

Clover Industries earnings up 90% to 77.3c

Branded consumer goods group Clover Industries reported a 90% jump in headline earnings per share to 77.3c for its six months ended December 2013.



Clover has recorded excellent earnings – up by 90% – of 77.3c to December. Image: Clover

Revenue was up 10.4% to R4.32bn, while operating profit was 70.1% better than in the previous year's interim period at R235.1m. An interim dividend of 16c per share was declared.

Clover said its "significantly improved" results were boosted by selling price increases implemented during January 2013 and July 2013 to recover higher inflation-driven costs, as well as once-off costs the year before.

"The comparative period was affected by significant non-recurring marketing and promotional investments in new products launched during that period," Clover said.

However, Clover said the decline of the rand against the major international currencies had a "profoundly negative" effect on the group during the interim period ended December, with the immediate effect being experienced most notably on fuel and packaging costs.

But the weakening rand also contributed to exchange rate profits made by certain African subsidiaries of the group.

Clover warned that the second half of the current financial year would not benefit from a similar low base, "and together with the depressed trading environment, Clover believes that earnings growth will be difficult to achieve during the second half of the year".

"In spite of this, the company remains focused on delivering on its longer term strategy of exploring new possibilities in category expansions and expanding its presence in Africa," Clover said.