

Athlete's Foot owner kicks record H1 goal

Accent group, the owner of The Athlete's Foot, Merrell and Dr. Martens has boost first-half profit almost 20 per cent thanks to a 16.5 per cent jump in sales.

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The Athlete Foot's brand owner Accent Group has lifted first half profit by 19.4 per cent to \$25.3 million thanks to strong growth in online sales and the rollout of more stores.

Revenue for the six months to December 25 rose 20.3 per cent to \$362.5 million with the company-owned retail sales up 21 per cent to \$295.1 million.

Shares in Accent soared 18.5 per cent to an 11-month high of \$1.055 on Friday following its record results.

The company, which also distributes Dr. Martens and Merrell brands, said sales for company-owned businesses rose strongly, with click-and-collect sales up 170 per cent on the same period a year ago, and 22 new stores - less seven closures - also driving new revenue.

Accent's Platypus and Skechers outlets traded in line with expectations with stronger gross margins in the lead-up to Christmas.

Vans continued its strong performance, driven by growth in the classic 'Old Skool' sneaker, the company added.

The group's wholesale sales were up 2.5 per cent to \$55.1 million, in line with the company's expectations.

Accent Group's co-chief executive Daniel Agostinelli said the results were a record for the company, which is carefully managing its lease agreements to combat an ongoing decline in customers going to shopping centres.

"The industry-wide fall in centre traffic has been well publicised and while we continue to get sustainable rent outcomes for the vast majority of store renewal negotiations, it is our intent to continue to close stores where landlords are unwilling to agree to acceptable occupancy renewal outcomes," he said.

The group, formerly called RCG Corporation, said it now has distribution rights to 10 international brands and over 445 stores across 10 retail banners.

Accent plans to open a further 10 new stores in the second half of 2017/18, which includes expansion of its Hype DC chain to New Zealand.

Accent's record result also benefited from the inclusion of the first week of post-Christmas sales in the first half figures, whereas a year earlier the sales fell in the second half.

However like-for-like sales for the first seven weeks of the second half are up four per cent, the company said, while underlying earnings for the first seven months of the year are up 12 per cent compared to the previous corresponding period.

Mr Agostinelli said while the results to-date support expectations for another year of profit growth, he cautioned that economic conditions and consumer spending remained volatile.

ACCENT STEPS UP WITH RECORD FIRST HALF:

- * Profit up 19.4pct to \$25.3m
- * Revenue up 20.3pct to \$362.5m
- * Fully franked interim dividend unchanged at 3 cents