

AVI grows full-year revenue after adjusting selling prices

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Food producer AVI grew its revenue 8.2% in the year to June, after increasing selling prices to mitigate the effect of a weaker rand, which inflated input costs. As a result, all business segments realised operating profit growth, the company said on Monday in a trading statement.



AVI operates in the fast moving consumer goods (FMCG) market, competing with established players such as Pioneer Foods and Tiger Brands. But the company is also exposed to the competitive retailer sector, through Spitz and other brands.

Through I&J, AVI operates a fishing business, which pits it against the likes of Sea Harvest and Premier Fishing, both of which listed earlier in 2017.

Entyce and Snackworks delivered "sound" operating-profit growth, as did I&J, which was supported by a weaker rand. But the three-week industrial action in 2016 affected I&J's operating profit by about R25m.

"Green Cross continued to make progress in growing retail space and revenue, but operating profit "fell below expectations in the face of increased competition and constrained consumer spending in the mid-priced footwear market," the company said.

Consolidated headline earnings per share, which strip out once-off times, rose between 8% and 10% from a year ago.

The share price was marginally lower at R97.08 in late trade on the JSE, valuing the company at about R34bn.

Source: BDpro

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