

Cashbuild sees space for more stores

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Cashbuild (CSB) reported a 35% rise in full-year profit on Tuesday, signalling an improvement in the building materials market...



Werner de Jager.

Image source: [BDive](#)

In the year to June, net income rose to R358.9m and revenue increased 13% to R7.7bn, underpinned by the group's 'ready for business' initiative, which included better customer service and well-stocked stores.

CEO Werner de Jager said that the Cashbuild consumer was in a healthier position than a year ago.

"Basket sizes and the number of transactions have grown. ... The threat that is hanging is what is happening in the mining sector - it's such a big employer of our customer base - we watch it with bated breath," he said.

Part of the sector's strong growth owes to the fact that unlike the grocery retail segment, which is a quite well penetrated and mature space to the extent that opening new stores is cannibalising existing stores - buildingware stores in SA are underpenetrated. Cashbuild trades out of 223 stores and De Jager "believes there is space to get to 300 stores".

Massmart's Massbuild division, which includes Builders Warehouse, was again the star performer over the company's half-year period. Last week the company said Massbuild had grown total sales by 16.3%. Comparable sales rose by 10.6%.

FNB property economist John Loos said rapid growth was unlikely to continue in this segment of the retail market, given its cyclical nature.

Source: BDpro

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