

Fuller Smith & Turner

07:39 15 Nov 2019

Fuller, Smith and Turner struggles to organise a booze-up in a brewery

Fuller, Smith & Turner PLC (LON:FSTA) said the costs associated with the sale of its brewing business have been "materially higher than expected".

The pubs and hotels group issued a warning, saying profit before tax for the current fiscal year would be little changed from last year, somewhere in the region of £31mln.

The market consensus forecast for this year's pre-tax profit is £43.4mln.

The Chiswick-based family firm said it has had to throw additional resources at the business to manage the separation of the brewing business from the rest of the group. In part, this has been affected further by the migration to a new enterprise resource planning system, which has not yet delivered the expected benefits. Fullers said additional costs have been incurred operating the system as a result.

It is anticipated that the current level of overhead will continue until the transitional services agreement with Japanese brewer, Asahi, which has bought the brewing business, concludes by May 2020. Thereafter, the company said it will be able to make the transition "to a structure more appropriate for a focused premium pubs and hotels business".

Fuller's said its remaining business continues to trade well with total sales in the managed estates growing 5.2% year-on-year in the 32 weeks to 9 November. Like-for-like (LFL) sales were up 2.3%.

In September, the company reported LFL sales in the managed pubs and hotels estate were up 2.5% year-on-year in the first 22 weeks of the current fiscal year with like for like profits in tenanted inns down 2%.

"This is a transitional year for the company following the sale of the brewing business and subsequent separation of a highly integrated business. There have been many moving parts to navigate and we have incurred some greater than anticipated costs as a result which have had a short term impact on our financial performance. Whilst we are taking the action to address these, the impact of this will not be felt in the current financial year," explained Simon Emeny, Fuller's chief executive.

"Trading is good in light of exceptionally strong comparatives last year and the continued challenge of cost inflation facing our sector. Our strategy remains on track and we will continue to execute our growth ambitions and maximise the opportunities open to us as a focused pubs and hotel business," he added.

Proactive Investors facilitate the largest global investor network across 4 continents in 4 languages. With a team of analysts

Price: 955

Market Cap: £528.3 m

1 Year Share Price Graph



Share Information

Code: FSTA

Listing: AIM

52 week High Low
1250 882

Sector: Leisure, gaming and gambling

Website: www.fullers.co.uk

Company Synopsis:

Fuller, Smith & Turner P. L. C. 's mission is to be the benchmark in retailing and brewing, delivering quality, service and pride in everything we do. Fuller, Smith & Turner is traded in the ISDX Exchange [HERE](#).

action@proactiveinvestors.com

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.

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.