Plant-Based 2.0:
The Next Generation

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Join Me On A Journey Of Transformation

Areas of Focus:

Market Evolution

Trace the evolution of the plant-based market, examine its current landscape, and discover **catalysts** that willl shape future expansion

Clean Label Innovation

Dive deeper into the clean label movement and the **demand for transparency**

CATALYST #1

Plant-Based for Kids

Uncover untapped opportunity and build a foundation for long-term **audience expansion**

CATALYST #2

Imagining the Future

Envision the possibilities for next-gen plant-based foods and the **next generation** of consumers who will embrace them

Market Evolution

And Catalysts of Change

MARKET EVOLUTION

Market Size

$2B

2014 US retail market value estimate, total plant-based food market

See appendix for estimate detail

Outlets

*Most products concentrated in health food stores or **niche** markets*

NICHE

Past: 2014

__Limited__ offerings, often merchandised in their own section

Assortment

*Primarily **vegans** and **vegetarians***

Consumer Base

»

Market Size

$8B

2024 US retail market projection, total plant-based food market

See appendix for projection detail

Outlets

*Widely available in **mainstream** supermarkets, restaurants, & food service*

MAINSTREAM

Present: 2024

__Diverse__ range of cross-category options, often integrated into one aisle

Assortment

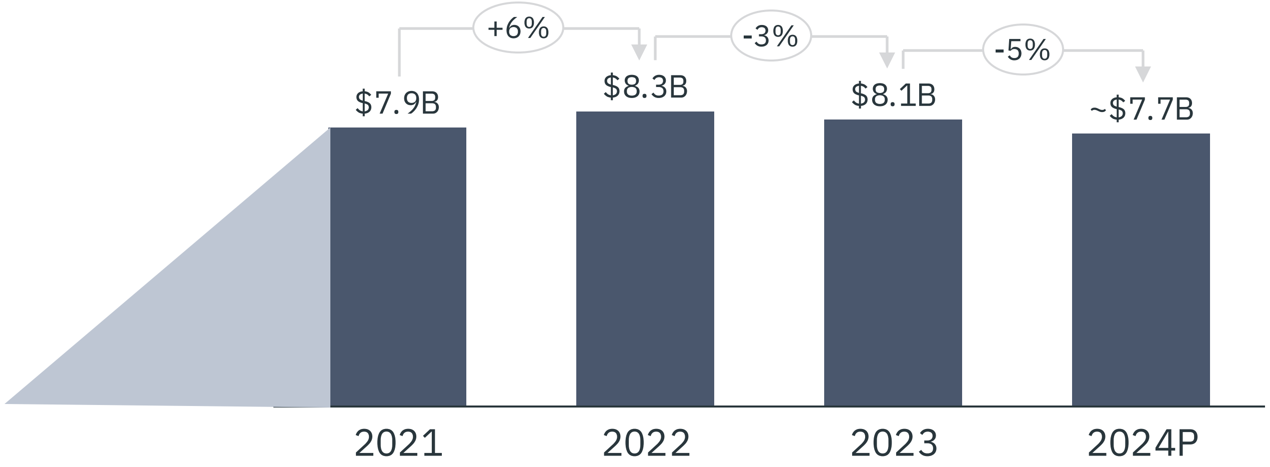
*Broad spectrum of consumers, largely **flexitarian***

Consumer Base

Sources: SPINS Satori, Total US MULO (powered by Circana) & Natural Expanded Channel, Grocery, Frozen, Refrigerated, & VMS Departments, TPL Universe, All Plant Based Positioned Items (Powered by SPINS Product Intelligence) + Private Label in all Plant Based Subcategories, 2024 Projection (see appendix for detail),

Plant-Based at a Crossroads: Innovate to Thrive

Total U.S. Plant-Based Sales



Dollars

	2021	2022	2023	2024P
Dollars % CYA		+5.7%	-2.8%	-4.8%
Units % CYA		-3.9%	-9.1%	-5.4%

As plant-based segments mature, adaptability is key

Introduction	• Plant-based products enter the market • Considered a novelty • Early adopters drive trial
Growth	• “Hype” catches on • New Entrants flood the market • Categories experience high growth
Maturity	• Plant-based becomes a staple • Saturation increases • Pricing becomes competitive
Decline	• Assortment optimization • **Innovation & refinement** • **Expand Audience to Grow**

Source: SPINS Satori, Total US MULO (powered by Circana) & Natural Expanded Channel, Grocery, Frozen, Refrigerated, & VMS Departments, TPL Universe, All Plant Based Positioned Items (Powered by SPINS Product Intelligence) + Private Label in all Plant Based Subcategories (see appendix for detail), 52 W.E. 01.02.2022, 01.01.2023, 12.31.2023, AND YTD W.E. 7.14.2024

Innovation

The Basics Still Matter, Maybe More Than Ever

TASTE MATTERS

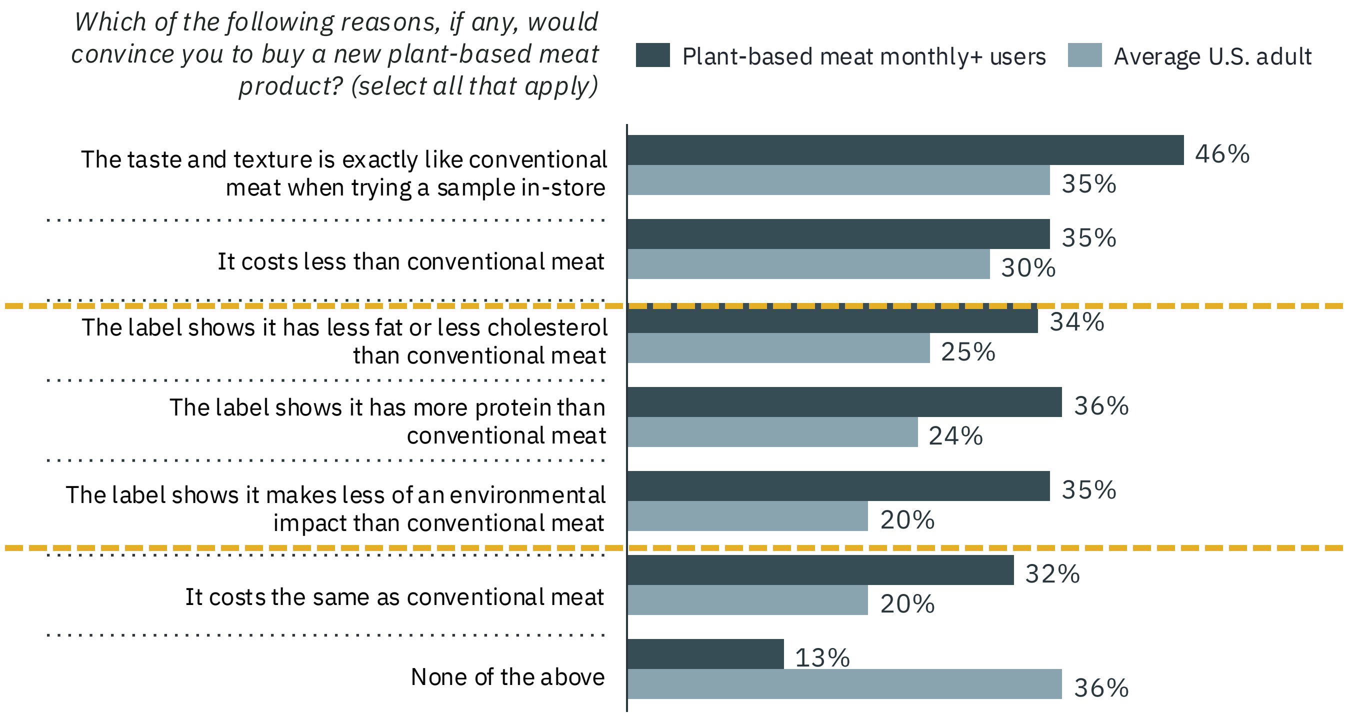
Consistently cited as the most critical factor influencing whether consumers will try or repeat plant-based products

PRICE MATTERS

Significant price gaps to analog choices still exist and present barriers to purchase [2]

INGREDIENTS MATTER

90% of global consumers say ingredients have a major influence on their purchases [1]



MORNING CONSULT gfi Good Food Institute

Source: Poll by Morning Consult on behalf of GFI, n=2,228 US adults, December 2023 [3]

Sources:
1. Kalsec, "What Clean Label Means to Consumers | New Global Survey on Food and Beverage Perceptions" April 2023, n=6,0000
2. SPINS Satori, Total US MULO (powered by Circana) and Natural Expanded Channel, RF+SS Plant Based Milk and Dairy Milk, FZ + RF Plant Based Meat Alternatives, FZ + RF Meat Poultry & Seafood, Latest 24 weeks ending 7.14.2024
3. Good Food Institute, 2023 State of the Industry Report, Plant-Based Meat, Seafood, Eggs and Dairy

Raising the Stakes: Consumers Expect Transparency

People want to know what's in their food, where it comes from, and how it's made

What does it mean to be CLEAN?[1]

While there is no one definition, consumer perception includes:

- **Simple Ingredients**
- **Non-GMO**
- **Nothing Artificial**
- **Natural/Organic**
- **Allergen-Free**
- **Minimally Processed**

Ingredients Drive Consumer Trust

90%

of global consumers say ingredients have a **major influence** on their purchases

3 out of 4

actively look for products with **clean ingredients** and regularly shop for them

85%

say they check the label for ingredients and **front of package claims**

Source: Kalsec, What Clean Label Means to Consumers | New Global Survey on Food and Beverage Perceptions, n = 6,000, April 2023 (see appendix for methodology)

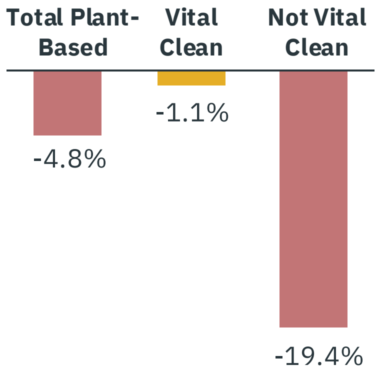
The Clean Label Movement

Voting with their dollar, consumers signal a clear shift toward cleaner food options through purchase behavior

Total Plant-Based [2]

Ingredient Type	Ingredient	$ % CYA
[Benchmark]	*Total Plant-Based*	-4.8%
Sweetener	High Fructose Corn Syrup	-27.3%
Sweetener	Artificial Sweeteners	-26.7%
Preservative	Artificial Preservatives	-20.4%
Ingredient	Not Vital Clean	-19.9%
Emulsifier	Carrageenan	-12.6%
Emulsifier	Gums	-9.1%
Flavor	Artificial Flavors	-5.6%

SPINS tracks products that are free from artificial colors, flavors, and preservatives with an attribute called **Vital Clean.** [2]



+2.4%
Vital Clean
$ vs YA, Total F&B

Source: SPINS Satori, Total US MULO (powered by Circana) & Natural Expanded Channel, Grocery, Frozen, Refrigerated, & VMS Departments, TPL Universe, All Plant Based Positioned Items (Powered by SPINS Product Intelligence). 52 W.E. 8.11.2024

Challenges of Going Clean

Compromising

Taste & Texture

Cleaning up ingredient lists could come at the cost of a product's **taste, texture**, and, in certain cases, ability to **mimic its animal-based analog**.

Compromising

Shelf Life

While perceived as healthier, natural preservatives like citric acid and vinegars may be viewed as **less effective** than synthetic options

Compromising

Cost

Ingredients (or lack of) required to clean up a product's label can be **harder to source, as well as more costly to produce**.

Sources: 1. Thomas, Jessica. "Clean Label Formulation Challenges Beverage Makers." Beverage Industry, 1 Nov. 2021 **2.** "The Future of Clean Label Ingredients in Food Production." Food Chain Magazine, 8 Aug. 2023

Despite Challenges, Brands are Adapting

Brands are pushing the envelope, proving going clean is possible - and worth it!

Plant-Based Milk

Ingredients:

- Oat Base (water, oats)
- Sea Salt
- Citrus Fiber

Ingredients:

- Water
- Organic Almonds
- Sea Salt

Plant-Based Meat

*Abbot's is committed to crafting **clean-label** meat alternatives free from the top nine allergens, preservatives, seed oils, and artificial flavors.*

vegconomist

*Beyond Meat Unveils 'Beyond Sun Sausage' in Bold Move Toward **Clean-Label** Innovation*

vegconomist

Sources: 1. Abbot's Products Available in 1,300 Publix Stores in Southeastern US." Vegconomist March 2024
2. "Beyond Meat Unveils Beyond Sun Sausage in Bold Move for Clean Label Innovation." Vegconomist, July 2024

Adding Value Through Functional Nutrition

It's not just about "free-from"; Consumers search for clean, and then some!

Food that provides holistic health benefits through ingredient functionality is taking center stage

	DHA	Functional Mushrooms	Maca Root
KEY BENEFITS	✔ *Brain Health* ✔ *Heart Health* ✔ *Anti-Inflammatory*	✔ *Immune Support* ✔ *Cognitive Function* ✔ *Energy & Endurance*	✔ *Hormone Balance* ✔ *Fertility* ✔ *Energy & Endurance*
MARKET REFLECTIONS	**+$7.5M** Total DHA vs YA	**+$5.7M** Total Functional Mushrooms vs YA	**+$3.4M** Total Maca Root vs YA

Sources:
1. National Institute of Health (DHA, Mushrooms, Maca Root). **2.** American Heart Association (DHA). **3.** Healthline (DHA, Mushrooms, Maca Root). **4.** PubMed (Mushrooms).
5. SPINS Satori, Total US MULO (powered by Circana) & Natural Expanded Channel, Grocery, Frozen, Refrigerated, & VMS Departments, TPL Universe, All Plant Based Positioned Items (Powered by SPINS Product Intelligence). 52 W.E. 8.11.2024

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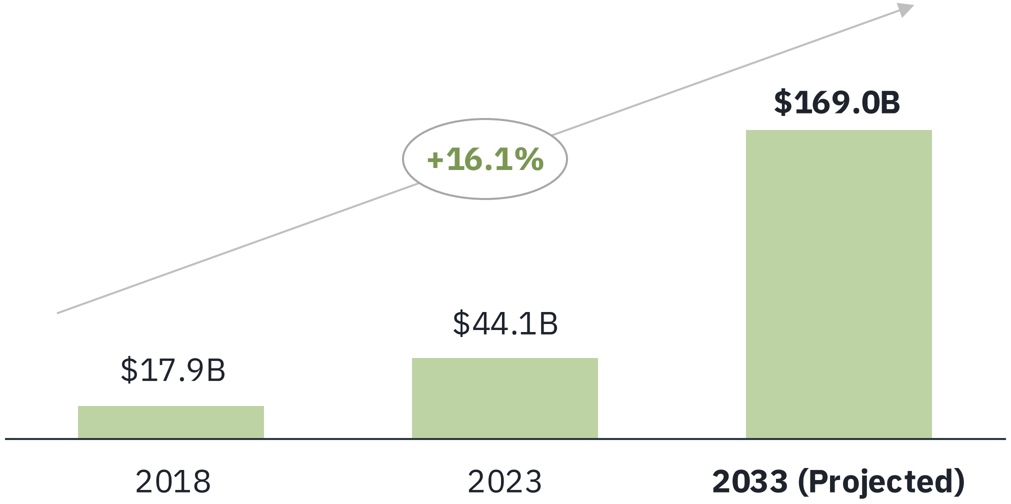
The Future is Clean

Global Clean Ingredient Market Value Projection



Future Growth Dependent On:

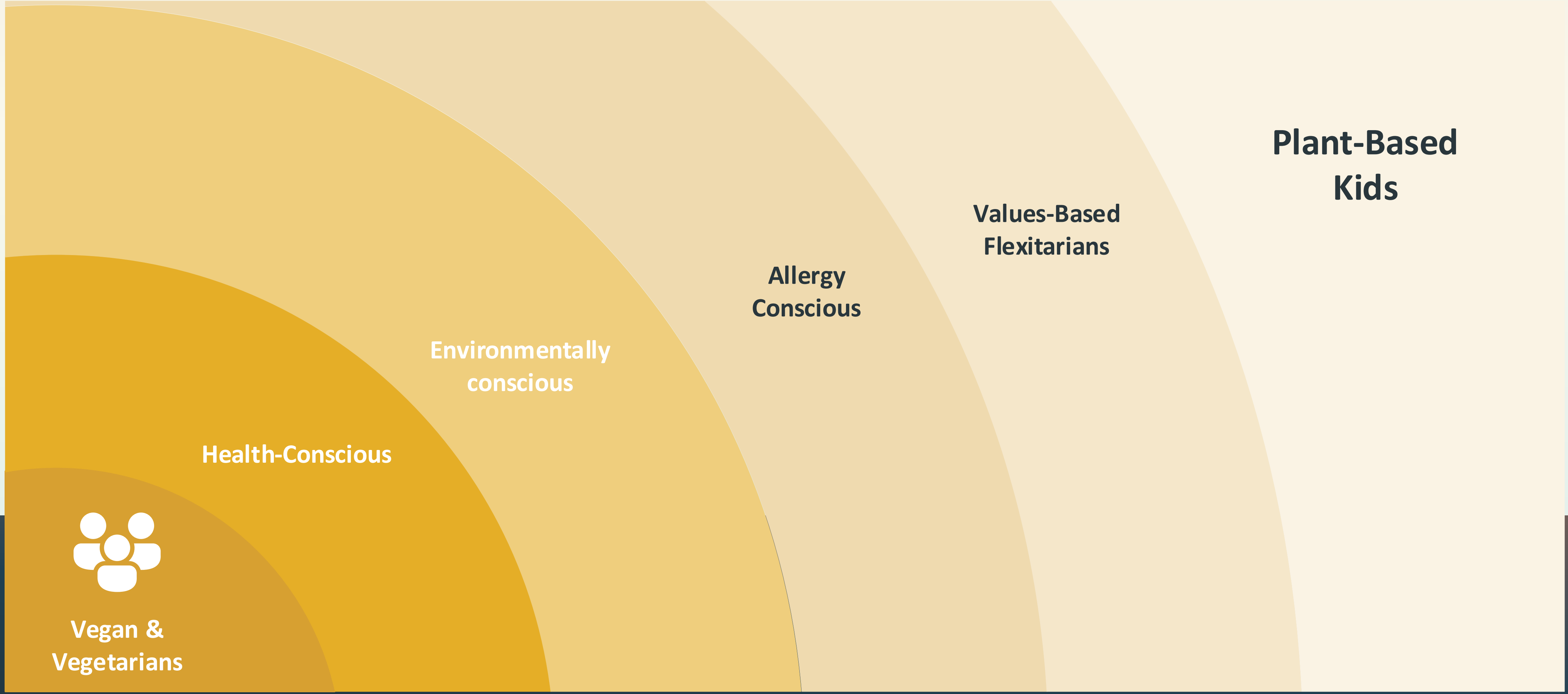
- **Consumer Demand For Transparency**
- **Increased Health Consciousness**
- **Regulatory and Industry Changes**

As consumers become even more educated and health-conscious, the demand for transparency and simplicity will only grow. Going clean is no longer optional; it's the foundation on which the future of food will be built.

Source: "Clean Label Ingredients Market." Future Market Insights, 2024, https://www.futuremarketinsights.com/reports/clean-label-ingredients-market.

Audience Expansion

Expanding Audiences & Long-Term Adoption



Source: The Food Institute, "Who's Buying Alt-Meat? Unpacking Consumer Motivations", December 2023

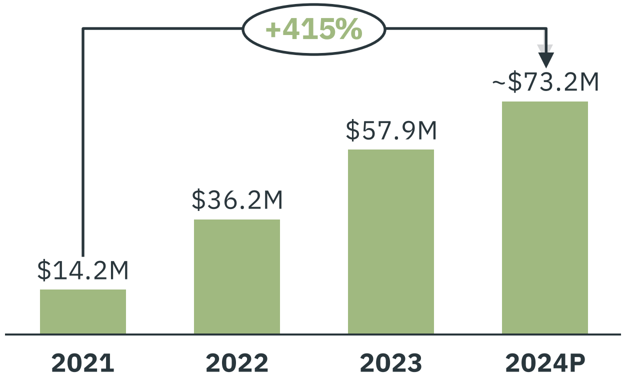
The Emerging Kids Segment: Planting a Seed for Long-Term Growth

Today's parents are raising tomorrow's plant-based consumers; households with children over-index as plant-based buyers and market trends signal growing demand

Plant-Based Demographics: $ Index*

Households with Younger Children	110
Households with Older Children	111

Plant-Based Kids Annual Dollar Sales



*Dollar Index represents the proportion of product dollars accounted for by a given demographic segment divided by the proportion of total households within the demographic segment.

Kids products are making a splash in the plant-based market

See Appendix for Projection Detail

Sources: 1. SPINS Satori, Total US MULO (powered by Circana) & Natural Expanded Channel, Grocery, Frozen, Refrigerated, & VMS Departments, TPL Universe, All Plant Based Positioned Items, Age Attribute = Kid + Baby Positioned (Powered by SPINS Product Intelligence), 52 W.E. 01.02.2022, 01.01.2023, 12.31.2023, AND YTD W.E. 7.14.2024.
2. Source: SPINS Enhanced National Consumer Panel | Total US – All Outlets | 52 WE 12.3.23

Unlocking Potential in the Plant-Based Kids Segment

The plant-based kids segment is growing rapidly but is still under-developed. This white space poses both short and long-term growth potential

Achieving an additional 1% share by the end of 2025 presents a

$0.9M

*Industry Growth Opportunity**

	Kids $ Share	Share Index	Opportunity Gap
Of Total Plant-Based	1%	48	+1%
Of Total F&B [benchmark]	2%	100	0%

See Appendix for Projection Detail

Source: SPINS Satori, Total US MULO (powered by Circana) & Natural Expanded Channel, Grocery, Frozen, Refrigerated, & VMS Departments, TPL Universe, All Plant Based Positioned Items, Age Attribute = Kid + Baby Positioned (Powered by SPINS Product Intelligence), YTD W.E. 7.14.2024

Drivers of Growth: Categories Paving the Way

Brands are making plant-based accessible to parents and kids in staple categories

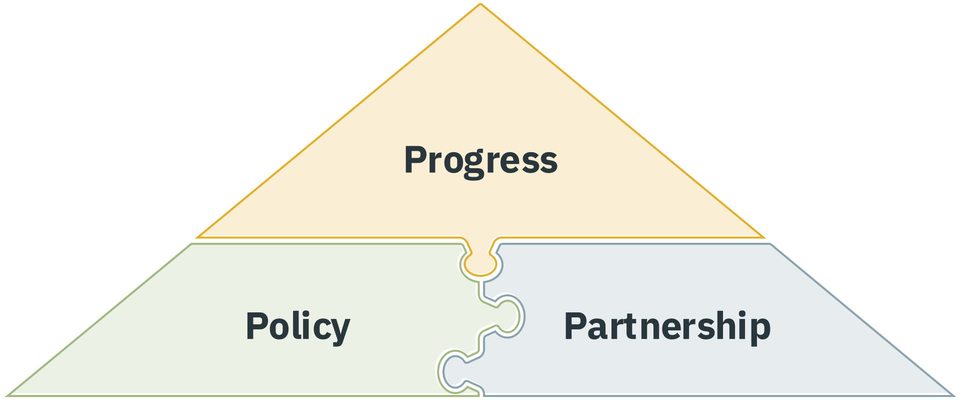
Top 5 Growth Contributors, Total **Plant-Based Kids** YTD

Subcategory	Absolute $ CYA	$ % CYA
Plant-Based Milk	+$5.2M	30.5%
Plant-Based Yogurt	+$1.8M	149.7%
FZ Plant-Based Nuggets & Strips & Cutlets	+$1.5M	18.9%
FZ Plant-Based Breakfast Entrees	+$50.5K	17.3%
Plant-Based Protein Powder	+$17.6K	15.5%

Brand Drivers

Source: SPINS Satori, Total US MULO (Powered by Circana) and Total US Natural Expanded Channel, YTD W.E. 2.25.24
Powered by SPINS Product Intelligence: All Plant-Based & Kids/Baby Positioned Products

Shaping the Next Generation: It Takes a Village



Policy Push: Plant-Based School Lunches [1]

*New York State lawmakers are **considering a bill** that would require schools to provide plant-based meals to students who request them at no additional cost to their families.*

Proven Progress: Plant-Powered Fridays [2]

*Plant-Powered Friday … exposes students to meals prepared in different, flavorful ways, encouraging students to make **healthy food choices for a lifetime**.*

NYC Public Schools

Plant-based School Snacks

Sources
1. Touhey, Julianne. 'Push to Provide Plant-Based Lunch Options in Schools.' News10 ABC, Nexstar Media Group, 24 Mar. 2023
2. "Plant-Powered Meals." *New York City Department of Education*

Imagine a Future Where...

Market Evolution

Plant-Based is no longer viewed as a substitute or alternative; it is seamlessly integrated into global consumer diets, driving the market to **a state of sustainable growth**

Clean Label Innovation

The industry has evolved - eliminating toxic ingredients, enhancing sustainability, and clean labels are the standard. **Conscious consumption is the norm**

CATALYST #1

Plant-Based for Kids

Plant-Based Kids have grown into plant-based adults who embrace these foods as an inherent part of their lifestyle. **Plant-based eating is perceived as second nature**

CATALYST #2

Thank you!

For more information contact us at **growth@spins.com**

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Appendix

2014 MARKET VALUATION ESTIMATE

Slide 4: 2014 Total Plant-Based US Retail Market Size

Compound growth formula:

$$\text{Future Value} = \text{Present Value} \times (1 + r)^t$$

Inputs	Values	Source/ Calculation
Future Value (FV)	$3.9 billion	SPINS, Total Plant-Based Food Retail Market, Full Year 2017, via *Good Food Institute,* "Plant-Based Retail Market Overview.", 2023,
Time (t)	3 years	From 2014 to 2017
Present Value (PV)	Market size in 2014	Calculation Output
r	Annual Growth Rate	Assumed to be 18% based on typical growth rates for emerging markets like plant-based foods between 15-25%

$$3.9 = PV \times (1 + 0.18)^3$$

$$PV = \frac{3.9}{(1.18)^3} = 3.9 \div 1.639 = 2.38 \text{ billion}$$

KIDS DOLLAR OPPORTUNITY DETAIL

Slide 18, Total Plant-Based Kids Dollar Opportunity:

- **Assumptions:**
  - Current YTD growth rate stays constant throughout 2024 & 2025 (26.4%)
  - Plant-based kids market reaches $92.5M in sales by the end of 2025 (projected below)

Inputs	Values	Source/ Calculation
PB Kids 2024 Projection:	$73,162,635	See Previous Slide
Plant-Based Kids YTD Growth Rate vs YA:	26.4%	SPINS, Total US MULO + Natural Channel, YTD W.E. 7.14.2024
Plant-Based Kids 2025 Dollar Projection:	$92,482,533	= (1+0.264)*$73.2M
Kids Dollar Share of Total Plant-Based:	0.87%	SPINS, Total US MULO + Natural Channel, YTD W.E. 7.14.2024
Kids Dollar Share of Total Food & Bev:	1.83%	SPINS, Total US MULO + Natural Channel, YTD W.E. 7.14.2024
Share Index:	47.5	= (0.87/1.83)*100
Opportunity Gap to Total Food & Bev:	1.0%	= 1.83-0.87
Dollar Opportunity:	$890,411	= 1.0%*$92.5M
Rounded (Millions):	**$0.9M**	**= $890,411/$1,000,000**

*Total Food & Bev = Total Frozen, Grocery, Refrigerated, Vitamins & Supplements Departments

PLANT-BASED SUBCATEGORY DETAIL

Private Label and Private Label Organic brand totals from the below subcategories were included in the Total Plant-Based values reported where noted:

Subcategories	
RF PLANT BASED MILK ALMOND	RF PLANT BASED DINNER SAUSAGE LINKS
RF MARGARINE & PLANT BASED SPREADS	RF PLANT BASED CREAM CHEESE & SOUR CREAM & OTHER
SS PLANT BASED MILK ALMOND	FZ PLANT BASED BREAKFAST MEAT ALTERNATIVES
RF PLANT BASED MILK OAT	RF PLANT BASED GROUNDS
RF PLANT BASED MILK SOY	RF PLANT BASED CHEESE SLICED & SNACK
RF PLANT BASED MILK COCONUT	RF SEITAN
FZ PLANT BASED BURGERS	RF TEMPEH
RF PLANT BASED CHEESE SHREDDED & GRATED	RF PLANT BASED BURGERS
SS PLANT BASED MILK COCONUT	FZ PLANT BASED GROUNDS
RF PLANT BASED MILK OTHER & BLENDS	FZ PLANT BASED DINNER SAUSAGE LINKS
RF PLANT BASED YOGURT	RF PLANT BASED CHEESE
FZ PLANT BASED MEATBALLS	FZ PLANT BASED MEAT ALTERNATIVES OTHER
FZ PLANT BASED NUGGETS & STRIPS & CUTLETS	FZ PLANT BASED HOT DOGS
SS PLANT BASED MILK OAT	FZ PLANT BASED LOAVES & ROASTS
SS PLANT BASED MILK SOY	RF PLANT BASED MEATBALLS
RF PLANT BASED DELI	SS PLANT BASED MILK OTHER & BLENDS
RF PLANT BASED BREAKFAST MEAT ALTERNATIVES	SS PLANT BASED MILK RICE

CONSUMER SURVEY DETAIL: KALSEC

Methodology

Kalsec commissioned Pollfish to conduct an online survey in 12 countries across the Americas, Europe, and Asia Pacific to capture an accurate depiction of the global market.

Survey participants were both male and female, and rated themselves average-to-above average in being able to recognize ingredients generally and ingredients they deem "clean".

The research used Likert scales to effectively rate consumer thoughts and to measure behavior.

Sample size:
6,000 participants

Countries:
Brazil, Canada, Mexico, United States, United Kingdom, France, Germany, Italy, Australia, China, India, Thailand