

UK return to 'semblance of normality' lifts pubs as Naked Wines stalls

The return "to some semblance of what was known as normality" is providing early Christmas cheer for the UK's pub groups – but caused a headache for one of the pandemic's online stars.

As west London-based pub chain Fuller's hailed a return to profit on Thursday morning, doorstep delivery firm [Naked Wines](#) reported seeing growth slow as restrictions lifted.

[Shares](#) in the [AIM](#)-listed merchant plunged as much as 21% in early trading after the [company](#) lowered full-year sales guidance from £355-£375 million to £340-£355 million, and said it is dialling back [spending](#) on acquiring new [customers](#).

Naked also warned of lower repeat sales margins as it faces surging supply chain and storage costs.

Reported sales for the half year to September 27 were up just 1% on the first half of last year at £159.3 million.

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CEO Nick Devlin told the Standard: “The one thing that was a bit more challenging in the course of the last six months was that acquiring customers was a bit harder than it was in 2020, which is not a massive surprise.

“But it does mean that we have pared back slightly the amount we are spending on acquiring customers, to make sure we are generating the right returns and getting the right value from those investments.

“There is a bit of normalisation in customer behaviour – all of us have a massive pent-up desire to go and lean into experiences.”

Devlin stressed the company’s strong retention of the swathes of subscribed members signed up during lockdowns, however, and said the company is well-prepared for its largest ever Christmas season. Naked now has 947,000 members – up 25% on November 2020.

Last month Light Street Capital founder, Glen Kacher, dubbed the company the “Netflix of wines” and told CNBC he thinks its stock has the potential to quadruple in value over the next four-and-a-half years. Shares surged 13% on the backing to 742p on October 29, but today fell back just over 21% to 528p.

Naked’s update came as Fuller’s hailed a return to profits in the first half and reported taking sales at 90% of 2019 levels in the last two months.

The group reported a £10.6 million pre-tax profit for the six months to September 25, from a £23 million loss in the same period last year, and issued a dividend of 3.9p per share.

Fuller’s, which has nearly 400 mostly freehold pubs, had been burning through £5 million a month in lockdown and completed a £52 million share placing in April to see it through. It is now eyeing expansion.

Boss Simon Emeny told the Standard the momentum in central London right now is “really encouraging”.

“With the removal of the international travel restrictions just over 10 days ago we’ve seen further moves forward in the City and West End, and with Christmas coming up that’s really exciting and bodes well for 2022,” he said.

“We’ve seen a big surge in enquiries and bookings for Christmas.”

Shares in Fuller’s rose 2.6%, or 16.8p, to 659p, this morning.