

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 AND VOLUNTARY TRADING STATEMENT
FOR THE 26-WEEK PERIOD ENDED 31 DECEMBER 2023**

During the first 26 weeks (from 3 July 2023 to 31 December 2023) (the 'current period') of the Group's 2024 financial period Group retail sales increased by 8.2% to R12.2 billion compared to the first 26 weeks (from 4 July 2022 to 1 January 2023) (the 'prior period' or 'Dec-2022') of the 2023 financial period.

Retail sales growth for the current period by business segment was as follows:

	Retail sales 26 weeks to 31 Dec 2023	Change on prior period %
Truworths Africa	R8.4bn	(0.3)
Office	£162m	15.6
Group	R12.2bn	8.2

In the current period, account sales comprised 48% (Dec-2022: 52%) of Group retail sales, with account sales unchanged and cash sales increasing by 17.0%, relative to the prior period.

Truworths Africa

Retail sales for Truworths Africa (comprising mainly of the Truworths businesses in South Africa) decreased by 0.3% to R8.4 billion relative to the prior period.

The current period sales performance competed against a high base in the prior period, which recorded retail sales growth of 13.4% relative to the previous 26-week period. The impact of the high base was especially pronounced in the last three months of the current period. Retail sales were impacted by poor economic conditions and high interest rates leading to reduced disposable income and declining consumer confidence. Credit extension declined as scorecards reacted to the deteriorating credit health of the South African consumer, thereby weighing negatively on credit sales. Furthermore, port congestion challenges in South Africa resulted in lower than expected merchandise deliveries for the December period.

Account sales, comprising 70% of retail sales (Dec-2022: 70%), were unchanged and cash sales decreased by 0.9%, relative to the prior period.

Since the publication of our business update on 9 November 2023, retail sales for the last 9 weeks (from 30 October 2023 to 31 December 2023) of the current period decreased by 1.6% to R4.0 billion compared to the last 9 weeks (from 31 October 2022 to 1 January 2023) of the prior period.

Online sales continued to show good growth in the current period increasing by 41% and contributing 4.2% to Truworths Africa's retail sales.

Truworths Africa's gross trade receivables increased by 1.6% to R7.2 billion (Dec-2022: R7.1 billion) and the number of active accounts increased by 4.6% to 2.9 million (Dec-2022: 2.8 million), reflecting the enticing nature of the Group's account and merchandise offering. Active account holders able to purchase and overdue balances to gross trade receivables were at 83% (Dec-2022: 84%) and 12% (Dec-2022: 11%), respectively.

Truworths Africa's like-for-like store retail sales decreased by 3.3%. Trading space increased 0.9% relative to the prior period and is expected to increase by approximately 1% for the 2024 financial period. Product (retail selling price) inflation averaged 8.4% in the current period (Dec-2022: 13.3%).

Office

Retail sales for the Group's UK-based Office segment increased in Sterling terms by 15.6% to £162 million relative to the prior period's £140 million. In Rand terms, retail sales for Office increased by 33.1% to R3.8 billion. Office continues to benefit from its unique market positioning, brand partnerships and strong online presence. Online sales contributed approximately 47% of Office's retail sales in the current period, increasing from 44% in the prior period.

Retail sales for the last 9 weeks (from 30 October 2023 to 31 December 2023) of the current period increased in Sterling terms by 11.6% to £71 million, compared to the last 9 weeks (from 31 October 2022 to 1 January 2023) of the prior period.

Office's trading space decreased by 2.8% compared to Dec-2022 and is expected to increase by approximately 12% for the 2024 financial period as the business starts to invest in new stores and existing store renovation.

Earnings

The Group estimates its earnings per share ('EPS') and headline earnings per share ('HEPS') for the current period, on an undiluted basis, to be within the ranges reflected in the table below:

	Dec-2022 26 weeks (cents)	Dec-2023 Estimated increase	Dec-2023 Estimated range (cents)
EPS	509.5	1% – 5%	515 – 535
HEPS	494.6	0% – 4%	495 – 515

Shareholders are advised that this business update and voluntary trading statement do 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, 29 February 2024.

29 January 2024
Cape Town

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NSX Sponsor: Merchantec Capital