

LVMH-backed Stella McCartney brand sees sales slump as losses widen by £15m

Stella McCartney's fashion brand has reported a significant drop in sales, with losses increasing by £15m in the year before the designer bought out LVMH.

The accounts, filed nearly six months after the Companies House deadline, reveal that Stella McCartney Ltd's turnover was cut from £40m to £21.9m in 2023., as reported by [City AM](#).

The pre-tax loss also increased from £10m to £25m during the same period. The company hasn't made a pre-tax profit since reporting £9m in 2017 and has since accumulated a pre-tax loss of over £143m.

The accounts for 2024 are expected to be filed with Companies House by the end of September this year.

Following the buyback of LVMH's 49 per cent stake in her fashion brand, which the luxury giant held for five years, McCartney will continue to advise LVMH chief Bernard Arnault and the group's executive team on sustainability issues as global ambassador on sustainability.

LVMH initially acquired the minority stake in 2019, one year after McCartney purchased Kering's 50 per cent stake in her brand.

McCartney, daughter of Beatles' Paul McCartney, had collaborated with Kering for 17 years, with Gucci – now a division of Kering – assisting in launching the brand in 2001.

LVMH, the world's leading luxury goods group, boasts an extensive portfolio of high-end brands such as Givenchy, Celine, Fendi, and Dior, alongside prestigious champagne

houses Dom Pérignon and Krug.

In a bid to enhance sales, fashion label Stella McCartney Ltd has acknowledged the challenges it faces due to inflationary pressures on materials and wages, which have notably impacted the cost of goods sold.

A statement approved by the Stella McCartney Ltd board read: "In 2023 the company, as the entire market, has also faced significant pressure from inflation on materials and salaries, with adverse effects in particular on the cost of goods sold."

The brand has responded by adjusting its pricing strategy and seeking efficiencies to counteract these external factors, stating: "This external factor has been mitigated by the review of selling prices and increase where relevant vs competition but has also being turned into an opportunity to further review ways of working, finding efficiencies, fighting waste, while remaining fair to partners and employees."

Despite reducing administrative and back office expenses in 2023, Stella McCartney Ltd continued investing in initiatives to support long-term growth and enhance brand visibility.

Looking ahead, the company plans to maintain its focus on product and communication strategies to boost brand appeal and sales, while also streamlining operations and optimising gross margins, as noted in the statement: "In 2024 and beyond, the company will continue focusing their efforts in implementing product and communication strategy in order to nourish brand desirability and visibility and ultimately develop sales while right-sizing its operating cost base and optimising gross margin."

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