

# News Release

Release date: 8 January 2019

## **A fourth consecutive Christmas of growth**

For the nine weeks to 6 January, Group like-for-like\* (LFL) sales excluding fuel were up 3.6%, comprising contributions from retail of 0.6% and wholesale of 3.0%. Group LFL including fuel was up 3.4%. Total sales\* were up 4.0% excluding fuel (3.8% including fuel).

As has been widely reported, there was a change in consumer behaviour during the period. Morrisons performed well, sustaining a strong offer and trading the business hard for customers. We were again more competitive, with the price of our basket of key Christmas items the same as last year.

Customer satisfaction increased significantly. It is an important measure of our turnaround progress, especially during the busiest weeks ahead of Christmas and New Year. The strongest areas of improvement were colleague friendliness and checkout experience, which was thanks to the continued hard work and dedication of our team of food makers and shopkeepers.

### **David Potts, Chief Executive, said:**

“This is Morrisons fourth consecutive Christmas of like for like sales growth during the turnaround. Our performance shows colleagues are listening hard and responding to customers, providing consistently great value and good quality when it matters most. I would once again like to thank the whole Morrisons team for what they continue to do for our customers.

“Morrisons is well set to keep improving the shopping trip and become more and more relevant for more customers”.

### **Outlook:**

Our 2018/19 year-end expectations are unchanged.

\* Reported ex-VAT and in accordance with IFRS 15

**Figure 1 - LFL sales performance (ex-VAT)**

	2017/18		2018/19			
	10 weeks to 7 Jan	Q4	Q1	Q2	Q3	9 weeks to 6 Jan
Retail contribution to LFL <sup>1</sup>	2.1%	2.0%	1.8%	2.5%	1.3%	0.6%
Wholesale contribution to LFL <sup>2</sup>	0.7%	0.8%	1.8%	3.8%	4.3%	3.0%
<b>Group LFL ex-fuel</b>	<b>2.8%</b>	<b>2.8%</b>	<b>3.6%</b>	<b>6.3%</b>	<b>5.6%</b>	<b>3.6%</b>
Group LFL inc-fuel	3.0%	2.8%	1.9%	6.4%	6.0%	3.4%

*Reported in accordance with IFRS 15*

<sup>1</sup> Includes supermarkets and Morrisons.com sales. Morrisons.com sales through CFCs contributed 0.4% in the 9 weeks to 6 Jan 2019

<sup>2</sup> Wholesale comprises sales to third parties, including those via our manufacturing business

**Figure 2 - Summary of retail operational key performance indicators<sup>3</sup>**

	2017/18		2018/19			
	10 weeks to 7 Jan	Q4	Q1	Q2	Q3	9 weeks to 6 Jan
LFL Number of Transactions	2.3%	2.0%	0.7%	2.6%	0.2%	-0.9%
LFL Items per Basket	-4.4%	-3.9%	-1.1%	-1.4%	-1.5%	+0.8%

<sup>3</sup> Excludes Morrisons.com sales through CFCs

**Notes:**

This announcement includes inside information.

At the 2018/19 interim results, we announced Profit before exceptional items will replace Underlying profit before tax as our key measure of adjusted profit from the full-year 2018/19 results. We will provide an update on any pro-forma impacts of this change if appropriate in due course.

- ENDS -