

Holdsport runs into heavy weather

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Holdsport's share price closed 3% lower on Friday after the group reported difficult trading conditions in full-year results.



The group, which owns Sportsmans Warehouse, said it experienced difficult trading conditions, with sales rising only 5.8% to R1.82bn. Its share price closed at R61.

"Holdsport continues to face low levels of consumer confidence, weak economic growth and a sporting goods industry which is intensely competitive," CEO Kevin Hodgson said.

Holdsport comprises retail divisions Sportsmans Warehouse and Outdoor Warehouse and a wholesale division that includes the First Ascent, Capestorm, Second Skins and African Nature brands.

Core headline earnings excluding the effect of foreign exchange adjustments were 522.3c per share, a decrease of 2.3% from the 534.5c for the previous financial year.

"In evaluating this performance shareholders should take into account that the aggregate foreign exchange adjustment during the current year was a loss of R19.5m, compared with an aggregate profit of R8.4m during the prior year," the company said.

Holdsport's operating profit decreased 11.4% to R273.7m. Core headline earnings amounted to 489c per share, a 10.9% decrease on the previous year.

Like-for-like retail sales grew 1.8%, while the retail divisions experienced price inflation of approximately 8.1% for the year. The time-weighted trading area increased 3.4% relative to the prior year.

The Sportsmans Warehouse division traded out of 39 stores, having opened new outlets in Mall of Africa and Menlyn Park Shopping Centre. Like-for-like sales increased 2.1%.

The Outdoor Warehouse division comprised 24 stores and like-for-like sales increased 0.6%.

Holdsport's wholesale division's external sales were 54.9% higher than they were in the previous financial year.

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