



October 2018 Summary

Main Trends In The Israeli FMCG Market

Data Base

The data is based on **2,150 stores**

comprised of Statewide Chains, Private Market and Convenience Stores

which transmit their POS scan data on a daily basis to StoreNext

and which represent **80% of the total sales in the barcoded FMCG market.**

Based on this data StoreNext, uses an advanced statistic model to perform an extrapolation for 100% of the Barcoded FMCG Market in Israel,

excluding Pharmacies, Kiosks and the Arab sector.

Long Story Short



- ❖ October marks an increase of 4.2% in value sales, compared to last year which leads the YTD overall growth to 3.9%



- ❖ The StoreNext Price index rises by 1.0 points YTD compared to last year and by 1.8 points compared to September



- ❖ There is an increase in value sales in the Private Market and Supermarkets in the election day (30/10), compared to an average Tuesday. However, the Statewide Discount format marks a decrease

Change in Sales and Price Indices

FMCG – January – October 2018 compared to January – October 2017



+1.0%

Change in StoreNext price index



+3.9%

+ 1,3 Billion NIS

Change in Value Sales



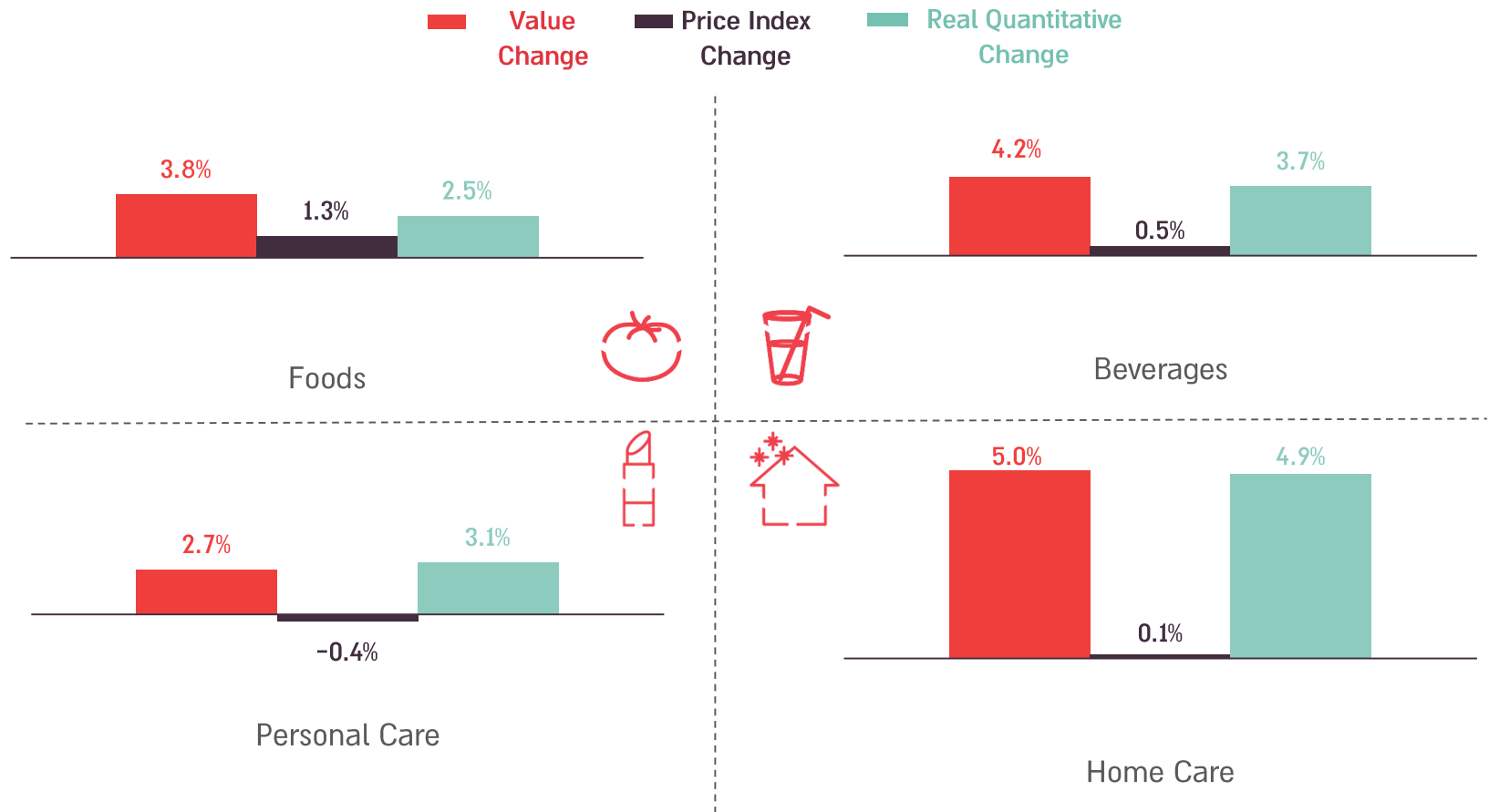
+2.8%

*Real Quantitative Change

* Real Quantitative Change – Value Sales growth deducted by the change in StoreNext Price Index (neutralized of mix effects) period-over-period

FMCG Change Rate by Fields (January-October)

All of the fields mark an increase compared to last year, both in value and in terms of real quantitative change. Personal Care is the only field which doesn't mark a Price Index increase



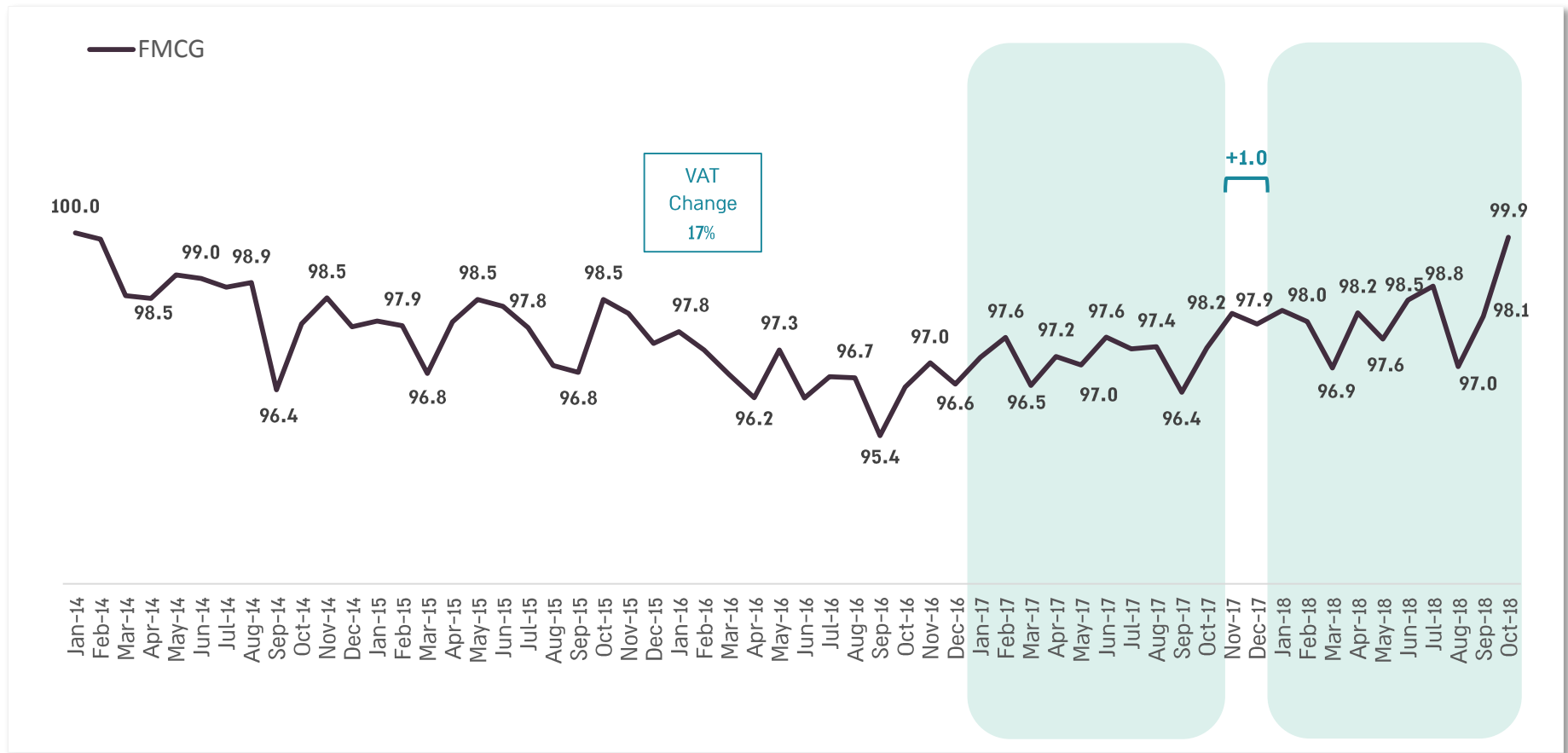
* Real Quantitative Change – Value Sales growth deducted by the change in StoreNext Price Index (neutralized of mix effects) period-over-period

The StoreNext Price Index

The StoreNext Price Index measures the change in products prices, while neutralizing changes in sales mix



The StoreNext Price Index marks an increase of 1.8 points in October, compared to September and reaches it's highest value since January 2014

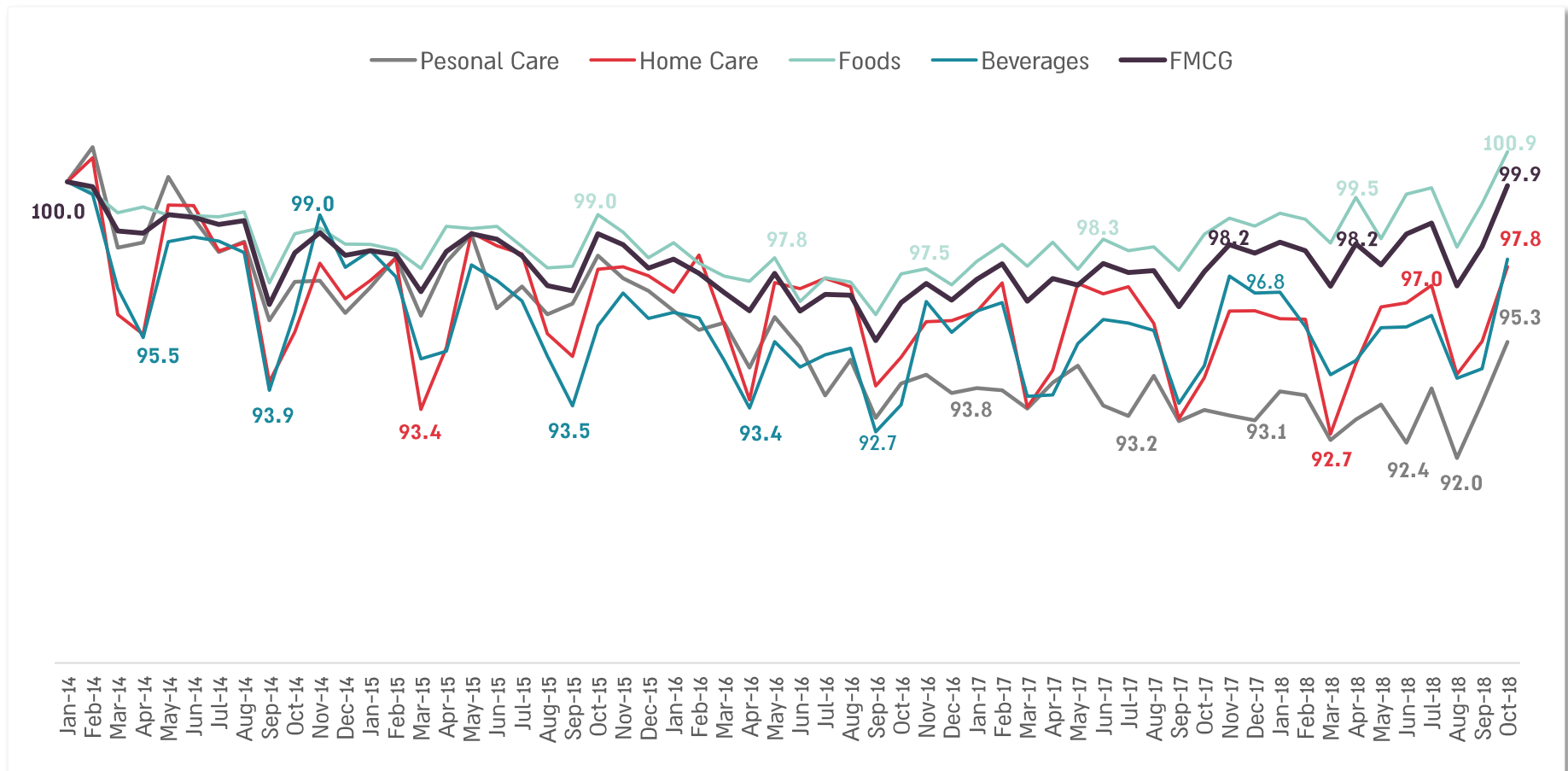


The StoreNext Price Index – by FMCG fields

The StoreNext Price Index measures the change in products prices, while neutralizing changes in sales mix



The Foods field reaches it's highest value in the analysis period. The rest of the fields mark a significant increase compared to September, but are still lower than their values at January 2014

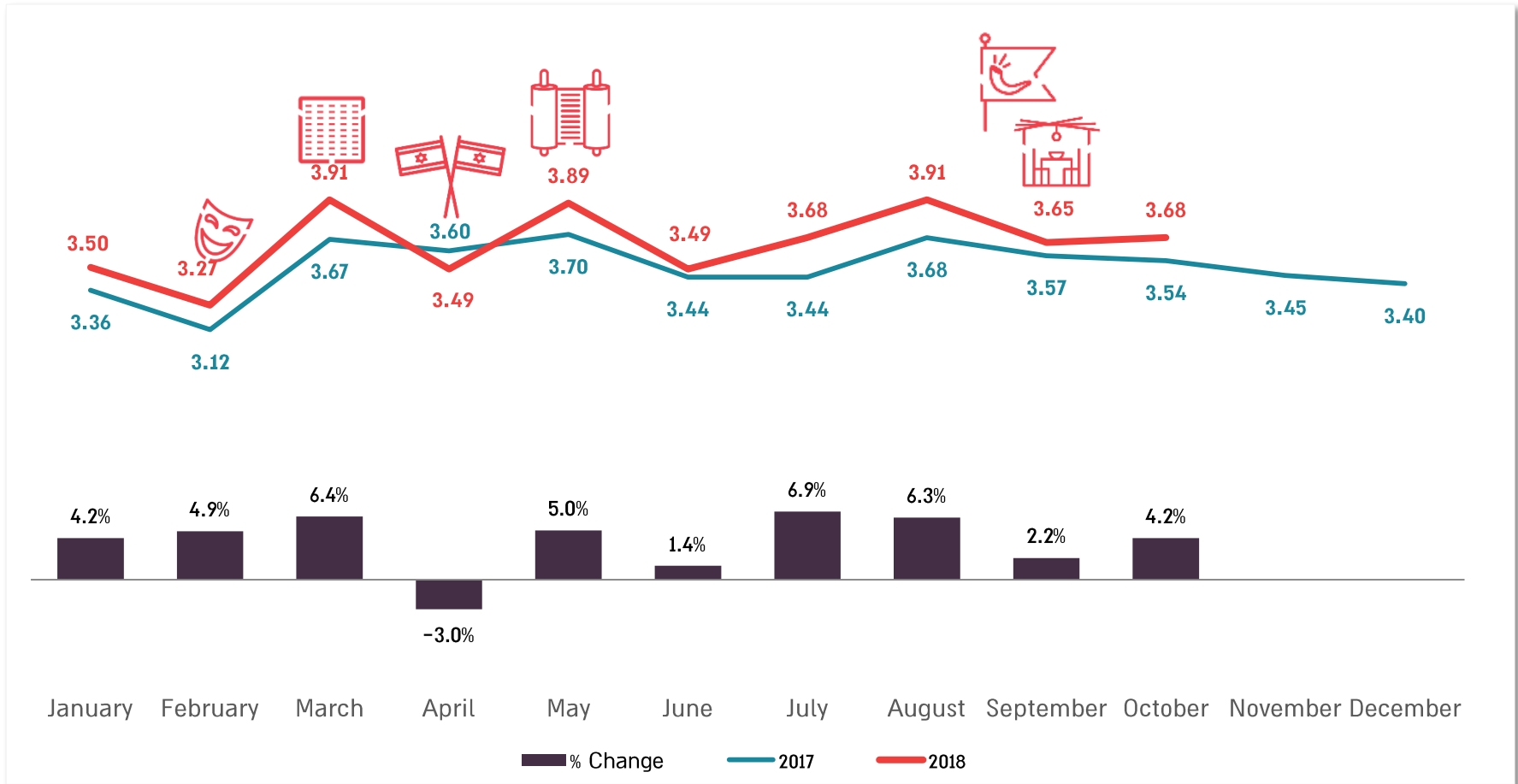


Monthly Sales Trend

FMCG Value Sales, Million NIS

There is an increase of 4.2% compared to last year's October, which adds to the YTD growth (3.9%).

The growth may be influenced by the number of working days during the month, compared to last year's October



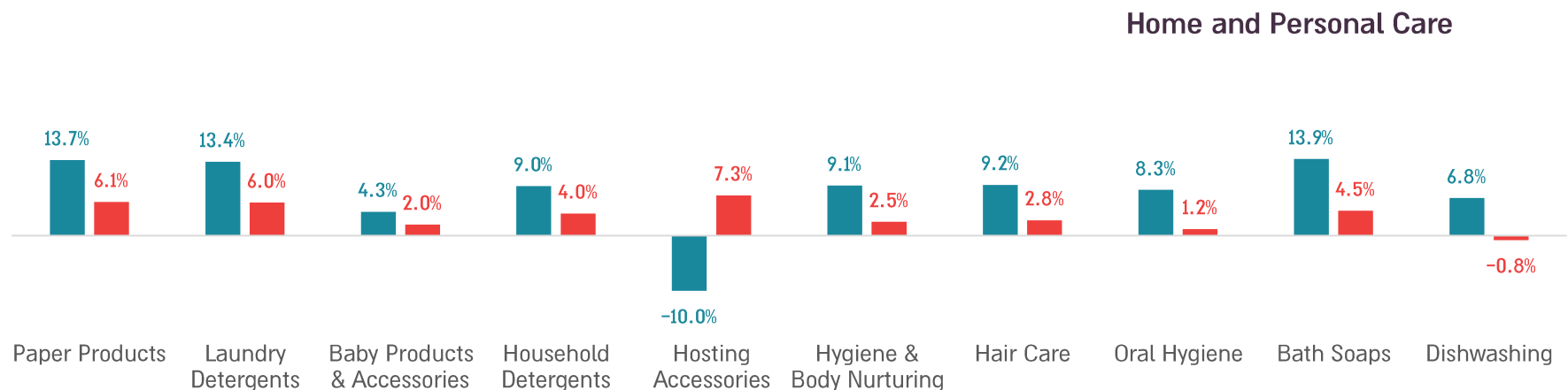
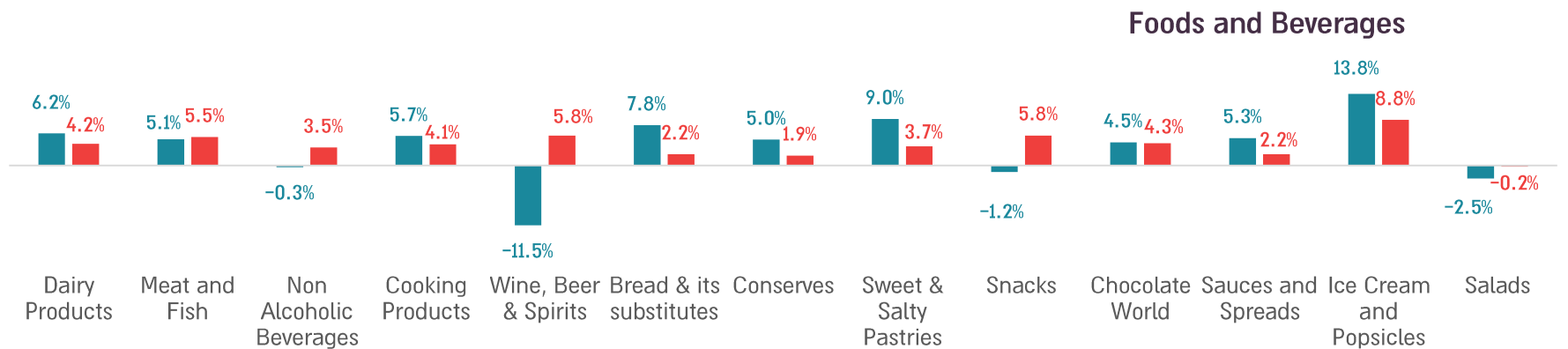
Value Sales Change in Key Classes

Change in value sales - 2018 compared to 2017

Most of the key classes mark an increase in sales in October and YTD period, compared to the same period last year.

There is a decrease in value sales in the hosting fields (wine, beer & spirits, snacks, hosting accessories, salads, non alcoholic beverages) compared to last October, while the day-to-day products mark an increase (bread & it's substitutes, conserves, sauces and spreads). Those changes may be attributed to the timing of the holiday season (lasted through October in 2017)

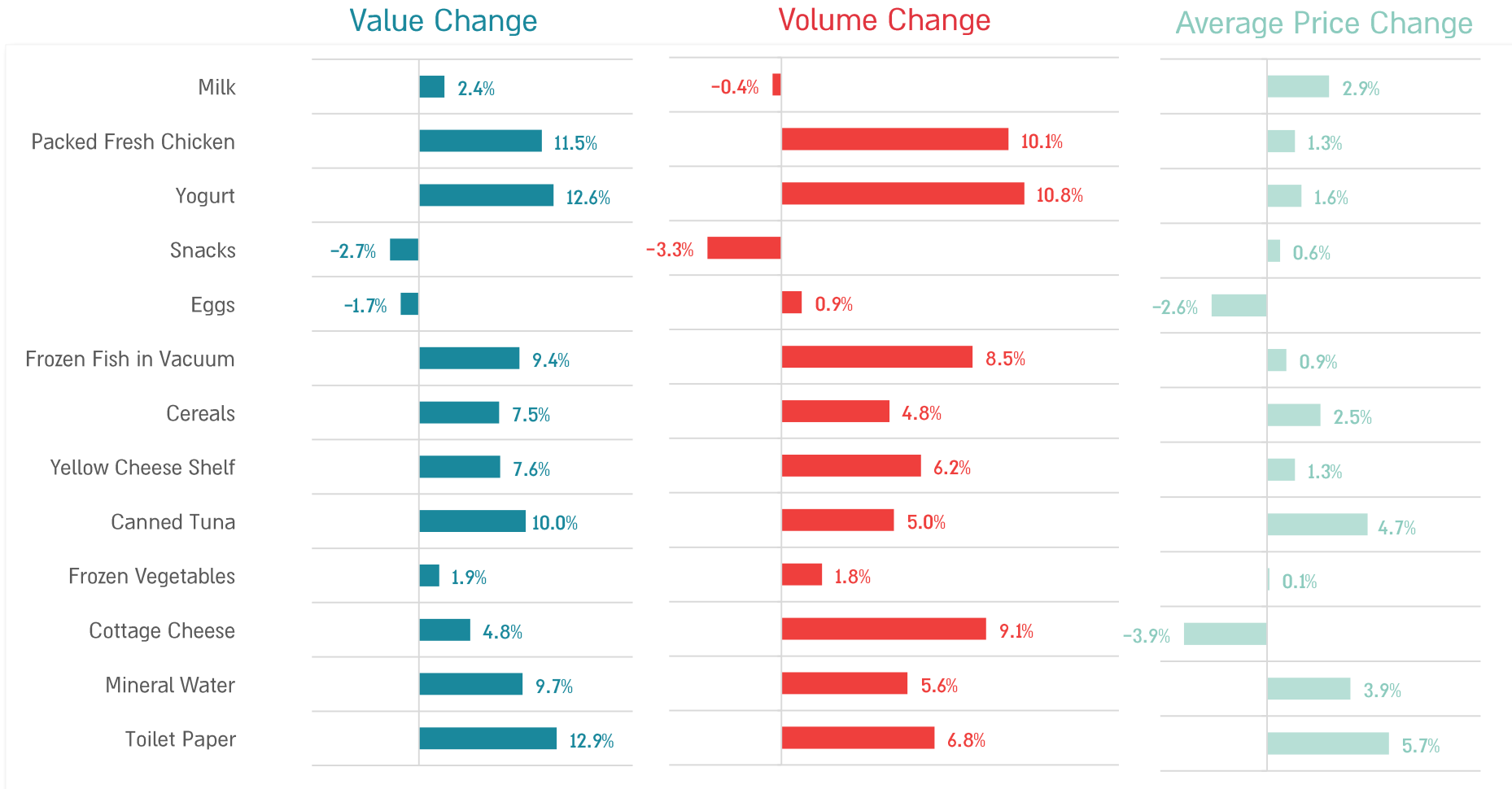
■ Change in Value Sales October 2017-2018 ■ Change in Value Sales 2017-2018



Increasing/Decreasing Categories

Value Change October 2018 compared to October 2017

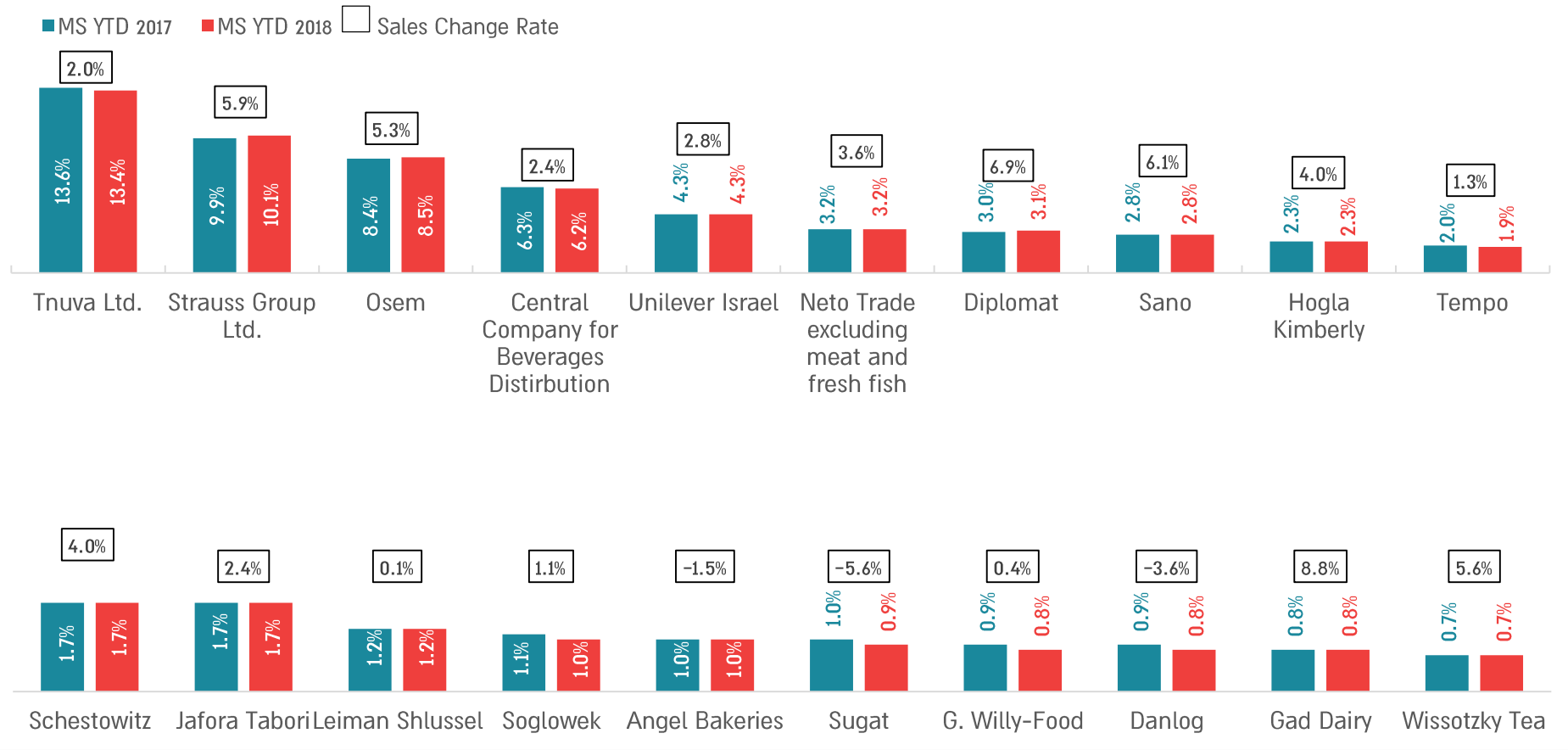
Most of the leading categories mark an increase in both value and volume sales, compared to last year's October, along with an increase in the average price. The Eggs category marks a decrease in value sales, along with a growth in the Special Eggs category (+9.9%)



Market Share and Suppliers' Growth

Market Share Value of total FMCG

The market share of the 10 leading suppliers increases by 0.1 points compared to last year's October, to a total of 55.9%. In the YTD period the market share of those suppliers increases by 0.1 points



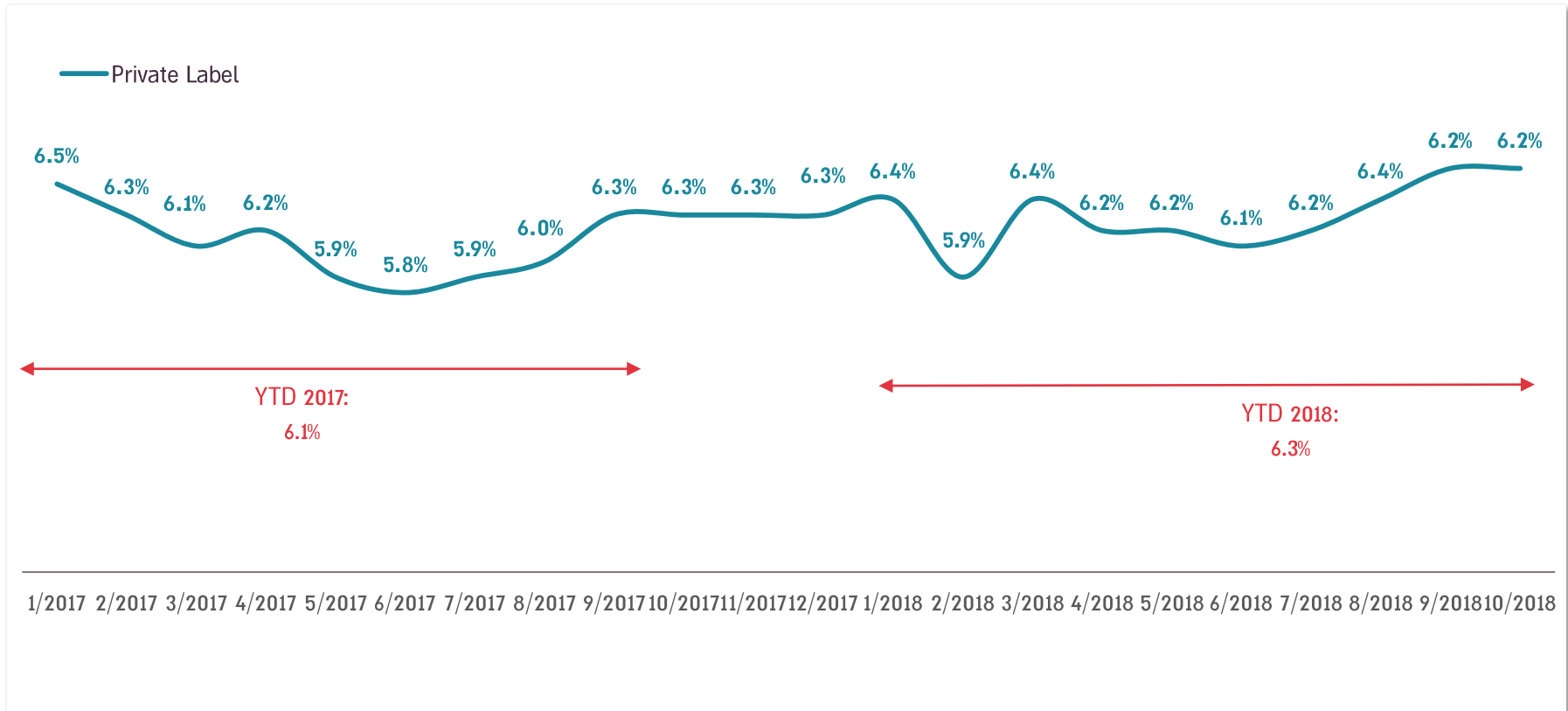
*Excluding bakery, butchery, cigarettes and fruits and vegetables.

Private Label Share of FMCG Market

Monthly Market Share Value



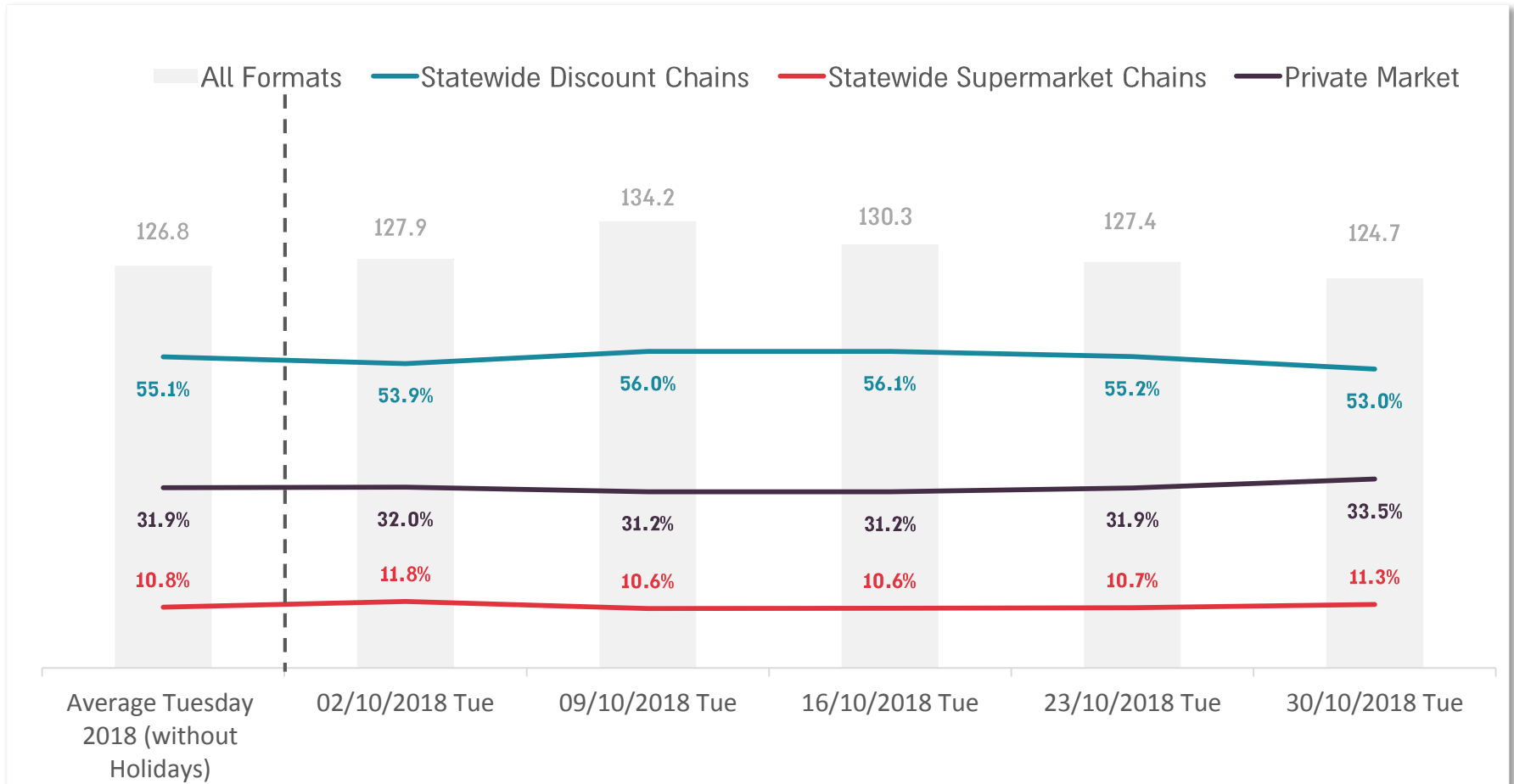
October 2018 marks an increase in the share of the Private Label which reaches it's highest value in the analysis period



Election Day – 30/10

FMCG Value Sales – Million NIS

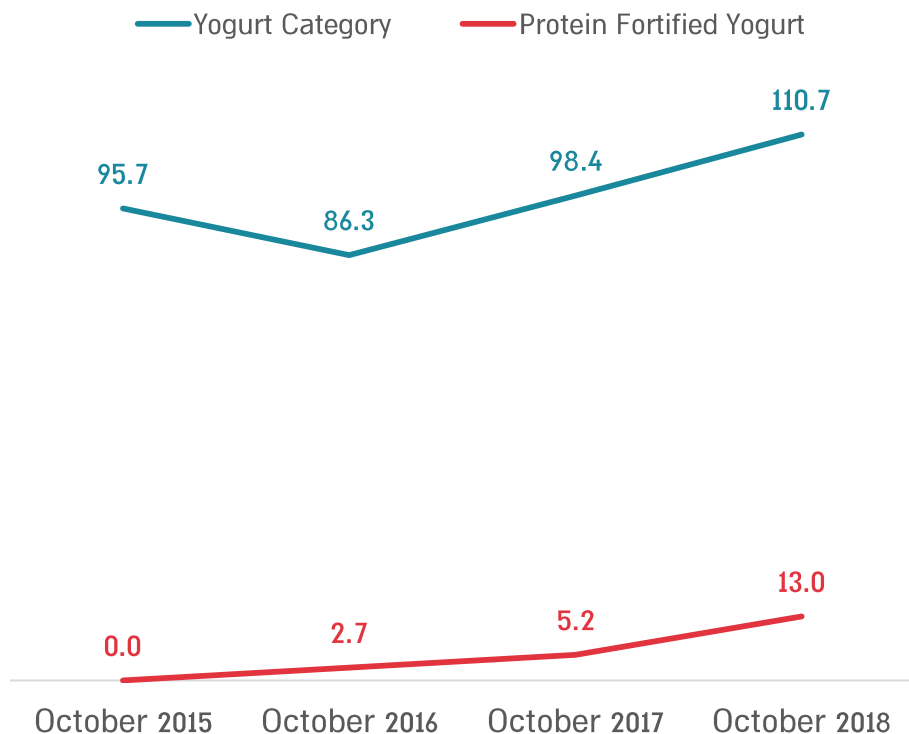
The municipal council election day occurred on 31/10 and for the first time was declared as a day off. The FMCG field marked a decrease compared to an average Tuesday, while the Statewide Discount Chains marked a decrease in it's market share



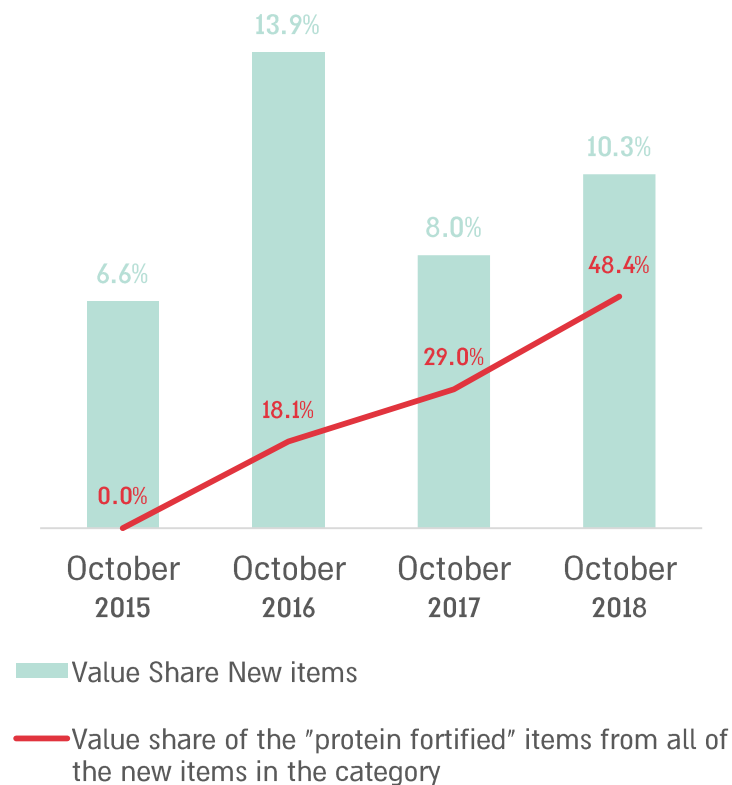
Yogurt

Yogurt is the third largest category in FMCG and it marks a steady growth over the last three years. In the last two years most of the growth comes from an "Protein Fortified" yogurts, which represent 48.4% of all of the new items in the category

Value Sales (million NIS)



Value Share – New Items





Thanks!

StoreNext

Looking Forward