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African Powers
of Retailing
New horizons
for growth



Foreword

Welcome to the first edition of our *African Powers of Retailing* report, which identifies the Top 25 listed African Retailers by revenue. Its methodology is based on our annual *Global Powers of Retailing* report which has been showcasing the changing global retail landscape for over 10 years.

The report is the first in an annual series where we track the progress of the top African retail performers on the continent. We have set out to provide a comparative macro-view of African-based (or 'home grown') listed companies whose core business is retail. African-listed subsidiaries of large global retailers are included as individual entities, while we have chosen not to focus on foreign multinational companies with operations in Africa. The data unearths some insights into the regional retail players, their successes and some of their stories. And most importantly, we believe that it opens up conversation and stimulates robust debate around business model adaptation, innovation and strategic decision making when it comes to retail in Africa.

The African market is diverse, complex, interesting, and characterised more by informal than formal retail. The rising middle class is however contributing to the modernisation of retailing and greater consumer market opportunities. Moreover, Africa has become a laboratory for experimentation in mobile and eCommerce, and presents a challenging opportunity. Many African economies are transitioning towards consumption driven markets which is, to some degree, reflected in the country retail contributions to GDP where both East and West Africa have 10 countries with retail revenue contributions of greater than 50%.

The natural link between the retail opportunity and understanding the consumer is illustrated in our recent report – *The Deloitte Consumer Review: Africa: A 21st Century view*. It highlights 5 key pillars of the consumer opportunity in Africa: the rise of the middle class, exponential population growth, the dominance of youth, rapid urbanisation, and fast adoption of digital technologies.

While our top 25 retailers are concentrated in South Africa, we are observing the emergence of companies such as Zambeef (Zambia), Choppies (Botswana), and Société Magasin Général (Tunisia) as some of the fastest growing on the continent. The fastest growing 10 retailers also have a wide geographic presence with an average country presence in 8 countries and an average store count of more than 900.

Although still in its infancy, the African digital evolution is a promising prospect for retailers with the eCommerce market expected to be worth approximately US\$50 billion by 2018 – some of Africa's most successful emerging eCommerce businesses originated in Nigeria and have expanded from there across the continent. As a result, we have taken a brief look at some top African eCommerce players (e-retailers) and the landscape that the likes of Konga, Jumia, Yuppiechef, takealot and Bidorbuy are playing in.

International retailer interest in Africa also appears to be increasing with early stage retail development representing significant potential as retail chains develop, gain economies of scale, and food safety and higher store standards become embedded in shopper expectations.

The emerging importance of and increasing competition in forecourt retailing is notable in Southern Africa. However, we are keen to track how this further develops on the continent as the forecourt is increasingly becoming a central location for the consumer, especially beyond major centres.

The barriers to retail success mentioned in the report mirror many current views, and include a shortage of high-end retail space, infrastructure issues, political instability and currency challenges. They are, however, predominantly man-made, and with increasing investments in Africa, can be overcome – the question is, how long will it take? It appears some key players on the continent are considering this 'timing' to such an extent that they are exploring additional market investments outside the continent – this includes retailers such as The Foschini Group, Shoprite Holdings, and the SPAR Group – looking as far as Europe and Asia Pacific.

For both international and African companies seeking to invest on the continent, the opportunities clearly exist. There are local players to partner with who know the markets, understand their cultures and speak the languages.

We look forward to discussing retail expansion on the continent with you, and welcome your feedback and thoughts.

André Dennis
Africa Consumer Business Industry Leader

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Africa Consumer Business Chief of Staff

Study methodology and data sources

The study is intended to provide a reflection of market dynamics, the African players and their impact on the African retailing industry over a period of time.

Company inclusion criteria

Retail companies based in Africa and listed on the continent were included in the top 25 African powers of retailing, based on their non-auto retail revenue for fiscal year 2013 (encompassing fiscal years ended through June 2014).

African-listed subsidiaries of large global retailers are included as individual entities in this report, and it is aimed at identifying those listed companies that one could consider "African" or "Local". We have highlighted some notable examples of exclusions in the appendix which are a result of this methodology.

To be included on the list, a company must derive the majority of its revenue from retailing, and retailing activity should form its core business. Private equity and other investment firms are not considered as retail entities in this report – only the individual operating companies. Note that Angola and Ethiopia do not have stock exchanges and, therefore, retail companies based in these countries were not included.

Retail trade comprises establishments that are engaged in the sale of merchandise, generally in small quantities to the general public, and the rendering of services incidental to the sale of merchandise (e.g. delivery, installation, maintenance, repair, alterations). The revenue derived from such service activities is included in the African powers calculation of retail revenue.

Food services companies and restaurants are not included in this list as they are generally considered to be part of the leisure and hospitality sector of the economy. Further to this, motor vehicle dealers are excluded along with retailers that derive the majority of their retail revenue from the sale of motor fuel, as they are considered to be primarily petrol stations.

The study is intended to provide a reflection of market dynamics, the African players and their impact on the African retailing industry over a period of time. As a result of these factors, growth rates for individual companies may not correspond with other published results.

Data collection and methodology

Each of the top 25 companies were analysed on key parameters such as financials, core and ancillary retail sectors, geographic presence, store formats and store footprint. The key financials collated were group revenue, retail revenue, net profit margins and return on assets. Group revenue reflects the consolidated net revenue of a retailer's parent company, whether or not that company itself is primarily a retailer. The retail revenue figures in this report reflect only the retail portion of the company's consolidated net revenue. As a result, they may reflect adjustments to reported revenue figures in order to exclude non-retail operations. The retail revenue figures are converted to US\$ based on the average exchange rates of the corresponding period, according to a standardised fiscal year definition.

Data referred to as fiscal 2013 will include full-year data for companies whose fiscal years ended between 1 July 2013 and 30 June 2014. Year-over-year (y-o-y) retail revenue growth, CAGR retail revenue, net profit margins and return on assets were calculated based on company-reported currency figures. The broad categories of retail sectors and store formats considered are given in the Appendix at the end of this report.

For eCommerce companies, retail revenue includes only direct business to consumer (B2C) sales where the company is the seller on record. It excludes the sales of third-party sellers as well as third-party seller fees and commissions.

Retail revenue includes the following components:

- Food service sales if sold as a merchandise offering inside retail stores or if the restaurants are located within the company's stores
- Franchise or licence fees, royalties and commissions related to retail activity
- Membership fees
- Sales of services related to the company's retail activities, such as alterations, repairs, maintenance and installations
- Wholesale sales to affiliate or member stores, including franchise stores
- Other miscellaneous revenue, unless it relates to a specific non-retail business segment

Financial information used for each company in a given year is based on the company financial reports. Where a company may have restated prior-year results to reflect a change in its operations or as a result of an accounting change, such restatements are not reflected in this data.

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African retail trends 2015

According to the United Nations Economic Commission for Africa (UNECA), the African retail market is characterised by approximately 90% of transactions occurring through informal channels.¹



1. The informal retail market is still significant

2. Increasing omni-channel strategy adoption – the rise of e- and mCommerce

3. International retailers enter Africa

4. South African retailers focus on expansion outside the continent

5. Forecourt retailing grows

6. Grocery retailing drives the industry

1. The informal retail market is still significant

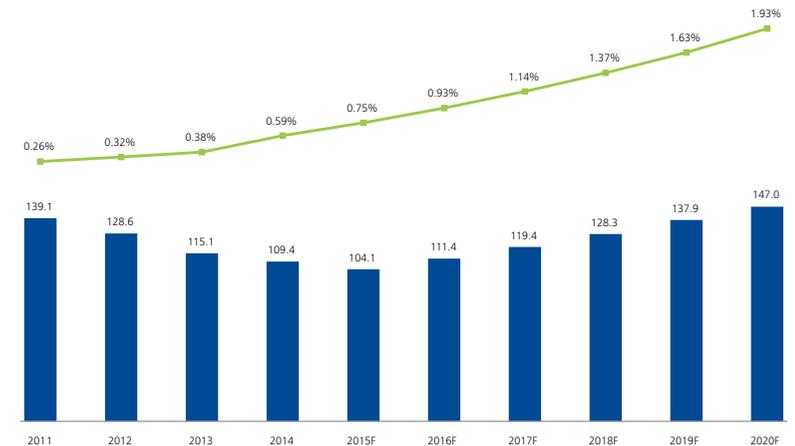
According to the United Nations Economic Commission for Africa (UNECA), the African retail market is characterised by approximately 90% of transactions occurring through informal channels.¹ This could signal an opportune gap for the increased establishment of formal retail presence to capture larger portions of this market share. However, hurdles such as the diverse consumer mix, low levels of established distribution networks, infrastructure constraints and political and economic uncertainties include challenges for big formal retail chains setting up in-country operations.

These small, local and informal retail transactions account for 96% in Ghana and 98% in Nigeria and Cameroon.² Even in Kenya, the vast consumer base in rural areas still shops at informal outlets, which accounts for approximately 70% of retail shopping.³ Zimbabwe also has a fragmented retail market and is seeing a recent upsurge in small “tuck shops”.⁴ While South Africa leads the way in terms of formal retail, with 60% of South Africans shopping in formal retail supermarkets.⁵

2. Increasing omni-channel strategy adoption – the rise of e- and mCommerce

Internet retailing or eCommerce (desktop and mobile), is emerging as the most dynamic channel within Africa’s retailing market. Although it accounted for only a small share of total retail sales in South Africa at 0.59% in 2014,⁶ the market is seeing a positive growth rate.

eCommerce channel share of total retail sales in South Africa (2011-2020F)



Source: Planet Retail F = Forecast retail sales

Mobile commerce or mCommerce has become a focus for many retailers, given the proliferation of mobile phones, the shortage of retail space infrastructure and the increasing need for convenience among consumers. South Africa’s major retailers are adopting omni-channel approaches in an effort to supplement brick and mortar sales with online stores.



According to Bloomberg, South African retailers have already spent at least US\$1.5 billion buying European companies in 2015.¹⁷

- The sector is also seeing increased interest from global investors.
 - In 2014, hedge fund Tiger Global Management invested US\$100 million in South African online shopping website takealot.com.⁷ It will be interesting to see how this model expands across the African regions.
 - The German firm Rocket Internet also invested €120 million in Nigeria-based online retailer Jumia in 2014.⁸

Cyber-security, fraud, corruption, infrastructural and logistical difficulties bring with them many growth obstacles; however, internet retail start-ups are finding solutions to these challenges and continue to invest in consumer awareness, optimising delivery networks and building trading platforms, while large retailers appear to focus on eCommerce, moving towards real-time proximity marketing and on-the-move customer engagement.^{9 10}

3. International retailers enter Africa

International retailers eager to establish a footprint on the African continent have tended to enter via South Africa. This is historically due to a more mature South African market and access to the purchasing population. Retail barriers to entry in Africa continue to include a shortage of high-end retail space, infrastructure issues, political instability, overstatement of access to the middle class, and currency challenges, amongst other things.¹¹

- Wal-Mart Stores entered South Africa by purchasing a controlling share in local retailer Massmart Holdings in 2011.
- London-based accessories maker Radley partnered with Brand Capital to enter South Africa in October 2013, and the region has contributed positively to their growth figures.¹²
- Other retailers who have entered Africa include Mango, Topshop, Zara and Cotton On – all in South Africa. The US fashion brand Forever 21 set up its first South African store in 2014.
- Luxury international brands are also showing an interest in Africa. Hugo Boss opened a store in Lagos in 2013, while Prada opened a store in South Africa in 2015.

Related to this is the emergence of investment firms backing East Africa retail developments. East Africa's shopping landscape is evolving with the construction of multi-million dollar multi-purpose centres in prominent cities. Investment firms and private equity firms appear eager to cash in on the region's consumer markets:

- In Nairobi, London-based private equity firm Actis inaugurated its US\$250 million Garden City mall in May 2015. The first phase of the project includes 33 000sqm of retail space, residential units and a parking area.¹³
- In late 2015, Kenyan investment firm Centum is expected to open the largest shopping mall in East Africa (Nairobi). The Two Rivers development will feature retail, residential, office, leisure and hospitality components, and the shopping centre will have 62 000sqm of space to let.¹⁴
- Private equity firm Fusion Group is investing US\$34 million in Kigali Heights in Rwanda, which is a mixed-use centre that also features a retail component.¹⁵

4. South African retailers focus on expansion outside the continent

Retailers such as The Foschini Group (TFG), Shoprite Holdings and The SPAR Group are targeting expansion beyond South Africa, looking as far as Europe and Asia Pacific. They seek to expand into areas or countries that are showing recovery and provide access to an established consumer base. While Sub-Saharan Africa has long-term potential, a shortage of retail locations and high transportation costs are among the factors limiting expansion opportunities in the area.

- According to Bloomberg, South African retailers have already spent at least US\$1.5 billion buying European companies in 2015.¹⁶ In September 2015, Truworths International entered into preliminary non-binding negotiations to acquire Office Retail Group, a UK-based footwear retailer.¹⁷
- The Foschini Group acquired UK clothing chain Phase Eight for US\$214 million in January 2015.¹⁸

As the African economy continues to improve and expand, it is likely that groceries will be a key driver of industry growth across the continent's retailing industry.

- Steinhoff International Holdings acquired Cape Town-based clothing and accessories retailer Pepkor Holdings for US\$5.3 billion, giving it access to markets such as Poland, the Czech Republic and Australia. It is also considering listing on the Frankfurt Stock Exchange in 2015, to increase its exposure to European investors.¹⁹
- Mr Price Group, a South African retailer selling clothing and household goods, will open its first test store in Australia in the second half of the new fiscal year ending March 2016.²⁰

5. Forecourt retailing grows

Forecourt retailing (which refers to express stores that stock between 1 500 and 2 500 product lines) is a 24-hour offering, which caters to the convenience retail market and is growing at a rapid rate in South Africa. The last few years have seen several South African retailers collaborate with forecourt owners to branch out into this retail format.

- Woolworths Holdings and Engen Petroleum entered into a collaboration agreement for Woolworths to open express forecourt stores at Engen petrol stations. In 2013, Woolworths Holdings opened its 50th Engen forecourt store, known as Woolworths Food Stop. The company is considering accelerating plans to open 45 additional forecourt stores by June 2016, taking the total number of Food Stop outlets to 95.²¹
- Pick n Pay signed a similar deal with BP in 2008, resulting in nine Pick n Pay Express stores on BP forecourts in South Africa by 2012. There are also plans in place to convert 120 BP Express forecourt stores into Pick n Pay outlets between 2012 and 2017.²²
- Fruit & Veg City signed an agreement with Caltex to roll out Freshstop stores in Caltex forecourt stores. There are currently 200 forecourt stores in operation.²³
- Fast food chains have also partnered with petrol stations; including examples such as Burger King with Sasol,²⁴ Vida e Café²⁵ & Steers with Shell, Mugg & Bean²⁶ with Total, while Wimpy outlets can be found at Engen stops.

The forecourt retail market constitutes approximately 4% of South Africa's retail market, and has emerged to offer a one-stop shop that meets the fuel and food needs of consumers.

Forecourt retailers are expected to record continued growth as a number of new petrol stations open throughout Southern Africa.^{27 28 29}

In Africa, convenience shopping is becoming one of the primary forces behind organisational strategy revisions in terms of locations and stores.

Some service station operators have developed their own food and beverage retail offerings via forecourt stores or through partnerships with other retailers in order to capitalise on the demand for convenient food shopping. Delight! and Bonjour are both retail offerings from the oil and gas players Sasol and Total Nigeria.

6. Grocery retailing drives the industry

Among the top 5 largest African retailers are Shoprite Holdings, Pick n Pay and The SPAR Group, all of which are involved in food and beverage retailing. Furthermore, approximately 64.8% of total retail sales across the continent in 2013 were accounted for by food retail sales.³⁰

The popularity of retail supermarket chains continues to rise among low- and middle-income consumers, according to Euromonitor International.

As the African economy continues to improve and expand, it is likely that groceries will be a key driver of industry growth across the continent's retailing industry.³¹

¹ UNECA, Dynamic Industrial Policy in Africa, 2014

² Nielson, Africa: How to Navigate the Retail Distribution Labyrinth, February 2015

³ The East African, International Retailers Eye Region's Market but Informal Shops Dominate, June 2015

⁴ Zimbabwe Situation, Liquidity Crunch Bites Supermarkets, November 2014

⁵ AFK Insider, Traditional Markets Still Trump Formal Retail Outlets In Africa, March 2015

⁶ Planet Retail

⁷ Company press release, 2014

⁸ Reuters, Browse, Click, Pay: African Retail Finds Growing Outlet Online, February 2015

⁹ Fibre2Fashion.com, Growing E-tailing Industry for Textile and Apparel in Africa, November 2014

¹⁰ BizTechAfrica.com, Mobile Commerce Changes the Game for Retailers in Africa, January 2015

¹¹ New African Magazine, Sub-Saharan Africa's Next Big Frontier, June 2014

¹² eNCA, Africa becomes target for international brands, February 2014

¹³ Company press release, 2013

¹⁴ How we made it in Africa, Investment Firms Backing Retail Developments in East Africa, May 2015

¹⁵ The East African, Fusion Group Breaks Ground on \$34m Kigali Heights, December 2013

¹⁶ Bloomberg, Frustrated at Home, South African Retailers Seek EU Growth, June 2015

¹⁷ All Africa, Truworths in Talks to Buy UK Retail Group, September 2015

¹⁸ Business Day Live, Retailers Turn to Europe as African Challenges Bite, June 2015

¹⁹ Bloomberg, Steinhoff Frankfurt Listing Seen Happening in Fourth Quarter, June 2015

²⁰ Fin24, Mr Price to Open Stores in Australia This Year, June 2015

²¹ IOL News, Woolworths Rolls Out More Foodstops at Petrol Stations, November 2013

²² Company press release, 2012

²³ Company press release, August 2015

²⁴ GAIN, Retail Sector in South Africa Receives Increasing Attention, November 2013

²⁵ Hotel and Restaurant, Shell Forecourts Transform

Coffee Experience, September 2013

²⁶ Hotel and Restaurant, Mugg n Bean Enters Forecourt, June 2010

²⁷ EWN, Burger King Cuts Deals with Sasol, 2013

²⁸ Fibre2Fashion.com, Growing E-tailing Industry for Textile and Apparel in Africa, November 2014

²⁹ Business Day Live, Forecourt Store Concept Gains Momentum, December 2013

³⁰ Planet Retail

³¹ About.com, 2014 African Based World's Largest Retailers – Shoprite, Pick n Pay, SPAR, March 2015



Our Top 25 African retailers

The top 25 African retailers, FY13

Retail revenue rank FY13	Name of company	Headquarter country	Core retail segment 2013	FY13 revenue (US\$ million)	FY13 revenue growth (y-o-y)	FY11-FY13 revenue CAGR
1	Shoprite Holdings Ltd	South Africa	Food and beverage	9 852.5	10.5%	11.1%
2	Massmart Holdings Ltd	South Africa	General merchandise	7 529.9	9.8%	8.7%
3	Pick n Pay Stores Ltd	South Africa	Food and beverage	6 343.3	6.5%	6.8%
4	The SPAR Group Ltd	South Africa	Food and beverage	5 166.7	10.7%	11.5%
5	Woolworths Holdings Ltd	South Africa	Clothing and accessories	3 827.8	12.7%	17.8%
6	The Foschini Group Ltd	South Africa	Clothing and accessories	1 594.1	13.6%	11.7%
7	Mr Price Group Ltd	South Africa	Clothing and accessories	1 557.7	15.0%	14.1%
8	Clicks Group Ltd	South Africa	Health and personal care	1 349.7	7.9%	6.7%
9	JD Group Ltd (Steinhoff International Holdings Limited)	South Africa	Furniture and home furnishings	1 141.3	-5.8%	2.5%
10	Truworths International Ltd	South Africa	Clothing and accessories	1 008.2	7.1%	8.8%
11	Label'Vie SA	Morocco	General merchandise	681.9	2.1%	3.5%
12	Choppies Enterprises Ltd	Botswana	Food and beverage	567.9	24.4%	23.2%
13	Lewis Group Ltd	South Africa	Electronics and appliances	523.4	1.8%	4.3%
14	OK Zimbabwe Ltd	Zimbabwe	Food and beverage	483.7	0.8%	8.3%
15	Iliad Africa Ltd	South Africa	Building materials	464.2	-0.6%	2.7%
16	Société Magasin Général SA	Tunisia	General merchandise	454.5	11.3%	19.5%
17	PZ Cussons Nigeria Plc	Nigeria	Electronics and appliances	444.7	2.2%	0.5%
18	Meikles Ltd	Zimbabwe	Food and beverage	346.4	-2.3%	4.0%
19	Sefalana Holding Company Ltd	Botswana	General merchandise	229.6	7.0%	11.7%
20	Zambeef Products Plc	Zambia	Food and beverage	171.8	23.0%	27.4%
21	Uchumi Supermarkets Ltd	Kenya	Food and beverage	163.8	0.7%	2.0%
22	AVI Ltd	South Africa	Food and beverage	155.7	5.2%	21.9%
23	Furnmart Ltd	South Africa	Furniture and home furnishings	131.6	8.9%	13.4%
24	Edgars Stores Ltd (Edcon)	Zimbabwe	Clothing and accessories	64.8	7.6%	12.6%
25	Rex Trueform Clothing Co Ltd	South Africa	Clothing and accessories	47.4	3.7%	-3.7%

Note: Steinhoff is represented by JD Group Ltd in the top 25 (as per the methodology, African-listed subsidiaries are considered individually); Pepkor is a private company (in 2013) and therefore was not included (as only listed entities were considered). This differs to the Global Powers of Retailing 2015 report where Steinhoff features second in EMEA.

CAGR = Composite Annual Growth Rate
y-o-y = year on year

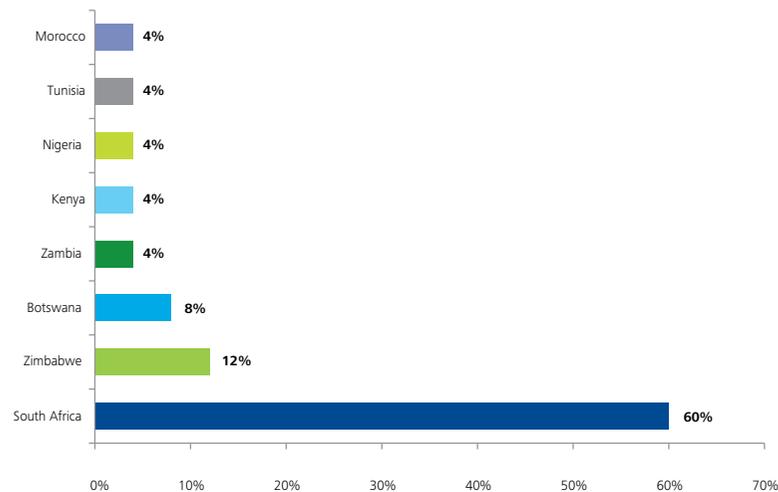
Top 25 highlights

The top 25 listed retailers in Africa collectively earned retail revenue of US\$44.3 billion in FY13, contributing approximately 5.4% to the total African retail market size of US\$823.2 billion.

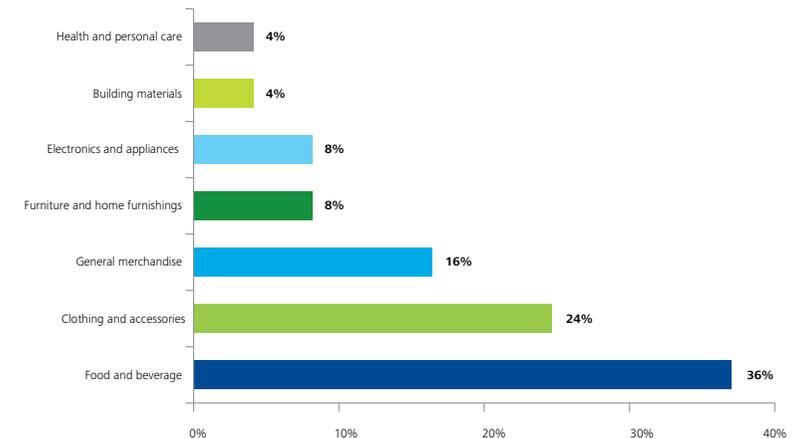
The top 25 listed retailers in Africa collectively earned retail revenue of US\$44.3 billion in FY13, contributing approximately 5.4% to the total African retail market size of US\$823.2 billion. Their combined retail revenue grew by 9% y-o-y in FY13, from US\$40.6 billion in FY12.^{32,33}

Africa's economic progress and its 350 million middle class (as per estimates of the African Development Bank)³⁴ have made the region attractive for retailers.³⁵ In particular, Sub-Saharan Africa, with an urbanisation rate of 3.61% and 7 of the 10 fastest-growing economies in the world,³⁶ has become an attractive investment destination for both domestic and international retailers. The Southern African retail market is relatively more mature and sophisticated than those in West and East Africa; however, due to its saturation, companies are looking beyond Southern Africa to expand into countries such as Rwanda, Tanzania, Kenya, Nigeria and Ghana.

Top 25 African retailers by country headquarters (%)



Top 25 African retailers by retail sector (%)

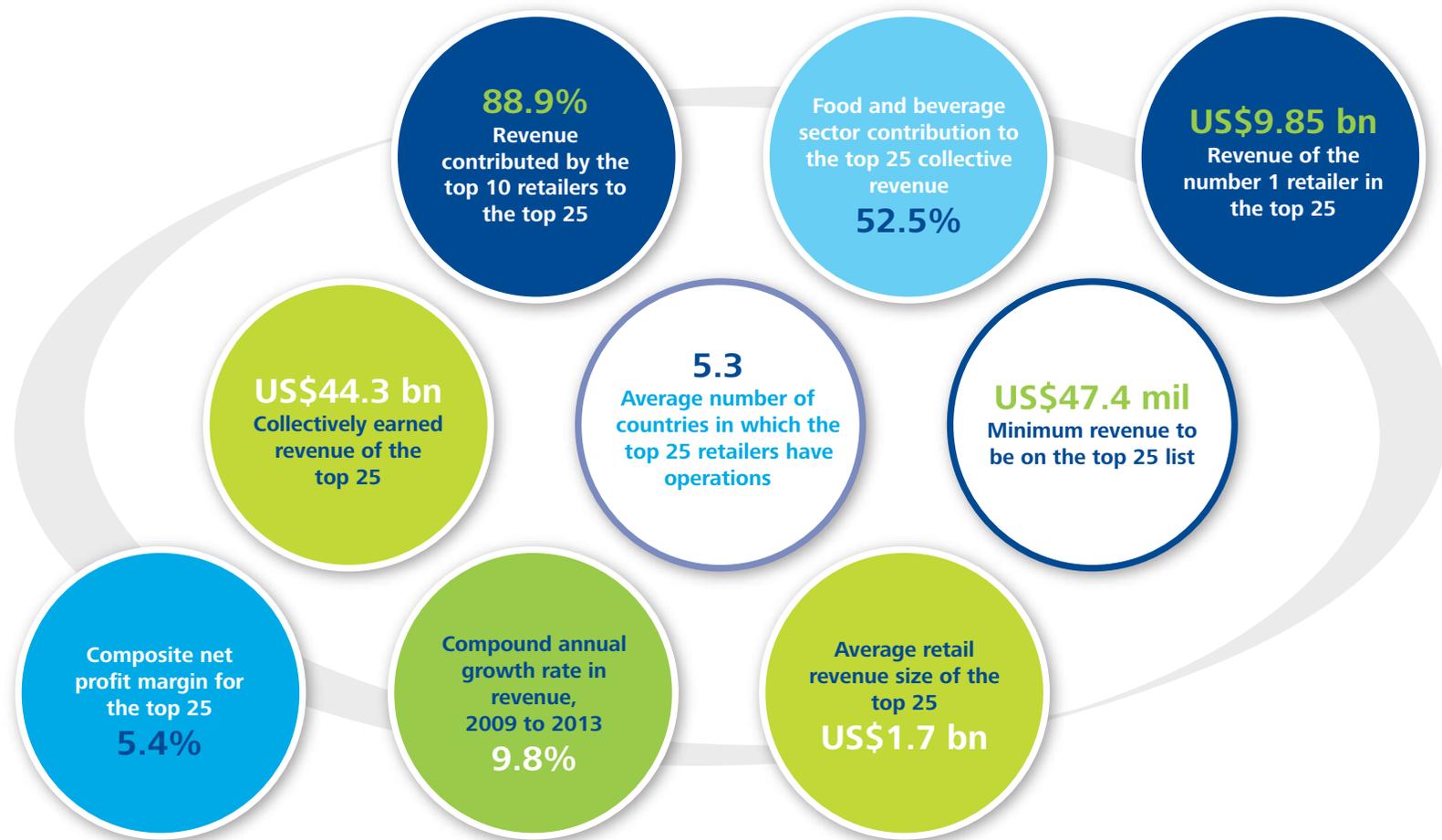


Source: Published company data and Deloitte analysis

The top 25 African retailers have a continental presence (including their headquarters and operations) in 21 African countries, where they operate either through their own stores or through franchise agreements with local retailers. The majority (15) of these companies have their headquarters in South Africa and account for US\$40.7 billion or 91.9% of retail sales of the top 25 retailers overall.³⁷

In terms of the retail sector, 36% of the top 25 listed retailers (9 out of 25 companies) are involved in core food and beverage retailing, with 24% focused on clothing and accessories (6 of the 25 companies).³⁸ Approximately 64.8% of total retail sales in Africa in 2013 (US\$823.2 billion)³⁹ were accounted for by food retailing sales (US\$533.7 billion).⁴⁰

Top 25 companies: Quick stats





Among the top 25 retailers are two African-listed operating subsidiaries of multinational firms.

Multinational retailers competing with local players

Among the top 25 retailers are two African-listed operating subsidiaries of multinational firms. Massmart Holdings operates as a subsidiary of US-based Wal-Mart Stores and is the second-largest listed African retailer in terms of revenue, with reported revenue of US\$7.5 billion in FY13. The second multinational-owned retailer in Africa is PZ Cussons Nigeria, an operating subsidiary of UK-based PZ Cussons. This retailer focuses on electronics and household appliances in Nigeria, Ghana and Kenya.

Retail multinationals in search of developing their presence in Africa appear to consider entry via acquisitions of local companies or directly establishing their retail stores in-country.

- Wal-Mart Stores acquired South Africa's Massmart Holdings in 2011, and France-based Carrefour plans to enter 8 African nations through a partnership with French distributor Compagnie Française de l'Afrique Occidentale (CFAO) in 2015.

With these established international food retailers entering the market, small tuck shops and "mom and pop" stores (which currently dominate the food retailing industry in Africa) could face competitive pressures in the face of product availability and cost and supply chain efficiencies (for example), especially if a city focused approach is taken. How increased access to the informal sector will play out as retailers compete for share of wallet beyond the main urban centres remains to be seen.

As international retailers increase their competitive footprint in the African market, they are faced with an African retailer competitive advantage in established supply chain operations with access to local suppliers of products and manufacturing bases enabling them to reduce operating costs; as well as a clear understanding of local cultures, languages and tastes.

The advent of established retail brands in-country is driving African retailers to focus on business model development. This includes seeking to improve sourcing and speed-to-market lead times, and updated and diversified offerings that are comparable to those of international players. This is accentuated in the South African market. For example:

- Woolworths Holdings has added international brands such as Witchery to its current Trenergy and Country Road offerings.
- Other retail players are strengthening their private label quality to differentiate themselves, for example, Pick n Pay's "Finest" premium private label (launched in 2011) aimed to differentiate the company from its competitors with "a range of sophisticated food products made from premium ingredients, raw materials and flavours sourced from around the world".⁴¹
- Private British retailer Radley (luxury leather handbags) entered the country in 2013 via Stuttafords.

³² Planet Retail

³³ Deloitte internal analysis

³⁴ www.afdb.org, The Middle of the Pyramid: Dynamics of the Middle Class in Africa, April 2011

³⁵ Nielsen, Africa: How to Navigate the Retail Distribution Labyrinth, February 2015

³⁶ The Economist forecast for 2011-2015

³⁷ Deloitte internal analysis

³⁸ Deloitte internal analysis

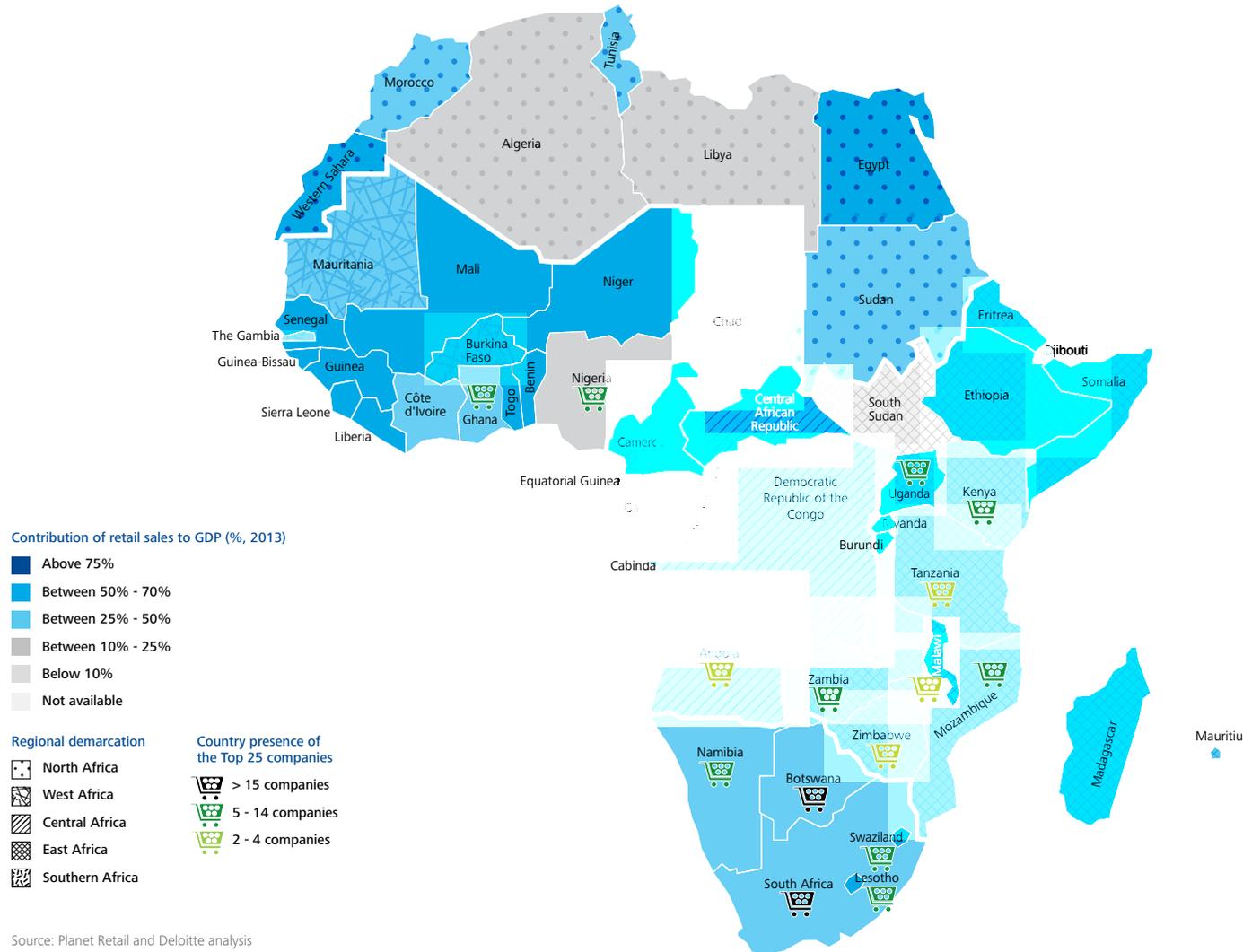
³⁹ Refers to calendar year 2013

⁴⁰ Planet Retail

⁴¹ www.bizcommunity.com Pick n Pay launches new private label

Geographical perspective

Contribution of country retail sales to GDP (% , 2013)



Source: Planet Retail and Deloitte analysis

Top 25 companies: Southern Africa dominates operational presence

Southern Africa accounts for the headquarter country of 17 of the top 25 publicly listed African retailers, with a revenue share of US\$41.5 billion (93.7% of total retail sales of the top 25 retailers). Although the highest y-o-y revenue decline was that of the South Africa-based company JD Group, the region did not pose significant challenges for other companies operating in Southern Africa. This includes Mr Price Group, TFG and Woolworths Holdings, which all had some of the highest annual revenue growth rates in FY13.

East Africa, with 5 companies headquartered in the region, accounts for US\$1.2 billion (2.8% of total retail sales of the top 25 retailers) and posted 2.8% composite y-o-y growth.

North Africa witnessed stronger y-o-y growth at 5.6%, contributing 2 of the top 25 retailers and a US\$1.1 billion revenue share (2.6% of total retail sales of the top 25 retailers). West Africa accounted for 1.0% of total retail sales in FY13, with only 1 company in the top 25.⁴² The Central Africa region had no headquarters of any company on the top 25 list.

A total of 8 of the fastest 10 companies were based in Southern Africa (namely Botswana and South Africa), while 1 company was based in East Africa (Zambia) and another in North Africa (Tunisia).

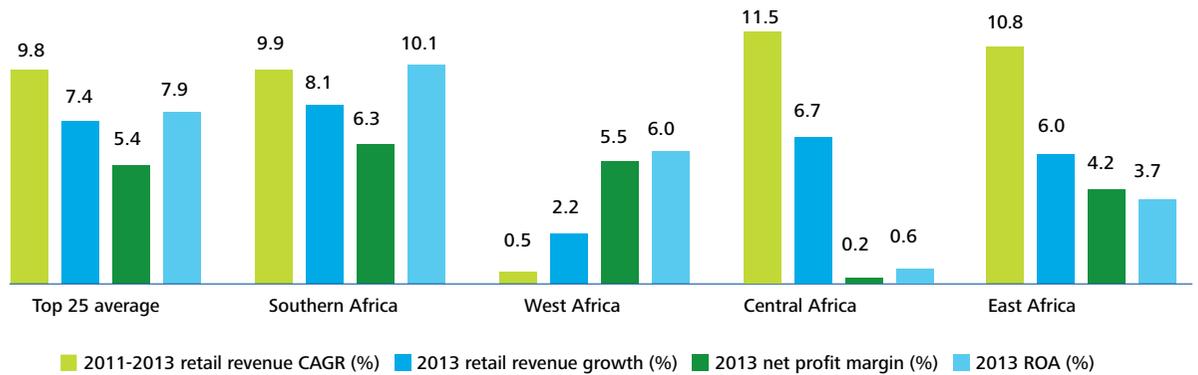


Regional profiles based on the top 25 companies headquarter locations in FY13

Region	Number of companies headquartered in the region	Average retail revenue (US\$ million rounded)	Share of top 25 revenue
Top 25	25	1 772	100%
Southern Africa	17	2 441	93.7%
East Africa	5	246	2.8%
North Africa	2	568	2.6%
West Africa	1	445	1%
Central Africa	-	-	0.0%

Source: Published company data and Deloitte analysis

Sales growth and profitability by region (%)

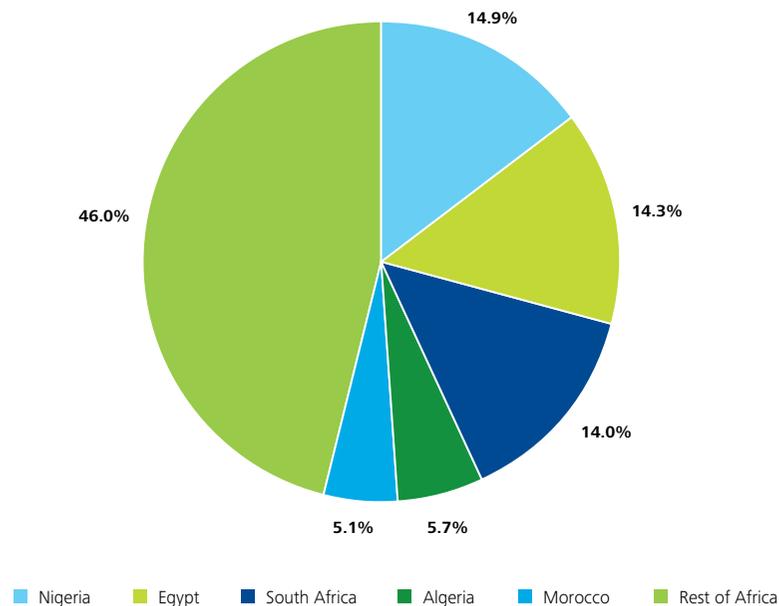


Source: Published company data and Deloitte analysis
No company in the top 25 has its headquarters in Central Africa

ROA = Return on Assets
CAGR = Composite Annual Growth Rate

The top 25 retailers have a high concentration in Southern Africa: South Africa, Botswana, Namibia, Lesotho and Swaziland.

Top 5 African countries by retail market size (% , 2013)



This chart is derived based on the headquarter locations of each company

Country	Retail market size 2013 (US\$ bn)	Y-o-y growth
Nigeria	122.9	13.3%
Egypt	117.9	-4.4%
South Africa	115.1	-10.6%
Algeria	46.6	2.9%
Morocco	41.8	8.2%
Rest of Africa	378.9	7.7%

Source: Planet Retail

Y-o-y = Year on year

While the top 25 retailers have a limited operational presence in Africa, operating in 21 out of 54 countries on the continent, other countries, such as Algeria, Sudan and Ethiopia, are among the top 10 countries by retail market size but have no listed African Retailer present. Nigeria is the largest retail market in Africa with a retail size of US\$122.9 billion as of 2013;⁴³ however, only 1 listed retailer is headquartered in the country, and 5 other listed retailers have an operational presence there.

Regional African Retailer operations

Southern Africa

The top 25 retailers have a high concentration in Southern Africa: South Africa, Botswana, Namibia, Lesotho and Swaziland.



Note: The above analysis is based on the top 25 African retailers

¹ In terms of the countries in which the top 25 operate

Biggest retail countries

South Africa is the third-largest retail market on the continent, with approximately US\$115.1 billion of the total retail market size in 2013.⁴⁴ South Africa-based companies have, over the years, expanded to nearby nations north of the border, such as Botswana, Namibia and Swaziland, where they have been able to leverage their distribution channels and manufacturing bases established in South Africa. High consumer spending levels in these nations⁴⁵ (among the top 5 on the continent) and the emerging middle class have helped the expansion decision.

Nakumatt Holdings, Uchumi Supermarkets and Tuskys are the 3 largest Kenyan chains, which also have stores in neighbouring Uganda and Rwanda.

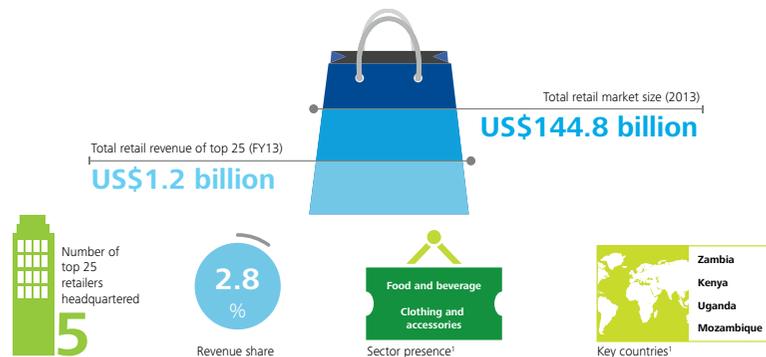
From the list of top 25 retailers, 16 have a retail presence in Botswana, a small market but with a relatively strong consumer purchasing power. Expansion across the Southern Africa region has been done through acquisitions, franchises or joint venture agreements with local players.

Shoprite Holdings, Pick n Pay and Woolworths Holdings are all in the process of further expanding their presence outside of South Africa, primarily through new stores and acquisitions, especially in Southern Africa (Namibia and Swaziland), East Africa (Kenya and Zambia) and West Africa (Ghana).^{46 47 48}

Top retailers among the top 25

The top company in Southern Africa in terms of retail revenue is Shoprite Holdings, which operates primarily as a grocery retail chain. The company has the biggest store footprint (more than 2 000 stores) of the top 25 retailers and operates in 15 African countries. Shoprite Holdings has more stores outside its home market (South Africa) than its peers, and it was the first company to expand into other markets through acquisitions. In FY13, sales in Shoprite Holdings' supermarkets in the rest of Africa grew by 27.1%, compared with only 9.8% in South Africa.⁴⁹

East Africa



The above analysis is based on the top 25 retailers ¹In terms of the countries in which the top 25 operate

East Africa is a relatively high-growing retail market on the continent, with 3 countries featuring in the top 5 for the fastest y-o-y retail growth in 2013. Tanzania posted the highest growth at 16.1%, along with Zambia (10.8%) and Kenya (8.6%).⁵⁰

Biggest retail countries

Kenya is the largest retail market in East Africa, with a US\$23.7 billion retail market size in 2013.⁵¹ Its retail market is dominated by local private and family owned entities such as Nakumatt Holdings, Naivas and Tuskys. Nakumatt Holdings, Uchumi Supermarkets and Tuskys are the 3 largest Kenyan chains, which also have stores in neighbouring Uganda and Rwanda. With Uchumi Supermarkets the only listed retailer based in Kenya to make it onto the top 25 retailer list.

Tanzania is also an attractive market in part due to its location on the Indian Ocean coast. Companies such as Kenya-based Nakumatt Holdings and South Africa-based Massmart Holdings and Woolworths Holdings operate in the country's retail landscape, which also includes other independent formal retailers.

Local competition in East Africa has impacted some of the major South African and foreign players from setting up their base in the region. Shoprite Holdings decided to exit Tanzania in 2014, selling its stores to Nakumatt Holdings. Massmart Holdings' bid to acquire a majority stake in a Kenyan supermarket chain, Naivas, also fell through in 2013.

However, East Africa – particularly Kenya – is still being identified as the next market for major South African players. Apart from Kenya's attractive GDP of US\$56.1 billion, it has 25-30% formal retail compared to 60% in South Africa.⁵² The country also has a growing middle class that is fuelling a "mall" culture. Mr Price Group and Truworths International (among the top 10 by retail revenue) managed to enter the region in 2007 and 1999 respectively, through a franchise agreement with local retailer Deacons. Choppies Enterprises, the fastest-growing retailer in FY13, entered into a conditional agreement in 2015 with a Kenyan tier-two retailer, Ukwala Supermarkets, to acquire 10 outlets in Kenya.

Zambia's retail market, with 7 companies in the top 25 retailers having their operations based there, recorded one of the highest growth rates of 10.8% in its retail market, to reach US\$9.1 billion in 2013.⁵³

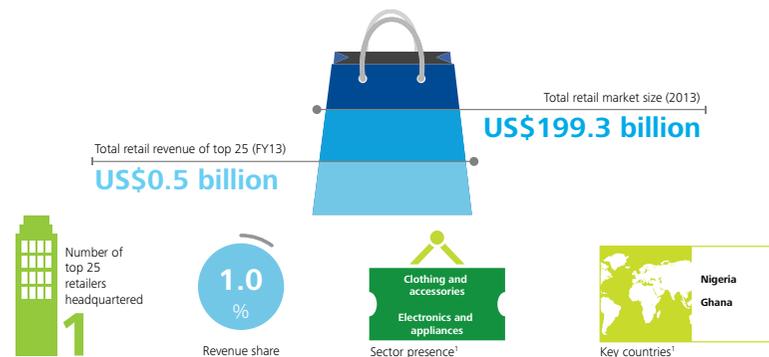
The West Africa retail market, with its fragmentation, is potentially under-served in terms of formal retail options, attracting several firms to set up base in the region.

Top retailers among the top 25

The top African company in East Africa in terms of retail revenue is OK Zimbabwe, operating in the food and beverage sector. It recorded retail sales of US\$483.7 million in FY13.⁵⁴ Zimbabwe has been experiencing an upsurge in informal retail in the form of small tuck shops, which has been hampering the operations of big retail chains including the major private Zimbabwean retailer TM Supermarkets, which is a subsidiary of listed retailer Meikles and has a 49% shareholding by Pick n Pay (Pick n Pay has expanded its presence in Zimbabwe through TM Supermarkets). However, despite the projected downturn in the Zimbabwean retail sector, Choppies Enterprises is targeting over 60 stores in the country in the long term.⁵⁵

West Africa

West Africa is represented by Ghana and Nigeria in terms of presence of top 25 retailers. Only 1 company (PZ Cussons Nigeria PLC – electronics and appliances retail sector) among the top 25 has its headquarters in Nigeria, however several other retailers have operational presence in Nigeria and Ghana.



The above analysis is based on the top 25 retailers ¹ In terms of the countries in which the top 25 operate

Biggest retail countries

Nigeria and Ghana are among the high-growth retail markets in West Africa. Nigeria had the biggest retail market size of US\$122.9 billion as of 2013 and experienced the second-fastest y-o-y growth of 13.3% in retail sales. The other major economy of the region – Ghana – is a US\$19.2 billion retail market, which grew by 6% y-o-y in 2013. Nigeria's oil and gas industries are key drivers of the country's economy, along

with recent progress in the ICT, agriculture, trade and services sectors. However, it is the sizeable middle class of the most populous African nation (169 million) that has fuelled the retailing industry, with its wholesale and retail sales becoming the third-largest contributors to Nigeria's GDP, contributing approximately 24% to the total figure.⁵⁶ However, Nigeria's retail market is largely fragmented, with the top 6 retailers accounting for barely 2% of sales and 98% of Nigerians shopping in small, local and informal outlets.^{57 58}

The West Africa retail market, with its fragmentation, is potentially under-served in terms of formal retail options, attracting several firms to set up base in the region. As a result, both Nigeria and Ghana have seen a wave of retail construction activity over the short term. As Africa's largest grocery retailer, Shoprite Holdings partnered with Resilient Property Income Fund in 2012 to build 10 shopping malls in Nigeria.⁵⁹ Massmart Holdings plans to open 13 outlets across Nigeria, Zambia, Mozambique and Kenya between 2015 and 2017.⁶⁰

West African consumers are also particularly brand-conscious, with an appetite for luxury brands. This trend has seen international fashion brands such as Levi's, Nike, Swatch and Mango make their home in Nigeria.

North Africa

Egyptian low-income shoppers claim the major purchasing power of the country with Egypt's middle class accounting for approximately 80% of the total population.^{61 62}



The above analysis is based on the top 25 retailers ¹ In terms of the countries in which the top 25 operate

Angola has the sixth-largest African retail market, with US\$39.8 billion of retail sales in 2013.

Biggest retail countries

The major retail economies in the region are Egypt, Morocco and Tunisia. Egypt and Morocco are among the top 5 countries on the continent in terms of retail market size at US\$117.9 billion and US\$41.8 billion respectively.⁶³ The largest domestic retailer is Metro, which initially opened supermarkets and later introduced discount stores.⁶⁴

Other top retailers in the country are predominantly owned by international companies, such as Carrefour (French) which has opened hypermarkets in Cairo and Alexandria; Bim (Turkish) which operates as a grocery retailer and Spinneys (Lebanese). Egypt is dominated by supermarkets, hypermarkets and discount stores, while convenience and forecourt stores are not very well developed. The existing forecourt leaders are international brands Shell, ExxonMobil, Total and Chevron.

Top retailers among the top 25

The company with the highest retail revenue among the top 25 retailers in North Africa is Label'Vie of Morocco, with retail revenue of US\$689.9 million. Société Magasin Général of Tunisia featured in the 10 fastest-growing companies, with 11.3% y-o-y growth in FY13. Along with retailers based in France, namely Casino and Carrefour, Société Magasin Général holds a key position in the Tunisian retail market.⁶⁵

Central Africa



The above analysis is based on the top 25 retailers ¹In terms of the countries in which the top 25 operate

Biggest retail countries

Angola has the sixth-largest African retail market, with US\$39.8 billion of retail sales in 2013. Its retail market grew by 10.5% y-o-y in 2013 and is among the 10 fastest-growing countries in terms of retail markets in Africa.⁶⁶ The country is also Africa's second-largest crude oil producer after Nigeria, boosting the economy and raising international investment. Angolan, Portuguese and South African chains dominate grocery retailing in the country. Angola was previously a territory of Portugal and Portuguese is still the country's official language, giving Portuguese companies a language advantage in operations.

Among the top 5 African retailers in Angola, 2 are local private companies, namely Kero and Nosso Super Gestao Supermercados, which operate supermarkets, hypermarkets and convenience stores. The remaining companies are South African retailers Shoprite Holdings, Fruit & Veg City and The SPAR Group.⁶⁷

While the informal retail market accounts for 80% of the total retail market,⁶⁸ the country has favourable factors such as positive economic growth prospects, increasing urbanisation and a growing middle class with high disposable incomes. This is attractive to international and African retailers.

Apart from Shoprite Holdings and The SPAR Group, Portugal-based Teixeira Duarte is already present in the Angolan retail landscape. Shoprite Holdings is planning to add 21 stores in Angola between 2014 and 2017. Other brands, such as Portuguese fast-moving consumer goods (FMCG) retailer Sonae, are expected to open stores in the near future; however, the country's high level of food imports and infrastructure issues have prevented several big retailers from setting up their base there.⁶⁹

Top retailers among the top 25

There is no company in the top 25 companies with its headquarters in Central Africa; however, 2 companies have an operational presence in Angola (Shoprite Holdings and The SPAR Group) and the Democratic Republic of the Congo (Shoprite Holdings).^{70 71}

⁶² Deloitte internal analysis
⁶³ Planet Retail
⁶⁴ Planet Retail
⁶⁵ Planet Retail
⁶⁶ Ventures Africa, Pick n Pay Searching for New African Prospects, October 2013
⁶⁷ Herald Live, Shoprite to Expand in Africa after Strong Growth, August 2015
⁶⁸ Reuters, South Africa's Woolworths Eyes 15 Stores Across Africa in 2-3 years, April 2014
⁶⁹ Shoprite Holdings, Company annual report, 2013
⁷⁰ Planet Retail
⁷¹ Planet Retail
⁷² Business Daily, Supermarket Chains Vie to Unlock Kenya Retail Market, February 2015
⁷³ Planet Retail
⁷⁴ Deloitte internal analysis
⁷⁵ Choppies eyes \$350m turnover by 2018 www.theherald.co.zw
⁷⁶ Planet Retail
⁷⁷ The Economist, The Grocers' Great Trek, September 2013
⁷⁸ Mail & Guardian Africa, Africa's Retail Maze, February 2015
⁷⁹ Business Day Live, Fast-growing Retail in Africa Offers High Returns, September 2013
⁸⁰ Mail & Guardian Africa, Africa's Retail Maze, February 2015
⁸¹ FPO IP Research & Communities, The Egyptian Retailing Industry, 2011
⁸² Integreon Insight, The Rising Middle Class of Africa, 2013
⁸³ Planet Retail
⁸⁴ Planet Retail
⁸⁵ Deloitte internal analysis
⁸⁶ Planet Retail
⁸⁷ Planet Retail
⁸⁸ Eaglestone, Retail Sector in Angola Set to Grow by 8% as Middle Class Expands Rapidly, September 2014
⁸⁹ Eaglestone, Retail Sector in Angola Set to Grow by 8% as Middle Class Expands Rapidly, September 2014
⁹⁰ Company website
⁹¹ Company annual report, 2014

Product sectors

The retail industry has broadly been divided into 8 retail sectors:

1. Food and beverage	
2. Furniture and home furnishings	
3. Health and personal care	
4. Electronics and appliances	
5. Clothing and accessories	
6. General merchandise	
7. Building materials	
8. Other retail (includes all retail not included in the other categories, such as sporting goods, book and music stores, etc.)	

From the top 25 retailers list, the main retail sectors where most of these companies have their core retail services are food and beverage (9 companies) and clothing and accessories (6 companies).

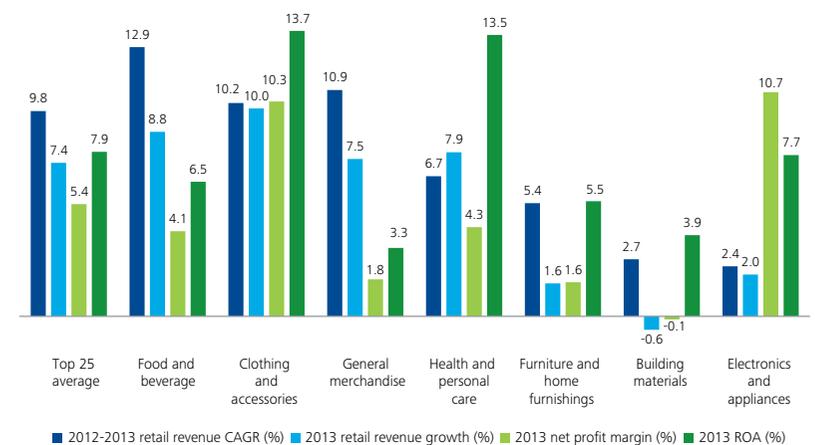
Food and beverage accounts for a US\$23.3 billion revenue share (52.5% of total retail sales of the top 25 retailers). Although in terms of the number of retailers, clothing and accessories, with a retail share US\$8.1 billion or 18.3%, falls behind general merchandise (4 of the top 25 retailers), which has a US\$8.9 billion or 20.1% retail share.⁷²

Food and beverage accounts for a US\$23.3 billion revenue share (52.5% of total retail sales of the top 25 retailers).

Retail sector profile based on companies primary retail sector

Retail segment	Number of companies with primary retail sector	Average retail revenue (US\$ million)	Share of top 25 revenue
Top 25	25	1 772.1	100.0%
Food and beverage	9	2 583.5	52.5%
Clothing and accessories	6	1 350.0	18.3%
General merchandise	4	2 224.0	20.1%
Health and personal care	1	1 349.7	3.0%
Furniture and home furnishings	2	636.5	2.9%
Building materials	1	464.3	1.0%
Electronics and appliances	2	484.1	2.2%

Sales growth and profitability by retail sector⁸⁰ (%)



Sources: Published company data and Deloitte analysis. This chart is derived from the core retail sector of each company. ROA = Return on Assets. CAGR = Composite Annual Growth Rate.





Clothing and accessories presents the highest level of Africanisation compared to other retail sectors, as only 1 out of the 6 companies in this segment operates from a single country.

The electronics and appliances sector is closely followed by clothing and accessories in terms of net profit margins (both over 10%), with building materials, furniture and home furnishings, and general merchandise being the least profitable (all less than 2%).

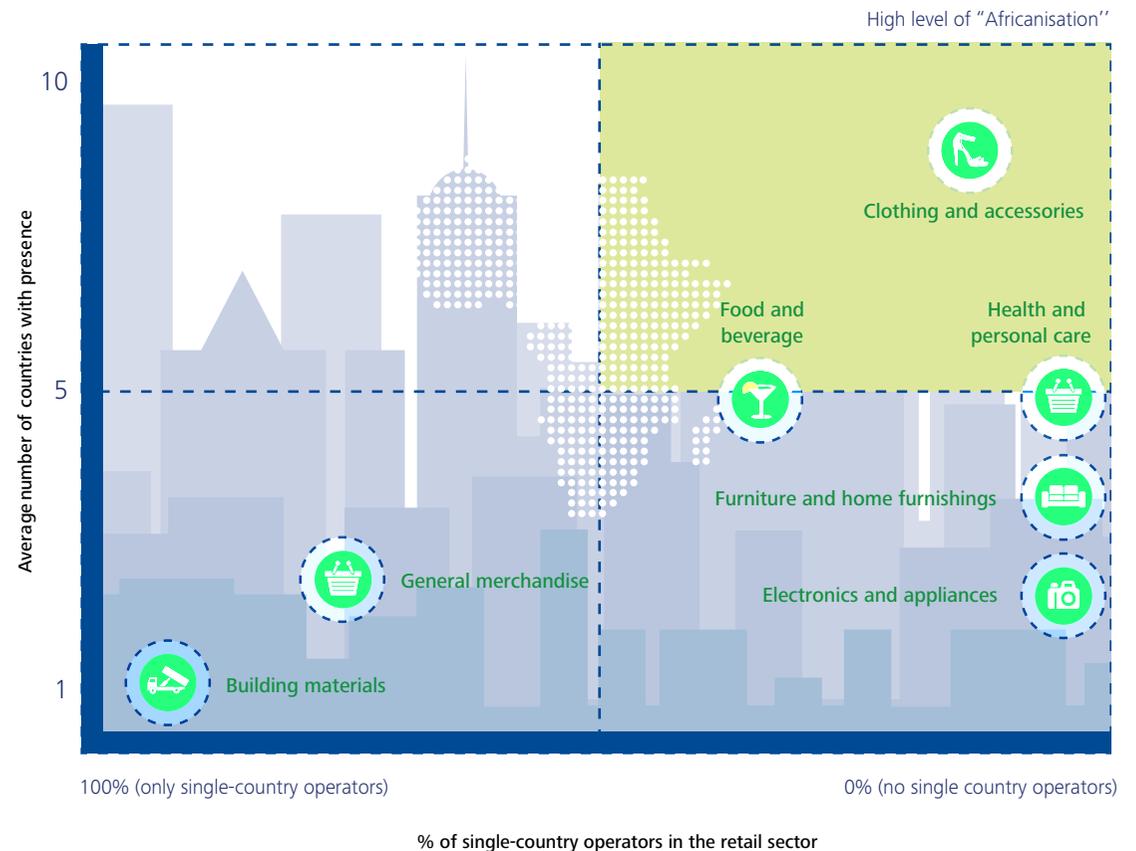
Retail revenue growth is led by clothing and accessories and food and beverage, followed closely by health and personal care and general merchandise respectively. The non-performer in this category being building materials along with furniture and home furnishings, and electronics and appliances all below 2%.

Return on Assets (ROA) shows some star performers with the top 3 being in clothing and accessories, health and personal care and electronics and appliances. General merchandise and building materials prop up the lowest two sectors in ROA.

The fastest growing sectors by CAGR demonstrate a sector view from over only two financial years, as such it will be interesting to see how and if this picture changes over the next 3 years. Overall sector CAGR 2012-2013 is led by the food and beverage and clothing and accessories sectors. The other end of the performance scale held up by electronics and appliances (lowest) and building materials – both over 7 basis points lower than the leading CAGR sectors.

The level of “Africanisation” refers to the depth of African product sector penetration across the African continent. This is gauged from the geographic spread of the top 25 companies when looking at the average number of countries that each company is present in and the percentage of companies operating in single countries in each retail sector.

Level of “Africanisation” by retail sector: Top 25 – their operational presence



Source: Published company data and Deloitte analysis. This chart is derived from the core retail sector of each company.

South African fashion retailers have historically preferred trading under the franchise model in Africa, in order to enter markets that are dominated by local private retailers.

By this methodology, it is evident that clothing and accessories presents the highest level of Africanisation compared to other retail sectors, as only 1 out of the 6 companies in this segment operates from a single country. Although the six companies from the top 25 involved in clothing and accessories all have headquarters in South Africa, they have a wide geographic spread across West, Central and East Africa.

Furthermore, all the retail sectors have high regional concentration in Southern Africa, apart from general merchandise which has a medium concentration in Southern Africa, followed by East, West and North Africa.

Food and beverage

The second most "Africanised" sector is food and beverage. Food retail sales constituted approximately 64.8% (US\$533.7 billion) of total retail sales (US\$823.2 billion) in Africa in 2013. In Southern Africa, the food retail market is 55% of the region's total retail sales (US\$128.5 billion), while in East Africa the food retail market is 70.4% of the region's total retail sales (US\$144.8 billion). The highest food retail share of the total retail market is that of Central Africa (72.1%); however, no top 25 African retailer has its headquarters in this region. There are two grocery retailers operating in Central Africa, namely Shoprite Holdings in Angola and the Democratic Republic of the Congo and The SPAR Group in Angola.⁷³

Top retailers in the top 25

Among the 9 companies with food and beverage as their core retail sector, 3 are also among the top 10 companies in terms of retail revenue, namely The SPAR Group, Shoprite Holdings and Pick n Pay Stores.

A total of 3 companies (Choppies Enterprises, Zambeef Products and The SPAR Group) of the 9 food and beverage companies were among the 10 fastest-growing companies. The 9 companies in the food and beverage retail sector experienced cumulative y-o-y revenue growth of 9.3% in FY13.⁷⁴

Quick stats: Food and beverage sector



Clothing and accessories

The African clothing and accessories sector is dominated by the top-three listed fashion retailers, Mr Price Group, Woolworths Holdings and TFG (The Foschini Group), along with other listed African retailers such as Rex Trueform Clothing Company and Edgars Stores.

South African fashion retailers have historically preferred trading under the franchise model in Africa, in order to enter markets that are dominated by local private retailers. This has been changing over the years, as firms want to gain more control over their operations in-country. Woolworths Holdings ended its franchise agreement with Deacons in Kenya in 2013, to consolidate its operations and drive efficiency. Mr Price Group is also considering ending its franchise agreement with Deacons and forming its own company in Kenya.⁷⁵

Top retailers among the top 25

Of the top 25 listed retailers in Africa, there are 6 companies with clothing and accessories as their core retail sector, with 5 being headquartered in South Africa and 1 in Zimbabwe. This retail sector experienced the highest y-o-y growth of 12.5% in FY13.

Among the 6 top listed companies in this sector, 4 companies (Mr Price Group, TFG, Woolworths Holdings and Truworths International) are also in the top 10 companies by retail revenue.

Is Africa becoming the next growth frontier for fashion retailers, with several international brands such as Zara, Levi's, Gap and Mango already having established a presence on the continent, primarily in South Africa?

Quick stats: Clothing and accessories sector



All 6 companies in the clothing and accessories retail sector operate across Southern Africa, East Africa, West Africa and Central Africa, and are among the top companies in terms of widespread geographic presence.

Africa: The next frontier for fashion retailing

Is Africa becoming the next growth frontier for fashion retailers, with several international brands such as Zara, Levi's, Gap and Mango already having established a presence on the continent, primarily in South Africa? Online-only fashion retailer ASOS.com (a listed British online fashion retailer that launched its African line in 2010)⁷⁶ not only offers free deliveries in Africa, but also sources fabrics and produces its products in Africa.

The growing middle class, increasing spending power and an emerging youth culture are driving the demand for fashion products and international brands. West African countries such as Nigeria and Ghana, which have brand-conscious and sophisticated consumers, provide opportunities for fashion retailers. Nigeria scrapped its ban on textile imports in 2010, which created a gap in the market for foreign brands to enter, including Nike and Swatch.

Kenya-based private retailer Deacons is the region's leading clothing retailer, owning the franchises for South African brands Mr Price Group and Truworths International; however, label prices in Deacons are 1.8 times higher than in South Africa due to import duties.⁷⁷ East Africa has successful local private clothing and accessories retailers, one of which is the fastest growing shoe brand soleRebels. This brand is based in Ethiopia, and is the first African brand to open standalone branded retail stores around the globe.⁷⁸

General merchandise

Among the top 25 listed retailers, 4 are involved in core general merchandise retailing. The biggest retailer of these 4 companies is Massmart Holdings, an operating subsidiary of Wal-Mart Stores and one of the top 10 retailers by retail revenue. General merchandise retailing is represented in Southern Africa by Sefalana Holding Company (based in Botswana), and in North Africa by Société Magasin Général (based in Tunisia), and Label'Vie (from Morocco).

Quick stats: General merchandise



Health and personal care

The health and personal care sector is represented in the top 25 retailers by only 1 company, namely Clicks Group, which is based in South Africa. The Clicks Group's pharmacy business is its core retail sector, and the company is also among the top 10 retailers by retail revenue.

Quick stats: Health and personal care



⁷² Deloitte internal analysis

⁷³ Planet Retail

⁷⁴ Deloitte internal analysis

⁷⁵ Business Daily, 'Deacons Risks Losing Mr Price Franchise', August 2013

⁷⁶ The Guardian, 'How ASOS Took over the World', June 2010

⁷⁷ The East African, 'SA Retail Chains Find it Hard to Enter Kenya', May 2012

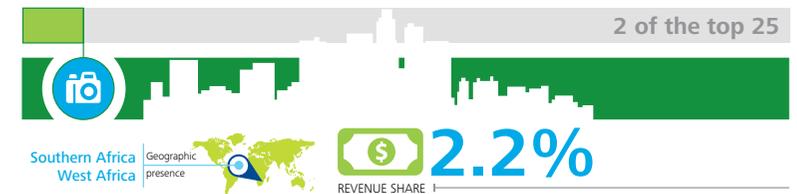
⁷⁸ Forbes, 'Fastest Growing African Shoe Brand 'soleRebels' Launches Flagship Store in Silicon Valley', October 2014



Electronics and appliances

PZ Cussons Nigeria and Lewis Group are 2 electronics and appliances retailers listed in the top 25 retailers.

Quick stats: Electronics and appliances



Furniture and home furnishings

JD Group and Furnmart (both based in South Africa) are 2 furniture and home furnishings retailers among the top 25 listed African retailers, accounting for 2.9% of the total retail sales of all 25 retailers. JD Group (a subsidiary of Steinhoff and listed on the JSE) is also one of the top 10 retailers by retail revenue. As part of its secondary retail operations, the company sells electronics and appliances through the HiFi Corp and Incredible Connection brands and building materials through its subsidiary SteinBuild.

Quick stats: Furniture and home furnishings



Top 10

The top 10 retailers in Africa, FY13

Top 25 rank	Name of company	Country of origin	Year of incorporation	Number of employees	Retail channels		Number of stores in Africa	2013 retail revenue (US\$ million)	2013 retail revenue growth	Y-o-y growth rank	CAGR retail revenue 2011-2013	2013 net profit margin	2013 return on assets	Number of countries with operations
					eCommerce	Brick and mortar								
1	Shoprite Holdings Ltd	South Africa	1979	123 100	X	X	2 448	9 852.5	10.5%	11	11.1%	3.6%	9.6%	15
2	Massmart Holdings Ltd	South Africa	1990	47 209	X	X	319	7 529.8	9.8%	12	8.7%	1.8%	5.1%	11
3	Pick n Pay Stores Ltd	South Africa	1967	50 000	X	X	1 076	6 343.3	6.5%	17	6.8%	0.9%	4.7%	7
4	The SPAR Group Ltd	South Africa	1963	4 025		X	1 864	5 166.7	10.7%	9	11.5%	2.5%	10.4%	10
5	Woolworths Holdings Ltd	South Africa	1931	31 655	X	X	1 162	3 827.8	12.7%	7	17.8%	7.3%	14.3%	15
6	The Foschini Group Ltd	South Africa	1924	17 898	X	X	2 111	1 594.1	13.6%	6	11.7%	11.6%	9.8%	7
7	Mr Price Group Ltd	South Africa	1885	16 841	X	X	1 102	1 557.7	15.0%	5	14.1%	11.8%	27.7%	14
8	Clicks Group Ltd	South Africa	1968	8 600		X	632	1 349.7	7.9%	14	6.7%	4.3%	13.5%	5
9	JD Group Ltd	South Africa	1983	14 280	X	X	1 223	1 141.3	-5.8%	29	-2.5%	-6.4%	1.6%	5
10	Truworths International Ltd	South Africa	1917	10 500	X	X	679	1 008.2	7.1%	13	8.8%	21.8%	17.2%	10
Top 10				324 108			12 616	\$39 371.0	8.8%		9.5%	5.7%	11.1%	9.91
Top 25								\$44 302.6	7.4%		9.8%	5.4%	7.9%	5.31
Top 10 share of the top 25 retail revenue								88.9%						

Sources: Published company data and Deloitte analysis
The top 10 and 25 total percentages are averages

ROA = Return on Assets
CAGR = Composite Annual Growth Rate



The top 10 listed retailers in Africa collectively earned retail revenue of US\$39.4 billion in FY13.

The top 10 listed retailers in Africa collectively earned retail revenue of US\$39.4 billion in FY13, contributing approximately 88.9% to the total top 25 retail revenue of US\$44.3 billion. Their combined retail revenue grew by 9.5% y-o-y in FY13, from US\$35.9 billion in 2012. All retailers in the top 10 list have their headquarters in South Africa. In FY13, they collectively employed over 324 000 staff members and had 12 161 stores.⁷⁹

The majority of the top 10 retailers are diversified in their retail operations, with most having food and beverage and clothing and accessories as their core retail sectors. The top 10 is also made up of general merchandise (Massmart Holdings), health and personal care (Clicks Group) and furniture and home furnishings (JD Group) retailers.

Fastest 10

Top 10 fastest-growing retail companies

Growth rank FY13	Retail revenue rank FY13	Company	Headquarters	Core retail segment	Y-o-y revenue FY13	2011-2013 revenue CAGR	Retail revenue FY13 (US\$ million)
1	12	Choppies Enterprises Ltd	Botswana	Food and beverage	24.4%	23.2%	567.9
2	20	Zambeef Products Plc	Zambia	Food and beverage	23.0%	27.4%	171.8
3	7	Mr Price Group Ltd	South Africa	Clothing and accessories	15.0%	14.1%	1 557.7
4	6	The Foschini Group Ltd	South Africa	Clothing and accessories	13.6%	11.7%	1 594.1
5	5	Woolworths Holdings Ltd	South Africa	Clothing and accessories	12.7%	17.8%	3 827.8
6	16	Société Magasin Général SA	Tunisia	General merchandise	11.3%	19.5%	454.5
7	4	The SPAR Group Ltd	South Africa	Food and beverage	10.7%	11.5%	5 166.7
8	1	Shoprite Holdings Ltd	South Africa	Food and beverage	10.5%	11.1%	9 852.5
9	2	Massmart Holdings Ltd	South Africa	General merchandise	9.8%	8.7%	7 529.8
10	23	Furnmart Ltd	South Africa	Furniture and home furnishings	8.9%	13.4%	131.7

CAGR = Composite Annual Growth Rate
Y-o-y = Year on year

The fastest 10 list has been compiled based on y-o-y revenue growth. Most of the fastest 10 companies in the African retail landscape operate in the food and beverage and clothing and accessories sectors, which are growing retail sectors across the continent. Food and beverage retail constitutes approximately 64.8% of total retail sales in Africa.⁸⁰ In order to capture this food and beverage growth opportunity, Woolworths Holdings is opening large format stores throughout South Africa – In FY13, it launched its Waterstone supermarket as a prototype.⁸¹ The 10 fastest companies have further enhanced their degree of vertical integration through distribution networks that support their retail outlets, ensuring quicker replenishment of products and effective supply chains, thereby contributing positively to the revenue growth of these companies.



The fastest 10 retailers also have a wide geographic presence, with an average country presence in 8 countries and an average store count of more than 900.

The fastest 10 retailers also have a wide geographic presence, with an average country presence in 8 countries and an average store count of more than 900. This gives them the scale to capture high-volume consumer demand and gain revenue growth.

There is a total of 7 of the fastest-growing African retailers with headquarters in South Africa, each of which also forms part of the top 10 retailers by revenue. The revenue obtained from the non-South African operations of these companies experienced a higher y-o-y growth than that from South Africa.

- In FY13, sales in Shoprite Holdings' supermarkets in the rest of Africa grew by 27.1%, compared with 9.8% in South Africa.⁸²
- For Mr Price Group, non-South African sales increased by 37.6% in FY13. In the West African markets of Nigeria and Ghana, its sales were up by 98.2%.

These Southern African companies are seeking expansion into the rest of Africa (primarily East and West Africa) as their strategic agenda in the coming years, and plan to implement this via acquisitions or direct partnerships.

- Choppies Enterprises has focused on acquisitions in Kenya and Tanzania to establish a presence.⁸³
- TFG has a target of opening 280 to 300 stores outside of South Africa, primarily in Mozambique, Angola and Kenya by 2018.⁸⁴
- Woolworths Holdings acquired 33 franchise stores in Botswana, Namibia, Swaziland and Ghana in FY13.⁸⁵

Among the fastest 10 retailers, Mr Price Group, The SPAR Group and Shoprite Holdings all have a presence in Central Africa via Angola, the Democratic Republic of the Congo and Rwanda.

The second-fastest retailer, Zambeef Products, is headquartered in Zambia, and 3 other fastest 10 retailers have an operational presence in this country – in the list of the top 25 retailers, 7 companies have operations in Zambia. Furthermore, formal retail penetration in the country is less than 20%, providing ample scope for retailers to expand.⁸⁶

The only North African retailer featuring in the fastest 10 African retailers in FY13 is Société Magasin Général, based in Tunisia. The company has benefited from working to modernise its stores and introducing new items to increase foot traffic.

It has been opening newer format retail stores (mainly hypermarkets) in Tunisia. The Tunisian retail market is witnessing increased modernisation as supermarkets and hypermarkets gain traction and enable sales growth. The company has also partnered with French company Auchan to increase its store count in Tunisia.⁸⁷ The Tunisian retailing industry is polarised with traditional retail outlets being dominated by local players, such as Poulina Group Holding and Société Chahia (listed but diversified), and modern outlets being dominated by multinationals, such as Carrefour.⁸⁸

Organic and inorganic growth

The fastest 10 retailers have been adopting both organic and inorganic growth measures to expand across the continent. For instance, Massmart Holdings focuses on high-volume and low-cost distribution, and has achieved growth via strategic acquisitions and greenfield opportunities. It is also moving towards owning property, and it acquired 15 key properties in FY13 which the group had previously leased.

Furnmart, which reported one of the lowest retail revenue incomes for FY13 (relative to other companies listed in the top 25), displayed one of the fastest revenue growths in FY13, owing to its ability to capture a high volume of demand from low-to-middle-income customers via its 'smart credit' policies.

Investment in technology for operational efficiencies or to develop a multichannel presence has also resulted in higher growth for some of the top 25 companies. Choppies Enterprises implemented a new point-of-sale system that gave it centralised control and resulted in better price management.⁸⁹ Mr Price Group's online business grew at a significant rate of 293.4% in FY13,⁹⁰ and, along with several other of the fastest 10 retailers, it has invested in strengthening its online retail channel.

⁷⁹ Deloitte analysis

⁸⁰ Planet Retail

⁸¹ <http://www.woolworthsholdings.co.za/> Integrated Report 2014

⁸² Company annual report, FY13

⁸³ Business Report, Choppies to Buy Kenyan Supermarkets, June 2015

⁸⁴ Company annual report, FY13

⁸⁵ Company annual report, FY13

⁸⁶ AFKInsider, Retailer Choppies Eyes Zambia, Tanzania in 2015 Expansion Strategy, January 2015

⁸⁷ The National Business, Low Confidence Keeps Arab Spring Markets Subdued, April 2012

⁸⁸ Euromonitor International, Retailing in Tunisia, March 2015

⁸⁹ Company publication, FY14

⁹⁰ Company press release, FY13

Overview of African e-retailers

The African eCommerce market is expected to be worth US\$50 billion by 2018, compared to US\$8 billion in 2013, providing a significant opportunity for entrepreneurs and investors.⁹⁴

Introduction

Online retail in Africa accounts for only 3-4% of total business-to-consumer (B2C) eCommerce sales worldwide.⁹¹ Although still in its infancy, recent signs indicate that eCommerce sales will grow at a steady pace. The internet's contribution to Africa's GDP stands somewhere close to 1%, which is much lower than other emerging markets, but this could rise to 10% or US\$300 billion by 2025 according to Emarketer.com. An increasing internet penetration rate, the rapid spread and accessibility of mobile technology and recent improvements to eCommerce payments and delivery infrastructure on the continent are supporting growth in online retail sales.⁹²

Nigeria has also displayed notable advancement given its growth in internet usage from 20% in 2009 to 41% in 2014, owing to investments in telecom and smartphone purchases. Nigeria has the largest online market for clothing and accessories and footwear in the region, which is expected to grow from US\$104 million in 2014 to US\$1 077 million in 2019, mainly due to the dynamic development of eCommerce companies Jumia and Konga.⁹³

The competitive landscape

The African eCommerce market is expected to be worth US\$50 billion by 2018, compared to US\$8 billion in 2013, providing a significant opportunity for entrepreneurs and investors.⁹⁴ Investors in African eCommerce include: Africa Internet Group, Naspers, Swiss-owned Ringier, Casino and One Africa Media (backed by Tiger Global Management). The largest of these is Africa Internet Group, owned by telecom groups Millicom International Cellular and MTN Group, which has an eCommerce retail presence in 23 African countries and employs approximately 5 000 people. In 2014, hedge fund Tiger Global Management invested US\$100 million in South African online shopping company takealot.com. The German firm Rocket Internet also invested €120 million in Nigeria-based online retailer Jumia in November 2015.⁹⁵

Other competitors are regionally based, such as South Africa's bidorbuy which is now available in Kenya, and Middle East operator souq.com, which has a major presence in Egypt. The emergence of eCommerce operators has encouraged smaller start-ups outside the technology space to use this platform to facilitate distribution. An example of this is Foodstantly, a Nigerian online marketplace for users to purchase and sell cooked food and fresh farm produce. The start-up acts as a delivery mechanism for all goods purchased. The company seeks to overcome the fragmented food and agriculture supply chain in Nigeria, which is made up of several small and medium players, and take it online.⁹⁶

Challenges

Although eCommerce exists as a long-term opportunity in Africa, growth in this industry has been reasonably slow as only 26.5% of the 1 billion people living in Africa are connected to the internet.⁹⁷

With inadequate infrastructure and erratic electricity supply, eCommerce faces its fair share of challenges. Apart from these, one of the biggest hurdles that B2C eCommerce in Africa needs to overcome is the lack of viable payment systems. Africa's bandwidth challenge is well on its way to being resolved, but the online payments system still has a long way to go. In this scenario many online retailers, such as Jumia, have been forced to rely on cash on delivery.⁹⁸ African consumers tend to be wary of storing their banking details, phone numbers and addresses in the cloud, and such databases are often at the heart of online shopping operations.

African firms are also hampered by the continent's national boundaries, currencies and regulatory systems.⁹⁹

Top 5

Growth in eCommerce sales by country

Revenue rank FY13	Country	E-commerce sales (US\$ million) FY13	Percentage share of total retail format sales FY13 (%)	CAGR 2011-2013 (%)	CAGR 2013-2017 F (%)
1	Egypt	2 542.6	2.16%	16.5%	19.5%
2	Nigeria	527.6	0.43%	63.2%	37.7%
3	South Africa	436.8	0.38%	20.8%	28.5%
4	Angola	294.3	0.74%	54.2%	33.9%
5	Kenya	84.1	0.35%	62.3%	39.4%

Source: Planet Retail and Deloitte analysis

CAGR = Composite Annual Growth Rate
F = Forecast

Egypt, Nigeria, South Africa, Angola and Kenya are the leaders in online retail development due to high rates of digital evolution, demonstrating the growth potential for eCommerce. Other African countries score fairly low in terms of internet penetration, but their growth potential remains positive.

Some of Africa's most successful emerging eCommerce businesses have started in Nigeria and expanded from there across the continent. They include Jumia, Kaymu and Konga, all of which have opened new stores across Africa. Venture capitalists are taking notice of the eCommerce success in Nigeria and are actively seeking to invest in this market. Naspers re-entered Nigeria's eCommerce market with its investment in Konga in October 2014, after its last venture with Kalahari.com.ng ended abruptly in February 2014.¹⁰⁰ These online stores offer a variety of products, ranging from electronics, clothing and home accessories, to books and movies.¹⁰¹

Within the Arab markets, Egyptians have emerged as the most enthusiastic online shoppers. Internet penetration in the country saw a 400% increase between 2004 and 2014, with internet penetration being approximately 44% in 2014. Most Egyptian online transactions are for electronics, airline tickets and fashion items. The biggest challenge that lies ahead of eCommerce in Egypt is the low number of credit card holders. The preferred payment method for eCommerce goods remains payments in cash, despite technological developments.¹⁰²

Online retailing in South Africa has been growing at a steady pace and is expected to register a 28.7% value CAGR over the next 3 years, up to 2018. The competitive landscape within internet retailing in South Africa remains fragmented. US-based global merchant Amazon ranks among the most visited eCommerce websites in the country, while the two largest South African online merchants kalahari.com and takealot.com have merged for a stronger position against increased local and international competition. Overall, the South African B2C eCommerce market is largely untapped, as online sales accounted for less than 1% of total retail sales in 2014.¹⁰³

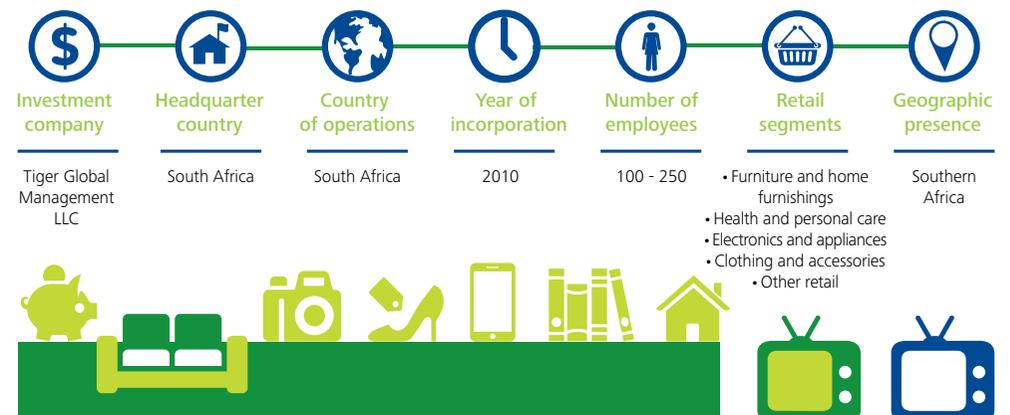
Overall, the South African B2C eCommerce market is largely untapped, as online sales accounted for less than 1% of total retail sales in 2014.¹⁰³

Tunisia also ranks high in Africa by internet penetration and around 700 eCommerce websites are already active in the country. In Algeria, infrastructure development for eCommerce is only beginning, although the past few years have seen a major push forward with the rollout of 3G internet networks.¹⁰⁴

E-retailer highlights¹⁰⁵

takealot.com

Takealot Online (Pty) Ltd offers online retailing services for consumer products. It provides books, DVDs, movies, televisions, Blu-Ray products, music, games, electronics, toys, home and kitchen products, sporting goods, baby and toddler products, vouchers and beauty products. The Competition Commission of South Africa approved the merger application of takealot.com and kalahari.com, two of South Africa's biggest e-commerce players

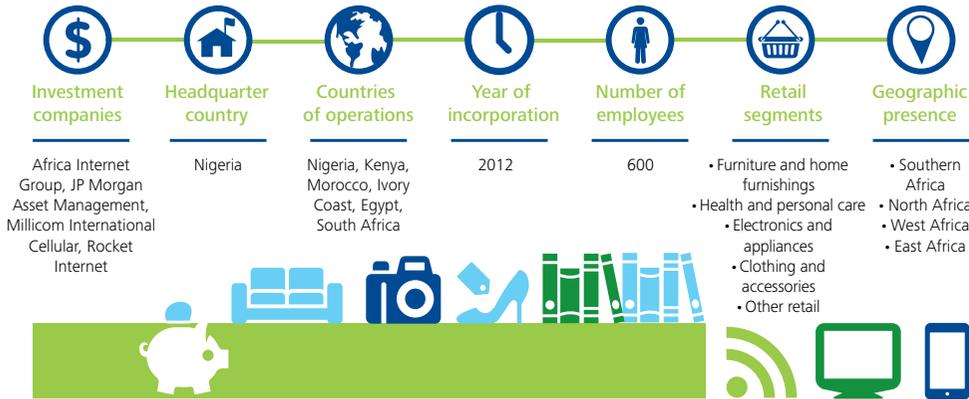


⁹¹ Emarketer, Worldwide Ecommerce Sales
⁹² Nigeria Communication Week, Global E-Commerce Estimated to Exceed US\$2 trillion in 2015
⁹³ How we made it in Africa, Looking Beyond the Obvious in Sub-Saharan Africa: The Rise of E-commerce, June 2015
⁹⁴ TNW News, Why Success in African E-commerce is All About Scale and Bidding your Time
⁹⁵ AFKInsider, African E-commerce Retailers Say it's Not So Much About the Competition
⁹⁶ How we made it in Africa, Foodstantly Wants to Take Nigeria's Food Industry Online, August 2015
⁹⁷ TNW News, Why Success in African E-commerce is All About Scale and Bidding your Time
⁹⁸ Regulus, Cash on Delivery, January 2015
⁹⁹ Fin24.com, African Retail Finds Growing Outlet Online
¹⁰⁰ Ventureburn, Naspers Invests \$50 million in Nigerian E-commerce Site Konga, Says Report, October 2014
¹⁰¹ African Business, ConnectNigeria.com
¹⁰² eCommerce facts
¹⁰³ DHL, Insights into Business Africa
¹⁰⁴ Ventureburn
¹⁰⁵ The ecommerce retailers have been highlighted based on general consumer popularity and reach, as assessed during the research
¹⁰⁶ Acegoals.com, Konga.com Emerges as Top Company to Work For in Nigeria 2015, August 2015
¹⁰⁷ Ventureburn, The Yuppies' Cult: How a Startup Sparked a Religion, 26 March 2013



Jumia

Jumia operates as an online retailer in Nigeria. It offers clothing, shoes, watches, accessories for men and women, mobile phones, accessories such as chargers, batteries, Bluetooth, car kits, cases, headphones and speakers, computers, tablets, printers, scanners, storage devices, electronics, and science and technology books. The online retailer has shown impressive growth since it was started in 2012 in Nigeria.



Yuppiechef.com

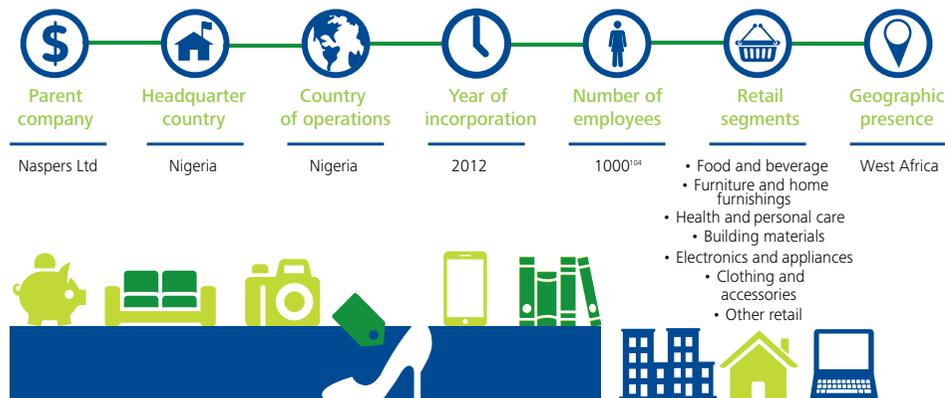
Yuppiechef is a food community offering you the tools, ingredients and the inspiration to cook real food at home. Although specifically set up for those who move in culinary circles, online retailer Yuppiechef trades in a range of kitchenware, appliances and tools to transform any individual's cooking experience.



Online retailing in South Africa has been growing at a steady pace and is expected to register a 28.7% value CAGR over the next 3 years, up to 2018.

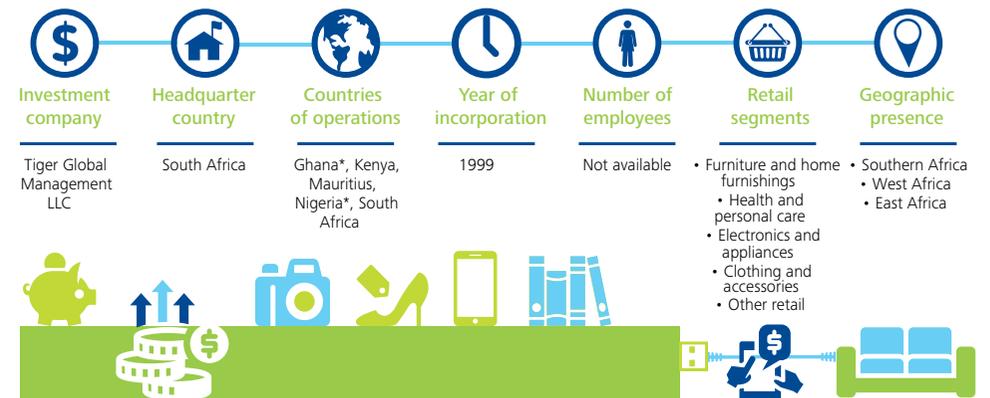
konga.com

Konga Online Shopping Ltd operates an online shopping site, konga.com. The company sells phones, tablets, computers, fashion products, home and kitchen items, toys, baby and children's products, beauty products, health products, personal care products, games, music, movies, books, stationery, automotive and industrial products, sports and fitness products, food and drinks, gifts, animal and pet products, building and construction products and mobile recharge products.



Bidorbuy.com

Bidorbuy is an online marketplace that brings buyers and sellers together to trade almost anything, through online auctions and fixed-price sales. Bidorbuy is the largest site of its kind operating in South Africa. The majority of goods sold on Bidorbuy are new items (as opposed to secondhand goods), with the ratio of fixed-price listings relative to auction listings on the rise.



Appendix

List of store formats

Store formats	
1	Supermarkets
2	Hypermarkets
3	Cash and Carry (includes warehouse clubs)
4	Discount stores (includes discount department stores, dollar stores and other extreme value stores)
5	Pharmacies
6	Speciality stores (includes home improvement, Builders Warehouse/DIY, electronics, clothing and footwear stores)
7	Petrol stations (forecourt retail)
8	Convenience stores

Some examples of notable exclusions

Company	Reason for exclusion
African & Overseas Enterprises Ltd. (JSE:AOO)	<ul style="list-style-type: none"> Company is the holding company of Rex Trueform, which is included Its revenue is equal to that of Rex Trueform
Aspen Pharmacare Holdings Limited (JSE:APN)	<ul style="list-style-type: none"> Company is primarily a manufacturer and producer of medicines, and is not significantly into retail
Astral Foods Limited (JSE:ARL)	<ul style="list-style-type: none"> Company is a poultry producer, manufacturer and distributor, which delivers goods to retailers and does not have its own retail stores
Bernabe Cote D'ivoire SA (BRVM:BNBC)	<ul style="list-style-type: none"> Company is mainly a distributing company
Chellarams Plc (NGSE:CHELLARAM)	<ul style="list-style-type: none"> Company is an industrial conglomerate, and its retail segment is very small
CSG Holdings Ltd. (JSE:CSG)	<ul style="list-style-type: none"> Company provides human resource services to retail outlets
Cullinan Holdings Limited (JSE:CUL)	<ul style="list-style-type: none"> Company's travel services is dominant
Dangote Sugar Refinery Plc (NGSE:DANGSUGAR)	<ul style="list-style-type: none"> 70% of sales is sales of the company which comes from distribution. Primarily a distributor and producer
Edcon Holdings Ltd.	<ul style="list-style-type: none"> Private entity, with its listed subsidiary Edgars Ltd. included
Innodis Ltd (MUSE:HWF)	<ul style="list-style-type: none"> Company is mainly involved in production and distribution
Innskor Africa Ltd. (ZMSE:INN)	<ul style="list-style-type: none"> Company is involved in franchise retail using SPAR chains Own retail stores account only for 5% of revenue
KayDav Group Limited (JSE:KDV)	<ul style="list-style-type: none"> Company is mainly a trading and distribution company
Les Eaux Minerales d'Oulmes SA (CBSE:OUL)	<ul style="list-style-type: none"> Company is a manufacturer and distributor of mineral water
Netcare Limited. (JSE:NTC)	<ul style="list-style-type: none"> Company is essentially a healthcare service provider
Phumelela Gaming & Leisure Ltd. (JSE:PHM)	<ul style="list-style-type: none"> Company primarily operates casinos and gaming services
Pick n Pay Holdings Limited (JSE:PWK)	<ul style="list-style-type: none"> Company is the holding company of Pick n Pay Stores Ltd., which is included Its revenue is equal to that of Pick n Pay Stores
Safaricom Limited (NASE:SCOM.O)	<ul style="list-style-type: none"> Company mainly a telecommunications service provider, with only 40 retail outlets to sell devices and handsets
Steinhoff International Holdings Ltd. (JSE:SHF)	<ul style="list-style-type: none"> Company operates in Africa through listed subsidiary, JD Group, which is included Revenue from its retail operations in Africa are nearly equal to that of JD group
Zambia Bata Shoe Company PLC (LUSE:BATA)	<ul style="list-style-type: none"> Company is primarily a manufacturer and trader of footwear Their presence in retail business, such as its stores and location, could not be established



Geographic analysis

Africa is divided into 5 sub-regions, namely Southern, East, West, Central and North Africa, according to the United Nations definitions for geographic sub-regions. The detailed country categorisations are given below.

African countries divided into regions with contribution of country retail sales to GDP (% , 2013)

Region	Country	Retail sales GDP contribution, 2013
Central Africa	Angola	32.1
	Cameroon	52.1
	Central African Republic	81.1
	Chad	23.9
	Congo	20.5
	Democratic Republic of the Congo	31.8
	Equatorial Guinea	4.2
	Gabon	19.3
	São Tomé and Príncipe	34.7
	East Africa	Burundi
Comoros		69.1
Djibouti		38.9
Eritrea		70.2
Ethiopia		56.3
Kenya		43.0
Madagascar		64.2
Malawi		76.9
Mauritius		37.5
Mozambique		59.0
Rwanda		61.2
Seychelles		19.1
Somalia*		55.2
South Sudan		n/a
Tanzania		49.3
Uganda		58.1
Zambia		34.0
Zimbabwe	40.7	

Region	Country	Retail sales GDP contribution, 2013
North Africa	Algeria	22.2
	Egypt	43.3
	Libya	21.3
	Morocco	40.2
	Sudan	42.0
	Tunisia	34.9
	Western Sahara*	63.2
Southern Africa	Botswana	41.8
	Lesotho	62.0
	Namibia	31.0
	South Africa	32.8
	Swaziland	44.4
	West Africa	Benin
Burkina Faso		51.9
Cape Verde		43.0
Côte d'Ivoire		41.2
Gambia		72.1
Ghana		39.8
Guinea		62.0
Guinea-Bissau		58.9
Liberia		63.2
Mali		63.1
Mauritania		46.8
Niger		57.3
Nigeria		23.6
Senegal		53.1
Sierra Leone		68.9
Togo		64.8

*Note: The GDP numbers for these countries was taken from Planet Retail since they were not available on World Bank n/a = not applicable



Key data sources

A number of sources were consulted to develop the top 25 list. The principal data sources for financial and other company information were annual reports, Securities and Exchange Commission (SEC) filings and information found in company press releases, fact sheets on company websites and Deloitte proprietary databases such as Capital IQ and Factiva. If company-issued information was not available, other public domain sources were used, including trade journal estimates, industry analyst reports and various business information databases.

Much of the data for retailers came from Planet Retail, a leading provider of global intelligence, analysis, news and data covering more than 9 000 retail operations across 211 markets around the world. Planet Retail has offices in London, Frankfurt, New York, Tokyo, Hong Kong and Qingdao, China.

	Data sources/references
1	Planet Retail
2	Business information databases (e.g. Capital IQ, OneSource, Factiva)
3	Company annual reports, press releases and SEC filings
4	World Bank
5	Oanda Corporation
6	Web sources, news articles and public reports

Much of the data for retailers came from Planet Retail, a leading provider of global intelligence, analysis, news and data covering more than 9 000 retail operations across 211 markets around the world.

Currency conversions

The currencies below have been converted into US\$, where 1 currency unit is equal to the indicated number of US\$.

Currency	Year ended	FY13	FY12	FY11
ZAR	30-Sep	0.1081	0.124	0.1436
	30-Jun	0.0964	0.1134	0.1289
	31-Mar	0.0991	0.1178	0.1349
	01-Mar	0.1005	0.1196	0.1359
	28-Dec	0.1042	0.1219	0.1385
	31-Aug	0.1098	0.1251	0.1441
	31-Dec	0.104	0.1219	0.1383
	29-Jun	0.0964	0.1135	0.129
NGN	29-Mar	0.0992	0.1179	0.1349
	31-May	0.0061	0.0063	0.0063
GHS	31-Dec	0.0062	0.0064	0.0062
	31-Dec	0.4827	0.5374	0.6415
KES	30-Jun	0.0114	0.0115	0.0112
MAD	31-Dec	0.1178	0.1148	0.1228
MUR	31-Dec	0.0314	0.032	0.0335
NGN	31-Dec	0.0062	0.0062	0.0064
TND	31-Dec	0.614	0.6387	0.7082
ZMW	31-Dec	0.1839	-	-
	30-Sep	0.1845	-	-
MAD	31-Dec	0.1178	0.1148	0.1228
TND	31-Dec	0.614	0.6387	0.7082
WP	31-Jul	0.1224	0.134	0.1486
	30-Jun	0.1133	0.1234	0.1359
	30-Apr	0.114	0.1253	0.1396

Source: Oanda.com



Africa Consumer Business team

The Deloitte Africa Consumer Business team has extensive experience in retail, distribution and consumer-product manufacturing. We provide innovative, industry-specific solutions to retailers and their suppliers across audit, tax, consulting and advisory services. This team has delivered significant cross-border engagements into Africa where we have supported retailers and consumer product manufacturers with market entry and expansion strategies, market analysis and distribution optimisation. If you would like to discuss any of the topics in this report, or our services to the consumer business industry in Africa, please contact:

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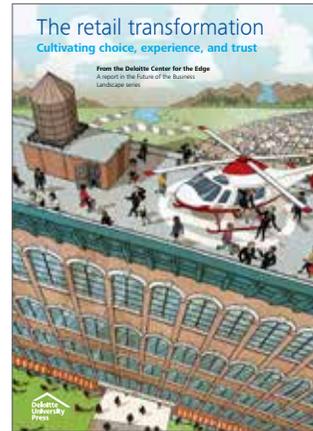
Deloitte in retail

For further insights in the retail space around the world, we recommend the following:

Tech Trends 2015
A consumer products and retail perspective



The retail transformation
Cultivating choice, experience and trust



Smart device, smart pay
Taking mobile payments from coffee shops to retail stores



The thinker and the shopper
Four ways cognitive technologies add value to consumer products



On the couch
Understanding consumer shopping behavior



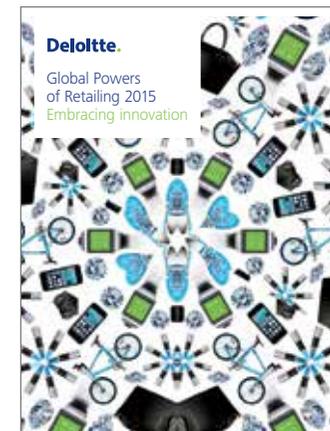
Global Powers of Consumer Products 2015
Connecting with the connected consumer



Global Powers of Luxury Goods 2015
Engaging the future luxury consumer



Global Powers of Retailing 2015
Embracing innovation



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