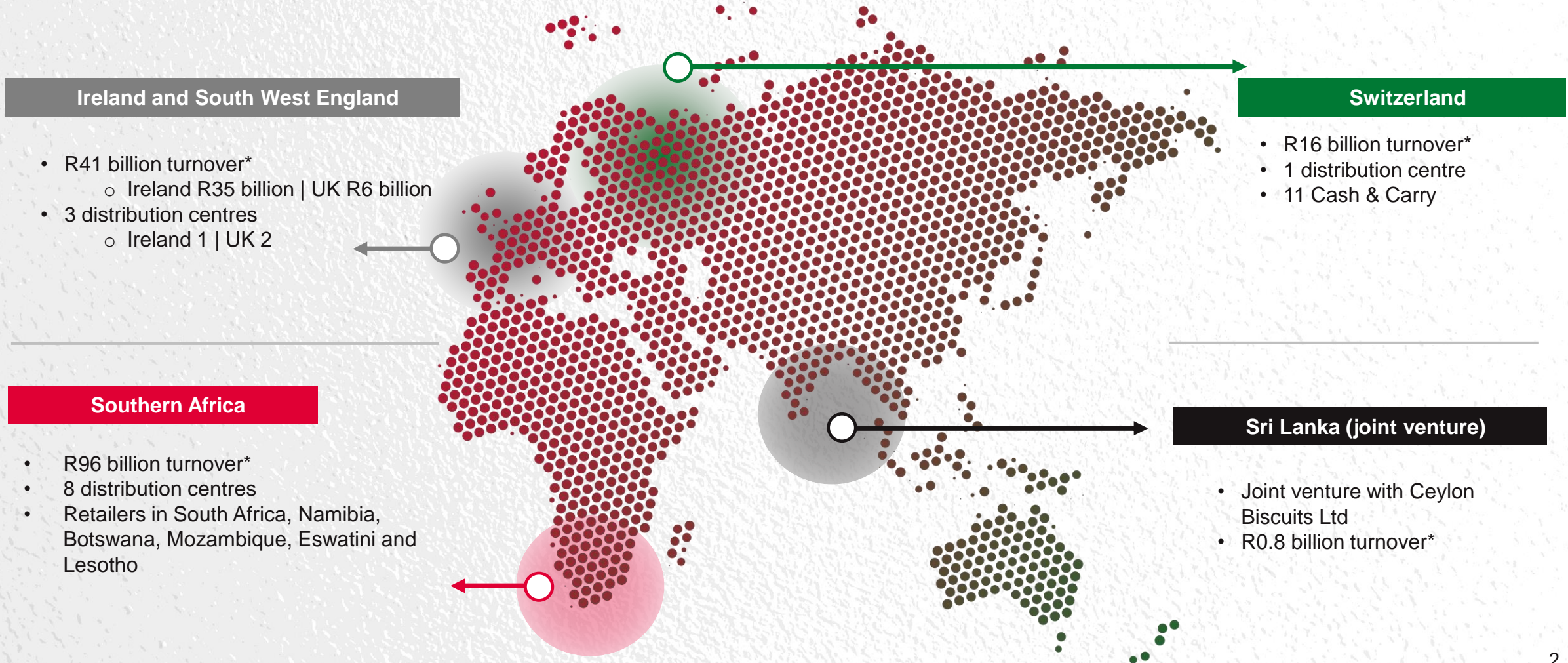




# Business & Strategic Overview

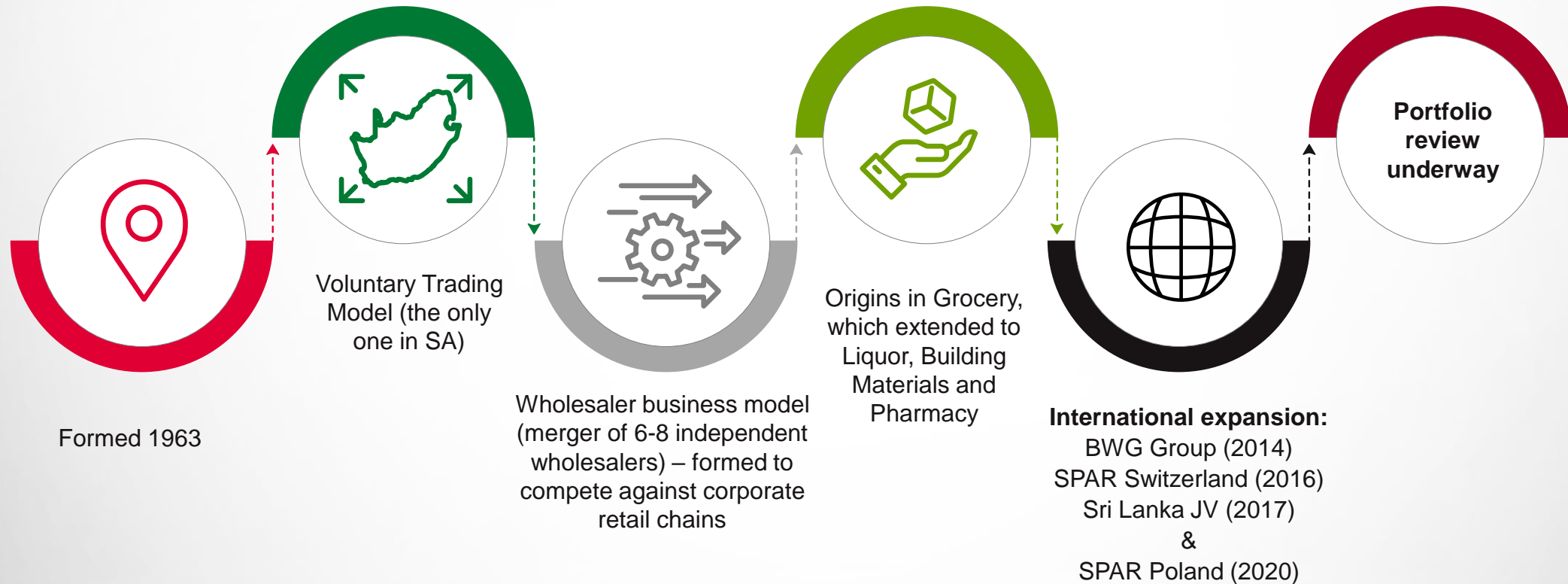
Angelo Swartz - Group CEO

# SPAR at a glance



\*FY 2024

# The Evolution of The SPAR Group Ltd



**Core competitive advantage derives from:**

- Warehousing/ distribution/ supply chain mastery
- Retail relationship management
- Brand Strength – consistency, creativity and customisation

# Competitive positioning in major retail categories



	Grocery (61 years)	Liquor (20 years)	Building/ DIY (30 years)	Pharmacy (7 years)	Ireland & South-West England (11 years)	Switzerland (9 years)
<b>Brands</b>	<ul style="list-style-type: none"> <li>• SPAR</li> <li>• KWIKSPAR</li> <li>• SUPERSPAR</li> <li>• SPAR Xpress</li> <li>• SaveMor</li> </ul>	<ul style="list-style-type: none"> <li>•Tops!</li> <li>•SaveMor Liquor</li> </ul>	<ul style="list-style-type: none"> <li>• Build it</li> <li>• Build it Plus</li> </ul>	<ul style="list-style-type: none"> <li>• Pharmacy at SPAR</li> <li>• Consumer Health</li> <li>• Non-SPAR Medical</li> <li>• ScriptWise</li> </ul>	<ul style="list-style-type: none"> <li>• SPAR</li> <li>• EUROSPAR</li> <li>• MACE</li> <li>• Londis</li> <li>• XL</li> <li>• Value Centre</li> </ul>	<ul style="list-style-type: none"> <li>• SPAR</li> <li>• EUROSPAR</li> <li>• SPAR Express</li> <li>• Maxi</li> <li>• TopCC</li> </ul>
<b>Adjuncts</b>	<ul style="list-style-type: none"> <li>• Encore (Private Label)</li> <li>• Engage (Sales &amp; Merchandising)</li> <li>• Engine (Manufacturing)</li> <li>• Enpack (Packaging)</li> </ul>	<ul style="list-style-type: none"> <li>• Encork (Private Label)</li> </ul>		<ul style="list-style-type: none"> <li>• Academy</li> </ul>	<ul style="list-style-type: none"> <li>• BWG Foodservice</li> </ul>	
<b>DC (logistics &amp; delivery)</b>	<b>KwaZulu-Natal   Western Cape (incl. Namibia)   Eastern Cape   North Rand   South Rand   Lowveld (incl. Mozambique, eSwatini)</b>		<b>Build it/Imports DC – Pinetown Drop shipment primary</b>	<b>Carletonville (Future: 3-6 dedicated)</b>	<b>Kilcarbery   Saltash   Cullompton</b>	<b>St Gallen</b>
<b>Retail Stores<sup>#</sup></b>	1 090	939	400	121	1 472	300
<b>Retailer Loyalty<sup>#</sup></b>	80%	72%	67%	60%		

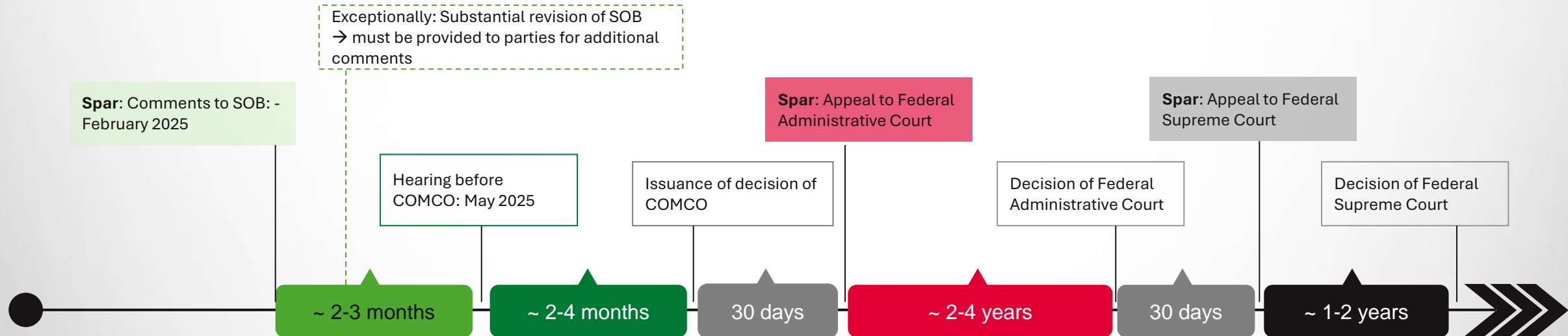
# As at end January 2025



# Update on Swiss sanction process

# Switzerland – intention to sanction

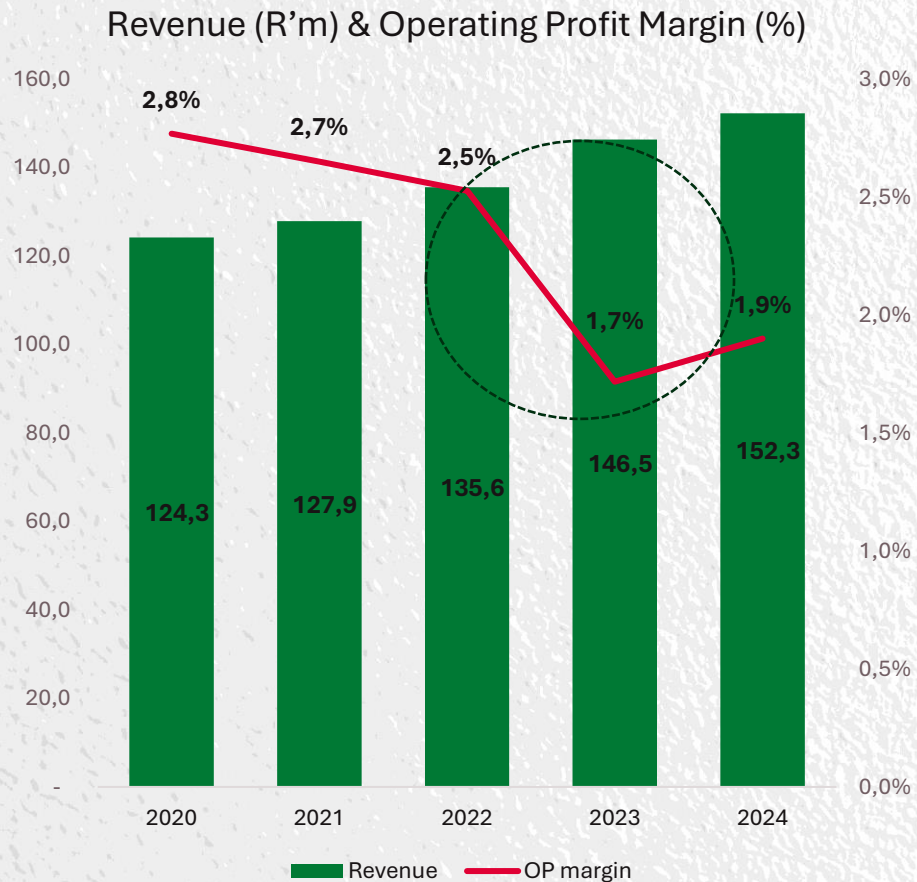
Further procedural steps





# The future of SPAR

# Where we come from..

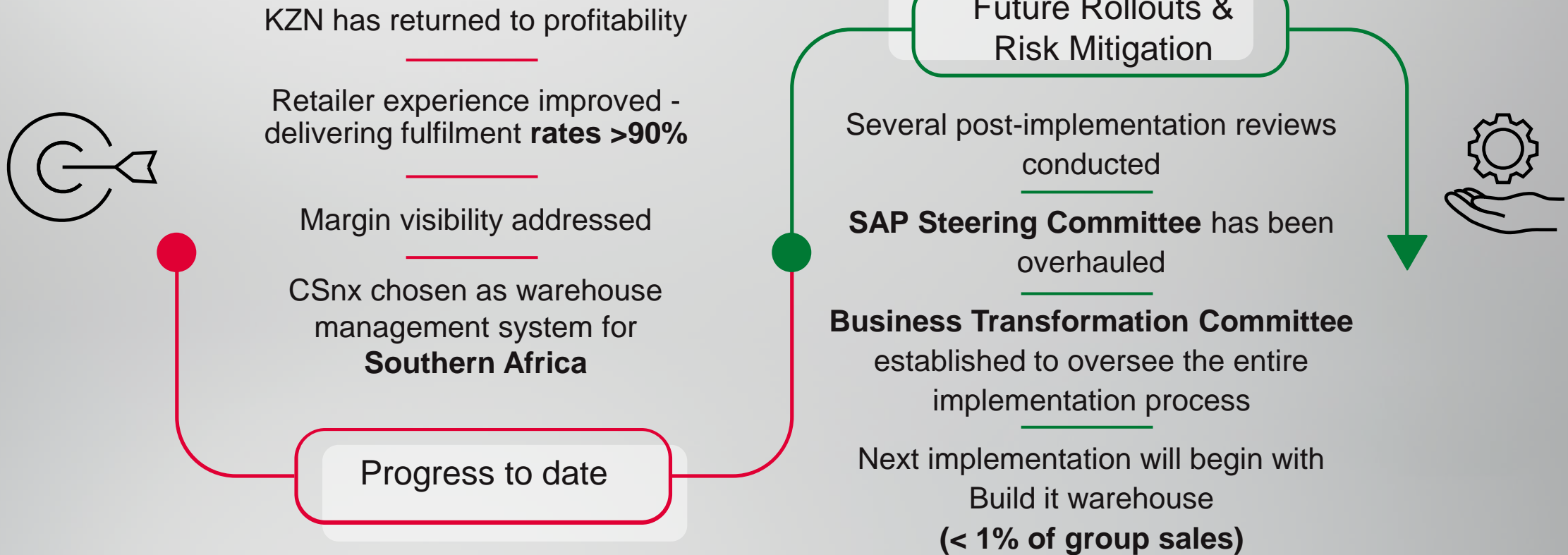


Over the past two years, SPAR has faced market and operational challenges

- A constrained macro-environment across territories
- High debt leverage
- Significant costs and operational disruptions from SAP implementation







# European Strategic Review

Review ongoing – to be completed June 2025



## Guiding principle

- Maintaining positive ROIC-WACC spread essential for long term sustainability
  - Where returns are not justified in the capital allocated, need to review operational and investment strategies
- 



**Review focused on UK & Switzerland**



# Our formula for future success



## We are good at **SUPPORTING** independent retailing

- +60 year track record across 4 categories (Grocery, Liquor, Building, Pharmacy)
- Collaboration – relentless focus on retailer success
- Expertise

## We are **UNIQUELY POSITIONED**

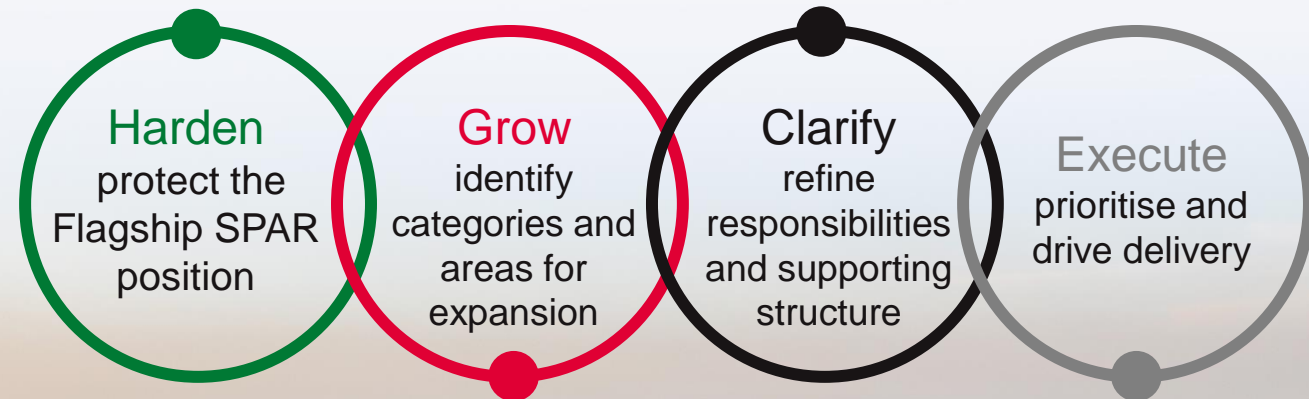
- Only voluntary trade model
- Don't compete with our retailers (they are our primary focus)
- Provide retailer freedom to customise

## We support **OUR COMMUNITIES**

- Wealth creation for the business owners
- Investment in upskilling (academy) – future business owners
- Employment creation

## Our Ambition: Unleash the Power of Independent Retail

### IMPLICATIONS FOR STRATEGIC FOCUS



# But first we need the building blocks in place..



## Enabling growth



**Disposals**



**Capital structure**



**Capital allocation discipline**

## Progress

- Poland exit complete
- European strategic review underway – to be completed June 2025
- Reduction of net debt to R9 billion
- Multiple levers underway to further reduce debt and reach targeted gearing of 1.5-2.0x for SA
- Enhanced capital allocation framework – Board approved



# Key Priorities



### Harden

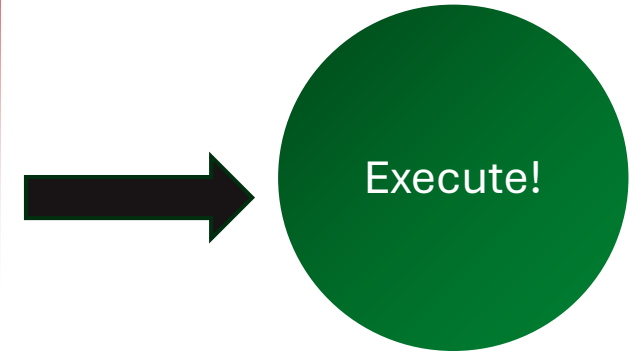
- SPAR Profitability
- Retail profitability
- IT transformation

### Grow

- Format & Brand architecture
- Store expansion
- Driving SPAR 2U
- Launch of VAS\* (Flex, SPAR Mobile, Retail Media)

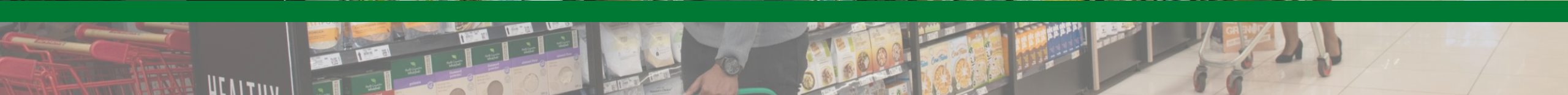
### Clarify

- Portfolio review
- Culture
- Review of TOM^ and Group structure



\*Value Added Services

^Target Operating Model



# Q&A