

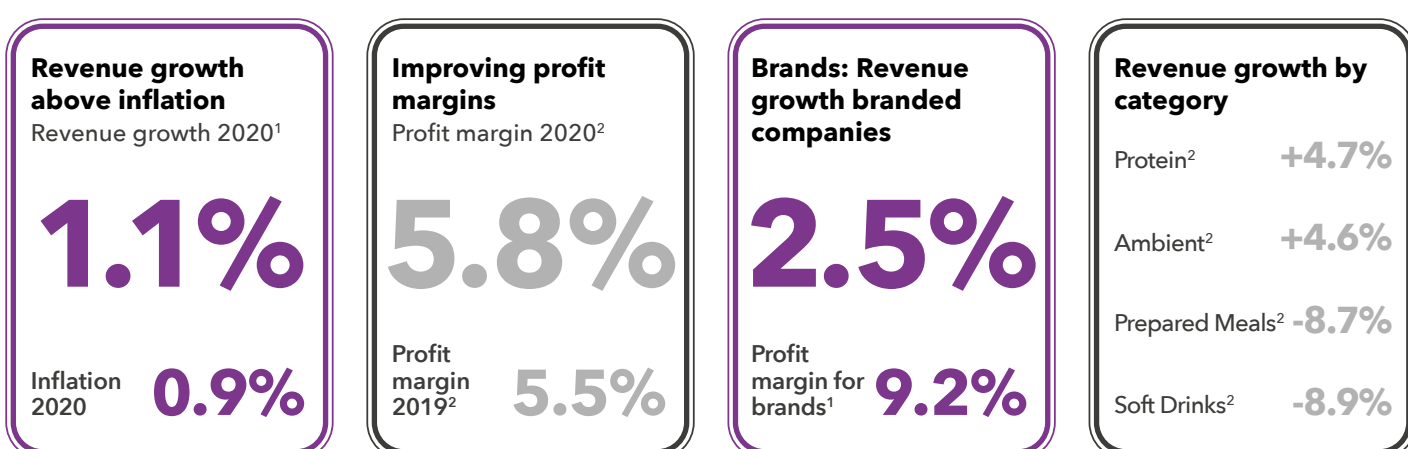


Decision time

In the new normal, what choices are you going to make to secure your future?

1. 2020 was a year of low revenue growth but strong profit improvement, especially among the big brands

2020 PERFORMANCE - HEADLINE RESULTS



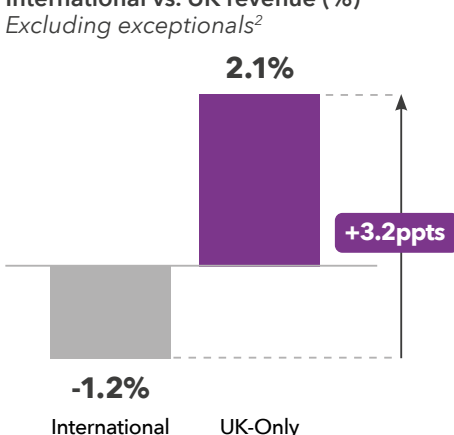
¹ Including exceptionals, e.g. companies with large M&A effects
² Excluding exceptionals, e.g. companies with large M&A effects

Historical data

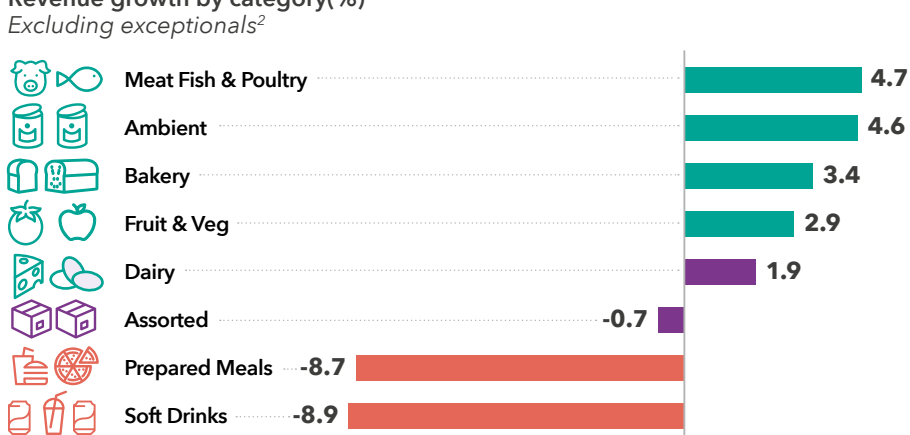
2. International revenues and some specific categories have impacted overall performance

REVENUE GROWTH OF GROCER 150 COMPANIES¹, 2020 VS 2019^{2,3} (% YOY CHANGE)

International vs. UK revenue (%)¹
Excluding exceptionals²



Revenue growth by category (%)¹
Excluding exceptionals²



¹ Excluding non-UK domiciled multinational companies (eg Nestle, Unilever) and companies that do not state international revenues
² Exceptionals include, but are not limited to, companies with significant M&A. Source: Company accounts.

Historical data

3. Our 5 star performers have shown that success can come regardless of product offer or positioning

PERFORMANCE WINNERS OVERVIEW

	Grocer 150 Rank	Turnover Growth ¹ (%)	Margin Delta ¹ (Ppts)	Winning Strategy
EIGHT FIFTY FOOD GROUP	#16	14.7%	1.1pts	<ul style="list-style-type: none"> Cross selling post Youngs acquisition Expanded value added offer Tight cost control
PREMIER FOODS	#21	9.7%	4.8pts	<ul style="list-style-type: none"> Consumer switches to trusted brands Expansion into growth niches Investment in marketing
Warburton's	#31	10.4%	0.6pts	<ul style="list-style-type: none"> Innovation outside of core Utilisation of DSD network
ALBERT BARTLETT	#102	18.5%	1.1pts	<ul style="list-style-type: none"> Investment in chilled Innovation and expanded offer Benefitted from UK grocery footprint
Tilda	#130	11.4%	1.2pts	<ul style="list-style-type: none"> Bulk formats offer Expansion into convenience channel

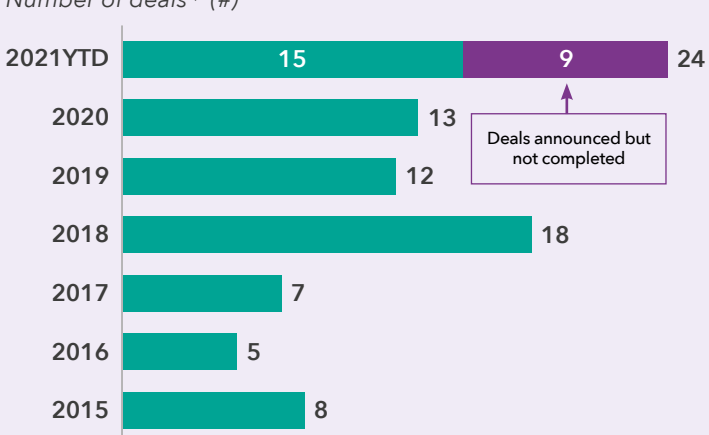
¹ Financials refer to OC&C Top 150 adjusted financials. Source: Annual reports.

Historical data

4. The year saw a high deal volume in food and drink from a mix of trade, PE and also retailers

CONSUMER FOOD & DRINK M&A DEAL ACTIVITY, 2015-2021YTD

Number of deals^{1,2} (#)



2021YTD deals (Not exhaustive)



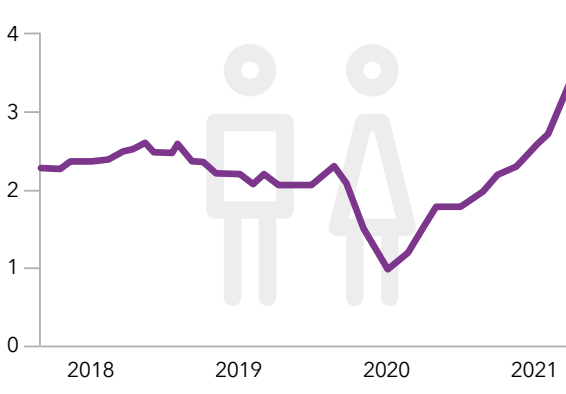
¹ Deal assigned to year according to completion date, as of October 2021
² Deals exclude abandoned deals
³ Estimated based on value of previous deals, analyst estimates and target company revenue and EBITDA

Historical data

5. The backdrop to 2021 will continue to be challenging

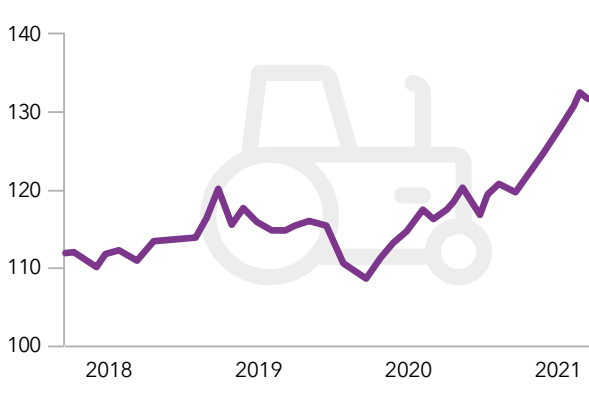
LABOUR SHORTAGES

No. vacancies per 100 employee jobs in manufacturing (#, 2018-21YTD)



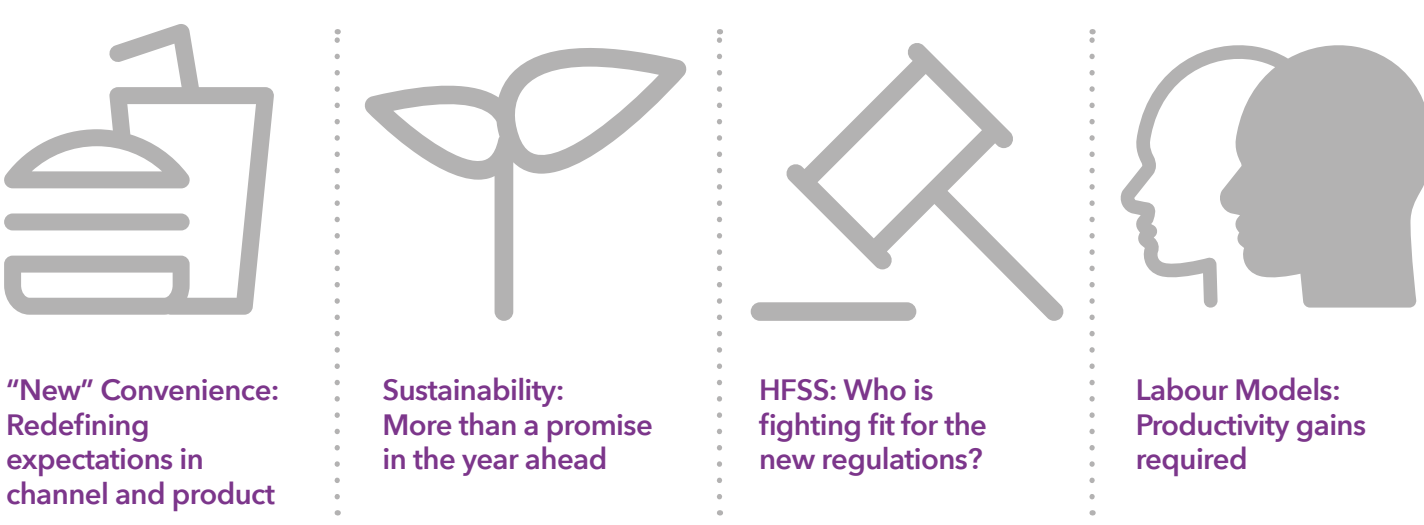
INCREASING INPUT COSTS

Agricultural price index of total agricultural outputs (Indexed to 2015, 2017-21)



Forecast content

6. In light of these cost challenges, and the changing consumer backdrop after Covid, what choices are you going to make?



Forecast content

The fortunes for the food and drink sector during 2020 can truly be classed as mixed - rarely has the industry seen such massive upheaval. Following those challenges, there are new challenges for the industry to confront around labour shortages, increasing input costs and rising global inflation, which all need to be managed in relatively short order.

Looking beyond this, UK food and drink is in a different place to where it was before Covid and there are a number of fundamental choices that food and drink businesses need to make in order to secure their futures.

- A new attitude towards convenience - both on a product and channel dimension
- Sustainability - more and more becoming an angle of differentiation for brands
- HFSS and health - renewed focus by government and consumers on health
- Labour models - productivity gains are essential in a landscape with limited access to consumers.

In light of these challenges, what choices are you going to make?

If you would like to discuss any of the themes covered in the Top 150 report we'd be delighted to talk.

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