State of Industries

EXPO WEST 2025 POST SHOW

Today's **Presenters**

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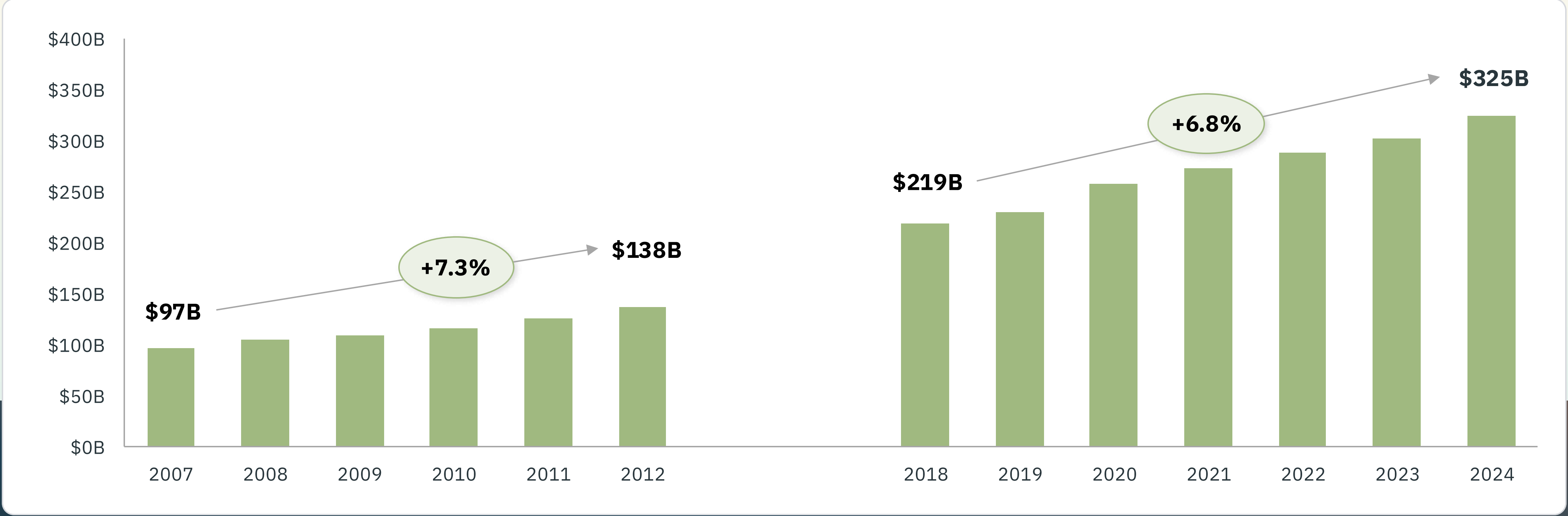
State of the Industry

NATURAL 2025

The U.S. natural products industry is a force

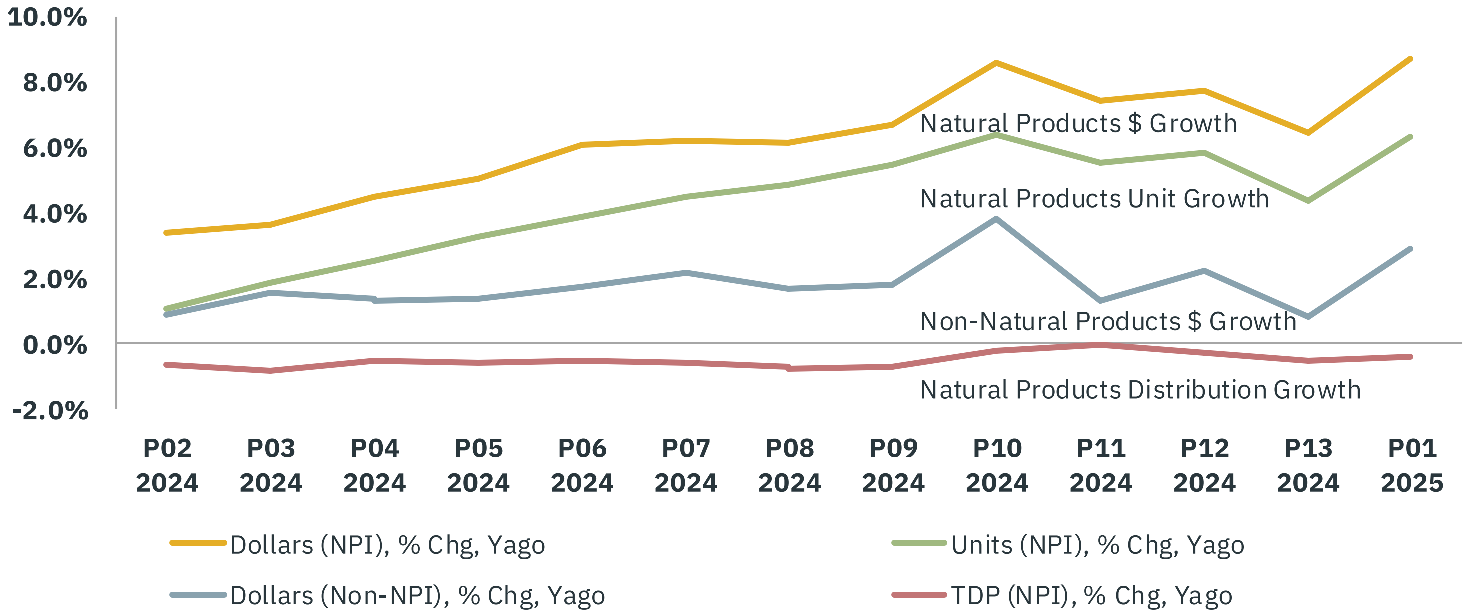
This industry has **more than tripled in size since 2007** growing from **$97B** to over $325B in 2024 with volume growth every year. Our scale is accelerating, and this momentum can amplify our voice **and impact.**



Source: Nutrition Business Journal ($mil, customer sales)

Natural products' pace of growth continues to accelerate and attract new shoppers

Year over Year growth for combined Natural Supermarkets and Mainstream Outlets



+1% MORE NPI BUYERS

+4% INCREASE IN TRIPS PER BUYER

95.7% of HHs buying NPI in the last 12 wks; Avg is over a trip a week

Latest 12 weeks versus year ago

Refrigerated
Grocery
Vitamins/Supplements

Top Departments bringing in new NPI buyers

Source: SPINS Natural Channel and MultiOutlet (powered by Circana) and TriLens Consumer Panel (powered by Circana), week ending 1/26/25

Overall, shoppers are buying more natural products

Across all Outlets combined, shoppers are spending over 6% more on natural products and buying those products in generally the same places as last year.

Overall, where are natural consumers spending?	Share of NPI Wallet	Index to non-NPI
Supermarkets (including natural)	39%	105
Club Stores	15%	138
Walmart	13%	61
Internet (buying online)	11%	161
All Other	15%	88

- **Natural supermarkets are growing** in overall household penetration and in the number of trips/buyer
- **Club stores have the largest share of wallet for VMS** followed by Walmart and buying online. All are growing.
- **Gen Z** is gaining in purchase power and already has **considerably more Internet trips and HH penetration** than other generations

Natural products (the NPI) are leading growth

Natural products are outpacing other products across all SPINS tracked channels. The Natural Channel continues to lead growth and has throughout the past year as consumers look for new inspiration and solutions for health.

Natural Expanded Channel		Regional & Independent Grocery Channel		Conventional MultiOutlet		Convenience Channel	
+4.6% Sales Growth		-1.2% Sales Growth		+2.1% Sales Growth		+0.0% Sales Growth	
+7.9%	NATURAL PRODUCTS	+1.9%	NATURAL PRODUCTS	+5.5%	NATURAL PRODUCTS	+4.9%	NATURAL PRODUCTS
+2.7%	SPECIALTY & WELLNESS PRODUCTS	+1.3%	SPECIALTY & WELLNESS PRODUCTS	+3.1%	SPECIALTY & WELLNESS PRODUCTS	+2.5%	SPECIALTY & WELLNESS PRODUCTS
-0.7%	CONVENTIONAL PRODUCTS	-2.3%	CONVENTIONAL PRODUCTS	+1.4%	CONVENTIONAL PRODUCTS	-2.2%	CONVENTIONAL PRODUCTS

Source: SPINS Total store US Natural Enhanced Channel, Regional Grocery, Conventional Multioutlet + Convenience Channels (powered by Circana), 52 Weeks ending 12/29/2024

The Industry continues to evolve

- The retailer landscape is challenging amidst competition and external forces
- Retailers are turning to their brand partners for support. CPGs often have to cut costs to stay on shelf when they need to be investing in innovation: digital capabilities and R&D.

Retail Media $100B

In the next 2–3 years.
3x from 2021

½ of CPG Execs

"Retailer pressures significantly impacted 2023 performance"

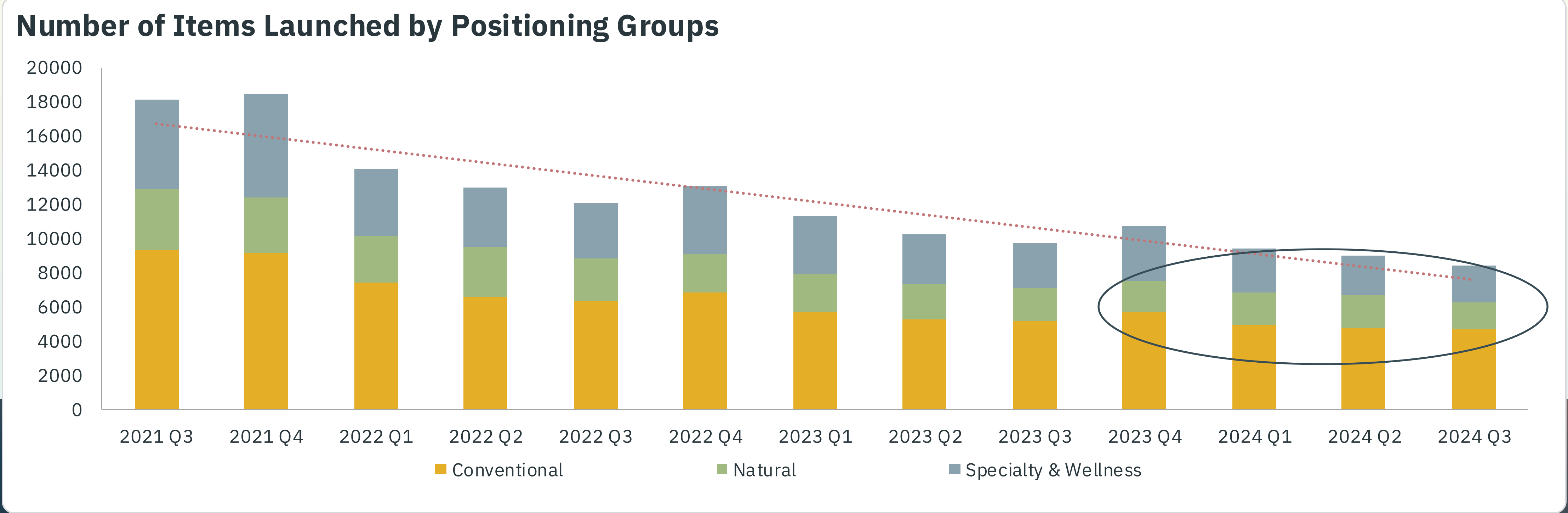
Private Label

Growth continues
~20% $ Share | 25%+ Unit Share

Sources: Boston Consulting Group, Bain, and CoBank Knowledge Exchange 2024 Studies

Investment in Innovation

The slowdown of new items has stabilized and is showing early indication of a return to growth. Smart new item launches focused on profitable growth continue to be critical for enterprise success.



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

What's winning?

Looking at the top categories based on absolute dollar growth, **it is clear consumers are increasingly seeking products with high nutrient density, particularly protein.**

1. Yogurt & Plant-based Yogurt
2. Soda
3. Eggs
4. Fresh Meat, Poultry & Seafood
5. Frz Meat, Poultry & Seafood
6. Protein Supplements & Meal Replacements
7. Jerky & Meat Snacks
8. Dog Food
9. Deodorants & Antiperspirants
10. Creams & Creamers

9 of 10 categories are at the top for 2 years absolute growth

6 of 10 are in the top 10 for unit growth (including Eggs)

Source:SPINS Total US Natural Expanded Channel + MultiOutlet (powered by Circana), 52 Weeks Ending 1.26.2025

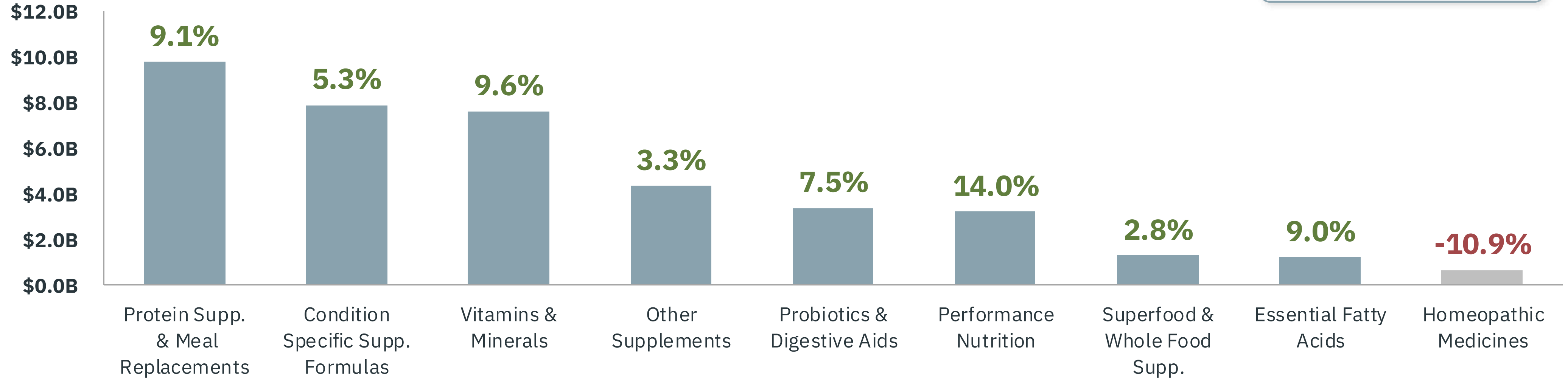
Vitamins & Supplements

STATE OF THE INDUSTRY

Shoppers are prioritizing holistic and fitness-oriented supplements that enhance physical performance, provide natural and nutrient-dense options, and support muscle development.

+7.4%
VMS Total Department
52 Week $ Sales Change YoY

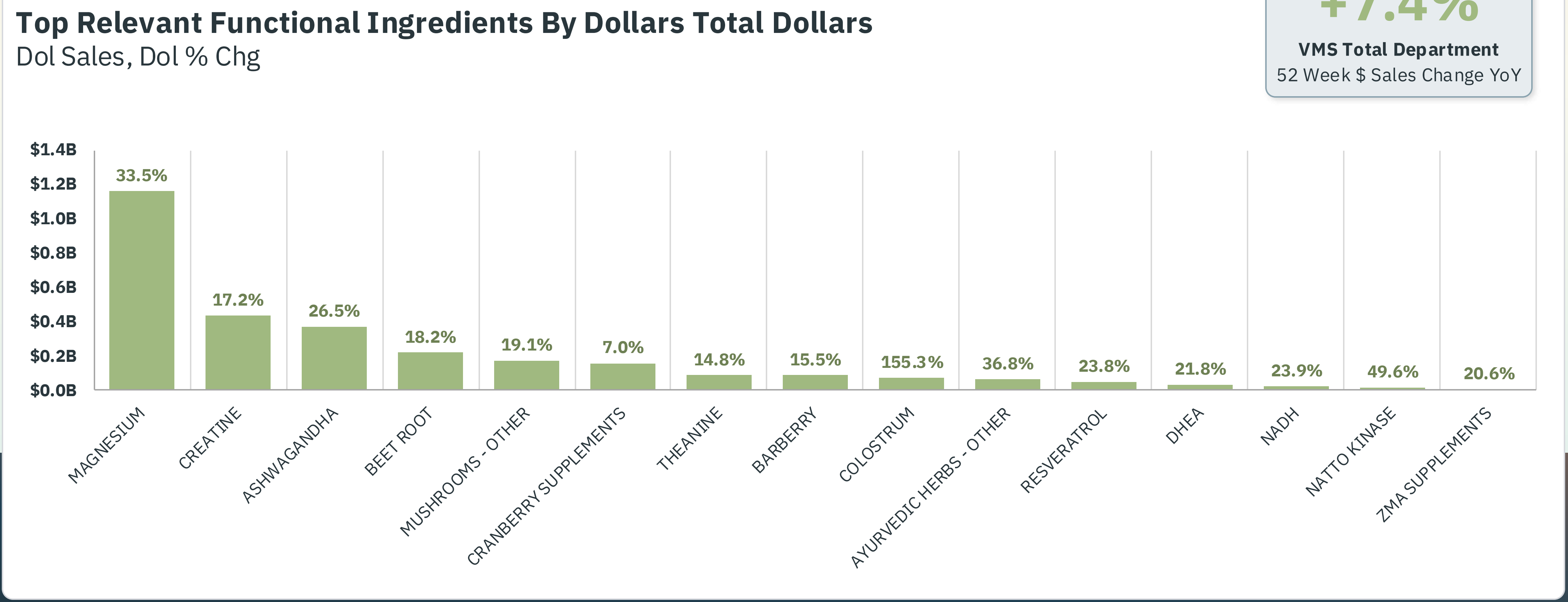
Vitamins & Supplements By Category
Dollar Sales, Dol % Chg



Units % Chg, YAGO:	**+8%**	**-3%**	**+3%**	**+0%**	**+4%**	**+15%**	**+2%**	**+1%**	**-14%**

Source: SPINS Natural Channel, Amazon, Convenience & Multi-Outlet (MULO) (Powered by Circana)
Dept: Vitamins & Supplements, 52 Weeks Ending 12/29/24

Key functional ingredients remain trendy



+7.4%
VMS Total Department
52 Week $ Sales Change YoY

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

Source: SPINS Natural Channel, Amazon, Convenience & Multi-Outlet (MULO) (Powered by Circana)
Dept: Vitamins & Supplements, Attribute: Functional Ingredients, 52 Weeks Ending 12/29/24

Delivery Method

Brick & Mortar

TYPE	MARKET SHARE	YOY GROWTH
Liquid RTD	1	+11%
Powder	2	+9%
Gummy	3	-3%
Tablet	4	-3%
Capsule	5	-1%

Amazon

TYPE	MARKET SHARE	YOY GROWTH
Powder	1	+9%
Capsule	2	+19%
Veg. Capsule	3	+15%
Liquid	4	+17%
Softgel	5	+16%

Source: SPINS Natural Channel, Amazon, Convenience & Multi-Outlet (MULO) (Powered by Circana)
Dept: Vitamins & Supplements, Attribute: Form, 52 Weeks Ending 12/29/24

VMS Department Sales and Sales Growth by Top Growth Functional Ingredients

High growth, predominant Natural Channel **functional ingredients** contextualize health focus drivers and emerging ingredient preferences of core Natural consumers

+255%
$ % Growth vs Year Ago

Colostrum
Immunity & Gut Health

+118%
$ % Growth vs Year Ago

Algae - Other
Gut/Skin Health | Heart/Brain Health

+28%
$ % Growth vs Year Ago

Glutathione
Anti-Aging

+22%
$ % Growth vs Year Ago

Oregano
Immune & Gut Health

Ingredients with >70% sales in Natural Channel and >$500K in absolute $ sales vs YA
Source: SPINS Natural Channel and MULO (Powered by Circana) | Functional Ingredient | 52 WE 01/26/2025

High Protein

Consumers, with increasingly more women are looking for high protein label claims

+9.1%

Protein Powder & RTD
52 Week $ Sales Change YoY

Whey Protein Powder is driving the most sales & growth

SOURCE	MARKET SHARE	YOY GROWTH
Whey	**39%**	**+10%**
Collagen	**24%**	**+0%** #1
Plant	17%	+0%
Animal	4%	-12%
Blend (Animal & Plant)	3%	-3%

Social Media Trending: 30-30-3

30 grams of Protein, 30 grams of Fiber, 3 Probiotic Foods

SS Cookies & Snack Bars

20g Protein

SS Chips, Pretzels & Snacks

18g Protein

SS Cold Cereals

13g Protein

Room To Grow for Creatine: Gummies & Beverages

Creatine Gummies:

+22%
Total Creatine Subcategory $ Growth YoY

+360%
YoY $ Growth

Creatine RTD:

Room to Keep Growing:

- New forms
- New demographics
- New health focuses
- And Take more

Single dose creatine improves cognitive performance and induces changes in cerebral high energy phosphates during sleep deprivation

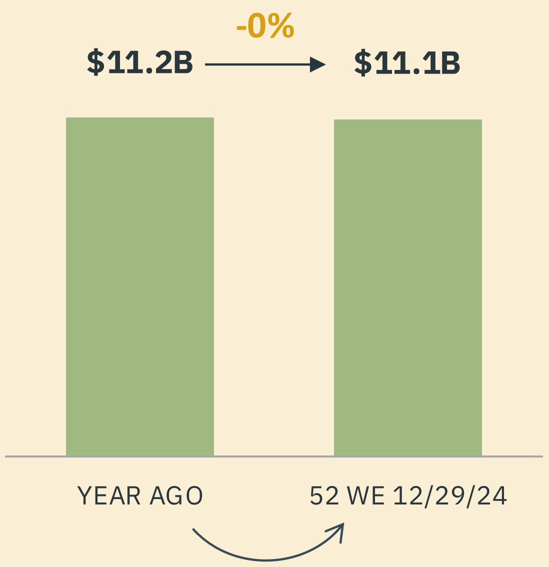
Ali Gordji-Nejad, Andreas Matusch, Sophie Kleedörfer, Harshal Jayeshkumar Patel, Alexander Drzezga, David Elmenhorst, Ferdinand Binkofski & Andreas Bauer

Scientific Reports **14**, Article number: 4937 (2024) | Cite this article

Source: SPINS Natural Channel, Amazon, MULO, Convenience (powered by Circana)
Department: Vitamins & Supplements, Subcategory: Creatine, Form: Gummy
52 Weeks Ending 12.29.24

Sports & Rehydration Drinks

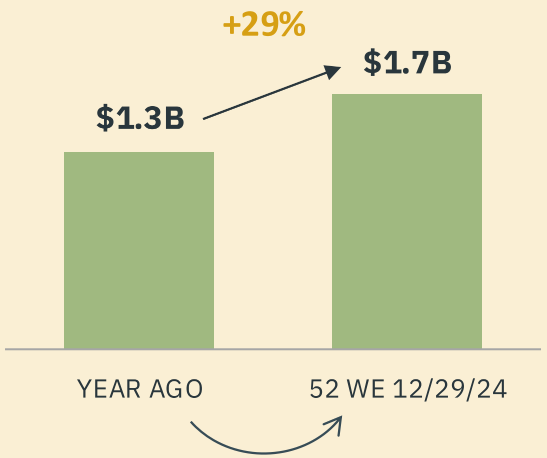
Sales Volume Growth



Units % Chg, YAGO:	-4%

Hydration & Electrolytes

Sales Volume Growth



Units % Chg, YAGO:	+22%

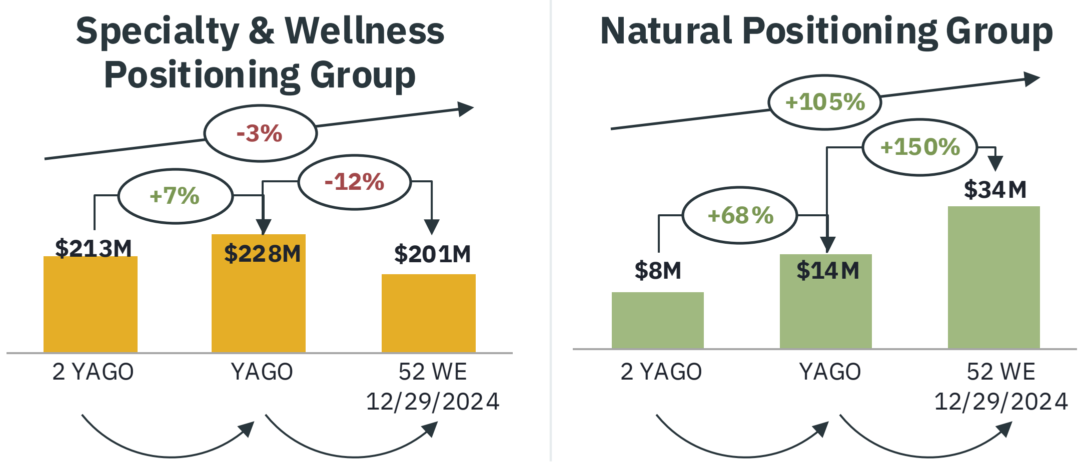
Source: SPINS Natural Channel, Amazon, MULO, Convenience (powered by Circana)52 Weeks Ending 12/29/2024

Shoppers are seeking alternatives to stimulants, **shifting towards natural, multifunctional preworkout blends** that enhance performance in focus, muscle recovery, and endurance.

Pre-workouts, Positioning Group Attribute, 2 Year CAGR

Dollar Sales, Dol % Chg, Unit % Chg

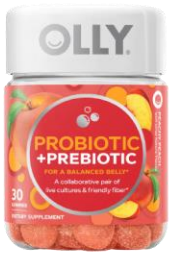
Dol % Chg, YAGO



Units % Chg, YAGO:	+2%	-13%	+28%	+140%

Source: SPINS Natural Channel, Multi-Outlet (MULO) & COnvenience (Powered by Circana)
Dept: Vitamins & Supplements, Category: Performance Nutrition, Subcategory: Preworkout, 3 Years Ending 12/29/24

GLP-1 Companions - Categories that look to fill nutrient gaps will see boosts as consumers appetites decline

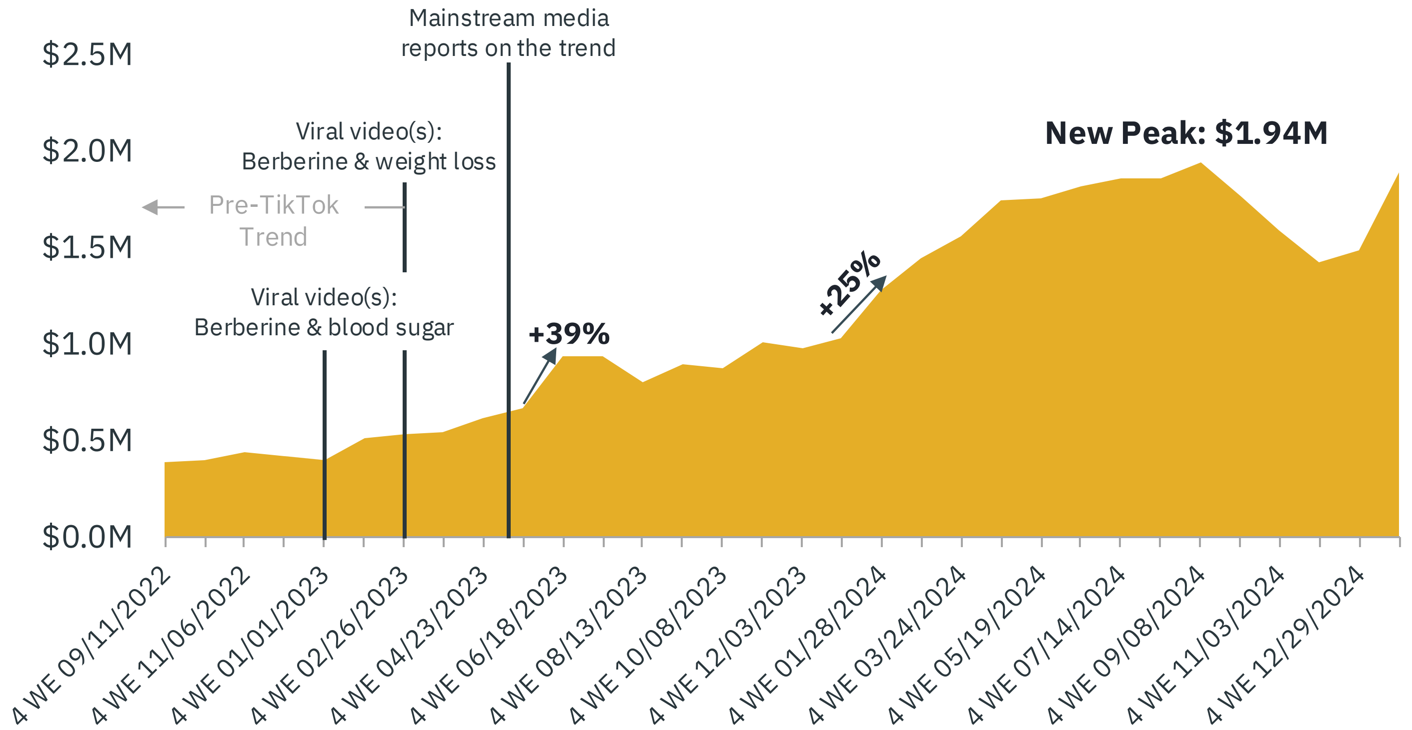


Time Frame	2023 vs. YAGO		2024 vs. YAGO	
Category	$ Sales	Units	$ Sales	Units
Protein Supps. & Meal Replacements	+16%	+11%	+9%	+8%
Green Supplements	+19%	+12%	+5%	+2%
Probiotics/Prebiotics	+2%	-3%	-1%	-3%
Multivitamins	+1%	-6%	+1%	-2%

SPINS: Natural Enhanced Channel, Conventional Multi-Outlet & Convenience (powered by Circana); 52 Weeks Ending 12.31.2023 & 12.29.24

Competitors: **Berberine, dubbed “Nature’s Ozempic”**

Dollar Sales of Berberine Supplements by 4 Week Periods



Eriomin

Dietary Supplements

- Versatile powder for single-ingredient capsules and blends
- Granulated compressed available for tablets

Functional foods & beverages

- Suspendable in beverages
- Masking property for bitter flavor profiles
- Neutral flavor profile
- Useful as a natural preservative

In three randomized, double-blind, placebo-controlled clinical trials, Eriomin supplementation (200 mg/day) consistently demonstrated significant improvements in GLP-1 levels. Across these studies, participants experienced an average increase of 17.5% in GLP-1 compared to placebo, with one study showing increases as high as 22%. These findings suggest that Eriomin can effectively support the body's natural GLP-1 production and function.*

Source: SPINS Natural Channel, MULO (powered by Circana)
4 WE 09.11.2022 to 4 WE 01.26.25

Beverages

STATE OF THE INDUSTRY

Mapping the Beverage Landscape: **Where Innovation Meets Scale**

INNOVATION RATE

Rising Disruptors Low HH, High Innovation	**Scaling Trailblazers** High HH, High Innovation
Emerging Contenders Low HH, Low Innovation	**Legacy Leaders** High HH, Low Innovation

HOUSEHOLD PENETRATION

Where Innovation Meets Scale

Understanding Segment Opportunity

01 Legacy Leaders

02 Scaling Trailblazers

03 Rising Disruptors

04 Emerging Contenders

Legacy Leaders
Reimagining Classics through Elevation

01 Legacy Leaders

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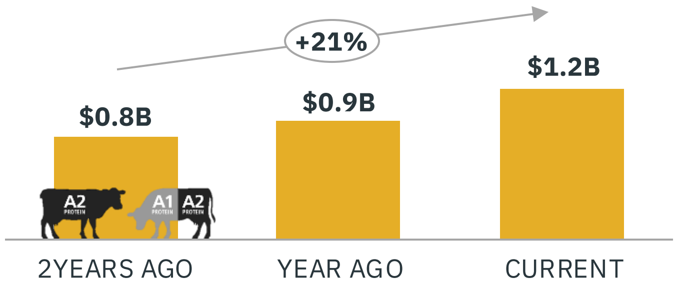
Legacy Leaders: Premium Proteins & Ingredient Purity



ULTRAFILERED & A2 MILK

+28%

RAW MILK
$41MM IN SALES

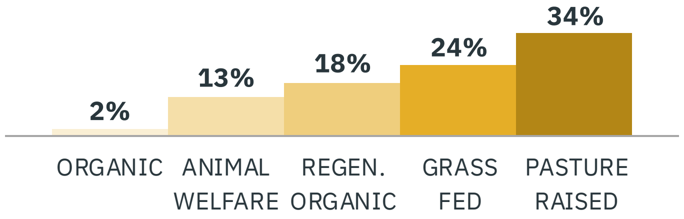
PRODUCT PERCEPTION

SODA POSITIONING GROUP $ % CHG

SEGMENT	DOLLARS	UNITS	ARP
CONVENTIONAL	3%	-2%	5%
SPECIALTY	0%	-4%	4%
NATURAL	5%	2%	2%

+14%

GOAT MILK
$59MM IN SALES



MILK CERTIFICATIONS $ % CHG

SUGAR SWAP

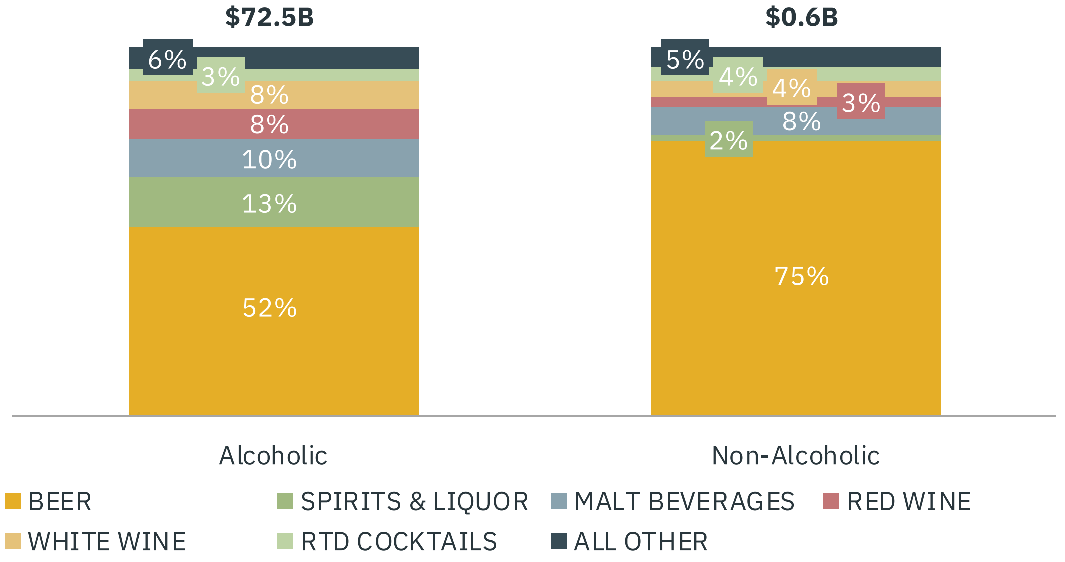
Leading natural soda brands are highlighting their use of cane sugar as sweetness source

Source: SPINS Satori. Ultrafiltered & A2 Milk Dollar Sales Growth. Raw Milk $ % Chg , Goat Milk $ % Chg and Milk Certifications $ % Chg. 52 Weeks ending 12.29.2024. Total US Natural Expanded and MULO. Soda Positioning Group Growth Drivers. 52 Weeks ending 1.26.2025. Total US Natural Expanded and MULO+C (Powered by Circana)

Legacy Leaders: Toxin & Microplastic Mitigation

NON-ALCOHOLIC TRANSFORMATION

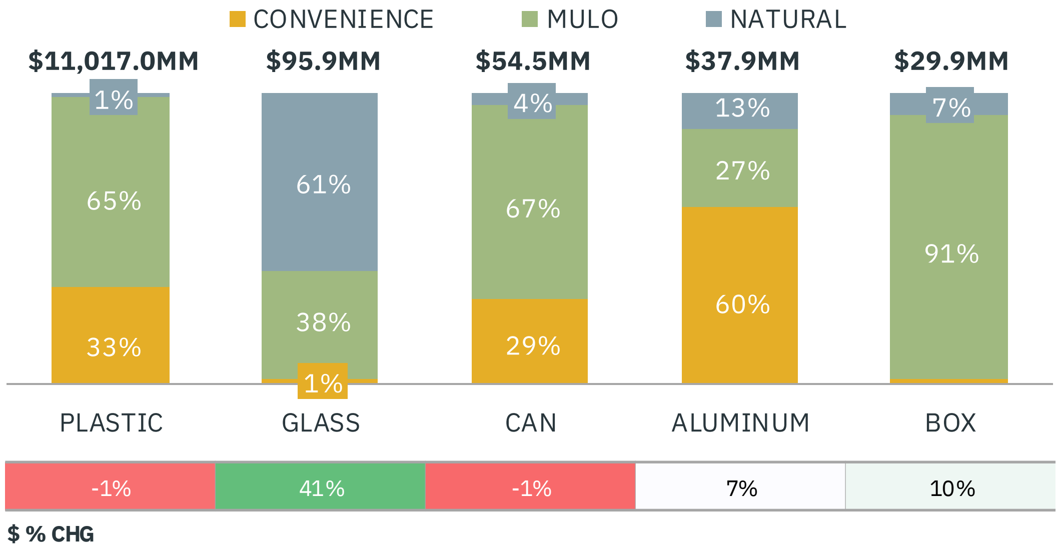
Alcohol Segment Dollar Sales by Subcategory



Non-Alcoholic alternatives continue to grow at +32% and diversify across alcohol subcategories.

PACKAGING REVALUATION

Water Dollar Sales by Channel and Packaging Type



Glass offers a premium perception and is free from concerns about toxins and chemical leaching.

Source: SPINS Satori. Non-Alcoholic Alternatives 3-Year Growth. 52 Weeks ending 1.26.2024. Alcohol total excludes Cocktail Mixes and Bitters/Syrups. Water Dollar Sales and $ % Chg by Channel and Packaging Type.Total US- Natural and MULO+C (Conventional powered by Circana)

SPINS

Scaling Trailblazers
Expanding Consumer Applications

01 Legacy Leaders

02 Scaling Trailblazers

03 Rising Disruptors

04 Emerging Contenders

Scaling Trailblazers: Daypart Diversification Focus

POST-SOCIAL SOLUTION

The everyday athlete and the dreaded hangover both enable a hero SKU opportunity.

4.3%

SHARE OF DIET SODA
WITH FIBER

DIRTY SODA

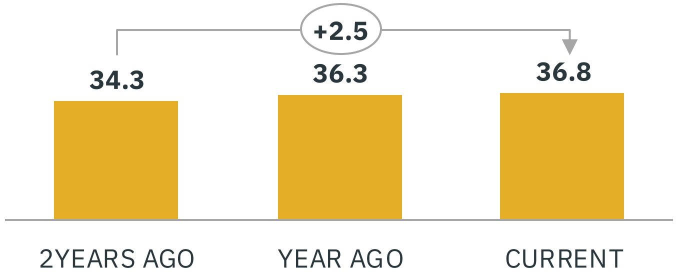
Protein beverages or cream with soda became an acceptable functional indulgence.

+26%

RTD PROTEIN 30G+
$2.6B IN SALES

LEMONADE BLEND

Processing whole lemons offers a beverage high in fiber, nutrients and serves as a familiar VMS vehicle.



HH PENETRATION GROWTH
ENERGY DRINKS

Source: Solti Lemon-Lime Superade. KaleJunke TikTok. 3.17.2024. Swingdrinks.com. Leisure Hydration. RTD Protein $ Sales and $% Chg of items with 30G+ of Protein. Diet/Alt Soda with Fiber AttLab.52 Weeks ending 1.26.2025. Total US - Natural Expanded and MULO+C (Powered by Circana). National Consumer Panel. HH Penetration of Energy Drinks. 52 Weeks ending 1.26.205. Total US - All Outlets

Rising Disruptors
Understanding Generational Needs

01 Legacy Leaders

02 Scaling Trailblazers

03 Rising Disruptors

04 Emerging Contenders

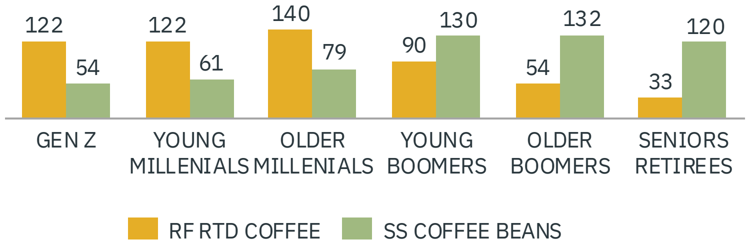
Rising Disruptors: Solving the Hydration Equation

WATER ALTERNATIVES

$ % Change of Coconut & Plant Water Product Types

CAFFEINATION SOURCES

Over & Under-Indexing Dollar Demographic Segments



INBREATION PREFERENCES

Over & Under- Indexing Dollar Demographic Segments

GENERATION	RTD COCKTAILS	FLAVORED MALT BEVERAGES	SPIRITS & LIQUOR
Generation Z (Born 1997 and After)	147	63	45
Millennials-Younger (Born 1990-1996)	89	105	62
Millennials-Older (Born 1981-1989)	105	144	88
Generation X (Born 1965-1980)	109	120	111
Boomers-Younger (Born 1956-1964)	112	95	134
Boomers-Older (Born 1946-1955)	83	50	113
Seniors and Retirees (Born Before 1946)	48	25	73

Packaging and mixology opportunity exists to tailor products to desired places of consumption for convenience and elevation

SPINS

Emerging Contenders
Doubling Down on Benefits

01 Legacy Leaders

02 Scaling Trailblazers

03 Rising Disruptors

04 Emerging Contenders

Emerging Contenders: Finding the Efficacious Edge

Market the Truth: Fermented Tea

Lean into known flavor profiles with added functional benefits

Highlight Benefits: Target Application

Leverage use cases of Wellness Teas – which are growing at +6%

Bring Flavor: Botanicals are Bold

Flavors like hibiscus provide a familiar and distinct beverage experience

Enable Endless Throat: Eliminate the Sugar

54 items currently sold in brick & mortar outlets

Source: SPINS Satori. Wellness Tea Growth. 52 Weeks ending 1.29.2025 . Total US - Natural Expanded and MULO+C (Powered by Circana)

Where Innovation Meets Scale
Understanding Segment Opportunity

01
Legacy Leaders

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Refreshing the Familiar

Understanding which products are beverage staples – and how consumers engage with certain segments - can provide a roadmap for incremental innovation and unlock new market opportunities.

From the Show Floor

TRENDS FOUND ON SITE

The Preferences with Staying Power

Protein Galore

Fiber Frenzy

Hydration Takes Center Stage

Pioneers

New Challengers

The Modern Kitchen

Kid Focus In The Limelight

A Different Take on Jerky

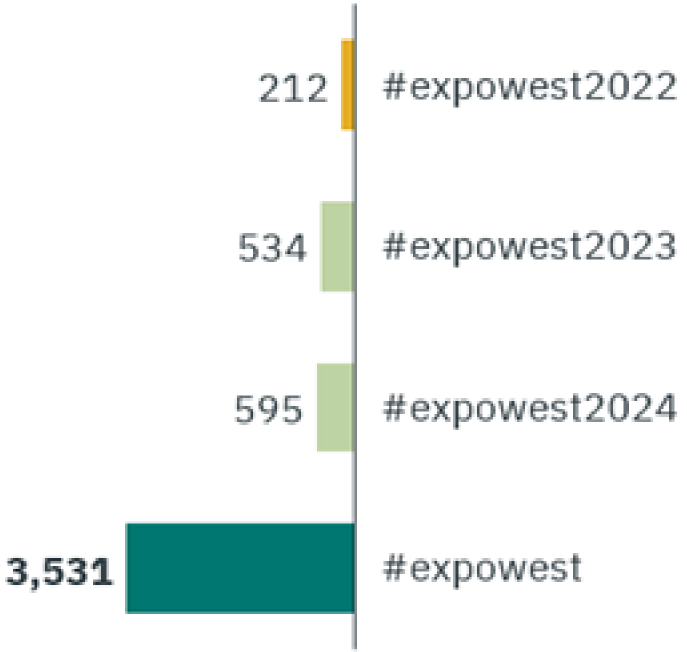
The Return of Cane Sugar

Redefined Decadence

Product Showcase

Media of the Moment

Number of Hashtagged Videos, TikTok



Pink & Pastel Power

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Questions?

LET'S GROW TOGETHER

Thank You

LET'S GROW TOGETHER