



Overview of Boxer

October 2024

BOXER

Disclaimer

THIS PRESENTATION IS NOT AN OFFER OR INVITATION TO BUY OR SELL SECURITIES IN ANY JURISDICTION.

IMPORTANT: Please read the following before continuing. The following applies to the information presented in this document (the "Information"), which has been prepared by Boxer Superstores Proprietary Limited (the "Company"), which is currently indirectly wholly-owned by Pick n Pay Stores Limited ("Pick n Pay"). The Company, together with its subsidiaries, is referred to as the "Group."

The Information does not constitute or form part of any offer or invitation to sell or issue, any offer or inducement or invitation or commitment to purchase or subscribe for, or any solicitation of any offer to purchase or subscribe for, any shares in Pick n Pay or the Company or securities in any other entity, nor shall it or any part of it, nor the fact of its distribution, form the basis of, or be relied on in connection with, any contract or investment decision in relation thereto.

The Information is preliminary and subject to updating, revision, amendment, verification, correction, completion and amendment in its entirety and is made available solely for discussion purposes and does not, and is not intended to, constitute any sort of recommendation, invitation or solicitation regarding any investment in securities of the Company or Pick n Pay. The Information and opinions contained herein are provided as at the date of the presentation and are subject to change without notice. Neither the Company nor Pick n Pay is under any obligation to update the Information, to provide the recipient with access to any additional information, to keep it current, or to correct any inaccuracies in any such Information, including any financial data or forward-looking statements. No representation or warranty, express or implied, is given by or on behalf of the Company, Pick n Pay or their parent or subsidiary undertakings or the Company's or Pick n Pay's affiliates or any of such persons' shareholders, agents, advisers, representatives, directors, officers or employees ("Representatives") or any other person as to, and no reliance should be placed on, the fairness, accuracy, completeness or verification of the Information or the opinions contained in the Information or any other statement made or purported to be made in connection with Pick n Pay, the Company or the Group, for any purpose whatsoever, including but not limited to any investment considerations, and no liability is accepted for any such Information, opinions or other statements. Pick n Pay, the Company and each of their subsidiary undertakings or the Company's Representatives and any other person expressly disclaim all and any responsibility and liability whatsoever, whether arising in delict, contract or otherwise, for any errors, omissions or inaccuracies in the Information or for any loss, cost or damage suffered or incurred howsoever arising, directly or indirectly, from any use of the Information. No statement in this presentation is intended to be nor may be construed as a profit estimate or forecast.

The Information should be considered in the context of the circumstances prevailing at the time and has not been, and will not be, updated to reflect material developments which may occur after the date thereof.

The Information is only preliminary and indicative and does not purport to contain any information that would be required to evaluate the Group, its financial position and/or any investment decision.

The Information is not intended to provide, and should not be relied upon for, accounting, legal or tax advice nor does it constitute a recommendation regarding any potential securities offering. In particular, the Information should not be considered as "advice" as defined in the South African Financial Advisory and Intermediary Services Act, 37 of 2002, as amended ("FAIS Act") and should not be construed as an express or implied recommendation, guide or proposal that any transaction, or in relation to the business or future investments of the Company, is appropriate to the particular investment objectives, financial situations or needs of any person. Further, nothing in the Information should be construed as constituting the canvassing for, or marketing or advertising of, financial services in South Africa. Accordingly, by receiving the Information, you represent that you are able to receive the Information without contravention of any legal or regulatory restrictions applicable to you and will not use the Information in relation to any investment decision. Neither Pick n Pay nor the Company is a financial services provider licensed as such under the FAIS Act.

The Company has obtained market data and certain industry information used in this presentation from internal surveys, reports and studies, where appropriate, as well as market research, publicly available information and industry publications. Industry publications generally state that the information they contain has been obtained from sources believed to be reliable, but that the accuracy and completeness of such information are not guaranteed. Similarly, internal surveys, estimates and market research, while believed to be reliable, have not been independently verified, and neither Pick n Pay nor the Company makes any representation as to the accuracy of such information and/or the veracity or appropriateness of research methodology, findings or information.

Neither Pick n Pay nor the Company expects or intends to register any securities that it may offer under the U.S. Securities Act of 1933 (the "Securities Act"), or to conduct a public offering of any securities in the United States, and the securities of the Company have not been and will not be registered under the Securities Act and any such securities may not be offered or sold in the United States absent registration under the Securities Act or an available exemption from it.

The Information does not constitute an offer to sell, or a solicitation of offers to purchase or subscribe for, securities in the United States, Canada, Australia, Japan or any other jurisdiction in which it would be unlawful to do so or to any person to whom it would not be lawful. There will be no public offer of securities in any jurisdiction.

The Information does not constitute or form a part of any offer or an invitation or solicitation or advertisement to purchase and/or subscribe for any securities as defined in and/or contemplated by the South African Companies Act, 71 of 2008 (as amended) (the "Companies Act") in South Africa, including an offer to the public for the sale of, or subscription for, or an invitation or the solicitation of an offer to buy and/or subscribe for, any securities (as defined in the Companies Act) or otherwise and will not be distributed to any person in South Africa in any manner that could be construed as an offer to the public as contemplated in the Companies Act. Accordingly, the Information does not, nor does it intend to, constitute a "registered prospectus" or an advertisement relating to an offer to the public, as contemplated by the Companies Act. Consequently, the Information does not, nor is it intended to, satisfy any of the requirements of the Companies Act with respect to a registered prospectus and no prospectus has been, or will be, filed with any regulatory authority, including the South African Companies and Intellectual Property Commission in respect of the Information.

This presentation contains statistics, data and other information relating to addressable markets, market shares, market positions and other industry data pertaining to the Group and markets that have been derived from third party sources. Market statistics and industry data and statistics are inherently unpredictable and subject to uncertainty and not necessarily reflective of actual market conditions. While the Company believes that such data and other information has been prepared by a reputable source, neither Pick n Pay, the Company nor any of their representatives or advisors have independently verified the data contained therein. In addition, certain of the statistics, data and other information relating to addressable markets, market shares, market positions and other industry data contained in this presentation come from the Company's own internal research and estimates based on the knowledge and experience of the Group's management in the markets in which the Group operates. While the Company believes that such research and estimates are reasonable, they, and their underlying methodology and assumptions, have not been verified by any independent source for accuracy or completeness and are subject to change and correction without notice. Accordingly, reliance should not be placed on any of the industry, market or competitive position data contained in this presentation.

Certain financial and statistical information in this presentation has been subject to rounding off adjustments. Accordingly, the sum of certain data may not conform to the expressed total.

This presentation contains financial information regarding the businesses and assets of the Group. Such financial information may not have been audited, reviewed or verified by any independent accounting firm. The inclusion of such financial information in this presentation or any related presentation should not be regarded as a representation or warranty by Pick n Pay, the Company their subsidiary undertakings or their representatives or any other person as to the accuracy or completeness of such information's portrayal of the financial condition or results of operations by the Company and should not be relied upon. This presentation includes several key financial and operating measures to track the performance of the Group's business. None of these items are a measure of financial performance under generally accepted accounting principles, including IFRS, nor have these measures been reviewed by an external auditor, consultant or expert. These measures are derived from management information systems. As these terms are not determined in accordance with generally accepted accounting principles, thus being susceptible to varying calculation, the measures presented may not be comparable to other similarly titled measures terms used by others.

Any information, representations or statements not contained herein shall not be relied upon for any purpose.

The Information may include forward looking statements, which are based on current expectations and projections about future events. These statements may include, without limitation, any statements preceded by, followed by or including words such as "target", "believe", "expect", "aim", "intend", "may", "anticipate", "estimate", "plan", "project", "will", "can have", "likely", "should", "would", "could" and any other words and terms of similar meaning or the negative thereof. These forward-looking statements are subject to risks, uncertainties and assumptions about the Group and its investments, including, among other things, the development of its business, strategy, trends in its operating environment, and future capital expenditures and acquisitions. In light of these risks, uncertainties and assumptions, the events in the forward-looking statements may not occur. No representation or warranty is made that any forward-looking statement will come to pass. No one undertakes to update, supplement, amend or revise any such forward looking statement.

Except where otherwise indicated, the Information and the opinions contained therein are provided as at the date of the presentation and are subject to change without notice. Past performance of the Group cannot be relied on as a guide to future performance. Nothing in this presentation is to be construed as a profit forecast.

Introduction to Boxer

OUR VISION

Be the “People’s Champion” for the Communities We Serve, Growing a Lifetime of Loyalty



OUR MISSION

Be South Africa’s No. 1 Discount Retailer



OUR STRATEGIC AMBITION

Continue Store Rollout across South Africa to Leverage the 3x Whitespace Opportunity



Source: Company information, Futureworld South African Discount Retail: Customer and Market report



Introduction to Boxer (cont'd)



489⁽¹⁾
Stores



ZAR 37.4Bn
Turnover⁽²⁾
(US\$ 2.0Bn)⁽³⁾



ZAR 2.1Bn
Trading Profit⁽²⁾⁽⁴⁾
(US\$113m)⁽³⁾



A Compelling Equity Story with a Long Growth Runway



One of the fastest growing grocery retailers globally⁽⁵⁾ with 19% annualised turnover growth over last 3 financial years ("FYs")



Consistent like-for-like turnover growth ("Lfl")⁽⁶⁾ (7.7% average across FY2022 to FY2024)



Opportunity to increase our Superstore footprint 3x⁽⁷⁾ in the medium- to long-term

Proven Algorithm of Total Return



Consistent and resilient profitability with an average of 5.5% trading margin⁽⁴⁾ over last 3 FYs



100% self-financed growth to date through strong underlying cash conversion



Attractive returns on investment with <3 year paybacks⁽⁸⁾ and c.27% return on invested capital ("ROIC")⁽⁹⁾ post-IFRS 16, 78% pre-IFRS 16

Source: Company information, Peer filings, Futureworld South African Discount Retail: Customer and Market report

Notes:

1. 477 stores (468 stores in South Africa and 9 stores in eSwatini) as at FY2024 with 12 net new store openings in H1 FY2025
2. Refers to financial year-ended February 2024
3. Converted at average USD/ZAR rate for FY2024 of 18.67
4. Calculated on post-IFRS 16 basis, FY2024 Includes ZAR173m impact of ZAR135m derecognition of the Boxer financial guarantee on Pick n Pay debt and ZAR38m consolidation entry between the cash settled value of Pick n Pay share incentives held by Boxer management, and the equity settled mark to market of these shares. The ZAR173m is the delta between the Boxer trading profit and Pick n Pay segmental disclosure of Boxer trading profit
5. Based on turnover CAGR over last 3 financial years ("FY"s) for peers as presented on Page 16
6. Like-for-like (Lfl) sales growth comparisons relate to stores that have been open for at least 12 months, removing for the impact of store

7. openings, closures and conversions during the current and previous reporting periods. Lfl sales on each new or closed adjacent liquor store inherits the Lfl indicator of the Superstore that it is attached to, as this is the manner in which the Boxer Group manages its store base. This is not the case for new or closed stand-alone liquor stores. Lfl is a non-IFRS measure
8. Futureworld South African Discount Retail: Customer and Market report, whitespace based on total value of grocery spend by Boxer target market in locations without a Boxer store
9. Paybacks defined as average months for a store to recover the initial investment for that store (excl. stores that were either permanently or temporarily closed)
9. ROIC is trading profit after tax divided by average invested capital. Invested capital is the sum of net asset value, net borrowings and lease liabilities. Calculated based on the consolidated financial statements of the Boxer group. ROIC is a non-IFRS measure

Introduction to Boxer (cont'd)

1977-2013: Building the Boxer Brand



- First store opens in KwaZulu-Natal
- Core business principles set by founding shareholders – deep roots in rural towns
- Pick n Pay acquires Boxer in 2002
- Expansion phase with 150 stores reached by 2013
- Launch of Boxer Build (2004) and Boxer Liquors (2009) formats

2014-2020: Reinvention of the Boxer Formula



- Repositioning of Boxer as limited range soft discount retailer to reinvigorate turnover growth and net margins
- Learnings from Europe adapted to South Africa
- Bridging the gap between traditional grocery supermarket retailers and hard discount formats

2020-2022: Strengthening Foundations



- Resilient performance over Covid-19 and domestic challenges - with significant turnover and EBITDA growth achieved
- Reaffirmed foundations for growth:
 - ✓ Volume
 - ✓ Value
 - ✓ Efficiency
 - ✓ Expansion

2023 and Beyond: Strategy of Accelerating Growth



- Achieve market-leading LfL turnover growth
- Accelerate new store openings capturing whitespace potential
- Grow a centralised DC support network to service a larger footprint
- Reinvest efficiency gains in gross margin to drive turnover
- IPO providing access to larger pools of capital for growth
- Well invested infrastructure

489
Stores⁽¹⁾

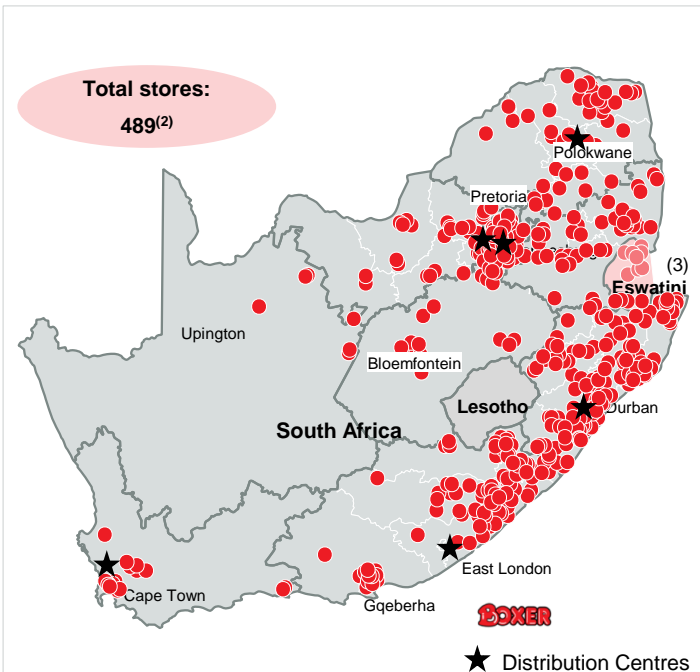
Source: Company information

Notes:

1. As at H1 FY2025

Introduction to Boxer (cont'd)

Presence in all 9 South African Provinces and eSwatini⁽¹⁾



- Strong presence in **KwaZulu-Natal and Eastern Cape**, with a growing presence in northern provinces
- Complementary network combining large, medium and small stores with **dedicated Boxer Liquors banners adjacent to Boxer Superstores**

Complementary Formats Focused on Value

Boxer Superstores⁽²⁾ (300 stores)



- Our **Core Supermarket** banner
- Typical store size of **1,800 – 2,000m²**

Boxer Liquors (159 stores)



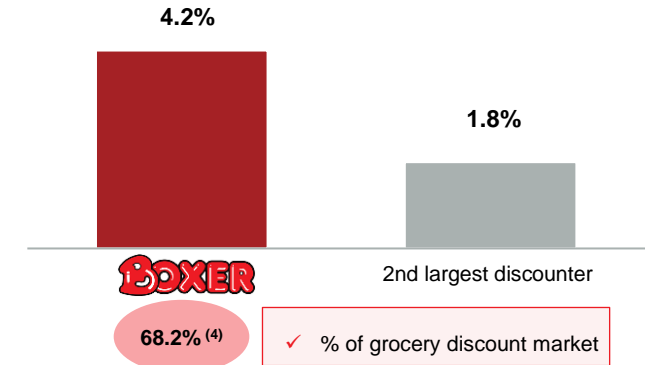
- **Alcohol-focused** banner located adjacent to Superstore
- Typical store size of **220 – 400m²**

Boxer Build (30 stores)



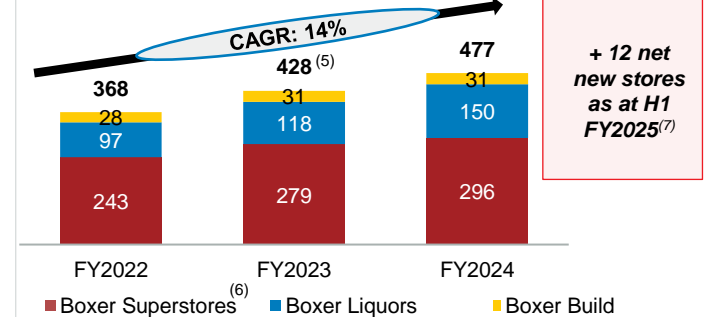
- **Building materials and hardware-focused** banner
- Typical store size of **410m²**, with **1,000m² storage yard**

Market Share of Formal Grocery Market vs 2nd Largest Discount Retailer⁽³⁾



Strong Store Roll-out supporting Scale and Growth

of Stores by Format



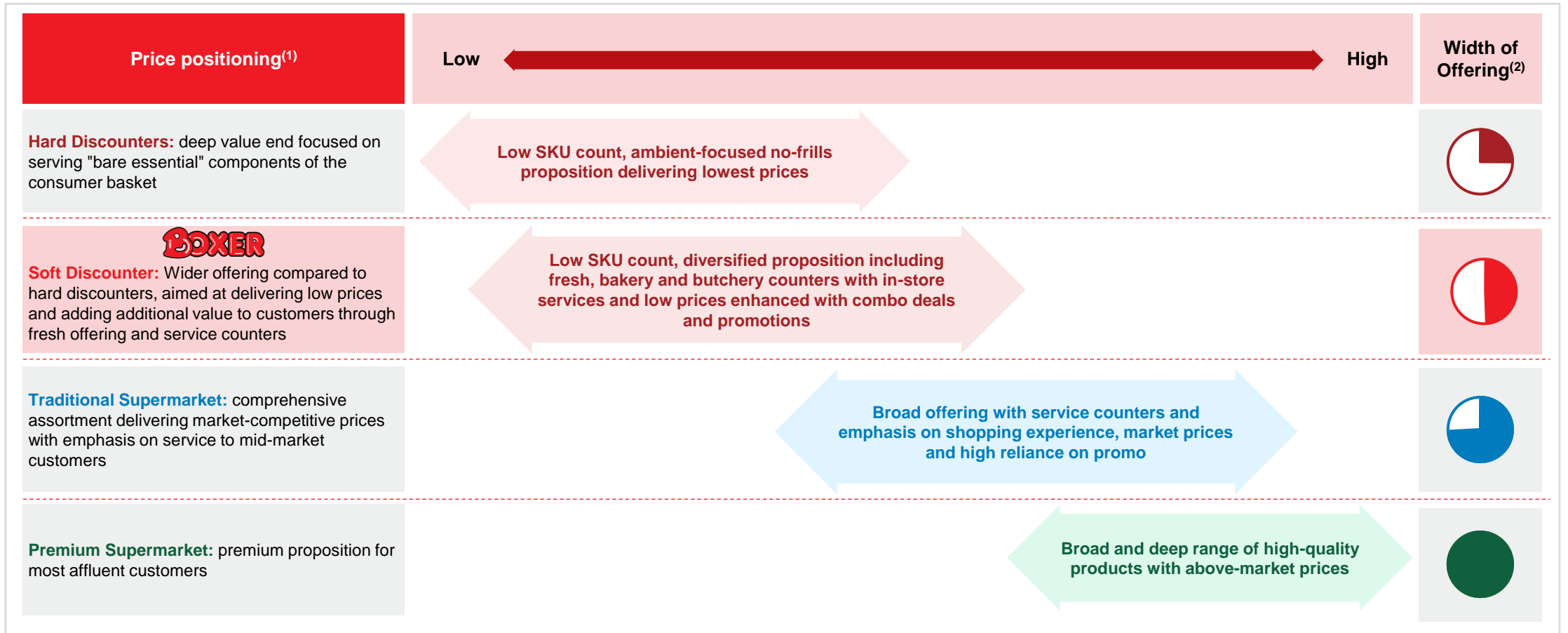
Source: Company Filings, Futureworld South African Discount Retail: Customer and Market Report

Notes:

1. Store location data as at H1 FY2025
2. 9 Superstores stores located in eSwatini
3. Futureworld South African Discount Retail: Customer and Market report, market share calculated as a percentage of formal grocery discount market

4. Percentage of company discount market share divided by overall discount market penetration of formal grocery market
5. Includes reopenings of 6 stores (2 Boxer Builds, 2 Boxer Superstores, 2 Boxer Liquors) which were previously temporarily closed in FY22. Reopenings not counted as new store openings
6. Superstores includes stores from Pick n Pay conversions
7. 4 Boxer Superstores, 9 Boxer Liquors and 1 Boxer Build closure

Boxer Drives a Discount Retail Proposition in Grocery Retail in South Africa



Source: Management views, Futureworld South African Discount Retail: Customer and Market report

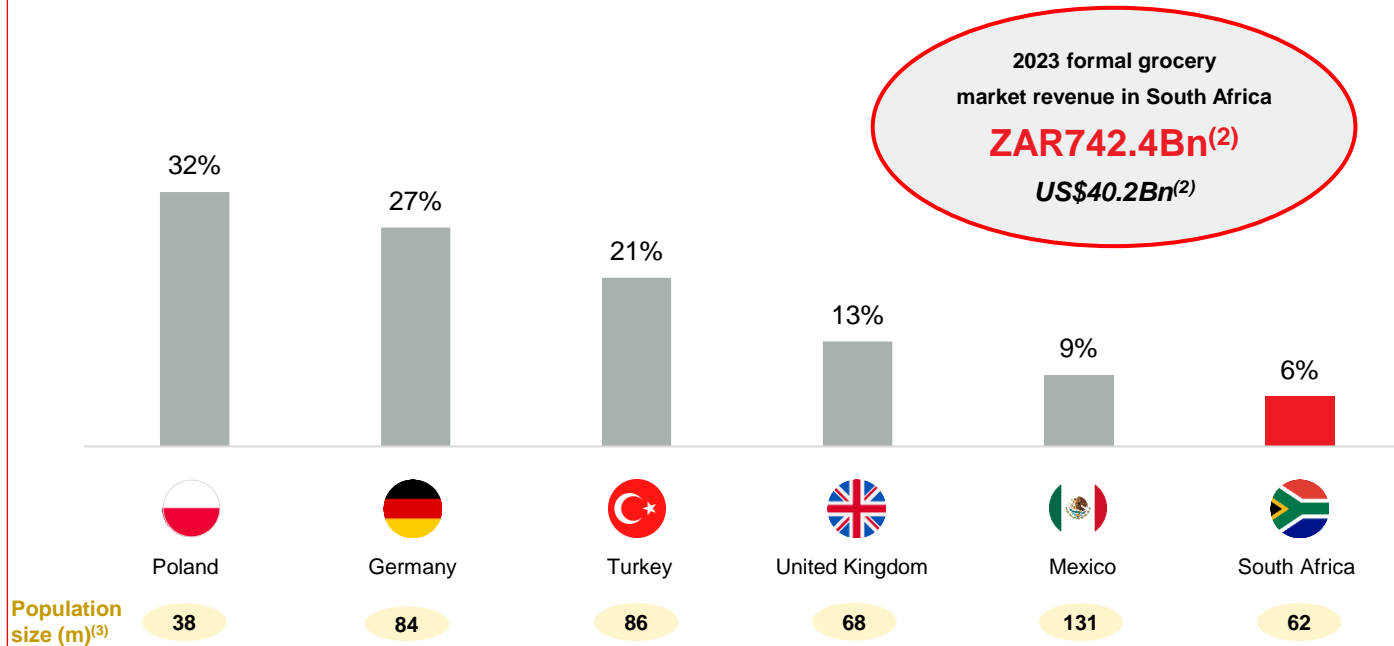
Notes:

1. Illustrative diagram not accounting for format specifics e.g. hypermarkets, specialist shops, convenience and travel formats
2. Futureworld South African Discount Retail: Customer and Market report, width of offering based on number of stock-keeping units ("SKUs") and product range, level of cost / investment based on customer segment

South Africa Has Barely Tapped into the Discount Retail Opportunity

South Africa's Discounter Penetration is Significantly Below That of Peer Emerging and Developed Markets...

Discounter Market Share as % of 2023 Total Offline Grocery Retail Market Value⁽¹⁾



Source: IGD, Stats SA, International Monetary Fund, South African Reserve Bank, Futureworld South African Discount Retail: Customer and Market report

Notes:

1. Based on Futureworld South African Discount Retail: Customer and Market report
2. IGD data converted using USD/ZAR = 18.50 average exchange rate for 2023
3. 2023 data as per International Monetary Fund, World Economic Outlook Database, October 2023
4. Stats SA, as of July 2022
5. Stats SA (for % income spent on food), Quarterly Bulletin of the South African Reserve Bank March 2024 (for gross disposable income). Household expenditure on food and non-alcoholic beverages divided by gross household disposable income
6. Futureworld South African Discount Retail: Customer and Market report

...with the Macro and Micro Enablers in Place to Drive Further Growth



Population to grow by **c.6.8 million** by 2032⁽⁴⁾ with 70% of increase coming from lower 3 of 5 income quintiles⁽⁴⁾



16.6% of disposable income spent on food on average⁽⁵⁾, up from 13.9% in 2013, with continued cost of living pressures and increasing price sensitivity of customers

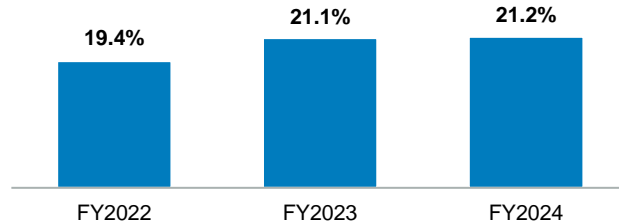


ZAR250 billion in social grants paid in 2023 to c.27 million beneficiaries (c.45% of the population)⁽⁶⁾, expected to grow to ZAR300 billion in 2027⁽⁴⁾

Boxer's Performance Track Record

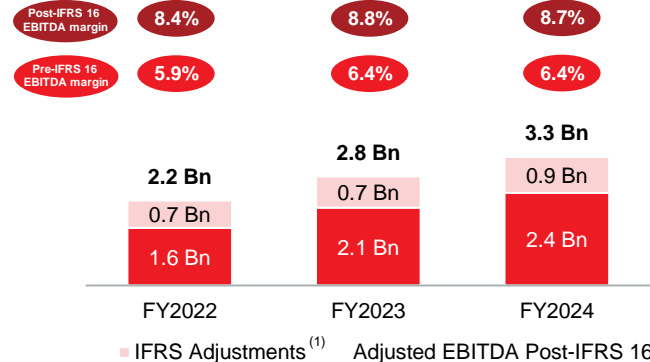
Consistent Gross Margins...

Gross Margin (%)



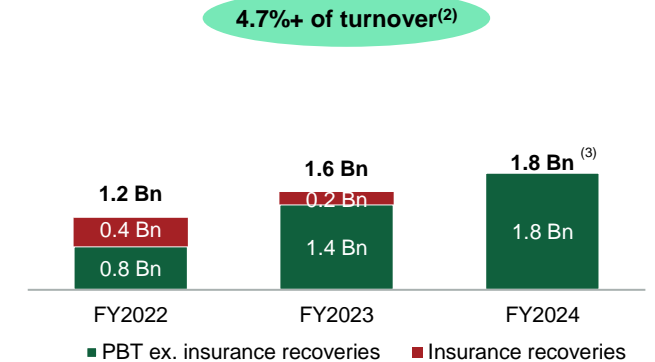
...with Strong EBITDA Profitability...

Adjusted EBITDA pre- and post-IFRS 16 (ZAR Bn)



...and Increasing Bottomline

Profit before Tax (ZAR Bn)

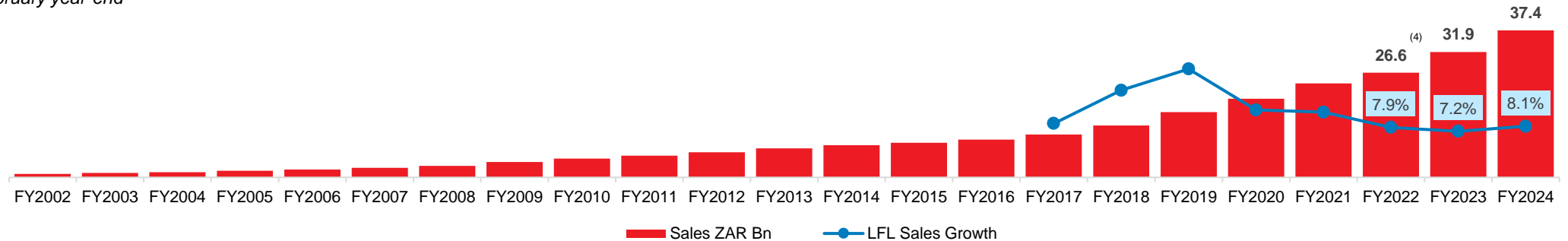


Compelling Track Record of Uninterrupted Turnover Growth

Turnover (ZAR Bn) and Growth (%)

February year-end

Total Stores: 229, 246, 270, 298, 342, 368, 428, 477



Source: Company information, Futureworld South African Discount Retail: Customer and Market report

Notes:

- IFRS adjustments refers to cash lease principal and interest payments and lease incentives received
- Last 3 years average PBT margin
- Includes ZAR173m impact of ZAR135m derecognition of the Boxer financial guarantee on Pick n Pay debt and ZAR38m consolidation entry

- between the cash settled value of Pick n Pay share incentives held by Boxer management, and the equity settled mark to market of these shares. The ZAR173m is the delta between the Boxer trading profit and Pick n Pay segmental disclosure of Boxer trading profit
4. FY2021 impacted by Covid-19 and FY2022 impacted by civil unrest in South Africa

Financial Highlights for the FY2022, FY2023 and FY2024 Periods

Persistent Growth Despite Tough Economic Conditions

Turnover:
ZAR37,419m
 +18.6% CAGR ⁽¹⁾

Adjusted EBITDA:
ZAR2,397m⁽³⁾
 +23.4% CAGR ⁽¹⁾
 6.4% margin

Capex / turnover:
3.4% ⁽²⁾
 Underlying adjusted cash conversion:
82.2% ⁽⁴⁾

Considered Rollout of Stores Supports Profitability

LfL turnover growth:
7.7% ⁽²⁾

Trading profit:
ZAR2,101m
 +23.3% CAGR ⁽¹⁾
 5.6% margin

Net working capital / turnover:
(2.7%) ⁽⁵⁾

Strong Cash Flows Enhance Returns to Shareholders

Gross profit:
ZAR7,921m ⁽¹⁾
 +23.9% CAGR
 21.2% margin

Profit before tax:
ZAR1,823m ⁽⁶⁾
 +25.6% CAGR ⁽¹⁾
 4.9% margin

Return on invested capital:
77.8% (pre-IFRS 16)
26.5% (post-IFRS 16)

Source: Boxer Financial Statements FY2022 to FY2024

Notes:

1. CAGR over FY2022 to FY2024
2. Average over FY2022 to FY2024
3. Adjusted EBITDA (pre-IFRS 16) refers to trading profit plus depreciation on PPE and ROU plus amortisation on intangible assets, less cash lease principal and interest payments, plus lease incentives received

4. Underlying adjusted cash flow (Adjusted EBITDA less maintenance capex less cash lease principal and interest payments) divided by adjusted EBITDA
5. Net working capital is equal to inventory plus trade and other receivables less trade payables
6. Includes ZAR173m impact of ZAR135m derecognition of the Boxer financial guarantee on Pick n Pay debt and ZAR38m consolidation entry between the cash settled value of Pick n Pay share incentives held by Boxer management, and the equity settled mark to market of these shares. The ZAR173m is the delta between the Boxer trading profit and Pick n Pay segmental disclosure of Boxer trading profit

Key Components of the Boxer Business Model

1 Customer Value Proposition

- ✓ **Lowest basket price** compared to key competitors⁽¹⁾⁽²⁾
- ✓ **Curated range of c.3,000 SKUs** to efficiently serve the target market
- ✓ **Low prices on market-leading brand combos**⁽³⁾
- ✓ **Powerful value offering through confined labels**⁽³⁾
- ✓ **Free add-ons to support combo offering**
- ✓ **E-coupons further enhance price advantage**
- ✓ **Boxer ranked first as the “top-of-mind retailer” for combo deals** for 42% of survey respondents⁽⁴⁾
- ✓ **Confined labels contribute 19% to Boxer’s total FMCG turnover** for FY24⁽⁵⁾
- ✓ **17% growth in confined label turnover FY23 to FY24**

2 Store Model

- ✓ **Tried and tested store expansion strategy**
- ✓ **Aim to double the store footprint in the next 6 to 7 years** with **60 to 70 new stores per year** in the medium-term
- ✓ **High-quality, established pipeline with 116⁽⁶⁾ sites identified** beyond FY25 pipeline of which **84 sites in the process of the terms being negotiated**
- ✓ Target store **refurbishment cycle of 7 years** expected to be maintained
- ✓ Elements of **vertical integration with own meat processing factory**

3 Operational Backbone

- ✓ **Excellence in sourcing and procurement with a deep bench of category experts**
- ✓ **Dedicated marketing strategy** to raise Boxer brand awareness through key marketing channels and with **strong customer engagement**
- ✓ **Standalone property management function** responsible for the expansion of the Boxer estate
- ✓ **A bespoke In-house IT team delivering cost-conscious solutions**
- ✓ People strategy is geared towards providing a **holistic employee value proposition with a focus on training and talent management**

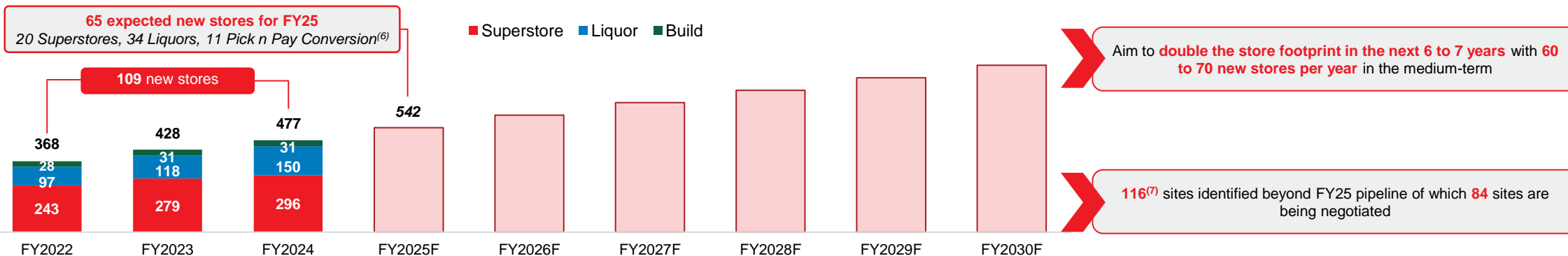
Source: Futureworld Market and Customer Report, July 2024, www.shoprite.co.za/store-finder, www.usave.co.za/store-locator

Notes:

1. Illustrative basket created for Gauteng region and total basket price compared among key competitors. Key competitors include: Shoprite, Usave, Savemor (Spar) and Pick n Pay, Monthly catalogues for April, May and June 2024 were used
2. 20 basket items which include: chicken pieces, laundry bar soap, washing powder, dishwashing liquid, sliced white bread, pilchards, baked beans, margarine, sliced brown bread, coffee creamer, mayonnaise, tomato sauce, sugar, custard, coffee, sunflower oil, super maize meal, rice, cake wheat flour, energy drink
3. Boxer KZN Month End Leaflet (22/04/2024 – 12/05/2024)
4. Futureworld South African Discount Retail: Customer and Market Report
5. FMCG base excludes Build, Liquors and Fresh Service Departments
6. Excludes budgeted stores for FY2025

Strong Store Pipeline Backed by Attractive Unit Economics

Boxer's Store Rollout and Planned Pipeline



Target Store Unit Economics, Investment and Payback for new Boxer Superstores

Average Metric	Unit	Value
Trading Density ⁽²⁾	ZAR/m ²	64,000
EBITDA Margin (Pre-IFRS 16)	%	7.8%
Cash on Cash Return ⁽³⁾	%	c.51%
Capex per Store ⁽⁴⁾	ZAR'm	17.3
Payback Period ⁽⁵⁾	Years	< 3

✓ **New Boxer Superstores typically mature within 4 years of opening**

Source: Company Information

Notes:

1. FMCG base excludes Build, Liquors and Fresh Service Departments
2. Calculated on gross leasable area
3. Calculated as store-level trading profit divided by initial capex
4. Excludes any capex for an adjacent Boxer Liquors store which typically averages c.ZAR1.6m. Superstore based on size of >1,600m²

5. Payback period calculated as the number of months for a store to achieve cumulative EBITDA equal to the average capex invested
6. Based on latest agreements at the time of this presentation – subject to ongoing discussions around additional Pick n Pay conversions. 6 PnP store conversions, 5 liquor PnP store conversions
7. Excludes budgeted stores for FY2025

Unlocking Boxer's Potential through our Strategic Virtuous Circle



Store **expansion** strategy includes exploring **acquisition opportunities** as well as maximising against **the whitespace opportunity** with Superstore and Boxer Liquor rollout in **strategically targeted areas**



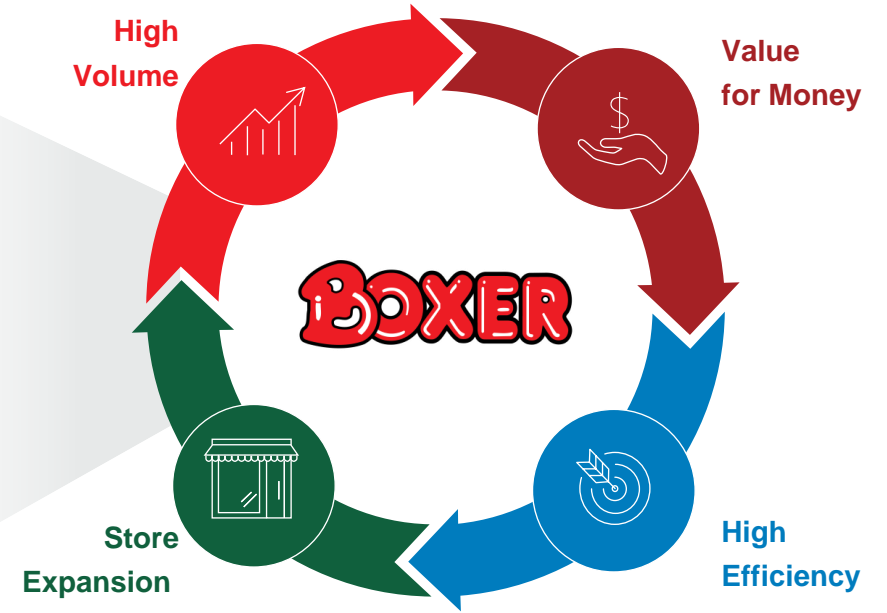
Like-for-Like growth and value for money offering driven by **unique customer-centric promotions, range optimisation** and **reinvestment into stores** to maintain the store estate



Expanding the supply chain in sync with the new store rollout plan through **additional distribution centers** to support expansion plus further **vertical integration**



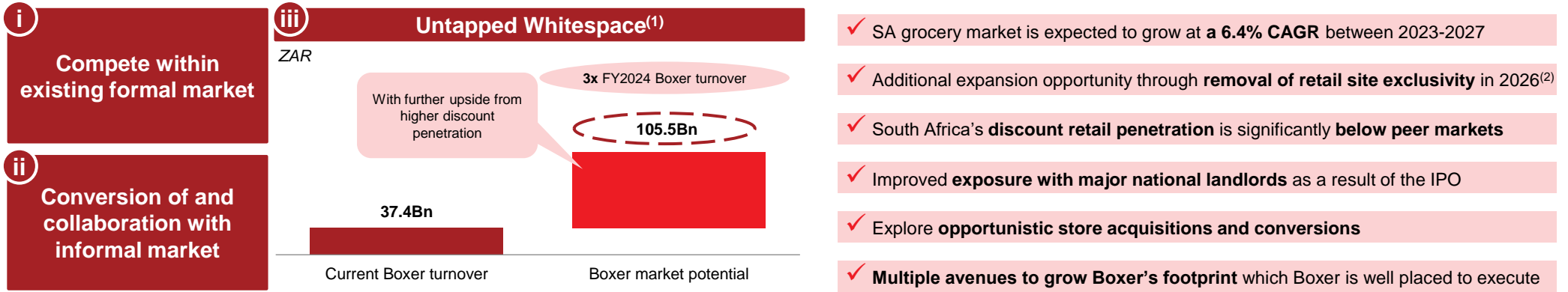
Investment in efficiencies to protect margins through **optimised stock management** and **digitisation** of head office processes



Differentiated CVP Sets the Foundation for Market-Leading Growth and Robust Returns

Store Rollout Strategy with a Focus on Boxer Superstores and Boxer Liquor

Significant Market Opportunity – combination of market share from existing formal market, conversion of informal market and untapped whitespace



Right to Win

- ✓ Clear rollout criteria to identify untapped areas and drive strategic placement of stores across store formats
- ✓ 10 property experts to optimise pace of store rollout
- ✓ Proven standardised model that works across small, medium and large store sizes
- ✓ Track-record of consistent store growth in last 20 years

Path to Execution

- Maintain domestic core focus
- Expand property team
- Addition of 1 new DC in the short-term to support growth markets
- Opportunity for 21% more complementary Boxer Liquor stores to be added to existing Superstores

Source: Futureworld South African Discount Retail: Customer and Market report

Notes:

1. Only refers to whitespace in South Africa and does not capture eSwatini
2. Follows from a ruling by the South African Competition Commission in 2023, which brings an end to long-term exclusive lease agreements. The agreement was signed by Spar, Pick n Pay and Shoprite



Boxer's Outlook

Target to Double Revenues Over Medium-Term...



NEW STORE EXPANSION

- Net new store openings annually:
 - 25 - 35 Superstores
 - 35 - 40 Boxer Liquors



MAINTAINING STRONG LIKE-FOR-LIKE TURNOVER GROWTH

- 5-7% Like-for-Like Turnover Growth

Store Expansion Strategy	FY2025 Outlook For Boxer	Medium-Term Outlook For Boxer	New Capital Structure	
<p>116⁽¹⁾ Number of sites identified</p> <p>84⁽¹⁾ Number of sites being negotiated</p> <p>25⁽¹⁾⁽²⁾ Number of sites in development phase</p>	New Stores Rollout <ul style="list-style-type: none"> ✓ Boxer Superstores: 26 ✓ Boxer Liquors: 39 	Annual Rollout Cadence <ul style="list-style-type: none"> ✓ Boxer Superstores: 25 - 35 ✓ Boxer Liquors: 35 - 40 	Expected Leverage for FY2025	
	Turnover Growth <ul style="list-style-type: none"> ✓ c.10-12% of which c.5-7% like-for-like 	Turnover Growth <ul style="list-style-type: none"> ✓ Mid teens growth with mid-single digit LfL, ambition to double turnover within 5 years 	c.0.2x Pre-IFRS 16 Net borrowings / Adjusted EBITDA	c.1.5x Post-IFRS 16 Net borrowings / Adjusted EBITDA
	Trading Margin⁽³⁾ <ul style="list-style-type: none"> ✓ c.5% all-in margin ✓ Includes ZAR45m incremental costs and additional costs in terms of the staff LTI 	Trading Margin⁽³⁾ <ul style="list-style-type: none"> ✓ c.5% all-in margin 	<ul style="list-style-type: none"> • Target net Pre-IFRS 16 leverage of c.0.2x for FY2025 based on expected gross drawn debt of ZAR850m pre the IPO • Total pre-IPO payment to Pick n Pay of ZAR2.6Bn, of which ZAR2.0Bn has been paid in H1 2025 • Expected incremental standalone company costs estimated at a total of ZAR45m per annum (includes incremental shared costs and standalone listing costs), before the effect of new Long-Term Incentive Plan • One-off IPO-related costs of approximately c.ZAR300m to be incurred in FY2025 • A ZAR2.0Bn working capital facility will be put in place to support the Boxer Group's intra-month working capital requirements 	
	Capex <ul style="list-style-type: none"> ✓ c.ZAR1 Bn 	Capex <ul style="list-style-type: none"> ✓ c.2.5% of turnover 		
	Dividend Payout <ul style="list-style-type: none"> ✓ No dividend will be declared post the IPO 	Dividend Policy <ul style="list-style-type: none"> ✓ 40% payout ratio with flexibility to re-invest in the business, fund growth and pay down debt 		

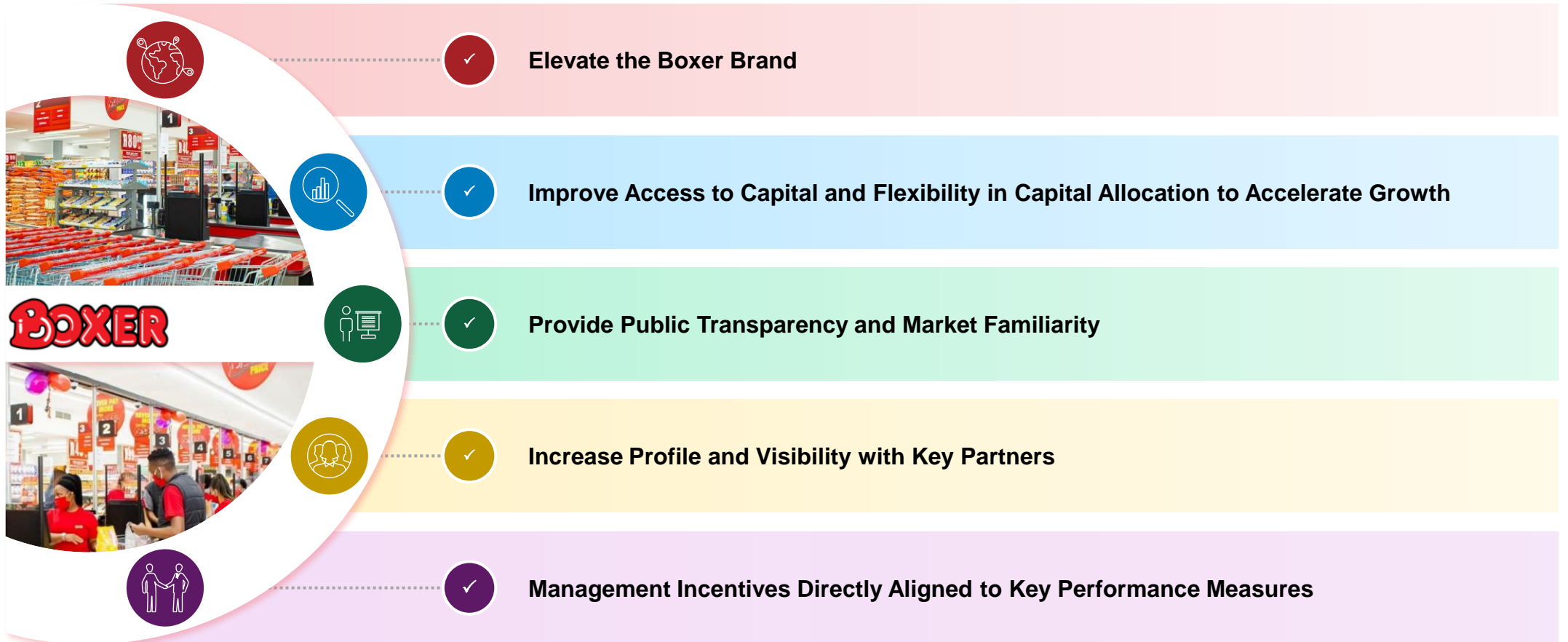
Source: Company information

Notes:

1. Excludes budgeted stores for FY2025
2. Construction has commenced on 8 stores, 8 are imminent and the remaining 9 have a high probability of breaking ground. This excludes the

- 52 stores scheduled for the current financial year
3. Calculated on post-IFRS 16 basis

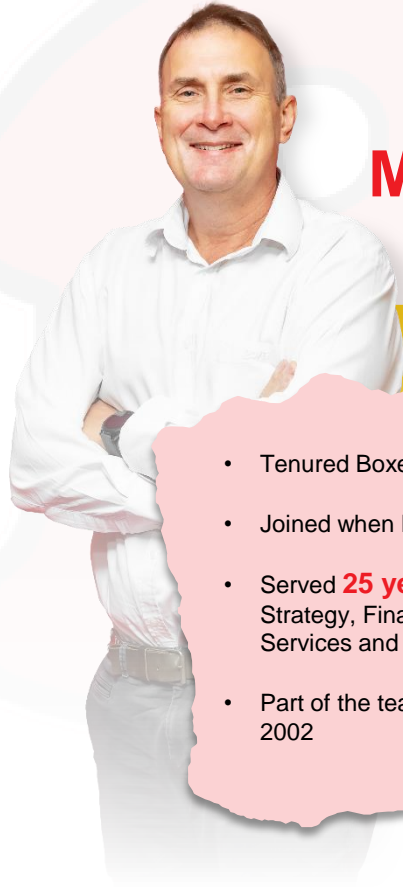
The IPO is a Key Enabler of Our Strategy





Appendix Supplementary information

Boxer Team



Marek Masojada

Chief Executive Officer

31 years at **BOXER**

- Tenured Boxer employee in his **6th year as CEO**
- Joined when Boxer was a **5 store regional business**
- Served **25 years as CFO**, with deep involvement in Strategy, Finance, IT, Property & Expansion, Value Added Services and Legal
- Part of the team who negotiated **sale** of Boxer to Pick n Pay in 2002



David Wayne

Chief Financial Officer

17 years at **BOXER**

- Experienced Boxer Executive, now in his **6th year as CFO**
- Joined when Boxer had **68 Stores**, following roles in audit at Ernst & Young
- In previous 11 years of his career, held the role of Group Financial Manager and Systems Accountant
- Headed up the **successful migration to SAP finance**

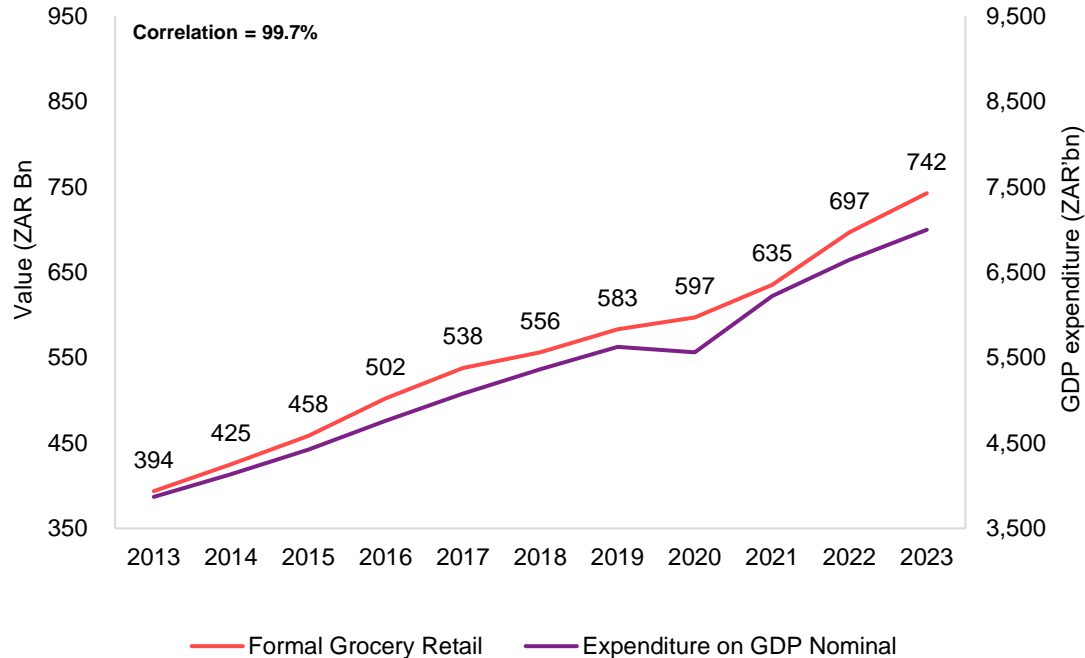
GDP Growth is Expected to Drive Growth in the Formal Grocery Market

The Formal Grocery Retail Market is Forecasted to Grow by a CAGR of 6.1% between 2023 and 2027

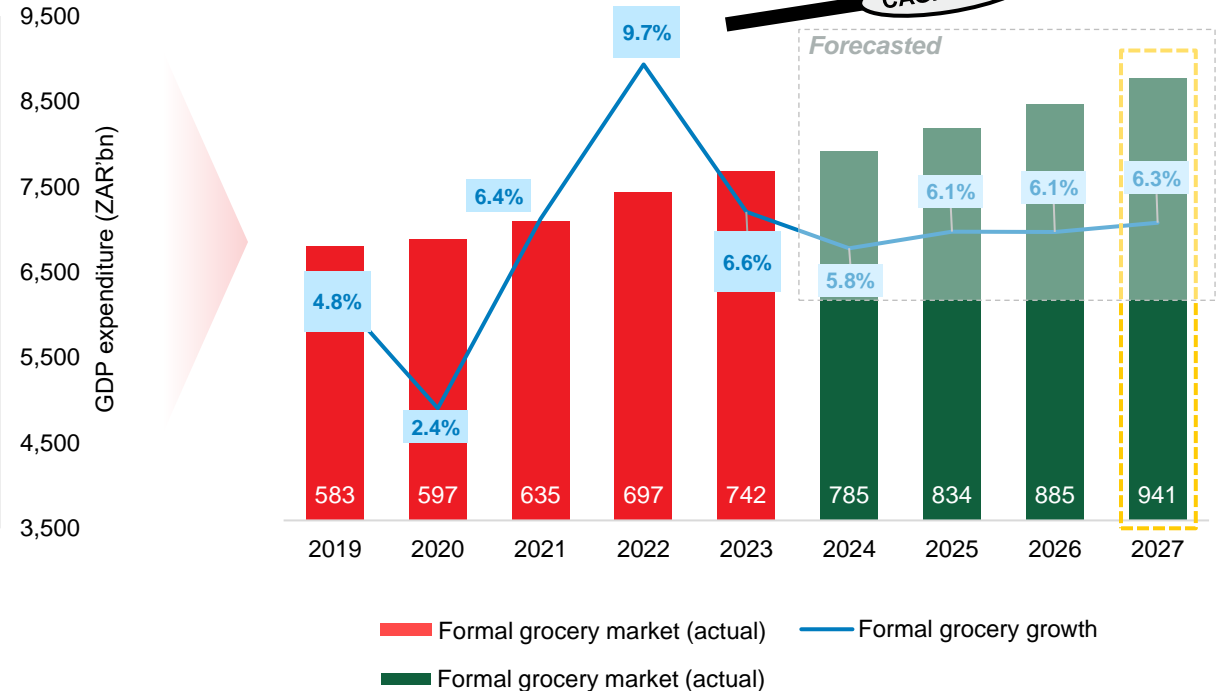


GDP expenditure forecasts that the formal grocery retail market is estimated to grow at a 6.1% CAGR between 2023A – 2027F reaching ZAR 941Bn in 2027F

Strong Correlation between GDP Expenditure and the Formal Grocery Retail Market



Formal South African Grocery Market Growth Forecast (ZAR'bn)



Source: Futureworld Market and Customer Report, July 2024

Boxer's Performance KPIs over the Last Three Years



	FY2022-FY2024 Average	FY2024
Turnover CAGR / Turnover Growth	18.6%	17.3%
LfL Turnover Growth	7.7%	8.1%
Gross Profit Margin	20.6%	21.2%
Trading Margin	5.5%	5.6% ⁽⁹⁾
Trading Margin After Leases ⁽²⁾	2.4%	3.2% ⁽⁹⁾
Adjusted EBITDA (Post-IFRS 16) Margin	8.6%	8.7%
Adjusted EBITDA (Pre-IFRS 16) Margin	6.3%	6.4%
Net Income Margin	3.5%	3.7%
Capex % of Turnover ⁽⁴⁾	(3.4%)	(2.9%)
ROIC (Post -IFRS 16)	25.2%	26.5%
ROIC (Pre-IFRS 16)	88.0%	77.8%
Leverage (Post -IFRS 16) ⁽⁵⁾	1.4x	1.3x
Leverage (Pre-IFRS 16) ⁽⁶⁾	(0.1x)	(0.1x)
Opex % of Turnover	(16.5%)	(16.3%)
Free Cash Conversion (Post-IFRS 16) ⁽⁷⁾	60.4%	66.4%
Free Cash Conversion (Pre-IFRS 16) ⁽⁸⁾	45.5%	54.4%
Dividend Payout Ratio	40.0% ⁽³⁾	40.0% ⁽³⁾
Customer Count / Visits Growth	16.8%	13.8%
Selling Price Inflation	6.9%	6.3%
Gross Retail Space('000 m ⁽²⁾)	549	596

Notes:

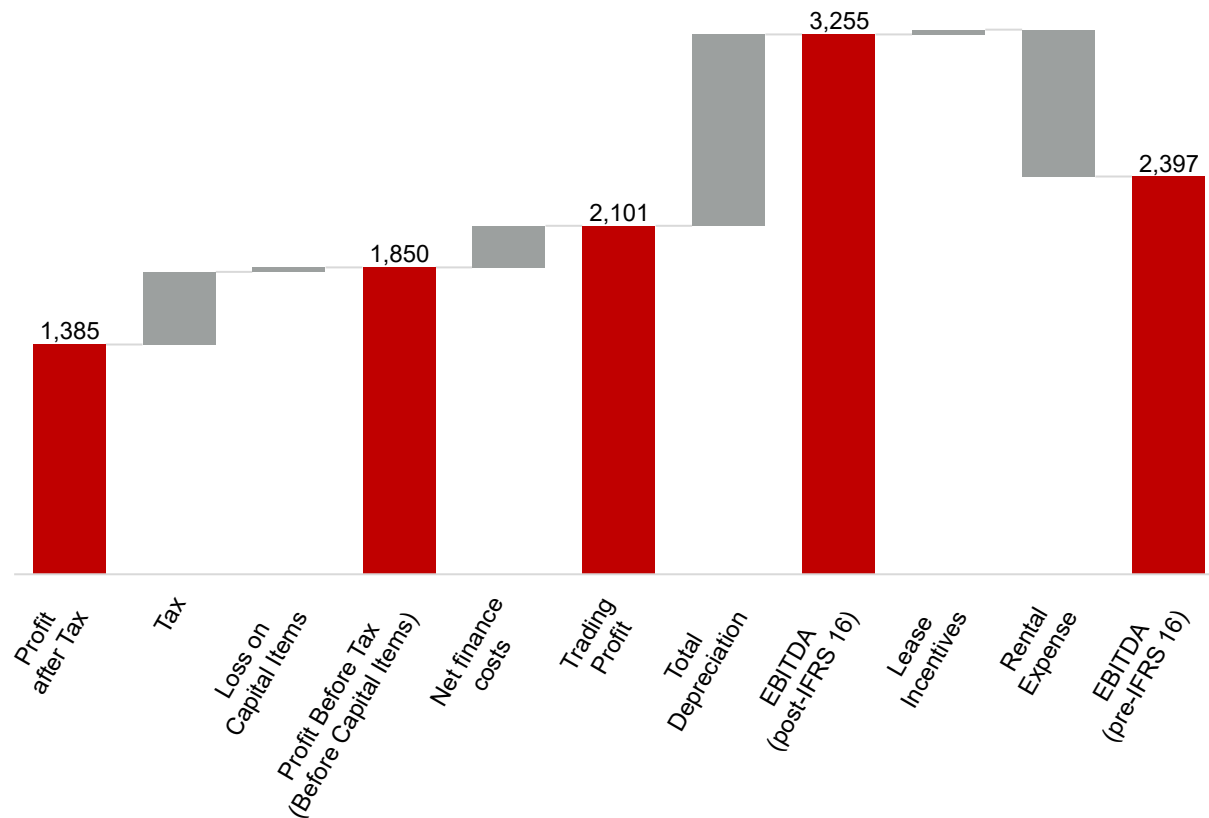
1. Based on Boxer annual financial statements (FY22-24) and company information, Pick n Pay FY24 Annual Report
2. Trading margin after leases defined as trading profit less lease principal and interest payments divided by turnover
3. Based on Boxer's 40% payout ratio going forward
4. Includes expansion and maintenance capex
5. Calculated as net debt (total borrowings plus lease liabilities less cash) divided by adjusted post-IFRS 16 EBITDA
6. Calculated as net debt (total borrowings less cash) divided by adjusted pre-IFRS 16 EBITDA
7. Calculated as adjusted post-IFRS 16 EBITDA less total capex (expansion and maintenance) divided by adjusted post-IFRS 16 EBITDA
8. Calculated as adjusted pre-IFRS EBITDA less total capex (expansion and maintenance) divided by adjusted pre-IFRS 16 EBITDA
9. Trading profit includes the ZAR173m impact of ZAR135m derecognition of the Boxer financial guarantee on Pick n Pay debt and ZAR38m

consolidation entry between the cash settled value of Pick n Pay share incentives held by Boxer management, and the equity settled mark to market of these shares. The ZAR173m is the delta between the Boxer trading profit and Pick n Pay segmental disclosure of Boxer trading profit



Net Income to EBITDA Bridge

FY2024 Bridge



Source: Boxer Financial Statements FY2022 to FY2024

Notes:

- Includes ZAR173m impact of ZAR135m derecognition of the Boxer financial guarantee on Pick n Pay debt and ZAR38m consolidation entry between the cash settled value of Pick n Pay share incentives held by Boxer management, and the equity settled mark to market of these shares. The ZAR173m is the delta between the Boxer trading profit and Pick n Pay segmental disclosure of Boxer trading profit

Bridge Items per AFS (ZAR'm)	FY2022	FY2023	FY2024
Profit For The Period	854	1,104	1,385
Tax	302	427	438
Profit Before Tax	1,156	1,531	1,823⁽¹⁾
Loss on Capital Items	(2)	12	27
Profit Before Tax Before Capital Items	1,154	1,543	1,850
Finance Income	(46)	(54)	(91)
Finance Costs	275	295	342
Trading Profit	1,383	1,784	2,101⁽¹⁾
Depreciation and Amortisation (Fixed Assets)	355	456	534
Depreciation (Right-of-use Assets)	488	555	620
EBITDA (Post-IFRS 16)	2,226	2,795	3,255
Lease Incentives	21	29	28
Rental Expense	(673)	(774)	(886)
EBITDA (Pre-IFRS 16)	1,574	2,050	2,397



Appendix

H1 FY2025 performance

Continued Strong Performance in H1 FY2025

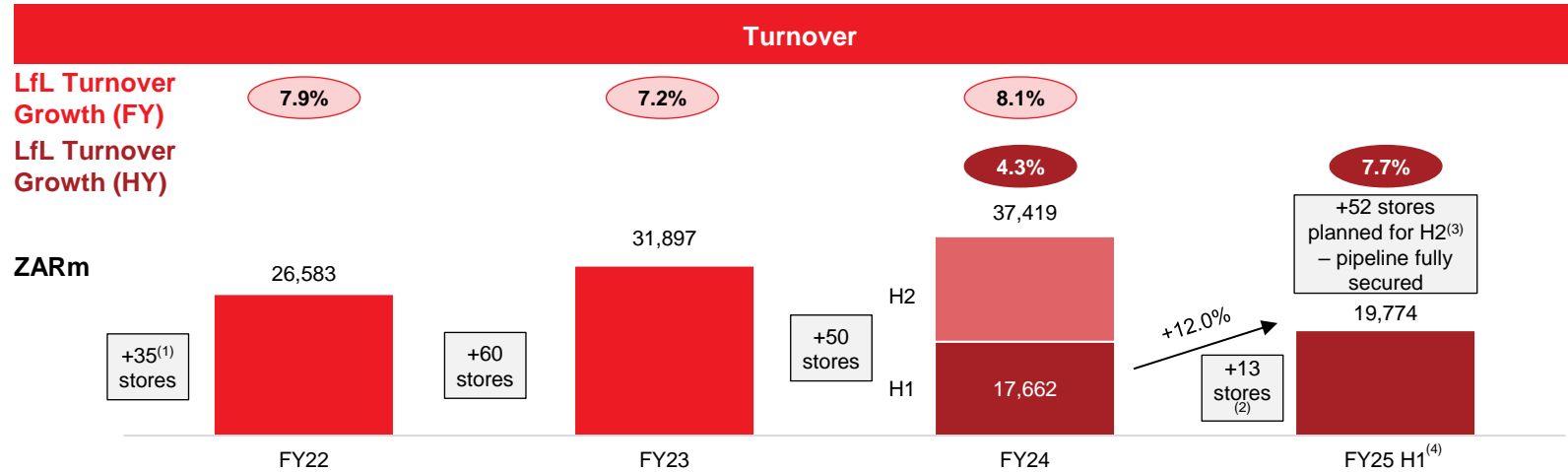
Growth	489 Stores +12⁽¹⁾ Net New Stores	ZAR19.8Bn Turnover +12.0% Growth YoY	+7.7% LfL Growth
Profitability	ZAR1.4Bn Adjusted EBITDA Post IFRS 16 7.1% Margin ZAR970m Adjusted EBITDA Pre IFRS 16	ZAR809m Trading Profit 4.1% Margin	ZAR679m Profit Before Tax 3.4% Margin
Returns	ZAR767m Underlying Adjusted Cash Flow 79.1% Underlying Adjusted Cash Flow conversion	ZAR1.1Bn Adjusted Free Cash Flow 77.7% Adjusted Free Cash Flow conversion	

Note:

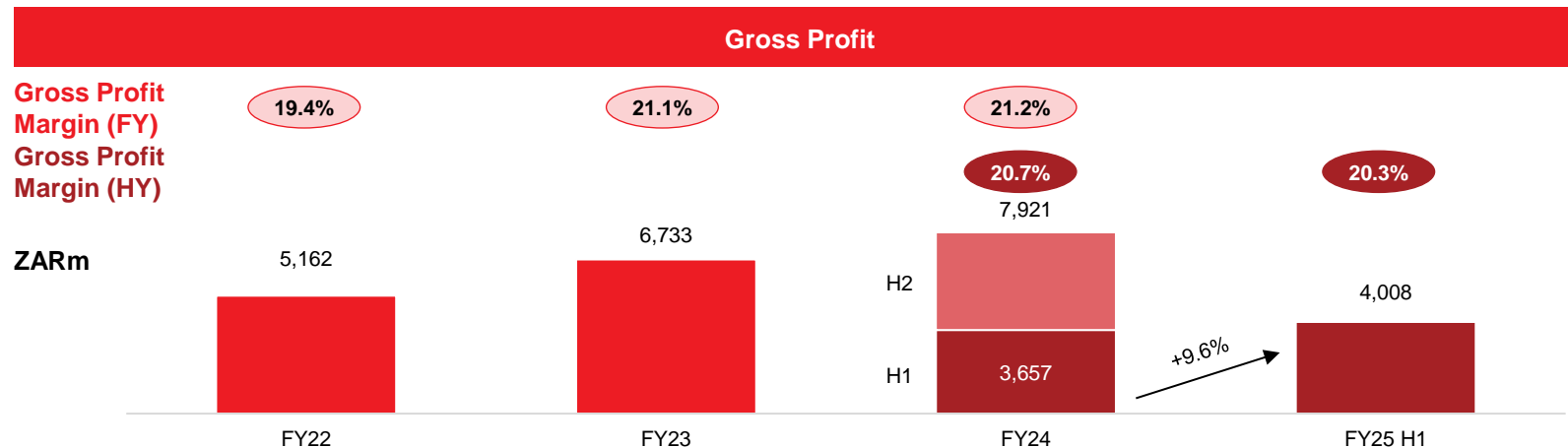
1. 12 net new openings (9 Liquors and 4 Superstores and 1 Build store closure in the period)



Growth on the Back of Robust LfL and Active Store Opening Programme



- **Continuing high quality growth performance in line with our strategy**
- 12.0% turnover growth in FY25 H1 driven by:
 - +7.7% LfL (FY24 H1: 4.3%), of which 5.3% is selling price inflation (FY2024: 6.3%)
 - +12 net new store openings in H1 2025 (9 Superstores, 4 Liquors and 1 Build closed)
- Other trading income increased by +14.0% compared to FY24 H1, driven by higher value-added services income due to expansion and increased traffic, as well as ZAR30m insurance proceeds (not related to civil unrest)
- Timing and number of openings as well as prior year base effects are the principal factors driving fluctuations in interim period turnover growth



- **Gross profit margin is Boxer's tool for managing our price appeal – but not a focus metric in itself**
- Increase in GP margin from H1 2024 to H2 2024 supported by inflationary factors and promotional activity
- Decrease in GP margin from H1 2024 to H1 2025 driven by reinvesting savings from loadshedding into reducing prices, as well as ongoing decline in inflation and as a result more challenging trading environment

Note:

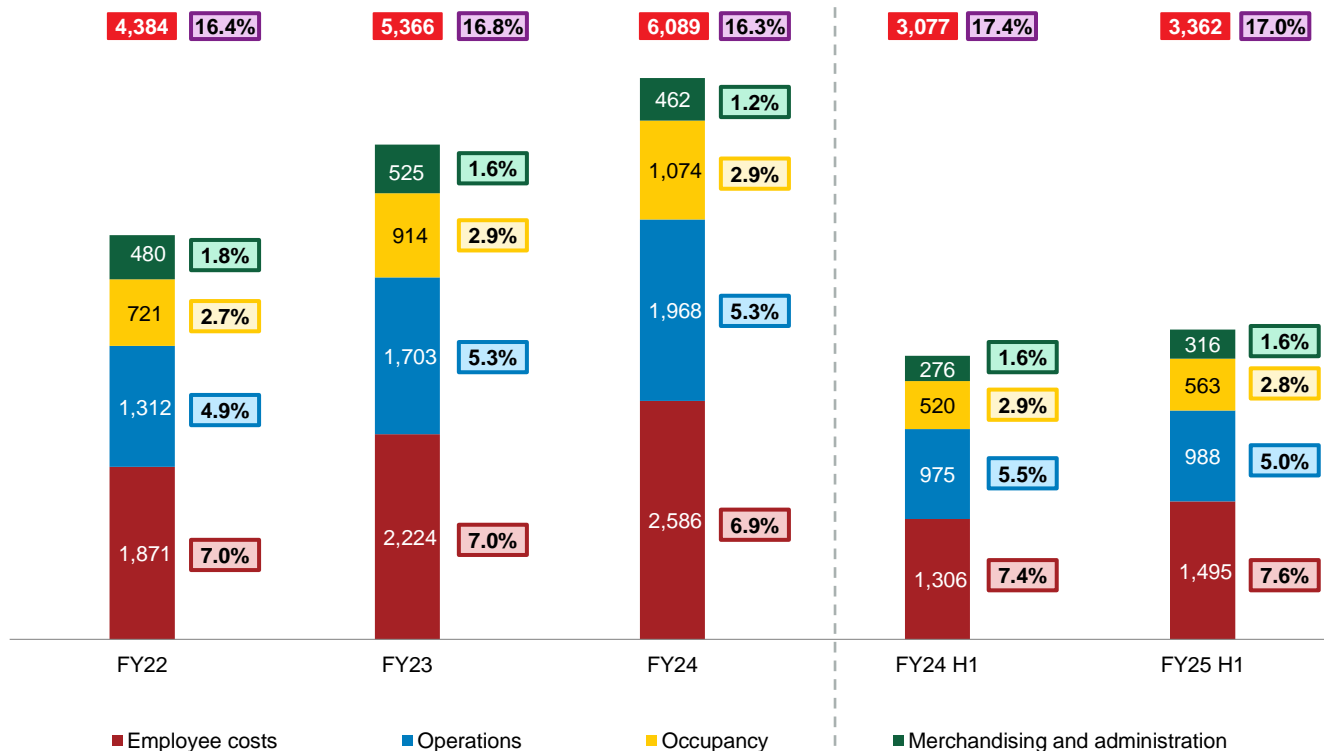
1. Net new stores are +26 (9 riot affected stores were closed during the year with the intention of reopening them in FY2023)
2. 12 net new openings (9 Liquors and 4 Superstores and 1 Build store closure in the period)
3. FY2025 store opening guidance of 26 Superstores and 39 Liquors less 13 stores opened in H1
4. Historically H2 is always stronger than H1 for Boxer turnover owing to key periods such as Black Friday and the December festive season



Continued Cost Control

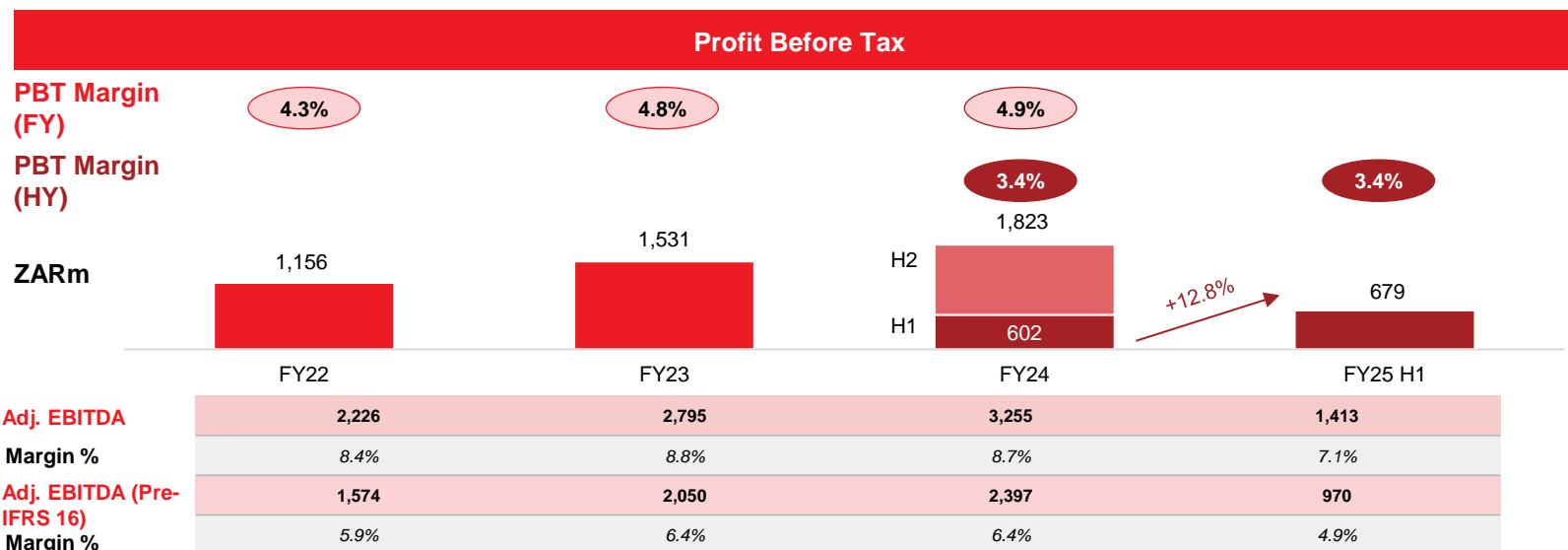
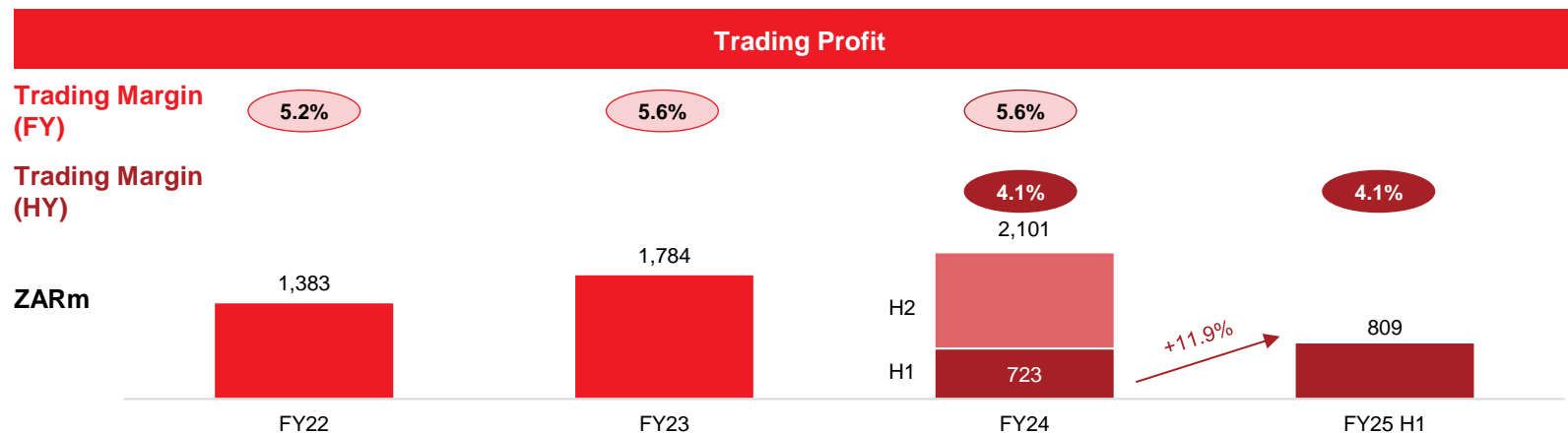
Cost Structure Allows Flow-Through of Value to Customers

ZARm Total operating costs
% Operating costs as a % of turnover



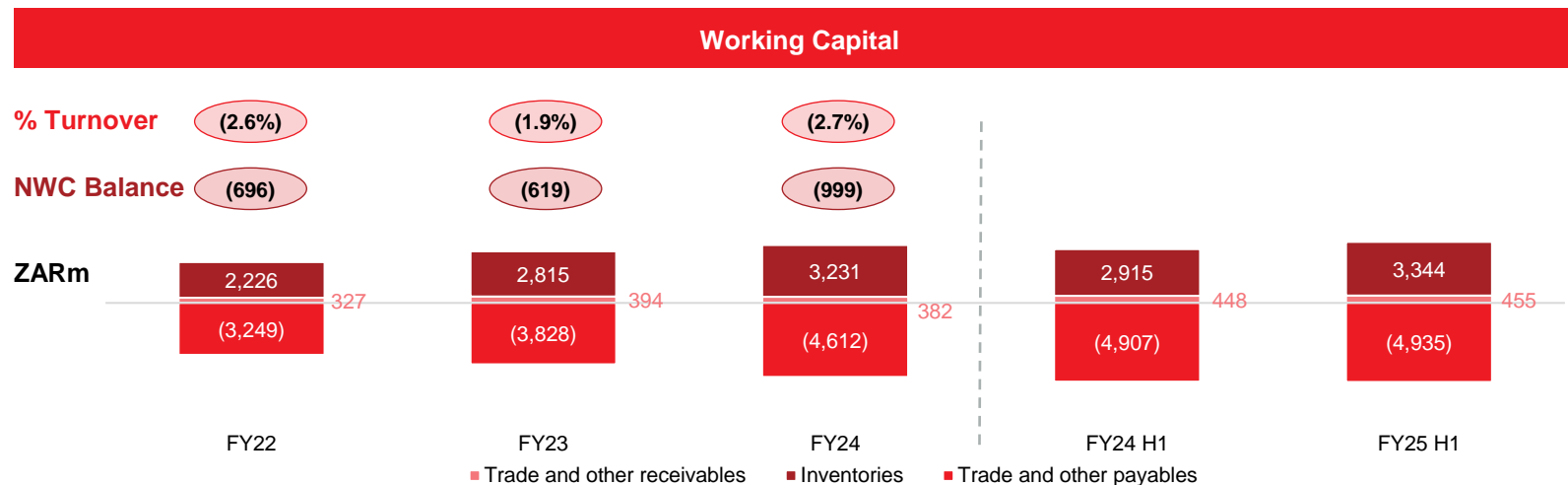
- **Our leading cost to income ratio remains supported by:**
 - Operating model specifically built for discount offering and outsourcing fresh / frozen, with limited number of SKUs and therefore simple assortment structure;
 - Strong pricing power with suppliers and scale effects with purchasing and movement of goods;
 - Vertical integration elements;
 - Locations and therefore level of store costs;
 - Careful staff planning
 - Lean and effective central fixed HO costs
 - Flexibility and operating leverage in cost base (c. 50/50 fixed / variable split)
- **Reduction of share of trading expenses** from 17.4% in H1 2024 to 17.0% in H1 2025 driven by:
 - Increase in size of estate from 477 stores as of H1 2024 to 489 stores as of H1 2025
 - 14.5% increase in employee costs mainly driven by increased salaries and wages, due to minimum wage increases growing above inflation and employee tax incentives not keeping up with inflation. LTIs and headcount driven by the accelerated store rollout programme
 - Liquor openings structurally benefitting from sharing backend costs with Superstores
 - Occupancy costs increased by 8% mainly due to additional security costs incurred over the election period
 - 14.5% increase in merchandising and administration costs on mainly the back of the introduction of the Boxer loyalty programme
 - Stable operations costs decreasing as a percentage of turnover from 5.5% to 5.0% mainly through suspension of loadshedding, which is expected to continue into H2 2025

Stable Profitability

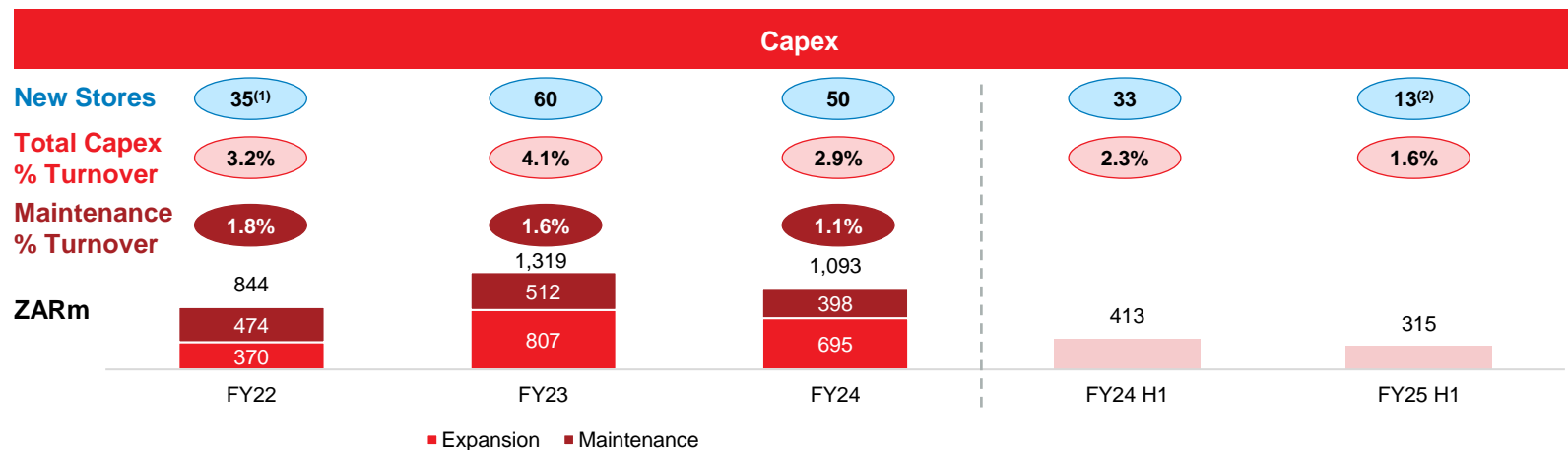


- Robust cost control has supported stable underlying profit margins with regular seasonality patterns
- Slight increase in finance costs primarily due to increase in lease interest related to increasing store footprint, however, no material income on trading profit to PBT bridge
- PBT margin management is a key pillar in Boxer's strategy that enables return of value to customers through the "Virtuous Circle"

Consistent Negative Working Capital Balance and Capex Discipline



- Consistent negative working capital balance is a key competitive advantage and enabler of continued high cash generation
- Result of high inventory turnover and no “bona fide” trade receivables; however, financial period cut-off timing may impact optics of balances at time of reporting
- FY25 H1 working capital affected by increase in inventory days, driven by the Benoni DC which was not open last year and has had to carry more stock since opening
- Seeking to improve stock days, which will aid in supporting cash generation



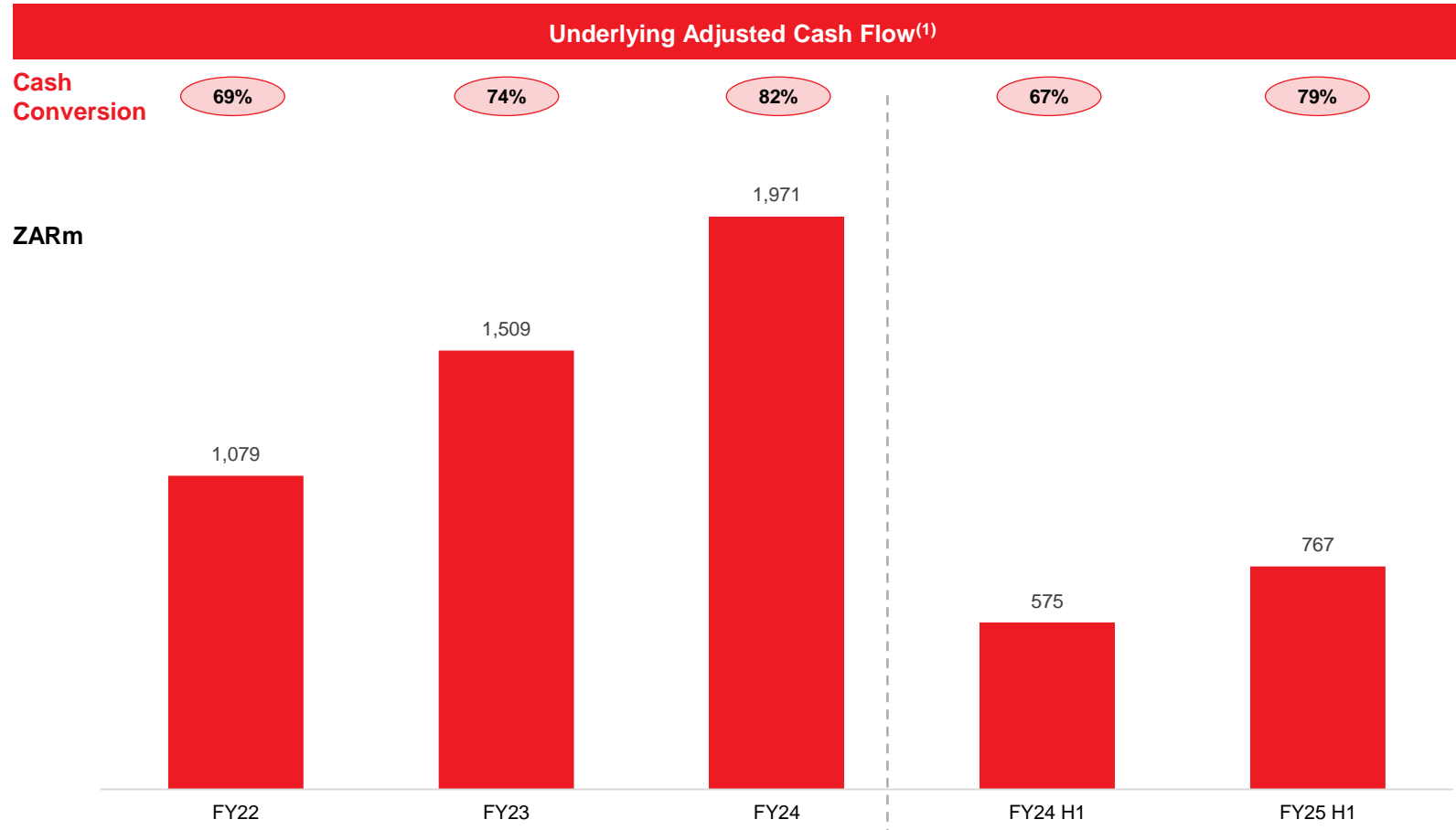
- Stringent store rollout process and low ongoing maintenance costs drive continued capital deployment discipline
- Lower FY25 H1 capex compared to FY24 H1 driven by number of store openings

Note:

- Net new stores are +26 (9 riot affected stores were closed during the year with the intention of reopening them in FY2023)
- 12 net new openings (9 Liquors and 4 Superstores and 1 Build store closure in the period)



Leading Cash Flow Generation and Returns



Notes:

1. Underlying adjusted cash flow (Adjusted EBITDA less maintenance capex less cash lease principal and interest payments) divided by Adjusted EBITDA

- Strong cash flow generation supporting key outflows in the period:
 - ZAR2.0Bn of cash flow has been paid in H1 FY25



END

