NIELSEN TOTAL TILL

4 WEEKS ENDING 5th October 2019

Retailer & Business Insights Team
14th October 2019

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WHAT'S NEW IN THE LAST 4 WEEKS?

Sales growths slowed amid weakening demand and the return of changeable weather

- Total Till sales slowed to **+1.7%** and **shoppers spent less** at the Grocery Multiples than they did a year ago **-0.2%** (Scantrack).

- **Volume growth remains subdued** at -**0.6%** (Scantrack) for the full 4 week period and there has been no respite for 5 weeks putting further pressure on large store formats, as shopper spend continues to shift online and towards Discount supermarkets and High Street Value retailers.

- **Food inflation eased** to +1.1% in September from 1.6% in August (BRC Nielsen SPI) which is the lowest inflation rate since April 2018, due to seasonal reductions in fresh foods and with many retailers introducing 'big brand' price cuts to help regain momentum after a challenging summer.

- Better weather at the start of the trading period marked the 'end of Summer' and shoppers celebrated with seasonal food and drink. The inclement weather, however, soon returned and sales for the next 3 weeks at the Grocery Multiples turned negative.

Source: Nielsen Total Till, Nielsen Scantrack, Nielsen Homescan

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WHAT'S NEW IN THE LAST 4 WEEKS?

Category Trends

- Across the super categories, **Soft drinks (sales +2.7%)** was the best performing category helped by the sunny weather in early September, followed by **Crisps and snacks (+2.3%). Frozen Food** also performed better at **+2.1%**, helped by **+5% increase in Ice-cream** and **+14% for Ice Cubes**.

- In contrast and with a sharpening of pricing activity, the weakest sales were in Meat, Fish and Poultry where sales fell **3.5%**.

- **General Merchandise** sales fell further at **-4.7%** reflecting the underlying weakness in discretionary spend.

- The nations appetite for **Sustainability** continues alongside **Convenience** and **Health**, whilst the **weather entices shoppers to spend more on impulse items**. Highlights this month include: Re-usable Bags +126%, Umbrellas +83%, Fresh Meat Substitutes +37%, Water Bottles +34%, Adult Analgesics +22%, Pre-Mix Alcoholic Drinks +18%, Throatcare +12% and Frozen Pizza +7%.

- Spend on offer continues to increase to 27% this month, as retailers push Big Brand offers.

Source: Nielsen Scantrack Grocery Multiples

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TESCO IS THE ONLY TOP4 SUPERMARKET IN GROWTH IN THE LAST 4 WEEKS

Retailer trends for the 4 weeks to 5th October 2019

- Against strong comparatives, **ASDA sales fell -1.8% due to a fall in spend per visit** (-4.4%). This has been a trend over the last 12 months and may reflect a change in pricing and basket mix. Penetration is unchanged but frequency of visit is up suggesting an evolution in the shopping missions to the c. 570 Asda stores.

- Sales also slowed at Sainsbury's (**-1.0%**) and Morrison's (**-1.5%**) with both retailers having slightly less visits than last year. However Morrison's benefited from 200k more shoppers compared to this time last year.

- **Tesco** sales increased but only by **+0.9%** with no significant improvement in growth over the 12 weeks.

- **Iceland`s** strong growth continues **(+4.2%)** and reflects the growing importance of the larger Food Warehouse format which is delivering new shoppers to Iceland this year and importantly, consistently bigger baskets, helped by a strong media campaign promoting authentic Italian food with vouchers offering a free meal and £5 off £20.

- **M&S (+1.4%) remains in growth** but falling penetration could be a concern. However increased frequency and a higher spend per visit is compensating for this - part of the new strategy to also target `bigger baskets`.

Source: Nielsen Total Till

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CO-OP MOMENTUM CONTINUES

Retailer trends for the 4 weeks to 5th October 2019

- **Co-op (sales +3.2%)** is attracting more shoppers than last year with 1 in 2 household's now shopping (annual penetration of 51%) which is ahead of M&S at 47% of households.

- At **Waitrose** growths are flat lining (**-0.8%**) and the increase in frequency *(second only to the Co-op)* suggests a different shopper behaviour with a shift towards `top up` shopping at Waitrose.

- **Aldi (sales +10%)** and **Lidl (+11%) continue to gain market share (15.8%)** but growths are lower than last year. This is despite the continuation of new store openings with c.25 new stores opened over the summer.

Source: Nielsen Total Till

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WHAT'S NEW IN THE LAST 4 WEEKS?

Advertising: TV, Press and Digital

Retailers this month targeted 'bigger basket spends', Big Brand promotions and Family.

- **Tesco** continues to celebrate their 100 years of 'great value' with Big Brand promotions.
- **Morrisons** are also pushing 'Big Brand Low Prices' and bigger baskets with a 5p off £40 fuel deal.
- **Aldi** continue to target bigger baskets with their 'kits for schools' campaign, as well as home furnishings, affordable plant based recipes and merchandise for Halloween.
- **Iceland** are targetting bigger baskets with £5 voucher off £20 and raising their own brand credentials with celebratory chef Gina D'Acampo.
- **Waitrose** continues to focus on personalised offers, Wine and branded deals.
- **Ocado** are also using branded offers, back to university and offering priority Christmas slots for Smart Pass members.
- **M&S** continue to communicate lower prices and are expanding their 'Dine-in' offers.
- **Poundland** timed their offers around various events including back to school, The Great British Bake Off and Halloween, as well as offering 'Big Brands, Small Prices'.

Source: Nielsen AdDynamix

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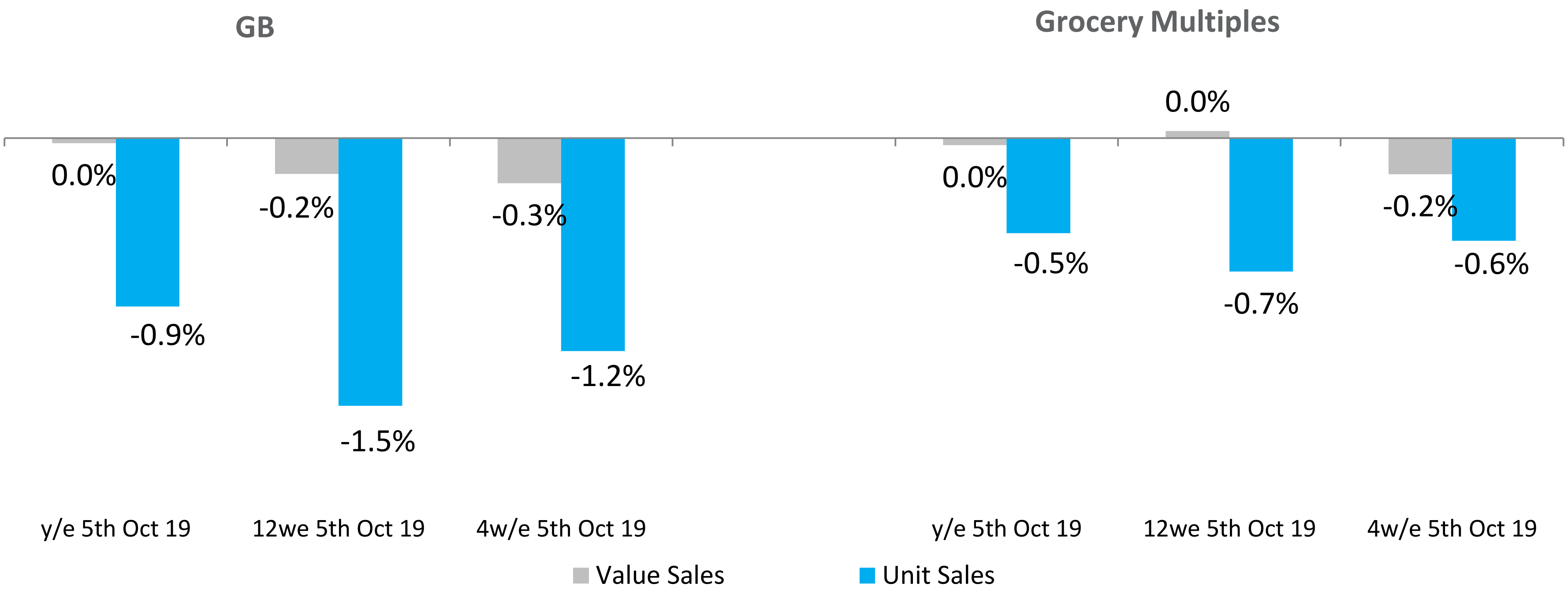
INCLEMENT WEATHER AT THE START OF THE NEW ACADEMIC YEAR HELD BACK SALES

Year on year growths



Source: Nielsen Scantrack Total Store Read

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MOMENTUM IN FOOD RETAIL IS SLOW, REFLECTING THE MOOD OF THE NATION, WITH SHOPPERS STRETCHING THEIR BUDGETS BY SHOPPING IN 'VALUE' RETAILERS AND ONLINE

TOTAL MARKET (incl. Discounters)	**GROCERY MULTIPLES** (incl C stores)	**ONLINE**	**DISCOUNTERS** (ALDI AND LIDL)	**HIGH STREET VALUE RETAILERS**	**CONVENIENCE STORES**
+1.7%	**0%**	**+6.3%**	**+8.2%**	**+3.3%**	**+0.6%**
(Total Till)	(Scantrack)	(Homescan*)	(Total Till)	(Homescan*)	(Scantrack)
SHARE OF GROCERY SALES		8%	16%	4%	28%

*FMCG

Source: Nielsen 12 weeks ending 5th October 2019

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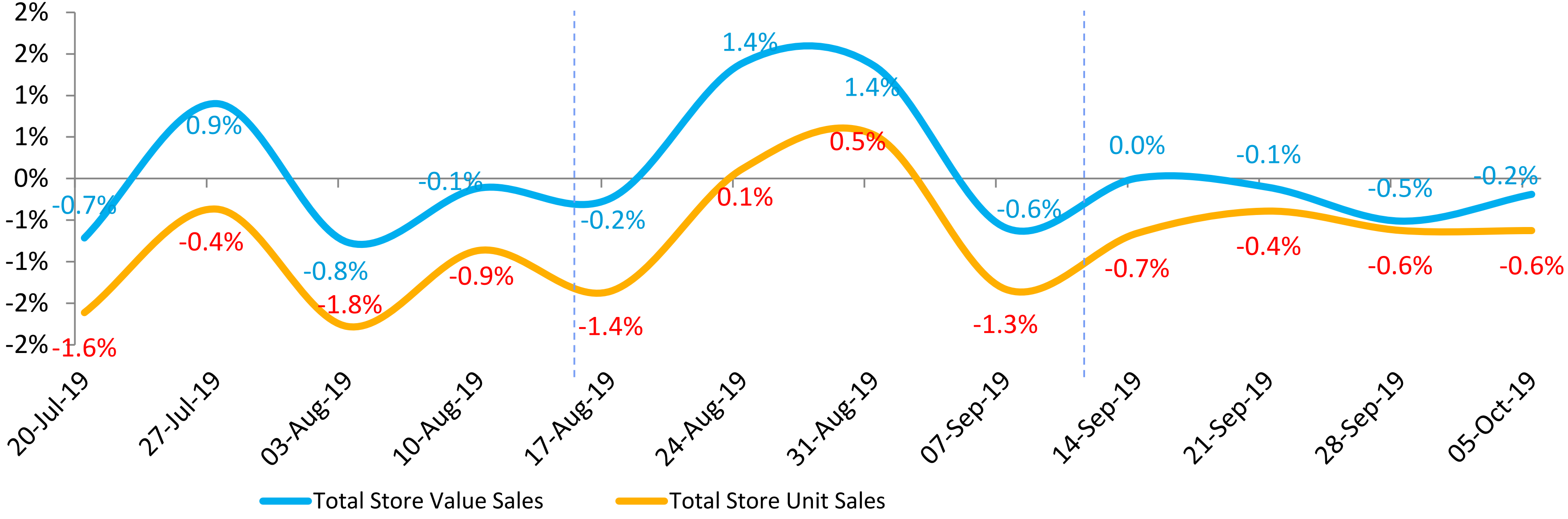
DEMAND IS WEAK AT THE GROCERY MULTIPLES, WITH SHOPPERS BUYING LESS DURING THE LAST 5 WEEKS AND SPEND, ONLY AT PARITY WHEN THE SUN SHONE MID SEPTEMBER

Weekly Year on Year Sales Growth Latest 12 weeks



Source: Nielsen Scantrack Grocery Multiples

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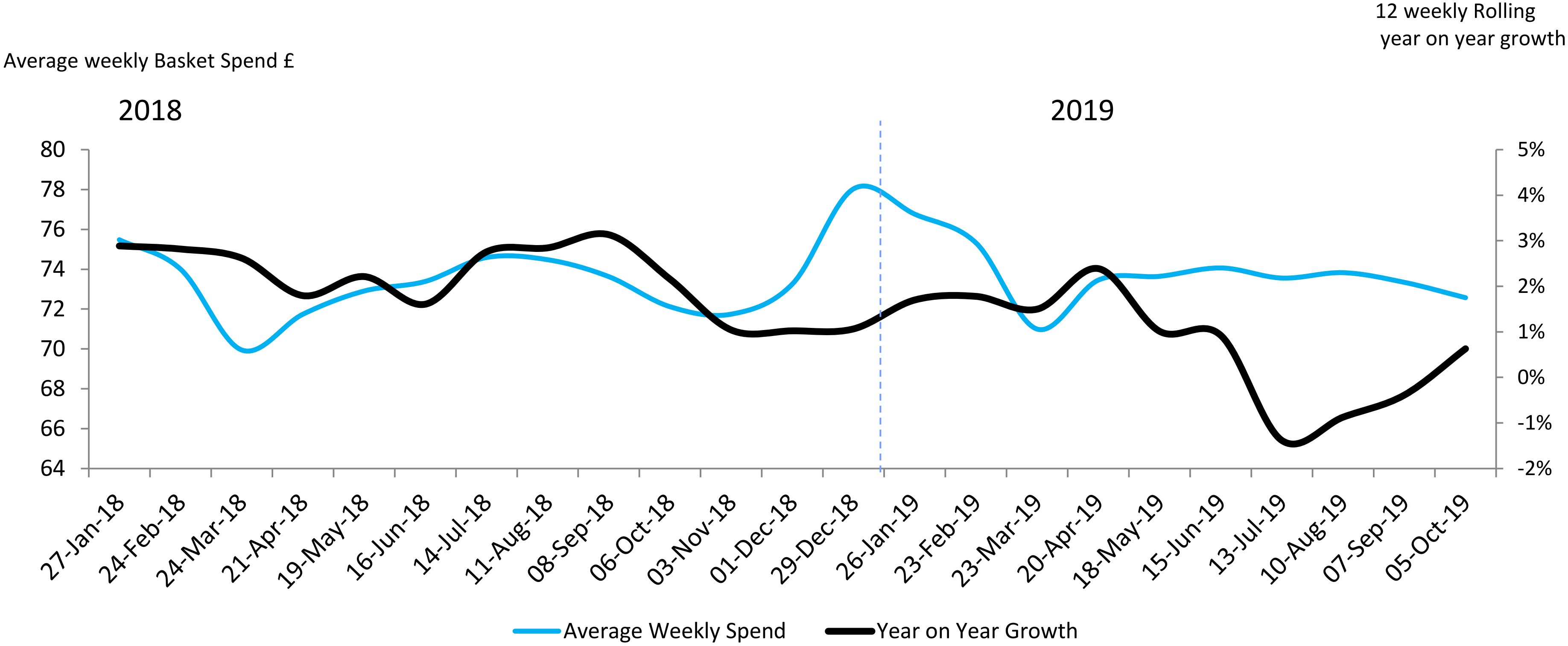
AVERAGE WEEKLY SPEND HAS SLOWED SINCE THE SUMMER AND WITH FOOD INFLATION NOW AT AN 18 MONTH LOW (1.1%*), SHOPPERS WILL NEED INCENTIVISING TO SPEND



Source: Nielsen Homescan Total GB 12 week ending

* Source BRC-Nielsen SPI (food) September 2019

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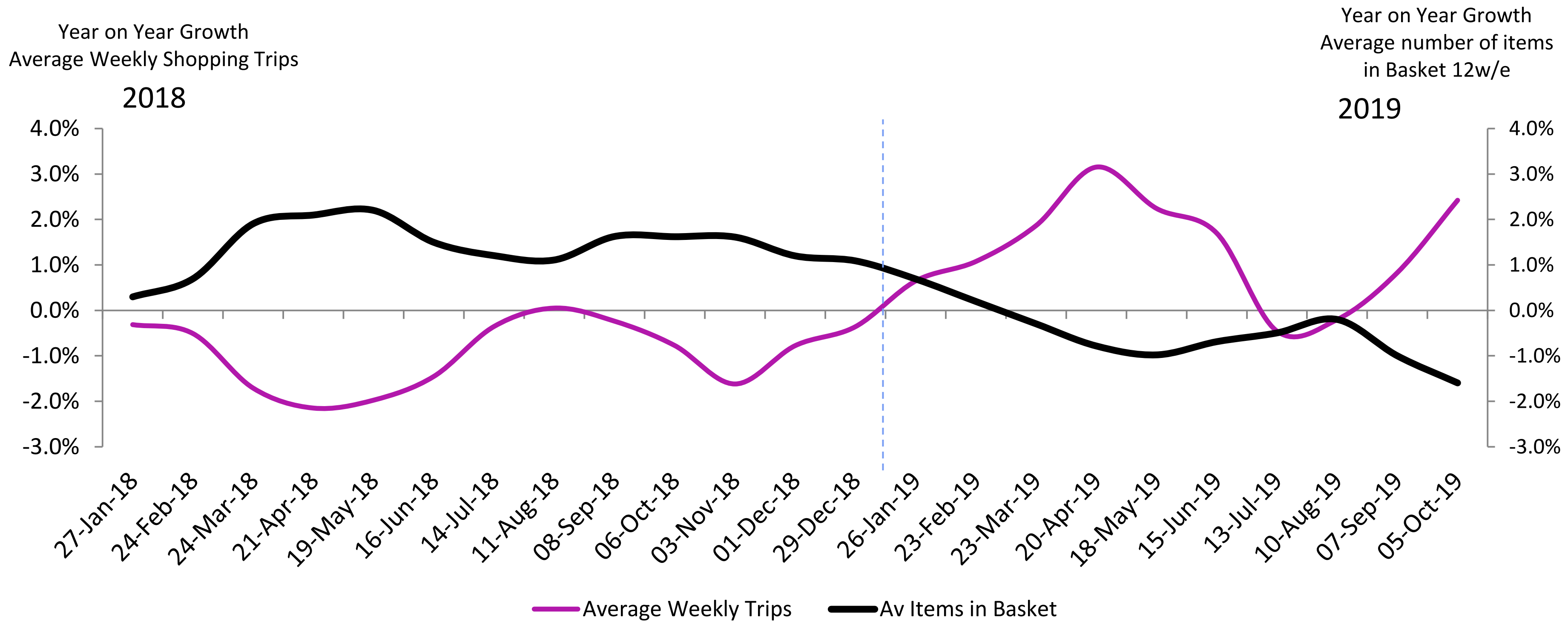
A CHANGE IN BEHAVIOUR IS EMERGING WITH SHOPPERS SHOPPING MORE OFTEN BUT BUYING FEWER ITEMS, WHICH IS A TYPICAL STRATEGY TO HELP STAY WITHIN BUDGET



Source: Nielsen Homescan Total GB 12 week ending

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MOST CATEGORIES SAW GROWTH SLOW, WARM WEATHER IN EARLY SEPTEMBER HELPED TO LIFT SALES IN SOFT DRINKS, CRISPS & SNACKS AND ICE-CREAM

Grocery Multiples Value Sales Growth	y/e 05OCT19	12w/e 05OCT19	4w/e 06OCT18	4w/e 15JUN19	4w/e 13JUL19	4w/e 10AUG19	4w/e 07SEP19	4w/e 05OCT19
Bakery	1.9%	1.8%	0.9%	2.9%	2.7%	2.5%	1.8%	1.1%
BWS	1.2%	1.8%	3.9%	-1.5%	-6.7%	1.1%	3.3%	1.2%
Confectionery	4.3%	2.2%	2.8%	7.8%	7.9%	4.1%	1.5%	1.4%
Crisps & Snacks	4.4%	2.7%	5.7%	3.9%	0.1%	2.9%	3.0%	2.3%
Dairy	-0.3%	-0.9%	0.9%	0.7%	-0.6%	-1.2%	-1.0%	-0.4%
Delicatessen	-0.6%	0.2%	-0.1%	-1.4%	-3.7%	-0.7%	1.4%	0.0%
Frozen	0.5%	2.2%	1.9%	-1.7%	-4.9%	0.3%	4.3%	2.1%
General Merchandise	-4.0%	-3.8%	-2.9%	-7.7%	-6.3%	-1.0%	-5.3%	-4.7%
Health & Beauty inc Baby	-1.8%	-0.8%	-2.4%	-2.1%	-2.5%	-1.5%	0.0%	-0.9%
Household	-0.1%	-1.1%	0.4%	-0.8%	-1.3%	-1.4%	-0.8%	-1.2%
Meat Fish & Poultry	-3.0%	-2.7%	-1.6%	-4.0%	-3.3%	-2.4%	-2.3%	-3.5%
Packaged Grocery	0.8%	0.7%	0.0%	2.8%	4.0%	2.3%	-0.6%	0.4%
Pet & Petcare	0.8%	0.6%	1.5%	2.0%	1.6%	1.6%	-0.1%	0.2%
Produce	0.3%	1.0%	-0.2%	-2.7%	-2.1%	0.8%	1.8%	0.6%
Soft Drinks	2.0%	0.2%	9.4%	-2.8%	-10.4%	-5.8%	5.1%	2.7%
Tobacco	2.7%	1.8%	4.7%	-1.1%	-1.8%	0.2%	3.2%	2.0%
Total Store Read	**0.0%**	**0.0%**	**0.7%**	**-1.3%**	**-2.5%**	**-0.2%**	**0.5%**	**-0.2%**
TSR excluding General Merchandise & Tobacco	**0.2%**	**0.4%**	**0.9%**	**-0.6%**	**-2.2%**	**-0.1%**	**1.0%**	**0.2%**

Source: Nielsen Scantrack Total Store Read Grocery Multiples

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EXCLUDING JANUARY AND EASTER, SHOPPERS ARE BUYING FEWER UNITS AT THE GROCERY MULTIPLES. BWS AND PRODUCE HAD THE BEST GROWTH THIS MONTH

Grocery Multiples Units Sales Growth	y/e 05OCT19	12w/e 05OCT19	4w/e 06OCT18	4w/e 15JUN19	4w/e 13JUL19	4w/e 10AUG19	4w/e 07SEP19	4w/e 05OCT19
Bakery	-0.6%	-0.7%	-0.7%	-0.4%	-0.4%	-0.3%	-0.5%	-1.3%
BWS	-0.4%	1.8%	0.6%	-3.4%	-8.9%	0.3%	3.8%	1.3%
Confectionery	3.0%	-0.3%	0.9%	5.9%	5.5%	0.8%	-1.4%	-0.3%
Crisps & Snacks	1.7%	0.0%	3.2%	0.1%	-3.1%	0.2%	-0.8%	0.6%
Dairy	-0.8%	-1.5%	-1.2%	-0.7%	-1.1%	-2.0%	-1.8%	-0.6%
Delicatessen	-0.9%	-0.7%	-0.9%	-2.6%	-4.5%	-1.5%	0.3%	-0.9%
Frozen	-0.5%	0.8%	1.2%	-3.3%	-6.7%	-1.1%	3.1%	0.5%
General Merchandise	-0.7%	2.0%	-4.7%	-1.7%	0.7%	3.1%	1.0%	2.1%
Health & Beauty inc Baby	-3.1%	-3.9%	-2.2%	-3.5%	-5.1%	-4.5%	-3.5%	-3.6%
Household	-2.4%	-4.1%	-1.7%	-2.1%	-2.9%	-4.0%	-4.5%	-3.9%
Meat Fish & Poultry	-1.6%	-2.1%	1.5%	-3.7%	-2.9%	-1.9%	-1.5%	-3.0%
Packaged Grocery	0.0%	-1.3%	-1.6%	2.9%	3.3%	0.5%	-3.4%	-0.9%
Pet & Petcare	-1.8%	-1.7%	-2.5%	-0.5%	-0.6%	-0.5%	-2.3%	-2.2%
Produce	-0.1%	1.0%	-0.4%	-2.4%	-2.6%	-0.1%	2.0%	1.2%
Soft Drinks	-0.9%	-1.3%	3.5%	-6.1%	-12.0%	-6.1%	3.1%	0.0%
Tobacco	-2.9%	-3.3%	-0.5%	-5.3%	-6.1%	-4.5%	-2.9%	-2.5%
Total Store Read	**-0.5%**	**-0.7%**	**-0.5%**	**-1.3%**	**-2.5%**	**-1.2%**	**-0.5%**	**-0.6%**
TSR excluding General Merchandise & Tobacco	**-0.5%**	**-0.9%**	**-0.3%**	**-1.2%**	**-2.6%**	**-1.3%**	**-0.6%**	**-0.7%**

Source: Nielsen Scantrack Total Store Read Grocery Multiples

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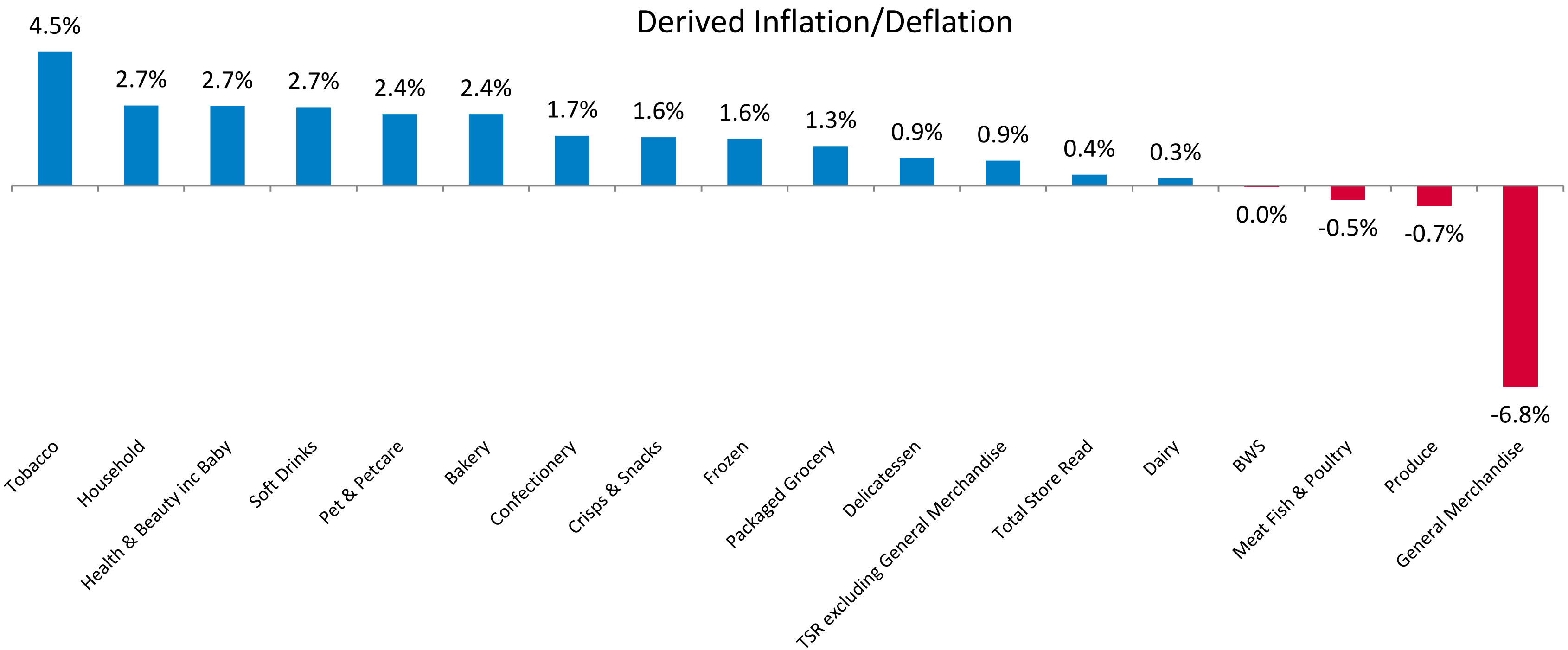
DERIVED INFLATION IS LOW, WITH AMBIENT INFLATION AHEAD OF FRESH



Source: Nielsen Scantrack Grocery Multiples, 4we 05th October 2019

* TSR Excludes General Merchandise & Tobacco

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

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SEPTEMBER IS A WATERSHED PERIOD, MARKING END OF SUMMER AND START OF AUTUMN. MACRO TRENDS OF HEALTH, CONVENIENT OPTIONS AND SUSTAINABILITY ALL CONTINUED

Hayfever +25%
Adult Analgesics +22%
Throatcare +12%
Incontinence +10%
Topical Analgesics +5%
Stomach +5%
VMS & Dietary +5%
Glasses & Lenses +5%

Re-usable Shopping Bags +126%
Fresh Meat Subs +37%
Water Bottles +34%
Cool Bags/Lunch Boxes +10%
Plastic Houseware +9%
Frozen Meat Subs +7%

Frozen Dough/Pastry +24%
Frozen Bakery Prod +12%
Ambient Asian Accom +11%
Ambient Meal Kits +9%
Pot Snacks +8%
Olives +8%
Fresh Dips +7%
Fresh Noodles +7%
Frozen Pizza +7%

Pre-Mix Alc Drinks +18%
Ice Cubes +14%
Insect Control +13%
Suncare +11%
Books +7%
Cola +6%
Ice Cream +5%
Lager +5%

Umbrellas +83%
Fertilisers +29%
Fire Lighters +26%
Garden Structures +7%

Shoppers celebrated the end of Summer with drinks & ice-cream before reaching for their brollies and preparing their gardens for Autumn.

Source: Nielsen Scantrack Grocery Multiples Value Sales w/e 5th October 2019 vs year ago

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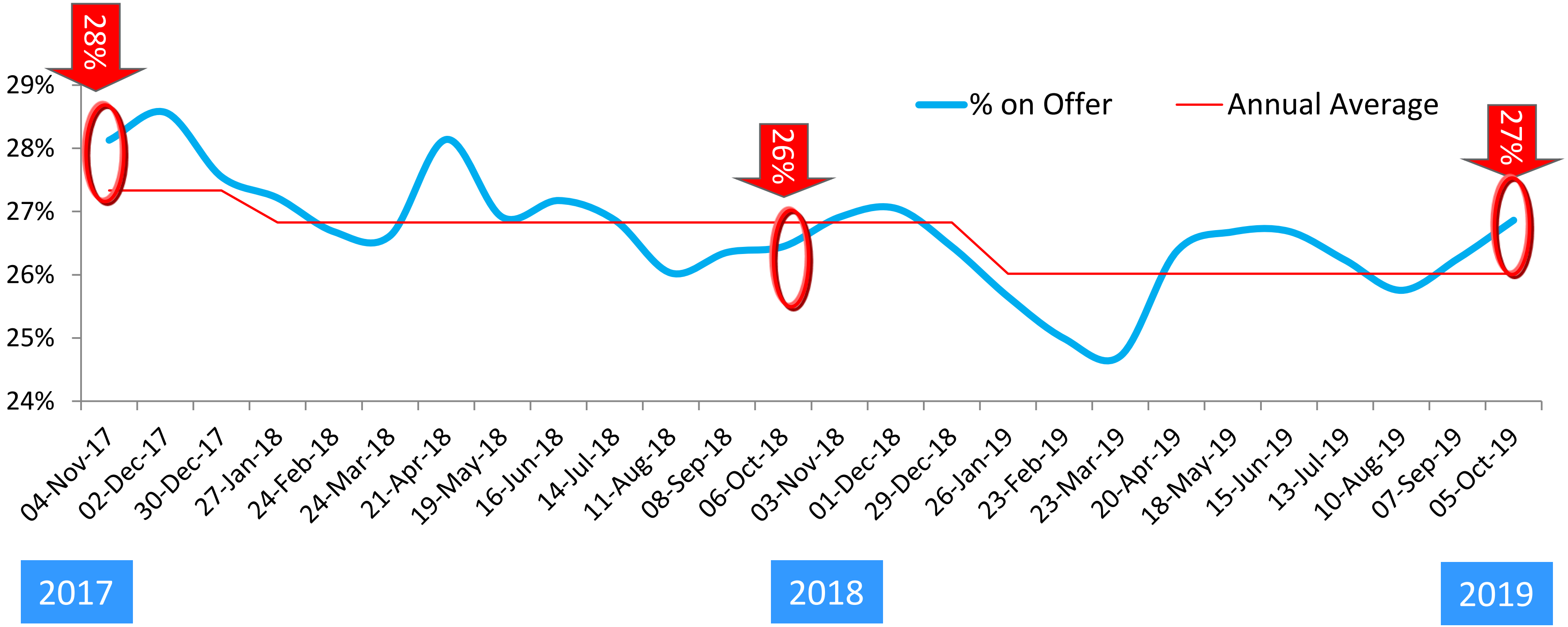
SPEND ON OFFER EDGED UP AGAIN AS THE INDUSTRY PUSHED OUT OFFERS AND VOUCHERS TO ENCOURAGE RELUCTANT SHOPPERS TO SPEND

% Exp On Offer: Total FMCG



Source: Nielsen Homescan Grocery Multiples
4 weeks ending periods to 05th October 2019

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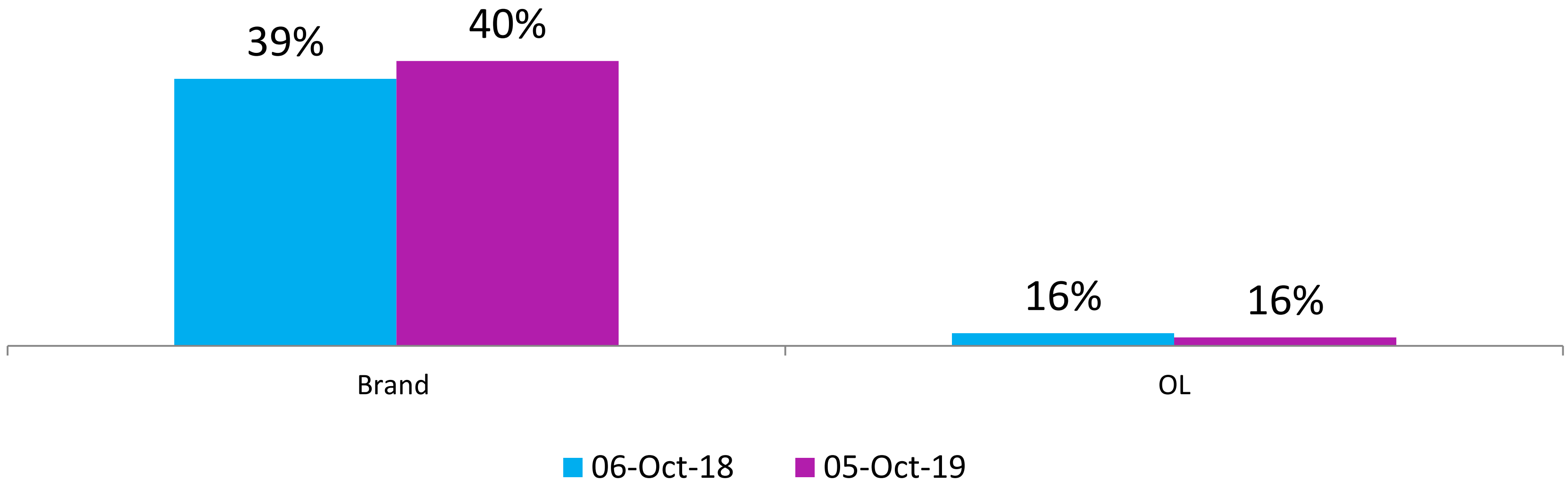
MANUFACTURERS ARE DRIVING THE INCREASE IN OFFER SPEND …. AS RETAILERS COMPETE WITH HIGH STREET VALUE RETAILERS ON PRICE FOR THE NATION'S ICONIC BRANDS

% Exp On Offer: FMCG



Source: Nielsen Homescan Grocery Multiples
4 weeks ending periods to 05th October 2019

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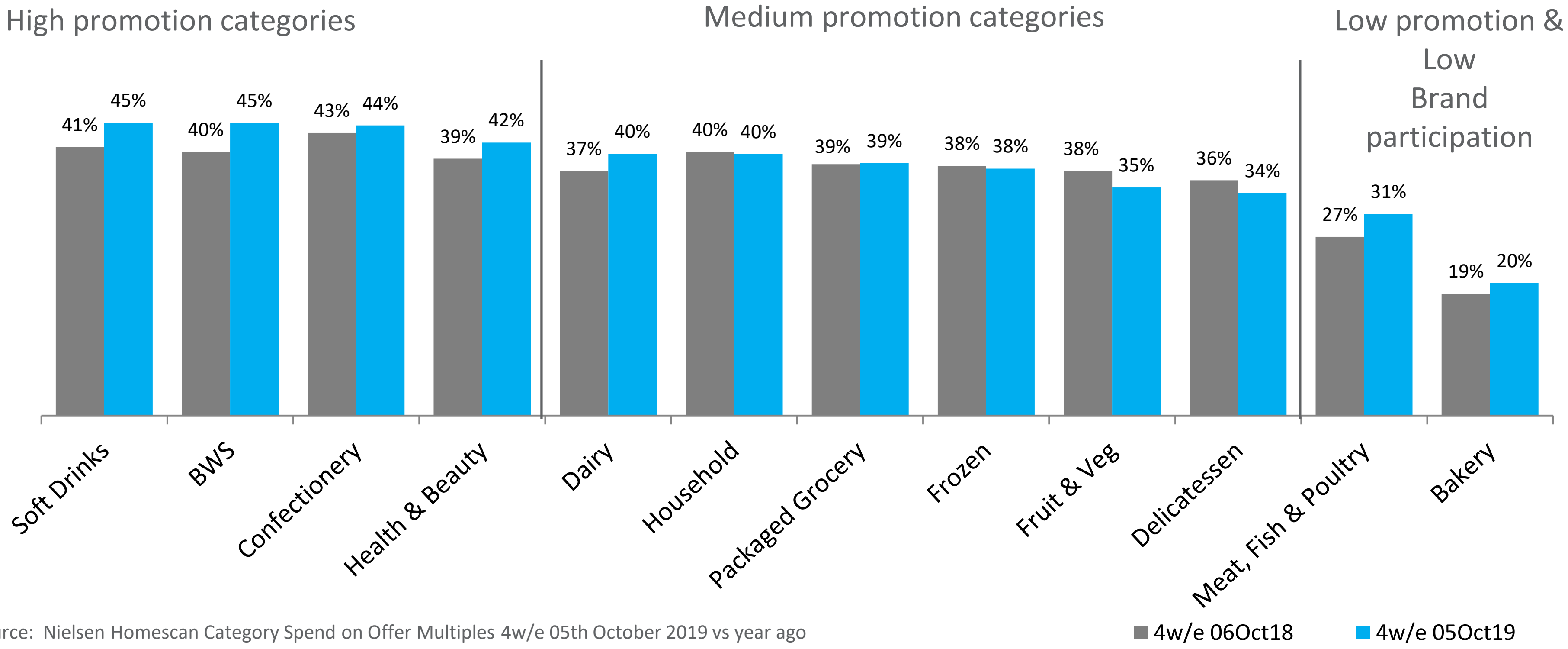
MANUFACTURERS ENCOURAGE SHOPPERS TO BUY MORE VOLUME IN THE IMPULSE CATEGORIES AND TRADE UP IN HEALTH & BEAUTY WITH ITS HIGHER AVERAGE UNIT PRICE

Branded % Spend on Offer



Source: Nielsen Homescan Category Spend on Offer Multiples 4w/e 05th October 2019 vs year ago

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

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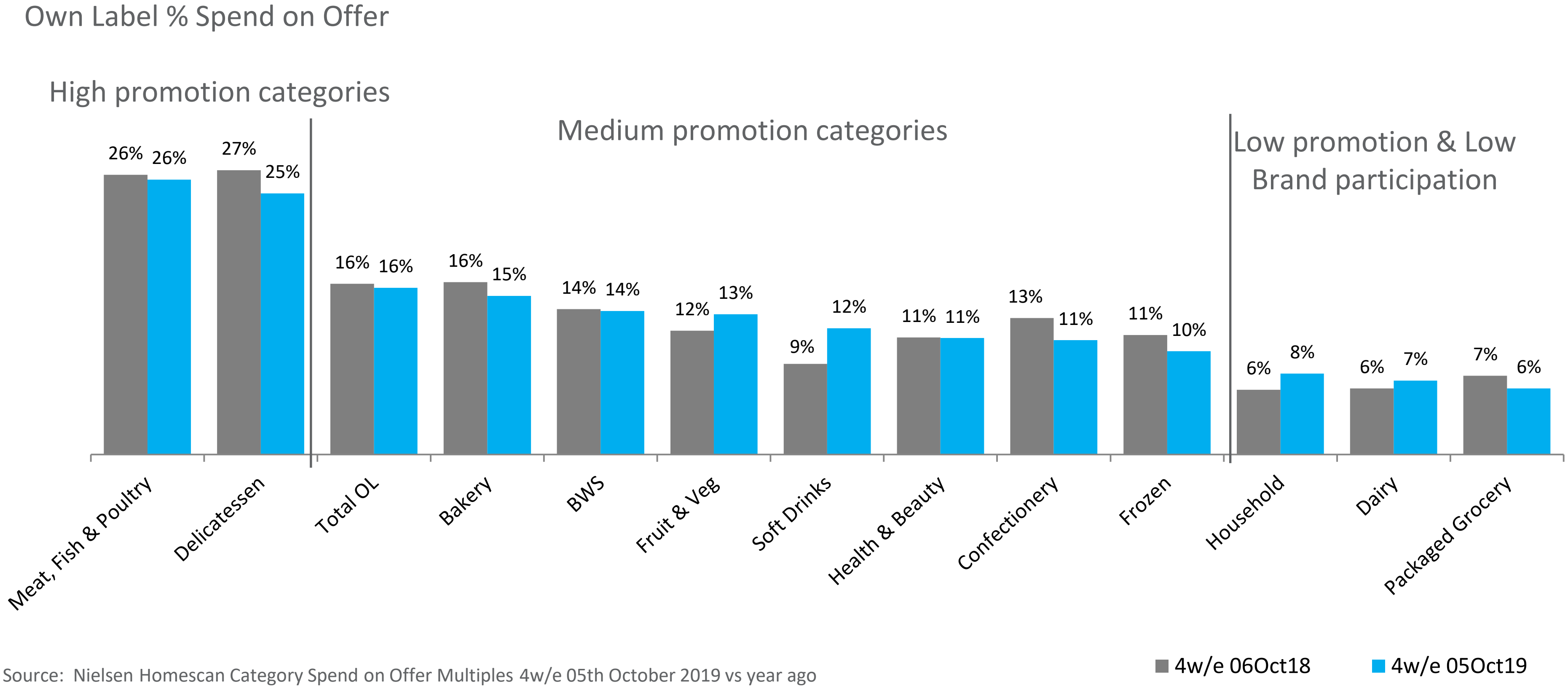
RETAILERS IN CONTRAST ARE PUSHING THE FRESH CATEGORIES, MFP AND DELICATESSEN



Source: Nielsen Homescan Category Spend on Offer Multiples 4w/e 05th October 2019 vs year ago
Own Label Value Sales bought on offer as % Total Own Label Value Sales by category

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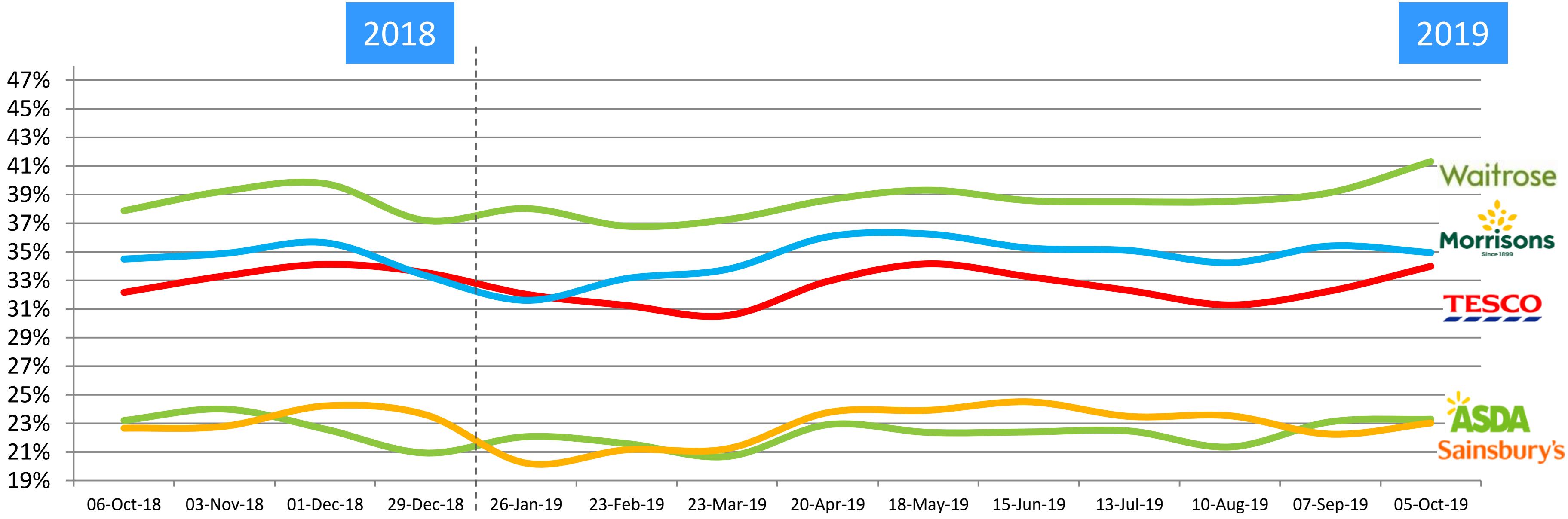
OFFER SPEND INCREASED AT TESCO AND WAITROSE. MORRISONS STILL HAS THE HIGHEST SPEND OF THE TOP 4, BUT THIS CROWN IS BEING CHASED BY TESCO

% Exp On Offer: Total FMCG



Source: Nielsen Homescan Grocery Multiples, 4 weeks ending periods to 05th October 2019

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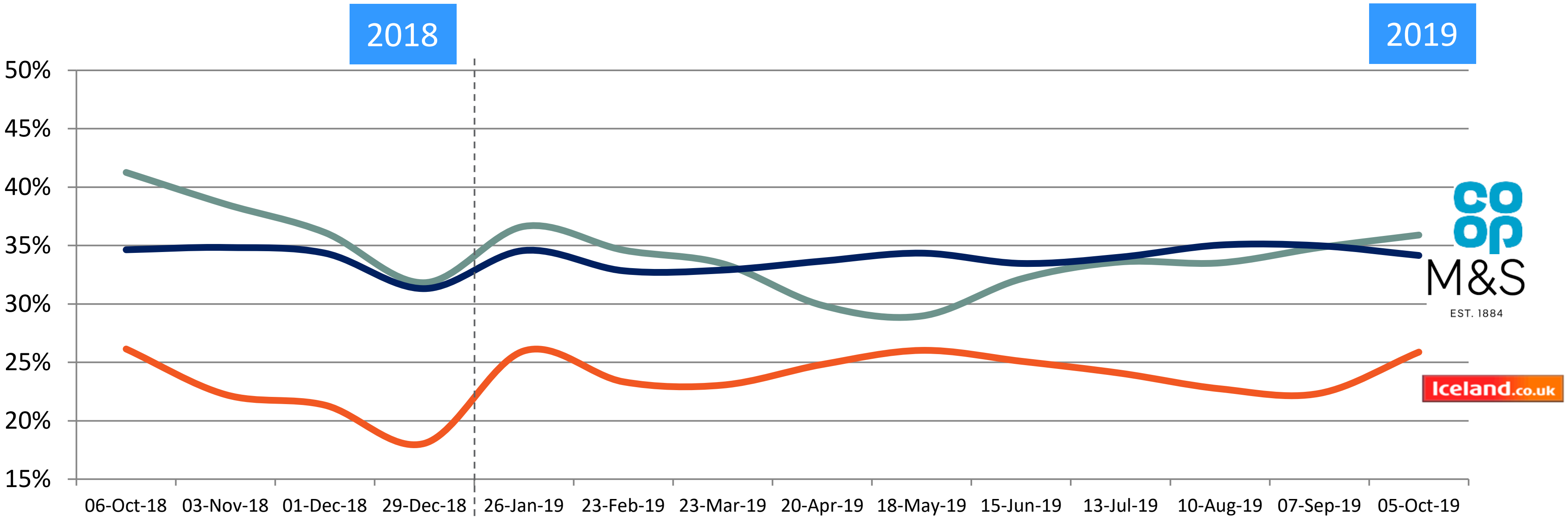
CO-OP EDGED M&S ON OFFER SPEND THIS WEEK AND ICELAND TOPPED 26% FOR THE THIRD TIME THIS YEAR

% Exp On Offer: Total FMCG



Source: Nielsen Homescan Grocery Multiples, 4 weeks ending periods to 05th October 2019

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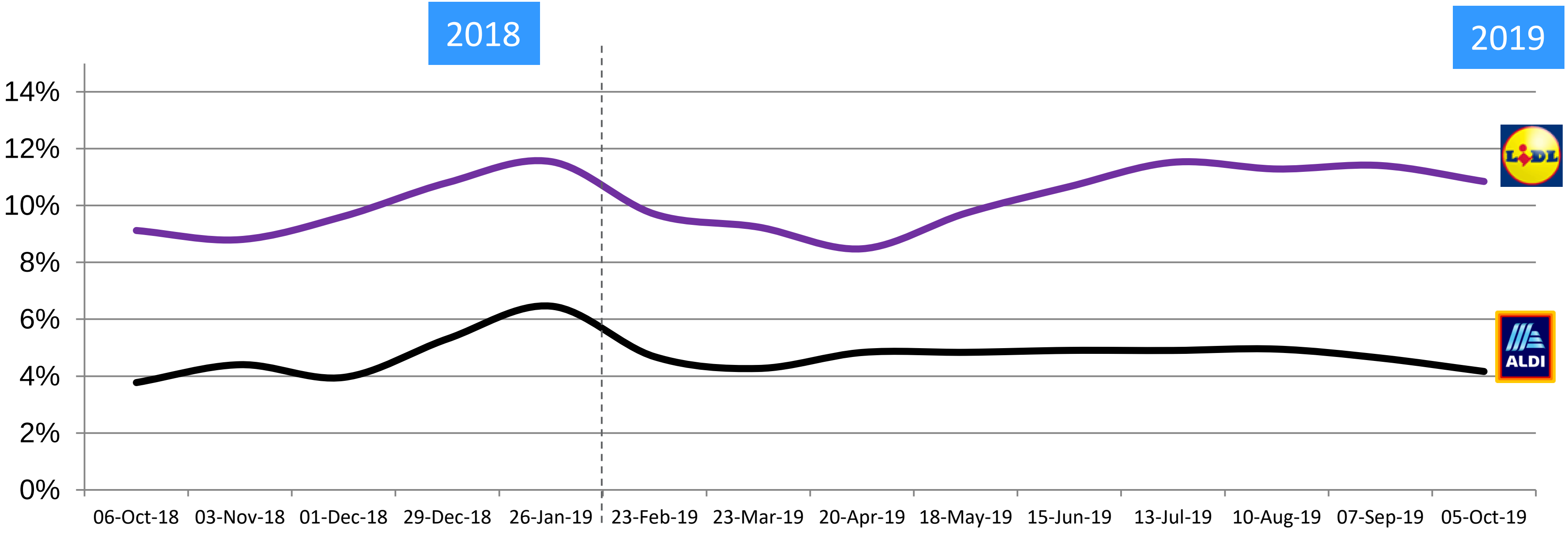
ALDI CONTINUES TO FOCUS ON THEIR LOW PRICE CREDENTIALS WITH THE LOWEST OFFER SPEND IN THE MARKET

% Exp On Offer: Total FMCG



- Source: Nielsen Homescan Grocery Multiples, 4 weeks ending periods to 05th October 2019

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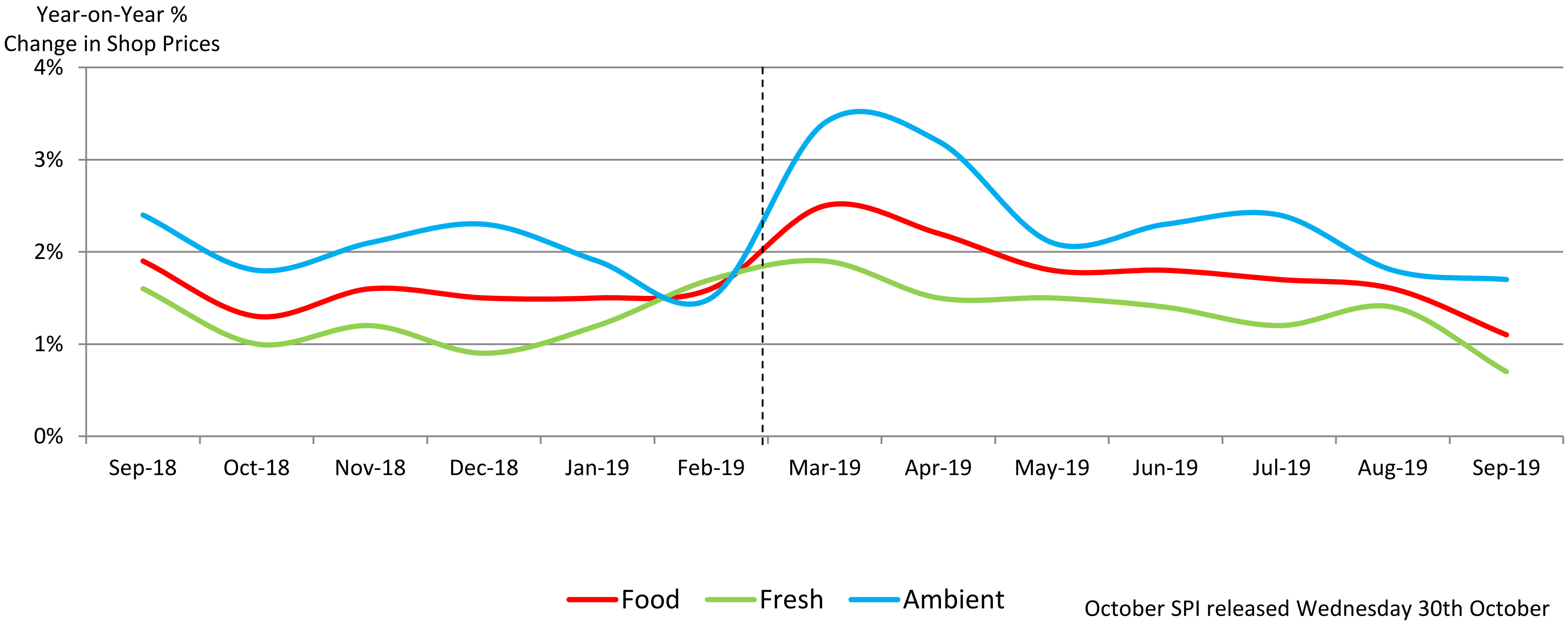
FOOD INFLATION EASED TO A 17TH MONTH LOW IN SEPTEMBER, EXPLAINED BY FRESH. REFLECTING LOWER DOMESTIC PRICES FOR VEGETABLES AND LOWER GLOBAL MEAT PRICES



October SPI released Wednesday 30th October

Source: BRC-Nielsen SPI

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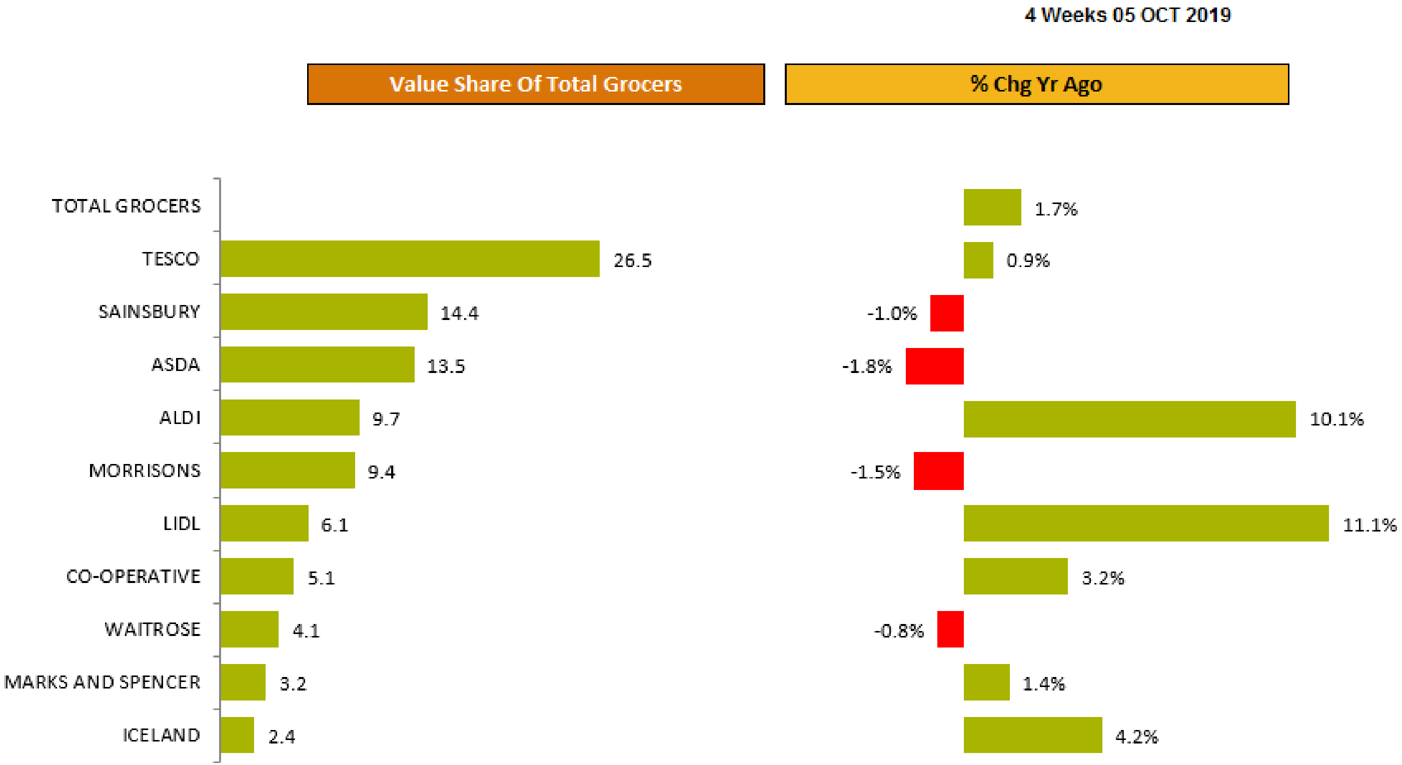
AFTER A WARM AND SUNNY START TO SEPTEMBER, AUTUMNAL WEATHER TOOK HOLD, SALES AT THE TOP 4 WEAKENED AND SHOPPERS SPENT ELSEWHERE



Source: Nielsen Homescan Total Till 4 weeks ending 05th October 2019

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TESCO LED THE TOP 4 BUT SHARE CONTINUES TO DILUTE AS TESCO ARE NOT ATTRACTING ENOUGH NEW SHOPPERS TO OFFSET DECLINING SHOPPER SPEND

FMCG share of Trade (Grocers)

4 Weeks 06 OCT 2018	4 Weeks 05 OCT 2019	4 Weeks % Change in Value
27.2	27.0	1.1

Penetration

4 Weeks 06 OCT 2018	4 Weeks 05 OCT 2019	% Change in Number of Shoppers
64.7	65.1	1.5

Average Spend per Shopper

4 Weeks 06 OCT 2018	4 Weeks 05 OCT 2019	% Change
£109.00	£108.60	-0.3

Average Visits per Shopper

4 Weeks 06 OCT 2018	4 Weeks 05 OCT 2019	% Change
5.0	5.0	-0.6

Spend per Visit

4 Weeks 06 OCT 2018	4 Weeks 05 OCT 2019	% Change
£21.60	£21.70	0.2

Source: Nielsen Homescan FMCG weeks ending 05th October 2019

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SAINSBURY'S ALSO NEED TO ATTRACT NEW SHOPPERS AND ARREST THE DECLINE IN SHOPPER FREQUENCY AND AVERAGE BASKET SPEND

Sainsbury's

FMCG share of Trade (Grocers)

4 Weeks 06 OCT 2018	4 Weeks 05 OCT 2019	4 Weeks % Change in Value
14.4	14.0	-0.6

Penetration

4 Weeks 06 OCT 2018	4 Weeks 05 OCT 2019	% Change in Number of Shoppers
43.1	43.1	0.9

Average Spend per Shopper

4 Weeks 06 OCT 2018	4 Weeks 05 OCT 2019	% Change
£86.50	£85.20	-1.5

Average Visits per Shopper

4 Weeks 06 OCT 2018	4 Weeks 05 OCT 2019	% Change
4.4	4.4	-1.1

Spend per Visit

4 Weeks 06 OCT 2018	4 Weeks 05 OCT 2019	% Change
£19.70	£19.60	-0.3

Source: Nielsen Homescan FMCG weeks ending 05th October 2019

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ASDA ATTRACTED MORE VISITS BUT WILL NEED TO ADDRESS THE DECLINE IN AVERAGE BASKET SIZE WHICH IS A CONCERN GIVEN THEIR AVERAGE STORE SIZE

FMCG share of Trade (Grocers)

4 Weeks 06 OCT 2018	4 Weeks 05 OCT 2019	4 Weeks % Change in Value
13.1	12.7	-1.4

Penetration

4 Weeks 06 OCT 2018	4 Weeks 05 OCT 2019	% Change in Number of Shoppers
43.3	42.9	0.0

Average Spend per Shopper

4 Weeks 06 OCT 2018	4 Weeks 05 OCT 2019	% Change
£78.30	£77.20	-1.4

Average Visits per Shopper

4 Weeks 06 OCT 2018	4 Weeks 05 OCT 2019	% Change
3.5	3.6	3.2

Spend per Visit

4 Weeks 06 OCT 2018	4 Weeks 05 OCT 2019	% Change
£22.60	£21.60	-4.4

Source: Nielsen Homescan FMCG weeks ending 05th October 2019

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OF THE TOP 4, MORRISONS ATTRACTED THE HIGHEST GROWTH IN NEW SHOPPERS BUT THIS WAS OFFSET BY A DECINE IN VISITS AND AVERAGE BASKET SPEND

FMCG share of Trade (Grocers)

4 Weeks 06 OCT 2018	4 Weeks 05 OCT 2019	4 Weeks % Change in Value
9.9	9.5	-1.3

Penetration

4 Weeks 06 OCT 2018	4 Weeks 05 OCT 2019	% Change in Number of Shoppers
33.9	34.3	2.1

Average Spend per Shopper

4 Weeks 06 OCT 2018	4 Weeks 05 OCT 2019	% Change
£75.50	£72.90	-3.4

Average Visits per Shopper

4 Weeks 06 OCT 2018	4 Weeks 05 OCT 2019	% Change
3.5	3.5	-1.7

Spend per Visit

4 Weeks 06 OCT 2018	4 Weeks 05 OCT 2019	% Change
£21.40	£21.10	-1.8

Source: Nielsen Homescan FMCG weeks ending 05th October 2019

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WHILST M&S STRATEGY TO TARGET 'BIGGER BASKET' SPEND MAY BE RESONATING FEWER SHOPPERS THIS MONTH WILL BE A CONCERN

FMCG share of Trade (Grocers)

4 Weeks 06 OCT 2018	4 Weeks 05 OCT 2019	4 Weeks % Change in Value
3.4	3.4	1.4

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Penetration

4 Weeks 06 OCT 2018	4 Weeks 05 OCT 2019	% Change in Number of Shoppers
21.3	19.4	-8.0

Average Spend per Shopper

4 Weeks 06 OCT 2018	4 Weeks 05 OCT 2019	% Change
£41.50	£45.80	10.2

Average Visits per Shopper

4 Weeks 06 OCT 2018	4 Weeks 05 OCT 2019	% Change
4.0	4.1	3.3

Spend per Visit

4 Weeks 06 OCT 2018	4 Weeks 05 OCT 2019	% Change
£10.40	£11.10	6.7

Source: Nielsen Homescan FMCG weeks ending 05th October 2019

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WAITROSE FREQUENCY THIS MONTH WAS 'SECOND ONLY TO CO-OP' AND WITH GROWTH FLAT LINING MAY SUGGEST A DIFFERENT SHOPPING BEHAVIOUR TOWARDS 'TOP-UP' IS EMERGING

FMCG share of Trade (Grocers)

4 Weeks 06 OCT 2018	4 Weeks 05 OCT 2019	4 Weeks % Change in Value
4.4	4.2	-0.7

Waitrose

Penetration

4 Weeks 06 OCT 2018	4 Weeks 05 OCT 2019	% Change in Number of Shoppers
13.2	12.7	-2.8

Average Spend per Shopper

4 Weeks 06 OCT 2018	4 Weeks 05 OCT 2019	% Change
£85.60	£87.40	2.2

Average Visits per Shopper

4 Weeks 06 OCT 2018	4 Weeks 05 OCT 2019	% Change
5.0	5.4	7.4

Spend per Visit

4 Weeks 06 OCT 2018	4 Weeks 05 OCT 2019	% Change
£17.10	£16.30	-5.0

Source: Nielsen Homescan FMCG weeks ending 05th October 2019

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THE BETTER WEATHER MID SEPTEMBER WILL HAVE BENEFITED CO-OP AND IS REFLECTED IN NEW SHOPPES AND MORE SHOPPING TRIPS

FMCG share of Trade (Grocers)

4 Weeks 06 OCT 2018	4 Weeks 05 OCT 2019	4 Weeks % Change in Value
5.3	5.4	3.3

Penetration

4 Weeks 06 OCT 2018	4 Weeks 05 OCT 2019	% Change in Number of Shoppers
26.1	26.8	3.8

Average Spend per Shopper

4 Weeks 06 OCT 2018	4 Weeks 05 OCT 2019	% Change
£52.70	£52.50	-0.4

Average Visits per Shopper

4 Weeks 06 OCT 2018	4 Weeks 05 OCT 2019	% Change
6.4	6.5	1.4

Spend per Visit

4 Weeks 06 OCT 2018	4 Weeks 05 OCT 2019	% Change
£8.20	£8.00	-1.8

Source: Nielsen Homescan FMCG weeks ending 05th October 2019

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ICELAND'S FOOD WAREHOUSE, WIDER RANGE AND £5 VOUCHER OFF £20 SPEND IS ATTRACTING 'NEW SHOPPERS' AND IMPORTANTLY BIGGER BASKET SPENDS

Iceland

FMCG share of Trade (Grocers)

4 Weeks 06 OCT 2018	4 Weeks 05 OCT 2019	4 Weeks % Change in Value
2.5	2.6	4.2

Penetration

4 Weeks 06 OCT 2018	4 Weeks 05 OCT 2019	% Change in Number of Shoppers
20.7	21.8	6.4

Average Spend per Shopper

4 Weeks 06 OCT 2018	4 Weeks 05 OCT 2019	% Change
£31.40	£30.80	-2.0

Average Visits per Shopper

4 Weeks 06 OCT 2018	4 Weeks 05 OCT 2019	% Change
2.4	2.2	-9.6

Spend per Visit

4 Weeks 06 OCT 2018	4 Weeks 05 OCT 2019	% Change
£13.20	£14.30	8.4

Source: Nielsen Homescan FMCG weeks ending 05th October 2019

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ALDI CONTINUES TO ATTRACT MORE SHOPPERS AND VISITS BUT TOPLINE GROWTH HAS SLOWED AND AVERAGE BASKET SPEND MAY BE REACHING A CEILING

FMCG share of Trade (Grocers)

4 Weeks 06 OCT 2018	4 Weeks 05 OCT 2019	4 Weeks % Change in Value
9.7	10.3	8.5

Penetration

4 Weeks 06 OCT 2018	4 Weeks 05 OCT 2019	% Change in Number of Shoppers
38.4	40.5	6.6

Average Spend per Shopper

4 Weeks 06 OCT 2018	4 Weeks 05 OCT 2019	% Change
£65.50	£66.60	1.7

Average Visits per Shopper

4 Weeks 06 OCT 2018	4 Weeks 05 OCT 2019	% Change
3.1	3.1	2.6

Spend per Visit

4 Weeks 06 OCT 2018	4 Weeks 05 OCT 2019	% Change
£21.40	£21.20	-0.7

Source: Nielsen Homescan FMCG weeks ending 05th October 2019

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LIDL IS THE ONLY RETAILER TO HOLD/IMPROVE ALL METRICS IN SEPTEMBER AND WILL NEED TO MAINTAIN THIS MOMENTUM AS THEY ENTER THE GOLDEN QUARTER

FMCG share of Trade (Grocers)

4 Weeks 06 OCT 2018	4 Weeks 05 OCT 2019	4 Weeks % Change in Value
5.8	6.1	7.4

Penetration

4 Weeks 06 OCT 2018	4 Weeks 05 OCT 2019	% Change in Number of Shoppers
30.1	32.0	7.1

Average Spend per Shopper

4 Weeks 06 OCT 2018	4 Weeks 05 OCT 2019	% Change
£49.90	£50.00	0.3

Average Visits per Shopper

4 Weeks 06 OCT 2018	4 Weeks 05 OCT 2019	% Change
3.0	3.0	0.0

Spend per Visit

4 Weeks 06 OCT 2018	4 Weeks 05 OCT 2019	% Change
£16.70	£16.70	0.3

Source: Nielsen Homescan FMCG weeks ending 05th October 2019

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RETAILER ADVERTISING Q3 REVIEW

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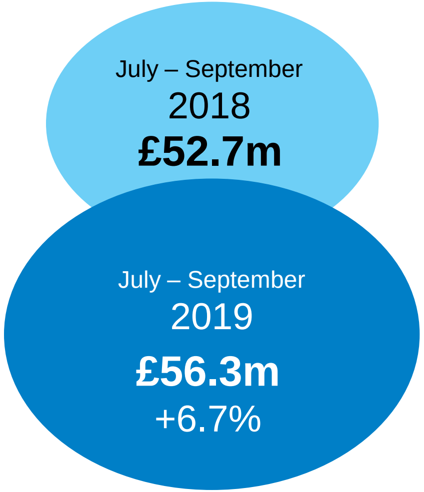
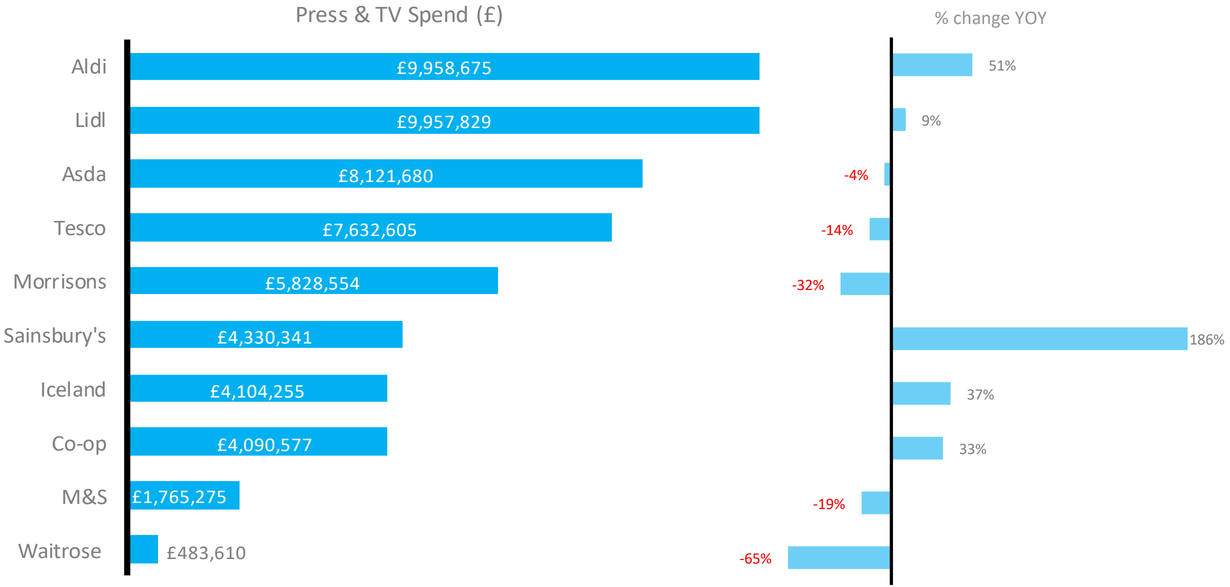
SPEND UP AS SAINSBURY'S CONTINUED ITS 150TH YEAR CELEBRATIONS

Supermarket FMCG TV and press spend increased by 6.7% year-on-year to £56m





Aldi (+51% year-on-year) was the top spender as it continued it swap and save campaign, highlighted its involvement with Team GB ahead of Japan 2020 and launched its 'Kit for Schools' programme. However Lidl (+9%) almost equalled Aldi's TV and press food & FMCG spend in the quarter as it continued its 'Big on' campaign. Spend was down at ASDA, Tesco and Morrisons but Sainsbury's increased its spend by £2.8m. As part of its 150th year celebrations, Sainsbury's promoted 'Price Lockdowns' on selected products for at least 8 weeks. Iceland (Gino D'Acampo range, 7 Day Deals, £5 off £20 spend voucher) and the Co-op (local causes, compostable bags) also recorded big increases in spend.

Source: AdIntel powered by AdDynamix data 2019 - FMCG TV and Press spend only . Granular media data, creative executions and additional insights available. Tina.Codling@nielsen.com

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RETAILER MESSAGES LAST 4 WEEKS

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NEWS BULLETIN: 100 YEAR'S OF GREAT VALUE, WITH BIG BRAND PRICE CUTS, 'PRICES THAT TAKE YOU BACK ..'

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

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ENCOURAGING SHOPPERS TO TRADE UP WITH FUEL DEAL 5P OFF FUEL FOR £40 SPEND, 'BIG BRANDS LOW PRICES'

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

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TARGETTED LARGER BASKET SPENDS WITH THEIR ‘KIT FOR SCHOOLS’ CAMPAIGN.

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Iceland TARGETTED LARGER BASKETS, BY TEMPTING SHOPPERS TO TRY THEIR NEW & IMPROVED RANGE AND AUTHENTIC ITALIAN CUISINE WITH GINO D'ACAMPO ENDORSED MEAL VOUCHER AND £5 OFF £20 WITH HEAVY USE PRESS ADS AND COVER WRAPS

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

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DIGITAL MESSAGES

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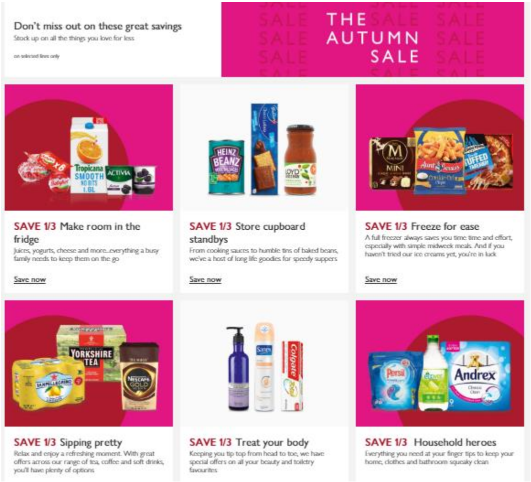
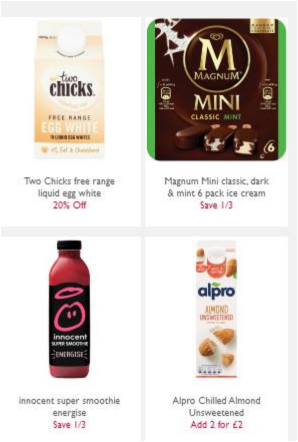
WAITROSE PUSH AUTUMN SALE ON KEY BRANDS, WINE OFFERS AND CELEBRATING ORGANIC SEPTEMBER





RE: Retailer Websites and Digital Advertising

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OCADO PUSH MAGAZINE, INNOVATION AND HEALTHY OPTIONS, AUTUMN CLEANING AND BRANDED OFFERS, ‘BACK TO UNI’ AND EARLY PRIORITY XMAS SLOTS FOR SMARTPASS SHOPPERS WHILST M&S EXPAND THEIR ‘DINE-IN’ THEME, OFFER HEALTHY RECIPES WITH CELEBRATORY CHEF, WINE DEALS, SUPPORT MACMILLAN CANCER AND LOWER PRICES ON STAPLES

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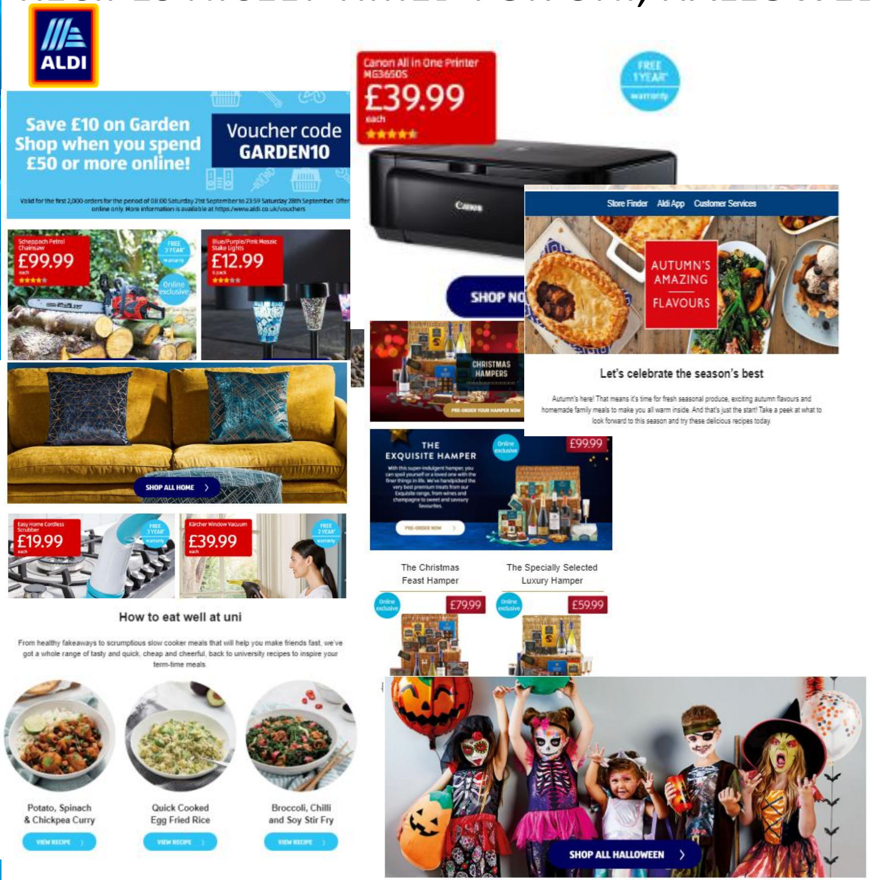
ALDI PUSH FIRST TASTE OF AUTUMN LAST CHANCE FOR GARDEN SHOP AND MAKE YOUR HOME AMAZING, PRINTERS AND AFFORDABLE PLANT BASED RECIPES NICELY TIMED FOR UNI, HALLOWEEN AND XMAS HAMPERS



POUNDLAND THEMED THEIR MERCHANDISE AROUND TIMELY OFFERS INCLUDING ‘BACK TO SCHOOL’, PEP & CO, BIG BRANDS SMALL PRICES, BAKE-OFF AND HALLOWEEN

RE: Retailer Websites and Digital Advertising

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NIELSEN OUTLOOK FOR THE GOLDEN QUARTER

- With a market slowdown in recent weeks, there is now a pressing need for all retailers to increase advertising and promotions, to get shoppers back into shopping mode after the half term holidays at the end of the month and `ready` for Christmas.

- Shoppers are becoming more discerning, the nations appetite for sustainability continues and shoppers are becoming more aware. Re-cyclable packing is no longer enough and shoppers also want to know brands are socially responsible and superior * in terms of function and performance.

- Price cuts are likely to be more popular as will promotions that offer extra savings for shoppers.

- Overall, consumer demand across retailing as a whole is weaker than a year ago and the underlying lack of momentum in food retail, particularly at the top4 supermarkets, is still a concern against the Brexit backdrop.

*Nielsen Global Sustainability Report

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