

Truworths International Limited  
(Incorporated in the Republic of South Africa)  
(Registration number: 1944/017491/06)  
JSE and A2X Code: TRU  
NSX Code: TRW  
ISIN: ZAE000028296  
LEI: 37890099AFD770037522  
(‘Truworths International’ or the ‘Group’)

## BUSINESS UPDATE

Truworths International Group retail sales for the first 17 weeks (from 3 July 2023 to 29 October 2023) of the 2024 financial period (‘the current period’) increased by 10.9% to R6.6 billion, compared to the first 17 weeks (from 4 July 2022 to 30 October 2022) of the 2023 financial period (‘the prior period’ or ‘Oct 22’).

Account sales comprised 47% (Oct 22: 52%) of Group retail sales, with account and cash sales increasing by 0.1% and 22.5%, respectively, relative to the prior period.

### Truworths Africa

Retail sales for Truworths Africa (comprising mainly of the Truworths businesses in South Africa) increased by 1.0% to R4.4 billion relative to the prior period. Account sales comprised 70% of retail sales (Oct 22: 70%).

Comparable store retail sales decreased by 2.2% relative to the prior period. Trading space increased by 1.1% relative to the prior period and is expected to increase between 1% and 2% for the 2024 financial period. Merchandise (retail selling price) inflation averaged 9% for the current period (Oct 22: 12% inflation).

Online sales continued to show good growth in the current period, increasing by 41% and contributing 4.7% to Truworths Africa’s total retail sales.

At the end of the first quarter ended 1 October 2023, Truworths Africa’s gross trade receivables were 7.9% higher at R6.2 billion relative to R5.8 billion at the prior comparable quarter end on 2 October 2022 (‘Sep 22’). The number of active accounts increased by 5.1%. Active account holders able to purchase and overdue balances as a percentage of gross trade receivables were 82% (Sep 22: 83%) and 15% (Sep 22: 14%), respectively. The Group continues to consistently apply its conservative credit-granting criteria.

### Office

Retail sales for the United Kingdom-based Office increased in Sterling terms by 18.9% to £91.3 million relative to the prior period’s £76.8 million. In Rand terms, retail sales for Office increased by 38.8% to R2.1 billion. E-commerce sales for the current period comprised approximately 45% of total retail sales, increasing from a contribution of 41% in the prior period.

Office’s trading space decreased by 5.5% compared to the prior period due to the segment exiting all seven of its stores in Germany, and is expected to increase by approximately 9% for the 2024 financial period as new stores are opened and existing stores are renovated.

## Outlook

While the Group is pleased with the positive sales momentum in Office, South African consumers are expected to remain under pressure as electricity, fuel, food, borrowing and general cost of living increases continue to weigh on disposable income.

The Group remains cautiously optimistic about the medium-term outlook for the South African economy. Household spending will benefit as inflation moderates, with the potential for interest rate relief, while a sustained reduction in load shedding and a stable post-election environment could stimulate consumer confidence and economic activity.

The Group will continue its focus on the strategic initiatives outlined in its 2023 annual results and integrated report. In Truworths Africa, these initiatives include launching new retail concepts, expanding its integrated in-house design capability and improving speed to market, and investing in technology, including the omni-channel experience.

In the constrained spending environment, Truworths aims to sustain growth by capitalising on the strength of its account portfolio, its expanding customer base and the appeal of its quality, aspirational fashion, supported by the Group's strong balance sheet and robust cash flows.

Office's growth will be driven by introducing and growing new brands, new store openings, and the remodelling and extension of existing stores in strategically important locations, supported by the strength of its relationships with the world's leading footwear brands as well as the planned investment in technology and customer relationship management capabilities.

Shareholders are advised that this business 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 ending 31 December 2023 are scheduled to be released on or about Thursday, 29 February 2024.

Cape Town  
9 November 2023

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