

UNAUDITED INTERIM RESULTS

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2025

20
26



Highlights of the 2026 interim results

Revenue increased by
11.3%
to R4.8 billion

Merchandise sales increased by
6.7%
to R2.5 billion

Other revenue increased by
16.7%
to R2.3 billion

Gross profit margin improved from 40.9% to
41.0%

Satisfactory paid accounts up from 81.6% to
82.7%

Debtors book grew by
14.0%

Operating profit increased by
21.4%
to R522 million

Operating profit margin up 250bps to
20.7%

Earnings per share increased by
13.8%
to 619 cents

Headline earnings per share increased by
16.8%
to 648 cents

Interim dividend increased by
12.3%
to 337 cents per share



Lewis Group Limited: Unaudited interim results

COMMENTARY

INTRODUCTION

Lewis Group delivered a strong performance for the six months ended 30 September 2025 with operating profit increasing by 21.4%, driven by expanding margins and the good quality of the debtors portfolio. While trading conditions remained constrained, the Group continued to invest for longer-term growth by increasing the store footprint and growing the debtors book, which increased by 14.0% to R8.5 billion.

The store base increased to 958 following the opening of a net 40 new stores in the first half of the year, the highest number of stores opened by the Group in any six-month period. This resulted in the Group achieving its full-year store opening target within the first half. The openings included 28 new outlets for Real Beds, the bedding specialist acquired in 2024, expanding the brand's store base to 44.

TRADING AND FINANCIAL PERFORMANCE

Merchandise sales increased by 6.7% to R2.5 billion. Sales in the traditional retail segment, which accounted for 89.7% of sales, increased by 6.4%. The speciality segment, comprising predominantly of UFO, Bedzone and Real Beds, grew sales by 9.1%. Comparable store sales across all brands grew by 2.3%.

Sales in the stores outside South Africa, which represent 15.1% of the store base, increased by 7.7% and accounted for 18.0% of Group merchandise sales.

Credit sales increased by 8.0% and accounted for 70.3% of total merchandise sales (H1 2025: 69.4%). The Group maintained its strict credit granting criteria in the constrained spending environment, with the credit application decline rate settling at 41.2% (H1 2025: 37.4%). Cash sales increased by 3.7%.

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 16.7%.

Total revenue, comprising merchandise sales and other revenue, increased by 11.3% to R4.8 billion (H1 2025: R4.4 billion).

The gross profit margin strengthened by 10 basis points to 41.0%, at the mid-point of management's target range.

Operating cost growth of 10.0% was contained below revenue growth. Costs were impacted by the accelerated expansion of the store base.

The quality of the Group's debtors book remains sound, with satisfactory paying customers increasing to 82.7% (H1 2025: 81.6%). The collection rate at 78.3% (H1 2025: 79.5%) was consistent with the rate reported for the second half of the 2025 financial year.

Debtor costs increased by 12.9%, with debtor costs as a percentage of debtors at gross carrying value improving to 6.8% from 6.9%. The debtors impairment provision as a percentage of debtors at gross carrying value reduced to 36.9% (H1 2025: 37.1%), reflecting the improved composition of the debtors book.

Operating profit increased by 21.4% to R522 million and the operating margin expanded by 250 basis points to 20.7%. Impairments and capital items totalled R20.7 million (H1 2025: R7.9 million) relating to the impairment of right-of-use assets in UFO.

Net finance costs were R26.7 million higher at R114.4 million due to higher levels of borrowings resulting from the investment in the debtors book and store expansion over the reporting period.

Lewis Group Limited: Unaudited interim results

COMMENTARY CONTINUED

The Group's net borrowings totalled R1 481 million at 30 September 2025. The gearing ratio (including lease liabilities) increased to 48.5% (H1 2025: 46.1%) and the borrowings ratio (gearing ratio, excluding lease liabilities) increased to 29.0% (H1 2025: 26.5%).

Headline earnings increased by 16.0% to R335.1 million. Earnings per share increased 13.8% to 619 cents and headline earnings per share by 16.8% to 648 cents, reflecting the positive leverage effect of share repurchases undertaken in prior years.

The interim dividend was increased by 12.3% to 337 cents per share, based on an earnings payout ratio of 55%.

The Group's balance sheet remains strong and the net asset value per share increased by 6.6% to R98.23.

OUTLOOK

Against the backdrop of continued uncertainty in global markets and local political instability, discretionary spending is expected to remain constrained in the short- to medium-term as consumers experience increasing financial pressure.

While lower inflation and reduced borrowing costs are positive for consumers, persistently high unemployment and limited job creation in the country's low growth environment continue to weigh on consumer confidence.

Appealing marketing campaigns and promotions are planned across all brands to drive sales growth during the Black Friday and festive season trading period, supported by new merchandise ranges and good stock availability.

Management intends to open a further 15 to 20 stores in the second half of the year, mainly in the specialist bedding brands.

Lewis Group Limited: Unaudited interim results

COMMENTARY CONTINUED

DIVIDEND DECLARATION

Notice is hereby given that an interim gross cash dividend of 337 cents per share in respect of the six months ended 30 September 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 tax of 20%. The dividend for determining the dividend tax is 337 cents and the dividend tax payable is 67.4 cents for shareholders who are not exempt. The net dividend for shareholders who are not exempt will therefore be 269.6 cents. The dividend 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, 20 January 2026
Date trading commences "ex" dividend	Wednesday, 21 January 2026
Record date	Friday, 23 January 2026
Date of payment	Monday, 26 January 2026

Share certificates may not be dematerialised or rematerialised between Wednesday, 21 January 2026 and Friday, 23 January 2026, 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
20 November 2025

Lewis Group Limited: Unaudited interim results

INCOME STATEMENT

for the six months ended 30 September 2025

Notes	6 months ended 30 Sept 2025 Unaudited Rm		6 months ended 30 Sept 2024 Unaudited Rm	12 months ended 31 March 2025 Audited Rm
	Revenue	4 845.3	4 354.0	9 287.8
Retail revenue	3	3 045.4	2 825.5	6 059.6
Merchandise sales		2 517.8	2 359.6	5 080.6
Ancillary services		527.6	465.9	979.0
Effective interest income		1 148.0	968.4	2 047.4
Insurance revenue		651.9	560.1	1 180.8
Cost of merchandise sales	4	(1 485.6)	(1 393.7)	(2 873.3)
Operating costs		(1 741.6)	(1 583.4)	(3 203.0)
Debtor costs	2.2	(580.4)	(513.9)	(1 193.2)
Bad debts net of recoveries		(391.2)	(342.5)	(840.7)
Movement in debtors impairment provision		(189.2)	(171.4)	(352.5)
Insurance service expenses		(494.9)	(425.2)	(847.8)
Operating profit before impairments and capital items		542.8	437.8	1 170.5
Impairments and capital items	8	(20.7)	(7.9)	(18.2)
Operating profit		522.1	429.9	1 152.3
Investment income - Insurance investments		19.5	16.6	36.0
Interest expense	5.3	(126.2)	(99.1)	(226.9)
Interest received	5.3	11.8	11.4	22.3
Profit before taxation		427.2	358.8	983.7
Taxation	11	(107.2)	(75.8)	(228.8)
Net profit attributable to ordinary shareholders		320.0	283.0	754.9
Earnings per share (cents)	9	618.6	543.7	1 456.9
Diluted earnings per share (cents)	9	603.6	531.7	1 403.1

Lewis Group Limited: Unaudited interim results

STATEMENT OF COMPREHENSIVE INCOME

for the six months ended 30 September 2025

	6 months ended 30 Sept 2025 Unaudited Rm	6 months ended 30 Sept 2024 Unaudited Rm	12 months ended 31 March 2025 Audited Rm
Net profit for the period	320.0	283.0	754.9
Items that may be subsequently reclassified to income statement:			
Movement in other reserves	(7.0)	18.7	14.6
Fair value adjustments	13.9	27.7	21.9
Changes in the fair value of debt instruments at fair value through other comprehensive income - FVOCI debt investments	19.1	38.0	30.0
Tax effect	(5.2)	(10.3)	(8.1)
Disposal of FVOCI debt investments	–	1.4	1.4
Disposal	–	1.9	1.9
Tax effect	–	(0.5)	(0.5)
Foreign currency translation reserve	(20.9)	(10.4)	(8.7)
Items that may not be subsequently reclassified to income statement:			
Retirement benefit remeasurements	–	–	1.7
Remeasurements of the retirement asset and liabilities	–	–	2.3
Tax effect	–	–	(0.6)
Other comprehensive income/(loss)	(7.0)	18.7	16.3
Total comprehensive income for the period attributable to equity shareholders	313.0	301.7	771.2

Lewis Group Limited: Unaudited interim results

BALANCE SHEET

as at 30 September 2025

	Notes	6 months as at 30 Sept 2025 Unaudited Rm	6 months as at 30 Sept 2024 Unaudited Rm	12 months as at 31 March 2025 Audited Rm
Assets				
Non-current assets				
Property, plant and equipment		483.5	459.3	467.1
Right-of-use assets		866.5	792.2	847.6
Intangible assets and goodwill		122.4	115.3	126.5
Deferred taxation		85.4	96.9	86.2
Retirement benefit asset	6	117.9	109.4	118.5
Financial assets – insurance investments		178.8	167.7	159.8
		1 854.5	1 740.8	1 805.7
Current assets				
Inventories		1 123.3	1 130.4	765.9
Trade and other receivables	2.1	5 531.0	4 837.2	5 162.0
Insurance contract asset	7	239.4	213.5	239.6
Taxation		8.2	4.7	2.4
Financial assets – insurance investments	6	277.8	267.6	289.1
Cash-on-hand and deposits	5.1	210.1	223.7	175.4
		7 389.8	6 677.1	6 634.4
Total assets		9 244.3	8 417.9	8 440.1
Equity and liabilities				
Capital and reserves				
Share capital and premium		0.9	0.9	0.9
Treasury shares		(7.6)	(30.5)	(37.6)
Other reserves		42.4	53.1	68.6
Retained earnings		5 076.7	4 728.2	5 046.5
		5 112.4	4 751.7	5 078.4
Non-current liabilities				
Lease liabilities		738.4	708.4	711.1
Long-term interest-bearing borrowings	5.1	1 350.0	300.0	–
Deferred taxation		62.6	93.3	62.6
Retirement benefit liability		81.5	80.6	80.3
		2 232.5	1 182.3	854.0
Current liabilities				
Trade payables, other payables and provisions		973.5	800.9	832.5
Payments in advance		202.2	190.1	194.7
Short-term interest-bearing borrowings	5.1	340.7	1 184.8	1 055.4
Lease liabilities		258.3	220.1	265.7
Taxation		124.7	88.0	159.4
		1 899.4	2 483.9	2 507.7
Total equity and liabilities		9 244.3	8 417.9	8 440.1

Lewis Group Limited: Unaudited interim results

STATEMENT OF CHANGES IN EQUITY

for the six months ended 30 September 2025

	6 months ended 30 Sept 2025 Unaudited Rm	6 months ended 30 Sept 2024 Unaudited Rm	12 months ended 31 March 2025 Audited Rm
Share capital and premium			
Opening balance	0.9	0.9	0.9
Cost of own shares acquired	–	(43.9)	(43.9)
Transfer of cost of cancelled shares	–	43.9	43.9
	0.9	0.9	0.9
Treasury shares			
Opening balance	(37.6)	(8.2)	(8.2)
Share awards to employees	72.6	46.6	46.8
Cost of own shares acquired	(42.6)	(68.9)	(76.2)
	(7.6)	(30.5)	(37.6)
Other reserves			
Opening balance	68.6	42.6	42.6
Other comprehensive income:			
Changes in fair value of FVOCI debt investments	13.9	27.7	21.9
Disposal of FVOCI debt investments	–	1.4	1.4
Foreign currency translation reserve	(20.9)	(10.4)	(8.7)
Equity-settled share-based payments	23.9	15.1	34.7
Transfer of share-based payments reserve to retained earnings on vesting	(43.1)	(23.3)	(23.3)
	42.4	53.1	68.6
Retained earnings			
Opening balance	5 046.5	4 667.5	4 667.5
Net profit attributable to ordinary shareholders	320.0	283.0	754.9
Distribution to shareholders	(260.3)	(155.1)	(310.2)
Transfer of cost of cancelled shares	–	(43.9)	(43.9)
Transfer of share-based payments reserve to retained earnings on vesting	43.1	23.3	23.3
Retirement benefit remeasurements	–	–	1.7
Share awards to employees	(72.6)	(46.6)	(46.8)
	5 076.7	4 728.2	5 046.5
Balance as at the end of the period	5 112.4	4 751.7	5 078.4

Lewis Group Limited: Unaudited interim results

CASH FLOW STATEMENT

for the six months ended 30 September 2025

	Notes	6 months ended 30 Sept 2025 Unaudited Rm	6 months ended 30 Sept 2024 Unaudited Rm	12 months ended 31 March 2025 Audited Rm
Cash flow from operating activities				
Cash flow from trading	12.1	1 058.7	946.5	1 987.2
Changes in working capital	12.2	(899.3)	(999.0)	(1 054.7)
Cash flow from operations		159.4	(52.5)	932.5
Interest received other than from trade receivables	5.3	11.8	11.4	22.3
Interest paid	12.3	(107.4)	(83.2)	(199.7)
Taxation paid		(163.3)	(87.0)	(194.8)
		(99.5)	(211.3)	560.3
Cash utilised in investing activities				
Purchases of insurance investments		(15.4)	(155.4)	(319.0)
Disposals of insurance investments		46.1	154.0	315.4
Purchase of businesses	12.4	–	(20.4)	(35.7)
Additions to property, plant and equipment and intangible assets		(72.9)	(67.2)	(127.9)
Proceeds on disposal and scrapping of property, plant and equipment		3.4	4.0	5.2
		(38.8)	(85.0)	(162.0)
Cash flow from financing activities				
Dividends paid		(260.3)	(155.1)	(310.2)
Payment of principal portion of lease liabilities		(159.4)	(145.6)	(296.7)
Borrowings		1 350.0	(50.0)	(350.0)
Advances		1 400.0	–	–
Repayments		(50.0)	(50.0)	(350.0)
Purchase of own shares		(42.6)	(112.8)	(120.1)
		887.7	(463.5)	(1 077.0)
Net increase/(decrease) in cash and cash equivalents		749.4	(759.8)	(678.7)
Cash and cash equivalents at the beginning of the period		(880.0)	(201.3)	(201.3)
Cash and cash equivalents at the end of the period	5.1	(130.6)	(961.1)	(880.0)

Lewis Group Limited: Unaudited interim results

NOTES TO THE SUMMARY FINANCIAL STATEMENTS

for the six months ended 30 September 2025

1. BASIS OF REPORTING

The summary consolidated interim financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS") Accounting Standards as issued by the International Accounting Standards Board ("IASB"), (IAS 34 Interim Financial Reporting), the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Pronouncements as issued by the Financial Reporting Standards Council.

The accounting policies applied in the preparation of these consolidated interim financial statements are in terms of IFRS Accounting Standards as issued by the IASB and are consistent with those accounting policies applied in the preparation of the previous consolidated annual financial statements.

There were no new or revised standards or interpretations that had an impact on the results and financial position of the Group in the current period.

The interim financial statements were prepared by the Group's Finance Department under the supervision of the Chief financial officer, Mr J Bestbier CA(SA).

Lewis Group Limited: Unaudited interim results

NOTES TO THE SUMMARY FINANCIAL STATEMENTS CONTINUED

for the six months ended 30 September 2025

2. TRADE, OTHER RECEIVABLES AND DEBTOR COSTS

2.1 Trade and other receivables

	6 months ended 30 Sept 2025 Unaudited Rm	6 months ended 30 Sept 2024 Unaudited Rm	12 months ended 31 March 2025 Audited Rm
Trade receivables	8 532.8	7 487.8	7 955.2
Provision for impairment	(3 147.8)	(2 777.5)	(2 958.6)
Trade receivables (net)	5 385.0	4 710.3	4 996.6
Due within 12 months	3 294.0	2 888.4	3 052.4
Due after 12 months	2 091.0	1 821.9	1 944.2
Other receivables	146.0	126.9	165.4
Total trade and other receivables	5 531.0	4 837.2	5 162.0
Debtors impairment provision as a percentage of debtors at gross carrying value	(%)	36.9	37.1
			37.2

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.

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 lifetime expected credit losses ("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. The projected cash flows are then discounted at the effective interest rate (including initiation fees). The discount rate used was 28.8% (2024: 28.8%).

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.

Lewis Group Limited: Unaudited interim results

NOTES TO THE SUMMARY FINANCIAL STATEMENTS CONTINUED for the six months ended 30 September 2025

2. TRADE, OTHER RECEIVABLES AND DEBTOR COSTS CONTINUED

2.1 Trade and other receivables continued

Impairment modelling continued

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 was performed at September 2025 to identify the relevant economic variables and assess the degree of correlation with the non-performing category.

The assessment for September 2025 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. These variables are consistent with those used in the model for the March 2025 year-end. 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.

High levels of uncertainty continue to affect both the current global and local environments. Key global uncertainties include the United States' trade policies, geopolitical tensions, as well as growing fiscal and financial vulnerabilities as a consequence of elevated global debt levels. Locally, factors such as political uncertainty, the challenging fiscal position, high unemployment rates and infrastructure deficiencies contribute to adverse conditions. The combined impact of the aforementioned is expected to have a dampening effect on 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. As a result, the total forward-looking overlay amounts to R498.3 million at 30 September 2025, compared to R517.0 million at 31 March 2025, and R297.4 million at 30 September 2024.

Lewis Group Limited: Unaudited interim results

NOTES TO THE SUMMARY FINANCIAL STATEMENTS CONTINUED

for the six months ended 30 September 2025

2. TRADE, OTHER RECEIVABLES AND DEBTOR COSTS CONTINUED

2.1 Trade and other receivables continued

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.

Lewis Group Limited: Unaudited interim results

NOTES TO THE SUMMARY FINANCIAL STATEMENTS CONTINUED for the six months ended 30 September 2025

2. TRADE, OTHER RECEIVABLES AND DEBTOR COSTS CONTINUED

2.1 Trade and other receivables continued

Combined impairment and contractual arrears table 30 September 2025

Customer grouping	Number of customers Total	Gross carrying value R'000	Impairment provision R'000	Impairment provision %	Instalments in arrears		
					Total arrears R'000	≤3 months R'000	>3 months R'000
Satisfactory paid (%)	616 012 82.7	6 601 057 77.4	1 611 172 51.2	24.4	875 324	472 297	403 027
Slow payers (%)	91 559 12.3	1 245 656 14.6	913 660 29.0	73.3	781 640	169 318	612 322
Non-performing accounts (%)	36 953 5.0	686 056 8.0	622 939 19.8	90.8	472 008	89 738	382 270
Total	744 524	8 532 769	3 147 771	36.9	2 128 972	731 353	1 397 619

30 September 2024*

Customer grouping	Number of customers Total	Gross carrying value R'000	Impairment provision R'000	Impairment provision %	Instalments in arrears		
					Total arrears R'000	≤3 months R'000	>3 months R'000
Satisfactory paid (%)	556 192 81.6	5 760 755 76.9	1 423 653 51.3	24.7	738 676	401 346	337 330
Slow payers (%)	85 536 12.5	1 045 491 14.0	749 744 27.0	71.7	658 173	140 235	517 938
Non-performing accounts (%)	40 164 5.9	681 594 9.1	604 104 21.7	88.6	499 660	87 775	411 885
Total	681 892	7 487 840	2 777 501	37.1	1 896 509	629 356	1 267 153

Lewis Group Limited: Unaudited interim results

NOTES TO THE SUMMARY FINANCIAL STATEMENTS CONTINUED for the six months ended 30 September 2025

2. TRADE, OTHER RECEIVABLES AND DEBTOR COSTS CONTINUED

2.1 Trade and other receivables continued

Combined impairment and contractual arrears table continued
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	>3 months R'000
Satisfactory paid (%)	588 856 83.5	6 194 306 77.9	1 544 932 52.2	24.9	817 563	449 461	368 102
Slow payers (%)	87 324 12.4	1 200 224 15.1	927 212 31.3	77.3	695 537	158 823	536 714
Non-performing accounts (%)	29 182 4.1	560 626 7.0	486 459 16.5	86.8	349 518	74 046	275 472
Total	705 362	7 955 156	2 958 603	37.2	1 862 618	682 330	1 180 288

* Instalments in arrears for the comparative periods have been updated to accurately allocate arrears between ≤3 months and >3 months for a discrete category of accounts. The impact of the reallocation is R187.8 million as at 31 March 2025 and R198.9 million for 30 September 2024.

Lewis Group Limited: Unaudited interim results

NOTES TO THE SUMMARY FINANCIAL STATEMENTS CONTINUED for the six months ended 30 September 2025

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: 23.9%).

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

	6 months ended 30 Sept 2025 Unaudited Rm	6 months ended 30 Sept 2024 Unaudited Rm	12 months ended 31 March 2025 Audited Rm
Bad debts	435.2	384.8	919.2
Bad debts before adjustment for interest on credit impaired accounts	479.8	429.3	1 020.2
Adjustment for interest on credit impaired accounts	(44.6)	(44.5)	(101.0)
Bad debt recoveries	(44.0)	(42.3)	(78.5)
Movement in debtors impairment provision	189.2	171.4	352.5
Closing balance	3 147.8	2 777.5	2 958.6
Opening balance	(2 958.6)	(2 606.1)	(2 606.1)
Total debtor costs	580.4	513.9	1 193.2
Debtor costs as a percentage of debtors at gross carrying value (%)	6.8	6.9	15.0

"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.

Lewis Group Limited: Unaudited interim results

NOTES TO THE SUMMARY FINANCIAL STATEMENTS CONTINUED for the six months ended 30 September 2025

3. RETAIL REVENUE

	Traditional Rm	Speciality Rm	Group Rm
30 September 2025			
Merchandise sales			
– Cash	498.7	249.5	748.2
– Credit	1 758.6	11.0	1 769.6
Ancillary services			
– At a point in time	119.6	4.6	124.2
– Over time	398.9	4.5	403.4
	2 775.8	269.6	3 045.4
30 September 2024*			
Merchandise sales			
– Cash	495.4	226.0	721.4
– Credit	1 625.4	12.8	1 638.2
Ancillary services			
– At a point in time	106.8	4.9	111.7
– Over time	353.2	1.0	354.2
	2 580.8	244.7	2 825.5
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

* Comparative information for 30 September 2024 has been updated to align with the new reportable segments.
Refer full set of the audited financial statements at 31 March 2025.

4. GROSS PROFIT

	6 months ended 30 Sept 2025 Unaudited Rm	6 months ended 30 Sept 2024 Unaudited Rm	12 months ended 31 March 2025 Audited Rm
Merchandise sales	2 517.8	2 359.6	5 080.6
Cost of merchandise sales	(1 485.6)	(1 393.7)	(2 873.3)
Merchandise gross profit	1 032.2	965.9	2 207.3
Gross profit margin (%)	41.0	40.9	43.4

Lewis Group Limited: Unaudited interim results

NOTES TO THE SUMMARY FINANCIAL STATEMENTS CONTINUED
for the six months ended 30 September 2025

5. BORROWINGS, CASH AND NET FINANCE COSTS

5.1 Borrowings, banking facilities and cash

	6 months ended 30 Sept 2025 Unaudited Rm	6 months ended 30 Sept 2024 Unaudited Rm	12 months ended 31 March 2025 Audited Rm
Long-term interest-bearing borrowings	(1 350.0)	(300.0)	–
Revolving credit facilities	(850.0)	(300.0)	–
Floating rate note - refer "DMTN" programme below	(500.0)	–	–
Cash and cash equivalents	(130.6)	(961.1)	(880.0)
Short-term interest-bearing borrowings	(340.7)	(1 184.8)	(1 055.4)
Cash-on-hand and deposits	210.1	223.7	175.4
Net borrowings	(1 480.6)	(1 261.1)	(880.0)
Total facilities including issued notes	2 500.0	2 100.0	2 100.0

Total facilities include long-term revolving credit facilities and short-term overnight facilities (interest-bearing borrowings). The interest rates on the overnight facilities are based on rates as determined by each of the banks based on market conditions. The interest rates on the revolving credit facilities are linked to three-month JIBAR. The South African Reserve Bank has announced its intention to change from JIBAR to ZARONIA, with the transition expected to be implemented in 2026. Revolving credit facility agreements entered into during the current reporting period incorporate provisions that expressly provide for the anticipated base rate transition.

Domestic Medium-Term Note programme ("DMTN")

The Group has established a Domestic Medium-Term Note programme under which notes of up to R2 billion can be issued. At 30 September 2025, the Group issued a three-year floating rate note of R500 million through a private placement.

Interest rate profile

The weighted average interest rate at the end of the reporting period was 8.5% (2024: 9.6%).

Lewis Group Limited: Unaudited interim results

NOTES TO THE SUMMARY FINANCIAL STATEMENTS CONTINUED
for the six months ended 30 September 2025

5. BORROWINGS, CASH AND NET FINANCE COSTS CONTINUED

5.2 Capital management

	6 months ended 30 Sept 2025 Unaudited Rm	6 months ended 30 Sept 2024 Unaudited Rm	12 months ended 31 March 2025 Audited Rm
Net borrowings	1 480.6	1 261.1	880.0
Net debt	2 477.3	2 189.6	1 856.8
Shareholders' equity	5 112.4	4 751.7	5 078.4
Gearing ratio (%)	48.5	46.1	36.6
Borrowings ratio (%)	29.0	26.5	17.3

5.3 Net finance costs

	6 months ended 30 Sept 2025 Unaudited Rm	6 months ended 30 Sept 2024 Unaudited Rm	12 months ended 31 March 2025 Audited Rm
Interest expense	(126.2)	(99.1)	(226.9)
Borrowings	(62.3)	(52.6)	(116.2)
Lease liabilities	(44.9)	(39.9)	(81.6)
Liability for incurred claims	(9.8)	(8.8)	(19.5)
Other	(9.2)	2.2	(9.6)
Interest received	11.8	11.4	22.3
Bank	10.6	11.4	21.0
Other	1.2	–	1.3
	(114.4)	(87.7)	(204.6)

In the comparative period 30 September 2024, foreign exchange losses of R46.6 million was included in net finance costs. This disclosure has been updated to align with the disclosure at 31 March 2025 and now includes foreign exchange gains/losses in operating costs.

Lewis Group Limited: Unaudited interim results

NOTES TO THE SUMMARY FINANCIAL STATEMENTS CONTINUED for the six months ended 30 September 2025

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
30 September 2025		
Insurance investments:		
Fixed income securities – FVOCI	178.8	178.8
Money market floating rate notes – FVTPL	277.8	277.8
	456.6	456.6
 30 September 2024		
Insurance investments:		
Fixed income securities – FVOCI	167.7	167.7
Money market floating rate notes – FVTPL	267.6	267.6
	435.3	435.3
 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

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.

Lewis Group Limited: Unaudited interim results

NOTES TO THE SUMMARY FINANCIAL STATEMENTS CONTINUED
for the six months ended 30 September 2025

7. INSURANCE CONTRACT ASSET

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

	6 months ended 30 Sept 2025 Unaudited Rm	6 months ended 30 Sept 2024 Unaudited Rm	12 months ended 31 March 2025 Audited Rm
The insurance contract asset comprises of:			
Asset for remaining coverage	321.7	297.4	313.8
Liability for incurred claims	(82.3)	(83.9)	(74.2)
	239.4	213.5	239.6

8. IMPAIRMENTS AND CAPITAL ITEMS⁽¹⁾

	6 months ended 30 Sept 2025 Unaudited Rm	6 months ended 30 Sept 2024 Unaudited Rm	12 months ended 31 March 2025 Audited Rm
Impairment of right-of-use assets	20.6	9.0	17.3
Loss/(Profit) on disposal of fixed assets	0.1	(1.1)	0.9
	20.7	7.9	18.2

⁽¹⁾ This includes the before tax effect of all remeasurements and capital items excluded from headline earnings per share in accordance with the guidance contained in SAICA Circular 1/2023: Headline Earnings.

Lewis Group Limited: Unaudited interim results

NOTES TO THE SUMMARY FINANCIAL STATEMENTS CONTINUED
for the six months ended 30 September 2025

9. EARNINGS AND DIVIDENDS PER SHARE

	6 months ended 30 Sept 2025 Unaudited	6 months ended 30 Sept 2024 Unaudited	12 months ended 31 March 2025 Audited
Weighted average number of shares			
Weighted average ('000)	51 726	52 053	51 817
Diluted weighted average ('000)	53 012	53 224	53 804
Headline earnings			
Attributable earnings (Rm)	320.0	283.0	754.9
Loss/(Profit) on disposal of fixed assets (Rm)	0.1	(0.8)	0.7
Impairment of right-of-use assets (Rm)	15.0	6.6	12.6
Headline earnings (Rm)	335.1	288.8	768.2
Earnings per share			
Earnings per share (cents)	618.6	543.7	1 456.9
Diluted earnings per share (cents)	603.6	531.7	1 403.1
Headline earnings per share			
Headline earnings per share (cents)	647.8	554.8	1 482.5
Diluted headline earnings per share (cents)	632.1	542.6	1 427.8
Dividends per share			
Dividends paid per share			
Final dividend 2025 (2024) (cents)	500.0	300.0	300.0
Interim dividend 2025 (cents)	–	–	300.0
	500.0	300.0	600.0
Dividends declared per share			
Interim dividend 2026 (2025) (cents)	337.0	300.0	300.0
Final dividend 2025 (cents)	–	–	500.0
	337.0	300.0	800.0

Lewis Group Limited: Unaudited interim results

NOTES TO THE SUMMARY FINANCIAL STATEMENTS CONTINUED for the six months ended 30 September 2025

10. REPORTABLE SEGMENTS

Primary	Note	Traditional Rm	Speciality Rm	Group Rm
For the six months ended 30 September 2025 (Unaudited)				
Revenue		4 532.2	313.1	4 845.3
Merchandise sales		2 257.3	260.5	2 517.8
Segment operating profit before impairments and capital items		539.8	3.0	542.8
Segment operating margin before impairments and capital items	(%)	23.9	1.2	21.6
Impairments and capital items	8	–	(20.7)	(20.7)
Segment operating profit/(loss)		539.8	(17.7)	522.1
Segment operating margin	(%)	23.9	(6.8)	20.7
Segment assets		6 270.3	238.0	6 508.3
For the six months ended 30 September 2024 (Unaudited)*				
Revenue		4 101.9	252.1	4 354.0
Merchandise sales		2 120.8	238.8	2 359.6
Segment operating profit/(loss) before impairments and capital items		447.2	(9.4)	437.8
Segment operating margin before impairments and capital items	(%)	21.1	(3.9)	18.6
Impairments and capital items	8	0.7	(8.6)	(7.9)
Segment operating profit/(loss)		447.9	(18.0)	429.9
Segment operating margin	(%)	21.1	(7.5)	18.2
Segment assets		5 679.0	161.7	5 840.7
For the twelve months ended 31 March 2025 (Audited)				
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		5 591.4	171.1	5 762.5

* Comparative information for 30 September 2024 has been updated to align with the new reportable segments.
Refer full set of the audited financial statements at 31 March 2025.

Lewis Group Limited: Unaudited interim results

NOTES TO THE SUMMARY FINANCIAL STATEMENTS CONTINUED
for the six months ended 30 September 2025

10. REPORTABLE SEGMENTS CONTINUED

Geographical	South Africa Rm	Namibia Rm	BLE ⁽¹⁾ Rm	Group Rm
For the six months ended 30 September 2025 (Unaudited)				
Revenue	4 140.7	374.1	330.5	4 845.3
For the six months ended 30 September 2024 (Unaudited)				
Revenue	3 704.9	332.3	316.8	4 354.0
For the twelve months ended 31 March 2025 (Audited)				
Revenue	7 881.6	706.2	700.0	9 287.8

⁽¹⁾ Botswana, Lesotho and Eswatini

11. TAXATION

Tax rate reconciliation	6 months ended 30 Sept 2025 Unaudited Rm	6 months ended 30 Sept 2024 Unaudited Rm	12 months ended 31 March 2025 Audited Rm
Profit before taxation	427.2	358.8	983.7
Taxation calculated at a tax rate of 27%	115.3	96.9	265.6
Differing tax rates in foreign countries	2.3	1.8	3.0
Disallowances	11.9	5.2	16.4
Exemptions	(20.0)	(19.5)	(60.3)
Foreign withholding tax	–	–	28.0
Prior years	(2.3)	(6.4)	(21.7)
Tax rate change	–	(2.2)	(2.2)
Taxation per income statement	107.2	75.8	228.8
Effective tax rate	(%) 25.1	21.1	23.3

Lewis Group Limited: Unaudited interim results

NOTES TO THE SUMMARY FINANCIAL STATEMENTS CONTINUED for the six months ended 30 September 2025

12. CASH FLOW FROM OPERATIONS

	Notes	6 months ended 30 Sept 2025 Unaudited Rm	6 months ended 30 Sept 2024 Unaudited Rm	12 months ended 31 March 2025 Audited Rm
12.1 Cash flow from trading		1 058.7	946.5	1 987.2
Operating profit		522.1	429.9	1 152.3
<i>Adjusted for:</i>				
Share-based payments		46.4	43.3	77.2
Depreciation and amortisation		202.0	187.6	377.4
Impairment of right-of-use assets	8	20.6	9.0	17.3
Loss/(Profit) on disposal of fixed assets	8	0.1	(1.1)	0.9
Change in debtors impairment provision	2.2	189.2	171.4	352.5
Change in other provisions		64.5	54.7	28.2
Other movements		13.8	51.7	(18.6)
Included in cash flow from trading is interest earned on trade receivables of R1 192.6 million (2024: R1 012.9 million).				
12.2 Changes in working capital		(899.3)	(999.0)	(1 054.7)
Increase in inventories		(358.2)	(437.8)	(55.8)
Increase in trade and other receivables		(586.5)	(502.2)	(999.1)
Increase in insurance contract asset		(9.6)	(26.0)	(62.6)
Increase/(Decrease) in trade and other payables		47.5	(38.7)	52.5
Increase in payments in advance		7.5	5.7	10.3
12.3 Interest paid per cash flow statement		(107.4)	(83.2)	(199.7)
Interest paid per the income statement		(126.2)	(99.1)	(226.9)
Other movements		18.8	15.9	27.2

Lewis Group Limited: Unaudited interim results

NOTES TO THE SUMMARY FINANCIAL STATEMENTS CONTINUED
for the six months ended 30 September 2025

12. CASH FLOW FROM OPERATIONS CONTINUED

12.4 Real Beds acquisition

In the prior year, the Group acquired the businesses trading under the Real Beds brand for a total purchase consideration of R20.4 million effective 29 June 2024. 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.

12.5 Lease liability payments

The total lease payments amount to R239.6 million (2024: R220.1 million), which include the capital portion of R159.4 million (2024: R145.6 million) reflected under financing activities, and the remaining balance included in cash flow from trading.

13. POST BALANCE SHEET EVENTS

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

Lewis Group Limited: Unaudited interim results

KEY RATIOS

	6 months ended 30 Sept 2025 Unaudited	6 months ended 30 Sept 2024 Unaudited	12 months ended 31 March 2025 Unaudited
Operating efficiency ratios			
Gross profit margin (%)	41.0	40.9	43.4
Operating margin before impairments and capital items (%)	21.6	18.6	23.0
Operating margin (%)	20.7	18.2	22.7
Number of stores	958	897	918
Number of permanent employees (average)	10 826	10 247	10 423
Trading space (sqm)	269 277	261 188	264 349
Inventory turn (annualised) (times)	2.6	2.5	3.8
Current ratio (times)	3.9	2.7	2.6
Credit ratios			
Credit sales (%)	70.3	69.4	68.0
Debtor costs as a % of debtors at gross carrying value (%)	6.8	6.9	15.0
Debtors impairment provision as a % of debtors at gross carrying value (%)	36.9	37.1	37.2
Arrear instalments as a % of total debtors at gross carrying value (%)	25.0	25.3	23.4
Credit applications decline rate (%)	41.2	37.4	38.5
Collection rate (%)	78.3	79.5	78.9
Shareholder ratios			
Net asset value per share (cents)	9 823	9 212	9 864
Gearing ratio (%)	48.5	46.1	36.6
Borrowings ratio (%)	29.0	26.5	17.3
Dividend payout ratio (%)	55.0	55.3	55.3
Return on average shareholders' funds (annualised) after-tax (%)	12.6	12.0	15.4
Return on average capital employed (annualised) after-tax (%)	10.8	10.2	13.4
Return on average assets managed (annualised) pre-tax (%)	12.4	11.3	15.0

Notes:

- All ratios are based on figures at the end of the period unless otherwise disclosed.
- The net asset value has been calculated using 52 044 762 shares in issue (net of treasury shares) (2024: 51 582 399).
- The borrowings ratio is the gearing ratio excluding lease liabilities.
- Total assets exclude the deferred tax asset.
- The affected ratios have been updated following the reclassification set out in note 5.3.

Corporate information

Lewis Group Limited: Unaudited interim results

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

Debt issuer code: LEWI



www.lewisgroup.co.za