

Shoprite half-year profit rises more than 10%

By [Nqobile Dlodla](#)

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Shoprite, South Africa's biggest supermarket group, posted a 10.2% rise in half-year earnings on Tuesday, 7 March, as both cash-strapped shoppers and upmarket consumers went after Black Friday and holiday deals.



Source: Reuters/Siphwe Sibeko

The company's dual discount and upmarket grocery model tends to shield it better than rivals against inflationary pressures as it targets millions of South Africans reliant on government grants as well as affluent shoppers with much bigger budgets.

The retailer, with over 2,100 stores across Africa, said headline earnings per share rose to 581.3 cents in the six months to 1 January, up from 527.4 cents in the prior year.

Sales rose by 16.8% to R106.3bn, supported by double-digit growth of its South Africa supermarkets business.



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However, chief executive Pieter Engelbrecht said the retailer was disappointed that as a result of spending R560m to fuel diesel generators to deal with rolling power cuts, its profit level was not satisfactory.

"We are not reporting the level of profit and dividend growth normally associated with such a notable achievement in terms of sales growth," he said.

The retailer declared an interim dividend of 248 cents per share, still higher than the 233 cents paid in the prior year.

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