NIELSEN TOTAL TILL

4 WEEKS ENDING 28th December 2019

Retailer & Business Insights Team
9th January 2020

WEAK DEMAND AND INTENSE COMPETITION CONTRIBUTED TO THE LOWEST SUPERMARKET GROWTH FOR 5 YEARS

- Total Till value growths for the 4 weeks to 28th December were disappointing at **+0.5%** and over the 12 weeks were just **+0.7%**.

- The Grocery Multiples, were not able to `catch up` or recover the lost sales from the end of October with sales falling **-0.7%** (value) and **-1.3%** (unit) in the key 4 week trading period.

- With early December sales also failing to match last year, retailers were forced to make significant price cuts in fresh foods in the last week before Christmas which had a major impact on category growths, and gross margins may well have been challenged.

- The impact was that over the 2 weeks to 28th December when sales reached their `peak` at £6.2b, growths were still lower than Christmas 2018 at **-0.2%** (value) and **-1.0%** (unit). (Scantrack).

- Food inflation remained steady at 1.4% in December (BRC- Nielsen SPI) and below the 12 month average of 1.7% which also took the edge off topline growths.

- 2019 was also a multi-channel Christmas with Discounters growing sales by **+9%**, On Line by **5%** and Value Retailers (slowing to) **+2.4%** (Nielsen Homescan FMCG, 12 weeks to 28/12/2019).

Source: Nielsen Total Till, Nielsen Scantrack, Nielsen Homescan

A DISAPPOINTING END TO A DISAPPOINTING YEAR ..

- With food shopping the focus in December, there were better growths for the major Supermarkets in **Confectionery (+2.2%)** and **Soft Drinks (+2.4%)** with a late surge in spend**. BWS sales were flat** however and price cutting contributed to a fall in Produce sales (**-1.4%**) and Meat/Fish/Poultry (-**1.5%**)**.**

- Sustainability, Convenience and Health remedies all remained top of mind during the peak Christmas trading period as shoppers fended off coughs and colds with sales of Children's Remedies **+25%**, Throatcare **+25%** and Adult Analgesics **+19%**; Waterbottles remained popular throughout the season with sales **+36%**, Noodles also saw growth **+7%** and Pasta and Chilled Soup both grew **+5%**.

- Stationery categories also performed well with Paper/Pads/Envelopes +21%, Calendars +17%, Books +16% whilst Christmas Tinsel and Chestnuts also proved popular both growing +15%.

- Whilst promotional spend increased slightly to 27% of sales, this Christmas shoppers were more considered in what they purchased. Whilst they visited food stores more often (+3%), they put fewer items in the basket and also spent a little less each time they shopped (-1.7%).

Source: Nielsen Scantrack Grocery Multiples

SAINSBURY'S WERE THE BEST OF THE TOP 4, WHILST CO-OP TOPPED THE SUPERMARKETS

- **Sainsbury were the only top 4 retailer to grow sales in the last 4 weeks** (**+0.5%**) **with more visits and an increase in shoppers choosing Sainsbury compared to last Christmas.** Sainsbury were also the `best` of the top4 over 12 weeks despite having a fall in sales of **-0.4%**. This compensated for a fall in average basket spend. The number of Argos stores inside Sainsbury's is now a competitive advantage.

- **Tesco (-0.5%)** used vouchers throughout December and this may have helped maintain penetration but like peer group, suffered from a fall in spend per visit (-1%).

- However in comparison **Asda (-1.7%)** and **Morrison's (-2%)** both had a more disappointing December**.**

- There was a good performance from **Coop (+2.7%)** who outperformed the wider Convenience channel where sales were flat, explained by penetration, frequency and spend per visit which all increased.

Source: Nielsen Total Till

BUT IT WAS ALDI WHO WON CHRISTMAS OVERALL

- **Aldi (sales +8.5%) were the winner this Christmas** with **Lidl (+6.7%) a close second**. Over 12 weeks the positions were reversed suggesting that Aldi had a stronger end to the year than Lidl.

- **Aldi attracted 1 million additional shoppers** in the final 4 weeks **compared to Lidl's 685k** and **performed better in BWS and Meat, Fish & Poultry** which will help explain how Aldi maintained their higher average basket spend compared to Lidl.

- **Iceland** sales were cool at **+1.9%** driven by the Food Warehouse format which is now close to 100 shops.

- Sales fell at **M&S (-1.4%)** with M&S (perhaps surprisingly) losing shoppers and sales also fell at Waitrose **(-1.7%)**. Whilst Waitrose comparatives are impacted by selling 5 stores in the summer, visits were up significantly in December albeit this was not translated in to a bigger basket spend.

Source: Nielsen Total Till

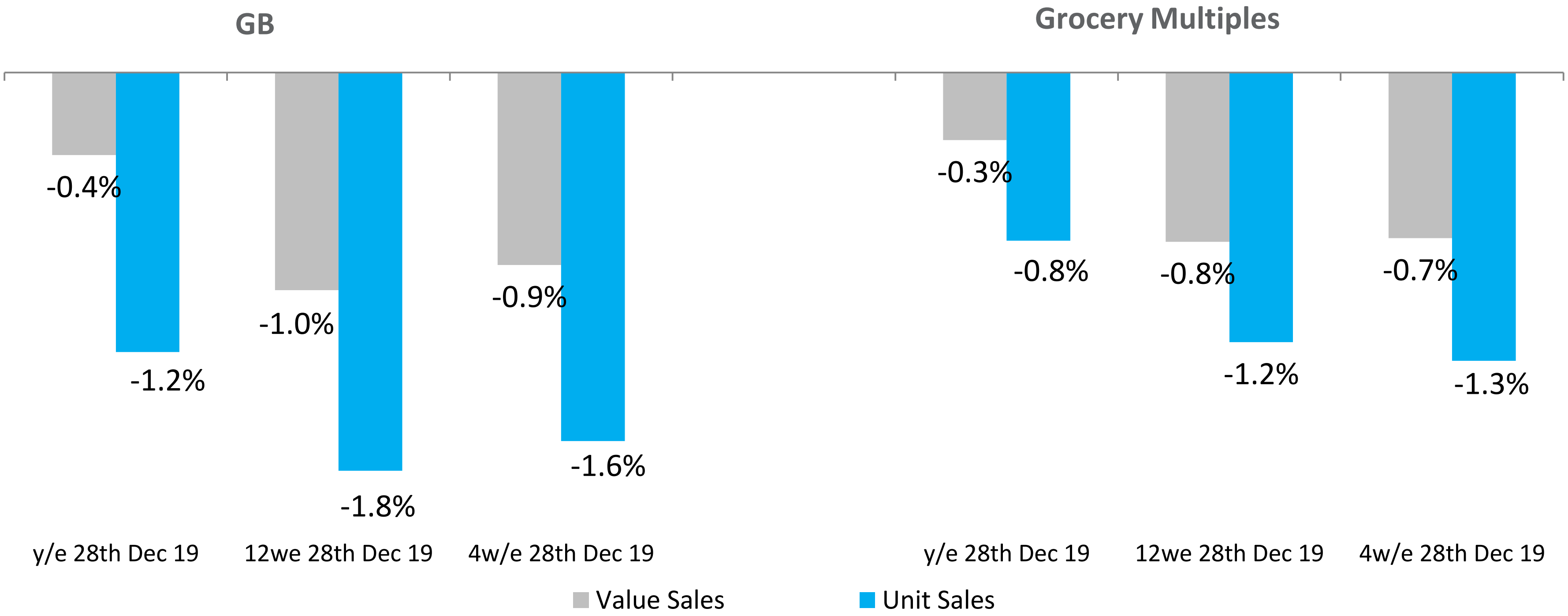
WITH CHRISTMAS THE MAIN THEME OF MEDIA CAMPAIGNS, RETAILERS DIFFERENTIATED THROUGH VALUE, LOCAL COMMUNITIES AND CAUSES, SHOWSTOPPERS AND TREATS. FUEL SAVINGS WERE ALSO ON OFFER WITH SOME RETAILERS.

- **Aldi's** popular 'Kevin the Carrot' stole the show and was voted best value dinner at £25 for 8 people, by Good Housekeeping.
- **M&S** 'Food Market' continued their deluxe theme with a 'Sticky Toffee Pudding' only available at M&S retailing at £10.
- **Sainsbury's** incentivised shoppers to trade up with money off at the till and targeted nectar vouchers as well as 6p off a litre of fuel for shoppers spending £60 per visit.
- **Tesco** continued their 100 year 'time travelling ad delivering Christmas'.
- **ASDA** supported 25,000 local community groups throughout the year, with the strapline making Christmas Extra Special for Everyone.
- **Co-op** supported local causes through their membership scheme which donates money if shoppers purchase certain products.
- **Morrisons** also offered shoppers spending £60, 6p off a litre of fuel.

Source: Nielsen AdDynamix

VALUE GROWTHS IMPROVED SLIGHTLY BUT SHOPPERS SPENT LESS IN THE GROCERY MULTIPLES AT CHRISTMAS IN 2019

Year on year growths



Source: Nielsen Scantrack Total Store Read

SALES REMAINED SUBDUED ACROSS THE INDUSTRY WITH ONLY THE DISCOUNTERS SEEING STRONGER GROWTH, INDICATING SHOPPERS WERE CONSIDERED IN THEIR PURCHASING THIS XMAS

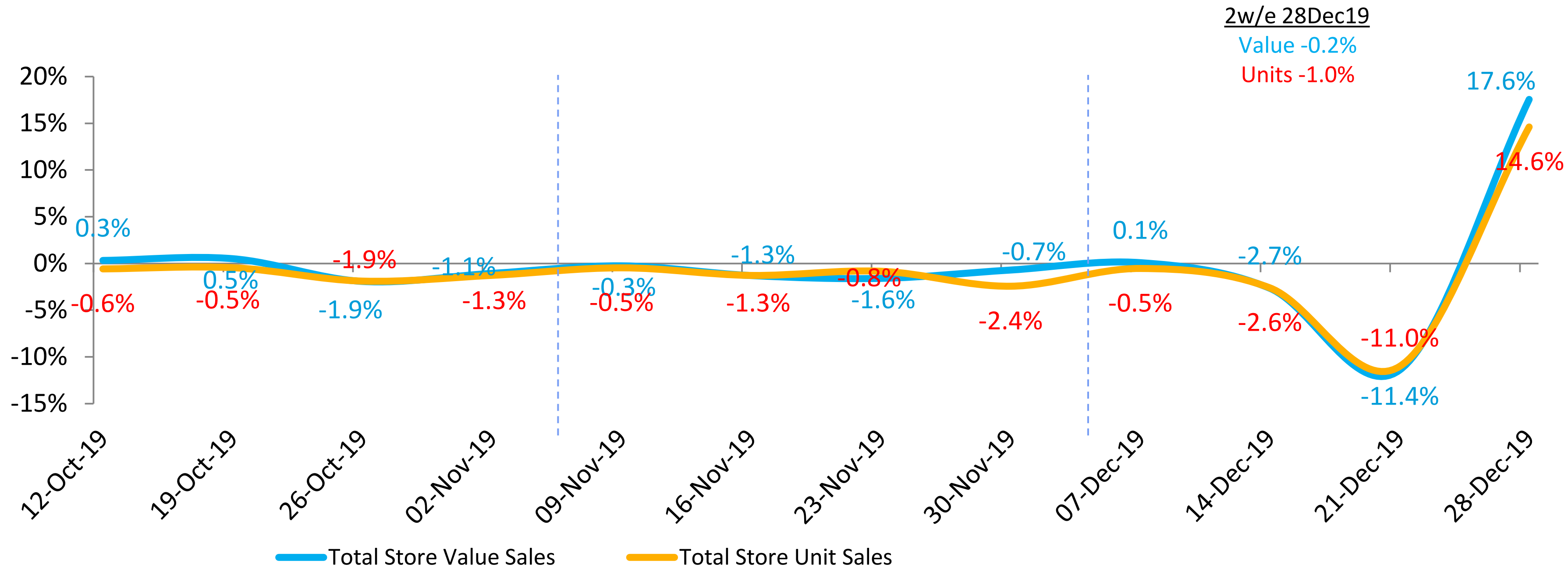
TOTAL MARKET (incl. Discounters)	GROCERY MULTIPLES (incl C stores)	ONLINE	DISCOUNTERS (ALDI AND LIDL)	VALUE RETAILERS	CONVENIENCE STORES
+0.7%	-0.8%	+4.6%	+8.8%	+2.4%	-0.2%
(Total Till)	(Scantrack)	(Homescan*)	(Total Till)	(Homescan*)	(Scantrack)
SHARE OF GB		7%	15%	4%	25%

*FMCG

Source: Nielsen 12 weeks ending 28th December 2019

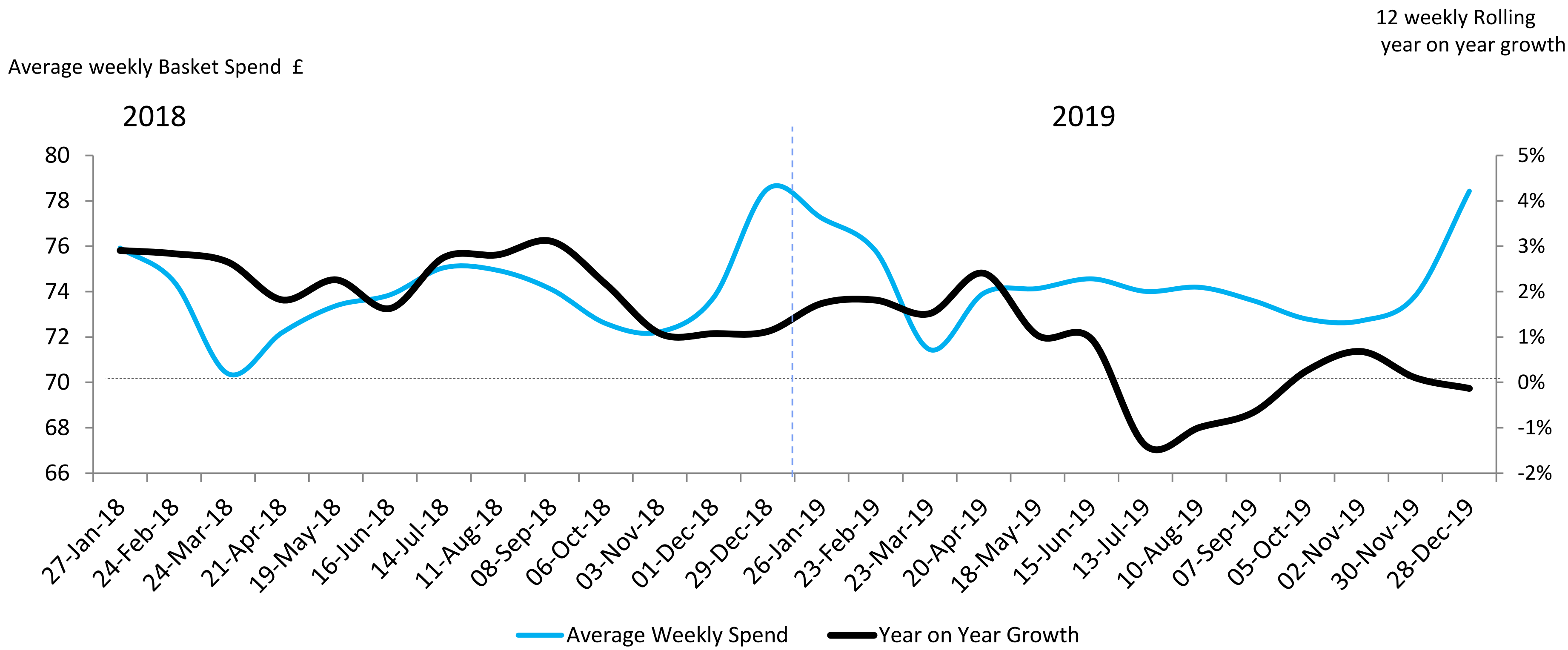
SALES DID RALLY IN THE FINAL WEEK OF 2019 BUT NOT ENOUGH TO OFFSET THE SHORTFALL IN THE WEEKS PRECEEDING XMAS. OVERALL SHOPPERS SPENT LESS IN THE FINAL 2 WEEKS

Weekly Year on Year Sales Growth Latest 12 weeks



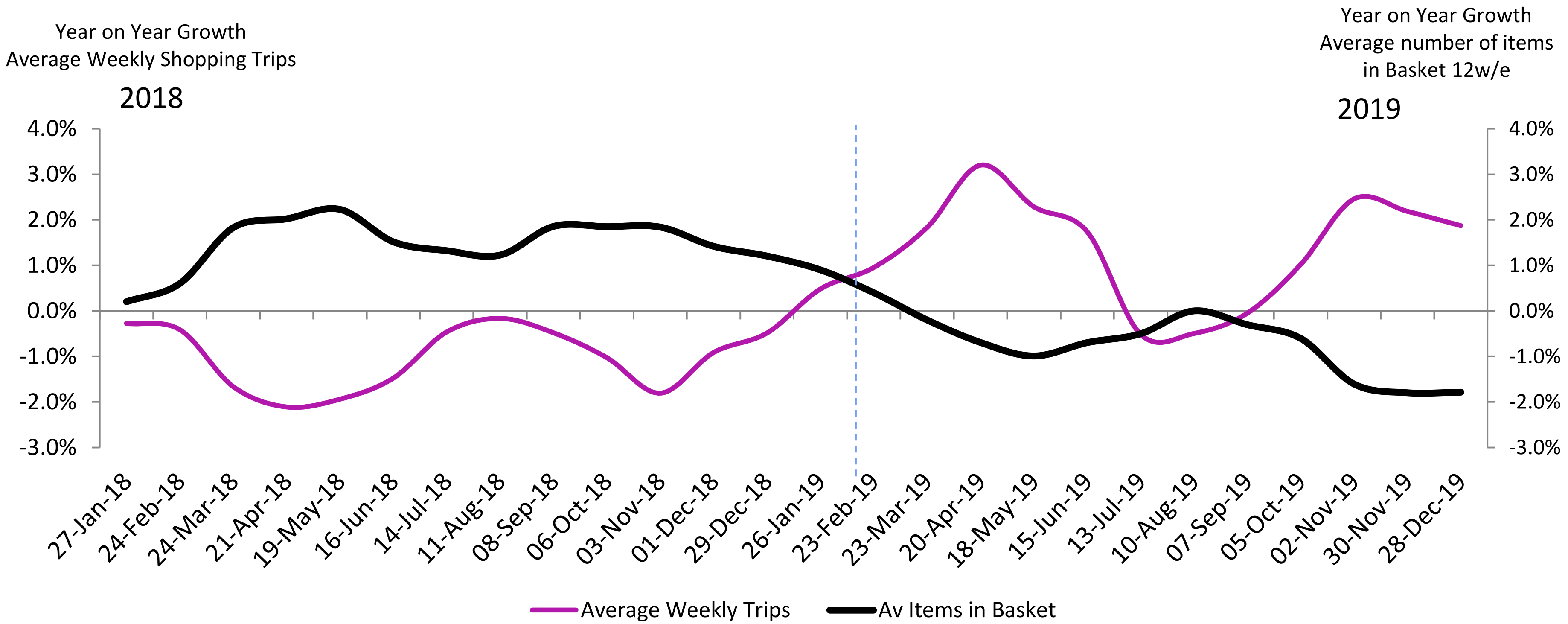
Source: Nielsen Scantrack Grocery Multiples

SHOPPERS REMAINED CAUTIOUS IN THEIR SPENDING, WHILST THEY DID SPEND MORE OVER CHRISTMAS, SPEND OVERALL WAS LOWER THAN LAST YEAR



Source: Nielsen Homescan Total GB 12 week ending

THE MACRO TREND OF SHOPPING MORE OFTEN AND BUYING FEWER ITEMS CONTINUED AS MORE SHOPPERS DO THEIR 'REGULAR SHOP' AT THE DISCOUNTERS AND ONLINE BUT TOP UP ELSEWHERE



Source: Nielsen Homescan Total GB 12 week ending

SHOPPERS TRIMMED THEIR SPEND ON MEAT/FISH & POULTRY, BWS AND GENERAL MERCHANDISE. SOFT DRINKS HAD THE BEST GROWTH, FOLLOWED BY CONFECTIONERY

Grocery Multiples Value Sales Growth	y/e 28DEC19	12w/e 28DEC19	4w/e 29DEC18	4w/e 07SEP19	4w/e 05OCT19	4w/e 02NOV19	4w/e 30NOV19	4w/e 28DEC19
Bakery	2.0%	1.1%	1.4%	1.8%	1.1%	2.0%	0.9%	0.5%
BWS	0.4%	-0.5%	3.7%	3.3%	1.2%	0.4%	-1.7%	-0.1%
Confectionery	3.6%	1.3%	5.5%	1.5%	1.4%	0.8%	0.5%	2.2%
Crisps & Snacks	3.3%	1.2%	5.3%	3.0%	2.3%	1.6%	1.3%	0.8%
Dairy	-0.5%	-0.9%	-0.6%	-1.0%	-0.4%	-1.0%	-0.8%	-1.0%
Delicatessen	-0.2%	0.7%	-0.7%	1.4%	0.2%	0.5%	0.7%	0.8%
Frozen	0.1%	-0.4%	0.4%	4.3%	1.9%	0.4%	-0.7%	-0.7%
General Merchandise	-4.2%	-3.8%	-2.1%	-5.2%	-4.7%	-3.3%	-3.6%	-4.2%
Health & Beauty inc Baby	-1.5%	-1.3%	-2.1%	0.1%	-0.8%	-1.1%	-1.2%	-1.5%
Household	-0.7%	-1.9%	1.0%	-0.8%	-1.1%	-1.6%	-2.1%	-2.0%
Meat Fish & Poultry	-2.8%	-2.0%	-3.4%	-2.3%	-3.4%	-2.4%	-2.2%	-1.5%
Packaged Grocery	0.9%	0.3%	-1.0%	-0.6%	0.5%	0.1%	-0.1%	0.8%
Pet & Petcare	0.9%	1.4%	-0.1%	0.0%	0.3%	0.9%	1.6%	1.6%
Produce	0.0%	-1.1%	0.6%	1.8%	0.6%	-1.1%	-0.9%	-1.4%
Soft Drinks	0.8%	0.9%	5.8%	5.1%	2.7%	-1.0%	1.0%	2.4%
Tobacco	1.4%	-0.6%	5.2%	3.2%	2.0%	1.0%	-1.4%	-1.5%
Total Store Read	**-0.3%**	**-0.8%**	**0.5%**	**0.5%**	**-0.2%**	**-0.6%**	**-1.0%**	**-0.7%**
TSR excluding General Merchandise & Tobacco	**0.0%**	**-0.4%**	**0.7%**	**1.0%**	**0.2%**	**-0.3%**	**-0.6%**	**-0.2%**

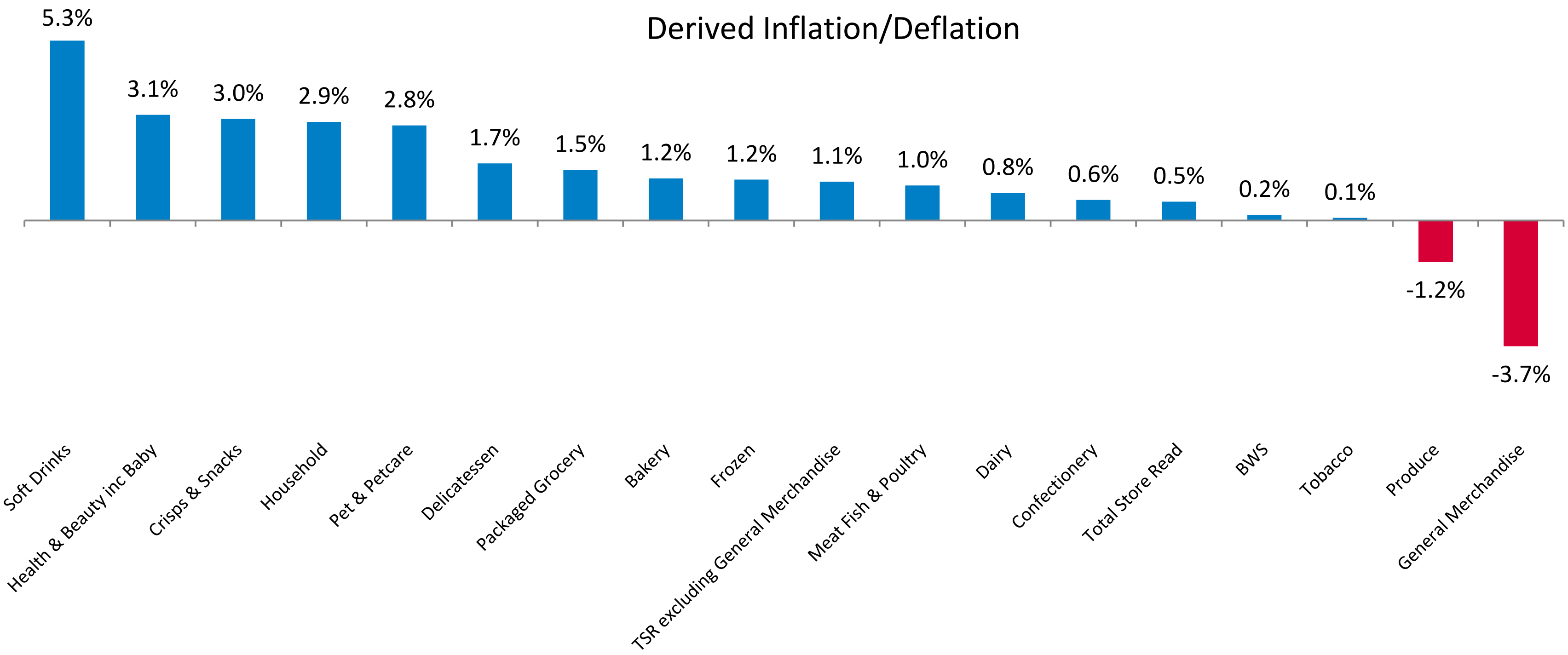
Source: Nielsen Scantrack Total Store Read Grocery Multiples

UNITS REMAIN WEAK, WITH HEALTH/BEAUTY AND HOUSEHOLD HIT HARDEST, CONFECTIONERY WAS THE ONLY CATEGORY TO SEE GROWTH THIS CHRISTMAS

Grocery Multiples Units Sales Growth	y/e 28DEC19	12w/e 28DEC19	4w/e 29DEC18	4w/e 07SEP19	4w/e 05OCT19	4w/e 02NOV19	4w/e 30NOV19	4w/e 28DEC19
Bakery	-0.6%	-0.8%	-0.5%	-0.5%	-1.3%	-0.4%	-1.3%	-0.8%
BWS	-0.7%	-0.8%	1.5%	3.8%	1.3%	-0.4%	-2.0%	-0.3%
Confectionery	2.3%	-0.3%	4.5%	-1.4%	-0.3%	-1.9%	-0.9%	1.6%
Crisps & Snacks	0.4%	-1.2%	5.3%	-0.9%	0.6%	0.0%	-1.3%	-2.1%
Dairy	-1.2%	-1.7%	-0.5%	-1.7%	-0.6%	-1.7%	-1.7%	-1.8%
Delicatessen	-1.0%	-0.8%	-0.1%	0.3%	-0.7%	-0.8%	-0.7%	-0.9%
Frozen	-1.0%	-1.1%	-0.1%	3.1%	0.2%	-0.3%	-1.1%	-1.9%
General Merchandise	0.6%	0.9%	-2.2%	1.1%	2.1%	2.3%	1.4%	-0.5%
Health & Beauty inc Baby	-3.4%	-4.0%	-1.6%	-3.4%	-3.5%	-3.7%	-3.5%	-4.6%
Household	-3.0%	-4.7%	-1.5%	-4.4%	-3.8%	-4.4%	-4.7%	-4.9%
Meat Fish & Poultry	-2.1%	-2.1%	-0.5%	-1.5%	-3.0%	-1.6%	-2.0%	-2.5%
Packaged Grocery	-0.1%	-1.2%	-1.9%	-3.4%	-0.9%	-1.3%	-1.6%	-0.7%
Pet & Petcare	-1.4%	-1.2%	-3.4%	-2.2%	-2.2%	-1.2%	-1.4%	-1.1%
Produce	0.0%	0.6%	-0.1%	2.0%	1.2%	0.9%	1.0%	-0.1%
Soft Drinks	-2.2%	-3.4%	2.5%	3.1%	0.0%	-3.8%	-3.6%	-2.9%
Tobacco	-3.0%	-1.9%	0.0%	-2.9%	-2.5%	-2.4%	-1.7%	-1.6%
Total Store Read	**-0.8%**	**-1.2%**	**-0.1%**	**-0.5%**	**-0.6%**	**-1.1%**	**-1.3%**	**-1.3%**
TSR excluding General Merchandise & Tobacco	**-0.8%**	**-1.3%**	**0.0%**	**-0.6%**	**-0.7%**	**-1.2%**	**-1.4%**	**-1.3%**

Source: Nielsen Scantrack Total Store Read Grocery Multiples

WITH SHOPPERS BUYING FEWER PACKS, VALUE GROWTHS ARE EXCEEDING UNIT GROWTH ACROSS MOST CATEGORIES



Source: Nielsen Scantrack Grocery Multiples, 4we 28th December 2019

* TSR Excludes General Merchandise & Tobacco

- Derived Inflation: Difference between Value Sales growth and Unit Sales growth

SHOPPERS SPENT MORE ON SUSTAINABILITY, CONVENIENCE AND HEALTH AS WELL AS GIFTS, TREATS AND DECORATIONS FOR THE MAIN EVENT, THIS CHRISTMAS

Re-usable Shopping Bags +141%
Water Bottles +36%
Gardening (inc Pots/Containers & Compost) +32%
Frozen Meat Sub +8%
Plastic Food/Household Storage +5%

Fresh Noodles +7%
Ambient Noodles +7%
Pasta +5%
Savoury Sprds/Pastes +5%
Chilled Soup +5%
Rice Cakes +4%
Frozen Sav Prods +4%
Frozen Dough/Pastry +4%
Treated/Prep Fresh Meat Products +4%
Sushi +3%

Children’s Medicine +25%
Throat Care +22%
Adult Analgesics +19%
Cough, Cold & Flu +10%
Hayfever +10%
Suncare +7%
Women’s Health +6%
VMS & Dietary Health +5%
Treatment Skincare +3%

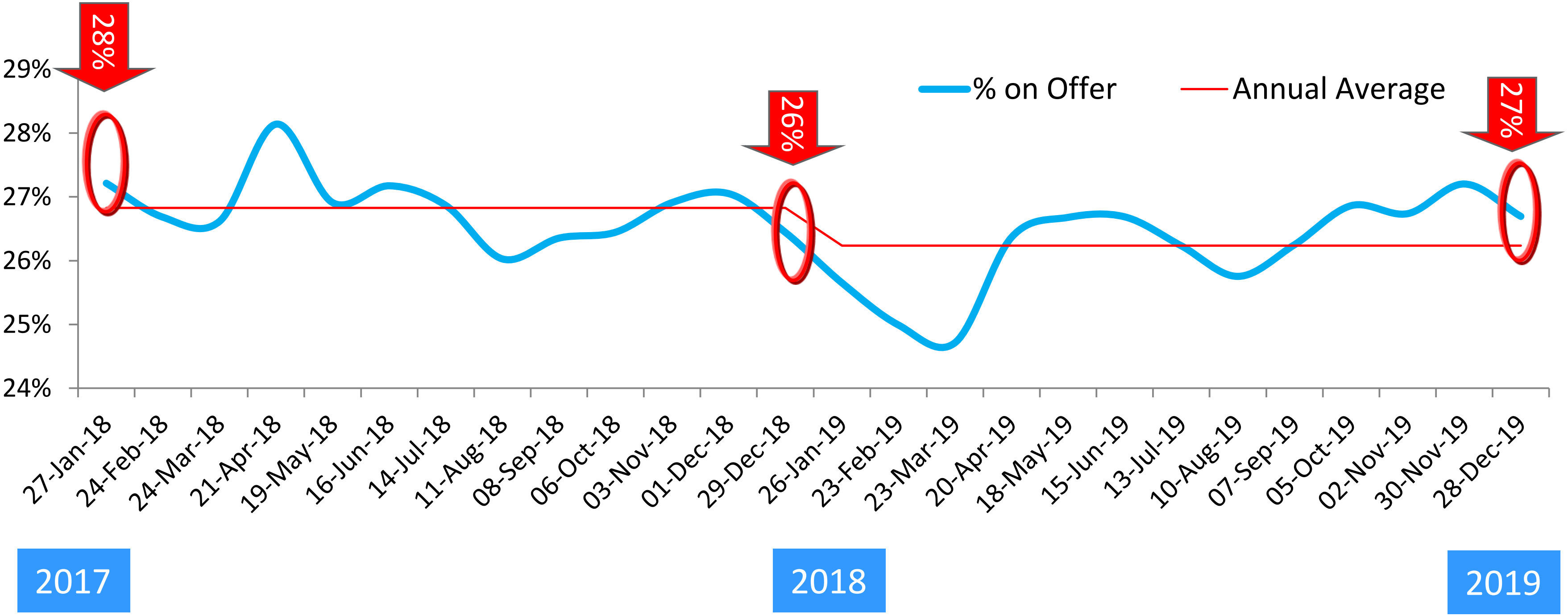
Paper/Pads/Envelopes +21%
Deep Fat Fryer +21%
Gift Cards +17%
Calendars +17%
Books +16%
Xmas Tinsel +15%
Chestnuts +15%
Amb Asian Accom +11%
Frz Bakery Products +10%
Xmas Trees +10%
Olives +9%
Sport & Energy Drinks +9%
Homebaking Nuts +7%

Stationery, Calendars and Books were added to the Christmas shop as well as Tinsel and Treats

Source: Nielsen Scantrack Grocery Multiples Value Sales w/e 28th December 2019 vs year ago

IN STORE PROMOTIONAL SPEND DIPPED SLIGHTLY BUT REMAINS ON A PAR WITH LAST CHRISTMAS

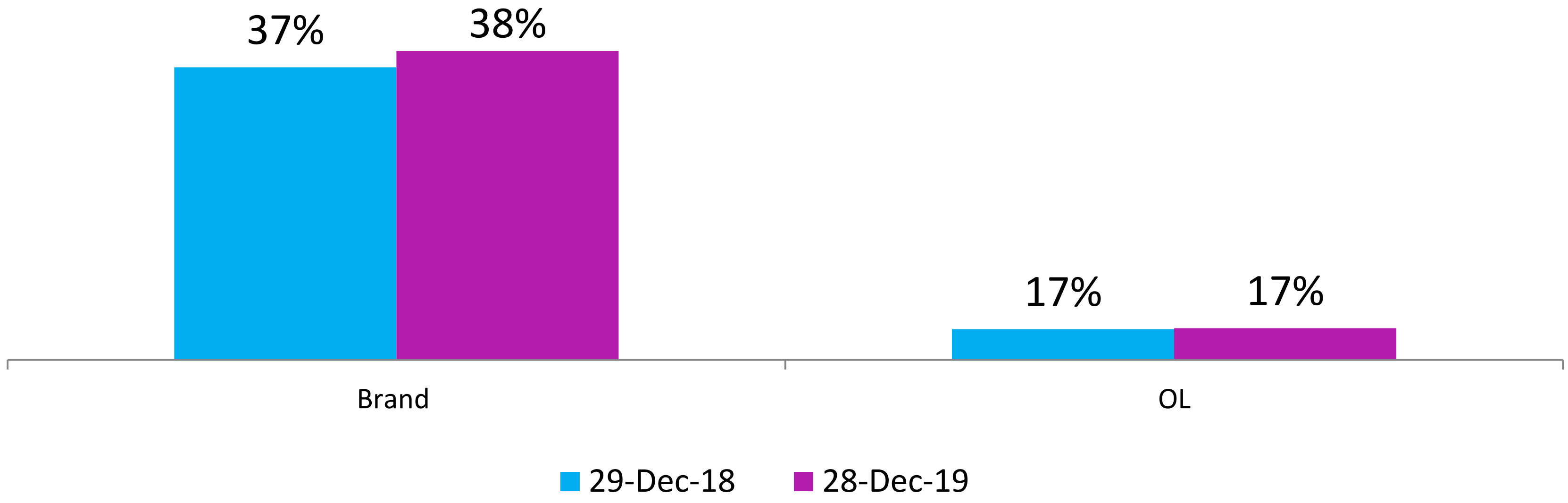
% Exp On Offer: Total FMCG



Source: Nielsen Homescan Grocery Multiples
4 weeks ending periods to 28th December 2019

BRANDED SPEND ON OFFER INCREASED ON LAST CHRISTMAS, WHILST OWN LABEL HELD STEADY AT 17%

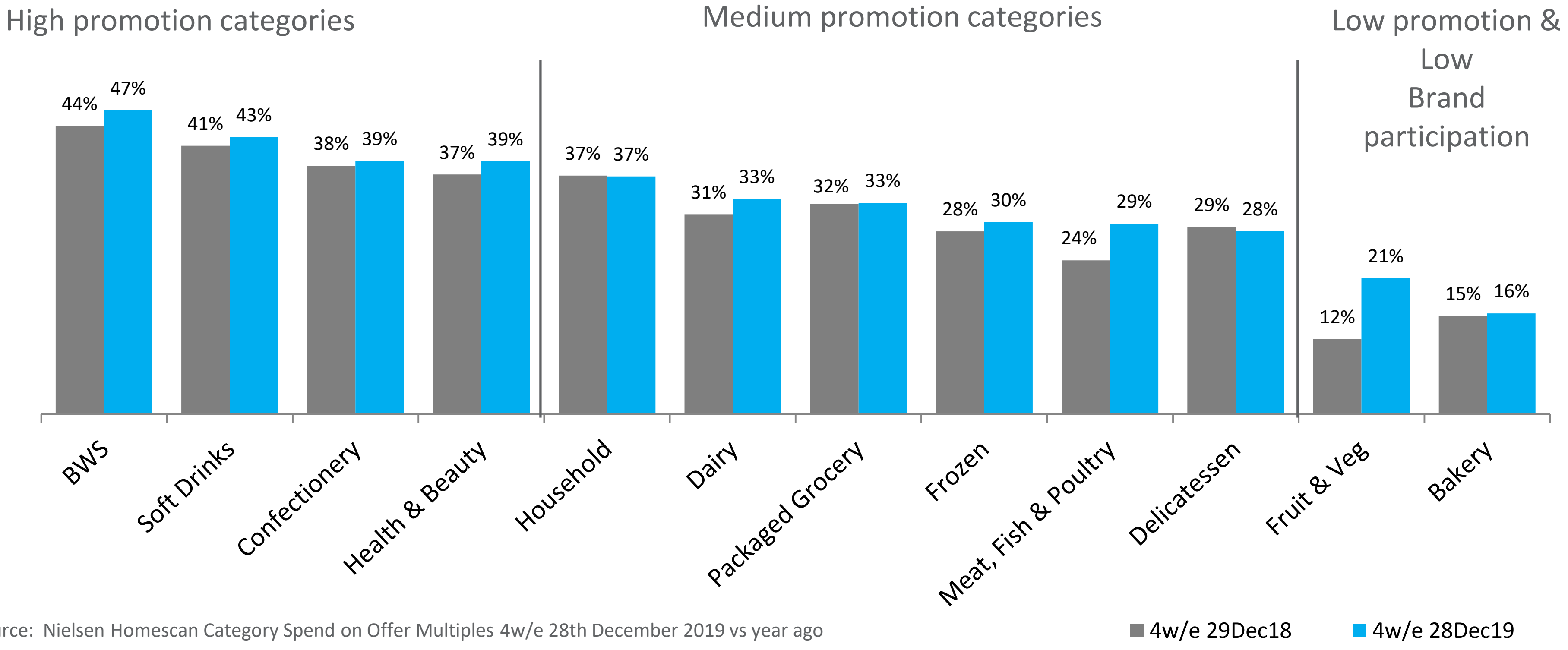
% Exp On Offer: FMCG



Source: Nielsen Homescan Grocery Multiples
4 weeks ending periods to 28th December 2019

MOST BRANDED CATEGORIES SAW SPEND ON OFFER INCREASE THIS CHRISTMAS

Branded % Spend on Offer

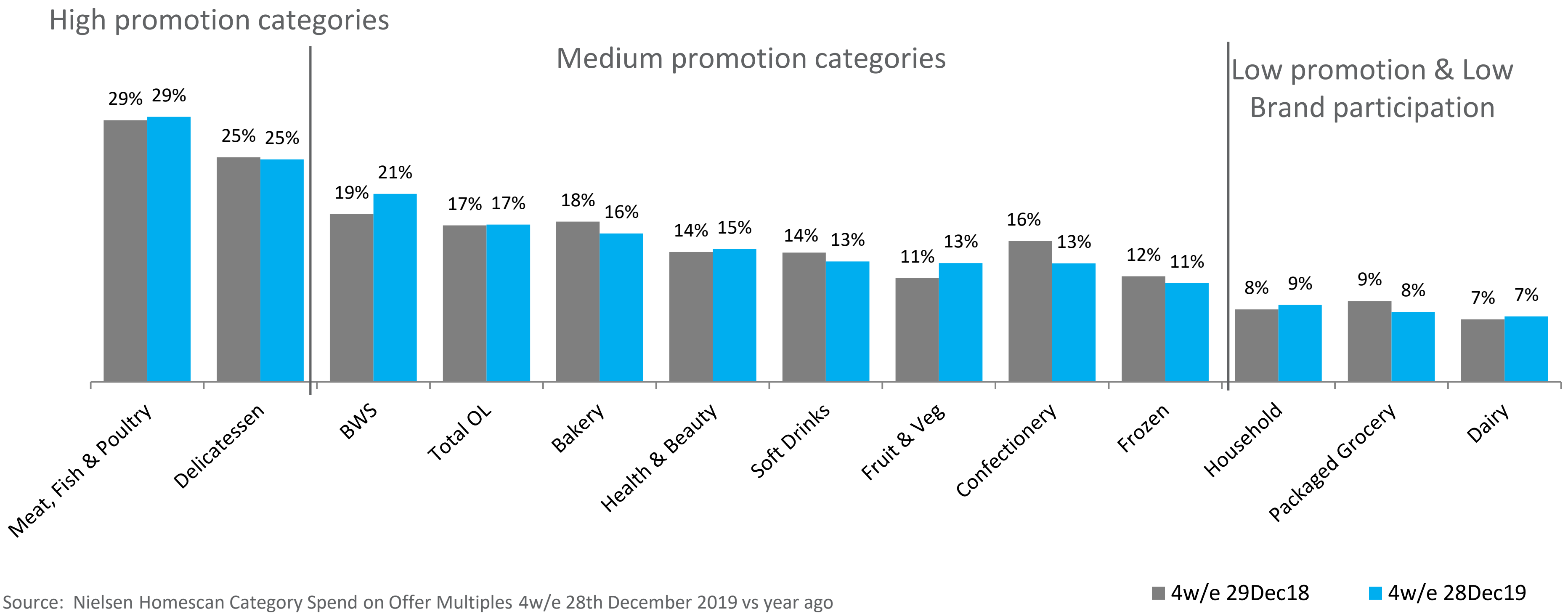


Source: Nielsen Homescan Category Spend on Offer Multiples 4w/e 28th December 2019 vs year ago

Value Sales bought on offer as % Total Value Sales by category

OWN LABEL SPEND ON OFFER WAS LOWER IN MOST CATEGORIES, BWS WAS THE MAIN EXCEPTION REFLECTING THE CHALLENGES THIS CATEGORY FACED THIS YEAR

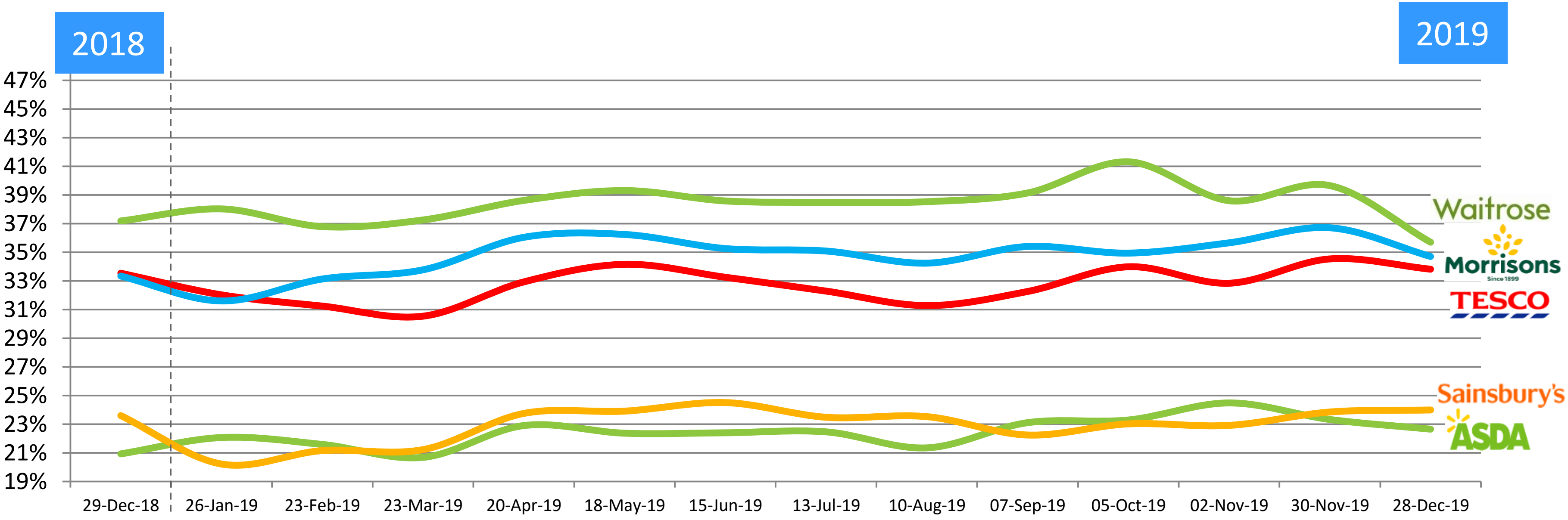
Own Label % Spend on Offer



Source: Nielsen Homescan Category Spend on Offer Multiples 4w/e 28th December 2019 vs year ago
Own Label Value Sales bought on offer as % Total Own Label Value Sales by category

SPEND ON OFFER DIPPED STEEPLY AT WAITROSE CONVERGING WITH MORRISONS AND TESCO, WHILST SAINSBURY'S HELD STEADY SLIGHTLY ABOVE ASDA

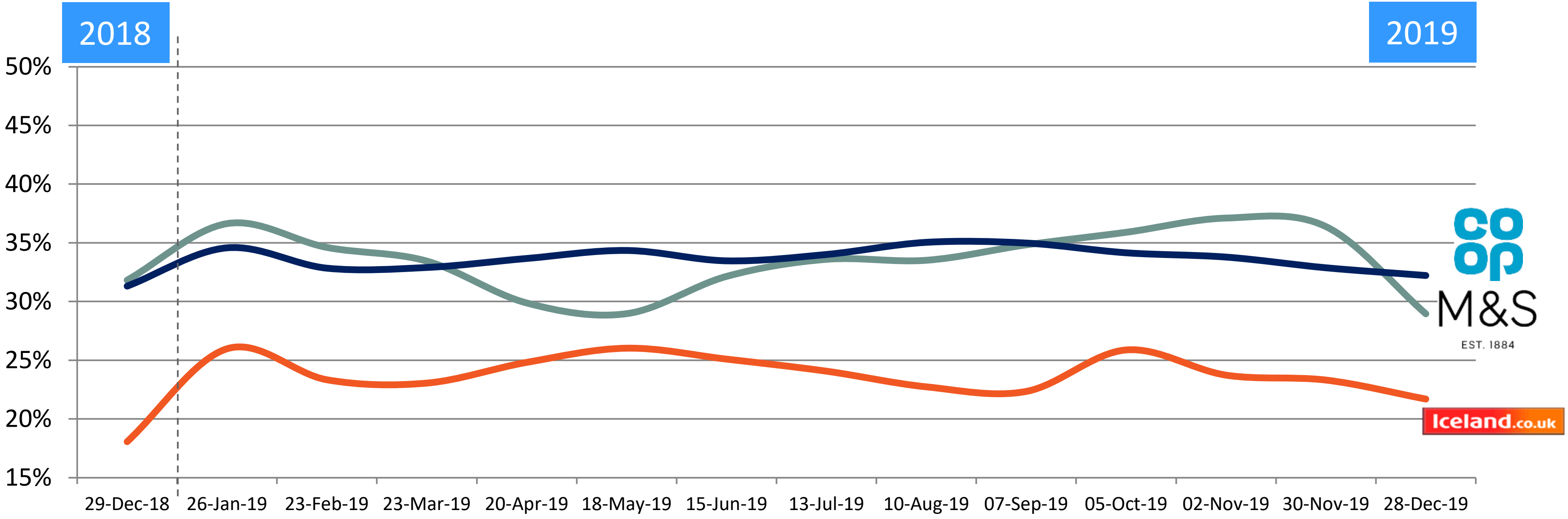
% Exp On Offer: Total FMCG



Source: Nielsen Homescan Grocery Multiples, 4 weeks ending periods to 28th December 2019

SPEND ON OFFER ALSO SLOWED SHARPLY AT M&S, DIPPING BELOW CO-OP. ICELAND ALSO SLOWED BUT SPEND ON OFFER WAS AHEAD OF LAST YEAR

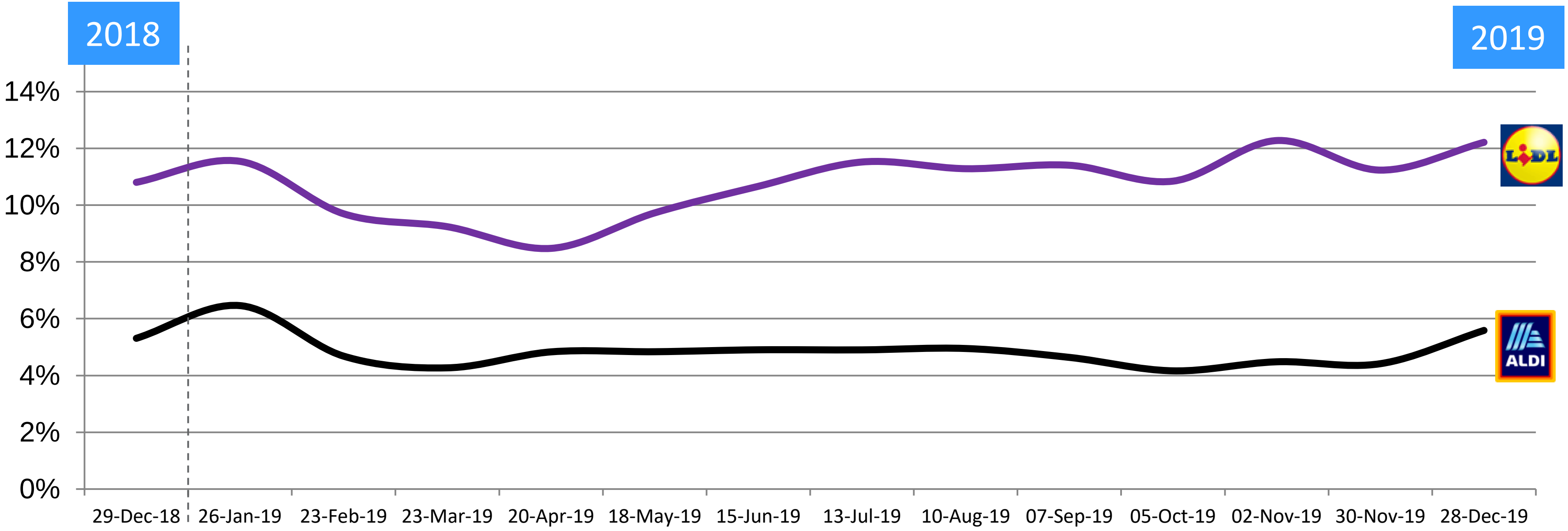
% Exp On Offer: Total FMCG



Source: Nielsen Homescan Grocery Multiples, 4 weeks ending periods to 28th December 2019

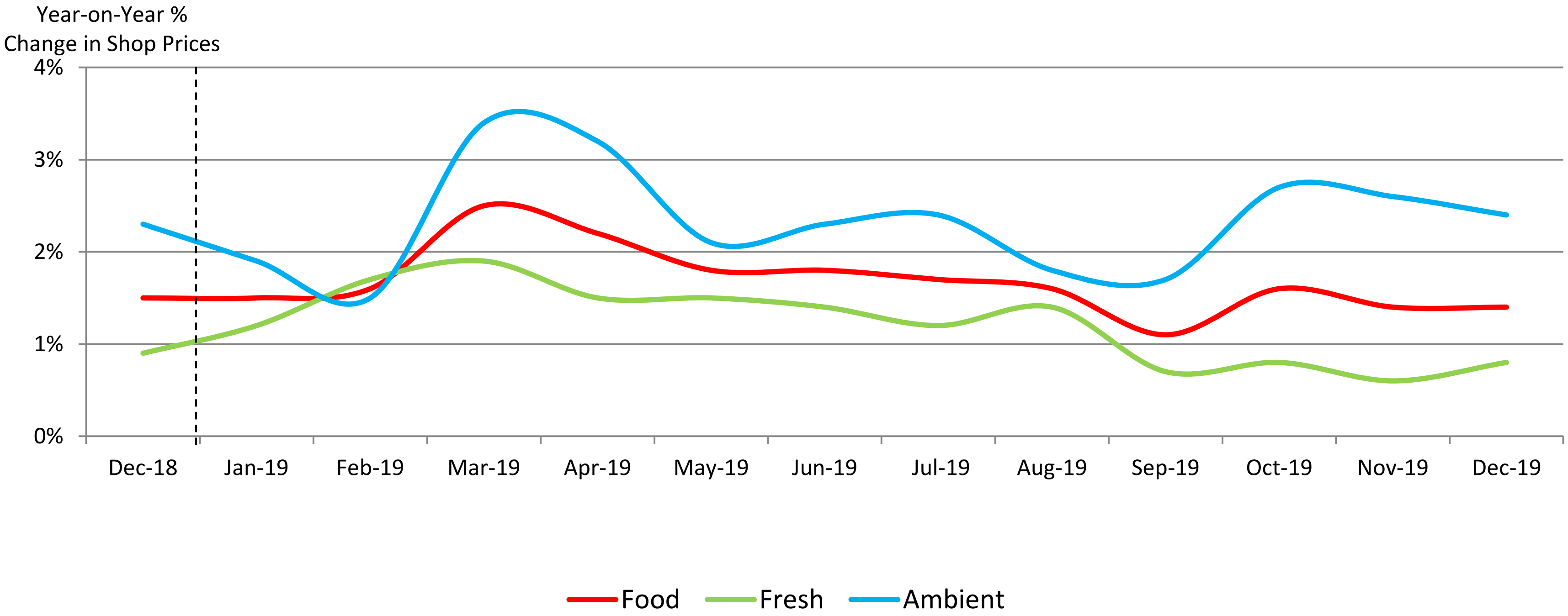
ALBEIT LOWER, SPEND ON OFFER DID INCREASE AT ALDI AND LIDL

% Exp On Offer: Total FMCG



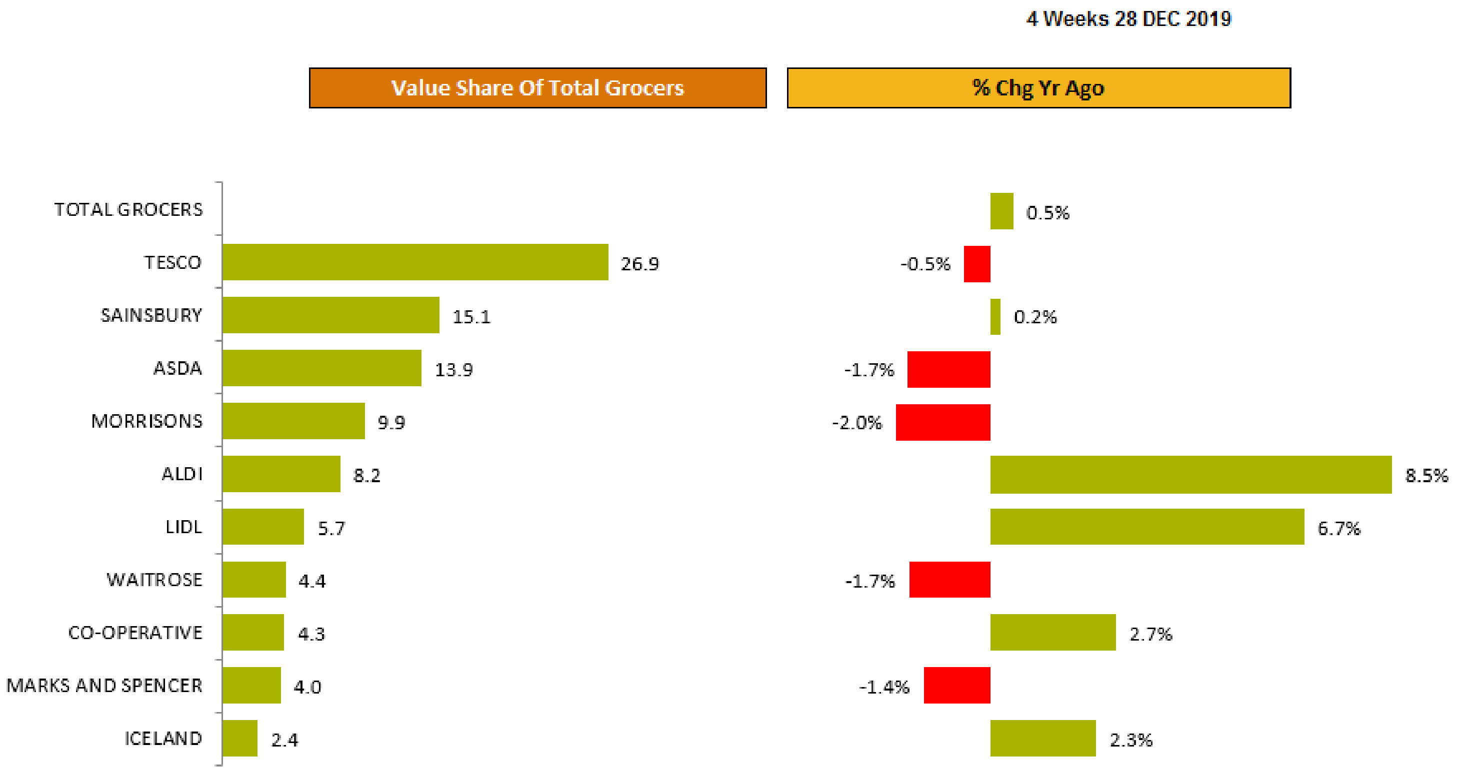
- Source: Nielsen Homescan Grocery Multiples, 4 weeks ending periods to 28th December 2019

FOOD INFLATION HELD IN DECEMBER, AS WEAK CONSUMER DEMAND AND INTENSE COMPETITION HELPED TO KEEP PRICES DOWN



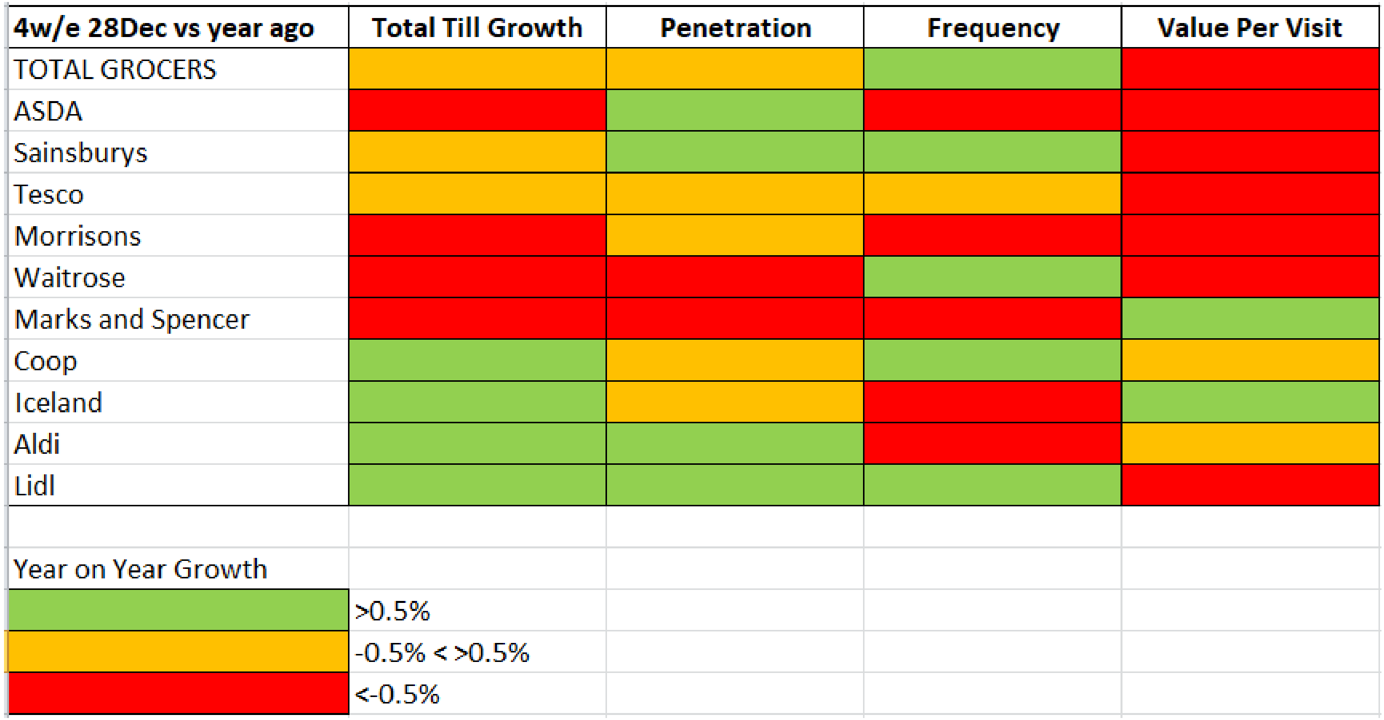
Source: BRC-Nielsen SPI

IT WAS ANOTHER STRONG CHRISTMAS FOR THE DISCOUNTERS ..



Source: Nielsen Homescan Total Till 4 weeks ending 28th December 2019

RETAILERS WHO HAVE HAD A STRONGER CHRISTMAS HAVE EITHER HELD OR GROWN TWO KEY SHOPPER METRIX



Source: Nielsen Total Till and Homescan FMCG weeks ending 28th December 2019

ARGOS CONCESSIONS WILL HAVE HELPED TO ENCOURAGE ADDITIONAL VISITS AND SHOPPERS DURING THE CRITICAL CHRISTMAS TRADING PERIOD WHILST VOUCHER/COUPON INCENTIVES WILL HAVE CONTRIBUTED TO THE DECLINE IN BASKET SPEND AT SAINSBURY'S

Sainsbury's

FMCG share of Trade (Grocers)

4 Weeks 29 DEC 2018	4 Weeks 28 DEC 2019	4 Weeks % Change in Value
14.8	14.7	0.7

Penetration

4 Weeks 29 DEC 2018	4 Weeks 28 DEC 2019	% Change in Number of Shoppers
47.2	47.7	2.0

Average Spend per Shopper

4 Weeks 29 DEC 2018	4 Weeks 28 DEC 2019	% Change
£97.00	£95.70	-1.3

Average Visits per Shopper

4 Weeks 29 DEC 2018	4 Weeks 28 DEC 2019	% Change
4.2	4.3	1.9

Spend per Visit

4 Weeks 29 DEC 2018	4 Weeks 28 DEC 2019	% Change
£23.10	£22.40	-3.2

Source: Nielsen Homescan FMCG weeks ending 28th December 2019

TESCO ATTRACTED SLIGHTLY MORE VISITS BUT NOT ENOUGH TO OFFSET THE DECLINE IN BASKET SPEND RESULTING IN A DECLINE IN MARKET SHARE

FMCG share of Trade (Grocers)

4 Weeks 29 DEC 2018	4 Weeks 28 DEC 2019	4 Weeks % Change in Value
27.9	27.6	-0.2

TESCO

Penetration

4 Weeks 29 DEC 2018	4 Weeks 28 DEC 2019	% Change in Number of Shoppers
68.3	68.3	0.9

Average Spend per Shopper

4 Weeks 29 DEC 2018	4 Weeks 28 DEC 2019	% Change
£126.90	£125.40	-1.2

Average Visits per Shopper

4 Weeks 29 DEC 2018	4 Weeks 28 DEC 2019	% Change
4.8	4.9	0.2

Spend per Visit

4 Weeks 29 DEC 2018	4 Weeks 28 DEC 2019	% Change
£26.20	£25.80	-1.3

Source: Nielsen Homescan FMCG weeks ending 28th December 2019

ASDA ATTRACTED MORE SHOPPERS BUT SHOPPERS SPENT LESS OVER THE PERIOD, A CONSEQUENCE OF FEWER TRIPS AND SMALLER BASKET SPENDS

FMCG share of Trade (Grocers)

4 Weeks 29 DEC 2018	4 Weeks 28 DEC 2019	4 Weeks % Change in Value
13.3	13.1	-1.0

Penetration

4 Weeks 29 DEC 2018	4 Weeks 28 DEC 2019	% Change in Number of Shoppers
46.0	47.1	3.4

Average Spend per Shopper

4 Weeks 29 DEC 2018	4 Weeks 28 DEC 2019	% Change
£89.80	£86.00	-4.2

Average Visits per Shopper

4 Weeks 29 DEC 2018	4 Weeks 28 DEC 2019	% Change
3.6	3.5	-1.4

Spend per Visit

4 Weeks 29 DEC 2018	4 Weeks 28 DEC 2019	% Change
£25.30	£24.60	-3.0

Source: Nielsen Homescan FMCG weeks ending 28th December 2019

WHILST MORRISONS GAINED SOME NEW SHOPPERS, PENETRATION WAS LOWER THAN LAST YEAR AND VISITS AND BASKET SPEND WERE ALSO DOWN, RESULTING IN THE WEAKEST PERFORMANCE OF THE TOP 4

FMCG share of Trade (Grocers)

4 Weeks 29 DEC 2018	4 Weeks 28 DEC 2019	4 Weeks % Change in Value
10.4	10.2	-1.8

Penetration

4 Weeks 29 DEC 2018	4 Weeks 28 DEC 2019	% Change in Number of Shoppers
38.0	37.9	0.8

Average Spend per Shopper

4 Weeks 29 DEC 2018	4 Weeks 28 DEC 2019	% Change
£85.20	£83.00	-2.5

Average Visits per Shopper

4 Weeks 29 DEC 2018	4 Weeks 28 DEC 2019	% Change
3.4	3.3	-2.1

Spend per Visit

4 Weeks 29 DEC 2018	4 Weeks 28 DEC 2019	% Change
£25.40	£25.20	-0.6

Source: Nielsen Homescan FMCG weeks ending 28th December 2019

CO-OP OUTPERFORMED THE WIDER CONVENIENCE CHANNEL WITH MORE VISITS AND HIGHER AVERAGE BASKET SPENDS

FMCG share of Trade (Grocers)

4 Weeks 29 DEC 2018	4 Weeks 28 DEC 2019	4 Weeks % Change in Value
4.5	4.6	2.6

Penetration

4 Weeks 29 DEC 2018	4 Weeks 28 DEC 2019	% Change in Number of Shoppers
27.2	27.2	0.9

Average Spend per Shopper

4 Weeks 29 DEC 2018	4 Weeks 28 DEC 2019	% Change
£51.30	£52.10	1.7

Average Visits per Shopper

4 Weeks 29 DEC 2018	4 Weeks 28 DEC 2019	% Change
5.8	5.9	1.2

Spend per Visit

4 Weeks 29 DEC 2018	4 Weeks 28 DEC 2019	% Change
£8.80	£8.90	0.5

Source: Nielsen Homescan FMCG weeks ending 28th December 2019

PERHAPS SUPRISINGLY M&S ATTRACTED FEWER SHOPPERS THAN LAST YEAR, THEIR SUCCESSFUL MARKETING CAMPAIGN WILL HAVE CONTRIBUTED TO HIGHER AVERAGE BASKETS SPENDS BUT OVERALL SALES WERE DOWN

FMCG share of Trade (Grocers)

4 Weeks 29 DEC 2018	4 Weeks 28 DEC 2019	4 Weeks % Change in Value
4.5	4.4	-0.8

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Penetration

4 Weeks 29 DEC 2018	4 Weeks 28 DEC 2019	% Change in Number of Shoppers
29.2	27.7	-4.1

Average Spend per Shopper

4 Weeks 29 DEC 2018	4 Weeks 28 DEC 2019	% Change
£47.30	£48.90	3.4

Average Visits per Shopper

4 Weeks 29 DEC 2018	4 Weeks 28 DEC 2019	% Change
3.6	3.6	-0.6

Spend per Visit

4 Weeks 29 DEC 2018	4 Weeks 28 DEC 2019	% Change
£13.20	£13.70	4.0

Source: Nielsen Homescan FMCG weeks ending 28th December 2019

STORE CLOSURES WILL HAVE CONTRIBUTED TO WAITROSE'S DECLINE IN SHOPPERS. THOSE THAT DO VISIT ARE VISITING MORE OFTEN AND SPEND IS SLIGHTLY LOWER THAN LAST YEAR

FMCG share of Trade (Grocers)

4 Weeks 29 DEC 2018	4 Weeks 28 DEC 2019	4 Weeks % Change in Value
4.6	4.5	-1.3

Waitrose

Penetration

4 Weeks 29 DEC 2018	4 Weeks 28 DEC 2019	% Change in Number of Shoppers
16.5	14.9	-8.8

Average Spend per Shopper

4 Weeks 29 DEC 2018	4 Weeks 28 DEC 2019	% Change
£87.20	£94.30	8.2

Average Visits per Shopper

4 Weeks 29 DEC 2018	4 Weeks 28 DEC 2019	% Change
5.0	5.4	8.9

Spend per Visit

4 Weeks 29 DEC 2018	4 Weeks 28 DEC 2019	% Change
£17.60	£17.50	-0.7

Source: Nielsen Homescan FMCG weeks ending 28th December 2019

HIGHER AVERAGE BASKET SPENDS COMPENSATED FOR FEWER VISITS TO ICELAND, RESULTING IN HIGHER SALES THAN LAST YEAR

FMCG share of Trade (Grocers)

Iceland

4 Weeks 29 DEC 2018	4 Weeks 28 DEC 2019	4 Weeks % Change in Value
2.6	2.7	2.1

Penetration

4 Weeks 29 DEC 2018	4 Weeks 28 DEC 2019	% Change in Number of Shoppers
25.0	24.9	0.8

Average Spend per Shopper

4 Weeks 29 DEC 2018	4 Weeks 28 DEC 2019	% Change
£32.80	£33.20	1.3

Average Visits per Shopper

4 Weeks 29 DEC 2018	4 Weeks 28 DEC 2019	% Change
2.1	2.0	-4.7

Spend per Visit

4 Weeks 29 DEC 2018	4 Weeks 28 DEC 2019	% Change
£15.40	£16.40	6.2

Source: Nielsen Homescan FMCG weeks ending 28th December 2019

ALDI HAD A STELLAR PERFORMANCE THIS CHRISTMAS, ATTRACTING A MILLION NEW SHOPPERS AND ONLY A SLIGHT DECLINE IN VISITS AND BASKET SPEND.

FMCG share of Trade (Grocers)

4 Weeks 29 DEC 2018	4 Weeks 28 DEC 2019	4 Weeks % Change in Value
8.4	9.0	8.3

Penetration

4 Weeks 29 DEC 2018	4 Weeks 28 DEC 2019	% Change in Number of Shoppers
39.5	42.7	9.1

Average Spend per Shopper

4 Weeks 29 DEC 2018	4 Weeks 28 DEC 2019	% Change
£65.70	£65.20	-0.8

Average Visits per Shopper

4 Weeks 29 DEC 2018	4 Weeks 28 DEC 2019	% Change
3.0	2.9	-0.7

Spend per Visit

4 Weeks 29 DEC 2018	4 Weeks 28 DEC 2019	% Change
£22.20	£22.20	-0.1

Source: Nielsen Homescan FMCG weeks ending 28th December 2019

LIDL ALSO ATTRACTED MORE SHOPPERS BUT SPEND PER VISIT IS LOWER THAN ALDI’S AND HOUSEHOLDS ON AVERAGE SPENT LESS THAN THEY DID LAST YEAR

FMCG share of Trade (Grocers)

4 Weeks 29 DEC 2018	4 Weeks 28 DEC 2019	4 Weeks % Change in Value
5.1	5.4	6.1

Penetration

4 Weeks 29 DEC 2018	4 Weeks 28 DEC 2019	% Change in Number of Shoppers
31.0	33.2	8.0

Average Spend per Shopper

4 Weeks 29 DEC 2018	4 Weeks 28 DEC 2019	% Change
£51.30	£50.50	-1.7

Average Visits per Shopper

4 Weeks 29 DEC 2018	4 Weeks 28 DEC 2019	% Change
2.8	2.8	1.1

Spend per Visit

4 Weeks 29 DEC 2018	4 Weeks 28 DEC 2019	% Change
£18.60	£18.10	-2.7

Source: Nielsen Homescan FMCG weeks ending 28th December 2019

RETAILER MESSAGES LAST 4 WEEKS

‘BEST VALUE CHRISTMAS DINNER’ ENDORSEMENT BY GOOD HOUSEKEEPING, ‘AMAZING QUALITY & VALUE AT ALDI’! FEED 8 PEOPLE FOR £25! THE CARROT CRACKED IT WITH ROBBIE.

Source: Nielsen AdDynamix; creative executions and additional insights available. Tina.Codling@nielsen.com

ASDA SUPPORTING THE LOCAL COMMUNITY ‘MAKING CHRISTMAS EXTRA SPECIAL FOR EVERYONE’.

Source: Nielsen AdDynamix; creative executions and additional insights available. Tina.Codling@nielsen.com

SUPPORTING LOCAL CAUSES, AN ADDED INCENTIVE FOR MEMBERS TO BUY CERTAIN PRODUCTS AND SERVICES FROM SELECTED CO-OP BUSINESS'

Source: Nielsen AdDynamix; creative executions and additional insights available. Tina.Codling@nielsen.com

MORE ‘FOOD CHRISTMAS MARKET’ WITH PADDY McGUINNESS AND EMMA WILLIS. FEATURING XMAS STICKY TOFFEE PUDDING FOR £10

Source: Nielsen AdDynamix; creative executions and additional insights available. Tina.Codling@nielsen.com

Sainsbury's OFFERING 10P OFF £60 SHOP

Source: Nielsen AdDynamix; creative executions and additional insights available. Tina.Codling@nielsen.com

TESCO TIME TRAVELLING XMAS AD DELIVERING CHRISTMAS FOR 100 YEARS ….

Source: Nielsen AdDynamix; creative executions and additional insights available. Tina.Codling@nielsen.com

MORRISON’S ‘BRANDING SPECIALLY SELECTED’ TRADITIONAL CHRISTMAS FOOD AND SPEND £60 AND GET 10P A LITRE OFF FUEL

Source: Nielsen AdDynamix; creative executions and additional insights available. Tina.Codling@nielsen.com

DIGITAL MESSAGES

WAITROSE £10 DEALS ON FINE WINE AND INCENTIVES TO STOCK UP ON FRESH PARTY FOOD

RE: Retailer Websites and Digital Advertising

OCADO PUSHED OFFERS AND WINTER SALES ON KEY ITEMS WHILST M&S PROMOTED THEIR PERFECT CHRISTMAS WITH PARTY FOOD, CENTRE PIECES, WINES AND TREATS

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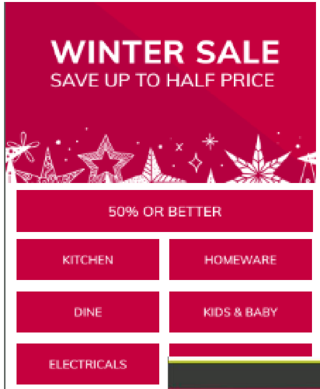

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RE: Retailer Websites and Digital Advertising

ALDI FOCUSSED ON PRICE PUSHING A RANGE OF FOOD INCLUDING BWS, TURKEY, NON FOOD INCLUDING GIFTING AND DECORATIONS

POUNDLAND OFFERED A RANGE OF SEASONAL SPECIALS

RE: Retailer Websites and Digital Advertising

SAINSBURY'S INCENTIVISED SHOPPERS WITH MAILSHOT VOUCHERS AND TILL ACTIVATED OFFERS WITH MONEY OFF YOUR NEXT SHOPPING TRIP, SUCH AS £6 OFF A £60 SHOP AND 3X NECTAR POINTS

RE: Sainsbury's Stroud Vouchers at the Till

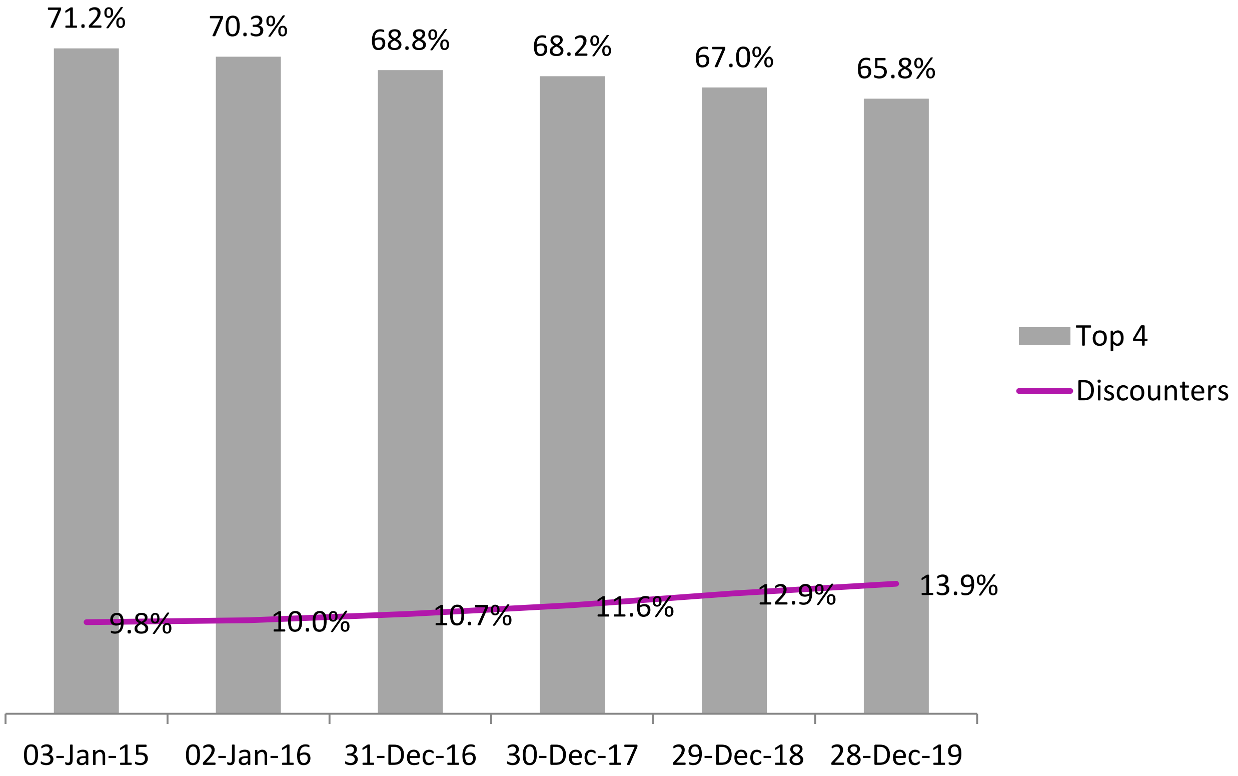
CHRISTMAS HIGHLIGHTS

CHRISTMAS 2019 WAS WEAKER THAN EXPECTED, WITH SHOPPERS SPENDING LESS AT THE GROCERY MULTIPLES BUYING FEWER ITEMS

Scantrack TSR 12w/e 29th December 2018	Scantrack TSR 12w/e 28th December 2019
Value +0.3%	**Value -0.8%**
Volume -0.2%	**Volume -1.2%**

Source: Nielsen Scantrack TSR Grocery Multiples (Including General Merchandise)
Year on Year Sales Growth

DISCOUNTER MOMENTUM CONTINUES … AS THE TOP 4 CONTINUE TO FACE CHALLENGES AS THEIR SHARE ERODES 5.4% IN 5 YEARS



Source: Nielsen Homescan Total Till 4 weeks ending December

WEEK ENDING 21ST DECEMBER WAS THE TOP SELLING WEEK IN 2019

- Shoppers spent £3.4Bn in the Grocery Multiples, 45% more than a ‘non* Xmas week’
- Shoppers spent 116% more on BWS and 66% more on Impulse Categories.
- The top selling BWS lines this year are Diageo Smirnoff Vodka no 21 1L and Baileys Original 1L.
- The top selling impulse category lines are Nestle Quality Street and Mars Celebrations 650g Tubs

Top Selling Lines w/e 21st December, Grocery Multiples

Rank	BWS	IMPULSE CATEGORIES
1	Diageo Smirnoff-Vodka-No-21 1L	Nestle Quality-Street Assorted Tub 650g
2	Diageo, Baileys-Original 1L	Mars Celebrations Assorted Tub, 650g
3	Prosecco White Private Label Premium Italy 750ml	Ferrero Ferrero-Rocher Hazelnut Box 300g
4	Edrington-Group The-Famous-Grouse-Finest 1L	Mondelez-International Cadbury-Heroes Assorted Tub, 600g
5	Molson-Coors Carling 440ml 18 Pack	Lindt & Sprüngli Lindt Lindor Standard Box 200g
6	Diageo Gordons-Special-London-Dry 1L	Coca-Cola-Company Coca Cola 1.5L
7	Heineken Fosters 440ml 18 Pack	Carambar Terry’s Chocolate Orange Box 157g
8	Brown-Forman Jack-Daniels-Old-N.7-Tennesse 1L	Yildiz McVities Victoria Assorted Sweet Biscuits 550g
9	Brown-Forman Jack-Daniels-Old-N.7-Tennesse 700ml	Kellogg's Pringles Sour Cream & Onion 200g
10	Bacardi Bombay Sapphire 1L	Mondelez-International Cadbury-Roses Assorted Tub 600g

Source: Nielsen Scantrack

*Non Xmas week = average sales 40w/e 12th October 2019

CHRISTMAS 2019 KEY LEARNINGS

- In summary, a disappointing Christmas as **shoppers reigned in spend**.
- With the election in early December, coupled with the extra trading day, **shoppers left it even later this year to think about Christmas.**
- The **biggest trading week was w/e 21st December** but more spend was pushed into w/e 28th December and this benefited some retailers more than others.
- Despite the focus on health **only Confectionery and Soft Drinks enjoyed growth above 2%**. Shoppers were more considered in their spending, spending more on categories that were needed and affordable such as Cough/Cold remedies, Convenience Food and Seasonal including Gifting.
- The macro trends are indicative of how shoppers are shopping differently, **shopping across channels with MORE shoppers doing their regular shop at the Discounters and On-line and topping up in other channels including the Top 4 and value retailers. This behaviour is diluting basket spend and the number of items purchased.**
- The impact was **less loyalty to the traditional supermarkets in particular to the Top 4**.
- Retailers differentiated through marketing, with 'Aldi's Carrot' familiar to most shoppers and a timely Good Housekeeping endorsement, helped **Aldi to 'win' Christmas**.