



3 October 2017

**GREGGS plc  
THIRD QUARTER TRADING UPDATE**

***Greggs is the leading bakery food-on-the-go retailer in the UK,  
with over 1,800 retail outlets throughout the country***

**Continued good trading**

- Total sales up 8.6% for the 13 weeks to 30 September
- Company-managed shop like-for-like sales up 5.0% for the 13 weeks to 30 September
- 98 new shops opened year-to-date, 32 closures
- 120 refits completed year-to-date
- New autumn range includes 'all day breakfast' wrap and Thai Chicken Soup

**Trading performance**

Greggs traded well in the third quarter. In the 13 weeks to 30 September 2017 total sales grew by 8.6 per cent (2016: 5.6 per cent) and like-for-like sales in company-managed shops increased by 5.0 per cent (2016: 2.8 per cent). Total sales have grown by 7.8 per cent in the year-to-date and like-for-like sales have increased by 3.9 per cent.

The investment in our new forecasting and replenishment system is resulting in greater product availability for customers; in addition the seasonal changes to our range have been popular and we have further developed our Balanced Choice options. Sales at breakfast time continue to grow strongly along with participation in our great value deals.

**Shop estate development**

In the year-to-date we have opened 98 new shops, including 37 franchised units predominantly in transport locations. We have closed 32 shops, giving a total of 1,830 shops trading at 30 September (comprising 1,636 of our own shops and 194 franchised units). For the year as a whole we still expect to open 140-150 shops and close 40-50, a net increase of around 100. We have also completed 120 shop refurbishments and remain on track to refurbish around 130 shops this year.

## **Outlook**

As we go into the final quarter of the year we have launched our autumn/winter menu including a new 'all day breakfast' wrap and added Thai Chicken Soup to our Balanced Choice range.

Work on our supply chain investment plan is progressing with the focus on redeveloping our Leeds bakery to consolidate manufacturing of small cakes and muffins. Alongside this we will trial our new SAP supply chain system in two sites ahead of broader deployment next year.

Our investment in greater product availability and service has benefitted recent trading. As we have previously indicated, food ingredient cost pressures are a headwind, although we continue to expect that the rate of increase will begin to ease towards the end of the year. Accordingly, our expectations for the full year outturn remain unchanged.

### **ENQUIRIES:**

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