

ALDI Australia's Price Report 2022



Executive Summary

This report confirms that groceries are a key affordability concern for many Australians. It also shows in black-and-white the savings ALDI provides to Australian customers.



Oliver Bongardt
Managing Director, Buying
ALDI Australia

The last two years have been a challenge for many Australians. As cost of living concerns reverberate around the country, driven by inflationary pressures and supply chain challenges, price is now the single most important factor in the weekly grocery shop (45%) with half of Australians taking greater consideration of price in the last year (49%).

Ordinary Australians are being forced to re-examine every purchase, from the petrol we pump into our cars to how many streaming services we sign up to.

This Price Report confirms that Aussies are worried. It also shows in black-and-white the savings we provide to our Australian customers, with a basket of goods at ALDI 15.6% cheaper than competitors, we can save an average Australian family \$1,555 a year - and that's if they already shop for the cheapest products at a competitor supermarket.

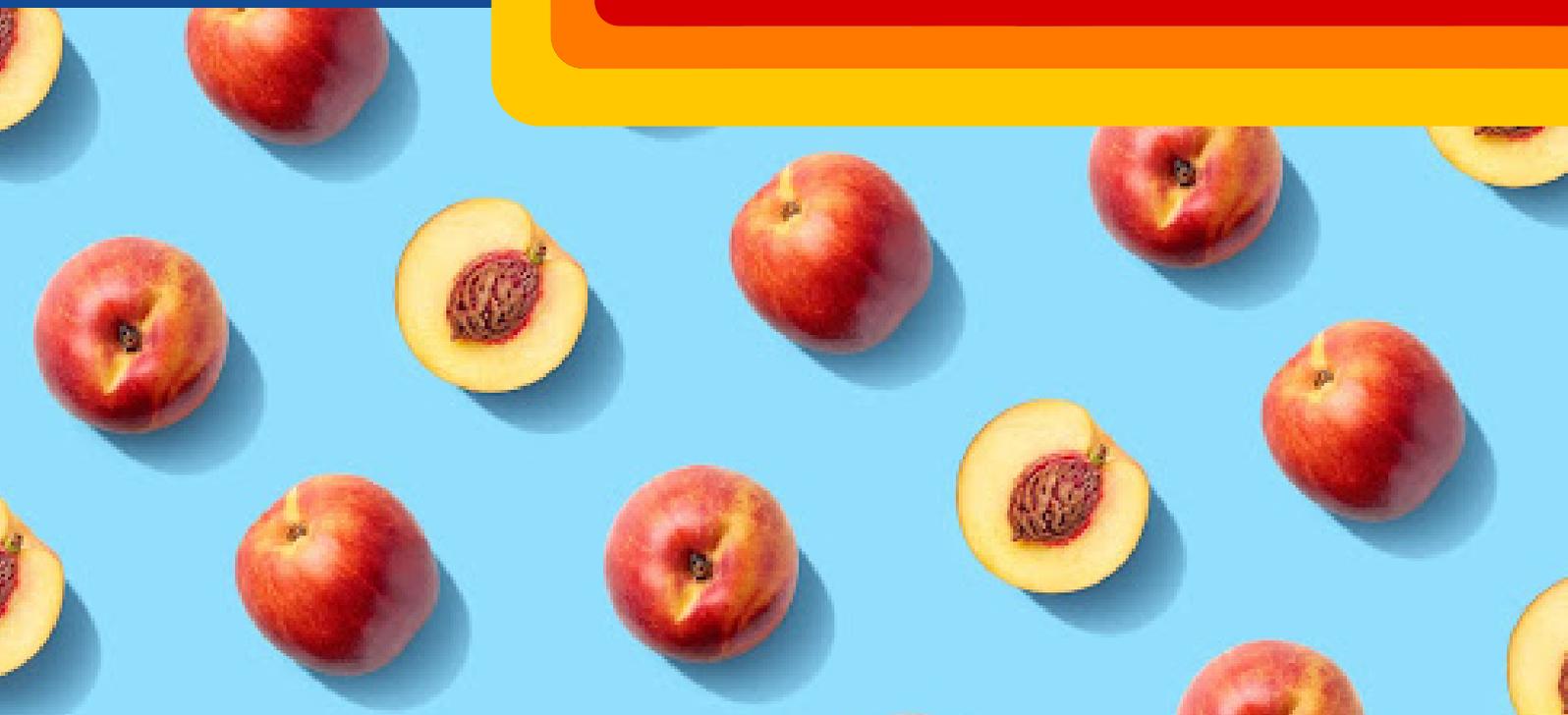
Price is front-of-mind for Australians and is always front-of-mind for us. Every aspect of ALDI in Australia was built to offer the lowest prices in the market, from our smaller format stores to our carefully curated range of high quality groceries. Because of this, we saved our customers \$2.7 billion in 2021.

Don't shop with ALDI? You're missing out, but we still help your back pocket. As a price influencing competitor to the other major supermarkets, the downward pressure we put on grocery prices in Australia has saved even non-ALDI shoppers over \$7 billion since we came to the market.

We are here to say to Australians as they face the headwinds of increased costs that we will never give up on offering you the best possible prices in the market. We will maintain our price gap, even if prices on individual items do go up. Across our 580 stores, we will deliver the best value groceries to Australians.

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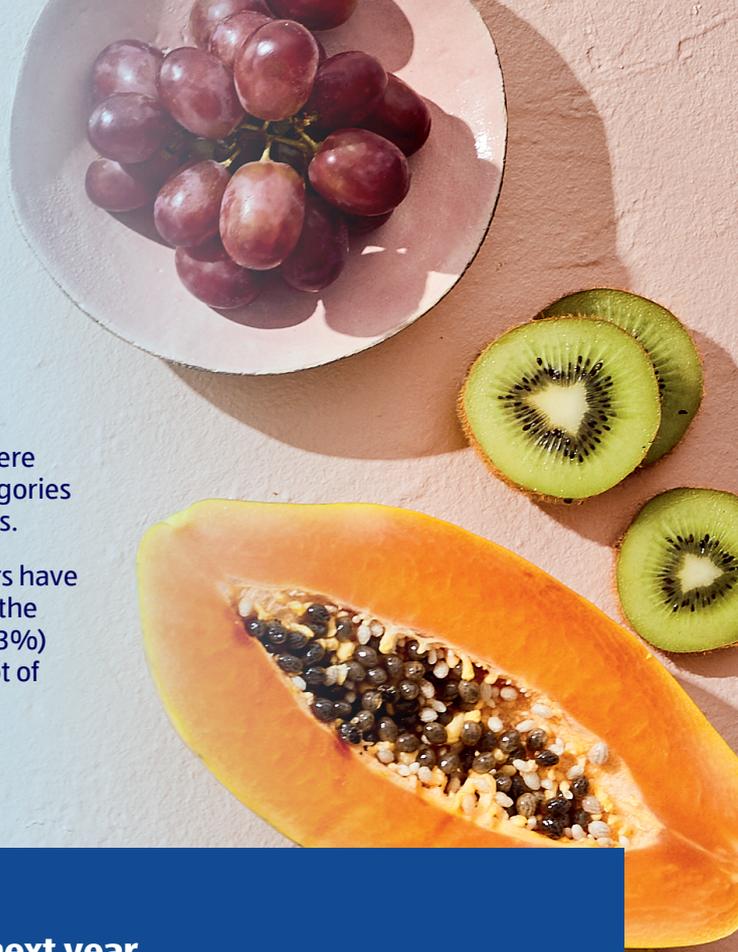
Section 1

Aussies under pressure

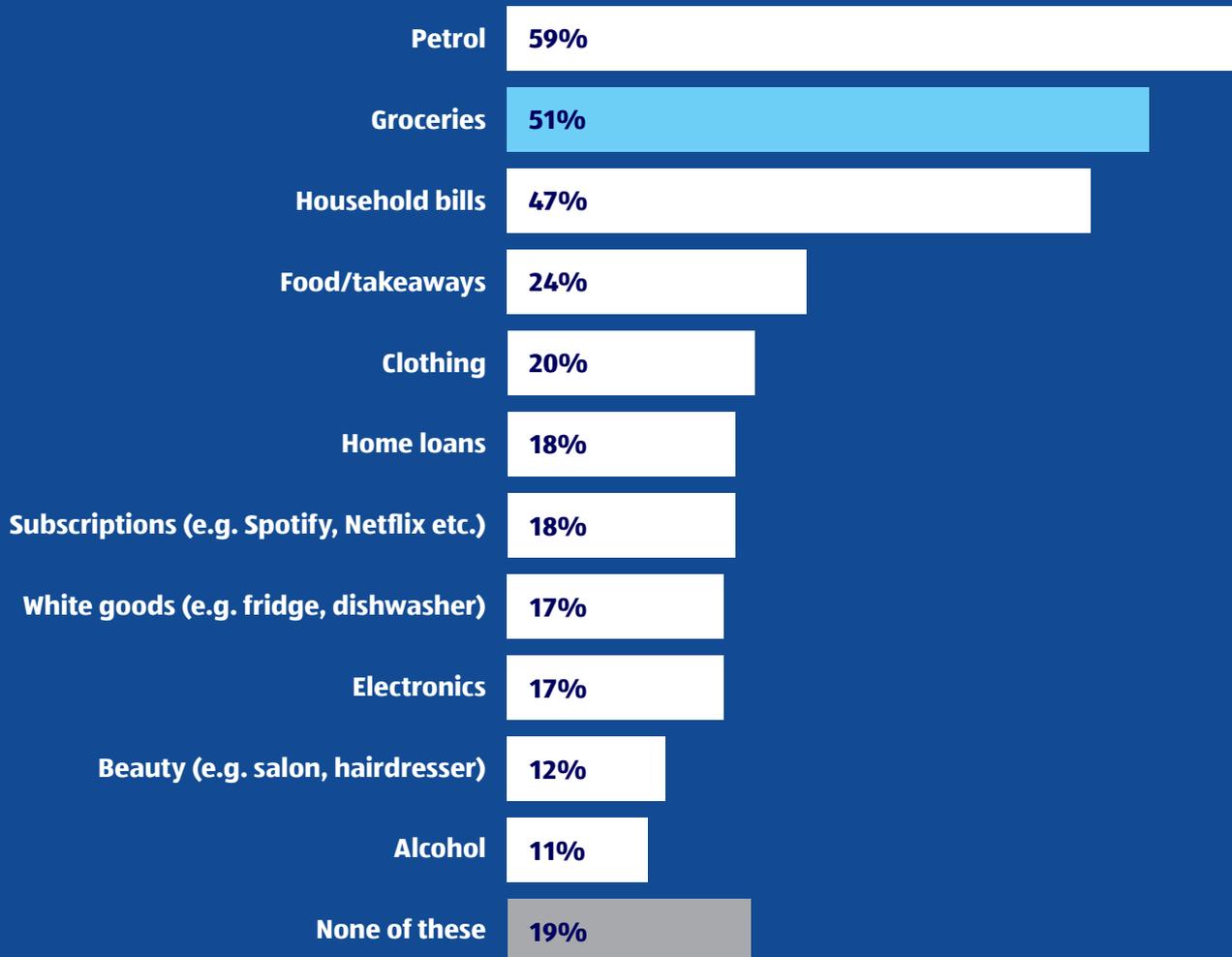
Nearly all (98%) Aussie grocery shoppers have noticed an increase in the overall cost of items compared to previous years, with over four in five (81%) Aussie grocery shoppers concerned about the affordability of living costs in the next year.

'Groceries' and 'Petrol' were cited as the top two categories of concern for Australians.

Further, 65% of shoppers have felt financial pressure in the past year, with a third (33%) saying they have felt a lot of financial pressure.



Concerns about affordability in the next year



To combat these concerns almost nine in ten (88%) Aussie grocery shoppers plan to better manage their budgets or change their spending habits in the next 12 months, with almost eight in ten (78%) saying they will be reducing their spend in some way.

Almost four in five (78%) Aussie grocery shoppers have reduced their purchases in the last year, with restaurants/ takeaways (44%) and meat (39%) being the most likely to have been reduced.

Looking ahead to 2022:

55%

will look out for good deals or sales when shopping

51%

will reduce general shopping

36%

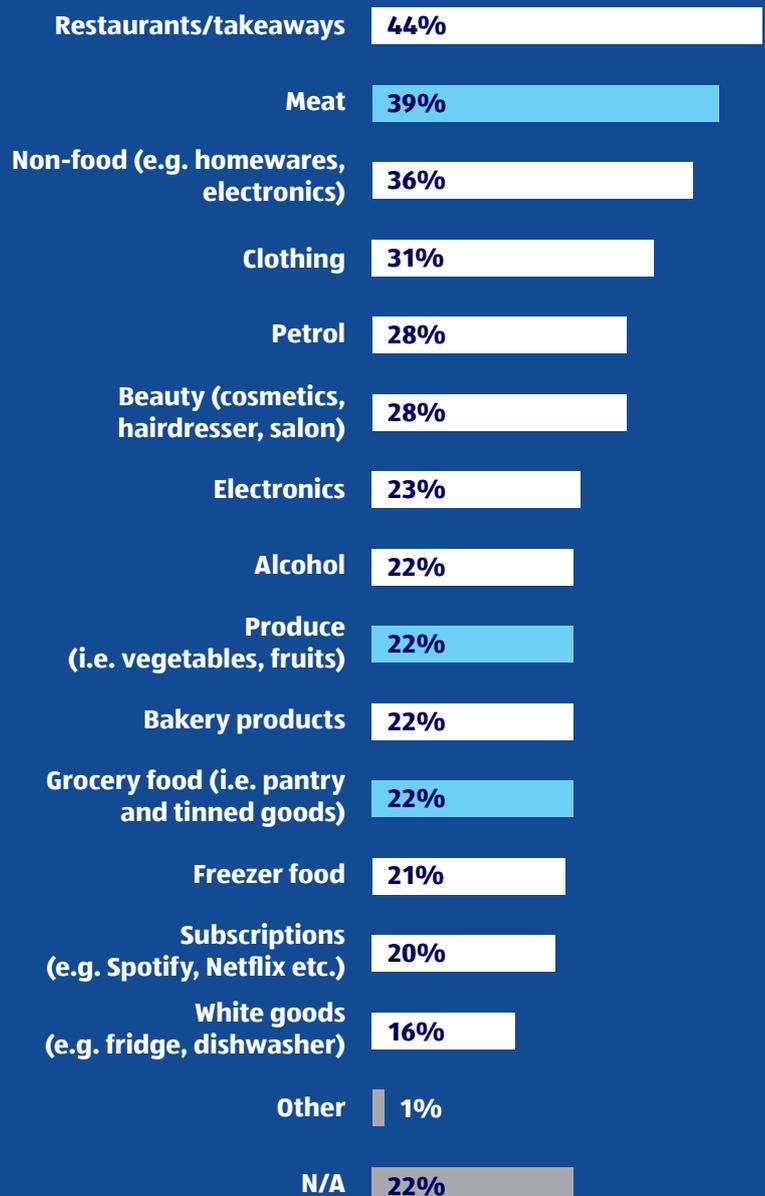
intend to reduce the amount spent on groceries

31%

draw up a monthly budget and stick to it



Percentage of Australian shoppers that have reduced spend on the following categories to save money in the past year.



ALDI is saving customers \$2.7 billion per year

Price is now the single most important factor in the weekly grocery shop (45%) with half of Australians taking greater consideration of price in the last year (49%).

In 2021, we saved our customers \$2.7 billion. Moreover, the downward pressure we put on grocery prices in Australia has saved non-ALDI shoppers over \$7 billion since we came to the market.



1 in 2
(49%)

are taking greater consideration of price in the last year



\$2.7
Billion

saved by ALDI shoppers in 2021



\$7.08
Billion

saved since 2001 by non-ALDI shoppers due to downward price pressure on competitors



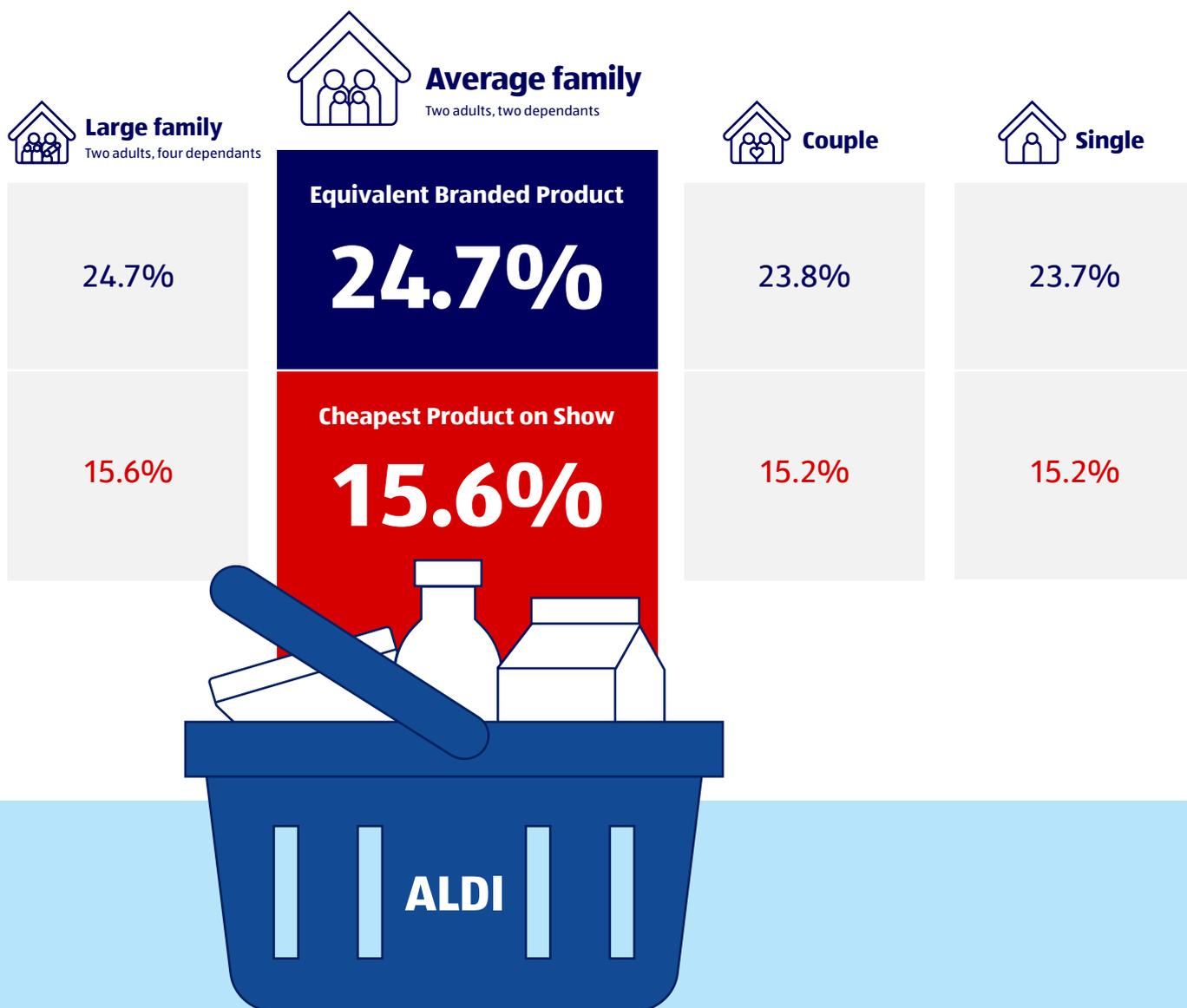
One in 10 (9%) of Australians have switched supermarkets as a strategy to save money.

Our price gap, meaning the relative savings of one household buying the representative basket of goods at ALDI versus competitors, is significant at **15.6%** for the average family. This number is the gap when comparing the cheapest products on show at ALDI and competitors. The price gap widens significantly to **24.7%** when comparing ALDI products to the equivalent branded product.

The average family is spending 7% of their annual gross income on groceries. **We can save them a massive \$1,555 a year even if they already shop the cheapest products at one of our competitors. This number jumps to \$2,468 saved if they usually buy branded products.**



Price gap between ALDI and nearest competitor



Average grocery spend per household and savings when shopping at ALDI



Large family
Two adults, four dependants



Average family
Two adults, two dependants



Couple



Single

Large family	Average family	Couple	Single
~\$141,000	Mean gross income ~\$141,000	~\$98,000	~\$48,000
Weekly \$278.39 Yearly \$14,476.38	Spends Weekly \$192.19 Yearly \$9,994.05	Weekly \$136.56 Yearly \$7100.96	Weekly \$66.74 Yearly \$3,470.73
Weekly Equivalent Branded Product \$68.76 <i>Cheapest Product on Show</i> \$43.32 Yearly Equivalent Branded Product \$3,575.29 <i>Cheapest Product on Show</i> \$2,252.88	Saves Weekly Equivalent Branded Product \$47.47 <i>Cheapest Product on Show</i> \$29.91 Yearly Equivalent Branded Product \$ 2,468.27 <i>Cheapest Product on Show</i> \$1,555.32	Weekly Equivalent Branded Product \$32.46 <i>Cheapest Product on Show</i> \$20.78 Yearly Equivalent Branded Product \$1,688.01 <i>Cheapest Product on Show</i> \$1,080.39	Weekly Equivalent Branded Product \$15.83 <i>Cheapest Product on Show</i> \$10.11 Yearly Equivalent Branded Product \$823.07 <i>Cheapest Product on Show</i> \$525.98



ALDI's price gap for an average family, broken down by category

Fruit and vegetables



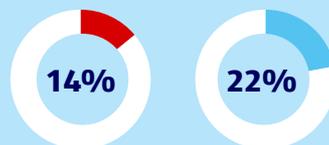
Frozen food



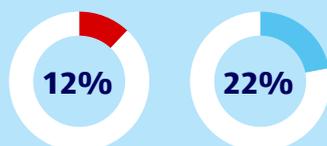
Meat and Fish - Fresh



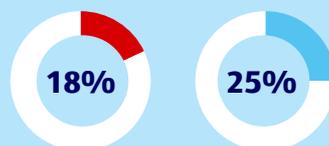
Household and cleaning



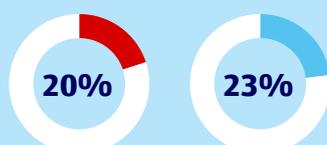
Dairy Products



Pet food and products



Chilled food



Personal care



General grocery food



Bakery products, flour and cereals



Cheapest on Show
 Equivalent Branded Product

The findings show that three in four shoppers agree that ALDI delivers low prices to customers, with the average competitor score at 52%.



74%

agree ALDI delivers low prices to its customers

Competitor

only 52%

agree on average that competitor supermarkets deliver on low prices to their customers



Section 3

ALDI continues to have a positive economic impact on Australia

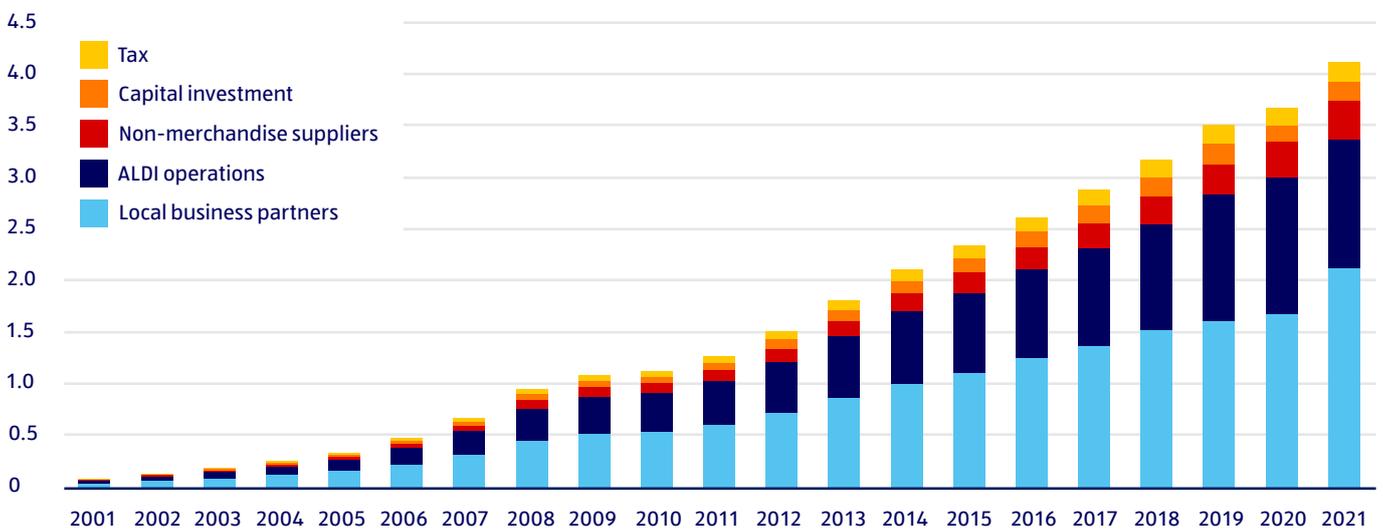
In 2021 ALDI's operations contributed **\$4.1 billion** to the Australian economy with a total economic contribution of

\$34.2 billion

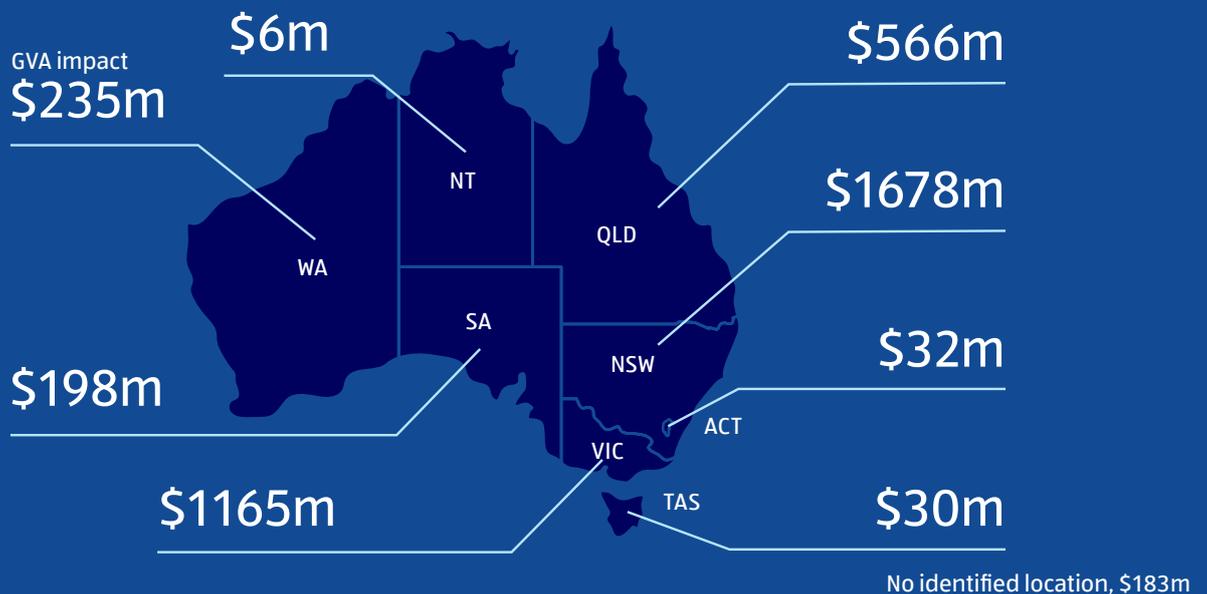
since operations began in Australia.

ALDI's contribution to the Australian economy over time

Contribution to GDP (\$b)



Total ALDI economic impact by state and territory (2021)



Methodology



Australian consumer sentiment data

Research commissioned by ALDI Australia and undertaken by YouGov surveying a nationally representative sample of 1,039 qualified Australian grocery shoppers aged 18+ years between 29th – 31st March 2022. Data has been weighted by age, gender and region to be representative of all adults residing in Australia, as reflected by the latest ABS data.

'Australians' as referenced in this report is defined as 'Australian grocery shoppers aged 18+'.



Economic impact

Compiled and analysed by PwC. The economic impact of ALDI in Australia is calculated in terms of supported jobs and gross value added (GVA), a measure of economic activity. These economic impacts have been estimated across categories including ALDI's direct operations, ALDI's local business partners and ALDI non-merchandise purchases as well as capital investments and tax contributions. They have been estimated using data provided by ALDI regarding operating and capital expenditure, wages, suppliers and taxation. These

economic impacts have been estimated using a total factor income approach drawing on a range of data from the Australian Bureau of Statistics and other public sources.



Price comparison

Compiled and analysed by PwC. The price gap between ALDI and competitors has been estimated using ALDI's internal price data and price comparisons for major competitors provided by ALDI. This has been translated into a price saving for ALDI customers using estimated household expenditures across categories drawing on Australian Bureau of Statistics (ABS) Household Expenditure survey and a range of supplementary ABS data sources. All price savings are presented based on an 'average' household for all households within that category and may not replicate any individual circumstances.