STEINHOFF
INTERNATIONAL HOLDINGS N.V.

QUARTERLY UPDATE

FOR THE NINE MONTHS ENDED 30 JUNE 2022

MESSAGE FROM THE MANAGEMENT BOARD

Dear Stakeholders,

The operating businesses once again delivered commendable results for the quarter ended 30 June 2022. The Group strategic projects received continued focus and attention, although it is clear that in the current economic environment completion thereof will have longer time horizons than initially anticipated due to their nature and complexity. The underlying level of activity by the various teams, however, has not diminished as further explained below.

Management priorities

1. Step 3 – Restructuring debt with a view to extending the duration

The Group has corporate debt totalling approximately €10 billion. This debt is split into a number of different classes, each with different rights and obligations, and each class is held by a number of different investors – predominantly investors that focus on distressed credit.

Interest rates are increasing in line with the inflation outlook. Discussions with our debt holders are being managed in line with these developments. Restructuring debt of this quantity and complexity remains an extremely difficult and complex task in normal markets. The current global uncertainties have made the credit markets even more challenging than usual.

Notwithstanding these macroeconomic and other challenges, we are actively engaging with the various lender groups, with the assistance of various market experts, and further information will be provided to the market as and when appropriate.

2. Operational performance

The Group's operating businesses continued to trade well, with the Group benefiting from their geographic diversity and value positioning. Further detail is provided in the Operational Review included in this Q3 Trading Update.

3. Stakeholder interaction

The Group remains committed to co-operating with and maintaining open communication lines with all stakeholders and to regular and co-operative dialogue with regulators and enforcement agencies, as required.

4. Half-year Reporting and Analyst Day

The 2022 Half-year Report was published on 24 June 2022, within the prescribed statutory timeline. Subsequently, a virtual Analyst Day, held on 29 July 2022, was attended by 550 viewers. Both of these achievements provide further proof that the Group has returned to a normal reporting cycle.

The intention of the Analyst Day was to give an overview of the Group, explain broadly what assets and liabilities remain and to give some guidance on the outlook for each operation. The extreme complexity and detail contained in many of the announcements released over the past almost five years may have been difficult to follow, and as such we felt that it was important to give a more simple overview of the Group post litigation settlement.

Outlook

While the macroeconomic situation remains far from normal, the lifting of COVID-19-related trading restrictions together with the emergence of a larger discount market in some of the key jurisdictions within which Group entities operate are having a positive effect on the underlying businesses in the Group. These operating companies continue to perform resiliently and are well positioned within their respective markets.

However, significant trading and other uncertainties persist and the outlook for the Group remains subject to these concerns and related volatility.

Appreciation

We continue to owe our thanks to many organisations, teams and individuals for their continued hard work and commitment to the Steinhoff Group.

We are particularly proud of the way the businesses and staff continue to respond to the multiple challenges we are facing and thank all colleagues for their unwavering support.

We are also sincerely grateful for the continuing support of our financial creditors, shareholders, and the Supervisory Board.

Louis du Preez
Chief executive officer

Theodore de Klerk
Chief financial officer

29 August 2022

OPERATIONAL REVIEW

This report covers the nine-month Reporting Period (1 October 2021 to 30 June 2022) and has not been audited or reviewed by the Company's auditors

REVENUE FROM CONTINUING OPERATIONS (€M)	9M2022	Restated 9M2021	% change	Constant currency %
Pepco Group	**3 582**	3 038	18	
Pepkor Holdings	**3 649**	3 356	9	4
Greenlit Brands	**532**	525	1	(2)
Total Group revenue from continuing operations	**7 763**	**6 919**	**12**	

REVENUE FROM MATERIAL ASSOCIATE (€M)	9M2022	9M2021	% change	Constant currency %
Mattress Firm	**2 898**	2 631	10	2

Introduction

The Group reported a strong performance for the nine months ended 30 June 2022 with revenue from continuing operations increasing by 12% to €7 763 million (9M2021: €6 919 million). In addition, associate investment Mattress Firm recorded a 10% increase in revenue to €2 898 million (9M2021: €2 631 million).

The disruptions to the businesses as a result of COVID-19 restrictions and regulations over the past two years eased up during the third quarter. The war in Ukraine is continuing to create volatility and add to existing supply chain disruptions and inflationary pressures, albeit that Pepco Group has benefited from the influx of people into the surrounding trading countries. During April 2022, areas of South Africa experienced severe weather conditions, resulting in Pepkor Holdings' Durban distribution centre suffering severe flood damage and supply chain operations being adversely affected. Substantial recovery work has been completed and service levels are almost back to normal. The rising inflationary environment together with increasing interest rates are putting both consumers and businesses under additional pressure. The markets are likely to remain impacted by these developments in the near term. Against this backdrop, we anticipate that the discount markets in which our businesses operate will continue to grow.

Management within the businesses are focusing on reducing costs through operational improvements together with cash flow and supply chain management. Both Pepco Group and Pepkor Holdings continue to expand their footprints significantly. The broad operational strategy across the Group is to provide affordable and accessible products that serve the needs of customers in the tough consumer and macroeconomic environment. The various merchandise teams continue to focus on supporting customers by minimising price increases while maintaining gross margins.

Mattress Firm is considered to be an associated company and as such it is equity accounted and not consolidated into the results of Steinhoff International Holdings N.V. These results represent 100% of Mattress Firm's results and are included for information purposes.

Simplification of the portfolio has been a key objective of the Group over the past few years. This operational review covers the continuing operations only and comparatives have been restated where appropriate.

Pepco Group

Pepco Group is a fast-growing, pan-European discount variety retailer, trading through c. 3 800 stores in 17 territories across Europe. Pepco Group owns the PEPCO and Dealz brands in Europe and the Poundland brand in the United Kingdom (UK) and has a clear vision to become Europe's pre-eminent discount variety retailer.

Further information regarding Pepco Group and its operational performance can be found online at www.pepcogroup.eu.

PEPCO GROUP (€M)	9M2022	9M2021	% change	Constant currency %
Total revenue	**3 582**	3 038	18	
PEPCO	**1 985**	1 577	26	29
Poundland	**1 597**	1 461	9	5

Pepco Group's revenue increased by 18% to €3 582 million (9M2021: €3 038 million) led by PEPCO delivering 26% growth.

Trading continued strongly across Q3, led by PEPCO and supported by a robust performance by the Poundland Group. PEPCO revenues for Q3 FY2022 were +28.5% Year-on-Year (YoY) on a constant currency basis and +7.3% like-for-like (LFL). In the Poundland Group, revenues for Q3 FY2022 were +3.8% YoY on a constant currency basis and +2.0% LFL.

When compared with the pre-COVID period of Q3 FY2019, average store sales at PEPCO were +9.2% LFL over the quarter. Similarly, the three-year comparison for the Poundland Group shows average store sales for Q3 FY2022 were +5.6% LFL compared with the pre-COVID period of Q3 FY2019.

New store openings continue across all brands with 350 new stores added so far this year (excluding the closure of 59 Fultons stores). The upgraded full year target of 450 net new stores remains on track.

With inflationary pressures continuing across the wider market, the Pepco Group is committed to investing in its price proposition and maintaining its market-leading variety discount offering. The Pepco Group's continued focus on reducing the cost of operations is enabling them to maintain their price leadership.

Furthermore, against this backdrop, we are encouraged that the discount market across Europe is now much larger than at the time of the previous financial crisis, which means that a much larger customer base is more familiar with and more frequently shops across this channel.

Pepkor Holdings

Pepkor Holdings has the largest retail store footprint in southern Africa, with more than 5 700 stores operating across 11 countries. The majority of its retail brands operate in the discount and value segment of the market.

The Building Company, part of Pepkor Holdings, has been reclassified as a continuing operation and the comparative figures have been restated accordingly. For further details, refer to note 1 to the unaudited condensed consolidated half-year financial statements for the six months ended 31 March 2022.

Further information regarding Pepkor Holdings and its operational performance can be found online at www.pepkor.co.za.

PEPKOR HOLDINGS (€M)	9M2022	Restated 9M2021	% change	Constant currency %
Total revenue	**3 649**	3 356	9	4

Pepkor Holdings' performance during the third quarter was encouraging considering the disruptions caused by the flooding of its distribution centre (DC) in KwaZulu-Natal and the non-payment by Government of the Social Relief of Distress (SRD) grants in May and June 2022. Significant recovery work at the DC has been performed and capacity and service levels are almost back to normal. The disruption in the payment of SRD grants added enormous pressure on consumers and it is pleasing that this has been resolved with payments to beneficiaries resumed, including back payments for the months of May 2022 and June 2022.

Pepkor Holdings' strategy to offer affordable and accessible products that serve the basic needs of customers is well positioned against this persistently tough consumer and macroeconomic environment.

In the context of the operating environment, higher levels of inflation are expected for the summer season starting in August 2022. The Pepkor group's merchandise teams continue to focus on supporting customers by minimising price increases while maintaining gross margins.

During the nine-month period, Pepkor Holdings opened 227 new stores and expanded its retail footprint to 5 772 stores – taking stores closer to customers in line with the group's organic growth strategy. Plans remain on track to open more than 300 new stores in the current financial year.

The performance of Avenida, Pepkor Holdings' recent acquisition in Brazil, is particularly pleasing and has exceeded expectations. While much work remains to be done in the repositioning of the business for aggressive growth, good progress has been made to date and management remains convinced of the enormous growth opportunity in the establishment of a discount and value retail champion in Brazil.

Greenlit Brands

Greenlit Brands is an integrated retailer and manufacturer of household goods, with retail stores throughout Australia and New Zealand.

Plush, part of Greenlit Brands, was classified as discontinued and disposed of on 1 November 2021. The comparative figures have been restated accordingly.

For further information regarding Greenlit Brands, refer to: www.greenlitbrands.com.au.

GREENLIT BRANDS(€M)	9M2022	Restated 9M2021	% change	Constant currency %
Total revenue	**532**	525	1	(2)

Greenlit Brands' revenue improved during the third quarter to end 1% higher at €532 million (9M2021: €525 million) for the nine-month period after being down 4% after six months. During the third quarter, most of the COVID-19 lockdown restrictions were relaxed or removed.

Supply chain challenges have resulted in additional storage and shipping costs. However, the undelivered pipeline balance remains high, which should provide strong tailwinds in the coming months.

Online trading remains strong for the Greenlit Brands group, up 25% on the comparative period last year and delivering 21% of gross sales. This channel is providing a solid foundation for continued trade during any potential further COVID-19 interruptions.

Mattress Firm – equity accounted

Mattress Firm is the leading specialty bed retailer in the United States, with 2 334 retail stores nationwide. For more information refer to: www.mattressfirm.com.

Mattress Firm is considered to be an associated company and as such it is equity accounted and not consolidated into the results of Steinhoff International Holdings N.V. The operating commentary below refers to the entire business (100%) and is included for information purposes.

MATERIAL ASSOCIATE – MATTRESS FIRM (€M)	9M2022	9M2021	% change	Constant currency %
Total revenue	**2 898**	2 631	10	2

Revenue increased by 10% on the comparative period (2% in constant currency) on the back of a 29% growth in 9M2021 over 9M2020 (9M2022: €2 898 million; 9M2021: €2 631 million; 9M2020: €2 035 million).

In the current year, comparable sales increased by 2%, which was driven by a 10% increase in the average order value for comparable sales, partially offset by a 9% decrease in the number of customer transactions. This increase in revenue includes a 1% increase in brick and mortar sales as well as a 0.3% increase in digital sales, driven by a consumer shift to luxury products. Total revenue was also favourably impacted by an increase from Mattress Firm's "Other Business" operating segment, which is largely reliant on large gatherings of potential customers, such as rodeos, state fairs and fundraisers, among others, which were starting to increase in number as COVID-19 restrictions eased.

The store count reduced further ending on 2 334 (30 June 2021: 2 360).

SHARE CAPITAL

The number of shares in issue at 30 June 2022 and at 30 June 2021 was **4 270 million** shares.

Notes to investors

The revenue and other financial information on the Group contained in this quarterly update are unaudited.

Forward-looking statements

This update contains management's view on future developments based on information currently available and is subject to risks and uncertainties, as described in the risk management section in the 2022 Half-year Report, which can be accessed on the Group's website at www.steinhoffinternational.com. These risks are outside the control of management, and in the event that underlying assumptions turn out to be inaccurate, or risks contained in the risk report materialise, actual results may differ materially from those included in these statements. Management and the Group do not assume any obligation to update any forward-looking statements made beyond statutory disclosure obligations.

EXCHANGE RATES

	AVERAGE TRANSLATION RATE		
	9M2022	9M2021	% change
EUR:ZAR	17.1110	17.9025	(4.4)
EUR:PLN	4.6288	4.5264	2.3
EUR:GBP	0.8443	0.8800	(4.1)
EUR:AUD	1.5368	1.5862	(3.1)
EUR:USD	1.1104	1.2011	(7.6)
EUR:CHF	1.0395	1.0889	(4.5)

CORPORATE AND CONTACT INFORMATION

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In addition, the Group has commercial facilities with various other banking and financial institutions worldwide.

www.**steinhoff**international.com