

Strong rand lifts Verimark's full-year profit

Verimark has more than doubled its full-year profit after the direct retailer increased selling prices and a stronger rand kept a lid on the cost of imports.



Verimark CEO Michael van Straaten. Image credit: *Financial Mail*

The company's product range includes fitness gear, cookware and cleaning equipment, which are susceptible to currency fluctuations since they are imported.

But Verimark said in a statement that it would focus on growing its international sales division, which it said, would act a hedge against the risk of rand volatility.

"It will also over time contribute to the company's revenue and profitability. Verimark intends to exhibit at various international trade shows and expects the results to start showing within the 2018 financial year.

Profit before tax in the year to February rose 183.8% to R37.3m as the company increased selling prices, while the rand firmed to R12.94/\$ in the review period, from R16.14/\$ in the year earlier period.

But the higher selling prices limited sales revenue growth, which was up just 1.9% to R439.1m. Headline earnings per share jumped to 24c from 8c while dividend per share rose to 11.30c from 3.70c.

Source: *BDpro*

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