

Fuller Smith & Turner

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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.

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Price: 978

Market Cap: £541.02 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](#).

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