

Greggs to expand quickly in central London despite inflation pressures and staff shortages

Greggs boss Roger Whiteside upped profit forecasts today, renewed his prediction that the [baker](#) will grow to 3000 stores and had a simple message for Londoners: We are coming.

The fall in property costs in central London means it plans to expand rapidly in the centre of town from just 19 stores to many more.

“We are coming into London with renewed vigour,” he said.

Today Greggs said sales in the third quarter are up 3.5% despite staff and supply chain problems.

There are daily shortages on a range of goods, but not yet sausage rolls.

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“It changes every day. Every morning I wake up and it is,

what's the problem today? It is difficult," he said.

Drivers don't turn up, or goods are trapped away from stores, he said.

Despite this Greggs pledged to open 100 new stores this year, rising to 150 each year in the near future. The total should rise from 2146 to around 3000 in time.

The City was predicting profits of £138 million for the year but will increase that forecast today following the fresh guidance today.

The vegan food options, once mocked by some including Piers Morgan, are selling well.

On staff issues, Whiteside said: "There appears to be a shortage of workers on the market. We are in recruitment moved just like anyone else. Where have all the people gone?"

Customers are sticking with Greggs he added, because other stores have the same problems. "We will get through this period, I just don't know how long it will last."

Greggs shares rose 121p, 4%, to 2994p which values the business at more than £3 billion.

Freemove's Analyst Gemma Boothroyd said: "The sausage roll maker is upping its investment in vegan, delivery and digital. But none of those are Greggs' bread and butter, and it's better off sticking to what it knows best. When Britons crave Greggs, they don't use a delivery app. They step out the door and head to the nearest location. And when they get there, they're usually not on the hunt for a healthy, meatless bite."

John Moore, senior investment manager at Brewin Dolphin, said: "Greggs is in strong shape and back to performing ahead of where it was pre-pandemic. The investment plans set out today are ambitious, with a target of doubling turnover, reaching 3,000 shops, enhancing its customer offering, and even looking

internationally. Although supply chain issues and rising input costs are very real near-term challenges, Greggs appears to be handling them well so far and has accounted for this in its strategy. If the company can execute its plan as it describes, in time Greggs could make the ultimate leap to the FTSE 100.”