



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*

£189.8m

Underlying PBT

+13.2%

Underlying PBT
growth

+15bps

PBT margin growth

69p

Total dividend per
share

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

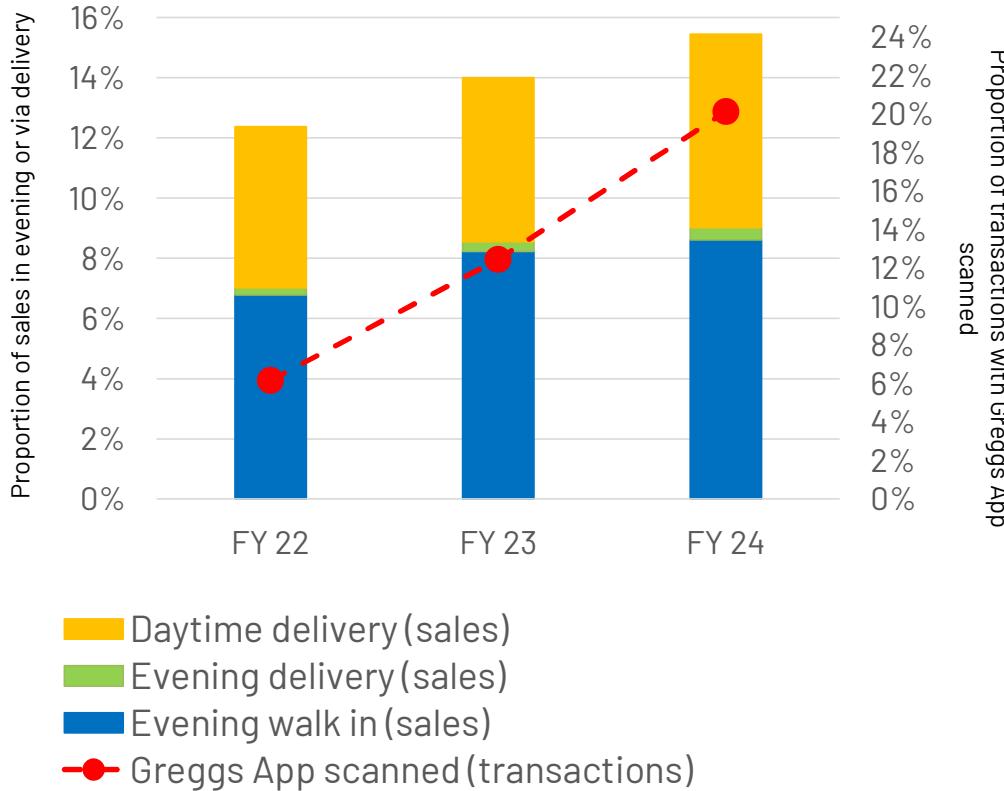
STRONG STRATEGIC PROGRESS



- **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%)

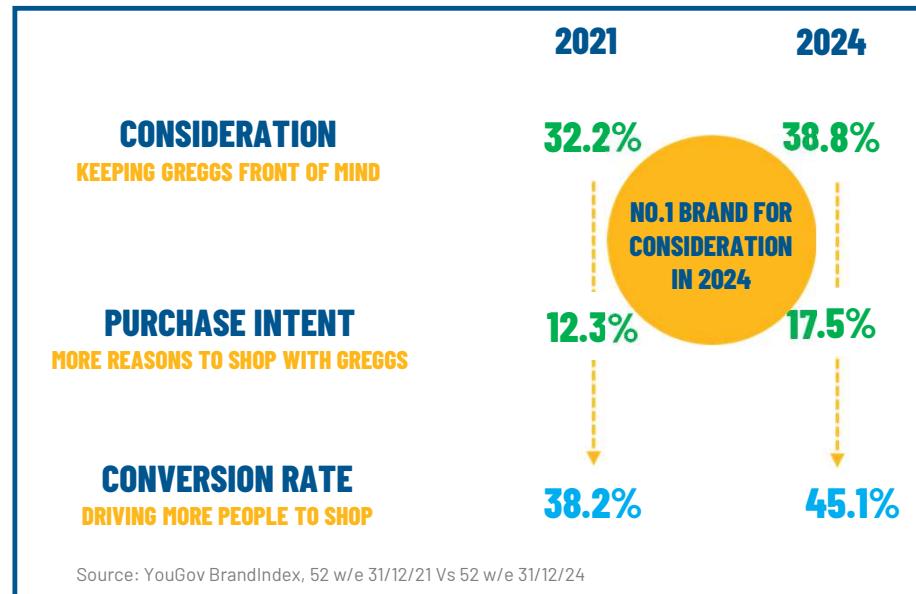
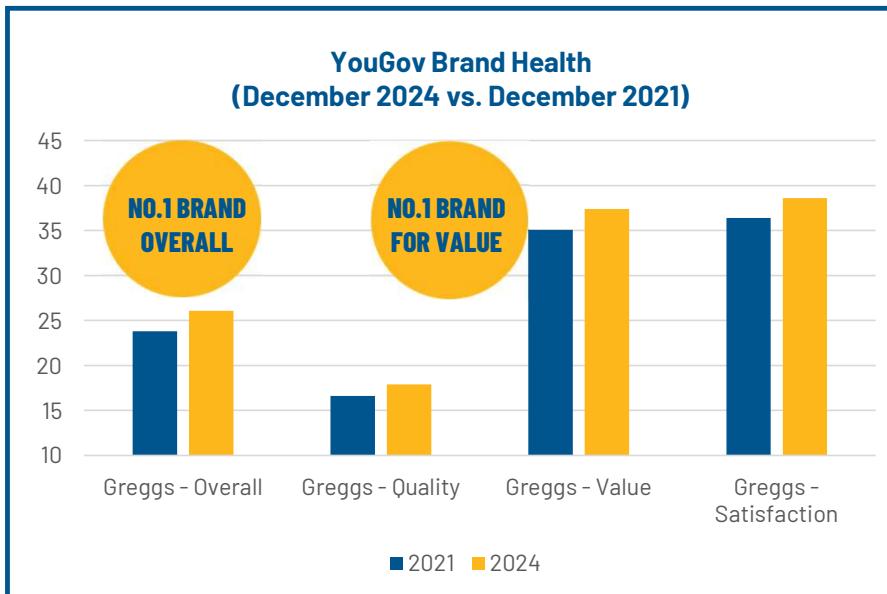
* YouGov Brand Health, December 2024

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

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

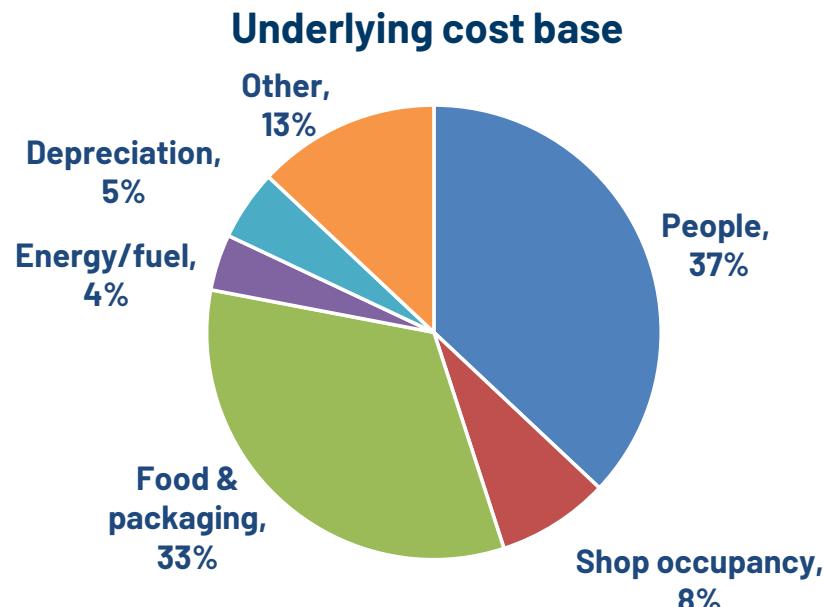


Food & packaging

- 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

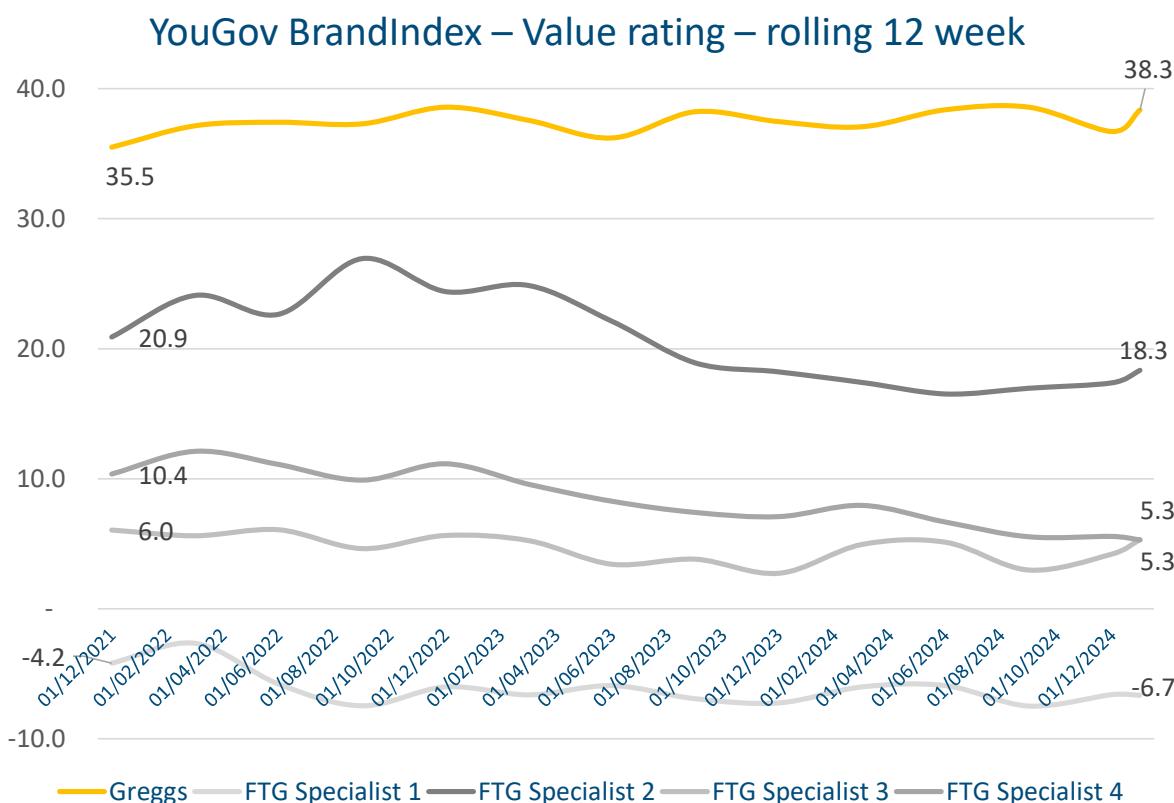
People

- 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	2024 Actual £m	2023 Actual £m
New shops and relocations (fitting & equipment)	63.5	66.5	57.6
Shop fitting – refurbishment	17.5	19.1	14.3
Shop equipment (additional and replacement)	38.0	41.3	34.7
Supply chain	160.0	109.1	84.5
I.T. and other	21.0	13.0	8.7
Total capital expenditure	300.0	249.0	199.8
<i>Number of gross new shops (inc. relocations, exc. franchise)¹</i>	<i>c.160</i>	163	148
<i>Average cost per shop</i>	<i>c.£400k</i>	c.£410k	c.£390k
<i>Number of shop refits²</i>	<i>c.120</i>	125	106
<i>Average cost per shop</i>	<i>c.£150k</i>	c.£150k	c.£135k

¹ Shop fitting and equipment cost

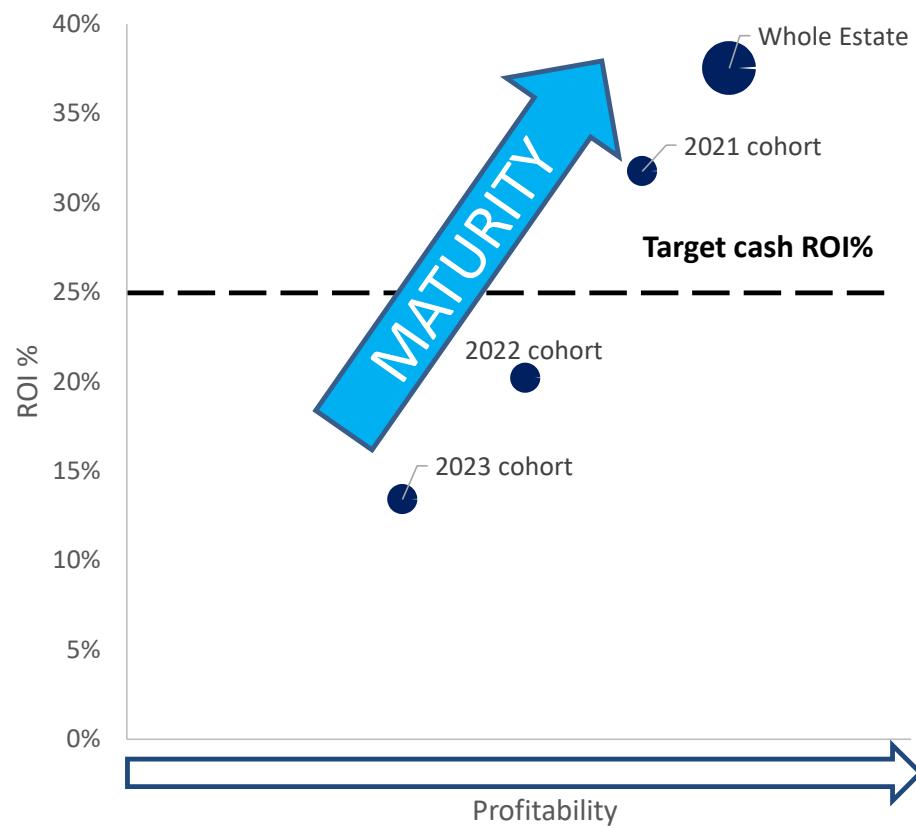
² Shop fitting cost only

NEW SHOP & RELOCATION MATURITY DELIVERING STRONG RETURNS

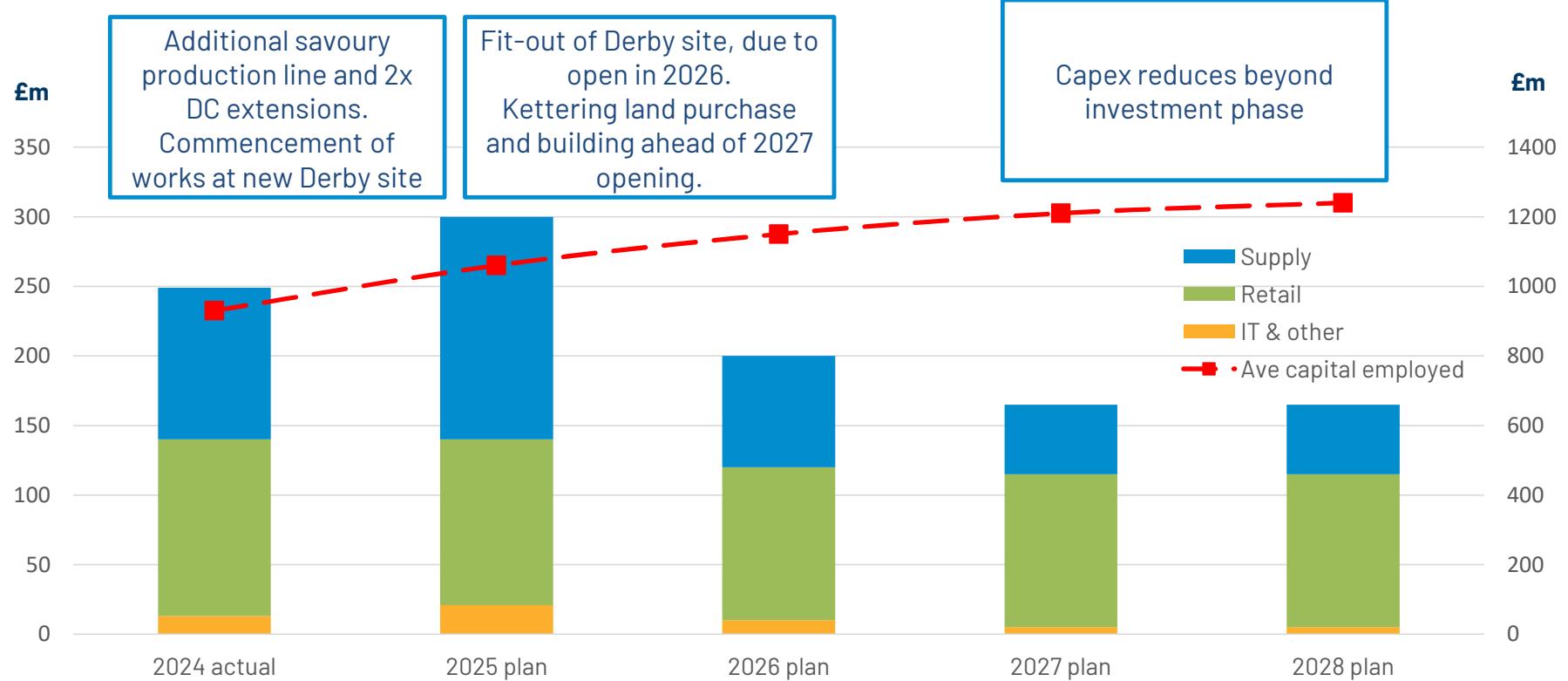


New shop investment achieves two objectives:

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



New company-managed shops

163

Company-managed refits

125

c.160

c.150

c.150

c.150

c.120

c.150

c.150

c.150

EXPECTED PHASING OF NEW SITES



	H1 2025	H2 2025	H1 2026	H2 2026	H1 2027	H2 2027
Derby Lease value/term = £47m / 25yrs Capital investment = £135m	Building fit-out Install logistics automation Install 1 st production line Initial recruitment of management team	Logistics go-live Q2 2026 Fixed costs commence	Production go-live Q4 2026 Additional depreciation for production	Annualisation of additional fixed costs and depreciation		
Kettering Land purchase = £30m Capital investment = £105m	Building shell construction	Building fit-out Install logistics operations Commissioning starting Q4 2026	Phased adoption of picking activity Fixed costs commence	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

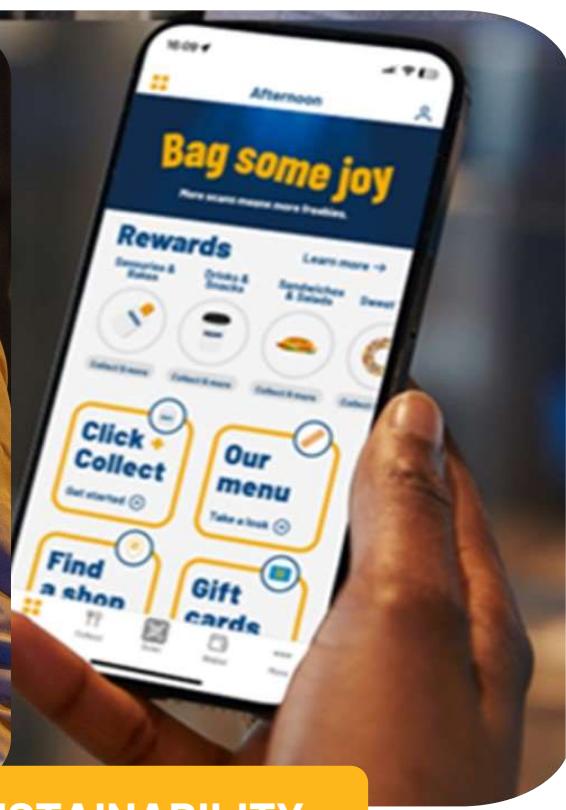


BROADENING
CUSTOMER APPEAL

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



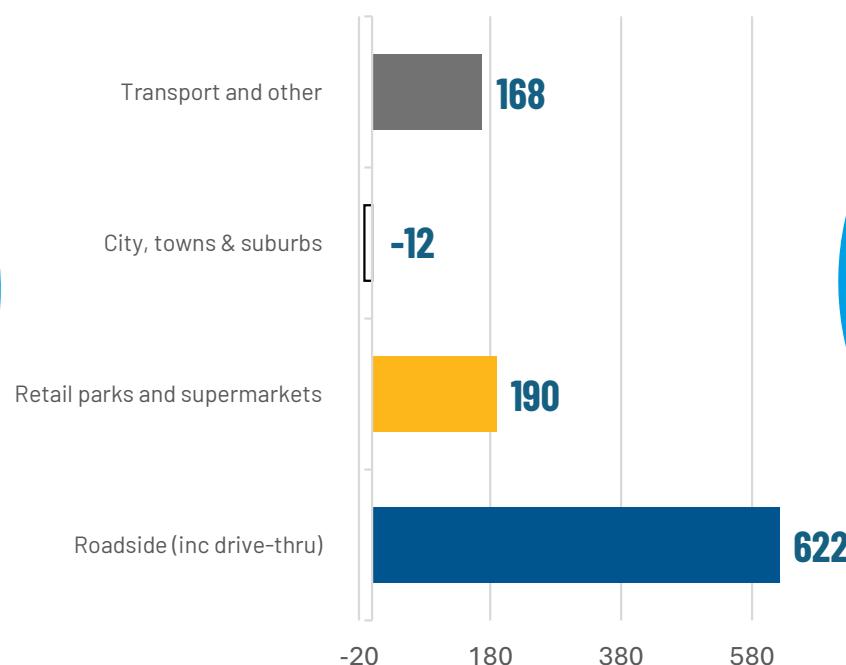
STRUCTURAL REPOSITIONING OF THE GREGGS SHOP ESTATE



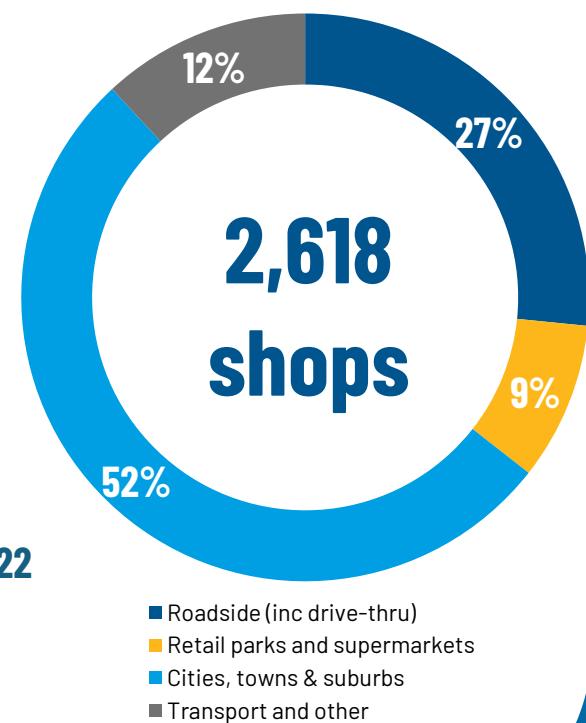
Our estate in 2014



Net openings (10 yrs)

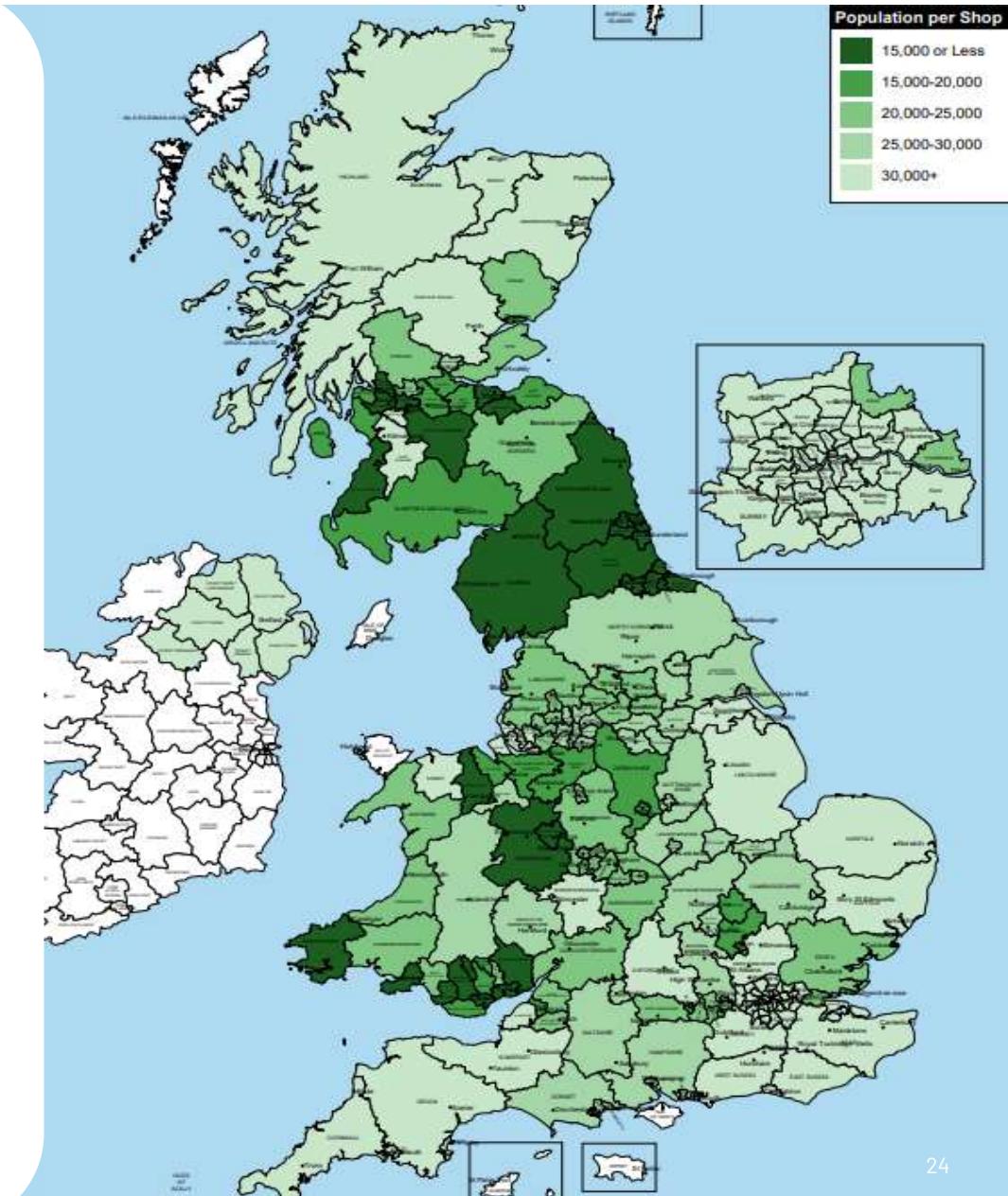


Our estate in 2024



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

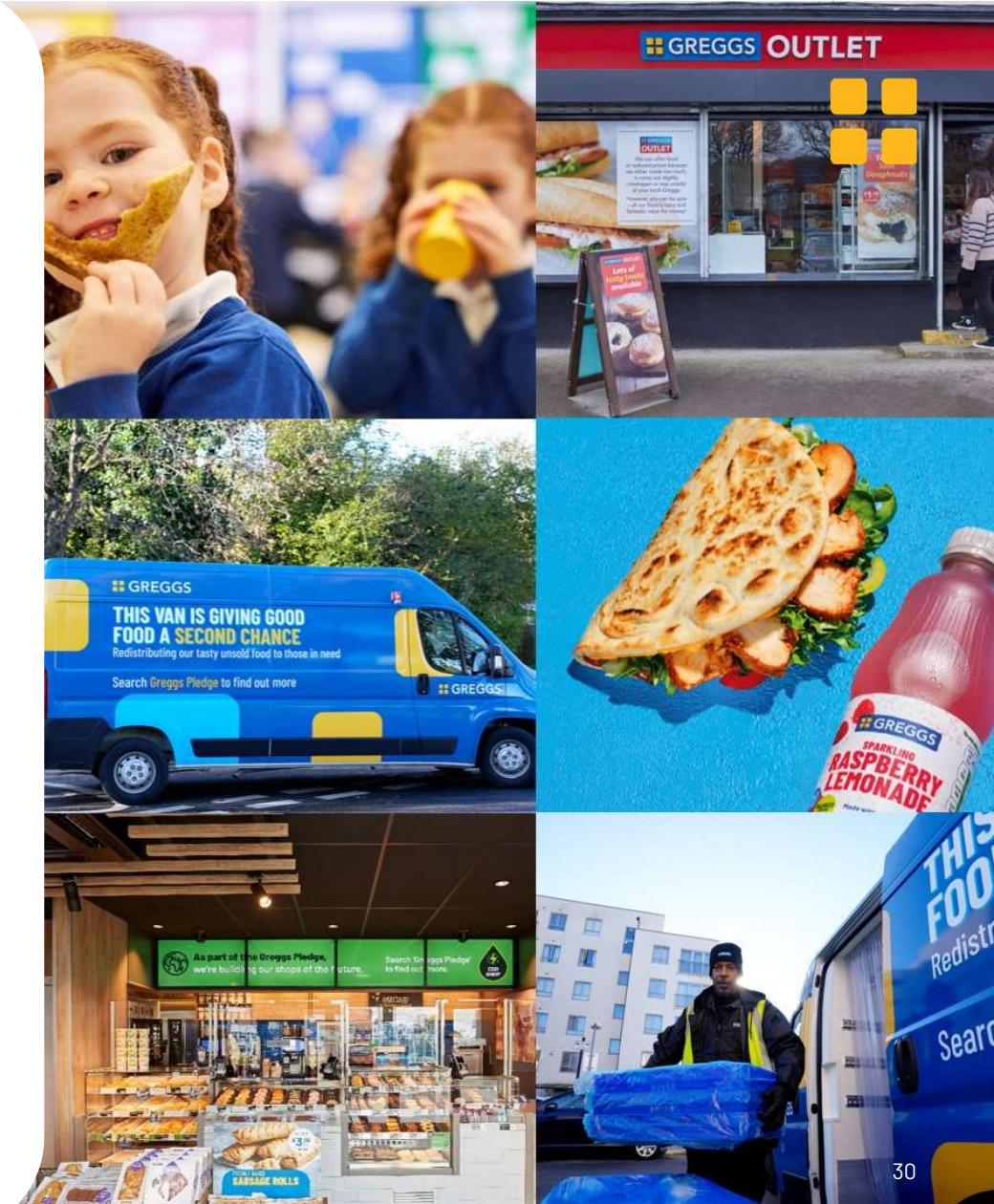


Better
Business



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





GREGGS

QUESTIONS