



16 May 2023

## **GREGGS plc TRADING UPDATE**

### **Continued strong trading performance**

#### **Highlights for the first 19 weeks of 2023**

- 17.1% LFL\* sales growth, in part reflecting the impact of Omicron in early 2022
- 63 new shops opened, 26 closures; strong pipeline of new shop and relocation opportunities
- Continued progress with sales growth initiatives
- No change in cost inflation expectations
- Commenced projects to invest in additional logistics capacity
- Board's expectations for the full year outcome unchanged

\* Like-for-like (LFL) company-managed shop sales performance against comparable period in 2022

#### **Trading performance**

Greggs performed strongly in the first 19 weeks of 2023 as we progressed our strategic growth plan against a challenging macroeconomic backdrop. Like-for-like (LFL) sales in company-managed shops grew by 17.1%, in part reflecting the impact of Omicron in the first nine weeks of 2022. LFL sales growth in the ten weeks to 13 May has averaged 15.7% and we expect this figure to continue to normalise as we annualise against the actions taken in 2022 to mitigate against inflation.

Menu development continues to support our strategic growth objectives. Sales of hot food and snacks including chicken goujons and wedges are showing particularly strong growth. Pizza is also proving popular, with our Late Trade Pizza Deal driving sales in the evening daypart. We have also continued to grow our plant-based offering, with the new Vegan Mexican Chicken-Free Bake being the latest addition to the menu and were delighted that our Sweet Potato Bhaji and Rice salad bowl recently won the Healthy Eating award at The Sammies 2023.

Total sales in the 19 weeks to 13 May 2023 were £609 million (2022: £495 million).

## **Shop estate and supply chain development**

During the period we opened 63 new shops, including 25 with our franchise partners. Recent shop openings have included sites at Canary Wharf Station and at Glasgow and Cardiff airports. The pipeline for the remainder of the year is strong. In the year to date we have closed 26 shops, giving a total of 2,365 shops trading at 14 May (comprising 1,908 company-managed shops and 457 franchised units).

In line with our previously-communicated capital expenditure plans, investment projects at our Birmingham and Amesbury distribution centres are under way and will deliver additional logistics capacity to support further expansion of our shop estate. We anticipate that this additional capacity will become available in the second half of 2024.

## **Outlook**

We have made a good start to the year with sales in line with plans and continued progress on our strategic initiatives. Looking ahead, whilst we expect the macro backdrop to continue to be challenging, we are confident in making further progress.

Although we expect to see ongoing material cost inflation, we have good forward cover on key commodities. Consumer disposable incomes are likely to stay under pressure, but we remain confident that our outstanding value proposition continues to be compelling.

Whilst uncertainties continue, the Board's expectations for the full year outcome are unchanged.

### **ENQUIRIES:**

#### **Greggs plc**

Roisin Currie, Chief Executive  
Richard Hutton, Chief Financial Officer  
David Watson, Investor Relations  
Tel: 0191 281 7721

#### **Hudson Sandler**

Wendy Baker / Nick Moore  
Sophie Miles / Emily Brooker  
Tel: 020 7796 4133  
Email: [greggs@hudsonsandler.com](mailto:greggs@hudsonsandler.com)