



The GLP1 Saga Continues

An NIQ perspective on the impact of popular weight loss prescriptions

Insight Circles - Pantry

A GLP or glucagon-like peptide, is a hormone that helps regulate blood sugar in the body by promoting the release of insulin and slowing down the digestive process.



How do GLP-1s Work?

They boost the amount of insulin your body produces to keep blood sugar within a normal range, this also provides a sense of fullness after a meal



People Who take GLP-1s Might

Feel fuller in-between meals
Have increased glucose levels
Have less thoughts about food throughout the day



How are GLP-1s Obtained?

GLP-1 is not an OTC medication, you will need a prescription from a health care provider



How are they used?

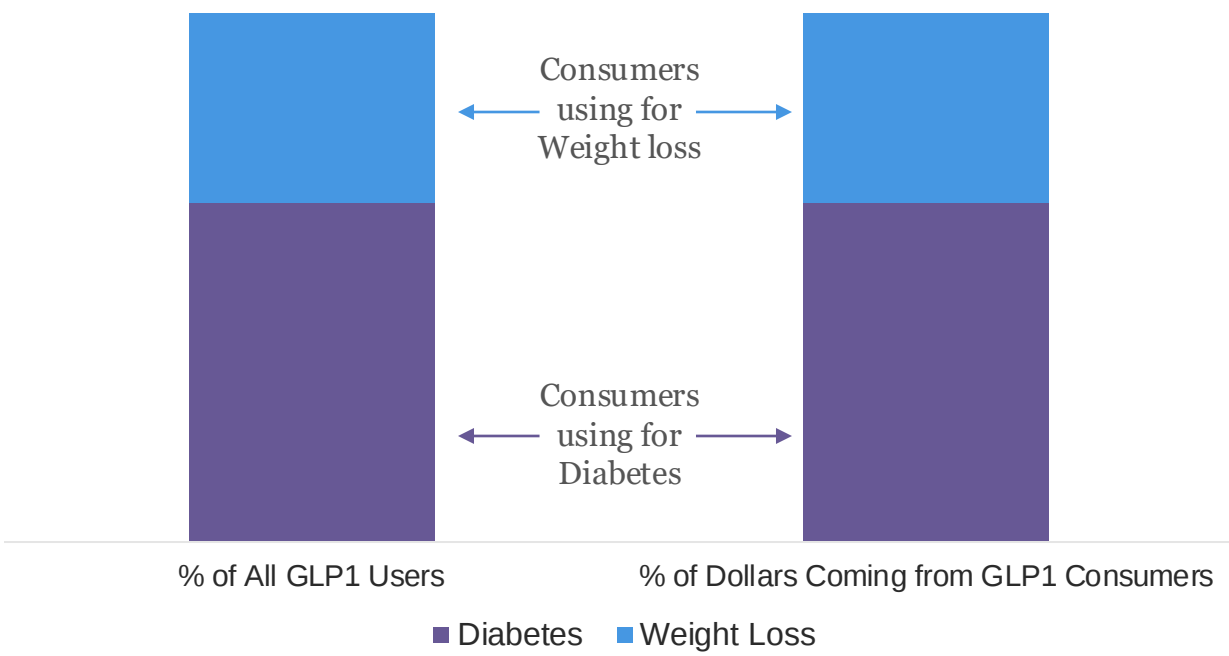
There are long/short term GLP-1s, most taken as injections but can be taken orally



GLP-1s side effects

Potential side effects; nausea, vomiting, diarrhea, constipation, abdominal pain, heartburn, burping, pancreatitis anaphylaxis & hypoglycemia

GLP-1 drugs are revolutionizing weight management strategies for roughly 12% of the US Population

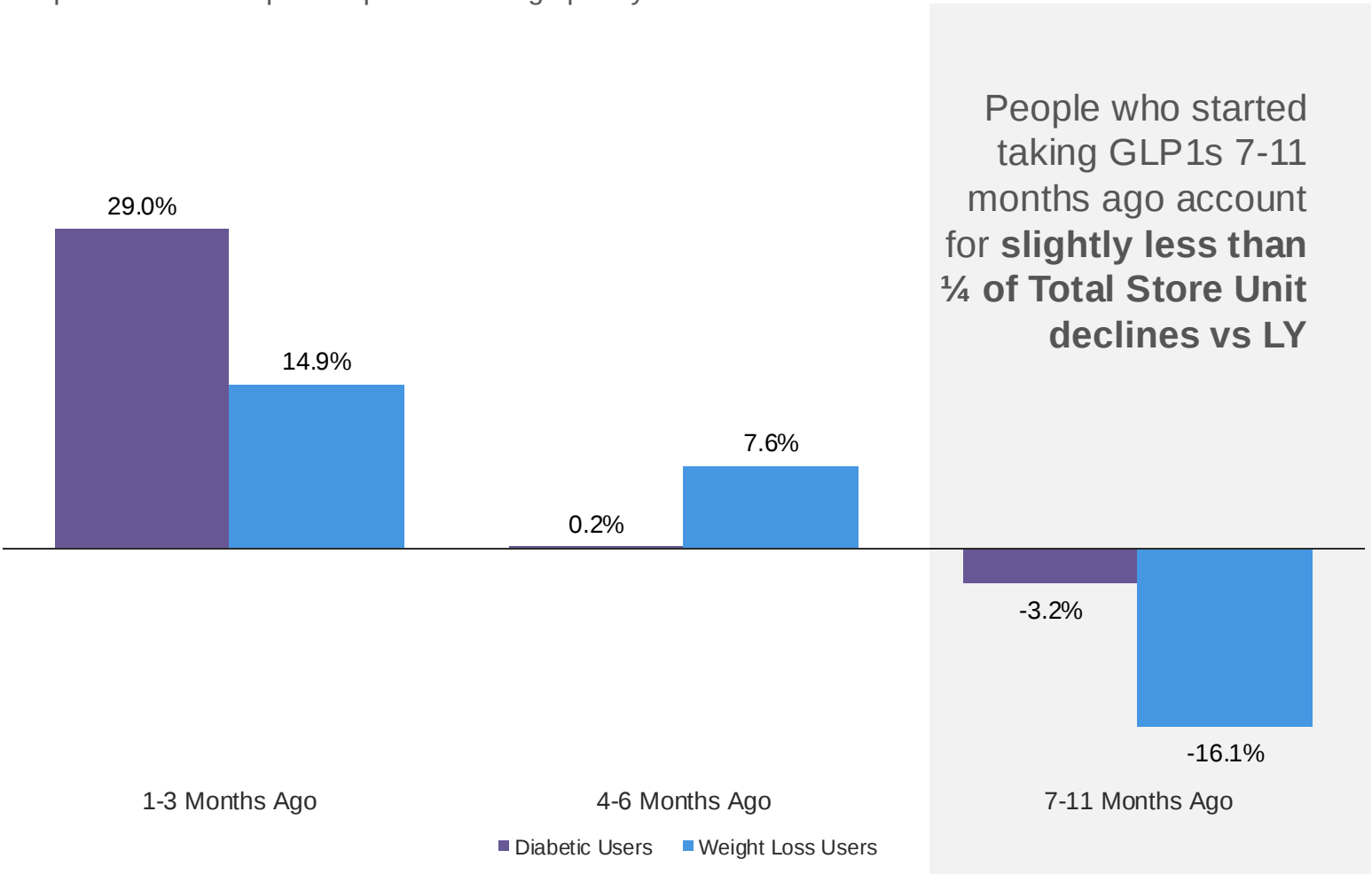


Source: NielsenIQ, Homescan GLP-1 Panel Survey; Total US; Total Outlets; All Departments, Dollar and Unit % Change, Latest 52 weeks ending January 2024
Disclaimer: The slide's data is panel data and should be used directionally.

After 7-11 months, users have fully integrated the appetite-suppressing effects and experience a sustained decrease in food consumption and related expenses.

Unit Volume % Chg. by GLP1 User Group

Compared to their respective period of usage prior year



Source: NielsenIQ, Homescan GLP-1 Panel Survey; Total US; Total Outlets; All Departments, Unit % Change, Latest 52 weeks ending January 2024

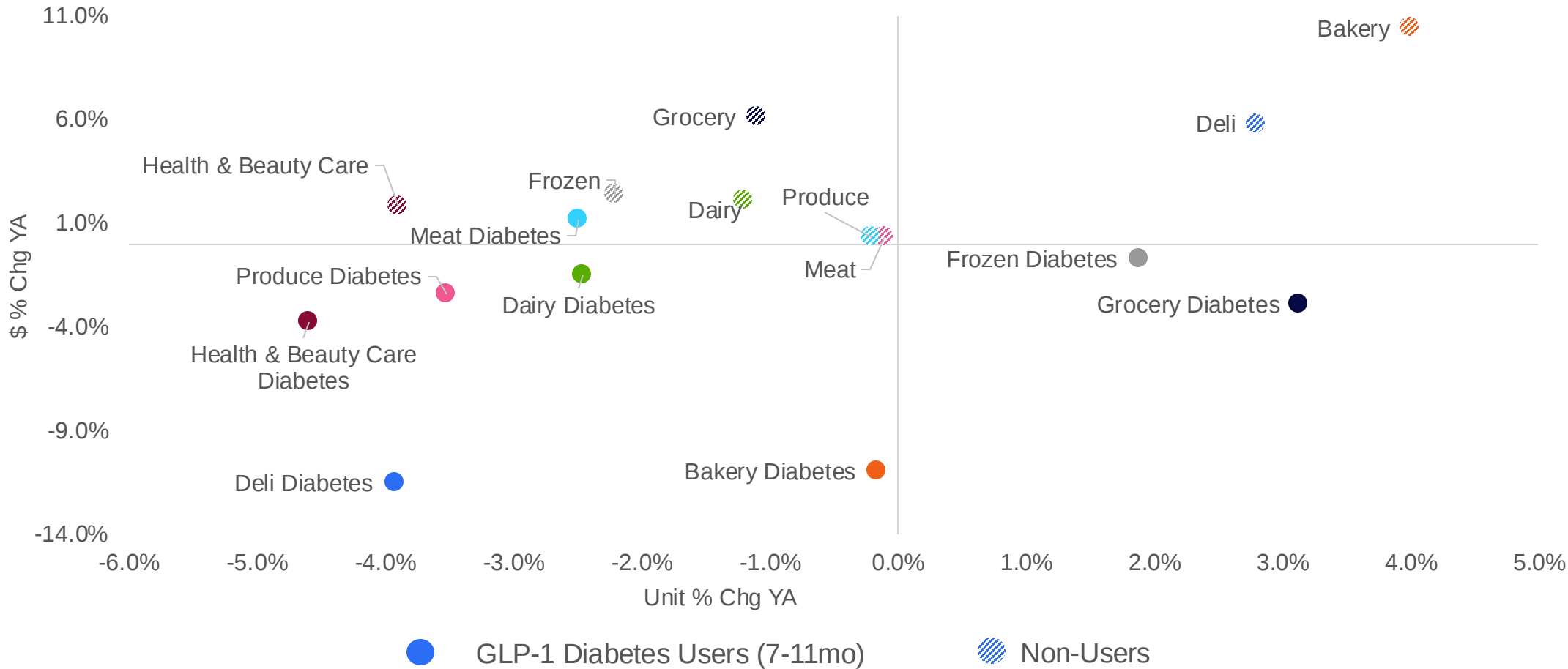
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GLP-1 Diabetes Users are pulling back on units purchased across Total Store

Department declines in GLP-1 Diabetes users could lead to long-term implication

Department Trends Across the Store amongst Diabetic Users (7-11 mos. ago)

L52 Wks. vs YA



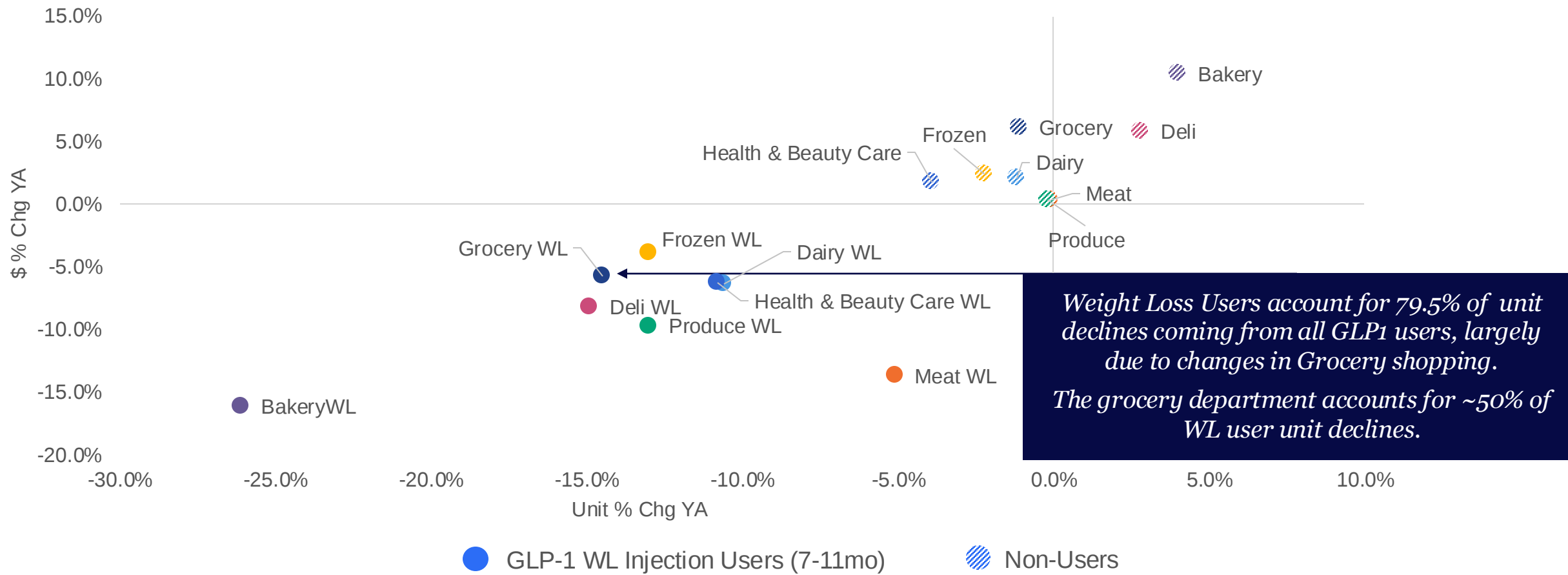
Source: NielsenIQ, Homescan GLP-1 Panel Survey, Total US; Total Outlets; All Departments, Dollar and Unit % Change, Latest 52 weeks ending January 2024
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GLP-1 Weight Loss Users pulling back on units purchased across Total Store

Department declines with GLP-1 Weight Loss Users could result in long-term implications

Department Trends Across the Store amongst Weight Loss Users (7-11 mos. ago)

L52 Wks. vs YA



Source: NielsenIQ, Homescan GLP-1 Panel Survey, Total US; Total Outlets; All Departments, Dollar and Unit % Change, Latest 52 weeks ending January 2024

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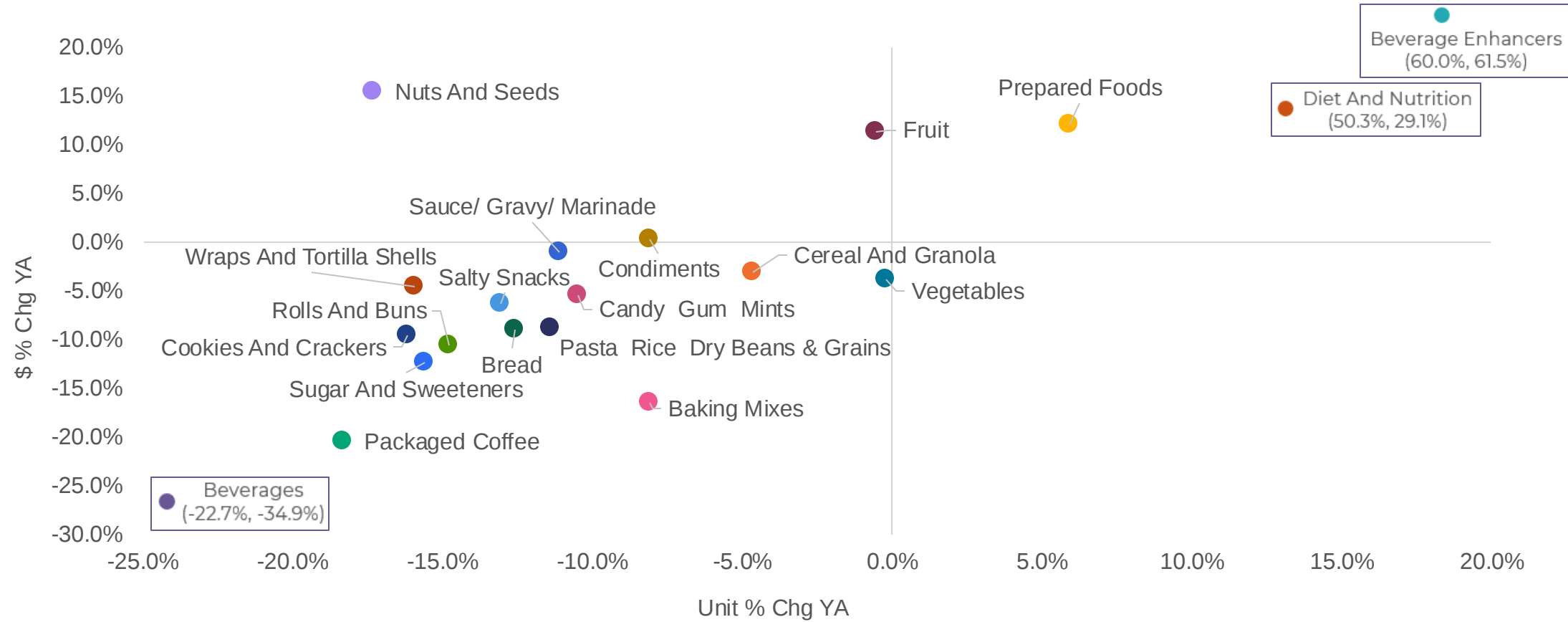
Grocery declines driven by unit losses in Beverages, Packaged Coffee, and Cookies & Crackers

More nutritious categories like Fruit and Nuts able to grow units, underlining areas of opportunity

Top Grocery Categories for GLP-1 Weight Loss Users (7-11 mos. ago)

% of Total Store Decline

L52 Wks. vs YA



Source: NielsenIQ, Homescan GLP-1 Panel Survey; Total US; Total Outlets; All Departments, Dollar and Unit % Change, Latest 52 weeks ending January 2024
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Varying consumer need states create two distinct GLP1 user groups

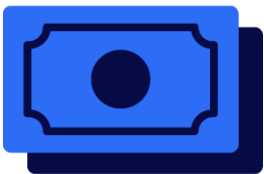
GLP-1 Users who are taking the drug for the sole purpose of weight loss are younger high-income households.



20.7% age 45-54
(Index 122)



17% have kids
ages 12-17
(Index 115)



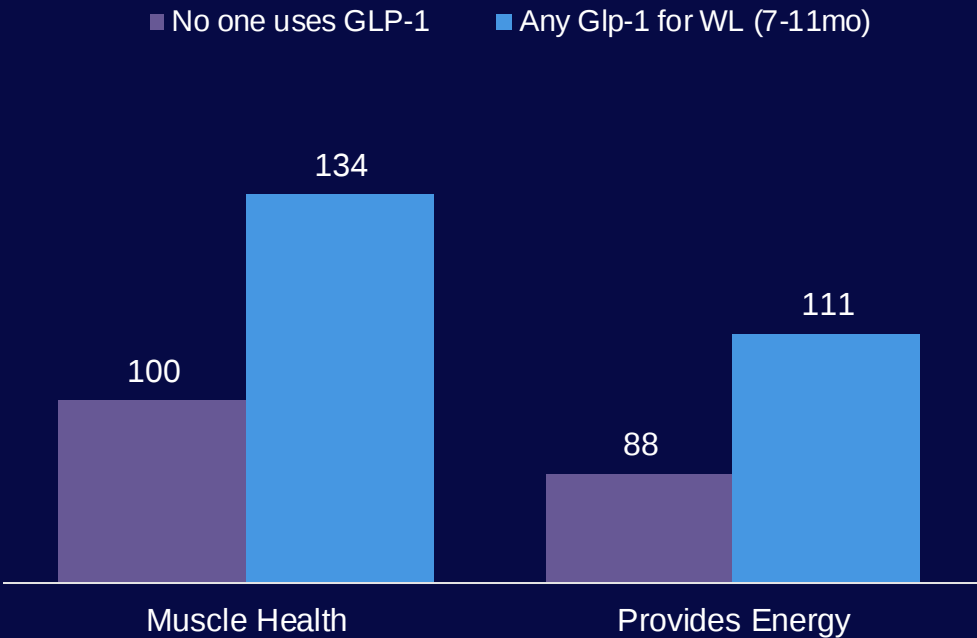
24.5% HH
income \$150K+
(Index 127)



11% Wealthy
Countryside
(Index 167)

Rapid weight loss and extreme fatigue from GLP-1 medication can result from a significant decrease in muscle mass and reduced blood sugar levels.

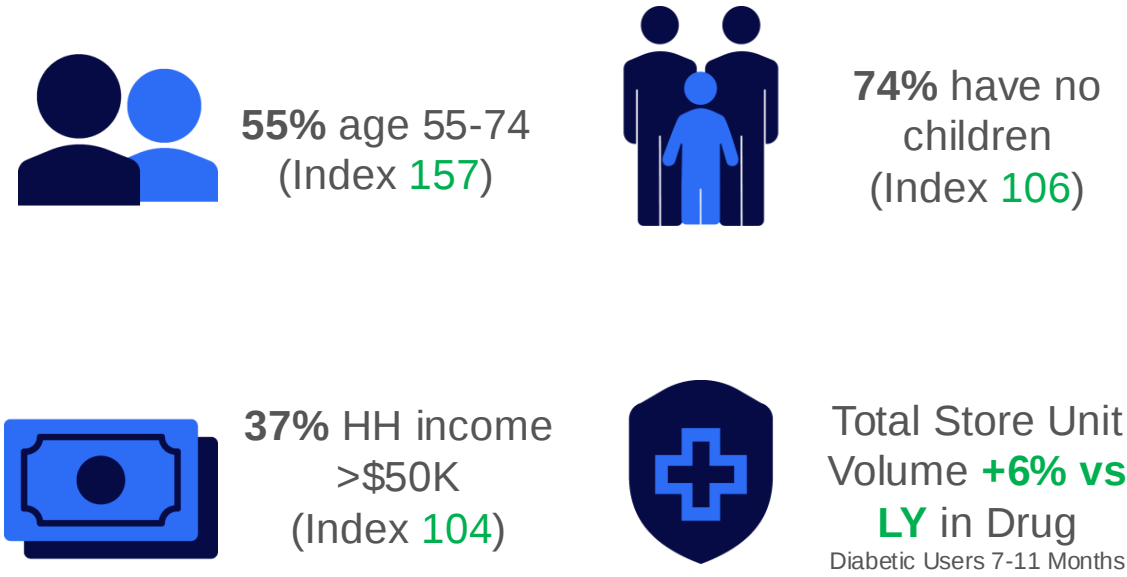
High Indexing Product Claims



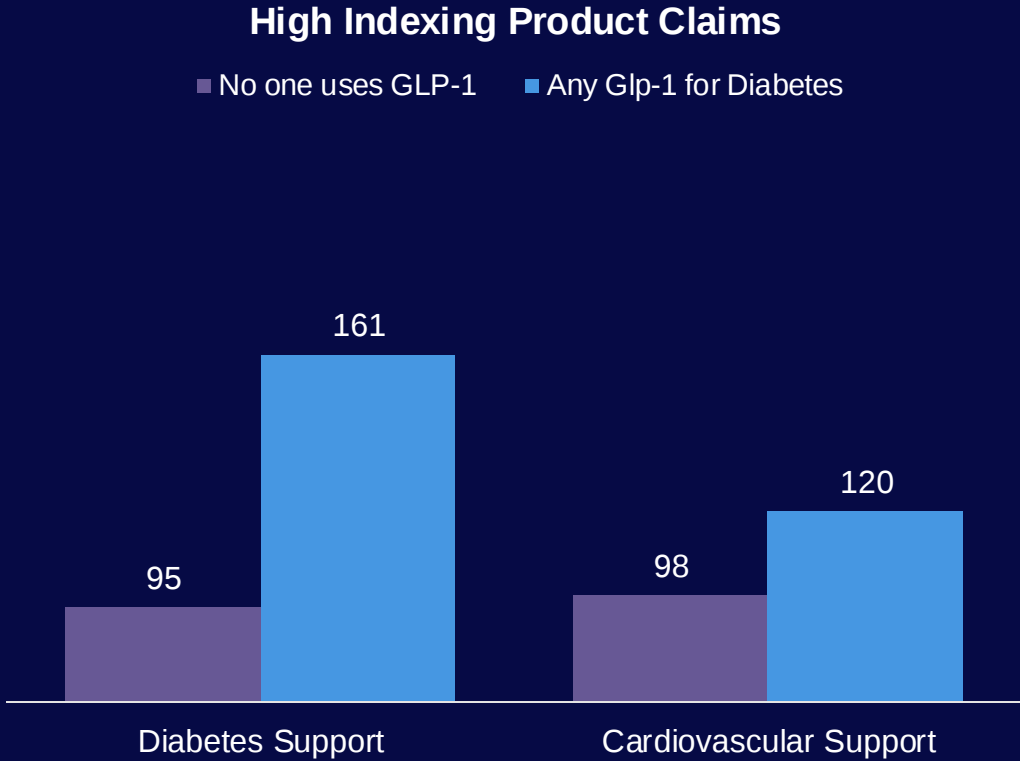
Source: NielsenIQ, Homescan GLP-1 Panel Survey; Total US; Total Outlets; Demographics Dollar Index; Latest 52 weeks ending January 2024
Disclaimer: The slide's data is panel data and should be used directionally.

Varying consumer need states create two distinct GLP1 user groups

Diabetes GLP-1 users are older, no kid households, with lower income



People with diabetes have 2x the risk for heart disease



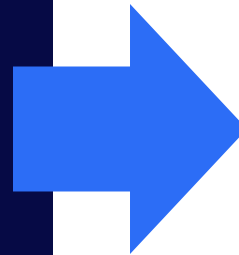
Source: NielsenIQ, Homescan GLP-1 Panel Survey; Total US; Total Outlets; Demographics Dollar Index; Latest 52 weeks ending January 2024
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Despite medical need consumers will face obstacles for usage

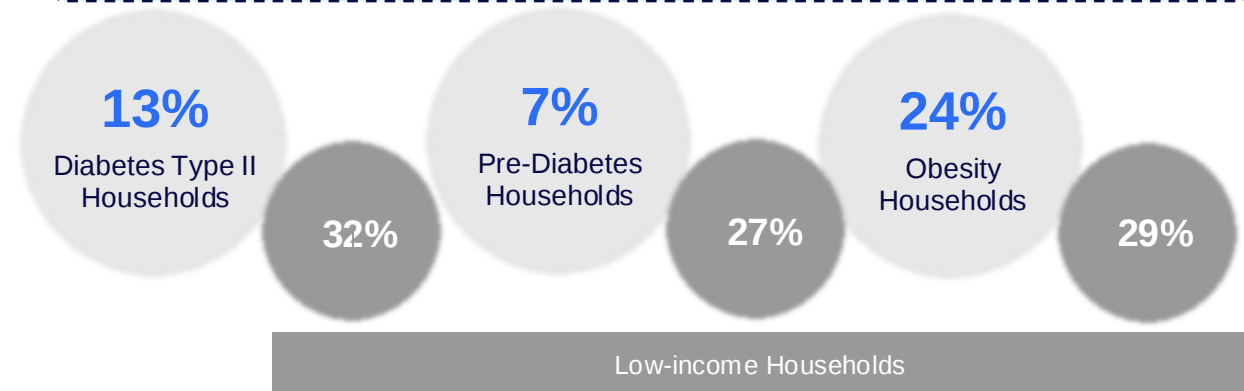
Obstacles to GLP-1 Use

- **High cost and insurance**

- *Without coverage, costs top \$1,000/month*
- *Diabetes drugs have higher coverage at **82%** compared to obesity which is covered in less than **2%** of plans**
- *Increased coverage if the Center for Medicare & Medicaid Services recognize obesity as a chronic disease*



Increased opportunity if GLP-1 becomes more accessible, as ailments affect a higher percentage of low-income households



Compounding Pharmacies and others developing lower-cost options:

- Kroger will offer GLP-1 drugs as part of its revamped weight management program starting at \$99 per visit
- Him & Hers Health direct-to-consumer health and wellness platform deliver weight-loss medication up to 85% cheaper than branded GLP-1 drugs.

Retailers exercising social responsibility to support consumer wellness



Starting at \$99 per visit that include:

Resources on fresh and healthy foods, ongoing medical visits, routine coaching, and community support information. The inclusion of FDA approved medical treatments including GLP-1.

Health and Wellness under one platform:

Includes wellness visits, dietitian counseling, physical therapy, pharmacy services, and meal planning that incorporates better-for-you foods and organic/natural private label product lines.



For \$99 per month that include:

Access to personalized nutrition counseling, preventative health screenings, fitness videos, and virtual classes about preparing freezer meal.

Social dialogue increasing interest in GLP-1 drugs



#GLP1
68.8K Total Posts
#glp1forweightloss ~22.4K posts



#GLP1
80K Posts



#GLP1
Search Popularity Increased +1640%



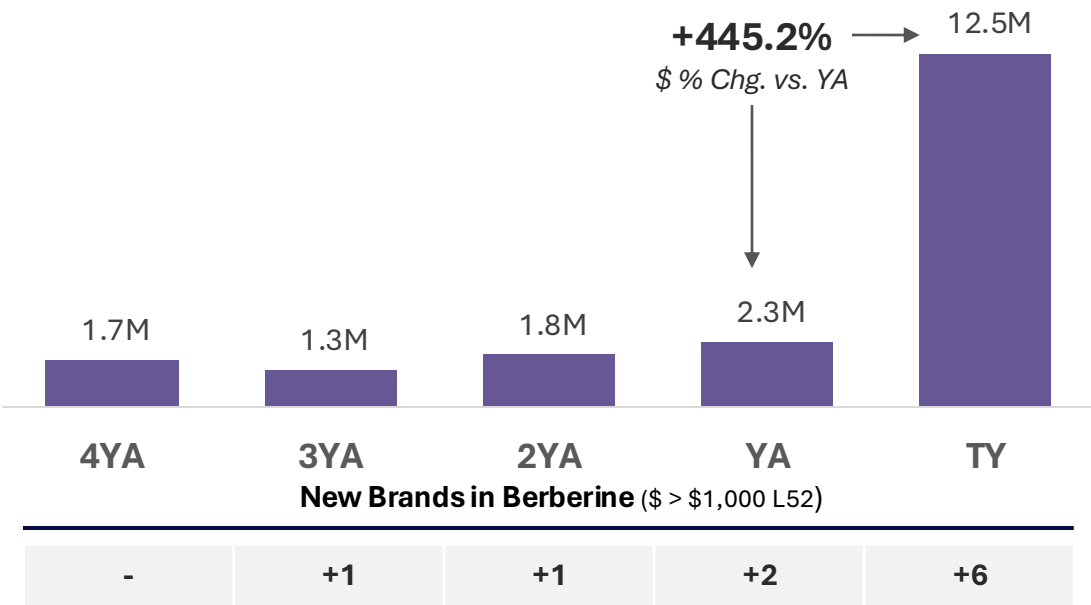
Source: Social Media Search Data as of 7/1/24; Minsberg, Tayla. "TikTok Attempts to Rein In Weight Loss Posts." The New York Times, May 2024

...and their alternatives

Supplement Berberine has been called ‘Nature’s Ozempic’

Berberine 5YR Dollar Sales

Total Store, xAOC



Source: NielsenIQ Retail Measurement Services; Total US xAOC; Dollar Volume; Latest 52 weeks ending June 2024

Source: Search Data as of June 2024



Berberine going viral on numerous platforms



#berberine
5.8K total posts

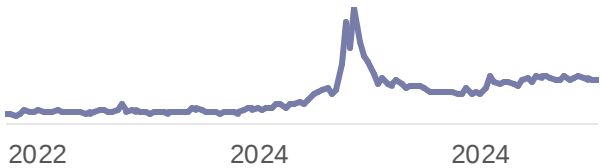


#berberine
23.3K total posts



berberine
450.0K monthly searches

Google Search Trends



CPG Manufacturers are innovating to meet the needs of consumers struggling with GLP-1 symptoms

When pursuing rapid weight loss, people risk losing **11-50% of muscle** creating opportunity for innovation



Coming Q4 2024



- Key Product Callouts:
- ★ High Protein
 - ★ Nutrient dense
 - ★ Muscle Support



Launched Jan 2024*

Abbott and **Nestle** are paving the way for the emerging need for nutrient dense products through new brand lines catered to GLP-1 users and consumers focused on weight management. Protality achieved \$0.8M in sales and 38.3%ACV reach since its launch

GLP-1 usage has the potential to continue acceleration

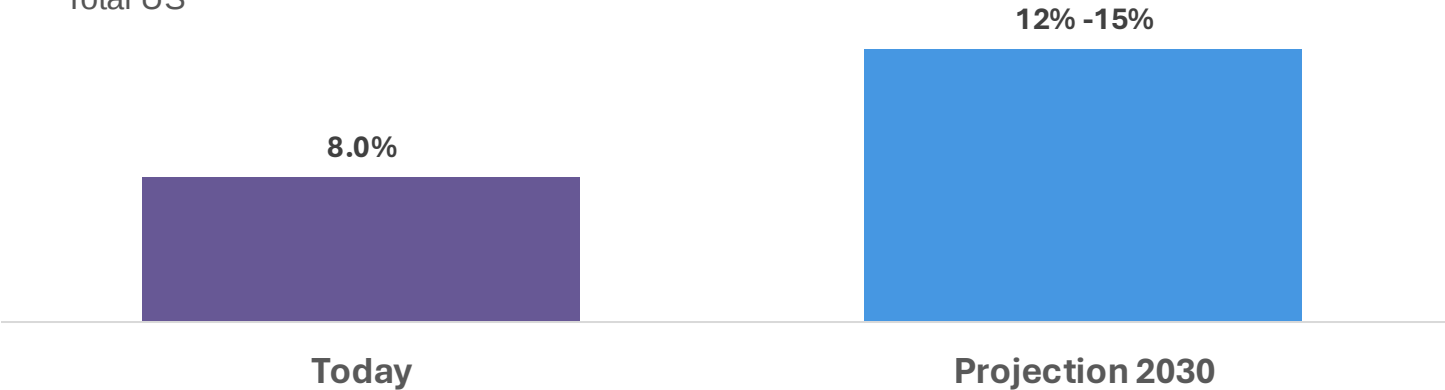
12% of US HHs currently on GLP-1 (5.1M households)

By 2030, the percent of HHs could **double**



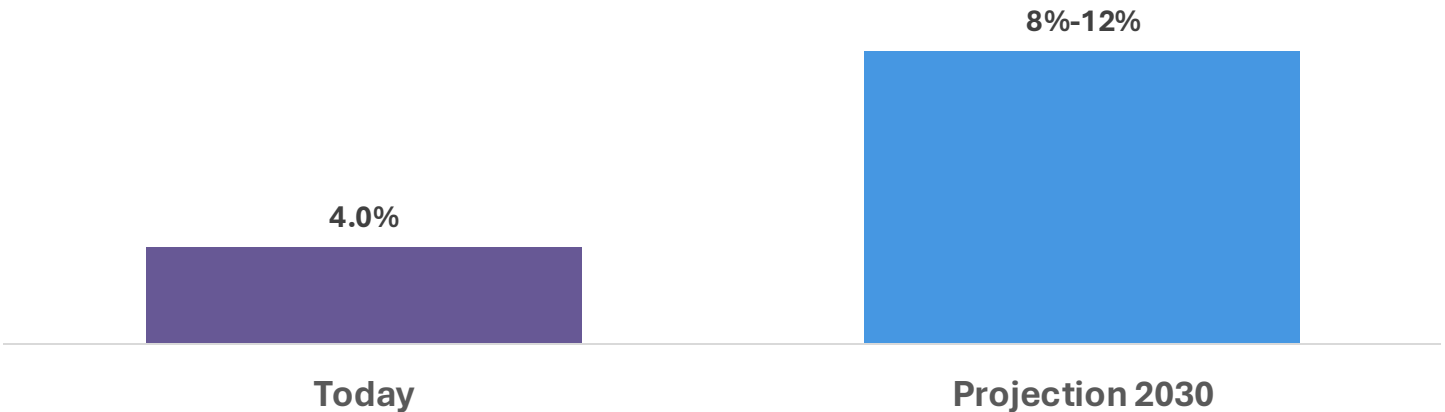
Projected Penetration Growth of Consumers using GLP-1s for **Diabetes**

Total US



Projected Penetration Growth of Consumers using GLP-1s for **Weight Loss**

Total US



Source: NielsenIQ, Homescan GLP-1 Panel Survey, Total US; Total Outlets; All Departments, % of Buying Households, Latest 52 weeks ending January 2024
Disclaimer: The slide's data is panel data and should be used directionally.

Strategizing for a Weight Conscious Future

Next steps to address the headwinds of growth in GLP1 usage

Immediate Actions

Leveraging Data to Inform Strategy

5 Questions you should work with your NIQ Partner to understand:

1. How much have GLP1 consumption declines impacted my category/brand?
2. How many of my consumers are current or potential GLP1 users?
3. Have my competitors been impacted by GLP1 usage or have the potential to be?
4. Does my promotional/pricing strategy align to shifting consumption behaviors because of GLP1 usage?
5. How can I increase volume from other consumer groups buying my product to offset potential losses from GLP1 users?

2-4 Year Recommendations

Strengthen Your Core Business

- Appeal to consumers through on pack messaging that resonates with their current need states
- Leverage product differentiation and benefits to ask for premium price points that will help to offset volume declines
- Focus on core consumer retention and loyalty to drive growth
- Reassess the relevancy of GLP1 usage to your business

5-8 Year Recommendations

Expand Offerings to Meet Evolving Needs

- Reclaim lost GLP1 volume with innovation that addresses weight management concerns where relevant
- Focus on personalization of consumer product experiences to deepen relationships and build loyalty amongst target consumer groups



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Thank you!