Steinhoff half-year earnings up 7% on value and furnishings demand

By Nqobile Dludla

25 Jun 2021

Steinhoff said its half-year core earnings rose by 7%, as demand for value lines and a focus on home furnishings offset the impact of pandemic restrictions.

Source: Reuters/Phil Noble/File Photo

During the South Africa-based retailer's October to March reporting period many countries in Europe tightened restrictions or re-imposed lockdowns which hit its in-store operations and trading hours. Despite this, Steinhoff said on Friday that its total revenue from continuing operations rose 4% to €4,497bn ($5,37bn) in the period, from €4,342bn.

"Individual businesses, such as Pepkor Africa and Pepco Group, with their everyday value focus, continued to perform robustly," Steinhoff said in a statement. "Others, such as Mattress Firm and Greenlit Brands Group reported strong trade as restrictions moderated and the operations focused strategically on consumers investing in their homes," the company added.

Steinhoff owns furniture, electronics, homeware and clothing brands under majority-owned Pepkor in Africa, Pepco in Europe, Greenlit Brands in Australia and New Zealand, Lipo in Switzerland and a 50% stake in Mattress Firm in the US.

Ebitda lift

It said earnings before interest, taxes, depreciation and amortisation (Ebitda) - a measure of operating profit - from continuing operations rose to €686m, from a restated €639m in the comparable prior period.

The loss from continuing operations dropped to €319m from €1,3bn. Total group debt increased to €10,4bn from €9,9bn as the interest accrued exceeded debt repaid, Dutch-registered Steinhoff said.

SA retail sales jump 95.8% in April
17 Jun 2021

Its Johannesburg-listed shares were up 2.53% at 08.14 GMT, valuing Steinhoff at around R8,4bn ($594m), while its Frankfurt-listed shares rose 2.63%.

Steinhoff was valued at more than R230bn before it was rocked by an accounting fraud in December 2017.

ABOUT THE AUTHOR

Reporting by Nqobile Dludla; Editing by Edmund Blair and Alexander Smith.