



Meat & Livestock Australia

Annual Presentation – 2022

December 2022



Agenda

- 1. Market Headwinds & Grocery Trends**
- 2. Fresh Meat Performance through 2022**
 - **Channel Performance**
 - **Protein Performance**
- 3. Beef Performance**
- 4. Lamb Performance**



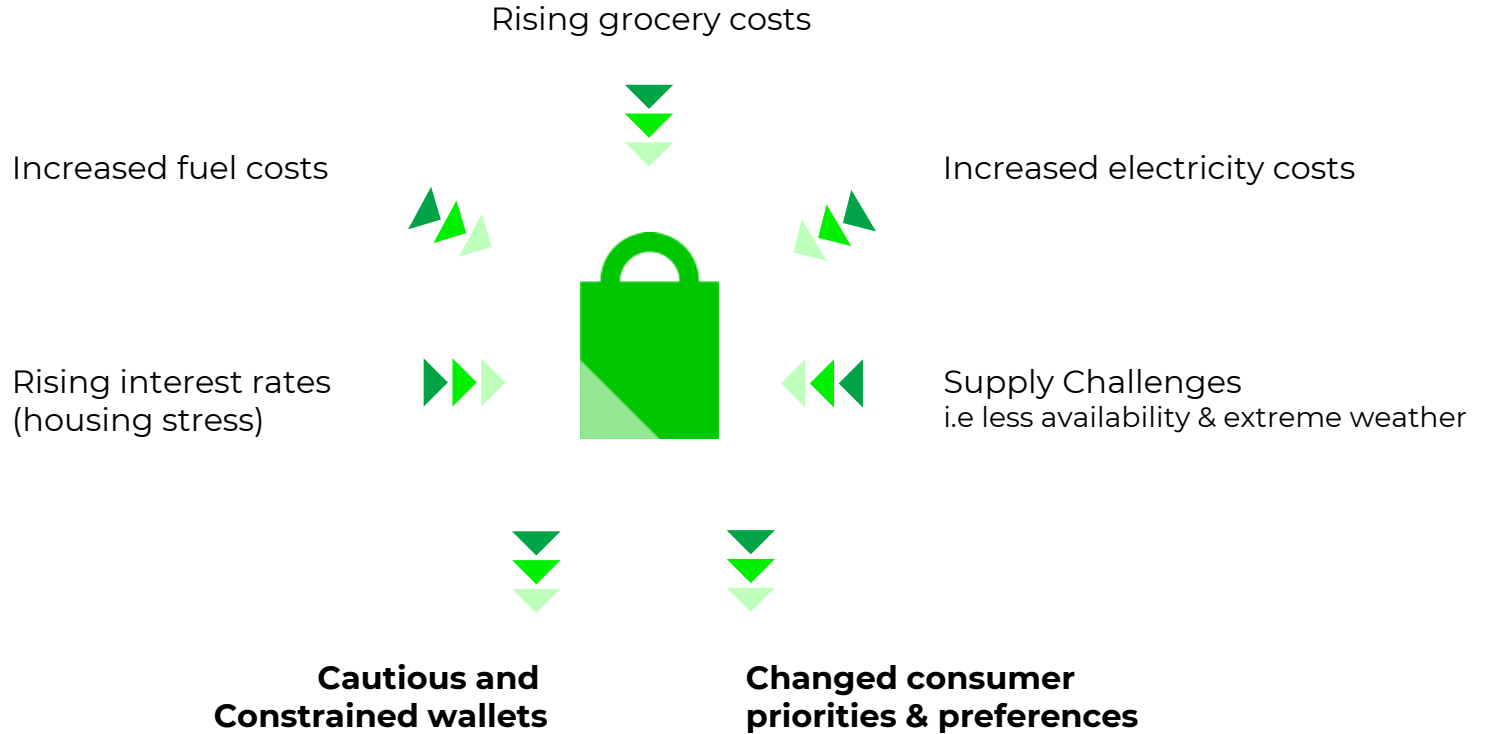
Summary

- The impact of inflation and rising cost-of-living pressures saw **all proteins decline in volume sales through 2022**. All proteins struggled with shopper consumption metrics which resulted in fewer purchase occasions and KGs of meat sold per occasion.
- While **Online Grocery adoption** has **increased** over the past two years, the latest periods saw value sales decline as data cycles increased online demand over COVID lockdowns. However online share of sales remains strong, with Fresh Meat having the 2nd highest Share of sales come through online channels in FMCG.
- **Through 2022, Beef** saw an increase of **+0.9%** in **share** of Fresh Meat **value sales**, this result has been solely driven by an **increase in average price per KG (9.4% vs YA)**. These inflationary pressures have resulted in significant **Volume declines** largely through retained buyers **who reduced consumption** with chicken benefitting. Affordable beef cuts are driving growth whilst premium steaks negate gains. The **main challenge in beef is reduced frequency across light buyers** who have reduced spend on several key cuts, driving consumption within this group should be a key focus through 2022.
- **Lamb also experienced a decline in share** of Fresh Meat dollar & volume sales, stemming from **declining penetration and fewer household purchase occasions**. This has been an ongoing trend throughout the year, it appears that inflation and constrained shoppers are reducing consumption or removing lamb from its repertoire. With declines largely coming from its heavy buyers across several key cuts, the focus in Lamb is to **increase awareness to convert buyers back to lamb**.



Market Headwinds & Grocery Trends

Pressures are mounting on consumer wallets



How did consumers react in the US during the GFC?

- Consumers reducing non-basic spending and out of home entertainment
- Private Label growth outpacing Branded Products
- Perception of Value-for-Money drives loyalty
- Lower income consumers reducing shopping trips
- Discount coupons increasingly resonating with consumers

- The “Hourglass Effect”: Economy and Premium segments could grow at the expense of Mainstream
- Consumers spending more time at home: increased Penetration of Home Electronics and Internet usage
- Increasing interest in cooking:
 - Higher traffic for Food websites
 - Cookbook sales increased
 - “The Food Network” growing audience

Consumers are scaling back to save in all aspects of life

Lifestyle changes

50%

cooking at home more

Vs 44% globally

42%

trying to minimise waste

Vs 40% globally

43%

spending less on clothing/grooming

Vs 37% globally

Grocery savings tactics

36%

will buy whatever is on promotion

29%

have stopped buying certain categories

23%

will opt for private label

Source: NielsenIQ 2022 Consumer Outlook Survey, June 2022 - Australia (Grocery saving tactics represent any tactic)

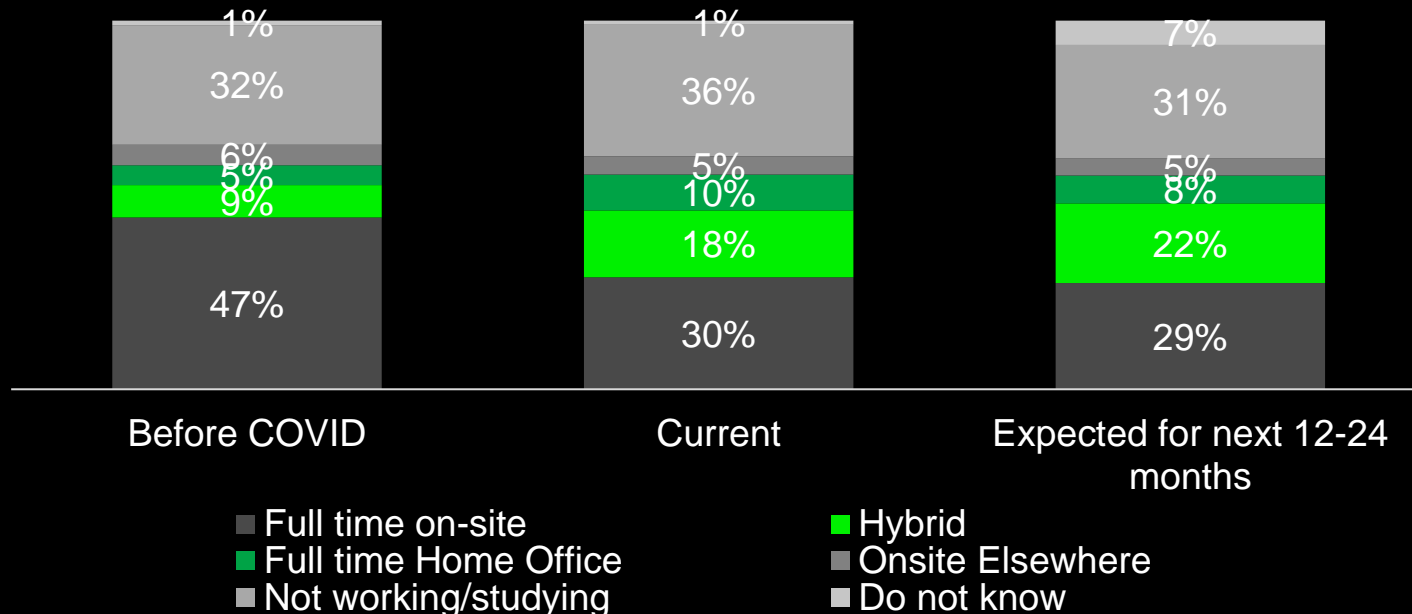
© 2022 Nielsen Consumer LLC. All Rights Reserved.



Remote working is becoming a permanent, with almost as many Australians working Hybrid/Full time from home than Full time on-site

Work location has long term implications on store location and categories

What is your work/study location?



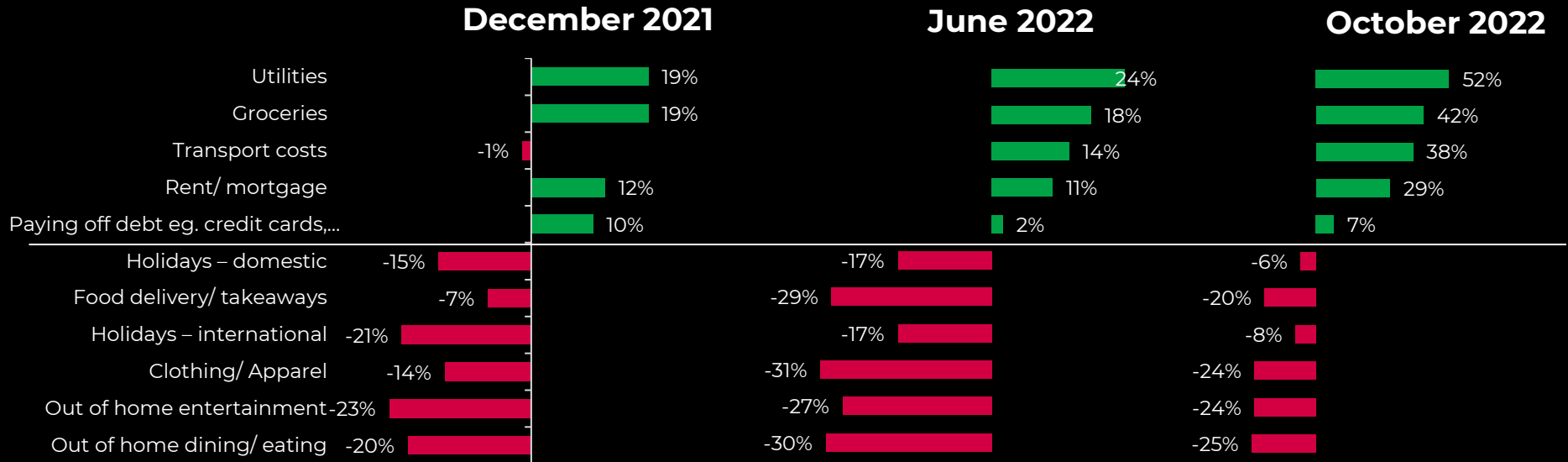
Source: NielsenIQ New Economic Divide Wave 2 - July 2022 (n=4,974)

© 2022 Nielsen Consumer LLC. All Rights Reserved.

As people continue to work from home, rising costs for the basics are impacting their prospects of even getting to leave the home

Spending intentions for next 12 months

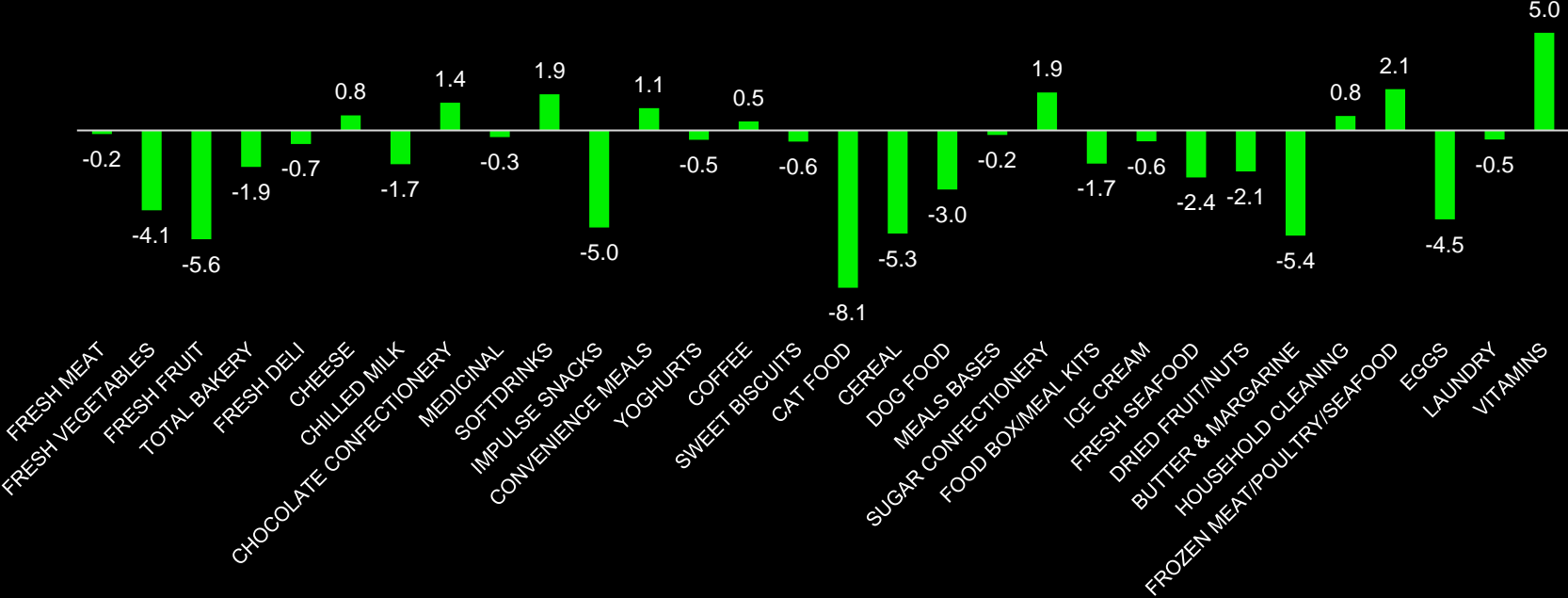
Nett change in spending



Source: NielsenIQ 2022 Consumer Outlook Survey, Dec 2021 vs June 2022 vs Oct 2022 - Australia
Change in spending calculated by subtracting % of respondents who are spending less from % of respondents who are spending more

One in three consumers are trying to save money by buying on promotion, yet promotions are harder to find

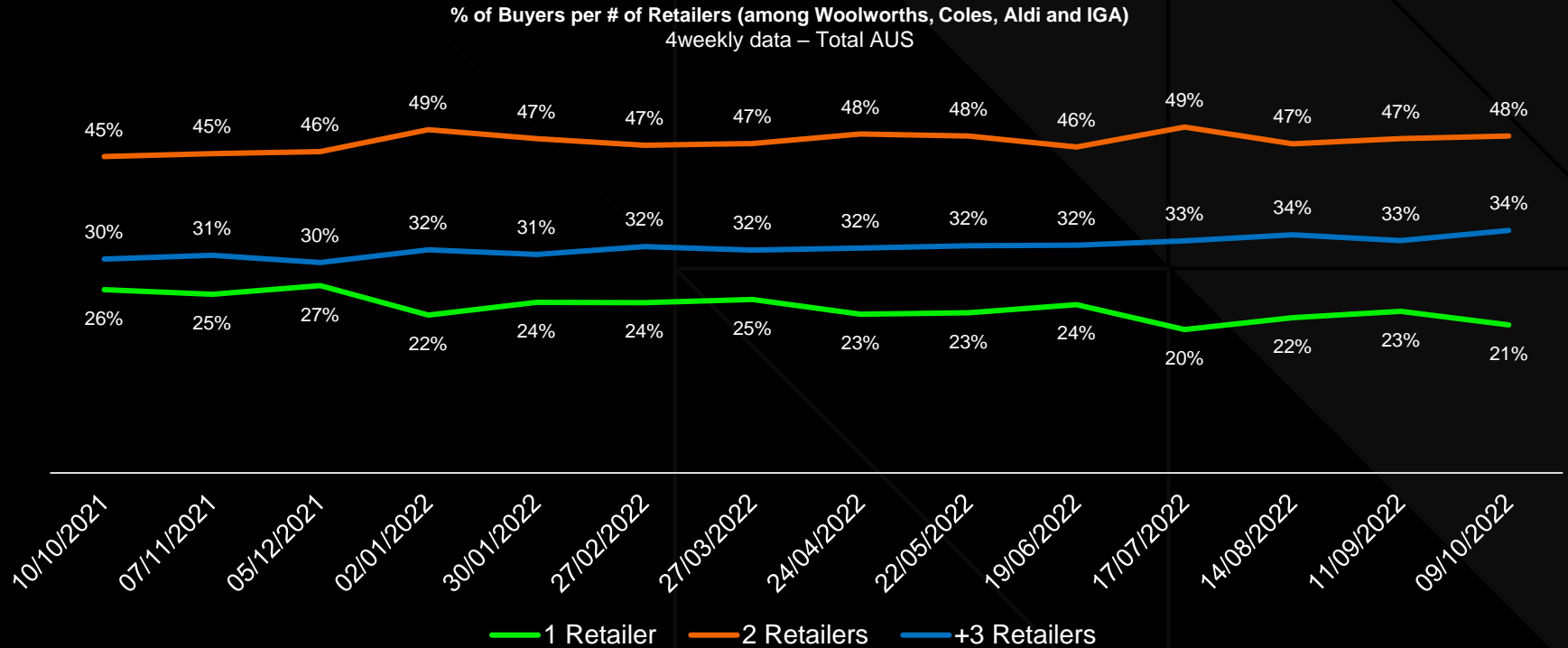
% Sold on Promo vs LY | Top 30 Categories



% Sold on Promo – QTR 09/10/22 vs YA
 Source: NielsenIQ Homescan
 © 2022 Nielsen Consumer LLC. All Rights Reserved.

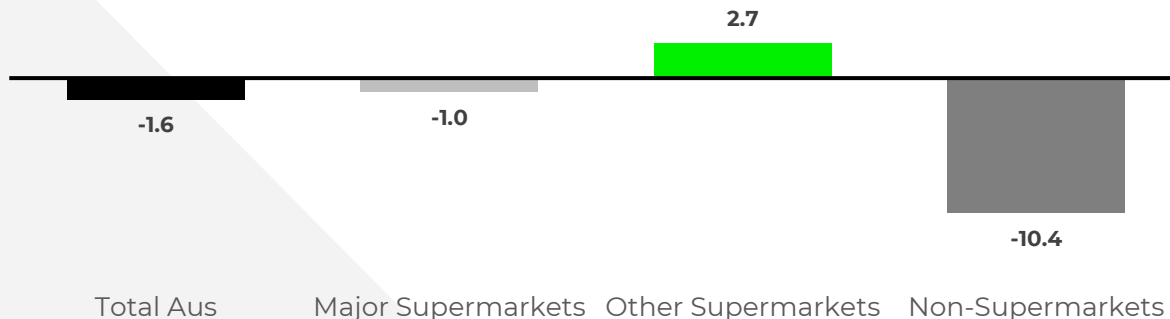
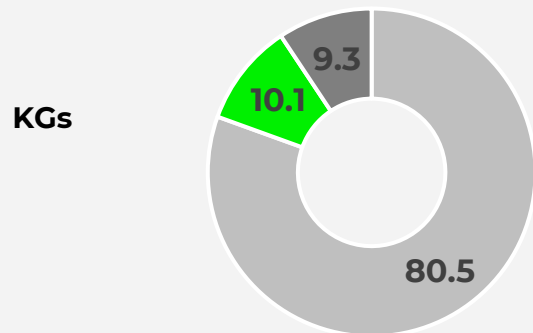
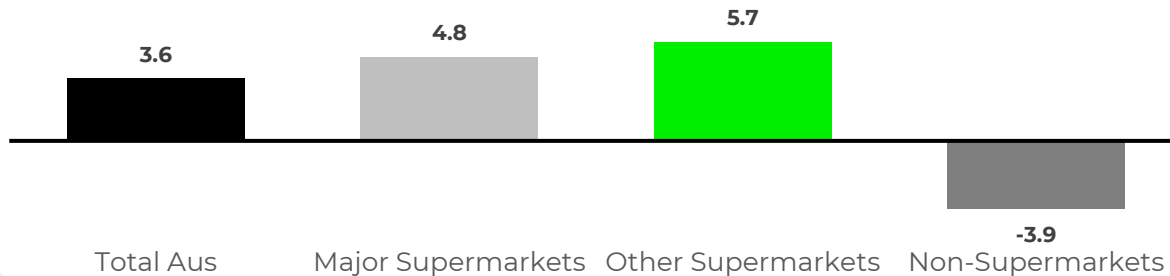
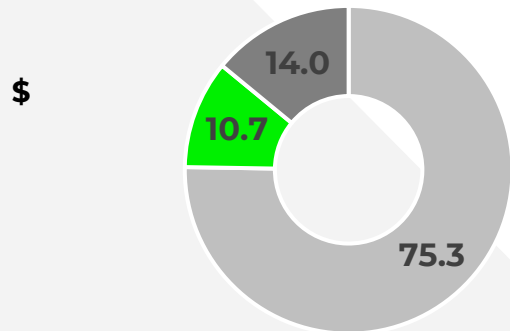
Inflation drive cross-shop rates in Australia to even higher levels

Less than 1 every 4 households only shops at only one retailer over a 4-week period



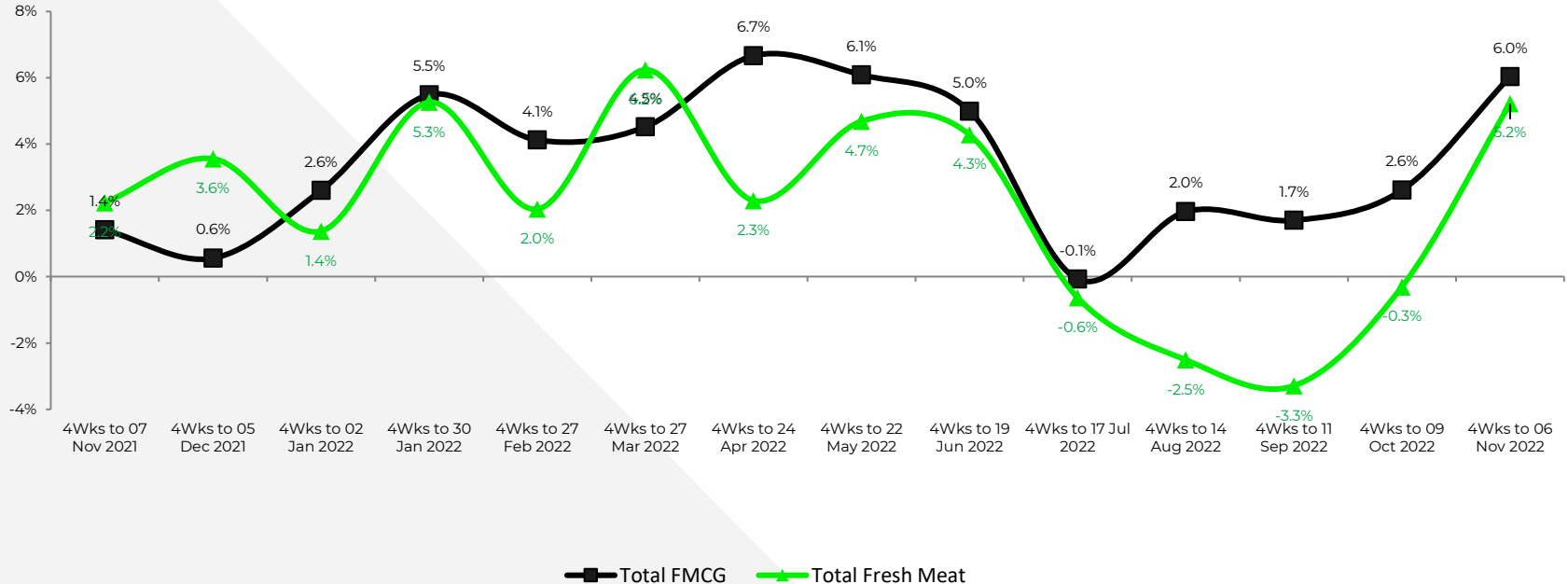
Fastest growth from Other Supermarkets which benefitted from supply challenges among majors as evident through volume growth

Total Grocery | Value & KG Share & Growth | 52 weeks to 06/11/2022 vs YA



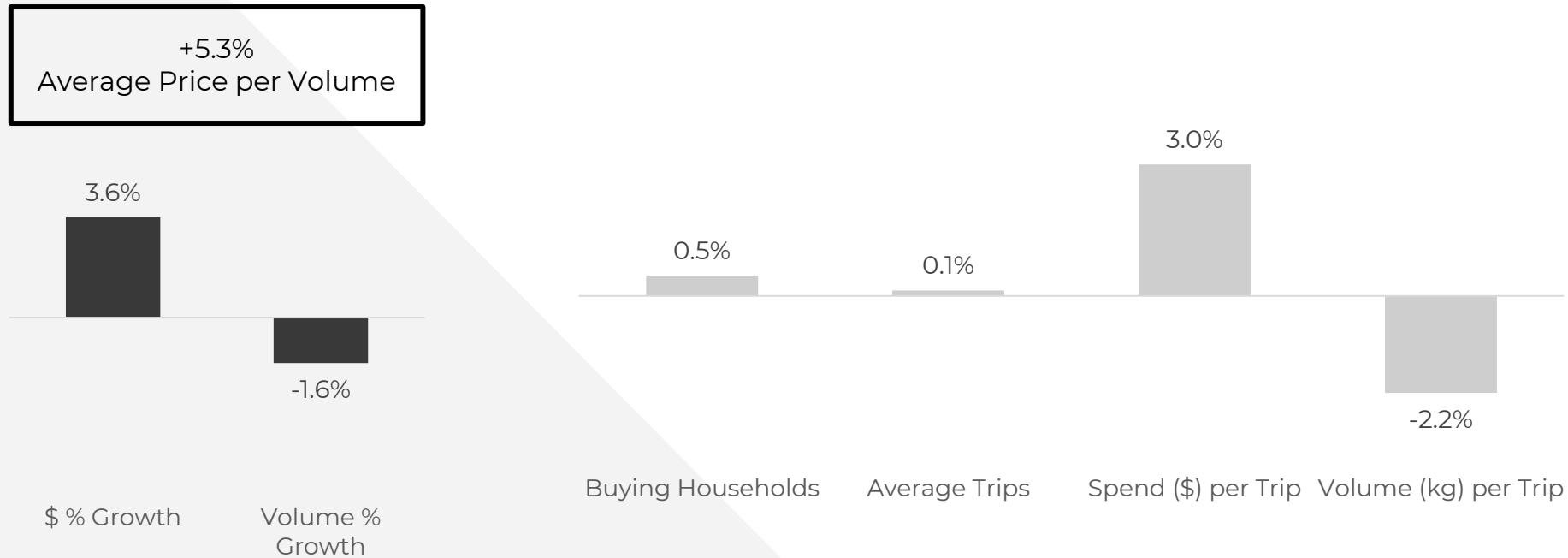
Total Grocery and Fresh Meat Trends have been closely aligned throughout the year, with strong growth recorded in the past 4 weeks

Total FMCG and Total Fresh Meat | Value Growth | Total Australia | Trended 4wklly to 06/11/2022



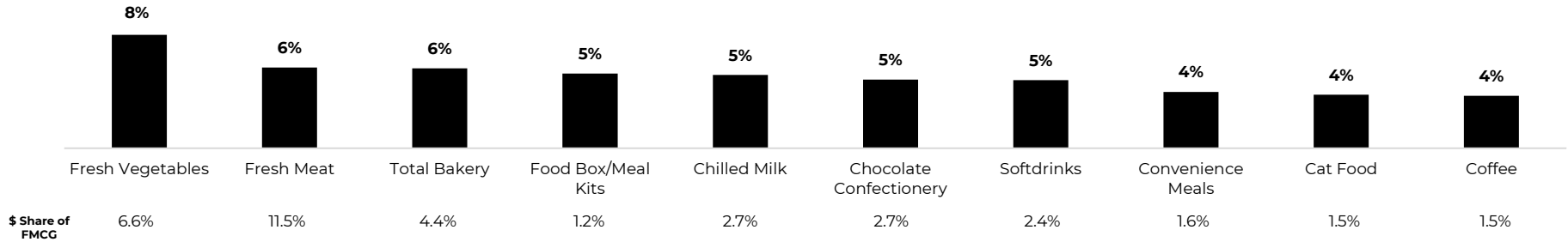
Inflation continues to be key driver in Australian FMCG through to November

Total FMCG | Key Homescan KPIs Growth vs. YA | Total Australia | 52 weeks to 06/11/2022 vs Year Ago

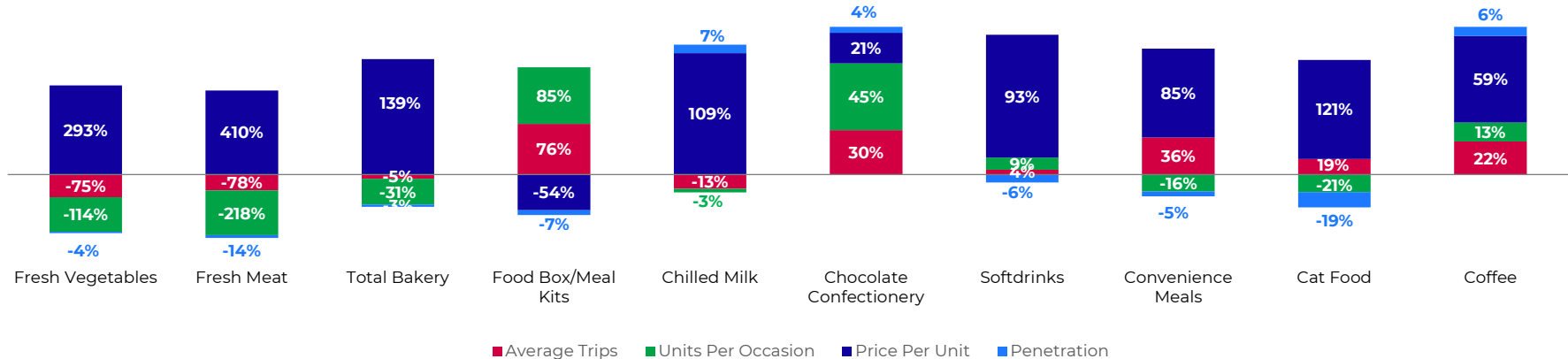


Price growth is prominent amongst categories driving growth, Fresh meat trends are in line with the highest growing categories in FMCG

% Category contribution to total market value performance (top 10) vs YA



Consumer purchase metrics driving performance vs YA



Source: NielsenIQ Homescan™ | 52 weeks to 09/10/2022 vs Year Ago (YA)

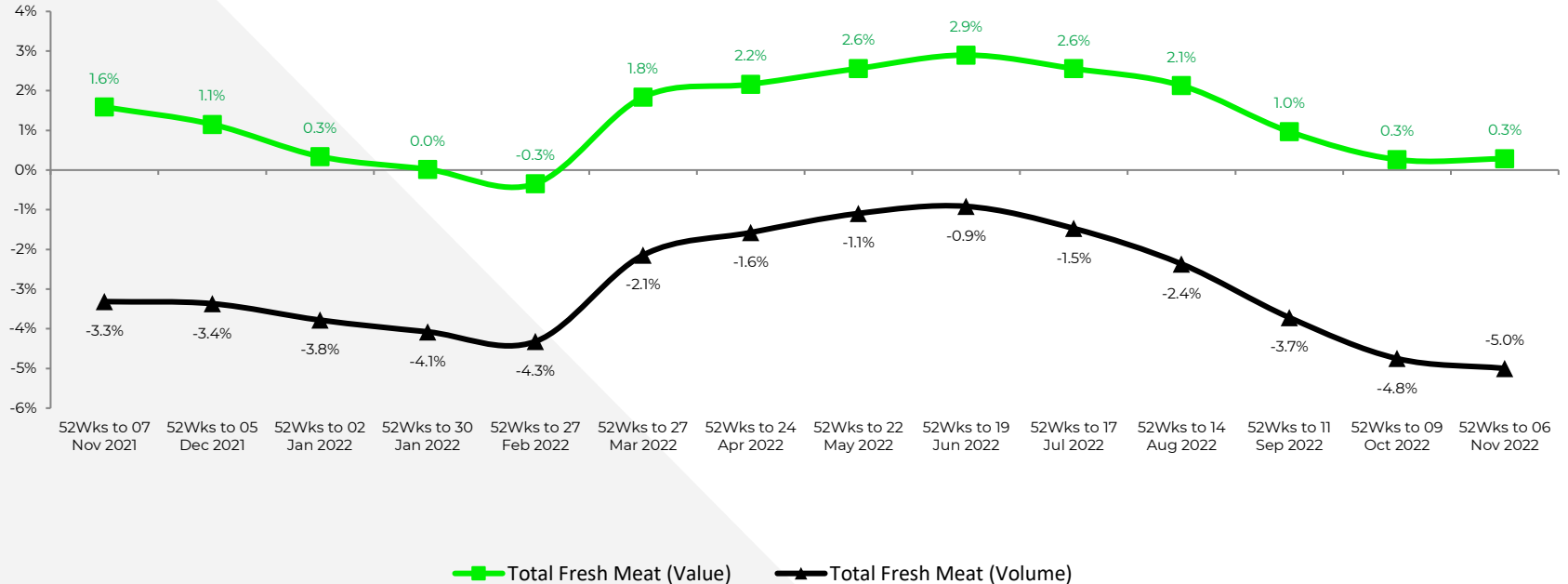
© 2021 NielsenIQ Consumer LLC. All Rights Reserved.



Fresh Meat Performance by Channel

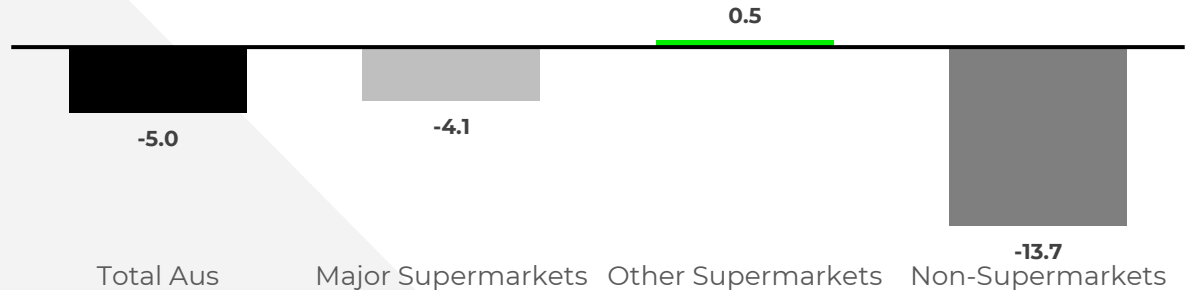
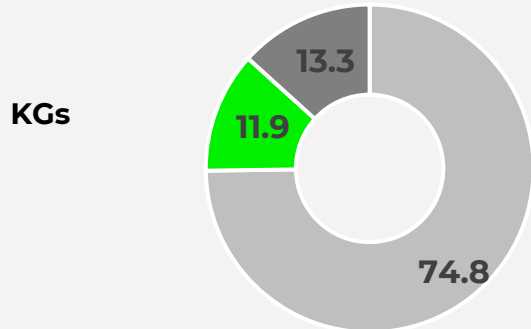
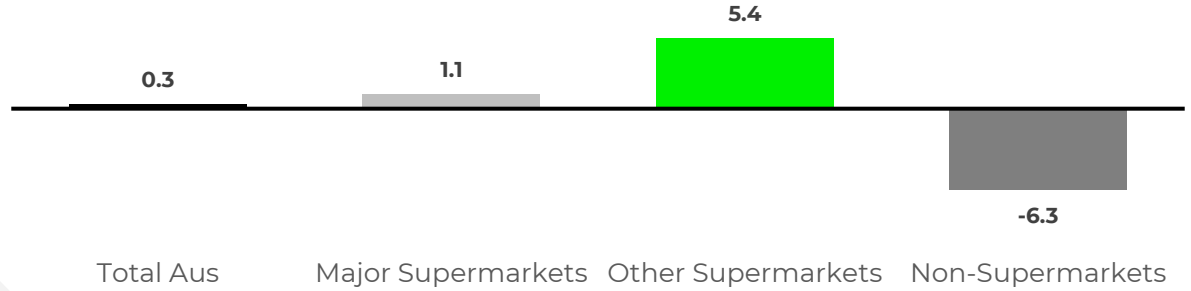
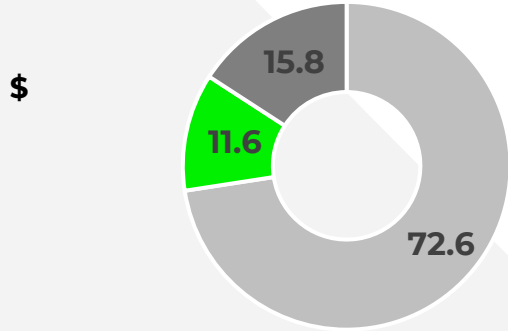
Fresh Meat value sales have remained stable over the past 52 weeks, volume declines to its lowest point in the year as inflationary pressures hit consumers

Total Fresh Meat | Value & Volume Growth | Total AUS | Trended 52wkly to 06/11/2022



Dollar increases for Fresh Meat driven by Other Supermarkets, while all outlets declined in Volume

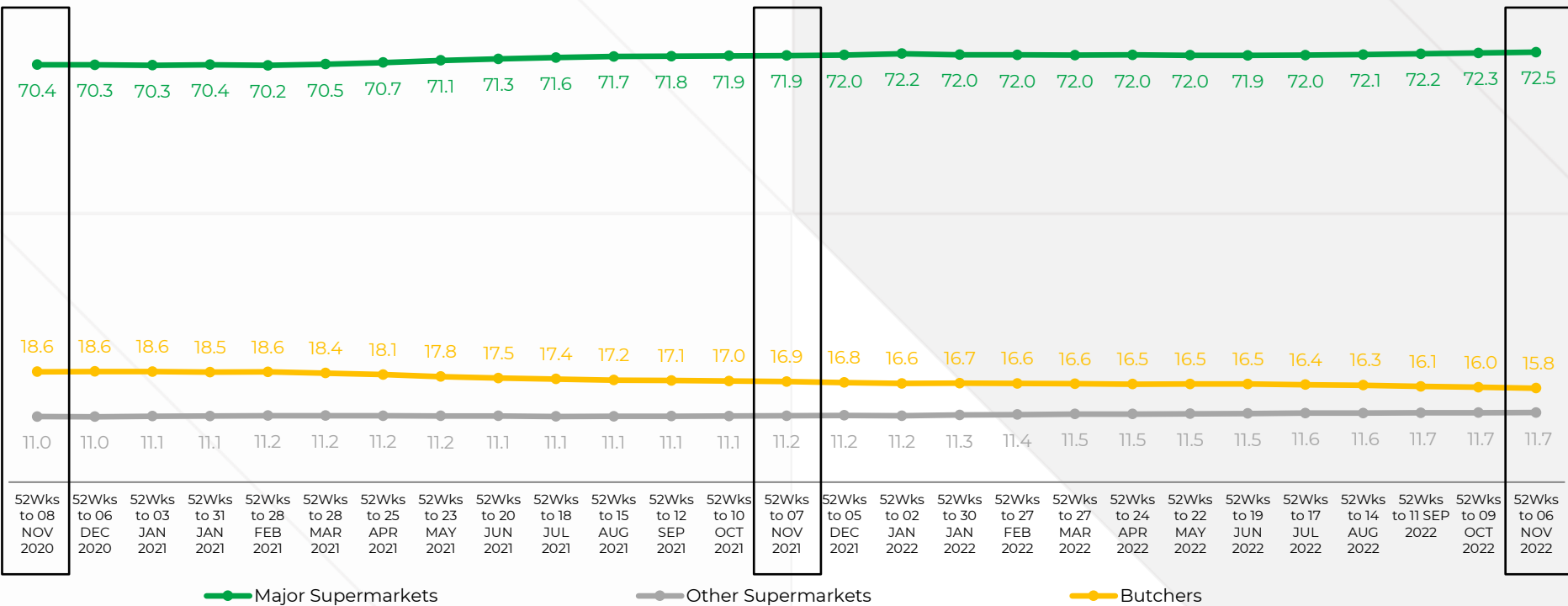
Total Fresh Meat | Value & KG Share & Growth | 52 weeks to 06/11/2022 vs YA





\$ Butchers continue to fall (-2.8pp) levels as Major Supermarkets regain lost ground

Fresh Meat | Retailer \$ Share of Trade | Total AUS | Trended 52 weeks to 06/11/2022



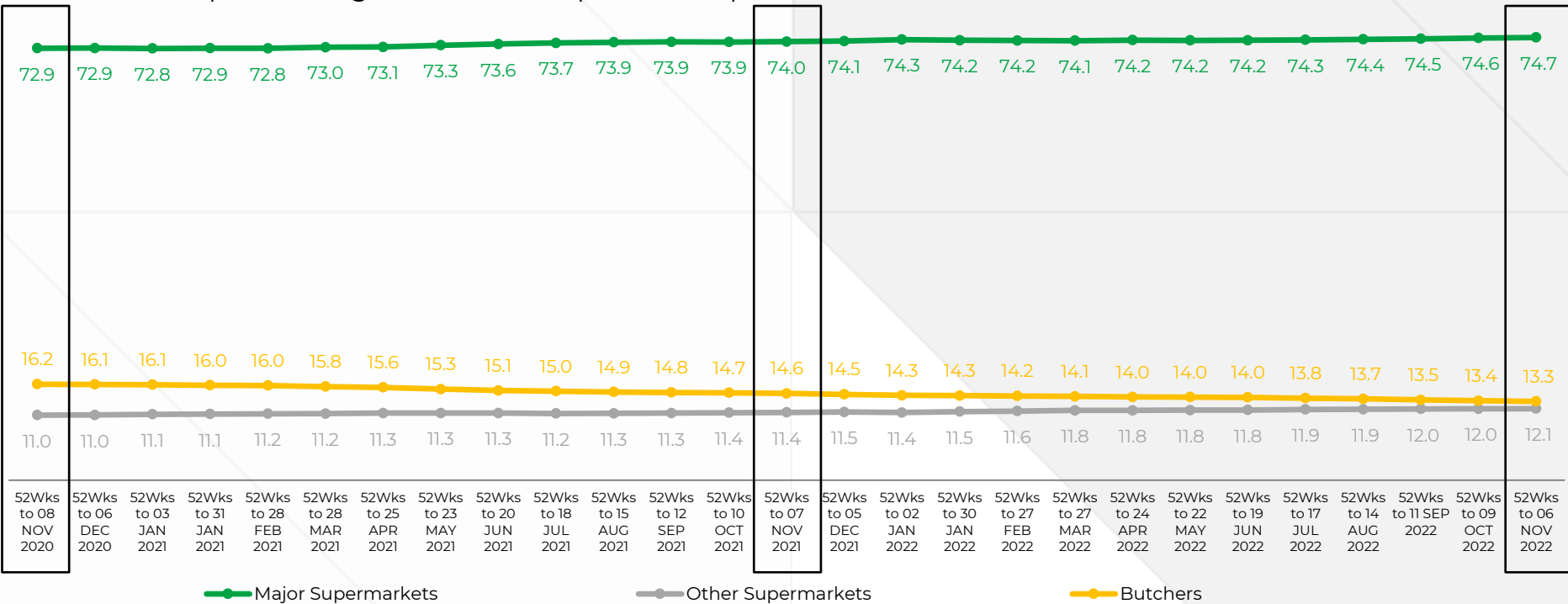
Source: NielsenIQ Homescan™ | Other Fresh Meat includes Veal & Turkey

© 2022 Nielsen Consumer LLC. All Rights Reserved.



Both Major & Other Supermarkets ending 2022 ahead of their 2020 levels

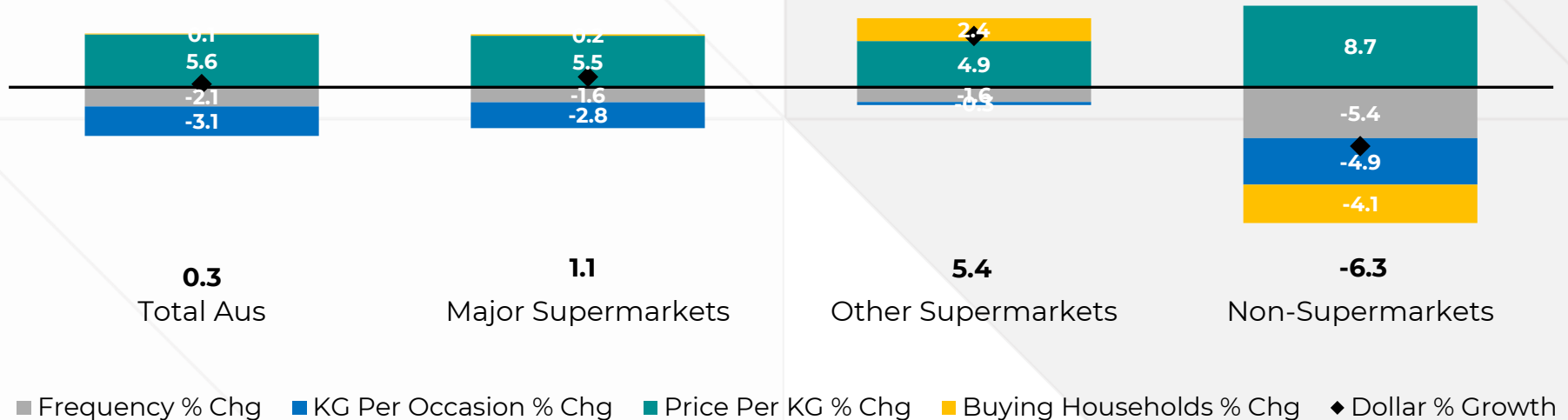
Fresh Meat | Retailer kg Share of Trade | Total AUS | Trended 52 weeks to 06/11/2022



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

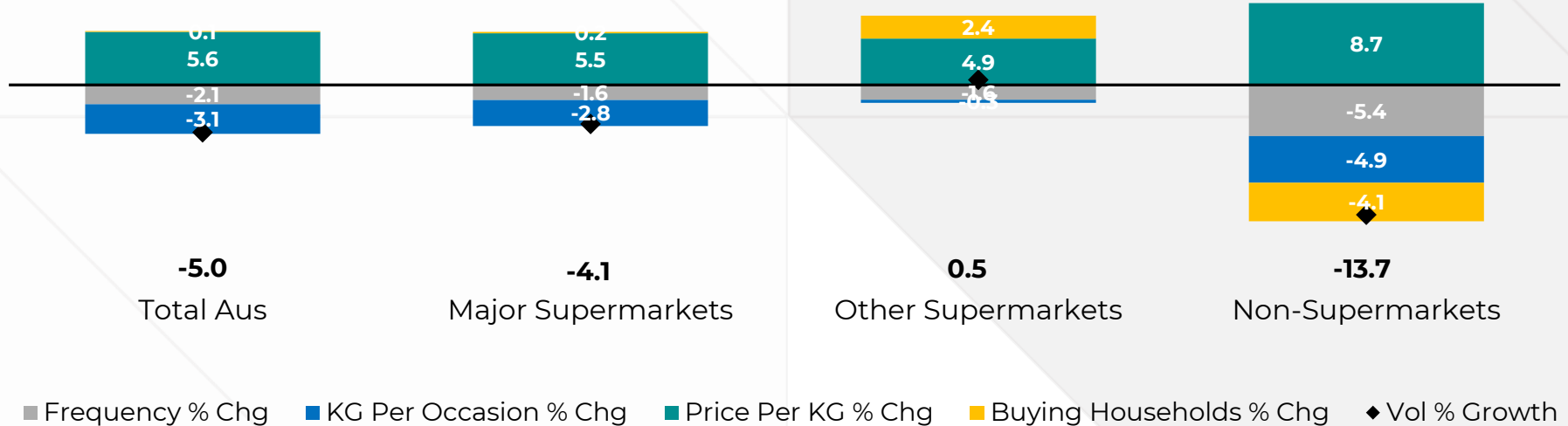
Price increases were the key driver of growth across all outlets, with Other Supermarkets also seeing an increase in buying households.

Total Fresh Meat | \$ Value Drivers of Growth | 52 weeks to 06/11/2022 vs YA



With price increases, volume consumption of Fresh meat declined.

Total Fresh Meat | Volume Drivers of Growth | 52 weeks to 06/11/2022 vs YA

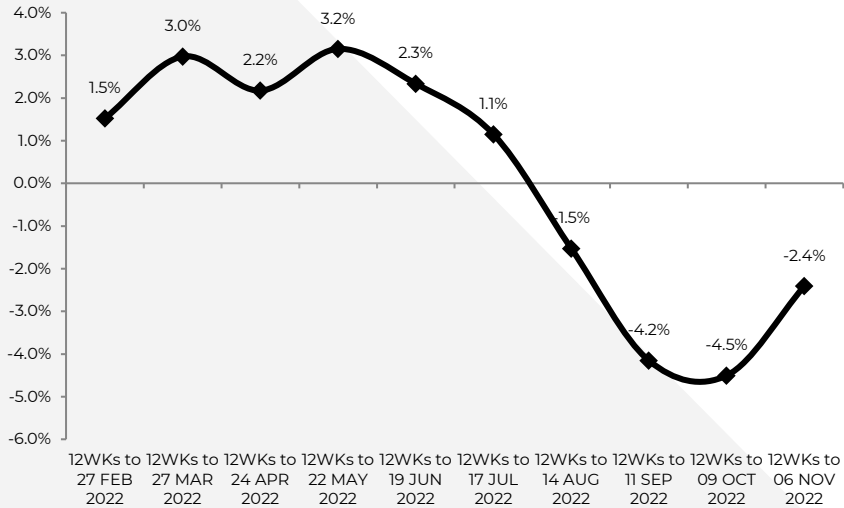




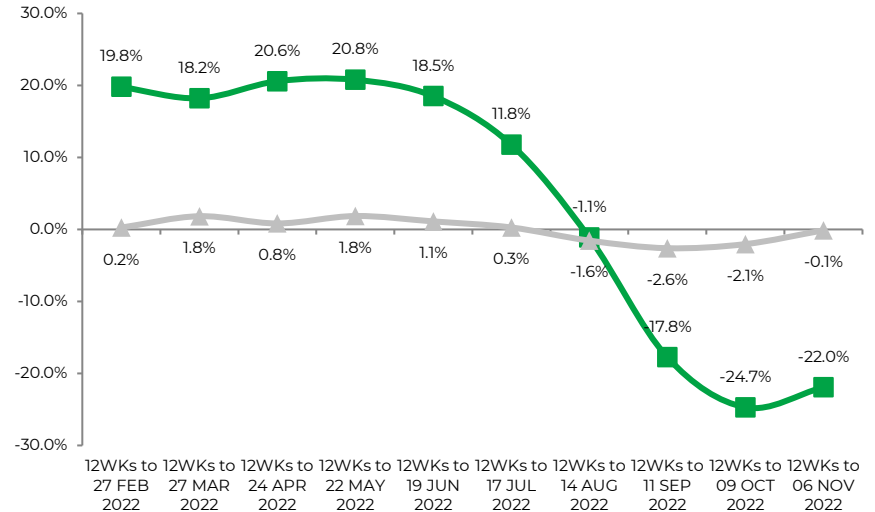
Focus on Online

Online growth started to recede through Q3 2022 due to cycling last years lockdowns and COVID behaviours starting to normalize

Value Growth | Total Fresh Meat
Total Australia | Trended 12wkly to 06/11/2022



◆ Total Market

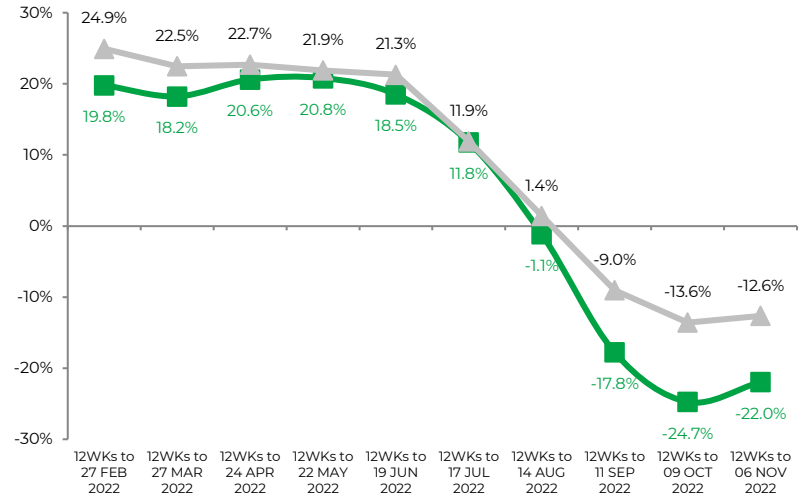
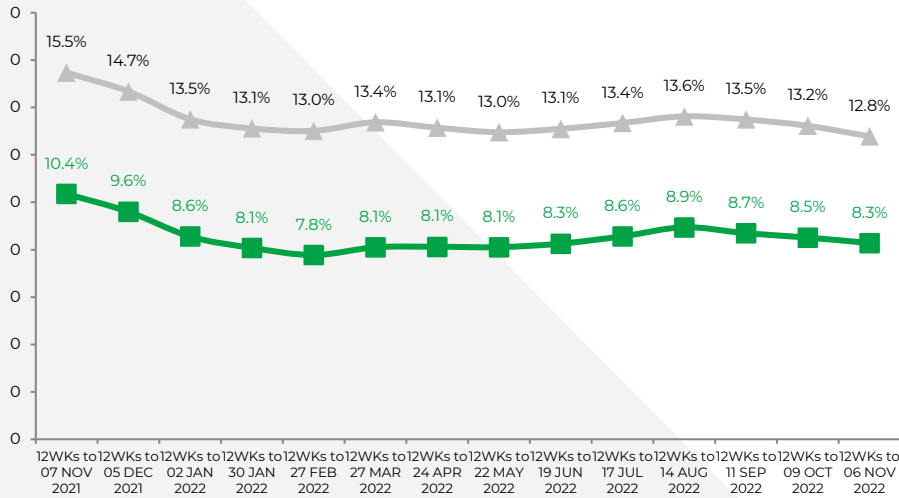


■ Online

▲ Bricks & Mortar

However, share of sales across FMCG and Fresh meat remained consistent since coming down from COVID highs

Value % Share & Growth | Total Fresh Meat & Total Online
 Total Australia | Trended 12wky to 06/11/2022



■ Online Fresh Meat (% Share of Total Fresh Meat) ▲ Total Online (% Share of Total FMCG)

■ Online Fresh Meat ▲ Total Online

Fresh Meat is still the biggest category in the online channel and the % of online sales ranks number 2 among total categories

Total Online | Categories Ranked (out of 91) by Value Sales

Top Categories - Online - 52w 06/11/2022	Value \$ 000
All FMCG Categories	10,165,496
Fresh Meat	818,763
Fresh Vegetables	489,762
Fresh Fruit	361,006
Fresh Deli	303,177
Total Bakery	294,955
Cheese	292,924
Softdrinks	277,581
Chilled Milk	227,314
Cat Food	196,157
Chocolate Confectionery	189,834

Total AUS | Categories Ranked (out of 91) by % of Value Sales from Online

Top/Bottom Categories	2020 Rank	2021 Rank	2022 Rank
FOOD BOX/MEAL KITS	1	1	1
FRESH MEAT	3	2	2
OTHER	2	3	3
FRESH VEGETABLES	4	4	4
FRESH FRUIT	5	5	5
FRESH DELI	6	6	6
TOTAL BAKERY	8	9	7
CHEESE	7	7	8
SOFTDRINKS	9	8	9
CHILLED MILK	11	10	10
ELECTRICAL	81	81	81
PEST CONTROL	84	83	82
MILK ADDITIVES	82	82	83
AIR CARE	86	86	84
FLOUR	83	84	85
BAKING MIXES	85	85	86
COOKING NOODLES	87	88	87
OTHER PET FOOD	88	87	88
BABY FORMULA	89	89	89
SUSHI	90	90	90

Source: NielsenIQ Homescan | 52Wks to 06/NOV/2022 | Categories ranked out of 86 total categories

Note: Ranking includes Foodboxes & Meal kits

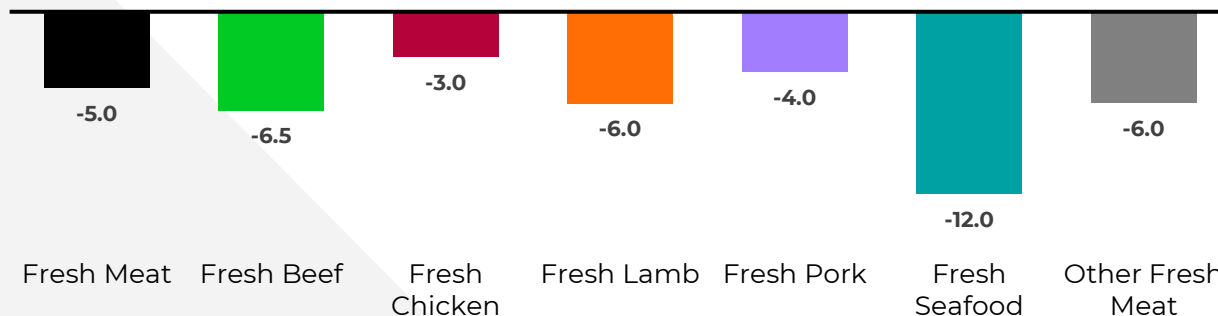
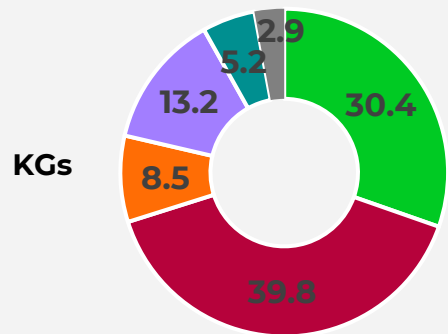
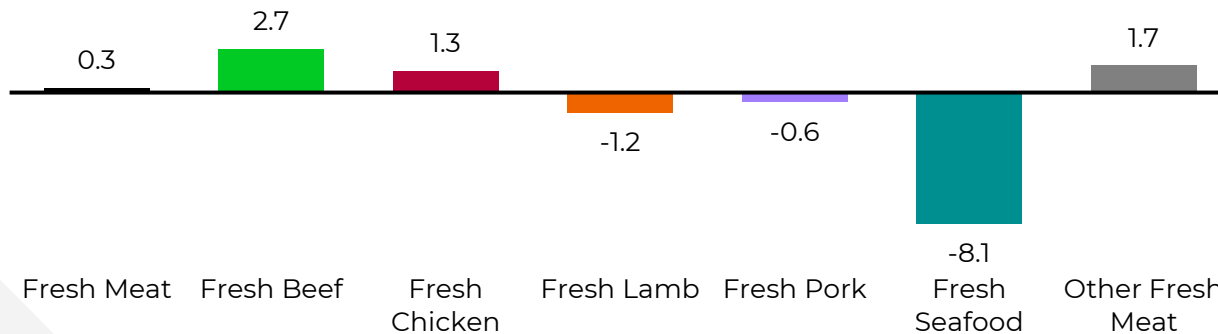
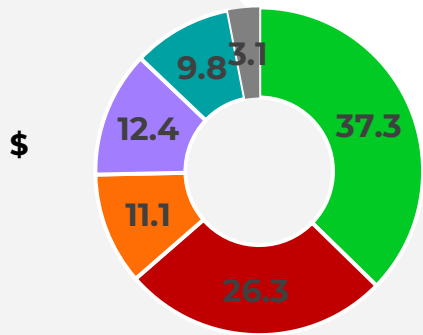
© 2021 Nielsen Consumer LLC. All Rights Reserved.



Fresh Meat Performance by Protein

Fresh Beef & Chicken have achieved the strongest value growth in the past year

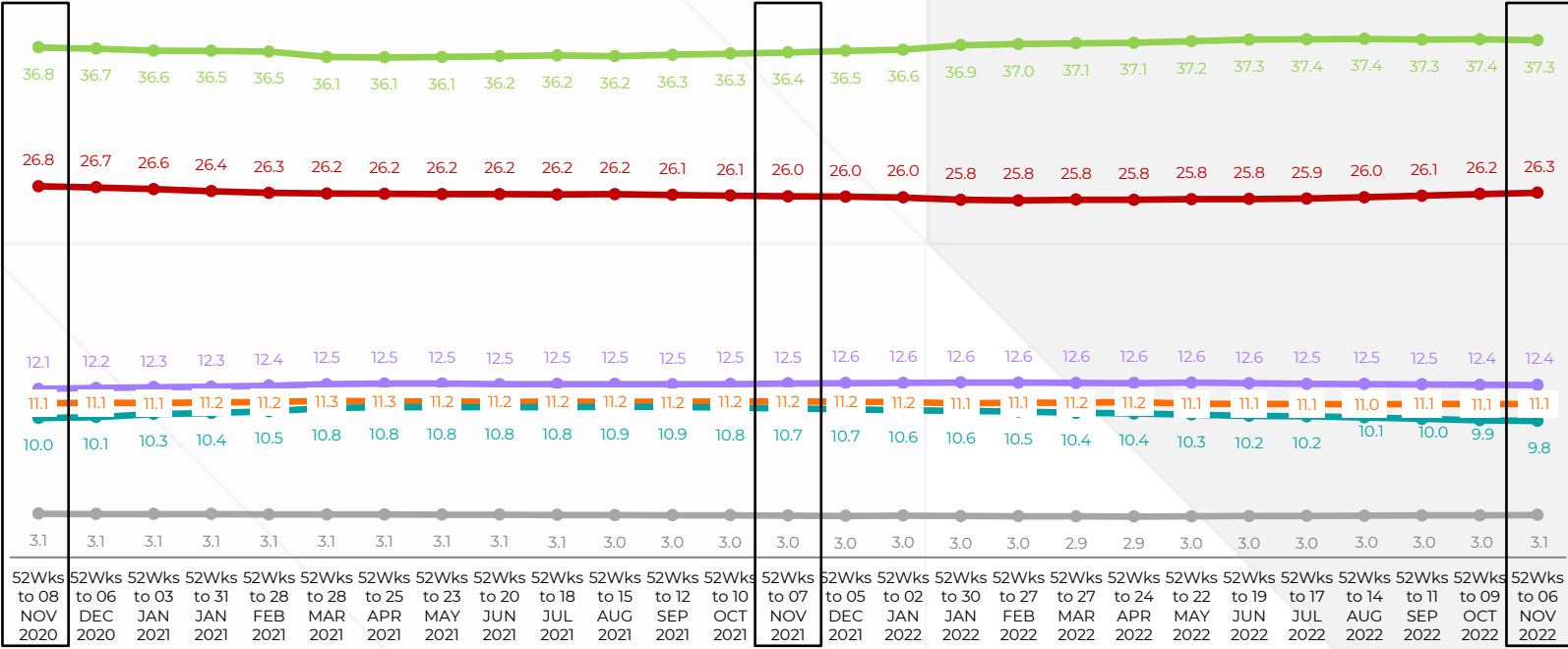
Total Fresh Meat | Value & KG Share & Growth | 52 weeks to 06/11/2022 vs YA





\$ Resulting in Beef gaining +0.9pp in Share, with Chicken the next top performer (+0.3pp)

Fresh Meat by Protein | Value Share of Fresh Meat Sales | Total AUS | Trended 52 weeks to 06/11/2022



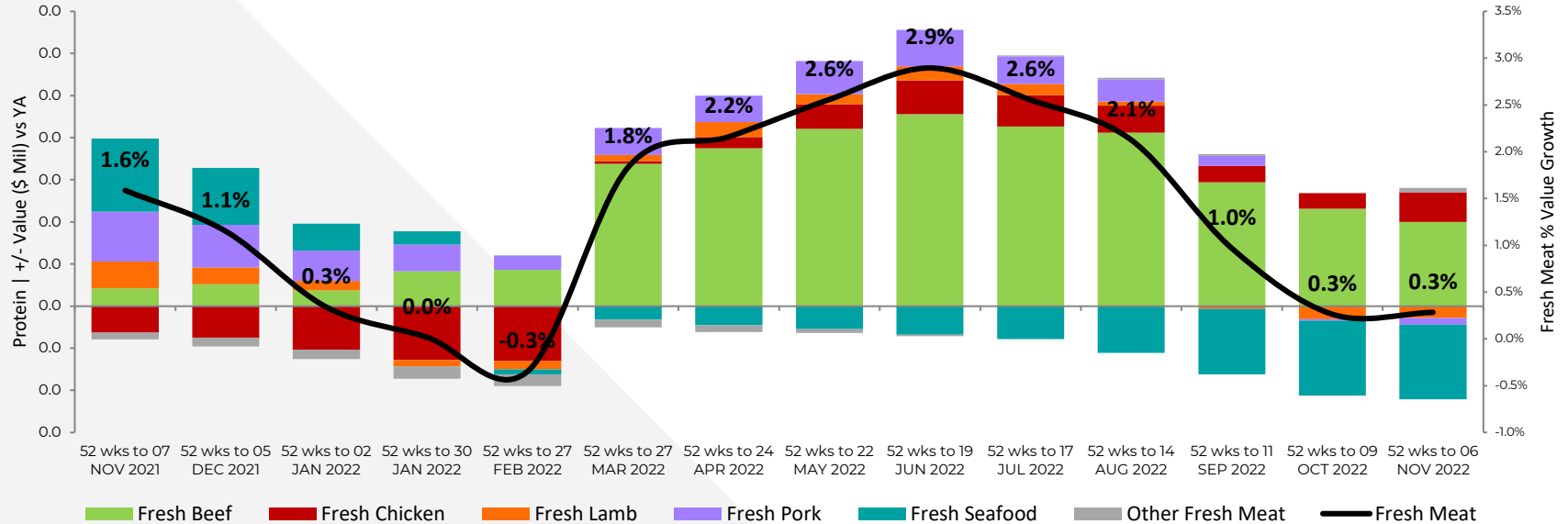
+/- Change vs YA	+/- Change vs Two YA
+0.9	+0.5
+0.3	-0.5
-0.1	-0.03
-0.1	+0.3
-0.9	-0.2
+0.04	-0.1

● Fresh Beef
 ● Fresh Chicken
 ● Fresh Lamb
 ● Fresh Pork
 ● Fresh Seafood
 ● Other Fresh Meat

Source: NielsenIQ Homescan™ | Other Fresh Meat includes Veal & Turkey
 © 2022 Nielsen Consumer LLC. All Rights Reserved.

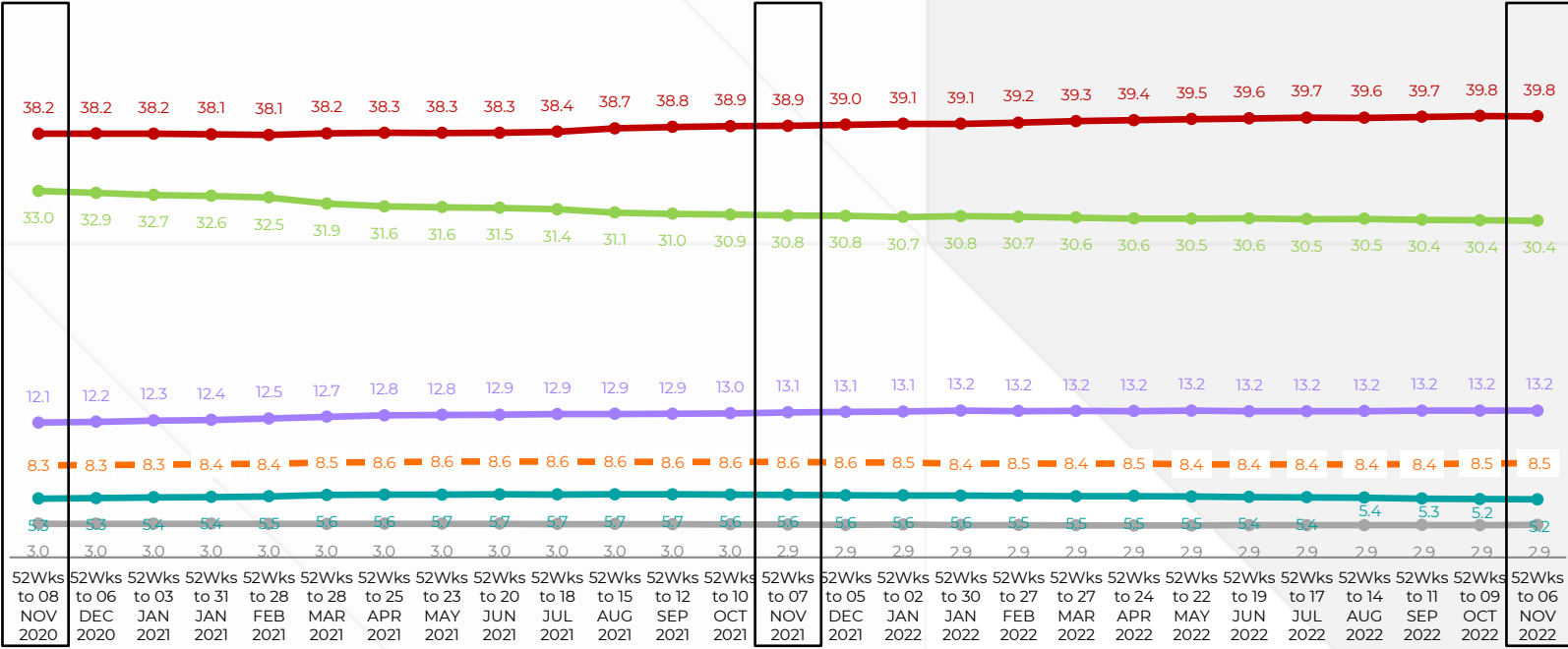
Beef has been the main contributor to value growth throughout the year, whilst Lamb only performed strongly through mid year before falling away

Total Fresh Meat by Protein | Value Growth | Total AUS | Trended 52wkly to 06/11/2022



However, in volume chicken continues to gain in share and now has a 9.4pp lead over Beef

Fresh Meat by Protein | Volume Share of Fresh Meat kg Sales | Total AUS | Trended 52 weeks to 06/11/2022



Protein	+/- Change vs YA	+/- Change vs Two YA
Fresh Beef	-0.4	-2.6
Fresh Chicken	+0.9	+1.6
Fresh Lamb	-0.1	+0.2
Fresh Pork	+0.1	+1.1
Fresh Seafood	-0.4	-0.1
Other Fresh Meat	-0.03	-0.1

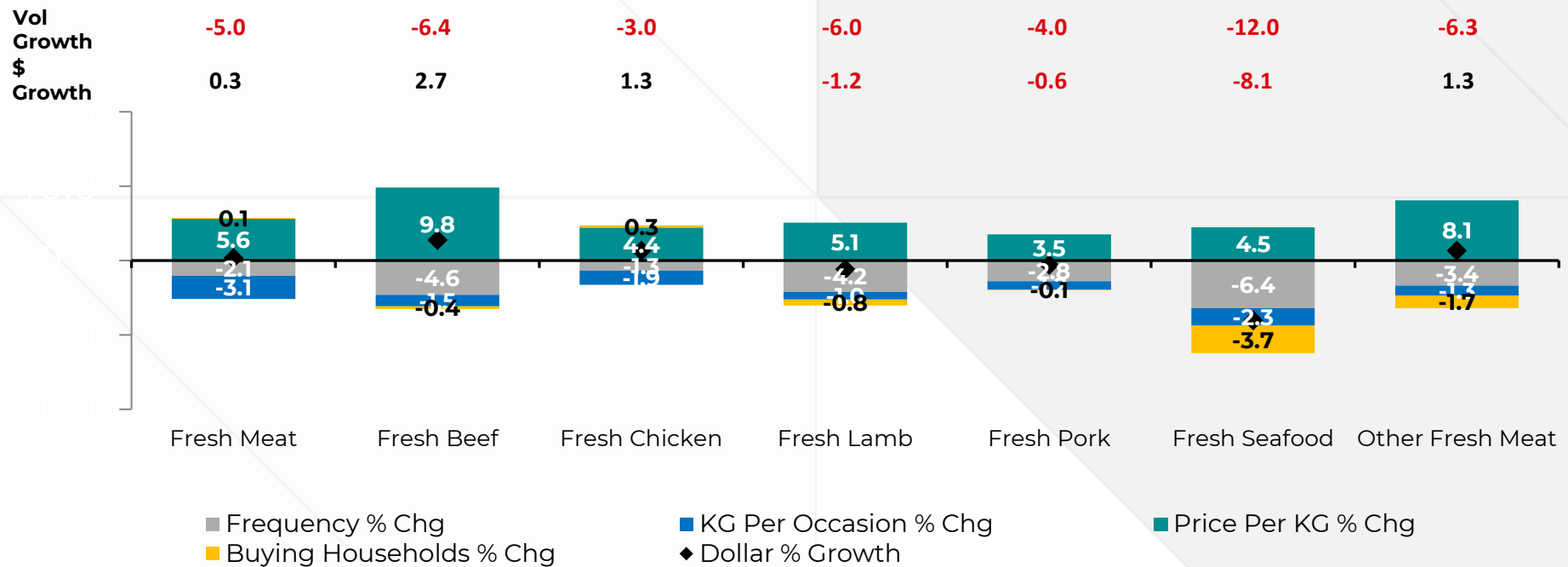
● Fresh Beef
 ● Fresh Chicken
 ● Fresh Lamb
 ● Fresh Pork
 ● Fresh Seafood
 ● Other Fresh Meat

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

© 2022 Nielsen Consumer LLC. All Rights Reserved.

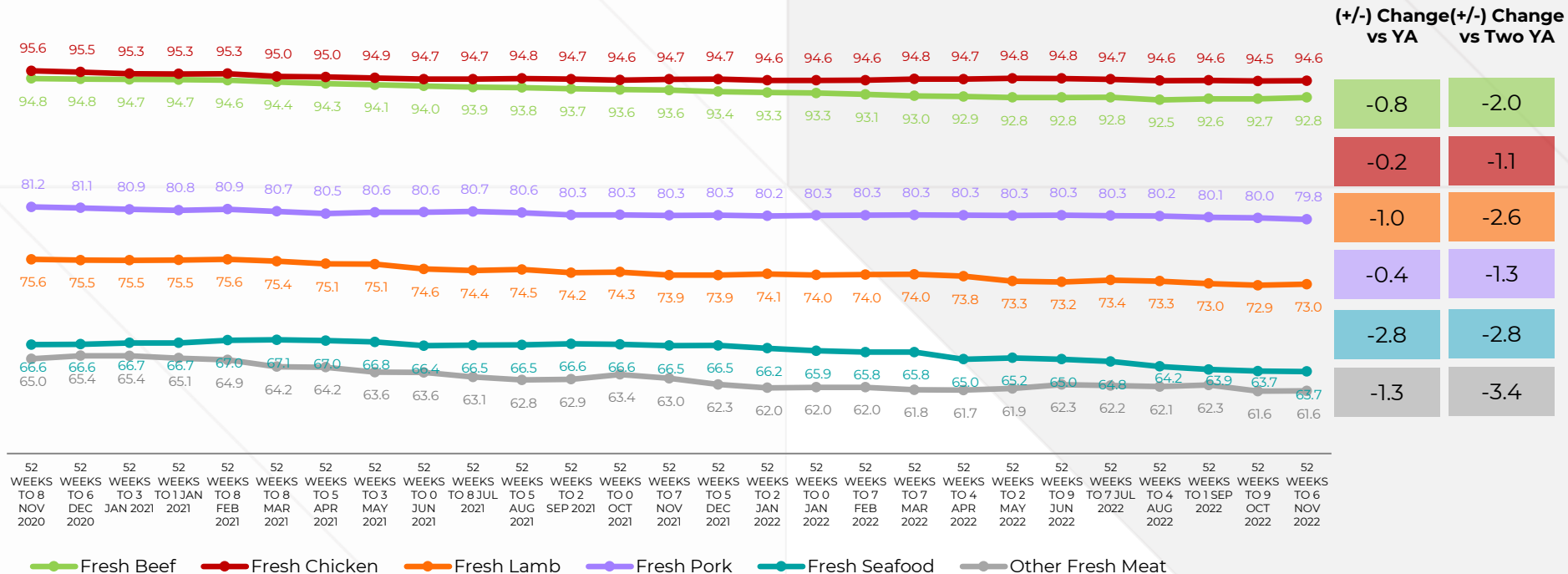
As we have seen, price growth has resulted in consumption declines. Chicken is the only protein to grow in buyers

Total Fresh Meat | \$ Value Drivers of Growth | 52 weeks to 06/11/2022 vs YA



Chicken continues to open the gap as the highest penetration protein as Beef and other proteins continue to slide

Fresh Meat by Protein | Household Penetration | Total AUS | Trended 52 weeks to 06/11/2022

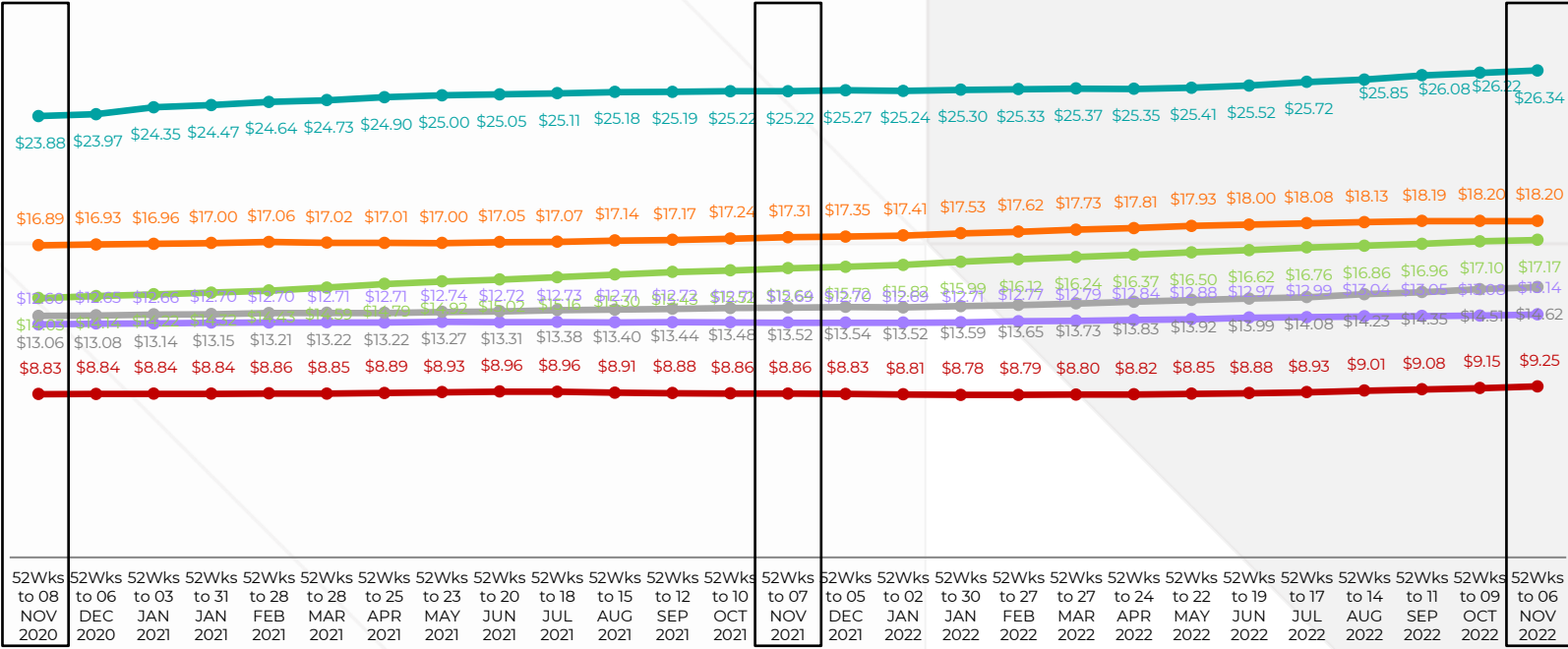


Source: NielsenIQ Homescan™ | Other Fresh Meat includes Veal & Turkey

© 2021 Nielsen Consumer LLC. All Rights Reserved.

Much of this has been driven via the price growth of Beef. Comparably chicken and pork are 2 of the cheaper proteins with less growth

Fresh Meat by Protein | Average \$ per KG | Total AUS | Trended 52 weeks to 06/11/2022



Protein	% Change vs YA	% Change vs Two YA
Fresh Beef	+9.8%	+22.4%
Fresh Chicken	+4.4%	+4.8%
Fresh Lamb	+5.1%	+7.7%
Fresh Pork	+3.5%	+4.3%
Fresh Seafood	+4.5%	+10.3%
Other Fresh Meat	+8.2%	+11.9%

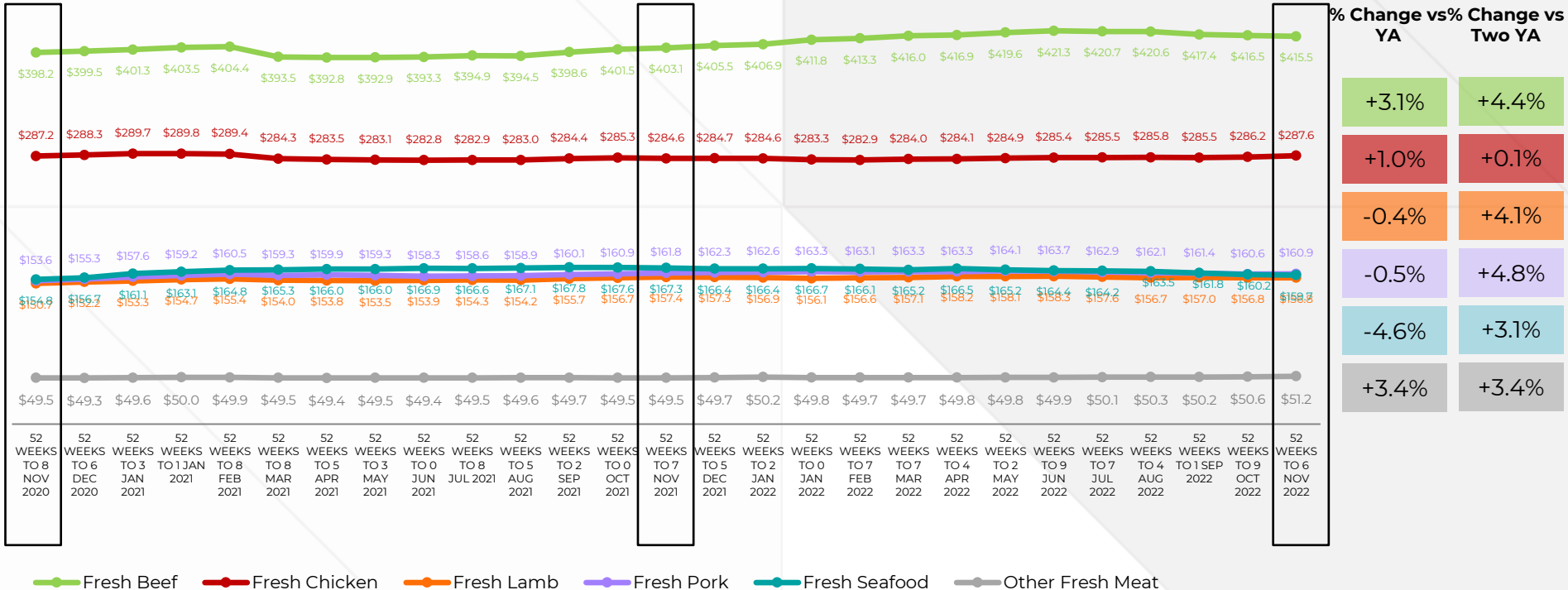
● Fresh Beef
 ● Fresh Chicken
 ● Fresh Lamb
 ● Fresh Pork
 ● Fresh Seafood
 ● Other Fresh Meat

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

© 2022 Nielsen Consumer LLC. All Rights Reserved.

In the past year \$AWOP has grown by roughly 4% across proteins as shoppers balance price rises and consumption

Fresh Meat by Protein | AWOP | Total AUS | Trended 52 weeks to 06/11/2022

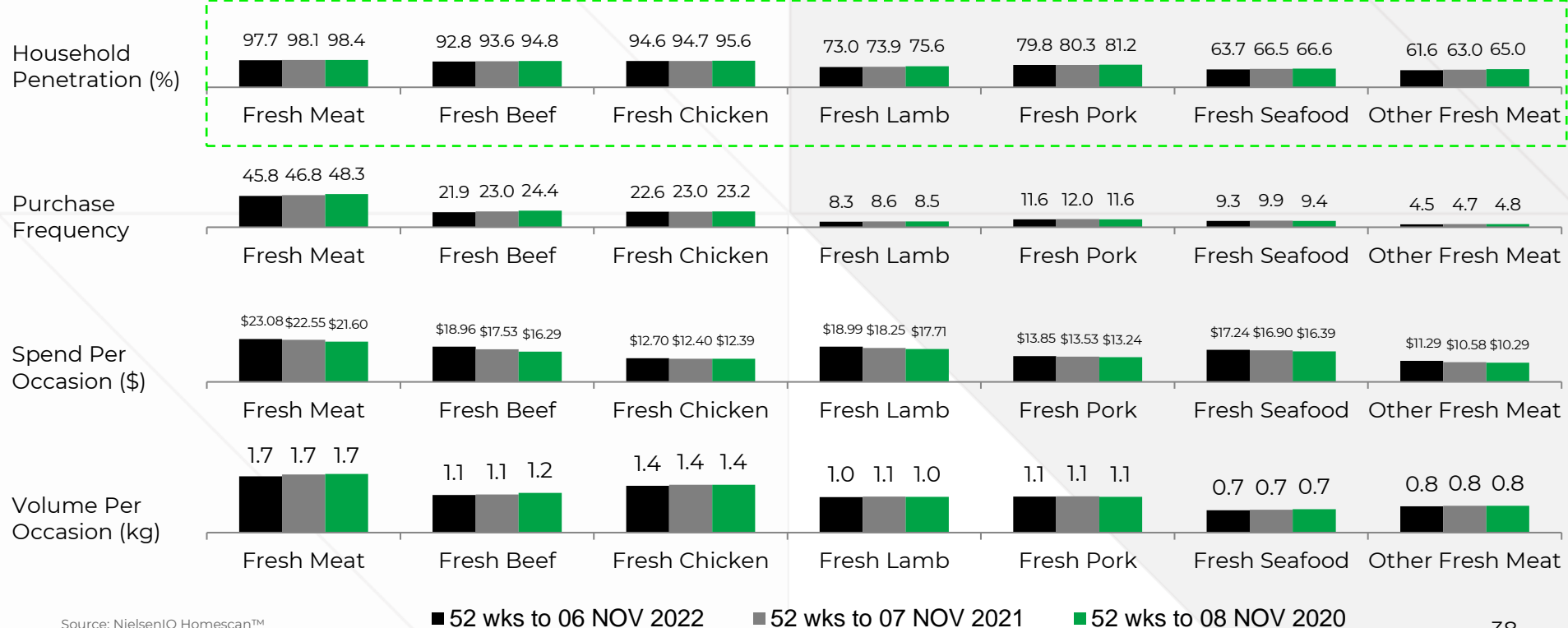


Source: NielsenIQ Homescan™ | Other Fresh Meat includes Veal & Turkey

© 2022 Nielsen Consumer LLC. All Rights Reserved.

All Fresh protein types continue to see a contraction in household reach and frequency. Indicating that consumers are consuming less frequently

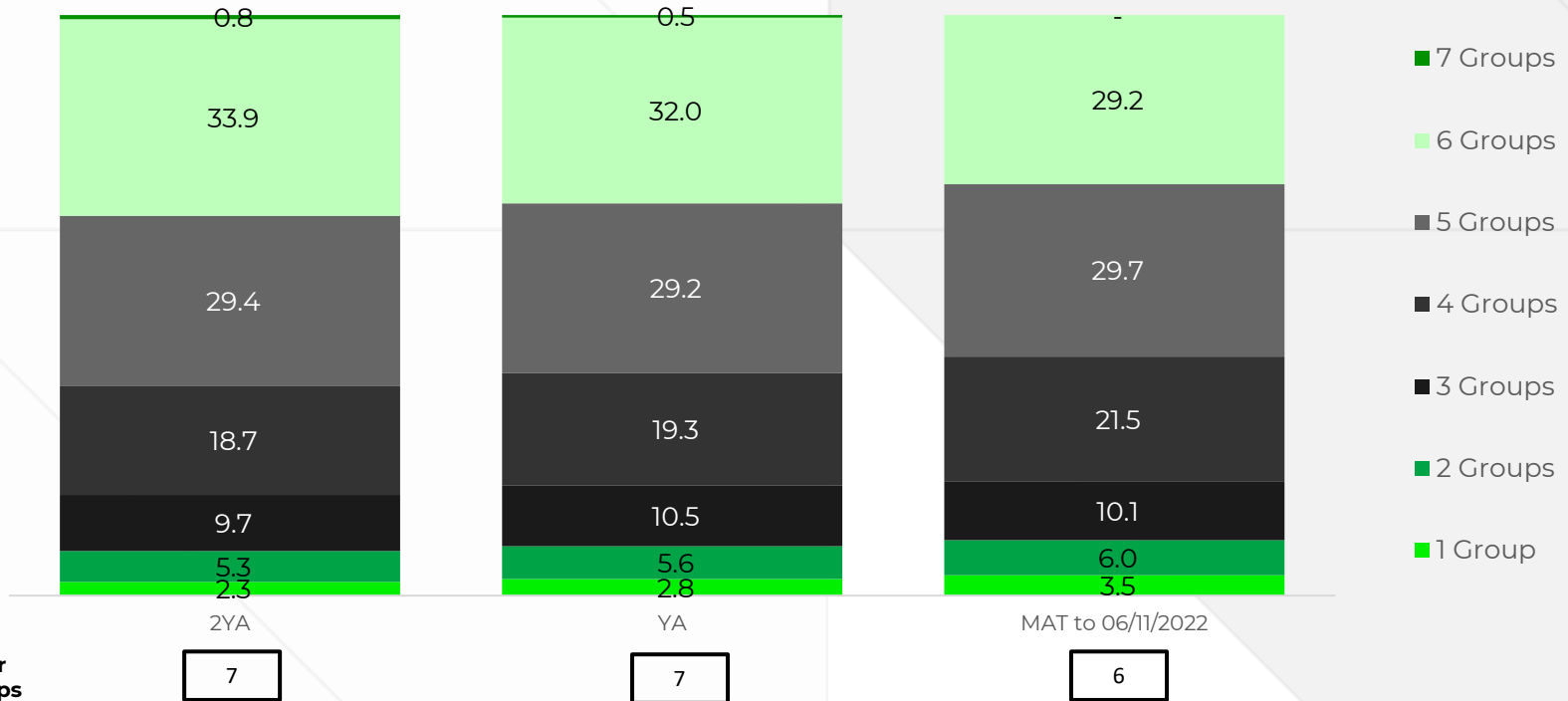
Fresh Meat by Protein | Key Purchase Indicators | 52wk to 06/11/2022



Fresh meat shoppers are slowly reducing the number of meat groups they are purchasing

Households most commonly purchase 5 meat groups (29.7%), this is down from 2YA where households consumed 6 groups (33.9%)

How many meat groups do shoppers purchase?



Plant based meats have declined in penetration over the past year, and does not seem to be influencing the performance of Fresh meat

	Plant Based meat Buyers	Fresh Meat Buyers	Fresh Beef Buyers	Fresh Lamb Buyers
% Buying Households	14.3 ↓	97.6 ↓	92.4 ↓	72.9 ↓
Trips	40.4 ↓	45.0 ↓	46.2 ↓	48.0 ↓
Vol / shop	1.5 ↓	1.6 ↓	1.7 —	1.7 ↓
Spend/Shop on fresh meat	\$20.98 ↑	\$22.99 ↑	\$23.20 ↑	\$23.98 ↑



Market Headwinds and Protein Performance

2022 was challenging for the fresh meat consumption, with the category being impacted by several macro economic pressures.

Inflationary pressures impacting consumer behaviour

FMCG in Australia has been heavily impacted by Cost-of-living pressures. In Fresh Meat **inflationary pressures** resulted in **shoppers directing their spend to budget retailers**, demonstrating value seeking behaviour.

Fewer trips, bigger baskets continue

Significant prices rises saw shoppers reduce their frequency and change their consumption habits for Fresh Meat. Which ultimately **lead to Value remaining flat (+0.3%) and Volume declining (-5%) through 2022.**

Online growth slowdown, however ongoing demand present

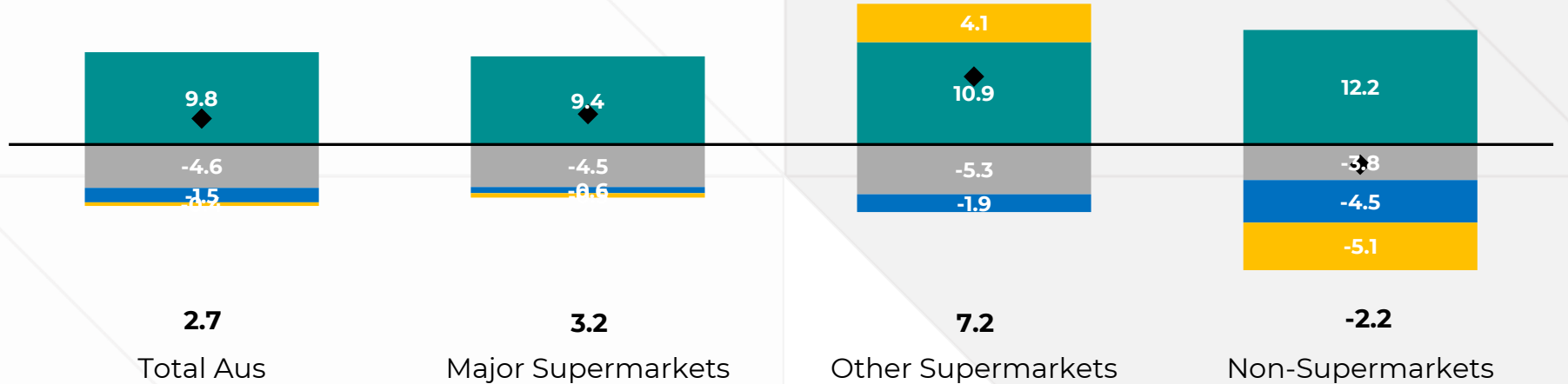
Whilst online sales begin to slow in growth due to cycling lockdown figures, **Fresh meat is still the largest online category** in Value and second largest in Value Share of sales through online channels



Beef Performance

Other Supermarkets have been growing through attaining buyers

Total Fresh Beef | \$ Value Drivers of Growth | 52 weeks to 06/11/2022 vs YA



■ Frequency % Chg ■ KG Per Occasion % Chg ■ Price Per KG % Chg ■ Buying Households % Chg ◆ Dollar % Growth

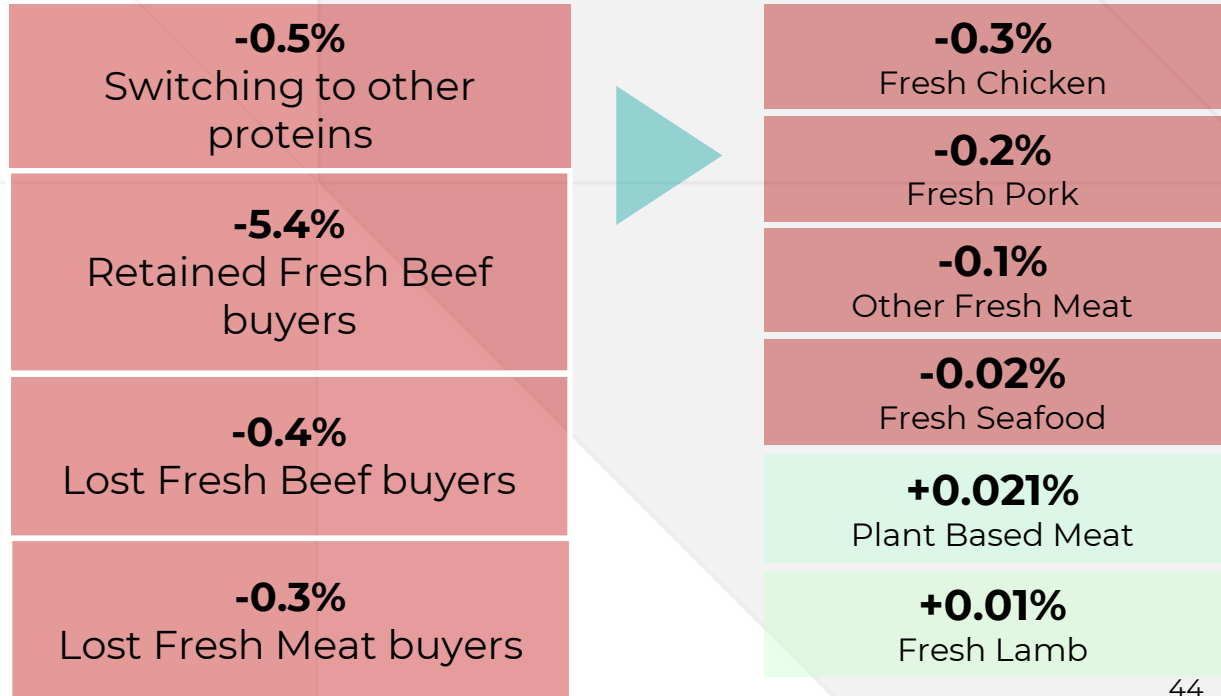
Beef shoppers have begun to consume less beef due to these factors. Only minor switching losses to chicken (breasts, drumsticks) and pork (Mince, prepared, steaks)

Fresh Beef | Source of Volume | 52 weeks to 06/11/2022 vs YA

Total Beef



Volume Decline
-6.7%





In contrast, the significant price growth has resulted in value gains from other proteins.

Fresh Beef | Source of Value | 52 weeks to 06/11/2022 vs YA

Total Beef 

Value Gain
+2.3%

+0.9%
Switching from other proteins

+2.1%
Retained Fresh Beef buyers

-0.4%
Lost Fresh Beef buyers

-0.3%
Lost Fresh Meat buyers



+0.3%
Fresh Seafood

+0.2%
Fresh Pork

+0.3%
Fresh Lamb

+0.03%
Other Fresh Meat

+0.04%
Plant Based Meat

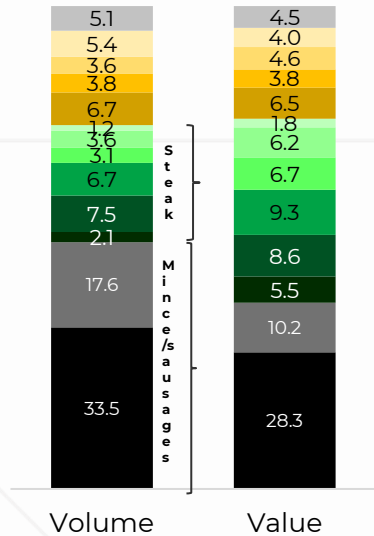
+0.18%
Fresh Chicken

Affordable Beef mince, sausages and rump steak cuts contributed the most to beef dollar growth. However, premium steak cuts struggled

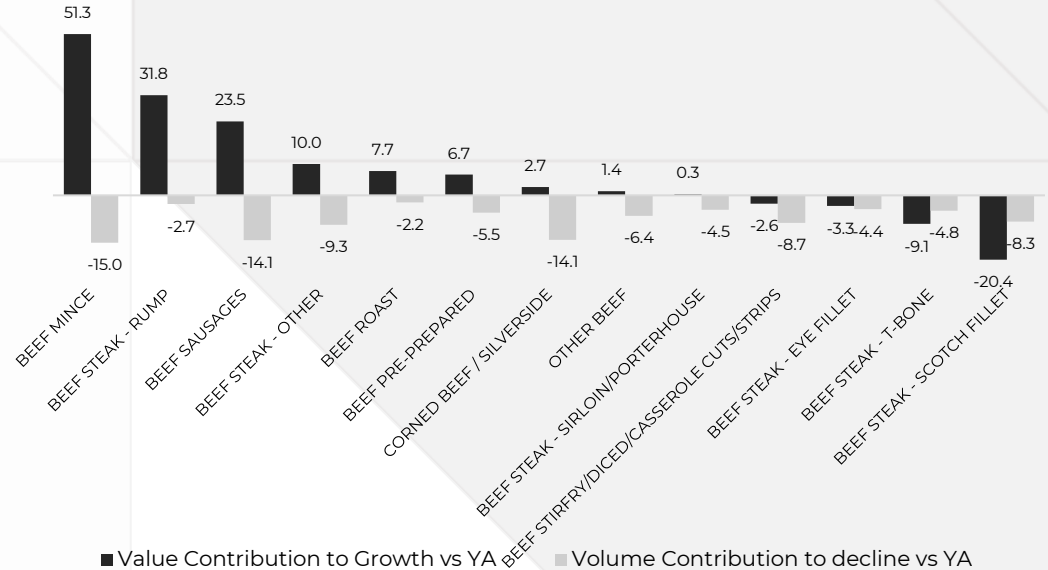
Total Fresh Beef by Cuts | Dollar % Volume Share & Growth | 52 weeks to 06/11/2022 vs YA

- OTHER BEEF
- CORNED BEEF / SILVERSIDE
- BEEF STIRFRY/DICED/CASSEROLE CUTS/STRIPS
- BEEF ROAST
- BEEF PRE-PREPARED
- BEEF STEAK - T-BONE
- BEEF STEAK - SIRLOIN/PORTERHOUSE
- BEEF STEAK - SCOTCH FILLET
- BEEF STEAK - RUMP
- BEEF STEAK - OTHER
- BEEF STEAK - EYE FILLET
- BEEF SAUSAGES
- BEEF MINCE

Beef - % Share by Cut

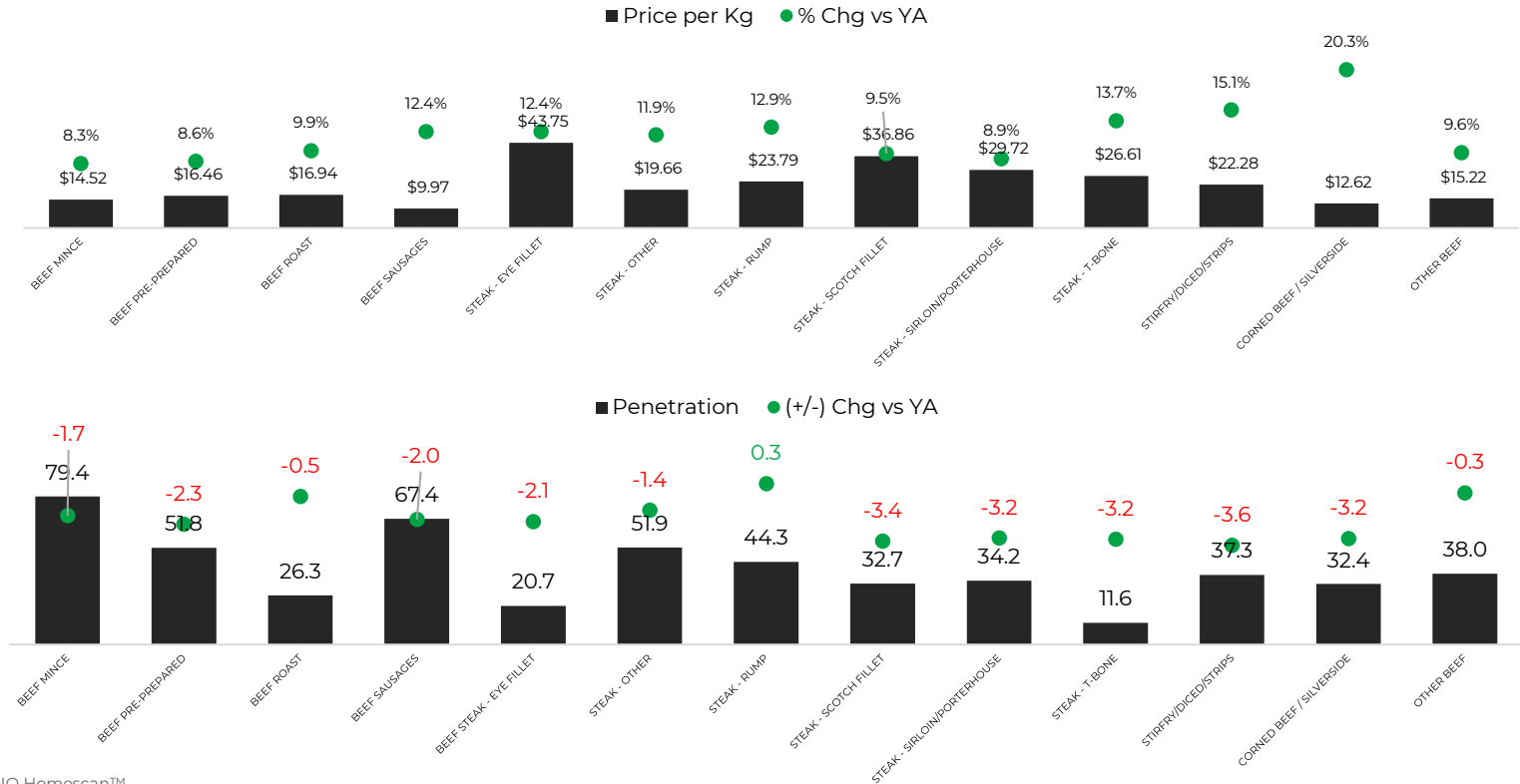


Beef - % Contribution to Growth/Decline



Price growth is having an impact on penetration across almost all cuts

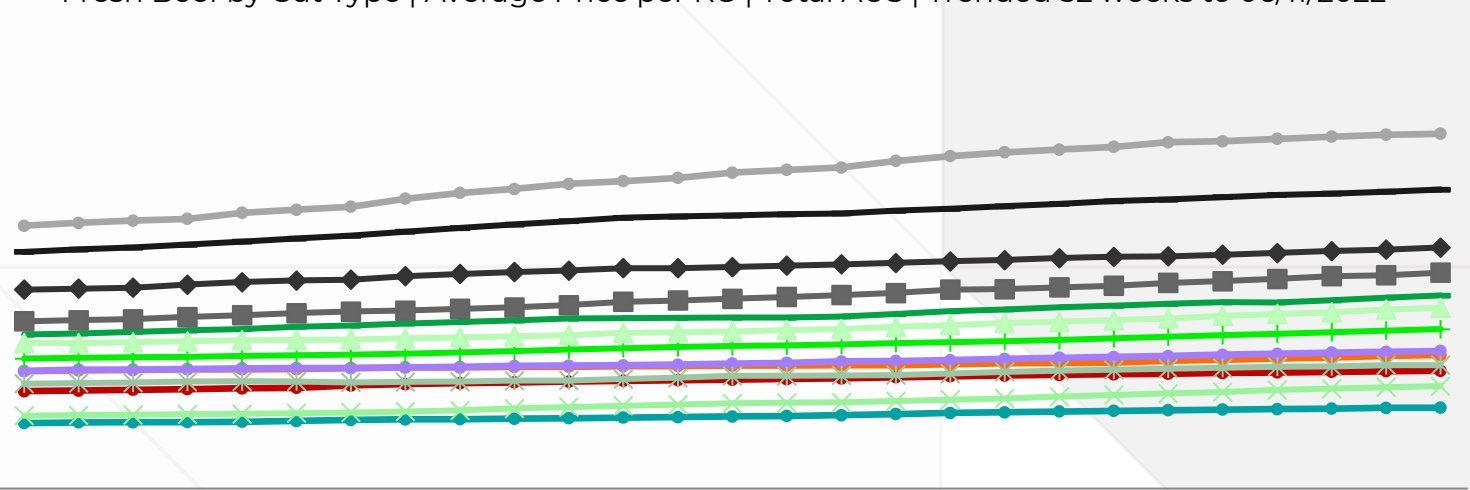
Total Fresh Beef by Cuts | Penetration & Price Per KG Growth | 52 weeks to 06/11/2022 vs YA



Price growth is significant across the board

Fresh Beef by Cut Type | Average Price per KG | Total AUS | Trended 52 weeks to 06/11/2022

% Change vs YA



BEEF MINCE	8.3%
BEEF PRE-PREPARED	8.6%
BEEF ROAST	9.9%
BEEF SAUSAGES	12.4%
BEEF STEAK - EYE FILLET	12.4%
BEEF STEAK - OTHER	11.9%
BEEF STEAK - RUMP	12.9%
BEEF STEAK - SCOTCH FILLET	9.5%
BEEF STEAK - SIRLOIN/PORTERHOUSE	8.9%
BEEF STEAK - T-BONE	13.7%
BEEF STIRFRY/DICED/CASSEROLE CUTS/STRIPS	15.1%
CORNED BEEF / SILVERSIDE	20.3%
OTHER BEEF	9.6%

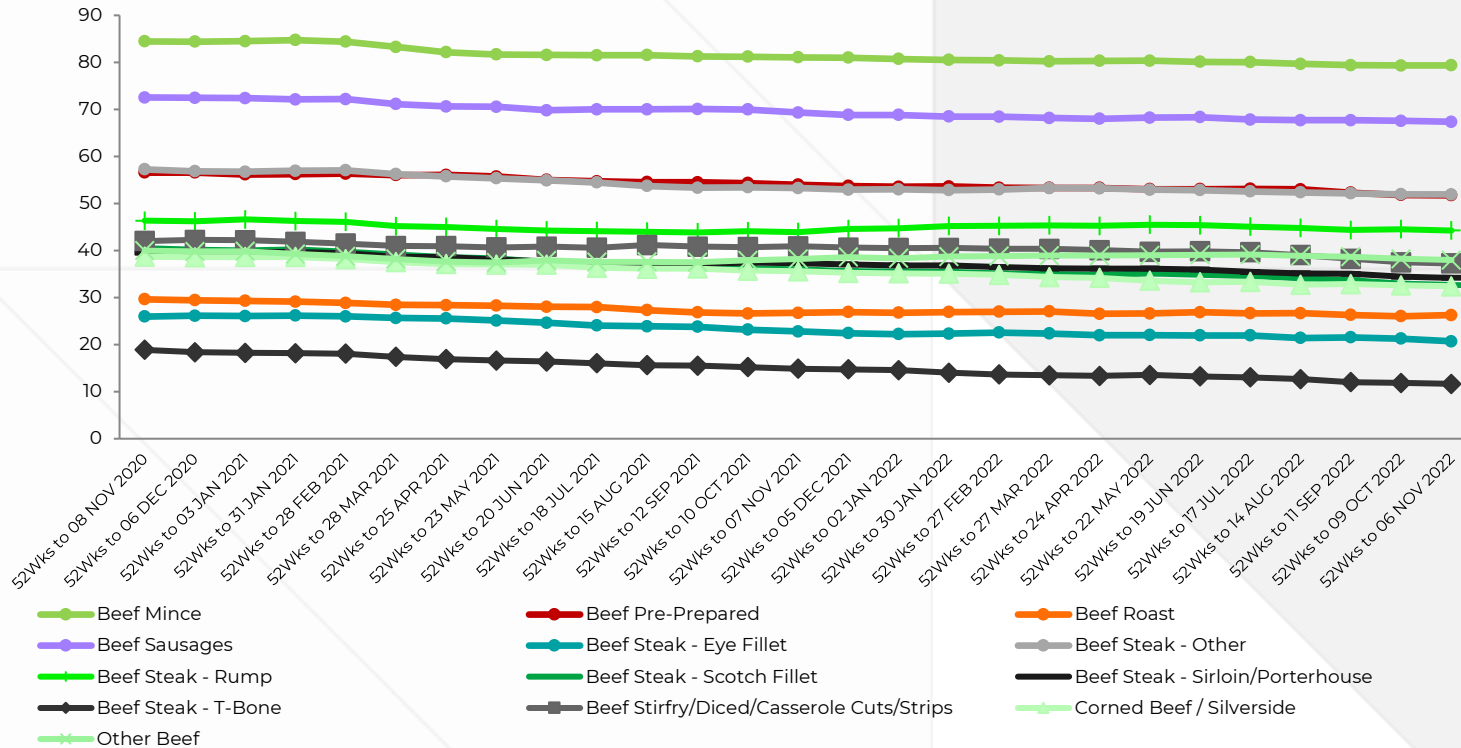
52Wks to 08 NOV 2020, 52Wks to 06 DEC 2020, 52Wks to 03 JAN 2021, 52Wks to 31 JAN 2021, 52Wks to 28 FEB 2021, 52Wks to 28 MAR 2021, 52Wks to 25 APR 2021, 52Wks to 23 MAY 2021, 52Wks to 20 JUN 2021, 52Wks to 18 JUL 2021, 52Wks to 15 AUG 2021, 52Wks to 12 SEP 2021, 52Wks to 10 OCT 2021, 52Wks to 07 NOV 2021, 52Wks to 05 DEC 2021, 52Wks to 02 JAN 2022, 52Wks to 30 JAN 2022, 52Wks to 27 FEB 2022, 52Wks to 27 MAR 2022, 52Wks to 24 APR 2022, 52Wks to 22 MAY 2022, 52Wks to 19 JUN 2022, 52Wks to 17 JUL 2022, 52Wks to 14 AUG 2022, 52Wks to 11 SEP 2022, 52Wks to 09 OCT 2022, 52Wks to 06 NOV 2022

- BEEF MINCE
- BEEF PRE-PREPARED
- BEEF ROAST
- BEEF SAUSAGES
- BEEF STEAK - EYE FILLET
- BEEF STEAK - OTHER
- BEEF STEAK - RUMP
- BEEF STEAK - SCOTCH FILLET
- BEEF STEAK - SIRLOIN/PORTERHOUSE
- BEEF STEAK - T-BONE
- BEEF STIRFRY/DICED/CASSEROLE CUTS/STRIPS
- CORNED BEEF / SILVERSIDE
- OTHER BEEF

Source: NielsenIQ Homescan™
© 2021 Nielsen Consumer LLC. All Rights Reserved.

Which ultimately results in almost all cuts declining in penetration, particularly steak premium steak cuts

Fresh Beef by Cut Type | Penetration | Total AUS | Trended 52 weeks to 06/11/2022



Penetration 52W 06/11/22 vs YA (+/-)	
BEEF	-0.8
BEEF MINCE	-1.7
BEEF PRE- PREPARED	-2.3
BEEF ROAST	-0.5
BEEF SAUSAGES	-2.0
BEEF STEAK - EYE FILLET	-2.1
BEEF STEAK - OTHER	-1.4
BEEF STEAK - RUMP	+0.3
BEEF STEAK - SCOTCH FILLET	-3.4
BEEF STEAK - SIRLOIN/PORTERHO USE	-3.2
BEEF STEAK - T- BONE	-3.2
BEEF STIRFRY/DICED/CAS SEROLE CUTS/STRIPS	-3.6
CORNED BEEF / SILVERSIDE	-3.2
OTHER BEEF	-0.3

Source: NielsenIQ Homescan™

Senior Couples continue to be key consumers for beef and its growth.

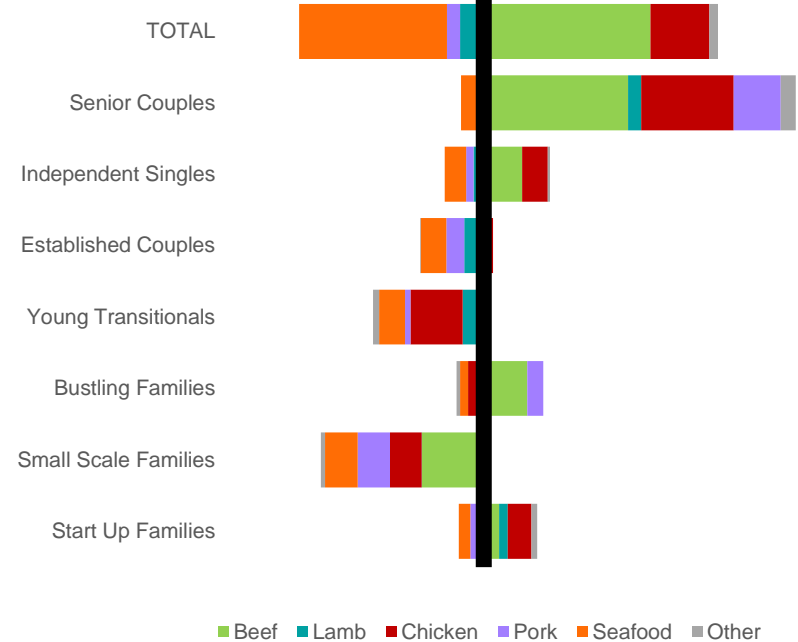
Small scale families spend has contracted significantly across Beef and other meat types

Fresh Beef | Lifestage Performance | Total AUS | 52 weeks to 06/11/2022 vs YA

% Buying Households

% Spend

Absolute Value Growth vs YA



Mince & Sausages are crucial cuts across all households, particularly families

Total Fresh Beef by Cuts | Volume Share & Growth by Lifestage | 52 weeks to 06/11/2022 vs YA

	Total Panel	Start Up Families	Small Scale Families	Bustling Families	Young Transitional	Independent Singles	Established Couples	Senior Couples
1	Mince 33.5%	Mince 36.0%	Mince 37.0%	Mince 37.3%	Mince 37.6%	Mince 30.3%	Mince 33.8%	Mince 30.1%
2	Sausages 17.6%	Sausages 18.7%	Sausages 22.1%	Sausages 20.0%	Sausages 15.4%	Sausages 16.5%	Sausages 15.2%	Sausages 16.4%
3	Steak – Other 7.5%	Steak – Other 8.9%	Pre-Prepared 7.5%	Steak – Other 6.9%	Steak – Other 10.0%	Cornered/ Silverside 7.2%	Steak – Other 8.1%	Steak – Rump 7.7%
4	Pre-Prepared 6.7%	Steak – Rump 7.1%	Steak – Other 7.3%	Pre-Prepared 6.8%	Pre-Prepared 5.4%	Pre-Prepared 6.8%	Steak – Rump 7.1%	Steak – Other 7.6%
5	Steak – Rump 6.7%	Pre-Prepared 6.5%	Steak – Rump 5.9%	Steak – Rump 5.5%	Steak – Rump 5.4%	Steak – Rump 6.7%	Pre-Prepared 6.9%	Cornered/ Silverside 7.3%

Source: NielsenIQ Homescan™

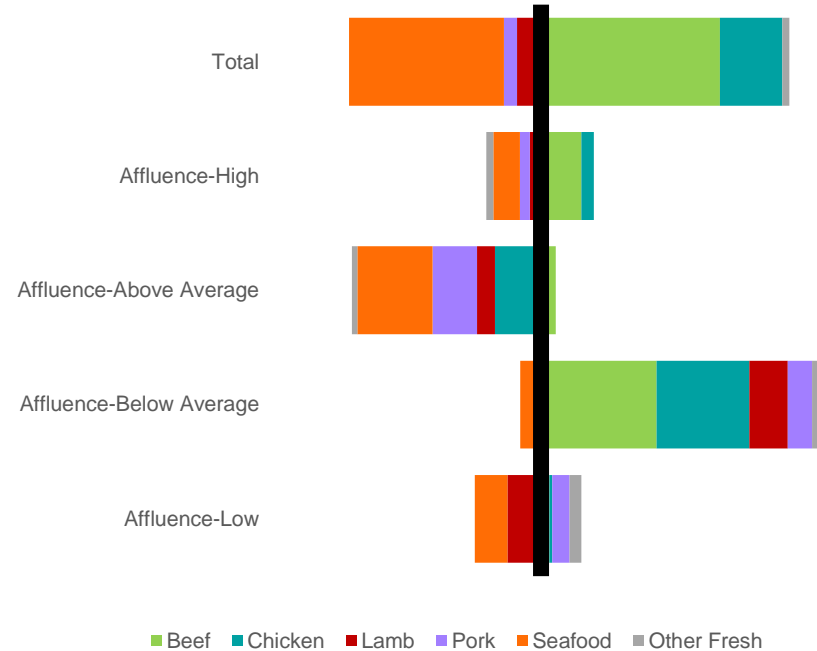
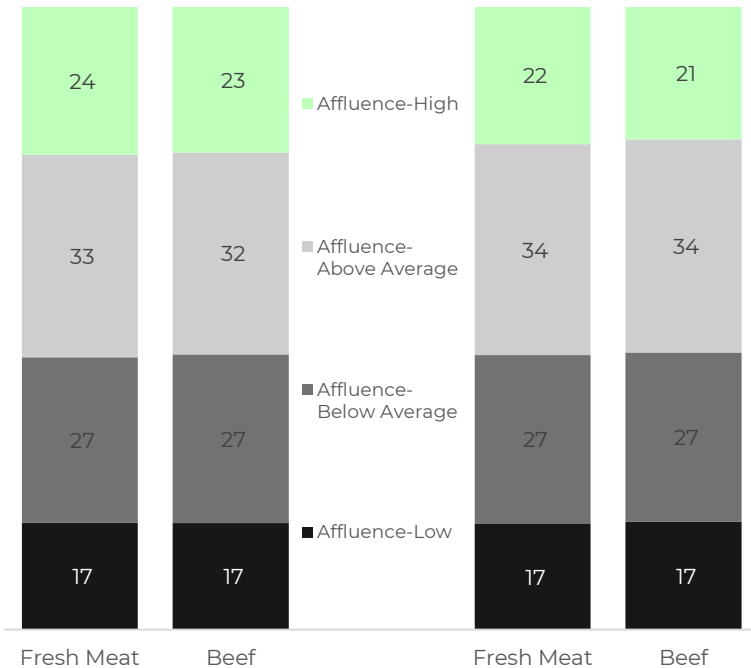
Above and High Affluence groups constitute more than half the buyers and value sales for fresh beef. The performance of these groups have lagged behind the below average affluence households

Fresh Beef | Affluence Performance | Total AUS | 52 weeks to 06/11/2022 vs YA

% Buying Households

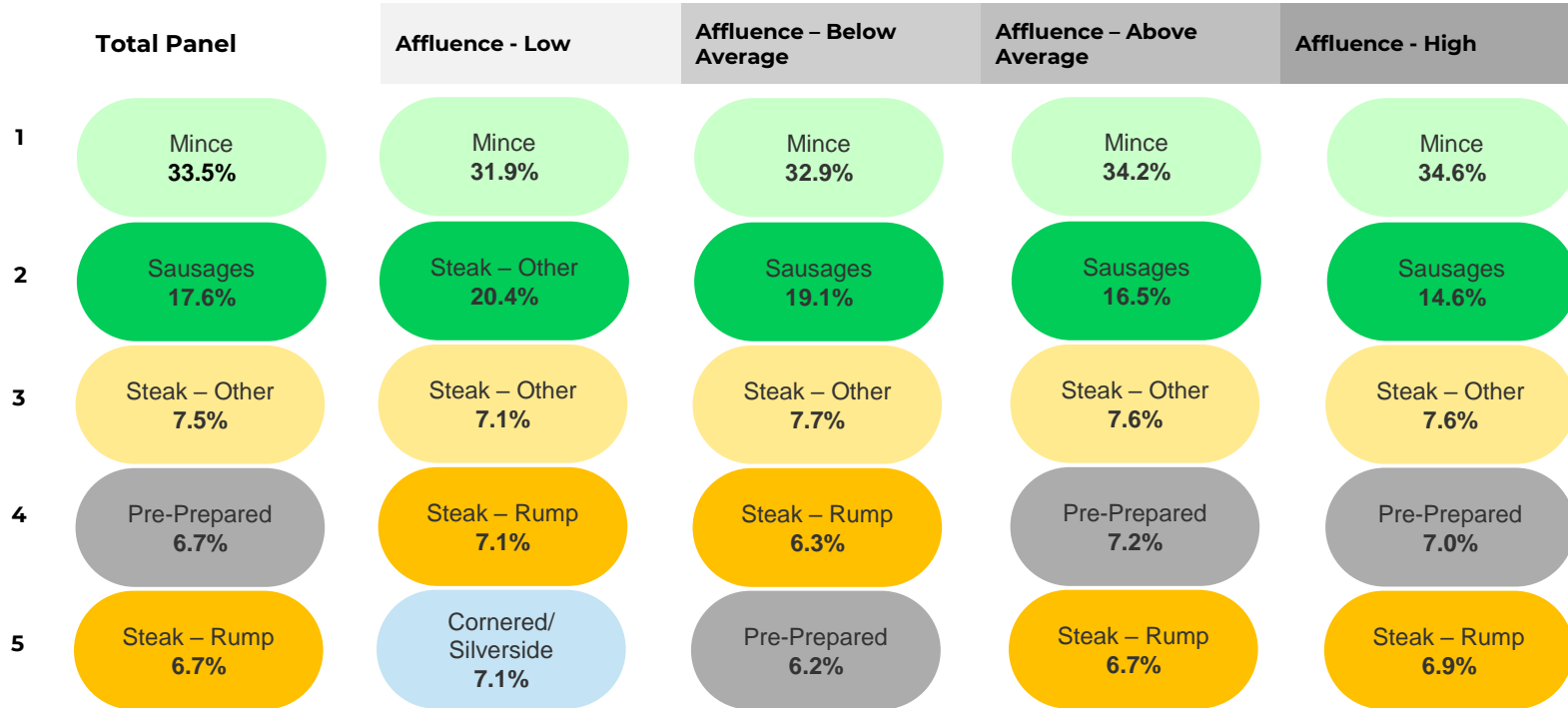
% Spend

Absolute Value Growth vs YA



Similar trends across Affluence, with Mince, Sausages and steaks leading the way.

Total Fresh Beef by Cuts | Volume Share & Growth by Affluence | 52 weeks to 06/11/2022 vs YA



Source: NielsenIQ Homescan™

Inflationary pressures have resulted in heavy buyers driving spend whilst also declining in volume. Light Buyers are concerningly detracting from growth in both metrics

Fresh Beef | Heavy, Medium & Light | 52 weeks to 06/11/2022 vs YA



Light Beef Buyers

50% of Beef buyers and account for 21% of volume



Medium Beef Buyers

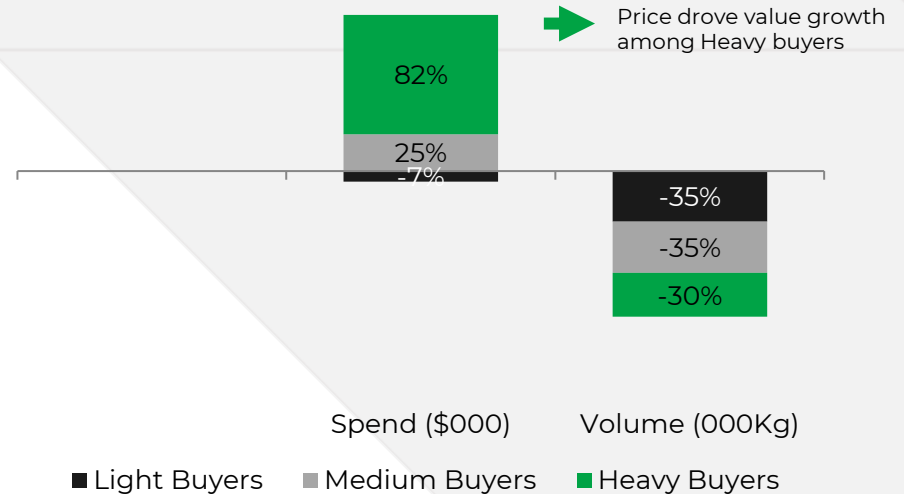
30% of Beef buyers and account for 35% of volume



Heavy Beef Buyers

20% of Beef buyers and account for 44% of volume





% Contribution to Growth/ Decline

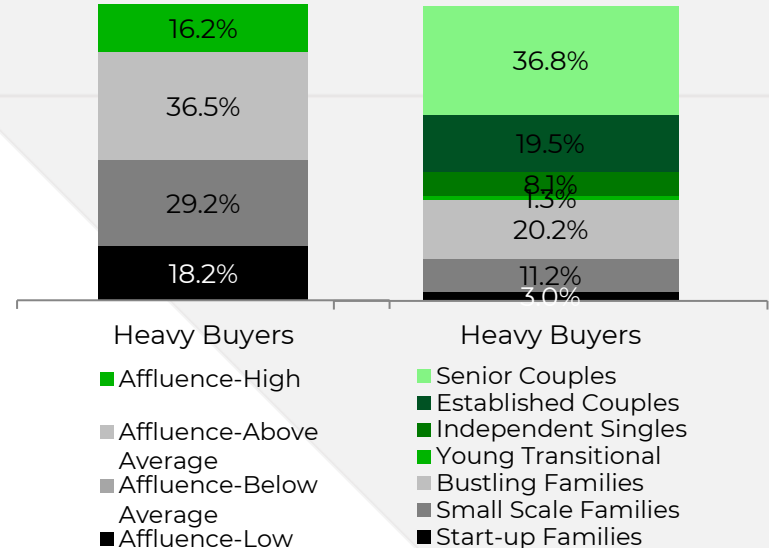


Whilst driving value growth, heavy buyers are dropping in penetration and consuming less frequently

Older Households are key consumers for Beef

Heavy Fresh Beef | KPIs & Demographic Volume Distribution | 52 weeks to 06/11/2022 vs YA





	2020	2021	2022
 Penetration	18.8	18.5	18.2
 Average buying occasions	51.9	50.3	49.5
 Price	14.39	16.14	17.74
 Vol kg per Trip	1.15	1.12	1.10

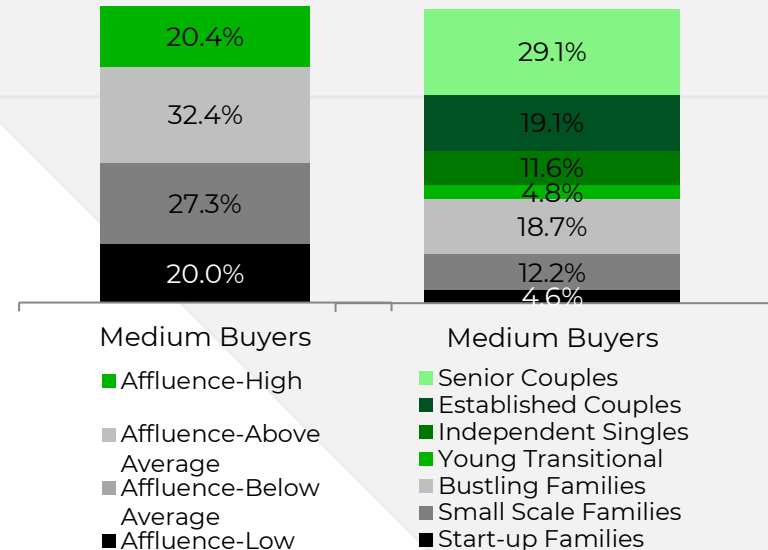


Price growth is having a similar impact on Medium buyers, with penetration and frequency declining

More than one third of the volume for medium buyers is coming from above average affluence group

Medium Fresh Beef | KPIs & Demographic Volume Distribution | 52 weeks to 06/11/2022 vs YA





	2020	2021	2022
 Penetration	28.4	28.0	27.8
 Average buying occasions	28.2	26.4	25.1
 Price	13.86	15.49	16.92
 Vol kg per Trip	1.18	1.13	1.11

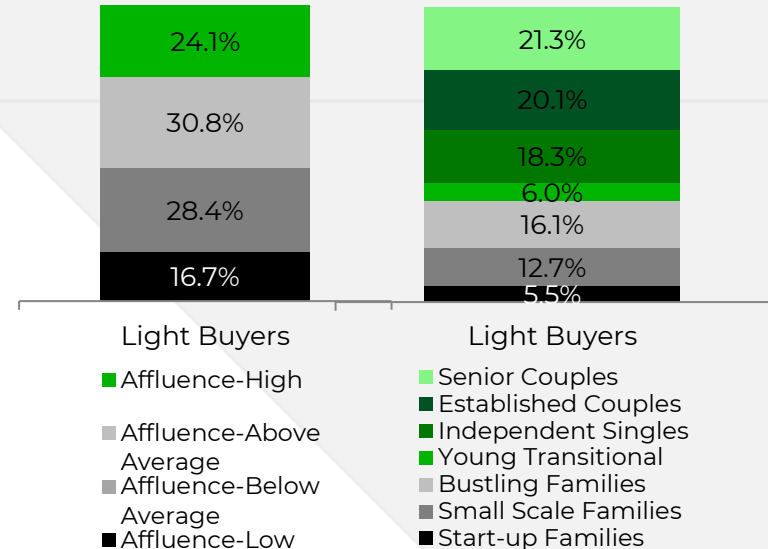


A similar trend can be seen with light buyers, purchasing Fresh Beef on 2 fewer occasions per year

Light buyers tend to be of a lower affluence than Heavy and Medium

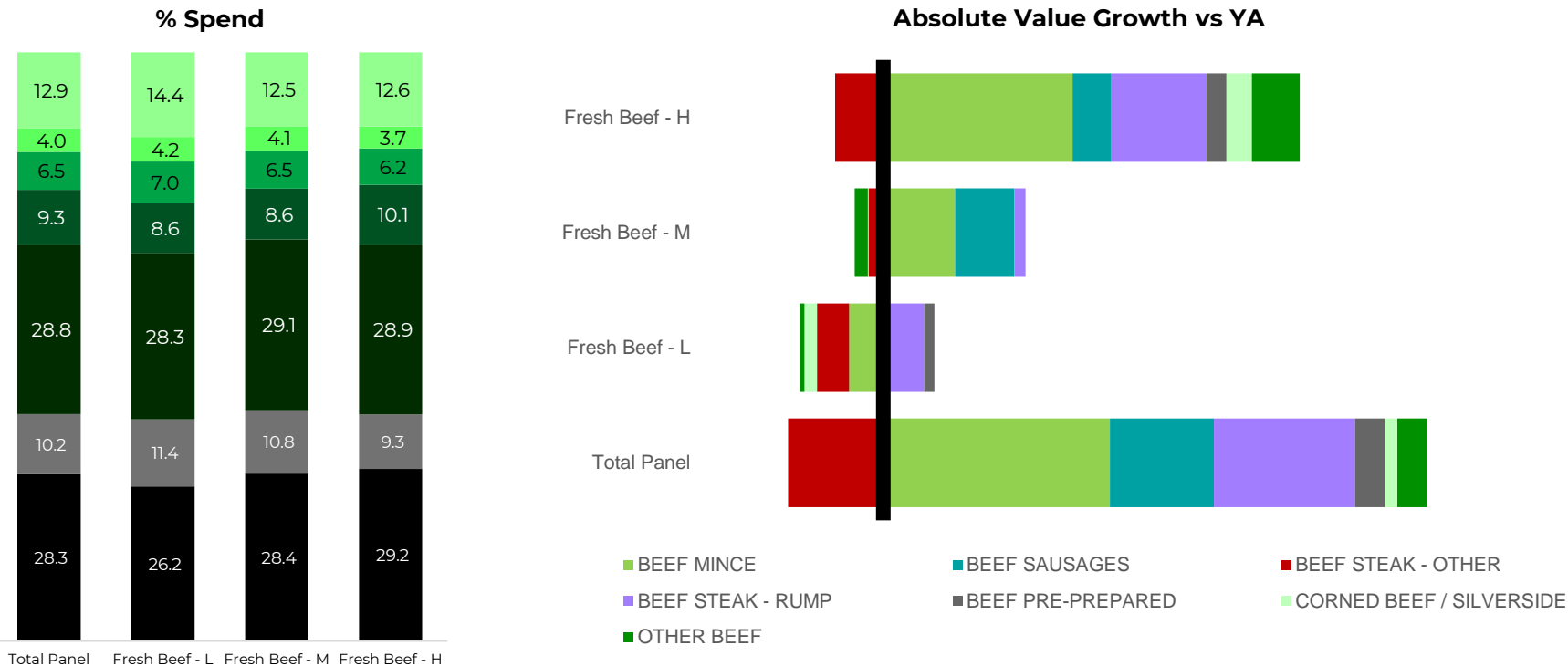
Light Fresh Beef | KPIs & Demographic Volume Distribution | 52 weeks to 06/11/2022 vs YA

	2020	2021	2022
 Penetration	47.6	47.0	46.8
 Average buying occasions	11.3	10.1	9.2
 Price	13.61	14.91	16.43
 Vol kg per Trip	1.15	1.12	1.11



Light buyers have declined on several beef cuts, such as mince and steaks. It is crucial to re-engaging light consumers with these core beef cuts

Fresh Beef by Cuts | Heavy, Medium & Light | Total AUS | 52 weeks to 06/11/2022



Source: NielsenIQ Homescan™

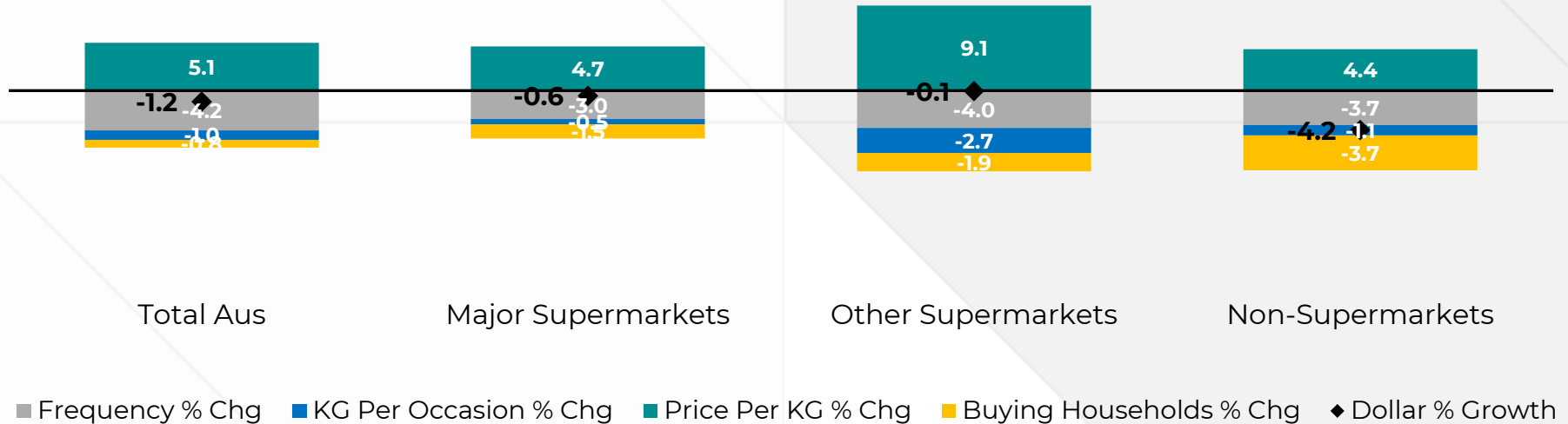
© 2022 Nielsen Consumer LLC. All Rights Reserved.



Lamb Performance

Whereas price increases in beef is driving shoppers to reduce consumption, Lamb has similar challenges along with losing buyers

Total Fresh Lamb | \$ Value Drivers of Growth | 52 weeks to 06/11/2022 vs YA



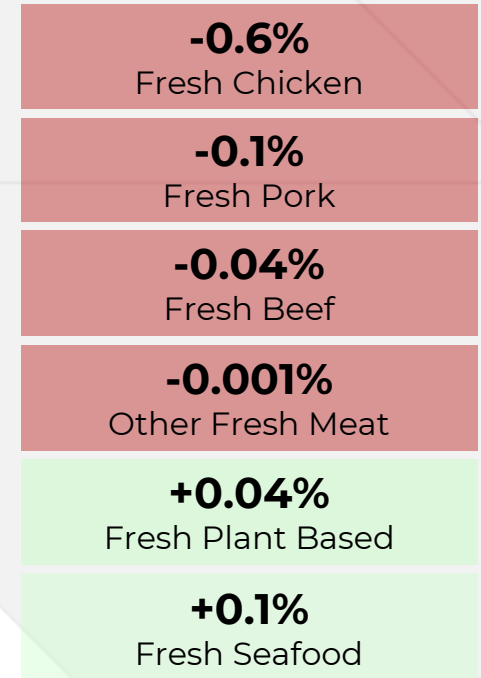
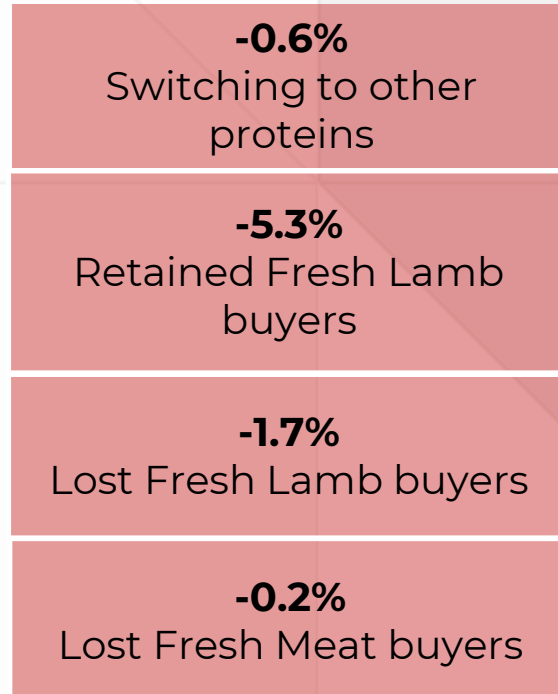
Reduced consumption for Lamb is a concern (-5.3%), as is the -1.7% decline from shoppers removing Lamb from their repertoire.

Fresh Lamb | Source of Volume | 52 weeks to 06/11/2022 vs YA

Total Lamb



Volume Decline
-7.9%





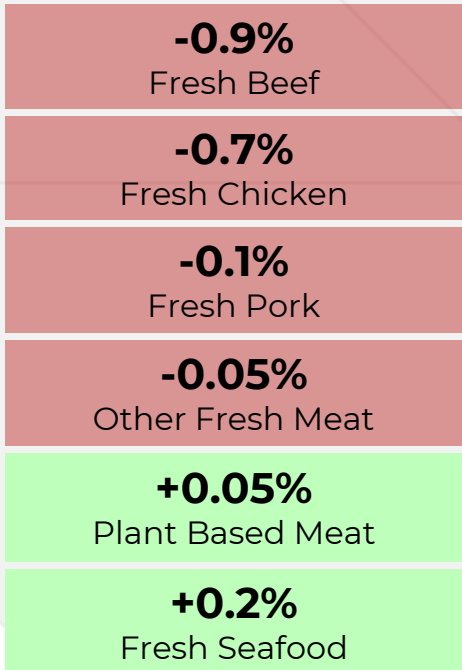
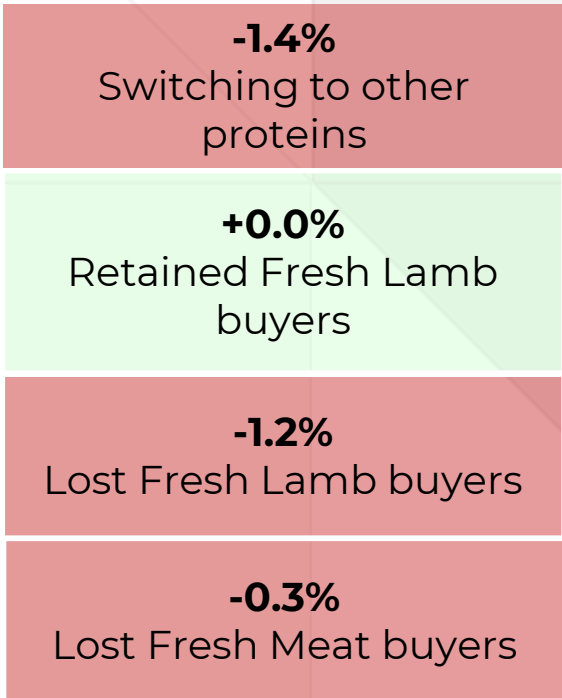
Similar results can be experienced in value, however switching and lost buyers becomes more of a focus

Fresh Lamb | Source of Value | 52 weeks to 06/11/2022 vs YA

Total Lamb

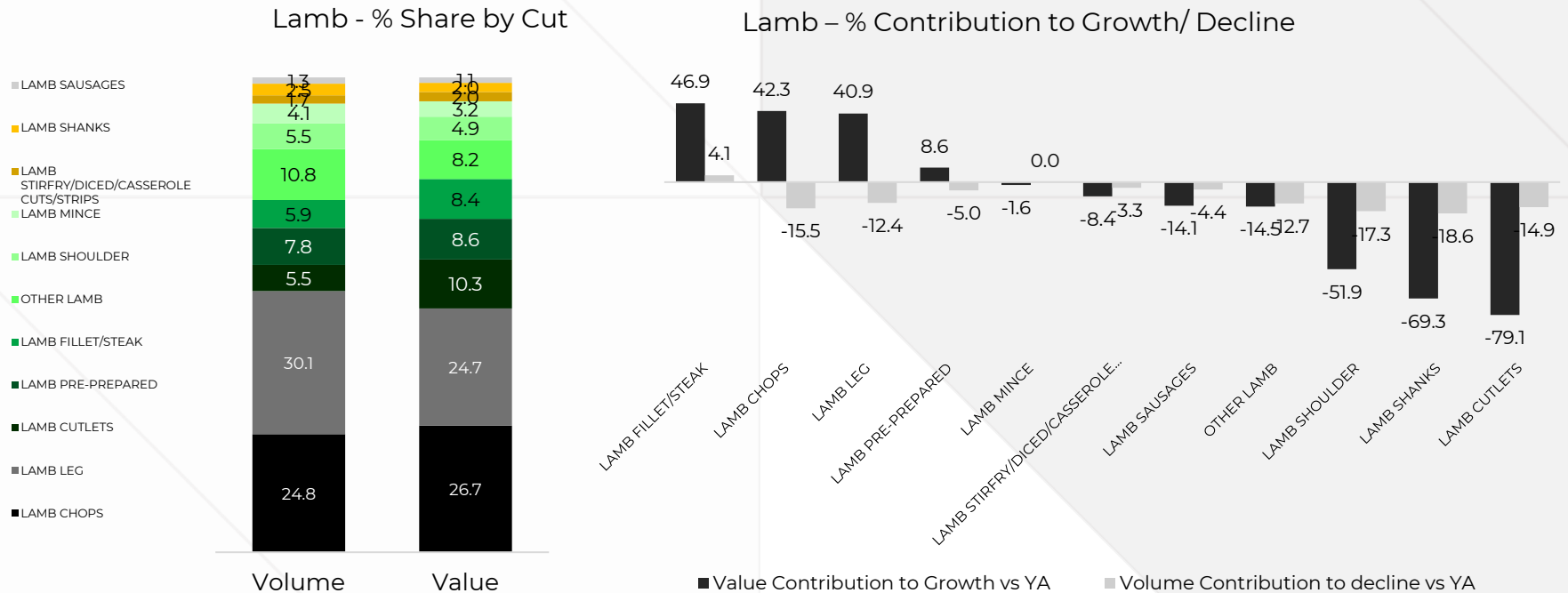


Value Gain
-2.9%



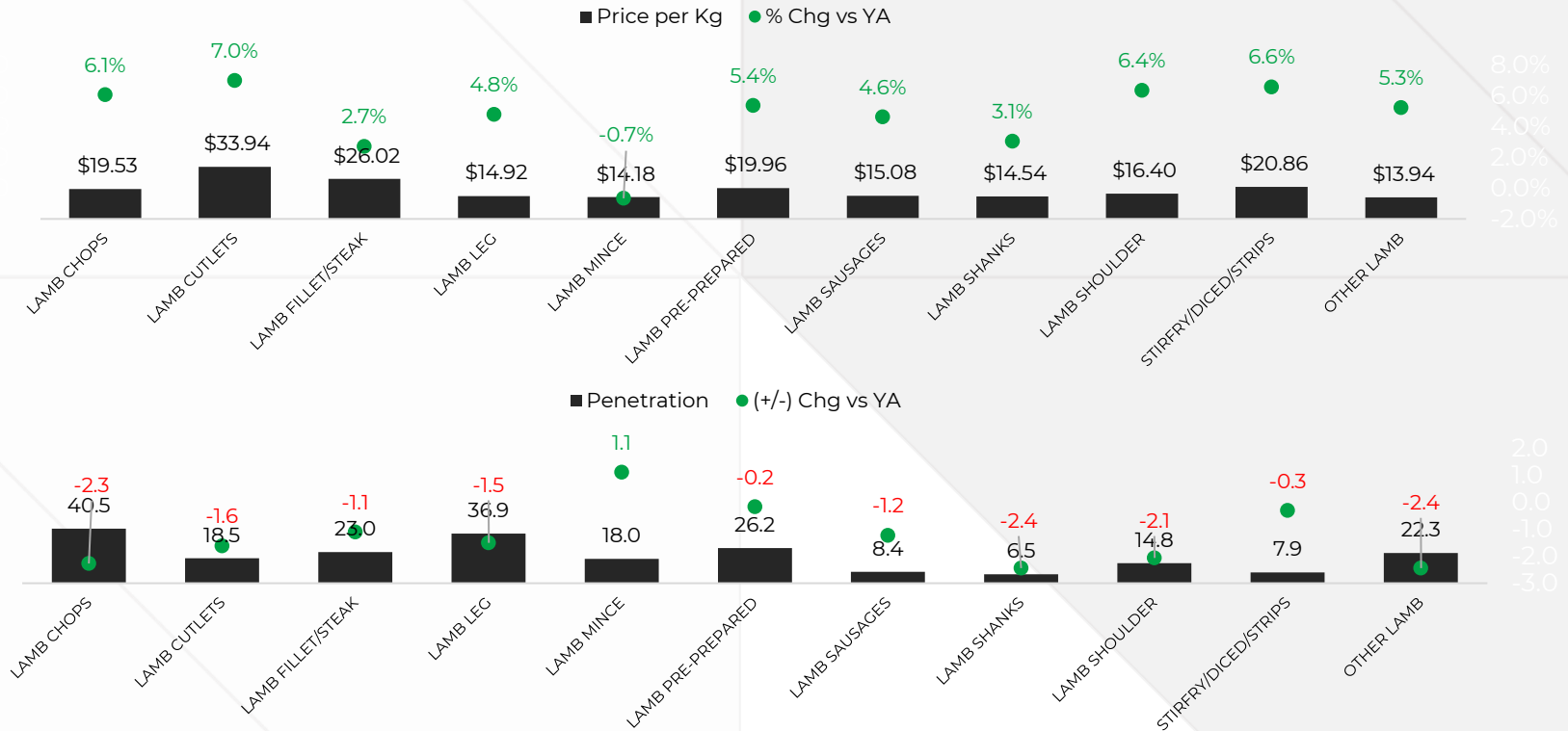
Value and practical lamb cuts are positively impacting growth, whilst premium Lamb Cutlets are significantly contributing to its decline

Total Fresh Lamb by Cuts | Dollar % Volume Share & Growth | 52 weeks to 06/11/2022 vs YA



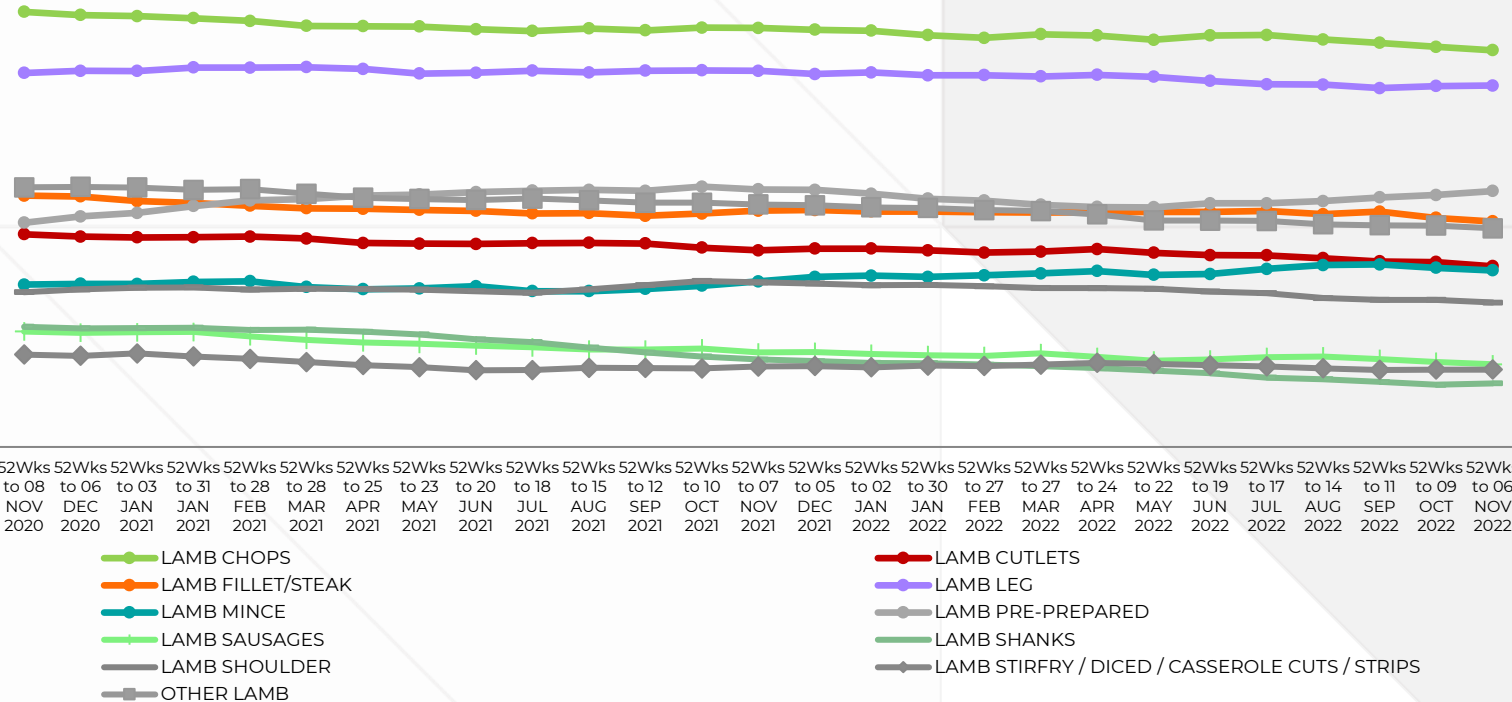
Price growth has been less prominent across Lamb, yet penetration declines continue aside from Mince

Total Fresh Lamb by Cuts | Penetration & Price Per KG Growth | 52 weeks to 06/11/2022 vs YA



Penetration declines are evident across almost all cuts, most dramatic in those driving declines (Cutlets, shanks, shoulder)

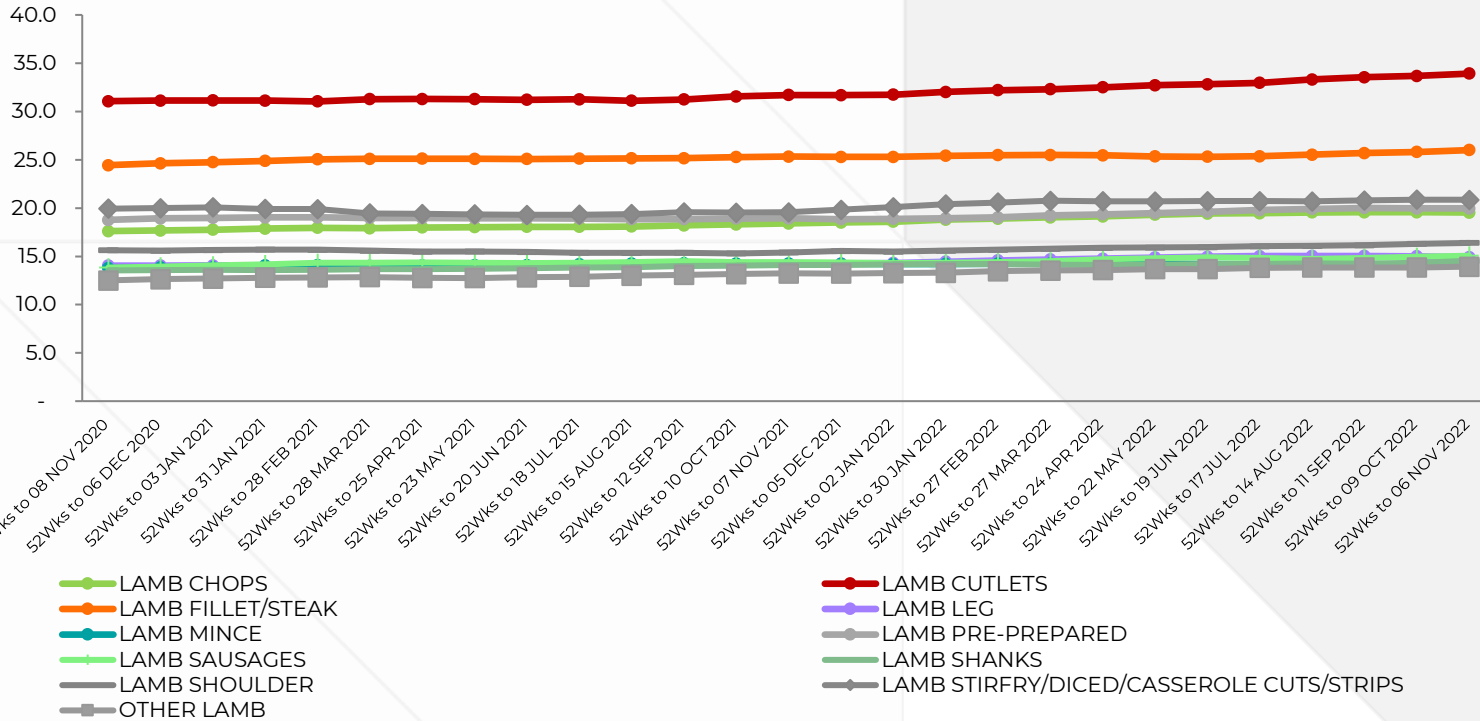
Fresh Lamb by Cut Type | Penetration | Total AUS | Trended 52 weeks to 06/11/2022



Penetration 52W 06/11/22 vs YA (+/-)	
LAMB	-1.0
LAMB CHOPS	-2.3
LAMB CUTLETS	-1.6
LAMB FILLET/STEAK	-1.1
LAMB LEG	-1.5
LAMB MINCE	1.1
LAMB PRE-PREPARED	-0.2
LAMB SAUSAGES	-1.2
LAMB SHANKS	-2.4
LAMB SHOULDER	-2.1
LAMB STIRFRY/DICED/CASSEROLE CUTS/STRIPS	-0.3
OTHER LAMB	-2.4

Price rises and inflationary pressures are impacting the overall Lamb performance

Fresh Lamb by Cut Type | Average Price per KG | Total AUS | Trended 52 weeks to 06/11/2022



% Change vs YA

LAMB	+5.1%
LAMB CHOPS	+6.1%
LAMB CUTLETS	+7.0%
LAMB FILLET/STEAK	+2.7%
LAMB LEG	+4.8%
LAMB MINCE	-0.7%
LAMB PRE-PREPARED	+5.4%
LAMB SAUSAGES	+4.6%
LAMB SHANKS	+3.1%
LAMB SHOULDER	+6.4%
LAMB STIRFRY/DICED/CASSEROLE CUTS/STRIPS	+6.6%
OTHER LAMB	+5.3%

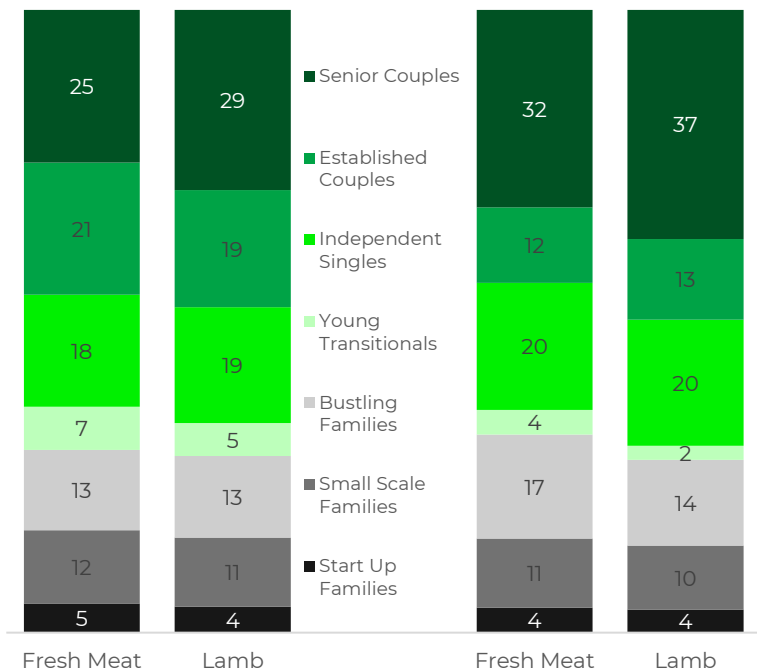
Senior Couples and start up families are the only groups increasing their spend on lamb.

Small scale families spend has contracted significantly across Lamb and other meat types

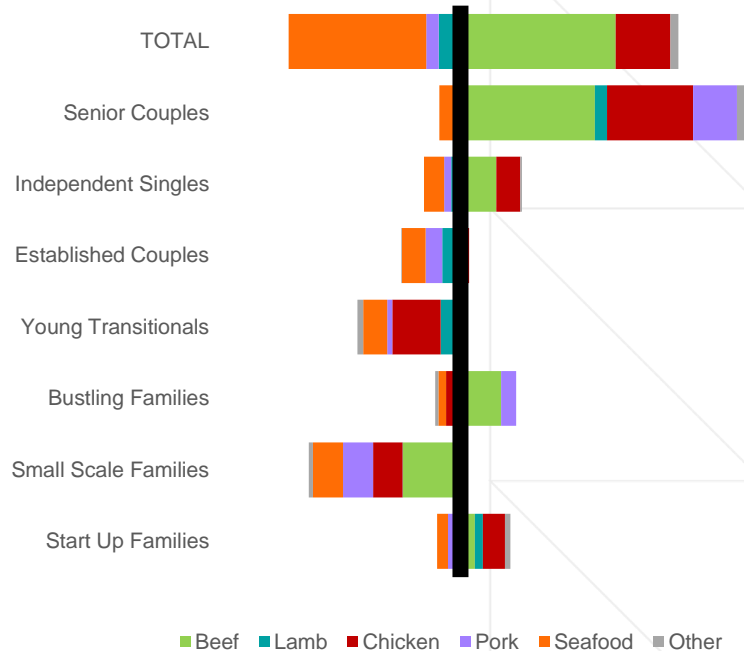
Fresh Lamb | Lifestage Performance | Total AUS | 52 weeks to 06/11/2022 vs YA

% Buying Households

% Spend

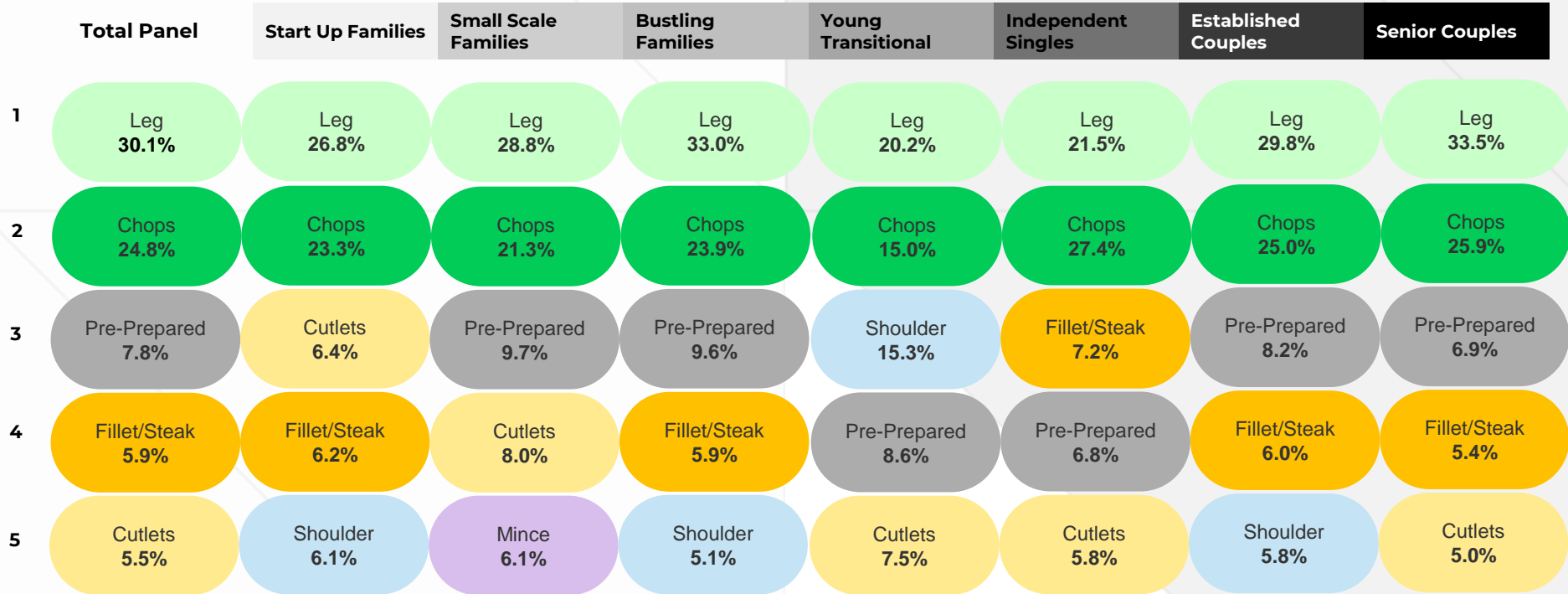


Absolute Value Growth vs YA



Legs and Chops are key cuts across the life stages. Pre-prepared is more prominent in Lamb as opposed to Beef

Total Fresh Lamb by Cuts | Volume Share & Growth by Lifestage | 52 weeks to 06/11/2022 vs YA



Source: NielsenIQ Homescan™

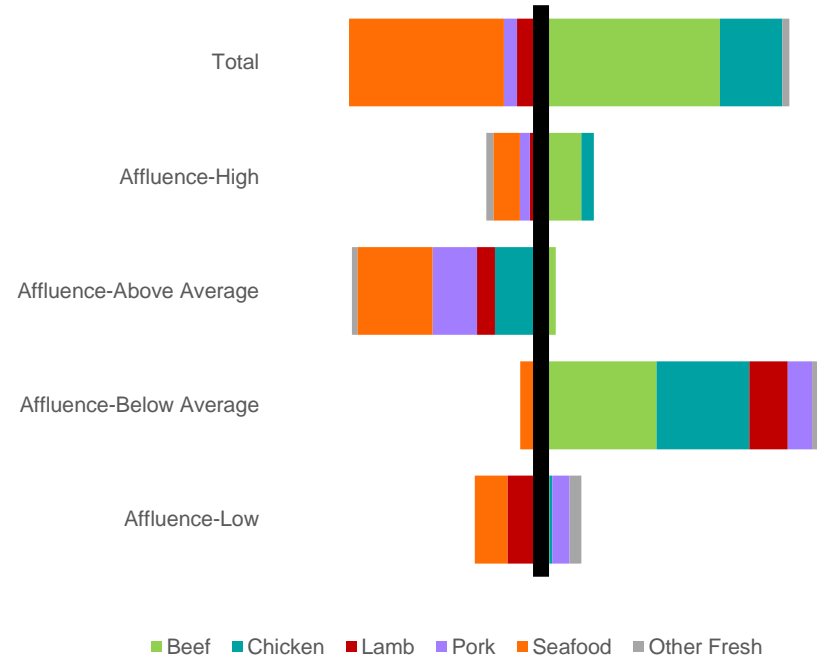
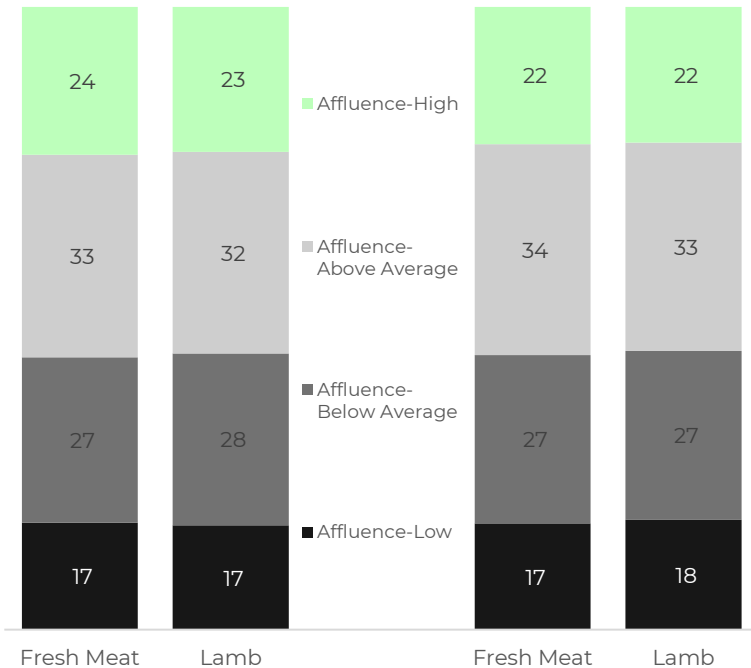
Above and High Affluence groups constitute more than half the buyers and value sales for fresh Lamb. Declines in Lamb spend seen across all affluence groups aside from Below average HH's.

Fresh Lamb | Affluence Performance | Total AUS | 52 weeks to 06/11/2022 vs YA

% Buying Households

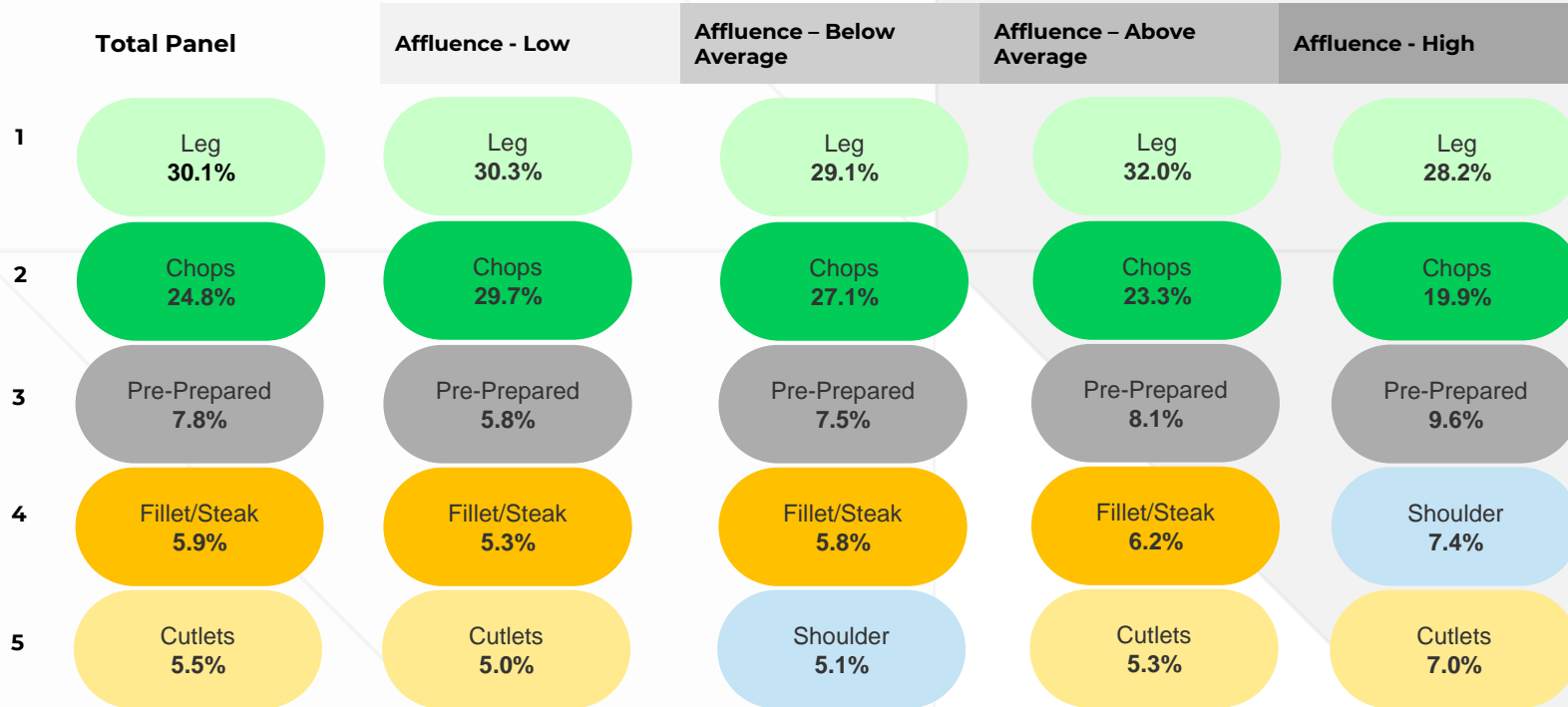
% Spend

Absolute Value Growth vs YA



Shoppers demonstrate similar cut preference across affluence levels

Total Fresh Lamb by Cuts | Volume Share & Growth by Affluence | 52 weeks to 06/11/2022 vs YA



Source: NielsenIQ Homescan™

Concern for Lamb as declines are primarily coming through its heavy buyers

Fresh Lamb | Heavy, Medium & Light | 52 weeks to 06/11/2022 vs YA



Light Lamb Buyers

52% of Lamb buyers and account for 18% of volume



Medium Lamb Buyers

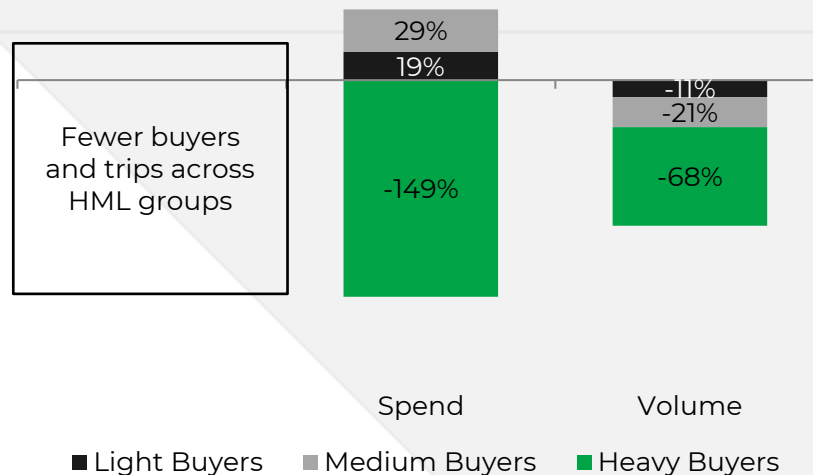
30% of Lamb buyers and account for 34% of volume



Heavy Lamb Buyers

18% of Lamb buyers and account for 48% of volume





% Contribution to Decline

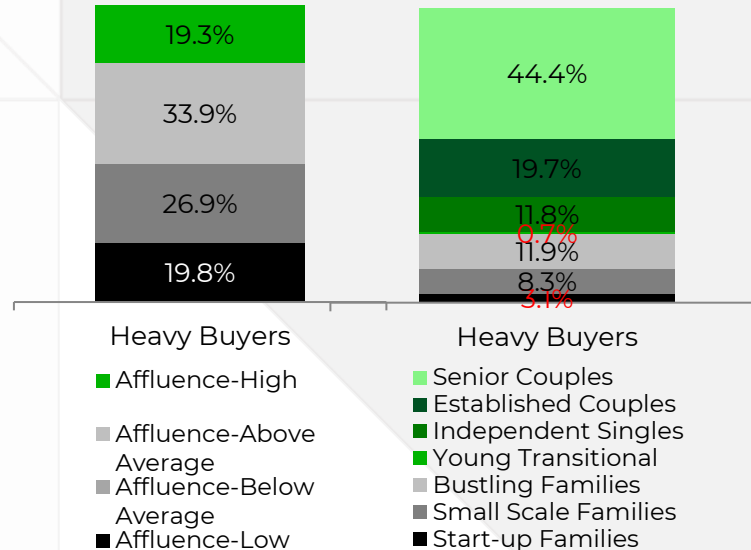


The core challenge is that there are fewer heavy Lamb buyers who are purchasing less frequently

Senior Couples significantly over-indexed for heavy buyers

Heavy Fresh Lamb | KPIs & Demographic Volume Distribution | 52 weeks to 06/11/2022 vs YA





	2020	2021	2022
 % of Buying Households	14.4	14.0	13.5
 Average buying occasions	22.3	22.8	22.1
 Avg Price	17.24	17.71	18.61
 Vol (kg) per trip	1.04	1.04	1.02

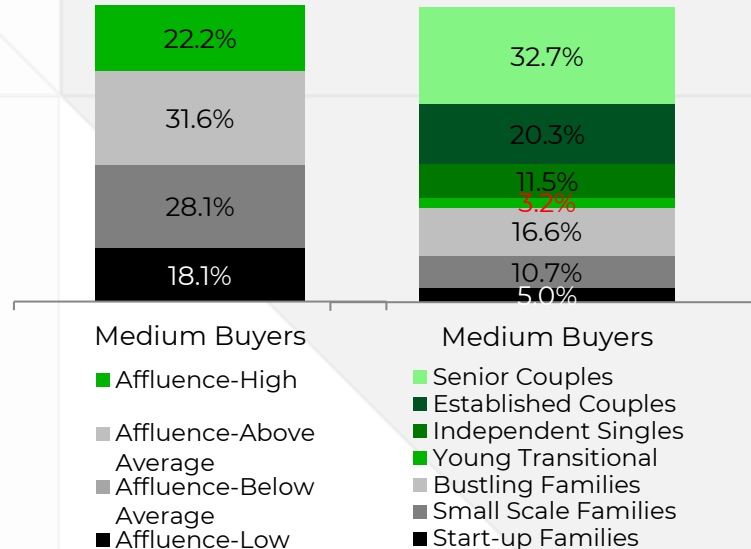


Medium buyers also declining in household reach and frequency

Like heavy buyers, Senior couples have the highest volume contribution for medium lamb buyers





Medium Fresh Lamb | KPIs & Demographic Volume Distribution | 52 weeks to 06/11/2022 vs YA

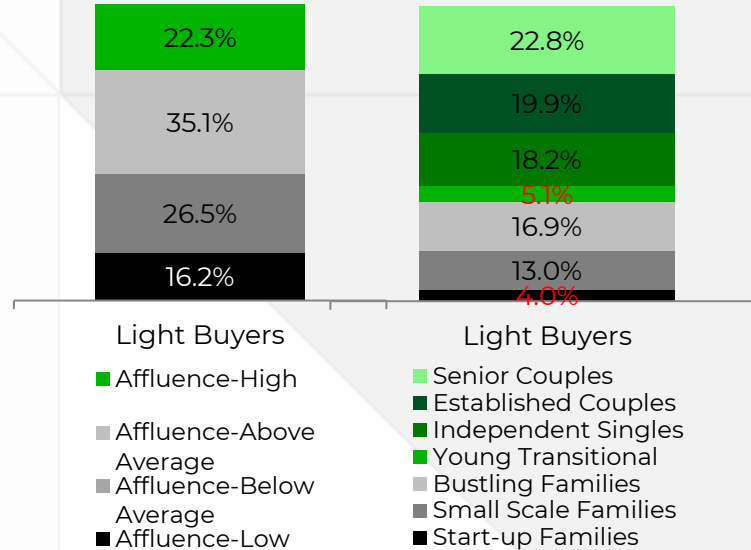
	2020	2021	2022
 % of Buying Households	22.6	22.1	21.8
 Average buying occasions	9.2	9.3	9.0
 Avg Price	16.69	17.04	17.89
 Vol (kg) per trip	1.06	1.07	1.08



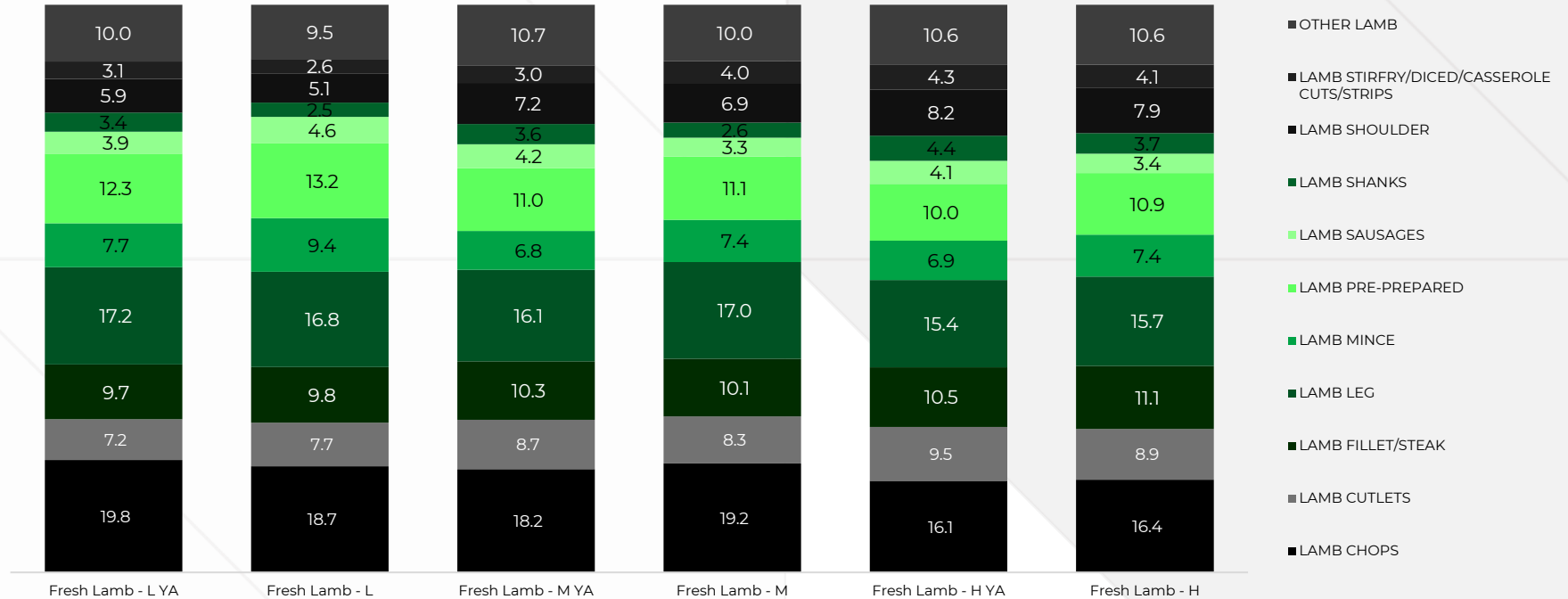
Light buyer behaviour only resulted in small declines across KPI's

Average affluence buyers have the highest volume contribution for Light Lamb buyers
 Light Fresh Lamb | KPIs & Demographic Volume Distribution | 52 weeks to 06/11/2022 vs YA

	2020	2021	2022
 % of Buying Households	38.5	37.8	37.7
 Average buying occasions	2.9	3.0	2.9
 Avg Price	16.28	16.74	17.66
 Vol (kg) per trip	1.05	1.05	1.04

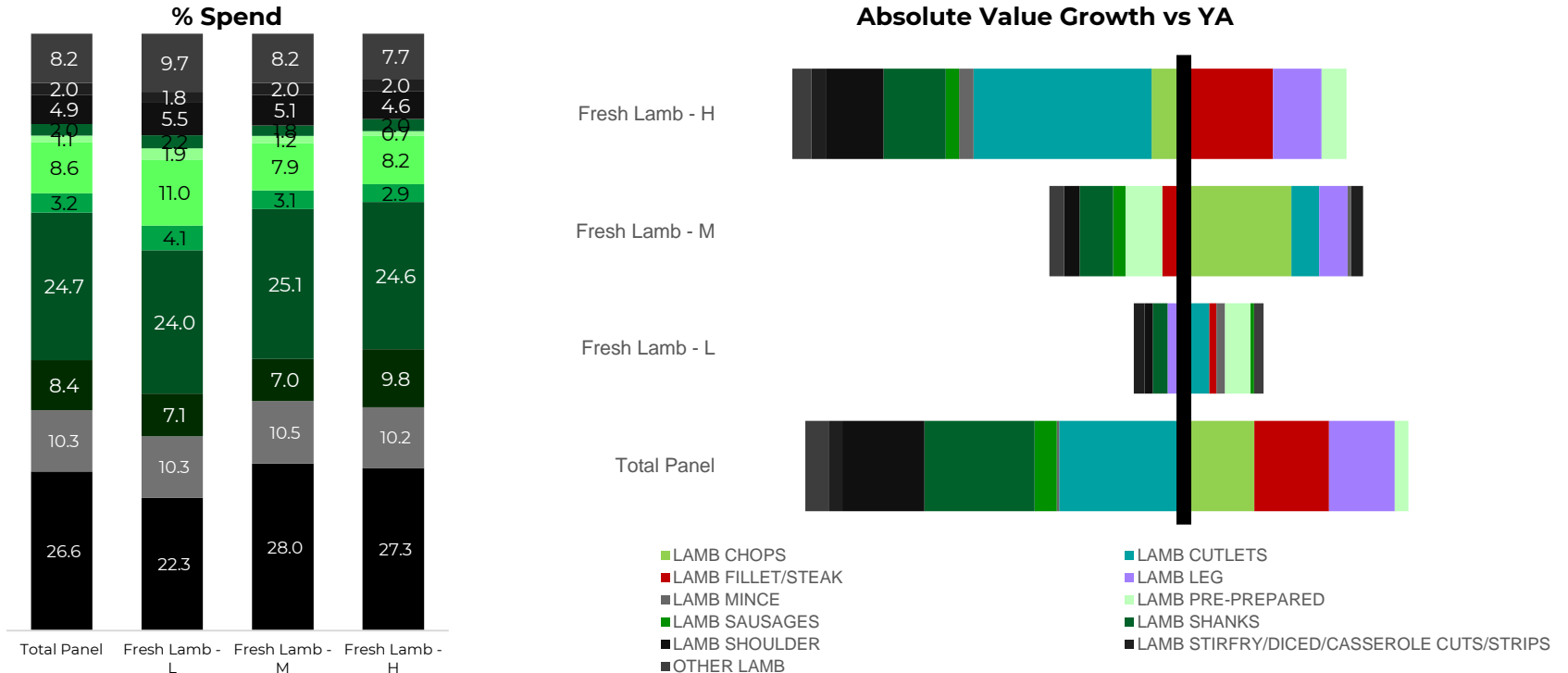


Lamb HML buyer repertoire by cuts



Heavy shoppers have reduced their spend on several key cuts, as such it's important to drive awareness and relevance of Lamb to consumers

Fresh Lamb by Cuts | Heavy, Medium & Light | Total AUS | 52 weeks to 06/11/2022



Source: NielsenIQ Homescan™

© 2022 Nielsen Consumer LLC. All Rights Reserved.

Beef and Lamb Performance Summary

Inflation driving value growth for Beef whilst consumption declines

- In line with the Australian FMCG Market, **Beef** managed to stay in **value growth due to price increases**. However, this has impacted the consumption of beef with **volume declining through 2022**.
- **Affordable** beef cuts in **Mince and sausages** are most popular and key in **driving value**. **Constrained wallets** are resulting in **shoppers reducing spend on premium steak cuts**
- **With light buyers declining in both value and volume**, re-engaging these shoppers is crucial to increase the consumption for Beef.

Lamb's struggling to retain buyers amidst cost-of-living pressures

- Lamb experienced a **challenging year declining** in both **Value and Volume, with fewer households buying less often**.
- Price rises and constrained household wallets appear to be driving much of the decline **with shoppers reducing consumption or removing lamb from their repertoire**.
- **Declines** can largely be attributed **to heavy Lamb buyers**; this group has significantly dropped in penetration over the past year. **With several key cuts in significant decline**, the focus is to **increase awareness** and bring shoppers back to lamb.



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

Terms of use: MLA data, reports and information

Meat & Livestock Australia Limited | ABN 39 081 678 364 | Level 1, 40 Mount Street, North Sydney NSW 2060 Postal address: Locked Bag 991, North Sydney NSW 2059 | Ph +61 2 9463 9333 | Fax +61 2 9463 9393 | mla.com.au

1. General

- 1.1 The reports, data and information provided to you (Data) are owned by Meat & Livestock Australia Limited (ABN 39 081 678 364) (“MLA”, “we”, “us” or “our”).
- 1.2 “You” or “your” means the person or entity that is provided with a copy of the Data.
- 1.3 Your access to and use of the Data is subject to these terms of use and any additional terms, notices and disclaimers which appear with or in the Data. If you do not agree with the terms, notice and disclaimers, you must not access or use the Data.
- 1.4 MLA may amend these terms of use from time to time and will notify you of any amended terms of use. If you do not agree to the amended terms of use, you should not continue to use the Data. Your continued use of the Data after these terms of use have been amended constitutes your acceptance of them.

2. Limited licence

- 2.1 MLA grants you a non-exclusive, royalty free licence to use the Data solely for your personal and business purposes. MLA may revoke this licence at any time by providing you with at least 14 days’ notice, in which case you must cease all use of the Data on expiry of the notice period.
- 2.2 You must not provide the Data to anyone else.

3. Copyright

- 3.1 All rights (including intellectual property rights such as copyright) in the Data, its content and design are owned by or licensed to MLA.
- 3.2 You must not remove, alter or obscure any copyright notices that appear on the Data.
- 3.3 You must not commercialise any information, content or designs contained in any part of the Data without the prior written consent of MLA.

4. Trade marks, trade names and logos

- 4.1 All trade marks, trade names, service marks and other names and logos on the Data are owned by or licensed to MLA and are protected by applicable trade mark and copyright laws.
- 4.2 You must not remove, alter or obscure any trade marks, trade names and other names and logos that appear on the Data.

5. Collection of information

- 5.1 If MLA requires you to provide personal information in connection with your receipt of the Data, MLA will collect, store, use and disclose this information in accordance with its privacy policy (found at www.mla.com.au/General/Privacy) and you consent to this.

6. Disclaimer and liability