

Pepkor to roll out new stores despite energy crisis

By Tannur Anders

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Pepkor Holdings Ltd said on Tuesday, 30 May that it would add 71 stores by the end of the year, bringing the total to 6,000 as it seeks to build market-share even as the country's power crisis burdens both retailers and consumers.



Source: Reuters/Sumaya Hisham

South Africa faces its worst rolling blackouts on record, with up to 10 hours of daily power cuts. Eskom has said the problem could get worse as the upcoming coldest months increase demand.

Retailers, such as Pepkor, which operates a chain of consumer stores including affordable clothing store Pep and furniture store Rochester, have had to source back-up power or run diesel generators.

R800m in turnover lost

Pepkor uses inverters and generators at nearly three-quarters of its stores and spent around R72m on diesel for the six months ended 31 March. In total, the company lost around R800m in turnover, based on rough calculations, for the period due to load shedding, its CEO Pieter Erasmus told *Reuters*.

Shopping malls can be plunged into darkness even if individual stores can keep the lights on, which can lead to a widespread decrease in footfall during power cuts. Inflation has also meant customers focus their spending on essential

goods rather than discretionary products.



Pepkor posts 11.7% fall in half-yearly profit

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Pepkor said it was adapting by concentrating on its most robust brands and planned to add a further 71 stores in addition to 168 added in the first half.

The company - which also operates in Mozambique, Zambia [and Brazil](#) - posted an 11.7% drop in half-yearly earnings on Tuesday. Its share price traded at 1394 cents, having lost around 8% of its value since Monday's close.

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