

THE FOSCHINI GROUP LIMITED
(Incorporated in the Republic of South Africa)
(Registration number 1937/009504/06)
Ordinary share code: TFG
A2X share code: TFG
ISIN: ZAE000148466
Preference share code: TFGP
ISIN: ZAE000148516
("TFG" or "the Company" and together with its affiliates "the Group")

SUMMARY OF THE UNAUDITED INTERIM CONDENSED CONSOLIDATED RESULTS FOR THE HALF-YEAR ENDED 30 SEPTEMBER 2024, ORDINARY AND PREFERENCE DIVIDENDS DECLARATIONS

SALIENT FEATURES

- Group gross profit up 2,5% to a record R12,8 billion;
- Group gross margin increased by 220 basis points, as gross margins continued to improve across all territories;
- Sales were 0,1% lower in TFG Africa, 8,2% lower in TFG London and 2,4% lower in TFG Australia (in local currency);
- Group revenue 1,4% lower to R28,0 billion;
- Group online sales grew 9,9% to R2,8 billion, contributing 10,7% to total retail sales; the growth largely attributable to growth of 47,9% in South Africa via our Bash platform;
- Credit sales now contribute 26,8% (H1'2024: 26,3%) to TFG Africa sales;
- Operating profit before finance costs 3,4% lower to R2,5 billion;
- Basic earnings per share (EPS) 4,8% lower at 368,3 cents (Sept 2023: 386,8 cents);
- Headline earnings per share (HEPS) 5,6% lower at 371,6 cents (Sept 2023: 393,6 cents); and
- Interim dividend declared of 160,0 cents per share (Sept 2023: 150,0 cents per share), an increase of 6,7%;

IMPROVED GROSS MARGINS AGAINST A CHALLENGING OPERATING ENVIRONMENT

GROUP FINANCIAL PERFORMANCE

Sales growth (in ZAR'm) in each business segment for the six months ended 30 September 2024 ('H1'2025' or 'current period') was as follows:

Business segment	H1'2025 vs H1'2024	H1'2025 Contribution to Group sales
TFG Africa	-0,1%	69,8%
TFG London	-8,7%	13,1%
TFG Australia	-4,1%	17,1%
Group	-2,0%	

Group sales declined by 2,0%, due to the difficult trading conditions in all territories, and impacted by the high clearance-driven sales base in TFG Africa in the comparative period. However, the improvement from the 3,5% decline reported in our 21-week guidance in September 2024 highlights the noticeable improvement in trading activity experienced in all territories since September 2024, and through to November 2024.

Online sales grew by 9,9% and now contribute 10,7% to total Group sales.

Gross margins were a key focus in all territories and increased by an aggregate 220 basis points to 49,5%, leading to an increase in gross profit for the Group of 2,5% to a record R12,8 billion.

Trading expenses were also tightly controlled, increasing by 5,7% despite stubbornly high inflation and the opening of 58 new stores during the period.

Finance costs of R0,9 billion were broadly level against the prior period.

HEPS decreased by 5,6% and Basic EPS decreased by 4,8%.

STATEMENT OF FINANCIAL POSITION

The Group balance sheet is stronger than at the same point last year, and broadly in line with the position at the financial year ended 31 March 2024.

Inventories have ended the half year 7,5% higher, mainly driven by TFG Africa where inventories were low going into the new financial year due to port delays. Inventory health has also improved markedly in all territories.

The Group's net debt^ position (excluding IFRS 16 liabilities) declined 2,3% to R7,6 billion compared to 30 September 2023.

STORE PORTFOLIO

At 30 September 2024, the Group traded from 4 720 stores in 23 countries, with 58 new stores opening during the current period. 104 stores were closed.

Stores	TFG Africa	TFG London	TFG Australia	Group
Opening balance at 1 April 2024	3 621	547	598	4 766
New stores	34	14	10	58
Closed stores	(45)	(53)	(6)	(104)
Closing balance at 30 September 2024	3 610	508	602	4 720

SEGMENTAL PERFORMANCE UPDATE

TFG AFRICA

Sales growth (in ZAR) per merchandise category was as follows:

Merchandise category	H1'2025 vs. H1'2024	H1'2025 Contribution to TFG Africa sales
Clothing	-1,0%	71,6%
Homeware	6,1%	14,5%
Cosmetics	11,6%	2,9%
Jewellery	1,1%	3,6%
Cellphones	-7,1%	7,4%
Total TFG Africa	-0,1%	

The lower sales growth in TFG Africa must be seen against the aggressive inventory clearance activity in the prior period. Sales growth compared to the first 6 months of the 2023 financial year (1 April to 30 September 2022),

which removes the distorting impact of last year's clearance activity was 17,1%, i.e. an average growth rate of 8,2% p.a. over the two years.

Following our continued investment in our e-commerce platform, Bash, online sales grew 47,9% and now contributes 5,6% (H1'2024: 3,8%) to sales.

After the significant promotional activity in H1'2024, gross margin recovered by 270 basis points. The improved stock position was maintained with an improvement in overall stock health with 58% of stock less than 8 weeks old, compared to 52% at the end of the comparative period.

Gross profit increased 6,6% to a record R7,6 billion (H1'2024: R7,2 billion).

CREDIT - TFG AFRICA

Credit sales increased by 1,7% year on year for H1'2025 contributing 26,8% (H1'2024: 26,3%) to total TFG Africa sales.

The debtors' book grew 6,0% to R8,3 billion. Acceptance rates have increased to 20,3% (H1'2024: 17,4%) but remain conservative. The allowance for impairment decreased to 17,8% (H1'2024: 19,3%) indicating the improved health of the book and payment behaviour.

TFG LONDON

TFG London was significantly impacted by inventory delays due to shipping disruptions in the Red Sea, high inflation and elevated interest rates. In addition, weak consumer demand drove an increased promotional environment.

The 8,2% sales decline (in GBP) is mainly the result of weak concession partner performance, with total own-store sales declining by 5,0%. Online sales contributed 42,0% to total sales, an increase of 120 basis points against the prior period.

The focus of TFG London's management has been on growing the direct-to-consumer channel and the protection of gross margin, which improved by 360 basis points compared to the prior period. However, this was insufficient to offset the lower sales activity, with gross profit (in GBP) in value terms 3,1% lower.

TFG AUSTRALIA

TFG Australia also suffered from the impact of persistently high inflation and elevated interest rates, with consumers continuing to remain under pressure, impacting demand. Despite a 2,4% contraction in sales (in AUD), management's focus on inventory management ensured an improvement in gross margin (in AUD) of 120 basis points to 65,1%.

ACQUISITION OF WHITE STUFF (UK)

Effective 25 October 2024, the Group acquired, through its UK subsidiary TFG Brands (London) Limited ('TFG London'), 100% of the issued share capital of White Stuff, a British fashion and lifestyle retailer, for an amount of £51,7m.

White Stuff was founded in 1985 and specialises in unique, thoughtfully designed clothing and accessories for women, men and children. White Stuff has 113 stores and 46 concessions in the UK. The business also operates 6 stores and 25 concessions across Europe. The brand sells internationally via its website and has 606 wholesale stockists (178 in the UK and Ireland and 428 internationally). Online sales currently contribute 43% of total sales.

White Stuff has a solid track record of financial performance and in the financial year to 30 April 2024, the business achieved revenue of £154,8m and EBITDA of £8,6m.

OUTLOOK

The Group continues to invest in its key strategic initiatives to further strengthen its differentiated business model. We will continue to focus on margin improvement, inventory management, cost control and ensure ongoing realisation benefits from key strategic projects.

In South Africa, the outlook is positively buoyed by the formation of the Government of National Unity, suspension of load shedding and establishment of the two-pot retirement system. Sales in TFG Africa for the 5 weeks ended 2 November 2024 have been 8,3% higher.

In the UK, conditions remain tough with some positive indicators emerging in the macro environment with lower inflation and interest rates expected. It is expected that customers will continue to seek value, which could drive further promotional activity. We maintain our focus on improving gross margins. Sales in TFG London for the 5 weeks ended 2 November 2024 have been 0,3% higher.

The acquisition of White Stuff represents a significant milestone in TFG London's medium-term strategy to add new brands to its existing portfolio. The addition diversifies and strengthens our existing womenswear portfolio, adding the first lifestyle brand while also bringing a well-established menswear offer. This business has the potential for strong, sustained growth.

In Australia, early signs are that the macro conditions are improving and remain cautiously optimistic. Sales in TFG Australia for the 5 weeks ended 2 November 2024 have been 0,1% lower.

Shareholders are advised that all the financial information contained in this announcement, including any forecast or estimate financial information contained herein, has not been audited, reviewed or reported on by the Group's external auditors and is the responsibility of the board of directors of TFG.

^ Non-IFRS measures in respect of Pre-IFRS 16 net debt - refer to note 18 of the unaudited interim condensed consolidated results for the half-year ended 30 September 2024.

RESULTS PRESENTATION WEBCAST

A live webcast of the interim results presentation will be broadcast at 10:00 am (SAST) on Friday, 8 November 2024. A registration link for the webcast will be available on the Company's website at www.tfglimited.co.za. The slides for the interim 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.

INTERIM ORDINARY CASH DIVIDEND DECLARATION

Notice is hereby given that the directors have declared an interim gross cash dividend of 160,0 cents (128,0 cents net of dividend withholding tax) per ordinary share for the six-month period ended 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 ordinary 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, 8 November 2024
Last day of trade to receive a dividend	Monday, 30 December 2024
Shares commence trading "ex" dividend	Tuesday, 31 December 2024
Record date	Friday, 3 January 2025
Payment date	Monday, 6 January 2025

Share certificates may not be dematerialised or rematerialised between Tuesday, 31 December 2024 and Friday, 3 January 2025, both days inclusive.

PREFERENCE CASH DIVIDEND DECLARATION

Notice is hereby given that the directors have declared a gross preference dividend (no. 176) of 3,25% or 6,5 cents per share (5,20 cents net of dividend withholding tax) per preference share for the six-month period ending 31 March 2025.

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 preference 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, 8 November 2024
Last day of trade to receive a dividend	Tuesday, 4 March 2025
Shares commence trading "ex" dividend	Wednesday, 5 March 2025
Record date	Friday, 7 March 2025
Payment date	Monday, 10 March 2025

Share certificates may not be dematerialised or rematerialised between Wednesday, 5 March 2025 and Friday, 7 March 2025, both days inclusive.

Signed on behalf of the Supervisory Board.

M Lewis
Chairman

A E Thunström
Chief Executive Officer

Cape Town
8 November 2024

ABOUT THIS ANNOUNCEMENT

Statement and availability

This results announcement is only a summary of the information contained in the full unaudited interim condensed consolidated results which were approved by the Board of Directors on 8 November 2024. As this announcement does not contain full details, any investment decisions by investors and/or shareholders should be based on consideration of the unaudited interim condensed consolidated results, which are available through the JSE cloudlink:

<https://senspdf.jse.co.za/documents/2024/JSE/ISSE/TFG/Int2024.pdf> and on the Company's website at: <https://tfglimited.co.za/investor-information/financial-reports-and-presentations/>

DIRECTORATE AND STATUTORY INFORMATION

Non-executive Directors:

M Lewis (Chairman), C Coleman, G H Davin, D Friedland, B L M Makgabo-Fiskerstrand, A D Murray, E Oblowitz, J N Potgieter, 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)

Visit our website at <http://www.tfglimited.co.za>