INSIGHTS

Unmasking a Year of COVID-19 Data

ANSWERING TOP RETAILER QUESTIONS

Key Areas We'll Examine

1	2	3
Which categories fared the best and how will they keep the momentum going? Which categories did the worst and how can they change the story going forward?	Consumers were forced to try new products as Retailers struggled to keep shelves stocked early on. How did the forced introduction change demand for natural products?	What attributes were most important during the past year, and which will be more important as we begin a post pandemic life?

UNMASKING A YEAR OF COVID-19 DATA

Meet the Panelists

Scott Dicker

Data Analyst
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Retail Solutions Manager
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Associate Data
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Helping Brands & Retailers Make Intelligent Decisions

Brands and retailers that are serious about their shoppers' wellness turn to the SPINS Intelligence Network for insights on **what** shoppers are buying, **where**, and **why**.

SPINS is Unmatched

RETAIL COVERAGE

SPINS securely aggregates POS data into channels that offer an encompassing view of sales while not exposing stores.

AVAILABLE IN SPINS

CONVENTIONAL

EXCLUSIVE TO SPINS

- NEIGHBORHOOD PET
- REGIONAL & INDEPENDENT GROCERY
- NATURAL ENHANCED

PRODUCT INTELLIGENCE

SPINS gathers key data on individual items by UPC and overlays our exclusive attributes to identify underlying trends and shopper motivations.

PACKAGE & PRODUCT

EXCLUSIVE TO SPINS

- CERTIFICATION
- INGREDIENT
- LABEL CLAIM
- NUTRITION PANEL
- POSITIONING

APPLICATIONS & INSIGHTS

SPINS delivers on-demand insights through intuitive applications and deep industry acumen.

EXCLUSIVE TO SPINS

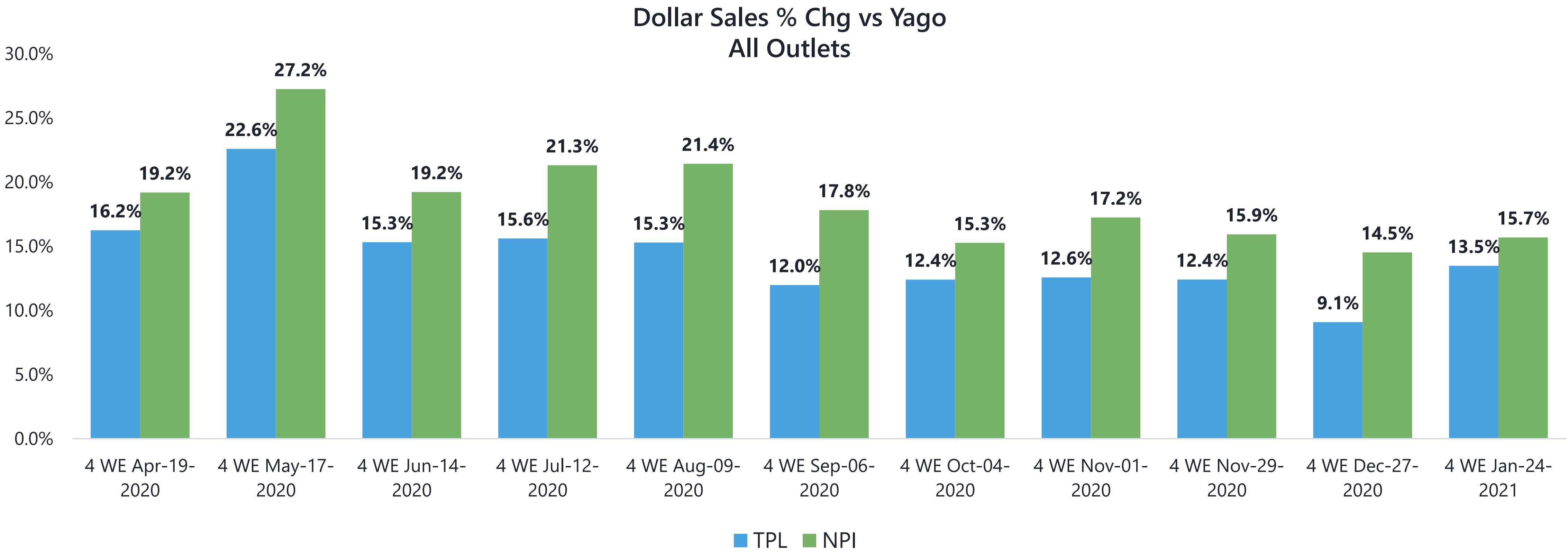
- BUSINESS INTELLIGENCE TOOLS
- CATEGORY MANAGEMENT TOOLS
- GROWTH CONSULTING

Top Line Channel Sales and Positioning Group

Natural Enhanced	Regional & Independent Grocery	Conventional Multi Outlet (MULO)
+10.6% Total Channel Sales	+16.6% Total Channel Sales	+9.4% Total Channel Sales
+4.5% Natural Products	+16.7% Natural Products	+12% Natural Products
+19.4% Specialty & Wellness Products	+21.1% Specialty & Wellness Products	+15.4% Specialty & Wellness Products

52 weeks ending 3.21.21 SPINS SNE, RIG, MULO, powered by IRI. UPC level

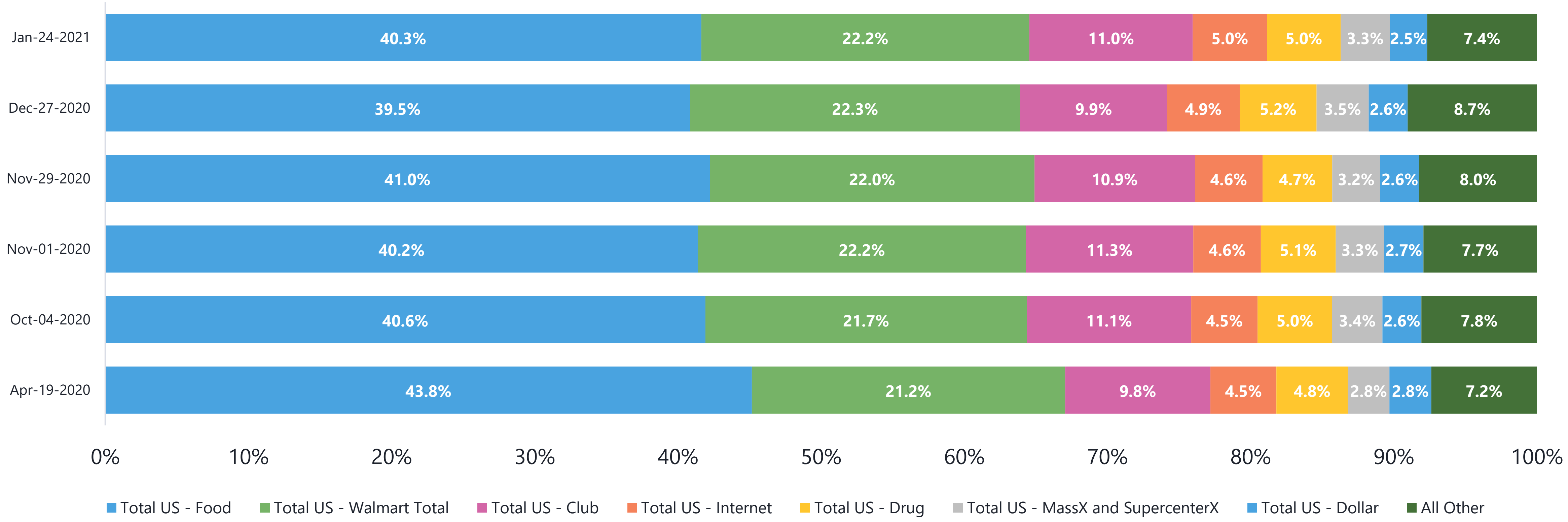
Natural Products Outpacing Total Market



Source: IRI All Outlet Panel, Enhanced with SPINS Product Attribution. Quad Weeks Ending 1.24.2021

The Pandemic Accelerated Internet Buying

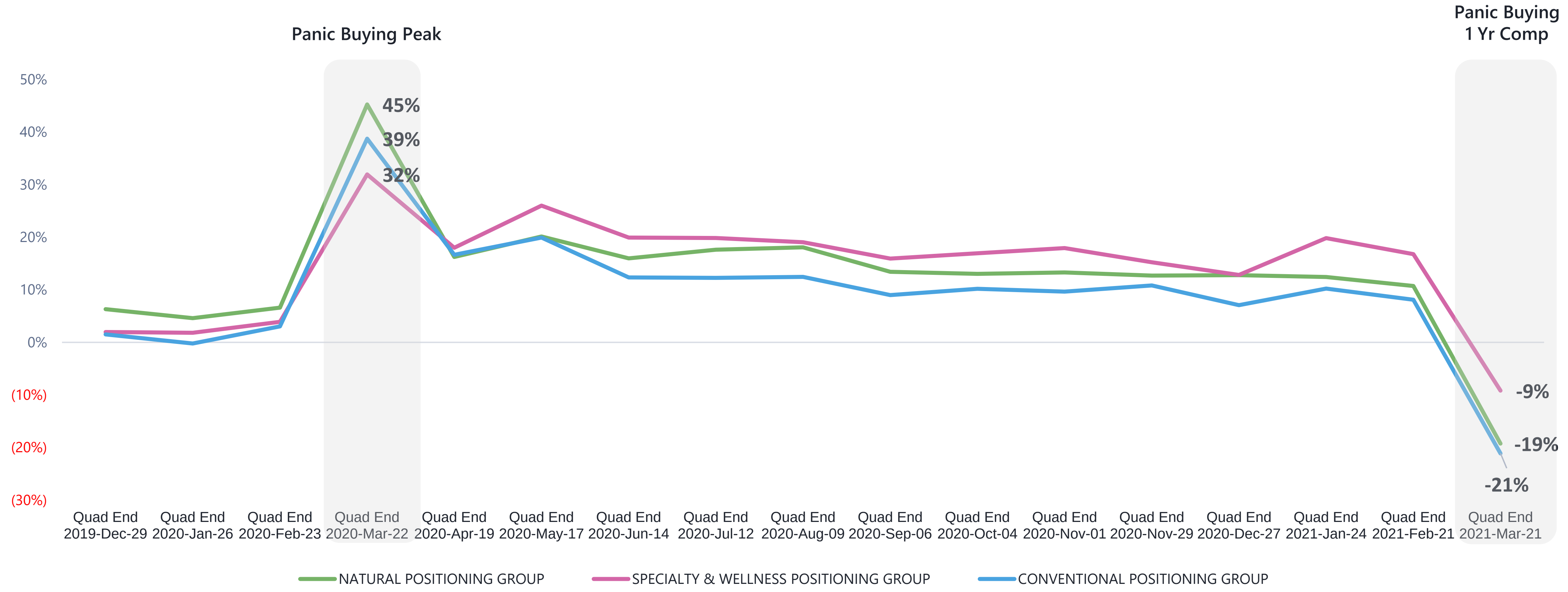
Share of Wallet Across Outlets* TPL Dollar Sales



*Internet includes range of purchases from pure play Ecommerce to Click & Collect; Brick & Mortar outlet sales do not include internet sales.

Source: IRI All Outlet Panel, Enhanced with SPINS Product Attribution. Quad Weeks Ending 1.24.2021
See page 35 for more detail about panel data

Trended Data on Positioning Groups

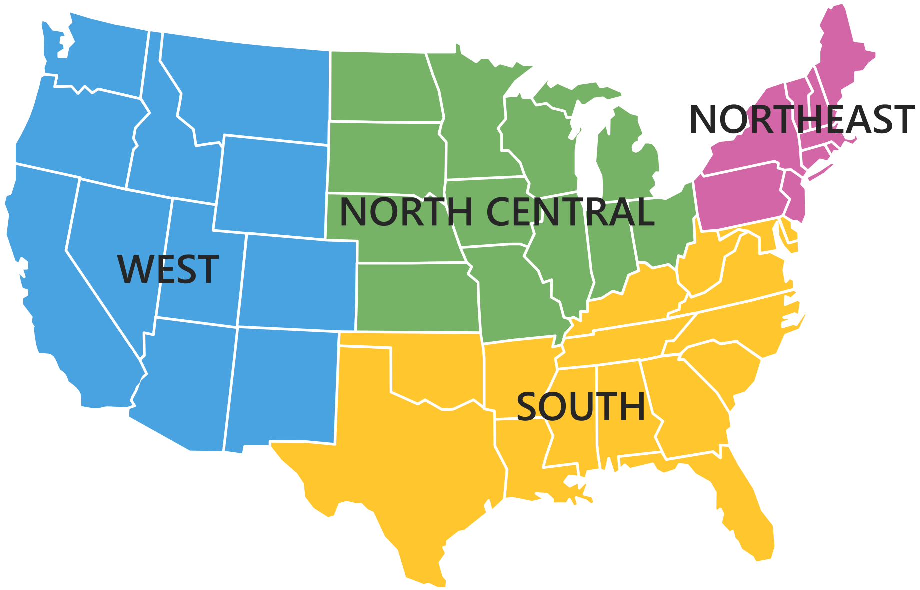


Source: SPINS Natural Enhanced Channel and Conventional Multioutlet Channel (powered by IRI) 17 Quad Weeks Ending 3.21.2021

Regional Outlook Geography

As retailers start to cycle against 2020 sales, it's only logical that growth rates will start to dip into the negative territory.

By comparing current sales to those from pre-pandemic periods, you can start to tease out which regions perform better than others.



West Census	12 Weeks	52 Weeks	12 Weeks vs 2019
SNE+MULO	-2.5%	+9.9%	+12.0%
Natural Enhanced	0.0%	+15.4%	+19.2%
Multi Outlet	-2.7%	+9.6%	+11.6%
Regional & Indep	-1.0%	+16.9%	+19.4%

North Central Census	12 Weeks	52 Weeks	12 Weeks vs 2019
SNE+MULO	-1.4%	+9.3%	+10.9%
Natural Enhanced	-1.9%	+12.3%	+12.9%
Multi Outlet	-1.4%	+9.2%	+10.9%
Regional & Indep	1.7%	+14.9%	+12.8%

Northeast Census	12 Weeks	52 Weeks	12 Weeks vs 2019
SNE+MULO	-4.0%	+8.4%	+9.1%
Natural Enhanced	-8.4%	+8.9%	+4.0%
Multi Outlet	-3.9%	+8.4%	+9.3%
Regional & Indep	-4.5%	+10.6%	+6.0%

South Census	12 Weeks	52 Weeks	12 Weeks vs 2019
SNE+MULO	-0.1%	+9.5%	+13.8%
Natural Enhanced	-7.9%	-2.2%	-2.4%
Multi Outlet	0.0%	+9.6%	+14.0%
Regional & Indep	+5.2%	+20.0%	+18.2%

Source: SPINS Natural Enhanced Channel, Regional & Independent Channel & Conventional Multioutlet Channel (powered by IRI) 52 Weeks Ending 3.21.2021

Decrease in New Products

Overall, we saw about 2/3s of categories declining in the average number of items sold in all major channels (SNE, RIG, MULO).

This was from a variety of reasons including:

- No trade shows
- Grocers focused on keeping shelves stocked and less experimentation
- Few sampling opportunities

Notable Changes:

MULO

- -13% Cosmetics & Beauty Products
- -6% Wellness Bars & Gels
- -5% Shelf Stable Cold Cereal

Natural Enhanced

- -20% Cosmetics & Beauty Products
- -9% Wellness Bars & Gels
- -6% Shelf Stable Cold Cereal

Regional & Independent Grocery

- -15% Cosmetics & Beauty Products
- -4% Wellness Bars & Gels
- -13% Shelf Stable Cold Cereal

Not all categories saw a decline. Alcohol and FIRST AID & THERAPEUTIC TOPICALS saw large increases in new products (lead by hand sanitizer).

Source: SPINS Natural Enhanced Channel and Conventional Multioutlet Channel (powered by IRI) 52 Weeks Ending 3.21.2021

Food & Bev Category Performance

SNACKING STAGNATES

MEAL & MEAL PREP SEE BIG GAINS

FRESH CATEGORIES SEE INCREASED INTEREST

Top

Category	Dollars	Dollars %Growth Yago
Refrigerated Plant Based Meat Alternatives	$592,112,503.92	48.50%
Refrigerated Tofu	$155,685,514.34	34.00%
Shelf Stable Seasonings	$7,527,965,669.69	27.80%
Frozen Plant Based Meat Alternatives	$837,471,396.55	22.70%
Shelf Stable Baking Mix & Ingredients & Flour	$7,798,188,731.56	21.50%
Refrigerated Pasta	$541,913,559.71	20.80%
Refrigerated Tea & Coffee RTD	$1,776,923,102.12	20.30%
Refrigerated Pasta & Pizza Sauces	$90,750,733.95	19.70%
Shelf Stable Condiments & Dressing & Marinade	$12,358,417,058.72	19.10%
Frozen Fruits & Vegetables	$8,064,176,900.96	18.80%

Bottom

Category	Dollars	Dollars %Growth Yago
Wellness Bars & Gels	$2,640,630,567.05	-15.20%
Infant Formula & Toddler Nutrition Drink	$4,011,538,545.07	-5.50%
Baby & Toddler Food	$1,736,051,989.29	-0.10%
Shelf Stable Creams & Creamers	$731,994,497.85	0.40%
Shelf Stable Candy	$21,937,162,610.26	0.90%
Shelf Stable Nut & Seed Butters	$2,564,849,798.27	1.30%
Refrigerated Yogurt & Plant Based Yogurt	$8,059,720,555.47	1.70%
Shelf Stable Hot Cereals	$1,608,048,485.20	2.40%
Shelf Stable Cookies & Snack Bars	$12,701,217,218.10	2.80%
Shelf Stable Crackers & Crispbreads	$6,781,004,576.28	2.80%

Body Care & Supplements Category Performance

HAND SANITIZER CONTINUES TO BE A MUST-HAVE ITEM

DEODORANTS & ANTIPERSPIRANS AND COSMETICS TAKE A DIVE

WEIGHT MANAGEMENT FORMULAS ARE DOWN

Category	Dollars	Dollars %Growth Yago
First Aid & Therapeutic Topicals	$2,166,771,982.38	160.30%
Soap & Bath Preparations	$6,578,353,763.87	10.90%
Aromatherapy & Body Oils	$1,146,185,929.80	3.60%
Deodorants & Antiperspirants	$3,325,703,256.54	-8.90%
Body Care Kits	$485,475,077.59	-9.70%
Cosmetics & Beauty Products	$6,796,098,047.83	-12.00%

Category	Dollars	Dollars %Growth Yago
Vitamins & Minerals	$5,227,221,545.37	14.50%
Miscellaneous Supplements	$2,353,900,122.65	14.10%
Performance Nutrition	$250,704,829.47	13.00%
Weight Management Formulas	$208,955,440.63	-5.90%
Flower Essences	$7,970,915.68	-18.00%
Homeopathic Medicines	$457,816,634.78	-30.60%

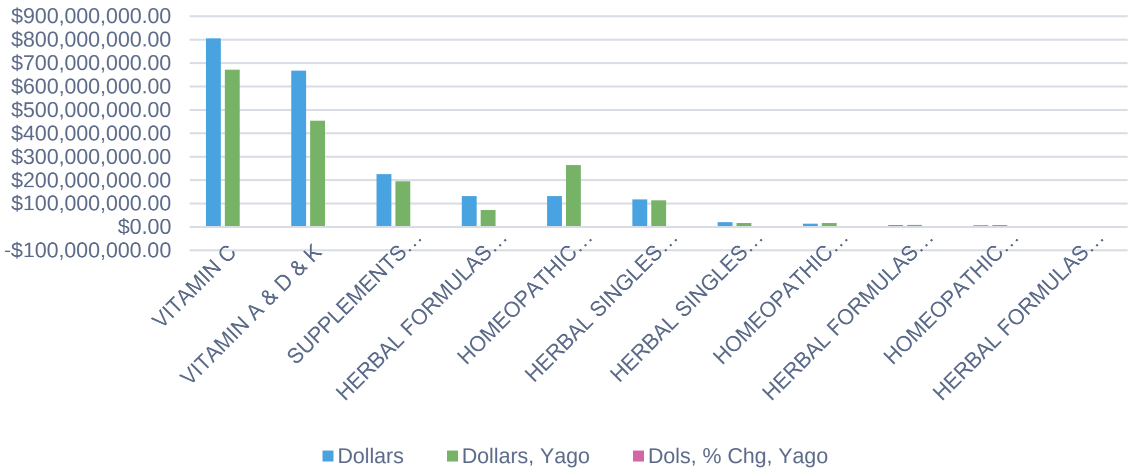
Source: SPINS Natural Enhanced Channel and Conventional Multioutlet Channel (powered by IRI) 52 Weeks Ending 3.21.2021

Shift from Immune to Performance?

Over the course of the last year, **people were driven to more immune and calming supplements** with Vitamin C and Vitamin D the biggest winners

People had more trust in supplements than homeopathic medicines touting the same function as homeopathic medicines were left out of the growth

Performance supplements continued a strong growth despite more people staying home. We predict that this segment will explode in the coming year as the economy and social activities ramp back up.



Subcategory	Dols, % Chg, Yago
Vitamin C	20.0%
Vitamin A & D & K	47.0%
Supplements Performance Other	15.8%
Herbal Formulas Calmative	79.8%
Homeopathic Medicine Cold & Flu	-50.4%
Herbal Singles Cold & Flu & Immune	3.2%
Herbal Singles Calmative	17.3%
Homeopathic Medicine Allergy & Respiratory	-11.5%
Herbal Formulas Energy	-16.5%
Homeopathic Medicine Stress & Sleep	-22.2%
Herbal Formulas Allergy	-7.7%

Source: SPINS Natural Enhanced Channel and Conventional Multioutlet Channel (powered by IRI) 52 Weeks Ending 3.21.2021

On The Go with RTDs and Wellness Bars Saw Sharp Declines but Are Recovering

Common RTD and Wellness Bar Categories

Trended Dollar Sales Growth Rate YoY

Meal Staples vs Snacks & Treats

MEAL STAPLES

Category	Dollars	Dollar % Growth, Yago
RF Plant Based Meat Alt	$593M	+48.6%
FZ Plant Based Meat Alt	$839M	+22.6%
SS Baking Mix & Ingredients	$8B	+21.5%
RF Pasta	$549M	+20.5%
RF Pasta & Pizza Sauces	$91M	+19.5%
FZ & RF Meat Poultry & Seafood	$44B	+18.1%
FZ Entrees	$24B	+15.0%
SS Entrees & Mixes	$6B	+10.5%
SS Pasta & Pizza Sauces	$3B	+9.6%
SS Pasta	$3B	+9.1%
SS Beans Grains & Rice Dry	$2B	+8.4%

SNACKING & INDULGENCE

Category	Dollars	Dollar % Growth, Yago
FZ Desserts	$16B	+17.9%
SS Dessert & Dessert Toppings	$4B	+16.6%
Bread & Baked Goods	$33B	+11.0%
SS Chips & Snacks	$25B	+10.9%
SS Nuts & Trail Mix & Dried Fruit	$8B	+5.5%
SS Cookies & Snack Bars	$13B	+2.4%
RF Yogurt & Plant Based Yogurt	$8B	+1.6%
SS Candy	$22B	+0.8%
Wellness Bar & Gels	$3B	-14.7%

Source: SPINS Natural Enhanced Channel and Conventional Multioutlet Channel (powered by IRI) 52 Weeks Ending 3.21.2021

Dietary Growth Drivers

KETO DIET

Category	%Growth Diet	%Growth Total Cat/Seg
Shelf Stable Hot Cereal	+59.2%	+2.4%
Frozen Appetizers & Snacks	+35.6%	+18.40%
Shelf Stable Pasta	+32.8%	+8.9%
Bread & Baked Goods	+29.1%	+11.10%
Frozen Dessert	+24.8%	+17.90%

PLANT BASED ALTERNATIVES

Category	%Growth Diet	%Growth Total Cat/Seg
Shelf Stable Tea & Coffee RTD	+76.3%	+12.30%
Shelf Stable Jerky & Meat Snacks	+53.5%	+15.20%
Refrigerated Creams & Creamer	+37.6%	+15.7%
Refrigerated Cheese & Plant Based Cheese	+36.6%	+17.20%
Refrigerated Coffee & Tea RTD	+23.4%	+20.30%

Source: SPINS Natural Enhanced Channel and Conventional Multioutlet Channel (powered by IRI) 52 Weeks Ending 3.21.2021

Sustainability Growth Drivers

+13.1% ORGANIC INGREDIENTS	**+11.7%** CERT MARINE STEWARDSHIP
+8.4% CERT B-CORP	**+15.3%** GRASS FED
+21.9% ANIMAL WELFARE	**+13.7%** FAIR TRADE

Source: SPINS Natural Enhanced Channel and Conventional Multioutlet Channel (powered by IRI) 52 Weeks Ending 3.21.2021

Sustainability Growth Drivers

Brands in Meat and Dairy categories are driving growth in Sustainability.

Small & Local
Many small farms and regional dairies are differentiating themselves by focusing on elevated sustainability elements and leaning into supply chain transparency

Regenerative Agriculture
Concerns over climate change, soil health, and the effects of a heavy reliance on toxic chemicals have driven the popularity of regenerative agriculture

Meat & Plant Blends
It's more than just combining meats and plants. These products are really about blending health and nutrition with sustainability

PREDICTIONS

Scott Dicker

The shifts to health and wellness products continue to maintain pandemic growth as it has become a staple in more consumers kitchens.

Grocery store meat and seafood, as well as alcohol will see a dip as bars and restaurants open back up but the specialty innovations will continue to outpace the growth of more historically common product types.

PREDICTIONS

Brittany Moore

Restaurant menus have been responsive to wellness diets during the pandemic, making it easier than ever to stick to Keto/plant based, etc. Going to fuel continued growth/range of wellness diets products available in store and online.

PREDICTIONS

Jeff Crumpton

People will continue to 'expect more' from their food for health support, including expecting continued nutrient density focus, functional ingredients, etc.

PREDICTIONS

Simon Cutts

The continued blur between online, restaurant, and instore will continue. Retailers that can create a seamless digital experience that makes it easy for the customer in all 3 will win.

With occupancy restrictions lifted and much of the population fully vaccinated – the restaurant industry is going to come back fighting hard to regain their share of the stomach. Grocery retail must be ready to defend their market gains.

Get ready for the back half of 2021
It's going to be exciting!

Trade shows are back on! CPG companies are going to be catching up on new item releases and innovation updates that were postponed during the pandemic. Retailers must be ready:

1

Update and reprioritize category reviews based on current performance to market.

2

Review key distribution voids that may have developed during the pandemic due to supply chain issues.

3

Evaluate promotional efforts as the restaurants begin the fight back.

4

Measure and course correct as needed to maintain and grow market share.

Thank You!

For more information, **connect with your SPINS Representative.**

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