MEDIA RELEASE

TFG Africa grows sales, profit and market share as cost and store actions gain pace

Market share up 20 basis points, operating profit up 2.7% and online sales up 53.3% in Africa, outpacing a pressured market.

CAPE TOWN - 6 November 2026 – TFG (The Foschini Group) grew sales, profit and market share in Africa in the six months ended 30 September 2026, while making clear progress in trimming costs, closing underperforming stores and scaling its Bash online platform.

Group retail turnover was broadly flat, down 0.4% at R29.0 billion. Operating profit fell 6.5% to R2.1 billion and headline earnings per share fell 6.8% to 272.8 cents, as weaker trading in the United Kingdom and Australia offset growth in Africa. An interim dividend of 121 cents per share was declared. Net debt before IFRS 16 was reduced by R1 billion to R9.1 billion.

"In a tough six months, TFG Africa, our largest business, grew sales, profit and market share, and we have made tangible progress against our four key priorities, all aimed at enhancing returns. Conditions in the UK and Australia have been extremely tough, and we are doing everything we can to restore the required returns in those businesses," said Group CEO Anthony Thunström.

Africa outperforms a pressured market

TFG Africa grew retail turnover by 3.8% to R19.7 billion and operating profit by 2.7% to R1.7 billion, with gross margin up 10 basis points and trading expense growth contained to 4%. This was achieved despite a sharp rise in fuel prices and consumer confidence falling to -19 in the second quarter.

TFG Africa gained 20 basis points of market share and gained year-on-year market share in five of the six months, according to Retailers' Liaison Committee data. In September, sales grew 5.2% against market growth of 1.8%, almost three times the market's rate.

Lower costs and a more productive store network

TFG removed R257 million in costs from TFG Africa in the half, R184 million from stores and R73 million from head office and overheads. Of this, R130 million flowed through to profit, the balance being gross profit forgone on closed stores. A further R222 million is expected in the second half, with a profit benefit of R171 million. On an annualised run-rate basis, the actions total R854 million, with a profit impact of R543 million.

The Group closed 120 underperforming stores while opening 41 new ones. Of the closures, 49% were in distressed central business districts, mostly at lease expiry, releasing R190 million in working capital. TFG estimates that about 20% of the closed stores' turnover will migrate to sister stores or Bash. A further 60 to 80 closures are planned for the second half.

Stores and Bash drive each other

Online sales grew 53.3% to R2.2 billion. E-commerce reached R1.8 billion, while BashStore, through which store staff sell on a Bash device, grew 65.4% to R326 million.

Stores and online increasingly feed each other: 191,000 customers placed their first online order through BashStore in a store, while 779,000 browsed online before buying in store, up 30%. TFG estimates its online capabilities have avoided about R1.3 billion in capital expenditure.

"Our stores are introducing customers to online shopping, and digital discovery is bringing them back into stores. We are building one integrated business that can grow while making better use of the capital we already have," said Thunström.

International under pressure

In local currency, TFG London's retail turnover fell 2.2% and operating profit 26.5%, while TFG Australia's turnover fell 4.4% and operating profit 28.3%. Brand, cost and store footprint resets are under way in both territories, led by new leadership at Phase Eight in London and at Tarocash in Australia.

Stronger cash generation

Cash generated from operations rose 20% to R3.7 billion, capital expenditure fell 37% to R672 million and inventories were 4% lower at R15.3 billion.

The objective is clear: higher earnings from a leaner, more productive and less capital-intensive Group, and better returns for shareholders.

Board changes

Michael Lewis will step down as Chairman and retire from the Board on 31 December 2026. He joined the Board in 1989 and has chaired it since June 2015.

"Michael has always had retail, and TFG, at heart. His legacy, and that of his family, will endure well into TFG's future, and we thank him for his wisdom and leadership," said Thunström.

Professor Alexandra Watson, emeritus professor at the University of Cape Town and chair of ADvTECH, will succeed him as Chairperson from 1 January 2027. She joins the Board as an

independent non-executive director alongside Thabiso Madiba, a Chartered Accountant and audit partner at Barakabora Assurance, and Craig Butters, a Chartered Accountant and CFA charterholder with more than 25 years in investment analysis and fund management.

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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 18 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 50000 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.

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