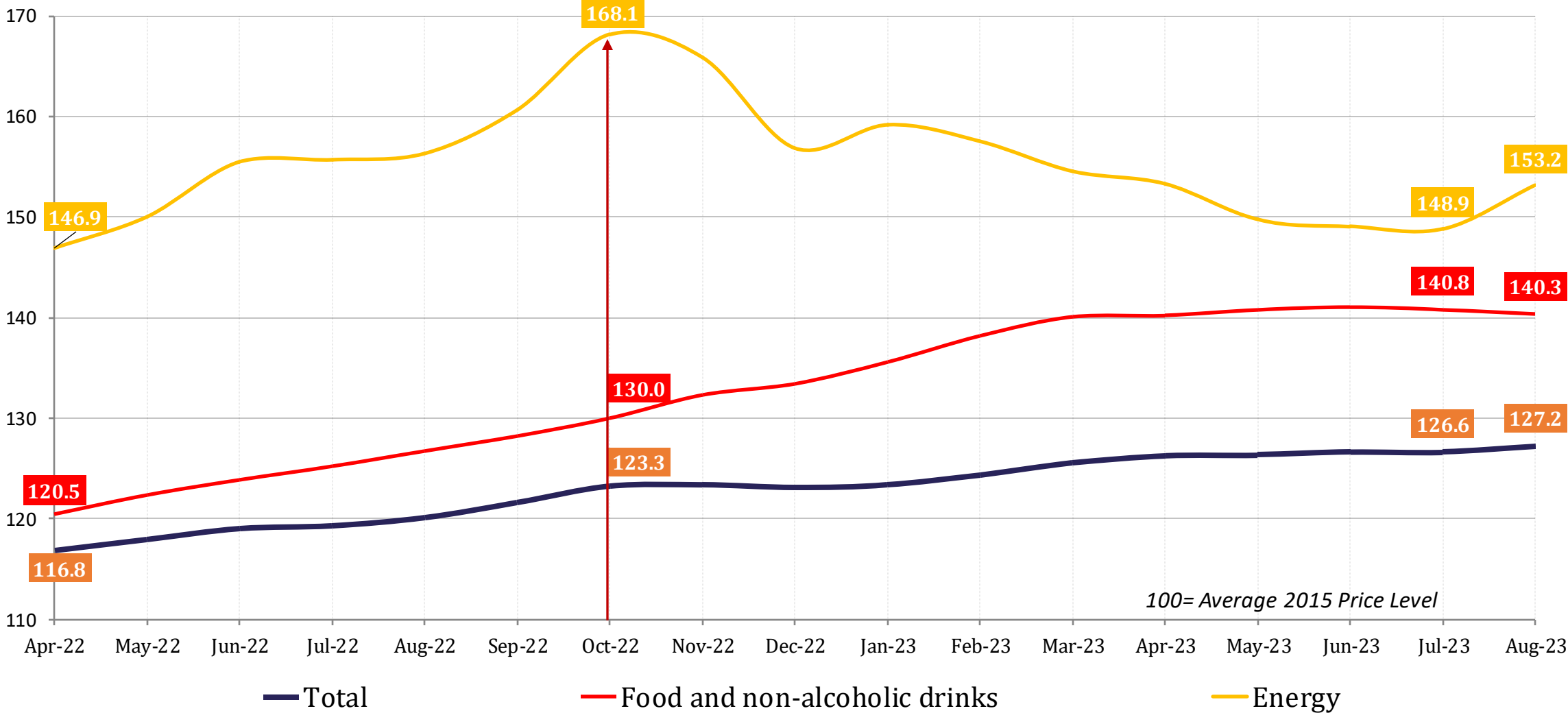


How are agri-food market actors and consumers coping with the green and digital transition in the context of inflation and increased costs

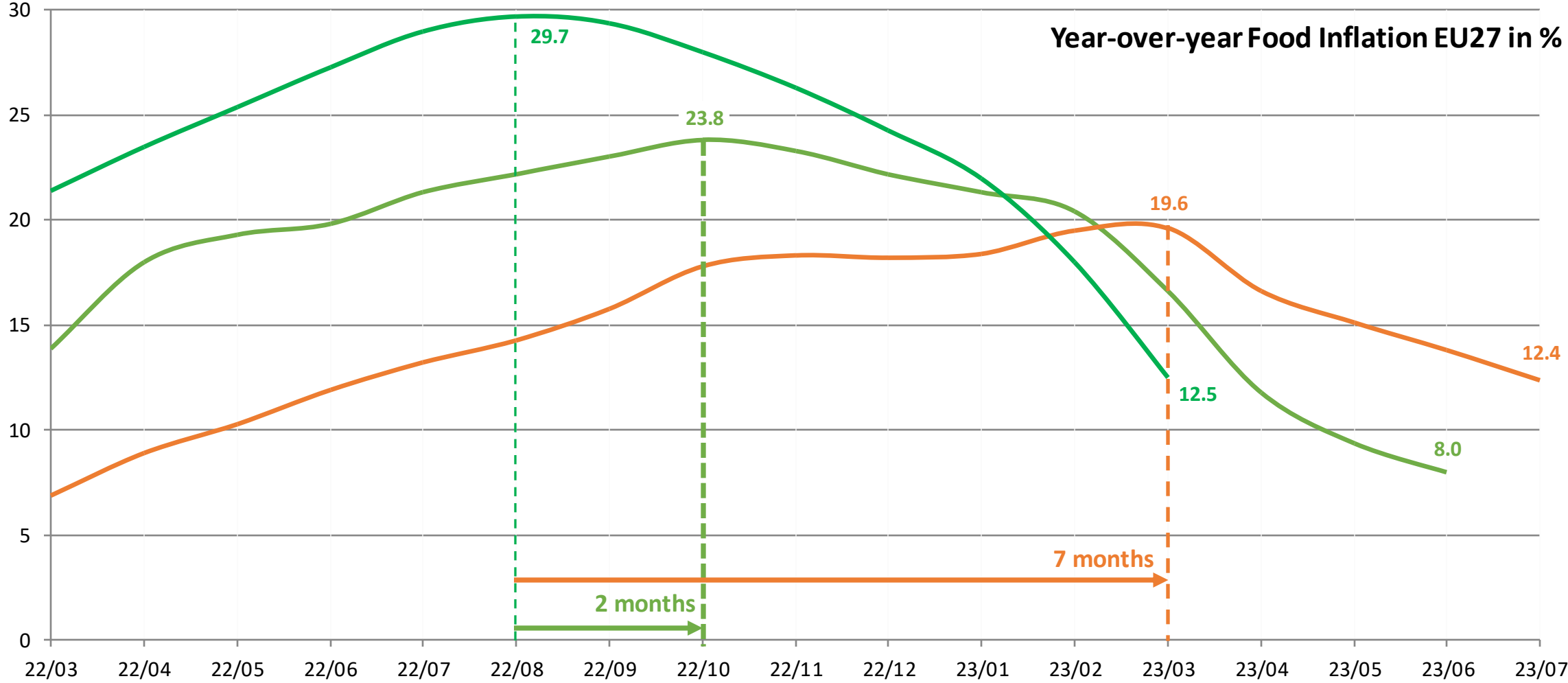
The retailers' perspective

Energy price decline ended



EU Food inflation declining along value chain

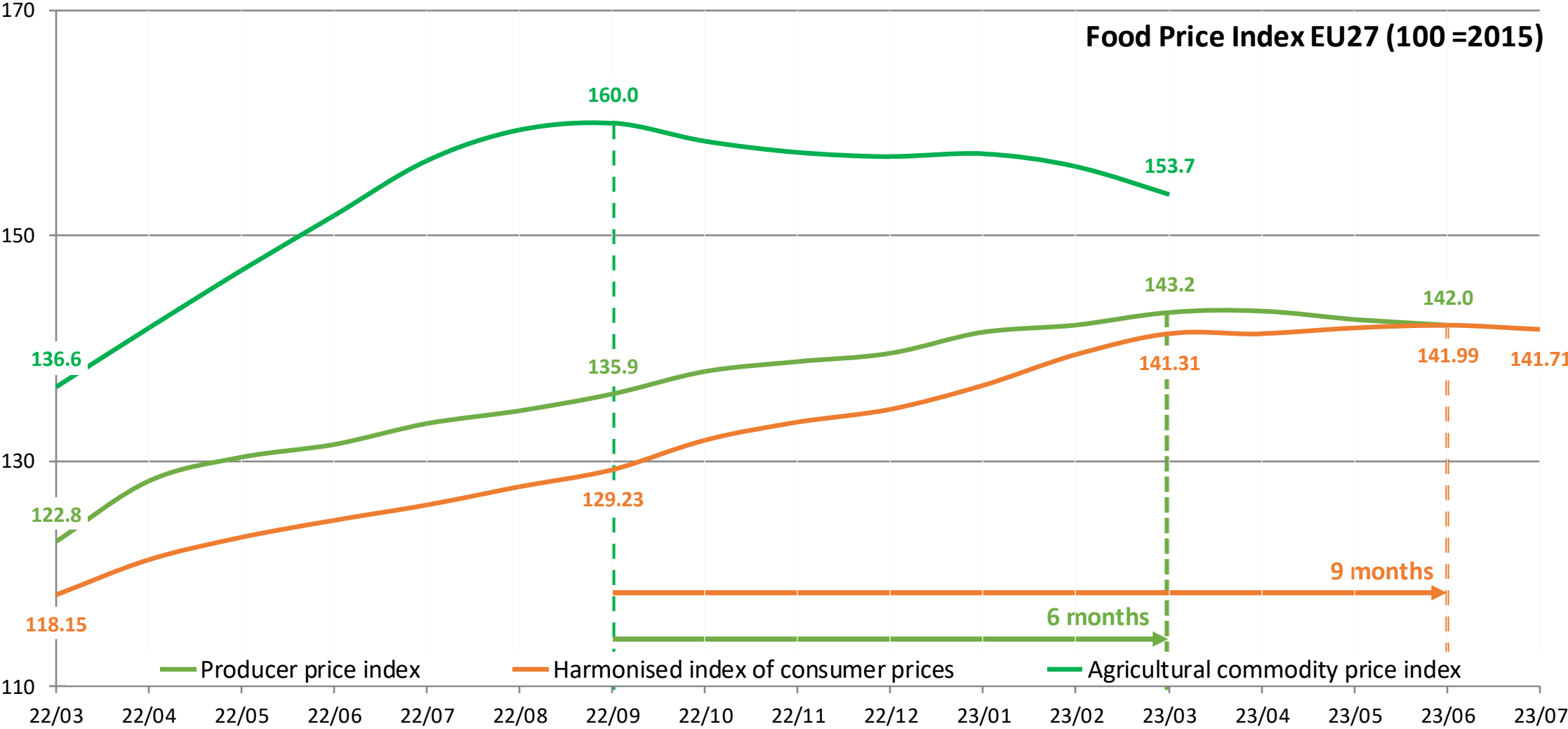
Year-over-year Food Inflation EU27 in %



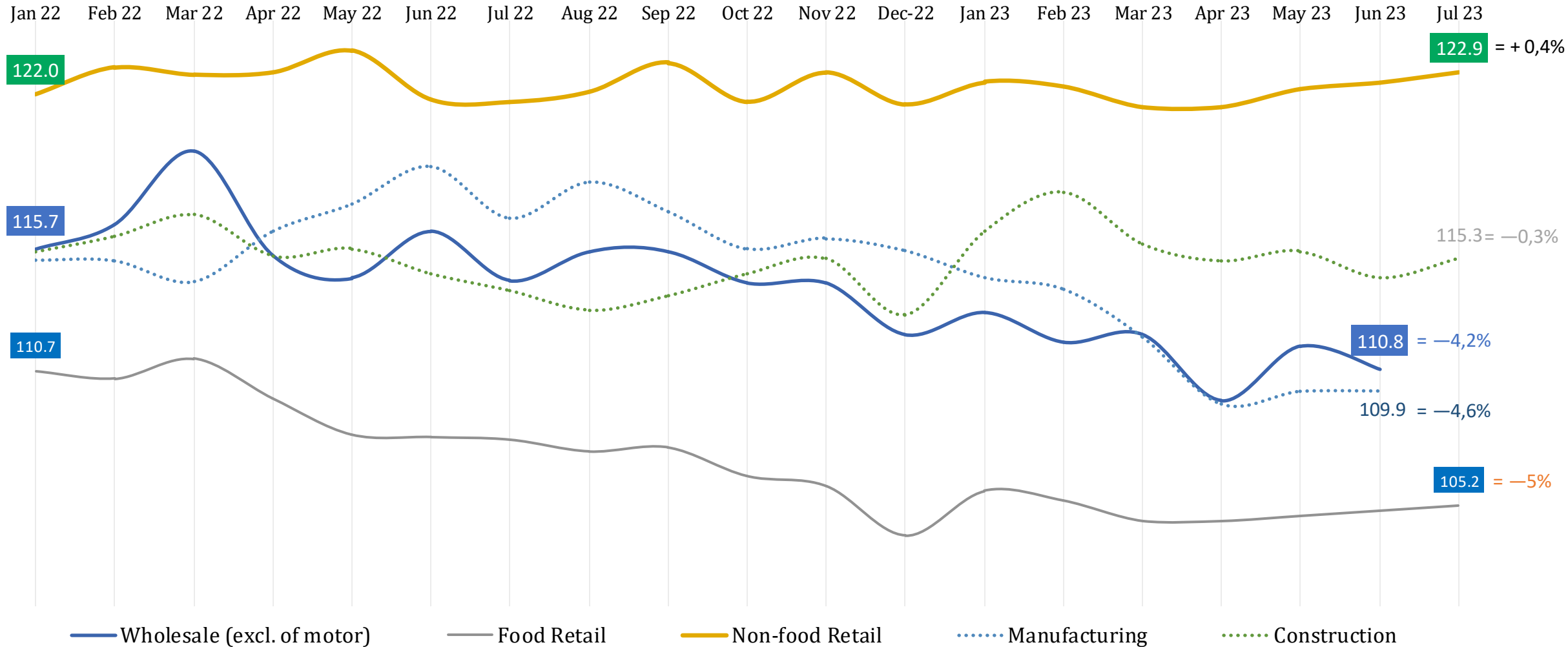
— Producer price index
 — Harmonised index of consumer prices
 — Agricultural commodity price index



EU Food prices tending towards slight deflation



Today: Non-Food Retail stabilised, Food & Wholesale suffers



Consumers

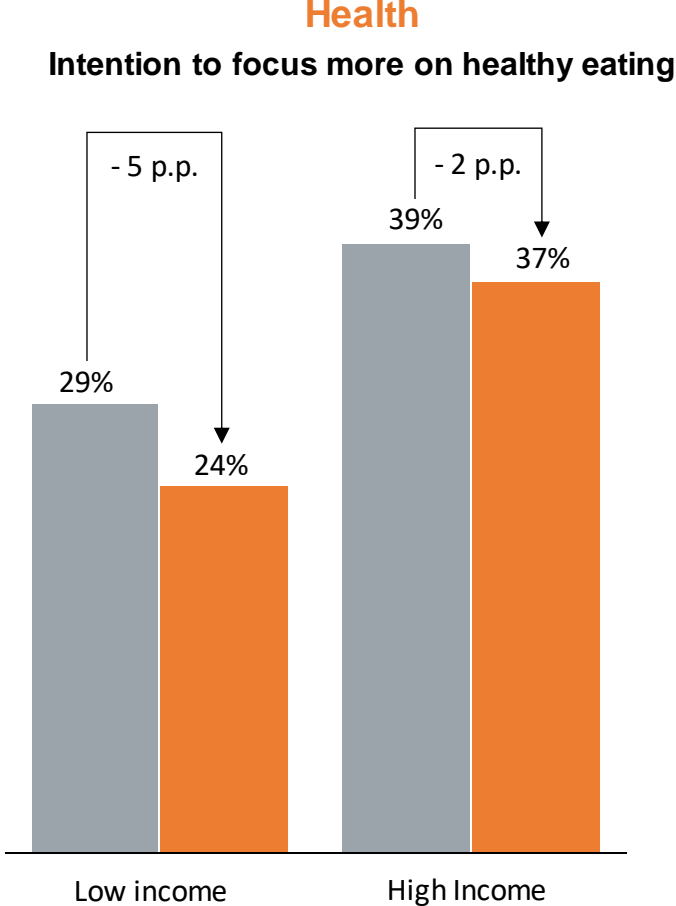
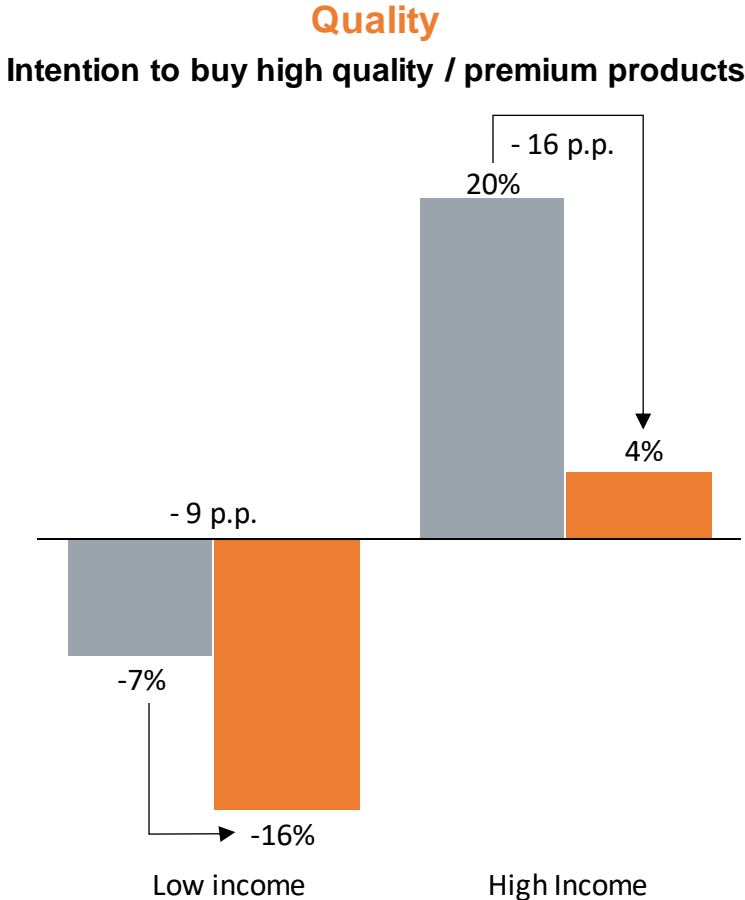
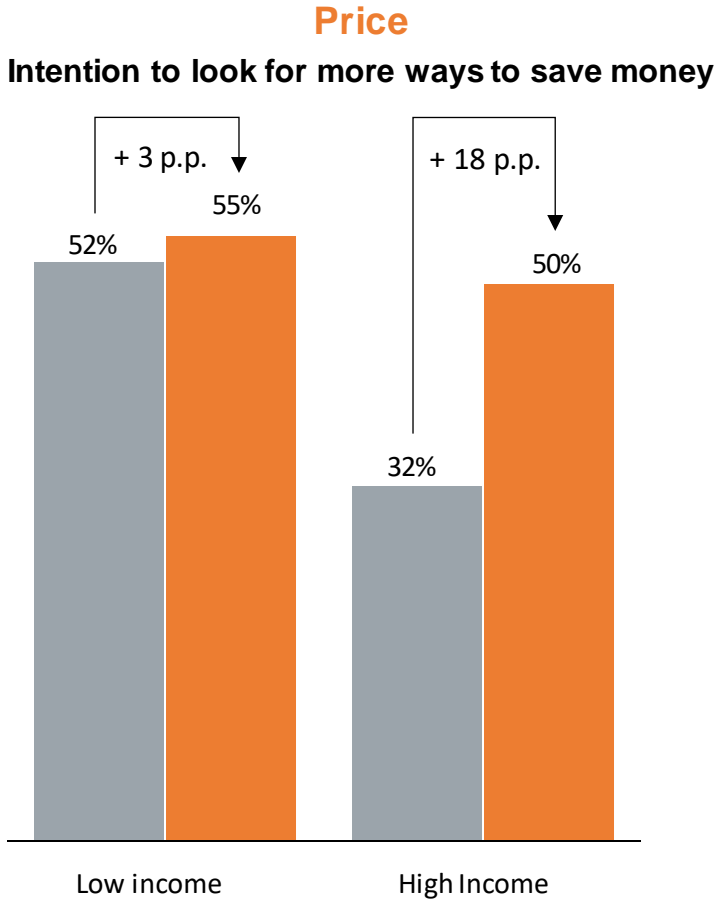
All income groups looking to save money



Price sensitivity of high and low income groups converging

Attitude towards grocery shopping in 2023 compared to 2022,

Net intent of consumers, % ■ 2022 ■ 2023

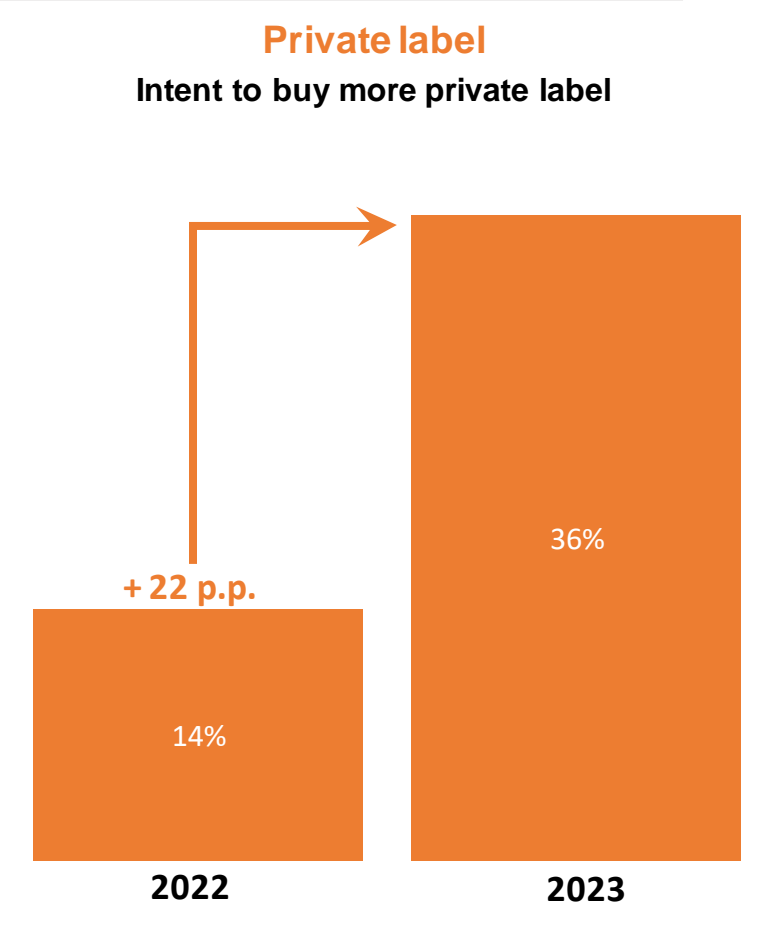
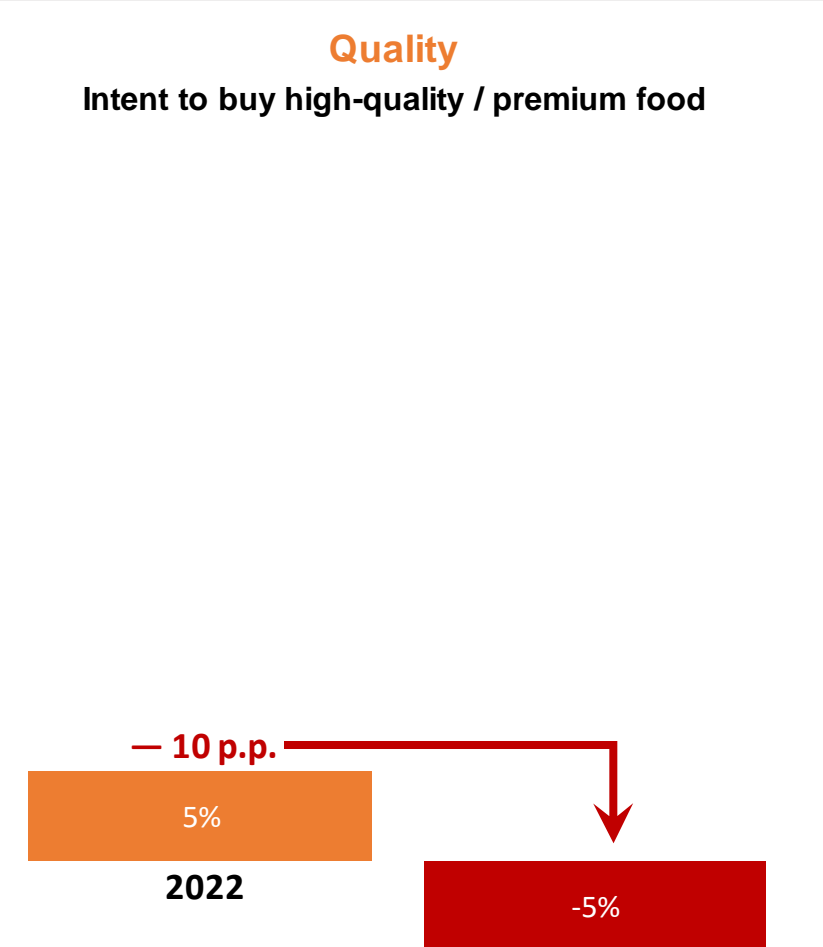
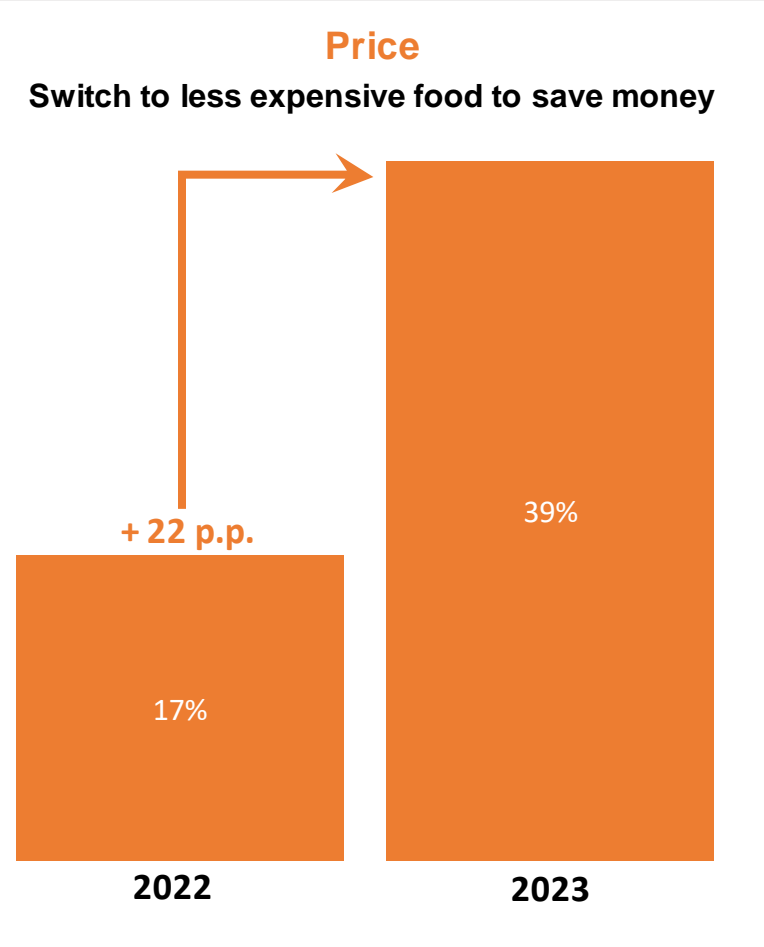


7 Source: [State of Grocery Retail 2023 \(Mckinsey & Eurocommerce\)](#) Consumer Survey, N=10 727, UK, DE, FR, IT, ES, NL, CH, PL, SE, sample to match general population 18+ years



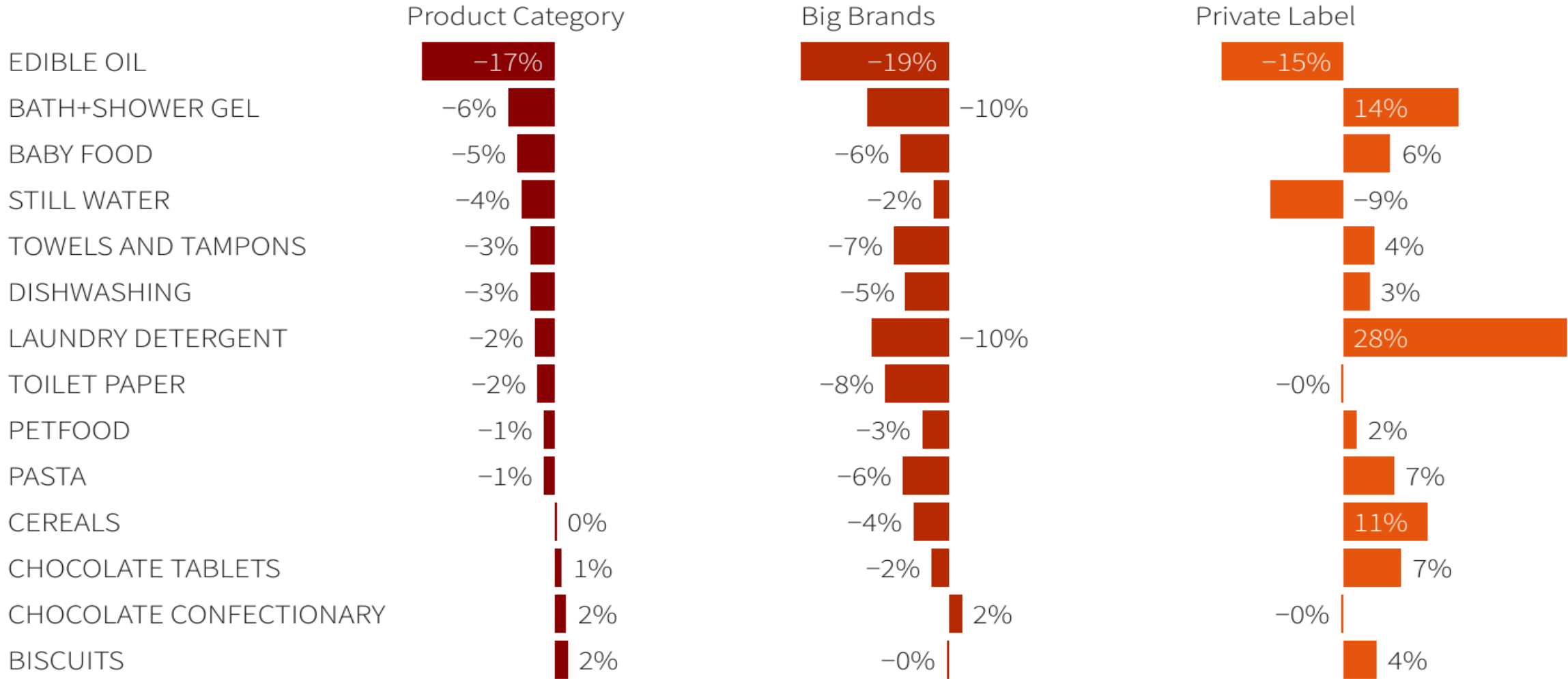
Consumers spend less on groceries

Attitude towards grocery shopping
Net intent of consumers (yes – no)

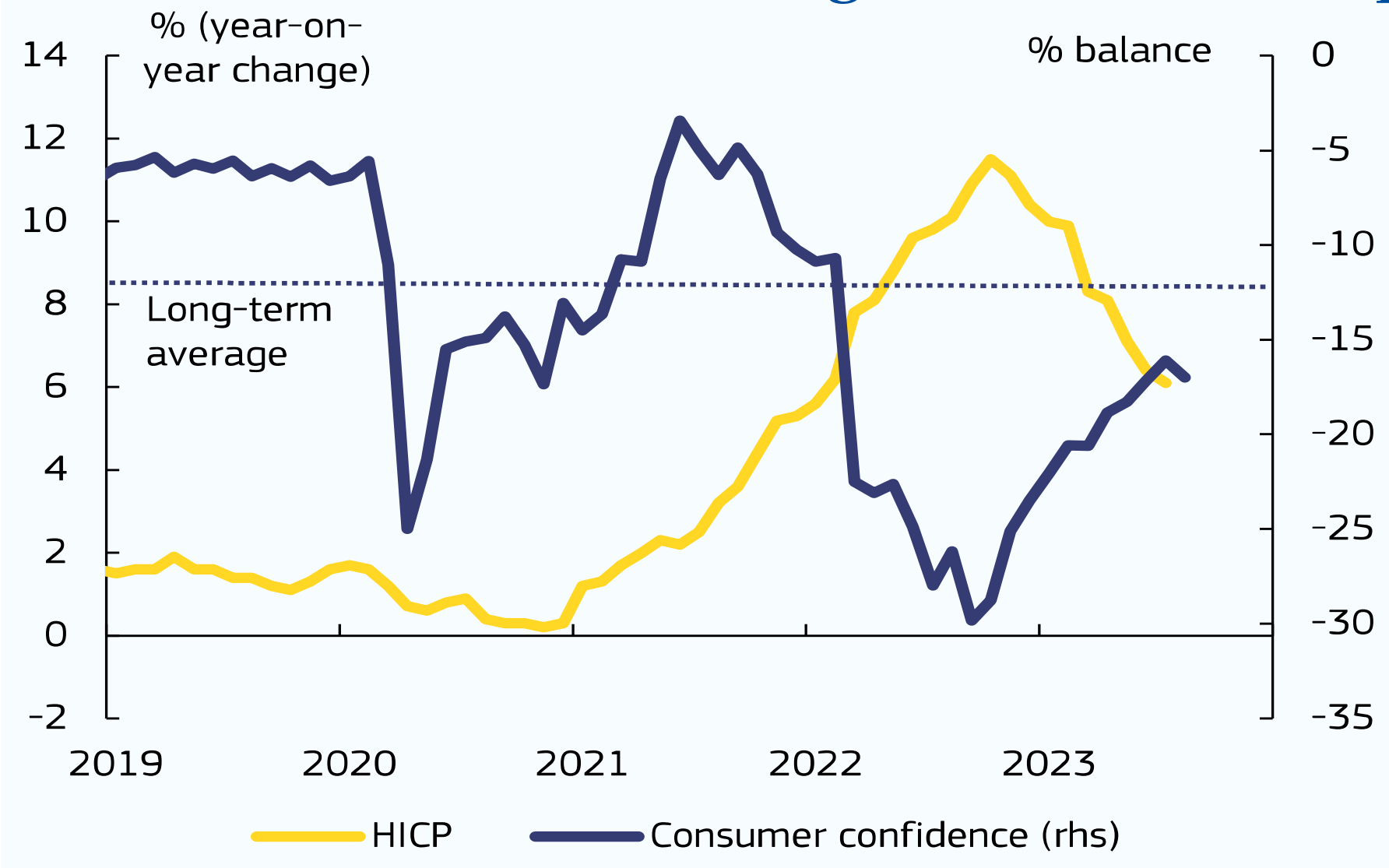


8 Source: [State of Grocery Retail 2023 \(Mckinsey & Eurocommerce\)](#) Consumer Survey, N=10 727, UK, DE, FR, IT, ES, NL, CH, PL, SE, sample to match general population 18+ years

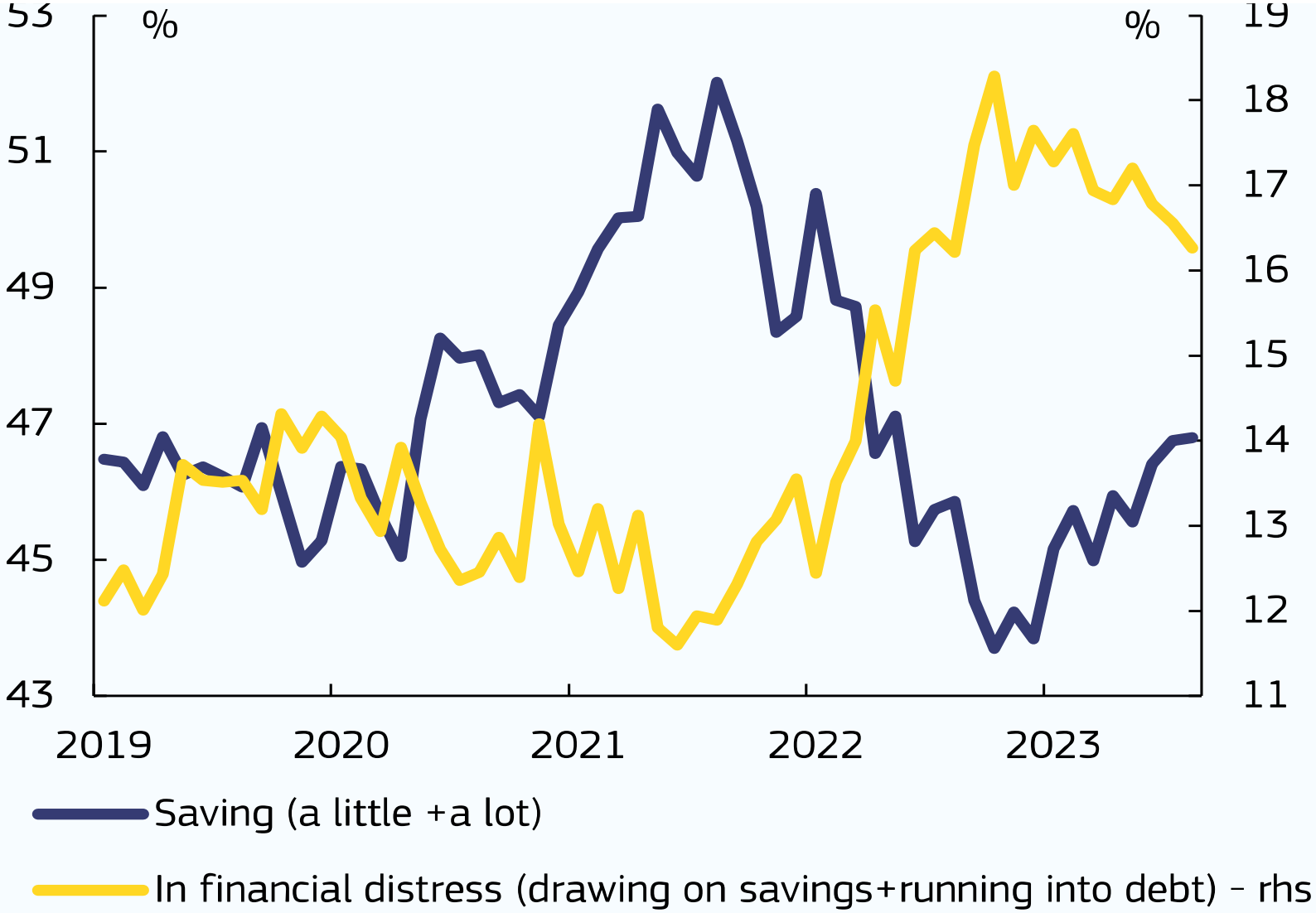
Private Label gains market share (Data from France as illustration)



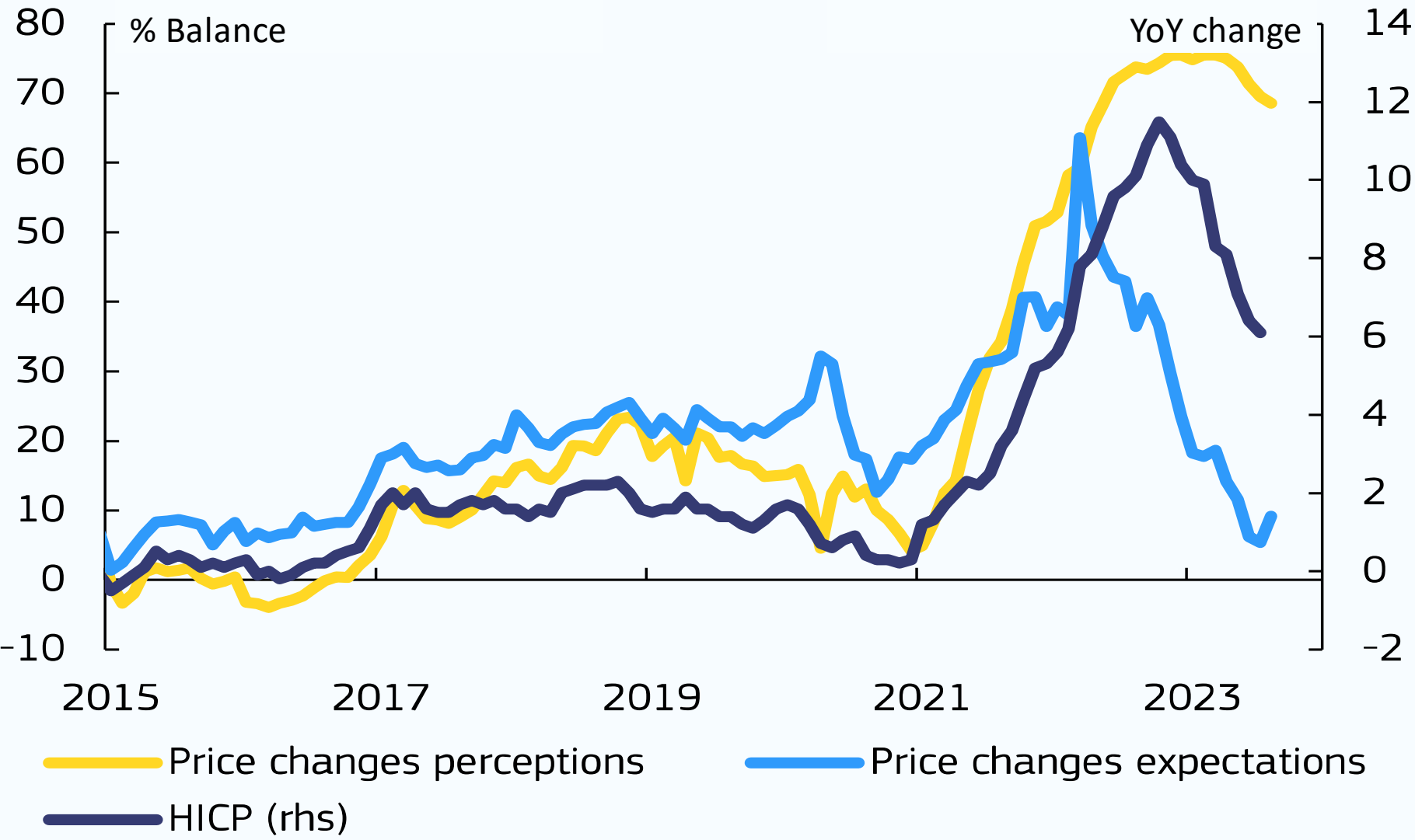
Consumer confidence returning as inflation drops



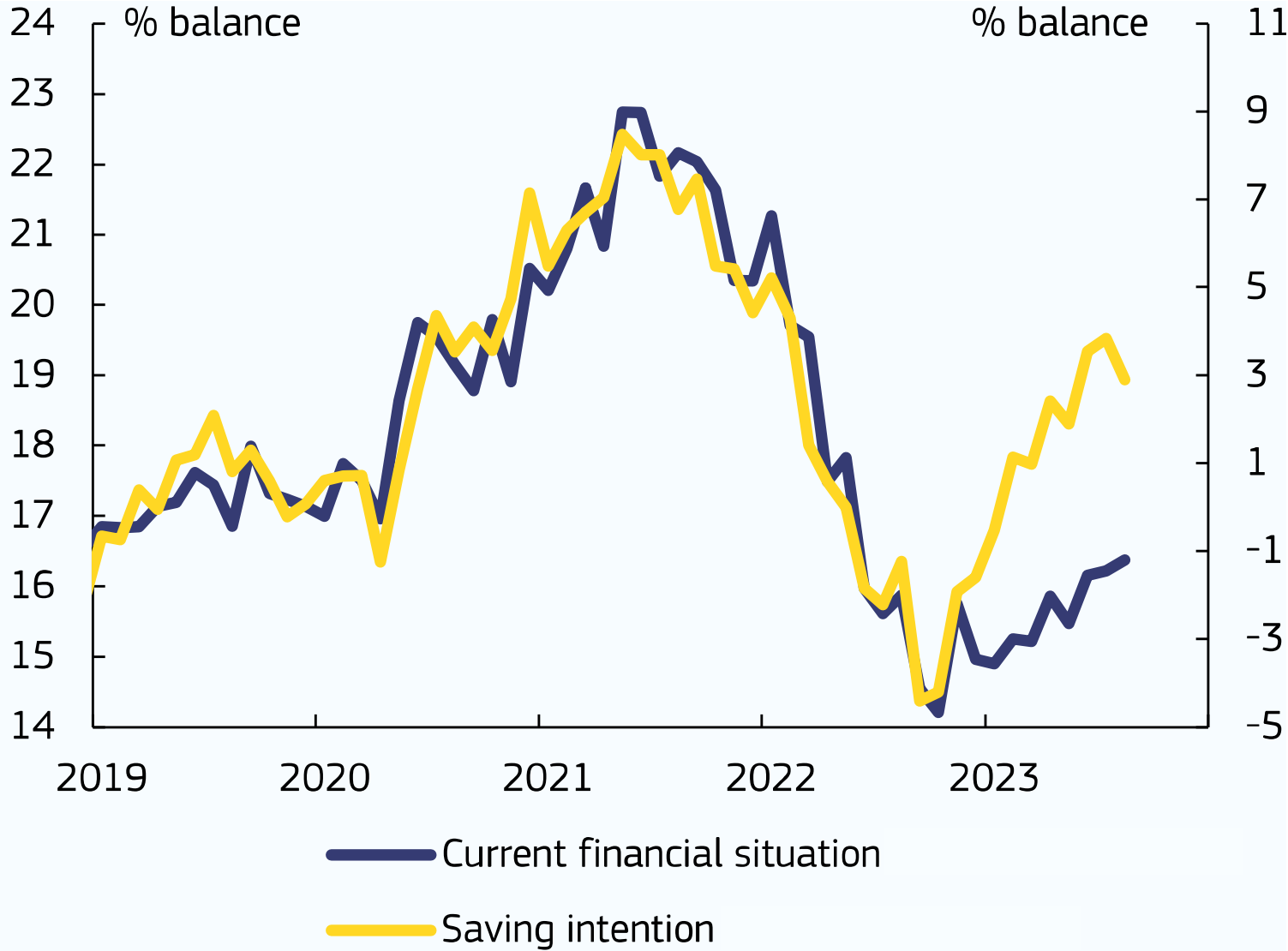
Consumer cashflow improving across income groups



Consumers not aware how much inflation dropped



High-income consumers plan to increase savings rate



The retail and wholesale sector is under a lot of pressure and needs to invest.

Drivers
for change



Triple transformation study – EuroCommerce & McKinsey

These factors are driving **crucial and transformative** change in...



Digitalisation

90% of the sector's growth will be driven by online sales by 2030



Sustainability

Investments in sustainability to reduce up to **90%** of direct emissions by 2030



Skills

13 million employees need to be up-and re-skilled every year until 2030

EuroCommerce with McKinsey estimate that to achieve such change retailers and wholesalers must invest...

€600 billion
between now and 2030

10%
of that for SMEs



This represents an **additional investment of 0.8 to 1.6% of every company's revenue** up to 2030 for an industry with very low margins.