

Q3 AND CHRISTMAS TRADING STATEMENT 2024/25.

Like-for-like sales (exc. VAT, exc. Fuel)

Q3 covers the 13 weeks to 23 November 2024 and Christmas covers the 6 weeks to 4 January 2025

	Q3	+	Christmas	=	19 weeks
UK & ROI	+2.8%		+3.7%		+3.1%
UK	+3.8%		+4.1%		+3.9%
ROI	+4.2%		+4.8%		+4.4%
Booker	(2.6)%		+1.4%		(1.3)%
Central Europe	+2.8%		+4.7% <sup>1</sup>		+3.5%
Retail	+2.8%		+3.8%		+3.1%

Ken Murphy, Chief Executive:

"I am very proud of the entire Tesco team and the way we served customers this Christmas. We invested to bring the best value, quality and service to everyone, no matter how or where they shopped with us. As a result, we delivered our biggest ever Christmas, with continued market share growth and switching gains.

Our strong performance reflects the investments we have made, positioning Tesco as the UK's cheapest full-line grocer for over two years, improving quality across all our ranges, with more than half of this year's Christmas range new or improved, and providing the best experience for our customers in-store and online, supported by an extra 28,000 colleagues over the Christmas period.

I would like to say a huge thank you to everyone at Tesco for their hard work in delivering a great Christmas. As we start 2025, we look forward to continuing to offer our customers the very best products and experience at Tesco."

Performance highlights <sup>2</sup>.

UK: Highest market share since 2016 driven by further improvement in customer satisfaction

- Continued volume growth ahead of the market; value market share up +78bps to 28.5%<sup>3</sup>, 19 consecutive periods of share gains; net switching gains from full-line grocers, premium retailers and limited-range discounters<sup>4</sup>
- Brand perception +226bps; improvements in all drivers, including value (+265bps) and recommend (+385bps)<sup>5</sup>
- Further cementing our position as cheapest full-line grocer<sup>6</sup>; traditional Christmas dinner available at a 12% lower price year-on-year, helping to feed the nation's Christmas spirit regardless of budget<sup>7</sup>
- Food sales up +4.7%, primarily driven by volume growth across the period, with a particularly strong contribution from fresh food; non-food sales (exc. toys) up +4.0%<sup>8</sup>, with growth in both home and clothing
- Over 350 new or improved Christmas products; quality perception up +100bps, growing ahead of the market<sup>5</sup>; won 78 festive product awards, including Free From Christmas 'Range of the Year'
- Finest sales up +15.5%; over 300 Finest festive products including expanded Finest Chefs Collection range
- Personalised 'Clubcard Challenges' offered to 10 million customers across the festive period, contributing to record level of digital engagement
- Strong growth in online, with sales up +10.8% and market share up +122bps<sup>9</sup>; over 1.2 million Tesco Whoosh orders placed across the Christmas period
- Our Winter Food Collection saw 1.9 million meals donated to foodbanks by customers and colleagues

ROI: Fresh food performance drives strong volume growth with continued share gains

- Continued growth in market share, up +40bps<sup>10</sup>, delivering 34 consecutive periods of gains
- Fresh volume growth +2.1%, supported by ongoing rollout of 'fresh first' refresh programme
- Investments in quality and innovation recognised with 21 Blas na hÉireann (Taste of Ireland) gold medals
- Online sales up +17.1%, driven by launch of same-day Click & Collect and home delivery

Booker: Strength in core catering and retail offset by tobacco market decline and Best Food Logistics

- Core catering growth of +2.8%, with volume growth supported by further availability improvements and value investments, including over 800 prices locked from October 2024 to January 2025
- Core retail growth of +1.3%; our symbol brands continue to perform well despite a subdued market backdrop; further improvement in customer satisfaction
- Overall Booker performance of (1.3)% reflects continued decline in the tobacco market and weakness in parts of the fast-

## Central Europe: Improved customer satisfaction and volume growth drives positive like-for-like momentum

- Customer satisfaction improvements ahead of the market in all countries, driven by value perception<sup>11</sup>
- Food sales up +3.7%, with a strong contribution from fresh food as customers responded to investments in quality, including the introduction of further Finest products
- Non-food sales up +1.8%, driven by general merchandise

## Outlook.

The ongoing investments in our customer offer continue to drive volume momentum and set us up well to deliver long-term growth. As a result, we continue to expect to deliver retail adjusted operating profit for the 2024/25 financial year of around £2.9bn, in line with the upgraded guidance we gave at our Interim Results.

In addition, we continue to expect retail free cash flow within our medium-term guidance range of £1.4bn-£1.8bn and adjusted operating profit contribution from the retained Tesco Bank business of around £120m.

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A call for investors and analysts will be held today at 09:00am. A link will be available on our website at [www.tescopl.com/investors](http://www.tescopl.com/investors). A transcript and playback facility will also be made available after the call.

We will report our Preliminary Results on Thursday 10 April 2025.

## Additional sales detail.

19 weeks to 4 Jan 2025 (exc. VAT, exc. Fuel)	Sales £m	Sales change (constant rates)	Sales change (actual rates)
<b>UK &amp; ROI</b>	<b>22,333</b>	<b>+4.0%</b>	<b>+3.8%</b>
UK <sup>12</sup>	17,920	+4.6%	+4.6%
ROI	1,138	+5.5%	+1.9%
Booker	3,275	+0.1%	+0.1%
<b>Central Europe</b>	<b>1,609</b>	<b>+3.7%</b>	<b>(2.6)%</b>
<b>Group</b>	<b>23,942</b>	<b>+4.0%</b>	<b>+3.3%</b>

## UK fuel sales.

	Sales £m 19 weeks	Like-for-like sales growth			
		Q3	+	Christmas	= 19 weeks
UK exc. Fuel	17,920	+3.8%		+4.1%	+3.9%
Fuel	2,116	(12.4)%		(10.8)%	(11.9)%
<b>UK revenue</b>	<b>20,036</b>	<b>+1.6%</b>		<b>+2.4%</b>	<b>+1.9%</b>

## Booker like-for-like sales growth.

	Q3	+	Christmas	=	19 weeks
Core retail	(0.5)%		+5.7%		+1.3%
Core catering	+1.8%		+5.0%		+2.8%
Tobacco	(11.0)%		(6.1)%		(9.5)%
Best Food Logistics	(3.9)%		(4.1)%		(4.0)%
<b>Total Booker</b>	<b>(2.6)%</b>		<b>+1.4%</b>		<b>(1.3)%</b>

## Notes.

1. Central Europe Christmas like-for-like includes a +0.7ppts benefit from the timing of public holidays in Slovakia.
2. Sales growth percentages refer to like-for-like change unless otherwise stated.
3. UK market share based on Kantar Total Grocers Total Till Roll for 12 weeks to 29 December 2024. A 'period' for market share purposes is defined as a four-weekly read of market share across the previous 12 weeks.
4. UK Kantar net switching gains 12-week ending rolling basis to 29 December 2024. Net switching gains refers to the aggregated total of each group, with 'full-line grocers' referring to Sainsbury's, Asda and Morrisons, 'premium retailers' referring to Waitrose and Marks & Spencer, and 'limited-range discounters' referring to Aldi and Lidl.
5. Customer Perception based on year-on-year changes in YouGov BrandIndex score for the 12 weeks ended 5 January 2025.
6. UK Price index is an internal measure calculated using the retail selling price of each item on a per unit or unit of measure basis. Competitor retail selling prices are collected weekly by a third party. The price index includes price cut promotions and is weighted by sales to reflect customer importance. 'Full-line grocers' refers to Tesco, Sainsbury's, Asda and Morrisons.
7. Price per person of £1.84 for Christmas meal for six, based on a total of eight products when using Clubcard, including a Tesco Small

7. Price per person of £1.07 for Christmas meal for six, based on a total of eight products when using Click&Collect, including a Tesco Small Whole Turkey 3kg. Equivalent price per person in December 2023 of £2.09.
8. Our partnership with The Entertainer means we no longer recognise the full value of toy sales and instead earn commission income. This impacts our reported UK Q3, Christmas and 19 week like-for-like sales by (0.3)ppts, (0.4)ppts & (0.4)ppts respectively. There is a similar impact on the like-for-like sales of ROI and the Group. UK 19 week non-food like-for-like sales including toys was (1.6)%.
9. UK Online market share based on year-on-year change in Kantar Total Grocery online channel for 12 weeks to 29 December 2024.
10. ROI market share based on year-on-year change in Kantar Total Till Roll for 12 weeks to 1 December 2024. A 'period' for market share purposes is defined as a four-weekly read of market share across the previous 12 weeks.
11. BASIS Global Brand Tracker. Responses to the question: "How likely is it that you would recommend the following company to a friend or colleague?"
12. UK sales includes sales from the retained Tesco Bank business but these sales are excluded from like-for-like growth metrics.

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