

Hundreds of Shoprite Group stores damaged during riots

Last week's civil unrest resulted in damage to more than 200 stores within the Shoprite Group.



Source: Shoprite Group

Supermarket retail and distribution

The retail group said that of the 1,189 supermarkets trading in South Africa under the Shoprite, Usave, Checkers and Checkers Hyper banners, 119 stores – 69 Shoprite, 44 Usave, 5 Checkers and 1 Checkers Hyper – were severely impacted as a result of looting or fire damage.

Of the group's 537 LiquorShops in SA, currently restricted from trading under Covid-19 Alert Level 4 lockdown regulations, 54 stores were impacted. Meanwhile, 35 stores in the company's furniture division experienced severe damage from either vandalism, looting or fire. This division includes OK Furniture and House & Home.

The group's Freshmark fresh produce distribution centre (DC) in Durban was also looted, however its operational capacity has been fully restored since Sunday, 18 July, while the group's KwaZulu-Natal dry goods DC resumed deliveries to stores in the province from Thursday last week.

The group added that its Gauteng-based DC has "operated seamlessly throughout" to the extent that it delivered goods to Shoprite's KwaZulu-Natal operations from as early as Thursday last week in support of the stores re-opening in a phased

approach throughout the province.



Operation 'rebuild and restock' underway as unrest wanes

Lauren Hartszenberg 16 Jul 2021



"The majority of the stores closed on a precautionary basis have been reopened. Despite constraints in certain instances from store closures due to landlords keeping centres closed, the group is committed to rebuilding and restoring operations as quickly as possible and with each passing day we add to our count of stores re-opening for business," Shoprite said.

The Shoprite Group said that as a result of "exceptionally strong turnover" in the remainder of its nationwide operations, the group's supermarkets RSA segment achieved positive sales growth last week.

"This is despite the direct impact of this unrest on our store base in the KwaZulu-Natal and Gauteng provinces, precautionary measures taken by the group to close additional stores and our LiquorShop business being closed due to lockdown regulations," Shoprite said.

Other operating segments

In the group's 'other' operating segments, it said that 16 OK franchise stores were damaged. While a number of OK stores in the affected areas were closed last week for precautionary reasons, the majority of these, at least 292, have since re-opened to resume trade. Stores not directly impacted that remain closed are almost entirely a result of landlords keeping centres closed.

Transpharm, the group's wholesale pharmaceutical business did not experience any disruption to its operations in KwaZulu-Natal or Gauteng. It remains fully operational and, together with MediRite Pharmacies, is serving a critical role with regards to the supply of medicine to hospitals in KwaZulu-Natal, Shoprite said.



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19 Jul 2021



Adequately insured for damage

Shoprite said that it's adequately insured for material damage to assets, stock and business interruption, and while some necessary irrecoverable one-off costs have been incurred to protect operations, they are not expected to be material at a group level.

Group CEO Pieter Engelbrecht commented, "Our sincere thanks go out to our colleagues in particular to our regional teams in the affected areas. Their efforts, together with world-class execution by our loss prevention, supply chain and fleet management teams were unsurpassed.

"To our loyal Usave, Shoprite and Checkers customers your resounding show of support collectively contributed to our ability to re-open and rebuild our business and serve our communities in KwaZulu-Natal and Gauteng last week. We cannot thank you enough."

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