

Superdry cuts profit outlook as wholesale slumps

Fashion chain [Superdry](#) has warned investors that it expects to break even for the full year after suffering a hit from shipping delays, despite enjoying a boost in sales over Christmas and Black Friday.

The group said revenues in its wholesale business slumped by more than 57% in the nine weeks to December 31 due to post-Covid lags in dispatching items.

It led the retailer to downgrade its expected adjusted pre-tax profits to broadly breakeven, from previously estimating that profits would hit between £10 million and £20 million.

[Shares](#) in Superdry plunged by around 15% on Friday morning.

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The group – which has 219 shops and 450 franchise stores –

revealed its adjusted pre-tax losses hit £13.6 million in the half year to October 29, having had a difficult year in the face of dampened consumer demand and spiralling costs.

Nevertheless, its group revenues were up by 3.6% compared to the first half in 2021, from £277 million to £287 million.

It also celebrated a stronger Christmas period, revealing its stores had their biggest ever week over Black Friday, and that year-on-year revenues in stores were up by nearly a fifth in the run-up to Christmas.

Coats were top sellers over the festive season, Superdry said, with colder weather reigniting demand for outerwear, and womenswear continuing to be a highlight.

[Julian Dunkerton](#), the founder and chief executive of Superdry, said: "The Superdry brand has real momentum and I'm delighted by how our retail trading continues to strengthen.

"Despite the underlying brand recovery, our profits in the first half fell short of expectations mainly due to the underperformance of wholesale.

"We reorganised our team and our approach to support our wholesale partners and expect to see their confidence return following the retail success of autumn/ winter 2022.

"Whilst we did trade well through November and December, the outlook for the remainder of the year is uncertain and as a result, we are moderating our profit outlook to broadly breakeven.

"We don't expect market conditions to become easier any time soon, but with a new financing package in place and the brand in great health, we approach the year ahead with optimism."

Superdry announced last month it had secured £80 million refinancing for the next three years, replacing a £70 million

scheme due to end this month.

The retailer added on Friday that it was “very cautious about the potential for a soft spring”, and that it was looking to cut costs across the business.

But it reassured investors that customers under cost pressures were attracted to its “well-designed, affordable” clothing.