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RETAIL

The Foschini Group records turnover growth on strong Aussie and SA performance | 10

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TFG records turnover growth on strong Aussie and SA performance

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THE Foschini Group (TFG), the JSE-listed fashion, beauty and home retailer, posted 15.8 percent growth in turnover in its first quarter of 2022 as it flagged that the impact of last month's civil unrest in KwaZulu-Natal and parts of Gauteng would continue to dampen consumer spending.

TFG, whose brands include Jet, Foschini and Markhams, said while the majority of its outlets traded strongly during the past quarter, consumer spend, particularly for TFG Africa, remained muted as uncertainties around further Covid-19 outbreaks, extended lockdowns and the slow pace of the vaccine rollout adversely impacted consumer confidence.

It said 198 of its outlets were con-

firmed as having been looted and damaged to varying degrees during the civil unrest in KZN and Gauteng.

As of yesterday, the stores affected by the mayhem remained closed, while all stores that were temporarily closed because of safety concerns had since reopened. TFG said the impact of the unrest on the half-year results was impossible to determine as there was no certainty as to when damaged stores would resume trading.

TFG Africa and TFG Australia recorded strong turnover growth during the first quarter of the 2022 financial year. Group turnover growth was 15.8 percent compared to the first quarter of the 2020 financial year.

It said TFG Australia continued to exceed expectations with turnover growth of 32.7 percent compared to the same period in the 2020 financial

year despite intermittent snap lockdowns and restrictions in different states and regions, depending on the number of positive Covid-19 cases.

TFG Africa grew its turnover by 26.8 percent in the first quarter of the 2022 financial year compared to the first quarter of the 2020, supported by the significant contribution of Jet stores from September 2021.

"Excluding Jet, turnover grew by 4.4 percent compared to the same quarter in the 2020 financial year which was encouraging especially as trade continued to be disrupted during the first quarter," TFG said. TFG bought 371 economically viable Jet stores from ailing Edcon a year ago.

Cash turnover for the quarter grew by 55.5 percent, contributing 69.6 percent to TFG Africa's turnover during the quarter.

Credit turnover was 10.8 percent less than a year earlier as the group reduced acceptance criteria in line with the prevailing economic conditions.

Online turnover for the quarter grew by a whopping 163.2 percent compared to the same quarter in 2020 and now contributed 3 percent to total TFG Africa turnover.

TFG Africa opened 71 new stores during the quarter, while 29 stores were closed.

At the end of the quarter, TFG Africa traded from 2 971 stores, up from 2 929 as at March, 31, 2021.

TFG London's outlets started trading again from April 12 in a phased approach after the end of the third national government-enforced lockdown, which started in January 2021. Foschini Group closed 0.45 percent lower at R153.99 on the JSE yesterday.