



10 May 2021

**GREGGS plc
TRADING UPDATE**

***Greggs is a leading UK food-on-the-go retailer,
with more than 2,000 retail outlets throughout the country***

Strong recovery in sales levels

Highlights

- Strong recovery in sales levels following easing of restrictions
- Two-year LFL* in latest eight-weeks -3.9%, with positive two-year LFL since non-essential retail reopened
- Two-year LFL* for first 18 weeks -13.5%
- Delivery service now available from 800 shops; sales represented 8.2 per cent of company-managed shop sales in the most recent eight weeks
- 34 new shops opened in first 18 weeks, 11 closures
- Considerable uncertainty remains but profits for the year could be around 2019 levels, materially higher than the Board's previous expectation

* Like-for-like (LFL) company-managed shop sales performance against comparable period in 2019

Trading performance

In recent weeks, following the easing of restrictions across the UK, we have seen a strong recovery in sales levels. With trading in 2020 having been severely impacted by the temporary closure of our shops we are now reporting like-for-like sales performance on a two-year basis, against the comparable period in 2019 ("two-year LFL").

Through the year to date, we have seen continued improvement in our sales performance. Performance across periods, on a two-year LFL basis, was as follows:

| | |
|----------------------|--------|
| 10 weeks to 13 March | -23.3% |
| 8 weeks to 8 May | -3.9% |
| 18 weeks to 8 May | -13.5% |

We saw a significant pick up in sales with the reopening of non-essential retail from 12 April, in part reflecting the pent-up demand for retail which has boosted High Street footfall. Our two-year LFL growth since 12 April has been positive.

Total sales in the 18 weeks to 8 May 2021 were £352 million (2020: £280 million, 2019: £373 million).

Delivery sales continue to contribute positively to performance, representing 8.2 per cent of company-managed shop sales in the most recent eight weeks. We have now successfully rolled out delivery services to 800 of our shops.

The current trading environment is clearly highly unusual, making it difficult to predict how sales will develop. In the coming weeks the Government's roadmap is likely to lead to further relaxation of restrictions and we will see increased competition as cafes and restaurants are able to compete more effectively with our largely take-out offer. Nonetheless we are pleased with the progress that we have made so far this year in both the walk-in and delivery channels.

Shop estate

In the first 18 weeks of 2021 we opened 34 new shops, including 13 with our franchise partners. The emphasis of our estate expansion continues to be in those locations where performance has proved to be most robust, such as Retail Parks, Roadside and Petrol Filling Stations. In the year to date we closed 11 shops, giving a total of 2,101 shops trading at 8 May (comprising 1,761 company-managed shops and 340 franchised units).

Outlook

Sales have recovered well in recent weeks as out-of-home activity levels have increased, albeit in the absence of competition from indoor seated catering operators. If restrictions continue to ease in line with current plans then we now expect our overall sales performance for the year to be stronger than we had previously anticipated. Costs have been well-controlled and the rate of cost inflation we are experiencing is in line with our plans for the year.

Providing guidance on the profit outcome for 2021 remains difficult given the uncertainties surrounding trading conditions. However, given our recent trading performance, the Board now believes that profits are likely to be materially higher than its previous expectation, and could be around 2019 levels in the absence of further restrictions.

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