

# Johnstons of Elgin report continuing profit

With a flagship store on Multrees Walk it is comforting to know that one of Scotland's biggest brands continues to flourish.

Johnstons of Elgin will disclose a profit before tax of £6.4m, in line with the prior year, on sales of £77m in their financial results filed this week.

Overall sales fell by 2.5%, due to lower domestic sales, but export continued to grow (+9.5), contributing to an improved gross margin (up by 1.6% to 31.1%). The company employs around 1,000 people, has two mills in Elgin and Hawick and also has a store in New Bond Street in London.

Simon Cotton, Chief Executive, said: "Since these accounts were signed in late March the impact of the coronavirus has become apparent. Almost all our team have been furloughed for some period, as our mills and retail stores had to close during lockdown and have only recently fully re-opened. We expect sales for 2020 to be more than 30% down and are preparing for a slow recovery through 2021.

"Thankfully, we go into this period of uncertainty with another strong set of results and a healthy balance sheet. We have secured an offer of funding through the Coronavirus Large Business Interruption Scheme via RBS, which will underpin our financial position as the business recovers. Although there will be short term challenges, we remain very confident that our great team, the fundamental strength of our luxury branded

partners and the growing appreciation of our own “Johnstons of Elgin” brand puts us in a good position to thrive in the future.”

