pladis

better biscuits

Annual Biscuit Review 2018

Contents

The purpose of this Review

This review has been produced by pladis from independently generated data and as far as possible, is a true and impartial view of the segments, manufacturers, brands and trends shaping the Biscuits category in the year ending December 2018.

Executive Summary

- Biscuit sales in the UK hit just over £2.6bn in retail, bought by 99.1% of all households.
- 2018 saw continued market growth at +1.2%, though this was at a slower rate than the +2.6% growth in 2017.
  - The slowdown was driven primarily by the warm weather and reduction in promotional activity by many of the major retailers, but also mergers and stiff competition between the retailers.
- Innovation is important for the category with new flavours and formats generating sales of over £41m in 2018. However, the core biscuit fixture remains key for suppliers and retailers alike representing the majority of sales.
- Sweet Biscuits are the largest part of the category with sales of £2.1bn versus Savoury biscuits with sales of £477m.
- Sweet Biscuits grew +1.0% in 2018 yet Savoury did better at +2.0% helped by the growth of Rice Cakes (often seen as a healthier option).
- pladis was once again the Sweet Biscuits category leader, with a market share of 19.3%.
- In 2018, growth was driven by Healthier Biscuits, the largest and fastest growing sector, overtaking categories such as Everyday Biscuits at +4.5%.
- The market witnessed growth in the more indulgent products as seen in the growth of the Special Treats sector of +1.6%.
- McVitie's continues to lead the market as the biggest brand with sales of £353m and a market share of 16.4% followed by Fox's with sales of £94m and a share of 4.4%.

Foreword

The biscuits category is worth £2.6 billion in the UK, but it's still easy to forget the huge contribution that it makes to the sales of retailers and foodservice operators of all sizes. That's why the 2018 Annual Biscuit Review is probably the most important we have launched to date.

Despite challenges for the category last year, including an unseasonably warm summer and changes to promotional activity, our outlook for 2019 is positive, with an expectation that we'll see market growth return to higher levels. Amidst this, it's more important than ever that retailers, wholesalers and foodservice operators stock the right products to continue to tap into new sales opportunities.

As the needs of modern shoppers continue to evolve – and shoppers move away from traditional eating occasions and embrace relaxed 'rules' around what constitutes a snack, or even a biscuit – suppliers and retailers must move swiftly to drive continued growth.

Our extensive research into snacking habits reveals there are currently five key drivers of snack consumption for British shoppers:

1. **Balance** – Choosing snacks to look good and feel good
2. **Sustain** – Snacking for the essential fuel to get through the day
3. **Indulgence** – Seeking out a treat or reward
4. **Discovery** – Trying new flavours and textures
5. **Togetherness** – Sharing a snack during moments of enjoyment with friends and family

And there's clear scope for retailers to cater to these drivers as consumer snacking habits change, whilst simultaneously unlocking a £1.2 billion incremental sales opportunity.

The findings in this year's review will serve as an invaluable resource to help make the most of this ever-evolving category's new hot-spots, whilst providing key advice around protecting core sales by stocking the right range.

As the number one supplier within Sweet and Savoury Biscuits with a combined value of £527 million, we can admit that the category has certainly faced some challenges. However, with a sharp, prevailing focus on catering to the changing needs of consumers, and a willingness to demonstrate innovation, in addition to protecting the biscuit category's successful core range, we're committed to ensuring the Biscuits landscape will remain Fit for the Future.

Stuart Graham
Customer Marketing Director,
pladis UK & Ireland

The pladis story

The pladis story begins in 2016. But the recipe for our success goes back much further. For hundreds of years, our loved brands McVitie's, Ulker and GODIVA, have combined tradition and heritage with innovation and quality.

This rich history has fashioned McVitie's into a treasured and iconic household name, inextricably tying us to British culture.

Open the kitchen cupboard in almost any home in the UK, and you're likely to find McVitie's biscuits. Last year, we sold almost 300 million packets in Britain alone – the equivalent of four packets for every person!

And it doesn't stop there. Our portfolio also includes household favourites go ahead! and Carr's, as well as the latest addition to our family, Flipz.

GODIVA and Ulker have been baking and curating mouth-watering biscuits, snacks and chocolate for generations, too, with over 300 years of heritage and expertise combined. Together, as pladis, our snacks are consumed by a remarkable 4 billion people in 120 countries, in almost every corner of the globe.

The pladis timeline

1839

The McVitie family opens its first shop in Edinburgh – starting one of the great biscuit companies

1926

Pierre Draps Sr. and sons begin making pralines in their confectionery workshop in Brussels, later becoming Godiva

1944

As World War II ends, the Ulker brothers start baking biscuits in their small Instanbul atelier

2008

After decades of success the Ulker family expands its group of companies, Yildiz Holding, after acquiring Godiva

2014

Further expansion brings in United Biscuits, joining together several major family confectionery businesses

2016

The group is renamed pladis, after the Pleiades constellation, visible from anywhere on the planet

2017

pladis becomes one of the fastest growing companies in the sector with an annual revenue of £3.5 billion

2018

pladis products develop an international reach of more than four billion people across 120 countries

Living Our Happiness

Ensuring our business is Fit for the Future

To write the next chapter in the story of our success, we've embarked on a journey to prioritise three key areas in our business: People, Planet, and Product.

People

The welfare, wellbeing and development of our people is critical to prosperity. And if we want our colleagues to thrive, we must ensure we create the best possible working environment.

By the end of 2019 we will have trained all our 400 line-managers on mental health awareness and support through our Positive Minds programme because we know that mental health underpins wellbeing, and ultimately performance, in the workplace.

We will redouble our efforts to create an inclusive and diverse culture where we celebrate our differences, and everyone can thrive. Our newly formed Being Me programme aims to promote and support diversity in the workplace.

As well as supporting local charities, pladis UK&I this year committed to partnering with the Starlight Children's Foundation as its official charity partner, raising over £20,000 from fundraising in the first few months, and we continue to support our communities through volunteering, fundraising and team-building activities. We are also proud partners of GroceryAid, a national charity that helps people in need across the grocery industry.

Planet

We've already begun grappling with the issue of plastic waste and that will continue to be a major focus.

We've therefore set the ambitious target to make all plastic packaging recyclable, reusable or compostable by 2025. In the meantime, we're ensuring that all our packaging can be recycled through our continued partnership with TerraCycle.

In addition, we're improving our labelling to ensure consumers can easily determine how and where to recycle their packaging.

This year, we'll also accelerate our #RoadtoZero plan, targeting just 2% waste by 2021. The programme is not even a year old, but we're very proud of the impact it has already made.

One of the many ways we have been doing this is by ensuring our less than perfect, but safe to consume biscuits and snacks, aren't going to waste. We do this is through our collaboration with Company Shop, who redistribute our wrapped surplus and broken products to its members in the FMCG industry and emergency services, and we are also proud supporters of In Kind Direct, who distribute our snacks that don't have any quality issues, but would normally be disposed of due to their short shelf-life, to charities up and down the UK.

Product

We believe our products are the best out there and through innovation we are continuing to tap into a range of snacking occasions with treats that people love. We also recognise that we need to focus on delivering great taste and choice to our consumers while helping them to live healthier lifestyles.

We promote our 123healthybalance site on every pack we sell, which we use to provide clear nutrition information and guidance on how our biscuits and snacks can be enjoyed as part of a healthy, active lifestyle.

The government has set food manufacturers challenging targets, and work is ongoing to reformulate and reduce sugar in our best-selling biscuits and cakes to provide nutritional improvements across our product range. Less sugar, less salt, fewer calories, and more accessible nutrition information so everyone can make responsible snacking choices. Crucially, we want to achieve these goals with no perceivable difference in taste.

Baking the biscuits and snacks that people love also means using high quality ingredients. We use 100% British wheat, and in 2018 we extended our successful Back-to-Farm initiative, where we source our wheat directly from farms or grain co-operatives. Farmers in the scheme now supply more than 40% of the wheat we need, and we aim to raise this to around 70% by the end of 2019.

We've set ambitious targets to make all packaging recyclable, reusable or compostable **by 2025**

The UK Snacking Model

99.8%

Snacking in the UK is a scale category with universal appeal

£500 is spent on snack foods every second in the UK

Traditional Snacking Model

8% of consumers report either infrequent or no snacking

Breakfast | Lunch | Occasional Snack | Dinner | Occasional Snack

As eating patterns evolve,
snacking is becoming more frequent and less structured

Modern Snacking Model

90% of consumers snack multiple times per day

Snack | Breakfast | Snack | Lunch | Snack | Snack | Dinner | Snack

7% of whom, forego meals altogether and just snack

Snack | Snack | Snack | Snack | Snack | Snack | Snack | Snack

Snacking Growth Drivers

Five key growth drivers for snacking

Balance

Health is about looking and feeling good – snacks can help us to achieve this balance

Discovery

Snacks are the best way to give everyday little lifts to our senses

Togetherness

We cherish the moments we spend together with our friends and family

Sustain

Snacks are essential fuel to get through the day

Indulgence

We all deserve a special treat now and again

Snack Spend

2/3 of snacking spend comes from the three largest categories

Balance

- 39% of snacks consumers look for healthy products all or most of the time when choosing a snack.
- 41% of snacks consumers say it's hard to know which snacks are good for you, but 32% actively avoid buying processed ones.
- 63% of snack consumers would rather eat a naturally healthy snack than a light version of a less healthy snack.
- 47% of mothers feel that their family has too much sugar in their diets.

Discovery

- 95% of innovation fails within its first year, yet snacks consumers want innovation above all else.
- 53% of savoury snacks consumers say they are prompted to buy when they see new flavours in shops.
- 25% of UK consumers would be interested in snacks with flavours inspired by authentic street food.
- 58% of consumers like to eat new things and 37% like looking for new snacks when shopping.

Togetherness

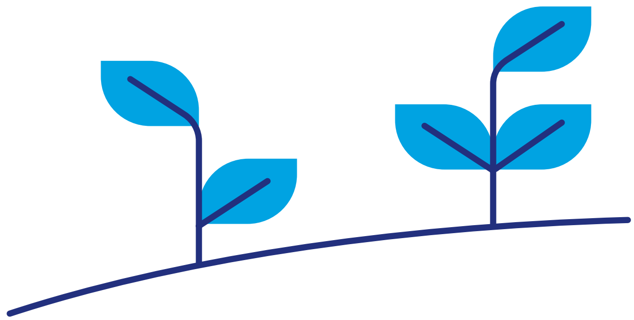
- 37% of snacks in the UK are consumed with someone else – friends, family, colleagues etc.
- 25% of shoppers purchase snacks for the family to make them happy.
- 58% of 16 – 34s and 52% of parents believe snacks are a must-have for an evening in.
- 71% of people say watching TV in the living room with others is something they enjoy.

Sustain

- 50% of snacks consumers working full time say their busy lifestyles makes snacking a necessity.
- 64% of snacks consumers feel snacks are important to keep energy levels up throughout the day.
- 37% of consumers will snack instead of having a proper meal at least once a week.
- 57% among 16 – 24s and 58% among parents of under-fives will use snacks to forgo meals.

Indulgence

- 52% of snacks consumers think that taste is more important than healthiness.
- 66% of UK consumers think unhealthy snacks are fine as part of a balanced diet.
- 38% of UK chocolate eaters believe the emotional benefits of chocolate outweigh any health concerns.



The Biscuit Consumer

While the industry adapts, our collective shoppers continue to change

Lifestyle Diets

Ageing population

Single households

Impatience

Inclusion

Living with Parents

Economic Concern

Busier Lifestyles

Wellbeing

Personalisation

Cultural Diversity

Savviness

Provenance

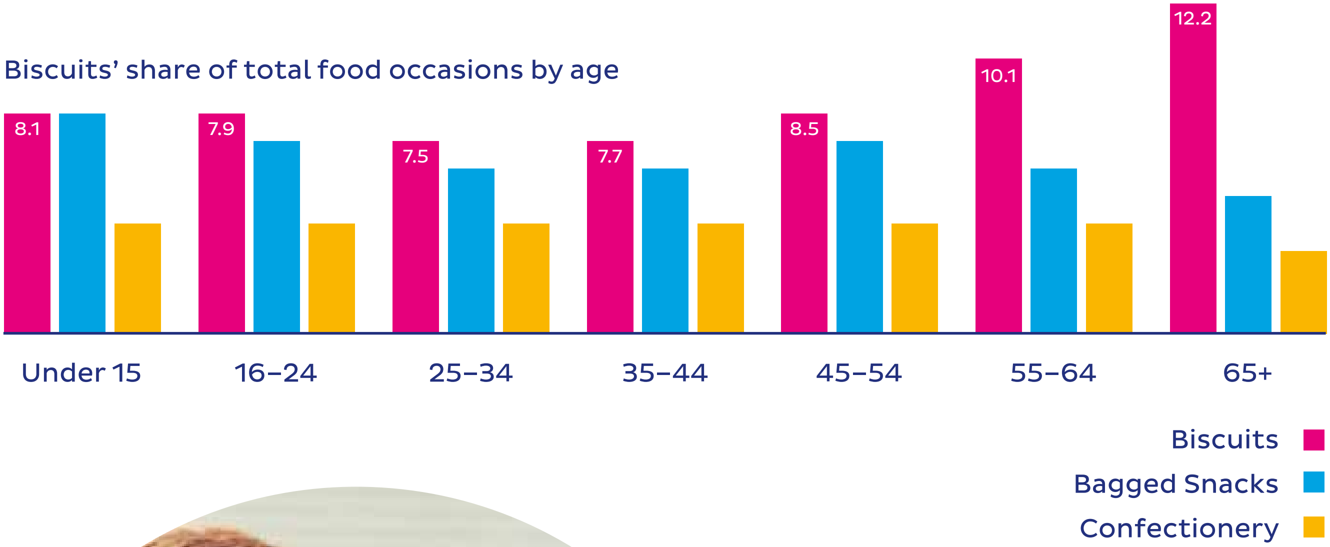
Integrity and Trust

Naturalness

Biscuits for Everyone

Biscuits appeal to everyone at all stages of life…

Biscuits' share of total food occasions by age



Biscuit Categories

Everyday Biscuits (EDB)

'Biscuit barrel' or plain biscuits, often accompanying tea or coffee.

McVitie's Digestives is the iconic product.

Special Treats

More indulgent biscuits, often fully covered in Chocolate, includes continental, luxury biscuits and premium chocolate biscuits.

Everyday Treats (EDT)

'Biscuit barrel' traditionally with a treat connotation e.g. half-coated in chocolate or cream-filled biscuits.

Chocolate Biscuit Bars (CBB)

Individually wrapped chocolate covered biscuits, often eaten at lunchtime, normally sold in multipack formats.

Healthier biscuits

Often products with functional benefits such as added protein, lower fat/calories etc.

Includes cereal bars.

Novelty Biscuits

Products designed to appeal to all ages, often includes multipack formats and character type products.

Savoury Biscuits

Crackers and Crispbreads – To be eaten with something, like cheese e.g. Cream Crackers.

Savoury Biscuits: These play a large part in party snacking e.g. Ritz, Tuc.

Seasonal

Mix of assortments, shortbread and novelty items.

Entertaining, sharing and gifting occasions.

Savoury assortments are also considered seasonal at Christmas.

Total Biscuits

Key Facts

Biscuits growth slowed a little to 1.2% this year, driven by Sweet biscuits.

Most major manufacturers struggled over the last 12 months, with pladis remaining the largest biscuit manufacturer, with £1 in every £5 spent on our products.

Aldi and Lidl lead the way in Own Label sales growth, continuing the wider grocery market trend, though Tesco remain the largest retailer brand in Biscuits.

Total Biscuits £2,622m +1.2%

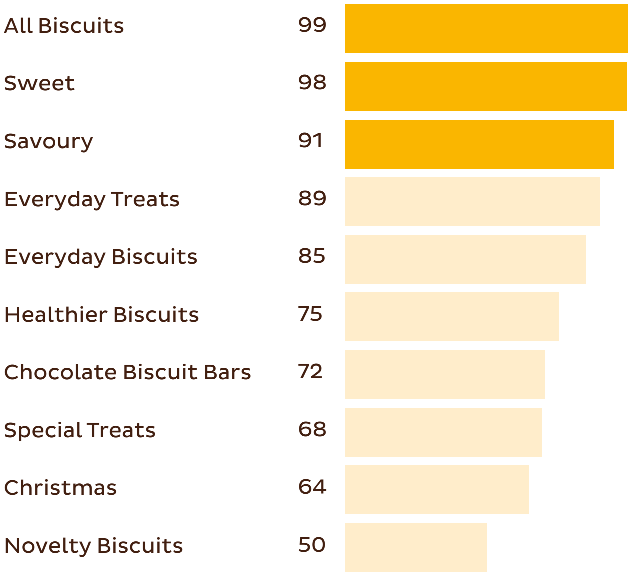
Sweet £2,145m +1.0%

Savoury £477m +2.0%

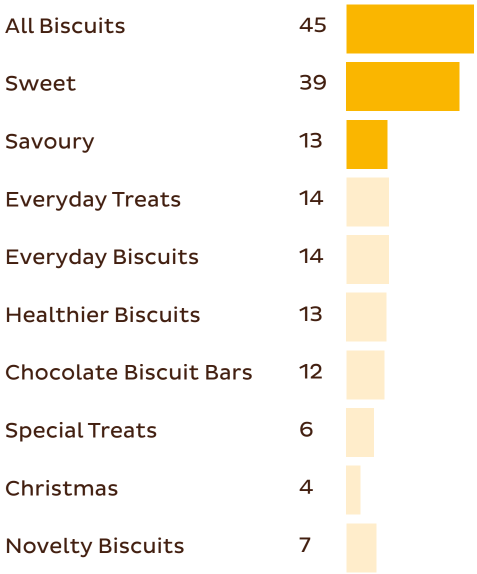
Top Biscuits Manufacturers	£m	% Change	% Share
pladis	527	-7.9	20.1
Mondelez	252	-5.8	9.6
Nestle	120	-3.7	4.6
Fox's	98	-7.8	3.7
Burton's	95	7.1	3.6
Kellogg's	69	-9.5	2.6
The Jordans & Ryvita Co	63	2.4	2.4
General Mills	61	36.7	2.3

Top Biscuits Brands	£m	% Change	% Share
McVitie's	353	-8.9	13.4
Fox's	94	-8.5	3.6
Kit Kat	83	-2.1	3.2
Belvita	83	-4.1	3.2
Jacob's	74	-4.5	2.8
Kellogg's	69	-9.5	2.6
Nature Valley	58	29	2.2
Ryvita	51	1.1	2.0
Cadbury	51	-13.2	1.9
McVitie's Go Ahead	47	-11.6	1.8

Biscuit Household Penetration %



Biscuit Frequency of purchase



Top Biscuits Products	£m	% Change	% Share
Kit Kat	83	-2.1	3.2
McVitie's Choc Digestive	60	-11.9	2.3
Belvita Breakfast Biscuits	46	-15.7	1.7
McVitie's Jaffa Cakes	44	6.8	1.7
Cadbury Brunch Bars	33	-2.3	1.3
McVitie's Digestives	31	1.3	1.2
Alpen Light Cereal Bars	30	0.9	1.2
Tunnock's Caramel Wafer	29	2.7	1.1
Ryvita Crispbread	29	-11.0	1.1
McVitie's Club	26	-13.7	1.0
Natural Valley Crunchy Grnla	26	21.0	1.0
Belvita Breakfast Soft Baked	26	4.1	1.0

Own Label Biscuits Manufacturers	£m	% Change	% Share
Tesco	168	1.4	6.4
Aldi	154	8.6	5.9
M&S	115	-0.1	4.4
Lidl	109	12.6	4.1
Sainsbury's	85	-4.3	3.2
Asda	76	19.9	2.9
Total Own Label	**832**	**5.1**	**31.7**

Retail Biscuit Performance

Key Facts

Grocery Multiples saw an overall decline, driven by Tesco, while the Euro Discounters experienced double digit growth, building on a strong previous year.

Online sales have slowed from last year and are now responsible for 7.1% of sales.

Top Biscuits Retailers	£m	% Change	% Share
Tesco	602	-2.5	27.2
Sainsbury's	337	0.5	15.2
Asda	321	1.5	14.5
Morrisons	241	1.7	10.9
Aldi	171	9.2	7.7
Lidl	131	14.3	5.9
Co-op	125	-0.8	5.6
M&S	116	-0.2	5.2
Waitrose	110	-1.6	5
Iceland	63	9.8	2.8

Biscuits Channels Value

	£m	% Change	% Share
Multiples	1475	-0.8	56.2
Euro Discounters	302	11.4	11.5
Convenience	280	-0.3	10.7
UK Discounters	325	1.9	12.4
Online	186	1.9	7.1

Biscuits Channels Volume

	Kgm	% Change	% Share
Multiples	313	-2.8	52.2
Euro Discounters	99	10.6	16.6
Convenience	60	-3.2	10
UK Discounters	77	-2.9	12.8
Online	40	2.1	6.7

Sweet Biscuits

Key Facts

pladis was once again the Sweet Biscuits category leader, with a market share of 19.3%.

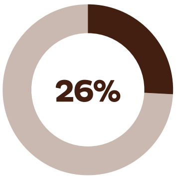
Growth was driven by Healthier Biscuits, the largest and fastest growing sector, overtaking categories such as Everyday Biscuits.

The top five brands within Sweet Biscuits have all seen a decline in sales from a year ago.

Sector performance

£2,145m
+1.0%

Top Sweet Biscuits Sectors	£m	% Change	% Share
Healthier Biscuits	562	4.5	26.2
Everyday Treats	421	-2.1	19.6
Chocolate Biscuit Bars	365	-0.3	17.0
Everyday Biscuits	316	-1.2	14.7
Christmas	207	1.3	9.6
Special Treats	196	1.6	9.1
Novelty	117	1.8	5.5



The Sweet Biscuits sector is most likely to see customers choose a healthier option, with more than 26% share.

Top Sweet Biscuits Manufacturers

	£m	% Change	% Share
pladis	414	-8.4	19.3
Mondelez	208	-6.3	9.7
Nestle	120	-3.7	5.6
Fox's	86	-10.0	4.0
Kellogg's	69	-9.4	3.2
Burton's	63	9.6	2.9
General Mills	61	36.7	2.9
Tunnock's	47	3.1	2.2
Weetabix	37	-2.6	1.7
Mars	32	20.7	1.5

Top Sweet Biscuits Products

	£m	% Change	% Share
Nestle Kit Kat	83	-1.7	3.9
McVitie's Choc Digestives	60	-11.9	2.8
McVitie's Jaffa Cakes	44	11.3	2.0
Cadbury Brunch Bar	33	-2.3	1.5
Oreo	33	-8.7	1.5
McVitie's Digestives	31	1.3	1.4
Mondelez Belvita Breakfast	30	-19.5	1.4
Alpen Light Cereal Bars	30	0.9	1.4
Tunnock's Caramel Wafer	29	2.9	1.4
Cadbury Fingers	27	-14.4	1.3

Top Sweet Biscuits Brands

	£m	% Change	% Share
McVitie's	353	-8.2	16.4
Fox's	94	-8.4	4.4
Kit Kat	83	-2.1	3.9
Belvita	83	-4.1	3.9
Kellogg's	69	-9.5	3.2
Nature Valley	58	29.0	2.7
Burton's	46	4.6	2.1
Cadbury	51	-13.2	2.4
McVitie's Go Ahead	84	0.6	3.9
Tunnock's	47	3.1	2.2

Own Label Sweet Biscuits Manufacturers

	£m	% Change	% Share
Tesco	131	0.8	6.1
Aldi	123	10.7	5.7
M&S	101	-0.7	4.7
Lidl	83	11.8	3.9
Sainsbury's	61	-8.0	2.8
Asda	58	18.3	2.7
Morrisons	39	13.9	1.8
Waitrose	20	-10.9	0.9
Co-op	20	-3.3	0.9
Total Own Label	**646**	**4.7**	**30**

Healthier Biscuits are most likely to be eaten alongside mineral water – helping to keep snack time healthy.

61% of the time when consumers fancy something sweet or savoury they go for a core snack food product.

Savoury Biscuits

Key Facts

The Savoury Biscuits category has seen growth of 2%, almost double that of last year.

Growth has been driven by a turn in fortunes for Crispbreads, the largest sector in the category and the growth of Rice Cakes.

Brands such as Nairns have seen double digit growth, but pladis remains the market leader with a 24.7% market share.

Sector performance

£477m +2.0%

Top Savoury Biscuits Sectors	£m	% Change	% Share
Crispbreads	93	4.4	19.5
Rice Cakes	85	13.9	17.9
Cream Crackers	38	-5.2	8.0
Plain Assortment	35	-2.0	7.4
Savoury Crackers	32	0.8	6.8
Sticks Twists Twirls	32	-0.6	6.8
Oatcakes	25	-0.4	5.3
Breadsticks	22	-3.5	4.6
Cheese Crackers	19	-10.9	4.0
Brown Crackers	16	-11.2	3.3

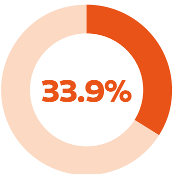
Savoury biscuits are most likely to be chosen as an ‘easy to prepare or clean up’ snack, accounting for 26% of convenient servings.

Top Savoury Biscuits Manufacturers	£m	% Change	% Share
pladis	118	-4.7	24.7
The Jordans & Ryvita Co	51	1.1	10.7
Nairns	20	13.9	4.1
Kallo	17	11.3	3.5
Mondelez	15	-6.8	3.1
Quaker Oats	14	2.1	3.0
Dr Schar	4	6.9	0.8
Dorset Village Bakery	4	20.2	0.8
Rakusen's	3	0.1	0.7
Pogen	3	-12.9	0.5

Top Savoury Biscuits Products	£m	% Change	% Share
Ryvita Crispbread Core	20	-6.9	4.2
Jacob's Cream Crackers	20	-5.6	4.2
Kallo Rice Cakes	16	12.0	3.5
Nairns Oatcakes	15	0.7	3.2
Quaker SnackaJacks Jumbo	14	0.5	2.9
Jacob's Cheddars	12	-17.0	2.5
Jacob's Selection	11	7.7	2.3
Jacob's Crispbread	11	22.0	2.3
Ritz	10	-4.8	2.2
Jacob's Tuc Crackers	10	7.0	2.1

Top Savoury Biscuits Brands	£m	% Change	% Share
Jacob's	74	-4.5	15.6
Ryvita	51	1.1	10.7
Tuc	20	2.5	4.2
Nairns	20	13.9	4.1
Ritz	14	-7.7	3.0
Quaker	14	2.1	3.0
Jacob's Cheddars	12	-17.0	2.5
Kallo	11	21.4	2.4
Carrs	10	1.0	2.1
Kallo Organic	5	-0.6	1.1

Own Label Savoury Biscuits Manufacturers	£m	% Change	% Share
Tesco	40	0.7	8.3
Aldi	31	1.7	6.5
Sainsbury's	26	5.0	5.5
Lidl	21	14.8	4.5
Asda	19	26.4	4.0
Total Own Label	**185**	**6.2**	**39**



More than a third (33.9%) of savoury biscuits are eaten at the weekend.

Crackers and Crispbreads account for over half (53.7%) of all biscuits eaten alongside alcohol!

Sweet Everyday Biscuits

Key Facts

The two largest products on the market are by McVitie's with both returning to growth after a difficult 2017.

pladis is still top of the Everyday Biscuits barrel, with a 27.9% overall market share.

However, the Everyday Biscuits category declined over the past year, with sales down 1.2%.

Sector performance

£316m
-1.2%
14.7% share

Top Everyday Biscuits Manufacturers	£m	% Change	% Share
pladis	88	-5.3	27.9
Burton's	21	7.2	6.6
Lotus	18	33.4	5.7
Hill	9	14.0	2.8
Fox's	4	-46.1	1.1
Simmers	2	17.5	0.5
Merba Holland	1	-1.9	0.4
Colian	1	21.9	0.4
Jacob Fruitfield	1	-36.2	0.3
Wholesalers	1	-26.1	0.3

Everyday biscuits are most likely to be eaten as a snack between meals, accounting for 68% of occasions.

Top Everyday Biscuits Brands

	£m	% Change	% Share
McVitie’s	79	-4.3	25.0
Lotus	18	33.4	5.7
Maryland	18	7.3	5.6
Hills	9	14.0	2.8
Crawfords	5	-18.0	1.6
Fox’s	4	-46.1	1.1
Hovis	3	7.6	1.0
Lyons	3	6.6	0.9
Simmers	2	17.5	0.5
Merba	1	-1.9	0.4

Own Label Everyday Biscuits Manufacturers

	£m	% Change	% Share
Tesco	40	-1.9	12.5
Aldi	24	11.9	7.7
Sainsbury’s	25	-10.7	7.8
Asda	21	1.4	6.8
Lidl	19	-1.6	6.0
Morrisons	17	1.6	5.5
Total Own Label	**161**	**-1.0**	**51.0**

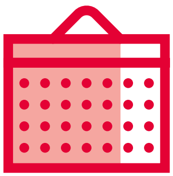
Top Everyday Biscuits Products

	£m	% Change	% Share
McVitie’s Digestives	31	1.3	9.8
McVitie’s Rich Tea	22	1.6	7.0
Maryland Cookies	14	0.2	4.4
McVitie’s Ginger Nuts	8	-16.4	2.4
McVitie’s Hobnobs	6	-2.0	1.9
OB Wafers	4	1.2	1.4
Maryland Treats Cookies	4	44.6	1.2
Hovis Digestives	3	7.6	1.0
Fox’s Crinkles	3	-32.9	0.9
McVitie’s Fruit Shortcake	3	-14.4	0.8

Own Label Everyday Biscuits Products

	£m	% Change	% Share
Tesco Custard Creams	6	8.9	1.8
Tesco Bourbon Creams	5	14.0	1.6
Tesco Rich Tea	3	-13.7	1.0
Aldi Fruit Shortcake	3	10.2	1.0
Tesco Malted	3	-0.4	1.0
Aldi Wafers	3	9.8	0.9

McVitie’s Digestives is the biggest biscuit brand for snacking, making up 3.2% of all biscuit occasions.



On average, we consume core snack foods like biscuits 5.2 times a week – this is more than fruit (4.9 times) and chilled juice (3.5 times)!

Sweet Everyday Treats

Key Facts

McVitie's Chocolate Digestives lead the category, but it's McVitie's Jaffa Cakes that are seeing the biggest growth, up 6.7% on last year.

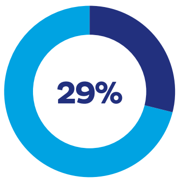
It has been a challenging year for Everyday Treats, following a strong year in 2017, with sales dropping 2.1%.

Oreo have struggled for a second consecutive year, with both main products seeing a greater than 20% decline.

Sector performance

£421m
-2.1%
19.6% Share

Top Everyday Treats Manufacturers	£m	% Change	% Share
pladis	147	-9.8	34.9
Mondelez	39	-17.4	9.3
Fox's	19	-13.3	4.6
Tunnock's	18	2.6	4.3
Burton's	16	10.1	3.8
Paterson's	9	1.2	2.1
General Mills	7	631.9	1.6
Lees	5	13.4	1.3
Walkers Shortbread	2	-0.5	0.5
Jacob Fruitfield	2	-19.2	0.4



Just under a third (29%) of Everyday Treats occasions are eaten as an evening snack.

Top Everyday Treats Brands

	£m	% Change	% Share
McVitie's	147	-9.8	34.9
Nabisco (Oreo)	27	-20.4	6.4
Fox's	19	-13.3	4.6
Tunnock's	18	2.6	4.3
Paterson's	9	1.2	2.1
Cadbury	7	3.4	1.8
Nature Valley	7	631.9	1.6
Maryland	6	-46.6	1.4
Kraft	5	-26.1	1.1
Galaxy	3	391.2	0.7

Own Label Everyday Treats Manufacturers

	£m	% Change	% Share
Tesco	27	0.5	6.3
Lidl	24	2.9	5.8
Aldi	24	15.4	5.6
M&S	19	-2.1	4.5
Asda	13	22.7	3.2
Sainsbury's	13	2.4	3.1
Morrisons	6	11.3	1.5
Waitrose	6	-6.8	1.4
Co-op	3	-3.3	0.8
Total Own Label	**136**	**5.0**	**32.3**

Top Everyday Treats Products

	£m	% Change	% Share
McVitie's Choc Digestive	60	-11.6	14.3
McVitie's Jaffa Cakes	42	6.7	10.0
Tunnock's Teacakes	16	2.5	3.8
Oreo Cookies	14	-25.2	3.4
McVitie's Choc Hobnobs	14	4.2	3.3
McVitie's Choc Dig Thins	11	-30.4	2.5
Fox's Crunch Creams	10	-11.6	2.4
Paterson's Shortbread	9	1.2	2.1
McVitie's Choc Caramels	7	-4.4	1.7
Oreo Thins	6	-23.6	1.5

Own Label Everyday Treats Products

	£m	% Change	% Share
Aldi Choc Digestive	8	3.3	1.9
Tesco Cookies	6	15.5	1.4
Lidl Cookies	5	48.9	1.3
M&S Teacakes	5	20.9	1.2
M&S Jaffa Cakes	5	-7.2	1.2
Tesco Choc Digestive	5	-35.1	1.2
Sainsbury's Shortbread	5	10.5	1.1
Lidl Choc Digestive	4	-10.6	1.0
Aldi Jaffa Cakes	4	-4.4	1.0
Tesco Half Coated	4	0.2	0.9

McVitie's Jaffa Cakes are the biggest biscuit brand chosen as a 'treat', at 3.6% of occasions.

47% of food servings between 6am and noon are eaten for 'health benefits', whilst 50% of servings between 4pm and 9pm are seen as a 'treat or reward'.

Sweet Special Treats

Key Facts

The Special Treats sector continues to grow year on year, up 1.6% from 2017.

The leading brand, Fox's, sees strong growth again after a very positive year in 2017.

Cadbury Fingers continue to decline as the most popular product, as Fox's manages to close the gap.

Sector performance

£196m
+1.6%
9.1% Share

Top Special Treats Manufacturers	£m	% Change	% Share
Fox's	41	6.6	20.9
Mondelez	29	-20.2	14.8
Bahlsen	21	3.6	10.7
Border	14	12.0	7.3
Thorntons	3	35.1	1.7
pladis	2	-17.1	1.2
Burton's	2	0.0	1.1
Dorset Village Bakery	1	-3.3	0.7
Regal	1	21.7	0.6
Elizabeth Shaw	1	158.7	0.5

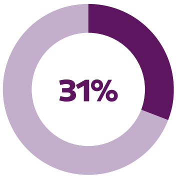
People are most likely to eat Special Treats at a 'relaxing' time, accounting for a laid back 17% of all consumption.

Top Special Treats Brands	£m	% Change	% Share
Fox's	41	6.6	20.9
Cadbury	26	-27.9	13.3
Bahlsen	21	3.6	10.7
Border	14	12.0	7.3
Thorntons	3	35.1	1.7
Nabisco	3	801.2	1.3
McVitie's	2	-17.1	1.2
Galaxy	1	0.0	0.7
Fudges	1	-3.3	0.7
Regal	1	21.7	0.6

Own Label Special Treats Manufacturers	£m	% Change	% Share
M&S	19	1.7	9.7
Aldi	13	2.6	6.4
Tesco	9	-19.9	4.8
Lidl	7	42.0	3.5
Co-op	6	26.2	2.9
Morrisons	5	57.3	2.3
Sainsbury's	5	-17.5	2.3
Asda	3	7.2	1.5
Waitrose	3	-25.9	1.5

Top Special Treats Products	£m	% Change	% Share
Cadbury Fingers	18	-21.0	9.4
Fox's Fabulously Assrt	16	15.0	8.4
Bahlsen Choco Leibniz	16	0.0	8.4
Fox's Chunkie Cookies	9	-16.0	4.5
Fox's Melts Viennese	7	-1.0	3.5
Fox's Chocolatey Shtck	7	35.0	3.4
Cadbury Roundie	6	-5.0	3.1
Border Choc Ginger	5	16.0	2.6
Border Assrt	3	24.0	1.5
Bahlsen Choco Moments	3	0.0	1.4

Own Label Special Treats Products	£m	% Change	% Share
M&S Cookies	12	10.7	6.0
Aldi Cookies	8	10.2	4.3
Tesco Assortment	4	-28.3	1.9
M&S Fully Coated	3	-4.4	1.5
Coop TI Cookies	3	-13.8	1.4
Morrisons TB Cookies	3	101.4	1.4
Sainsbury's TTD Cookies	3	-19.1	1.4
Tesco Finest Cookies	2	-22.1	1.2
Co-op IR Cookies	2	349.2	1.2
M&S Half Coated	2	-30.4	1.1



31% of all 'relaxing' occasions feature a core snack food product.

Special Treats are most likely to be eaten alongside a premium coffee, making up 7% of all occasions.

Sweet Novelty Treats

Key Facts

The Novelty Biscuit sector has seen slight year on year growth, driven mainly by Fox's and Burton's.

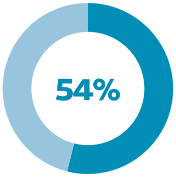
Retailer brand has also seen double digit growth, with Aldi and Lidl taking the lead.

A growing number of brands in the sector caused market shares to decrease, with only Burton's share increasing.

Sector performance

£117m
+1.8%
5.5% Share

Top Novelty Biscuit Manufacturers	£m	% Change	% Share
Burton's	32	2.0	27.2
Mondelez	29	-2.0	25.0
pladis	15	-8.3	12.9
Fox's	12	13.6	10.1
Ferrero	6	15.9	4.9



54% of Novelty Biscuits are cheekily munched by adults!

Top Novelty Biscuit Brands

	£m	% Change	% Share
Burton's	32	2.0	18.0
Cadbury	16	22.0	8.9
McVitie's	15	-8.2	8.6
Barny	12	-21.4	6.7
Fox's	12	13.6	6.7
Caxton	4	-6.9	2.3
Kinder	3	18.3	1.9
Rivington	3	78.7	1.6
KP	2	14.9	1.1

Own Label Novelty Biscuit Manufacturers

	£m	% Change	% Share
Lidl	4	12.4	3.8
Aldi	3	12.3	2.9
Tesco	2	64.2	1.3
Total Own Label	**10**	**18.0**	**8.5**

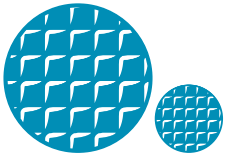
Top Novelty Biscuit Products

	£m	% Change	% Share
Mondelez Barny	12	-15.7	10.0
Burton's Jammie Dodgers	11	-9.6	9.2
Maryland Mini Cookies	10	-6.7	8.2
Cadbury Fingers	6	-3.1	5.1
Fox's Party Rings	6	1.9	5.0
Fox's Mini Party Rings	5	36.0	4.6
Cadbury Animals Mini	5	-22.6	4.5
Burton's Jammie Ddgrs Mini	5	11.1	4.3
McVitie's Iced Gems	5	-10.1	4.0
Caxton PnW Mallows	4	-2.3	3.4

Own Label Novelty Biscuit Products

	£m	% Change	% Share
Aldi Coated Sweet Snacks	3	12.3	2.3
Tesco Other Creams	1	54.0	1.2
Lidl Iced	1	18.7	1.1
Lidl Malted	1	6.0	0.9
Lidl Coated Sweet Snacks	1	7.1	0.8

54% of Novelty Biscuits are eaten when three or more people are present, creating great sharing moments.



Small sells – 40% of sales came from mini versions of established normal-sized products.

Chocolate Biscuit Bars

Key Facts

The Chocolate Biscuit Bars category has slightly declined, and is still mainly driven by the largest manufacturer, Nestlé.

Four out of the top five own label manufacturers have seen growth in the last year.

Twix is the fastest growing product, up 8.6% on last year.

Sector performance

£365m
-0.3%
17% Share

Top Chocolate Biscuit Bars Manufacturers	£m	% Change	% Share
Nestle	120	-3.7	32.8
pladis	63	-9.4	17.3
Tunnock's	29	3.3	8.0
Burton's	23	1.6	6.3
Mars	22	9.4	6.1
Fox's	19	-19.3	5.1
Mondelez	13	61.4	3.6
Bahlsen	7	-11.6	2.0
Storck	2	183.3	0.6

Chocolate Biscuit Bars are most likely to be packed as part of a lunchbox, making up 16% of occasions.

Top Chocolate Biscuit Bars Brands

	£m	% Change	% Share
Kit Kat	83	-2.1	22.8
McVitie's	63	-9.4	17.3
Tunnock's	29	3.3	8.0
Burton's	23	1.6	6.3
Twix	22	9.4	6.1
Blue Riband	18	-9.0	5.0
Fox's	15	-25.3	4.0
Breakaway	7	-8.8	2.0
Bahlsen	7	-11.6	2.0

Own Label Chocolate Biscuit Bars Manufacturers

	£m	% Change	% Share
Aldi	25	12.9	6.8
Lidl	13	18.6	3.7
Tesco	11	4.4	3.0
Sainsbury's	6	3.4	1.6
Asda	3	-7.7	0.9
Morrisons	3	10.6	0.7
Total Own Label	**62**	**9.4**	**17.0**

Top Chocolate Biscuit Bars Products

	£m	% Change	% Share
Nestle Kit Kat	83	-1.7	22.7
Tunnock's Caramel Wafer	29	2.8	7.9
McVitie's Club	26	-13.7	7.1
Mars Twix	22	8.6	6.1
McVitie's Penguin	20	-5.8	5.4
Nestle Blue Riband	18	-9.0	5.0
Burton's Wagon Wheels	17	0.7	4.7
McVitie's Gold Bars	16	1.8	4.3
Fox's Rocky	12	-24.1	3.3
Nestle Breakaway	7	-8.8	2.0

Own Label Chocolate Biscuit Bars Products

	£m	% Change	% Share
Aldi CBBs	20	9.2	5.4
Lidl CBBs	13	18.6	3.7
Tesco CBBs	7	6.7	1.9
Aldi Unctd Countlines	5	29.4	1.4
Sainsbury's CBBs	4	2.3	1.2
Tesco Value CBBs	3	-25.8	0.8

McVitie's Penguin is the biggest biscuit brand carried out for lunch, forming a big part of the 10.8% of core snack foods eaten out the home.

McVitie's Penguin is the brand most likely to be eaten with fruit squash!

Sweet Christmas Biscuits

Key Facts

Christmas Biscuits were up 1.3% this year, at £207m.

McVitie's was once again the biggest selling Christmas Biscuit brand with an 18.3% share, with both its Victoria Assortment and Family Circle among the most popular products.

Fox's Fabulously Assortment did well and took the top spot.

Sector performance

£207m
+1.3%
9.6% Share

Top Christmas Biscuits Manufacturers	£m	% Change	% Share
pladis	38	-3.4	18.5
Fox's	22	-1.5	10.6
Mondelez	10	1.6	5.0
Paterson's	5	21.0	2.3
Border	4	20.5	1.9
Highland	2	262.9	0.8
Walkers Shortbread	2	-28.3	0.8
Burton's	1	14.7	0.7
Thorntons	1	157.3	0.4
H&W Dean	1	3.5	0.4

Top Christmas Biscuits Brands

	£m	% Change	% Share
McVitie's	38	-3.4	18.3
Fox's	22	-1.5	10.6
Cadbury	9	-15.3	4.1
Paterson's	5	21.0	2.3
Border	4	20.5	1.9
Nabisco	2	0.0	0.8
Highland	2	262.9	0.8
Walkers Shortbread	2	-28.3	0.8
Burton's	1	14.7	0.7
Thorntons	1	157.3	0.4

Own Label Christmas Biscuits Manufacturers

	£m	% Change	% Share
M&S	57	2.1	27.5
Tesco	17	1.0	8.3
Aldi	9	2.0	4.3
Sainsbury's	8	-4.2	4.0
Asda	7	60.2	3.4
Lidl	6	0.3	3.0
Waitrose	4	-21.1	2.2
Co-op	3	-8.1	1.6
Morrisons	3	72.6	1.2
Total Own Label	**115**	**3.8**	**55.6**

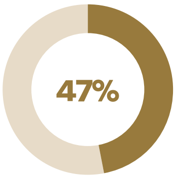
Top Christmas Biscuits Products

	£m	% Change	% Share
Fox's Fabulously Assrt	16.4	8.0	7.9
McVitie's Victoria Assrt	16.3	-5.8	7.9
McVitie's Family Circle	14.8	-3.8	7.2
Paterson's Shortbread	4	40.6	1.8
Border Assrt	4	36.4	1.7
Cadbury Fingers	3	21.0	1.4
McVitie's Tasties Selection	2	-1.1	1.1
Fox's Favourites Selection	2	-2.9	1.1
Cadbury Assrt	2	0.0	0.9
Fox's Chocolatey Assrt	2	-18.7	0.9

Own Label Christmas Biscuits Products

	£m	% Change	% Share
M&S Assrt	37	-10.1	17.8
M&S Shortbread	16	54.6	7.7
Tesco Assrt	7	-15.5	3.3
Tesco Shortbread	5	-2.8	2.3
Sainsbury's Shortbread	4	-14.2	1.8
Sainsbury's Assrt	3	-4.8	1.7
Aldi Assrt	3	-25.5	1.7
Co-op LBU Shortbread	3	-4.1	1.4
Lidl Assrt	2	-2.7	1.2
Waitrose Assrt	2	-33.1	1.0

Christmas Biscuits are the most likely category to be eaten when guests are present, making up a generous 5.1% of occasions.



Christmas Biscuits are most likely to be chosen as a treat, with 47% of servings offering a little bit of indulgence.

Sweet Healthier Biscuits

Key Facts

Healthier Biscuits had an excellent year, with the largest sector in Sweet Biscuits growing by 4.5%.

This is against a backdrop of the top three manufacturers (worth nearly 40% of the market) all seeing a decline on last year.

A growing number of 'on-trend' healthy brands have entered the market and driven growth.

Nature Valley grew by £5m and became the fourth largest product in the sector.

Sector performance

£562m
+4.5%
26.2% Share

Top Healthier Biscuits Manufacturers	£m	% Change	% Share
Mondelez	116	-3.7	20.6
Kellogg's	69	-9.4	12.3
pladis	59	-14.0	10.5
General Mills	55	24.3	9.7
Weetabix	37	-2.6	6.6
Natural Balance	22	7.1	4.0
Eat Natural	15	-9.4	2.7
Nairns	13	22.4	2.2
The Jordans & Ryvita Co	12	8.5	2.2
Ferrero	11	78.2	2.0

Healthier Biscuits are the most likely to be eaten 'on the move', with 19% of servings being munched out and about.

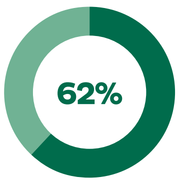
Top Healthier Biscuits Brands	£m	% Change	% Share
Belvita	83	-4.1	14.7
Kellogg's	69	-9.4	12.3
Nature Valley	51	16.4	9.1
McVitie's Go Ahead	47	-11.6	8.4
Alpen	37	-2.4	6.6
Cadbury Brunch	33	-2.3	5.9
Nakd	22	7.1	4.0
Eat Natural	15	-9.4	2.7
Nairns	13	22.4	2.2
McVitie's	11	-22.7	2.0

Own Label Healthier Biscuits Manufacturers	£m	% Change	% Share
Tesco	29	9.6	5.1
Aldi	25	8.1	4.5
Lidl	14	43.5	2.5
Asda	10	67.4	1.8
Sainsbury's	6	-24.8	1.0
Morrisons	4	17.7	0.6
M&S	3	-21.6	0.5
Co-op	1	163.3	0.2
Waitrose	1	33.2	0.2
Total Own Label	**93**	**13.9**	**16.5**

Top Healthier Biscuits Products	£m	% Change	% Share
Cadbury Brunch Bar	33	-2.3	5.9
Belvita Breakfast Biscuits	30	-19.5	5.4
Weetabix Alpen Light CB	30	0.9	5.4
Nature Valley Crunchy Grnl	26	21.2	4.6
Belvita Soft Baked Breakfast	26	4.1	4.6
Nakd Cereal Bars	22	7.1	4.0
Go ahead Crispy Slices	20	-14.4	3.6
Kellogg's Rice Krsp Squares	17	5.6	3.1
Go Ahead Yogurt Breaks	14	-12.7	2.5
Nature Valley Protein CBs	14	29.0	2.4

Own Label Healthier Biscuits Products	£m	% Change	% Share
Aldi Cereal Bars	20	18.6	34.9
Tesco Cereal Bars	10	21.2	17.4
Lidl Cereal Bars	7	35.0	12.6
Tesco Other Fruit	3	-12.8	6.1
Asda Cereal Bars	3	153.4	5.6
Lidl Breakfast Biscuits	3	0.4	5.3
Tesco HL Cereal Bars	3	-2.3	5.2
Aldi Other Fruit	3	-12.1	5.0
Asda Breakfast Biscuits	3	108.0	4.6
Aldi Breakfast Biscuits	2	-5.5	4.1

Excluding Novelty Biscuits, Healthier Biscuits are the youngest sector, with an average consumer age of just 39.



62% of Healthier Biscuits are nibbled before lunch, with people more likely to eat healthily in the mornings.

Sources:

P6–7 The UK Snacking Model

Snacking model; The Hartman Group 'Future of Snacking' report 2016

Market data; Kantar Worldpanel 52 w/e August 2018

P8 Snacking Growth Drivers

Kantar Worldpanel 52 w/e August 2018

P9 Snacking Growth Drivers

Mintel Report, Consumer Snacking – UK – May 2018

SCB report – pladis future of retail 2027

P12 Biscuits for Everyone

Kantar Worldpanel Usage % Occasions 52 w/e 30 Dec 2018

P14–35 Total Biscuits Spend, Retail – Biscuit Performance, Sweet Biscuits, Savoury Biscuits, Everyday Biscuits, Everyday Treats, Special Treats, Novelty Treats, Chocolate Biscuit Bars, Christmas Biscuits, Healthier Biscuits

Sales data; Kantar Worldpanel 52 w/e 30 Dec 2018

Usage facts: Kantar Worldpanel Usage 52 w/e 30 Dec 2018

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