

AlixPartners

AFFI AMERICAN
FROZEN FOOD
INSTITUTE

HOW TO WIN IN FROZEN





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ALIXPARTNERS

has worked with clients around the world for more than 40 years, helping businesses respond to challenges when everything is on the line – from urgent performance improvement to complex restructuring, from risk mitigation to accelerated transformation.

PLAYBOOK: HOW TO WIN IN FROZEN



SIX COMPONENTS ACROSS SIX CATEGORIES

- 1 Market overview
- 2 Consumer insights
- 3 Product innovation
- 4 Pricing & promotion
- 5 Retail execution
- 6 Omnichannel strategy

Total Frozen
Pizza
Entrées, Apps, & Snacks
Breakfast
Fruits & Vegetables
Meat alternatives

FOR TODAY: FIVE KEY TAKEAWAYS ON THE FUTURE OF FROZEN

1



GROWTH: \$10B+ of growth expected over the next three years

2



MARKET: Regionality matters – tailoring assortment is critical

3



CHANNEL: Pockets of growth exist especially with the Value-Focused Consumer

4



CUSTOMER: Hispanic demo – the faster growing US demo – is quite underpenetrated

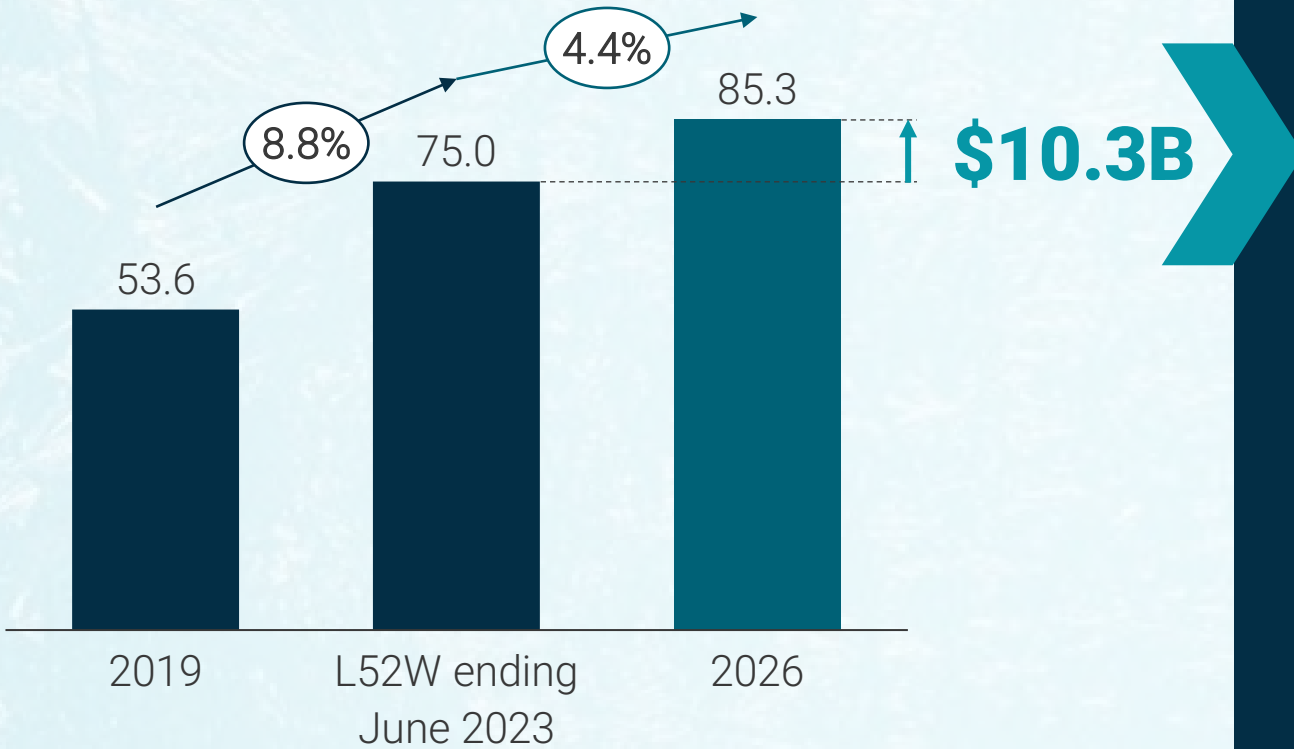
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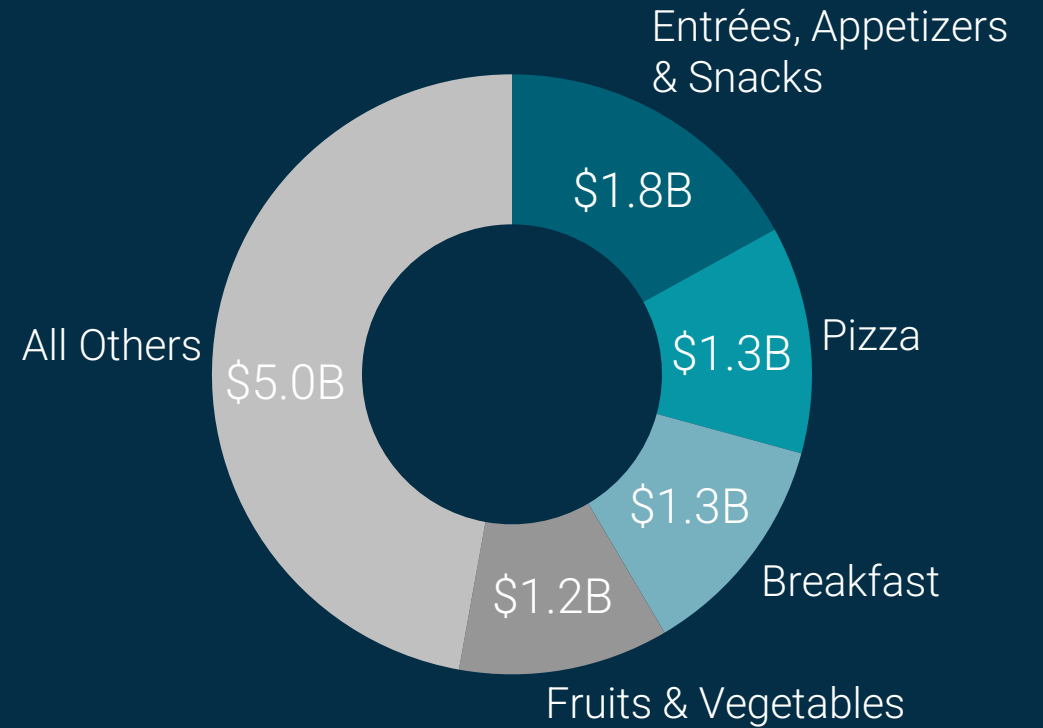
INNOVATION: Core offerings drive growth – need to balance renovation and innovation

STATE OF FROZEN: OVER \$10B OF TOP LINE SALES UP FOR GRABS

FROZEN GROWTH TRAJECTORY (\$ BILLIONS)



CATEGORY BREAKDOWN OF FUTURE GROWTH

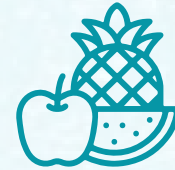
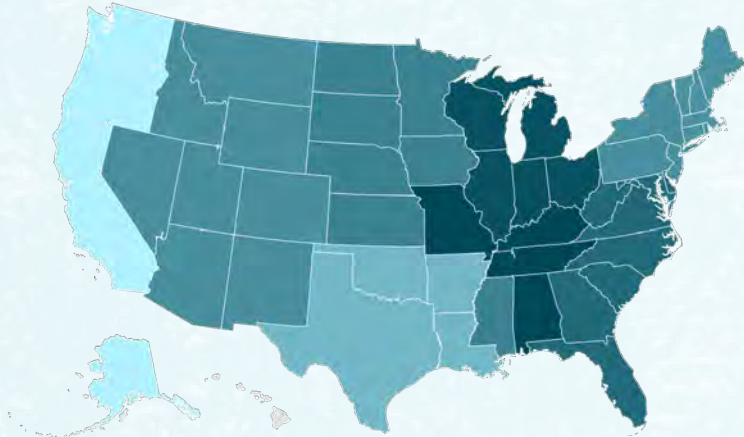


Source: IRI US – MULO 52 weeks ending 6/18/2023; Euromonitor International Frozen Foods 2023, SPINS US MULO 52 weeks ending 6/18/2023

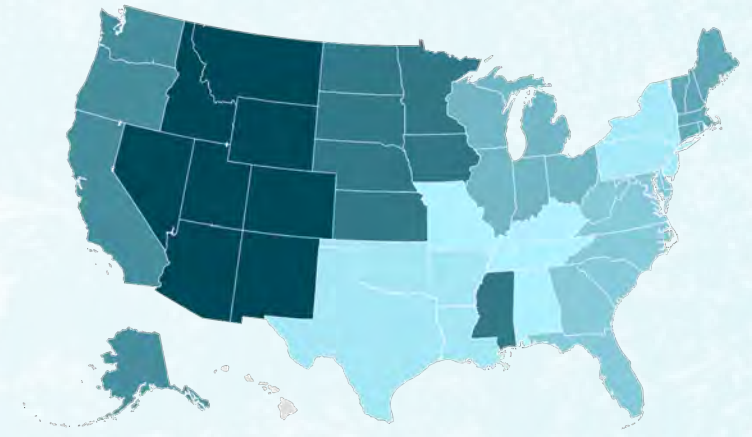
REGIONAL PREFERENCES MAKE A STRONG BUSINESS CASE FOR LOCAL ASSORTMENTS



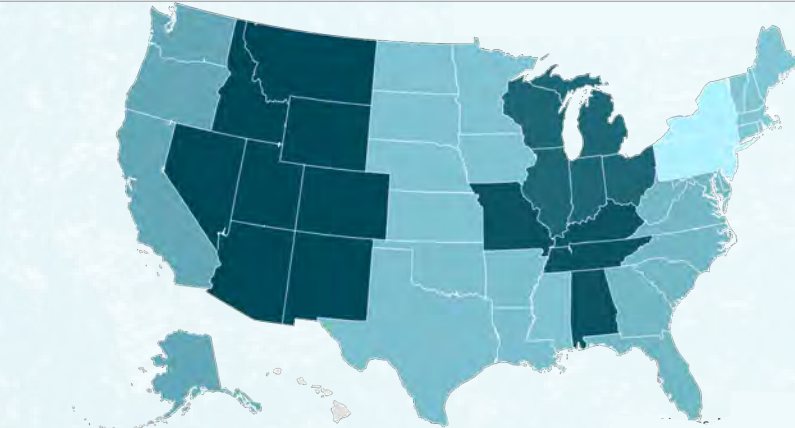
VEGETABLES



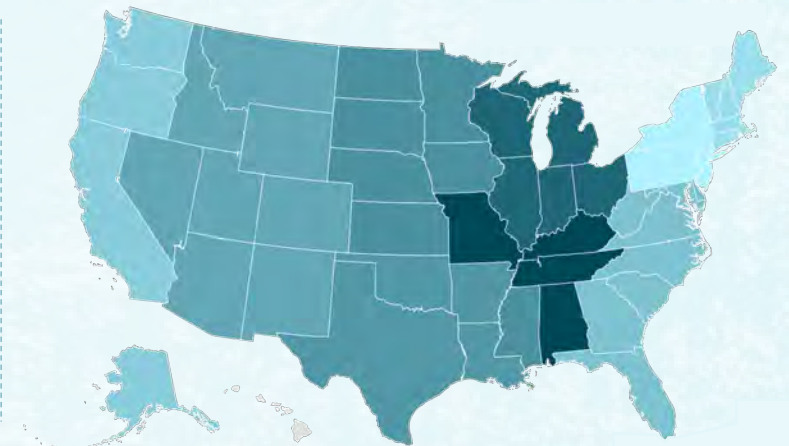
FRUIT



ENTRÉES



APPETIZERS



Source: Numerator (8/01/22-07/30/23)

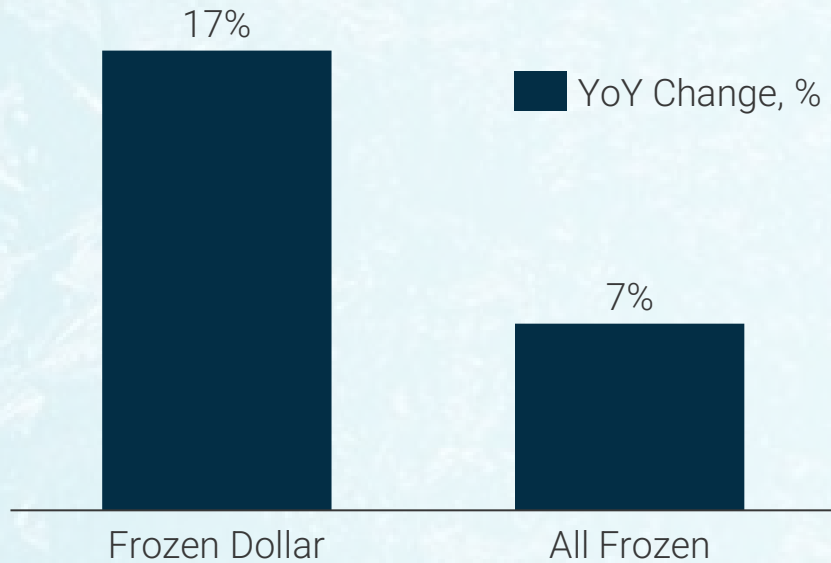
INDEX: **HIGH**

LOW

DOLLAR STORE GROWTH REFLECTS THE CRITICALITY OF THE VALUE CONSCIOUS SHOPPER

Frozen Dollar Shopper vs All Frozen Shopper:

YOY GROWTH

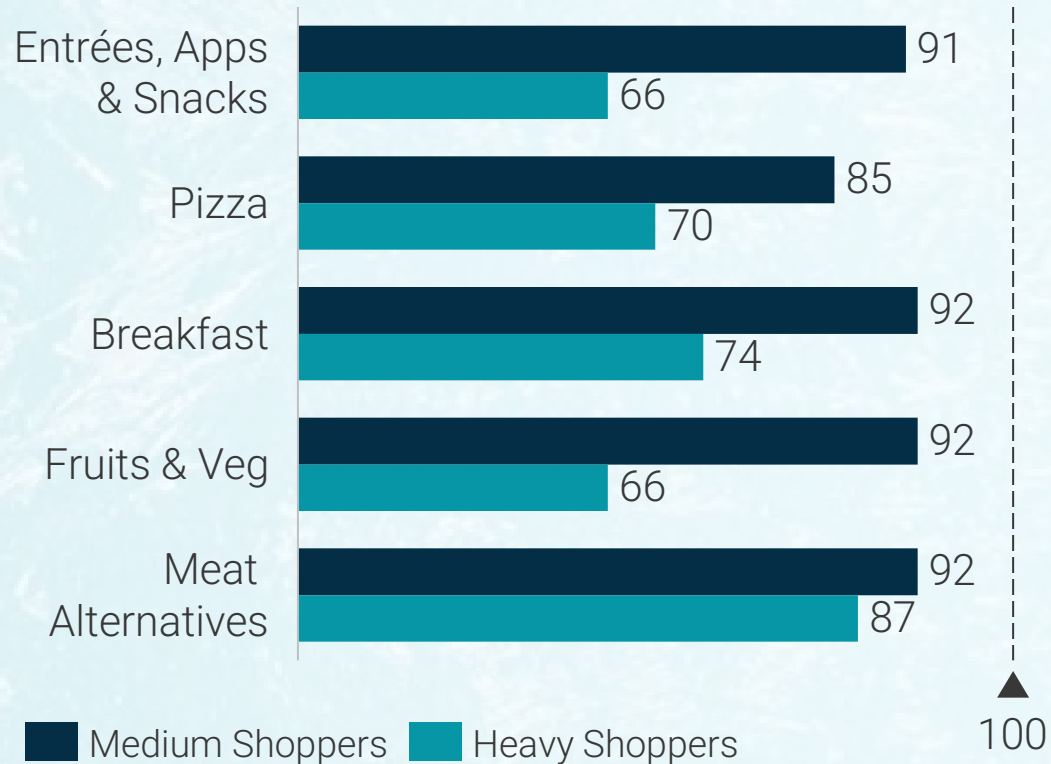


Source: Numerator (8/01/22-07/30/23)



HISPANIC CONSUMERS REPRESENT A LARGE GROWTH OPPORTUNITY

HISPANIC CONSUMERS – FROZEN INDEX VS ALL OTHER CONSUMERS



Source: Numerator (8/01/22-07/30/23). Note: Gender data for the numerator was gathered according to the gender of the individuals who are owners of the app within the household

They are projected to increase **FROM 19% TO 29%** **THE U.S. POPULATION** in the next 30 years

They make more trips per month to shop for groceries **UP TO +24% MORE TRIPS TO SHOP GROCERIES**

THE SPENDING GAP FOR FOOD IS THE SMALLEST for Hispanic and Latinx consumers

A Nielsen study showed that CPG advertisers had **HIGHER ROAS** when spending in Spanish Language Networks

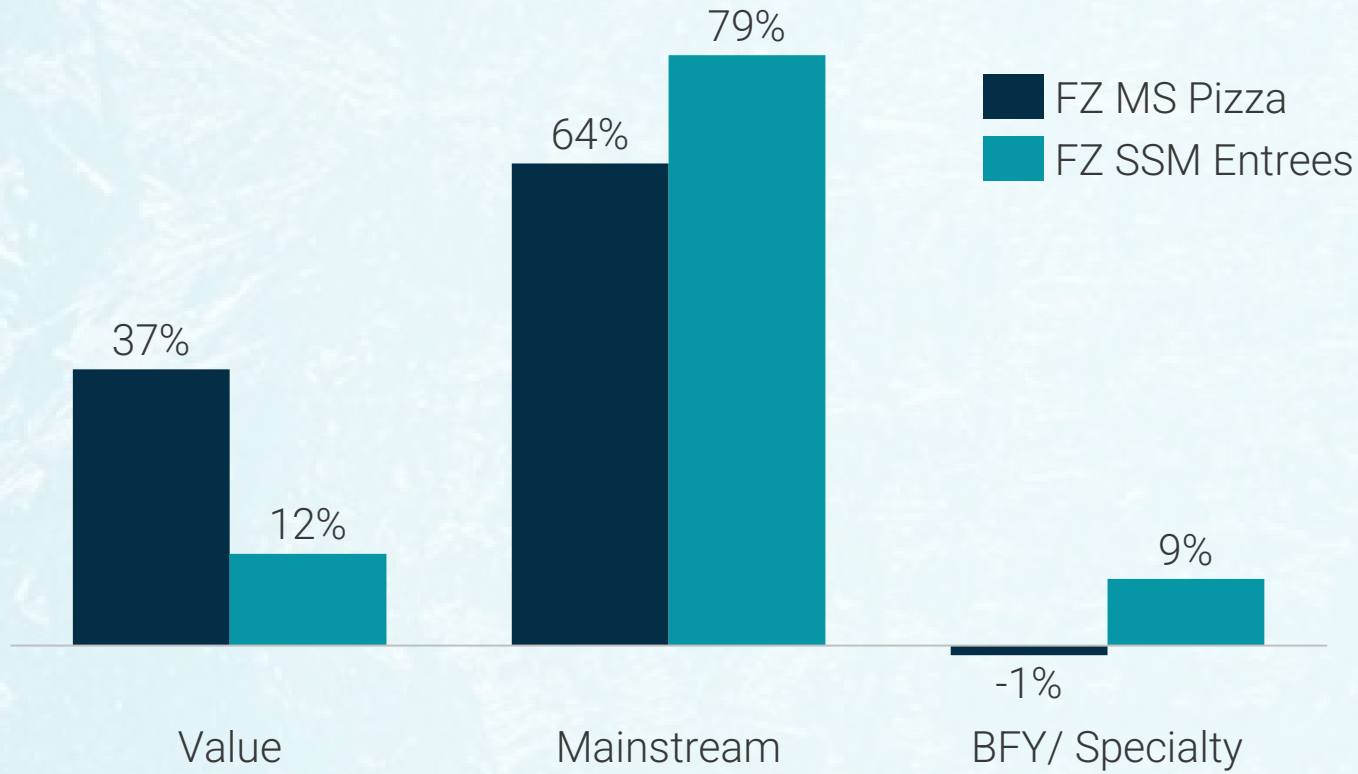
INNOVATION IS IMPORTANT TO MAINTAINING CATEGORY VITALITY



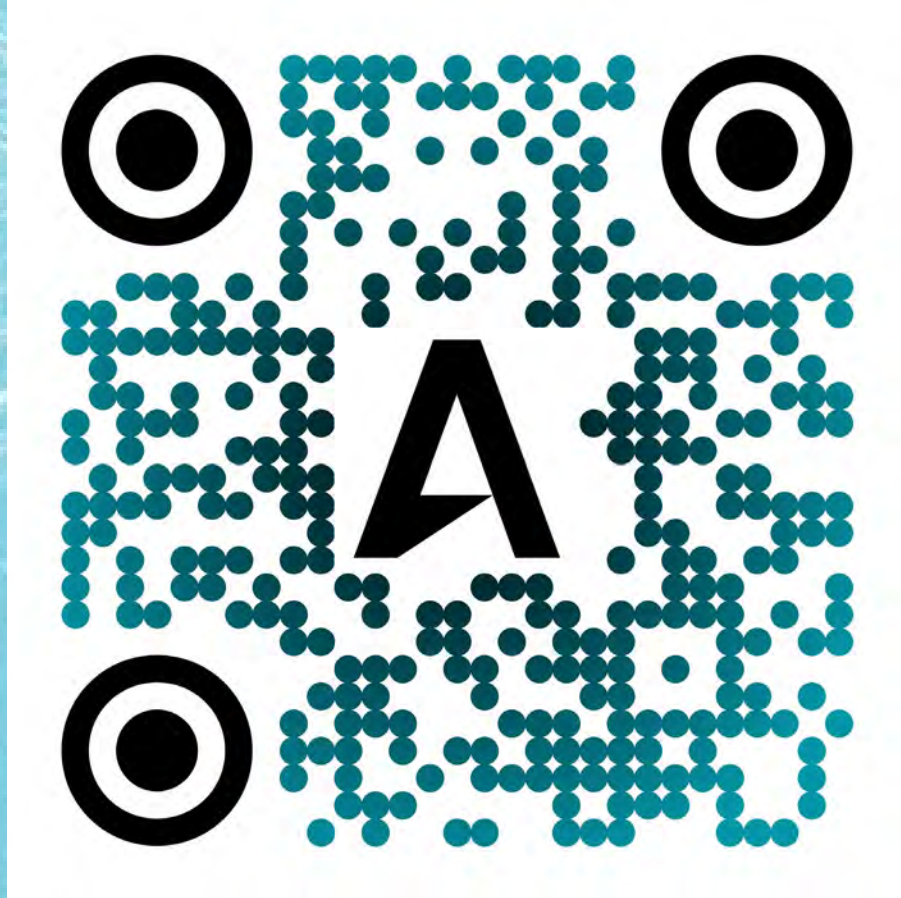
Source: Company news releases; SPINS; Datassential

BUT CONVENTIONAL OFFERINGS DRIVE CATEGORY GROWTH

% CONTRIBUTION TO \$ GROWTH



Source: Numerator (8/01/22-07/30/23); SPINS US MULO 52 weeks ending 6/18/2023; AlixPartners analysis



ACCESS THE HOW TO WIN IN FROZEN PLAYBOOK

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WHEN IT REALLY MATTERS.