



The home of fresh baking™

**Welcome to Greggs**



# Operating Board



**Ken McMeikan**  
CEO

4 Years at Greggs

**Previously:**

- Sears (UK)
- Tesco
- Sainsbury's



**Richard Hutton**  
Finance, IT &  
Property Director

14 Years at Greggs

**Previously:**

- Procter and Gamble
- KPMG



**Raymond Reynolds**  
Retail & Shop  
Development Director

25 Years at Greggs

**Previously:**

- Freezway Frozen Foods



**Martin Kibler**  
Trading & Business  
Development Director

11 Years at Greggs

**Previously:**

- RHM Retail Limited
- Travellers Fare (SSP)



**Nigel Oldham**  
Supply Chain  
Development Director

13 Years at Greggs

**Previously:**

- Foxes Biscuits
- United Biscuits
- Cadbury Schweppes



**Gavin Kirk**  
Supply Chain  
Operations Director

5 Months at Greggs

**Previously:**

- APV Baker
- Mars



**Roisin Currie**  
People Director

2 Years at Greggs

**Previously:**

- Asda



**Jonathan Jowett**  
Company Secretary &  
General Counsel

2 Years at Greggs

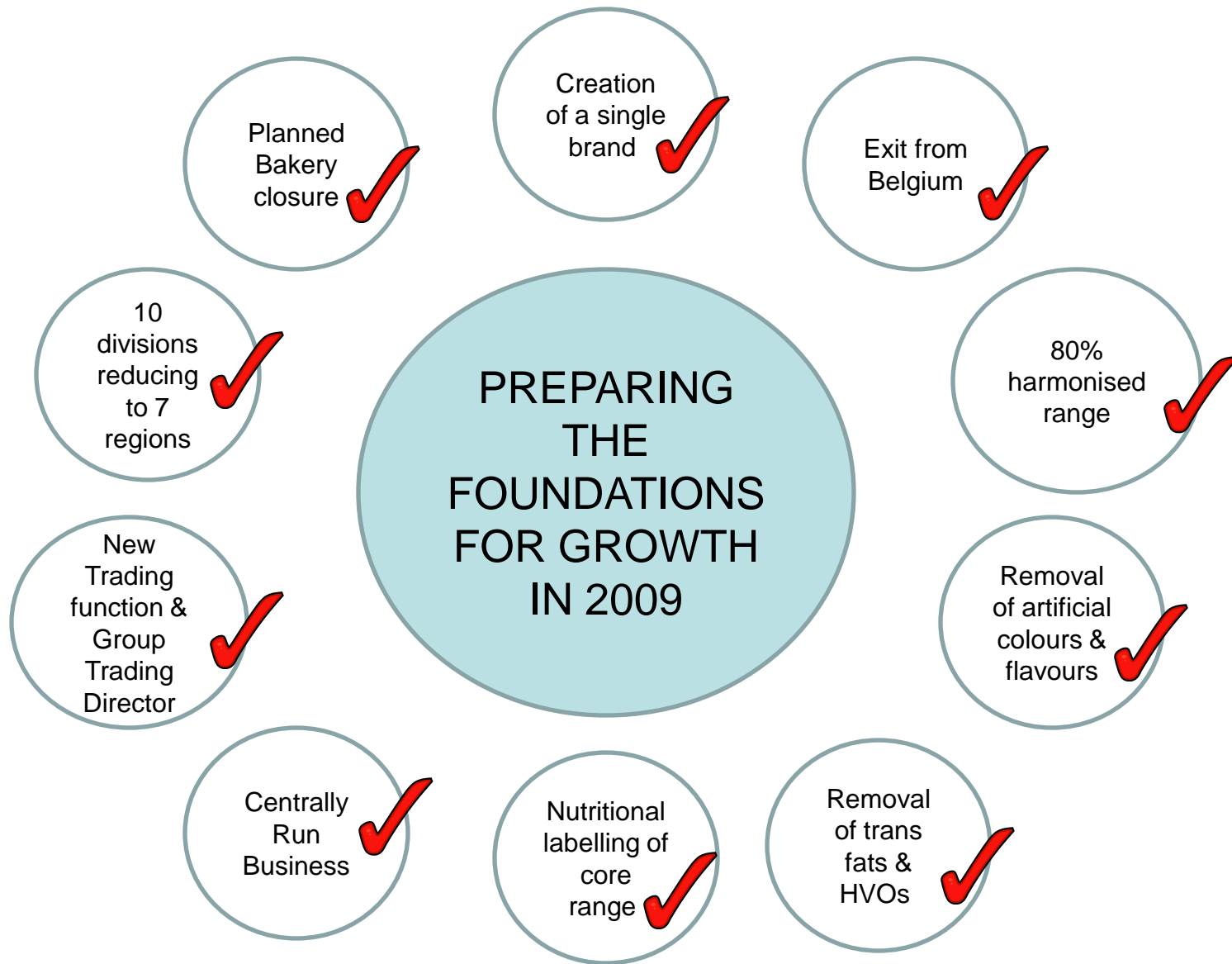
**Previously:**

- Wagon
- Bakkavor

# Tony Rowson – New Head of Coffee

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- Costa for 9 years
  - Regional Operations Director for 6 years
  - 200 shops in the South
- International experience
  - Hard Rock Cafe
  - 4 years
  - Hong Kong
- Started yesterday



# DELIVERING THE GROWTH OPPORTUNITY



# Our strategy to grow the Greggs Brand

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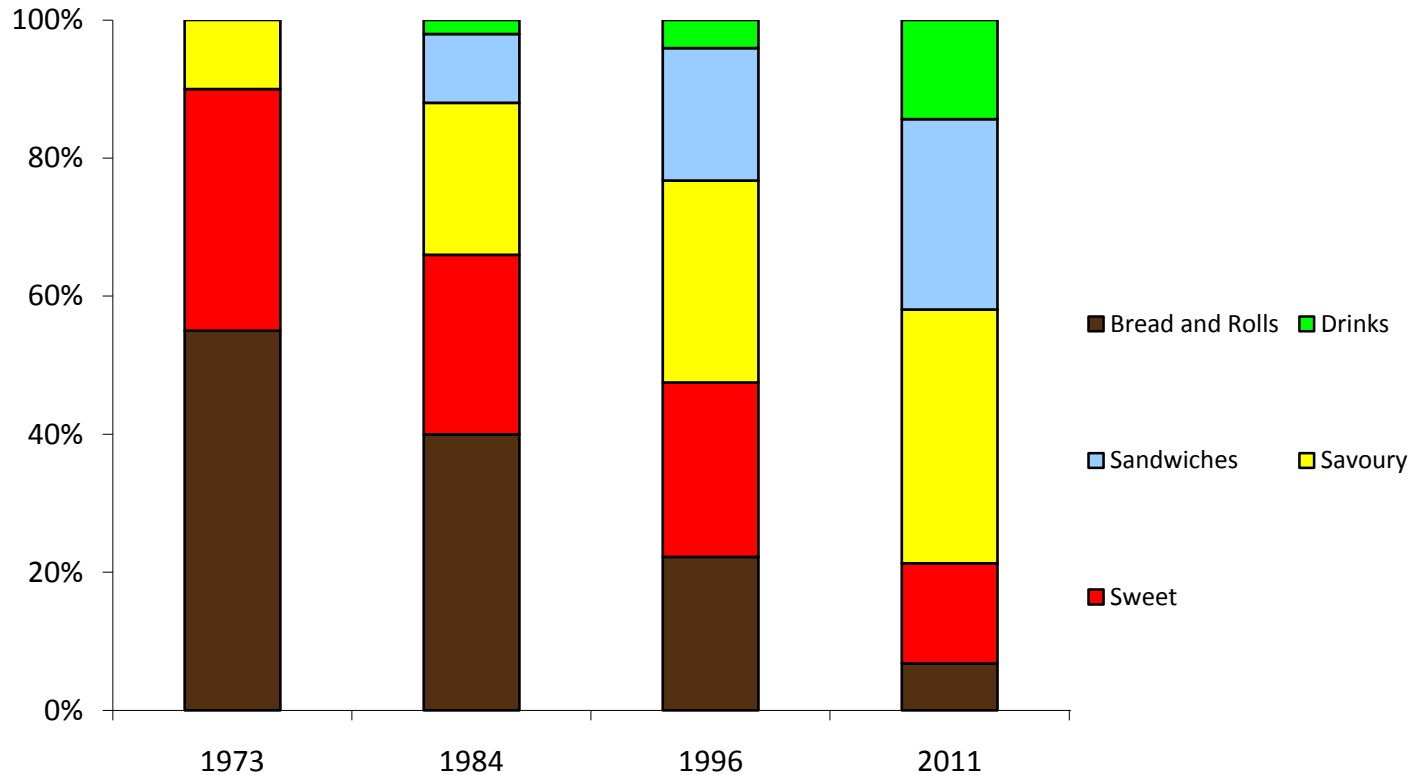
Based on 5 key pillars:

- Meeting evolving consumer needs
- Investing in shops
- Accessing new markets
- Delivering competitive advantage through our supply chain
- Living Greggs values through our people and our communities

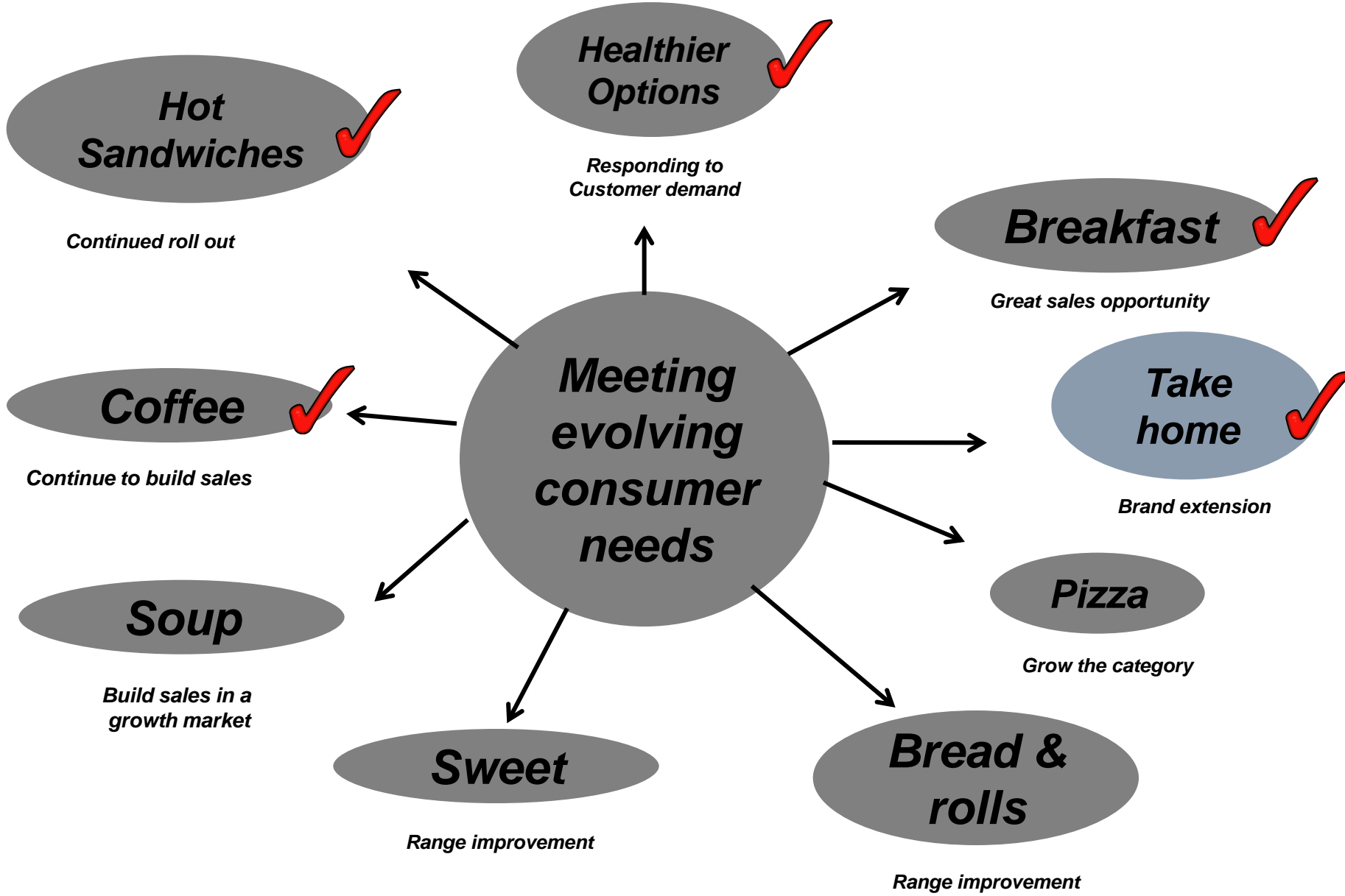
# Meeting Evolving Consumer Needs

# From Bakery Roots to “Food on the Go”

Development of the Greggs Offer







# Accessing New Channels To Market

# New Channels to Market

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## Wholesaling:

- Extending brand reach
- Entered 'bake at home' market in Oct 2011, now in 746 Iceland stores
- Opportunity beyond Iceland and for International
- Trial to supply British forces through NAAFI in 1 German military base
- Potential to roll out worldwide to 24 military bases
- Kelso chutney, sauces & soup manufacturing



## Franchising:

- 4 franchise shops opened with Moto on motorway services
- Commitment to open another 26



# Investing in shops

# Investing in new shops

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Accelerated rate of net openings:

<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
41	10	68	84	c.100

- Structure of estate changing to meet changing lifestyles:
  - half of openings away from high streets
  - focus on workplaces, travel & leisure
  - 20% of estate now away from traditional high streets



- New shops performing well
- Target 20% return on shop capital to ensure LT supply chain costs recovered
- Maturity in 2-3 years depending on brand awareness

# Developing three shop formats

## Food on the go



- 260 in latest format
- c.1200 of existing locations are FOTG
- Continuing to roll out through refits and range extension

## Local bakery



- One in latest format!
- c.400 of existing locations are local bakery
- Ten more this year
- Roll out over 3-4 years
- Accelerate range roll out

## Coffee shop



- New market opportunity
- 5 completed to date
- 3 further shops in Q1 2013
- Evaluate potential for roll-out

Focus on investing in formats and range to drive LFL in core estate  
Investment criteria ensure minimum ROC of 12% on conversions

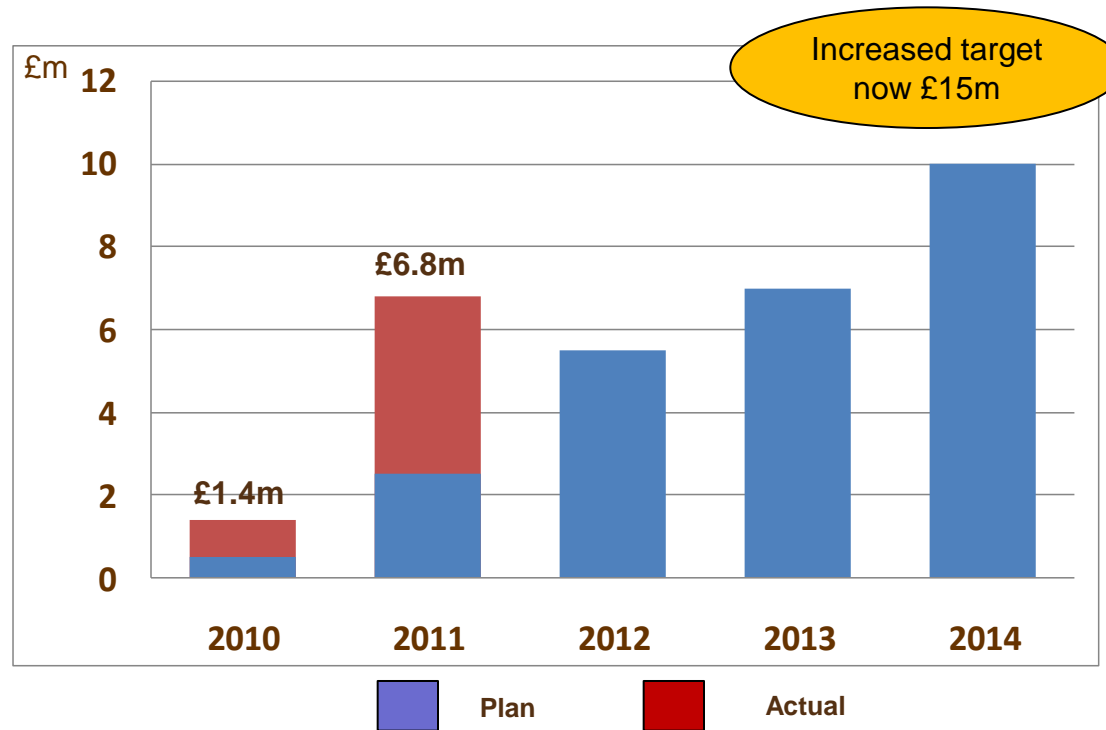
# Delivering competitive advantage through Supply Chain



# Supply Chain savings running ahead of plan

## Progress to date:

- Closed two old less efficient bakeries
- New state-of-the-art bakery in Newcastle
- New specialist confectionery bakery in Penrith
- Investment in automation
- Increasing number of shops supplied per bakery

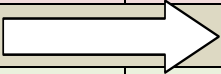
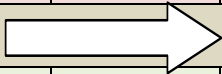
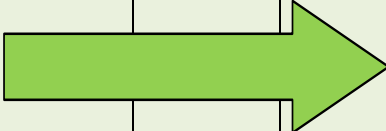
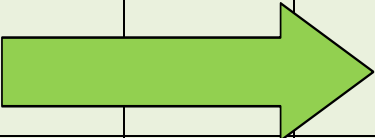

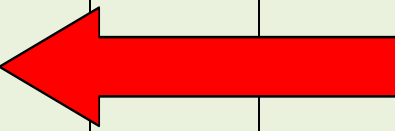


## Looking forward:

- Maximise existing capacity
- Further consolidation of production of key lines
- Truck fleet efficiencies through telematics
- Selective bakery extensions
- Wiltshire bakery to support expansion in South and SW in next 2-3 years



# Investing in further savoury capacity

			2010	2011	2012	2013	2014	2015	2016	
			 <b>BALLIOL CAPACITY</b> 							
A	2009	Original Capacity Assumption								
B	2010	Line Upgrade and efficiency improvements								
C	2012 / 2013	Further upgrades to line throughput capacity								
D	2011 / 2012	Development of Iceland Wholesale business								

- Successful growth in new channels bringing forward existing plans
- £30M to £35M investment for two line factory in south
- Commence build in 2013, operational by H2 2014
- New growth and reduced logistics costs expected to deliver 14% IRR

Living Greggs Values through our  
People and the Community

# Our Values

*“We will be enthusiastic and supportive in all that we do,  
open, honest and appreciative,  
treating everyone with fairness, consideration and respect”*

- 10% of profits shared with our people
- Consistency of leadership
- Low labour turnover
- 75-80% of shop managers promoted from within
- Investment in our “Brilliant Shop Manager” programme



# Supporting the most disadvantaged in our communities

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- £3.25m raised since 2006
- 200 breakfast clubs feeding 10,000 children
- £20m raised and donated over 25 years
- Every manager given 1 day paid leave to volunteer in their local community



# Our strategy to grow the Greggs Brand

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# Q & A