Special COVID-19 Series: Recession-Proof Your Business

PART 3 – HOW BIG BRANDS PERFORMED DURING THE GREAT RECESSION

May 21, 2020

Read Other Recession-Focused Reports:
• Part 1 - How the Great Recession Reshaped the CPG Demand Curve
• Part 2 - Maintaining Pricing Discipline in a Recession
Lessons Learned from the Great Recession

NEW RECESSION

In 2020, despite increased at-home consumption, CPG brands face a new recession and can learn from strategies employed during the last recession by high-growth brands:

- Retain new buyers and at-risk consumers
- Win back lost loyal buyers
- Convert light buyers / brand switchers to loyal consumers
- Increase penetration to drive volume growth

BIG BRAND STRATEGIES

In this report we look at high-growth brands, as well as medium-growth and low-growth brands by:

- Dollar sales
- Volume growth
- Penetration

With additional analysis of:

- Price / mix
- Impulse categories
- Volume per buyer

Note: High-growth brands were defined as those with sales growth of greater 6.6% CAGR in 2008-10, and greater than 9% in nonedible categories.
IRI tracked performance of 400+ Edible and 200+ Nonedible Large and Midsize brands during the 2008-2010 recession. Growing brands were bucketed into tertiles of High-, Medium-, and Low- growth. Focused on ~200 Edible and ~100 Nonedible brands that grew both value and volume from 2008-2010. Analyzed drivers of stronger brand performance including penetration, buy rate and price / mix factors.

Note: High-growth brands were defined as those with sales growth of greater 6.6% CAGR in 2008-10, and greater than 9% in nonedible categories.

1. Greater than $100M (Edible) and $75M (Nonedible) in FDMx (Grocery, Drug, and Mass excluding Walmart) sales in 2011. Source: IRI archived POS data.
Lessons Learned from the Great Recession

Even in a recession, retaining and/or acquiring penetration remains the top growth driver. Brands must:

- Focus on strong distribution in value channels, ensuring products are physically available where shoppers are.
- Offer the right pack sizes and price points to attract consumers looking for value as well as consumers focused on affordability.
- Tap into new usage occasions and emerging need states through innovative new products, particularly value-tier extensions (e.g., Tide Basic) and more premium products in select categories and markets (e.g., affordable indulgence targeting middle and upper income).
- Reinforce overall value in messaging to attract new users, highlighting both short-term value (e.g., number of uses) and long-term value (e.g., convenience, health), conveying a clear value positioning vs. competitive products including private label.

At the same time, brands must look to convert new buyers to valuable loyal buyers and win back lost loyal buyers. Particularly for large, high-penetration brands, increasing usage among existing buyers via innovation and marketing against new usage occasions is a critical path to growth.

Finally, as proven by select brands during the Great Recession, there is an opportunity to enhance price / mix through specialty products (e.g., Cascade Complete, Olay Anti-Aging) even in an environment with intense focus on value.
During the Great Recession, Fewer Than Half of Large Brands Saw Both Dollar and Volume Growth

$100MM+ Food & Beverage Brand Growth
2008-2010, FDMx

- F&B
  - Almost all brands (89) also grew $ share
  - 19 are brands in impulse categories
  - 9 brands grew primarily through a large price/mix increase
  - 69 brands grew though large penetration increases
  - 11 brands grew through a significant change in volume per buyer.

- All Non-F&B Brands
  - 8 brands grew primarily through a large price/mix increase
  - 69 brands grew through large penetration increases
  - 11 brands grew through a significant change in volume per buyer.

$75MM+ Nonedible Brand Growth
2008-2010, FDMx

- NONEDIBLE
  - All brands also grew $ share
  - 8 brands grew primarily through a large price/mix increase
  - 31 brands grew through large penetration increases
  - 6 brands grew through a significant change in volume per buyer.

1Based on top, middle, bottom percentile. Note: See slide 21 for description of analysis specs and terminology.

Food Growth Brands Have Annual Sales of $100MM+ / Nonedible Growth Brands Have Annual Sales of $75MM+

Source: IRI Liquid Data FDMx. POS data 2008-2010; IRI POS Database
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Volume Growth Drove Value Sales Growth in the Majority of High-Growth Brands, While Price / Mix Increase Dominated Growth in a Few Brands

**Dominant Positive Sales Drivers of Dollar and Volume Growth Brands**

<table>
<thead>
<tr>
<th>% of Brands Dominated by Driver, 2008-2010 FDMx</th>
</tr>
</thead>
<tbody>
<tr>
<td>Top 5 Brands Driven by Price / Mix</td>
</tr>
<tr>
<td>Both</td>
</tr>
<tr>
<td>Price/Mix</td>
</tr>
<tr>
<td>Volume</td>
</tr>
</tbody>
</table>

**Top 5 Brands Driven by Volume**

- LEAN CUISINE
- CLIF
- Edy's
- EARTH BALANCE
- EMERALD VINEYARDS

**Brand $ Sales Growth Level**

- High 6.6%+ CAGR
- Medium 2.9-6.6% CAGR
- Low 0.0-2.9% CAGR

- Average $ Growth: 13.7%
- Average Volume Growth: 11.4%

Penetration Drove Volume Sales Growth in Most High- and Medium-Growth Brands; Volume per Buyer is a More Prominent Driver in Low-Growth Brands

**Dominant Positive Sales Drivers of $ and Volume Growth Brands**

<table>
<thead>
<tr>
<th>Brand $ Sales Growth Level</th>
<th>Penetration</th>
<th>Both</th>
<th>Volume per Buyer</th>
<th>N = 91¹</th>
<th>N = 69¹</th>
<th>N = 30¹</th>
</tr>
</thead>
<tbody>
<tr>
<td>High 6.6%+ CAGR</td>
<td>77%</td>
<td>11%</td>
<td>12%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Medium 2.9-6.6% CAGR</td>
<td>58%</td>
<td>5%</td>
<td>38%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Low 0.0-2.9% CAGR</td>
<td>46%</td>
<td>0%</td>
<td>54%</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Dominant Positive Volume Sales Drivers of $ and Volume Growth Brands**

<table>
<thead>
<tr>
<th>Brand $ Sales Growth Level</th>
<th>Penetration</th>
<th>Both</th>
<th>Volume per Buyer</th>
<th>N = 43¹</th>
<th>N = 36¹</th>
<th>N = 21¹</th>
</tr>
</thead>
<tbody>
<tr>
<td>High 9.0%+ CAGR</td>
<td>74%</td>
<td>12%</td>
<td>14%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Medium 3.5-9.0% CAGR</td>
<td>67%</td>
<td>33%</td>
<td>33%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Low 0.0-3.5% CAGR</td>
<td>45%</td>
<td>0%</td>
<td>0%</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

¹1 high, 3 medium, and 1 low growth brands excluded from volume driver analysis due to directional inconsistencies between POS and Panel data.

High Growth Brands Outperformed Other Brands in Both Volume Growth and Price / Mix Growth

Price and Volume Growth Nonedible Brands (Annual Sales $75MM+) / % CAGR, 2008-2010 FDMx

<table>
<thead>
<tr>
<th>Brand Sales Growth Level</th>
<th>High 9.0%+ CAGR</th>
<th>Medium 3.5-9.0% CAGR</th>
<th>Low 0.0-3.5% CAGR</th>
</tr>
</thead>
<tbody>
<tr>
<td>N = 43</td>
<td>11.8%</td>
<td>4.4%</td>
<td>2.3%</td>
</tr>
<tr>
<td>N = 36</td>
<td>16.1%</td>
<td>6.2%</td>
<td>0%</td>
</tr>
<tr>
<td>N = 21</td>
<td>4.1%</td>
<td>1.8%</td>
<td>2.1%</td>
</tr>
</tbody>
</table>

Brands Are Able to Increase Price and Drive Sales Through Innovations Into More Specialized Products

Sample High Growth ($ CAGR>9%) Nonedible Brands Driven by Pricing / 2008-2010, FDMx

<table>
<thead>
<tr>
<th>Brand</th>
<th>2008-2010 Price / Mix CAGR</th>
<th>New Introduction</th>
<th>Sample Actions Taken</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cascade</strong></td>
<td>16.7%</td>
<td><img src="image" alt="Cascade" /></td>
<td>• Innovations in auto dishwasher detergents drove increases in pricing</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>• New SKUs have price premium of ~400%</td>
</tr>
<tr>
<td><strong>Crayola Markers</strong></td>
<td>8.6%</td>
<td><img src="image" alt="Crayola" /></td>
<td>• Innovations in specialized markers increased pricing</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>• New sub-brands have price range of ~400%+</td>
</tr>
<tr>
<td><strong>Olay</strong></td>
<td>7.1%</td>
<td><img src="image" alt="Olay" /></td>
<td>• Introduced more specialized, anti-aging products</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>• New sub-brands have price premium of ~50%+</td>
</tr>
<tr>
<td><strong>Maybelline New York</strong></td>
<td>6.5%</td>
<td><img src="image" alt="Maybelline" /></td>
<td>• Introduced natural and customizable foundations</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>• New sub-brands have price premium of ~25%+</td>
</tr>
</tbody>
</table>


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Even in Impulse Categories, Penetration Remains the Key Determinant of High Growth

Drivers of High Growth ($CAGR>6.6%) F&B Brands (Annual Sales $100MM+)
Straight Average Change (CAGR) in Dollar Sales Due To, 2008-2010, FDMx

High-Growth Brands

\[ N = 91 \]

- \$ Growth: 13.7
- Volume: 11.7 (85%)
- Penetration: 8.8 (75%)
- Vol. per Buyer: 3.0 (25%)

High-Growth Brands in Impulse Categories\(^1\)

\[ N = 19 \]

- \$ Growth: 13.0
- Volume: 10.0 (77%)
- Penetration: 7.3 (73%)
- Vol. per Buyer: 2.7 (27%)

\(^1\)Impulse categories include bottled water, carbonated beverages, chocolate candy, cookies, energy drinks, gum, salty snacks and sports drinks.

To Drive Penetration, Brands Attracted New Users or Expanded Usage Occasions Through Innovation, Communication of New Benefits, and Expanded Distribution

Sample High Growth ($ CAGR>6.6%) F&B Brands Driven by Penetration / 2008-2010, FDMx

<table>
<thead>
<tr>
<th>Brand</th>
<th>Penetration Points Gained</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mayo</td>
<td>11.1</td>
<td>- Significantly increased investment in advertising in 2009 to revitalize brand</td>
</tr>
<tr>
<td>Yoplait</td>
<td>10.5&lt;sup&gt;1&lt;/sup&gt;</td>
<td>- Attracted women thru various campaigns to “outsmart temptation”, enabled by dessert-like flavors (e.g., Boston Cream Pie)</td>
</tr>
<tr>
<td>DeliFresh</td>
<td>9.7</td>
<td>- Launched advertising campaign to take Oscar Mayer brand beyond its iconic image of hot dogs and bologna into premium positioning, attracting high-income consumers</td>
</tr>
<tr>
<td>Barilla</td>
<td>9.7</td>
<td>- Introduced new product lines with health orientation (e.g., Whole Grain, Barilla Plus)</td>
</tr>
<tr>
<td>vitamin water</td>
<td>6.2</td>
<td>- Significantly increased distribution throughout the U.S. (~20% per year) post-Coca-Cola acquisition</td>
</tr>
<tr>
<td>Steamfresh</td>
<td>5.6</td>
<td>- Expanded from steamed vegetables to microwavable meals with grains, pasta and protein</td>
</tr>
<tr>
<td>EGG LAND’S BEST</td>
<td>5.4</td>
<td>- Invested aggressively in advertising and promotions stressing nutrition, taste and food safety, which successfully shifted consumer base from traditionally older to more diverse</td>
</tr>
</tbody>
</table>

<sup>1</sup>Includes Yoplait yogurts Fiber One, Delights, Yoplus. Yoplait Original, Yoplait Light are separate trademarks but also gained significant penetration points (1.3 and 4.7 points, respectively) via same overall Yoplait actions.


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To Drive Penetration, Brands Attracted New Users or Expanded Usage Occasions Through Innovation, Communication of New Benefits, and Expanded Distribution

**Sample High Growth ($ CAGR>9.0%) Nonedible Brands Driven by Penetration / 2008-2010, FDMx**

<table>
<thead>
<tr>
<th>Brand</th>
<th>Penetration Points Gained</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>Charmin Basic</td>
<td>7.1</td>
<td>Basic sub-brands for Charmin and Bounty introduced as lower-tier versions of premium-priced tier Charmin Ultra toilet paper and Bounty paper towels</td>
</tr>
<tr>
<td>Bounty Basic</td>
<td>6.9</td>
<td>Bounty specifically developed new marketing efforts after significant investments in behavioral research</td>
</tr>
<tr>
<td>Charmin UltraSoft</td>
<td>6.4</td>
<td>The $86 million advertising investment in 2007 incorporated TV, print, internet and experiential marketing; the largest re-staging in the brand’s 79-year history</td>
</tr>
</tbody>
</table>
| Crest PRO-HEALTH™ | 4.6                  | • Introduced as the only product line to treat all seven leading oral-care problems  
• Invested $100MM into the launch, brand’s biggest launch since 1960s  
• Marketing focused heavily on word-of-mouth and buzz marketing and relatively little on mass media  
• In 2007, Crest overtook Colgate as the toothpaste leader in the U.S. and continues to introduce new and innovative products |
| Degree men     | 2.2                       | • Targeting specific needs with a variety of product offerings  
• Partnered with Discovery Channel in the launch of the new Adventure line in 2010  
• Targeted Mexican consumers through a partnership with the Mexican National Soccer team |

A Small Set of Food & Beverage Brands Successfully Drove High Sales Growth by Increasing Volume per Buyer; Frequency was the Key Source of Gains

High-Growth ($ CAGR>6.6%) F&B Brands Driven by Volume per Buyer / 2008-2010, FDMx

High-Growth Brands Driven by Volume per Buyer

Straight Average Change in Dollar Sales Due To...

Source: IRI Archived Consumer Network Panel 2008-2010. FDMx refers to Food-Drug-Mass (excluding Walmart) / Note: See slide 21 for description of analysis specs and terminology

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A Small Set of Nonedible Brands Successfully Drove High Sales Growth by Increasing Volume per Buyer; Frequency was the Key Source of Gains

High-Growth ($ CAGR>9.0%) Nonedible Brands Driven by Volume per Buyer / 2008-2010, FDMx

High-Growth Brands Driven by Volume per Buyer

Source: IRI Archived Consumer Network Panel 2008-2010. FDMx refers to Food-Drug-Mass (excluding Walmart) / Note: See slide 21 for description of analysis specs and terminology

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Food and Beverage Brands that Achieved High Growth Through Volume Per Buyer Used Pricing / Promotion or Generated Demand for More Usage Occasions

Drivers of High-Growth ($ CAGR>6.6%) F&B Brands Driven by Volume per Buyer / 2008-2010, FDMx

Price Reduction / Low Price Increase

Average Growth (CAGR) in Price/Mix Among High-Growth Brands

- All high growth (N=91): 2.2%
- High growth driven by vol. per buyer (N=11):
  - Modelo Especial: -0.4%
  - Dean’s: -0.7%
  - Arizona: -1.3%
  - Fresh cut salad: -2.2%

Significant Promotion Enhancements

- All High Growth Brands:
  - Chg. in % of vol., any merch (pts): 14
  - Chg. in % discount (pts): 19

- High growth driven by vol. per buyer (N=11):
  - Chg. in % of vol., any merch (pts): 9
  - Chg. in % discount (pts): 12

New Usage Occasions

Brands with significant innovations or marketing support to generate new usage occasions benefited from trip gains

- Viral marketing supports Red Bull as a drink while working, studying, being active or going out
- Created a series of meal varieties, including Market Creation, Simple Favorites and Comfort Cuisine

Source: IRI Archived Consumer Network Panel 2008-2010. FDMx refers to Food-Drug-Mass (excluding Walmart) / Note: See slide 21 for description of analysis specs and terminology

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### Nonedible Brands that Achieved High Growth Through Volume Per Buyer

**Drivers of High-Growth ($ CAGR>9%) Nonedible Brands Driven by Volume per Buyer / 2008-2010, FDMx**

<table>
<thead>
<tr>
<th>Price Reduction / Low Price Increase</th>
<th>Significant Promotion</th>
<th>Increased Product Usage Through Better Value Propositions</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Drivers of High Growth</strong></td>
<td><strong>Delsym</strong></td>
<td><strong>Fresh Step</strong></td>
</tr>
<tr>
<td><strong>12</strong></td>
<td><strong>8</strong></td>
<td><strong>5</strong></td>
</tr>
<tr>
<td><strong>Change in % of vol., any merch (pts)</strong></td>
<td><strong>-0.4</strong></td>
<td><strong>-0.5</strong></td>
</tr>
</tbody>
</table>

#### Average Growth (CAGR) in Price / Mix Among High-Growth Brands

<table>
<thead>
<tr>
<th>All high growth (N=43)</th>
<th>High growth driven by vol. per buyer (N=6)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>-1.6</strong></td>
<td><strong>-0.4</strong></td>
</tr>
</tbody>
</table>

**Price Reduction / Low Price Increase**

- **Average Growth (CAGR) in Price / Mix Among High-Growth Brands**
- **Significant Promotion**
- **Increased Product Usage Through Better Value Propositions**

Among Large, Mature F&B Brands, Only Six of 29 Grew Both Dollars and Volume; Focus Should First be on Retaining Existing Buyers to Prevent Declines

Growth vs. Decline in $500 Million+ F&B Brands
Number of Brands, 2008-2010, FDMx

<table>
<thead>
<tr>
<th></th>
<th>Growing</th>
<th>Flat/Declining</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dollar Sales Change</td>
<td>15</td>
<td>14</td>
</tr>
<tr>
<td>Volume Sales Change</td>
<td>9</td>
<td>6</td>
</tr>
</tbody>
</table>

Source of Volume Growth in Growing $500 Million+ F&B Brands

- Dominated by Penetration: Multi-serve frozen dinners/entrees
- Dominated by Buy Rate: Bud Light, Lean Cuisine, Coors Light

$500MM+ F&B brands based on 2010 dollar sales in FDMx. Excludes private label. Lean Cuisine also significantly increased penetration (+13 pts) but the increase in buy rate was more significant.

Source: IRI Archived Consumer Network Panel 2008-2010. FDMx refers to Food-Drug-Mass (excluding Walmart) / Note: See slide 21 for description of analysis specs and terminology

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Among Large, Mature Nonedible Brands, Only Six of 26 Grew Both Dollars and Volume; Focus Should First be on Retaining Existing Buyers to Prevent Declines

**Growth vs. Decline $250 Million+ Nonedible Brands**
Number of Brands, 2008-2010, FDMx

<table>
<thead>
<tr>
<th></th>
<th>Dollar Sales Change</th>
<th>Volume Sales Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Growing</td>
<td></td>
<td></td>
</tr>
<tr>
<td>N=26</td>
<td></td>
<td></td>
</tr>
<tr>
<td>17</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Flat/Declining</td>
<td></td>
<td></td>
</tr>
<tr>
<td>N=17</td>
<td></td>
<td></td>
</tr>
<tr>
<td>9</td>
<td></td>
<td></td>
</tr>
<tr>
<td>6</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Source of Volume Growth in Growing $250 Million+ Nonedible Brands**

- **Dominated by Penetration**
- **Dominated by Buy Rate**


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Retaining New Buyers and Converting Them into Loyal Buyers Provides the Biggest Growth Opportunity for Most Brands in 2020

Summary of Buyer Flows From an Analysis of 75 Brands Across Eight Companies
% of Total 2019 Buyers for Each Company

<table>
<thead>
<tr>
<th>Company</th>
<th>New Buyers %</th>
<th>Lost Loyal Buyers %</th>
<th>At-Risk Buyers %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Large Company A</td>
<td>10%</td>
<td>7%</td>
<td>29%</td>
</tr>
<tr>
<td>Large Company B</td>
<td>10%</td>
<td>16%</td>
<td>28%</td>
</tr>
<tr>
<td>Large Company C</td>
<td>0%</td>
<td>17%</td>
<td>20%</td>
</tr>
<tr>
<td>Large Company D</td>
<td>15%</td>
<td>22%</td>
<td>20%</td>
</tr>
<tr>
<td>Large Company E</td>
<td>2%</td>
<td>5%</td>
<td>41%</td>
</tr>
<tr>
<td>Mid-Sized Company F</td>
<td>13%</td>
<td>17%</td>
<td>33%</td>
</tr>
<tr>
<td>Mid-Sized Company G</td>
<td>6%</td>
<td>14%</td>
<td>33%</td>
</tr>
<tr>
<td>Mid-Sized Company H</td>
<td>5%</td>
<td>16%</td>
<td>36%</td>
</tr>
</tbody>
</table>

Most brands have gained buyers to address **new need states, shelf availability** or consumers' desire for variety / alternatives.

- High penetration brands (50%+) acquired 25-35% new buyers in the past 8 weeks.
- Low penetration brands (5%-20%) acquired on average 35% new buyers in the past two months.

**New Buyers**: Buyers that did not purchase in 2019 and have purchased in the most recent 8 or 12 weeks

**Lost Loyal Buyers**: Buyers that purchased at least twice in 2019 and didn’t purchase in the most recent 8 or 12 weeks

**At-Risk Buyers**: Buyers that purchased at least twice in 2019 and whose share of wallet has shifted to other brands in the most recent 8 or 12 weeks

**Large Companies** have $5 Billion+ in sales

**Mid-Sized Companies** have sales of $1 billion - $5 billion
Implications for the 2020 Recession

With significant gains in new buyers, as well as risks from brand switching of loyal buyers due to product availability, brands must look to retain their valuable buyers and convert new buyers to loyal buyers:

• Ensure strong distribution across Grocery and e-commerce, in addition to value channels, as consumers will likely continue to favor one-stop-shops and contactless shopping for the foreseeable future as social distancing prevails.

• Expand price range architecture focused on value, including opening price points, smaller affordable packs, larger packs focused on cost per serving, and promotions tailored to paycheck cycles (e.g., focus on larger sizes / multipacks at the beginning of the month and smaller packs at the end of the month).

• Analyze new buyers to understand new customer requirements and adapt messaging to convert triers into long-term valuable buyers. Consumers will likely be receptive to messages that focus on product benefits and solutions.

• Refocus innovation efforts on post COVID-19 assortment rationalizations to target value-tier needs and affordable luxury.

• Tailor messages related to more at-home activity (e.g., cooking at home, entertainment at home) and provide comfort during periods of high uncertainty.

At the same time, look for ways to elevate value per buyer by tapping into at-home cooking or DIY. Consider enhanced price / mix opportunities backed by benefits targeted to consumers who will still be spending more time at home (e.g., cleaners that do more with less product, personal care products that fill multiple needs at once).
Notes on Analysis Specifications and Terminology

This Report is Based on Analysis of the Following Data Set:

<table>
<thead>
<tr>
<th>Analysis Dimension</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Database Source</td>
<td>• IRI Archive POS and Consumer Network Panel, Literature Search</td>
</tr>
<tr>
<td>Geography</td>
<td>• FDMx</td>
</tr>
</tbody>
</table>
| Time               | • 52-week periods from 2007-2010  
                     | • All data based on 2008-2010 CAGR |
| Brands             | • All food and beverage brands at the major brand level with 2010, sales >$100MM in FDMx; all non-food sales >$75MM  
                     | • Excludes private label  
                     | • Excludes new product introductions (defined as brands with 2008 sales of $0 or <$25MM) |

The Report Uses the Following Term in Determining the Primary Source of Brand Growth:

<table>
<thead>
<tr>
<th>Analysis Term</th>
<th>Description</th>
</tr>
</thead>
</table>
| Growth-Dominating Driver       | • A driver is defined as dominant when its positive contribution to growth is more than 1.2 times the alternate driver  
                                 | • Both drivers are considered approximately equal in contribution to growth when both drivers are positive and their ratio is between 0.8 and 1.2 |
Insights and Strategic Guidance for Better Decisions

IRI’s Online Resources Include Real-Time Updates and Weekly Reports Which Track the Impact of the Virus on CPG and Retail

The IRI COVID-19 Impact
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 and The IRI CPG Demand Index™
IRI Inflation Tracker™ and IRI Supply Index
Accessible through the insights portal to track the daily impact of COVID-19. This includes top selling and out-of-stock categories across the country and consumer sentiment on social media
The Latest COVID-19 Reports and Insights from IRI (click to see full report)

IRI COVID-19 IMPACT ASSESSMENT REPORTS

- UPDATES: CPG and Retail Impact of COVID-19
- COVID-19 and the Economy: Tracking the Dramatic Pivot of U.S. Consumer and Shopper Behavior
- COVID-19 and the Economy: Consumers Provide a Pessimistic View of Coming Months
- COVID-19 and the Economy: Then and Now: Consumer CPG Behavior During Economic Downturns
- COVID-19 Impact on CPG Retail: Anticipating Life After COVID-19

THE CHANGING SHAPE OF THE CPG DEMAND CURVE

- COVID-19 Impact on CPG Retail: Part 1 - The Changing Shape of the CPG Demand Curve
- COVID-19 Impact on CPG Retail: Part 2 - Navigating the Pain Ahead

LESSONS FROM THE GREAT RECESSION

- Special COVID-19 Series: Reshaping Your Strategies
  - Part 1: How the Great Recession Reshaped the CPG Demand Curve
  - Part 2: Maintaining Pricing Discipline During a Recession
  - Part 3: How Big Brands Performed During the Great Recession
The IRI CPG Demand Index™ provides a standard metric for tracking changes in spending on consumer packaged goods. It measures weekly changes in consumer purchases, by dollar sales, against the year-ago period across departments including fixed and random weight products, grocery aisles and retail formats. The IRI CPG Demand Index™ is available for eight U.S. regions and all U.S. states.

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The IRI CPG Inflation Tracker™ provides the well-known price per unit metric for tracking changes in pricing of consumer packaged goods. It provides weekly changes in consumer prices, price per unit against the year-ago period across departments including fixed and random weight products, grocery aisles and retail formats. The IRI CPG Inflation Tracker™ is available for eight U.S. regions and all U.S. states.
The IRI CPG Supply Index™ provides a standard metric for tracking changes in product availability (i.e. in-stock rates) in stores for consumer packaged goods. It measures weekly changes in product availability against the baseline across departments and retail formats. The IRI CPG Supply Index™ is available for eight U.S. regions and all U.S. states.