

Victorian Plumbing sees revenue dip as cost of living crisis pushes consumers towards own-brand products

Victorian Plumbing has reported a slight dip in revenue for the first half of the year, as customers opted for cheaper own-brand items amidst the cost-of-living crisis.

The FTSE-listed group's turnover fell by 1% year-on-year to £144.6m for the six months ending March 31, despite a 2% increase in total orders. However, the shift towards own-brand products and reduced shipping costs earlier this year helped the company to expand its profits by 8%.

In addition, the West Lancashire firm recently acquired rival Victoria Plum for £22.5 million, increasing its market share despite what it described as a "subdued trading environment". The acquisition comes just over six months after Victoria Plum went into administration and was bought out in a pre-pack deal by AHK Designs, and unites two long-standing rivals who clashed in court over a trademark dispute eight years ago.

Victorian Plumbing revealed that a cost-cutting plan is already in progress at the Doncaster-based Victoria Plum, including recent staff cuts.

The group also said the imminent completion of a new distribution centre in Lancashire would facilitate business expansion.

In its results statement, the company noted that while customers "continue to seek value", demand for "big ticket discretionary items" remains low. However, the company anticipates a slowdown in the customer trend towards

purchasing more own-branded products.

Chief executive Mark Radcliffe said: "At the same time, we have embarked upon a year of transformational change with significant investment in our people, technology and operations.

"Our new distribution centre, once operational, will remove space constraints, enabling us to deliver on our strategic plans in expansion categories and our trade proposition.

"Moreover, the recent acquisition of Victoria Plum represents another exciting strategic milestone and provides a unique opportunity to accelerate our growth."