

Dis-Chem Pharmacies Limited  
(Incorporated in the Republic of South Africa)  
(Registration number 2005/009766/06)  
JSE share code: DCP  
ISIN: ZAE000227831  
("Dis-Chem" or "the Company" or "the Group")

## TRADING STATEMENT

In terms of the Listings Requirements of the JSE Limited ("JSE"), a company is required to issue a trading statement once it is satisfied that a reasonable degree of certainty exists that the financial results for the period to be reported upon will differ by at least 20% from the financial results for the previous corresponding period.

Accordingly, shareholders are advised that in respect of the six-months ended 31 August 2022, the Company is expecting to announce earnings per share ("EPS") and headline earnings per share ("HEPS") of between 69.5c and 70.8c. This is an increase of between 43.6% and 45.9% compared to the published EPS number of 48.4c for the six-months ended 31 August 2021, and an increase of between 43.1% and 45.4% compared to the published HEPS number of 48.7c for the six-months ended 31 August 2021.

	<b>1H22</b>	<b>1H23 expected</b>	<b>% change</b>
EPS	48.4c	69.5c – 70.6c	43.6% to 45.9%
HEPS	48.7c	69.7c – 70.8c	43.1% to 45.4%

On 1 April 2022, the Group acquired 100% of the shares in CT Distribution Proprietary Limited, KZN Warehouse Proprietary Limited and Eleadora Proprietary Limited. This was a related party transaction due to the companies acquired being owned by directors, previous directors and prescribed officers of Dis-Chem, who are also shareholders of Dis-Chem. These acquisitions resulted in the release of the existing lease liabilities and right-of-use assets on the statement of financial position resulting in a R72 million gain recognised in other income in the statement of comprehensive income. If this once-off gain is excluded from the wholesale segment, which is indicative of the trading performance of the business, the expected EPS and HEPS of the Group would be between 63.3c and 64.6c. This is an increase of between 30.8% and 33.1% compared to the published EPS for the six-months ended 31 August 2021, and an increase of between 30.4% and 32.6% compared to the published HEPS number for the six-months ended 31 August 2021.

	<b>1H22</b>	<b>1H23 expected</b>	<b>% change</b>
EPS	48.4c	63.3c – 64.4c	30.8% to 33.1%
HEPS	48.7c	63.5c – 64.6c	30.4% to 32.6%

The Group is pleased with the performance of the six-months ended 31 August 2022. The strong operational performance is underpinned by continued market share growth, most noticeably in the Pharmacy market, as well as an increase in total income margin across all core categories. This increase is due to the normalisation of transactional gross margins with fewer lower margin COVID-19 related lines, as well as continued improvement in back-end trading terms and service income through increasing scale and continued focus on return on invested capital (ROIC). The focus on ROIC delivered a further improved net working capital position resulting in strong cash generation.

The financial information contained in this announcement has not been audited, reviewed or reported on by the Group's external auditors.

Dis-Chem will release its results for the six-months ended 31 August 2022 on 2 November 2022. There will be a pre-recorded webcast at 10:00 am which can be accessed using the following link: <https://www.corpcam.com/Dischem02112022>. The recording will be available on the Group's website shortly after the presentation at [www.dischemgroup.com](http://www.dischemgroup.com).

Midrand  
24 October 2022

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