

Greggs sees sales surge despite several price rises

Bakery chain Greggs has revealed its sales surged by nearly a quarter over 2022 despite increasing the prices of its sausage rolls and other baked goods several times during the year.

The low-cost food chain said total sales rose 23% over the 12 months to hit £1.51 billion, up from £1.23 billion the previous year.

But Greggs told the PA news agency that the national price of its sausage roll is now £1.20, having started 2022 at £1.

The chain reported a boost in visitors over the festive season, despite bad weather and rail strikes, leading year-on-year sales in the last three months of the year to grow by 18% across its own-managed shops.

The figure also compares with sales over the same period in 2021 being dampened by the [Omicron](#) coronavirus variant.

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While market conditions in 2023 will remain challenging, our value-for-money offer of freshly prepared food and drink is highly relevant as consumers look to manage their budgets

without compromising on quality and taste

Greggs chief executive Roisin Currie told PA: “Luckily for us, we have got a very diverse portfolio of shops, and therefore, where there were hits in transport locations and some city centres, if customers were displaced in one location but shopped in another, then we would see trading pick up there.

“But there is no doubt that train strikes definitely had an impact.”

She added that the company has a number of shops in petrol stations and motorway services, as well as retail parks and suburban high streets, which helped boost sales amid travel disruption.

Demand for seasonal food items was also strong over Christmas, including its festive bake and vegan alternative – with plant-based foods contributing more heavily to its range.

Greggs admitted that inflation continues to hit its costs, including energy and food products, with the group seeing costs up by about 9% on average over 2022, compared with the previous year.

It forced the group to increase the prices of some of its key food items several times over the course of the year, with the sausage roll, lunchtime deal and hot evening deals going up each time by 5p or 10p.

In some city-centre locations like [London](#), its sausage roll costs as much as £1.45.

But its breakfast meal deal remains at £2.60 and its lunch deal at £3.60, Ms Currie said.

She emphasised that it is “too early to tell” how cost inflation will pan out this year, but expects it to be a similar situation to last year, which indicates that the chain

could implement further price rises.

However, Greggs reassured investors that, even though consumers are facing cost-of-living pressures, its meals remain good value and therefore attractive to the cash-conscious consumer.

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Greggs confirmed that it expects to meet its full-year profit expectations despite the challenging conditions faced last year.

The chain – which has more than 2,300 shops across the country – has been pushing ahead with plans to grow its estate, adding 186 new shops over the year, while also closing 39.

And this momentum shows no signs of slowing, with plans to open a further 150 new stores in 2023.

Greggs also revealed that it has been extending opening hours, with 500 shops now open until 8pm, meaning that sales during the early evening are growing fast.

Ms Currie added: “While market conditions in 2023 will remain challenging, our value-for-money offer of freshly prepared food and drink is highly relevant as consumers look to manage their budgets without compromising on quality and taste.”

Adam Vettese, analyst at social investing network eToro, said: “Gregg's impressive fourth-quarter sales growth suggests its business model is holding up well in the face of the worst cost-of-living crisis in a generation.

“Looking forward, while things will be tight financially for households in 2023, Greggs' focus on value for money and convenience should hold it in good stead.

“However, like all consumer-facing businesses, material cost inflation will continue to be a problem for much of this year and will no doubt weigh on profits.”