

MARKET DISRUPTOR COVID-19

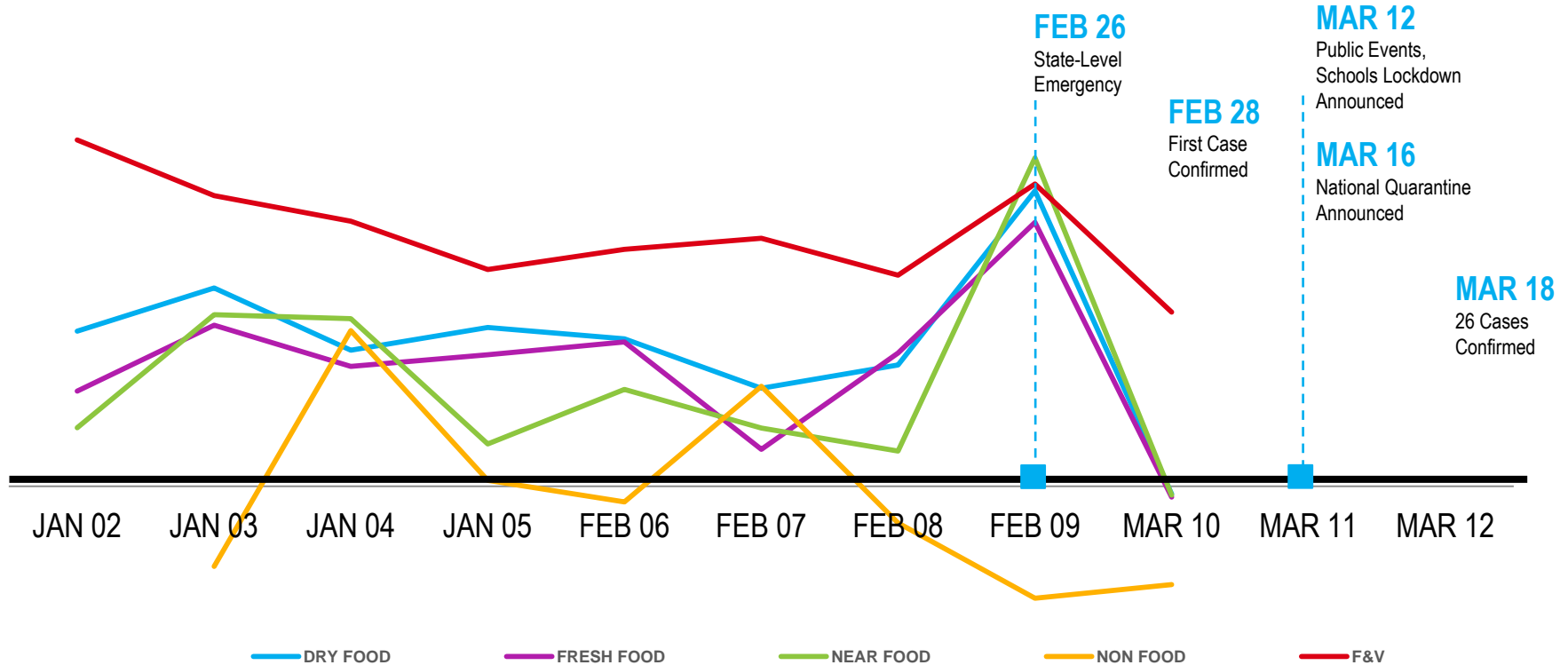
BALTIC REPORT 18.03.2020

COVID-19 IN BALTICS: IMPACT TO MARKET



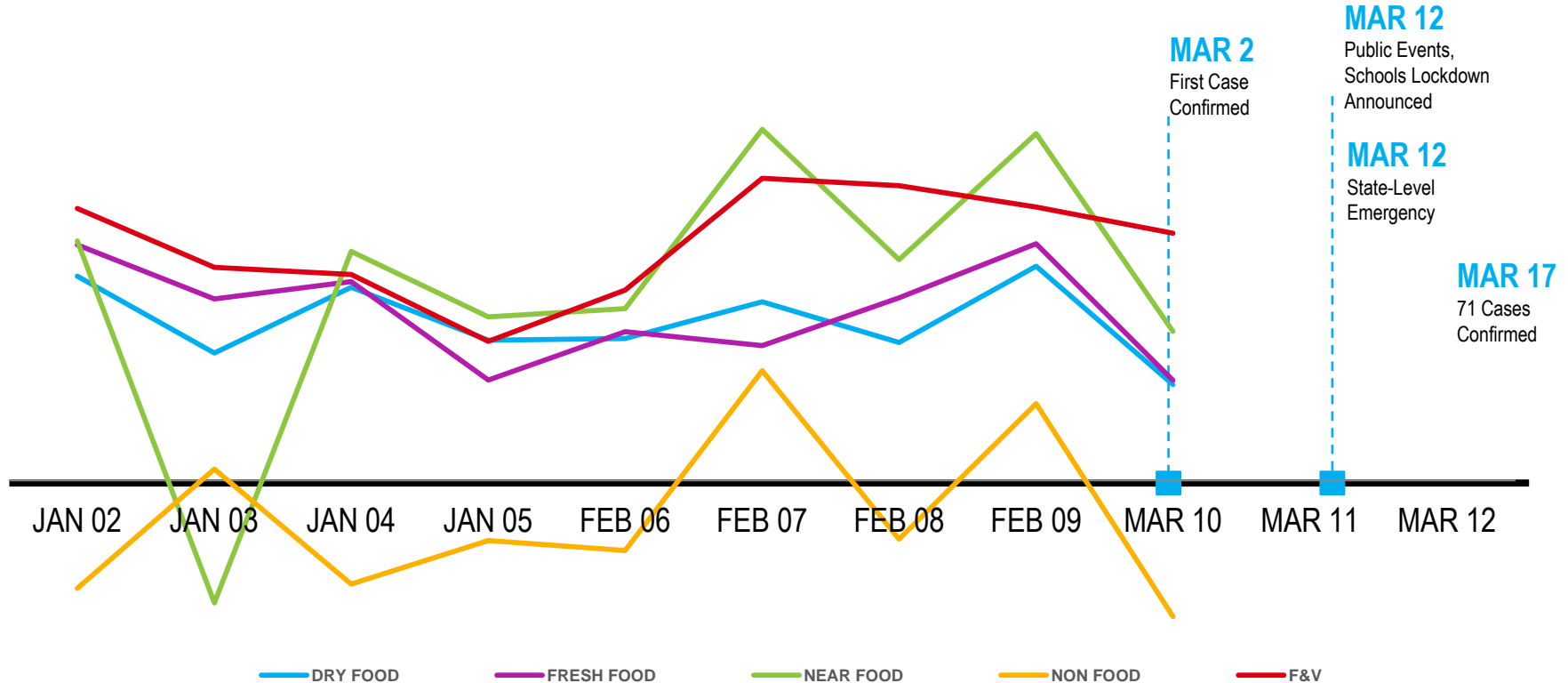
RETAIL MARKET DYNAMICS LITHUANIA VS YEAR AGO

Total Store Read Departments - Weekly Trended Change vs Year Ago



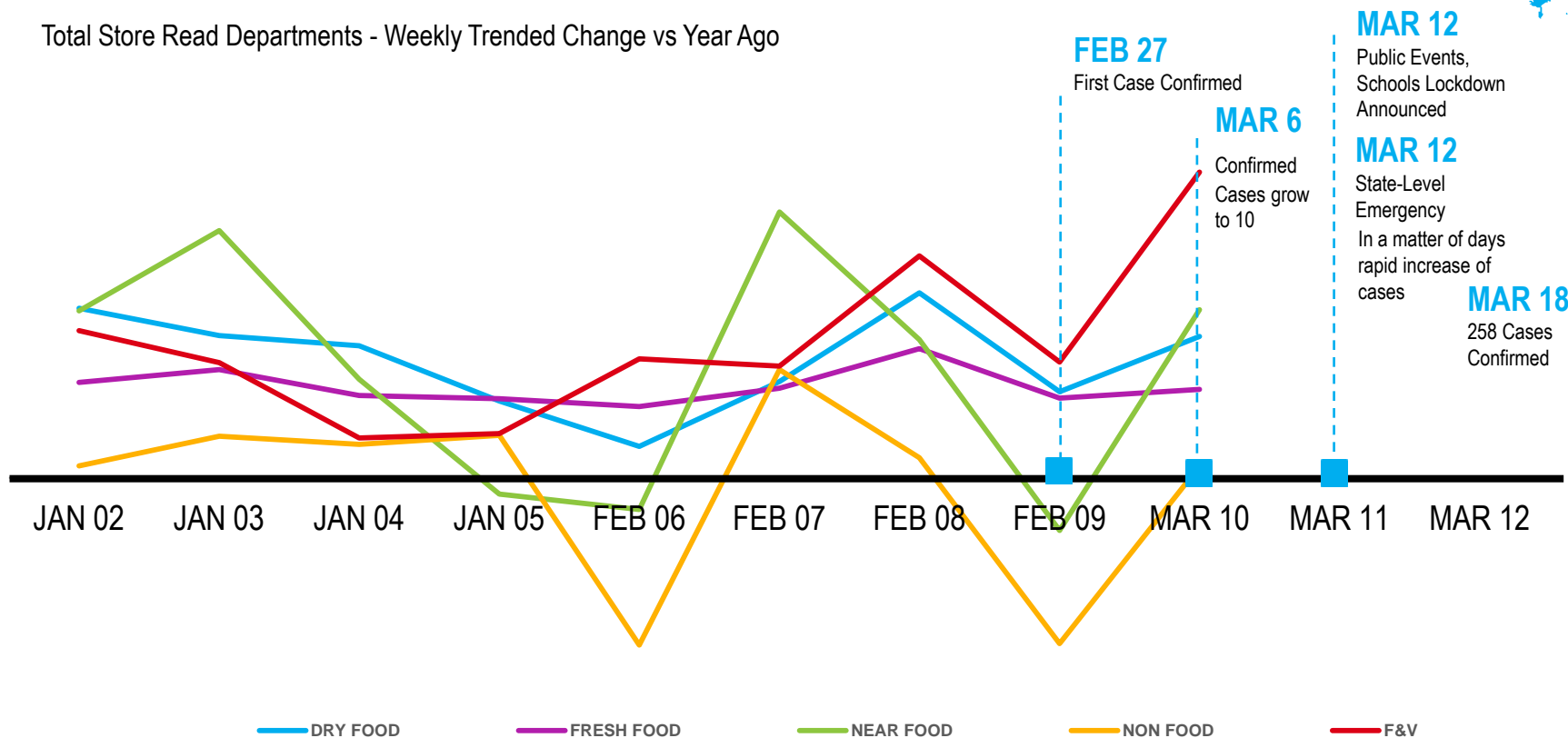
RETAIL MARKET DYNAMICS LATVIA VS YEAR AGO

Total Store Read Departments - Weekly Trended Change vs Year Ago



RETAIL MARKET DYNAMICS ESTONIA VS YEAR AGO

Total Store Read Departments - Weekly Trended Change vs Year Ago



REACTION TO COVID-19



Total Store Read Category Groups Dynamics in Value: Week 9 (24.02-01.03) and Week 10 (02.03. – 08.03) vs Average Week 2-8 2020

		W9	W10	W9	W10	W9	W10
ALL CATEGORIES (excl. SERVICES)		8%	1%	1%	7%	-2%	15%
Fresh	FOOD FRESH / REFRIGERATED	5%	-1%	0%	4%	0%	9%
Food	FOOD SHELF STABLE	34%	-1%	9%	4%	5%	12%
Food	CONFECTIONARY & SNACKS	2%	4%	3%	20%	-8%	26%
Beverages	BEVERAGES - ALCOHOLIC	4%	5%	1%	7%	-1%	13%
Beverages	BEVERAGES - NON ALCOHOLIC	4%	3%	0%	7%	-2%	14%
Near Food	HOUSEHOLD	4%	32%	-1%	33%	-7%	74%
Near Food	PERSONAL CARE	10%	-9%	-6%	15%	-7%	32%
Non Food	STATIONERY	-19%	-13%	-14%	-8%	-22%	1%
Non Food	CLOTHING/ FOOTWEAR	9%	-7%	7%	6%	-15%	6%
Non Food	BABY CARE	12%	-14%	1%	-5%	-3%	11%
Non Food	ELECTRICAL APPLIANCES	-29%	-35%	-26%	-25%	-15%	4%
Non Food	TOYS	-32%	-22%	6%	6%	-5%	15%
Non Food	AUTOMOTIVE	-19%	-37%	-4%	-33%	16%	-9%
Non Food	HEALTH CARE	6%	-3%	-1%	3%	6%	16%
Tobacco	TOBACCO	0%	-4%	-2%	2%	0%	10%
Pets	PETFOOD	-1%	-9%	-2%	-7%	-4%	8%
Pets	PETS / PET CARE	-7%	-5%	49%	9%	-7%	12%

REACTION TO COVID19 WEEK 9

Most Growing >30% Categories in Total Store Read:
Week 9 (24.02-01.03) vs Average Week 2-8 2020

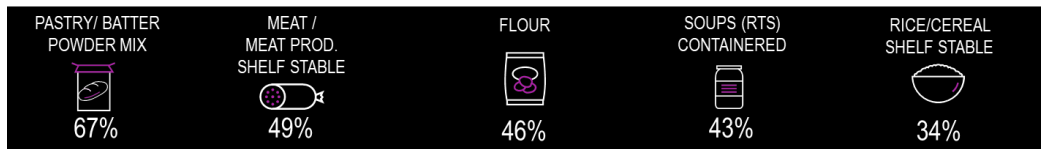
LITHUANIA



LATVIA



ESTONIA



REACTION TO COVID19 WEEK 10

LITHUANIA

Most Growing >20% Total Store Read Categories in Value: Week 10 (2.03-08.03) vs Average Week 2-8 2020

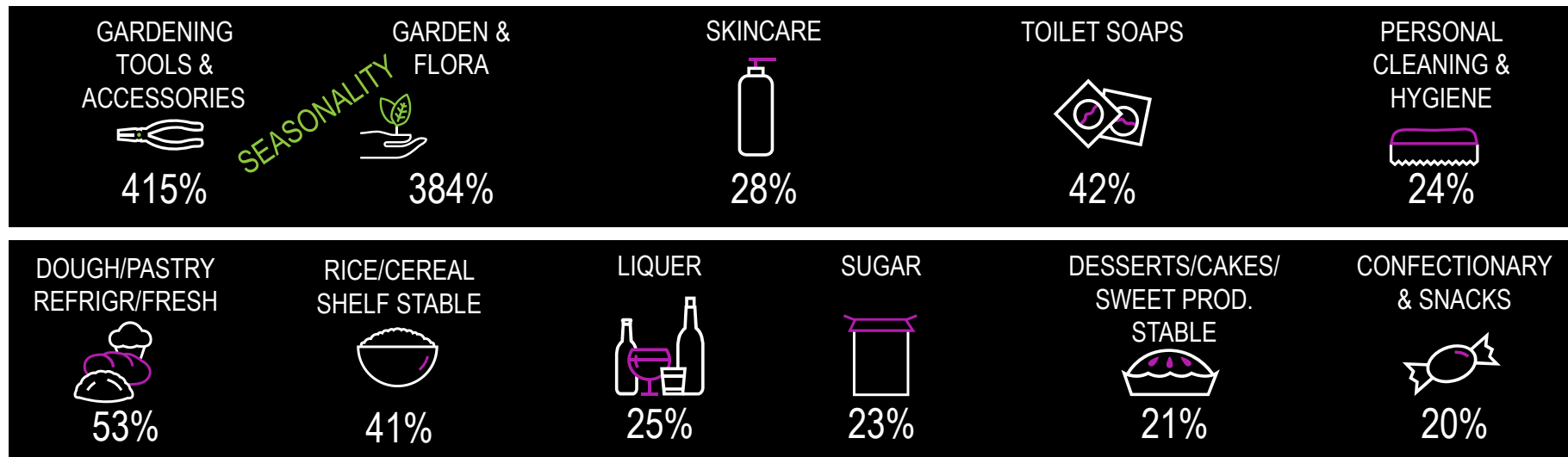


REACTION TO COVID19 WEEK 10

LATVIA



Most Growing >20% Total Store Read Categories in Value: Week 10 (2.03-08.03) vs Average Week 2-8 2020



REACTION TO COVID19 WEEK 10

ESTONIA



Most Growing >30% Total Store Read Categories in Value: Week 10 (2.03-08.03) vs Average Week 2-8 2020

GARDEN &
FLORA

554%

SEASONALITY!

GARDENING
TOOLS &
ACCESSORIES

204%

LAUND. WATER
SOFTENERS

88%

TOILET SOAPS



67%

LOUNDRY
DETERGENTS

43%

DISHWASHING
CARE

41%

SKINCARE



39%

KITCHEN
TOWELS

39%

TOILET PAPER



39%

HAIR
TREATMENT

38%

HAIR
COLOURANTS

33%

HOUSEHOLD
CLEANING

32%

PASTRY/ BATTER
POWDER MIX

47%

CAKE BISCUITS
POWDER MIX

46%

MEAT /
MEAT PROD.
SHELF STABLE

43%

RICE/CEREAL
SHELF STABLE

33%

PANIC SHOPPING IN STORES & ONLINE WEEK 11/12



Long Lines, OOS in Stores, Cancelled Mass Sell-Out Campaigns & Unavailable Delivery

	An 17	Tr 18	Kt 19
08 - 09	Užimta	Užimta	Užimta
09 - 10	Užimta	Užimta	Užimta
10 - 11	Užimta	Užimta	Užimta
11 - 12	Užimta	Užimta	Užimta
12 - 13	Užimta	Užimta	Užimta
13 - 14	Užimta	Užimta	Užimta
14 - 15	Užimta	Užimta	Užimta
15 - 16	Užimta	Užimta	Užimta
16 - 17	Užimta	Užimta	Užimta
17 - 18	Užimta	Užimta	Užimta
18 - 19	Užimta	Užimta	Užimta
19 - 20	Užimta	Užimta	Užimta
20 - 21	Užimta	Užimta	Užimta

ATŠAUKIAMAS
kovo 19 d.
„Vakarinis
išpardavimas“!

Daugiau Informacijos >

PANIC SHOPPING IN STORES & ONLINE WEEK 11/12



Long Lines, OOS in Stores & Unavailable Delivery in On-Line Shops

nuko@nuko.lv

TERNETĀ pirkumiem!

Bio/ Eco Mazuļiem Skaistumam

Pārļuko grozu Norādī

Izvēlies p

Piegāde

	Ot 17.03.2020	Tr 18.03.2020
08:00 - 10:00	-	-
10:00 - 12:00	-	-
12:00 - 14:00	-	-
14:00 - 16:00	-	-
16:00 - 18:00	-	-
18:00 - 20:00	-	-
20:00 - 22:00	-	-

Click & Collect **Free** Home Delivery **FREE DELIVERY** on orders above 49.98 EUR

Order time	Status	Delivery fee
10:00 - 12:00	Unavailable	3,99 €
12:00 - 14:00	Unavailable	1,49 €
14:00 - 16:00	Unavailable	1,49 €
16:00 - 18:00	Unavailable	3,99 €
18:00 - 20:00	Unavailable	3,99 €
20:00 - 22:00	Unavailable	3,99 €

BASKET DELIVERY

DELIVERY

PICKUP

	We 18	Th 19	Fr 20
08 - 09	Occupied	Occupied	Occupied
09 - 10	Occupied	Occupied	Occupied
10 - 11	Occupied	Occupied	Occupied
11 - 12	Occupied	Occupied	Occupied
12 - 13	Occupied	Occupied	Occupied
13 - 14	Occupied	Occupied	Occupied
14 - 15	Occupied	Occupied	Occupied
15 - 16	Occupied	Occupied	Occupied
16 - 17	Occupied	Occupied	Occupied
17 - 18	Occupied	Occupied	Occupied
18 - 19	Occupied	Occupied	Occupied
19 - 20	Occupied	Occupied	Occupied
20 - 21	Occupied	Occupied	Occupied

PANIC SHOPPING IN STORES & ONLINE WEEK 11/12

Delivery slots

	We 18	Th 19	Fr 20
12 - 13	Unavai- labl e	Unavai- labl e	Unavai- labl e
13 - 14	Unavai- labl e	Unavai- labl e	Unavai- labl e
14 - 15	Unavai- labl e	Unavai- labl e	Unavai- labl e
15 - 16	Unavai- labl e	Unavai- labl e	Unavai- labl e
16 - 17	Unavai- labl e	Unavai- labl e	Unavai- labl e
17 - 18	Unavai- labl e	Unavai- labl e	Unavai- labl e
18 - 19	Unavai- labl e	Unavai- labl e	Unavai- labl e
19 - 20	Unavai- labl e	Unavai- labl e	Unavai- labl e
20 - 21	Unavai- labl e	Unavai- labl e	Unavai- labl e



Out of Stocks & Unavailable Delivery & No Pick-Up in Online Stores

Tellin kauba kulleriga TALLINN

⊙ AEG	KOLMAPÄEV 18.03	NELJAPÄEV 19.03	REEDE 20.03	LAUPÄEV 21.03	PÜHAPÄEV 22.03	E
10:00 - 12:00	Kinni ☑	Kinni ☑	Kinni ☑	Kinni ☑	Kinni ☑	E
12:00 - 14:00	Kinni ☑	Kinni ☑	Kinni ☑	Kinni ☑	Kinni ☑	E
14:00 - 16:00	Kinni ☑	Kinni ☑	Kinni ☑	Kinni ☑	Kinni ☑	E
16:00 - 18:00	Kinni ☑	Kinni ☑	Kinni ☑	Kinni ☑	Kinni ☑	E
18:00 - 20:00	Kinni ☑	Kinni ☑	Kinni ☑	Kinni ☑	Kinni ☑	E
20:00 - 22:00	Kinni ☑	Kinni ☑	Kinni ☑	Kinni ☑	Kinni ☑	E

Vali kohaletoimetamise aadress oma aadressiraamatust või sisesta uus aadress



COVID-19 OUTBREAK GLOBALLY

NIELSEN INVESTIGATION OF IMPACTS ON FMCG TRENDS

A HOLISTIC APPROACH ACROSS THE GLOBE



COVID-19 IMPACTS

Important implications to consider in 2020

COVID-19

“NIELSEN’S INITIAL INVESTIGATION ACROSS MAJOR COUNTRIES AROUND THE WORLD HAS FOUND **SIGNIFICANT SPIKES IN THE HOARDING OF EMERGENCY SUPPLIES...**”



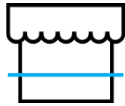
- Across countries, Nielsen has recorded **record-breaking sales** of health-safety products, such as medical masks and sanitizers, but we’ve also seen a ripple effect triggering broader **consumer purchase behaviors** as the number of reported COVID-19 cases increase around the world.
- There were identified **six threshold levels**, based on early indicators across markets (though at different times as the virus outbreak evolves at different rates in different geographies). Each one correlates with different levels of consumption, but there are some common timing elements, which are primarily driven by news cycles.

COVID-19 IS CHANGING CONSUMERS BEHAVIOR

% survey participants, February 2020:



Vietnam



50% reduced their frequency of visiting stores



45% stock more food at home



25% increased their online shopping



25% reduced their OOH consumption



Italy



94% check news at least once a day

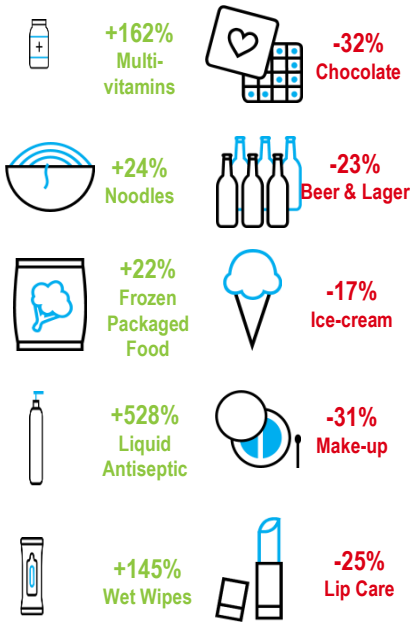


35% reduced eating out of home

PERSONAL HYGIENE & PRESERVED FOOD ARE DRIVING FMCG

Value Sales change % vs average February 2019:

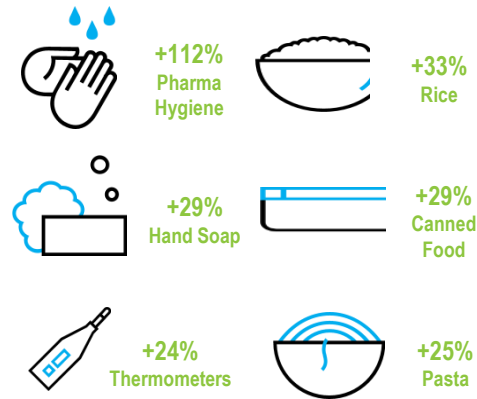
Singapore



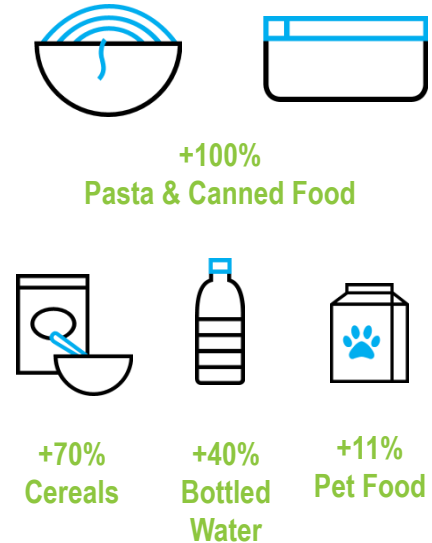
Vietnam



Italy



France

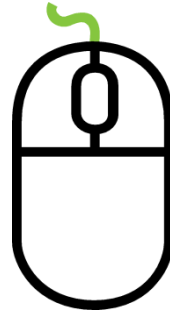


GLOBAL TRENDS TO CAPITALIZE ON



Stockpiling supplies

Canned goods, flour, pasta,
bottled water, cereals



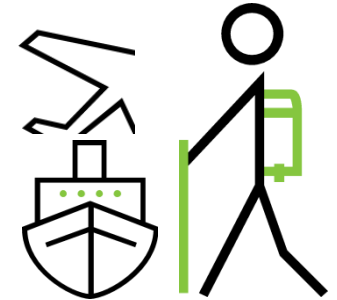
E-Commerce

People are trying to reduce
their exposure to others



Personal Pharma Hygiene

Rapid growth on all
markets, especially in the
affected countries



Tourism, aviation, transportation

The most affected industries
causing logistic challenge

6 KEY CONSUMER BEHAVIOR THRESHOLDS IDENTIFIED AS THE CORONAVIRUS OUTBREAK EVOLVES

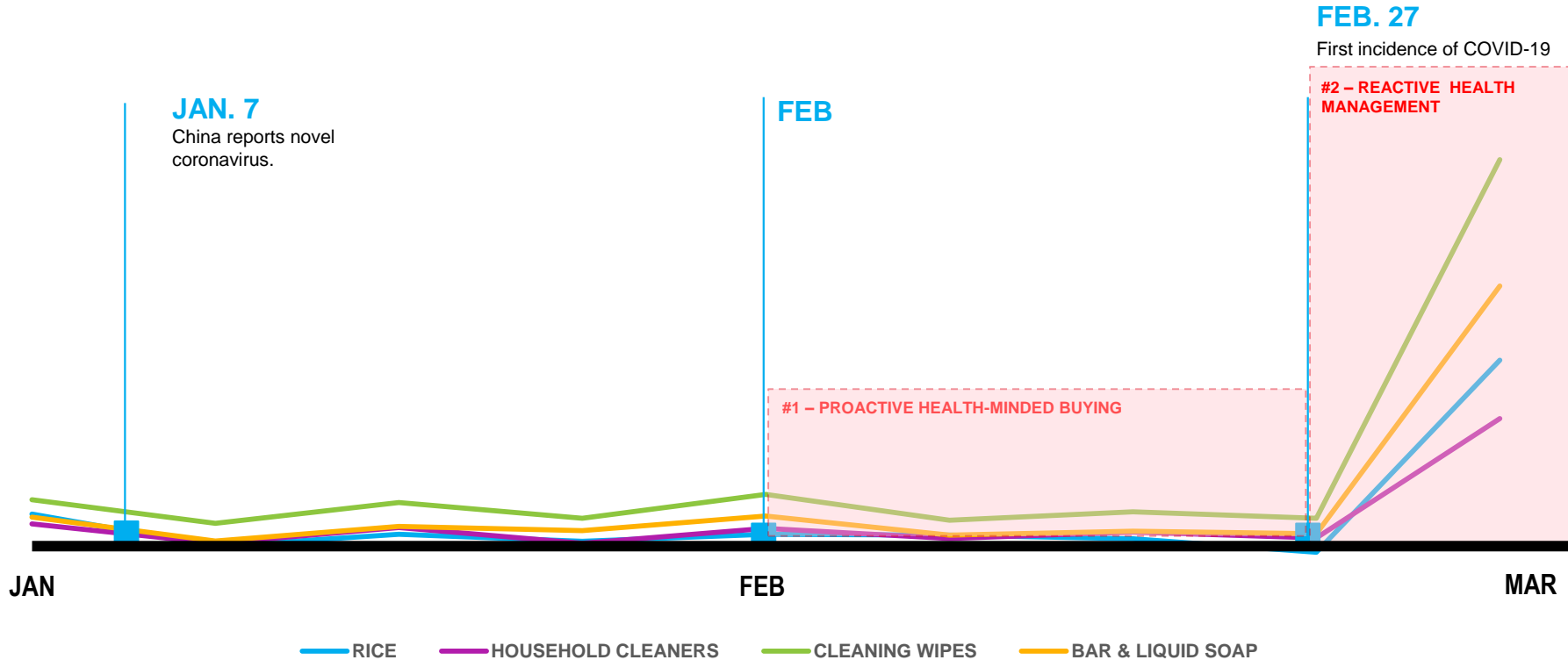
#1 Proactive Health-Minded Buying	#2 Reactive Health Management	#3 Pantry Preparation	#4 Quarantined Living Preparation	#5 Restricted Living	#6 Living a New Normal
CONSUMER BEHAVIOR SHIFTS					
Interest rises in products that support overall maintenance of health and wellness.	Prioritize products essential to virus containment, health and public safety. E.g. face masks	Pantry stockpiling of shelf-stable foods and a broader assortment of health-safety products; spike in store visits; growing basket sizes.	Increased online shopping, a decline in store visits, rising out-of-stocks, strains on the supply chain.	Severely restricted shopping trips, online fulfillment is limited, price concerns rise as limited stock availability impacts pricing in some cases.	People return to daily routines (work, school, etc.) but operate with a renewed cautiousness about health. Permanent shifts in supply chain, the use of e-commerce and hygiene practices.
COVID-19 EVENT MARKERS					
Minimal localized cases of COVID-19 generally linked to an arrival from another infected country.	First local transmission with no link to other location + first COVID-19 related death/s.	Multiple cases of local transmission and multiple deaths linked to COVID-19.	Localized COVID-19 emergency actions. Percentage of people diagnosed continues to increase.	Mass cases of COVID-19. Communities ordered into lockdown.	COVID-19 quarantines lift beyond region/country's most-affected hotspots and life starts to return to normal.

COVID-19 AROUND THE GLOBE

Benchmarks across markets

GREECE: INITIAL PROGRESSION OF COVID-CONCERN FROM BEHAVIOR THRESHOLDS 1 – 2

Greek Weekly Sales Growth Trend vs. Year-ago

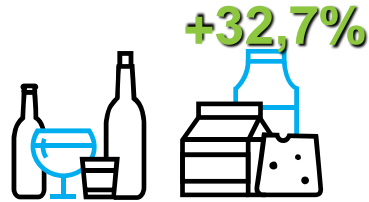


Source: Nielsen Retail Measurement Services, Total Greece Supermarkets + Superettes From week ending 'W 05/01/20 to 'W 01/03/20 vs. year-ago

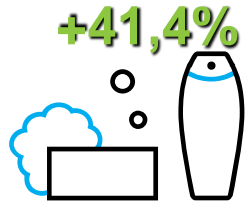
GREEKS STARTED REACTING TO COVID-19: IMPACT ON TOTAL STORE READ



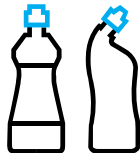
PACKAGED FOOD & BEVERAGE



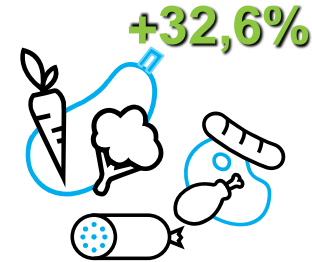
HEALTH & BEAUTY



HOUSEHOLD CARE **+49,2%**

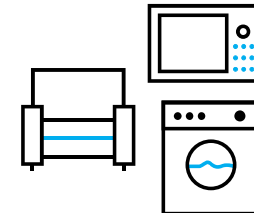


FRESH BULK PRODUCTS



BAZAAR PRODUCTS

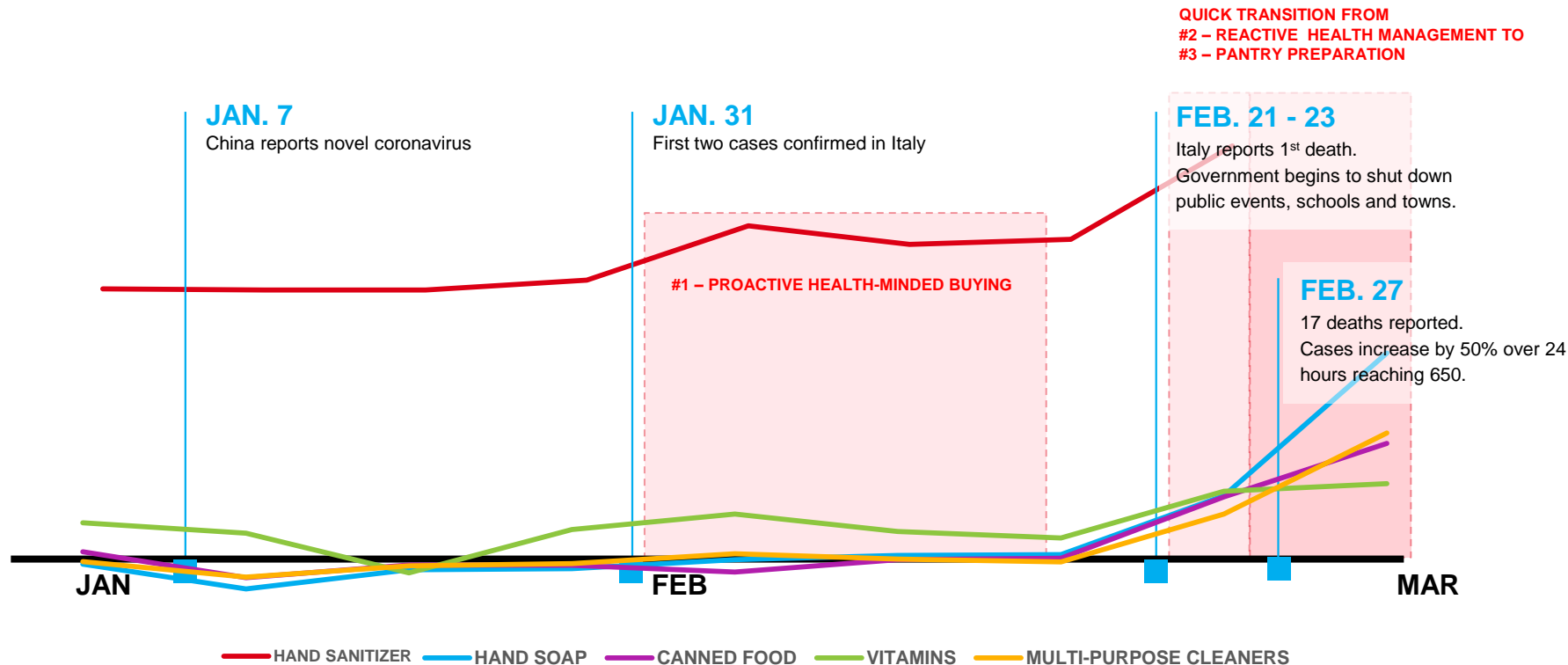
+13,2%



ITALY: INITIAL PROGRESSION OF COVID-CONCERN FROM BEHAVIOR THRESHOLDS 1 – 3



Italy Weekly Sales Growth Trend vs. Year-ago



Source: Nielsen Retail Measurement Services, Total Italy All Outlets Combined, 1 week periods ended Mar 1, 2020 vs. year-ago



EGROCERY: SALES UPLIFT ON WEEK ENDING 23/02



+56,8%

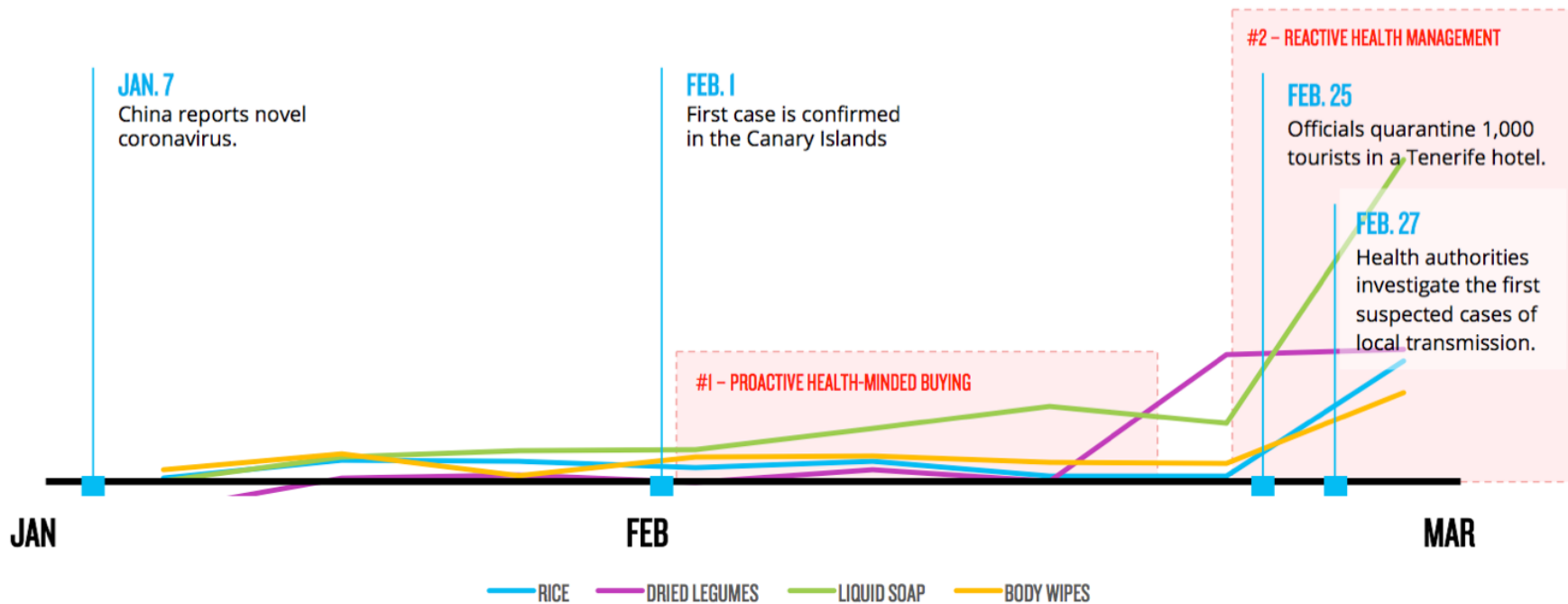
VS. WEEK 8 2019

Source: Nielsen eCommerce tracking, vendite online Week 8 2020 vs. Week 8 2019.



SPAIN: PURCHASE TURN AROUND TO COVID-19 NEWS CYCLE

Spain weekly sales growth trend vs. year ago





POLAND: PRECAUTIONARY PURCHASES OF POLES IN W9

(24.02 – 1.03.2020)

TOTAL TURNOVER
INCREASE

17%



DRUGS & COSMETICS



480 K ITEMS
HAND SANITIZERS



+66%
TOILET SOAP



+24%
TOILET PAPER

GROCERIES



+84%
FLOUR



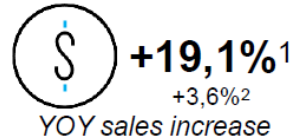
+95%
RICE



+65%
PASTA



CZECH REPUBLIC SHOPPING SPREE



How many times did sales of selected categories increase?¹

FOOD



4x

FLOUR



3x

RICE



2x

PASTA



2x

KITCHEN OILS



2x

FISH CANS

DRUG



14x

HAND CLEANSERS
WITHOUT WATER



4x

MOIST WIPES



3x

SOAP



2x

HOUSEHOLD
DISINFECTANT



2x

MULTIPLE USE
CLEANERS


SOURCE: Nielsen TSR (Albert, Billa, Globus, Kaufland, Penny, Tesco, Trefa, dm drogerie, Rossmann, Teta, Top Drogerie)

¹Increase on week 9/2020 vs. week 9/2019; ²YOY change 2019 vs. 2018

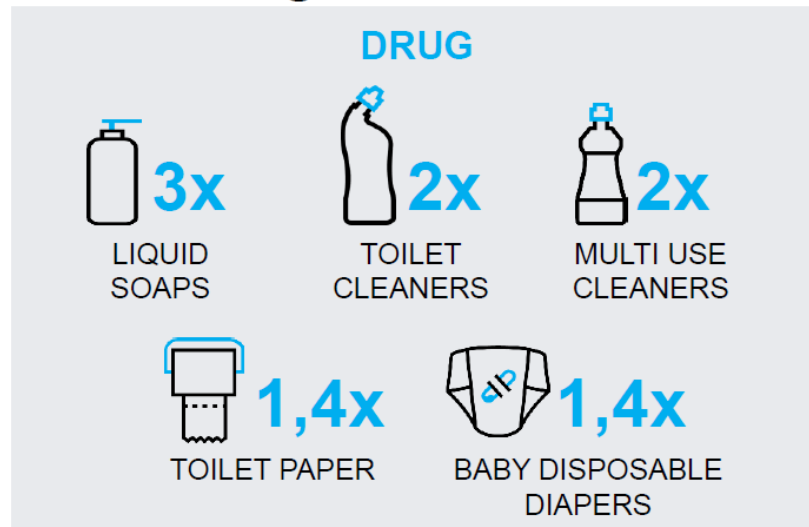
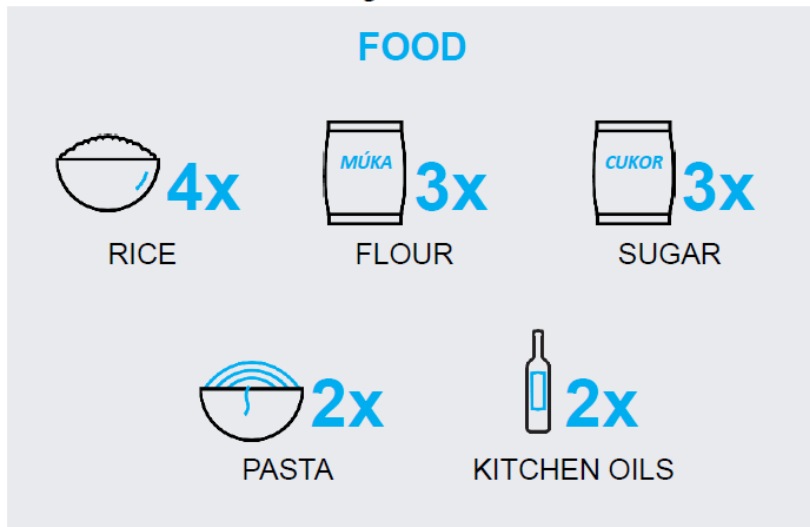
Food categories with weekly sales over 35M CZK. Drug categories with weekly sales over 1,4M CZK.



CZECH REPUBLIC SHOPPING SPREE

 **+19,1%¹**
+5,5%²
YOY sales increase

How many times did sales of selected categories increase?¹

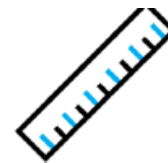


SOURCE: Nielsen TSR (Tesco, Kaufland, Billa, Terno, Fresh Supermarkets, Moja Samoška, Kraj, 101 drogerie, dm drogerie, Teta)

¹Increase on week 9/2020 vs. week 9/2019; ²YOY change 2019 vs. 2018

Food categories with weekly sales over 500 tis. EUR. Drug categories with weekly sales over 250 tis. EUR.

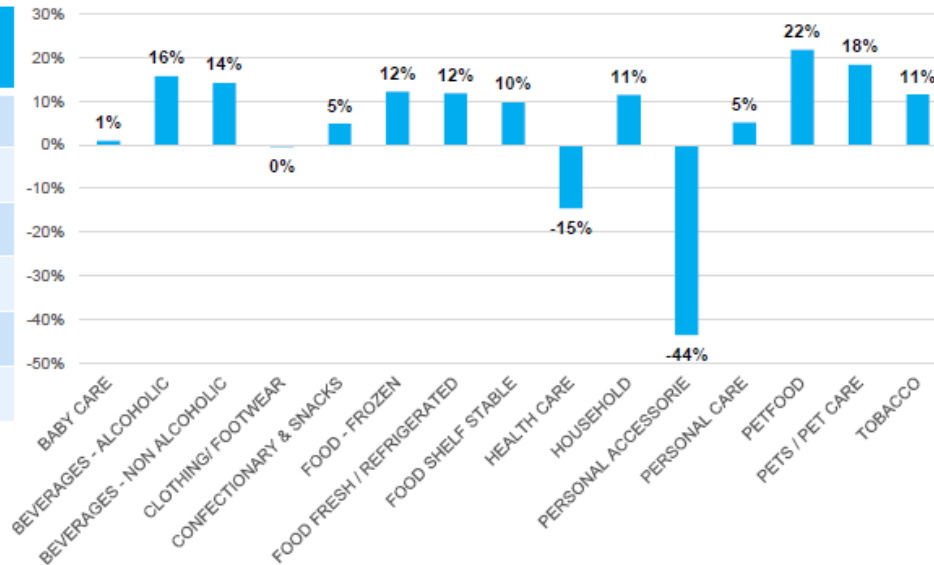
BULGARIA IMPACT ON COVID-19



As of beginning of March consumer consumption in Bulgaria is starting to show the “Covid-19” pantry preparations impact. Certain product groups report growing sales compared to the same period last year.

SUPER GROUPS WEEK 10' 2020- YTD TY/LY

Super groups YTD' 20 vs YTD'LY (% value growth BGN)	
Frozen food	12%
Refrigerated/ fresh food	12%
Food shelf stable	10%
Pet food	22%
Beverages alcoholic	16%
Household	11%



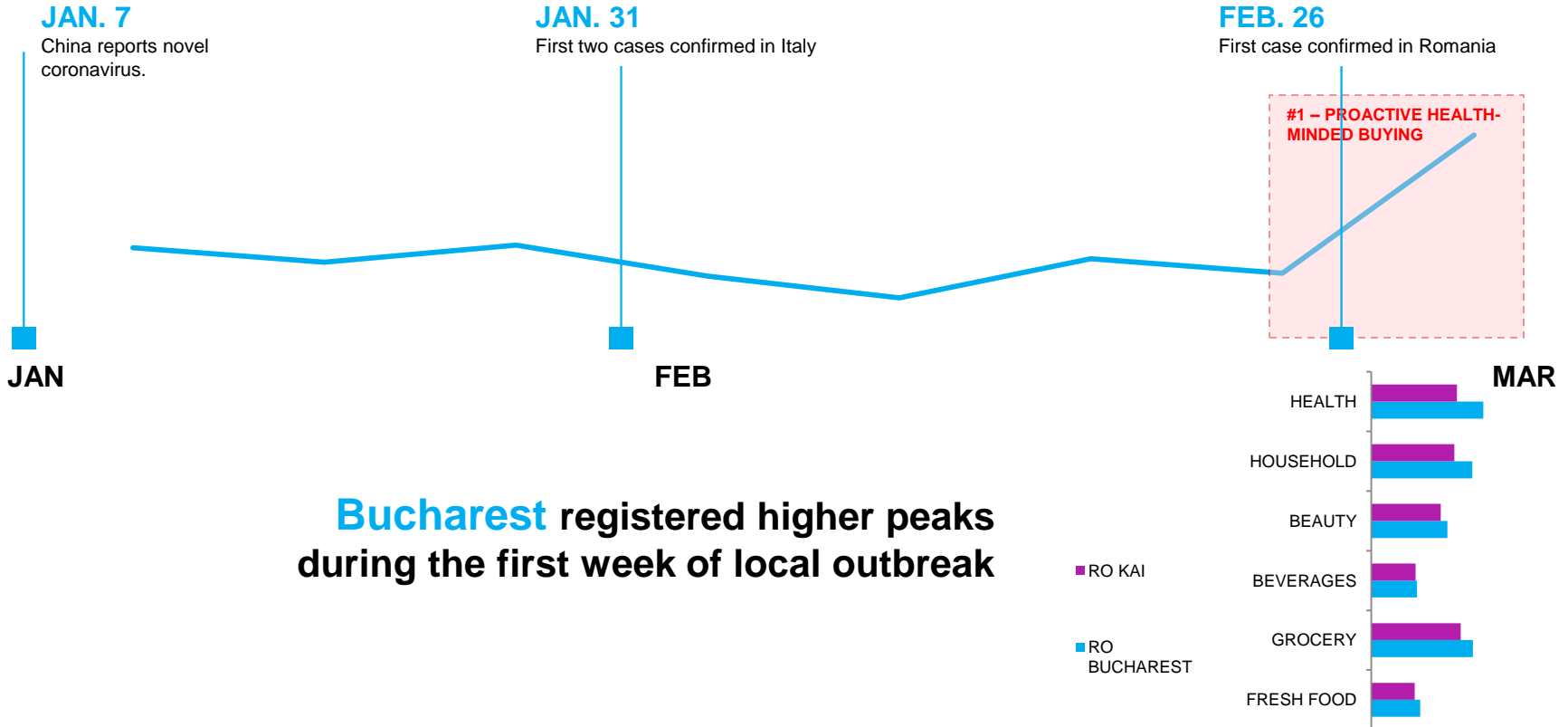
Source: Nielsen total store read data for Bulgarian market based on sales data from Metro, Billa, Fantastico, CBA AD, T-Market 2019-2020

ROMANIA: EARLY SIGNS OF COVID-CONCERN FROM BEHAVIOR

THRESHOLDS 1 – 2 ARE VISIBLE AS OF WEEK ENDING 1ST OF MARCH



Romania Weekly Sales Growth Trend vs. Year-ago



Source: Nielsen Retail Measurement Services, Total KAI Romania, 1 week periods ended Mar. 1, 2020 vs. year-ago



NETHERLANDS: AS EXPECTED, HAND SANITIZING GEL SALES BOOM

PERCENT CHANGE IN SALES VOLUME IN THE NETHERLANDS
WEEK 5 THROUGH 8 2020 VERSUS THE SAME PERIOD LAST YEAR

+53%
EUR 800K
in sales between
weeks 5 and 8 2020

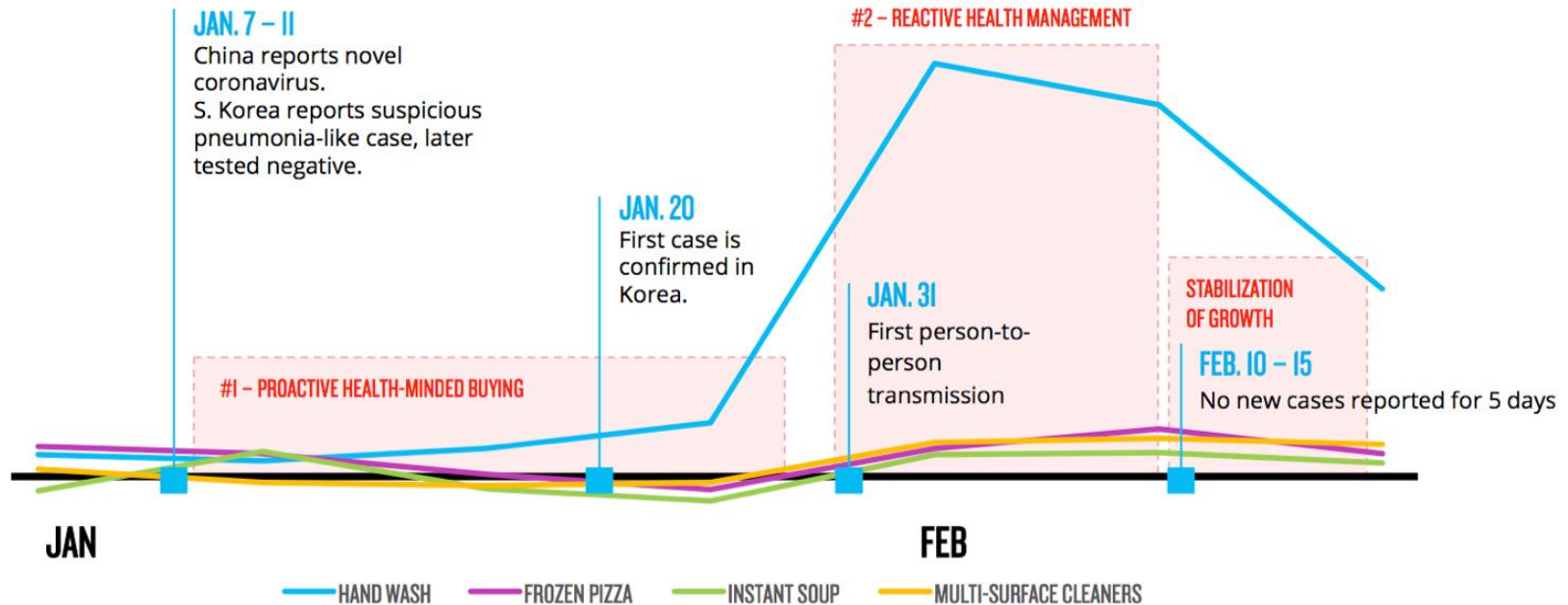


Source: Nielsen Netherlands



SOUTH KOREA: PURCHASE TURN AROUND TO COVID-19 NEWS CYCLE

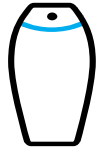
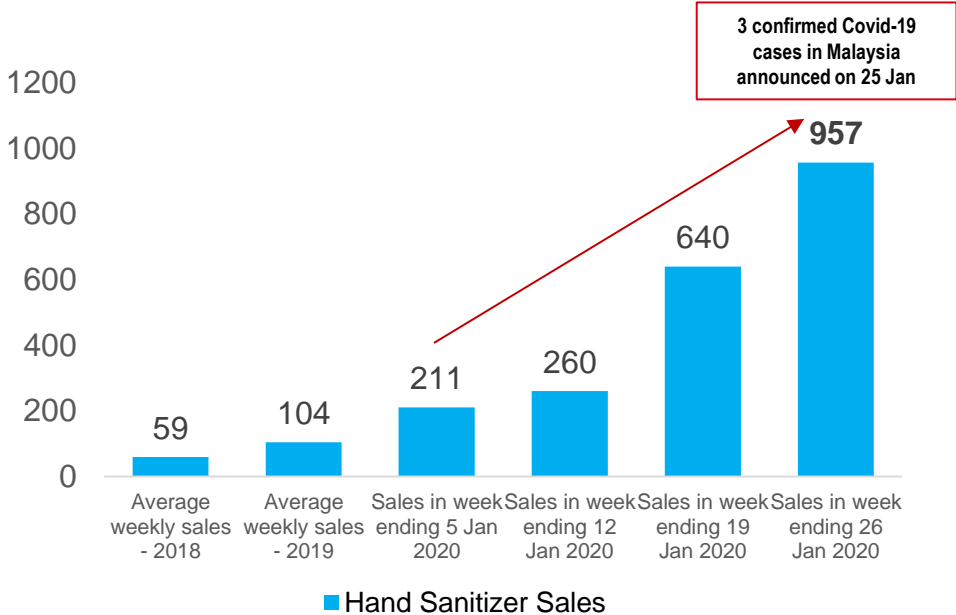
South Korea weekly sales growth trend vs. year ago





MALAYSIA: HAND SANITIZER SALES SOAR

HAND SANITIZER SCANTRACK | VALUE SALES (RM'000) | PAST 2 YEARS - WEEKLY



50ml/gm

95% of sales were contributed by a handy pack



RM4 - RM10

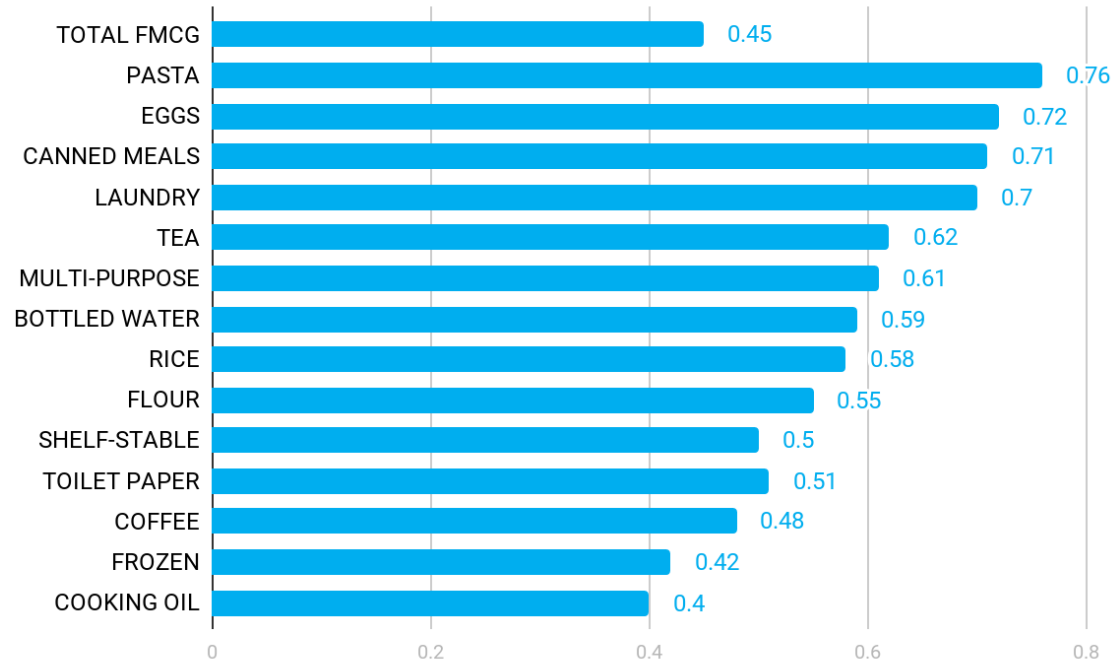
US\$1 to US\$2.50
Price per bottle of Hand Sanitizer @ 50ml/gm

Source: ScanTrack Jan 2020 (Aeon, Aeon Big, Aeon Wellness, Caring, Cold Storage, Giant, Guardian, Mydin, Sunshine, Tesco and Watsons)



AUSTRALIA: ONLINE SALES OF PANDEMIC PANTRY STOCKING

% dollar growth vs YA

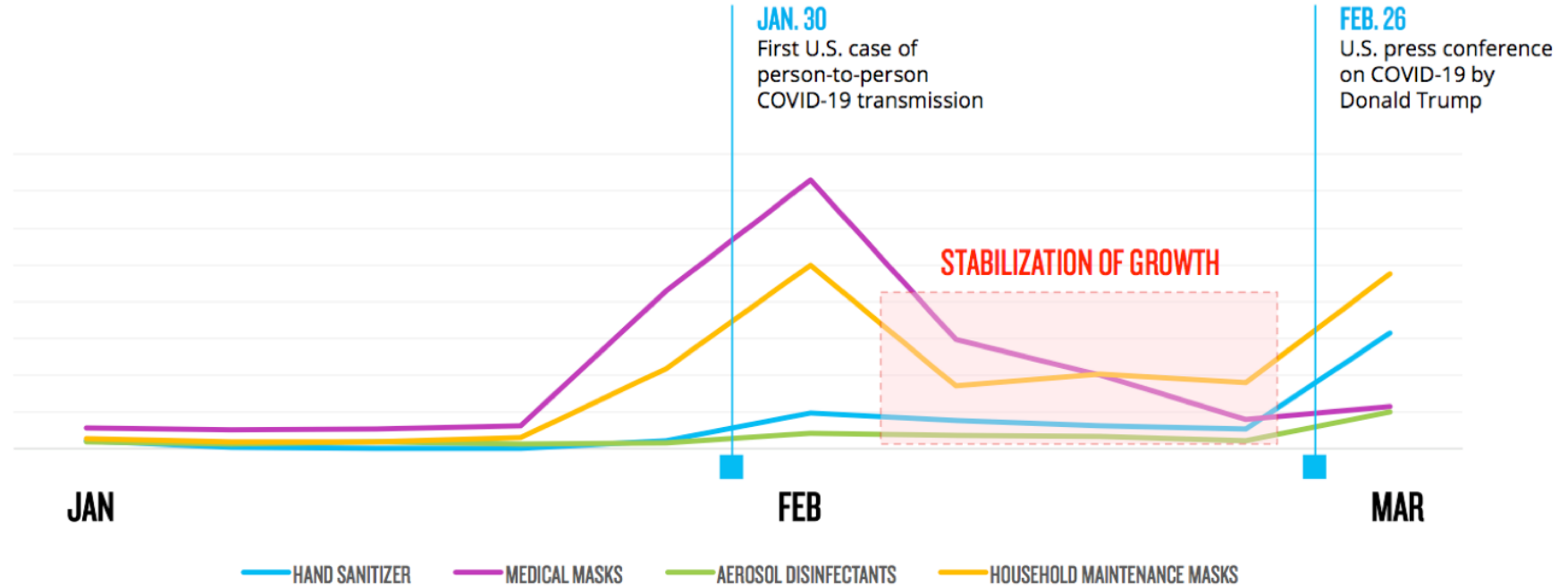


Source: Nielsen Homescan | Total Grocery Market | Latest 4 weeks to 22.02.2020 vs YA



USA: PURCHASE TURN AROUND TO COVID-19 NEWS CYCLE

U.S. weekly sales growth trend vs. year ago





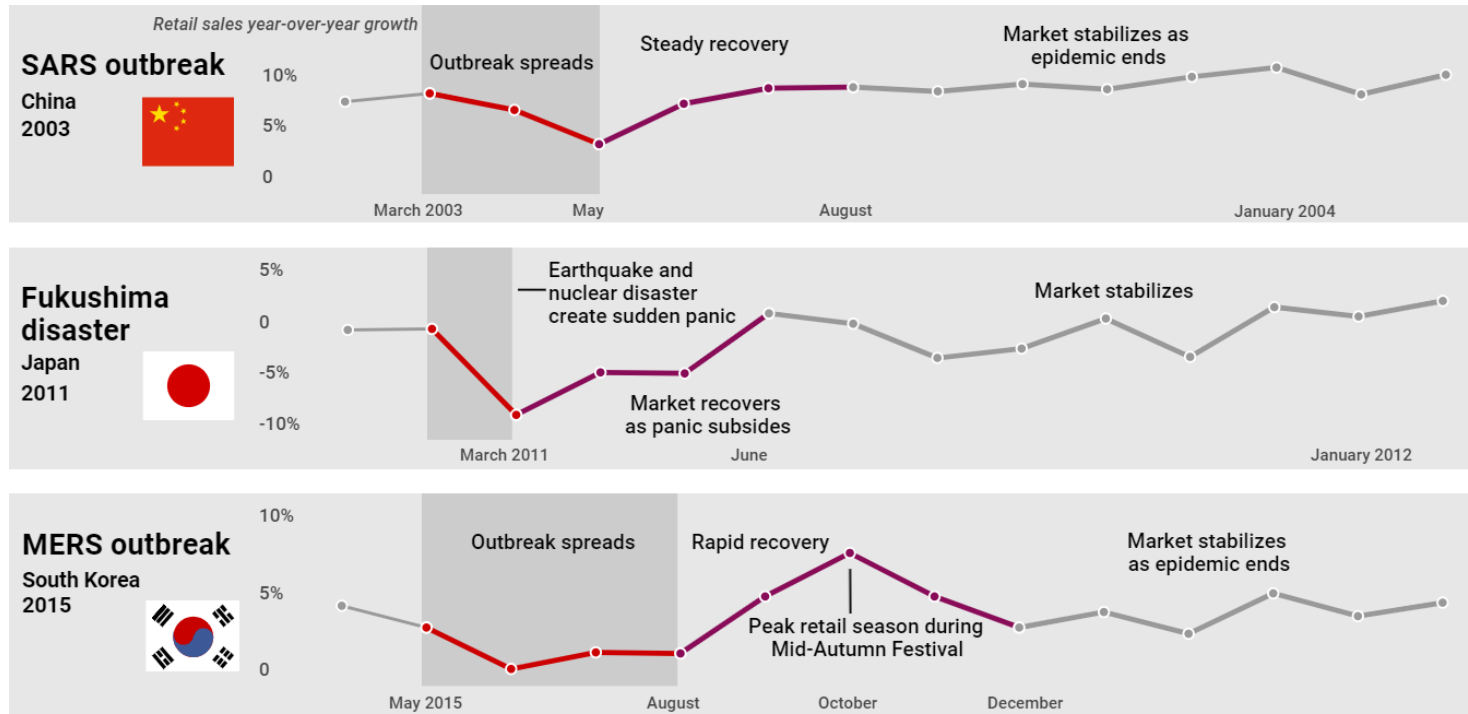
WHAT'S NEXT?

GETTING AHEAD OF PANICKED PURCHASING

#4 Quarantined Living Preparation	#5 Restricted Living	#6 Living a New Normal
PREDICTIONS		
<p>Online shopping infrastructure will be put to the test.</p>	<p>Supply chain challenges will drive consumers to be less price sensitive on high demand packaged goods or those that guarantee hygiene standards.</p>	<p>Crisis-buying patterns during the outbreak will speed adoption of new, permanent behavior change.</p>
EARLY INDICATORS		
<p>In Italy, consumers grew heavily reliant on online shopping and fulfillment (while significantly reducing in-store visits) to meet their health and household needs. This will challenge areas where fulfillment infrastructure cannot keep up with demand.</p>	<p>China experienced severely restricted shopping trips and online fulfillment challenges at this stage. And, price hikes on in-demand products will occur in some countries, but not all. We expect these factors will drive increased basket sizes in other markets and in some cases, influence consumer willingness to spend more on hygiene needs and healthful food products.</p>	<p>New health and safety labeling may be critical in winning over cautious consumers, based on changes made in China, particularly in home delivery products. Older generations are turning to online shopping to meet more of their household needs.</p>

LESSONS FROM THE PAST: RETAIL'S RECOVERY IN 3 ASIAN CRISES: SARS OUTBREAK IN CHINA, FUKUSHIMA NUCLEAR DISASTER & EARTHQUAKE IN JAPAN, MERS OUTBREAK IN SOUTH KOREA

Retail markets typically dip during a crisis, but eventually stabilize

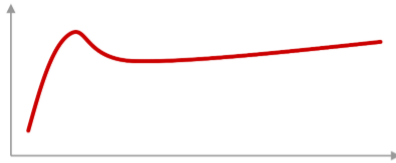


Sources: China National Bureau of Statistics; Japan Ministry of Economy, Trade and Industry; South Korea government statistics

DEMAND FLUCTUATES AFTER AN EPIDEMIC, BUT TENDS TO FOLLOW ONE OF THREE PATTERNS

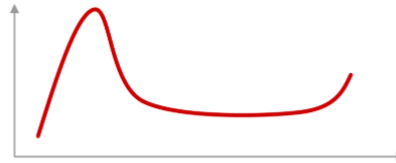
Demand fluctuates after an epidemic, but tends to follow one of three patterns

Rapid stabilization



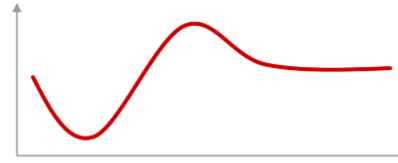
- **Stable recovery soon after the outbreak ends**, following a spike caused by panic during the crisis
- **Applies to daily necessities with regular purchases** (fresh food, baby care, etc.)

Short-term pantry loading



- **Relatively low demand after the outbreak** due to pantry loading during the epidemic
- **Applies to daily necessities with pantry-loading behavior** (health protection, home cleaning, etc.)

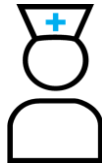
Dip and rebound



- **A quick rebound after the crisis**, releasing demand that was squeezed during the epidemic
- **Applies to discretionary purchases** (apparel, personal care, etc.)

Clothes and Cosmetics are among the products subject to this sudden release of pent-up demand

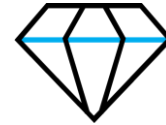
KEY THEMES ON COVID-19 AND IMPLICATIONS



Demand for **Health and Cleaning products** will likely drop.
Watch out for high “pantry” loaded stock levels.



Demand for **Pantry Staples** will normalize.
Watch out for high “pantry” loaded stock levels.
Ensure availability



Demand for **Non-essential luxury goods** will recover along with consumer confidence.

KEY THEMES ON COVID-19 AND IMPLICATIONS



More people stay home

Step up online or delivery programs to shore up possible lost in-store sales and seize on pantry loading opportunities

For food categories to ride on the wave of increased incidence of home cooking, provide materials (e.g., new recipes) to build usage and consumption occasions



Heightened awareness on health and fear of germs /contagion

Brand communications on prevention (ie., hand sanitizers, alcohol) and strengthening of body's immunity

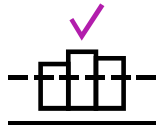
nielsen
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WE ARE READY TO HELP YOU!

CONSUMER VOICE SOLUTION DURING OUTBREAK

Option 1



SYNDICATED BI-WEEKLY TRACKER

Track the main consumer behavior changes connection to Covid-2019 :

- Sentiment around Covid-19
- Lifestyle changes
- Key shopping behavior changes
- E-comm shopping
- Categories in demand

Bi-weekly quantitative online interviews
Bi-weekly charting on LV, LT, EE

Option 2



SYNDICATED AD-HOC STUDY

Big study about shoppers' and consumers' behavior in list of aspects of life in connection to Covid-2019:

- Awareness of the problem, concerns, expectations
- Consuming patterns
- Shopping patterns
- Categories, channels and retailers
- E-commerce ecosystem
- Travelling, free time spending, etc.

Quantitative online interviews
One big report for LV, LT, EE on the
2nd week of April

Option 3



CUSTOMIZED STUDY

Tailor made study on the Client's objectives (in specific groups, categories, channels, etc).
Study design – upon Client's needs

RETAIL AUDIT SOLUTIONS DURING OUTBREAK



Key Account Index Report

KAI

Sales Performance within:
 Key Account index
 or selected Key Account
 Weekly data
 Selected Categories
 Top selling Products
 Sales dynamics (Val./Vol.)
 Distribution and Pricing

Excel format*,
 Just in **9 Days** after Week close



WE ADD

Newsletter on COVID'19



Weekly Database

KAI

Sales Performance within:
 Key Account index
 Weekly data
 Selected Category
 All Products (SKU)
 All Sales Related Factors
 Sales Value / Volume / Items
 Shares, Pricing, Distribution

Database format*
 Just in **9 Days** after Week close



WE ADD

Newsletter on COVID'19

* Regarding final scope for your needs, please connect to your Nielsen representative

SPECIAL TO RETAILERS: TOTAL STORE READ REPORT – WEEKLY IN 5 DAYS!

Nielsen report, which provides measurement of 100% of the Retail assortment and a comparison to the competing retailers/channels

Total Store Read report with weekly periodicity

- Detailed weekly information about your market share dynamics and market trends
- Measurement of 100% of assortment versus a defined competitive benchmark
- Monitor sales dynamics, identify wins and losses fast
- Find department/category growth opportunities
- Keep updated with weekly SWOT matrix by categories



Weekly Delivery

- Your latest week sales results just in **5 days!**

1 > 2 > 3

Data Structure

- Three level TSR category tree



Reported Facts

- Value Sales, Value Growth, Market Share, Market Share Change, Fair Share Index



Required Data from Retailer

- No additional requirements from retailer

