



TBC CAPITAL

FMCG SECTOR OVERVIEW

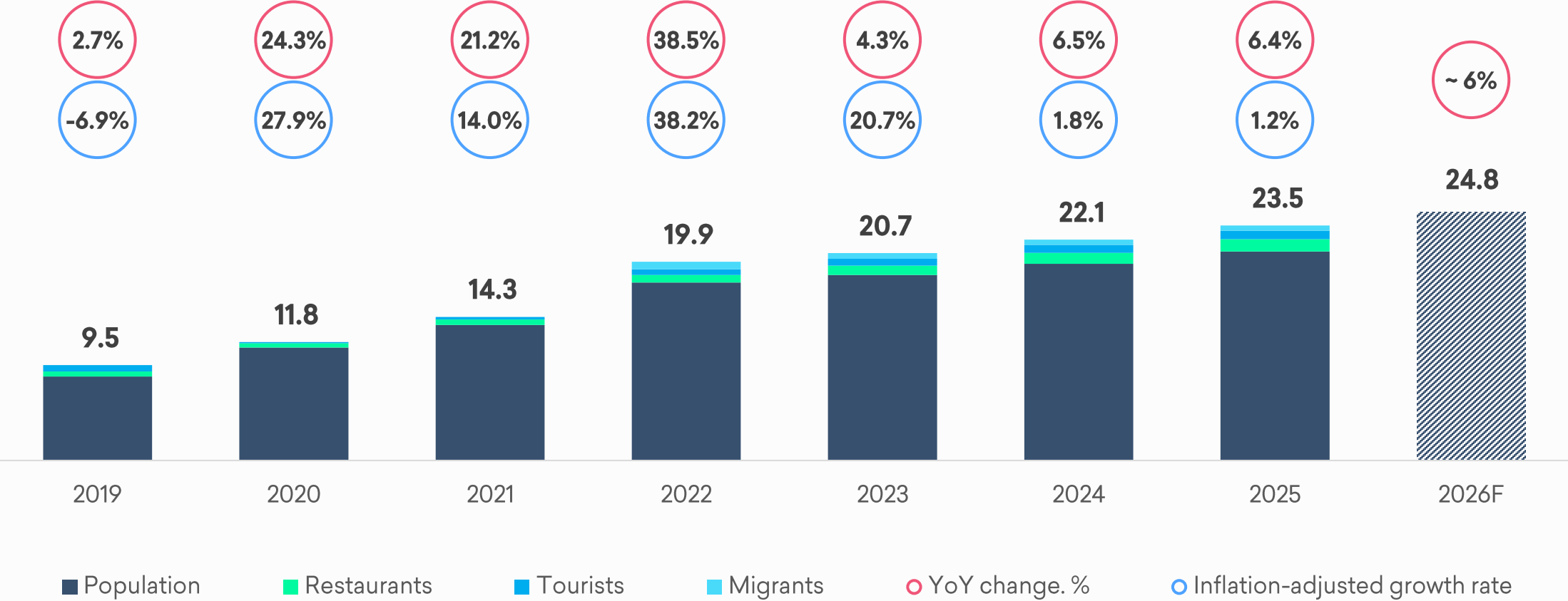
2025 & 1Q 2026

JUNE, 2026

TBC Capital Research

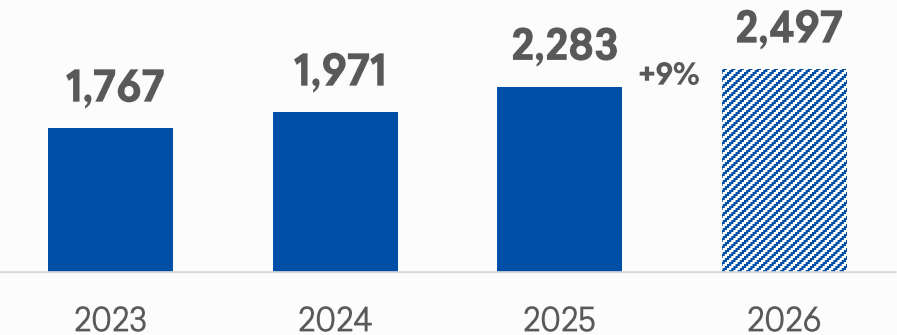
The sector's revenue growth rate has stabilized over the past three years, in line with expectations

Total FMCG market revenues
GEL bn, incl. VAT

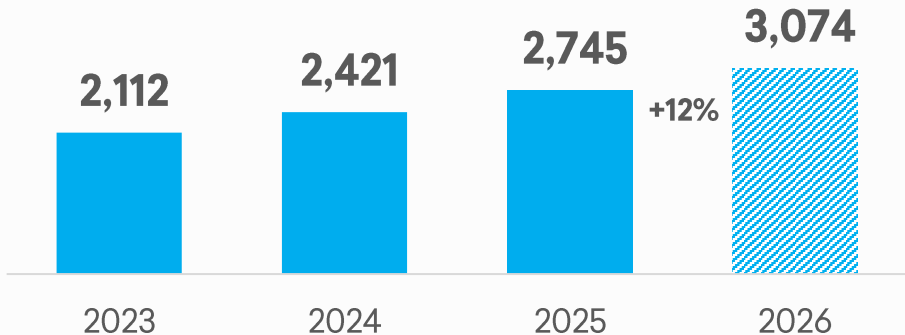


The outlook for all factors driving FMCG market growth this year is moderately positive

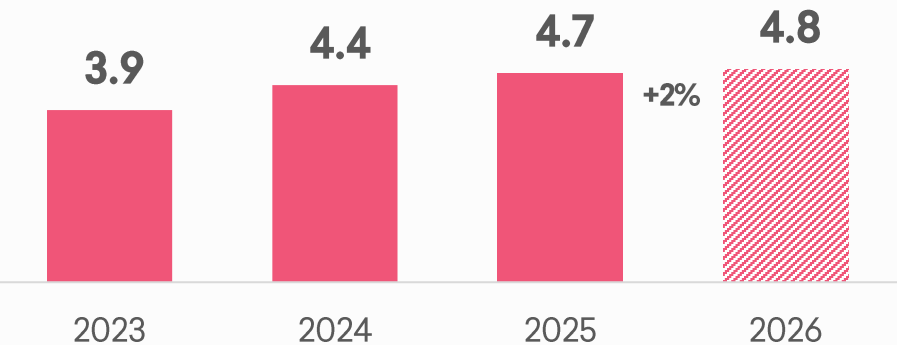
Nominal wages
GEL



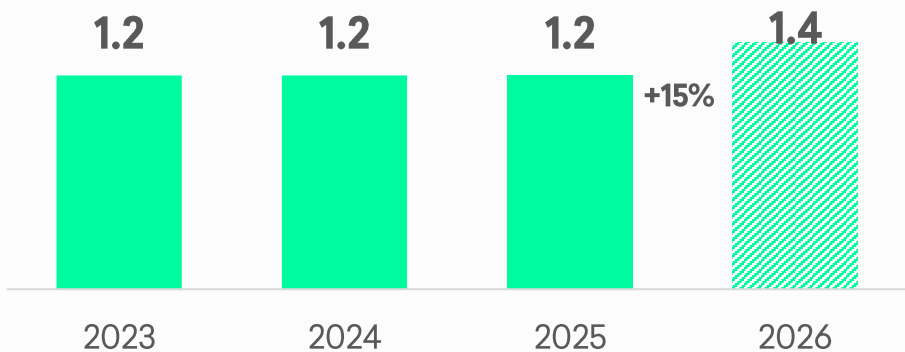
Restaurant business turnover
GEL mln



Tourism revenues
USD bn



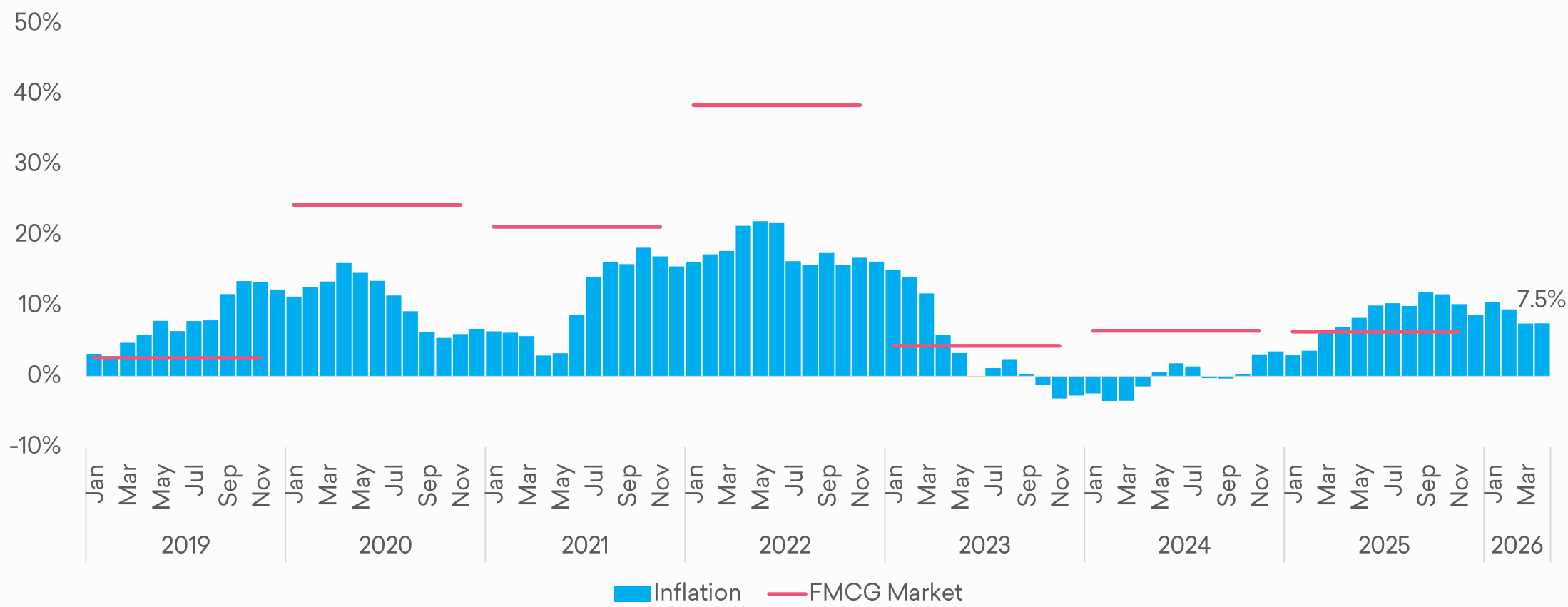
Migrants' total expenditures
USD bn



Grocery inflation also remains elevated, which has historically been a positive factor for the FMCG market's nominal revenues

Inflation on grocery and FMCG market

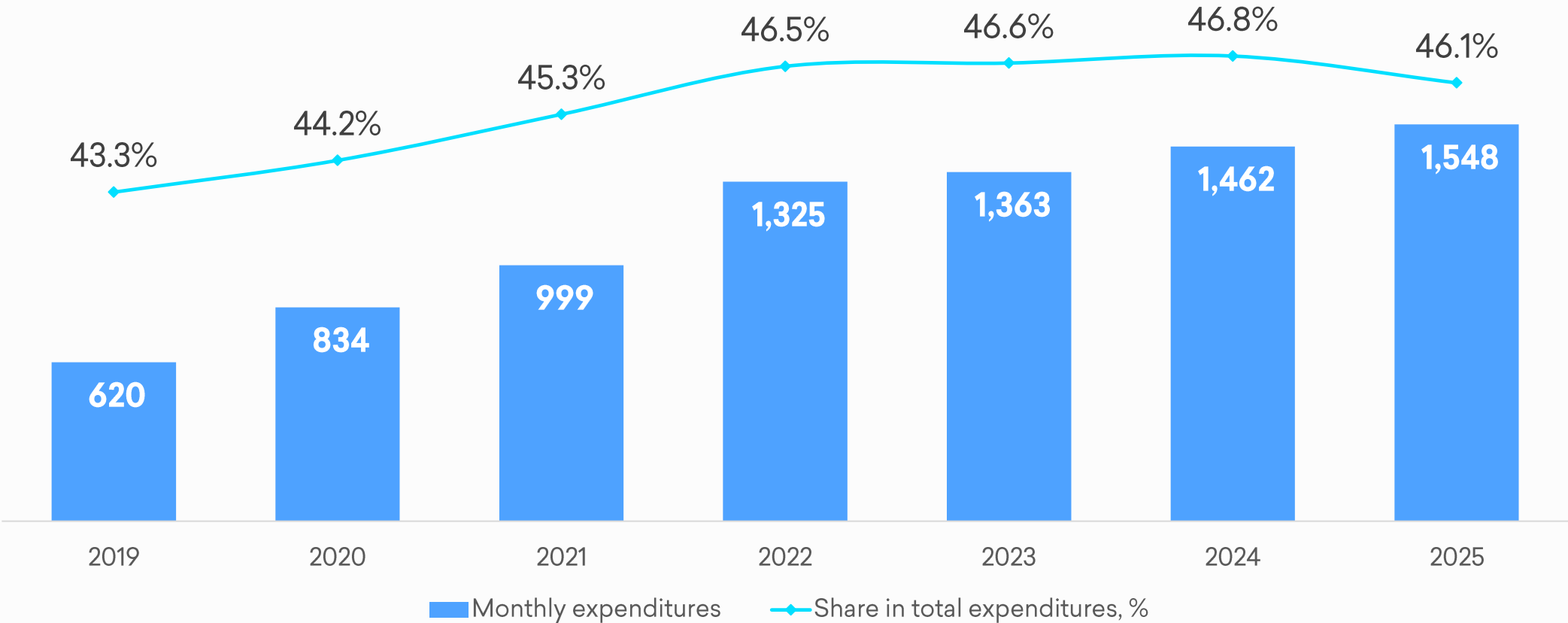
YoY growth, %



The share of consumer spending allocated to FMCG products had historically been on an upward trend; however, it declined slightly in 2025, becoming one of the main factors behind the stabilization of the sector's revenues

Average monthly household expenditures on FMCG products

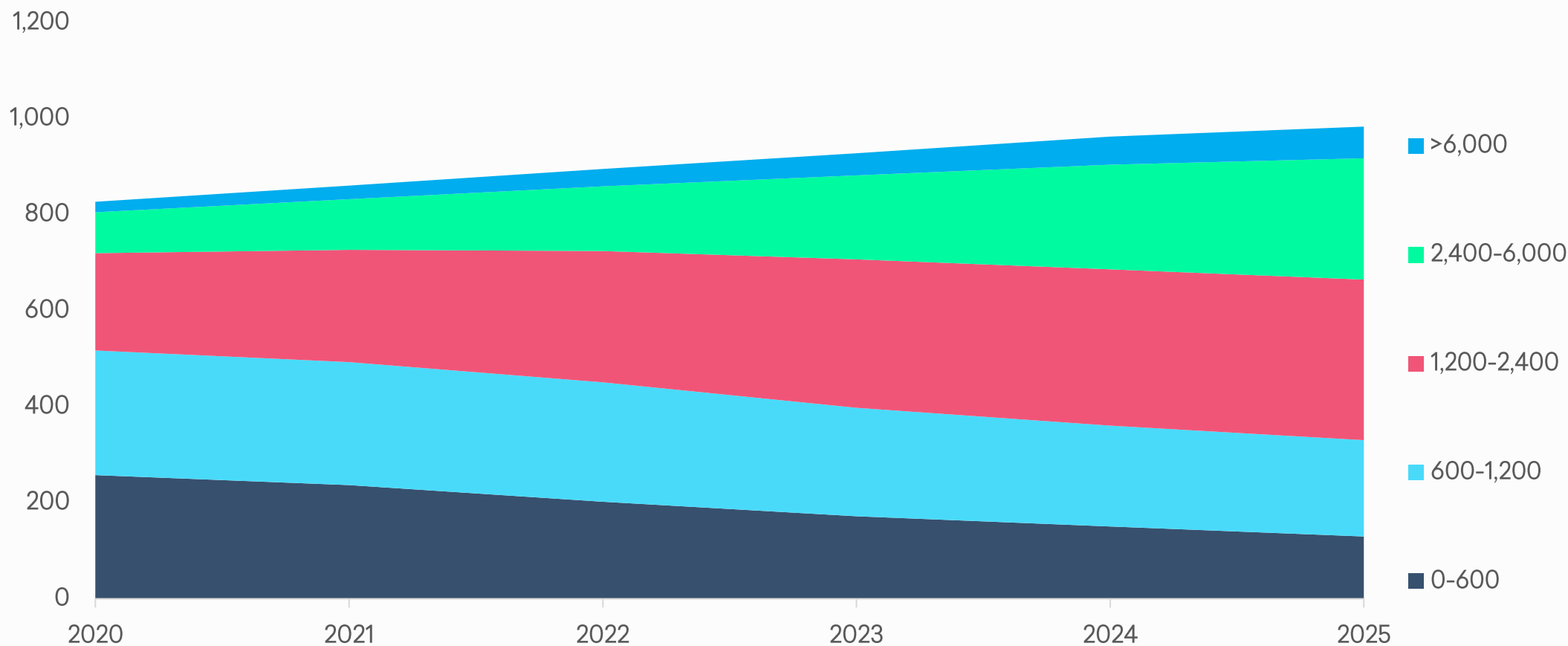
GEL, % share



Despite the stabilization in the share of consumer spending allocated to FMCG products, household expenditure is expected to continue growing in absolute terms, driven by the growing number of middle-income consumers

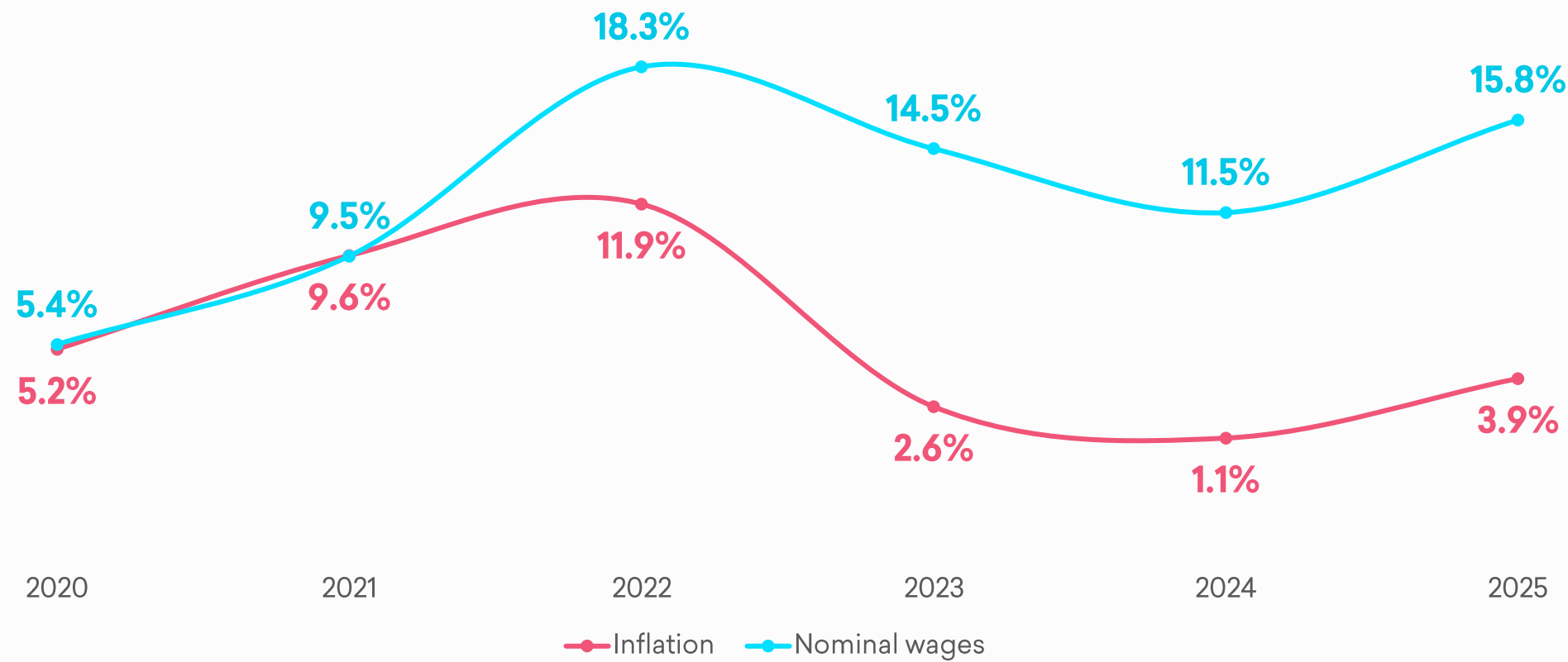
Average number of employees receiving monthly salary by brackets

Thousand employees, GEL (Incl. income tax)



Since 2022, nominal wage growth has consistently outpaced inflation, increasing the population's purchasing power

Inflation and wages
YoY change, %



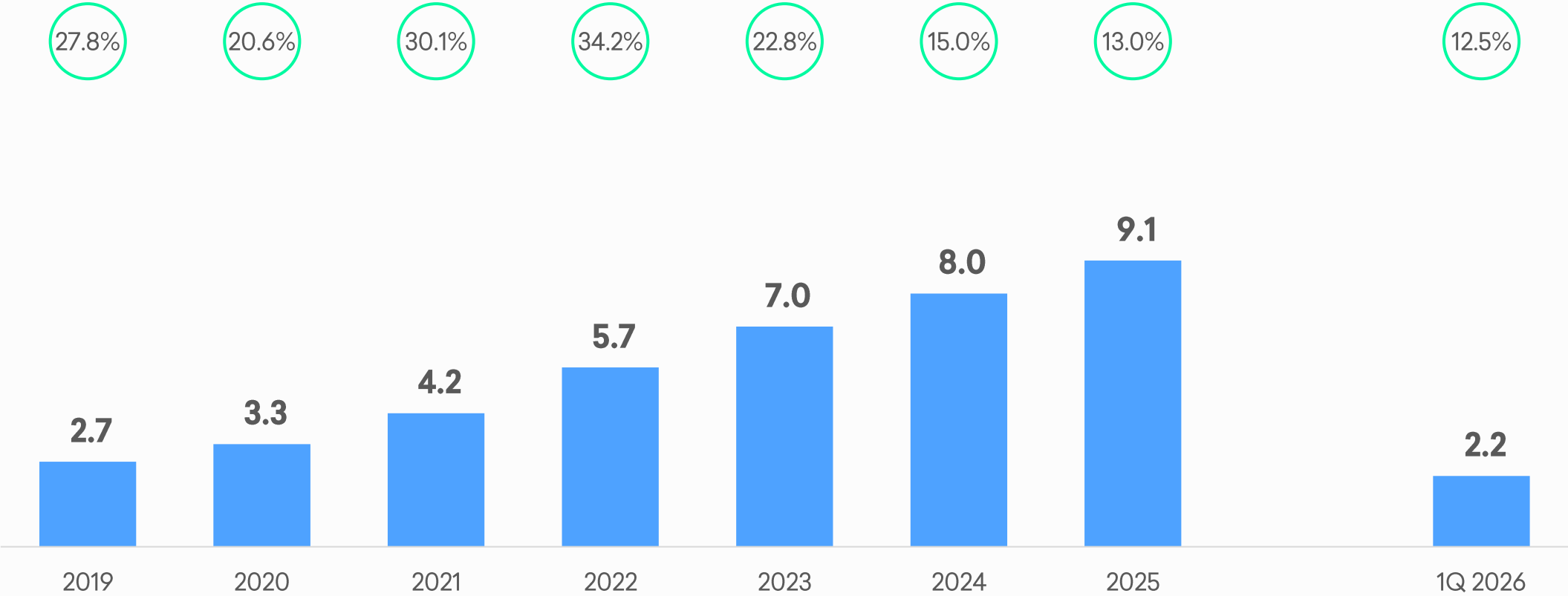


Modern FMCG market

The modern FMCG segment continues to grow faster than the overall FMCG market, although signs of stabilization remain evident in this category as well

Modern FMCG market revenues

GEL bn, incl. VAT, YoY change, %

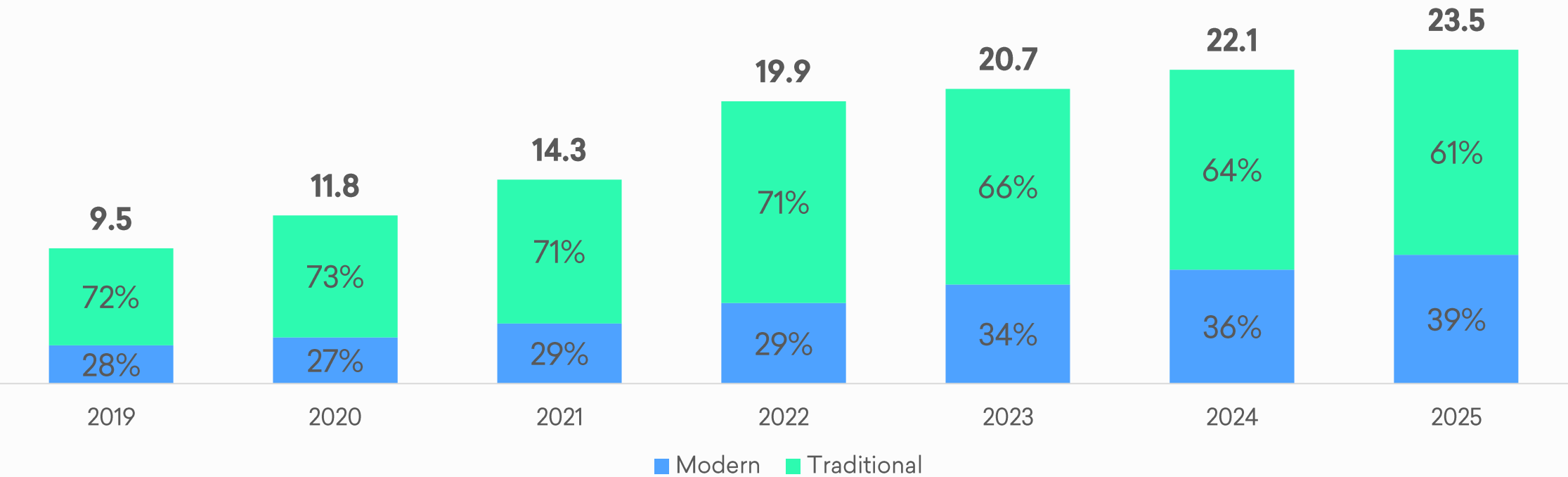


Source: Geostat, NBG, Reportal, company survey, TBC Capital estimates

The relatively faster growth of the modern FMCG segment has translated into an increasing market share, which reached 39% in 2025

Modern FMCG market share in total FMCG market

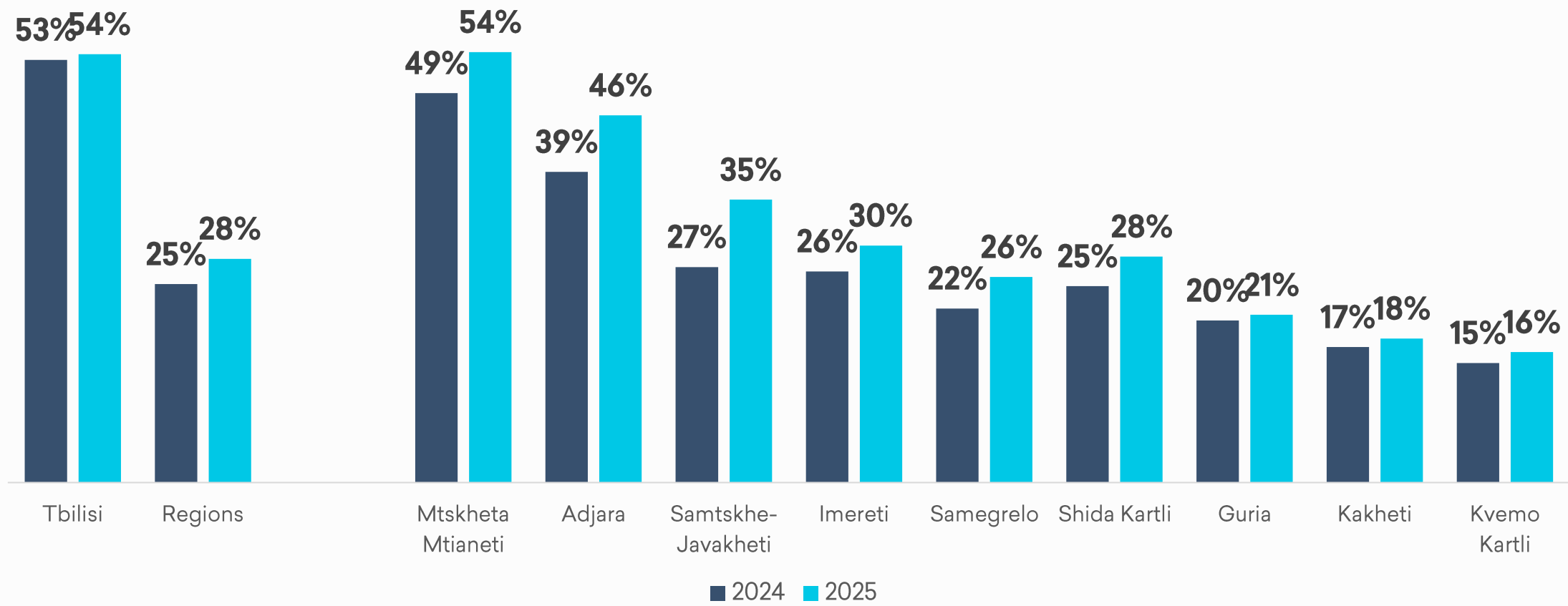
GEL bn, incl. VAT, % share



The modern FMCG segment continued to gain market share in both Tbilisi and the regions in 2025, with regional expansion remaining the primary growth driver

Share of modern FMCG market by regions

% share

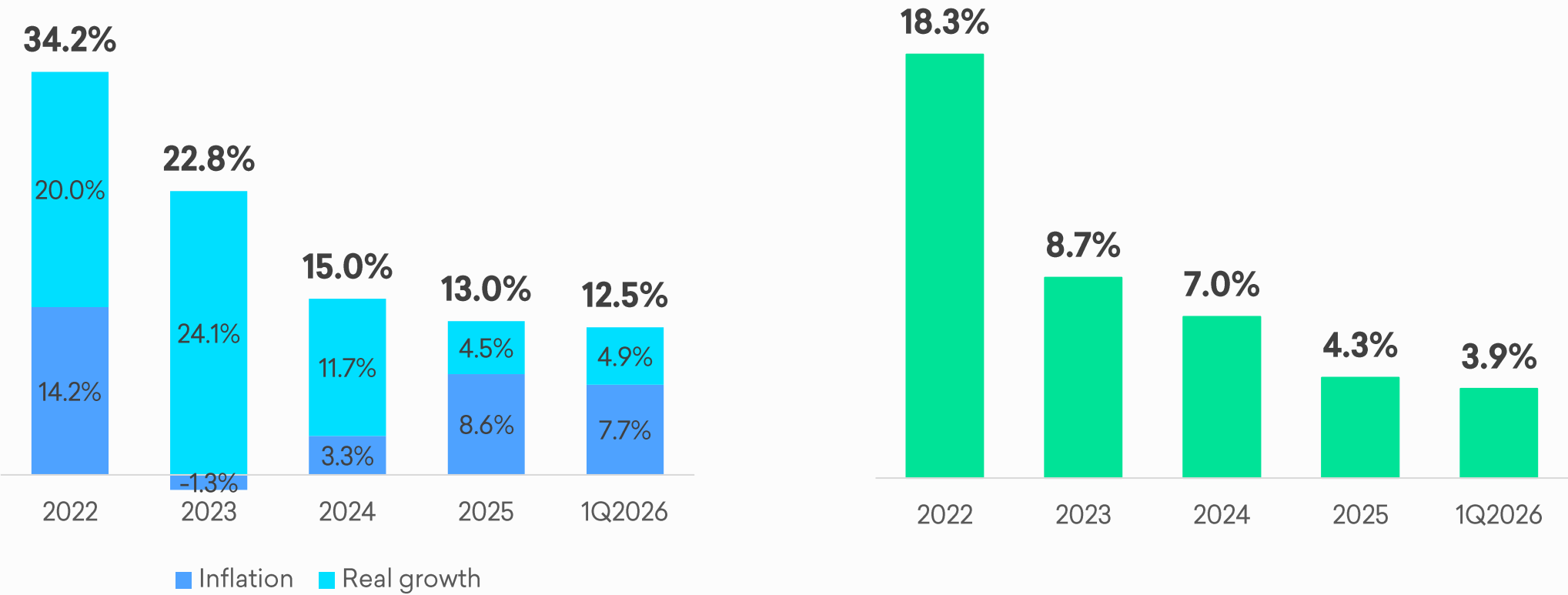


Source: Geostat, NBG, Reportal, company survey, TBC Capital estimates

Slower overall growth amid rising inflation points to a likely moderation in real demand, while the deceleration in LfL sales growth is a strong indicator of intense competition

Growth of Georgian modern FMCG market and LfL sale dynamics

YoY, %



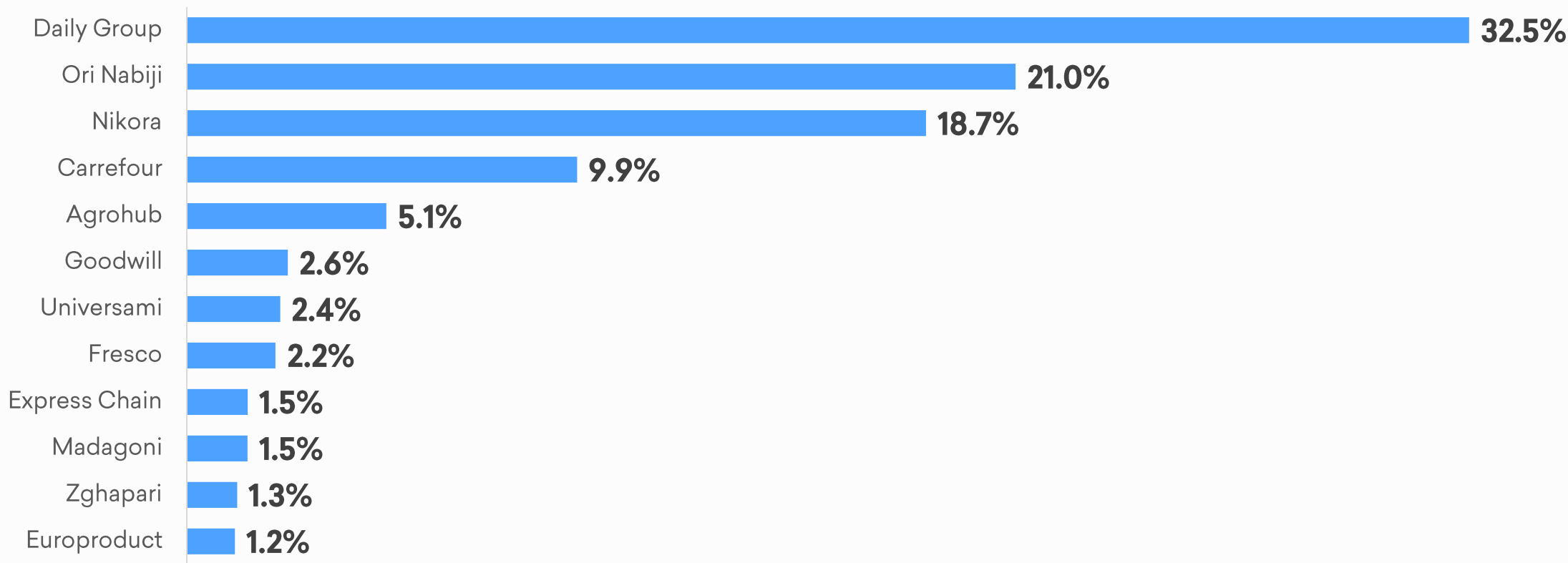


Major operational and financial indicators of modern FMCG market - 2025

In 2025, the five largest companies accounted for approximately 87% of the organized FMCG market

Modern FMCG market revenue breakdown by companies, 2025

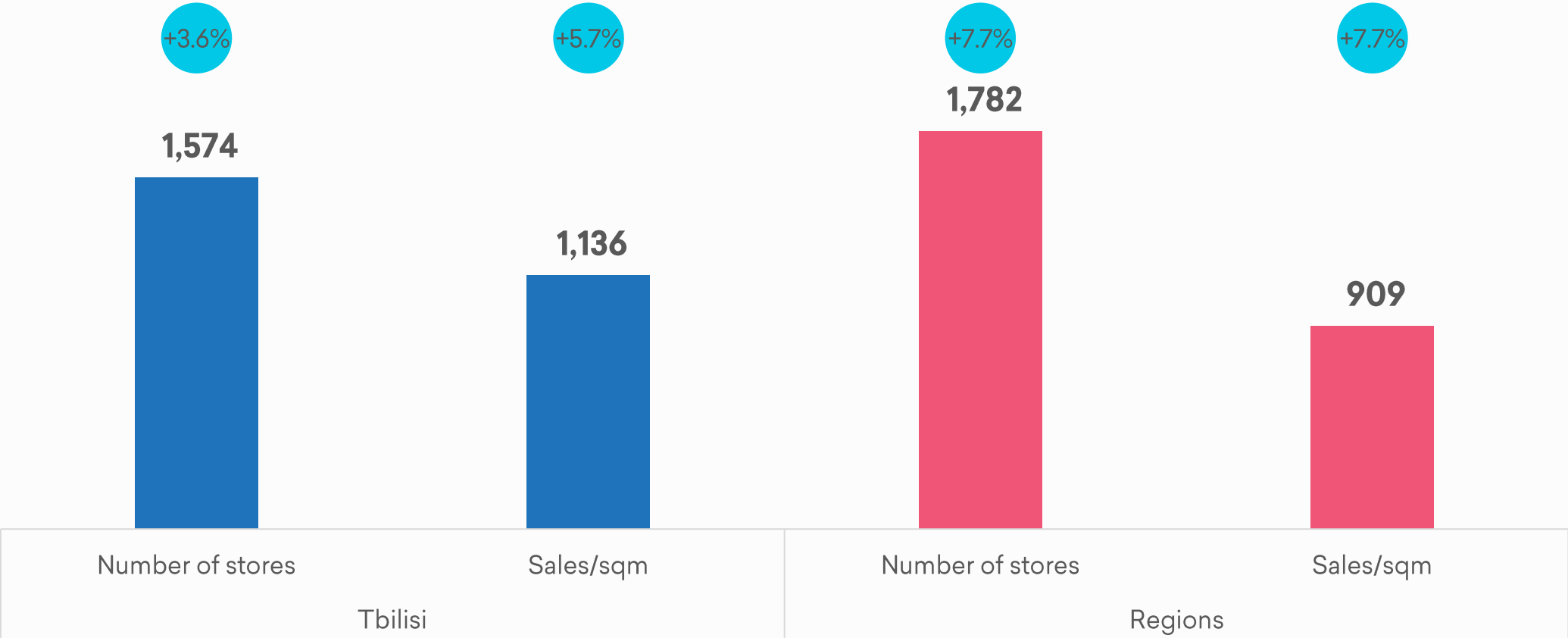
% share



In 2025, the modern FMCG market expanded more rapidly in the regions than in the capital, although sales per square metre remained below the level recorded in Tbilisi

Number of stores and monthly sales per square, 2025

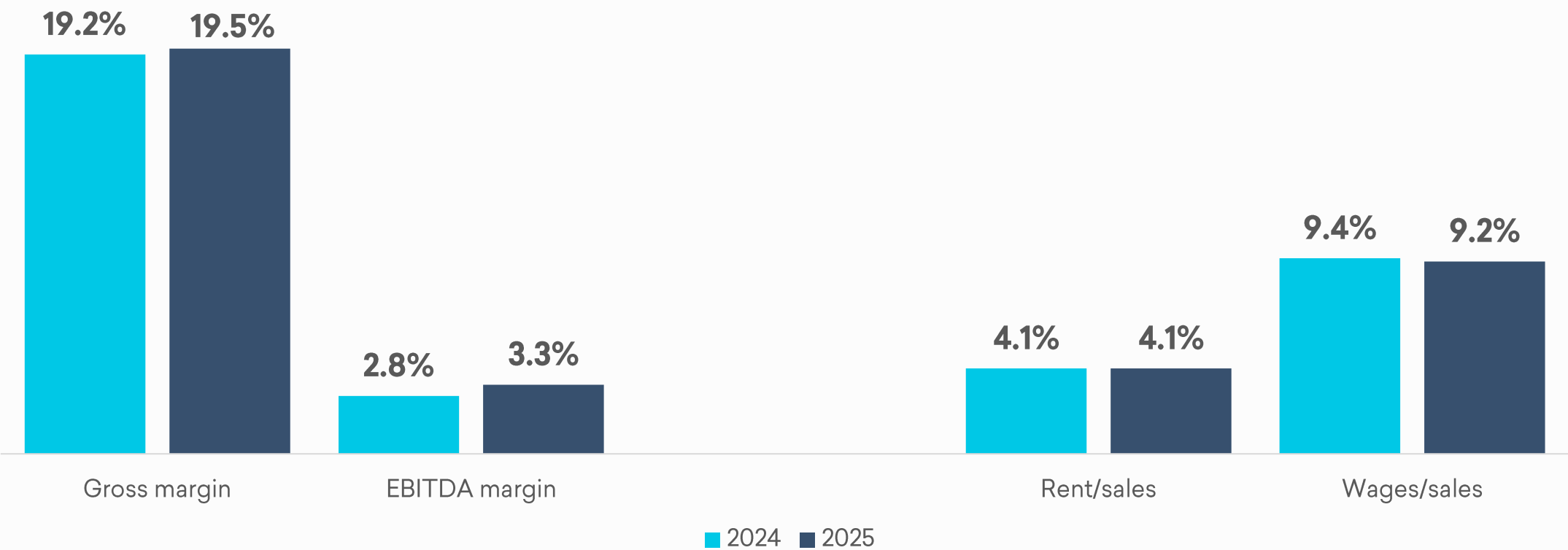
Unit, GEL, excl. VAT, %



Source: Reportal, company survey, TBC Capital estimates

The modern FMCG market's weighted average profitability improved

Modern FMCG market profitability and costs, 2025
%



Source: Reportal, company survey, TBC Capital estimates. Note: Total revenue is used to calculate margins, while revenue from sales is used to calculate expense ratios

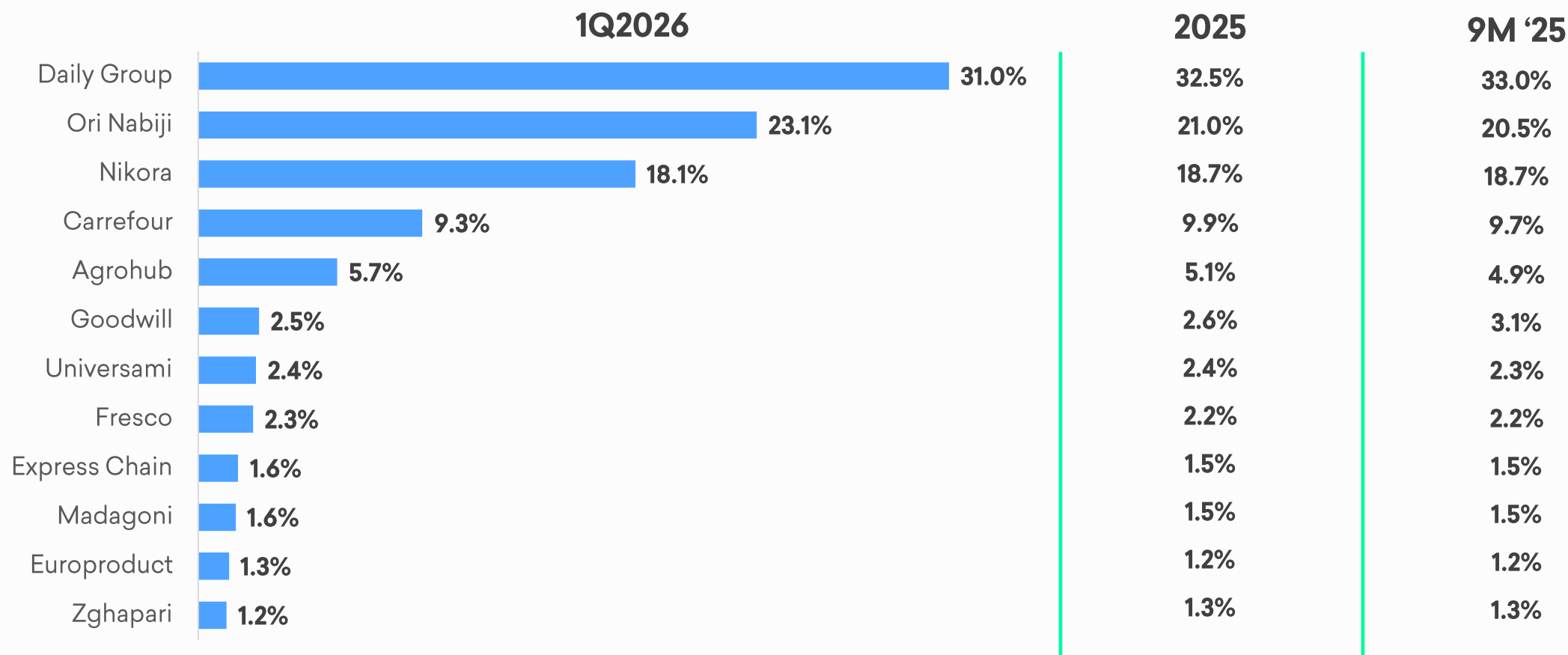


Major operational and financial indicators of modern FMCG market – 1Q2026

In the first quarter of 2026, concentration in the modern FMCG market remained unchanged, although a slight redistribution of market shares among companies was observed

Modern FMCG market revenue breakdown by companies

% share

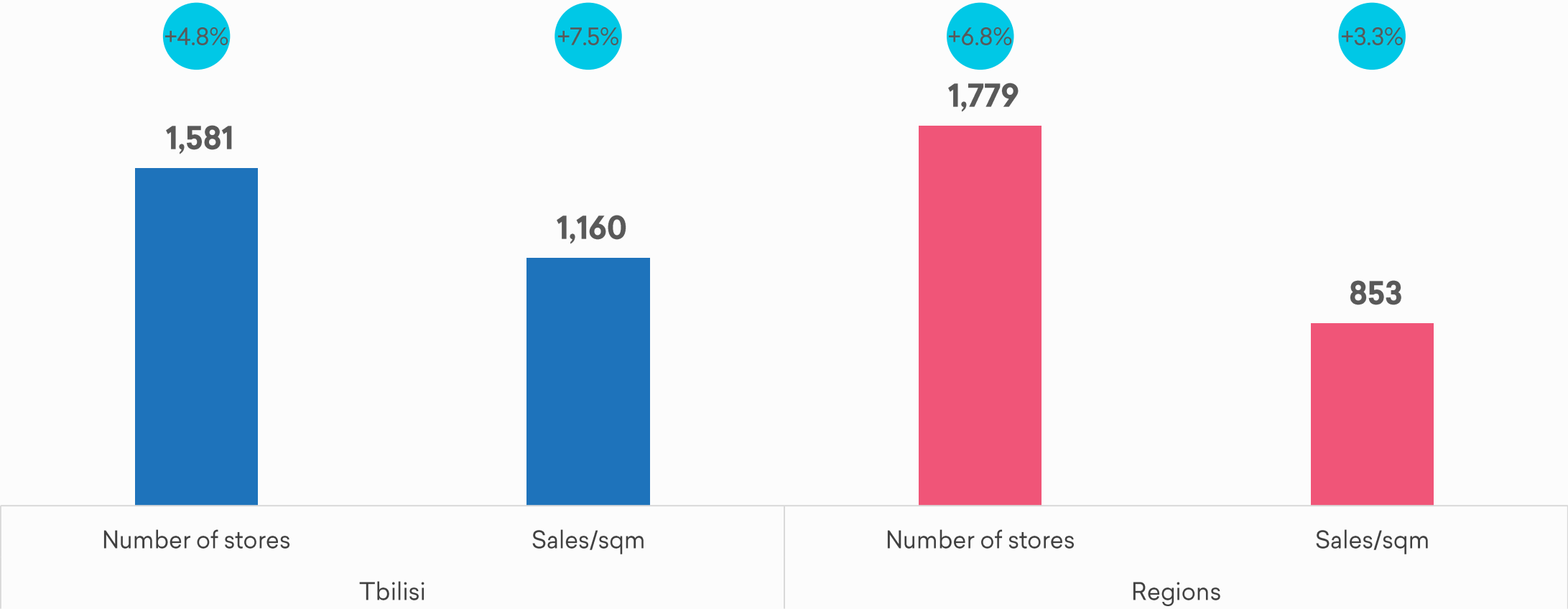


Source: Reportal, company survey, TBC Capital estimates

The modern FMCG market’s expansion strategy, focused on increasing penetration in the regions, continued in the first quarter of this year

Number of stores and monthly sales per square, 1Q2026

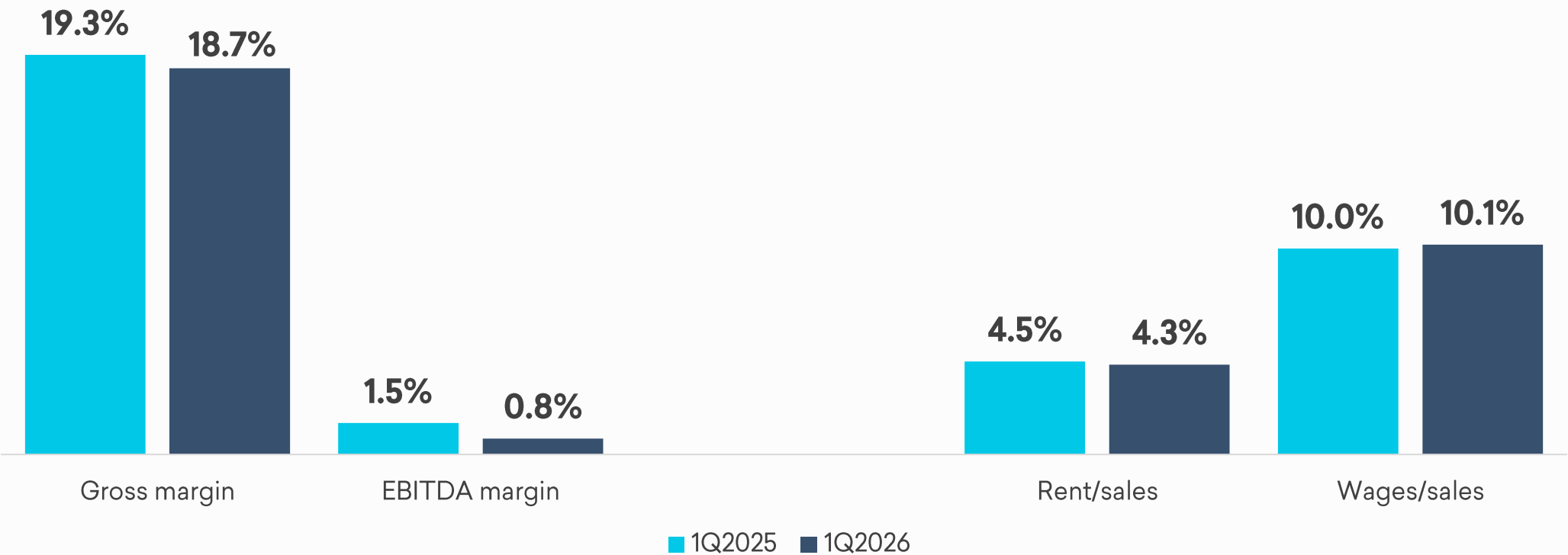
Unit, GEL, excl. VAT, %



Source: Reportal, company survey, TBC Capital estimates

In the first quarter of 2026, the modern FMCG market’s weighted average profitability declined year-on-year, while the ratios of the main expense categories to revenue remained broadly unchanged

Modern FMCG market profitability and costs, 1Q2026
%



Source: Reportal, company survey, TBC Capital estimates. Note: Total revenue is used to calculate margins, while revenue from sales is used to calculate expense ratios

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