

Woolworths results show increased turnover and sales

Woolworths has released its results for its financial year ended 25 June 2023, with turnover and concession sales from continuing operations (excluding David Jones*) increased by 10.8% for the year and by 9.3% in comparable stores.



Source: YMZ [YMZ](#) Woolworths has released its results for its financial year ended 25 June 2023

“I am very pleased with how we’ve traded this past financial year, particularly in the context of the challenging macro environment and extended power outages in South Africa. Our strategies are working, and our businesses are well-positioned to deliver on our growth ambitions” says Roy Bagattini, WHL Group CEO.

Sales grew by 9.2% in the second half of the year (H2/half), notwithstanding the impacts of rising inflation and interest rates in both geographies (South Africa and Australia and New Zealand and severe load shedding in South Africa.

Online sales grew by 9.3%, contributing 8.3% to the Group’s turnover and concession sales from continuing operations, compared to 8.4% for the prior year.

On a Total basis (which includes only a nine-month contribution from David Jones in the current year, versus a full 12-month contribution in the prior year), Group turnover and concession sales increased by 6.9% on last year, and by 4.4% in constant currency terms.

South Africa

South Africa’s debilitating energy crisis continues to have a pronounced impact on the economy as well as on business and consumer confidence.

“This affected our predominantly fresh food business, resulting in increased waste and a higher overall cost of doing business, due to the significant increase in diesel costs across both our store network and supply chain.

“Our focus throughout the year has been protecting the integrity and quality of our product, whilst simultaneously implementing ways to minimise the operational and financial impacts of extended power outages,” says the retailer.

The food business

The food business grew turnover and concession sales by 8.5% and by 6.3% on a comparable store basis for the full year.

Growth accelerated to 9.4% in H2 (7.2% in comparable stores), driven by both increased footfall and improved availability, notwithstanding the considerable disruption caused by higher levels of load shedding.

“Price movement of 8.3% for the year was below underlying product inflation of 9.9%, as we continued to enhance our overall customer value proposition,” says the retailer.

Trading space increased by 3.6% on last year.

Online sales increased by 28.5% and contributed 3.8% of South African sales, supported by the further roll-out of our Woolies Dash on-demand offering.



Woolworths Pride campaign sparks calls for boycott

5 Jun 2023



Fashion, beauty and home

The retailer says it continues to make significant progress in improving the underlying health of its fashion, beauty and home business.

Turnover and concession sales grew by 8.9% and by 8.3% on a comparable store basis for the year.

Whilst H2 sales growth of 6.7% slowed relative to the first half (5.6% in comparable stores), it was ahead of the market, notwithstanding its ongoing strategic initiatives to rationalise stock keeping units, promotional activity, and unproductive space.

Price movement of 11.6% remained positively impacted by the ongoing focus on full-price sales and the continued reduction in markdowns.

Net trading space was largely unchanged over the prior year.

Online sales grew by 3.8% and contributed 4.3% of South African sales.

The WFS book reflects a year-on-year increase of 14.5% to the end of June 2023, driven by growth in new accounts and credit card advances.

The impairment rate for the 12 months ended 30 June 2023 was 7.3%, compared to 4.7% in the prior year, reflective of

rising consumer strain in the current macro-economic climate which has resulted in elevated default rates, particularly in the last quarter of the year.

Australia and New Zealand (ANZ)

Following a very strong first half result, trading momentum saw a pronounced deceleration in the second half, as the impact of sustained increases in interest rates and higher costs of living weighed on consumer confidence and discretionary retail spend.

Country Road Group sales grew by 12.0% and by 12.4% in comparable stores, underpinned by strong growth from the Country Road, Politix and Witchery brands. Whilst sales growth in H2 slowed to 0.6%, it remained ahead of the market.

Net space reduced by 3.9% during the year, as the retailer continued to optimise its footprint.

Online sales contributed 27.1% to total sales, compared to 31.6% for the prior year.

David Jones turnover and concession sales for the nine months in the current year decreased by 11.3% relative to the statutory 12-months reported in the prior year.

Turnover and concession sales on a comparable nine-month basis ("comparable period") increased by 23.6%, and by 21.0% in comparable stores.



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28 Apr 2023



*Disposal of David Jones

As previously communicated on the JSE Stock Exchange News Service (SENS), the legal completion of the sale of David Jones was concluded on 27 March 2023.

The final disposal proceeds, and in turn the statutory earnings per share for the Total Group, are dependent on the conclusion of the completion accounts, which are in the process of being finalised.

The David Jones segment will be reported as a discontinued operation in the Group's results for the year.

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