



9 October 2018

**GREGGS plc
THIRD QUARTER TRADING UPDATE**

***Greggs is the leading bakery food-on-the-go retailer in the UK,
with over 1,900 retail outlets throughout the country***

Improved sales in challenging conditions

- Total sales up 7.3% for the 13 weeks to 29 September 2018
- Company-managed shop like-for-like sales up 3.2% for the 13 weeks to 29 September 2018
- 93 new shops opened year-to-date, 35 closures
- Still expect around 100 net openings in 2018
- Autumn range includes limited-edition Pumpkin Spice Latte, a new Chilli Beef Bake and new soup and hot sandwich options
- Our expectations for the full year are unchanged

Trading performance

Greggs traded well against strong comparatives in the third quarter, which was characterised by particularly hot weather. In the 13 weeks to 29 September 2018 total sales grew by 7.3 per cent (2017: 8.6 per cent) and like-for-like sales in company-managed shops increased by 3.2 per cent (2017: 5.0 per cent). Total sales have grown by 5.9 per cent in the year-to-date and like-for-like sales have increased by 2.1 per cent.

Our drinks range and new focaccia-style pizzas proved popular over the summer months. We continued to see growth at breakfast time, helped by the expansion of our great value deals and our wide selection of freshly-ground Fairtrade coffees. As testament to the increased breadth of our product range, we were recognised at PETA's 2018 Vegan Food Awards and were awarded the 'Best Vegan Sandwich' for our Mexican Bean Wrap.

Shop estate development

In the year-to-date we have opened 93 new shops, including 35 franchised units predominantly in transport locations. We have closed 35 shops, giving a total of 1,912 shops trading at 29 September (comprising 1,677 of our own shops and 235 franchised units). For the year as a whole we still expect around 100 net openings, of which around 60 are planned to be with franchise partners.

Outlook

Investment in our supply chain continues apace with the commissioning of new consolidated manufacturing platforms at our Newcastle, Leeds and Manchester sites progressing in the fourth quarter. As part of our strategic investment in systems we will be implementing the human resource and estate management modules of our integrated SAP solution in the months ahead, with payroll due to follow in early 2019.

We were pleased with our trading performance during a period that included a long spell of hot weather, which made sales patterns more difficult to predict. This, and the resulting mix of sales led to a lower-than-normal trading margin in the first part of the quarter, offset by improved trading as we came into September. Overall our expectations for the full year outturn remain unchanged.

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