

Black Friday, holiday sales spur demand at Shoprite

By [Ngobile Dludla](#)

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South Africa's biggest supermarket group Shoprite reported a 16.8% jump in half-year sales on Tuesday, 31 January, supported by a record Black Friday and festive season as both cash-strapped shoppers and upmarket consumers went after deals.



Source: Reuters/Siphiwe Sibeko

Shoprite's dual discount and upmarket grocery model tends to shield it better than rivals against high inflationary pressures as it targets millions of South Africans reliant on government grants as well as affluent shoppers with much bigger budgets.

To attract shoppers amid aggressive price competition from rivals Pick n Pay and upmarket Woolworths, it offered discounts of R7bn at Shoprite and Checkers stores in addition to holiday deals, it said. But the offerings would hurt margins of its South African supermarkets business, the company said.

"This together with the impact of the approximate 56% year-on-year increase in fuel price on our supply chain operations will result in...marginally lower gross margin for the period," Shoprite added.



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The retailer, with over 2,100 stores across Africa, said group sales for the six months ended 1 January jumped to R106.3bn. Second quarter sales rose by 15.2%. The group's core business, Supermarkets South Africa, which contributes up to 80% to the topline, grew sales by 17.5%, with like-for-like sales growth of 11.1%.

Internal selling price inflation for the period was much higher than a year ago, measuring 9.4%, reflecting the group's exposure to commodities such as wheat, where selling price inflation has been notably higher, it said.

Its rest of Africa business grew sales by 17.5% in rand terms.

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