



1 October 2019

**GREGGS plc
THIRD QUARTER TRADING UPDATE**

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

Continued very strong sales growth

Highlights

- Total sales up 12.4% for the 13 weeks to 28 September 2019
- Company-managed shop like-for-like sales up 7.4% for the 13 weeks to 28 September 2019
- Total sales for the nine months to 28 September 2019 up 13.9% and company-managed shop like-for-like sales up 9.4%
- 56 net new shops opened year-to-date (90 openings less 34 closures)
- 2,000th shop opened in August, expect around 90 net openings in 2019
- Autumn range includes new hot sandwich options, Pumpkin Spice Latte and new post-4pm meal deals
- Our expectations for the full year remain unchanged

Trading performance

Greggs continued to trade very strongly in the third quarter. As expected, the rate of year-on-year sales growth moderated as we came up against stronger comparative sales from the previous year, but sales were still up strongly, driven predominantly by growth in customer numbers. In the 13 weeks to 28 September 2019 total sales grew by 12.4 per cent (2018: 7.3 per cent) and like-for-like sales in company-managed shops increased by 7.4 per cent (2018: 3.2 per cent). Total sales have grown by 13.9 per cent in the nine months to 28 September 2019 and like-for-like sales have increased by 9.4 per cent.

Our Autumn menu is now available in our shops, and features exciting new additions to our hot sandwich range, including Chipotle Chilli Steak and Hot Peri Peri Chicken Baguettes. Our popular Spicy Chicken and Pepperoni Bake also makes a welcome return, alongside our Pumpkin Spice Latte.

We are progressing trials to open a number of shops later into the evening, supported by an extended range of great value 'post-4pm' deals. These include our £2 pizza plus drink offer and a new hot menu meal deal, which is made up of any hot sandwich or chicken goujons plus potato wedges and a drink for just £4. We are encouraged by customer demand for our delivery service trials, and are developing the operational processes to service this channel.

Shop estate and supply chain development

In the year to 28 September 2019 we have opened 56 net new shops, opening 90 new shops and closing 34 shops, giving a total of 2,009 shops trading at 28 September 2019 (comprising 1,724 company-managed shops and 285 franchised units predominantly in transport locations). We passed the 2,000-shop landmark in August with the opening of our new shop at South Shields Interchange. For the year as a whole we expect around 90 net openings, of which around 40 are planned to be with franchise partners.

We are making good progress with the construction of our new southern distribution centre at Amesbury in Wiltshire. We will be commissioning operations in the final months of this year and this will provide additional capacity to reach 250 new and existing shops, and provide scope for further future expansion of our estate in the south of England.

Outlook

As previously disclosed, we are preparing for the potential impact of the UK's departure from the European Union by building stocks of key ingredients and equipment that could be affected by disruption to the flow of goods into the UK. Overall input cost inflation is in line with our previous guidance to the end of the year, with pressures on both labour and food input costs.

Operational cost control has been good and we are progressing selective investments in the strategic initiatives that we expect to deliver an even stronger customer proposition and further growth in the years ahead. We continue to expect that year-on-year sales growth in the balance of the year will reflect the strengthening comparatives seen in 2018, and our expectations for the full year outturn remain unchanged.

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