

# Massmart planning to sell Cambridge Food, Rhino and Massfresh

Massmart, the owner of Game, Makro and Builders, plans to sell the Cambridge Food, Rhino and Massfresh chains in a bid to "reduce exposure to non-core assets".



Credit: Massmart

Combined, Cambridge Food, Rhino and Massfresh employ 7,000 associates and own 57 stores, three fresh produce facilities and one meat processing plant.

Announcing the move to sell the chains in a full-year results statement on Monday, Massmart added that it will also conduct a detailed review of store performance and associated support costs in market geographies outside the South African Development Community.

Impacted by the pandemic, group sales declined by 7.7% to R86.5bn for the 52 weeks ended 27 December. The group reported a net loss of R1.8bn for the period, compared to a loss of R1.3bn during the same period in 2019, while reporting a headline loss of R900m for the period compared to a headline loss of R1.2bn during the same period in 2019.



Massmart plans further store closures, flags wider net loss this year

22 Feb 2021



## Online growth

However, online shopping jumped 58.6% to deliver R1.1bn in gross merchandising value across all Massmart trading banners. Online growth at Builders was 111%, followed by Game at 77% and Makro at 40%, while overall online participation was 1.8% of sales, the company said.

In January 2020, Walmart-owned Massmart announced a turnaround plan to stabilise performance. Since that announcement, the group has delivered more than 30 turnaround projects that have delivered R600m in total expense savings, Massmart said.

These projects have included the disposal of Dion-Wired, the disposing of underperforming Masscash stores, and the exiting of fresh food and launch of clothing in Game.



### Masscash stores sale to Black-owned Devland saves 640 jobs

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“There is still much work to be done, but I am satisfied that we are on the right track. We are currently executing against further initiatives and are already set to deliver 60% of our targeted savings for the current financial year,” commented Massmart CEO Mitch Sape.

Beyond the immediacy of turnaround, Massmart said it has prioritised investment in high-returning trading assets, mobile-first online solutions and merchandise categories in which it is a market leader in its target customer segments, namely general merchandise, DIY, wholesale food and liquor.

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