



# 2024 Preliminary Results

For the 52 weeks ended 28 December 2024

MARCH 2025

# AGENDA

Highlights

Financial performance

Operational and strategic review

Current trading and outlook



# RECORD SALES AND PROFIT



**£2,014.4m**

Total sales

**+11.3%**

Total sales growth

**+5.5%**

Company-managed  
LFL sales growth

**£254.2m**

Free cash inflow\*

\* Free cash inflow defined as net cash inflow from operating activities after lease payments.

**£189.8m**

Underlying PBT

**+13.2%**

Underlying PBT  
growth

**+15bps**

PBT margin growth

**69p**

Total dividend per  
share

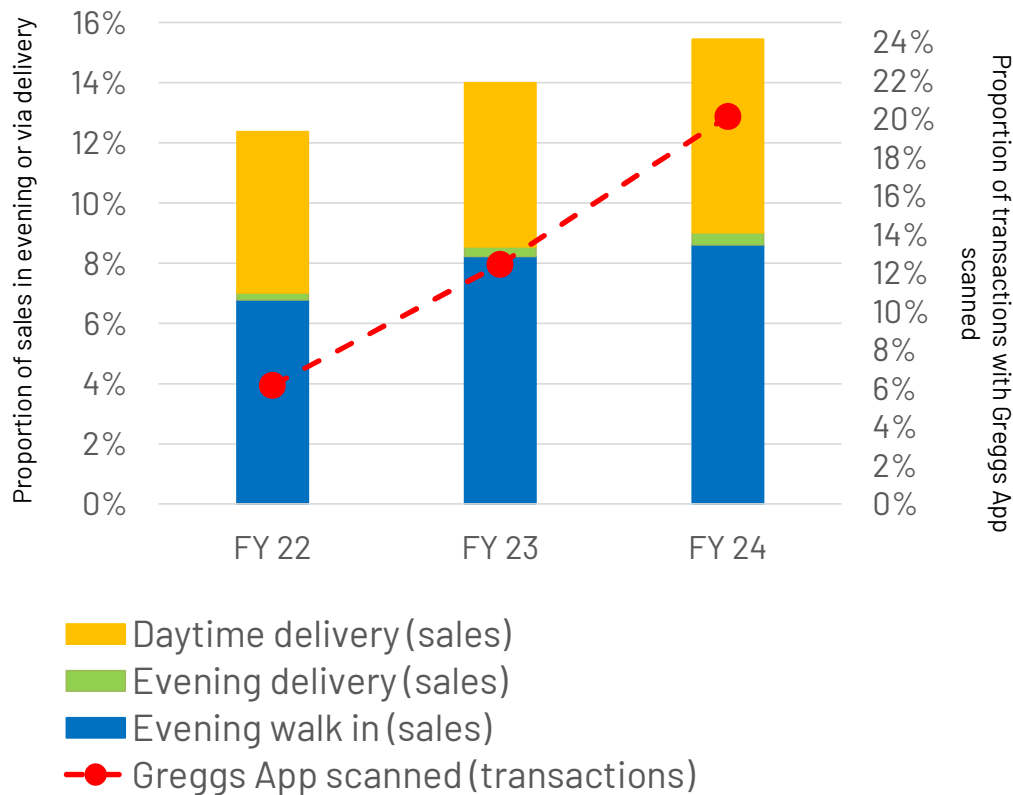
# STRONG STRATEGIC PROGRESS



- **Brand appeal** – Greggs remains the #1 FTG brand overall and #1 for value\*
- **Estate** – Record number of shop openings in 2024, strong returns and healthy pipeline
- **Evening** – 9.0% of company-managed shop sales in 2024 (2023: 8.5%)
- **Delivery** – 6.7% of company-managed sales in 2024 (2023: 5.6%)
- **Greggs Rewards** – App scanned in 20.1% of company-managed transactions (2023: 12.5%)

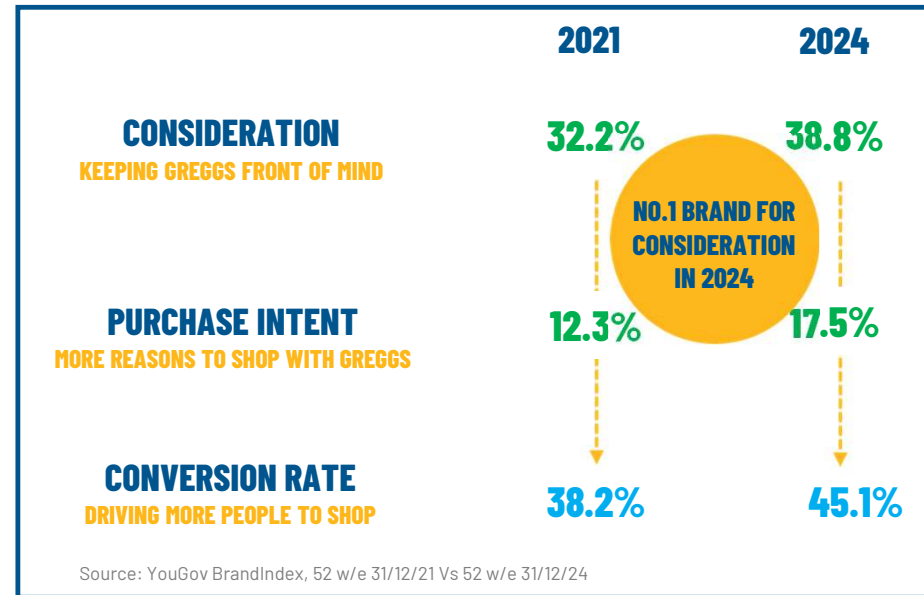
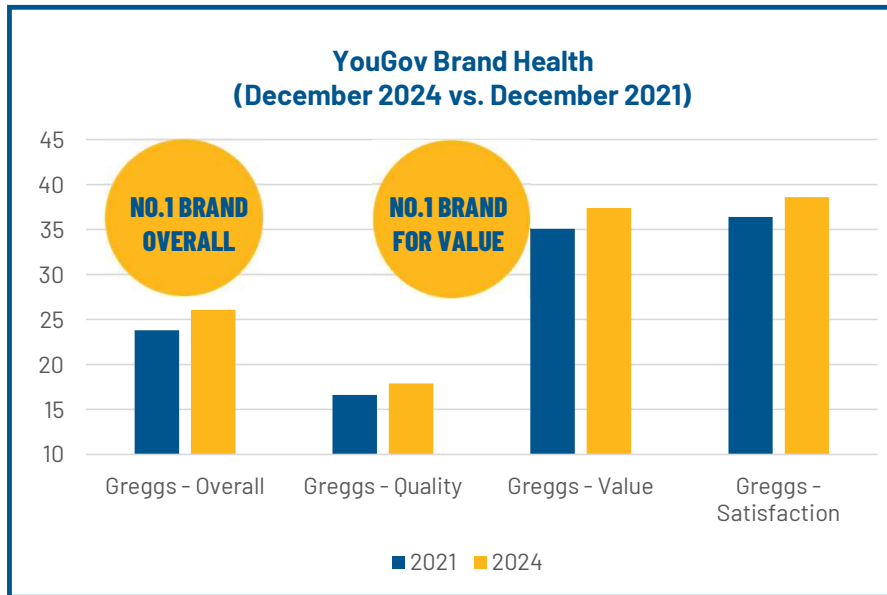
\* YouGov Brand Health, December 2024

# FURTHER PROGRESS IN STRATEGIC GROWTH INITIATIVES



- **Delivery** – increase following roll out with Uber Eats
- **Evening walk-in** and **delivery** – continued steady growth with further opportunities, particularly on delivery
- **Greggs App** – further growth in proportion of transactions being scanned for loyalty benefits, driving frequency of purchase

# BRAND STRENGTH CONTINUES TO BUILD



- **Improving brand strength against challenging 2024 trading backdrop**, FTG market volume static\* with low consumer confidence\*\*
- **Brand health** metrics remain **strong** with significant improvements against a 2021 base
- Greggs remains the **#1 FTG brand overall and #1 for value**, with all key metrics improving vs. a 2021 base

\* Source: Circana, Barclaycard, Springboard MRI, December 2024, \*\* GfK Consumer Confidence Tracker (-22 January 2025 vs. -19 January 2024)



# **FINANCIAL PERFORMANCE**

**RICHARD HUTTON**  
CHIEF FINANCIAL OFFICER



# INCOME AND EXPENDITURE OVERVIEW



	2024 £m	2023 £m	
<b>Sales</b>	<b>2,014.4</b>	1,809.6	+11.3%
<b>Underlying operating profit</b>	<b>195.3</b>	171.7	+13.7%
Finance income	8.1	6.1	
Finance expense (inc. leases)	(13.6)	(10.1)	
<b>Underlying profit before tax</b>	<b>189.8</b>	167.7	+13.2%
Exceptional gain	14.1	20.6	
<b>Profit before tax</b>	<b>203.9</b>	188.3	
Income tax charge	(50.5)	(45.8)	
<b>Profit after taxation</b>	<b>153.4</b>	142.5	
<b>Underlying diluted earnings per share</b>	<b>137.5p</b>	123.8p	+11.1%



# GOOD SALES GROWTH ACROSS BUSINESS CHANNELS



	2024 £m	2023 £m	
Company-managed shops	1,781.7	1,610.9	+10.6%
Business-to-business	232.7	198.7	+17.1%
<b>Total sales</b>	<b>2,014.4</b>	<b>1,809.6</b>	<b>+11.3%</b>

- Company-managed sales growth driven by LFL cash increase of 5.5%, plus net estate growth and relocation of constrained shops to better premises
- Business-to-business sales reflects trading with wholesale and franchise partners\*, with growth rate reflecting expansion of franchise estate from a smaller base and strong franchise 'system sales' growth of 7.4% FLFL\*\*

\* Revenue derived from wholesale sales of product and other materials plus commission receivable on franchisee takings

\*\* FLFL = Franchise 'system sales' growth, compares year-on-year cash sales in franchise shops with more than one calendar year's trading history

# IMPROVED MARGIN AND STRONG ROCE

	2024	2023
Sales	<b>£2,014m</b>	£1,810m
Gross margin	<b>61.8%</b>	60.8%
Distribution & selling costs	<b>(47.2%)</b>	(46.7%)
Administrative expenses	<b>(4.9%)</b>	(4.6%)
Underlying operating profit	<b>9.7%</b>	9.5%
Net finance expense	<b>(0.3%)</b>	(0.2%)
Underlying profit before tax	<b>9.4%</b>	9.3%
<i>Underlying Return on Capital Employed</i>	<b>20.3%</b>	21.1%

- Gross margin reflects strong management of supply costs and benign food and packaging inflation
- D&S ratio reflects wage cost inflation and good control of hours deployed
- Admin cost ratio reflects reinvestment in technology
- Net finance expense benefited from interest on cash deposits
- Strong ROCE, capitalisation of Derby site lease reflected for first time



# EMPLOYMENT COSTS THE MAIN CONTRIBUTOR TO COST INFLATION

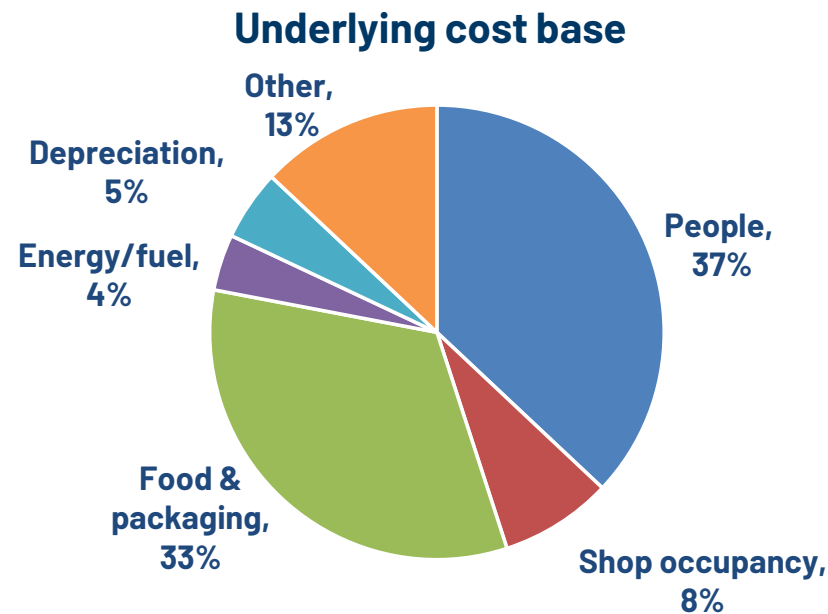


## Food & packaging

- Marginally deflationary across 2024, expect mid single-digit LFL input cost inflation in 2025
- Good forward cover with cost prices fixed for circa 5 months' requirements

## Energy

- Energy cost deflation in 2024, expect marginal inflation in 2025
- Good forward cover with 100% of electricity costs fixed for 2025



**4.3% overall LFL cost inflation in 2024**  
**Anticipate c.6% LFL cost inflation in 2025**  
**reflecting increased employment costs and food & packaging inflation**

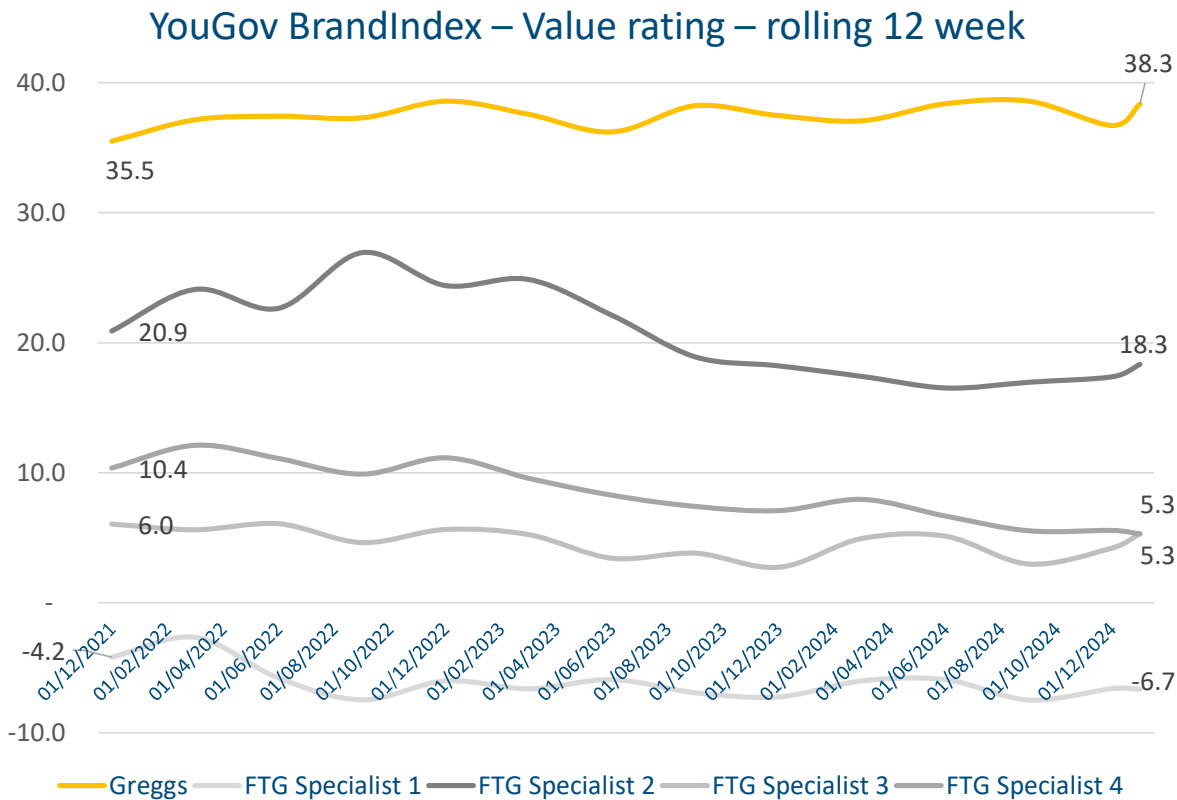
## People

- 9.5% overall wage and salary cost inflation in 2024
- Expect circa 8% wage and salary cost inflation in 2025 (including impact of National Living Wage and changes to employers National Insurance (c.1%))

## Shop occupancy

- Strong covenant, occupancy cost ratio stable

# MAINTAINING VALUE LEADERSHIP WHILST RECOVERING COST INFLATION



- Great value key to our strategic purpose - scale and vertical integration leveraged to keep costs low
- Prices comparable with grocery sector but for freshly-prepared food and drink. Strong discount vs other FTG specialists
- Programme of cost-saving initiatives aims to mitigate cost pressure and support margin, £10.6m saved in 2024
- Remaining cost inflation, primarily wage costs, fully recovered through careful pricing activity

# SIGNIFICANT CAPITAL INVESTMENT IN GROWTH



	2025 Plan £m	<b>2024 Actual £m</b>	2023 Actual £m
New shops and relocations (fitting & equipment)	63.5	<b>66.5</b>	57.6
Shop fitting – refurbishment	17.5	<b>19.1</b>	14.3
Shop equipment (additional and replacement)	38.0	<b>41.3</b>	34.7
Supply chain	160.0	<b>109.1</b>	84.5
I.T. and other	21.0	<b>13.0</b>	8.7
Total capital expenditure	300.0	<b>249.0</b>	199.8
<i>Number of gross new shops (inc. relocations, exc. franchise)<sup>1</sup></i>	<i>c.160</i>	<b>163</b>	148
<i>Average cost per shop</i>	<i>c.£400k</i>	<b>c.£410k</b>	<i>c.£390k</i>
<i>Number of shop refits<sup>2</sup></i>	<i>c.120</i>	<b>125</b>	106
<i>Average cost per shop</i>	<i>c.£150k</i>	<b>c.£150k</b>	<i>c.£135k</i>

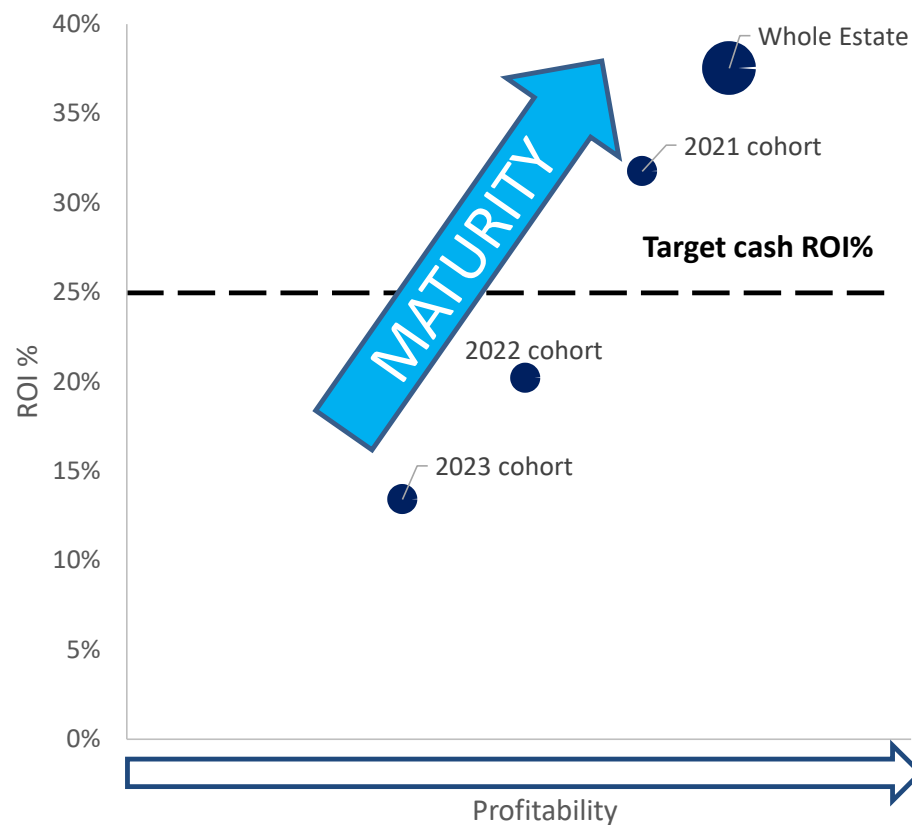
<sup>1</sup> Shop fitting and equipment cost

<sup>2</sup> Shop fitting cost only

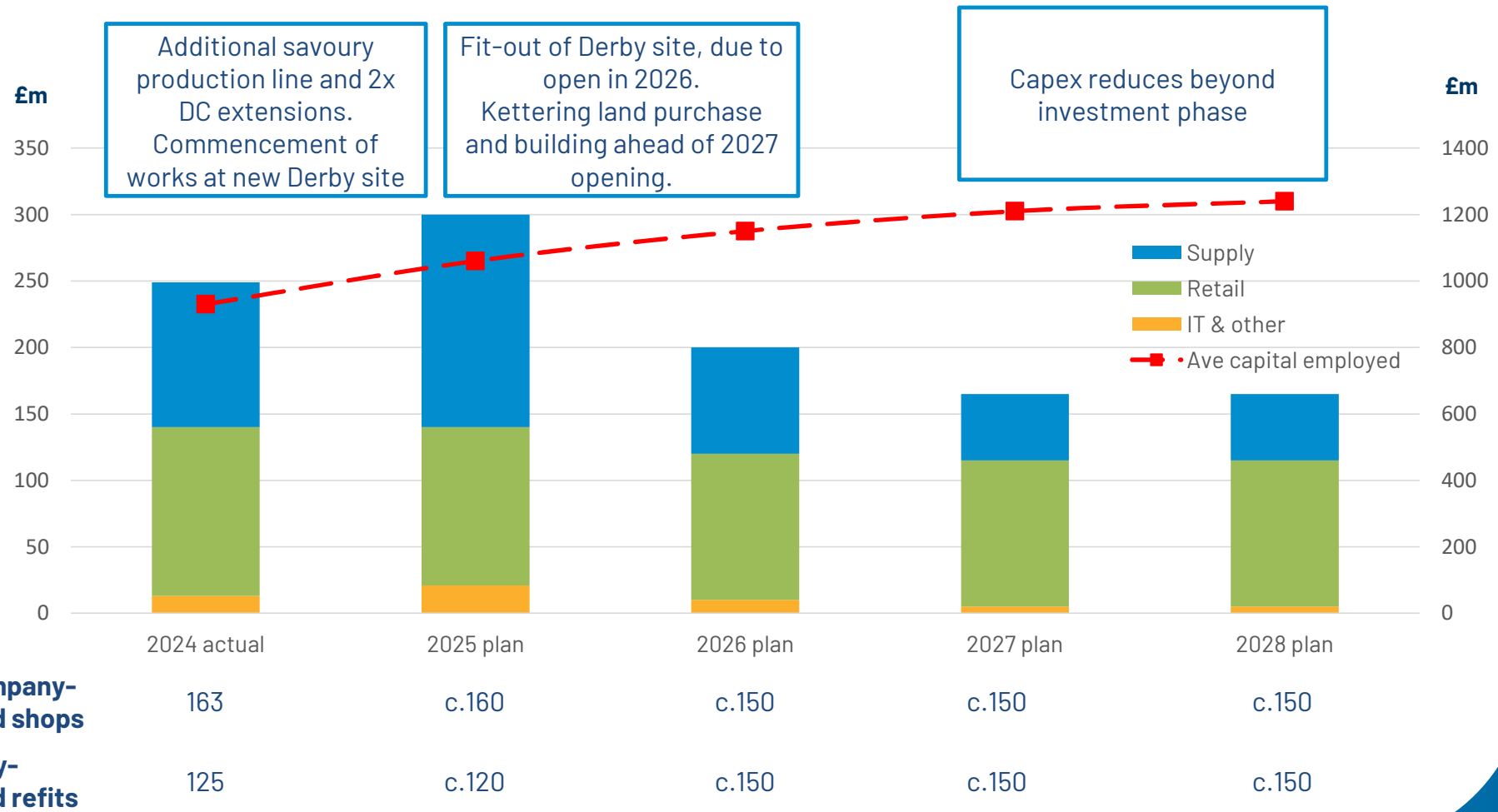
# NEW SHOP & RELOCATION MATURITY DELIVERING STRONG RETURNS

New shop investment achieves two objectives:

1. Extend access to Greggs in under-represented locations
  - Strong returns, pipeline profile marginally better returning than core estate
  - Unlikely to cannibalise given geographical separation
  - Typically pay back in 2-3 years
2. Relocate core shops that have further growth potential
  - Strong performance in legacy estate
  - Above-average returns on relocations



# CREATION OF 3,500-SHOP CAPACITY IN SUPPLY CHAIN





# EXPECTED PHASING OF NEW SITES



	H1 2025	H2 2025	H1 2026	H2 2026	H1 2027	H2 2027
<b>Derby</b> Lease value/term = £47m / 25yrs Capital investment = £135m	Building fit-out Install logistics automation Install 1 <sup>st</sup> production line Initial recruitment of management team		Logistics go-live Q2 2026  <b>Fixed costs commence</b>	Production go-live Q4 2026  <b>Additional depreciation for production</b>	Annualisation of additional fixed costs and depreciation	
<b>Kettering</b> Land purchase = £30m Capital investment = £105m	Building shell construction		Building fit-out Install logistics operations Commissioning starting Q4 2026		Phased adoption of picking activity  <b>Fixed costs commence</b>	Site fully live H2 2027
Operating margin headwind			c.40bps headwind as Derby site capacity becomes available		Additional 40bps headwind from Derby annualisation & Kettering	
Operating margin recovery					Margin recovery begins as new capacity starts to be utilised	

# TAX, EPS, DIVIDEND



## Taxation

- **Underlying tax rate in 2024 25.7%** (2023: 24.4%), y-o-y movement reflects increase in the headline rate of Corporation Tax to 25%
- Overall effective Corporation Tax rate of 24.8% including exceptional gain (2023: 24.3%)
- **Forward guidance – 2024 to 2026: 26.0% (based on current regulations)**

## Earnings

- 137.5p **underlying diluted EPS** in 2024 (2023: 123.8p) +11.1%

## Dividend

- **Final ordinary dividend of 50.0p** per share recommended (2023: 46.0p)
- Total ordinary dividend for 2024 of 69.0p (2023: 62.0p)
- Twice-covered by underlying diluted EPS

# BALANCE SHEET



## Cash

- Net **cash inflow** from operating activities after lease payments £254.2m (2023: £257.1m)
- £125.3m **net cash position** at 28 December 2024 (2023: £195.3m)
- Strength of cash generation reflects growth in profits and the sale of legacy supply chain site in the year
- Elevated level of finance income to normalise from 2025
- £100m Revolving Credit Facility available for additional liquidity

## Capital allocation – prioritisation

1. Invest to adequately **maintain** the business
2. Maintain a **strong balance sheet**; year-end cash at circa 3% of revenue to allow for seasonality in working capital
3. Deliver an **attractive ordinary dividend** – 2x covered by earnings
4. Selectively **invest to grow**
5. **Return surplus cash** to shareholders – normally as special dividends



# **OPERATIONAL AND STRATEGIC REVIEW**

**ROISIN CURRIE**  
CHIEF EXECUTIVE

# A WINNING STRATEGY



**BROADENING  
CUSTOMER APPEAL**

**DEVELOPING THE  
GREGGS ESTATE**

**EXTENDING  
EVENING TRADE**

**EXPANDING DIGITAL  
CHANNELS**



**SUPPORTED BY INVESTMENT IN SUPPLY CHAIN, TECHNOLOGY AND SUSTAINABILITY**



# MENU INNOVATION SUPPORTS ALL DAY PARTS AND CHANNELS

- New **over-ice drinks** range, including Iced Latte and Iced Cloudy Lemonade, proving popular with customers and available in 1,175 shops
- **'Ready-to-Drink'** Latte and Caramel Latte canned products launched
- **Made-to-order** hot food currently in 140 shops, extended to additional 200 shops in Q1 2025
- **Value deals** - hot wrap, wedges and a drink meal deal from £5.00



# BROADENING CUSTOMER APPEAL

- Maintained **#1 position for food-to-go breakfast** visits\*
- Aim is to reach all food-to-go consumers across the UK throughout the day
- Continued to be **ranked #1 in YouGov's Brand Index** within the QSR, coffee shop & delivery services sector
- Popularity of the brand allows us to cut through in fun, entertaining and engaging ways:
  - **Fenwick pop-up Greggs Champagne Bar**
  - **'Baked in Gold'** jewellery range
  - Collaboration with **Nigella Lawson** for 2024 Christmas advert

\* Circana, December 2024

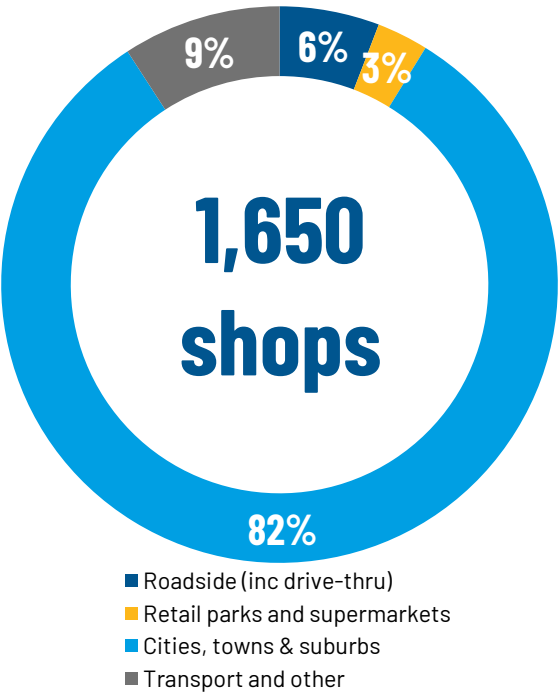




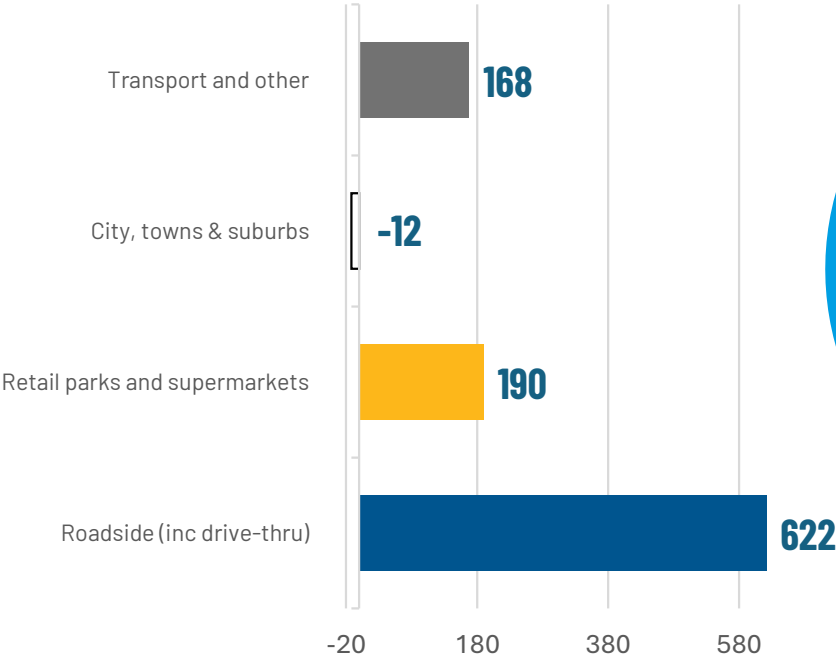
# STRUCTURAL REPOSITIONING OF THE GREGGS SHOP ESTATE



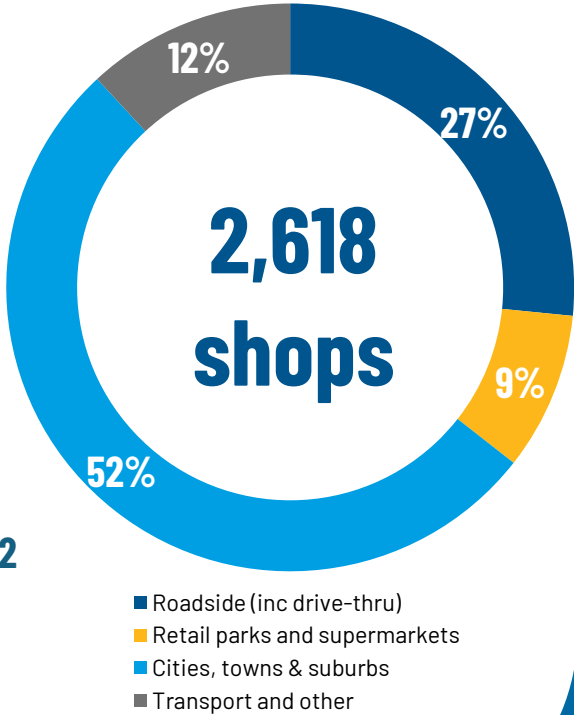
Our estate in 2014



Net openings (10 yrs)

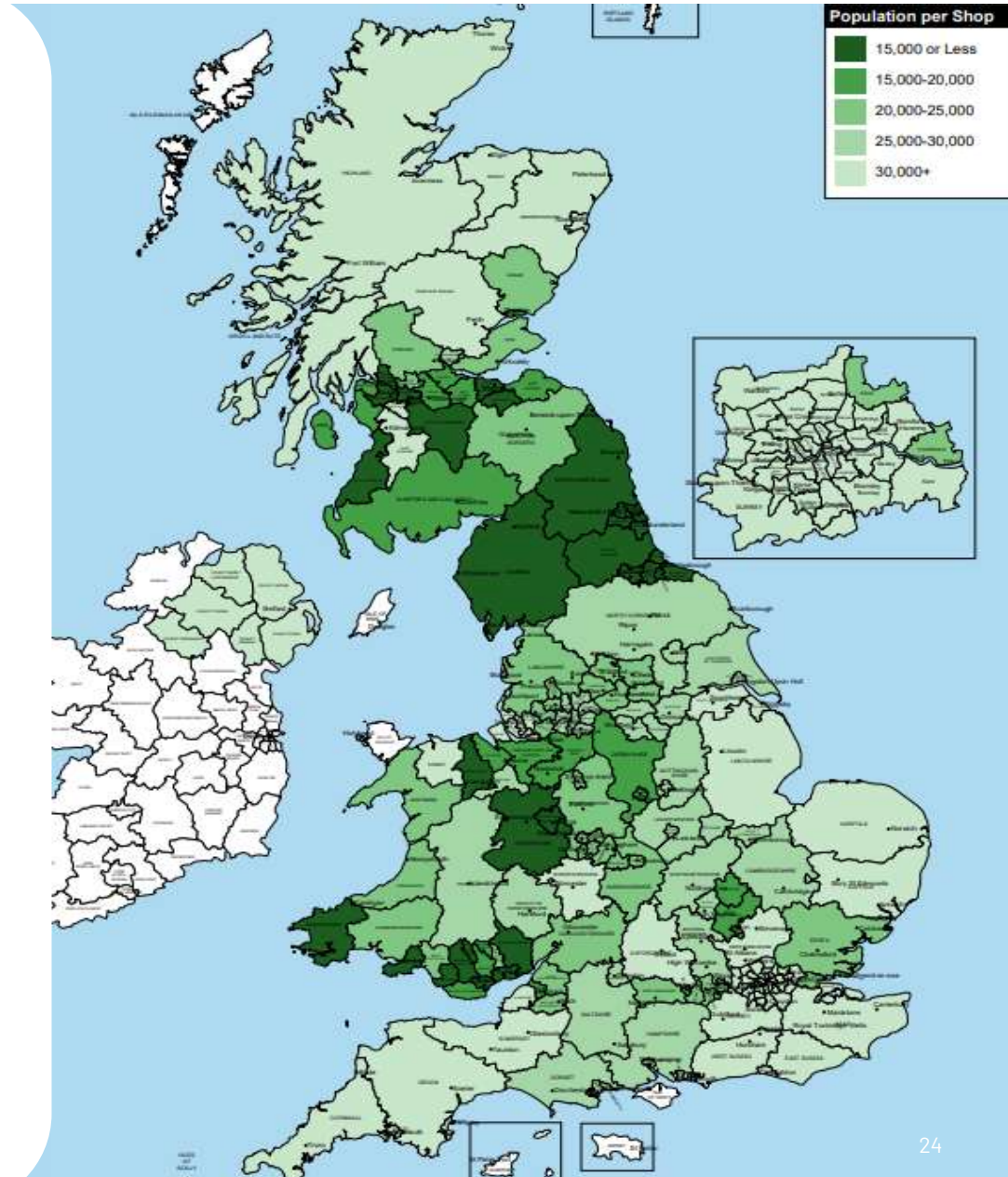


Our estate in 2024



# MATERIAL GROWTH OPPORTUNITY AHEAD

- Still **increasing density** in heartland areas, and **material opportunity** to grow shop numbers in other parts of UK
- **Record 226 new shops** in 2024 (145 net of closures and relocations), planning for 140 to 150 net openings in 2025
- 144 out of 226 new shop opening were away from the high street, including 11 standalone drive-thrus and 11 in large supermarkets
- **Notable openings in transport hubs** included Glasgow Central and Motherwell railway stations, London Embankment Underground station and second shop at London Bridge station



# DEVELOPING THE GREGGS ESTATE

- Relocations and refurbishments add capacity and capability to service new channels
- **Relocated a record 53 shops** in 2024. Relocated shops see an average **30% increase in sales\*** in the year after relocation
- Targeting > 50 relocations in 2025
- **Refurbishments also support growth**, reallocating space and improving ability to service delivery and digital orders. 165 completed in 2024
- Plan to refurbish circa 160 shops in 2025 across the company-managed and franchise estates

\* Not included in LFL result as relocations are treated as new shops





# EVENING TRADE

- Further good growth, **post-4pm remained fastest growing daypart** in 2024
- Evening trade represented **9.0%** of company-managed shop sales in 2024 (2023: 8.5%)
- Existing favourites such as chicken goujons and pizza slices proving popular
- Launched a **BBQ Chicken & Bacon pizza** and complemented the well-established six-slice pizza box with the introduction of a smaller four-slice box
- Looking forward – further innovation in 2025 including recent launch of **Mac & Cheese** hot meal solution



# DIGITAL CHANNELS

- 1,556 shops now offering delivery (2023: 1,440). **Delivery now 6.7% of company-managed sales** (2023: 5.6%)
- **Delivery sales up 30.9%** in 2024 following roll out with Uber Eats
- **Strong growth in use of Greggs App** as customers value rewards for loyalty – 20.1% of company-managed transactions scanned the App in 2024 (2023: 12.5%)
- Customers who engage with our loyalty App **shop more frequently** and receive benefits plus customised messaging
- **Increased use of CRM capabilities**, including double stamps offer to drive awareness and trial in evening daypart





# INVESTING IN SUPPLY CHAIN AND TECHNOLOGY

- Supply chain capacity expansion:
  - fourth production line at Balliol Park site in Newcastle, **boosting production capacity for savoury rolls and bakes by 35%**
  - redevelopment of Amesbury and Birmingham distribution centres, **increasing logistics capacity by 300 shops**
  - two new state-of-the-art sites in Derby and Kettering progressing in line with plan
- Technology investment - new EPOS till software rolled out and ERP transition to SAP S4HANA commenced



# THE GREGGS PLEDGE

**TEN COMMITMENTS TO HELP MAKE THE  
WORLD A BETTER PLACE BY THE END OF 2025  
AND BEYOND**



**Stronger,  
Healthier  
Communities**



**Safer  
Planet**



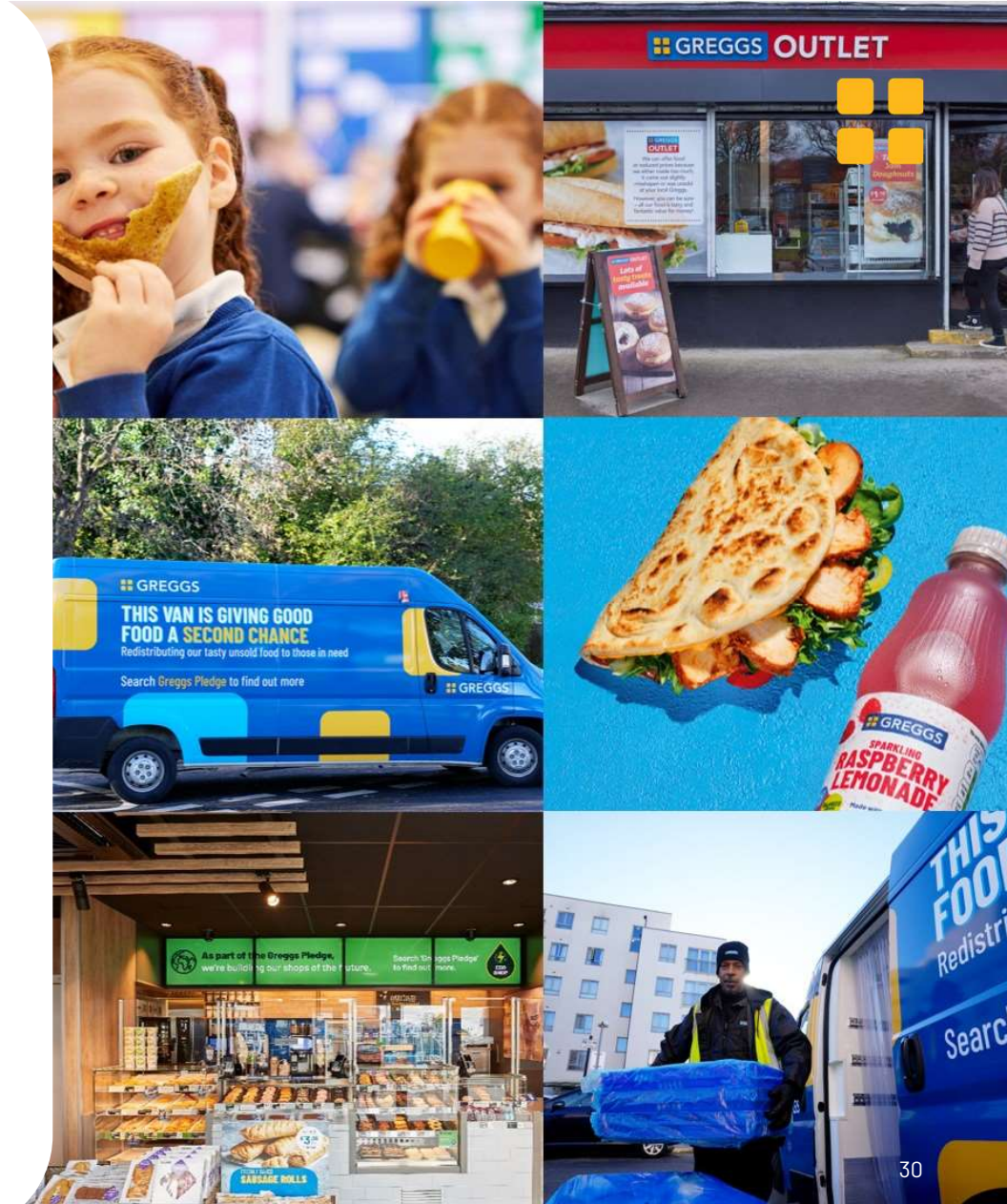
**Better  
Business**





# 2024 PLEDGE HIGHLIGHTS

- **1,000 primary school Breakfast Clubs** target met, feeding 75,000 children every school day
- **38 Outlet shops** supporting increased redistribution of unsold food
- **> 30% of range in Healthier Choice** product classification
- **2040 net zero carbon target fully embedded into business processes.** Increased use of renewable fuels (bio-gas and hydrotreated vegetable oil)



# LOOKING FORWARD

- **Like-for-like sales** in company-managed shops grew by **1.7%** year-on-year in the first nine weeks of 2025
- Challenging weather conditions in January followed by **improved trading in February**
- **Strong pipeline of new shop openings** as we pursue our ambitious growth plans and invest in the capacity to realise this
- Confident that Greggs can **manage inflationary headwinds** and deliver **another year of progress** in 2025
- Optimistic about the **many growth opportunities** available







**QUESTIONS**