ANNUAL **FINANCIAL RESULTS**

FOR THE YEAR ENDED

31 MARCH

2024

Lewis Group Ltd

Agenda

1. Review of 2024
2. Debtor Analysis
3. Financial Results
4. Targets and Outlook
5. Questions

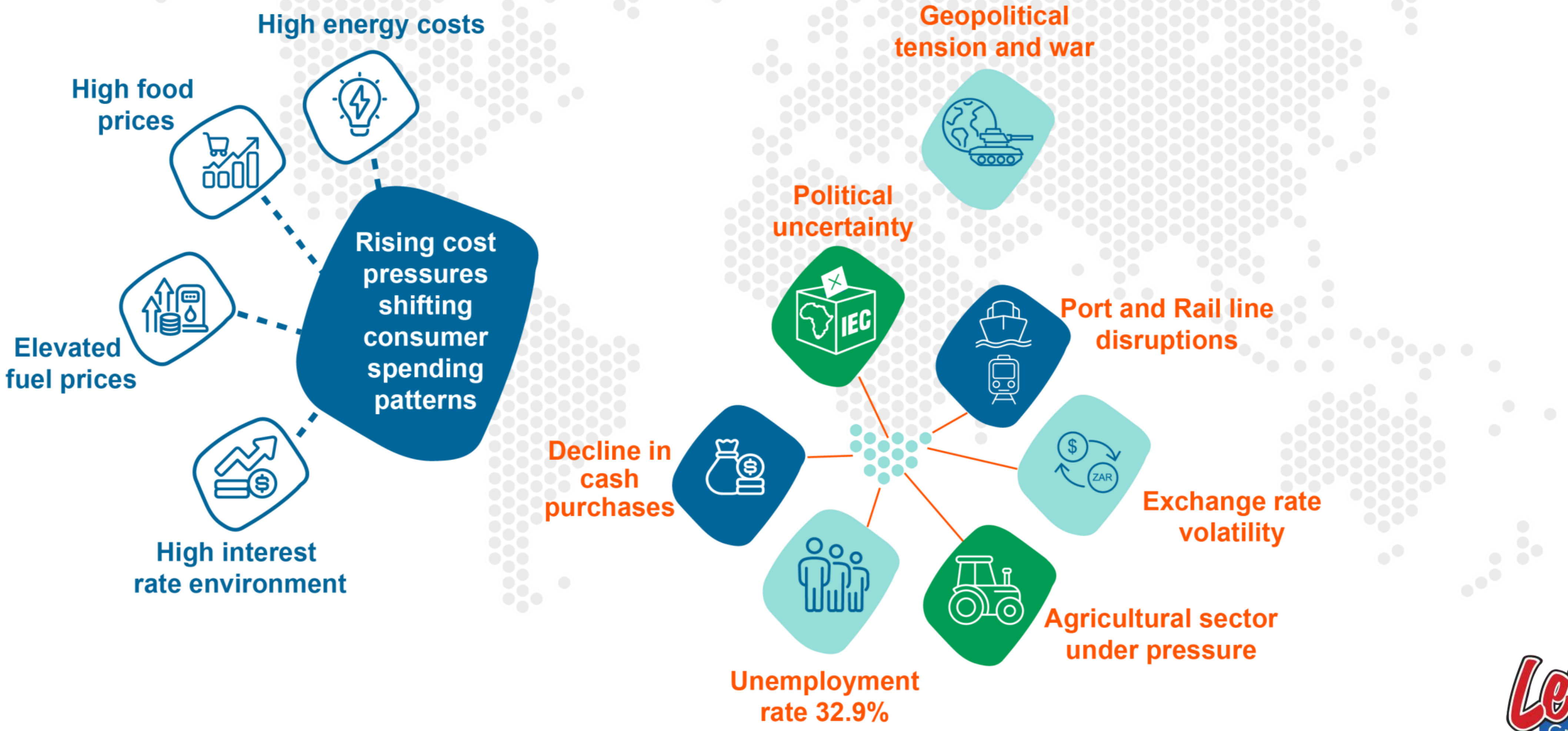
Review of 2024

Highlights

Revenue **+ 9.8%**	Merchandise Sales **+ 4.7%**	Gross Profit Margin at **43.1%**
Collection Rate at **79.7%**	Satisfactory Paid Accounts at **81.3%**	Operating Profit **+13.1%**
EPS **+15.9%** to **806** cents per Share	HEPS **+7.1%** to **925** cents per Share	Total Dividend **+ 21.1%** to **500** cents per Share

Operational Context

Challenging Operating Environment



Operational Achievements

- Group merchandise sales **increased by**

4.7%

- **Debtors book growth of 15.6%** supports other revenue streams

- Other revenue **increased by**

17.2%

- **Strengthened GP margin of**

43.1%

  - Effective margin management on new ranges

Same-Day Delivery remains a competitive advantage

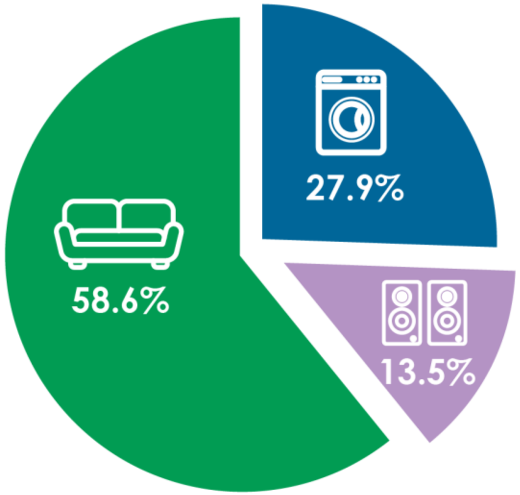
Merchandise Sales

Traditional brands increased by **6.9%**

Group credit sales increased by **15.8%**

UFO declined by **12.6%**

Group cash sales declined by **11.8%**



Operational Achievements

Operating costs (including insurance service expenses) **increased by 5.0%, in high inflationary environment**

Robust balance sheet

Continuing share repurchase programme

- 4.2 million shares repurchased in the financial year
- 46.9% of shares in issue repurchased since listing, returning R1.8bn to shareholders

Operational Achievements

Store Expansion

	March 2023	NEW	March 2024
Lewis welcome home	492	6	498
BEST HOME & ELECTRIC	154	16	170
BEARES	149	1	150
Bedzone	2	10	12
UFO FURNITURE	43	-4	39

Net
29 new stores
opened in 2024

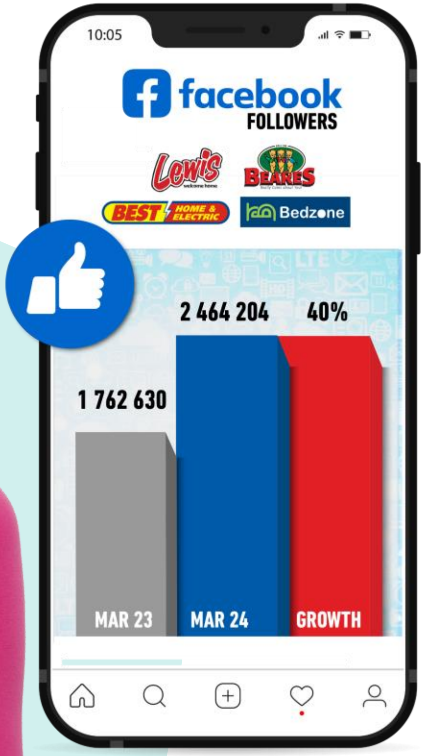
138 stores
outside SA (LY:134 stores)

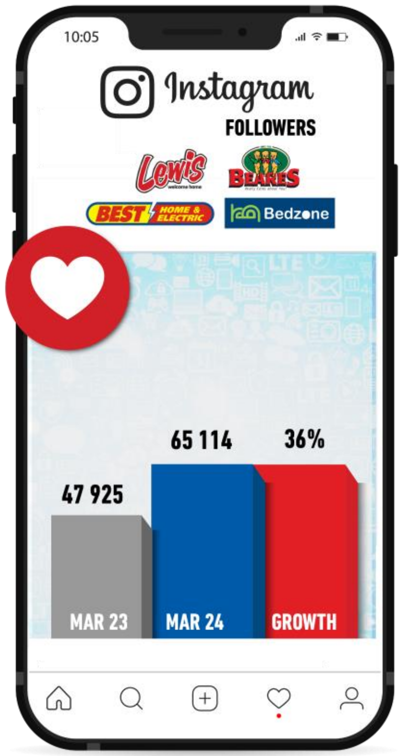
259 small format
Lewis stores (52% of Lewis stores)

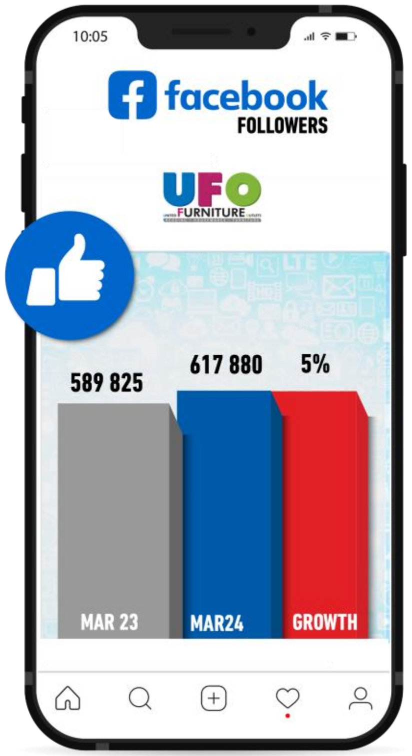
150
stores **refurbished**

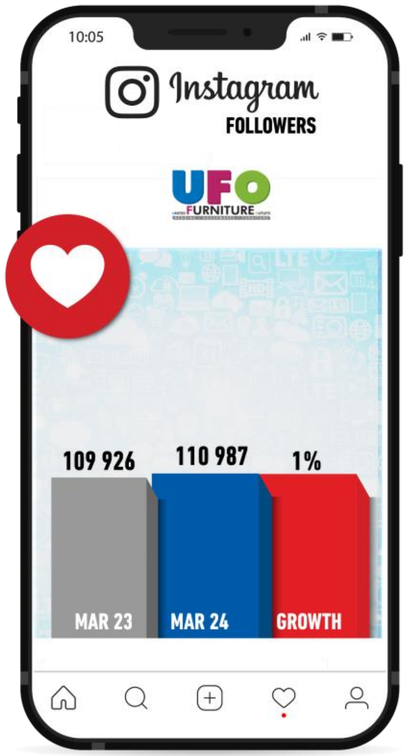
Operational Achievements

Client Engagement via Social Media





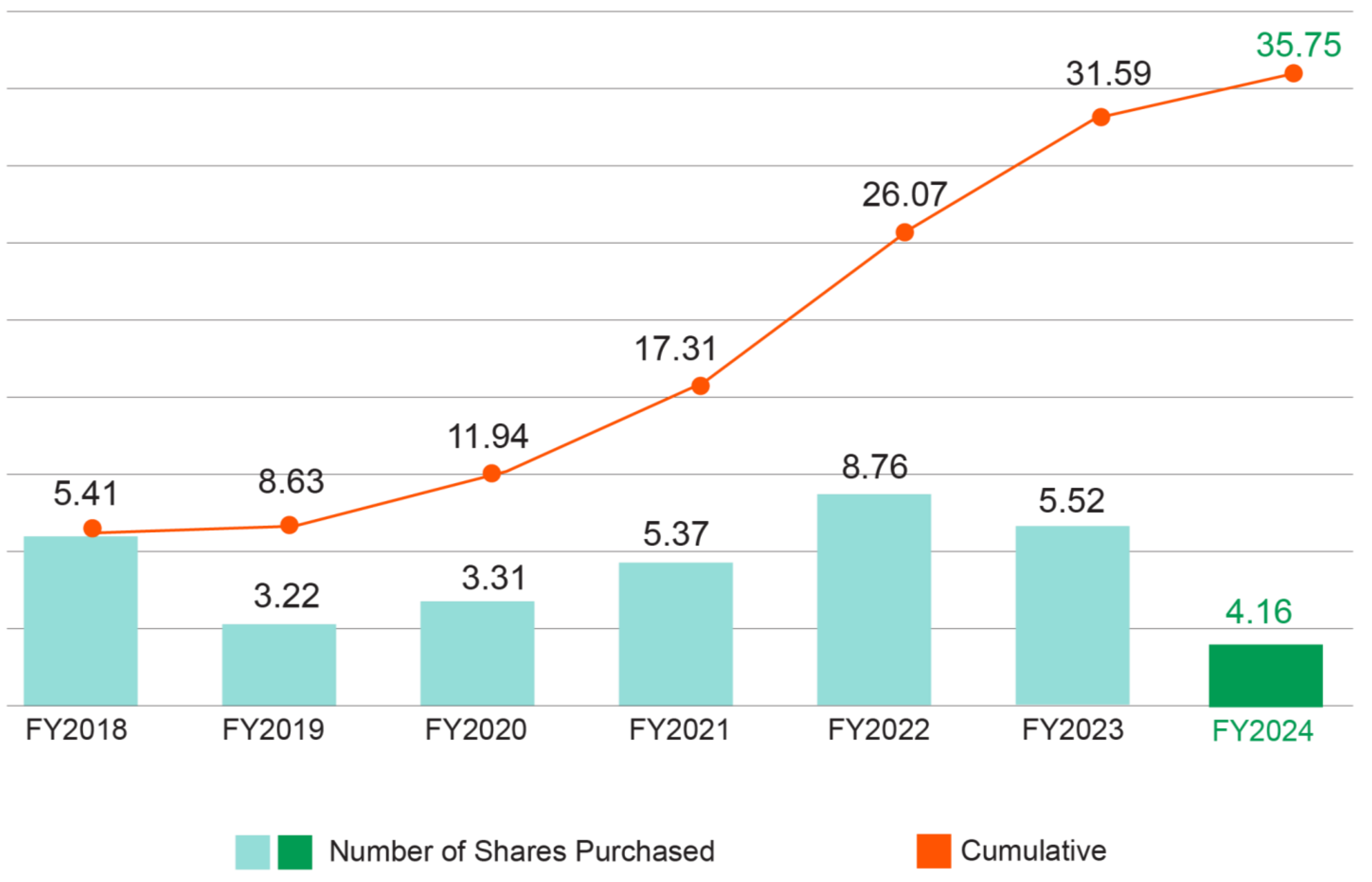




The Group now enjoys over 3 million Facebook followers

Share Buy Backs

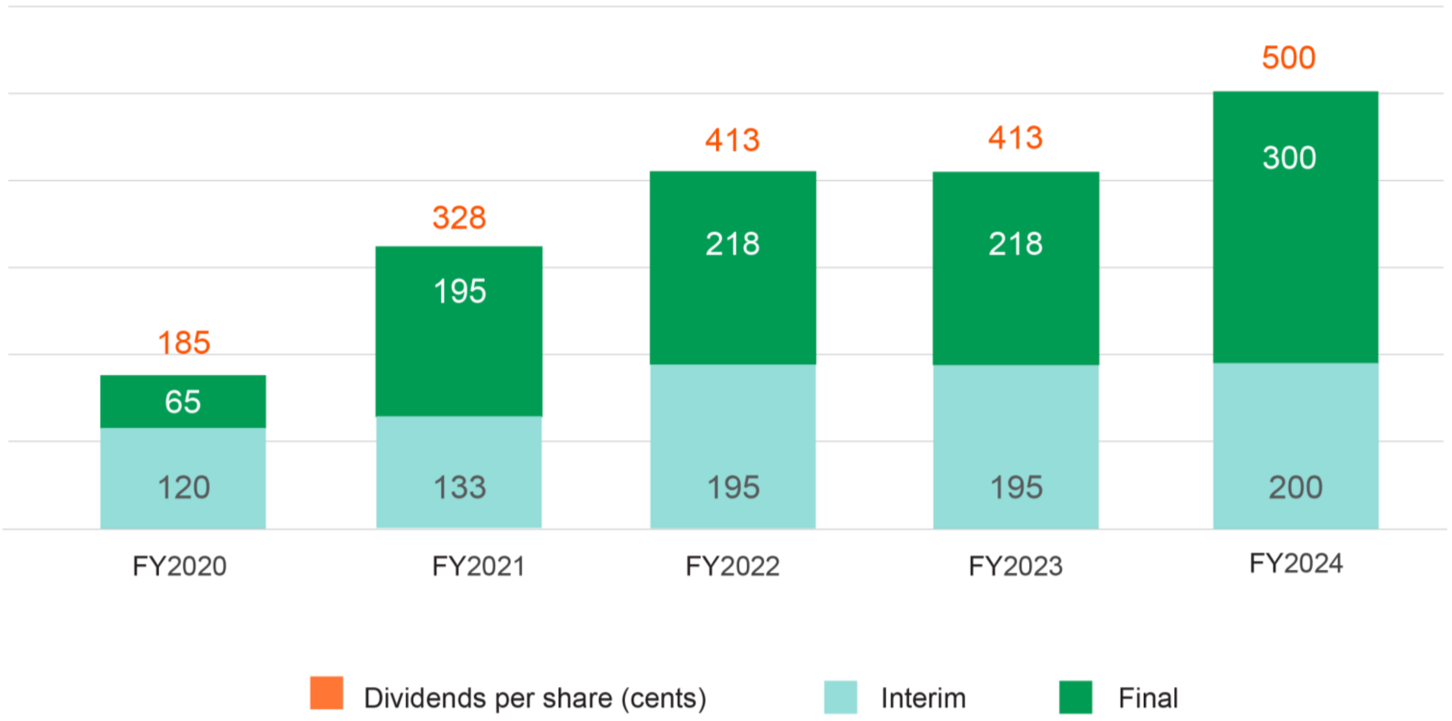
Number of Shares Repurchased Since 2018 (Millions)



Dividends

Dividends Per Share & Dividend Yield (%)

Dividend Yield
11.5%



Average Dividend Yield of 10.3% over 5 years

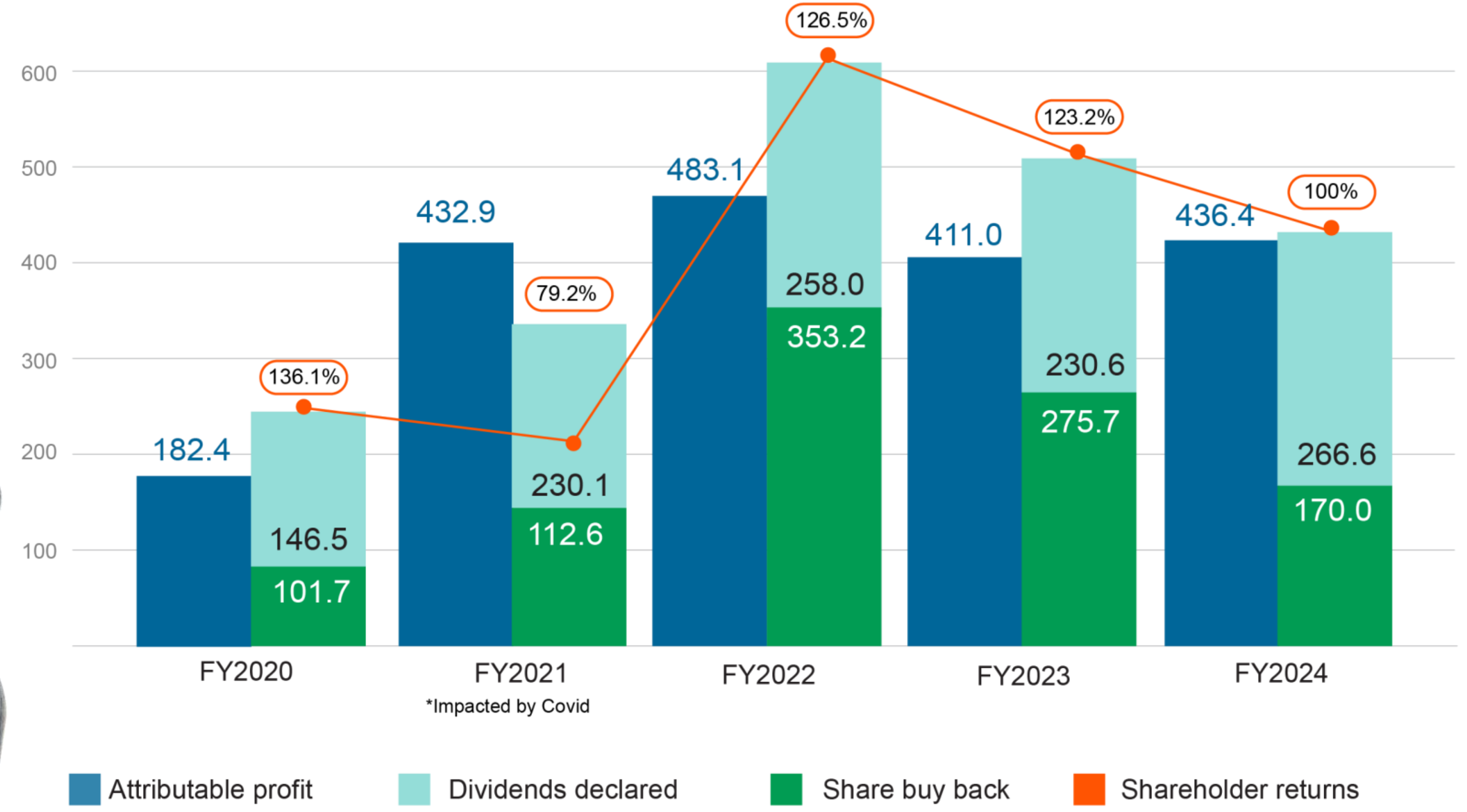
Returns to Shareholders

Delivering Shareholder Returns / Active Capital Management

	FY2024	FY2023	FY2022	FY2021	FY2020
Return of capital - share buy back (Rm)	170.0	275.7	353.2	112.6	101.7
Return of income - dividends (Rm)	266.6	230.6	258.0	230.1	146.5
Total spent on increasing shareholder returns (Rm)	**436.6**	**506.3**	**611.2**	**342.7**	**248.2**
Market capitalisation (Rm)	2 301.0	2 340.5	2 951.6	2 195.8	1 370.4
Annual return to shareholders (%)	**19.0**	**21.6**	**20.7**	**15.6**	**18.1**
Average return to shareholders over 5 years	**19.0%**				

Returns to Shareholders

Returning Profits To Shareholders(R'm)

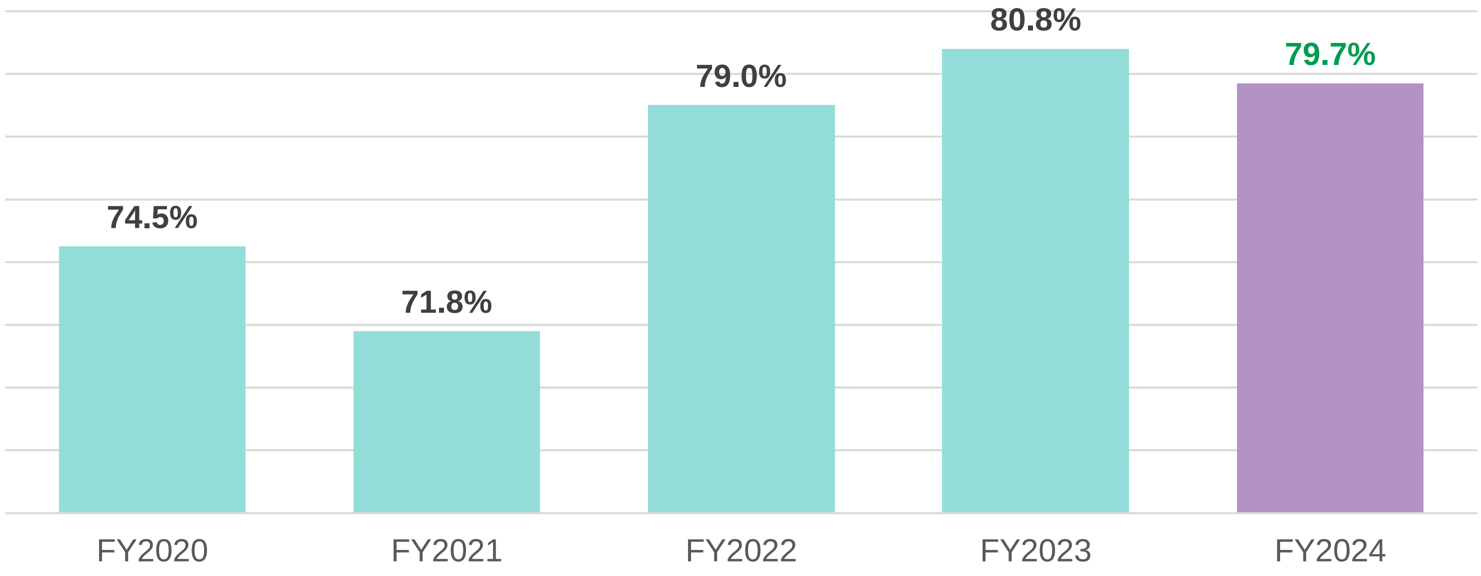


Delivering shareholder returns in excess of 110% over the past 5 years

Debtor Analysis

Debtor Performance

Instalment Collections (%)



Debtor Performance

	2024	2023
Collections (Rm)		
Collections from instalment sales (+10.9%)	**5 282**	4 762
Contractual arrears (Rm)	**1 706**	1 670
% of debtors at gross carrying value	**24.5%**	27.8%
Debtor costs (Rm)		
Debtor costs (+70.3%)	**1 225**	720
• Net bad debts written off	782	791
• Debtors' impairment provision	443	(71)
Debtor costs as a % of debtors at gross carrying value	**17.6%**	12.0%

Debtor Performance

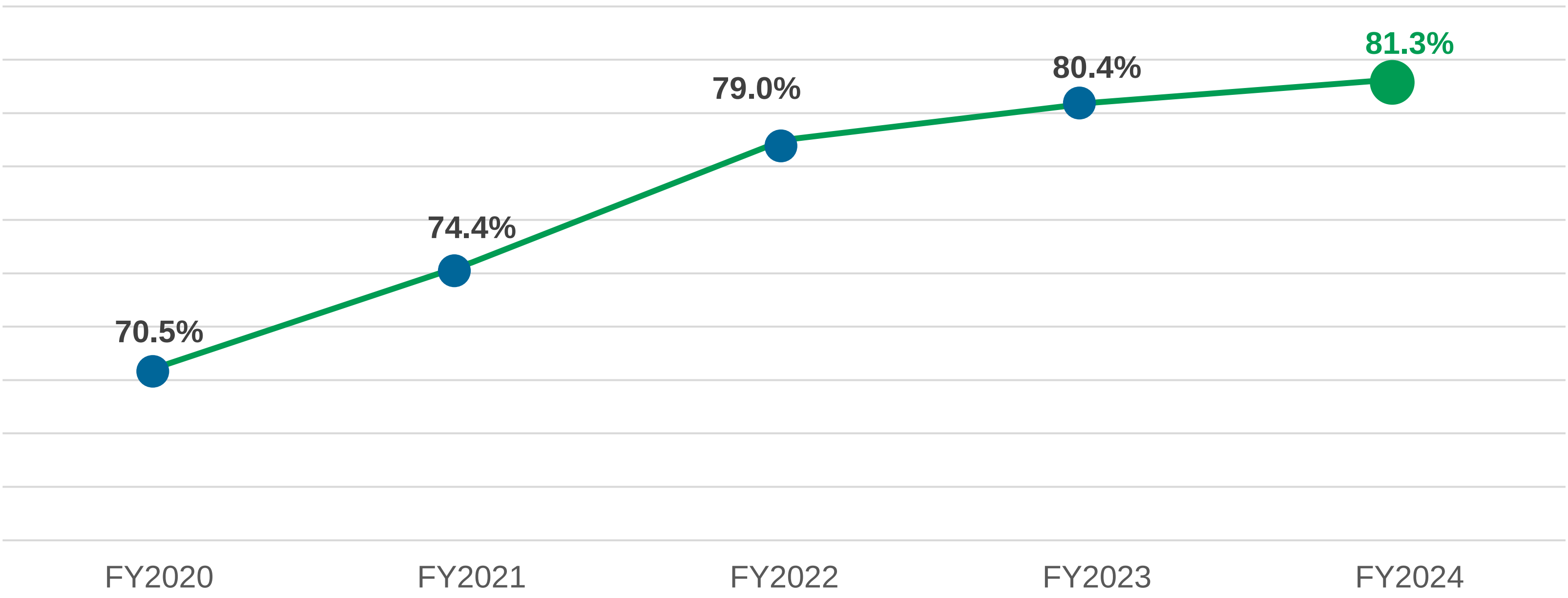
	2024	% of Debtors	2023	% of Debtors	% movement
Gross Debtors(Rm)	**6 949**		**6 013**		**15.6**
Net bad debts	**782**		790		(1.1)
Impairment model provision	**2 259**	***32.5%***	1 994	*33.2%*	13.3
Economic overlay provision	**347**	***5.0%***	169	*2.8%*	105.4
Total impairment provision	**2 606**	***37.5%***	2 163	*36.0%*	20.5
Debtors' impairment provision movement	**443**		(71)		
Total Debtors Costs (Rm)	**1 225**		**720**		**70.3**
Debtors Cost %	**17.6%**		**12.0%**		

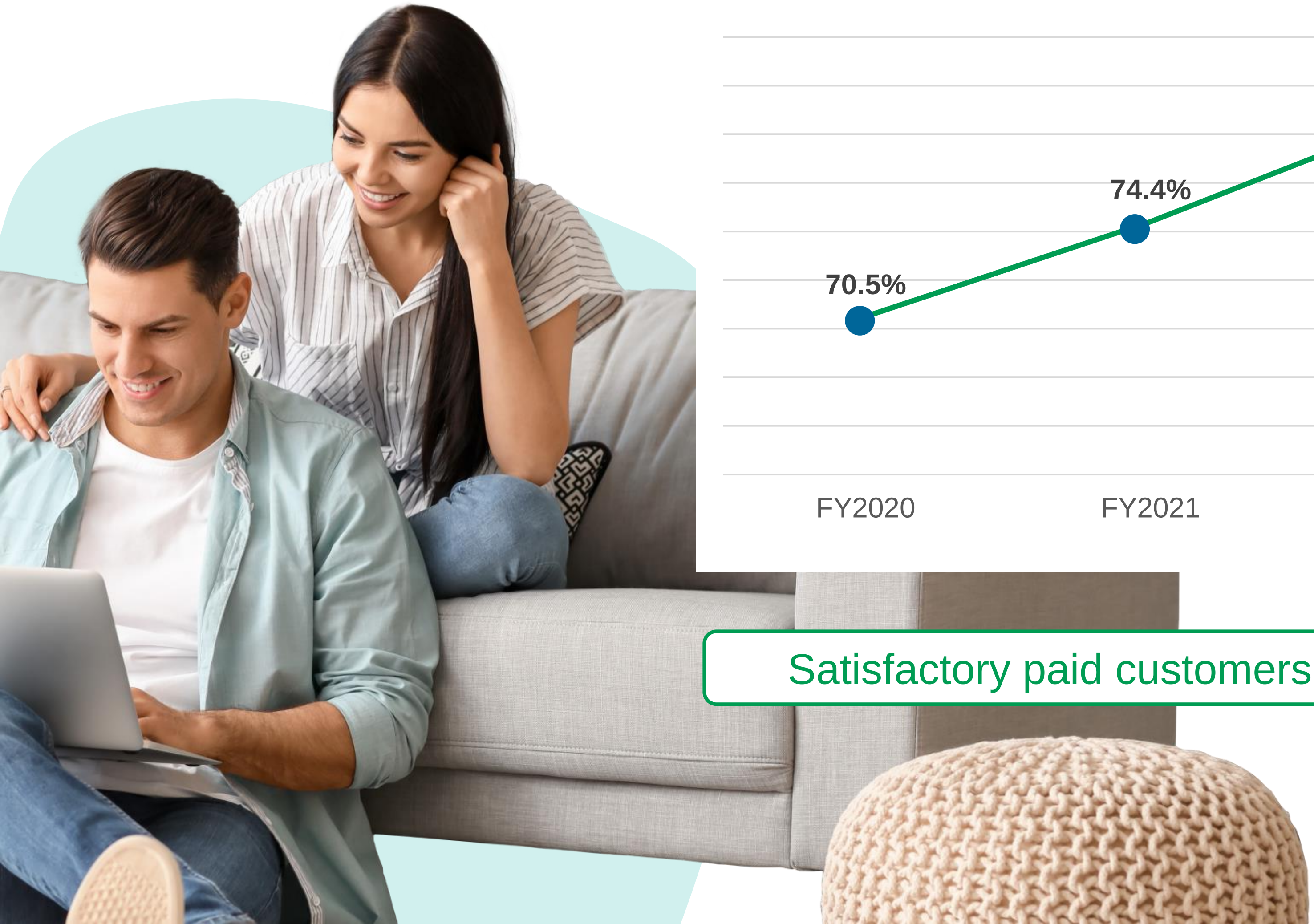
Gross Debtor Analysis

Customer grouping		Number of customers Total	Gross carrying value R'000	Impairment provision R'000	Impairment provision %	Total arrears R'000	Instalments in arrears	
							≤3 months R'000	>3 months R'000
Satisfactory paid	**FY2024**	**520 512**	**5 328 692**	**1 351 020**	**25.4**	**695 162**	**461 622**	**233 540**
	%	**81.3**	**76.7**	**51.8**				
	FY2023	478 396	4 435 948	982 777	22.2	613 274	399 657	213 617
	%	80.4	73.8	45.4				
Slow payers	**FY2024**	**84 615**	**1 034 860**	**738 066**	**71.3**	**611 937**	**216 922**	**395 015**
	%	**13.2**	**14.9**	**28.3**				
	FY2023	74 964	889 198	577 491	64.9	530 574	180 355	350 219
	%	12.6	14.8	26.7				
Non- performing accounts	**FY2024**	**35 416**	**585 036**	**517 024**	**88.4**	**398 403**	**102 071**	**296 332**
	%	**5.5**	**8.4**	**19.9**				
	FY2023	41 444	688 046	602 229	87.5	526 586	111 509	415 077
	%	7.0	11.4	27.9				
Total	**FY2024**	**640 543**	**6 948 588**	**2 606 110**	**37.5**	**1 705 502**	**780 615**	**924 887**
	FY2023	594 804	6 013 192	2 162 497	36.0	1 670 434	691 521	978 913

Gross Debtor Performance

Satisfactory Paid Accounts (%)





Satisfactory paid customers increasing to all time high of 81.3%

Financial Results

Income Statement

	FY2024	FY2023	%
Revenue* (Rm)	**8 184**	7 456	9.8
Merchandise sales (Rm)	**4 653**	4 443	4.7
Gross profit margin (%)	**43.1**	40.6	
Total operating costs* (Rm)	**(3 558)**	(3 389)	5.0
Operating costs*	**(2 835)**	(2 713)	4.5
Insurance service expenses*	**(723)**	(676)	7.0
Impairments and capital items (Rm)	**(65)**	(102)	(36)
Operating profit (Rm)	**690**	609	13.1
Operating margin (%)	**14.8**	13.7	
Attributable earnings (Rm)	**436**	411	6.2

*Change in presentation and measurement as a result of adoption of IFRS 17

Adoption of **IFRS 17 insurance contracts**

- No material impact on earnings for the current and prior periods
- Disclosure changes
- Comparatives restated

Segmental Analysis

	Group		Traditional		UFO	
	FY2024	FY2023	**FY2024**	FY2023	**FY2024**	FY2023
Revenue (Rm)	**8 184**	7 456	**7 741**	6 950	**443**	506
Merchandise sales (Rm)	**4 653**	4 443	**4 217**	3 945	**436**	498
Total Operating costs (Rm)	**3 558**	3 389	**3 395**	3 188	**163**	201
Operating profit /(loss) before impairments and capital items (Rm)	**755**	712	**746**	708	**9**	4
Operating profit /(loss) (Rm)	**690**	609	**773**	733	**(83)**	(124)
Operating margin:						
Before impairments and capital items (%)	**16.2**	16.0	**17.7**	17.9	**2.1**	0.9
After impairments and capital items (%)	**14.8**	13.7	**18.3**	18.6	**(19.2)**	(24.9)
Number of stores	**869**	840	**830**	797	**39**	43

Balance Sheet Overview

	FY2024 Rm	FY2023 Rm
Property, plant, equipment and intangible assets	**553**	541
Right-of-use assets	**794**	760
Inventory	**724**	869
Trade and other receivables*	**4 483**	3 947
Insurance contract asset*	**197**	126
Cash on hand	**224**	183
Other assets	**558**	619
Total assets	**7 533**	7 045
Shareholders' equity and reserves*	**4 703**	4 693
Trade and other payables	**699**	684
Borrowings	**776**	368
Lease liabilities	**940**	945
Other liabilities	**415**	355
Total equity and liabilities	**7 533**	7 045

*Change in presentation and measurement as a result of adoption of IFRS 17

Key Ratios

FY2024		FY2023	%
806	EPS (cents)	696	15.9
925	HEPS (cents)	864	7.1
9.3	ROE - after tax (%)	8.7	
8.6	ROCE - after tax (%)	7.9	
10.0	ROA - before tax (%)	9.2	
11.7	Borrowings ratio (excluding lease liabilities) %	4.0	
31.7	Gearings ratio (including lease liabilities) %	24.1	
500	Total dividend declared (cents)	413	21.1

Targets and Outlook

Financial and Operating Targets

(%)	FY2024		Targets	
	Actual	Targets	Year-end 2025	Medium-term
Gross profit margin	43.1	40-42	**40-42**	**41-43**
Increase in operating costs	5.0	6-10	**6-10**	**4-8**
Satisfactory paid customers	81.3	77-80	**77-80**	**77-80**
Debtor costs as a % of debtors at gross carrying value	17.6	12-16	**13-17**	**12-15**
Operating margin	14.8	12-16	**12-16**	**16-20**
Borrowings (excluding IFRS 16 lease liabilities)	11.7	<10	**<25**	**<25**
Gearing (including IFRS 16 lease liabilities)	31.7	<30	**<50**	**<50**

Outlook

Continue to create shareholder value through the share repurchase programme

Mounting macro-economic headwinds

Political uncertainty and social instability following the local elections

Refreshed merchandise ranges

Electricity supply risk remains

Investment in long term growth strategies

- 20 new stores planned for FY2025
- Continue to invest in expansion of debtors book and increase market share
- Supporting local communities that support the Group through our social upliftment programme
- 29151 training interventions

Port congestion and shipping delays likely to continue

Turbulent sea-freight markets and steep freight rate increases likely to remain a challenge

Consumer spending expected to remain depressed

- Proven resilience through previous economic downturns
- Experienced management team

Questions

Thank you