

# Shoprite Q1 sales jump as shoppers look for discounts

By [Ngobile Dlodla](#)

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South Africa's biggest grocery retailer Shoprite Holdings reported on Monday first-quarter sales growth of 18.6% as financially constrained consumers flocked to its budget chains for discounts.



Shoppers leave the Shoprite store in Daveyton, South Africa 23 May 2018. Reuters/Siphiwe Sibeko/File Photo

South Africans have been hit this year by rising mortgages and rents, higher fuel prices and soaring food inflation, leaving many with little to no cash to cover expenses.

However Shoprite is faring better than competitors, with its focus on budget-conscious consumers, including more than 11 million South Africans on welfare grants and others on government Covid-19 grants. Meanwhile its push into the higher-spending market has also helped.

The group's core Supermarkets South Africa segment, represented by budget chains Shoprite and Usave, and upmarket chains Checkers, Checkers Hyper and LiquorShop, grew sales by 19.9% in the first quarter ended September, lifted by rising customer numbers, volume growth and higher average basket spend.

Internal selling price inflation measured 8.2%, Shoprite said.



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Shoprite's 10-country African supermarket division increased sales by 18.8% in rand terms. In constant currency, sales also rose, while sales at the group's furniture business increased by 5.2%.

Shoprite said the first quarter has been accompanied by a number of rising costs, in particular, fuel prices as the utility Eskom implements rolling power outages due to generation capacity constraints.

At higher stages of power cuts, when its solar and generators cannot keep up, Shoprite estimates that its additional monthly spend on diesel amounts to R100m (\$5.79m) per month.

(\$1 = R17.2839)

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