

Mulberry sees profits leap as shoppers return to stores post-Covid

Luxury handbag maker Mulberry has reported a strong post-Covid recovery following a rise in revenue and profits for the last financial year.

Group revenue at the Somerset-headquartered retailer was up 32% to £152.4m in the 52 weeks to April 2022, while profit before tax reached £21.3m – up from £4.6m in 2021, though this included a one-off profit of £5.7m from its Paris exit.

UK retail sales increased 36% to £89.8m over the year, while they were up 59% in China and 11% in South Korea. International retail sales increased 20% to £40.4m – up from £33.8m in 2021.

During the period, Mulberry opened five new stores in China, and four in South Korea, which the firm said were “further supporting” growth in the Asia Pacific region.

Meanwhile, digital sales were down 16% to £47.5m – compared to £56.4m in 2021 – as customers switched back to shopping in stores, but sales were still up 31% compared to pre-Covid levels (£36.3m in 2020).

Thierry Andretta, Mulberry’s chief executive, said: “Whilst the economic and geo-political outlook remains uncertain, we are an iconic international brand with a clear strategy for future profitable, cash-generative growth. We remain well placed to continue to deliver sustainable returns to the benefit of all our stakeholders.”

Mr Andretta said the strength of the firm’s financial results reflected the “positive customer response” to the retailer’s

products and the strategic decisions the firm had made over the past five years.

Group revenue for the first 12 weeks of the new financial year is 5% ahead of last year, Mulberry said, supported by the company's wholesale business, which is up 29%.

However, omni-channel (retail and digital) revenue is down 1%, largely as a result of Covid-19 restrictions in mainland China, including the closure of the majority of stores and the company's Shanghai distribution centre.

The board is proposing a final dividend of three pence per ordinary share.

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