

Shoprite turnover up 10.2% for September quarter

Shoprite Holdings, Africa's biggest retail group, reported that its turnover had increased by 10.2% in the three months to September.



Shoprite's turnover in Africa was up almost 30%.
Image: Shoprite Holdings

This growth was better than in the preceding quarter to June, even though local market conditions worsened and South African consumers had come under increasing pressure, the company said in an operational update.

The group's core business, RSA Supermarkets, increased turnover by 8.3% which is ahead of the growth of the sector as a whole. Internal food inflation averaged 4.2% for the period compared with official food inflation of 6.6%.

The group's non-RSA Supermarkets division increased its turnover by 29.1% and in constant currency terms, by 15.6%. Shoprite said the performance of the group's non-RSA operations was supported by the opening of 14 new food outlets since October last year. Of the 14 new outlets, five were Shoprite supermarkets and 9 were Usave stores.

"The highly competitive market in which the furniture division traded had remained virtually unchanged. It had nevertheless increased turnover by 9.3% despite the continuing deflationary environment," the group said.

It said a further 46 new supermarkets would be opened before January next year.

"Although the group is well prepared and expects fair trading conditions in the run-up to the festive season, it is difficult to predict what the consumer spending patterns will be. Obviously this time has a considerable impact on second-quarter sales and profitability," Shoprite said.

For more, visit: <https://www.bizcommunity.com>