

Truworths' annual profit rises as lockdown eases

Fashion retailer Truworths International Ltd reported a 26.8% increase in annual profit on Thursday as Covid-19 lockdown restrictions eased in South Africa.



Source: Reuters/Mike Hutchings

The global apparel industry is recovering from a punishing 2020, when shops were forced to close to prevent the spread of Covid-19 and consumers switched formal dresses and shirts for sweat pants and loungewear. Many shoppers were also defaulting or delaying paying their credit accounts.

While there have been no hard lockdowns in South Africa since stores reopened in May 2020, consumer spending remains subdued in the wake of various restrictions that also hit economic growth, employment and shopper numbers as the country experienced second and third waves of infection, Truworths said.

In Britain, where the company owns shoe chain Office, trading conditions have been "exceptionally challenging" amid the closure of its stores for 18 weeks due to lockdown restrictions.



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23 Aug 2021



Retail sales

Headline earnings per share, the main profit measure in South Africa, rose to 520.3 cents in the 52 weeks ended 27 June from 410.4 cents in the prior comparable period. The group also reduced its expenses by 13.5% and increased trading margin to 13.8% from 7.8%, which resulted in trading profit jumping 75.1% to R2,3bn (\$158,9m).

Retail sales inched up 0.5% to R17bn, with Africa business sales up 5.5% while Office sales declined by 17.4% in sterling terms and by 13.1% in rand terms. Truworths declared a final cash dividend of 118 cents, up from 31 cents in 2020.

Office, which has been closing loss-making or marginal stores and cutting costs in a drive to return profitability, plans to decrease its trading space by a further 12% after closing 31 stores.

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