

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

Group retail sales for the first 18 weeks (from 1 July 2024 to 3 November 2024) of the 2025 financial period (‘the current period’) increased by 2.8% to R7.2 billion, compared to the first 18 weeks (from 3 July 2023 to 5 November 2023) of the 2024 financial period (the ‘prior period’).

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

	Retail sales current period	Change on prior period (%)
Group	R7.2 bn	2.8
Truworths Africa	R4.7 bn	0.2
Office UK	£106.9 m	9.7

Account sales comprised 46% (prior period: 47%) of Group retail sales, with account and cash sales increasing by 0.4% and 4.9%, respectively, relative to the prior period.

Truworths Africa

While business and consumer sentiment in South Africa has improved since the formation of the government of national unity earlier this year, trading conditions in South Africa remain challenging as the optimism has not yet translated into meaningful improvements in the disposable incomes of South African consumers. The prospects of higher GDP growth, lower inflation, stabilising cost of living and lower interest rates are expected to support consumer spending in the year ahead. However, the timing and extent of the impact thereof remain uncertain at this stage.

Retail sales in the Truworths Africa segment increased by a disappointing 0.2% relative to the prior period. Account sales increased 0.4% and comprised 70% (prior period: 70%) of the segment’s retail sales for the current period. Cash sales decreased by 0.2%.

Online sales continued to show good growth in the current period, increasing by 38% and contributing 6.4% to the segment’s total retail sales.

The Group continues to consistently apply its strict credit-granting criteria. At the end of the first quarter ended 29 September 2024 (‘FY25-Q1’), Truworths Africa’s gross active trade receivables were 1.1% higher at R6.3 billion relative to R6.2 billion at the prior quarter-end on 1 October 2023 (‘FY24-Q1’). The number of active accounts increased by 3.7%.

During the 2024 financial period, the Group enhanced its account charge-off hold-back strategies, as disclosed in its results for that period. These strategies are aimed at identifying

overdue active account customers with some likelihood of payment and rehabilitation using behavioural risk scorecards and serve to delay their charge-off. This change results in an increase in accounts that are over 210 days in arrears in the active trade receivables portfolio, and accordingly the active account holders able to purchase and overdue balances to gross trade receivables metrics at FY25-Q1 are not comparable to FY24-Q1.

Excluding accounts that are over 210 days in arrears, active account holders able to purchase and overdue balances to gross trade receivables were unchanged relative to FY24-Q1 at 82% and 14%, respectively.

Office UK

General trading conditions in the UK remain suppressed as consumers continue to adopt a cautious approach to spending. Notwithstanding these conditions, Office UK has proved resilient, recording retail sales growth of 9.7% (in Sterling) relative to the prior period. In Rand terms, retail sales increased by 8.1% to R2.5 billion (prior period: R2.3 billion). Online sales for the current period increased by 3.2% and comprised 42.9% of total retail sales (prior period: 45.6%).

Trading space in the Office UK segment is expected to increase by approximately 10% for the 2025 financial period.

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 29 December 2024 are scheduled to be released on or about Thursday, 27 February 2025.

Cape Town
7 November 2024

JSE Sponsor: One Capital
NSX Sponsor: Merchantec Capital