Greggs investment notes:

2018 AR

* Just over a billion pounds in sales, with a net profit of (1)
* 1953 shops as of 2018, compared to 1671 and 1698 in 2013 and 2015. Ambitions to grow to 2500 shops nationwide.
* First vegan-friendly product launched: the vegan sausage roll
* “Greggs has never coped well under extreme weather events” – Roger Whiteside, CEO (2)
* Now has closed in-store bakeries, purely does the baking in depots/distribution centres (1 + 2). One was opened in 2016 in Enfield, expected to supply 450 shops (1). This was mainly to give the food-to-go market a harder hit.
* They own all their supply chain
* Click and collect trialled in Manchester – have a look at this
* A special dividend to be declared at the time of their interim results in July (check if this says this in the other ARs and how reliable they have been on this)
* Political and economic uncertainty over Brexit
* Strategic product lines account for 36% of sales. Look at further products to follow
* Significant supply chain investment in 2018
* Sales decline during hot weather
* 262 franchised shops, most of these are in travel locations
* Expect to open 100 new shops in 2019 – see if this actually happened
* 90% of their shops are now open by 7am or earlier, Monday to Friday
* FY2018 ends 29th December 2018
* 7.2% increase in sales from 2017 to 2018 (£0.96B to £1.029B), with a sales increase for company-managed shops – with more than one calendar year’s trading history – of 2.9% (£0.852B to £0.876B).
* The company has no debt (but Yahoo Finance says they have debt of £277 mln, look into this)
* Main competitors:
  + Pret a Manger: private subsidiary owned by JAB Holding company, a privately-held German conglomerate. JAB also owns EAT. (Compare acquisition multiples to Greggs at the time)
    - Pret acquired for £1.5 billion ($2 billion) on 29th May 2018 (3), giving an EBITDA multiple of 15 (4 and 5).
    - JAB also made deals for bakery chains Au Bon Pain (a fast bakery café in the USA) and Panera Bread (a fast bakery café in the USA), as well as Krispy Kreme (3)
  + EAT: also owned by JAB Holding Company

Stockport referencing

<https://corporate.greggs.co.uk/sites/default/files/Greggs_30518_AR2018.pdf> (1)

<https://www.ft.com/content/201fc6a0-7914-11e3-91ac-00144feabdc0> (2)

<https://uk.reuters.com/article/uk-pret-m-a-jab-holdings/pret-a-manger-sold-for-1-5-billion-to-germanys-deal-hungry-reimann-family-idUKKCN1IU017> (3)

<https://www.edisongroup.com/edison-sparks/the-sale-of-pret-to-jab-holdings-for-1-5bn-is-positive-news-for-whitbreads-costa-flotation/> (4)

<http://pret-files.azureedge.net/pretamanger-uk/media-centre/Pret_Annual_Report_2017.pdf> (5)