

Wincanton issues profit warning after losing key government contract

Logistics giant Wincanton has said it is “extremely disappointed” after it lost a key government contract.

The Wiltshire-based supply chain manager issued a profit warning to investors on Tuesday (March 7), as it announced HMRC had decided to switch to another logistic provider to support its UK customs arrangements at inland border facilities, following a retendering process

Shares in the London-listed company plummeted by around 30% in early trading, with bosses saying they now expected a reduced profit before tax for £63m for the 2024 financial year. The contract will be transferred by June 2023.

Wincanton said: “Wincanton is extremely disappointed to lose this business after a well-executed implementation delivered in exceptionally shortened timescales and acknowledged strong performance over the past two years.

“Wincanton remains a strategic government commercial partner with major contracts with HMRC, Defra, the Department for Health and Social Care and the Cabinet Office.”

The Chippenham-headquartered firm added that alongside the loss of this contract “a more challenging external environment” would hit its finances, amid an “accelerated reduction in consumer spending and customer volumes”.

The board moved to reassure investors, saying it saw “significant growth opportunities” across both the e-commerce and public and industrial sectors, alongside its “resilient and high-performing” foundation sectors, which

include retail, dairy and fuel.

In a [recent trading update](#) the company said it was on track to make a pre-tax profit of around £62m for the current financial year.

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