

J Sainsbury PLC

03:53 15 Oct 2019

Supermarket sales grow again; J Sainsbury returns to growth

Supermarket giant J Sainsbury PLC (LON:SBRY) saw a return to sales growth over the last 12 weeks, according to the market research group, Kantar.

The latest grocery market share figures from Kantar show year-on-year supermarket sales growth accelerated in the 12 weeks to 6 October.

Sales grew by 1.3% in the latest 12 weeks, an improvement on the 0.5% increase seen in the previous Kantar release, which covered the 12 weeks to 8 September.

Sainsbury's was the only supermarket of the "big four" to achieve sales growth, however, with sales up 0.6% year-on-year (YOY); its market share was unchanged from a month earlier at 15.3%.

The performances of Tesco PLC (LON:TSCO), Asda and Wm Morrison Supermarkets PLC (LON:MRW) all improved from the figures in the September release but sales were still down YOY.

Tesco's sales declined by 0.2%, having been down 1.4% in the 12 weeks to 9 September but its market share improved to 27.0% from 26.9% in September.

"The announcement that Dave Lewis will depart as Tesco chief executive next year has inspired inevitable reflection on his tenure and it's worth noting that the retailer's sales were in freefall when he joined in September 2014 - dropping 4.5% year on year. Since then Tesco's absolute and relative performance has improved and profitability has returned, but its market share is down from 28.8% at the start of his time there," observed Fraser McKeivitt, the head of retail and consumer insight at Kantar.

Asda's sales fell 0.9% and its market share fell to 15.0% from 15.1%; Morrisons' sales were 1.8% lower and its market share was unchanged at 9.9%.

Once again, the German hard-discounters grew like billy-o, with Aldi's sales up 7.3%, leaving its market share at 8.1%, while Lidl's sales were up 8.2%, leaving its share unchanged at 6.0%.

"The discounters now account for a combined 14% of UK grocery sales which is 0.8% percentage points higher than last year, an increase that's worth nearly one billion pounds annually. While traditionally known for its own-label ranges, Lidl's 8.2% growth was boosted by sales of branded goods which grew twice as quickly," McKeivitt said.

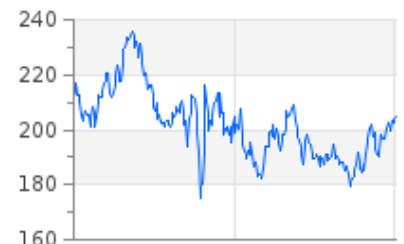
It was also a good period for the Co-op, which saw sales rise 3.9% YOY - it's fastest growth rate since April; its share was unchanged at 6.6%.

Waitrose, part of the John Lewis Partnership, saw sales decline 1.1%, despite which Kantar reported its market share improved to 5.1% from 5.0% last month.

Price: 204.2

Market Cap: £4.55 billion

1 Year Share Price Graph



October 2019 April 2020 October 2020

Share Information

Code: SBRY

Listing: LSE

52 week	High	Low
	236.7	171.189

Sector: Retail

Website: www.sainsburys.co.uk

Company Synopsis:

J Sainsbury PLC is a United Kingdom-based company principally engaged in grocery and related retailing, and financial services.

action@proactiveinvestors.com

Ocado Group PLC's (LON:OCDO) share remained small at 1.4% (unchanged) but it continues to show strong growth, with sales up 13.3%.

McKevitt believes concerns about Brexit and the availability of favourite products have not yet led to panic buying.

"Sales of dry pasta and healthcare products over the past four weeks were 9% and 7% higher than the same time last year, but those of canned products fell by 2% and frozen food by 1%. While a quarter of British consumers say they are considering stockpiling, it seems they are waiting to see how the next few weeks play out and we expect if they take any action it will be closer to the deadline if a chaotic trading situation looks increasingly likely," McKevitt said.

Britain is supposed to leave the EU at the end of October - on Halloween. Shoppers seem more concerned about stocking up on pumpkins for Halloween - sales of the orange gourd were up 29% year-on-year - than they do on hoarding things that might be in short supply following Brexit.

Shares in J Sainsbury were little changed; Tesco's shares were up 0.8% while Morrisons' shares were 0.4% higher. Ocado seems to have been the big winner, with its shares 2.4% firmer.

Proactive Investors facilitate the largest global investor network across 4 continents in 4 languages. With a team of analysts, journalists & professional investors Proactive produce independent coverage on 1000's of companies across every sector for private investors, private client brokers, fund managers and international investor communities.

Contact us +44 (0)207 989 0813 action@proactiveinvestors.com

No investment advice

The Company is a publisher. You understand and agree that no content published on the Site constitutes a recommendation that any particular security, portfolio of securities, transaction, or investment strategy is suitable or advisable for any specific person. You understand that the Content on the Site is provided for information purposes only, and none of the information contained on the Site constitutes an offer, solicitation or recommendation to buy or sell a security. You understand that the Company receives either monetary or securities compensation for our services. We stand to benefit from any volume which any Content on the Site may generate.

You further understand that none of the information providers or their affiliates will advise you personally concerning the nature, potential, advisability, value, suitability or profitability of any particular security, portfolio of securities, transaction, investment, investment strategy, or other matter.

You understand that the Site may contain opinions from time to time with regard to securities mentioned in other products, including Company-related products, and that those opinions may be different from those obtained by using another product related to the Company. You understand and agree that contributors may write about securities in which they or their firms have a position, and that they may trade such securities for their own account. In cases where the position is held at the time of publication and such position is known to the Company, appropriate disclosure is made. However, you understand and agree that at the time of any transaction that you make, one or more contributors may have a position in the securities written about. You understand that price and other data is supplied by sources believed to be reliable, that the calculations herein are made using such data, and that neither such data nor such calculations are guaranteed by these sources, the Company, the information providers or any other person or entity, and may not be complete or accurate.

From time to time, reference may be made in our marketing materials to prior articles and opinions we have published. These references may be selective, may reference only a portion of an article or recommendation, and are likely not to be current. As markets change continuously, previously published information and data may not be current and should not be relied upon.

The Site does not, and is not intended to, provide investment, tax, accounting, legal or insurance advice, and is not and should not be construed as providing any of the foregoing. You should consult an attorney or other relevant professional regarding your specific legal, tax, investment or other needs as tailored to your specific situation.