

Truworths International Limited  
(Incorporated in the Republic of South Africa)  
(Registration number: 1944/017491/06)  
JSE Code: TRU  
NSX Code: TRW  
ISIN: ZAE000028296  
LEI: 37890099AFD770037522

## BUSINESS UPDATE AND TRADING STATEMENT FOR THE 26-WEEK PERIOD ENDED 26 DECEMBER 2021

Truworths International Limited (the 'Group') announces that both of its main markets, South Africa and the UK, continue to be impacted by the COVID-19 pandemic. While no further hard lockdown restrictions were instituted during the period under review, the disruption caused by the pandemic, particularly in relation to the Group's supply chain, continued to impact negatively on trading. As reported previously, trading in South Africa from mid-July to the end of August 2021 was affected by civil unrest in parts of the country resulting in a material number of the Group's stores being damaged, destroyed or closed pre-emptively. Other than 6 stores that remain closed as a result of fire damage to the shopping malls in which the stores are located, all other stores are now operational. Electricity supply issues in South Africa continued throughout much of the period, also affecting many of the Group's stores.

Notwithstanding these macro challenges, Group retail sales for the 26-week period ended 26 December 2021 (the 'current period') increased by 2.0% to R9.9 billion relative to the R9.7 billion reported for the 26-week period ended 27 December 2020 (the 'prior period' or '2020').

Account sales comprised 51% (2020: 51%) of Group retail sales for the current period, with account sales increasing by 1.3% and cash sales increasing by 2.7%, relative to the prior period.

### Truworths Africa

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 1.4% to R7.4 billion relative to the prior period's R7.3 billion, with account sales increasing by 1.3% and cash sales increasing by 1.5%. Account sales comprised 68% of these retail sales (2020: 68%). Comparable store retail sales, which amongst others adjust for the impact of stores damaged and unable to trade as a result of the civil unrest, increased by 1.8%.

Online sales continued to show good growth in the current period increasing by 32% and contributing 2.2% to the segment's total retail sales.

Trading space decreased by 0.2% relative to the prior period and is expected to remain largely unchanged for the 2022 financial year. Product deflation in the current period is 2.4% (2020: nil).

Gross trade receivables in respect of the Truworths Africa debtors book (relating to the Truworths, Identity and YDE businesses) were at R5.9 billion (2020: R5.8 billion), while the number of active accounts increased by 1% to 2.6 million. The debtors book is in a healthy position as reflected in the active account holders able to purchase at 85% (2020: 85%) and overdue balances as a percentage of gross trade receivables improving to 10% (2020: 12%).

### Office

Retail sales for the Group's UK-based Office segment increased in Sterling terms by 8.1% to £123 million relative to the prior period's £114 million. In Rand terms, retail sales for Office increased by 3.9% to R2.5 billion due to a stronger Rand to Sterling exchange rate. Office continues to benefit from its strong online presence, with online sales contributing approximately 47% (2020: 59%) of retail sales for the current period during which stores remained fully open, unlike the prior period where store closures boosted the contribution from online sales.

Trading space for the Office segment decreased by 14.7% relative to the prior period and is expected to decrease by approximately 11% for the 2022 financial year as the business continues to exit unprofitable stores as leases expire or lease breaks become available.

### Earnings

Amidst the ongoing challenging trading conditions, the Group estimates that its headline earnings per share ('HEPS') for the current period will increase by between 29% and 34% to between 438 cents and 455 cents relative to the prior period HEPS of 339.3 cents. The Group further estimates that its earnings per share ('EPS') for the current period will increase by between 43% and 48% to between 443 cents and 458 cents relative to the prior period EPS of 309.5 cents. For information the Group reported HEPS and EPS for the pre COVID-19 26 week period ended 29 December 2019 of 364.9 and 364.7 cents respectively.

Shareholders are advised that this business update and trading statement 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 current period are scheduled for release on or about Thursday, 17 February 2022.

21 January 2022  
Cape Town

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