TFG

RESULTS PRESENTATION

FOR THE YEAR ENDED
31 MARCH

2019

AGENDA

OPERATING CONTEXT	Anthony Thunström
GROUP OVERVIEW	Anthony Thunström
FINANCIAL PERFORMANCE REVIEW	Bongiwe Ntuli
TFG CREDIT	Jane Fisher
STRATEGIC UPDATE	
- TFG London	Ben Barnett
- TFG Australia	Gary Novis
- TFG Africa	Anthony Thunström
OUTLOOK	Anthony Thunström


Anthony Thunström
Chief Executive Officer


Bongiwe Ntuli
Chief Financial Officer


Jane Fisher
TFG Africa Group Director


Ben Barnett
TFG London


Gary Novis
TFG Australia

OPERATING CONTEXT

MACROECONOMIC ENVIRONMENT

SOUTH AFRICA
- Another challenging year for the South African economy – GDP growth of 0,8%
- Tough trading conditions with consumer confidence under significant pressure
- Business confidence at lowest level since 2007

UK
- GDP growth of 1,4%
- Brexit uncertainty increasingly weighed on economic growth and consumer confidence
- Department store model under severe stress

AUSTRALIA
- GDP growth of 2,3%
- Economy and consumer confidence resilient
- Historically low unemployment at 5%
- Retail sector in general remains under pressure, particularly department stores

Source: Stats SA, BER

SOUTH AFRICA

CPI
4,5% (y-o-y March 2019)
(March 2018: 3,8% y-o-y)

GDP
0,8% (Q4 2018 y-o-y)
(Q4 2017: 1,4% y-o-y)

Consumer confidence
2 (Q1 2019)
(Q1 2018: 26)

Business confidence
28 (2019 Q1)
(2018 Q1: 44)

GROUP OVERVIEW

HIGHLIGHTS

+19,6%
Turnover growth

+57,2%
Online turnover **growth**

+5,6%
TFG Africa **comparable turnover growth**

+7,8%
TFG Australia **comparable turnover growth**

Gross margin **expansion** to **53,6%**
(March 2018: 52,5%)

Own manufactured units **increased 39,9%**

Headline earnings growth +12,0%
(excl acquisition costs +8,5%)

HEPS growth +9,0%
(excl acquisition costs +5,6%)

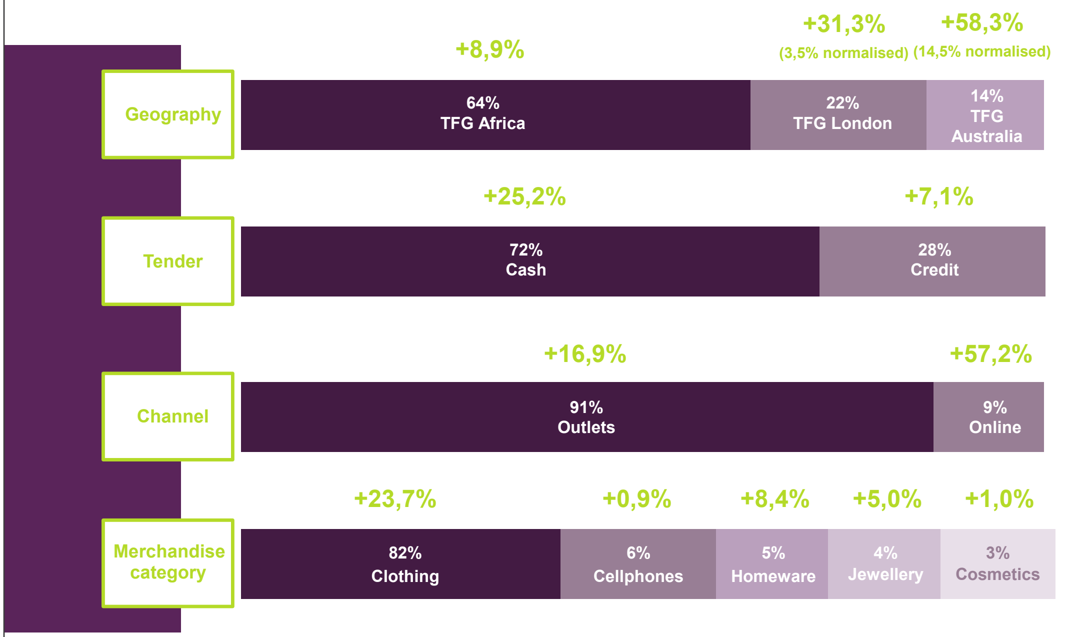
Level 6
BBBEE
(March 2018: Level 7)

Free cash flow @ **86,8% of net profit**
(March 2018: 78,5%)

Debt equity ratio **improved** to **56,6%**
(March 2018: 62,0%)

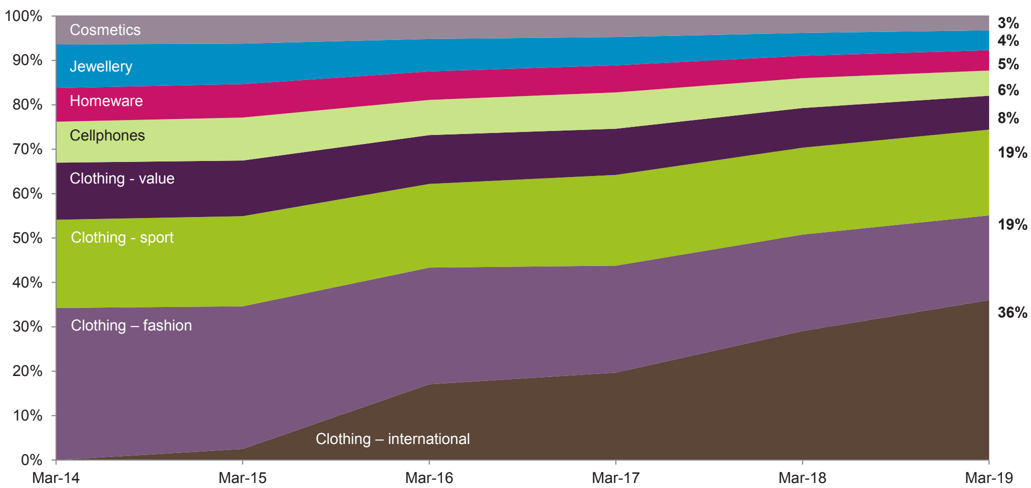
Substantial capital investment of **R942,4m**
(March 2018: R896,6m)

TURNOVER: PERFORMANCE



TURNOVER: MERCHANDISE CATEGORY CONTRIBUTION

The Group's performance is underpinned by the success of its diversification strategy which lessens the dependency on any specific merchandise category:



REVIEW OF THE YEAR

CHANGES IN GROUP STRUCTURE
- All acquisitions now fully integrated (Hobbs effective November 2017, RAG effective July 2017)
- Portfolio rationalisation – Duesouth; Fabiani Women; Charles & Keith and G-Star Australia

CHANGES IN E-COMMERCE
- 2 additional brands launched online
- 23 of the Group's 29 brands now available online
- E-commerce turnover contributes 8,8% of Group turnover, growing at 57,2% for the year

ACCELERATED STRATEGIC INVESTMENT IN DIGITAL TRANSFORMATION
- Key strategic projects launched in 2019 (refer to next slide)

SUPPLY CHAIN OPTIMISATION
- Quick Response (QR) capabilities and capacity significantly increased
  - Growth in QR units of 50,1%
  - QR manufacturing now 60,5% of TFG Design and Manufacturing

BACK OFFICE OPTIMISATION
- Back office optimisation in the UK largely completed – single platform for all 3 of our brands
- TFG Africa shared services optimisation in progress

DIGITAL TRANSFORMATION WILL ENSURE TECHNOLOGY LEVERAGED TO SUPPORT STRATEGY EXECUTION

Capex c.R500m over 3 – 5 years

RFID
Enables stores to know what stock is in store with a quick and efficient stock count and stock take process

Single view of customer
To enhance and optimise a personalised customer engagement

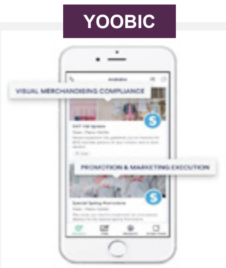
RFID
Yoobic
OneStock
Single view of customer
Workforce management
Customer conversion
Wedding website & Registry App
Assort.me
E-commerce enhancements
TFGLearn
MyTFGApp
OneX

Workforce management
Optimise staff scheduling

E-commerce enhancements
Continuous enhancements to digital offering to optimise customer experience

Opex c.R250m over 3 – 5 years

YOOBIC



RFID

SIGNIFICANT ACCOUNTING CHANGES

CURRENT FINANCIAL YEAR

- IFRS 15
  - Requires that the Group accounts for lay-by revenue once the contract is concluded and the goods handed over to the customer
  - Change applied fully retrospectively
  - Lay-by turnover now reported as cash compared to credit in the past
    - FY 2018 cash credit ratio restated accordingly
- IFRS 9
  - Adopted effective 1 April 2018 with adjustment to Group's opening retained earnings

NEXT FINANCIAL YEAR

- IFRS 16
  - All leases now on statement of financial position
    - Right of Use (ROU) asset and lease liability (approx. R7,5 billion and R8,5 billion respectively)
    - Estimated quantum still in process of QC review and audit
  - Income statement will show depreciation and finance costs
    - Replaces traditional rent expense
    - Impact on income statement not expected to be material
  - Various financial metrics such as EBITDA and debt equity ratio will be impacted
  - Will be retrospectively applied

OUR OPERATING CONTEXT – REGULATORY

TFG has recently focused on the following new, amended or draft laws or the legislative environment in general:

TFG Africa

SOUTH AFRICA

- Proposed amendments to the National Credit Act concerning debt intervention
- Numerous financial sector legislative changes including the Conduct of Financial Institutions Bill
- Proposed amendments to Schedule 1 of the Financial Intelligence Centre Act
- Protection of Personal Information Act (partly effective)

REST OF AFRICA

- Namibia: Draft National Equitable Economic Empowerment Bill
- Eswatini: Consumer Credit Act
- Data protection legislation in Botswana, Eswatini and Kenya

TFG London

- EU: The General Data Protection Regulation (GDPR)
- EU: E-Privacy Regulation
- UK: Brexit and amendments to related laws

TFG Australia

- Various amendments to the Australian Consumer Law
- Federal: Modern Slavery Act

TFG PERFORMANCE

	GROUP March 2019	GROUP March 2018	GROUP % change
Retail turnover (Rm)	**34 101,4**	28 519,5	19,6
Gross margin (%)	**53,6**	52,5	
EBITDA (Rm)	**5 171,9**	4 872,0	6,2
New outlets	**230**	281	
Closed outlets	**179**	177	
Total outlets at year-end	**4 085**	4 034	

- Turnover growth boosted by acquisitions in prior year combined with positive organic turnover growth across all three business segments
- Gross margin improved through mix of higher margin international businesses and improved margin in TFG Africa
- Strong trading EBITDA impacted by credit and UK performance
- Strategic expansion of footprint combined with rationalisation of portfolio

£/ZAR average exchange rate: 17,99 (FY 2019) vs 17,20 (FY 2018)
A$/ZAR average exchange rate: 10,00 (FY 2019) vs 10,04 (FY 2018)

TFG AFRICA: SEGMENTAL PERFORMANCE

	TFG AFRICA March 2019	TFG AFRICA March 2018	TFG AFRICA % change
Retail turnover (Rm)	**21 813,3**	20 038,2	8,9
Gross margin (%)	**48,2**	47,8	
Credit income	**2 235,9**	2 071,9	7,9
Value-added services	**754,6**	806,6	-6,4
EBITDA (Rm)	**4 186,9**	4 035,8	3,7
New outlets	**56**	146	
Closed outlets	**77**	83	
Total outlets at year-end	**2 631**	2 652	

- Strong turnover growth 8,9%
  - Cash turnover growth 10,3%
  - Credit turnover growth 7,1%
  - Contribution 56,7% cash vs. 43,3% credit
- Improved gross margin - specific focus on key drivers to improve input margin and markdowns
- Value-added services: growth in insurance and mobile revenue offset by pressure on publishing revenue
- EBITDA: strong retail performance tempered by tough credit environment
- Net space growth of 1,9% since March 2018

TURNOVER: MERCHANDISE CATEGORY PERFORMANCE PER BUSINESS SEGMENT

	GROUP % growth (ZAR)	TFG AFRICA % growth (ZAR)	TFG AFRICA % same store growth (ZAR)	TFG LONDON % growth (£)	TFG AUSTRALIA % growth (A$)
Clothing	**23,7**	11,1	7,5	31,3	58,0
Jewellery	**5,0**	4,2	3,3		n/a*
Cellphones	**0,9**	0,9	-		
Homeware & furniture	**8,4**	8,4	2,7		
Cosmetics	**1,0**	1,0	0,2		
Total	**19,6**	8,9	5,6	31,3	58,3

** American Swiss Australia first year of trade*

- TFG Africa
  - Strong H1 turnover growth of 8,4% continued into H2 (growth of 9,2%) despite high base in prior year as a result of strong Black Friday / December sales
  - All merchandise categories performed well
    - Strong same store turnover growth
    - Positive growth across all merchandise categories
    - Merchandise deflation -2,3%
- Group, TFG London and TFG Australia growths non-comparable due to acquisitions in prior financial year
  - TFG London: 3,5% normalised turnover growth
  - TFG Australia: 14,5% normalised turnover growth

TFG AFRICA: TRADING EXPENSES

	TFG AFRICA March 2019 (Rm)	TFG AFRICA March 2018 (Rm)	TFG AFRICA % change
Depreciation and amortisation	**557,9**	510,2	9,3
Employee costs	**3 411,0**	3 130,0	9,0
Occupancy costs	**2 373,9**	2 247,9	5,6
Other net operating costs	**2 571,3**	2 265,8	13,5
Total trading expenses	**8 914,1**	8 153,9	9,3

- Employee costs – annual and promotional increase approximately 7,5%
  - Incentives and share option costs of R265,8m included in FY2019 paid to various levels of staff
- Occupancy costs
  - New space growth 2,4%, enlargements/relocates 1,3%, closed space -1,8%
  - Net space growth 1,9%
  - Average escalation on rental renewals of 5,8% (previously 7,1%)
  - Negative rent reversion average of -12,7% (previously -2,5%)
- Other costs
  - Total growth in branch expenses of 8,3% (comparable growth: 5,8%)
  - Normalised growth = 5,5%

TFG LONDON: SEGMENTAL PERFORMANCE

	TFG LONDON March 2019	TFG LONDON March 2018^	TFG LONDON % change
Retail turnover (£m)	**408,3**	310,9	31,3
Gross margin (%)	**61,4**	61,9	
EBITDA (£m)	**24,8**	24,8	-
New outlets	**116**	91	
Closed outlets	**80**	83	
Total outlets at year-end	**971**	935	

^ March 2018 comparatives includes 4 months for Hobbs since acquisition

- Robust performance across the brand portfolio
  - 3,5% comparable growth including Hobbs acquired in November 2017
- Gross margin stable despite heavy promotional environment
- EBITDA includes £3,5m extraordinary costs:
  - HoF net write-off (£2,5m)
  - Once-off restructuring costs (£1,0m)
- E-commerce
  - Online contribution 35%
- International sales contribution 20%

TFG LONDON: TRADING EXPENSES

	TFG LONDON March 2019 (£m)	TFG LONDON March 2018^ (£m)	TFG LONDON % change	TFG LONDON % normalised change
Depreciation and amortisation	**10,3**	7,7	33,8	6,8
Employee costs	**76,6**	55,2	38,8	8,7
Occupancy costs	**44,9**	31,3	43,5	-5,3
Other net operating costs	**104,4**	81,0	28,9	1,5
Total trading expenses	**236,2**	175,2	34,8	2,5

^ March 2018 comparatives includes 4 months for Hobbs since acquisition

On a comparable basis, total trading expenses have increased by 2,5%:

- Depreciation and amortisation increased with the increased store and infrastructure investment
- Employee costs increased due to the impact of the National Living Wage and the introduction of the group incentive scheme
- Occupancy costs reduced as a result of store closures as well as positive rent renegotiations
  - Average escalation on rental reviews of -3,8% (previously +5,3%)

TFG AUSTRALIA: SEGMENTAL PERFORMANCE

	TFG AUSTRALIA March 2019	TFG AUSTRALIA March 2018^	TFG AUSTRALIA % change
Retail turnover (A$m)	**494,2**	312,1	58,3
Gross margin (%)	**66,0**	65,5	
EBITDA (A$m)*	**57,3**	39,6	44,7
New outlets	**58**	44	
Closed outlets**	**22**	11	
Total outlets at year-end	**483**	447	

* EBITDA excludes loss on disposal of G-Star franchise assets in current year, and acquisition costs incurred in the prior year
^ March 2018 comparatives includes 8 months for RAG since acquisition

- Strong performance with LFL sales ahead of Australian market at 7,8% and new outlet growth on track
  - 14,5% comparable turnover growth including RAG acquired July 2017
  - 27,6% comparable EBITDA growth
- Strategy update
  - Growth through expansion of existing brands in Australia and New Zealand continues with a net increase of 36 stores during the financial year
    - Test of American Swiss Australia during October 2018 (5 stores opened plus online)
    - **16 of the closures due to sale of G-Star in December 2018

TFG AUSTRALIA: TRADING EXPENSES

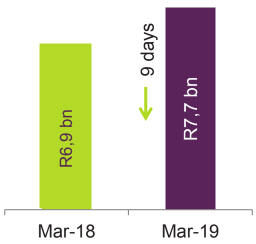
	TFG AUSTRALIA March 2019 (A$m)	TFG AUSTRALIA March 2018^ (A$m)	TFG AUSTRALIA % change	TFG AUSTRALIA % normalised change
Depreciation and amortisation	**10,1**	7,0	44,3	-6,6
Employee costs	**139,1**	86,5	60,8	12,9
Occupancy costs	**96,0**	62,3	54,1	8,6
Other net operating costs	**33,6**	21,5	56,3	38,2
Total trading expenses	**278,8**	177,3	57,2	13,0

^ March 2018 comparatives includes 8 months for RAG since acquisition

- Depreciation is net of fit-out contribution, on a gross level it increased by 7,3%
- Trading expenses increased 13,0% for the comparable 12 months with growth in occupancy and employee costs from new store openings and management retention costs
- Trading expenses excludes the loss on sale of the G-Star franchise assets
- Occupancy costs:
  - Normal lease escalations on renewals average 3,8% (prev 5,3%)
- Other net operating costs increased in line with our online strategy and renewed in-store investment in brand

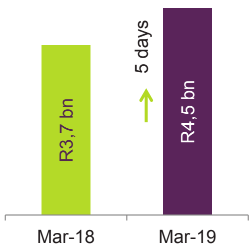
GROUP WORKING CAPITAL MANAGEMENT

177
Inventory days



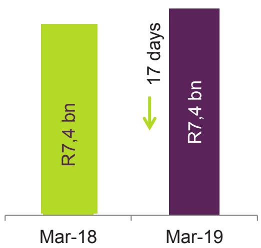
- Inventory growth well below turnover growth

105
Creditor days



- Improved management of credit payment terms and provision for incentives

288
Trade debtor days



- Despite robust new account growth, impact of IFRS 9 resulted in muted net debtors' book growth

GROUP BORROWINGS

	GROUP March 2019 (Rm)	GROUP March 2018 (Rm)
TFG Africa net borrowings (recourse)	**7 420,7**	7 245,1
TFG Australia net borrowings (non-recourse)	**52,7**	99,0
TFG London net borrowings (non-recourse)	**628,9**	800,4
Net borrowings Group	**8 102,3**	8 144,5
TFG Africa (recourse debt) gearing	**51,9%**	55,2%
Group gearing	**56,6%**	62,0%

- TFG Australia net borrowings A$5,1 million (March 2018: A$10,9 million)
- TFG London net borrowings £33,3 million (March 2018: £48,2 million)
- Both investments in Australia and United Kingdom generating positive cash returns and continue to grow profitability

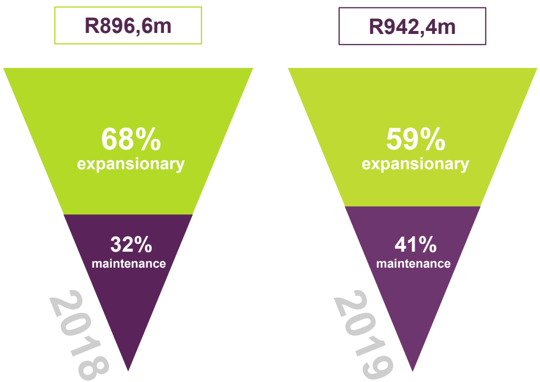
RESULTS PRESENTATION
FOR THE YEAR ENDED 31 MARCH 2019 23

GROUP FREE CASH FLOW WATERFALL

- Free cash flow conversion at 86,8% of net profit, despite significant investment in transformational capex

RESULTS PRESENTATION
FOR THE YEAR ENDED 31 MARCH 2019 24

INVESTING FOR THE FUTURE: GROUP CAPITAL INVESTMENT



- TFG Africa: significant reduction in store expansion capex (-R91m) slightly offset by increase in IT expansion capex (+R56m)
  - In line with digital transformation focus, spend on IT increased by 28,5%
- TFG London and TFG Australia not comparable due to prior year acquisitions
  - TFG London: capex was focussed on new stores and concessions, particularly in Hobbs and Whistles and e-Commerce re-platform.
  - TFG Australia: capex consistent with store expansion and refreshment strategy

TFG has invested throughout the cycle with future capital investment focussed on DIGITAL TRANSFORMATION

INVESTING IN A SUSTAINABLE FUTURE

LOCAL SUPPLY CHAIN DEVELOPMENT

- Joined forces with SEDEX as a responsible business partner
- 85% of our suppliers now ranked A and B on our internal supplier scorecard
- TFG Design and Manufacturing produced 8,9 million units for the year, a growth of 39,9%
  - Contribution of QR manufacturing now at 60,5%, a growth of 50,1%
  - TFG Design and Manufacturing now produces 22% of all TFG Africa apparel units

ENVIRONMENT EFFICIENCY

- Electricity consumption per store and per square metre has reduced every year for the last four years
- Environmental efficiency targets for consumption of electricity, water and paper, as well as recycling, was identified to be achieved by 2020

GOVERNANCE, ACCOUNTABILITY AND ETHICS

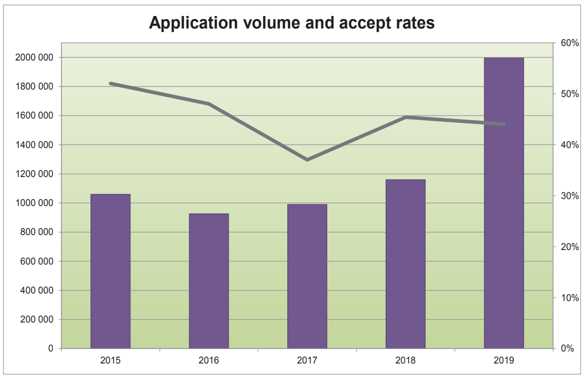
- Included on the FTSE/JSE Responsible Investment Index
- Included on the Vigeo Eiris Emerging Market 70 Ranking
- Participated in the Carbon Disclosure Project

DRIVE EMPOWERMENT

- Continued CSI focus positively impacting the lives of 570K people
- Through the Sew Good project, 100 000 blankets have been made and donated since the project's start in 2014
- We work with government and in communities across South Africa to advance job creation, while building a strong pipeline of talent for TFG. This is underpinned by a strong focus on skills development.
- Level 6 BBBEE contributor
- TFG Foundation's value at R172m

TFG CREDIT

TFG CREDIT : GROWTH

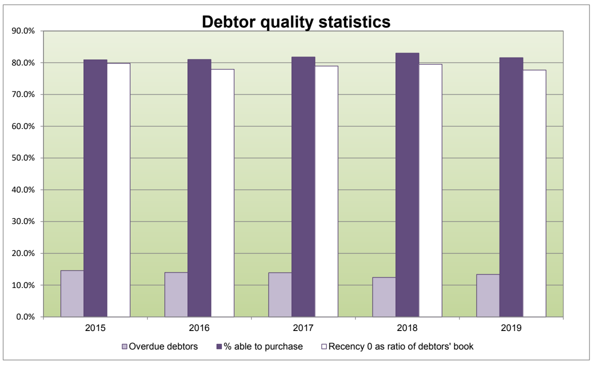


- Demand for new accounts 77% higher post favourable proof of income ruling
- Risk criteria tightened in second half of the year
  - H1 accept rate: 52,6%
  - H2 accept rate: 36,4%
- Credit turnover growth improved to 7,1%
  - H1 growth: 6,8% (H1 2018 FY: +4,3%)
  - H2 growth: 7,3% (H2 2018 FY: +2,7%)
- Credit turnover growth less than cash turnover growth

Key indicators	**TFG AFRICA March 2019**	**TFG AFRICA March 2018**	**TFG AFRICA % change**
Number of active accounts ('000)	**2 725,9**	2 450,0	11,3
Credit turnover (Rm)**	**9 444,5**	8 821,5	7,1
Cash turnover (Rm)**	**12 368,8**	11 216,7	10,3
Gross debtors' book (Rm)	**9 291,4**	8 475,8	9,6

** Turnover restated to exclude lay-by turnover

TFG CREDIT : QUALITY



- Overdue values as a % to debtors' book in line with management expectations
- Gross bad debt write off growth in line with gross book growth of 9,6%
- Robust recovery yields maintained
- Allowance for impairment as % of debtors' book at 19,9% (1 April 2018: 19,4%)

Key indicators	**TFG AFRICA March 2019**	**TFG AFRICA March 2018**
Overdue values % to debtors' book	**13,4**	**12,4**
% able to purchase	**81,6**	**83,0**
Gross bad debt write off year-on-year growth	**8,3**	**2,9**
Recoveries year-on-year growth	**17,4**	**10,6**
Allowance for impairment at reporting date year-on-year growth*	**12,6**	**6,0**
Net bad debt as a % of debtors' book	**10,7**	**9,9**

* Allowance for impairment reclassified to provide comparable data and year growth for 2019 calculated after implementation of IFRS 9

TFG CREDIT : EBIT

	TFG AFRICA March 2019 (Rm)	**TFG AFRICA March 2018 (Rm)**	**TFG AFRICA % change**
Income	**2 235,9**	2 071,9	7,9
Net bad debt	**(992,8)**	(837,5)	18,5
Credit costs*	**(529,4)**	(502,8)	5,3
EBIT	**713,7**	731,6	-2,4

* Credit costs restated to exclude Group Marketing and Group Analytics costs

Income growth from book growth and 25bps rate increase

Provision for Debt intervention increased

Digital applications now account for 84% of all applications (2016: 12%)

TFG LONDON STRATEGIC UPDATE

MACROECONOMIC ENVIRONMENT – UNITED KINGDOM

- Economic growth slowed in FY 2019, as consumer confidence and business optimism reduced
- Lower levels of inflation
- A challenging retail backdrop has remained, evidenced by :
  - Debenhams being acquired by its lenders through a pre-pack administration of its holding company, followed by its announced Company Voluntary Arrangement (CVA) to reduce its rent burden, close its weakest stores and increase lease flexibility;
  - continued high profile High Street failures e.g. LK Bennett, Pretty Green and Select in the last few months, on top of House of Fraser, Coast, East, Jones the Bootmaker and Jacques Vert in the first half of the financial year;
  - growing use of CVAs to ease the rental burden, e.g. Monsoon and Accessorize, Mothercare, New Look amongst many others.
- Political uncertainty
  - Brexit political and economic instability relating to the Brexit negotiations increased as the initial deadline passed, with greater uncertainty over both timing and outcome.
- The shift to online continued with associated cost pressures, particularly for customer acquisition and fulfilment (driven in part by the trend towards increased levels of returns as customers use their home as a 'changing room'). The increasing cost of customer acquisition and fulfilment in the sector has led to significant share price volatility for major online pure-play retailers, such as ASOS and Zalando.
- Despite these headwinds, the UK remains a substantial market with the scope to generate material profits for our existing brands, whilst increased volatility presents opportunities for market share growth.

CPI
1,8% (y-o-y March 2019)
(March 2018: 2,5% y-o-y)

GDP
1,4% (2018 y-o-y)
(2017 y-o-y: 1,8%)

Consumer confidence
-13 (March 2019)
(March 2018: -7)

Business confidence
-23 (2018 Q4)
(2018 Q1: -4)

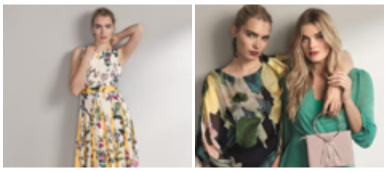
Source: Tradingeconomics.com, Office for National Statistics, GfK

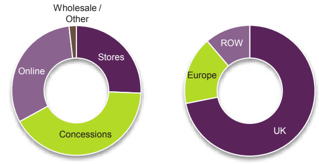
TFG LONDON COMPRISES A PORTFOLIO OF HIGH QUALITY BRANDS

SALES BY CHANNEL | SALES BY REGION

Phase Eight

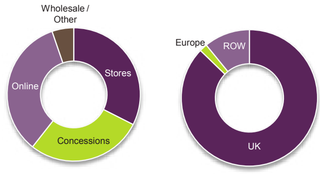
- Premium British brand with a global following.
- Dedicated to dressing women of all ages, for all occasions, in high quality, versatile clothing.
- Well-known for modern florals, exclusive designs and contemporary details.
- Celebrating its 40th birthday in 2019





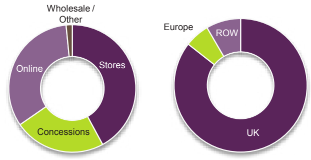
WHISTLES

- British contemporary fashion brand.
- Loved for its confident, modern attitude to style and its curated edit of both casual and occasionwear.
- Great designs that are modern, effortless and accessible.



HOBBS LONDON

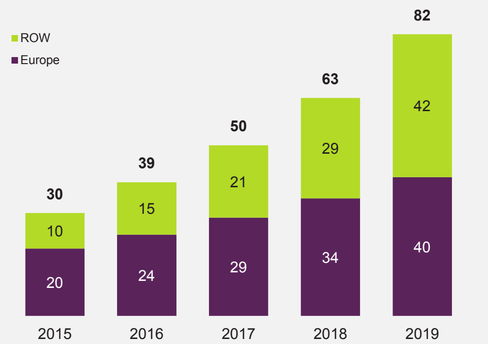
- Affordable luxury brand with impeccable British heritage in tailoring and smart daywear.
- Provides wardrobe solutions to smart and busy women with a focus on luxurious fabrics and quality craftsmanship.
- Delivers collections with timeless style.



TFG LONDON IS BUILDING AN INCREASINGLY SIZEABLE ONLINE AND INTERNATIONAL BUSINESS

INTERNATIONAL SALES EVOLUTION[1] (GBPm)

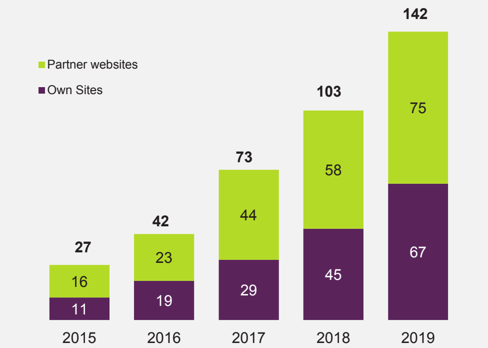
20% of TFG London sales are now international (ex UK), with Phase Eight now reaching 28%



International remains a key driver of growth, across both Europe and ROW

ONLINE SALES EVOLUTION[1] (GBPm)

35% of TFG London sales are now online. The launch of the first brand on our new shared platform in May 2019 will support further expansion.



Growth continues to be balanced across both own websites as well as our Partners

Note:
1. *Refers to actual numbers per financial year*
2. *January year end until FY 15, 14 mth period to March 2016, and March year ends thereafter*
3. *Partner websites include John Lewis Partnership, Debenhams, House of Fraser, Next and ASOS*

IN A CHALLENGING MARKET, WE HAVE BEEN ABLE TO FURTHER IMPROVE OUR STORE METRICS

AVERAGE LEASE LENGTH TO RENEWAL / EXPIRY

March '19: **2,3** years

March '18: **2,8** years

NO. OF DATABASE NAMES CAPTURED IN STORES [1]

March '19: **430k**

March '18: **509k**

Note: the year to March'19 was impacted by the introduction of GDPR

NEW LEASES SIGNED ON TURNOVER BASED RENT

March '19: **15** stores out of 29

March '18: **5** stores out of 17

OMNI-CHANNEL METRICS [1]

GBP9,5m of product shipped from store: +16,4%[2]

GBP5,0m of in-store tablet sales: +0,3%[2]

GBP11,2m online sales collected in store: +10,8%[2]

The result is greater flexibility within our retail space, as well as reducing operational leverage within the business.

Our stores are true omni-channel hubs, delivering value considerably beyond their own sales.

Note:
1. Year to March '18 has been adjusted to include a full year trading of Hobbs
2. Comparable sales growth

TFG LONDON IS WELL POSITIONED FOR SUSTAINABLE GROWTH

TRADING MODEL & MANAGEMENT

- **TFG London continues to operate a retail model focused on sustainable growth where costs are substantially flexed with sales**
  - Retail sales are predominantly generated Online (35%) and through turnover rent based concessions (32%), whilst over half of new FY19 stores were signed on a turnover rent basis under which either rent, or total property costs are directly linked to sales
  - Staffing cost flexibility enhanced through the successful launch of Shared Staffing (in 20 department store locations at March '19) alongside the continued growth of online within the sales mix
  - Physical store estate benefits from short average lease lengths (2.3 years), providing excellent flexibility
- **Incumbent management have a strong track record, and have been retained in the business since acquisition in January 2015**

E-COMMERCE & OMNI-CHANNEL

- **TFG London's brands are outperforming the broader market through the delivery of a true omni-channel proposition**
  - Online represents 35% of TFG London brand sales, versus 17% on the acquisition of Phase Eight in January 2015
  - Sales volumes continue to grow in 'click and collect' ordering and are holding firm in-store, whilst our in store fulfilment solution continues to support 'full enterprise' stock availability, supporting our customer proposition and maximising our online conversion rate
- **The focus remains on delivering sustainable growth across own and third party channels to market**
  - New common online platform developed during FY19 to be launched across all brands through FY20, with Phase Eight the first brand to be launched. We expect the enhanced features to further improve website conversion in the second half of FY20
  - We continue to build awareness for our brand portfolio by leveraging third party web channels, with the launch of Whistles and Hobbs into existing TFG London relationships including De Bijenkorf and Breuninger

INTERNATIONAL

- **Internationally, the market potential remains significant, building on the profitable platform that is now well established**
  - Focus remains on growing Key Markets where we can achieve scale through our brand portfolio. These vary materially by brand, but include a number of Western European markets for Phase Eight and Hobbs, further expansion in North America for Whistles, and continued growth for all brands in major Asian markets
  - Our International business continues to generate significant profitability across all brands, and (whilst capex costs will remain low), we see this as a key area for investment in FY20, particularly in Asia, where our sales and profitability continue to grow in HK and Singapore, and brand launches are planned for A/W19 in South Korea, building on our continued success in Japan

TFG LONDON IS WELL POSITIONED FOR SUSTAINABLE GROWTH (CONTINUED)

BRAND DEVELOPMENT AND HEAD OFFICE	• **TFG London has developed a strong track record in the identification, acquisition and management of new brands** › TFG London has successfully embedded its operating model and strategic relationships into both Whistles and Hobbs and is increasingly making progress in bringing their operating profitability to the level of Phase Eight, despite challenging market conditions • **Our focus is on leveraging central functions to deliver sustainable and scalable profitability and to build the TFG London platform** › Back office consolidation now completed across Logistics, Legal, Property, HR and Procurement › Single finance platform project is well advanced and will be delivered in current financial year
MARKET SHARE GROWTH	• **Market conditions continue to be challenging in the UK, which creates low cost opportunities for external market share growth** › LK Bennett, Pretty Green and Select all entered administration in the first few months of 2019, whilst we have been pitched a long list of brands in various stages of financial distress › Given structural market shifts are yet to fully play through we continue to favour an exceptionally selective approach • **Opportunities for organic estate expansion are returning as Landlords propose new stores on terms previously unachievable** › 16 of new leases signed up during FY19 on flexible terms: on turnover rents and with breaks at no more than 3 years › For the first time since FY15 we believe the UK offline dynamics are sufficiently attractive to accelerate our solus store rollout

TFG AUSTRALIA STRATEGIC UPDATE

CONTENT

MACROECONOMIC ENVIRONMENT – AUSTRALIA

- Annual GDP growth maintaining at 2,3%
- Consumer sentiment slightly below the longer term average
- Business Confidence has declined to below average levels
- The level of unemployment remains historically low at 5,0% an improvement of 0,5%. Wages per employee are flat, and household savings continued to fall.
- Australian retail market remains competitive
  - Competitor Roger David – closed
  - Competitor Ed Harry – closed
  - Department store sector remains a challenging model (ABS reporting no growth)
  - Specialty Retail performing well despite the challenges (ABS growth +3,6% yoy)

CPI
1,3% (y-o-y March 2019)
(March 2018: 1,9% y-o-y)

GDP
2,3% (Dec 2018 y-o-y)
(Dec 2017: 2,6% y-o-y)

Consumer sentiment
98,8 (March 2019)
(March 2018: 103,0)

Business confidence
0 (March 2019)
(March 2018: 9)

Source: Reserve Bank of Australia, Australian Bureau of Statistics, Westpac-Melbourne Institute – Tradingeconomics.com, National Australia Bank -Tradingeconomics.com

RETAIL APPAREL GROUP……..”AT A GLANCE”

5 SPECIALTY BRANDS

TAROCASH
A leading mid-market, on-trend menswear brand

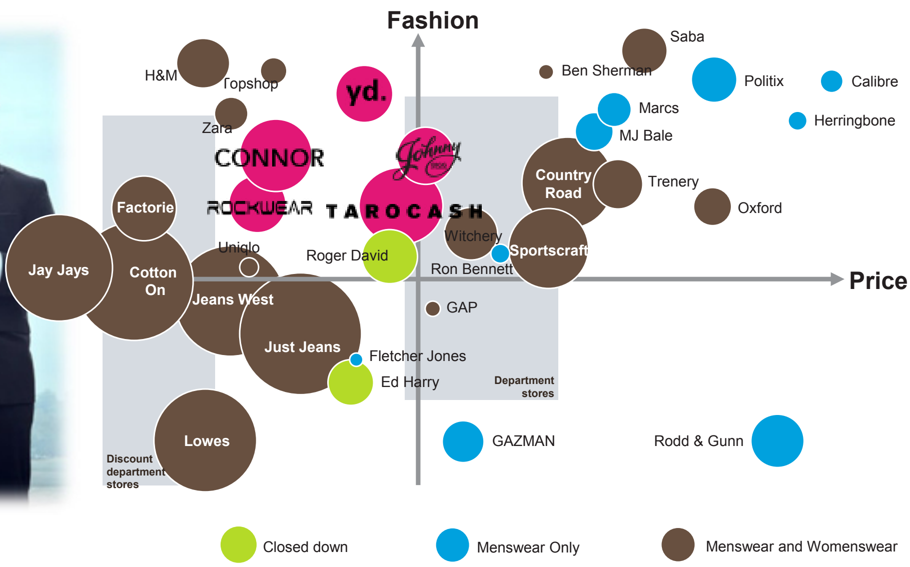
yd.
A leading mid-market, fashionable menswear brand

CONNOR
One of the fastest growing value, on-trend menswear brands

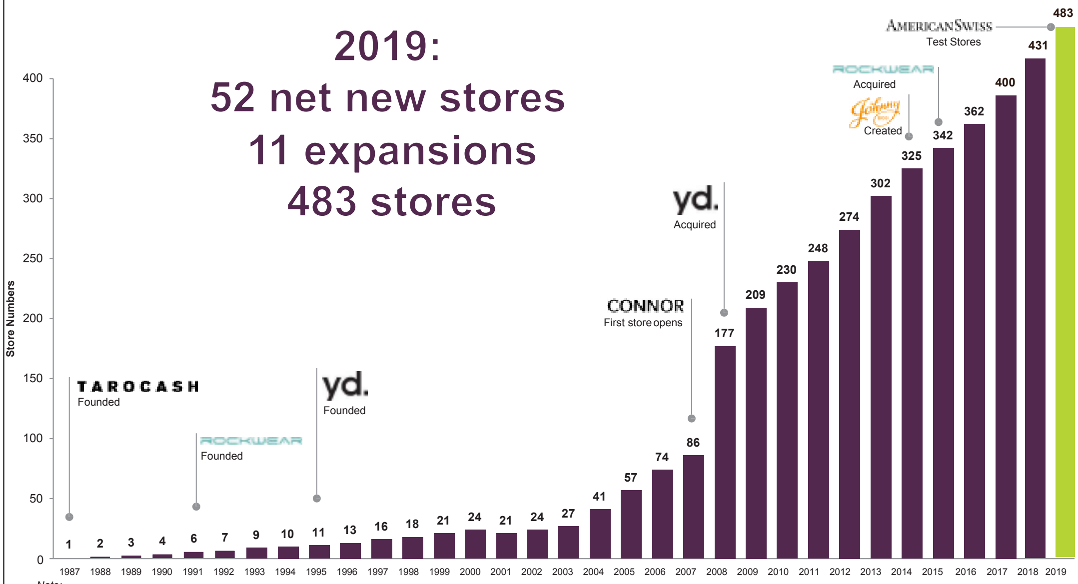
Johnny BIGG
The only known mono brand mid-market, on-trend big and tall menswear retailer

ROCKWEAR
Differentiated value, on-trend women's athleisurewear

MARKET - CHANGES IN THE COMPETITIVE ENVIRONMENT



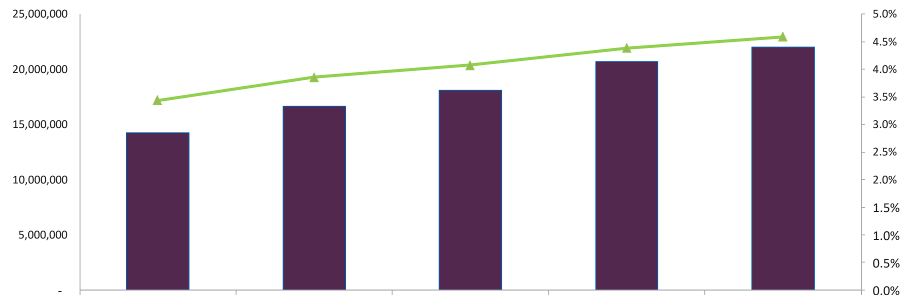
RAG PERFORMANCE - PHYSICAL STORE ROLLOUT



Note:

1. *Store numbers pre 2004 are indicative*
2. *Store numbers exclude online stores , temporary stores and Rockwear stores identified for closure on acquisition*

RAG PERFORMANCE – GROWTH IN DIGITAL CHANNELS



	March	June	September	December	March
Sales	14,243,761	16,682,009	18,120,530	20,716,616	22,016,692
% of RAG	3.4%	3.9%	4.1%	4.4%	4.6%

+55% growth in digital revenues
Steady growth as a % of Group sales

* Sales: cumulative 12-month total at each month

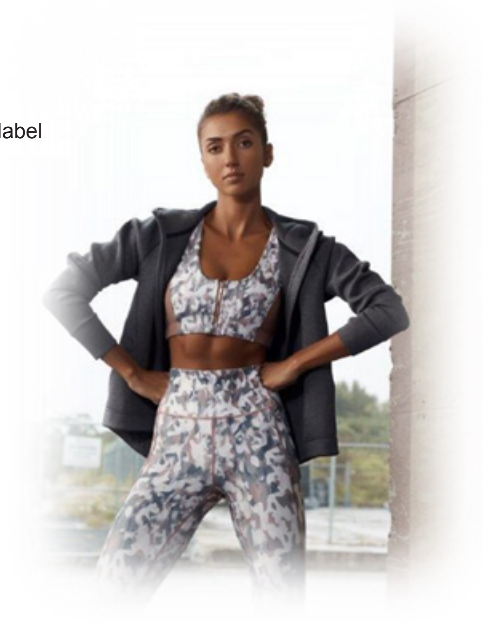
STRATEGIC FOCUS

RESULTS PRESENTATION
FOR THE YEAR ENDED 31 MARCH 2019
47

STRATEGIC FOCUS

KEY TO OUR SUCCESS

- **Vertical Retailer*:*** controlling the margin through own label
- **Focused Customer:** targeted offering
- **Australian:** we know the market
- **Performance Driven:** measure key KPI's
- **Leverage:** scalable shared services
- **Digital:** following our customers changing behaviours



RESULTS PRESENTATION
FOR THE YEAR ENDED 31 MARCH 2019
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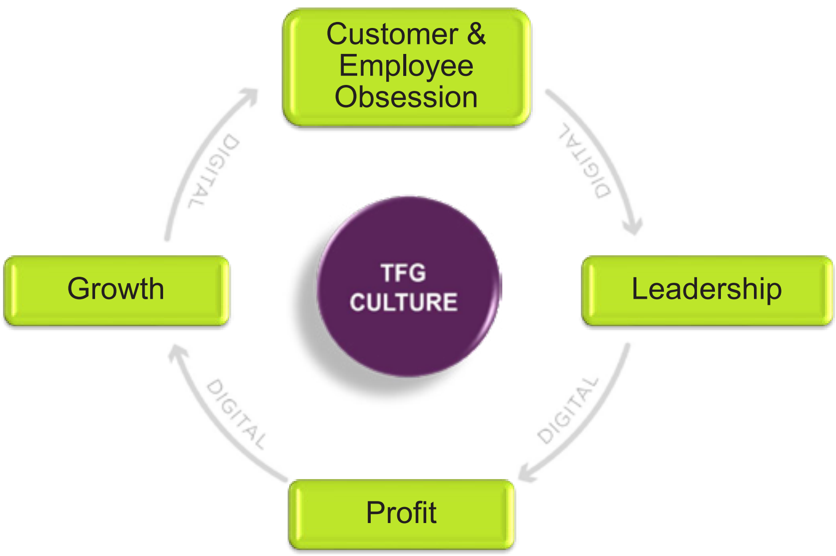
TFG AFRICA: STRATEGY UPDATE



OUTLOOK

OUTLOOK

- Outlook remains subdued for trading conditions across all three business segments
- Continued political uncertainties post-election in South Africa and Brexit in United Kingdom
- Accelerated investment in technology, local manufacturing and people development
- Acquisitions continue to be evaluated (albeit strict criteria)
- Retail trade performance for first six weeks of the new financial year in line with management's expectation

TFG AFRICA

- Expect gross margin and product price inflation at similar levels to FY19
- Business optimisation project continues
- Debt intervention bill uncertainty

TFG LONDON

- Continued uncertainty surrounding department store partners
- Sustained online growth
- Opportunity to increase market share as other retailers exit the market

TFG AUSTRALIA

- Continued expansion of store base with particular focus on New Zealand
- Expect growth in digital channels
- Opportunity to increase market share as other retailers exit the market

THANK YOU

DISCLAIMER

THIS ANNOUNCEMENT CONTAINS CERTAIN FORWARD-LOOKING STATEMENTS WITH RESPECT TO THE FINANCIAL CONDITION AND RESULTS OF OPERATIONS OF THE FOSCHINI GROUP LIMITED AND ITS SUBSIDIARIES, WHICH BY THEIR NATURE INVOLVE RISK AND UNCERTAINTY BECAUSE THEY RELATE TO EVENTS AND DEPEND ON CIRCUMSTANCES THAT MAY OCCUR IN THE FUTURE.

APPENDICES

BUSINESS OVERVIEW

INCOME CATEGORY: MID TO UPPER MARKET

- American Swiss
- Archive
- Charles & Keith
- hi
- Johnny Bigg
- Mat & May
- sportscene
- Totalsports

INCOME CATEGORY: UPPER MARKET

- @home
- @homelivingspace
- Duesouth
- Fabiani
- G-Star Raw
- Hobbs
- Phase Eight
- Whistles

INCOME CATEGORY: MID MARKET

- colette
- donna
- Foschini
- Markham
- Relay Jeans
- Soda Bloc
- Sterns
- Tarocash
- yd.

INCOME CATEGORY: VALUE MARKET

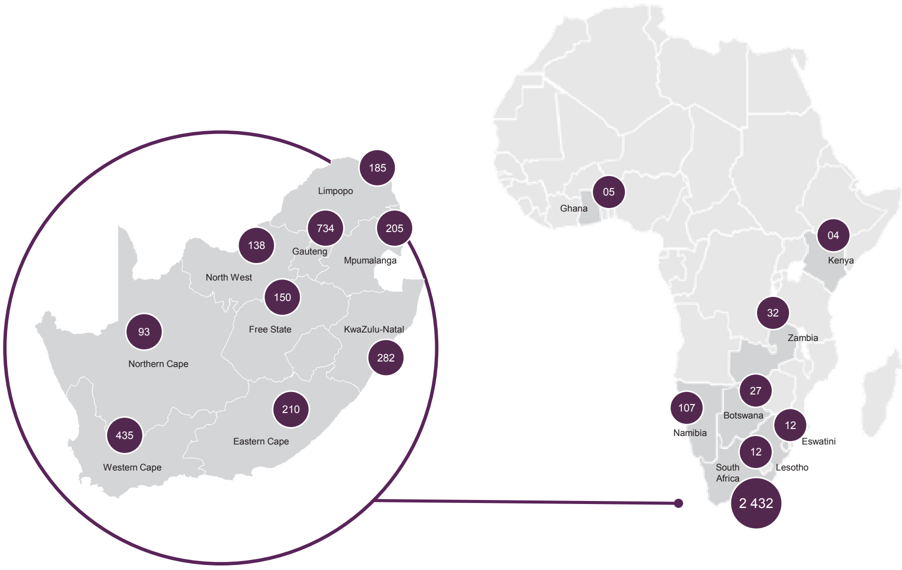
- Connor
- Exact
- Fix
- Rockwear

THE TFG DIFFERENCE

Diversification through:

- Successful portfolio of 29 leading fashion retail brands
- Cash and credit turnover
- Geography – 4 085 outlets in 32 countries
- Full omni offering – brick and mortar, concessions and online
- Broad product offering across various merchandise categories:
  - Clothing
  - Jewellery
  - Homeware & furniture
  - Cellphones
  - Cosmetics

OUR FOOTPRINT – TFG AFRICA



● Stores ● Concessions ● Total outlets

OUR FOOTPRINT – TFG AUSTRALIA

● Stores ● Concessions ● Total outlets

OUR FOOTPRINT – TFG LONDON

North America

Country	Stores	Concessions	Total outlets
USA	2	41	43
Mexico		13	13

Middle East

Country	Stores	Concessions	Total outlets
Qatar		4	4
United Arab Emirates		10	10
Kuwait		5	5
Bahrain		2	2
Saudi Arabia		7	7

Europe

Country	Stores	Concessions	Total outlets
UK & Ireland	207	476	683
Sweden	2	13	15
Estonia		1	1
Latvia		1	1
Netherlands		10	10
Belgium		6	6
Germany	2	50	52
Switzerland	9	36	45
Spain		21	21

Asia

Country	Stores	Concessions	Total outlets
Japan		9	9
Hong Kong	11	2	13
Macau		2	2
Malaysia		1	1
Singapore		9	9

Australia

Country	Stores	Concessions	Total outlets
Australia		19	19

● Stores ● Concessions ● Total outlets

Condensed consolidated statement of financial position

	March 2019 Reviewed Rm	Restated* March 2018 Audited Rm	Restated* March 2017 Audited Rm
ASSETS			
Non-current assets			
Property, plant and equipment	**2 820,0**	2 861,9	2 469,0
Goodwill and intangible assets	**8 590,1**	7 667,2	4 675,9
Deferred taxation asset	**1 045,7**	663,6	515,4
	12 455,8	11 192,7	7 660,3
Current assets			
Inventory	**7 680,9**	6 900,6	5 603,8
Trade receivables – retail	**7 439,8**	7 373,6	6 843,3
Other receivables and prepayments	**1 147,6**	821,8	771,0
Concession receivables	**174,3**	296,8	246,1
Cash and cash equivalents	**1 111,0**	1 206,1	878,5
	17 553,6	16 598,9	14 342,7
Total assets	**30 009,4**	27 791,6	22 003,0
EQUITY AND LIABILITIES			
Equity attributable to equity holders of The Foschini Group Limited	**14 307,3**	13 121,5	10 396,9
Non-controlling interest	**–**	4,5	4,2
Total equity	**14 307,3**	13 126,0	10 401,1
LIABILITIES			
Non-current liabilities			
Interest-bearing debt	**6 017,4**	4 825,7	4 442,2
Put option liability	**81,0**	72,7	74,7
Cash-settled share incentive scheme	**–**	–	6,8
Operating lease liability	**363,5**	335,1	255,7
Deferred taxation liability	**933,7**	829,4	337,9
Post-retirement defined benefit plan	**233,8**	215,8	233,1
	7 629,4	6 278,7	5 350,4
Current liabilities			
Interest-bearing debt	**3 196,0**	4 524,9	3 307,0
Trade and other payables	**4 535,0**	3 724,3	2 836,7
Operating lease liability	**22,5**	30,7	15,2
Taxation payable	**319,2**	107,0	92,6
	8 072,7	8 386,9	6 251,5
Total liabilities	**15 702,1**	14 665,6	11 601,9
Total equity and liabilities	**30 009,4**	27 791,6	22 003,0

* *Refer to note 15 of the reviewed preliminary condensed consolidated financial statements for the year ended 31 March 2019 for the impact of the changes in accounting policies.*

Condensed consolidated income statement

	Year ended 31 March 2019 Reviewed Rm	Restated* Year ended 31 March 2018 Audited Rm	% change
Revenue	**37 128,2**	31 463,0	
Retail turnover	**34 101,4**	28 519,5	19,6%
Cost of turnover	**(15 820,8)**	(13 557,5)	
Gross profit	**18 280,6**	14 962,0	
Interest income	**1 764,0**	1 755,8	
Other income	**1 262,8**	1 187,7	
Net bad debt	**(992,8)**	(837,5)	
Trading expenses	**(15 986,8)**	(12 941,5)	
Operating profit before acquisition costs and finance costs	**4 327,8**	4 126,5	4,9%
Acquisition costs	**–**	(79,4)	
Finance costs	**(749,9)**	(696,6)	
Profit before tax	**3 577,9**	3 350,5	
Income tax expense	**(939,3)**	(942,3)	
Profit for the year	**2 638,6**	2 408,2	
Attributable to:			
Equity holders of The Foschini Group Limited	**2 638,4**	2 406,9	
Non-controlling interest	**0,2**	1,3	
Profit for the year	**2 638,6**	2 408,2	
Earnings per ordinary share (cents)			
Total			
Basic	**1 141,7**	1 070,2	6,7%
Diluted (basic)	**1 131,3**	1 060,0	6,7%
Earnings per ordinary share (excluding acquisition costs) (cents)			
Headline	**1 187,1**	1 124,1	5,6%
Diluted (headline)	**1 176,3**	1 113,4	5,6%

* *Refer to note 15 of the reviewed preliminary condensed consolidated financial statements for the year ended 31 March 2019 for the impact of the changes in accounting policies.*

@home @homelivingspace AmericanSwiss Archive Charles & Keith Colette Connor Donna
Duesouth Exact Fabiani The Fix Foschini G-Star Raw hi Hobbs Johnny Bigg Markham Mat & May
Phase Eight Relay Jeans Rockwear Soda Bloc Sportscene Sterns Tarocash Totalsports Whistles yd.