

Boohoo says delivery delays hurt demand as sales fall 13%

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[oohoo](#) has said delivery troubles are hurting demand as it saw a 13% drop in sales in 2022.

The online fashion retailer, whose shares have fallen 55% in the past 12 months, said “extended delivery times compared to pre-pandemic levels [were] continuing to affect the proposition.”

Sales in the UK fell 13% at constant currencies to £401 million, the firm said, while sales in the US decline further – down 17% to £129 million. Turnover in 2023 is expected to fall by a further 12%.

Boohoo CEO John Lyttle said the dip in revenue “Reflects the normalisation of the channel shift online over the last twelve months.”

Online retailers have been beset with a wave of delivery disruption in recent weeks, as Royal Mail services were hit by strike action, while parcel-delivery company Evri, which has a partnership with Boohoo, [has issued an apology after continuing delays](#), with many not even receiving packages at all.

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It comes after Boohoo rival [Asos](#) last week said it had to bring forward the cut-off date for Christmas orders because of ongoing disruption to delivery times caused by strikes.

The beleaguered online retailer said it had embarked on a £300 million package of “cost mitigation measures” as it battles raging inflation and dwindling consumer demand after it too reported a drop in sales.

Office space will be “rationalised” and three storage facilities including one in the UK will be closed, while 35 unprofitable brands will be withdrawn from the Asos site as part of the cost-cutting plans. It comes on top of a previous decision to reduce staff costs by 10% through a series of layoffs.

Boohoo also said today it had slashed its inventory by 27% in a bid to control costs.

The retailer began cancelling orders from suppliers amid falling demand for clothes, the Sunday Times reported last year. “As is the case across a retail sector navigating uncertain demand, we are constantly reviewing our requirements,” a company spokesperson said.

Russell Pointon, Director of Consumer at Edison Group, said: “The poor results reflect the tough comparative from the prior year and ongoing challenges faced by online retail brands, with high cost inflation and weaker consumer demand having an impact on the very fabric of the online fashion industry.”

Mahmud Kamani, the British retail tycoon who founded Boohoo in 2006, [has seen the value of his share in the business shrink to just £60 million](#) from a high of over £570 million in 2020, an Evening Standard analysis found.