

Richelieu Hardware

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Richelieu Hardware shares surge as sales in US show strong growth

Richelieu Hardware Ltd (TSE:RCH) shares surged Thursday as the hardware distributor for home furnishings makers and retailers posted solid first half and second quarter numbers, with sales in the US showing notable growth.

The firm has over 110,00 products and 39 distribution centers in Canada and 36 in the United States.

In the US, the company recorded sales of US\$135.3 million, compared to US\$126.2 million for the first six months of 2018, an increase of US\$9.1 million or 7.2%, of which 1.2% resulted from internal growth and 6.0% from acquisitions. In the second quarter, US sales were up 14% versus the same period in 2018.

Canada sales

In Canada, Richelieu recorded sales of C\$326.7 million, compared to C\$324.8 million for the first six months of 2018, up by C\$1.9 million or 0.6%, of which 1.7% resulted from acquisitions and an internal decrease of 1.1%

Net earnings per share in the first half amounted to \$0.51 basic and diluted, compared to \$0.53 basic and diluted for the first half of 2018, down 3.8%. That was on group sales of \$507.4 million, an increase of 4.6% over the first six months of 2018.

Richelieu CEO Richard Lord noted that in the second quarter, the group continued to grow and to invest for future growth.

He also noted the recent acquisition of Euro Architectural Components, a leader in the architectural hardware and stainless steel components market for stairs, banisters and railings.

"This latest acquisition, together with the three prior acquisitions completed in the first quarter, should increase our annual sales by approximately \$30 million. We are confident that our strategies of ongoing innovation, market development and acquisition will continue to bring good results in the second half of 2019," he said.

Shares in Toronto added more than 10% to \$24.49.

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Price: 21.9

Market Cap: \$1.23 billion

1 Year Share Price Graph



April 2019 September 2019 March 2020

Share Information

Code: RCH

Listing: TSX

52 week High Low
29.83 20.03

Sector: Fashion & brands

Website: www.richelieu.com

Company Synopsis:

Distributor, importer and manufacturer of specialty hardware and complementary products. Its products are targeted at kitchen and bathroom cabinet, home and office furniture and window and door manufacturers, residential commercial woodworking industries.

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