

# News Release

Release date: 5 May 2016

## **Wm Morrison Supermarkets PLC Q1 Trading Statement – 13 weeks to 1 May 2016**

In the 13 weeks to 1 May, like-for-like\* (LFL) sales excluding fuel were up 0.7% (up 1.2% including fuel). Total sales\* excluding fuel were down 1.8% (down 0.9% including fuel), reflecting the impact of supermarket closures and exit of the M local chain. Online contributed 1.0% to LFL during the period. Fuel LFL was positive despite deflation of almost 11%.

We continue to simplify and speed up the business, and improvements we are making to the shopping trip are proving popular with Morrisons customers. LFL transactions were up 3.1% in the quarter and LFL volume growth was again strong. Deflation was 2.6%, as we continued to invest in becoming more competitive for customers.

Transaction growth was in part driven by a significant increase in sales of Food to Go (up over 17% year-on-year) following a successful launch of many new and improved products. In addition, our new self-scan and express checkouts continue to help customers shop more often and queue less. These factors also continue to impact items per basket (down 2.8%).

The ‘*Morrisons Makes It*’ programme highlighting our unique food maker and shopkeeper strengths was launched in the quarter, and is a key element of communicating what makes Morrisons different.

Our new Free From range has started very well and is proving popular both with those customers with allergies and many others. Free From sales were up over 70% year-on-year during the quarter.

Our financial position is strong and we remain committed to a net debt target of £1.4bn to £1.5bn by year end.

David Potts, Chief Executive, said:

“We are encouraged by progress across our six priorities. There is still much to do and our colleagues are working very hard to improve the shopping trip and save customers every penny we can. Customers are responding and satisfaction levels remain ahead of last year. We are of course pleased with a second consecutive quarter of positive LFL sales, which demonstrates our aim to stabilise trade is taking effect.”

### **Outlook**

We will continue to invest in improving the shopping trip for customers. We expect continued deflation and sustained improvement in customer satisfaction. Growing LFL volume remains a key priority for every member of the Morrisons team.

*\* For supermarkets and online, reported ex-VAT and in accordance with IFRIC 13. Total sales for 2015/16 included M local.*

## Sales performance (ex-VAT)

	2015/16				2016/17
	Q1	Q2	Q3	Q4	Q1
<b>Group LFL:</b>					
Sales ex-fuel*	-2.9%	-2.4%	-2.6%	0.1%	0.7%
Sales inc-fuel*	-6.6%	-5.4%	-5.1%	-0.2%	1.2%

\* For supermarkets, online and convenience stores (until M local store disposals on 25<sup>th</sup> October 2015), reported ex-VAT and in accordance with IFRIC 13

## Summary of operational key performance indicators (KPIs)

	2015/16				2016/17
	Q1	Q2	Q3	Q4	Q1
LFL Items per Basket Year-on-year change*	-0.1%	-1.1%	-1.9%	-3.4%	-2.8%
LFL Number of Transactions Year-on-year change*	-3.2%	-2.6%	-2.0%	1.6%	3.1%

\* Excludes online and convenience

- ENDS-