



**TRUWORTHS**  

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**INTERNATIONAL**

Truworths International Ltd  
10-YEAR REVIEW, RATIOS,  
SHARE STATISTICS AND  
DEFINITIONS

**2019**

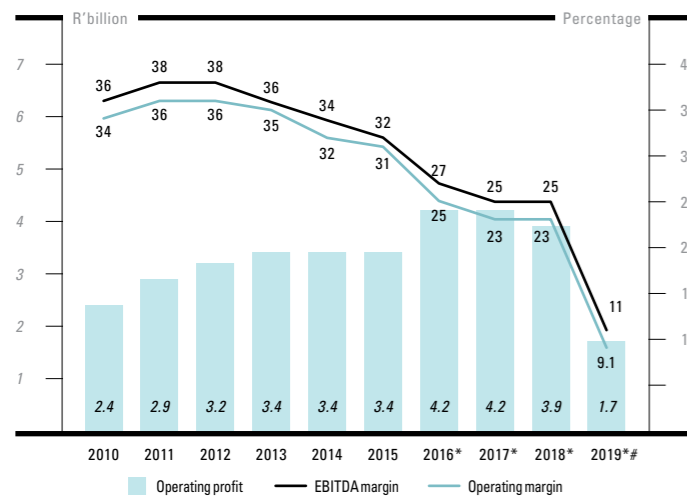
# 10-YEAR REVIEW, RATIOS, SHARE STATISTICS AND DEFINITIONS 2019

## TEN-YEAR REVIEW

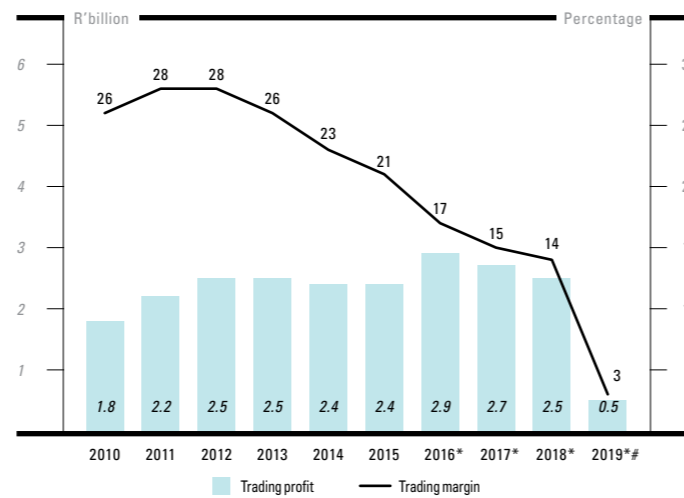
Period	10-year compound growth %	2019 52 Rm	2018 52 Rm	2017 53 Rm	2016 <sup>^</sup> 52 Rm	2015 52 Rm	2014 52 Rm	2013 52 Rm	2012 53 Rm	2011 52 Rm	2010 52 Rm
<b>Statements of comprehensive income</b>											
Sale of merchandise	11	18 094	17 547	18 065	16 654	11 290	10 458	9 765	8 830	7 858	6 937
Cost of sales	12	(8 749)	(8 354)	(8 562)	(7 837)	(5 060)	(4 617)	(4 241)	(3 820)	(3 403)	(3 098)
<b>Gross profit</b>	11	<b>9 345</b>	9 193	9 503	8 817	6 230	5 841	5 524	5 010	4 455	3 839
Other income	8	322	279	291	274	259	235	226	208	189	162
<b>Trading expenses</b>	16	<b>(9 175)</b>	(6 954)	(7 086)	(6 240)	(4 116)	(3 668)	(3 202)	(2 759)	(2 421)	(2 201)
Depreciation and amortisation	14	(410)	(387)	(389)	(345)	(221)	(184)	(160)	(138)	(129)	(121)
Employment costs	13	(2 212)	(2 109)	(2 094)	(1 916)	(1 186)	(1 024)	(986)	(890)	(828)	(759)
Occupancy costs	17	(2 378)	(2 240)	(2 155)	(1 822)	(1 102)	(954)	(843)	(746)	(652)	(582)
Trade receivable costs	9	(1 048)	(1 099)	(1 209)	(1 092)	(960)	(916)	(739)	(533)	(390)	(385)
Other operating costs	24	(3 127)	(1 119)	(1 239)	(1 065)	(647)	(590)	(474)	(452)	(422)	(354)
<b>Trading profit</b>	(11)	<b>492</b>	2 518	2 708	2 851	2 373	2 408	2 548	2 459	2 223	1 800
Interest received	7	1 153	1 420	1 478	1 288	1 063	917	814	728	637	560
Dividends received		8	8	24	15	7	32	4	3	–	–
<b>Operating profit</b>	(2)	<b>1 653</b>	3 946	4 210	4 154	3 443	3 357	3 366	3 190	2 860	2 360
Finance costs		(84)	(250)	(295)	(208)	(6)	–	–	–	–	–
<b>Profit before tax</b>	(3)	<b>1 569</b>	3 696	3 915	3 946	3 437	3 357	3 366	3 190	2 860	2 360
Tax expense		(878)	(1 031)	(1 049)	(1 129)	(977)	(951)	(958)	(965)	(917)	(756)
<b>Profit for the period</b>	(7)	<b>691</b>	2 665	2 866	2 817	2 460	2 406	2 408	2 225	1 943	1 604
Non-controlling interest		181	(22)	(39)	(13)	–	–	–	–	–	–
<b>Profit for the period attributable to equity holders of the company</b>	(5)	<b>872</b>	2 643	2 827	2 804	2 460	2 406	2 408	2 225	1 943	1 604

<sup>^</sup> Includes the results of Office for 31 weeks.

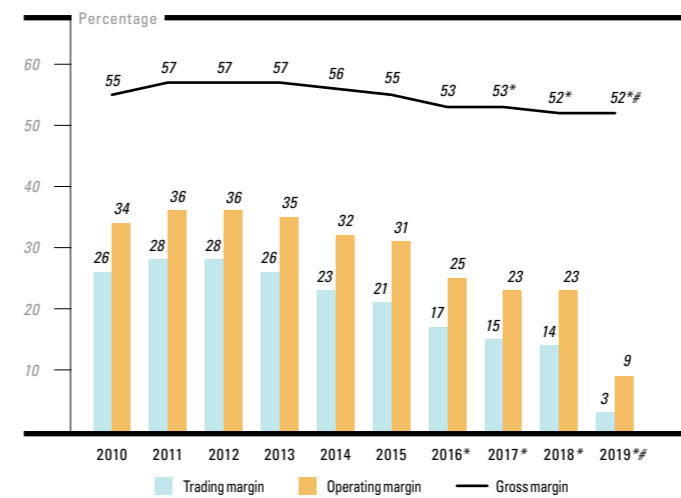
**OPERATING PROFIT TREND**



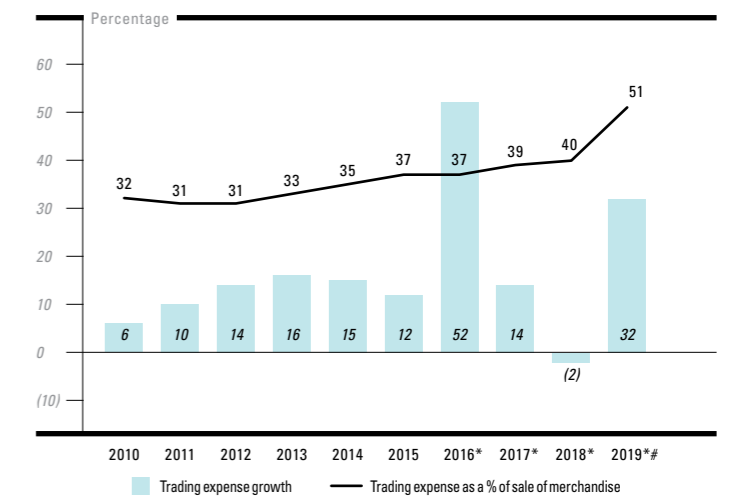
**TRADING PROFIT TREND**



**MARGIN TRENDS**



**EXPENSE MANAGEMENT**



\* Impacted by the acquisition of Office. # Impacted by the impairment of Office's intangible assets.

## 10-YEAR REVIEW, RATIOS, SHARE STATISTICS AND DEFINITIONS 2019 continued

## TEN-YEAR REVIEW (continued)

Period	10-year compound growth %	2019 52 Rm	2018 52 Rm	2017 53 Rm	2016 <sup>^</sup> 52 Rm	2015 52 Rm	2014 52 Rm	2013 52 Rm	2012 53 Rm	2011 52 Rm	2010 52 Rm
<b>Statements of financial position</b>											
<b>Assets</b>											
Non-current assets	19	5 185	6 904	6 559	7 413	1 876	1 360	1 280	1 197	1 093	997
Current assets	9	8 171	8 587	9 580	9 648	7 281	6 716	5 991	5 720	5 131	4 412
Inventories	16	2 108	2 072	1 916	2 401	1 074	863	787	670	530	450
Trade and other receivables	8	4 934	5 110	5 256	5 281	4 637	4 182	3 766	3 421	3 033	2 561
Cash and cash equivalents	–	777	982	2 055	1 592	1 462	1 588	1 325	1 560	1 489	1 318
Other current assets	18	352	423	353	374	108	83	113	69	79	83
<b>Total assets</b>	11	<b>13 356</b>	<b>15 491</b>	<b>16 139</b>	<b>17 061</b>	<b>9 157</b>	<b>8 076</b>	<b>7 271</b>	<b>6 917</b>	<b>6 224</b>	<b>5 409</b>
<b>Equity and liabilities</b>											
Equity attributable to equity holders of the company	10	9 175	10 369	9 450	8 625	7 504	6 642	6 224	5 986	5 046	4 371
Non-current liabilities	34	1 763	2 363	4 709	5 481	192	88	96	95	84	97
Current liabilities	11	2 418	2 759	1 980	2 955	1 461	1 346	951	836	1 094	941
<b>Total equity and liabilities</b>	11	<b>13 356</b>	<b>15 491</b>	<b>16 139</b>	<b>17 061</b>	<b>9 157</b>	<b>8 076</b>	<b>7 271</b>	<b>6 917</b>	<b>6 224</b>	<b>5 409</b>
Net debt at the end of the period		663	968	1 730	2 816	–	–	–	–	–	–
<b>Statements of cash flows</b>											
<b>Cash flows from trading and cash EBITDA*</b>	6	<b>2 930</b>	2 965	3 189	3 273	2 654	2 682	2 720	2 653	2 411	1 934
Working capital movements		(266)	172	(151)	(468)	(476)	(105)	(352)	(802)	(425)	(216)
<b>Cash generated from operations</b>	7	<b>2 664</b>	3 137	3 038	2 805	2 178	2 577	2 368	1 851	1 986	1 718
Net interest received	6	1 075	1 181	1 181	1 111	1 059	917	814	728	637	560
Dividends received		8	8	24	15	7	32	4	3	–	–
Tax paid	2	(968)	(855)	(1 256)	(1 092)	(1 099)	(984)	(988)	(964)	(895)	(711)
<b>Cash inflow from operations</b>	8	<b>2 779</b>	3 471	2 987	2 839	2 145	2 542	2 198	1 618	1 728	1 567
Dividends paid	10	(1 766)	(1 925)	(1 527)	(1 441)	(1 698)	(1 566)	(1 526)	(1 281)	(968)	(785)
<b>Net cash from operating activities</b>	6	<b>1 013</b>	1 546	1 460	1 398	447	976	672	337	760	782
<b>Net cash used in investing activities<sup>#</sup></b>	9	<b>(445)</b>	(603)	(497)	(3 136)	(644)	(267)	(242)	(229)	(275)	(211)
<b>Net cash (used in)/from financing activities<sup>†</sup></b>	17	<b>(684)</b>	(2 345)	(428)	1 903	63	(446)	(664)	(37)	(314)	(20)
<b>Net (decrease)/increase in cash and cash equivalents for the period</b>		<b>(116)</b>	(1 402)	535	165	(134)	263	(234)	71	171	551

<sup>^</sup> Includes the results of Office for 31 weeks.

<sup>\*</sup> Earnings before interest received, finance costs, tax, depreciation and amortisation.

<sup>#</sup> Included in net cash used in investing activities:

Acquisition of property, plant, equipment and computer software to maintain or expand operations

Net acquisition of businesses/net investments in subsidiaries (excluding non-controlling interest loans acquired)

<sup>†</sup> Included in net cash (used in)/from financing activities: Shares repurchased by subsidiaries

Acquisition of property, plant, equipment and computer software to maintain or expand operations	(465)	(485)	(467)	(599)	(380)	(289)	(270)	(226)	(186)	(216)
Net acquisition of businesses/net investments in subsidiaries (excluding non-controlling interest loans acquired)	–	(8)	–	(2 559)	(270)	–	–	–	–	–
Included in net cash (used in)/from financing activities: Shares repurchased by subsidiaries	(266)	(184)	(101)	–	–	(490)	(691)	(83)	(394)	(34)

## 10-YEAR REVIEW, RATIOS, SHARE STATISTICS AND DEFINITIONS 2019 continued

## SHARE STATISTICS

Period		10-year compound growth %	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Number of weeks			52	52	53	52	52	52	52	53	52	52
<b>Performance on JSE</b>												
Traded share prices												
period-end	(cents per share)		7 000	7 725	7 150	8 769	8 649	7 490	8 695	8 952	6 833	5 575
high	(cents per share)		9 289	11 433	9 552	11 250	9 732	10 033	11 736	9 290	7 700	5 827
low	(cents per share)		6 474	6 686	6 121	7 504	6 489	6 486	7 456	6 394	5 240	3 600
weighted average	(cents per share)		7 882	8 728	7 955	9 216	7 824	8 025	9 384	7 749	6 648	4 499
Price earnings ratio	(times)		12	13	11	13	15	13	15	17	15	15
Share price index*			1 750	1 931	1 788	2 192	2 162	1 873	2 174	2 238	1 708	1 394
JSE General Retailers Index <sup>#</sup>			657	726	663	796	903	674	629	598	417	349
Period-end share price/net asset value per share	(times)		3	3	3	4	5	5	6	6	6	5
Number of shares in issue	(000's)		442 876	442 590	442 059	436 183	429 328	422 640	463 806	461 810	459 999	456 109
Number of shares in issue (net of treasury shares)	(000's)		425 506	428 260	429 410	424 456	418 960	413 774	417 765	423 967	423 352	425 258
Weighted average number of shares	(000's)		427 653	429 855	428 370	420 263	416 149	417 757	421 905	422 754	426 289	424 737
Volume of shares traded	(000's)		601 391	640 122	788 126	612 881	547 823	427 737	473 345	324 298	415 975	598 359
Number of transactions			1 104 547	826 717	873 455	689 905	593 394	532 998	443 184	351 902	362 525	274 862
Volume traded as a % of number of shares in issue	(%)		136	145	178	141	128	101	102	70	90	131
Value of shares traded	(Rm)		47 404	55 868	62 697	56 482	42 855	34 327	44 421	25 130	27 653	26 922
Market capitalisation (excluding treasury shares)	(Rm)		29 785	33 083	30 703	37 221	36 236	30 992	36 325	37 954	28 928	23 708
Market capitalisation (including treasury shares)	(Rm)		31 001	34 190	31 607	38 249	37 133	31 656	40 328	41 341	31 432	25 428
Foreign ownership	(%)		58	59	62	66	66	66	61	65	64	60
<b>Share performance</b>												
Basic earnings per share	(cents)	(5)	203.9	614.8	659.9	667.1	591.2	575.9	570.8	526.3	455.8	377.7
Headline earnings per share	(cents)	5	562.8	615.7	662.0	667.6	593.8	576.8	570.8	526.7	456.0	377.9
Change in headline earnings per share	(%)		(9)	(7)	(1)	12	3	1	8	16	21	12
Cash flow per share	(cents)		650	807	697	676	516	608	521	383	405	369
Cash equivalent earnings per share	(cents)		702	738	766	759	643	635	605	566	499	412
Cash realisation rate	(%)		93	109	91	89	80	96	86	68	81	89
Net asset value per share	(cents)	10	2 156	2 421	2 201	2 032	1 791	1 605	1 489	1 411	1 192	1 028
Annual cash dividend per share	(cents)	8	384	420	452	452	405	385	362	326	262	200
Change in annual cash dividend per share	(%)		(9)	(7)	–	12	5	6	11	24	31	17
Dividend yield	(%)		5	5	6	5	5	5	4	4	4	4
Cumulative value of shares repurchased~	(Rm)		3 480	3 214	3 030	2 929	2 929	2 929	2 439	1 748	1 665	1 271
Cumulative number of shares repurchased~	(000's)		102 391	98 641	96 437	94 937	94 937	94 937	88 738	81 155	79 959	74 163
Shareholders' return	(%)		(4)	14	(13)	7	21	(9)	1	36	27	57

\* (1998: 400 = 100)

# (1998: 9 551 = 100)

~ Excludes shares repurchased for share scheme purposes. Includes shares previously repurchased and cancelled – 44 million (cost of R1.9 billion) in 2014, 36 million (cost of R275 million) in 2007 and 7 million (cost of R200 million) in 2006.

## 10-YEAR REVIEW, RATIOS, SHARE STATISTICS AND DEFINITIONS 2019 continued

RATIOS			10-year compound growth (%) or 10-year average (Av.)	2019 52	2018 52	2017 53	2016 <sup>^</sup> 52	2015 52	2014 52	2013 52	2012 53	2011 52	2010 52
Period													
Number of weeks													
<b>Returns</b>													
Return on equity	(%)	Av.	33	9	27	31	35*	35	37	39	40	41	40
Return on capital	(%)	Av.	49	19	40	46	51*	49	52	55	58	61	60
Return on assets	(%)	Av.	35	12	25	26	24*	38	42	46	46	46	44
Asset reinvestment rate**	(:1)	Av.	1	1	1	1	2	2	2	2	2	1	2
Return on invested capital (ROIC)	(%)	Av.	22	8	16	17	17 <sup>®</sup>	24	25	26	28	30	29
Weighted average cost of capital (WACC)	(%)	Av.	13	13	14	13	13	14	14	13	13	13	13
ROIC divided by WACC	(times)	Av.	1.6	0.6	1.1	1.3	1.3	1.7	1.8	2.0	2.2	2.3	2.2
<b>Productivity</b>													
Sale of merchandise per store <sup>†</sup>	(R'000)	%	5	19 561	18 451	19 657	18 261	15 487	16 706	16 523	15 881	14 498	13 340
Sales trading density <sup>†</sup>	(R/m <sup>2</sup> )	%	2	35 682	35 256	37 261	37 350	34 857	34 586	35 656	34 849	32 979	30 462
Net asset turn	(times)	Av.	1.7	2.0	1.7	1.9	1.9	1.5	1.6	1.6	1.5	1.6	1.6
Gross margin	(%)	Av.	54.6	51.6	52.4	52.6	52.9	55.2	55.9	56.6	56.7	56.7	55.3
Trading margin	(%)	Av.	20.1	2.7	14.4	15.0	17.1	21.0	23.0	26.1	27.8	28.3	25.9
Operating margin	(%)	Av.	28.3	9.1	22.5	23.3	24.9	30.5	32.1	34.5	36.1	36.4	34.0
EBITDA margin	(%)	Av.	30.3	11.4	24.7	25.5	27.0	32.5	33.9	36.0	38.0	38.0	36.0
Inventory turn	(times)	Av.	5.0	4.2	4.0	4.5	3.3*	4.7	5.3	5.4	5.7	6.4	6.9
Asset turnover	(times)	Av.	1.2	1.4	1.1	1.1	1.0*	1.2	1.3	1.3	1.3	1.3	1.3
<b>Solvency and liquidity</b>													
Net cash to total equity	(%)	Av.	21	7	9	22	18	19	24	21	26	30	30
Total liabilities to total equity	(%)	Av.	39	46	49	71	98	22	22	17	16	23	24
Current ratio	(:1)	Av.	4.7	3.4	3.1	4.8	3.3	5.0	5.0	6.3	6.8	4.7	4.7
Dividend cover	(times)	Av.	1.6	1.5	1.5	1.5	1.5	1.5	1.5	1.6	1.6	1.7	1.9
<b>Annual growth</b>													
Sale of merchandise	(%)			3	(3)	8	48	8	7	11	12	13	11
Trading profit	(%)			(80)	(7)	(5)	20	(1)	(5)	4	11	24	20
Operating profit	(%)			(58)	(6)	1	21	3	–	6	12	21	12
Profit before tax	(%)			(58)	(6)	(1)	15	2	–	6	12	21	12
Profit for the period (attributable to equity holders of the company)	(%)			(67)	(7)	1	14	2	–	8	15	21	12

<sup>^</sup> Includes the results of Office for 31 weeks.

<sup>\*</sup> The 2016 ratios were previously based on the results of the Group including 12 months of Office profits, on a pro forma basis, excluding any exceptional non-recurring items. However, these have now been based on the actual Group results as disclosed.

<sup>\*\*</sup> Excluding head office (No. 1 Mostert Street) and its related depreciation.

<sup>†</sup> Excludes YDE stores and sale of merchandise made by YDE to customers as these sales are on behalf of the designers. YDE earns commission which is reported in the Group's revenue and is classified as other income.

<sup>#</sup> Excluding Office sales and trading space.

<sup>®</sup> The 2016 ratio is based on the results of the Group including 12 months of Office profits, on a pro forma basis, excluding any exceptional non-recurring items.

## 10-YEAR REVIEW, RATIOS, SHARE STATISTICS AND DEFINITIONS 2019 continued

RATIOS (continued)			10-year compound growth (%) or 10-year average (Av.)	2019	2018	2017	2016 <sup>^</sup>	2015	2014	2013	2012	2011	2010
Period				52	52	53	52	52	52	52	53	52	52
<b>Trade receivable statistics (Group, excluding Office)</b>													
<b>Truworths Africa (Group, excluding Office)</b>													
Number of active accounts	(000's)		4	2 658	2 591	2 542	2 658	2 672	2 586	2 554	2 411	2 194	1 975
Change in number of active accounts	(%)	Av.	4	3	2	(4)	(1)	3	1	6	10	11	6
Gross trade receivables (before doubtful debt allowance)	(Rm)		9	5 898	5 663	5 838	5 838	5 229	4 720	4 221	3 794	3 333	2 835
Qualifying payment	(%)	Av.	90	90	90	90	90	90	90	90	90	90	90
Accounts opened (as % of applications)~	(%)	Av.	27	22	25	24	23	29	25	28	33	33	29
Active account holders able to purchase at period-end	(%)	Av.	83	83	84	82	82	83	83	82	84	86	85
Overdue accounts as a % of total debtors	(%)	Av.	14	13	14	14	14	14	14	15	13	13	14
Net bad debts as a % of account sales	(%)	Av.	7	8.3	9.2	9.4	8.0	7.9	8.0	6.1	4.5	3.9	5.6
Account:cash sales ratio*	(%)	Av.	71:29	70:30	69:31	70:30	69:31	70:30	71:29	72:28	73:27	71:29	70:30
Net bad debts as a % of gross trade receivables	(%)	Av.	11.6	13.3	14.7	15.0	12.4	12.5	12.9	10.4	7.9	6.8	9.8
Doubtful debt allowance as a % of gross trade receivables	(%)	Av.	12.5	19.2	12.3	12.7	12.3	12.5	12.5	12.0	10.6	10.1	10.7
Cost of the book: (cost)/surplus	(Rm)		(14)	(26)	71	41	(4)	(74)	(195)	(92)	26	78	35
Trade receivable interest as a % of gross trade receivables	(%)	Av.	19	19	23	23	21	19	18	17	17	16	17
<b>Truworths</b>													
Number of active accounts	(000's)		2	2 027	1 977	1 965	2 061	2 068	2 039	2 054	1 971	1 866	1 747
Change in number of active accounts	(%)	Av.	2	3	1	(5)	-	1	(1)	4	6	7	5
Gross trade receivables (before doubtful debt allowance)	(Rm)		8	4 850	4 710	4 858	4 807	4 307	3 960	3 584	3 264	2 961	2 577
Account:cash sales ratio	(%)	Av.	73:27	71:29	70:30	71:29	70:30	72:28	73:27	74:26	76:24	75:25	74:26
Accounts opened (as % of applications)~	(%)	Av.	29	25	27	26	24	30	26	32	36	36	30
<b>Identity</b>													
Number of active accounts	(000's)		14	607	588	549	567	574	519	474	415	305	207
Change in number of active accounts	(%)	Av.	15	3	7	(3)	(1)	11	9	14	36	47	24
Gross trade receivables (before doubtful debt allowance)	(Rm)		19	1 015	920	946	994	886	727	607	501	345	233
Account:cash sales ratio	(%)	Av.	57:43	66:34	63:37	61:39	60:40	62:38	59:41	58:42	55:45	47:53	40:60
Accounts opened (as % of applications)~	(%)	Av.	24	17	23	21	22	26	23	24	30	28	27
<b>YDE</b>													
Number of active accounts	(000's)		1	24	26	28	30	30	28	26	25	23	21
Change in number of active accounts	(%)	Av.	2	(8)	(7)	(7)	-	7	8	4	9	10	-
Gross trade receivables (before doubtful debt allowance)	(Rm)		3	33	33	34	37	36	33	30	29	27	25
Account:cash sales ratio	(%)	Av.	26:74	27:73	28:72	28:72	28:72	27:73	24:76	25:75	25:75	24:76	23:77
Accounts opened (as % of applications)~	(%)	Av.	42	36	25	25	33	47	49	50	56	53	50

<sup>^</sup> Includes the results of Office for 31 weeks, where applicable.

<sup>~</sup> Restated from applications granted accounts to accounts opened as a percentage of applications.

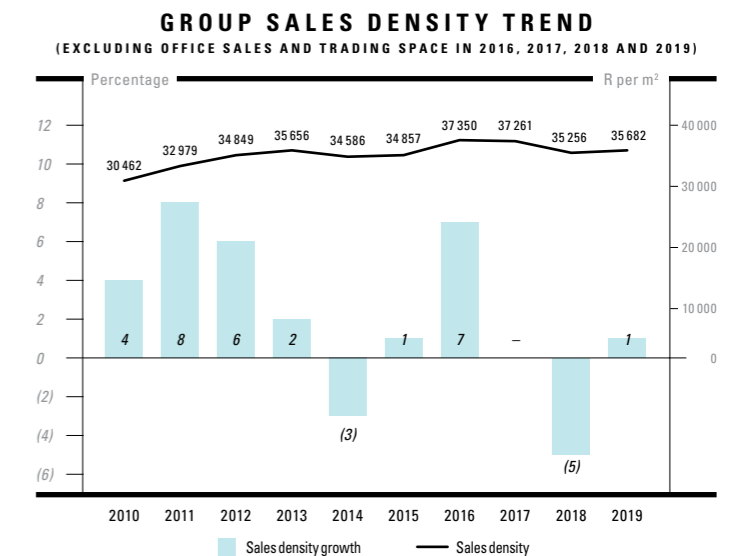
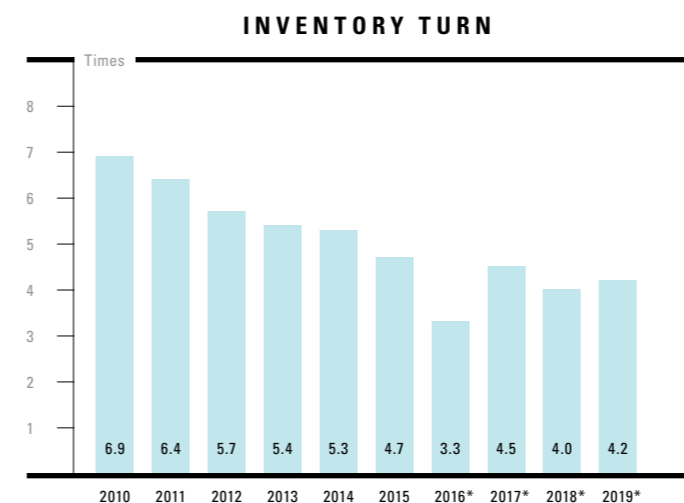
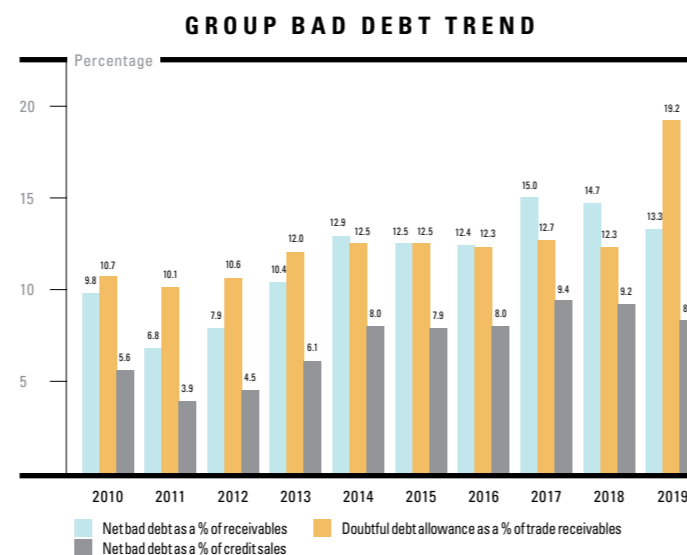
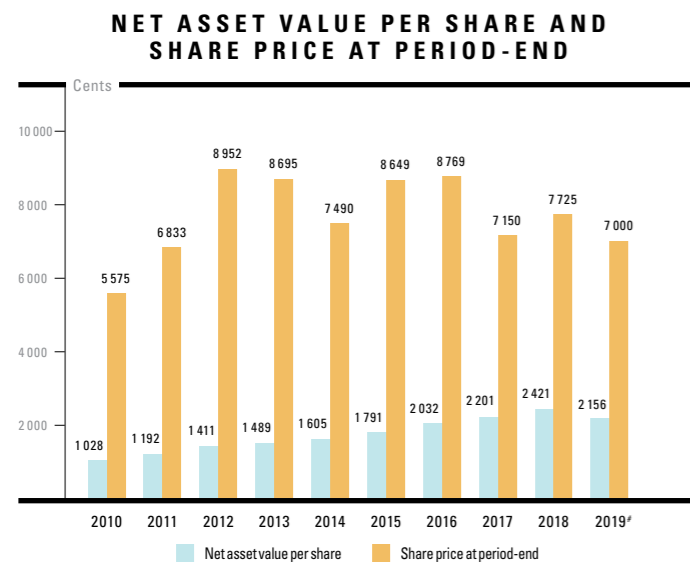
<sup>\*</sup> Excludes sale of merchandise made by YDE to customers as these sales are on behalf of the designers. YDE earns commission which is reported in the Group's revenue and is classified in other income.

10-YEAR REVIEW, RATIOS, SHARE STATISTICS AND DEFINITIONS 2019 continued

RATIOS (continued)

Period			10-year compound growth (%) or 10-year average (Av.)	2019	2018	2017	2016 <sup>^</sup>	2015	2014	2013	2012	2011	2010
Number of weeks				52	52	53	52	52	52	52	53	52	52
<b>Operating statistics</b>													
Total number of Group stores (including concession stores) excluding franchisees				945	969	937	929	747	641	604	569	543	523
Total number of franchise stores				–	3	3	3	3	5	5	6	18	16
Total number of concession stores				24	40	38	44	N/A	N/A	N/A	N/A	N/A	N/A
Total number of corporate stores in the rest of Africa				39	40	47	47	44	38	40	29	17	16
Total number of YDE stores				20	21	21	20	21	20	18	19	19	19
Total trading area, excluding franchise and YDE stores	(m <sup>2</sup> )	6		395 640	390 025	377 755	372 250	342 305	317 463	287 587	265 988	249 894	237 122
Total trading area for YDE stores	(m <sup>2</sup> )			6 604	6 921	6 923	6 689	6 766	6 510	6 005	6 365	6 150	6 174
Trading expenses as a % of sale of merchandise	(%)	Av.	37	51	40	39	37	37	35	33	31	31	32
Depreciation as a % of sale of merchandise	(%)	Av.	2	2	2	2	2	2	2	2	2	2	2
Employment costs as a % of sale of merchandise	(%)	Av.	11	12	12	11	11	11	10	10	10	11	11
Occupancy costs as a % of sale of merchandise	(%)	Av.	10	13	13	12	11	10	9	9	8	8	8
Trade receivable costs as a % of sale of merchandise	(%)	Av.	7	6	6	7	7	8	9	7	6	5	6
Other operating costs as a % of sale of merchandise	(%)	Av.	7	17	6	7	6	6	5	5	5	5	5
Account:cash sales ratio – Group	(%)	Av.	63	51	50	50	53	70	71	72	73	71	70
Account:cash sales ratio – Office	(%)	Av.	–	–	–	–	–	N/A	N/A	N/A	N/A	N/A	N/A
Account:cash sales ratio – Truworths Africa	(%)	Av.	71	70	69	70	69	70	71	72	73	71	70
Account:cash sales ratio – Truworths	(%)	Av.	73	71	70	71	70	72	73	74	76	75	74
Account:cash sales ratio – Identity	(%)	Av.	57	66	63	61	60	62	59	58	55	47	40
Account:cash sales ratio – YDE	(%)	Av.	26	27	28	28	28	27	24	25	25	24	23

<sup>^</sup> Includes the results of Office for 31 weeks, where applicable.  
<sup>~</sup> Restated from applications granted accounts to accounts opened as a percentage of applications.  
<sup>\*</sup> Excludes sale of merchandise made by YDE to customers as these sales are on behalf of the designers. YDE earns commission which is reported in the Group's revenue and is classified in other income.



<sup>\*</sup> Impacted by the acquisition of Office. <sup>#</sup> Impacted by the impairment of Office's intangible assets. <sup>^</sup> Impacted by the adoption of IFRS 9.

# DEFINITIONS

## Asset reinvestment rate

Capital expenditure for the period divided by depreciation.

## Asset turnover

Sale of merchandise divided by total assets.

## Cash EBITDA

Earnings before interest received, finance costs, tax, depreciation and amortisation.

## Cash equivalent earnings per share

Profit for the period attributable to equity holders of the company, adjusted for non-cash items and deferred tax, divided by the weighted average number of shares.

## Cash flow from trading and cash EBITDA

Profit before finance costs and tax, adjusted for dividends, interest received and non-cash items.

## Cash flow per share

The cash inflow from operations for the period divided by the weighted average number of shares.

## Cash realisation rate

Represents the potential cash earnings realised and is derived by dividing cash flow per share by cash equivalent earnings per share.

## Core capital

Core capital relates to all assets and liabilities resulting from and used in normal operations, including fixed assets, working capital items, cash and cash equivalents, and tax payable/receivable.

## Cost of the book

Comprises interest received on customer accounts (including notional interest) and financial services income, less net bad debt (which includes the movement in the doubtful debt allowance), collection and other direct costs incurred in managing the book.

## Current ratio

Current assets divided by current liabilities.

## Debtors' days

Gross trade receivables divided by account sales (including YDE) multiplied by the number of days in the period.

## Diluted weighted average number of shares

The weighted average number of shares, adjusted for treasury shares held by subsidiaries, diluted by the share awards outstanding in respect of the equity-settled share incentive schemes.

## Dividend cover

Headline earnings per share divided by annual dividends declared per share.

## Dividend yield

Annual dividends declared per share divided by the period-end share price on the JSE.

## Earnings yield

Basic earnings per share divided by the period-end share price on the JSE.

## EBITDA

Earnings before finance costs, tax, depreciation and amortisation.

## EBITDA margin

EBITDA divided by sale of merchandise.

## Equity

Share capital and premium, less treasury shares, plus retained earnings and non-distributable reserves, less non-controlling shareholders' interests.

## Free cash flow

Cash flow from operations less capital expenditure to maintain operations.

## Free float

The percentage of the total number of shares issued, excluding any shares held as treasury shares, held by directors or held by employee share schemes, which can be traded.

## Full-time equivalent (FTE) employees

Determined by converting the actual number of flexi-time employees into a lesser number of full-time equivalent employees (through dividing the aggregate working hours of all flexi-time employees by standard working hours), and adding this result to the actual number of permanent employees.

## Gross margin

Gross profit divided by sale of merchandise.

## Headline earnings

Profit for the period attributable to equity holders of the company, adjusted for items relating to the capital platform of the business including the after-tax effect of certain re-measurements.

## Headline earnings per share

Headline earnings divided by the weighted average number of shares for the period.

## Inventory turn

Cost of sales for the period divided by inventories on hand at the reporting date.

## Market capitalisation (including treasury shares)

The period-end share price on the JSE multiplied by the number of shares in issue at the reporting date.

## Market capitalisation (excluding treasury shares)

The period-end share price on the JSE multiplied by the number of shares in issue (excluding treasury shares) at the reporting date.

## Net assets

Total assets less total liabilities.

## Net asset turn

Sale of merchandise divided by net assets.

## Net asset value per share

Net assets divided by the number of shares in issue (net of treasury shares) at the reporting date.

## Net cash to total equity

Cash and cash equivalents, divided by total equity at the reporting date.

## Net debt

Non-current and current interest-bearing borrowings, less cash and cash equivalents (including overdrafts).

## Net debt to EBITDA

Net debt divided by EBITDA.

## Net debt to equity

Net debt expressed as a percentage of equity.

## Notional interest

Interest recognised in respect of retail sales on interest-free customer accounts on a time-apportionment basis using the effective interest rate implicit in the underlying transaction.

## Operating profit

Profit before finance costs and tax (EBIT).

## Operating margin

Operating profit divided by sale of merchandise.

## Price earnings ratio

The period-end share price on the JSE divided by headline earnings per share for the period.

## Profit for the period per FTE employee

Profit for the period attributable to equity holders of the parent, divided by the number of FTE in service at the reporting date.

## Retail sales

Sale of merchandise through retail outlets and e-commerce, net of sales returns, and excluding agency, franchise and wholesale sales.

## Return on assets

Operating profit divided by total assets.

## Return on capital

Operating profit divided by the average of the current and prior periods' total net assets.

## Return on equity

Profit for the period attributable to equity holders of the company divided by the average of the current and prior period-ends' equity.

## Return on invested capital (ROIC)

Trading profit plus trade receivable interest adjusted for operating lease costs, less depreciation subsequently calculated on the value of operating leases which are capitalised for the purposes of this ratio, less the adjusted tax charge and divided by the sum of core capital and capitalised operating leases at the reporting date.

## Sale of merchandise

Represents sale of merchandise through retail outlets and e-commerce, together with sale of merchandise to franchisees, wholesale sales and delivery fee income, excluding discounts, value-added tax and agency sale of merchandise to customers.

## Sales trading density

Represents annualised retail sales, which takes into account stores that opened and closed during the period, divided by trading square metres at the reporting date.

## Share-based payments

The expense recognised in profit or loss over the vesting period of instruments granted to employees in terms of the equity-settled and cash-settled compensation schemes.

## Shareholders' return

Share price at the reporting date minus share price at the beginning of the period plus dividends declared, divided by share price at the beginning of the period.

## Trading profit

Gross profit plus other income less trading expenses.

## Trading margin

Trading profit divided by sale of merchandise.

## Weighted average cost of capital (WACC)

The risk-free rate at the reporting date as extracted from the yield curve furnished by a financial institution adjusted by a risk premium appropriate for the Group.

## Weighted average number of shares

The number of shares in issue at the beginning of the period, increased by shares issued and treasury shares transferred to share scheme participants during the period, and decreased by share repurchases, weighted on a time basis for the period during which they were in issue.

## Weighted average price per share traded

The total value of shares traded divided by the total volume of shares traded for the period on the JSE.





# TRUWORTHS INTERNATIONAL

[truworthsinternational.com](http://truworthsinternational.com)

[truworths.co.za](http://truworths.co.za)

[office.co.uk](http://office.co.uk)