

# Holdsport results boost share price

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Surprising on the upside, Holdsport, which runs the Sportsmans Warehouse and Outdoor Warehouse stores, on Monday said total sales increased by 11.2% for the five months ended January. The company's share price increased 3.53% to close at R44.

Retail sales advanced 11.5% with sales for comparable stores growing 8.6% over the period.

Holdsport's portfolio includes Performance Brands, a wholesale business that houses the First Ascent and Capestorm brands.

Mayur Kalia, an analyst at Afrifocus Securities, said the group's numbers were in line with expectations.

"It's a fair improvement from the first half's sales figures. On the divisional side, there was a nice increase within Sportsmans Warehouse, there was also a good increase of 7.4% at Outdoor Warehouse, which is considerable compared to their first half," he said.

The company said total sales in its Sportsmans Warehouse division rose 12.9% and 10.4% on a comparable basis, while Outdoor Warehouse saw a sales gain of 7.4% and 3.6% comparably.

Performance Brands recorded external sales growth of 1.5%, which Kalia said was "off a high base from the first half".

"That's why it looks like it's decreased but it's still relatively good," he said.

Retail trading space increased by 5.4%, the company said.

Its retail divisions experienced price inflation of approximately 3.6%.

"This is relatively good - I don't think they're going to go under any margin pressure going forward," Kalia said.

Meanwhile, Vestact portfolio manager Byron Lotter said the group's numbers looked "pretty good".

"We think it's one of the best priced retailers in the market. For a company that's growing at this rate, trading on something like forward to earnings eight times it's a great opportunity. Compared to what we saw from Shoprite, The Foschini Group and Truworths in January, and Mr Price's numbers, which were half of Sportsmans Warehouse sales growth of 12.9% - it's

a very good update," Lotter said.

A slew of lukewarm festive season updates from major retailers last month has seen analysts point to a consumer spending slowdown in the sector.

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