Lewis Group Ltd

ANNUAL FINANCIAL RESULTS

FOR THE YEAR ENDED 31 MARCH 2025

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REVIEW OF 2025

- Highlights
- Operational Context
- Operational Achievements
- Returns to Shareholders

HIGHLIGHTS

Revenue	Merchandise Sales	Gross Profit Margin at	Satisfactory Paid Accounts at record	Operating Profit
+ 13.5%	+ 9.2%	43.4%	83.5%	+ 66.9%
Operating Profit Margin at	**EPS**	**HEPS**	**Total Dividend**	**Return on Equity at**
22.7%	+ 80.7% to 1 457 cents per Share	+60.3% to 1 483 cents per Share	+ 60.0% to 800 cents per Share	15.4%

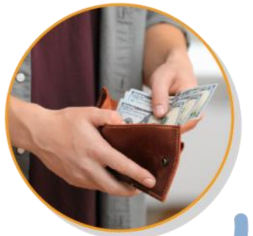
OPERATIONAL CONTEXT- REVIEW OF THE TRADING PERIOD

Challenging Operating Environment

Challenging macro and trading environment impacted by:

Geopolitical tensions and war

Local and global political uncertainty



Limited growth in cash purchases

Infrastructure failures and deteriorating fiscal metrics

High unemployment rate

Sea freight challenges and inflated shipping costs

Despite this, the strong trading and financial performance illustrates the resilience of the Group.

- ✓ Strong credit sales growth
- ✓ Improved quality of debtors book
- ✓ Expanding margins
- ✓ Store expansion
- ✓ Substantial profit growth
- ✓ Improved returns

OPERATIONAL ACHIEVEMENTS

Group merchandise sales increased by

9.2%

Debtors book growth of

14.5%

supports other revenue streams

Other revenue increased by

19.1%

Strengthened GP margin at

43.4%

supported by lower negotiated shipping rates and improved exchange rates

Merchandise Sales

Group credit sales increased by

12.1%

Credit sales now account for

68%

of total sales

Group cash sales increased by **3.4%**

OPERATIONAL ACHIEVEMENTS

- Operating costs- performance and growth driven, contained below revenue growth at 13.0%
- Acquisition of new bed business well integrated into new Speciality segment
- Strong balance sheet
- Continued share repurchase programme in H1

47.8% of shares in issue repurchased since listing, returning over R1.8bn to shareholders

OPERATIONAL ACHIEVEMENTS

		March 2024	Net movement	March 2025
Traditional	Lewis	498	13	511
	Best Home & Electric	170	14	184
	Beares	150	4	154
Specialty	UFO Furniture	39	(1)	38
	Bedzone	12	3	15
	Real Beds	0	16*	16
	TOTAL	869	49	918

*Acquired

Store opening target of 20 for 2025 was exceeded

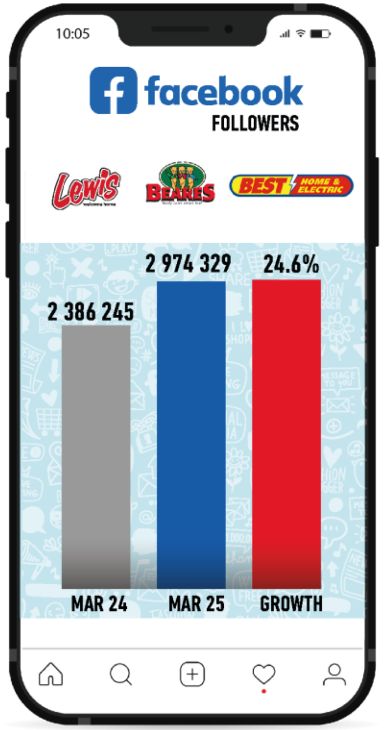
33	Net Stores opened
16	Acquired

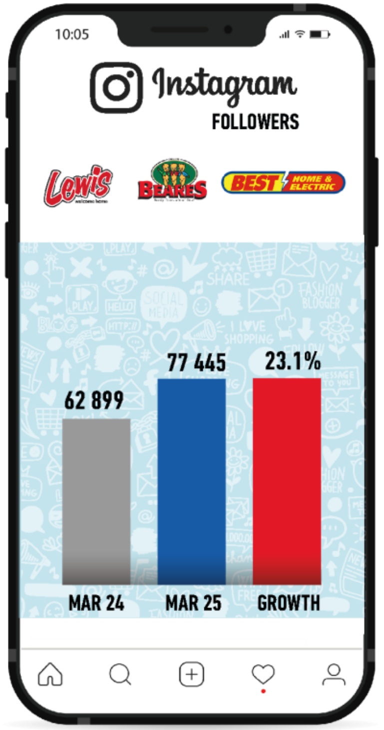
170	Stores revamped

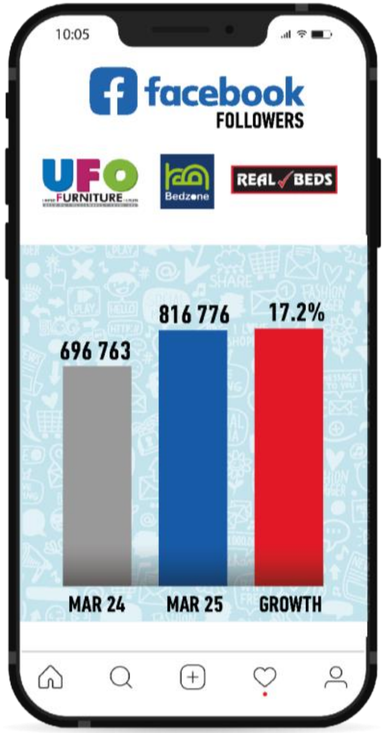
OPERATIONAL ACHIEVEMENTS

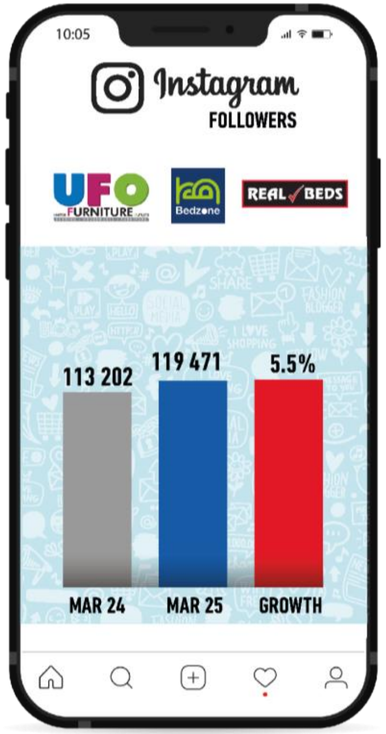
Client Engagement via Social Media

The Group now enjoys over 3.7 million Facebook followers







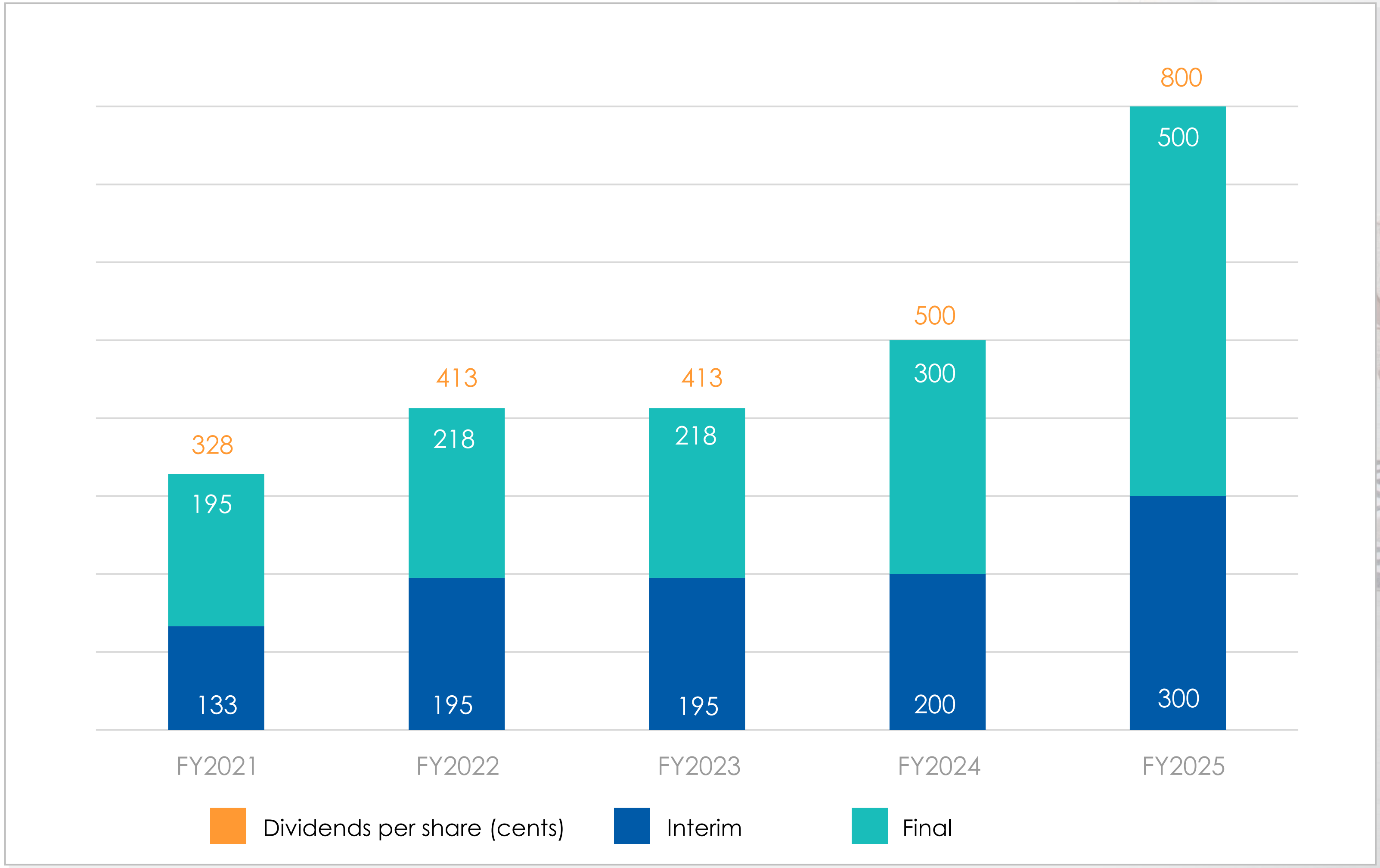


OPERATIONAL ACHIEVEMENTS

Lewis Group Ltd

RETURNS TO SHAREHOLDERS

Dividends Per Share & Dividend Yield (%)

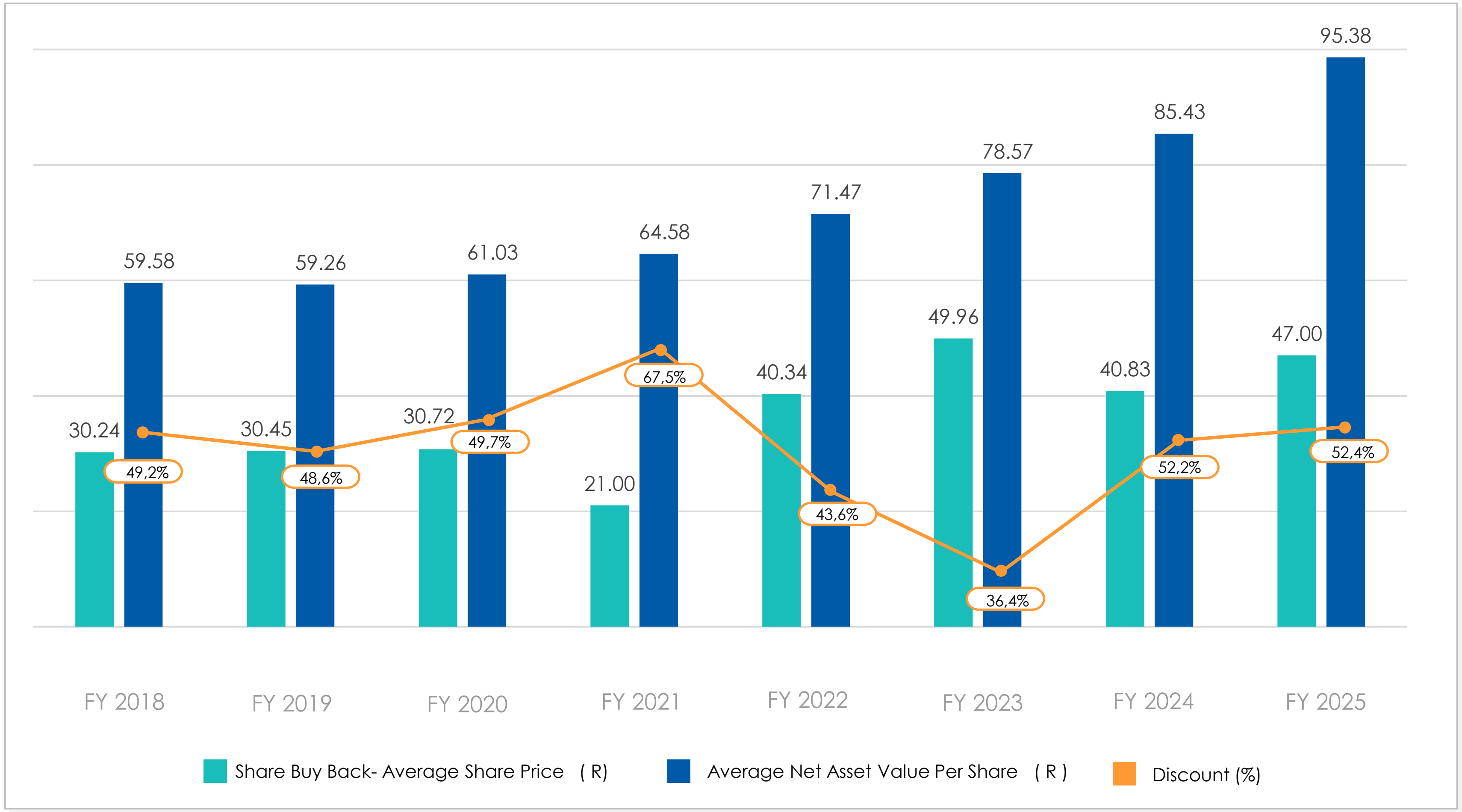


Dividend payout ratio consistently maintained at 55% and above

Average dividend yield of 10.5% over past 5 financial years.

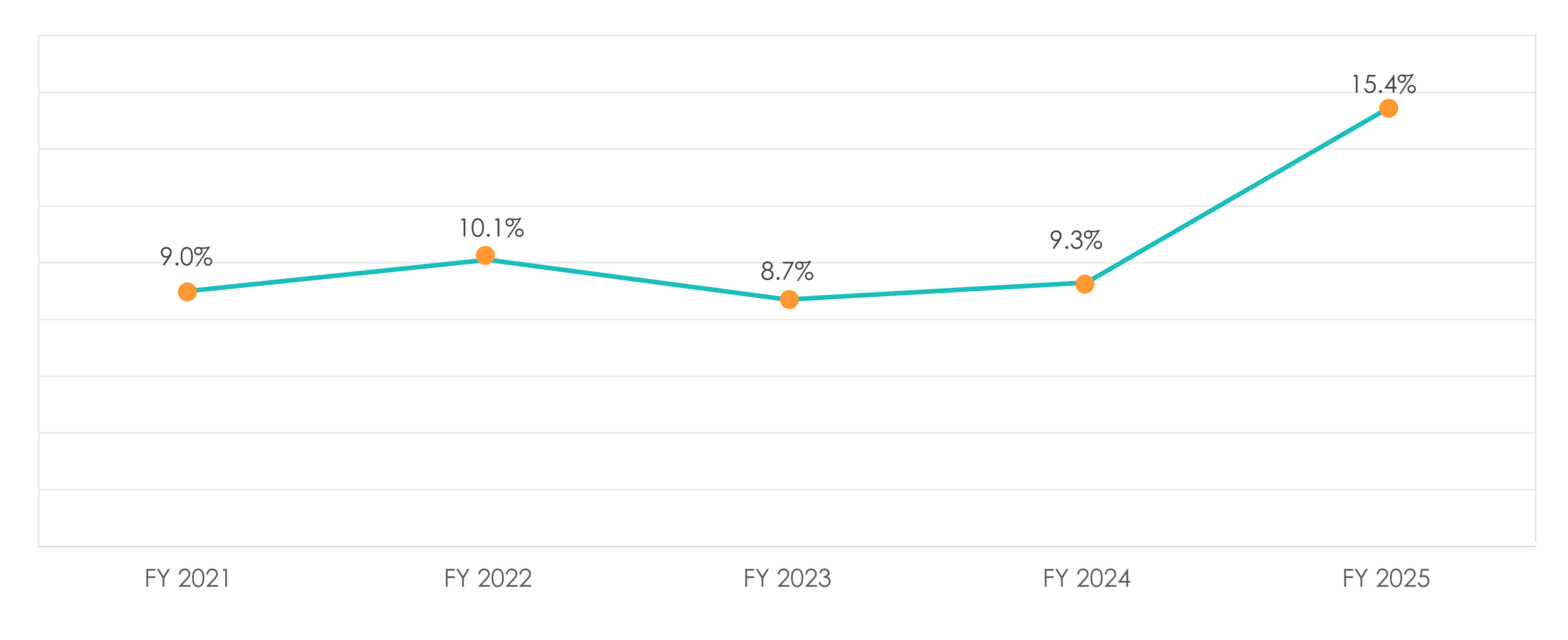
RETURNS TO SHAREHOLDERS

Net Asset Value vs Average Price of Share Buy Backs



RETURNS TO SHAREHOLDERS

Return on Equity



Medium term target exceeded through:

- ✓ Enhanced profitability
- ✓ Strategically executed share buy back programme

DEBTOR ANALYSIS

- Debtor Performance
- Gross Debtor Analysis

DEBTOR PERFORMANCE

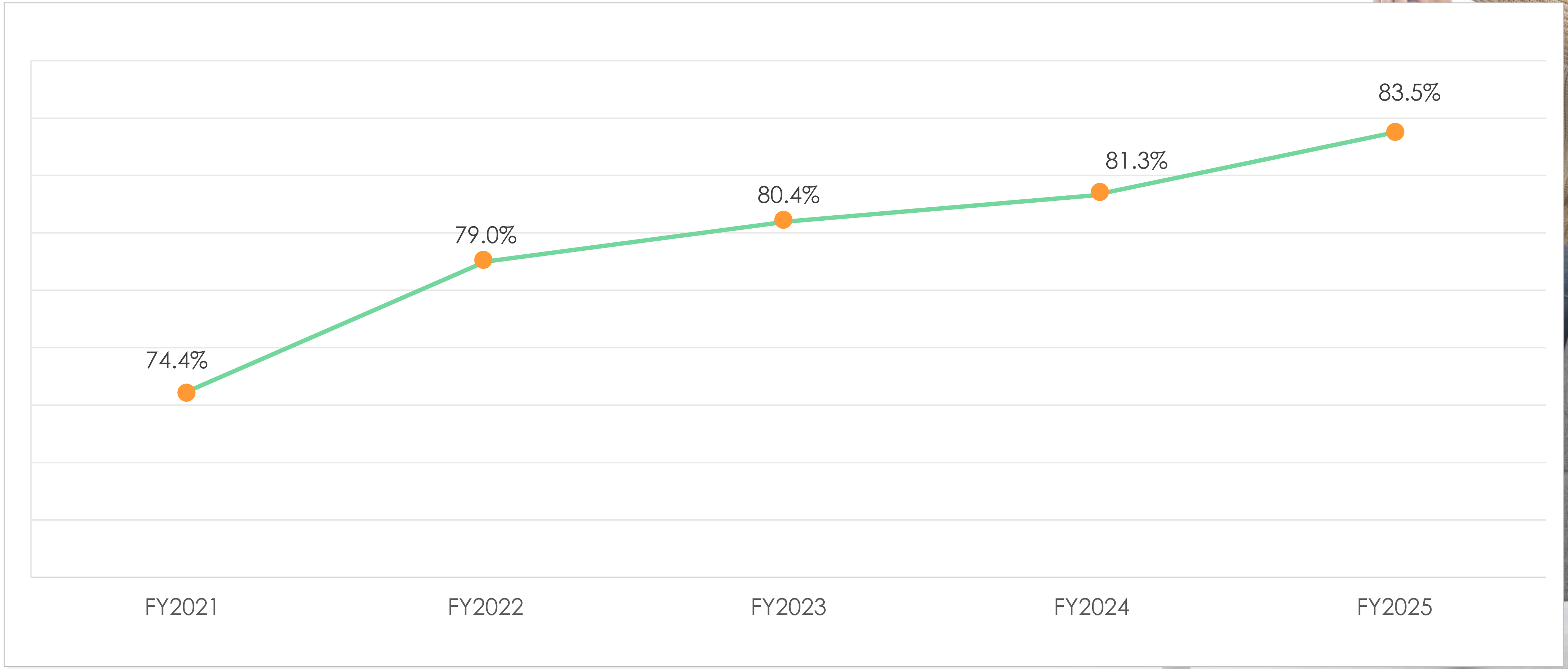
	FY 2025	FY 2024
Debtors book (Rm) (+14.5%)	7 955	6 949
Collections from instalment sales (Rm) (+17.4%)	6 201	5 282
Collection rate	78.9%	79.7%
Contractual arrears (Rm)	1 863	1 706
% of debtors at gross carrying value	23.4%	24.5%
Debtor costs (Rm) (-2.6%)	1 193	1 225
• Net bad debts written off	840	782
• Debtors impairment provision	353	443
Debtor costs as a % of debtors at gross carrying value	15.0%	17.6%

GROSS DEBTOR ANALYSIS

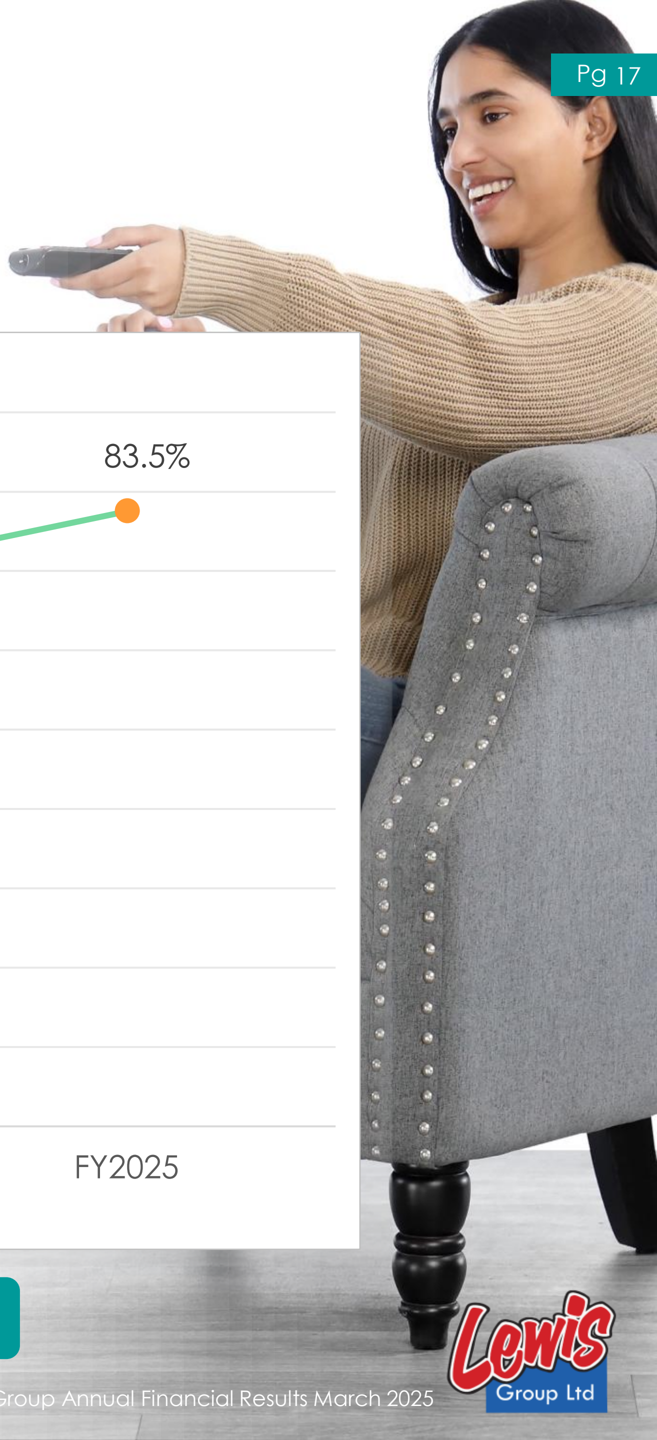
Customer grouping		Number of customers Total	Gross carrying value R'000	Impairment provision R'000	Impairment provision %	Total arrears R'000	Instalments in arrears	
							≤3 months R'000	>3 months R'000
Satisfactory paid	FY2025	588 856	6 194 306	1 544 932	24.9	817 563	538 476	279 087
	%	83.5	77.9	52.2				
	FY2024	520 512	5 328 692	1 351 020	25.4	695 162	461 622	233 540
	%	81.3	76.7	51.8				
Slow payers	FY2025	87 324	1 200 224	927 212	77.3	695 537	239 420	456 117
	%	12.4	15.1	31.3				
	FY2024	84 615	1 034 860	738 066	71.3	611 937	216 922	395 015
	%	13.2	14.9	28.3				
Non- performing accounts	FY2025	29 182	560 626	486 459	86.8	349 518	92 279	257 239
	%	4.1	7.0	16.5				
	FY2024	35 416	585 036	517 024	88.4	398 403	102 071	296 332
	%	5.5	8.4	19.9				
Total	FY2025	705 362	7 955 156	2 958 603	37.2	1 862 618	870 175	992 443
	FY2024	640 543	6 948 588	2 606 110	37.5	1 705 502	780 615	924 887

GROSS DEBTOR PERFORMANCE

Satisfactory Paid Accounts (%)



Satisfactory paid customers at a record high level



FINANCIAL RESULTS

- Income Statement
- Segmental Analysis
- Balance Sheet Overview
- Capital Management
- Key Ratios

INCOME STATEMENT

	FY2025	FY2024	%
Revenue (Rm)	9 288	8 184	13.5
Merchandise sales (Rm)	5 081	4 653	9.2
Gross profit margin (%)	43.4	43.1	
Operating costs (Rm)	(3 203)	(2 834)	13.0
Debtor costs (Rm)	(1 193)	(1 225)	(2.6)
Insurance service expenses (Rm)	(848)	(723)	17.3
Impairments and capital items (Rm)	(18)	(65)	(72.2)
Operating profit (Rm)	1 152	690	66.9
Operating margin (%)	22.7	14.8	
Attributable earnings (Rm)	755	436	73.0

During the year, the Group revised its reporting segments due to acquiring a new business which prompted a strategic reorganisation.

SEGMENTAL ANALYSIS

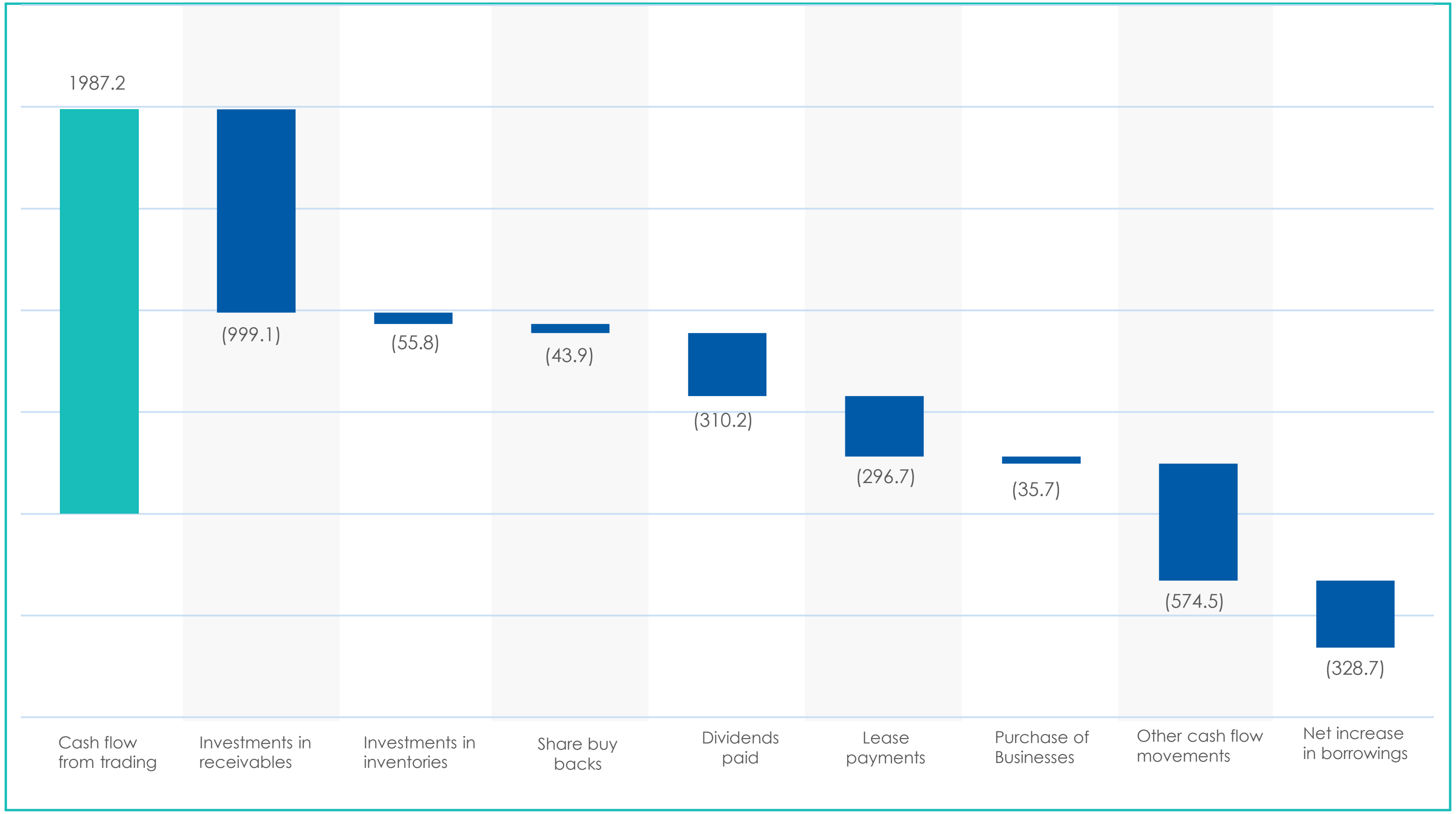
	Group		Traditional		Speciality	
	FY2025	FY2024	FY2025	FY2024*	FY2025	FY2024*
Revenue (Rm)	9 288	8 184	8 704	7 707	584	477
Merchandise sales (Rm)	5 081	4 653	4 548	4 190	533	463
Operating costs incl insurance service expenses (Rm)	4 051	3 557	3 816	3 369	235	188
Operating profit /(loss) before impairments and capital items (Rm)	1 171	756	1 145	759	26	(3)
Operating profit /(loss) (Rm)	1 152	690	1 144	786	8	(96)
Operating margin:						
Before impairments and capital items (%)	23.0	16.2	25.2	18.1	4.8	(0.7)
After impairments and capital items (%)	22.7	14.8	25.2	18.8	1.6	(20.7)

*Comparatives have been updated to align with the abovementioned change

BALANCE SHEET OVERVIEW

	FY2025 Rm	FY2024 Rm
Property, plant, equipment and intangible assets	594	553
Right-of-use assets	848	794
Inventory	766	724
Trade and other receivables	5 162	4 483
Cash on hand	175	224
Other assets	895	755
Total assets	8 440	7 533
Shareholders' equity and reserves	5 078	4 703
Trade payables, other payables and provisions	833	699
Borrowings	1 055	776
Lease liabilities	977	940
Other liabilities	497	415
Total equity and liabilities	8 440	7 533

CAPITAL MANAGEMENT (Rm)

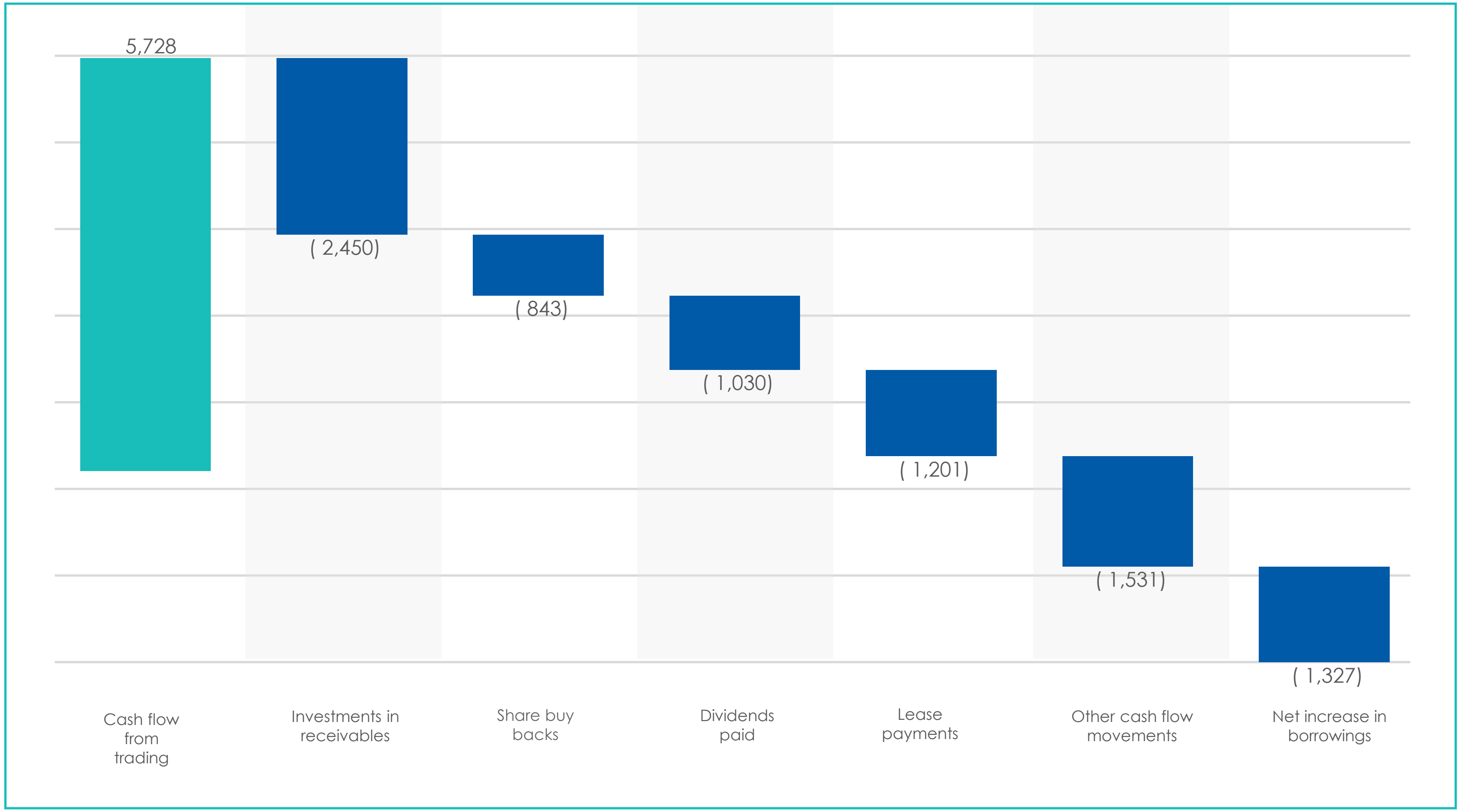


	FY 2025	FY 2024
Borrowings Ratio	17.3%	11.7%
Interest Cover Ratio	9.4 times	7.5 times

Cash flow from operations increased by 34% reflecting stronger operating performance and improved cash generation

CAPITAL MANAGEMENT (Rm)

1 April 2021 to 31 March 2025



KEY RATIOS

FY 2025		FY 2024	%
1 457	EPS (cents)	806	80.7
1 483	HEPS (cents)	925	60.3
15.4	ROE – after tax (%)	9.3	
13.4	ROCE – after tax (%)	8.6	
15.0	ROA – before tax (%)	10.0	
17.3	Borrowings Ratio (gearing excluding lease liabilities) (%)	11.7	
36.6	Gearing Ratio – including lease liabilities (%)	31.7	
800	Total Dividend Declared (cents)	500	60.0

TARGETS AND OUTLOOK

- Financial and Operating Targets
- Outlook

FINANCIAL AND OPERATING TARGETS

%	FY 2025		Targets	
	Actual	Targets	Year-end 2026	Medium-term
Gross profit margin	43.4	40-42	40-42	41-43
Increase in operating costs (incl insurance service expenses)	13.9	6-10	7-11	6-10
Satisfactory paid customers	83.5	77-80	78-82	78-82
Debtor costs as a % of debtors at gross carrying value	15.0	13-17	13-16	12-15
Operating margin	22.7	12-16	16-20	16-20
Borrowings (excluding IFRS 16 lease liabilities)	17.3	<25	<25	<25
Gearing (including IFRS 16 lease liabilities)	36.6	<50	<50	<50

OUTLOOK

- Recovery in discretionary spending will be impacted by local and global macroeconomic challenges.
- Turbulent sea-freight markets likely to remain an ongoing challenge.
- Sales growth will continue to be driven by market share gains and supported by proven merchandise and marketing strategies.
- Well positioned to take advantage of consumers' increasing demand for credit and to increase market share.

OUTLOOK

Providing local community support as well as investing in our employees remains a priority for the Group

Ubuntu- I am because we are"

Continuous focus on creating shareholder value and enhancing shareholder returns

We will continue to invest in our store expansion programme with a target of opening a minimum of 20 new traditional stores and 20 specialist bed stores in the new financial year.

QUESTIONS

THANK YOU