The fact that footwear wasn't a key purchasing priority for consumers during various lockdowns clearly affected footwear specialist Kurt Geiger in its latest year.

The company has filed its accounts for the year to the end of January 2021 and said that its total net turnover fell by 45% to £192.3 million during the period. That reflected both the impact of the loss of sales during store closure periods and the impact on its wholesale customers, as well as the increased volume and depth of markdowns due to the large amount of excess stock it had.

This resulted in total gross profit as a percentage falling to 46.9% from 54.1% a year earlier. Company EBITDA fell to £7.4 million from £40.2 million a year earlier. And it saw an operating loss of £22.8 million, although this included £19.4 million of one-off items. Operating profit in the previous year had been £29.7 million with only £2.4 million of one-offs included.

The net loss for the year was £15.5 million, down from a net profit of £32.6 million a year earlier.
This was driven by that significant clearance activity along with strong management of inventory levels to preserve cash and protect liquidity.

The company said that closing stock at the end of the year was reduced to £65.3 million from £88.8 million a year previously, due both to the clearance strategy and to tighter open-to-buys and slightly lower inbound stock resulting from delays linked to Brexit.

But despite the turmoil of the pandemic, the company said its teams remained highly focused on maintaining momentum to deliver its long-term vision for the brand. It continued to invest in its digital business to support its growth online and its ambition to build stronger relationships with customers and elevate their experiences.

It also talked of an "exceptional performance with our valued partners in North America", in particular Nordstrom and Dillards. It built its presence there to 234 doors from 168 in the previous year.

It also expanded its Carvela store chain further following a launch in Westfield London. And it added a dedicated webstore for the brand in the first quarter of the current financial year.

Additionally, it saw continued growth in its handbag and sneaker categories, which are the fastest areas of growth in its overall business.

By Sandra Halliday

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