

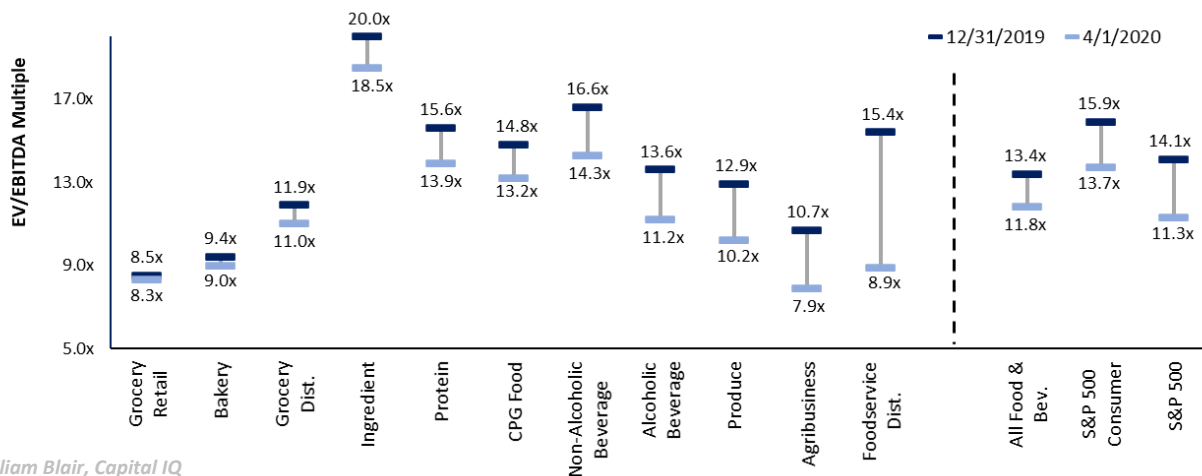
FOOD & BEVERAGE INDUSTRY UPDATE

SPRING 2020

The COVID-19 pandemic continues to have a major impact on the food & beverage industry by presenting a wide range of challenges and opportunities for management teams, employees and customers alike. Noteworthy is that purchases of consumer staples remain elevated, with consumption rates soaring when compared year-over-year — particularly, in the frozen food space (stocking the freezer). Changing consumer behaviors as a result of the pandemic drive demand for value-oriented and private-label products as consumers become more price-conscious during times of economic uncertainty.

During these challenging times, several factors remain pivotal to the overall success of the industry, including strong communication demonstrated by executive leadership teams, revolving around a message of enhanced workplace safety.

Select Public Food & Beverage Company Valuations—Q1 2020



Source: William Blair, Capital IQ

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FIRM OVERVIEW:

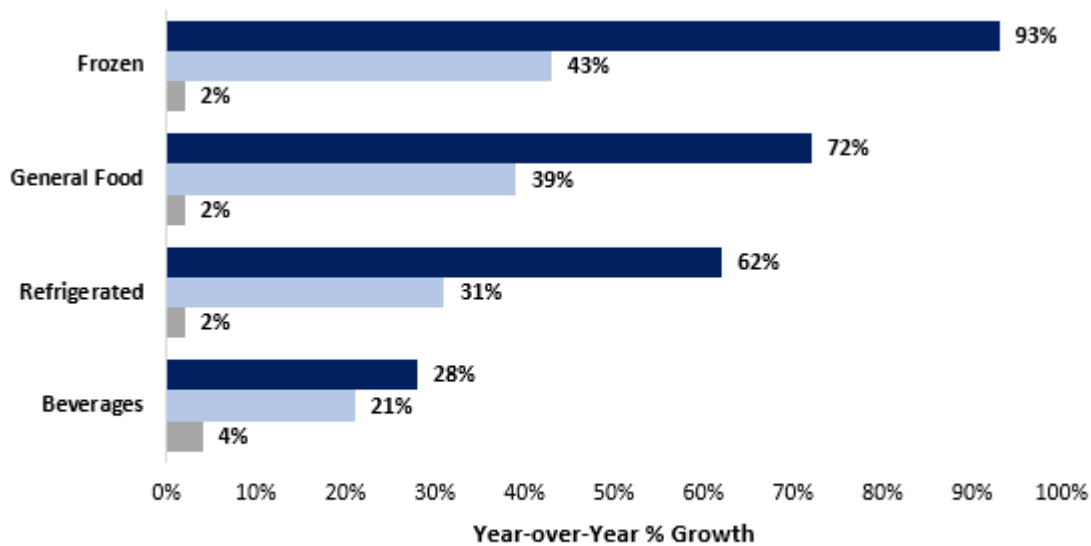
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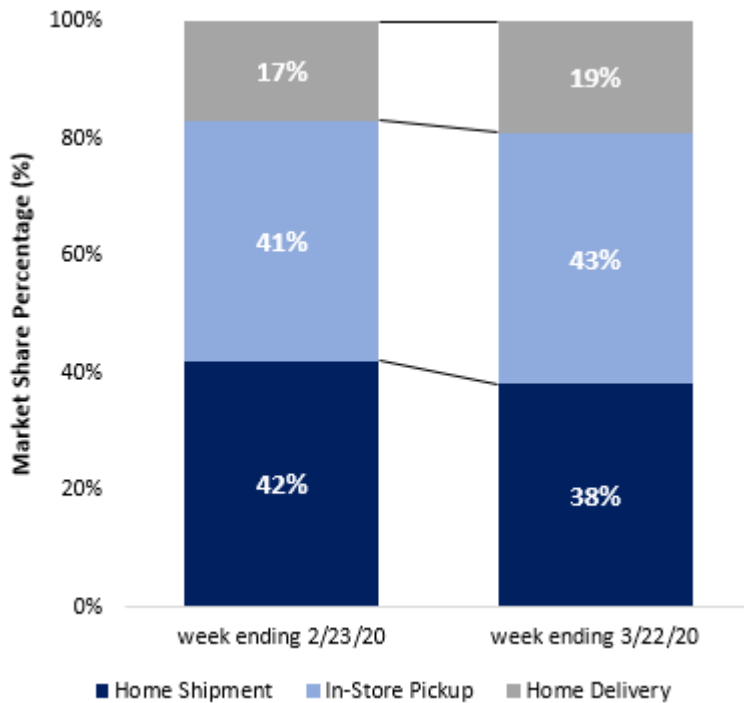
**Year-Over-Year Consumption Growth Rate by Food Type—
Week Ending March 22, 2020**



Source: IRI, William Blair

■ Latest 1 Week (Mar 16 - Mar 22) ■ Latest 4 Weeks (Feb 25 - Mar 22) ■ 2019

**E-Commerce Share by Delivery Model—
Total Food & Beverage**

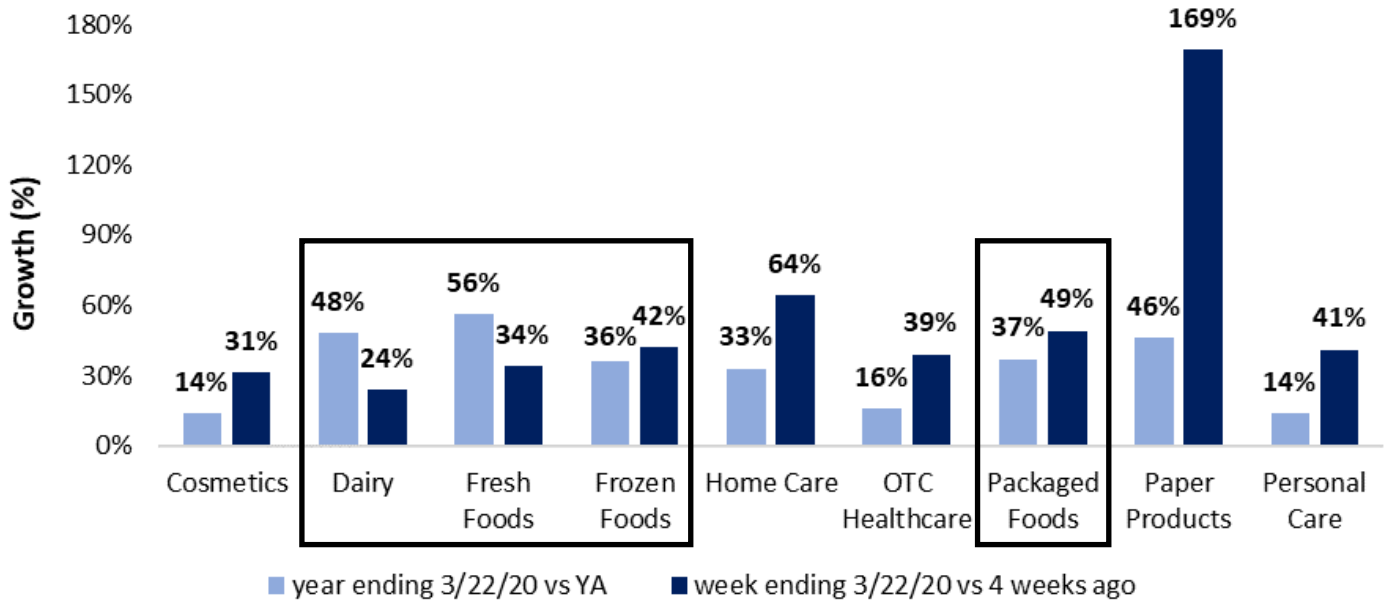


Source: IRI, William Blair

Trends have indicated that consumers will stay loyal to retailers that best meet their unique needs — specifically, those demands regarding delivery preferences. Shoppers want to choose the delivery terms that best suit them. From February 23 through March 22, 2020, in-store pickup has grown in market share from 17% to 19%, and home delivery has increased in market share from 41% to 43%.

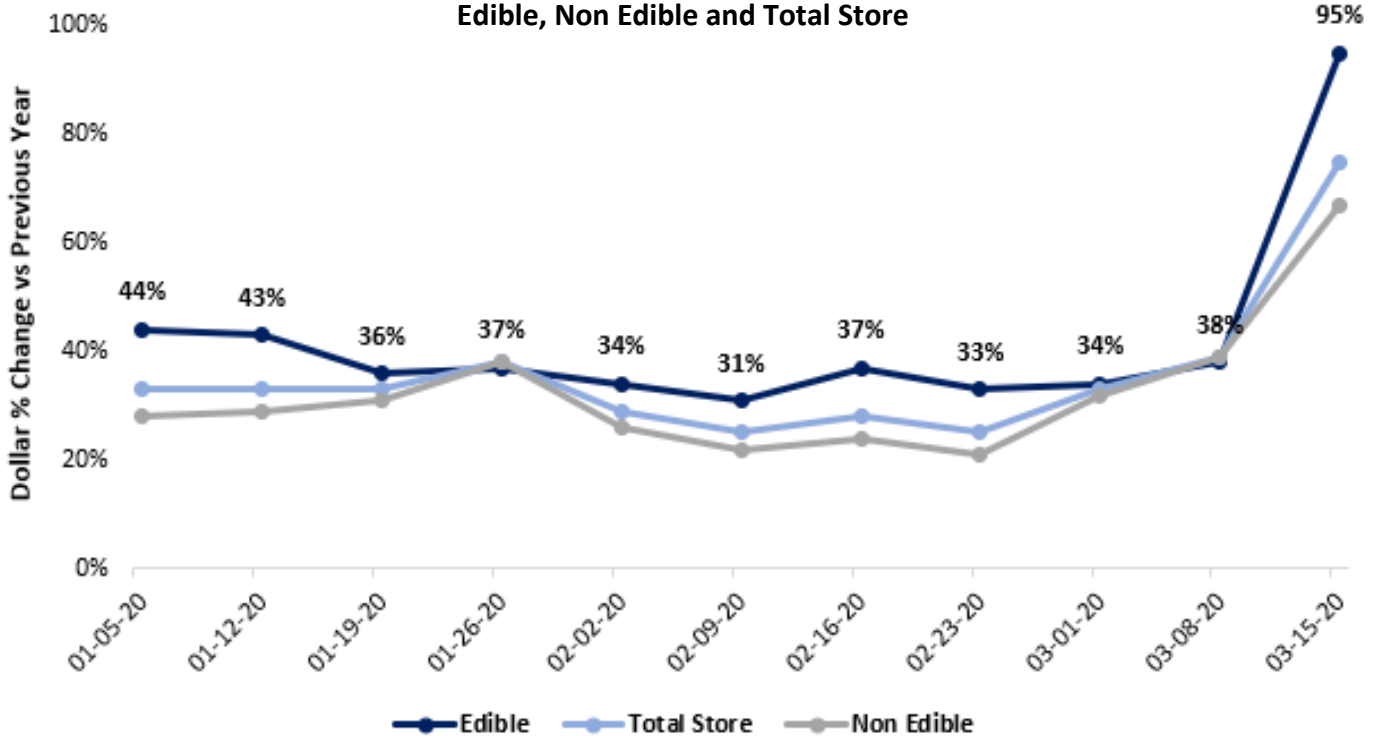
Spearheading this movement are household names (Walmart, Kroger) who have made significant investments over the last few years to introduce in-store pickup options and drive-through convenience. Consumers continue to gravitate to click-and-collect systems established by traditional grocers, over home delivery by dotcom businesses such as Amazon Fresh and Prime Now.

Online Category Sales Growth (%)



Source: IRI, William Blair

E-Commerce Growth Rates for Consumer Package Goods in 2020—
Edible, Non Edible and Total Store



Source: IRI, William Blair