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**GROUP**  
**ANNUAL RESULTS**  
FOR THE 52 WEEKS ENDED  
30 JUNE 2024

**TRUWORTHS**  
**INTERNATIONAL**



# AGENDA



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INTRODUCTION

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ASPIRATIONAL FASHION  
SUPPLY CHAIN  
CUSTOMERS  
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SOCIAL AND  
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1.

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## INTRODUCTION

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# OUR BUSINESS PHILOSOPHY

**WE ARE ALWAYS GUIDED BY OUR BUSINESS PHILOSOPHY WHICH DIRECTS OUR CONSISTENT FOCUS ON THE LONG-TERM PURPOSE AS A GUIDING LIGHT THROUGH GOOD AND BAD TIMES TO DELIVER OUR VISION**

## OUR PURPOSE

defines the essence and fundamental ingredients of how we aim to meet our customers' expectations

## OUR VALUES

shape the business culture and behaviours required to achieve our Purpose using sequenced 'conditionality'

## OUR VISION

describes the expectations of our stakeholders and how the business is assessed in terms of creating value for our stakeholders

## TRUWORTHS

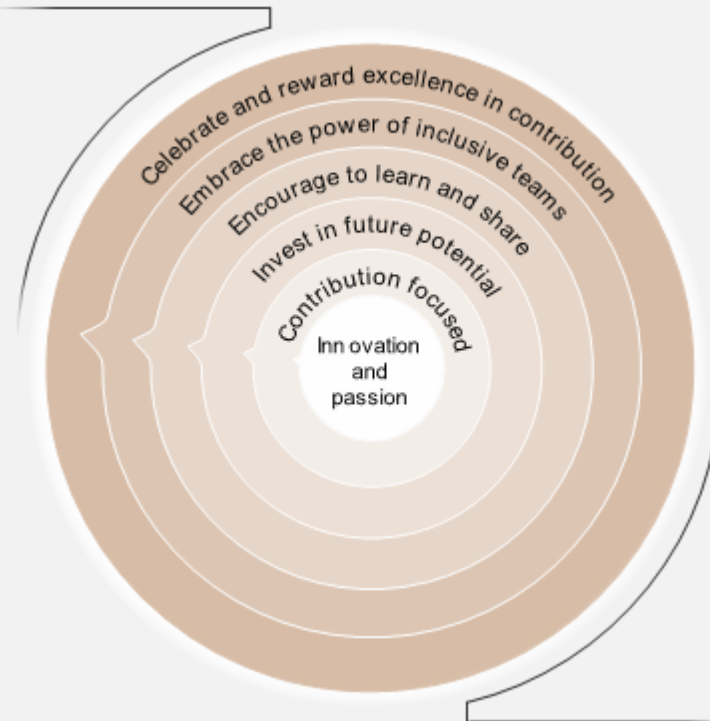
### THE TRUWORTHS PURPOSE STATEMENT

Youthful fashionable South Africans want to look attractive and feel successful and confident. Truworths entices them into exciting and visually appealing, aspirational real and virtual retail emporiums, which are staffed by passionate and knowledgeable team members and which offer wide ranges of curated and tasteful fashion of superb quality and intrinsic value. The ranges of unique aspirational fashionable brands are an innovative and adventurous blend of colour, fabric and fashion styling.

## OFFICE

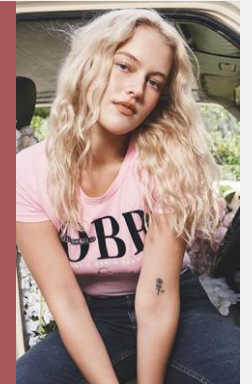
### THE OFFICE PURPOSE STATEMENT

Youthful fashionable customers want to look attractive and feel cool and confident. Strongly influenced by the iconic London fashion culture, Office presents them with a wide, curated, high-quality, relevant range of the latest in-demand styles and brands they desire. Office relates to each individual's unique preferences, by offering its range in a fashionable, aspirational, physical and digital environment that allows them to create their ultimate shoe wardrobe.



### THE VISION FOR OUR TRUWORTHS CUSTOMERS

'Truworths helps me look attractive and feel successful and confident. Shopping at Truworths is exciting because it offers wide ranges of curated and tasteful fashion of superb quality and intrinsic value in retail emporiums that are visually appealing and staffed by passionate and knowledgeable staff.'



### THE VISION FOR OUR OFFICE CUSTOMERS

'Office is the first place I go when I want to see a wide range of the latest high-quality shoes from in-demand fashionable brands, that make me feel attractive, cool and confident. Shopping at Office is effortless, whether I am online or in store, with a range that allows me to express my individuality and create my shoe wardrobe.'



### THE VISION FOR OUR EMPLOYEES

'I am totally committed because my team members and I are encouraged to contribute innovatively, and celebrate and reward excellence in contribution.'

### THE VISION FOR OUR SHAREHOLDERS

'We are long-term investors in Truworths International because we trust in management's capacity to execute innovative strategies which deliver significant value over time.'



# HIGHLIGHTS GROUP

- **Strong cash generation**, with **cash realisation rate of 99%** for the period
- Returned **R2.2 billion in dividends**
- **Robust balance sheet with net debt declining** from R850 million to **R306 million at period end**, after investment of R352 million in the new distribution centre (total to date circa R750 million)
- **Sustained world-class gross profit and operating margins**, well ahead of local peer averages
- Ongoing focus on **cost containment to maintain margin**
- **Achieved all medium-term financial targets**
- Rolled out **refreshed Values** across the Group
- Expected **improvement in B-BBEE points**, maintaining level 5 rating
- **Adopted the JSE Sustainability Disclosure Guidance** in our ESG reporting
- **2023 Integrated Report ranked seventh** in the Ernst & Young 2024 Excellence in Integrated Reporting Awards, marking **inclusion in the top 10 for the past 17 consecutive years**, and 'Excellent' past 22 years



# HIGHLIGHTS

## TRUWORTHS

- **New distribution centre construction is complete**, and testing in progress with phased go-live planned from November 2024 to March 2025
- Significant progress in **reinforcing each of our brand's unique DNA** to ensure improved differentiation and clarity for the buying teams
- Barrie Cline and Bonwit integration completed for our Truworths Africa Design Division, **improving our ability to react** to changing market trends and turn on local supply
- The **Truworths Re-imagined store concept has been well received**
  - Constantia, V&A Waterfront, Canal Walk and Century City
- **Strong e-commerce growth of 34%**, contributing circa 5% to retail sales
- New brand **Fuel continues to grow and shows good promise**
- **Continued healthy growth in both active and shoppable accounts**





# HIGHLIGHTS

## OFFICE UK

- **Sustained improvement** in gross, EBITDA, trading and operating margins and overall financial performance
- **Highly cash generative**
  - Cash generated from operations £67.7m
- **8 new stores opened in Office**, with a further 3 stores renovated and/or expanded
- Further **enhancements to the online platform and CRM capability** resulting in increased e-commerce contribution
- **Additional investment in merchandise management systems**
- **Successfully introduced several new third-party brands**
- **Consolidated and remodelled the warehousing and distribution function** to reduce costs and enhance productivity



# OPERATING CONTEXT

- **Challenging macro environment** resulting in pressure on disposable income and low consumer confidence levels in SA and UK
- **Household consumption levels remained under pressure in SA during the first half of 2024** with growth in real terms **turning negative** for the first time in three years during first quarter of calendar year 2024 at -0.4%
  - Attributable to a peak in interest rates at 11.75% for 12 months and weak consumer confidence
- **Port congestion** together with global **supply chain disruptions** impacted optimum inventory levels and merchandise mix
- South Africa experienced a **late onset of winter** impacting Truworths' sales during the final quarter of FY24
- Continued stress on consumers exposed to credit as **disposable income reduced**





# INVESTMENTS MADE TO CAPITALISE ON OPPORTUNITIES

- **Modernisation of current stores and expanding store portfolio** by redesigning existing and opening new stores in most sought-after locations
  - 5 Truworths Emporium Re-imagined, 3 Identity Megastores, 9 Kids Emporiums and 5 Context stores in Truworths
  - 8 new stores and 3 redesigned stores in Office
- Construction of **state-of-the-art distribution centre** in Cape Town with latest technology which will increase capacity to cater for future growth
- Implementing **new and improved merchandise management system in Office**
- **Backup power solutions installed** in South Africa to ensure continuous trading during load shedding
- Remodelling Office's distribution facility to **improve distribution efficiencies and lower costs**
- Upgrades to our websites – **improve and enhance e-commerce experience**
- **Growing and improving** in-house design division with added technology



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FINANCIAL  
REVIEW  
**GROUP**

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# PERFORMANCE AGAINST TARGETS AND PEERS GROUP

		<b>Truworths International 2024 52 weeks Pro forma<sup>^</sup></b>	Medium-term targets (published in FY23)	Local benchmark*	International benchmark*
Gross margin	(%)	<b>52.3</b>	49 – 53	43.7	54.5
Operating margin	(%)	<b>22.0</b>	18 – 23	12.8	12.7
Return on equity	(%)	<b>36</b>	31 – 36	18	19
Return on assets	(%)	<b>25</b>	22 – 27	15	12
Inventory turn	(times)	<b>4.3</b>	3.5 – 4.5	2.8	3.7
Asset turnover	(times)	<b>1.1</b>	0.9 – 1.3	1.1	1.0

<sup>^</sup> Pro forma current period excludes the impact of the Office UK trademark impairment reversal, Office UK insurance recoveries received, consolidation of the Group's charitable trusts and net foreign exchange losses.

\* Average of selected local and international apparel retail peers



# FINANCIAL PERFORMANCE GROUP

		Jun 24 52 weeks Reported	Jun 24 52 weeks Pro forma <sup>^</sup>	Jun 23 52 weeks Reported	Jun 23 52 weeks Pro forma*	Change on prior period Reported %	Change on prior period Pro forma %
Sale of merchandise	(Rm)	20 664	20 664	19 894	19 894	4	4
Gross margin	%	52.3	52.3	52.5	52.5		
Profit before finance costs and tax	(Rm)	5 631	4 542	4 775	4 411	18	3
Operating margin	%	27.3	22.0	24.0	22.2		
Headline earnings	(Rm)	3 037	2 992	3 219	2 941	(6)	2
Diluted HEPS (DHEPS)	(cents)	805.8	793.8	861.4	787.0	(6)	1
Annual dividend per share (DPS)	(cents)	529		565		(6)	
Cash generated from operations	(Rm)	4 696		3 811		23	
Net asset value per share	(cents)	2 553		2 073		23	

<sup>^</sup> Pro forma current period excludes the impact of the Office UK trademark impairment reversal, Office UK insurance recoveries received, consolidation of the Group's charitable trusts and net foreign exchange losses.

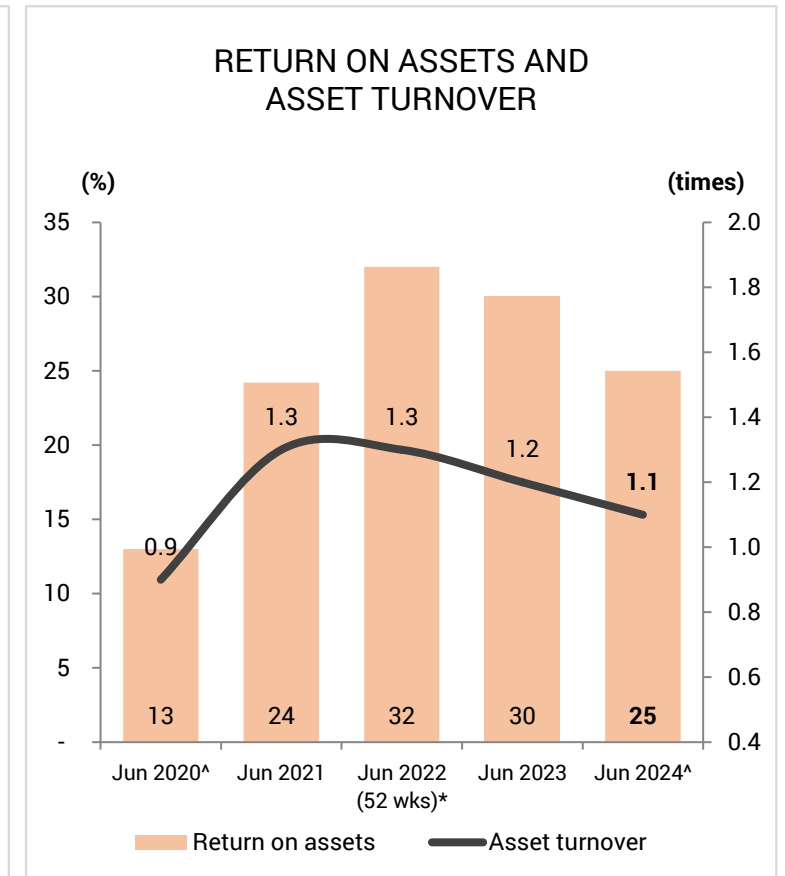
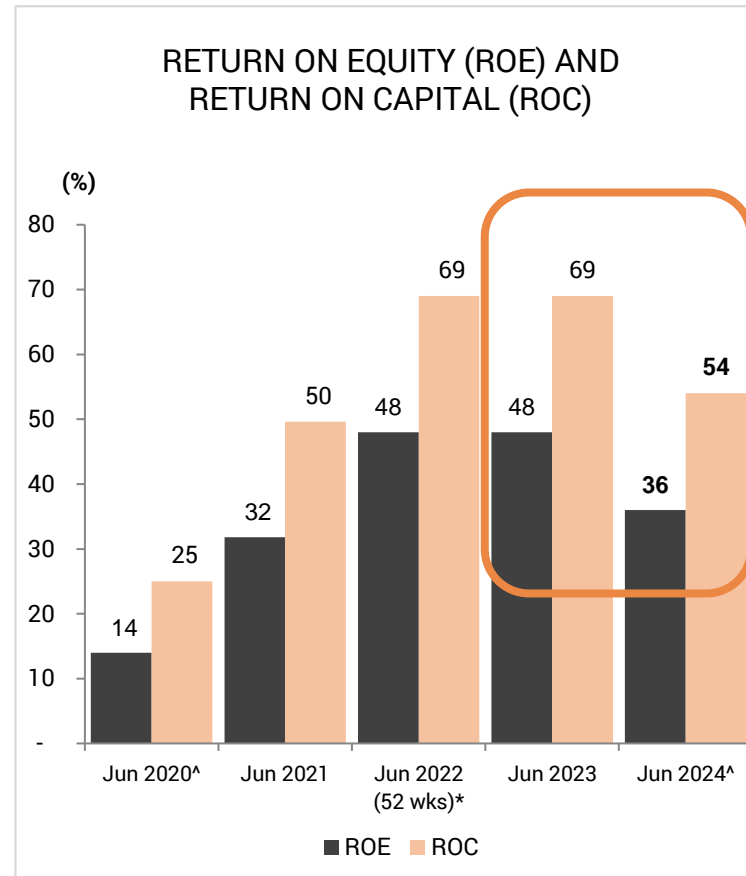
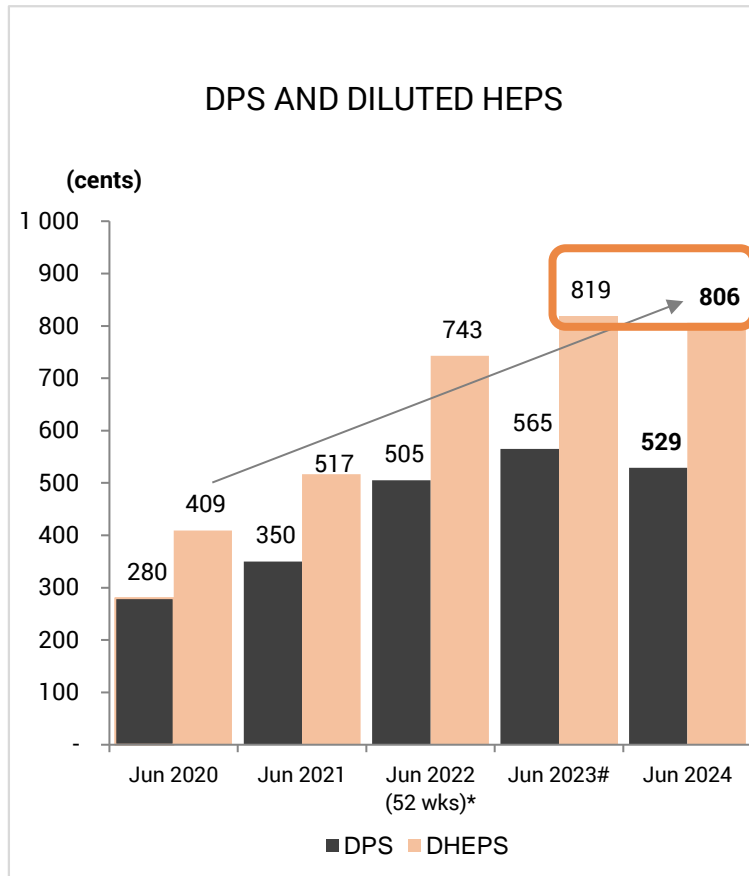
\* Pro forma prior period excludes the impact of the indirect tax settlement, civil unrest insurance recoveries received and net foreign exchange gains.



# FINANCIAL PERFORMANCE GROUP

Normalisation of equity due to impairment reversals and unwinding of share buy-back impact since COVID

Normalisation of ROA due to growing cash balance, impairment reversals and capex investment for the future

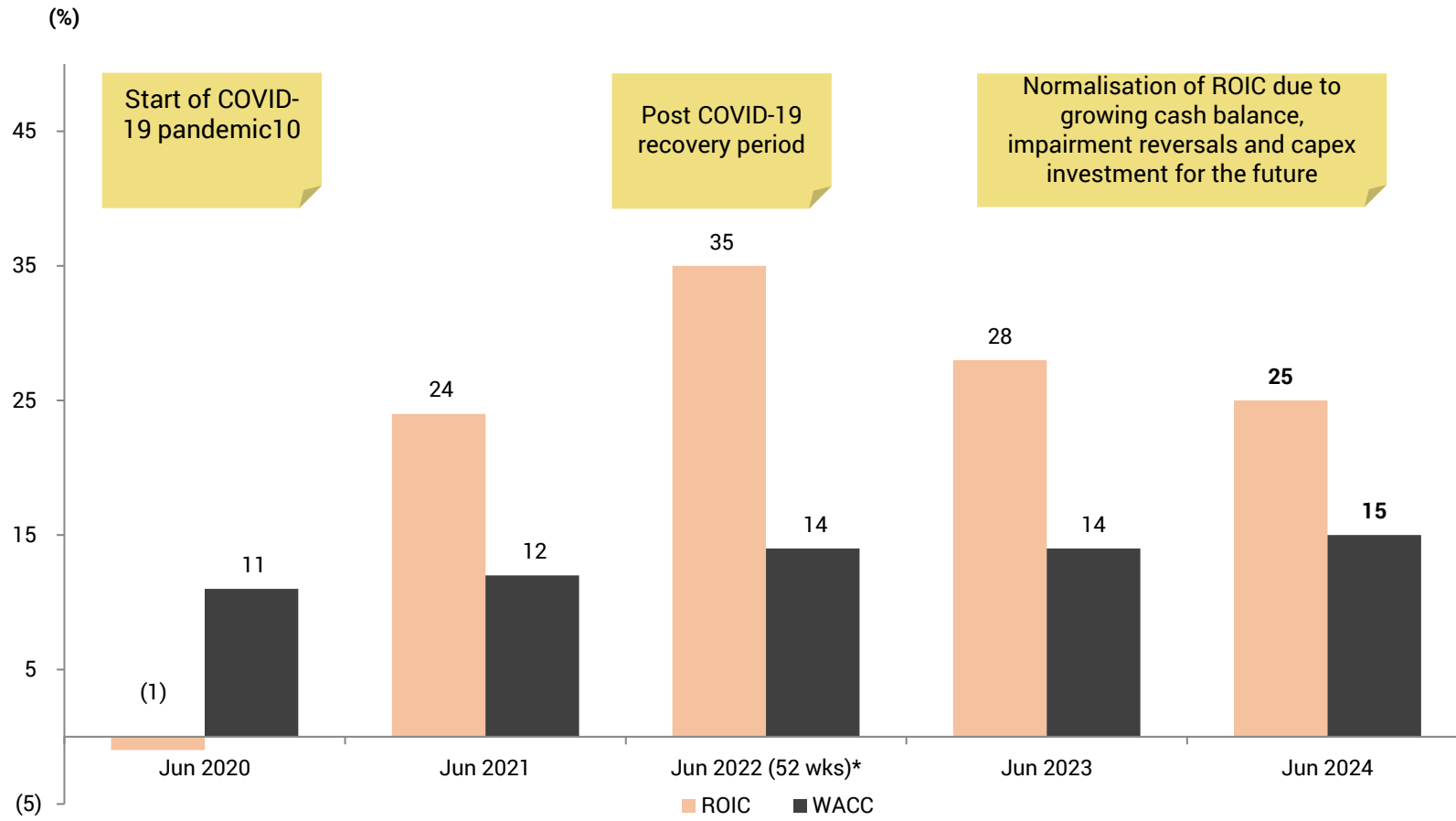


^ Adjusted to exclude goodwill and intangible asset impairments and reversals – numerator only, no adjustments to the denominator

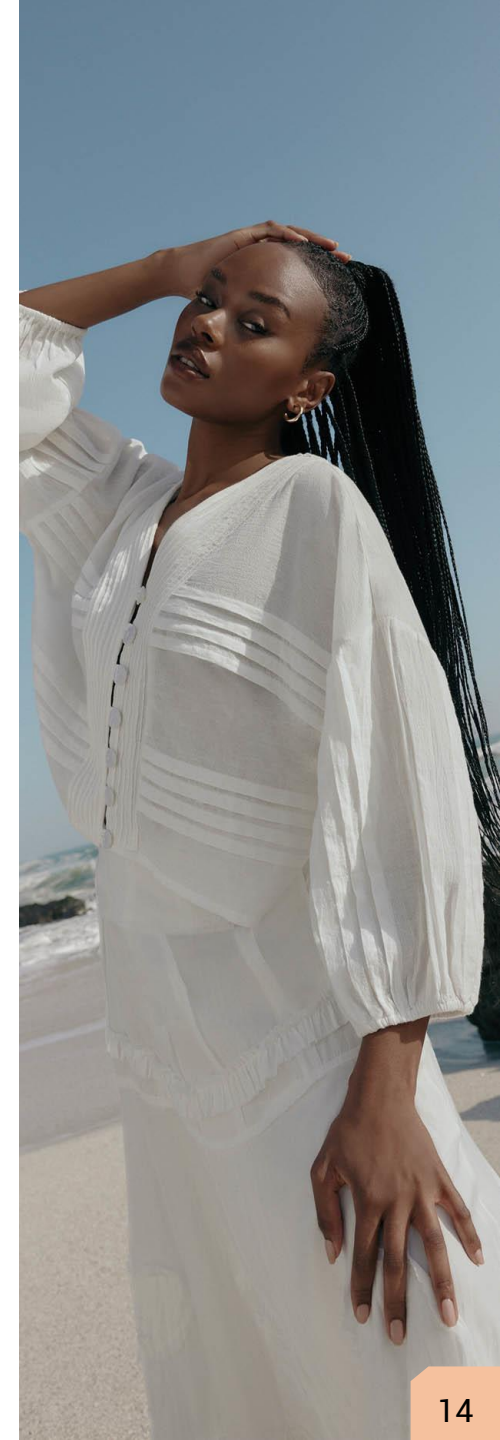
\* Weeks 2 - 53 (5 July 2021 – 3 July 2022)

# DHEPS excludes the impact of the longstanding indirect tax matter settlement

# ROIC vs WACC GROUP



\* Weeks 2 - 53 (5 July 2021 – 3 July 2022)



# STATEMENTS OF FINANCIAL POSITION GROUP

	Jun 2024 Rm	Jun 2023 Rm	Change on prior period %
Property plant and equipment	2 533	2 069	22
Right-of-use-assets	3 545	3 329	6
Goodwill and intangible assets	1 828	884	>100
Inventories	2 312	2 244	3
Trade and other receivables	5 419	5 546	(2)
Assets held at fair value	315	36	>100
Cash and cash equivalents and money market fund investments	2 269	1 462	55
Other assets	431	563	(23)
<b>Total assets</b>	<b>18 652</b>	<b>16 133</b>	<b>16</b>
Total equity	9 506	7 654	24
Lease liabilities	3 917	3 846	2
Trade and other payables	1 636	1 591	3
Interest bearing borrowings and overdraft	2 575	2 312	11
Other liabilities	1 018	730	39
<b>Total equity and liabilities</b>	<b>18 652</b>	<b>16 133</b>	<b>16</b>





# CAPITAL MANAGEMENT GROUP

		Jun 2024		Jun 2023	
		Net cash/(debt)	Net cash/(debt) to equity %	Net cash/(debt)	Net cash/(debt) to equity %
Group	Rm	(306)	(3.2)	(850)	(11.1)
Truworths	Rm	(2 133)	(21.5)	(1 876)	(18.4)
Office	£m	79.3	60.3	42.8	79.1



## Share buy-backs

Since January 2020 (including the COVID period) we have bought back 51.9m shares (12% of shares in issue, net of treasury shares) for R2.5bn at an average price of R47.88 per share.

Since inception of the share buy-back programme in 2002, 155m shares repurchased at a total cost of R6bn at an average price of R38.72 per share.



## Dividends

Final dividend of 197 cents per share (Jun 2023: 245 cents per share)  
Annual dividend per share of 529 cents (Jun 2023: 565 cents).

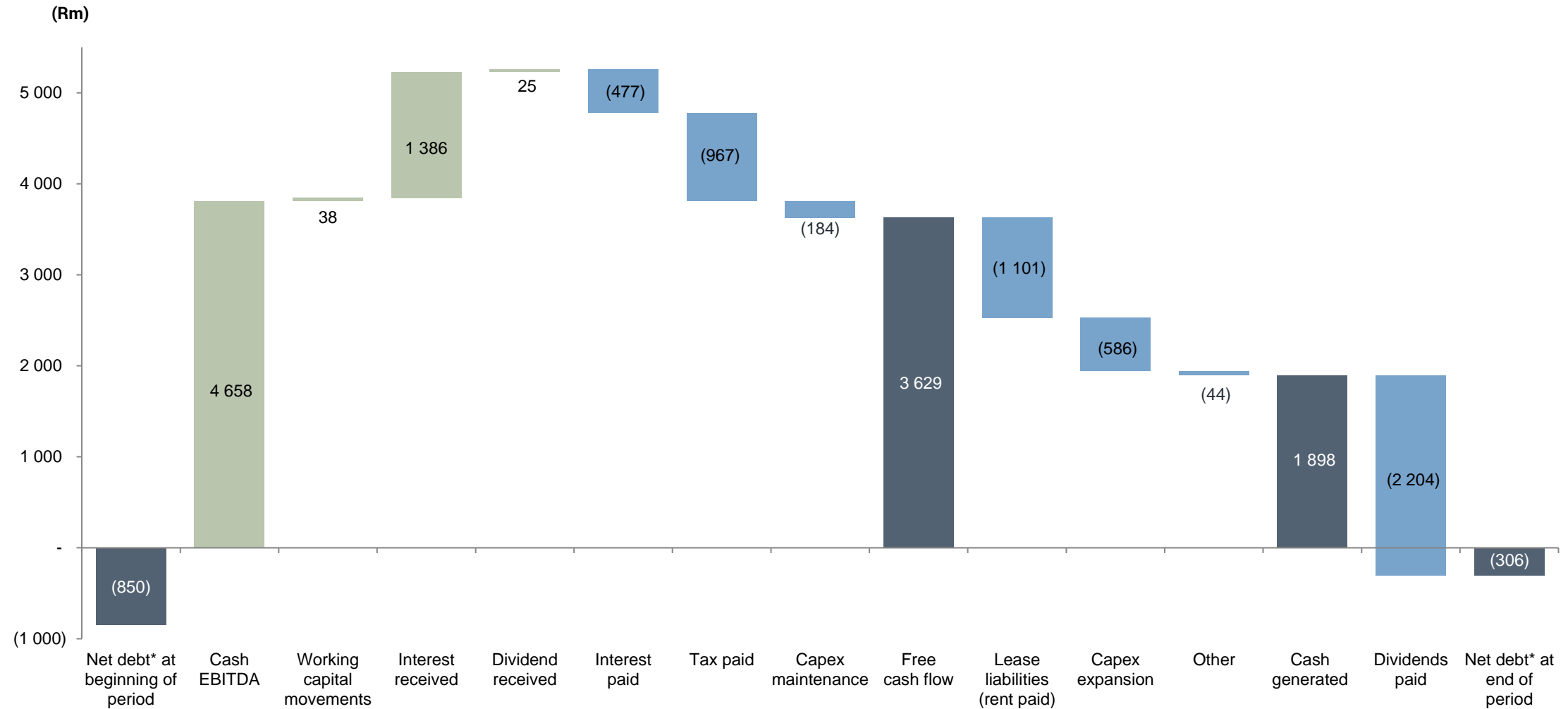


## Funding

SA facilities of R3.5bn:  
R1.2bn RCF, R268m green loan and R2.0bn general short-term banking facilities; R2.6bn utilised.

# CASH FLOW ANALYSIS GROUP

Cash realisation rate **99%**  
(2023: 74%)



\* Net debt for the period consists of cash and cash equivalents and money market fund investments, net of overdraft facilities

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FINANCIAL  
REVIEW

**TRUWORTHS AFRICA**

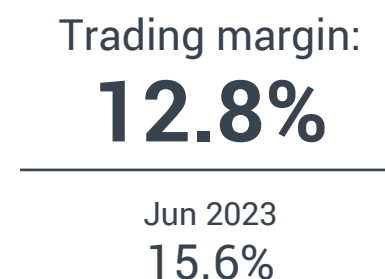
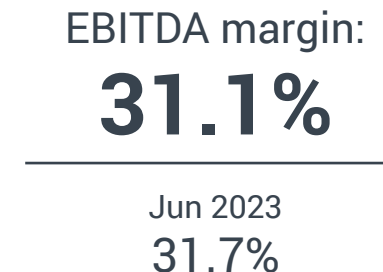
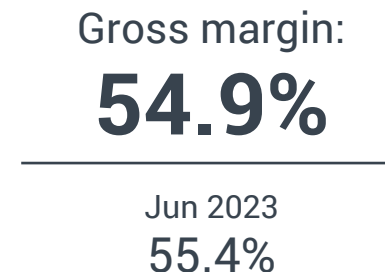
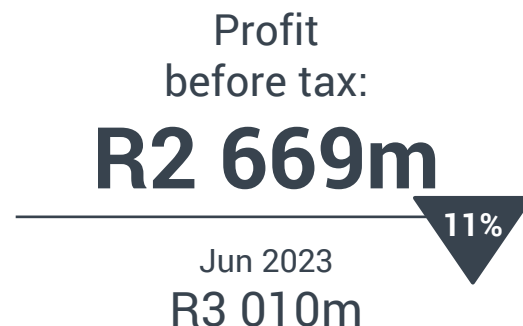
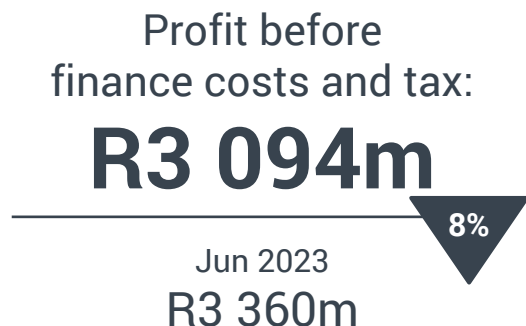
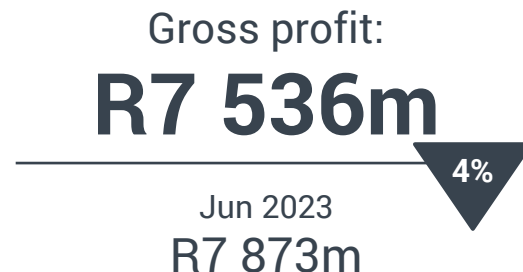
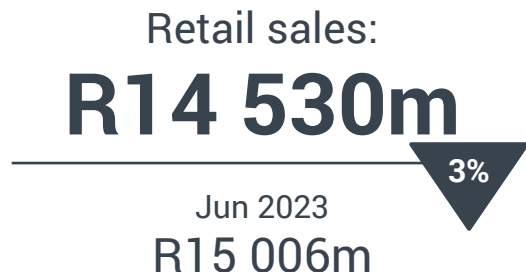
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# FINANCIAL PERFORMANCE

## TRUWORTHS AFRICA – PRO FORMA



### Pro forma current year figures exclude the following:

- foreign exchange losses to the value of R53 million; and
- a reduction in other operating costs of R123 million resulting from the consolidation of the Group's charitable trusts for the first time

### Pro forma prior year figures exclude the following:

- foreign exchange gains to the value of R19 million;
- income in relation to the settlement of the indirect tax matter of R260 million; and
- insurance recoveries received of R85 million as a result of the losses and damages suffered during the civil unrest in South Africa during July 2021

# INCOME STATEMENT

## TRUWORTHS AFRICA – PRO FORMA

	Jun 2024 52 weeks Pro forma <sup>^</sup> Rm	Jun 2023 52 weeks Pro forma* Rm	Change on prior period %
Sales of merchandise	13 723	14 204	(3)
Cost of sales	(6 187)	(6 331)	(2)
Gross profit	7 536	7 873	(4)
Other income	459	404	14
Trading expenses	(6 245)	(6 057)	3
Depreciation and amortisation	(1 170)	(1 139)	3
Employment costs	(2 018)	(1 915)	5
Occupancy costs	(668)	(604)	11
Trade receivable costs	(1 310)	(1 265)	4
Other operating costs	(1 079)	(1 134)	(5)
Trading profit	1 750	2 220	(21)
Interest and dividend income	1 344	1 140	18
Profit before finance costs and tax	3 094	3 360	(8)
Finance costs	(425)	(350)	21
Profit before tax	2 669	3 010	(11)

<sup>^</sup> Pro forma current year figures exclude the following:

- foreign exchange losses to the value of R53 million; and
- a reduction in other operating costs of R123 million resulting from the consolidation of the Group's charitable trusts for the first time

\* Pro forma prior year figures exclude the following:

- foreign exchange gains to the value of R19 million;
- income in relation to the settlement of the indirect tax matter of R260 million; and
- insurance recoveries received of R85 million as a result of the losses and damages suffered during the civil unrest in South Africa during July 2021

# INCOME STATEMENT

## TRUWORTHS AFRICA – REPORTED

	Jun 2024 52 weeks Reported Rm	Jun 2023 52 weeks Reported Rm	Change on prior period %
Sales of merchandise	13 723	14 204	(3)
Cost of sales	(6 187)	(6 331)	(2)
Gross profit	7 536	7 873	(4)
Other income	459	762	(40)
Trading expenses	(6 175)	(6 057)	2
Depreciation and amortisation	(1 170)	(1 139)	3
Employment costs	(2 019)	(1 915)	5
Occupancy costs	(668)	(604)	11
Trade receivable costs	(1 310)	(1 265)	4
Other operating costs	(1 008)	(1 134)	(11)
Trading profit	1 820	2 578	(29)
Interest and dividend income	1 344	1 146	17
Profit before finance costs and tax	3 164	3 724	(15)
Finance costs	(425)	(350)	21
Profit before tax	2 739	3 374	(19)





# DIVISIONAL RETAIL SALES

## TRUWORTHS AFRICA

	Jun 2024 52 weeks Rm	Jun 2023 52 weeks Rm	change on prior year (%)
Truworths ladieswear	5 140	5 383	(5)
Truworths menswear	3 619	3 734	(3)
Truworths kids	1 430	1 522	(6)
Other#	2 052	1 947	5
<b>Truworths emporium</b>	<b>12 241</b>	12 586	(3)
Identity	2 289	2 420	(5)
<b>Truworths retail sales</b>	<b>14 530</b>	15 006	(3)
YDE agency sales	216	233	(7)

# Cosmetics, Cellular, Truworths Jewellery, Office London (South Africa), Loads of Living and Sync divisions.



# STORES AND TRADING SPACE TRUWORTHS AFRICA

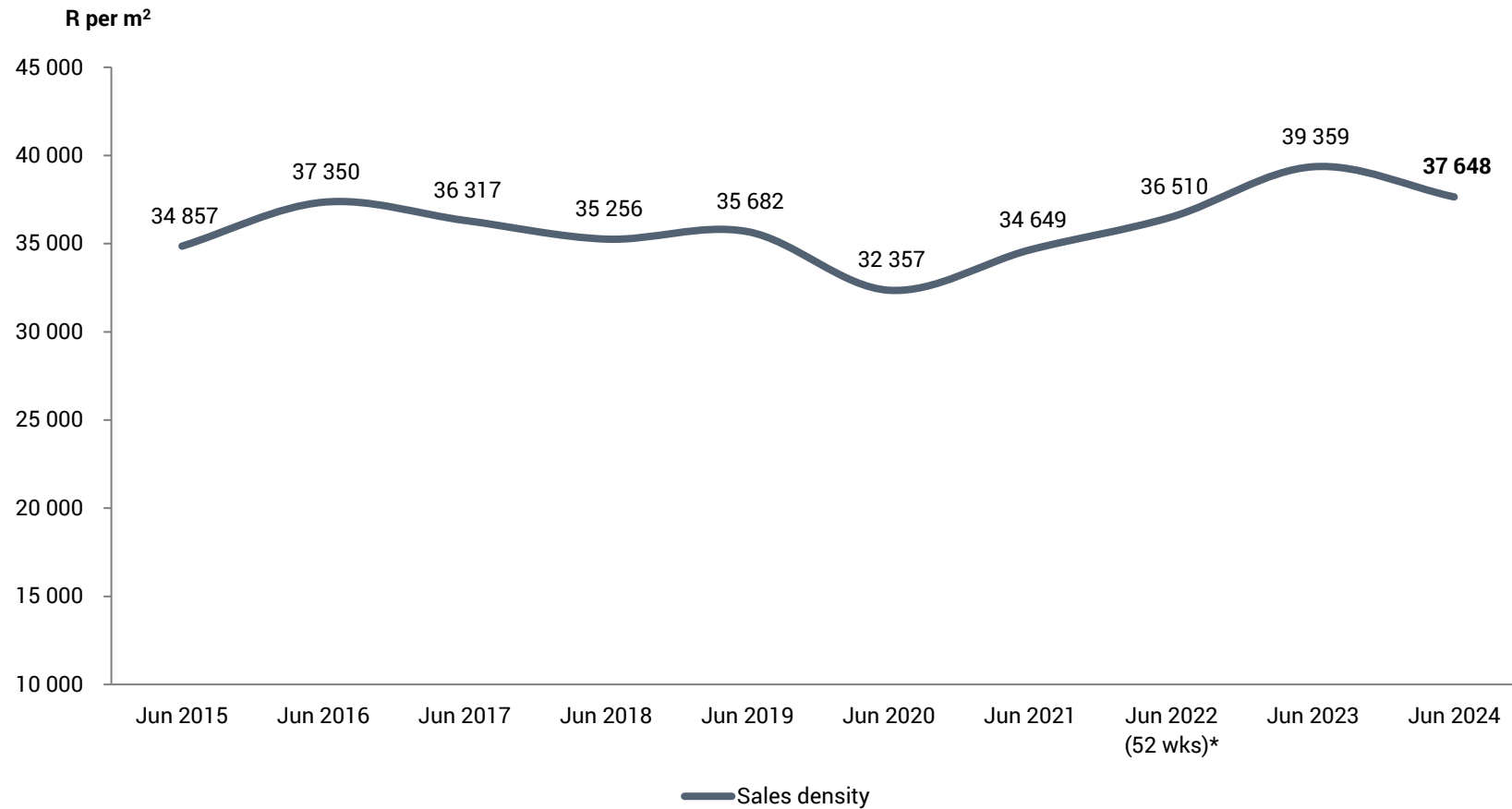
	Stores June 2023	Store movement		Net	Stores June 2024	Trading space '000 m <sup>2</sup> June 2024
Truworths	350	1	4	3	353	291
Identity	251	1	4	3	254	69
Truworths Man	34		1	1	35	12
Uzzi	36	4		(4)	32	3
Sync	19		7	7	26	2
Office London	19		3	3	22	2
YDE	20	1		(1)	19	6
Earthchild	16	4		(4)	12	1
Naartjie	10	1		(1)	9	1
Loads of Living	9			-	9	2
Kids Emporium standalone	7		1	1	8	1
Fuel	7			-	7	-.*
Earthchild & Naartjie	6			-	6	1
Earthchild and Earthaddict	5			-	5	1
Earthaddict	2			-	2	-.*
Daniel Hechter	1			-	1	-.*
Ginger Mary	1			-	1	-.*
Context	1			-	1	-.*
LTD	1	1		(1)	-	-
<b>TOTAL</b>	<b>795</b>			<b>7</b>	<b>802</b>	<b>392</b>

STORES CLOSED

STORES OPENED



# SALES DENSITIES TREND TRUWORTHS AFRICA



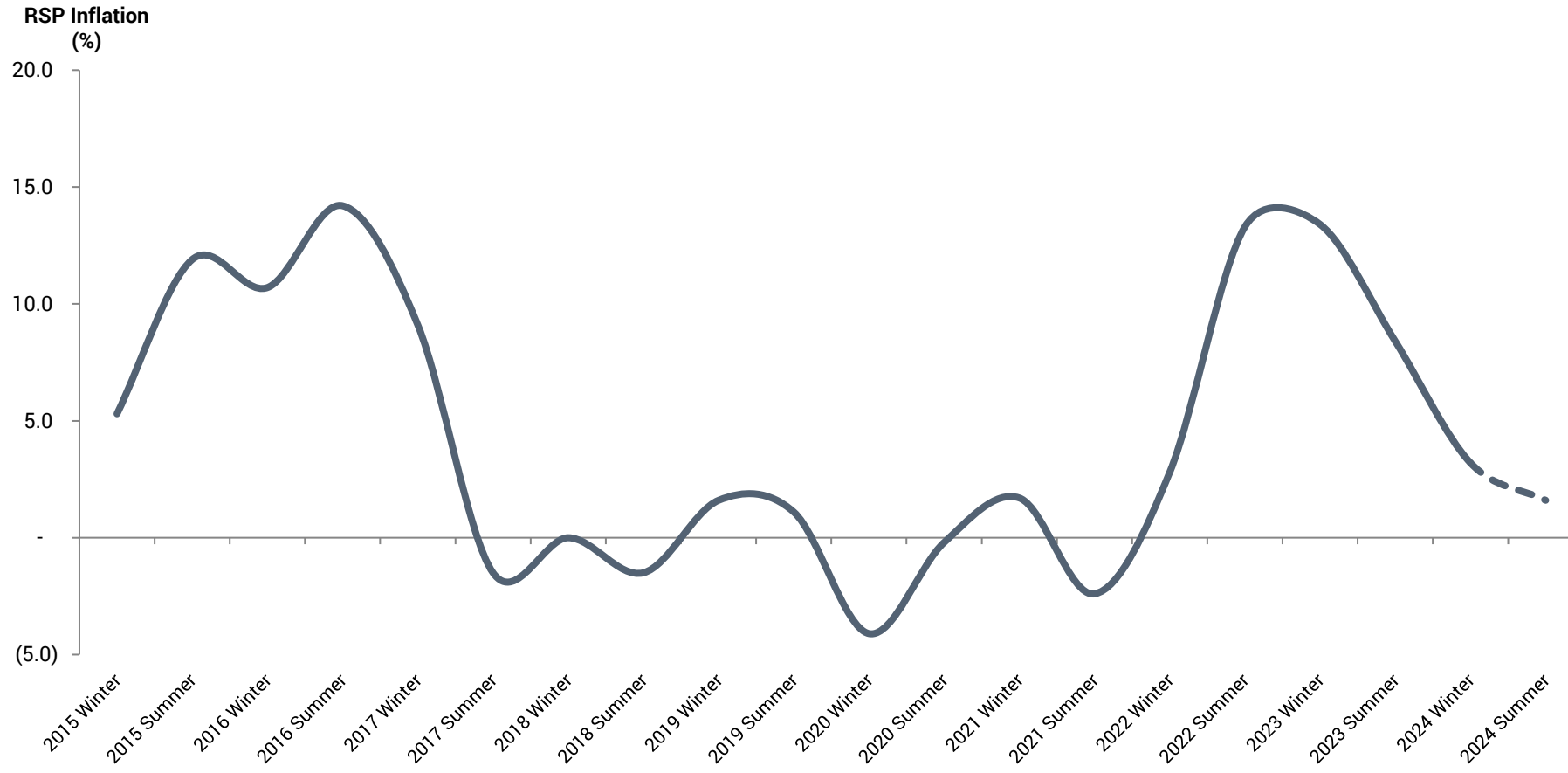
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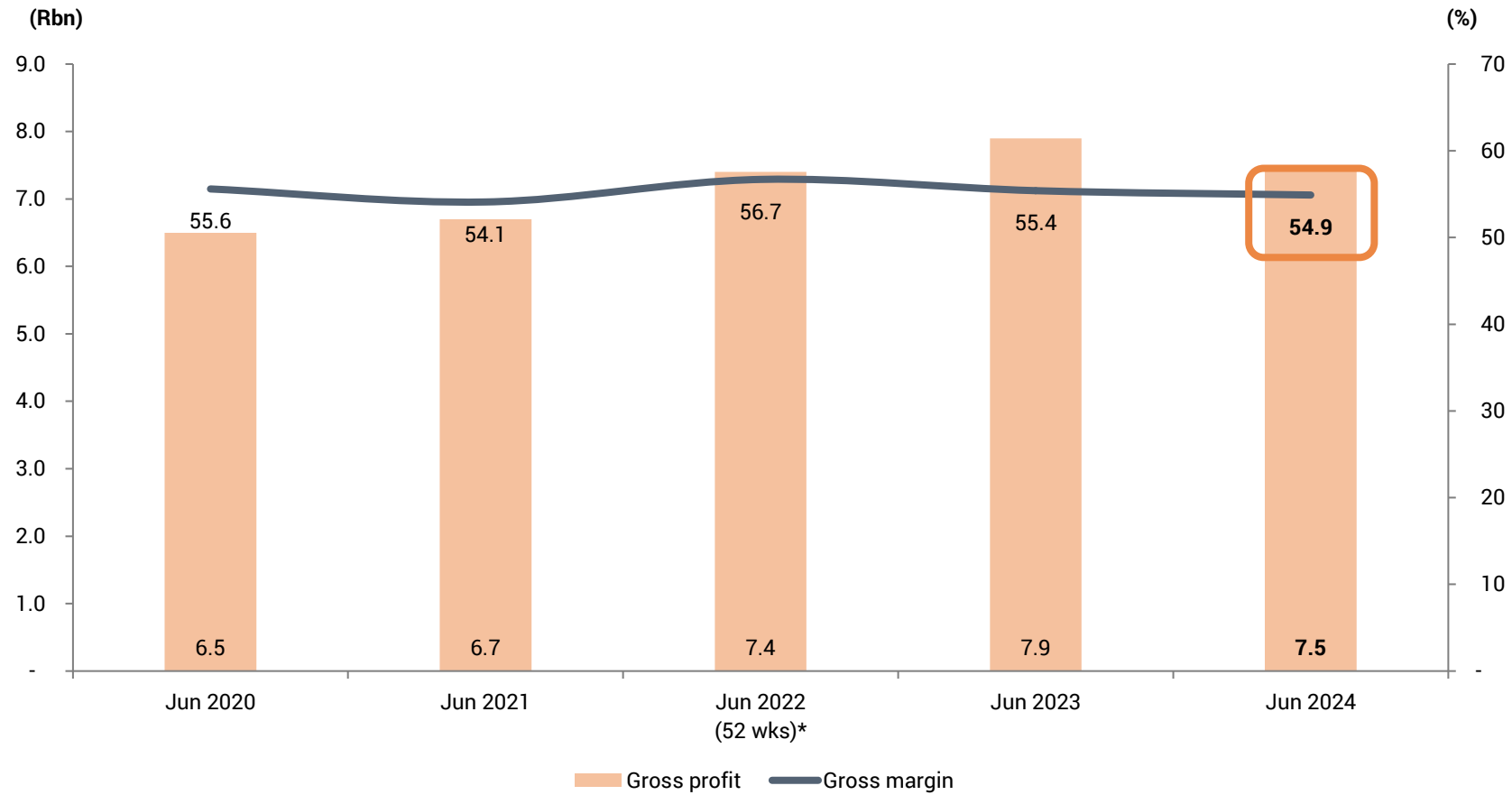


# MERCHANDISE INFLATION TREND

## TRUWORTHS AFRICA



# GROSS PROFIT TREND TRUWORTHS AFRICA



\* Weeks 2 - 53 (5 July 2021 – 3 July 2022)



# ANALYSIS OF TRADING EXPENSES

## TRUWORTHS AFRICA

	Jun 2024 Rm	Jun 2023 Rm	Change on prior period %
Depreciation and amortisation	1 170	1 139	3
Employment costs	2 019	1 915	5
Occupancy costs	668	604	11
Trade receivable costs	1 310	1 265	4
Other operating costs	1 008	1 134	(11)
<b>Trading expenses</b>	<b>6 175</b>	<b>6 057</b>	<b>2</b>





# ANALYSIS OF TRADING EXPENSES TRUWORTHS (CONTINUED)

3%↑

Depreciation and  
amortisation

- Depreciation in respect of PPE and software decreased 5%.
- Right-of-use assets depreciation increased 6% due to an **increase in the number of leases accounted for under IFRS 16 (including the new DC)** compared to the prior period.

5%↑

Employment costs

- Increase due to annual salary adjustments.

11%↑

Occupancy costs

- Comprises of rentals not accounted for in terms of IFRS 16 as well other occupancy costs (e.g. utilities).
- Excluding non-comparable stores, other occupancy costs **increased 18%** due to higher than CPI increases in electricity costs, higher rates, diesel, generator charges and security costs.
- **Rentals paid** (i.e. on a cash basis and not necessarily accounted for under occupancy costs) **increased 3%**.



# ANALYSIS OF TRADING EXPENSES TRUWORTHS (CONTINUED)

4%↑

Trade  
receivable costs

- Net bad debt and related costs, excluding the movement in the expected credit loss (ECL) allowance, **decreased R189 million**:
  - net bad debt (after debt sold) decreased 16% (R155 million), due to enhancements to the Group's existing charge-off hold-back criteria, as well as the creation of an on-balance sheet charged-off portfolio
- The movement in the ECL allowance resulted in an **increase of R234 million** in cost compared to the prior period:
  - ECL allowance at **20.3% of active gross trade receivables** (June 2023: 20.6%)

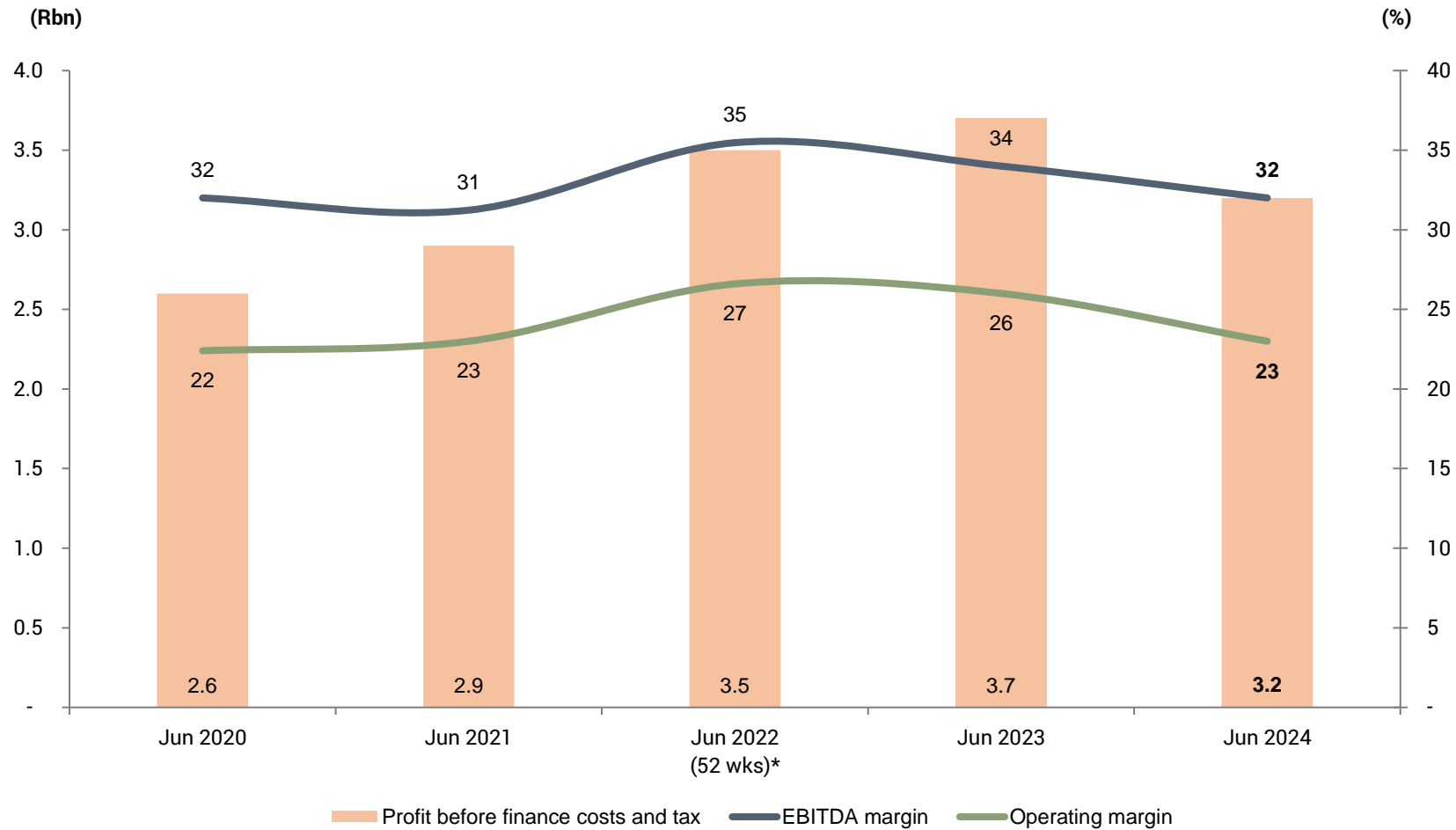
11%↓

Other operating costs

- Decrease mainly due to the one-off income statement effect of the consolidation of the Truworths Charitable Trusts and lower account acquisition costs.



# PROFIT BEFORE FINANCE COSTS AND TAX TRUWORTHS AFRICA








\* Weeks 2 - 53 (5 July 2021 – 3 July 2022)





# CAPITAL EXPENDITURE TRUWORTHS AFRICA

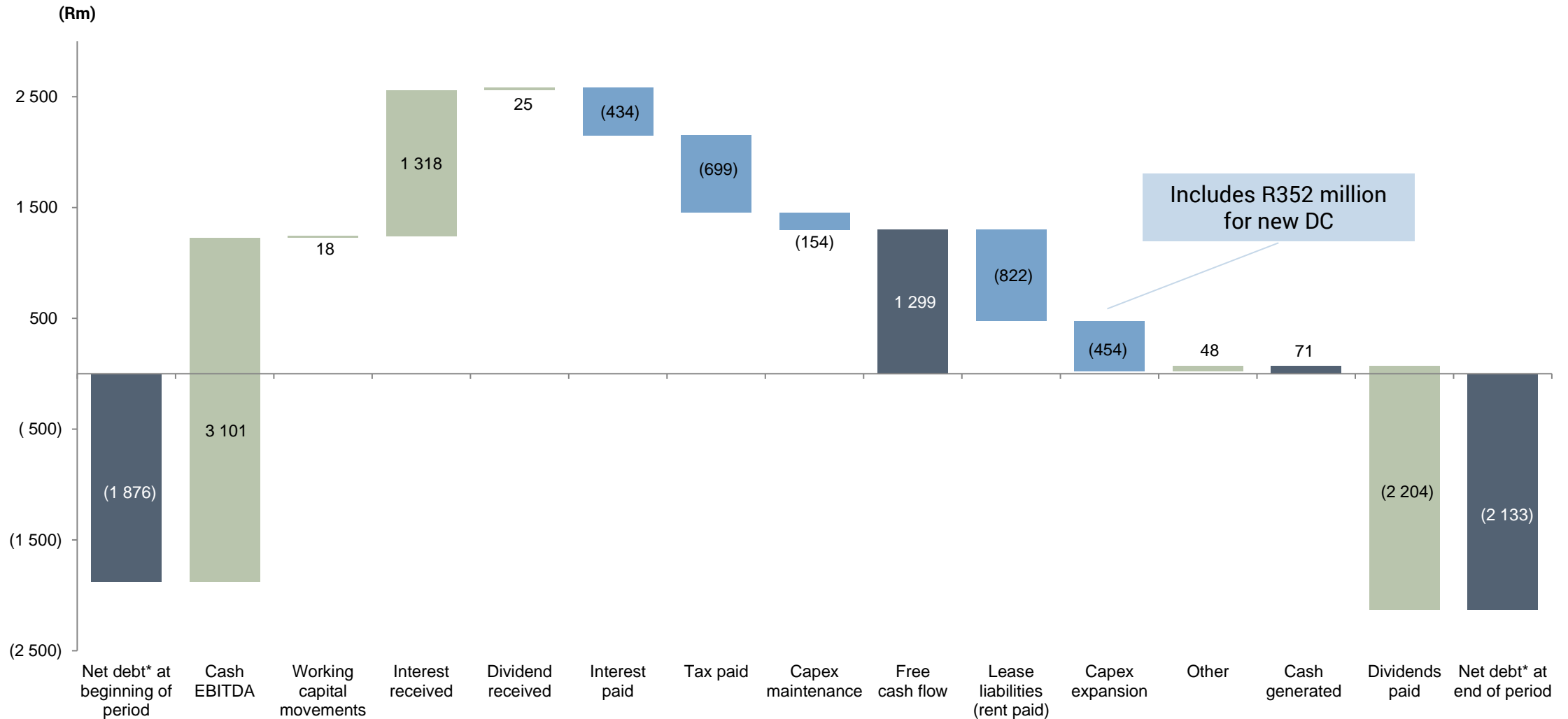
	Actual Jun 2024 Rm	Actual Jun 2023 Rm	Committed Jun 2025 Rm	Change on prior period %
 Store renovations and development	236	300	243	(21)
 Computer infrastructure and software	41	34	46	21
 Land, buildings and refurbishment	1	4	8	(75)
 Motor vehicles	2	3	3	(33)
 Distribution facilities	352	310	291	14
<b>Total</b>	<b>632</b>	<b>651</b>	<b>591</b>	<b>(3)</b>



# CASH FLOW ANALYSIS

## TRUWORTHS AFRICA

Cash realisation rate **100%**  
(2023: 73%)



\* Net debt for the period consists of cash and cash equivalents and money market fund investments, net of overdraft facilities



# 2.

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FINANCIAL  
REVIEW

**OFFICE UK**

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# FINANCIAL PERFORMANCE

## OFFICE UK – PRO FORMA

Retail sales:  
**£290.4m**

11%

Jun 2023  
£262.1m

EBITDA:  
**£74.3m**

25%

Jun 2023  
£59.4m

Gross margin:  
**47.0%**

Jun 2023  
45.2%

EBITDA margin:  
**25.2%**

Jun 2023  
22.4%

Profit before  
finance costs and tax:

**£61.4m**

25%

Jun 2023  
£49.1m

Profit  
before tax:

**£59.2m**

24%

Jun 2023  
£47.7m

Trading margin:  
**19.9%**

Jun 2023  
18.3%

Operating  
margin:  
**20.9%**

Jun 2023  
18.5%



### Pro forma current year figures exclude the following:

- partial reversal of impairments of trademarks to the value of £43.2 million (before tax);
- insurance recoveries received of £0.8 million, as a result of burglary at the Office DC; and
- foreign exchange losses of £0.8 million

# INCOME STATEMENT

## OFFICE UK – PRO FORMA

	Jun 24 Pro forma <sup>^</sup> £m	Jun 23 Reported £m	Change on prior period %
Sale of merchandise	294.3	265.4	11
Cost of sales	(155.9)	(145.4)	7
Gross profit	138.4	120.0	15
Other income	6.4	9.5	(33)
Trading expenses	(86.3)	(81.1)	6
Depreciation and amortisation	(12.9)	(10.3)	25
Employment costs	(29.7)	(27.5)	8
Occupancy costs	(17.1)	(16.6)	3
Other operating costs	(26.6)	(26.7)	-
Trading profit	58.5	48.4	21
Interest income	2.9	0.7	>100
Profit before finance costs and tax	61.4	49.1	25
Finance costs	(2.2)	(1.4)	57
Profit before tax	59.2	47.7	24

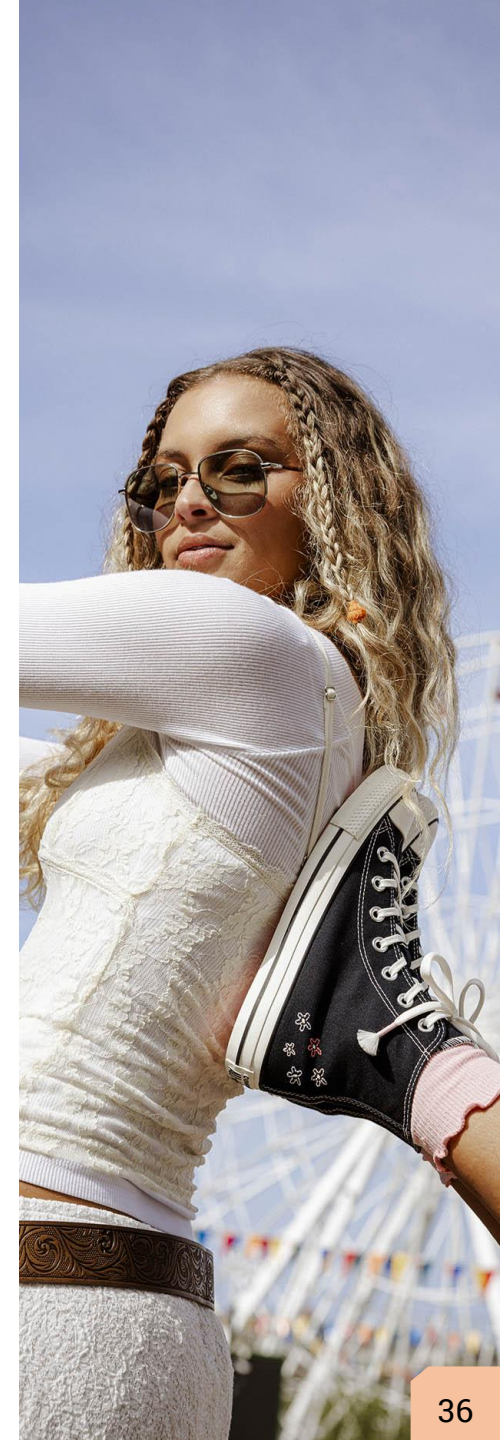
<sup>^</sup> Pro forma current year figures exclude the following:

- partial reversal of impairments of trademarks to the value of £43.2 million (before tax);
- insurance recoveries received of £0.8 million, as a result of burglary at the Office DC; and
- foreign exchange losses of £0.8 million

# INCOME STATEMENT

## OFFICE UK – REPORTED

	Jun 24 Reported £m	Jun 23 Reported £m	Change on prior period %
Sale of merchandise	294.3	265.4	11
Cost of sales	(155.9)	(145.4)	7
Gross profit	138.4	120.0	15
Other income	7.2	9.5	(24)
Intangible asset impairment reversal	43.2	-	100
Trading expenses	(87.1)	(81.1)	7
Depreciation and amortisation	(12.9)	(10.3)	25
Employment costs	(29.7)	(27.5)	8
Occupancy costs	(17.1)	(16.6)	3
Other operating costs	(27.4)	(26.7)	3
Trading profit	101.7	48.4	>100
Interest income	2.9	0.7	>100
Profit before finance costs and tax	104.6	49.1	>100
Finance costs	(2.2)	(1.4)	57
Profit before tax	102.4	47.7	>100





# GEOGRAPHIC SALES AND NUMBER OF STORES

## OFFICE UK

	Retail sales Jun 2024 £m	Retail sales Jun 2023 £m	Change on prior period %	Number of stores* Jun 2024	Number of stores* Jun 2023
United Kingdom	276.8	246.8	12	79	74
Republic of Ireland	13.6	11.3	20	7	7
Germany	0.0	4.0	(100)	-	-
<b>Total</b>	<b>290.4</b>	<b>262.1</b>	<b>11</b>	<b>86</b>	<b>81</b>

\* Including 11 concession stores (Jun 2023: 11 concession stores)



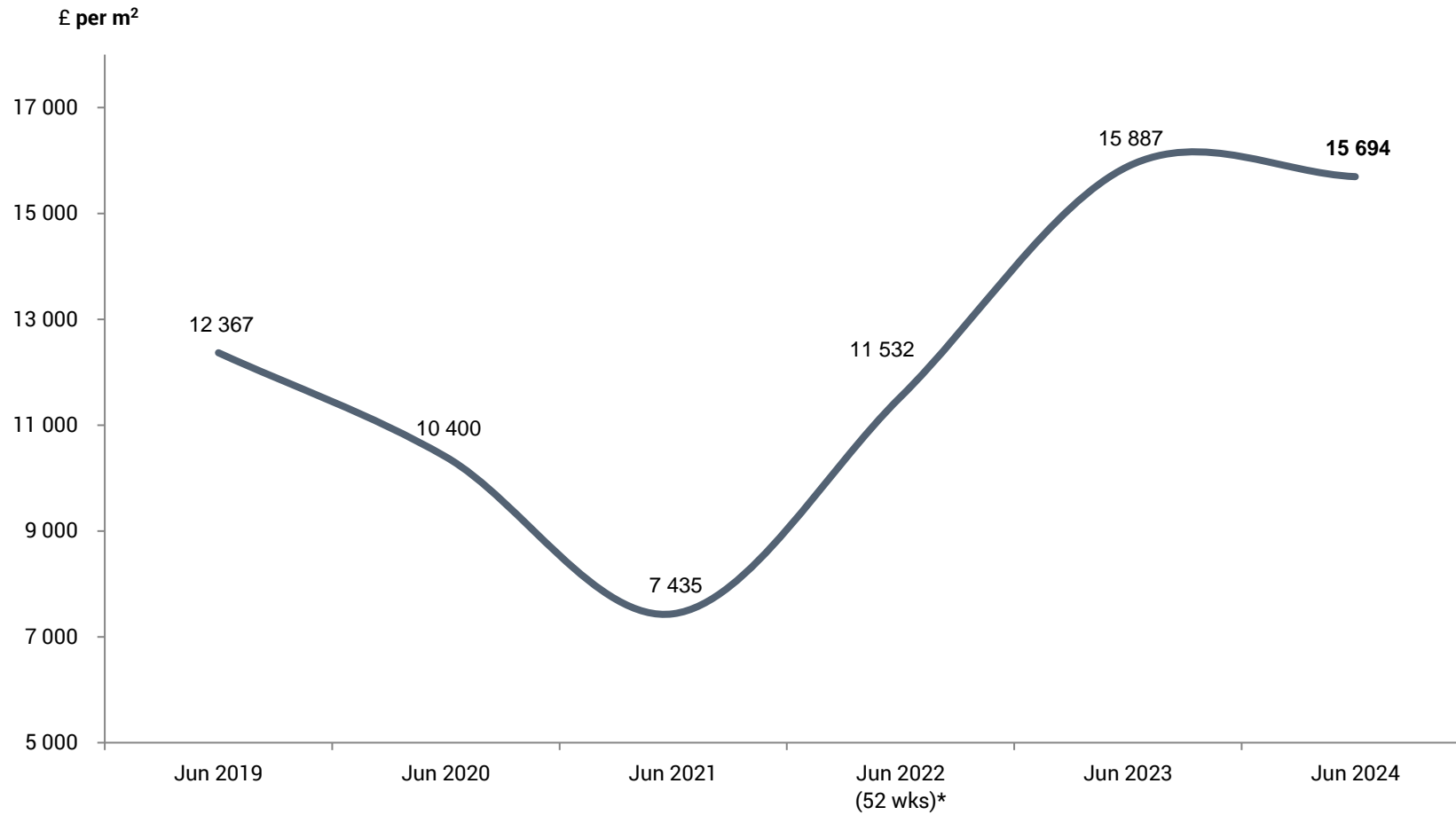
# STORES OFFICE UK

	Stores June 2023	Store movement		Net	Stores June 2024
Office standalone stores	67	3	7	4	71
Offspring standalone stores	3		1	1	4
Office concession stores	1			-	1
Offspring concession stores	10			-	10
<b>TOTAL</b>	<b>81</b>			<b>5</b>	<b>86</b>

STORES CLOSED
STORES OPENED



# SALES DENSITIES TREND OFFICE UK

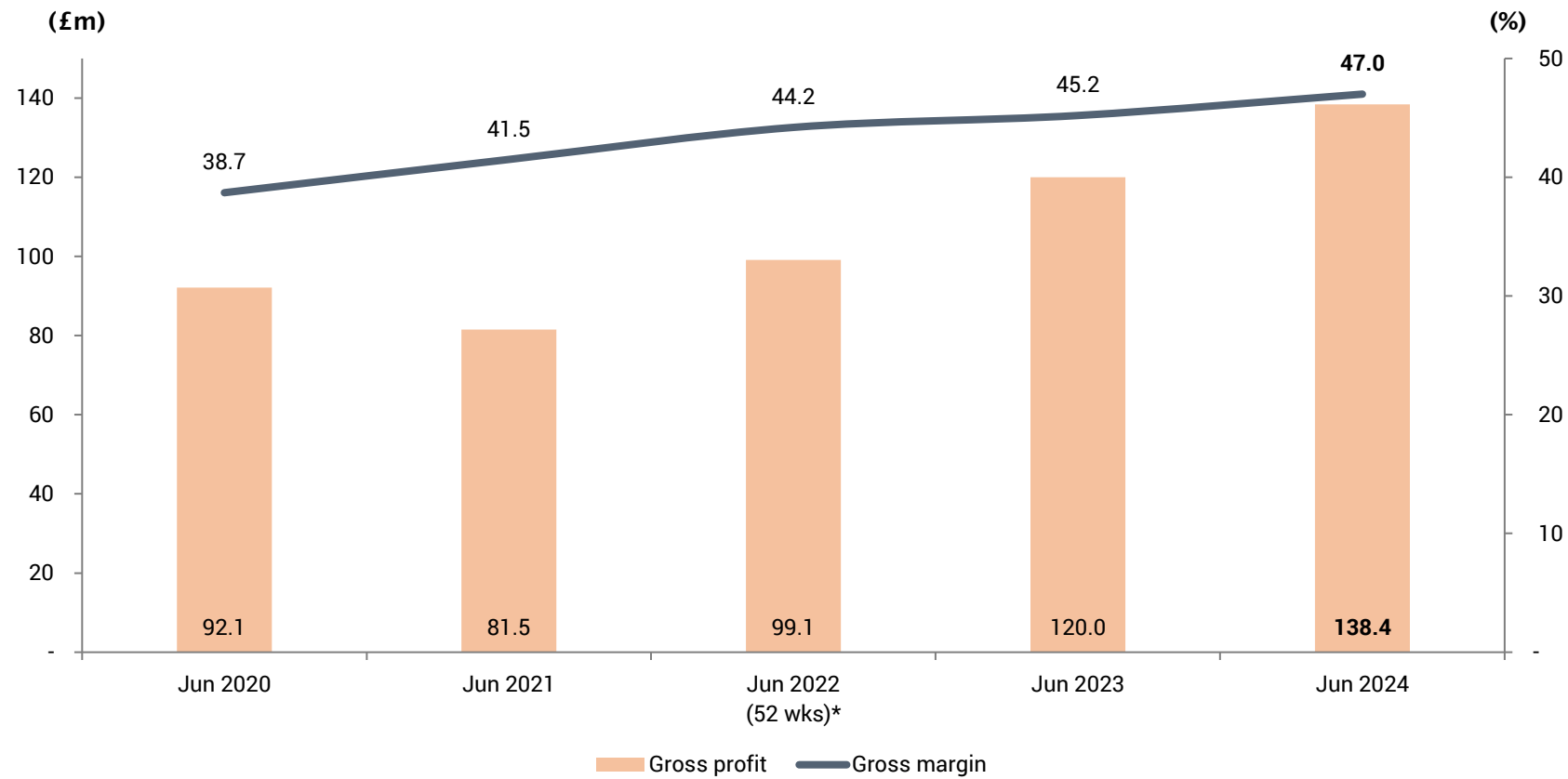


\* Weeks 2 - 53 (5 July 2021 – 3 July 2022)





# GROSS PROFIT TREND OFFICE UK



\* Weeks 2 - 53 (5 July 2021 – 3 July 2022)



# ANALYSIS OF TRADING EXPENSES

## OFFICE UK

	Jun 2024 £m	Jun 2023 £m	Change on prior period %
Depreciation and amortisation	12.9	10.3	25
Employment costs	29.7	27.5	8
Occupancy costs	17.1	16.6	3
Other operating costs	27.4	26.7	3
<b>Trading expenses</b>	<b>87.1</b>	<b>81.1</b>	<b>7</b>





# ANALYSIS OF TRADING EXPENSES

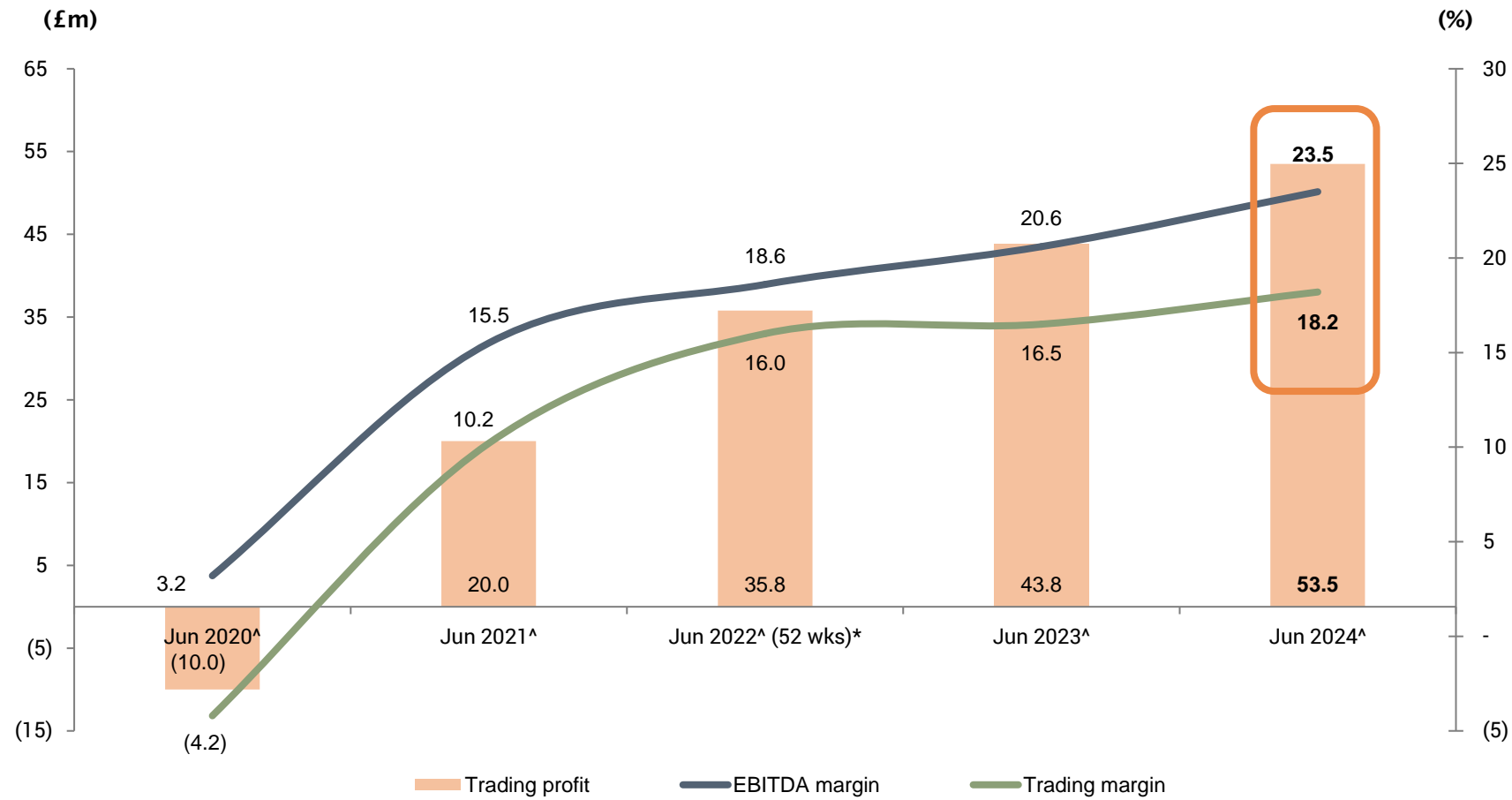
## OFFICE UK (CONTINUED)

<p><b>25%↑</b> Depreciation and amortisation</p>	<ul style="list-style-type: none"><li>• Depreciation on PPE and software <b>increased 25% due to increased capital spend, mainly on store development.</b></li><li>• Depreciation on right-of-use assets increased 26% due to <b>net impairment reversals</b> (December 2022 £3.7m, June 2023 £0.3m and December 2023 £4.1m) together with new leases accounted for in terms of IFRS 16.</li></ul>
<p><b>8%↑</b> Employment costs</p>	<ul style="list-style-type: none"><li>• Increased mainly due to <b>increased store hours (attributable to growth in stores)</b> and <b>UK national minimum wage increases</b> effective April 2023 and April 2024.</li></ul>
<p><b>3%↑</b> Occupancy costs</p>	<ul style="list-style-type: none"><li>• Increase mainly due to a <b>reduction in government support for electricity costs and increased turnover rental.</b></li></ul>
<p><b>3%↑</b> Other operating costs</p>	<ul style="list-style-type: none"><li>• Other operating costs increase mainly driven by <b>online marketing costs</b> to promote e-commerce sales and consequential <b>online store delivery costs</b> due to increased e-commerce sales.</li></ul>





# TRADING PROFIT OFFICE UK






<sup>^</sup> Adjusted to exclude goodwill, intangible asset, right of use asset and property, plant and equipment impairments and impairment reversals.

\* Weeks 2 - 53 (5 July 2021 – 3 July 2022)



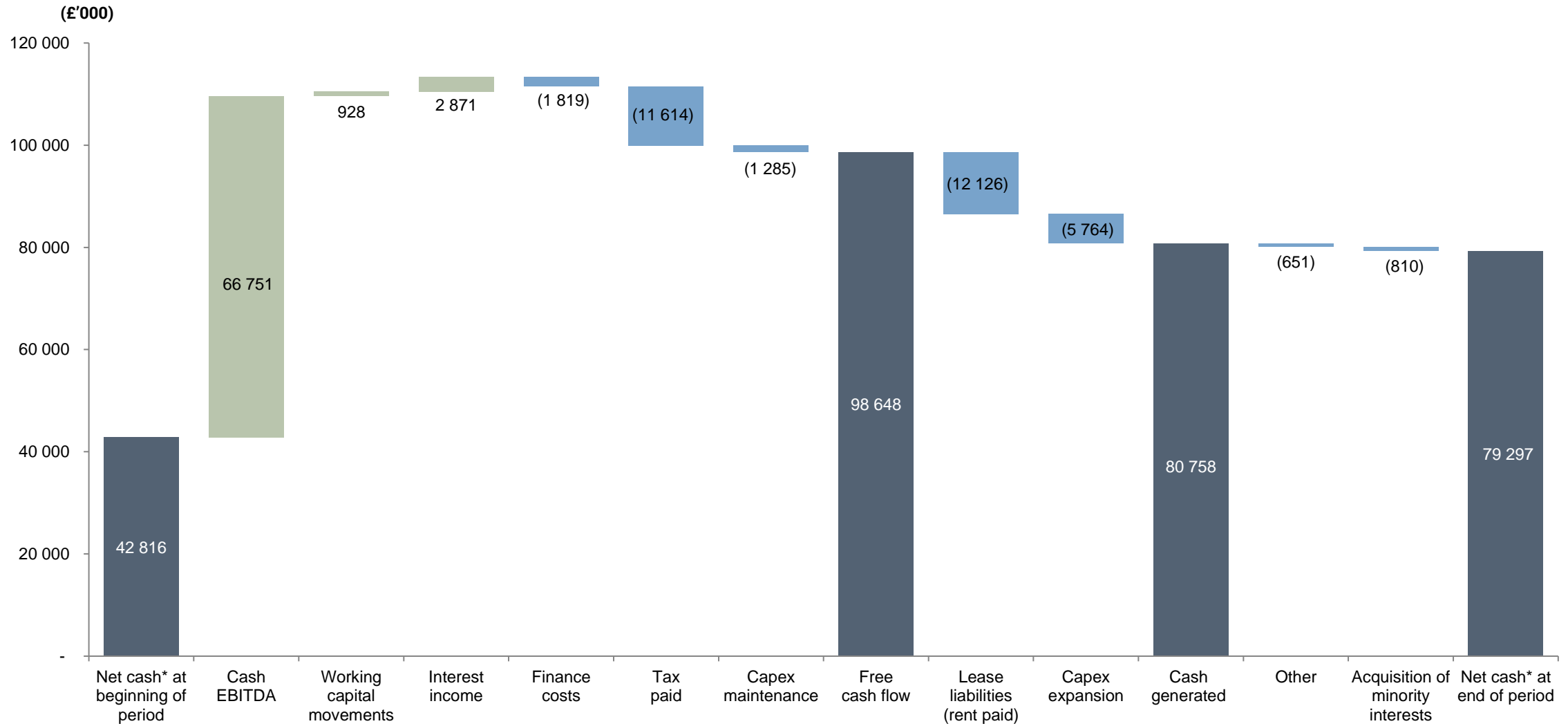
# CAPITAL EXPENDITURE OFFICE UK

	Actual Jun 2024 £m	Actual Jun 2023 £m	Committed Jun 2025 £m	Change on prior period %
 Store renovations and development	6.5	2.6	7.3	>100
 Distribution facilities	0.3	-	0.4	100
 Computer infrastructure and software	1.1	1.3	2.3	(15)
<b>Total</b>	<b>7.9</b>	<b>3.9</b>	<b>10.0</b>	<b>&gt;100</b>



# CASH FLOWS OFFICE UK

Cash realisation rate **96%**  
(2023: 79%)



\* Net cash for the period consists of cash and cash equivalents and money market fund investments



3.

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ACCOUNT  
MANAGEMENT

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# OVERVIEW

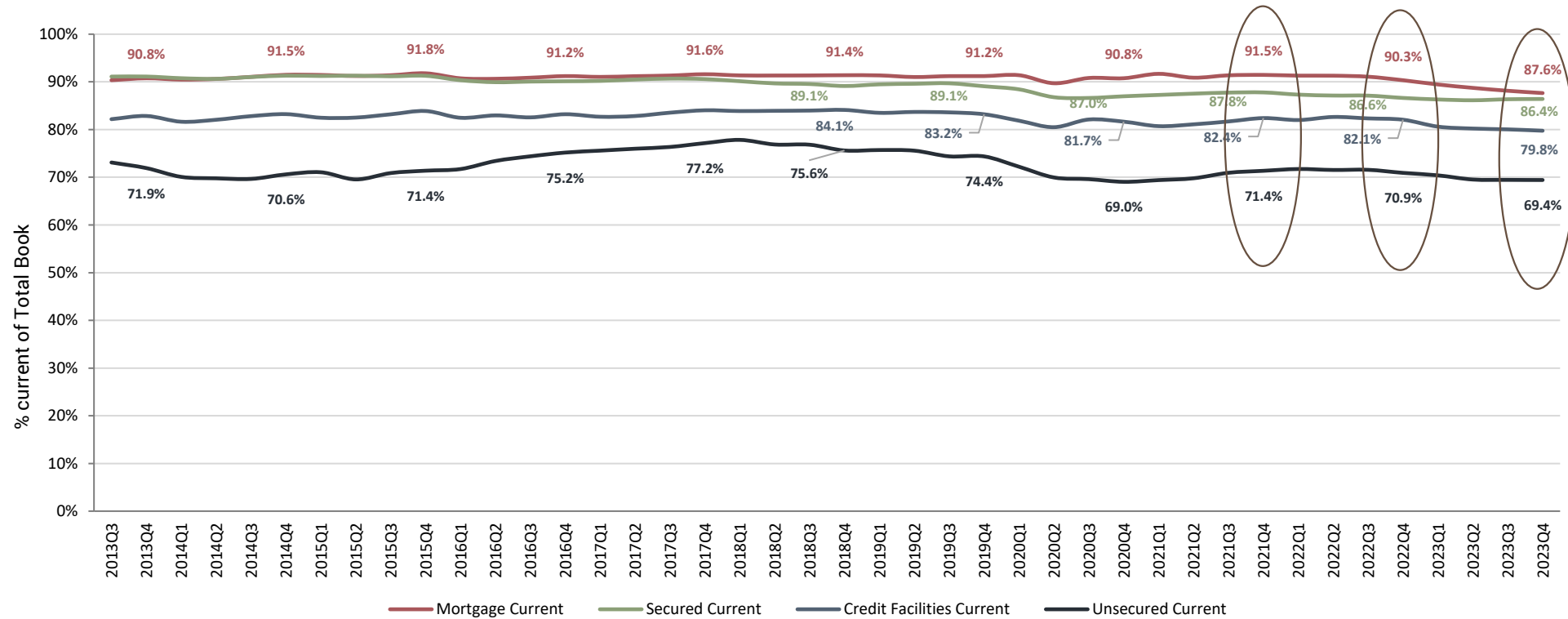
- **2.9 million active account** customers (i.e. they are indebted to us) with growth of 2.6 % in the number of customers able to shop (i.e. they are not in arrears) on the active trade receivables portfolio
- **Expected credit loss allowance decreased** from 20.6% in prior period to 20.3% (active trade receivables portfolio)
- **Total trade receivable costs net of interest has reduced by 80%** to R32 million mainly due to interest income on the book increasing by R171 million
- TransUnion Consumer Credit Index shows **continued stress in the credit market** with the latest index marking the 9<sup>th</sup> consecutive quarter of deterioration, **although at a slower pace relative to the prior year**
- **Pressure on consumer disposable income weighed negatively on credit sales and collections**
- **Strong demand for Truworths merchandise** –5.3 million new account applications in the last year
- **Positioned for good growth** when interest rates start to decrease



# EXTERNAL CREDIT ENVIRONMENT

## Deterioration in up-to-date accounts

### Significant deterioration in Mortgage and Credit Facility book quality



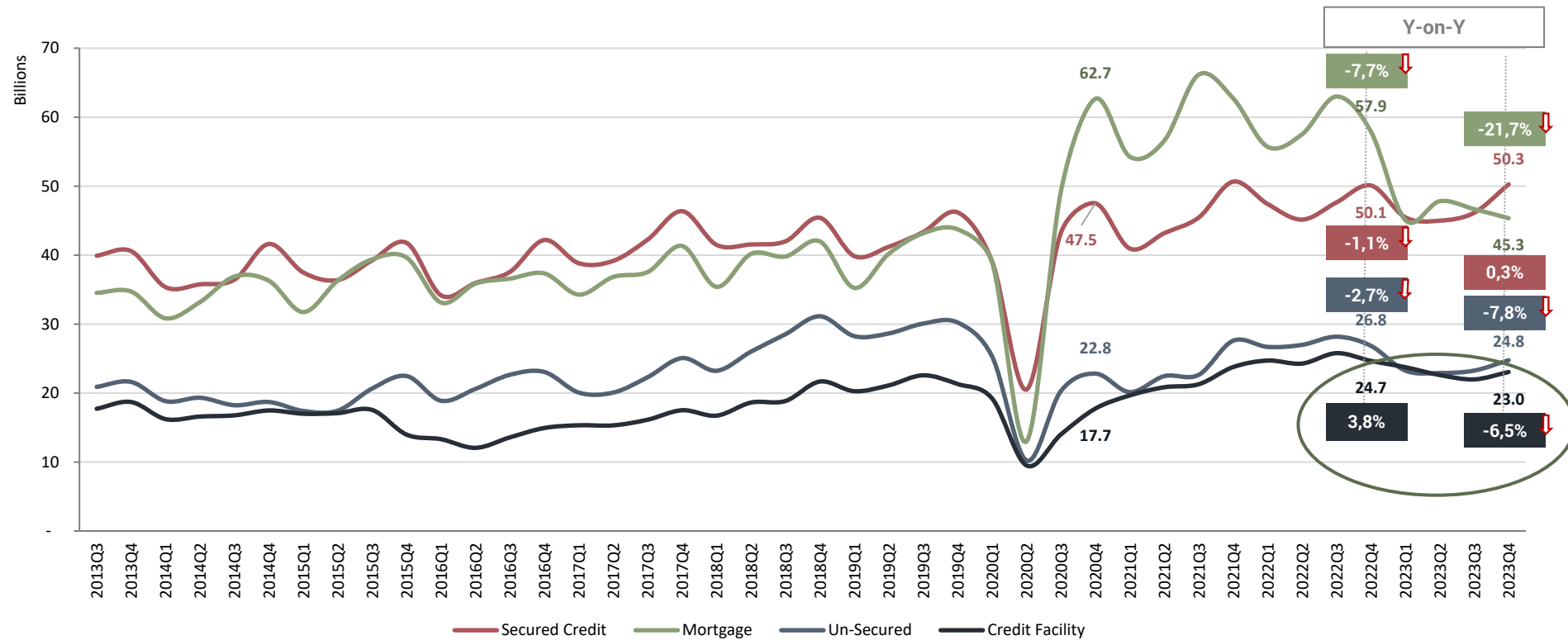
Source: National Credit Regulator – Consumer Credit Market Report



# EXTERNAL CREDIT ENVIRONMENT

## Credit Granted (Rand Value)

All high-level industry segments are down on last year with Mortgages most affected down 21.7% and un-secured credit down 7.8% compared to last year

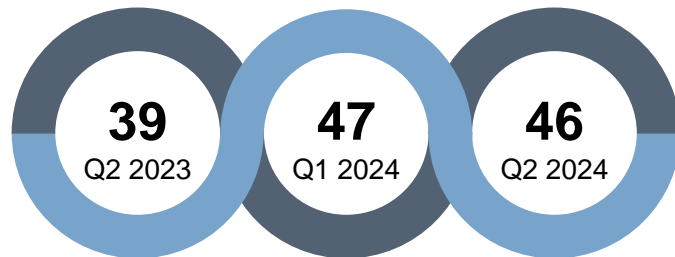


Source: National Credit Regulator – Consumer Credit Market Report

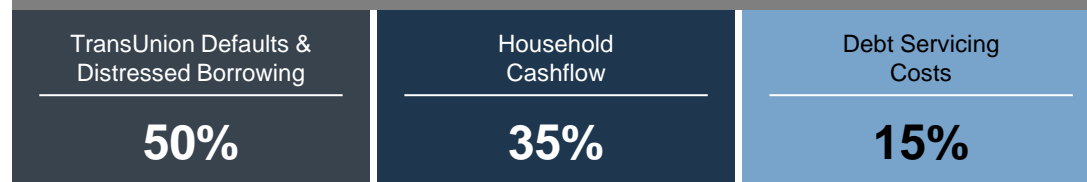
# EXTERNAL CREDIT ENVIRONMENT

## TransUnion Credit Index

**Q2 2024 CCI: Key Facts and Figures**  
TransUnion SA Consumer Credit Index



### DATA WEIGHTING IN THE TRANSUNION CCI



The TransUnion SA Consumer Credit Index (CCI) rose to an average score of 47 as part of a broader recovery from all-time lows of 39 reached in Q2 of 2023.

The CCI has been below 50 for the last nine quarters, however, the data also suggests there has been recovery – with the index rising seven points year on year from all-time lows generated this time last year.

### Household credit behaviour – Tighter lending practices from lenders and more cautious borrowers

Credit risks remain significant but have improved at the margin. One could expect the environment to improve amid tighter lending practices from borrowers and lenders.

### Household cash flow – Unchanged year-on-year but with upside

Household cashflow remained unchanged year-on-year. The expected interest rate will materially influence this releasing money from debt servicing costs and stimulating retail demand.

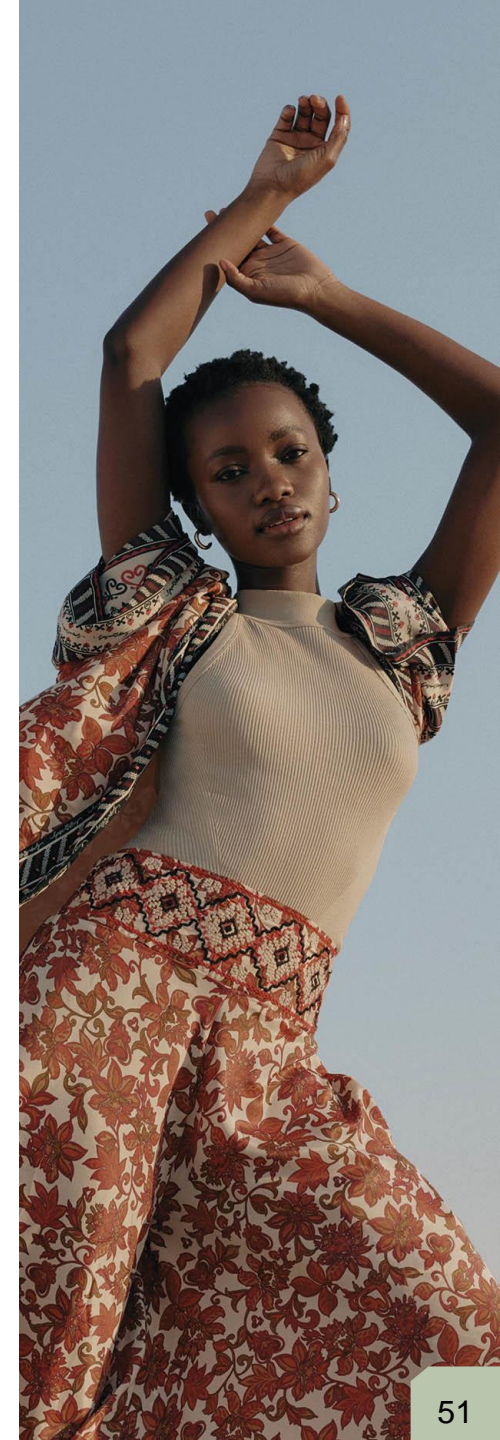
### Household debt service costs – Still high but moderating

Debt servicing costs growth have moderated from the peak 26% year-on-year growth a year ago to 9% this year.

# TRADE RECEIVABLE STATISTICS

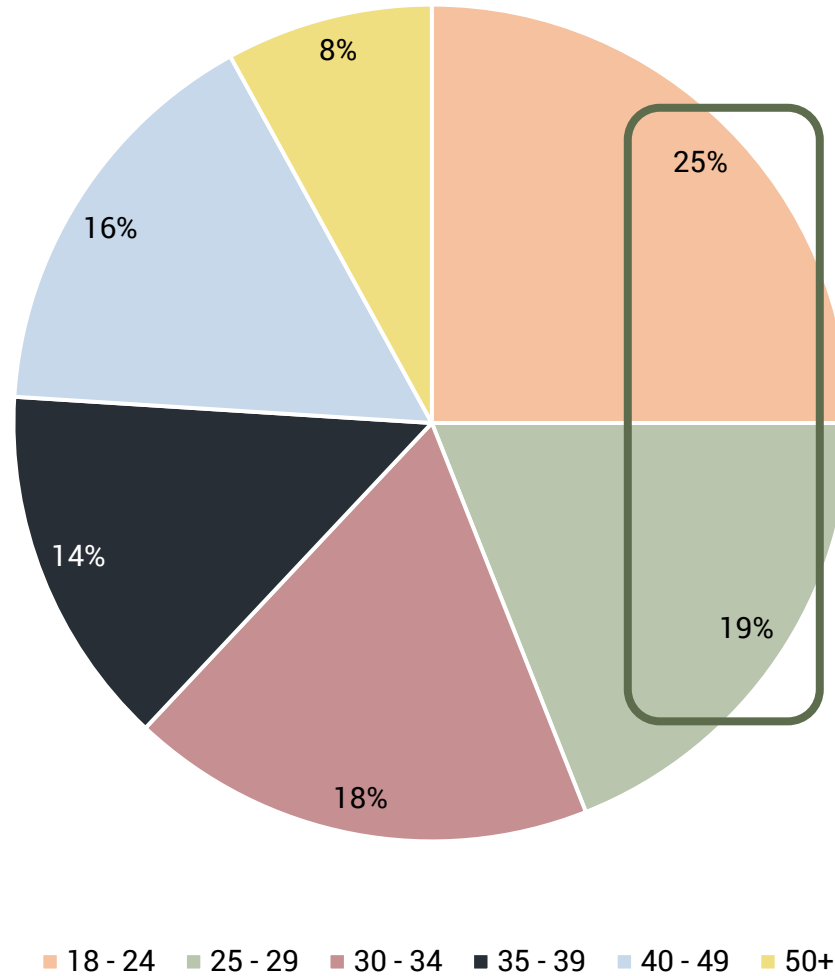
## TRUWORTHS

		Jun 2024	Jun 2023
Number of active accounts	(000's)	2 870	2 799
Change in number of active accounts	(%)	3	6
Active gross trade receivables (before expected credit losses)	(Rm)	6 426	6 561
Change in active gross trade receivables (before expected credit losses)	(%)	(2)	12
Expected credit loss allowance as a % of active gross trade receivables	(%)	20.3	20.6
Qualifying payment	(%)	90	90
Accounts opened (as % of applications)	(%)	17	15
Risk approved (as % of applications)	(%)	24	22
Risk approved to opened conversion rate	(%)	71	69
Active account holders able to purchase at period-end	(%)	79	80
Overdue accounts as a % of total debtors	(%)	17	16
Account sales as a % of total sales	(%)	70	70
Net bad debt as a % of account sales	(%)	8.0	9.3
Net bad debt as a % of gross trade receivables	(%)	11.7	14.8
Trade receivable interest as a % of gross trade receivables	(%)	18.4	16.9





# NEW ACCOUNT APPLICATIONS BY AGE TRUWORTHS



4.

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STRATEGIC  
INITIATIVES

**ASPIRATIONAL  
FASHION**

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# ASPIRATIONAL FASHION

- Drive a **wider merchandise offering** of core replenishment styles in Truworths
- Focus on categories that show **exceptional opportunities for growth** relative to our market share
- Continue to **build brand equity of our own in-house brands** to counteract the threat of online players
- **Grow and develop new brands to expand offering**
- In Office continue to **build relationships with key supply base** and ensure we continue to receive on-trend and top-tier product
- **Grow Office MTO contribution and margin** by continuing to improve product, quality and sourcing
- Further **expand new brands** in Office across ladies and men's MTO ranges





4.

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STRATEGIC  
INITIATIVES  
**SUPPLY CHAIN**

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# SUPPLY CHAIN

- **Capitalise on the benefits of the new Truworths DC**
  - **Enable greater volumes of replenishment and part allocation** of merchandise to stores
  - **Consolidate four distribution centres into one state of the art facility**
- Develop **internal design and manufacturing capability** to improve ability to respond quickly to trading patterns through local manufacture
- **Establish additional routes of supply** to counteract logistical problems from offshore suppliers
- Enhance merchandise management in Office with planned implementation of the **new merchandise management and warehouse management systems**
- Continue with remodelling of Kilmarnock warehouse facility to **increase capacity and improve efficiencies**





4.

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STRATEGIC  
INITIATIVES

**CUSTOMERS**

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# CUSTOMERS OMNI-CHANNEL

- **Improve omni-channel experience** through personalised and appropriate content for users
- Complete the implementation of our new leading-edge CRM campaign system and **enhance our optimisation analytics** by leveraging the vast amount of data we have
- Critically review our e-commerce **supply chain to reduce costs** and improve our ability to fulfil orders
- Invest in the redevelopment of both the **Office and Offspring mobile apps**



# CUSTOMERS CREDIT

- **Implement decision optimisation** in every area of the portfolio
- Leverage account and loyalty base to **improve decision-making and predictive model accuracy**
- Enhance strategies for the **rehabilitation of delinquent accounts**
- Ensure **consistent collection communication** to customers in the appropriate channels
- Focus on **customer value management** with long-term profitability of account customers in mind





4.

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STRATEGIC  
INITIATIVES

**RETAIL PRESENCE**

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# RETAIL PRESENCE

- Continue to **grow and develop new brands**
- **Enhance the Truworths Re-imagined concept** and roll out these stores where appropriate
- **Capitalise on new, expanded & refurbished store opportunities in Office**



# 5.

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ENVIRONMENTAL,  
SOCIAL AND  
GOVERNANCE

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# COMMITMENT TO THE UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS

Continued best practice alignment with the United Nations Sustainable Development Goals, specifically these 7:

 <b>1</b> <b>NO POVERTY</b> End poverty in all its forms everywhere	 <b>3</b> <b>GOOD HEALTH AND WELL-BEING</b> Ensure healthy lives and promote well-being for all at all ages	 <b>4</b> <b>QUALITY EDUCATION</b> Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all
 <b>5</b> <b>GENDER EQUALITY</b> Achieve gender equality and empower all women and girls	 <b>8</b> <b>DECENT WORK AND ECONOMIC GROWTH</b> Promote inclusive and sustainable economic growth, employment and decent work for all	 <b>12</b> <b>RESPONSIBLE CONSUMPTION AND PRODUCTION</b> Ensure sustainable consumption and production patterns
 <b>13</b> <b>CLIMATE ACTION</b> Take urgent action to combat climate change and its impacts		



# SUPPORTING UNITED NATIONS' SDGs



## End poverty in all its forms everywhere

**Donated** more than 425 000 garments and 189 000 metres of fabric with a value of **R44 million to community programmes**

**Over 740 000 garments donated** to Taking Care of Business since 2019 in support of **creating self-employment opportunities for women in townships**

Small and medium-sized **black-owned businesses supported through the Truworths Enterprise Development Trust**

# SUPPORTING UNITED NATIONS' SDGs



## Ensure healthy lives and promote well-being for all at all ages

R23 million invested in upgrading 24 public healthcare facilities since 2010

Funded the upgrade of the paediatric ward at Greys Hospital in KwaZulu-Natal in partnership with Smile Foundation

Through a long-standing partnership with The Reach for a Dream Foundation, funded Dream Rooms for critically ill paediatric patients at four hospitals

67% of employees covered by a healthcare plan

# SUPPORTING UNITED NATIONS' SDGs



## Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all

Invested R129 million in **employee skills development and learning**

11 706 employees participated in 253 **training programmes** in SA

2 610 employees participated in **leadership development programmes**

50 employees on **bursary programme**

**Funded upgrades at two LEAP Science and Maths Schools** in Gauteng and Limpopo totalling R1.7 million over the past two years



# SUPPORTING UNITED NATIONS' SDGs



## Achieve gender equality and empower all women and girls

**74% of employees in SA are female**, including 30% of top management

**Zero tolerance policy to any form of gender-based violence (GBV)**

**Supporter of 16 Days of Activism against GBV**

**Financial support provided to various charities nationally that support Gender Based Violence survivors**

# SUPPORTING UNITED NATIONS' SDGs



**Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all**

**12 007 employees**  
across the Group

**45%** of Truworths' merchandise **produced by local manufacturers**

Signatory to Retail - Clothing, Textile, Footwear and Leather Masterplan **to support the sustainability of local manufacturing sector**

**Funded generators for nine cut-make-trim (CMT) operators** to enable them to continue production during load shedding and preserve employment

**Loan funding provided to a strategic CMT partner** to fund expansion

# SUPPORTING UNITED NATIONS' SDGs



## Ensure sustainable consumption and production patterns

4.4 million **plastic clothing hangers reused**

**Recycled 99 tonnes of plastic**

**Recycled 585 tonnes** of cardboard cartons

**Volume of cardboard boxes purchased decreased** by 26% to 217 tonnes

**Paper and stationery consumption decreased** 36% to 208 tonnes

Truworths shopping bags made from **50% recycled materials**



# SUPPORTING UNITED NATIONS' SDGs



## Take urgent action to combat climate change and its impacts

Store electricity consumption reduced slightly to 59 966 MWh

Electricity meters installed in 564 stores, approximately 73% of the SA store base

LED lighting installed in about 36% of SA stores

Water consumption decreased by 6.9% to 154 459 Kl

New distribution centre (DC) certified to EDGE Advanced green building standards

Emissions reducing water, energy and packaging features have been incorporated into the new DC

# GOVERNANCE

- **Ranked in top 10 of EY Excellence in Integrated Reporting** awards for 17<sup>th</sup> consecutive year, the only JSE-listed company to achieve this acknowledgement
  - **ranked in the 'Excellent' category since 2003**
- ESG and transformation
  - Continued improvement in B-BBEE score
  - Rolled out **refreshed Values** across the Group which covers **Diversity and Inclusivity**
- **Succession** for long-serving non-executive directors is an **ongoing key focus of the board**
- **Adopted the JSE Sustainability Disclosure Guidance** in our ESG reporting
- **Successful external audit transition**



6.

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OUTLOOK

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# OUTLOOK

## SALES AND TRADING SPACE

- **Group retail sales** for the first nine weeks of the 2025 financial period compared to the first nine weeks of the 2024 financial period **increased by 5.0%**
  - up 2.5% in Truworths
  - up 11.2% in Office (in Sterling)
- **Group trading space** is projected to **increase by 2%** for the 2025 financial period
  - 1% increase in Truworths
  - 11% increase in Office





# OUTLOOK

## TRUWORTHS

- While **consumer disposable income is expected to remain constrained** in the short term, our **expectation is that retail spend will be bolstered** by
  - anticipated reduction in interest rates in 2024 and 2025,
  - moderating inflationary pressures and
  - forecasted positive GDP growth enhanced by the establishment of the two-pot retirement system
- We have seen **growth in shoppable accounts** and **stabilising delinquency levels** on our active portfolio which is **positive for sales**
- **Sales growth will additionally be supported by**
  - Some new stores, plus remodeled and updated store formats
  - refining retail concepts launched in recent years
  - investing in our omni-channel customer experience
- **Load shedding seems under control** and is expected to have less of a negative impact going forward
- We are more **optimistic about supply chain import logistics**



# OUTLOOK

## OFFICE UK

- **Expected benefits to consumer spending in the year ahead include**
  - steadily declining inflation rate
  - potential further interest rate relief
  - improving consumer confidence
- Office will continue to leverage the **strength of its relationships with the world's leading footwear brands** and unique positioning in the market
- **Ongoing investment in digital marketing** to support our online capability
- Growth will be driven by the **strong online presence** and **expansion of Office's store portfolio** through new store openings and the remodelling and extension of existing stores in strategic retail locations





7.

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QUESTIONS

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# INVESTOR RELATIONS

If you have any further questions, kindly send an e-mail to:  
[InvestorRelations@truworths.co.za](mailto:InvestorRelations@truworths.co.za)



# DISCLAIMER

This announcement contains certain forward-looking statements with respect to the financial condition and results of operations of Truworths International Limited and its group companies, which by their nature involve risk and uncertainty because they relate to events and depend on circumstances that may occur in the future. Factors that could cause actual results to differ materially from those in the forward-looking statements include, but are not limited to: global and national economic conditions; growth in trading space; interest rates; credit and the associated risks of lending; merchandise clearance rates; inventory levels and stock turn; gross and operating margins achieved; and competitive and regulatory factors. The Group does not undertake to publicly update or revise any of these forward-looking statements, whether to reflect new information or future events or otherwise.





APPENDICES



# SUMMARISED GROUP STATEMENTS OF FINANCIAL POSITION

	at 30 Jun		at 2 Jul	
	2024	Audited	2023	Audited
	Rm	Rm	Rm	Rm
	Note			
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment		8 553	6 716	
Right-of-use assets		2 533	2 069	
Intangible assets		3 545	3 329	
Goodwill	4	1 534	590	
Loans and receivables		294	294	
Assets held at fair value		28	77	
Deferred tax		315	36	
		304	321	
<b>Current assets</b>				
Inventories		10 099	9 417	
Trade and other receivables		2 312	2 244	
Derivative financial assets	5	5 419	5 546	
Assets held at fair value		-	28	
Prepayments	6	1 468	-	
Cash and cash equivalents		99	137	
		801	1 462	
<b>Total assets</b>		<b>18 652</b>	<b>16 133</b>	
<b>EQUITY AND LIABILITIES</b>				
<b>Total equity</b>				
Share capital*		9 506	7 654	
Treasury shares	7	-	-	
Retained earnings	8	(1 920)	(2 066)	
Non-distributable reserves		11 093	9 393	
		333	327	
<b>Non-current liabilities</b>				
Lease liabilities		3 794	3 237	
Interest-bearing borrowings		2 927	2 827	
Provisions		268	169	
Put option liability		186	166	
Post-retirement medical benefit net obligation		26	30	
Leave pay obligation		28	27	
Deferred tax		22	18	
		337	-	
<b>Current liabilities</b>				
Trade and other payables		5 352	5 242	
Interest-bearing borrowings		1 636	1 591	
Bank overdraft		1 208	1 208	
Lease liabilities		1 099	935	
Provisions		990	1 019	
Put option liability		205	267	
Derivative financial liability		29	20	
Tax payable		27	-	
		158	202	
<b>Total liabilities</b>		<b>9 146</b>	<b>8 479</b>	
<b>Total equity and liabilities</b>		<b>18 652</b>	<b>16 133</b>	
<b>Number of shares in issue (net of treasury shares)</b>		<b>372.3</b>	<b>369.3</b>	
	(millions)			
<b>Net asset value per share</b>		<b>2 553</b>	<b>2 073</b>	
	(cents)			

\* Zero due to rounding.



# SUMMARISED GROUP STATEMENTS OF COMPREHENSIVE INCOME

	52 weeks to 30 Jun 2024 Audited Rm	Change %	52 weeks to 2 Jul 2023 Audited Rm
Note	Rm	%	Rm
<b>Revenue</b>	10		21 992
Sale of merchandise	10	3.9	19 894
Cost of sales	(9 859)		(9 445)
<b>Gross profit</b>	10	3.4	10 449
Other income	4		939
Intangible asset impairment reversal	(8 168)	5.1	(7 772)
<b>Trading expenses</b>			
Depreciation and amortisation	(1 475)		(1 359)
Employment costs	(2 718)		(2 489)
Occupancy costs	(1 072)		(961)
Trade receivable costs	(1 310)		(1 283)
Net bad debt and expected credit losses raised	(1 168)		(959)
Other trade receivable costs	(142)		(324)
Other operating costs	(1 593)		(1 680)
<b>Trading profit</b>	4 218	16.6	3 616
Interest income	10	21.4	1 143
Dividend income	25		16
<b>Profit before finance costs and tax</b>	5 631	17.9	4 775
Finance costs	(476)	25.9	(378)
<b>Profit before tax</b>	5 155	17.2	4 397
Tax expense	(1 255)		(1 109)
<b>Profit for the period</b>	3 900	18.6	3 288
<b>Attributable to:</b>			
<i>Equity holders of the company</i>	3 887		3 275
<i>Holders of the non-controlling interest</i>	13		13
<b>Other comprehensive (loss)/income to be reclassified to profit or loss in subsequent periods</b>	(93)		181
Movement in foreign currency translation reserve	(93)		181
<b>Other comprehensive income not to be reclassified to profit or loss in subsequent periods</b>	112		17
Re-measurement gains on defined benefit plans	1		12
Fair value adjustment on assets held at fair value through other comprehensive income	111		5
<b>Other comprehensive income for the period, net of tax</b>	19		198
<b>Attributable to:</b>			
<i>Equity holders of the company</i>	20		190
<i>Holders of the non-controlling interest</i>	(1)		8
<b>Total comprehensive income for the period</b>	3 919		3 486
<b>Attributable to:</b>			
<i>Equity holders of the company</i>	3 907		3 465
<i>Holders of the non-controlling interest</i>	12		21
Basic earnings per share	(cents)	178	888.5
Diluted basic earnings per share	(cents)	177	876.4
	<b>1 046.9</b>		<b>888.5</b>
	<b>1 031.3</b>		<b>876.4</b>