Selfridges UK stores saw revenues falling 40% in first pandemic year

By Sandra Halliday - January 10, 2022

Selfridges Retail Limited has filed its full accounts for the year to the end of January 2021 and they show the devastation that the pandemic wreaked in what should have been another good year for the company.

The year wasn't only about the pandemic for the business that mainly operates the four UK Selfridges branches. The company also launched its new strategy “to reinvent retail and to imagine and create a sustainable future for our customers”. That saw the launch of its Project Earth drive in August 2020 that “placed sustainability at the heart of the business”.

But aside from the positives, it was clearly a tough 12 months for the business. Revenue in the 52 weeks to January 30 fell 40% to £508.5 million as its flagship stores were closed for months on end and the international tourists on which it depends stayed away from the UK.

That resulted in an operating loss of £136.7 million, a sharp reversal from an operating profit of £113.8 million in the previous year. The pre-tax loss was £217.2 million compared to a profit of £34 million a year earlier, and the net loss was £163.2 million, a huge swing from the £20.6 million profit of the previous year.

Not that the company was ever in danger of going under with a continued strong focus on liquidity. During the year it drew down a £50 million bank facility and also put in place an £80 million facility with a company within the wider Selfridges Group. That was increased to £120 million after the end of the financial year. It also carefully monitored its costs and held back on some capital investment projects, as well as accessing UK government support. However, it still took the step of cutting nearly 500 jobs during the year.

Selfridges, which has recently been sold to a joint venture between Thailand's Central Retail group and Austria-based Signa, made little comment on current trading and prospects in the results statement. However, it said it sees a number of risks ahead for its business. They include the end of the VAT Retail export scheme that allowed...
sees a number of risks ahead for its business. They include the end of the VAT Retail Export scheme that allowed tax-free shopping for international customers and the complexity of the UK’s trade deal with the EU.

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