PARKER REVIEW

A weekly news summary for SA business professionals: 24 May 2024

Retail & Business

Retail & Business

- Checkers Sixty60 app getting major overhaul; to sell electronics and appliances from Checkers Hyper stores. (17 May; fin24.com; techcentral.co.za; sixty60.co.za)
- Trade Intelligence's *Liquor Retailing in SA Report*: Liquor retail growth outstripping groceries. Off-trade liquor sales increased +10% in 2023; on-trade performance remains hampered in post-pandemic era. (17 May; retailbriefafrica.co.za; Trade Intelligence)
- World Wide Worx research: Airtime is most commonly purchased product online in SA, followed by clothing and groceries. (18 May; mybroadband.co.za; worldwideworx.com)
- Netcare: Profit for six months to end March grew to R708 million. (20 May; businesslive.co.za; Netcare)
- Euromonitor International: Over 50% of MEA consumers in loyalty programmes want discounts and offers alongside free products. (20 May; bizcommunity.com; euromonitor.com)
- Adcorp Holdings expecting HEPS from continuing operations to be 38.4% to 48.4% lower than a year ago. (20 May; Adcorp)
- Implats concluded B-BBEE transaction valued at +-R9bn. (20 May; Implats)
- Balwin Properties' profit for year to end February has declined 50% to R217.4 million. (20 May; Balwin)
- Astral Foods' results for six months to end March: Revenue increased 4%, HEPS increased by 441%. Looking at piloting canned chicken as alternative to pilchards. (20 May; fin24.com; Astral Foods)
- Altron Group annual financial results: Total operating profit of R210 million and total revenue of R10.3 billion. Netstar's revenue climbed to R2.1 billion. (20 May; mybroadband.co.za; Altron)

- Launch date for Amazon's Prime membership in SA is still unknown. (20 May; mybroadband.co.za; amazon.co.za)
- Famous Brands' results for year to end February: Revenue up 8% to R8 billion; HEPS down 5%. (20 May; businesstech.co.za; Famous Brands)
- Redevelopment of Cape Town Station complete. (20 May; propertywheel.co.za; siyazama.co.za)
- Vodacom and Orange in infrastructure-sharing talks. (20 May; mybroadband.co.za; vodacom.co.za)
- Transaction Capital results for half-year to end March: Revenue declined to R981 million from R1.3 billion a year ago. (21 May; businesslive.co.za; Transaction Capital)
- Vivo Energy and Engen have competed deal to form 'pan-African champion'. (21 May; engineeringnews.co.za; engen.co.za)
- Ellies CEO: If plan to sell Ellies' retail import and distribution business is approved, brand will continue to exist. (21 May; mybroadband.co.za; Ellies)
- NIQ SA's State of the Retail Nation: SA's FMCG trade sales climbed 7.7% to R112 billion in Q1 2024. (21 May; retailbriefafrica.co.za; nielseniq.com)
- Southern Sun: Profit for year ended March from continuing operations rose to R856 million from R741 million. (22 May; Southern Sun)
- RFG Holdings' results for six months to end March: Group revenue up 3.2% to R3.9 billion. (22 May; RFG)
- Spear REIT: 3.8% rise in full-year distribution per share. (22 May; Spear)
- Pick n Pay statement for 52 weeks ended 25 Feb: Expects to report full-year loss as it takes R2.8 billion impairment on unprofitable stores. Online sales growth of 74.4%. (22 May; mybroadband.co.za; moneyweb.co.za; Pick n Pay)
- Changes planned for Fourways Mall include: Enhancing infrastructure and services, improved signage, 'vibrant' new tenants, energy alternatives, enlarging parking bays, etc. (22 May; businesstech.co.za; fourwaysmall.com)

- Life Healthcare expecting full-year earnings to improve by more than 20%. (22 May; businesslive.co.za; Life)
- Microsoft investing R1.3 billion in SA. (22 May; businesstech.co.za; microsoft.com)
- TWK Investments' taxed profit fell by 52% to R96 million in six months to end February. (22 May; iol.co.za; TWK)
- Woolworths to start selling Apple products, laptops and gaming consoles online. (22 May; mybroadband.co.za; woolworths.co.za)
- Reunert results for six months to end March: Operating revenue up 7% to R6.64 billion. (22 May; mybroadband.co.za; Reunert)
- Anglo American has rejected R895 billion bid from BHP (but leaves door open for further discussion). (22 May; businesstech.co.za; Anglo American)
- Burstone Group FY2024 results: 7.4% increase in distributable earnings per share. (22 May; propertywheel.co.za; Burstone)
- Tsogo Sun: Profit after tax for year to end March has declined 13% to R1.5 billion. (23 May; businesslive.co.za; Tsogo)
- Vukile confirms takeover bid for Capital & Regional. (23 May; moneyweb.co.za; Vukile)
- Stefanutti Stocks: Improvement in contract revenue to R7.1 billion for 12 months to end February. (23 May; engineeringnews.co.za; Stefanutti)
- Bidcorp Group: Record group revenues in 10 months to end April. (23 May; engineeringnews.co.za; Bidcorp)
- Checkers has launched new private label food range called 'Foodie!'. (23 May; businesstech.co.za; Shoprite Holdings)
- Calgro M3 and Eris Property Group have received green light from Competition Commissoin to purchase land for development of new Bankenveld District City in Sandton. (23 May; businesstech.co.za; calgrom3.com)

- AA: SA motorists can expect big decrease in petrol and diesel prices in June. (18 May; mybroadband.co.za; aa.co.za)
- Latest Pam Golding Properties Residential Property Index: Gauteng has reclaimed top spot as SA's dominant residential building region. (18 May; dailyinvestor.com; Pam Golding)
- S&P Global Ratings has kept SA's credit ratings unchanged. (18 May; fin24.com; spglobal.com)
- BMI: SA needs R1 trillion over next 10 years to repair and upgrade its water infrastructure. Also: Break up Transnet to solve SA's rail and ports crisis. (19 May; dailyinvestor.com; dailyinvestor.com; dailyinvestor.com; bmi.co.za)
- Macroeconomic Digest Labour Report (May 2024): Jobs in SA agriculture rose by 50% in 13 years. (19 May; iol.co.za; NAMC)
- Kantar Mzansi Consumer Barometer 2024: South Africans' top five concerns: Rolling blackouts, rising unemployment, crime and violence, corruption and the cost-of-living crisis. (20 May; dailymaverick.co.za; Mzansi Barometer)
- As of May 2024, SA motorists are paying R3 per litre more to fill up cars compared to start of year. (20 May; businesstech.co.za)
- Allianz Risk Barometer: Main risk that food and beverage sector is facing is business interruption. (20 May; iol.co.za: commercial.allianz.com)
- Y/y volumes rose across Transnet Port Terminals' sectors in first six weeks of 2024/2025 financial year. (20 May; iol.co.za; transnetportterminals.net)
- Coronation's interim results for period through March: Revenue increased by 4.3% to R1.89 billion. (21 May; dailyinvestor.com; Coronation)
- SARB: SA economic growth could be severely stunted if carbon taxes are widely imposed on its exports. (21 May; businesstech.co.za; SARB)
- Ramaphosa: NHI 'operational complexities' to be ironed out. Considering how to give private sector greater input into implementation. Related: Health activists: NHI could cost close to R1 trillion to fully implement. (21 May; ewn.co.za; dailymaverick.co.za; ewn.co.za)

Financial & Other

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- PwC's SA Economic Outlook: Local manufacturers have received nearly 40% of all FDI in SA, followed by mining and the financial sector. (21 May; dailyinvestor.com; pwc.co.za)
- Gautrain expansion plan uncertainty. (21 May; mybroaband.co.za; gautrain.co.za)
- Alexforbes expecting full-year earnings to rise more than 20%. (21 May; businesslive.co.za; Alexforbes)
- TymeBank customers can now withdraw cash at 172 000 spaza shops and traders across SA. (21 May; techcentral.co.za; tymebank.co.za)
- CareerJunction's employment insights for Q1 2024: Hiring acridity dropped by 11% (vs Q1 2023). (21 May; businesstech.co.za; careerjunction.co.za)
- SARB composite leading business cycle indictor fell 1.9% in March. (21 May; SARB)
- Annual CPI decelerated to 5.2% in April (from 5.3% in March). (22 May; fin24.com; Stats SA)
- Capitec now has as many clients as Standard Bank, Absa and Discovery Bank combined. (22 May; moneyweb.co.za; capitecbank.co.za)
- BankservAfrica Take-home Pay Index (BTPI): Nominal average pay fell below R16 000 mark to R15 374 in April. (22 May; businesstech.co.za; BTPI)
- PetroSA's Mossel Bay deal with Russian Gazprom now in feasibility stage. (22 May; citizen.co.za)
- Investec: 8% rise in annual operating profit to £884.5 million. (23 May; moneyweb.co.za; Investec)
- Stats SA: 50% of SA households now benefit from social grants. (23 May; fin24.com; Stats SA)
- Old Mutual targeting corporates who are sitting on a lot of cash and who are hesitant to deploy it into new projects. (23 May; dailyinvestor.com; oldmutual.co.za)

- **Eskom / energy-related news: (18 - 24 May)**
  - **Eskom chairperson: Three things have changed at utility that have resulted in over 50 days of no load shedding: Leadership changes, maintenance plan, and execution of plan. Eskom not out of the woods yet, however. (mybroadband.co.za; dailyinvestor.com; eskom.co.za)**
  - **Eskom slashed its diesel usage in April, cutting spending from R3.1 billion in 2023 to R1.1 billion in 2024. (mybroadband.co.za; eskom.co.za)**
  - **Ramokgopa cautiously celebrating two months without load shedding. Also: Waiting on Presidential advice on load shedding in essential facilities case. (news24.com; ewn.co.za)**
  - **Eskom has approved plan to keep using at least three stations (Camden, Grootvlei and Hendrina) that were scheduled to close over next few years until 2030. (mybroadband.co.za; engineeringnews.co.za; eskom.co.za)**
  - **Eskom seeking Nersa permission to reserve grid capacity for pubic IPP procurement rounds. Related: Presidency insisting 22.5GW private IPP pipeline won't be disrupted by Eskom move to reserve grid for public projects. (engineeringnews.co.za; engineeringnews.co.za; nersa.org.za)**
  - **SANEDI: Load shedding will return as winter progresses and demand for electricity ramps up. (dailyinvestor.com; sanedi.org.za)**
  - **SA's R105 billion green hydrogen, green ammonia project to be underpinned by cluster of nine solar projects in De Aar area. (engineeringnews.co.za)**
  - **South Africans will pay over five times more for electricity in 2025 than in 2010. (dailyinvestor.com; bdo.co.za)**

- ***Articles of the Week:***
  - ***Restaurant franchises sizzle under pressure, but remain resilient. (20 May; bizcommunity.com)***
  - ***The biggest retailers in SA: Shoprite vs Woolworths vs Spar vs Pick n Pay. (20 May; businesstech.co.za)***
  - ***E-commerce in SA is on track to surpass R100bn by 2026. (20 May; bizcommunity.com)***
  - ***Pain at the till: Consumers shift to essential and private labels. (21 May; moneyweb.co.za)***
  - ***New MRF MAPS™ consumer data reveals shifting SA landscape. (21 retailbriefafrica.co.za)***
  - ***Big changes for Shoprite in SA. (23 May; businesstech.co.za)***

Contact Details

Douglas Parker Associates

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