

Frasers Group delivers profit surge but warns over cost of living

Sports Direct's parent firm, Frasers Group, has swung to a bumper profit for the past year and expects this to surge further, despite warning over the cost of living and supply chain pressures.

The Mike Ashley-founded business hailed a strong performance despite a "significant increase" in running costs.

The company, which also runs House of Fraser and Game stores, saw adjusted pre-tax profits jump to £344.8 million for the year to April, compared with a £39.9 million loss in the previous year.

Frasers Group runs a raft of brands including House of Fraser, Flannels and Jack Wills (Aaron Chown/PA) / PA Archive

It lifted its targets for the current financial year, telling shareholders on Thursday morning that it expects to post an adjusted pre-tax profit of between £450 million and £500 million over the current financial year.

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Nevertheless, the retail giant warned that challenges with supply chains and the increased cost of living “could have an impact on business potential”.

Frasers also made fresh calls for the [Government](#) to overhaul “a fundamentally flawed business rates system”.

It came as the group revealed that revenues jumped by 30.9% to £4.75 billion for the year, as it was boosted by the reopening of stores following pandemic restrictions.

Frasers has since started the new financial year under the leadership of new chief executive [Michael Murray](#), after Mr Ashley stepped back into an executive director role.

It’s clear that our elevation strategy is working

Mr Murray, the founder’s son-in-law, was promoted to the position after leading Frasers’ so-called “elevation strategy” as the firm has sought to grow its premium division.

The new boss said: “I am really proud of the record performance we’ve announced today.

“It’s clear that our elevation strategy is working and we are building incredible momentum with new store openings, digital capabilities and deeper brand partnerships across all of our divisions.

“We’ve got the right strategy, team and determination to keep driving our business from strength to strength.”