

Greggs reports 14.6% third quarter sales hike despite inflation warnings

Greggs today staked a claim to be the biggest high street winner in the era of the [cost of living](#) squeeze as it unveiled bumper [sales](#) growth and ambitions for 150 openings before the year is out.

The Newcastle-based “pastry powerhouse” reported sales growth of 14.6% for the 13 weeks to October, with like-for-like sales up 9.7% in company-managed shops.

Greggs boss Roisin Currie told the Standard: “The average transaction at Greggs makes us a more affordable treat.

“Footfall continues to grow and transactions continue to grow. We haven’t seen the changes of behaviour compared with customers for big ticket items like furniture. Our £2.50 breakfast is still really important to a lot of people.”

Greggs is set to open 13 new stores in London this year, including bakeries at Liverpool Street, [Canary Wharf](#) and Shepherd’s Bush, as cost of living pressures helped the company capture a growing share of the capital’s fast-food market with its low-price menu options. It has already opened 106 new shops across the UK since the start of the year, taking its total to 2,271.

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Greggs shares jumped 10% to 1,894p this morning on news the company has been able to keep cost [inflation](#) in line with forecasts and below sales growth.

Energy costs are set to come in below the government's new price cap, and the firm is investing over £100 million in scaling operations efficiently, including the completion of a new automated pizza manufacturing line in Enfield, which will expand capacity from its existing plant in Manchester to produce an extra 1.5 million pizzas a week.

"It's a full end-to-end production line that will do everything from slicing the pizza to adding the toppings," Currie said.

"We've gone on a digital journey, and we accelerated that digital journey during the pandemic. We've been looking at a lot of efficiency and automation."

The baker has brought back its pumpkin spice latte hot drink, and has expanded its popular vegan range to include toasties and baguettes. Sales of Greggs' new salad range got a boost over the summer, Currie said, while chicken goujons and wedges had grown in popularity.

Julie Palmer, Partner at Begbies Traynor, said: "The pastry powerhouse has delivered yet again this morning. In an economy where customers are looking to cut costs at every opportunity, Greggs has a significant advantage over its pricier competitors like Pret and today's trading update shows no

shakeup to the first half's momentum.

"Businesses across every sector are facing the same issue of rising costs and ingredients and energy and labour aren't going to get cheaper. Throw in the weakest consumer confidence in years and it's a truly difficult market. Greggs could be a scarce winner as customers seek to trade down to the more affordable menu in these difficult times."