

**ONGOING FOCUS ON VALUE AND QUALITY DELIVERING STRONG PERFORMANCE.**

Sales performance (exc. VAT, exc. fuel) for the 13 weeks ended 27 May 2023:

	Sales (£m)	LFL sales change
<b>UK &amp; ROI</b>	<b>13,790</b>	<b>8.8%</b>
UK	10,800	9.0%
ROI	714	7.3%
Booker	2,276	8.4%
<b>Central Europe</b>	<b>1,044</b>	<b>1.1%</b>
<b>Group Retail</b>	<b>14,834</b>	<b>8.2%</b>

**UK: Ongoing focus on value for customers, leading to continued strong performance**

- Strong performance across all formats and channels:
  - maintaining strong market share at 27.1%<sup>1</sup>
  - large stores sales particularly strong (LFL +9.9%)
  - online sales up 8.2%; online market share up +75bps to 37.5%<sup>2</sup>
- Further increased Aldi Price Match to c.700 products; strong volume response to latest Low Everyday Prices price-lock on over 1,000 products; Clubcard Prices now available on over 8,000 lines
- Price index<sup>3</sup> further improved; led the market in cutting prices on essential items to support customers
- Ninth consecutive period of switching gains<sup>4</sup> from premium retailers, supported by strong Finest performance with sales up 14.9% and over 100 new Finest products launched
- Delivered market-leading availability, with further improvement through the quarter

**ROI: Strong performance with continued growth in market share year-on-year**

- Strong growth in Food (LFL +9.4%), successful integration of Joyce’s and five additional new stores contributing to market share up +52bps<sup>5</sup> YoY
- Further strengthened price index<sup>6</sup> vs. limited range discounters

**Booker: Significant growth continuing across both retail and catering (Q1 LFL Retail: +6.3%, Catering: +10.8%)**

- Retail sales grew +15.6% excluding tobacco, supported by strong availability and continued focus on choice, price and service, with great range of promotions and access to fast growing categories
- Catering sales significantly outpacing the market; ‘On-trade Club’ launched in May, already serving 800 pubs & restaurants, building on success of c.28,000 customer-strong ‘Fast Food Club’ launched in 2021
- Catering customers also benefited from further price freeze on over 500 products, launched in March

**CE: Growth rate reflects strong LY base plus impact of sustained high inflation on consumer spending**

- Volumes impacted by ongoing cost-of-living pressures, particularly on discretionary non-food items
- YoY performance impacted by scaling back of significant Government consumer stimulus in Hungary

**Bank: Sales up 13.9%<sup>7</sup>, reflecting new customers in both lending & insurance and higher credit card spending**

**Ken Murphy, Chief Executive:**

“We are pleased with our performance in the first quarter, underpinned by our relentless focus on value. Customers continue to recognise our leading combination of great value and quality in every part of their basket - from essentials covered by our Aldi Price Match, through to our growing Finest range.

We are very conscious that many of our customers continue to face significant cost-of-living pressures and we have led the way in cutting prices on everyday essential items. There are encouraging early signs that inflation is starting to ease across the market and we will keep working tirelessly to ensure customers receive the best possible value at Tesco.

The ongoing effort and contribution from our colleagues is evident in the strength of our offer and I want to thank the entire team for everything they do. By focusing on our customers we have delivered a strong start to the year. We are well-positioned for the months ahead and are reiterating our guidance for the full year.”

## 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](http://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 4 October 2023.

## Additional Q1 sales detail (exc. VAT, exc. fuel).

	Sales (£m)	Total sales change (constant rates)	Total sales change (actual rates)
<b>UK &amp; ROI</b>	<b>13,790</b>	<b>9.2%</b>	<b>9.5%</b>
UK	10,800	9.3%	9.3%
ROI	714	11.5%	16.6%
Booker	2,276	8.1%	8.1%
<b>Central Europe</b>	<b>1,044</b>	<b>1.4%</b>	<b>7.9%</b>
<b>Group Retail</b>	<b>14,834</b>	<b>8.7%</b>	<b>9.3%</b>
<b>Tesco Bank</b>	<b>334</b>	<b>13.9%<sup>7</sup></b>	<b>13.9%<sup>7</sup></b>
<b>Group</b>	<b>15,168</b>	<b>8.8%</b>	<b>9.4%</b>

## Channel sales breakdown.

	LFL sales change
Large	9.9%
Convenience	5.9%
Online	8.2%
<b>Total UK</b>	<b>9.0%</b>

## Fuel.

	Sales (£m)	LFL sales change
UK exc. fuel	10,800	9.0%
Fuel	1,715	(15.7)%
<b>UK revenue</b>	<b>12,515</b>	<b>4.7%</b>

## Guidance (as set out in our Preliminary Results published on 13 April 2023).

We expect to be able to deliver a broadly flat level of retail adjusted operating profit in 2023/24 and retail free cash flow within our target range of £1.4bn to £1.8bn. We expect Bank adjusted operating profit of between £130m and £160m.

## Notes.

1. UK market share based on Kantar Total Grocers Total Till Roll on 12 week rolling basis to 14 May 2023.
2. UK online market share based on Kantar Total Till Roll online channel on 12 week rolling basis to 14 May 2023.
3. UK Price index is calculated using the single retail selling price of each item, including price cut promotions; the index is weighted by sales and market share to reflect customer importance and competitor size.
4. Kantar net switching gains from Waitrose and M&S on a 12 week rolling basis to 14 May 2023.
5. ROI Kantar Total Tesco year-on-year market share gains of Total Till Roll on 12 week rolling basis to 14 May 2023.
6. ROI Price index is calculated using the single retail selling price of each item, including price cut promotions; the index is weighted by sales and market share to reflect customer importance and competitor size. Limited range discounters consists of Aldi and Lidl.
7. Bank prior year sales have been restated to reflect the adoption of IFRS17, which relates to insurance contract accounting.