

# Pick n Pay to deliver 'strong financial performance' in FY 2015

Retailer Pick n Pay (PWK, PIK) on Friday, 10 April 2015, said it expected to deliver a "strong financial performance" for the 2015 financial year.



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In the 52 weeks ended 1 March 2015, Pick n Pay Holdings (PWK) said diluted headline earnings per share (HEPS) were seen rising between 20% and 30% to a range between 80.56c and 87.27c.

Pick n Pay stores (PIK) said its diluted HEPS would rise by the same percentage but to a range between 163.75c and 177.40c.

The group said this would be the fourth consecutive reporting period that recorded growth.

"This result reflects progress over the past two years in achieving the first phase of the group's recovery plan - to stabilise the business by applying effective financial rigour to expenditure, making significant improvements to working capital management to reduce debt and interest charges, and beginning the task of driving greater efficiency through all operations," it said.

Turnover growth is expected to have grown by 6.1% reflecting "the financial pressure on middle-income customers, combined with the impact of strategic actions which... impacted turnover in the reporting year".

Year rolling, Pick n Pay Holdings share price is up 6.55%, while Pick n Pay Stores has grown 4.55%.

At 10.30am, Pick n Pay Holdings had rallied 4.4% to R23.50.

Pick n Pay Stores surged 4.80% to R53.27 valuing the company at about R26bn.

Looking ahead, the group said having substantially completed the first stage of its strategic recovery plan, it was now a stronger business and better for customers.

"The second stage of the plan - changing the trajectory of Pick n Pay - will deliver accelerated improvements in operating efficiency, investment and innovation in the customer offer, a further strengthening of the balance sheet and financial performance, and a dynamic approach to expansion," said the retailer.

Source: BDpro via I-Net Bridge

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