COVID-19 Impact

CONSUMER SPENDING TRACKER FOR MEASURED CHANNELS

U.S., UK, France, Italy, Germany, Spain, New Zealand, Netherlands

May 15, 2020

IRi Growth delivered.

BCG

Executive Summary

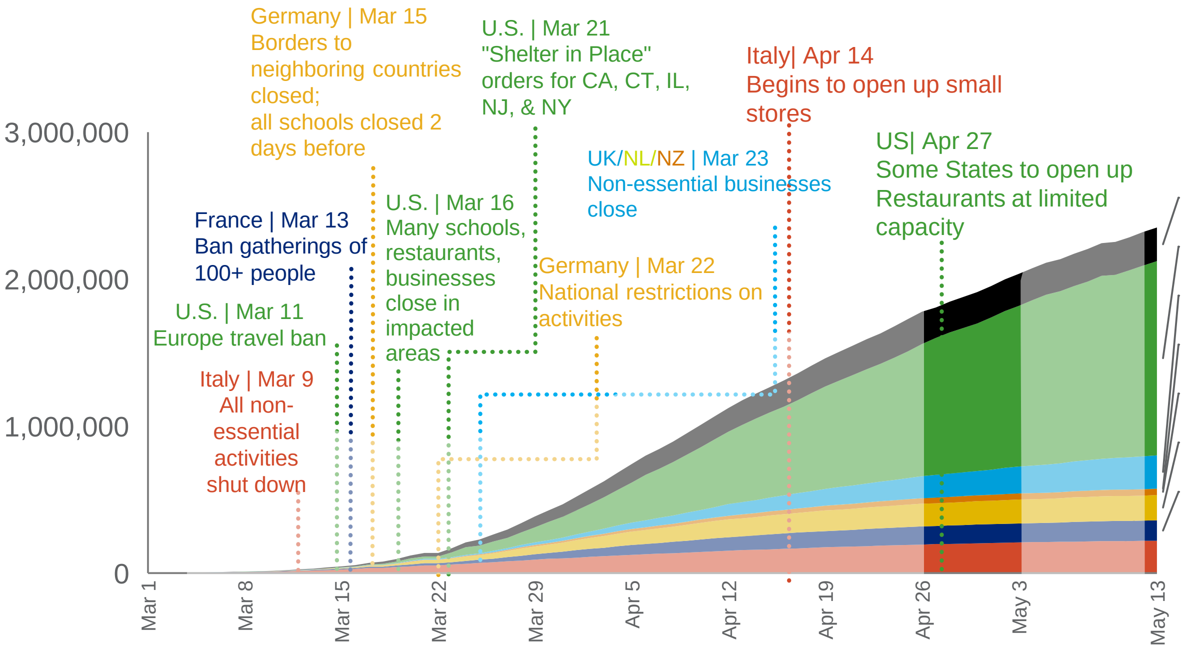
- As the COVID-19 outbreak continues in Europe and the United States, governments, businesses and consumers are changing behaviors rapidly – this is reflected in consumer purchases in Italy, France, U.S., Germany, Netherlands, New Zealand, UK and Spain.
- In most geographies, sales remain elevated for Frozen Food and Alcohol segments, while non-edible categories saw softer growth or declines in the past week vs. year ago.
- E-commerce continues to show strong growth over last year in the U.S., Italy, France and Spain, indicating consumers are shifting their purchasing patterns from in-store to online, despite initial panic buying surges in the U.S. and Spain. In the U.S., most categories, except fresh foods and paper products, have seen a greater shift to e-commerce. There have not been any major shifts in fulfillment type. In Italy, France and Spain, the e-commerce share of CPG has remained at an elevated level for several weeks.
- Aggregate private label share increased, most notably in France and Italy, with slight acceleration in other countries and softening in UK edibles. Trends by category in the U.S. vary with private label, both gaining and losing across the board.
- Meanwhile, as stay-at-home restrictions start to loosen in some areas, CPG purchasing behavior remains mostly unchanged to date, indicating that it will take some time before consumers gain confidence outside of the home.

Document Contents

market context and conditions

Countries Are at Different Points in the Crisis and Are Dealing With Different Levels of Infection During This Analysis Period

Cumulative # of Confirmed Cases as of 5.13.2020



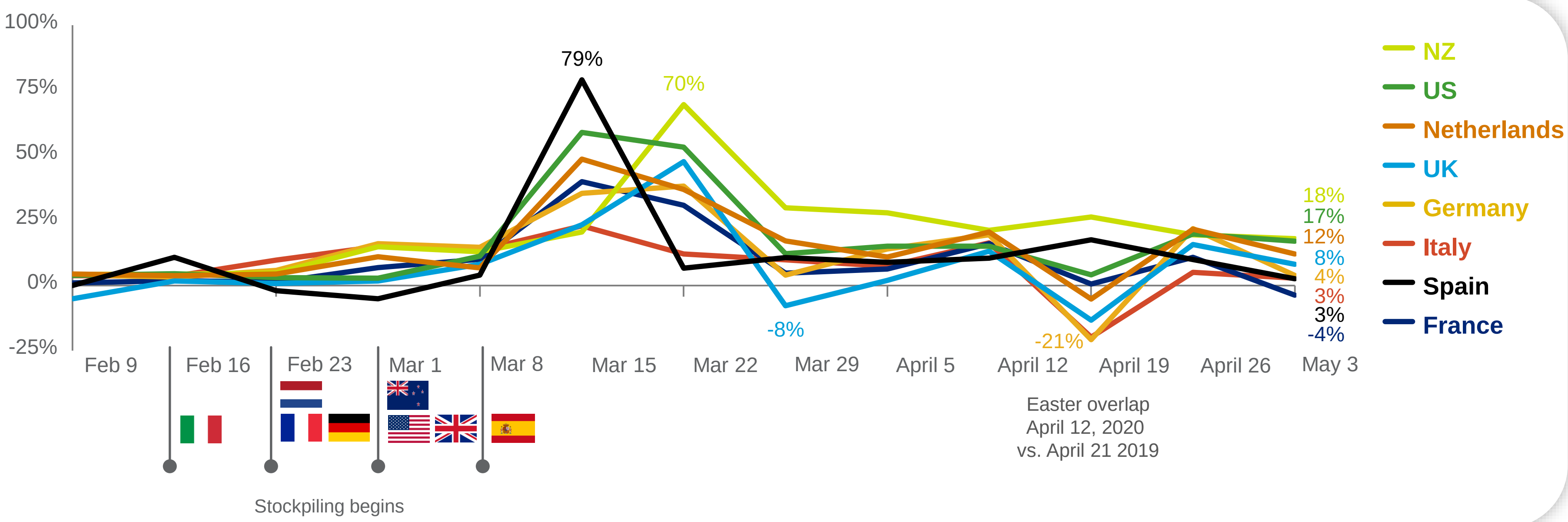
	Cases Confirmed		
	Total	*Past 24 hrs*	Deaths
Spain	228,030	594	26,920
U.S.	1,322,054	23,767	79,634
UK	226,467	3,403	32,692
NZ	1,147	-	21
Netherlands	42,984	196	5,510
Germany	171,306	798	7,634
France	138,161	670	26,948
Italy	221,216	1,402	30,911

Source: World Health Organization

consumer spending tracking

Markets Continue to Trend at an Elevated State; Future Shifts Will Likely Be Driven by Changing Regulations

Week Ending February 9 – May 3, 2020
Value Sales % Change vs. Year Ago



Elevated State Shows Continued Growth in Edible and Slower Growth or Declining Sales in Nonedible

% Change Most Recent Week vs. Year Ago, Based on Local Currency

		Italy	France	Germany	Netherlands	NZ	UK	US	Spain
	TOTAL STORE	2.8%	-3.7%	3.9%	12.1%	18.0%	8.1%	17.1%	2.0%
	Total NONEDIBLE	-12.3%	-18.7%	-12.5%	9.5%	5.6%	0.9%	6.9%	-32.5%
	Total EDIBLE	6.4%	-0.7%	8.9%	12.5%	21.2%	10.4%	20.3%	12.2%
NONEDIBLE	Paper Products	-4.4%	-13.1%	-24.1%	3.0%	-13.1%	-8.5%	19.6%	-8.4%
NONEDIBLE	Home Care	5.4%	-8.4%	-7.3%	4.6%	13.3%	6.3%	15.5%	0.7%
NONEDIBLE	OTC Healthcare	26.1%	11.4%	-14.6%	-3.4%	-14.7%	-3.5%	-6.2%	-34.0%
NONEDIBLE	Personal Care	-8.5%	-29.7%	-20.9%	30.3%	7.1%	3.8%	4.9%	-44.6%
NONEDIBLE	Pet Food + Care	-2.2%	-11.4%	-3.2%	-5.0%	6.2%	-6.9%	-1.0%	-7.7%
NONEDIBLE	Gen Merchandise	-38.6%		11.7%	13.1%	16.3%	1.9%	20.6%	-21.4%
NONEDIBLE	Cosmetics	-41.1%	-57.6%	-12.5%	23.3%	38.7%	-13.6%	-9.9%	-80.0%
EDIBLE	Beverage	2.9%	-12.6%	4.3%	8.0%	19.2%	1.0%	7.5%	0.9%
EDIBLE	Packaged Food	8.5%	1.8%	8.3%	9.7%	13.1%	16.9%	19.5%	12.8%
EDIBLE	Alcohol	11.5%	-8.6%	0.8%	23.2%	42.5%	24.6%	34.2%	27.0%
EDIBLE	Baby Food + Care	-24.7%	-19.7%	-21.7%	-14.2%	-13.7%	-20.5%	-10.0%	-32.0%
EDIBLE	Dairy	17.2%	6.2%	12.6%	10.8%	20.3%	18.6%	26.7%	10.4%
EDIBLE	Frozen Foods	27.7%	9.4%	20.7%	25.7%	42.9%	27.5%	36.0%	26.7%
EDIBLE	Fresh Foods	-0.9%	0.4%	20.7%	5.4%	16.1%	2.2%	19.9%	15.3%

LEGEND

- 50%+
- 20% to 50%
- 10% to 20%
- 5% to 10%
- 0% to 5%
- -20% to 0%
- <-20%

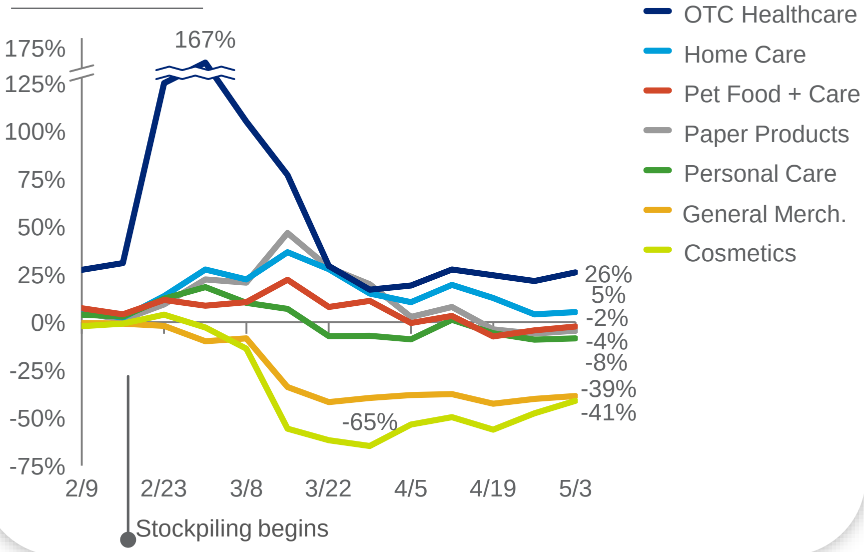
Source: IRI POS data Week Ending May 3, 2020 vs. year ago / Note: Exact product categorization varies slightly by country

OTC Healthcare, Frozen Foods and Dairy Remain Fastest-Growing Segments

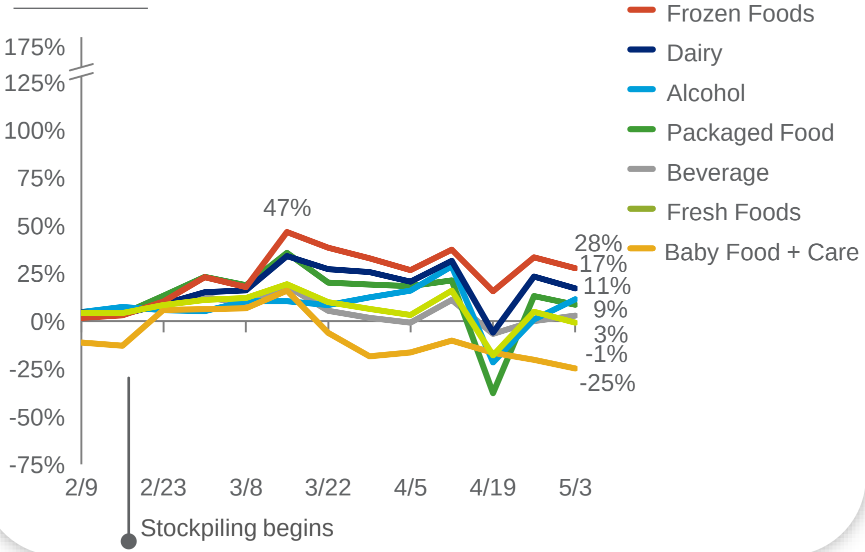
Italy

Week Ending February 9 – May 3, 2020
€ Sales % Change vs. Year Ago

Nonedible



Edible



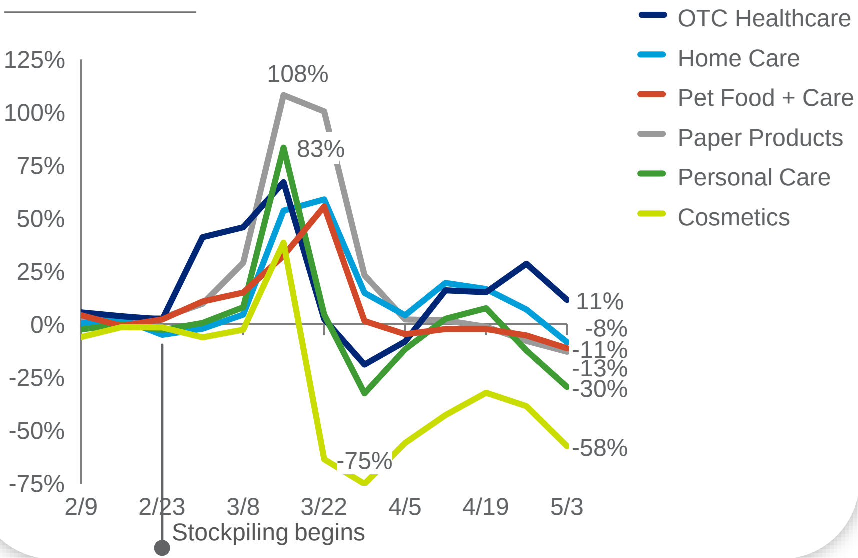
Note: Segments defined to evaluate representative companies. Source: IRI POS Data Ending May 3, 2020

OTC Healthcare Is Growing Fastest While Frozen Foods Continues to Outpace Other Segments

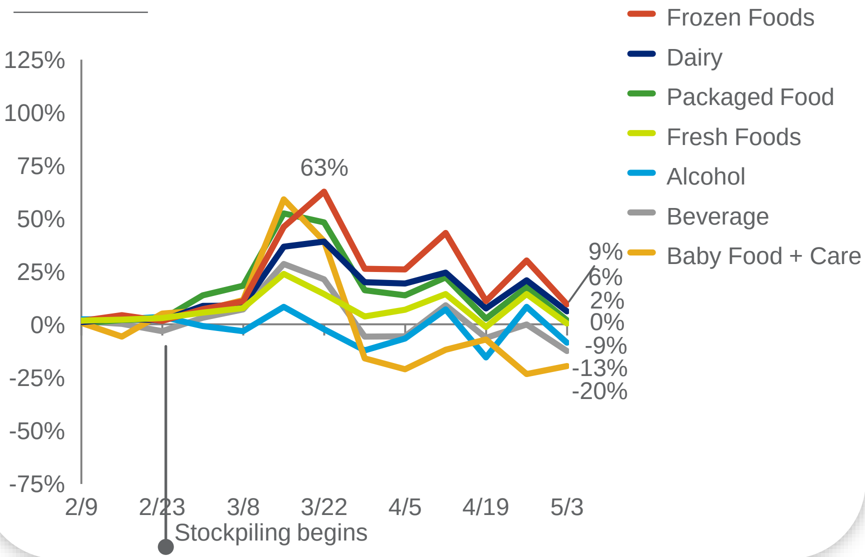
France

Week Ending February 9 – May 3, 2020
€ Sales % Change vs. Year Ago

Nonedible



Edible



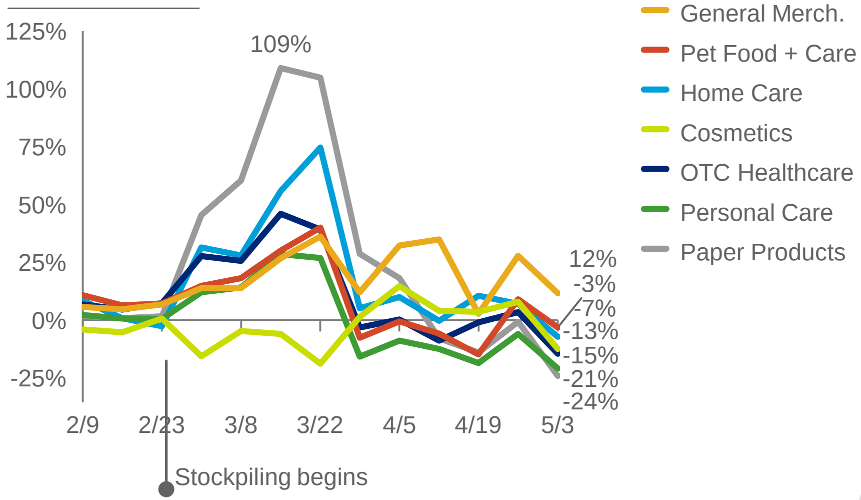
Note: Segments defined to evaluate representative companies. Source: IRI POS Data Ending May 3, 2020

General Merchandise Accelerated in Recent Weeks While Fresh and Frozen Food Grew 20% vs. YA

Germany

Week Ending February 9 – May 3, 2020
€ Sales % Change vs. Year Ago

Nonedible



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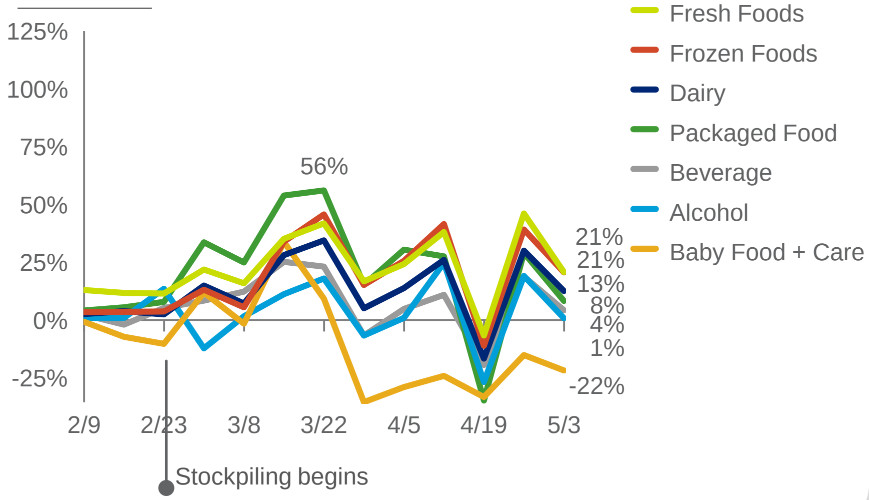


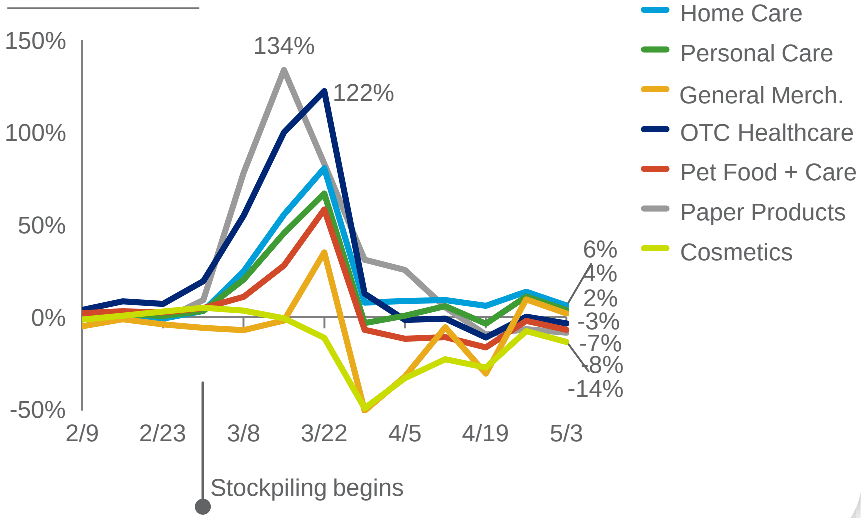
Note: Segments defined to evaluate representative companies. Source: IRI POS Data Ending May 3, 2020

Edible Sales Remain High With Swings Due to Easter; Nonedible Sales Have Leveled Out to Mostly Flat Across Segments

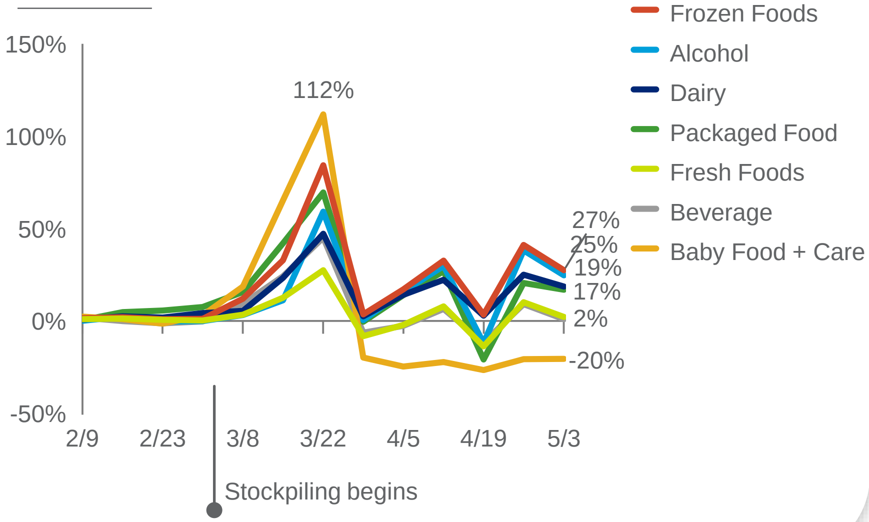
United Kingdom

Week Ending February 9 – May 3, 2020
£ Sales % Change vs. Year Ago

Nonedible



Edible



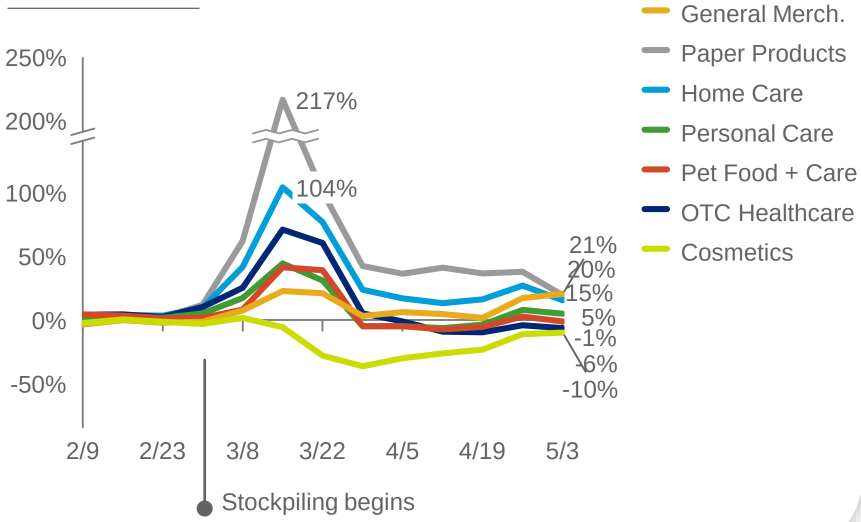
Note: Segments defined to evaluate representative companies. Source: IRI POS Data Ending May 3, 2020

Sales Growth Remained Stable Over Last Week Across Segments in Both Edible and Nonedible

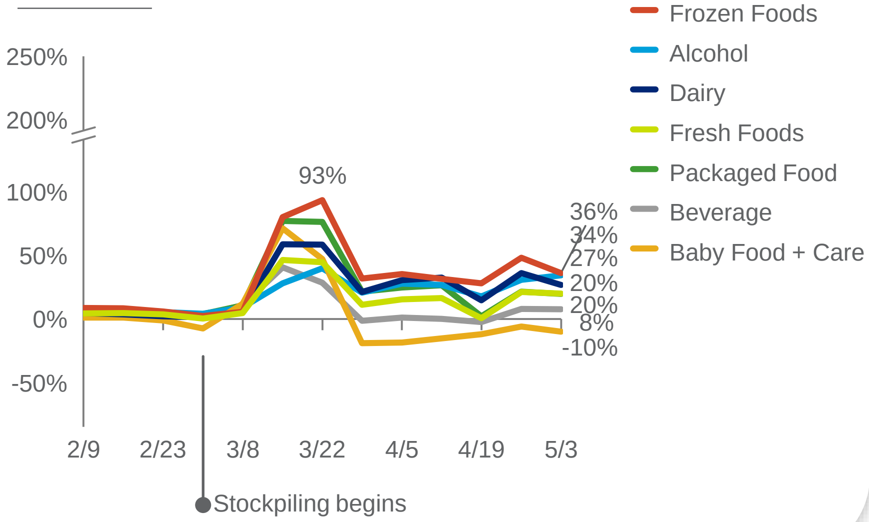
United States

Week Ending February 9 – May 3, 2020
$ Sales % Change vs. Year Ago

Nonedible



Edible

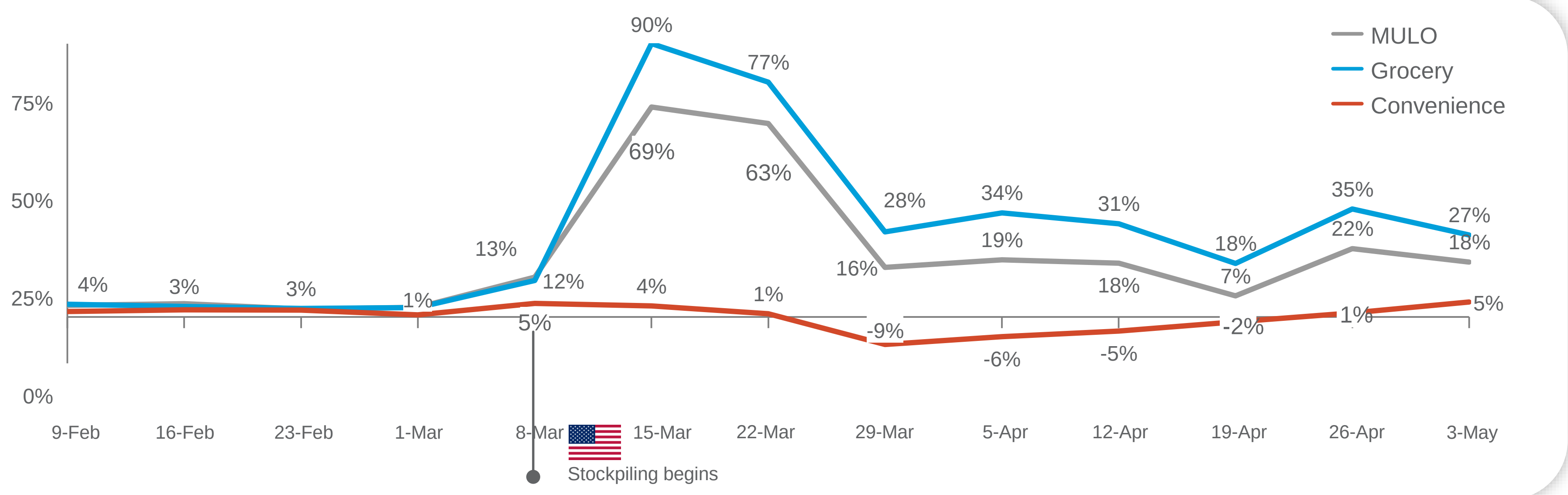


Note: Segments defined to evaluate representative companies. Source: IRI POS Data Ending May 3, 2020

Grocery Continues to Outpace MULO Since Peak Stockpiling, While Convenience Sales Are Returning to Growth

United States

Week Ending February 9 – May 3, 2020
$ Sales % Change vs. Year Ago



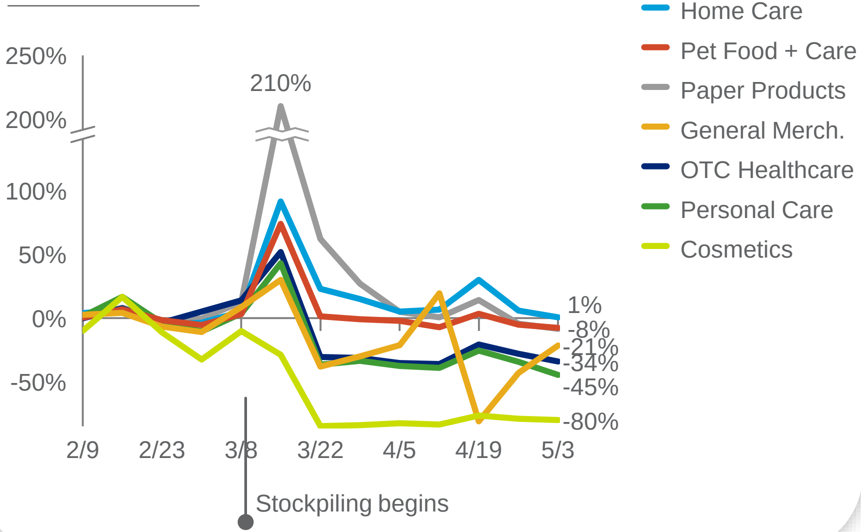
Note: MULO includes large format (Grocery, Mass, WM, Club xCostco, Dollar, DeCA); Convenience stores includes both chains and independent. Source: IRI POS data ending May 3, 2020

Sales Across Categories Stabilize; Alcohol Remains a Top Stable

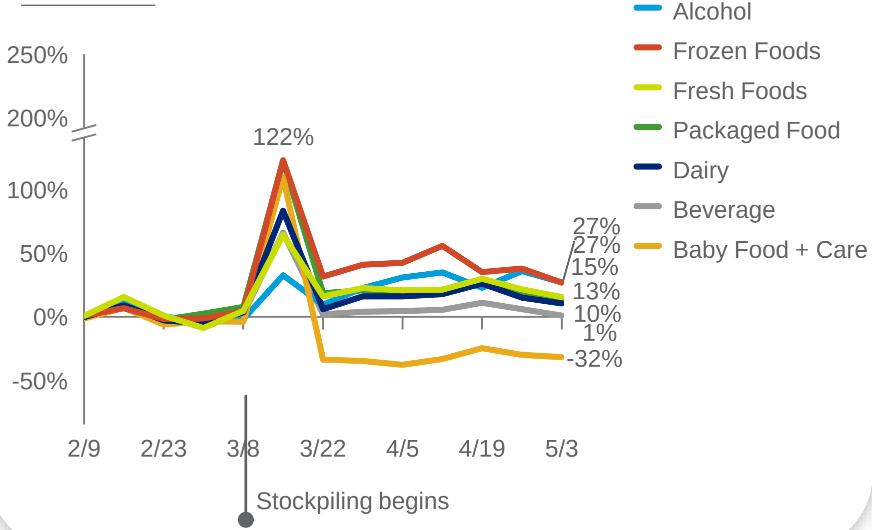
Spain

Week Ending February 9 – May 3, 2020
€ Sales % Change vs. Year Ago

Nonedible



Edible



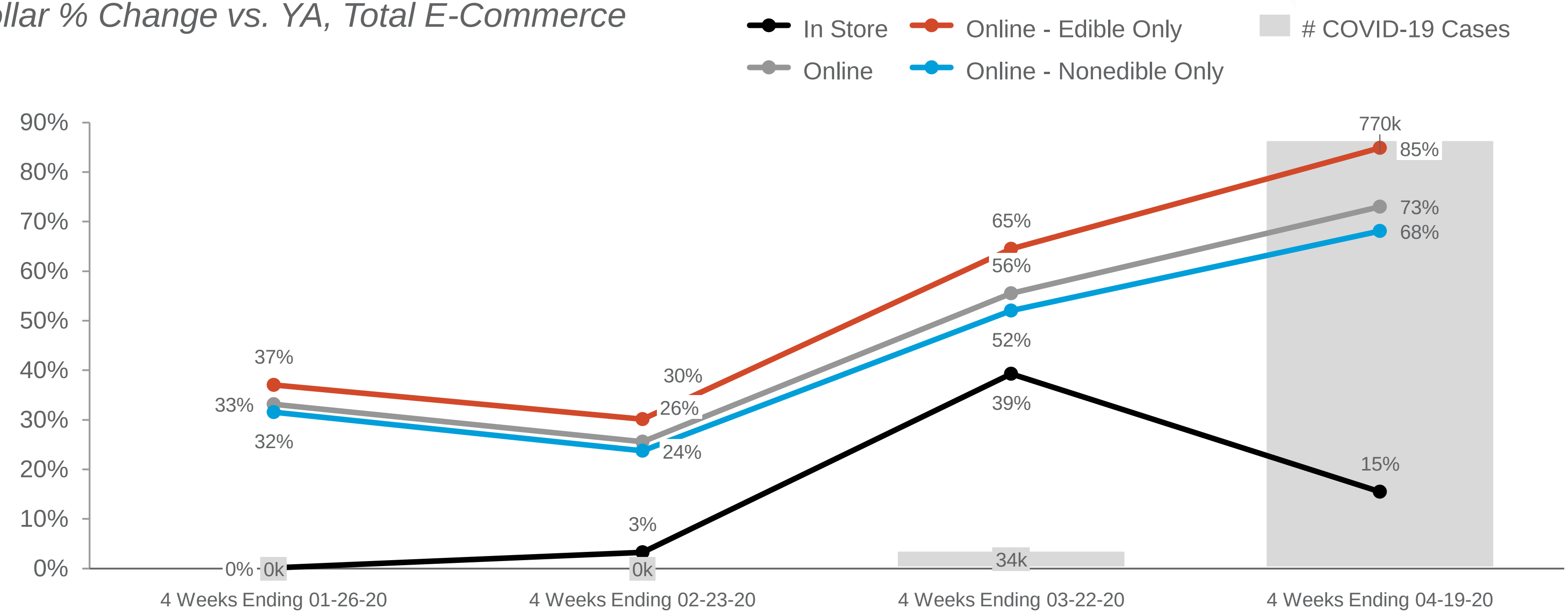
Note: Segments defined to evaluate representative companies. Source: IRI POS Data Ending May 3, 2020

deep dive
e-commerce trends
in U.S., Italy, France and Spain

U.S. E-Commerce Sales Continued to Accelerate in the Second Four Weeks Since COVID-19

United States

Dollar % Change vs. YA, Total E-Commerce



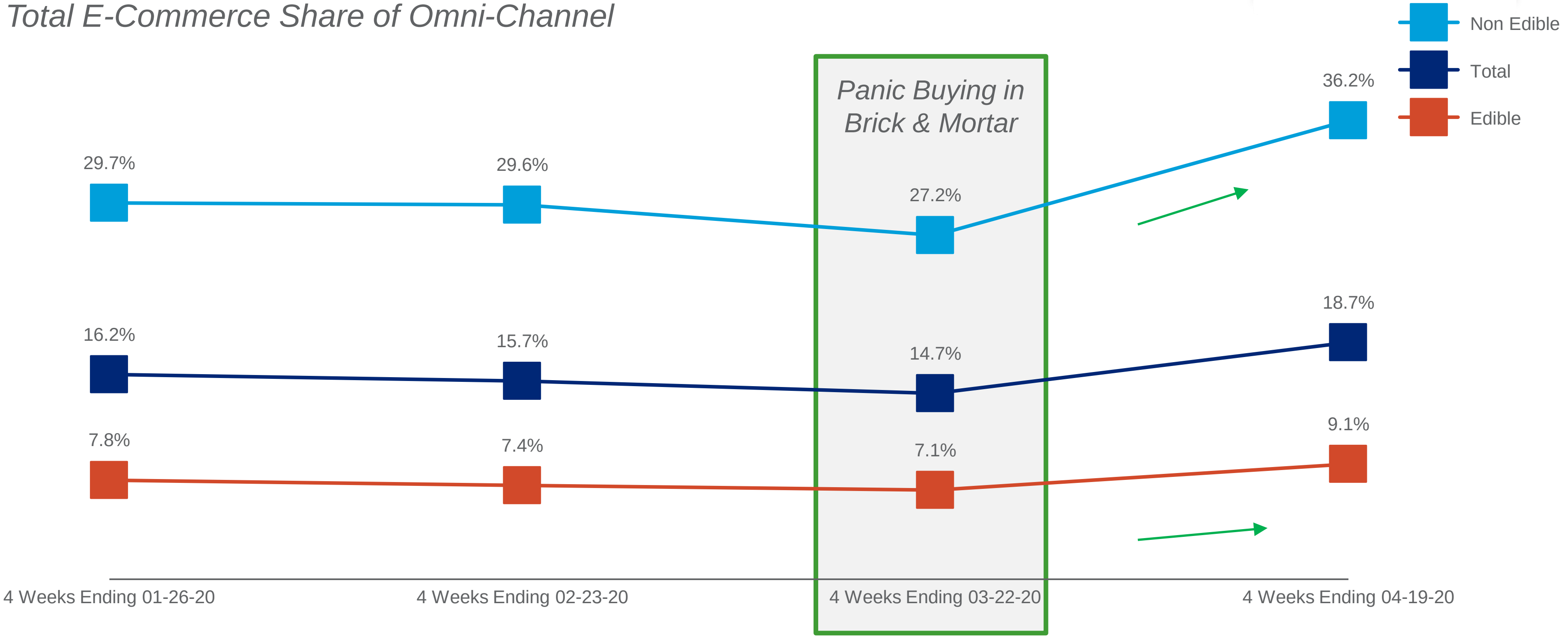
E-Com % share of total	16.2%	15.7%	14.7%	18.7%

Source: IRI eMarket Insights Model, based on 204 releasable eMarket Insights categories, In Store from Total MULO / Case count from Worldometer as of May 1, 2020

After Initial Panic Buying in Stores, Consumers Have Shifted a Significant Share of Post COVID-19 CPG Spend to E-Commerce

United States

Total E-Commerce Share of Omni-Channel

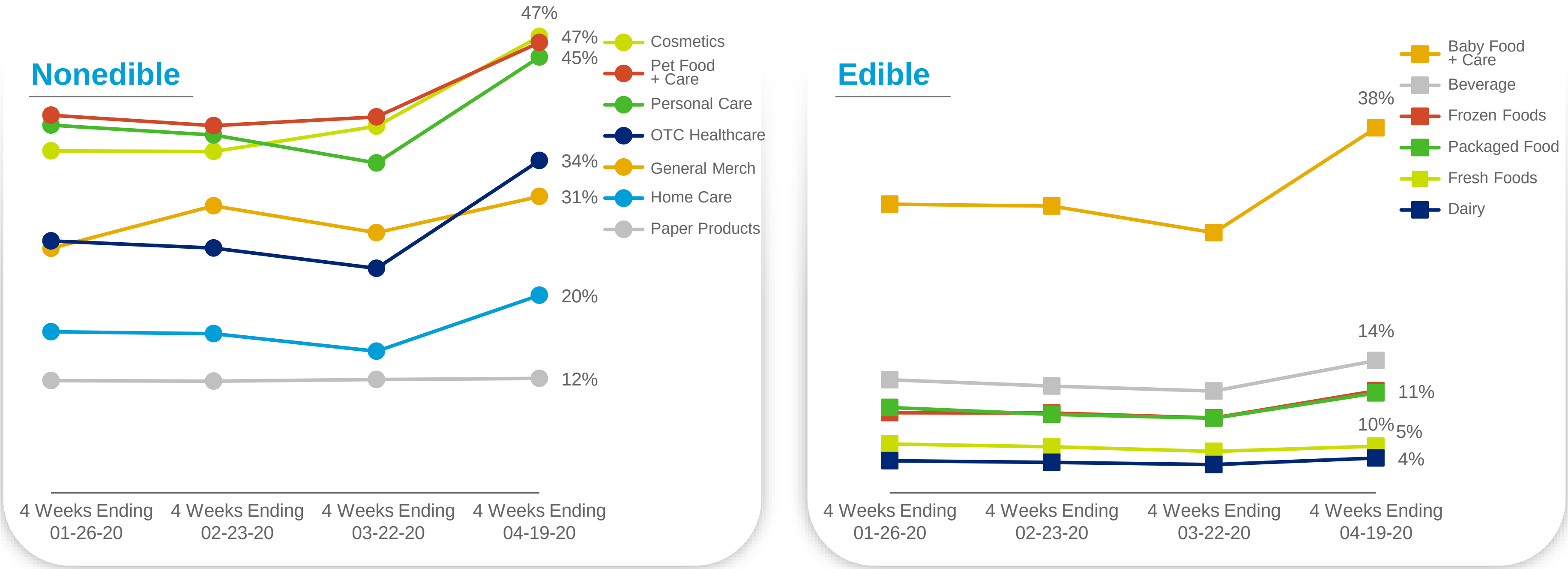


Source: IRI eMarket Insights Model, based on 204 releasable eMarket Insights categories, In Store from Total MULO

E-Commerce Share Has Increased in Most CPG Areas Except in Minimally Low Share Areas Such as Paper Products, Fresh Foods

United States

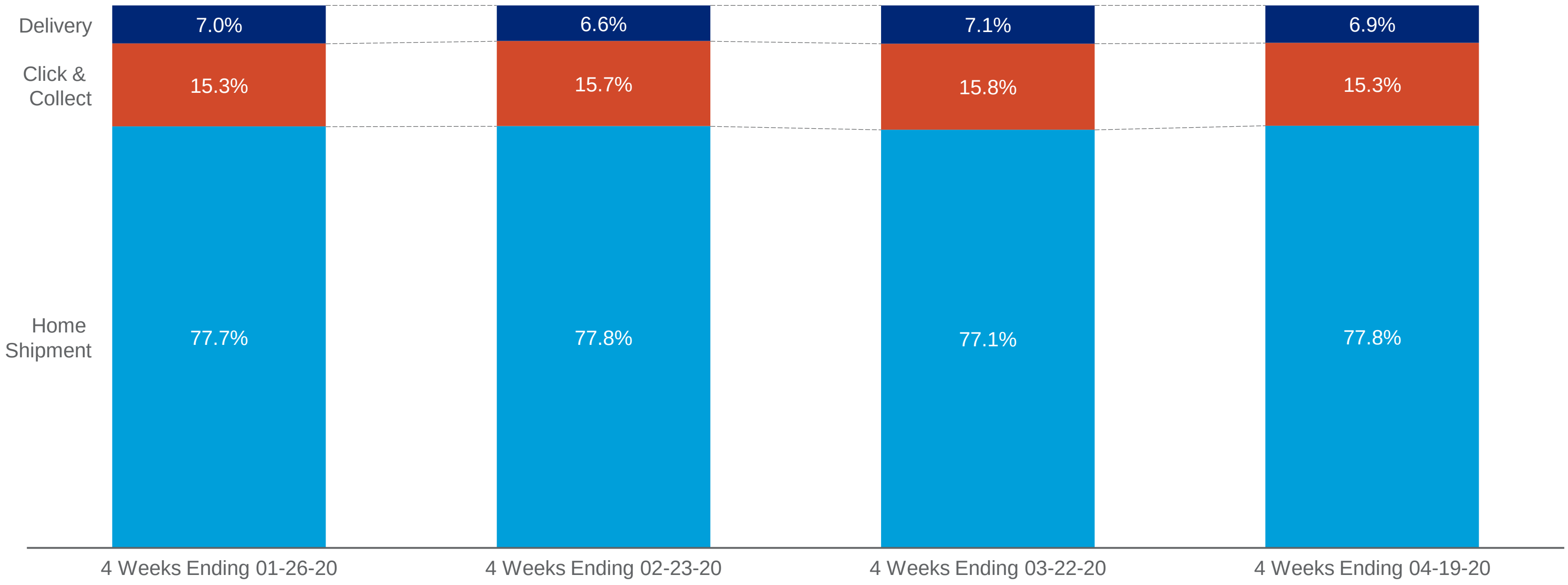
E-Commerce Share of Omni-Channel



Across CPG, There is No Major Change in Type of E-Commerce Post-COVID-19

United States

Share of CPG E-Commerce Dollar Sales by Fulfillment Type



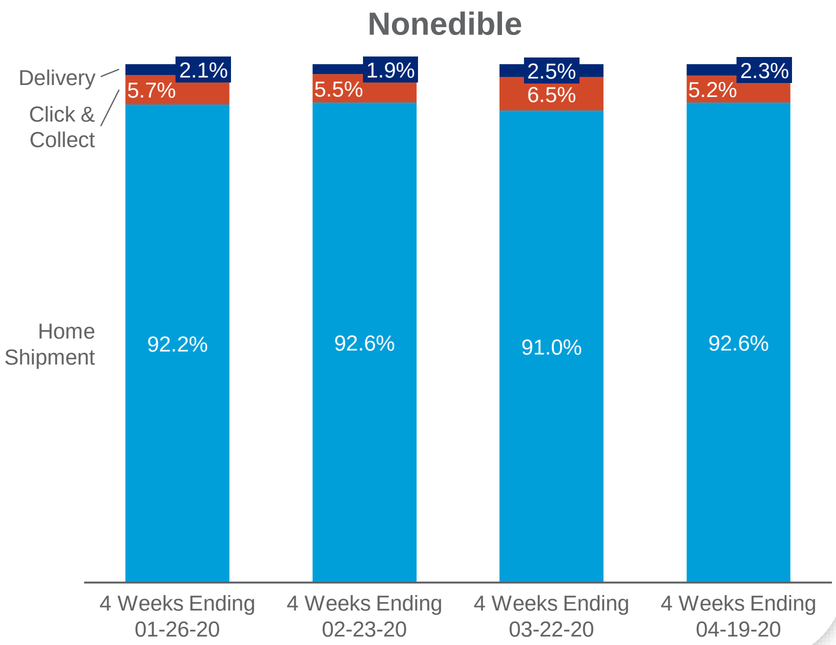
Note: Delivery is delivery to home within a time slot, e.g., Peapod, Instacart, Amazon Fresh. Click & Collect is pick up in store or parking lot. Home Shipment is delivery in box via third party delivery company (UPS, FedEx), e.g., Amazon.com.

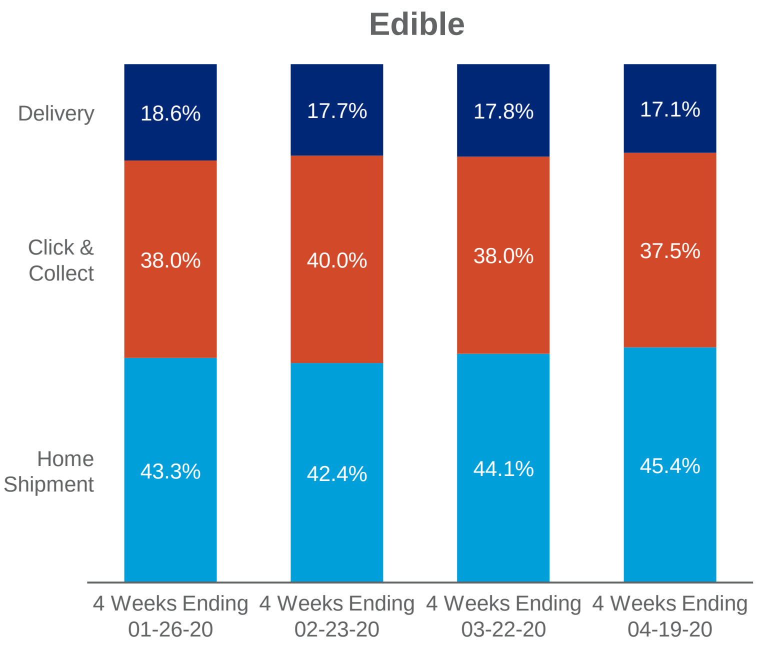
Source: IRI eMarket Insights, based on 204 releasable eMarket Insights categories and retailers where fulfillment can be determined

Home Shipment Has Picked Up Slightly More for Edible in Recent Weeks

United States

Share of E-Commerce Dollar Sales by Fulfillment Type





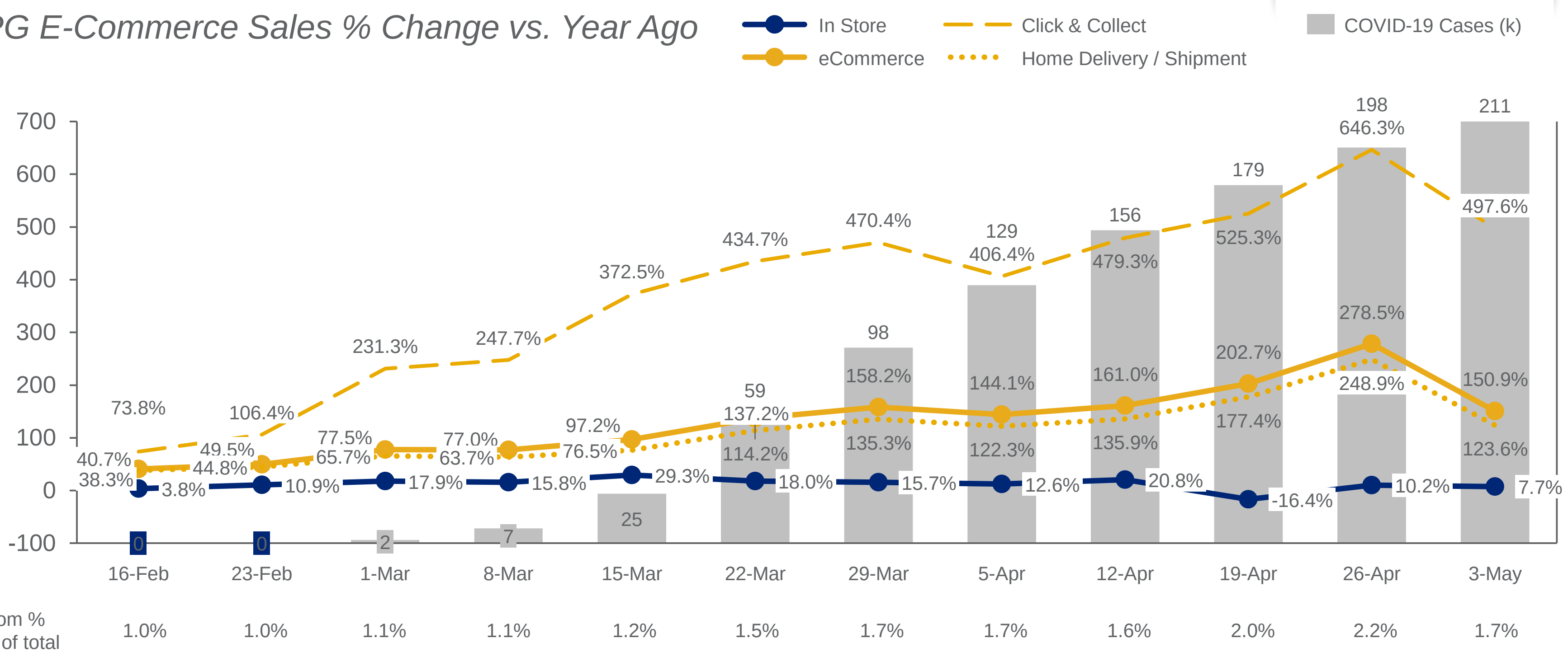
Note: Delivery is delivery to home within a time slot, e.g., Peapod, Instacart, Amazon Fresh. Click & Collect is pick up in store or parking lot. Home Shipment is delivery in box via third party delivery company (UPS, FedEx), e.g., Amazon.com.

Source: IRI eMarket Insights, based on 204 releasable eMarket Insights categories and retailers where fulfillment can be determined

Italy E-Commerce Has Seen Constant Growth With Click & Collect Being the Largest Factor

Italy

CPG E-Commerce Sales % Change vs. Year Ago



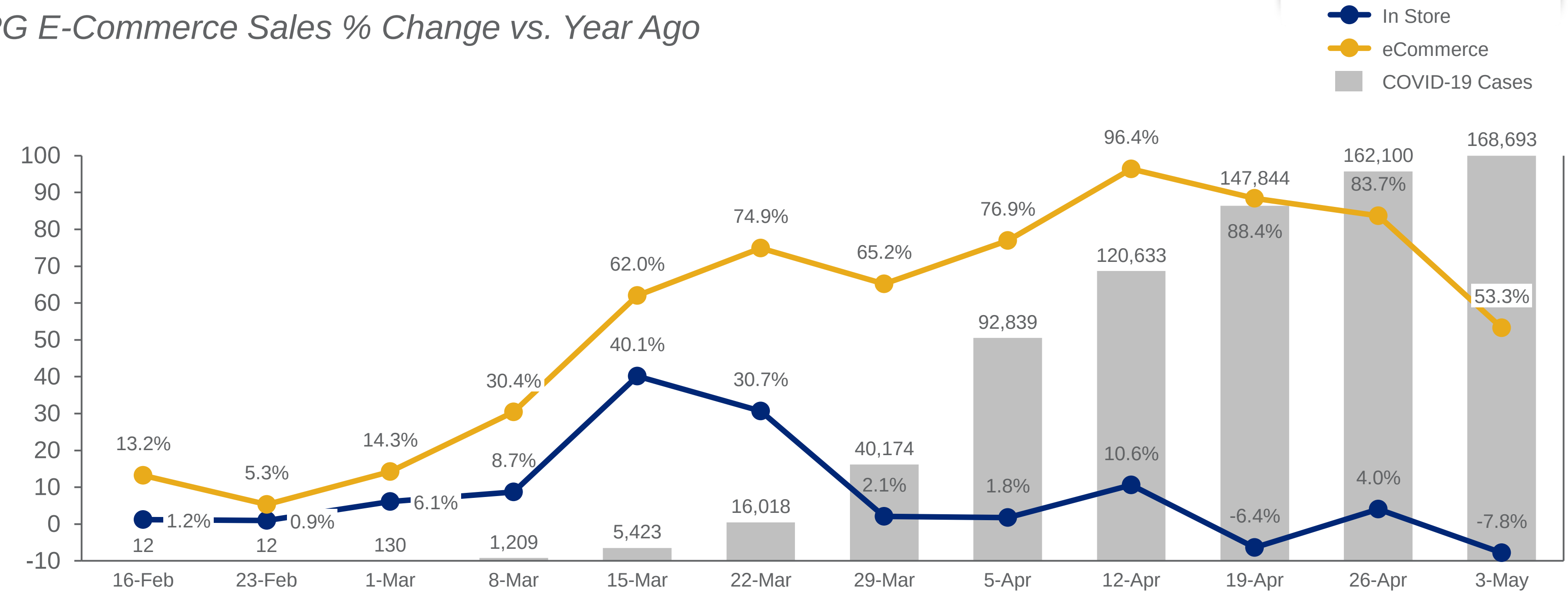
Note: Includes select E-Commerce retailers including Amazon, other local eRetailers and the E-Commerce operations of traditional Brick & Mortar retailers. Home delivery / shipment: goods delivered at doorstep of purchaser. Click & Collect: purchaser submit order online and collects in store. Total store excludes random weight and general merchandise for comparison to E-Commerce.

Source: IRI Panel online data ending 3 May, 2020. Worldometer as of May 12, 2020

In France, E-Commerce Has Remained at an Elevated Share of CPG Sales for the Last Six Weeks

France

CPG E-Commerce Sales % Change vs. Year Ago



E-Com % share of total	6.8%	6.5%	7.4%	8.0%	7.7%	8.5%	10.7%	11.2%	10.5%	10.7%	10.8%	10.8%

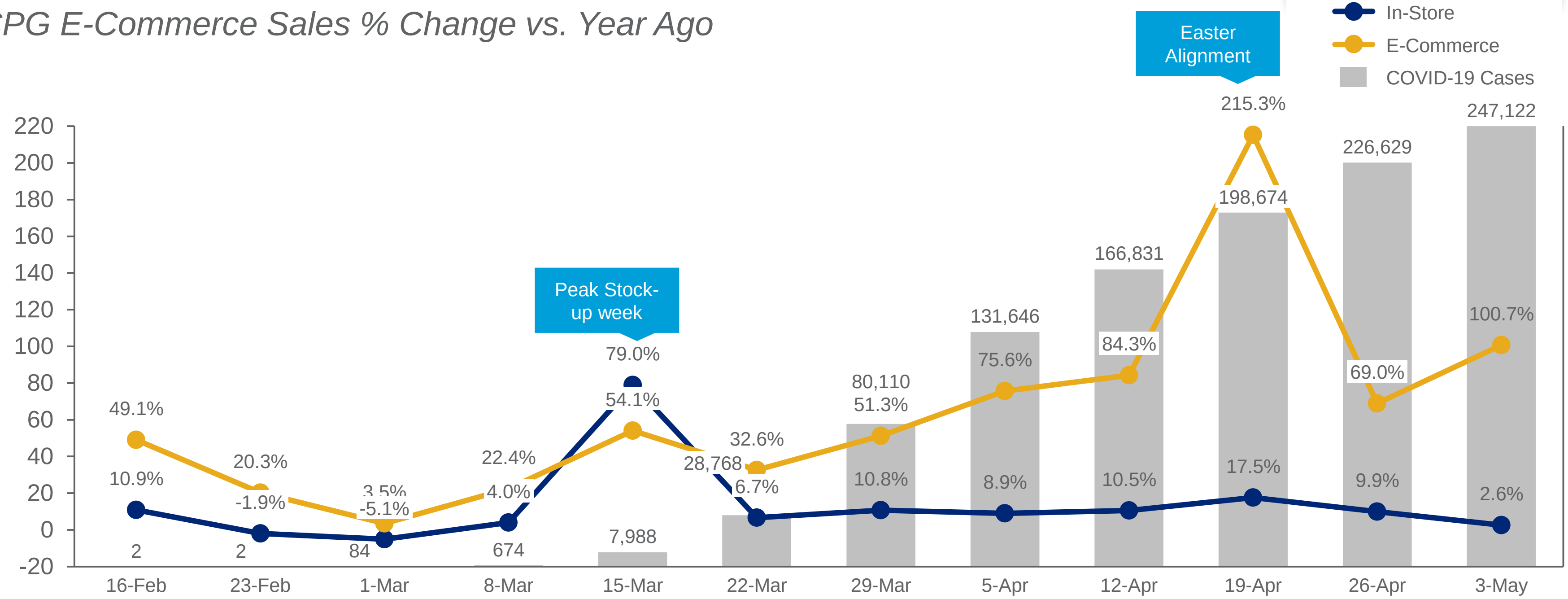
Note: Includes Click & Collect and some Home Delivery providers (Home Delivery represents a small portion of sales. Excludes Amazon

Source: IRI POS Data Week Ending May 3, 2020. Worldometer as of May 13, 2020

In Spain, Consumers Shopped In-Store More in Peak Stock-Up Weeks, but Continue to Spend More Online After

Spain

CPG E-Commerce Sales % Change vs. Year Ago



E-Com % share of total	16-Feb	23-Feb	1-Mar	8-Mar	15-Mar	22-Mar	29-Mar	5-Apr	12-Apr	19-Apr	26-Apr	3-May
	1.9%	1.9%	2.1%	2.2%	1.6%	2.1%	2.5%	3.1%	2.8%	3.2%	2.7%	3.3%

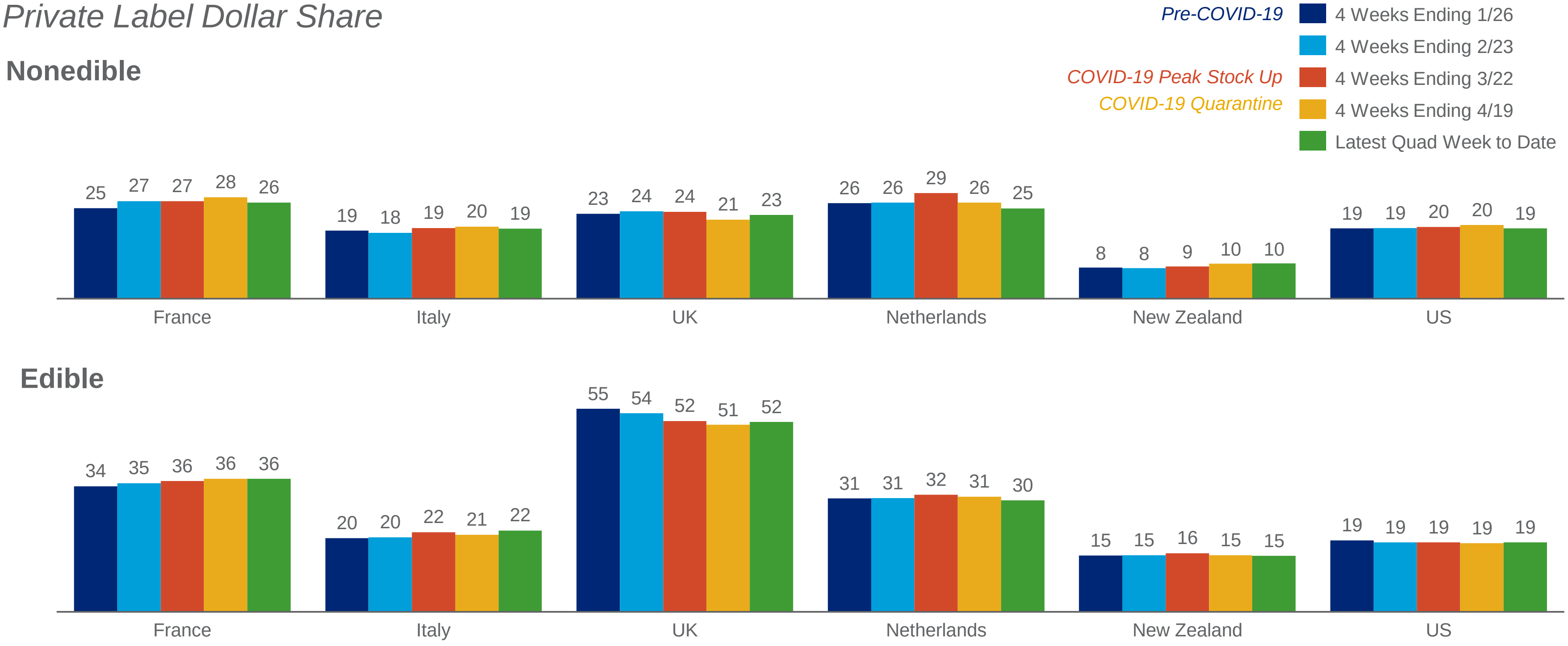
Note: E-Commerce includes Brick & mortar retailers that deliver online orders to customer homes and Amazon

Source: IRI Data Ending May 3, 2020. Worldometer as of May 11, 2020

deep dive
private label trends
U.S., UK, Italy, France, Netherlands and New Zealand

Aggregate Private Label Share Increased Post COVID-19, Most Notably in France and Italy, With Slight Acceleration in Other Countries and Softening in UK Edible

Private Label Dollar Share

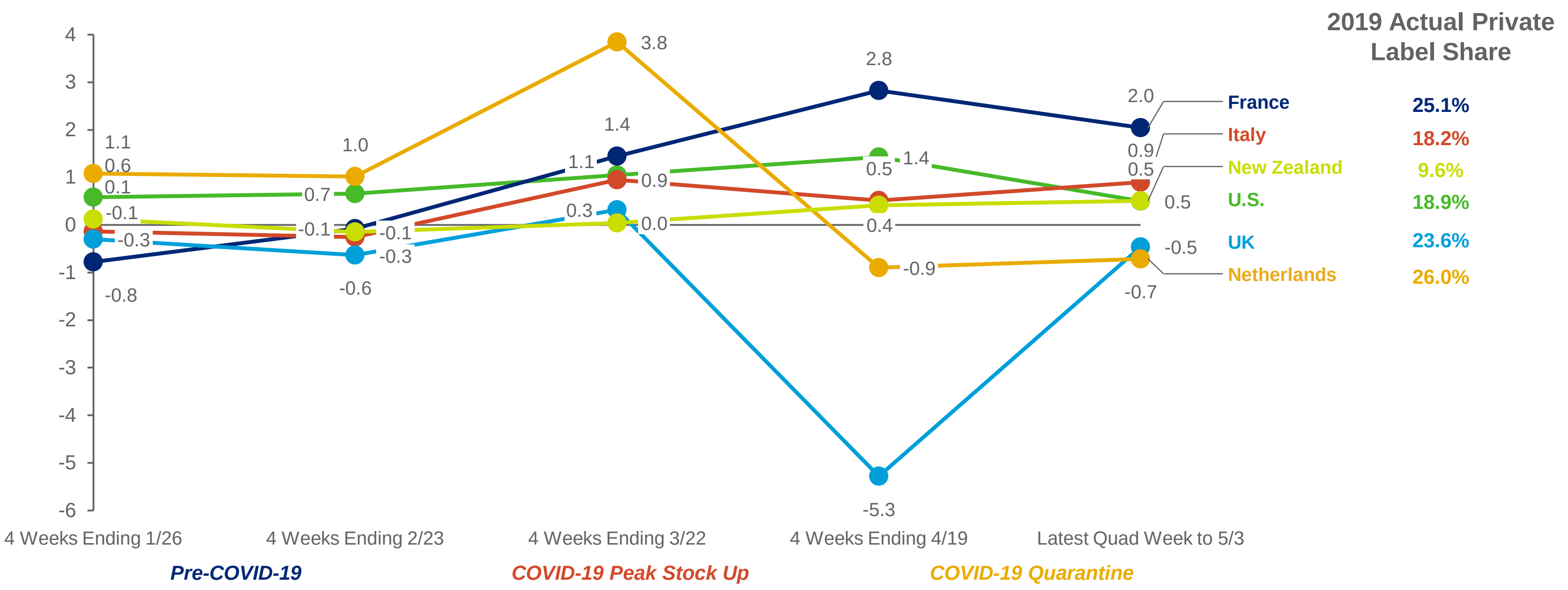


Channels Covered: UK: Aggregated sales across major grocery retailers. France: Hypermarkets, supermarkets, discount, convenience stores, e-shopping. Netherlands: Data collected for supermarket including online. Spain: Includes hypermarkets & supermarkets >100M and modern drug stores. Italy: Excludes open air markets estimated at 6% of FMCG sales. US: Represents transaction POS data, data collected in MULO channels

Source: IRI POS data ending May 3, 2020

Within Nonedible, Many Countries Saw Highest Private Label Increases in the Peak Stock-Up Period

Nonedible Private Label Dollar Share Percentage Point Change Across Countries



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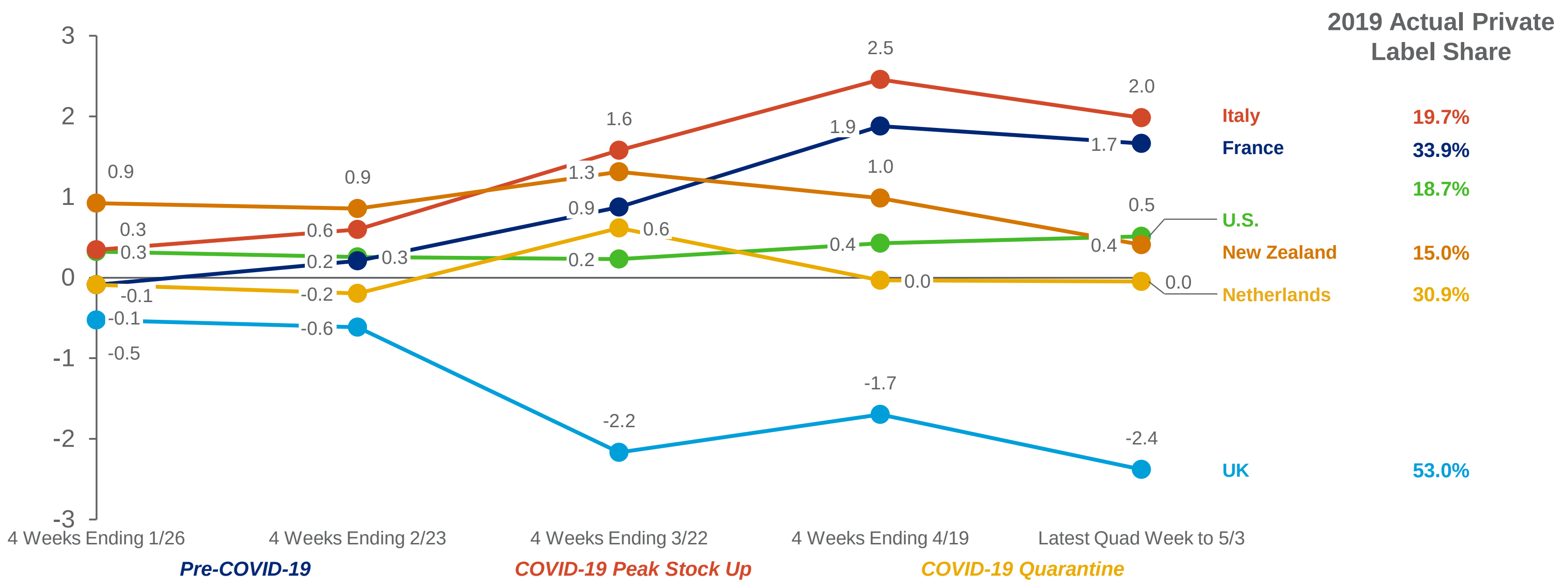
Source: IRI POS data ending May 3, 2020

Edible Private Label Share Gains Remain Most Elevated in Italy and France, and Have Declined More in the UK

Edible Private Label Dollar Share Percentage Point Change vs. YA Across Countries



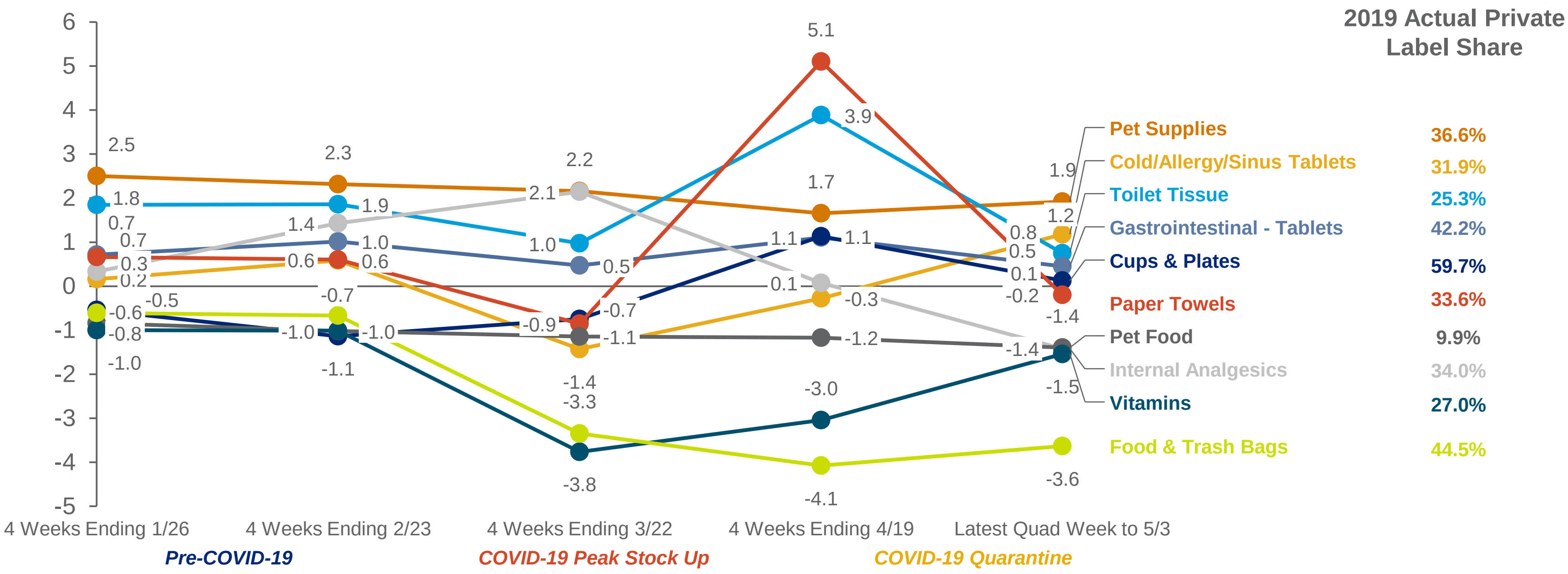
Channels Covered: UK: Aggregated sales across major grocery retailers. France: hypermarkets, supermarkets, discount, convenience stores, e-shopping. Netherlands: data collected for supermarket including online. Spain: Includes hypermarkets & supermarkets >100M and modern drug stores. Italy: excludes open air markets estimated at 6% of FMCG sales. US: Represents transaction POS data, data collected in MULO Channels

Source: IRI POS data ending May 3, 2020

U.S. Nonedible Private Label Share Gains Are Mixed Across Categories With Greatest Gains in High-Demand Paper Products

United States

Nonedible Private Label Dollar Share Percentage Point Change vs. YA

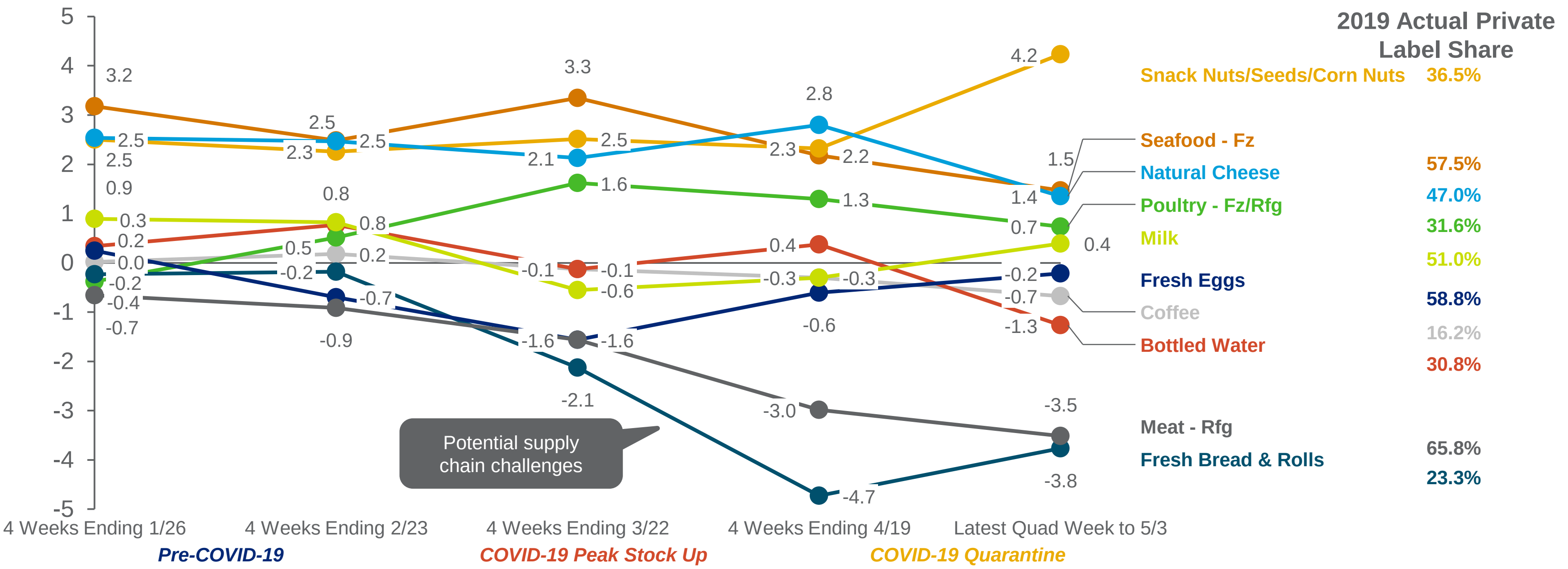


Source: IRI POS data ending May 3, 2020. Data collected in MULO Channels for Top PL Categories by Dollar Sales

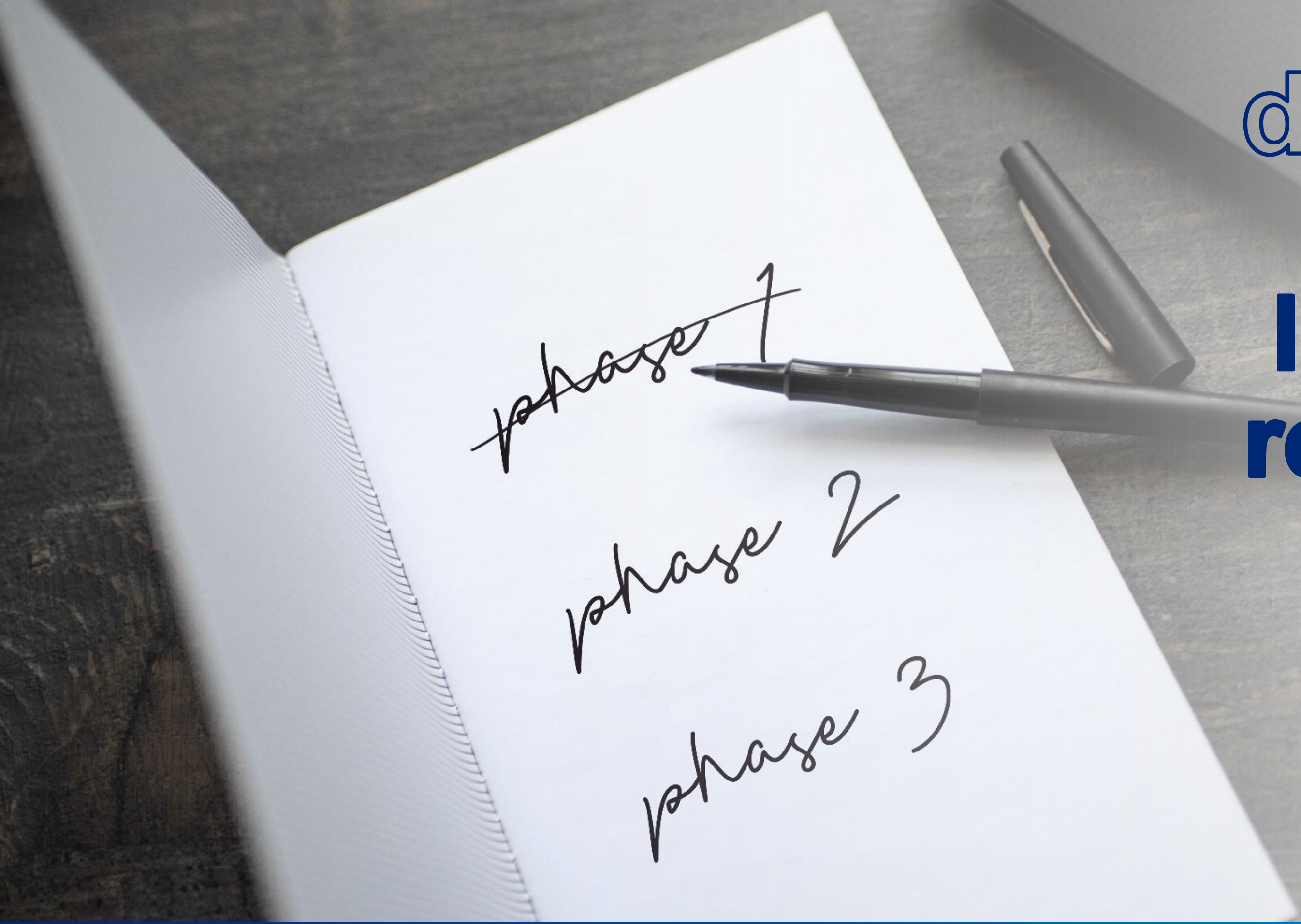
U.S. Edible Categories, Private Label Share Trends Accelerated in Nuts, Seafood, Cheese and Poultry

United States

Edible Private Label Dollar Share Percentage Point Change vs. YA



Source: IRI POS data ending May 3, 2020. Data collected in MULO Channels for Top PL Categories by Dollar Sales, Excluding Perimeter Sales



deep dive
impact of loosening restrictions
in the U.S. and New Zealand

COVID-19 Related Restrictions and Openings as of 5.13.2020

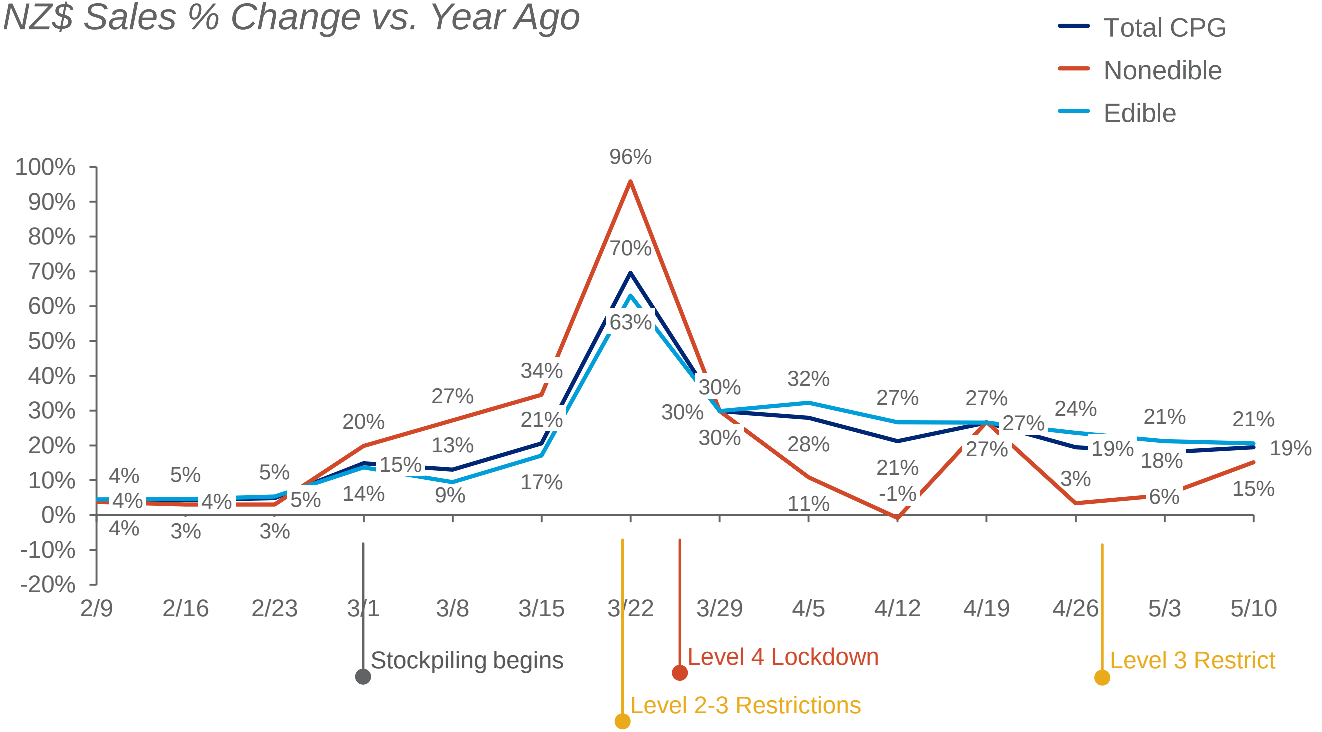
		Restricted Assembly	Non-Essential Business Closure	Approximate Weeks in Quarantine	Notes on Re-Openings or Lifted Restrictions
Italy		Mar 9	Mar 12	10	Bars and restaurants will reopen June 1st
France		Mar 13	Mar 14	9	Hair salons and shops begin to open while bars, restaurants and theatres remain closed
Germany		Mar 22	Mar 16	8	By mid-June Germany will ease border restrictions
Netherlands		Mar 15	Mar 23	9	Primary and middle schools begin to reopen
New Zealand		Mar 19	Mar 23	8	On May 14th New Zealand moves to level allowing for restaurants and retail stores to open
UK		Mar 23	Mar 23	8	Prime Minister Boris Johnson announced a plan for when schools and shops will open soon
U.S.		Mar 16	*by state*	9	Select states have begun to ease restrictions on businesses and allow for openings with capacity restraints
Spain		*by region*	*March 14*	9	Partial reopening on May 11th with stores and restaurants opening with restrictions

Source: Literature Search

In New Zealand, CPG Sales Trends Continue So Far, Despite First Phase of Loosened Restrictions

New Zealand

Week Ending February 9 – May 10, 2020
NZ$ Sales % Change vs. Year Ago



Level 4 Lockdown *from March 26*
- Strict lockdown

Level 3 Restrict *from April 28*
- Can reconnect with close family
- Schools and workplaces reopened, but people should stay at home unless not possible
- Businesses can open but not interact with customers

Level 2 Reduce *from May 14*
- Can socialize in groups up to 10
- Businesses can open with safe distancing practices
- Public venues open
- Safe to send kids to school

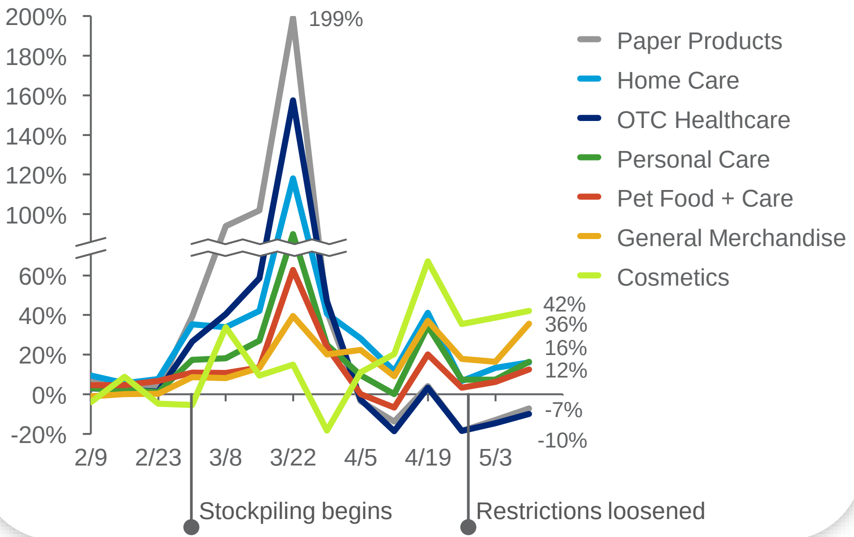
Source: IRI POS Data Ending May 10, 2020

Most Product Segments Continue Trends in New Zealand, While Cosmetics is Recovering From Lockdown

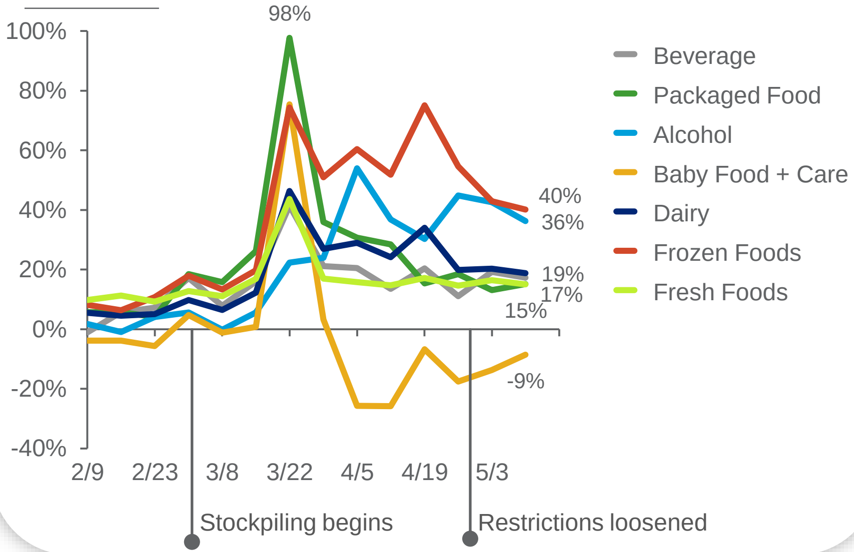
New Zealand

Week Ending February 9 – May 10, 2020
NZ$ Sales % Change vs. Year Ago

Nonedible



Edible

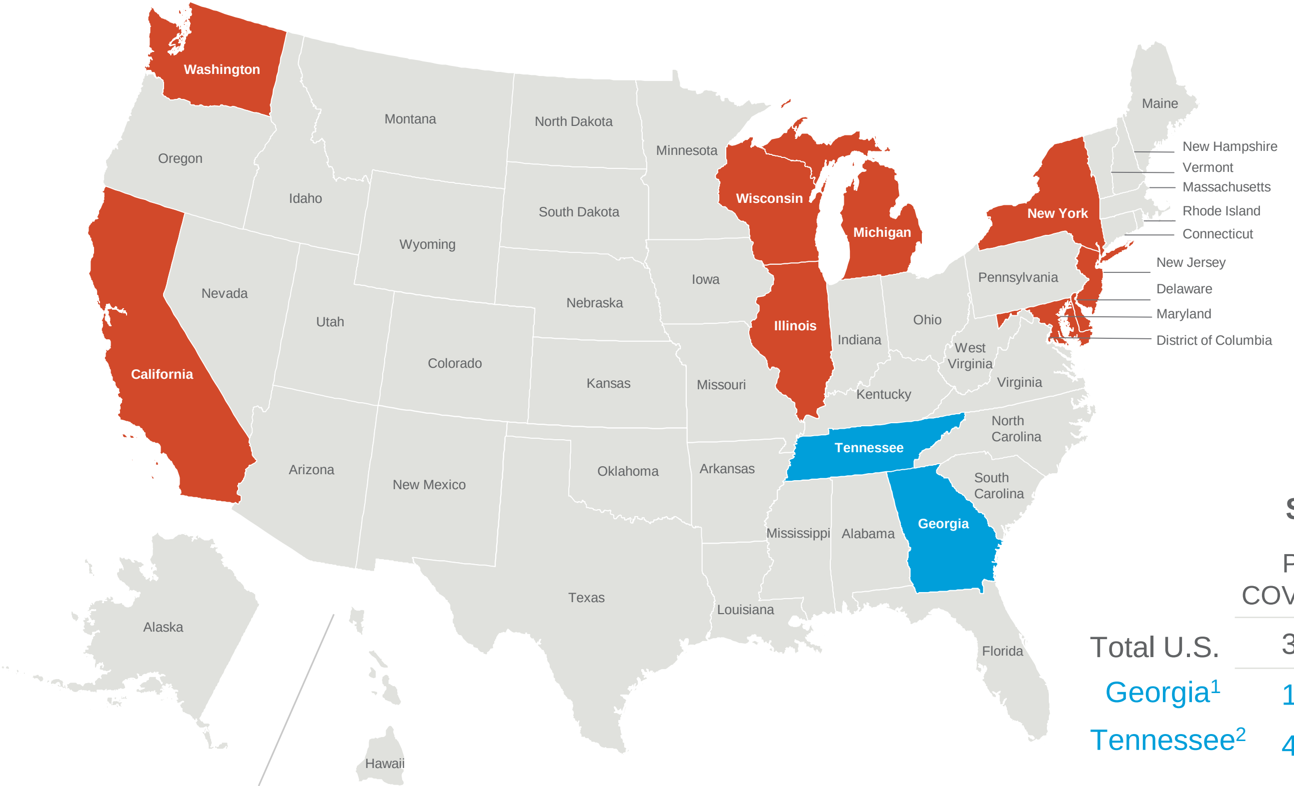


IRi BCG

Note: Segments defined to evaluate representative companies. Source: IRI POS Data Ending May 10, 2020

Purchasing Behavior Tends to Remain the Same Across the U.S. Even as States Begin to Loosen Restrictions and Open Restaurants

United States



$ Sales % Change vs. Year Ago

	Pre COVID-19	Peak Stockpile	Slowdown	WE 5/3/20
Total U.S.	3%	29%	10%	16%
Georgia[1]	1%	23%	13%	16%
Tennessee[2]	4%	25%	9%	14%

Note: 1. Georgia opened restaurants to dine-in on 4/27/20 2. Tennessee opened restaurants to dine-in in all but 5 counties Source: IRI POS data, IRI & BCG Analysis

appendix

Data Methodology and Notes

IRI tracks POS data weekly (weeks end on Sundays) and has ~one week of required processing time. (E-commerce has ~2 weeks processing time). U.S. National Consumer Panel data is released monthly. Tracker will be released weekly on Wednesday / Thursday as data is available; deep dives will be refreshed periodically.

U.S. Data

- Represents transaction POS database (accounts for 80%+ of FMCG sales)
- Data collected in multi-outlet + convenience (MULOC) channels: Grocery, Drug, Convenience, Mass, Walmart, Club, Dollar and DECA Stores
- Excludes Costco

UK Data

Aggregated sales across major grocery retailers

France Data

Data collected in hypermarkets, supermarkets, discount, convenience stores and e-shopping

Germany Data

Includes hypermarkets, supermarkets and drug stores

Italy Data

Excludes open air markets estimated at 6% of total FMCG sales

Netherlands Data

Data collected for supermarket, including online

New Zealand Data

- Represents grocery channel
- Point-of-sale data, accounting for 100% of pre-packaged grocery sales

Spain

Includes hypermarkets and supermarkets >100M and modern drug stores

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