

**S&V Weekly Newsletter Vol.9 No.46, November 13 2023**

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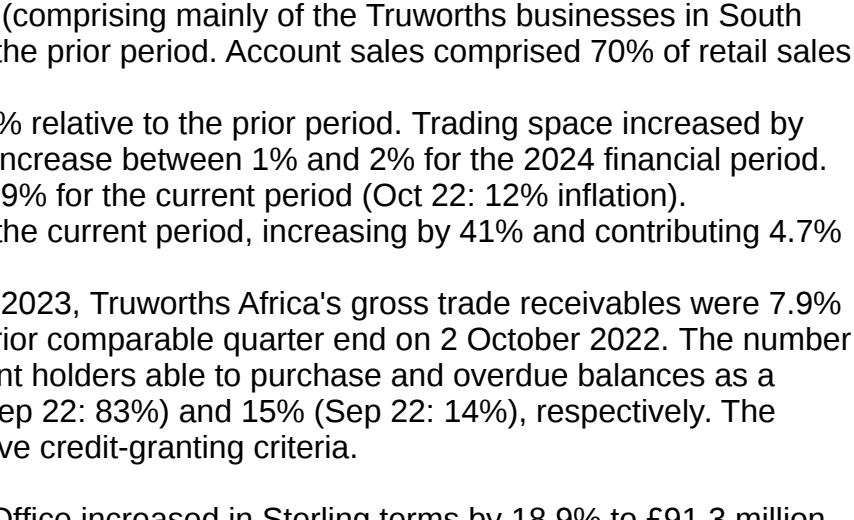
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**Top end holding up better, says Stanbel, as it opens first Tommy Hilfiger store**

**Johannesburg, Gauteng, SA** - Calvin Klein SA licensee Stanbel (Pty) Ltd has acquired the local rights for Tommy Hilfiger and has opened its first mono-brand store in Sandton City. It will open its 7th Calvin Klein store in Gateway, Durban, in January, and its 13th Thirdbase Urban multi-brand denim store in Vaal Mall, Vereeniging, early next year. "We're feeling our way with Tommy Hilfiger," director **Stan Kotkin** said last week. "Obviously in terms of the licence, we are obliged to open a certain number of stores." He said more international brands were opening their own stores "which is making it difficult to get good positions in regional centres". "Under the circumstances, we're trading well," he said. "Everyone has financial constraints, but the higher LSMs are less affected."

**Better quality branded footwear stronger, 'too many grey areas in bottom end'**

**Grahamstown, E. Cape, SA** - Trading is very difficult "and we're having to sharpen our pencils and be very specific in giving customers what they want", said **Chiman Harjeven**, managing member of Knight's Shoes, which sells men's, women's and children's footwear and men's clothing. He's closing 1 of his 4 stores, trading as Mr Man, at year end, citing poor trading and end-of-lease. "Better quality branded footwear is holding up better than the rest," he said. "Those buyers are still prepared to make the effort. There are too many grey areas in the lower end. Uncontrolled imports have spoilt that market. These factors have affected how we buy."



**UK stores save results**

**Cape Town, W. Cape, SA (Thu 09 November 2023)** - Truworths International Group retail sales for the first 17 weeks (from 03 July 2023 to 29 October 2023) of the 2024 financial period increased by 10.9% to R6.6 billion, compared to the first 17 weeks (from 04 July 2022 to 30 October 2022) of the 2023 financial period. Account sales comprised 47% (Oct 22: 52%) of Group retail sales, with account and cash sales increasing by 0.1% and 22.5%, respectively, relative to the prior period.

**Truworths Africa:** Retail sales for Truworths Africa (comprising mainly of the Truworths businesses in South Africa) increased by 1.0% to R4.4 billion relative to the prior period. Account sales comprised 70% of retail sales (Oct 22: 70%). Comparable store retail sales decreased by 2.2% relative to the prior period. Trading share increased by 1.1% relative to the prior period and is expected to increase between 1% and 2% for the 2024 financial period. Merchandise (retail selling price) inflation averaged 9% for the current period (Oct 22: 12% inflation). Online sales continued to show good growth in the current period, increasing by 41% and contributing 4.7% to Truworths Africa's total retail sales.

At the end of the first quarter ended 01 October 2023, Truworths Africa's gross trade receivables were 7.9% higher at R6.2 billion relative to R5.8 billion at the prior comparable quarter end on 2 October 2022. The number of active accounts increased by 5.1%. Active account holders able to purchase and overdue balances as a percentage of gross trade receivables were 82% (Sep 22: 83%) and 15% (Sep 22: 14%), respectively. The Group continues to consistently apply its conservative credit-granting criteria.

**Office:** Retail sales for the United Kingdom-based Office increased in Sterling terms by 18.9% to £91.3 million relative to the prior period's £76.8 million. In Rand terms, retail sales for Office increased by 38.8% to R2.1 billion. E-commerce sales for the current period comprised approximately 45% of total retail sales, increasing from a contribution of 41% in the prior period. Office's trading space decreased by 5.5% compared to the prior period due to the segment exiting all 7 of its stores in Germany, and is expected to increase by approximately 9% for the 2024 financial period as new stores are opened and existing stores are renovated.

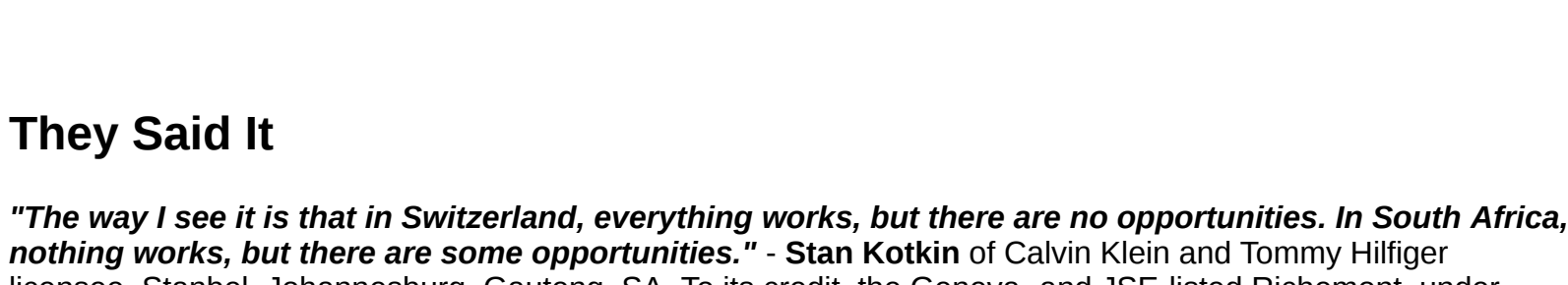
**Outlook:** While the Group is pleased with the positive sales momentum in Office, South African consumers are expected to remain under pressure as electricity, fuel, food, borrowing and general cost of living increases continue to weigh on disposable income. The Group remains cautiously optimistic about the medium-term outlook for the South African economy. Household spending will benefit as inflation moderates, with the potential for interest rate relief, while a sustained reduction in load shedding and a stable post-election environment could stimulate consumer confidence and economic activity.

The Group will continue its focus on the strategic initiatives within its 2023 annual results and integrated report. In Truworths Africa, these initiatives include launching new retail concepts, expanding its integrated in-house design capability, and improving speed to market, and investing in technology, including the omni-channel experience.

In the constrained spending environment, Truworths aims to sustain growth by capitalising on the strength of its account portfolio, its expanding customer base and the appeal of its quality, aspirational fashion, supported by the Group's strong balance sheet and robust cash flows.

Office's growth will be driven by introducing and growing new brands, new store openings, and the remodelling and extension of existing stores in strategically important locations, supported by the strength of its relationships with the world's leading footwear brands as well as the planned investment in technology and customer relationship management capabilities.

Shareholders were advised that this business update does not constitute an earnings forecast, that the financial information provided herein is the responsibility of the directors, and that such information has neither been reviewed nor reported on by the Group's external auditors. The Group's interim results for the 26-week period ending 31 December 2023 are scheduled to be released on or about Thursday, 29 February 2024.



**Richemont interim results September 2023**

**In a word, Good**

**Geneva, Switzerland (Fri 10 November 2023)** - Revenue for the interim period grew to €10.2 billion (2022: €9.7 billion) whilst operating profit came to €2.655 billion (2022: €2.723 billion). Profit attributable to owners of the parent company turned around to €1.5 billion (2022: loss of €760 million). In addition, headline earnings per share went up to €357.7 cents per share (2022: €339.6 cents per share).

**Company outlook:** The period under review started strongly, beyond our expectations. However, growth eased in the second quarter as inflationary pressure, slowing economic growth and geopolitical tensions began to affect customer sentiment, compounded by strong comparatives. Consequently, we have seen a broad-based normalisation of market growth expectations across the industry. The positive news is that a soft-landing scenario seems to be prevailing in major economies with still higher growth expected from China, which should benefit from stimulus measures.

We have further reinforced the breadth and depth of the skillset both on our Senior Executive Committee and the Board. Our Maisons have continued to enhance their desirability and capabilities and increase proximity with their clients. Financial discipline has been maintained enabling targeted investments and a further strengthening of our operations.

Our solid balance sheet enables us to manage for the long term, investing in a discerning manner in talent, research & development, production, distribution, and sustainability initiatives.

**TFG interim results September 2023**

**Revenue up, dividend down**

**Cape Town, W. Cape, SA (Friday 10 November 2023)** - Revenue for the interim period increased to R28.4 billion (2022: R25.2 billion) and gross profit went up 7.7% to R12.5 billion (2022: R11.6 billion). Operating profit before acquisition costs grew 1.2% to R2.7 billion (2022: R2.6 billion). Profit for the period attributable to equity holders lowered to R1.3 billion (2022: R1.5 billion). Furthermore, headline earnings per share lowered by 15.3% to 393.6 cents per share (2022: 464.6 cents per share).

**Company outlook:** The Group continues to demonstrate its operating and financial strengths 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 the sustained high interest rates and inflation across the three territories and ongoing load shedding in South Africa.

As previously communicated, the Group has, in response to the muted growth environment, adopted a conservative approach to its organic growth plans with less store openings expected in H2 FY2024 when compared to H2 FY2023. The Group will continue to focus on the consolidation of its world class assets to further improve its balance sheet strength and, consequently, the return to shareholders.

Retail turnover in H2 FY2024 is expected to grow on that achieved in H2 FY2023, especially in Q4 FY2024, as it will be against the softer base of Q4 FY2023. Further, gross margins in H2 FY2024 are expected to improve in Africa.

The outlook remains cautious, especially in the UK, with possible further softening in the coming months as many industries battle persistent inflation, higher energy costs and higher interest rates, which may have a negative impact on jobs and consumer confidence. It is expected that customers will continue to seek value, which could drive further promotional activity as the cost-of-living pressures continue throughout 2023.

We are cautiously optimistic that TFG Australia's consumer will remain resilient. Consistent with prior years, 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.

**They Said It**

**"The way I see it is that in Switzerland, everything works, but there are no opportunities. In South Africa, nothing works, but there are some opportunities."** - Stan Kotkin of Calvin Klein and Tommy Hilfiger licensee, Stanbel, Johannesburg, Gauteng, SA. To its credit, the Geneva- and JSE-listed Richemont, under chairman **Johann Rupert**, does find opportunities in Switzerland, but the essence of Stan's light-hearted observation remains true.

**New subscribers last week**

- Julia, MD, LA RICCI LEATHERS**, Cape Town, Western Cape, South Africa
- Frans Marx**, Orthotist, Frans E Marx Orthotics inc, Boksburg, Gauteng, South Africa

**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](mailto:tony@svmag.co.za)

**Birthdays this week**

- 13/11/1945: **Eckie Schumann**, Shoetech, Pinetown, KZN, SA.
- 13/11/????: **William Singh**, retired, formerly Bellstedt, Pinetown, KZN, SA.
- 13/11/1951: **William Scalco**, retired, formerly LTE, Cape Town, W. Cape, SA.
- 13/11/1975: **Muhammad Laher**, Bombay's of Nigel/Sports Fusion, Nigel, Gauteng, SA.
- 14/11/1953: **Bruce Lynn**, emigrated, resident in Victoria, 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 Arvan**, freelance designer, Johannesburg, Gauteng, SA.
- 15/11/1977: **Mario Alves**, Unilever, 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.
- 16/11/1950: **Wen Crozier**, retired, formerly leather technician, Bronkhorstspuit, Mpumalanga, SA.
- 16/11/????: **Sonal Ambaram**, JFK Trading, Durban, KZN, SA.
- 17/11/1981: **Daniel Dodo**, Dodo's, Johannesburg, Gauteng, 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.
- 17/11/1963: **Gustav Nefdt**, Martin Nefdt Agencies, Port Elizabeth, E. Cape, SA.
- 17/11/1959: **Frank Rosenberg**, Leathermarc, Bloemfontein, Free State, SA.
- 18/11/1954: **Feroze Bhamjee**, Piccadilly, Johannesburg, Gauteng, SA.
- 18/11/1960: **Mark Kingon**, Kingon's, East London, E. Cape, SA.
- 19/11/1945: **Kevin Cockcroft**, Maloti Mountain Moccasins, Pietermaritzburg, KZN, SA.
- 19/11/1958: **Alan Fleetwood**, retired, formerly Bolton Group, Cape Town, W. Cape, SA.
- 19/11/1965: **George Dimond**, Continental Moccasins, Pinetown, KZN, SA.
- 19/11/1971: **Kirsten Pillay**, Isicubi Trading 1098 cc, East London, E. Cape, SA.
- 19/11/????: **Johan Stumpf**, left the industry, formerly KKI, Oudtshoorn, W. Cape, 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, SA.
- 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), Beta Kenya and Futura Footwear, in the UK.
- 19/11/2018: **Michael Hiss** (b. 03/10/1948), Bellstedt [closed], Chanté Belt/Michael Hiss Agencies, Durban, KZN, 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.

**Directory entries updated last week**

- Dunn's Stores [Division of Pepkor Ltd], Cape Town, W. Cape, SA.
- Express Stores [City Express Stores (Pty) Ltd], Durban, KZN, SA.
- Ostrich Products SA (OPSA) [Saaq Jonker Holdings], Oudtshoorn, W. Cape, SA.
- SA Tanning Employers' Organisation (SATEO), Port Elizabeth, E. Cape, SA.

**S&V THE MONTH AT A GLANCE**  
 NOV 2023  
 Trade Fairs, Seminars, Conferences, Range Launches  
 Do you have an event you want listed in the calendar?  
 Email [tony@svmag.co.za](mailto:tony@svmag.co.za)  
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 • Associations & Support Organisations  
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**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 ¥
06/10/2023	R20.41	R23.60	R19.29	R2.68
14/10/2023	R19.96	R23.02	R18.99	R2.59
21/10/2023	R20.12	R23.10	R18.99	R2.62
28/10/2023	R19.91	R18.84	R18.84	R2.58
04/11/2023	R19.63	R22.65	R18.30	R2.51
11/11/2023	R20.01	R22.87	R18.72	R2.56

2. Botswana Pula (BWP)

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

	Euro €	GBP £	US \$	CNY ¥
06/10/2023	14.67	16.99	13.88	1.93
14/10/2023	14.44	16.64	13.73	1.88
21/10/2023	14.54	16.69	13.73	1.87
28/10/2023	14.48	16.63	13.71	1.87
04/11/2023	14.45	16.68	13.47	1.84
11/11/2023	14.52	16.60	13.58	1.86

3. Malawian Kwacha (MWK)

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

	Euro €	GBP £	US \$	CNY ¥
06/10/2023	1225.24	1416.30	1157.48	160.73
14/10/2023	1215.39	1401.47	1155.94	159.64
21/10/2023	1219.33	1399.88	1151.05	157.70
28/10/2023	1209.57	1387.86	1144.74	156.70
04/11/2023	1200.00	1393.87	1126.16	154.46
11/11/2023	1314.04	1502.00	1229.20	168.63

4. Zambian Kwacha (ZMW)

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

	Euro €	GBP £	US \$	CNY ¥
06/10/2023	22.63	26.16	21.38	2.96
14/10/2023	22.49	25.93	21.39	2.95
21/10/2023	22.99	26.40	21.71	2.97
28/10/2023	23.28	26.71	22.03	3.01
04/11/2023	23.91	27.59	22.29	3.05
11/11/2023	24.35	27.84	22.78	3.12

5. Zimbabwian Dollar (ZWL\$)

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

	Euro €	GBP £	CNY ¥	Official US\$
06/10/2023	383.08	442.84	50.30	
14/10/2023	380.50	438.76	49.82	5634.99
21/10/2023	383.36	440.13	49.50	5670.61
28/10/2023	382.39	438.75	49.54	5696.37
04/11/2023	388.18	447.93	49.63	5719.71
11/11/2023	386.87	442.21	49.64	5739.52

Note: For previous rates, see [HERE](#)

**ABSA Agri Trends: Hides & skins prices**

**Johannesburg, Gauteng, SA (09 November 2023)** - The average hide price increased by 0.7% to R3.28/kg from R3.26/kg in the previous week. The current price is 3.2% lower than the average price a month ago and 26.3% lower than the average price a year ago. The range of prices reported was as follows: Minimum price: R3.25 Maximum price: R3.50. 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 Mashimoyi**, agricultural economist, and **Zama Sangweni**, 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:  
[Koasti Handwoven Sandals](#), Cape Town, W. Cape, SA. Footwear manufacturer.  
[Koko Bino cc](#), Sandton, Gauteng, SA. Children's apparel retailer.

**Contact us**

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