Foodservice in Europe
A €380 billion opportunity

IFSA Seminar

Trends in Foodservice

19th September 2013

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European foodservice

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The key to success is matching products, skills and competencies to the relevant opportunities

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Which European foodservice are we discussing?

Commercial
- FSR
- QSR
- Hotels
- Café/bars
- Convenience
- Leisure
- Travel
- Street

Institutional
- Workplace
- Health
- Education
- Government

Total Europe	Total EU	Euro zone	Largest markets
50 countries	27 countries 54%	17 countries 34%	5 countries 10%
€380 billion 100%	€350 billion 92%	€266 billion 70%	€254 billion 67%

The Irish market accounts for 1.2% of EU foodservice (consumer) value

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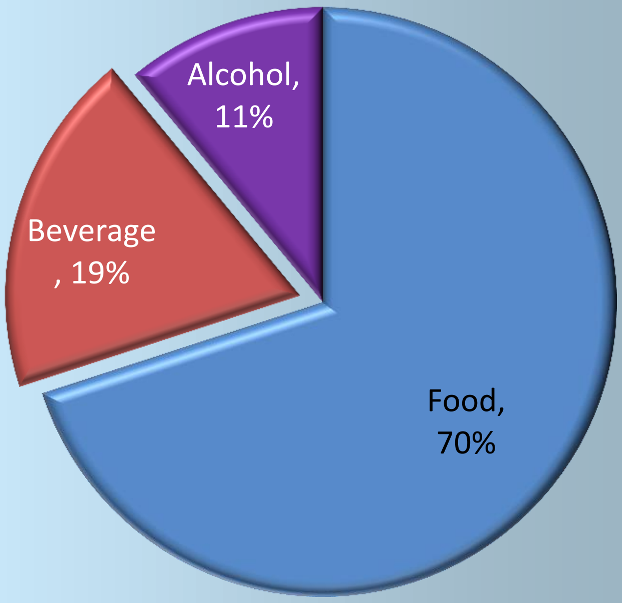
The importance of foodservice varies by country

% of food & drink spend eaten away from home

EU	**33%**
» UK	43%
» Italy	40%
» Germany	31%
Russia/East Europe	**13%**

Purchase type



But everywhere foodservice chains are growing in importance

– The top operators are growing at circa 6-7% pa in a largely static market

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European foodservice by region

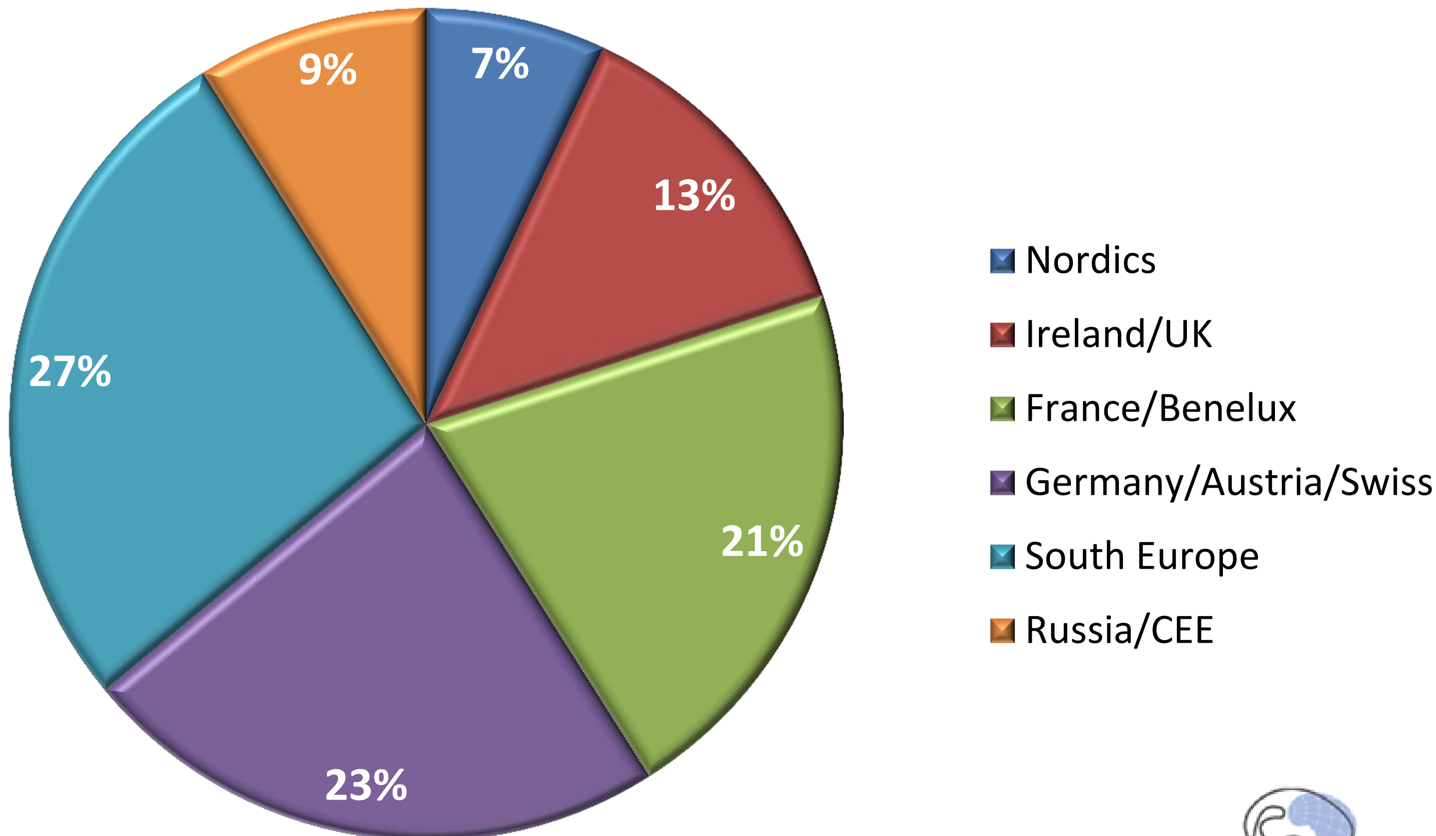
RISK Lower

Germany
Sweden
Swiss
Other Nordics
UK
France
Belgium
Netherland

S. Europe

Russia, CEE

RISK Higher



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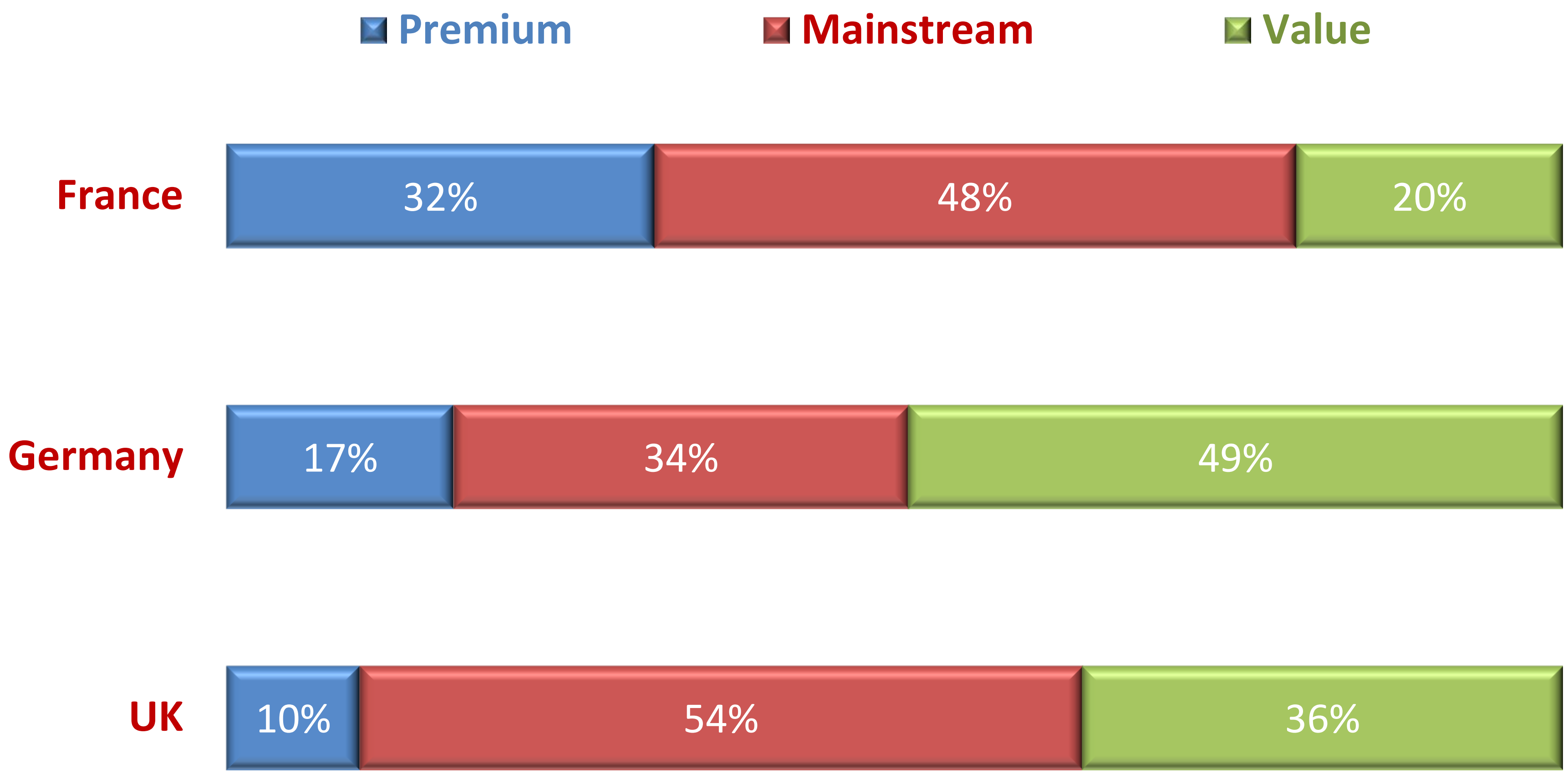
Understanding the opportunity:
Operator drivers & dynamics

Operator

Consumer motivation	Market share Ireland	Market share EU	Channels	Role of food/drink	Perception of "foodservice"	Operator need
Food & drink driven	45%	43%	FSR Cafes, bars	Food/drink is core	Core competence	Differentiation Service Quality
Convenience driven	37%	21%	QSR Petrol Stations In-Store	Second to speed & ease	Part of the system Food has to fit	Convenient solutions Consistency, simplicity, cost
Consumer activity driven	6%	12%	Hotels Leisure/Events	Food/drink an "extra"	High profit "by-product"	Service, solutions & reliability
Captive driven	11%	23%	Travel, Work Health Education Government	Food/drink a distraction	Cost	Lowest price/ acceptable quality

Foodservice segmentation differs by country



As does the key price setter

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Key trends

Today: rebuilding from the storm

- Upturn but remains bumpy
- Decline in visit frequency
- Price, discounts & deals
- Trading down has bottomed
- On the go has benefited
- Convenience has benefited
- Small treats have benefited
- Chains have outperformed the market
- Independent operators have taken a lot of the pain

Going forward: growth areas to watch

- Fast casual
- Informal eating
  - Street
  - Pop-ups
- Leisure
- Travel
- Healthcare
- Locally sourced/produced
- Ethically sourced/produced
- Look at the gaps between channels

In summary: the new foodservice realities

Across Europe:

Food has to fit in with life

- Consumer search for less formal, less structured dining
- Consumer search for excitement and fashion in food/beverages
- Search for memorable, shareable menus

Industry result

- CD is right on consumer spend, well positioned for growth
- Casualization of menus across the FSR channel
- Themed and ethnic CD concepts are the vehicle of growth

Customer requirements

- Focus on creating relaxed ambiance and 'easy cooking'; less time for food preparation and search for culinary aids
- Hot and cold beverages to enhance fun, excitement, relaxation

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