



Retail Supply Chain Update

August 21, 2020

DoorDash makes foray into on-demand grocery delivery

- DoorDash has entered the on-demand grocery delivery arena, led by the launch of its new DashPass service.
- The expanded offering, announced Thursday, enables customers to place orders with participating grocery retailers at DoorDash.com or via the DoorDash mobile app and have their groceries delivered directly to their homes by DoorDash in as soon as an hour, without the need for scheduling.

Grocery boosts BJ's Wholesale Club to 24% Q2 comp-sales growth

- BJ's Wholesale Club posted double-digit net and comparable sales gains in the fiscal 2020 second quarter, with net income nearly doubling year over year.
- BJ's said Thursday that for the quarter ended Aug. 1, net sales climbed 18.4% to \$3.87 billion from \$3.27 billion a year earlier. Including 10.4% growth in membership fee income, total revenue was up 18.2% to \$3.95 billion. The membership base grew 10.6% to over 6 million paid members.
- At the bottom line, net earnings came in at \$106.6 million, or 76 cents per diluted share, compared with \$54.5 million, or 39 cents per diluted share, in the 2019 second quarter. Adjusted net income totaled \$107.5 million, or 77 cents per diluted share, versus \$55 million, or 39 cents per diluted share, a year ago.
- "We have a radically different company than we had just six short months ago," President and CEO Lee Delaney noted. "In many areas of the company, we are now years ahead of how we thought our transformation would evolve, and we are actively looking for ways to increase the pace of progress."
- Online sales skyrocketed in the second quarter, jumping 300% and continuing the momentum from 350% growth in the first quarter.

Brazilian Court Orders JBS to Require Worker Distancing After COVID Outbreak at Plant

- A Brazilian court this week ordered JBS SA to impose a 1.5-meter (5-feet) distance between workers in the production line at its beef plant in Pontes e Lacerda to stop the spread of the novel coronavirus.
- If not possible to enforce the 1.5 meter distance at the Pontes e Lacerda facility, then the company should install physical barriers to protect the workers, the ruling said, according to the prosecutors' statement.
- The ruling comes after an outbreak of COVID-19 at that plant, where at least 145 workers were infected as of July 27, according to labor prosecutors in Mato Grosso, Brazil's largest farm state. JBS employs 1,035 people there, the statement noted.