

Holdsport interim profit up 30.4%

Holdsport (HSP), which runs the Sportsmans Warehouse and Outdoor Warehouse stores, on Tuesday, 27 September, said headline earnings per share increased by 30.4% per share to 141.7 cents for the half-year ended August 2011.

Core headline earnings per share increased by 22.3% to 159.2 cents.

A maiden interim dividend has been declared of 47.0 cents per share, in line with the group's dividend policy.

Operating profit increased by 8.7% to R89.8 million and total sales increased by 7.2% to R546.9 million.

The group's operating profit margin for the period increased from 16.2% to 16.4%, while retail sales increased by 6.5% to R523.7 million.

The company listed on the JSE's main board on July 18 in the Apparel Retail sector, to facilitate the exit of majority shareholder, Ethos Private Equity, which bought its stake in the group in 2006 for R681 million.

Catering to outdoor and sports enthusiasts, Holdsport's history dates back to 1986 when the first Sportmans Warehouse was opened in Rondebosch in the Western Cape.

Its stores are located mostly in value centres in recognised retail nodes in prime locations throughout the country.

During the period under review, the Sportsmans Warehouse division opened one new store in Pietermaritzburg and relocated a store in Pretoria, and is now trading out of 33 stores.

Sales grew by 6.1% to R392.1 million and store sales increased by 5.1%.

The Outdoor Warehouse division, meanwhile opened one new store in Vanderbijlpark and is now trading out of 18 stores. Sales grew by 7.7% to R131.6 million, while same store sales increased by 4.8%.

First Ascent SA, in which the company has a strategic investment, achieved R23.2 million of external sales, a 28.1% growth from the previous period. The brand continued to gain in popularity and was extending its product range successfully, Holdsport said.

"We have signed lease agreements for a further two new stores to be opened in the next financial year, and are evaluating other opportunities. The weighted trading space for the full financial year is expected to increase by 3% on the previous year," the group noted.

Looking ahead it said that while continued unemployment in the economy and general economic volatility remained a potential risk, it was cautiously optimistic regarding trading in the second half of the year.

"As always, the second half is heavily dependent on Christmas trading, which will largely determine the performance of the group in this period," it added.

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