Understanding Market Recovery

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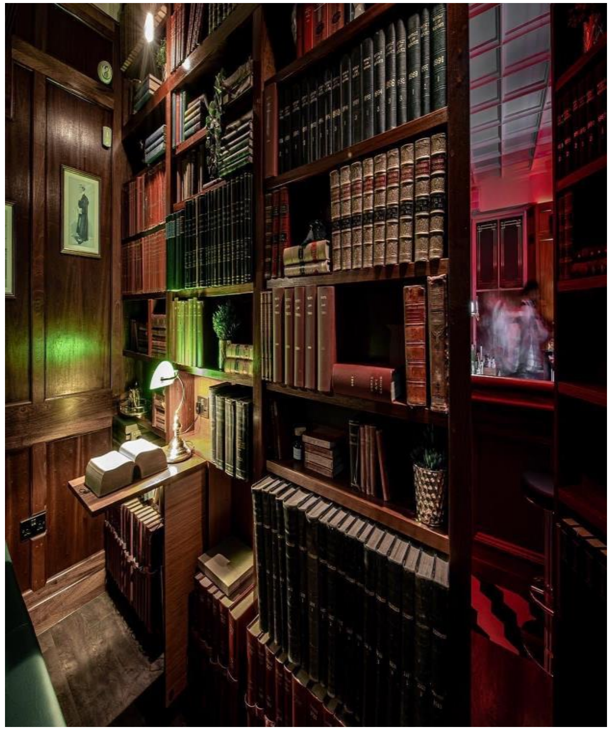
Lumina Intelligence & MCA News

TODAY WE EXPLORE

1. UK Eating & drinking out market performance
2. How UK Menu's have changed
3. Convenience retail under pressure?
4. Where to find £1.7bn?

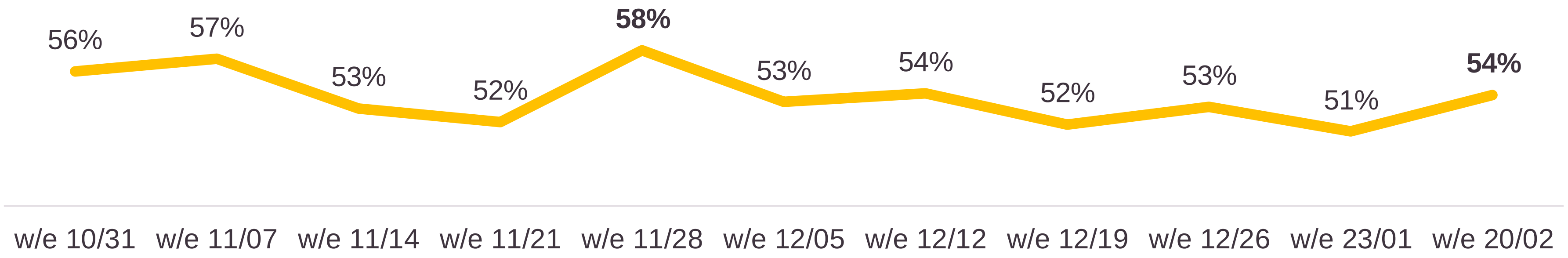


The Library, Bristol

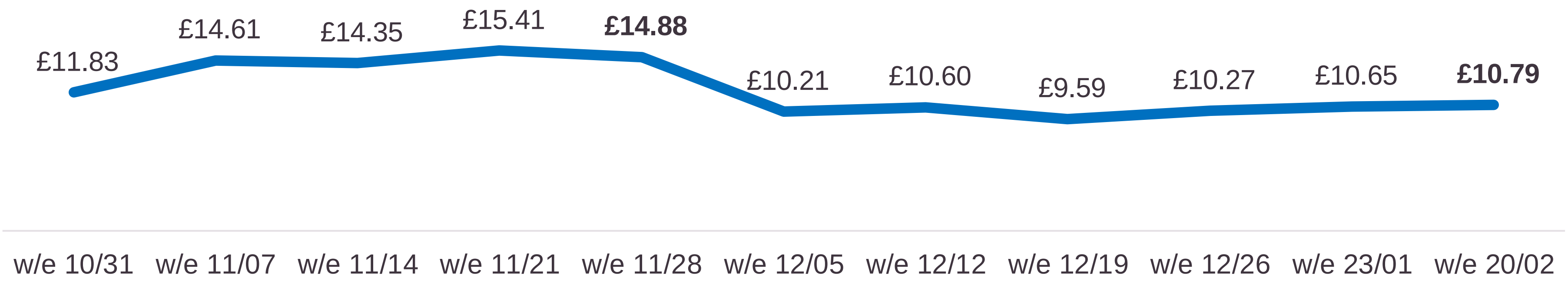
Source; Lumina Intelligence Eating & drinking Out Panel data to Feb 22 /Convenience Tracking Programme, continuous data to Mar 22.

RESTRICTIONS EASE, PARTICIPATION & SPEND INCREASE

OOH Participation



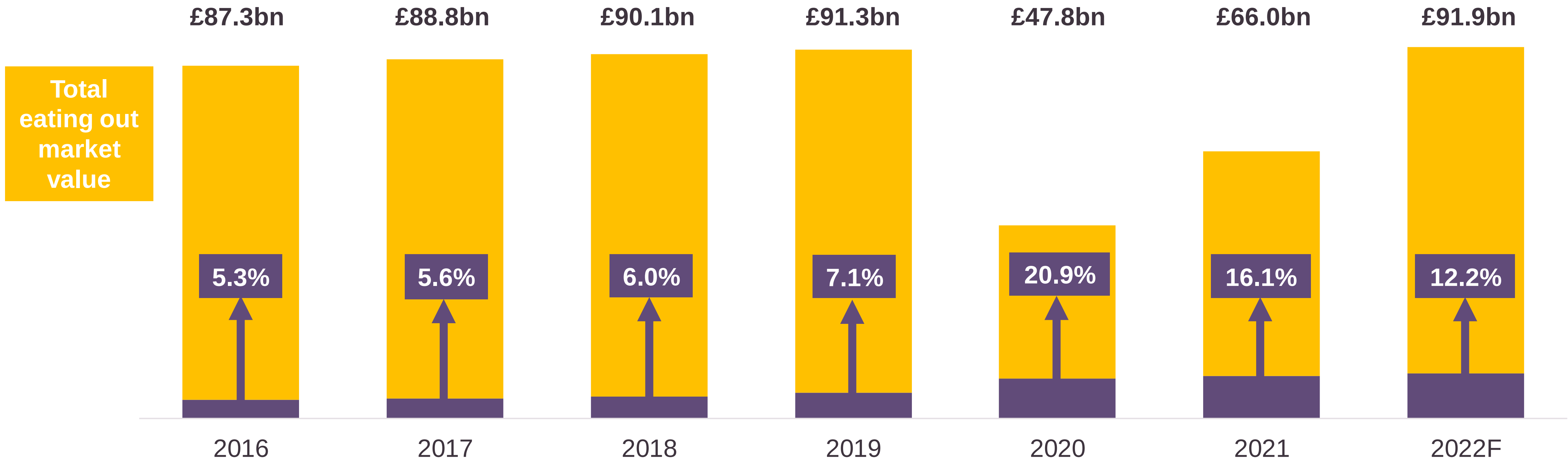
OOH Avg Spend



Source: Lumina Intelligence Eating & Drinking Out Panel, Feb 2022

FORECAST FULL MARKET RECOVERY & FOODSERVICE DELIVERY SHARE SOFTENS

Total Market Value & Delivery share 2016-2022F



Total market turnover is excluding VAT and Delivery fees

Source: Lumina Intelligence, Eating & Drinking Out panel, Feb 2022

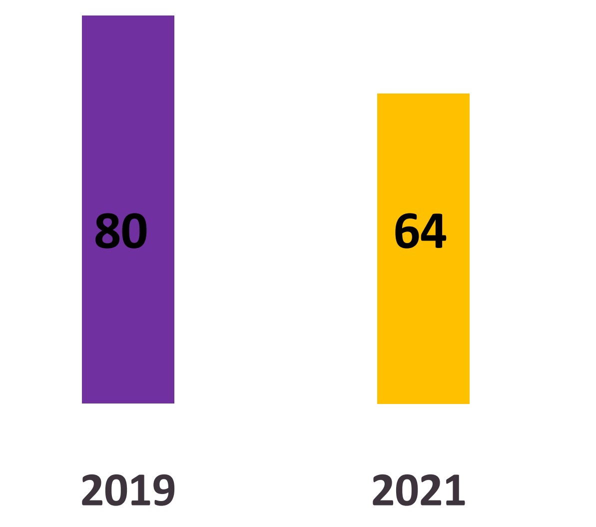
TAKEAWAY CHANNELS FUELLING RECOVERY

Channel	2019 Turnover (m)	2020 Turnover (m)	2021 Turnover (m)	2021 recovery to 2019
Pubs	£22,974	£9,057	£14,770	64.3%
Fast food	£15,967	£11,632	£13,828	86.6%
Service-led restaurants	£18,879	£8,863	£11,156	59.1%
Hotels	£8,902	£4,345	£5,828	65.5%
Convenience store & Supermarket to go	£7,122	£3,839	£5,360	75.3%
Sandwich & Bakery	£4,922	£2,955	£4,451	90.0%
Coffee shops/cafes & dessert parlours	£4,365	£2,610	£4,040	92.5%
Contract catering	£4,404	£2,802	£3,413	63.4%
Travel	£2,326	£1,385	£1,811	77.9%
Department store/S-market/Garden centre cafés/restaurants	£866	£376	£564	65.1%
Leisure	£498	£172	£306	61.5%

Source: Lumina Intelligence Market Sizing Analysis, February 2022

UK MENU'S SHRINK & DIETARY REQUIREMENTS RISE

Spring Summer Menu Item No's



% change from Spring/Summer 2019-2021

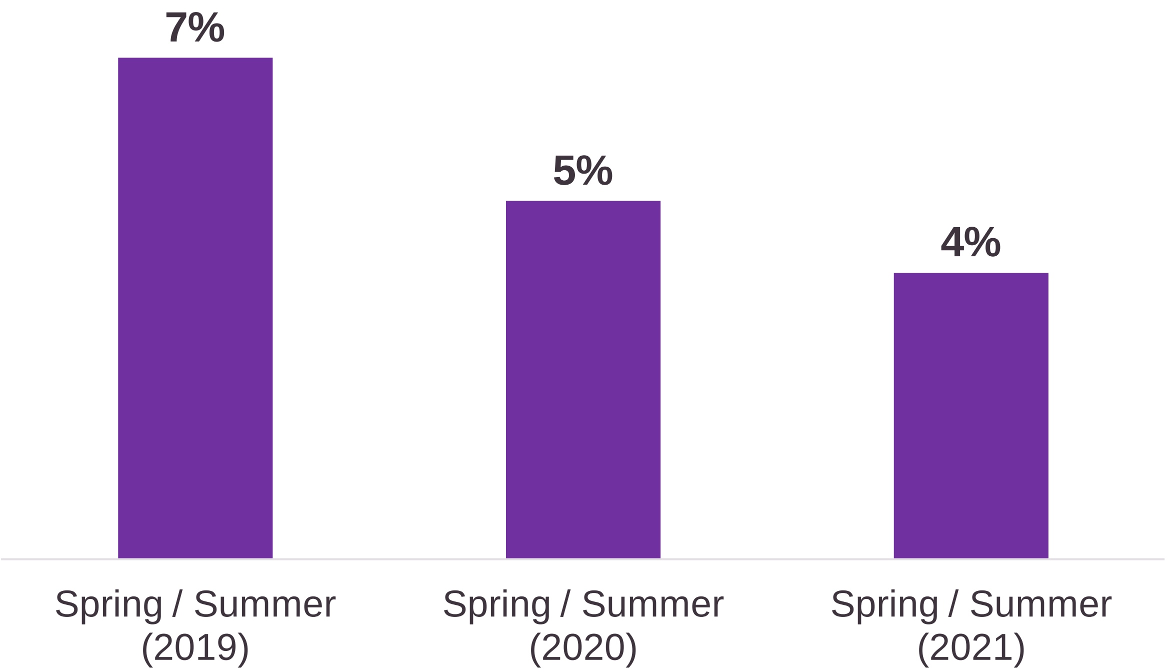
Ve*	+163%	GF	+2%
GF*	+25%	V	-2%
Ve	+21%	L	-38%

No Catch Co. Brighton

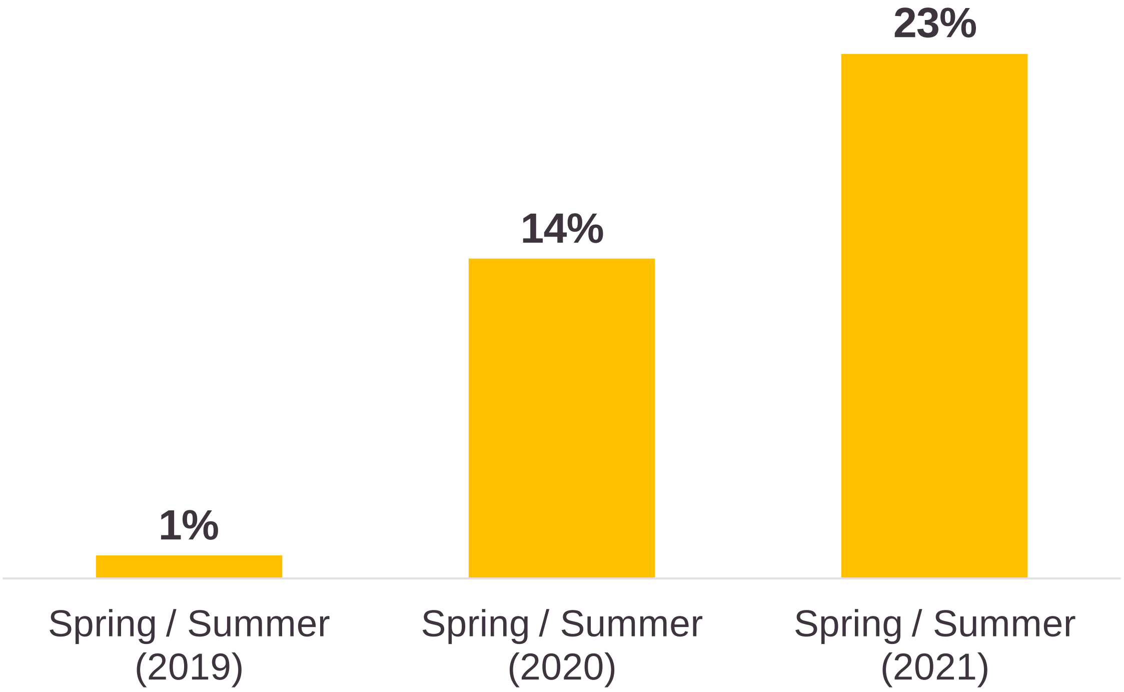
Source: Lumina Intelligence Menu Tracker Tool Spring/Summer 2021

NPD FALLS BUT CUSTOMISABLE GROWS

NPD as a proportion of operator menus, SS 2019-2021



% of new dishes that are customisable SS 2019-2021



Source: Lumina Intelligence Menu Tracker Tool Spring/Summer 2021

NEW CONCEPTS IN 21 EMBRACING CONSUMER TRENDS

Escapism concepts target consumers seeking new experiences

Sustainability & provenance concepts continue to grow

Competitive socialisation maintains popularity

Haugen, Stratford, London

Flawd, Manchester

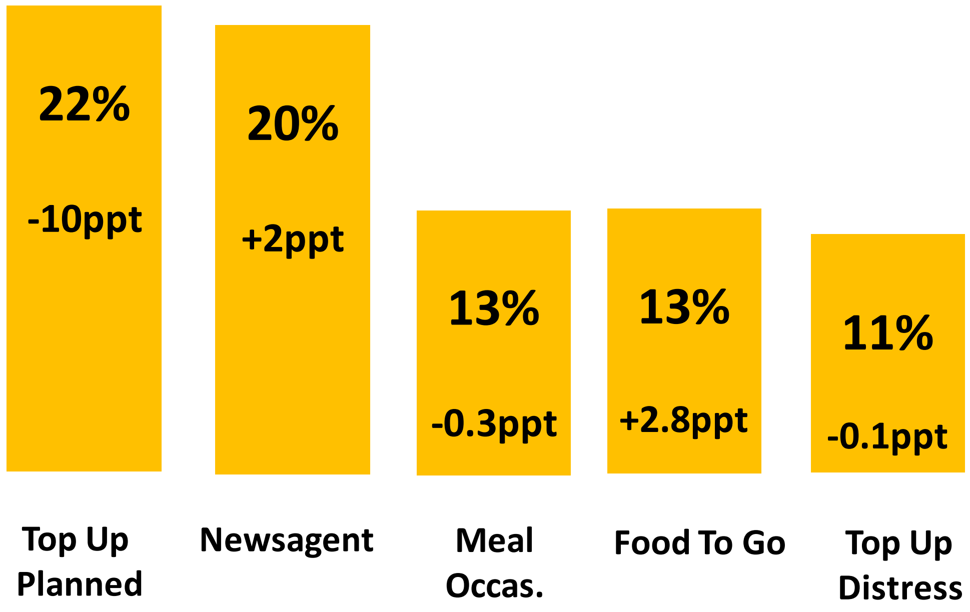
Boom Battle Bar, Liverpool

CONVENIENCE TRAFFIC HAS SOFTENED

Latest data 6th March 22 vs. LY

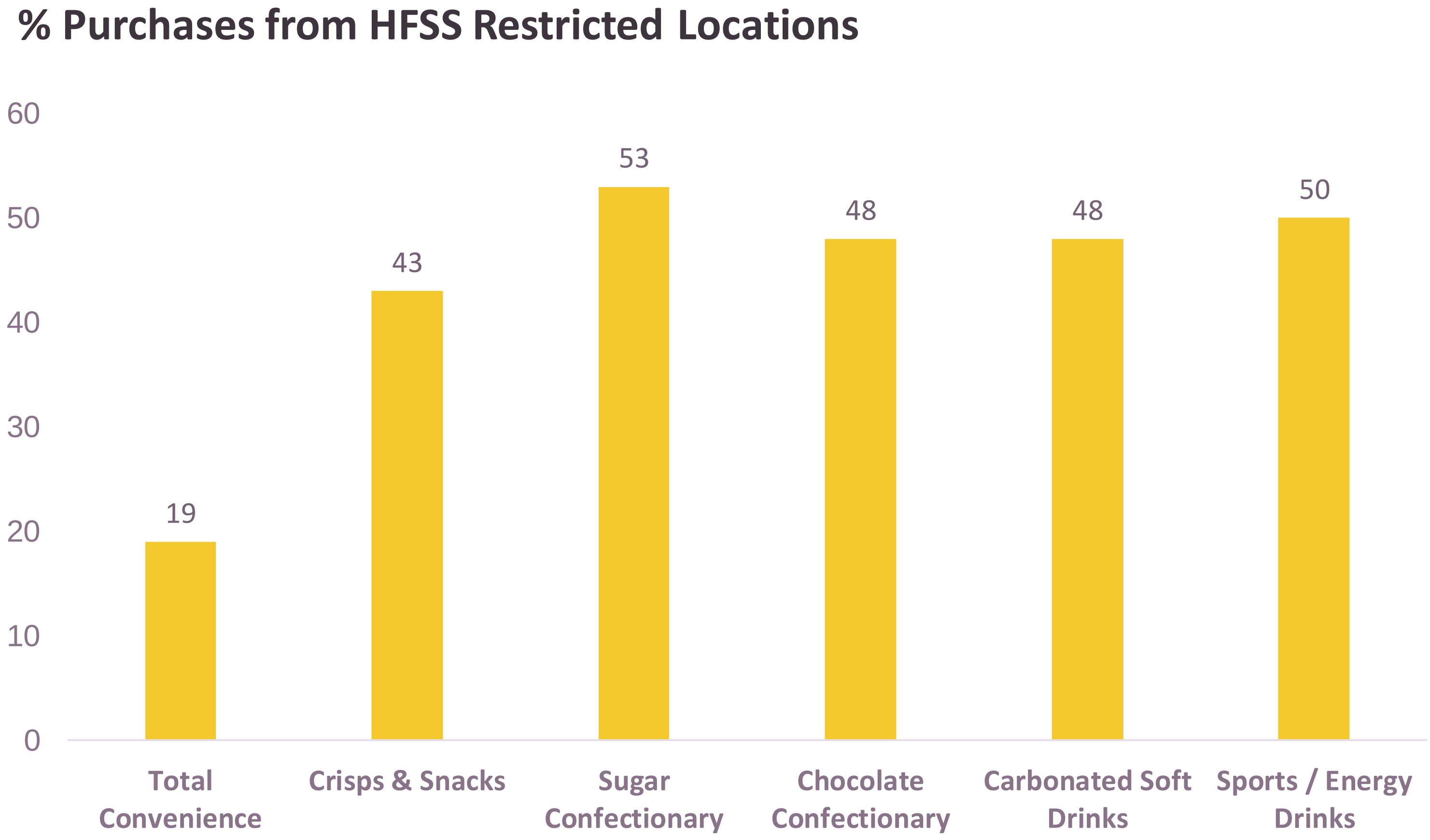
Average basket size	Average visit frequency	Average weekly value
2.8	2.6	£8.95
-25%	+6.3%	-36%

Latest data 6th March 22 vs. LY



Source: Lumina Intelligence Convenience Tracking Programme. 3rd March 22 vs. LY

41% AGREE WITH EFFICACY OF HFSS



44% of shoppers buy on promotion

50% convenience purchase are impulse

40% would buy off deal

ECONOMIC FORCES INHIBITING GROWTH

High Streets -22.4%

Retail Parks -10.7%

Retail Parks -35.2%

Consumer confidence -26

Inflation forecast 7%

CPI forecast 5.1%

Flight bookings +21%

1/3rd Brits hols close to home

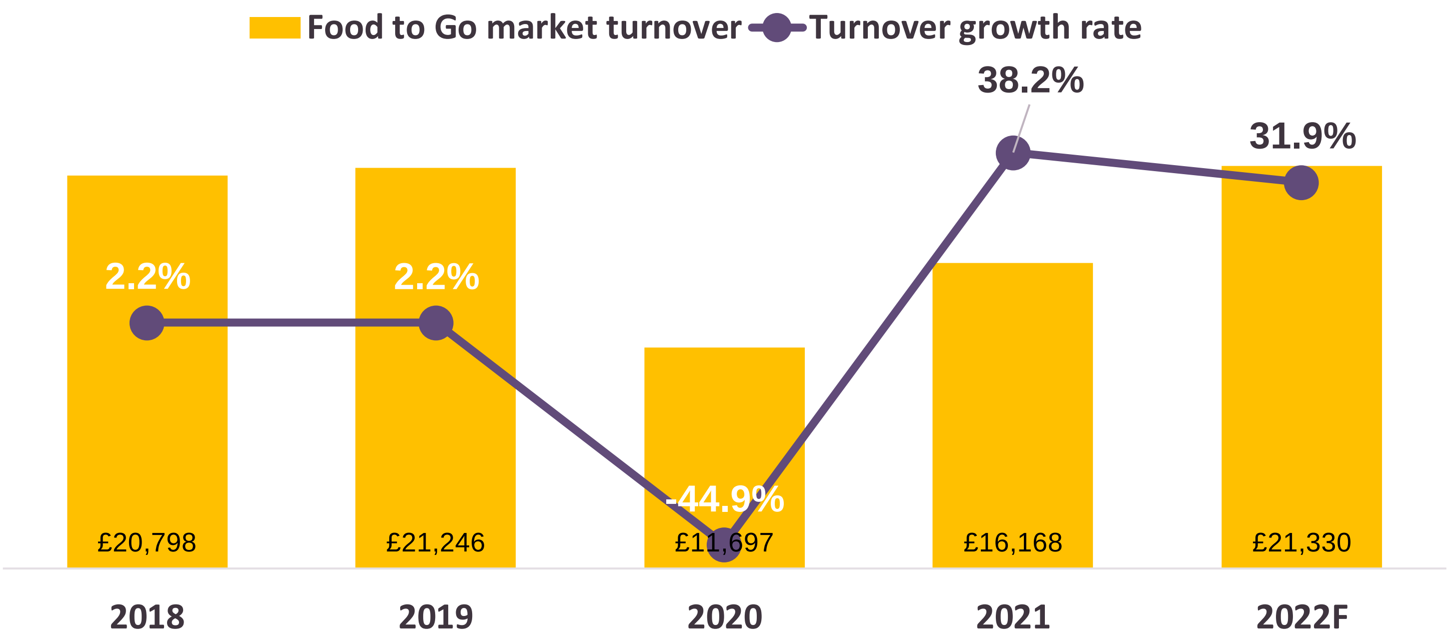
High Savings Ratio

4.1% Unemployed

Source: BRC footfall Feb 22 3 month avg / GFK Consumer Confidence Feb 22/ EY Item Club Feb 22

Source: Lumina Intelligence Food to Go Report Feb 2022.

FOOD TO GO BOUNCES BACK, VALUE & OUTLET GROWTH



151,094 outlets

£1.7bn growth in 3 years

Vegan Xalmon Harmony Set, Wasabi

Source: Lumina Intelligence Food to Go Report Feb 2022.

HEADLINES

1. UK Eating & drinking out market performance
- *Full recovery to F91.9bn in 2022*
- *Foodservice deliv market share 12.2%*
2. How UK Menu's have changed
- *Menu counts reduce across all courses but not all channels.*
- *Vegan dishes 47.5% of NPD in 2021*
3. Convenience retail under pressure?
- *KPI's return to pre pandemic values*
- *Shopper footfall continues decline*
4. Where to find £1.7bn?
- **F2G, £21bn in 22, outlets grow +1%, all sectors in growth.**

Source; Lumina Intelligence Eating & drinking out panel /Convenience Tracking programme, continuous data.

WilliamReed.

Thank you

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