



Wetherspoon pub group cautious on prospects Free 271224

## Description

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**Pub group JD Wetherspoon has reported a decline in recent underlying sales and says it is cautious about the outlook for the next financial year.**

The company said like-for-like sales had dipped 0.8% in the 13 weeks to 25 April.

It said it remained confident about prospects for its current financial year, which ends in July.

But it is now more cautious about next year, given recent duty rises and the risk of slower consumer spending.

The firm's comments sent its shares down 47 pence, or 8.7%, to 496.5p.

## ‘Resilient’ performance

Wetherspoon now runs 767 pubs in the UK. In the current financial year, it has opened 26 new pubs and closed two, and it said it planned to open a total of 45 new outlets.

Total sales – which include the new outlets – grew by 3.6% in the 13-week period, down slightly from the 4% growth seen in the financial year to date.

But Wetherspoon said the performance of its new pubs had been “encouraging” and it saw “substantial opportunities” to buy new sites at reasonable prices.

“Our sales, profit and cashflow continue to be resilient, in spite of price increases in January (in respect of higher VAT) and at the end of March (in respect of a punitive increase in excise duty for pubs),” the company said.

“However, we now feel slightly more cautious about the outlook for the next financial year, as a result of the annualised effect of recent tax and duty increases, and higher interest charges, combined with the risk of more subdued consumer expenditure.”

Fashion retailer Next also said on Wednesday that it was also worried about a slowdown in consumer spending after the general election, with any new government expected to introduce measures to tackle the budget deficit.

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