

Greggs PLC

11:08 11 Nov 2019

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 £110mln to £115mln "but that may not be enough".

Proactive Investors facilitate the largest global investor network across 4 continents in 4 languages. With a team of analysts journalists & professional investors Proactive produce independent coverage on 1000's of companies across every sector for private investors, private client brokers, fund managers and international investor communities.

Price: 2430.12

Market Cap: £2.45 billion

1 Year Share Price Graph



Share Information

Code: GRG

Listing: LSE

52 week High Low
2550 1478

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.

action@proactiveinvestors.com

Contact us +44 (0)207 989 0813 action@proactiveinvestors.com

No investment advice

The Company is a publisher. You understand and agree that no content published on the Site constitutes a recommendation that any particular security, portfolio of securities, transaction, or investment strategy is suitable or advisable for any specific person. You understand that the Content on the Site is provided for information purposes only, and none of the information contained on the Site constitutes an offer, solicitation or recommendation to buy or sell a security. You understand that the Company receives either monetary or securities compensation for our services. We stand to benefit from any volume which any Content on the Site may generate.

You further understand that none of the information providers or their affiliates will advise you personally concerning the nature, potential, advisability, value, suitability or profitability of any particular security, portfolio of securities, transaction, investment, investment strategy, or other matter.

You understand that the Site may contain opinions from time to time with regard to securities mentioned in other products, including Company-related products, and that those opinions may be different from those obtained by using another product related to the Company. You understand and agree that contributors may write about securities in which they or their firms have a position, and that they may trade such securities for their own account. In cases where the position is held at the time of publication and such position is known to the Company, appropriate disclosure is made. However, you understand and agree that at the time of any transaction that you make, one or more contributors may have a position in the securities written about. You understand that price and other data is supplied by sources believed to be reliable, that the calculations herein are made using such data, and that neither such data nor such calculations are guaranteed by these sources, the Company, the information providers or any other person or entity, and may not be complete or accurate.

From time to time, reference may be made in our marketing materials to prior articles and opinions we have published. These references may be selective, may reference only a portion of an article or recommendation, and are likely not to be current. As markets change continuously, previously published information and data may not be current and should not be relied upon.

The Site does not, and is not intended to, provide investment, tax, accounting, legal or insurance advice, and is not and should not be construed as providing any of the foregoing. You should consult an attorney or other relevant professional regarding your specific legal, tax, investment or other needs as tailored to your specific situation.