Aspinal of London upbeat despite Covid sales fall, online grows

By Sandra Halliday - February 8, 2022

Aspinal of London’s full-year accounts (for the period to last March) showed the luxury leathergoods company battling through some tough times and transforming itself from a physical retailer into a much healthier mainly-online one.

Sales revenue in the year fell 31% to £23.1 million and adjusted EBITDA dropped to £3.4 million from £5.8 million. But net profit rose to £4.3 million from a loss of £10.1 million in the previous year. And it saw an 8% uplift in the gross margin.

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During the year, the company closed all of its stores except its London flagships in Regent Street, Royal Exchange, Harrods and Selfridges. But importantly, it also opened its first franchise store in the key Chinese market.

In addition, it made cost savings and in October 2020 entered into a company voluntary arrangement that allowed it to exit those loss-making stores and negotiate turnover-based rents on its remaining locations.

The company said that despite the impact of the pandemic on the luxury sector, its business — specifically its online ops — continued to perform very strongly with significant double-digit growth in e-sales. In fact, with 85% of the business now online, that bodes well for the future.

And the company said that “the transformation of Aspinal into a profitable, cash generative online business has now been successfully completed”.

And it believes it’s on track “for further substantial EBITDA growth for FY 2022 based on actuals to date”. Direct retail sales for the first six months of the new financial year tracked 29% higher than the previous year on a like-for-like basis.