

Made.com raises prices after being hit by soaring shipping and trucking costs

0

Online furniture designer [Made.com](#) has warned it is being hit by soaring trucking and shipping costs and has begun to pass on some of the burden to [customers](#) by raising [prices](#).


CEO Philippe Chainieux told the Standard freight cost has multiplied six or seven [times](#) since the beginning of 2021.

“That is incredibly difficult to mitigate,” he said.

To help offset the situation, the [company](#) has stopped offering as many discounts and is “beginning to pass an element of higher costs to customers”.

The company – which was founded in 2010 by Lastminute.com tycoon Brent Hoberman and Ning Li – was valued at around £775 million when it floated in June at 200p-per-share. It raised £100 million from the float and has seen sales surge in lockdowns. [Revenues](#) were up 61% to £171 million in the six months to July.

READ MORE

- [Franco Manca owner Fulham Shore revenues soar above pre-Covid levels](#)
- [iPhone 13 release: Apple announces 2021 livestream event](#)
- [Car insurance startup Marshmallow becomes Britain's latest unicorn](#)
-  [BRANDPOST | PAID CONTENT](#) It's not about size, it's how you use it – that still rings true today

The firm reported a narrowed pre-tax loss of £10.1 million, which bosses put down in part to IPO costs of £5.4 million.

Full year revenues are expected to be around £410million – up 65% year-on-year – “assuming global supply chain disruptions do not deteriorate further”, Made said.

Global supply chain issues have seen shortages in numerous goods and left supermarket bosses warning of a potential hit to Christmas sales.

Finance chief Adrian Evans said the disruption is affecting Made.com’s ability to get products onto boats and into warehouses, but insisted that the firm is confident it will be able to meet Christmas orders.

Made.com often has long lead times, with customers often ordering in the knowledge their light fitting or table will not arrive for six weeks. Evans said the company is investing to generally improve lead times for customers.

Chainieux stated that the company is delivering what it promised at IPO, and said: “We are very well positioned to manage this level of volatility. We are confident in the outlook of the second half of the year.”

The company now operates in eight European countries, and bosses said Germany was its stand-out market in the first half.

The firm has seen sales surge since Covid hit as people sought to spruce up their homes in successive lockdowns, and set up home offices for the hybrid-working future.

Active customer numbers were up 34% in the period, with the average value of an order up 12%. Evans pointed to a rise to 41% in repeat orders.

The company uses a network of 150 designers to come up with

product ranges which it then makes in small batches to sell through its website. It says it uses sophisticated data analysis to track what will sell and has built the most popular homewares brand for millennials.

Chainieux plans to grow Made.com operations to see gross sales of £1.2 billion by 2025. The firm said this ambition will be helped by the near-doubling of its UK large goods warehouse space last month, and plans to extend space at its site in Antwerp.

Analysts at Liberum said the first half performance “sets MADE firmly apart from its European peers as it benefits from the investments made in 2019-20”.