

Bonmarché Holdings plc

17:30 21 Sep 2016

Bonmarché hit by "too hot" September as shares melt 22%

Around a quarter was wiped off the value of the discount womenswear chain Bonmarché Holdings PLC (LON:BON) after it sounded the earnings alarm.

To cut the story to its bare bones, the summer was too cool and the early autumn too hot to shift its seasonal lines. That said, the late Sahara blast did have the upside of shifting some of the excess summer stock.

Trading in September was described as "extremely poor". As a result underlying sales for the second-quarter of the financial year were down 8%, as were like-for-like revenues for the first half of the firm's financial year.

Interim profits are likely to be in the order of £5-£7m, Bonmarché said, compared with a pre-exceptional £6.4m a year earlier. The dividend will be held at 2.5p.

There is a lot for new boss Helen Connelly, previously the buying and design director at George at Asda, to get her teeth into.

"The direction of travel is right, but the effectiveness of execution needs to improve," she said.

"My plans are therefore likely to focus on improving the clarity of the customer proposition and operational improvements in all channels rather than a major strategic repositioning."

At 8.25am the shares were changing hands for 89.4p, down 22%, having been off 26% earlier in the session.

Cantor Fitzgerald analyst Freddie George, who cut his target price to 80p from 130p in the of the profit warning, said Bonmarché lost momentum in the wake of its stock market listing last year.

"This news [the earnings alert] is likely to put the stock under cloud and it is unlikely to perform in the medium term, although it is relatively good value, and there is evidence of a recovery and a turnaround in sales," he concluded.

Price: 8.5p

Market Cap: £4.25M

1 Year Share Price Graph



Share Information

Code: BON

Listing: LSE

52 week High Low
123.00p 7.05p

Sector: General Retailers

Website: bonmarcheplc.co.uk

Company Synopsis:

Bonmarché Holdings plc is one of the UK's largest women value retailers focused on selling affordable, stylish, premium quality clothing and accessories in a wide range of sizes to mature women via our own store portfolio, website, mail order catalogues and through the Ideal World TV shopping channel.

Author:

Proactive Investors Australia

+61 (0)2 9280 0700

action@proactiveinvestors.com.au

Proactive Investors facilitate the largest global investor network across 4 continents in 4 languages. With a team of analysts journalists & professional investors Proactive produce independent coverage on 1000's of companies across every sector for private investors, private client brokers, fund managers and international investor communities.

Contact us +61 (0)2 9280 0700 action@proactiveinvestors.com.au

No investment advice

The information on this Site is of a general nature only. It does not take your specific needs or circumstances into consideration, so you should look at your

own financial position, objectives and requirements and seek financial advice before making any financial decisions. You acknowledge and understand that neither the Company, its related bodies corporate, the information providers or their affiliates will advise you personally about the nature, potential value or suitability of any particular security, portfolio of securities, transaction, investment strategy, or other matter. You should read our FSG and any other relevant disclosure documents and if necessary seek persona advice prior to making any investment decision.

You understand and agree that no Content (as defined below) published on the Site constitutes a recommendation that any particular security, portfolio of securities, transaction, or investment strategy is suitable or advisable for any specific person.

You understand that in certain circumstances the Company, its related bodies corporate, the information providers or their affiliates may have received, or be entitled to receive, financial or other consideration in connection with promoting, and providing information about, certain entities on the Site and in communications otherwise provided to you.

You understand that price and other data is supplied by sources believed to be reliable, that the calculations herein are made using such data, and that neither such data nor such calculations are guaranteed by these sources, the Company, the information providers or any other person or entity, and may not be complete or accurate. From time to time, reference may be made in our marketing materials to prior articles and opinions we have published. These references may be selective, may reference only a portion of an article or recommendation, and are likely not to be current. As markets change continuously, previously published information and data may not be current and should not be relied upon.

Before you act on any general advice we provide, please consider whether it is appropriate for your personal circumstances.