

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 Q3 FY2024 AND THE NINE MONTHS ENDED 30 DECEMBER 2023

This trading update relates to the nine-month year-to-date period from 1 April 2023 to 30 December 2023 and the 13-week period from 1 October 2023 to 30 December 2023 ("Q3 FY2024") against the comparative nine-month year-to-date period from 1 April 2022 to 31 December 2022 and the 13-week period from 2 October 2022 to 31 December 2022 ("Q3 FY2023").

SALIENT FEATURES

- Group turnover for Q3 FY2024 grew 4,5% on Q3 FY2023, and 9,0% for the nine months ended 30 December 2023;
- TFG Africa turnover grew 5,1% in Q3 FY2024, with like-for-like turnover growth of 0,7%; Turnover for the month of December grew 11,8% (like-for-like 6,1%), with the highest full-price contribution for the year to date;
- TFG Africa's cash turnover grew 6,6% in Q3 FY2024. Cash turnover for the quarter now comprises 75,8% of TFG Africa turnover and 82,4% of Group turnover;
- TFG London turnover declined 3,0% (GBP) in Q3 FY2024 off a strong post-COVID-19 recovery base in Q3 FY2023;
- TFG Australia turnover declined 7,3% (AUD) in Q3 FY2024, also off a strong post-COVID-19 recovery base; and
- Group online turnover grew 29,2% in Q3 FY2024, contributing 9,1% (Q3 FY2023: 7,4%) to total Group turnover for the quarter. TFG Africa online turnover grew 44,8% in Q3 FY2024, contributing 4,2% of total TFG Africa turnover (Q3 FY2023: 3,0%)

OPERATING CONTEXT

Economic conditions in all operating territories remain challenging.

In South Africa, this was exacerbated by continued load shedding and delays experienced at ports, which impeded the planned flow of inventory. The impact of these import delays was offset to an extent by the ability to increase volumes from TFG's local manufacturing capacity.

As previously communicated, TFG London and TFG Australia's performances are set against last year's exceptionally strong post COVID-19 recovery. Consumers remain under pressure, with higher inflation and interest rates adversely impacting sales.

Turnover growth in each business segment was as follows:

Business segment	Q3 FY2024 vs. Q3 FY2023	Q3 FY2024 contribution to Group turnover	Nine months FY2024 vs. Nine months FY2023	Nine months FY2024 contribution to Group turnover
TFG Africa (ZAR)	5,1%	72,6%	11,7%	70,2%

TFG London (ZAR)	9,0%	11,4%	7,4%	13,0%
TFG Australia (ZAR)	(0,8%)	16,0%	0,1%	16,8%
Group (ZAR)	4,5%	100,0%	9,0%	100,0%

TFG AFRICA PERFORMANCE UPDATE

Turnover in Q3 FY2024 grew 5,1% on Q3 FY2023 (including Clothing turnover growth of 6,4%), with like-for-like turnover growth of 0,7%. Turnover for the month of December grew 11,8% (like-for-like 6,1%), with the highest full-price contribution for the year to date.

Turnover was impacted by a generally softer Black Friday period in South Africa, with Stage 6 load shedding implemented over that weekend. Despite the challenging macro context, festive season trade delivered pleasing results, with core merchandise categories achieving strong growth for the month of December 2023.

Category turnover growth for TFG Africa was as follows:

Merchandise category	Q3 FY2024 vs. Q3 FY2023	Q3 FY2024 contribution to TFG Africa
Clothing	6,4%	75,4%
Homeware	0,9%	12,1%
Cosmetics	3,4%	2,5%
Jewellery	(2,6%)	3,7%
Cellphones	3,4%	6,3%
Total TFG Africa	5,1%	100,0%

Merchandise category	Nine months FY2024 vs. Nine months FY2023	Nine months FY2024 contribution to TFG Africa
Clothing	10,6%	73,7%
Homeware*	30,8%	13,0%
Cosmetics	4,0%	2,5%
Jewellery	(0,2%)	3,6%
Cellphones	4,5%	7,2%
Total TFG Africa	11,7%	100,0%

*Non comparable growth resulting from the acquisition of Tapestry Home Brands in the prior year.

Cash turnover grew by 6,6% in Q3 FY2024 vs. Q3 FY2023, contributing 75,8% to total TFG Africa turnover. For the nine months ended 30 December 2023, cash turnover grew 15,3% compared to the same period in FY2023 (74,6% of total TFG Africa sales).

Credit turnover grew 0,7% in Q3 FY2024, when compared to Q3 FY2023, and by 2,3% for the nine months ended 30 December 2023. Average acceptance rates for new accounts remained conservative at 17,8% for the nine months ended 30 December 2023 (FY2023: 20,4%), which is appropriate in the context of the constrained economic environment.

Online turnover grew 44,8% in Q3 FY2024, now contributing 4,2% of total TFG Africa turnover (Q3 FY2023: 3,0%) and 40,2% (contributing 3,8%) in the nine months ended 30 December 2023, when compared to the nine-month period last year. Turnover

growth has been driven by the consolidation of our TFG Africa retail brands on the Bash platform which was ranked as the number one South African fashion shopping app.

TFG Africa opened 42 new stores during Q3 FY2024 (210 during the nine months ended 30 December 2023), bringing the total number of stores to 3,663 stores as at 30 December 2023.

TFG Africa's gross margin continues to recover from the impact of promotional activity in the first half of FY2024 required to clear excess inventory due to the impact of load shedding. Inventory levels decreased 11,6% compared to December 2022 and 13,7% compared to the FY2023 year end.

TFG LONDON PERFORMANCE UPDATE

TFG London's performance for Q3 FY2024 showed some improvement in a tough consumer market and against a high base, with turnover declining 3,0% (GBP) for the Q3 FY2024 quarter, and 7,9% for the nine months ended 30 December 2023.

Online turnover grew 8,4% in Q3 FY2024 and its contribution improved to 44,5% (Q3 FY2023: 39,9%).

TFG AUSTRALIA PERFORMANCE UPDATE

TFG Australia's turnover declined 7,3% (AUD) for the Q3 FY2024 quarter against the post COVID-19 recovery base, and with consumer confidence remaining low. For the nine months ended 30 December 2023, turnover declined 7,2%.

Online turnover declined 1,4% for the Q3 FY2024 quarter, contributing 6,2% to total TFG Australia turnover (Q3 FY2022: 5,8%).

OUTLOOK

Trading conditions and consumer confidence are likely to remain under pressure, exacerbated by higher interest rates and inflation, as well as continued load shedding and port delays in South Africa.

Turnover in Q4 FY2024 is expected to grow ahead of Q4 FY2023 given the impact of the significant load shedding experienced in this period last year.

TFG continues to demonstrate operational and financial resilience from a diversified platform of market leading consumer brands and is well positioned to navigate the ongoing challenging economic conditions in all territories.

Shareholders are advised that the financial information on which this trading update is based, including any forecast or estimate financial information contained herein, has not been audited, reviewed or reported on by the Group's external auditors.

Cape Town
24 January 2024

Sponsor:
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