Accelerating the Next Wave of Alaska Seafood Growth

Winning With Alaska Seafood at Retail

Chris DuBois, EVP and Practice Leader

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Today’s Discussion

1. Impact of Inflation
2. 2022 Seafood Retail Landscape
3. Why Volume Fell in 2022
4. The Next World – Winning in 2023 & Beyond
Impact of Inflation
September 2022: Shopper Concerns Over Prices Continues

The % of shoppers who are concerned about food cost inflation, steady with August results

Are making one or more changes, steady with August results. Looking for sales is the most popular (49%) followed by cutting back on non-essentials (43%)

Said they are dining out less often due to inflation, the most popular purchasing change. Forgoing fresh not popular - Buying less fresh meat/poultry (28%) fresh produce only had less than 15% agreement

Sources: IRI Shopper Survey September 2022
Food Inflation Exceeds Levels Reached During the Great Recession; Food At-Home Inflation Tops Food Away-From-Home

Monthly F&B Price Inflation / CPI, % Change vs. YA

Source: BLS data ending July 2022.

At-Home
July ‘22: 13.1%

Away-From-Home
July ‘22: 7.6%

Great Recession: 2008-2009
Per Occasion, Foodservice Costs Are More Than 3x Those of At-Home Occasions, With the Absolute Dollar Gap Widening

Cost per Eating Occasion

<table>
<thead>
<tr>
<th>Year</th>
<th>At-Home / Retail</th>
<th>Restaurants</th>
</tr>
</thead>
<tbody>
<tr>
<td>2020</td>
<td>$1.51</td>
<td>$6.58</td>
</tr>
<tr>
<td>2021</td>
<td>$1.56</td>
<td>$6.83</td>
</tr>
<tr>
<td>2022</td>
<td>$1.65</td>
<td>$7.25</td>
</tr>
</tbody>
</table>

Note: Estimates based on sales and eating occasions. Source: IRI NPD POS and consumer data.
The Share of Home-Based Meals Continues to Be Over 78%

Share of Total Meals Prepared at Home By Month (%)

53% Estimated 2019 Wallet Share of Food at Home

19% of shoppers plan to cook at home MORE in October 2022 than in September

24% plan to eat at a restaurant LESS next month

Sources: IRI Shopper Survey September 2022
There’s No Single Response to Food Inflation

Big Differences Between High and Low-Income Shoppers

AT HOME
- Grocery (Seek Deals) and Convenience
- Trade Down to Essentials
- Trade Up to Affordable Luxuries
- Premium
- Mainstream
- National Brands
- Private Label
- Bulk Value for Priorities
- Lower-Ticket Items
- Buy DIY At-Home
- Buy Away-From-Home Quality for At-Home Indulgence

AWAY FROM HOME
- Casual Dining
- Fast Casual Restaurants
- Quick Serve Food (seek more value meals / deals)
- Conveniences Store
- Personal Services
- Do-It-Yourself
Low Income Households Lead the Change in Shopping Behavior

Changes in Shopping Choices Due to Increased Prices – % of Respondents

<table>
<thead>
<tr>
<th>Change in Shopping Choices</th>
<th>Lower Income</th>
<th>Upper Income</th>
</tr>
</thead>
<tbody>
<tr>
<td>Look for more sales</td>
<td>45%</td>
<td>53%</td>
</tr>
<tr>
<td>Cut back on non-essentials</td>
<td>35%</td>
<td>43%</td>
</tr>
<tr>
<td>Look for more coupons</td>
<td>23%</td>
<td>35%</td>
</tr>
<tr>
<td>Stick to a budget</td>
<td>22%</td>
<td>35%</td>
</tr>
<tr>
<td>Switch to store brands</td>
<td>22%</td>
<td>31%</td>
</tr>
<tr>
<td>Switch to lower cost brands</td>
<td>22%</td>
<td>33%</td>
</tr>
<tr>
<td>Shop more at value retailers</td>
<td>17%</td>
<td>27%</td>
</tr>
<tr>
<td>Shop more retailers to get the best deals</td>
<td>13%</td>
<td>16%</td>
</tr>
<tr>
<td>Switch shopping to a lower-cost retailer</td>
<td>13%</td>
<td>16%</td>
</tr>
<tr>
<td>No changes</td>
<td>29%</td>
<td>-</td>
</tr>
</tbody>
</table>

Low and middle-income households experience ~1ppt. more total household inflation impact due to greater dependence on high inflation areas (e.g., food, utilities).

Note: Lower Income = <$30k 1P + $5k per additional person, Upper Income = $>70k 1P + $30k all others. IRI Consumer Pulse survey, August 2022, N=1,000+. IRI Client Engagement.
2022 Seafood Retail Landscape
Sale YOY Continue to Grow Dollar Sales Even with Price Increases Causing Softness on Volume and Units

<table>
<thead>
<tr>
<th></th>
<th>Dollar Sales % Change</th>
<th>Volume / Unit Sales % Change</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>ALL EDIBLE</td>
<td>ALL NONEDIBLE</td>
</tr>
<tr>
<td></td>
<td>+7.2%</td>
<td>+3.7%</td>
</tr>
<tr>
<td></td>
<td>-2.4%</td>
<td>-5.1%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Category</th>
<th>Dollar Sales % Change</th>
<th>Volume / Unit Sales % Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Food</td>
<td>+8.5%</td>
<td>+8.1%</td>
</tr>
<tr>
<td>Fresh Meat</td>
<td>-2.2%</td>
<td>-2.7%</td>
</tr>
<tr>
<td>Refrigerated</td>
<td>+6.5%</td>
<td>+5.0%</td>
</tr>
<tr>
<td>Fresh Produce</td>
<td>-4.2%</td>
<td>-3.9%</td>
</tr>
<tr>
<td>Frozen</td>
<td>+6.9%</td>
<td>+10.8%</td>
</tr>
<tr>
<td>Deli</td>
<td>-3.8%</td>
<td>+1.1%</td>
</tr>
<tr>
<td>Bakery</td>
<td>+10.5%</td>
<td>-0.5%</td>
</tr>
<tr>
<td>Total Seafood</td>
<td>-10.6%</td>
<td>-3.0%</td>
</tr>
</tbody>
</table>

Source: IRI MULO + C; Latest 52 weeks 10/2/2022
Shelf Stable Seafood Sales Rose in 2022, But Inflation Throughout the Economy and Increased Mobility Took Its Toll in Refrigerated and Frozen

*Frozen dollar sales have held up well despite higher prices*

<table>
<thead>
<tr>
<th>Category</th>
<th>Sales</th>
<th>Change</th>
<th>Pounds</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Shelf Stable</strong></td>
<td>$2.5 billion</td>
<td>+4.0%</td>
<td>466 million pounds</td>
<td>-1.9%</td>
</tr>
<tr>
<td><strong>Frozen</strong></td>
<td>$7.4 billion</td>
<td>-0.7%</td>
<td>996 million pounds</td>
<td>-8.6%</td>
</tr>
<tr>
<td><strong>Refrigerated</strong></td>
<td>$6.6 billion</td>
<td>-7.7%</td>
<td>685 million pounds</td>
<td>-18%</td>
</tr>
</tbody>
</table>

Source: IRI, Integrated Fresh, MULO, L-52 through WE 10/10/2022
Shelf Stable Seafood (Cans and Pouches)

*Dollar Sales Increased Mostly Due to Price Increases and Mix Changes*

### Shelf Stable vs. 2021

<table>
<thead>
<tr>
<th></th>
<th>2022 Dollar Sales</th>
<th>2022 Volume Sales</th>
<th>2022 PPV</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Tuna</strong></td>
<td>$1.8B</td>
<td>+4.7%</td>
<td>$359MM</td>
</tr>
<tr>
<td><strong>Salmon</strong></td>
<td>$239MM</td>
<td>-3.3%</td>
<td>$39MM</td>
</tr>
<tr>
<td><strong>Clams</strong></td>
<td>$57.5MM</td>
<td>+2.4%</td>
<td>$10.9MM</td>
</tr>
</tbody>
</table>

Source: IRI OmniMarket POS Multi-outlet, Last 52 WE 10/02/2022
Refrigerated Seafood

FinFish much stronger than Shellfish in the last year despite higher prices overall

| Refrigerated vs. 2021 |  |  |  |
|-----------------------|-----------------|-----------------|-----------------|-----------------|
| $6.6B                 | $2.4B           | $3.8B           | $6.6B           |
| -7.1%                 | -19.8%          | +1.6%           | -7.1%           |
| 685 MM                | 256M            | 379M            | 685 MM          |
| -5.2%                 | -23.4%          | -15.0%          | -5.2%           |
| PPV 10.4%             | PPV 10.4%       | PPV 10.4%       | PPV 10.4%       |

Source: IRI, Integrated Fresh, MULO, L-52 WE 10/3/2022
Refrigerated Fish Top 10 $ Sales Leaders in 2022

Salmon is the Largest Species by Sales, But Pollock Also Had Very Good $ Sales

<table>
<thead>
<tr>
<th>Fish</th>
<th>Total U.S.</th>
<th>Alaska Only</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salmon</td>
<td>8.3%</td>
<td>-0.7%</td>
</tr>
<tr>
<td>Pollock</td>
<td>-1.5%</td>
<td>+7.9%</td>
</tr>
<tr>
<td>Cod</td>
<td>-2.7%</td>
<td>-6.0%</td>
</tr>
<tr>
<td>Halibut</td>
<td>-35.8%</td>
<td>-29.4%</td>
</tr>
<tr>
<td>Rockfish</td>
<td>-4.1%</td>
<td>1.2%</td>
</tr>
<tr>
<td>Flounder</td>
<td>+1.2%</td>
<td>-14.1%</td>
</tr>
<tr>
<td>Haddock</td>
<td>-5.7%</td>
<td>9.1%</td>
</tr>
<tr>
<td>Mackerel</td>
<td>-55.8%</td>
<td>+335%</td>
</tr>
<tr>
<td>Kingfish</td>
<td>-88.0%</td>
<td>146.4%</td>
</tr>
<tr>
<td>Sablefish</td>
<td>13.1%</td>
<td>-23.7%</td>
</tr>
</tbody>
</table>

Source: IRI, Integrated Fresh, MULO, L-52 WE 10/3/2022
Frozen Seafood Sales Declined Slightly Despite 8.6% Price Increases

Frozen Pollock Outperformed in Driving Sales Despite High Price Increases

Frozen vs. 2021

$7.4B -0.7%
996MM lbs -8.6%
PPV 8.6%

<table>
<thead>
<tr>
<th></th>
<th>2022 Dollar Sales</th>
<th>2022 Volume Pounds</th>
<th>2022 PPV</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Alaska</td>
<td>$689MM</td>
<td>-0.0%</td>
<td>108MM 13.6%</td>
</tr>
<tr>
<td>Total Salmon</td>
<td>$766MM</td>
<td>+12.0%</td>
<td>83MM -6.8%</td>
</tr>
<tr>
<td>Total Pollock</td>
<td>$533MM</td>
<td>+6.8%</td>
<td>120MM -4.5%</td>
</tr>
</tbody>
</table>

Source: IRI Omnichannel MULO, 52 WE 10/02/2022
Frozen Seafood Top Sales Leaders in 2022
For Species With Sales >$15M

<table>
<thead>
<tr>
<th>Species</th>
<th>Total U.S.</th>
<th>Alaska Only</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salmon</td>
<td>+12.0%</td>
<td>-4.3%</td>
</tr>
<tr>
<td>Pollock</td>
<td>+6.8%</td>
<td>+8.7%</td>
</tr>
<tr>
<td>Cod</td>
<td>6.8%</td>
<td>-8.5%</td>
</tr>
<tr>
<td>Halibut</td>
<td>-40.2%</td>
<td>-22.2%</td>
</tr>
<tr>
<td>Scallop</td>
<td>-15.6%</td>
<td>-11.6%</td>
</tr>
<tr>
<td>Flounder</td>
<td>-16.5%</td>
<td>-15.1%</td>
</tr>
<tr>
<td>Crab</td>
<td>-19.5%</td>
<td>-19.5%</td>
</tr>
</tbody>
</table>

Source: IRI, Integrated Fresh, MULO, L-52 WE 10/2/2022
Salmon is the Powerhouse in Refrigerated Finfish, Representing 71% of Finfish Share

**Fresh Salmon Household Engagement**

- **Household Penetration:** 29.8% (+1.0% vs. YA)
- **Annual Trips Per Buyer:** 6.0x (+2.4 Trips vs. YA)
- **Dollars Per Trip:** $15.01 (+4.3 vs. YA)
- **YTD Spend Per Buyer:** $83.07 (+6.9 vs. YA)

Source: IRI, All outlets, 52 WE 10/2/2022 vs. YA
Salmon Drives High Margin Purchases When It Is In the Cart

Source: IRI, All outlets, 52 WE 10/2/2022 vs. YA
Despite a Generally Down Year, Five Year Growth Has Been High

<table>
<thead>
<tr>
<th></th>
<th>Salmon</th>
<th>Lobster</th>
<th>Crab</th>
</tr>
</thead>
<tbody>
<tr>
<td>5 Year Dollar Growth</td>
<td>+50.0%</td>
<td>+44.0%</td>
<td>+22.0%</td>
</tr>
<tr>
<td>5 Year Volume Growth</td>
<td>+32.8%</td>
<td>+8.8%</td>
<td>+20.6%</td>
</tr>
</tbody>
</table>

Source: IRI Market Advantage Integrated Fresh US MULO, Data Ending 8/4/2022
Why Volume Fell in 2022
Refrigerated Seafood Lost Some Households, but Overall Penetration is Strong

Refrigerated Seafood Department Household Engagement

Household Penetration
55.4%
- 3pp vs. YA

Annual Trips Per Buyer
8.3x
No Change vs. YA

Dollars Per Trip
$15.29
-$0.94 vs. YA

YTD Spend Per Buyer
$126.96
-$8.00 vs. YA

Source: IRI OmniConsumer Scan Panel, 52 WE 10/02/2022
2022 Refrigerated Seafood Losses Were Driven By Gen X, Boomers and Upper Income Families

**Refrigerated Seafood Buyer Migration**

52 WE 10-2-22

**TOTAL DOLLARS** -7.7%

- **8%** Dollars from New Buyers
- **9%** Dollars from Lost Buyers
- **92%** Dollars from Retained Buyers

(-23.9%) net new / lost dollars

(-7.4%)

**Key Demos Driving Losses**

- **GEN X** -$383MM or 12.8%
- **BOOMERS** -$321MM or 8.3%
- **All Generations Down vs. YA**
- **UPPER INCOME** -$432MM or 9.5%
- **All Income Levels Down vs. YA**

Source: IRI OmniConsumer Scan Panel, 52 WE 10/02/2022
Who is the Refrigerated Seafood Consumer?

Income and age gaps narrowed a little but remain opportunities.

**EDUCATION**

Consumption rises along with education, particularly among men.

**HOUSEHOLD SIZE**

Highest index among HH of two (120) vs. just 78 for people living alone.

Lower engagement among HH with kids: no kids in HH indexes at 107, 1+ kids indexes at 85 (-4 pts vs. LY).

**ETHNICITY**

Much more popular among African Americans (index 152) and Asians (index 223) – both slightly lower than LY.

<table>
<thead>
<tr>
<th>INCOME</th>
</tr>
</thead>
<tbody>
<tr>
<td>Engagement strongly related to income – upper-income HH &gt;$100,000 index at 140 vs. 69 among lower income &lt;$30K</td>
</tr>
<tr>
<td>Share of fresh seafood dollars:</td>
</tr>
<tr>
<td>44% higher income</td>
</tr>
<tr>
<td>28% middle income</td>
</tr>
<tr>
<td>28% lower income</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>GENERATION</th>
</tr>
</thead>
<tbody>
<tr>
<td>Younger generations far under-index:</td>
</tr>
<tr>
<td>Younger Millennials 56</td>
</tr>
<tr>
<td>Older Millennials 77</td>
</tr>
<tr>
<td>Gen X 99</td>
</tr>
<tr>
<td>Younger Boomers 117</td>
</tr>
<tr>
<td>Older Boomers 127</td>
</tr>
</tbody>
</table>

Source: IRI OmniConsumer Scan Panel, 52 WE 10/02/2022
Finfish Has the Edge In Engagement, Including Trips; Shellfish Had Higher Trip Growth and Spend / Trip

<table>
<thead>
<tr>
<th>Refrigerated Finfish Department Household Engagement</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Household Penetration</strong></td>
</tr>
<tr>
<td>Finfish</td>
</tr>
<tr>
<td>Shellfish</td>
</tr>
<tr>
<td><strong>Annual Trips Per Buyer</strong></td>
</tr>
<tr>
<td>Finfish</td>
</tr>
<tr>
<td>Shellfish</td>
</tr>
<tr>
<td><strong>Dollars Per Trip</strong></td>
</tr>
<tr>
<td>Finfish</td>
</tr>
<tr>
<td>Shellfish</td>
</tr>
<tr>
<td><strong>YTD Spend Per Buyer</strong></td>
</tr>
<tr>
<td>Finfish</td>
</tr>
<tr>
<td>Shellfish</td>
</tr>
</tbody>
</table>

Source: IRI OmniConsumer Scan Panel, 52 WE 10/02/2022
2022 Fresh Finfish Dollar Gains Limitations Are Driven by Younger Millennials and Gen X, as Well as Upper Income Households

Refrigerated Finfish Buyer Migration 52 WE 10-22

TOTAL DOLLARS +1.6%

10% Dollars from New Buyers

11% Dollars from Lost Buyers

90% Dollars from Retained Buyers

(-12.9%) net new / lost dollars

Gain Limitations

YOUNGER MILLENNIALS
-$17MM or -5.6%
GEN X -$30MM or -1.9%
Millennials, Boomers, Retirees / Seniors Up vs. YA

UPPER INCOME
-$12MM or -0.5%
Lower Income +1.2%
Middle Income +1.0%

Source: IRI OmniConsumer Scan Panel, 52 WE 10/02/2022
### Refrigerated Shrimp and Crab Household Engagement

<table>
<thead>
<tr>
<th></th>
<th>Household Penetration</th>
<th>Annual Trips Per Buyer</th>
<th>Dollars Per Trip</th>
<th>YTD Spend Per Buyer</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Shrimp</strong></td>
<td>21.4% (+1.3%)</td>
<td>4.2x (+5.2%)</td>
<td>$11.73 (+2.2%)</td>
<td>$49.02 (+7.5%)</td>
</tr>
<tr>
<td><strong>Crab</strong></td>
<td>11.0% (-3.5%)</td>
<td>3.7x (-2.9%)</td>
<td>$25.54 (+13.5%)</td>
<td>$93.80 (+10.2%)</td>
</tr>
</tbody>
</table>

Source: IRI OmniConsumer Scan Panel, 52 WE 10/02/2022
2022 Refrigerated Shellfish Losses Are Driven by Millennials, Gen X and Upper-Income Families

Refrigerated Shellfish Buyer Migration
52 WE 10-22

TOTAL DOLLARS -19.8%

19% Dollars from New Buyers
22% Dollars from Lost Buyers
81% Dollars from Retained Buyers

(-34.6%) net new / lost dollars (-18%)

Gain Limitations

GEN X -$368MM or -27.8%
BOOMERS -$348MM or -20.5%
All Generations Down vs. YA

UPPER INCOME -$409MM or -22.8%
Lower Income -21.9%
Middle Income -20.1%

Source: IRI OmniConsumer Scan Panel, 52 WE 10/02/2022
Frozen Maintains Leadership In Household Penetration and Importantly, Maintains High Post-Pandemic Engagement

Frozen Seafood Household Engagement

- **Household Penetration**: 67.6% (-2.8 PP vs. YA)
- **Annual Trips Per Buyer**: 6.8x (-0.4 Trips vs. YA)
- **Dollars Per Trip**: $13.24 (+$1.10 vs. YA)
- **YTD Spend Per Buyer**: $90.78 (-$1.10 vs. YA)

Source: IRI OmniConsumer Scan Panel, 52 WE 10/02/2022
**Who is the Frozen Seafood Consumer?**

*Engagement with younger shoppers is a big opportunity.*

**CHILDREN**
Households with older kids buy more: 1+ kids ages 12-17 index at 120 vs. 85 for children 0-5

**ETHNICITY**
Much more popular among African Americans (index 158) and Asian Americans (index 116 – decline YOY)

**GENDER**
Consumption is higher among men, particularly male Gen X / Boomers, at 121 and 127 (increased YOY)

**INCOME**
Upper-income HH >$100,000 index at 112, but income gaps closed significantly
Share of frozen seafood dollars:
- 25% lower income
- 38% middle income
- 37% higher income

**GENERATION**
Younger generations far under-index
- Gen Z: 50 and Younger Millennials 67 (YOY Decline)
- Gen X (104) and Boomers (115) over-index

Source: IRI OmniConsumer Scan Panel, 52 WE 10/02/2022
Retained Buyers Are Strong for Frozen Seafood; Learning More About Lost Buyers Will Help Recover Volume

**Frozen Seafood Buyer Migration**

52 WE 10-22

- **6%** Dollars from New Buyers
- **8%** Dollars from Lost Buyers
- **94%** Dollars from Retained Buyers

(-33.2%) net new / lost dollars

**Gain Limitations**

- **MILLENIALS** -$128MM or 6.5%
- **GEN X** -$169MM or 6.4%
- **All Generations Down vs. YA**

**UPPER INCOME**

- **-255MM or 7.9%**

- Lower Income +0.4%
- Middle Income -2.6%

Source: IRI Omniconsumer Scan Panel, 52 WE 10/02/2022
Shelf Stable Seafood Declined in Penetration but Other Measures Strengthened

Shelf Stable Seafood Household Engagement

- Household Penetration: 63.5%
  -2.0 PP vs. YA

Annual Trips Per Buyer

- 6.3x
  +0.1 Trips vs. YA

Dollars Per Trip

- $5.75
  +$0.12 vs. YA

YTD Spend Per Buyer

- $37.43
  +$1.12 vs. YA

Source: IRI OmniConsumer Scan Panel, 52 WE 10/02/2022
2022 Shelf Stable Seafood Dollar Gains Were Limited By Younger Millennials; Lost Buyer Dollars Are Greater Than New Buyer Dollars

**Shelf Stable Seafood Buyer Migration**

52 WE 10-22

**TOTAL DOLLARS**  +4.0%

<table>
<thead>
<tr>
<th>Percentage</th>
<th>Dollars from</th>
<th>Dollars from</th>
<th>Dollars from</th>
</tr>
</thead>
<tbody>
<tr>
<td>9%</td>
<td>New Buyers</td>
<td>Lost Buyers</td>
<td>Retained Buyers</td>
</tr>
<tr>
<td>15%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>91%</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

(-36.2%) net new / lost dollars

**Gain Limitations**

**MILLENIALS**
- $59MM or 8.5%
- Older Millennials  $+25M
- Younger Millennials  -$59M

**UPPER INCOME**
- $60MM or 5.2%
- Lower Income  +2.1%
- Middle Income  +4.6%

IRI Source: Scan Panel Integrated Fresh New/Lost/Retained Buyer Flow, Total US All Outlets, SS Stable Seafood, 52 WE October 2019, 2020, 2021, 2022
Who is the Shelf Stable Seafood Consumer?

Engagement with younger shoppers is a big opportunity; otherwise very even engagement.

- **CHILDREN**: No difference on presence of children in the HH or their age.

- **EDUCATION**: No engagement difference based on education in male or female HH heads.

- **GENDER**: Engagement is the same across genders.

- **ETHNICITY**: No significant difference by ethnicity or HH size.

- **INCOME**: Engagement is not related to income, except canned clams have higher engagement among higher-income households.

- **GENERATION**: Only Boomers (126) over-index. Younger generations far under-index:
  - Gen Z & Millennials: 72
  - Gen X: 95

Source: IRI OmniConsumer Scan Panel, 52 WE 10/02/2022
2022 AO Refrigerated Seafood’s Slight Increase In Total Dollars Is From New Buyers Spending More Than Lost Buyers

<table>
<thead>
<tr>
<th>Buyer</th>
<th>Gain Limitations</th>
<th>Dollars from</th>
</tr>
</thead>
<tbody>
<tr>
<td>BOOMERS</td>
<td>+$4.3MM or 2.9%</td>
<td>New Buyers</td>
</tr>
<tr>
<td>SENIORS / RETIREES</td>
<td>+$5.1MM or 15.1%</td>
<td>Lost Buyers</td>
</tr>
<tr>
<td>MILLENNIALS</td>
<td>-$7.8%</td>
<td>Retained Buyers</td>
</tr>
<tr>
<td>LOWER INCOME</td>
<td>-$3MM or 4.1%</td>
<td></td>
</tr>
<tr>
<td>UPPER INCOME</td>
<td>+$6.5MM or 3.4%</td>
<td></td>
</tr>
</tbody>
</table>

*Source: IRI OmniConsumer Scan Panel, 52 WE 10/02/2022*
Looking into the Next World

Keys to Winning in 2023 and Beyond
Signal vs. Noise
Three Consumer Trends That Matter

Changing of the Guard
Everything Goes Digital
Sustainability
Changing
of the
Guard
The Year 2030 Marks a Turning Point for the U.S. Population

HALF of All Americans will be Millennials, Gen Z & Younger

These shoppers have lived in a world with the internet, online shopping, smart phones and Mass / Supercenters and Club stores selling fresh groceries –

They are multi-cultural, diverse and much more open to new solutions.

Future-proof your fresh.

Source: 2030 population projection from www.census.gov
Younger Consumers Are Not Their Parents

<table>
<thead>
<tr>
<th>Product</th>
<th>Millennials</th>
<th>Boomers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Oat Milk</td>
<td>129</td>
<td>79</td>
</tr>
<tr>
<td>Frozen Soup</td>
<td>74</td>
<td>118</td>
</tr>
<tr>
<td>Specialty Nut Butter</td>
<td>123</td>
<td>81</td>
</tr>
<tr>
<td>Relish</td>
<td>71</td>
<td>123</td>
</tr>
<tr>
<td>Asian Cooking Oil</td>
<td>120</td>
<td>88</td>
</tr>
</tbody>
</table>

Source: IRI NCP all Outlet data, 52 Week Period Ending 9/4/22
For Seafood, the Future Challenges are Real

<table>
<thead>
<tr>
<th></th>
<th>MILLENNIALS</th>
<th>BOOMERS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fresh Seafood</td>
<td>66</td>
<td>122</td>
</tr>
<tr>
<td>Frozen Seafood</td>
<td>77</td>
<td>115</td>
</tr>
<tr>
<td>Fresh Finfish</td>
<td>71</td>
<td>125</td>
</tr>
<tr>
<td>Fresh Shellfish</td>
<td>62</td>
<td>127</td>
</tr>
<tr>
<td>Seafood Trays, A/O</td>
<td>42</td>
<td>132</td>
</tr>
</tbody>
</table>

Source: IRI OmniConsumer Scan Panel – Integrated Fresh, LS2 WE 10/02/2022, All Outlets
How America Cooks Is Also Changing Rapidly Too

Household Penetration

<table>
<thead>
<tr>
<th>Appliance</th>
<th>Penetration (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Microwave</td>
<td>92%</td>
</tr>
<tr>
<td>Outdoor Grill</td>
<td>69%</td>
</tr>
<tr>
<td>Slow Cooker</td>
<td>66%</td>
</tr>
<tr>
<td>Air Fryer</td>
<td>62%</td>
</tr>
<tr>
<td>Toaster Oven</td>
<td>59%</td>
</tr>
<tr>
<td>Coffee Maker Drip</td>
<td>55%</td>
</tr>
<tr>
<td>Coffee Maker Pod</td>
<td>46%</td>
</tr>
<tr>
<td>Waffle Iron</td>
<td>44%</td>
</tr>
<tr>
<td>Pressure Cooker</td>
<td>41%</td>
</tr>
<tr>
<td>Coffee Maker All Other</td>
<td>11%</td>
</tr>
<tr>
<td>Espresso / Cappuccino Machine</td>
<td>9%</td>
</tr>
</tbody>
</table>

Source: The NPD Group/Consumer Experience Custom Survey, March 2022
This Climate is Ripe for Fresh to Embrace New Ways to Drive Demand

Digital is easier than ever to reach a verified or high probability audience vs. price promoting

81% of adults use a social media site daily

44% visit 3+ different sites every day
Gen Z – 77%

37% clicked on a social media ad
Gen Z – 48%

31% discovered a new brand through social media
Gen Z – 48%

28% made a purchase because of an ad on social media
Gen Z – 35%

18% purchased an item directly from social media
Gen Z – 21%

Everything Goes Digital
Opportunity for E-Commerce Fresh Growth Remains For Those Who Get It Right

Total E-Commerce Sales as a % of Total Retail: +15%
Total E-Commerce Sales as a % of Total Food: +9%
Total E-Commerce Sales as a % of Fresh: +2%
Shoppers **Under Age 40** Spend 1.23x More in Fresh Foods Online Than Older Shoppers

Source: IRI Integrated Fresh Scan Panel, YTD 2022
Tying In-Store and Online Together is Critical; Shoppers Are Influenced Online and In-Store
Trip Patterns Affect Packaging Needs – There Are Different Packaging Needs Online vs. In-Store
Digital is Personal, Fast and Targeting – More Efficient and Effective, if Done Right

All these recent digital campaigns grew fresh sales

Making Connections Before Consumers Get to the Shelf

- E-Commerce Sites
- Social Media
- Influencer Marketing
- Purchase-Based Targeting
- Verified Lift Measurement

#tiktokmademebuyit – 6B Views

Inspirational

Cooking Tips

Selection

Source: IRI Media Practice and Internet searches
New Platforms for Innovation: Shoppable Recipes

Price & Coupons Don’t Spur Trial Like They Once Did

Consumers Identify Key Influencers of New Product Trial:

- 80% Previous Usage / Trust in Brand
- 42% Recipes

New product trial driven by coupons from home and newspaper circulars is declining significantly.

Use Coupons From Home:
- 47% in 2021 vs. 55% in 2019

Use Newspaper Circulars:
- 25% in 2021 vs. 34% in 2019

E-Commerce Offers Consumer Both Ease and Convenience as Well as Options to Purchase Premium Hyper-Local Products
Sustainability
Sustainable Products Drive a Third of All CPG Growth, While Representing 17% of Total CPG Sales

Sustainability $ Sales Trends Across 36 Core Edible and Nonedible Categories, MULO

---

**Sustainability-Markedeted Products**

Have Grown Share Every Year and Accounted for 17% of CPG Sales in 2021

- **Annual $ Share of Sustainability-Markedeted Products**
  - 2015: 13.7%
  - 2019: 16.1%
  - 2020: 16.8%
  - 2021: 17.0%

---

**Sustainable Products**

Drove a Third of CPG Growth

- **$ Share of Market Growth (2015-2021)**
  - Sustainability-Markedeted Products: 32.1%
  - Conventionally Marketed Products: 67.9%

---

Source: IRI POS data for MULO across 32 core categories; Analysis by NYU Stern Center for Sustainable Business
Younger Consumers Will Drive Future Demand for Sustainable Products

Younger consumers are pushing for more sustainability, but Boomers and Gen X are driving sales today.

Source: IRI Panel Data; Analysis by NYU Stern Center for Sustainable Business

Chart read as: Millennials purchased a significantly higher % (>1.2x) of their Carb. Beverages on sustainability marketed products, than Average HHs.
Sustainability is table stakes as more consumers purchase based on sustainable attributes such as recyclable, reusable, and biodegradable; they consciously shop at retailers committed to sustainability.

Implications

Brands that have sustainability at their core, as part of their value proposition are likely to fare better than ones that consider sustainability as risk management or risk avoidance.

The popularity of sustainably marketed products among younger consumers points to an enduring demand.
Game Changers: Things to Watch For

Changing of the Guard
- Boomer to Millennial Flip
- New Cooking Behaviors
- Win in Social Media

Digital Growth
- Must Win: Ecommerce
- Pathways to Purchase
- Recipe-Basket Integration

Sustainability
- Accelerating Intensity
- Consumer Driven Benefits
- Incrementality

Source: IRI Survey 4/10-4/12 among National Consumer Panel representing Total U.S. Primary Grocery Shoppers
questions & answers
IRI Thought Leadership Delivers Insightful and Provocative Insights

C-Suite Conversation Series
18 conversations recorded to date with transcripts, video and audio content.

Industry-Leading Reports
45+ thought leadership reports published to date, reshaping how our client executives perceive us.

CPG Economic Indicators
The latest data on category trends, out-of-stocks, demand and supply, inflation, consumer sentiment and more.
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- Inflation Tracker™
- E-Commerce Demand Index
- Supply Index™
- Channel Shift Index™
- Promotions Index™
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thank you