

Takeover talk swirls around supermarkets as Sainsbury reports rising sales

SAINSBURY'S reported a jump in sales today as takeover fever continued to swirl around the supermarket sector in the wake of the trio of bids for [Morrisons](#).

Some in the [City](#) predict Sainsbury will be next to fall to a private equity deal, though it does have two strong and so far supportive major [shareholders](#) in Qatar at 15% and Czech billionaire Daniel Kretinsky at 10%.

CEO [Simon Roberts](#) declined to speculate, but noted "a lot of interest in the sector, a lot of discussion about the sector being undervalued".

Analysts note that Sainsbury has a property portfolio valued at £10 billion compared to a stock market value of just £6.2 billion, which would seem to make it a ripe target. The shares have near doubled in the last year, and rose 1p to 280p today.

Sales increased 1.6% in the 16 weeks to June 26, better than City expectations, allowing the company to boost profit guidance for the year by £40 million to £660 million.

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the world

Online grocery sales are up 29%, with clothing sales up 58%.

Gaps on shelves are starting to appear due to lorry driver shortages and high demand, including for beer to be guzzled during Euro 2020 matches. Roberts noted “challenges in the upward supply chain” but said that while shoppers may not “find every brand they want”, they are hardly going to go hungry.

Roberts was fuzzy on the issue of continued mask wearing in stores once they are not longer mandatory. He will consult staff first, saying, “as a business we have put safety first. It is about the choices customers and staff want to exercise”.

Keith Bowman at interactive investor, said: “A takeover battle for Morrisons now overshadows the food retailing sector. The possible read across for rivals such as Sainsbury’s is evident.”

Morrisons has accepted a £6.3 billion bid from Fortress, with Apollo Global and Clayton, Dubilier & Rice pondering counter offers.