

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")

Condensed consolidated financial statements for the year ended 31 March 2024,
ordinary and preference share dividend declarations

SALIENT FEATURES

- Revenue up 8,9% to a record R60,1 billion;
- Retail turnover up 8,6% to R56,2 billion;
- TFG Africa retail turnover up 10,4%, with year-long market share gains across all major merchandise categories;
- Online retail turnover up 22,0% to R5,6 billion, contributing 9,9% to total retail turnover, the growth largely attributable to strong online retail turnover growth in South Africa via our Bash platform;
- Strong cash retail turnover growth of 9,9%, contributing 82,3% to total retail turnover;
- Gross profit up 8,6% to a record R27,0 billion;
- TFG Africa gross margin of 41,1%, fully recovered in H2'2024 after clearance activity in H1'2024;
- Operating profit before finance costs up 9,9% to a record R5,9 billion;
- Headline earnings up 0,8% to R3,1 billion;
- Basic earnings per share (EPS) down 0,4% to 934,7 cents (FY2023: 938,5 cents);
- Headline earnings per share (HEPS) up 0,2% to 970,7 cents (FY2023: 968,9 cents);
- Cash generated from operations up 76,5% to R12,5 billion, used to fund growth, acquisitions, dividends and repay debt; and
- Final dividend declared of 200,0 cents per share (March 2023: 150,0 cents per share), an increase of 33,3%.

EFFECTIVE INVENTORY MANAGEMENT AND COST CONTROL SUPPORTS SOLID PERFORMANCE

The Group delivered solid results for the year ended 31 March 2024 ("FY2024" or "current period") despite tough trading conditions and significant headwinds. Our results reflect two distinct halves, influenced by various macro-economic factors in all three territories that affected customers and, consequently, our performance.

Retail turnover grew by 8,6%, supported by the expansion of our footprint and brand portfolio, and further growth in online retail turnover in South Africa via our Bash platform.

The strong trading performance and sustained gross profit margins, along with our continued focus on resetting the cost base, enabled growth of 9,9% in operating profit before finance costs, which pleasingly was ahead of retail turnover growth. Despite increased finance costs and a higher effective tax rate, the Group's strong H2'2024 supported HEPS growth of 0,2%.

GROUP FINANCIAL PERFORMANCE

Group retail turnover growth (in ZAR) in each business segment was as follows:

Business segment	H1'2024 vs H1'2023	H2'2024 vs H2'2023	FY2024 vs FY2023	FY2024 Contribution to Group retail turnover
TFG Africa (ZAR'm)	17,3%	5,1%	10,4%	69,7%
TFG London (ZAR'm)	6,3%	14,6%	10,4%	13,6%
TFG Australia (ZAR'm)	0,7%	0,0%	0,3%	16,7%
Group (ZAR'm)*	12,4%	5,4%	8,6%	

* Non comparable growth resulting from the acquisition of Tapestry Home Brands in the prior year. Excluding the acquisition, retail turnover grew by 6,9%^ for the full year.

Cash retail turnover increased by 9,9% compared to the prior period and now contributes 82,3% to total Group retail turnover.

Online retail turnover increased by 22,0% and now contributes 9,9% to total Group retail turnover.

The Group maintained its gross margin percentage and increased gross profit by 8,6% to a record R27,0 billion in line with the growth in retail turnover.

Trading expenses were tightly controlled, increasing 9,3% due to 272 new stores, the annualisation of the Tapestry acquisition, and strategic investments in online and manufacturing in TFG Africa.

Finance costs for the period increased to R1,8 billion driven by higher average interest rates in South Africa and the UK, and the annualisation of the impact on net debt resulting from the acquisition of Tapestry.

HEPS increased by 0,2% and Basic EPS decreased by 0,4%.

STATEMENT OF FINANCIAL POSITION

Group inventories were 11,6% lower than the elevated position in the prior year brought about by load shedding in South Africa, as well as the post COVID-19 normalisation in trading conditions in other territories.

The Group generated cash from operations of R12,5 billion for the year (FY2023: R7,1 billion), delivered through a robust trading performance and continued effective management of working capital.

The Group's pre-IFRS 16 net debt^ declined by 31,3% to R4,9 billion, reflecting the improved working capital position.

STORE PORTFOLIO

At 31 March 2024, the Group traded out of 4 766 stores across 23 countries, with 272 new stores opening during the year, while 203 stores were closed, including 54 concessions in TFG London.

Stores	TFG Africa	TFG London	TFG Australia	Group
Opening balance at 1 April 2023	3 524	589	584	4 697

New stores	212	33	27	272
Closed stores	(115)	(75)	(13)	(203)
Closing balance at 31 March 2024	3 621	547	598	4 766

SEGMENTAL PERFORMANCE UPDATE

TFG AFRICA

Retail turnover growth of 10,4% was driven largely by Clothing, with a particularly strong performance in Sport and Womenswear as well as in Homeware. Trading densities in TFG Africa also grew by 10,0%. Port delays impacted imports, but our local manufacturing capability mitigated the worst impact. Load shedding continues to impact trade with c.393 000 lost trading hours during FY2024.

TFG Africa's retail turnover growth (in ZAR) per merchandise category was as follows:

Merchandise category	H1'2024 vs H1'2023	H2'2024 vs H2'2023	FY2024 vs FY2023	FY2024 Contribution to TFG Africa retail turnover
Clothing	14,1%	6,2%	9,7%	72,5%
Homeware	62,8%	4,2%	25,0%	13,6%
Cosmetics	4,5%	4,9%	4,7%	2,6%
Jewellery	1,8%	-0,1%	0,7%	3,7%
Cellphones	5,1%	-0,3%	2,3%	7,6%
Total TFG Africa*	17,3%	5,1%	10,4%	

* Non comparable growth resulting from the acquisition of Tapestry Home Brands in the prior year. Excluding the acquisition, retail turnover grew by 7,9%^ for the full year.

Cash retail turnover (74,6% of total) grew by 13,3%.

Store retail turnover continued to see strong growth up 9,3%. Following our continued investment in our e-commerce platform, Bash, online retail turnover grew 44,4% and now contributes 4,2% to retail turnover.

Gross profit margins recovered strongly in the second half of the year after the significant inventory clearance activity in H1'2024 necessitated by the impact of load shedding at the beginning of 2023. The improved stock position was maintained through to the year end.

Gross profit increased 10,6% to R16,1 billion (FY2023: R14,5 billion).

CREDIT - TFG AFRICA

Credit retail turnover grew by 2,8% and credit sales contributed 25,4% (FY2023: 27,3%) to total TFG Africa retail turnover.

The debtors' book grew by 7,5% to R8,3 billion. Acceptance rates for new accounts remained conservative at 17,7% (FY2023: 19,0%) and the provision for impairment decreased to 18,7% (FY2023: 20,0%).

ACQUISITION OF STREET FEVER

The Group acquired Street Fever, an independent retailer of affordable branded footwear and apparel, with effect from 26 April 2023. The integration of the 91 Street Fever stores into Sneaker Factory has allowed us to quickly scale this business to 213 stores.

TFG LONDON

With inflation and interest rates still elevated, the UK consumer remains under pressure, which resulted in a decline in retail turnover of 4,2% (GBP) off a high, post-COVID-19 recovery base.

Store retail turnover declined 6,6%, whilst online retail turnover declined 0,8%, now contributing 42,7% (FY2023: 41,2%) to TFG London's retail turnover.

TFG London maintained gross profit margins through careful inventory management and an increase in own-channel mix, growing gross profit by 1,4% compared to the prior period.

TFG London continued to manage the cost base which helped limit the decline in operating profit before finance costs to 5,3%. TFG London delivered the second highest operating profit before finance costs in its history.

From 1 April 2023, the corporate tax rate in the UK increased from 19% to 25%.

TFG AUSTRALIA

As with the UK, higher inflation and interest rates meant that consumers in Australia remain under pressure, impacting consumer confidence and demand.

TFG Australia's performance is also set against a strong post-COVID-19 recovery base. Consequently, retail turnover was 5,6% (AUD) lower.

Store retail turnover declined 6,5%, whilst online retail turnover grew 7,5%, now contributing 7,3% to TFG Australia's retail turnover.

Gross profit margin remained strong, but the impact of inflation on the cost base contributed to the decline in operating profit before finance costs of 28,9%. TFG Australia still delivered the second highest operating profit before finance costs in its history.

SUPERVISORY BOARD UPDATES

As was announced on SENS on 7 July 2023, Mr Jan Potgieter was appointed as an independent non-executive director of the Board and member of the Audit and Risk Committees with effect from 10 July 2023, and Mr Nkululeko Sowazi was appointed as an independent non-executive director of the Board with effect from 1 January 2024.

As was announced on SENS on 13 October 2023, Ms Bongiwe Ntuli resigned as Chief Financial Officer as well as executive director of the Company.

Following the confirmation from the JSE Limited, Mr Anthony Thunström fulfilled the role of both Chief Executive Officer and executive financial director for the period 1 December 2023 until the appointment of the new Chief Financial Officer.

As was announced on SENS on 28 March 2024, Mr Ralph Buddle was appointed as Chief Financial Officer and executive director with effect from 1 April 2024.

Mr Buddle was also appointed as a member of the Risk Committee with effect from 1 April 2024.

OUTLOOK

The outlook remains cautious due to continued challenging macro conditions across all territories. As such, we have strengthened our balance sheet by reducing our stock holdings and decreasing our net debt.

The Group continues to invest in its key strategic initiatives to further strengthen its differentiated business model. Notably, the construction of our Riverfields Distribution Centre was completed during the year within budget and ahead of schedule. We are moving each of our apparel retail brands into this facility as part of a phased plan to mitigate any risks.

We have made good progress in the execution of our strategy and we remain confident in our ability to grow our businesses. With our robust balance sheet and diversified business model, the Group is well-positioned to capture additional market share from competitors.

As a Group, we continue to seek out strategic adjacencies and high-quality acquisitions.

Any forecast financial information contained herein has not been reviewed or reported on by the Group's external auditors.

^ Non-IFRS measures in respect of Group and TFG Africa retail turnover excluding Tapestry and Pre-IFRS 16 net debt - refer to note 18 of the full reviewed condensed consolidated financial statements for the year ended 31 March 2024.

FINAL ORDINARY CASH DIVIDEND DECLARATION

Notice is hereby given that the directors have declared a final gross cash dividend of 200,0 cents (160,00000 cents net of dividend withholding tax) per ordinary share for the six-month period ended 31 March 2024.

The dividend has been declared from income reserves.

A dividend withholding tax of 20% will be applicable to all shareholders who are not exempt. The issued share capital at the declaration date is 331 027 300 ordinary shares.

The salient dates for the dividend will be as follows:

Publication of declaration data	Friday, 7 June 2024
Last day of trade to receive a dividend	Tuesday, 16 July 2024
Shares commence trading "ex" dividend	Wednesday, 17 July 2024
Record date	Friday, 19 July 2024
Payment date	Monday, 22 July 2024

Share certificates may not be dematerialised or rematerialised between Wednesday, 17 July 2024 and Friday, 19 July 2024, both days inclusive.

PREFERENCE DIVIDEND DECLARATION

Notice is hereby given that the directors have declared a gross preference dividend (no. 175) of 3,25% or 6,5 cents per share (5,20000 cents net of

dividend withholding tax) per preference share for six-month period ending 30 September 2024.

The dividend has been declared from income reserves.

A dividend withholding tax of 20% will be applicable to all shareholders who are not exempt.

The issued share capital at the declaration date is 200 000 preference shares.

The salient dates for the dividend will be as follows:

Publication of declaration data	Friday, 7 June 2024
Last day of trade to receive a dividend	Tuesday, 10 September 2024
Shares commence trading "ex" dividend	Wednesday, 11 September 2024
Record date	Friday, 13 September 2024
Payment date	Monday, 16 September 2024

Share certificates may not be dematerialised or rematerialised between Wednesday, 11 September 2024 and Friday, 13 September 2024, both days inclusive.

RESULTS PRESENTATION WEBCAST

A live webcast of the results presentation will be broadcast at 10:00 am (SAST) on Friday, 7 June 2024. A registration link for the webcast will be available on the Company's website at www.tfglimited.co.za. The slides for the annual results presentation will be made available on the Company's website prior to the commencement of the webcast. A delayed version of the webcast will be available later on the same day.

Signed on behalf of the Supervisory Board.

M Lewis
Chairman

A E Thunström
Chief Executive Officer

Cape Town
6 June 2024

Date of release on SENS: 7 June 2024

ABOUT THIS ANNOUNCEMENT

This results announcement is the responsibility of the Company's directors and is only a summary of the information contained in the full reviewed condensed consolidated financial statements for the year ended 31 March 2024 ("FY2024 results"). The FY2024 results were approved by the Board of Directors on 6 June 2024 and the information in this announcement has been correctly extracted from the FY2024 results. As this announcement does not contain full details, any investment decisions by investors and/or shareholders should be based on consideration of the FY2024 results, which are available through the JSE cloudlink:

<https://senspdf.jse.co.za/documents/2024/JSE/ISSE/TFG/FY2024.pdf> and on the Company's website at <https://tfglimited.co.za/investor-information/financial-reports-and-presentations/>.

This announcement has not been reviewed or reported on by the Group's external auditors. The Group's auditors, Deloitte & Touche, have reviewed the FY2024 results and expressed an unmodified review conclusion thereon.

DIRECTORATE AND STATUTORY INFORMATION

Non-executive Directors:

M Lewis (Chairman), Prof. F Abrahams, C Coleman, G H Davin, D Friedland, B L M Makgabo-Fiskerstrand, A D Murray, E Oblowitz, J N Potgieter, N V Simamane, N L Sowazi, R Stein

Executive Directors:

A E Thunström, R R Buddle

Company Secretary:

D van Rooyen

Registration number:

1937/009504/06

Tax reference number:

9925/133/71/3P

Registered office:

Stanley Lewis Centre, 340 Voortrekker Road, Parow East, 7500, South Africa

Transfer secretaries:

Computershare Investor Services Proprietary Limited
Rosebank Towers, 15 Biermann Avenue, Rosebank, Johannesburg, 2196, South Africa

Sponsor:

RAND MERCHANT BANK (A division of FirstRand Bank Limited)