

Christmas sales leap nearly a third for TFG, boosting its shareprice

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Retail group TFG - whose brands include Foschini, Markham and @home - enjoyed Christmas sales in 2017 that were 31% higher than the previous year's.



TFG CEO Doug Murray

In contrast [with Woolworths](#) on Monday and Shoprite on Tuesday morning, TFG's sales update spurred its share price 7% higher to R183.97, on the news that its December sales were "above management's expectation" following "very strong Black Friday trade on November 24".

TFG said cash sales from its stores in SA and the rest of Africa grew 11.9% while credit sales grew 0.6%.

November's acquisition of Hobbs, described as a "contemporary British womenswear brand" with 140 outlets, helped TFG London's turnover grow 63.9% in December from the same month in 2016.



TFG acquires British womenswear brand

7 Nov 2017



The group expanded into Australia in May by [acquiring Retail Apparel Group](#) (RAG). Tuesday's sales update did not give a comparative figure between December 2017 and the prior year, but said: "TFG consolidated December trade also includes TFG Australia for the first time, which traded above management's expectation." TFG Africa grew turnover 6.6%, much of this from opening additional stores since same-store turnover growth was 1.7%.

The sales update provided a breakdown of turnover for various categories in TFG's home market. Clothing sales grew 11.4% while homeware sales declined 1.5% and cosmetic sales declined 4.6%. The group's jewellery division, which includes American Swiss, suffered a 0.8% decline in sales while revenue from cellphones fell 10.8%. December marked the ninth month of TFG's financial year.

The group said its overall turnover measured in rand grew 17.1% during the nine months from the matching period in 2016. If not for the rand's strengthening against the pound and many African currencies, turnover growth would have been 19.1%.

"Merchandise deflation for the nine-month period in TFG Africa remained at similar levels to the number reported at interim, averaging approximately 0.7%," the company said in the sales update.

Source: BDpro

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