

Very Group profits rise as online retail giant keeps control of costs despite inflationary pressures

Online retail giant the Very Group has seen its profits rise as it successfully managed costs despite growing inflationary pressures.

The Liverpool-based group today announced profit before tax for the 52 weeks to 2 July 2022 of £63.9m – up 2.2% on 2021.

That came despite a fall in revenues on 2021, which was the group's record year as online sales grew during the pandemic. Very revenue was down 4% to £1,790.5m, while group revenue was down 7.3% to £2,148.3m.

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Both those figures were still up on pre-pandemic performance, with group revenue up 4.8% on 2020.

The group said fashion and sports goods proved popular as normal shopping habits returned post-pandemic, with Very fashion sales growing 6% year-on-year.

Electrical goods sales fell 12.7% after soaring during Covid, but Very saw strong growth in key sub-categories – particularly gaming, which was up 58% on a two-year basis.

Very Finance saw revenue growth of 10.7% to £397.9m. That growth, along with “diligent cost management” overall, helped Very to maintain group gross margin at 36.2% (FY21: 36.5%). Costs as a percentage of revenue fell 1.6 percentage points to 23.2%.

During the year the group made several senior appointments – including [recruiting Lionel Desclée as chief executive](#) to succeed Henry Birch.

Ben Fletcher, chief financial officer at The Very Group, said: “I am pleased to report another robust performance, driven by ongoing structural growth in the Very brand, our integrated business model – which continues to prove resilient as we adapt to changing customer behaviour – and, of course, our amazing people. We also successfully managed costs, achieving a reduction relative to revenue despite inflationary pressures.

“Throughout the year, we were there for millions of families who benefitted from our combination of leading brands and flexible payment options, from the return of fashion for the whole family, to entertaining the kids, updating homes, and accessing the latest games consoles and TVs. We did that while investing in our digital customer experience, modernising our technology, strengthening our Very Pay platform and increasing our product assortment through stockless fulfilment.

“While the rising cost of living and other economic conditions present challenges for all retailers, we’re confident in our resilient and adaptable business model – which combines multicategory online retail with flexible ways to pay. We now turn our attention to delivering an amazing Christmas for the families we serve.”

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