Tesco PLC
Q1 Results 2026/27 – Analyst Call

18th June 2026

Transcript

Ken Murphy: Good morning everyone. Thank you for joining Imran and I following the publication of our First Quarter Trading Update earlier today. We've made a good start to the year and I'm particularly pleased with our strong customer satisfaction scores, helping to drive further sales growth on top of the exceptional performance we delivered last year. Alongside ongoing investments in value, quality and service, we're making strong progress against the longer term growth drivers we set out in April, including personalisation, Retail Media, and digital capability. As we build on the unique strengths of our business, we are unlocking sustained long-term growth for all our stakeholders. I'd like to say a huge thank you to all our colleagues for their continued fantastic hard work and commitment. Their focus on delivering consistently great service has once again been key to our performance. Before opening the call to your questions, I would like to take a few moments to run through some of the highlights of the quarter.

Like-for-like sales in the UK grew by 1.8% against a particularly strong comparative period last year, which benefited from record breaking weather and disruption at some of our competitors. This was also reflected in market share where we broadly held our own across the quarter and saw small decline in the latest four week data as we started to lap the strong comparative. Fresh Food led the performance with like-for-like sales of 3.6%. Finest also remained strong with sales up 9%. Online continues to grow strongly with sales up 8.9%, including another strong contribution from Whoosh, where sales grew by over 30%. Alongside a further expansion of Whoosh to more households, we also rolled out a 'Book for Later' option, giving customers more choice and flexibility for same day delivery. Food innovation remains an important driver of our success and during the period we launched over 500 new and improved products, including more than 200 in Finest.

Our progress on quality was also recognised externally including two Good Housekeeping Retailer of the Year awards. With the conflict in the Middle East contributing to uncertainty for many households, we have continued to invest in the parts of the shopping trip that matter most to our customers. During the quarter, that included extending Aldi Price Match to more than 2000 express stores. Alongside thousands of Clubcard deals, our extended Everyday Low Price programme and our ongoing investments into great quality and service, we are committed to giving customers the very best value for money, however and whenever they shop with us. We are also committed to supporting the communities we serve. During the quarter, we announced plans to double the size of our free Fruit & Veg for Schools programme, reaching more than 1,000 schools every week from September.

In Ireland, we have again delivered strong volume-led growth across all channels. Like-for-like sales increased by 3.3% with particularly strong online performance. New store openings are also making an important contribution to growth in Ireland and together total sales are up 5.6%. Booker's performance across retail and catering reflects both the strong prior year comparative, which benefited from favourable weather and the impact of exiting a lower margin retail contract in the second half of the year. Underlying growth across retail and catering remains solid on a two-year basis with customer satisfaction scores making further progress. During the period, we also added 146 new retail partners. In Central Europe, we delivered modest growth supported by volume gains and an improved mix in Food. Online performed especially well during the period and we were pleased to see a significant improvement in consumer confidence in Hungary.

Alongside good short-term progress, we are also making strong progress against our longer term strategic ambitions. For instance, our new Adobe Powered Personalised Communications platform has now gone live. Step-changing our capability to give customers more relevant inspiration offers and reminders. And we were really excited to give all of our colleagues exclusive access to our AI meal planning assistant as we fine tune it ahead of a broader rollout to customers later this year. As we start a summer of major sporting events, including the Football World Cup, we are seeing strong engagement from our suppliers as they look to connect with customers. That includes product exclusives from brands such as Budweiser, Walkers, and Pepsi. Alongside innovative Retail Media activity, the World Cup is a clear example of how we are creating engaging moments for brands and customers. We're already seeing customers get into the World Cup spirit. On Saturday, sales of Irn-Bru were up 50% ahead of the Scotland game and cocktail cans were up 185%. Last night, we also extended our Whoosh operating hours until 11:00 PM so that England fans could get drinks and snacks straight to their door without missing a minute of the game and Whoosh sales yesterday were up around 40%.

In summary, I'm pleased with the start we have made to the year. As customers remain mindful of their spending against the backdrop of continued uncertainty, we are committed to doing whatever we can to deliver the very best combination of price, quality and service. For the full year, we continue to expect group adjusted operating profit of between £3.0bn and £3.3bn and free cash flow within our medium term guidance range of £1.5bn to £2bn. Thank you again for listening. I'll now hand back to Serghei. Imran and I will be really happy to take your questions.

Operator: Thank you, Ken. Ladies and gentlemen, if you wish to ask a question at this time, please signal by pressing star one on your telephone keypad. And please make sure the email function on your phone is switched out to allow your signal to reach our equipment. If you wish to cancel your request, please press star two. Again, it is star one to ask a question. We'll pause for just a moment to allow you to signal. Now, the first question is from Sreedhar Mahamkali from UBS. Please go ahead.

Sreedhar Mahamkali: Hi, good morning, Ken and Imran. Thanks for taking the questions. Can I have three, please, if you don't mind, right at the top of the queue hopefully that's okay. First one is, is there anything you can help us in terms of shape of trading, particularly towards the end of Q1 and as you entered Q2? I know it's only a few weeks into Q2, so that'll be very helpful. Secondly, I think in the outlook statement, you referred to a good start to the year as you reiterated operating profit and free cash flow as suggested there, Ken. Does that good start mean profit growth in Q1? Is that how we should see it? And last one, you referred to a couple of interesting areas in the release, 15% growth in insurance policies and strong growth in retail media. Again, how should we think about contribution of these to growth of adjusted operating profit this year?

I know it's a trading statement, but it'll be helpful for us to understand how we should think about those sorts of numbers you refer to. Thank you.

Ken Murphy: Thanks very much, Sreedhar. I will take the shape of trade and retail media and insurance question. I'll pass the profit question on to Imran. I think it's fair to say that we are where we expected to be, Sreedhar. We are lapping exceptional weather last year and of course we had disruption amongst our competitor set, which really influenced the base that we're lapping. So I would just say from a shape of trade point of view, we are where we are and where we expect it to be. I would say that we have invested very heavily in value and our price indices are as strong as they've ever been. As you can see from the release, we've also invested in product quality and innovation with over 500 products released. We've extended the ALDI price match into our convenience stores, which we think was a really positively received move and all of that has culminated in a record customer satisfaction score with an NPS of 31.

And then as you say, what that's done is that the halo from that has meant that we're starting to see increasing traction with that ecosystem model of trading more people into our financial services products, increasing penetration of our Tesco Mobile offering and winning with suppliers in terms of our retail media proposition and we won another retail media award during the quarter. So all in all, we feel like the strategy we laid out for you in April is starting to show real signs of traction.

I think it would help us if we could get some sunshine. It's fair to say. So weather related sales, things like clothing, fresh food, beer, wine, spirits have definitely been impacted by the weather. But other than that, I think the shape of trade is reasonably solid and consistent. I'll pass you over to Imran.

Imran Nawaz: Yeah, maybe if I give just one more comment on the shape of trade. I mean, in April, we did very clearly mention there's going to be a first half, second half play in the sense that we knew we would lap a very strong sort of weather tailwind that we had. You remember the 22 weeks of continuous sunshine was a thing and clearly some disruption at our competitors also benefiting us. Clearly that straddled Q1, Q2, and I wouldn't want to get into a month by month play here, but clearly it's something that we factored into the shape of our planning and also maybe worth to say here as well, we are also very, very clear that as you know, Sreedhar, we are quite disciplined and we never go and buy sort of any empty share just because of the difficult laps.

So I think we continue to be very happy with how we're trading and the way that Ken described is how we continue to operate. Then in terms of outlook on profit, look, I feel really good about where we are at the end of quarter one. Pretty much played out exactly as we anticipated. You look at Online, you look at Finest, you look at Whoosh, you look at the strategic initiatives all contributing as we anticipated, the shape of the sales growth exactly where we expected it to be. And frankly, that's also true for profit and cash.

Now obviously there's nine months to go, so still to play out, but at this stage, really happy with where we landed. Then this last question that you had, the contribution of profit drivers from media income, from IMS, from mobile, of course they're all very helpful. It's part of the strategy. They bring in new customers, but they also bring in new profit and those are very helpful as you have seen us perform over the last five years, they have been contributing and they continue to do so in a nice way.

Sreedhar Mahamkali: And just a really very, very quick follow-up. The level of growth we've seen in Q1, potentially Q2, as you pointed to H1, H2 there, is it enough to drive profit growth?

Imran Nawaz: Look, every year we set out to drive profit growth and we said the same as we started into this year, right? As you remember, the range we set out was clearly to give us the space should consumer behaviours change driven by the uncertainty in the Iran conflict. We haven't seen that yet. So I would say one quarter in, I feel good about how we are trading and how profit is shaping up, but there's nine months to go. And to your specific question, can you grow profits with the current shape of trade? Yes.

Sreedhar Mahamkali: Thank you very much. Thank you both.

Ken Murphy: Thanks, Sreedhar.

Operator: Thank you. We'll now take our next question from Clive Black from Shore Capital Markets. Please go ahead.

Clive Black: Good morning. Thank you for taking my question and actually well done on growing sales against what you were facing into. I just have one question. Last week the UK Medical Authorities approved a tablet form of a diet suppressant drug. I just wonder if this is starting to lap on your shores in terms of demand and volume, but also whether you see this development as a positive feature from the perspective of Tesco going forward. Thank you very much.

Ken Murphy: Thank you, Clive. Good to talk to you as always. We actually see it as a positive thing. Anything that improves the health of the nation we think is a good thing. And as you can see from the last three years, the tip of the spear for us has been our fresh food sales growth. We've been really pleased with the consistent quality improvement in our base fresh fruit, vegetables, meat, fish, poultry, and the innovation that we've brought to that area. So that's been a real positive for us. I think also we are one of the few grocers that have retained our pharmacy network and we're the largest pharmacy chain, therefore we're doubling down on helping customers with their healthcare needs, with their broader healthcare needs, of which a weight loss service is part of that. And then finally, I would say it's really informed our food innovation programme.

So we've released a number of high protein, high fibre product ranges, which actually play to a much broader interest customers have in healthcare that goes well beyond GLP-1. So even before GLP-1 became a thing, I think largely through COVID, we saw a big trend of customers wanting to live better lives, healthier lives, eat better and that trend has continued and grown and I think GLP-1 is a subset of that. So we're adapting our business model to take advantage of it.

Clive Black: And so Ken, just by way of follow up, would you expect volume to reflect these trends but mixed in and you're 1 nil up?

Ken Murphy: Yeah, I think so. I think that's probably the right way to look at it. Absolutely.

Clive Black: Well, I hope your good lady takes down those Harry Kane posters in your house quite soon and enjoy the World Cup.

Ken Murphy: Clive, I promise you in the long list of good looking sports stars that she has on our wall, Harry Kane didn't quite make the cut.

Clive Black: Brian O'Driscoll is a bad man, isn't he?

Ken Murphy: No, Dan Carter. And Roger Federer, they're the two that make the cut.

Clive Black: Very good, Ken. Thank you.

Ken Murphy: Bye.

Operator: Thank you. Our next question is from Izabel Dobreva from Morgan Stanley. Please go ahead.

Izabel Dobreva: Hello, good morning. I've got a couple of questions. The first one is on market share dynamics which you saw during the quarter. I suppose the temporary impact from lapping the competitor disruption from last year would have been in your budget and quite well known in advance. So could you maybe comment on your market share excluding those temporary impacts and what momentum you are seeing in your business outside of that? And then as a sub question on market share, could you also comment on the trend you're seeing in the Finest sales, just because they have both slowed down a little bit versus the mid-teens number we're used to seeing. So I'm wondering, is that something that is market wide and you're still getting share in Finest or has there been any change there? And then my final questions is just the shape of the buy. As we think towards 2Q, I guess there may be a little bit more disinflation to come and some continued months or so on the competitor disruption based off Kantar.

So is it likely 2Q will be the lowest point of the year or do you think the volume boosts from weather and maybe the World Cup will be enough to offset that?

Imran Nawaz: Yeah. So let me talk on our planning assumption. So when we plan the year, you're absolutely right. We took into account the fact that we have not just the weather tailwind, but also the disruption tailwind. And as I mentioned, that straddled Q1, Q2. So absolutely when you think about the market share reads, we saw the beginning, what I would call a period of exceptional gains and the last month you saw that weakening in the four-week read, that was exactly that. That still continues in my view a little bit that big hill to climb, but it's part of the plan. It's part of how we forecast it, which is why when I look at our overall financial metrics, but also the KPIs around all the metrics that we are looking at, whether that's how Online, Whoosh, Fresh, Food, Non-food all grew is pretty much in line with expectations.

So I think we're in a good place there. When I look at the rest of the business in terms of excluding those impacts, look, it's playing out exactly as we anticipated, right? I mean, the good news is inflation is a little bit lower as you've seen. I feel the market is calling, what was the market around 3.5? We're meaningfully below that. So actually when I look at our volume performance, Izabel, in both, Fresh especially, it's actually quite strong and between Fresh and Packaged equally, we're in a good place as in broadly slightly ahead in fact, which is a good thing. We have been impacted, which is maybe worthy of your question to note down is last year in Q1 we had clothing growth of around 10.5%, 11%. So clearly as you lap Q1, Q2 because of that weather, that's in slight negative, but as anticipated.

So all in all, trading is broadly in line with our expectations or fully in line with our expectations. Then Q2, as you would rightly expect, weather will play a big role because you've seen outside, we've had one nice week in May, which was very, very helpful and we saw it really trade do really well during that period, which is a good sign, but clearly when you have sunshine, people spend more and enjoy themselves more. And I'm hoping for a longer stay for England and Scotland in the tournament, that is always helpful because I think it also lifts the mood. So when we look at our plans, our propositions, they're resonating well, they're delivering in line with expectations, but we could use a bit of help from the sun.

Ken Murphy: And Izabel, just to address your second two questions, look, I'm feeling really good about Finest sales because the 9% was building on particularly strong sales the year before. So I think our two year number is kind of mid 20s in terms of the growth. So that represents an exceptional performance in Finest and it continues to resonate really well. And of the 500 products that we innovated in the first quarter over 200 of them, 220 to be precise, were Finest, including a lot of kind of ready to drink cocktails, which saw particularly strong growth in Scotland last Friday. In terms of the shape of the buy, look, we're very sensitive to weather. The World Cup has been for sure factored into our buying and into our thinking around trade plan shape and with the weather expected to turn really positive next week we are feeling positive about the shape of trade and we're well set up for it.

Izabel Dobreva: Okay. Thanks very much.

Ken Murphy: Thanks Izabel.

Operator: Thank you. We will now take our next question from Manjari Dhar from RBC. Please go ahead.

Manjari Dhar: Morning Ken and morning Imran. Thank you for taking my questions. I just had two if I may. My first question was on convenience. I just wondered if you could give us some colour on the performance of the convenience stores versus the large stores and sort of any more colour on the impact of the Aldi Price Match extension to Express. And then my second one, you've mentioned the World Cup a few times. I just wonder if you could maybe add a little bit more colour on historically how much has or how has the World Cup influenced trading, the shape of trading and is it more the marketing opportunity or a footfall opportunity for people buying a bit more alcohol? Thank you.

Imran Nawaz: So I can give you a bit of colour on the channel sort of split to bring that a bit alive for you. So if you break down the different channels, what you would have is Online growing at around 9, large stores growing around 1.5 and Convenience slightly down. That is driven by obviously the tobacco industry trends as you would expect, but also the lap of the hot weather where you would imagine in convenience when hot weather comes in, you also have the drinks, the ice creams, the impulse products that clearly have an immediate impact on that and also the fact that one of our competitors had been quite disrupted within their convenience channels, which obviously had been a tailwind for us last year. So all in all, I look at the market share in all three channels we're in a good place.

Ken Murphy: And listen, Manjari, in terms of World Cup, yes, we do mention it. I think we mention it more from a consumer sentiment point of view than necessarily then from a big change in consumer behaviour where the weather has a much bigger impact on consumer behaviour and buying habits. So I think given that confidence has taken a step back since the war in the Middle East, we think it could together with a sustained peace deal in the Middle East, give consumer confidence a bit of a boost, which would be really welcome. And then if we kind of get some decent weather, which we're due to get, I think that will also help a lot and we're very, as I said, we've planned for that.

Manjari Dhar: That's great. Thank you.

Ken Murphy: Thank you.

Operator: Thank you. Our next question is from Rob Joyce from BNP Paribas. Please go ahead.

Rob Joyce: Hey, good morning. Thanks for taking the questions. So firstly, I guess just to clarify, it sounds like Imran, you're saying you're happy with full year EBIT consensus in that sort of upper quartile, shall we say, of the guidance range. Just if you can confirm that's the case and also say what kind of volumes we sort of need to see to get there. It looks like maybe minus one in the first quarter. How much of a recovery do we need to get there in the latter part of the year? And then the second one, just sorry to bog down at the shorter term again, but I do think like for like momentum, quite important at the minute. I mean, the second quarter, if we're looking at the sort of softer comps, maybe some staycations and obviously those are Irn-Bru sales coming through. Does it feel like we should have seen an inflexion point in the sort of first quarter into the second quarter, or do you think that could be the third quarter before we start to see the like for like improve?

Thank you.

Imran Nawaz: Yeah, look, I mean, I think on the EBIT number, I mean just to give you the long answer and then the short version as well. The long version being that the range, the 3 to 3.3, I would say as I always say, we aim to grow profits every single year. The low end is to give us the flexibility and the space in case consumer sentiment turns and nine months to go is a long period. So far consumer sentiment hasn't turned and has actually been in line with prior year. And as I said, our first quarter performance on sales profit and cash is in line with our expectations. So that's a really good place to start off with. Then clearly if I look at consensus, I feel right now it's within that range and therefore I feel good about where it is. That's also important. Then in terms of volume, to give you a little bit of colour maybe if that helps, right?

So if I take it in the round for quarter one, volume mix within food is broadly flat and we had a stronger performance than that even in fresh food. So that's important. Then again, I mean, I mentioned it before, but clearly the volume is impacted as well by the lap within clothing and non-food, right? Especially within clothing last year, we had an 11%, 10.5% growth or so in quarter one. So when you lap that, you obviously have a negative impact on that. Then when I think about the quarters two, three, and four, I think it'd be very unhelpful if I did sort of a month by month play. But the way we think about it broadly speaking is H1 had fantastic momentum behind it driven by weather disruption and frankly our brilliant execution on availability and all the propositions we brought in.

I think the availability and all the propositions we're bringing in are as strong or even stronger than last year. But as you would expect, there is a lap impact on weather and customer and competitive disruption that was helpful to us. That will straddle Q1, Q2, but I would expect then us to come out of that at some point, but exactly which precise month I'm not going to get into.

Rob Joyce: All right, appreciate it. Thank you.

Ken Murphy: Thanks, Rob.

Operator: Thank you. Our next question is from Xavier Le Mene from Bank of America. Please go ahead.

Xavier Le Mene: Thank you for taking my question. So two, if I may, just back to Rob's point about the consensus on the guidance range, you've got a good Q1, you said in line with your expectation. So why not potentially narrowing down the range? So what are you concerned potentially not to be a bit more precise going into a Q2 and Q3? And the second one is more about the catering and the food out-of-home environment in the UK. So have you seen any change in the behaviour recently and what are you expecting potentially going forward?

Imran Nawaz: Yeah. Only speaking on the first question, it's a question of timing, right? I mean, we're basically just three months in. I mean, you see the same headlines I do, right? I mean, we see the same ones as in uncertainty on the macro does exist out there and consumer confidence levels have and continue to be low. The good news is we haven't seen that low consumer confidence translate into different behaviours and that's good. But look, with nine months to go, I would say to you one quarter down, happy where we are with nine months to go and we'll keep you posted as we come and speak to you again in October.

Ken Murphy: And then on your second question, which was around catering performance, is that right? Are you talking about wholesale?

Xavier Le Mene: Yes.

Ken Murphy: I think Xavier, if you think about it last year, actually the catering performance was outstanding and it was really driven by the exceptional weather we had. And so we've had exactly the opposite this year where we've had very poor weather. So that's had a particular impact on catering performance. But again, from an offer and proposition point of view, nothing's changed. We're as competitive as we've ever been in terms of value, our reach is unparalleled and our customer service and satisfaction scores are stronger than ever in Booker. So we don't have any concerns about the fundamentals, but it is a tough market and clearly some of the regulation tax changes have impacted caterers over the last 6 months in particular.

Imran Nawaz: I would also add, because I think it's helpful just from a philosophy point of view, the same applies to catering as it does on what we said about the UK core business. You don't chase unprofitable sales, right, we don't buy empty volumes just to get a sales number up. I think A, that impacts the market and its rationality and B, it actually costs you in the end on the bottom line and in cash and that's just not a healthy thing to do.

Xavier Le Mene: Thank you. That's very helpful.

Operator: Thank you. We're going to move to our next question from William Woods from Bernstein. Please go ahead.

William Woods: Hi, good morning. The first question is just on the sequential disinflation that you've seen over the last couple of months. Can you just comment on where you're seeing disinflation still come through and are you seeing any signs of inflation feeding through from the conflict in the Middle East? And then the second one is on the competitive environment. Obviously last year was a key focus. How would you describe the competitive environment at the moment relative to last year? Thanks.

Ken Murphy: Thanks. So look, on inflation, we have, as we said, seen inflation step down progressively right through the last 12 months. So quarter one this year is even lower than it was in quarter four in the last financial year. And that's really been driven by commodity disinflation, some key categories like dairy, coffee, cocoa, et cetera, which has been helpful. We haven't seen material impacts from the war yet as clearly it's not a large food producing region and most of the kind of commodities like fertiliser, et cetera, had already been bought for the current season. Now what we don't know is whether there would be a knock on effect into the second half of the year from things like fertiliser prices. But either way, we would hope that some of that would be compensated by falling commodity prices. Clearly commodity price volatility is a thing and therefore we couldn't give you any kind of forward prognosis on inflation at this point other than it's materially lower than some people were forecasting.

And we're doing everything in our power to minimise the impact on consumers.

Imran Nawaz: Yeah I mean, I would also add to that, like clearly what's good is our Save to Invest programme, the half a billion we're chasing, we're feeling good. That should help us to continue to sort of do that inflate a little bit less, inflate a little bit later than the market. And that comes to your second question. How rational is the market? And I would say to you last year, as you rightly point out, there was a bit more sort of disruption and I think we did well through that. We held our own. We reinvested back and we still grew. This year I would say it's highly competitive as ever, but fairly rational across the board, I would say. Yeah.

William Woods: Understood. Thank you very much.

Ken Murphy: Thank you.

Operator: We will now take our next question from Monique Pollard from Citi. Please go ahead.

Monique Pollard: Hi. Morning, Ken and Imran. Three questions from me if I can please. The first was just on non-food. So Imran, I think you mentioned the tough clothing comp plus 10 in the last period. If you could just give us some sense in the UK of what the non-food growth was like in the quarter, that would be really helpful. The second sort of reading between the lines of what you've been saying on the consumer, clearly industry volumes are negative, but they have been for over 12 months. You've seen a bit of disinflation. So is it right to think, given your comments about aiming for profit growth, et cetera, that you haven't seen any material change one way or another in the consumer environment versus where we were a few months ago aside from things like the weather. And then the final question I had was just on retail media.

So you make those points on the number of awards you've been winning and the contribution from that business increasing. I'm just wondering whether the World Cup is quite a good opportunity to leverage that business and what opportunities you see from the tournament. Thank you.

Imran Nawaz: Okay. Let me then address the first one on your non-food question. So if it helps just to lay it out for you in facts. So food grew 2.6% and non-food grew minus 0.5% and the minus 0.5% is in the face of that clothing number I talked about of close to 10 or over 10. So it gives you a sense of how that played out.

Ken Murphy: On the consumer, Monique, you're absolutely right to say that consumer, that volumes in the industry have been negative for now for over 12 months. And we saw that kind of consumer post the good weather of last summer step down in the autumn and has stayed largely flat since by way of behaviour. So you're right to say that the war in the Middle East and the kind of political uncertainty closer to home have not really impacted consumer behaviour. And your final point in terms of retail media as an opportunity is absolutely an opportunity in terms of World Cup activation. And we have a number of exclusives as we mentioned in my introduction with people like Walker's, Pepsi and Budweiser and we have done a lot of different media activation campaigns to kind of inspire people to enjoy themselves during the World Cup. So you're dead right.

Monique Pollard: Excellent. Thank you.

Ken Murphy: Thank you.

Operator: And we'll now take our last question today from Matt Clements from Barclays. Please go ahead.

Matt Clements: Hi, thank you. Good morning both. Two quick questions if I can. Firstly on UK consumer again. I think you've been pretty clear on that, but I just wanted to speak in context of the recent increase in fuel prices and your fuel sales being up nearly 20% in the first quarter. Are you seeing any impact of that in terms of people consolidating shops into bigger baskets and fewer trips or perhaps it's supporting online growth for people less willing to go out in the car to do their shopping? And the second question is just a quick one on market share with 1Q playing out as you expected in your outlook. Is your assumption for the full year that you can still gain market share in the UK? Thank you.

Ken Murphy: Thanks, Matt. I'll take the second question first, I think we'd always say every year we have an ambition to grow share. That's the kind of framework we laid out a number of years ago and we're very clear about that as an ambition. So the short answer to that is yes. The second point around the UK consumer and the impact of fuel, we have seen a surge in demand for fuel because we're amongst the most competitive in the market. So we have actually gained share during the period. The online trend is actually a continuation of a trend that was well underway long before the fuel prices became an issue and is just a continuation. So the growth in grocery home shopping and quick commerce shopping, is effectively persisting and we're taking full advantage of that. It's also fair to say over the last three years, a great source for us has been the consolidation of baskets and that's something we continue to focus on.

Matt Clements: Very clear, thank you.

Ken Murphy: Thanks Matt.

Operator: Thank you. Since there are no further questions, I would like to hand the call back over to Ken for closing remarks. Over to you, sir.

Ken Murphy: Thank you very much Serghei. Thank you everyone for joining the call this morning, we really appreciate the great questions and your time. We really look forward to catching up with you again in October for the Interim Results. Have a great week and the best of luck to both England and Scotland in the World Cup. Take care.