

Lego sales surge but profits held back by rising costs

Danish toy giant [Lego](#) has notched up a double-digit hike in half-year sales, but saw profits slip back due to rising costs.

The group reported pre-tax profits dropping 2% to 7.9 billion Danish kroner (£949 million) in the first six months of the year as it faced higher costs for raw materials, energy and freight.

But it said a 17% surge in revenues to 27 billion Danish kroner (£3.2 billion) – with consumer sales up 13% – helped offset the inflation pressures and allow it to largely keep earnings stable at the operating profit level, at 7.94 billion Danish kroner (£954 million).

For the second half of 2022, we continue to see strong demand for our products. Longer-term we expect top-line growth to normalise to more sustainable levels

The group increased prices for some of its products last month due to its higher costs, with plastic resin used to make its bricks just one area that has become more expensive for the group.

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Niels Christiansen, chief executive of the Lego Group, said: “We got off to a strong start in 2022 and are very satisfied with our performance which landed above expectations after an exceptional 2021.

“Despite global uncertainties, we continued to deliver higher consumer sales and double-digit top-line growth driven by demand.”

He added that he expects consumer demand for Lego to hold up over the final six months of 2022 and the crucial Christmas period, with strong sales so far this year of its Star Wars, Harry Potter and Technic sets.

Mr Christiansen said: “For the second half of 2022, we continue to see strong demand for our products.

“Longer-term we expect top-line growth to normalise to more sustainable levels.”

The group has ramped up openings of its own stores this year, launching another 66 in the first half to take its total to 833.

It also confirmed the rollout of paper-based packaging will kick off in the second half as it strives to ditch plastic bags by the end of 2025.

The Lego Group is celebrating its 90th anniversary this year, having been founded in Billund in 1932 by Ole Kirk Kristiansen, its name derived from the two Danish words Leg Godt, which mean “play well”.

It still remains a family-owned firm and is headquartered in Billund.