

# Shoe Zone back in the black as digital sales shoot up

Shoe Zone achieved pre-tax profits of £9.5 million last year – turning around a loss of £14.6 million the year before.

The [discount footwear chain](#) said it made gains by cutting costs and “non-essential” spending and investing in its digital operation during the full year to October 2.

It said online sales jumped from £19.3 million the year before to £30.5 million.

Because of lockdowns, [its shops only opened for 36 weeks](#) – compared to 41 weeks in 2020 – and in-store sales dropped from £103.3 million to £88.6 million.

Total combined sales were £119.1 million, slightly less than a year earlier.

The [Leicester-headquartered business](#) said it had had shut 50 “less profitable” stores during the year, taking the number down to 410.

The business also renegotiated better terms for many of its shop units, cutting lease lengths and saving £1.8 million.

It said cost-cutting had recently allowed it to pay off an outstanding CBILS lockdown loan of £4.4 million, while the company was debt free and planning to reinstate “modest” dividend payments.

Following the results update on Tuesday morning, shares in the business were up more than 20 per cent at £1.45.

[Chief executive Anthony Smith](#) said: “Shoe Zone had a very successful year due to the incredible hard work of our teams, by reducing costs, reducing non-essential capital expenditure,

continuing to accelerate investment in our digital business alongside improving and streamlining operations.

“Our decision to invest in infrastructure and people pre-pandemic enabled us to take advantage of the change in buying habits and to cope with the increase in volumes through our digital shoehub platform.

“We ended the period trading out of 410 stores, having closed a net 50 unprofitable locations, and converted a further 10 existing stores to our new formats.

“We have 343 “original”, 51 “big box” and 16 “hybrid” stores and we are actively working to relocate and/or refit further stores.

“Big box stores offer 650 styles per season (350 branded), hybrid stores offer 475 styles per season (175 branded), and original stores offer 300 core styles per season.

“As we refit existing stores to our new formats, the branded mix will continue to form a higher proportion of our overall sales.

“Our average lease length is now less than two years, giving us the opportunity and flexibility to respond to changes in any retail location at short notice.

“Property supply continues to outstrip demand and we therefore expect to take advantage of this environment and significantly improve our property portfolio over the medium term.”

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