

Hornby sees losses widen, but reassures over stock for festive season

Model train maker [Hornby](#) has posted widened losses and held off from giving a full-year outlook, but said it is well-stocked for the crucial Christmas season as supply chain woes ease.

The group posted a pre-tax loss of £2.9 million for the six months to September 30 in a “difficult” financial year so far, with the result comparing with losses of £700,000 a year ago.

Last Christmas, Hornby was hit by stock shortages due to shipment delays amid widespread supply chain difficulties.

But it said it is now in a “stronger position”, with shipments from its overseas factories 40% ahead of last year, while it has also stocked up early to ensure it is not left short.

However, the group held back from giving an outlook for the full year, with the outcome “hard to tell” in light of pressures on consumer spending during the all-important Christmas period amid the cost-of-living crisis.

Read More

- [Dr Martens shares slump after bootmaker warns over profit margins](#)
- [Shielding households from high energy bills set to cost Government £5bn a month](#)
- [We're not budging, says union chief amid fresh 48-hour mail strike](#)
- SPONSORED

[How London is going electric faster than anywhere else](#)

We are heading into our key Christmas trading period and right now it is hard to tell what the outcome will be for the full-year results

Hornby's outgoing executive chairman, Lyndon Davies, said: "We are heading into our key Christmas trading period and right now it is hard to tell what the outcome will be for the full-year results.

"It is over 40 years since the UK last experienced an inflationary shock on the scale we are witnessing today, and the UK economy of the 1970s – with its reliance on highly subsidised and geographically concentrated heavy industry – was incomparably different to the economy of today."

A year ago, sales in the second half were held back by supply chain problems.

Mr Lyndon said the group is still suffering with late departure dates of shipments as the shipping industry trims capacity by cancelling sailings, while costs are not back to pre-Covid levels, though it has seen container rates continue to fall.

"We have also mitigated potential supply disruptions this Christmas by bringing forward the shipping dates on key product lines, which are already available in our warehouse," according to the company.

It added that its order book is "very strong and higher than a year ago".

[Sales](#) over the first half lifted 3% to £22.4 million, with those direct from its website soaring by more than 50% and set to rise further over the remaining six months.

Mr Lyndon is soon to pass the reins to [Paperchase](#) boss Olly Raeburn, who takes over as chief executive on January 23.

Mr Lyndon will then hand over his executive responsibilities and become non-executive chairman.