

Woolworths resumes dividend as annual profit surges

By Nqobile Dladla

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Woolworths Holdings resumed dividend payouts on Thursday after its annual profit surged 212.5%, as the South African retailer continued to see signs of recovery from the Covid-19 fallout and benefited from Australian property sales.



Source: Reuters/Rogan Ward

Clothing and non-essential retailers across the world were among the worst affected by the pandemic, forced to close stores or not sell certain items such as alcohol, while demand for formal attire also declined. Sales have started to improve as many nations ease lockdown restrictions.

Woolworths, which sells clothes, food and homeware, declared a final dividend of 66 cents per share, a 25.8% decrease on the prior year's 89 cents. Headline earnings per share (Heps), the main gauge of profit in South Africa, was 374.4 cents in the 52 weeks ended 27 June, up from 119.8 cents in 2020. Adjusted diluted Heps, which strips out certain items, rose by 102.9%.

Woolworths sold Bourke Street Mens and Elizabeth Street properties, a part of David Jones in Australia, for AU\$120m Australian dollars and AU\$504.4m Australian, respectively.



Woolworths CEO Zyda Rylands to step down

23 Aug 2021



Fashion, food, beauty and home sales

Woolworths said its South African food business grew in terms of both market share and volume, with sales up by 6.9% despite the high base set in the prior year.

Sales at the fashion, beauty and home business were still constrained by lower demand for formal wear and the exit of certain private label brands, the company said. Revenue in this business rose 3.5%, driven by a strong second half.

In Australia and New Zealand, upmarket department chain David Jones and clothing chain Country Road posted sales growth of 2.3% and 13.5%, respectively, as restrictions on international travel supported inward consumption and buoyed retail spend.

Overall group turnover and concession sales rose by 9.7% to R85,9bn.

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