Meat & Livestock Australia

Annual Presentation

December 2021

Dissemination to Retailers, MLA Peak Industry Councils, Levy Payers & Butchers only

Agenda

1. **Market Headwinds**
2. **Channel Performance**
   Including Focus on Butchers
3. **Online Review**
4. **Protein Performance**
   Including Focus on Beef & Lamb
5. **Plant Based Proteins**

Summary

- Within Fresh Meat, **Butchers** & Non-Supermarkets have seen a decline in household **Penetration** & consumer **Frequency** of purchase, this has seen these retailers fall **–1.4%** in **volume share** for Fresh Meat since 2019
- While **Online** Grocery **adoption** has **increased** over the past two years, the dynamics within Online have not significantly shifted as **Fresh Meat** currently ranks **80 of 87** categories in terms of share of **Online sales** (where it was ranked 78th two years ago)
- In the past three years **Beef** has seen **–3.0%** decline in **share** of Fresh Meat **volume sales**, this has been driven by a combination of **decline** in household **Penetration** and reduced purchases among Beef Buying households
- **Lamb** also saw **decline** in **share** of Fresh Meat volume sales & household **Penetration**, however there was a much **higher rate** of replacement of **new Lamb Buyers** for these lost households **than** was seen within **Beef**
- In contrast **Chicken** was able to **grow** in volume **share** over the past three years via **increasing** purchases among **continued** buying **households**, with price decline in Whole Chicken maintaining average price across cuts.
- As **Plant Based Protein** continues to grow strongly year on year (+23.7% volume sales growth this year vs last & +29.7% 2020 vs 2019) as a protein group it still represents **<1% of all Fresh Meat sales annually**.

Source: NielsenIQ Homescan™ | Major Supermarkets include Woolworths, Coles & Aldi

Market Headwinds

Lockdowns begin to ease – how fast can we find a new 'normal'?

All states and territories in the south-east have hit 80% (16+) vaccine coverage and begun loosening restrictions – with the rest of Australia expected to follow over the coming months

VIC & NSW have been hit hardest in terms of jobs but are starting to turn a corner as they begin to re-open, giving them a strong buildup to Christmas

Prices still dear as Consumer Price Index stays above historical trend

Households still feeling pinch of rising prices as **CPI** hit **3.0** for year ending Sept 2021.

This was down from the record high 3.8 in the last quarter but petrol and housing continued to be key contributors

Beef & Veal is called out as a key contributor to food price increases over the past 12 months by the ABS

Are we resigned to a Great Resignation?

Internationally we have seen the beginnings of 'The Great Resignation' as workers hit by COVID re-evaluate what they want from work amid increased demand

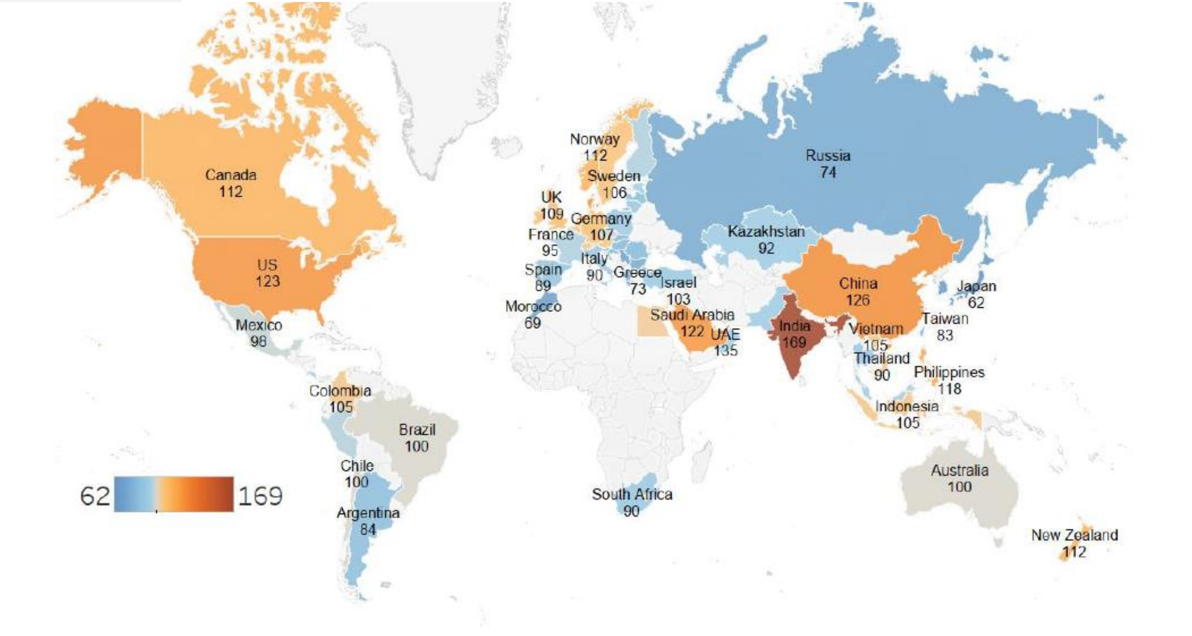
But in Australia, shielded from the worst of COVID, we have had the lowest job mobility on record as workers hold on to what they have

Will we start seeing shifts similar to our key cultural touchstones as we re-open?

Sources:
https://twitter.com/CaseyBriggs/status/1459034451082559491
https://www.theguardian.com/business/grogonomics/2021/nov/11/australian-jobs-are-rebounding-nicely-from-lockdowns-but-there-is-still-a-way-to-go
https://www.abs.gov.au/statistics/economy/price-indexes-and-inflation/consumer-price-index-australia/sep-2021
https://www.npr.org/2021/10/22/1048332481/the-great-resignation-why-people-are-leaving-their-jobs-in-growing-numbers
https://www.abs.gov.au/statistics/labour/employment-and-unemployment/job-mobility/feb-2021

Aus dips -7pts to 100 as Delta hits

Australia's underlying pessimism puts us well behind key comparison markets



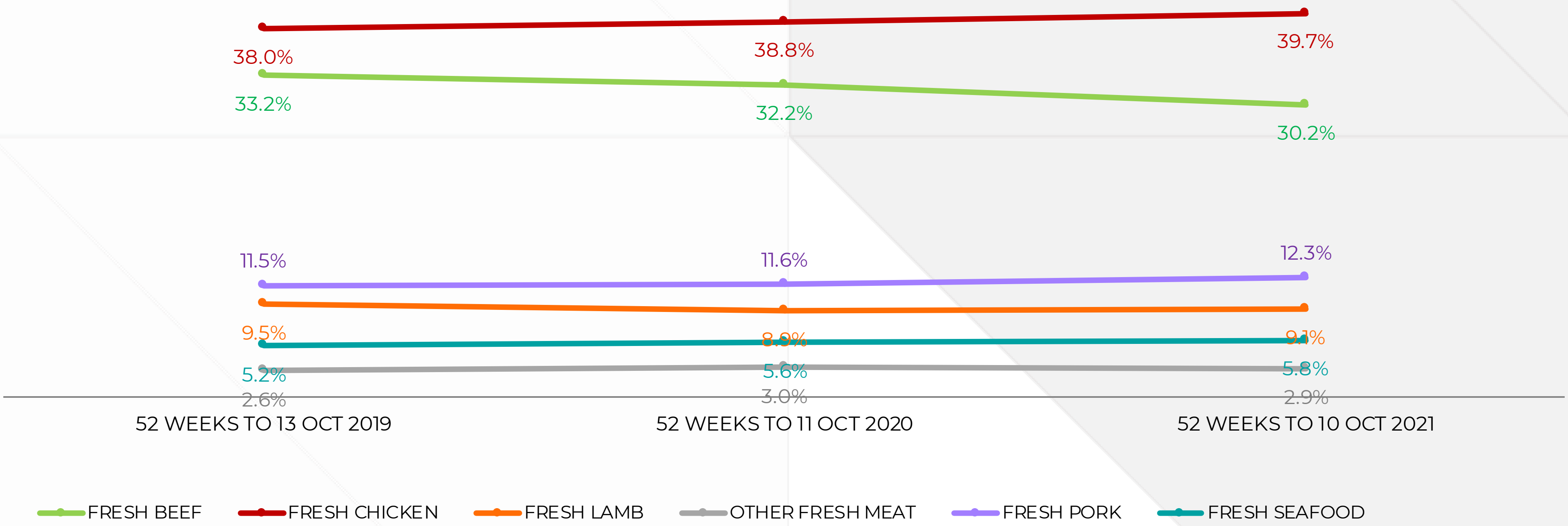
Note: A reading above 100 indicates that there are more optimistic consumers than pessimistic ones. A reading below 100 indicates the opposite, with more pessimistic consumers than optimistic ones.
Source: The Conference Board® Global Consumer Confidence Survey, 2021 Q3

Q2 2021 Global Average: 115

Trended Protein Performance

Chicken & Pork the primary winners as Beef sees steady declines over past two years

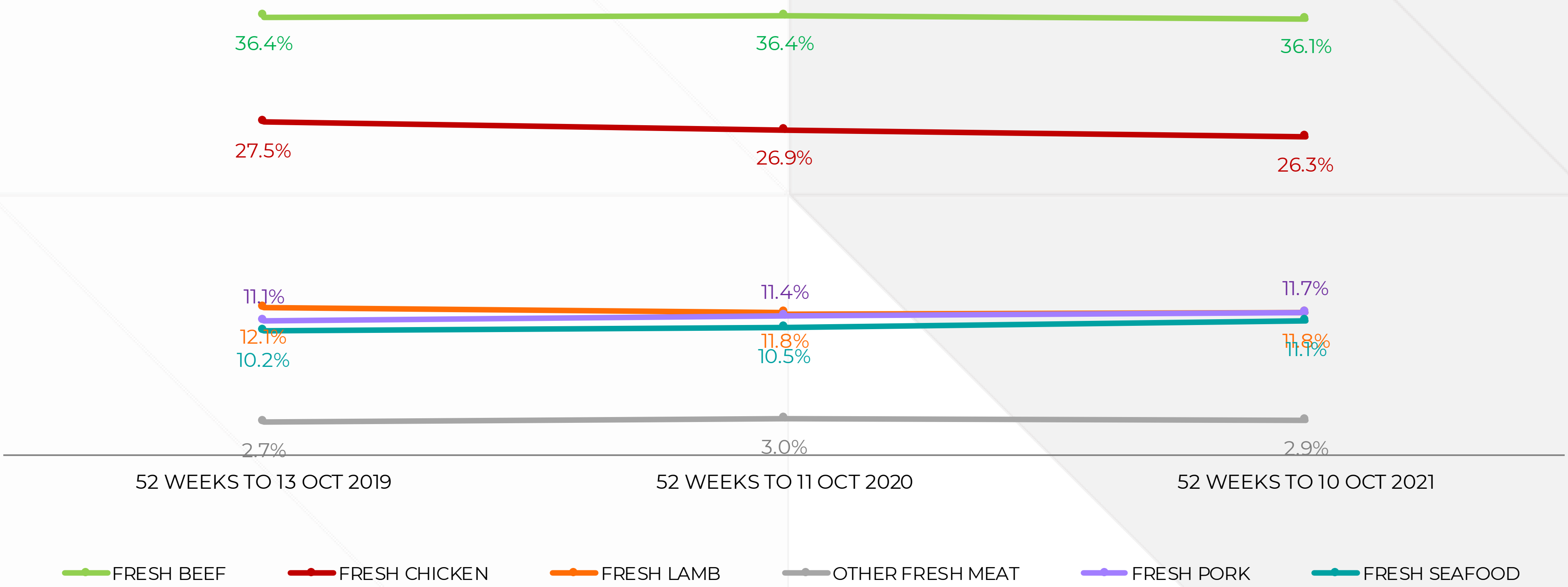
Fresh Meat by Protein | **Volume Share** of Fresh Meat kg Sales | Total AUS | Trended 52 weeks to 10/10/2021



Source: NielsenIQ Homescan™| Other Fresh Meat includes Veal & Turkey

Chicken declining in Value share despite sizable gains in KG share while Beef holds steady, and Pork gains in both

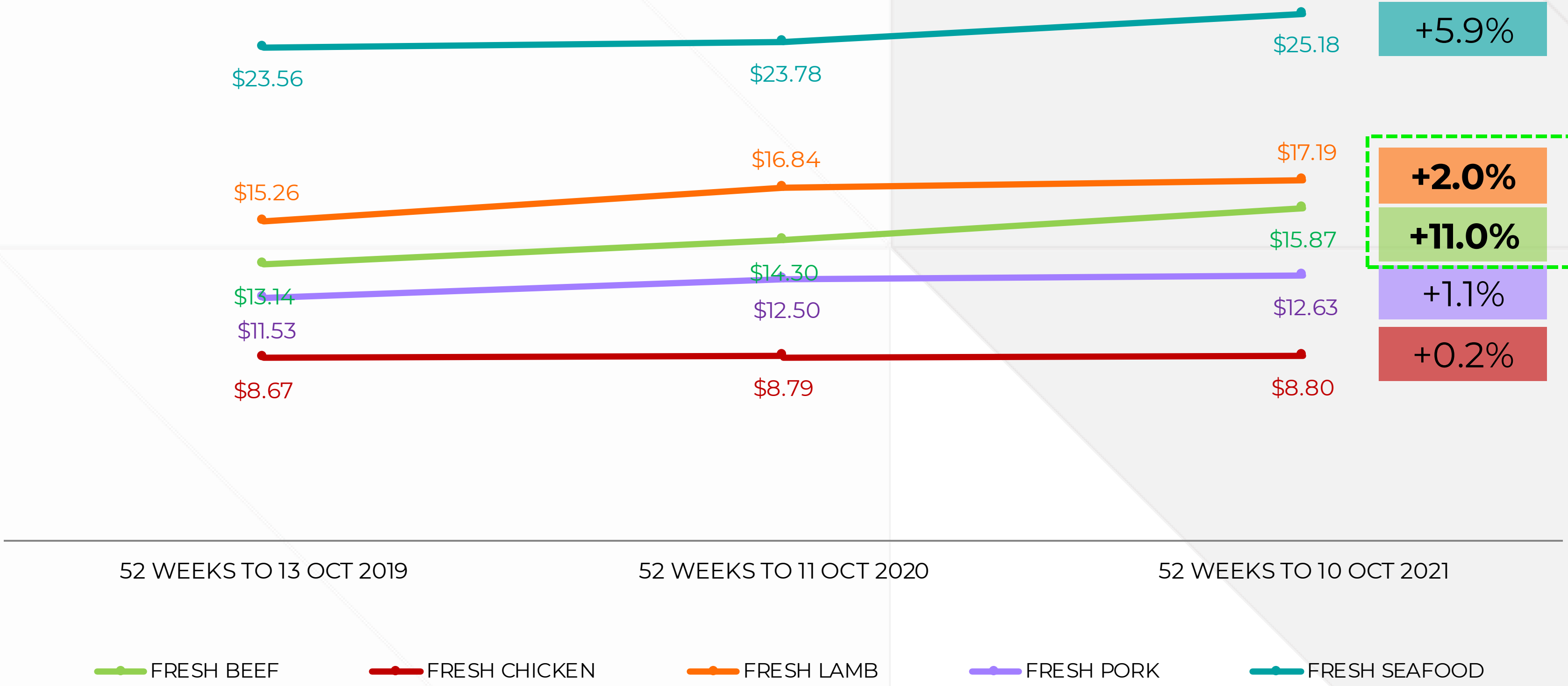
Fresh Meat by Protein | **Value Share** of Fresh Meat Sales | Total AUS | Trended 52 weeks to 10/10/2021



Source: NielsenIQ Homescan™| Other Fresh Meat includes Veal & Turkey

Beef increasing price consistently over past two years, while most of Lamb's price increase came in 2020

Fresh Meat by Protein | Average $ per KG | Total AUS | Trended 52 weeks to 10/10/2021

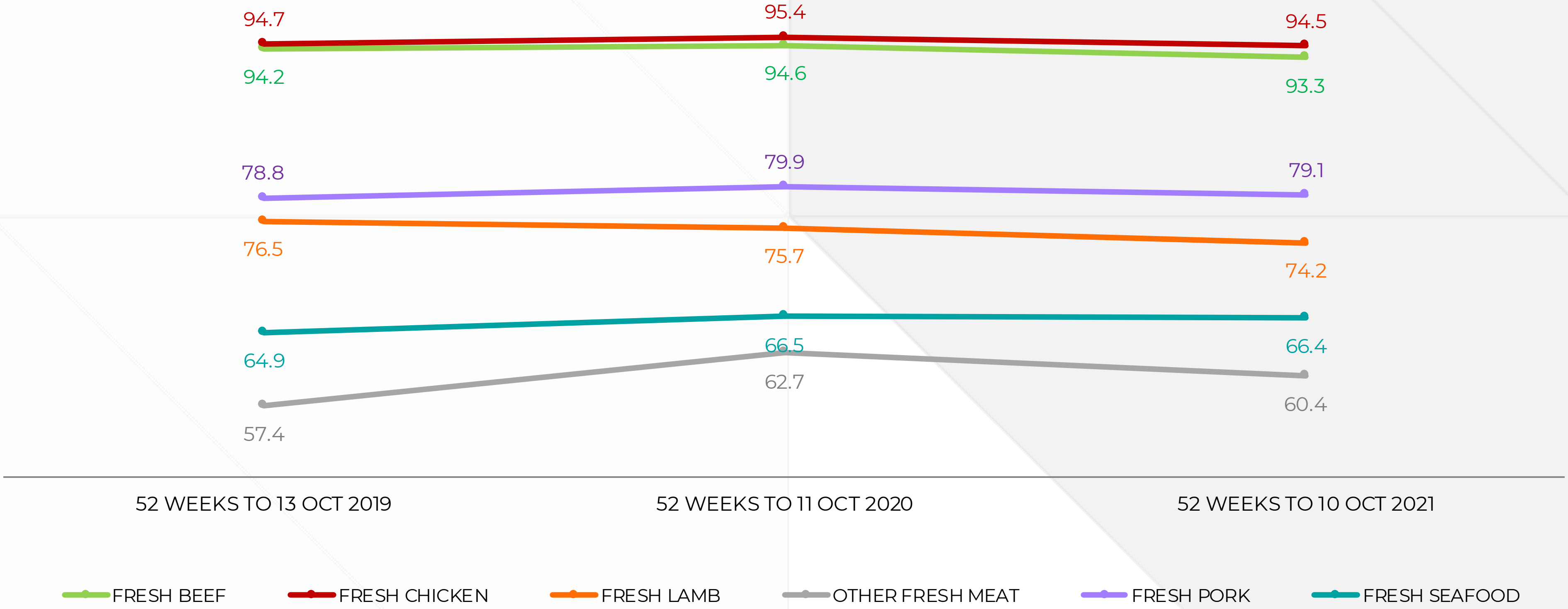


% Change vs YA	% Change vs Two YA
+5.9%	+6.9%
+2.0%	**+12.6%**
+11.0%	**+20.8%**
+1.1%	+9.5%
+0.2%	+1.5%

Source: NielsenIQ Homescan™ | Other Fresh Meat includes Veal & Turkey

Chicken continues to open the gap as the highest penetration protein as Beef continues its slide, Turkey Mince driving growth in Other Meat

Fresh Meat by Protein | Household Penetration | Total AUS | Trended 52 weeks to 10/10/2021

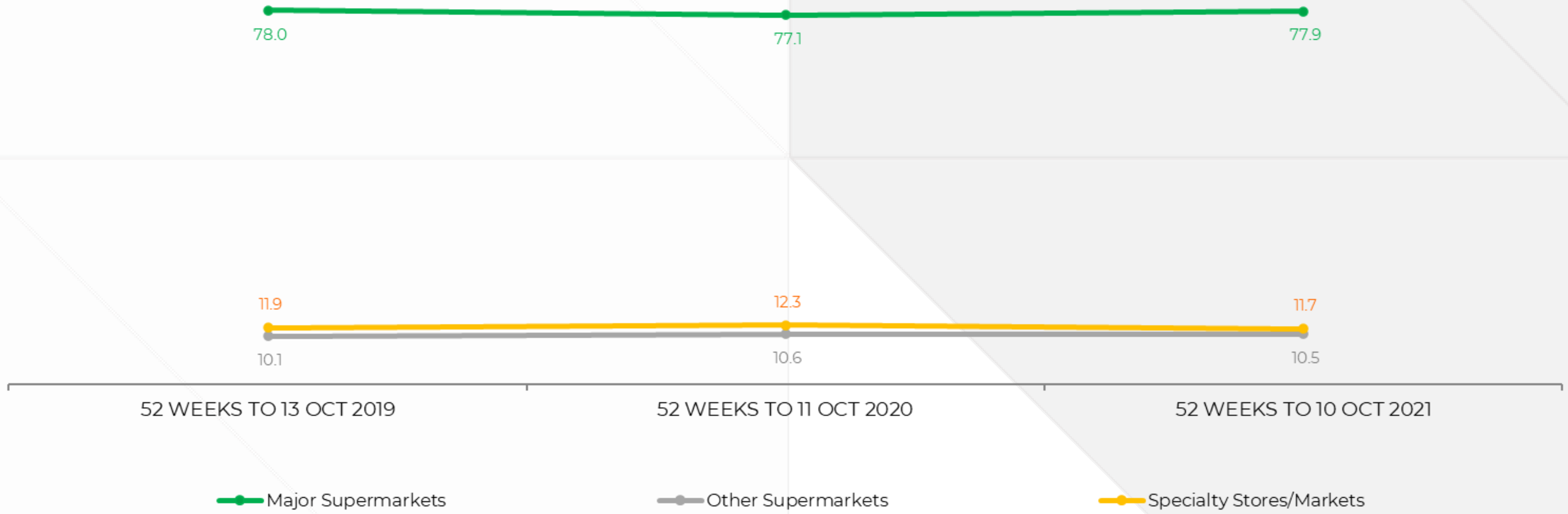


Source: NielsenIQ Homescan™ | Other Fresh Meat includes Veal & Turkey

Channel Performance

Total Store: Major Supermarkets bounce back after dipping slightly in 2020, with Other Supermarkets & Specialty Stores both down versus their 2020 peaks

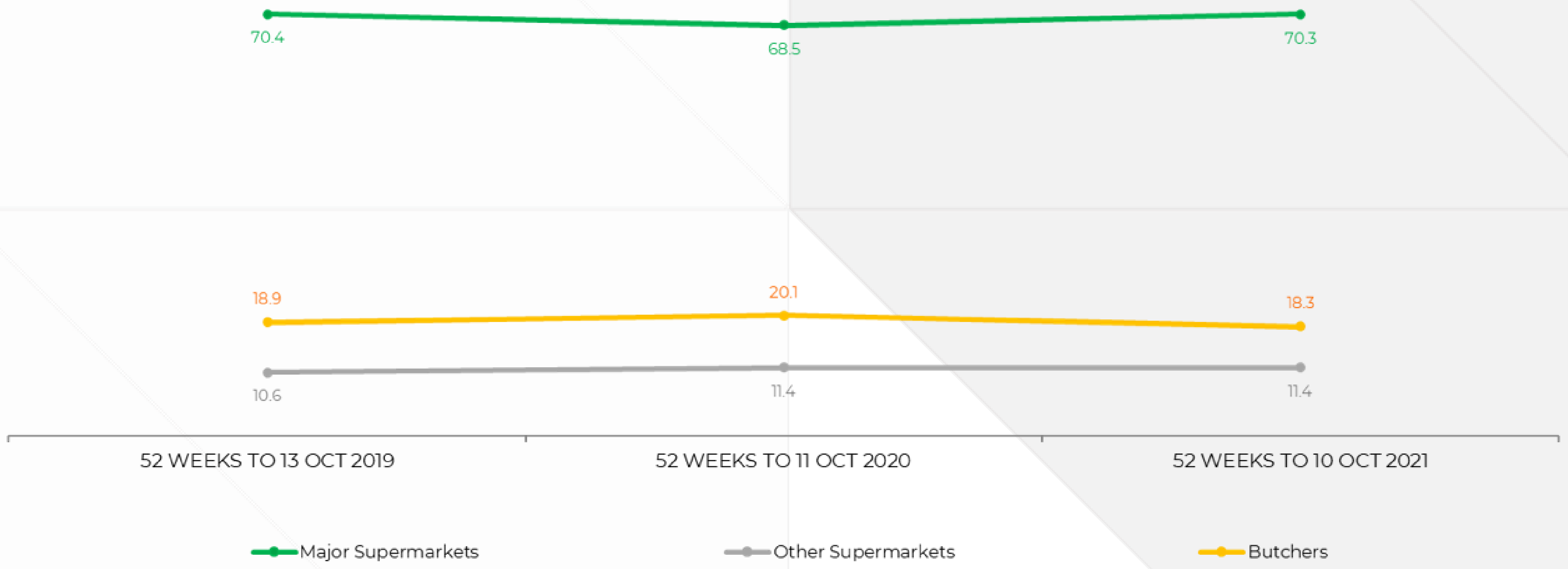
Total Grocery Retailer | Retailer **$ Share of Trade** | Total AUS | Trended 52 weeks to 10/10/2021



Source: NielsenIQ Homescan™ | Specialty Stores/Markets includes Butchers, Bakeries, Delis, Greengrocers, Chemists and other non supermarket store formats | Major Supermarkets include Woolworths, Coles & Aldi

Fresh Meat: Butchers fall below pre-pandemic levels as Major Supermarkets regain lost ground

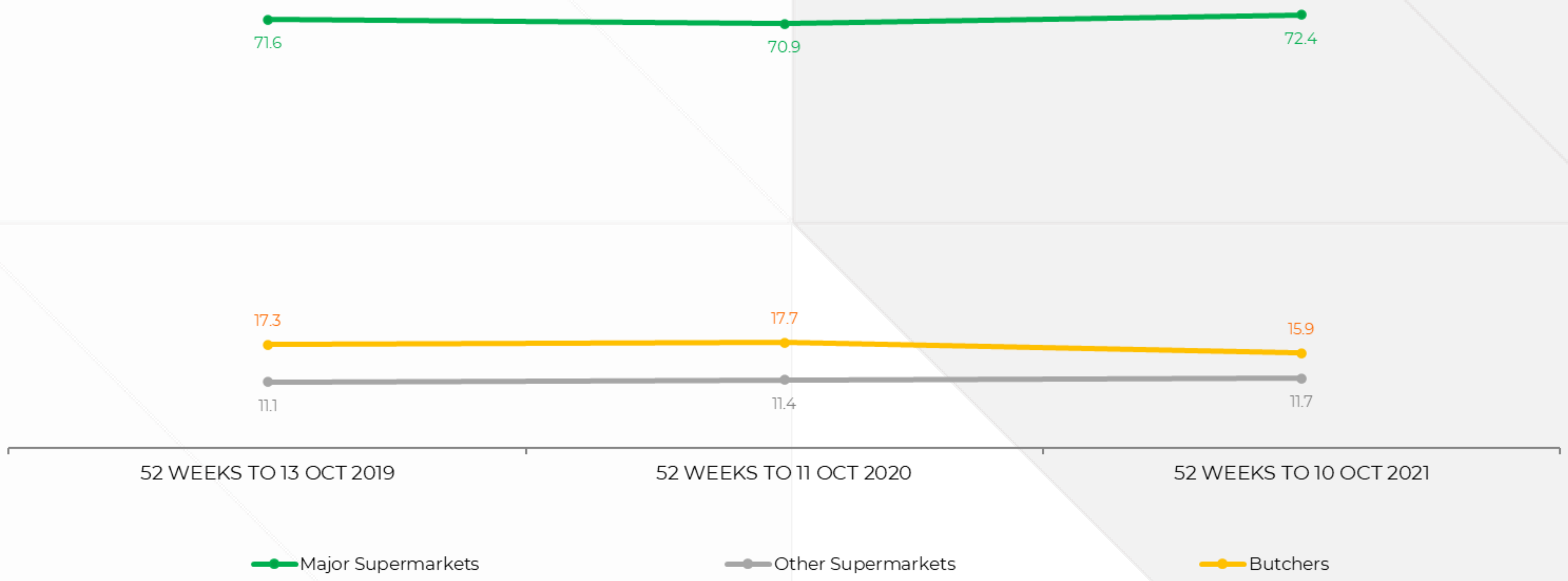
Fresh Meat | Retailer **$ Share of Trade** | Total AUS | Trended 52 weeks to 10/10/2021



Source: NielsenIQ Homescan™ | Butchers includes all Non-Supermarkets, and is used only as a label for simplicity, Butchers make up 81.3% of all Non-Supermarket Fresh Meat volume sales in the latest 52wks | Major Supermarkets include Woolworths, Coles & Aldi

Both Major & Other Supermarkets ending 2021 ahead of their pre-pandemic shares

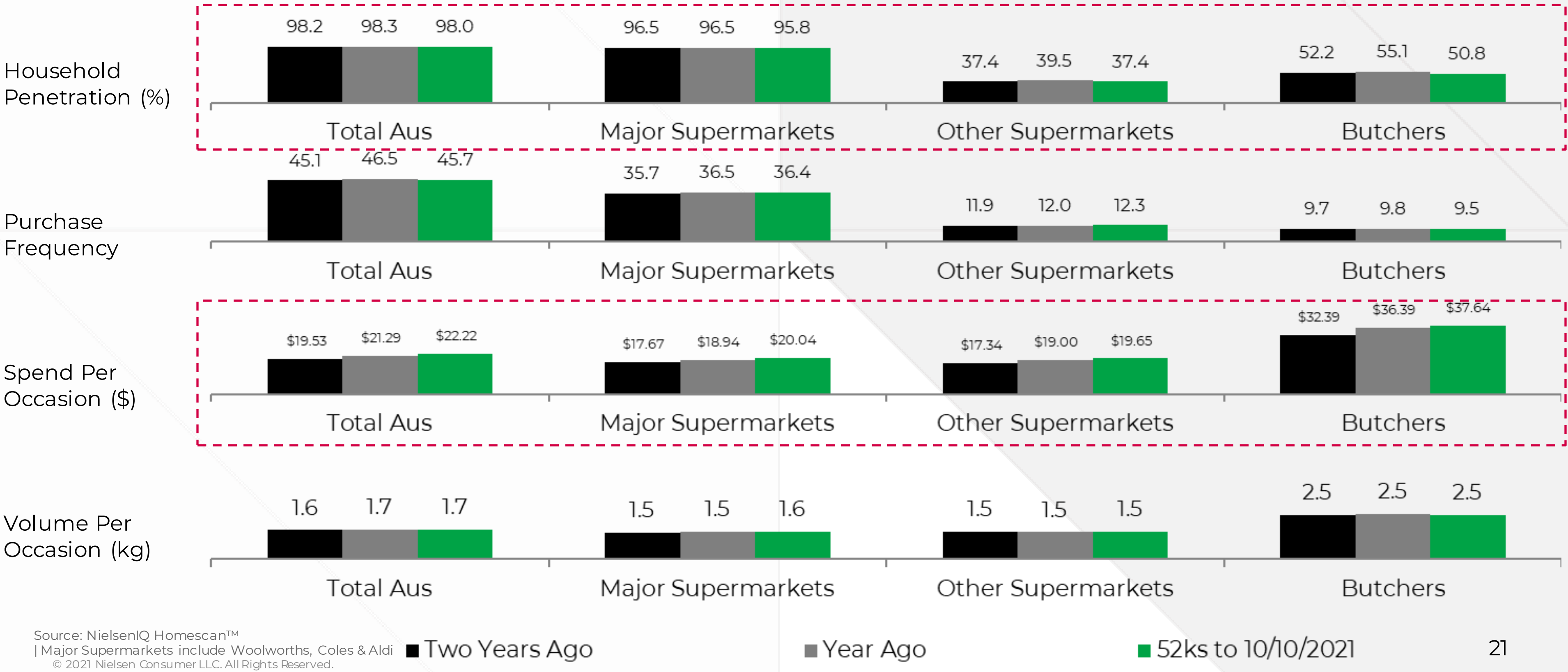
Fresh Meat | Retailer **kg Share of Trade** | Total AUS | Trended 52 weeks to 10/10/2021



Source: NielsenIQ Homescan™ | Butchers includes all Non-Supermarkets, and is used only as a label for simplicity, Butchers make up 81.3% of all Non-Supermarket Fresh Meat volume sales in the latest 52wks | Major Supermarkets include Woolworths, Coles & Aldi

Fresh Meat: Penetration settles post-pandemic across the market as shoppers spend more

Fresh Meat by Retailer | Key Purchase Indicators | 52 weeks to 10/10/2021 vs YA & 2YA

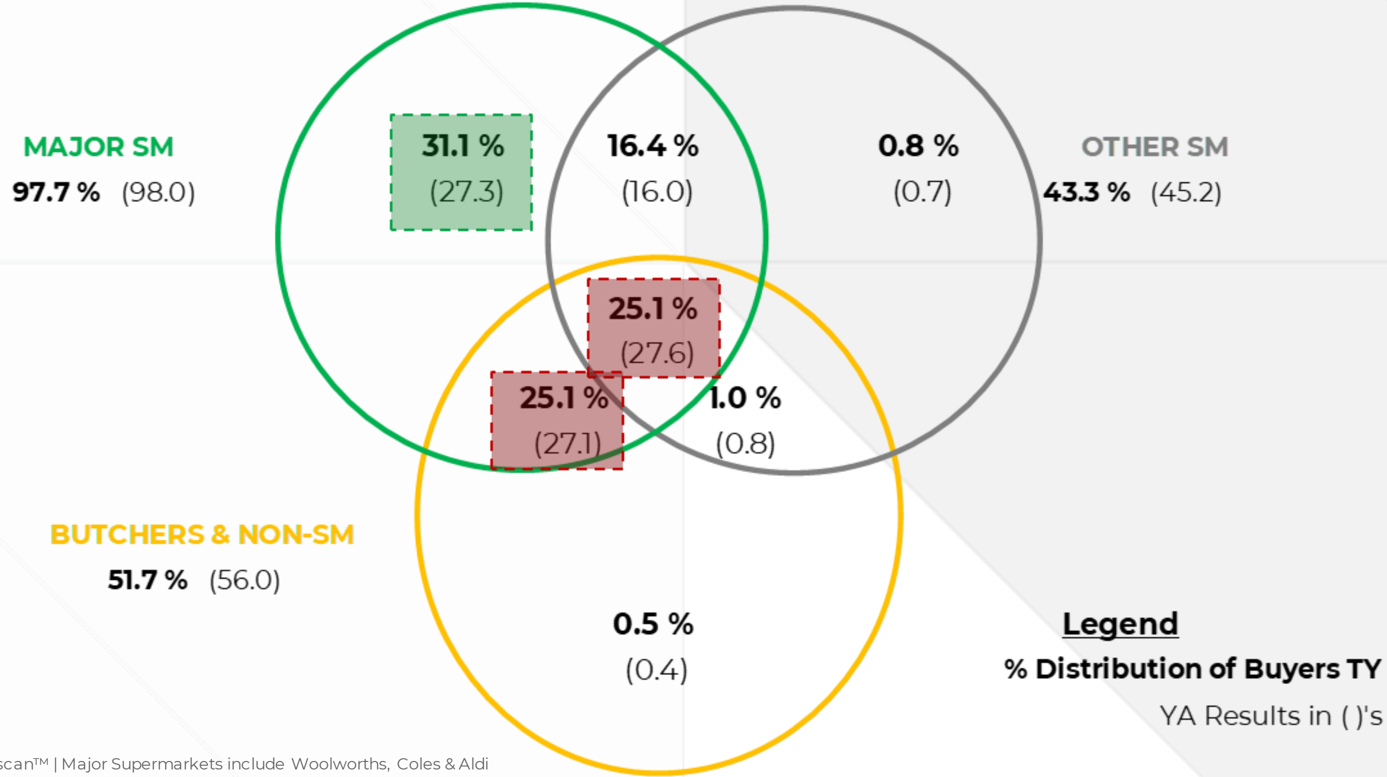


Source: NielsenIQ Homescan™
| Major Supermarkets include Woolworths, Coles & Aldi

Focus on: Butcher Declines

Households that purchased across Butchers & Major Supermarkets have reduced where Major Supermarket exclusive shoppers increased this year

Fresh Meat | Retailer Shoppers | Fresh Meat Buyer Duplication | Total AUS | 52 weeks to 10/10/2021 vs YA



Source: NielsenIQ Homescan™ | Major Supermarkets include Woolworths, Coles & Aldi

Since 2019 Butchers decline in household penetration as well as buying households reducing the number of trips made to these retailers has slowed volume growth

Fresh Meat | Fresh Meat Drivers of Growth | Total AUS | 52 weeks to 10/10/2021 vs Two Years Ago

	Volume (KG) % Growth vs 2YA	Value % Growth vs 2YA
Total Australia	6.1%	17.4%
Butchers	-2.5%	13.2%
Major SM	7.3%	17.2%
Other SM	11.8%	25.7%

% Contribution to Value Growth

Frequency	Volume Per Occasion	Price	Buying Households
1.3%	3.0%	11.1%	2.0%
-1.9%	0.1%	15.8%	-0.7%
1.5%	4.0%	9.7%	2.0%
4.2%	4.4%	13.4%	3.7%

Source: NielsenIQ Homescan™| Major Supermarkets include Woolworths, Coles & Aldi

Butcher growth behind Total Aus across almost all demographics, while Young Transitionals showed signs of recovery with strong growth they still under-index

Total Fresh Meat | Butchers | Distribution by Demographic and Growth vs Aus

	Demographic % Growth vs 2YA			Demographic % Share of Butchers		
	$ Value	KG Volume	Households	$ Value	KG Volume	Households
All Shoppers	13.2%	-2.5%	-0.7%	100	100	100
Start Up Families	6.5%	2.3%	-11.0%	**3.7**	**4.5**	4.1
Small Scale Families	7.0%	-12.1%	-4.0%	9.7	10.7	10.6
Bustling Families	6.2%	-9.3%	-1.7%	15.6	17.4	12.7
Young Transitionals	**14.0%**	**11.0%**	**7.8%**	3.5	4.2	**5.6**
Independent Singles	11.7%	-9.9%	0.2%	10.8	**9.4**	**18.2**
Established Couples	**13.1%**	-3.5%	-7.4%	22.8	22.5	19.7
Senior Couples	20.0%	6.8%	5.6%	33.9	31.3	**29.2**
HH Income Low ($0-$50k)	11.5%	-5.6%	-3.6%	25.2	25.8	29.2
HH Income Medium ($50k-$100k)	8.1%	-7.9%	-0.4%	29.6	30.1	30.6
HH Income High ($100k+)	17.7%	3.5%	1.2%	45.2	44.1	40.2

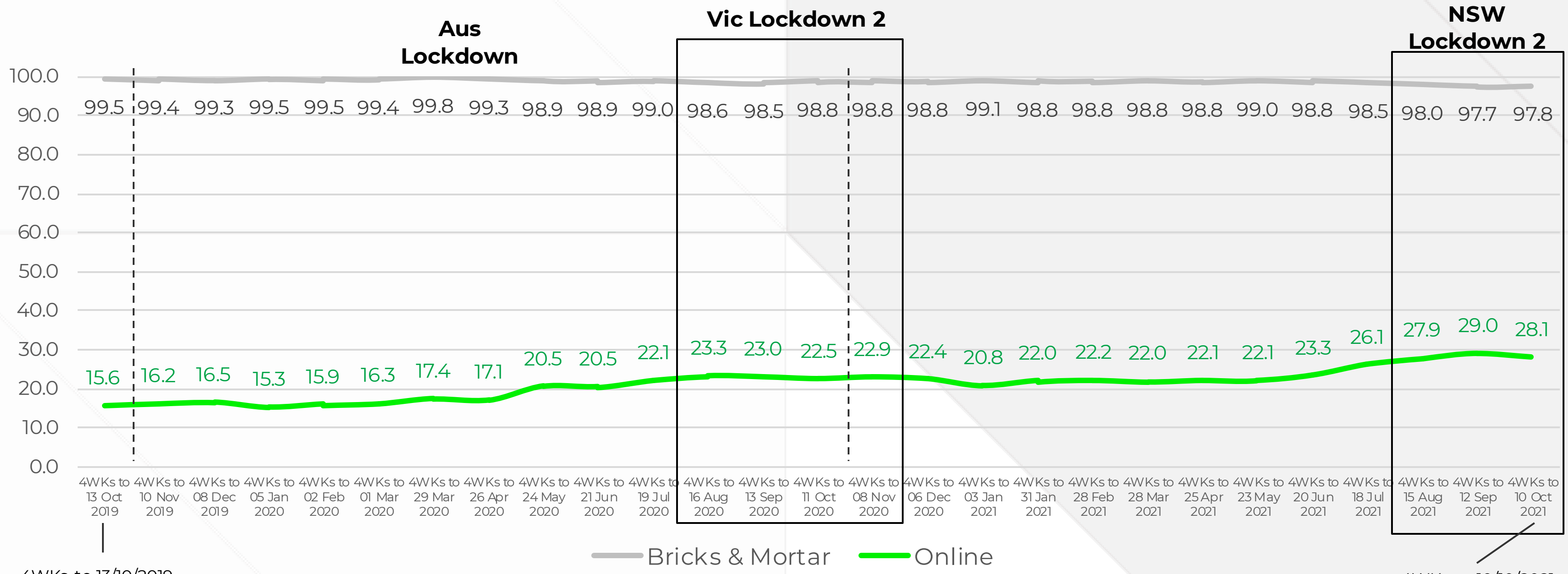
Legend **Growth faster than Total Aus Fresh Meat** | **Under-index vs Total Aus** **Over-index vs Total Aus**

Source: NielsenIQ Homescan | 52WKs to 10/10/2021
Over/underindex defined as more than 15% higher or lower than Total Aus

Online

Slow burn adoption as Bricks and Mortar loses ~170,000 households over the past two years

Total Store | Household Penetration | Rolling 4WKs to 05/09/2021



4WKs to 13/10/2019

Exclusive B&M	Cross-Shop	Exclusive Online
84.6%	14.8%	0.7%

4WKs to 10/10/2021

Exclusive B&M	Cross-Shop	Exclusive Online
72.7%	24.8%	3.2%

Source: NielsenIQ Homescan™

The more things change, the more they stay the same: Top categories and Fresh rankings consistent vs pre-pandemic

Total Aus | Categories Ranked (out of 87) by % of **Value Sales** from Online

Top 15 Categories	2019 Rank	2020 Rank	2021 Rank
Infant Food	**1**	2	**1**
Pet Care	**2**	1	**2**
Infant Nappies	**3**	3	**3**
Infant Personal	**4**	4	**4**
Skin & Sun Care	**10**	9	**5**
Dog Food	**5**	5	**6**
Softdrinks	**11**	11	**7**
Cat Food	**7**	8	**8**
Cosmetics	34	10	9
Vitamins	**8**	7	**10**
Muesli Bars	**15**	12	**11**
Frozen Vegetables	**12**	15	**12**
Dishwashing	**9**	13	**13**
Ambient And Canned Meals	30	16	14
Paper Towel	18	18	15

Fresh Categories	2019 Rank	2020 Rank	2021 Rank
Fresh Vegetables	77	76	76
Fresh Meat	**78**	**79**	**80**
Packaged Salads	83	82	81
Fresh Deli	85	80	82
Total Bakery	82	83	83
Dried Fruit/Nuts	81	84	84
Fresh Fruit	86	85	85
Fresh Seafood	87	87	87

Source: NielsenIQ Homescan | 52WKs to 10/10/2021 | Categories ranked out of 87 total categories
Note: Ranking excludes Foodboxes & Mealkits as this is a primarily online category – 89.8% of sales for this category came through Online in 2021

Fresh still ranks at the bottom of Online adoption – despite strong value gains

Total Aus | Categories Ranked (out of 87) by % of **Value Sales** from Online

Top 15 Categories	2021 Value Contribution of Online Sales	+/- Value Contribution vs 2019
Infant Food	21.1	7.6
Pet Care	18.9	6.2
Infant Nappies	17.1	4.4
Infant Personal	16.6	5.6
Skin & Sun Care	15.8	8.3
Dog Food	15.3	4.9
Softdrinks	14.6	7.3
Cat Food	14.6	5.5
Cosmetics	14.2	8.2
Vitamins	14.1	5.9
Muesli Bars	14.0	7.3
Frozen Vegetables	13.6	6.2
Dishwashing	13.5	5.8
Ambient And Canned Meals	13.0	6.9
Paper Towel	13.0	6.3
All FMCG Categories	10.9	5.3

Fresh Categories	2021 Value Contribution of Online Sales	+/- Value Contribution vs 2019
Fresh Vegetables	8.6	4.5
Fresh Meat	**8.1**	**4.2**
Packaged Salads	8.0	4.4
Fresh Deli	7.5	4.1
Total Bakery	7.5	3.9
Dried Fruit/Nuts	7.4	3.8
Fresh Fruit	7.0	3.7
Fresh Seafood	6.1	3.5

Source: NielsenIQ Homescan | 52WKs to 10/10/2021 | Categories ranked out of 87 total categories

Note: Ranking excludes Foodboxes & Mealkits as this is a primarily online category – 89.8% of sales for this category came through Online in 2021

People are trying the Fresh offer online – it just doesn't translate to a high proportion of their spend

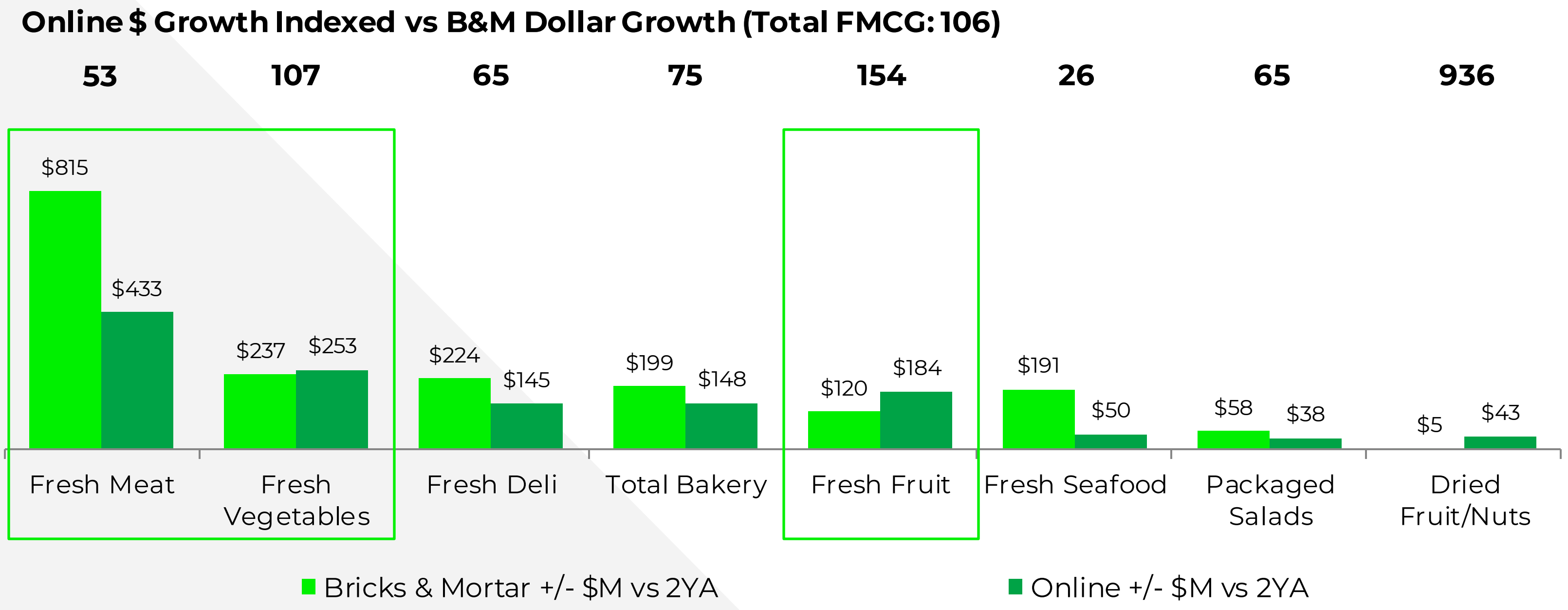
Total Online | Categories Ranked (out of 87) by Household Penetration

Top 15 Categories	Penetration	+/- vs 2YA	$AWOP	+/- vs 2YA	$/Trip	+/- vs 2YA
All FMCG Categories	55.7	17.1	$1,559.86	$520.36	$113.26	$4.42
Fresh Vegetables	31.0	14.2	$145.76	$27.61	$12.52	$0.64
Total Bakery	30.1	14.0	$87.66	$16.04	$7.70	$0.54
Fresh Fruit	29.8	14.7	$112.80	$12.41	$10.69	$0.24
Fresh Meat	**27.9**	**12.7**	**$272.01**	**$57.73**	**$26.11**	**$2.86**
Cheese	26.7	12.3	$99.92	$17.13	$10.34	$0.64
Medicinal	26.6	11.1	$57.92	$0.44	$15.83	-$2.36
Impulse Snacks	25.9	11.8	$66.28	$13.16	$7.12	$0.48
Fresh Deli	25.5	11.5	$96.69	$24.73	$10.34	$1.01
Chilled Milk	24.8	11.8	$76.79	$11.46	$6.48	$0.30
Chocolate Confectionery	24.3	11.4	$67.37	$15.93	$8.43	$0.53
Meals Bases	24.2	10.7	$43.18	$4.63	$5.72	$0.24
Household Cleaning	23.8	11.0	$42.80	$11.65	$7.41	$0.93
Sweet Biscuits	23.6	11.7	$40.83	$4.60	$5.53	$0.16
Frozen Vegetables	23.4	10.3	$39.86	$5.31	$5.44	$0.12
Sauces Relishes & Pickles	23.4	10.9	$29.96	$4.90	$4.74	$0.23

Source: NielsenIQ Homescan | 52WKs to 10/10/2021 | Categories ranked out of 87 total categories
Note: Ranking excludes Foodboxes & Mealkits as this is a primarily online category – It would rank 72 if included

Fresh has been driven by Fruit & Veg, with Meat performing strongly due to size

Total Aus | Online **$M Gains** vs 2YA Indexed vs B&M **$M Gains**

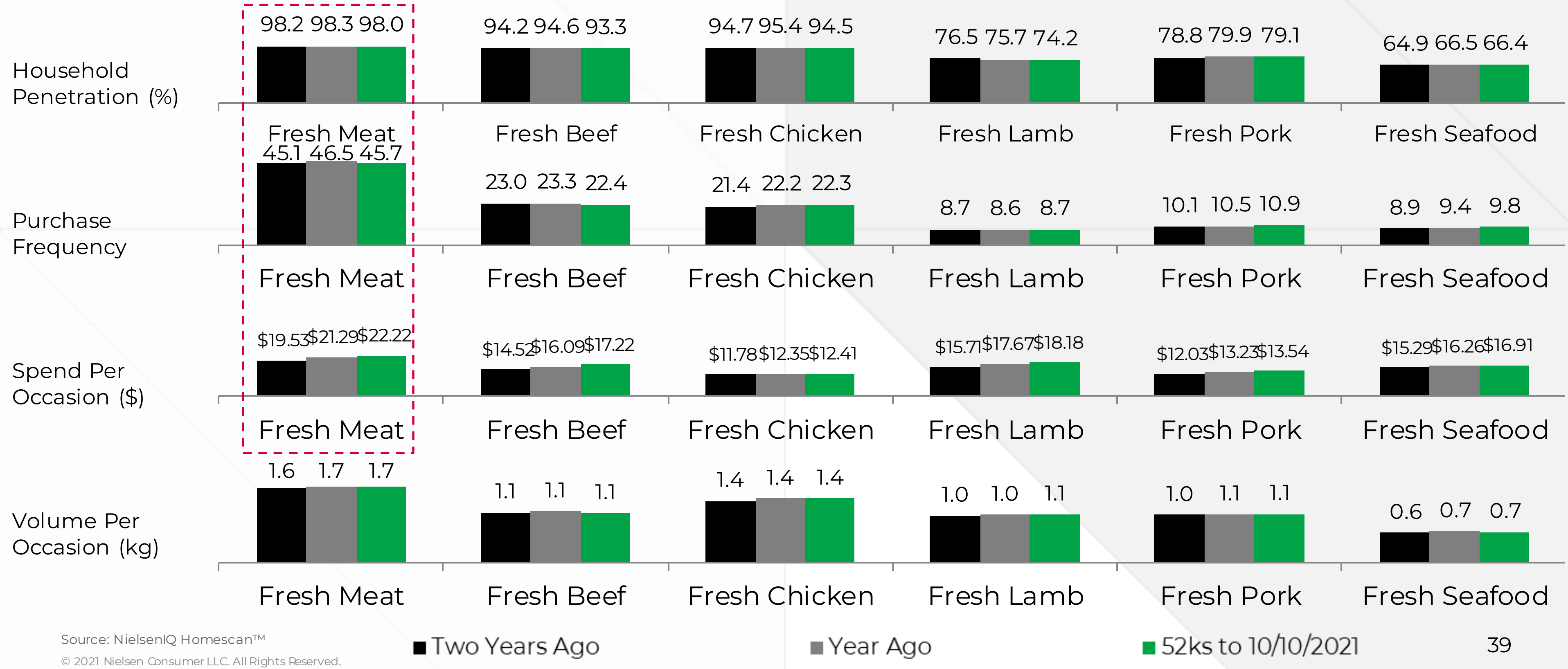


Source: NielsenIQ Homescan | 52WKs to 10/10/2021 | Online $ Growth Index calculated by dividing Online $ +/- vs 2YA into B&M $ +/- vs 2YA
Note: Absolute values have not been factored for pickup versus Scan

Proteins Performance

Total Fresh Meat: Fewer households buying more often than pre-pandemic and spending more when they do

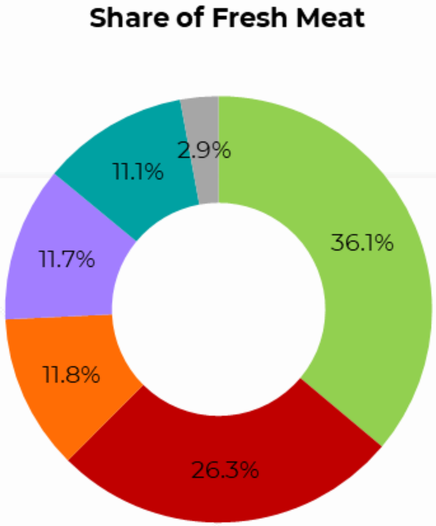
Fresh Meat by Protein | Key Purchase Indicators | 52 weeks to 10/10/2021 vs YA & 2YA

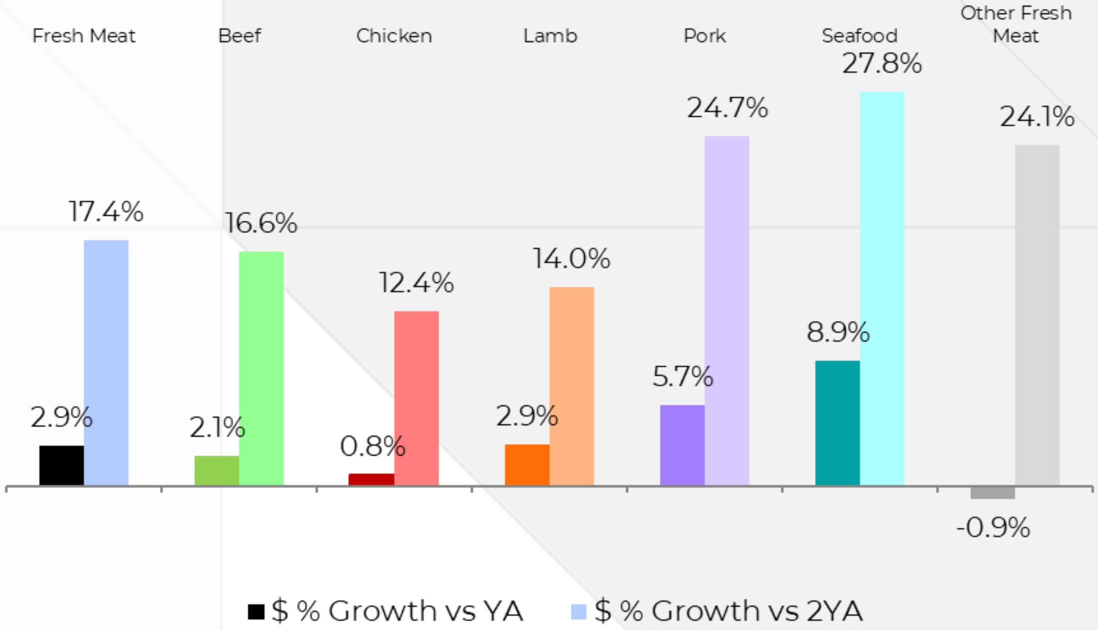


Source: NielsenIQ Homescan™

$ From a value sales perspective all Proteins achieved growth this year compared to 2020 bar Other Fresh Meat

Total AUS | $ Value Market Share, % Growth & Share % Change | 52 weeks to 10/10/2021 vs YA & 2YA

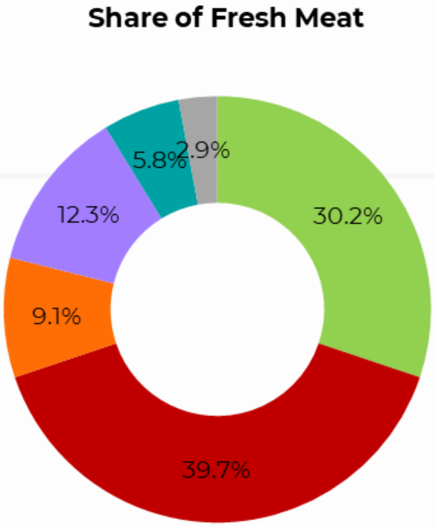


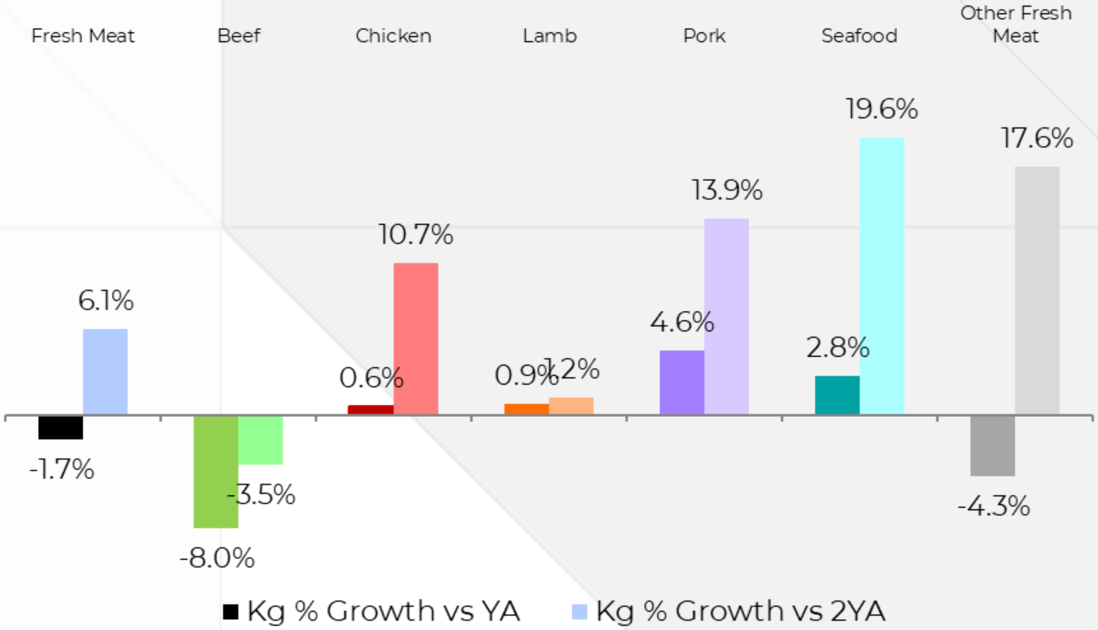


Source: NielsenIQ Homescan™

Volume decline in Beef this year versus last drove the decline from a Total Fresh Meat perspective

Total AUS | Kg Volume Market Share, % Growth & Share % Change | 52 weeks to 10/10/2021 vs YA & 2YA

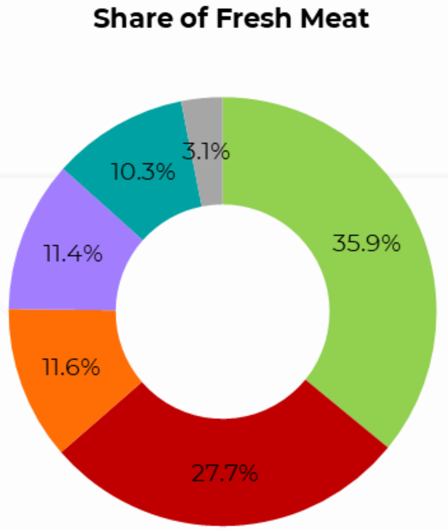


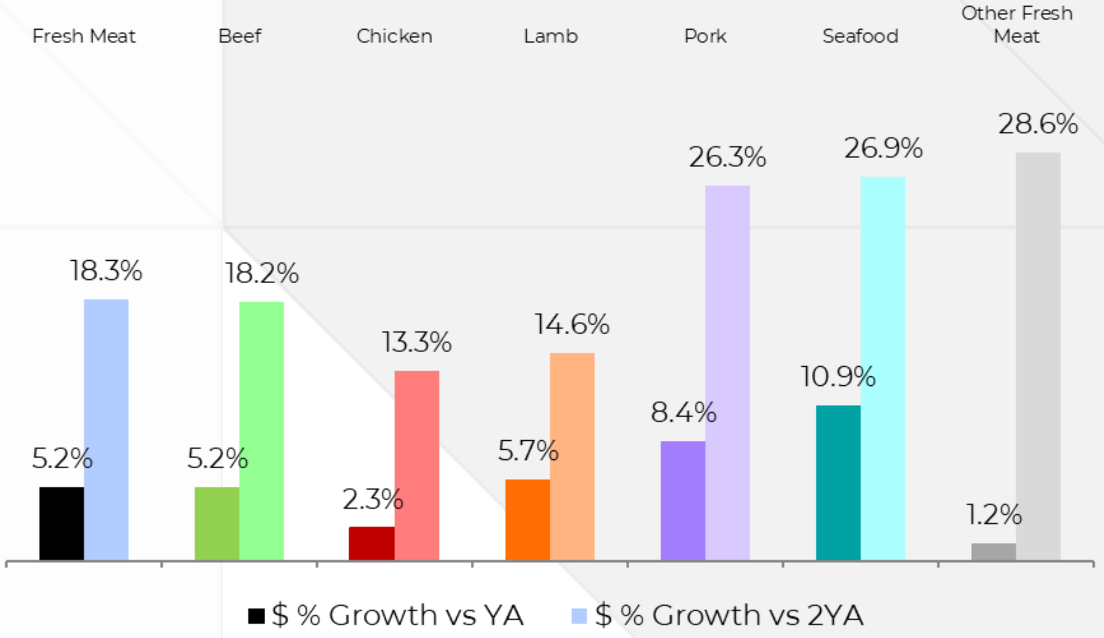


Source: NielsenIQ Homescan™

Supermarkets saw value growth across all proteins this year compared to both last year & two years prior

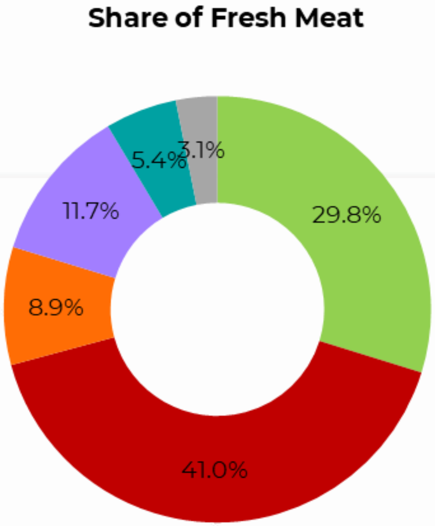
Total Supermarkets | $ Value Market Share, % Growth & Share % Change | 52 weeks to 10/10/2021 vs YA & 2YA

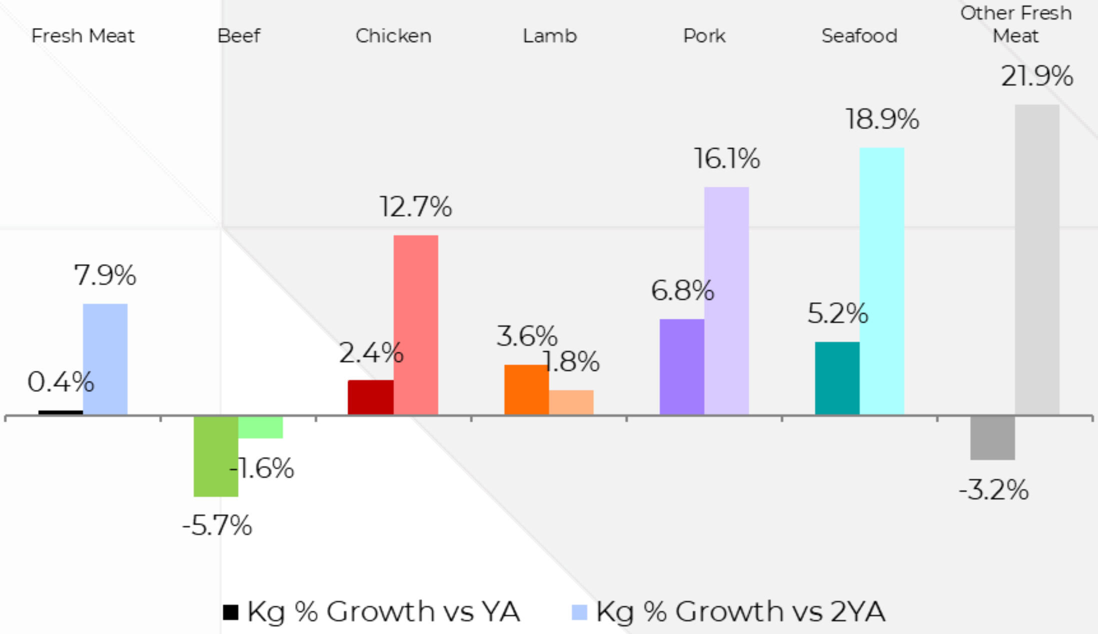




Beef was the only protein within Supermarkets which saw volume sales decline over the last three years

Total Supermarkets | Kg Volume Market Share, % Growth & Share % Change | 52 weeks to 10/10/2021 vs YA & 2YA



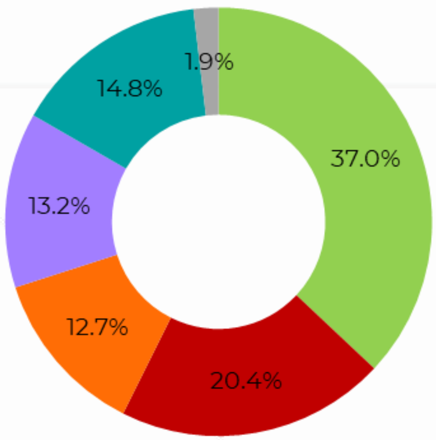


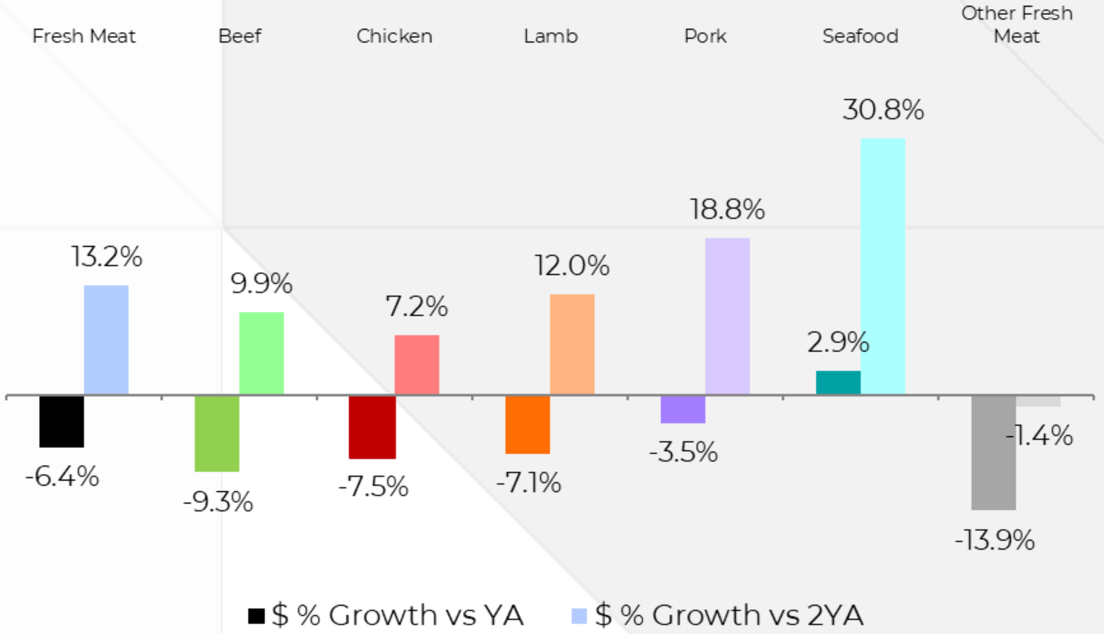
Source: NielsenIQ Homescan™

While Butchers were able to grow value sales this year versus two years prior, this growth rate was behind Supermarkets

Total Butchers & Non-Supermarkets | $ Value Market Share, % Growth & Share % Change | 52 weeks to 10/10/2021 vs YA & 2YA

Share of Fresh Meat

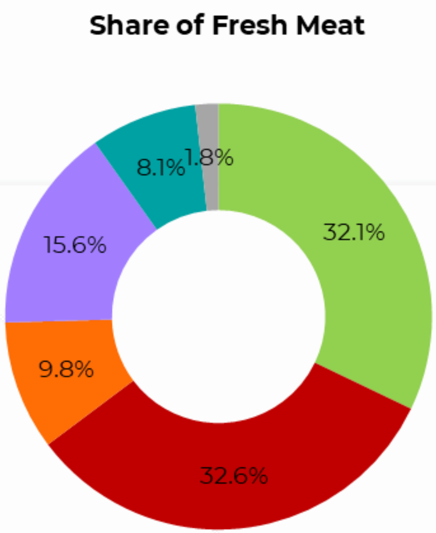


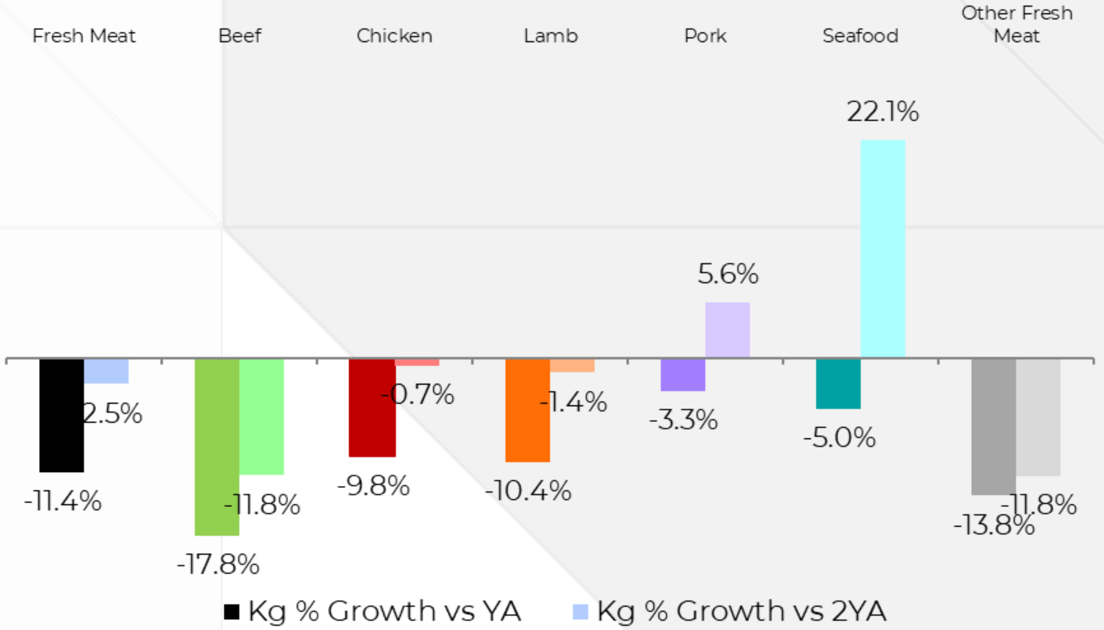


Source: NielsenIQ Homescan™

Both Beef & Lamb saw volume sales decline more steeply in butchers compared to Supermarkets over the last three years

Total Butchers & Non-Supermarkets | Kg Volume Market Share, % Growth & Share % Change
52 weeks to 10/10/2021 vs YA & 2YA



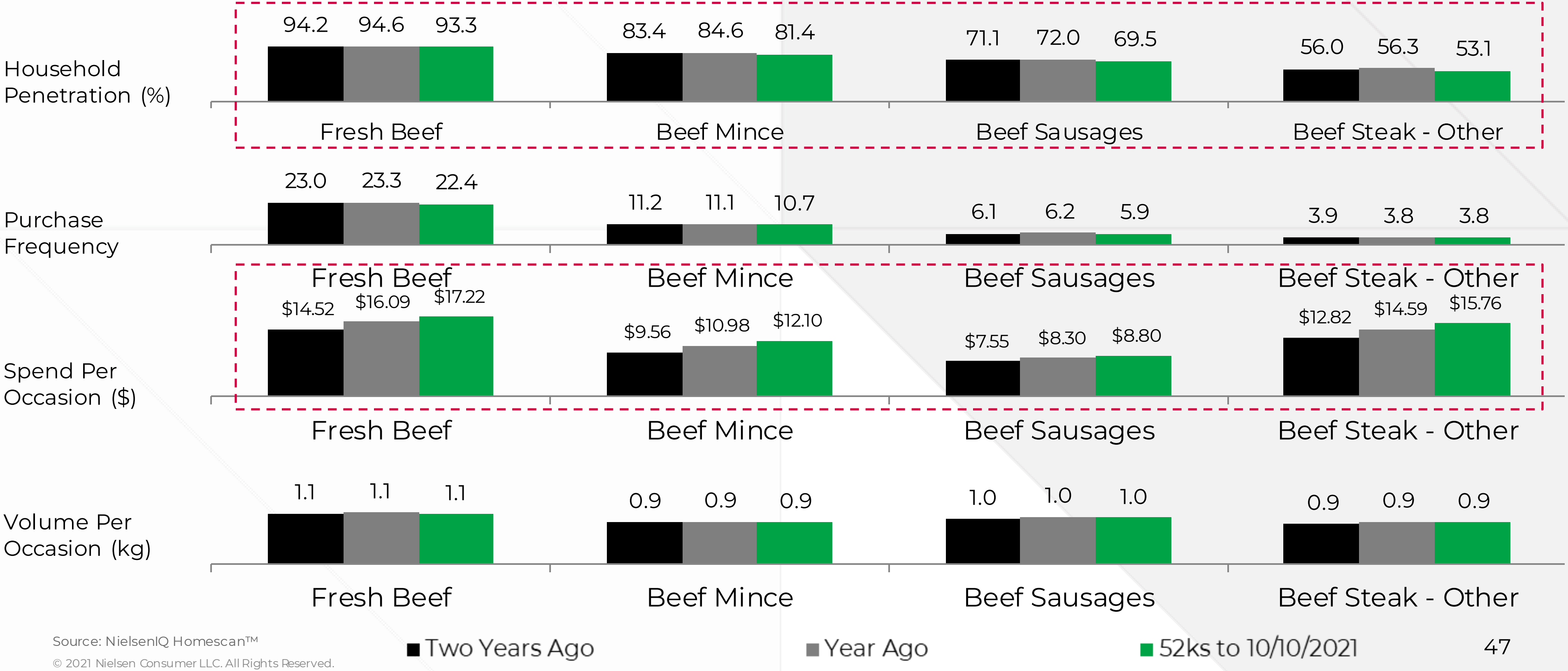


Source: NielsenIQ Homescan™

Beef Performance

Fresh Beef: Fewer households buying less often, but paying more when they do

Fresh Beef by Top 3 Cuts | Key Purchase Indicators | 52 weeks to 10/10/2021 vs YA & 2YA



Source: NielsenIQ Homescan™

Retained Beef shoppers reducing volume the primary driver of decline, while Chicken and Pork lead switching losses to other proteins

Fresh Beef | **Source of Volume** | 52 weeks to 10/10/2021 vs YA

Total Beef

Volume Decline
-8.0%

-2.1%
Switching to other proteins

-5.3%
Retained Fresh Beef buyers

-0.7%
Fresh Chicken

-0.6%
Fresh Pork

-0.4%
Fresh Lamb

-0.4%
Other Proteins

Source: NielsenIQ Homescan™

Where are Beef & Lamb Shoppers Going?

New / Lost / Retained Shoppers

The NielsenIQ NewLostRetained model looks at what households purchased compared across two periods to see if a household purchased a product in both periods, one period, or neither period – based on this they are either a New, a Lost, or a Retained shopper.

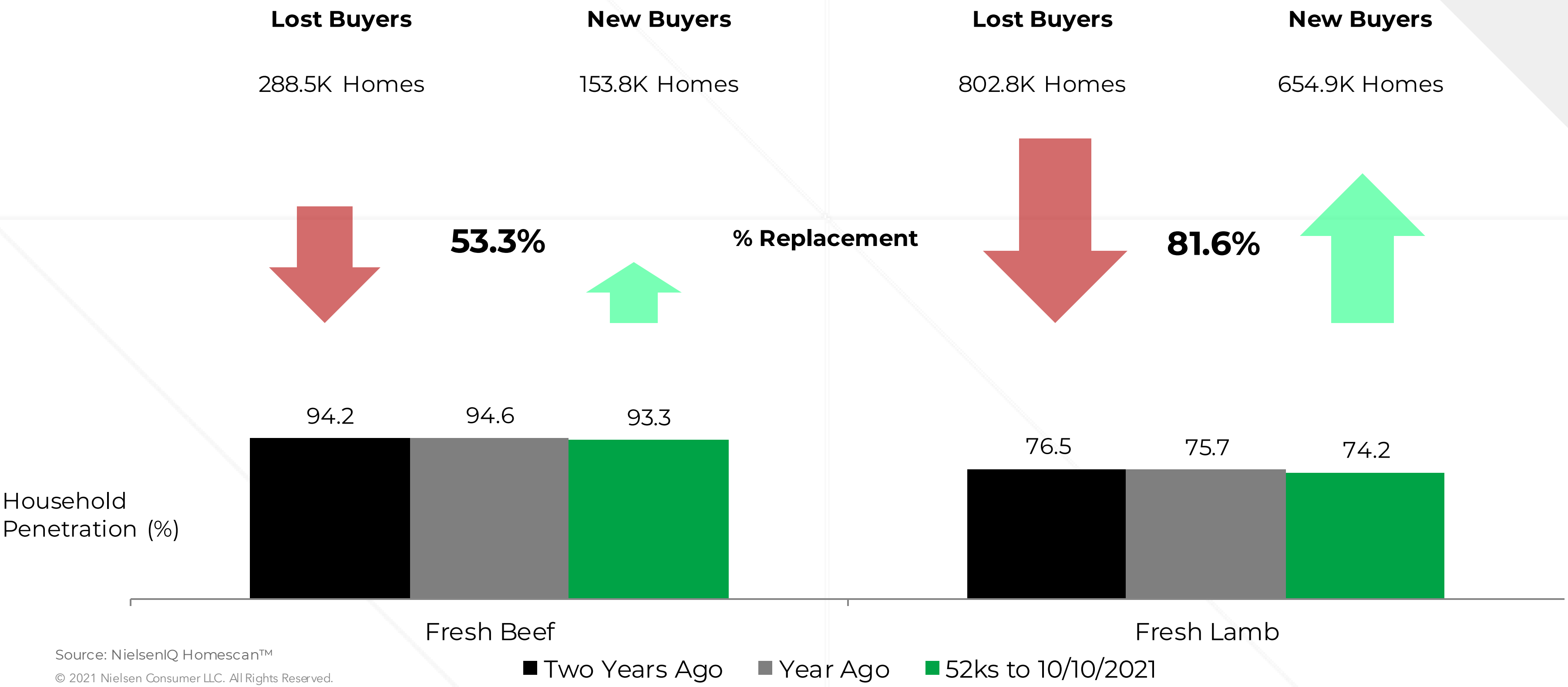
Some examples include:

	Period 1	Period 2	N/L/R?
Household 1	Bought Beef	Bought Beef	*Retained Beef*
Household 2	Bought no meat	Bought Beef	*New Beef*
Household 3	Bought Beef	Bought no meat	*Lost Beef*
Household 4	Bought no meat	Bought no meat	*Non-shopper*
Household 5	Bought Beef & Lamb	Bought Lamb	*Lost Beef, Retained Lamb*
Household 6	Bought 5kg of Beef	Bought 3kg of Beef	*Retained Beef*

Source: NielsenIQ Homescan™

While Beef saw less household penetration decline than Lamb this year verse last (-1.3% vs -1.5%), Beef saw a lower rate of new buyers replacing lost buying households

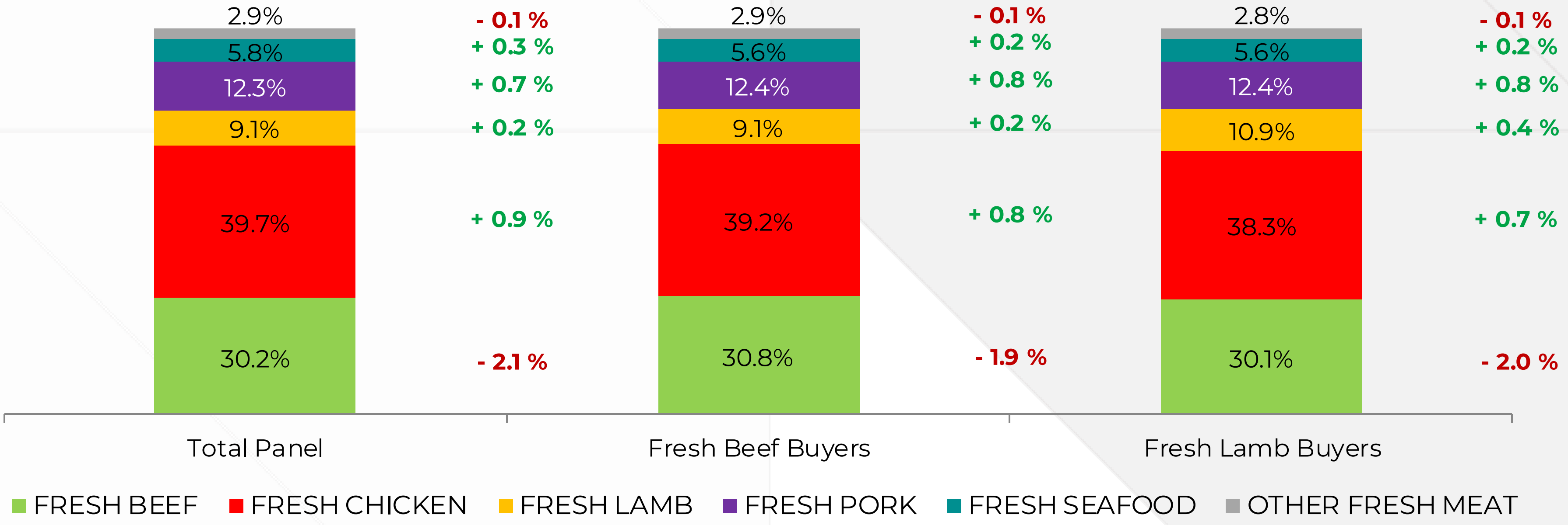
Fresh Beef & Lamb | New Lost Retained Buyers| Total Aus | MAT to 10/10/2021 vs YA



Source: NielsenIQ Homescan™

Shoppers consume across a repertoire of Proteins, this year vs last, shoppers increased purchases of Pork & Chicken while reducing volume of Beef & Lamb

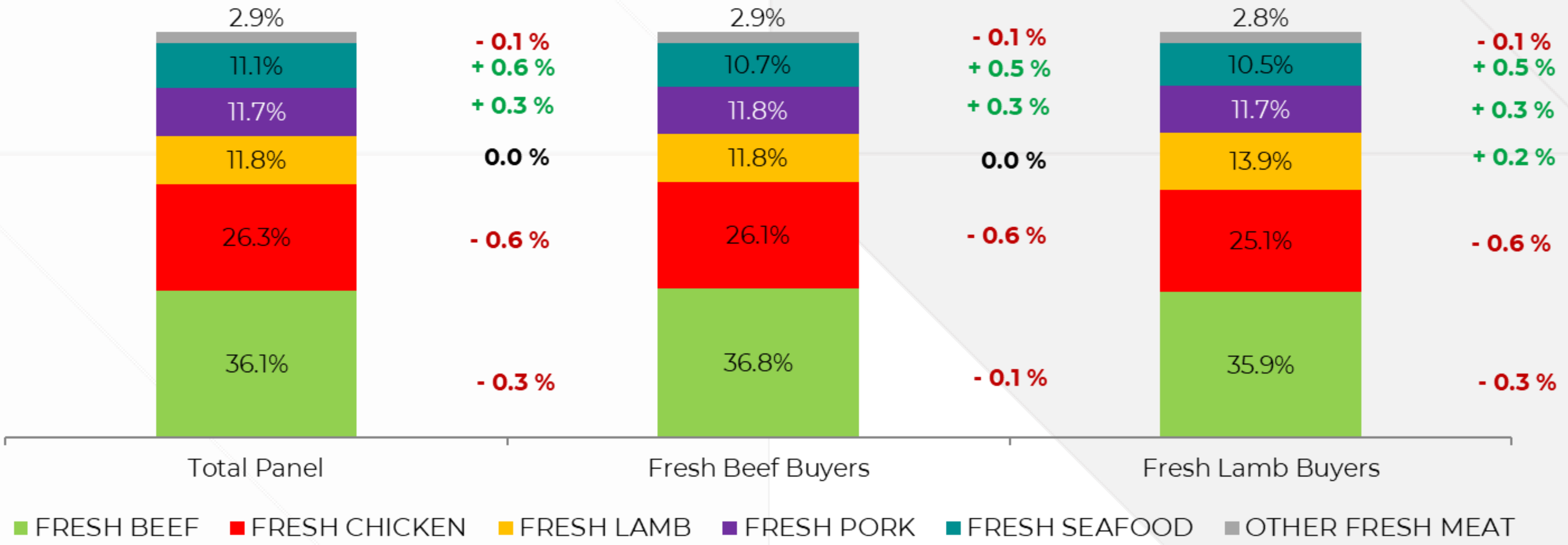
Fresh Meat | Total Shopper | Fresh Meat **Volume Repertoire** | Total AUS | Trended 52 weeks to 10/10/2021 vs YA



Source: NielsenIQ Homescan™

Given pricing dynamics, Seafood increased in share of shopper repertoire where Chicken fell this year, Pork grew in value & volume

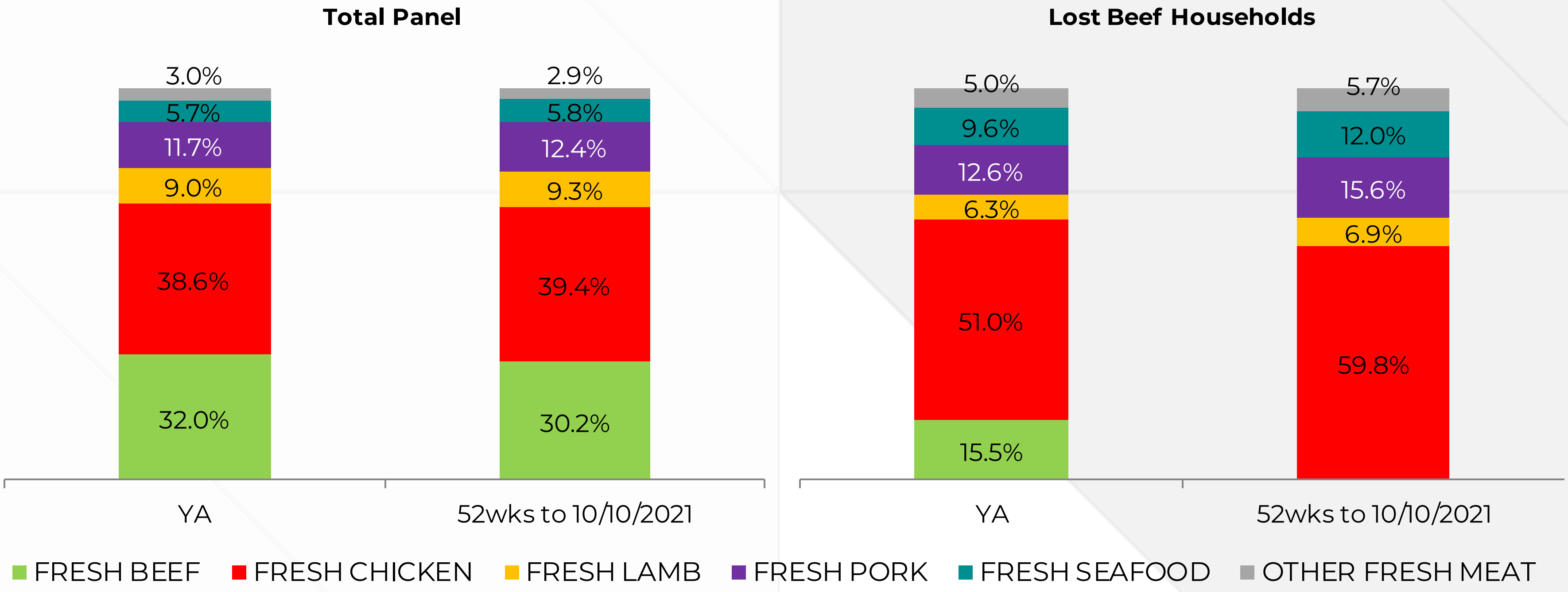
Fresh Meat | Total Shopper | Fresh Meat **Value Repertoire** | Total AUS | Trended 52 weeks to 10/10/2021 vs YA



Source: NielsenIQ Homescan™

Approx. 290K households stopped purchasing Beef this year, these Lost Buyers increased their volume purchases mainly within Chicken, Pork, & Seafood

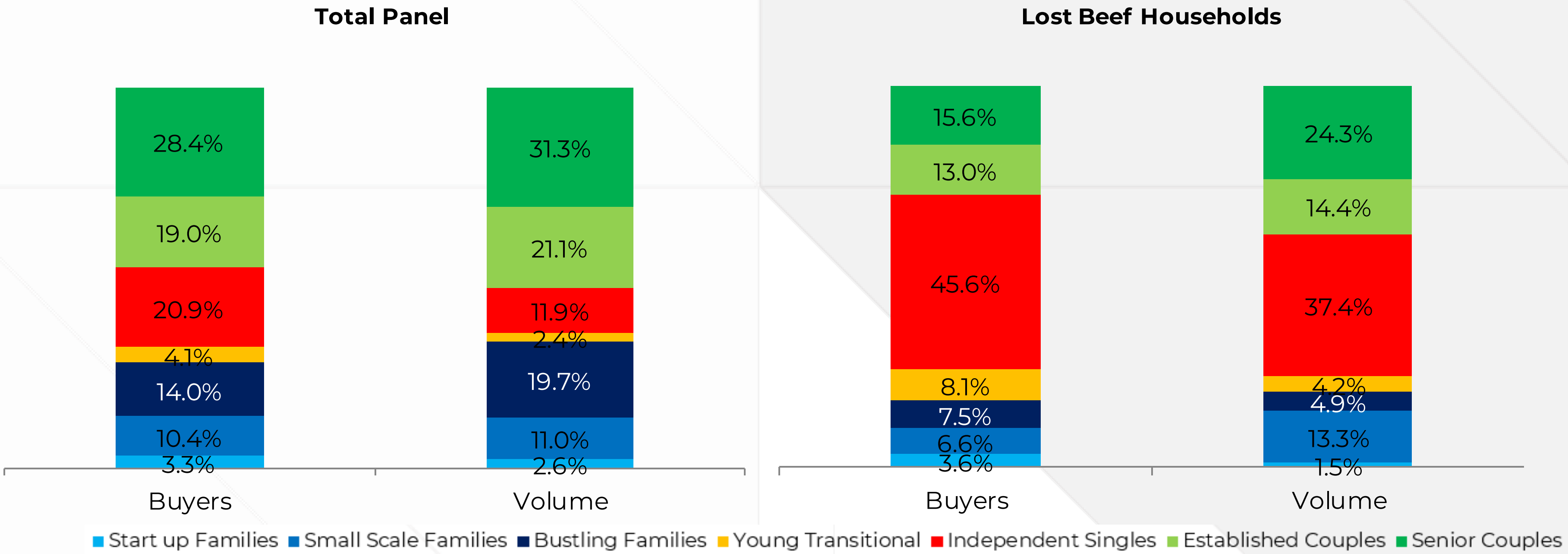
Fresh Meat | Lost Beef Shopper **Volume Repertoire** | Total AUS | Trended 52 weeks to 10/10/2021 vs YA



Source: NielsenIQ Homescan™

Independent Singles contributed to almost half of households that had purchased in 2020 and did not purchase Beef in 2021

Fresh Beef | Demographic **Distribution of Volume & Buyers** | Total AUS | Trended 52 weeks to 11/10/2020

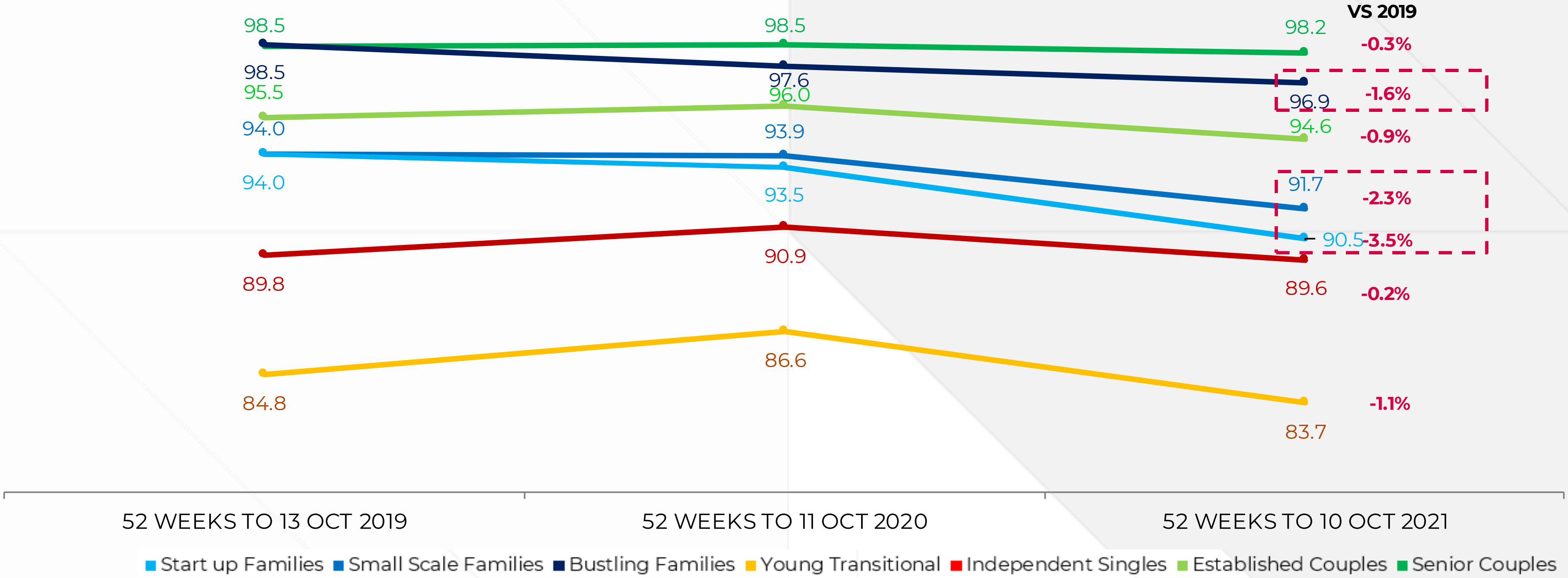


% of AU POP	4.4%	12.0%	12.6%	7.4%	21.8%	18.6%	23.2%

Source: NielsenIQ Homescan™

In the long term Beef has experienced the largest decline in households with children – these groups account for 29% of all Australian homes

Fresh Beef | Household Penetration by Lifestage | Total AUS | Trended 52 weeks to 10/10/2021



% of AU POP	4.4%	12.0%	12.6%	7.4%	21.8%	18.6%	23.2%

Source: NielsenIQ Homescan™

Potential Opportunities around maintaining Beef Buying Households

Fresh Beef | Demographic Opportunities & Threats |Total Australia | MAT to 10/10/2021

Independent Singles

If Fresh Beef did not lose households this year among Independent Singles gained throughout the COVID impact in 2020 there would be an opportunity of:

$28 M AUD Annually

OR

1.7K Tonnes Annually

Across all Family Groups

If Fresh Beef maintained similar level of household penetration among Family groups as was seen two years ago there would be an opportunity of:

$26 M AUD Annually

OR

1.8K Tonnes Annually

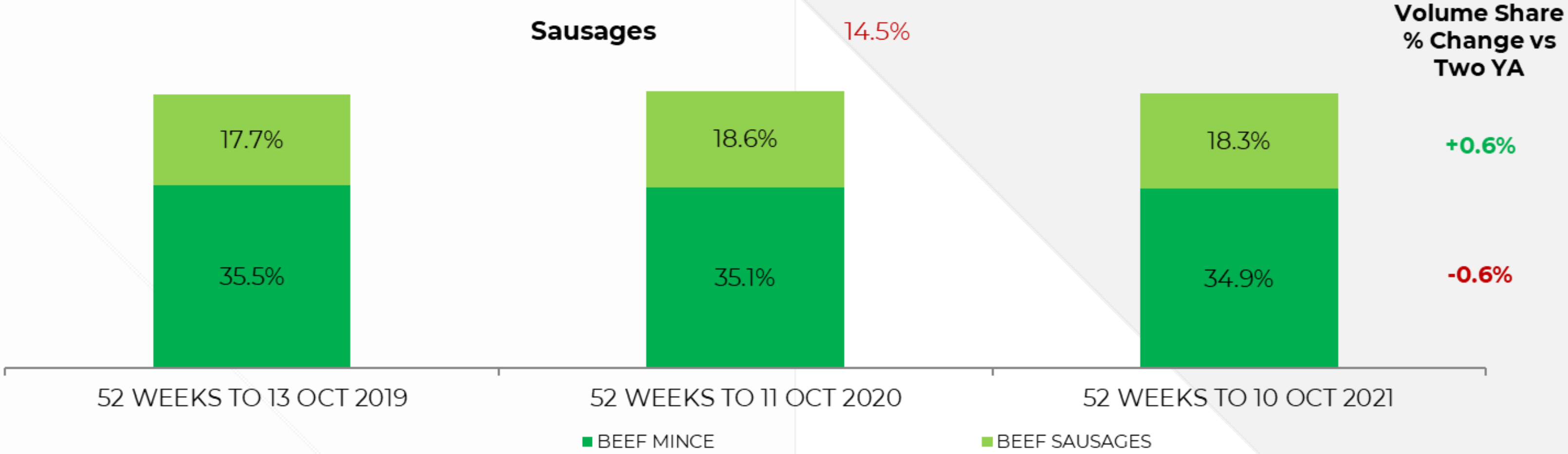
Source: NielsenIQ Homescan™

Potential Threat of Consolidation into Value Cuts

Mince remains leading cut despite share decline over the past 3 years where Sausages have grown, additionally Sausages have seen lower price rises than total beef

Fresh Beef | Cut **Volume Share** & Pricing Dynamics |Total Australia | MAT to 10/10/2021 vs Prior Years

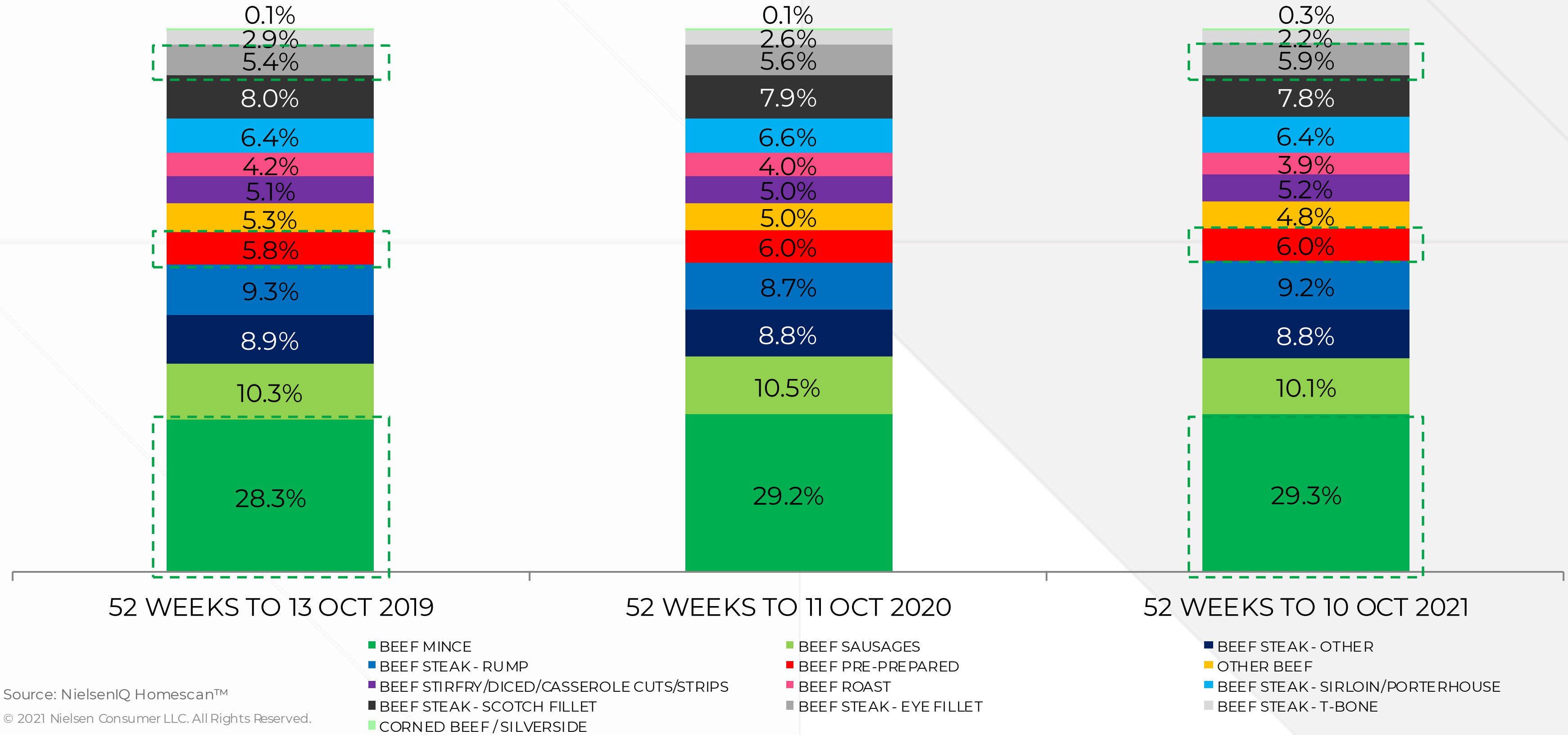
	Price % Change vs Two YA
Fresh Beef	20.8%
Mince	27.1%
Sausages	14.5%



Source: NielsenIQ Homescan™

Over the past three years Mince, Pre-prepared & Eye Fillet have increased in their share of Fresh Beef value sales

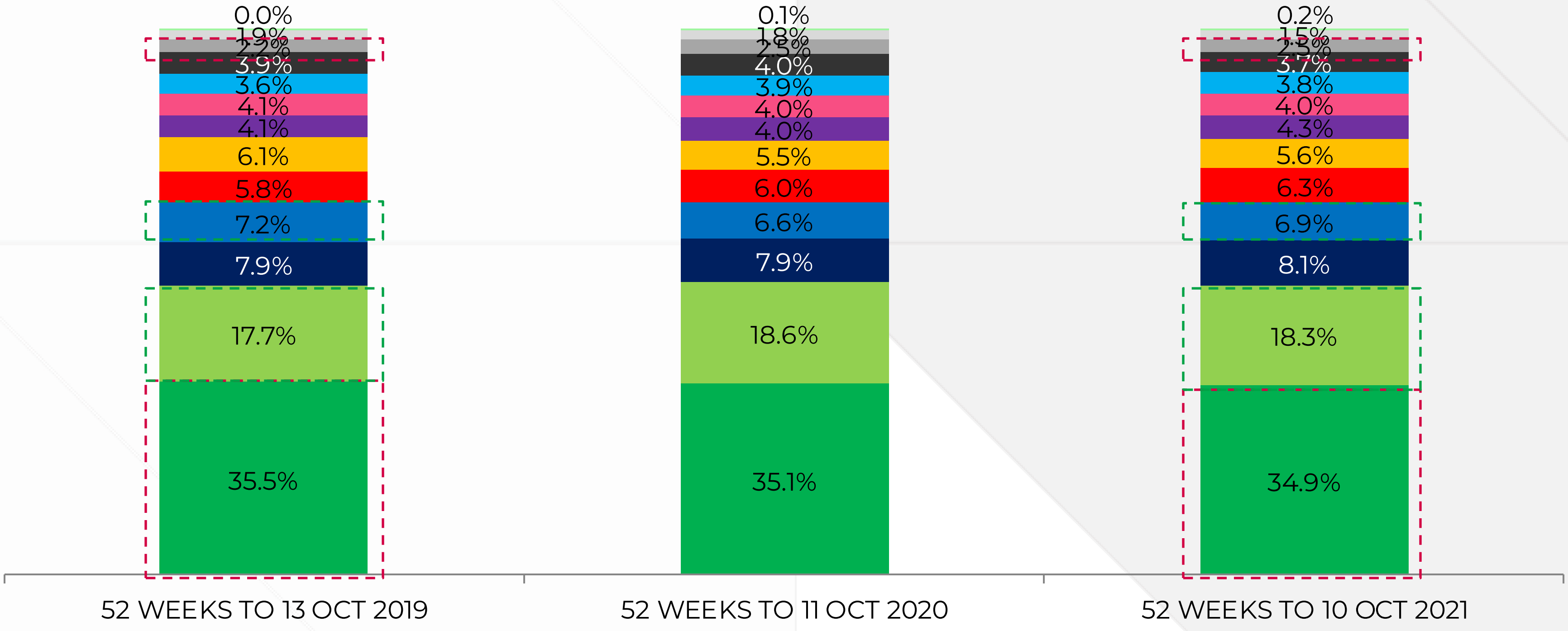
Fresh Beef | Cut **Value Share** | Total AUS | Trended 52 weeks to 10/10/2021 vs Prior Years



Source: NielsenIQ Homescan™

Both Mince & Eye Fillet value share increase are a function of price, declining volume share, with Sausages & Pre-prepared gaining the most volume share this period

Fresh Beef | Cut **Volume Share** | Total AUS | Trended 52 weeks to 10/10/2021 vs Prior Years



Source: NielsenIQ Homescan™

Potential Threat if Households trade into Sausages from Mince

Fresh Beef | Cut Opportunities & Threats |Total Australia | MAT to 10/10/2021

For every 1% of Total Fresh Beef volume sales that shift from Mince to Sausages, Fresh Beef & the Fresh Meat Category Contracts:

$10M AUD Annual

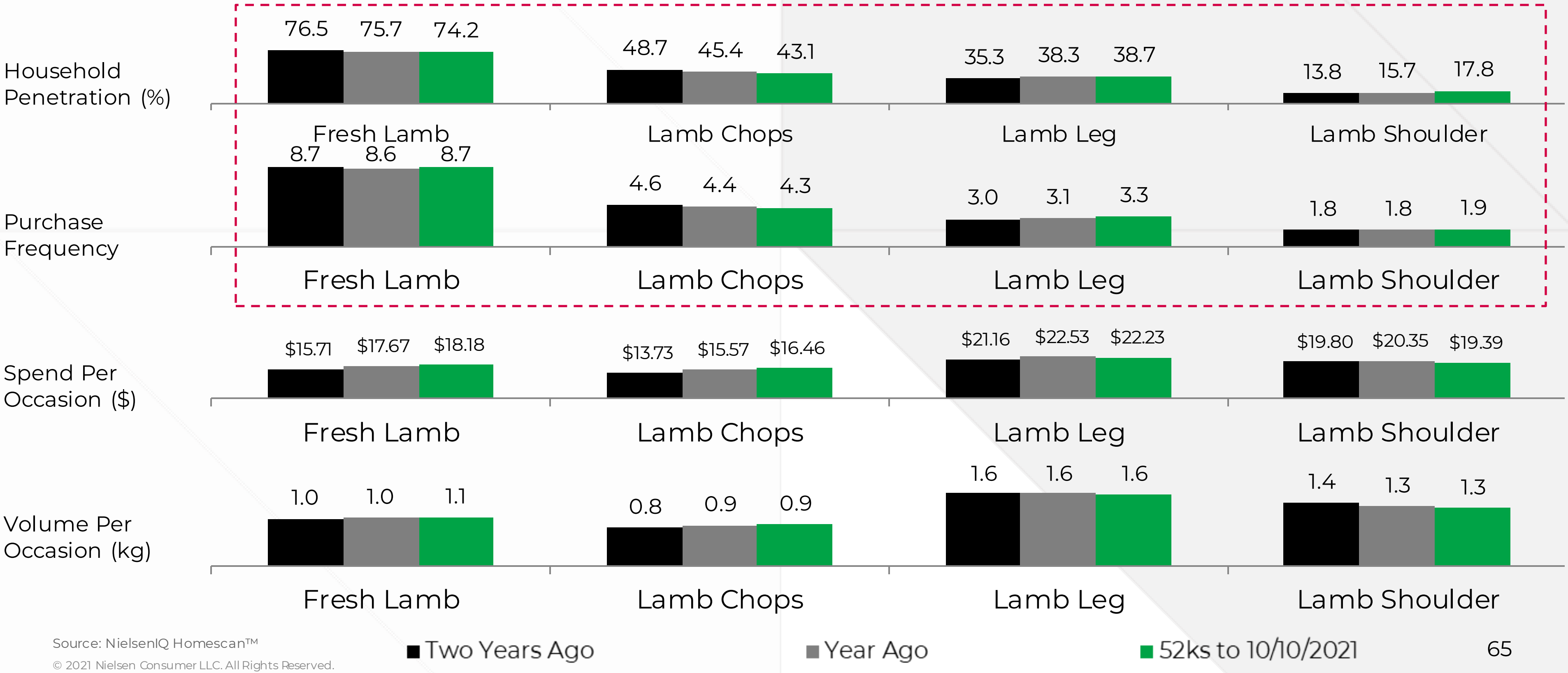
This is a threat given in the last two years, Mince declined in volume sales ahead of Total Fresh Beef (-4.9% decline in Mince, as Total Beef Fell –3.5% in volume sales) where Sausages remained relatively flat (-0.1% volume change)

Source: NielsenIQ Homescan™

Lamb Performance

Fresh Lamb: Leg & Shoulder show positivity as Total Lamb and Chops show steady declines in shoppers and trips

Fresh Lamb by Top 3 Cuts | Key Purchase Indicators | 52 weeks to 10/10/2021 vs YA & 2YA



Source: NielsenIQ Homescan™

Switching gains outpaced lost Lamb shoppers – with Beef the primary source of growth

Fresh Lamb | **Source of Volume** | 52 weeks to 10/10/2021 vs YA

Total Lamb

Volume Growth
+0.9%

+1.8%
Switching from other proteins

+1.3%
Fresh Beef

+0.6%
Other Chicken

-0.1%
Other Proteins

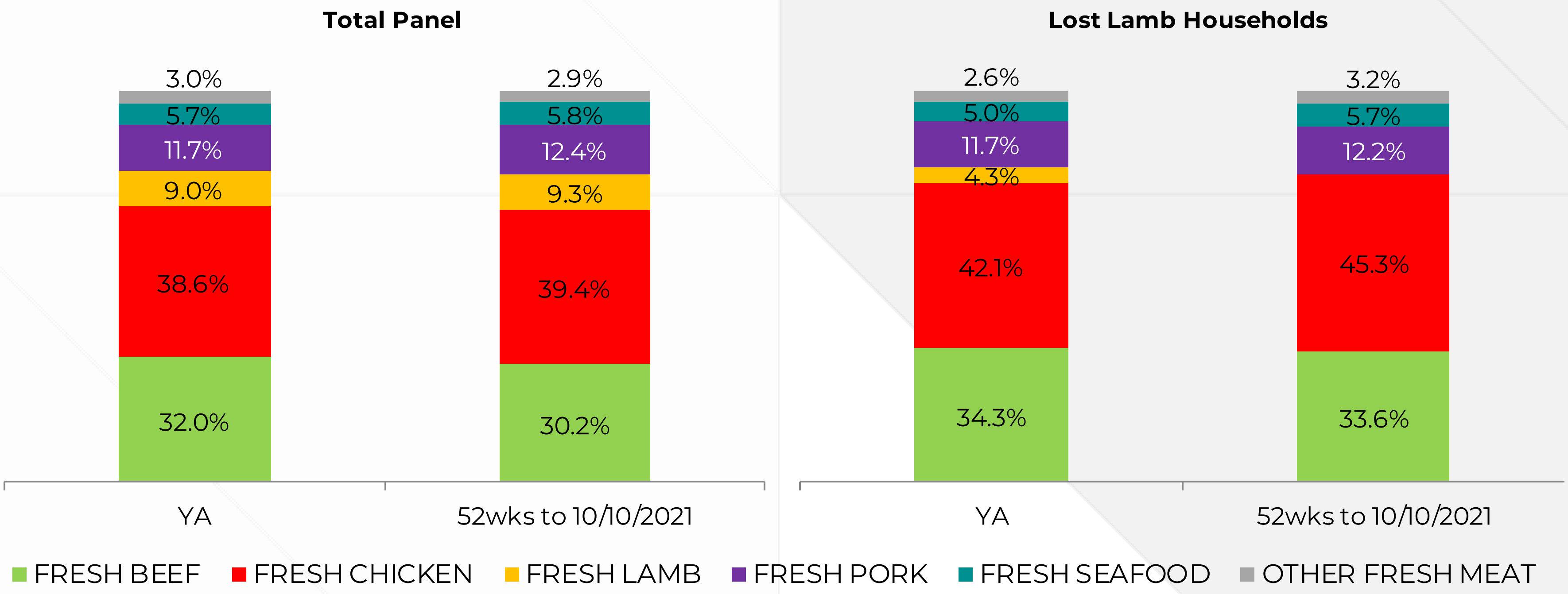
-1.1%
Lost Fresh Lamb buyers

Source: NielsenIQ Homescan™

Where are Beef & Lamb Shoppers Going?

Approx. 803K households stopped purchasing Lamb this year, these Lost Buyers increased their volume purchases mainly within Chicken & Pork

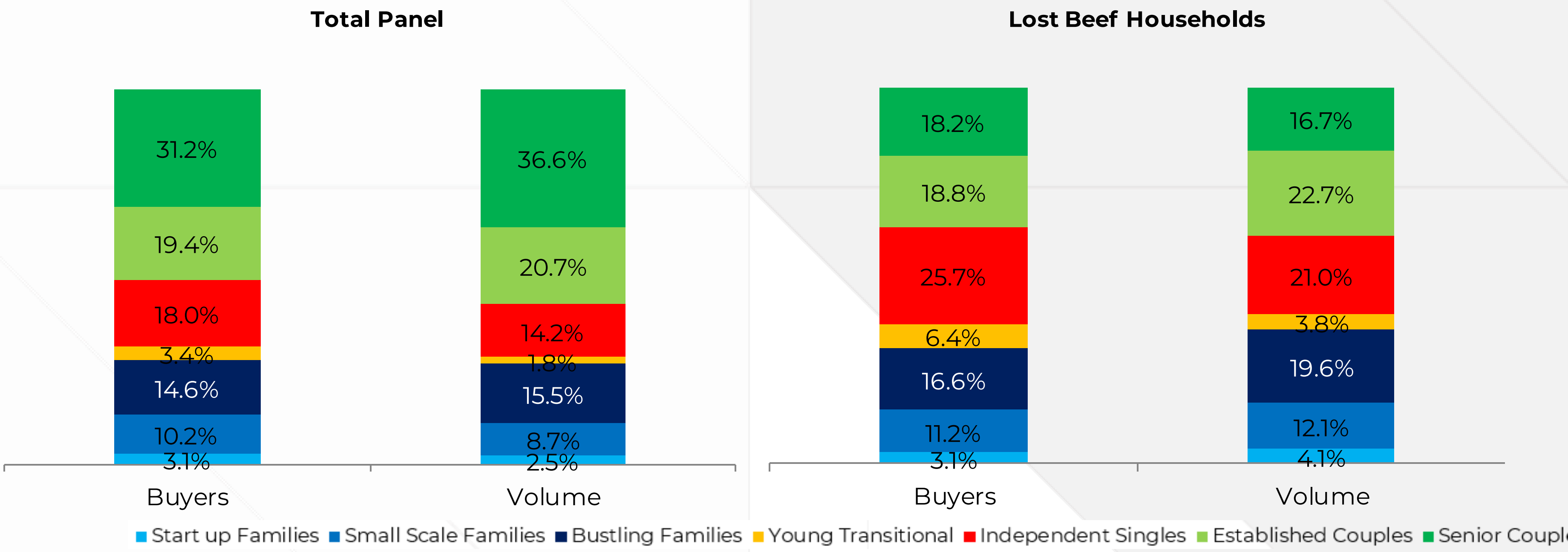
Fresh Meat | Lost Lamb Shopper **Volume Repertoire** | Total AUS | Trended 52 weeks to 10/10/2021 vs YA



Source: NielsenIQ Homescan™

While Independent Singles hold the largest share of lost households, the lost Established Couples had contributed more volume through 2020

Fresh Lamb | Demographic **Distribution of Volume & Buyers** | Total AUS | Trended 52 weeks to 11/10/2020

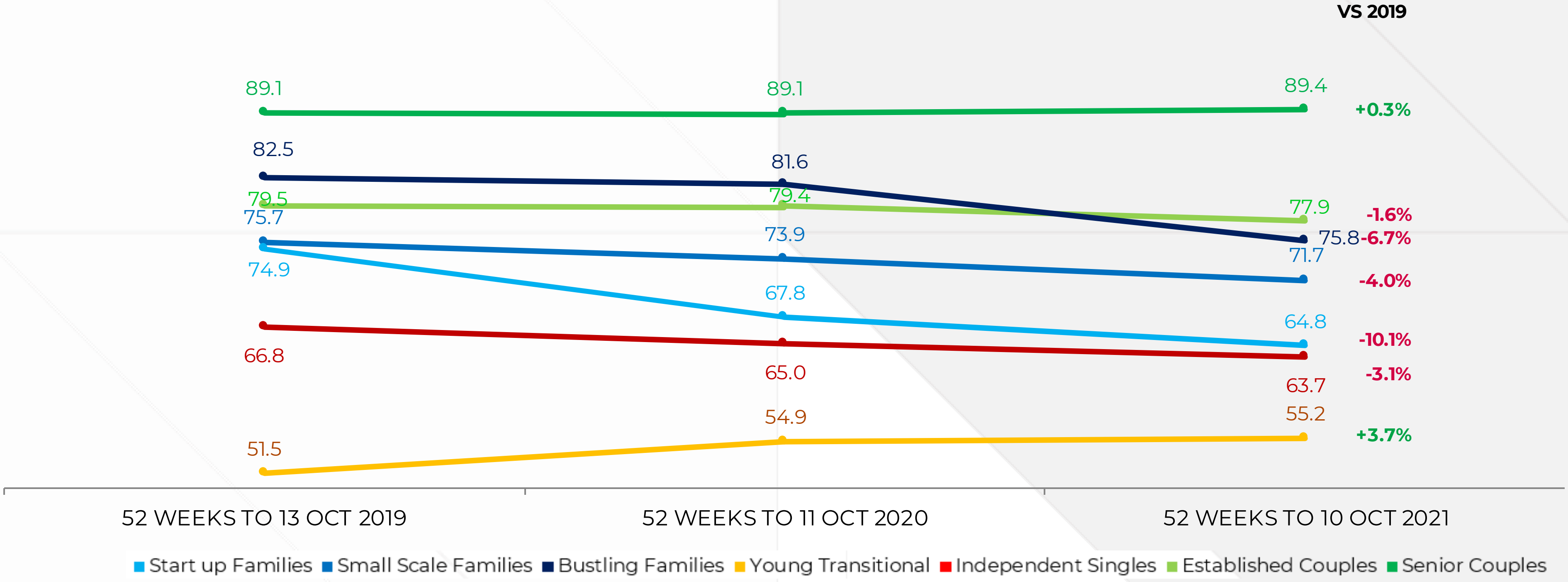


% of AU POP 4.4% 12.0% 12.6% 7.4% 21.8% 18.6% 23.2%

Source: NielsenIQ Homescan™

Similarly to Beef, Lamb has seen the greatest decline in penetration among Family groups, followed by Independent Singles

Fresh Lamb | Household Penetration by Lifestage | Total AUS | Trended 52 weeks to 10/10/2021



% of AU POP	4.4%	12.0%	12.6%	7.4%	21.8%	18.6%	23.2%

Source: NielsenIQ Homescan™

Potential Threat of Consolidation into Value Cuts

There is less so of a risk in Lamb with regard to consolidation into value cuts, as Cutlets (the most expensive cut on average) saw equal second highest volume growth since 2019

Fresh Lamb | Cut **Volume Share** & Pricing Dynamics |Total Australia | MAT to 10/10/2021 vs Prior Years

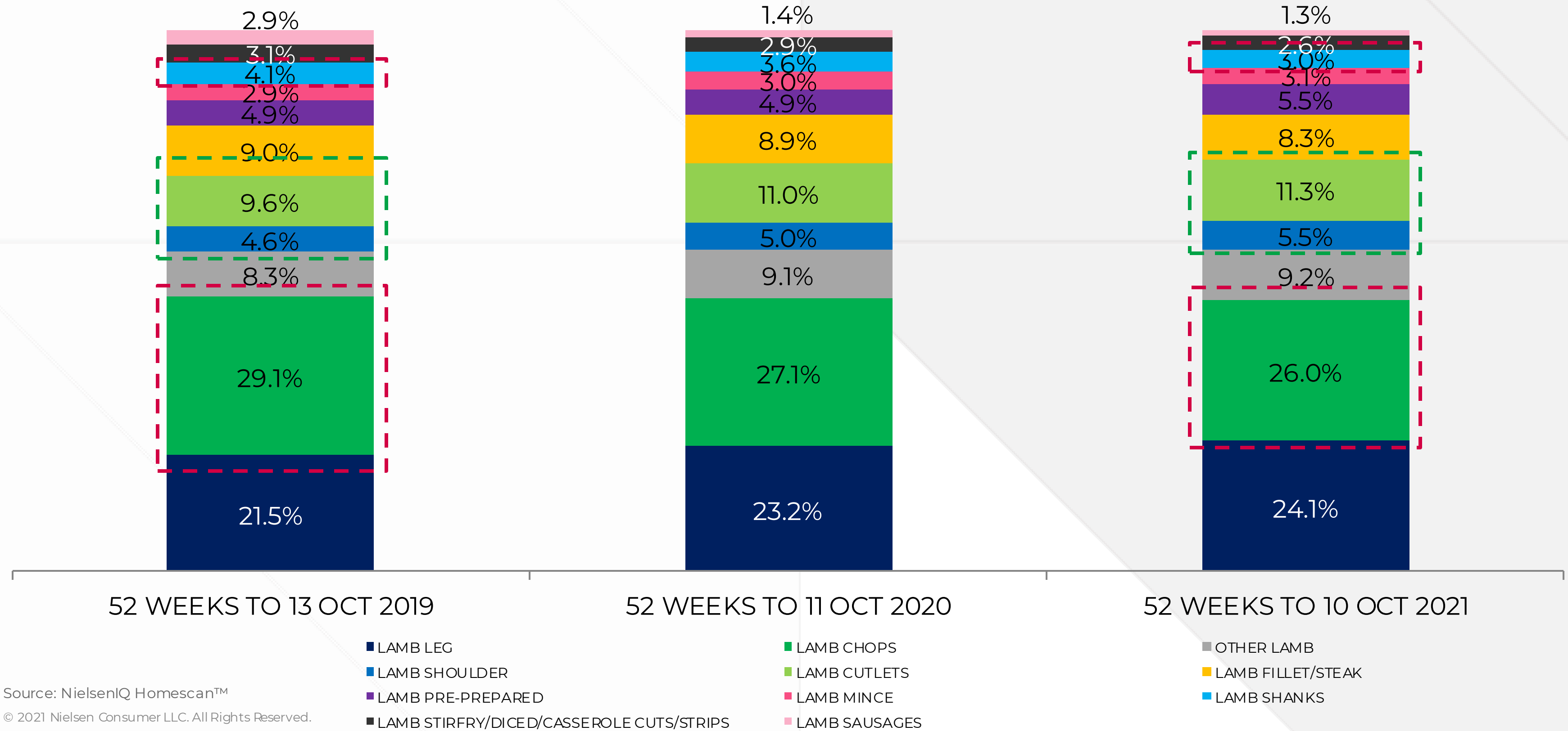
Average Price of Lamb Increased **+ 12.6 %**

Cut	Volume % Share Change	Value % Share Change	Price % Change	Cut	Volume % Share Change	Value % Share Change	Price % Change
Leg	+ 4.2 %	+ 2.6 %	+ 7.8 %	Sausages	- 4.6 %	- 1.6 %	+ 101.5 %
Shoulder	+ 1.3 %	+ 1.0 %	+ 7.8 %	Chops	- 2.4 %	- 3.1 %	+ 10.5 %
Cutlets	+ 1.3 %	+ 1.7 %	+ 3.9 %	Shanks	- 1.1 %	- 1.3 %	+ 12.0 %

Source: NielsenIQ Homescan™

Within Lamb; Leg, Shoulder & Cutlets saw the increased share of value sales, with Sausages, Chops & Shanks reducing share over the past three years

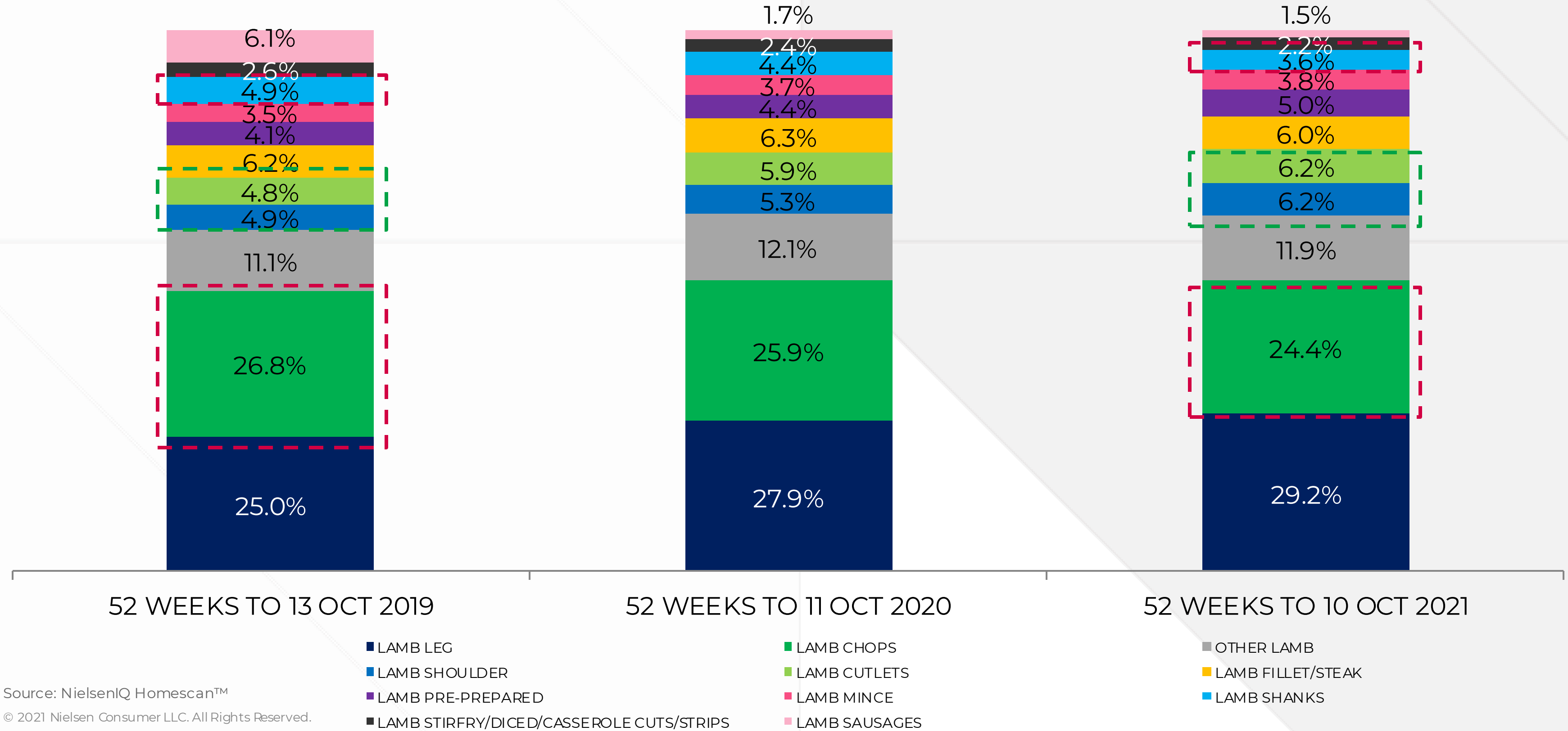
Fresh Lamb | Cut **Value Share** | Total AUS | Trended 52 weeks to 10/10/2021 vs Prior Years



Source: NielsenIQ Homescan™

This was a consistent trend from volume share also

Fresh Lamb | Cut **Volume Share** | Total AUS | Trended 52 weeks to 10/10/2021 vs Prior Years

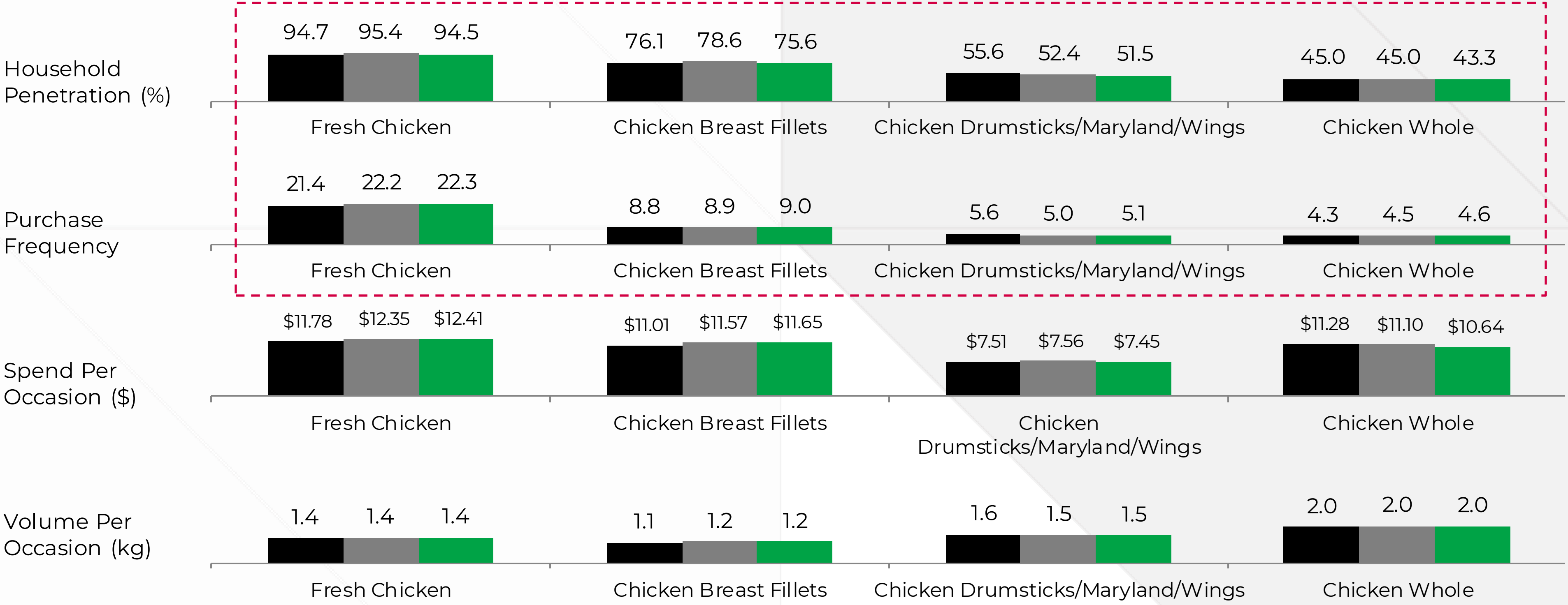


Source: NielsenIQ Homescan™

Chicken Performance

Fresh Chicken: Slightly fewer households than pre-pandemic, but buying more often

Fresh Chicken by Top 3 Cuts | Key Purchase Indicators | 52 weeks to 10/10/2021 vs YA & 2YA



■ Two Years Ago ■ Year Ago ■ 52ks to 10/10/2021

Source: NielsenIQ Homescan™

Retained Chicken buyers increasing their volume offset volume declines from lost shoppers

Fresh Chicken | **Source of Volume** | 52 weeks to 10/10/2021 vs YA

Total Chicken

Volume Growth
+0.6%

+1.1%
Retained Fresh Chicken buyers

+0.2%
Switching from other proteins

-0.5%
Lost Fresh Chicken buyers

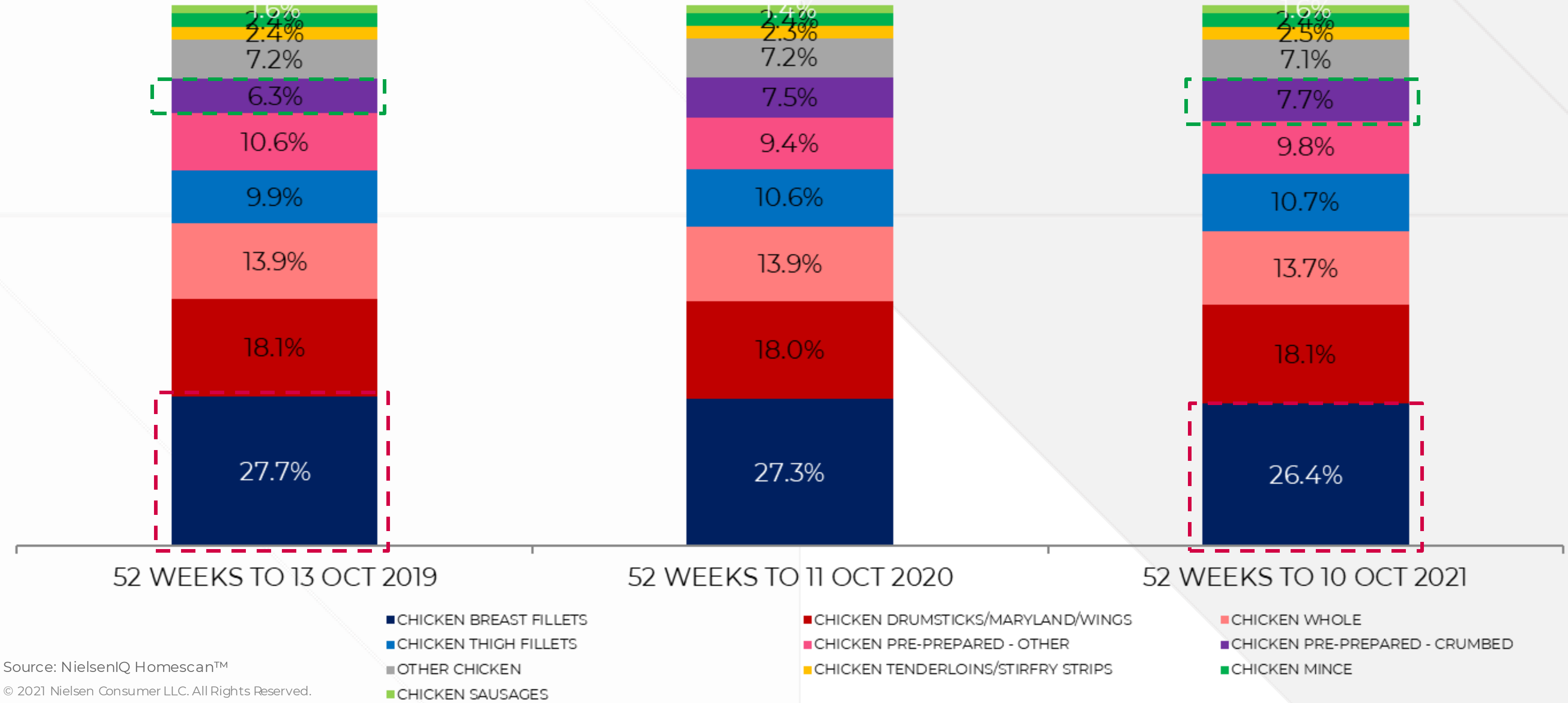
+0.6%
Fresh Beef

-0.4%
Other Proteins

Source: NielsenIQ Homescan™

In the last three years the largest changes in volume share can be seen in Breast Fillets falling -1.3%, with Pre-prepared Crumbed increasing by +1.4%

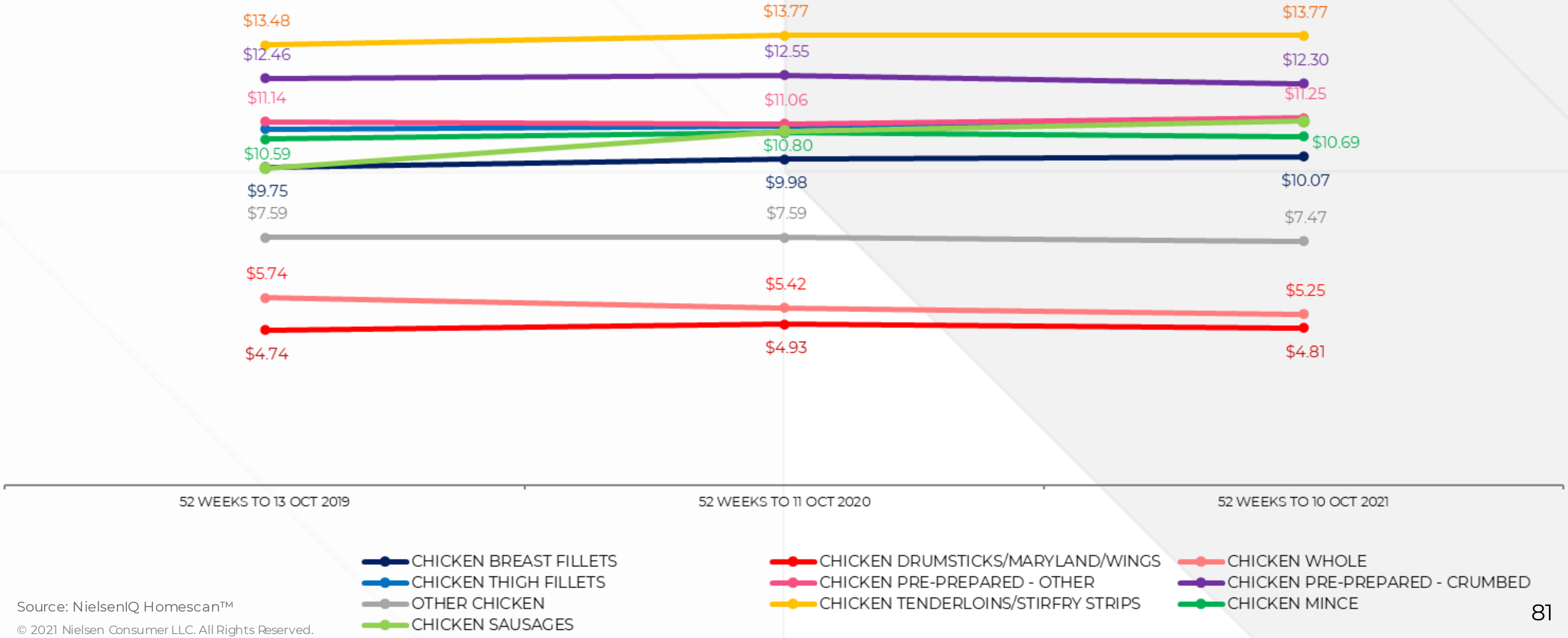
Fresh Chicken | Cut **Volume Share** | Total AUS | Trended 52 weeks to 10/10/2021 vs Prior Years



Source: NielsenIQ Homescan™

Price increase on Chicken has been minimized by a -8.6% decline in Whole Chicken

Fresh Chicken | Cut **Volume Share** | Total AUS | Trended 52 weeks to 10/10/2021 vs Prior Years

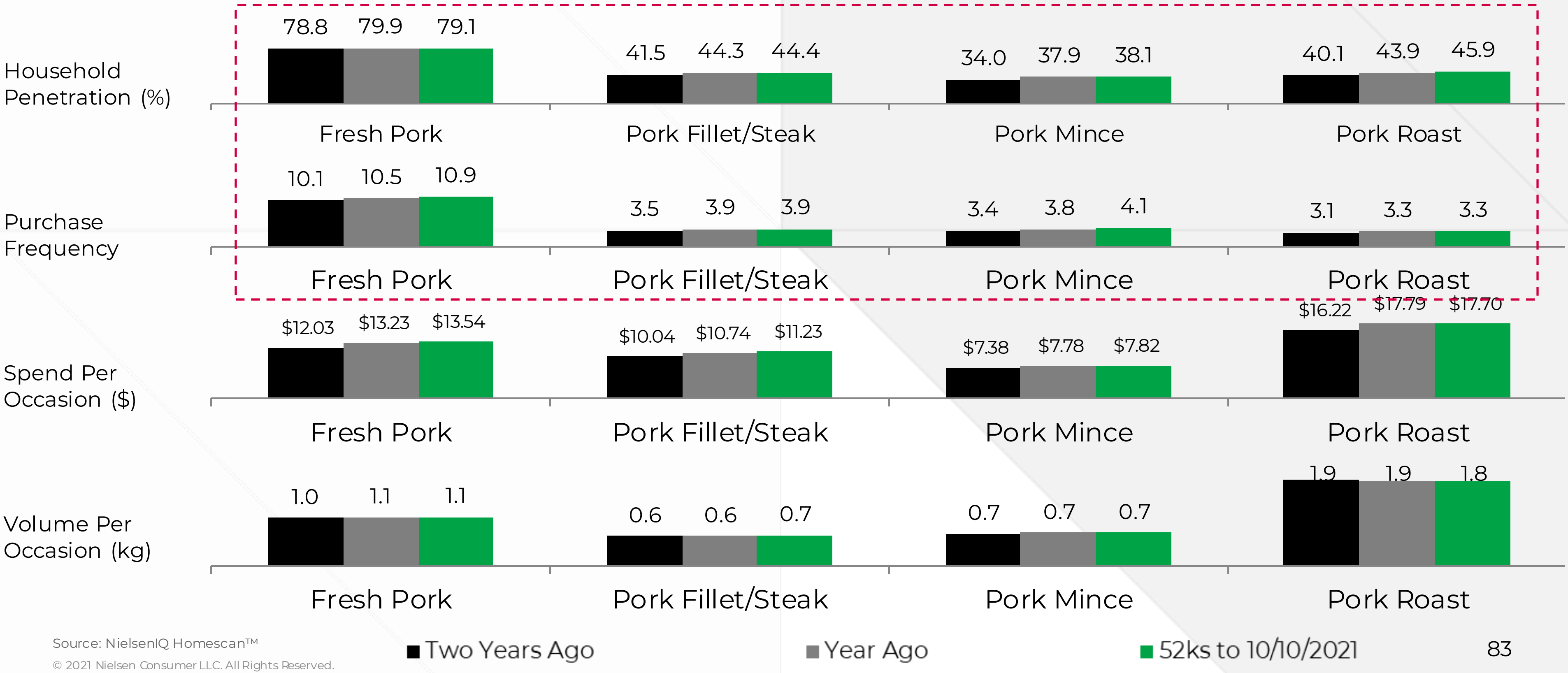


Source: NielsenIQ Homescan™

Pork Performance

Fresh Pork: More households than 2YA, and shopping more often

Fresh Pork by Top 3 Cuts | Key Purchase Indicators | 52 weeks to 10/10/2021 vs YA & 2YA



Source: NielsenIQ Homescan™

Switching volume from other proteins drove volume growth for Pork this year, driven by gains from Beef & Chicken

Fresh Pork | **Source of Volume** | 52 weeks to 10/10/2021 vs YA

Total Pork

Volume Growth
+4.6%

+2.5%
Retained Fresh Pork buyers

+3.2%
Switching from other proteins

+1.7%
Fresh Beef

+0.9%
Fresh Chicken

+0.6%
Other Proteins

Source: NielsenIQ Homescan™

Seafood Performance

Fresh Seafood: More stable in shoppers than other proteins, with Salmon making consistent gains over past two years

Fresh Seafood by Top 3 Cuts | Key Purchase Indicators | 52 weeks to 10/10/2021 vs YA & 2YA

Source: NielsenIQ Homescan™

ching gains from Beef the largest driver of growth for Fresh Seafood, with positivity from retained shoppers also key

Fresh Seafood | **Source of Volume** | 52 weeks to 10/10/2021 vs YA

Total Seafood

Volume Growth
+2.8%

+1.1%
Retained Fresh Seafood buyers

+1.7%
Switching from other proteins

+1.3%
Fresh Beef

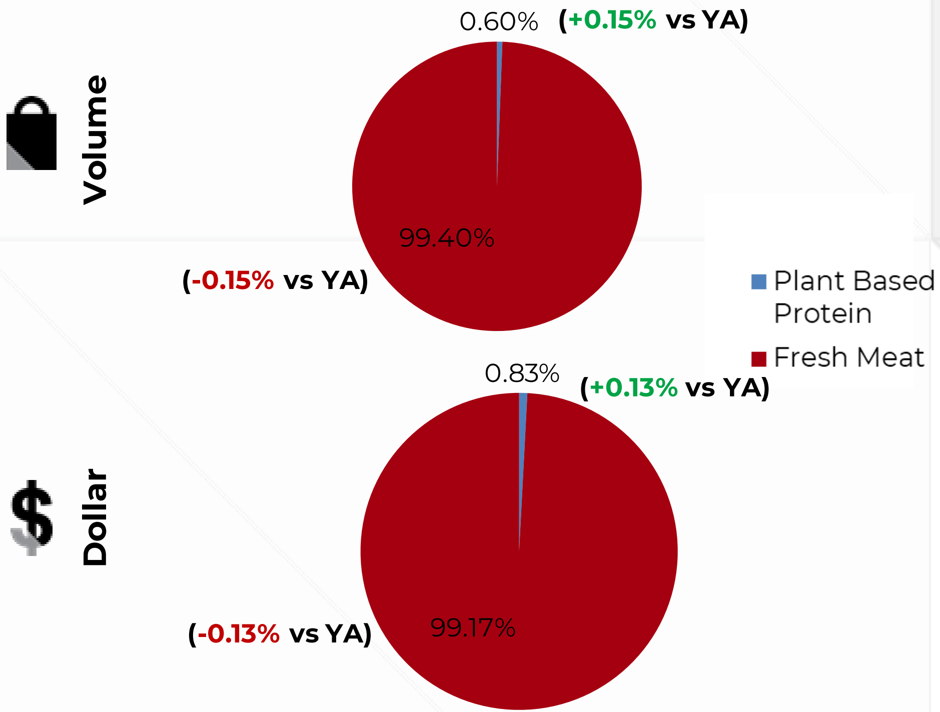
+0.4%
Other Proteins

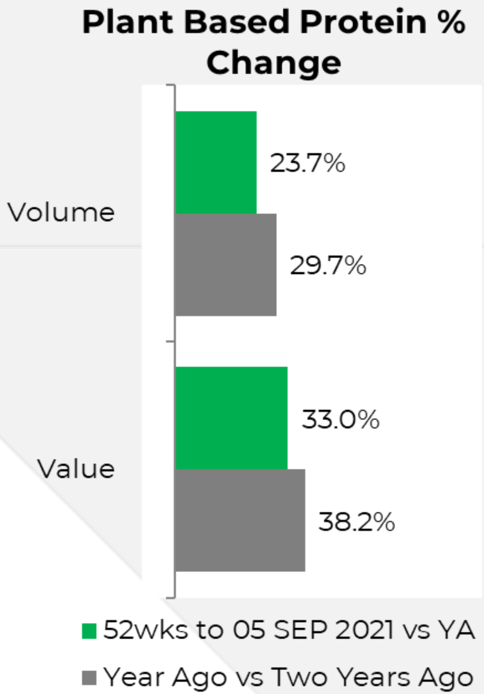
Source: NielsenIQ Homescan™

Plant Based Protein

Despite strong growth this year, Plant Based Proteins still currently represent <1% of the Fresh Meat category

Plant Based Protein – Share & Growth | relative to other Fresh Meat/Poultry | MAT to 05/09/2021

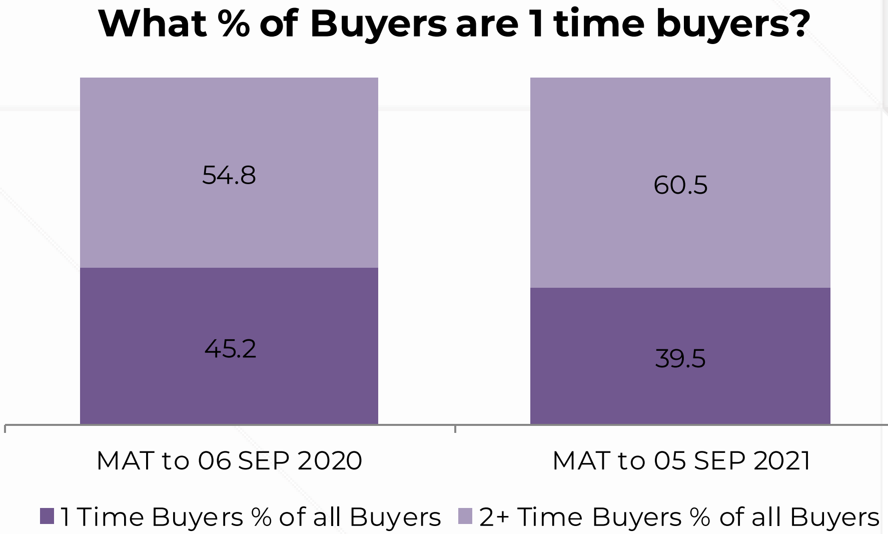


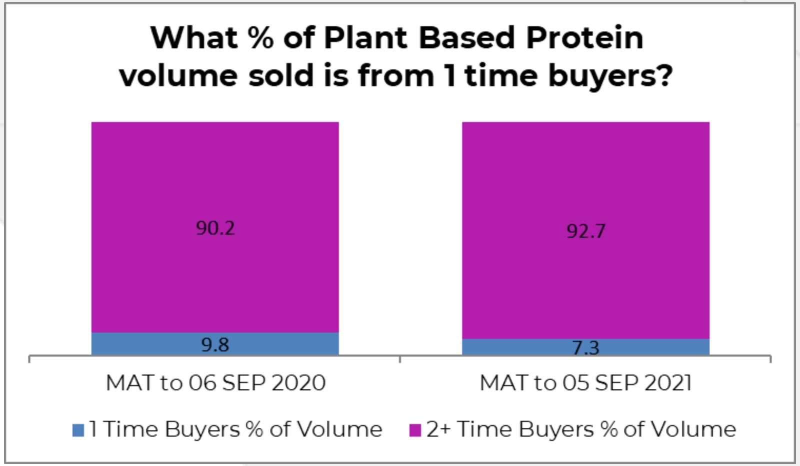


Source: NielsenIQ Homescan™

Plant based protein increased in % of repeat buyers versus year ago (+5.7%), these repeat buyers now contribute 92.7% of the segments volume

Total Australia | % 1 time & 2+ time buyers | Plant Based Protein | MAT to 05/09/2021 vs YA

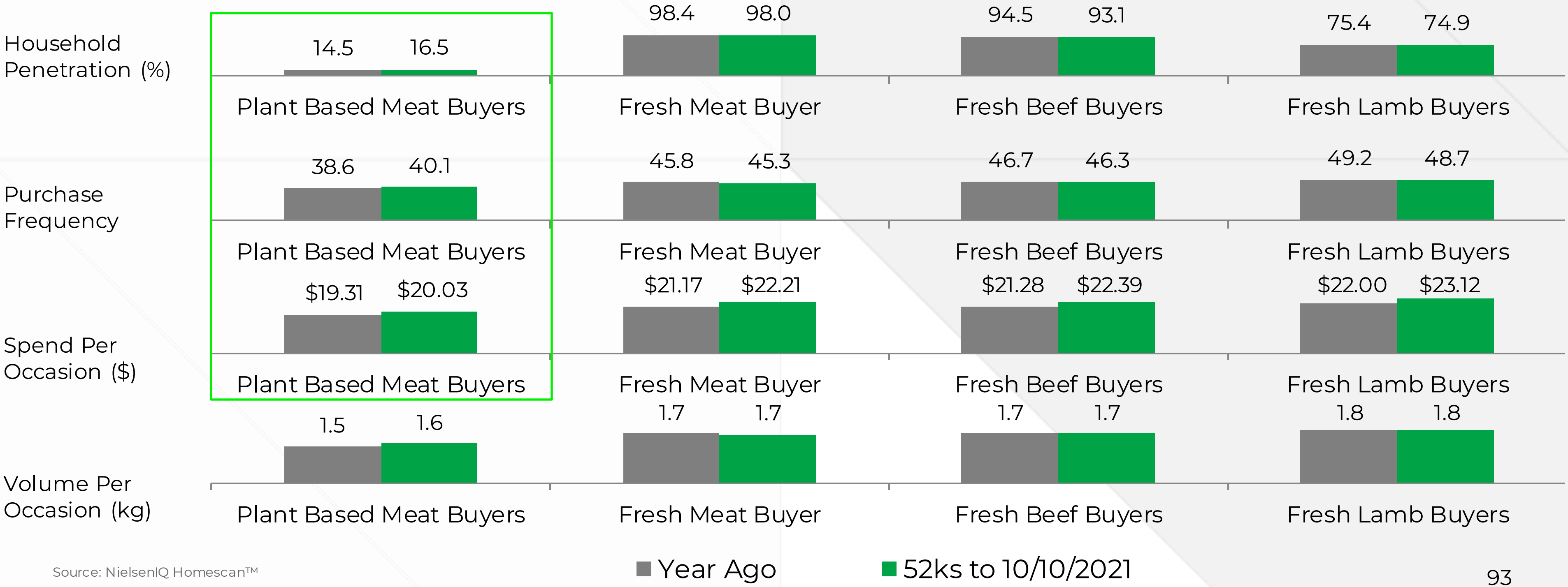




Source: NielsenIQ Homescan™

Plant Based Protein reaches 1 in 6 Australian households, these buyers spend less on average than the Fresh Meat, while also making fewer trips

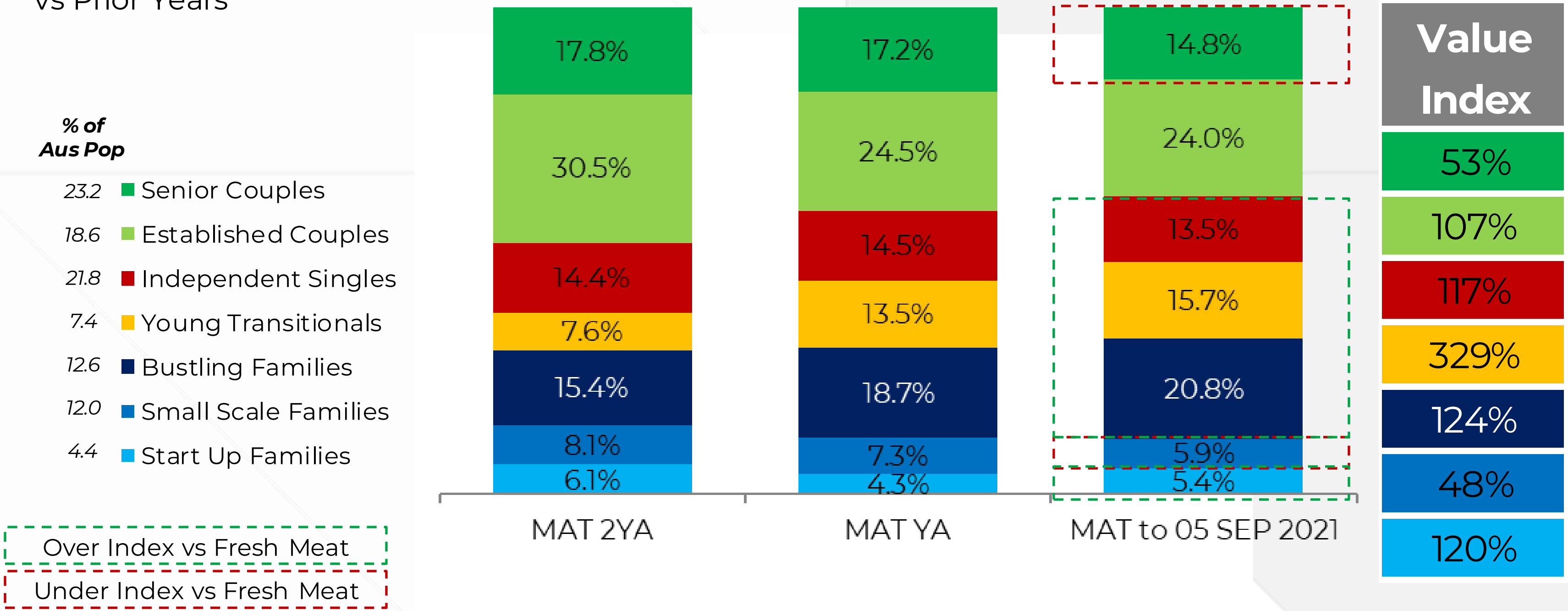
Fresh Meat | KPIs by meat segment buyers | Total Australia | MAT to 05/09/2021 vs YA



Source: NielsenIQ Homescan™

Plant based protein sees a significant under-index among Small Scale Families & Senior Couples who are the largest contributor to fresh meat, while Bustling Families & Young Transitionals extend their over-indexing

Fresh Meat vs Plant Based Protein | **Value Sales** Contribution by lifestage | Total Australia | MAT to 05/09/2021 vs Prior Years



Source: NielsenIQ Homescan™

Summary

- Within Fresh Meat, **Butchers** & Non-Supermarkets have seen a decline in household **Penetration** & consumer **Frequency** of purchase, this has seen these retailers fall **–1.4%** in **volume share** for Fresh Meat since 2019

- While **Online** Grocery **adoption** has **increased** over the past two years, the dynamics within Online have not significantly shifted as **Fresh Meat** currently ranks **80 of 87** categories in terms of share of **Online sales** (where it was ranked 78th two years ago)

- In the past three years **Beef** has seen **–3.0%** decline in **share** of Fresh Meat **volume sales**, this has been driven by a combination of **decline** in household **Penetration** and reduced purchases among Beef Buying households
    - Every 1% of Beef volume sales that shifts from Mince to Sausage represent a **$10M AUD** contraction to Fresh Meat & Beef annually
    - There is **$28M** AUD or **1.7K Tonne** opportunity among Independent Singles that stopped purchasing Fresh Beef this year
    - If Beef were able to maintain a similar level of household penetration among family groups as was seen two years ago this would represent an additional **$26M** AUD or **1.8K Tonnes**.

- **Lamb** also saw **decline** in **share** of Fresh Meat volume sales & household **Penetration**, however there was a much **higher rate** of replacement of **new Lamb Buyers** for these lost households **than** was seen within **Beef**

- In contrast **Chicken** was able to **grow** in volume **share** over the past three years via **increasing** purchases among **continued** buying **households**, with price decline in Whole Chicken maintaining average price across cuts.

- As **Plant Based Protein** continues to grow strongly year on year (+23.7% volume sales growth this year vs last & +29.7% 2020 vs 2019) as a protein group it still represents **<1% of all Fresh Meat sales annually**.

Source: NielsenIQ Homescan™ | Major Supermarkets include Woolworths, Coles & Aldi

About NielsenIQ

Arthur C. Nielsen, who founded Nielsen in 1923, is the original name in consumer intelligence. After decades of helping companies look to the future, we are setting the foundation for our future by becoming NielsenIQ. We continue to be the undisputed industry leaders as evidenced by our experience and unmatched integrity. As we move forward, we are focused on providing the best retail and consumer data platform, enabling better innovation, faster delivery, and bolder decision-making. We are unwavering in our commitment to these ideals and passionate about helping clients achieve success. For more information, visit: **www.niq.com**