

# Shoprite weathers unrest to pump up first-half profit

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8 Mar 2022

South Africa's largest grocery retailer Shoprite Holdings Ltd reported on Tuesday a rise of 25.5% in half-year earnings, and said it expects selling price inflation to move higher during the second half of its financial year.



Source: Reuters/Siphiwe Sibeko

Consumer goods firms worldwide are battling a surge in costs of commodities, energy, transport and labour. Russia's invasion of Ukraine is compounding inflation pressures, with commodity prices, including wheat and maize, surging since late February.

In South Africa, food producers Tiger Brands and RCL Foods, which service all grocers in the country, have recently announced plans to take additional price increases to the market.

"Inflation pressures are mounting and as such we expect selling price inflation to move higher during the second half of our financial year," Shoprite said.



## Tiger Brands plans more price increases as margins struggle

[Nqobile Dlodla](#) 16 Feb 2022



In the six months ended 2 January, Shoprite's South Africa supermarkets business had selling price inflation of 2.6%, which declined from 4.3% in the previous six-months.

In its rest of Africa supermarkets unit, food inflation averaged 7.6%.

## Headline earnings

Shoprite said headline earnings per share, the main profit measure, from continuing operations rose to 522.6 cents in the period, from 416.5 cents in the six-months ended 27 December.

Shoprite, which has more than 2,000 corporate-owned supermarket stores in 11 African countries, declared an interim dividend of 233 cents, up 22%.

Group sales rose by 10% to R91.1bn as customer visits at its core supermarkets business in South Africa increased by 6.2% and the average basket spend rose by 4.8%.

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