S&V Publications
WEEKLY NEWSLETTER
Covering the Leather, Footwear, Leather Goods and PPE industry in southern and eastern Africa.
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S&V Weekly Newsletter Vol.8 No.46, November 14 2022

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Eddels: IDC in talks with possible buyer

Pietermaritzburg, KZN, SA - There are ongoing negotiations between the shareholders of Celrose (Pty) Ltd and unidentified prospective buyers over the potential sale of Celrose subsidiary Eddels Shoes.

As of early last week, no offer had been received from the prospective buyer or buyers. According to a source, it is hoped and expected that there will be an offer this week.

The Industrial Development Corporation (IDC) is the biggest shareholder in Celrose, having taken over Edcon's shares before Edcon's closure.

Tshepo Ramodibe, IDC Head of Corporate Affairs, responded to our request for comment on negotiations: "The challenges facing Eddels are well documented. As such, the IDC has been and continues to explore available options that can help improve Eddels's operational efficiencies."

Le Croc buys Lorenzi, creates vertical exotic leather business

Johannesburg, Gauteng, SA – Crocodile farm and tannery Le Croc has bought luxury leather goods manufacturer Lorenzi Exclusive Handbags for an undisclosed sum, effective from 01 August 2022.

"Le Croc has always been interested in creating full vertical integration in the exotic leather value chain," said Le Croc MD **Stefan van As**. "Our operations now cover crocodile breeding and rearing, tanning, manufacturing, and retail of exotic leather products."

A full article on the takeover and the plans for the business will appear in the November issue of *S&V Footwear and Leather Goods, due out on 29 November*.

The Foschini Group Ltd: Unaudited interim results for the half-year ended 30 September 2022

Apparel still over 80% of business, homeware shows highest growth

For the full report, go to https://www.sharedata.co.za/v2/Scripts/News.aspx?c=TFG&sensid=436132

Cape Town, W. Cape, SA (Fri 11 Nov 2022, 9:07) - Revenue for the interim period increased to R25.1 billion (2021: R20.4 billion) whilst operating profit before acquisition costs climbed to R2.6 billion (2021: R1.9 billion). Profit for the period attributable to equity holders of The Foschini Group Ltd. grew to R1.5 billion (2021: R1.0 billion). Furthermore, headline earnings per share jumped to 464.6 cents per share (2021: 393.4 cents per share).

Commentary The Group delivered a strong performance during the six months ended 30 September 2022 despite tough trading conditions and a stronger post-COVID-19 comparative in the six months ended 30 September 2021. The prior period was also impacted by the KZN civil unrest in July 2021.

H1'2023 performance was achieved despite continued disruptions during the current period, including increased levels of load shedding in South Africa, flooding in parts of South Africa and Australia, and double digit UK inflation.

TFG AFRICA In TFG Africa, the post-pandemic economic recovery remained robust, showing resilience in consumer spending during the period, despite the reported unemployment rates, reduced consumer confidence and spend; and increased levels of Eskom load shedding. During the current period we have seen a spike in load shedding which has resulted in c.132,000 lost trading hours during H1'2023. This impacted all provinces in South Africa and was 2,6 times greater than the lost trading hours from load shedding absorbed during the prior period. Initiatives are being put in place to mitigate the lost trading hours due to load shedding by investing in a number of battery backup power solutions, installed in priority stores throughout South Africa. Along with the backup solutions, TFG Africa has deployed mobile point of sale devices across a number of stores to enable trade during load shedding. These initiatives will protect approximately 68% of South Africa turnover.

With effect from 1 August 2022, TFG acquired 100% of the issued share capital of Tapestry Home Brands Proprietary Limited for a cash equivalent purchase consideration of R2,2 billion. The acquisition seeks to provide the Group with exposure to new and diverse products and categories as well as gaining new customers to complement the current TFG customer base in existing categories. The transaction is in line with TFG's stated strategy of vertical integration in key product categories and the continued development of its quick response local manufacturing capability.

TFG AUSTRALIA In TFG Australia, the retail environment continued its strong recovery post the COVID-19 restrictions. The prior period was adversely impacted by COVID-19 related closures and restrictions, with approximately 50% of stores closed in August and September 2021. With customers now returning to stores, TFG Australia's outlet turnover grew 56,3% (AUD). TFG Australia continues to successfully navigate global supply chain issues, a tight domestic labour market and above average inflation.

TFG London In TFG London, inflation has accelerated to the highest levels since the early 1980s and reached double digit growth on goods for the first time in April 2022 (12,4%, Office National Statistics, UK). Inflation is expected to remain high for some time despite the successive raises in interest rates by the Bank of England (from 0,1% to 3,0% currently). Against this backdrop, TFG London performed relatively well during the first quarter as consumers caught up on long delayed family celebrations and events; and employees began to return to normal working patterns. Retail outlet turnover growth (excluding online) of 64,0% (GBP) in the first quarter was delivered with stores being open for the entire trading period versus phased openings in the prior period. The second quarter saw more modest growth (Q2'2023 retail growth of 4.4% (GBP), H1'2023 of 21.2% (GBP)) with a focus on protecting margin through reduced promotional days. The Queen's passing and subsequent period of mourning, together with the uncertainty caused by the successive changes in Prime Minister, have been distracting for the UK consumer. There are many variables at play within the UK market however we remain optimistic.

Growth in the various merchandise categories was as follows:

Merchandise category	**H1'2023 retail turnover** growth	**H1' 2023 Contribution to total** retail turnover
Clothing	24.7%	83.2%
Homeware	56.9%	6.4%
Cosmetics	5.8%	1.9%
Jewellery	4.8%	2.7%
Cellphones	0.2%	5.8%
Total Group	23.5%	100.0%

The retail turnover growth when compared to the same period in the previous financial year in each of our business segments in local currency was as follows:

Business segment	**H1'2023 growth in** retail turnover (LC)	**H1'2023 Contribution** to Group retail turnover (ZAR)
TFG Africa (ZAR)	16.9%	65.6%
TFG London (GBP)	21.2%	14.9%
TFG Australia (AUD)	48.7%	19.5%
Group (ZAR)	23.5%	100.0%

Our online and outlet channels contributed to the continued progress in all three territories, with the respective growths and contributions as follows:

Business segment	H1'2023	H1'2023	H1'2023	H1'2023
	Online retail turnover growth	Online contribution to segment retail turnover	Outlet retail turnover growth	Contribution to segment retail turnover
TFG Africa (ZAR)	18.8%	3.1%	16.9%	96.9%
TFG London (GBP)	1.0%	37.6%	37.9%	62.4%
TFG Australia (AUD)	(12.4%)	6.5%	56.3%	93.5%
Group (ZAR)	2.6%	8.9%	26.0%	91.1%

At 30 September 2022, the Group traded out of 4 399 outlets across 24 countries. Expansion of outlets continued during the current period with the opening of 159 outlets, while 111 outlets were closed, which includes 41 concessions in TFG London.

The outlet movement in the respective business segments was as follows:

Outlets	TFG Africa	TFG London	TFG Australia	Group
Opening balance at 1 April 2022	3.087	688	576	4351
New outlets	136	12	11	159
Closed outlets	(35)	(68)	(8)	(111)
Closing balance at 30 September 2022	3188	632	579	4399

The Group continues to demonstrate its resilience and agility and is well positioned to navigate through tough economic conditions and stretched consumer wallets in all territories in which we operate. Trading conditions and consumer confidence are likely to remain under pressure, exacerbated by lost footfall due to load shedding in South Africa.

The Group continues to invest in its key strategic initiatives to further strengthen its differentiated business model. It has made progress on its key strategic objectives and its speciality brand business portfolio which remains very well positioned for further organic and inorganic growth. A specific focus will be the continued integration of the Tapestry business to extract the maximum value from our investment.

As always, the second half of the Group's financial year is heavily dependent on Black Friday and Christmas trade, which will largely determine performance for the full year.

In case you missed it!

The November issue of S&V African Leather Magazine

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S&V African Leather Magazine Vol16 No11 November 2022
IN THIS ISSUE:

03 Upfront
- A new quip from **Sam Setter** in each issue.
- Final preparations for CITES COP 19.
- Karan-Triple A proposed merger: 'There would be no effect on hide business.'

06 Exotics
- International trade in crocodilian skins: Top end recovering well, lower end picking up more slowly, with higher expectations of very good quality, writes **Stefan van As** of Le Croc.

11 An Eclectic View
- Legal permits: There are always rules, writes **H. Procter**.

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- Salt-free preservation of skins using mahogany seed extract: Summary of a paper by **Dr Clive Jackson-Moss** of the ISTT.

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- Compiled by the ISTT.

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- Sustainable Leather Foundation continues to support the global leather industry, writes MD **Deborah Taylor** after a visit to Uzbekistan.

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- The Great Event III IULTCS Eurocongress Vicenza 2022.

20 Knowledge Transfer, Education & Training
- Making leather, Part 10 of 10: Discussion, by **Richard Daniels**.

Advertisers in this Issue
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They Said It

"I was strongly influenced by the comic 'Eagle' when I was about 6 or 7. A blaze of high quality colour images and short text in an otherwise quite grey world to make a story. This formed my approach to technology transfer." - **Richard Daniels**, the author of the 10-part series, Making Leather, which has just ended in the November issue of S&V African Leather. Happily, he is busy with another series. Sadly, we don't know when it will be ready.

Directory entries updated last week

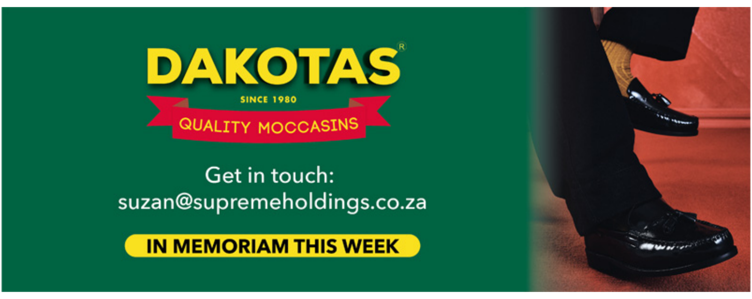
Allen, Peter, Cape Town, W. Cape, SA.
Allied Agencies, Westville, KZN, SA.
Bishoon, Loll, Kempton Park, Gauteng, SA.
Burton's / Monson's, Cape Town, W. Cape, SA.
Le Croc, Brits, N.W. Province, SA.
Lorenzi, Midrand, Gauteng, SA.
Skip Bradfield Agencies, Cape Town, W. Cape, SA.

Got anything you'd like to share?

Do you have any suggestions, comments or experiences about the industry that you'd like to share with the industry? - tony@svmag.co.za

BIRTHDAYS THIS WEEK

14/11/1953: **Bruce Lynn**, emigrated, resident in Vietnam, formerly Clarks SA, Pietermaritzburg, KZN and Millana Shoes, Port Elizabeth, E. Cape, SA.
14/11/1974: **Norman Venks**, HW Textiles, Hammarsdale, KZN, SA.
14/11/1983: **Ximena Farfan**, freelance designer, Johannesburg, Gauteng, SA.
15/11/1977: **Mario Alves**, Unikem, Pinetown, KZN, SA.
15/11/1971: **Michelle Lambert**, Freestyle Handmade Originals, Cape Town, W. Cape, SA.
15/11/1971: **Marcus Reddy**, International Fabric Supplies, Durban, KZN, SA.
16/11/1939: **Danny Pincus**, agent, Johannesburg, Gauteng, SA.
15/11/1979: **Warren Gedye**, Michelle Footwear, Durban, KZN, SA.
16/11/1950: **Len Crozier**, retired, formerly leather technician, Bronkhorstspruit, Mpumalanga, SA.
16/11/????: **Sonal Ambaram**, JFK Trading, Durban, KZN, SA.
17/11/1953: **Andy Sandison**, retired, formerly ACA Threads, Cape Town, W. Cape, SA.
17/11/1966: **Robbert van Schagen**, Paris Avenue Boutique, Windhoek, Namibia.
17/11/1983: **Gustav Nefdt**, Martin Nefdt Agencies, Port Elizabeth, E. Cape, SA.
18/11/1939: **Frank Rosenberg**, Leathermarc, Bloemfontein, Free State, SA.
18/11/1954: **Feroze Bhamjee**, Piccadilly, Johannesburg, Gauteng, SA.
19/11/1949: **Kevin Cockcroft**, Maloti Mountain Moccasins, Pietermaritzburg, KZN, SA.
19/11/1958: **Alan Fleetwood**, Bolton Group, Cape Town, W. Cape, SA.
19/11/1961: **George Dimond**, Continental Compounders, Pinetown, KZN, SA.
19/11/1975: **Kirsten Pillay**, Isicebi Trading 1098 cc, East London, E. Cape, SA.
19/11/19??: **Johan Stumpf**, left the industry, formerly KKI, Oudtshoorn, W. Cape, SA.
20/11/1964: **Jessica Han**, Gutsy, Bloemfontein, Free State, SA.
20/11/1987: **Jonathan Colloty**, left the industry, formerly Michelle Footwear, Durban, KZN, SA.
20/11/????: **Vis Moodley**, KwaZulu Shoe Co, Estcourt, KZN, SA.



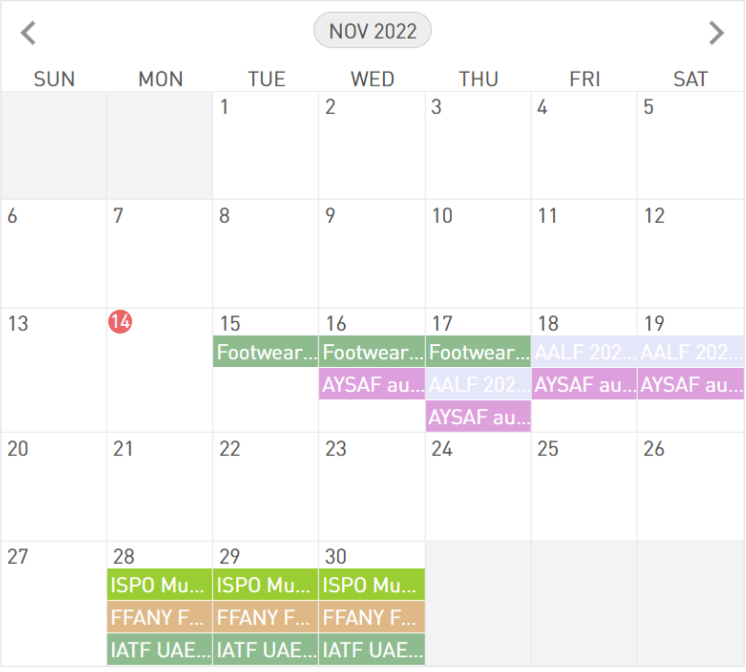
IN MEMORIAM THIS WEEK

14/11/1989: **Cyril Fletcher** (b. 08/02/1930), Edcon, Johannesburg, Gauteng, SA.
15/11/2002: **Jody Woycieh** (b. 12/11/1949), Sting Components [closed], Pietermaritzburg, KZN, SA.
16/11/2018: **Rosa Costa** (b. 20/01/1932), formerly of the Superior Footwear Group, Harare.
16/11/2020: **Graham Gradwell** (b. 04/11/1930), retired, formerly Studio Shoes [closed], Port Elizabeth, E. Cape, SA.
19/11/2014: **Allan Bell** (b. 09/07/1926), Bata Kenya and Futura Footwear, in the UK.
19/11/2018: **Michael Hiss** (b. 03/10/1948), Chanti Belt/Michael Hiss Agencies, Durban, KZN, SA.
20/11/1997: **Christian Larkins** (b. 01/07/51), Interchem, Cape Town, W. Cape, SA.

Have you let us know about your birthday, or the birthdays of your colleagues? Our readers love this section, so please become part of it. This also applies to the In Memoriam section. Help us remember former colleagues.

Do you have an event you want listed in the calendar?
Email tony@svmag.co.za

No charge for associations, R199 + Vat for all others



SUN	MON	TUE	WED	THU	FRI	SAT
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15 Footwear...	16 Footwear... AYSAF au...	17 Footwear... AALF 202... AYSAF au...	18 AALF 202... AYSAF au...	19 AALF 202... AYSAF au...
20	21	22	23	24	25	26
27	28 ISPO Mu... FFANY F... IATF UAE...	29 ISPO Mu... FFANY F... IATF UAE...	30 ISPO Mu... FFANY F... IATF UAE...			

Exchange rates

Note: For previous rates, see HERE

1. SA Rand (ZAR)/Lesotho Loti (LSL)/Namibian Dollar (NAD)/Swazi Lilangeni (SZL)

Source: http://www.x-rates.com/calculator/

	Euro €	GBP £	US $	CNY ¥
12/11/2022	R17.26	R20.42	R17.26	R2.42

2. Botswana Pula (BWP)

Source: https://www.xe.com/currencyconverter/

	Euro €	GBP £	US $	CNY ¥
12/11/2022	13.71	15.66	13.24	1.86

3. Malawian Kwacha (MWK)

Source: https://www.xe.com/currencyconverter/

	Euro €	GBP £	US $	CNY ¥
12/11/2022	1061.02	1211.74	1024.38	144.12

4. Zambian Kwacha (ZMW)

Source: https://www.xe.com/currencyconverter/

	Euro €	GBP £	US $	CNY ¥
12/11/2022	17.08	19.51	16.49	2.32

5. Zimbabwean Dollar (ZWL$)

Source: https://www.xe.com/currencyconverter/

	Euro €	GBP £	CNY ¥	Official US$
12/11/2022	374.84	428.09	50.91	636.78

Note: For previous rates, see HERE

ABSA Agri Trends: Hides & skins prices

Johannesburg, Gauteng, SA (11 November 2022) - The current average hide price remained unchanged at R4.64/kg from a week ago. The current price is the same as the average price a month ago and the average price a year ago. The range of prices reported was as follows: Minimum price: R4.00 Maximum price: R5.00. Please note: Our methodology weighs the prices we collect according to the number of hides they sell in a month. This is done to make it more representative of the prevailing market price. NB* Hide prices are determined by the average of the RMAA (Red Meat Abattoir Association) and independent companies. - **Marlene Louw**, senior agricultural economist, and **Nkhensani Mashimbyi**, agricultural economist, Absa group.

Note: For previous prices, see HERE

Have a look at these links

We invite businesses to send us links to websites, Facebook pages and the like which they feel would be of interest to others. The links below are from our database:
Ismail Cassim & Sons, Johannesburg, Gauteng, SA. Wholesaler.
Ismail's Outfitters, Heidelberg, Gauteng, SA. Men's outfitter.

Classified Adverts

Agencies sought

Professional and very experienced agent, with extensive chain and retail customer list, seeks agencies for the Western Cape. - Skip Bradfield (0)82 477 7312, skipbradfield@gmail.com

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Sewing Machine Mechanic/Technician seeks position

PREMCHAND HARIPERSAD. I have 34 years combined experience as a machinist/mechanic. Currently a qualified sewing machine mechanic. My qualification was obtained at 'London City of Guilds institute'. During my tenure in the industry I have serviced and fixed high quality machinery that production depended on. Passion and skill for the industry assisted me in obtaining world class experience which I thoroughly enjoy not just as a job but more as my hobby. This allows me to exceed expectations of technical demands and standards ensuring maximum production at all times. Based in Durban CV available +27 78 151 7752 +27 67 047 3952 haripersadpremchand@gmail.com

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