

Truworths diluted earnings up 8.4% to 560.7c

Fashion retailer Truworths International boosted fully diluted headline earnings per share by 8.4% from 517.1c to 560.7c for the year to June.

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Headline earnings per share (HEPS) increased 8.4% to 570.8c up from 526.7c. These equate to 12.2% and 12.1% increases respectively if the effect of the additional trading week in the prior 53-week period was excluded.

A final dividend of 158c per share has been declared, bringing the total dividend for the period to 362c, an increase of 11% over the prior 53-week period. Dividend cover has been reduced to 1.58 times.

Operating profit increased 6% to R3.4bn from R3.2bn and the operating margin declined to 34.5% from 36.1% last year. It remains within management's target range of 33% to 36%.

Inventory balances were 17% up at the end of June, after higher levels of future season stock in transit and purchase prices reflecting a higher Rand/US dollar exchange rate, resulting in an inventory turn of 5.4 times at the end of the year compared with the previous year's figures of 5.7 times.

Group retail sales for the 52-week period increased by 10.7% to R10.1bn compared with the previous 53-week reporting period and by 12.9% compared with a 52-week prior pro-forma period. Like-for-like store retail sales grew by 5.7% (7.8% relative to the comparative 52-week period) while product inflation averaged 2%.

Group sales of merchandise - which comprises group retail sales and franchise sales less accounting adjustments - grew 10.6% to R9.8bn or by 12.9% relative to the comparative 52-week period.

Trading space increased by 8.1% over the prior 53-week period-end following the opening of 17 Truworths, 19 Identity and 2 Truworths Man stores, while 2 Uzzi stores and 1 YDE store were closed. The group's store base passed the 600 mark and it now has 604 stores compared with 569 last year. These include 40 stores outside South Africa following the opening of new stores in Lesotho (4), Zambia (3), Ghana (2) and Nigeria (2).

The group has recorded market share gains and based on data from the retail liaison committee (RLC) for June 2013, in South Africa the group increased its ladieswear RLC clothing market share to 21.7% from 21.2% last year, while its menswear clothing market share grew to 22.6%, marginally higher than last year's figures of 22.4%.

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