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Foschini profits rise 3% despite gloom in the market | 15

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Group now eyeing Black Friday, Cyber Monday and Christmas to boost its trade performance in second half

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THE FOSCHINI Group (TFG), which operates in South Africa, Australia and the UK, saw its interim profit rise 3 percent, despite low economic growth across all three of its major territories.

The retailer was now looking to cash in on Black Friday, Cyber Monday and Christmas trade to boost performance in the second half of the year.

In its results for the half-year to September, the retailer, owner of @ Home and Totalsports in South Africa and the Hobbs and Whistles clothing brands in the UK, said yesterday that the period had been challenging with increased pressure on consumers, retail industry disruption.

The group increased headline earnings a share 3 percent to 526.7 cents, with basic earnings per share up 5.4 percent.

It declared an interim dividend of 335c a share, an increase of 1.5 percent over the last year.

"Nevertheless, the group outperformed the market in each of its three major territories and generated free cash flow in excess of R1.1 billion," the group said.

It grew revenue 6.3 percent to R18.6bn, while overall turnover was up 6.5 percent to R17bn.

The group said the business environment had been choppy, with TFG Africa's turnover growing 6.4 percent and comparable store turnover growth of 4.6 percent.

TFG said while the general retail outlook in the UK and Australia remained relatively subdued, South



FOSCHINI store in Sandton. The group outperformed the market in each of its three major territories, despite the challenging economic environment. | LEON NICHOLAS African News Agency (ANA)

Africa was particularly challenging, given the close to zero growth environment, chronically high structural unemployment and the continuing speculation of a possible credit downgrade and what that may imply for the consumer.

"Despite these challenges, TFG will continue to focus on its well-defined strategy and believes that its considerable efforts in respect of digital transformation and business optimisation

will positively position the group for the future," it said.

"TFG London achieved a turnover growth of 0.1 percent in a particularly tough environment where Brexit-related uncertainty continues along with the ongoing negative impact of constrained trade through the House of Fraser," the group said.

TFG London's turnover grew by 3.6 percent, excluding concession turnover from House of Fraser.

TFG Australia continued to report strong performance with turnover growth of 11.1 percent and comparable store turnover growth of 6.1 percent. Turnover growth for TFG Australia, excluding the G-Star franchise stores disposed of in December last year, was 15.9 percent.

"The comparable store turnover growths are a notable achievement and are driven by an emphasis on merchandising and quality service,"

TFG said.

Its footprint was 4 066 outlets across 33 countries at the end of the period, with 108 new outlets opened during the past six months, while 127 outlets were closed.

"Focus on space rationalisation in TFG Africa continued with net space increasing only 0.3 percent since the year-end," it said.

The share price fell 2.87 percent to close at R166.72.