

Hotel Chocolat sinks into the red over botched Japan expansion

Hotel Chocolat posted a full-year loss of £9.4 million this morning after its botched international expansion plans led to tens of millions of pounds being written off, while the Chairman and CFO have said they'll be quitting in the new year.

The Hertfordshire-based chocolate maker was forced to write off almost £30 million after its [Japanese](#) business went through insolvency. The firm blamed the collapse on pandemic restrictions in Japan and supply chain woes and said it was seeking to localise supply chains in the country through working with local manufacturers.

Hotel Chocolat boss [Angus Thirlwell](#) told the Standard: "We thought we should take that on the chin and write the cost off and change the way we approach international opportunities and contain the capital spend and work with partners rather than try to do it ourselves.

"Nobody gets international right the first time straight out of the blocks – it's very much a case of adapting and taking the learnings and making your work smarter as you go on."

CFO Matt Pritchard is now set to leave the business in 2023 "to pursue other opportunities," while the Chairman Andrew Gerrie is also planning to step down.

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The Company saw sales grow 37% in the year to June 2022 to £226 million as shoppers flooded back to its high street stores, leading to a softening in online sales, Thirlwell said. The firm increased its customer database by 15% to two million, while its subscription service also saw growth.

“What we’re seeing really go well is our drinking chocolate really go well in our café and stores,” Thirlwell said. “We launched a mince pie drinking chocolate as well and that seems to be pressing the button for a lot of people.”

Hotel Chocolat shares rose 1% to 147p. The stock is down 72% since the start of the year.