

John Lewis Partnership

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John Lewis swings to loss as it warns of 'significant' no-deal Brexit impact

John Lewis Partnership slumped into the red in the first half with the British retailer blaming Brexit uncertainty for hurting consumer confidence.

The group, which owns the John Lewis department stores and Waitrose supermarkets, swung to an underlying loss before tax of £25.9m in the six months to 27 July from a profit £0.8m a year ago while gross sales fell 1.2% to £5.4bn.

The company said the losses reflected weaker sales in some categories like homewares, cost inflation and IT costs.

John Lewis was particularly weak with same-store sales falling 2.3% and the operating loss before exceptionals swelling to £61.8m from £19.3m last year. Waitrose sales dipped 0.4% on a like-for-like basis but the operating profit before exceptionals increased 14.7% to £110.1m as margins improved after a review of product categories.

Chairman Sir Charlie Mayfield said he expects the tough retail conditions to persist and warned that a no-deal Brexit could hit the business hard.

"Should the UK leave the EU without a deal, we expect the effect to be significant and it will not be possible to mitigate that impact," he said.

"We have ensured our financial resilience and taken steps to increase our foreign currency hedging, to build stock where that is sensible, and to improve customs readiness. However, Brexit continues to weigh on consumer sentiment at a crucial time for the sector as we enter the peak trading period."

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Code: TJLP

Listing: PRIVATE-UK

Sector: Retail

Website: www.johnlewispartnership.co.uk

Company Synopsis:

The John Lewis Partnership's 84,000 Partners own the leading UK retail businesses - John Lewis and Waitrose. Our founder's vision of a successful business powered by its people and its principles defines our unique company today. The profits and benefits created by our success are shared by all our Partners.

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