

Loyalty everyone loves

Build a world-leading loyalty platform –
more personalised, joyful, rewarding
and transparent – for everyone



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- **Personalised, rewarding and integrated** loyalty
- Joy and **connection beyond transactions**
- **World-leading** Nectar360 capabilities
- Strong **coalition** of partners
- **Always transparent** use of data

Our Nectar ecosystem



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**Reward customers
with points
and £**



**Data to
improve
customer proposition**



**A winning
coalition**



**Supplier media
opportunities**



**Insight to drive
innovation**

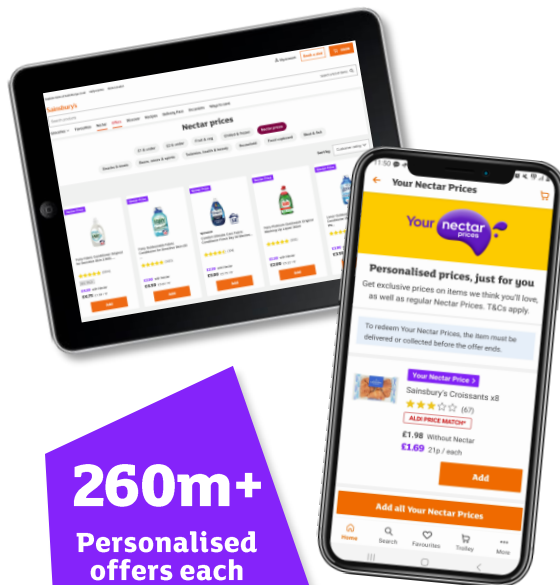
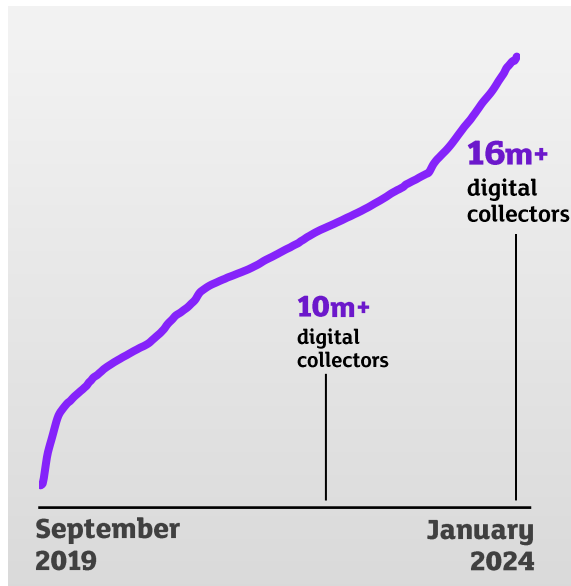


**Data to improve
targeting &
measurement**

Nectar is ahead of plan

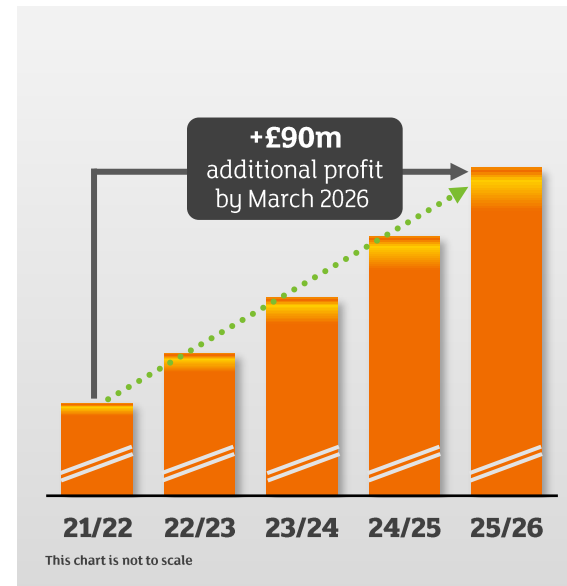


Significant progress on digital Nectar



260m+
Personalised
offers each
week

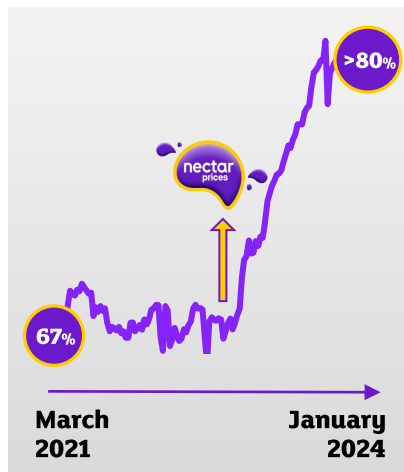
Incremental profit contribution ahead of forecast



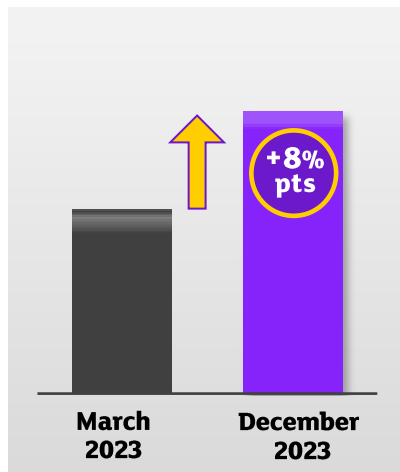
Transformational launch of Nectar Prices

nectar

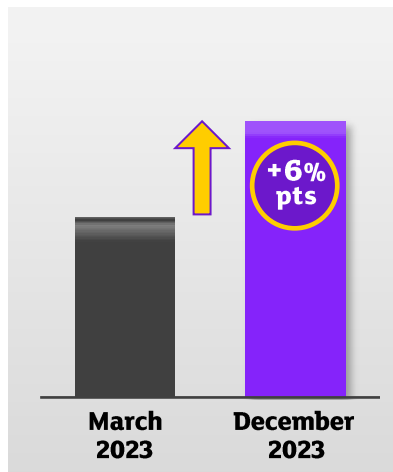
Nectar participation has significantly increased¹



Customers recognising the value of Nectar²



Improving value perception with Sainsbury's customers³



>6,000
Nectar prices
offers

£12
Average
saving on
an £80+
weekly shop



1. Supermarkets and Groceries Online

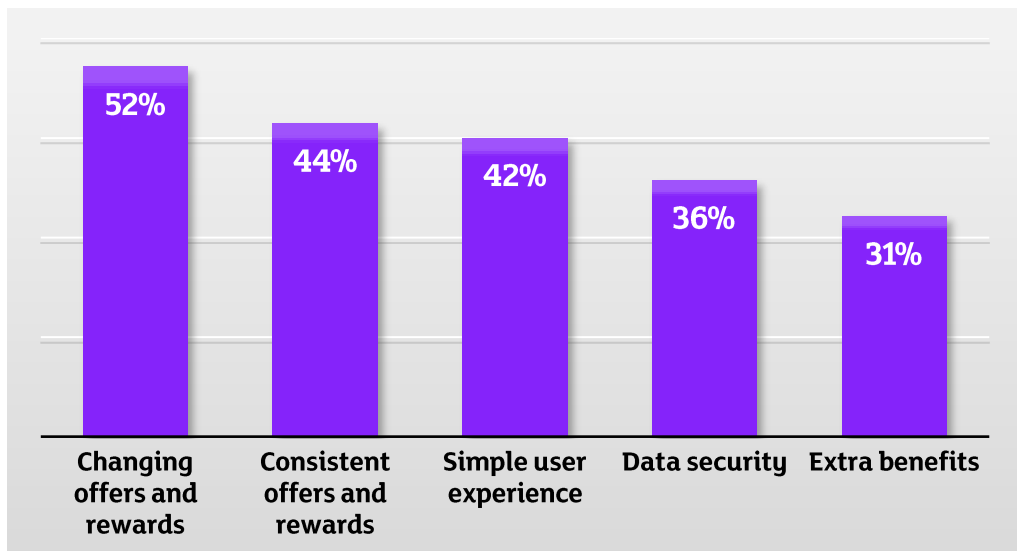
2. Dynata, Sainsbury's Nectar CSAT – Value Perception score %

3. Sainsbury's Lettuce Know programme - Supermarket - Value For Money score %

Loyalty schemes are increasingly popular with customers



What do consumers look for in a loyalty scheme?



Create value

Balance effort and reward

Make it easy

Remove friction and barriers to use

Recognise customers as individuals

Personalise offers

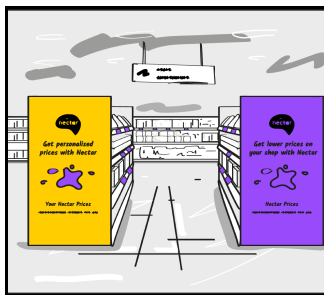
Make it fun

Create engaging, digital experiences

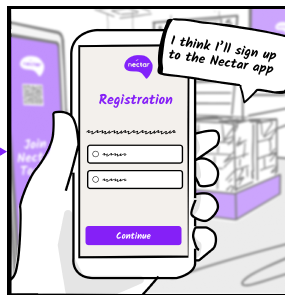
Source: YouGov "What the British want from loyalty programmes 3.0" published in 2022

We're building engagement and driving greater loyalty

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Shopping in Sainsbury's



Signing up to Nectar



Regularly checking points balance



Engaging in weekly Nectar points offers



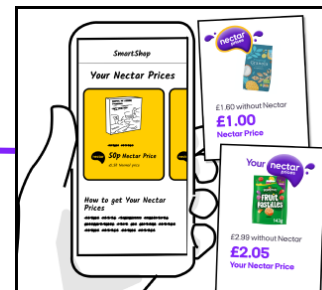
Engaging across the Nectar coalition, using points with partner brands



Linking Nectar with Sainsbury's Groceries Online and Argos



Completing Nectar challenges and events



Using SmartShop to access Your Nectar Prices and personalised offers

We know where we need to focus to continue to deliver

nectar



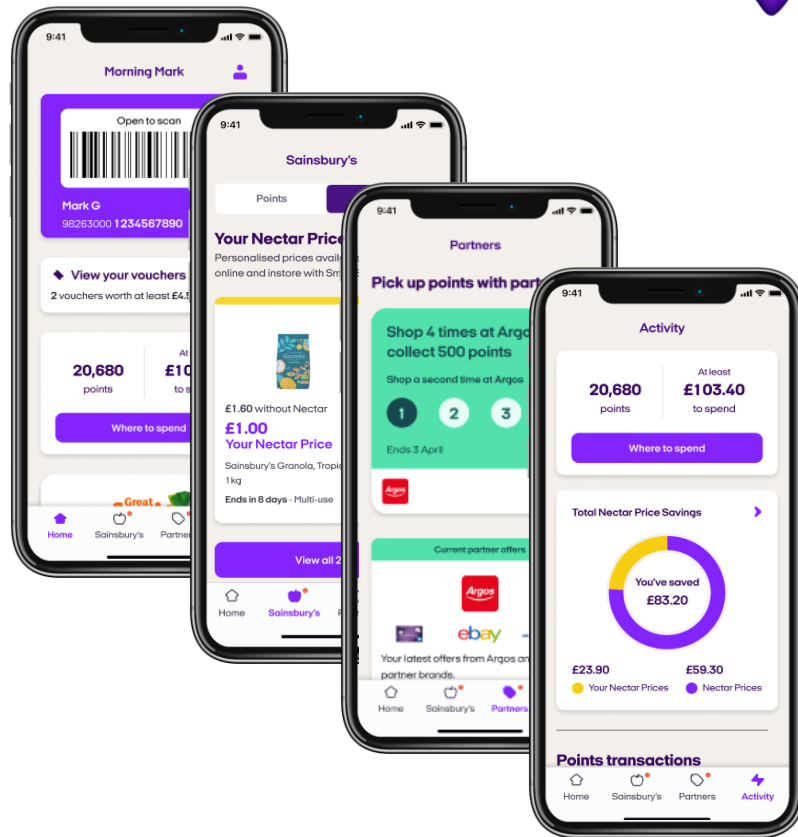
Your **nectar prices**
Personalised prices just for you.

Digital
Integration

Coalition

Payment

User
Experience



What is a retail media network?

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“A media platform that a **retailer has built** to **allow brands to advertise to customers** both instore and online so the brand can **achieve their awareness, trial and ultimately sales objectives.**”



Sainsburys.co.uk
(onsite advertising)



Digital trading platform
(offsite advertising)

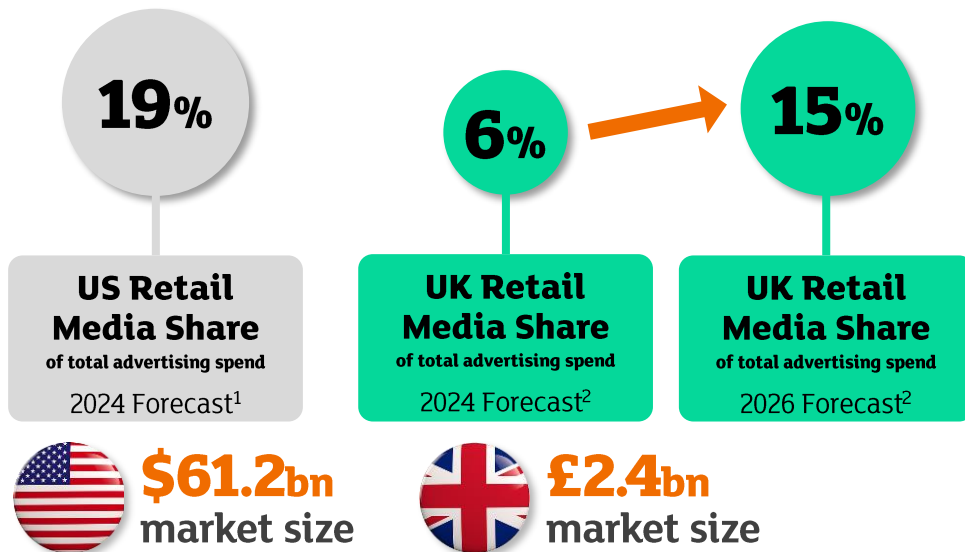


Sainsbury's stores
(In store advertising)

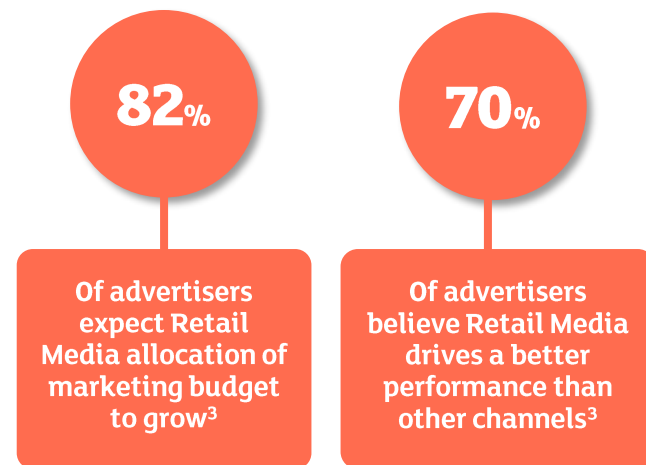
All trends point to a strong future growth opportunity

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UK Retail Media market opportunity



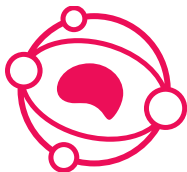
Strong advertiser support



1. US Digital Retail Media Ad Spending. eMarketer, Insider Intelligence
2. UK Digital Retail Media Ad Spending, Publifit
3. McKinsey & Company: Retail Media Network Survey 2022

We are well positioned with our world-leading Nectar360 business

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Loyalty

retained long-term
Nectar partnerships



Shopper Marketing

advertising placements
in and around store media



Data and Insights

bespoke analytics and
insight products



Digital Media

advertising placements
onsite and offsite



224 Colleagues



10 Years' experience



870 Clients



10 Agency partnerships



1st Party data

Our ways of working enable deep collaboration with suppliers



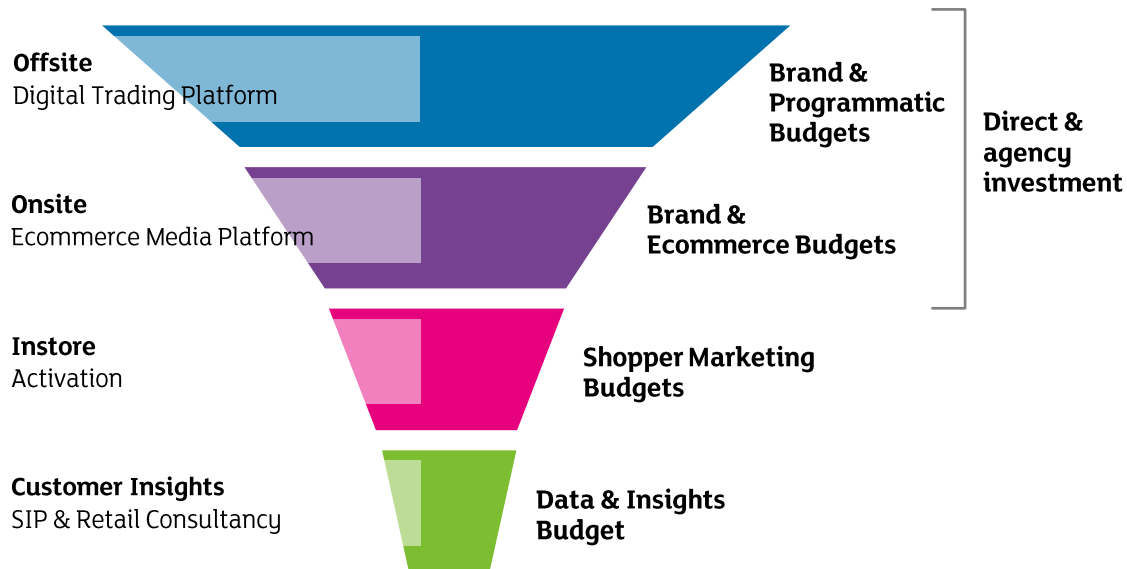
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**Brand
Marketing**

**Shopper
Marketing**

Trading

Client / Nectar360 insight & Retail Media



Focused on delivering strong ROI for our clients

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Offsite Advertising

Digital Trading Platform



Example:
leading frozen food brand

9.6 million
Impressions served

19.5%
Conversion to brand

£8.57
Return on advertising spend¹

Onsite Advertising

Sainsbury's Groceries Online



Example:
leading soft drinks brand

367 thousand
Impressions served

67%
Conversion to brand

£7.26
Return on advertising spend¹

Argos Advertising

Argos.co.uk



Example:
leading mobile brand

251.4 million
Impressions served

63%
Sales uplift

£25.03
Return on advertising spend¹

1. Defined as brand sales generated for every £1 of media spend on a campaign

Investing to deliver the next stage of growth

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Leadership, people and capabilities



Agency partnerships



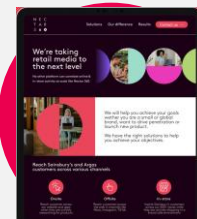
Digitise instore media



Offsite partnerships



Unifying our retail media capabilities



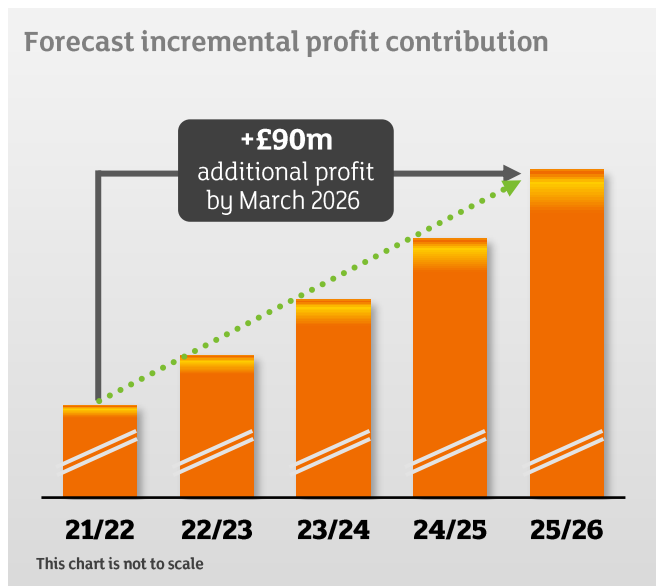
Measurement & transparency



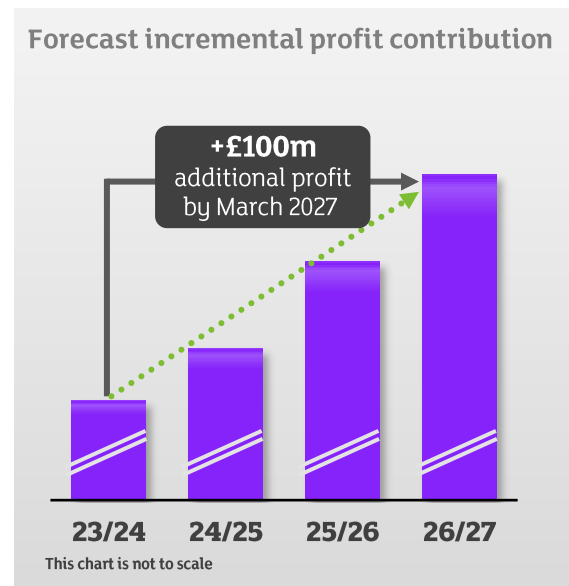
Delivering on these aspirations will drive greater growth in contribution

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Previous guidance



Forward guidance



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