Greggs

Growth in the oven

Post-FY14 results update

Food & beverages

Greggs FY14 results demonstrate that its revamped food-on-the-go strategy is working. A recovery in l-f-l sales growth and a surge in profits, alongside a return to the dividend growth list and the announcement of a £10m share buyback programme (and further capital structure review at the H115 results) have led to a re-rating. We argue there is more to come, given Greggs' strong ROCE and opportunities to expand (and improve) the store estate. We set our fair value at 1,080p offering 11% upside.

Year end	Revenue (£m)	EBITDA* (£m)	EPS* (p)	EV/EBITDA (x)	P/E (x)	Yield (%)
12/14	804	96	43.4	9.7	22.4	2.3
12/15e	835	103	47.3	9.1	20.5	2.5
12/16e	870	111	51.0	8.3	19.0	2.7
12/17e	906	117	54.1	7.7	17.9	2.8

Note: *EBITDA and EPS are normalised and fully diluted, excluding intangible amortisation, exceptional items.

A resumption of net store openings for FY15

Greggs has established that its strategy of promotional meal deals and a revamped offer is a success with consumers. Paired with store refurbishments and cost savings initiatives, profits have recovered with a 40% increase in PBT in 2014. Going forward, the company is resuming its store opening programme with a target of 2,000 stores (1,650 at FY14). YTD l-f-l's have been strong at 6.3%, but comps will be tougher during H215, so we estimate a 3% increase in l-f-l growth for FY15.

Financials – Earnings and dividend growth ahead

Ongoing l-f-l sales growth and modest margin expansion drive our forecasts of 7% EBITDA CAGR for 2014-2017e, and a decline in the tax rate and impact of the share buyback filter through to an 8% EPS CAGR for 2014-17e.

Capital returns and capital structure update at H115

Greggs grew the dividend by 13% for FY14, and is now in a position to grow it progressively whilst maintaining a 2x cover. In addition to a £10m share buyback programme, a further update will be given on the capital structure at the interims. We show that by 2017e Greggs will have over £80m of cash and short term investments on the balance sheet and generate £100m in discretionary cash flow – we would not be surprised to see further cash returns to shareholders over time.

Valuation – we see 11% upside

Despite being one of the top performers in 2014, as well as reacting positively following the FY14 results, Greggs remains a cheaper way to access the growing food-on-the-go-market, when compared to franchises, coffee shops or groups such as Whitbread. We compare Greggs to the supermarkets, as these are its primary quoted competitors and believe Greggs merits a 25% premium on an EV/EBITDA basis, as we expect it to deliver more than double the growth at a meaningfully higher ROCE.

10 March 2015

Price	971p
Valuation	1,080p
Difference	11%
Market cap	£982m
Net cash (£m) at December 2014	£44m
Shares in issue	101.2m
Code	GRG
Primary exchange	LSE
Secondary exchange	N/A

Share price performance

%	1m	3m	12m
Abs	16.6	49.4	91.0
Rel (local)	15.4	41.0	86.2
52-week high/low		1,001p	489.75p

Business description

Greggs is the UK's leading bakery food-on-the-go retailer, made up of 1,650 shops, nine regional bakeries and 20,000 employees. It sells a range of baked goods, sandwiches and drinks in its shops.

Next event

Q1 IMS	April/May 2015

Analysts

Sohil Chotai	+44 (0)20 3077 5733
Jeremy Silewicz	+44 (0)20 3077 5704

institutional@edisongroup.com

EDISON

FY14 results overview – recovery gained momentum

Greggs' FY14 results show that the company's revamped bakery food-on-the-go strategy is working. Whilst the company has benefited from supportive commodity prices and benign weather, it has also delivered on its cost savings programmes and successfully implemented changes to its menu and product offer. Below we highlight the key P&L figures and commentary on the drivers:

Exhibit 1: Greggs FY14 results vs FY13 and our estimates

(£m)	FY13 Actual	FY14 Estimate	FY14 Actual	Act. vs est. (%)	Change y-o-y (%)	Comments
Revenue	762	804	804	0	5.5	Figures disclosed in January update.
Revenue growth	3.8%	5.5%	5.5%	0		
Own shop l-f-l growth	-0.8%	4.5%	4.5%	0		
Gross margin	59.9%	60.9%	61.5%	+60 bp	+160 bp	Strong increase reflects lower commodity costs and structural cost reduction in supply chain.
EBITDA (adj)	67	92	96	4%	43%	Efficiency savings of £6.5m ahead of schedule alongside the improvement in underlying trading drive the 43% increase.
EBITDA margin	8.8%	11.5%	11.9%	+40 bp	310 bp	Large increase driven by operational gearing of the l-f-l sales growth and internal change initiatives.
PBT (pre-exceptional)	41	58	58	1%	41%	41% increase highlights the good returns on the company's refurbishment programme and updated customer offer eg sales of Balanced Choice (healthier sandwiches) reached c £55m.
Adjusted EPS (p)	30.6	42.8	43.4	1%	41%	
Dividend (p)	19.5	19.5	22	13%	13%	Company also announced £10m buyback and capital structure review.

Source: Company data, Edison Investment Research estimates

Key takeaways from FY14 results

- The customer finds the Greggs offer very compelling value relative to peers – with market leading meal deals, an improved coffee blend (now at a run-rate of £1m per week of sales and growing double digits) and continued introduction of new products such as a healthier range of sandwiches (Balanced Choice) which had £55m worth of sales in FY14 which is an impressive result as they were only introduced part-way through the year.
- The outlook for input costs in 2015 continues to be favourable with ingredient and packaging deflation, neutral energy costs as well as reductions on rents (c 6% of sales in 2014).
- The company has only completed one year of a five year programme of cost savings initiatives that are focused on simplifying the supply chain as well as improving processes and systems.
- Workforce and supplier relationship management systems were implemented in 2014, with some benefits coming in earlier than anticipated (contributing to multiple upgrades over the past few months) – focus for 2015 will be shop ordering and customer management.
- A notable talking point was the development of Greggs' corporate franchise business. With 50 franchised stores, and 20 more planned for 2015e, this will be a high ROCE way to expand into markets the company cannot normally access eg motorway service stations. Greggs makes a manufacturer's margin on the sale of product as well as a turnover-based franchise fee.
- Whilst a confluence of factors led to strong l-f-ls in H214, given the success of the store refit programme we believe the company can sustain strong l-f-l performance. We keep our l-f-l estimates at 3% for 2015e and 2016e, and expect more moderate margin expansion going forward (we forecast 10-20 bp pa for 2015e-2017e). Greggs is keen to keep its value credentials and market leading meal deal offers and thus we do not expect much movement in pricing. We detail our financial assumptions and updated estimates later in the note.

Exhibit 2: Quarterly LFLs – improvement shows success but means tougher comps

Q113	Q213	Q313	Q413	Q114	Q214	Q314	Q414	y-t-d
-4.4%	-1.2%	-0.4%	2.6%	3.4%	2.9%	5.2%	6.0%	6.3%

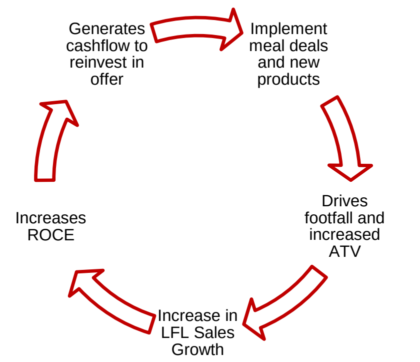
Source: Company data, Edison Investment Research

Continued implementation of strategy

We think Greggs' pivot to the growing food-on-the-go market has been successful in fuelling a return to l-f-l growth. In prior years Greggs did not participate in the breakfast market but now it is a key driver of footfall in the morning. For 2015 Greggs plans to extend the breakfast range, offer newer Balanced Choice options as well as new meal deals such as £2 for coffee and savoury which offers compelling value for customers. In our view this highlights the headroom for continued changes to reshape the menu to appeal to wider demographics and draw customers into the shops.

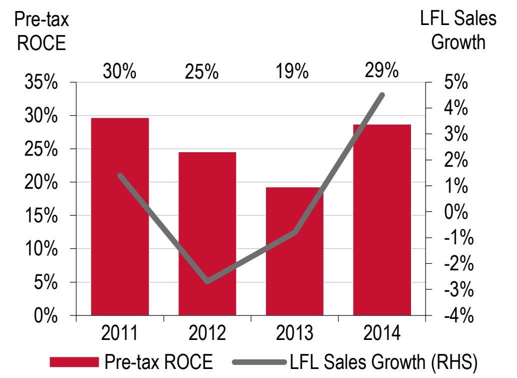
Greggs' strategy has returned ROCE to prior levels

Exhibit 3: Greggs' virtuous circle



Source: Edison Investment Research

Exhibit 4: Increasing l-f-ls and ROCE



Source: Company data, Edison Investment Research

Exhibit 3 and 4 show that ROCE has returned to prior levels, driven by the factors we outline in the virtuous circle. A more relevant product offer drives volumes and l-f-l growth, which drops through to the bottom line and allows the company to reinvest in the proposition. Of course, this has been supported by an overhaul of the cost structure and ongoing change initiatives that we have detailed previously – which are key to maintaining margins going forwards.

Store portfolio - Target 2000 and refits to continue

Greggs has stated it can grow its store base to 2,000 shops, which we believe is sustainable given strong growth from competitors who already have a larger store portfolio than Greggs. Guidance for 2015e was 80-100 new shops (20 of which will be franchises), with 60-80 store closures, ie 20 net new stores. We are modelling an increase in the store estate from 1,650 at FY14 to 1,740 at FY17e. Subway recently announced its ambition of growing its shop base to 3,000 stores in the UK, and with management commenting that the food on-the-go market is growing at 2-6% we believe most operators will be looking to expand their footprints. We believe this growth is supported by a number of structural drivers such as changes in consumer behaviour, changes in lifestyle and work habits as well as growth in disposable incomes.

Exhibit 5: Selection of food-on-the-go store count

Store	Number
Subway	>2,000
Tesco Express/Metro	1,903
Costa Coffee	1,840
Greggs	1,650
Starbucks	791
Sainsbury's Local	611
Caffe Nero	605
SSP Group	516
Pret a Manger	292
M&S Simply Food	150

Source: Company websites, Edison Investment Research

Whilst the space race has led to decreasing returns for supermarkets, Greggs' strategy of refurbishing its stores to a new food-on-the-go configuration with seating as opposed to a take-home bakery format has reaped returns. Below, we illustrate the returns Greggs aims to generate on a typical store refurbishment. Of note is that the 25% targeted return was **exceeded** in 2014.

Exhibit 6: Illustrative incremental ROCE on refurbishment

Per Store	(£)
Capex	50,000
of which enhancement	25,000
L-f-l uplift	6%
Drop-through	50%
Incremental EBIT	12,500
Return on Investment	25%

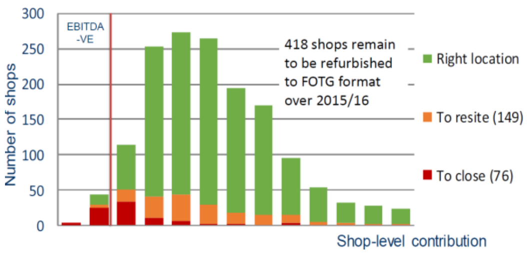
Source: Company data, Edison Investment Research

The exhibit below details Greggs' contribution at the store level. Whilst we would expect it to be normally distributed, it is an improvement from the slide first presented two years ago which had c 90 stores that were negative at the EBITDA level. We can also see that there are two further years of low hanging fruit when it comes to refurbishments to the new store format – which we anticipate should generate the company's desired 25% return.

Exhibit 7: FY12 Shop contribution – 90 underperforming stores

Source: Company data

Exhibit 8: FY14 – improved contributions – c two more years of new format refits to go



Source: Company data

Our confidence in management's strategy of refurbishment and right-sizing the portfolio and its product range underpins our revenue forecasts out to 2017e.

Exhibit 9: Revenue forecasts FY15-17e we anticipate consistent delivery in l-f-ls

	FY14	FY15e	FY16e	FY17e
Number of stores	1,650	1,670	1,700	1,740
Sales per store (£k)	487	500	512	521
Revenue	**804.0**	**834.8**	**870.1**	**905.9**
Revenue growth	5.5%	3.8%	4.2%	4.1%
L-f-l sales growth	**4.5%**	**3.0%**	**3.0%**	**2.5%**
Space contribution	1.0%	0.8%	1.2%	1.6%

Source: Company data, Edison Investment Research estimates

Financials – model update and profit upgrades

In this section we run through our P&L estimates as well as touch on Greggs' strong cash generation ability. We also believe Greggs' net cash position and well covered dividend (as well as resumption of share buybacks) is an attractive part of the story. The company plans to discuss the capital structure in more detail at the interim results. It reiterated its commitment to a 2x cover on the dividend and prudently managing the balance sheet given the company's leasehold structure. We believe that due to the operational gearing inherent in the model, that adding financial leverage is unnecessary – but we compare Greggs to other players in the UK market as a thought-provoking exercise.

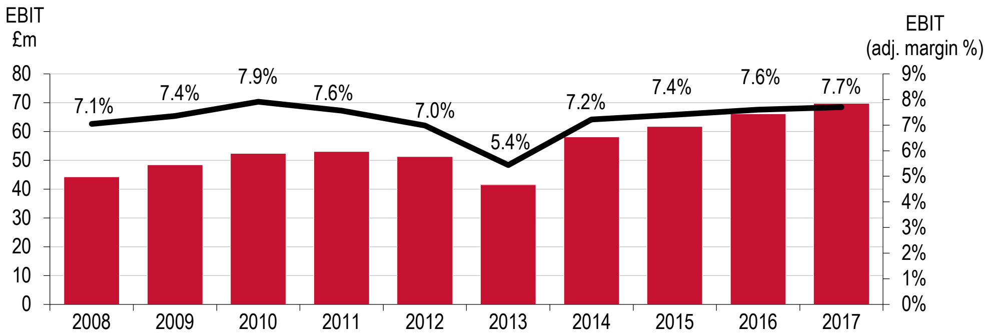
Margin and growth assumptions – modest growth after step up in 2014

In the prior section we discussed our outlook for revenue growth. Gross margins continue to be supported by subdued input cost inflation and given the structural cost reduction in the supply chain we are confident that Greggs, with its vertically integrated business model, can maintain its gross margin at current levels. We are forecasting 61.4% for 2015-17e.

Management guide that distribution and selling costs will continue to decline as the cost savings initiatives filter through the business but admin costs will pick up slightly over time as back office overhead increases. As a function of the investment in systems and reduction in how fixtures and fittings are depreciated (moving from nine to 10 years to seven years – with five years on some items such as coffee machines) depreciation is expected to rise – we forecast an increase from 4.7% of sales in 2014 to 4.9% of sales in 2015e.

We are forecasting modest y-o-y increases in operating margin through to 2017e. We note that this is still below what the company achieved in 2010 so there remains scope for further upside. We believe that the company is likely to temper the pace of margin expansion, as it plans to keep its deep value proposition to the customer and stay ahead of the competition on this front.

Exhibit 10: We are forecasting a 50bp increase in EBIT margin to 2017e – still below peak



Source: Company data, Edison Investment Research estimates

L-f-l growth and modest margin expansion drive our forecast of 7% EBITDA CAGR for 2014-17e; a lower tax rate (23% in FY15, and 22.75% for FY16 – due to the lower UK corporate tax rates) and the impact of the share buyback leads to 8% EPS CAGR over the period. This growth is well ahead of the food retail sector in which Greggs sits (4% EPS CAGR) but meaningfully behind the double digit growth anticipated for the likes of Whitbread and Patisserie Valerie (which notably trade at an average of 14x 2016e EV/EBITDA). The summary table below outlines our forecasts for the key line items.

Exhibit 11: Key P&L forecasts – 7% EBITDA growth pa and 8% EPS growth pa

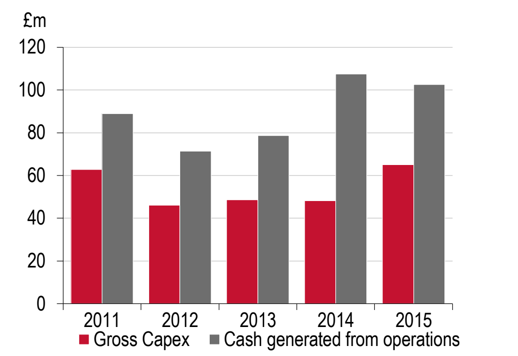
	FY13	FY14	FY15e	FY16e	FY17e
Sales (£m)	**762**	**804**	**835**	**870**	**906**
Growth	*3.8%*	*5.5%*	*3.8%*	*4.2%*	*4.1%*
L-f-l	***-0.8%***	***4.5%***	***3.0%***	***3.0%***	***2.5%***
Gross Margin	*59.9%*	*61.5%*	*61.4%*	*61.4%*	*61.4%*
EBITDA (adjusted)	**67**	**96**	**103**	**111**	**117**
Operating profit (adjusted)	41	58	62	66	70
Operating margin	***5.4%***	***7.2%***	***7.4%***	***7.6%***	***7.7%***
EPS adjusted and fd (p)	**31**	**43**	**47**	**51**	**54**

Source: Company data, Edison Investment Research

Continued strong cash generation

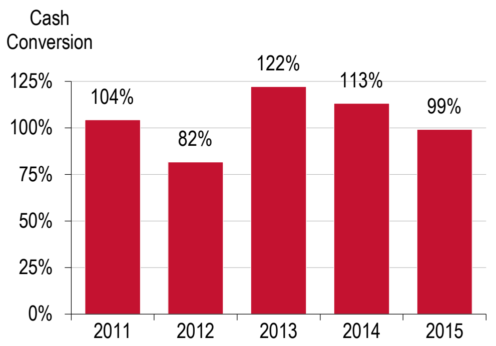
Greggs has a good history of cash generation and conversion – all of the capex needs are financed through internal cashflow. As demonstrated above, expenditure on refits has been well spent, and we are supportive of the plan to ramp up capex to £65m in FY15e, compared to £49m in FY14.

Exhibit 12: Self-funded capex programme



Source: Company data, Edison Investment Research

Exhibit 13: Cash conversion (CFO/EBITDA)

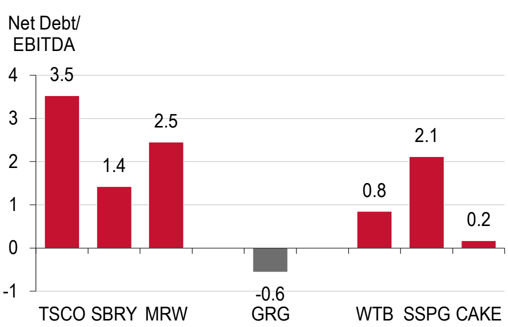


Source: Company data, Edison Investment Research

Capital structure and capital returns – more in the offing?

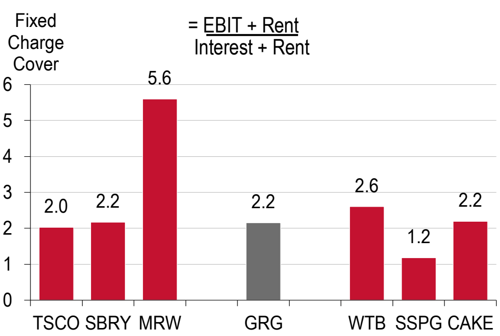
Greggs ended the year with £53.6m in net cash and short term investments (c 6% of the market cap). Although this needs to be adjusted for a working capital outflow in Q115 and the £10m buyback, Greggs still has ample cash to both invest in the business and maintain its progressive dividend policy. Assuming no additional cash returns beyond the dividend by 2017e we estimate Greggs would have over £80m of cash and short term investments and generate over £100m of discretionary cashflow. Therefore we could see further cash returns and while we do not model this – it is a key attraction of the Greggs' story in our view. Below we show that Greggs has the strongest balance sheet of the UK peer set and is in line with the group on fixed charge cover.

Exhibit 14: Strong balance sheet…



Source: Company data, Edison Investment Research

Exhibit 15:…but operational gearing inherent



Source: Company data, Edison Investment Research

Valuation – we see further upside

We value Greggs on an EV/EBITDA basis and as its closest peers such as Subway and Pret a Manger are not publicly traded, we value it against the supermarket sector – whose convenience stores operate in the same segment as Greggs. The key driver of this store format is food-on-the-go and driving footfall through promotional meal deals. The comps table below shows that the market rewards EBITDA growth with higher multiples – however Greggs stands at a large discount to the franchises and coffee shops. On the other hand the premium relative to supermarkets is not high enough given the earnings growth we anticipate from Greggs. This is higher quality growth than the supermarket sector, whose ROCE does not exceed double digits.
Hence we believe Greggs should trade at a premium to the supermarkets, and a 25% premium places it slightly below the regression line as shown in Exhibit 17. Therefore we arrive at a fair value of 1,080p, for 11% upside.

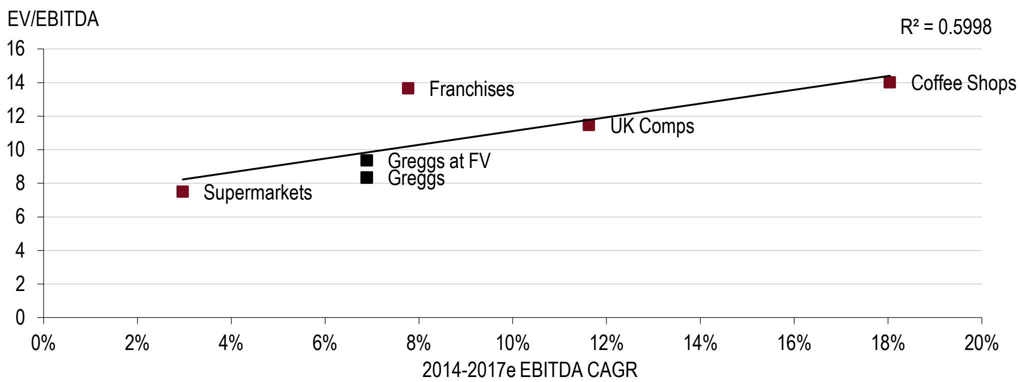
Despite outperformance Greggs looks cheap relative to peers

Exhibit 16: Comps table - food-on-the-go operators trade at premiums to the market

	P/E		EV/EBITDA		EBITDA (3-yr CAGR)	EPS (3-yr CAGR)
	2015e	2016e	2015e	2016e	2014-17e	2014-17e
McDonald's	20.1	18.7	12.0	11.5	2%	8%
Restaurant Brands International	45.7	33.8	19.0	17.0	19%	9%
Dunkin' Brands Inc	24.4	20.8	14.9	13.7	9%	13%
Domino's Pizza (UK)	24.2	21.6	17.5	15.7	12%	13%
Franchises	**28.6**	**23.7**	**15.9**	**14.5**	**11%**	**11%**
Starbucks	28.8	25.3	15.8	14.0	18%	18%
Krispy Kreme Doughnuts	25.7	22.1	16.7	0.0	18%	18%
Coffee Shops	**27.3**	**23.7**	**16.2**	**14.0**	**18%**	**18%**
Tesco	22.9	18.5	9.5	9.0	13%	7%
Sainsbury's	11.4	11.1	5.4	5.6	-3%	-2%
WM Morrison	15.6	14.2	8.2	8.0	-1%	7%
Supermarkets	**16.6**	**14.6**	**7.7**	**7.5**	**3%**	**4%**
Whitbread	23.1	20.4	13.5	12.0	13%	13%
SSP Group	23.3	20.4	10.3	9.7	5%	8%
Patisserie Valerie	23.5	20.0	14.9	12.7	17%	11%
Other UK comps	**23.3**	**20.3**	**12.9**	**11.5**	**12%**	**11%**
Greggs	**20.5**	**19.0**	**9.1**	**8.3**	**7%**	**8%**

Source: Bloomberg consensus for peers, Edison Investment Research estimates for Greggs. Note: Prices at close 6 March 2015.

Exhibit 17: In our view Greggs deserves a higher multiple for its high ROCE growth



Source: Company data, Edison Investment Research

Exhibit 18: Greggs EV/EBITDA valuation - 11% upside

EBITDA '16 (£m)	**111**
Target Multiple (a 25% premium to the CY16 EV/EBITDA of the supermarkets)	9.4x
Enterprise Value	1,041
Cash	50
Equity Value	1,090
Shares in issue	101
Fair Value	**1,080p**

Source: Company data, Edison Investment Research

We see fair value at 1,080p for 11% upside.

Benchmarking against the FCF yield of the relevant indices also shows that Greggs offers attractive relative value.

Exhibit 19: FCF yield higher than market - especially when adjusting for growth capex

	2016e FCF yield
FTSE 250	2.9%
FTSE 350 Travel & Leisure	3.4%
Greggs	**4.2%**
Greggs (Assuming 50% of refits are growth capex)	**7.1%**

Source: Company data, Edison Investment Research

What are we watching for?

- Any surprises in l-f-l would lead to a change in our estimates, given the leverage in Greggs' business model. With a good start to 2015 (6.3% l-f-l for the first two months of the year), at this stage, this risk looks to be skewed to the upside.
- After being a benefit in 2014 and into 2015, any significant moves in Greggs' key commodity exposures in H215 such as ingredients and packaging could be a headwind to margins into the medium term.
- The key driver of operating margin is the leverage from the l-f-l growth. Footfall can be driven by weather trends – if weather is not accommodative, people do not visit the high street as much so this can be a meaningful headwind for Greggs.
- The Visa Expenditure Index has highlighted increased consumer spending due to factors that are well known – an improvement in disposable incomes and lower energy prices. Of note is that the strongest spending in January 2015 is in Hotels, Restaurants & Bars (+9.7% yoy) and Food & Drink (+4.9% yoy) and the resilience of the high street in these figures, which should bode well for Greggs.
- Structural changes in the cost base. Last year, the company realised some benefits (£2.9m) earlier than anticipated. These structural benefits are set to yield £6m at an annualised rate this year, and alongside the investment in processes & systems programme (£5m of savings anticipated for 2015) are positive for margins. Any further efficiencies would be well received by the market.

Exhibit 20: Financial summary

£m	2009	2010	2011	2012	2013	2014e	2015e	2016e	2017e
31-December	IFRS	IFRS	IFRS	IFRS	IFRS	IFRS	IFRS	IFRS	IFRS
PROFIT & LOSS									
Revenue	658	662	701	735	762	804	835	870	906
EBITDA (adjusted)	77	82	85	85	67	96	103	111	117
Operating Profit (before amort. and except.)	48	52	53	51	41	58	62	66	70
Intangible Amortisation	0	0	0	0	0	0	0	0	0
Exceptionals	0	0	7	0	(8)	(3)	(1)	0	0
Other	0	0	0	0	0	0	0	0	0
Operating Profit	48	52	60	51	33	56	61	66	70
Net Interest	0	0	0	(0)	(0)	0	0	1	1
Profit Before Tax (norm)	49	53	53	51	41	58	62	66	70
Profit Before Tax (FRS 3)	49	53	61	51	33	56	61	66	70
Tax	(14)	(15)	(16)	(13)	(9)	(12)	(14)	(15)	(16)
Profit After Tax (norm)	34	38	39	38	32	46	47	51	54
Profit After Tax (FRS 3)	34	38	45	38	24	43	47	51	54
Average Number of Shares Outstanding (m)	100.8	100.3	99.0	99.6	100.4	100.5	99.5	99.5	99.5
EPS - normalised (p)	34.1	37.8	39.4	38.9	30.8	44.0	48.0	51.8	54.9
EPS - normalised and fully diluted (p)	34.0	37.3	38.8	38.3	30.5	43.4	47.3	51.0	54.1
EPS - (IFRS) (p)	34.0	37.3	44.3	39.4	23.9	36.8	46.9	51.0	54.1
Dividend per share (p)	16.6	18.2	19.3	19.5	19.5	22.0	24.0	25.9	27.4
EBITDA Margin (%)	11.7	12.4	12.1	11.5	8.8	12.0	12.4	12.7	13.0
Operating Margin (before GW and except.) (%)	7.4	7.9	7.6	7.0	5.4	7.2	7.4	7.6	7.7
BALANCE SHEET									
Fixed Assets	212	227	254	264	269	267	287	299	303
Intangible Assets	1	0	0	0	1	5	10	14	19
Tangible Assets	211	226	253	264	268	263	278	285	284
Investments	0	0	0	0	0	0	0	0	0
Current Assets	68	58	55	64	65	95	90	105	131
Stocks	12	12	14	18	15	15	16	16	17
Debtors	21	22	21	27	25	26	28	29	29
Cash	35	21	20	19	22	44	37	50	74
Other	0	3	1	0	3	10	10	10	10
Current Liabilities	(81)	(78)	(81)	(79)	(81)	(102)	(103)	(104)	(106)
Creditors	(72)	(70)	(74)	(72)	(72)	(90)	(91)	(92)	(94)
Short term borrowings	0	0	0	0	0	0	0	0	0
Long Term Liabilities	(34)	(31)	(30)	(22)	(17)	(20)	(20)	(20)	(20)
Long term borrowings	0	0	0	0	0	0	0	0	0
Other long term liabilities	(34)	(31)	(30)	(22)	(17)	(20)	(20)	(20)	(20)
Net Assets	164	176	198	227	236	240	254	280	307
CASH FLOW									
Operating Cash Flow	90	79	89	71	79	107	103	110	119
Net Interest	(0)	(0)	(0)	0	0	(0)	(0)	(1)	(1)
Tax	(15)	(16)	(14)	(13)	(13)	(11)	(14)	(15)	(16)
Capex	(30)	(45)	(63)	(46)	(48)	(44)	(60)	(55)	(50)
Acquisitions/disposals	0	0	0	0	0	0	0	0	0
Financing	1	(12)	3	4	1	(3)	(10)	0	0
Dividends	(15)	(17)	(18)	(19)	(20)	(20)	(24)	(26)	(28)
Net Cash Flow	33	(14)	(1)	(1)	3	26	(2)	18	30
Opening net debt/(cash)	2	35	(21)	(20)	(19)	(22)	(44)	(37)	(50)
HP finance leases initiated	0	0	0	0	0	0	0	0	0
Other	(0)	0	0	1	(1)	(4)	(5)	(5)	(5)
Closing net debt/(cash)	35	(21)	(20)	(19)	(22)	(44)	(37)	(50)	(74)

Source: Company data, Edison Investment Research

Edison, the investment intelligence firm, is the future of investor interaction with corporates. Our team of over 100 analysts and investment professionals work with leading companies, fund managers and investment banks worldwide to support their capital markets activity. We provide services to more than 400 retained corporate and investor clients from our offices in London, New York, Frankfurt, Sydney and Wellington. Edison is authorised and regulated by the Financial Conduct Authority (www.fsa.gov.uk/register/firmBasicDetails.do?sid=181584). Edison Investment Research (NZ) Limited (Edison NZ) is the New Zealand subsidiary of Edison. Edison NZ is registered on the New Zealand Financial Service Providers Register (FSP number 247505) and is registered to provide wholesale and/or generic financial adviser services only. Edison Investment Research Inc (Edison US) is the US subsidiary of Edison and is regulated by the Securities and Exchange Commission. Edison Investment Research Limited (Edison Aus) [46085869] is the Australian subsidiary of Edison and is not regulated by the Australian Securities and Investment Commission. Edison Germany is a branch entity of Edison Investment Research Limited [4794244]. www.edisongroup.com.

Frankfurt +49 (0)69 78 8076 960
Schumannstrasse 34b
60325 Frankfurt
Germany

London +44 (0)20 3077 5700
280 High Holborn
London, WC1V 7EE
United Kingdom

New York +1 646 653 7026
245 Park Avenue, 39th Floor
10167, New York
US

Sydney +61 (0)2 9258 1161
Level 25, Aurora Place
88 Phillip St, Sydney
NSW 2000, Australia

Wellington +64 (0)4 8948 555
Level 15, 171 Featherston St
Wellington 6011
New Zealand