

## THE FOSCHINI GROUP LIMITED

(Incorporated in the Republic of South Africa)

(Registration number 1937/009504/06)

Ordinary share code: TFG

ISIN: ZAE000148466

Preference share code: TFGP

ISIN: ZAE000148516

("TFG" or "the Company" and together with its affiliates "the Group")

## TRADING UPDATE FOR THE FIRST 23 WEEKS OF THE 2023 FINANCIAL YEAR

- Group retail turnover growth of 21,6% was delivered despite continued pressure on consumers;
- TFG Africa generated retail turnover growth of 14,7% compared to the same period in FY2022, underpinned by 17,3% retail turnover growth in Clothing and 15,7% retail turnover growth in Homeware;
- The womenswear and menswear categories in TFG Africa continue to make strong market share gains according to the RLC data. Womenswear like-for-like retail turnover and full price retail turnover grew 21,5% and 37,5% respectively for the 23 weeks;
- Like-for-like retail turnover growth in TFG Africa of 8,7%;
- Cash retail turnover growth for TFG Africa of 13,6% for the period contributed 70,0% to total TFG Africa retail turnover;
- Exceptional retail turnover growth of 42,3% in TFG Australia (AUD);
- Robust TFG London performance with a pleasing 23,5% retail turnover growth (GBP);
- Group online retail turnover growth of 5,1% for the period, contributing 9,2% to total Group retail turnover; and
- The Tapestry Home Brands ("Tapestry") acquisition was implemented with an effective date of 1 August 2022 but has not yet been incorporated into these results.

## OPERATING CONTEXT

The Group continued its strong start to the 2023 financial year. In South Africa, comparative performance was impacted by increased levels of load shedding in the current year (leading to more lost trading hours) and by social unrest experienced in the prior year. Consumer inflation reached a 13 year high of 7.8% in July 2022 which put further pressure on consumer spending. In the UK, inflation continued to accelerate to the highest levels experienced since the early 1980s and breached double digit levels in July 2022. While solid growth is expected in Australia as the country recovers from strict COVID-19 lockdowns, increasing fuel and housing costs are driving up consumer prices at record rates.

## ESKOM LOAD SHEDDING

TFG Africa lost a further 80,000 trading hours during the first 23 weeks of FY2023 due to continued load shedding across all provinces in South Africa. This represents a 59,0% increase in lost trading hours on the same period in the previous financial year.

## TFG AFRICA PERFORMANCE UPDATE

TFG Africa's retail turnover grew by 14,7% during the first 23 weeks of FY2023 compared to the same period in the previous financial year. All merchandise categories grew retail turnover during the period including Cellphones, despite continued supply challenges. Retail turnover growth was achieved despite the economic challenges mentioned above, while the Group's strong localised, quick response clothing supply chain and sourcing model continued to shield the business from international supply chain disruptions.

TFG Africa's like-for-like retail turnover performance has been very strong with growth of 8,7% for the first 23 weeks of FY2023.

The growth in TFG Africa's retail turnover compared to the same period in the previous financial year in the respective merchandise categories were as follows:

Merchandise category	27 March 2023 to 3 September 2023	Contribution to TFG Africa retail turnover
Clothing	17,3%	76,4%
Homeware	15,7%	7,4%
Cosmetics	6,8%	2,9%
Jewellery	6,2%	4,2%
Cellphones	0,8%	9,1%
Total	14,7%	100,0%

Cash retail turnover for the first 23 weeks of FY2023 grew by 13,6% compared to the same period in FY2022 and contributed 70,0% to TFG Africa's retail turnover. Credit retail turnover was 17,0% up on the same period in FY2022 with acceptance rates down 2,9% to 21,1% due to prevailing economic conditions.

Online retail turnover for the first 23 weeks of FY2023 grew by 19,8% compared to the same period in FY2022 and now contributes 3,2% to total TFG Africa turnover (FY2022: 3,1%).

#### TFG LONDON PERFORMANCE UPDATE

TFG London performance was moderated by growing consumer pressure and rising levels of inflation. Increased people mobility and a growing demand for our key categories have supported sales in the region. The first 23 weeks of FY2023 delivered retail turnover growth of 23,5% (GBP) compared to the same period in the previous financial year.

Store retail turnover growth was 39,6% on the same period in FY2022. Online retail turnover from TFG London's own sites were down 0,2% (GBP) in the period, while retail turnover via third party online channels grew by 7,6% (GBP), both off a high base in the prior year. Online retail turnover contributed 37,0%(GBP) for the period (FY2022: 44,2%) to TFG London's total retail turnover.

#### TFG AUSTRALIA PERFORMANCE UPDATE

TFG Australia continued to accelerate its performance with retail turnover growth of 42,3% (AUD) in the first 23 weeks of FY2023. This growth is indicative of strong demand for our products.

Online retail turnover growth for the period declined by 7,7% (AUD) compared to the same period in FY2022 as the channel mix normalised post the prior year lockdown. Online retail turnover contributed 6,7% (AUD) to total TFG Australia retail turnover for the period (FY2022: 7,0%).

#### GROUP PERFORMANCE UPDATE

Overall, the Group delivered a very strong performance during the first 23 weeks of FY2023 with retail turnover growth of 21,6% compared to the same period in FY2022.

Online retail turnover performance continues to normalise with growth of 5,1% for the first 23 weeks of FY2023 compared to the same period in FY2022. The contribution of online retail turnover to total retail turnover for the period

was 9,2% (FY2022: 10,6%) as customers return to physical stores and become less dependent on online shopping.

#### OUTLOOK

The Group continues to invest in its key strategic initiatives to further strengthen its differentiated business model. It has made progress on its key strategic objectives and its speciality brand business portfolio which remains very well positioned for further organic and inorganic growth. A specific focus will be the integration of the Tapestry business to extract the maximum value from our investment.

Shareholders are advised that the financial information on which this trading update is based has not been reviewed and reported on by the Company's external auditors.

Cape Town  
7 September 2022

Sponsor:  
Rand Merchant Bank (A division of FirstRand Bank Limited)