

# Morrisons sees fall in sales amid 'very fragile and difficult consumer environment'

Morrisons has warned of a "very fragile and difficult consumer environment" as it reported a fall in sales over the past three months.

The supermarket group said like-for-like sales, excluding fuel and VAT, fell 6.4% in the 13 weeks to 1 May, blaming inflation and "increasingly subdued consumer confidence".

Total revenues for the company were up 2.6% to £4.6bn compared to the same quarter last year, helped by a 54% jump in fuel sales as prices soared.

Adjusted earnings grew by £9m to £71m for the quarter, thanks to cost savings and a recovery in profit for areas previously hit by COVID-19.

Chief Executive David Potts said: "In a very fragile and difficult consumer environment, Morrisons has continued to deliver a resilient performance.

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"This quarter traded over a period of significant COVID restrictions last year when travel and hospitality were both severely limited.

"As those two activities returned to more normal patterns this year, we saw very strong growth in fuel sales but a step back in grocery.

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“In April we launched one of our biggest-ever price cut campaigns which included over 25% of our entry level products.

“But these are serious times and there is further serious work

ahead of us as we help customers and colleagues face the highest inflation for 40 years.”

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Earlier this month, Kantar Worldpanel released figures showing that [like-for-like grocery prices rose by an annual rate of 8.3%](#) in the four weeks to 12 June, up 1.3% on the previous period.

Kantar warned that the leap in prices, amid the wider [cost of living crisis](#), meant that households were facing the prospect of paying £380 more for their shopping on an annual basis as supermarkets and their supply chains faced up to mounting costs from things such as energy and fuel.

Morrisons saw a [£7bn takeover by private equity firm Clayton, Dubilier & Rice approved by regulators](#) earlier this month.

Last month, Morrisons clinched a deal to rescue the McColl’s convenience chain, with [McColl’s staff keeping their jobs](#) and the supermarket group taking over the company’s two pension schemes.