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TFG grows revenue and strengthens resilience amid challenging conditions

Cape Town, 05 June 2026

Highlights

- Group revenue up 7,2%;
- Group sales grew by 7,1%. Excluding White Stuff, Group sales grew 2,8%^;
- Group online sales grew by 31,7% and now contribute 14,8% to total retail sales;
- Group gross profit up 4,5%;
- Gross margin down by 120 basis points;
- Operating profit before brand impairments declined by 22,1%;
- Headline earnings per share (“HEPS”) down 33,5% to 675,4 cents (FY2025: 1 015,6 cents);
- Final dividend declared of 140,0 cents per share (March 2025: 230,0 cents per share), down 39,1%.

TFG this morning announced a Group performance for FY26 that was adversely affected by a weaker second half, as trading conditions deteriorated across all operating regions. The impact of softer peak-season demand and lower gross margins resulted in negative operating leverage.

While trading conditions remained challenging, management responded decisively during the second half of the year. The Group reduced planned expenditure, tightened capital investment, actively managed inventory levels, prioritised cash generation and maintained a disciplined approach to credit granting to ensure the business remains resilient in a prolonged period of constrained consumer demand.

Against this backdrop, TFG Africa online sales showed strong growth of 49,2%, driven by continued outperformance of the Bash platform. Online contributed 8,2% to total sales, reaching a 10% contribution in the fourth quarter, with scale benefits continuing to improve profitability.

The Group believes this represents an important inflection point in its omni-channel strategy, enabling increasingly capital-light growth as more customers choose digital shopping channels.

Market share in South Africa, as measured by the Retail Liaison Committee (RLC), increased by 50 basis points in womenswear, and by 40 basis points in the homeware and furniture segments.

The Group recognised non-cash impairment charges against the Phase Eight brand in the UK and the Tarocash and yd. brands in Australia, reflecting the revised long-term cash flow expectations for these businesses, given the current economic and consumer outlook.

TFG CEO Anthony Thunström said the Group was focused on strengthening business resilience in the face of expected continued adverse trading conditions.

“FY26 was a challenging year as weaker consumer demand and margin pressure impacted profitability across the Group. While these conditions were largely outside of our control, our

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response was not. We acted decisively to reduce costs, manage inventory, preserve cash and strengthen the resilience of the business.”

“We have invested significantly over a number of years to build scaled retail, digital and logistics platforms that position us well for the future. As online penetration continues to grow and our omni-channel capabilities scale, we believe we are increasingly able to drive growth through a more capital-light model while remaining focused on improving profitability and returns.”

TFG Africa

Like-for-like sales for TFG Africa grew by 3,5% in FY2026. Credit sales grew by 4,6%, contributing 25,8% to total TFG Africa sales as the Group took a prudent approach to credit granting. The debtors book grew by 5,5% to R9,4 billion (FY2025: R8,9 billion).

Gross margin contracted by 100 bps to 41,6% (FY2025: 42,6%).

While costs were well maintained, negative operating leverage led to a 14,7% decline in segmental EBIT.

TFG London

Sales increased by 29,4% in GBP in FY2026. Sales for the year, excluding White Stuff, remained flat[^] (in GBP), as the UK continued to experience difficult trading conditions. White Stuff continues to perform well, with pro forma sales growth of 4,3%[^] for FY2026 (in GBP).

Performance in the legacy portfolio was impacted by weakness in occasion-wear categories, softer department store trading and disruption arising from a significant cyber incident affecting a key online concession partner.

Management remained focused on the protection of operating profit margin through cost containment and reduction initiatives, however negative operating leverage resulted in a 65,4%[^] decline in segmental EBIT before the impairment of Phase Eight and the acquisition costs in the prior year.

TFG Australia

In Australia, sales declined 1,5% for FY2026 (in AUD), with a decline of 3,4% on a like-for-like basis.

Trading conditions in the Australian apparel retail market remained challenging throughout the period due to subdued consumer confidence impacting demand across the sector and leading to an increase in promotional activity.

As a result of expenses growing ahead of sales, driven by costs from new stores and continued inflationary pressure on expenses, segmental EBIT declined by 27,2%[^] before the impairment of the Tarocash and yd. brands.

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Outlook

The South African macroeconomic environment remains challenging, with subdued economic growth and pressure on consumer disposable income continuing to constrain demand.

The UK continues to experience a challenging retail environment, with discretionary consumer demand constrained by elevated living costs and subdued consumer confidence. Profitability will remain dependent on disciplined gross margin and cost management.

In Australia, inflationary pressures and the recent interest rate increase are expected to weigh on consumer confidence and discretionary spending, which may temper any near-term recovery in retail demand.

Against this backdrop, TFG will continue to focus on disciplined capital allocation, prudent inventory management, productivity improvements across its store portfolio and leveraging its digital and logistics capabilities to support long-term growth and improved returns.

^ Non-IFRS measures are in respect of Group and TFG London sales excluding White Stuff, refer to note 20 of the reviewed condensed consolidated financial statements for the year ended 31 March 2026.

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NOTES TO EDITORS

About TFG Limited

TFG (The Foschini Group) holds a diversified portfolio of specialty retail assets across various product categories and consumer segments. The Group has a portfolio of 40 leading retail brands, with over 4900 outlets in 22 countries on five continents, offering customers a variety of products including fashion apparel, jewellery, cosmetics, sporting apparel, electronics, homeware and furniture.

TFG has the largest specialty fashion and lifestyle retail footprint in South Africa and a growing presence in the UK and Australia employing more than 50 000 people.

With its vision to create the most remarkable omnichannel experiences for its customers, TFG has launched Bash, which is now the No. 1 South African Fashion and Lifestyle shopping app where the Group's sought-after retail brands and loyal customers come together seamlessly in one virtual platform.

Visit us at www.tfglimited.co.za