AUSTRALIAN CONSUMER MARKET OVERVIEW

CHANEL DAY
SHOPPERS PAID LESS FOR ALMONDS OVER THE YEAR

Lower prices driving category value lower

ALMOND SALES GROWTH

-6.6%

0.2%

ALMOND PRICE CHANGE

-6.4%

-1.0%

VOLUME (KG) GROWTH  DOLLAR SALES GROWTH

TOTAL NUTS  ALMONDS

Source: Nielsen Homescan 52 weeks ending 11/08/2018
PRICE ALONE NOT THE KEY TO INCREASING SHOPPERS

Despite lower prices the percentage of households buying almonds remained stable.

Source: Nielsen Homescan 52 weeks ending 11/08/2018
ALMONDS APPEALING TO HIGH INCOME HOUSEHOLDS

These higher income households driving volume growth

DOLLAR SALES DISTRIBUTION

<table>
<thead>
<tr>
<th>Category</th>
<th>High Income HH 90K+</th>
<th>Medium Income HH 45K - 90K</th>
<th>Low Income HH &lt;=45K</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Grocery</td>
<td>41.5%</td>
<td>29.8%</td>
<td>28.7%</td>
</tr>
<tr>
<td>Total Nuts</td>
<td>43.4%</td>
<td>29.8%</td>
<td>26.8%</td>
</tr>
<tr>
<td>Total Almond Buyer</td>
<td>51.5%</td>
<td>28.4%</td>
<td>20.1%</td>
</tr>
</tbody>
</table>

DRIVERS OF CHANGE

- Dollar: -6.6%
- Volume: -0.2%

Source: Nielsen Homescan 52 weeks ending 11/08/2018
THE INFLUENCE OF AFFLUENCE

There are differences in how households of varying affluence buy

DOLLAR SALES GROWTH

LOW AFFLUENCE HOUSEHOLDS

-2.2%

-11.1%

HIGH AFFLUENCE HOUSEHOLDS

5.0%

2.2%

Source: Nielsen Homescan 52 weeks ending 06/10/2018
CONSIDER PREMIUMISATION
Targeting high affluence shoppers with attributes they value

BRANDED PRODUCTS
• Environmentally friendly, sustainably grown, clean, transparent
• Tell your story – provenance
• Premium, higher quality positioning

NEW PRODUCT DEVELOPMENT
• Organic almonds
• Almond flour – carbohydrate replacement
• Convenience options, for kids or snacks
DIFFERENT LEVERS FOR LESS AFFLUENT SHOPPERS

Think differently about the needs of these price sensitive shoppers

PROMOTIONAL STRATEGY

• **40%** of Australian grocery sold on promotion
• Research to better understand
  - Optimal price points
  - High / low versus EDLP strategies

PACK SIZES

• **16.7%** growth for packs 501 gram plus
• Growth largely driven by switching from smaller packs
• Larger, bulk packs

Source: Nielsen Everyday Analytics, 52 weeks ending 28/01/2018
LARGE PACKS POCKET OF GROWTH

Growth driven in part by consumers switching to this larger pack

DOLLAR SHARE OF TRADE

- ALMONDS <250g: 11.0%
- ALMONDS 251-500g: 21.1%
- ALMONDS >501g: 37.3%
- LOOSE ALMONDS: 30.5%

DOLLAR CHANGE VS PRIOR YEAR

- TOTAL ALMONDS: 12.6%
- ALMONDS <250g: -6.6%
- ALMONDS 251-500g: -4.0%
- ALMONDS >501g: -20.7%
- LOOSE ALMONDS: 0.7%

Source: Nielsen Homescan 52 weeks ending 11/08/2018
ROOM TO GROW SALES WITH FAMILIES
Essential to understand the barriers to family purchasing

DOLLAR SALES DISTRIBUTION

<table>
<thead>
<tr>
<th></th>
<th>TOTAL GROCERY</th>
<th>TOTAL NUTS</th>
<th>TOTAL ALMOND BUYER</th>
</tr>
</thead>
<tbody>
<tr>
<td>Non Families</td>
<td>35.4%</td>
<td>27.3%</td>
<td>28.0%</td>
</tr>
<tr>
<td>Families</td>
<td>64.6%</td>
<td>72.3%</td>
<td>72.0%</td>
</tr>
</tbody>
</table>

Source: Nielsen Homescan 52 weeks ending 11/08/2018
MORE BUYERS = BIG OPPORTUNITIES

Only 39.8% of nut buyers currently buy almonds

Latest 52 weeks
Penetration 46.6%

Next 52 weeks
Penetration 48.6%

Increase percentage of households buying almonds by just 2%

$1.8 MILLION opportunity

Source: Nielsen Homescan | MKS198342 | Calculation: 9.3M households x 2% additional buyers x $10.10 (average spend of light buyers) = $1,878,462 or 9.3M households x 2% additional buyers x 0.5kg (average weight purchased of light buyers) = 86,833kg
FROM BRICKS TO CLICKS
Learn how to win in the online space

Nearly 30% of Australians currently purchase FMCG products online

FMCG online sales have grown by more than 30% in the past year

Online is expected to contribute up to 30% of Australian FMCG Sales growth through 2020

With potentially an additional $2 BILLION shifting online by 2020

Source: Nielsen Homescan 14/07/2018 and 16/06/2018
FOUR STRATEGIES FOR GROWTH

1. PRODUCT STRATEGY
   • Premiumisation / range optimisation
   • Differentiate for high / low affluence households

2. PRICE / PROMOTION STRATEGY
   • Understand optimal price points
   • High / low versus EDLP strategies

3. CHANNEL STRATEGY
   • Invest in high growth channels
   • Discounters and online

4. RECRUIT NEW BUYERS
   • Unlock barriers for non-purchasers
   • Understand reasons families under-trade

Source: Nielsen Everyday Analytics, 52 weeks ending 28/01/2018
29 VEGETABLES | 15 FRUITS | 3 NUTS

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