

ALDI Australia saved customers \$3.1 billion in 2022 despite cost of living increases



Annual inflation is the highest it has been in 32 years. This puts considerable pressure on Australian households, especially for essential expenses such as food, shelter and healthcare. The inflation rate for these 'non-discretionary' items is currently 8.4%, the highest annual increase since the ABS started the measurement almost two decades ago.

These are the toughest economic conditions we have seen since we opened the first ALDI in Sydney over 20 years ago, which means the community needs ALDI's price leadership more than ever. Against this challenging backdrop, PwC Australia has analysed ALDI's customer savings and macro-economic contribution to Australia in 2022.

The data shows ALDI saved Australians \$3.1 billion last year. With the average family spending over \$10,000 per year on groceries, this savings has real impact at a time when families need it most.

This impact spread beyond our customers, with the downward pressure we put on grocery prices saving non-ALDI shoppers \$675 million in 2022, and \$7.8 billion since we first entered the market. The average price gap to our competitors calculated by PwC has a midpoint of 18 per cent, which is consistent with our internal measurements.

As a major employer and business partner with an extensive network of Aussie suppliers, ALDI's impact extends well beyond delivering the best-value groceries. ALDI's operations contributed \$4.6 billion to the Australian economy in 2022. This takes our total local economic contribution to \$38.8 billion over our 22 years of Australian operations.

\$3.1b

saved by ALDI shoppers in 2022

\$675m

saved by non-ALDI shoppers due to downward price pressure on competitors in 2022

\$7.8b

saved by non-ALDI shoppers since entering the market

\$4.6b

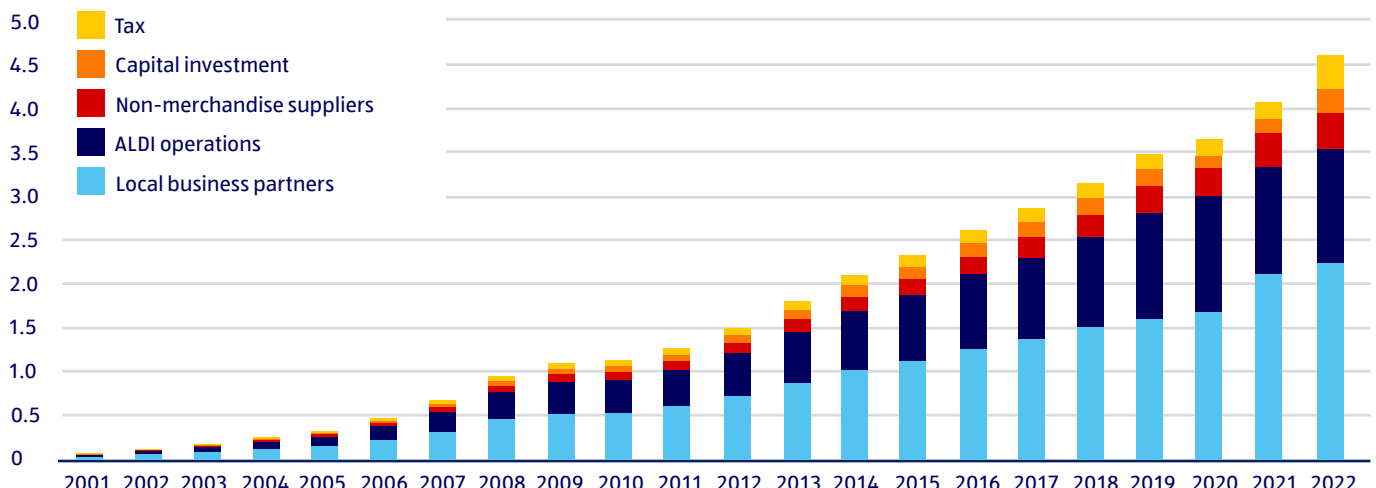
contribution to Australian economy in 2022

\$38.8b

contribution since entering the market

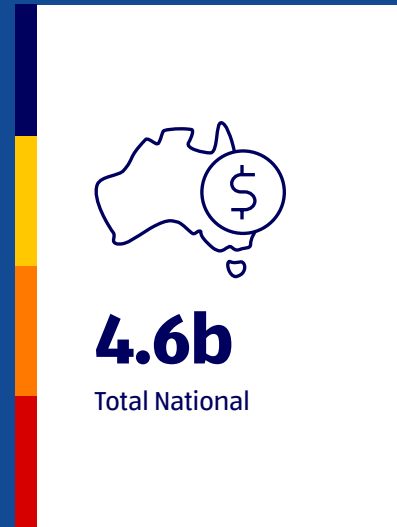
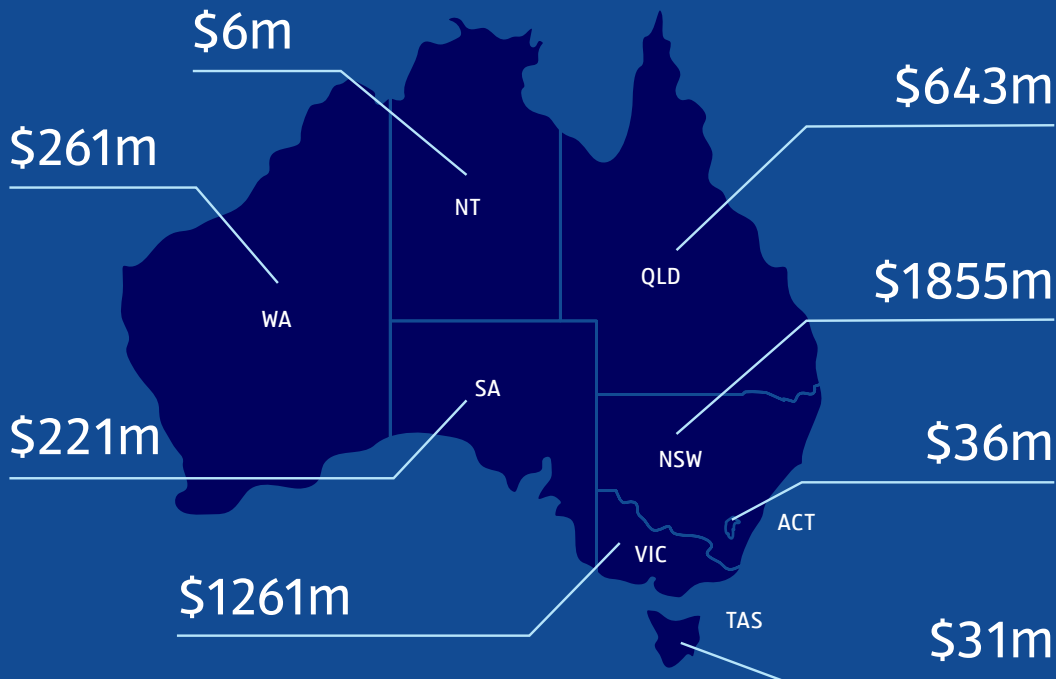
ALDI Australia's economic contribution

Contribution to GDP (\$b)



Total ALDI economic impact by state and territory (2022)

GVA impact (\$ million)



? No identified location, \$290m

Methodology

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|--|---|
|  <p>Inflation data</p> | <p>Compiled and analysed by PwC. National inflation as measured in Australian Bureau of Statistics Consumer Price Index (CPI), December 2022. Current annual inflation refers to all groups CPI between December 2021 and December 2022 quarters (compared historically to any increase from the corresponding quarter in the previous year). Two year inflation reference to growth in all groups CPI between December 2020 and December 2022 quarters (compared historically to any increase from the corresponding quarter two years previous).</p> |
|  <p>Economic impact</p> | <p>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 Australian Bureau of Statistics and other public sources.</p> |
|  <p>Price comparison</p> | <p>Compiled and analysed by PwC. The price gap between ALDI and competitors has been estimated using ALDI internal price data and ALDI provided price comparisons for major competitors. 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. Average family is calculated at 2 adults and 1.9 dependants.</p> <p>The midpoint price gap presented is the middle of the range of price gaps calculated by PwC. The price gaps calculated present different consumer preferences and shopping habits. The first price gap was calculated for a consumer who always buy the cheapest product on show. The second price gap was calculated for a consumer who will buy a branded product at a competitor and the equivalent product at ALDI. Most consumers will be a mix of these shopping profiles and therefore the midpoint can be seen as some savings from each calculated price gap.</p> |