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The Snack Journey: Where We Are and Where We're Going

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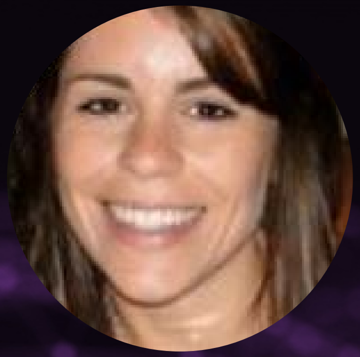

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The Snack Journey: Where We Are and Where We're Going

Today's Discussion

01

Consumer Stoplights

Some changes have been made for what they snack, but snacking is still strong in the U.S.

02

Shifting Gears

Optimizing snacking opportunities requires some changes

03

Different Fares

Growth will need some different fares – more than just price

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Joy Rides

Personalized consumer connections to bring joy and excitement is helping drive sales

05

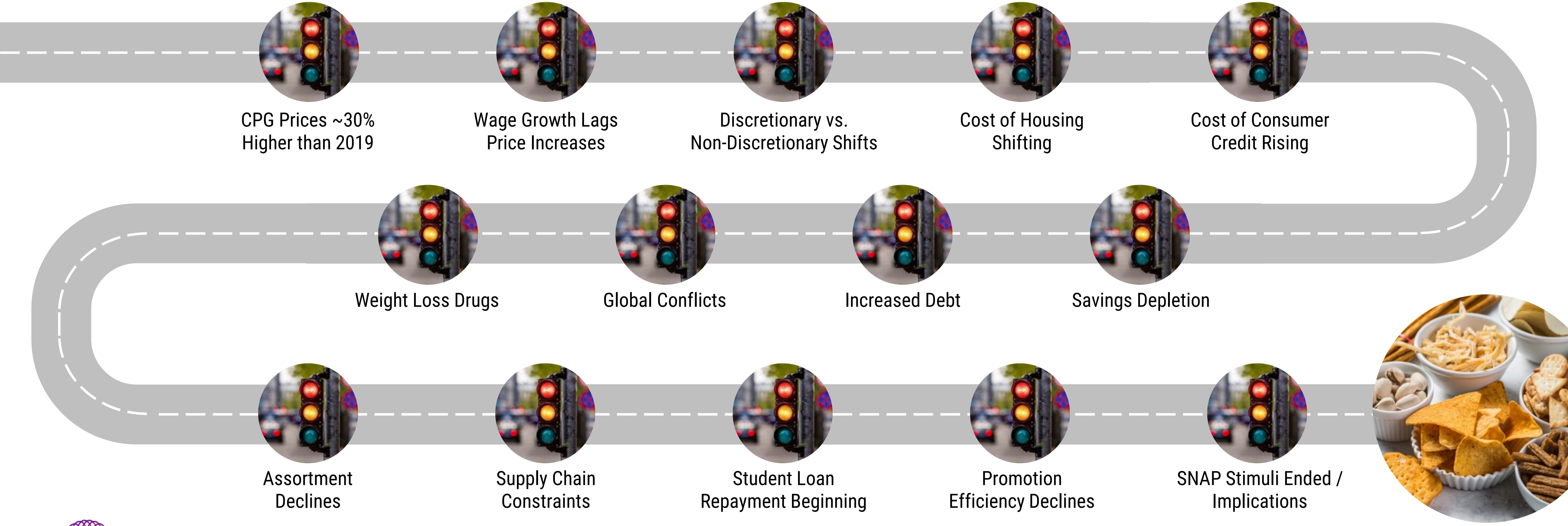
Fuel

Moving forward, the snack journey will continue to be a fun one, especially if we increase trips and/or buy rate

Consumer Stoplights

Some changes have been made for what they snack, but snacking is still strong in the U.S.

Consumers continue to have more stoplights on their snacking journey



Many discretionary spend areas have seen a decline in 2023 topline

However, consumers have continued to spend in CPG

Dollars
Unit / Volume

Gen Merch
CPG

Retail Segments YTD Sales % Chg. vs. YA

Segment	Type	Dollars	Unit / Volume
Prestige Beauty	Gen Merch	14	13
Pet	CPG	10	-1
Mass Beauty & Personal Care	CPG	9	0
F&B	CPG	6	-1
Home Care	CPG	6	-4
Auto	Gen Merch	3	-3
Office Supplies	Gen Merch	2	-4
Video Games	Gen Merch	4	-8
Healthcare	CPG	3	-3
Housewares	Gen Merch	-5	-7
Small Appliances	Gen Merch	-6	-6
Apparel & Accessories	Gen Merch	-6	-10
Sports Equipment	Gen Merch	-7	-6
Toys	Gen Merch	-8	-8
Technology	Gen Merch	-10	-8
Juvenile	Gen Merch	-11	-11

Note: Volume sales and price per volume shown for CPG segments. Unit trends shown for general merchandise. Source: Circana, Retail Early Indicator, 52WE 12/30/2023 vs. YAG (general merchandise); Circana MULO+ with Cstore (F&B/Non-food CPG) 52 weeks ending 12/31/23. Circana Thought Leadership.

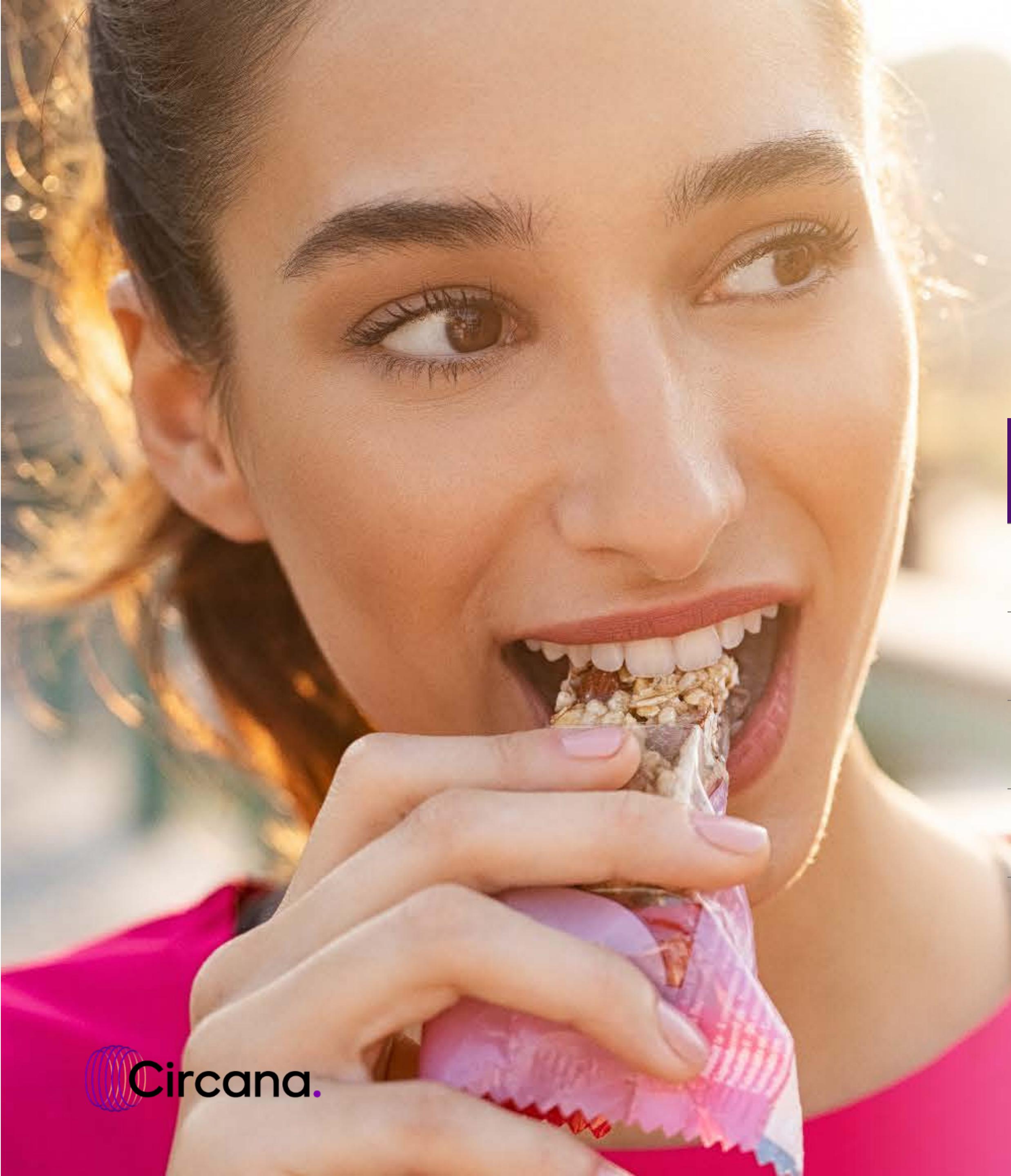
Overall, snacking is up with mobility influencing where consumers purchase and consume

46% **of consumers snack 3+ snacks a day**

Down 3ppts YA, but no change vs 5 years ago

Between-meal occasions		
	2023 annual occasions per capita	vs. 2020
Total Between Meal Occasions	809	+9
Sourced from Retail	745	+8
Consumed in Home	666	-14
Sourced from Foodservice	64	+1

Source: Circana, National Eating Trends® and CREST®, YE Dec. Includes retail and foodservice occasions; Circana 2024 Snacking Survey



Core snacks at retail is a

$214B universe

Dollars are outpacing F&B, but slightly below F&B units

Category	Dollars % Change vs. YA	Unit % Change vs. YA
Total Store with Perimeter	4.2%	-1.7%
F&B	4.5%	-1.4%
Macro Snacks	6.2%	-2.1%
Core	6.9%	-1.8%
Expanded	4.4%	-2.9%

Source: Circana MULO+ w/Conv, 52 Weeks ending 12/31/23

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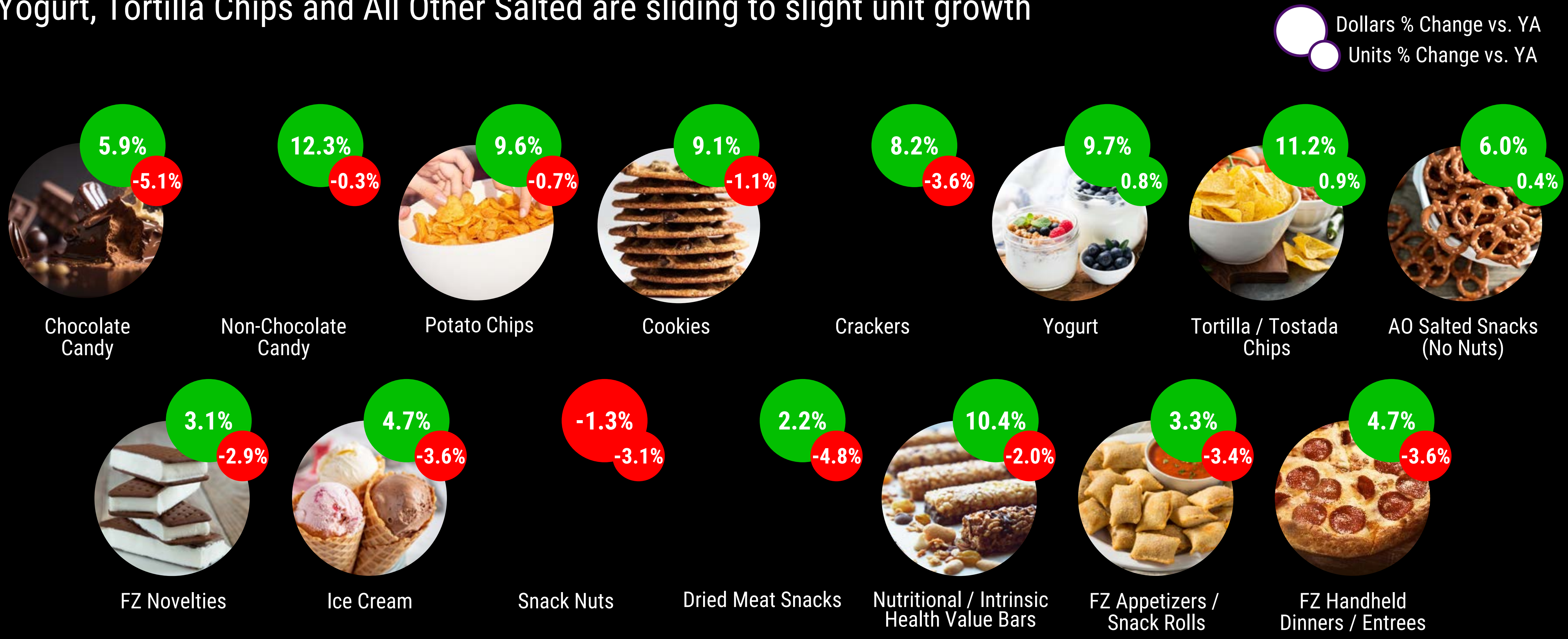
Chocolate Candy tops the dollar ranks

Yogurt, Tortilla Chips and All Other Salted are sliding to slight unit growth



Source: Circana MULO+ + w/Conv, 52 Weeks ending 12/31/23; Ranked on Dollar Sales

Consumer pitstops have included a variety of trading up and down — it's complex and evolving

From **out-of-home** services to **in-home** and vice versa

From **grocery** to **value*** channels

From **larger** sizes to **smaller;** from **smaller** sizes to **larger**

From **mainstream** to **premium;** from **mainstream** to **private brands**

Some **purchasing** less often

Some **not purchasing** as many embracing relevant **deals**

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Leading to Variety Driving Sales Growth

Unit Change Leaders

CORN SNACKS (no tortilla chips)

SUGARLESS GUM

DAIRY NATURAL CHUNKS CHEESE

YOGURT

TORTILLA/TOSTADA CHIPS

AO RFG CHEESE MEAT DESSERT

CUT SNACKS

PRETZELS

ICE MILK FZ DESSERT

AO SNACK/GRANOLA BARS/CLUSTERS

Volume Change Leaders

SUGARLESS GUM

YOGURT

SS YOGURT/YOGURT DRINKS

NON-CHOCOLATE CANDY

ICE MILK FZ DESSERT

CUT SNACKS

DAIRY NATURAL CHUNKS CHEESE

CORN SNACKS (no tortilla chips)

NUTRITIONAL/INTRINSIC HEALTH VALUE BARS

FZ YOGURT TOFU

Source: Circana MULO+ + w/Conv, 52 Weeks ending 12/31/23..

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74% of snacks are sourced from home, but where snacks are purchased varies

Snacks – 2023 dollar share and share change vs. YA in and out of home

Total Retail	Total Com. FS	Retail F&B							Commercial Food Service		
		Grocery	Mass	Club	C-Store	Dollar	Drug	Pure Play ecom	QSR	FSR	Retail FS
▼ 74.4% (-0.2)	▲ 25.4% (+0.2)	▼ 30.3% (-0.6)	▼ 17.0% (-0.1)	▲ 8.6% (0.0)	▲ 10.5% (+0.4)	▲ 4.0% (+0.4)	▼ 2.0% (-0.1)	▼ 1.6% (-0.1)	▲ 16.0% (+0.5)	▼ 2.8% (-0.1)	▼ 6.8% (-0.2)

Source: Circana, Snacking Venue Trends - Dollar Sales Share Chg. vs YA (ppt), CREST, Year Ending Sept & Complete Consumer – FY 2023
Dollar sales change at the occasion for foodservice, whereas retail is for categories that are oriented toward the occasion (not necessarily consumed at the occasion)

Our motivation segmentation shows that emotional macro need represents more than half of snacking and treating needs



Emotional	Functional	Wellness
Percent of Eatings by Macro Need (YE September 2023)		
55.9%	33.9%	10.1%
Share Change vs. 2018		
+0.03 ppts	+0.08 ppts	-2.1 ppts

Source: Circana, SnackTrack®

Emotional needs are tied to key need states that influence snacking and treating consumer decisions

emotional = **favorite routine**
yummy
reward me

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Source: Circana, SnackTrack®

Alpha, younger Gen Z, Gen X are driving eatings and positive trends as they enter new life stages

% of Eatings When Need State is Favorite Routine, Yummy, or Reward Me

Year Ending Sept 2023 vs. 2018 Change vs. YA







Gen Alpha	Younger Gen Z	Older Gen Z	Younger Millennials	Older Millennials	Gen X	Boomers
2013 – cur 2 years	*born 2006 – 2012*	*born 1997 – 2005*	*born 1990 – 1996*	*born 1981 – 1989*	*born 1965 – 1980*	*born 1946 – 1964*
15.2%	**13.9%**	**8.5%**	**7.3%**	**8.8%**	**19.4%**	**23.7%**
+8.2% pts	+0.4% pts	-6.4% pts	+1.2% pts	-0.7% pts	+2.0% pts	-2.6% pts

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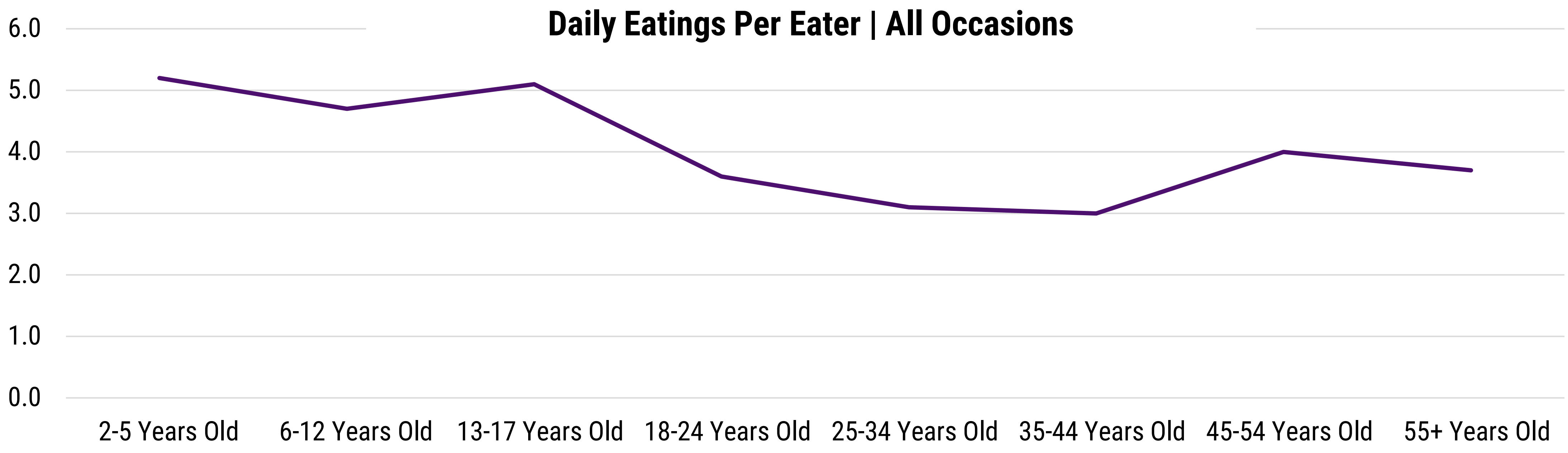
Source: Circana, SnackTrack®

Shifting Gears

Optimizing snacking opportunities requires some changes

Consumers have about 4 eatings of snack foods on a typical day with kids leading the way

Total Daily Eatings per Eater = 3.8



4.9 Daily Eatings per Eater | **Kids <18**

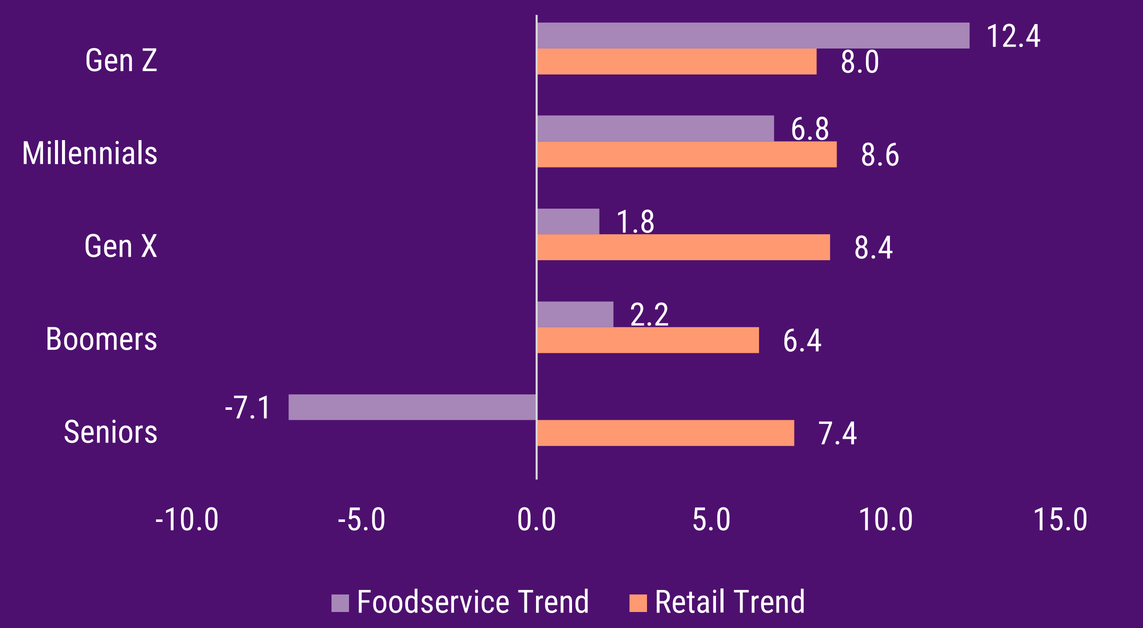
3.5 Daily Eatings per Eater | **Adults 18+**

Source: Circana, SnackTrack®, Years Ending Dec.

Retail continues to win snack dollars except for younger generations and more affluent HHs

Snack Venue Trends - Dollar Sales % Change vs. YA

GENERATIONS



INCOME

Source: Circana, CREST, Year Ending Sept & Complete Consumer – 52 weeks ending 12/31/23
Dollar sales change at the occasion for foodservice, whereas retail is for categories that are oriented toward the occasion (not necessarily consumed at the occasion)

Younger generations have shifted more of their spend from Retail predominantly to QSR

				
Gen Z	**Millennials**	**Gen X**	**Boomers**	**Seniors**
Spending Shift				
FROM / TO	FROM / TO	FROM / TO	FROM / TO	FROM / TO
from retail to QSR (+0.8 share ppts)	from retail to QSR (+0.7 share ppts)	from grocery to C-Store (+0.7 shr ppts) and Dollar (+0.6 share ppts)	no dramatic swing, but favoring Mass and Dollar and some Convenience (+0.5 share ppts)	spending strongly entrenched in grocery (+0.3 share ppts)

Snacking Venue Trends - Dollar Sales Share Chg. vs YA (ppt) by Generational Cohort
Source: Circana, CREST, Year Ending Sept & Complete Consumer – 52 weeks ending 12/31/23
Dollar sales change at the occasion for foodservice, whereas retail is for categories that are oriented toward the occasion (not necessarily consumed at the occasion)

Higher income households are shifting snack spend more to QSR foodservice

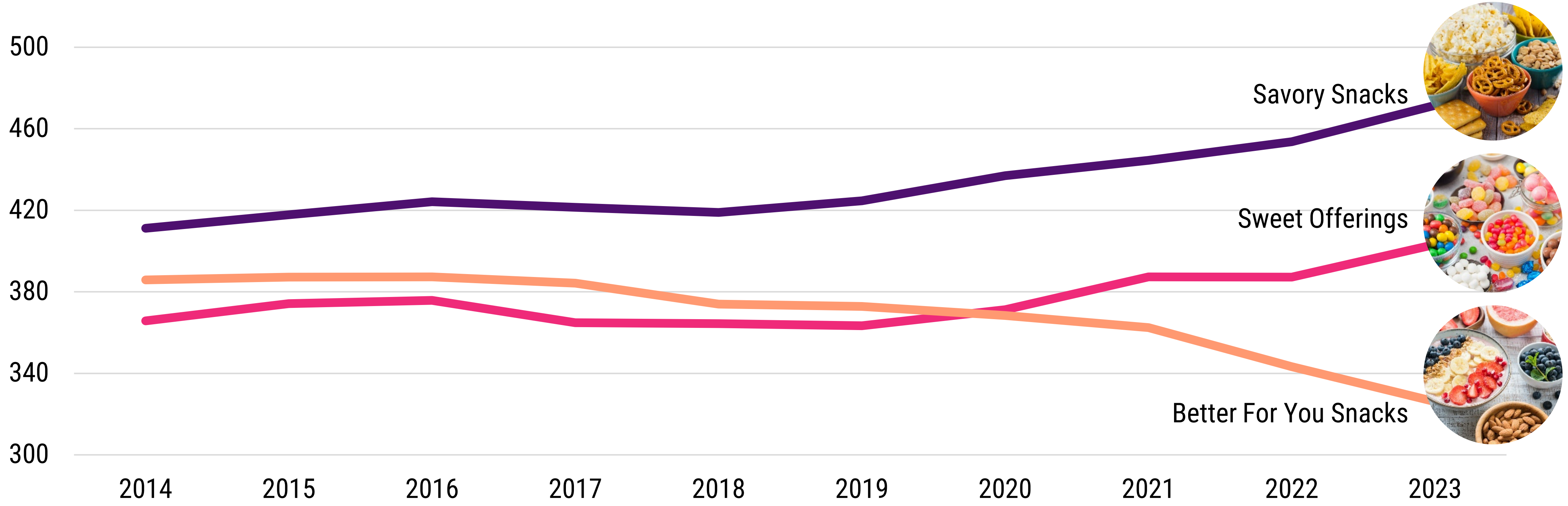
Lower income shoppers are shifting spend from grocery to Mass, Dollar and some C-store

<$25k		$25k - $49.9k		$50k - $74.9k		$75k - $99.9k		$100k+	
Spending Shift									
FROM	TO	FROM	TO	FROM	TO	FROM	TO	FROM	TO
from Grocery (-1.1 share ppts) to Mass, C-Store & Dollar (+1.9 share ppts)		from Commercial FS (-1.4 share ppts) to retail (+1.4 share ppts) favoring Mass, C-Store and Dollar		from out of Grocery (-0.5 share ppts) to Mass, Dollar & C-Store and QSR (+1.0 share ppts)		from retail (-1.5 share ppts) to QSR (+0.8 share ppts)		from Grocery (-1.0 share ppts) to QSR (+0.9 share ppts)	

Snacking Venue Trends - Dollar Sales Share Chg. vs YA (ppt) by Generational Cohort
Source: Circana, CREST, Year Ending Sept & Complete Consumer – 52 weeks ending 12/31/23
Dollar sales change at the occasion for foodservice, whereas retail is for categories that are oriented toward the occasion (not necessarily consumed at the occasion)

Sweet and savory offerings overtook BFY as macro-economic stressors shift consumer preferences

Annual Eatings per Capita



Source: Circana, SnackTrack®, Years Ending Dec.

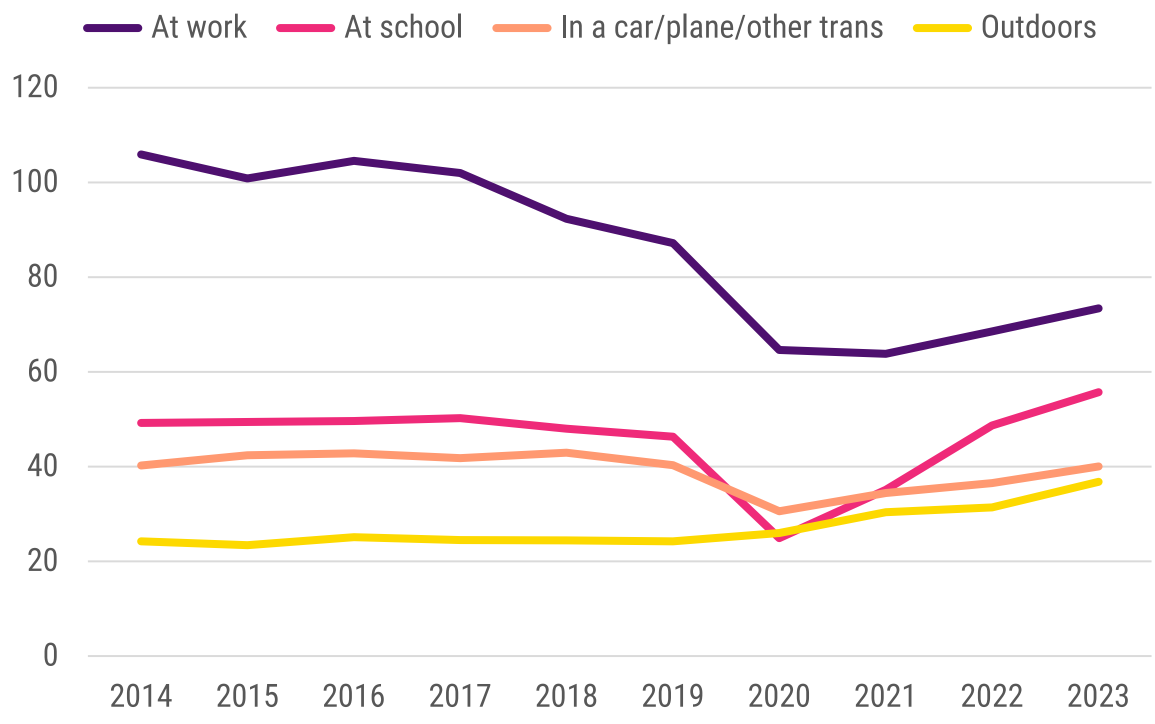
50%

of consumers state
"I often eat snacks instead
of a meal because I am on the go"
(+6.3 ppts vs. 2019)

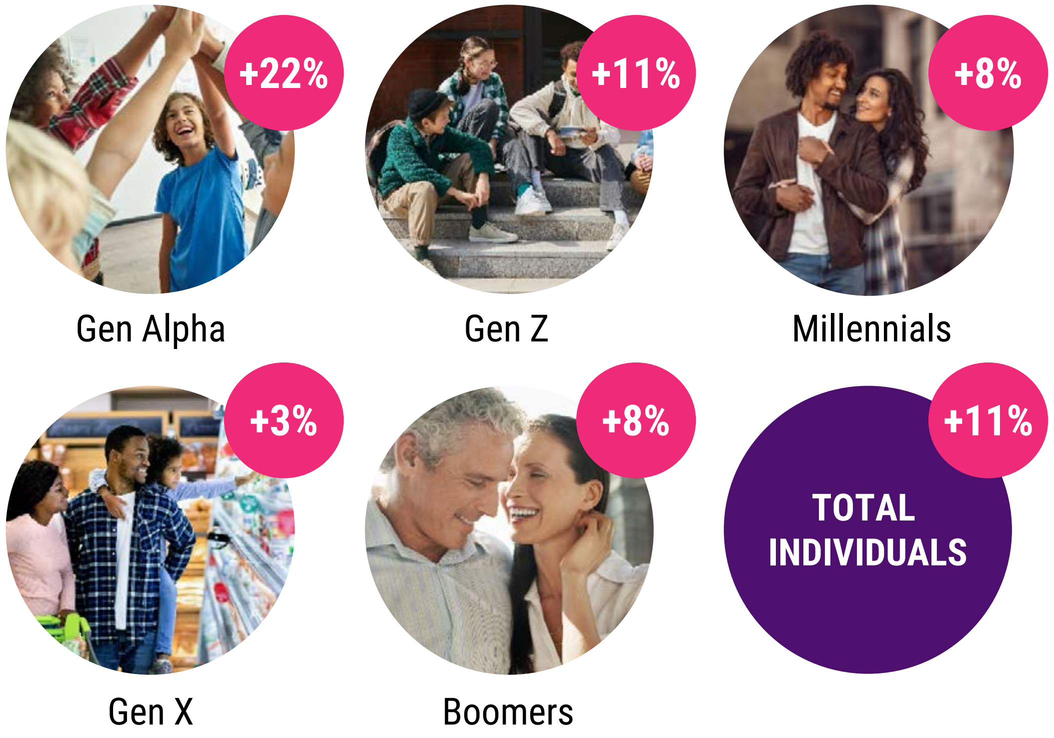
Source: Circana 2024 Snacking Survey

All generations are driving the rebound away from home

Total Snacks / Treats by Where Consumed
Annual Eatings per Capita



Total Snacks / Treats Consumed Away From Home
Annual Eatings Per Capita % Change 2023 vs. 2022

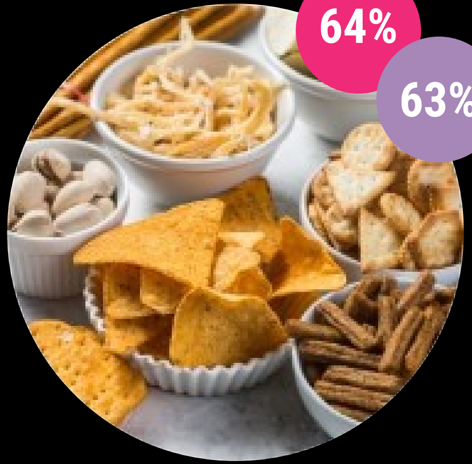


Source: Circana/SnackTrack®, Years Ending December

When snack foods are consumed

Movement toward with main meals consistent with need for speed to table

Snacking Occasions



64%

63%

Between Main Meals

25%

26%

With Meals

11%

11%

Meal Replacement

Percent of Eatings | 2022 | 2023

Source: Circana/SnackTrack®, Years Ending Dec.

There is a distinct difference between in-home and away-from-home snack choices

Specialty coffees are serving as snacks for some

Top Snacks Growth Insights By Generations		Gen Z (Adults)	Millennials	Boomers
	In Home Consumption Categories (AEPC)*	Alt Salty Snacks Rice / Popcorn Cakes / Snacks Seeds	Salsa Cheese Puffs & Curls Treat Bars Toaster Pastries	Chewy Candy Granola Bars Cookies Crackers EX Filled
	Away from home Consumption Categories (Menu Importance)**	Breakfast Sandwiches Specialty Coffee	Burgers Specialty Coffee Breaded Chicken Sandwich Frozen Sweets	Specialty Coffee Donuts/Sweet Rolls Breakfast Sandwiches Bagels

**Source: Circana, SnackTrack, Year Ending Dec. 2023*
*** Source: Circana, CREST, Year Ending Dec. 2023*

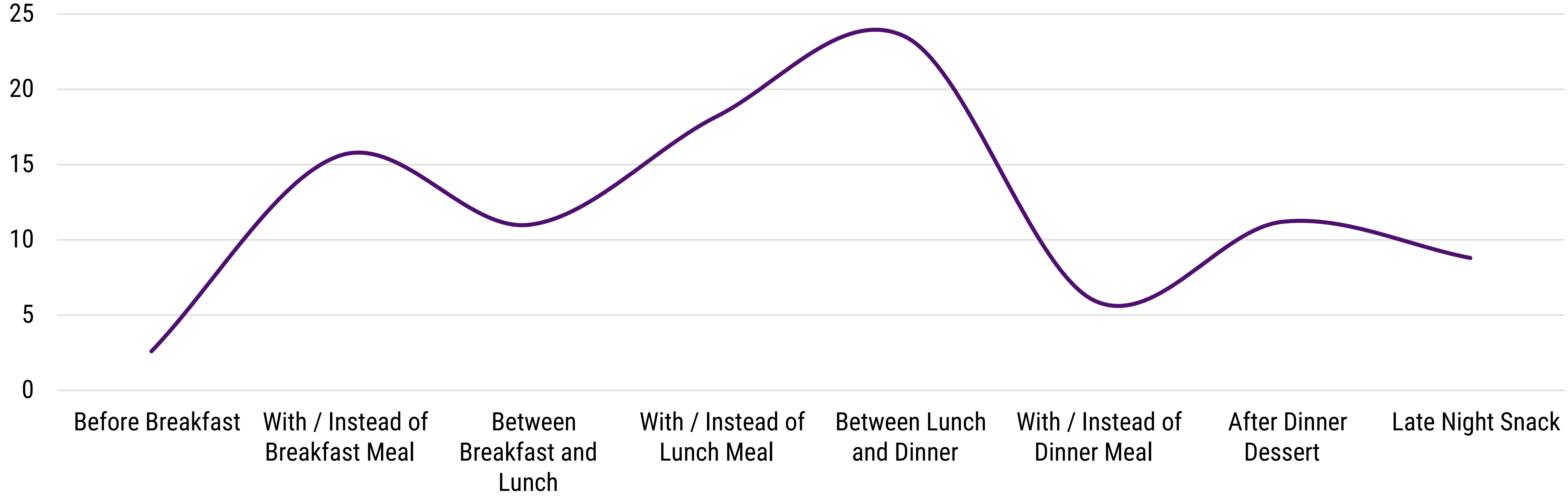
Similarly, choices are different when eating snacks at home vs away across income levels

Top Snacks Growth Insights By Income Levels	**<$25,000**	**$25k - $49.9k**	**$100k+**
In Home Consumption Categories (AEPC)*	Cookies Nuts Chocolate Candy/Candy Bars Refrigerated Yogurt	Tortilla Chips Fruit Cups/Applesauce Snack Cake/Cupcake/Mini Cake Ice/Fudge/Cream Pops	Chewy Candy Cheese Puffs & Curls Trail/Snack Mix no fruit Strng Chs/Prepkc Chs Cbs / Shps
Away from home Consumption Categories (Menu Importance)**	Specialty Coffee Frozen Sweets Chicken Nuggets	Specialty Coffee Breakfast Sandwiches Frozen Sweets Frozen/Slushy Soft Drinks	Burgers Donuts/Sweet Rolls Frozen/Slushy Soft Drinks

**Source: Circana, SnackTrack, Year Ending Dec. 2023*
*** Source: Circana, CREST, Year Ending Dec. 2023*

Bulk of snack food eatings occur midday when health and indulgent needs are more balanced

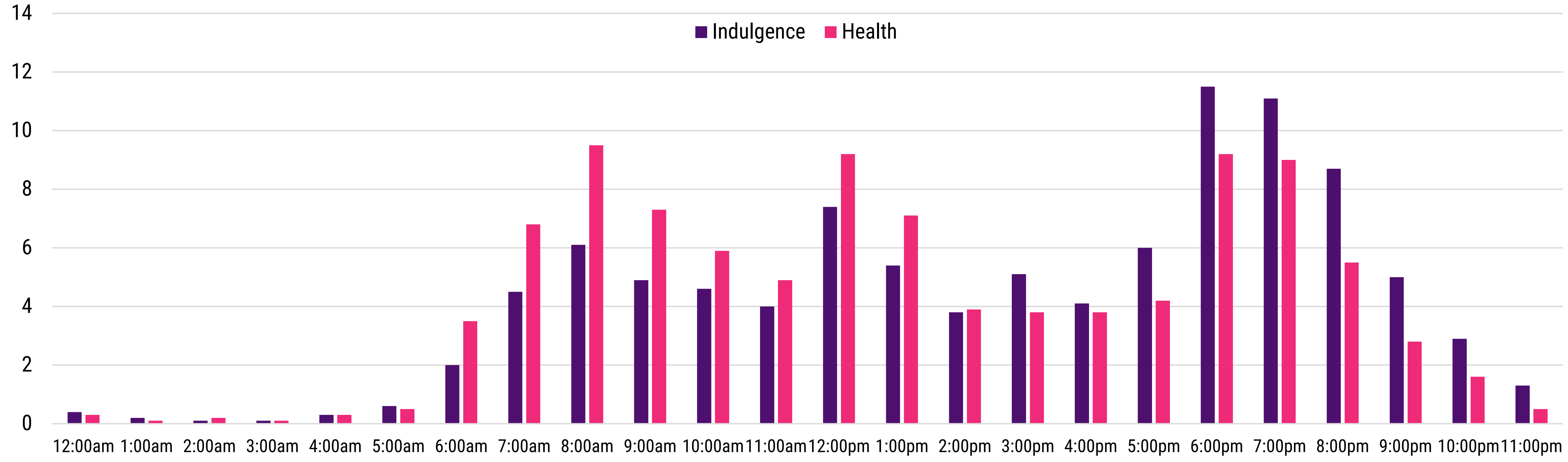
Percent of Snack Food Eatings



Source: Circana, SnackTrack®, Year Ending Dec. 2023

Consumers are more likely to indulge themselves as the day progresses

Percent of All Eatings –Motivated by Health or Indulgence



Source: Circana/National Eating Trends® (NET®) ; Year Ending Dec 2023
Motivations for indulgence: it was a favorite, it was a special occasion, satisfied craving/special taste, wanted a treat/reward, looked/smelled really good
Motivations for health: was healthy/nutritious, provided nutrients/vitamins I needed, was high in protein, to help lose/maintain weight, to limit or reduce fat/carb intake

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Since 2018, snacking has seen shifts toward the evening in foodservice

	Morning	Mid-Day	Evening
Packaged Snacks	**1.1**	**1.0**	**-1.7**
Foodservice	**-3.7%**	**-1.6%**	**+5.8%**

% of eatings change vs 2018 (Packaged Snacks)

Commercial restaurant snacking occasion traffic percent change versus 2018 (Foodservice)

Source: Circana, SnackTrack®; Circana 2024 Snacking Survey

GLP-1 is another consumer trend with linkage to snacking, and we found a higher calorie intake

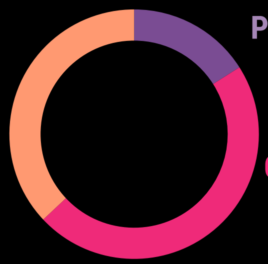
When comparing GLP-1 users to adults in general

Total Adults

Average calories per day

1,837

Calorie source by macronutrient

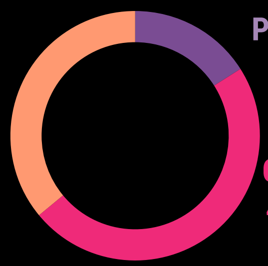


Adults on Weight Loss Medications

Average calories per day

2,008

Calorie source by macronutrient



Source: Circana, NET® HABTS, 3 Months Ending Dec'23
No. of raw respondents: Total Adults (n)= 2,557; Adults Currently on Weight Loss Medications (n) = 90
** Carbonated soft drinks exclude water*

Their intake includes some snack categories that are top between meal choices

Percent of Occasions – In and Away from Home

Foods	Total Adults	Weight Loss Drug Users Past 30 Days (Ranked)	Index to Total Adults
Cookies	3.9%	4.4%	113
Salted Snacks, Chips	3.2%	4.1%	128
Apples	2.1%	3.7%	176

Source: Circana, NET® HABTS, 3 Months Ending Dec'23
Raw between meal occasions: Total Adults (n)= 24,401; Adults Currently on Weight Loss Medications (n) = 870
Indices 120 or higher = high development; less than 80 = low development
**Carbonated soft drinks exclude water*

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Different Fares

Growth will need some different fares – more than just price

Price plays a role in snacking decisions, but consumers aren't cutting back because of price

81% actively look for the best value when purchasing snacks (+2.3 ppts vs '19)

74% look at the price before choosing what to snack (+3.7 ppts vs '19)

68% having a low price point is important when selecting snacks (+2.9 ppts vs '19)

26% state they are snacking less frequently and that is down (-5.5 ppts vs '19)

30% are reducing their "impulse" snack purchases as well (-7.6 ppts vs '19)

Source: Circana 2024 Snacking Survey vs 2019; % of Consumers

In fact, the source of snack unit / volume loss has price as a driver, but also extends beyond

01

Slowdown in Category Innovation

02

Distribution Losses

03

Role of Snacks in Consumer Basket

04

Private Label Penetration

05

Retailer's Change in Priorities

06

Drop in Trade Efficiency

07

Changing Consumer Needs & Occasions

Snacks not only offer variety, but they play key roles on consumers’ well-being journey

BFY / Wellness

54% snacks are an **important part** of my **healthy eating plan** throughout the day (+4.7 ppts vs ’19)

57% provides a **serving of fruit or vegetables** (+2.9 ppts vs ‘19)

52% has 'probiotics' to help with **digestion** (+12.3 ppts vs ‘19)

51% The snacks I eat help me **manage my daily calories** (+8.5 ppts vs ’19)

Permissible Indulgence

62% of consumers state the they actively seek items that are **good for them** as part of the role of snacking (+4.8 ppts vs ’19)

61% Is high in **protein**

Indulgence

20% of consumers say that a snack is **fun and indulgent** (+2.3 ppts vs ’19)

57% of consumers state: “I like to eat snacks that **add excitement** to my daily diet” (+7.2 ppts vs ’19)

Treat

67% Is **fun to eat** (+2.8 ppts vs ‘19)

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True Indulgence continues to gain share across segments

Better for You may be turning the corner to growth




	Total BFY / Wellness		Total Permissible Indulgence		Total True Indulgence		Total Treat	
	Dollar Share	Unit Share	Dollar Share	Unit Share	Dollar Share	Unit Share	Dollar Share	Unit Share
CY	27.3	25.7	24.2	22.2	30.3	29.2	18.2	23.0
Change	-0.4	0.1	-0.3	-0.5	0.4	0.5	0.3	-0.2
$ % Change / U % Change	5%	-1%	6%	-4%	8%	0%	9%	-3%

Source: Circana MULO+ w/Conv, 52 Weeks ending 12/31/23

Snacking labels that are gaining share of eatings and also align to consumers’ stated goals

Labels Gaining Share of Eatings vs. YA

All Natural / Natural Ingredients

Reduced Fat

Fat Free / Non-Fat

Low Carb

Reduced / Low Calories

Vitamin Fortified

53%
I often eat more natural snacks
+9 ppts vs. ‘19

63%
Contains vitamins and minerals is important (+5.4 ppts vs. ’19)

62%
Has additional health benefits beyond nutrition (+4.6 ppts vs. ’19)

Source: Circana/SnackTrack®, Year Ending Dec.; Circana MULO + w/Conv, 52 Weeks ending 12/31/23; Circana 2024 Snacking Survey

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Looking at snack sales with claims, “less of” still dominate; vegan / vegetarian continue to climb

Unit % Change vs. YA

Sugar Claims No / Low/ Less

Net Carbohydrate Claims No / Low / Less / Contains

Lactose Claims No / Reduced

Vegan / Vegetarian Claims

26% Is vegetarian
+7.2 ppts vs ‘19

23% Is vegan
+6.5 ppts vs ‘19

Oil Type Claims

Saturated Fat Claims No / Low / Less

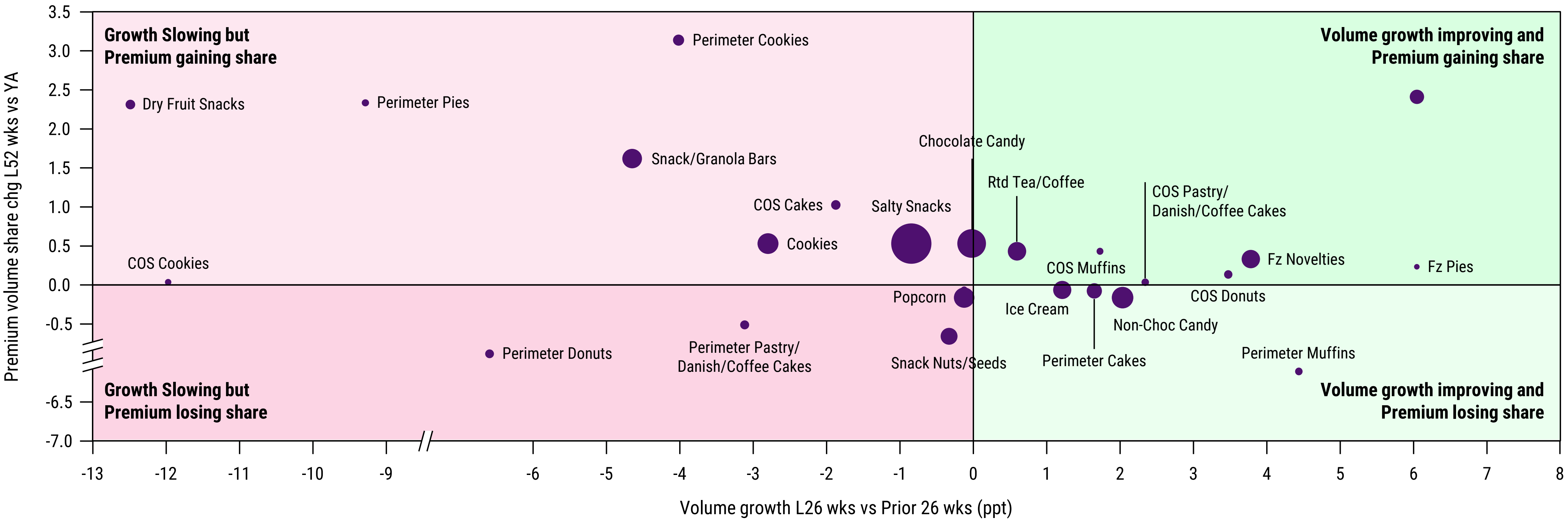
Antioxidant Claims High / Source / More

Source: Circana/SnackTrack®, Year Ending Dec.; Circana MULO + w/Conv, 52 Weeks ending 12/31/23, Ranked on Unit Sales Change; Circana 2024 Snacking Survey

Special moments are fueled with premium snacks

56% of consumers say they are worth paying extra for, up 18.5 ppts vs. ‘19

Snacks Volume Sales Trends – MULO+ and C-Store - Select Snack categories with premiumization



Note: Volume growth is vs YA for both 26 week periods; Price tiers determined by line extension avg. price per volume vs. corresponding subcategory avg. price per volume. Premium > 1.25 avg based on MULO Source: Circana POS data weeks ending 2/24/24, MULO+ with Conv.; Circana 2024 Snacking Survey*

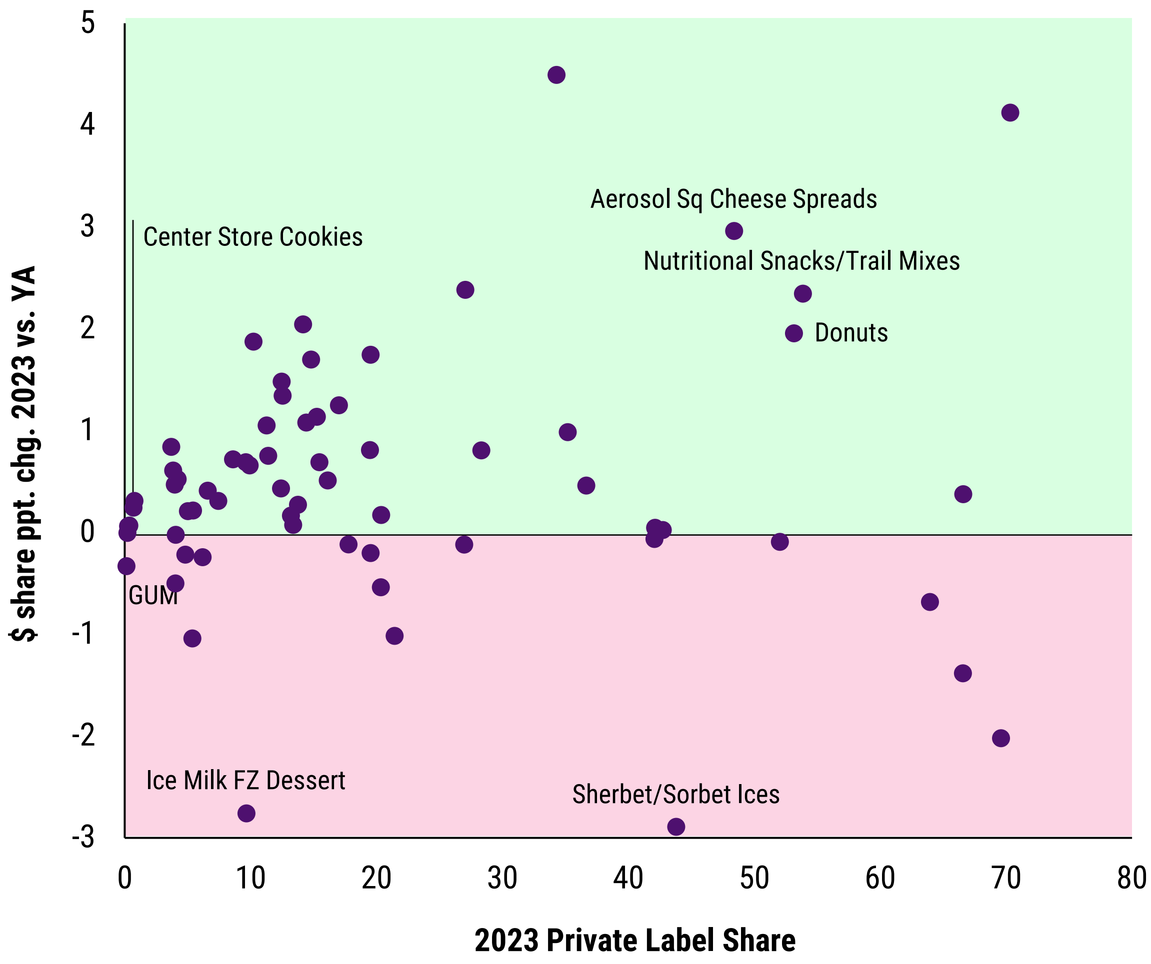
Private Brands have made inroads in Snacking (+1% U)

However, it varies across categories

Even though **67%** of consumers state that when their budget is tight, they often switch to private label (or store brand) snacks (Up 6.4 ppts vs ’19)…

…**62%** of consumers purchase snacks that are their brand of choice (+2.1 ppts vs ’19), therefore having both is critical

Core Snacks Categories PL $ Share vs. Share Change vs. YA



Source: Circana MULO + w/Conv, data ending 12/31/23; Circana 2024 Snacking Survey

Snacking assortment

An important aspect of capturing consumers attention

Product	$ Share CY	Dol % Chg vs YA	U Share CY	Units % Chg vs YA
CHOCOLATE CANDY		6%		-5%
Smaller size LT3.5	33	7%	58	-6%
Large	67	5%	42	-4%
NON-CHOCOLATE CANDY		12%		0%
Smaller size LT3.5	**23**	**14%**	**41**	**1%**
Large	77	12%	59	-1%
POTATO CHIPS		10%		-1%
Small LT 4.2oz	**18**	**13%**	**30**	**5%**
Large	82	9%	70	-3%
COOKIES		9%		-1%
Small LT 3z	5	7%	11	-4%
Large	95	9%	89	-1%
CRACKERS		8%		-4%
Small LT 4.2oz	6	6%	14	-6%
Large	94	8%	86	-3%

Source: Circana MULO+ w/Conv, 52 Weeks ending 12/31/23

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CONTINUED

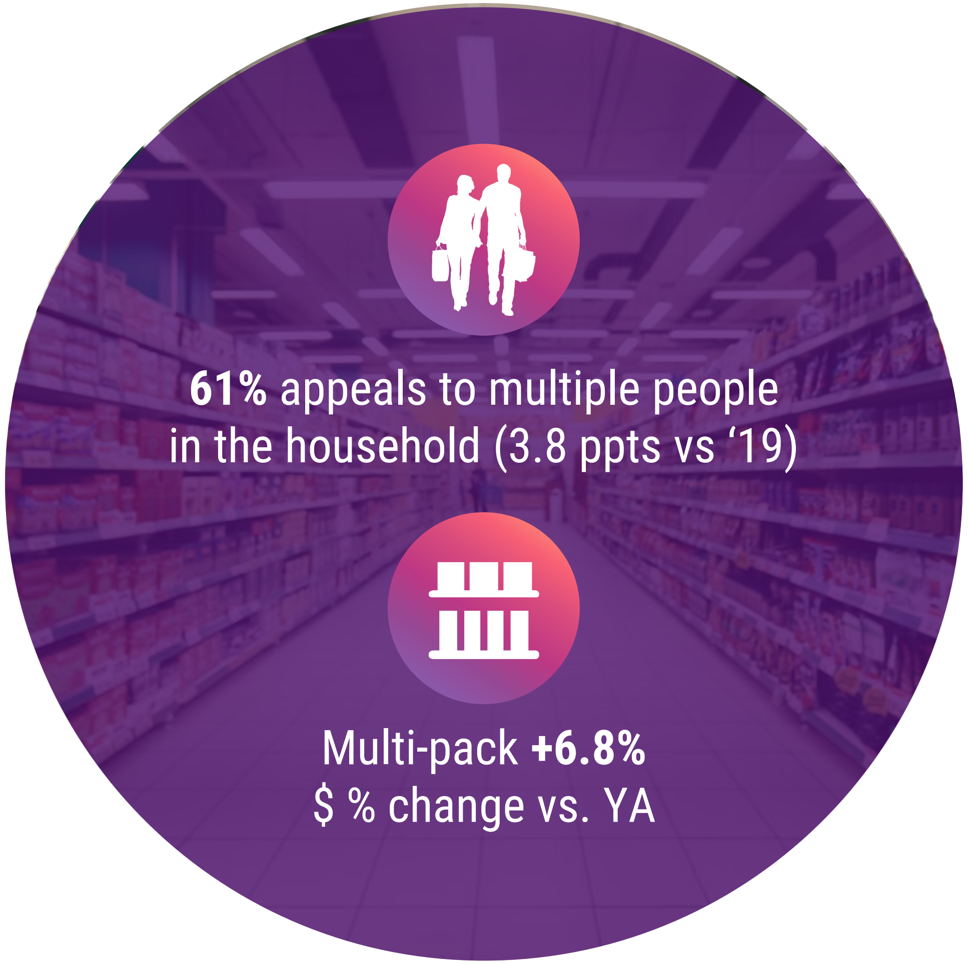
Snacking assortment

An important aspect of capturing consumers attention

Product	$ Share CY	Dol % Chg vs YA	U Share CY	Units % Chg vs YA
TORTILLA/TOSTADA CHIPS		11%		1%
Small LTE 4.2oz	**16**	**10%**	**27**	**2%**
Large	**84**	**11%**	**73**	**0%**
AO SALTED SNACKS (NO NUTS)		6%		0%
Small LTE 4.2oz	**17**	**15%**	**39**	**7%**
Large	83	4%	61	-3%
FZ NOVELTIES		3%		-3%
Small LTE 4.2oz	8	-1%	15	-10%
Large	92	3%	85	-2%
SNACK NUTS		-1%		-3%
Small LTE 4.2oz	10	3%	27	-4%
Large	90	-2%	73	-3%
DRIED MEAT SNACKS		2%		-5%
Small LTE 4.2oz	55	0%	81	-6%
Large	45	5%	19	3%

Source: Circana MULO+ w/Conv, 52 Weeks ending 12/31/23

Assortments need to cover the range of sizes including Multipacks for an array of reasons



48%	I have more options for snacking
43%	Members of my family get the snack they want
37%	More affordable option
33%	They provide portion control options
32%	They are more convenient than large packages
26%	Helps control food waste
17%	More sanitary option

Source: Circana 2024 Snacking Survey vs 2019 – Top 2 Box; Circana MULO+, 52 WE 12/31/23..

Where Snacks are purchased has evolved too

Mass and C-store drove the most dollar growth in 2023; Dollar channel began to outperform

Channel Contribution to U.S. Retail Snacking Dollar Sales Growth
2023 vs. YA (+6.3% / $13.4B)

	% Contribution to Market $ Growth	Fair Share	L26 wks Fair Share Index *(vs 2023)*
Mass	27	115	↓
Grocery	25	58	↓
C-store	19	143	↓
Dollar	13	277	↑
Club	12	119	↑
Pureplay Ecom	3	150	↑
Drug	0	15	↓
Home Improvement	0	-20	↓

Note: Fair Share index % of dollar sales growth / % of dollar sales in period 1.
Source: Circana POS and consumer panel data ending 3/24/24.

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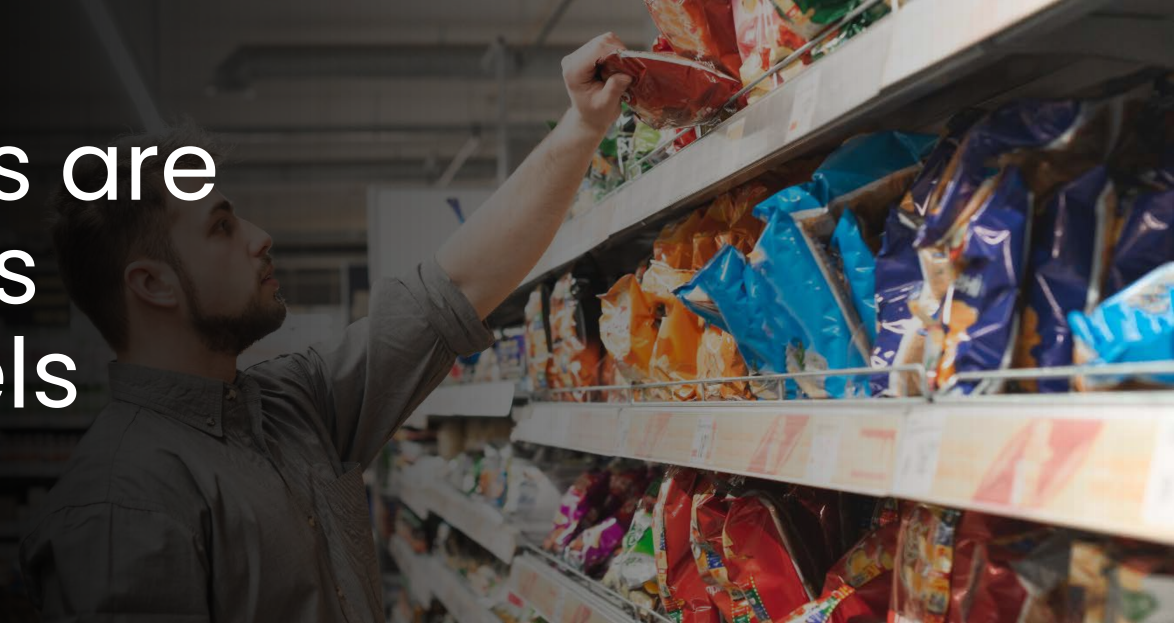
Sizes and entry price points are important to keep snackers purchasing across channels



Unit Sales Share "Favors"

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Source: Circana MULO+ w/Conv +, 52 Weeks ending 12/31/23; shading denotes unit sales share dominance by outlet

Channel shifts are being led by low and middle-income households, especially to Dollar

+1.3 ppts

unit share shift to Dollar in all households

+1.7% **LOW** income (132 index)

+1.1% **MIDDLE** income (91 index)

+1.0% **HIGH** income (83 index)

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Source: Complete Consumer 52 Weeks Ending 12-31-23

Availability is also critical

84% of snack categories improved their on-shelf availability rates, however varied across categories

OSA Gainers

Category	In Stock Pt. Chg.
Corn Snacks (Not Tortilla)	7.19
Frozen Novelties	5.16
Cookies – Frozen	4.84
Cheese Snacks	4.74
Ice Milk/Frozen Dairy Dessert	4.66
Snack/Cupcake/Brownie	4.08

On Shelf Availability Rate
All snack categories 2023

87.5%

+1.8 pts. vs. YA

OSA Decliners

Category	In Stock Pt. Chg.
Gum	-1.66
Frozen Pretzels	-1.26
Chocolate Candy	-1.03
Dip/Dip Mixes – Shelf Stable	-1.05
Frozen Appetizers/Snack Rolls	-0.96
Apple Chips	-0.91
Microwave Popcorn	-0.55
Breath Fresheners	-0.25
Dried Fruit	-0.18

Sources: Circana Out of Stock Benchmark Tool; OSA= On Shelf Availability; Circana MULO– Calendar Year 2023

Top snack categories still have room to improve

	OSA Rate	vs. 95 Benchmark ppts
Chocolate Candy	79.90%	15.1
Refrigerated Yogurt	94.55%	.5
Cookies	87.84%	7.1
Non-Chocolate Candy	81.21%	13.8
Potato Chips	87.81%	7.2
Crackers	92.40%	2.6
Tortilla/Tostada Chips	87.59%	7.4
Ice Cream	90.56%	4.4
Frozen Novelties	90.89%	4.1
Snack/Cupcake/Brownie	80.55%	14.5
Other Salted Snacks (No Nuts)	89.19%	5.8
Snack Nuts/Seeds/Corn Nuts	92.25%	2.8
Cheese Snacks	86.48%	8.5
Gum	91.44%	3.6
Corn Snacks (No Tortilla Chips)	85.98%	9.0

Sources: Circana Out of Stock Benchmark Tool Calendar Year 2023 vs 2022
Circana MULO– Calendar Year 2023

Personalized Joy Rides

Innovating and connecting to bring joy and excitement to consumers will drive growth

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The way a snack tastes is still a dominate reason for consumer consumption, but declining

83% of consumers choose a snack that has a flavor they prefer ⬇

85% of consumers choose a snack that has a taste they enjoy ⬇

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Source: Circana 2024 Snacking Survey

Besides the wellness journey, snack experiences are increasing in popularity

53% seek authentic or unique snack experiences (+9 ppts vs. 2019)

Innovation will need to fight hard to get trail because **49%** say when my budget is tight, I stick with the same products I've used in the past

Source: Circana 2024 Snacking Survey vs 2019 – Top 2 Box

Consumers are leaning on digital options to learn about new snack foods / trends vs. family and friends

34% **SOCIAL MEDIA**
(+1.7 ppts. vs. 2019)

16% **RETAILER WEBSITES**
(+1.1 ppts. vs. 2019)

10% **MANUFACTURER WEBSITES**
(+1.7 ppts. vs. 2019)

55%
Largest Decline
Family & Friends (-4 ppts)

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Source: Circana 2024 Snacking Survey vs 2019

On the snacking highway, there are many things influencing consumer decisions along the way

Influence	% of Consumers	Pt. Change vs. 2019
Television or radio advertising	36%	5
Smartphone apps	35%	7.1
Online ads and banners	34%	6
Information from website or email	33%	3.3
Information from blogs or social networking sites	30%	2.6
Checkout	**42%**	4.9
In-Store touch screen digital signs	31%	8.6
Mentioned/recommended by store clerk	32%	6

Source: Circana 2024 Snacking Survey vs 2019

Embrace all dayparts and occasions with screentime communications to targeted cohorts

Percent of Eatings When Need State is Favorite Routine, Yummy, or Reward Me

Watching TV Program

20.2% Yr End Sep 2023

-1.0 ppts CAGR

Doing Nothing in Particular

17.1% Yr End Sep 2023

0.5 ppts CAGR

Eating a Meal

12.2% Yr End Sep 2023

-2.8 ppts CAGR

Watching a Movie

11.2% Yr End Sep 2023

5.1 ppts CAGR

On the Internet

10% Yr End Sep 2023

2.5 ppts CAGR

Source: Circana, SnackTrack®

Capturing consumers’ attention during screentime is important

But getting it right is critical; not only big events but throughout the year too

Source: Ad Age

One way is through flavors and top flavors cover the spectrum – example Salty and Crackers

Heat
(e.g., Flamin Hot, Hot Chili Pepper & Lime, Spicy Sweet Chili, Jalapeno, & Flamin Hot Limon)

Cheese
(e.g., Cheese, Nacho Cheese, White Cheddar, Cheddar Cheese, etc.)

BBQ
(e.g. BBQ, Honey BBQ)

Golden Toast	Cool Ranch	Sea Salt	Cinnamon
Cheddar & Sour Cream	Salt & Vinegar	Onion	
Extra Toasty	Honey	Hint of Salt	Everything

Source: Circana MULO+, 52 Weeks ending 12/31/23,Unit Rank; Salty and Cracker Only

Nostalgia and variations of flavors is apparent across cookie and bar flavors

Chocolate
(e.g., Chocolate, Double Choc., Choc. Chip, Choc. Chip Cookie Dough, Dark Choc. Peanut Butter, Choc. Brownie, etc.)

Peanuts
(e.g., Peanut Butter, Peanut Butter Chocolate Chip, Peanut, etc.)

Honey
(e.g., Honey, Oat & Honey, etc.)

Cinnamon
(e.g., Cinnamon, Cinnamon Brown Sugar, Apple Cinnamon, etc.)

Marshmallows included		Strawberry	Vanilla
Caramel	Blueberry	Cookies & Cream	Fudge
Coconut		Butter	S'Mores

Source: Circana MULO+, 52 Weeks ending 12/31/23,Unit Rank; Salty and Cracker Only

We see flavor combinations even more apparent when looking at core snacks unit sales change

Flamin Hot	Onion	Flamin Hot Tangy Chili Fusion
Sweet & Tangy Barbeque	Wildberry	Milk Chocolate Cookie Dough
Spicy Sweet Chili	Honey Barbeque	Creme Birthday Cake
Very Berry	Mexican	Chocolate Caramel
Chile Limon	Milk Chocolate Peanut Butter	Peanut Butter & Grape Jelly
Xxtra Flamin Hot	Harvest Cheddar	
Spearmint	Garden Salsa	

Source: Circana MULO+, 52 Weeks ending 12/31/23, Unit Sales Growth Rank, Combined Snacks, Core Snacks

In addition, we see fun and unique combinations when looking at largest core snacks unit % change winners

- Spicy Apple
- Caramel Cheese Mix
- Hawthorne Pulp & Chili
- Carolina Reaper Pepper Pimento
- Pineapple Pastor
- Chamoy Sour
- Trail Mix Crumble
- PB & Jelly
- Black Forest Ham & Provolone Cheese
- Dulce Enchiladas
- Blue Bubble Gum
- Dark Chocolate Almond Butter Sea Salt
- Salmon & Tuna Nigiri
- Balsamic Vinegar & Caramelized Onion
- Spicy Jarlsberg
- Salted Caramel Mocha
- Dark Chocolate Fireball Whiskey
- Dill Pickle
- Spicy Inari
- Ham Pepper Jack Cheese

Source: Circana MULO+, 52 Weeks ending 12/31/23; Unit % Chg vs YA Rank,; Core Snacks

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Select new introductions showcase fav flavors

Cinnamon

Chocolate

Heat

Peanut Butter

Limited Editions

Be bold with fan favorite flavors like peanut butter whiskey, via brand extensions like crafting catchy cocktails showcased on social media

Empirical x Doritos
Nacho Cheese Spirit

Butterfinger-Tini

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Recent innovation themes are aligning to the latest consumer trends…

"Intelligent" Energy: Plant-based, Adaptogens, Nootropics, Electrolytes, Amino Acids

Adaptogens for brain health, memory, stress, fatigue; vitamins & antioxidants

A New Take on Nut Spreads

Boba At-Home Experiences Expanding

Edamame Varieties

Mushrooms Blossoming

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Source: Expo West

…as well as continuing with some we have seen before within consumer-positioned benefits

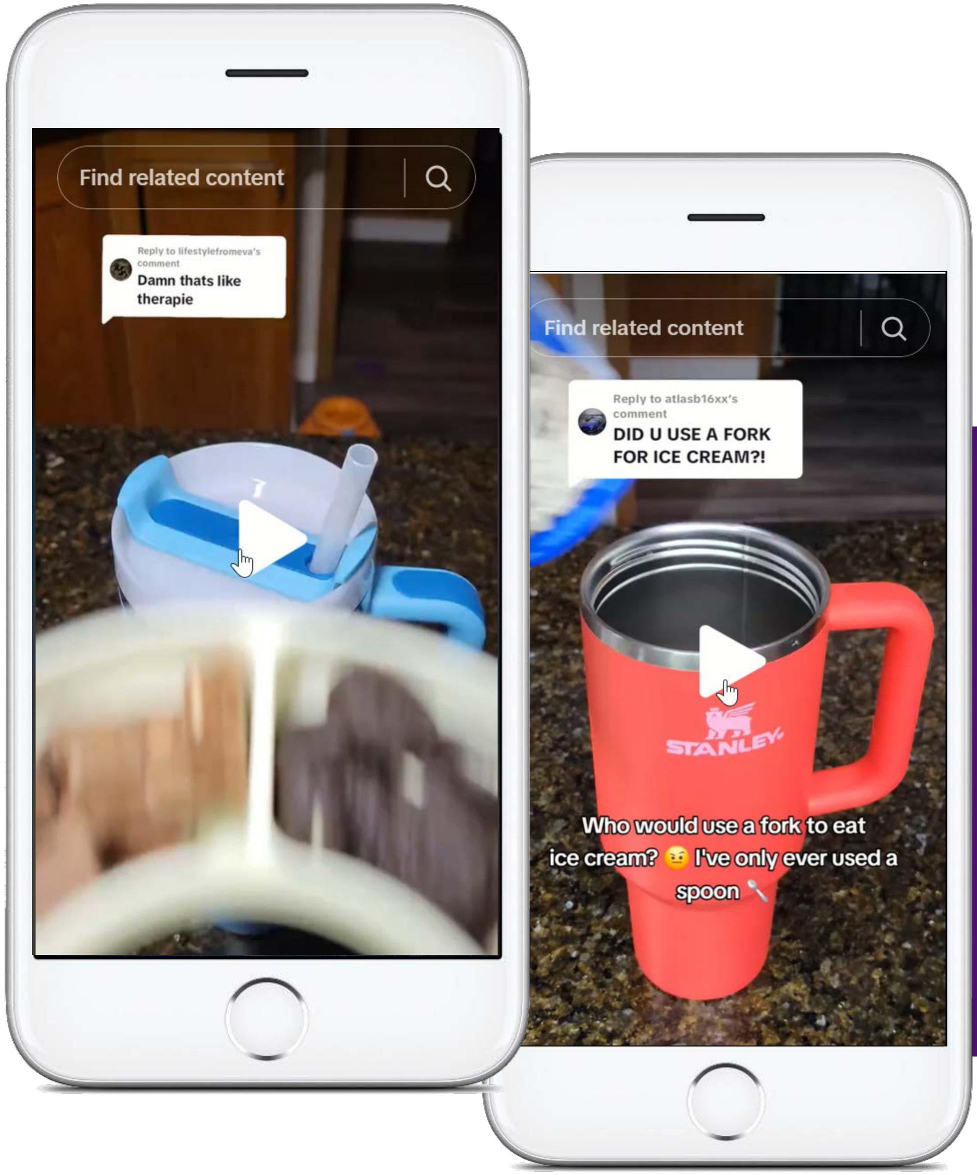
Protein "Every Day" Snack Foods

Frozen Novelties w/ SuperFruit, Organic, Non-Dairy Benefits | Vegan, No Corn Syrup | Dates "Superfruit" | Honey Sweetened Treats

Source: Expo West

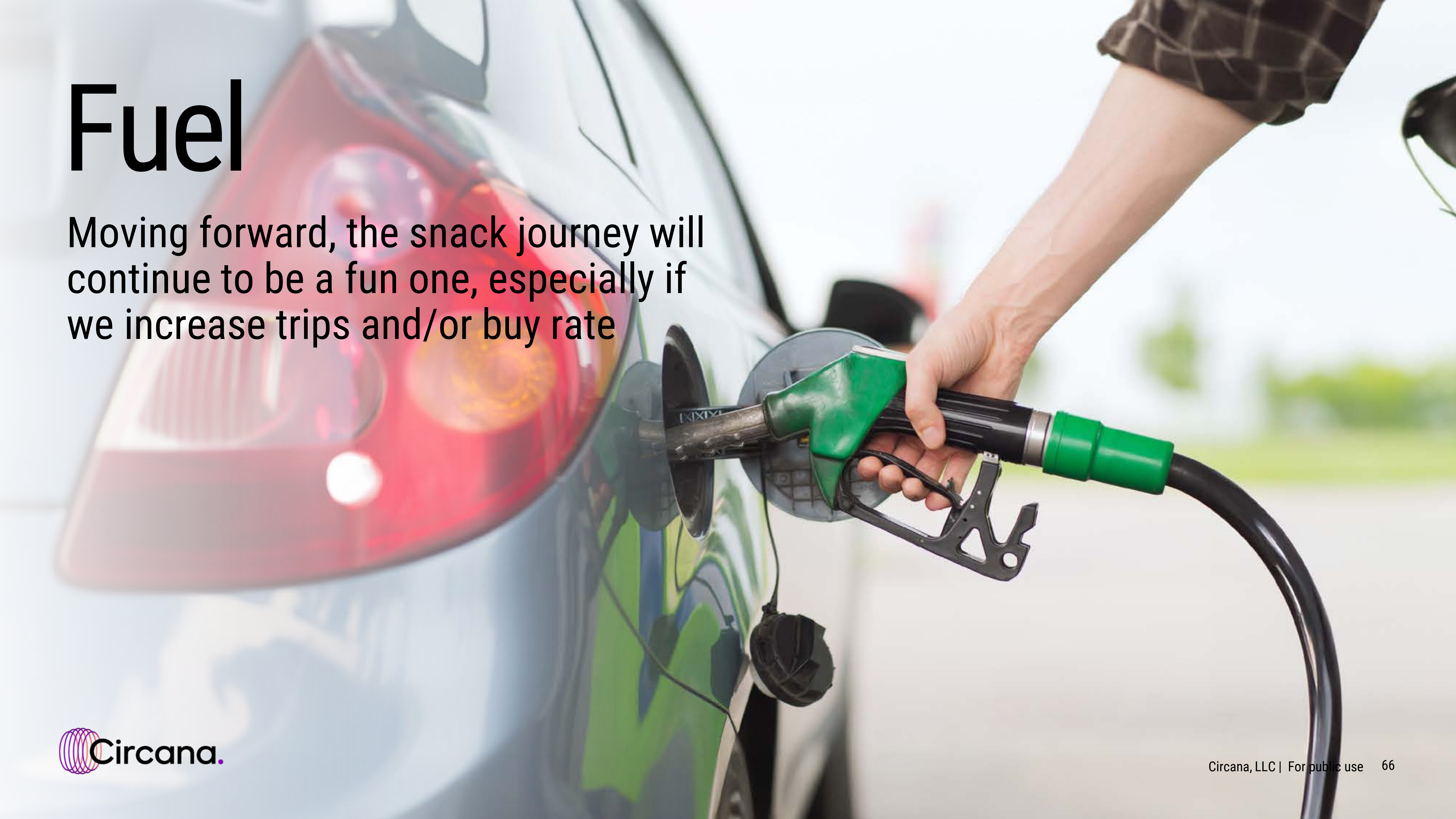
Another way to embrace occasions and speed up sales is via creative ways to interrupt trips

Easter 'Bouquets" - Kroger



Social Media has also influenced HOW consumers eat snacks, especially with viral moments

Source: Instagram and Linsay Mason Facebook



Fuel

Moving forward, the snack journey will continue to be a fun one, especially if we increase trips and/or buy rate

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Our POV is the Snack Journey Should Reach 2-3% Dollar Sales and More Could be Realized with These Ideas

- Ensure portfolio has representation for key cohorts of snacks **aligned to indulgence and wellbeing inclusive of functional benefits**
- Start and/or **enhance price / pack size architecture across price tiers**
- Identify and embrace relevance with your target consumers in and out of home, as well as reach your loyal buyers and incent to buy one more – don't forget commercial and non-commercial foodservice operators
- Ensure channel strategy is linked to the price/pack insights
- Focus on **differentiated experiences and relevant offerings** for people on-the-go
- **Innovate** to capture consumer needs, interactions, segments, align price points emphasizing bold flavors when possible
- **Optimize Supply Chain** for efficiency and on shelf availability
- Utilize loyalty apps and reward programs to **drive engagement and buy rate for retail and foodservice**
- Be smart about your **integrated marketing activation and personalize consumer brand experiences** – especially social / digital – with different messaging for the various cohort targets – remember, purchase-based audiences in general deliver 6x ROI

Source: Circana Thought Leadership

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Questions & Answers

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Thank you

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