

STRONG GROWTH DRIVEN BY CONTINUED INVESTMENT FOR CUSTOMERS.

Like-for-like sales (exc. VAT, exc. fuel for the 19 weeks ended 7 January 2023):

	Q3	+	Christmas	=	19 weeks
UK & ROI	+5.2%		+7.8%		+6.1%
UK	+4.3%		+7.2%		+5.3%
ROI	+5.3%		+6.4%		+5.6%
Booker	+9.3%		+11.7%		+10.0%
Central Europe	+12.3%		+8.7%		+10.9%
Group Retail	+5.7%		+7.9%		+6.4%

UK: Most competitive offering to date, delivering further growth on top of an exceptionally strong base

- Maintaining strong market share at 27.5%¹; with net switching gains in December²; only full-line grocer to increase market share vs pre-pandemic³
- Strong performance driven by focus on value & quality, with particular strength in fresh food (up +8.1%), with strong execution across every part of the shopping trip including market-leading availability⁴
- Further strengthened value proposition: Aldi Price Match continuing to provide great value on over 600 key products; Clubcard Prices helped customers spend less on festive lines; volumes on Low Everyday Prices range up +7.4% following launch of price lock commitment in October
- New price lock announced last week, holding price of over 1,000 everyday products through to Easter
- Continued increase in Clubcard satisfaction – highest ranked supermarket loyalty scheme⁵; number of customers receiving in-app personalised coupons doubled to 4 million
- Overall quality perception up +143bps⁶ YoY; Finest festive range expanded by 22%, with overall Finest sales up +8.2%, contributing to gains from premium retailers throughout the period⁷
- Continued strong growth across large stores and convenience; online sales returning to growth within the period, with sales +59% higher than pre-pandemic & participation stabilising at around 13%

ROI: Strong sales, particularly at Christmas given exceptional COVID-related growth in previous two years

- Grew market share +46bps YoY⁸; strong performance in online with sales up +9.6%
- Continued strong response to Clubcard Prices; further increase in Clubcard sales penetration to 75%
- All nine Joyce's stores converted & re-opened as Tesco stores in time for key Christmas trading

Booker: Retail & Catering both growing strongly (19-wk 1-yr LFL Retail: +3.8%, Catering: +19.2%)

- Retail LFL includes impact of (6.8)% tobacco sales decline due to post-COVID market normalisation; on exc. tobacco basis, Retail LFL: +11.9%, and total Booker LFL: +15.8%
- Celebrated 4,000th Premier opening - now total 6,809 stores across Premier, Londis & Budgens brands
- Strong catering growth against a declining market as we supported customers to offer outstanding value including price freeze on 450 key catering lines

CE: Robust performance in an inflationary environment

- Strong growth throughout entire period, with Christmas lapping exceptionally strong performance LY
- Food performance a particular highlight, up +12.9%
- Clubcard Prices & Low Price Guarantee enhancing competitiveness; Clubcard sales penetration now 84% and Clubcard app users more than trebled YoY to 1.8m

- Bank:**
- Sales up +14.6%, driven by increase in credit card spending and money services transactions (ATM and Travel Money), as customer behaviour continues to normalise post-pandemic

Outlook: Reconfirming FY22/23 guidance

- Retail adjusted operating profit of between £2.4bn and £2.5bn; retail free cash flow of at least £1.8bn; Bank adjusted operating profit of c.£120m to £160m

Ken Murphy, Chief Executive:

“I’m really pleased with our performance over this period – particularly the further strong growth at Christmas on top of the exceptional growth of the last few years. We’ve delivered a strong market share performance in the UK and ROI, Booker has continued to grow strongly despite a particularly tough catering backdrop and our Central European business has delivered its highest sales growth for many years.

I’m extremely proud of the way Tesco has stepped forward to help customers dealing with tough times this Christmas. By delivering relentlessly on the strategic priorities that we set out 18 months ago, we have made sure that customers know that they will benefit from great value and quality in every part of their basket, however they choose to shop with us.

It has been a huge team effort and I want to thank every colleague across the business for their hard work. I’d also like to thank everyone who generously supported our Winter Food Collection, which has contributed to a record 39m meals donated by Tesco and our customers so far this year.

We go into the new calendar year with good momentum and I am confident we can continue to maintain our competitiveness and deliver a strong performance relative to the market despite the challenging conditions ahead.”

Contacts.

Investor Relations:	Chris Griffith	01707 940 900
	Rob Whiteley	01707 940 745
Media:	Christine Heffernan	0330 6780 639
	Ben Foster, Teneo	07776 240 806

A call for investors and analysts will be held today at 09:00am. A link will be available at 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 Thursday 13 April 2023.

Additional sales detail.

19 weeks to 7 Jan 23 (exc. VAT, exc. fuel)	Sales £m	Sales change (constant rates)	Sales change (actual rates)
UK & ROI	19,767	+6.1%	+6.2%
UK	15,548	+5.1%	+5.1%
ROI	1,039	+8.6%	+10.8%
Booker	3,180	+10.0%	+10.0%
Central Europe	1,620	+11.1%	+9.9%
Group Retail	21,387	+6.4%	+6.5%
Tesco Bank	400	+14.6%	+14.6%
Group	21,787	+6.6%	+6.6%

Channel sales breakdown.

	Q3	+	Like-for-like Christmas	=	19 weeks
Large	+4.6%		+8.1%		+5.8%
Convenience	+5.5%		+6.7%		+5.9%
Online	(0.7)%		+2.0%		+0.2%
Total UK	+4.3%		+7.2%		+5.3%

Fuel sales.

	Sales £m	Q3	+	Like-for-like Christmas	=	19 weeks
UK exc. fuel	15,548	+4.3%		+7.2%		+5.3%
Fuel	2,770	+15.3%		+8.2%		+13.1%
UK inc. fuel	18,318	+6.0%		+7.4%		+6.4%

Three-year like-for-like.

	Q3	+	Christmas	=	19 weeks
UK & ROI	+13.7%		+17.4%		+14.9%
UK	+11.9%		+16.8%		+13.6%
ROI	+14.3%		+20.1%		+16.3%
Booker	+24.0%		+20.3%		+22.9%
Central Europe	+16.9%		+12.7%		+15.4%
Group Retail	+13.9%		+17.0%		+14.9%

Notes.

- UK Kantar Tesco market share of Grocers' Total Till Roll on 12 w/e rolling basis to 25 December 2022
- Kantar net switching gains 4 w/e 25 December 2022
- Tesco market share of Total Grocers' Till Roll on a 12 w/e rolling basis to 25 December vs 29 December 2019
- UK Multichannel Tracker. three period rolled data to P10 FY22/23. Based on the response to the question "Based on your most recent experience, could you get everything you wanted to buy?"
- The Grocer article entitled 'Tesco Clubcard ranked best supermarket loyalty scheme amid cost-of-living crisis', November 2022
- Quality perception based on YouGov 12 w/e rolling basis to 8 January 2023
- Kantar net switching gains from M&S & Waitrose 12 w/e 25 December 2022
- ROI Kantar Tesco year-on-year change in market share of Total Grocery market on 12 w/e rolling basis 25 December 2022
- Q3 covers the 13 weeks to 26 November 2022 and Christmas covers the 6 weeks to 7 January 2023