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RETAIL TURNOVER

Black Friday boosts TFG sales 17% in quarter to December

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Clothing and homeware retailer TFG had a bumper December quarter, with retail turnover rising 17.3% year on year as consumers rushed to buy Black Friday's discounted merchandise.

The festive period was buoyant for the company, with retail turnover surging 23% compared with the same period a year earlier, boosted by the relaxation of lockdown restrictions that allowed greater freedom for shoppers to move around.

TFG said on Friday that all merchandise categories in SA grew retail turnover in the three months to December, save for cosmetics and cellphones, which were affected by global supply-chain disruptions.

Most of its clothing merchandise is sourced locally, making it less susceptible to supply-chain bottlenecks that have afflicted many businesses since the start of the Covid-19 pandemic.

TFG Africa netted R422m in retail turnover in November, compared with R341m the year before, while the week before

Christmas it delivered about R380m more retail turnover compared with the year before.

Group cash retail turnover grew 16.8%, contributing 79.4% to total retail turnover, while credit retail turnover grew 19.2%.

"TFG has capitalised well on both Black Friday and the festive season period," said Willem Oldewage, an analyst at Nitrogen Fund Managers, adding that strong growth in TFG's Africa, the Jet home, and athleisure segments look to have contributed positively to the group sales.

"Australia and the UK were solid, though the latter slowed somewhat from the prior quarter. TFG has also provided a fairly positive outlook. Comparing top-line results in the sector seems to indicate Mr Price and TFG gained while Truworths lost market share over the last 13 weeks."

The retailer said its operations in Australia continued to see strong retail turnover growth as multiple state governments relaxed Covid-19 restrictions to allow greater freedom of movement by November 2021.

BLACK FRIDAY BOOST



Retail turnover in Australia grew 17% in Australian dollar terms, with online retail turnover surging 43% during the review period.

In the UK, TFG said demand for key categories was starting to recover, but the recovery was dampened after the UK imposed restrictions to curb the spread of the Omicron variant.

Retail turnover in the UK rose 25.5% in pound terms year on year, but slowed compared with the second financial quarter in which turnover growth was 65.6%. Group online retail turnover rose 10.3% from the same period a year ago.

TFG shares jumped as much

as 7%, the most since June, before pulling back to close 4.19% higher at R136.21. This was against the JSE all share index, which was down nearly 2% on the day.

"Though the trading environment across all three [of] our main territories is expected to remain challenging, we are encouraged by the trading performance during the review period," TFG said in a statement.

TFG reopened 166 of the 198 stores that were looted during the civil unrest in SA in July. Six more stores will reopen in March, with the remainder reopening in April.

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