

## **Pepkor capitalises on store network through the PAXI parcel service**

*Cape Town, 24 November 2020:* PAXI, the affordable counter-to-counter parcel service which allows its customers to send, collect, and return parcels in a safe, convenient and affordable way, has experienced exceptional growth since its launch in 2018 by leveraging the extensive Pepkor store footprint.

PAXI now has over 2 100 parcel service points countrywide through the Pep store network and has further expanded its offering to Shoe City outlets. The vision is for parcels to be sent and collected across the Pepkor network of more than 5 000 stores.

The establishment and growth of PAXI aligns with Pepkor's ethos to give people, especially those with limited disposable income, the opportunity to live their lives with dignity, respect and pride.

"Pepkor's value proposition is to provide customers with easy access to products and services as close as possible to their homes. By leveraging Pep's footprint, together with technology, PAXI delivers on this promise," says CEO of Pepkor, Leon Lourens. "PAXI is just one of the many innovations and ways Pepkor uses technology and its footprint to provide our customers with solutions to make their lives better as we offer them a range of products and services, such as money transfers, airtime purchases and the ability to pay monthly household bills."

PAXI's technology platform is easy to use and customers are kept up to date with the status of their parcels via SMS, the PAXI bot and the PAXI website. Customers can choose between two bag sizes and also have the choice of a standard service or an express service. Pricing ranges between R59.95 - R119.95. At R59.95, it remains the most affordable price for parcels up to 5kg in the market.

"Since COVID-19, there has been a dramatic shift in the number of parcels sent daily as South Africans were limited in their movements but still needed ways to send and receive parcels. Prior to lockdown, PAXI moved approximately 100 000 parcels between stores each month. This amount has since tripled," says Michael Silke, Chief Executive Commercial of Pep Stores.

The PAXI service is also used extensively by small businesses which need to send parcels to customers through the Pep network of stores enabling numerous small business owners a way to operate their businesses and earn a living. Since inception, nearly 10 000 small businesses have been identified that use PAXI to send parcels to their customers.

The FLASH business is another example where innovative technology helps entrepreneurs to drive their businesses forward and is a key part of the Pepkor Group. There are currently 194 000 FLASH traders throughout South Africa using the technology which offers a range of financial services, consumer payment options and cellular services.

PAXI will next turn its attention to playing a bigger part in the e-commerce fulfilment strategy of the Pepkor group.

Following Pepkor's year end results released on 23 November, key growth highlights included:

- PAXI has moved more than 1.9 million parcels during the year which is a 120% growth on last year.
- 2 230 PAXI parcel points with 2 100 being Pep stores.

## Ends

### Notes to editors:

*F20 volume = 1.9m parcels counter to counter, third parties & assignments*

*F19 volume = 852k parcels counter to counter, third parties & assignments*

### About PAXI

Pep's expansive footprint was established with the aim of giving customers easy access to products and services as close as possible to their homes. Over the years the brand has leveraged this footprint, together with technology, to make the lives of its customers better by bringing them a wide range of products and services such as airtime, money transfers and bill payments. Pep also recognised the need of their customers to send and receive parcels in an affordable and convenient manner which resulted in the launch of Paxi in 2018.

### About Pepkor

Pepkor has the largest retail store footprint in southern Africa with more than 5 200 stores operating across 10 African countries and includes trusted brands such as Pep, Ackermans, Tekkie Town and Refinery. Established 100 years ago, Pepkor continues to provide South Africans with the right products, at the right price, and at their convenience. The majority of Pepkor's retail brands operate in the discount and value market segment, which enjoys natural resilience thanks to customers' ability to buy 'up' or 'down' according to their budgets, and prevailing economic conditions.

### Group highlights from continuing operations as at 30 September 2020

- Revenue increased by 3.6% to R63.7 billion
- Market share growth of 240 basis points
- Cash generated of R9.2 billion\*
- Net debt reduced by R6.9 billion\*
- 230 new stores opened

\*Excluding the adoption of IFRS 16

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