

Lidl's profits quadruple as shoppers switch to cheaper supermarkets

Profits at the [British](#) arm of supermarket chain [Lidl](#) have more than quadrupled with it having undertaken an ambitious expansion of stores and customers over the year, it said.

Pre-tax profits reached £41.1 million in the year to February 28, surging 319% from the £9.8 million posted the same time last year.

It also saw revenues edge up by 1.5%, totalling £7.8 billion in the latest financial year, up from £7.7 billion the previous year.

The discounted chain opened 53 new stores over the year to February, bringing the total to 918 across Britain.

As a discount supermarket we are in the best possible position to support people through these challenging times, and it's our absolute priority that we continue to do so

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Lidl, which was named the UK's cheapest supermarket this month by The Grocer, stressed that it would continue to meet its promise to customers of offering the lowest prices in the market.

Over 770,000 more people shop with the supermarket each week compared with last year as people switch their shop to save money, Lidl said.

That amounts to £58 million in total spending that shoppers have switched from traditional supermarkets, according to the research.

But Lidl cautioned that supply chain pressures have increased the risk of sufficiently meeting customer demand, and that there is "no assurance" that the issues will not worsen in the future, which could further increase costs.

And the chain said it has been affected by labour shortages caused by [Brexit](#) and following the pandemic.

It also noted that it has seen a shift in consumer habits to more of a focus on healthy eating, which it said presents a risk as it needs to keep up with the trends and change its products to meet them.

Ryan McDonnell, Lidl Great Britain's chief executive, said: "Our business model is built for the long term and I'm incredibly proud of our continued growth in recent months, which builds on our strong performance across 2021.

"During this time, we've made further investments across all areas of our business, building even more stores and distribution centres, hiring more colleagues, increasing pay rates, investing in our British supplier base and contributing to the communities we operate in.

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and it's our absolute priority that we continue to do so."

The group recently increased its staff minimum wage, from £9.00 to £9.30 per hour outside [London](#) and £10.55 to £10.75 within the capital, which benefits 19,000 of its around 27,000 strong workforce.