GROWTH LEADERS IN CPG

2020

Executive Summary – Growth Leaders Results

U.S. CPG growth in measured channels accelerated significantly to 10.4% in 2020 (vs. 1.8% Last 3-Year CAGR), driven by COVID-19-related shopping and consumption shifts.

2020 growth was driven by volume (6.4%) and price / mix (3.7%);volume growth outpaced price for the first time in 10+ years, driven by elevated demand since March across edible and nonedible. Pricing was driven by reduced promotion and accelerated premiumization.

While large and medium growth leaders overlap heavily with prior years, 60% of the small leaderboard is comprised of new entrants.

- **LARGE:** Bimbo (+15.4%) tops the leaderboard, followed by General Mills, Conagra, Mondelez and RB. Key growth categories include edible foods (bakery, frozen meals, candy, poultry), beverages (CSD, beer) and home care (cleaners, paper goods).
- **MEDIUM:** Mark Anthony held the #1 position from 2019, driven by continued White Claw brand growth (+$1.1B, +131% vs. 2019). Fourteen of 15 delivered >20% sales growth; category trends held vs. prior year (with accelerated growth), including alcohol, tobacco and shelf stable F&B.
- **SMALL:** Vi-Jon Labs, producer of Germ-X sanitizer, was the fastest growing, with >450% YoY sales growth (+$310M). Six of the top 15 delivered >100% growth; several fueled by COVID-19-related categories (e.g., hand sanitizers, frozen foods, in-home cosmetics).

As CPGs seek to lap strong 2020 growth, we believe a set of levers from 2020 **are likely to revert to pre-COVID-19 levels**, including rebound of the Convenience channel and away-from-home consumption, demand for variety, right sizing of packs, and increasing COGS inflation pressure. **One-time COVID-19 trend spikes** include a sharp acceleration in select, previously declining categories during 2020, namely at-home food and beverage; paper products are likely to revert to flat growth.

Trends that accelerated in 2020 and will sustain post-COVID-19 include:

- **E-Commerce:** COVID-led acceleration in e-commerce adoption and increased investments from retailers
- **Bifurcation of CPG spend.** Increased premiumization via Large CPG innovation & hyper-targeted Small CPGs; Continued development of own/store brands and value brands
- **Category Demand Shifts:** Four key consumer purchase patterns are likely to maintain – self-care and societal-care, at-home indulgence, at-home convenience and taste exploration (both flavor and claims-driven)

While 2020 Growth Leaders broadly benefitted from one-time COVID-19 spikes, delivering against sustaining trends will be critical to future year performance.

2020 Growth Leaders

Which CPG companies are winning in the U.S. and why?

Ninth Annual Report

First to compare public and private CPG company performance

500+ CPG manufacturers with **>$100M** sales in measured channels[1]

Three distinct sets of top CPG winning companies:

- Top 10 large: >$6B sales (N = 28 companies)
- Top 15 midsize: $1—$6B sales (N = 79)
- Top 15 small: $100M—$1B sales (N = 421)

Disaggregation of the companies' underlying performance

1. MULO+C includes Grocery, Mass, Club, Convenience, Drug. Dollar and. E-Commerce for store Pickup & Delivery from Brick & Mortar stores.

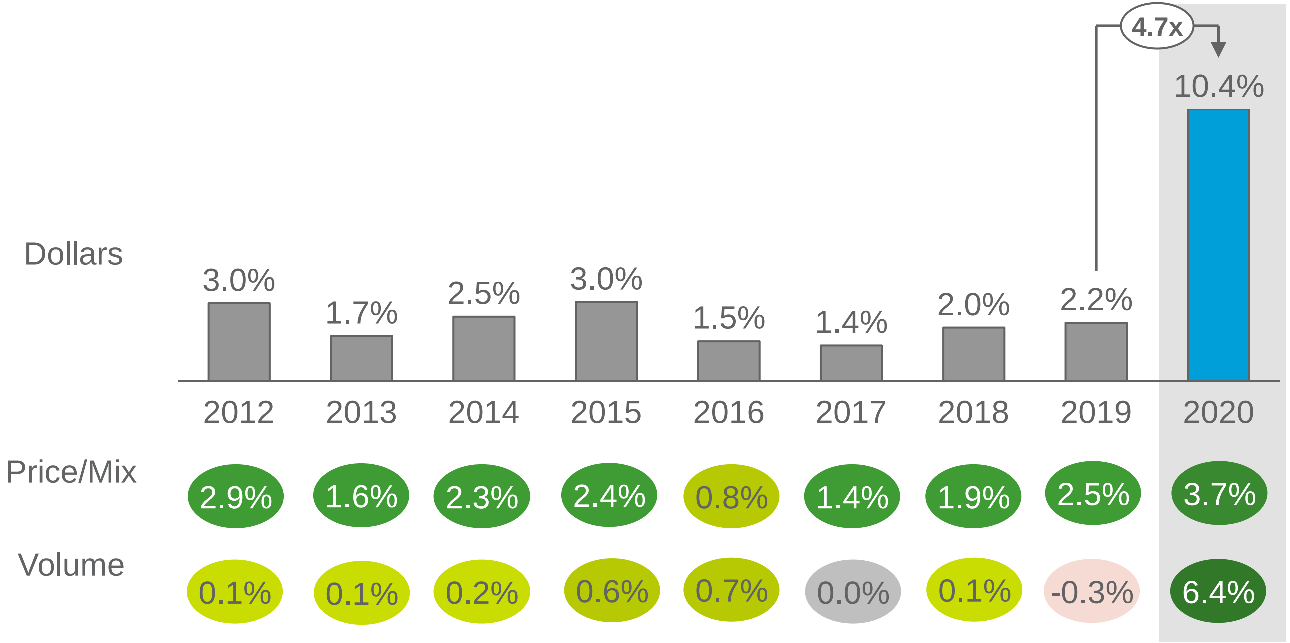
We Use a Composite Growth Index to Understand Who is Winning

Three Growth Metrics	Disaggregation
1 Dollar Sales % Change	Growth contribution due to distribution versus productivity
2 Volume Sales % Change	Growth due to volume versus pricing Price increases analyzed by true price versus mix shift
3 Dollar Share Point Change	Percent portfolio gaining, holding and losing share Category dynamics (e.g., category trends, portfolio concentration)

Source: IRI and BCG analysis

U.S. CPG Sales Grew 10% in 2020, Up ~5x vs. 2019, Driven by High Volume Growth

CPG Sales Growth / % Change vs. YA



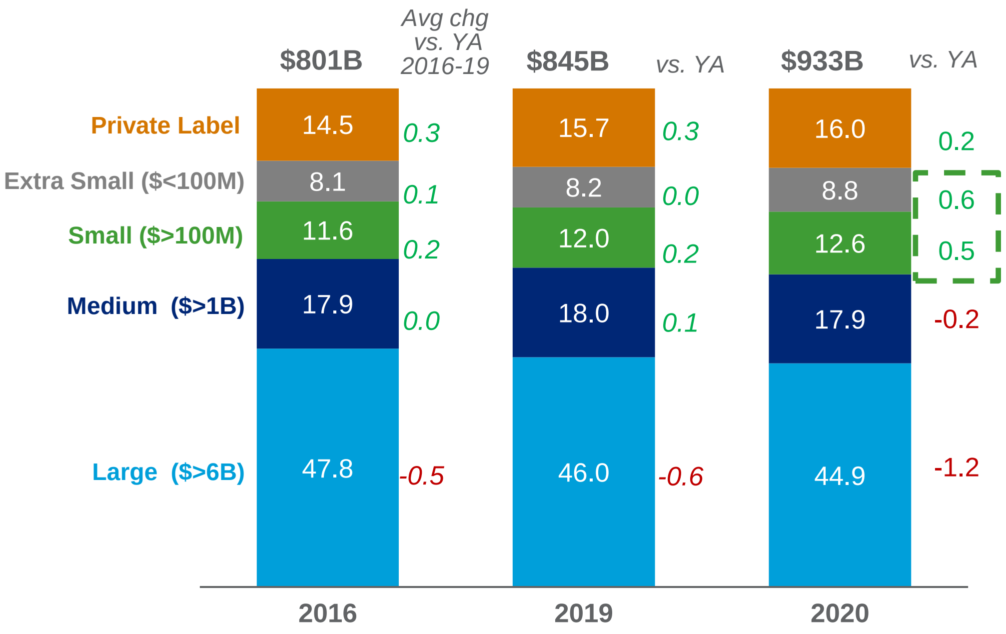
Elevated volume demand since March led to the largest volume gain in 9 years

Reduced promotion and accelerated premiumization drove price accretion

MULO+C includes Grocery, Mass, Club, Convenience, Drug. and Dollar channels. E-Commerce sales included for store Pickup & Delivery from Brick & Mortar stores.
Source: IRI POS Data MULO+C; IRI & BCG Analysis

Larger CPGs Accelerated Growth Significantly, But Still Ceded Share to Smaller Manufacturers

% Share of CPG Sales by Manufacturer Size / Total U.S. MULO+C



	2016-19 CAGR	2020 % chg vs. YA
Total	1.8%	10.4%
Private Label	4.5%	11.9%
Extra Small	2.1%	18.3%
Small	3.0%	15.4%
Medium	1.9%	9.5%
Large	0.5%	7.5%

Note: Large is $6B+ in L52W, Medium $1-5.5B, Small $100M-1B and Extra Small <$100M. MULO+C includes Grocery, Mass, Club, Convenience, Drug. Dollar and e-Commerce for Pickup & Delivery from Brick & Mortar stores.

Large CPGs accelerated growth
15x
vs. prior years

Despite fast-paced growth from the Large segment, Small players continued to take share, driven by:

Scale brand out-of-stocks in high demand categories

Slowed growth in Convenience, where Large CPGs impacted more heavily

Source: IRI POS Data MULO+C. IRI & BCG analysis.

2020 Rankings

Returning and New Companies in the Top Rankings

- *2019 Growth Leader*
- *New to List vs. 2019*
- *New to List vs. 2012–19*

Large Companies

1. Grupo Bimbo
2. General Mills
3. Mondelēz International
4. Conagra Brands
5. Reckitt Benckiser
6. Constellation Brands
7. Keurig Dr Pepper
8. Procter & Gamble
9. Tyson
10. Hershey – The Hershey Company

Mid-Size Companies

1. mike's
2. BodyArmor
3. The Boston Beer Company
4. Swedish Match
5. Goya
6. Ocean Spray
7. Schwan's Company
8. Land O'Lakes
9. Pharmavite
10. Driscoll's
11. Gruma
12. Hood
13. Red Bull
14. Georgia-Pacific
15. Johnsonville

Small Companies

1. germ-X
2. Rana
3. Beyond Meat
4. SPD Swiss Precision Diagnostics GmbH
5. Wyman's of Maine
6. Dot's Homestyle Pretzels
7. Kiss – Bring the Salon Home
8. handi-foil
9. Sun Bum
10. Natrol
11. Stella Rosa
12. Raw Sugar
13. Idahoan
14. Lamb Weston – Seeing Possibilities in Potatoes
15. Foxy

Note: Extra Small = <$100M, Small = <$1B Medium = $1B-$6B, Large >5.5B. Source: IRI data for multi-outlet and convenience (MULO+C). MULO+C includes Grocery, Mass, Club, Convenience, Drug. Dollar and E-Commerce for store Pickup & Delivery from Brick & Mortar stores. Source: IRI & BCG analysis.

Large Winning Companies Switch Positions, But Several Players are Frequently in the Top 10

LARGE

Rank	2012	2013	2014	2015	2016	2017	2018	2019	2020	#of times on list
1	Lorillard	HERSHEY'S	Johnson & Johnson	Reynolds American	Reynolds American	Constellation Brands	Constellation Brands	Constellation Brands	Grupo Bimbo	5
2	HERSHEY'S	Lorillard	Mondelez Intl	Unilever	Johnson & Johnson	Danone	Monster Energy	Johnson & Johnson	General Mills	3
3	Anheuser Busch InBev	Mondelez Intl	PepsiCo	Altria Grp	Tyson Foods	MARS	Procter & Gamble	Tyson Foods	Mondelez Intl	5
4	Coca Cola	Campbell Soup	HERSHEY'S	MARS	Bimbo	Dr. Pepper Snapple Grp	Keurig Dr Pepper	General Mills	Conagra Brands	2
5	Altria Grp	Procter & Gamble	Unilever	Dr. Pepper Snapple Grp	MARS	Tyson Foods	General Mills	Procter & Gamble	Reckitt Benckiser Inc	1
6	Unilever	Johnson & Johnson	Campbell Soup	Coca Cola	Kimberly-Clark	Reynolds American	Conagra Brands	HERSHEY'S	Constellation Brands	8*
7	Nestle S A Switzerland	PepsiCo	Coca Cola	PepsiCo	HERSHEY'S	Bimbo	Danone	Mondelez Intl	Keurig Dr Pepper	4
8	MARS	Bimbo	Procter & Gamble	Johnson & Johnson	PepsiCo	Imperial Brands	Johnson & Johnson	MARS	Procter & Gamble	6
9	Kimberly-Clark	Coca Cola	Lorillard	Mondelez Intl	Unilever	HERSHEY'S	MARS	Kellogg's	Tyson Foods	4
10	Campbell Soup	Kimberly-Clark	Reynolds American	Procter & Gamble	Altria	Coca Cola	Bimbo	Danone	HERSHEY'S	7

*Constellation Brands appears in mid-sized players prior to 2017

Note: Extra Small = <$100M, Small = <$1B Medium = $1B-$6B, Large >$6B. / Source: IRI MULO+C POS data. IRI Consulting & BCG analysis.

Many Mid-Size Players Are Also Consistently in the Top

MID-SIZE

	2012	2013	2014	2015	2016	2017	2018	2019	2020	#of times on list
1	Keurig Green Mountain	Keurig Green Mountain	Mead Johnson Nutrition	Glaxosmithkline	Chobani	The Wonderful Co.	Juul Labs	Vital Pharma	Mark Anthony Brands	2
2	Chobani	Chobani	Keurig Green Mountain	Hostess	Hostess	Cargill	L'ORÉAL	Juul Labs	BODYARMOR	4*
3	Monster Energy	McKee Foods	Monster Energy	Starbucks	Energizer	Chobani	Blue Diamond Growers	Mark Anthony Brands	Boston Beer	2
4	Red Bull	Sterilite	Link Snacks	Egglands Best	Constellation Brands	Monster Energy	Post	Boston Beer	Swedish Match	2
5	WhiteWave	Monster Energy	Starbucks	Sterilite	Starbucks	Hostess	Starbucks	Schwan Food	Goya Foods	1
6	Sterilite	Gruma	Land O Lakes	Red Bull	Danone	Energizer	Driscoll Strawberry	Chobani	Ocean Spray Cranberries	1
7	Bic	Red Bull	Gruma	Constellation Brands	The Wonderful Co.	Starbucks	Abbott	Gruma	CJ Foods	1
8	Link Snacks	Land O Lakes	Constellation Brands	Gruma	Monster Energy	Gruma	Schwan Food Co.	Swedish Match	Land O Lakes	2
9	L'ORÉAL	Link Snacks	WH Group	Land O Lakes	Blue Diamond Growers	Blue Diamond Growers	Ferrero USA	Hostess Brands	Pharmavite	1
10	Merck	Starbucks	Sanofi	Monster Energy	L'ORÉAL	Scandinavian Tobacco	Foster Farms	Blue Diamond Growers	Driscoll Strawberry	3
11	Snyders Lance	Bic	WhiteWave	Sargento	Scandinavian Tobacco	Post	Gruma	Driscoll Strawberry	Gruma	7
12	Spectrum	WhiteWave	Bic	Johnsonville	Rank Group	Pinnacle Foods	Flowers Foods	Rank Group	H P Hood	2
13	Bayer	Constellation Brands	Red Bull	Pfizer	Glaxosmithkline	L'ORÉAL	Energizer	Flowers Foods	Red Bull	6
14	Carlyle Group	Tyson	Post	WH Group	Abbott	Red Bull	Glaxosmithkline	H P Hood	Koch	1
15	Sargento	Sargento	Hain Celestial	WhiteWave	Sanofi Aventis	Sargento	Lindt	Dole Foods Co	Johnsonville Sausage	1

*Bodyarmour Appeared Small-Sized *Juul appears in small-sized players for 2017

Note: Extra Small = <$100M, Small = <$1B Medium = $1B-$6B, Large >$6B. / Source: IRI MULO+C POS data. IRI Consulting & BCG analysis.

Few Small Companies Have Consistently Led

SMALL

#	2012	2013	2014	2015	2016	2017	2018	2019	2020	#of times on list
1	Talking Rain Bev Co	Kind	TEVA	Quest Nutrition	Bodyarmor SuperDrink	Pax Labs (Juul)	Vital Pharma	Njoy	Vi Jon Labs	1
2	IDAHOAN	Paris Presents	Skinny Pop	TEVA	IDAHOAN	Eden Creamery	Harry's	BODYARMOR	RANA	4
3	Handi Foil	Talking Rain Bev Co	Kind	Fairlife	Bragg Live Foods	RANA	BODYARMOR	RANA	Beyond Meat	1
4	Gryphon Investors	Old World Ind	eos	Bai Brands	Bai Brands	Bragg Live Foods	Lamb Weston	Baker Mills	SPD Swiss Precision Diagnostics	1
5	Vogue INTL	IDAHOAN	Talenti	IDAHOAN	Daisy	IDAHOAN	RANA	IDAHOAN	Jasper Wyman & Son	1
6	YoCrunch	Materne	Schreiber Foods	Country Creek Farms	Califia Farms	BODYARMOR	Global Water Tech	KT & G	Dots Homestyle Pretzels	1
7	PROMOTION IN MOTION INC.	All Market	All Market	PROMOTION IN MOTION INC.	Noosa Yoghurt	PROMOTION IN MOTION INC.	Handi Foil	Global Water Tech	KISS	5
8	STARBUCKS	PROMOTION IN MOTION INC.	Panera Bread	Kind	Old Trapper	KISS	IDAHOAN	KISS	Handi Foil Corp Hfa	2
9	Shurtape Tech	Njoy	Materne	All Market	Pete and Gerry's	TEVA	PROMOTION IN MOTION INC.	Natrol	Sun Bum	1
10	National Fish & Seafood	Aqua Star	Advanced Beauty	Tito's	Fairlife	Core Natural	Sovos Brands Rao's	Lamb Weston	Natrol	2
11	Roll	Philips Electronics	Paris Presents	KISS	Tito's	Daisy	Foundation Consumer Healthcare	Old Trapper	Il Conte Imp	1
12	Advanced Beauty Sys.	Completely Fresh Foods	IDAHOAN	Palermo Villa	The Fishin' Co	PDC Brands	Swiss Precision Diagnostics	Foundation Consumer Healthcare	Raw Sugar Living	1
13	Daisy	Applegate Farms	Mobil Corp	Ready Pac Foods	QuestNutrition	Tito's	American International	Fairlife	IDAHOAN	9
14	Clif Bar	Mobil Corp	Applegate Farms	Adv. Fresh Concepts	Ready Pac	Hisamitsu Pharm.	Tito's	Milos Tea	Lamb Weston	3
15	Kens Foods	Atkins Nutritionals	Aqua Star	Daisy	TEVA	Icelandic Milk & Skyr Corp.	KISS	Glanbia	Nunes Co.	1

Note: Extra Small = <$100M, Small = <$1B Medium = $1B-$6B, Large >$6B. / Source: IRI MULO+C POS data. IRI Consulting & BCG analysis.

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