SPINS

Mastering the Market: Active Aging 2024

What consumers are looking for in the 'Healthspan' era

NATURALLY INFORMED

Brandon Casteel, Vice President of Partnerships, SPINS

Empowering the industry
with wellness-focused data technology

Full US market visibility

Understand the retail landscape to plan your next move and scale

Innovative retailers

Exclusive access to performance insights at natural, specialty & pet retailers integral to US growth

Product intelligence

Uncover unseen drivers of wellness consumer purchase behavior through product attribution

Leading Technology

Dynamic insights at your fingertips to inform your strategy

SPINS WORKS WITH

233 Ingredient Supplier, Broker, and Association Partners

SPINS codes for 617 different Functional Ingredients **617**

1500+ Brands

SPINS codes every UPC scanned at our retail partners for 583 different types of attributes **583**

SPINS HAS

76+

Exclusive Retail Partnerships

REPRESENTING

>$200B

In Sales

SPINS clients launched over 100,000+ items in the last 3 years

380+

Ecosystem Partners

(excluding brands & retailers)

Agenda

1. The Values-Oriented Shopper
2. Values-Oriented Shopper Preferences: Health span
3. Innovation & Disruption
4. Key Takeaways

VALUES-ORIENTED SHOPPER

Consumer preferences have evolved

Today's shopper is values-oriented in their purchasing decisions. Values-oriented shoppers are the next generation of consumers with disposable income and growing households

49% of consumers are Values-Oriented shoppers

88% of V.O.S. purchase groceries at least once a week

1.2X MORE FREQUENT

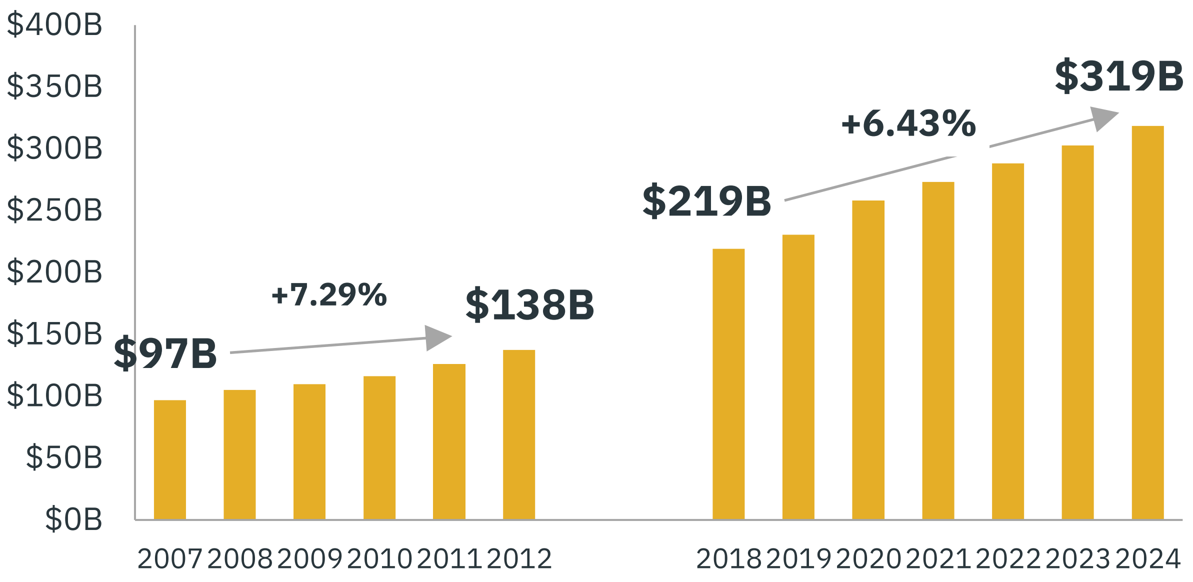
65% of V.O.S are extremely or very adventurous to try new brands products

2.5X MORE FREQUENT

The U.S. natural products industry is a force

Through our alignment to values-oriented shoppers, the US natural products industry has more than tripled in size since 2007 growing from $97B to nearly $320B in 2024 with volume growth every year.

Total US Natural and Organics Products Industry



NATURAL PRODUCTS ARE BRINGING IN NEW SHOPPERS

95.5% of US households buying natural products, up almost 1%

+ 2M

MORE NPI BUYERS

6%

INCREASE IN TRIPS PER BUYER

Latest 12 weeks versus year ago

YOUNGER SHOPPERS ARE BUILDING MOMENTUM

2030

“Zennials” will hold **47–60%** of buying power

And they **shop with their values**, favoring people and planet as well as health

Source: New Hope Network annual market sizing in partnership with SPINS
Nutrition Business Journal ($mil, consumer sales), powered by SPINS. Recent trends for 2023-24 estimate apply SPINS trends to NBJ and SPINS source data Total includes natural and organic food and beverages, functional food and beverages, supplements and natural living

Source: SPINS All Outlet Consumer Panel (powered by Circana), 12 weeks ending .Oct 6, 2024

SPINS

Shopper preferences with **staying power**

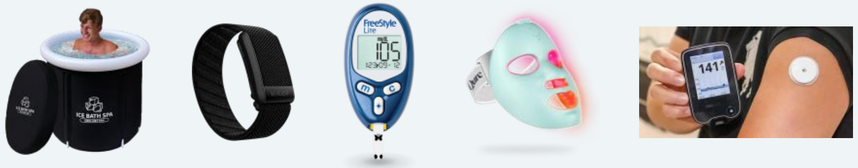
Values-oriented consumer preferences and behaviors are transforming our industry

Lifespan to Healthspan	"Before it's too late"	**Longevity focus; personalized**
Sustainability	Secondary driver in CPG purchases	**Table stakes**
New Global Notions	Segmented store placement	**Blending as ordinary. Flavor adventure**
Intentional Indulgences	Excess and sometimes polarizing; mindless eating	**Intentional choices for how "I" want to indulge**

Quality of life and holistic wellness has become integral to our "personal brand" = **Active Aging**

Revolution of the **practitioner approach**

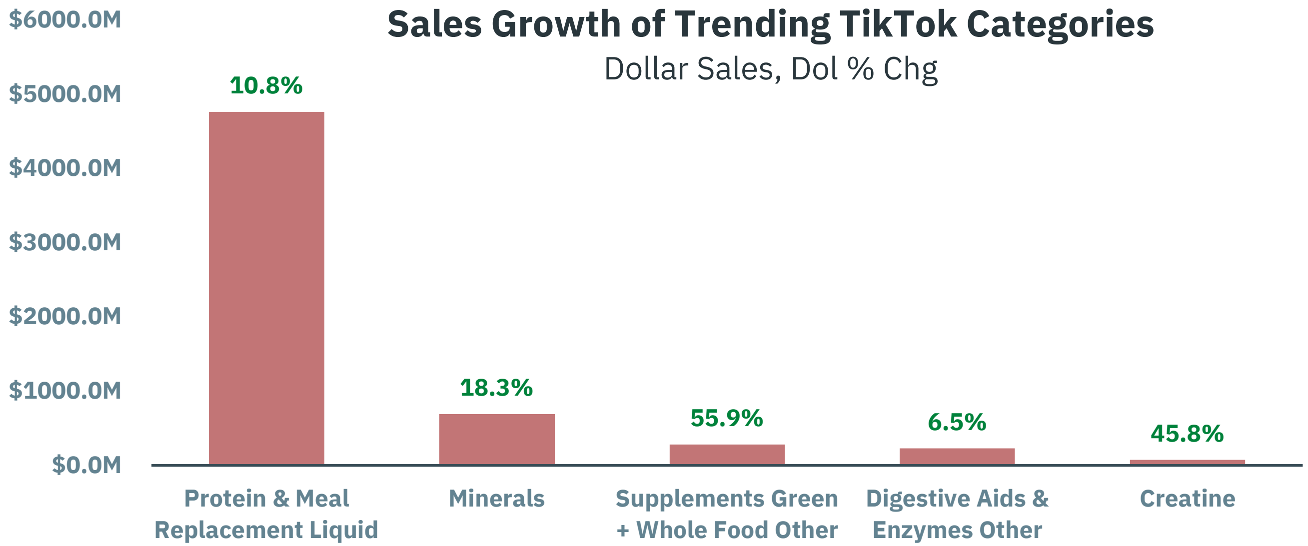
Practical prevention & proactive planning for **long game living**



Incorporation of **incremental elements**

What's new And **trending on social media**?

High-protein diets, hydration, creatine, magnesium, and gut health continue to be leading topics on TikTok in the U.S.



Example Products

Trending Topics in the US:

Postbiotics

CBD + CBG Gummies

Lions Mane Mushroom Supplements

Soursop Bitters

Sea Moss Gummies

Plant-Based Proteins

Source: SPINS Natural Channel + Multi-Outlet (MULO) (Powered by Circana)
Dept: Vitamins & Supplements
52 Weeks Ending 6/16/24

Choosing what to eat has **personalized meaning** grounded in nutrition and lifestyle.

Consumers continue to look to foods to improve health and age "actively"

Total Sugars

Sodium

Total Carbs

Dietary Fiber

Protein

Vitamins & Minerals

$32M |+57.6%

20g+ Protein Bread & Baked Goods

$356M |+32%

Magnesium Functional Ingredient in Supplements

$52.4M |+51.1%

No Sugar Shelf Stable Coffee & Tea RTD

$42.7M |+11%

Plant Based Positioned Protein Powders and RTDs

$159.8M |+53.6%

High Fiber Shelf Stable Cookies

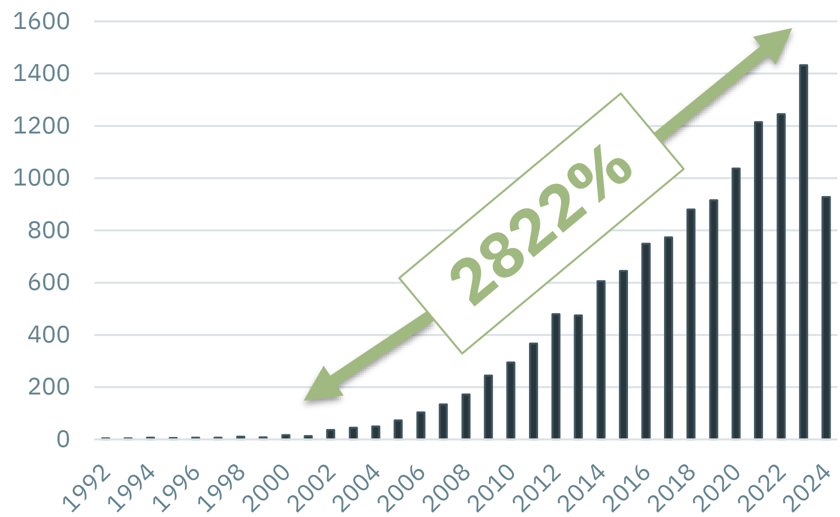
$181.9M |+6.6%

Low Sodium Shelf Stable Soups

Source: SPINS US Natural Enhanced Channel, Conventional Multioutlet (powered by Circana), 52 Weeks ending 10.06.24

We cannot underestimate the **likely impact of GLP-1s,** particularly with the likely approval of oral versions

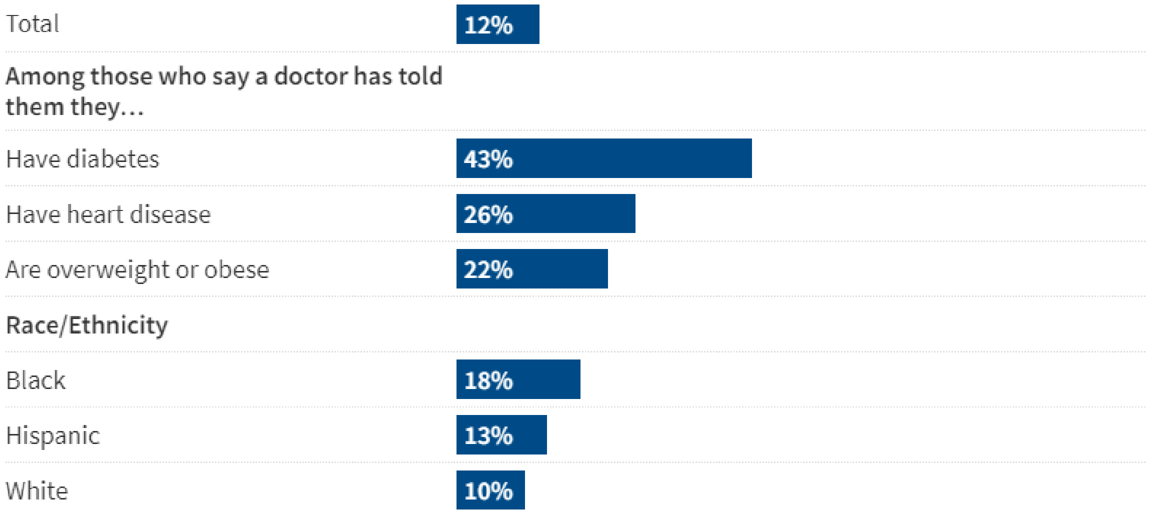
Publications on pubmed*: search term "GLP-1 RA"



*all types of publications, not indicative of results or quality

One in Eight Adults Say They Have Ever Used GLP-1 Drugs, Rising to Four in Ten Among Adults Who Have Been Diagnosed With Diabetes

Percent who say they have ever used GLP-1 agonist drugs to lose weight or treat a chronic condition such as diabetes or heart disease:



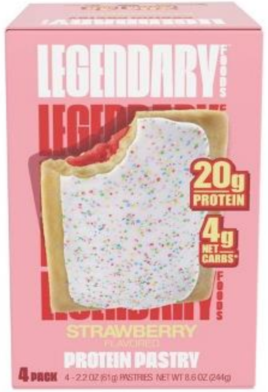
For educational purposes only.

Source: KFF Health Tracking Poll May 2024: The Public's Use and Views of GLP-1 Drugs
https://www.kff.org/health-costs/poll-finding/kff-health-tracking-poll-may-2024-the-publics-use-and-views-of-glp-1-drugs/

The **broadening of protein-enriched** foods and beverages

With protein now being incorporated into a variety of foods and beverages – including powders, pastry snacks, chips and cereals, there is something for every time of the day.

	Protein Supplements & Meal Replacements		SS Cookies & Snack Bars		SS Chips, Pretzels & Snacks		SS Cold Cereals	
	Dol % Chg	Unit % Chg	Dol % Chg	Unit % Chg	Dol % Chg	Unit % Chg	Dol % Chg	Unit % Chg
	+9.2%	+6.5%	+8.3%	+3.8%	+66.7%	+62.6%	+24.6%	+21.4%
Example Products	Truvani Plant Based Protein		Legendary Foods Protein Toaster Pastry		Quest Protein Tortilla Chips		Magic Spoon Protein Cereal	

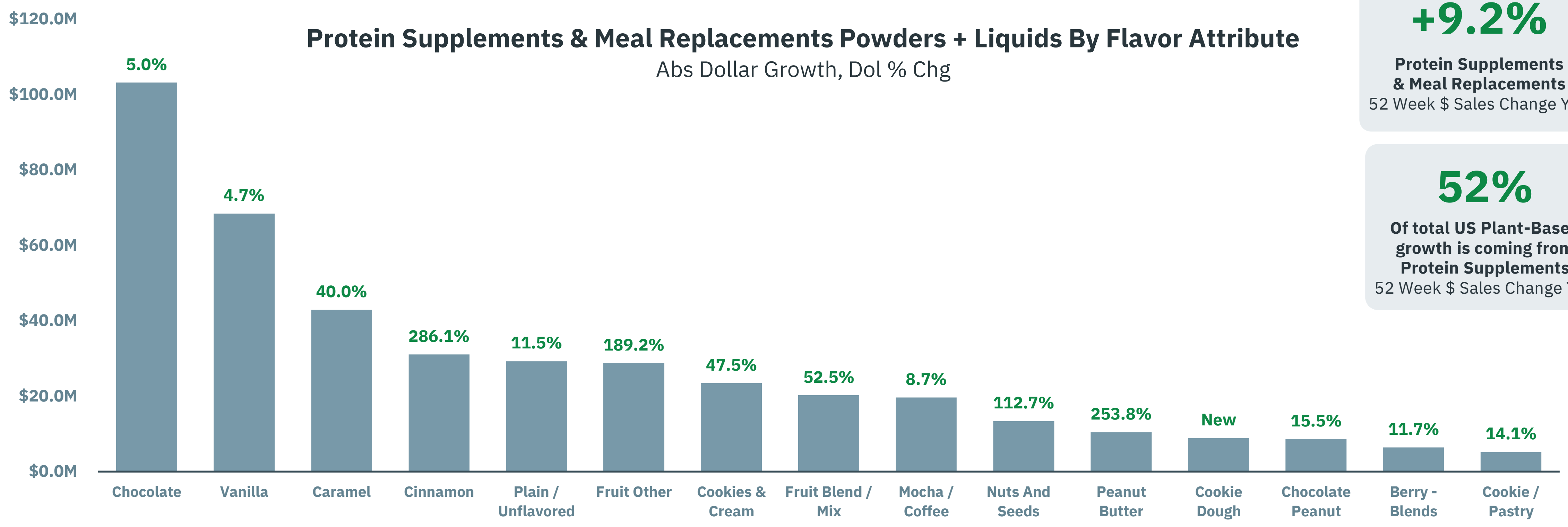


** % Represents % Change YoY (vs same time LY)*

Source: SPINS Natural Channel + Multi-Outlet (MULO) (Powered by Circana)
Dept: Vitamins & Supplements, Grocery, Attribute: Functional Ingredients: Protein Included
52 Weeks Ending 6/16/24

Rising trends in protein: the **quest for flavor and fitness**

Protein powders and ready-to-drink products are trending, fueled by weight management and post-workout recovery solutions, as well as shoppers' desire for new and exciting flavors.



+9.2%

Protein Supplements & Meal Replacements
52 Week $ Sales Change YoY

52%

Of total US Plant-Based growth is coming from Protein Supplements
52 Week $ Sales Change YoY

Source: SPINS Natural Channel + Multi-Outlet (MULO) (Powered by Circana)
Dept: Vitamins & Supplements, Category: Protein Supplements & Meal Replacements Powders + Liquids
52 Weeks Ending 6/16/24

Beverage innovation through **functional ingredients**

Shoppers continue to rally behind 'beverages as medicine' positioned to boost and support key health aspects. Watch for white space and innovation within categories to reboot shopper interest across the beverage aisle.

Top Performing Health Focuses Tracked in Beverage

Health Focus	Sales	%growth YoY
MOOD SUPPORT	$46,206,809	69.8%
PERFORMANCE	$74,889,051	50.6%
DIGESTIVE HEALTH	$1,616,258,753	35.2%
COLD & FLU	$87,630,139	19.6%
CLEANSE & DETOX	$18,987,713	16.9%
ENERGY SUPPORT	$7,957,532,885	6.4%
HANGOVER REMEDIES	$254,367	4.4%
WEIGHT LOSS	$787,641	2.7%
IMMUNE HEALTH	$53,607,588	2.1%
HEALTH FOCUS - NON SPECIFIC	$63,566,432,601	0.6%

Soda Category

Health Focus	YoY Growth
Immune Health	**+387.5%**
Mood Support	**+186.5%**
Digestive Health	**+149.5%**

Water Category

Health Focus	YoY Growth
Hangover Remedies	**+195.1%**
Reproductive Health	**+84.7%**
Cold & Flu	**+70.7%**

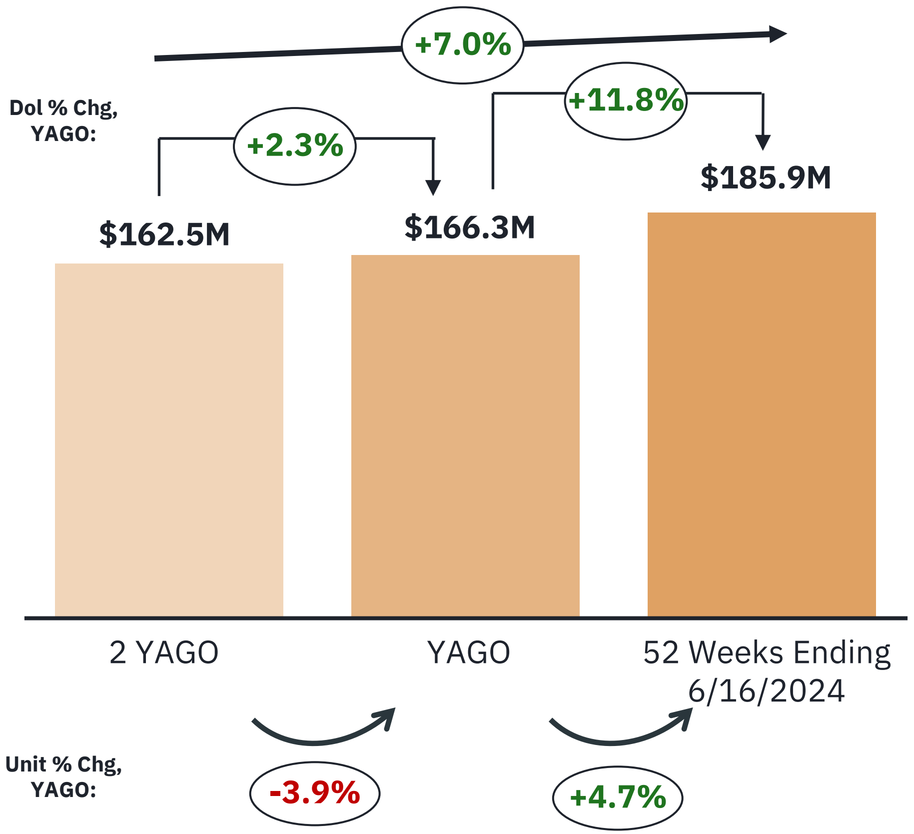
Source: SPINS Natural Channel, MULO (powered by Circana), 52 Weeks Ending 9/8/2024
Powered by SPINS Product Intelligence: Health Focus

Beverage innovation through **functional ingredients**

Functional beverages are enhanced with ingredients providing benefits ranging from improved digestion, energy, mood/sleep, pain and immune support.

Functional Beverages, 2 Year CAGR

Dollar Sales, Dol % Chg, Unit % Chg



Subcategory: Functional Beverages

52 Wks Ending 6/16/24 Dol % Chg, Unit % Chg

Functional Ingredient	Benefits	$ Sales % Chg	Unit Sales % Chg	Example Product
Mushrooms - All	• Immunity Support • Reduce Inflammation • Antioxidants	+80.4%	+77.5%	
Ashwagandha	• Reduce Swelling • Anxiety Support • Promote Sleep	+228.6%	+73.3%	
Turmeric	• Anti-inflammatory • Digestion • Joint Health	+6.6%	+14.5%	
Theanine	• Reduce Stress • Promote Sleep • Mental Focus	+80.2%	+22.5%	

Source: SPINS Natural Channel + Multi-Outlet (MULO) (Powered by Circana)
Dept: Refrigerated, Subcategory: Functional Beverages
3 Years Ending 6/16/24

Plant-based **innovation imperative**

Health span benefits of plant-based are valued, yet the market is challenged to deliver progressive innovation as consumers continue to voice **unmet needs** around **taste, price, and clean ingredients**.

Recent consumer feedback has confirmed

Taste Matters

#1

Consistently cited as the most critical factor influencing whether consumers will try or repeat plant-based products

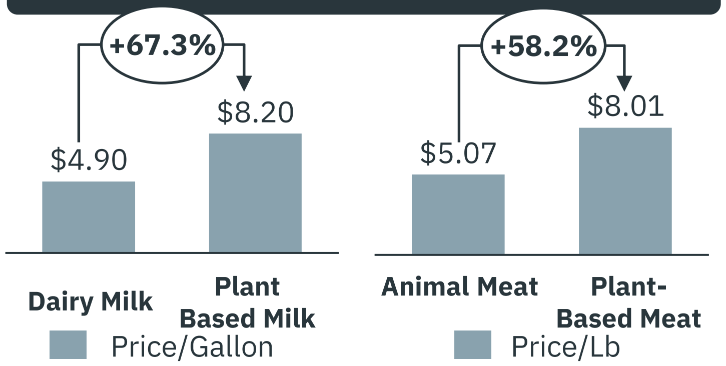
Ingredients Matters

90%

Of global consumers say ingredients have a major influence on their purchases

Table Stakes to Drive Trial

Price Matters



Price Parity is Essential for Long-Term Success

Where **value meets growth, and opportunity**

PROTEIN

KIDS

FIBER

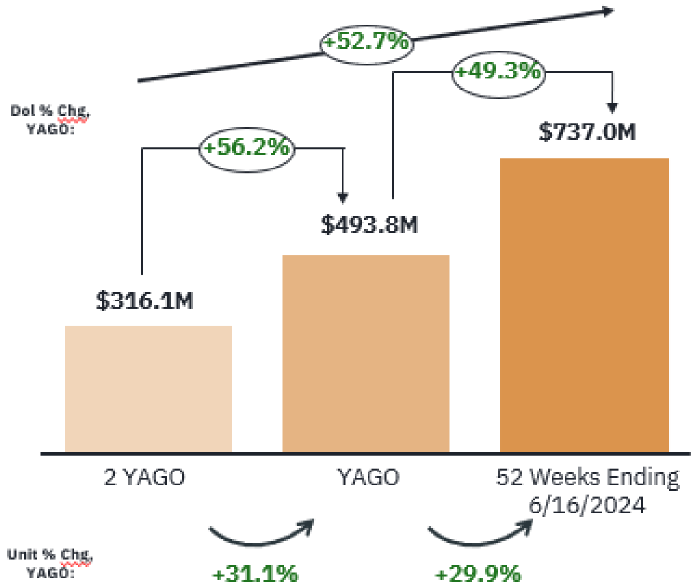
Source: SPINS Satori, Total US MULO (powered by Circana) and Natural Enhanced Channel, Latest 24 weeks ending 7.14.2024
Kalsec, “What Clean Label Means to Consumers | New Global Survey on Food and Beverage Perceptions” April 2023, n=6,0000

Products that enhance **physical performance and recovery through proper hydration**, targeted supplements, and essential micronutrients continue to grow in Performance Nutrition (+24.4%).

Hydration and electrolytes are now **essential for everyone**, with new formulas designed to meet the needs of a diverse range of individuals.

Hydration & Electrolyte Subcategory 2 Year CAGR

Dollar Sales, Dol % Chg, Unit % Chg



HYDRATION: Top Functional Ingredients

Functional Ingredient	Dollar Sales	Dollar Sales % Chg	Unit Sales % Chg	Example Product
Multi-Minerals	$583.3M	+49.4%	+30.9%	
BCAA's	$19.6M	+12.4%	+23.4%	
Magnesium	$3.2M	+344.5%	+806.8%	
Taurine	$1.5M	+835.5%	+728.9%	

Source: SPINS Natural Channel + Multi-Outlet (MULO) (Powered by Circana)
Dept: Vitamins & Supplements, Subcategory: Hydration & Electrolytes
3 Years Ending 6/16/24

Nutrition and Nutrient Density takes center stage

Grains continue to diversify as consumers increasingly seek out nutritional benefits in all parts of the plate. Sourcing nutritious and sustainable ingredients is increasingly vital.

Nutritious Grains Continue To Win On Shelf

+40%
HIGH PROTEIN
Items With 20g Protein Or More Per Serving

+16%
LOW SODIUM

+14%
LOW IN SATURATED FATS

+11%
HIGH FIBER
Items With 10g Fiber Or More Per Serving

Quinoa

Farro

Sorghum

Amaranth

Teff

Millet

Sustainable grains align to present day ethos

74%
of all shoppers care about the environmental impact of the products they buy

+12%
Regenerative Organic Certified
SS Rice & Grains
YoY Growth

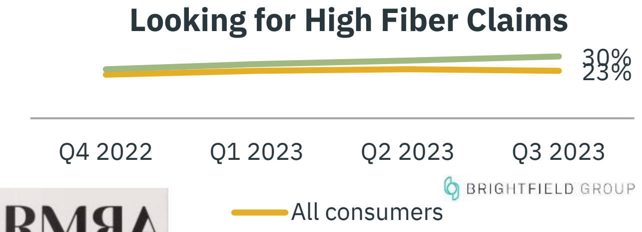
Whole Grains use
90%
less water than Beef production

Source: SPINScan. SS Rice & Grains (Dry Plain) $ % Change YA.
52 Weeks ending 05.19.2024. Total US- Natural Channel and MULO powered by Circana.
Grains info sources: teffco.com, americansorghum.com, sunwarrior.com, marthastewart.com

What's Next– Supplements are part of the routine of most 'healthspan' shoppers and often prepare a path for food and beverage opportunity

Redefining daily routines and consumption increase physical longevity and decrease the rate of aging

- **Collagen & Colostrum**
- **Honing Hydration**
- **Fiber: Nature's Ozympec?**



Looking to supplements to help **prevent muscle loss** and aid in injury prevention as they continue to grow older

- **Protein**
- **Creatine**
- **HMB**
- **BPC-157**

Interest in **cellular health** is trending upwards as consumers look for ways to slow down aging beyond what's on the surface

- **NMN**
- **NADH**
- **COQ10**
- **Resveratrol**

Source: Brightfield Group

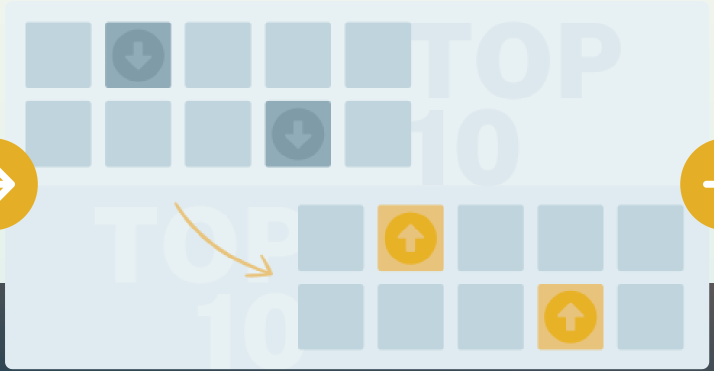
Source: SPINS Natural Channel + Multi-Outlet (MULO) & Convenience (Powered by Circana)
Dept: VMS, Functional Ingredient | 52 Weeks Ending 09/08/24

What does disruptive innovation **look like**?

Disruption is when emerging brands or products with new attributes gain market share from the traditional leader. That path to disruption often comes in three stages.

INNOVATION LAUNCH

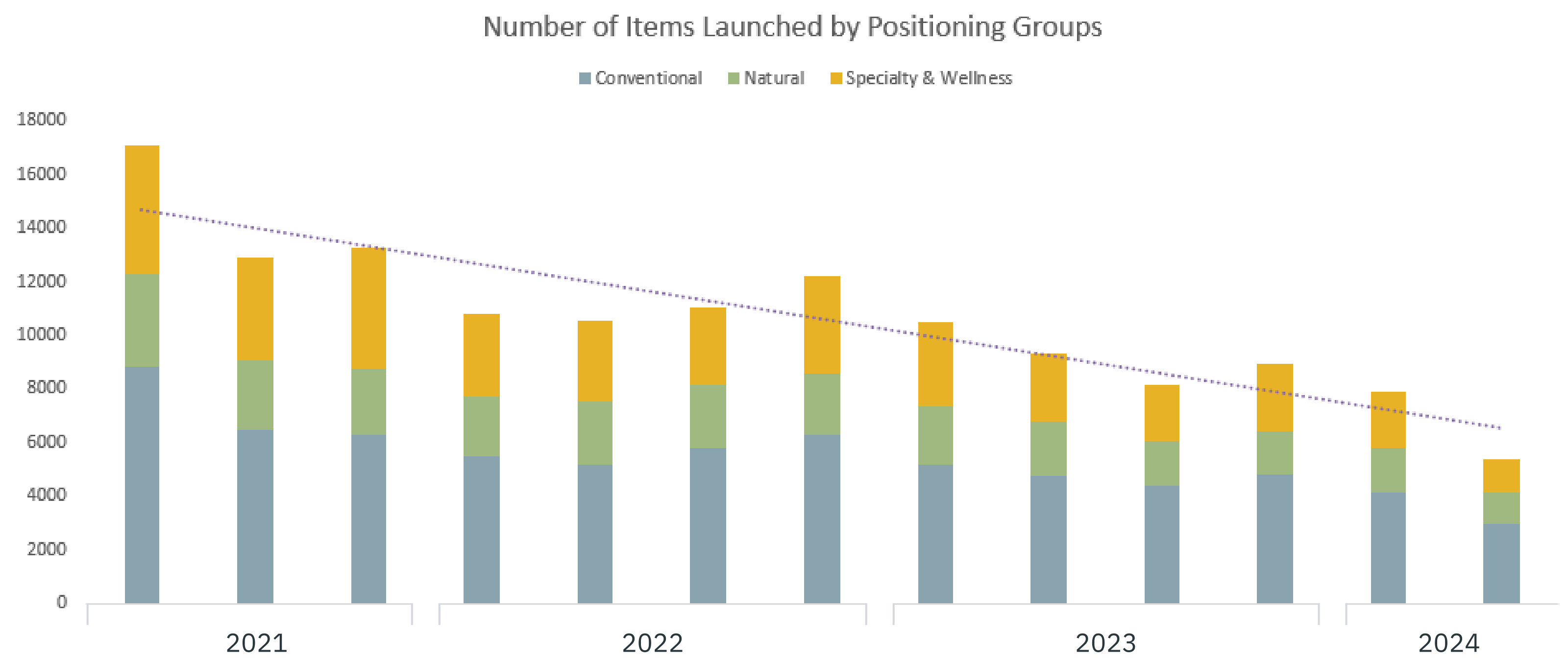
SURPRISING GROWTH



MARKET PENETRATION

For CPGs **market conditions + profit focus = fewer new products over the last few years**

Fewer new products doesn't mean less innovation. Brands are evolving their approach.



Source: SPINS Total US Natural Enhanced Channel + Multioutlet (powered by Circana), Frozen, Grocery and Refrigerated Departments; UPC Level; First Week Selling Used to Calculate New Items Launched Per Quarter

Soda

Regular Soda Category
+5%

Diet & Alt Sweetened Soda
+11%

Naturally Sweetened Soda
+5%

Digestive Health Sodas
+174%

+ Natural

Sparkling Water

+ Biotics

Kombucha

From high sugar to digestive health, we have now seen the reinvention of soda for the modern age.

Protein Chips

Potato Chips
+4%

Chips*, Protein 15g to <25g
+27%

+ Protein

+ Simple Ingredients

High protein consumption continues to be a growing trend, and consumers are looking for more ways to incorporate it into their diet

SPINS: Natural, MULO (powered by Circana); 52 Weeks Ending 04.21.2024 Soda | Sweeteners – Ingredient, Digestive Health – Health Focus

Pantry Staples

EARLY → MATURE

Pasta

Other Pantry Staple

Example: Pickles

Pickles
+3%

+ Probiotics

While some subcategories, such as pasta, are far along in the disruption journey, other pantry staples are just beginning. Ingredients and sustainability are key. The "snackification" of pickles and highlighting its digestive health benefits could bring the category to new heights.

The **Modern Kitchen** is Changing

Flavor

Who Can Take More Heat

Serrano Peppers: +13%

Banana Pepper: +9%

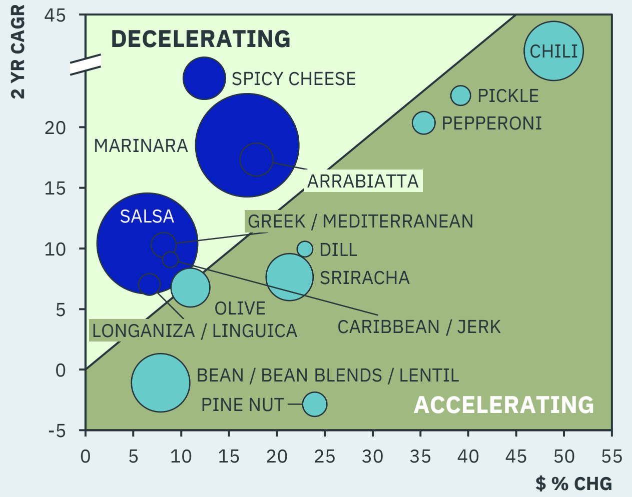
Chipotle Peppers: +17%

New Salinity Sources

Sodium as rehydration mechanism in sweet flavors along with spicy salinity will accelerate

Bringing Adventure

Select Spicy & Savory Flavor $MM and % Chg



Texture

Viral recipes in 2024 are often a play on textures from crunchy candied fruit, to crispy rice paper croissants.

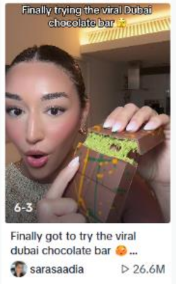
Tanghulu

Rice Paper Croissant

Cheese Pickle

Pasta Chips

Dubai Chocolate

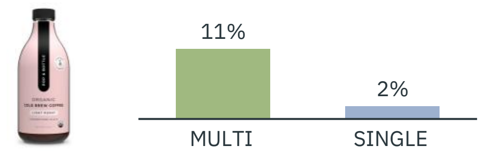


Pack Size

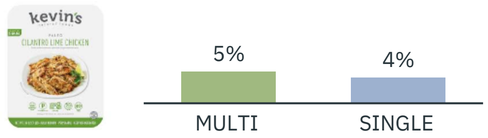
Multi-Serve Format

Dollar % Change

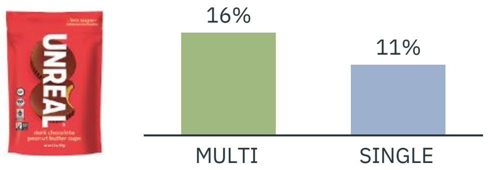
RTD COFFEE



ENTREES



SS CANDY CHOCOLATE



Source: SPINS Satori. Multi-Serve vs. Single Serve Growth Across Select Categories. 52 Weeks ending 10.6.2024 .Total US- Natural Channel and MULO powered by IRI.

The Evolution of CPG: **Sustainably Driven Innovation**

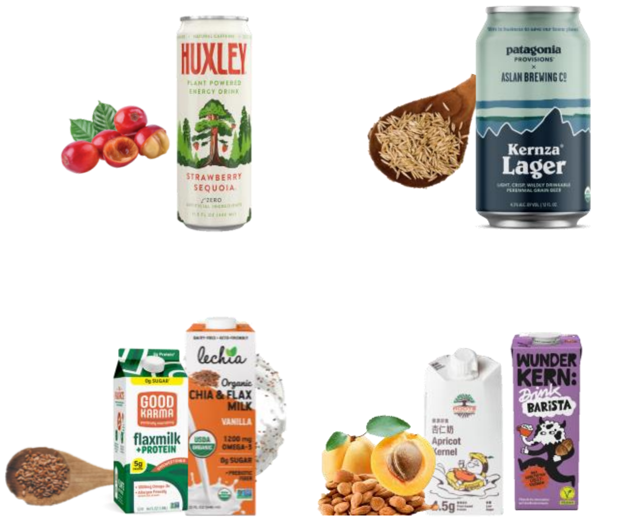
From conventional classics to natural disruptors, sustainable products are the next level of enhancing how we eat; creating sourcing opportunities for ingredient suppliers

CLASSICS → DISRUPTORS → ENHANCEMENT

Planning Ahead

Sustainability is increasingly becoming table stakes for retailers and consumers, and ingredients can play a key role.

Sustainable Fruit, Seeds, & Grains



Kid-Positioned Product Growth

Packaging Reinvented

Refrigerated and Grocery Departments $ % Chg YA. Top 5 Kids Categories is Frozen, Refrigerated, and Grocery by $ % Chg YA, Dollar Sales >$50K. SPINS PI: Age Group for Baby and Kids 52 weeks ending 04.21.2024. Total US- Natural Channel and MULO powered by Circana.

Active Aging - Key Takeaways

Values-Based Shoppers

Values-oriented shoppers are the next generation of consumers with disposable income and growing households

Healthspan

Consumers are constantly learning in a variety of ways; creating their own recipe for a long, healthy, active life. Ingredients, particularly functional ingredients, play a major role in choices.

Innovation & Disruption

Ensure your offerings fit into the framework of consumer preferences and future fit. In addition to novel ingredients, keep in mind innovation comes in many flavors, packages and textures.

Sustainability

While taste, nutrition and price rank higher in choices, consumers are increasingly demanding planet-friendly components as table stakes for a product. Sustainable sourcing puts you a step ahead.

SPINS

Lean on SPINS.
We have the team and tools ready to help you navigate each of these dynamics successfully; particularly using the experience of the U.S market as a roadmap.

For a copy of this presentation, email me at bcasteel@spins.com and check out www.spins.com

THANK YOU!

For a copy of this presentation, email me at bcasteel@spins.com