

Truworths International Limited
(Incorporated in the Republic of South Africa)
(Registration number: 1944/017491/06)
JSE Code: TRU
NSX Code: TRW
ISIN: ZAE000028296

TRADING UPDATE FOR THE 26-WEEK PERIOD ENDED 29 DECEMBER 2019

Retail sales of Truworths International Limited (the 'Group') for the 26-week period ended 29 December 2019 (the 'current period') increased by 1.2% to R10.6 billion relative to the R10.5 billion reported for the 26-week period ended 30 December 2018 (the 'prior period').

Account sales comprised 52% (2018: 51%) of Group retail sales for the current period, with account sales increasing by 4.3% and cash sales decreasing by 1.9%, relative to the prior period.

Retail sales for Truworths Africa (being the Group, excluding the UK-based Office segment and comprising mainly of the Truworths businesses in South Africa) increased by 2.7% to R7.8 billion relative to the prior period's R7.6 billion, with account sales increasing by 4.3% and cash sales decreasing by 1.2%. Account sales comprised 71% of these retail sales (2018: 70%). Trading space increased by 1% relative to the prior period and is expected to increase by approximately 1% for the 2020 financial year. Product inflation averaged 1.1% for the current period, while like-for-like store retail sales increased by 1%.

Gross trade receivables in respect of the Truworths Africa debtors book (relating to the Truworths, Identity and YDE businesses) were at R6.8 billion (2018: R6.4 billion), while the number of active accounts increased by 3.5% to 2.8 million. Active account holders able to purchase and overdue balances to gross trade receivables were at 85% (2018: 86%) and 10% (2018: 10%) respectively.

Retail sales for the Group's UK-based Office segment decreased in Sterling terms by 3.3% to £151 million relative to the prior period's £157 million. In Rand terms, retail sales for Office decreased by 2.6% to R2.8 billion. Online sales contributed approximately 34% of retail sales for the current period. Trading space for the Office segment decreased by 7.4% relative to the prior period and is expected to decrease by approximately 6% for the 2020 financial year.

The Group continued to experience challenging trading conditions in both its main markets. Low economic growth, high unemployment, load shedding, modest increases in negotiated wages and higher average fuel and utility prices contributed to low consumer confidence and constrained spending in South Africa, while Brexit uncertainty combined with continued pressure on store-based retailing continues to negatively impact the UK economy.

Shareholders are advised that this trading update does not constitute an earnings forecast, that the financial information provided herein is the responsibility of the directors, and that such information has neither been reviewed nor reported on by the Group's external auditors. The Group's interim results for the 26-week period ended 29 December 2019 are scheduled for release on or about Wednesday, 19 February 2020.

15 January 2020
Cape Town

JSE Sponsor: One Capital
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