



16 January 2018

**GREGGS plc  
FOURTH QUARTER TRADING UPDATE**

***Greggs is the leading bakery food-on-the-go retailer in the UK,  
with more than 1,850 retail outlets throughout the country***

**A year of good growth**

**Financial year 2017\***

- Total sales up 7.4%
- Company-managed shop like-for-like sales up 3.7%
- 131 new shops opened in the year, 41 closures
- 1,854 shops trading as at 30 December 2017
- Full year results anticipated to be in line with management's previous expectations

\* 52 weeks ended 30 December 2017 (2016: 52 weeks to 31 December 2016)

**Chief Executive Roger Whiteside comments:**

“We finished 2017 well, delivering our seventeenth consecutive quarter of like-for-like sales growth, and anticipate that we will report full year results for 2017 in line with our previous expectations.

“In the year ahead, we will continue to focus on delivering the outstanding value and taste that Greggs is famous for. 2018 will be a record year for investment in our supply chain and we intend to increase the rate of new shop openings as we continue to grow Greggs as a leading food-on-the-go brand.”

**Trading update**

For our 2017 financial year total sales grew by 7.4 per cent and company-managed shop like-for-like sales grew by 3.7 per cent. In the fourth quarter company-managed like-for-like sales grew by 3.0 per cent, reflecting the particularly favourable trading pattern in the final quarter of 2016.

Our classic favourites continued to perform well and customers enjoyed seasonal products such as our Festive Bake and fresh-baked mince pies. Hot options such as hot sandwiches and our gluten-free ‘Balanced Choice’ soup also proved popular. We have further extended our popular hot drinks range to include a caramel latte and, in the New Year, have introduced a new focaccia-style pizza.

During the year we opened 131 new shops (including 45 franchised units) and closed 41, growing the estate to 1,854 shops trading as at 30 December 2017, 202 of which

are franchised shops operated by partners in travel and other convenience locations. In the year ahead we plan to increase the rate of shop openings, with the number of net additions expected to be in the 110-130 range.

In 2017 we converted 132 company-managed shops to our successful “bakery food-on-the-go” format and our franchise partners refurbished a further 10 units. We expect to refurbish around 100 shops in the year ahead to maintain our modern, food-on-the-go experience for customers.

In the fourth quarter of 2017 we made further progress in our previously-announced strategic investment programme. This included the successful testing of new systems for our supply chain operations and the commissioning of a new national manufacturing facility for the production of small cakes and muffins at our Leeds site.

## **Outlook**

Looking forward we expect industry-wide cost pressures to continue in the year ahead, albeit at a lower level than we experienced in 2017. In an uncertain consumer environment we will continue to focus on delivering the outstanding value and taste that Greggs is famous for.

2018 will be a record year for investment in our supply chain as we install many of the centralised manufacturing platforms that will provide the capacity for further growth of the business. We intend to increase the number of shops that we open in the year in line with our strategy to continue to grow Greggs as a leading food-on-the-go brand.

### **ENQUIRIES:**

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