

Truworths annual profit jumps on eased Covid measures

By [Ngobile Dlodla](#)

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Fashion retailer Truworths International has reported a 49.9% rise in annual profit as consumers coming out of Covid-19 lockdowns splashed out on items to rejuvenate their wardrobes and homes.



Source: Reuters/Siphiwe Sibeko

The global apparel industry has been recovering from a punishing 2020, when shops were forced to close to prevent the spread of Covid and consumers switched formal dresses and shirts for sweat pants and loungewear.

As lockdowns eased, pent-up demand for new clothes for events, vacations and work revived sales. But the rising cost of living is threatening demand again.

Improved sales performance

Truworths, which also owns UK-based shoe chain Office, said headline earnings per share rose to 779.8 cents in the 53 weeks ended 3 July. Retail sales grew by 9% to R18.5bn, with Truworths Africa sales up 7.5% to R14bn, while UK Office sales grew by 16.6% in sterling terms and by 14% in rand terms.

"The results reflect our strong organic growth which has been driven by an improved sales performance, expanding gross profit margins and a continued focus on expense management," group chief executive Michael Mark said.



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The group's gross margin strengthened by 250 basis points to 53.5%, mainly due to lower markdowns at both Truworths Africa and Office, as well as selling more higher-margin products in the UK business, which sells designer sneakers and heels. As a result, group trading profit jumped 59.5% to R3.6bn.

Truworths' eight week sales post the reporting period showed that consumers have not stopped spending on discretionary items like clothes even as rising fuel, food and utility costs put pressure on disposable income.

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