United Fresh BRANDSTORM

"Our Strongest Selling Point- Product Claims"

Trends Motivating Successful Innovations in Retail Multi-Outlet 2020

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Consumer Lifestyle Shifts Influence Innovation

Home Upgrades, Inside & Out, Especially Digitally
Outdoor spaces, gardens, workspaces, cookery, kitchen appliances, streaming services

Leisure & Holidays
Entertainment, holidays, and celebrations look different

Work and Workout At Home
Physical home space changed to accommodate stay-at-home

Consumption Shifts
More spending at-home vs. away-from-home, increase in cleaning

Shopping Shifts
Increased adoption of e-commerce, fewer trips, bigger baskets, less product discovery in store

Consumer Metaphors Changed During the Pandemic

Reliability	Trust	Innovative	Effortless
- Constant -	- Reliance -	- Newness -	- Nimble -
- Solid -	- Solace -	- Trailblazing -	- Frictionless -
- Dependable -	- Assurance -	- Eccentric -	- Quick -
- Steadfast –		- Breakthrough -	- Bright -
- Infallible -			- Gentle -
- Genuine -			

emergent fading

Attributes and Benefits Focused on Product Origins, Societal Care, Lifestyle / Diets and Self-Care Are Growing Faster

Dollar Sales Growth of Products With Attribute and Benefit Types – MULO+C, 52 WE 12/27/20

Attribute Group	F&B 2020 Growth	Nonedible 2020 Growth
Product Origins (e.g., Artisanal, Made in USA)	18%	8%
Societal Care (e.g., B-Corp, Eco Friendly, Fair Trade)	14%	14%
Lifestyle Diets (e.g., Ketogenic, Plant-Based Diet, Vegan)	13%	9%
Allergens & Intolerances (e.g., Gluten-Free, Lactose-Free)	13%	7%
Clean Label (e.g., Common Allergen-Free, Non-GMO)	12%	4%
Self-Care (e.g., Immune Support, Antioxidants)	12%	7%
Botanicals & Oils (e.g., Lavender Oil, Citrus)	12%	5%
FDA Nutrient Claims (e.g., More Calcium, Reduced Calories)	10%	3%
Plant Based Protein (e.g., Pea Protein, Hemp Seed Protein)	9%	6%

Edible Growth ▲ 13%

Nonedible Growth ▲ 6%

Contains all types of plant-based protein. Seitan, pea and kamut proteins are the fastest growing with +20% growth

Contains dissolvable protein powders (i.e., whey protein)

Note: Growth based on sum of relevant claims within group. Excludes ingredient label-based attributes. Source: IRI POS Data, Label Insight Claims, MULO+C, Data ending 12/27/2020

Fastest-Growing and Accelerating Edible Attributes Focus on Product Origin and Targeted Diets

Fastest-Growing Product Attributes in Edible

Ranked on Dollar Sales % Change in 2020, MULOC, 52 WE 12/27/20

	Claim	2020 Size ($MM)	% of F&B Sales	CAGR (2015-2019)	2020 Dollar Sales Growth
PRODUCT ORIGINS	Made In USA	$26,184	4.3%	4%	17%
	Artisanal	$2,129	0.4%	7%	15%
	Local	$2,810	0.5%	0%	15%
	Handmade	$2,375	0.4%	5%	14%
	Craft	$9,004	1.5%	6%	14%
LIFESTYLE DIETS	Whole 30 Diet	$54,204	9.0%	4%	17%
	Ketogenic	$68,525	11.3%	3%	17%
	Low Glycemic Diet	$19,315	3.2%	-1%	16%
	Low Carbohydrate Diet	$136,887	22.6%	3%	16%
	Paleo	$56,904	9.4%	4%	16%

F&B CAGR +2%

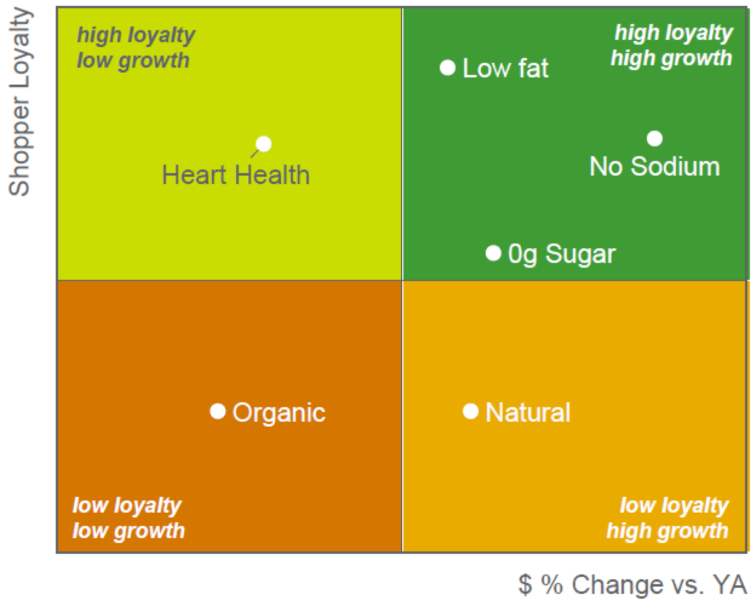
F&B 2020 Growth +13%

Note: Considered Claims over $100M in sales. Excludes ingredient label-based attributes / Source: IRI POS Data, Label Insight Claims

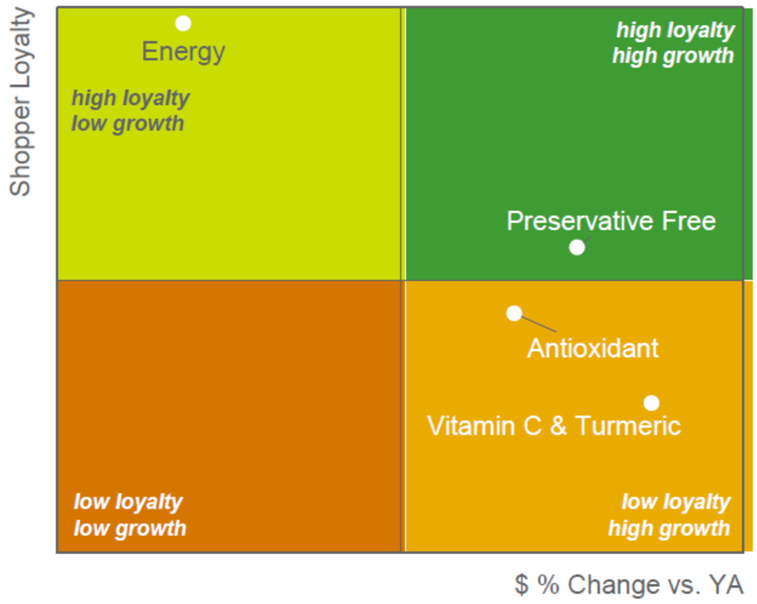
Focus on Understanding Attributes That Matter to Shoppers; High Growth Does Not Always Drive Consumer Choice

EXAMPLES

BREAKFAST

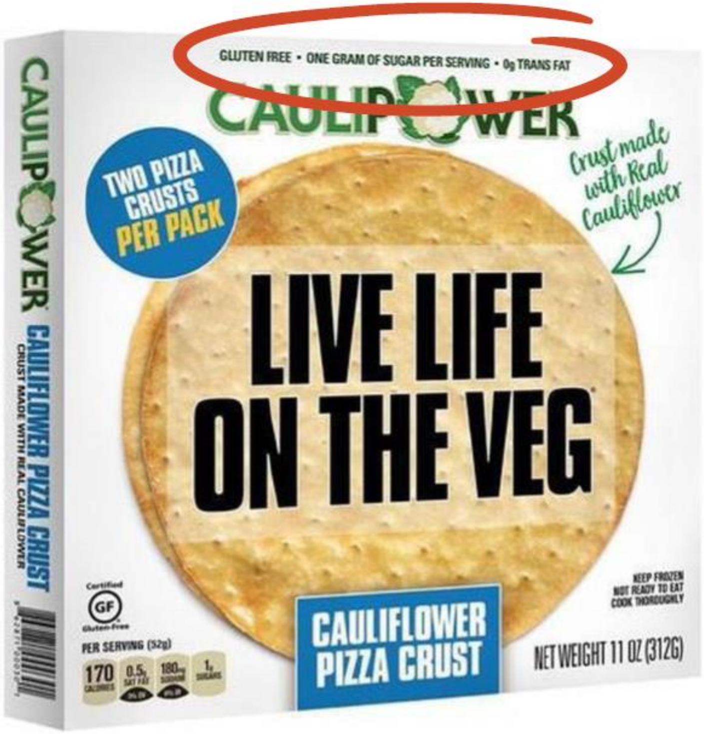


BEVERAGES



Source: IRI Hendry analysis, IRI Consumer Panel. Based on six months post COVID-19.

Right Messages Boost Product Equity and Enable Optimal Pricing



Popularity ≠ Profitability

- Case study: frozen pizza crust.
- Shoppers will pay a premium for a genuine benefit, such as gluten-free.
- Messaging should **leverage the attributes that promote the benefits** of a product.

Quantify Benefits to Enable Optimal Pricing

- Better-for-you claims, including organic, non-GMO and no artificial ingredients, can carry price 2%-5% vs. mainstream alternatives.
- But **leverage multiple claims**, such as organic and no artificial ingredients, **to communicate premium quality** and **command a premium price point** (~25% vs. mainstream alternatives).

E-Commerce Has Also Made Massive Impact – Opening Fresh Opportunities

Shopper Demand for Online Groceries Has Fast-Forwarded into 2025, Especially for Perishables

16% of households use online as their primary way to buy groceries throughout the Pandemic

81% of online grocery shoppers expect to do this *more* or *about the same* even after vaccinated or restrictions lifted

$9B 2020 Fresh Foods eCommerce Sales

87% Fresh Foods 2020 eCommerce sales growth, 10 points higher than center and frozen foods/beverages

Source: IRI eMarket Insights CY 2020 and IRI Shopper Survey, Wave 24 January 2021

Awareness and Search Are Key Elements in Online Shopping Experience; Target Shoppers With Simple Language and Beneficial Attributes

In Addition to Search, Click & Collect or Home Delivery Makes a Great New Product Sampling Platform

Shopping behaviors during last online shopping experience; those who have shopped for groceries online in the past two months:

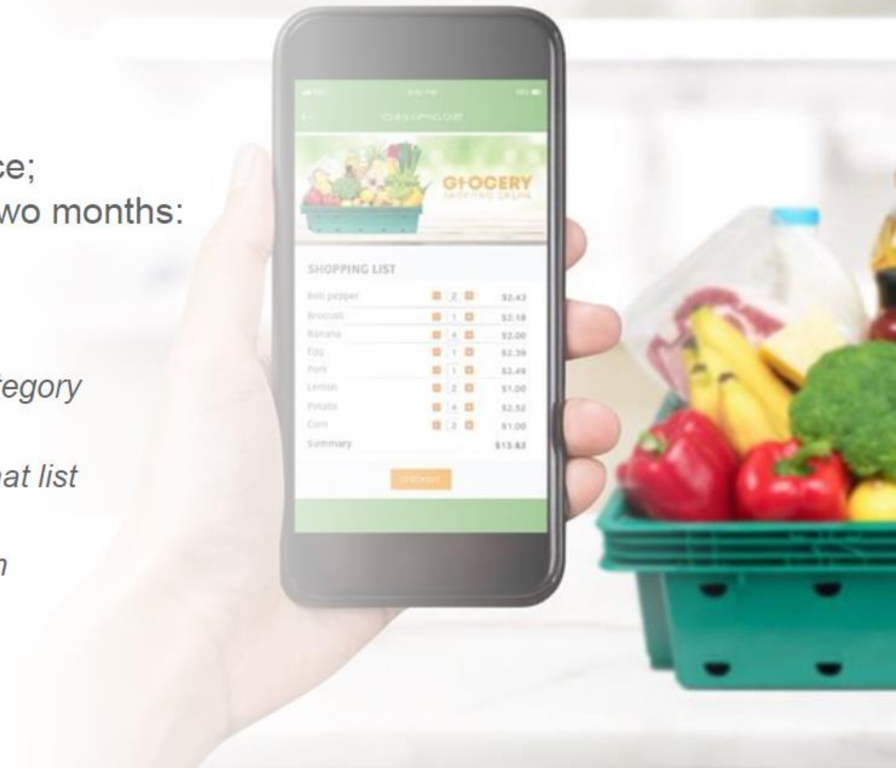
59% *Used the search tool to type in the name of a specific item*

35% *Used the category menus to browse for options within a category*

32% *Accessed list of pre-purchased items and reordered from that list*

29% *Checked for sales items before making a purchase decision*

12% *Looked for new items to try*



Source: IRI Consumer Network™ Panel Survey representing Total U.S. Primary Grocery Shoppers – 5/22 – 5/24

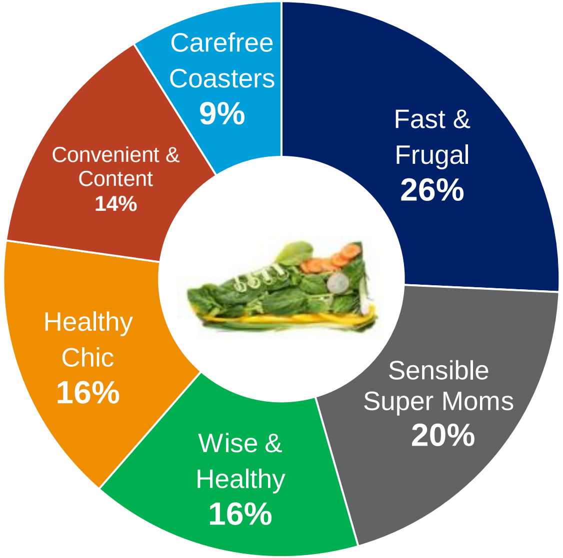
Not all Consumers Feel the Same Way About Health & Wellness

Understanding your consumer- and what matters to them- is critical

PURPOSE OF THE NUTRILINK SEGMENTS

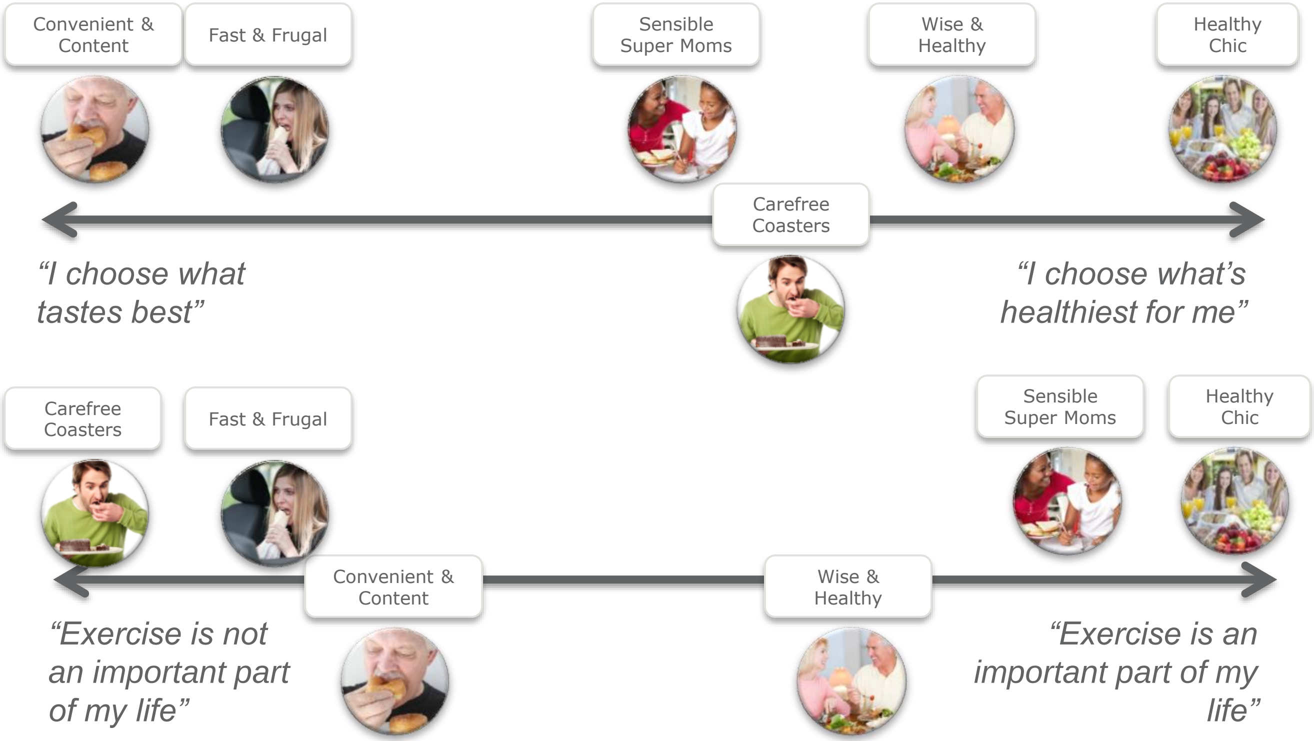
- The NutriLink segmentation was created to identify the unique and targetable segments that exist based on U.S. consumers' approaches to health, diet and nutrition.
- U.S. Consumers fall into one of six different segments that reflect their behavior and attitudes toward health and nutrition, as well as their demographics.
- Each segment is targetable, and each offers a different opportunity for both CPG manufacturers and retailers.

NUTRILINK SEGMENT SIZES



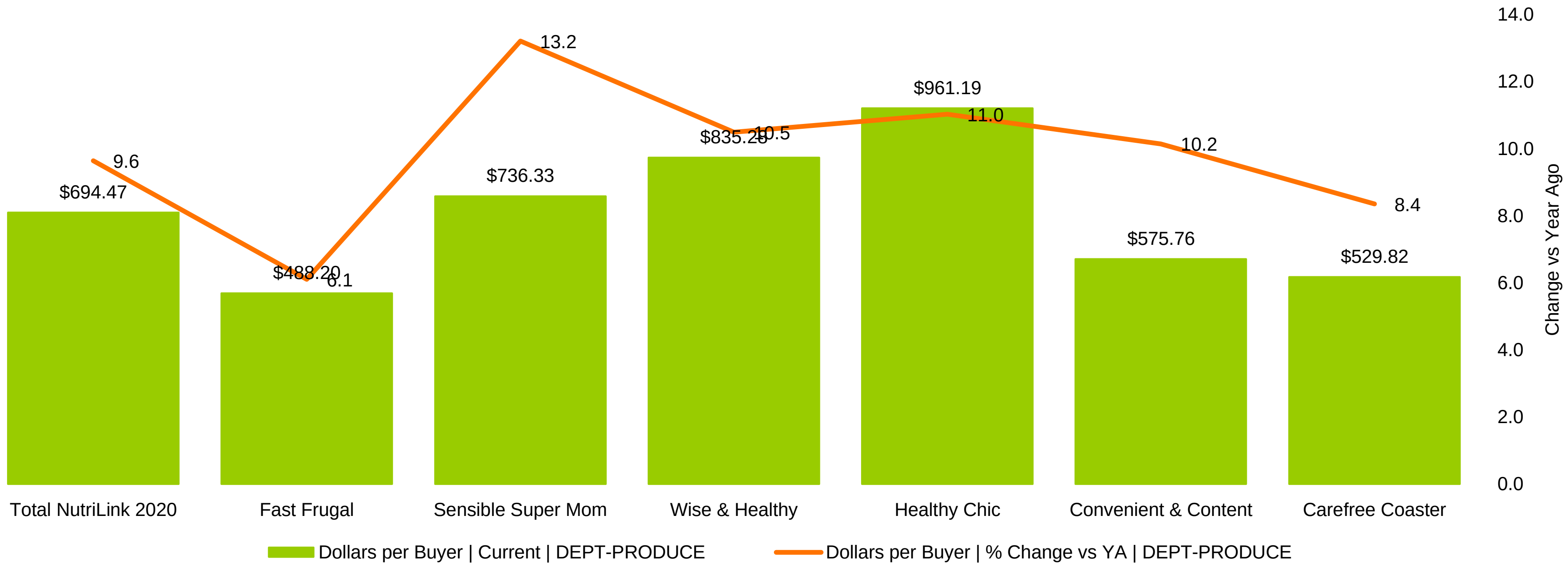
Source: IRI NutriLink segmentation updated annually

These 6 segments reflect a broad spectrum of attitudes and behaviors about eating and exercise



Produce Appeals to All Consumers – with the Healthiest Segments Spending the Most and Growing Their Spend the Fastest

The three healthiest segments also currently buy produce most frequently – although all segments make more than 70 produce-buying trips per year!



Source: IRI Panel with NutriLink segmentation, All Outlets for Produce (FW/RW), CY 2020

Different Produce Categories Appeal to the Different Segments

Produce categories ranked highest in *spend compared to average* by Nutrilink segment

"I choose what tastes best"

Peas
Corn
Cherries

Convenient & Content

Potatoes
Melons
Corn

Fast & Frugal

Grapefruit
Potatoes
Cherries

Carefree Coasters

Cooking Greens
Oranges
Apples

Sensible Super Moms

Grapefruit
Tomatoes
Celery

Wise & Healthy

Peppers
Broccoli
Berries

Healthy Chic

"I choose what's healthiest for me"

Source: IRI Household Panel data- NutrilLink Segmentation, Dollars per Buyer Produce FW/RW, CY 2020

Sales Performance Background

FRESH PRODUCE IN 2020

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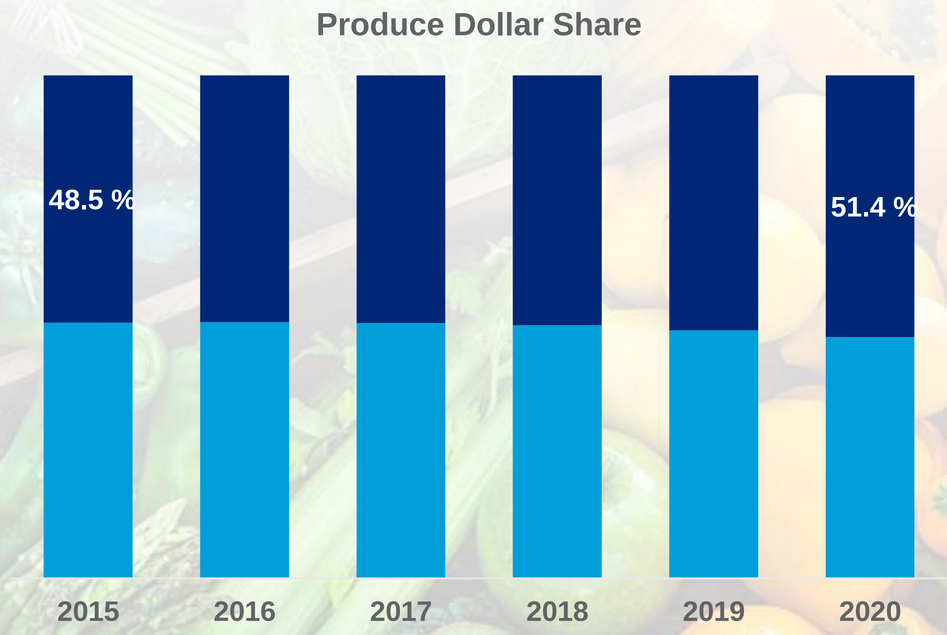
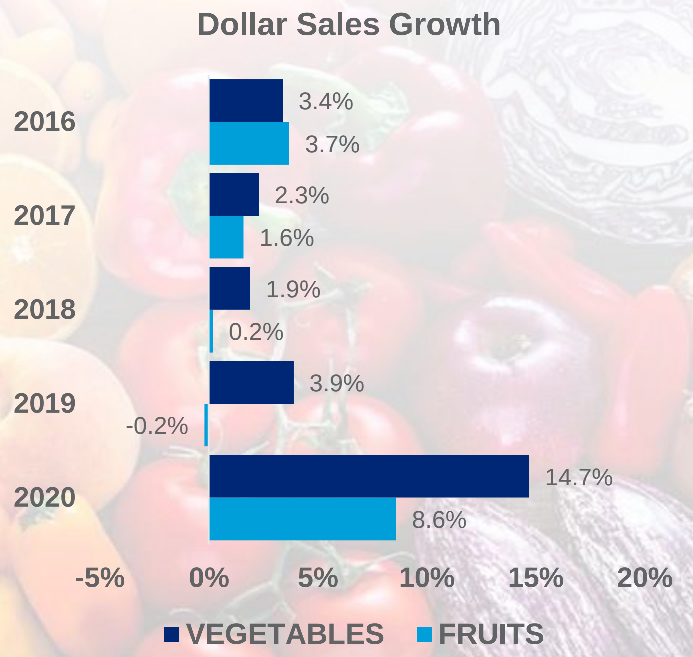
Vegetables Share of Produce Has Grown Over the Years as Fruit Growth Rates are Declining and Was Outpaced by Vegetables in 2020

Share of Dollar Sales 2016-2020





Source: *IRI Integrated Fresh Market Advantage, MULO, Latest Calendar Year Ending 12/27/2020*

These Top 15 Vegetable Categories Contributed 84% of Dollar Growth as Share of Meals Made In Home Grew

Top 15 Vegetable Categories Based On Share of Dollar Growth: 2020

	$ Growth (M)	Share of $ Growth	Dollar % Change
Tomatoes	$625M	13.6%	14.7%
Potatoes	$608M	13.2%	18.3%
Peppers	$404M	8.8%	20.9%
Salads – Kits	$374M	8.1%	19.1%
Onions	$317M	6.9%	14.9%
Lettuce	$279M	6.1%	14.5%
Mushrooms	$227M	5.0%	12.0%
Cucumbers	$190M	4.1%	19.6%
Corn	$146M	3.2%	18.1%
Spinach	$129M	2.8%	25.7%
Squash	$126M	2.7%	13.9%
Broccoli	$123M	2.7%	14.3%
Asparagus	$112M	2.4%	11.8%
Sweet Potatoes / Yams	$93M	2.0%	14.5%
Garlic	$92M	2.0%	15.8%

Source: IRI Integrated Fresh Market Advantage, MULO, Latest Calendar Year Ending 12/27/2020

Fresh Berries Make-Up 22% of Overall Fresh Fruit Category and Contributed 35% of Category Dollar Growth

Top 15 Fruit Categories Based On Share of Dollar Growth: 2020

	$ Growth (M)	Share of $ Growth	Dollar % Change
Berries	$903M	34.5%	8.6%
Oranges	$302M	11.5%	14.2%
Cherries	$252M	9.6%	32.0%
Melons	$237M	9.1%	31.5%
Avocados	$176M	6.7%	9.5%
Mandarins	$161M	6.2%	7.6%
Lemons	$154M	5.9%	10.3%
Limes	$140M	5.3%	22.3%
Bananas	$113M	4.3%	27.2%
Apples	$70M	2.7%	3.6%
Mangoes	$65M	2.5%	1.8%
Pineapples	$57M	2.2%	16.6%
Kiwi	$25M	1.0%	7.6%
Grapefruit	$22M	0.8%	14.9%
Tangerines	$13M	0.5%	11.2%

Source: IRI Integrated Fresh Market Advantage, MULO, Latest Calendar Year Ending 12/27/2020

thank you!

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Resources to Learn More

These were just a snapshot of what's available from IRI on Marketing, Innovation and Fresh Foods!

IRI's Latest CPG and Retail Insights Reports to Manage the Impact of COVID-19 *(click to see full report)*

The Changing Shape of the CPG Demand Curve

13. America Is Ready for Football
12. Revenue Management Opportunities in a Pandemic
11. Home for the Holidays
10. Powering the Future of Convenience Retail
9. Reignite In-Store Merchandising in Grocery
8. SNAP Benefits
7. U.S. CPG Growth Leaders
6. E-Commerce
5. Boomers
4. A Global Perspective
3. Tracking Transformation
2. Meat and Millennials
1. Anticipate the Future

Discovering Pockets of Demand

3. Innovation for a Post-Pandemic World
2. Harness Growth in 2021
1. The Premium Opportunity

COVID-19 Emerging Point of View

5. COVID-19 Vaccine Update: Impact on CPG Industry
4. Anticipated Vaccine Adoption & Impact on the CPG Industry
3. Potential Impact of Reduced Unemployment Benefit Changes on F&B Spending
2. Consumer Stimulus, Unemployment Benefit Spending & Shopping Behavior
1. The Impact of a Second Round of Stimulus on the CPG Demand Curve

Recession Proof Your Business

7. Defending and Recapturing the Shelf
6. Innovation Lessons from the Great Recession to Apply Today
5. Building Brands During Recessionary Times
4. Recessionary Lessons to Apply to Private Label Today
3. How Big Brands Performed During the Great Recession
2. Maintaining Pricing Discipline During a Recession
1. How the Great Recession Reshaped CPG Demand Curve

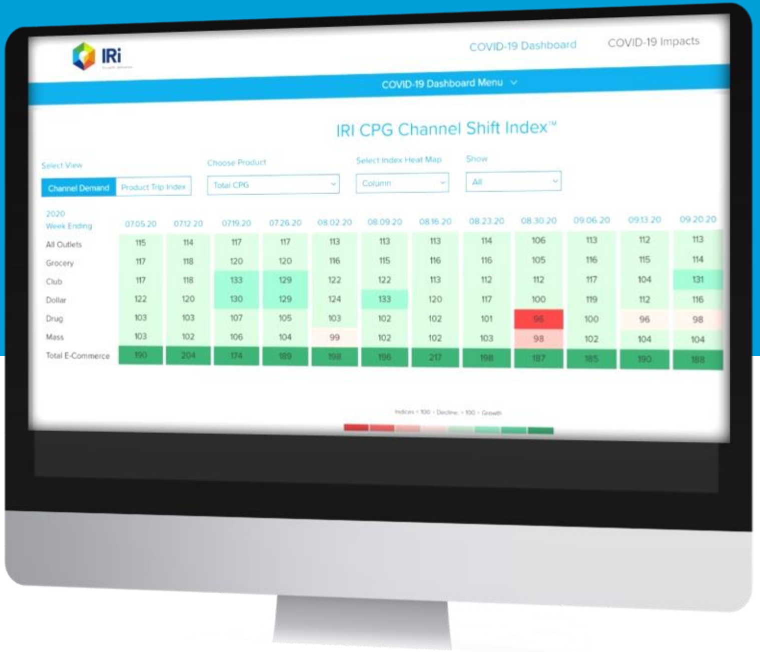
IRI COVID-19 Impact Assessment Reports

5. Anticipating Life After COVID-19
4. Consumers Provide a Pessimistic View of Coming Months
3. Tracking the Dramatic Pivot of U.S. Consumer and Shopper Behavior
2. Then and Now: Consumer CPG Behavior During Economic Downturns
1. COVID-19: Impact on CPG and Retail

CPG Economic Indicators

Access IRI's industry-standard metrics for consumer product demand and supply during the pandemic, our CPG inflation tracker and the latest data on category trends, out-of-stock levels, consumer sentiment and more.

Demand Index™	U.S. Demand Index™ Forecasts	Channel Shift Index™	E-Commerce Demand Index™
Inflation Tracker™	Supply Index™	Out-of-Stock Levels for Subcategories	U.S. Topics from IRI Social Pulse™



The IRI CPG Demand Index™ provides a standard metric for tracking changes in spending on consumer packaged goods.

U.S. Demand Index™ Forecasts are delivered through a proprietary, fully automated forecasting solution that anticipates consumer demand.

Channel Shift Index™ provides a standard metric for tracking changes (migration) in spending on consumer packaged goods across select channels.

The IRI E-Commerce Demand Index™ provides a standard metric for tracking changes in spending on consumer packaged goods purchased online.

Inflation Tracker™ provides the well-known price per unit metric for tracking changes in pricing of consumer packaged goods.

Supply Index™ provides a standard metric for tracking changes in product availability (i.e., in-stock rates) in stores for consumer packaged goods.

Out-of-Stock Levels for Top-Selling Subcategories by Market Area in the U.S.

Top U.S. Topics from IRI Social Pulse™

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