

## Shoprite to exit Uganda and Madagascar after review

South Africa's largest grocery retailer Shoprite Holdings said on Monday it is withdrawing from Uganda and Madagascar, adding to its growing list of African departures.

By Nqobile Dlodla 23 Aug 2021



Source: Reuters/Thomas Mukoya

The supermarket retailer expanded aggressively in Africa, surpassing rivals such as Pick n Pay and Walmart's majority-owned Massmart to become the continent's leading food retailer with more than 2,300 corporate-owned stores in 15 countries.

But forays into markets including Angola and Nigeria were marred by currency volatility, lower commodity prices and double-digit inflation, which hit household incomes and weighed on earnings. High import duties also contributed.

As a result of the challenges, Shoprite took a decision last year to review its Africa portfolio. The review included closing its Kenyan operations, [selling its Nigerian business](#) to local buyer Ketron Investment and restricting capital allocations to its supermarkets outside of South Africa.



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"In line with the group's non-South Africa review process, our operations in Madagascar and Uganda have been classified as discontinued," Shoprite said in its trading statement, without any further details.

Shoprite has been in Uganda since 2000, where it has five stores. It entered the Madagascan market in 2002 and operates 10 stores.

### Sales update

The retailer, which will release its results on 7 Sept, said it expects annual basic headline earnings per sha

(HEPS) from continuing operations rising between 15.3% and 25.3% from a restated 794.7 cents in 2020 Including the discontinued operations, HEPS are seen rising as much as 34.1%.



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For the 53 weeks to 4 July, group sales from continuing operations rose by 8.1% to about R168bn as all its operations at home grew sales.

Constant currency sales of the continuing operations in the rest of Africa rose by 6.8%, but in rand terms sales declined by 7.5% as currency devaluation continues to weigh on reported sales

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