

Wetherspoons toasts return to profit – despite ‘ferocious’ impact of inflation

Wetherspoons has reported a post-pandemic return to profit – but warned “ferocious” inflation has hit its business.

The [pub chain](#) reported a half-year pre-tax profit of £4.6m, up from a loss of £26.1m in 2022.

It also said sales in the seven weeks to 19 March had soared 14.9% on a year earlier and were up 9.1% on pre-pandemic levels in 2019.

However, despite the upturn, profit was still 90% down on the £50.3m scooped up over the same period in 2019.

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Chairman Tim Martin said the impact of inflation, [which leapt to 10.4%](#) on Wednesday, had been “ferocious”, particularly on energy, food and labour costs.

But he said he felt the company’s future was bright – as long as forecasts of inflation coming down this year were correct.

Mr Martin said: “The Bank of England, and other authorities, believe that inflation is on the wane, which will certainly be of great benefit, if correct.

“Having experienced a substantial improvement in sales and profits, compared to our most recent financial year, and with a strengthened balance sheet, compared both to last year and to the pre-pandemic period, the company is cautiously optimistic about further progress in the current financial year and in the years ahead.”

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The pro-Brexit pub boss also dismissed claims that the UK’s departure from the EU was to blame for recent supply chain issues.

“Supply or delivery issues have largely disappeared, for now, and were probably a phenomenon of the stresses induced by the worldwide reopening after the pandemic,” Mr Martin added.



Image:

JD Wetherspoon founder Tim Martin, pictured in October 2020, said many post-pandemic stresses had now 'largely disappeared'. The chain's interim report also revealed it has opened two new pubs over the six months, while selling or closing 11, leaving it with a total of 843 branches.

It comes amid fears that the pub industry may be hit by the [cost-of-living](#) crisis.

Analysts at Stifel said: "We expect 2023 to be a grind for pubs, with companies and consumers facing cost headwinds and a sluggish economy."