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the support it needs to thrive.

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Frozen Seafood in Multiple Retail (2022)

A market insight analysis (20m read)

R. Watson

December 2022

This factsheet provides a summary of the performance of frozen seafood in multiple retail to 8 October 2022

- **In 2022, concern around inflation, the Ukraine crisis and pressure on personal finances pushed shoppers once more to strongly prioritising saving money. This had the effect of seafood shoppers trading down and out of chilled and frozen seafood, into the cheapest sector, ambient.**

- **In the 52 wks. to 8 October 2022, frozen seafood sales were worth £0.99bn (-6.9%), with a volume of 129,235 tonnes (-10.3%) and an average price of £7.70/kg (+3.8%) (Nielsen Scantrack). Frozen retained its 25% value share of the £4.2bn seafood category but lost volume share at 32.4% (-1.8pp) to ambient.**

- **In the 52 wks. to October 2022, fewer shoppers bought frozen seafood. Penetration remained higher than that of chilled or ambient seafood, with 80.9% of shoppers buying frozen seafood. Compared with the previous year, shoppers bought frozen seafood less often with a smaller basket size. On average, frozen shoppers bought 0.56kg of frozen fish per trip spending £5.05; buying frozen seafood 10.4 times per year, spending a total of £42.65, equating to 7.65kg over the year.**

- **In the 52wks to 8 October 2022, all frozen segments were in full decline. Frozen sauce (-15.9%) saw the largest consumption decline, whilst frozen fingers (-4.3%) saw the least decline.**

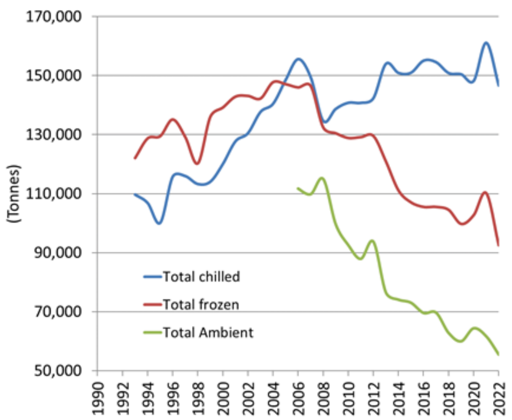
- **In 2022, cod continues to dominate the frozen seafood sector, increasing its value share of top the 10 species to 28%, through higher inflation than some other species. Frozen salmon made the largest share place gain, jumping from 8th place to 6th. Frozen squid (+8.0%), lobster (+28%) and seabass (+17%) were the main species with the highest volume growth.**

- **Compared to 2016, frozen seafood has gained significantly more (+12.9%) buyers in the D demographic. Becoming a slightly more affluent purchase overall, bought by larger households. Where children are present, there is a move to older children in the age group of 11 to 15 years.**

Historic retail seafood sector trends

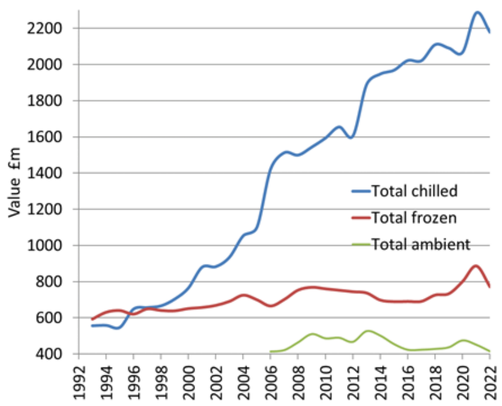
Over the long term, the seafood category has been in price driven growth, as inflation drives average price and consumption declines. Unlike the chilled sector, frozen seafood consumption has been in general decline since 2008. Frozen seafood volume sales briefly rallied in 2012 and 2018 in line with lower disposable household income. But in 2020, the COVID-19 epidemic triggered panic buying, working from home and school closures which had the effect of boosting all sectors, but particularly coated and natural frozen seafood which briefly pushed weekly volume sales +74% higher than the previous year. By mid-2021 the demand for frozen had slowed with chilled once more driving the category. In 2022, concern around inflation, the Ukraine crisis and pressure on personal finances pushed shoppers once more to strongly prioritising saving money. This had the effect of seafood shoppers trading down and out of chilled and frozen seafood into the cheapest sector, ambient.

Long Term GB Seafood Sector Volume Trends



Nielsen GB Scantrack/TNS

Long Term GB Seafood Sector Value Trends

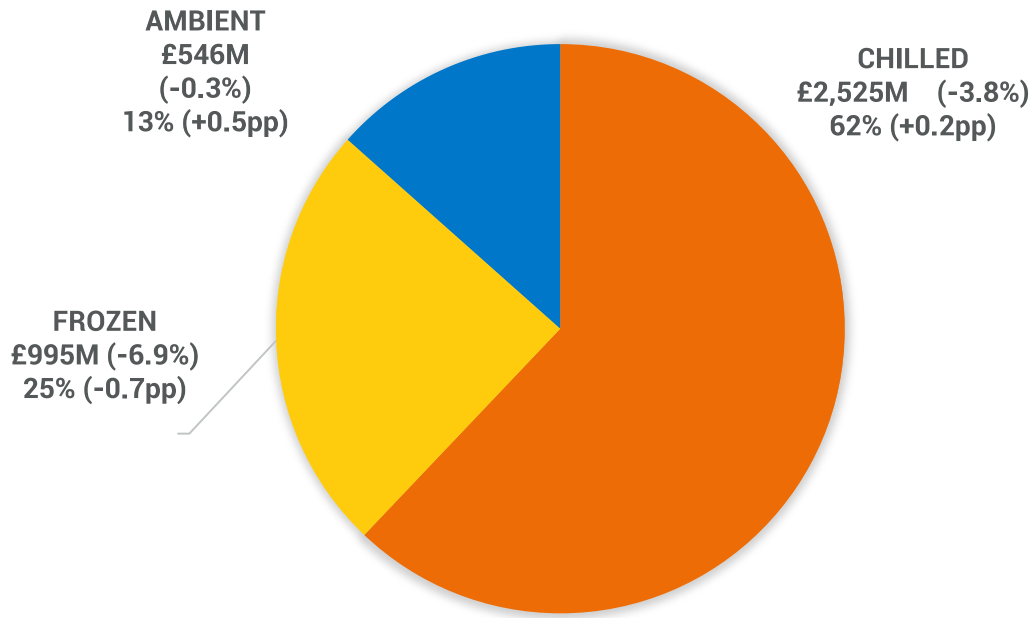


Nielsen GB Scantrack/TNS

Frozen seafood performance

Historically a sector in long term consumption decline, demand for frozen seafood slowed significantly again this year, responsible for driving total seafood. In the 52 wks. to 8 October 2022, frozen seafood sales were worth £0.99bn (-6.9%), with a volume of 129,235 tonnes (-10.3%) and an average price of £7.70/kg (+3.8%) (Nielsen Scantrack).

UK seafood sector share by value 2022



Nielsen Scantrack YE 08.10.22

Frozen retained its 25% value share of the £4.2bn seafood category but lost volume share at 32.4% (-1.8pp) to ambient.

Over the long term (10 years to 8 October 2022), frozen seafood just avoided full decline, remaining in price driven growth, with value up +0.8% and volume down by -27.6%. Frozen average price per kg grew by +39.3%, compared to chilled and ambient where inflation was around +25%.

Frozen seafood KPIs

In the 52 wks. to October 2022, fewer shoppers bought frozen seafood. Penetration remained higher than that of chilled or ambient seafood, with 80.9% of shoppers buying frozen seafood. Compared with the previous year, shoppers bought frozen seafood less often with a smaller basket size. On average, frozen shoppers bought 0.56kg of frozen fish

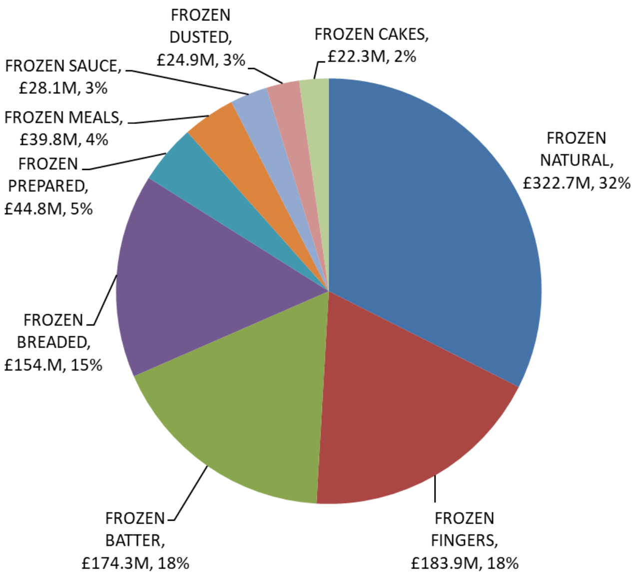
per trip spending £5.05; buying frozen seafood 10.4 times per year, spending a total of £42.65, equating to 7.65kg over the year.

Frozen seafood KPIs 2022

		Pen %	Freq	AWOP (Kg) 52w	Avg. Spend (£) 52w	Trip Spend (£)	Price per Kg	Avg. Trip Kg
TOTAL SEAFOOD	09 OCT 2021	96.10	29.90	15.56	£146.85	£4.91	£9.44	0.52
	08 OCT 2022	95.50	28.90	14.53	£139.70	£4.83	£9.61	0.50
	% Change	-0.7	-3.3	-6.6	-4.9	-1.6	1.9	-3.4
CHILLED SEAFOOD	09 OCT 2021	81.90	20.10	8.16	£102.26	£5.09	£12.53	0.41
	08 OCT 2022	80.90	19.40	7.65	£97.98	£5.05	£12.80	0.39
	% Change	-1.2	-3.5	-6.3	-4.2	-0.7	2.2	-2.9
FROZEN SEAFOOD	09 OCT 2021	86.30	11.20	6.13	£44.86	£4.02	£7.31	0.55
	08 OCT 2022	84.10	10.40	5.62	£42.65	£4.12	£7.59	0.54
	% Change	-2.5	-7.1	-8.3	-4.9	2.3	3.7	-1.3
AMBIENT SEAFOOD	09 OCT 2021	76.40	9.00	3.91	£24.54	£2.72	£6.28	0.43
	08 OCT 2022	75.60	9.00	3.90	£24.06	£2.66	£6.16	0.43
	% Change	-1.1	0.3	-0.3	-2.0	-2.3	-1.9	-0.6

Nielsen Homescan YE 08.10.22

Segment value share of UK frozen seafood 2022 (£m)



Nielsen Scantrack YE 08.10.22

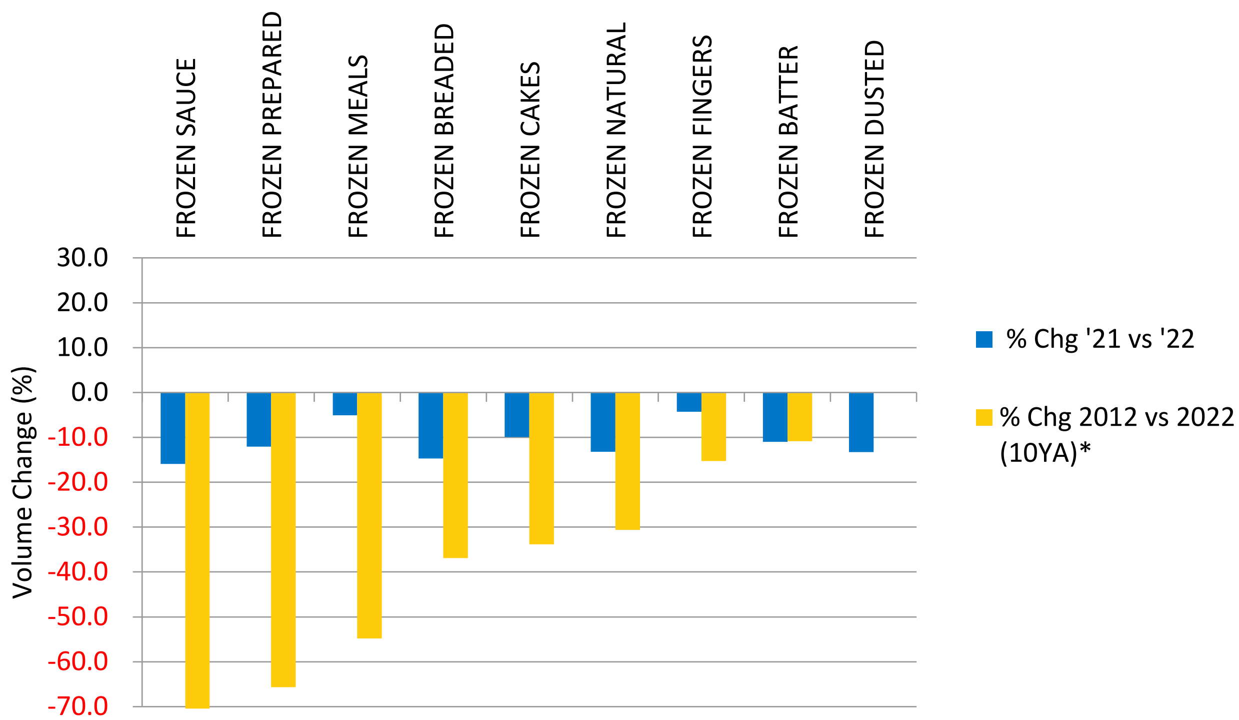
Frozen seafood segment performance

The frozen natural segment (i.e., includes no additional ingredients) lost share (-1.2pp), but remains the largest frozen segment by value; worth £322.7m (-10.2%), with 33,938 (-13.2%) tonnes and an average price of £9.51/kg (+3.4%). Frozen natural has the highest average price of all the frozen segments but remains popular due to its perceived quality. Frozen fingers take the second largest share at 18%, (+0.7pp), batter 18%, (+0.5pp) and breaded 16% (-0.4pp). Frozen fingers showed the largest volume share increase (+0.7pp).

In the 52wks to 8 October 2022, all frozen segments were in full decline. Frozen sauce (-15.9%) saw the largest consumption decline, whilst frozen fingers (-4.3%) saw the least decline.

Over the 10 years to 8 October 2022, none of the frozen segments were in full growth; even the boost from COVID-19 was not sufficient to overcome the long term volume decline in all segments. Frozen batter lost the least volume; frozen sauce was the hardest hit, losing up to -87% volume in the past 10 years.

Long & short-term frozen segment volume trends (2012/21 vs 2022)



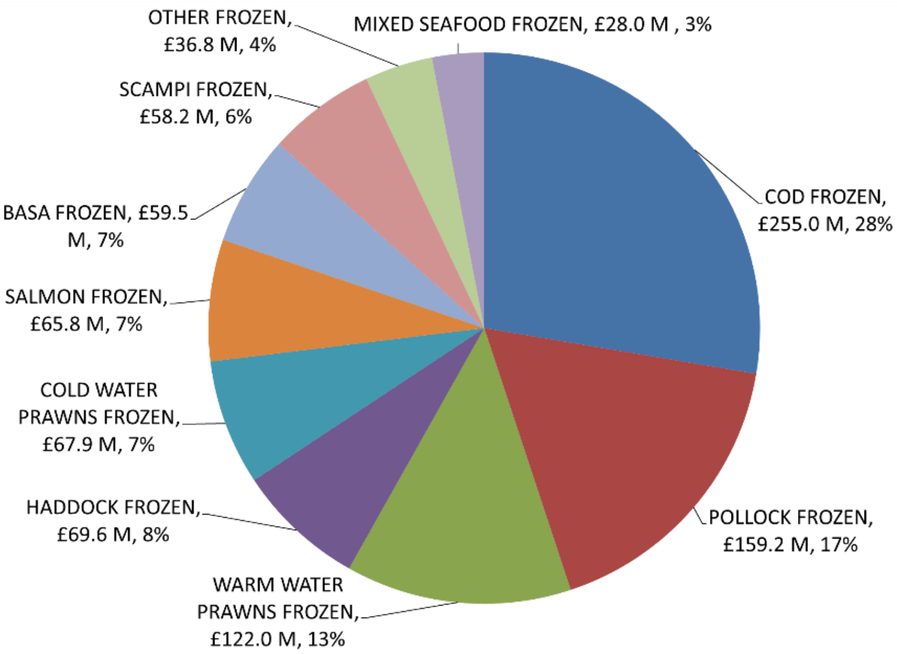
(Data: Nielsen Scantrack – 10yrs/52wks to 08.10.22)

UK frozen seafood segment performance to 2022

	Value Sales £ ('000)					Volume Sales (tonnes)					Price per Kg		
	2020 52wks to 08.10.20	2021 52wks to 08.10.21	2022 52wks to 08.10.22	% Chg '21 vs '22	% Chg 2012 vs 2022 (10YA)*	2020 52wks to 08.10.20	2021 52wks to 08.10.21	2022 52wks to 08.10.22	% Chg '21 vs '22	% Chg 2012 vs 2022 (10YA)*	Avg Price 2022	% Chg '21 vs '22	% Chg 2012 vs 2022 (10YA)*
FISH	4,080,280	4,242,649	4,065,887	-4.2	11.9	410,080	420,729	398,473	-5.3	-17.9	£10.20	1.2	36.3
CHILLED	2,424,862	2,625,763	2,524,750	-3.8	25.9	182,153	194,659	179,670	-7.7	0.8	£14.05	4.2	24.8
FROZEN	1,054,757	1,068,856	994,738	-6.9	0.8	142,098	144,095	129,235	-10.3	-27.6	£7.70	3.8	39.3
AMBIENT	600,661	548,030	546,400	-0.3	-18.7	85,830	81,974	89,568	9.3	-35.1	£6.10	-8.7	25.3
FROZEN NATURAL	342,717	359,391	322,680	-10.2	-8.2	34,510	39,102	33,938	-13.2	-30.7	£9.51	3.4	32.3
FROZEN FINGERS	198,043	189,715	183,879	-3.1	16.1	37,353	34,788	33,306	-4.3	-15.3	£5.52	1.2	37.1
FROZEN BATTER	165,702	182,052	174,315	-4.3	32.0	21,392	24,246	21,569	-11.0	-10.9	£8.08	7.6	48.1
FROZEN BREADED	177,896	169,598	154,033	-9.2	-10.9	22,488	20,857	17,798	-14.7	-36.9	£8.65	6.4	41.2
FROZEN PREPARED	36,903	46,325	44,794	-3.3	-41.3	4,462	5,146	4,526	-12.1	-65.6	£9.90	9.9	70.6
FROZEN MEALS	39,074	38,894	39,755	2.2	-37.5	9,103	8,866	8,414	-5.1	-54.8	£4.72	7.7	38.2
FROZEN SAUCE	35,680	31,409	28,094	-10.6	-70.0	4,290	3,568	3,001	-15.9	-86.7	£9.36	6.4	124.6
FROZEN DUSTED	32,474	27,941	24,915	-10.8	#N/A	3,349	2,854	2,475	-13.3	#N/A	£10.06	2.8	#N/A
FROZEN CAKES	26,268	23,530	22,274	-5.3	-16.8	5,151	4,667	4,207	-9.9	-33.8	£5.30	5.0	25.8

*Nielsen Scantrack YE 08.10.22 (*10yr GB)*

Top frozen species value share UK 2022



Nielsen Scantrack YE 08.10.22

Frozen Seafood Species

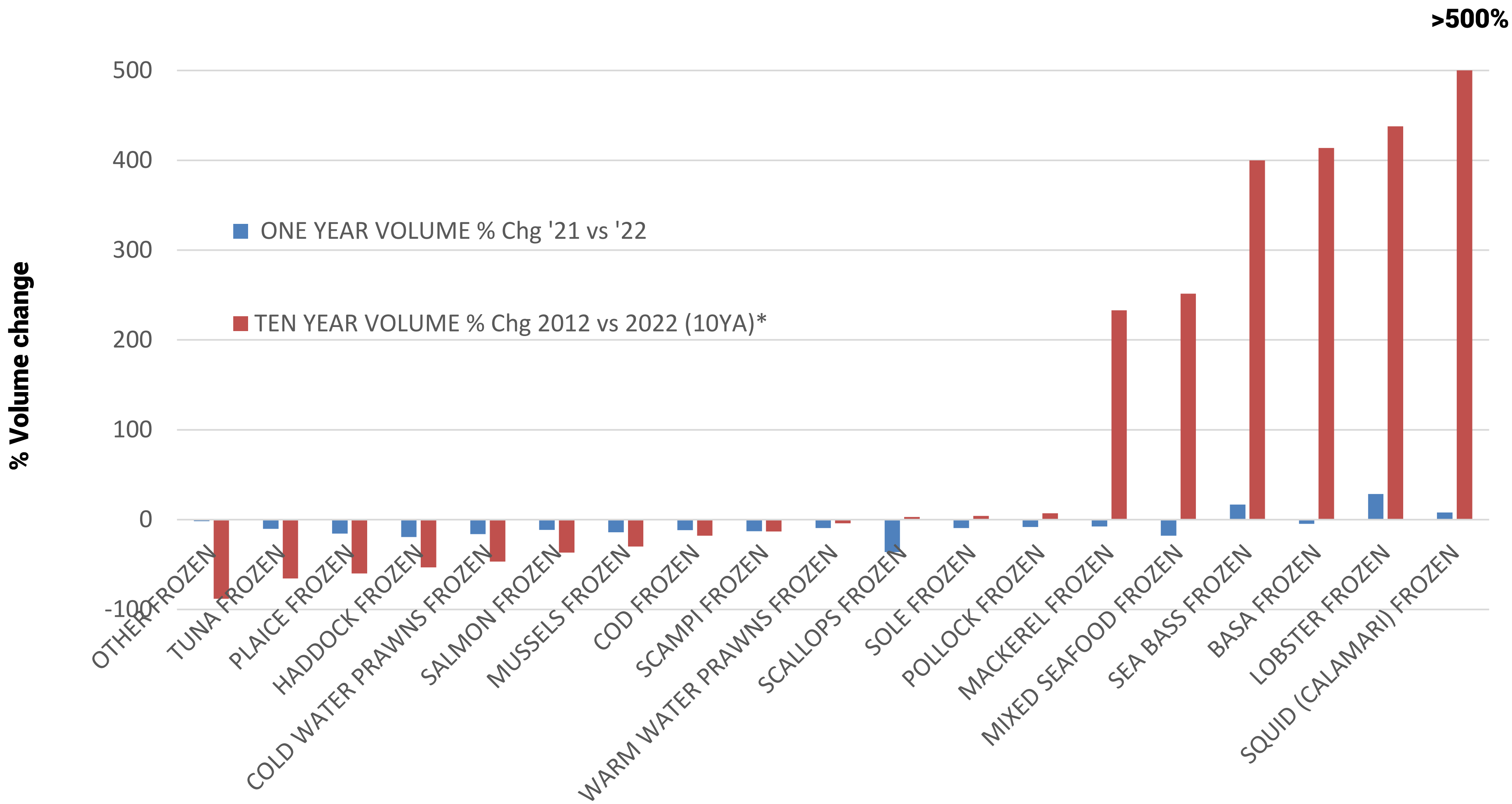
In 2022, cod continues to dominate the frozen seafood sector, increasing its value share of top the 10 species to 28%, through higher inflation than some other species. Frozen salmon made the largest share place gain, jumping from 8th place to 6th.

Frozen pollock (Alaskan pollack) saw lower volume and value decline than cod and other top ten species. As the financial crisis intensifies it is likely that pollock will take share from cod due to its lower average price.

Frozen squid (+8.0%), lobster (+28%) and seabass (+17%) were the main species with the highest volume growth. These species commonly associated with foodservice, and growth may be driven by the slow re opening of foodservice and consumers looking to 'dine in' to save money. Conversely, cod (-12%), haddock (-19%) coldwater prawns (-16%) and mixed seafood (-18%) had the highest volume declines.

Over the 10 years to 8 October 2022, frozen basa, seabass, mixed seafood, squid, lobster, sea bass and mackerel were the top performing species, with volume growth of up to 700%. Over the same 10-year period, frozen species in full decline included, haddock, cold water prawns, salmon, and the cheaper 'other' unnamed seafood. Significant price increases can be behind volume decline; but despite price increases of +18% and +31% respectively, squid and seabass saw strong long-term growth. Farmed frozen alternatives to cod and haddock such as seabass and basa (Pangasius) continue to grow volume very strongly at around +400%. Frozen squid showed the highest long term volume growth at +669%.

Frozen seafood species volume performance 2022



Nielsen Scantrack – 10yrs (GB) /52wks UK to 08.10.22) seafish

Frozen seafood species performance to 2022

*Nielsen Scantrack YE 08.10.22 (*10yr GB)*

	Value Sales £ ('000)					Volume Sales (tonnes)					Price per Kg		
	2020 52wks to 08.10.20	2021 52wks to 08.10.21	2022 52wks to 08.10.22	% Chg '21 vs '22	% Chg 2012 vs 2022 (10YA)*	2020 52wks to 08.10.20	2021 52wks to 08.10.21	2022 52wks to 08.10.22	% Chg '21 vs '22	% Chg 2012 vs 2022 (10YA)*	Avg Price 2022	% Chg '21 vs '22	% Chg 2012 vs 2022 (10YA)*
FISH	4,080,280	4,242,649	4,065,887	-4.2	11.9	410,080	420,729	398,473	-5.3	-17.9	£10.20	1.2	36.3
FROZEN	1,054,757	1,068,856	994,738	-6.9	0.8	142,098	144,095	129,235	-10.3	-27.6	£7.70	3.8	39.3
COD FROZEN	284,021	276,333	254,954	-7.7	12.5	38,950	39,289	34,737	-11.6	-17.9	£7.34	4.4	37.1
POLLOCK FROZEN	163,181	162,974	159,233	-2.3	29.0	31,370	31,232	28,645	-8.3	7.1	£5.56	6.5	20.4
WARM WATER PRAWNS FROZEN	124,097	133,298	121,968	-8.5	21.6	10,132	10,384	9,417	-9.3	-4.2	£12.95	0.9	27.0
HADDOCK FROZEN	79,872	78,502	69,606	-11.3	-35.1	9,963	10,010	8,076	-19.3	-53.0	£8.62	9.9	38.2
COLD WATER PRAWNS FROZEN	69,766	76,522	67,883	-11.3	-11.0	6,310	6,969	5,855	-16.0	-46.6	£11.59	5.6	66.8
SALMON FROZEN	72,969	68,683	65,783	-4.2	-22.1	7,944	7,701	6,816	-11.5	-36.7	£9.65	8.2	23.0
BASA FROZEN	54,978	62,147	59,505	-4.3	407.4	7,329	8,736	8,338	-4.6	413.9	£7.14	0.3	-1.2
SCAMPI FROZEN	59,407	65,137	58,244	-10.6	1.7	5,624	6,371	5,558	-12.8	-13.3	£10.48	2.5	17.2
OTHER FROZEN	44,369	36,292	36,823	1.5	-84.0	13,164	9,007	8,853	-1.7	-88.2	£4.16	3.2	36.4
MIXED SEAFOOD FROZEN	31,033	31,353	28,048	-10.5	266.4	3,953	3,789	3,114	-17.8	251.5	£9.01	8.9	4.3
SQUID (CALAMARI) FROZEN	10,584	13,419	13,936	3.9	802.7	1,026	1,441	1,557	8.0	668.2	£8.95	-3.9	17.6
SHRIMPS FROZEN	6,161	8,438	7,499	-11.1	N/A	409	548	518	-5.5	N/A	£14.48	-6.0	N/A
TUNA FROZEN	8,356	7,915	7,003	-11.5	-41.7	995	926	833	-10.1	-65.6	£8.41	-1.5	69.3
LOBSTER FROZEN	4,011	3,905	5,944	52.2	763.9	171	173	222	28.7	437.9	£26.77	18.3	60.6
SCALLOPS FROZEN	6,140	8,130	5,587	-31.3	50.4	253	345	221	-36.0	2.8	£25.30	7.4	46.3
SEA BASS FROZEN	5,075	5,008	5,405	7.9	246.9	419	394	461	16.9	399.9	£11.73	-7.7	-30.6
SOLE FROZEN	6,826	5,602	5,256	-6.2	-3.7	616	510	462	-9.5	4.2	£11.39	3.6	-7.6
MACKEREL FROZEN	2,503	5,251	4,813	-8.3	237.1	693	3,828	3,535	-7.7	232.9	£1.36	-0.7	1.3

Frozen seafood shopper

In 2022, Nielsen demographics define the frozen seafood shopper as younger and less affluent than the typical seafood shopper. Frozen seafood has a higher proportion of C2/D/E shoppers. predominantly, younger in two or three/four person households and are more likely to have children present. Where children are present, they are typically aged 5-10 yrs.

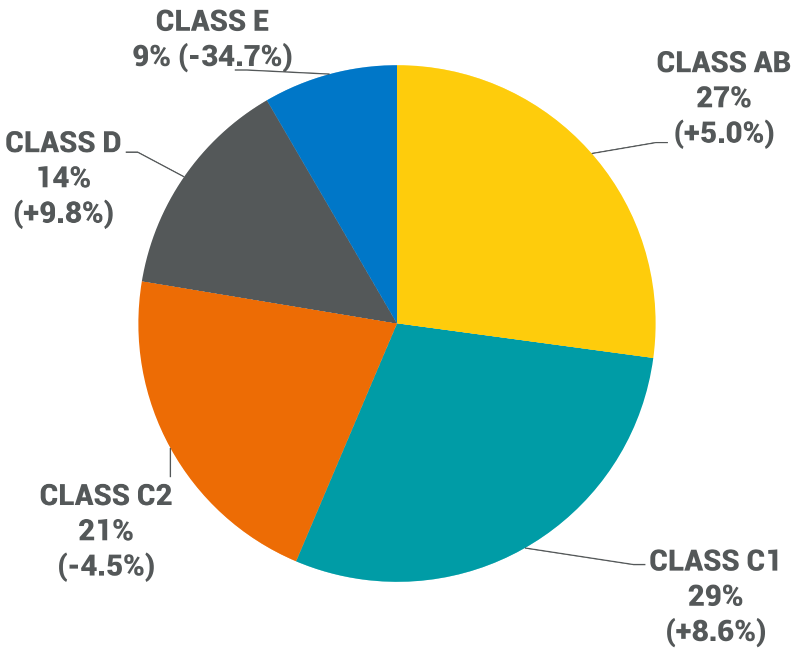
Seafood sector demographics 2022 (volume share %)

	TOTAL SEAFOOD (% Share)	Total % Chg	CHILLED (% Share)	Chilled % Chg	FROZEN	Froz % chg
CLASS AB	30.8	5.0	35.2	6.5	27.1	5.6
CLASS C1	29.9	8.6	30.1	10.0	29.2	6.1
CLASS C2	19.6	-4.5	17.5	-2.8	21.2	-6.9
CLASS D	12.2	9.8	10.6	13.3	14.0	12.9
CLASS E	7.5	-34.7	6.7	-45.9	8.4	-27.2
SIZE 1 MEMBER	22.8	-3.6	25.6	-7.8	19.9	3.2
SIZE 2 MEMBERS	37.4	-11.2	40.4	-12.2	35.5	-9.6
SIZE 3.4 MEMBERS	29.1	3.8	24.7	9.1	33.1	0.5
SIZE > 5 MEMBERS	10.7	71.6	9.4	155.1	11.5	35.0
<35 YEARS	9.9	-14.5	8.6	-7.0	10.7	-17.7
35 TO 44 YEARS	24.6	52.3	23.8	73.1	24.9	40.5
45 TO 64 YEARS	15.9	-56.1	12.9	-61.9	18.4	-51.6
65+ YEARS	49.6	37.7	54.7	27.0	46.0	47.1
CHILDREN YES	24.3	7.5	19.1	20.3	28.6	-0.1
CHILDREN NO	75.7	-2.2	80.9	-3.8	71.4	0.1
CHILD 0 TO 4 YEARS	24.0	-5.5	25.2	-3.4	23.9	-5.5
CHILD 5 TO 10 YEARS	38.5	-3.9	37.5	-5.4	39.2	-3.7
CHILD 11 TO 15 YEARS	37.5	8.6	37.3	8.7	36.9	8.5
PRE FAMILY	5.1	-13.7	5.3	-8.2	4.3	-20.0
NEW FAMILY	4.6	-1.3	4.2	21.2	4.9	-13.5
MATURING FAMILIES	12.4	3.3	9.2	13.2	15.2	-2.6
ESTABLISHED FAMILIES	10.0	19.0	8.1	24.1	11.4	14.8
POST FAMILIES	15.1	-9.1	14.3	-12.1	15.0	-5.5
OLDER COUPLES	35.7	-1.1	39.1	-1.8	34.3	0.2
OLDER SINGLES	17.1	4.9	19.9	-1.1	14.8	12.2

Nielsen Homescan YE 08.10.22

Compared to 2016, frozen seafood has gained significantly more (+12.9%) buyers in the D demographic. Becoming a slightly more affluent purchase overall, bought by larger households. Where children are present, there is a move to older children in the age group of 11 to 15 years.

Class shares of frozen seafood 2022 (volume)



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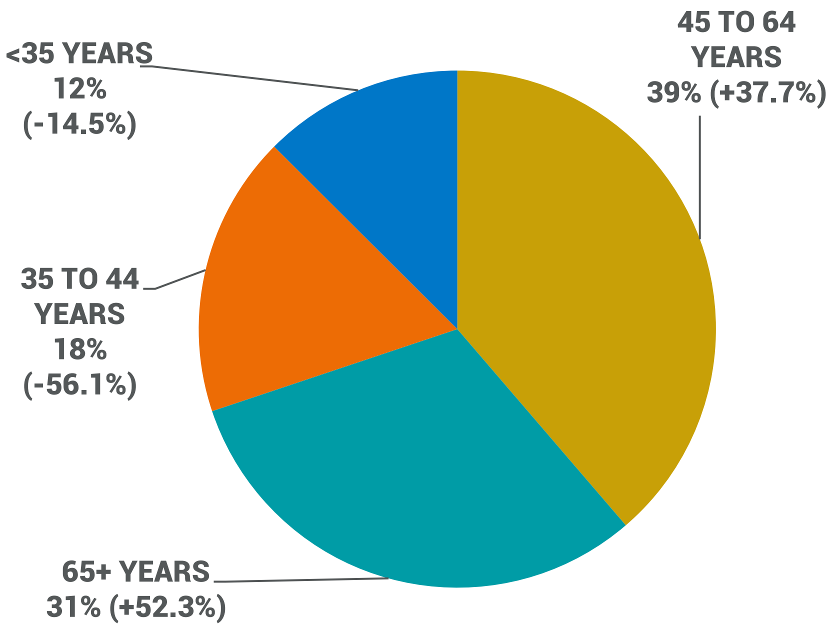
Age - share of frozen seafood 2022 (volume)



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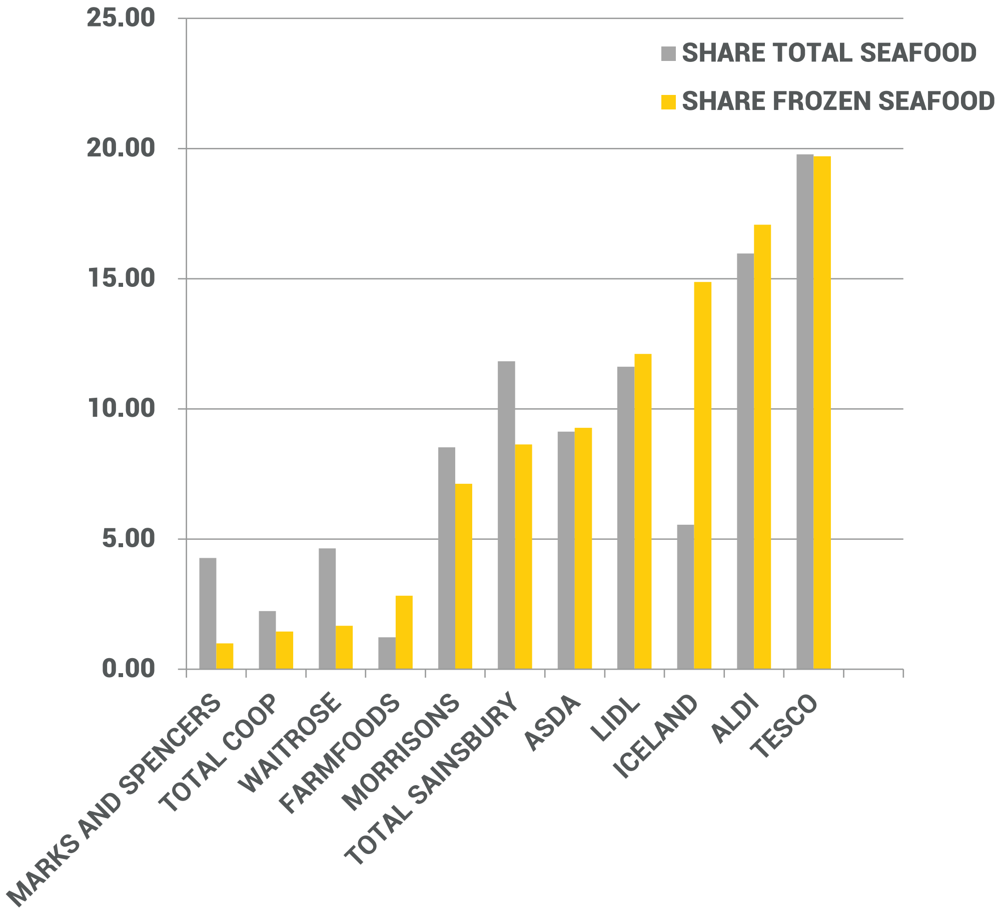
Grocer share of seafood and total grocery 2022 (volume)



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Where are shoppers purchasing frozen seafood?

In 2022, Aldi and Lidl are the only retailers to increase share of frozen seafood from 2020. Aldi share of frozen seafood is growing fast and likely to replace Tesco as the largest frozen seafood retailer within the next five years.

Aldi has seen the highest long term total seafood growth from a 1.5% share in 2008 to 16% in 2022 (data includes recent Nielsen adjustment to improve discounter product capture); the price, quality and 'Britishness' messages continuing to resonate with shoppers. Prior to the Ukraine crisis and increasing inflation seafood shoppers priority was on quality but is not firmly focused on saving money for the foreseeable future. This will ensure the discounters Aldi and Lidl continue to grow share.

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