

Shoprite chalks up 9.6% annual sales rise

By [Ngobile Dlodla](#)

26 Jul 2022

South Africa's biggest grocer Shoprite Holdings has reported a 9.6% increase in annual sales as cash-strapped shoppers looked for value at its discount stores.



Source: Reuters/Siphiwe Sibeko

Although inflation and interest rates are rising globally, sapping consumer demand, Shoprite's mainstay South African customers continued to spend, helped by government Covid-19 grants, which had added to household disposable incomes.

Shoprite, with more than 2,400 stores in 11 African countries, said total sales for the 52 weeks to 3 July rose to approximately R184.1bn from R168bn in the 53 weeks prior, despite the impact of civil unrest last year that destroyed its stores.

Sales were bolstered mainly by its South African supermarkets business, which achieved sales growth of 10.1%, while sales at its liquor business rose by 44.5% as lockdown restrictions on the sale of alcohol eased, it said in its trading update.

Internal selling price inflation measured 3.9% for the year, well below South Africa's food inflation rate, although the group's second half inflation measured close to 5% as it accelerated in the fourth quarter, Shoprite said.



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Outside South Africa, sales rose by 10.4%, while its other businesses such as the OK grocery franchise and drug stores grew sales by 8.5%.

Rival Woolworths reported a 1.4% rise in annual sales, helped by an improved second half of the year as lockdown restrictions eased, while smaller rival Pick n Pay grew sales by 10.7% in the 18 weeks to 3 July.

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