

BACALHAU

Retail and Cash & Carry 23

Tiago Montenegro

New Business Development Manager @ NIQ Portugal

8th February 2024

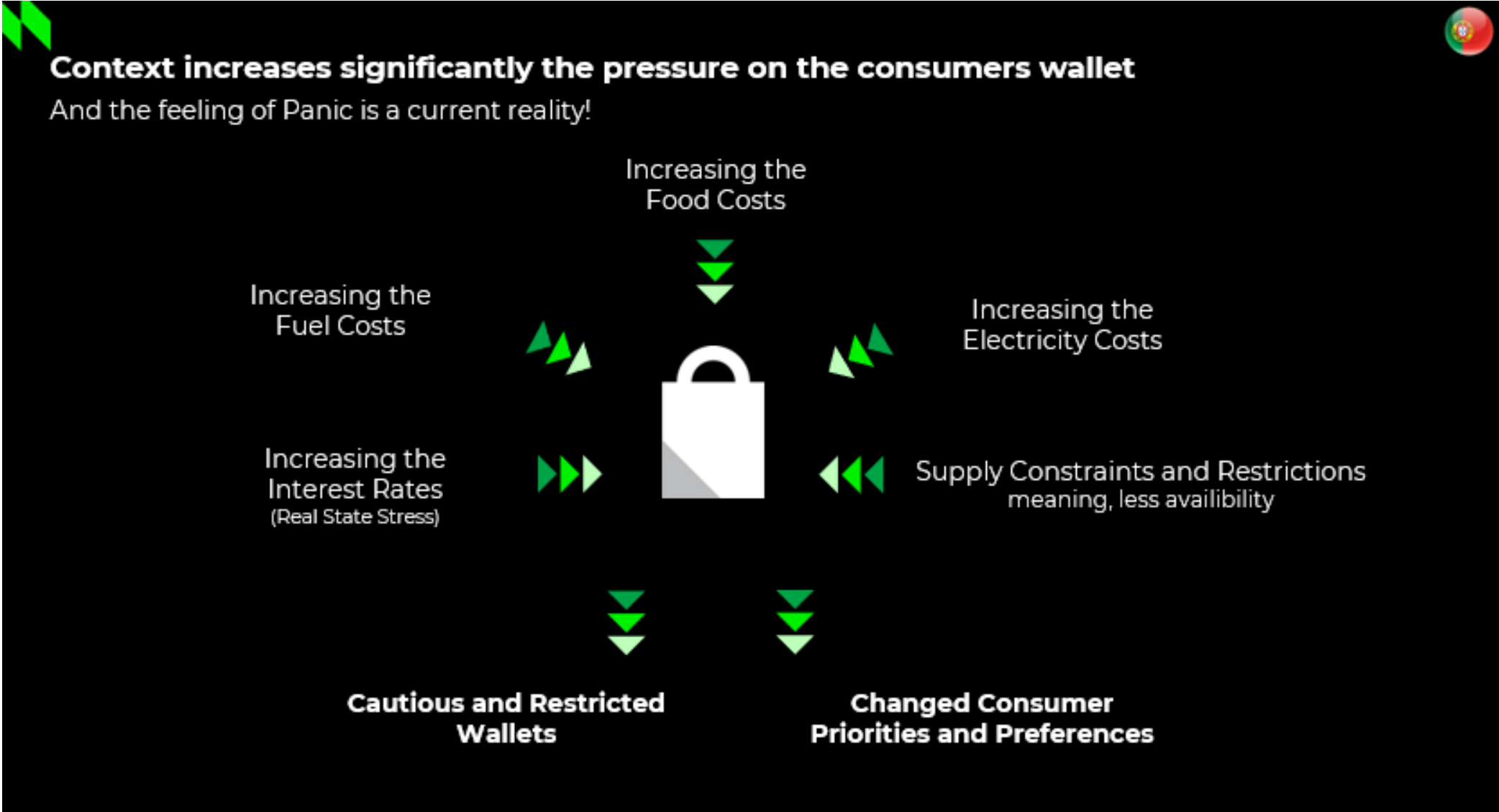
NIQ

SEAFROM
NORWAY
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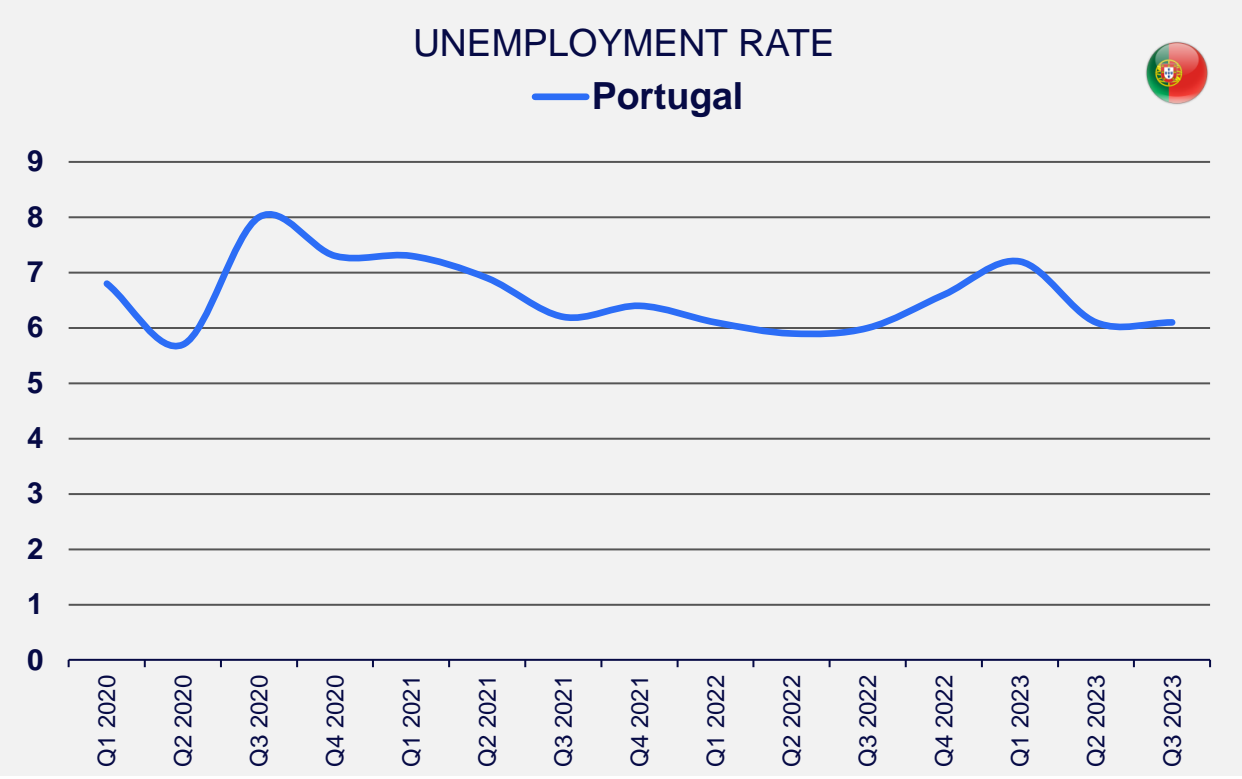
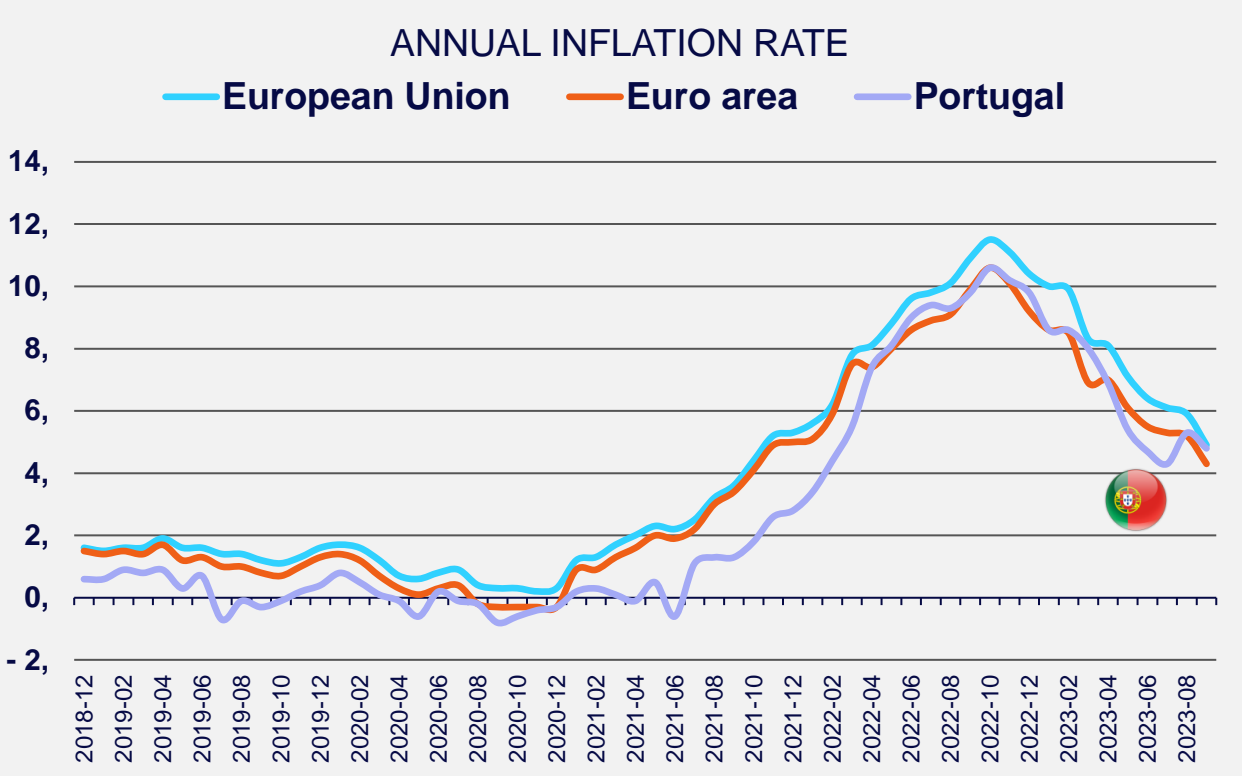
One Year Go, the expected scenario was already so complex for 2023!!!

In 2024 is more unstable and more unpredictable considering the local and global context

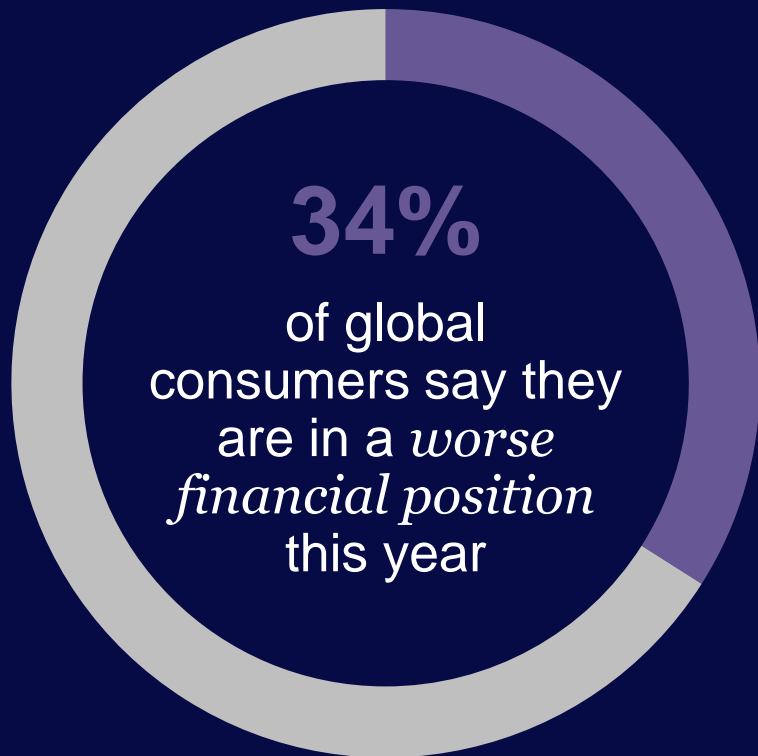


Despite the slow down, the inflation was there during 2023 in Portugal and in Europe

Unemployment in Portugal remains (still) at 6% last year

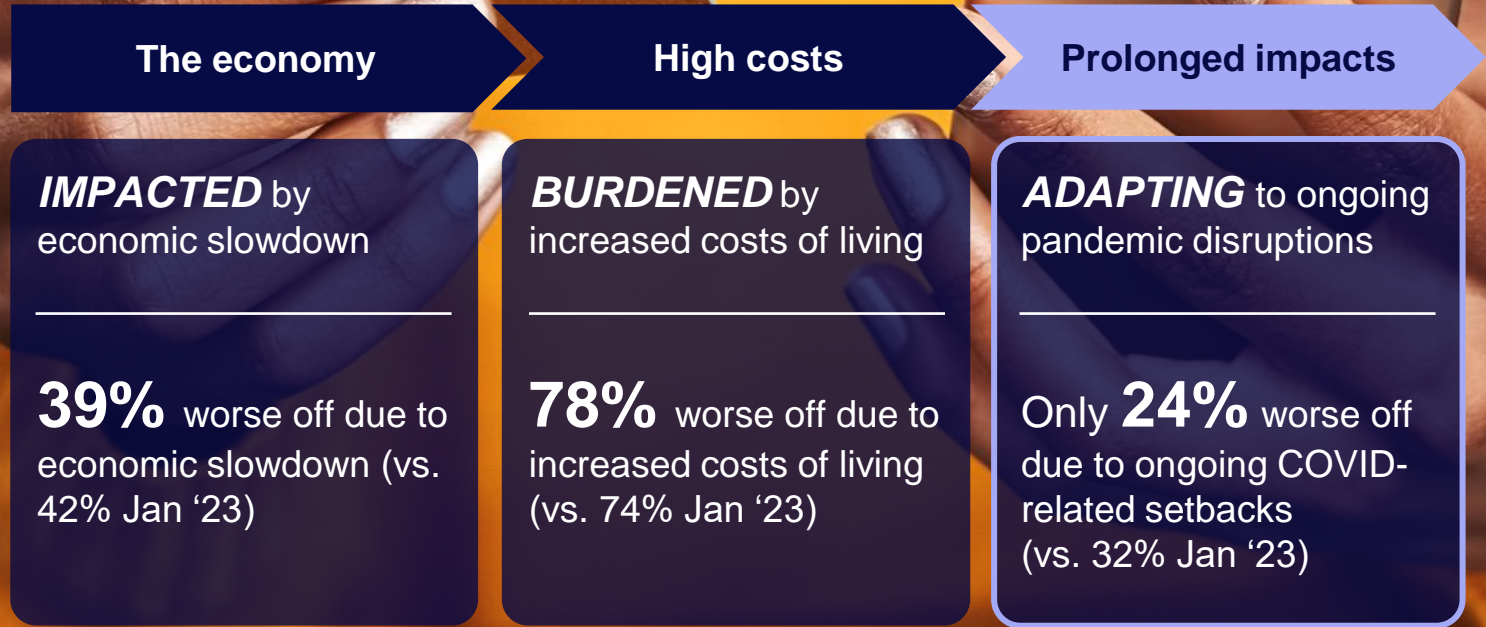


Source: Eurostat Web



vs. **39%** in Jan '2023

Source: NIQ 2023 Mid Year Consumer Outlook Survey
Interpreted as: "43% of global respondents plan to spend less on Out-of-home (OOH) Dining and Eating"



Consumers are feeling the pressure of prolonged and compounded economic impacts.

BUT....

There is optimism and always appear the “adaptation capacity” from the Portuguese citizen!!!

Long term pressure have shaped calculated or rational expenses, as consumers evolve their habits in line with the recent inflation slow down.

And the cumulative effects of disruption for years in a row keep the consumer prepared for what is coming

“Back to the Basics” is appearing again!!!

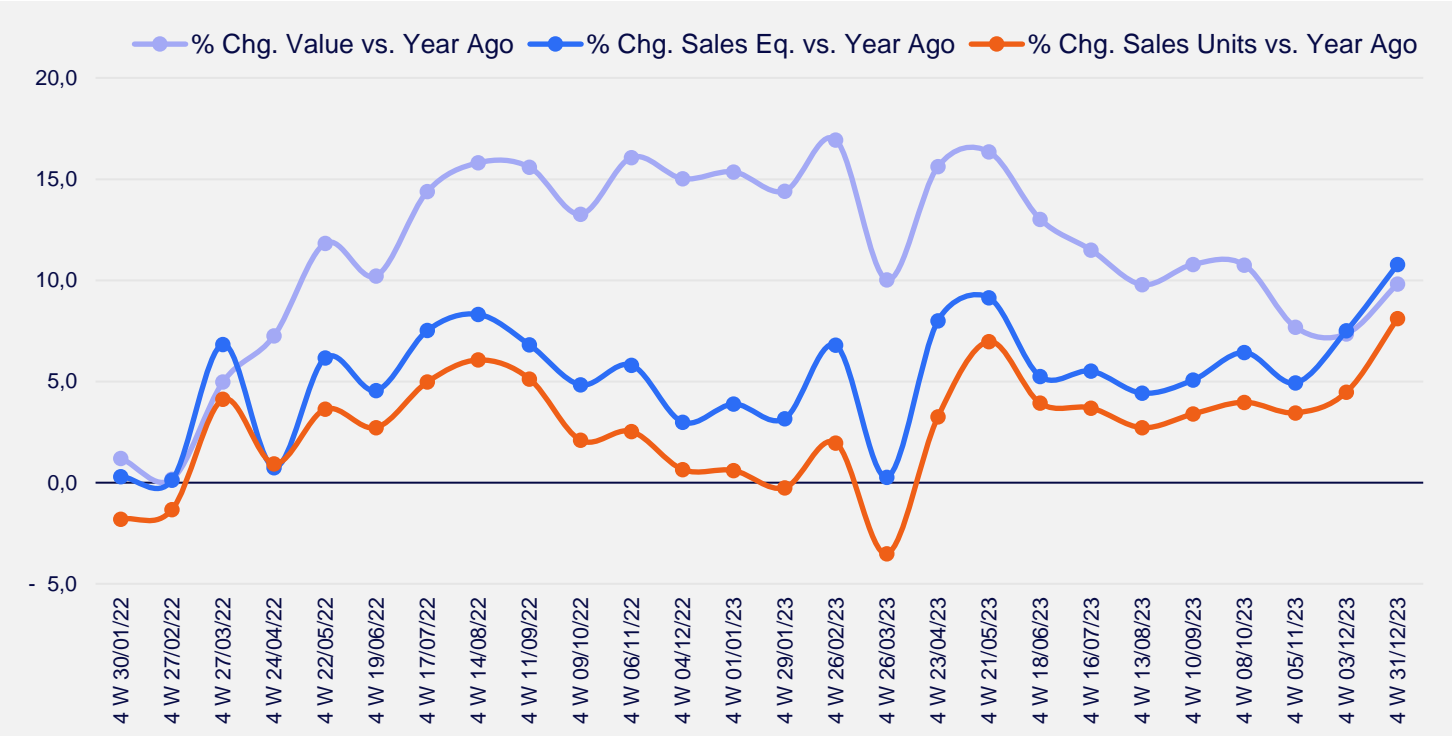
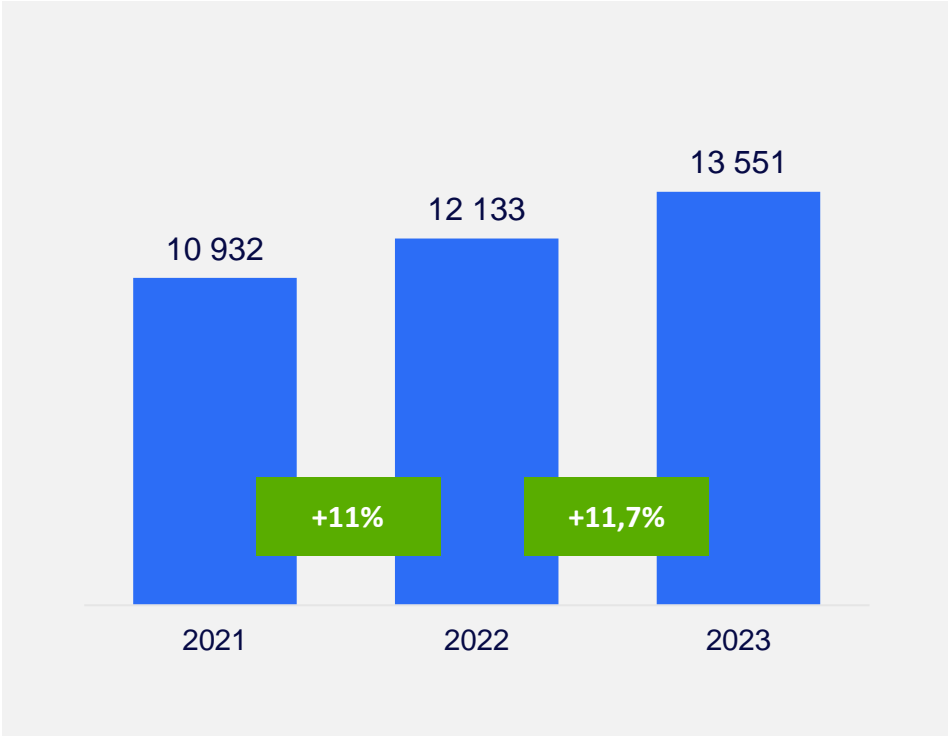


Off Trade in Portugal grows at 2 digits in 2023... and again with more volumes sold

But the reality is that prices kept increasing during 2023 (despite VAT = 0% on the basics)



FMCG | MKT + LIDL | Value (in M EUR)
 Latest year to date - Week Ending 31/12/23



Source: NIQ RMS MarketTrack FY'2023 | OFF TRADE (Hipers, Supers, Livre Serviços, Lidl)

So how Performed Bacalhau in 2023?



NIQ

Cash & Carry increasing invoice while Off Trade was stable in 2023

Q4'24 was critical to recover volumes registered until YTD Q3'24 (-5% in Cash and -6% in Food Stores)

Cash&Carry



Food Stores (Hypers + Supers + Groceries Stores)



FY 2023

Chg %

FY 2023

Chg %

Value Sales
(‘000 €)

35,778



9%

322,538



0%

Volume Sales
(‘000 Kg)

3,240



-2%

28,529



-2%

Source: NIQ RMS | MarketTrack and C&C Panel FY'2023

Bacalhau into Food Stores

Off Trade

NIQ



Dry Codfish pushing down the market in Off Trade for 2023

And Frozen Codfish got dynamism into Modern Distribution both in Value and Volumes

Total Food Stores



Frozen Codfish

Dry Codfish

		Value Sales (000' €)	% Value Change Vs. year Ago	Volume Sales (000' Kg)	% Volume Change Vs. year Ago
Frozen Codfish	FY 2022	78,386	↑ 8%	6,798	↓ -3%
	FY 2023	82,788	↑ 6%	6,959	↑ 2%
Dry Codfish	FY 2022	243,292	↑ 5%	22,421	↓ -16%
	FY 2023	239,750	↓ -1%	21,571	↓ -4%

Source: NIQ RMS | MarketTrack Panel FY'2023

Negative volume trends across main segments into Dry Codfish

Crescido is the exception with +24% volumes increase in 2023 vs 2022... and price should explain trends for sure

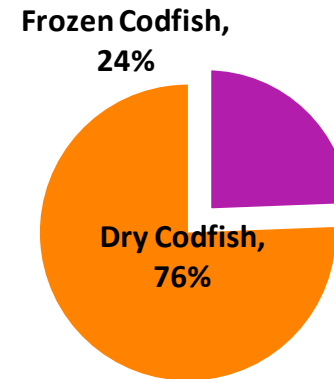
Total Food Stores



Market Share in Volume

Dry Codfish	FY 2022	FY 2023	% Volume Change Vs. year Ago
CRESCIDO	26%	34%	↑ 24%
GRAUDO	34%	29%	↓ -20%
ESPECIAL	19%	15%	↓ -24%
CORRENTE	4%	4%	↓ -9%

82% (Total market share for the four segments in FY 2023)



Av Price Kg	Price Evolution vs 2022
10.33 €	0.2%
12.13 €	7.8%
13.17 €	4.9%
9.48 €	8.8%

Source: NIQ RMS | MarketTrack Panel FY'2023

In Frozen Codfish, Desfiado is limiting the segment dynamism in 2023

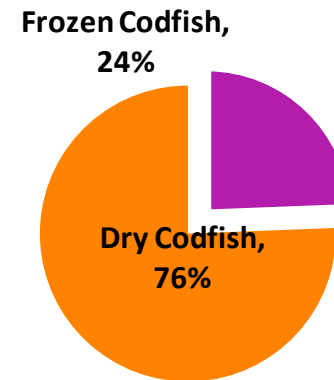
And also there is a price increase among each segment... like it happened also in 2022

Total Food Stores



Market Share in Volume

Frozen Codfish	YTD 22	YTD 23	% Volume Change Vs. year Ago
POSTAS	39%	39%	↑ 3%
LOMBOS	29%	29%	↑ 2%
DESFIADO	19%	18%	↓ -4%
CALDEIRADA	6%	7%	↑ 15%
} 94%			



Av Price Kg	Price Evolution vs 2022
10.19 €	4.7%
16.90 €	2.8%
11.10 €	6.2%
4.76 €	3.3%

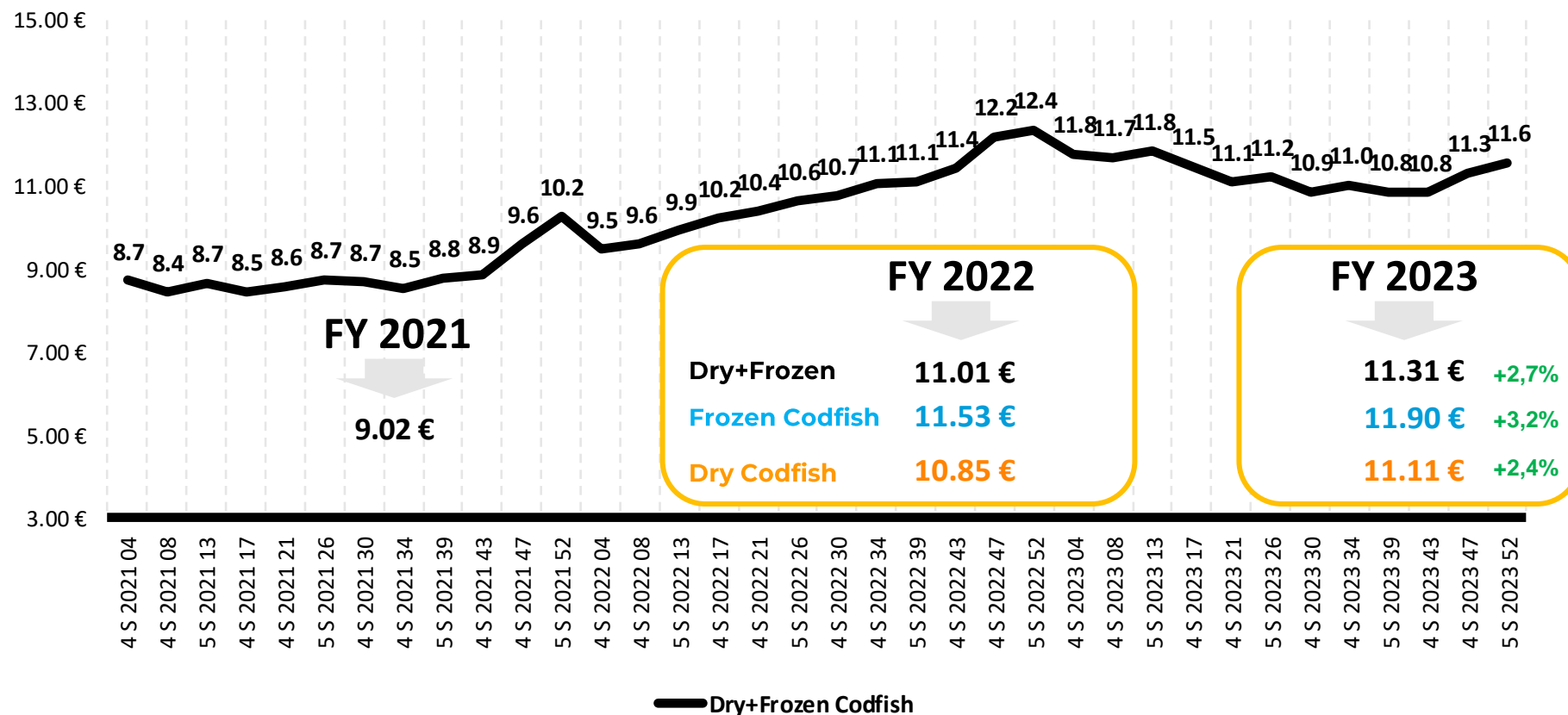
Source: NIQ RMS | MarketTrack Panel FY'2023

Average Price of Codfish during H2'23 was important to recover performances for the category

Overall the prices increased around +3% in 2023 vs 2022... clearly below the average in Portugal

Total Food Stores – Volume Price (Kg)

Dry + Frozen Codfish



Source: NIQ RMS | MarketTrack Panel FY'2023

Christmas and Q4'23 was really critical to recover volumes in Off Trade

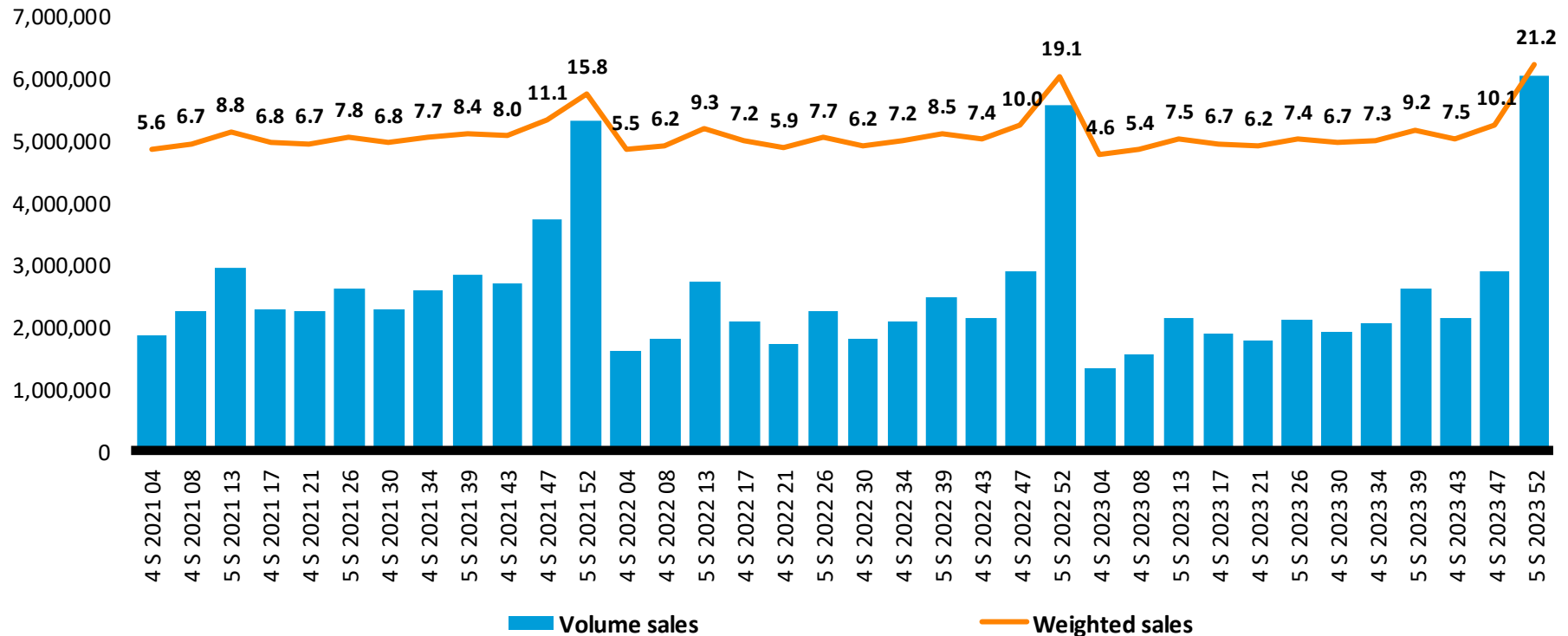
Season accounted for 31,4% of the volumes in 2023

Total Food Stores – Volume Sales (Kg)

Dry + Frozen Codfish



% Volume sales vs Full Year and Sales Variation % vs Last Year



Source: NIQ RMS | MarketTrack Panel FY'2023

*Bacalhau into
Cash & Carries*

*On Trade
Supplier*

NIQ

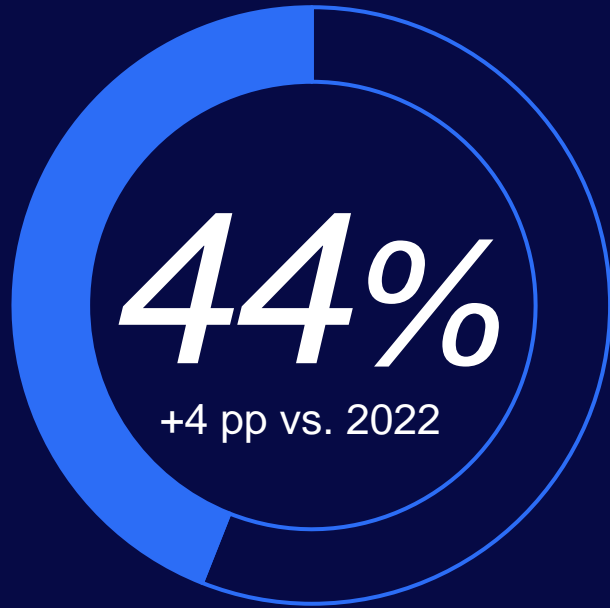


In Portugal, saving behaviors benefit the Mass Market converting the consumption from Out of Home to In Home

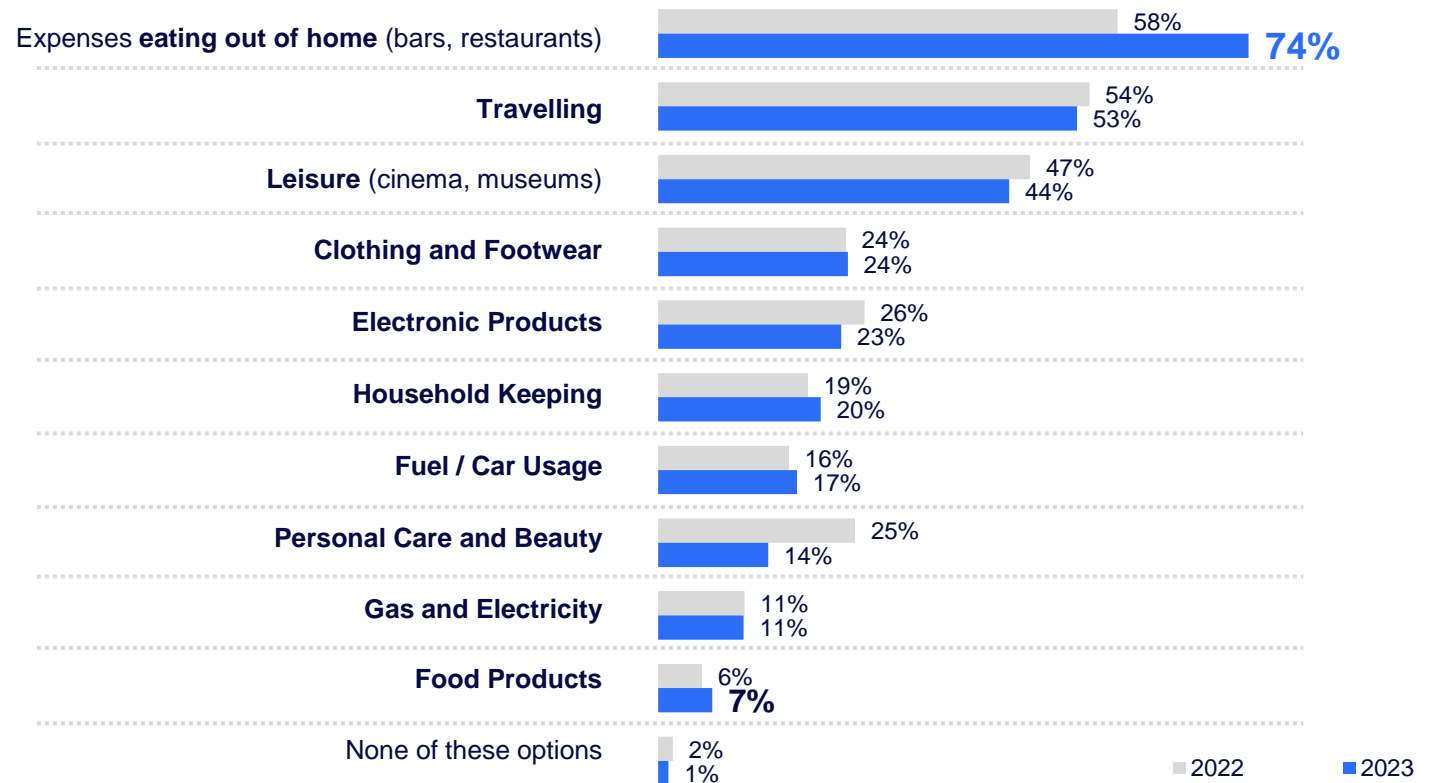
Portuguese save eating out of home... but not on Food and Basic products



If you had to save, what are the m3 main categories you would cut?



Of Portuguese say:
“I only have money for the basic expenses”



Source: NIQ | Consumer Panel | Survey: New Economic Divide PT June 2023

**59% of Portuguese still have
1 meal out of home in 2023...
against 56% in 2022**

**63% of Portuguese purchased
Ready Meals / Take Away in the
last 3 months**



NIQ

Q15_5: HÁBITOS DE UTILIZAÇÃO DE DELIVERYQ15_5. Nos últimos 3 meses, comprou refeições prontas/take away para levar para casa ou para o trabalho?

It would be expected to have Horeca to contract in Portugal given the history and the context

But... there are side effects!



But... Horeca surprises growing +9% vs Pre Pandemic and +12% vs 2022

Restaurants, Snacks and Organized Horeca are leading the growth



PORTUGAL INCIM



Cafés

-6,9%

9,2%



Hotéis+Bares

17,3%

11,0%



Restaurantes

20,4%

15,8%



Snacks

12,2%

14,5%



INCIM Organizado

28,0%

11,1%

9,2%
Variation
2023 vs 2019

12,1%
Variation
2023 vs 2022

Tourism impact into PIB keeps growing



Estimated to contribute with **40,4** thousand of Million € until the end of 2023

On trade benefiting from the increase of people spending days in the country, and also by the foreign population living

Expresso50

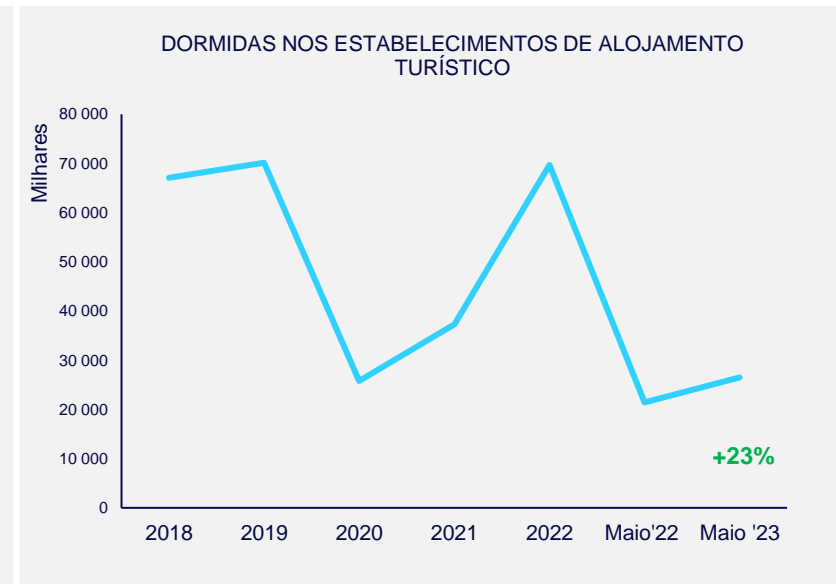
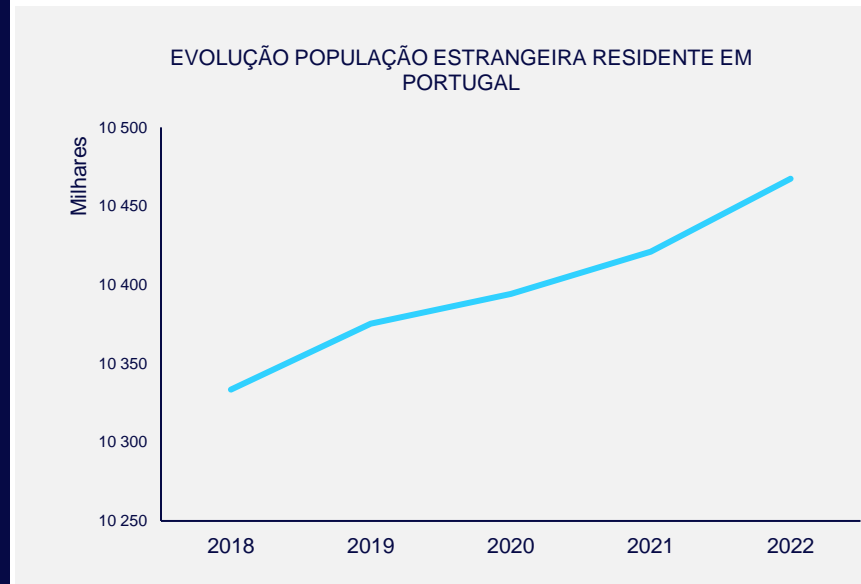
Sector deverá contribuir com €40,4 mil milhões para a economia este ano, estima o World Travel & Tourism Council, devendo atingir 16,8% do PIB

Em 2023, o sector do turismo e viagens deverá contribuir para a economia portuguesa com €40,4 mil milhões, representando 16,8% do seu Produto Interno Bruto (PIB), e pela primeira vez a ultrapassar o pico atingido em 2019, antes da pandemia. Esta é uma das conclusões do

d dinheiro vivo | Economia Empresas Mercados Fazedores Gestão Marketing Opinião Capas (TSF)

Viagens e turismo valem 40,4 mil milhões de euros do PIB em 2023

Segundo o Conselho Mundial de Viagens e Turismo, o setor deve aumentar a sua contribuição para o Produto Interno Bruto para 56.400 milhões de euros até 2033, representando mais de um quinto (21,1%) da economia portuguesa.



For Codfish, the negative volume trends in Cash & Carry are explained by Frozen

Dry Codfish appears with a strong performance in Q4'24 and could increase +11% invoice remaining stable on volumes

Cash & Carry



**Frozen
Codfish**

**Dry
Codfish**

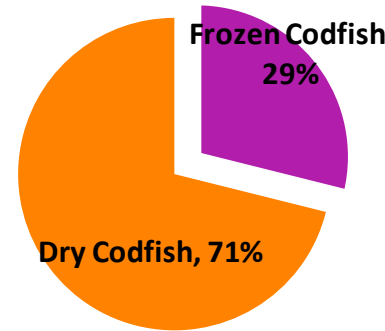
		Value Sales (000' €)	% Value Change Vs. year Ago	Volume Sales (000' Kg)	% Volume Change Vs. year Ago
Frozen Codfish	FY 2022	9,663	↑ 20%	1,008	↑ 5%
	FY 2023	10,249	↑ 6%	936	↓ -7%
Dry Codfish	FY 2022	23,012	↑ 11%	2,302	↓ -12%
	FY 2023	25,528	↑ 11%	2,304	→ 0%

Source: NIQ RMS | Cash & Carry Panel FY'2023

Crescido is the most critical segment for Dry Codfish with -28% Volumes

Compensated by Graudo and Especial (this one is inclusively reducing price/kg in 2023)

Cash & Carry



Market Share in Volume

Dry Codfish	FY 2022	FY 2023	% Volume Change Vs. year Ago
GRAUDO	22%	24%	↑ 12%
ESPECIAL	14%	23%	↑ 60%
CRESCIDO	21%	15%	↓ -28%
MIGAS	15%	14%	↓ -10%
} 77%			

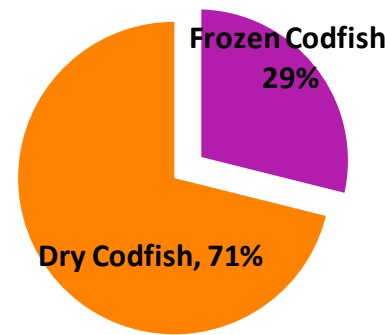
Av Price Kg	Price Evolution vs 2022
12.97 €	11.3%
12.75 €	-5.7%
11.15 €	7.8%
9.25 €	7.4%

Source: NIQ RMS | Cash & Carry Panel FY'2023

In Frozen Codfish, Desfiado is the only segment growing volumes in 2023

Frozen much more impacted in terms of price increases... and so the volumes break!

Cash & Carry



Market Share in Volume

Frozen Codfish	FY 2022	FY 2023	% Volume Change Vs. year Ago	Av Price Kg	Price Evolution vs 2022
POSTAS	40%	40%	↓ -8%	9.46 €	12.0%
LOMBOS	31%	29%	↓ -13%	15.32 €	20.4%
DESFIADO	20%	23%	↑ 7%	9.72 €	10.9%
CALDEIRADA	5%	4%	↓ -16%	4.75 €	7.4%
} 96%					

Source: NIQ RMS | Cash & Carry Panel FY'2023

As we had for Off Trade, Christmas was also important to recover volumes in Cash & Carry

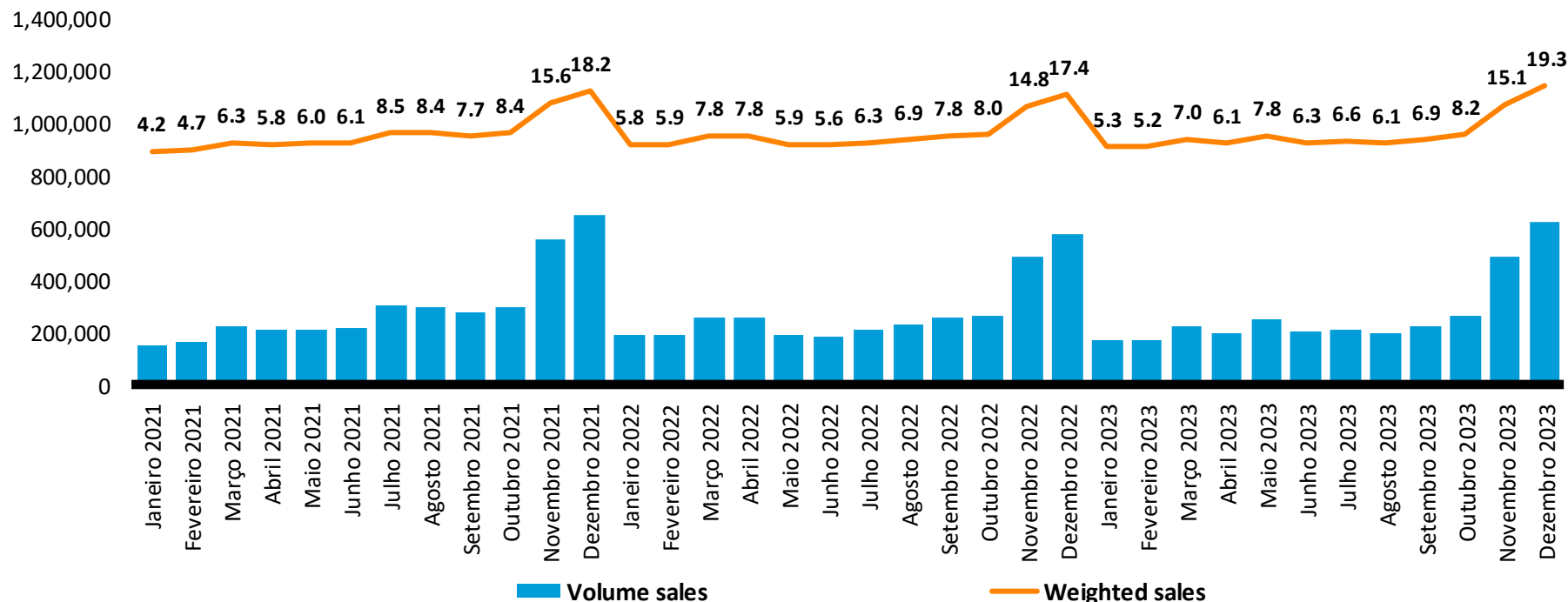
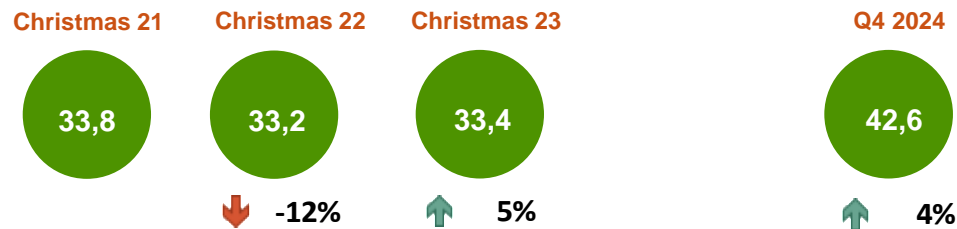
Season accounted for 33,4% of the volumes in 2023... and Q4'24 means 42,6% of the full year sales

Total Food Stores – Volume Sales (Kg)

Dry + Frozen Codfish



% Volume sales vs Full Year and Sales Variation % vs Last Year



Source: NIQ RMS | MarketTrack Panel FY'2023

5 emerging global trends to focus on

1

Persistent Inflation:

Deceleration differs from decline. News of inflation stagnation have been greatly exaggerated. The compounding impact of recent inflation has not gone away, and prices remain high.

Future Indicator:
The cumulative & compounding impact of inflation

2

Growing consumer resilience:

Consumers are finding coping strategies to navigate the cost-of-living crisis. They remain pressured but have found some comfort through calculated spending and future planning.

Future Indicator:
The global state of jobs and employment

3

The era of calculated spending:

In-home priorities prevail among global consumers. Spending is being redirected away from big-ticket, out-of-home discretionary spending, with a priority on utilities and groceries. Any splurging is being handled in calculated ways using multiple strategies for saving.

Future Indicator:
The role of affordable luxuries in FMCG, tech & durables

4

Private Label staying power:

Private label has experienced another period of strong growth, signaling continued demand among consumers and unique “push vs. pull” shelf power for retailers. Innovation to justify premium / unique brand positioning will be critical to navigating price gaps between offerings.

Future Indicator:
The retailer role in shifting share of assortment

5

Growth beyond price:

Consumers are spending more for less products, and volumetric declines pose a major future risk for all businesses. Strong value growth has been driven by inflation, hiding declining consumption by consumers. Potential risks to share market value / profitability of businesses.

Future Indicator:
The global reliance on promotions to sustain volume

Thank You!

“Even with the context, PT shopper doesn’t seem to remove Codfish from their basket, specially during the Season which is expected to gain even more relevance in 2024”

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