MEDIA RELEASE

TFG's diversified portfolio delivers strong performance and market share gains.

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HIGHLIGHTS

- Group revenue increased 19,4% to R55,1 billion
- All territories achieved double-digit retail turnover growth
- Group online retail turnover grew by 6,6% to R4,7 billion, contributing 9,1% to total Group retail turnover
- Trading expenses tightly controlled at 41,3% of retail turnover
- Operating profit before finance costs increased 12,4% to R5,4 billion
- Profit after tax increased 4,0% to R3,0 billion
- Basic earnings per share of 938,5 cents increased by 4,1%
- Final dividend declared of 150,0 cents per share

TFG announced its annual financial results for the year ended 31 March 2023, demonstrating the Group's resilience despite macro-economic headwinds.

Commenting on the results, Anthony Thunström, TFG CEO said, "I am pleased with the Group's performance despite the significant external challenges faced in the year. All territories achieved double-digit retail turnover growth. Diligent expense management enabled the Group to further grow profits in a very challenging retail environment, especially in South Africa, where increased load shedding adversely impacted our store operations and our customers. We have a resilient business that is focused on executing its key strategic initiatives and delivering consistent market share gains."

Strong performance across all territories

TFG Africa's retail turnover grew by 17,2%, underscored by a strong performance in the clothing category of 13,8% and further buoyed by the contribution of Tapestry. Cash sales grew by R4 billion or 19,7%, contributing 72,7% to TFG Africa total retail turnover. Credit sales were consciously curtailed in light of the difficult consumer environment and grew by 11%.

TFG Australia delivered a very pleasing 29,8% growth in retail turnover on the back of pent-up demand for their formal apparel categories after COVID restrictions were lifted, and contributed 18,2% to Group retail turnover.

Retail turnover in TFG London grew by 9,4% despite a high inflationary environment and contributed 13,3% to Group retail turnover.

Both TFG Australia and TFG London posted record EBIT figures, with Australia EBIT growing 56%, and TFG London EBIT growing 10,3%.

Load shedding impact in South Africa

TFG Africa conservatively lost around 360,000 trading hours as a direct result of load shedding, although the true impact is estimated to be more than double this figure. This contributed, in part, to gross margin for the Group contracting by 0,6% to 47,9%.

By the year end, TFG had ensured that back-up power was in place to cover at least 75% of its Africa retail turnover, re-iterating that the majority of its stores are now open for trade despite load shedding.

Market share gains

Thunström highlighted how TFG Africa had continued to grow market share across a number of key categories, especially in its core apparel, sports, homewares and furniture categories. He added, "In a low growth environment, this ability to continue to grow at the expense of competitors is critically important and speaks to the strength of TFG's brands and retail teams."

"The consolidation of our individual brand websites into Bash, which was launched during the second half of the year, is already delivering significantly increased customer traffic and conversion rates and this will become increasingly transformative for the Group over the next couple of years," added Thunström.

Store build out and job creation

During the year, TFG opened 381 new outlets in addition to the 169 new Tapestry outlets that were acquired. The Group added more than 8 000 new jobs across its business.

Outlook

"In light of the current load shedding and global economic uncertainties, the year ahead is expected to remain challenging. We are therefore treating our new financial year as one of consolidation and are focusing on improving operating leverage. The Group has consistently invested in the business throughout the cycle and this level of investment, combined with our proven ability to grow market share, positions us strongly for the future," concluded Thunström.

ENDS

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