What's "in store" for 2025?

Opportunities for front-of-store assortment

Prepared for NACDS

January 2025

What to expect from today’s session

1. Intro to Circana
2. Channel Performance
3. Quick Trips & Last-Minute Shoppers
4. Growth Areas / Consumer Priorities in CPG
5. Key Takeaways

Circana Solutions

POINT-OF-SALE STORE-LEVEL DATA

MULTI-OUTLET+ WITH CONVENIENCE

THOUGHT LEADERSHIP

SURVEY SOLUTIONS

CIVICSCIENCE

$3.3 trillion in sales by segment ($B)

+2.4%

Complete Food & Beverage
$1,691 | +2.7%

Retail Food & Beverage	$1,023 | +2.4%
Foodservice	$667 | +3.1%

Entertainment
$212 | +4.0%

Video Games	$58 | -2.2%
Media Entertainment	$50 | +22.1%
Toys	$42 | 0.3%
Sports Equipment	$32 | +3.2%
Books	$15 | +2.5%
Juvenile Products	$10 | -3.3%
Cycling	$6 | -9.1%

Home
$481 | +4.2%

Home Improvement	$109 | +8.6%
Other Consumables	$97 | +3.0%
Pet	$51 | +5.6%
Homecare	$44 | +4.4%
Small Appliances	$42 | +2.4%
Home Textiles	$38 | +2.6%
Furniture	$32 | +0.4%
Housewares	$30 | +5.7%
Office Supplies	$22 | -3.3%
Home Décor	$16 | +2.2%

Tech
$151 | (-1.6%)

Consumer Electronics	$151 | -1.6%

Fashion
$364 | -1.8%

Apparel	$242 | -2.4%
Footwear	$89 | -0.7%
Accessories	$33 | 0.0%

TOBACCO
$83 | -1.5%

Tobacco	$83 | -1.5%

Complete Beauty & Health
$250 | +6.0%

Healthcare	$133 | +5.3%
Mass Beauty & Personal Care	$84 | +6.1%
Prestige Beauty	$33 | +8.7%

Retail Auto Aftermarket/Tires
$62 | +4.6%

Automotive/Tires	$62 | +4.6%

Source: Circana, Checkout (accessories, auto aftermarket, consumer electronics, furniture, home décor, home improvement, home textiles, housewares, juvenile, office supplies- excludes janitorial/breakroom, small appliances, sports equipment- includes team sports, toys); Consumer Tracking Service (apparel, footwear); Retail Tracking Service (auto tires, cycling, prestige beauty); BookScan™ (books- MSRP sales); Market Dynamics Report (video games); DEG Estimates (media entertainment); CREST® (foodservice); Total Market View MULO+ with Conv & Perimeter and EMI 3P (F&B and nonedible CPG, 52WE 10.6.24), ***12ME September 2024 vs. LY***
Foodservice includes Commercial and Non-Commercial Foodservice, Direct Consumer Spend
General merchandise January 2024 dollars multiped by 0.8 to adjust for the 53rd week

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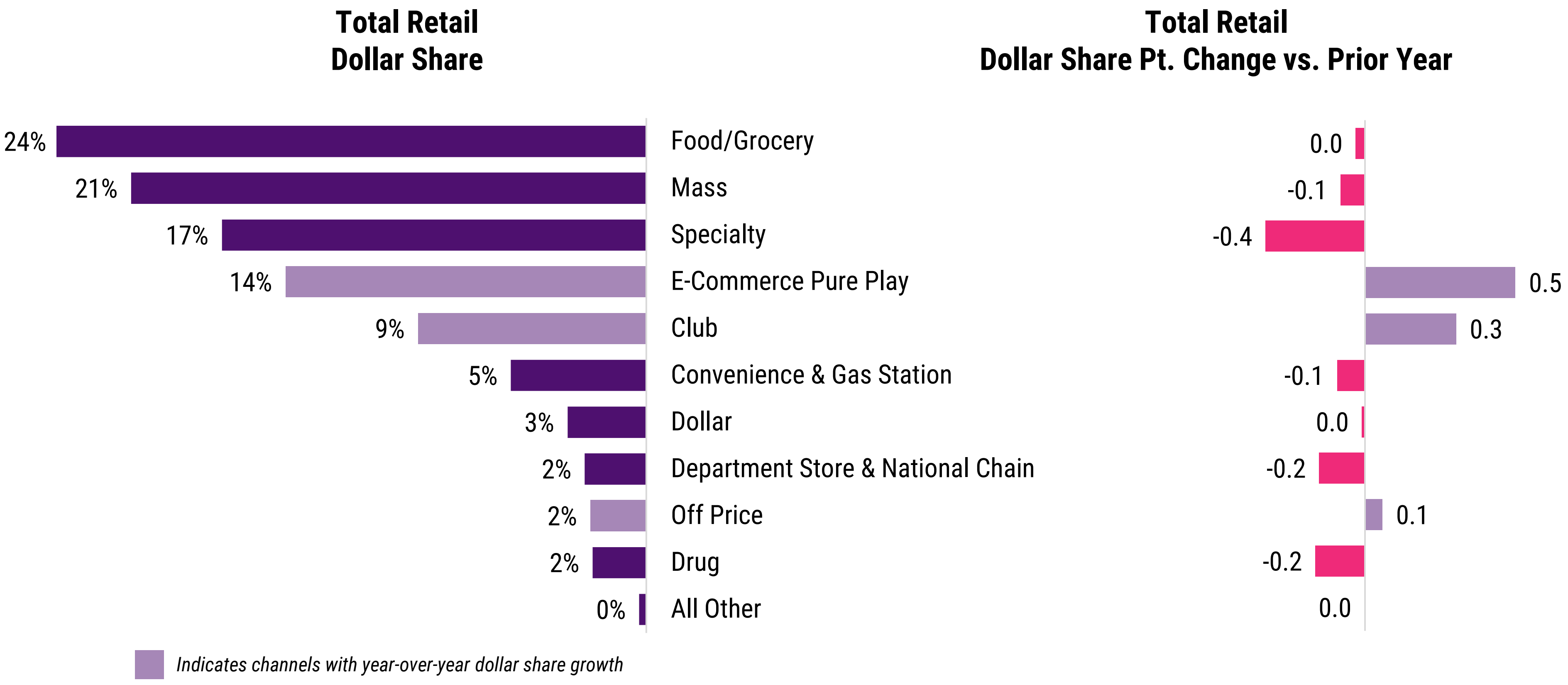
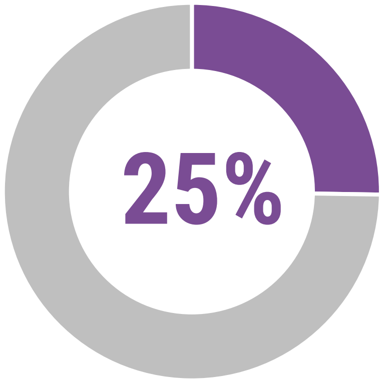
Total retail spend shifted towards e-commerce and club channels



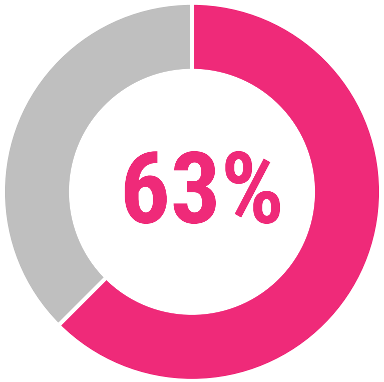
Source: Circana, Complete Consumer (CPG – excl. Tobacco & Beauty Industries); Circana, Checkout (GM Industries); YTD ending September 2024 vs. last year

E-commerce accounted for 25% of total retail annual dollars and over half of the dollar growth

Total Retail E-commerce Percent of Dollars

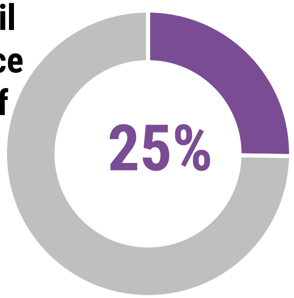


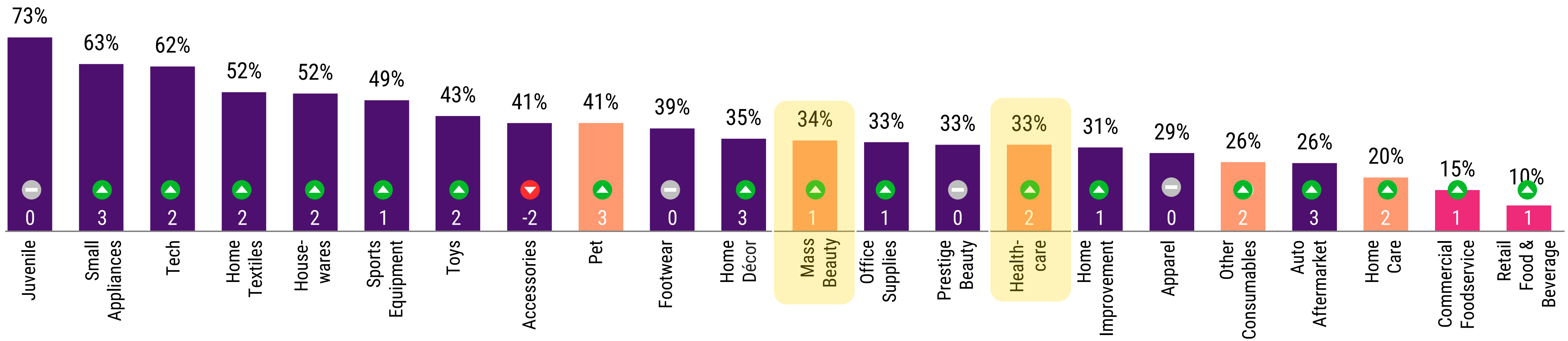
Total Retail E-commerce Percent of Dollar Growth



*Source: Circana, Checkout (accessories, auto aftermarket [not incl. tires], consumer electronics, furniture, home decor, home improvement, home textiles, housewares, juvenile, office supplies [excludes janitorial/breakroom], small appliances, sports equipment [includes team sports], toys); Consumer Tracking Service (apparel, footwear); Retail Tracking Service (prestige beauty); CREST® (foodservice), **12ME September 2024**; OmniMarket+™ for F&B (UPC-scans products) and nonedible (excl. tobacco), 52WE 10.6.24*
General merchandise January 2024 dollars multiplied by 0.8 to adjust for the 53rd week.

E-commerce continued share gains across retail





Arrows indicate point change compared to last year

*Source: Circana, Checkout (accessories, auto aftermarket [not incl. tires], consumer electronics, furniture, home décor, home improvement, home textiles, housewares, juvenile, office supplies [excludes janitorial/breakroom], small appliances, sports equipment [includes team sports], toys); Consumer Tracking Service (apparel, footwear); Retail Tracking Service (prestige beauty); CREST® (foodservice), **12ME September 2024**; OmniMarket+™ for F&B (UPC-scans products) and nonedible (excl. tobacco), 52WE 10.6.24 General merchandise January 2024 dollars multiped by 0.8 to adjust for the 53rd week.*

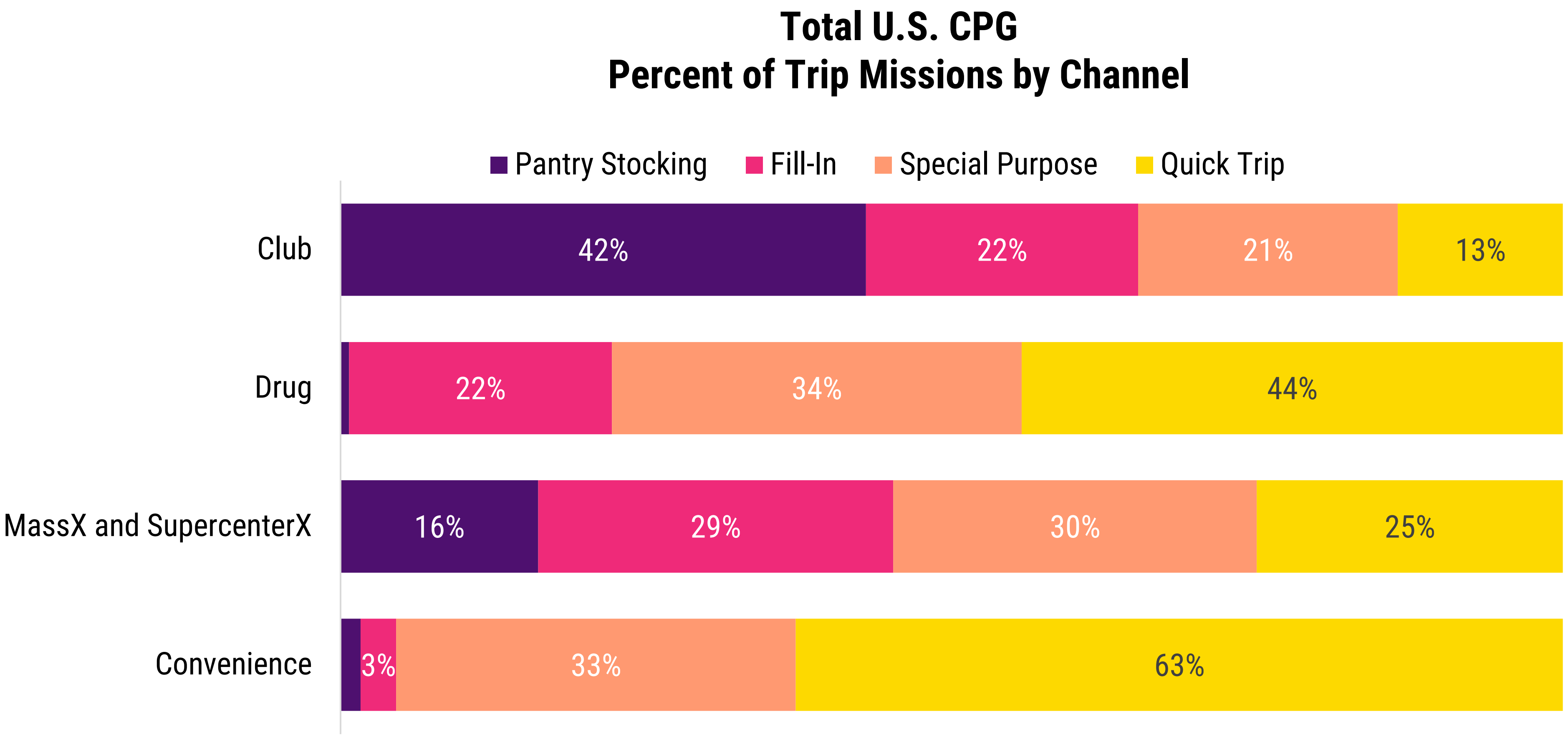
CPG trips to club, grocery and dollar channels increased versus a year ago, while trips to other channels are declining

Total CPG – Trips by Channel
Retailer Trips per Shopper

Channels	Retailer Trips per Shopper	% Chg. vs. Prior Year
Grocery	72.2	8.9%
Club	15.5	10.5%
Drug	14.4	-9.6%
MassX	12.0	-3.9%
Dollar	24.5	4.3%
Health/Vitamin	2.5	-3.2%

Note: Walmart is not included in grocery or mass/super.
Source: Circana, OmniConsumer™ Receipt Panel, YTD ending 10.6.24, NBD aligned.

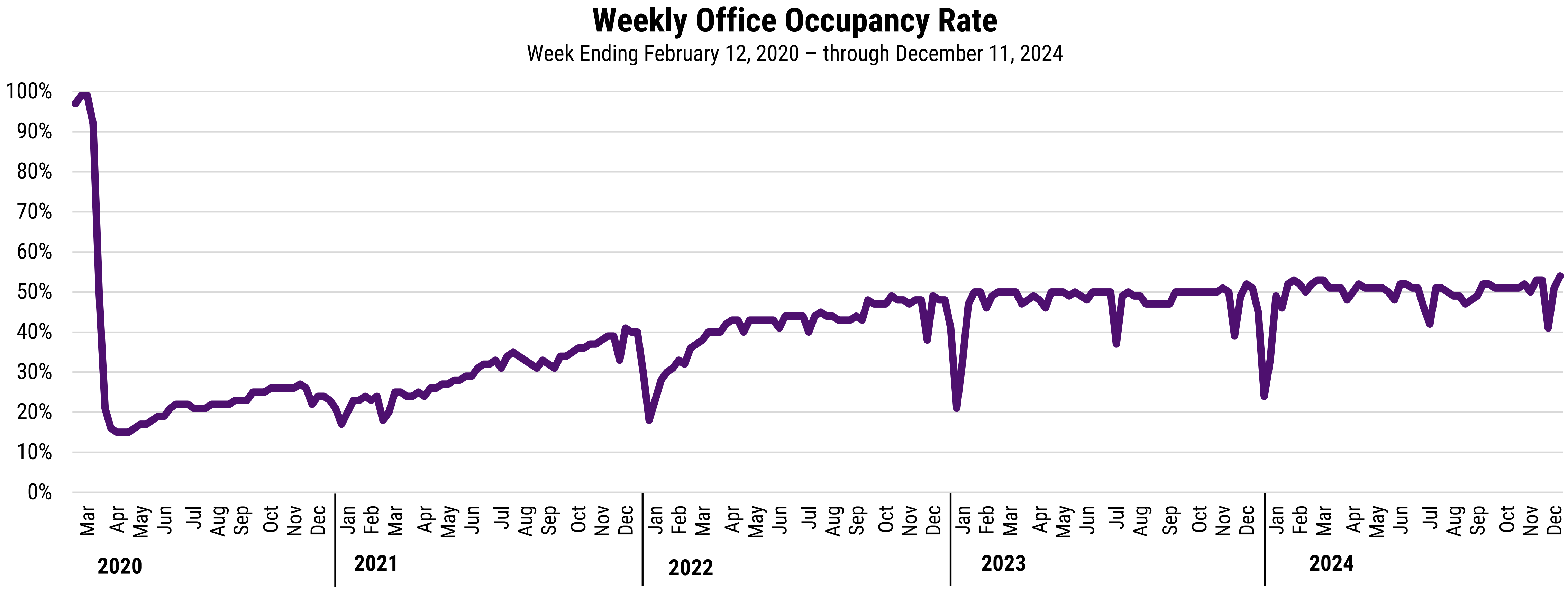
Quick Trips is the most popular trip mission in Drug and Convenience



Source: Circana, OmniMarket™ Scan Panel; Total Store, YTD ending 6.30.24

Hybrid lifestyle is the new normal

In 2023, the average weekly office occupancy rate was 48%. Year to date 2024, the average weekly occupancy rate ticked up slightly, to 50%.



Source: Kastle Access Control Systems Weekly Occupancy Report
Kastle tracks access activity data from KastlePresence app, keycard, and fob usage in 2,600 buildings and 41,000 businesses across 47 states

BRIGHT SPOTS

mark opportunities to drive growth

GLP-1 weight loss users spent more in club, value grocery, pure-play e-commerce and drug channels

Change in Monthly Index During Active GLP-1 Usage – Index vs. Nonusers and PPT Change vs. YA		
Channel	**Pre-GLP-1 Usage Baseline**	**Year 1**
Food - traditional grocery	105	-1.0
Mass	111	-3.9
Dollar	108	-1.1
Convenience	**111**	**-5.2**
Club	**111**	**2.0**
Food - value grocery	**97**	**5.6**
Drug	**115**	**1.0**
Pure-play e-commerce	**111**	**8.2**
Food - natural	109	-0.5

All but the drug channel aligns with broader food and beverage shopping habits. The drug channel is a convenient option when picking up medications.

Source: Circana Complete - June 2022-June 2024//GLP-1 cohort consumption levels are then compared to non-GLP-1 users' per-capita consumption levels month-by-month to calculate our monthly "consumption index" – index of 110 implies the GLP-1 cohort is consuming at a rate ~10% greater than non-GLP-1 users//Channels Ranked on Raw Buyers.

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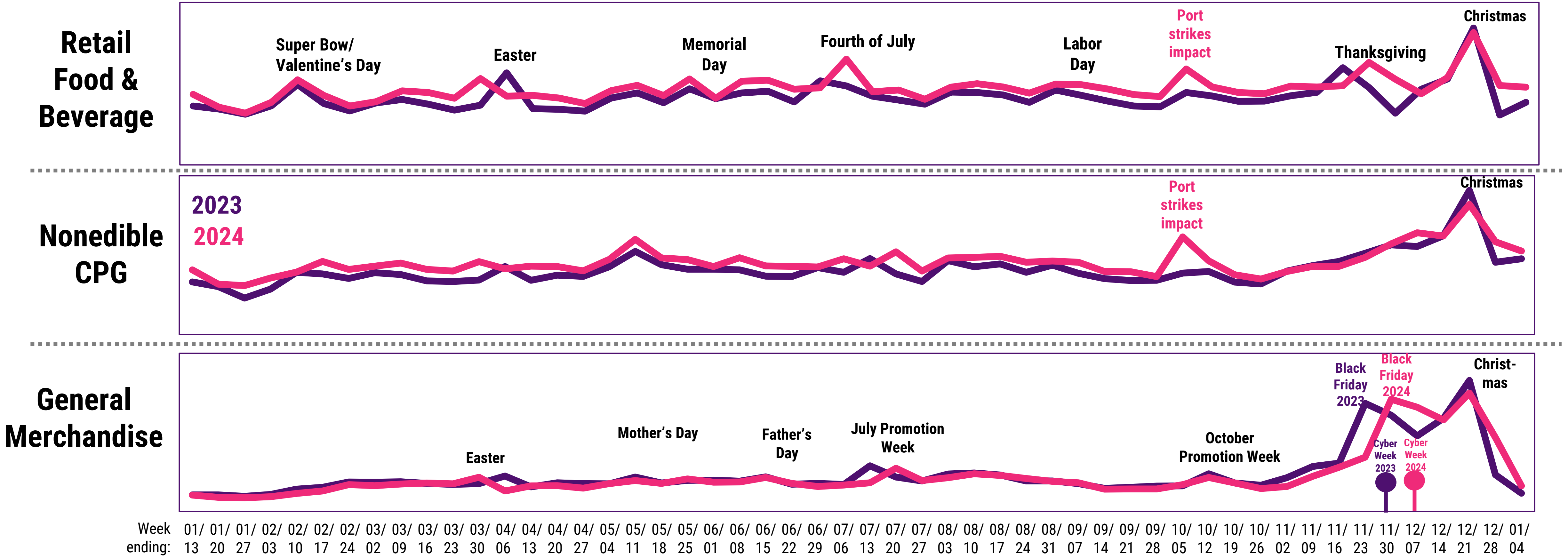
Seasonal peaks associated with micro and major holidays provide opportunities throughout the year

Dollar Sales Trends by Week



Axes on charts are not related; week-end dates based on 2024.

Sources: [1]Circana, Total Market View MULO+ Convenience and Perimeter (F&B/nonedible CPG – excluding tobacco) – week ends on a Sunday; [2]Circana, Point-of-Sale First-Read Data/Limited Release (general merchandise)

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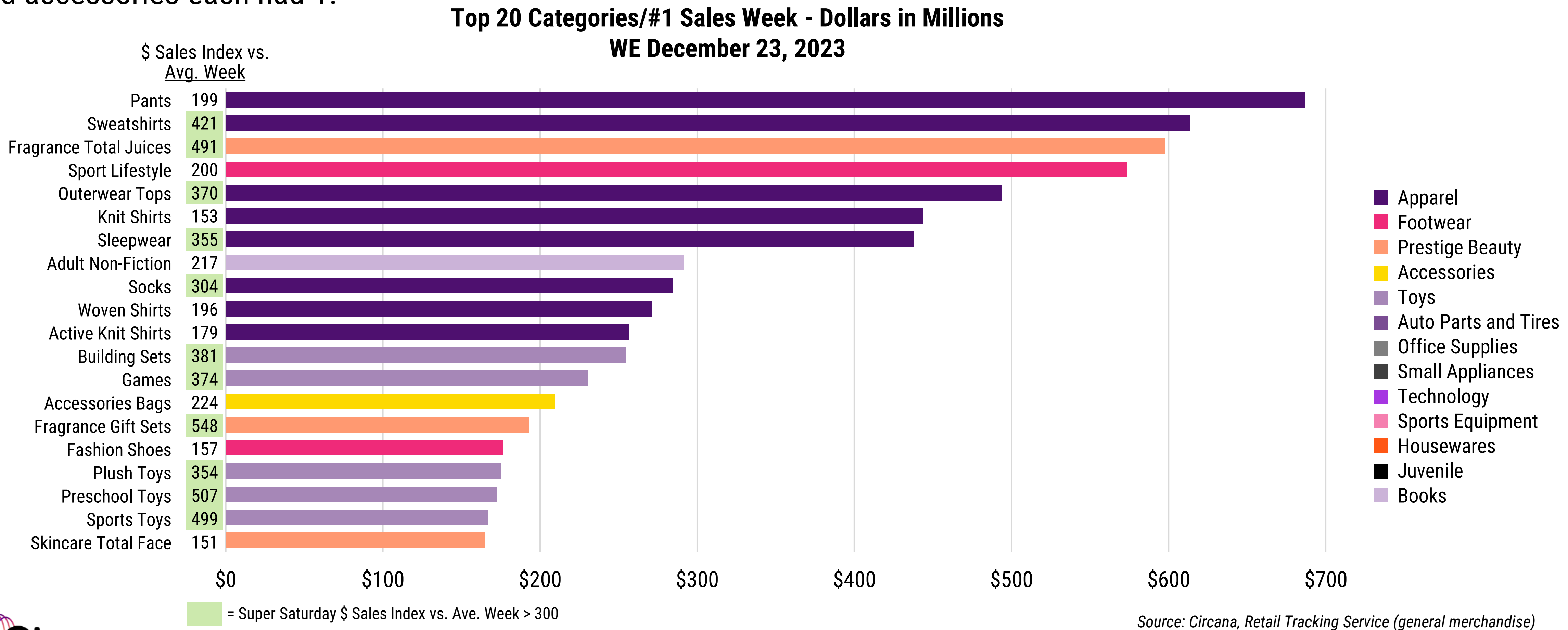
2023 Super Saturday top 20 gen merch categories

2023's Super Saturday generated the highest weekly dollar volume sales for total general merchandise and 41% of the gm categories. Contributing to Super Saturday's top 20 categories, Apparel had 8, toys 5, prestige beauty 3, footwear 2, books and accessories each had 1.



Source: Circana, Retail Tracking Service (general merchandise)
Top 20 categories based WE 12/23/23 $ sales and #1 annual sales week ranking

Super Bowl staples from retail food and beverage

These categories are ranked on largest week-over-week dollar lift, indicating the biggest destination categories for consumers prepping to watch the big game. Regular soft drinks and tortilla chips had the largest lift and grew in dollars and volume vs. last year. Other growth categories include potato chips, sausages, and dips.

Top Super Bowl-related Subcategories by Week-over-week Dollar Lift ($M)*

Week Ending February 11, 2024 vs. Week Ending February 4, 2024

$ vs. 2023 Super Bowl	Volume vs. 2023 Super Bowl	Subcategory	Week-over-week Dollar Lift ($M)
4%	1%	Regular Soft Drinks	$51.9
6%	5%	Tortilla/Tostada Chips	$45.0
-2%	-3%	Lager (Alcohol)	$40.4
-10%	-19%	Beef Ribeye	$29.8
4%	2%	Potato Chips	$21.4
2%	3%	Rfg Dinner Sausage	$19.1
8%	3%	Low Calorie Soft Drinks	$18.7
1%	0%	Frozen Appetizers/Snack Rolls	$17.3
0%	-3%	Cookies	$17.2
-5%	-4%	Chicken Wings	$16.7
-3%	-1%	Frozen/Rfg Chicken	$15.9
2%	0%	All Other Crackers	$15.9
1%	8%	Processed Frozen/Rfg Chicken	$15.7
8%	9%	Rfg Dips	$15.2
12%	8%	Rfg Uncooked Meats (No Poultry)	$15.0
2%	2%	Frozen Pizza	$13.7
-1%	7%	Shredded Cheese	$13.6
-2%	0%	Pork Back Ribs	$12.1
7%	5%	All Other Fresh Rolls/Bun/Croissants	$11.0
6%	7%	Cream Cheese Brick	$10.6

Source: Circana, total market view MULO+ with conv and MULO+ with perimeter (F&B/nonedible CPG- excluding tobacco)– week ends on a Sunday

**Super Bowl shopping weeks: 2023 = 1 week ending 2/12/2023; 2024 = 1 week ending 2/11/2024; Categories chosen based on seeing the largest week-over-week growth in dollar sales during Super Bowl week and at least $1M in sales.*

Note that this is not a comprehensive list of Super Bowl-related subcategories.

What drives consumers to the store on Valentine's Day?

Chocolate candy and roses alone drove

+$1.7B

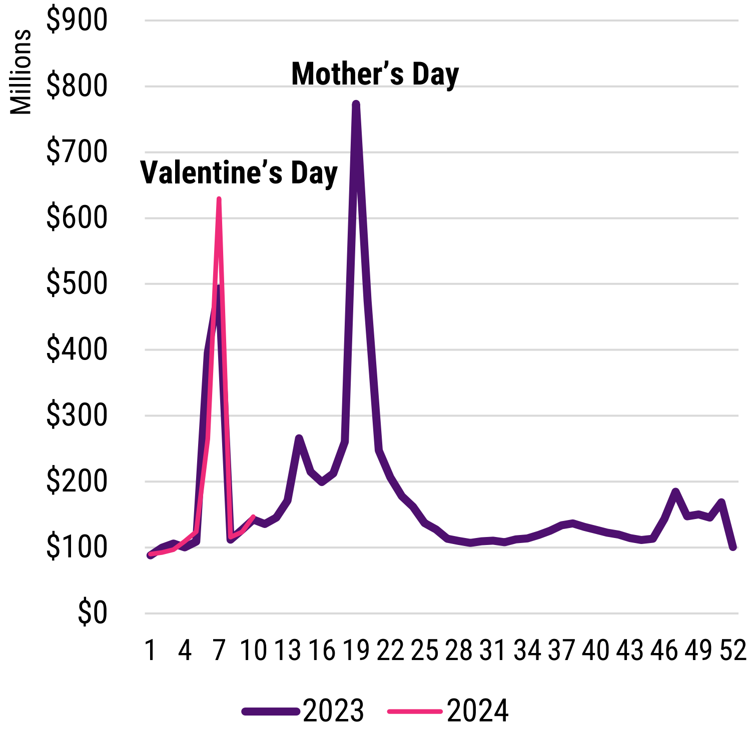
in dollar sales during the 2-week holiday period, up 2% compared to last year.

Source: Circana, total market view MULO+ with conv and MULO+ with perimeter (F&B/nonedible CPG- excluding tobacco) – week ends on a Sundayay 2024 = 2 weeks ending 2/17/2024, 2023 = 2 weeks ending 2/18/2023

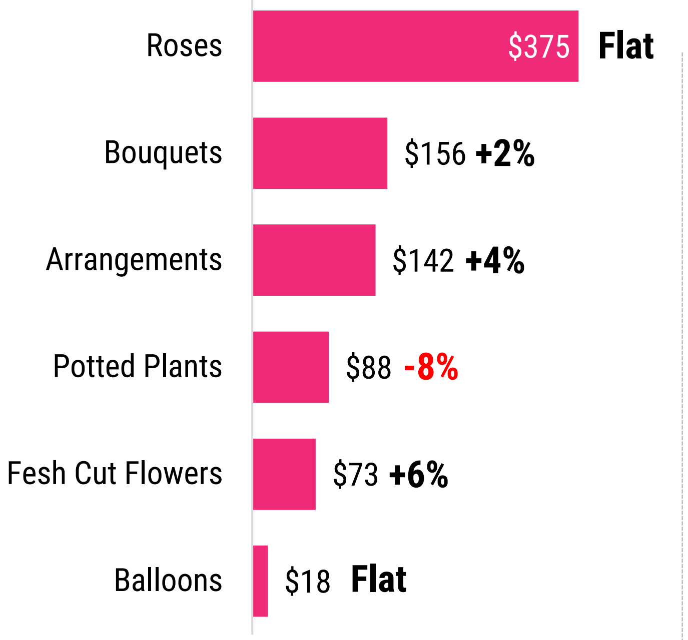
The floral aisle’s second most important holiday

The two weeks of Valentine’s Day accounts for 10% of the floral aisle's annual dollar sales. Having the right products and inventory in the section is the key to winning these holidays.

Floral Aisle Weekly Dollar Sales



Top Dollar Floral Valentine’s Categories
($M) Dollar % Change vs. LY



Pair it with a plush! An easy add-on

Despite overall declines in plush, Squishmallows generated over $3.1M in sales during Valentine’s weeks, up 6% in dollars and 8% in units.

Top growth item:
Squishmallows Plush 5"
ASP: $6

The floral alternative? LEGO Icons

The new LEGO Icons Bouquet of Roses generated over $3.5M in sales during Valentine’s weeks.

Icons Bouquet Of Roses
ASP: $56

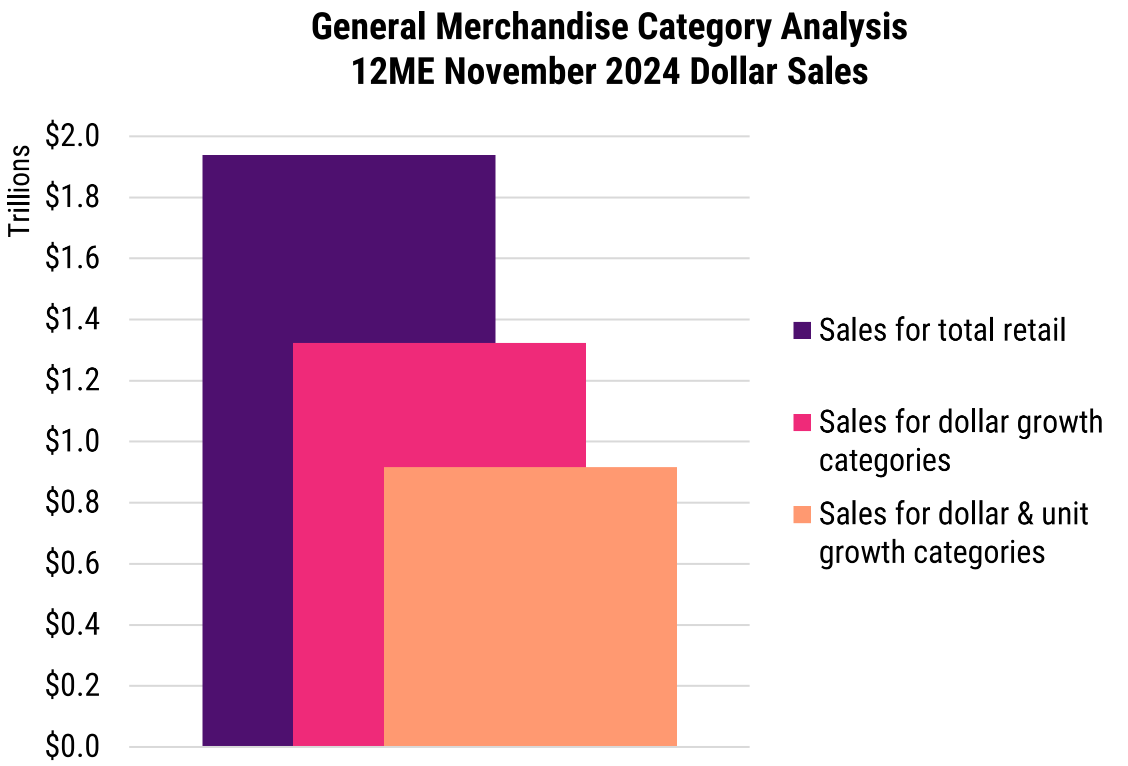
Source: Circana, total market view MULO+ with conv and MULO+ with perimeter (F&B/nonedible CPG-excluding tobacco)– week ends on a Sunday
Valentine’s weeks 2024 = 2 weeks ending 2/17/2024 vs. LY

Demand driven retail growth

Total retail annual dollars grew 1% to last year, while units were flat, however, we are seeing improvement under the surface, with more demand driven growth categories accounting for 47% of total retail sales. The half of the store that's growing in demand represents consumer prioritization.

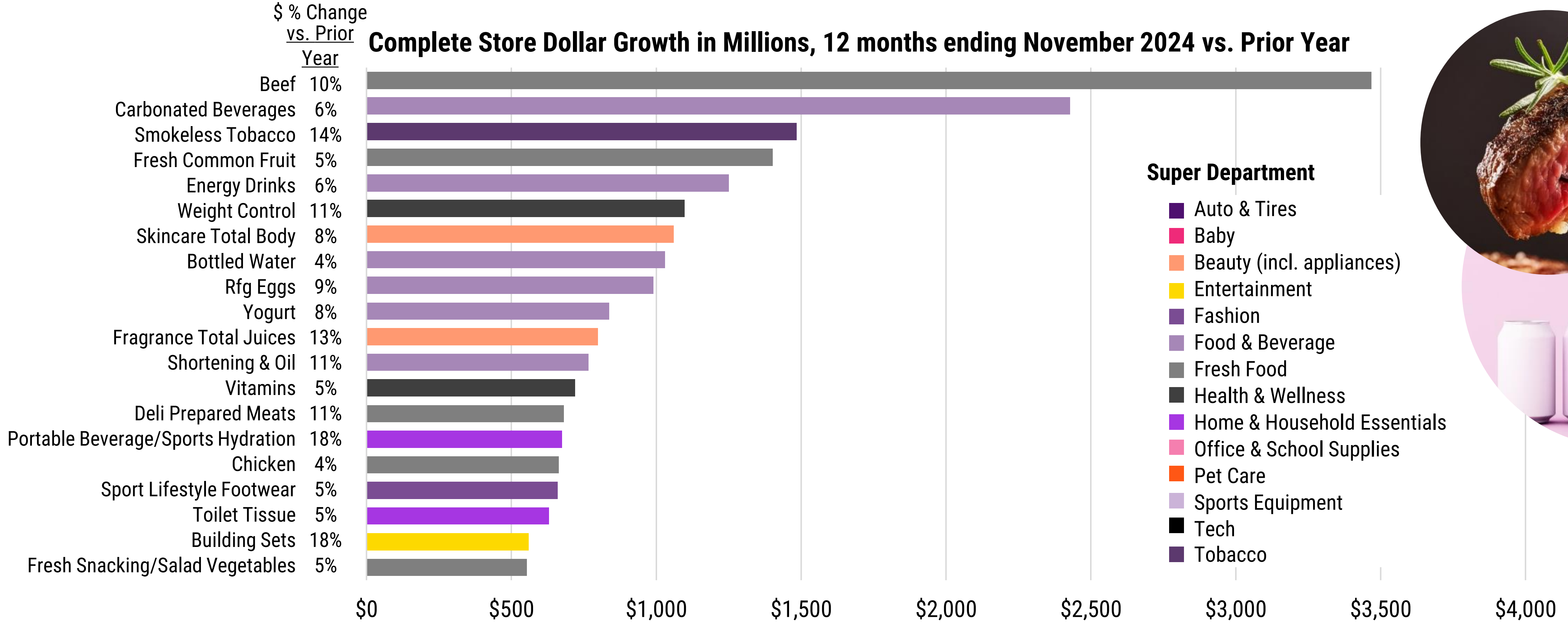
32% of annual retail categories experienced **dollar growth AND unit growth** (12ME Nov 2024)

- This gives us **290 "demand driven" categories** of the 911 categories tracked.
- These 290 categories **represent 47% of total retail dollars**.



Source: Circana, Complete Store
Includes general merchandise, retail F&B, nonedible CPG categories

Top growth categories reveal consumer priorities



Source: Circana, Complete Store, thought leadership hierarchy (note that book sales reported in units only)
*Top growth based on absolute dollar change vs. last year **and positive unit growth** vs. last year.*

Consumer priorities across retail. Consumers are investing in….

Food Exploration

Home Environment

Health & Wellness

Beverages

Pets

Pampering Yourself

Fun & Games

Outdoor Activities

Fashion Refresh

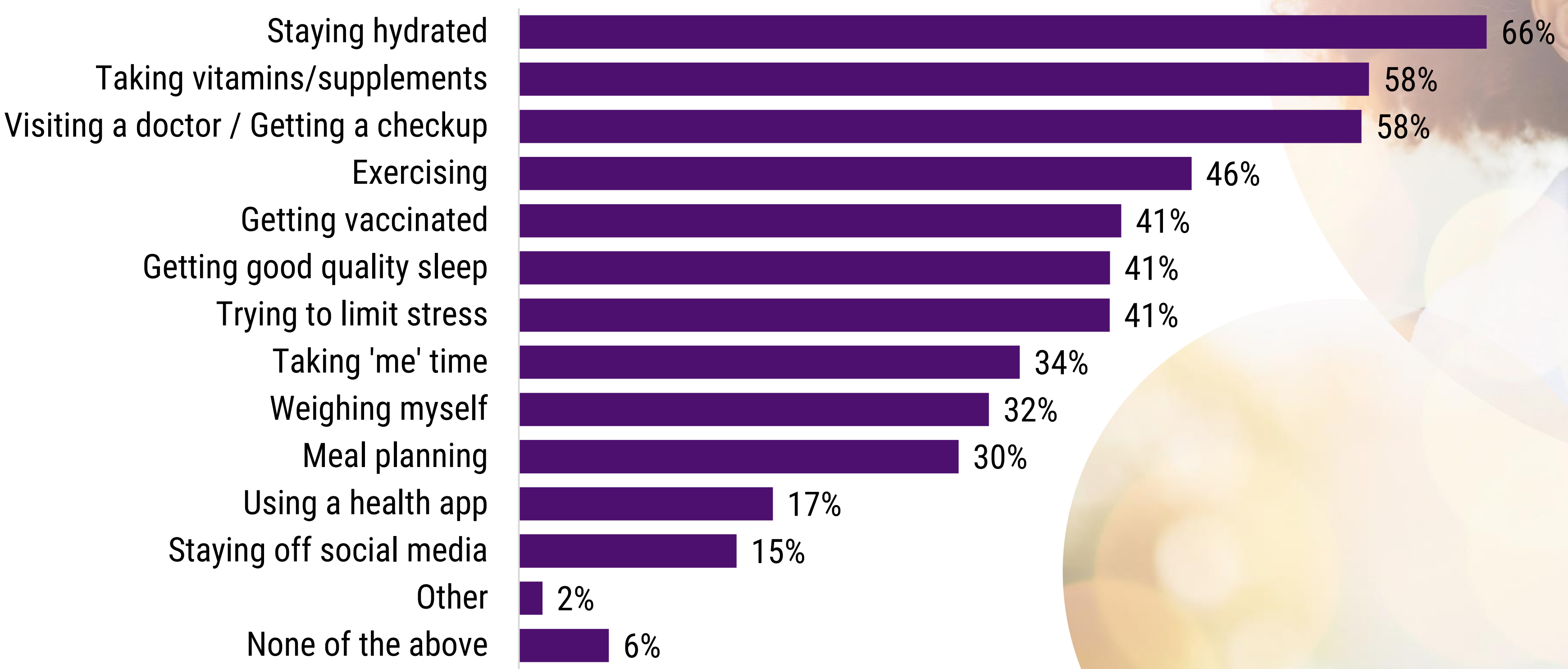
Essentials

Source: Circana, Complete Store, 12ME November 2024
Categories listed are examples – not comprehensive

How consumers manage health

Two thirds of consumers are regularly staying hydrated to manage health, followed by preventative options like taking vitamins, getting check-ups, and staying active.

What are you regularly doing to manage your health?



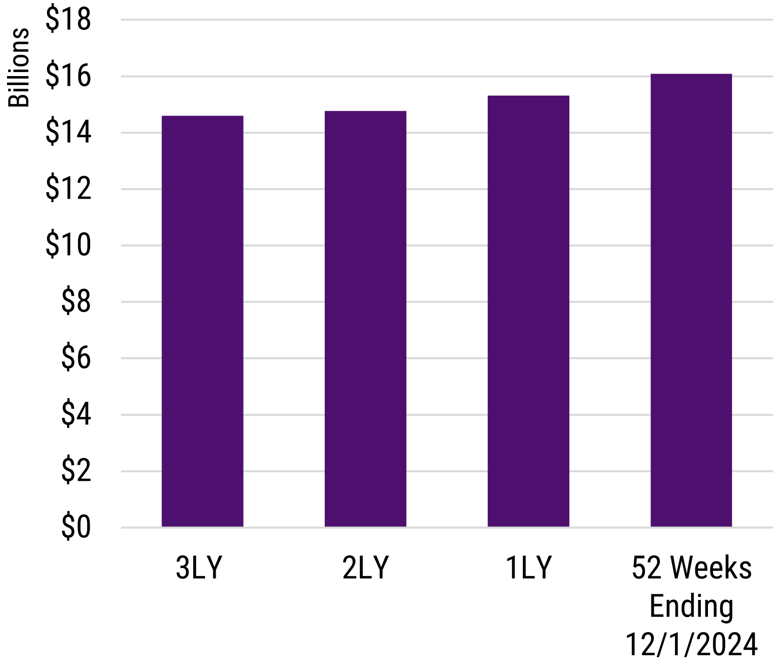
Source: Circana, Shopper Survey November 2024
Q: What are you regularly doing to manage your health? Base: Total Respondents, 1110

Vitamin spend increased 5% vs. last year and 10% vs. 3 years ago

Year over year growth was led by mineral supplements, accounting for 52% of annual dollars and 63% of dollar growth.

Vitamins Dollar Volume

52 Weeks Ending 12/1/2024 vs. Prior Years



Mineral Supplement Spotlights

Top Absolute Growth Brands

Nature Made
+13% dollars | +10% units

Magnesium Glycinate High Absorption Gummy 40ct

Force Factor
+59% dollars | +56% units

Total Beets Multi Herb Multi Purpose Soft Chew 60ct

Honorable Mentions/Fastest Growth Brands

Feel Good Super Foods

Super Berry Gummy 60ct

Lemme

Matcha COQ10 Vitamin B12 Energy Metabolism Gummy 60ct

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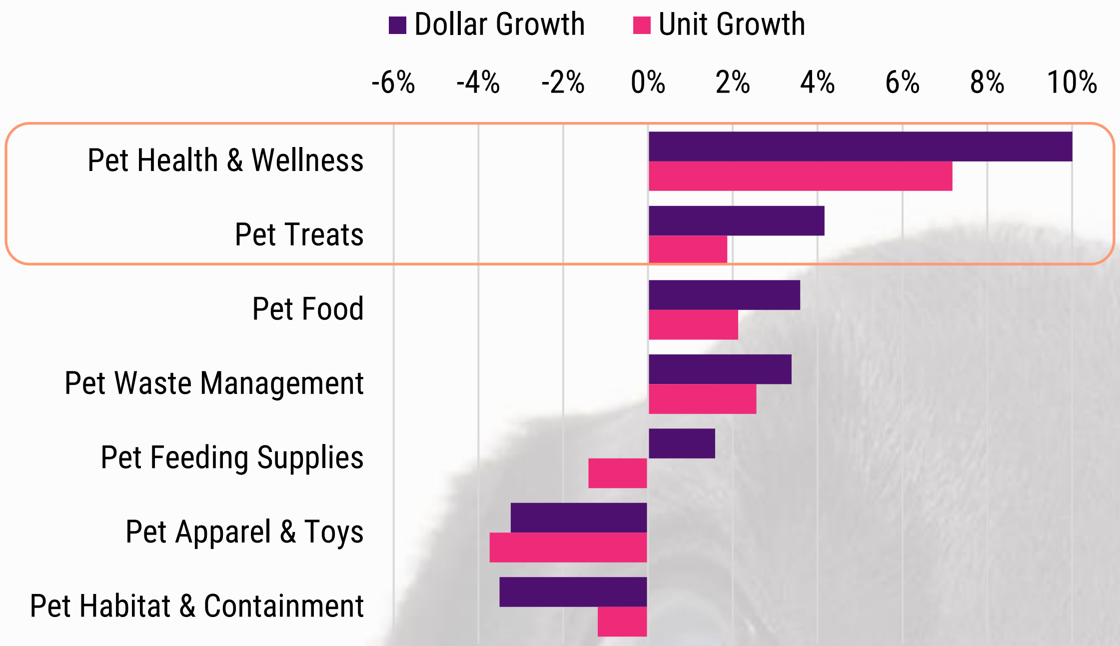
Source: Circana, Total Store View, MULO+ with Conv, 52 weeks ending December 1, 2024; Fastest growth with a minimum dollar volume of $15M

Prioritizing our pets

Although not the largest in dollar volume, pet health & wellness was the fastest growth pet care aisle, followed by pet treats.

Pet Care Aisle Dollar & Unit % Change vs. Prior Year

52 weeks ending 12/1/2024 vs. prior year

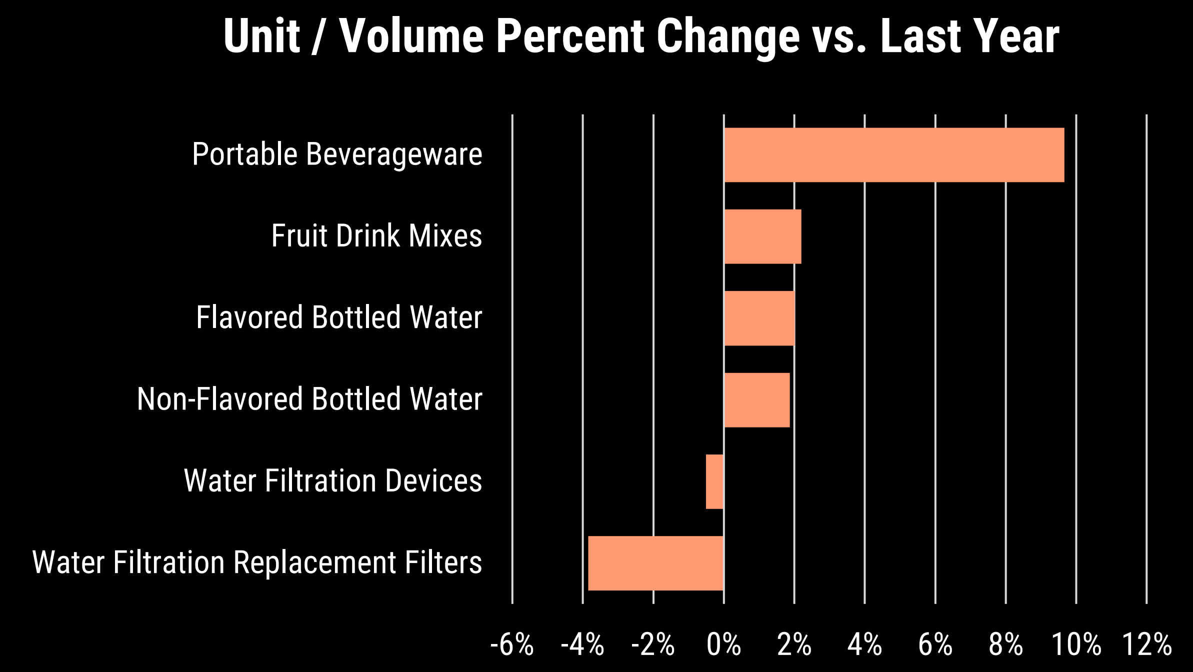


Dollar Mix
4%
20%
56%
12%
1%
3%
4%

Source: Circana, Total Market View MULO+ with Conv & Perimeter, 52 weeks ending 12/1/2024

Water consumption

Fruit drink mixes and flavored waters lead the pack in growth, as consumers look for more exciting ways to increase their water consumption.



Source: Circana Retail Tracking Service , Small Appliances, Housewares (General Merchandise) 12ME August 2024; MULO-C, Water Aisle, Drink Mixes Aisle (CPG); Bottled Water includes seltzer/sparkling/mineral and still; Drink mixes excludes energy and sports.

Americans are a thirsty population

Beverage consumption continues to increase year on year.

Annual Beverage Drinkings per Capita

In Home and Away

2023	2024
1,482	1,504

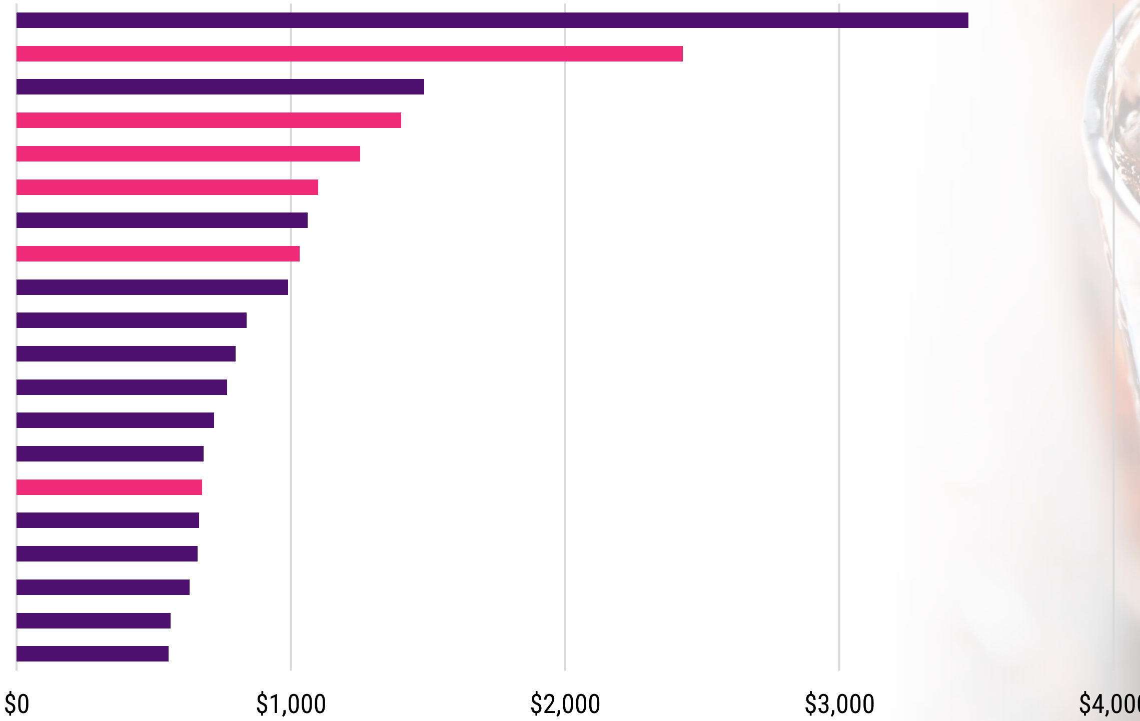
Source: Circana, National Eating Trends® and CREST®, 12ME March 2024,
Away from home: Total beverages excluding tap water; In home: Sourced from retail/home

Across total retail, beverage categories account for six of top 20 growth categories

Total Retail (Excluding Foodservice) Top Categories Growing Dollar Growth in Millions, 12ME November 2024 vs. Prior Year

Beverage-related categories

	% Change vs. 'Prior Year $	U
Beef	10%	3%
Carbonated Beverages	**6%**	**0%**
Smokeless Tobacco	14%	11%
Fresh Common Fruit	**5%**	**4%**
Energy Drinks	**6%**	**3%**
Weight Control	**11%**	**10%**
Skincare Total Body	8%	1%
Bottled Water	**4%**	**1%**
Rfg Eggs	9%	4%
Yogurt	8%	5%
Fragrance Total Juices	13%	8%
Shortening & Oil	11%	1%
Vitamins	5%	2%
Deli Prepared Meats	11%	10%
Portable Beverage/Sports Hydration	**18%**	**12%**
Chicken	4%	3%
Sport Lifestyle Footwear	5%	3%
Toilet Tissue	5%	4%
Building Sets	18%	17%
Fresh Snacking/Salad Vegetables	5%	3%



Source: Circana, Complete Store, thought leadership hierarchy. Top growth based on absolute dollar change vs. last year.
Note: Excludes foodservice. Top categories by dollar growth in all retail channels, based on POS-reporting retailers.

Portable beverageware combined with sports hydration is the second largest growth category in all of general merchandise

$4.2B Portable Beverageware + Sports Hydration **+19%**

Stanley has a **26%** dollar share

STANLEY is the **FOURTH LARGEST GROWTH BRAND** in all of general merchandise

Source: Circana, Retail Tracking Service, 12ME November 2024 vs. prior year; Brands/categories with growth in both dollars and units.

Smoothies are trending as consumers seek wellness and convenience

Small Appliances

Ninja

Blast portable cordless blender

Nutribullet

Ultra personal blender

Magic Bullet

Essential blender

Food & Beverage & Nonedible

Liquid/Powder Weight Control
$: +11%
Vol.: +11%

Frozen Fruit
$: +7%
Vol.: +6%

Fresh Common Fruit
$: +4%
Vol.: +5%

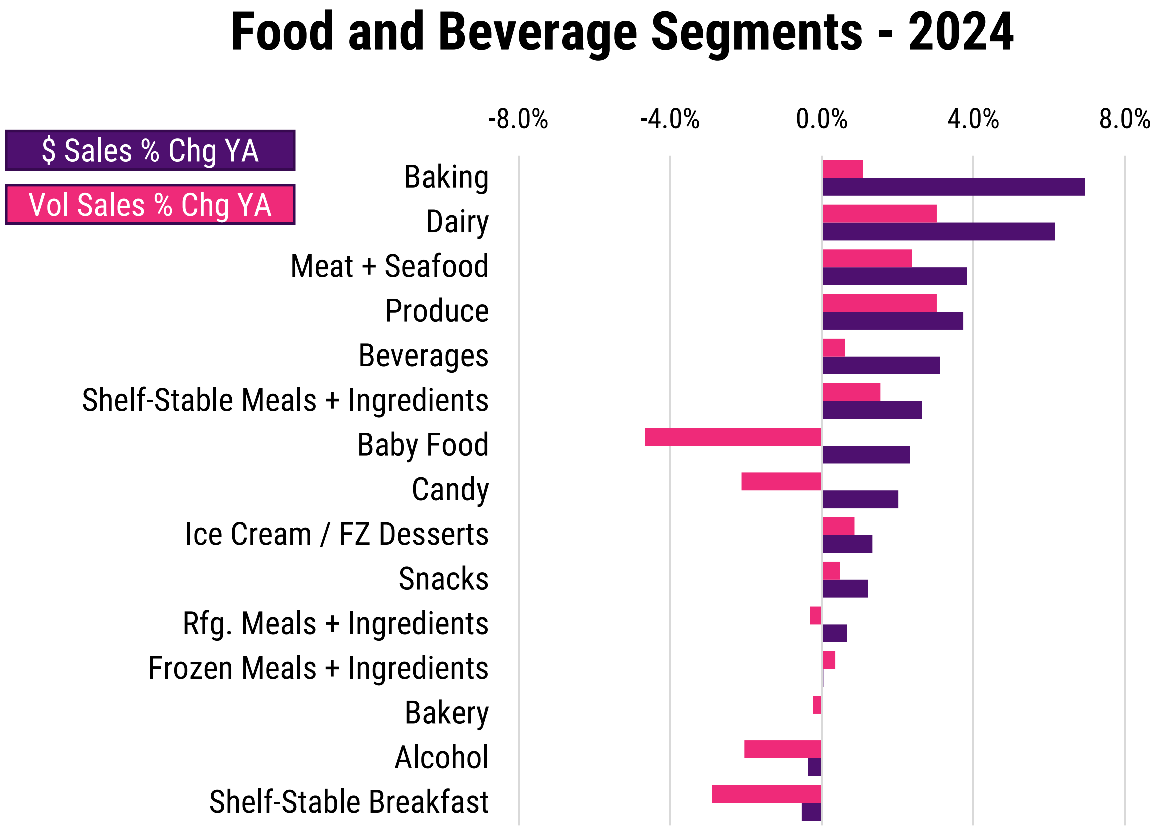
Foodservice

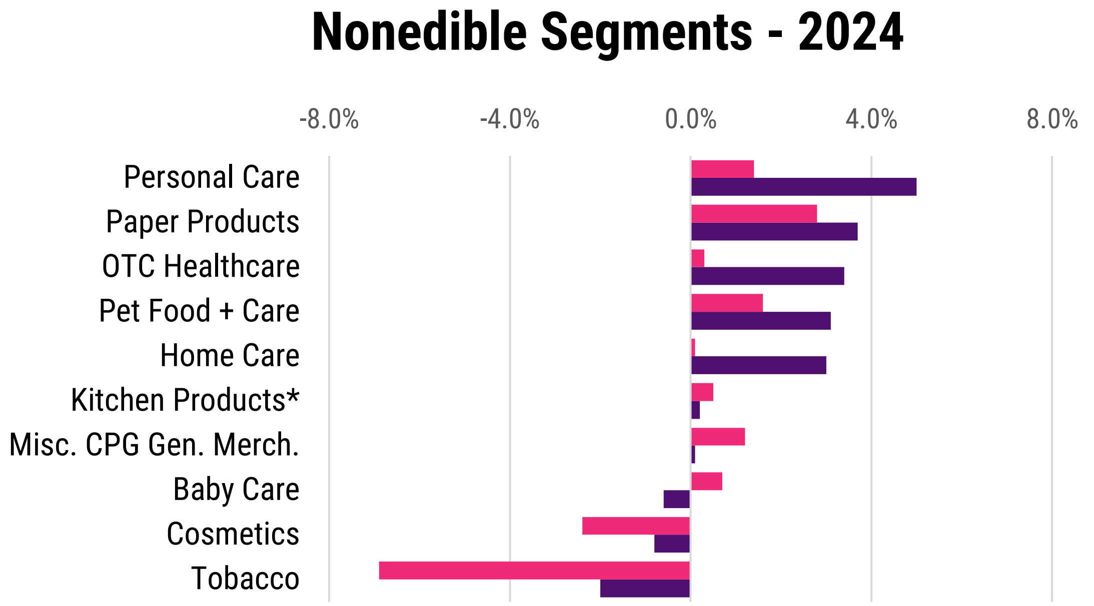
QSR Juice/Smoothie Restaurant Locations +35% vs. 2019

Top growing beverage outlet: tropical SMOOTHIE CAFE

Sources: Circana Retail Tracking Service, Small Appliances, 12ME August 2024 vs. last year;
Circana, Total Market View MULO+ Convenience and Perimeter, 35WE Sept.1, 2024 vs. prior years (week ends on a Sunday);
Circana, Integrated Fresh, MULO+ with Convenience and Perimeter, 35WE Sept. 1, 2024, vs. prior years (weekends on a Sunday).
Circana, ReCount Spring 2024, Chains shown are growing locations year-over-year, have a 3% or larger 5-year location CAGR, and >50 total locations.

Cooking more at home





Total CPG w/ Perimeter	**+2.4%**
Restaurant Traffic	**-1.6%****

Source: Circana MULO+ with Conv, 2024 vs. 2023

**Kitchen products = cups & plates, disposable tableware, foil pans, foils & wraps, food & trash bags, bottles, drinkware, household plastics, kitchen storage, soap dishes*

** *Source: Circana, CREST, Commercial and Non-Commercial (YTD ending Nov. 2024)*

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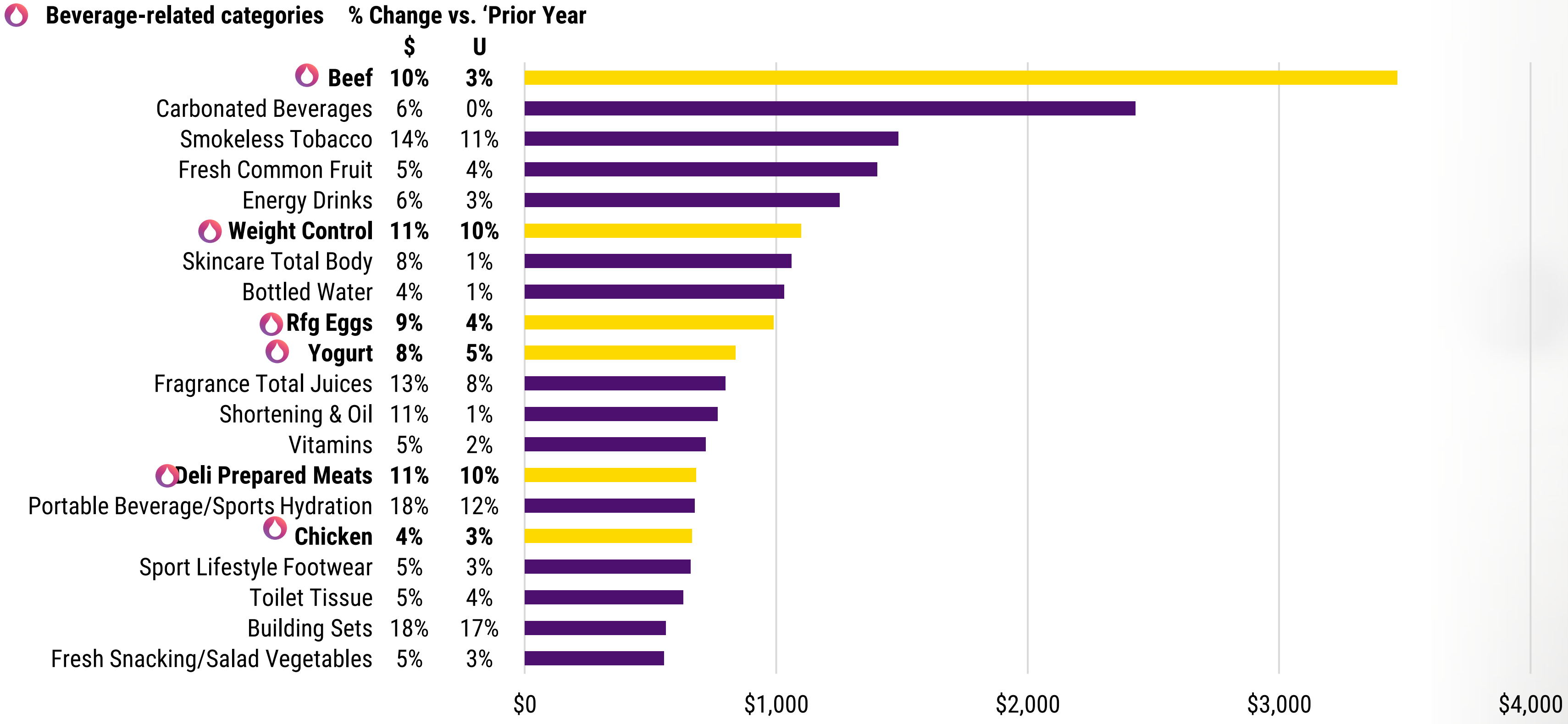
Across total retail, protein-centric categories account for six of top 20 growth categories

Total Retail (Excluding Foodservice) Top Categories Growing Dollar Growth in Millions, 12ME November 2024 vs. Prior Year



Source: Circana, Complete Store, thought leadership hierarchy. Top growth based on absolute dollar change vs. last year.
Note: Excludes foodservice. Top categories by dollar growth in all retail channels, based on POS-reporting retailers.

Complete beauty category sales performance

Dollar Volume and Year-over-Year Percent Change by Category

YTD Sep 2024 Sales: $61B, +5%

+5%

SKINCARE

$28.0B

+2%

MAKEUP

$14.4B

+5%

HAIR

$12.2B

+15%

FRAGRANCE

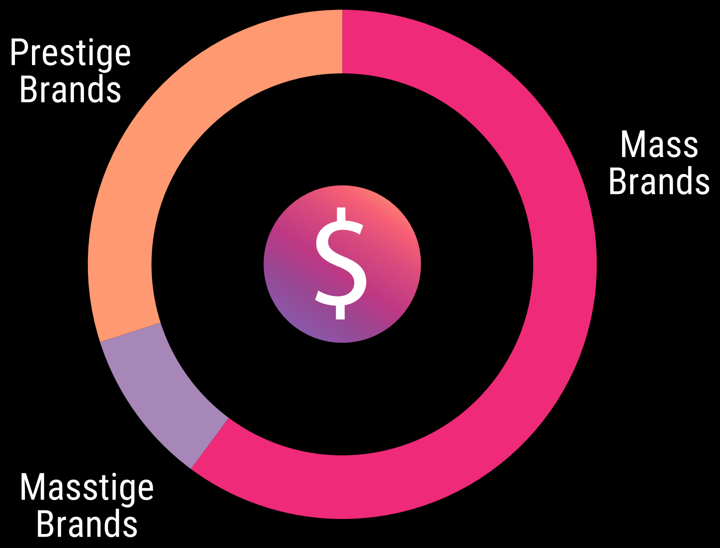
$6.4B

Source: Circana, Complete Beauty™, YTD Sep 2024

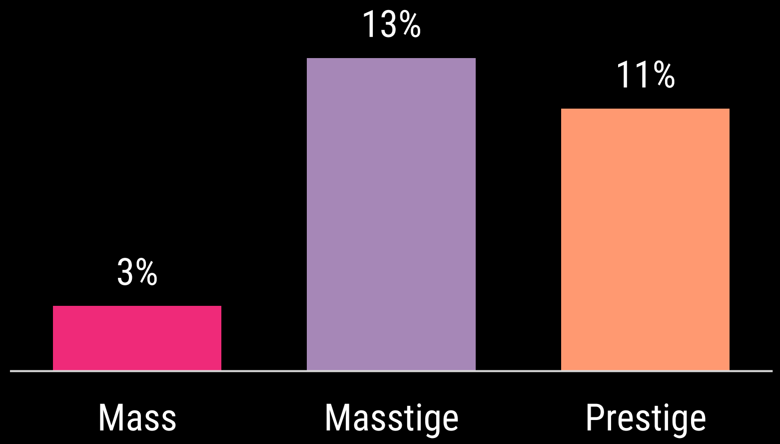
U.S. masstige brands outpace in dollar growth

The strongest growth in beauty came from mid-range brands that fall between prestige and mass in positioning and distribution. Also known as masstige brands, their sales are dominant in prestige channels, while pricing is more aligned with mass. Prestige performance nearly matched masstige.

Dollar Sales



Dollar Percent Change vs. Prior Year



Source: Circana, Complete Beauty™, 1H (Jan – Jun) 2024
**Masstige = mid-range*

The road ahead...

Key takeaways and considerations

Trip Strategy

Think through why consumers are coming to your stores and how you can best meet those unique needs.

Seasonal vs. Routine

Identify core brick-and-mortar trip opportunities, seasonal vs. routine

Hybrid Work

Understand the needs of the new hybrid work-life balance

Health & Wellness

Understand the evolving definition of health & wellness

Innovation

Assort innovative products in key categories

Thank you

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Value Proposition

What makes us different?

We have the most complete view. We start with the most complete data, add cross-category insights, and deliver it all through the lens of deep category expertise. When our clients see the complete view and the complete consumer, they gain a full understanding that leads to confident action.

We have deep industry expertise. Our industry experts are strategic partners who really understand each clients' business. That allows us to push beyond insight into ideas that ignite new thinking and lead to better outcomes.

We have superior technology. Our Liquid Data platform makes it easy to work with cross-industry data and advanced analytics. Seeing all the angles makes it easier to find new opportunities and spark growth.

Circana Solutions

POINT-OF-SALE STORE-LEVEL DATA

Our unmatched ability to capture store-level data feeds directly from retailers reveals how products sell in the locations where they are carried. That lets us accurately report below a national level so you can monitor sales, distribution, pricing, and velocity by retailer, region, or market.

MULTI-OUTLET+ WITH CONVENIENCE

Point-of-sale data aggregated across the multi-outlet and convenience universes with coverage across grocery, drug, mass merchant, club, dollar, and more. The largest census-based POS coverage of CPG core channels

THOUGHT LEADERSHIP

Circana is home to experts from all our tracked industries. Leveraging our unmatched data assets and industry expertise, Circana's thought leadership delivers actionable insights to help companies boost their bottom line.

SURVEY SOLUTIONS

Survey operates at the intersection of what people think and what they do, leveraging verified purchase behaviors and a comprehensive survey portfolio to better explain and anticipate people's choices.

CIVICSCIENCE

Circana is a strategic investor in an innovative company called CivicScience, which studies trends in consumer attitudes, lifestyle, and intent across thousands of topics and millions of people every day. This information complements sales and behavioral data from Circana.