

STRONG CHRISTMAS PERFORMANCE SUPPORTED BY UNWAVERING COMMITMENT TO VALUE.

Our sales performance¹ (exc. VAT, exc. fuel) for the 19 weeks ended 8 January 2022 is detailed below:

	One-year LFL			Two-year LFL		
	Q3	+ Christmas	= 19 weeks	Q3	+ Christmas	= 19 weeks
UK & ROI	+2.3%	+2.7%	+2.4%	+8.2%	+9.2%	+8.6%
UK	+0.2%	+0.3%	+0.2%	+6.9%	+8.8%	+7.5%
ROI	(3.3)%	+0.3%	(2.1)%	+7.8%	+13.0%	+9.6%
Booker	+16.2%	+20.5%	+17.5%	+16.7%	+10.8%	+14.8% ²
Central Europe	+3.1%	+8.1%	+4.9%	+3.9%	+3.6%	+3.8%
Group Retail	+2.4%	+3.2%	+2.6%	+7.9%	+8.7%	+8.2%

UK: Continuing strong momentum – further growth on top of exceptional performance last year

- Highest share in 4 years; growing share both in stores & online; 22 consecutive periods’ switching gains³
- Brand index up 177bps⁴ driven by market-leading improvements in value perception (+199bps⁴) and quality perception (+149bps⁴)
- Strong large store and convenience performance; online sales remain significantly ahead of pre-COVID levels (19wk 2-yr LFL +58.7%) with c.1.2m orders per week; highest online share since pandemic began
- Over 95% promotional sales now on Clubcard Prices; 8.5m customers now accessing Clubcard via app
- Tesco Whoosh superfast home delivery service now in >100 stores; Bradford UFC opening next week

ROI: Sales up strongly on two-year basis; one-year growth on top of exceptional Christmas last year

- Highest share growth in market over Christmas period⁵ including strong online performance
- Announced intention to acquire ten Joyce’s Supermarkets in Galway⁶

Booker: Both Retail & Catering sales well ahead of pre-COVID levels (19wk 2-yr LFL Retail: +19.5%, Catering: +8.8%)

- Retail sales supported by strong availability; Premier, Londis & Budgens performing particularly well
- Strong Catering growth for 19wk period on both 1-yr and 2-yr basis despite Omicron impact

CE: Market outperformance, particularly in the Christmas period

- Year-on-year easing of COVID restrictions enabled customers to access full strength of our offer
- Customers responded well to our core food proposition; significant increase in clothing and GM sales

Bank: Sales +33.6%, driven by the full ownership of Tesco Underwriting⁷ this year. Excluding Tesco Underwriting, sales declined (5.9)% due to reduced income from lower unsecured lending balances YoY

Outlook: As a result of stronger than expected sales to date, we now expect retail operating profit slightly above the top-end of our previous £2.5bn to £2.6bn guidance range; we expect Bank operating profit to be between £160m and £200m, due to the effect of more favourable economic forecasts on our provision for expected credit losses

Ken Murphy, Chief Executive:

“We are delighted that we were able to help our customers have a great Christmas. Despite growing cost pressures and supply chain challenges in the industry, we continued to invest to protect availability, doubled down on our commitment to deliver great value and offered our strongest ever festive range. This put us in a strong position to meet customers’ needs as, once again, COVID-19 led to a greater focus on celebrating at home. As a result, we outperformed the market, growing market share and strengthening our value position.

The entire Tesco team is at its best when it is delivering for customers and we are really pleased that so many customers who were new to Tesco during the pandemic have remained with us – either continuing to shop online or becoming regular in-store customers. This reflects the hard work and commitment of our fantastic colleagues and I want to thank every single one of them for the incredible contribution they make every day.”

Contacts.

Investor Relations:	Chris Griffith	01707 940 900
Media:	Simon Rew	0330 678 0639
	Nick Claydon, Teneo	07974 982 547

A call for investors and analysts will be held today at 8:45am. 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 full year results on Wednesday 13 April 2022.

Channel sales breakdown.

	One-year LFL			Two-year LFL		
	Q3 +	Christmas	= 19 weeks	Q3 +	Christmas	= 19 weeks
Large	+2.7%	+1.9%	+2.4%	+2.7%	+4.6%	+3.3%
Convenience	+2.8%	+2.6%	+2.7%	+0.3%	(0.0)%	+0.2%
Online	(12.6)%	(11.3)%	(12.2)%	+56.1%	+64.6%	+58.7%
Total UK	+0.2%	+0.3%	+0.2%	+6.9%	+8.8%	+7.5%

Additional sales detail.

19 weeks to 8 Jan 2022 (exc. VAT, exc. fuel)	Sales £m	One-year sales change (constant rates)	One-year sales change (actual rates)
UK & ROI	18,615	+2.7%	+2.4%
UK	14,787	+0.6%	+0.6%
ROI	937	(1.8)%	(7.5)%
Booker	2,891	+16.9%	+16.9%
Central Europe	1,474	+5.2%	+0.7%
Group Retail	20,089	+2.9%	+2.3%
Tesco Bank	349	+33.6%	+33.6%
Group	20,438	+3.3%	+2.7%

Fuel sales.

	Sales £m	One-year LFL			Two-year LFL		
		Q3 +	Christmas	= 19 weeks	Q3 +	Christmas	= 19 weeks
UK exc. fuel	14,787	+0.2%	+0.3%	+0.2%	+6.9%	+8.8%	+7.5%
Fuel	2,447	+34.1%	+44.8%	+37.2%	(4.0)%	+3.2%	(1.9)%
UK inc. fuel	17,234	+4.1%	+4.5%	+4.3%	+5.1%	+8.0%	+6.0%

Notes.

- 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. Sales change shown at constant rates, unless otherwise stated.
- 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.
- Source: Kantar, Grocers' Total Till Roll market share for 12 w/e 26 December 2021. Kantar switching gains for 12 w/e 26 December 2021.
- YouGov Brand index, Value perception and Quality perception year-on-year growth to 2 January 2022, 12 week rolling basis.
- Source: Kantar, Total Take Home Grocery YoY market share growth for 4 w/e 26 December 2021.
- Pending approval of the Competition and Consumer Protection Commission (CCPC).
- 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.