

# Libstar's earnings hit by forex loss

By [Ngobile Dlodla](#)

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Consumer packaged goods company Libstar reported a 27.8% fall in half-year earnings on Wednesday hurt by unfavourable foreign currency movements and lower trading volumes.



Source: Libstar

Libstar, whose brands include Denny Mushrooms and Lancewood dairy, said diluted headline earnings per share, the main profit measure in South Africa, fell to 12.2 cents in the six months ended 30 June from 16.9 cents a year earlier.

A weaker rand meant Libstar suffered a R3.2 loss on realised foreign exchange transactions versus a gain of 20.1 million a year earlier and a hit to other income and foreign exchange gains which fell R13m from 80.9 million, it said.

## Food, household and personal care

Group revenue rose 8.7% to R5.1bn as its biggest contributor, food, increased sales by 10.5%. Groceries increased sales by 12.9% though volumes fell by 0.2%, reflecting a jump in demand a year earlier as shoppers stocked up on food at the height of the pandemic.

Sales of meat products recovered to pre-Covid-19 levels due to a recovery in demand from food service clients and continued strong growth from retail clients.

Volumes and revenue declined in snacks & confectionery on subdued retail demand for premium nuts and nut mixes, granolas and snack bars, while baking continued its strong performance.



## Covid-19 pandemic shifts consumer demand for dairy products

Khathu Musingadi, BM Research 7 Sep 2021



Its household and personal care division saw a fall in demand for sanitiser and bleach products, which as with groceries reflected a jump in demand last year.

"Consumer spending remains constrained, with both market and Libstar volumes trading lower, and pricing and mix changes largely driving growth," CEO Andries van Rensburg said.

## ABOUT THE AUTHOR

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