

The Telegraph

Thorntons rises on activist investor stake

Crystal Amber boosted its holding in the high street chocolatier to 6.52pc.

Shares in Thorntons rose 7.6pc on news Crystal Amber had boosted its stake.

Ben Martin
9 September 2013

Traders developed an appetite for **Thorntons** shares after it was revealed that activist investor Crystal Amber had boosted its stake in the 102-year-old chocolatier in the run-up to the group's full-year results.

The retailer climbed 6, or 7.6pc, to 85p on the disclosure that Crystal Amber had raised its holding in Thorntons to 6.52pc, from 4.25pc in April. The activist investor today said it was betting on a recovery at the group – which reports earnings on Wednesday – and that margins had scope to rise substantially.

Thorntons is closing stores as part of a three-year turnaround plan under chief executive Jonathan Hart, who took the helm in 2011. In February, Richard Bernstein, investment adviser at Crystal Amber, said the activist investor wanted the chocolatier to accelerate its store closure programme.

Today, however, Mr Bernstein said Crystal Amber was now unconcerned about the pace of closures and that the focus was on margins.

“The margins, although recovering, are still very low,” he said. “We think that margins can be a lot higher, certainly we can see them at between 6pc and 8pc as against the current 3pc.”

He added that Crystal Amber was not putting pressure on Thorntons about improving margins and that “they are aware of what needs to be done”.

He said: “They are on a [recovery] path, we think the wider investment community will see this in the coming months and the stock can re-rate a good deal more.”

A spokesman for Thorntons declined to comment.