

CONTINUED STRONG PERFORMANCE IN FIRST QUARTER.

Our sales performance¹ (exc. VAT, exc. fuel) for the 13 weeks ended 29 May 2021 is detailed below including like-for-like change on both a one and two-year basis, given the exceptionally strong prior year comparatives:

	Sales £m	One-year LFL	Two-year LFL
UK & ROI	12,422	+1.3%	+8.7%
UK	10,016	+0.5%	+9.3%
ROI	641	(6.1)%	+13.0%
Booker	1,765	+9.2%	+3.1% ²
Central Europe	940	(1.6)%	+1.5%
Group Retail	13,362	+1.0%	+8.1%

UK: Continued strong performance with growth on top of exceptional sales last year

- Two-year LFL growth of +9.3% includes retained benefit of customers consuming more meals at home vs. pre-COVID-19; peaked in March at +14.6% and moderated in April/May as restrictions eased
- Online demand remains high at 1.3m orders per week with two-year sales growth of +81.6%; one-year sales growth of +22.2% reflects annualisation of surge in capacity in April last year
- Particularly strong contribution from GM and clothing (one-yr LFL: +10.3% and +52.1% respectively)

Committed to delivering great value at a time when customers need us most

- Maintained 'Aldi Price Match' on >500 lines; strengthened price position against all key competitors
- Clubcard Prices rewarding loyal customers; now extended to all 1,844 Express stores
- Customer satisfaction³ remains ahead of Rest of Big 4; value, brand and quality perceptions all stepped forward, on top of last year's strong improvements

ROI: Sales decline reflects exceptionally strong performance last year; two-year like-for-like sales of +13.0%

- Last year's growth reflected earlier lockdown and higher conversion of 'out of home' consumption

Booker: Recovering strongly as hospitality sector reopens

- Catering LFL sales increased by +68.1% including a significant recovery in Best Food Logistics' sales
- Retail LFL sales declined by (4.3)% trading over significant growth in prior year of +23.8%

CE: Trade impacted by differing non-food sales restrictions and re-opening of non-essential retail

- Non-food sales restricted in Czech Republic; stronger Slovakia & Hungary performance

Bank: Sales declined (10.0)% for 1Q as a whole; includes growth later in the quarter as we start to lap COVID-19 and benefit from the full ownership of Tesco Underwriting⁴ in our results

ESG: We continue to make progress across all business units and recently published our sustainability report, the Little Helps Plan, with the launch of ambitious health commitments across the UK, Central Europe & Booker and the roll-out of the UK's biggest network of soft plastics recycling points

Ken Murphy, Chief Executive:

"We delivered a strong performance in the first quarter, even as we lapped the high demand of last year due to the pandemic. We have further strengthened our commitment to delivering consistent, reliable value and to rewarding loyalty, as we extended Clubcard Prices to all Express stores.

Our colleagues continue to do a great job serving our customers, and I thank them for everything they're doing. We remain focused on delivering great value, increasing loyalty and further developing our digital platform so we can serve our customers when, how and where they want.

Our profit guidance from April remains unchanged. While the market outlook remains uncertain, I'm pleased with the strong start we've made to the year and continue to be excited about the many opportunities we have to create value over the longer term."

Contacts.

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A call for investors and analysts will be held today at 09:00am. A link will be available on our website at www.tescopl.com/investors. A transcript and playback facility will also be made available after the call.

We will report our Interim results on Wednesday 6 October 2021.

Additional 1Q sales detail.

(exc. VAT, exc. fuel)	One-year sales change (constant rates)	One-year sales change (actual rates)
UK & ROI	+1.9%	+1.7%
UK	+1.1%	+1.1%
ROI	(5.5)%	(8.0)%
Booker	+10.0%	+10.0%
Central Europe	(1.5)%	(3.7)%
Group Retail	+1.6%	+1.3%
Tesco Bank	(10.0)%	(10.0)%
Group	+1.4%	+1.1%

On a one-year basis, UK like-for-like fuel sales grew by +68.1% reflecting a significant recovery – particularly in April and May – due to the easing of government restrictions. Fuel sales remain below pre-pandemic levels with two-year like-for-like sales down by (15.2)%. Total fuel sales for the quarter were £1,440m.

Notes.

1. These results have been reported on a continuing operations basis and exclude the results from our business in Poland, which was sold on 16 March 2021. Two-year like-for-like sales growth is calculated by comparing current year sales to sales in 2019/20, including sales from those stores which were trading in both years.
2. Best Food Logistics was acquired by Booker in early March 2020 and is therefore included within like-for-like sales performance on a one-year basis but not included on a two-year basis.
3. UK Multichannel Tracker. 3 period rolled data. Represents responses to question: “Based on your most recent experience, how likely is it that you would recommend this store to a friend or colleague?” Tesco is compared against the average of the Rest of the Big 4 (Sainsbury’s, Asda and Morrisons).
4. On 4 May 2021 we completed the acquisition of Ageas’s 50.1% stake in Tesco Underwriting. Tesco Underwriting’s sales are now fully consolidated within Bank results.