

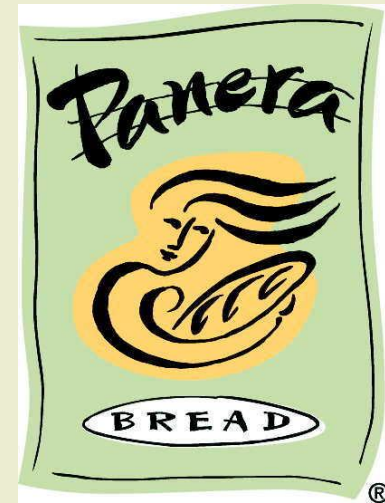
PANERA BREAD



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BUSINESS OVERVIEW

- Panera Bread was once known as the St. Louis Bread Company, but was acquired by Au Bon Pain Company in 1993.
- There are 1,504 locations as of September 2011
- CEO and founder: Ron Shaich
- 2010 Sales roughly \$3 Billion
- Food: So good.
- Current Stock Price: \$141



BUSINESS DESCRIPTION

- “Bread is our passion, soul and expertise”.
- Panera bread is A nationally baked Cafe



Panera Bread prides itself on freshly baked foods. It is best known for its soothing soups, freshly tossed salads, mouth watering sandwiches, and of course, fresh dough-rising breads.

SWOT ANALYSIS

Strengths

- Panera Bread Bakery Cafes are soothing and cozy that allows to build a deeper relationship with the customer
- “Our goal is to be the first choice those customers craving soup, salad or a sandwich
- The focus strategy has helped Panera bread increased its EBIT by 21% from 2009 to 2010
- Freshly baked revenues everyday



WEAKNESS

- Higher priced food may cause consumers to substitute to Lower quality food item
- Changes in consumer taste and preferences will lead to restaurants offering more nutritious items.
- No 24 hour drive through window



OPPORTUNITIES.

- My Panera Loyalty program introduced in 2010 customer earn rewards
- Fortune Magazine named Panera Bread in “ 100 fastest growing companies”.



THREATS

- Competition for specialty food and casual
- Changes in consumer taste and preferences will lead to restaurants offering more healthy items
- Barriers of entry and exit in the restaurant industry are low.

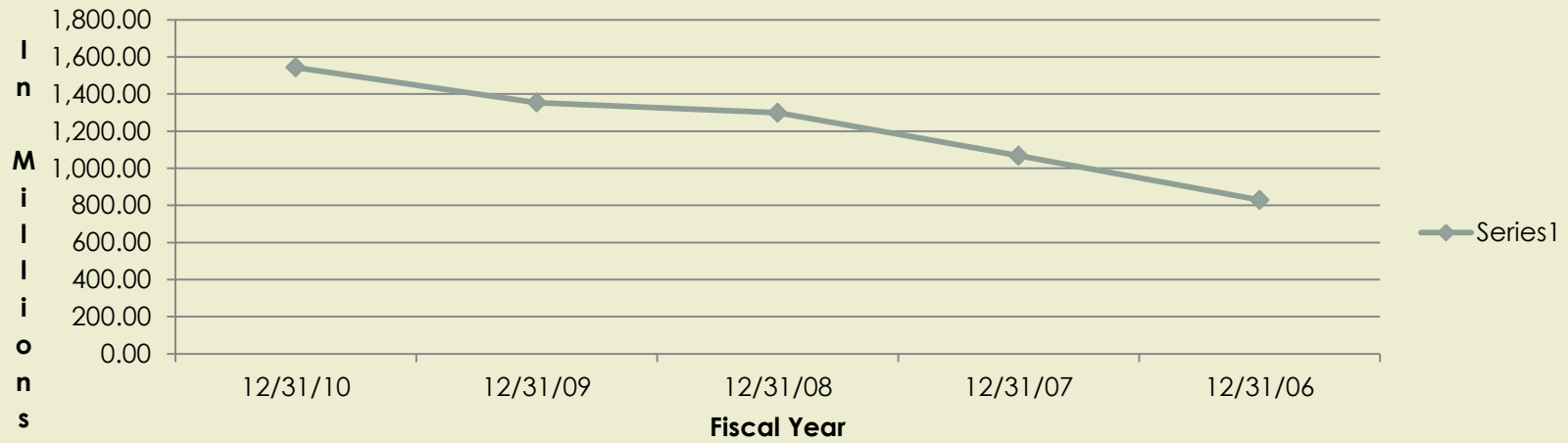


FINANCIAL ANALYSIS

- Profitability ratios
- Liquidity ratios
- Efficiency ratios

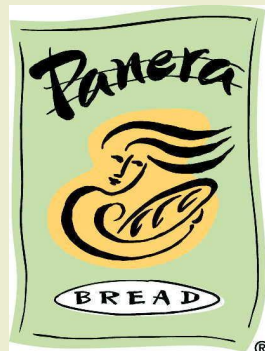


Net Sales

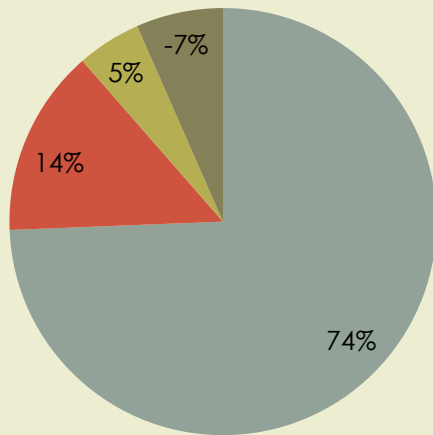


Years	2006	2007	2008	2009	2010	TTM
Sales revenue	\$ 828,971	29% \$ 1,066,691	22% \$ 1,298,853	4% \$ 1,353,494	14% \$ 1,542,489	14% \$ 1,754,428

Revenues in 000's



Revenues by Operations in 2010

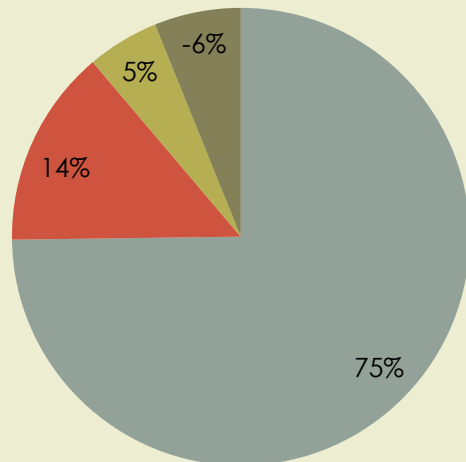


- Company Bakery-Cafe Operations
- Fresh Dough Operations
- Franchise Operations
- Intercompany Sales Eliminations

Company Bakery-Cafe Operations	1,321.16
Fresh Dough Operations	252.05
Franchise Operations	86.2
Intercompany Sales Eliminations	-116.91
Total Revenues	1,542.50

In Millions

Revenues by Operations in 2009

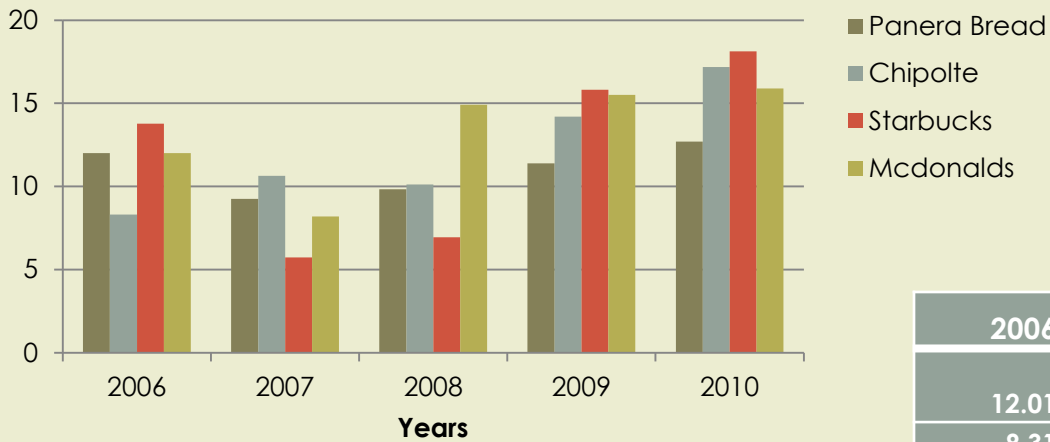


- Company Bakery-Cafe Operations
- Fresh Dough Operations
- Franchise Operations
- Intercompany Sales Eliminations

Company Bakery-Cafe Operations	1,153.26
Fresh Dough Operations	216.12
Franchise Operations	78.37
Intercompany Sales Eliminations	-94.24
Total Revenues	1,353.51

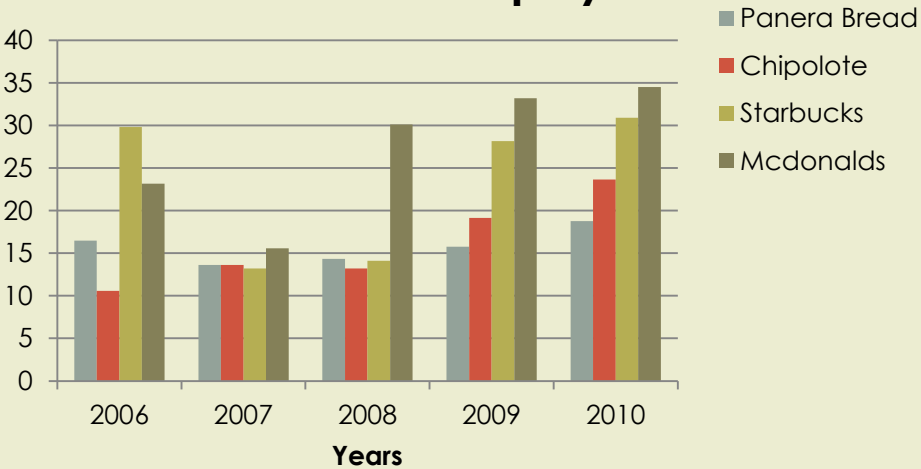
In Millions

Return On Assets



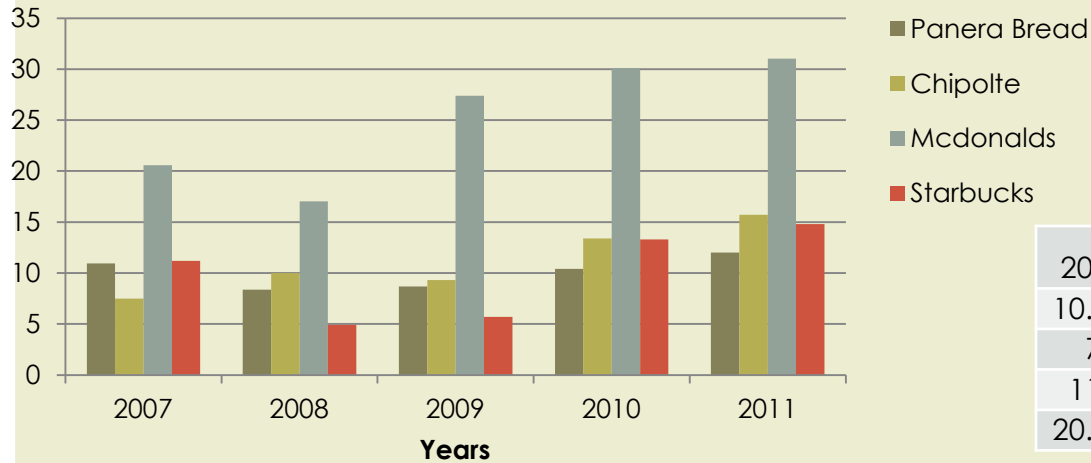
2006	2007	2008	2009	2010	
12.01	9.26	9.83	11.39	12.7	Panera Bread
8.31	10.64	10.11	14.2	17.18	Chipotle
13.77	5.73	6.95	15.81	18.12	Starbucks
12.01	8.2	14.91	15.1	15.9	McDonalds

Return On equity



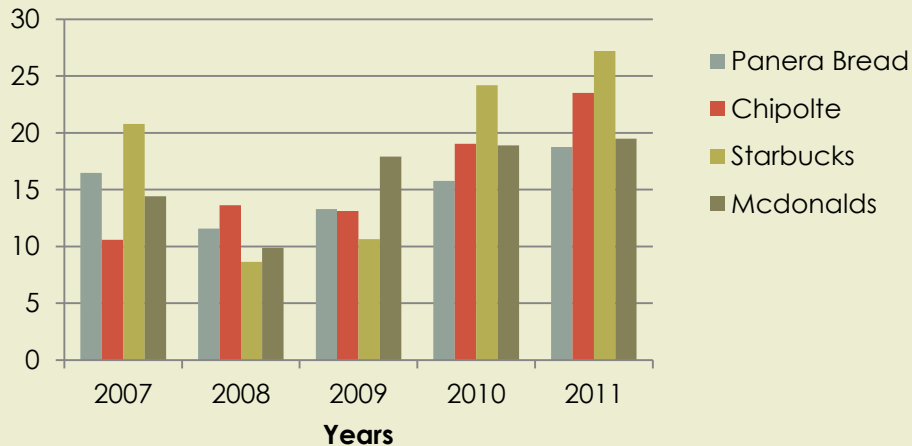
2006	2007	2008	2009	2010	
16.47	13.62	14.33	15.76	18.76	Panera Bread
10.58	13.62	13.2	19.13	23.64	Chipotle
29.81	13.21	14.12	28.14	30.91	Starbucks
23.16	15.58	30.1	33.2	34.51	McDonald's

Operating profit margin



2007	2008	2009	2010	2011	
10.95	8.37	8.68	10.41	12	Panera Bread
7.5	10	9.3	13.4	15.7	Chipotle
11.2	4.9	5.7	13.3	14.8	Starbucks
20.59	17.02	27.39	30.08	31.04	McDonalds

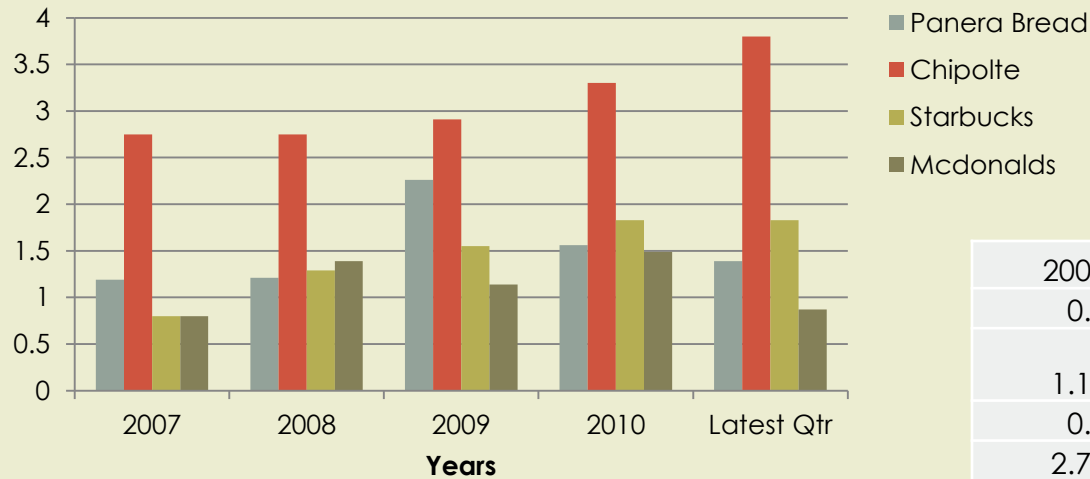
Return on Invested Capital



2007	2008	2009	2010	2011	
10.47	11.56	13.27	15.76	18.76	Panera Bread
10.57	13.62	13.11	19.02	23.52	McDonalds
20.77	8.64	10.63	24.19	27.2	Starbucks
14.41	9.88	17.9	18.88	19.49	Chipotle

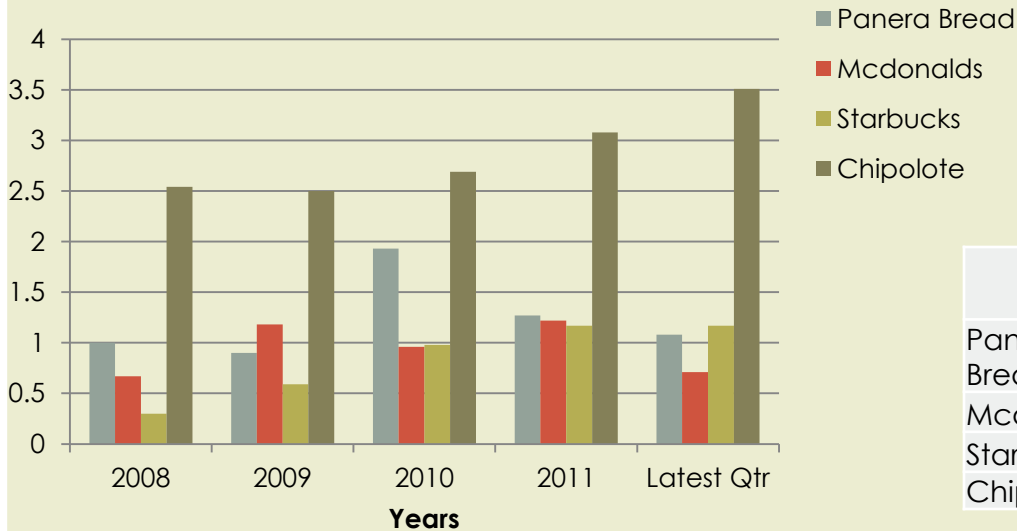
	ROIC	WACC	EVA spread	EVA
PNRA	20.16	10.25	9.91	64.06
MCD	19.9	6.89	13.01	3688.69
PNRA	20.57	11.03	9.54	102.1
SBUX	25.13	10.40%	14.73	688.4

Current Ratio



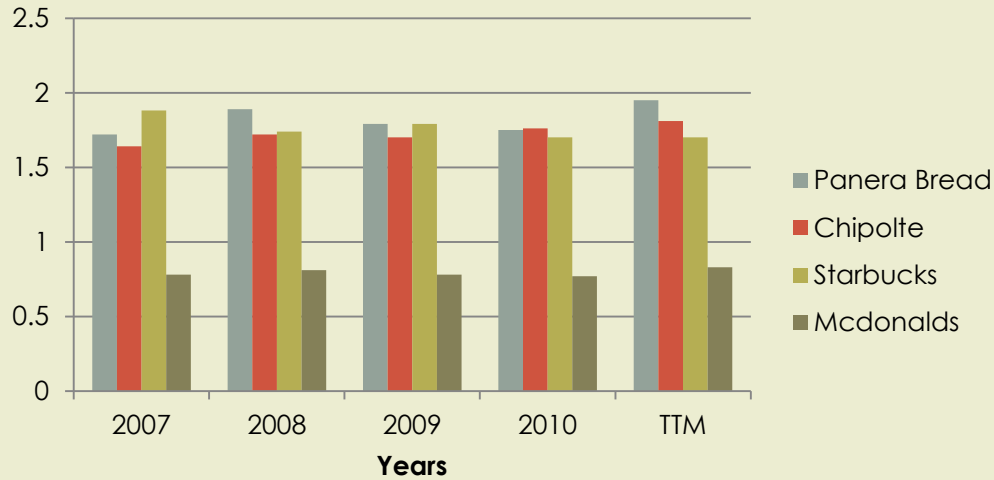
	2007	2008	2009	2010	Latest Qtr
Mcdonalds	0.8	1.39	1.14	1.49	0.87
Panera Bread	1.19	1.21	2.26	1.56	1.39
Starbucks	0.8	1.29	1.55	1.83	1.83
Chipotle	2.75	2.75	2.91	3.3	3.8

Quick ratio



	2008	2009	2010	2011	Latest Qtr
Panera Bread	1	0.9	1.93	1.27	1.08
Mcdonalds	0.67	1.18	0.96	1.22	0.71
Starbucks	0.3	0.59	0.98	1.17	1.17
Chipotle	2.54	2.5	2.69	3.08	3.51

Asset Turnover



2007	2008	2009	2010	TTM	
0.78	0.81	0.78	0.77	0.83	MCD
1.64	1.72	1.7	1.76	1.81	CMG
1.88	1.74	1.79	1.7	1.7	SBUX
1.72	1.89	1.79	1.75	1.95	PNRA

Inventory Turnover



2007	2008	2009	2010	TTM	
215.19	229.15	219.15	211.85	200.29	CMG
83.77	88.31	87.39	88.81	98.51	PNRA
12.12	6.37	7.38	6.56	6.56	SBUX
108.5	125.7	128.18	133.62	145.93	MCD

RECOMMENDATION

- Panera Bread has great revenue and cash flow streams; healthy and efficient ratios.
- It's growth is on the verge of maturity. It's large margin years are possibly coming to an end. There is a lot of uncertainty in this volatile market.
- We are putting forth a recommendation for current shareholders to hold. Watch and see what the market and PNRA do. We are confident a steady growth will occur, but it is too expensive to jump on the wagon.

BYE

