

Card Factory raises earnings outlook despite postal strikes blow to online sales

Retailer [Card Factory](#) has upgraded its full-year earnings outlook, despite revealing a hit to its online sales from recent postal strikes.

The greetings card and gifts group said store sales rose 7.1% on a like-for-like basis in the 11 months to the end of December as shoppers returned to the high street over the festive season.

But it said sales at [cardfactory.co.uk](#) slumped 27.6% year on year, affected by last month's [Royal Mail](#) strikes as well as the increase in customers shopping in store, though it stressed that trading on the site remains far higher than levels seen before the pandemic struck.

The firm said its strong Christmas performance means it is set for underlying earnings of at least £106 million for the full year, against the £96.9 million expected in the City.

This will put it on track for pre-tax profits of around £48 million, it added.

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Shares in Card Factory lifted 5% in morning trading on Tuesday.

Whilst remaining mindful of the challenging economic backdrop, we take confidence in our compelling value-for-money proposition and the level of ongoing customer demand

Chief executive Darcy Willson-Rymer said: “We’re pleased and encouraged by the continued strong performance of the business.

“With delivery of our growth strategy progressing well, it is great to see some of the benefits from this work starting to come through in our financial performance.”

The group added: “Whilst remaining mindful of the challenging economic backdrop, we take confidence in our compelling value-for-money proposition and the level of ongoing customer demand.”

The chain said its value-for-money offering resonated with cost-conscious customers, with its so-called everyday cards seeing a strong performance thanks to strong demand for wedding, life moments, milestone and children’s ranges, which all saw double-digit sales growth.

It has also expanded its other ranges, with confectionery, pocket money toys and gift wrap and bags among the best-sellers.

The firm’s online offering now includes alcohol, flowers, sweets, and gift experiences.

Card Factory is also rolling out a new store format across its estate, with 10 of these stores now trading and more set to be

converted over the year ahead.

It also recently launched a click and collect trial across 85 stores.