

Dis-Chem benefits as shoppers return to malls

Pharmacy retailer Dis-Chem has reported positive revenue growth of 15.3% to R12.7bn for the 21 weeks between 1 September 2021 to 26 January 2022.



Source: Dis-Chem

In a trading update issued by Dis-Chem, chief executive Ivan Saltzman commented: "We continue to trade well, with market share gains across all core categories, supported by further normalisation in gross margins. This is being driven by a shift in consumer dynamics and a sustained return to regional shopping malls, where many mature Dis-Chem stores are located."

He added that in an environment where the pandemic continues to constrain consumers, the retailer's low-price strategy, "differentiated service offering" and new conveniently-located stores remain cornerstones to "delivering consumer value", reinforcing the Dis-Chem brand's destination status and the resilient nature of the business.



Labat Africa ramps up cannabis retail expansion with new deals

20 Jan 2022



Early signs of normalised sales

The group's retail segment revenue increased by 15.5% to R11.4bn over the 21-weeks compared to the corresponding period. Like-for-like revenue growth was 5.5% driven by a gradual return to shopping malls, Dis-Chem said.

As a result of the less severe Omicron-variant fourth wave, and relative to the base which resulted during the more serious second-wave, sales growth of preventative healthcare products, including vitamins and nutraceuticals were muted during December and January. Dis-Chem said there are early signs of normalised sales returning to this category.

The group also reported "notable gains" in Pharmacy, Personal Care, Baby and Beauty categories.

During the 21-week period, Dis-Chem administered 895m000 Covid-19 vaccine doses, contributing R341m to retail revenue, with approximately 50% of this contribution coming from standalone mass sites. Excluding vaccine contribution, retail revenue increased by 12%.

Following six months of high demand for vaccinations, the retailer has seen subdued vaccination demand since early December 2021. Notwithstanding booster eligibility, it expects vaccination demand to remain muted.



Dis-Chem to acquire Baby City for R430m

15 May 2020



Store rollout, acquired brands.

During the 21 weeks, the company added seven new Dis-Chem stores, contributing R75m to retail revenue. The acquisition of the Medicare group, effective on 1 October 2021, added 49 additional stores to the group's store portfolio. The group now has a store base of 290 stores, comprising 206 Dis-Chem, 49 Medicare and 35 Baby City stores.

In line with its strategy of having at least one primary healthcare clinic in every Dis-Chem store, the company said it's on track for every Baby City store to have an operational Moms and Baby focused clinic by April 2022.

Commenting on the Medicare acquisition, Saltzman said: "Following the Medicare acquisition becoming effective in October 2021, and as a key enabler to unlocking planned synergistic benefits, we accelerated the migration of Medicare stores onto the group's common technology platform. The next phase of the Medicare integration into the group is the rebranding, to Dis-Chem, of approximately 40 Medicare stores, supporting the expansion of our store network, particularly in new geographies where the Dis-Chem brand has been underrepresented."



Dis-Chem rolls out DeliverD 60-minute delivery service

1 Jul 2021



Online sales/b>

Dis-Chem's online sales in the 21-week period grew by 14.3%, supported by growth in the group's on-demand DeliverD service, "highlighting the convenience offered by our various online channels which are serviced from our 77 fulfilment hubs", Dis-Chem said.

This growth comes off a high base in the corresponding period, where shopping behaviours were directed online during the more serious second wave.

The group also reported a 10.6% rise in wholesale revenue to R9.1bn, increasing sales to its retail stores by 10.1%.

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