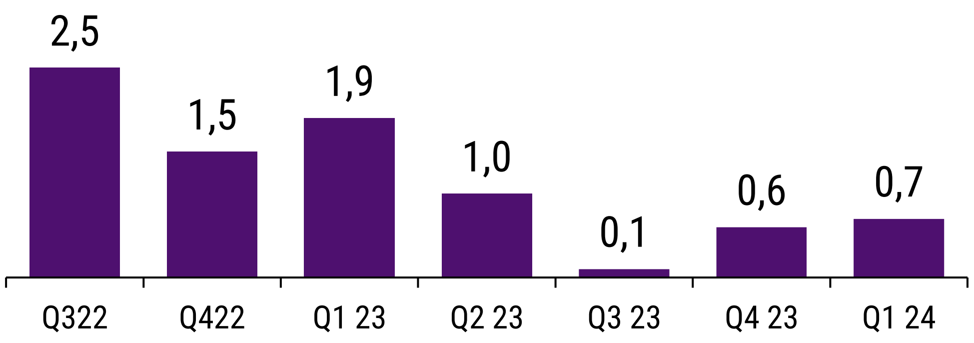
OOH Market dynamics and trends

18th June 2024

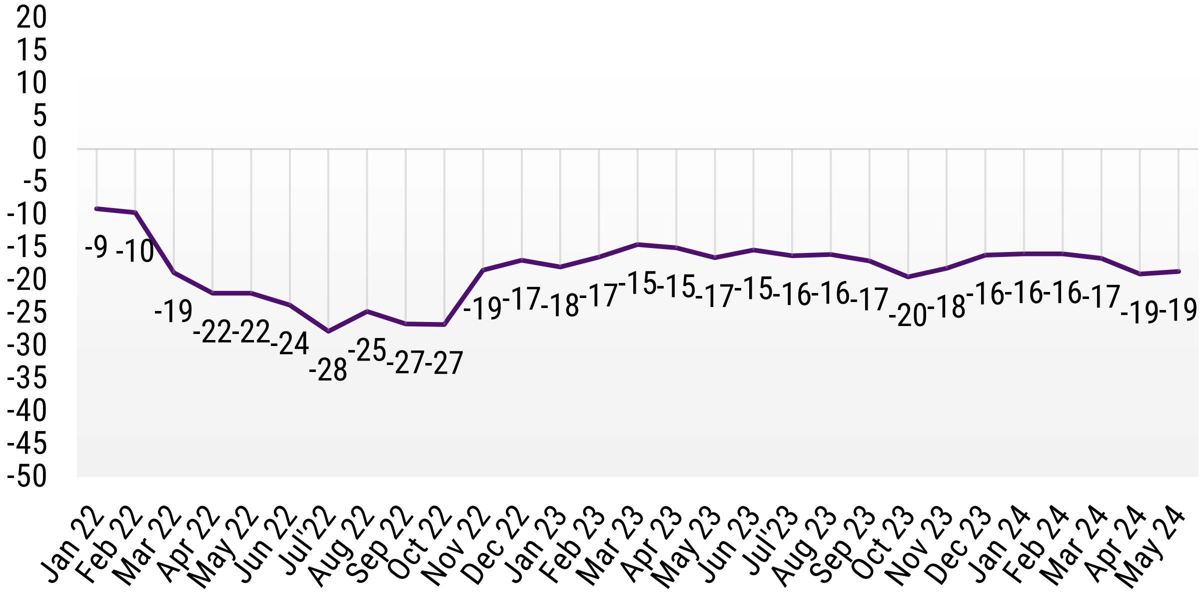
The context

From the end of 2023 until the first quarter of 2024, GDP and consumer confidence index returned to growth. However, consumers were slightly less optimistic in April and May...

GDP



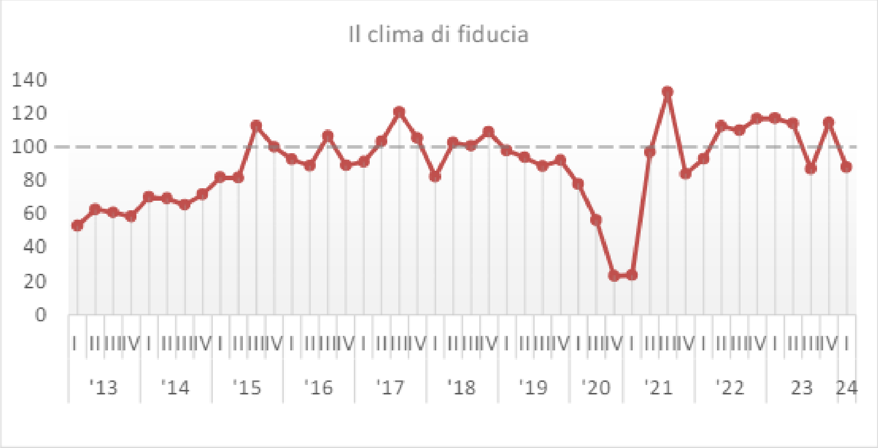
Consumer Confidence Index

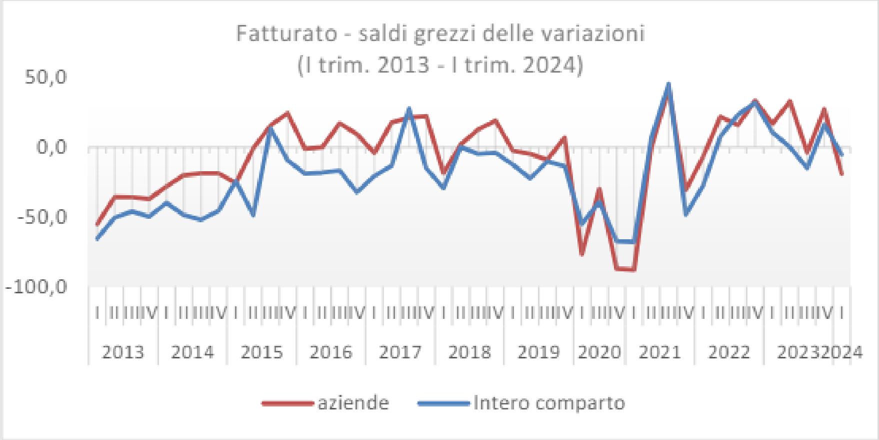


Source: Commissione Europea

Confidence Restaurateurs

In Q1 24 confidence decreased and came back to Q3 24 level





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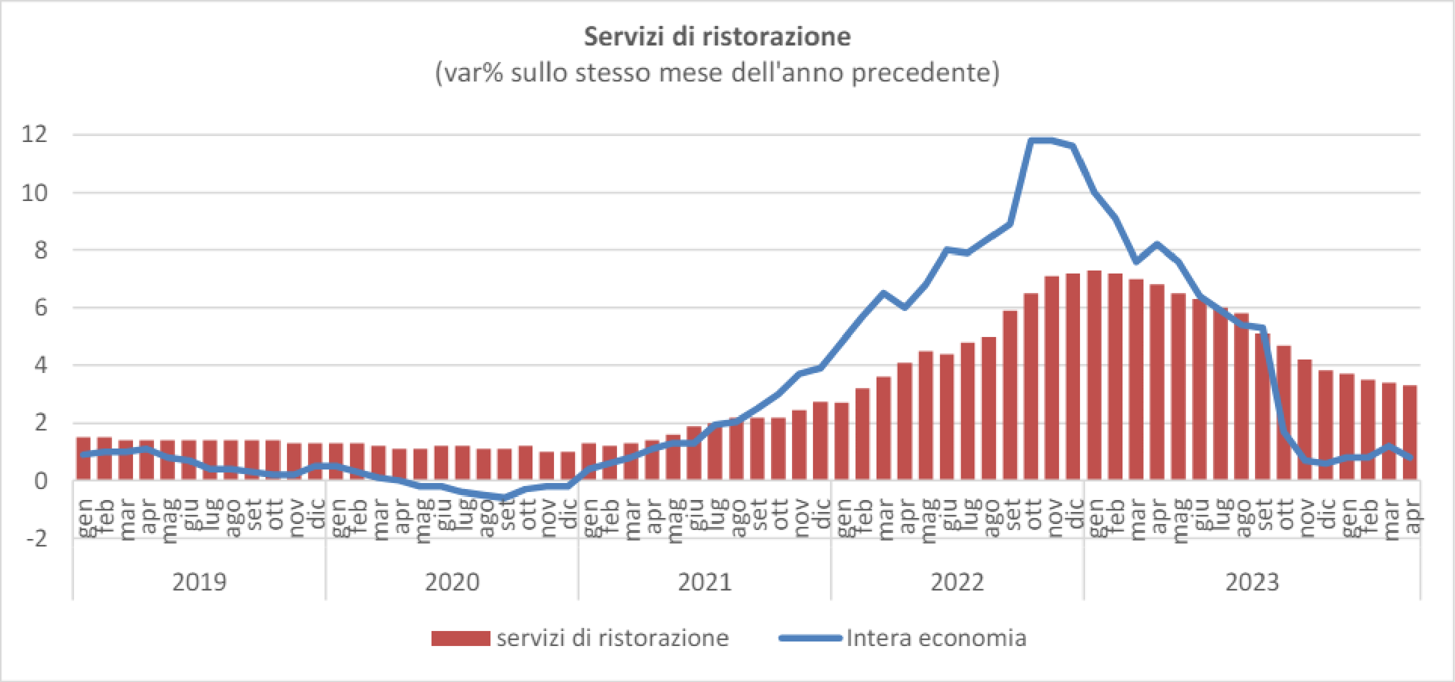
Source: FIPE - Indagine congiunturale sulla ristorazione commerciale I quarter 2024

Inflation

Prices in foodservice are still growing more than Total Inflation

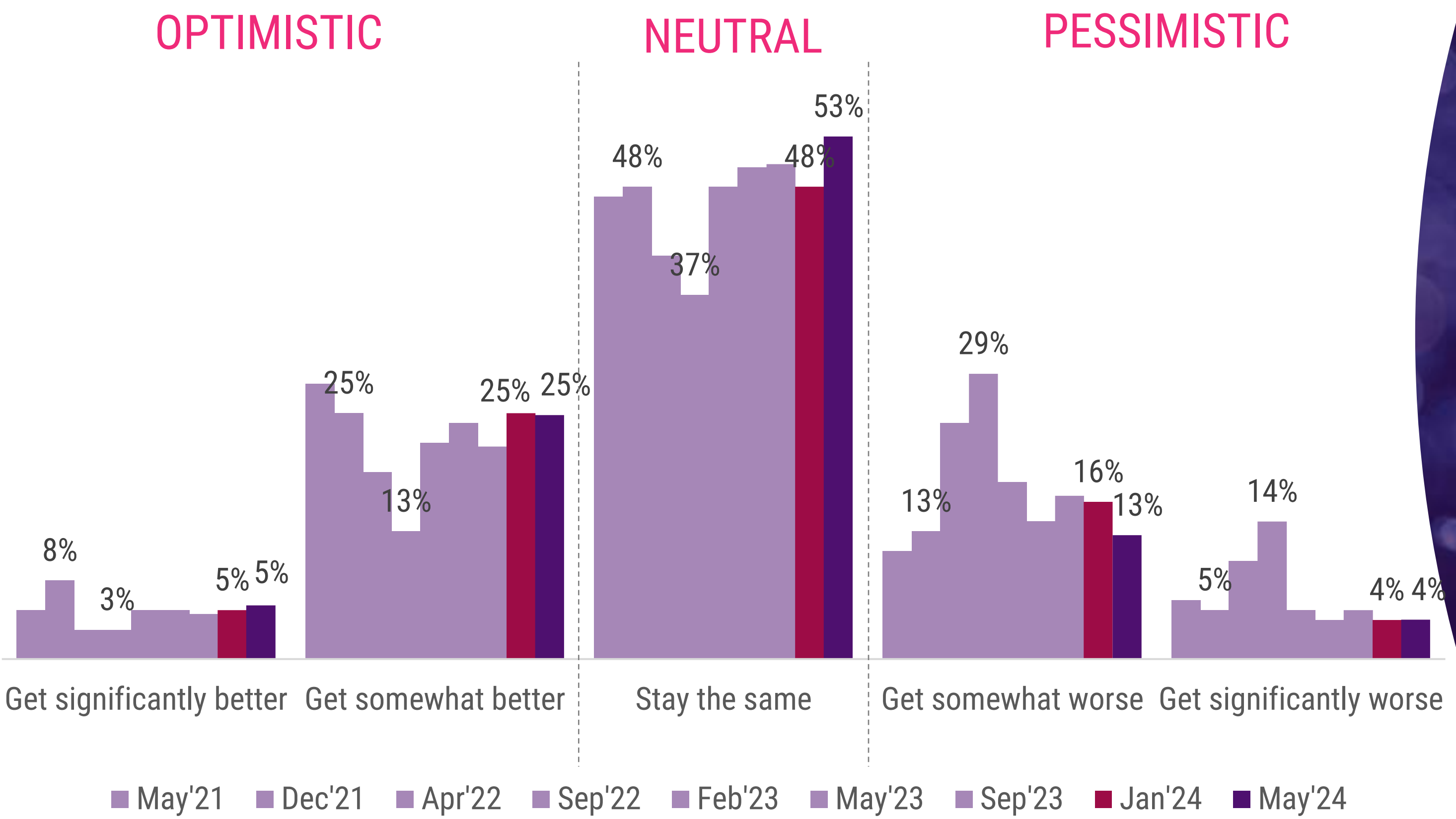


	Mar 24 vs 23	Apr 24 vs 23
Total Inflation	**+1,2%**	**+0,8%**
Foodservice Inflation	**+3,4%**	**+3,3%**
Commercial Foodservice	+3,4%	+3,3%
Collective	+2,9%	+3,2%

Source: FIPE - La dinamica dei prezzi nei Pubblici Esercizi

Financial Situation Expectations

Half of consumers think the situation will remain the same in the next 6 months



30% OPTIMISTIC

53% NEUTRAL

17% PESSIMISTIC

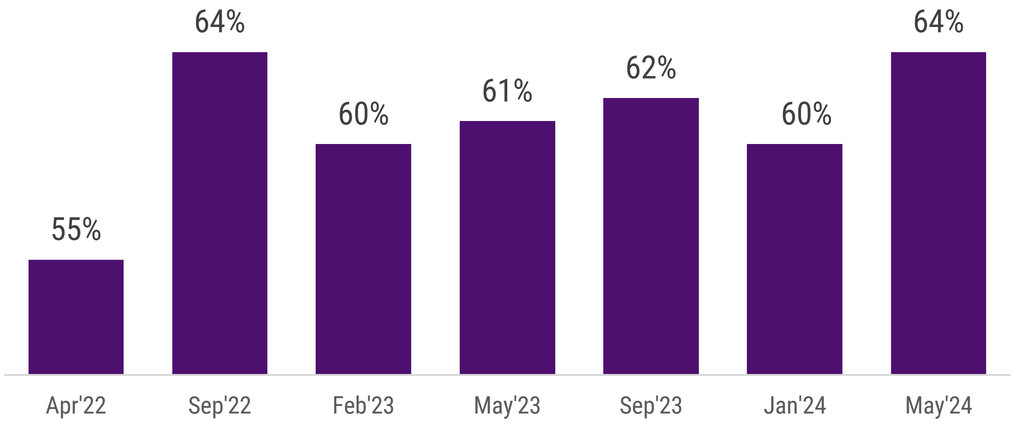
In the next 6 months, you expect your financial situation...

Source: Circana - Circana Sentiment Study - May 2024

Price Sensitivity

Financial situation and prices have an impact on consumers choose their out-of-home experiences

Somewhat + Strongly agree



"**My financial situation** affects my habits of consuming OOH"

63% of consumers declares that **prices in restaurants have gone up too much** for them **(+11 p.p. vs Jan'24)**

Think about consumption out of home. How much do you agree or disagree with the following statements regarding restaurants, fast food outlets, pubs, bars, cafes or canteens?

Source: Circana - Foodservice Sentiment Study W12, May 2024

Price Sentiment in Foodservice

The number of consumers who give up eating out is increasing

29%

-1pp vs Gen'24
I can still afford to eat out in bars and restaurants as usual

62%

-3pp vs Jan'24
I can still afford to eat out in bars and restaurants, but I've changed my habits

9%

+4pp vs Jan'24
I can't afford to eat out in bars and restaurants anymore

Among those who continue to eat out as usual are "Heavy" and "Medium User"; those who have decreased their consumption are mainly "Light Users" (19%).

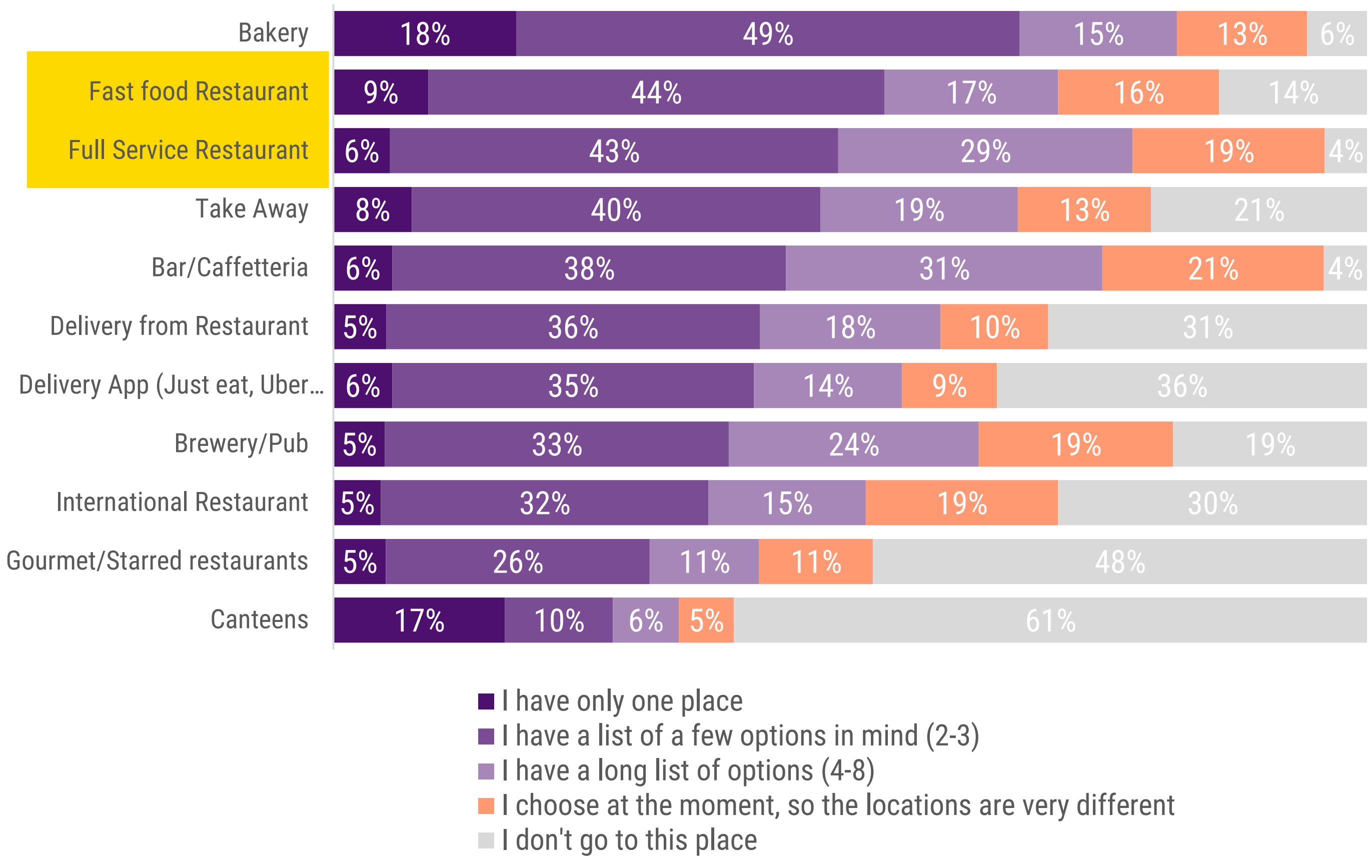
Think about the current prices in restaurants, fast food restaurants, pubs, bars, coffee shops. Which of the following statements best represents you?

Source: Circana - Foodservice Sentiment Study W12, May 2024

Loyalty across channels

Bakeries, Fast Food and Local Restaurants with table service are the channels to which consumers are most loyal (1 to 3 restaurant options)

Due to rising prices, 48% of consumers have a shorter list of bars and restaurants they visit.



Think about consumption outside the home. How much do you agree or disagree with the following statements regarding restaurants, fast food outlets, pubs, bars, cafes or canteens?

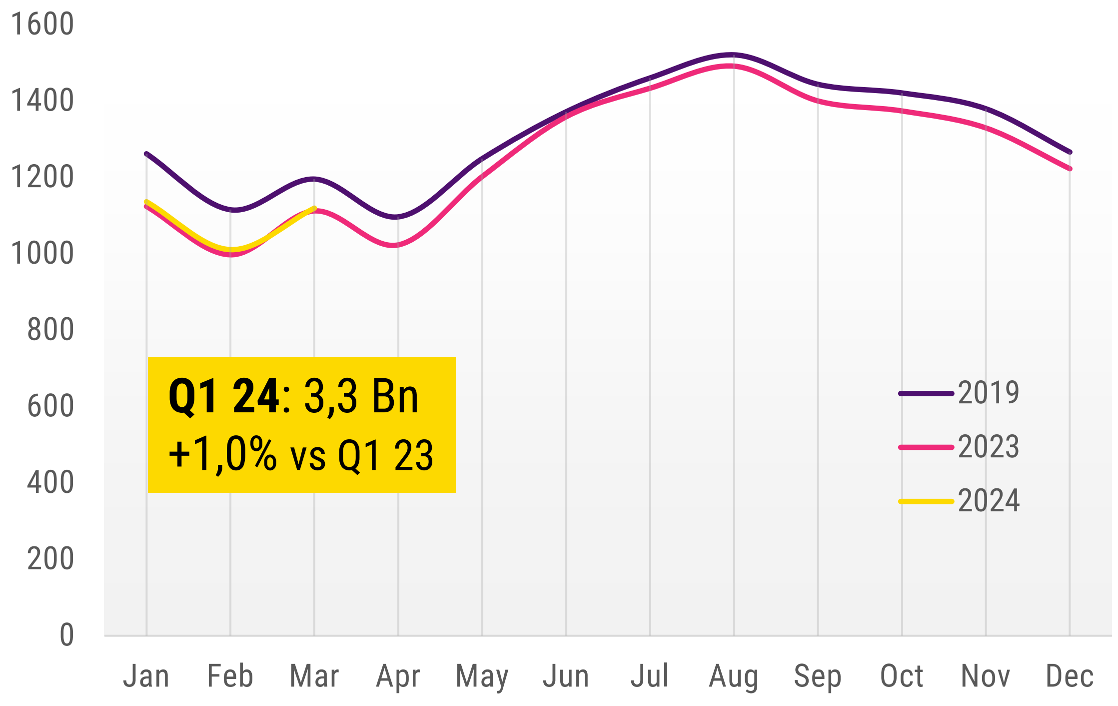
Think about when you visit the different places listed below. Select the answer that best suits you

Source: Circana - Foodservice Sentiment Study W10, IT, September 2023

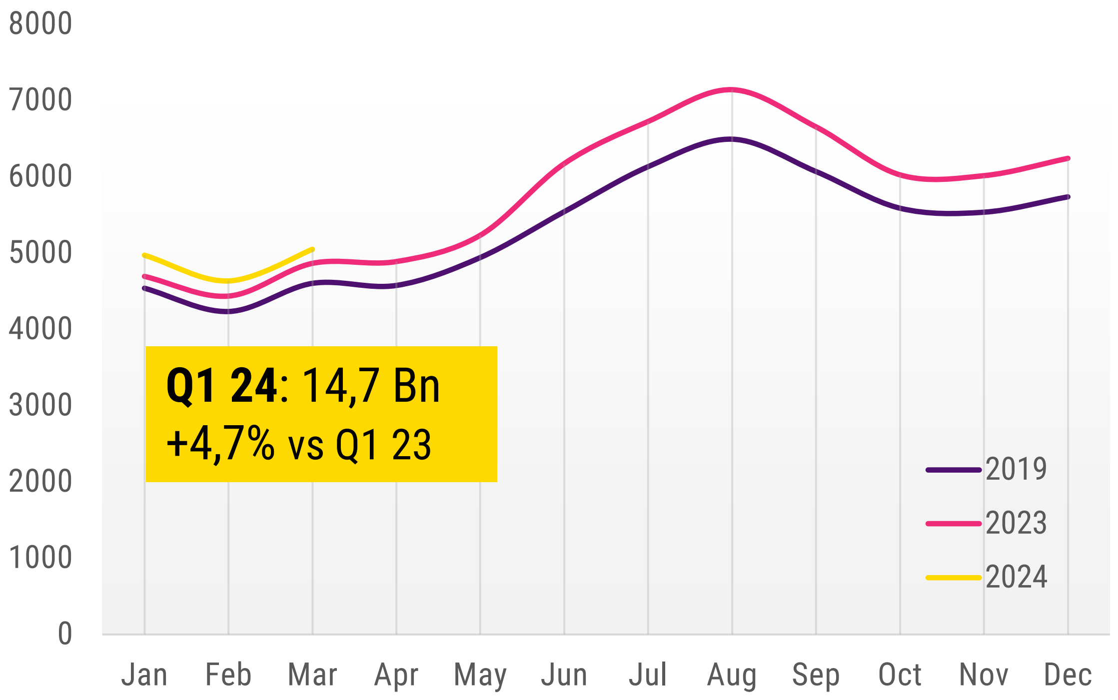
Total OOH – Monthly visits and spend

In the first months of 2024 spending continues to grow. Visits are still below 2019 but slightly up compared to last year.

Visits (million)



Spend (million)

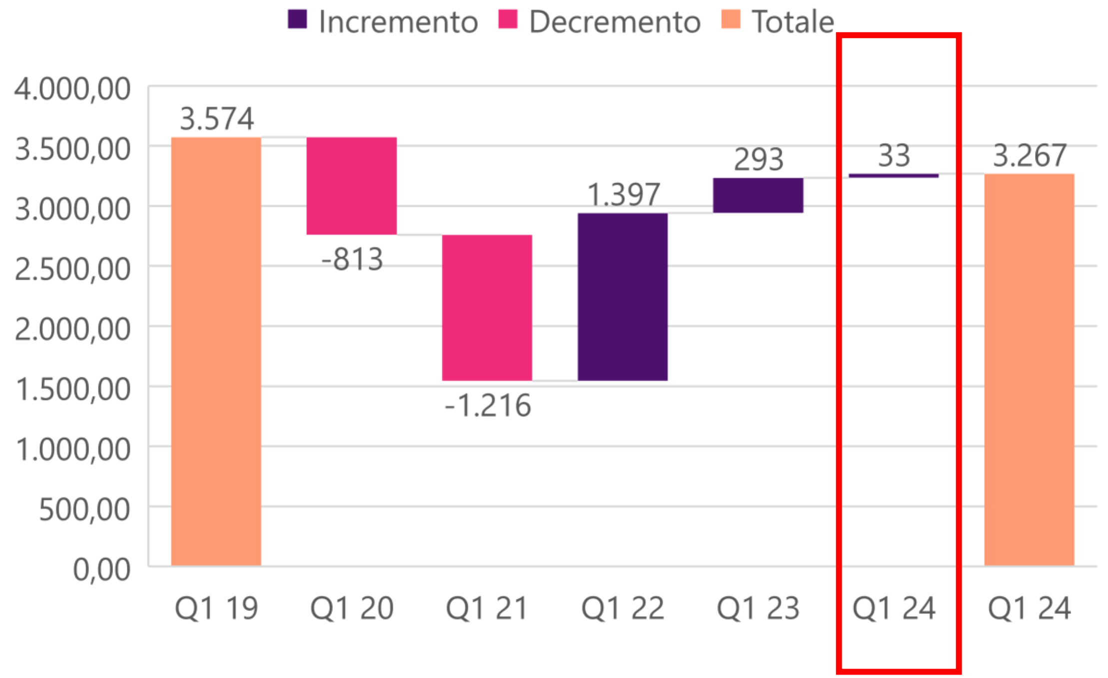


Source: Circana - CREST®

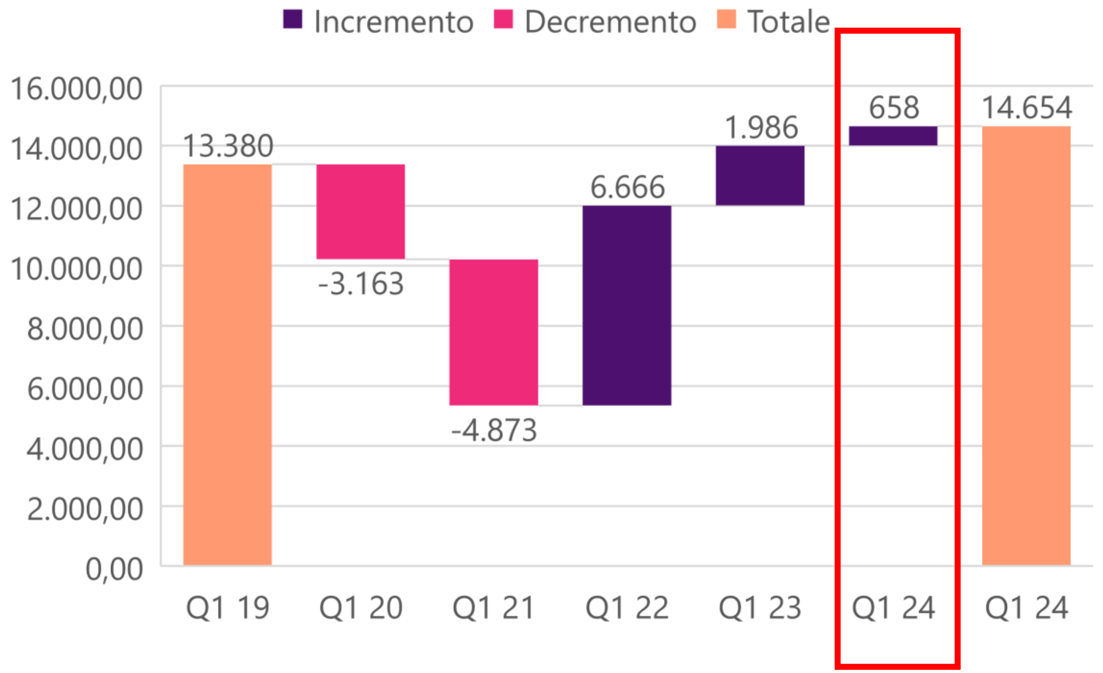
Q1 24 Performance

From now on we need to expect more «normal» growth rates

Visits (million)



Spend (million)

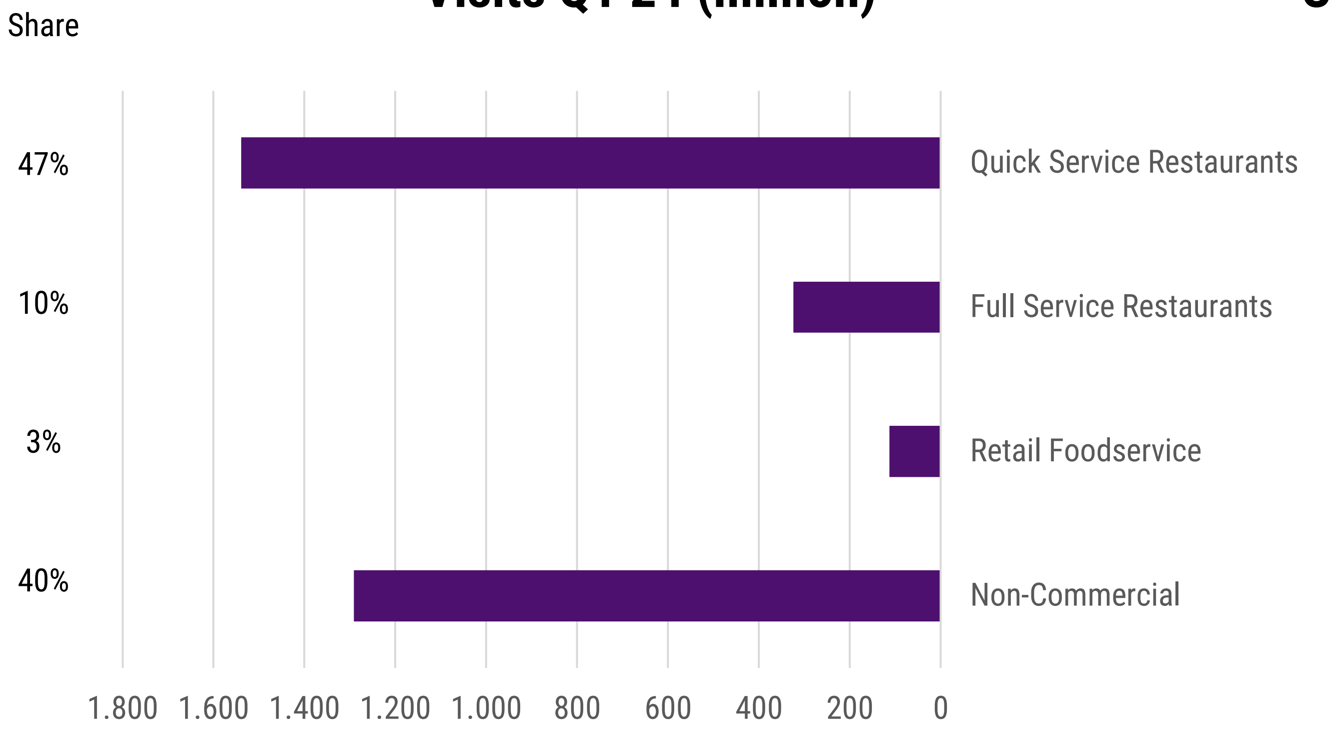


Source: Circana - CREST®

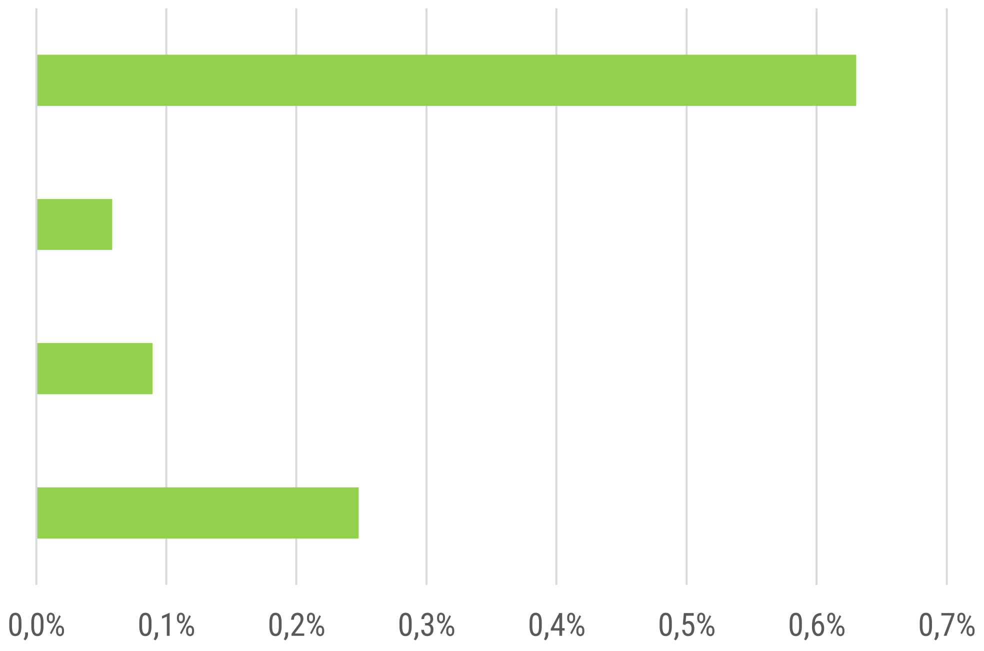
Macro Market Channels - Visits

Quick Service gives the highest contribution to the growth of traffic

Visits Q1 24 (million)



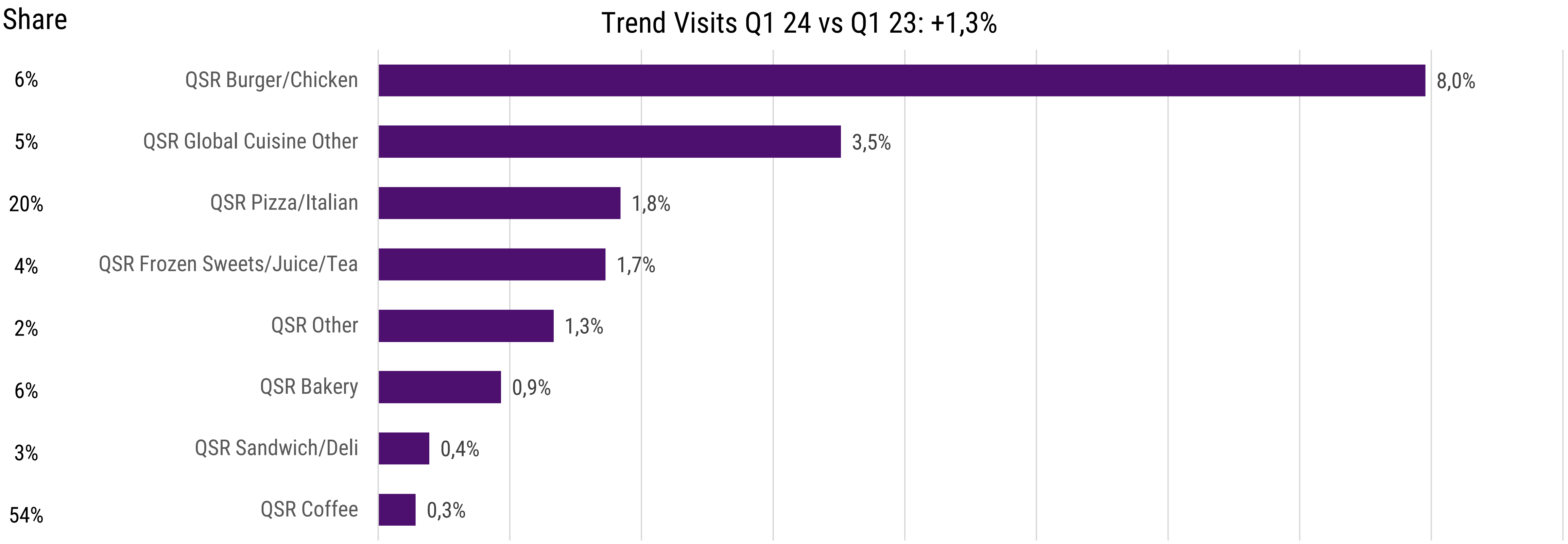
Contribution to Trend Q1 24 vs Q1 23 (+1,0%)



Source: Circana - CREST® - Total OOH

Market QSR Sub-segments

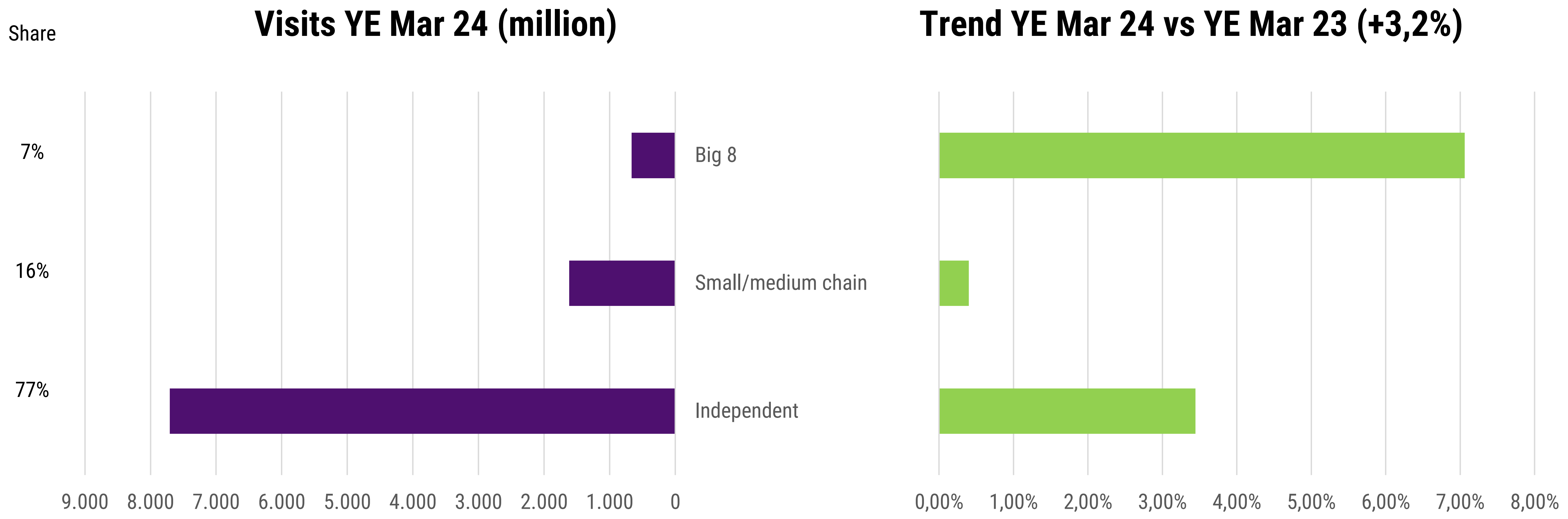
The growth in QSR is mainly driven by QSR Burger/Chicken



Source: Circana - CREST® - Total QSR

Tot Comm - Branded vs Independent - Visits

Big chains are driving the market while small-medium chains underperform



Big 8: Autogrill, RHG, McD, BK, OWW

Source: Circana - CREST®

Small and Medium chains

Italy attractive for equity founds

Servizio | Ristorazione

Poke House raggiunge i cento milioni di ricavi e cresce all'estero

Inaugurato un altro locale a Miami Beach. Così l'insegna supera i 130 locali nel mondo

di Enrico Netti

1 marzo 2023

(Reuters)

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Ristorazione. Ai fondi di investimento piace il fast casual italiano

Cinzia Arena lunedì 15 gennaio 2024

Ascolta

Operazione da oltre 600 milioni di euro tra due fondi di private equity inglesi per La Piadineria. La catena di fast food all'italiana, nata nel 1994, oggi ha 400 punti vendita

/ News / MF Online / Cigierre vende Temakinho a Mutares

MF ONLINE

Cigierre vende Temakinho a Mutares

di Nicola Carosielli

Il sushi brasiliano avrà anche un tocco tedesco. Cigierre, realtà controllata da Bc Partners a cui fanno capo alcune note catene di ristorazione in Italia, ha ceduto il brand Temakinho al fondo

Aziende

California Bakery, il crac da 20 milioni interessa anche Panini Durini

5 Aprile 2024 - 19:15

Da "Boss in incognito" al fallimento: il fondatore della catena Marco D'Arrigo è stato condannato a 4 anni e 4 mesi

Massimo Balsamo

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/ News / MF Online / Benetton jr investe nella ristorazione con Me Food

MF ONLINE

Leggi dopo

Benetton jr investe nella ristorazione con Me Food

di Andrea Deugeni

Un altro rampollo delle grandi dinastie imprenditoriali italiane investe nel food&beverage. Secondo quanto risulta a MF-Milano Finanza, Christian Benetton, il terzogenito di Carlo Benetton che in rappresentanza del proprio ramo familiare siede anche nel cda di Edizione, ha

What are the drivers of consumers’ choice?

41% (+3pp vs Jan’24)

of consumers are less likely to visit restaurants, so when they go they are looking for **memorable experiences**

Circana.

Source: Circana - Foodservice Sentiment Study W12, May 2024

Values guide consumer choices

Growing focus on sustainability, well-being, health and identity

SUSTAINABILITY

51%
I'm more loyal to restaurants that care about sustainability

WELL-BEING

72%
Healthy food can be fun and creative

INCLUSION

71%
I expect restaurants to be inclusive towards consumers who have special dietary/food needs

IDENTITY

60%
I would like to know the brands of products used in restaurants

Care Casual

“The format of the future will be care casual, that place that will be able to take care of the planet, people and all customers with specific needs"

Matteo Figura,
Foodservice Italy Executive Director of Circana

From Fast-Casual to Care-Casual

The new generation of restaurants

Fast Casual

- Quality
- Premiumisation
- Transparency
- Convenience
- Experience
- Value for Money
- Try driven (LTO)

Care Casual

- Value Proposition and Brand Identity
- Innovation
- Storytelling
- Sustainability (I care about the world)
- Community wellbeing (I care about you)
- Inclusion (I care about all)
- Repeat driven - Loyalty Programs (instead of LTO)

Salmon Performance

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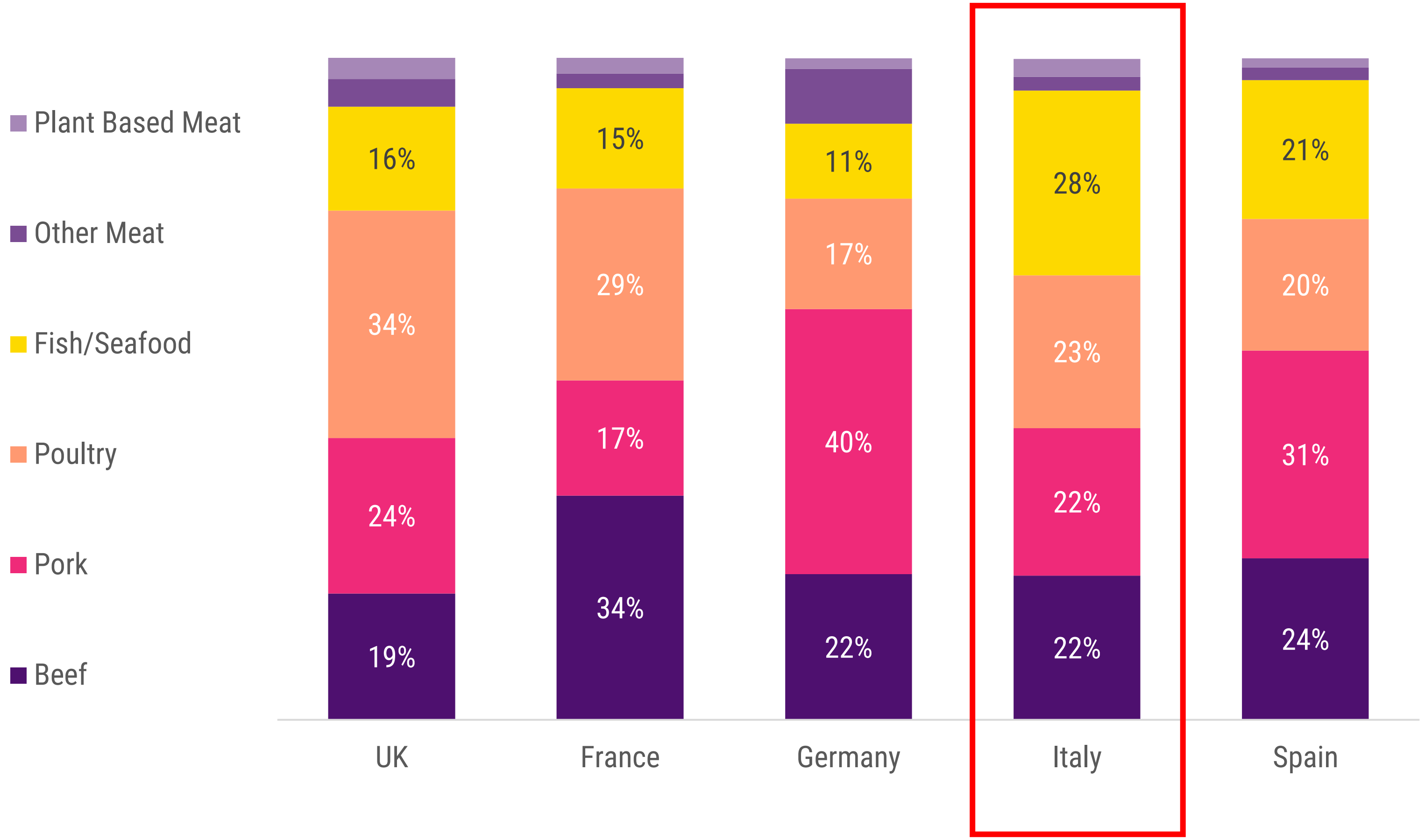
Protein structure in Big 5 countries

Fish/Seafood is overweighted in Italy comparing other main countries in Europe



2023 Servings% by Protein – BIG 5

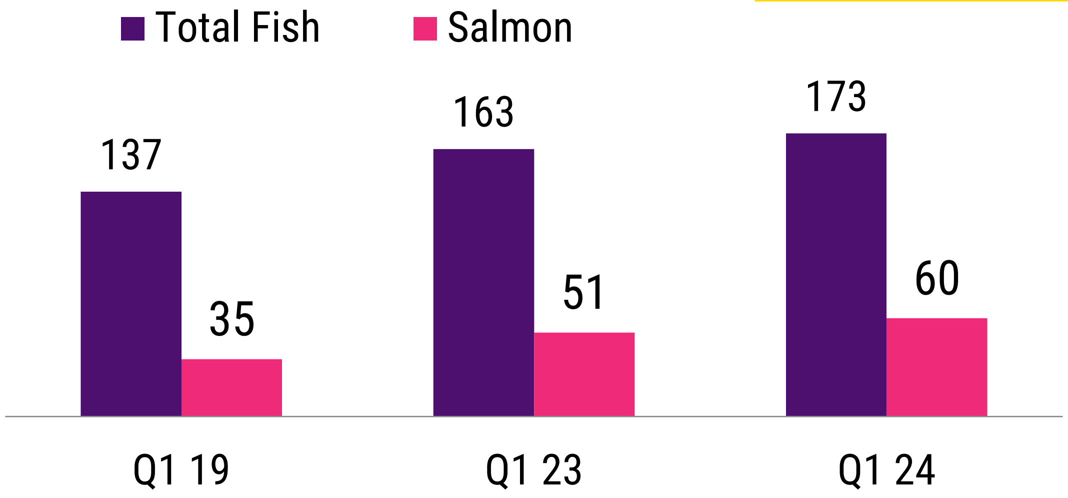
Source: CREST

Salmon performance

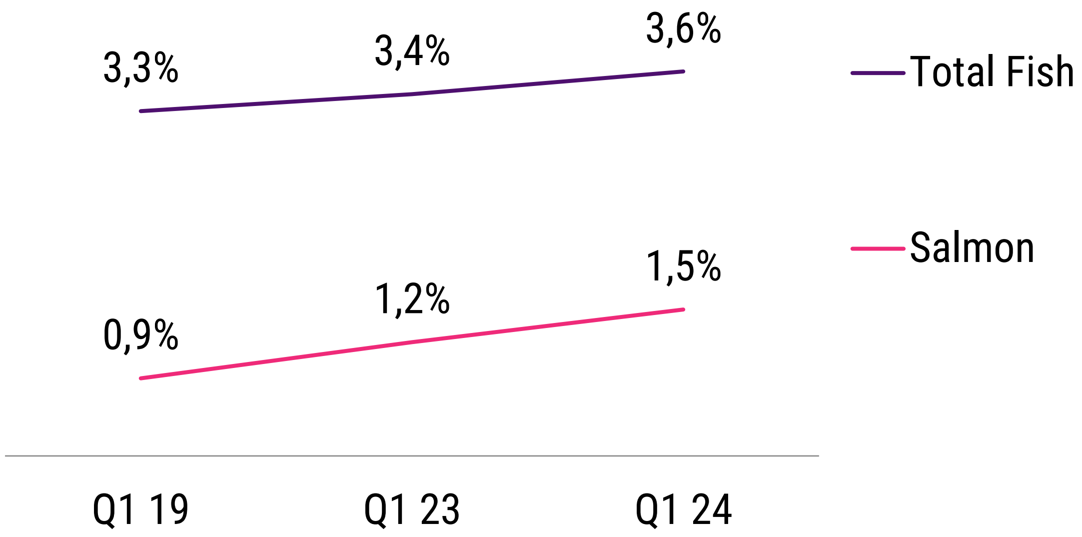
Salmon represents more than 1/3 of servings of Fish served in Q1 24. The consumption is increasing vs year ago.

Servings (million)

Q1 24 vs Q1 23
Total Fish: **+6%**
Salmon: **+17%**



Incidence %



Source: Circana - CREST® - Total OOH

Salmon – Q1 24

69%

of servings are

Sushi in Q1 24

(74% in Q1 23)

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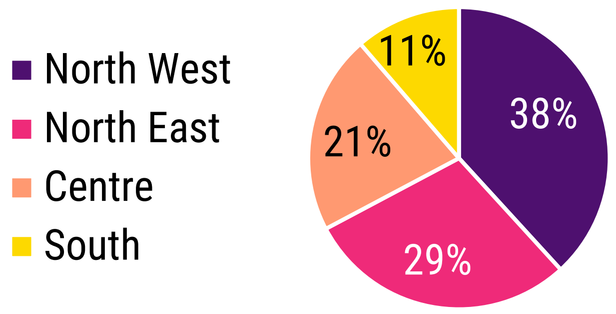
Source: Circana - CREST®

Salmon in Q1 24

The consumption is increasing during weekday and lunch

Area (Visits %)



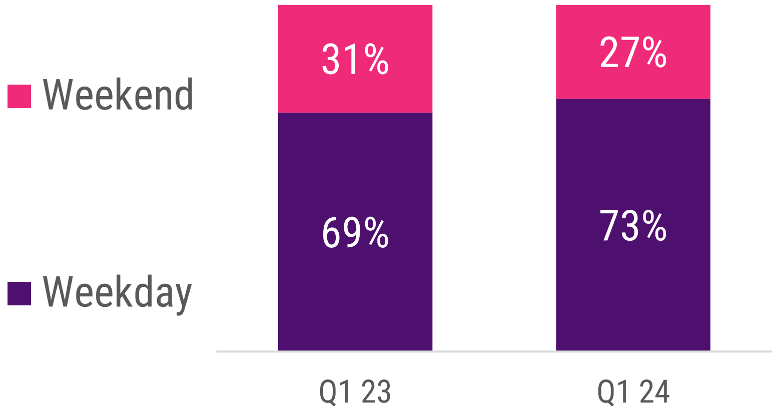
Channels

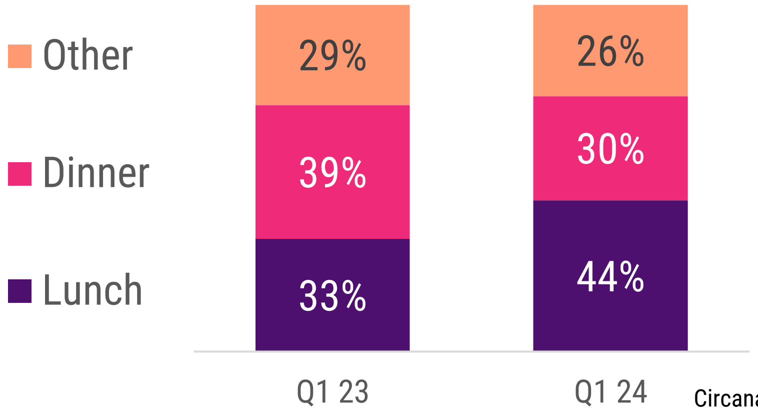
Top 3 channels by servings

1) QSR Global Cuisine Other
2) Workplace/School/Other Non-Comm
3) FSR Asian

58% in independents restaurant but chains are growing

Occasions (Visits %)

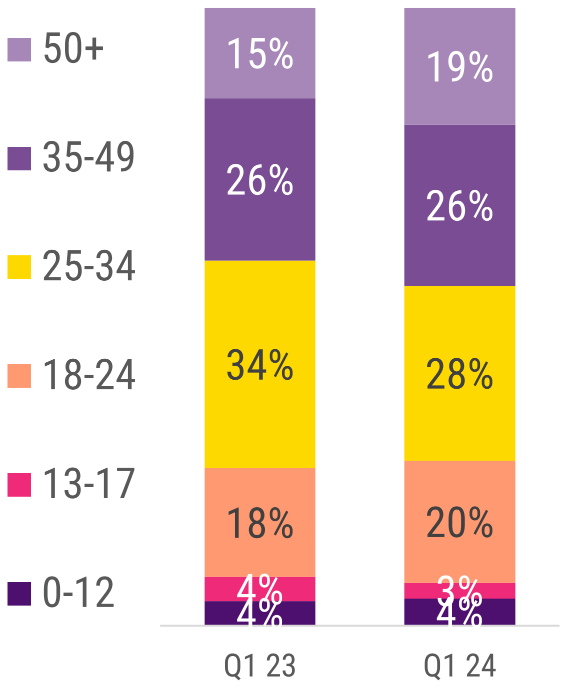


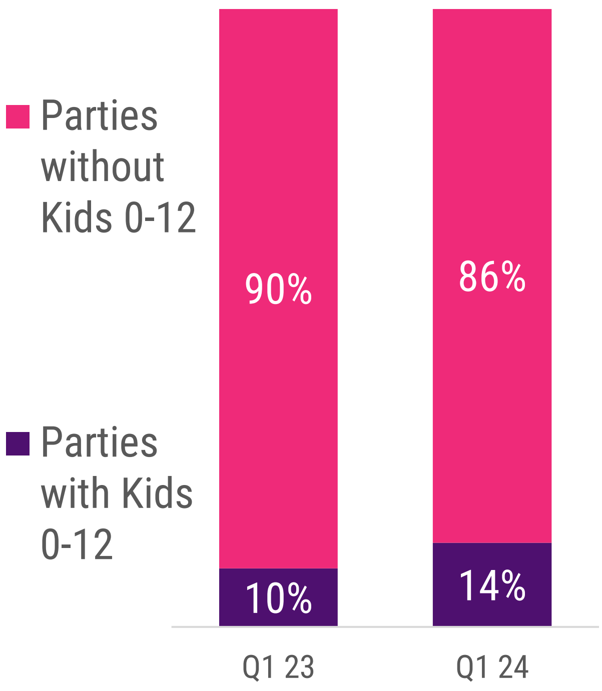


Salmon - Target

48% of consumer are 18-34 y.o. Increase of young Millennials and senior but also families.

Visits %





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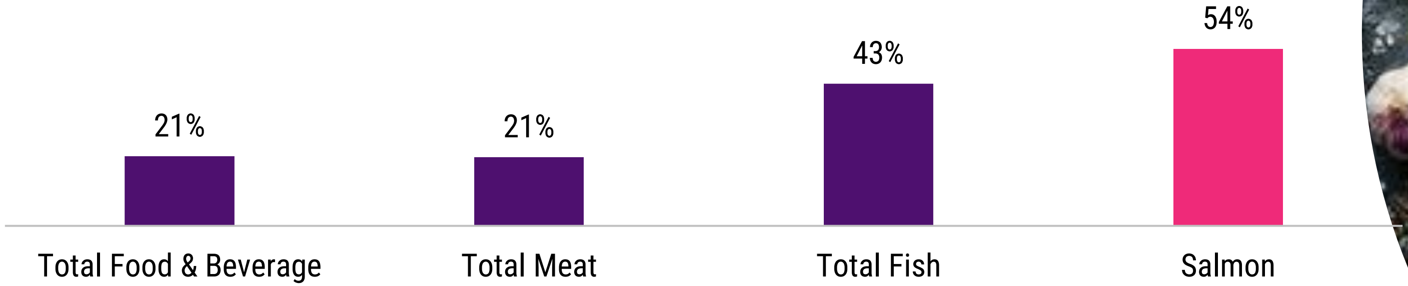
Source: Circana - CREST®

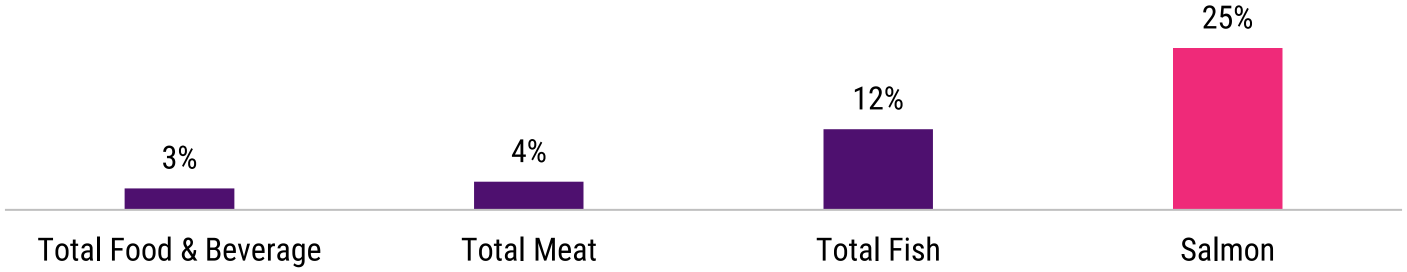
Quality and healthiness

These drivers are more relevant for Salmon when consumers decide where to eat out

Total OOH - Visits % driven by quality/offer of products - Q1 24



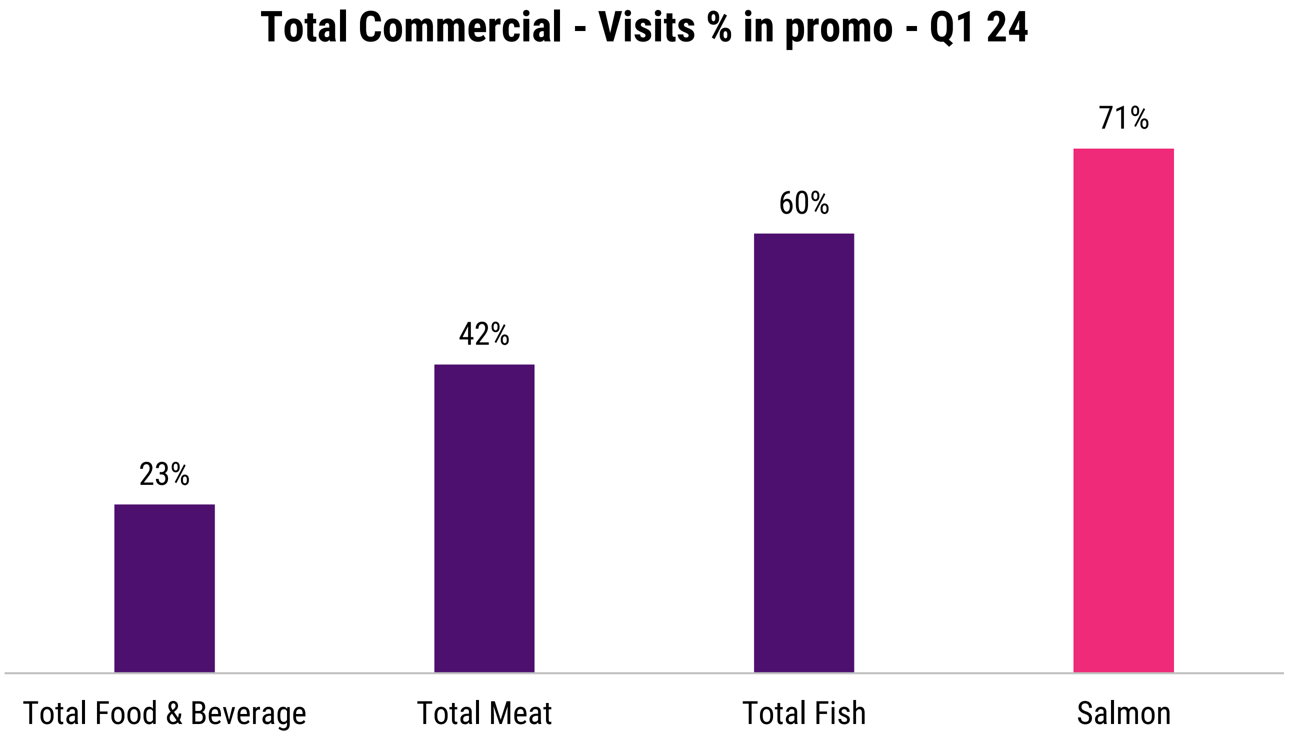
Total OOH - Visits % driven by light/healthy meal - Q1 24



Source: Circana - CREST®

Promotion

Salmon is more present than other products in visits that include at least one promotion



Source: Circana - CREST®

Could Salmon be a winning product?

- Value Proposition and Brand Identity
- Innovation
- Storytelling
- Sustainability (I care about the world)
- Community wellbeing (I care about you)
- Inclusion (I care about all)
- Promotion

Thank you

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