

Truworths' earnings boosted by credit sales

By [Ngobile Dlodla](#)

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South African fashion retailer Truworths reported a 10.3% jump in half-year earnings on Thursday, 24 February as cash-strapped shoppers snapped up dresses and shoes on credit amid the high cost of living.



Source: Reuters/Siphiwe Sibeko

Middle-income consumers are increasingly turning to credit to fund non-essential goods such as clothes, shoes and household items, signalling pressure on disposable incomes.

Credit sales made up 52% of overall sales at Truworths, which also owns British-based shoe chain Office, in the 26 weeks ended 1 January, versus 51% in 2021.

Truworths said headline earnings per share rose to 494.6 cents over the half year from 448.6 cents in the comparable period of 2021. Group retail sales increased 13.7% to R11.3bn, with credit sales up 16.5% and cash sales rising 10.8%.

The growth came despite record electricity outages in the last quarter of 2022, which have left South African households and businesses without power for up to 10 hours a day.



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All of Truworths' South African stores have been able to trade during power cuts, including through the use of backup power installed by the group or made available by landlords. At present, about 82% of Truworths Africa's turnover is covered by backup power, the retailer said, adding that it would install additional capacity where appropriate.

"Notwithstanding these efforts, load shedding is likely to have had a negative impact on retail footfall, and consequently on retail sales, especially in malls without backup power," it said.

Retail sales for Truworths Africa, the group's biggest business, rose by 13.8%, while Office sales rose by 13.6% in sterling terms and 13.3% in rand terms.

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