

'Life is tough for millions,' warns Sainsbury's boss amid inflation

The boss of Sainsbury's has cautioned that life is tough for "millions of households" as the supermarket chain witnessed increased demand for own-label products.

It came as the retail group revealed a dip in profits as it swallowed some of the impact of soaring costs.

Nevertheless, the firm said it is well placed for the key Christmas period after strengthening trade over the latest quarter.

[Simon Roberts](#), chief executive of Sainsbury's, said: "We really get how tough it is for millions of households right now."

"Customers are watching every penny and every pound and we know that they are relying on us to keep food prices as low as we can."

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It comes days after the [British Retail Consortium](#) (BRC)

recorded that food inflation leapt to a record 11.6% last month, while the [Office for National Statistics](#) (ONS) said food and drink were 14.5% higher year-on-year.

However, the supermarket chief said that Sainsbury's has seen inflation below this.

"We do not recognise the numbers from the ONS and others," he said.

"It is comfortably lower than that and firmly in the single digits – we are doing everything we can to keep prices down."

He added that the group saw shoppers switching to own-label items in a bid to secure better value.

Sainsbury's, which also owns [Argos](#), said underlying pre-tax profit declined by 8% to £340 million over the half-year to September 17, compared with the same period last year.

The company has said profits for the current year are set to decline as it chooses to invest more into its pricing and pay improvements for workers.

The retail group also revealed that total revenues jumped 4.4% to £16.4 billion over the half-year, compared with the same period last year.

Like-for-like sales, excluding fuel, slipped by 0.8% over the six-month period after declining against pandemic-boosted figures at the start of the period.

However, the group said it saw a 3.7% rise in like-for-likes sale over the past quarter as its grocery business witnessed accelerating inflation and a benefit from warm summer weather.

The group said it has benefited from investment to help swallow cost inflation for key products and keep pricing lower for customers, with £500 million to be invested in pricing.

Sainsbury's said it is "well placed through the peak trading period and into the next financial year to support customers as they manage further cost-of-living pressures".

The group is halfway through a £1.3 billion cost-saving programme which has seen it shut down in-store restaurants and standalone Argos shops.

It said it expects to close around 50 Argos stores this year as part of the previously announced plans, with around 25 Argos sites set to open within larger Sainsbury's shops.

Jefferies equity analyst James Grzanic said the group's latest results "seem to reflect resilience in grocery and a much-improved Argos".

Shares in the company were up 3.4% at 6.75p in early trading on Thursday.