

Grant Thornton Retail Excellence Irish Retail Industry Productivity Review Q3 2017



FOOTWEAR
FURNITURE & FLOORING
HOT BEVERAGE
GIFT & HOME
GROCERY
LADIES FASHION
PHARMACY
GARDEN CENTRES
MENSWEAR
JEWELLERY
CONSUMER ELECTRONICS
HOME APPLIANCES
PHOTO (CAMERAS)
COMPUTING

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INTRODUCTION:

The Grant Thornton Retail Excellence Retail Productivity Review provides the most in-depth retail industry and sectoral analysis available today. The Review monitors overall industry performance and sectoral performance. The Review aggregates and analyses data from over 4,500 retail stores in Ireland. Retail Excellence collated data through on-line survey. GfK collated data through “plug-in” to retailer Epos.

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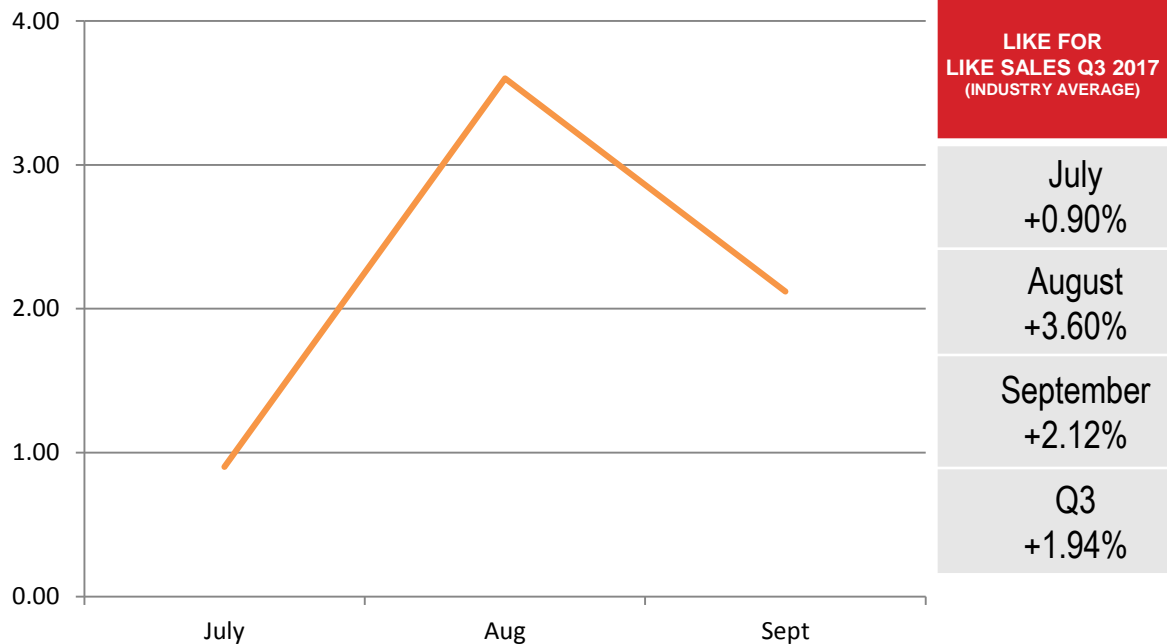
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Retail Industry Like for Like Sales Q3 2017

Retail Excellence CEO David Fitzsimons comments: Quarter 3 2017 proved a reasonable trading period all things considered. Furniture & Flooring and Large Home Appliances had a very robust quarter recording like for like gains of +9.14% and +8.10 respectively, thus proving that some fluidity is returning to the residential housing market. Agri Retail and the Garden Centre sector also enjoyed a good period of trade primarily as a result of clement weather. All other sectors enjoyed some marginal like for like gains with the exception of Childrenswear which traded down -3.65%. What is noticeable in this set of results is the widening trading disparity in each sector with some operators trading significantly up, whilst others traded significantly down.

Like for Like Sales Q3 2017 vs Q3 2016 (Industry Average)

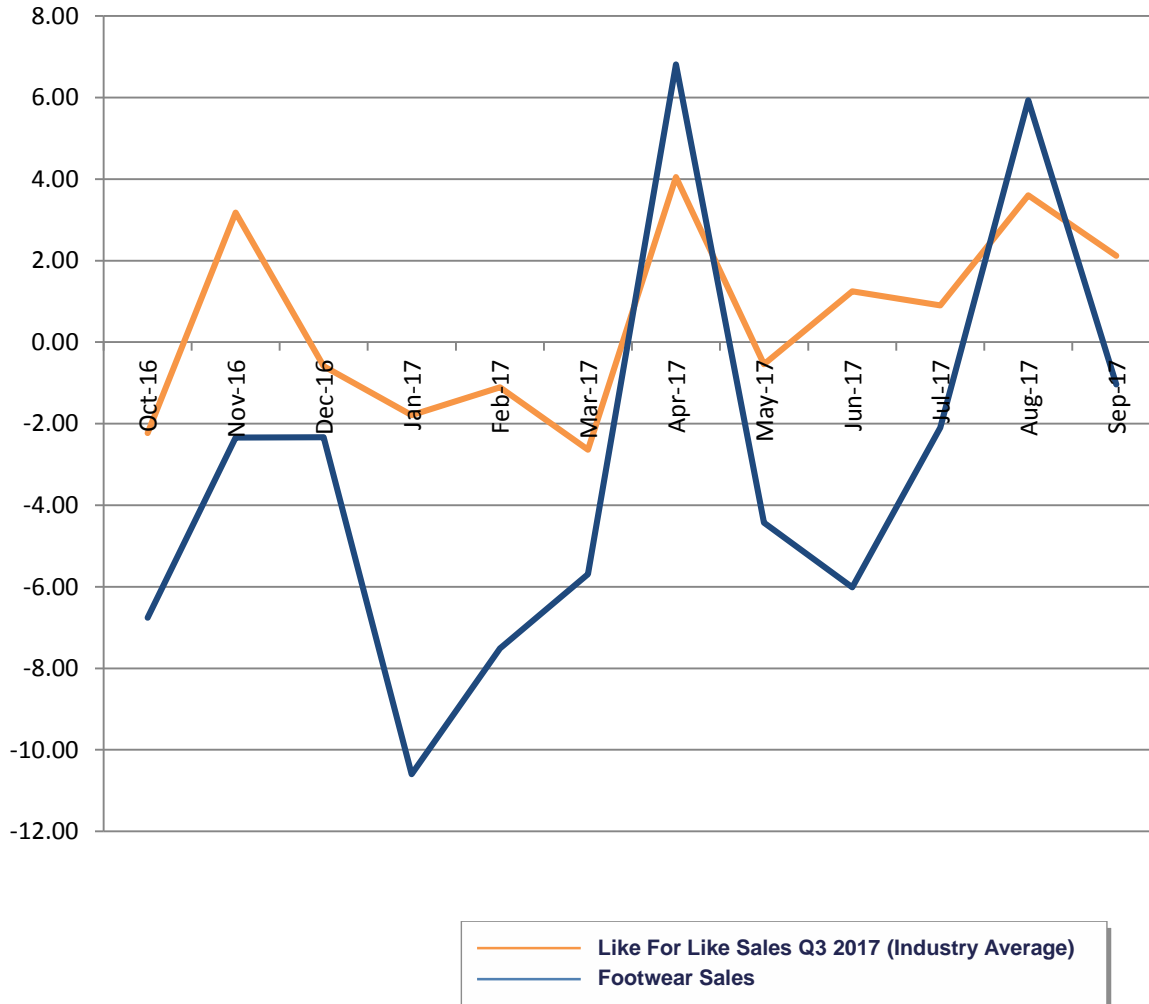


LIKE FOR LIKE SALES Q3 2017 vs Q3 2016

Industry Average	+1.94%
Footwear	+1.41%
Furniture & Flooring	+9.14%
Garden Centres	+9.37%
Gift & Homeware	-0.49%
Grocery	+0.74%
Hot Beverage	+5.06%
Jewellery	-1.06%
Ladies Fashion	+0.71%
Menswear	-0.56%
Pharmacy	+1.58%
Childrenswear	-3.65%
Agri Retail	+7.96%
Health Stores	+2.61%
Lingerie	-0.20%
Consumer Electronics (Brown Goods)	4.50%
Home Appliances (Small)	-3.10%
IT Computing	+9.40%
Digital Camera	+11.00%
Home Appliances (Major)	+8.10%

Footwear Sales - Q3 2017

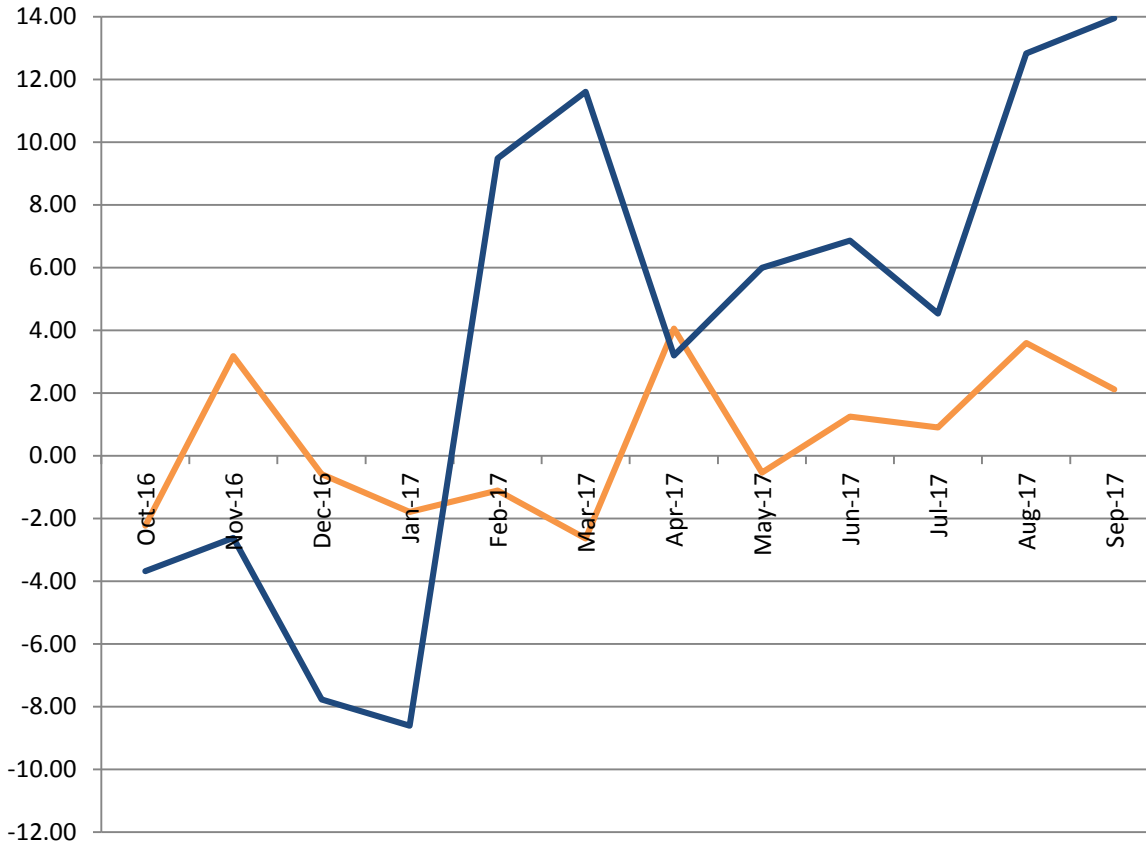
Comparable with Retail Industry Average



2017	FOOTWEAR SALES	LIKE FOR LIKE SALES Q3 2017 (INDUSTRY AVERAGE)
July	-2.10%	+0.90%
Aug	+5.93%	+3.60%
Sept	-1.04%	+2.12%
Q3	+1.41%	+1.94%

Furniture & Flooring Sales - Q3 2017

Comparable with Retail Industry Average

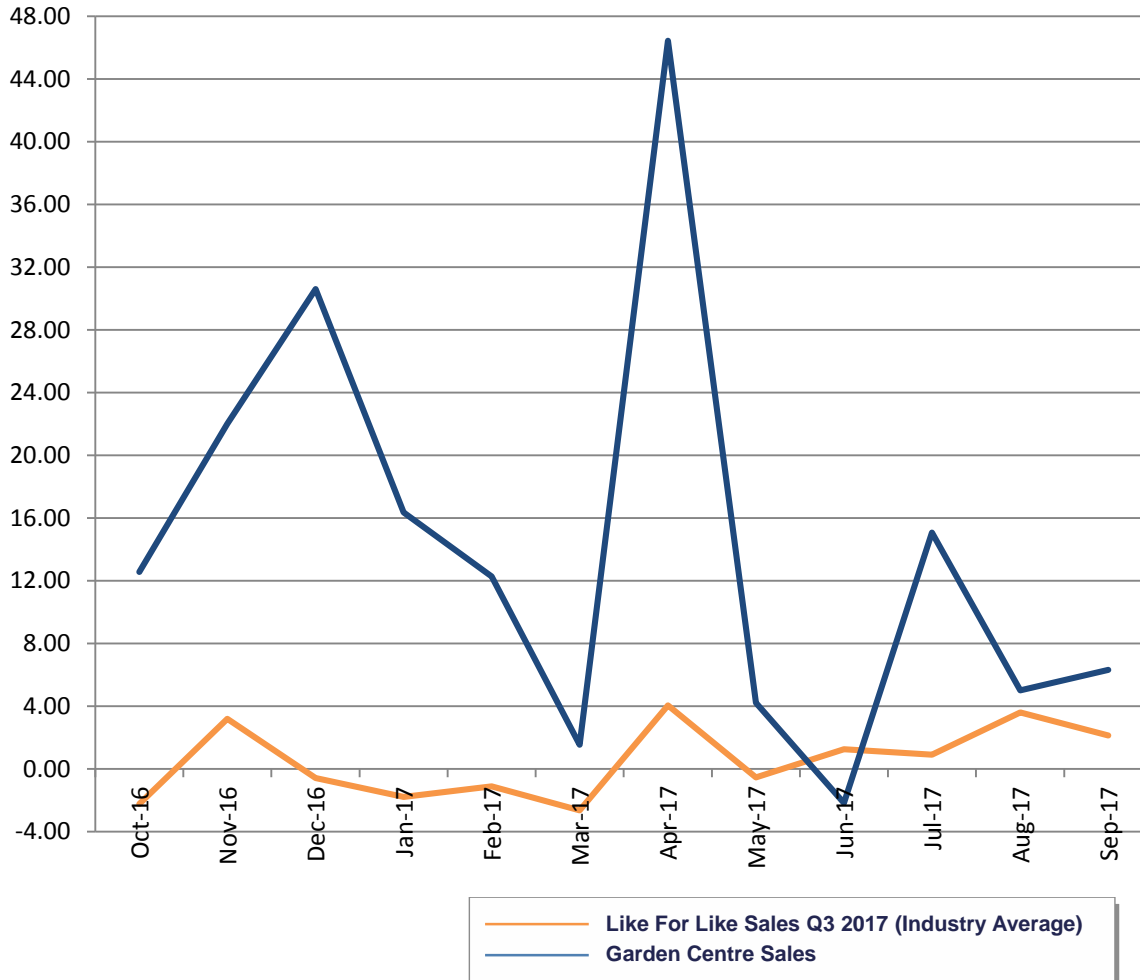


— Like For Like Sales Q3 2017 (Industry Average)
— Furniture & Flooring Sales

2017	FURNITURE & FLOORING SALES	LIKE FOR LIKE SALES Q3 2017 (INDUSTRY AVERAGE)
July	+4.53%	+0.90%
Aug	+12.83%	+3.60%
Sept	+13.95%	+2.12%
Q3	+9.14%	+1.94%

Garden Centre Sales - Q3 2017

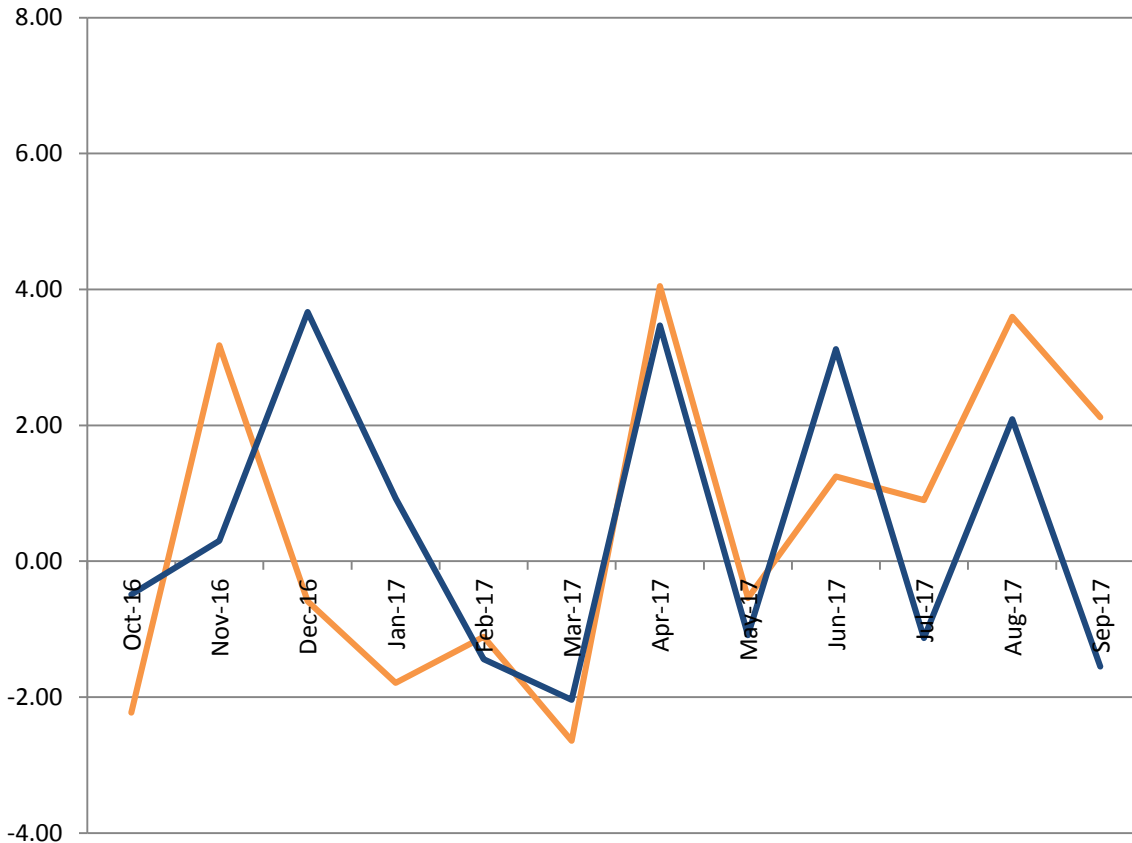
Comparable with Retail Industry Average



2017	GARDEN CENTRE SALES	LIKE FOR LIKE SALES Q3 2017 (INDUSTRY AVERAGE)
July	+15.07%	+0.90%
Aug	+5.01%	+3.60%
Sept	+6.31%	+2.12%
Q3	+9.37%	+1.94%

Gift & Homeware Sales - Q3 2017

Comparable with Retail Industry Average

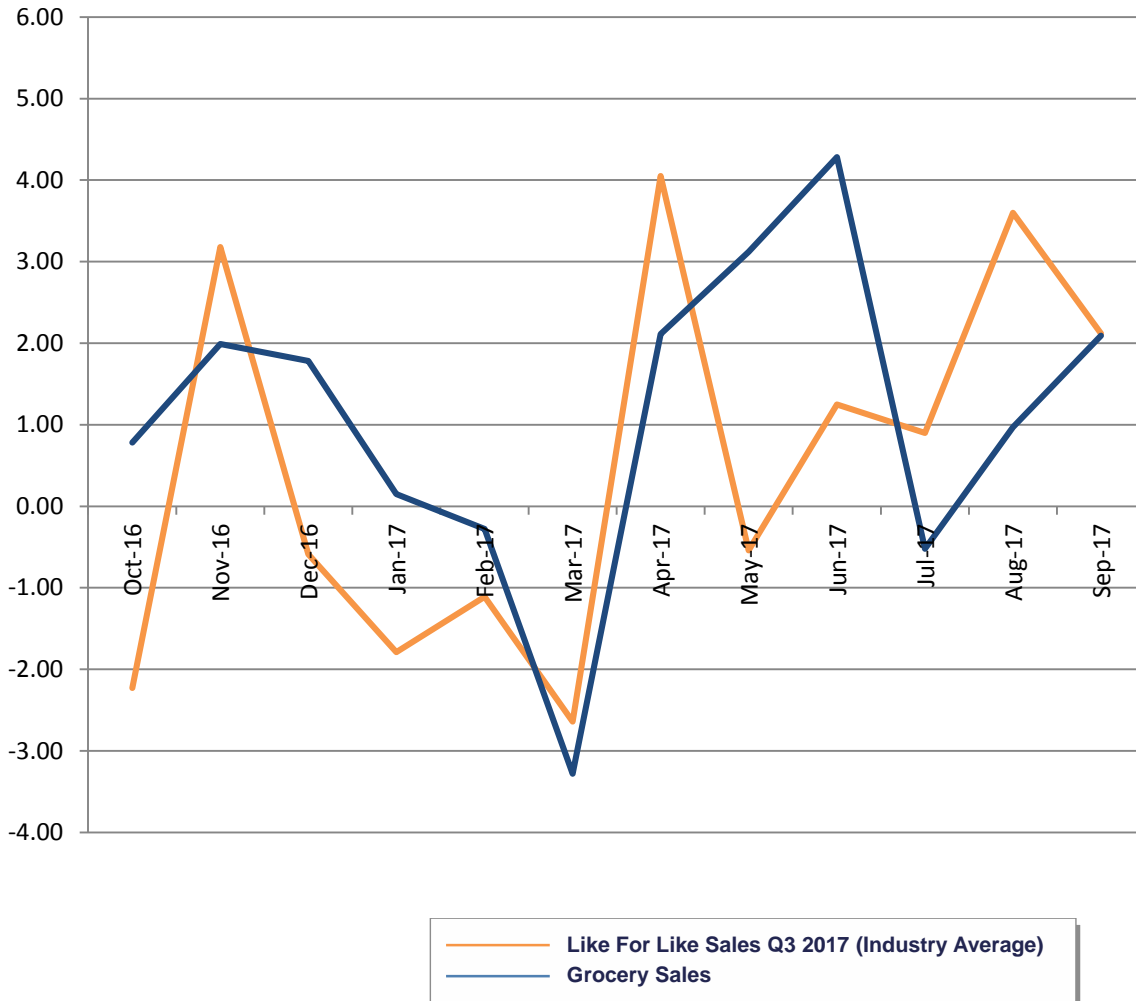


— Like For Like Sales Q3 2017 (Industry Average)
— Gift & Homeware Sales

2017	GIFT & HOMEWARE SALES	LIKE FOR LIKE SALES Q3 2017 (INDUSTRY AVERAGE)
July	-1.13%	+0.90%
Aug	+2.09%	+3.60%
Sept	-1.55%	+2.12%
Q3	-0.49%	+1.94%

Grocery Sales - Q3 2017

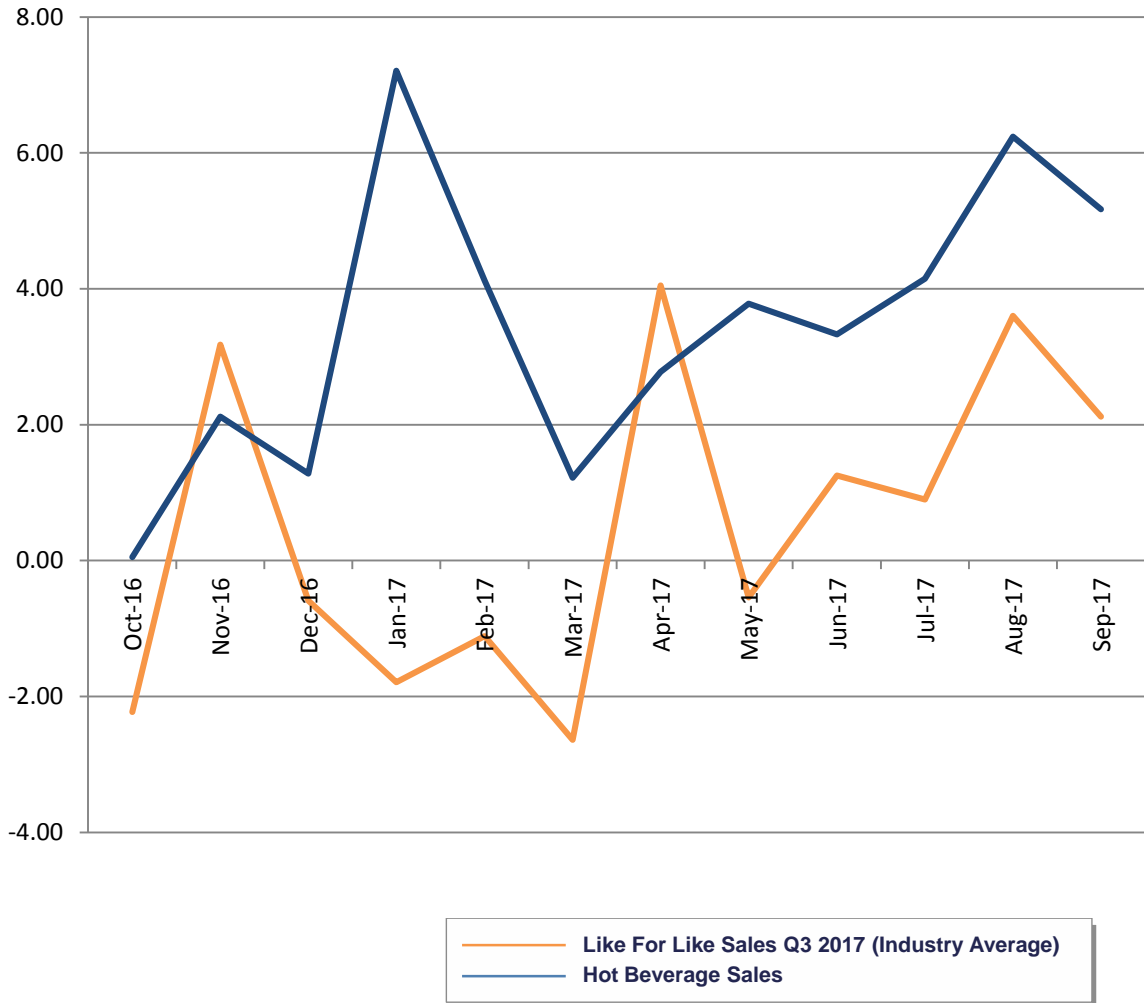
Comparable with Retail Industry Average



2017	GROCERY SALES	LIKE FOR LIKE SALES Q3 2017 (INDUSTRY AVERAGE)
July	-0.52%	+0.90%
Aug	+0.97%	+3.60%
Sept	+2.09%	+2.12%
Q3	+0.74%	+1.94%

Hot Beverage Sales - Q3 2017

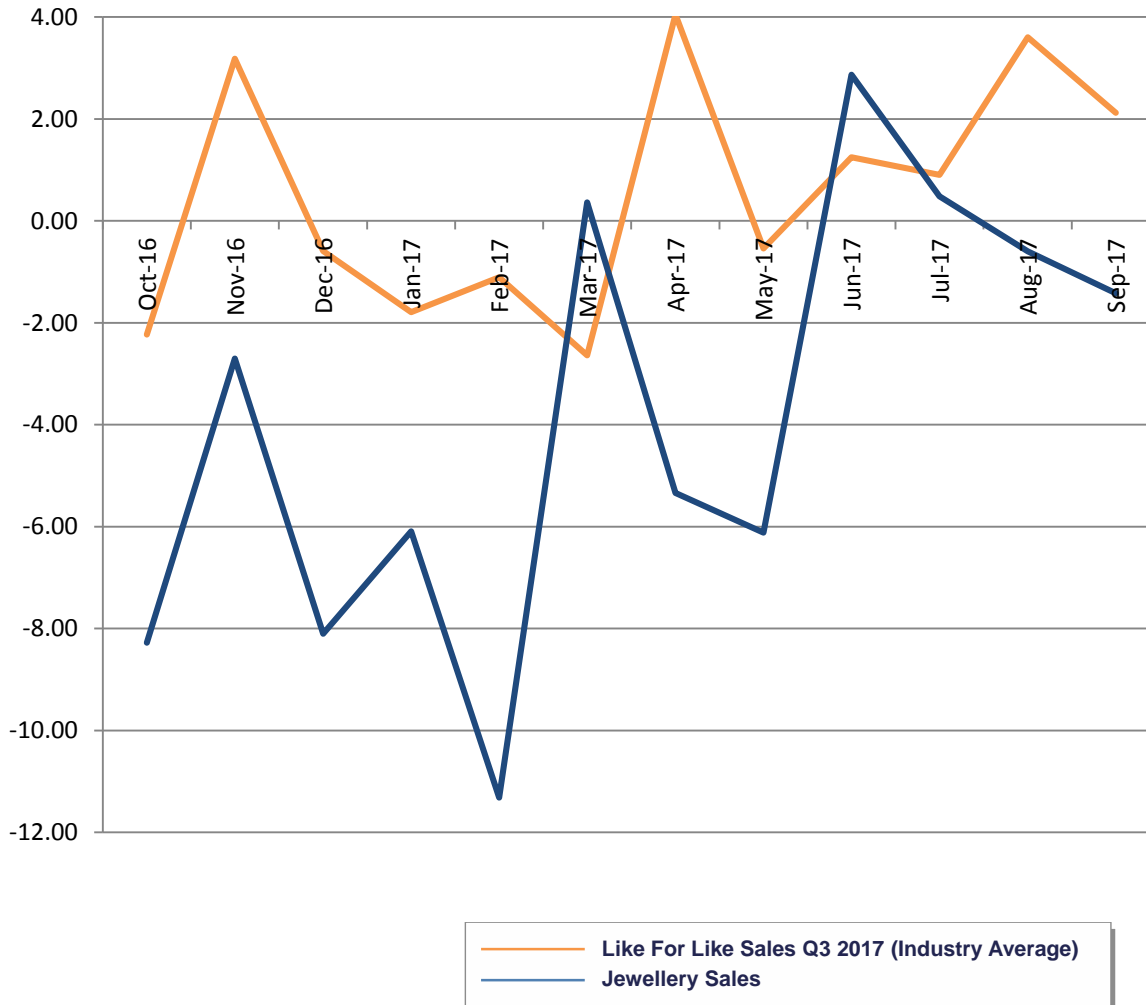
Comparable with Retail Industry Average



2017	HOT BEVERAGE SALES	LIKE FOR LIKE SALES Q3 2017 (INDUSTRY AVERAGE)
July	+4.15%	+0.90%
Aug	+6.24%	+3.60%
Sept	+5.17%	+2.12%
Q3	+5.06%	+1.94%

Jewellery Sales - Q3 2017

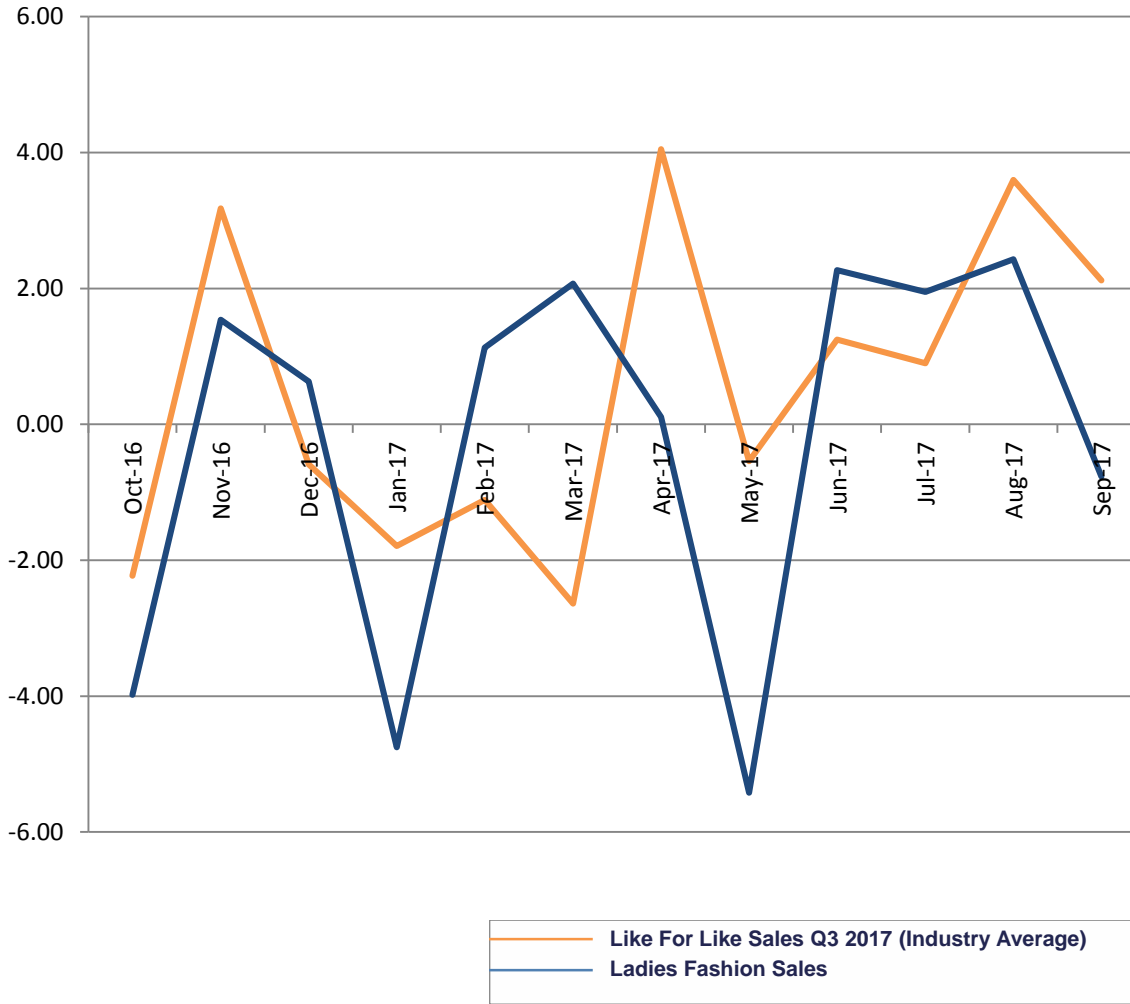
Comparable with Retail Industry Average



2017	JEWELLERY SALES	LIKE FOR LIKE SALES Q3 2017 (INDUSTRY AVERAGE)
July	+0.48%	+0.90%
Aug	-0.60%	+3.60%
Sept	-1.42%	+2.12%
Q3	-1.06%	+1.94%

Ladies Fashion Sales - Q3 2017

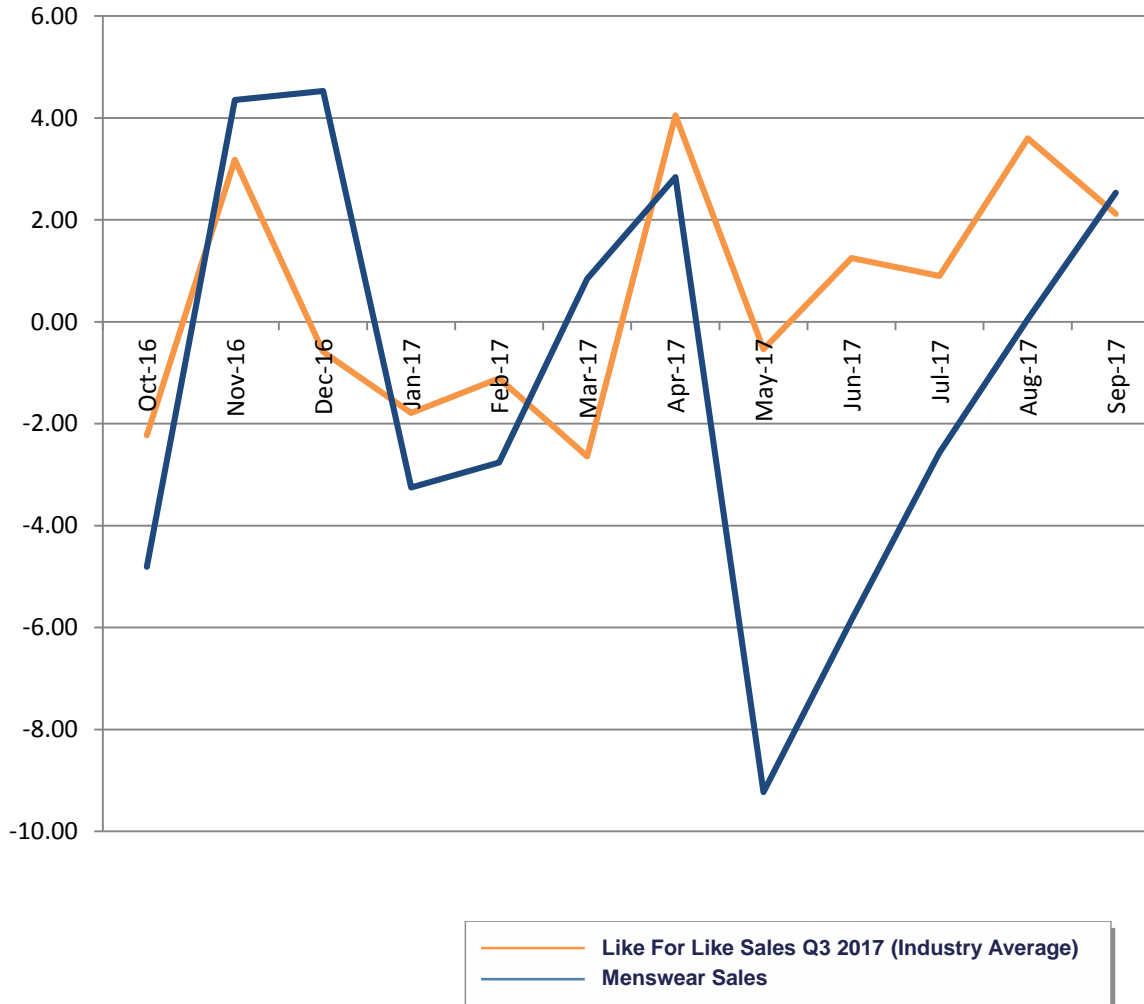
Comparable with Retail Industry Average



2017	LADIES FASHION SALES	LIKE FOR LIKE SALES Q3 2017 (INDUSTRY AVERAGE)
July	+1.95%	+0.90%
Aug	+2.43%	+3.60%
Sept	-0.77%	+2.12%
Q3	+0.71%	+1.94%

Menswear Sales - Q3 2017

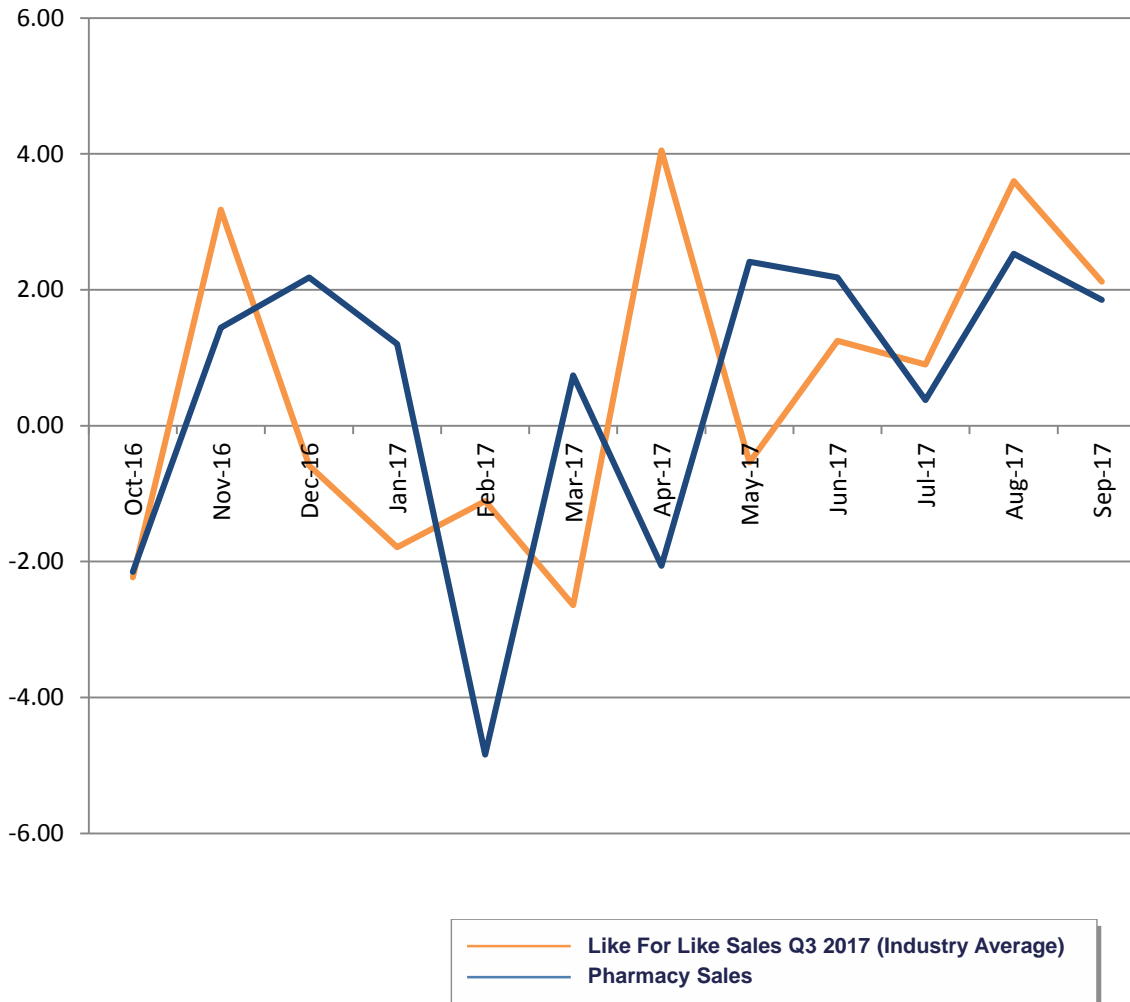
Comparable with Retail Industry Average



2017	MENSWEAR SALES	LIKE FOR LIKE SALES Q3 2017 (INDUSTRY AVERAGE)
July	-2.57%	+0.90%
Aug	+0.05%	+3.60%
Sept	+2.53%	+2.12%
Q3	-0.56%	+1.94%

Pharmacy Sales - Q3 2017

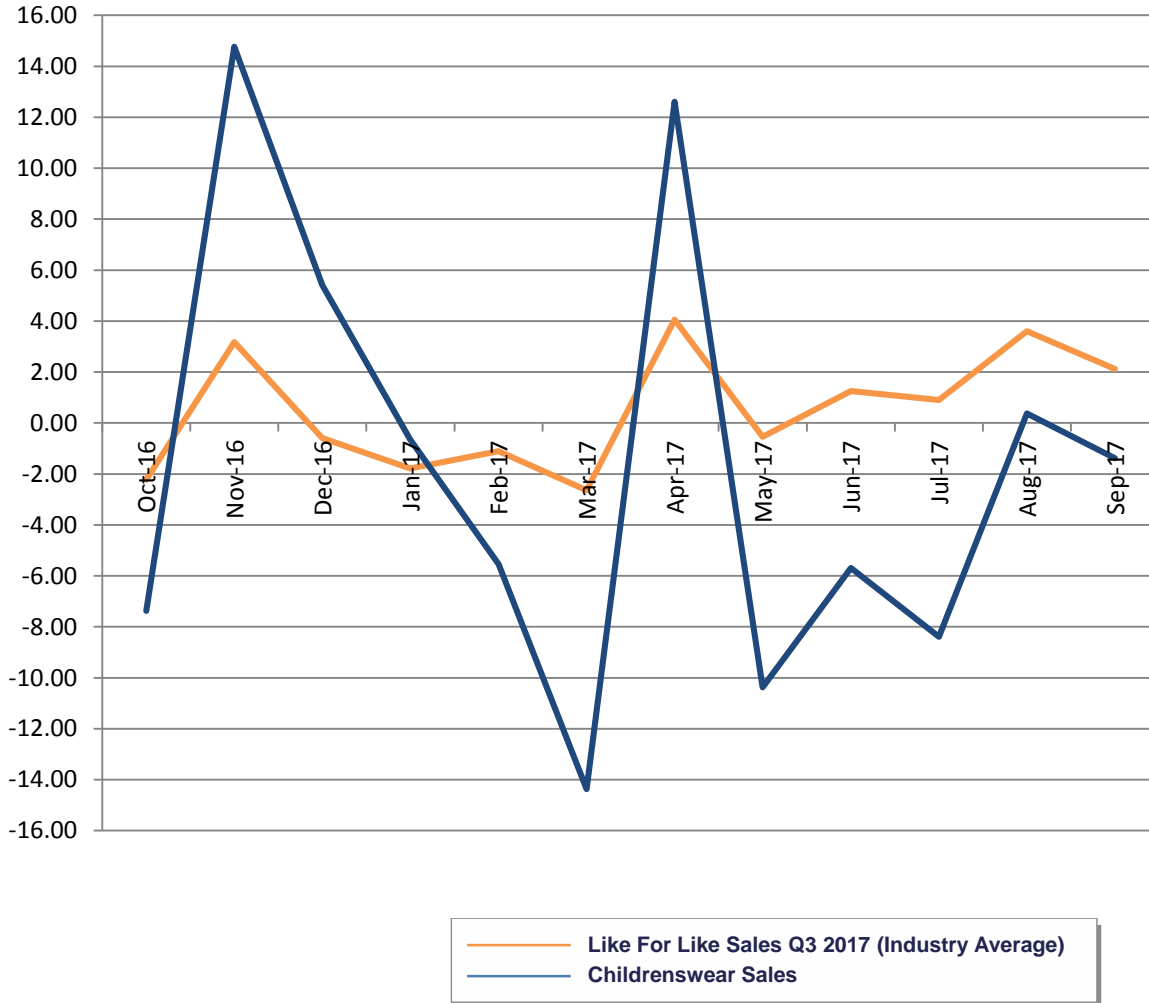
Comparable with Retail Industry Average



2017	PHARMACY SALES	LIKE FOR LIKE SALES Q3 2017 (INDUSTRY AVERAGE)
July	+0.38%	+0.90%
Aug	+2.53%	+3.60%
Sept	+1.85%	+2.12%
Q3	+1.58%	+1.94%

Childrenswear Sales - Q3 2017

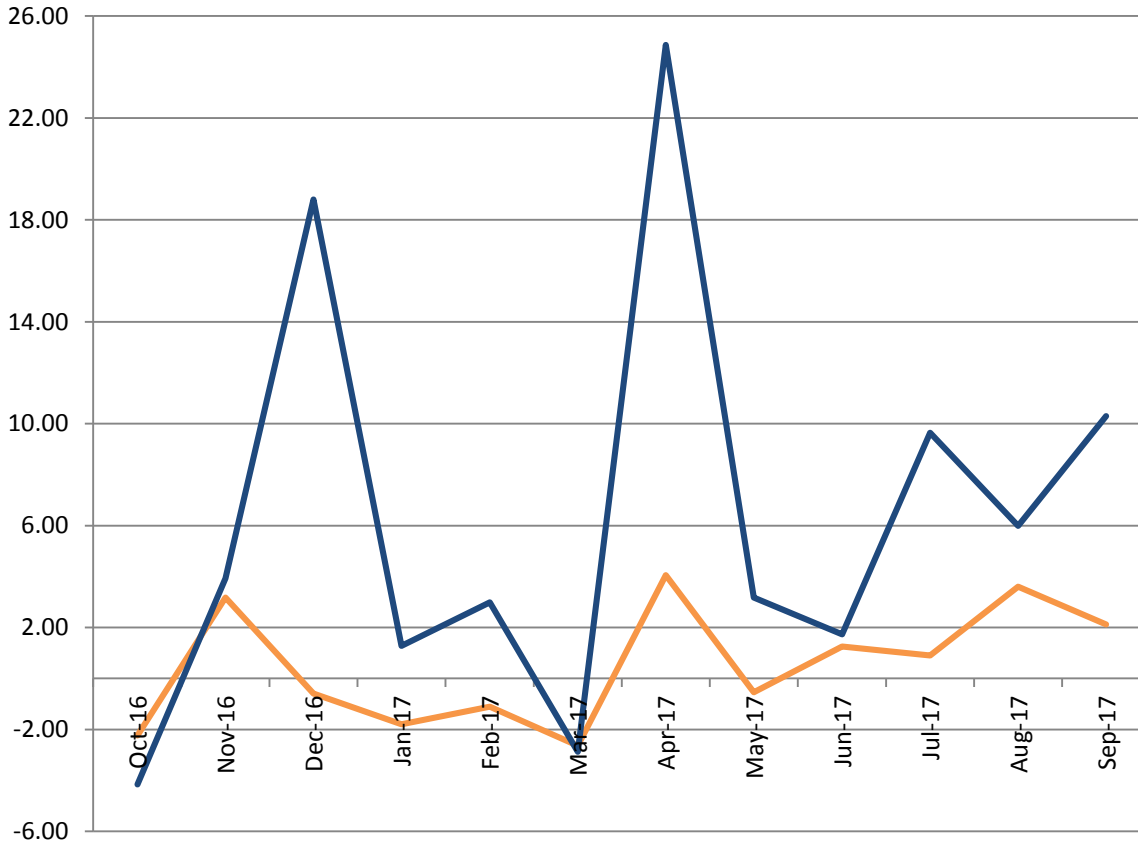
Comparable with Retail Industry Average



2017	CHILDRENSWEAR SALES	LIKE FOR LIKE SALES Q3 2017 (INDUSTRY AVERAGE)
July	-8.39%	+0.90%
Aug	+0.37%	+3.60%
Sept	-1.38%	+2.12%
Q3	-3.65%	+1.94%

Agri Retail Sales - Q3 2017

Comparable with Retail Industry Average

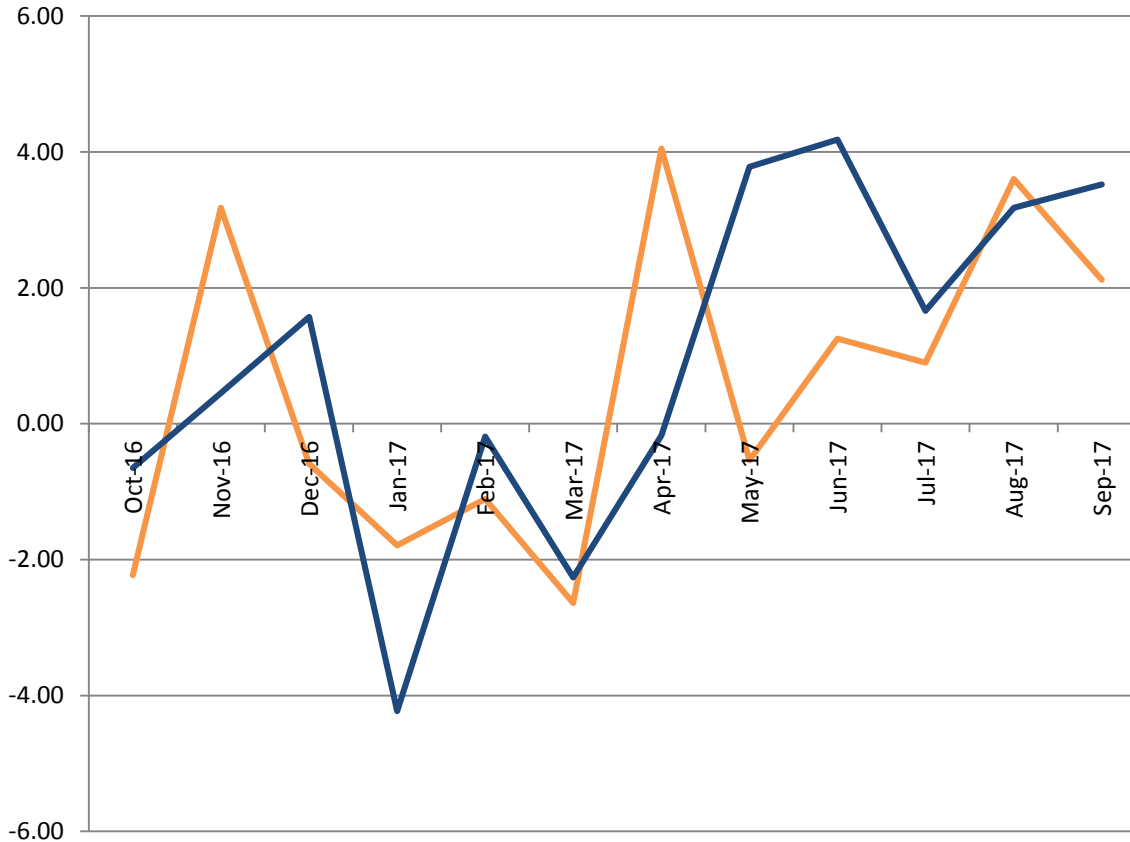


— Like For Like Sales Q3 2017 (Industry Average)
— Agri RetailSales

2017	AGRI RETAIL SALES	LIKE FOR LIKE SALES Q3 2017 (INDUSTRY AVERAGE)
July	+9.64%	+0.90%
Aug	+5.99%	+3.60%
Sept	+10.30%	+2.12%
Q3	+7.96%	+1.94%

Health Store Sales - Q3 2017

Comparable with Retail Industry Average

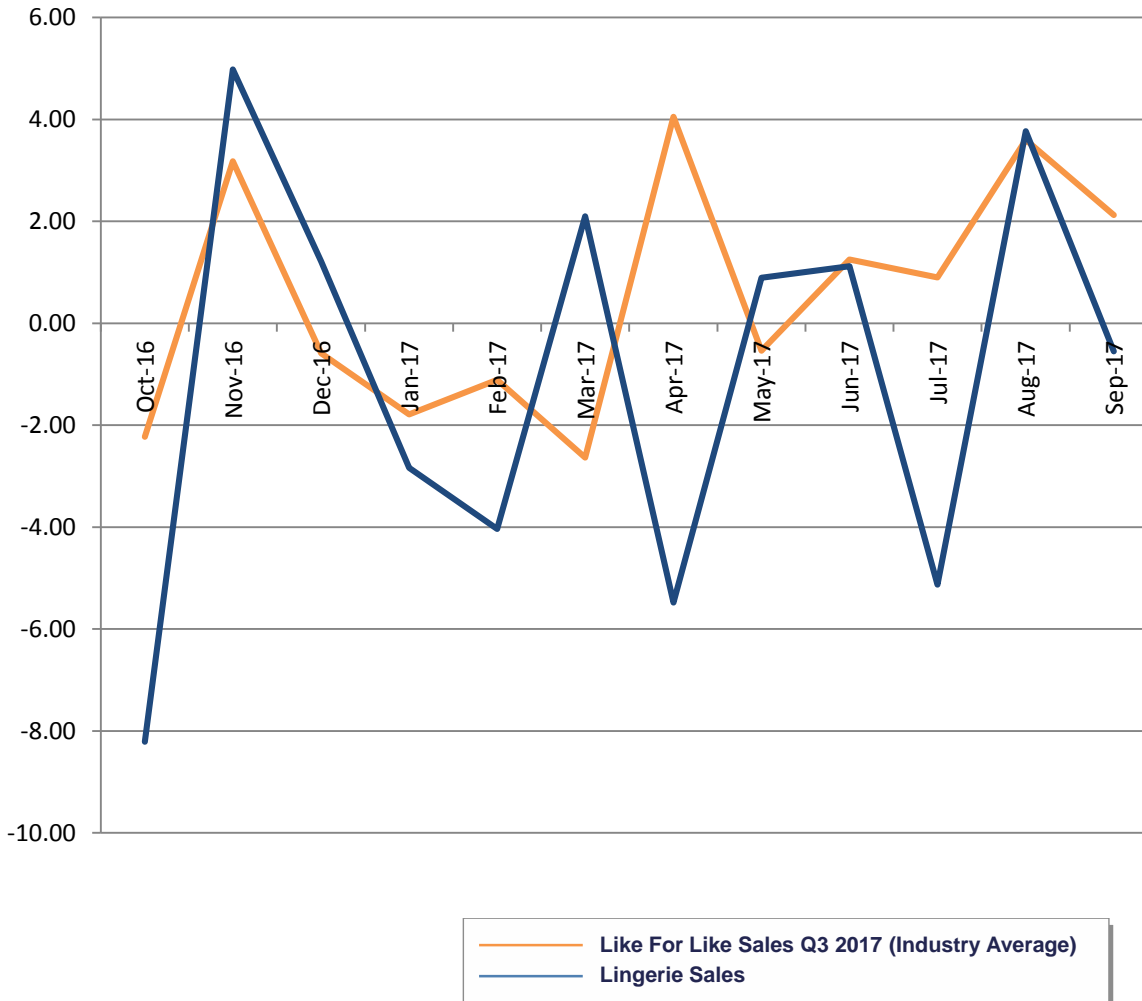


— Like For Like Sales Q3 2017 (Industry Average)
— Health Store Sales

2017	HEALTH STORE SALES	LIKE FOR LIKE SALES Q3 2017 (INDUSTRY AVERAGE)
July	+1.66%	+0.90%
Aug	+3.18%	+3.60%
Sept	+3.52%	+2.12%
Q3	+2.61%	+1.94%

Lingerie Sales - Q3 2017

Comparable with Retail Industry Average



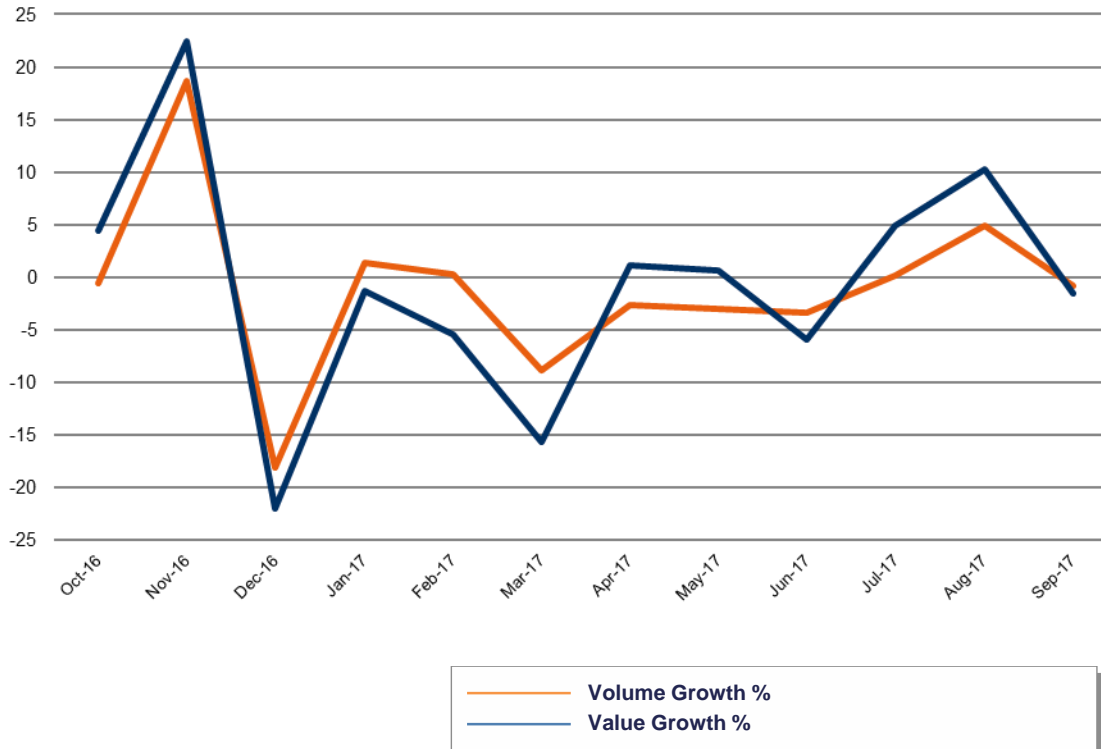
2017	LINGERIE SALES	LIKE FOR LIKE SALES Q3 2017 (INDUSTRY AVERAGE)
July	-5.13%	+0.90%
Aug	+3.77%	+3.60%
Sept	-0.55%	+2.12%
Q3	-0.20%	+1.94%

Consumer Electronics (Brown Goods) Sales - Q3 2017

Value and Volume performance Year on Year - Figures include: Audio Systems, DVD Players, Portable Media Players (MP3/4), Flat TV & Radio Devices (Table Top), Headphones, Docking Speakers, Loudspeakers

Commentary from Nick Simon, CE Account Director, GfK:

While CE is back on a twelve month basis, Q3 was a positive one. This is mainly linked to the continued domination of TV the maturing 4K TV market is up 48% in value in the latest quarter, while newer OLED products, with a significantly higher price premium, enjoyed an increase in turnover. In the audio hi-fi market, Bluetooth enabled products helped the total headphones/headsets category increase by an encouraging 20%, while wireless speakers fared even better (up 33%).



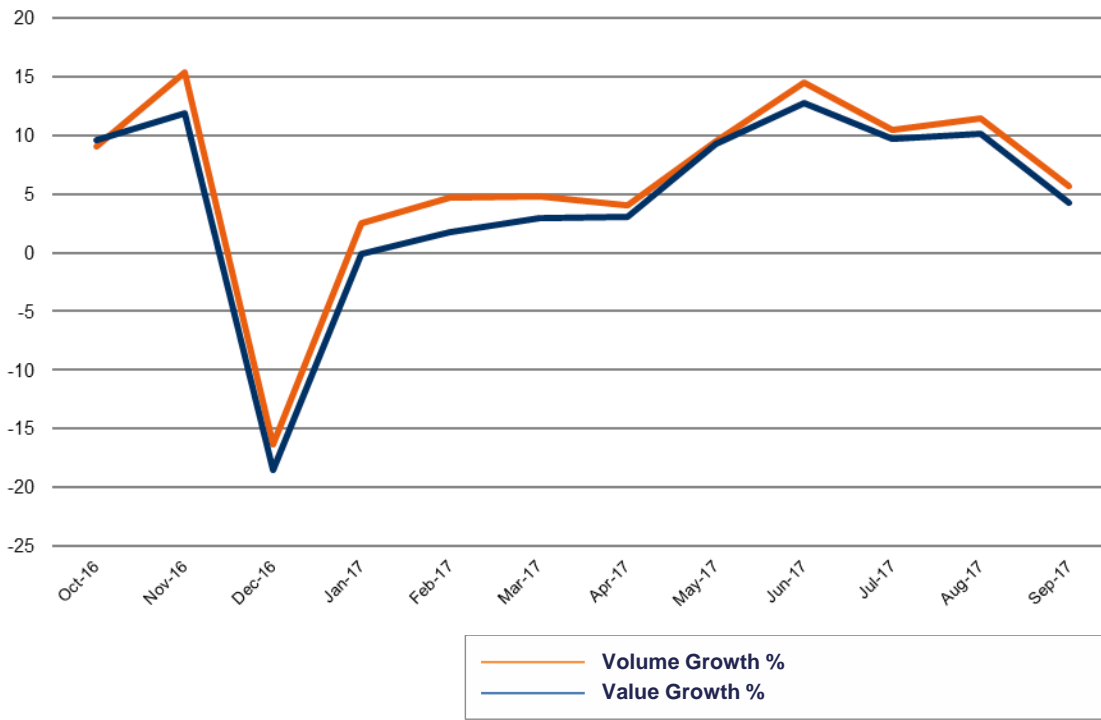
2017	Value Performance (Vs. 2016)	Volume Performance (Vs. 2016)
July	+4.90%	+0.20%
Aug	+10.30%	+4.90%
Sept	-1.50%	-0.90%
Q3	+4.50%	+1.30%

Home Appliances (Major Appliances) Sales - Q3 2017

Value and Volume performance Year on Year (includes washing machines, tumble dryers, dishwashers, cooling, freezers, cooking, hobs, hoods and microwaves)

Commentary from Anthony Williams, Senior Client Insight Director, GfK:

Major appliances saw good growth during Q3, although when considered over the year, some sales deceleration is clear. In volume, tumble dryers was the top performer (+19% in volume), due to a wetter end to Q3, and we continue to see a shift towards integrated appliances as built in dishwashers, single ovens and hobs all increased in both volume and value. Induction hobs are fast becoming the “go-to” for consumers looking to trade up their inset hobs and this trend for functional technology is also reflected in low water consumption dishwashers and self-cleaning ovens. Washing machines, especially those catering for 9-11kg loads, grew nearly 14% in volume although price is more competitive seeing an erosion of value to 93% quarter on quarter.



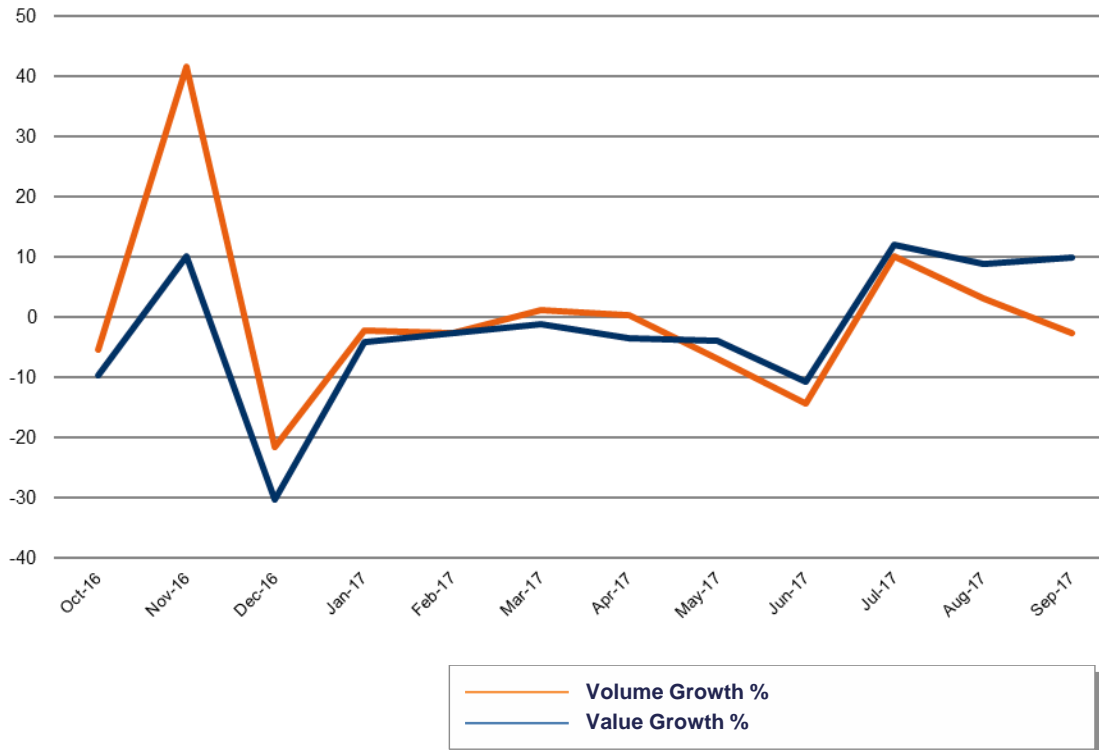
2017	Value Performance (Vs. 2016)	Volume Performance (Vs. 2016)
July	+9.70%	+10.50%
Aug	+10.10%	+11.40%
Sept	+4.30%	+5.70%
Q3	+8.10%	+9.20%

Information Technology (IT) Sales - Q3 2017

Value and Volume performance Year on Year. Figures include Mobile Computing, Desk Computing, and Tablets

Commentary from Sofia Whitaker, IT Account Manager, GfK:

Annually the IT market is in decline but Q3 bucked this trend at least temporarily - total Q3 has seen a 2.3% volume and 9.4% value uplift year-on-year (YoY). It is primarily Media Tablets (+14.9% volume) that is keeping the total number buoyant, as Desktops (-3.6%), Computing Tablets (-39%), and Notebooks (-4.8%) are all declining. There are, however pockets of growth within computing, an example being Chromebooks with volume growth of 46% and value growth of 73%, although this is a fraction of the total PC market. Despite total Notebooks declining, there is strong growth of the ultra thin devices (<=20mm) up 35.4% in volume compared to last year, showing there is consumer demand for modern, agile devices.



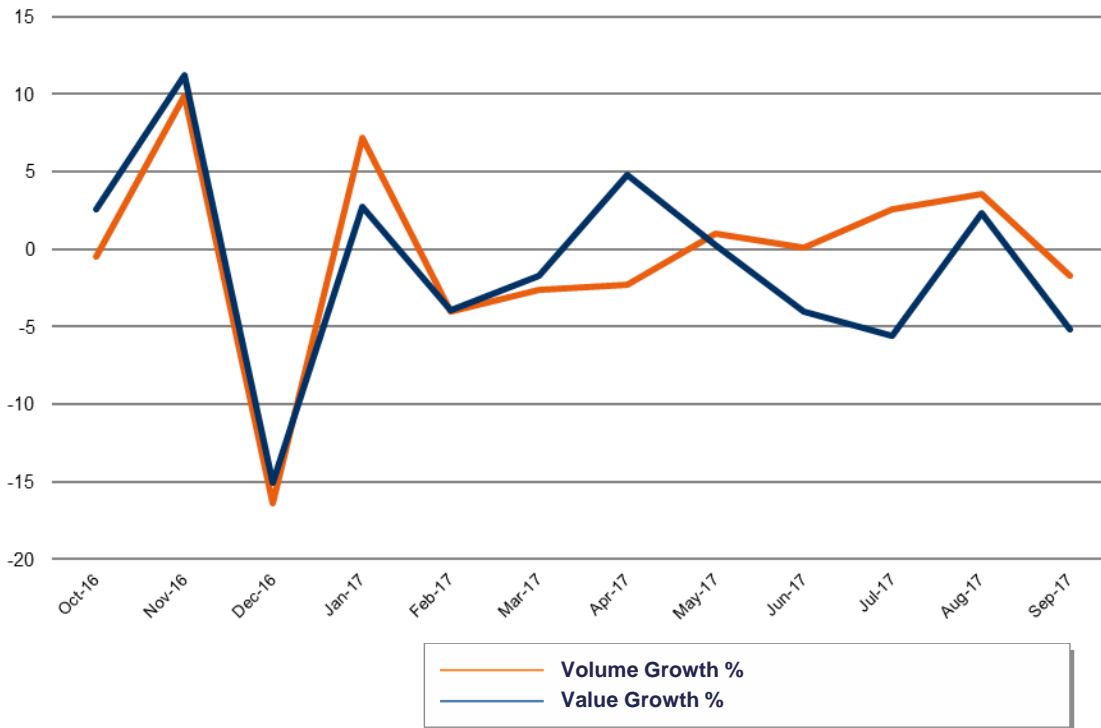
2017	Value Performance (Vs. 2016)	Volume Performance (Vs. 2016)
July	+12.00%	+10.00%
Aug	+8.80%	+3.10%
Sept	+9.80%	-2.80%
Q3	+9.40%	+2.30%

Home Appliances (Small Appliances) Sales - Q3 2017

Value and Volume performance Year on Year (includes irons, kettles, toasters, food preparation, shavers, hair dryers and hair stylers, hot beverage makers and vacuum cleaners)

Commentary from Anthony Williams, Senior Client Insight Director, GfK:

Hot beverage makers was the best performing category in small appliances during Q3 growing more than 11% in volume year on year. Whilst not as big as last year, the market base has increased significantly and this still represents an impressive lift particularly for the key driver, single serve coffee makers. Kettles and toasters also recorded solid uplifts in volume but also significantly in value as consumers appear to be trading up to higher spec products over the quarter. Three categories which contributed significantly to a downward trend, especially at the end of Q3: haircare, food preparation and floorcare. All saw declines with hairdryers, liquidisers and cylinder vacuum cleaners among the worst affected.



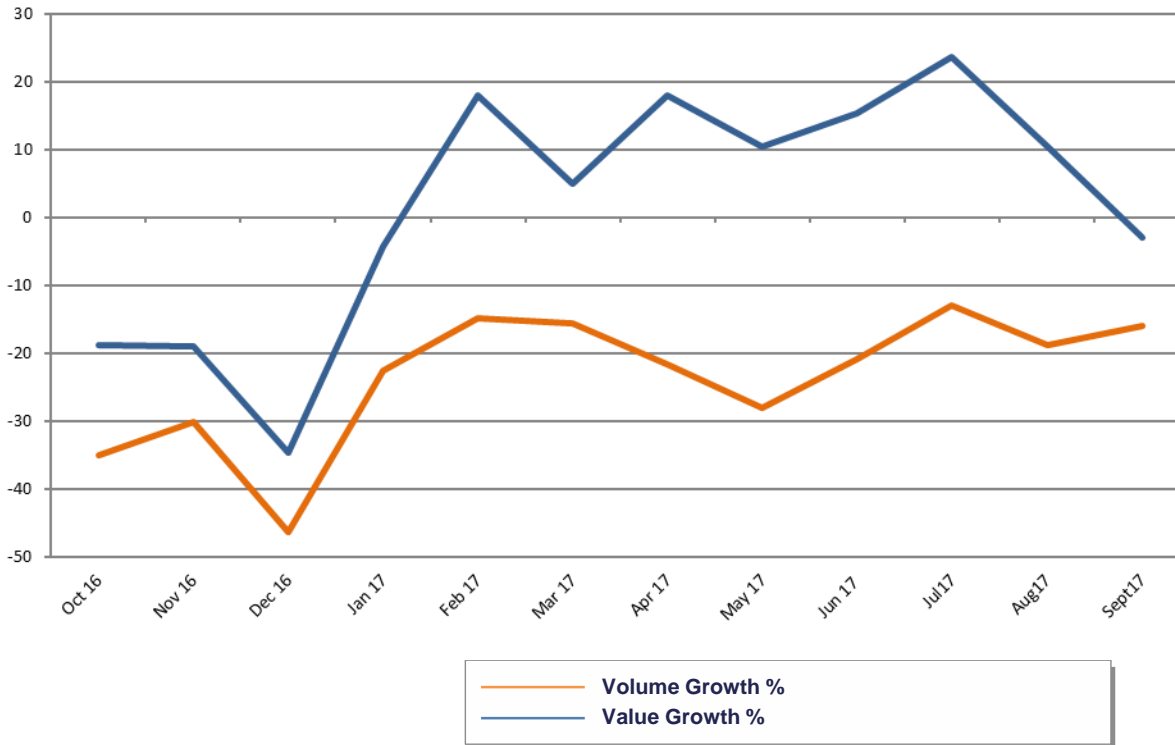
2017	Value Performance (Vs. 2016)	Volume Performance (Vs. 2016)
July	-5.60%	+2.60%
Aug	+2.30%	+3.60%
Sept	-5.20%	-1.70%
Q3	-3.10%	+1.50%

Digital Camera Sales - Q3 2017

Value and Volume performance Year on Year - Figures include: Fixed Lens, Bridge, CSC and SLR

Commentary from Emily Vallis, Photo, GfK:

In Q3 we continue to see value growth and volume decline in the Photo market. However, the value growth rate has slowed. September saw the markets value decline YOY for the first time since February. The month-on-month decline in September was across most of the segments in digital cameras, only Bridge cameras grew against August. Changeable lens cameras have gained share in Q3 YOY, this segment now accounts for 63% of the value in the Irish digital camera market. SLR cameras grew by 8% value YOY. Key to the growing importance in changeable lens cameras are Compact System Cameras, this segment grew by 88% value and 71% volume.



2017	Value Performance (Vs. 2016)	Volume Performance (Vs. 2016)
July	+24.00%	-13.00%
Aug	+10.00%	-19.00%
Sept	-3.00%	-16.00%
Q3	+11.00%	-16.00%

About Retail Excellence, Grant Thornton & GfK

ABOUT Retail Excellence

Retail Excellence is the largest retail industry trade body in Ireland. Retail Excellence aim to enhance the consumer's retail experience by developing top class retail standards and skills, and promoting a vibrant and competitive world class retail industry in Ireland.

Retail Excellence involves over 1,700 leading retail companies who operate over 13,000 stores in the Irish market.

Retail Excellence is a not for profit organisation which invests in innovative and exciting learning, market intelligence, HRM supports, Government representation and member networking initiatives.

Retail Excellence collected this data via on-line survey response.

ABOUT GRANT THORNTON

Grant Thornton are leading Irish retail industry advisors and exclusive financial and accounting partners of Retail Excellence Ireland.

Grant Thornton is the fastest growing professional services firm in Ireland comprising over 1000 people operating from offices in Dublin, Belfast, Cork, Galway, Kildare, Limerick and Longford.

The firm's Retail team has the expertise and knowledge to provide specific solutions to their retail clients. By identifying the key drivers of value creation crucial to the success of any retail business Grant Thornton can work with clients to maximise their business potential. Services include annual audits, regular business reviews, quarterly management accounts, bank financing applications, independent business reviews, franchise/supplier agreement negotiations, benchmarking and projections.

ABOUT GfK

GfK is one of the world's largest research companies. 11,500 GfK experts are working to discover new insights about the way people live, think and shop, in over 100 markets, every day.

GfK is constantly innovating to use the latest technologies and the smartest methodologies to give its clients the clearest understanding of the most important people in the world: their customers. That knowledge empowers GfK's clients to make the right decisions, and position their businesses for the future.

How do GfK gather this data?

- Data is collected via EPOS systems so minimal time commitment is involved in supplying data
- Sales data is gathered confidentially and no individual retailer's data is ever disclosed
- Exclusive lines/models are suppressed
- Reports are provided to participating retailers free of charge