Ann Summers reports £13.1m loss amid inflation and Google search challenges

Ann Summers has reported a deeper pre-tax loss of £13.1m for the year ending 29 June, 2024, as it faced "significant external pressures" that include the cost-of-living crisis, rising inflation, and Google's safe search restrictions.

This comes after a previous loss of £3.8m in the preceding 12 months, as reported by City AM.

According to its latest filings with Companies House, the retailer also saw its turnover dip from £104.5m to £93m over the same period. The company invested nearly £7m in the last financial year to drive growth.

In terms of regional performance, Ann Summers witnessed UK turnover decline from £100.6m to £89.7m, European turnover fall from £3m to £2.8m, and turnover in the rest of the world drop from £919,882 to £503,231.

Despite reducing store numbers from 85 to 80 in the UK, the firm increased its staff count from 1,114 to 1,180.

Having last registered a pre-tax profit of £6.6m in the year to June 2021, the business has since accumulated a pre-tax loss of approximately £40m.

Tackling issues with Google safe search, a statement from the board read: "The financial year 2023-24 has been a challenging yet transformative period for Ann Summers group."

It continued: "Despite facing significant external pressures, we have made strategic decisions to position our business for future growth and resilience."

Ann Summers has reported that its business was “notably impacted” by inflation and the cost-of-living crisis, which were “coupled with a tumultuous political landscape affecting consumer confidence and discretionary spending”. The company also noted that its online sales “remained stable, despite challenges advertising online due to Google safe search restrictions and Meta blocking issues”.

Ann Summers highlighted its third-party partnership with Asos as being “one of the standout successes of the year”.

The firm stated: “Despite the tough trading environment, we have continued to support the strategic growth of the business, investing £6.8m within the period.

“During the year we invested heavily in delivering large-scale strategic projects, which launched just after the period ended.

“We launched our brand new website Knickerbox which helps overcome our limitations from Google safe search.”

In addition, significant investments were made in technology, including the implementation of a new product information management platform. This has streamlined operations and enhanced customer experience, while also improving delivery and fulfilment capabilities.

Looking ahead, Ann Summers said: “We are committed to continuing our investment in growth and transformation.

“We have a clear strategy in place to navigate the current economic challenges and emerge stronger.

“Our focus remains on driving profitability through strategic partnerships, enhancing our online and in-store experiences and maintaining disciplined approach to cost management.”

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