Roadmap to Growth

Investor Conversation Tools and Tips

NielsenIQ

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Today's Presenters

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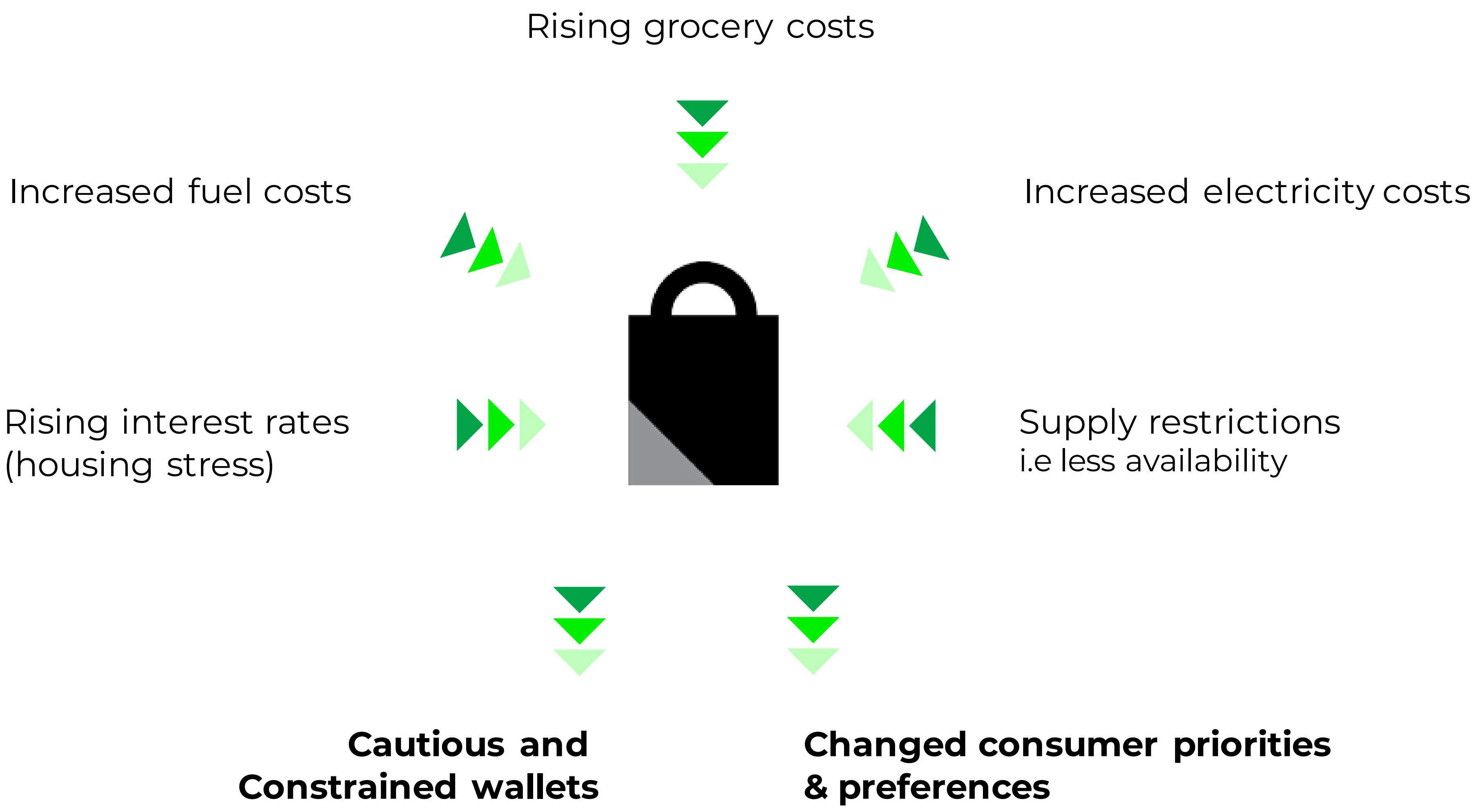
Pressures are mounting on consumer wallets



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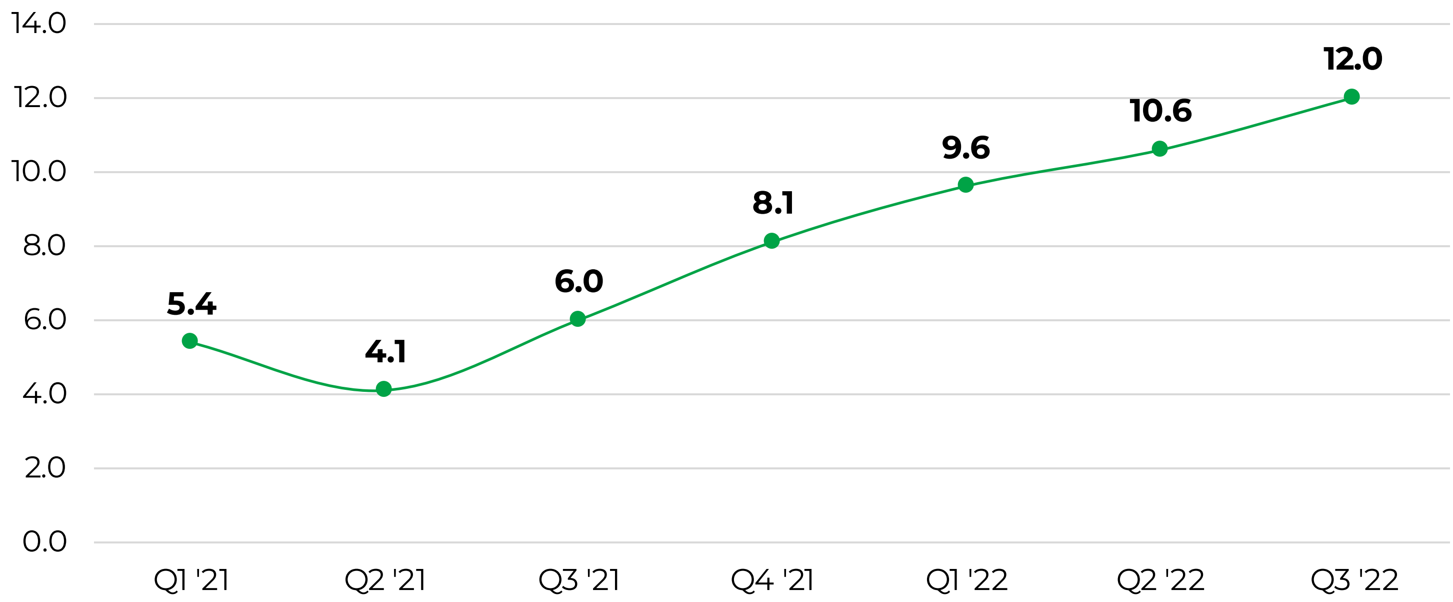
U.S. CPG prices continue to rise, now reaching +12% in Q3 '22

Total CPG Average Unit Price Change



% Chg

	Q1 '21	Q2 '21	Q3 '21	Q4 '21	Q1 '22	Q2 '22	Q3 '22
Dollars	0	-2	+5	+7	+6	+9	+9
Volume	-5	-6	-1	-2	-3	-2	-3

Annual Average Price Change

+10%

$ % Chg **+8**

+$705/yr per household

Vol % Chg **-2**

Overall sales growth is fueled by higher prices while volume contracts

Source: NielsenIQ, Total US xAOC, – Average Unit Price Change Period ending October 1, 2022 Volume = Units

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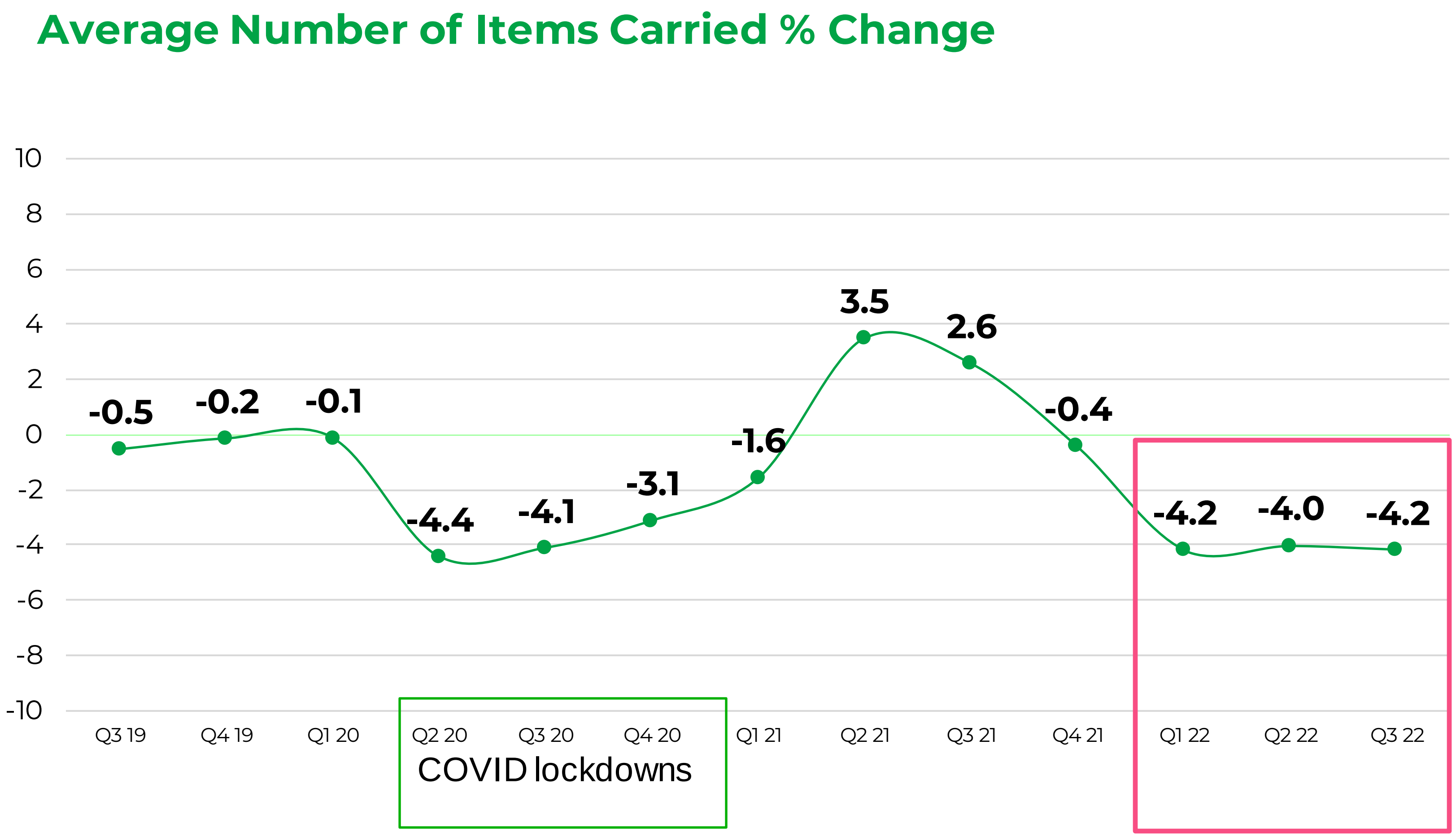
The average number of items carried is trending lower in '22



Q3 '22 Department Trend

DELI	1.6
PRODUCE	-0.4
ALCOHOL	-0.4
DAIRY	-1.4
MEAT	-2.1
DRY GROCERY	-2.3
FROZEN	-3.4
SEAFOOD	-3.5
HOUSEHOLD CARE	-4.2
PET CARE	-4.3
HEALTH & BEAUTY CARE	-4.8
BAKERY	-6.1
TOBACCO	-8.8
BABY CARE	-11.0

Source: NielsenIQ, Total US xAOC, Quarterly Periods

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Product innovation overall is down across the board

Total number of innovations – U.S.

Avg total CPG
% Change in innovations P52W

-10.4% Category	-15.8% Private Label

Confectionery & snacks
% Change in innovations P52W

-9.4% Category	-11.1% Private Label

Non-alcoholic beverages
% Change in innovations P52W

-11.3% Category	-10.1% Private Label

Alcoholic beverages
% Change in innovations P52W

-7% Category	1.2% Private Label

Food
% Change in innovations P52W

-15.9%	18.9% Private Label

Personal care
% Change in innovations P52W

-13.5% Category	-10.5% Private Label

Baby care
% Change in innovations P52W

-9.9% Category	-18.3% Private Label

Home care
% Change in innovations P52W

-7.2% Category	-4.6% Private Label

Pet care
% Change in innovations P52W

-9.1% Category	1.6% Private Label

Source: NielsenIQ BASES Innovation Measurement, Total US xAOC WE 9/15/2022

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Innovators Grow Distribution and Command Premium Prices

Aggregate P3YR of Innovation Launches as of Jan 1, 2019 – Jan, 1 2022
Compare 2019 ("Pre-COVID") vs 2020 vs 2021 ("Endemic-COVID")

Innovators

Positive % change innovation launches vs 2019

- 94% increased TDPs (avg +9%)
- 88% grew $ Share (avg +9%)

Non-Innovators

Negative % change innovation launches vs 2019

- 41% lost TDPs (avg -7%)
- 38% lost $ Share (avg -11%)

Takeaway: Innovators maintain relevance with retailers and shoppers

Source: BASES Innovation Measurement; NielsenIQ Answers on Demand scan and panel data, Total US xAOC WE 1/1/2022
Note: Manufacturers included had a minimum 100 innovations over the past 3 years (2019 – 2021)

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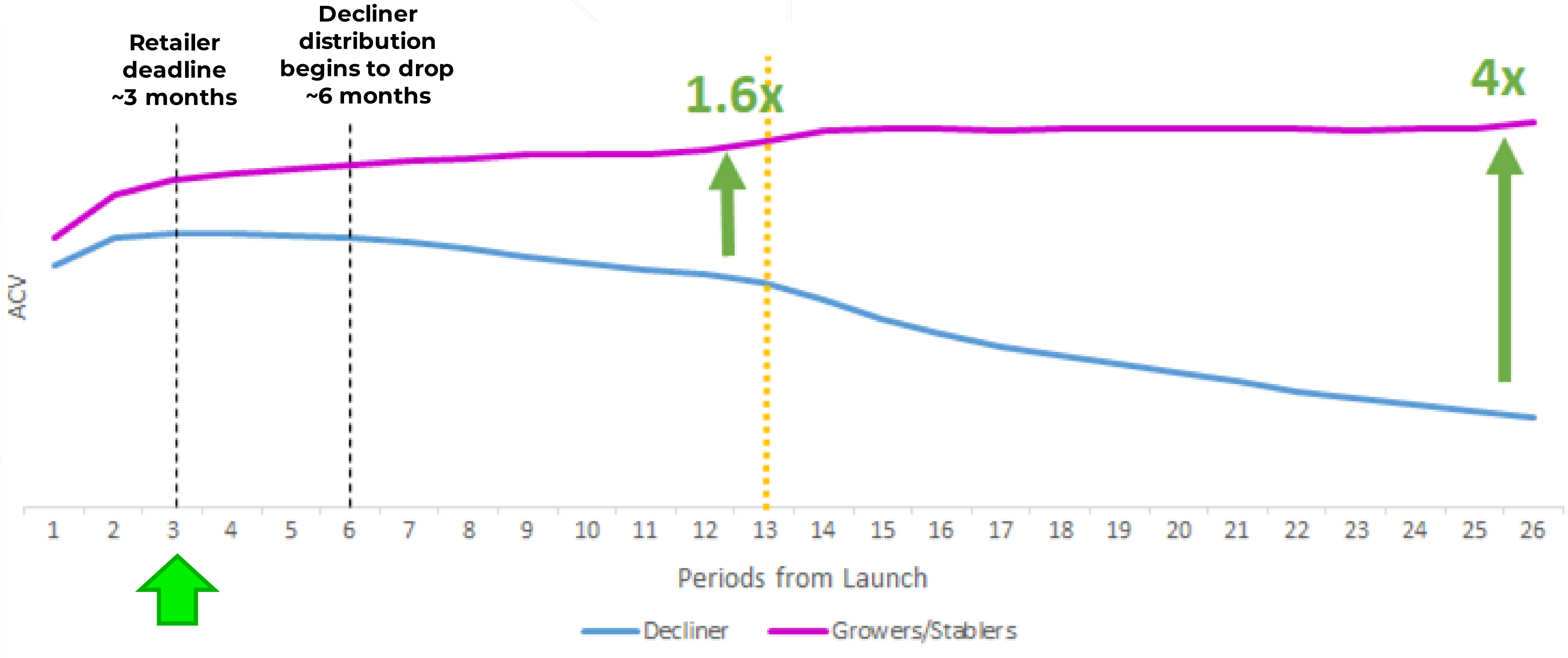
Once launched, retailer timelines to stay on shelf are shortening

Avoid the tempting but very risky tactic of “launch and learn” to make adjustments after a short time period



Source: Nielsen US ACV weighted distribution for new products across multiple categories (cold remedy, crackers, dry cat food, facial moisturizer, frozen entrees, laundry, potato chips, shampoo, shelf stable juice or drink, soft drinks, styling aids),

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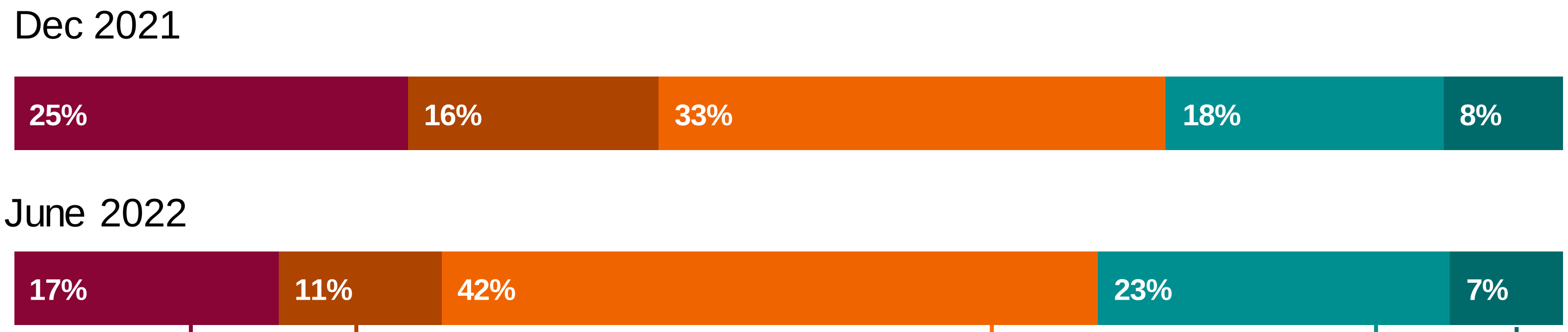
Wellness key to all consumer economics



Strugglers: Have suffered financial insecurity and continue to do so today.

Rebounders: Experienced income or job loss but now feel they are back on track.

Cautious: Not impacted financially but are cautious with spending.

Unchanged: Not impacted and continued to spend the same.

Thrivers: Saved money and feel more financially secure.

Source: NielsenIQ 2022 Consumer Outlook Survey, Dec 2021 vs June 2022
Q. Which of the following best describes how COVID-19 impacted your overall household financial situation over the last 2 years?

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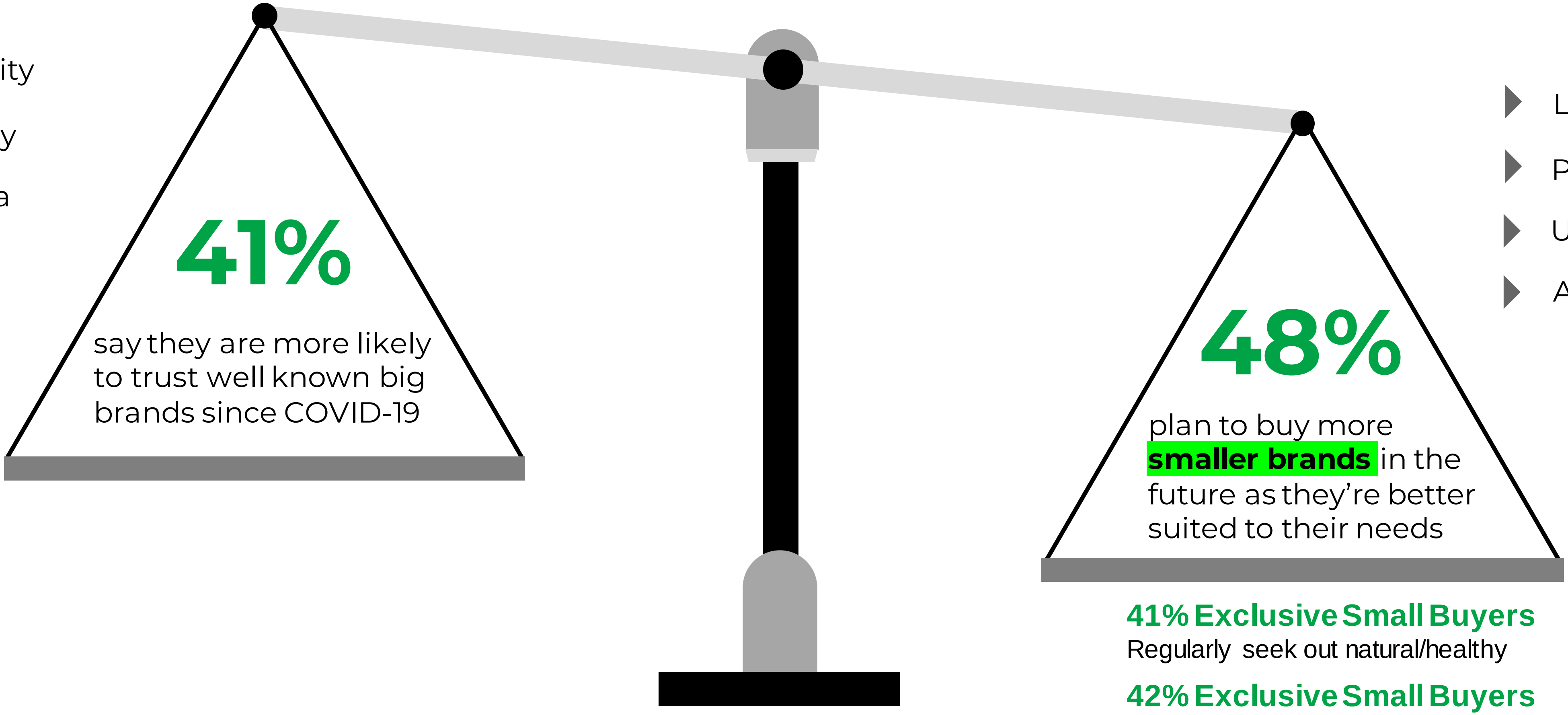
Diverging preferences in brand choice motivators and mindset of consumers

Surveyed consumers are divided in their preferences towards small vs. large brands

- Availability
- Longevity
- Nostalgia
- Trust



- Local
- Personalized
- Uniqueness
- Authenticity

41% Exclusive Small Buyers
Regularly seek out natural/healthy

42% Exclusive Small Buyers
Regularly seek out environmentally friendly

Source: NielsenIQ 2022 Brand Balancing Act Survey, May 2022

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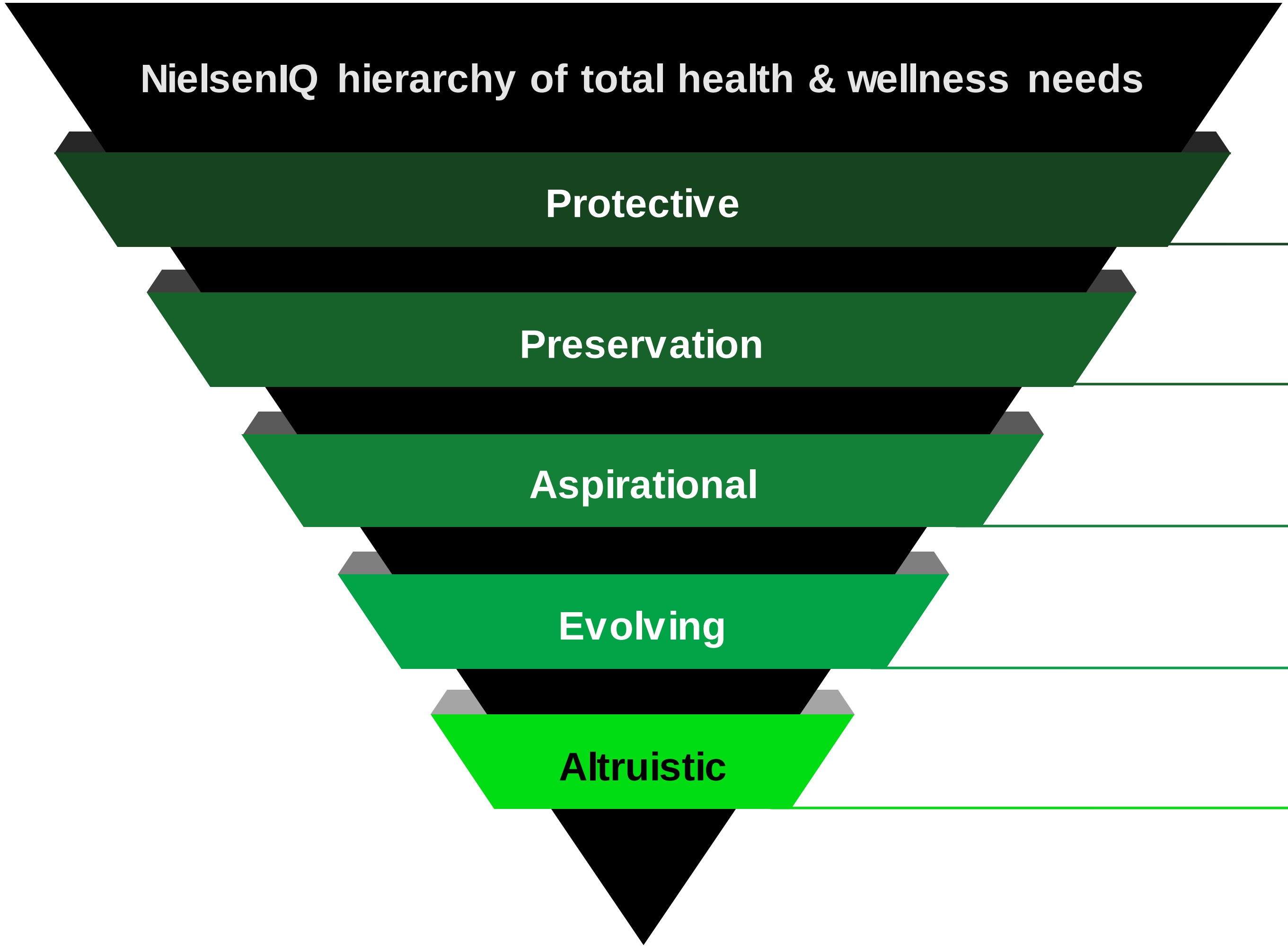
Total Wellness is a key growth trend



Urgent care
Protecting myself and/or my family members from immediate health threats.

Self care
Improving my and/or my family's **current** physical or emotional wellbeing and connections.

Preventative care
Proactive actions to achieve & maintain specific health goals, or helping to avoid ailments in the **long-term.**

Innovative care
Seeking out the latest alternatives or developments to continuously meet my and/or my family's health & wellness goals.

Selfless care
Improving the world around me by advocating for environmental, ethical, humanitarian, and/or philanthropic causes.

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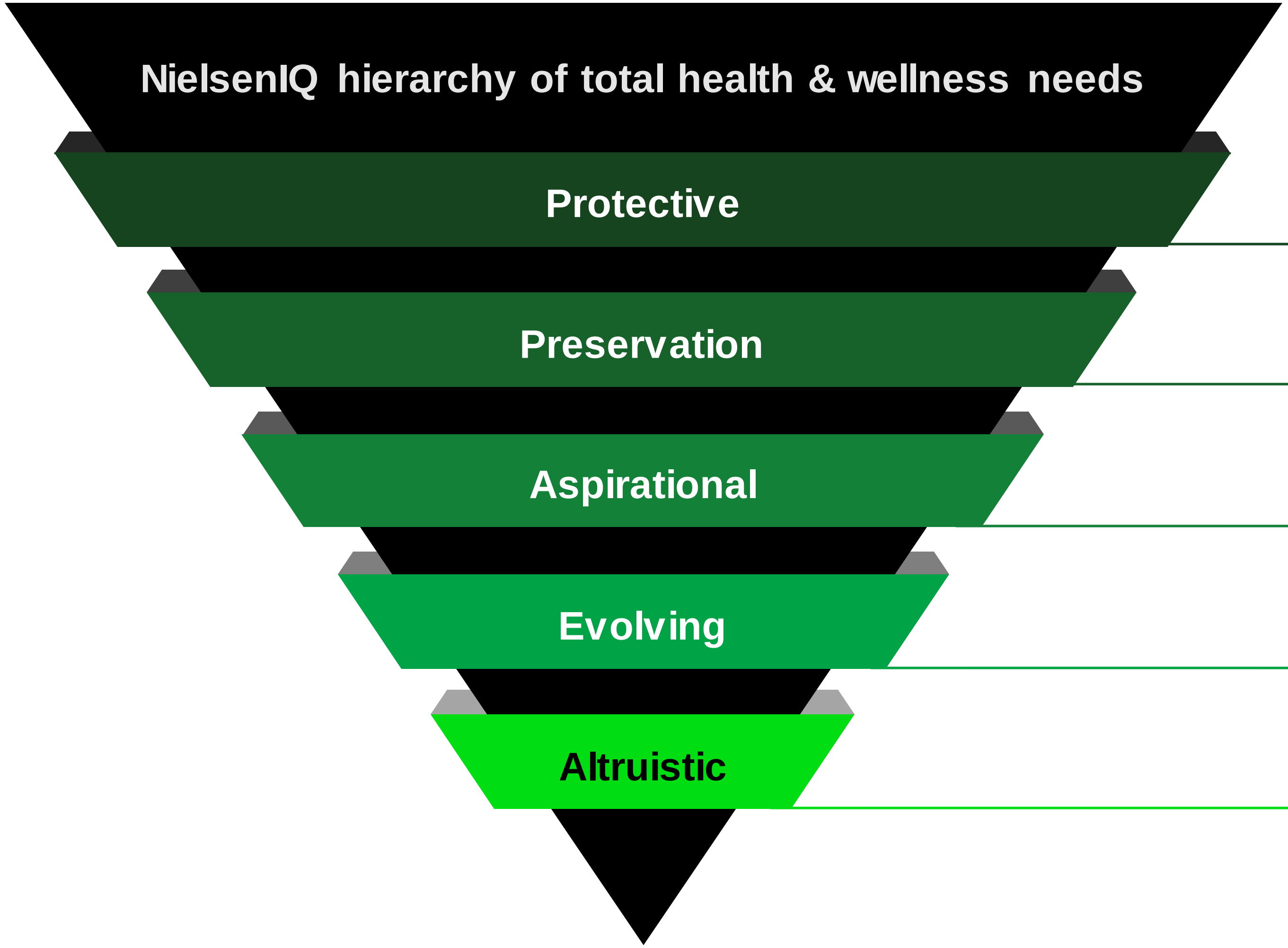

What to Watch: Key Growth Opportunities

Urgent care
- Increasing urgency to collectively solve key health crises (e.g., diabetes)
- **PRODUCT FORMULATIONS: SUGAR, CARBS, SODIUM**

Self care
- Expanded lens of wellness (digestive health, brain health, metabolic)
- **FOOD AS MEDICINE, CATEGORY LINES BLURRING**

Preventative care
- Flexitarian approach to wellness: ***better, not always best***
- **CLEAN LABEL, PLANT-BASED, HEALTHY AGING**

Innovative care
- Customized health, new forms, “Both, and” – ancient wisdom and science
- **FUNCTIONAL INGREDIENTS, ADAPTOGENS, SUPERFOODS 2.0**

Selfless care
- Sustainability >> Regeneration for planet and people
- **SUSTAINABILITY/REGENERATION, SOCIAL IMPACT, DE&I**

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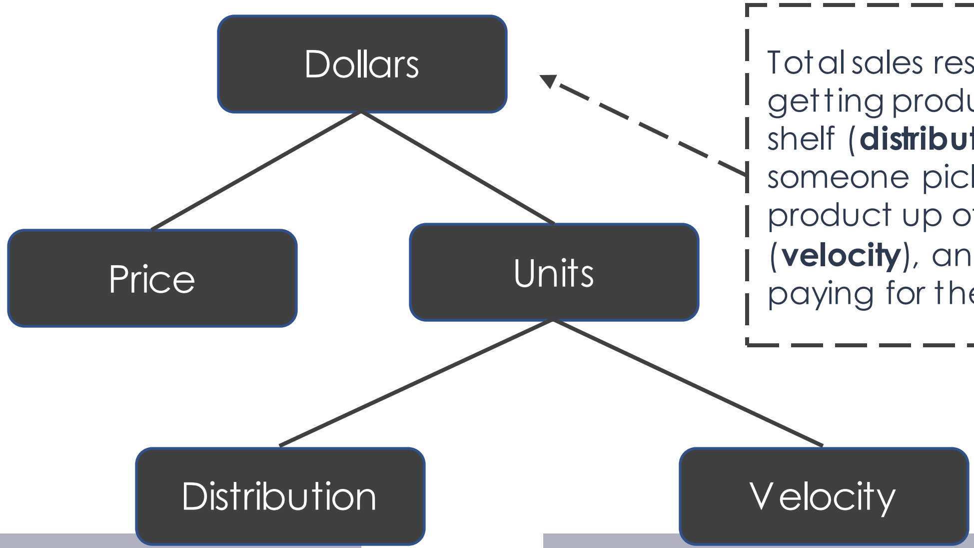
Valuation Summary: Wide Spectrum of Valuations Possible Based on Brand's Performance in Each Valuation Driver

0-1x — **Net Revenue Multiple** — **+3x**

	Low Multiple Brand	High Multiple Brand
Brand Position	- Undifferentiated - Off-trend offering	- One-of-one product - Aligned with key consumer trends
Historical Performance	- Plateauing growth / in decline - Little mainstream traction - Uncompetitive velocities	- Sustained 20%+ growth - Multi-channel success - Strong and growing velocities
Growth Runway	- Small TAM; limited consumer demand - Unclear path for distribution gains	- Large TAM; high consumer loyalty - Obvious path to increase ACV and SKUs / door
Operations/ MGMT Quality	- Short-term thinking focused on optimizing exit - Competitor-first decision making	- Long-term thinking focused on creating brand longevity/durability - Customer-first decision making
Financial Profile	- Gross margin below 30% - EBITDA margin upside capped at 10% - Lack capital efficiency	- 40%+ gross margin - Breakeven; path to 20%+ EBITDA margin - Proven capital efficiency

Sell Through Data Components – The Foundation

Components of Sales



Total sales result from getting products on the shelf (**distribution**) and someone picking the product up off the self (**velocity**), and then paying for them (**price**).

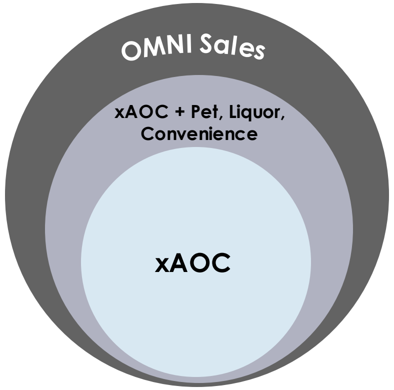
Measure distribution using:

1. **ACV: All Commodity Volume**
   - % of stores a product is in <u>weighted</u> by store revenue
   - Max 100-point scale
2. **TDP: Total Distribution Points**
   - # of points of sale across all stores selling

Measure velocity using:

1. **$/TDP: Dollars per TDP**
   - Identifies which products are getting the most out of their shelf placement
   - Compares velocity of a set of items in the same geography

Other Data Attributes



xAOC: Food, Grocery, Drug, Mass, Club + Dollar Stores + Military DECA

OMNI: xAOC + Pet, Liquor, Convenience + Amazon and other.com

<u>Time Period:</u>

Trended

Aggregate

<u>Marketing:</u>

$ Promo:

- Temporary price reduction to boost base sales long-term
- Ex: Feature ad, in-store display, or special pack

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Panel Data is Complementary to Sell Through Data

CUSTOMER

Demographics – who is the customer?

Loyalty – are customers coming back for more?

PRODUCT

Switching – which category/brand do customers come from?

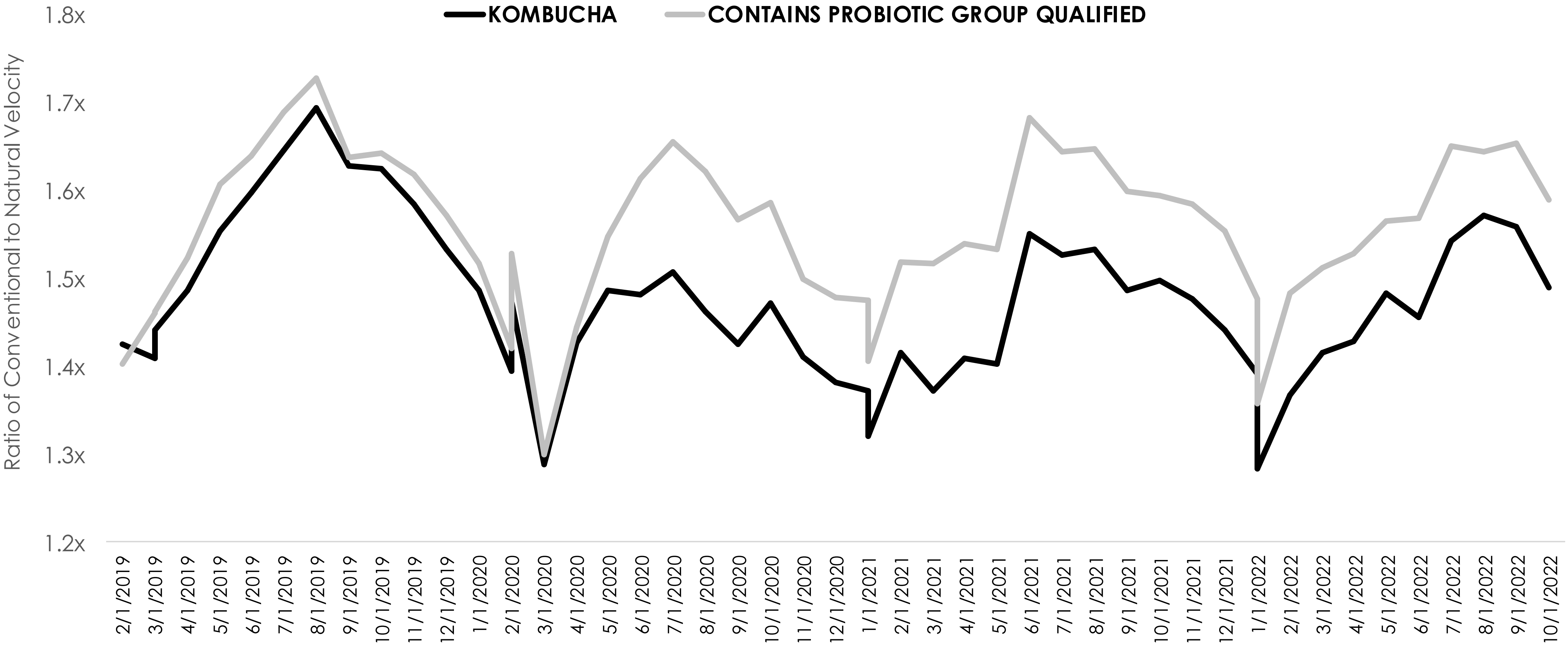
Attributes – what makes the product more desirable than competitors?

Data Enhances Valuation - Better Strategic Decisions and Projection Validation

	Sell-through Data	Panel Data
Growth v. Profitability Strategy	●	◔
Near-term Projections	●	◔
Long-term Projections	◔	●
Brand Decisions	◑	●
Product Offering	◑	●
Marketing Decisions	◑	●

Relative Velocity – A Tool to Measure Brand/Category Potential by Channel

Conventional to xAOC Ratio Can Reveal Brand Potential Beyond AOC



1. NielsenIQ, $/TDP of 4 Products in Total US xAOC, Total US Conv during 4 w/e 02/02/19 to 4 w/e 10/08/22

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Alignment with Rising Tides Optimizes Growth, Capital Efficiency and Innovation

Rising tides are a powerful force for driving success in brands

- **#1** “Free” revenue growth
- **#2** Increased capital efficiency = more revenue = more margin and less capital
- **#3** Investors who align with rising tides get more capital from limited partners
- **#4** Large strategics have more confidence buying brands with secular growth
- **#5** More white space for innovation

Sustainability

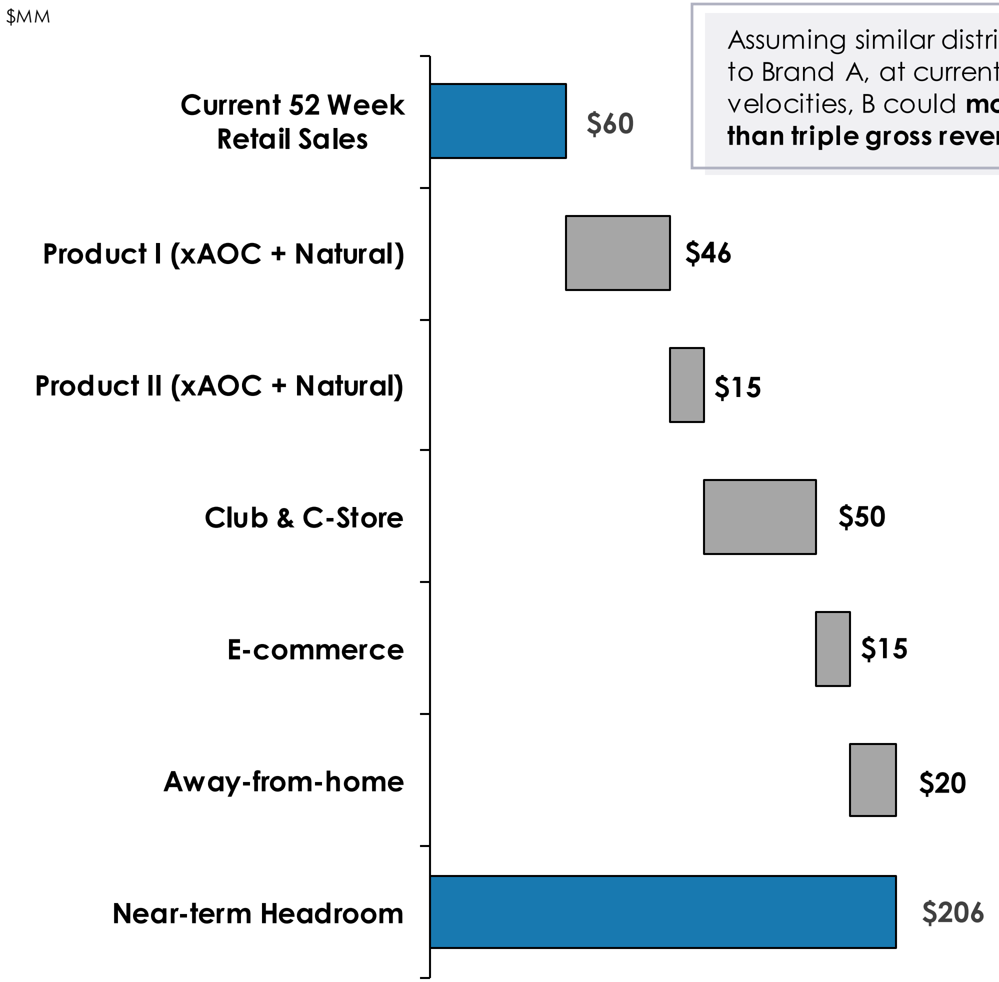
Diversity

Consumer Self Awareness

Broadening Consumer Base

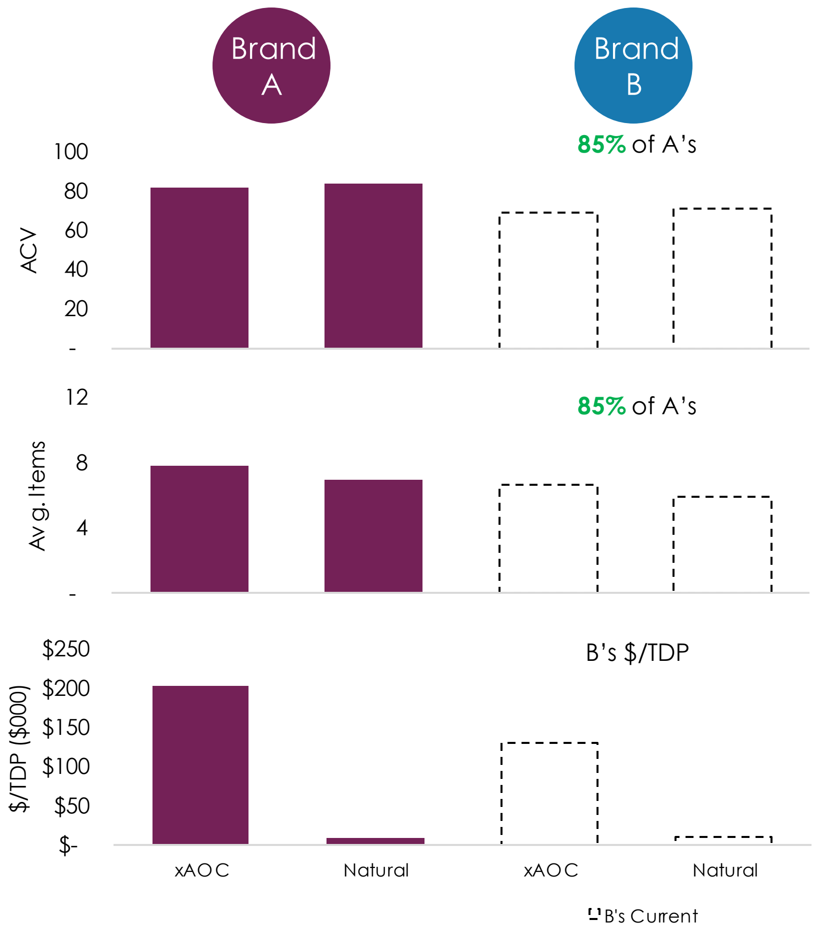
Brand Headroom – How Large Can Your Brand Practically Be?

Brand B Possesses Near-term Runway to Become a $200MM+ Brand[1]



Assuming similar distribution to Brand A, at current velocities, B could **more than triple gross revenue**

Brand A Analog Assumptions



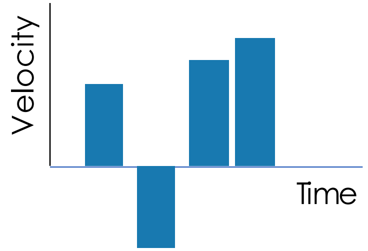
Key Insights from Sell-through Data Can Help Guide Business Decisions

Insight I:

There is an inverse relationship between velocity gains and distribution gains

Double-click:
Growth in distribution needs to be balanced with investment in velocity growth

Insight II:



Increased brand block has a vastly different effect on velocity short-term v. long-term

Double-click:
In the short-term, one year post brand block, velocity declines; after one year, velocity grows and whole brand is lifted

Insight III:

Increases in brand block almost always lead to significant velocity gains for top SKUs

Double-click:
Brand block is a marketing engine - bigger shelf presence results in growth of awareness and sales

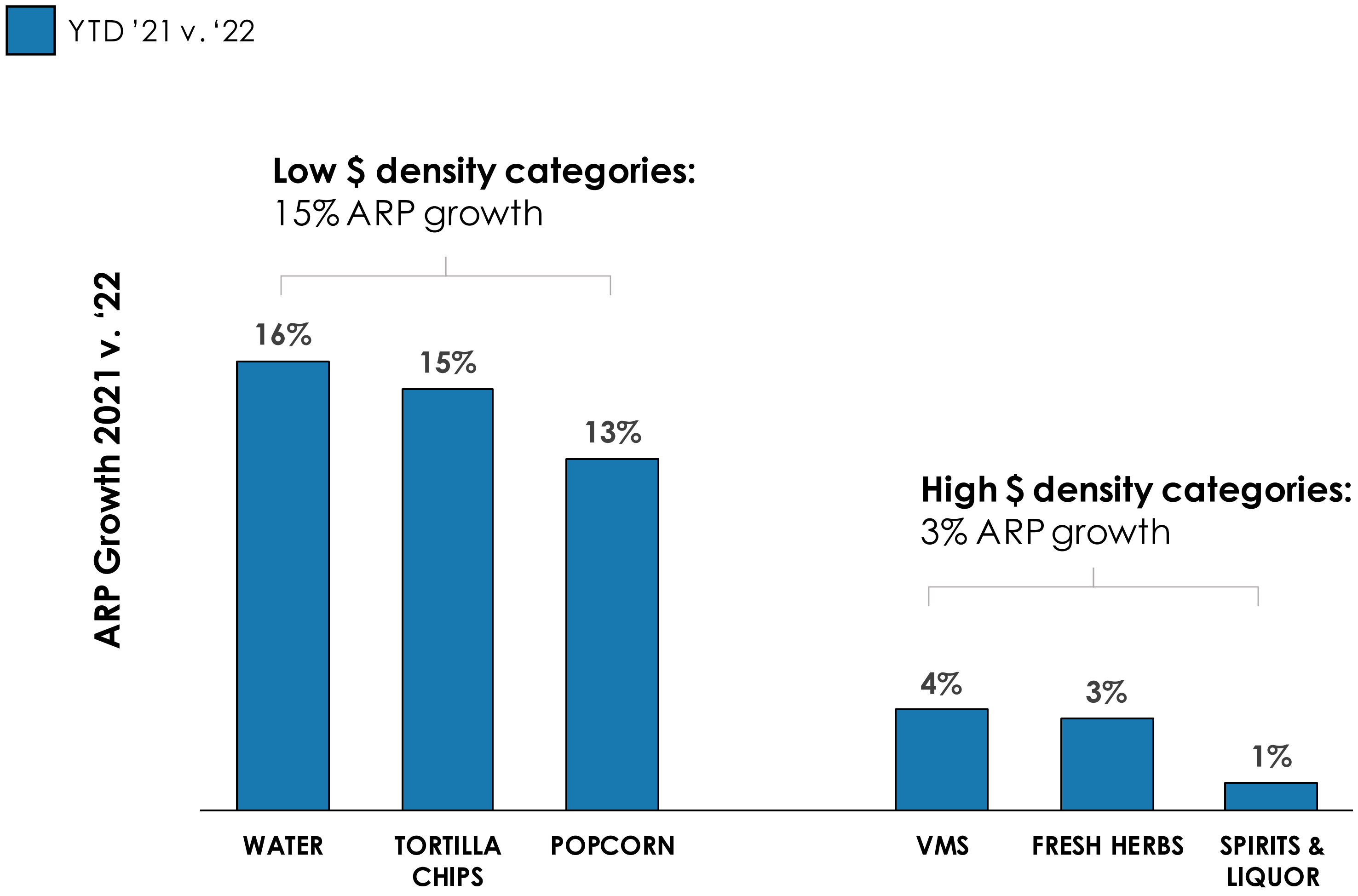
Insight IV:

Velocity dilution naturally occurs when brands reach 30-50% ACV – i.e. Company is now entering lower velocity retailers

Double-click:
Brands require broader based marketing at higher ACVs to grow velocity

Inflation is Higher for Low Dollar Dense Brands

Brands with More Complex Supply Chains Likely to Experience Higher Inflation[1]



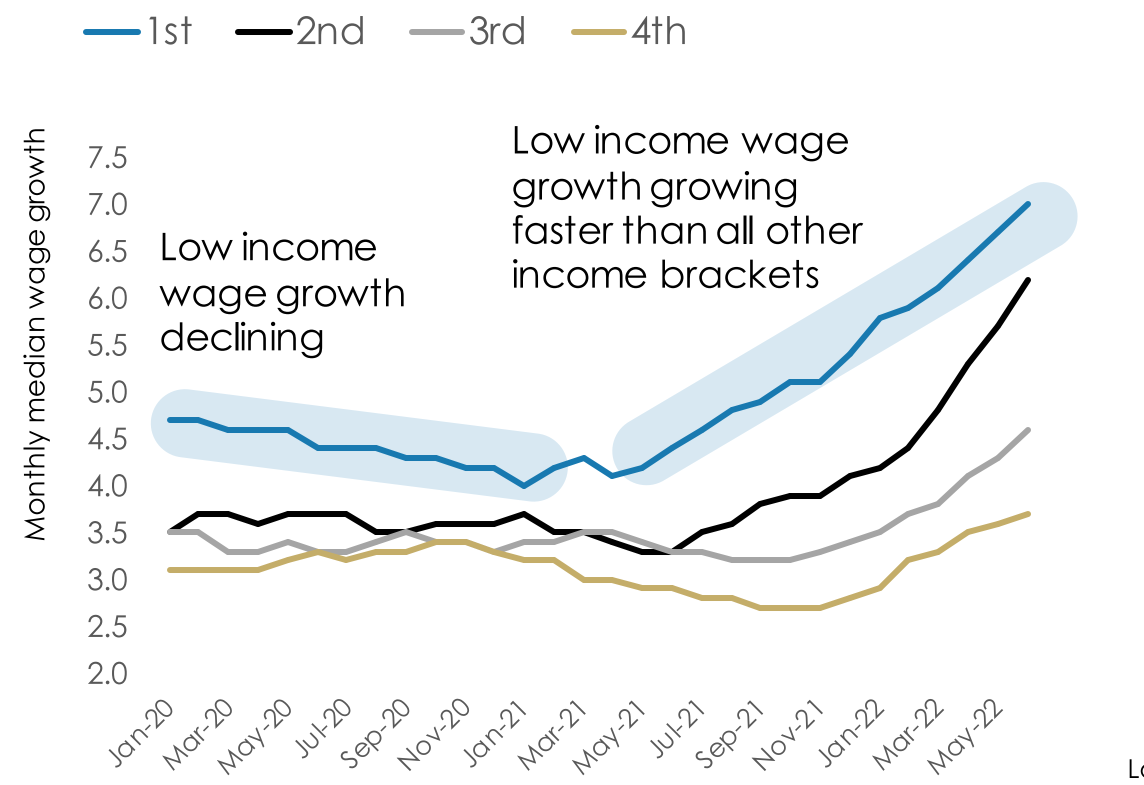
Inflation impacts low $ density categories more than high $ density ones due to supply chain inefficiencies

1. Neilsen, Total US xAOC, 52 WE 10/8/22

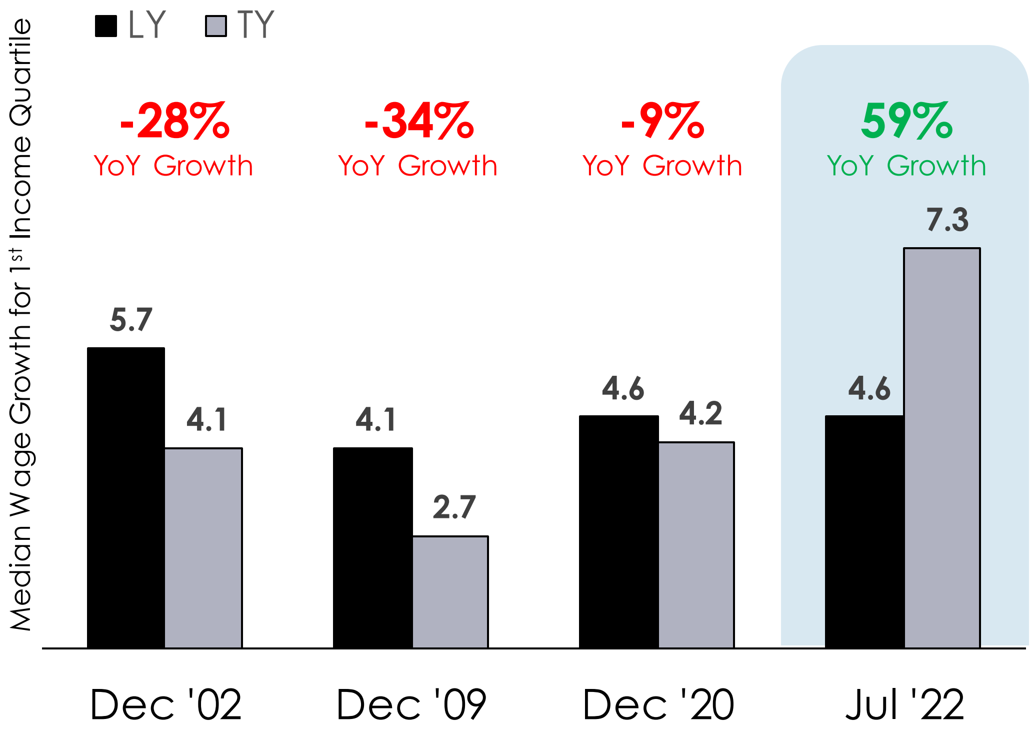
Low Income Wage Gains Provide a Unique Opportunity to Accelerate the Democratization of Wellness

Growth in Low Income Wages is Unique to this Recession

Monthly Median Wage Growth by Avg. Wage Quartile[1]



Low Income Wage Growth Relative to Recession[2]



	Dec '02	Dec '09	Dec '20	Jul '22
Low wage v. overall wage growth	43% more decline	2% less decline	61% more decline	**3% more growth**

1. Bureau of Labor Statistics
2. Bureau of Labor Statistics

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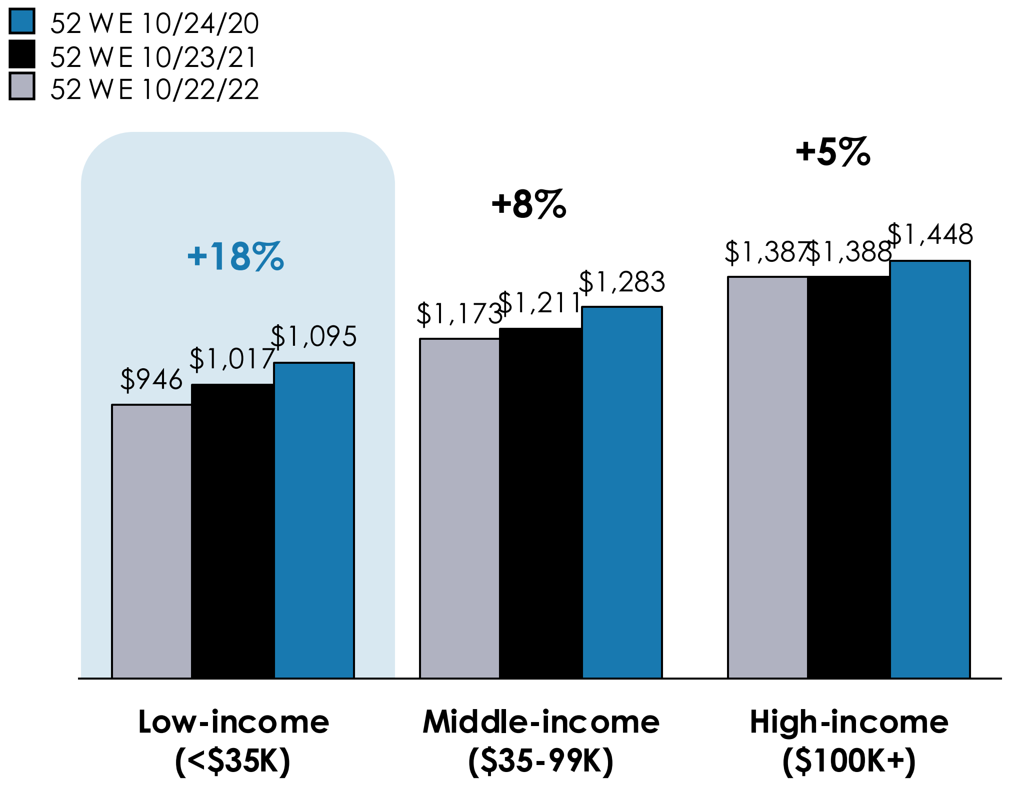
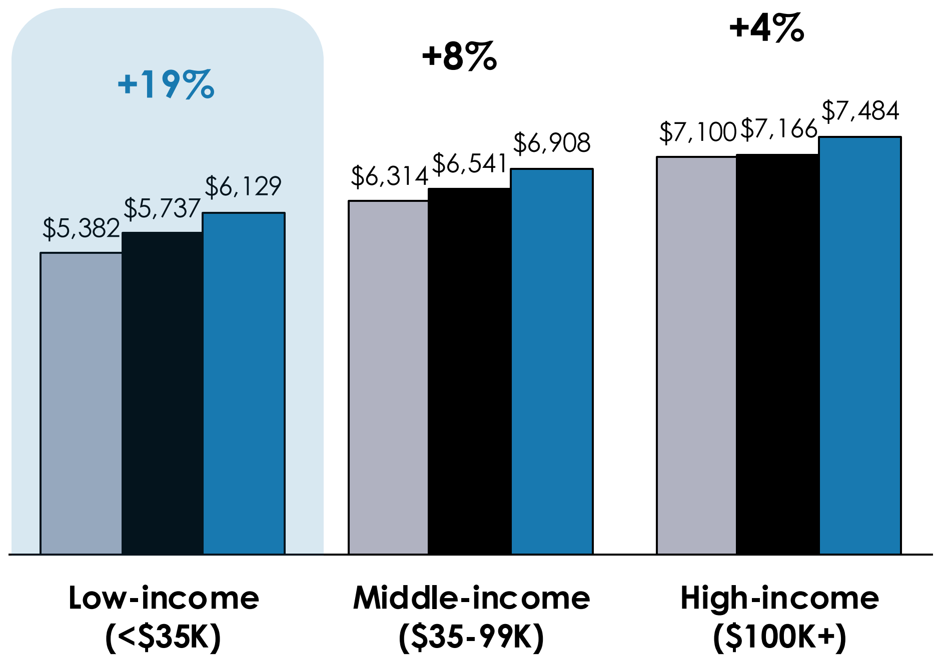
Low Income Spending on Food Has Increased with Wage Gains

Opportunity to Advance the Democratization of Wellness by Capturing White Space

Total Sustainability Attribute Sales by Income:



Total Store (by NPI) Sales by Income:

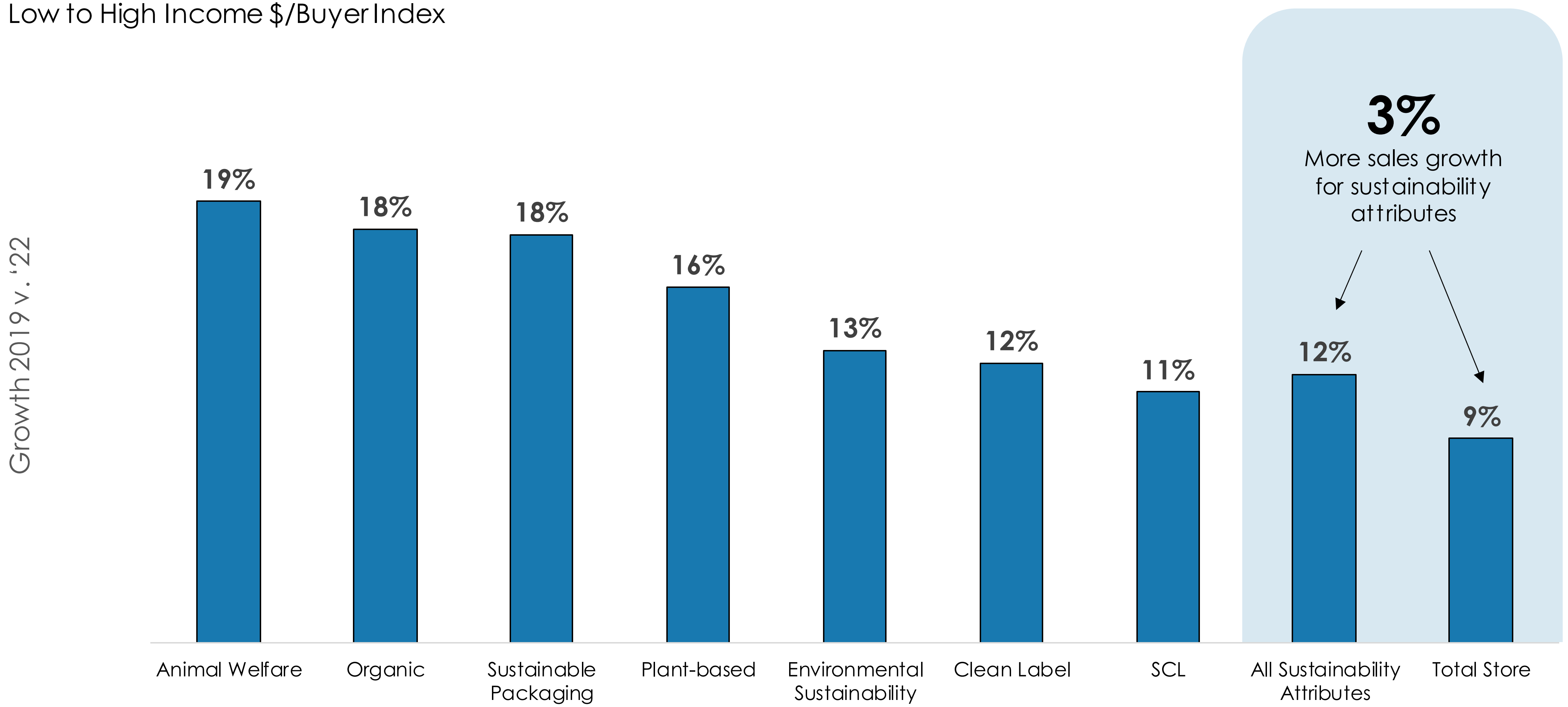


1. NeilsenIQ

Low Income Consumers are Over Indexing in Major Sustainability Attributes

Sustainability-oriented Brands Are Winning Amongst Low Income Consumers

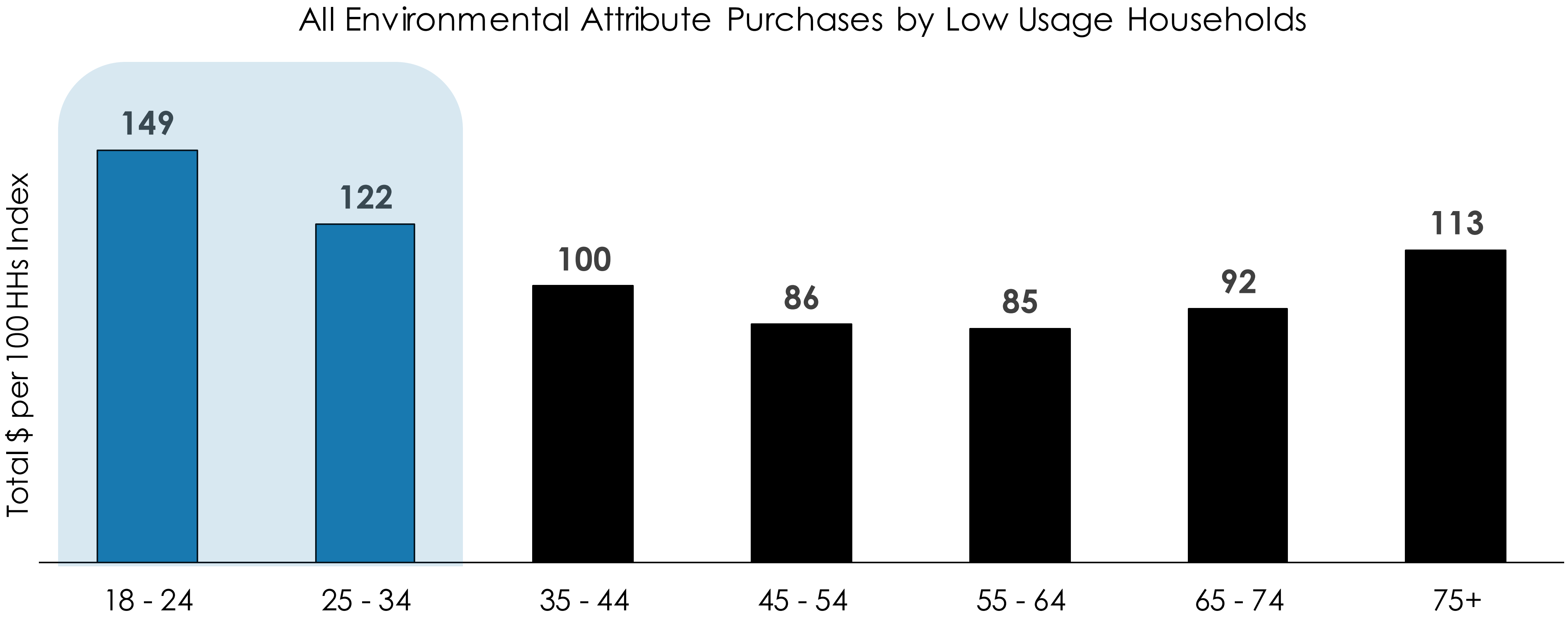
Low to High Income $/Buyer Index



1. Nielsen Consumer Profiles, 3 ME Nov '19 v. Aug '22, Dollar Sales

The Youngest Consumers Are A Powerful Force for Sustainability in the Future

# of Environmentally-conscience Low Income 18-34-year-olds is Greater Than All Other Age Groups – Currently Income-Limited Demographic On the Rise with Power to Shift Market In Upcoming Years

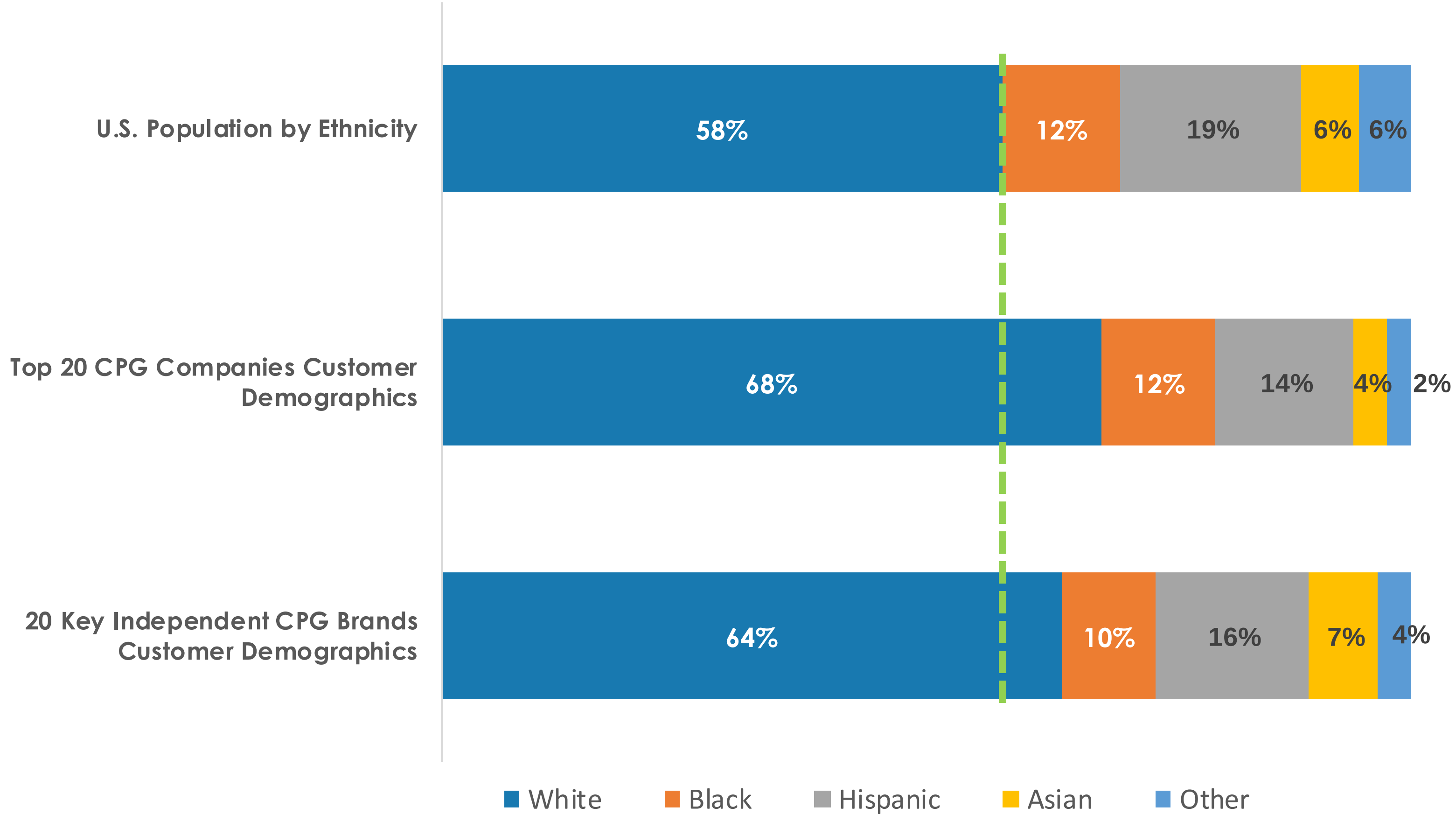


	18 - 24	25 - 34	35 - 44	45 - 54	55 - 64	65 - 74	75+
% HH Penetration	**55%**	**41%**	**32%**	**28%**	**29%**	**30%**	**39%**

1. NielsenIQ, Total $ per 100 HHs Index – Consumer Profile by Demographics May 2022 YTD Sales and 2021 Census

CPG Companies that Embrace Diversity of Thought Have Greater Growth

There is an Incremental Growth Opportunity By Aligning Customer Base with U.S. Population[1,2,]



+13 pts

Faster growth for independent CPG companies with stronger consumer diversity[1]

1. U.S. Census, 2020
2. NielsenIQ Retail Measurement Services, NielsenIQ Product Insight, powered by Label Insight, Total Store; Total US xAOC; 52 weeks W/E 08/27/22 vs 2YA

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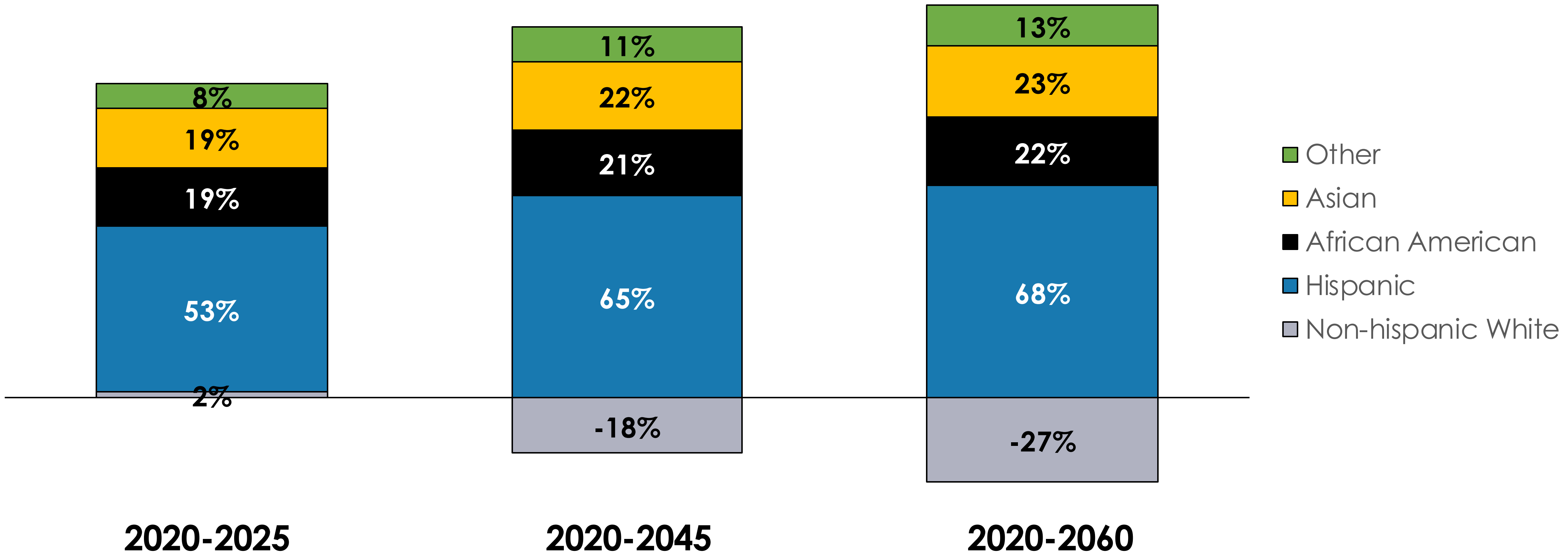
Population Growth Increasingly Driven by Non-White Ethnicities

Majority of Future Population Growth Driven by Hispanic Population with Asian and African American Following

% Contribution to Total Population Growth by Race/Ethncity[1]



1) NeilsenIQ, 2018 American Community Survey

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Actionable Data for Emerging Brands

Kelsey Michel, VP Product Byzzer

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Are you ready for your next investor meeting?

- Who is your consumer?
- How is inflation impacting your category?
- What is the relationship between your growth in distribution and velocity?
- What is your brand's headroom?

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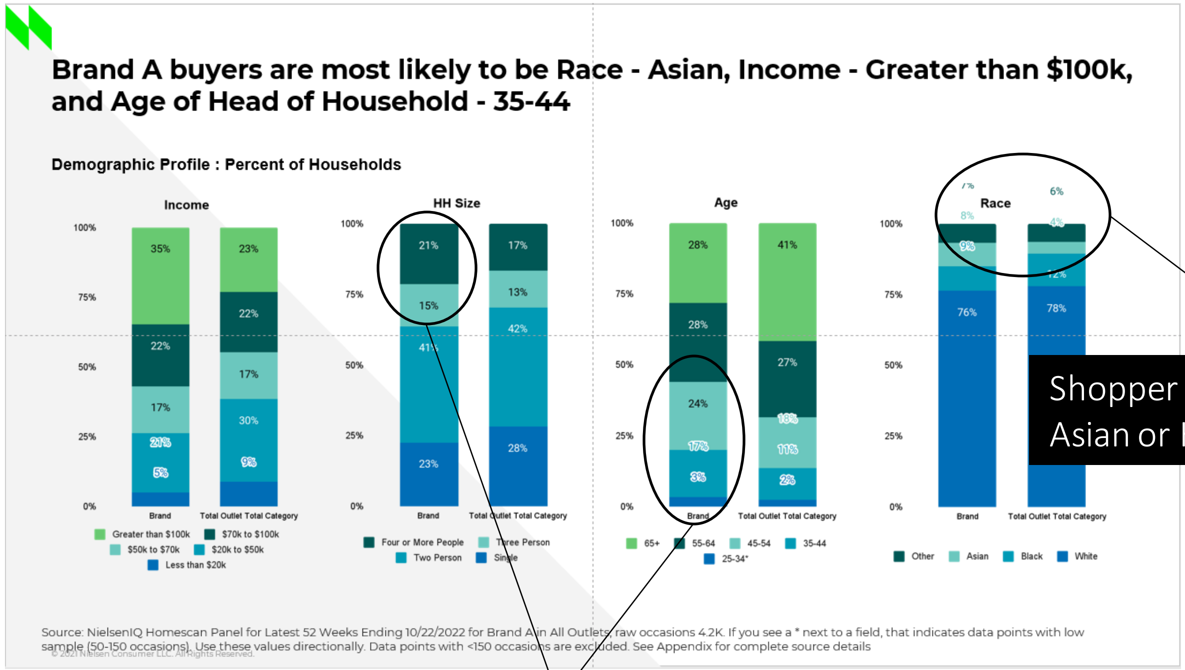
Understand your consumer

Panel data showcases consumer purchase trends and demographics



Shopper is more likely to be Asian or Hispanic

Young families

Shopper Snapshot Story

Stories are PowerPoint presentations generated in minutes on the product, market and period of your selection.

Understand your shoppers or prepare for your next category review minute with automated insights. Save hours creating slides and analyze data.

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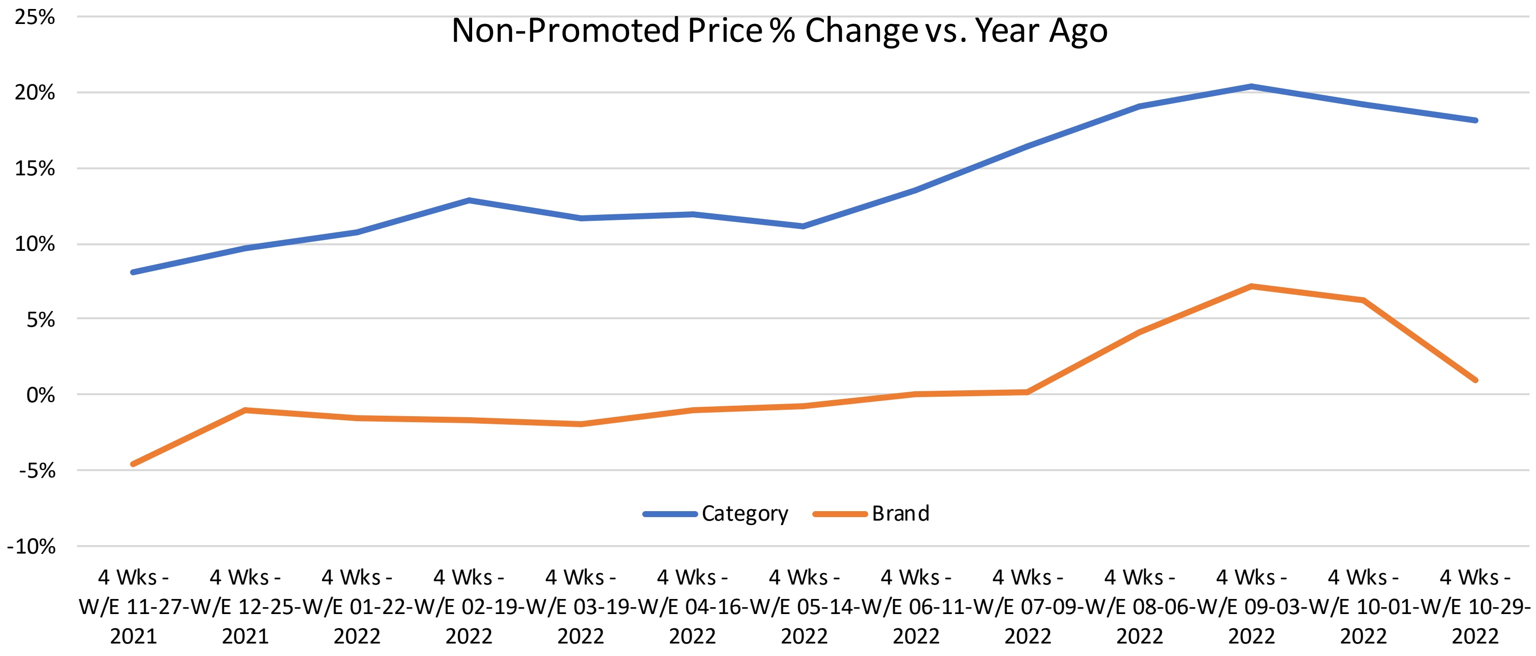
How price is changing for your brand and the category

Benchmark price to the category

Market Name	Focus Product Price	Focus Product Price % Change vs. Year-Ago	Category Average Price	Category Average Price % Change vs. Year-Ago
South Region FMCG Retailers	$4.39	2.0%	$3.15	14.3%
West Region FMCG Retailers	$4.59	1.3%	$3.45	14.1%
Northeast Region FMCG Retailers	$4.35	0.2%	$3.48	13.7%
Midwest Region FMCG Retailers	$4.52	3.1%	$3.28	15.1%



Market Performance

The Market Performance report compares your product's performance in key retailers and geographies to overall category performance, revealing trends

Data On Demand

Extract to excel the exact products, markets, time periods and facts you need to measure the market

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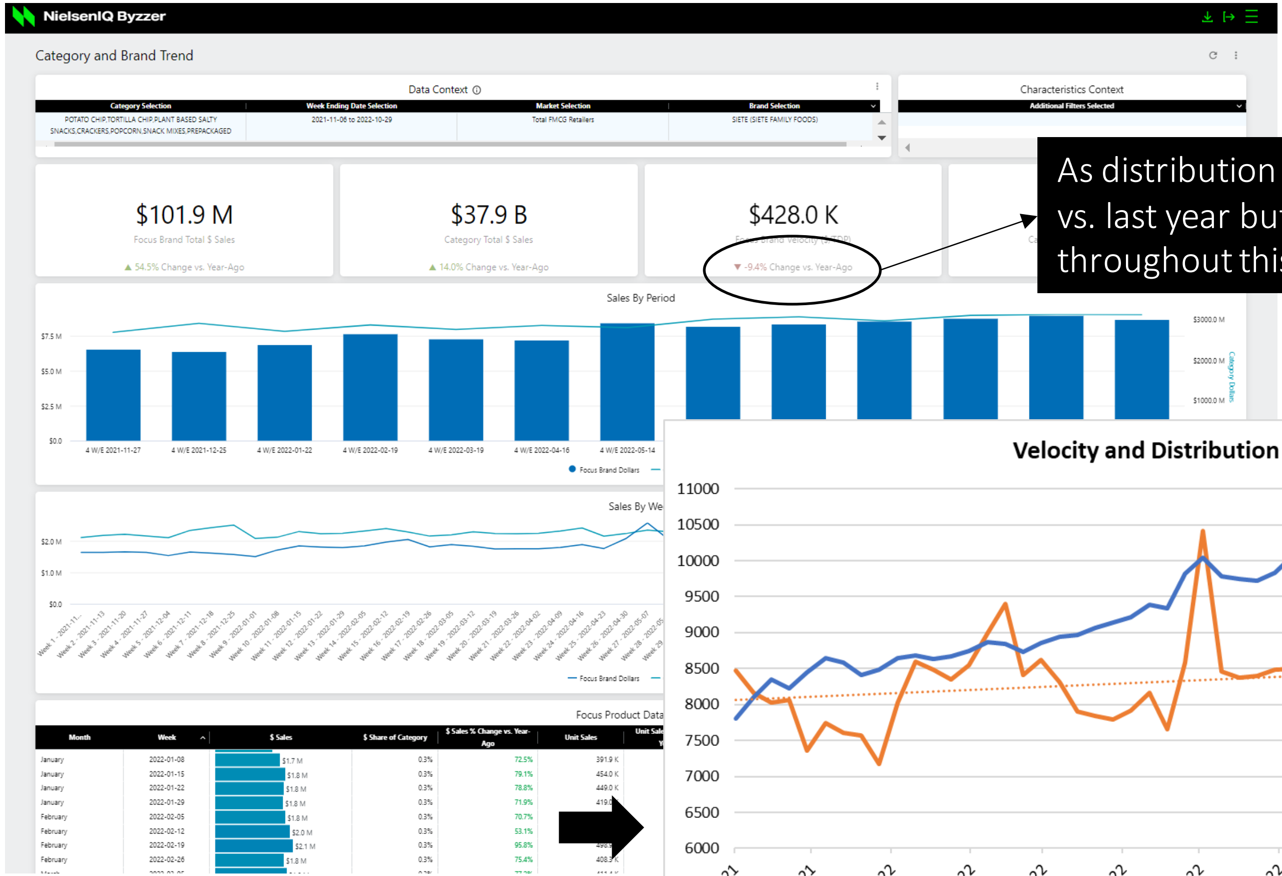
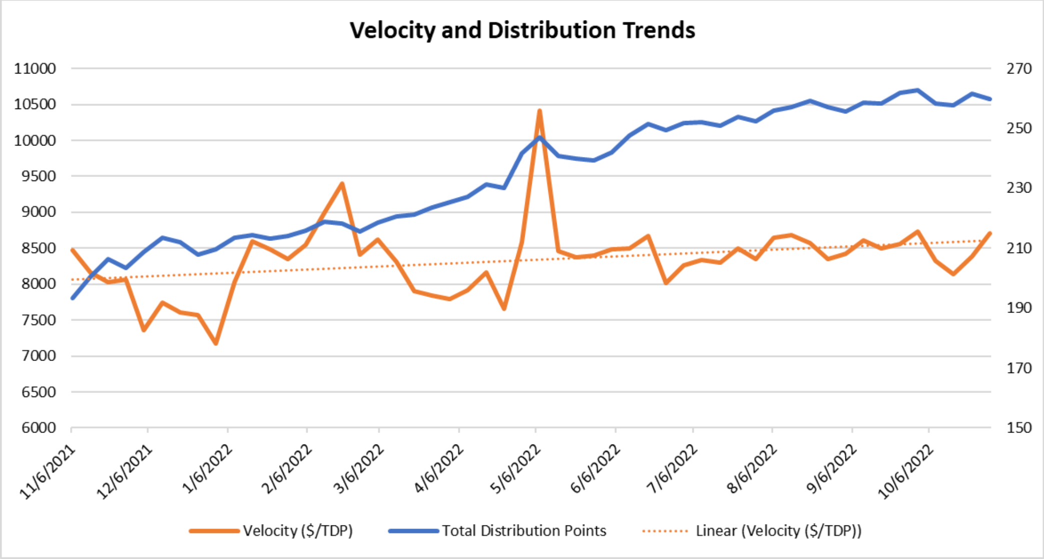
Clarify the how distribution growth is slowing your velocity

Identify if you are at a critical mass in distribution or have room to grow



As distribution grows, velocity is down 9% vs. last year but on a positive trend throughout this year.



Converted table to chart

Category & Brand Trend

The Category and Brand Trend Report helps CPG brands compare their product's weekly sales volume and distribution levels to their category's

***Included in the free subscription*

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Grounding your headroom in facts

Headroom	How to use	Report
Distribution	Where can you expand to increase your sales? What are the expected sales at those new retailers?	Market Opportunity
E-Commerce	How are your competitors doing online and therefore what is your potential?	Omni Sales Performance*
Competitors	What are other brands like you doing that if you increase your distribution, velocity, or to new categories you could match their performance?	Brand Ranking

**Launching in Byzzer end of November

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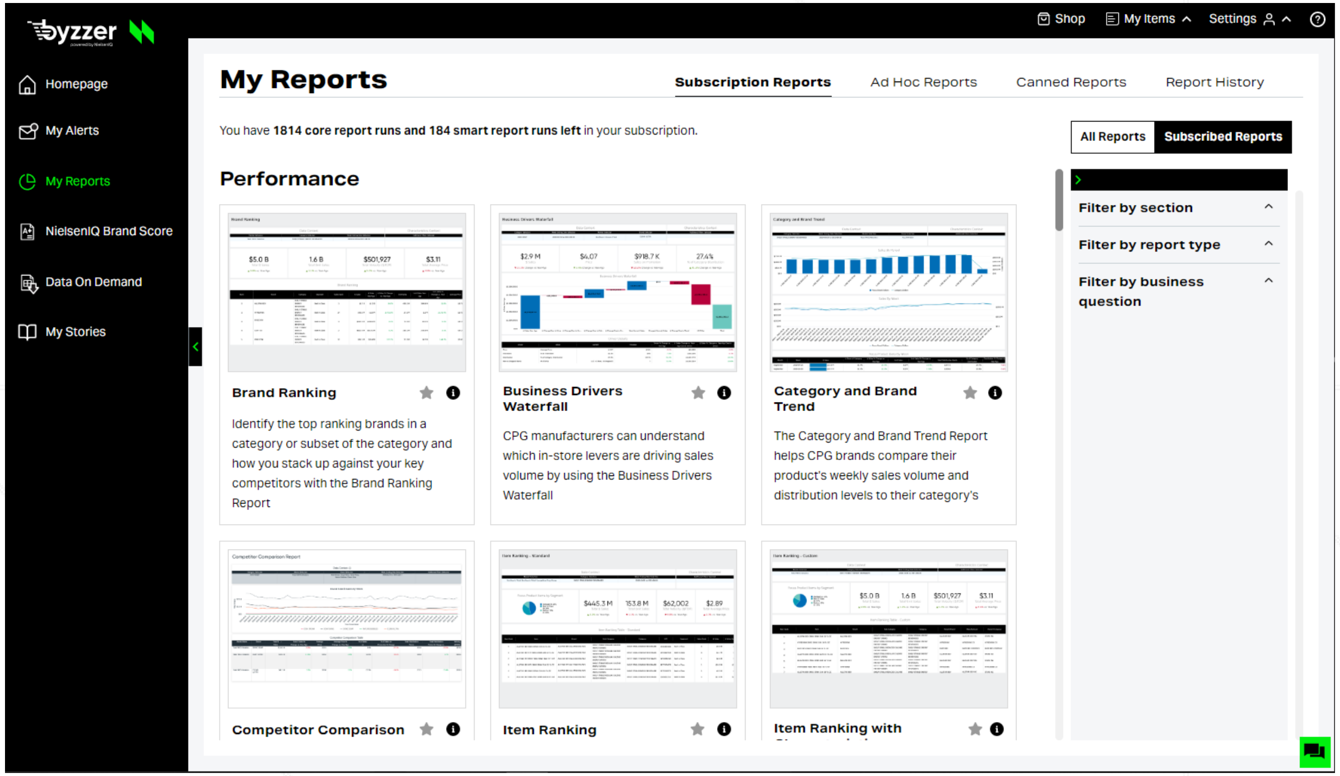

Always includes:

- Weekly updates
- RMS & Panel
- 3 years of history
- 1000+ geographies & retailers
- UPC level
- You and your competitors
- On demand insights reports, alerts, and data downloads

Free includes:

- 3 reports to understand your brand, your category and up to 10 competitor brands

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Q&A

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