

TFG group turnover up by 21.4% to R28.6bn

TFG has reported that group turnover rose 21.4% to R28.6bn in the year ended March, while headline earnings were up 9.6% at R2.5bn.



TFG CEO Doug Murray

The Group acquired Australian menswear brand RAG, effective 24 July 2017, and eight months' trading of RAG is included in these results. The acquisition of UK womenswear brand Hobbs, was effective 25 November 2017, and four months' trading is included.

Retail turnover growth was underpinned by a 23,5% (GBP) growth for TFG London and 6,3% (ZAR) growth for TFG Africa. The balance came from TFG Australia. TFG London's turnover growth excluding Hobbs, was 4,2%, well ahead of the UK retail market.

The Group added 602 outlets this financial year as part of the TFG Australia and Hobbs acquisitions. TFG opened 281 outlets – 146 in TFG Africa, 91 in TFG London and 44 in TFG Australia. It closed 177 underperforming outlets (83 each in TFG Africa and TFG London, 11 in TFG Australia). Net trading space in African operations increased by 3,5%.



TFG acquires British womenswear brand

7 Nov 2017



[Business Day reports](#) that the fashion and homeware retailer has plans to open six new stores in Australia in October. For "competitive reasons", it hasn't been disclosed which South African brand the stores will fall under.

Merchandise category growth

By merchandise category, group clothing turnover grew nearly 29%. Jewellery, and homeware and furniture turnover, increased by just less than 1%, while cosmetics and cellphones were down 2,4% and 0,2%, against a backdrop of significant discounting and product price deflation respectively.

“It was particularly gratifying for TFG Africa to have achieved gross margin expansion in all merchandise categories, with the exception of cosmetics, during a tough trading period which was characterised by unusually high levels of discounting across the market. The strong performance of our clothing category within Africa is particularly pleasing,” said TFG CEO Doug Murray.

He added that e-commerce continues to be a strategic focus area. “In the past year the Group has brought @homelivingspace, Exact, Foschini and Soda Bloc online, offering a cyber shopping experience of 20 TFG brands. The Group’s online turnover contribution has grown from 5,4% to 6,5%.”



Local TFG brand taken to Australia

3 Nov 2017



Murray said the Group remains cautious about the economic and political outlook, both in South Africa and abroad. UK uncertainty about the Brexit negotiations, among other factors, continues to impact consumer and business confidence. Local prospects have improved with the appointment of President Cyril Ramaphosa.

“Our commitment to our strategic pillars of customer, leadership, profit and growth, together with our diversification across cash and credit turnover, our portfolio of brands, geographies and sales channels, will support the Group’s future resilience and success. In particular, our previously reported focus on superior customer experiences, cost control, working capital management and capital optimisation will continue, with additional focus on strategic investment in digital transformation.”

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