BOXER

















H1 FY26

INTERIM RESULT PRESENTATION

TABLE OF **CONTENTS**

1 **Overview**
Marek Masojada - CEO

2 **Financial Results**
David Wayne - CFO

3 **Strategic Outlook**
Marek Masojada

4 **Q&A**
Marek Masojada & David Wayne





01

OVERVIEW

H1 FY26 **HIGHLIGHTS**

Strong operational momentum

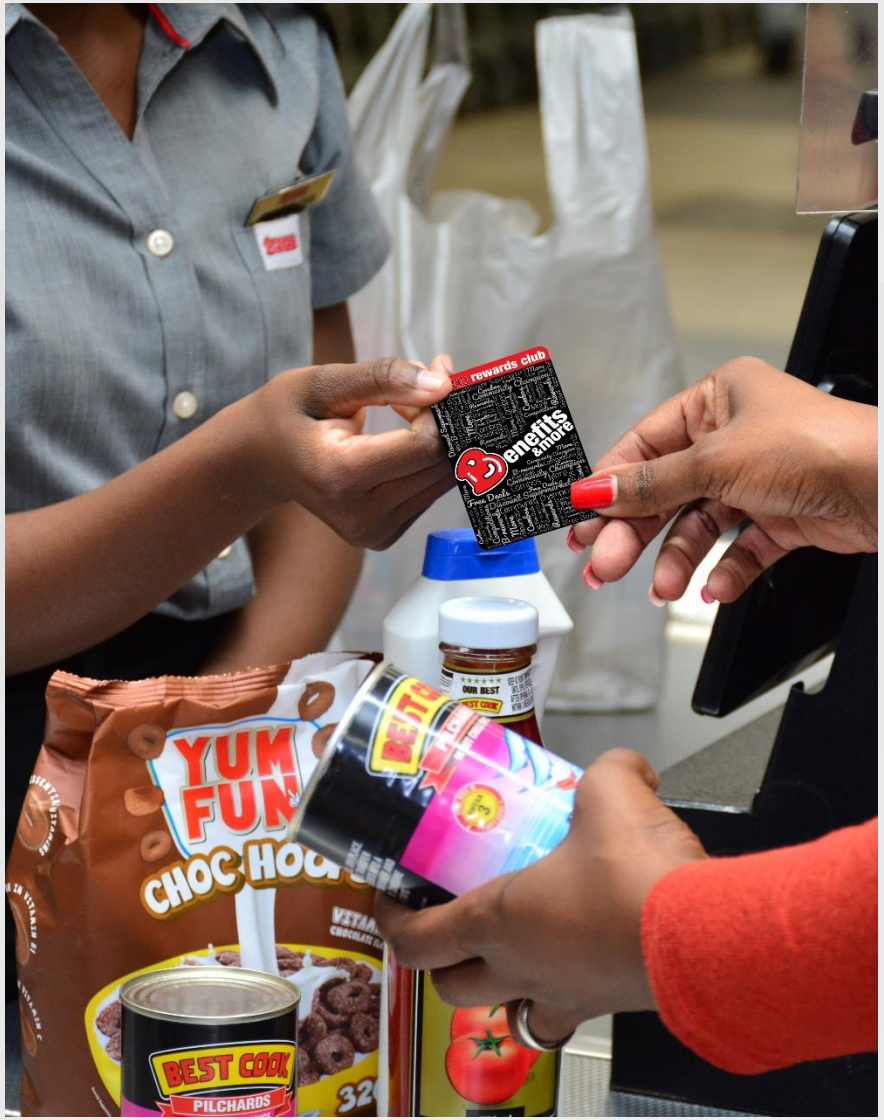
- Accelerated turnover and LFL growth since H2 FY25
- Healthy LFL volume growth
- Consistent market share gains
- Opened 25 new stores to reach 547 stores
- Stable trading profit margin despite listed-entity related expenses
- 2 300 jobs created in H1

Building on our successful November 2024 IPO

- Rapid de-gearing and now net cash positive
- Maiden dividend declared post IPO

Executed on key strategic initiatives

- Boxer Rewards Club now has 2.3m members (12 months after launch)
- Launch of Boxer Supplier Portal (B-Inside)
- KZN Tongaat DC Facility opened on-time
- Improved BBBEE Scorecard to Level 6



H1 FY26 **FINANCIAL ACHIEVEMENTS**



Turnover +13.9%
LFL +5.3%



Trading Profit +15.1%



Trading Margin @ 4.1%
Level with H1 FY25



R1.1bn net cash
(R180m net debt at Feb-25)



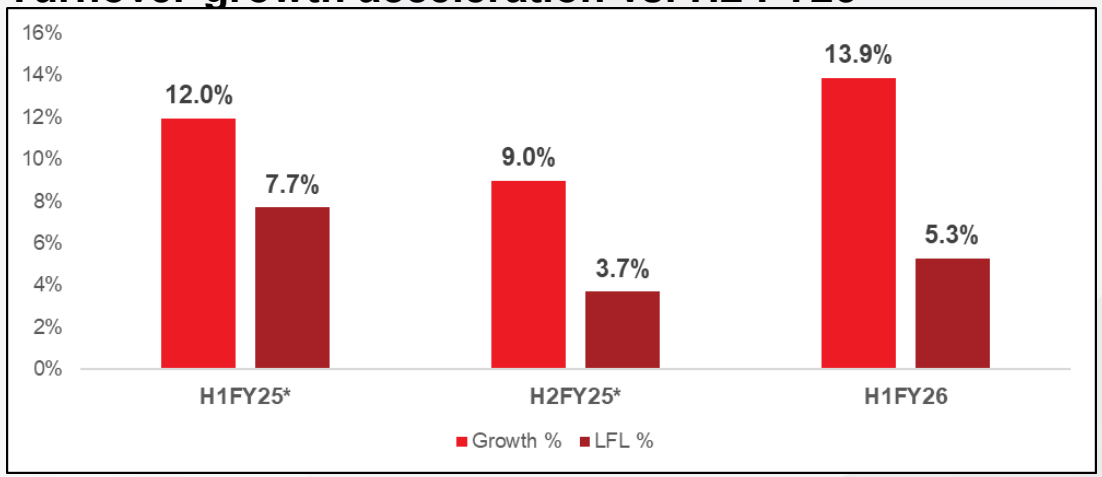
+25 new stores
(-3 closures)
Period end count: 547 stores



45.30c Dividend declared
40% payout ratio

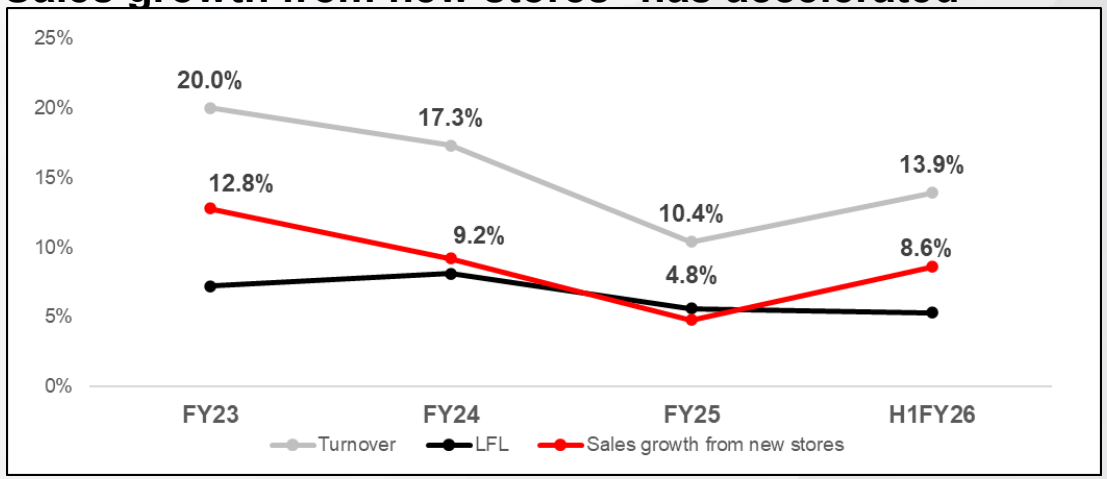
TURNOVER GROWTH **DRIVERS UNPACKED**

Turnover growth acceleration vs. H2 FY25



* H2 FY25 on a pro forma 52w basis

Sales growth from new stores* has accelerated

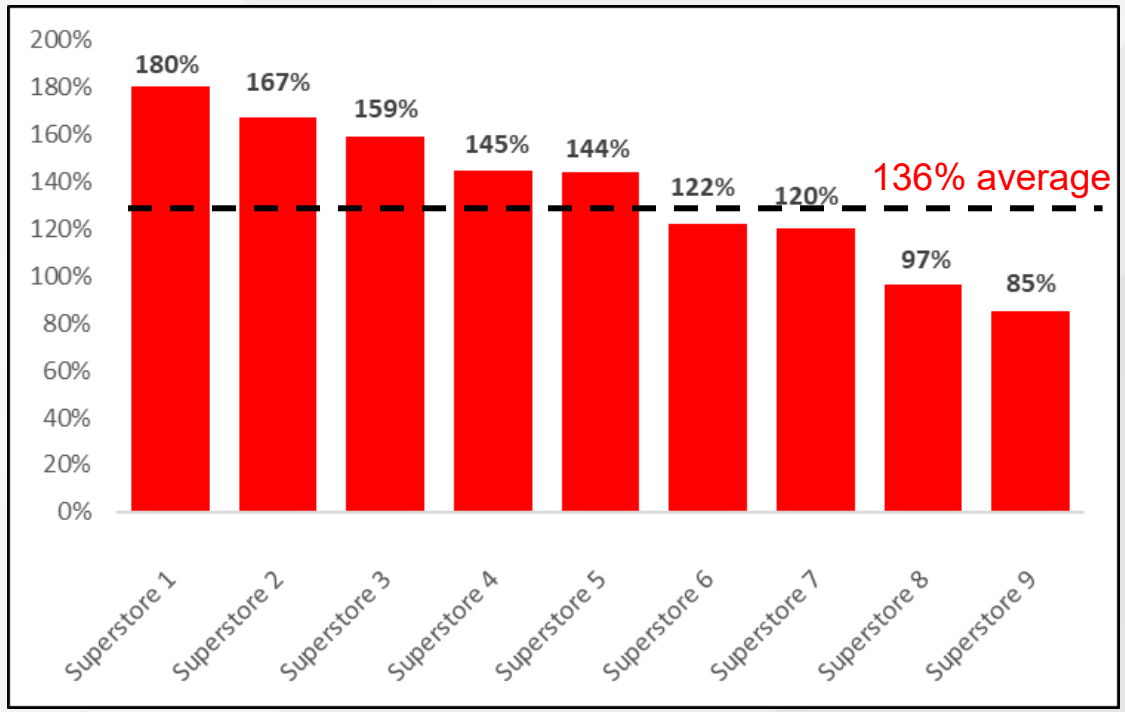


* Sales growth from new stores = Turnover growth less LFL sales growth

- **Both key turnover drivers performing well**
  - Like-for-like sales growth
  - Sales growth from new stores
- **Like-for-like sales**
  - Increased to 5.3%
  - Strong in the context of low selling price inflation (-0.7%)
  - Pleasing implied LFL volume growth
- **Sales growth from new stores**
  - Increased to 8.6%
  - Driven by store openings in H2 FY25 and H1 FY26
  - Speaks to quality of newly opened stores

H1 FY26 NEW SUPERSTORES PERFORMING AHEAD OF BUDGET

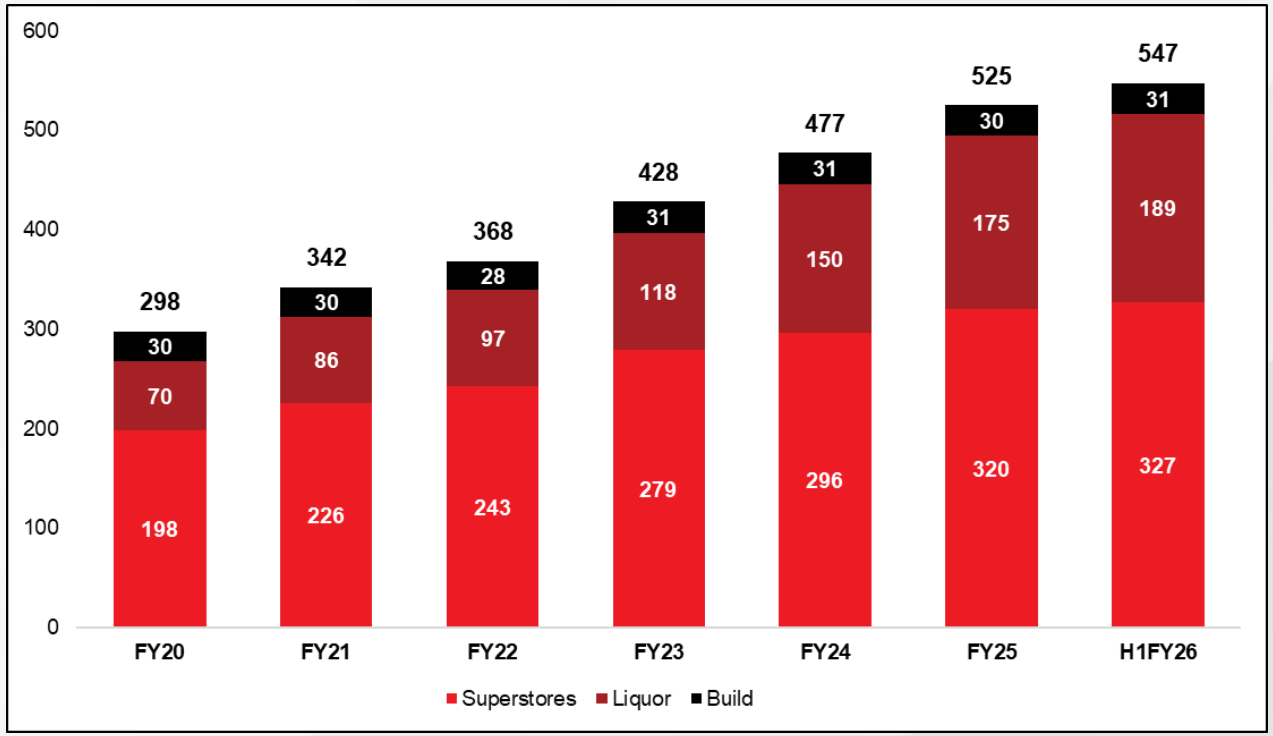
YTD Turnover of 9 Superstores opened in H1 vs. Budget



Note: Average is unweighted to account for the different lengths of time that the 9 Superstores have been open during H1 FY26

- **Superstores opened during H1 FY26 performing exceptionally well vs. turnover budget**
  - On average performing 36% above YTD budget
  - Best store 80% above budget
  - Slowest store 15% below budget
- **Roll-out targets are important, but *quality of new store sites* is critical**
  - This obsession has driven our success to date
- **Success of new stores demonstrates**
  - Substantial roll-out opportunity ahead of us
  - Our considered approach to capital allocation

H1 FY26 STORE ESTATE GROWTH

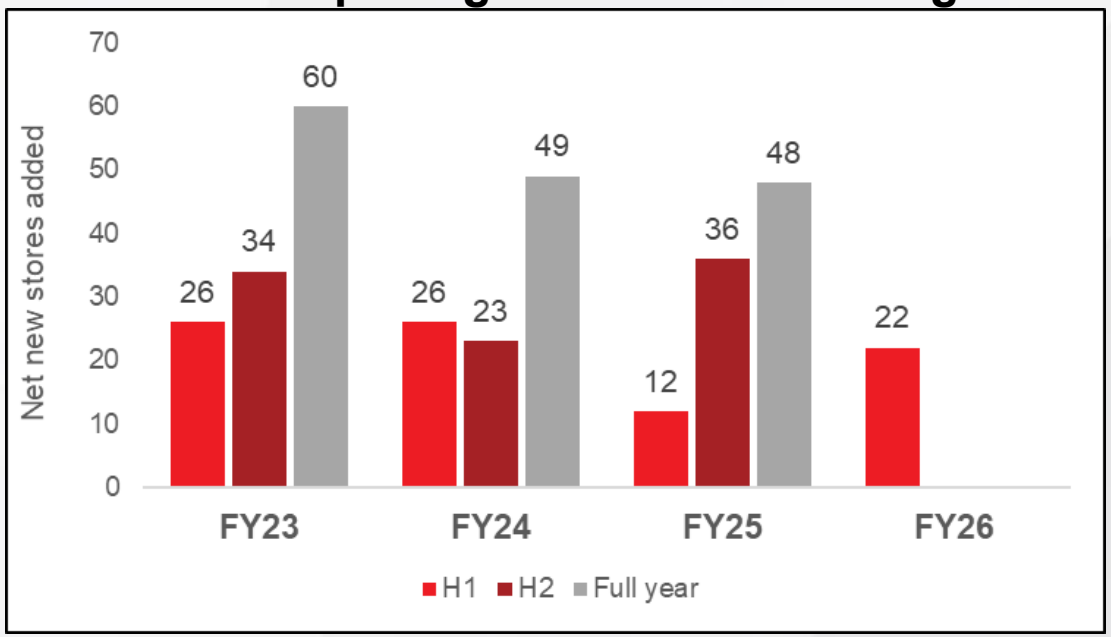


Store estate	H1 FY25	FY25	H1 FY26	6m net additions	12m net additions
Total stores	**489**	**525**	**547**	**22**	**58**
Superstores	300	320	327	7	27
Liquor	159	175	189	14	30
Build	30	30	31	1	1
Liquor as % of Superstores	**53%**	**55%**	**58%**		

- **25 stores opened in H1 FY26**
  - 9 Superstores
  - 15 Liquor
  - 1 Build
- **22 net store additions after 3 closures**
- **58 net store additions over past 12 months**
- **Liquor opportunity continues to be captured**
  - 58% of Superstores now with liquor stores

H1 FY26 STORE OPENING SEASONALITY

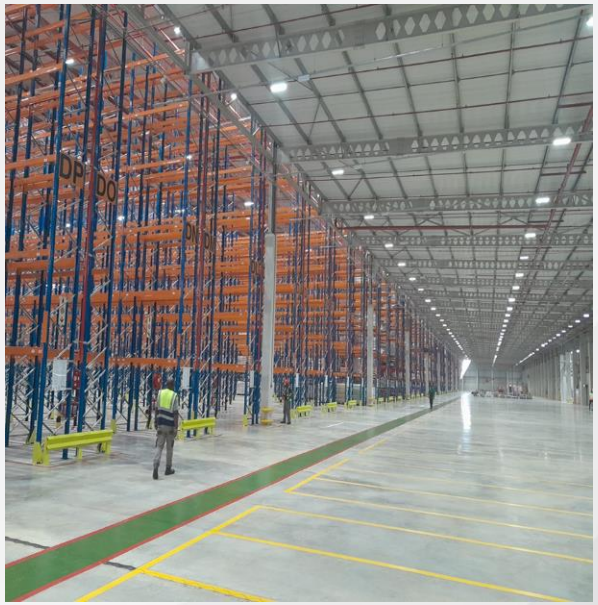
Annual store openings tend to be H2-weighted

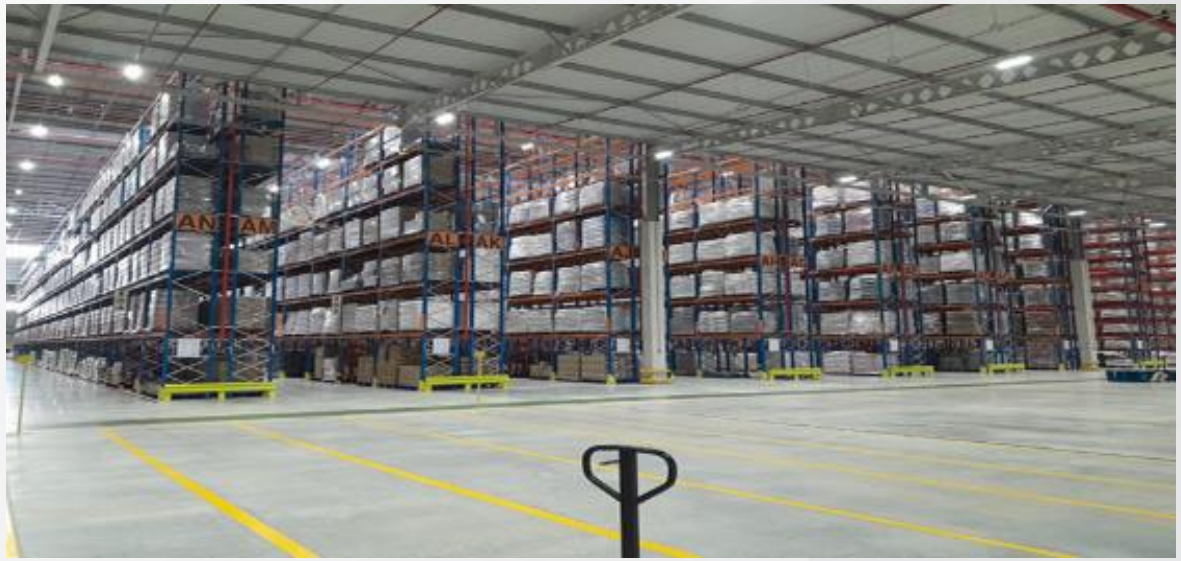


- **Openings tracking ahead of FY25 at interim stage**
  - 22 H1 FY26 net openings ahead of 12 for H1 FY25
- **Openings tend to be H2-weighted in most years**
  - Particularly pronounced for Superstores
- **On track to achieve targeted 60 FY26 openings**

TONGAAT DC **NOW OPERATIONAL**







- **KZN Tongaat DC (50% owned)**
  - Commenced outbound operations September 2025
  - Project cost R356m, excluding equipment fit-out
  - Approx. 120 stores can be served by this DC
  - 32 000sqm (with potential future 10 000 sqm addition)
  - Non-foods and imports to be distributed from this DC
  - Releases pressure on Lynnfield KZN DC
- **DC Network now has sufficient capacity to support store growth plans for the next 4-5 years**



02

FINANCIAL RESULTS

H1 FY26 FINANCIAL HIGHLIGHTS

TURNOVER

R22.5bn

Total: 13.9%

LFL: 5.3%

GP MARGIN

20.3% of Turnover

Flat vs. H1 FY25

TRADING EXPENSES

17.1% of Turnover

+0.1% vs. H1 FY25

TRADING MARGIN

4.1%

Flat vs. H1 FY25

EBITDA

R1 607m

+13.7% vs. H1 FY25

HEADLINE EARNINGS

R518m

+5.3% vs. H1 FY25

H1 FY26 INCOME STATEMENT OVERVIEW

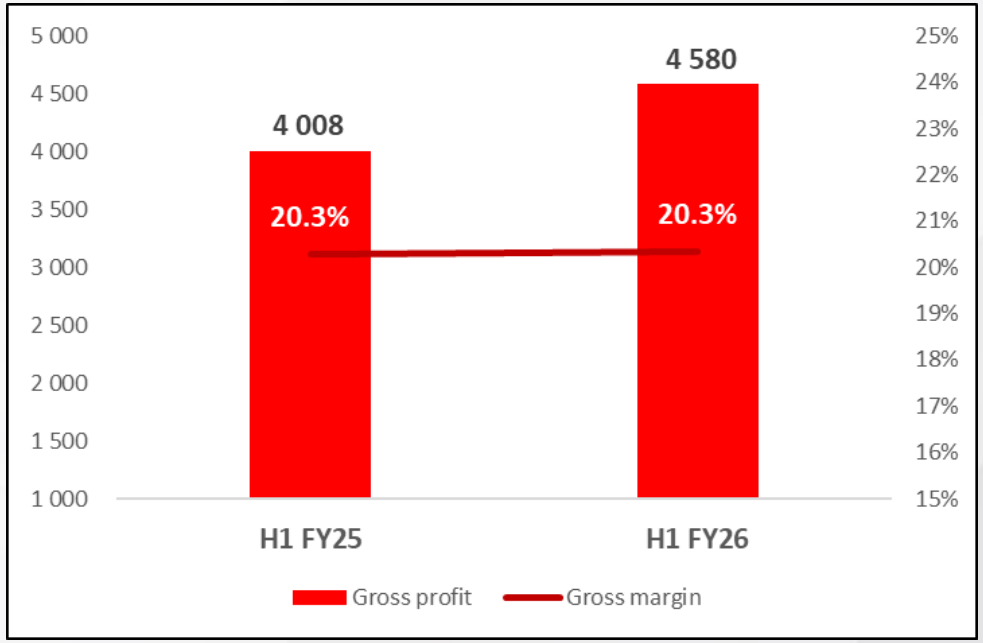
Rm	H1 FY26	H1 FY25	% change
Turnover	**22 518**	**19 774**	***13.9%***
Gross profit	**4 580**	**4 008**	***14.3%***
Other trading income	193	163	*18.4%*
Trading expenses	(3 842)	(3 362)	*14.3%*
Trading profit	**931**	**809**	***15.1%***
Net finance charges	(231)	(129)	*79.1%*
PBT before capital items	**700**	**680**	***2.9%***
Capital items	(20)	(1)	
Profit before tax	**680**	**679**	***0.1%***
Tax	(178)	(188)	*-5.3%*
Profit after tax	**502**	**491**	***2.2%***
Headline earnings	518	492	*5.3%*

Key income statement line items:

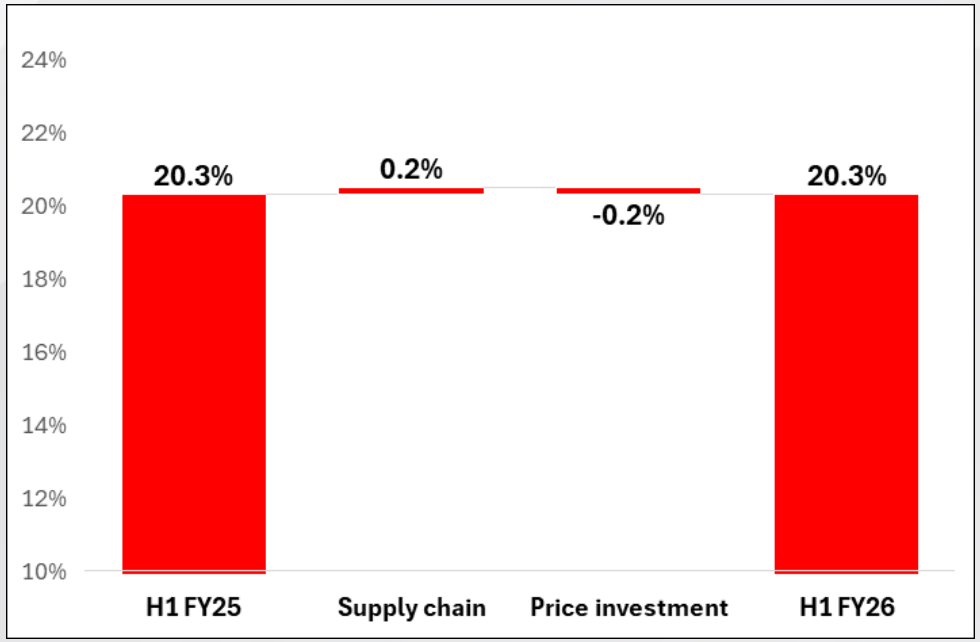
- **+15.1% Trading profit growth**
  - Stable gross profit margin
  - +18.4% Other trading income growth
  - +14.3% Trading expense growth
- **Impact of cost of being a listed entity & expensing IPO admission award**
  - R57m combined expense
  - 22.1% trading profit growth excluding these items
- **+5.3% Headline Earnings growth**
  - 79.1% net finance charge increase
  - Effective tax rate -1.5%% to 26.2%

H1 FY26 **GROSS PROFIT**

Gross margin consistent vs. H1 FY25



Supply chain gains reinvested back into price



- **Re-investing efficiency gains into price to drive the Virtuous Circle**
- **Expecting loss of supply chain efficiency in H2 FY26 due to increased capacity (Tongaat DC)**
- **This will gradually be recouped over coming years as DC capacity utilisation increases once more**

H1 FY26 TRADING EXPENSES WELL CONTROLLED

Rm	H1 FY26	% change
Trading expenses	**3 842**	**14.3%**
Employee costs	1 686	12.8%
Occupancy	634	12.6%
Operations	1 150	16.4%
Merchandise & Admin	372	17.7%



- **Trading Expenses grew by 14.3%**
  - +12.6% ex. R57m listed entity-related expenses
- **Employee Costs +12.8%**
  - Employee growth, above-inflation wage increases, share based payments expense offset by increased collections of employee tax incentives
- **Occupancy +12.6%**
  - Driven by annual lease escalations and store growth
- **Operations +16.4%**
  - Driven by PPE depreciation, electricity costs and IT
- **Merchandise & Admin +17.7%**
  - Increased card commissions and marketing
- **Ongoing listed entity costs and admission award**
  - R16m of ongoing listed entity costs and R41m for expensing of IPO admission award

H1 FY26 GEARING AND NET FINANCE COSTS

Net interest paid

Rm	H1 FY26	H1 FY25	% change
Net funding interest	(2)	59	
Lease liabilities	(229)	(188)	21.8%
Total	**(231)**	**(129)**	**79.1%**

Gearing

Rm	H1 FY26	FY25
Cash	1 430	466
Long term bank debt	(650)	(850)
Net amounts owed by Pick n Pay	346	204
Net cash/ (debt) excluding lease liabilities	**1 126**	**(180)**
Lease liabilities	(4 946)	(4 797)
Net debt including lease liabilities	**(3 820)**	**(4 977)**

Income Statement

- Net finance charge increased 79.1%
  - Net funding interest switched from R59m interest income in H1 FY25 to R2m interest paid in H1 FY26
  - Lease liability interest driven by store roll-out

Balance Sheet

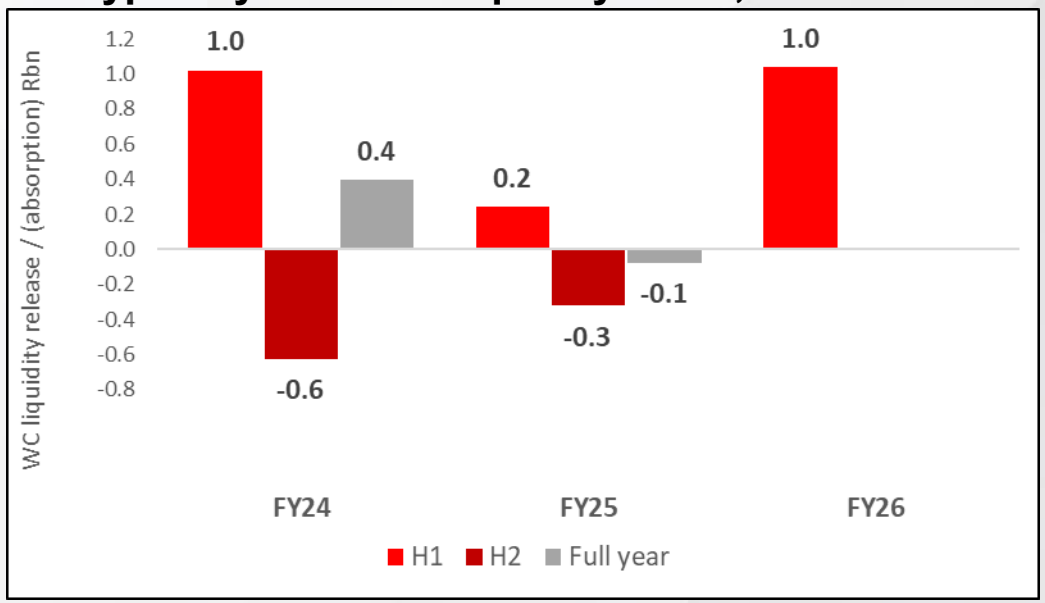
- R1.1bn closing net cash a sharp positive swing from R180m net debt at Feb-2025
- R200m of long term debt repaid in H1 FY26
- Impacted by payables cut-off and normal H1/H2 working capital seasonality
- Amount owed by PnP relates to overnight operational transactions

H1 FY26 WORKING CAPITAL

Balance sheet Working Capital balances

Rm	H1FY26	H1FY25	% change
Net working capital	**(1 825)**	**(1 136)**	**60.7%**
Inventory	3 776	3 344	12.9%
Trade and other receivables	454	455	-0.2%
Trade and other payables	(6 055)	(4 935)	22.7%

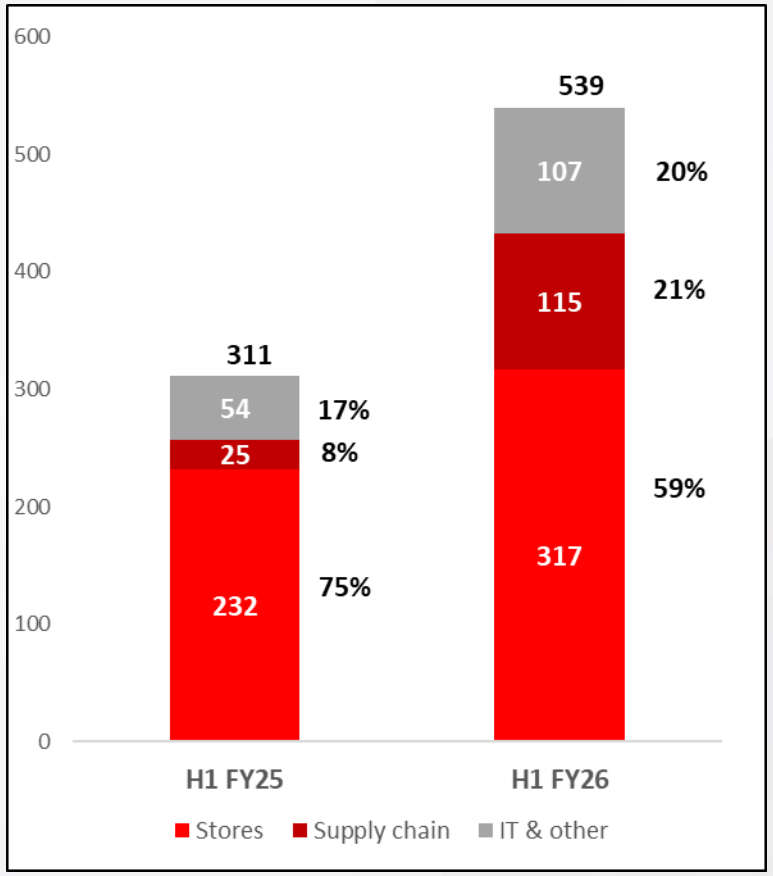
WC typically releases liquidity in H1; absorbs in H2



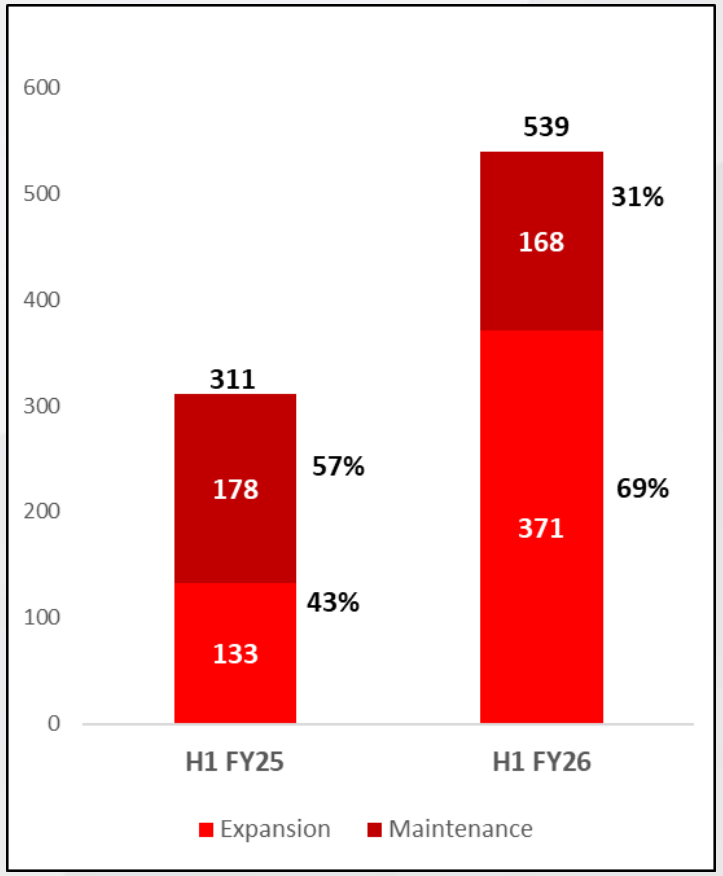
- **Inventory**
  - +12.9% yoy, increasing at 1% below turnover growth
- **Trade payables**
  - Timing differences at both beginning and end of period
- **Working capital seasonality**
  - Typically a liquidity inflow in H1 vs. an outflow in H2
- **Impact of Tongaat DC**
  - Some net working capital impact
    - Increased stock days
    - Partially offset by payables on the new inventory

H1 FY26 CAPITAL INVESTMENT

Capex segmentation (Rm)

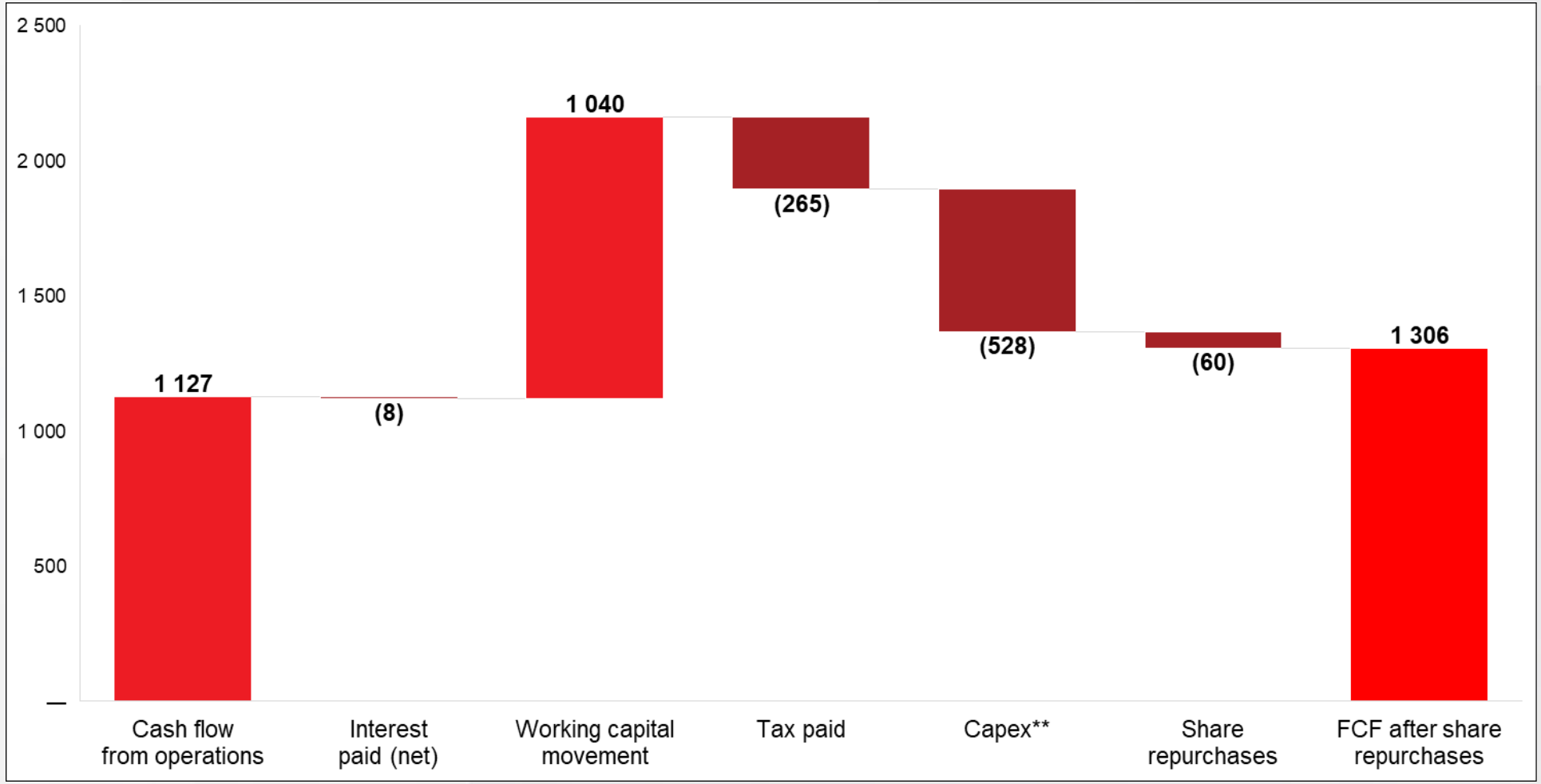


Expansion vs. maintenance (Rm)



- **Capex +73% to R539m**
  - Expansion: 69%
  - Maintenance: 31%
- **Store capex +37% to R317m**
  - 25 new openings vs.13 in H1 FY25
- **Supply chain capex of R115m**
  - Tongaat DC fit-out
- **IT & other capex +98% to R107m**
  - Business Intelligence System to enable data monetisation

H1 FY26 **FREE CASH FLOW**



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

H1 FY26 HEPS RECONCILIATION

Rm	H1 FY26	H1FY25	% change
Profit after tax	**502**	**491**	**2.2%**
Headline adjustments	16	1	
Headline earnings	**518**	**492**	**5.3%**
WANOS (m)	453.3	300.0	51.1%
Closing shares, net of treasury shares (m)	452.7	300.0	50.9%
HEPS (cents/share)	**114.28**	**164.00**	**-30.3%**



- **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 H1 FY26 HEPS**
  - New shares included in WANOS for 6 months vs. 0 months in H1 FY25 base
  - 51.1% yoy WANOS increase to 453.3m
- **Expected share count impact on FY26 HEPS**
  - New shares included in WANOS for 12 months vs. 3 months in FY25 base
  - c. 34% yoy WANOS increase
  - Likely to result in an FY26 HEPS decline
- **Focus should be on absolute FY26 Earnings growth**
  - BOX did not retain the R8.5bn of capital raised on IPO – paid to majority shareholder

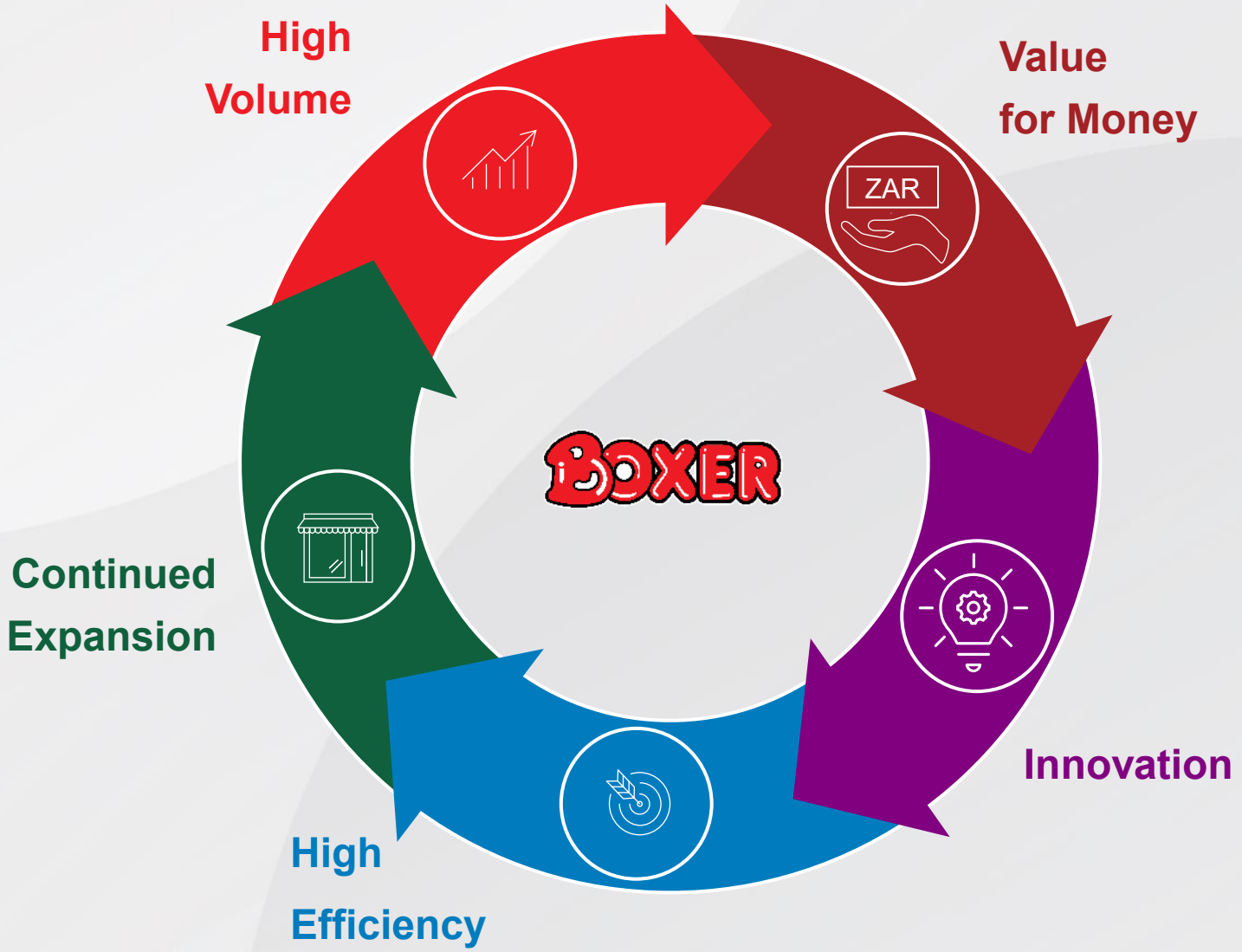


03

STRATEGIC OUTLOOK

Never pay more than the BOXER price

THE BOXER VIRTUOUS CIRCLE : OUR CORE PHILOSOPHY



VOLUME & VALUE IN THE BOXER VIRTUOUS CIRCLE

High Volume

- Continued sales momentum
- Successful November & December trade
- Strategic stock availability
- Maintain operational disciplines
- Exceptional customer service
- New store openings

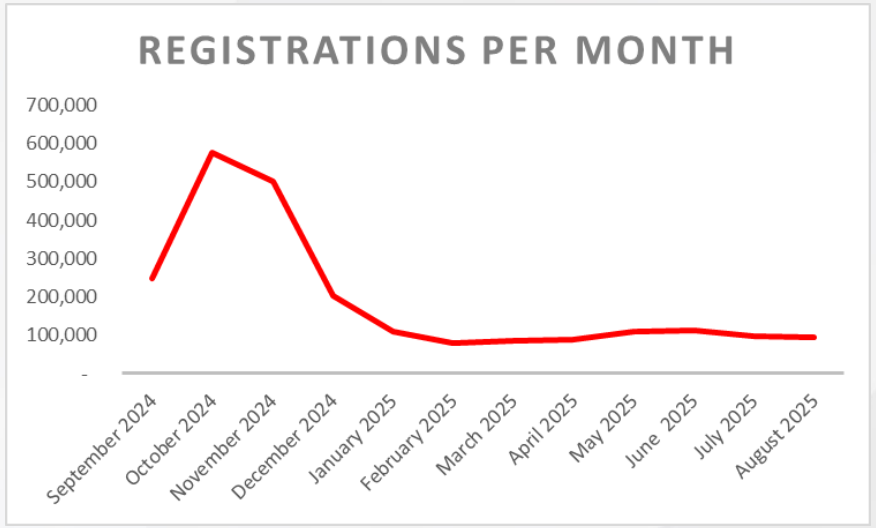
Value for Money

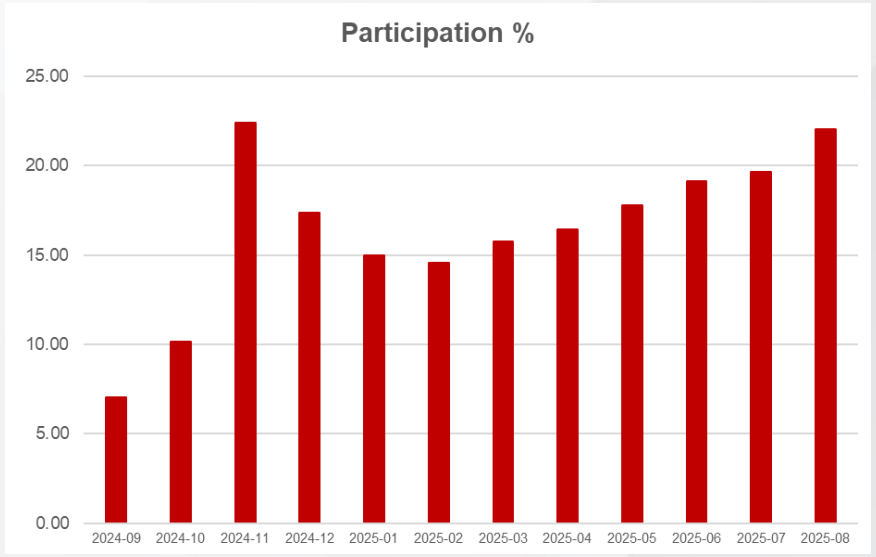
- Leading the market in value offerings
- Innovation with our value levers
- Collaboration with partners





INNOVATION DRIVING LOYALTY AND REVENUE





- **Boxer Rewards Club now 1 year old**
  - 2.3m members at August 2025
  - Consistent membership growth
- **Steadily increasing sales participation**
  - Consistent 1% participation gain per month
  - Increasing number of shopping visits
  - Promoting higher basket value
- **Successful launch of Boxer "B Inside" supplier portal**
  - Category and product data monetisation
  - Customer insights becoming richer as membership grows
  - Roll-out to extended Supplier base underway
  - Continuous enhancements in reporting



LEVERAGING **INNOVATIVE STRATEGIC PARTNERSHIPS**

Boxer Rewards brand partners

- Celebrating 1 year anniversary of the Boxer Rewards Club
- Swipe and Win - Smartphones & Free data
- Purchase two participating brands to qualify



Swipe your Boxer card & Pay with Capitec

- Customers get 100 B Rewards when they buy any 3 advertised products
- Collaborative promotions adding value to customer



EFFICIENCY & EXPANSION IN THE BOXER VIRTUOUS CIRCLE

High Efficiency

- Automation
  - Successful EDI pilot underway with 2 suppliers
- Digitisation
  - Digitisation of store administration in progress
- Simplification
  - On-going business process reviews to streamline and simplify

Continued Expansion

- H2 new store roll-out plan
  - 12 Superstores
  - 22 Liquor stores
  - 1 Build store
- DC infrastructure with capacity to service 200 additional stores



FY26 FULL YEAR OUTLOOK



- **Turnover growth**
  - Momentum remained strong in the first 6 weeks post period-end
  - H2 depends on Black Friday & Festive periods, where we have a high base
  - FY26 store roll-out target: 60 store openings
- **Trading margin**
  - Tongaat DC will bring some short-term margin pressure, which will unwind as capacity utilisation increases
- **Finance charge**
  - Net cash balance and intended further debt repayment
  - Interest paid less of a drag on full year FY26 earnings
- **Capex of R1.1bn**



04

Never pay more than the BOXER price

Q & A



Never pay more than the BOXER price

Thank you.