

York Timber HEPS down 21.4% to 33c

Forestry group York Timber Holdings on Monday (30 September) reported a 21.4% decline in headline earnings per share (HEPS) for the year to June.



Cash generated from operations dropped to R106m from R197m, while the company invested R45m in processing technology to improve efficiencies, compared with investment of R22m in the previous year. Revenue rose by 2% to R1.132bn, due to higher selling prices for lumber and plywood.

The company said that despite disproportionate escalations in labour and electricity costs, its overall cost of production rose at a slower pace than inflation as it improved efficiency.

Overall market confidence was volatile, with some erratic trends in purchasing patterns. York's strategy was to maintain prices and to hold higher levels of stock where appropriate. An average price increase of 5% for lumber was achieved, with strong growth in volume and prices of plywood.

Combined lumber and plywood volumes produced increased by 3% against an increase in log intake of only 1%. The company said it remained well positioned to advance its strong market position.

The acquisition after they year-end of the businesses of Thorpe Timber Company in Roodekop and Timber Preservation Services in Epping would improve their access to the market through the wholesale channels.