  - BOX did not retain the R8.5bn of capital raised on IPO


farmfresh
R21 99 each
bread
R79 99 each
R16 99
R16 99
R38 99
R11 99
R38 99
R52 99
R49 99
POTATOES
03
STRATEGIC OUTLOOK
Never pay more than the BOXER price

INNOVATION NOW PART OF THE BOXER VIRTUOUS CIRCLE



VOLUME & VALUE IN THE BOXER VIRTUOUS CIRCLE

High Volume

- Tight relevant range
- Significant share in key categories
- Promo strategy to drive volume
  - Multi buys
  - Combos
- Expanding store network

Value for Money

- Market leading pricing philosophy
- Customer centric combo offerings
- Value to customers through B Rewards



EFFICIENCY & EXPANSION IN THE BOXER VIRTUOUS CIRCLE

High Efficiency

- Automation
- Digitisation
- Simplification

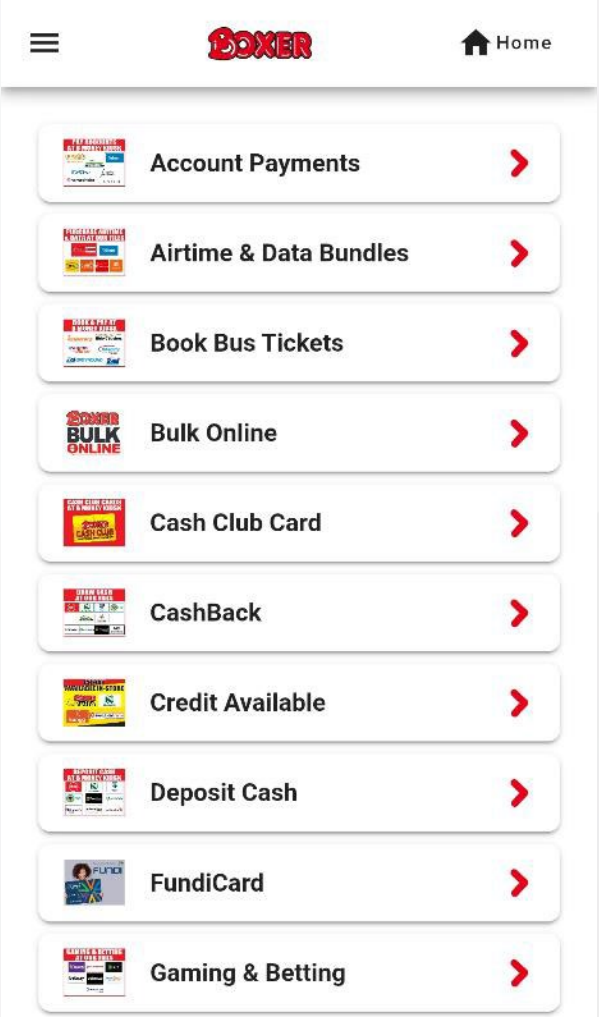
Continued Expansion

- FY26 planned rollout
  - 25 superstores
  - 35 liquor stores
- DC infrastructure to service stores
  - Go-live of KZN Tongaat DC



INNOVATION IN THE BOXER VIRTUOUS CIRCLE

Digital Offerings



Boxer Rewards Club

- Launched October 2024
- 1.9m sign-ups to date
- Winning with Data
- Developing New Income Streams



Leveraging Partnerships



FY26 **OUTLOOK**



- **Sales growth (52w basis) likely low-teens**
- **FY26 store targets 60 (25 superstores & 35 liquor)**
- **Moderate trading margin pressure**
  - Annualisation of costs associated with the listed environment
  - Cost inflation > selling price inflation
  - Excess capacity in our supply chain – KZN DC 2
  - Potential investment into margin to drive sales
- **Capex of c. R1.2bn**
- **Intention to pay dividend from H1 FY26**


R9 99
R9
BOXER
BOXER
04
Never pay more than the BOXER price
Q & A



Never pay more than the BOXER price

Thank you.