

JO WHITFIELD MESSAGE TO COLLEAGUES FOR ANNUAL RESULTS

Food Annual Results 2019



The numbers

Total sales
£7.5bn (↑)

With six years like-for-like sales growth.
2018: £7.3bn

Like-for-like sales
1.9% (↑)

Underlying profit
£283m (↑)

2018: £204m

Wholesale like-for-like revenues
1.1% (↑)



Co-operating for a fairer world



79 new stores

opened (with 152 stores having refits and 10 extensions).



New 'On the Go' format stores

with products aimed at busy city workers looking to 'grab' breakfast, lunch or dinner, both hot and cold.



7 million students

to be served with our Co-op products and services over the next five years thanks to the Deal agreed with the National Union of Students.



8 pop-up shops

at festivals over the summer, including Glastonbury for the first time. Reaching thousands of younger customers.



Reduced sugar

We've removed a further 74m teaspoons of sugar from own-brand products.



Grocer of the Year

at the Grocer Gold Awards 2019.



Continuing our campaign against store crime

Invested over £70m in this since 2017.



Improving recyclability

76% of our plastic packaging is now easy to recycle (2018: 72%).

Hi everyone,

I know last year must feel like a world away from the challenges we're facing right now but I didn't want to miss the opportunity to say a huge thank you to each and every one of you, as we have achieved huge success in 2019.

This morning we announced our Co-op annual results and the increase in profit for the Co-op Group. As Steve explained in his message to all colleagues, we're reporting an underlying profit before tax of £50 million for the Co-op in 2019. That's an impressive £17 million up on 2018 and that is largely reflecting a great year from our Food business. Our strategy remains the key to growing our success and I'm proud to say that this year we've seen our sixth successive year of like-for-like sales growth in our stores.

This is a fantastic achievement and I want to thank all of you for the part you've played in this. Your passion and commitment to drive our business forward through changes and improvements over the last year has been truly incredible. The last 6 weeks have been unlike anything we have seen before and I am proud and grateful for everything you are doing and how you are working together across teams. It is because of your hard work that we've managed to adapt and change quickly and play our part in feeding the nation.

Our Nisa business continues to grow, and with a refreshed strategy in place we can see a huge amount of potential for growth. We're working collaboratively to unlock product and proposition opportunities for Nisa partners and we see Nisa as an important part of our Co-op family as it has allowed us to extend our reach to more customers through 4,000 outlets.

How we're doing right now

Usually, we'd expect last year's performance to give us a good indication of what's happening today, however the times we are living through are a period of learning for us all and we continue to do the best we can every day. Thank you for working flat out to keep the UK fed, as family life is now in lockdown and people are eating all meals at home.

To help us keep as many of our shops open as possible we've taken on over 5,000 new temporary colleagues to support our stores and logistics teams. I would personally like to say a huge thank you to the resourcing team for making this such a simple and streamlined process and to the Stores and logistics teams for making our new colleagues feel welcome and safe during this uncertain time.

Alongside this, every part of our supply chain has risen to the challenge of keeping our shelves full as best we can and our suppliers are working around the clock too to replenish essentials.

Your safety and the safety of the communities we serve remains our number one priority and we continue to work in line with the Government's advice to keep you safe each and every day.

Many of our colleagues have had to self-isolate because of their own health or the health of family members and we have taken steps to make sure all colleagues are supported during this difficult time.

All of this change has been made so much easier thanks to your support and dedication to the Co-op, each other and our customers and members. You're important key workers and you are genuine retail heroes!

Looking ahead

Right now, we're staying focused and rebalancing our plans for the rest of year while trying to manage the current uncertainties. We are planning for multiple scenarios and evaluating existing plans for changed priorities so that we can be on the strongest footing for the months and years ahead.

Sadly, we don't know how long this current situation is going to last and there may be difficult times ahead still. But please take a few minutes to stand back and pat yourselves on the back, as together we have had an amazing 2019 and the start of 2020 has proved that we can step up for our communities and the nation during a crisis. Thank you for your continued support and your determination to keep us going. You are all amazing.

Jo Whitfield