

Pepkor Holdings Limited

(Incorporated in the Republic of South Africa)

(Registration number: 2017/221869/06)

Share code: PPH

Debt code: PPHI

ISIN: ZAE000259479

LEI: 3789006D677C34F69875



("Pepkor", the "company" or the "group")

VOLUNTARY TRADING UPDATE FOR THE THREE MONTHS ENDED 31 DECEMBER 2025

Continuing operations

For the three months ended 31 December 2025 ("Q1FY26", or "the quarter"), group revenue from continuing operations increased by 12.9% to R29.9 billion.

As previously reported, Pepkor made a number of targeted acquisitions in 2025. When excluding the contribution from these acquisitions, group revenue increased by 8.3%. For the comparable quarter last year ("Q1FY25") revenue increased by 12.3%, benefiting from improved product availability in-store and the introduction of the two-pot retirement system, which significantly boosted consumer spending. On a two-year basis ("2-Year CAGR"), group revenue increased by 10.3%.

RETAIL SEGMENTS

Revenue growth by segment	Q1FY26 Rm	Q1FY25 Rm	Growth %	Growth excl. acquisitions %	2-Year CAGR excl. acquisitions %
Clothing and general merchandise segment (CGM)	20 971	19 015	10.3%	5.8%	7.5%
Furniture, appliances and electronics segment (FAE)	4 107	3 613	13.7%	4.6%	6.5%

Sales performance

Group sales increased by 10.6% (5.2% excluding acquisitions) and like-for-like sales, which by definition excludes acquisitions, increased by 3.0% for the quarter.

In Southern Africa (excluding PEP Africa and Avenida), like-for-like sales increased by 2.0% compared to a very high like-for-like sales growth base of 9.6% reported in Q1FY25. The group outperformed the market and expanded market share (excluding acquisitions) based on Retailers Liaison Committee (RLC) 12mma data for December 2025, despite significant promotional activity by competitors.

Outside Southern Africa (PEP Africa and Avenida), like-for-like sales increased by 12.7% in constant currency (Q1FY25: 4.4%) and by 16.7% in rand-terms (Q1FY25: -14.6%).

Total sales growth	Q1FY26	Q1FY25	Contribution to total sales Q1FY26
Retail segments*	10.6%	9.6%	100%
Clothing & general merchandise segment*	10.0%	9.8%	84%
- PEP	4.8%	13.4%	38%
- Ackermans	0.9%	10.3%	25%
- Speciality*	37.4%	10.7%	12%
- PEP Africa**	15.9%	20.1%	4%
- Avenida**	17.3%	11.3%	5%
Furniture, appliances & electronics segment - Lifestyle	13.7%	8.5%	16%

Like-for-like sales growth	Q1FY26	Q1FY25	2-Year CAGR
Retail segments*	3.0%	7.4%	5.1%
Clothing & general merchandise segment*	3.0%	7.6%	5.3%
- PEP	2.8%	12.1%	7.4%
- Ackermans	-0.6%	9.7%	4.4%
- Speciality*	2.3%	6.0%	4.1%
- PEP Africa**	17.5%	19.8%	18.6%
- Avenida**	10.4%	-2.7%	3.6%
Furniture, appliances & electronics segment - Lifestyle	3.3%	6.2%	4.8%

* Retail segments, CGM and Speciality exclude Shoe City classified as discontinued operations.

**Constant currency sales growth is reported for PEP Africa and Avenida.

PEP delivered good sales performance - especially on a two-year basis with strong performance in Adultwear, Home and Cellular.

During 2025, Ackermans closed the Ackermans Woman (“Ackermans Woman”) standalone store format (46 stores). Excluding Ackermans Woman, total Ackermans sales increased by 1.6% (Q1FY25: 11.6%) and the Q1FY25 like-for-like sales growth was 10.2% compared to 9.7% reflected in the table above. The overall sales performance for the quarter in Ackermans was impacted by weak trading in October 2025 driven by seasonal transition and a reduction in lay-bys. Performance recovered well through December 2025 and momentum has continued into the back-to-school trading period.

The recently acquired Legit, Swagga and Style businesses were successfully incorporated into the Speciality division during the quarter with Legit trading strongly in the period. Excluding these acquisitions, total sales in the Speciality division increased by 7.7%. The closure of the Shoe City business (113 stores) was successfully completed in January 2026, below anticipated cost levels and in line with plans. Shoe City is classified as discontinued operations - refer below.

Pepkor Lifestyle sales growth of 13.7% includes the non-SA component of the OK Furniture and House & Home acquisition. Total sales excluding the acquisition increased by 4.5%, supported by strong trading in Tech, and softer performance in Home due to a demanding prior-year base. The acquisition of the remaining SA-component of the OK Furniture and House & Home acquisition is in process and is expected to take several months to complete.

Outside Southern Africa, trading improved significantly at Avenida in Brazil with sales growth of 17.3% and LFL of 10.4% as a result of the interventions implemented in merchandise and the supply chain. Pep Africa also continued to trade well.

Group cash sales increased by 7.4% and credit sales increased by 26.9%. Group credit sales continued to increase its overall contribution in line with strategy, rising to 18% from 16% during the same quarter last year.

Group online sales increased by 27.9%, including 80.7% growth in CGM, driven by strong growth in Ackermans, Lifestyle, Speciality and PEP Home, which launched online in October 2025. The +more customer value platform reached 15 million members by the end of the quarter, broadening the group's digital presence and engagement with customers.

During the quarter, 67 new stores were opened and 537 stores were added through acquisitions. On a net basis, including acquisitions, the retail store base expanded by 592 stores to 6 637 stores as at 31 December 2025. The group remains on track with its organic store expansion strategy and will open 250 to 300 new stores in FY26.

FINTECH

The Fintech segment increased revenue by 25.4% to R4.8 billion.

Financial services

In aggregate, the financial services businesses increased revenue by 47.6% to R2.4 billion. Financial services continues to grow rapidly, increasing its contribution to group revenue.

Expansion in retail credit continued during the quarter with disciplined monitoring of key credit metrics, including approvals, collections, non-performing loans and provisions, to maintain the quality of the book.

Abacus insurance doubled revenue, continuing to expand its embedded and bundled insurance offerings across the group's brands, leveraging the Pepkor ecosystem and distribution capability.

The demand for FoneYam cellular device rentals remained high and active customers increased to 2.3 million from 1.2 million a year ago. The take-up rate of a second FoneYam rental by customers after completing their first, has exceeded expectations - effectively extending the customer lifetime value of the FoneYam product by an additional 18 months.

Flash

The informal market continues to show high levels of activity and growth, playing a significant role in South Africa's economic landscape. The Flash business increased revenue by 9.5% to R2.5 billion for the quarter. Total throughput increased by 20.8% to R17.6 billion, driven by the aggregation division.

OUTLOOK

In the first three weeks of January 2026, group sales increased by 12.3%. Excluding acquisitions, group sales increased by 8.3% against a high base of 17.8% in the comparable period. Performance benefited from a successful back-to-school period that tracked in line with management expectations.

Despite subdued sales growth in the first quarter, continued consumer pressure, and an intensely competitive landscape, management remains cautiously optimistic about performance for the remainder of the year as the comparative base normalises, underpinned by the group's strong brands, execution in fintech and compelling customer value propositions.

Discontinued operations

As reported previously, the Shoe City business within the Speciality division will be closed during the first half of the 2026 financial year and is therefore classified as discontinued operations.

Pro forma constant currency disclosure

The Pepkor group discloses 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 period (Q1FY26) turnover for these businesses reported in currencies other than the rand is converted from local currency actuals into rand at the actual average exchange rates per country for the prior corresponding period (Q1FY25). The table below sets out the approximate average 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 compared to the prior period	Reported currency	Constant currency
PEP Africa	20.5%	15.9%
Avenida	21.2%	17.3%

Pro forma constant currency has been prepared for illustrative purposes only and, because of its nature, may not fairly present the group's financial position, changes in equity, results of operations or cash flows

The trading update and pro forma constant currency disclosure is the responsibility of the directors and has not been reviewed and reported on by the group's external auditors.

Parow
2 February 2026

Equity and Debt sponsor
Investec Bank Limited

Corporate broker
Rand Merchant Bank (a division of FirstRand Bank Limited)