

Tongaat FY headline earnings down 14.6% to R945m

Tongaat Hulett (TON) has recorded a 14.6% drop in full-year headline earnings to R945m, affected by a reduction in sugar volumes and lower prices.

The sugar producer said on Monday that total sugar output in the year to March slipped to 1.314-million tons from 1.424-million tons, affected by dry conditions in KwaZulu-Natal.

World sugar prices declined further, with global stock levels having increased following favourable weather conditions in many sugar-production regions of the world.

Thus, revenue was up just 2.8% to R16.15bn, but operating profit dropped 12% to R2.08bn. A final dividend of 210c per share was declared.

The company said the results in the year ahead "would be influenced by a number of dynamics, the magnitude and impact of which were difficult to predict at this stage".

"It is likely that the sugar operations will remain under pressure, particularly in SA," it said.

The mid-cap counter has lost 24% of its market value since January to R131.14 a share.

Source: [BDpro](#)

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