CONSUMERS PROVIDE A PESSIMISTIC VIEW OF COMING MONTHS

April 9, 2020
What to Expect
Likely Shifts Over the Next Three to Four Weeks

Consumer sentiment indicates the economic fallout of COVID-19 will last far longer than the health crisis.

As a greater percentage of the well-stocked households support stay-at-home directives, **fresh product sales will rebound as pantry items are used**; products that take time to use / consume will not be replaced soon.

**Fewer trips, weekday trips, and larger baskets will be the new shopping pattern** until COVID-19 recedes.

In addition to adjusting to cooking at home, **consumers are adapting to the sheer number of meals they are preparing**. They’re turning to social media for inspiration and to demonstrate their abilities.

**Social distancing encourages more consumers to adopt e-commerce**, but out of stocks are a challenge in this channel as well. Delivery, where available, is increasing, but **click & collect holds more opportunity post-COVID-19**, given the existing infrastructure.

**Convenience took a hit as people stopped traveling**; non-essential workers remain home. An opportunity exists for the **Convenience channel to provide more fill-in and fresh items, particularly in urban areas**.

Convenience channel recovery will mirror easing of social distancing and shelter-in-place restrictions by state.

**Look for continued shifts to larger pack sizes** across product categories as people replace on-premise and away-from-home consumption with at-home consumption, particularly in beverage alcohol, non-alcohol beverage and snack categories.

As the reality of a down economy and shelter-in-place is accepted, **middle- and upper-income households will purchase more premium products** as a reward.

Consumers Are Adjusting Their Expectations, with 60% Now Believing the Health Crisis Will Last 3+ More Months

Q13. How long do you expect the economic impact of coronavirus to last, before the economy recovers? Please select your best estimate based on your own opinion as of today. Q12. How long do you expect this health crisis to last before health concerns return to normal?

Source: IRI Weekly Surveys among IRI Consumer Network™ Panel representing Total U.S. Primary Grocery Shoppers

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The Impact of the $2 Trillion Federal Stimulus Package That Was Approved in Late March Has Yet to be Reflected in Any Meaningful Gains in Optimism

Most People Have Not Yet Received This Financial Help

E4. How do you feel your financial situation will look a year from now, vs. today?

--- Financial Outlook for a Year From Now ---

$2 Trillion Financial Stimulus Relief Package Passed by Congress and Signed by POTUS

Wave 2
3/20-3/22

Wave 3
3/27-3/29

Q1 2011  Q1 2012  Q1 2013  Q1 2014  Q1 2015  Q1 2016  Q1 2017  Q1 2018  Q1 2019

33% 28% 25% 29% 30% 41% 43% 42% 30% 28% 30% 28% 25% 29% 30% 41% 43% 42% 30%

7% 6% 5% 7% 7% 10% 11% 11% 10% 8% 7% 8% 7% 8% 7% 8% 7% 8% 7%

Source: IRI EconoLink®, IRI Weekly Surveys among IRI Consumer Network™ Panel representing Total U.S. Primary Grocery Shoppers

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As Consumers Contend with a New Economic Downturn, They Are Likely to Exhibit Behaviors Evident in Prior Recessions

**Behaviors During 2008 Recession: % of Respondents**

- Cut back spending on non-essential groceries
- Buying fewer individual serving pkgs
- Buy smaller quantities of favorite treats
- Buy fewer prepared meals at grocery stores
- Buy fewer organic products, as are more expensive
- Buy more private label
- Try lower-priced brands
- Give up my favorite brands
- Buy fewer healthy products, as are more expensive
- Buy less fresh produce, as is more expensive

Source: IRI AttitudeLink™ Survey of 1,000 Consumers, August 2008
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Across Most IRI Economic Segments, a Low Proportion of Consumers Believe They Will Go Back to Their Old Spending Habits When the Economy Improves

Changes in Behavior May Be Long-Lasting

% Saying “When the economy improves, I am going back to my old spending habits.”

E6. Below are some feelings or beliefs you may or may not have around how the economy has impacted (or will impact) your lifestyle and purchase habits.

START-UPS represent 12% of the population. They are cutting back, but struggle financially. While their financial situations are similar to a year ago, they have positive expectations for the future.

Skews: Gen Z / Millennials | African American, Asian | Blue Collar | Lower Income*

Source: IRI EconoLink®, IRI Weekly Surveys, ending March 29, 2020 (Wave 2), among IRI Consumer Network™ Panel representing Total U.S. Primary Grocery Shoppers  *See Appendix for EconoLink definitions
This Issue of IRI’s COVID-19 Report Explores How an Evolving Consumer Outlook Will Impact Current and Likely Future Behavior

To Create This Report, IRI Leveraged Data and Analytics from Various Proprietary Retail, Market, Consumer and Shopper Assets, Including:

- IRI Point of Sale Data, including Daily Data
- IRI E-Market Insights®
- Shopper Basket Analysis from IRI Consumer Network™ Panel
- IRI Weekly Surveys Analyzed by IRI Proprietary EconoLink® Segmentation

Visit IRI’s COVID-19 Insights Portal and COVID-19 Dashboard for more reports and updates.
Executive Summary

1. SHOPPING BEHAVIOR SHIFTS
   The large panic-stocking trips of past weeks have dissipated and consumers are adjusting to more home-meal prep. Pantries are well stocked and consumers are turning to social media for inspiration. Consumers report their pessimism for financial health even a year from now; and few believe they will return to pre-COVID-19 spending patterns as the economy improves.

2. CONVENIENCE & GAS
   The convenience and gas channels continue to take a hit from consumers staying off the roads; losing share to total retail. Consumers are heading to the convenience channel for non-traditional products they can’t find in traditional channels.

3. NEW CONSUMER REALITY
   Consumers continue to report they’re greatly concerned about COVID-19. After a rapid increase in March, this concern level has mostly stabilized. Increasingly, people report they are worse off financially vs. a year ago. Consumers are turning to private label in categories with high demand, in part because branded products may be less available.

4. BEER, WINE & SPIRITS
   Beer, wine and spirits sales are all up double digits, a beneficiary of closed restaurants and bars and anxiety over physical and financial health. For now, consumers prefer premium / value, known brands and larger pack sizes.
COVID-19 Impact on People and Policy Continues to Evolve, More Adhering to Stay-at-Home Directives; Financial Relief Promised

<table>
<thead>
<tr>
<th>People</th>
<th>Policy</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>~1.4MM</strong> as of April 7** Global COVID-19 Cases</td>
<td><strong>145MM</strong> CARES Stimulus Checks Mailing April 9</td>
</tr>
<tr>
<td><strong>&gt;380,000</strong> U.S. COVID-19 Cases</td>
<td>Coronavirus Aid, Relief and Economic Security</td>
</tr>
<tr>
<td>with <strong>&gt;12,000</strong> deaths in the U.S.</td>
<td><strong># of States / Directives</strong></td>
</tr>
<tr>
<td>CARES Cash 60% expect to receive money this month; 33% plan to use the money to buy more groceries and other HH essentials; 29% still aren’t sure if they’ll receive money.***</td>
<td><strong>41</strong> stay at home <strong>4</strong> partial restrictions <strong>5</strong> no directives</td>
</tr>
<tr>
<td>CDC Urges Face Masks to help slow the spread of COVID-19</td>
<td></td>
</tr>
</tbody>
</table>


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shopping behavior rapidly shifts
Large Format Retail F&B Sales Decelerated in the Latest Week, But Still Growing Over 22% vs. Year Ago; Nonedibles Decelerated as Well, Down to 2% Growth

**Dollar % Chg. vs. YA // Total U.S. MULO // TSV Model**

- Jan 2020 lapping double SNAP payments in Jan 2019
- Feb 2020 lapping no SNAP payment in Feb 2019
- 6 month F&B growth benchmark (+2.2%)
- 6 month Nonedibles growth benchmark (+0.9%)

**% Chg. vs. Prior Week:**
- Total Store: -29.2%
- F&B: -29.2%
- Nonedibles: -29.3%

- March 12: Dow Jones drops more than 10%, the biggest drop since 1987
- March 13: CPG retail sales were 53% higher than the highest day in 2019
- March 18: Social posts* on cooking from home peaked at 34.6K; continue to remain above pre-COVID-19 levels

Source: IRI TSV Model  Note: Data reflected does not include Costco or Total eComm

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Daily Sales Trends Highlight the Panic Stock-Up on March 12 and 13 and Subsequent Gradual Softening

Index of Average Daily Sales, U.S. Grocery Retail

March 11
President Trump prime time speech, COVID-19 a global pandemic

March 12
Dow Jones drops over 10%; significant travel restrictions implemented

March 13
Largest shopping day of the year

Source: IRI proprietary models, U.S. grocery retail
The Rate of Trips and Households Buying Has Begun to Slow in the Latest Week as Households Completed Stock-Ups

Total U.S. All Outlets Consumer Purchasing Dynamics

**Dollar Sales**
- % chg. vs. YA: 65.1%, 60.7%

**Trips per Household**
- % chg. vs. YA: 6.8%, 35.9%, 38.6%, 6.4%

**Units per Trip**
- % chg. vs. YA: 1.2%, 15.2%, 12.7%, 9.3%

**Household Buyers**
- % chg. vs. YA: 2.0%, 4.7%, 1.1%, -3.8%

**Price per Unit**
- % chg. vs. YA: 2.3%, 0.7%, 1.8%, 3.7%

- **$B**: 17.7, 25.2, 24.1, 17.3
- **Units per Trip**: 9.8, 10.9, 10.5, 10.2
- **Units per Trip (M HH's)**: 113.1, 115.4, 110.6, 105.5
- **Price per Unit**: $3.42, $3.42, $3.47, $3.50

Source: IRI Consumer Network™ Panel All Outlets

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Pantry-Stocking Trips and Spend Continued to Grow Significantly in the Latest Week vs. Year Ago, Though Growth Slowed vs. Prior Week

Latest Week Ending March 29, 2020

Trip Count by Type (MM)

<table>
<thead>
<tr>
<th>Trip Type</th>
<th>W/e 8 Mar 2020</th>
<th>W/e 15 Mar 2020</th>
<th>W/e 22 Mar 2020</th>
<th>W/e 29 Mar 2020</th>
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</thead>
<tbody>
<tr>
<td>Quick Trip</td>
<td>525</td>
<td>344</td>
<td>339</td>
<td>484</td>
</tr>
<tr>
<td>Special Purpose</td>
<td>86</td>
<td>109</td>
<td>106</td>
<td>77</td>
</tr>
<tr>
<td>Fill In</td>
<td>85</td>
<td>108</td>
<td>107</td>
<td>78</td>
</tr>
<tr>
<td>Pantry Stocking</td>
<td>80</td>
<td>117</td>
<td>112</td>
<td>84</td>
</tr>
</tbody>
</table>

Dollar Sales ($B) by Trip Type

<table>
<thead>
<tr>
<th>Trip Type</th>
<th>W/e 8 Mar 2020</th>
<th>W/e 15 Mar 2020</th>
<th>W/e 22 Mar 2020</th>
<th>W/e 29 Mar 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Quick Trip</td>
<td>17.7</td>
<td>4.8</td>
<td>4.2</td>
<td>4.7</td>
</tr>
<tr>
<td>Special Purpose</td>
<td>3.1</td>
<td>4.9</td>
<td>4.8</td>
<td>3.0</td>
</tr>
<tr>
<td>Fill In</td>
<td>3.7</td>
<td>11.3</td>
<td>10.5</td>
<td>7.6</td>
</tr>
<tr>
<td>Pantry Stocking</td>
<td>7.2</td>
<td>4.7</td>
<td>4.2</td>
<td>3.4</td>
</tr>
</tbody>
</table>

Quick trips declined -3.2% vs. YA
Special Purpose trips grew +25% vs. YA
Pantry Stocking trips grew +32% vs. YA

Source: IRI Consumer Network™ Panel All Outlets

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Across Large Format Retail Departments, Growth Rate Deceleration Was Widespread

$\text{Dollar \% Chg. vs. YA // Total U.S. MULO // TSV Model}$

Source: IRI TSV Model   Note: Data reflected does not include Costco or Total eComm
As Consumers Stocked Up and Are Following Stay-at-Home Orders, Categories Throughout the Store Saw Sales Dips vs. Prior Week

<table>
<thead>
<tr>
<th>Category</th>
<th>% Chg vs. PP WE 3-29-20</th>
<th>% Chg vs. YA Latest 1 week WE 3-29-20</th>
<th>% Chg vs. PP Latest 4 weeks WE 3-29-20</th>
</tr>
</thead>
<tbody>
<tr>
<td>SHORTENING &amp; OIL</td>
<td>-31.9%</td>
<td></td>
<td>51.3%</td>
</tr>
<tr>
<td>FOOD &amp; TRASH BAGS</td>
<td>-30.6%</td>
<td></td>
<td>46.0%</td>
</tr>
<tr>
<td>LAUNDRY DETERGENT</td>
<td>-43.7%</td>
<td></td>
<td>53.8%</td>
</tr>
<tr>
<td>SOUP</td>
<td>-45.3%</td>
<td></td>
<td>78.0%</td>
</tr>
<tr>
<td>BREAKFAST MEATS</td>
<td>-31.5%</td>
<td></td>
<td>36.8%</td>
</tr>
<tr>
<td>COLD CEREAL</td>
<td>-34.5%</td>
<td></td>
<td>44.4%</td>
</tr>
<tr>
<td>VITAMINS</td>
<td>-29.2%</td>
<td></td>
<td>42.4%</td>
</tr>
<tr>
<td>DINNERS/ENTREES - FZ</td>
<td>-39.3%</td>
<td></td>
<td>30.4%</td>
</tr>
<tr>
<td>COFFEE</td>
<td>-31.2%</td>
<td></td>
<td>34.3%</td>
</tr>
<tr>
<td>NATURAL CHEESE</td>
<td>-24.6%</td>
<td></td>
<td>29.4%</td>
</tr>
<tr>
<td>TOTAL STORE</td>
<td>-26.5%</td>
<td></td>
<td>29.4%</td>
</tr>
</tbody>
</table>

Source: Market Advantage TSV; IRI Liquid Data

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In E-Commerce, Growth Rates Remain High Above the Baseline, But in the Most Recent Week Decelerated; Out of Stocks Were Prevalent

_Dollar % Chg. vs. YA, Total E-Commerce_

Source: IRI eMarket Insights Model, Total Store is an aggregate of the 204 releasable eMarket Insights categories, Baseline is based on L26 Wks Ending 3/22/2020
While E-Commerce Sales Have Grown Over The Past Few Weeks, Store-Visit Stock-Ups Brought E-Commerce Share of Omni-Channel Sales Down

**Total E-commerce Share of Omni-Channel**

<table>
<thead>
<tr>
<th>Date</th>
<th>Non-edible</th>
<th>Edible</th>
<th>Total Store</th>
</tr>
</thead>
<tbody>
<tr>
<td>1/5/2020</td>
<td>28.3</td>
<td>16.2</td>
<td>8.8</td>
</tr>
<tr>
<td>1/12/2020</td>
<td>28.7</td>
<td>16.2</td>
<td>8.6</td>
</tr>
<tr>
<td>1/19/2020</td>
<td>31.5</td>
<td>17.2</td>
<td>9.0</td>
</tr>
<tr>
<td>1/26/2020</td>
<td>31.3</td>
<td>17.5</td>
<td>8.5</td>
</tr>
<tr>
<td>2/2/2020</td>
<td>30.5</td>
<td>16.8</td>
<td>8.7</td>
</tr>
<tr>
<td>2/9/2020</td>
<td>29.3</td>
<td>16.0</td>
<td>8.2</td>
</tr>
<tr>
<td>2/16/2020</td>
<td>29.6</td>
<td>15.7</td>
<td>7.9</td>
</tr>
<tr>
<td>2/23/2020</td>
<td>29.9</td>
<td>16.7</td>
<td>8.8</td>
</tr>
<tr>
<td>3/1/2020</td>
<td>30.3</td>
<td>17.3</td>
<td>8.6</td>
</tr>
<tr>
<td>3/8/2020</td>
<td>27.4</td>
<td>15.9</td>
<td>8.2</td>
</tr>
<tr>
<td>3/15/2020</td>
<td>25.4</td>
<td>14.1</td>
<td>7.3</td>
</tr>
<tr>
<td>3/22/2020</td>
<td>27.4</td>
<td>14.0</td>
<td>6.6</td>
</tr>
</tbody>
</table>

Source: IRI eMarket Insights Model. Total Store is an aggregate of the 204 releasable eMarket Insights categories. Omni-Channel = Total U.S. Multi Outlet + Total e-Commerce

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E-Commerce Purchases in General Food, Home Care, and General Merchandise Departments Remain the Top Growing Departments in the Most Recent Week

Dollar % Chg. vs. YA, Total E-commerce

21% of Shoppers Report Ordering More Groceries Online Due to COVID-19
Up from 8% two weeks prior

Source: IRI eMarket Insights Model, Depts aggregates of the 204 releasable eMarket Insights categories based on IRI’s Syndicated Departments; IRI Survey 4/3-4/5 of NCP representing Total U.S. Primary Grocery Shoppers
In the Latest Week, Delivery / Shipment Significantly Increased Share of E-commerce Fulfillment Type

Dollar Sales Split Between Fulfillment Types, Total Store

Fulfillment Type Share For Brick & Mortar Multi-Category Retailers (Walmart, Kroger, etc.)

<table>
<thead>
<tr>
<th>Date</th>
<th>Click &amp; Collect</th>
<th>Delivery/Shipment</th>
</tr>
</thead>
<tbody>
<tr>
<td>01-05-20</td>
<td>30%</td>
<td>70%</td>
</tr>
<tr>
<td>01-12-20</td>
<td>28%</td>
<td>72%</td>
</tr>
<tr>
<td>01-19-20</td>
<td>28%</td>
<td>72%</td>
</tr>
<tr>
<td>01-26-20</td>
<td>27%</td>
<td>73%</td>
</tr>
<tr>
<td>02-02-20</td>
<td>27%</td>
<td>73%</td>
</tr>
<tr>
<td>02-09-20</td>
<td>29%</td>
<td>71%</td>
</tr>
<tr>
<td>02-16-20</td>
<td>28%</td>
<td>72%</td>
</tr>
<tr>
<td>02-23-20</td>
<td>28%</td>
<td>72%</td>
</tr>
<tr>
<td>03-01-20</td>
<td>31%</td>
<td>69%</td>
</tr>
<tr>
<td>03-08-20</td>
<td>32%</td>
<td>68%</td>
</tr>
<tr>
<td>03-15-20</td>
<td>31%</td>
<td>69%</td>
</tr>
<tr>
<td>03-22-20</td>
<td>40%</td>
<td>60%</td>
</tr>
</tbody>
</table>

Source: IRI eMarket Insights Model, Total Store is an aggregate of the 204 releasable eMarket Insights categories

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convenience & gas is challenged
C&G Store Sales Continued to Decline in the Latest Week as Stay at Home Directives Took Hold and Shoppers Focused on Pantry Stocking Within MULO

Dollar % Chg. vs. YA // C&G // TSV Model

- 6 month C&G Total Store benchmark (+3.7%)
- 6 month C&G F&B benchmark (+4.3%)
- 6 month C&G Non-Edible benchmark (+3.1%)

Jan 2020 lapping double SNAP payments in Jan 2019
Feb 2020 lapping no SNAP payment in Feb 2019

March 19
California becomes the first state to ask people to stay at home

March 26
21 states have "shelter in place" orders

April 7
42 states have instituted "shelter in place" orders

Source: IRI AllScan    Note: Data reflected does not include Costco or Total eComm
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C&G Sales Varied Substantially by Market, With Several Cities That Sustained Growth Now Declining in the Latest Week, Including New York, Tampa, Harrisburg

<table>
<thead>
<tr>
<th>Geography</th>
<th>Dollar Sales %Change vs. YA</th>
<th>Geography</th>
<th>Dollar Sales %Change vs. YA</th>
</tr>
</thead>
<tbody>
<tr>
<td>Houston, TX</td>
<td>-0.9%</td>
<td>Atlanta, GA</td>
<td>-9.0%</td>
</tr>
<tr>
<td>San Antonio/Corpus Christi, TX</td>
<td>-0.6%</td>
<td>Harrisburg/Scranton, PA</td>
<td>-9.6%</td>
</tr>
<tr>
<td>Las Vegas, NV</td>
<td>0.5%</td>
<td>Seattle/Tacoma, WA</td>
<td>-9.7%</td>
</tr>
<tr>
<td>Buffalo/Rochester, NY</td>
<td>-1.1%</td>
<td>Toledo, OH-Chain</td>
<td>-9.9%</td>
</tr>
<tr>
<td>Dallas/Ft. Worth, TX</td>
<td>-1.3%</td>
<td>Detroit, MI-Chain</td>
<td>-10.2%</td>
</tr>
<tr>
<td>Cincinnati/Dayton, OH</td>
<td>-3.6%</td>
<td>Salt Lake City, UT</td>
<td>-10.6%</td>
</tr>
<tr>
<td>West Texas/New Mexico</td>
<td>-4.9%</td>
<td>Tampa/St. Petersburg, FL</td>
<td>-11.5%</td>
</tr>
<tr>
<td>Roanoke, VA</td>
<td>-5.0%</td>
<td>Sacramento, CA</td>
<td>-11.5%</td>
</tr>
<tr>
<td>New Orleans, LA/Mobile, AL</td>
<td>-5.3%</td>
<td>Chicago, IL</td>
<td>-12.2%</td>
</tr>
<tr>
<td>Louisville, KY</td>
<td>-6.7%</td>
<td>San Diego, CA</td>
<td>-12.6%</td>
</tr>
<tr>
<td>Green Bay, WI</td>
<td>-7.2%</td>
<td>Toledo, OH</td>
<td>-12.8%</td>
</tr>
<tr>
<td>New England</td>
<td>-7.3%</td>
<td>San Francisco/Oakland, CA</td>
<td>-14.9%</td>
</tr>
<tr>
<td>Richmond/Norfolk, VA</td>
<td>-7.7%</td>
<td>New York, NY-Chain</td>
<td>-15.1%</td>
</tr>
<tr>
<td>Birmingham/Montgomery, AL</td>
<td>-7.8%</td>
<td>Baltimore, MD/Washington D.C.</td>
<td>-15.8%</td>
</tr>
<tr>
<td>Denver, CO</td>
<td>-8.7%</td>
<td>Los Angeles, CA</td>
<td>-16.4%</td>
</tr>
<tr>
<td>Raleigh/Greensboro, NC</td>
<td>-8.9%</td>
<td>Boston, MA</td>
<td>-18.5%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Geography</th>
<th>Rank vs. Last Week</th>
<th>WE 03-29-20</th>
<th>WE 03-22-20</th>
<th>WE 03-15-20</th>
<th>WE 03-08-20</th>
</tr>
</thead>
<tbody>
<tr>
<td>Houston, TX</td>
<td>4</td>
<td>7.9%</td>
<td>15.3%</td>
<td>9.6%</td>
<td></td>
</tr>
<tr>
<td>San Antonio/Corpus Christi, TX</td>
<td>16</td>
<td>2.1%</td>
<td>4.7%</td>
<td>4.3%</td>
<td></td>
</tr>
<tr>
<td>Las Vegas, NV</td>
<td>13</td>
<td>2.7%</td>
<td>5.5%</td>
<td>7.0%</td>
<td></td>
</tr>
<tr>
<td>Buffalo/Rochester, NY</td>
<td>-3</td>
<td>10.0%</td>
<td>17.5%</td>
<td>18.6%</td>
<td></td>
</tr>
<tr>
<td>Dallas/Ft. Worth, TX</td>
<td>20</td>
<td>-3.6%</td>
<td>7.6%</td>
<td>7.7%</td>
<td></td>
</tr>
<tr>
<td>Cincinnati/Dayton, OH</td>
<td>-4</td>
<td>8.6%</td>
<td>6.3%</td>
<td>8.8%</td>
<td></td>
</tr>
<tr>
<td>West Texas/New Mexico</td>
<td>6</td>
<td>3.0%</td>
<td>10.7%</td>
<td>6.0%</td>
<td></td>
</tr>
<tr>
<td>Roanoke, VA</td>
<td>7</td>
<td>2.8%</td>
<td>4.6%</td>
<td>3.7%</td>
<td></td>
</tr>
<tr>
<td>New Orleans, LA/Mobile, AL</td>
<td>1</td>
<td>5.7%</td>
<td>4.9%</td>
<td>1.9%</td>
<td></td>
</tr>
<tr>
<td>Louisville, KY</td>
<td>19</td>
<td>-7.0%</td>
<td>1.4%</td>
<td>8.0%</td>
<td></td>
</tr>
<tr>
<td>Green Bay, WI</td>
<td>-4</td>
<td>7.0%</td>
<td>3.8%</td>
<td>8.9%</td>
<td></td>
</tr>
<tr>
<td>New England</td>
<td>8</td>
<td>1.2%</td>
<td>3.8%</td>
<td>5.4%</td>
<td></td>
</tr>
<tr>
<td>Richmond/Norfolk, VA</td>
<td>-2</td>
<td>5.6%</td>
<td>6.4%</td>
<td>12.2%</td>
<td></td>
</tr>
<tr>
<td>Birmingham/Montgomery, AL</td>
<td>17</td>
<td>-7.5%</td>
<td>6.1%</td>
<td>3.5%</td>
<td></td>
</tr>
<tr>
<td>Denver, CO</td>
<td>9</td>
<td>-0.7%</td>
<td>10.7%</td>
<td>11.3%</td>
<td></td>
</tr>
<tr>
<td>Raleigh/Greensboro, NC</td>
<td>-2</td>
<td>2.9%</td>
<td>2.4%</td>
<td>6.4%</td>
<td></td>
</tr>
<tr>
<td>South Carolina</td>
<td>5</td>
<td>0.3%</td>
<td>0.5%</td>
<td>0.5%</td>
<td></td>
</tr>
</tbody>
</table>

Source: IRI AllScan
Traditional Convenience Categories Are Seeing Softer Sales Trends Compared to MULO, With the Exception of Tobacco Products

Top U.S. Convenience NACS Categories vs. Multi-Outlet, Weekly Sales % Change vs. YA

Source: IRI AllScan
Several Categories Are Experiencing Substantial Declines in Convenience & Gas as Traffic Declines

*Top Declining Convenience Store Categories, Latest Week Sales Decline vs. YA*

**Perishable Grocery**
- 1-Mar: -25%
- 8-Mar: -20%
- 15-Mar: -15%
- 22-Mar: -10%
- 29-Mar: -5%

**Commissary**
- 1-Mar: -25%
- 8-Mar: -20%
- 15-Mar: -15%
- 22-Mar: -10%
- 29-Mar: 0%

**Alternative Snacks**
- 1-Mar: -25%
- 8-Mar: -20%
- 15-Mar: -15%
- 22-Mar: -10%
- 29-Mar: 0%

**Health & Beauty**
- 1-Mar: -25%
- 8-Mar: -20%
- 15-Mar: -15%
- 22-Mar: -10%
- 29-Mar: 0%

**Frozen Foods**
- 1-Mar: -25%
- 8-Mar: -20%
- 15-Mar: -15%
- 22-Mar: -10%
- 29-Mar: 0%

**Automotive Products**
- 1-Mar: -25%
- 8-Mar: -20%
- 15-Mar: -15%
- 22-Mar: -10%
- 29-Mar: 0%

**Salty Snacks**
- 1-Mar: -40%
- 8-Mar: -30%
- 15-Mar: -20%
- 22-Mar: -10%
- 29-Mar: 0%

**Packaged Beverages**
- 1-Mar: 10%
- 8-Mar: 5%
- 15-Mar: 0%
- 22-Mar: 0%
- 29-Mar: 0%

**Candy**
- 1-Mar: 0%
- 8-Mar: -5%
- 15-Mar: -10%
- 22-Mar: -15%
- 29-Mar: -20%

**Pkgd Sweet Snacks**
- 1-Mar: 0%
- 8-Mar: -5%
- 15-Mar: -10%
- 22-Mar: -15%
- 29-Mar: -20%

Source: IRI AllScan
Due to Out of Stocks in Other Channels, Customers Are Coming to Convenience for Non-Traditional Products, Highlighting a Unique Opportunity for C-Stores

*Top Growth NACS Sub-Categories for the Latest 4 Weeks vs. Prior 4 Weeks*

<table>
<thead>
<tr>
<th>Other Non-Edible Grocery</th>
<th>Baby Care</th>
<th>Paper / Plastic / Foil Products</th>
<th>Household Care</th>
<th>Dish Care</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Convenience:</strong></td>
<td>185.6%</td>
<td>125.5%</td>
<td>115.5%</td>
<td>99.3%</td>
</tr>
<tr>
<td><strong>MULO:</strong></td>
<td>74.1%</td>
<td>33.7%</td>
<td>69.7%</td>
<td>62.0%</td>
</tr>
</tbody>
</table>

| Convenience: | 61.9% | 54.8% | 54.0% | 42.2% | 35.3% |
| MULO: | 56.8% | 44.6% | 21.1% | 45.9% | 42.9% |

*Source: IRI AllScan*
new consumer reality
The New Reality for Consumers is Living With Extreme Concern About COVID-19, But Where Consumers Live in the U.S. Makes a Difference

All States Listed Have Shelter-in-Place Directives

51% of Consumers Report Being Extremely Concerned About COVID-19, Holding Steady Week to Week

Source: IRI Omnibus Survey, April 1-8, 2020; *Scale: 1-10; results from 9 and 10 shown; Period 1 is April 1-3, 2020; Period 2 is April 4-8
There is a Growing Polarization Between Those Whose Financial Situations Are Better vs. Year-Ago and Those Whose Are Worse

Financial Situation Worse Now vs. YAG
Today’s Situation Nearly Mirrors That Seen During 2011

On March 16, the Dow lost 2,997.10 points to close at 20,188.52. That day’s point plummet and 12.93% freefall topped the original 1929 Black Monday slide of 12.8% for one session.
By March 31, More Than 1 in 3 Americans Experienced a Downturn in Personal Finances; the Worst Levels Since 2012

Financial Situation Worse Now vs. YAG

On March 16, the Dow lost 2,997.10 points to close at 20,188.52. That day's point plummet and 12.93% freefall topped the original October 1929 Black Monday slide of 12.8% for one session.

E2. How would you describe your current financial situation vs. a year ago? Select one.

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The Economic Impact of COVID-19 is Not Discriminating. Even the Most Optimistic About Their Finances Are Increasingly Having Trouble Affording Needed Groceries

% Having Difficulty Affording Needed Groceries

Q7. We would like to learn more about how your household’s situation may have been impacted by coronavirus.
Private Label is Increasingly Meeting the Growing Economic Needs of Consumers

Store Brand Products Are Being Chosen More Often to Save Money by More Than Half of Americans, and by 80%+ of Start Ups and Downtrodden

Top Private Label Multi-Outlet Dollar Share Gainers
Week ending March 29, 2020 | Point Chg. vs. YA

<table>
<thead>
<tr>
<th>Product</th>
<th>W3 Total Respondents</th>
<th>Carefree</th>
<th>Optimistics</th>
<th>Savvy Shoppers</th>
<th>Start Ups</th>
<th>Cautious and Worried</th>
<th>Downtrodden</th>
</tr>
</thead>
<tbody>
<tr>
<td>Paper Napkins</td>
<td>20%</td>
<td>9%</td>
<td>20%</td>
<td>4%</td>
<td>50%</td>
<td>14%</td>
<td>41%</td>
</tr>
<tr>
<td>Household Cleaners</td>
<td>35%</td>
<td>22%</td>
<td>39%</td>
<td>36%</td>
<td>50%</td>
<td>36%</td>
<td>41%</td>
</tr>
<tr>
<td>First Aid Treatments</td>
<td>45%</td>
<td>69%</td>
<td>41%</td>
<td>59%</td>
<td>40%</td>
<td>10%</td>
<td>18%</td>
</tr>
<tr>
<td>Paper Towels</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Facial Tissue</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Home Health Care Kits</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Baking Nuts</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bath/Body Scrubbers/Massagers</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Personal Thermometers</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Motor Oil</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Household Plastics</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Moist Towelettes</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: IRI EconoLink, IRI Survey 2020, among IRI Consumer Network™ Panel representing Total U.S. Primary Grocery Shoppers

**Q7a. How much do you agree or disagree with each of the following statements?**

- **I’ve chosen Store Brand items more often in the past month to save money**
  - Do not agree
  - Agree somewhat
  - Agree completely

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Meal Preparation Has Changed Dramatically in Response to Stay-at-Home Orders

% Meals Prepared at Home

<table>
<thead>
<tr>
<th>% Meals Prepared at Home</th>
<th>2 months ago</th>
<th>Currently</th>
</tr>
</thead>
<tbody>
<tr>
<td>50% of meals or less</td>
<td>6%</td>
<td>24%</td>
</tr>
<tr>
<td>51-60% of meals</td>
<td>2%</td>
<td>6%</td>
</tr>
<tr>
<td>61-70% of meals</td>
<td>6%</td>
<td>3%</td>
</tr>
<tr>
<td>71-80% of meals</td>
<td>11%</td>
<td>22%</td>
</tr>
<tr>
<td>81-90% of meals</td>
<td>18%</td>
<td>21%</td>
</tr>
<tr>
<td>91-100% of meals</td>
<td>24%</td>
<td>58%</td>
</tr>
</tbody>
</table>

In Response to COVID-19

- 63% of Consumers Are Eating at Home More Often vs. Restaurants (Up from 32% 3 Weeks Ago)
- 30% of Consumers Are Eating at Home More Often vs. Restaurants (Up from 32% 3 Weeks Ago)
- 39% Report Cooking from Scratch More Often
- 20% Report Making More Meals Using Packaged Prepared Foods or Frozen Foods
- 6% Meal Kit Usage is Flat 6% Using More Often and 6% Using Less Often

Source: IRI Surveys fielded 4/3-4/5 among IRI Consumer Network™ Panel representing Total U.S. Primary Grocery Shoppers

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beer, wine & spirits are lifted
At-Home Indulgence and Panic Stockpiling Benefits the Beer / Wine / Spirits Category

IRI % Household Penetration – All Outlets: New Buyers for Beer / Wine / Spirits

Source: IRI InfoScan® Panel Data, data ending March 22, 2020, Total U.S. – All Outlets
In the Past Four Weeks, the Beer Category Acquired 6.8MM Net New* Buyers vs. Prior Period, as New / Lapsed Buyers Entered Category During the Stock-Up Period

**Beer Category – New / Lost / Retained Buyers vs. Prior Period**
4 Weeks Ending March 29, 2020, Total All Outlets

<table>
<thead>
<tr>
<th>Category Buyers (Millions)</th>
<th>Previous Buyers P4W Thru 3/1/20</th>
<th>Lost Buyers</th>
<th>New Buyers</th>
<th>Current Buyers P4W Thru 3/22/20</th>
<th>Net New Buyers*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Domestic Beer</td>
<td>20.1</td>
<td>-8.3</td>
<td>13.4</td>
<td>25.3</td>
<td>5.1</td>
</tr>
<tr>
<td>Imported Beer</td>
<td>7.5</td>
<td>-4.4</td>
<td>8.6</td>
<td>11.7</td>
<td>4.2</td>
</tr>
<tr>
<td>Alcoholic Cider</td>
<td>1.1</td>
<td>-0.7</td>
<td>1.1</td>
<td>1.5</td>
<td>0.4</td>
</tr>
</tbody>
</table>

*Net New Buyers = New Buyers – Lost Buyers; Source: IRI Shopper Intelligence
Consumers Shifted to Large Packs for Beer and Spirits Across Key Channels

<table>
<thead>
<tr>
<th>Category</th>
<th>Total U.S. Multi-Outlet</th>
<th>Liquor Stores</th>
<th>C-Stores</th>
</tr>
</thead>
<tbody>
<tr>
<td>Small Packs*</td>
<td>Dollar Share</td>
<td>Dollar Share</td>
<td>Dollar Share</td>
</tr>
<tr>
<td>Beer</td>
<td>31.6%</td>
<td>28.1%</td>
<td>46.8%</td>
</tr>
<tr>
<td>Wine</td>
<td>77.0%</td>
<td>75.5%</td>
<td>81.4%</td>
</tr>
<tr>
<td>Spirits</td>
<td>60.4%</td>
<td>56.3%</td>
<td>57.7%</td>
</tr>
<tr>
<td>Large Packs*</td>
<td>Dollar Share</td>
<td>Dollar Share</td>
<td>Dollar Share</td>
</tr>
<tr>
<td>Beer</td>
<td>68.4%</td>
<td>71.9%</td>
<td>53.2%</td>
</tr>
<tr>
<td>Wine</td>
<td>23.0%</td>
<td>24.5%</td>
<td>18.6%</td>
</tr>
<tr>
<td>Spirits</td>
<td>39.6%</td>
<td>43.7%</td>
<td>42.3%</td>
</tr>
</tbody>
</table>

*Large Pack Beer: 12 Pack 12oz and Larger
Large Pack Wine: 750ml and Larger
Large Pack Spirits: 750ml and Larger

*Small Pack Beer: <12 Pack
Small Pack Wine: <750ml
Small Pack Spirits: 750ml+

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High End Beer and Wine Still Driving Category Growth


Source: IRI MULO+C YTD through 3.1.20 and latest 4 weeks through 3.29.20
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appendix
EconoLink Provides View of Americans’ Response to COVID-19 Through a Human Economic Lens That Goes Beyond Income; Not All Respond Alike

**DOWNTRODDEN**
Their financial situations are markedly worse vs. YAG, and their go-to response is deprivation; they try to cut back on everything. Purchases highly influenced by price, brand, and/or prior experience/trust.

**SKEWS:** Older Millennials/Younger Boomers | Blue Collar | Hispanic | Lower Income

**CAUTIOUS & WORRIED**
Their financial situations are markedly worse vs. YAG, and they do not hold out a lot of hope for things to get better.

**SKEWS:** Baby Boomers | Live Alone

**START-UPS**
Their financial situations are largely the same as YAG, but they’re still struggling. They, too, are focused on cutting back, but with positive expectations for future improvement in their financial situations.

**SKEWS:** Gen Z/Millennials | African American, Asian | Blue Collar | Lower Income

**SAVVY SHOPPERS**
Their financial situations are improving vs. YAG, but they still look for value – although that doesn’t always mean the lowest price. They love to find coupons and good deals on groceries.

**SKEWS:** Younger Baby Boomers, Retirees | Mean HHI $75,600

**CAREFREE**
Their financial situations are in a stable place; no real financial concerns. They’re willing to splurge on premium products, and brand preference is a greater driver than price for their buying decisions.

**SKEWS:** Older Boomers & Retirees | Male | Live Alone | Upper Income

**OPTIMISTICS**
Their financial situations are better vs. YAG, and they are optimistic about their financial future. Price is on their radar, but so are product experiences and brand trust.

**SKEWS:** Gen Z, Millennials and Gen X | 4+ Member HHs | African American | Mean HHI $72,000
IRI COVID-19 Thought Leadership
Helping You Stay Informed

IRI’s Online Insights Offers Real-Time Updates and Weekly Reports of the Impact of the Virus on CPG and Retail, as Well as Consumer Survey Data from this Report

The IRI COVID-19 Info Portal
Includes COVID-19 impact analyses, dashboards and the latest thought leadership on supply chain, consumer behavior, channel shifts for the U.S. AND international markets

The COVID-19 Dashboard
Accessible through the insights portal and tracks the daily impact of COVID-19. This includes the top categories across countries, out-of-stocks and consumer sentiment on social media.
Global COVID-19 Thought Leadership Reports

Industry Insights, Impact and Implications

COVID-19 Implications
ITALY PROVIDES INSIGHTS INTO NEW NORMAL
April 9, 2020

COVID-19: LESSONS FROM HONG KONG
Daniel Bone, Insights Director – Asia Pacific,
Eliza Wong, Managing Director, Client Services – Hong Kong
April 08, 2020

CONSUMER SPENDING TRACKER FOR MEASURED CHANNELS
U.S., UK, France, Italy, Germany, NZ
April 2, 2020