

Greggs PLC

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Greggs bakes hotter profits as sales growth holds up

Greggs PLC (LON:GRG) expects to add a dash more profits to its full-year results than previously expected as trading has continued to compare well against the strong growth last year.

The on-the-go food retailer, fresh from the hotly anticipated launch of its 'festive bake', said total sales had risen 12.4% in the six weeks to 9 November, with like-for-like (LFL) sales up 8.3%.

READ: How Roger Whiteside transformed Greggs into the bakery behemoth it is today

With total sales unchanged from the third quarter but LFL sales improving, the year to date has seen total sales rise 13.4% and LFLs gain 9.2%.

An update in October had seen some investors take flight as the rate of LFL sales growth cool to 7.4% from 10.5% in the first half.

"Sales growth continues to be driven by increased customer visits and has been stronger than we had expected given the improving comparative sales pattern that we saw in the fourth quarter last year," the company said in a statement.

Despite concerns raised about costs earlier in the year, the FTSE 250 group said operational costs have stayed "well controlled".

Even though comparisons against last year become stronger still in the last few weeks of the year, the board "anticipates that full year underlying profit before tax (excluding exceptional charges) will be higher than our previous expectations".

Greggs shares soared 16% to 2,047.01p by mid-morning on Monday.

-- Adds share price and broker comment --

Broker Peel Hunt said trading "has held up very well against the tough comparative", which was clearly ahead of management's expectations, but warned that African swine fever will have a negative impact in future.

Analysts at the broker told clients they will bump up their full-year profit forecasts from £110mIn to £115mIn "but that may not be enough".

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Price: 2382

Market Cap: £2.41 billion

1 Year Share Price Graph



Share Information

Code: GRG

Listing: LSE

52 week High Low
2550 1524

Sector: Retail

Website: www.greggs.co.uk

Company Synopsis:

UK's leading retailer specialising in sandwiches, savouries and other bakery-related products, with a particular focus on takeaway food and catering.

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