

# Summarised Group financial statements

## SUMMARISED GROUP STATEMENTS OF FINANCIAL POSITION

	at 30 June 2024 Rm	at 2 July 2023 Rm	
<b>ASSETS</b>			
<b>Non-current assets</b>	<b>8 553</b>	6 716	Total additions of R784 million in the current period consisting mostly of plant, equipment, furniture and fittings (R608 million) and buildings (R99 million), mainly as a consequence of capital expenditure incurred in respect of the new Truworths distribution centre (DC) that is currently in the fit-out stage and due to be commissioned by March 2025.
Property, plant and equipment	2 533	2 069	Right-of-use assets increased by R216 million due to new leases concluded (including the lease in respect of the 50% share of the new Truworths DC), lease renewals and modifications and the reversal of previously recognised right-of-use asset impairment losses of R134 million in the current period.
Right-of-use assets	3 545	3 329	
Intangible assets	1 534	590	
Goodwill	294	294	
Other non-current assets	343	113	
Deferred tax	304	321	
<b>Current assets</b>	<b>10 099</b>	9 417	Intangible assets increased by R944 million following the partial reversal of previously recognised impairment losses on the Office trademarks to the value of R1 019 million.
Inventories	2 312	2 244	Non-current assets held at fair value increased mainly due to the consolidation of the Group's charitable trusts for the first time during the current period.
Trade and other receivables	5 419	5 546	
Derivative financial assets	–	28	
Assets held at fair value	1 468	–	
Other current assets	99	137	
Cash and cash equivalents	801	1 462	
<b>Total assets</b>	<b>18 652</b>	16 133	
<b>EQUITY AND LIABILITIES</b>			
<b>Total equity</b>	<b>9 506</b>	7 654	Inventories increased by R68 million and the Group's inventory turn increased to 4.3 times (2023: 4.2 times). Truworths' gross finished goods inventory increased by 11.4% and the inventory turn decreased to 4.0 times (2023: 4.5 times). In Office, gross inventory decreased by 10.5% (measured in Sterling) and inventory turn (measured in Sterling) increased to 4.8 times (2023: 4.2 times).
<b>Non-current liabilities</b>	<b>3 794</b>	3 237	
Lease liabilities	2 927	2 827	
Interest-bearing borrowings	268	169	
Provisions	186	166	
Other non-current liabilities	76	75	
Deferred tax	337	–	
<b>Current liabilities</b>	<b>5 352</b>	5 242	Active gross trade receivables (relating to the Truworths, Identity and YDE businesses) decreased by 2.1% to R6.4 billion (2023: R6.6 billion). The ECL allowance in respect of the Truworths active trade receivables portfolio decreased to 20.3% of active gross trade receivables (2023: 20.6%).
Trade and other payables	1 636	1 591	
Interest-bearing borrowings	1 208	1 208	
Bank overdraft	1 099	935	
Lease liabilities	990	1 019	
Provisions	205	267	
Other current liabilities	214	222	Current assets held at fair value comprise highly liquid, low-volatility net asset value money market investments, mainly in respect of Office.
<b>Total liabilities</b>	<b>9 146</b>	8 479	
<b>Total equity and liabilities</b>	<b>18 652</b>	16 133	
<b>Number of shares in issue (net of treasury shares)</b>	(millions) <b>372.3</b>	369.3	Utilised a further R99 million of the green loan facility concluded in December 2022 for purposes of construction of the new Truworths DC, bringing the loan amount to R268 million.
<b>Net asset value per share</b>	(cents) <b>2 553</b>	2 073	
<b>Key ratios</b>			All medium-term targets published by the Group have been achieved or exceeded.
Return on equity (%)	<b>45</b>	48	Group net debt decreased from R850 million at the prior period-end to R306 million at the current period-end.
Return on capital (%)	<b>65</b>	69	
Return on assets (%)	<b>30</b>	30	
Inventory turn (times)	<b>4.3</b>	4.2	
Asset turnover (times)	<b>1.1</b>	1.2	
Net debt to equity (%)	<b>3.2</b>	11.1	
Net debt to EBITDA (times)	<b>–</b>	0.1	

## SUMMARISED GROUP STATEMENTS OF COMPREHENSIVE INCOME

	52 weeks to 30 June 2024 Rm	52 weeks to 2 July 2023 Rm	
<b>Revenue</b>	<b>22 436</b>	21 992	Group sale of merchandise, which comprises Group retail sales, together with wholesale sales and delivery fee income, less variable consideration adjustments, increased by 3.9% to R20.7 billion. Retail sales in Truworths decreased by 3.2% and increased by 10.8% in Office.
Sale of merchandise	20 664	19 894	In the prior period, other income benefitted from the impact of the indirect tax matter settlement (R254 million). Furthermore, in the prior period IFRS 16 impairment reversals were higher, higher insurance recoveries were received when compared to the current period and the prior period included foreign exchange gains. Excluding these, other income decreased 3%.
Cost of sales	(9 859)	(9 445)	
<b>Gross profit</b>	<b>10 805</b>	10 449	The intangible asset impairment reversal is an exceptional item of income arising from the partial reversal of previously recognised Office trademark impairment losses due to the overall improvement in the performance of Office.
Other income	562	939	Trading expenses for the current period increased by 5.1% to R8.2 billion compared to the prior period, and constituted 39.5% (2023: 39.1%) of sale of merchandise. Trading expenses in Truworths increased 1.9% and were well controlled overall despite pressure on utility costs due to higher than CPI increases. In Office, trading expenses increased 7.4% (in Sterling) mainly due to rising depreciation charges (in respect of IFRS 16 Leases and capital expenditure) and employment costs (impacted by national minimum wage increases, lower vacancies and higher operational demand based on sales).
Intangible asset impairment reversal	1 019	–	
Trading expenses	(8 168)	(7 772)	
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	(1 168)	(959)	
Other trade receivable costs	(142)	(324)	
Other operating costs	(1 593)	(1 680)	
<b>Trading profit</b>	<b>4 218</b>	3 616	
Interest income	1 388	1 143	Interest income increased 21.4% to R1.4 billion as a consequence of higher interest rates, as well as the growing cash balances in Office.
Dividend income	25	16	
<b>Profit before finance costs and tax</b>	<b>5 631</b>	4 775	On a <i>pro forma</i> basis, profit before finance costs and tax increased 3% (refer to note 18 of the Summarised Audited Group Annual Results for further information).
Finance costs	(476)	(378)	Finance costs increased by 25.9% to R476 million (2023: R378 million), due to higher borrowing levels together with higher interest rates in Truworths to fund working capital requirements, as well as an increase in IFRS 16 finance costs due to new and renewed leases.
<b>Profit before tax</b>	<b>5 155</b>	4 397	
Tax expense	(1 255)	(1 109)	
<b>Profit for the period</b>	<b>3 900</b>	3 288	Headline earnings per share (HEPS) and diluted HEPS decreased 6.3% and 6.5%, respectively. On a <i>pro forma</i> basis, HEPS and DHEPS increased by 1.0% and 0.9%, respectively (refer to note 18 of the Summarised Audited Group Annual Results for further information).
<b>Attributable to:</b>			
Equity holders of the company	3 887	3 275	The Group's gross margin decreased to 52.3% (2023: 52.5%), but fell within the Group's target range. The gross margin in Truworths decreased to 54.9% (2023: 55.4%) and in Office increased to 47.0% (2023: 45.2%).
Holders of the non-controlling interest	13	13	
<b>Profit for the period</b>	<b>3 900</b>	3 288	The Group recorded profit before tax of R5.2 billion in the current period, and the operating margin increased to 27.3% (2023: 24.0%).
Basic earnings per share (cents)	<b>1 046.9</b>	888.5	
Headline earnings per share (cents)	<b>817.9</b>	873.3	
Diluted basic earnings per share (cents)	<b>1 031.3</b>	876.4	
Diluted headline earnings per share (cents)	<b>805.8</b>	861.4	
Gross margin (%)	<b>52.3</b>	52.5	
Trading expenses to sale of merchandise (%)	<b>39.5</b>	39.1	
Trading margin (%)	<b>20.4</b>	18.2	
Operating margin (%)	<b>27.3</b>	24.0	
<b>Reconciliation of headline earnings per share:</b>			
Basic earnings per share (cents)	<b>1 046.9</b>	888.5	
Impairment reversal of trademarks (cents)	<b>(204.5)</b>	–	
Net impairment reversal of right-of-use assets (cents)	<b>(24.5)</b>	(13.8)	
Reversal of impairment of property, plant and equipment (cents)	<b>(1.3)</b>	(3.0)	
Loss on write-off of intangible assets (cents)	<b>1.3</b>	–	
Loss on write-off or disposal of plant and equipment (cents)	<b>–</b>	1.6	
Headline earnings per share (cents)	<b>817.9</b>	873.3	
<b>Reconciliation of diluted weighted average number of shares:</b>			
Weighted average number of shares (millions)	<b>371.3</b>	368.6	
Add: Dilutive effect of share options, unvested restricted shares and share appreciation rights (millions)	<b>5.6</b>	5.1	
Diluted weighted average number of shares (millions)	<b>376.9</b>	373.7	

# Summarised Group financial statements continued

**SUMMARISED GROUP STATEMENTS OF CHANGES IN EQUITY**

	30 June 2024 Rm	2 July 2023 Rm
<b>Balance at the beginning of the period attributable to equity holders of the company</b>	<b>7 654</b>	6 106
Total comprehensive income for the period	<b>3 919</b>	3 486
Profit for the period	<b>3 900</b>	3 288
Other comprehensive income for the period	<b>19</b>	198
Dividends declared	<b>(2 204)</b>	(1 990)
Shares repurchased	–	(28)
Shares sold by Truworths International Limited Share Trust	<b>36</b>	–
Utilisation of reserves on exercise of 1998 share scheme options	<b>(14)</b>	–
Share-based payments	<b>139</b>	137
Acquisition of non-controlling interest	<b>(19)</b>	(46)
Movement in put option liability	<b>(5)</b>	(11)
<b>Balance at the reporting date attributable to equity holders of the company</b>	<b>9 506</b>	7 654
<b>Comprising</b>		
Share capital*	–	–
Treasury shares	<b>(1 920)</b>	(2 066)
Retained earnings	<b>11 093</b>	9 393
Non-distributable reserves	<b>333</b>	327
<b>Total equity attributable to equity holders of the company</b>	<b>9 506</b>	7 654
<b>Dividends (cents per share)</b>		
Cash final – payable October/paid September	<b>197</b>	245
Cash interim – paid March	<b>332</b>	320
<b>Total</b>	<b>529</b>	565

Other comprehensive income comprises the movement in the foreign currency translation reserve, the fair value adjustment in respect of financial assets held at fair value through other comprehensive income and gains on defined benefit plans.

Increase in the present value of the amount payable on the future exercise of the put options granted to the non-controlling management shareholders in Office as a result of the increase in Office's profitability.

Annual dividend per share decreased by 6% to 529 cents. Dividend cover maintained at 1.5 times.

\* Zero due to rounding.

**SUMMARISED GROUP STATEMENTS OF CASH FLOWS**

	52 weeks to 30 June 2024 Rm	52 weeks to 2 July 2023 Rm
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
<b>Cash flow from profit before tax</b>	<b>4 658</b>	5 038
Working capital movements	<b>38</b>	(1 227)
<b>Cash generated from operations</b>	<b>4 696</b>	3 811
Interest and dividends received	<b>1 352</b>	1 155
Finance costs paid	<b>(468)</b>	(370)
Capitalised finance costs paid	<b>(9)</b>	(6)
Tax paid	<b>(967)</b>	(1 068)
<b>Cash inflow from operations</b>	<b>4 604</b>	3 522
Dividends paid	<b>(2 204)</b>	(1 989)
<b>Net cash from operating activities</b>	<b>2 400</b>	1 533
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Acquisition of plant, equipment and computer software	<b>(770)</b>	(717)
Other investing activities	<b>(1 378)</b>	(10)
<b>Net cash used in investing activities</b>	<b>(2 148)</b>	(727)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Shares repurchased by the company	–	(28)
Proceeds on disposal of treasury shares	<b>21</b>	–
Borrowings repaid	<b>(500)</b>	–
Net borrowings incurred	<b>599</b>	669
Lease liability payments	<b>(1 101)</b>	(1 254)
Acquisition of non-controlling interest	<b>(19)</b>	(46)
<b>Net cash used in financing activities</b>	<b>(1 000)</b>	(659)
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(748)</b>	147
<b>Net cash and cash equivalents at the beginning of the period</b>	<b>527</b>	138
<b>Net foreign exchange difference</b>	<b>(77)</b>	242
<b>NET CASH AND CASH EQUIVALENTS AT THE REPORTING DATE</b>	<b>(298)</b>	527
<b>Key ratios</b>		
Cash flow per share (cents)	<b>1 240</b>	956
Cash equivalent earnings per share (cents)	<b>1 255</b>	1 286
Cash realisation rate (%)	<b>99</b>	74

Working capital levels stabilised following the significant growth in inventories and trade and other receivables in the prior period.

The cash inflow from operations of R4.6 billion was utilised to fund dividend payments (R2.2 billion) and capital expenditure (R770 million).

R1.4 billion investment made in highly liquid, low-volatility net asset value money market investments, mainly in respect of Office.

Net R99 million utilisation against the green loan facility for the construction of the Truworths DC

Net cash and cash equivalents of -R298 million (representing cash and cash equivalents of R801 million net of overdraft of R1.1 billion).

The cash realisation rate has averaged 99% over the past five years. The cash realisation rate was 99% for the current period (2023: 74%).