

Massmart sells most food assets to Shoprite for R1.36bn

By [Ngqobile Dlodla](#)

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Massmart is selling its non-core food assets - including Cambridge Food, Rhino and Massfresh - to its rival Shoprite Holdings for R1,36bn to focus on businesses with high returns, the South African retailer controlled by Walmart said on Friday.



Source: Massmart

Massmart is in the middle of a turnaround that has now moved beyond shutting underperforming stores and replacing fresh and frozen food at its Game chain with clothing. After the deal, it will mostly sell fresh food through its wholesale Makro chain.

"The sale marks another step in the group's portfolio optimisation process and will, amongst other benefits, free up management time to enable increased focus on leveraging Massmart's core merchandise and market strengths," Massmart chief executive Mitch Sape said.



Massmart planning to sell Cambridge Food, Rhino and Massfresh

8 Mar 2021



71 food stores, 43 liquor shops offloaded

Under the deal, Cambridge Food, Rhino and Massfresh, which is made up of The Fruitspot and a meat processing facility, as well as 12 Cash & Carry stores, will be transferred to Shoprite Checkers, Massmart said.

It said proceeds from the deal would be used to pay down drawn bank facilities and for investments in e-commerce and also in general merchandise, do-it-yourself and wholesale food and liquor, Massmart's core businesses.

The transaction, consisting of 71 food stores, 43 liquor shops and a meat processing facility, is expected to close early in the first quarter of 2022.



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For Shoprite, a leader in high-volume and discount retail, the deal will give it a bigger slice of the R595bn food and grocery retail market, of which less affluent shoppers make up the overall market.

"We believe we can profitably run these operations," Shoprite group chief executive Pieter Engelbrecht said in a separate statement.

He said the deal also gave Shoprite, South Africa's biggest retailer by market capitalisation, immediate access to opportunities that were on its medium-term list.

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