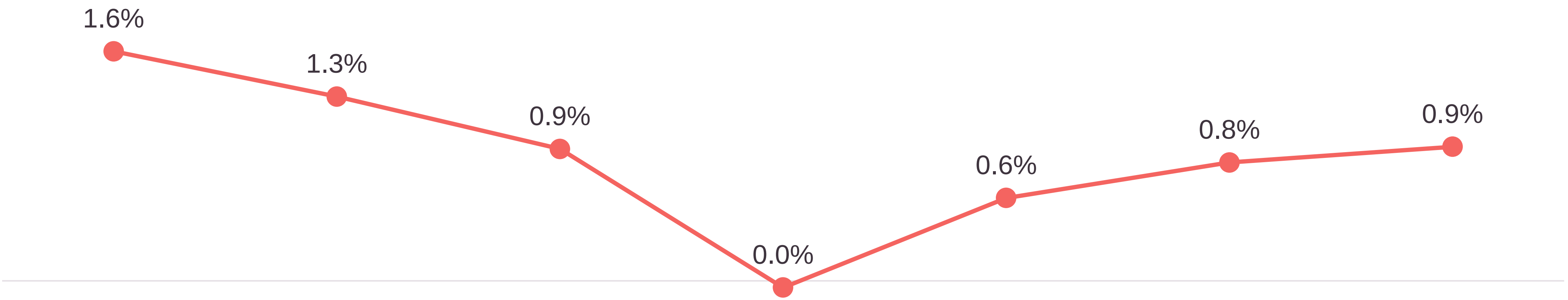
UK Food To Go Market Report 2023

February 2023

FOOD TO GO MARKET CONTINUES TO EXPAND BY OUTLETS

The UK food to go market is set to see a net increase of +1,397 sites in 2023F, led by retail segments. Leading operators in the food to go market including Greggs, Pret A Manger and McDonald's are continuing to expand outlets, targeting more drive-thru, travel hub and high street locations.

UK Food to go market outlet growth rate, with absolute outlet numbers and absolute outlet growth, 2017-2023F



2017	2018	2019	2020	2021	2022	2023F
+2,272	**+1,854**	**+1,343**	**-70**	**+851**	**+1,223**	**+1,397**
145,522	147,376	148,719	148,649	149,500	150,723	152,120

Note: Food To Go outlets defined as total outlets of Eating Out segments where FTG sales make up 10%+ of turnover, including: branded traditional and contemporary fast food, independent fast food, coffee shops, sandwich/bakery, supermarkets, c-stores, supermarket cafes and department store/garden centre cafes, roadside & MSA, airports, railway & train stations, boat/ferry cruises & ports, petrol forecourts, street food & mobile street vans, event & mobile catering & contract catering

Source: Lumina Intelligence, February 2023

EXPANDING OPERATORS ARE DIVERSIFYING ESTATES

Key trends present in brand strategies include exploring opportunities in drive-thru and travel hub sites, franchise operation models as well as technology and digitalisation.

Drive-thru & travel hub

Greggs has announced that it is exploring opening **24-hour drive-thru** sites, as evening is its fastest growing day-part. It is also trialling stores at select **supermarket locations** as well as opening a site in London's Gatwick airport.

Franchise model expansion

Co-op's franchise operation is the focus of site growth as this model is light on capital investment. The operator hopes to grow the franchise estate to 150 stores within three years.

Technology & digitalisation

Premier has started a technology drive, trialling features including **self-scan checkout** and a **QR code** for shoppers to access **promotional deals** in the place of printed leaflets.

Source: Lumina Intelligence, February 2023

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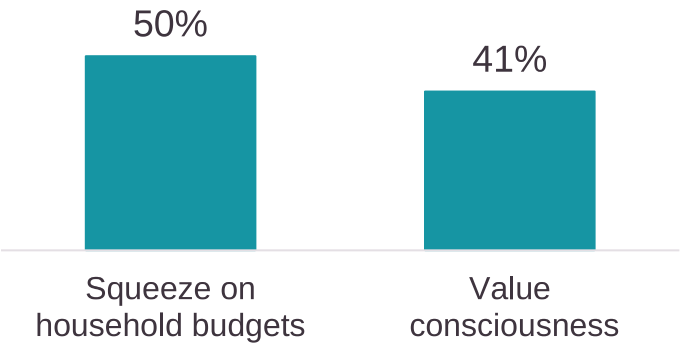
COST OF LIVING LEADS CONSUMERS TO PRIORITISE VALUE

VALUE SCRUTINY

76%
food to go consumers are
Very Value Conscious
+3ppts YoY

What are the most important long-term consumer trends impacting the F&B industry? *(Top 2)*



The cost of living crisis has led consumers to be increasingly value-conscious and prioritise cost above other credentials. A proportion of consumers are already limiting discretionary spending due to the weak economic outlook, so operators will need to ensure value is at the core of their offer to remain competitive and relevant.

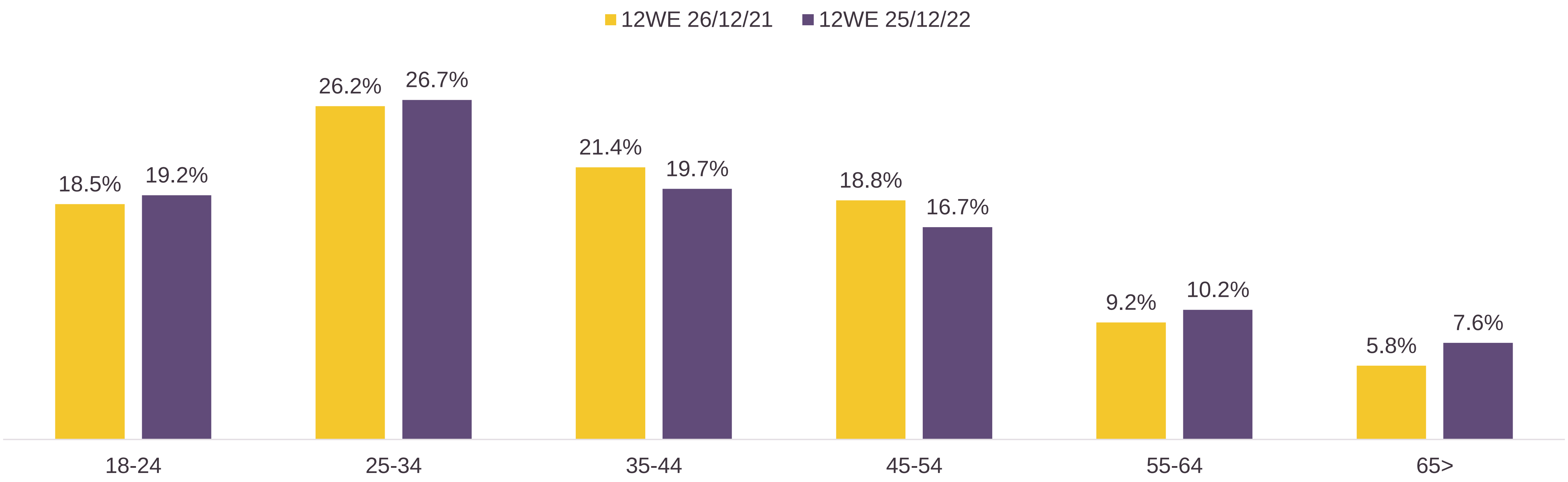
Pret a Manger is **expanding its value and range**. The new 'Made Simple' range starts at £2.99 and comes alongside the launch of a new January **meal deal offer** to help customers with the cost of living.

Leon has announced it is launching a hot food meal deal of £3.99 for a rice pot and drink **to enhance its value for money credentials.**

GREAT RESIGNATION DRIVES DECLINE IN 45-54 FTG SHARE

Consumers aged 45-54 have seen a -2.1ppt decline in food to go occasion share year-on-year, with over 50's increasingly opting to leave the workforce in what has been dubbed the 'great resignation'.

Sub-channel share of food to go occasions, by day-parts

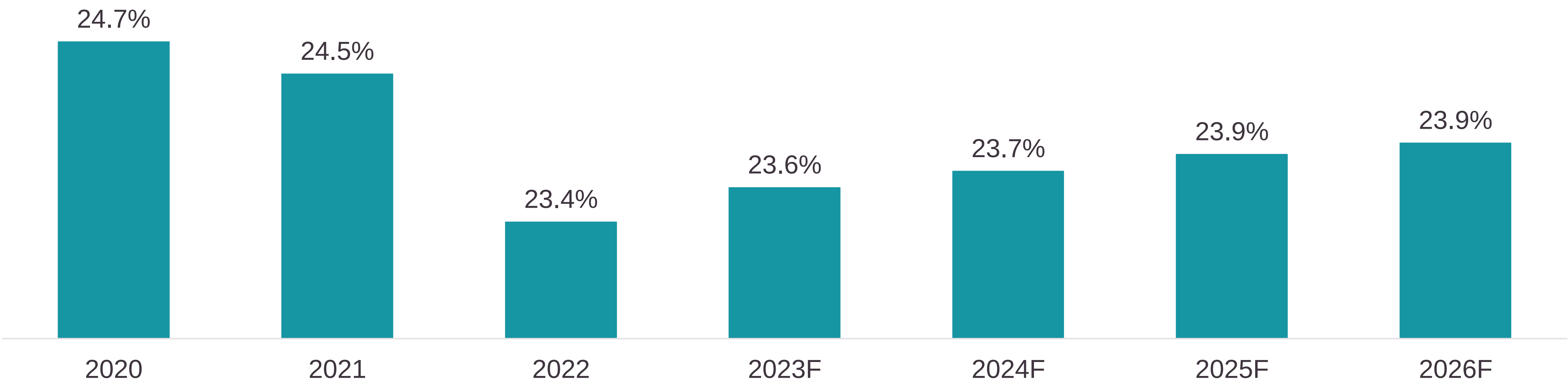


Source: Lumina Intelligence Eating and Drinking Out Panel, data collected 12WE 26/12/21 and 12WE 25/12/22

FOOD TO GO SHARE OF TOTAL MARKET EXPECTED TO GROW

Food to go expected to hold a 23.9% total market share in 2026F. The food to go market is expected to outpace growth seen in the wider eating out market fuelling share growth. Key drivers include further physical expansion of key food to go players, broadening availability across different day-parts and omnichannel propositions whilst transient lifestyles are set to endure.

Food to go market share of total eating out market, 2020-2026F



Source: Lumina Intelligence, February 2023

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