

TFG reports first-quarter sales jump, shares rise

By [Ngobile Dladla](#)

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Fashion and lifestyle retailer TFG reported a 16.3% rise in first-quarter turnover on Thursday, 28 July, as consumers coming out of the Covid-19 lockdowns splashed out on items to rejuvenate their wardrobes and homes.



Source: Reuters/Siphiwe Sibeko

By 2pm on Thursday, shares in TFG were up 5.43% to R124.60, a near three-week high.

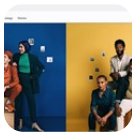
The clothes, homeware and jewellery retailer warned, however, that it expects consumers to remain under pressure due to the ongoing rise in input costs, rising interest rates and a weaker exchange rate. TFG owns the Foschini, Markham and Sportscene brands in South Africa and womenswear brands Hobbs and Whistles in the UK.

The global apparel industry is recovering from a punishing 2020, when shops were forced to close to prevent the spread of Covid-19 and consumers switched formal dresses and shirts for sweat pants and loungewear.

As lockdowns eased, pent-up demand for new clothes and desks and couches revived sales. But the rising cost of living is threatening that demand again.

Group online sales performance continues to normalise with growth of 13.2%.

The growth was achieved despite facing several challenges, such as increased levels of rolling power cuts in South Africa, leading to 33,000 lost trading hours. The non-payment of the Covid-19 social grant in the quarter also impacted trading, TFG said.



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Africa and abroad

TFG Africa's turnover, excluding any non-comparative acquisitions, rose by 11.2% in the first quarter ended 30 June, underpinned by clothing and homeware sales growth.

A high proportion of sales were full-price sales which contributed to margin improvements, TFG said.

The return to offices and resumption of formal events supported sales in TFG London, up 39.9% in local currency terms, while in Australia, sales rose 15.7%, thanks to low unemployment rates and a robust economy, TFG said.

In the UK, the weakening exchange rate and increased inflationary pressure put further pressure on consumer spending, while in Australia increasing fuel and housing costs have started to drive up consumer prices, the retailer said.

The jump in TFG shares on Thursday wiped out losses since the start of this year, taking them up 0.6% year to date.

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