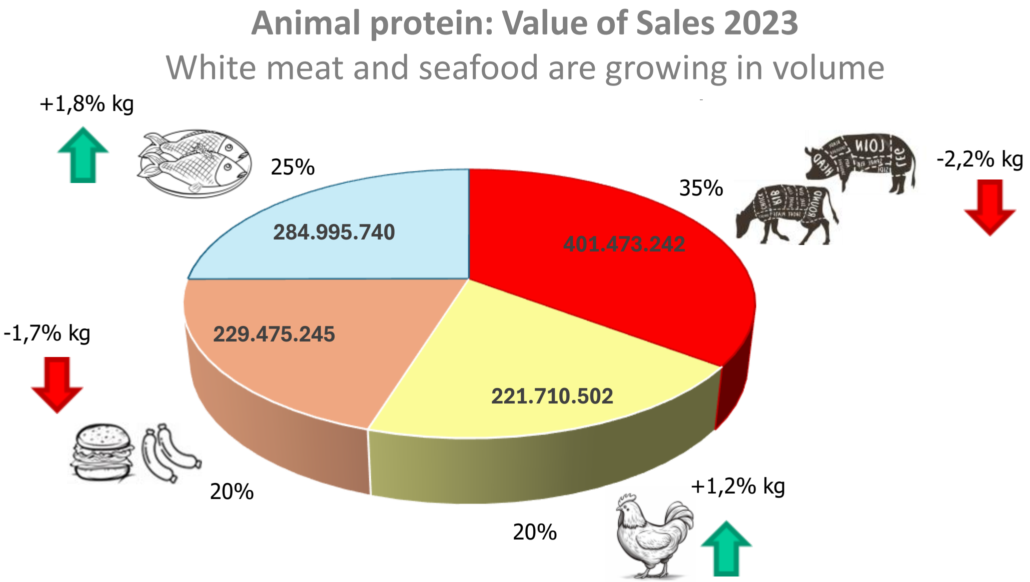
Seafood in Coop – Performances and trends

Consumption trend for animal protein

As of year ending December 2023, 75% of animal protein consumption is concentrated on red, white and processed meats.

Seafood represents 25% of the protein market in the fresh department.



2023 Sales

Sales in the Seafood Department in 2023 registered a growth of around 2% in both value and volume.

The species that grew the most in volume were:

Sea bream	+14%
African perch	+56%
Swordfish	+24%
Hake	+18%
Arctic cod	+2%
Cuttlefish	+18%
Squid	+ 7%
Shrimp	+18%

Trend

In most cases the growth is attributable to the deflation/stability of purchasing and selling prices.

2023 Sales

The seafood species that have registered the strongest declines were:

Sole	-12%
Monkfish	-5%
Octopus	-5%
Clams	-10%
Stockfish	-8%

Trend

The decline in sales of these species is attributable to the significant increase in purchase and sales prices and/or the shortage of raw material.

Salmon

Salmon, almost 90% of which comes from Norway, remains the most sold seafood product in terms of value, with over 92 million €.

However, in recent years it has registered a slightly declining trend and varying performances depending on the department.

As of the year ending December 2023, smoked salmon still represents the most sold product in terms of value, while in terms of volume the fresh salmon is the strongest product, and the only one showing a slight growth.

Coop Sales in 2023

Department	Sales in €	% TREND €	Sales in KG	% TREND KG
FROZEN	5.116.932	-4,4%	228.741	-18,9%
GASTRONOMIA LIBERO SERVIZIO	53.407.295	-0,6%	1.289.218	-14,3%
PESCHERIA	33.778.578	+1,0%	1.420.703	+0,2%
Total	**92.302.804**	**-0,2%**	**2.938.662**	**-8,3%**

Salmon

Sales in the first quarter of 2024 confirm the decline in frozen and smoked salmon and a growing trend in products from the fresh seafood department, but overall the product performance is negative.

Coop Sales 1st trimester 2024

Department	Sales in €	% TREND €	Sales in KG	% TREND KG
FROZEN	1.513.347	-4,0%	69.472	-2,7%
GASTRONOMIA LIBERO SERVIZIO	12.378.497	-7,5%	291.158	-10,3%
PESCHERIA	8.992.338	+2,2%	351.759	+0,4%
Total	**22.884.183**	**-3,7%**	**712.389**	**-4,5%**

We believe that the decline in sales can be related to the strong increase in Salmon purchase prices that started in 2022 and still continues today, which translates into very high sales prices.

Salmon: consumption trends

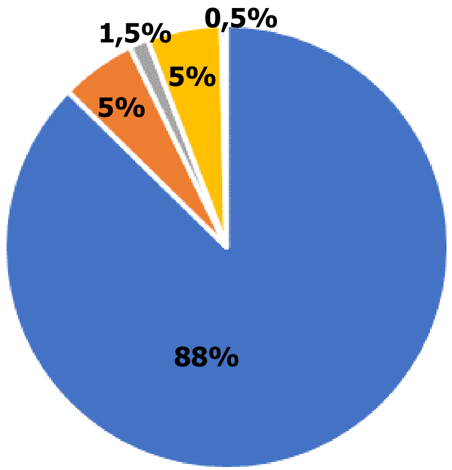
If we analyze consumer trends we can say that the natural salmon fillet, to be consumed after cooking, remains the most requested product, but the purchase of packaged products for raw consumption is growing:

Carpacci

Tartare

Sashimi

Type of salmon consumption



On the other hand, breaded, ready-to-cook or cooked salmon products are showing a declining trend

Packaged Salmon in the Seafood department

Packaged salmon (packaged either by an external supplier or in the store) represents today around 40% of total sales of natural salmon, while in the overall fish category the ratio of packaged product to natural fish sales stands at 25%.




The positive performance of packaged salmon sales derives from its presence in the assortment in almost all stores in the network, even those without a staffed fresh fish counter.

Sushi

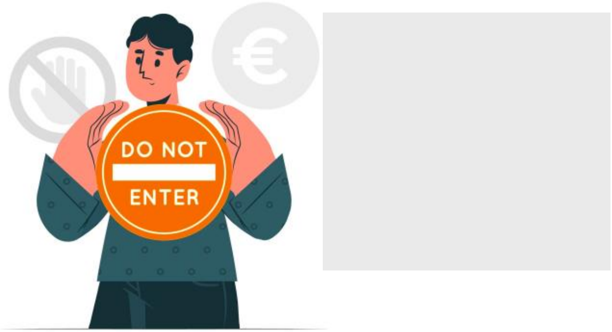
The growth of packaged products for raw consumption does not coincide with the performances of in-store Sushi Corners, which registered a decline in sales of over 3% at the end of 2023.

The proliferation of Asian Fusion restaurants has saturated the ethnic product market and is cannibalizing retail sales thanks to a rather competitive offer.

Salmon: barriers to consumption

The main barriers to salmon consumption are represented first and foremost by:

- High sales positioning
- Promotional activities often have little impact
- Limited assortment in stores that don’t have a staffed fish counter



Strategies for increasing Salmon sales

To incentivize sales of seafood in general and salmon specifically, Coop intends to:

- Expand our supplier base to reduce purchase prices
- Increase promotional activities on high-rotating items
- Offer, in stores without a staffed fish counter, a wider assortment of packaged products, capable of satisfying all consumers' needs in terms of type of cut and type of use
- Select farms that respect sustainability, animal welfare and good aquaculture practices

Activities developed in collaboration with Norwegian Seafood Council

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Coop product guidelines

- Reduced use of antibiotics
- Reduced fish density in farms
- No synthetic colourings in the feed
- No fats from land animals in the feed

Frozen salmon

Norwegian smoked salmon

Norwegian hot-smoked salmon

Scottish and wild smoked salmon

Natural fresh salmon

The consumer

The consumer today is very attentive to the following topics:

1) **Sustainability** in its various declinations: environmental, ethical-social and economic.

From this perspective, the focus is on:

- healthiness of marine environments
- traceability
- certifications
- animal welfare
- conscious use of the catch
- accidental catches
- food waste
- fish in fish out ratio in aquaculture
- accessibility of the product in economic terms

The consumer

2) **Quality & Taste:**

the consumer is looking for a tasty, satisfying and safe product that also guarantees a balanced diet

3) **Easyness of preparation & cooking** of the product:

- weakened culinary knowledge
- unfamiliarity with filleting and preparing fish
- the time needed to clean the fish and prepare elaborate recipes is difficult to reconcile with the time the consumer is willing to dedicate to preparing the food

The consumer

The consumer who shops at the Coop Fresh Seafood Department is mainly Over 55 y.o. with a constant value of spending.

The value of the receipt drops slightly, but the number of purchases increases.

The highest purchase frequency is in the 16-34 age group, with the number of receipts increasing by 30%, a sign that fish consumption is increasing mainly among the new generations.

Salmon purchases are concentrated in the 45+ age groups, that represent over 71% of the turnover; however, the fastest growing trend is registered in the 16 to 34 y.o. age groups.

Fasce età	incidenza	Trend %
65 +	29,6%	5,2%
55-64	23,0%	4,9%
45-54	18,8%	7,7%
35-44	9,9%	9,3%
25-34	3,5%	21,8%
20-24	0,2%	85,7%
16-19	0,0%	432,7%
UNCLASSIFIED	15,0%	-0,9%

The consumer

So what is the consumer looking for in the Fresh Seafood department?

The consumer

To meet the needs of the consumer, salmon distributors and farmers should offer a product that is:

- Safe
- Sustainable
- Tasty
- Easy to prepare
- **But… at an accessible price**

Grazie per la cortese attenzione