

The Portuguese clipfish market 2017

On this presentation we will try to answer:

- How is the Portuguese economy doing?
- Are the consumer habits changing?
- How is the consumption of Clipfish at Home ?
- What is the performance of Clipfish in Modern Distribution?
- What is the performance of Clipfish in the Cash & Carry Market?

How is the Portuguese economy doing?

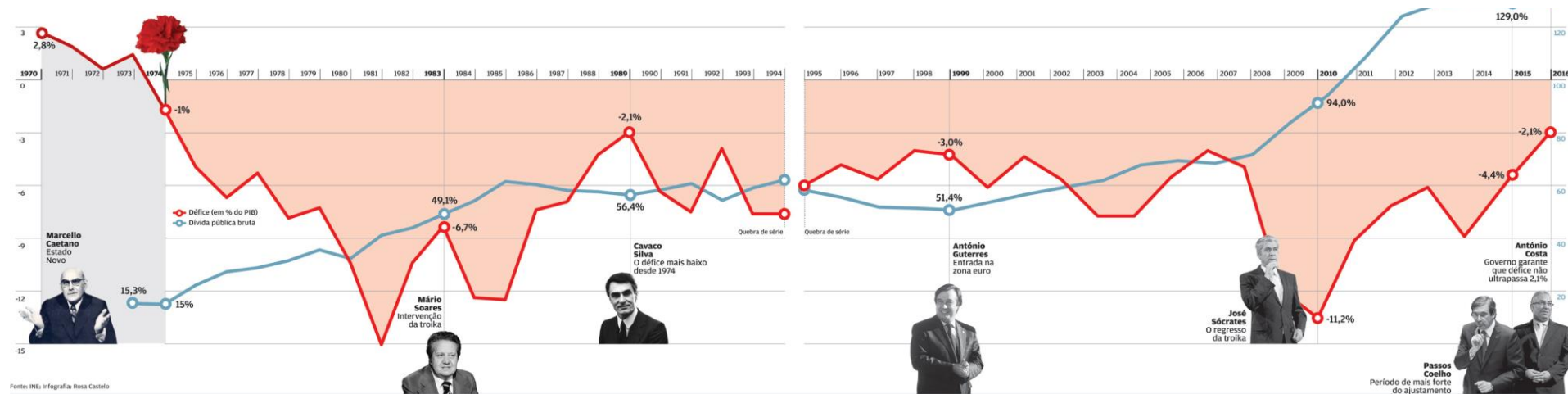


Centeno: Execução orçamental permite cumprir défice e dívida em 2017

2017: Deficit All Time Low, 1,5%

Dos excedentes da ditadura aos -2,1% de Centeno: a história do nosso défice

O gráfico em baixo permite verificar que, caso se confirme o valor anunciado por Mário Centeno, o défice de 2016 será o mais baixo da democracia portuguesa (em 1989 foi 2,13% e Centeno diz que o deste ano não ultrapassa os 2,1%). No entanto, também permite ver que a dívida pública está ainda em máximos perigosos.

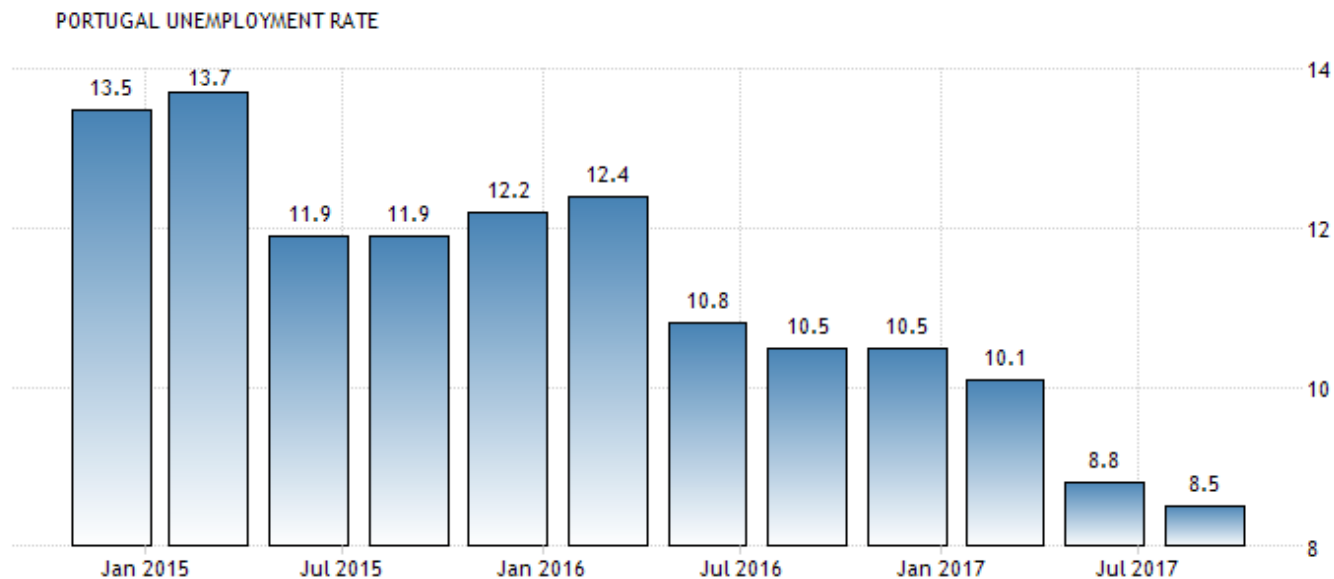


Portugal Aims to Narrow Budget Deficit to 1% as Economy Grows

- Deficit lower than 1%
- Growth 2018 2%
- Tourism growth of 10% to 14%
- ♦

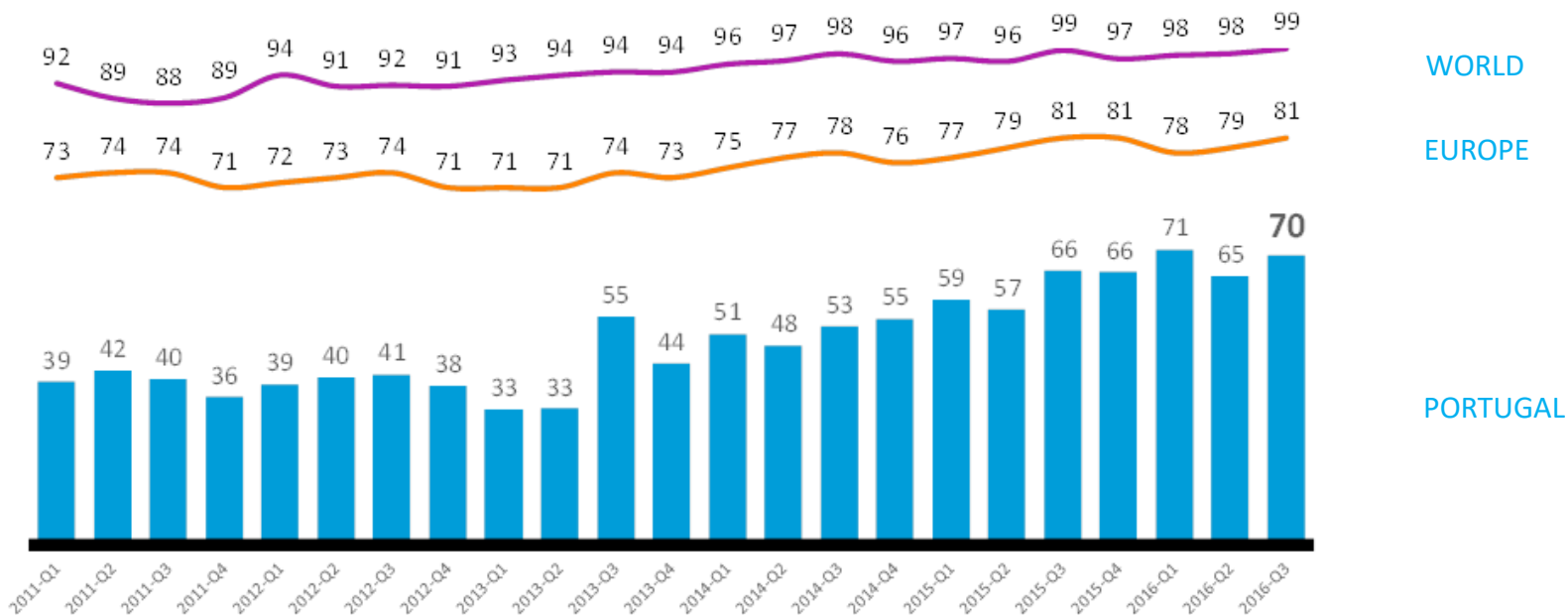


Unemployment Rate Under 9% in 2017.



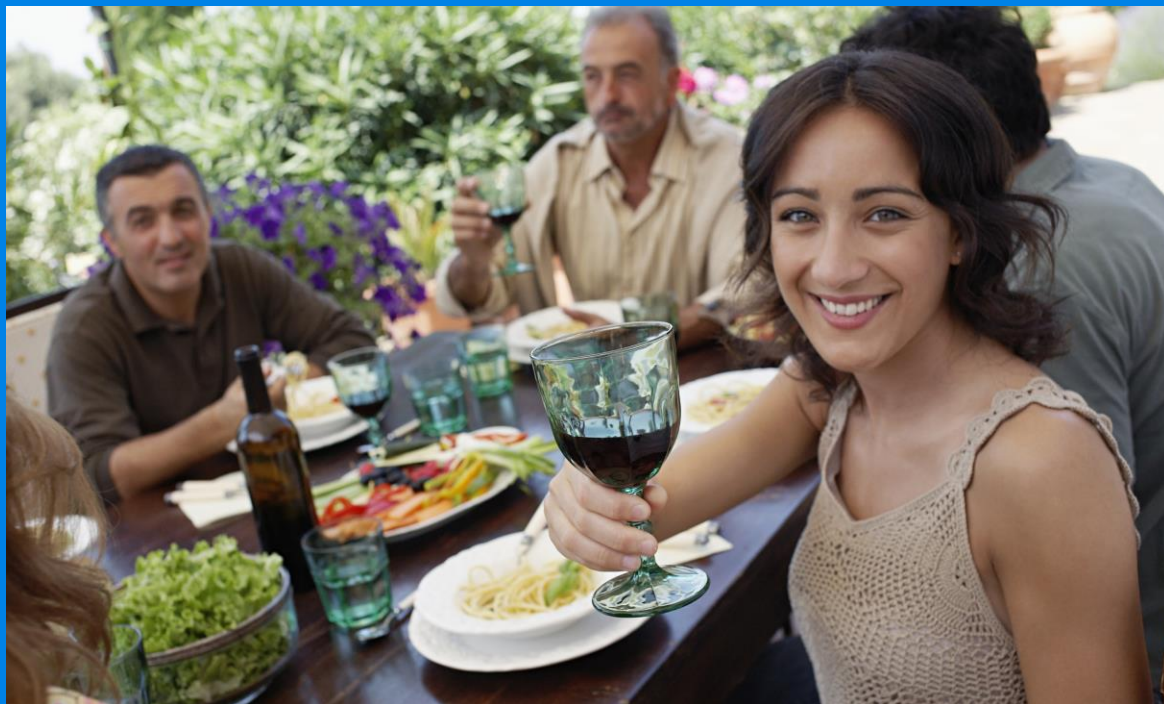
SOURCE: TRADINGECONOMICS.COM | STATISTICS PORTUGAL

Portuguese Consumers Confidence Index with a positive trend and with the highest level of Confidence of the last years



Source - AC Nielsen

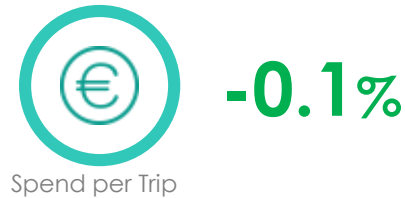
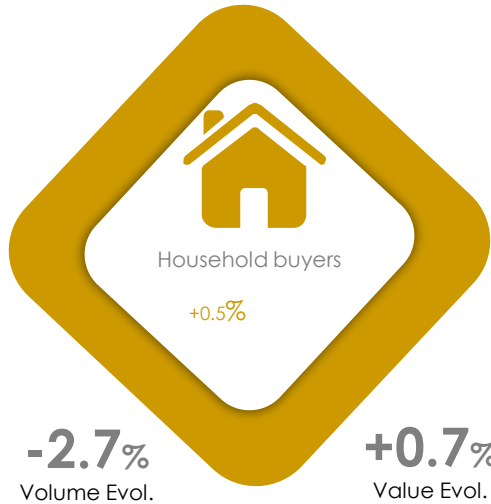
How are consumers changing in Portugal ?



PORTUGUESES HH'S ARE BUYING LESS BUT MORE EXPENSIVE FOOD

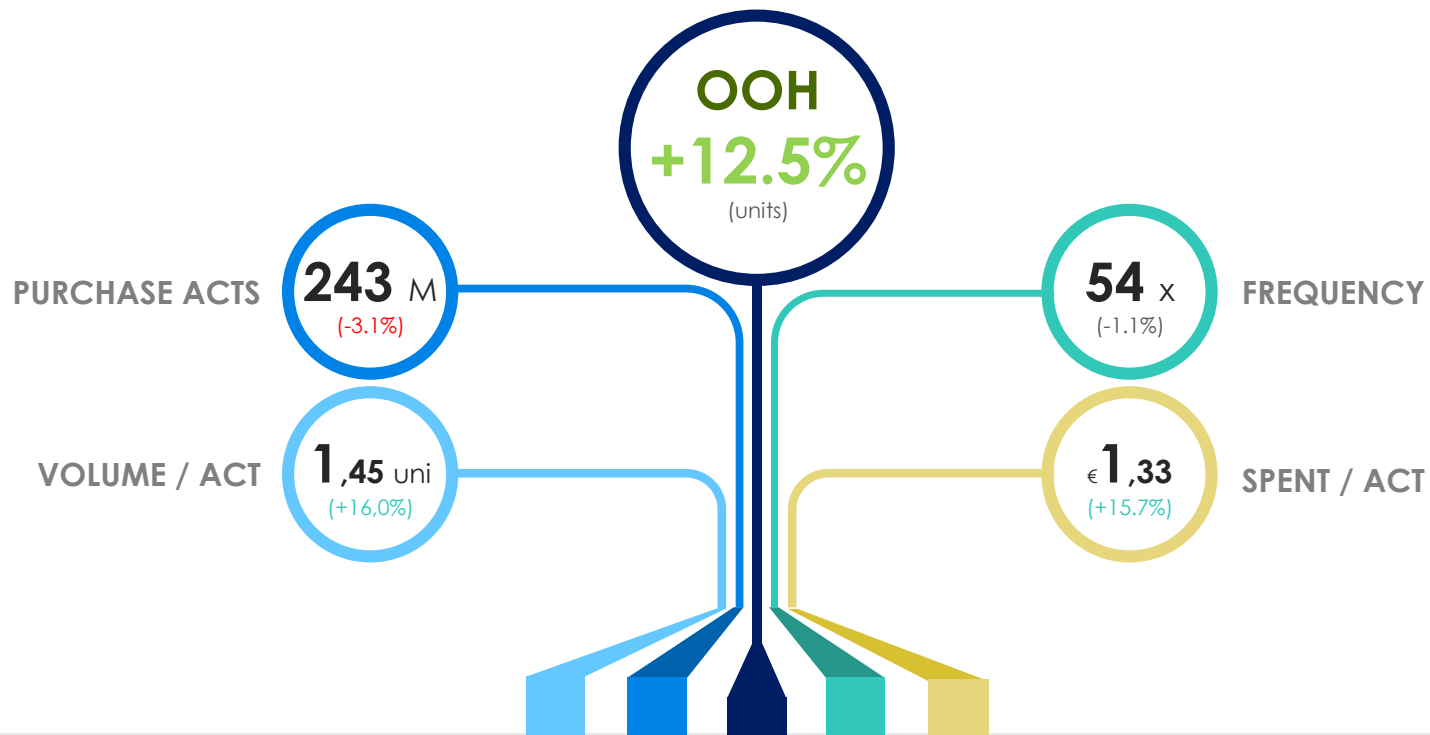
FMCG | KPI's Evolution | YTD P13'17 vs YTD P13'16

Total FMCG (Fast Moving Consumer Goods)



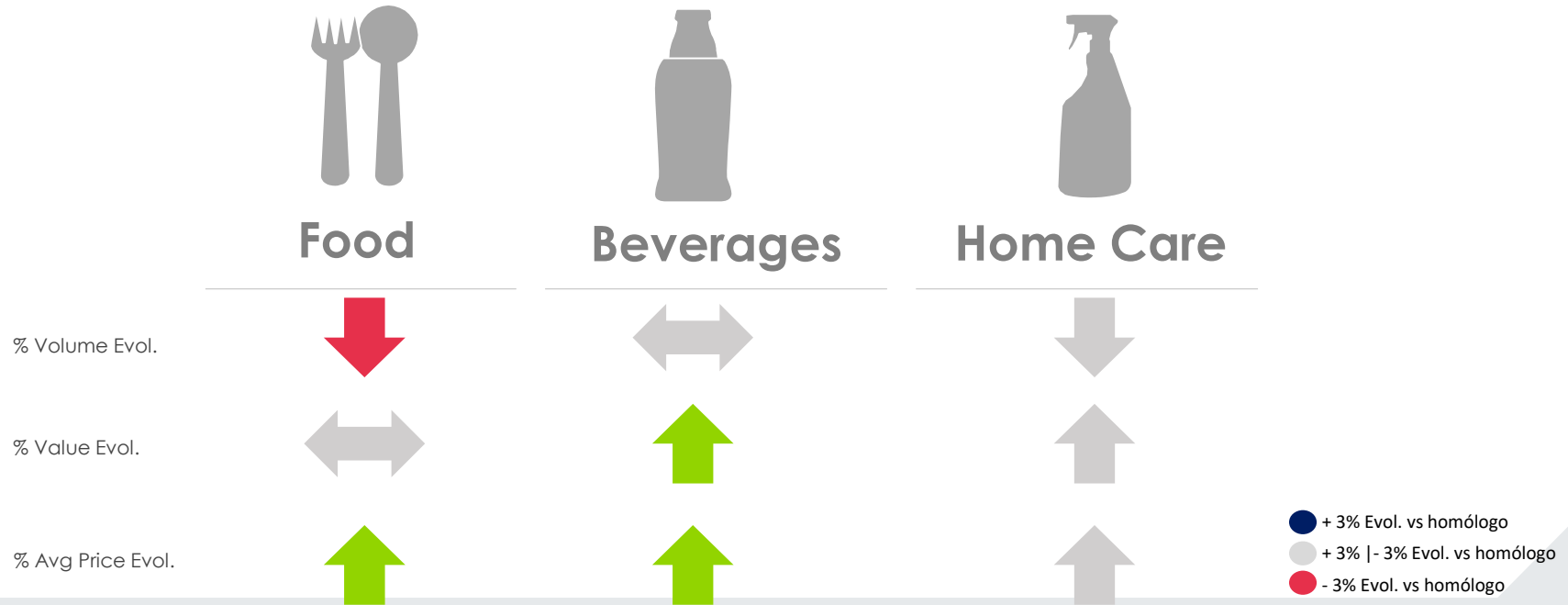
.....AND SPEND MORE WHEN OUT OF HOME

OOH | Drinks & Snacking Evolution Out of Home | YTD Q3 2017 vs. homologous



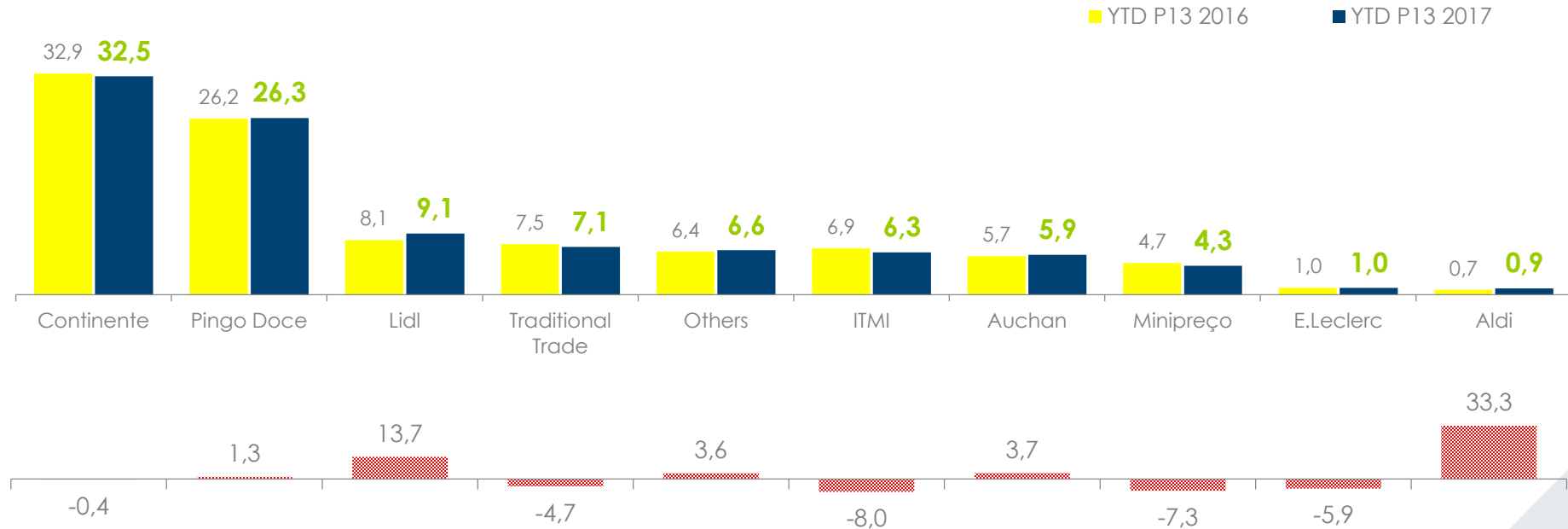
AFFECTING IN HOME PURCHASES MAINLY FOOD CATEGORIES, OTHER CATEGORIES STABLE

FMCG | Volume, Value and Average Price Evolution per Sector | YTD P13 2017 vs YTD P13 2016



LIDL AND ALDI ARE GROWING AND HOLDING FMCG* VALUE (€)

FMCG | Retailers Share and Evolution % Value | YTD P13 2017 vs. homologous



How is the consumption of Clippfish at Home ?



One of the major products for the Portuguese families

3.5 million Portuguese HH's

bought at least once **Cod Fish** in 2017

87,3%

Penetration

6,0 days

Frequency

19,20€

Spend X Act

2,33 kgs

Volume X Act

Volume Evol. %
-5,7%



Value Evol. %
-0,6%



Source - Kantar 2017



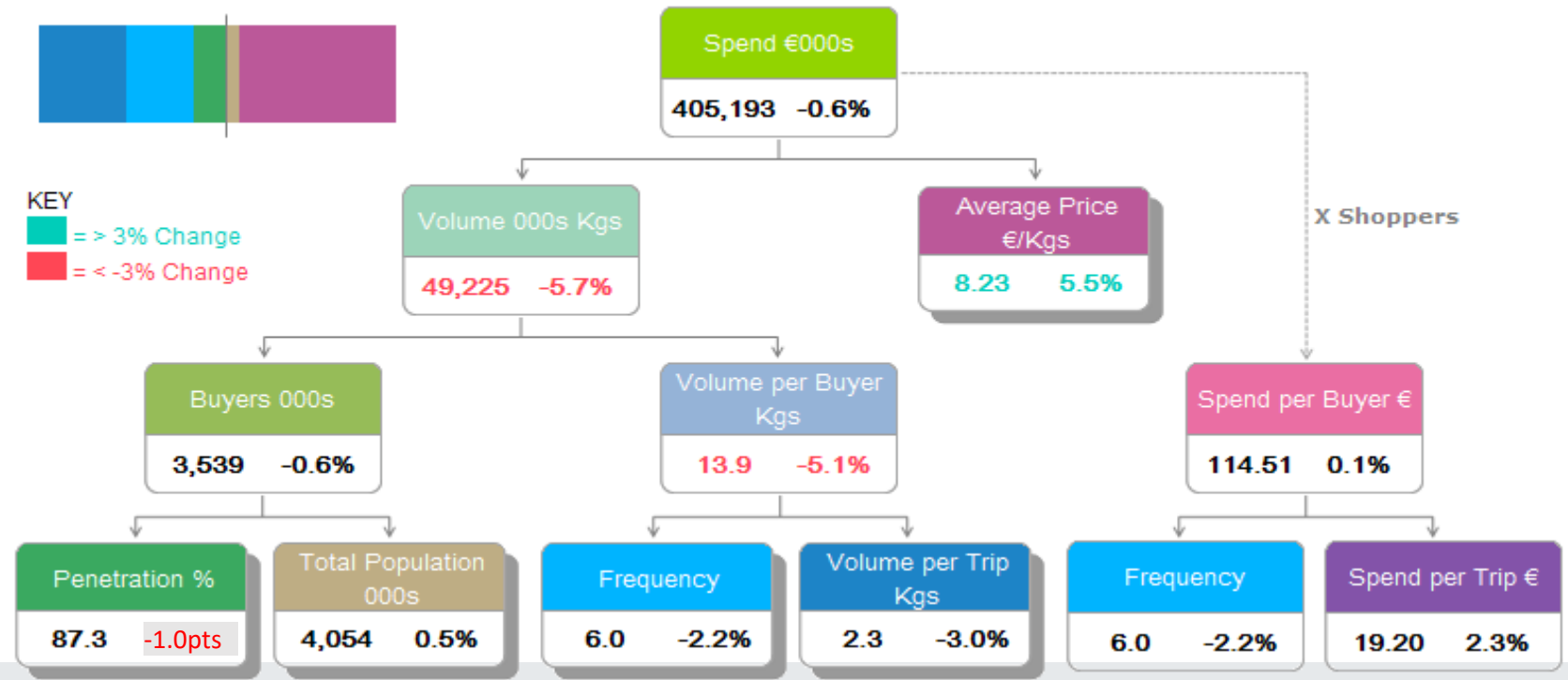
LESS SHOPPERS AND LOWER PURCHASE INTENSITY IN COD DURING 2017 HOWEVER A STABLE CATEGORY IN VALUE

Total Cod Fish | KPI's (Market Indicators) | Ytd P13 2017 vs Ytd P13 2016

Attribution of Change in Spend



KEY
=> 3% Change
=< -3% Change



DRIED COD DROVE MARKET TREND



Total Cod Fish | KPI'S Contribution to Segments evolution (%) and Volume Share | Ytd P13 2017 vs Ytd P13 2016

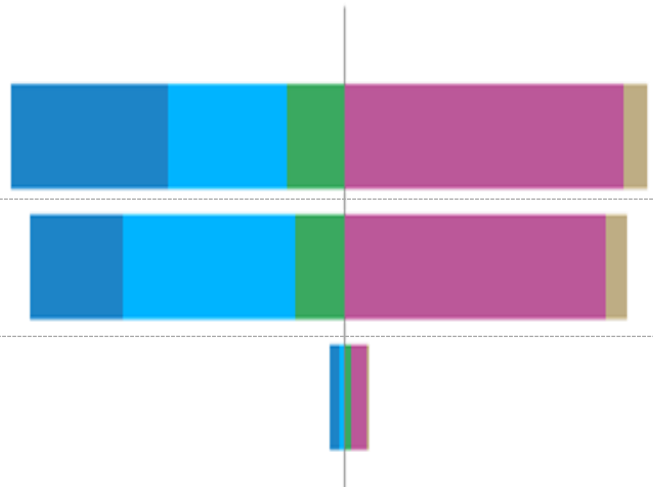
KPI's Contribution for Growth

Volume Evol. (%)

-5.7%

-6.3%

-0.7%

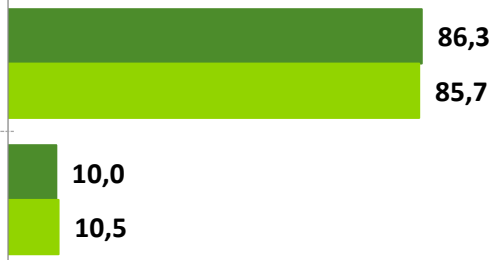


Total Cod

Cod Nat. Salt/Dried

Cod Frozen Salt/Dried

Volume Share (%)



■ Ytd P13 2016
■ Ytd P13 2017

■ Penetration % ■ Frequency ■ Volume per Trip ■ Average Price (€/kg) ■ Population

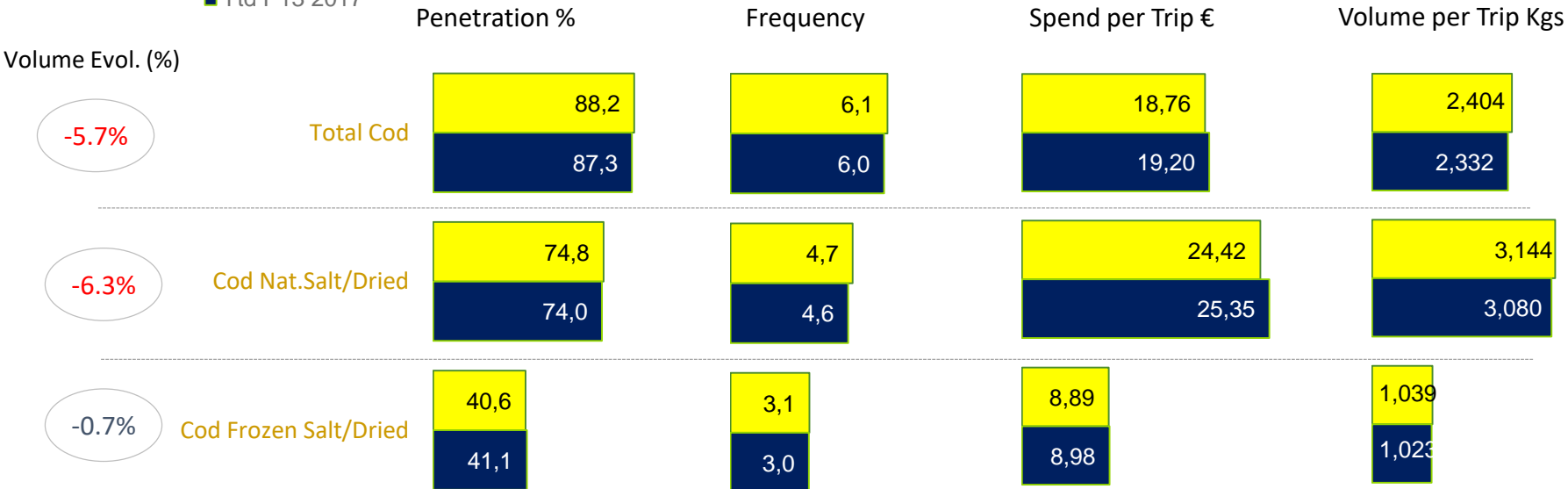
HOWEVER DRIED COD SHOPPERS ARE SPENDING MORE PER BASKET

FROZEN SLOW DOWN RECRUITMENT



Total Cod Fish | Segments KPI'S | Ytd P13 2017 vs Ytd P13 2016

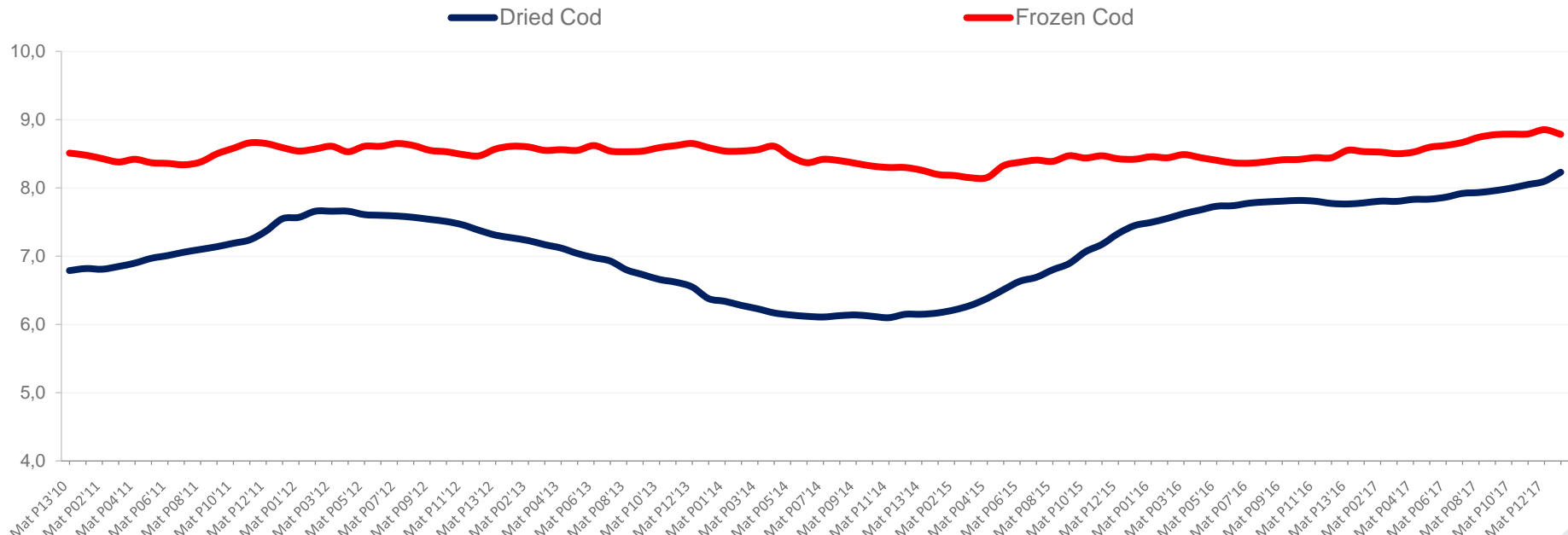
■ Ytd P13 2016
■ Ytd P13 2017



BOTH COD SEGMENTS ARE INCREASING PRICE STEADILY



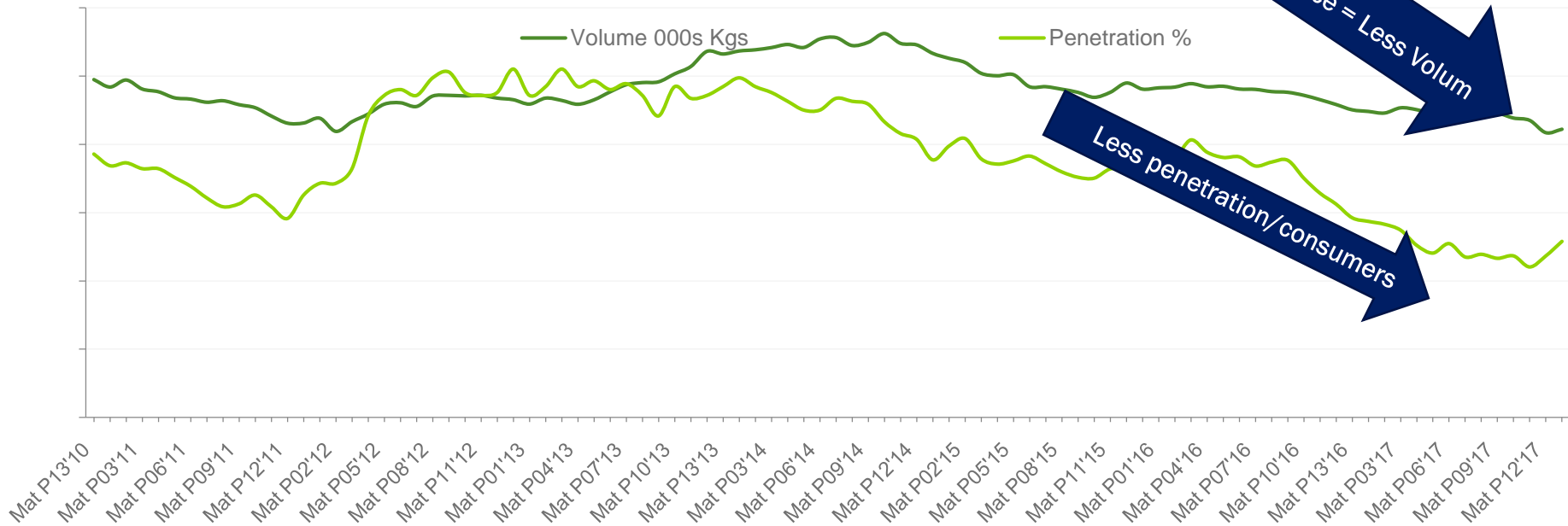
Dried cod fish & Frozen Cod | Average Price Evolution | Mat P13 2010 to Mat P13 2017



WITH PRICE INCREASE AFFECTING DRIED COD ATTRACTIVENESS



Dried cod fish | Volume and Penetration Evolution | Mat P13 2010 to Mat P13 2017

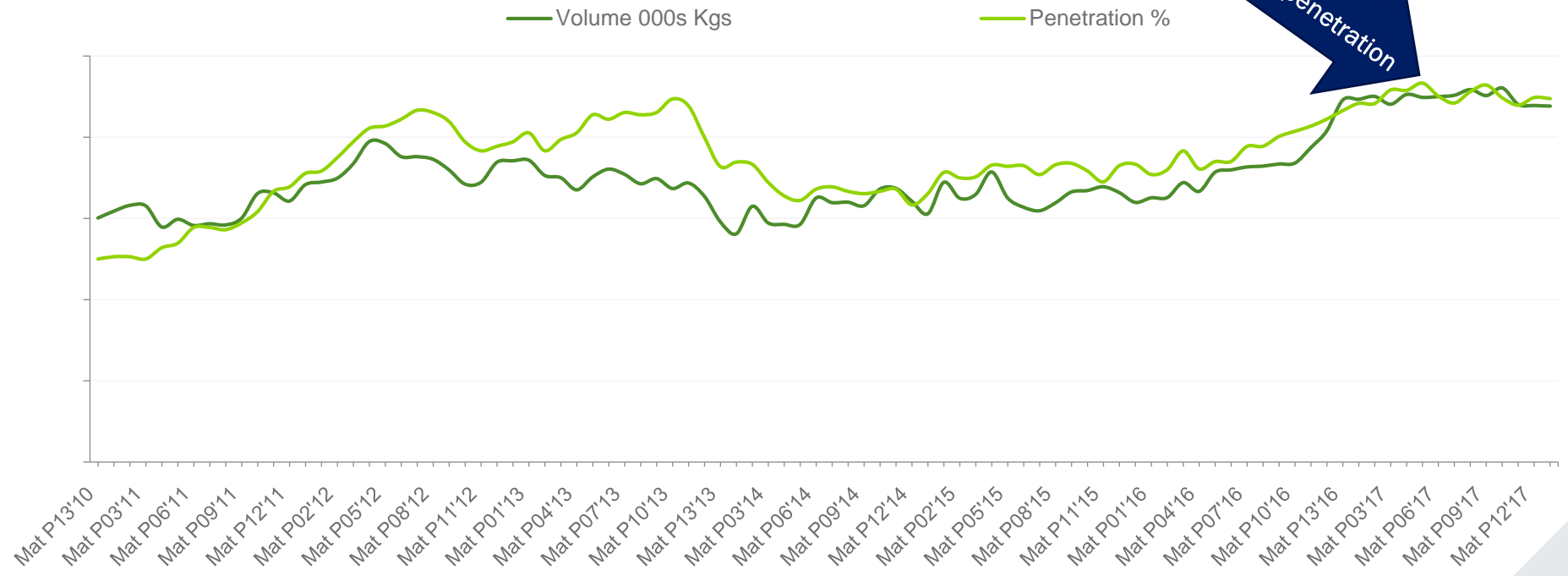


WHILE FROZEN RESISTS AND ABLE TO ACHIEVE FLATNESS



Higher Prices Doesn't affect penetration

Frozen cod | Volume and Penetration Evolution | Mat P13 2010 to Mat P13 2017



LOWER FREQUENCY OVERLAPS BASKET SIZE ISSUES IN DRIED COD

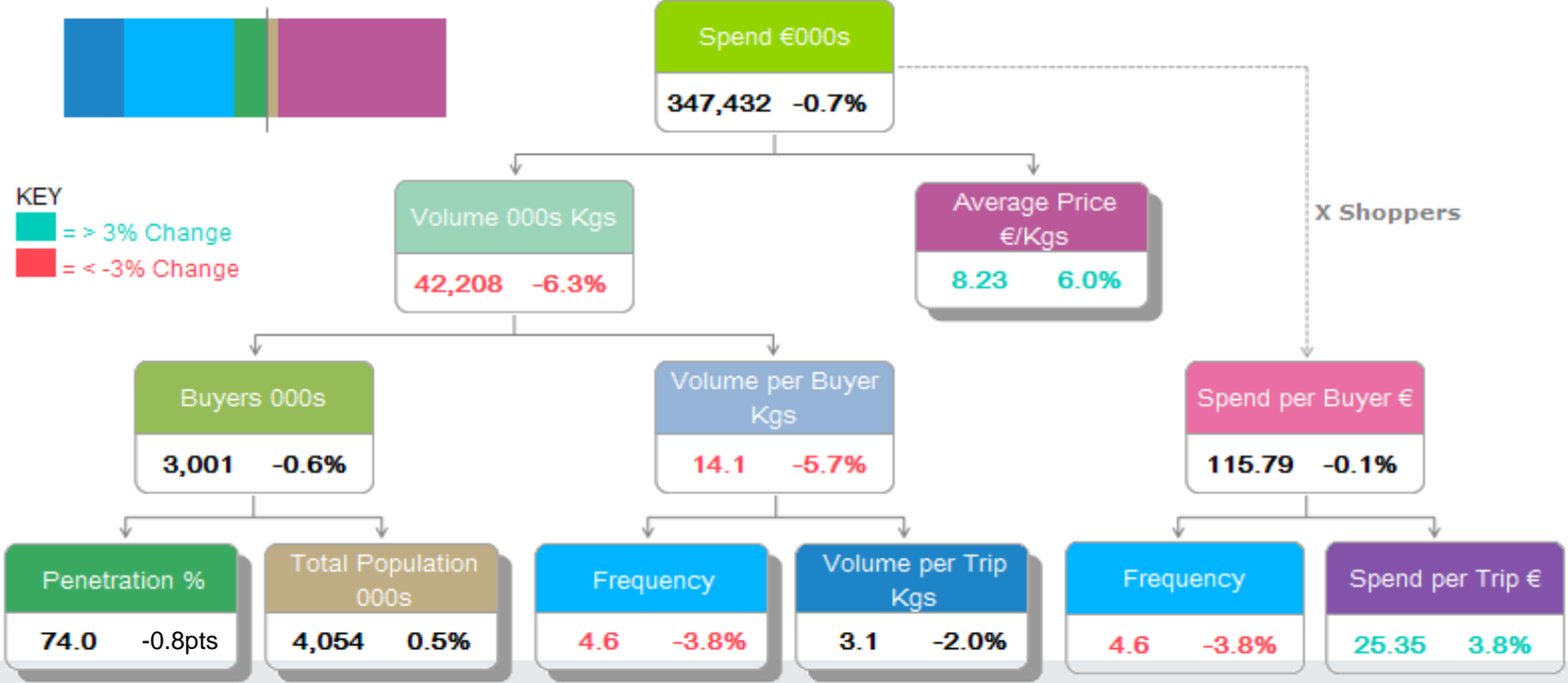


Dried cod fish | Measure Tree | Main market indicators | Ytd P13 2017 vs Ytd P13 2016

Attribution of Change in Spend



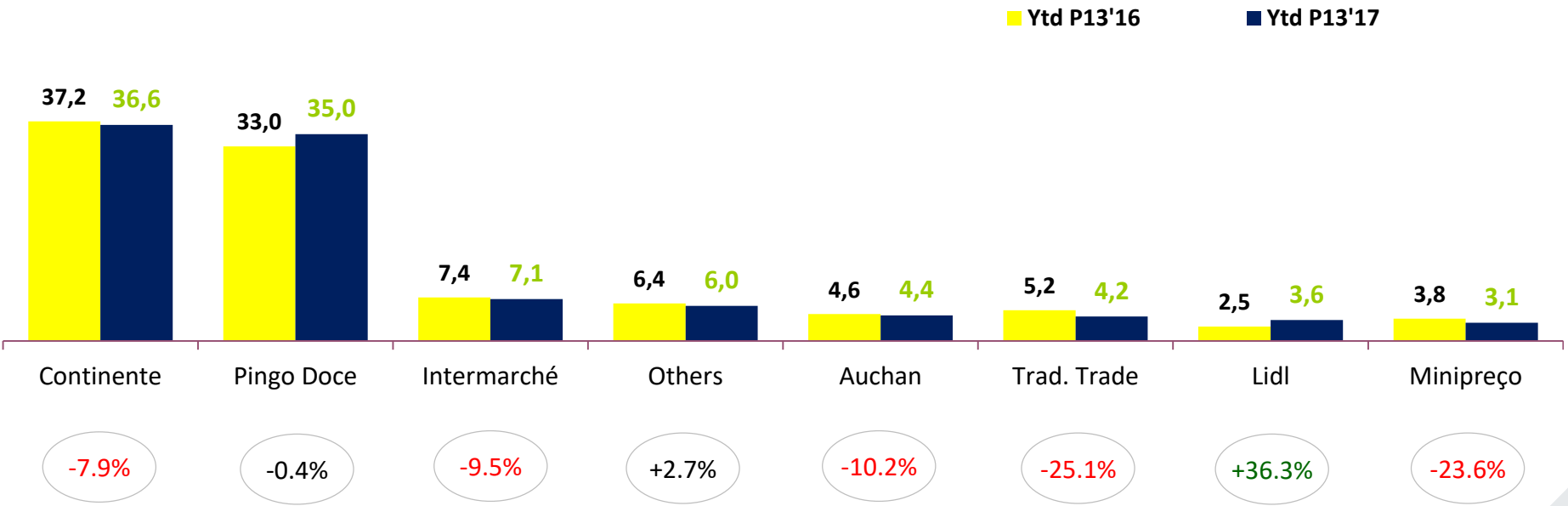
KEY
■ = > 3% Change
■ = < -3% Change



LIDL GROWTH STANDS OUT, WILE CONTINENTE MAINTAIN LEADERSHIP



Dried cod fish | Retailers Volume Share and Evolution | Ytd's P13 2017 vs Ytd P13 2016



Volume Evol. Vs Ytd P13'16(%)

What is the performance of Clipfish in Modern Distribution?



In 2017, both volume and value sales increased for total Codfish market

Total Food Stores



Total Dry+Frozen Codfish

Value Sales (M €)

% Value Change
Vs. Year Ago

Volume Sales (M Kg)

% Volume Change
Vs. Year Ago

MAT Nov.
2015

290.272

43.371

MAT Nov.
2016

288.942

0%

42.762

-1%

MAT Nov.
2017

294.092

+2%

42.978

+1%

Frozen Codfish continue to grow more vs Dry in 2017. Increased 7% its value sales and 3% its volume

Total Food Stores Dry Codfish also increased its value and keeps leading the market



		Value Sales (M €)		Volume Sales (M Kg)	
Dry Codfish	Nov.16	234.673		36.354	
	Nov.17	236.285	+1%	36.406	0%
Frozen Codfish	Nov.16	54.269		6.408	
	Nov.17	57.807	+7%	6.572	+3%

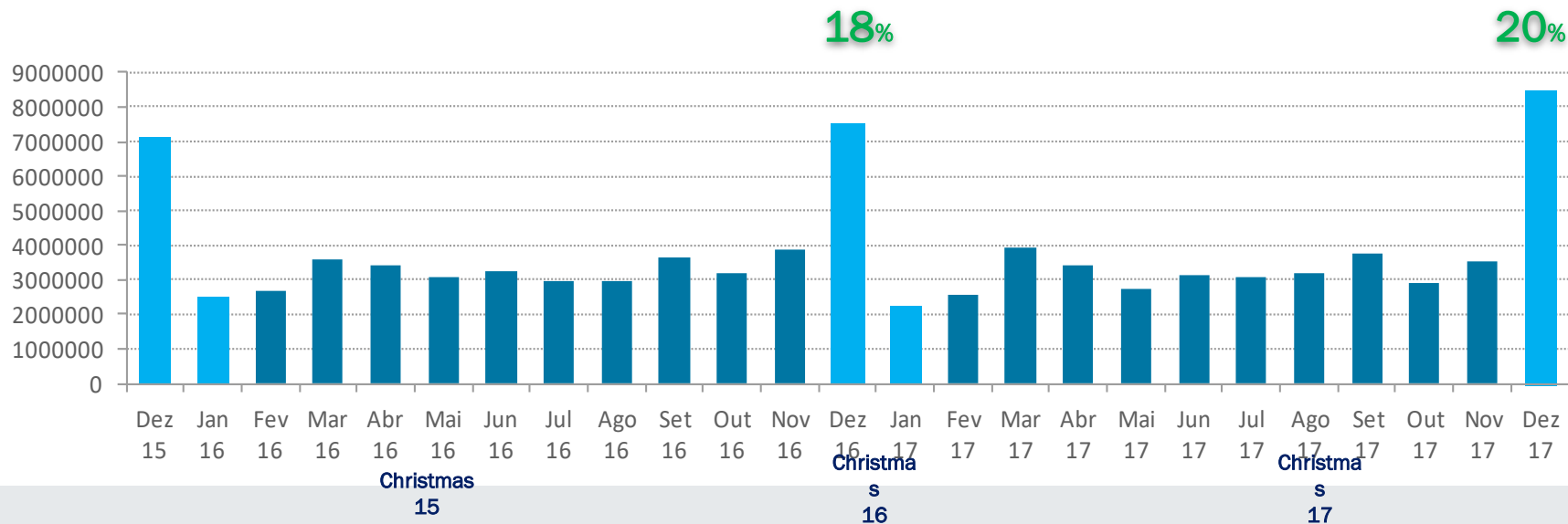
2017

Christmas period (December) increase on volume sales 20%

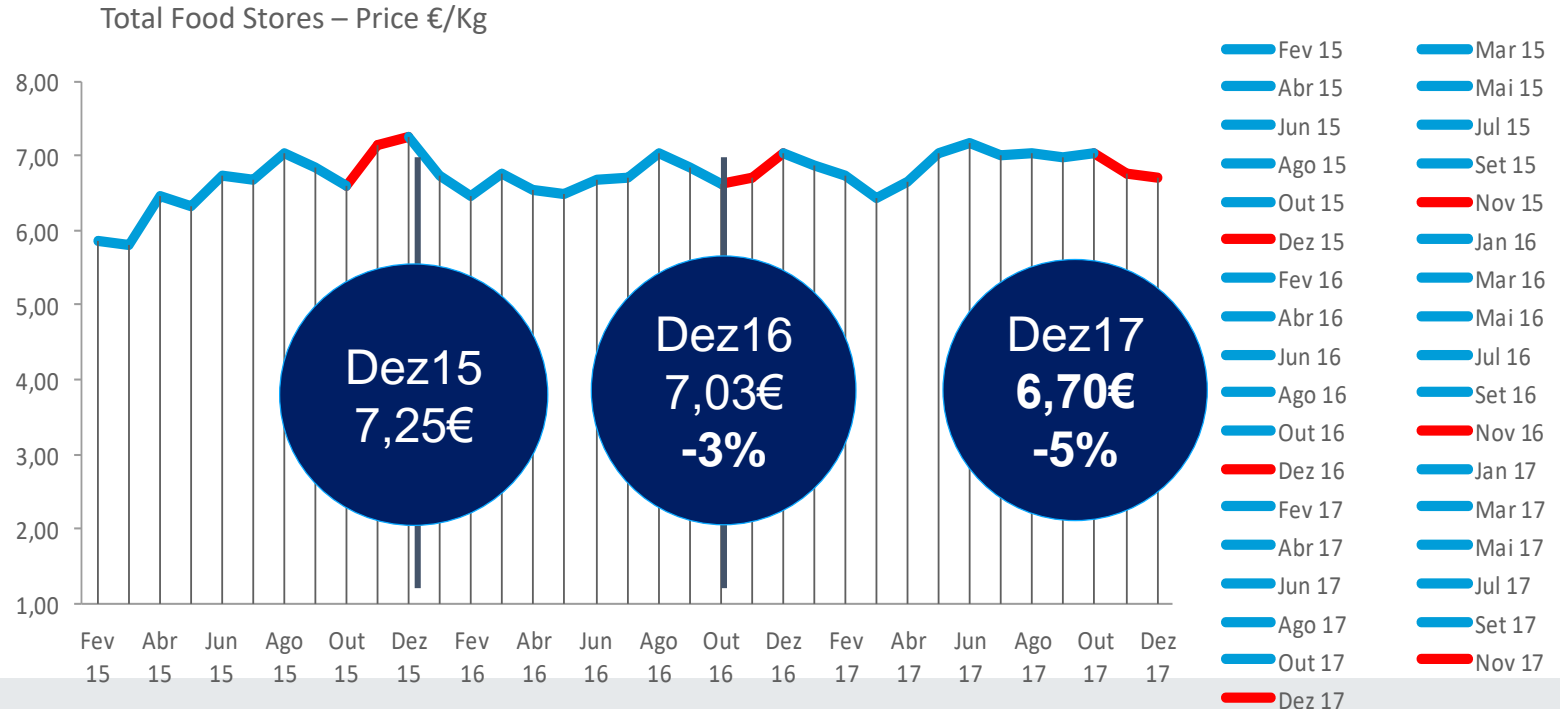
Total Food Stores – Volume Sales (Kg)

Total Dry+Frozen Codfish

Nov-Dec
% Weight vs
Year



Comparing with Christmas 2016, average price /kg total Codfish decreased in 5%

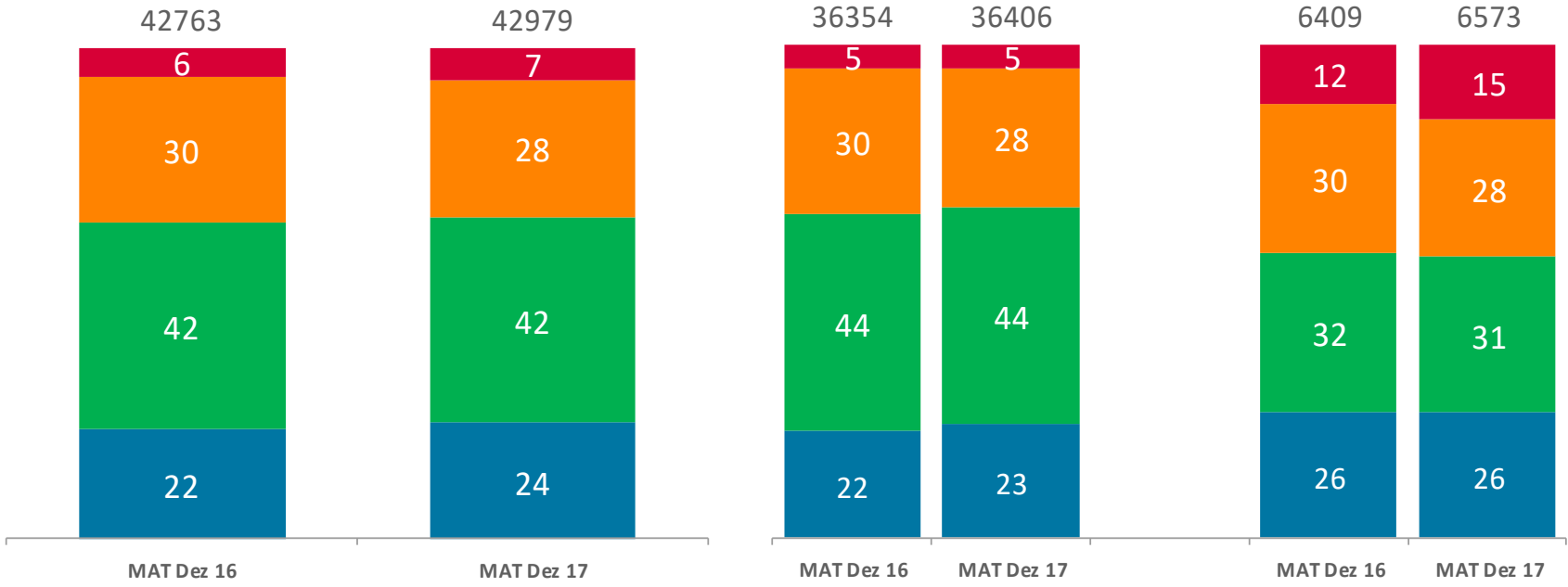


3/4 of the Market are in Supermarkets

Dry+Frozen Codfish

Dry Codfish

Frozen Codfish

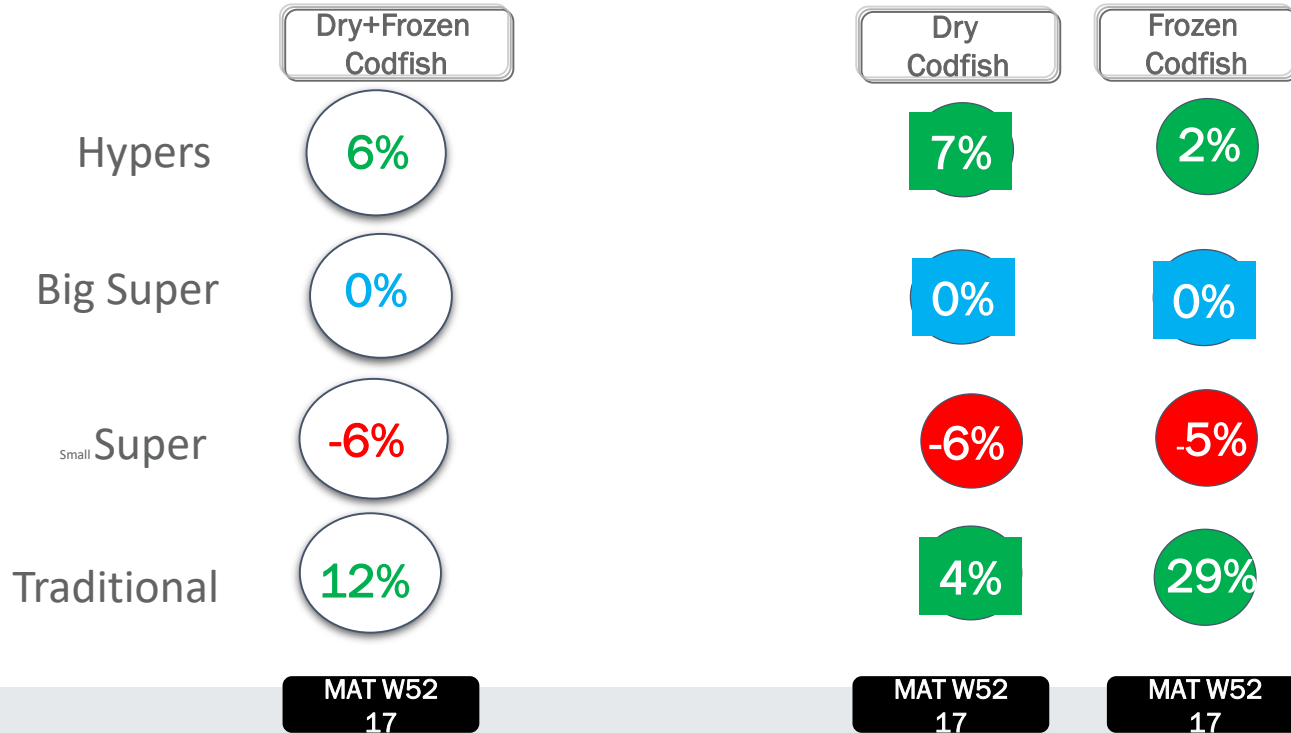


Volume Sales (000 Kg)

■ HIPERS ■ SUPERS GRANDES ■ SUPERS PEQUENOS ■ TRADICIONAIS

Traditional channels increased volume sales, while supers had negative or null dynamics

% Var. Volume Sales (Kg)



What is the performance of Clipfish on the C&C market?



In 2017, total Codfish Market continues increasing value sales and increased also its volume



Total Dry+Frozen Codfish

Value Sales (000€)

MAT Nov.
2015

26.342

MAT Nov.
2016

27.273

+4%

MAT Nov.
2017

32.602

+20%

Volume Sales (000Kg)

3.769

3.696

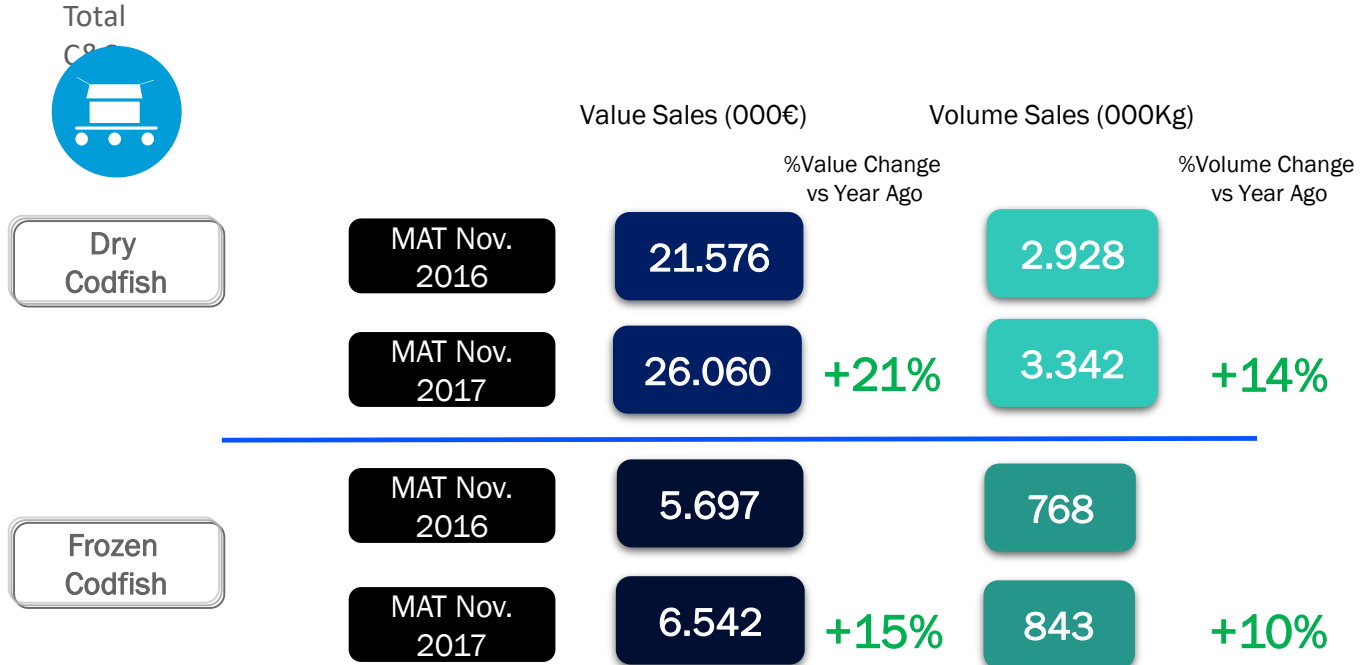
-2%

4.185

+13%

Both Frozen and Dry Codfish revealed a good performance

Dry increased 21% its value sales



Since Summer very good market increases. Pré Christmas period, important for a good year in sales, increased 16%

Total Dry+Frozen Codfish

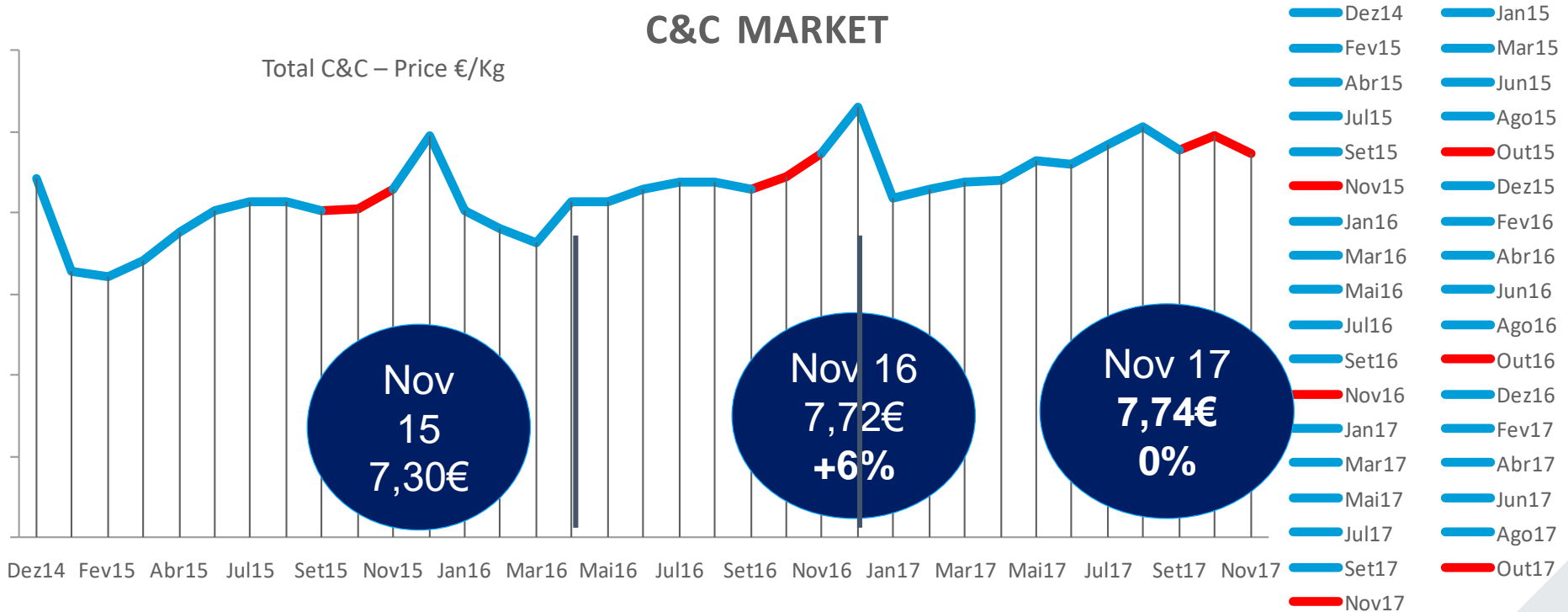
Total C&C – Volume Sales (Kg)



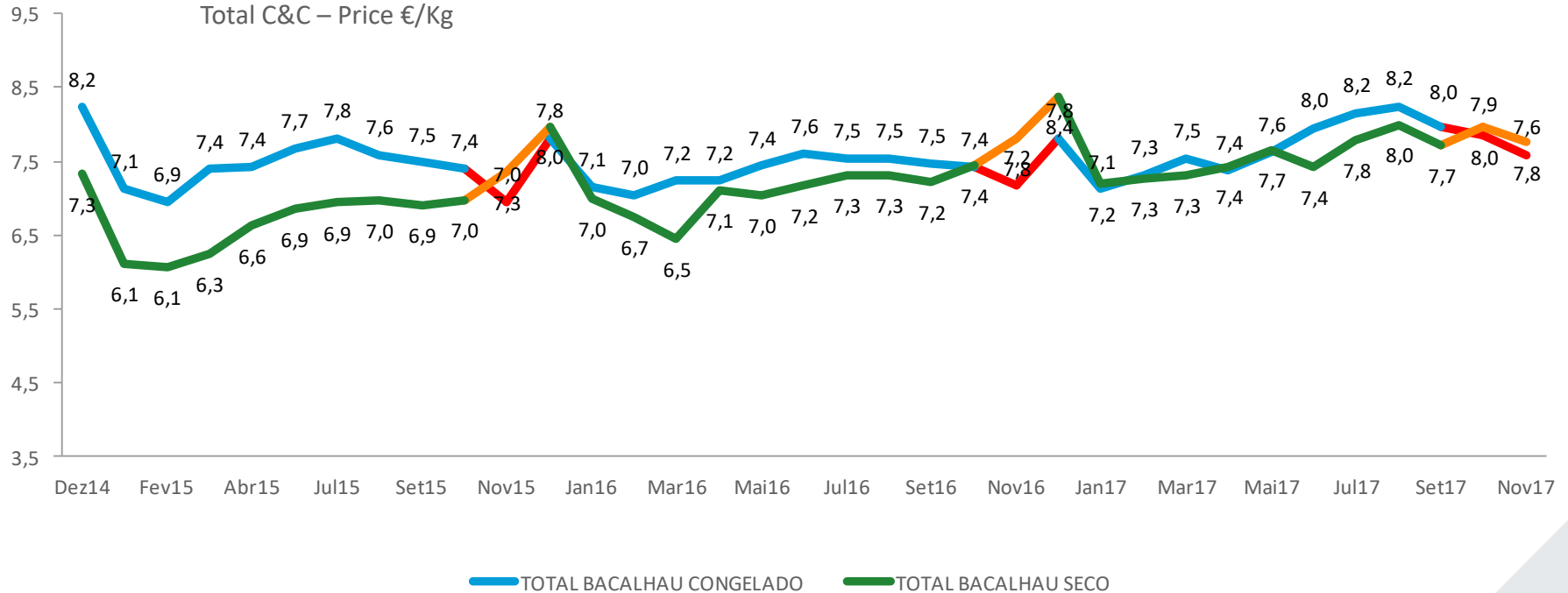
Tendence in last periods is decreasing prices

C&C MARKET

Total C&C – Price €/Kg



Dry Codfish with same average price as Frozen .





Do Cash & Carry Vs. Retailers have the same trend in Clipfish Market?

Both HORECA and Food Stores increase volume and value sales

Codfish market (dry+ frozen)

Food Stores

(Hypers + Supers + Groceries Stores)



Volume
Sales

Volume
Change %

42.978
Ton

1%

294.092
M €

2%

Cash&Carry



Volume
Sales

Volume
Change %

4.185
Ton

13%

32.602
M€

20%

- How is the Portuguese economy doing?
- Lowest Deficit Since Democratic Republic in 1974, (-1,5%)
- Lowest Unemployment last 10 years(- 8,5%)
- Tourism expect to grow + 10% in 2018
- Consumers strong confidence in economic growth
- - Are the consumer habits changing?
- Less Home Consumption ,more eating Out
- Less, more expensive food
- - How is the consumption of Clupfish at Home ?
- Less Volume(-5,7%) but almost same Value (-0,6%)

- What is the performance of Clipfish in Modern Distribution?
- Total cod market stable on +/-43.000 tons last 3 years
- Slight increase on Frozen Codfish(+3%) do not reduce volume of dried Codfish(0%)
- What is the performance of Clipfish in the Cash & Carry Market?
- Increase in both Value(+20%) and Volume(+13%)
- Dry Increase More than Frozen, on both Value(+21) and Volume(+14%)
- Frozen Increase Value(+15%) and Volume (10%)
- CONCLUSION 2017;
- People eat less Clipfish at home, but more when going out.
- Dried cod is more attractive and grows faster than frozen cod in the Horeca Chanel

Good perspectives for Portugal in 2018!



NORGES
SJØMATRÅD

Takk for idag!