Lewis Group Ltd

AUDITED SUMMARY CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

2025

Review of the 2025 financial year

Merchandise sales increased by
9.2%
to R5.1 billion

Revenue increased by
13.5%
to R9.3 billion

Gross profit margin improved from 43.1% to
43.4%

Satisfactory paid accounts at
83.5%
up from 81.3%

Debtors book grew by
14.5%

Operating profit increased by
66.9%
to R1.2 billion

Operating profit margin at
22.7%
up from 14.8%

Earnings per share increased by
80.7%
to 1 457 cents

Headline earnings per share increased by
60.3%
to 1 483 cents

Total dividend increased by
60.0%
to 800 cents per share

Return on equity at
15.4%
up from 9.3%

INTRODUCTION

Lewis Group increased operating profit by 66.9% for the year ended 31 March 2025, driven by robust growth in credit sales, expanding gross profit, strong other revenue growth and continued improvement in the quality of the debtors portfolio.

The directors have demonstrated confidence in the Group's cash generating ability and growth prospects by increasing the final dividend by 66.7% to 500 cents per share, resulting in a total dividend of 800 cents per share for the year.

TRADING AND FINANCIAL PERFORMANCE

Merchandise sales increased by 9.2% to R5.1 billion. After increasing by 8.5% for the first half of the year, merchandise sales growth accelerated to 9.8% for the second six months.

Merchandise sales in the traditional retail segment, which accounted for 89.5% of sales, increased by 8.5%. The speciality segment, comprising predominantly of UFO, Bedzone and Real Beds, generated merchandise sales of R532.8 million. Comparable store sales across all brands grew by 5.9%.

Sales in the stores outside South Africa, which represent 15.7% of the store base, increased by 11.9% and accounted for 18.3% of Group merchandise sales.

The strong credit sales growth trend continued, with credit sales increasing by 12.1% and cash sales by 3.4%. Credit sales accounted for 68.0% of total merchandise sales (2024: 66.2%). The Group has maintained its prudent credit granting criteria in the constrained spending environment and the credit application decline rate increased to 38.5% (2024: 35.1%).

Other revenue, consisting of effective interest income and ancillary services income as well as insurance revenue, benefited from the strong credit sales growth in recent years and increased by 19.1%.

Total revenue, comprising merchandise sales and other revenue, increased by 13.5% to R9.3 billion (2024: R8.2 billion).

The gross profit margin strengthened by 30 basis points to 43.4%, supported by lower negotiated shipping rates on imported merchandise in the second half of the year as well as the favourable movement in the Rand/US dollar exchange rate.

Operating cost growth of 13.0% was contained below revenue growth. Costs were impacted by performance and growth-related variable costs following the addition of a net 49 stores.

The quality of the Group's debtors book continued to improve, with satisfactory paying customers reaching a record 83.5% (2024: 81.3%) and a solid collection rate of 78.9% (2024: 79.7%). Non-performing accounts reduced from 5.5% to 4.1% of all credit customers.

Debtor costs reduced by 2.6%, a notable achievement given the 14.5% increase in the debtors book. Debtor costs as a percentage of debtors at gross carrying value improved to 15.0% from 17.6%. The debtors impairment provision as a percentage of debtors at gross carrying value reduced to 37.2% (2024: 37.5%).

Operating profit increased by 66.9% to R1.2 billion and the operating margin improved by 790 basis points from 14.8% to 22.7%.

Net finance costs were R67.1 million higher at R204.6 million mainly due to higher borrowing costs over the reporting period. The gearing ratio (including lease liabilities) increased to 36.6% (2024: 31.7%) and the borrowings ratio (gearing ratio, excluding lease liabilities) increased to 17.3% (2024: 11.7%). The higher borrowings relate mainly to the increased investment in the debtors book. Both ratios are well within the Board's risk appetite levels and management's guided ranges.

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

Headline earnings increased by 53.5% to R768.2 million. Earnings per share increased 80.7% to 1 457 cents and headline earnings per share by 60.3% to 1 483 cents, reflecting the positive leverage effect of the Group's share repurchase programme. The Group repurchased 0.9 million shares at a cost of R43.9 million in the first half of the year to September 2024 and no further repurchases were undertaken in the second half.

The Group exceeded its medium-term target of a 15% return on equity, delivering 15.4% through enhanced profitability and a strategically executed share repurchase programme aimed at maximising shareholder returns.

The Group's balance sheet remains strong, with a net asset value of R5.1 billion.

EXPANDING STORE FOOTPRINT

The Group continued to capitalise on opportunities to acquire well located trading space to support its store expansion strategy. The store footprint was increased to 918, with the opening of a net 33 new stores and an additional 16 stores acquired through the purchase of Real Beds.

Real Beds, a cash retail bed specialist with 12 stores in South Africa and four in Botswana, has been successfully integrated into the Group's operations.

During the year, 170 stores across the portfolio were refurbished to ensure that stores remain modern and appealing to promote merchandise.

OUTLOOK

Increasing geopolitical tensions have created uncertainty across international markets and increased business risks locally. This uncertainty has been compounded by the recent instability within the Government of National Unity.

The challenging environment has slowed the country's economic recovery and dampened growth prospects, with a sustained turnaround in retail spending now expected to take longer to materialise than previously anticipated.

Consumer demand for credit is expected to remain high, and the Group aims to drive sales growth through its proven merchandise and marketing strategies executed by the experienced executive and operational management team.

Despite the constrained retail environment, the Group will continue to invest for long-term growth in its debtors book and store portfolio. Management is targeting to open a minimum of 20 new traditional retail stores and 20 specialist bed stores in the new financial year.

DIVIDEND DECLARATION

Notice is hereby given that a final gross cash dividend of 500 cents per share in respect of the year ended 31 March 2025 has been declared payable to holders of ordinary shares. The number of shares in issue as of the date of declaration is 52 159 288. The dividend has been declared out of income reserves and is subject to a dividend withholding tax of 20%. The gross dividend for determining the dividend withholding tax is 500 cents and the dividend withholding tax payable is 100 cents for shareholders who are not exempt. The net dividend for shareholders who are not exempt will therefore be 400 cents. The dividend withholding tax rate may be reduced where the shareholder is tax resident in a foreign jurisdiction which has a Double Tax Convention with South Africa and meets the requirements for a reduced tax rate. The Company's tax reference number is 9551/419/15/4.

The following dates are applicable to this declaration:

Last date to trade "*cum*" dividend	Tuesday, 22 July 2025
Date trading commences "*ex*" dividend	Wednesday, 23 July 2025
Record date	Friday, 25 July 2025
Date of payment	Monday, 28 July 2025

Share certificates may not be dematerialised or rematerialised between Wednesday, 23 July 2025 and Friday, 25 July 2025, both days inclusive.

For and on behalf of the board

Hilton Saven
Independent non-executive chairman

Johan Enslin
Chief executive officer

Jacques Bestbier
Chief financial officer

Cape Town
29 May 2025

INDEPENDENT AUDITOR'S REPORT
ON THE SUMMARY GROUP FINANCIAL STATEMENTS

To the shareholders of Lewis Group Limited

OPINION

The summary consolidated financial statements of Lewis Group Limited, which comprise the summary consolidated balance sheet as at 31 March 2025, summary consolidated income statement, summary consolidated statements of comprehensive income, the summary consolidated statement of changes in equity and summary consolidated cash flow statement for the year then ended, and related notes set out on pages 6 to 24 are derived from the audited consolidated financial statements of Lewis Group Limited for the year ended 31 March 2025.

In our opinion, the accompanying summary consolidated financial statements are consistent, in all material respects, with the audited consolidated financial statements, in accordance with the requirements of the JSE Limited Listings Requirements, as set out in Note 1 to the summary consolidated financial statements, and the requirements of the Companies Act of South Africa as applicable to summary financial statements. The summary consolidated financial statements and the audited consolidated financial statements do not reflect the effects of events that occurred subsequent to the date of our report on the audited consolidated financial statements.

SUMMARY CONSOLIDATED FINANCIAL STATEMENTS

The summary consolidated financial statements do not contain all the disclosures required by IFRS Accounting Standards as issued by the International Accounting Standards Board and the requirements of the Companies Act of South Africa as applicable to annual financial statements. Reading the summary consolidated financial statements and the auditor's report thereon, therefore, is not a substitute for reading the audited consolidated financial statements and the auditor's report thereon.

THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS AND OUR REPORT THEREON

We expressed an unmodified audit opinion on the audited consolidated financial statements in our report dated 29 May 2025. That report also includes the communication of key audit matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period.

DIRECTOR'S RESPONSIBILITY FOR THE SUMMARY CONSOLIDATED FINANCIAL STATEMENTS

The directors are responsible for the preparation of the summary consolidated financial statements in accordance with the requirements of the JSE Limited Listings Requirements, set out in Note 1 to the summary consolidated financial statements, and the requirements of the Companies Act of South Africa as applicable to summary financial statements.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on whether the summary consolidated financial statements are consistent, in all material respects, with the audited consolidated financial statements based on our procedures, which were conducted in accordance with International Standard on Auditing (ISA) 810 (Revised), Engagements to Report on Summary Financial Statements.

Ernst & Young Inc.

Ernst & Young Inc
Director: Tina Lesley Rookledge
Registered Auditor
Chartered Accountant (SA)

3rd Floor, Waterway House
3 Dock Road, V&A Waterfront

Cape Town
29 May 2025

Lewis Group Limited: Summary consolidated financial statements

INCOME STATEMENT

for the year ended 31 March 2025

		Notes	2025 Audited Rm	2024 Audited Rm
Revenue			**9 287.8**	8 183.8
Retail revenue		3	**6 059.6**	5 543.3
Merchandise sales			**5 080.6**	4 652.7
Ancillary services			**979.0**	890.6
Effective interest income			**2 047.4**	1 654.6
Insurance revenue			**1 180.8**	985.9
Cost of merchandise sales		4	**(2 873.3)**	(2 646.5)
Operating costs			**(3 203.0)**	(2 834.0)
Debtor costs		2.2	**(1 193.2)**	(1 225.1)
Bad debts net of recoveries			**(840.7)**	(781.5)
Movement in debtors impairment provision			**(352.5)**	(443.6)
Insurance service expenses			**(847.8)**	(722.5)
Operating profit before impairments and capital items			**1 170.5**	755.7
Impairments and capital items		8	**(18.2)**	(65.4)
Operating profit			**1 152.3**	690.3
Investment income – Insurance			**36.0**	37.3
Interest expense		5.3	**(226.9)**	(161.2)
Interest received		5.3	**22.3**	23.7
Profit before taxation			**983.7**	590.1
Taxation		11	**(228.8)**	(153.7)
Net profit attributable to ordinary shareholders			**754.9**	436.4
Earnings per share	(cents)	9	**1 456.9**	806.3
Diluted earnings per share	(cents)	9	**1 403.1**	781.2

Lewis Group Limited: Summary consolidated financial statements

STATEMENT OF COMPREHENSIVE INCOME

for the year ended 31 March 2025

	2025 Audited Rm	2024 Audited Rm
Net profit for the year	**754.9**	436.4
Items that may be subsequently reclassified to income statement:		
Movement in other reserves	**14.6**	(5.6)
Fair value adjustments	**21.9**	(10.8)
Changes in the fair value of debt instruments at fair value through other comprehensive income – FVOCI debt investments	**30.0**	(14.8)
Tax effect	**(8.1)**	4.0
Disposal of FVOCI debt investments	**1.4**	–
Disposal	**1.9**	–
Tax effect	**(0.5)**	–
Foreign currency translation reserve	**(8.7)**	5.2
Items that may not be subsequently reclassified to income statement:		
Retirement benefit remeasurements	**1.7**	(5.7)
Remeasurements of the retirement asset and liabilities	**2.3**	(7.8)
Tax effect	**(0.6)**	2.1
Other comprehensive income/(loss)	**16.3**	(11.3)
Total comprehensive income for the year attributable to equity shareholders	**771.2**	425.1

Lewis Group Limited: Summary consolidated financial statements

BALANCE SHEET

as at 31 March 2025

	Notes	2025 Audited Rm	2024 Audited Rm
Assets			
Non-current assets			
Property, plant and equipment		**467.1**	442.3
Right-of-use assets		**847.6**	793.7
Intangible assets and goodwill		**126.5**	110.4
Deferred taxation		**86.2**	64.4
Retirement benefit asset		**118.5**	109.0
Financial assets – insurance investments	6	**159.8**	242.5
		1 805.7	1 762.3
Current assets			
Inventories		**765.9**	723.6
Trade and other receivables	2.1	**5 162.0**	4 483.2
Insurance contract asset	7	**239.6**	196.5
Taxation		**2.4**	8.6
Financial assets – insurance investments	6	**289.1**	134.9
Cash-on-hand and deposits	5.1	**175.4**	224.3
		6 634.4	5 771.1
Total assets		**8 440.1**	7 533.4
Equity and liabilities			
Capital and reserves			
Share capital and premium		**0.9**	0.9
Treasury shares		**(37.6)**	(8.2)
Other reserves		**68.6**	42.6
Retained earnings		**5 046.5**	4 667.5
		5 078.4	4 702.8
Non-current liabilities			
Lease liabilities		**711.1**	699.4
Long-term interest-bearing borrowings	5.1	**–**	350.0
Deferred taxation		**62.6**	59.9
Retirement benefit liability		**80.3**	78.6
		854.0	1 187.9
Current liabilities			
Trade payables, other payables and provisions		**832.5**	698.5
Payments in advance		**194.7**	184.4
Short-term interest-bearing borrowings	5.1	**1 055.4**	425.6
Lease liabilities		**265.7**	240.9
Taxation		**159.4**	93.3
		2 507.7	1 642.7
Total equity and liabilities		**8 440.1**	7 533.4

Lewis Group Limited: Summary consolidated financial statements

STATEMENT OF CHANGES IN EQUITY

for the year ended 31 March 2025

	2025 Audited Rm	2024 Audited Rm
Share capital and premium		
Opening balance	**0.9**	0.9
Cost of own shares acquired	**(43.9)**	(170.0)
Transfer of cost of cancelled shares	**43.9**	170.0
	0.9	0.9
Treasury shares		
Opening balance	**(8.2)**	(8.3)
Share awards to employees	**46.8**	51.6
Cost of own shares acquired	**(76.2)**	(51.5)
	(37.6)	(8.2)
Other reserves		
Opening balance	**42.6**	35.5
Other comprehensive income:		
Changes in fair value of FVOCI debt investments	**21.9**	(10.8)
Disposal of FVOCI debt investments	**1.4**	–
Foreign currency translation reserve	**(8.7)**	5.2
Equity-settled share-based payments	**34.7**	30.8
Transfer of share-based payments reserve to retained earnings on vesting	**(23.3)**	(18.1)
	68.6	42.6
Retained earnings		
Opening balance previously reported	**4 667.5**	4 664.5
Net profit attributable to ordinary shareholders	**754.9**	436.4
Distribution to shareholders	**(310.2)**	(224.2)
Transfer of cost of cancelled shares	**(43.9)**	(170.0)
Transfer of share-based payments reserve to retained earnings on vesting	**23.3**	18.1
Retirement benefit remeasurements	**1.7**	(5.7)
Share awards to employees	**(46.8)**	(51.6)
	5 046.5	4 667.5
Balance as at 31 March	**5 078.4**	4 702.8

Lewis Group Limited: Summary consolidated financial statements

CASH FLOW STATEMENT

for the year ended 31 March 2025

	Notes	2025 Audited Rm	2024 Audited Rm
Cash flow from operating activities			
Cash flow from trading	12.1	**1 987.2**	1 714.9
Changes in working capital	12.2	**(1 054.7)**	(1 021.0)
Cash flow from operations		**932.5**	693.9
Interest received other than from trade receivables	5.3	**22.3**	23.7
Interest paid	12.3	**(199.7)**	(157.4)
Taxation paid		**(194.8)**	(101.5)
		560.3	458.7
Cash utilised in investing activities			
Purchases of insurance investments		**(319.0)**	(60.7)
Disposals of insurance investments		**315.4**	102.0
Purchase of businesses	12.5	**(35.7)**	–
Additions to property, plant and equipment and intangible assets		**(127.9)**	(124.6)
Proceeds on disposal and scrapping of property, plant and equipment		**5.2**	6.3
		(162.0)	(77.0)
Cash flow from financing activities			
Dividends paid		**(310.2)**	(224.2)
Payment of principal portion of lease liabilities		**(296.7)**	(302.8)
Borrowings:		**(350.0)**	350.0
Advances		**–**	600.0
Repayments		**(350.0)**	(250.0)
Purchase of own shares		**(120.1)**	(221.5)
		(1 077.0)	(398.5)
Net decrease in cash and cash equivalents		**(678.7)**	(16.8)
Cash and cash equivalents at the beginning of the year		**(201.3)**	(184.5)
Cash and cash equivalents at the end of the year	5.1	**(880.0)**	(201.3)

NOTES TO THE SUMMARY FINANCIAL STATEMENTS

for the year ended 31 March 2025

1. BASIS OF REPORTING

The summary consolidated financial statements are prepared in accordance with the requirements of the JSE Limited Listings Requirements and the requirements of the Companies Act applicable to summary financial statements. The Listings Requirements require summary consolidated financial statements to be prepared in accordance with the framework concepts; and the measurement and recognition requirements of International Financial Reporting Standards ("IFRS") Accounting Standards as issued by the International Accounting Standards Board ("IASB") and the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Pronouncements as issued by the Financial Reporting Standards Council and to also, as a minimum, contain the information required by IAS 34 Interim Financial Reporting.

The accounting policies applied in the preparation of the consolidated financial statements from which the summary consolidated financial statements were derived are consistent with those accounting policies applied in the preparation of the previous consolidated annual financial statements.

These financial statements are a summary of the Group's audited annual financial statements for the year ended 31 March 2025. The audited annual financial statements were prepared by the Group's Finance Department under the supervision of Mr J Bestbier CA(SA). A copy of the full set of the audited financial statements is available on the Group's website, www.lewisgroup.co.za.

These summary consolidated financial statements for the year ended 31 March 2025 have been audited by Ernst & Young Inc., who expressed an unmodified opinion thereon. The auditor also expressed an unmodified opinion on the annual financial statements from which these summary consolidated financial statements were derived. The audited financial statements and the auditor's report thereon are available for inspection at the Company's registered office and on the Group's website, www.lewisgroup.co.za.

2. TRADE, OTHER RECEIVABLES AND DEBTOR COSTS

2.1 Trade and other receivables

		2025 Audited Rm	2024 Audited Rm
Trade receivables		**7 955.2**	6 948.6
Provision for impairment		**(2 958.6)**	(2 606.1)
Trade receivables (net)		**4 996.6**	4 342.5
Due within 12 months		**3 052.4**	2 665.4
Due after 12 months		**1 944.2**	1 677.1
Other receivables		**165.4**	140.7
Total trade and other receivables		**5 162.0**	4 483.2
Debtors impairment provision as a percentage of debtors at gross carrying value	(%)	**37.2**	37.5

Amounts due from trade receivables after one year are reflected as current, as they form part of the normal operating cycle.

The credit terms of trade receivables are up to a maximum of 36 months.

2. TRADE, OTHER RECEIVABLES AND DEBTOR COSTS CONTINUED

2.1 Trade and other receivables continued

Impairment modelling

In accordance with paragraph 5.5.15(a)(ii) of IFRS 9, the Group has elected to apply the simplified model and measures the impairment allowance at an amount equal to the lifetime ECL. This methodology has been applied across the entire portfolio of trade receivables.

The lifetime ECL is determined by assessing the historical cash flows and projecting future cash flows on a probability-weighted basis. These are then discounted at the effective interest rate (including initiation fees). For the current financial year, the discount rate used was 28.9% (2024: 28.4%).

The probability-weighted cash flows are calculated using the following:

- A transitional matrix, calculated for each country in which the Group trades, that reflects the probability of any given account transitioning to a future payment state.
- Payment performance for each payment state.

Payment states used in the transitional matrices are defined as follows:

- The customer's actual payments received relative to their contractual instalments due (this value is expressed as a Lifetime Payment Rating).
- The age of the account in months.
- The term of the account in months.

The transition matrix is derived from the observed payment behaviour of the Group's customer base over a 36-month period and a 12-month rolling average is used to determine the historical payment performance for each state.

Forward-looking information

IFRS 9 requires that the ECL impairment provision considers potential future changes in the economic environment. To achieve this, an economic overlay model has been developed by performing a regression analysis between key economic variables and the Group's default rates, where default rate is defined as the percentage of performing accounts rolling into non-performing states in the following 12 months. This analysis is done on at least an annual basis to identify the relevant economic variables and assess the degree of correlation with the non-performing category.

The assessment for 2025 has identified the South African Reserve Bank Repo Rate and Private Consumption (year-on-year percentage changes) as the key economic variables with the strongest statistical significance and the most relevant in predicting the payment behaviour of the Group's customer base. For 2024, Real Durable Consumption (adjusted to account for GDP growth) was used. The selected economic variables are used to determine the base, upside and downside scenarios and a weighted average scenario is calculated to determine the expected default rates.

2. TRADE, OTHER RECEIVABLES AND DEBTOR COSTS CONTINUED

2.1 Trade and other receivables continued

Forward-looking information continued

High levels of uncertainty are affecting both the current global and local environments. Key global uncertainties include the United States' trade policies, persistent inflation, geopolitical tensions and war as well as elevated global debt levels. Locally, factors such as political uncertainty, the deteriorating fiscal position and infrastructure failures contribute to adverse conditions. The combined impact of the aforementioned will limit economic growth in the Group's markets and place strain on the disposable income of the Group's customers. Consequently, management has maintained a probability of 70% to the downside scenario, 25% to the base scenario and 5% to the upside scenario in its assessment of the forward-looking overlay. Additionally, the United States' posture towards South Africa presents a further risk to the local economy, especially with the potential expiration of the African Growth and Opportunity Act ("AGOA"), therefore this was factored into the forward-looking macroeconomic model. As a result, the total forward-looking overlay amounts to R517.0 million (2024: R347.0 million).

Payment ratings

The customer's payment profile is managed by using payment ratings. Payment ratings are determined on an individual customer level and measure the customer's actual payments received over the lifetime of the account relative to the instalments due in terms of the contract. There are 13 payment ratings with customers being allocated to one of these 13 payment ratings in accordance with their payment behaviour. For the purpose of managing the business, the 13 payment ratings are summarised into three main groupings, namely:

- **Satisfactory paid**

These represent customers with a payment rating of between 9 and 13, with the lowest rated customers having paid an average of approximately 70% over the contract period.

- **Slow payers**

These represent customers with a payment rating of 7 and 8, with the lowest rated customers having paid an average of approximately 55% of amounts due over the contract period.

- **Non-performing accounts**

These represent customers not classified as Satisfactory paid or Slow payers with a payment rating of 6 and lower.

2. TRADE, OTHER RECEIVABLES AND DEBTOR COSTS CONTINUED

2.1 Trade and other receivables continued

Combined impairment and contractual arrears table

31 March 2025

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	Instalments in arrears >3 months R'000
Satisfactory paid	**588 856**	**6 194 306**	**1 544 932**	**24.9**	**817 563**	**538 476**	**279 087**
(%)	**83.5**	**77.9**	**52.2**				
Slow payers	**87 324**	**1 200 224**	**927 212**	**77.3**	**695 537**	**239 420**	**456 117**
(%)	**12.4**	**15.1**	**31.3**				
Non-performing accounts	**29 182**	**560 626**	**486 459**	**86.8**	**349 518**	**92 279**	**257 239**
(%)	**4.1**	**7.0**	**16.5**				
Total	**705 362**	**7 955 156**	**2 958 603**	**37.2**	**1 862 618**	**870 175**	**992 443**

31 March 2024

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	Instalments in arrears >3 months R'000
Satisfactory paid	520 512	5 328 692	1 351 020	25.4	695 162	461 622	233 540
(%)	81.3	76.7	51.8				
Slow payers	84 615	1 034 860	738 066	71.3	611 937	216 922	395 015
(%)	13.2	14.9	28.3				
Non-performing accounts	35 416	585 036	517 024	88.4	398 403	102 071	296 332
(%)	5.5	8.4	19.9				
Total	640 543	6 948 588	2 606 110	37.5	1 705 502	780 615	924 887

2. TRADE, OTHER RECEIVABLES AND DEBTOR COSTS CONTINUED

2.1 Trade and other receivables continued

Interest rate risk

Interest rates charged to customers are fixed at the date the contract is entered into. Consequently, there is no cash flow interest rate risk associated with these contracts during the term of the contract.

The weighted average contractual interest rate on trade receivables is 24.1% (2024: 23.4%).

Fair value

In terms of paragraph 29(a) of IFRS 7, the carrying amounts reported in the balance sheet approximate fair value.

2.2 Debtor costs

		2025 Audited Rm	2024 Audited Rm
Bad debts		**919.2**	875.0
Bad debts before adjustment for interest on credit impaired accounts		**1 020.2**	969.5
Adjustment for interest on credit impaired accounts		**(101.0)**	(94.5)
Bad debt recoveries		**(78.5)**	(93.5)
Movement in debtors impairment provision		**352.5**	443.6
Closing balance		**2 958.6**	2 606.1
Opening balance		**(2 606.1)**	(2 162.5)
Total debtor costs		**1 193.2**	1 225.1
Debtor costs as a percentage of debtors at gross carrying value	(%)	**15.0**	17.6

"Bad debts before adjustment for interest on credit impaired accounts" is the gross carrying amounts of the trade receivables written off. For credit impaired accounts, interest income is recognised by applying the effective interest rate to the amortised cost (gross carrying value less impairment provision), resulting in lower bad debts.

3. RETAIL REVENUE

	Traditional Rm	Speciality Rm	Group Rm
31 March 2025			
Merchandise sales			
– Cash	**1 116.4**	**509.6**	**1 626.0**
– Credit	**3 431.4**	**23.2**	**3 454.6**
Ancillary services			
– At a point in time	**224.8**	**10.1**	**234.9**
– Over time	**739.3**	**4.8**	**744.1**
	5 511.9	**547.7**	**6 059.6**
31 March 2024*			
Merchandise sales			
– Cash	1 126.2	445.7	1 571.9
– Credit	3 063.7	17.1	3 080.8
Ancillary services			
– At a point in time	208.2	9.0	217.2
– Over time	672.7	0.7	673.4
	5 070.8	472.5	5 543.3

* *Comparative information has been updated which aligns with the new reportable segments. For further information, refer note 10.*

4. GROSS PROFIT

		2025 Audited Rm	2024 Audited Rm
Merchandise sales		**5 080.6**	4 652.7
Cost of merchandise sales		**(2 873.3)**	(2 646.5)
Merchandise gross profit		**2 207.3**	2 006.2
Gross profit margin	(%)	**43.4**	43.1

5. BORROWINGS, CASH AND NET FINANCE COSTS

	2025 Audited Rm	2024 Audited Rm
5.1 Borrowings, banking facilities and cash		
Long-term interest-bearing borrowings	–	(350.0)
Cash and cash equivalents:	(880.0)	(201.3)
Short-term interest-bearing borrowings	(1 055.4)	(425.6)
Cash-on-hand and deposits	175.4	224.3
Net borrowings	(880.0)	(551.3)
Total banking facilities	2 100.0	1 800.0

Total facilities include long-term revolving credit facilities and short-term overnight facilities (interest-bearing borrowings). The interest rates on the revolving credit facilities are linked to three-month JIBAR. The interest rates on the overnight facilities are based on rates as determined by each of the banks based on market conditions. JIBAR is to be replaced by the South African Rand Overnight Index Average ("ZARONIA") at a date yet to be announced by the South African Reserve Bank and an assessment of the impact on the Group will be performed.

Interest rate profile

The weighted average interest rate applicable at the end of the reporting period was 9.1% (2024: 10.0%).

Domestic Medium-Term Note programme

The Group has an established Domestic Medium-Term Note programme ("DMTN") under which the Group can issue notes up to R2 billion.

		2025 Audited Rm	2024 Audited Rm
5.2 Capital management			
Net debt		1 856.8	1 491.6
Shareholders' equity		5 078.4	4 702.8
Gearing ratio	(%)	36.6	31.7
Borrowings ratio	(%)	17.3	11.7

The borrowings ratio is calculated as net debt excluding lease liabilities, divided by equity capital.

5. BORROWINGS, CASH AND NET FINANCE COSTS CONTINUED

	2025 Audited Rm	2024 Audited Rm
5.3 Net finance costs		
Interest expense	**(226.9)**	(161.2)
Borrowings	**(116.2)**	(81.6)
Lease liabilities	**(81.6)**	(75.8)
Liability for incurred claims	**(19.5)**	(15.5)
Other	**(9.6)**	11.7
Interest received	**22.3**	23.7
Bank	**21.0**	21.4
Other	**1.3**	2.3
	(204.6)	(137.5)

In the prior year, foreign exchange gains of R0.8 million was included in net finance costs. This disclosure has been updated to include foreign exchange gains/losses in operating costs.

6. FINANCIAL ASSETS – INSURANCE INVESTMENTS

Fair value hierarchy

The following table presents the assets recognised and subsequently measured at fair value:

	Level 2 Rm	Total Rm
31 March 2025		
Insurance investments:		
Fixed income securities – FVOCI	**159.8**	**159.8**
Money market floating rate notes – FVTPL	**289.1**	**289.1**
	448.9	**448.9**
31 March 2024		
Insurance investments:		
Fixed income securities – FVOCI	242.5	242.5
Money market floating rate notes – FVTPL	134.9	134.9
	377.4	377.4

The categorisation of the valuation techniques used to value the assets at fair value are as set out in IFRS 13. Insurance investments are valued with reference to observable market data on the JSE and are categorised under Level 2. Refer note 9.1 in the full set of the audited financial statements.

7. INSURANCE CONTRACT ASSET

The insurance contract asset relates to Customer Protection Insurance (''CPI'') contracts sold in South Africa, Botswana, Lesotho, Eswatini and Namibia.

	2025 Audited Rm	2024 Audited Rm
The insurance contract asset comprises of:		
Asset for remaining coverage	**313.8**	275.2
Liability for incurred claims	**(74.2)**	(78.7)
	239.6	196.5

8. IMPAIRMENTS AND CAPITAL ITEMS[1]

	2025 Audited Rm	2024 Audited Rm
Impairment of right-of-use assets	**17.3**	5.7
Impairment of goodwill	**–**	59.9
Total impairments	**17.3**	65.6
Loss/(Profit) on disposal of fixed assets	**0.9**	(0.2)
	18.2	65.4

[1] *This includes the before tax effect of all re-measurements and capital items excluded from headline earnings per share in accordance with the guidance contained in SAICA Circular 1/2023: Headline Earnings.*

9. EARNINGS AND DIVIDENDS PER SHARE

		2025 Audited	2024 Audited
Weighted average number of shares			
Weighted average	('000)	**51 817**	54 123
Diluted weighted average	('000)	**53 804**	55 860
Headline earnings			
Attributable earnings	(Rm)	**754.9**	436.4
Loss/(Profit) on disposal of fixed assets	(Rm)	**0.7**	(0.1)
Impairment of right-of-use assets	(Rm)	**12.6**	4.2
Goodwill impairment	(Rm)	**–**	59.9
Headline earnings	(Rm)	**768.2**	500.4
Earnings per share			
Earnings per share	(cents)	**1 456.9**	806.3
Diluted earnings per share	(cents)	**1 403.1**	781.2
Headline earnings per share			
Headline earnings per share	(cents)	**1 482.5**	924.6
Diluted headline earnings per share	(cents)	**1 427.8**	895.8
Dividends per share			
Dividends paid per share			
Final dividend 2024 (2023)	(cents)	**300.0**	218.0
Interim dividend 2025 (2024)	(cents)	**300.0**	200.0
	(cents)	**600.0**	418.0
Dividends declared per share			
Interim dividend 2025 (2024)	(cents)	**300.0**	200.0
Final dividend 2025 (2024)	(cents)	**500.0**	300.0
	(cents)	**800.0**	500.0

10. REPORTABLE SEGMENTS

Primary	Note	Traditional Rm	Speciality Rm	Group Rm
For the year ended 31 March 2025				
Revenue		**8 704.1**	**583.7**	**9 287.8**
Merchandise sales		**4 547.8**	**532.8**	**5 080.6**
Segment operating profit before impairments and capital items		**1 144.9**	**25.6**	**1 170.5**
Segment operating margin before impairments and capital items	(%)	**25.2**	**4.8**	**23.0**
Impairments and capital items	8	**(0.9)**	**(17.3)**	**(18.2)**
Segment operating profit		**1 144.0**	**8.3**	**1 152.3**
Segment operating margin	(%)	**25.2**	**1.6**	**22.7**
Segment assets[1]		**5 591.4**	**171.1**	**5 762.5**
For the year ended 31 March 2024*				
Revenue		7 706.4	477.4	8 183.8
Merchandise sales		4 189.9	462.8	4 652.7
Segment operating profit/(loss) before impairments and capital items		758.8	(3.1)	755.7
Segment operating margin before impairments and capital items	(%)	18.1	(0.7)	16.2
Impairments and capital items	8	27.5	(92.9)	(65.4)
Segment operating profit/(loss)		786.3	(96.0)	690.3
Segment operating margin	(%)	18.8	(20.7)	14.8
Segment assets[1]		4 914.9	151.2	5 066.1

(1) *Segment assets include net trade receivables of R4 996.6 million (2024: R4 342.5 million) and inventory of R765.9 million (2024: R723.6 million).*

* *During the year, the Group changed the composition of its reportable segments due to a strategic reorganisation prompted by the acquisition of the new businesses. Comparative information has been updated which aligns with the new reportable segments. For further information, refer note 17 in the full set of the audited financial statements.*

Geographical	South Africa Rm	Namibia Rm	BLE[1] Rm	Group Rm
For the year ended 31 March 2025				
Revenue	**7 881.6**	**706.2**	**700.0**	**9 287.8**
For the year ended 31 March 2024				
Revenue	6 941.3	610.5	632.0	8 183.8

(1) *Botswana, Lesotho and Eswatini.*

11. TAXATION

Tax rate reconciliation		2025 Audited Rm	2024 Audited Rm
Profit before taxation		**983.7**	590.1
Taxation calculated at a tax rate of 27%		**265.6**	159.3
Differing tax rates in foreign countries		**3.0**	4.8
Disallowances		**16.4**	35.6
Exemptions		**(60.3)**	(62.0)
Foreign withholding tax		**28.0**	15.1
Prior years		**(21.7)**	2.0
Tax rate change		**(2.2)**	(1.1)
Taxation per income statement		**228.8**	153.7
Effective tax rate	(%)	**23.3**	26.0

12. CASH FLOW FROM OPERATIONS

	Notes	2025 Audited Rm	2024 Audited Rm
12.1 Cash flow from trading		**1 987.2**	1 714.9
Operating profit		**1 152.3**	690.3
Adjusted for:			
Share-based payments		**77.2**	57.1
Depreciation and amortisation		**377.4**	368.8
Impairment of right-of-use assets and goodwill	8	**17.3**	65.6
Loss/(Profit) on disposal of fixed assets		**0.9**	(0.2)
Change in debtors impairment provision	2.2	**352.5**	443.6
Change in other provisions		**28.2**	85.3
Other movements		**(18.6)**	4.4

Included in cash flow from trading is interest earned on trade receivables of R2 148.4 million (2024: R1 749.1 million).

12. CASH FLOW FROM OPERATIONS CONTINUED

	2025 Audited Rm	2024 Audited Rm
12.2 Changes in working capital	**(1 054.7)**	(1 021.0)
(Increase)/Decrease in inventories	**(55.8)**	137.7
Increase in trade and other receivables	**(999.1)**	(976.9)
Increase in insurance contract asset	**(62.6)**	(86.5)
Increase/(Decrease) in trade and other payables	**52.5**	(90.1)
Increase/(Decrease) in payments in advance	**10.3**	(5.2)
12.3 Interest paid per cash flow statement	**(199.7)**	(157.4)
Interest paid per the income statement	**(226.9)**	(161.2)
Other movements	**27.2**	3.8

12.4 Lease liability payments

The total lease payments amount to R456.3 million (2024: R416.8 million), which include the capital portion of R296.7 million (2024: R302.8 million) reflected under financing activities, and the remaining balance included in cash flow from trading.

12.5 Real Beds acquisition

With effect 29 June 2024, the Group acquired the trading assets and certain assumed liabilities from businesses trading under the Real Beds brand for a total purchase consideration of R20.4 million. An additional four stores were acquired in Botswana with effect 1 November 2024, for a purchase consideration of R15.3 million. The acquisitions had an immaterial impact on the financial results and financial position of the Group for the year ended 31 March 2025.

13. POST BALANCE SHEET EVENTS

There were no significant post balance sheet events that occurred between the year end and the date of approval of the financial statements by the directors.

Lewis Group Limited: Summary consolidated financial statements
KEY RATIOS

		2025 Unaudited	2024 Unaudited
Operating efficiency ratios			
Gross profit margin	(%)	**43.4**	43.1
Operating margin before impairments and capital items	(%)	**23.0**	16.2
Operating margin	(%)	**22.7**	14.8
Number of stores		**918**	869
Number of permanent employees	(average)	**10 423**	10 004
Trading space	(sqm)	**264 349**	255 162
Inventory turn	(times)	**3.8**	3.7
Current ratio		**2.6**	3.5
Credit ratios			
Credit sales	(%)	**68.0**	66.2
Debtor costs as a % of debtors at gross carrying value	(%)	**15.0**	17.6
Debtors impairment provision as a % of debtors at gross carrying value	(%)	**37.2**	37.5
Arrear instalments as a % of total debtors at gross carrying value	(%)	**23.4**	24.5
Credit applications decline rate	(%)	**38.5**	35.1
Collection rate	(%)	**78.9**	79.7
Shareholder ratios			
Net asset value per share	(cents)	**9 864**	8 891
Gearing ratio	(%)	**36.6**	31.7
Borrowings ratio	(%)	**17.3**	11.7
Dividend payout ratio	(%)	**55.3**	61.3
Return on average shareholders' funds (after-tax)	(%)	**15.4**	9.3
Return on average capital employed (after-tax)	(%)	**13.4**	8.6
Return on average assets managed (pre-tax)	(%)	**15.0**	10.0

Notes:
1. *All ratios are based on figures at the end of the period unless otherwise disclosed.*
2. *The net asset value has been calculated using 51 482 399 shares in issue (2024: 52 895 773).*
3. *The borrowings ratio is the gearing ratio excluding lease liabilities.*
4. *Total assets exclude the deferred tax asset.*

Corporate information

Lewis Group Limited

Independent non-executive directors:	Hilton Saven (Chairman) Prof. Fatima Abrahams Adheera Bodasing Brendan Deegan Daphne Motsepe Tapiwa Njikizana
Executive directors:	Johan Enslin (Chief executive officer) Jacques Bestbier (Chief financial officer)
Company secretary:	Marisha Gibbons
Transfer secretaries:	Computershare Investor Services Proprietary Limited Level 1 and 2 Rosebank Towers 15 Biermann Avenue Rosebank, 2196 (Private Bag X9000, Saxonwold, 2132)
Auditors:	Ernst & Young Inc.
Sponsor:	The Standard Bank of South Africa Limited
Debt sponsor:	Absa Corporate and Investment Bank, a division of Absa Bank Limited
Registered office:	53A Victoria Road, Woodstock, 7925
Registration number:	2004/009817/06
Share code:	LEW
ISIN:	ZAE 000058236
Bond code:	LEWI

Lewis Group Ltd

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