

**MOODY'S**

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# Case Study: Pick n Pay

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## Analysis

A good early warning system requires robust measures of credit risk, straightforward decision rules and a framework for turning signals into action. The EDF-X Early Warning System (EWS) includes these elements.

- Pick n Pay is a major player in Africa's retail sector, with over 2,000 stores across eight African countries. Its major market is South Africa.
- In 2023, South Africa's retail sector faced challenges due to economic downturn, power outages, and port operation issues, affecting the import of various products.
- In the last year, Pick n Pay's stock price has declined by 55%.
- Early Warning Signals are flagging as "Severe Risk" for Pick n Pay since October 2023.

