Client: Direct Selling Association
Source: The Times
Date: 31/01/2019
Page: 43
Reach: 417368
Value: 9357.36

Tupperware can't keep a lid on fall in profits

Investors were wondering if the party was over for Tupperware when shares in the maker of plastic food storage containers plummeted after slashing its dividend amid a poor fourth quarter and a slowdown in spending in China (Deirdre Hipwell writes).

Shares in Tupperware Brands, which is listed in the US, were down $10.99, or 28.8 per cent, at $27.14 by lunchtime in New York yesterday after the company announced it would cut its dividend to 27c from 68c. It said it needed greater cashflow to invest in and revitalise its business, a strategy it launched in 2017.

Tricia Stitzel, 52, president and chief executive, said its sales and profits in the fourth quarter "were not what we expected" meaning it needed to accelerate its revival plan. Tupperware for many years drove much of its sales growth through sales assistants selling directly to people at "parties" in their homes.

However, despite the group's poor performance, Britain's Direct Selling Association, which represents brands such as Avon, said there was still strong consumer demand for "Tupperware-style parties". It said that technological developments, such as hosting home-selling parties via Skype, and the growth in wellness product categories would help create further opportunities for the £2.1 billion direct-selling sector this year.

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Tupperware-style parties are being revived by home selling via Skype