

# Pepkor's first quarter sales up 6.5% on store expansion

By Nqobile Dlodla

30 Jan 2023

Pepkor Holdings, the owner of South African clothing retailer Pep and Ackermans, reported a 6.5% rise in first-quarter revenue on Monday, 30 January, helped by 132 new stores that it opened in the period and the acquisition of Brazilian retailer Avenida. But its like-for-like sales were hit by load shedding.



Source: Reuters/Sumaya Hsham

Retailers in South Africa have been hit not only by inflationary pressure on consumers, but also by rolling power cuts forcing retailers to pay more for backup power supply.

"The impact of load shedding was more pronounced in the rural and deeper outlying areas where the group's retail footprint has higher representation," Pepkor said.

However, more than two-thirds of its stores were able to trade during electricity disruptions by using backup power, it said, but added that the company still saw a 221% increase in loss of trading hours in the first quarter ended 31 December, compared with the same quarter in 2021.

This month, upmarket clothing retailer Truworths and value retailer Mr Price also saw a loss of business due to incessant power disruption in South Africa.



Current load shedding situation "untenable" - Mr Price chairman

23 Jan 2023



## Group revenue rises

Pepkor, majority-owned by Steinhoff International Holdings, said group revenue in the quarter rose to R24.3bn.

Pepkor's group merchandise sales for its retail segments, which include clothing, general merchandise, furniture, appliances, electronics and building materials, increased by 7.7%, while like-for-like group sales fell by 1.4%. Like-for-like sales excludes the newly-acquired Avenida business.

While sales of clothing and general merchandise, Pepkor's biggest business, increased by 10.2%, partly helped by cash-strapped shoppers buying clothes and homeware at its Pep discount stores, same-store sales decreased by 1.5%.

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