

Media release

Pepkor successfully raises R2.2 billion in bonds in the SA debt market

Cape Town, 4 May 2021 – Leading discount and value retailer, Pepkor Holdings, successfully raised R2.2 billion in the South African bond market following an auction which took place on Friday, 30 April 2021. Strong demand from institutional investors resulted in an oversubscription of 2.8 times.

"It is very pleasing to see such strong support from the local investor community for Pepkor. Our purpose is to make a positive difference in the lives of our customers. The confidence expressed in Pepkor is underpinned by the excellent performance which our retail brands continue to deliver," says Pepkor CEO Leon Lourens.

Pepkor raised R1 435 million in 3-year bonds at 152 basis points above the 3-month Johannesburg Interbank Average Rate (JIBAR) and R765 million in 5-year bonds at 170 basis points above 3-month JIBAR. The bonds were raised at very competitive interest rates with pricing well below the price guidance provided to the market.

Pepkor's Domestic Medium Term Note Programme is part of Pepkor's strategy to diversify its sources of funding and reduce its cost of funding. Proceeds from the bonds raised will be used to replace existing term debt funding due for repayment in 2022 – thereby strengthening the Pepkor group's liquidity and debt repayment profile. On 28 April 2021, Pepkor reported that its net debt as at 31 March 2021 had reduced to R6.1 billion from R14.1 billion a year before. This marked reduction in net debt of R8.0 billion was facilitated by continued trading momentum and strong cash generation.

Ends.

About Pepkor

Pepkor employs 50 000 people and has the largest retail store footprint in southern Africa with more than 5 000 stores. The group includes trusted brands such as PEP, Ackermans, Tekkie Town and Bradlows, some of which were established more than 100 years ago.

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