



Wetherspoon's sales jump over Christmas but still lag behind pre-Covid Free
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The pub chain said like-for-like sales surged by nearly 18% over the last three months of 2022, compared with the same period in 2021.

JD Wetherspoon has revealed that its sales at the end of 2022 were far higher than the previous year, after a particularly strong Christmas, but still lagging slightly behind pre-pandemic levels.

The hospitality chain, with runs 844 pubs in the UK and Ireland, said like-for-like sales surged by nearly 18% over the last three months of 2022, compared with the same period in 2021.

However, sales remained 2% lower than the equivalent pre-pandemic period in 2019.

Wetherspoon said it trumped the wider pub and restaurant sector in December, with sales jumping by a fifth compared with the national average of a 15% increase in the month, according to the Coffey CGA Business Tracker.

Costs in the hospitality industry were far higher than before Covid-19, Wetherspoon stressed, especially for labour, food, energy and maintenance, which has weighed heavily on pub and restaurant groups.

But the group's chairman, Tim Martin, said he feels the biggest threat to the hospitality industry is that pubs and restaurants are taxed unfairly, while supermarkets pay no VAT on food sales.

He said: "Supermarkets pay zero VAT in respect of food sales, whereas pubs and restaurants pay 20%. This tax benefit allows supermarkets to subsidise the selling price of beer.

"We estimate that supermarkets have taken about half of the pub industry's beer volumes since Wetherspoon started trading in 1979, a process that has likely accelerated following the pandemic.

"Pub industry directors have, in general, failed to campaign for tax equality, which is an important principle of taxation."

He added that the industry will "inevitably shrink" relative to supermarkets if it does not campaign strongly for tax equality.

Wetherspoon's net debt amounted to £745 million in late January, although it had managed to shave off around £60 million off the total reported in early 2020.

It also revealed that it has repaid the Government's large business interruption loans – given to larger firms losing revenue during Covid – of £100 million, which had been due to mature in August.

Wetherspoon opened two pubs over the second half of 2022 and sold 10, which made about £2.9 million.

Mr Martin added that he is “cautiously optimistic” about the company’s prospects for the financial year.

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