Taking the Next Step

Tracking the full Canadian shopper journey

Thanks for joining the webinar will begin shortly

Rising cost of living is putting pressure on consumers wallets

CPG expenditures is one area they have choices to make to better control costs

April 2022 CPI

% Chg 12-months

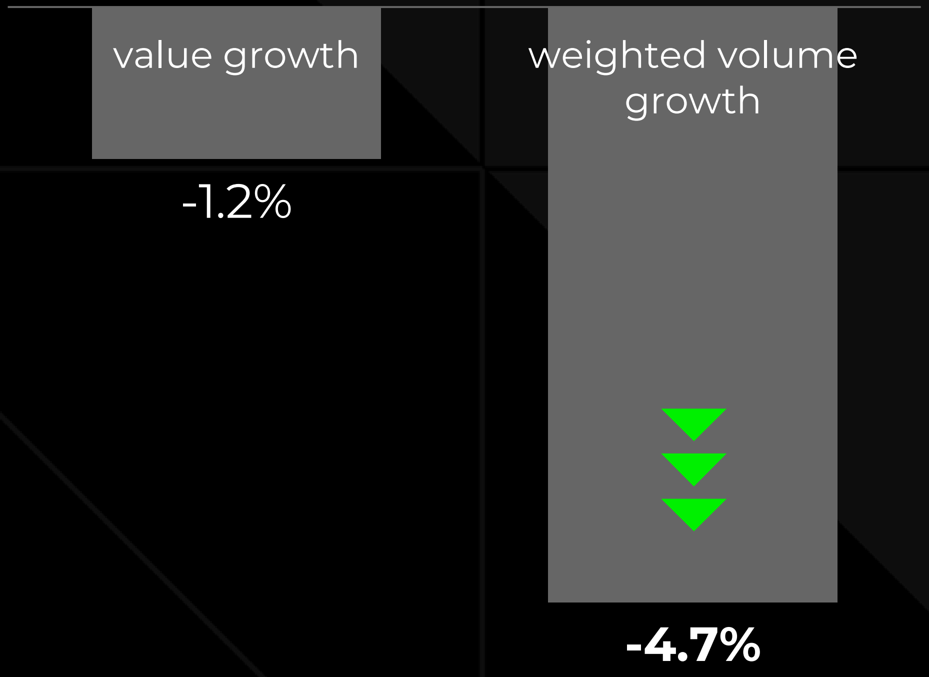
+6.8%
All Items

+8.8%
Food

+36.3%
Gasoline

Total Tracked Sales excluding General Merchandise

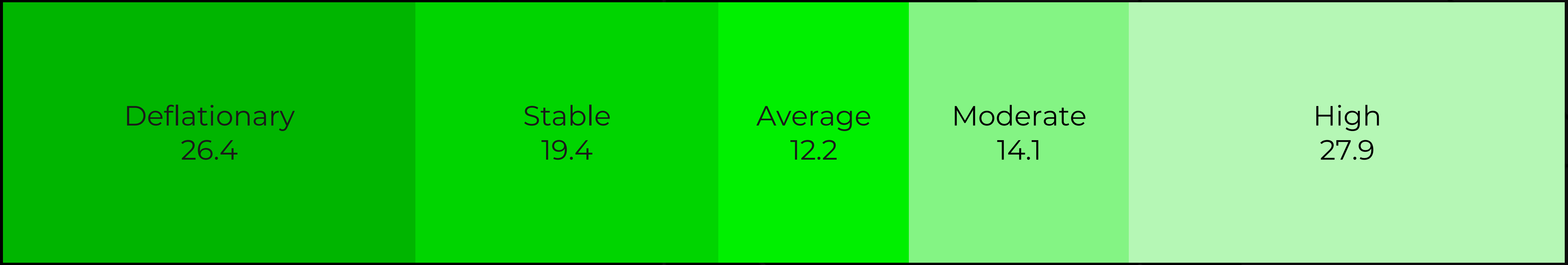
% growth vs YA



CPI: Source: Statistics Canada – April
Homescan 52 weeks ending April 23, 2022 vs year ago – Based on RMS Total Tracked Sales excl General Merchandise

Not all Canadians are faced with or reacting in the same way to inflationary pressures

% of Canadian households



-3% or less deflation	**-2% to +2% inflation**	**3% - 5% inflation**	**6% -9% inflation**	**10%+ inflation**

Avg inflation experienced

-10%	0%	+4%	+7%	+18%

Homescan 52 weeks ending April 23, 2022

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Canada

Inflationary Trends – A country divided

NielsenIQ

Online is a big part of the changing FMCG landscape

Discount +2% ▲

Conventional -2% ▼

Strugglers +3%* ▲

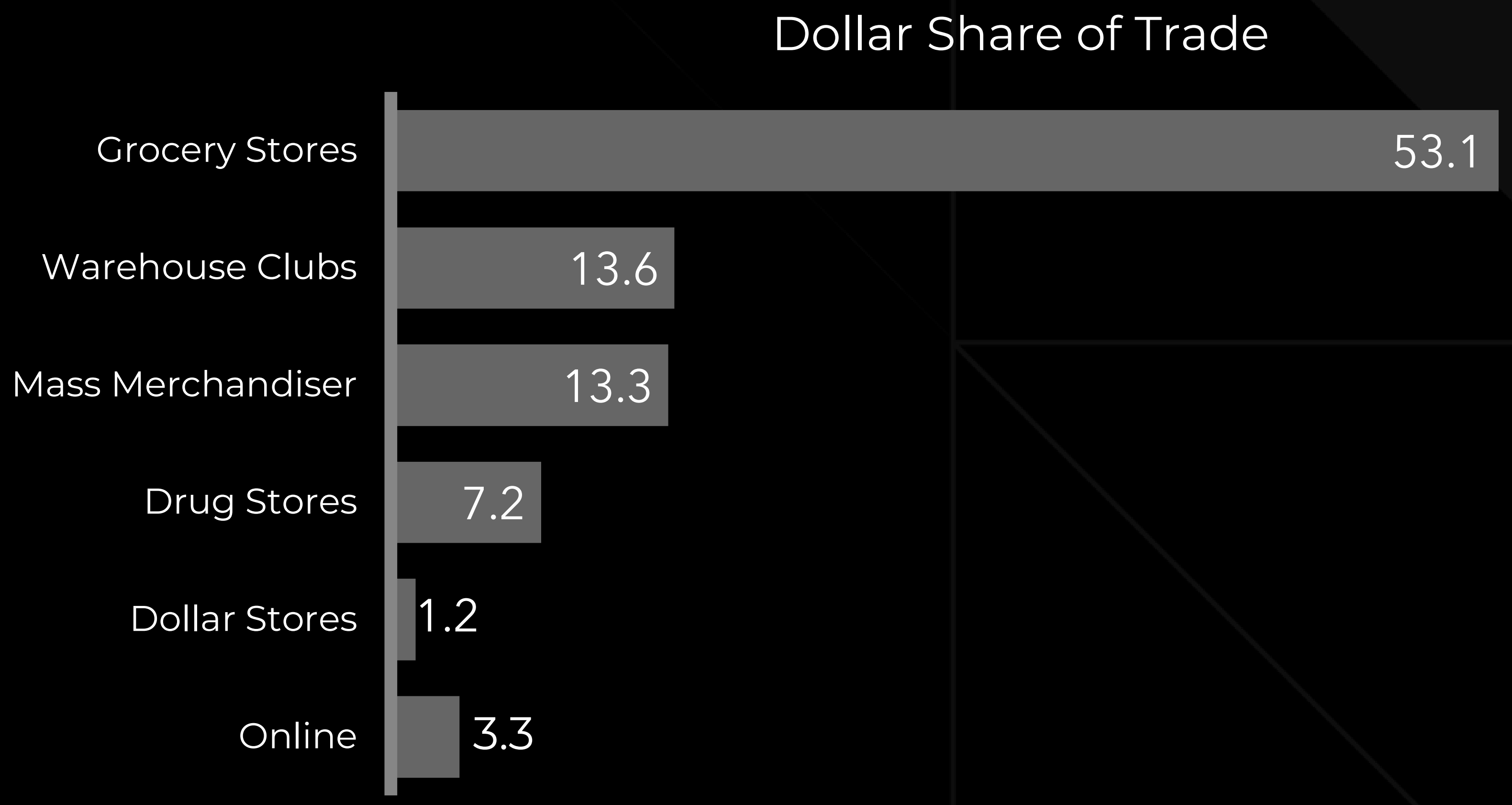
Thrivers -3%* ▼

Online +7%* ▲

Offline -2%* ▼

Source: NielsenIQ MarketTrack| Latest 52 Weeks PE April 2nd, 2022
*Source: NielsenIQ Homescan | TOTAL TRACKED SALES | Shopper Tracking | Total Canada | Latest 52 Weeks PE April 2nd, 2022
Strugglers & Thrivers Segments: NielsenIQ 2022 Consumer Outlook Survey, December 2022

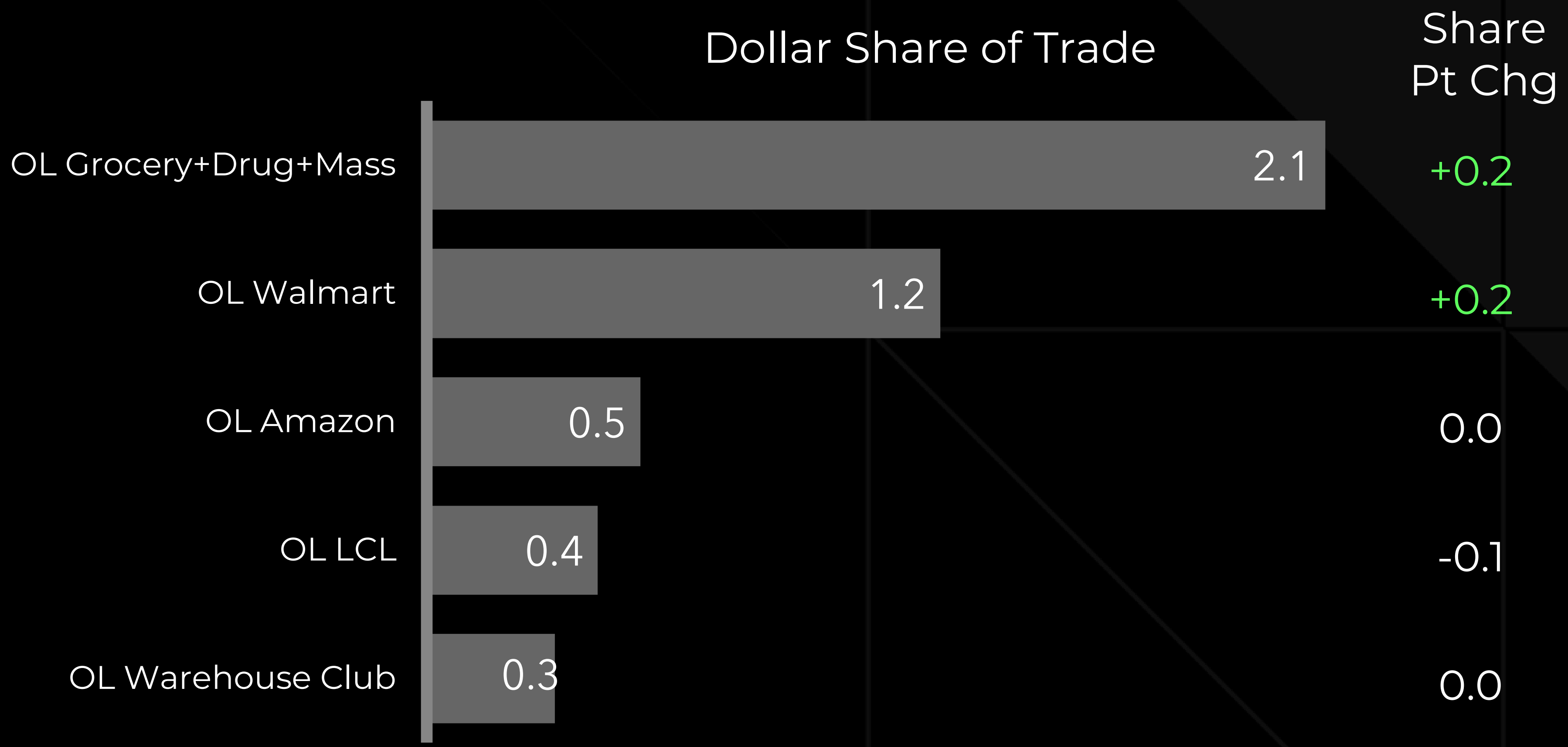
Online is still small but the biggest driver of growth



	Share Pt Chg	Dollar % Chg
Grocery Stores	-0.6	-3%
Warehouse Clubs	+0.2	-1%
Mass Merchandiser	+0.6	+3%
Drug Stores	+0.2	+1%
Dollar Stores	0.0	-2%
Online	+0.3	+7%

Source: NielsenIQ Homescan | TOTAL TRACKED SALES | Shopper Tracking | Total Canada | Latest 52 Weeks PE April 2nd, 2022

Walmart vs Amazon & LCL to lead Online

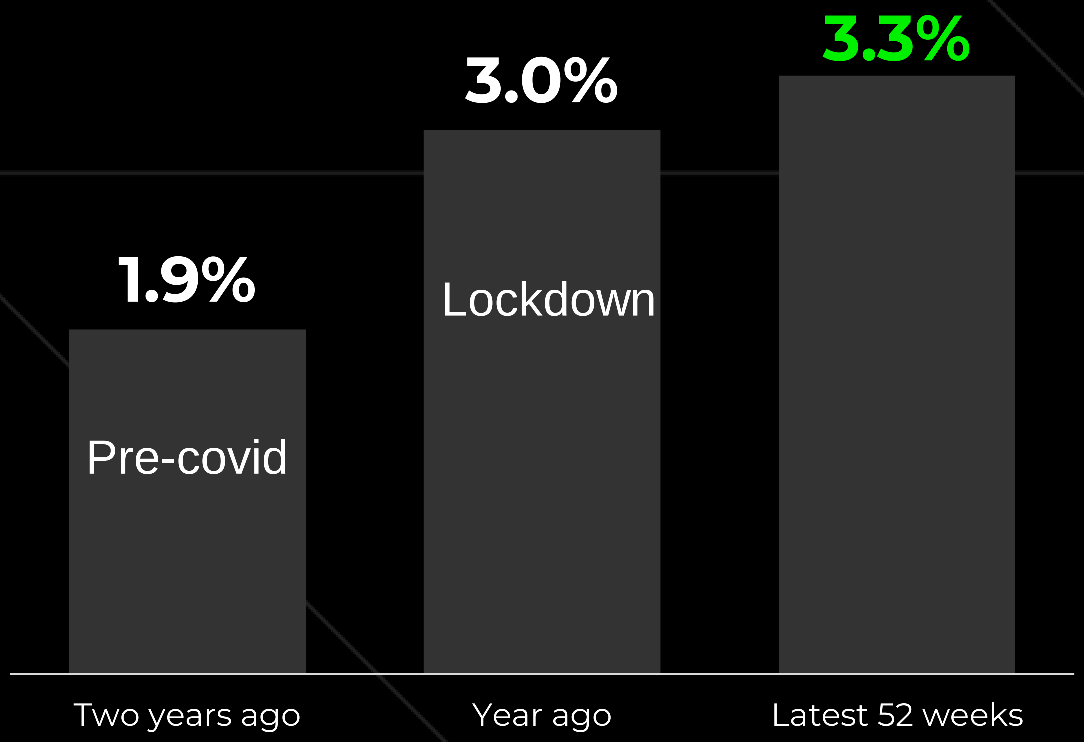


Source: NielsenIQ Homescan | TOTAL TRACKED SALES | Shopper Tracking | Total Canada | Latest 52 Weeks PE June 18, 2022

Online trips continue to grow while penetration stabilizes

Market share of online sales (vol. $)

Total FMCG (Canada)



Online penetration

42%

-3 pts vs. YA

% Change vs. YA

Buying Rate

+12%

Frequency

+6%

Basket Size

0%

Source: NielsenIQ Homescan | TOTAL TRACKED SALES | Shopper Tracking | Total Canada | OL-TOTAL ON LINE SHOPPING | Latest 52 Weeks PE April 2nd, 2022

Online share is almost 2X among omnishoppers

	Total Shoppers	Omnishoppers (Online + Bricks)
Online Share	3.3% +0.5 pts	6.4% +0.8 pts

Source: NielsenIQ Homescan | TOTAL TRACKED SALES | Shopper Tracking | Total Canada | OL-TOTAL ON LINE SHOPPING | Latest 52 Weeks PE April 2nd, 2022

Omnishoppers are a valuable cohort

Spend 30% more per shopping trip when shopping online

Spend 25% less on promotion when shopping online

Diverse household needs and demographic profiles

Source: NielsenIQ Homescan | TOTAL TRACKED SALES | Shopper Tracking | Total Canada | OL-TOTAL ON LINE SHOPPING | Latest 52 Weeks PE April 2nd, 2022, | OMNISHOPPER

Omnishopper household profile

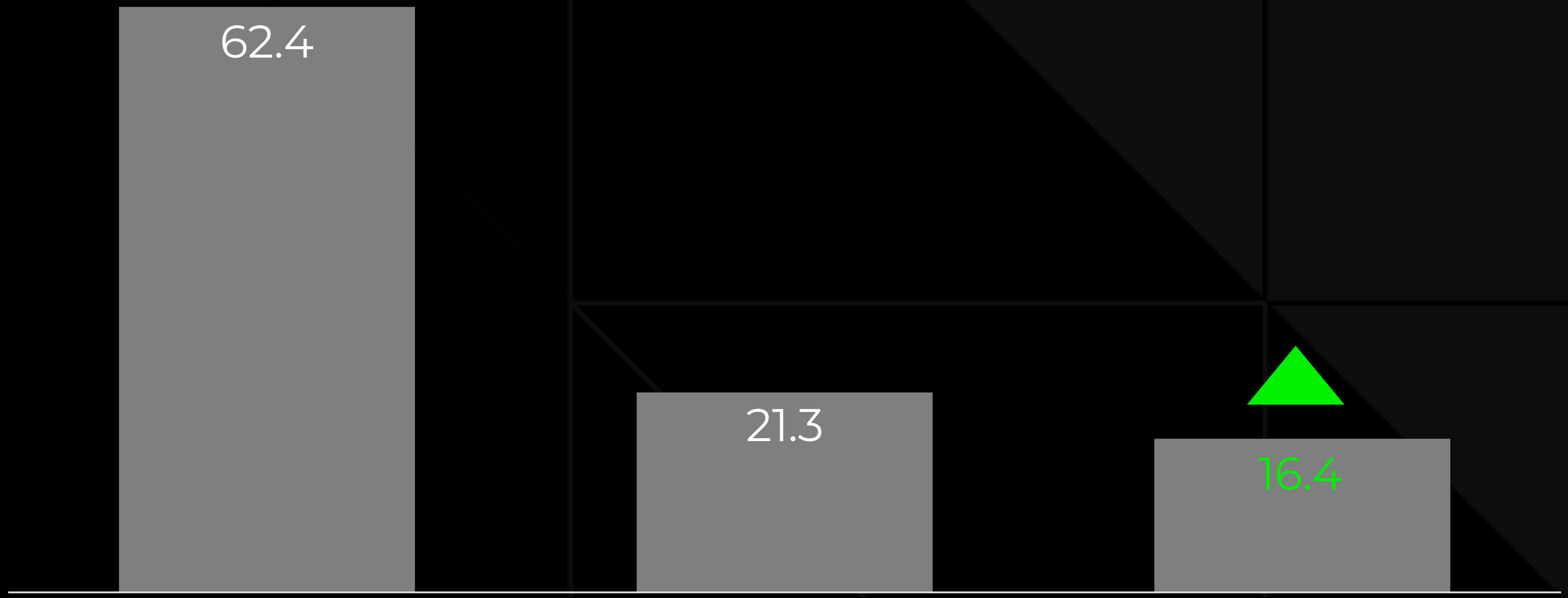
More Likely…

Spend Index	
157	Kids < 6 years
126	Members 3+
124	Asian
123	Income < $29k
116	Age 35-44 years
116	Cat Owner

Source: NielsenIQ Homescan | TOTAL TRACKED SALES | Demographic Pro | Total Canada | OL-TOTAL ON LINE SHOPPING | Latest 52 Weeks PE April 2nd, 2022

Health & Beauty leading online basket growth

% of Dollar Share of Online Shopping Basket



	Food	Non Grocery	Health & Beauty
Dollar % Change	+7	+6	+8
Development Index	84	161	131

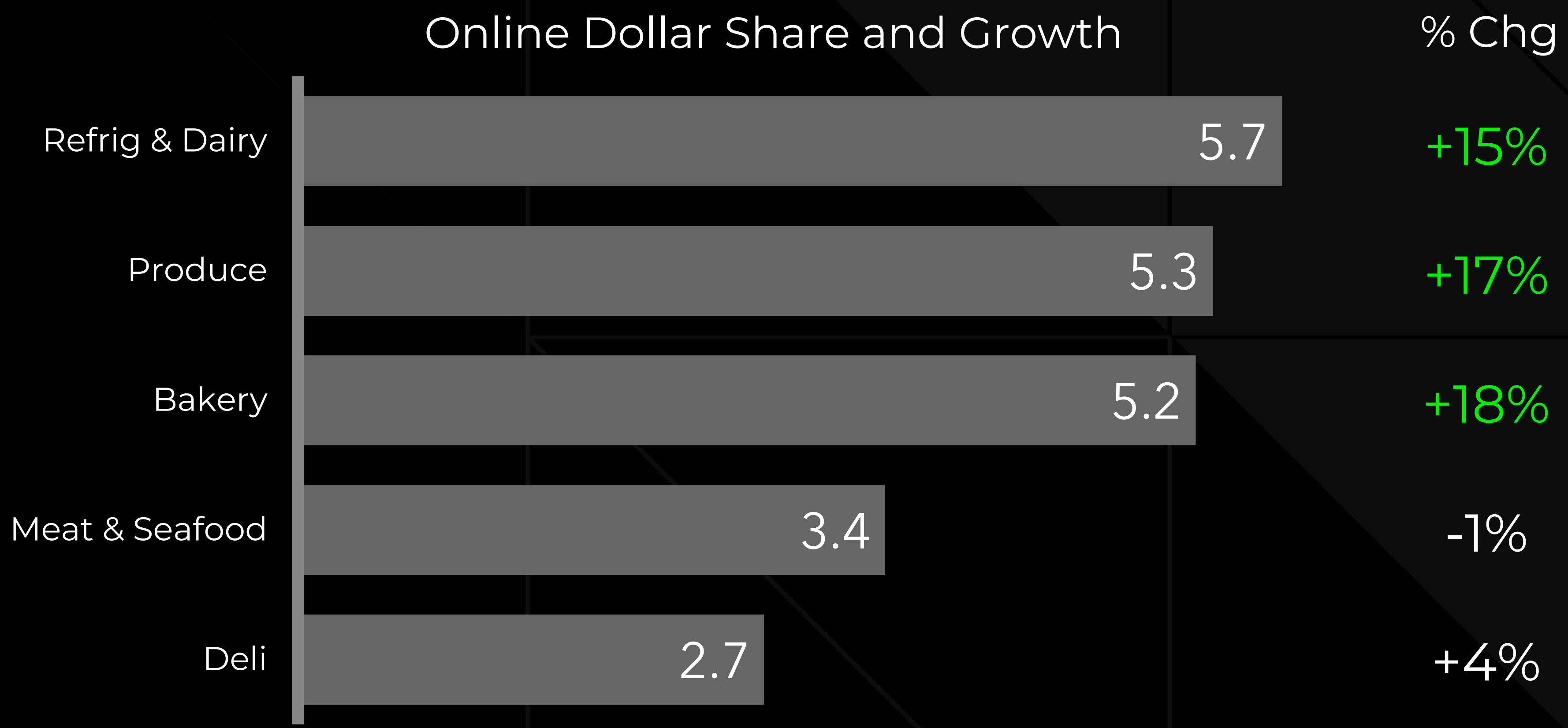
Source: NielsenIQ Homescan | TOTAL TRACKED SALES | Shopper Tracking | Total Canada | OL-TOTAL ON LINE SHOPPING | Latest 52 Weeks PE April 2nd, 2022, | OMNISHOPPER

Omnishoppers’ buying trends differ by department

	Food			Non Grocery			Health & Beauty		
Online Share and Growth		5.3%	+7		10.3%	+6		8.3%	+8
Top 5 Online Share	Hot Beverages	8.7%	+2	Pet Products	13.2%	+27	Baby Care	13.8%	+3
	Baking Needs	7.0%	-11	General Merch.	11.2%	-7	Oral Hygiene	8.4%	+16
	Prepared Foods	7.0%	+7	Household	8.0%	+2	Shaving	8.3%	-6
	Cold Beverages	6.9%	+21	Paper Products	6.8%	+2	Body Care	8.3%	+1
	Condiments	6.5%	+4				OTC	7.7%	+13

Source: NielsenIQ Homescan | TOTAL TRACKED SALES | Shopper Tracking | Total Canada | OL-TOTAL ON LINE SHOPPING | Latest 52 Weeks PE April 2nd, 2022, | OMNISHOPPER

Omnishoppers embracing fresh online



Source: NielsenIQ Homescan | TOTAL TRACKED SALES | Shopper Tracking | Total Canada | OL-TOTAL ON LINE SHOPPING | Latest 52 Weeks PE April 2nd, 2022 | OMNISHOPPER

Online is here to stay

Think omniexperience!

Expand & personalize your omnishopper plan

#ROI

Make sure you get your fair share of the **$3.7 billion opportunity**

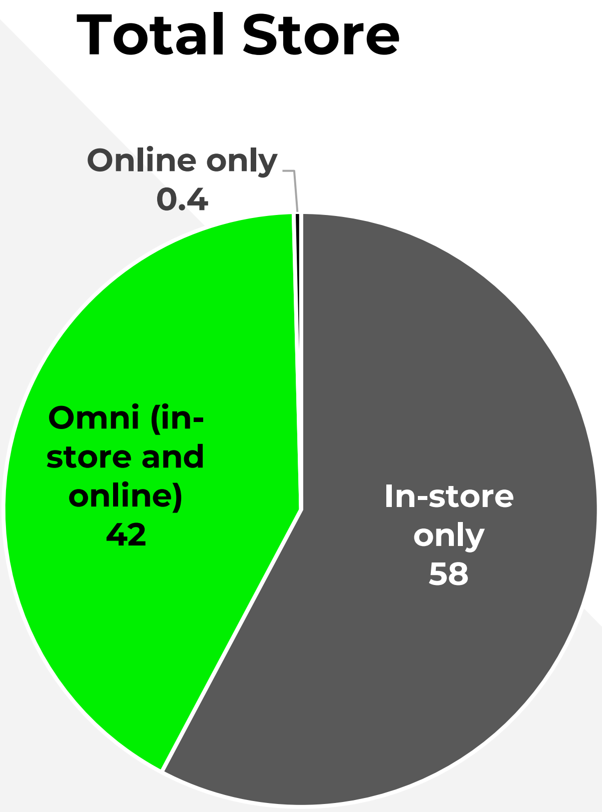
$3.7 B online sales for 2023 is based on +7% growth over 52 Weeks PE April 2nd, 2022

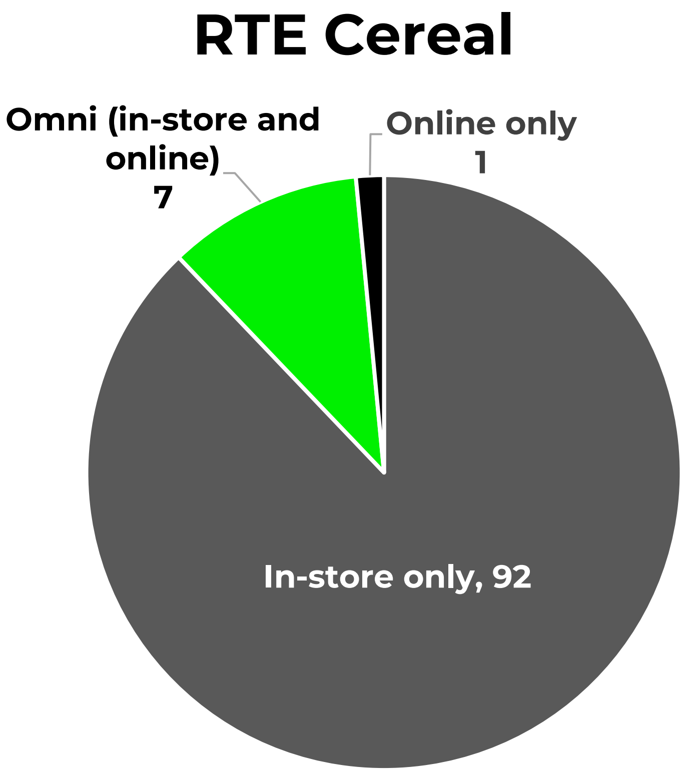
CASE STUDY

Tracking ready-to-eat (RTE) cereal category shoppers

RTE Cereal shows potential to develop omnichannel shopping

Omnishoppers currently account for 7% of RTEC buyers vs. 42% in Total Store

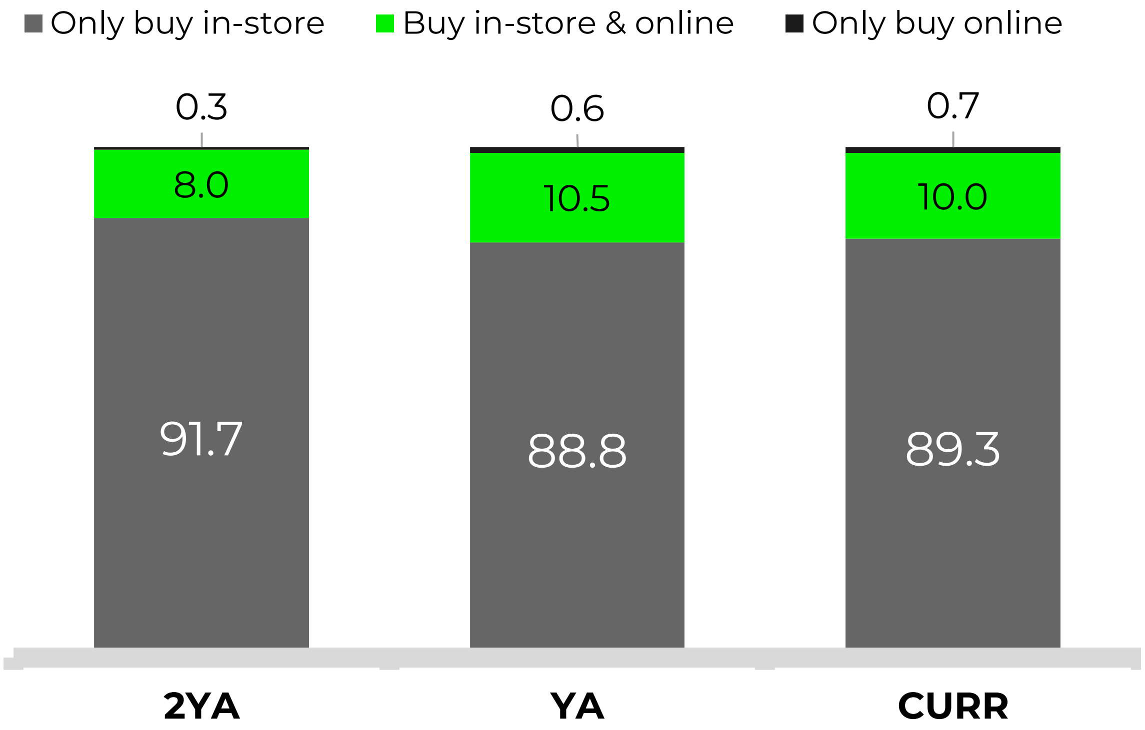




Source: NielsenIQ Homescan | Total Tracked Sales & RTEC| Total Canada | Latest 52 Weeks PE May 22, 2022

Some RTE cereal buyers shifted back to in-store but online sales continue to grow

% of Dollar Spend on RTE Cereal



% $ Growth 0% 1%

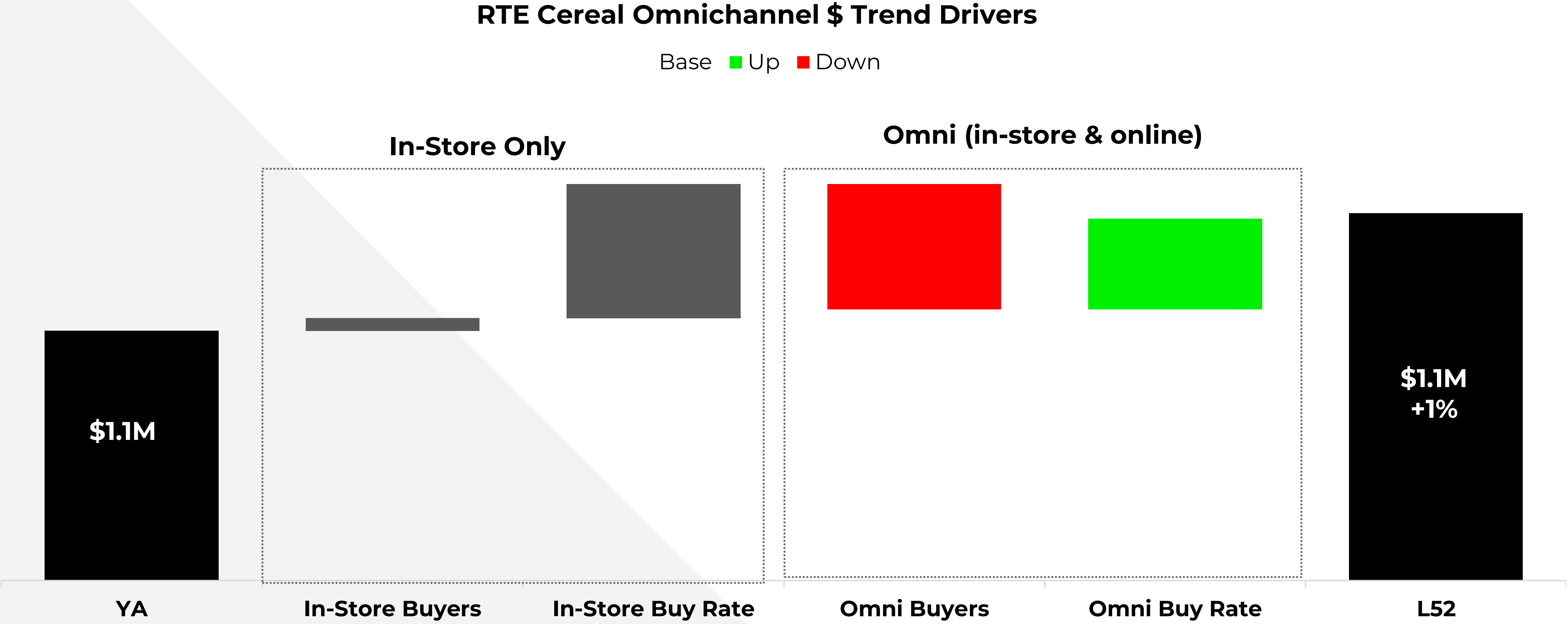
RTE Cereal Dollar Growth Current vs YA

Shopper Group	In-Store	Online	
Only buy online*		+9%	
Omnishoppers buy in-store & online	-9%	+12%	Total -3%
Only buy in-store	2%		

Source: NielsenIQ Homescan | TL RTEC| Total Canada | Latest 52 Weeks PE May 22, 2022
*Directional use only

Regaining lost omnishoppers is critical for keeping the RTE Cereal category sales stable

Gains in spending of in-store and remaining omnishoppers helped offset omni buyer base declines but category sales are flat

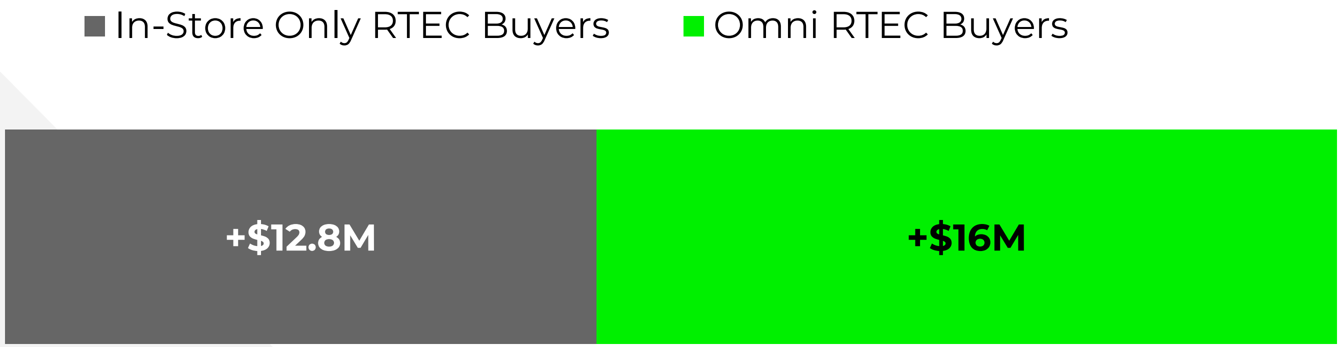


Source: NielsenIQ Homescan | TL RTEC| Total Canada | Latest 52 Weeks PE May 22, 2022
*Directional use only

Regaining penetration among omnishoppers represents +$16M opportunity for RTEC

Important to keep RTEC buyer gains at consistent rate with Canadian population growth in order to keep category penetration and sales stable

$ Opportunity for keeping RTEC penetration stable



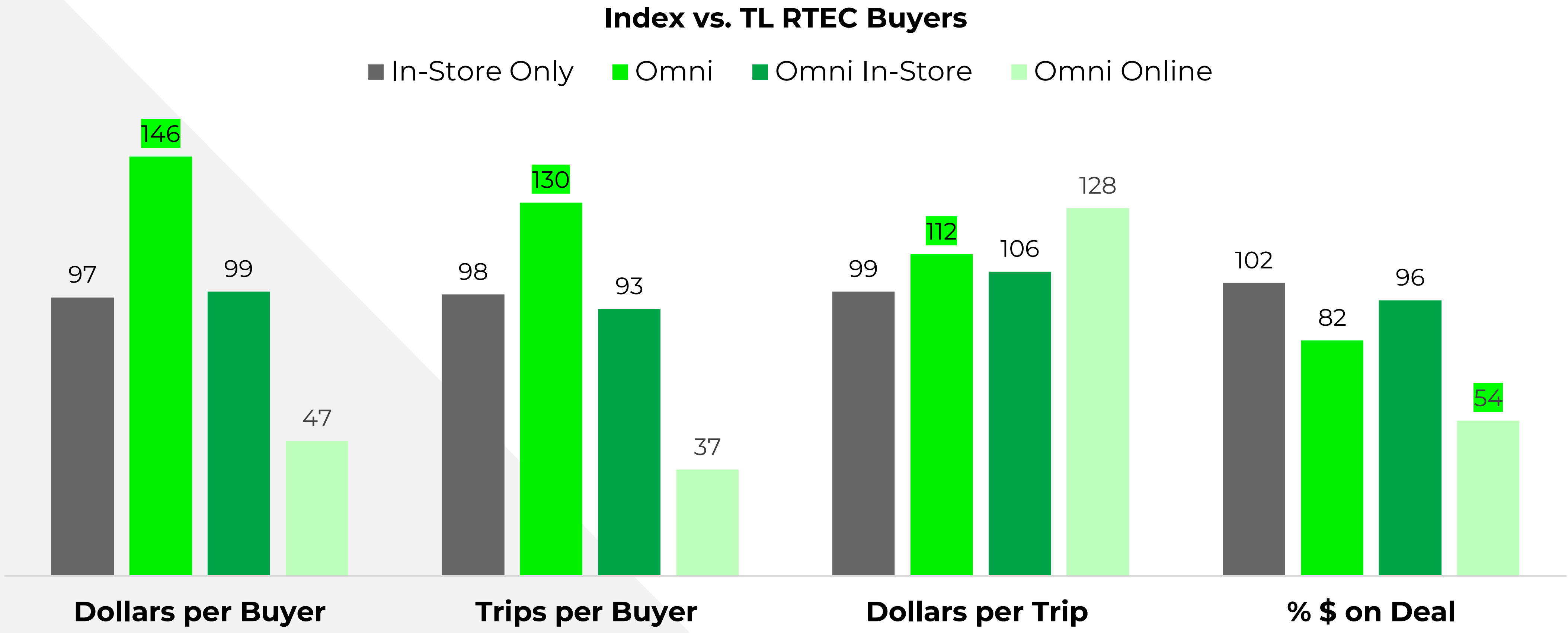
+$28M
(2.5% of RTEC Sales)

Buyer gains needed	+141K	+128K	+271K
L52 Penetration	77.6 (-0.9)	5.8 (-0.8)	84.3 (-1.8)
L52 Number of buyers	Flat	-114K	

Source: NielsenIQ Homescan | TL RTEC| Total Canada | Latest 52 Weeks PE May 22, 2022

Omnishoppers tend to be heavier RTEC buyers

When shopping online, omnishoppers are 46% less reliant on perceived deal

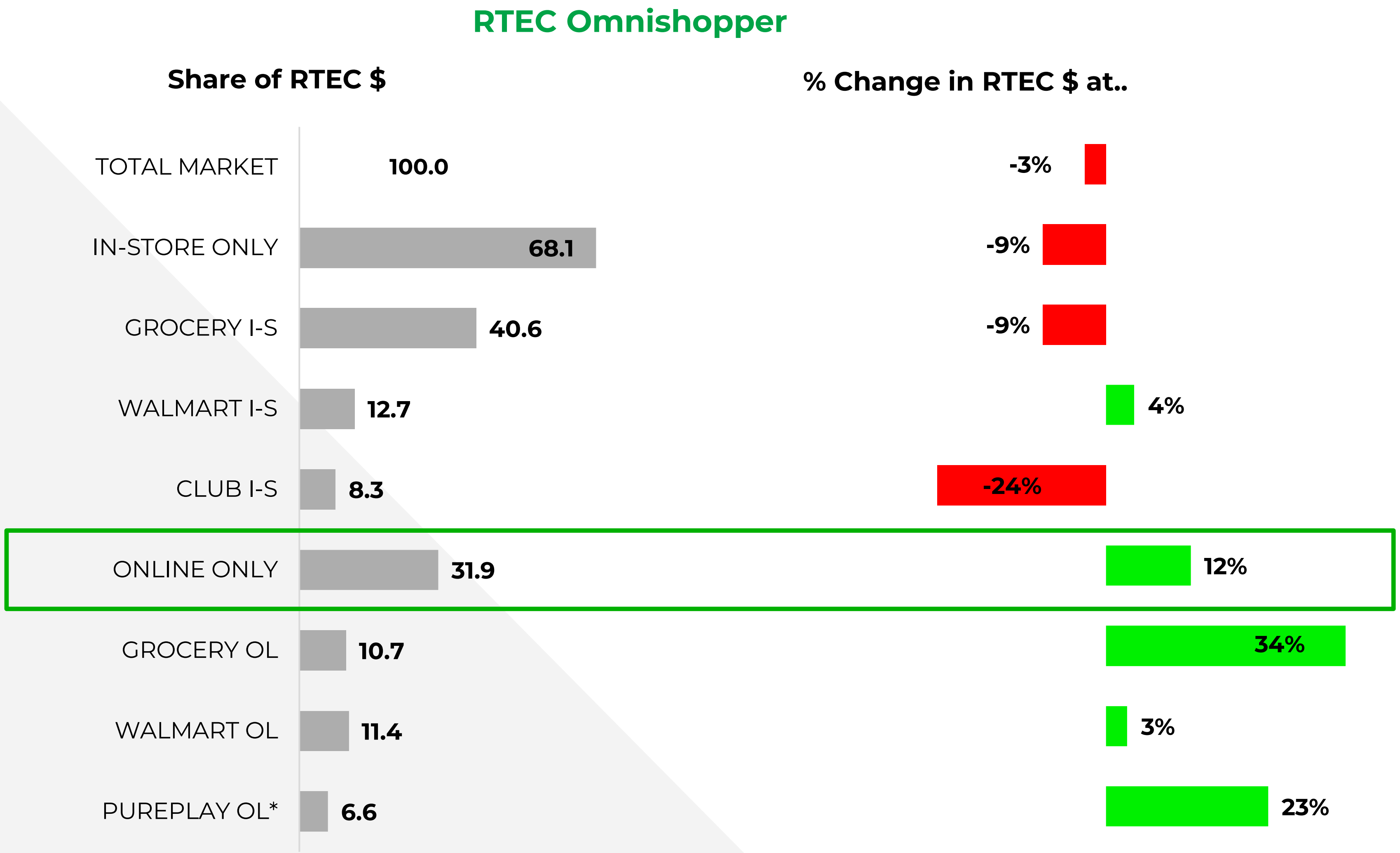


TL RTEC	$86.2	10.8	$8.0	32.1%

Source: NielsenIQ Homescan | TL RTEC | Total Canada | Latest 52 Weeks PE May 22, 2022

Online retailers account for 32% of RTEC omnishoppers purchase

Walmart shows growth both in-store and online, with buyers spending across channels at comparable rate



Source: NielsenIQ Homescan | TL RTEC| Total Canada | Latest 52 Weeks PE May 22, 2022 | OMNISHOPPER
*Directional use only

Engagement tactics will vary for Omni vs. In-Store shoppers

More Likely…

Spend Index

Omnishopper

192	4+ Member Hhld
151	Kids under 18
137	$20-40K Income
126	Vegan influenced
123	35-44 y.o. HoH
71	Asian

More likely to be large families with kids, 35-44 y.o. HoH influenced by vegetarian and vegan diet, not Asian

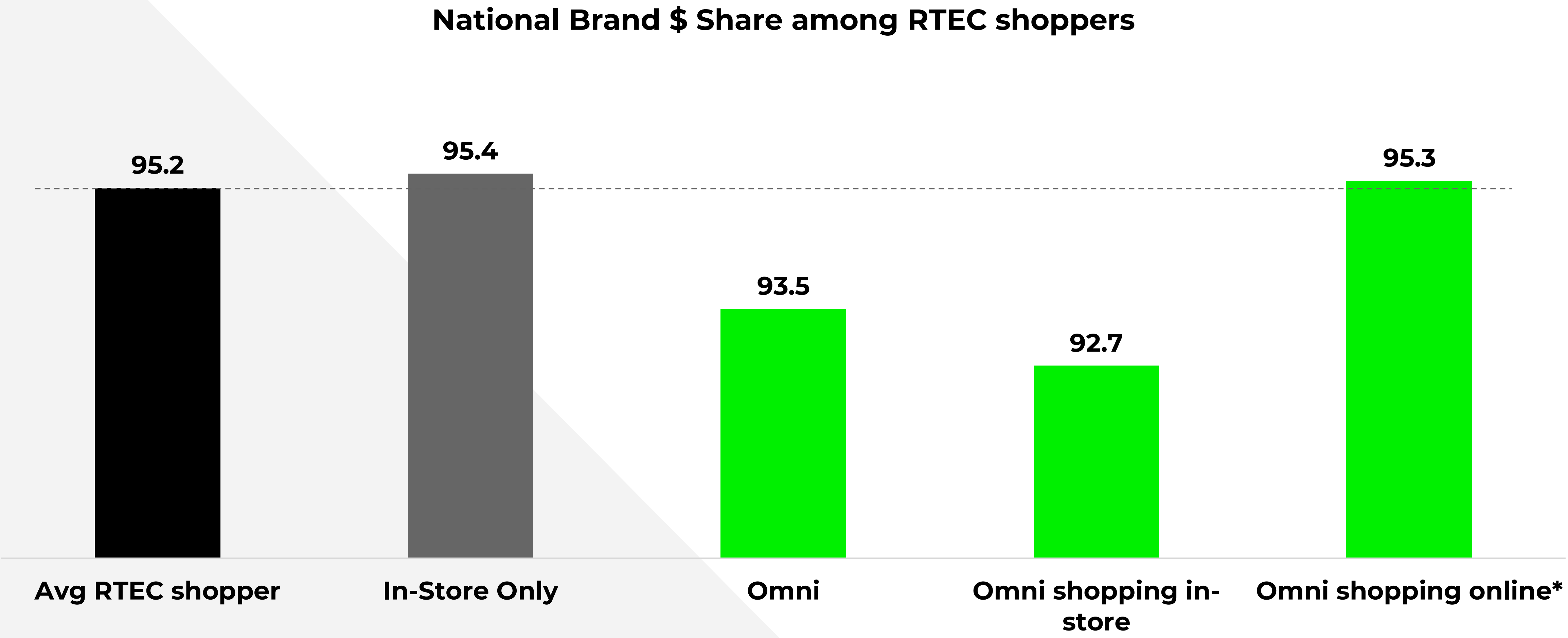
In-Store Only

140	4+ Member hhld
130	Kids under 18
118	$100K+ Income
58	Asian

More likely to be mature, higher income, large households with kids, not Asian

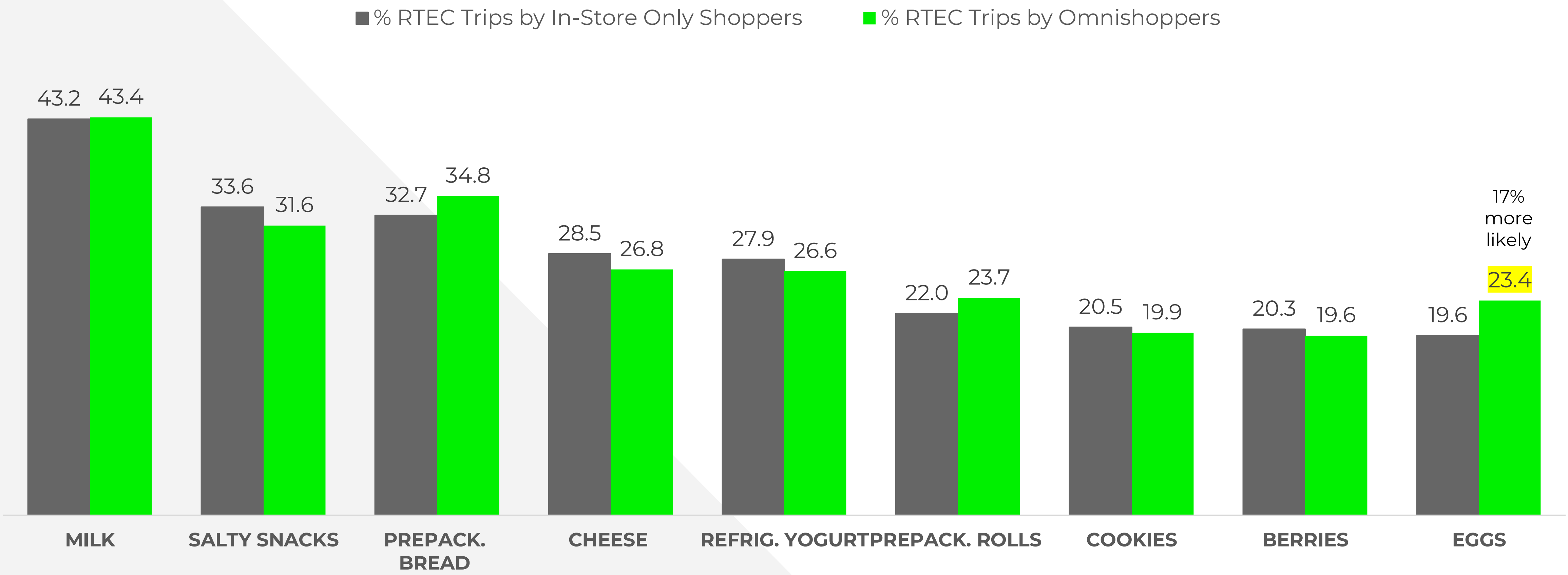
Source: NielsenIQ Homescan | TL RTEC| Total Canada | Latest 52 Weeks PE May 22, 2022

Drivers for purchase is different online vs. in-store for omnishoppers



Source: NielsenIQ Homescan | TL RTEC | Total Canada | Latest 52 Weeks PE May 22, 2022
*Directional use only

Top staple categories included in basket for RTEC shopping trip are consistent among RTEC shoppers, whether buying online or in-store



Top categories in basket of RTEC shoppers

Source: NielsenIQ Homescan | TL RTEC| Total Canada | Latest 52 Weeks PE May 22, 2022 | Index to Avg RTEC Trip

Consider co-promotion and secondary location opportunities with specific categories to grow reach and engagement of RTEC omnishopper in-store and online

% Omnishopper trips when RTEC in basket..

	On In-store or online trip			On In-store trip			On Online trip		
More likely	Eggs	23.0%	117	Snack Puddings	4.8%	117	Flavour Soft Drinks	19.6%	123
	Flat Water	7.7%	115	Broccoli	3.3%	120	Dry Pasta*	15.3%	130
	Apples	7.4%	123	Frozen Pizza	3.1%	121	Alternative Bev*	12.2%	143
	Frozen Breakfasts	6.1%	119	Cottage Cheese	2.9%	115	Frozen Veg*	11.7%	137
	Meat Alternatives	5.7%	139				Frozen Potatoes*	11.0%	117
	Refrig Dough*	3.4%	134						
Less likely	Beef	8.4%	76	Side Dishes	7.6%	82			
	Cream	6.4%	79	Peanut Butter	5.7%	85			
	Pork	4.4%	68	Sausages	5.6%	80			
				Wieners	5.1%	79			

Source: NielsenIQ Homescan | TL RTEC| Total Canada | Latest 52 Weeks PE May 22, 2022 | Index to Avg RTEC Trip
*Directional use only

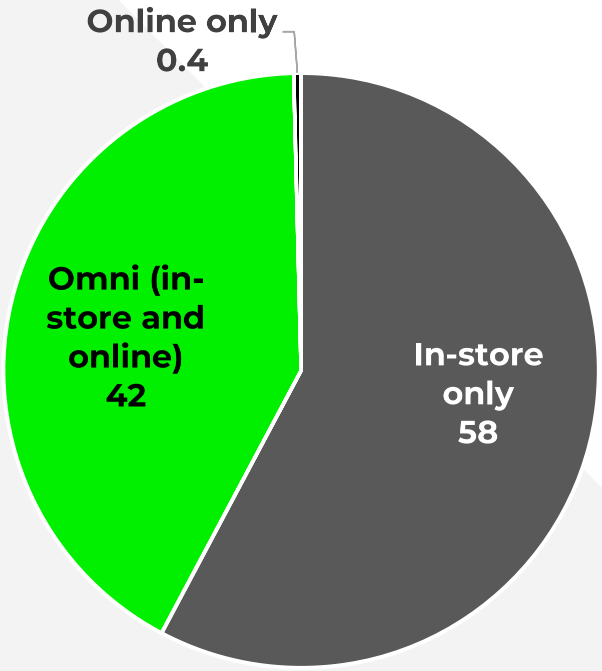
CASE STUDY

Tracking oral hygiene category shoppers

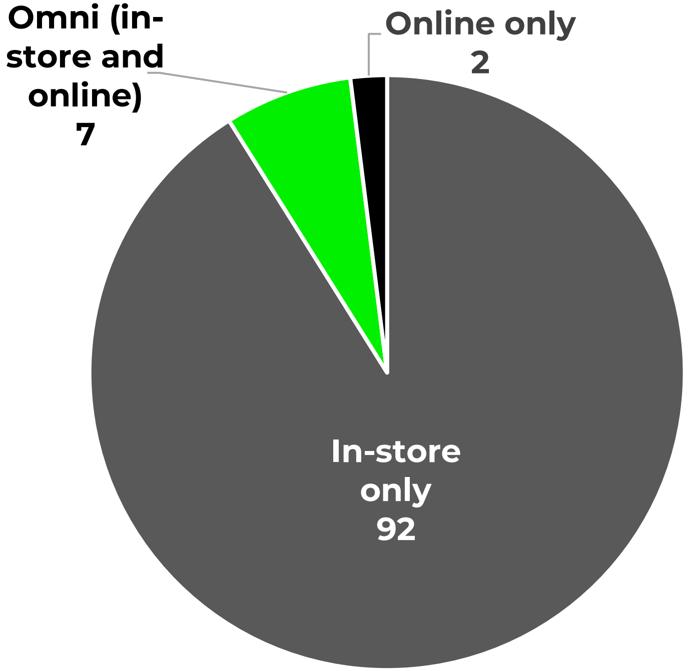
Oral Hygiene shows potential to further develop omnichannel shopping

Omnishoppers currently account for 7% of Oral Hygiene buyers vs. 42% in Total Store

Total Store



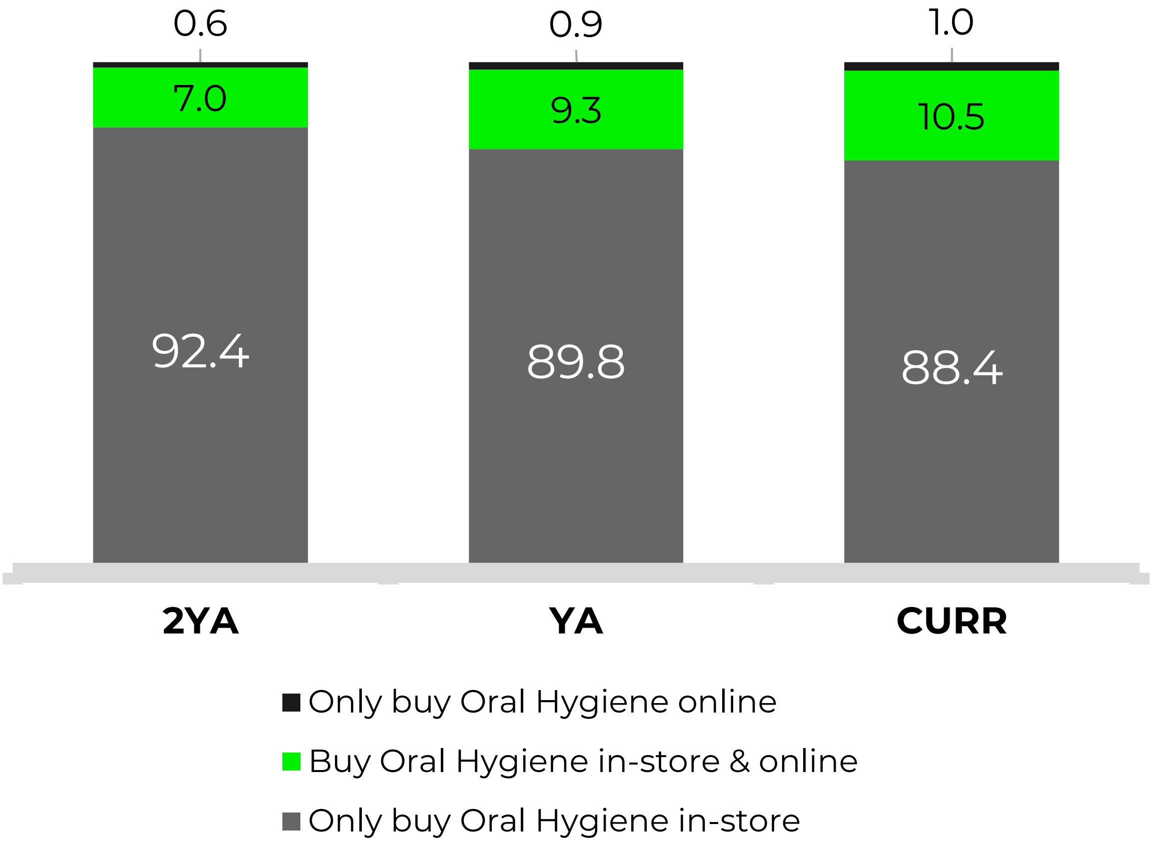
Oral Hygiene



Source: NielsenIQ Homescan | Total Tracked Sales & Oral Hygiene | Total Canada | Latest 52 Weeks PE May 22, 2022

Oral Hygiene omni and online shopping sales have consistently grown over the past two years – expect the trend to continue

% of Dollar Spend on Oral Hygiene



Oral Hygiene Dollar Growth Current vs YA

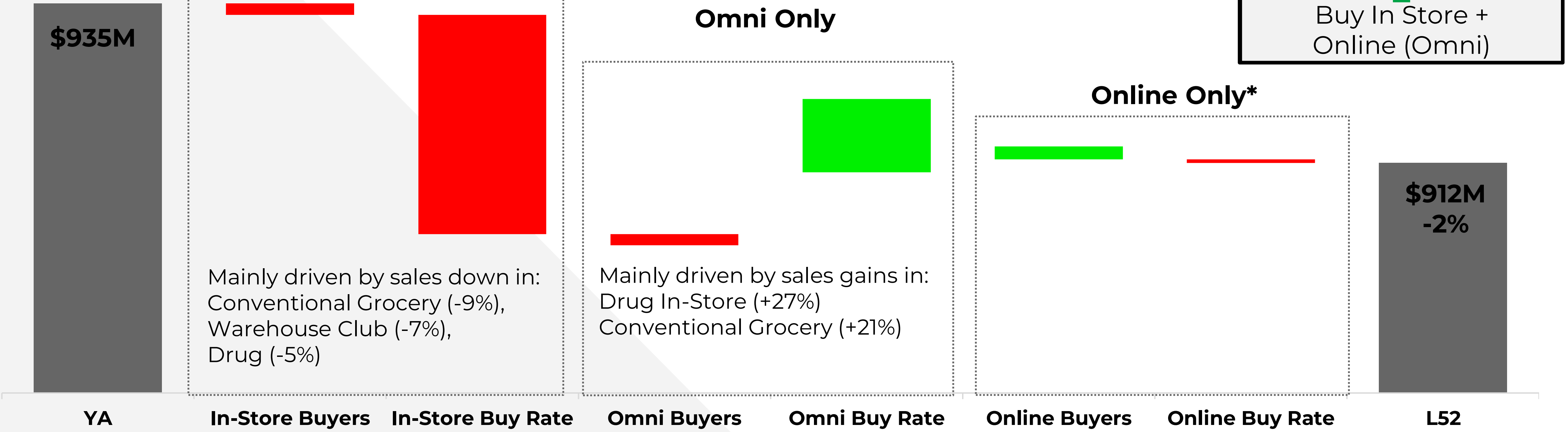
Shopper Group	B&M	Online
Online only*		+16%
Omnishopper buy in-store & online	+10%	+10%
Only buy in-store	-4%	

Source: NielsenIQ Homescan | TL Oral Hygiene| Total Canada | Latest 52 Weeks PE May 22, 2022
*Directional use only

Important to address buyer spending declines in B&M stores and support growth in Omni and Online sales to reverse category losses

Oral Hygiene sales are impacted by changing spending of existing buyers

Oral Hygiene Omnichannel $ Trend Drivers



Mainly driven by sales down in:
Conventional Grocery (-9%),
Warehouse Club (-7%),
Drug (-5%)

Mainly driven by sales gains in:
Drug In-Store (+27%)
Conventional Grocery (+21%)

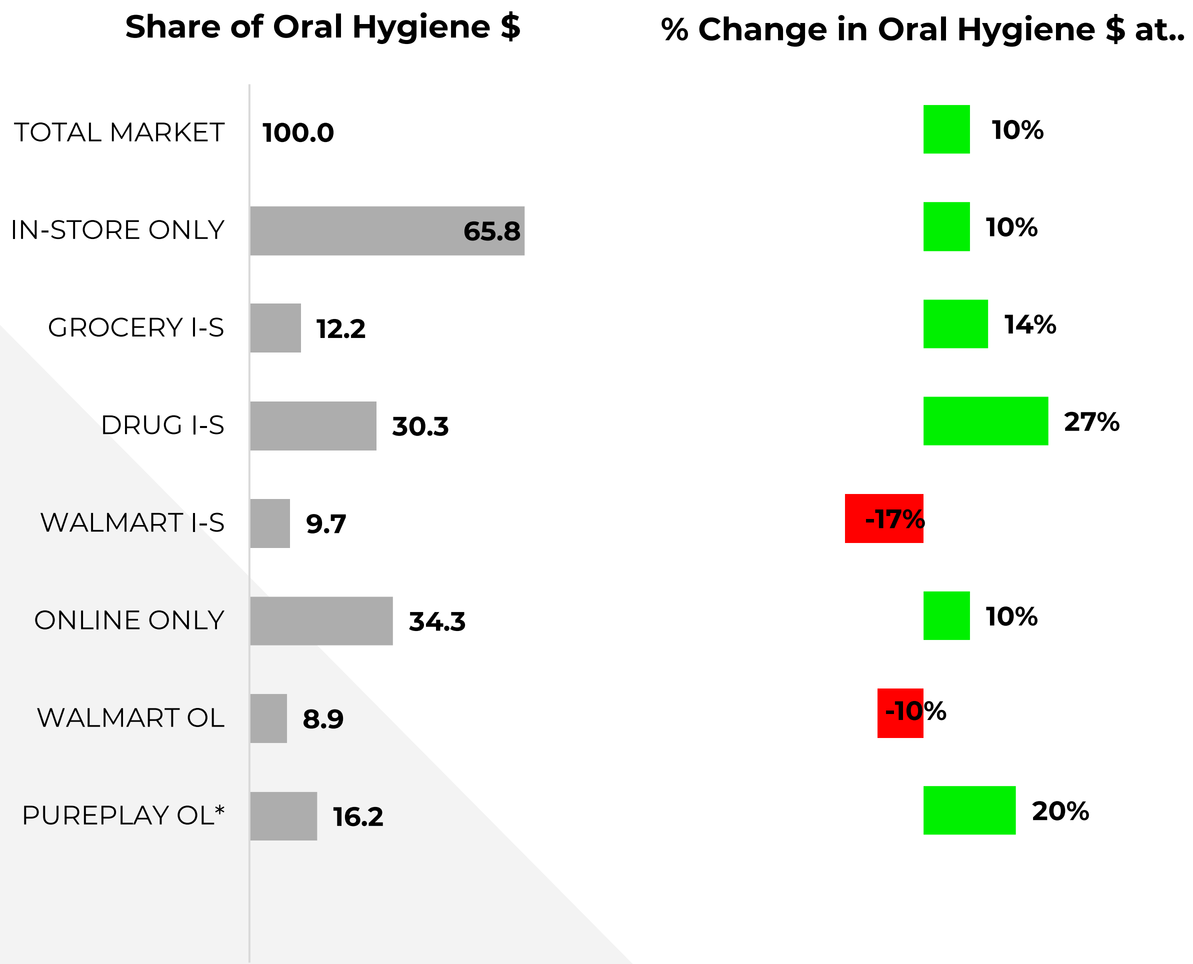
Buyer Groups are mutually exclusive:

Buy In Store + Online (Omni)

Source: NielsenIQ Homescan | TL Oral Hygiene | Total Canada | Latest 52 Weeks PE May 22, 2022
*Directional use only

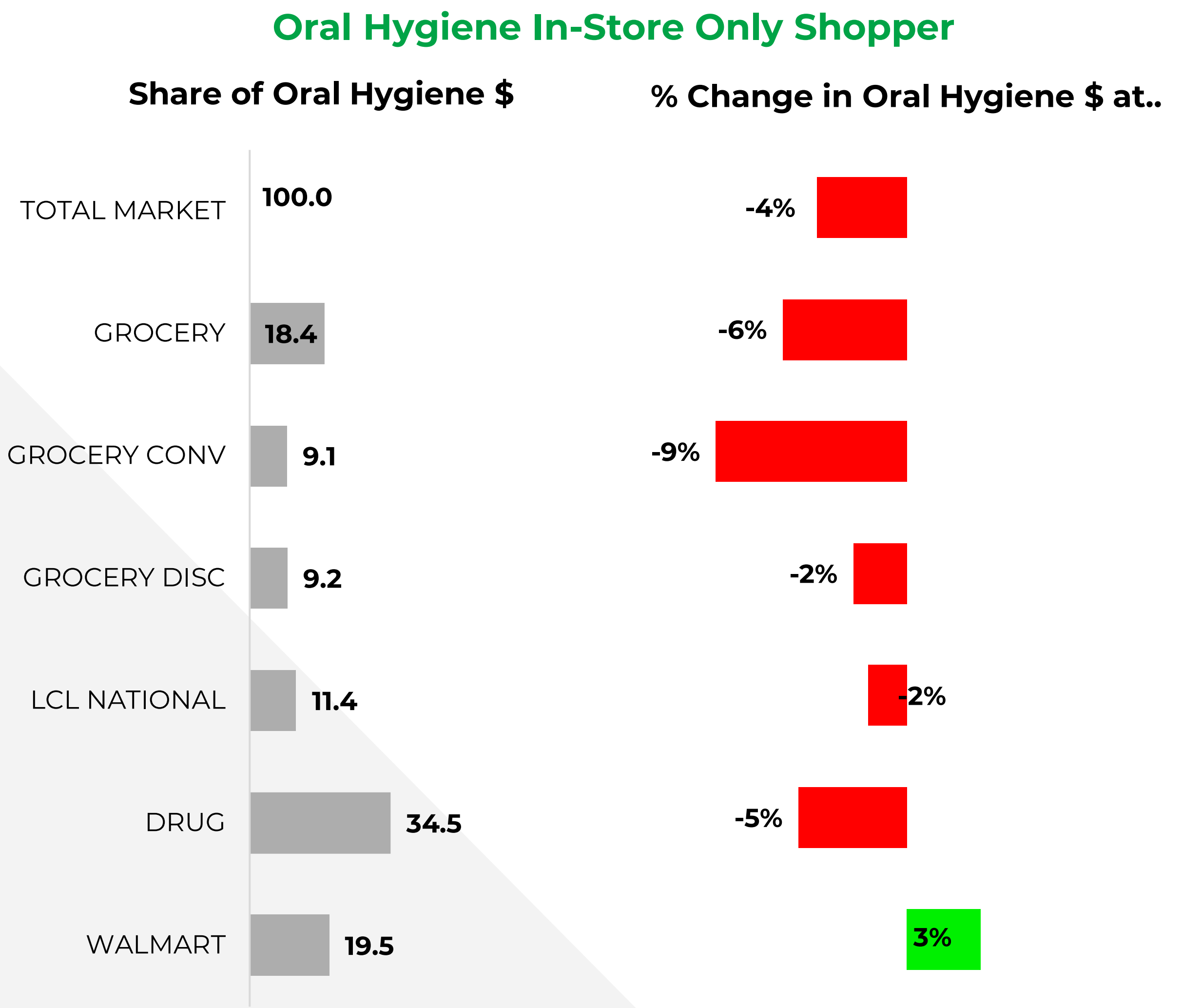
Online accounts for 34% of Oral Hygiene omnishoppers purchase and share continues to grow via increased spending in Pureplay OL, while sales in in-store grocery and drug retailers are also up

Oral Hygiene Omnishopper



Source: NielsenIQ Homescan | TL ORAL HYGIENE| Total Canada | Latest 52 Weeks PE May 22, 2022 | OMNISHOPPER
*Directional use only

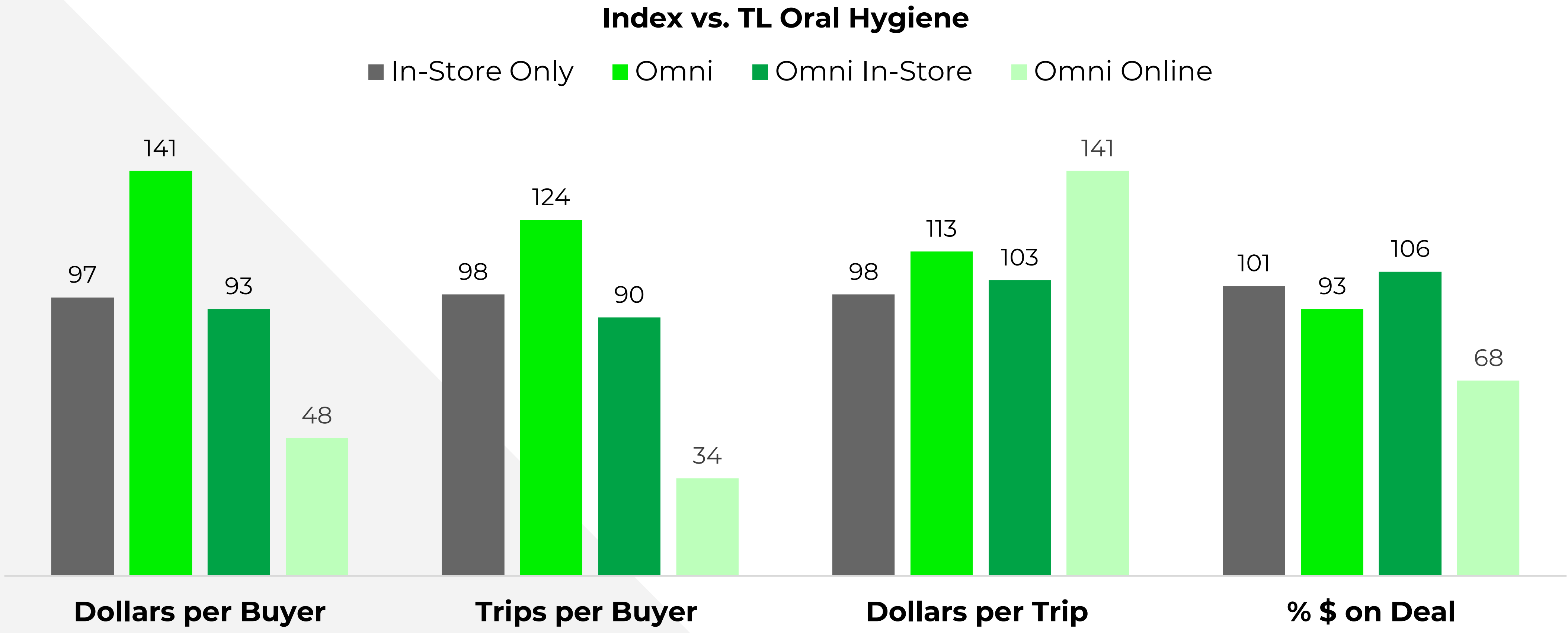
Among Oral Hygiene in-store only buyers, category declines are driven by soft sales in Drug and Conventional Grocery stores, while Walmart is gaining share of the market



Source: NielsenIQ Homescan | TL ORAL HYGIENE | Total Canada | Latest 52 Weeks PE May 22, 2022 | IN-STORE ONLY SHOPPERS

Omni-shoppers tend to be heavier Oral Hygiene buyers, making 24% more trips and spending 13% more per trip vs. average category buyer

When shopping online, omnishoppers also are 32% less reliant on perceived deal



TL Oral Hygiene	$67.3	6.6	$10.2	31.5%

Source: NielsenIQ Homescan | TL Oral Hygiene | Total Canada | Latest 52 Weeks PE May 22, 2022

Engagement tactics for Omni vs. In-Store only shoppers need to vary in order to address differences in shopper profiles

More Likely…

	Spend Index	
Omnishopper	166	Asian
	162	Kids < 6 years
	137	Vegan influenced
	135	Urban Living
	122	Income <$40K
	106	2-3 Members

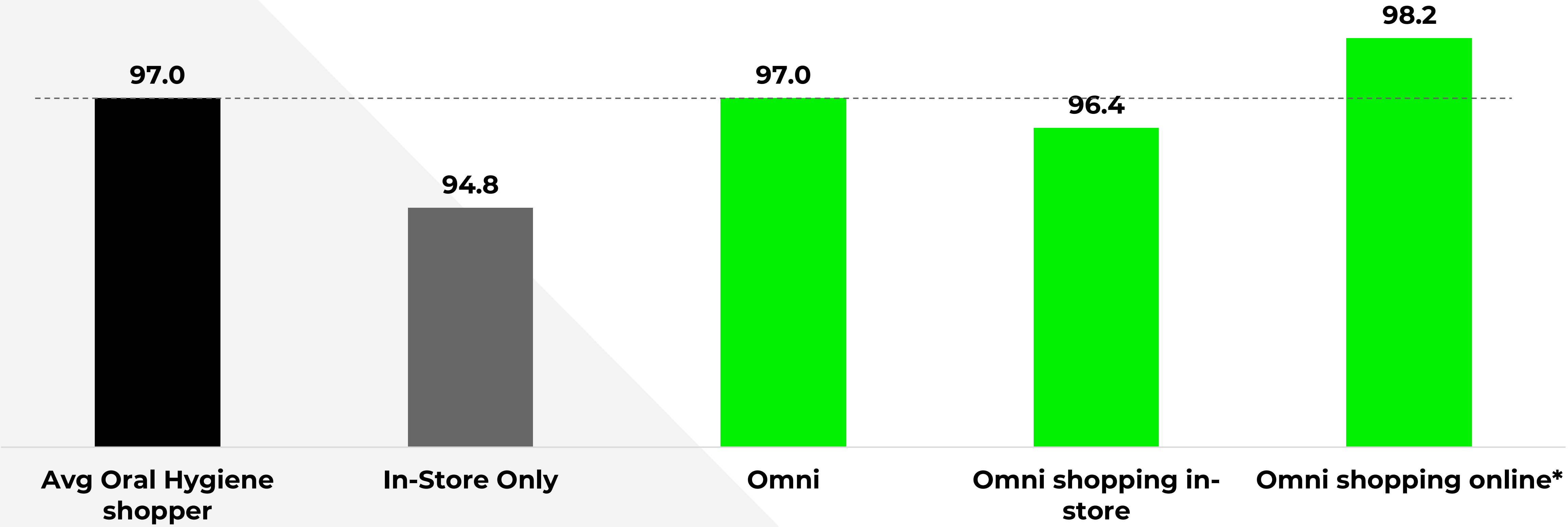
More likely to be Asian, urban living, lower income, smaller families with young kids and vegan/vegetarian influenced

In-Store Only	123	Age 65+
	115	Income $100K+
	114	2 Members
	113	Kids 13-17 y.o.
	112	Both F&M HoH

More likely to be mature, higher income, smaller households

Omnishoppers are more likely to spend on brand-name products

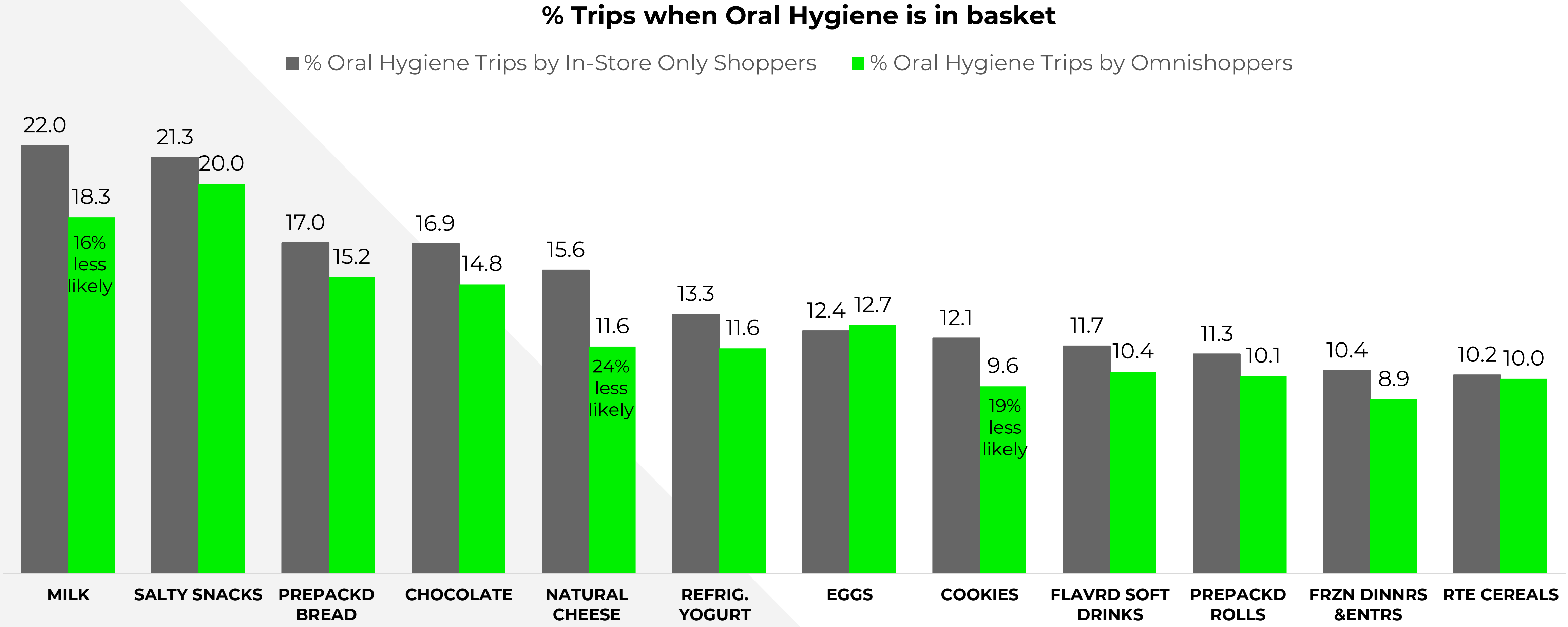
National Brand $ Share among Oral Hygiene shoppers



Source: NielsenIQ Homescan | TL Oral Hygiene | Total Canada | Latest 52 Weeks PE May 22, 2022
*Directional use only

Top staple categories included in basket for Oral Hygiene shopping trip are consistent among category shoppers, whether buying online or in-store

Omnishopper, however, are less likely to include milk, cheese, and cookies in the Oral Hygiene basket vs. average category shopper



Source: NielsenIQ Homescan | TL Oral Hygiene| Total Canada | Latest 52 Weeks PE May 22, 2022 | Index to Avg Oral Hygiene Trip

Consider secondary location / online suggestion opportunities with specific categories to grow reach and engagement of RTEC omnishopper in-store and online

% Omnishopper trips when Oral Hygiene is in basket online or in-store..

More likely to include..

Bath Tissue In-store	10.2%	131
Dishwashing products	8.7%	127
Paper Towels In-store*	7.6%	170
Facial Tissues In-store	7.2%	147

Less likely to include..

Milk	18.3%	84
Exact Weight Cheese	11.6%	76
Cookies	9.6%	81
Shelf Stable Juices&Drinks	7.6%	79
Crackers	7.0%	78
Candy*	6.6%	78
Soup*	5.3%	79
Dry Pasta*	4.4%	76
Chicken*	4.0%	70
Side Dishes*	3.7%	73
Beef &Pork*		<65

Source: NielsenIQ Homescan | TL RTEC| Total Canada | Latest 52 Weeks PE May 22, 2022 | Index to Avg RTEC Trip
*Directional use only

Summary

Get your fair share of the **$3.7 billion** expected sales in the online channel

Understand how your shoppers are **shifting** between Online & Offline for **your** categories. It is not all the same.

Target and reach your **online** shoppers with the right message and right assortment using online customer insights.

Online shoppers represent a growing, valuable segment: They are not necessarily about deals and find value in branded products.

Thank you!