

Homechoice International plc

Final Results

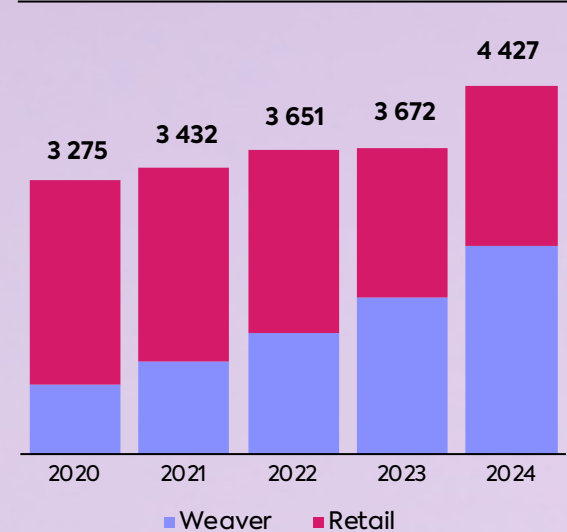
11 March 2025



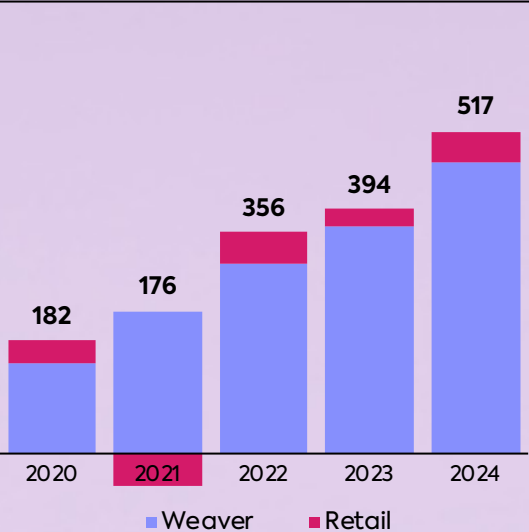
Momentum across our fintech business fuels 31% surge in profits.



Group Revenue (R'000) up 21%



Group PBT (R'000) up 31%



Group Metrics

3.1m
Group customers
53% on LY

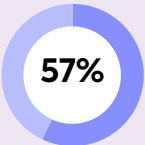
90%
Transactions
conducted digitally

393.9c
Headline earnings
per share up 27.3%

97c
Dividend per
share up 17%



Fintech focused on digital lending, payments and insurance and revenue optimizing products for merchants



R2.5bn
Revenue

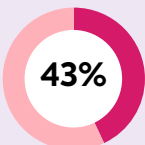


R561m
Segmental profit
before tax*

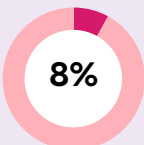
* Segmental profit before tax is before group costs of R94m



Omni-channel retailer selling own brand homewares with delivery direct to homes



R1.9bn
Revenue



R50m
Segmental profit
before tax*



Celebrating 40 years of transformation and entrepreneurial success.



Decorated **7 million bedrooms** in last 10yrs with Homechoice bedding



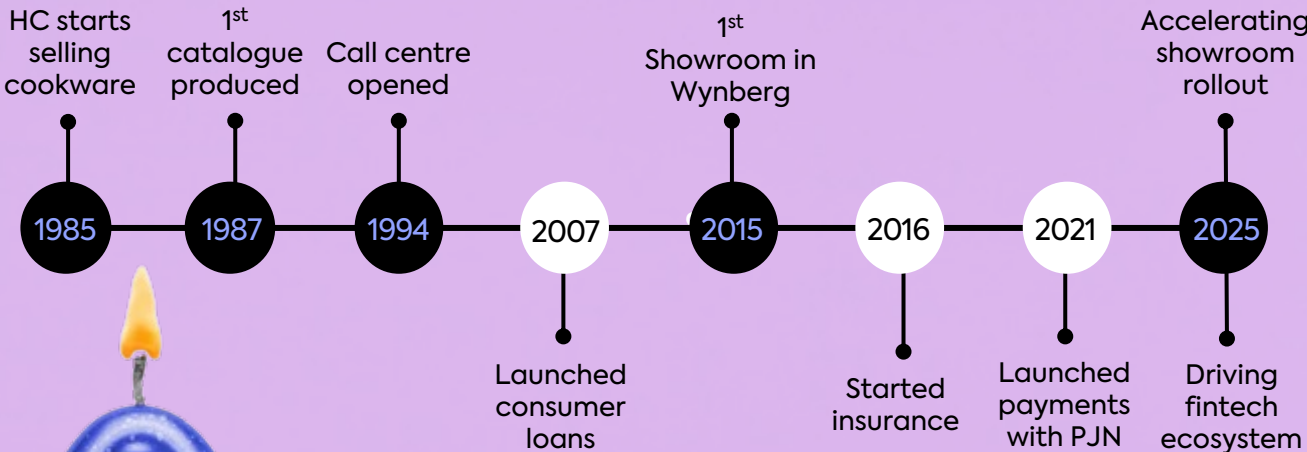
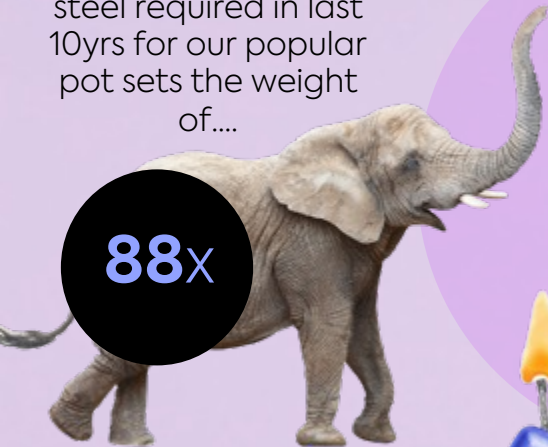
Royal Garden Peach

Our most loved bedding design started in 2008



Deliveries in the last year go around the earth **10,000x**

528 000 kg of steel required in last 10yrs for our popular pot sets the weight of...



Homechoice celebrates **40 years**



R39.1bn

Since inception disbursements and GMV payments to our fintech customers

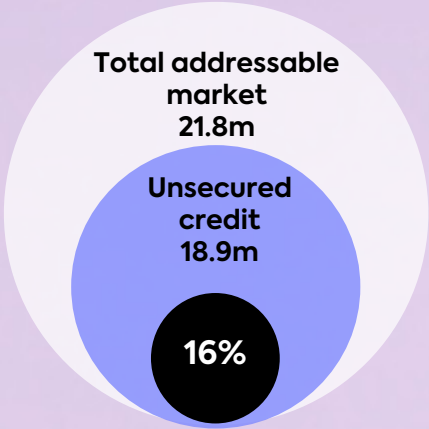
Today Weaver's active customers can fill **20 Cape Town stadiums**



Rapid growth among our urban, digitally savvy African customer presents a major market opportunity.



Group Customers*
3 105 100
up 53%



Fintech Customers *

2 717 700

up 68%

Outstanding response to product offering

Retail Customers

522 800

up 2%

Back to attracting new customers

Customer profile

37 yrs

Average Customer Age

71%

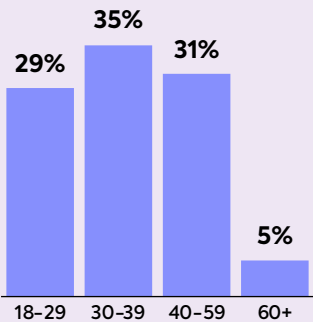
Female customers

R16.3k

Avg Monthly Income

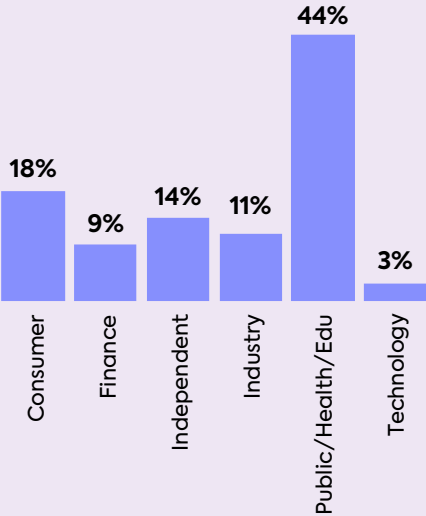
Customer age profile

64% of our customers are Millennials or GenZ



Employment profile

Our mass market customer works across all sectors



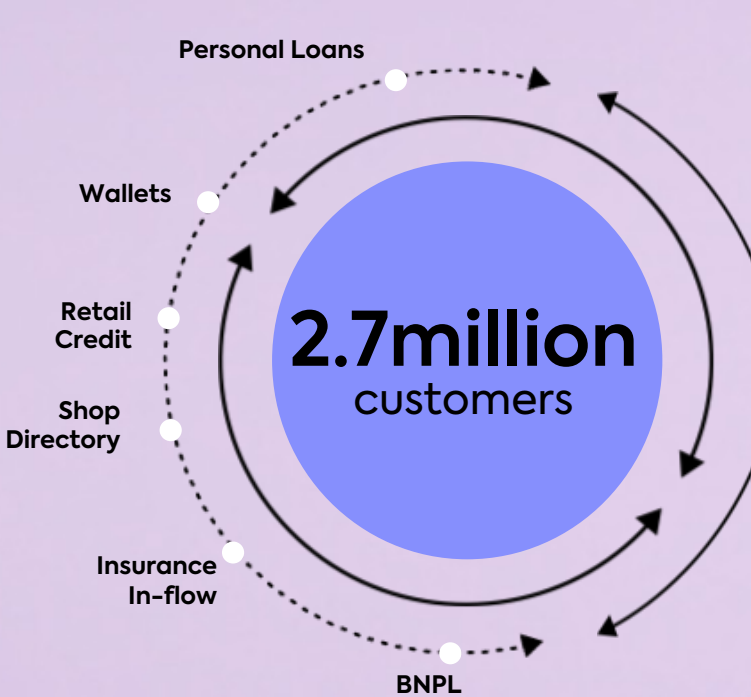
Notes:
* Fintech customers include active loan and insurance customers and signed up BNPL customers
** Total Addressable Market based on information from Experian

Weaver ecosystem creates symbiotic benefits for both customers and merchants.



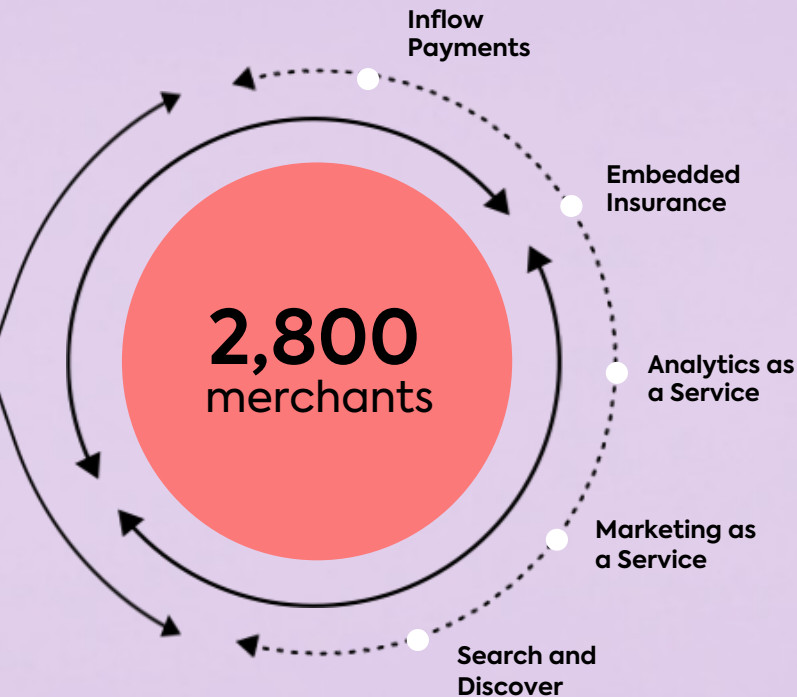
For Customers

digital lending, insurance, payments and shopping marketplace



For Merchants

Delivering customer referrals, conversion and upsell



Bringing our brand to life as customers explore our Showrooms.



Driving profitable growth with our proven showroom format

Customer acquisition

66 000

High engagement delivering new customers ↑ 153%

Improved credit risk

32%

Lower debtors costs than other channels

In-store collections

440k

Customer payments in store with R210m of cash collected

Customer service

2 000

Customer queries resolved in store

Choice Collect

>30%

Of all parcels collected from showrooms



AI driven transformation will unlock next wave of customer, product and profit optimization opportunities.



Operational efficiencies

50%

Of engineers use AI-co pilot accelerating engineering cycles

>30%

Software testing processes augmented by AI enabling faster issue resolution

Efficient business processes increase profits



Enhance customer experience

<3min

GenAI chat agents handle 40% of enquiries improving our agent/customer ratio by 32% to 1: 9000

23% up

Machine learning propensity models increase new customer adoption

Anticipation rather than reaction improving CX



Data driven insights

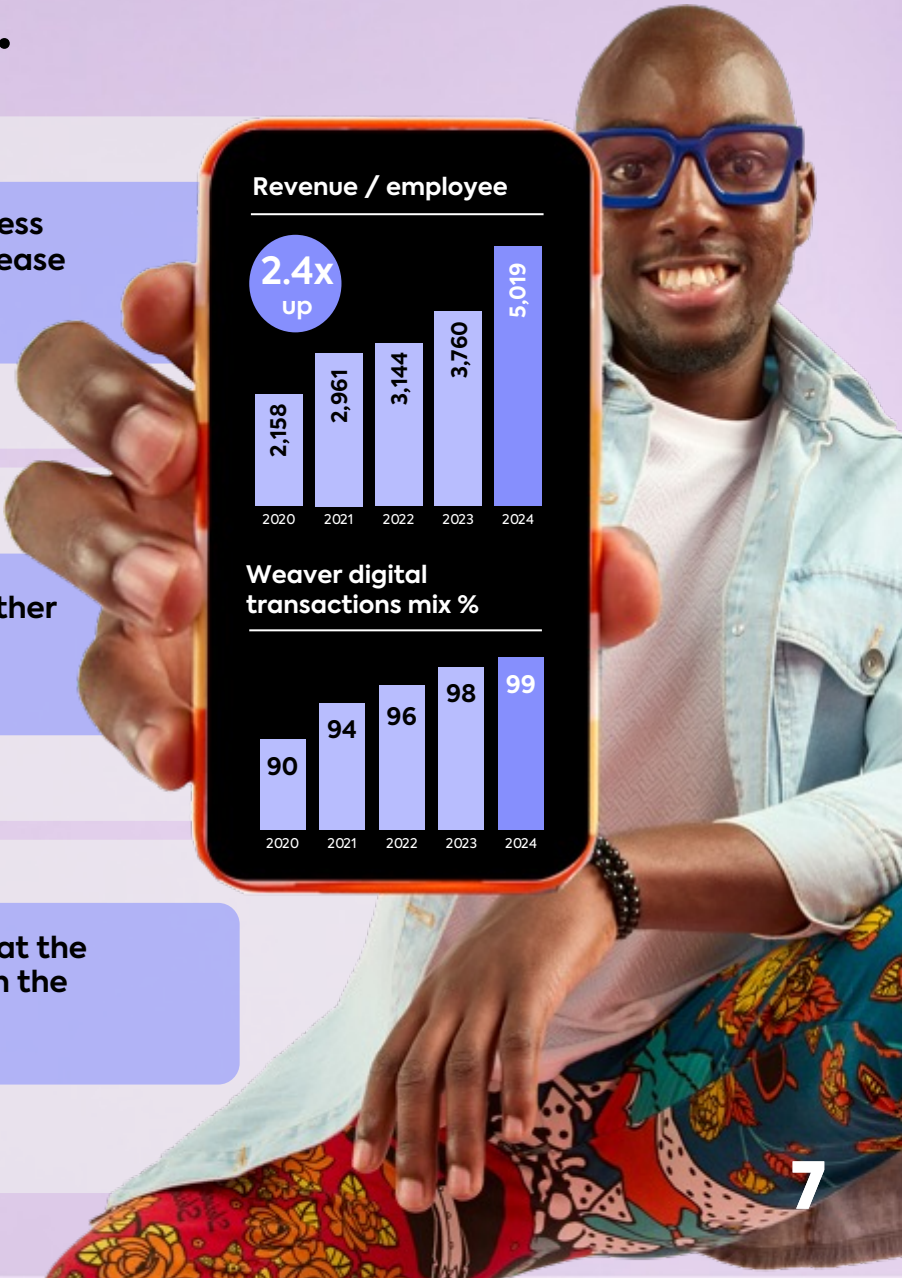
420 ms

Fraud detection and monitoring of data patterns in real time reducing risk

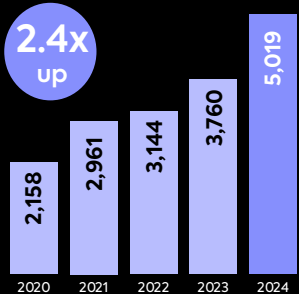
7mil / mth

Decision science platforms processing decisions each month improving CX

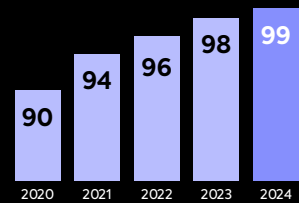
Right product at the right price with the right risk



Revenue / employee



Weaver digital transactions mix %



The profound impact of our digital ecosystem on our stakeholders.



Always championing our female customer



Financial Inclusion

3.1 Million Customers Served
126k New Loan Borrowers



Economic Growth

Over 2,800 Merchants in our ecosystem including 1,840 SMEs enabling retail sales of R1.1bn



Economic Mobility

Improving our employees livelihoods.
119 HC employees in skills programs;
16 graduating from management courses;
22 awarded bursaries and > 70% internal promotions



Sustainability

1.3m kg of CO2 saved with solar, equivalent to planting 38k trees. 91% waste recycling rate and 13% reduction in water with new energy pumps.



Job Creation

16 new retail stores opened in 2024 creating 124 jobs. 22 more stores expected in 2025.



Social Development

Over 41 600 children and 3 175 educators provided with ECD support in the WC.



Thuli

Finchoice ★★★★★

I'm single mother of 3. Finchoice has helped me put my children through school. They have always been there in my difficult time. The app is user friendly, payouts do not take long. No lengthy paperwork. Excellent customer service.



Sibongile

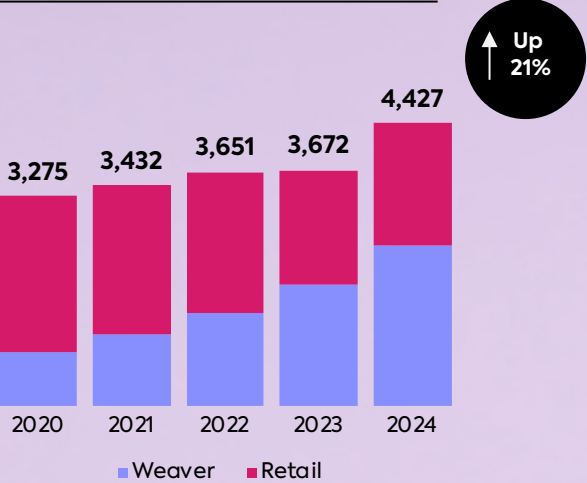
Finance.



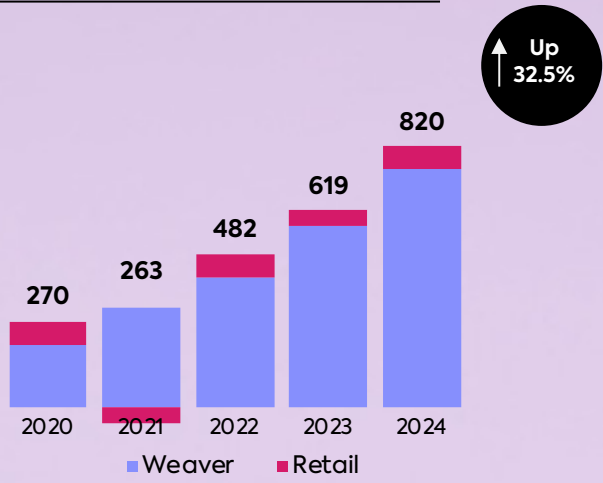
Outstanding customer growth from compelling products designed for her, delivering a track record of profitable growth.



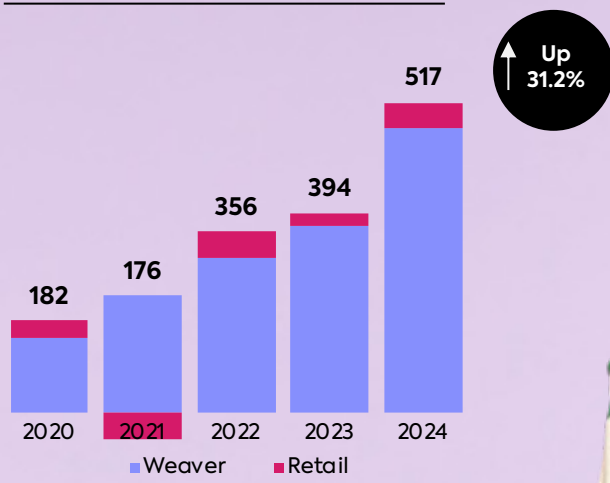
Group Revenue (R'm)



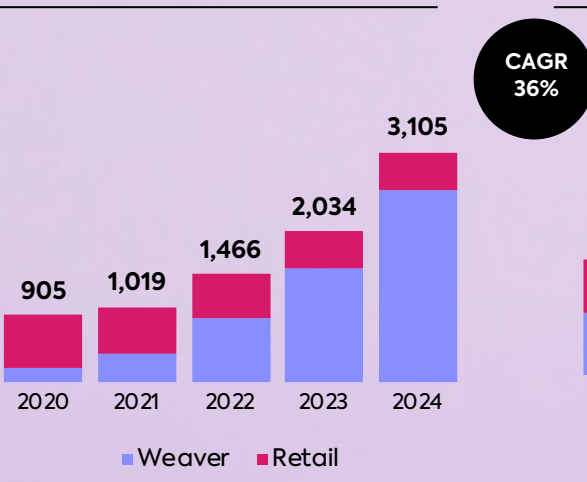
Group Operating profit (R'm)



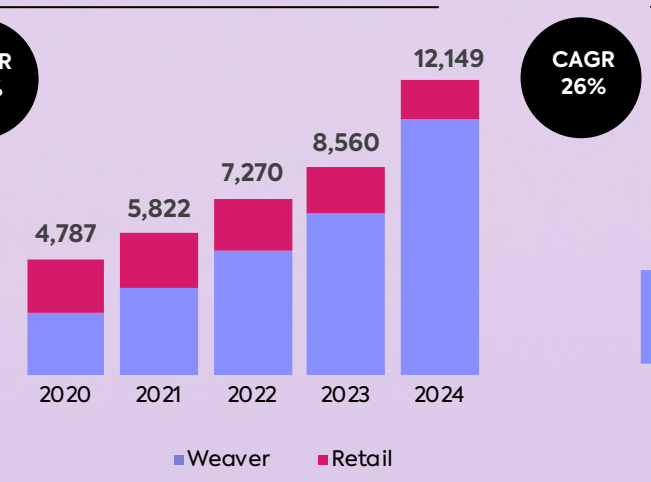
Group Profit before tax (R'm)



Group Customers ('000)



Group Cash Collections (R'm)



Earning per share (Cents)



Excellent Fintech growth with resurging Retail business.

Strong revenue growth enabled with Fintech

- Fintech revenue up 34% with digital loans disbursements and payments accelerating
- Strategic growth in fee income now 26% of revenue (LY: 22%)
- Retail sales momentum with successful showroom strategy

Gross profit margin improved 270bps

- Effective merchandise management and supply chain optimization delivering efficiencies

Debtor costs driven by growing fintech

- Impacted by fintech debtor write-offs from higher risk new business with portfolio now rebalanced
- Retail credit risk shown consistent improvement

Trading expenses growth well managed

- Fintech delivers scale benefits from digital business operations
- Retail cost growth < 3% as business transforms

Profit before tax up 31%

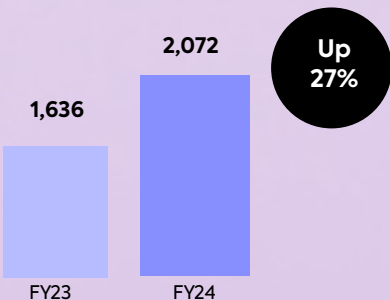
- Successful profit conversion with margin improving to 12%
- Interest up 35% due to increased funding for fintech and higher interest rates

R2.4 million

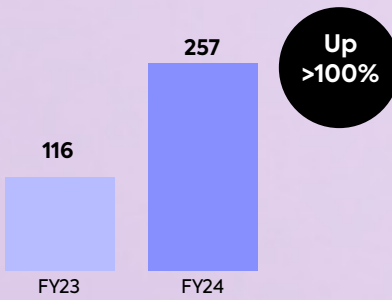
Revenue per employee up 16.5%

	2024 Rm	2023 Rm	% change
Revenue	4 427	3 672	20.6%
Lending income	1 968	1 630	20.7%
Fee income	1 130	815	38.7%
Retail sales	1 329	1 227	8.3%
Gross profit margin	45.7%	43.0%	2.7%
Debtor costs	(1,430)	(1,092)	31.0%
Trading expenses	(1,474)	(1,290)	14.3%
Other income, gains and losses	19	28	(32.1%)
Operating profit	820	619	32.5%
Operating profit margin	18.5%	16.9%	1.6%
Net interest expense	(303)	(225)	34.7%
Profit before tax	517	394	31.2%
Taxation	(106)	(67)	58.2%
Profit after tax	411	327	25.7%

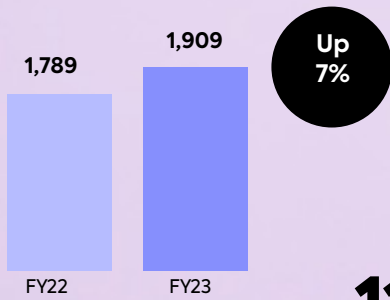
Loans Revenue (R'm)



Payments Revenue (R'm)



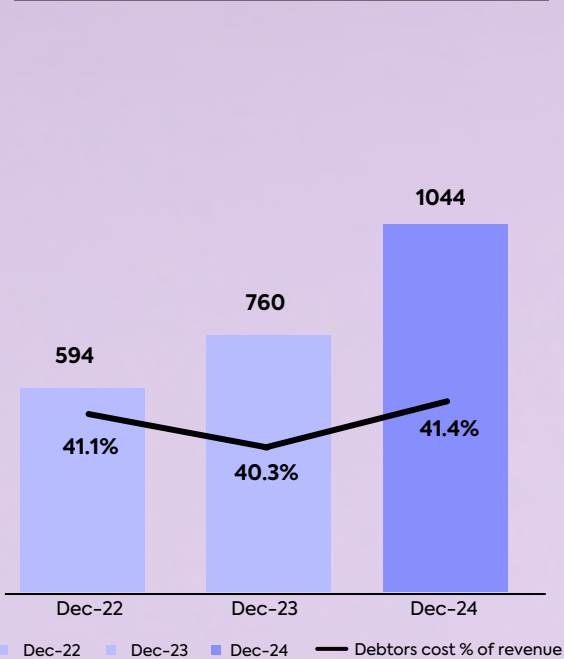
Retail Revenue (R'm)



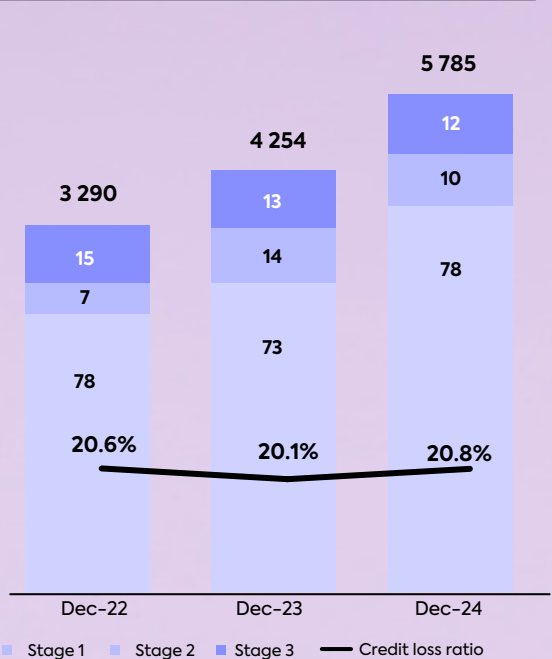
Weaver quality credit book with appropriate coverage levels.



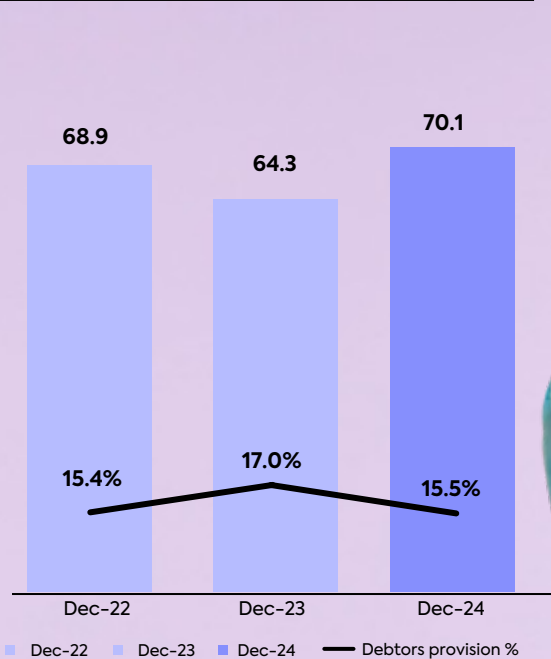
Debtors costs (R'm)



Fintech gross book (R'm)



Stage 2 and 3 loans cover (%)

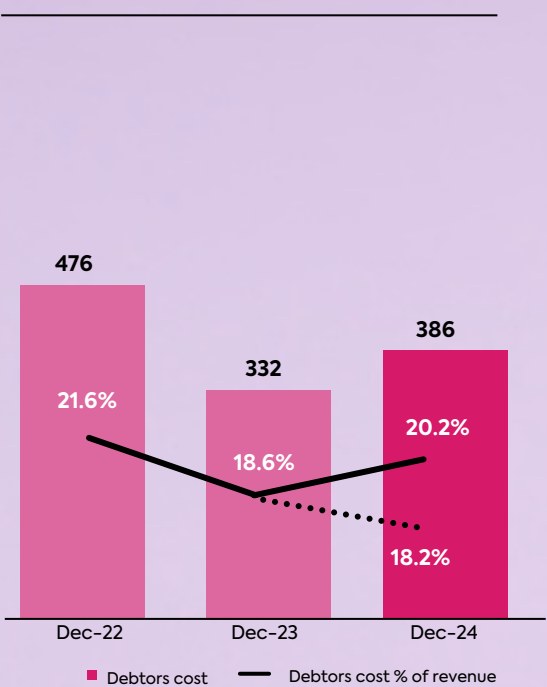


- Operational challenges with implementation of new collections dialler and some higher risk acquisition business written in H2 FY23, resulted in increased write-offs impacting debtor costs in FY24
- Actively shifted disbursement mix with focus on proven existing customers, improving book mix (Stage 1 mix proportion increasing to 78%)
- Book distribution driven reduction in ECL ratio to 15.5% (in line with FY22) with increasing coverage ratio to 70%
- Credit loss ratio stable and reflects revised treatment of debt review books as required by IFRS 9

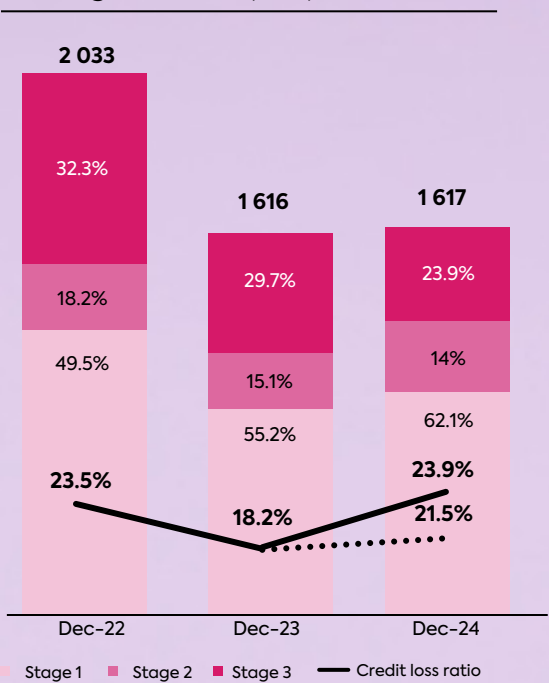
Strategic credit actions delivered book quality with metrics improving.



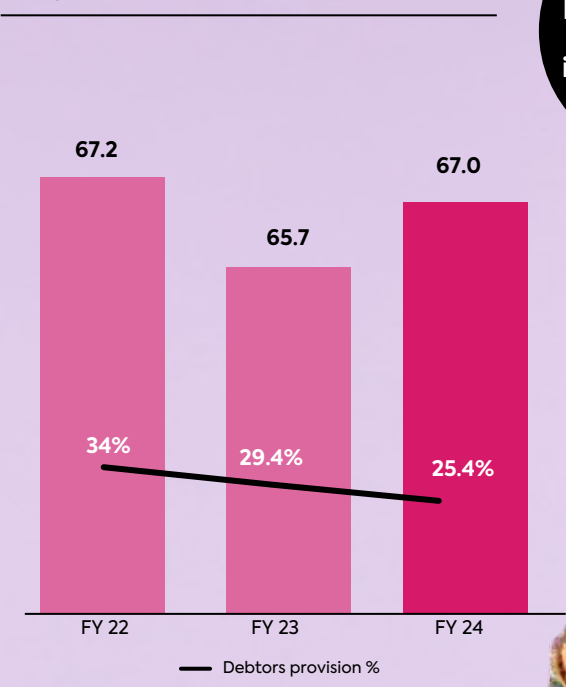
Debtor costs (R'm)



Retail gross book (R'm)



Stage 2 and 3 cover (%)



Rehabilitation product moved in-house impacting 2024 debtor ratios



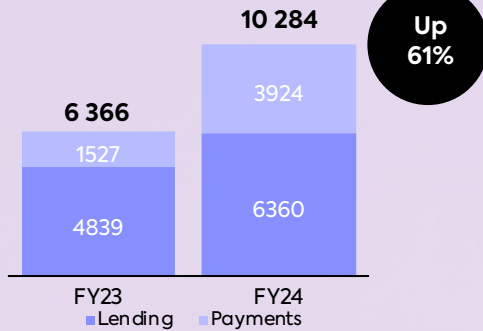
- Strategic credit tightening in 2023 maintained into 2024 with improvements evident
- Bad debt write-offs have reduced with credit strategy and this is shown in the adjusted debtor cost/revenue metric dropping from 18.6% to 18.2%.
- Improved collections performance and higher Stage 1 book mix results in reduction in ECL coverage ratio to 25.4%
- Stage 2 and 3 cover increased to 67.0% (FY23: 65.7%)

Investing in the fintech ecosystem building new products and winning market share in lending and payments.

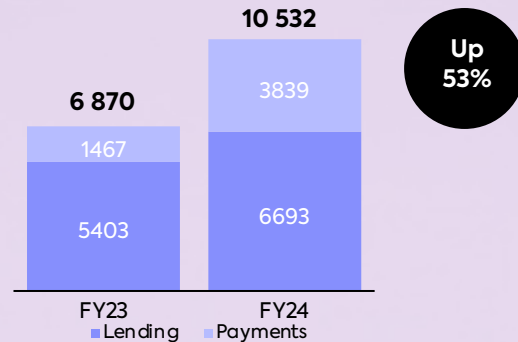


Weaver Fintech

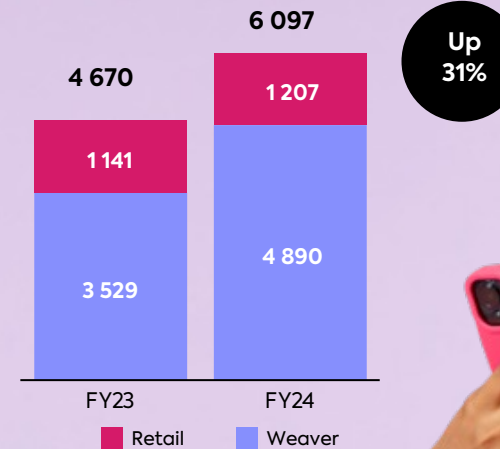
Disbursements lending and payments (R'm)



Collections match disbursements (R'm)



Net trade and loan books (R'm)



Summary of Group cashflow

	2024	2023	% change
Operating cash flows	912	686	32.9%
Weaver Fintech loans	(1 340)	(730)	83.5%
Retail trade receivables	(40)	228	< (100)
Other working capital	112	72	55.5%
Cash used in operations	(356)	256	< (100)
Capex	(126)	(99)	27.3%
Tax, Interest and Dividends	(588)	(449)	36.3%
Net financing flows	1030	361	>100
Net cash flow	(40)	69	<(100)
Net debt*	2 784	1 692	64.5%
Net debt : equity*	72%	46%	

Fintech growth

R1.3bn for working capital and R58m in technology products.
ROE increasing from 14.0% to 15.8%

Funding : R4.0bn

R1.2bn of available facilities.
Upsized facilities by R750m – 60% over-subscribed.

* Net debt only includes Commercial Term loan, Overdrafts and cash

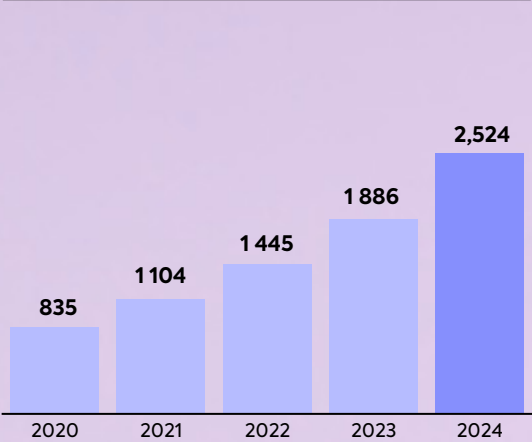
**Weaver
Fintech.**



Weaver Fintech has maintained a CAGR >30% for 5 years, setting the standard for excellence.

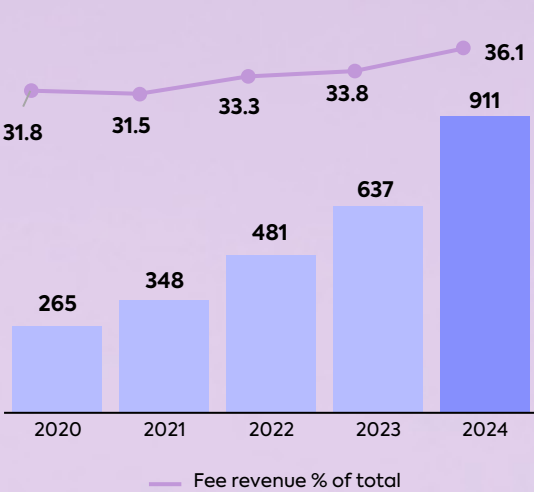


Revenue (R'm)



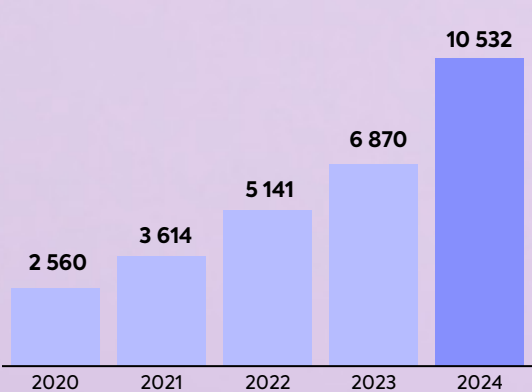
**CAGR
31.9%**

Fee Revenue (R'm)



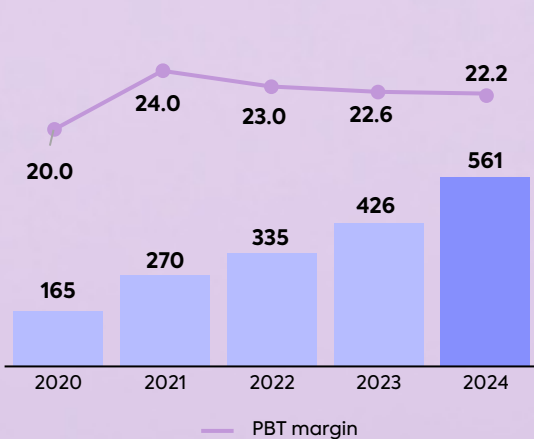
**CAGR
36.2%**

Cash Collections (R'm)



**CAGR
42.4%**

Profit before tax (R'm)



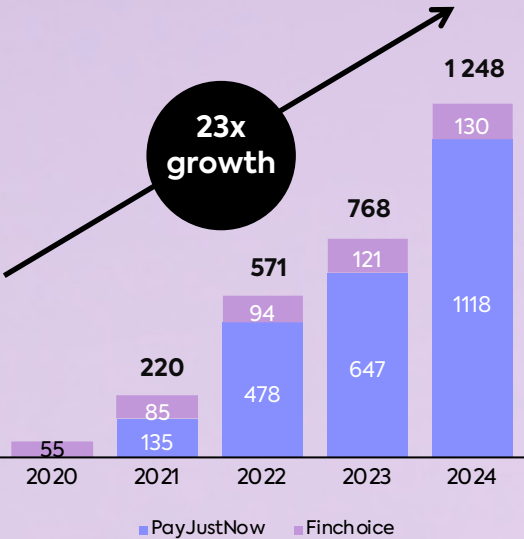
**CAGR
35.8%**



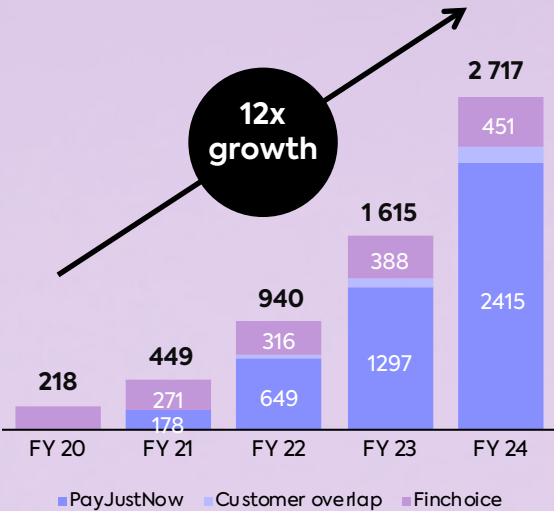
We are her favourite digital financial services provider.



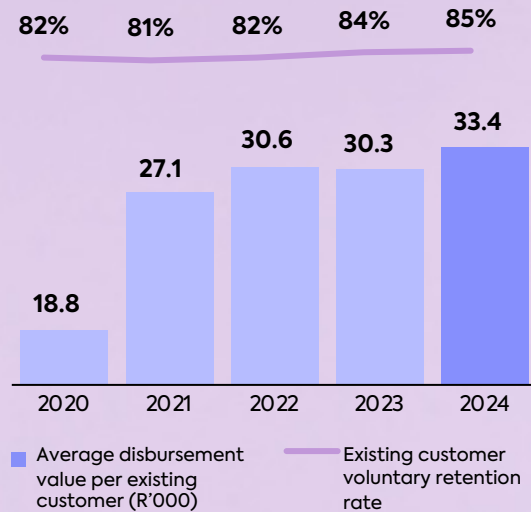
New customers adoption ('000)



Rapidly growing fintech customer base ('000)



High levels of engagement from returning loan customers



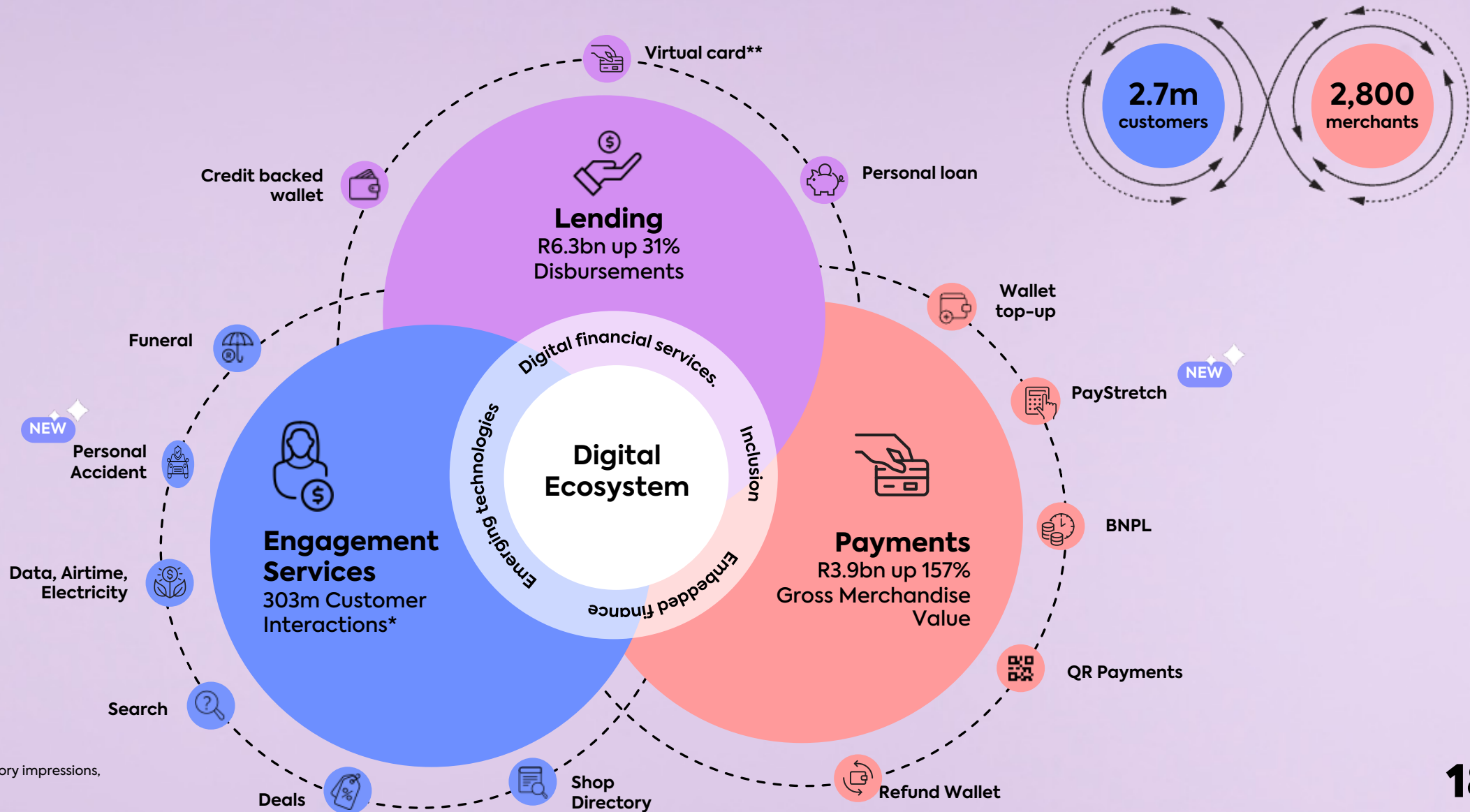
2.7 million
customers

	Google rating	Net promoter score
finchoice	4.6	74.0
PayJustNow	4.7	80.1



Note: PayJustNow customer base based on signed up customers for BNPL

Our digital ecosystem drives cross-sell, enhancing customer lifetime value and profitability.



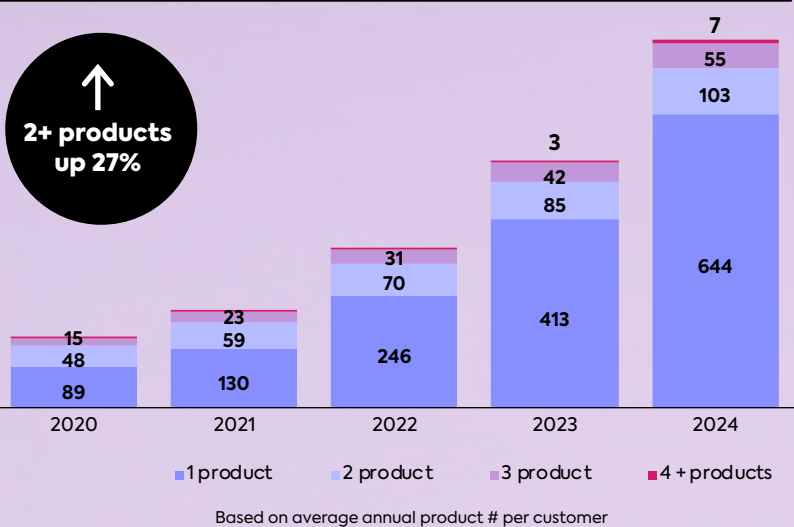
* Based on searches, store directory impressions, deals and emails in 2024

** Product to be launched

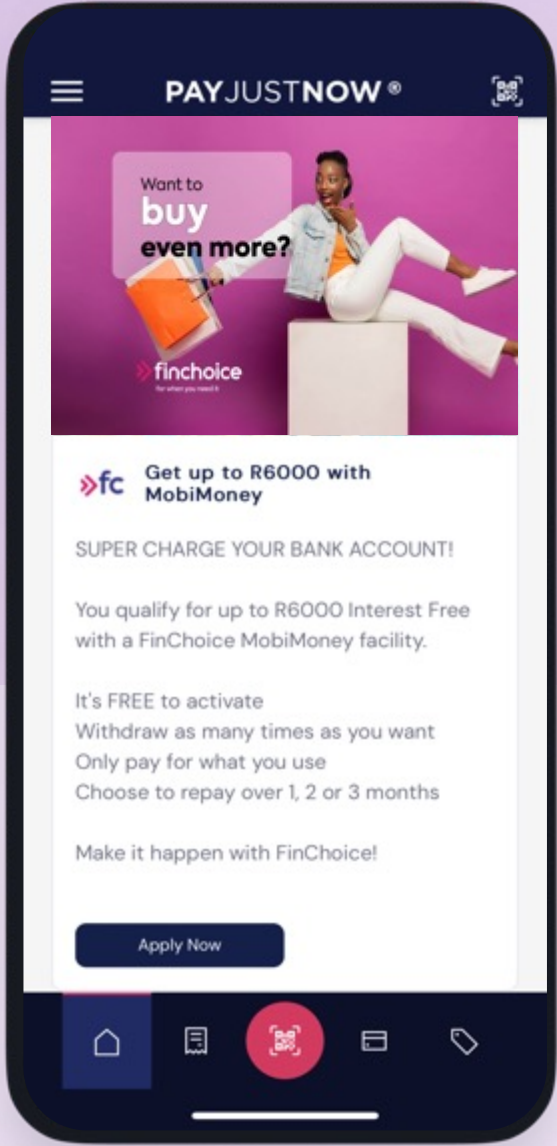
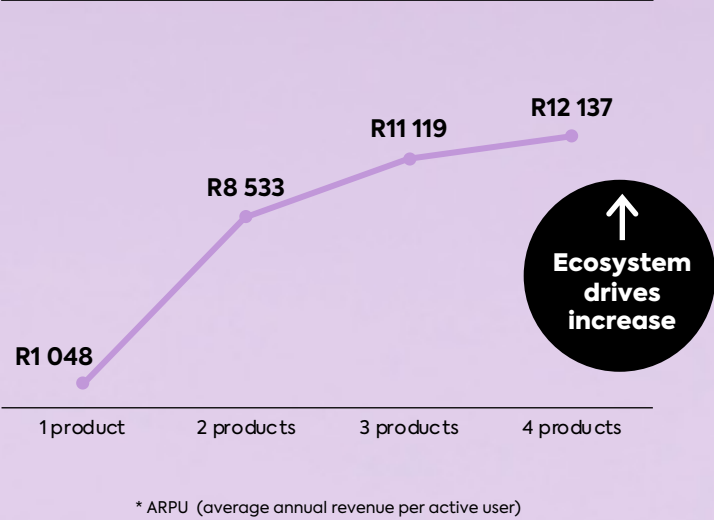
Multiple products growing fast reflecting power of the ecosystem and trust in brands.



Multiple products per active customer – ('000)



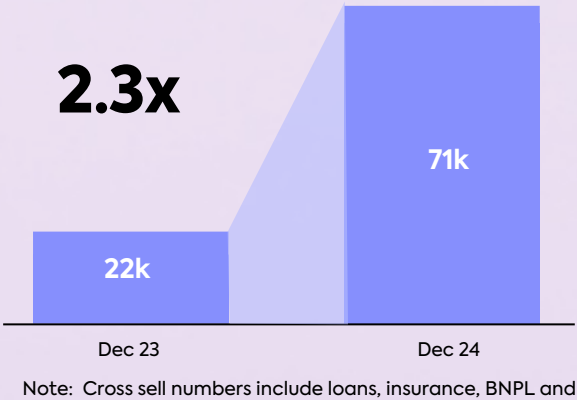
ARPU* based on number of products (R)



Power of the Weaver ecosystem



Ecosystem customers driven by cross-sell



Invested and delivered significant growth in lending and payments business taking market share.

Fintech revenue expansion up 34%

- Digital loans business delivers 29% higher income with existing customer engagement and product progression delivering total disbursements up 31%.
- Fee income up R274m (43%), now contributing 36% of revenue mix (LY: 34% mix)
- Payments products growing exponentially with fees of R259m (up >100% from R116m)
- Digital insurance growth continues with GWP up 23% to R182m.

Debtor costs impacted by higher write-offs

- Challenges with new collections dialler implementation and some higher risk acquisition business in FY23 increased write-offs
- Pivot to existing business with book quickly rebalanced

Digital operations improve costs metrics

- Fintech able to scale through use of data, tech and AI
- Costs/revenue reducing by 1.1% to 25.3%

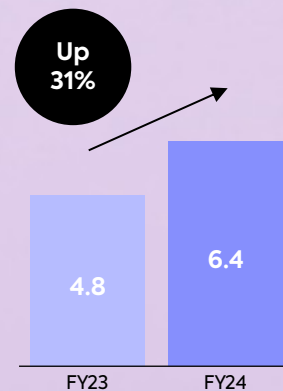
Profit before tax up 32%

- Margin maintained at 22.2%

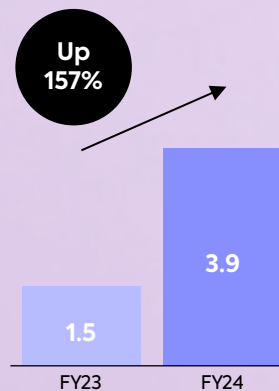
R5.0 million
Revenue per
employee up 35.1%

	DEC 2024 Rm	DEC 2023 Rm	% change
Revenue	2524	1886	33.8
Finance and other income	1613	1249	29.1
Fee income	911	637	43.0
Other gains / (losses)	-	(5)	
Debtor costs	(1044)	(760)	37.4
Trading expenses	(640)	(499)	28.2
Operating profit	840	622	35.0
Interest expense	(279)	(196)	42.3
Profit before tax	561	426	31.7

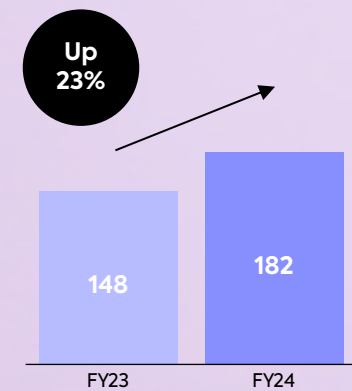
Digital Loans Disbursed (R'bn)



Gross Merchandise Value (R'bn)



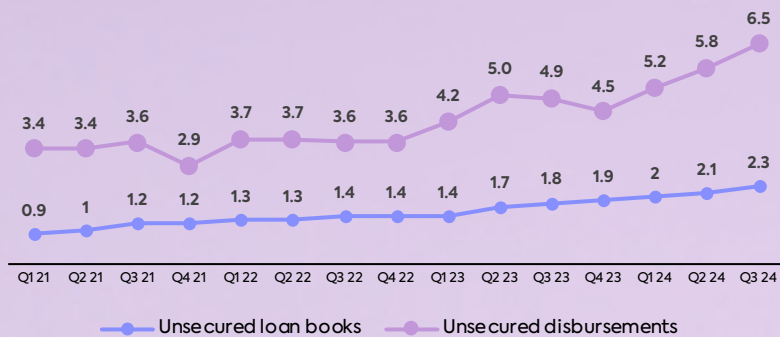
Insurance – net written premium (R'm)



Best in class credit metrics with increased market share.

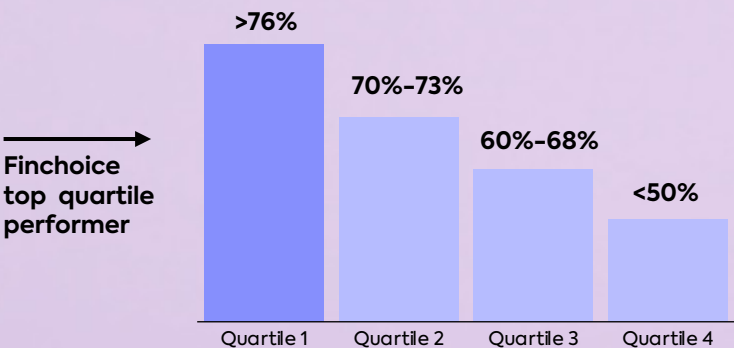


Lending business market share up 44% to 6.5%



Source: National Credit Regulator and company data

Portfolio quality across market based on % balance with no arrears



Source: Comparative Experian analysis of top 12 unsecured lenders Q4 2024

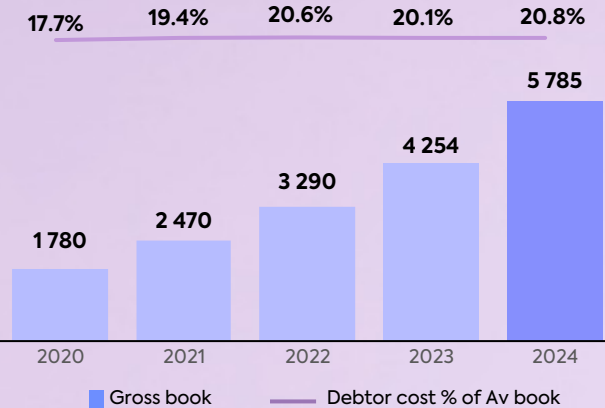


21.3 months
average term
loan book

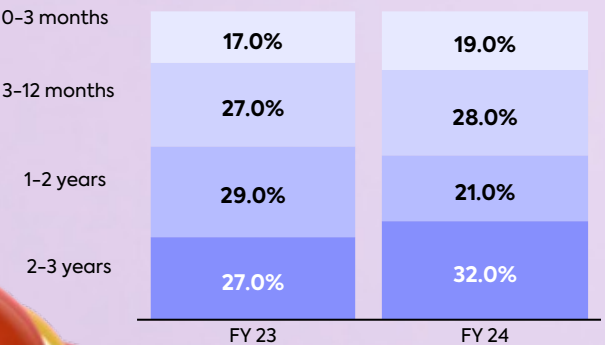
43.7 days
average term
BNPL book

85% pay
rate
up to date
payers

Consistent credit metrics (R'm)



Weaver has consistently maintained short term books*

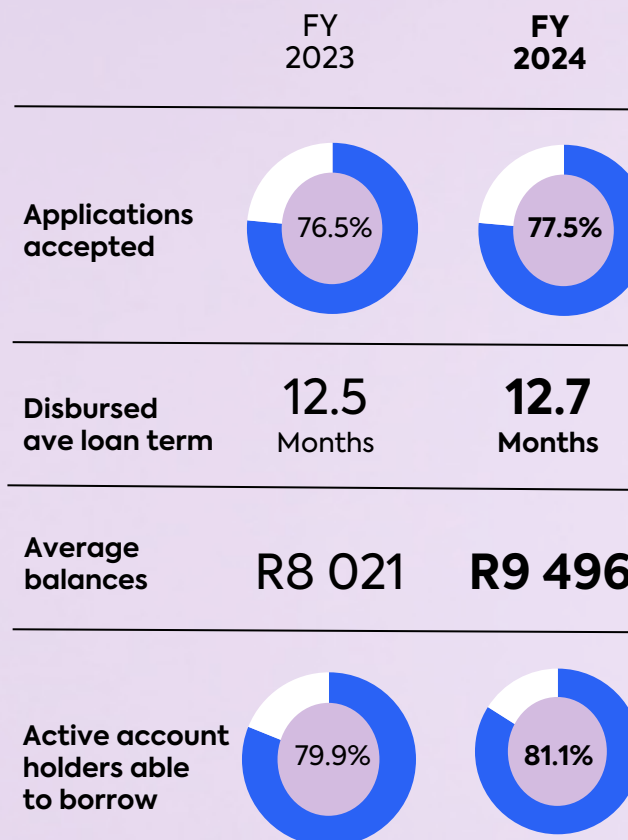
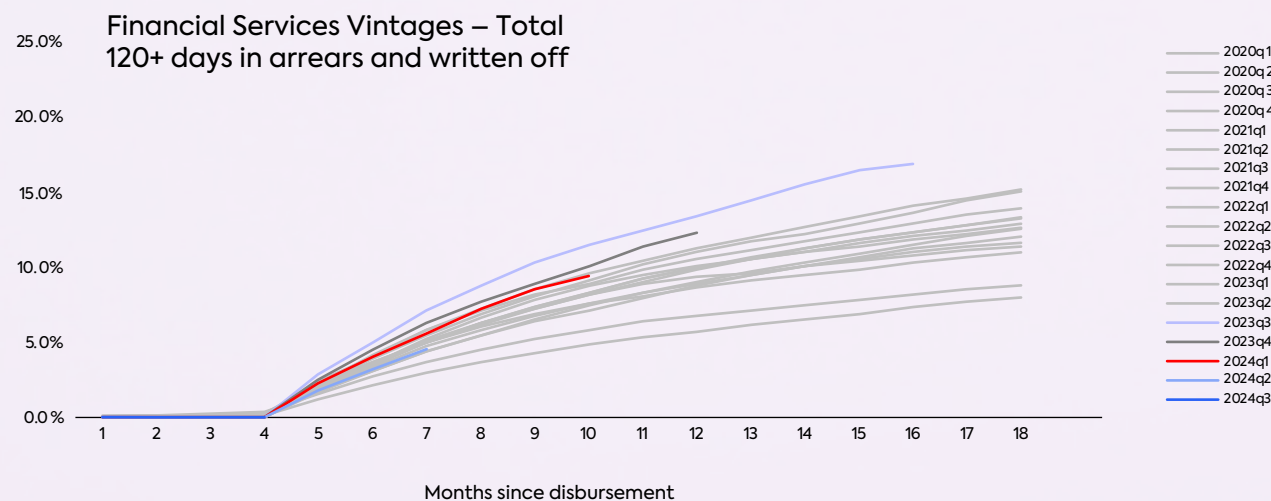


*Book age distribution from origination

Risk improved with active portfolio management.

- Significant acquisition drive in H2 23 with higher than anticipated increase in risk
- Poor execution on implementation of new collections dialler in H1 24 adversely impacted collections – corrective action taken with efficiencies and yield improvements
- Overall improvement in risk metrics in FY24 through driving product progression resulting in extension to better performing existing customers with disbursements mix at 86.6% (LY: 85.9%)
- Implemented new behavioural scorecard for existing customers and a bespoke bureau scorecard for new customers improving risk segmentation
- Collaboration with PayJustNow on fraud identification and detection with specific focus on suspicious device identifications

Vintages maintained within narrow tolerance band

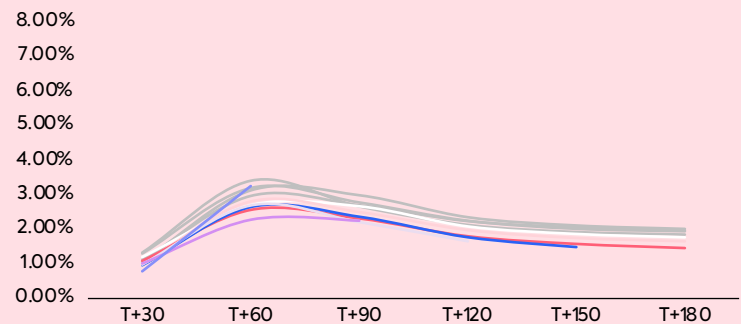




BNPL improved capital at risk whilst growing GMV 157%.

- Application scorecard and limit strategy redeveloped with improved profitability outcomes
- Use of AI fraud tools for real time monitoring and selfie verification on first orders reducing risk
- Effective management of credit limits using behavioural scorecard
- Strategic increases to good paying repeat customers
- Collections scorecard developed to optimise early-stage
- Risk improvement as business matures with high level of repeat customers

BNPL vintages reflect tight risk management

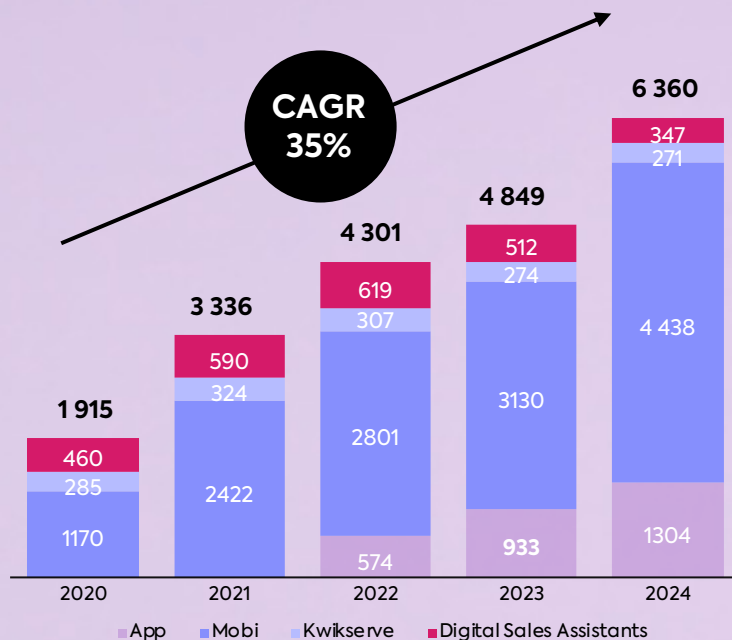


	FY 2023	FY 2024
Applications accepted	63.4%	69.0%
Average credit limit	R3 311	R4 203
Average basket size	R1 430	R1 449
Active utilisation	47.5%	47.9%



Supporting her cashless journey.

Disbursements (R'm) consistent growth up 31%



Time to originate digital loan

1 minute
for existing customers

5 minutes
for new customers

App driving engagement

255k

App customers growing 46% generating R1.3bn revenue

9.5 x

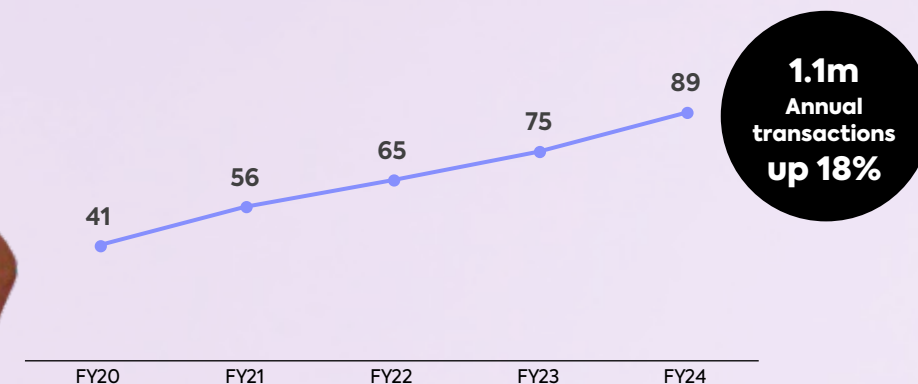
Utilisation in 60 days compares with 8.5x on mobi

R2 967

Av App loan withdrawal with high utilisation

High velocity of credit backed wallet

Average monthly wallet transactions ('000)



>300k

Mobi money wallet customers growing 16.8%

R8.1bn

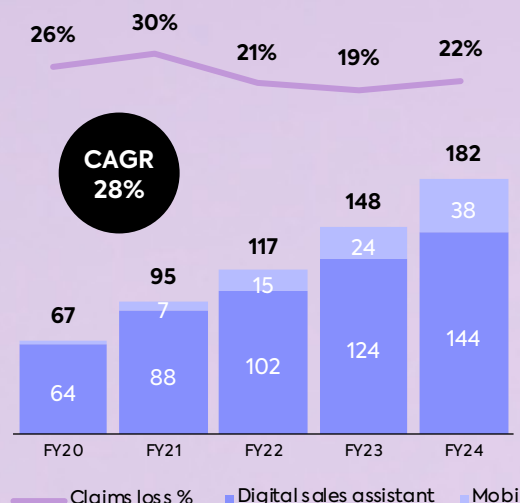
Withdrawals since inception

600k

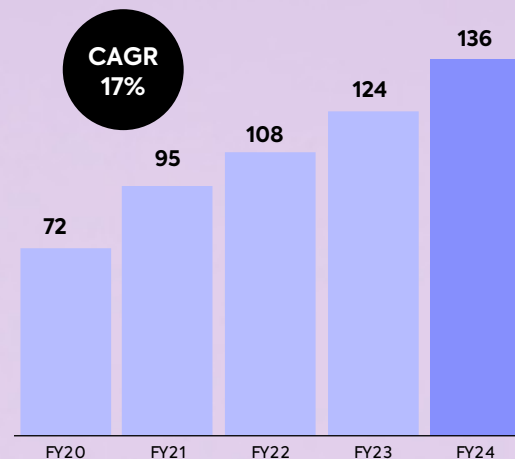
QR payments growing 47% across 600k points of presence

Embedded insurance drives momentum in the ecosystem with growing digital engagement.

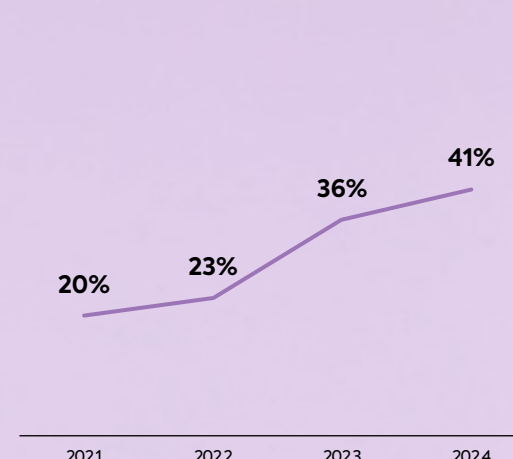
GWP strong growth with low insurance claims (R'm)



Steadily building insurance customers up 10% ('000)

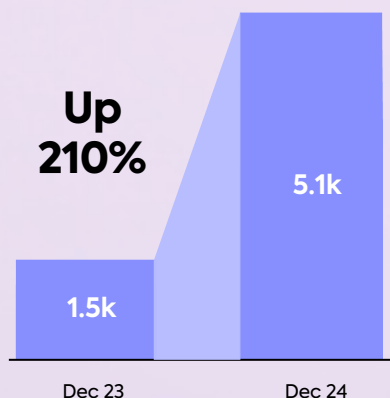


Momentum in digital acquisition of insurance policies (proportion %)



NEW

Personal accident product growing rapidly in our ecosystem



Insurance products significant cross-sell opportunity

16%

Weaver Fintech active base have an insurance product

3%

Funeral customers have personal accident and take-up increasing quickly



Introduced more payment options at the till delivering higher spend and conversion.

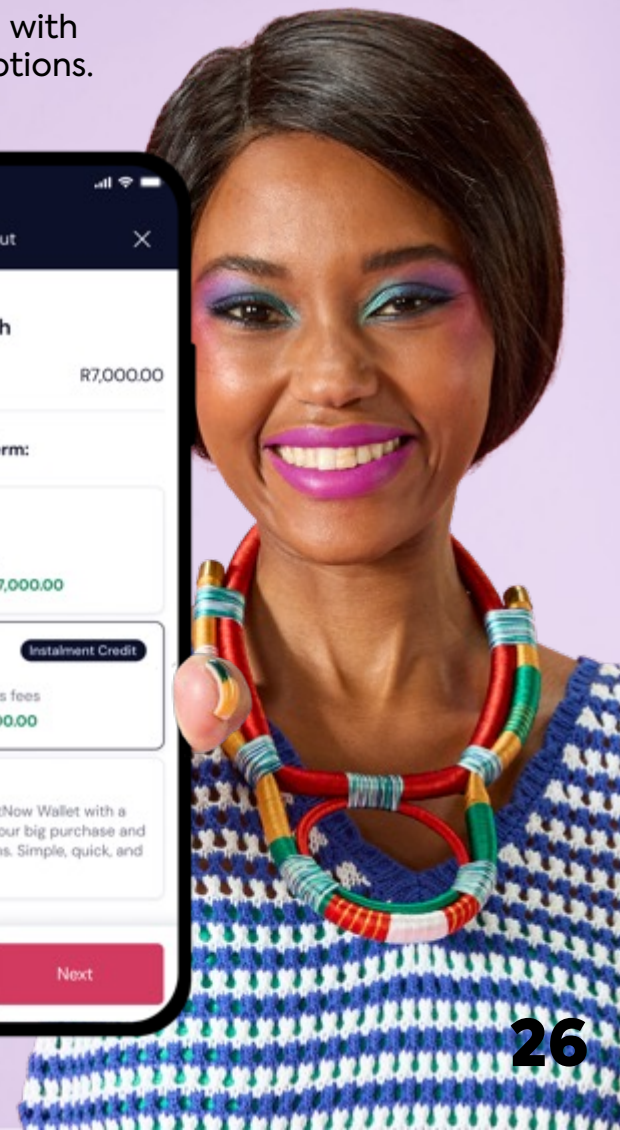
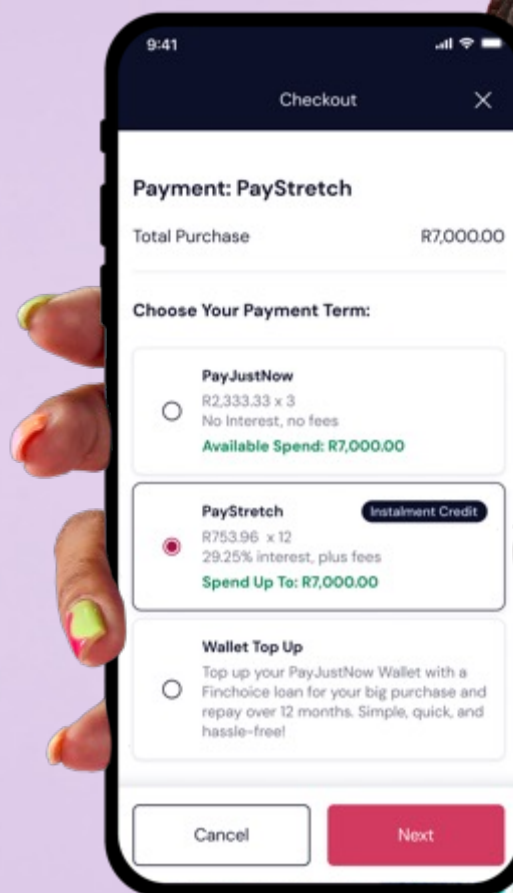
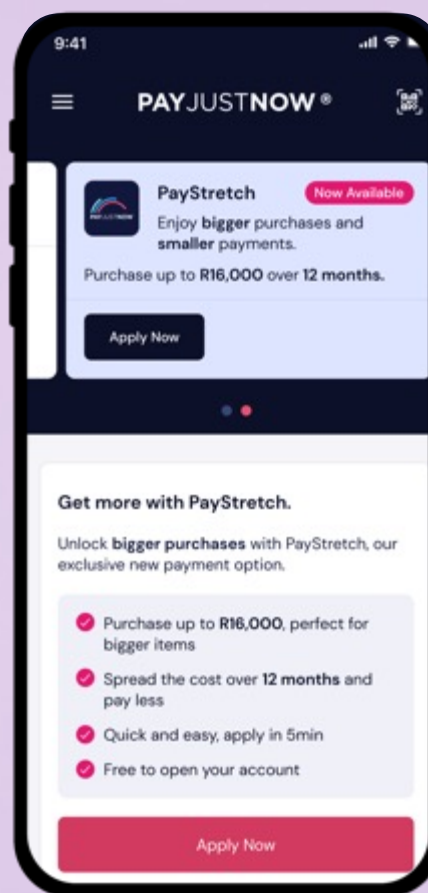
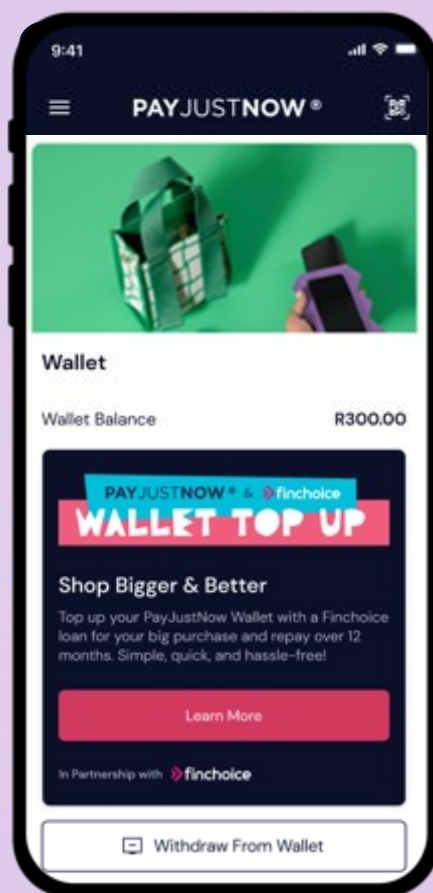
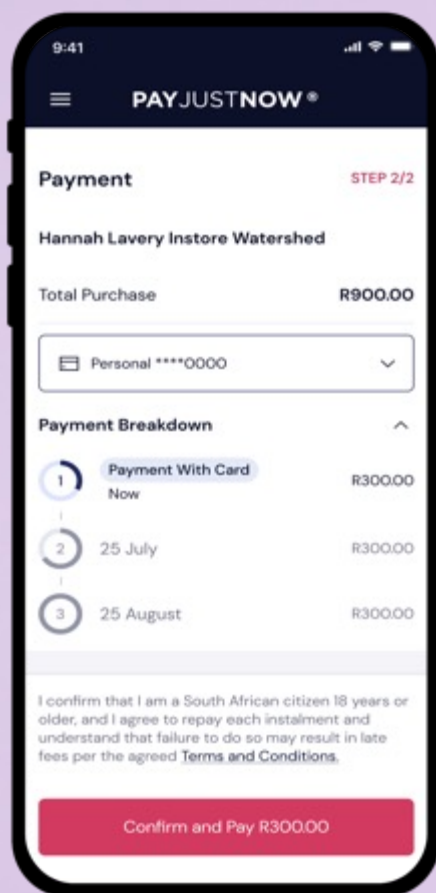


BNPL offers Pay in 3 instalments with no interest or fees

My wallet offers top-up for multiple purchases with refunds direct to wallet

PayStretch™ product implemented in Q4 to enable her large item purchase needs

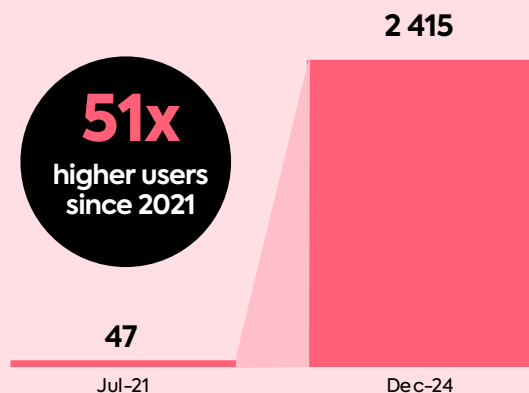
Growing the Weaver ecosystem with payment options.



Rapidly scaling payments business winning over 100k new customers each month.

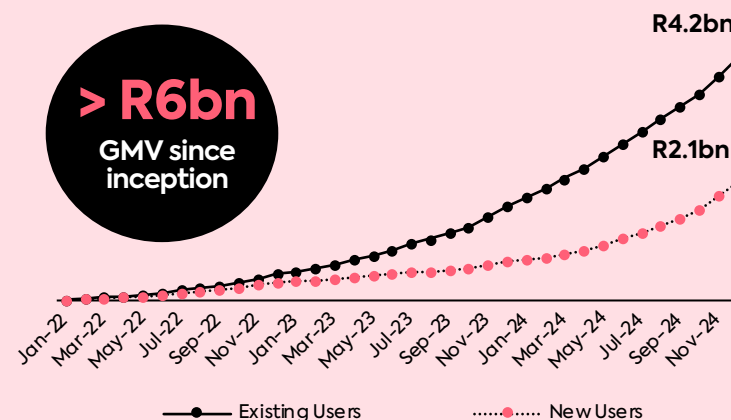
Continuously growing customer base

Number of signed up customers ('000)



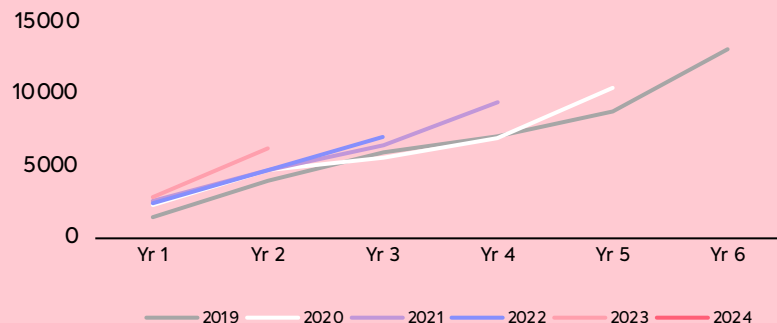
Building loyal customers with payment options

Cumulative GMV



Existing customers increasing spend and frequency

Annual GMV per distinct user by year of sign up (Rand)



Market leading payment products

BNPL

2.12x

90 day frequency up from 1.84

R7.0k

Average spend returning customers up 21%

Paystretch

R44.2m

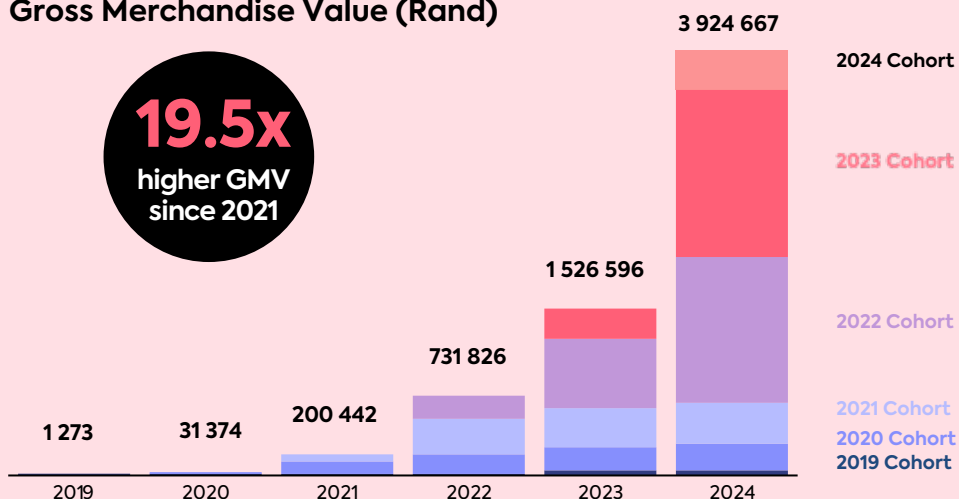
GMV written since Q4 launch

**#1
BNPL
in SA**

Our payment products deliver sizeable value to merchants.

Our Merchant retention validates our value

Gross Merchandise Value (Rand)



Driving high conversion to Merchants from multiple touchpoints

Total customer interactions

303m

Customers engaging on deals, search, campaign and transactional emails

Drives

24.7m lead referrals
to merchants

8.1%

Engagement
to lead
conversion

Merchants >2 800 across 10 000 points of presence





Retail.



Unique retail business which continues to innovate and transform delivering profitable growth.



Retail delivers sales growth of 8.3%

- Improving customer response to innovative bedding offers
- Roll-out of 16 new showrooms driving footfall with good conversion

Finance and other income up modest 2.1%

- Curtailment of risk reduced credit books negatively impacting interest income partly offset by growth of insurance products

Strong gross margin metrics up 270bps

- Effective merchandise strategies deliver strong sell through off innovative product combined with tight stock management
- Smart fulfilment technology and closure of 2nd warehouse driving reductions in supply chain cost

Debtor costs managed to 20.2% of revenue (LY: 18.6%)

- Impacted by inclusion of rehabilitation books now brought in-house
- Improving book quality resulting in lower provision of 25.4% (LY: 29.4%)

Trading expenses growing well below revenue at 2.2%

- Marketing efficiency improved with successful campaigns
- Benefits from cost effective new smaller-format stores

Delivering profit before tax growth up 85%

	Dec 2024 Rm	Dec 2023 Rm	% change
Revenue	1 909	1 789	6.7%
Retail sales	1 329	1 227	8.3%
Finance and other income	580	562	2.1%
Gross profit	607	528	14.9%
Gross profit margin	45.7%	43.0%	2.7%
Debtor costs	(386)	(332)	16.3%
Trading expenses	(746)	(730)	2.2%
Operating profit	76	62	22.6%
Interest	(26)	(35)	(25.7%)
Profit before tax	50	27	85.2%

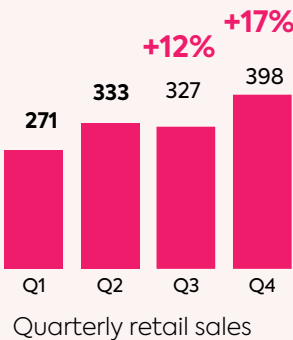
Customer engagement steadily growing.

51%

Growth in Showroom sales

34%

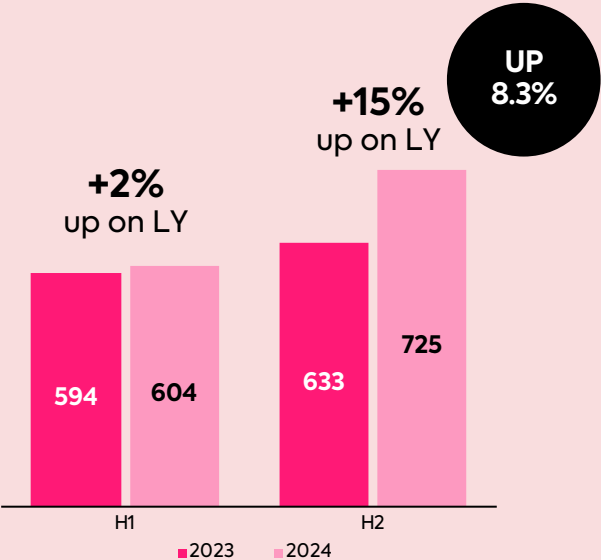
Up on cash customers



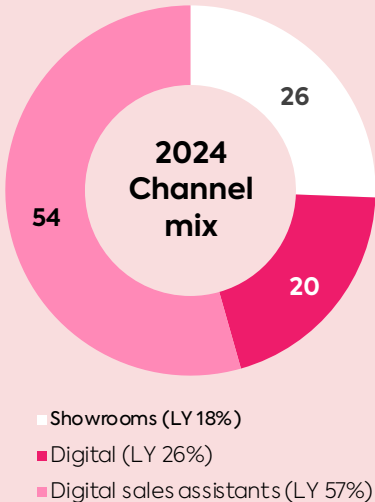
Sales growth driven by vibrant mass market with great customer response.



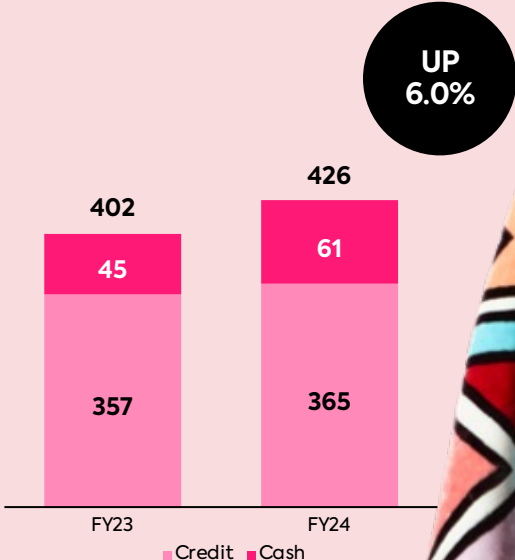
Momentum with Double digit sales growth in H2 (R'm)



Shifting sales to Showrooms contributing 26% (LY: 18%)



Rebuilding quality active customer base ('000)



Customers remain core to our strategy

42%

Growth in new customers to 181k

>15 000

New customers per month

82%

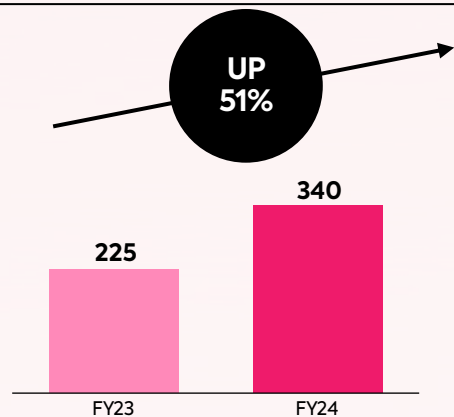
Of total customers are active



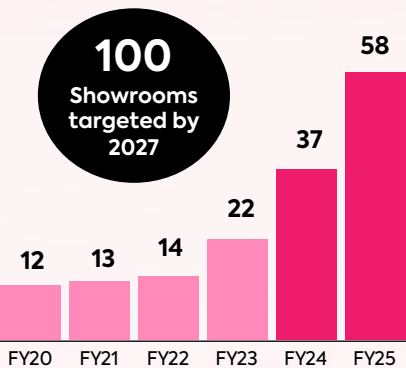
Our showrooms offer a unique shopping experience driving significant growth with opportunity to accelerate.



Showroom sales at 26% of mix



Showroom portfolio



New showrooms deliver double-digit profit margins

250sqm

Optimal store size

4x

Higher trading densities than larger format stores

22 New

Showrooms to be opened in FY25

57%

High bedding mix at good margins

47%

Acquisition customer sales mix at lower credit risk

R2.2m

Capex per store with payback < 2 yrs



★★★★★

The employees there were very friendly, they created a conducive environment for shopping and made the whole process simpler and smooth. Their passion and service were on an exceptional level and I would not think twice to do my next shopping with them over and over again.



Cazamola

★★★★★

Homechoice is the best store to make your home warm with their colours of your choice and quality products, go in Homechoice and see that you will go out very happy even with the warm service you will receive

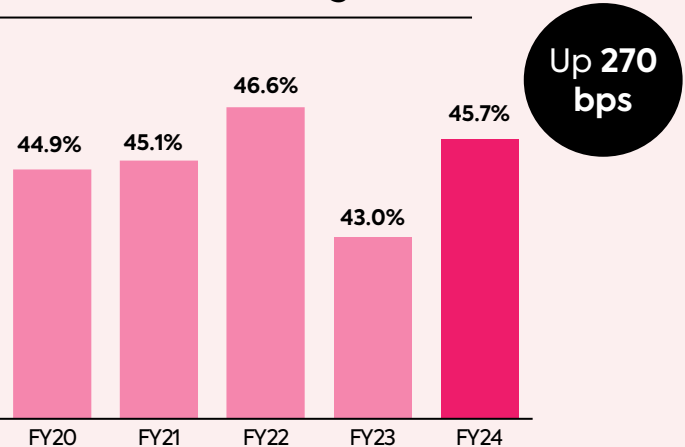


Maureen

Best in class gross margins from our differentiated product offering with technology driven logistics.



Homechoice are the Bedding experts with an extensive range



- 1 Heritage bedding range significant product mix at 56%
- 2 Homechoice branded product represents >70% sales
- 3 Effective margin management with aged stock reduced by > 57%
- 4 Product innovation driving newness and high sell through

40 years of local knowledge enables efficient country wide distribution

603 000
Parcels delivered in 5 day from order to delivery of which 40% in rural locations



9.5%
Reduction in cost per parcel with implementation of Smart Fulfilment

20 000 sqm
Efficient storage, picking and packing in our Cape town warehouse

1 in 3
Parcels delivered to 45 Homechoice collection points



10.1%
Unclaimed returns reduced from 13.2% with technology



In-house credit expertise delivers quality credit customers.

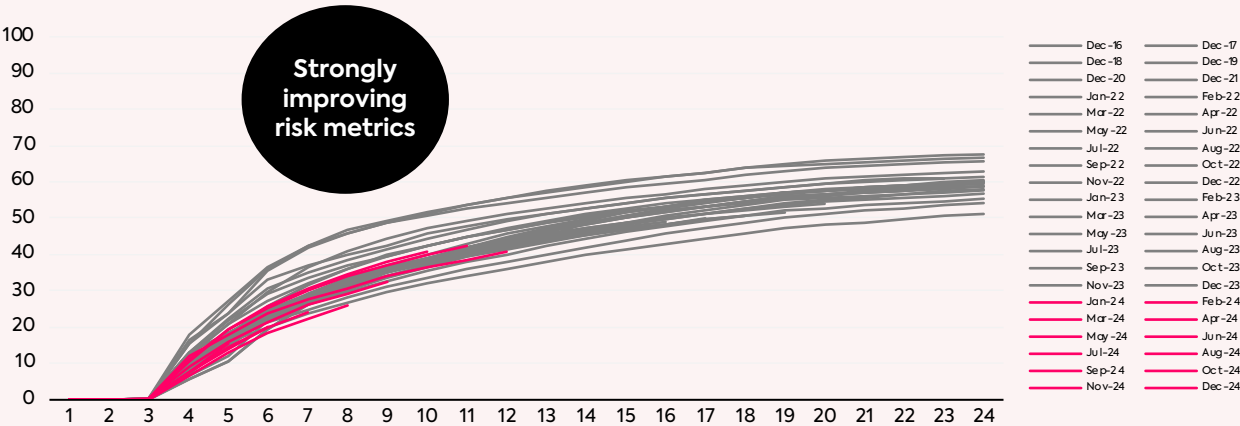
Maintained consistently lower levels of credit risk.

- Implemented a bespoke application scorecard, allowing for greater flexibility in credit risk strategies
- Refined existing customer limits and enhanced exposure management.
- Strengthened fraud defenses with digital identity verification.
- Implemented a risk-based mandatory debit order, leading to continuous improvements in payment rates

More mature retail vintages now fall within established risk tolerances.

- Early roll rates performed well post-scorecard implementation, improving bad rates and maintaining them within risk tolerances
- Achieved improved cash collection, higher yields, and a better NPL ratio.

HomeChoice New To File Vintages excl. Cash



	FY : 2023	FY: 2024
New Applications accepted	50.1%	61.4%
Average Sales Term	17.1 Months	17.3 Months
Average balances	R5 211	R5 159
Active account holders able to borrow	62.8%	70.9%
Average New limits	R8 768	R7 840

Transforming her experience with our multiple digital channels.



Whatsapp Sales & service

140k Unique customers with 83% engaged

40% Returning each month through Whatsapp

Digital contact centre

↑ 43% number of sales per agent

↑ 36% collections per agent

Social commerce

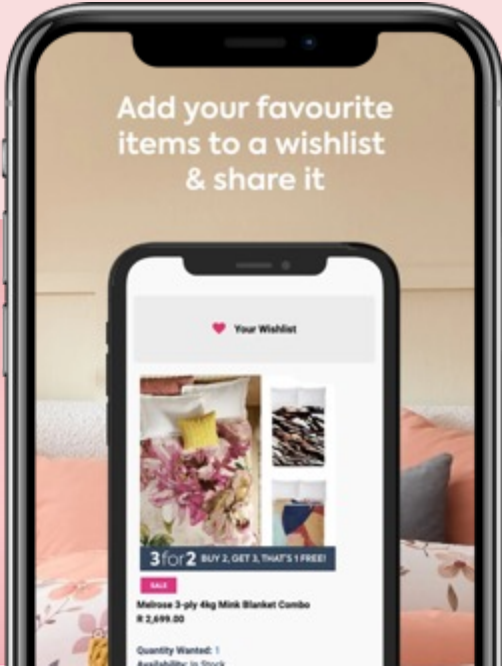
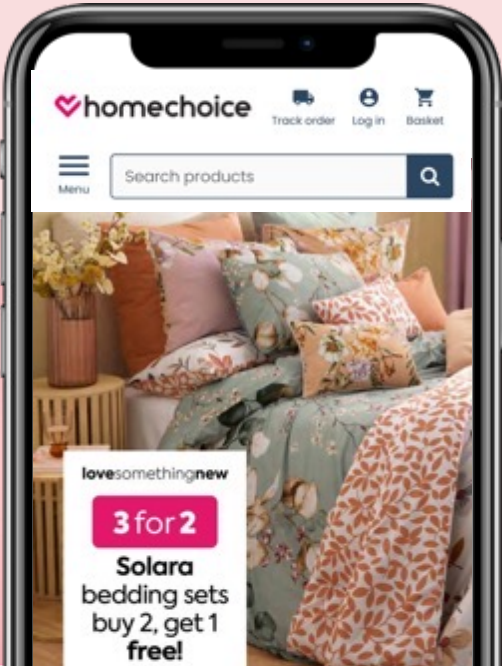
4.3 Facebook rating

3.7 Google score

Homechoice App

↑ 218k App users equating to 42% of customer base

↑ 145% More sessions from benefit of push notifications



Forward.



Fintech will continue to outpace market as ecosystem and embedded financial products drive shareholder value.



- 1** Weaver is a profitable, fast growing fintech which enjoys strong customer and merchant demand, with revenue and profit CAGRs over 30% for past 5 years.
- 2** Significant momentum is being gained in the cross-sell of products across its ecosystem, with velocity from existing customers demonstrating her trust in the brand.
- 3** Focus continues on product innovation, investment in technology, AI and data to support Weaver's future growth. Newly launched PayStretch™ is showing strong customer and merchant adoption.
- 4** Retail is attracting new customers and delivering profitable growth with Showroom and Digital Chat strategies.
- 5** Trading results to 28 February 2025 are strong, in line with management expectations.



R1.1bn
Disbursements
up 30% YTD

R0.9bn
GMV (payments)
up 125%

208 000
Fintech new
customers up 33%

R200m
Retail sales
up 7%

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