

South Africa's Tiger Brands sees H1 profit up to 20% higher

JOHANNESBURG (Reuters) - South Africa's biggest food producer Tiger Brands said on Wednesday it expected headline earnings from continuing operations to rise as much as 20% in the six months to 31 March.



The owner of popular brands such as Jungle Oats and Tastic rice said headline earnings per share (HEPS), the main profit measure in South Africa, was expected to increase 10%-20% for the period - the first half of its financial year - from 611c in the same period of the year before.

Tiger Brands' HEPS fell 23% in the year ended September.

The food producer also said it had started a due diligence process for the sale of its Deciduous Fruit business, which covers canned fruits, after receiving several indicative offers for the business, which it is looking to exit.

Group revenue from continuing operations for the four months ended 31 January grew by 9.4%, it said.

The "strong start" to the financial year was diluted by a poor January due to inflationary trends in some food items.

In the four-month period, the group saw increased volume growth across many parts of its portfolio, with strong performances in maize, oat-based breakfast products, rice, snacks and treats, and beverages as well as home care, personal care and baby goods.

However, volumes for bakery products, Ace instant porridge, sorghum-based breakfast offerings and groceries declined, with groceries affected by increased competitor activity, inbound supply chain disruptions and poor seasonal demand, Tiger said.

(Reporting by Nqobile Dlodla. Editing by Promit Mukherjee and Mark Potter)

Source: Reuters

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