

Shopper Profile & Purchase Patterns on RTE and Microwave Popcorn

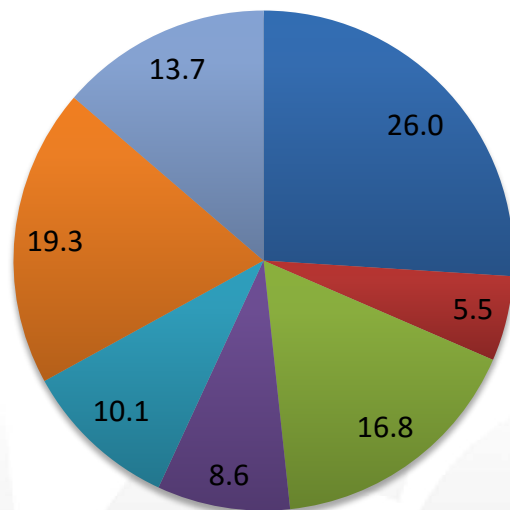


ACOSTA

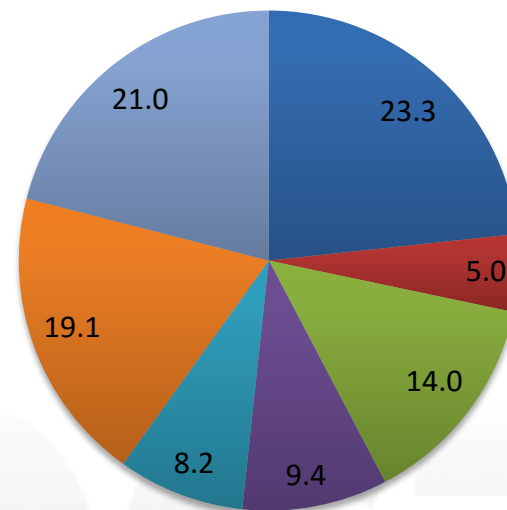
33% more Households purchase Microwave Popcorn than RTE Popcorn

% of Households in each profile for Microwave and RTE Popcorn

Popcorn Microwave



RTE Popcorn

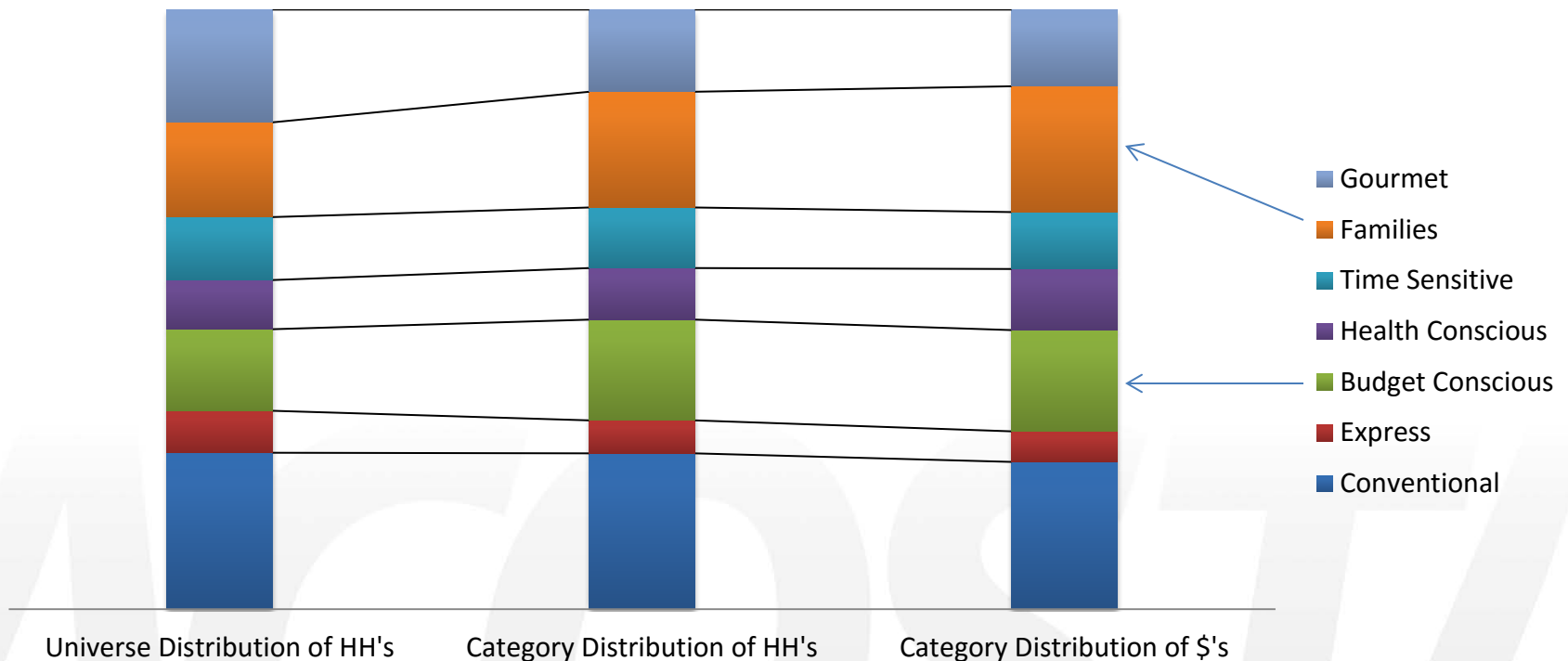


- Conventional
- Express
- Budget Conscious
- Health Conscious
- Time Sensitive
- Families
- Gourmet

Households purchasing Microwave Popcorn visit the segment on average 3X's per year, with an average spend of \$11.50.

Families and **Budget Conscious** over-index for Microwave Popcorn, representing about 38% of overall category sales.

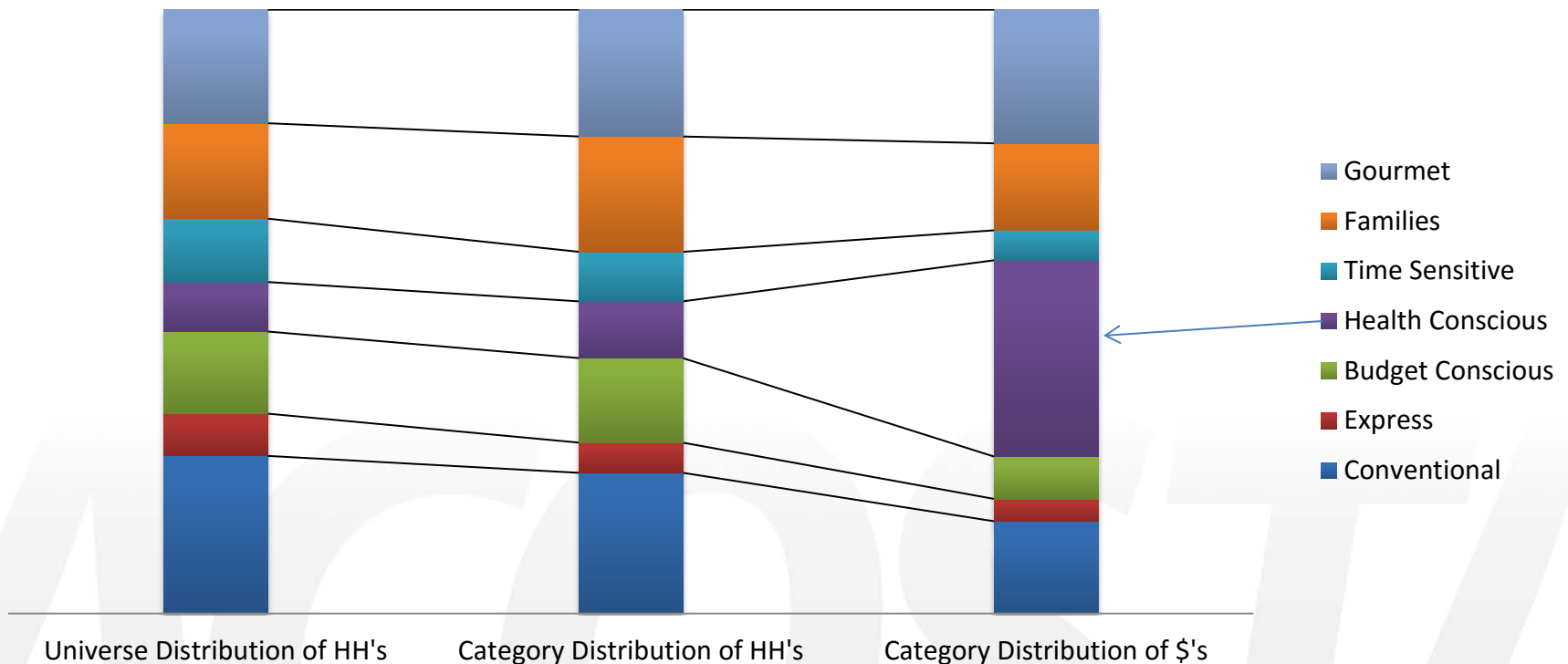
Category Household & Sales Decomposition



Households purchasing RTE Popcorn visit the segment on average 4X's per year, with an average spend of \$12.00.

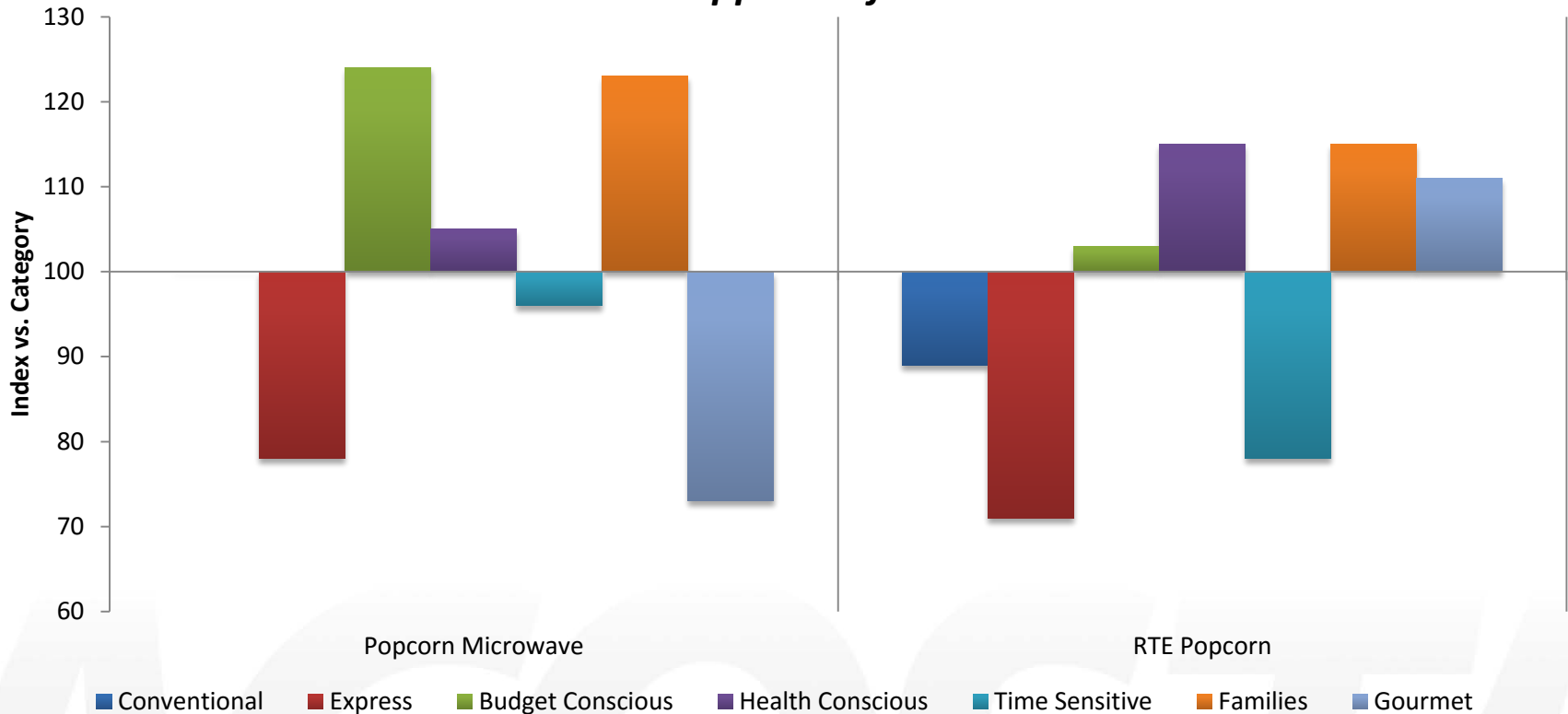
Families and **Health Conscious** households over-index for RTE Popcorn, representing about 33% of overall category sales.

Category Household & Sales Decomposition



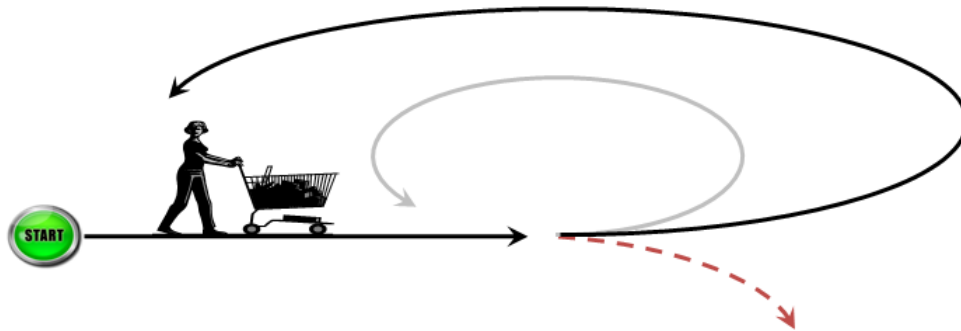
Budget Conscious and Families households are focused primarily on Microwave Popcorn while Health Conscious and Families are drawn to the convenience of pre-popped.

Shopper Profiles



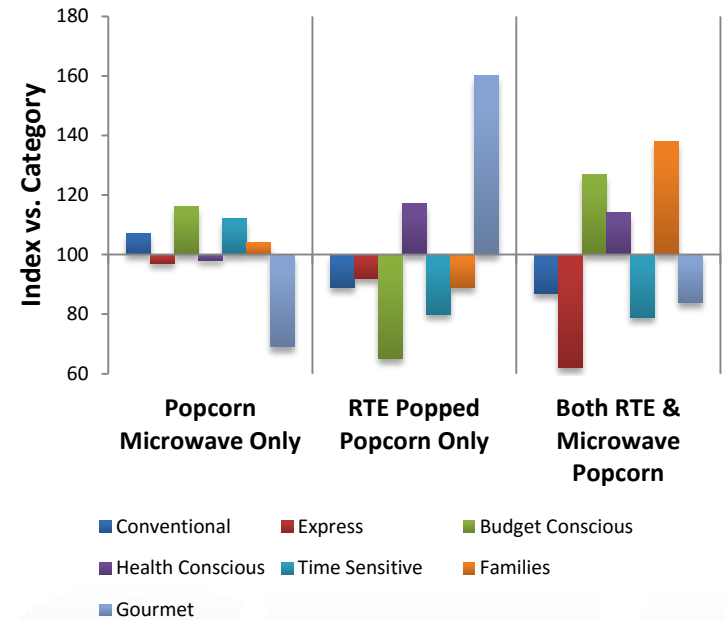
43% of shoppers that purchased Microwave PC have also purchased RTE

Whereas 50-60% of shoppers purchasing RTE Popcorn have also purchased Microwave PC in 1yrs. time



In a 1yr time frame about 9% of Baskets contained both Bagged and Microwave Popcorn

Shopper Profiles

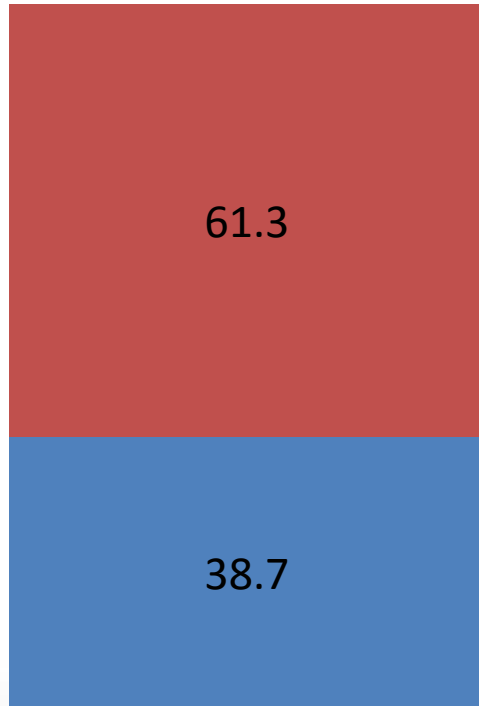


Microwave Only/RTE Only represents households that do NOT cross shop different forms of popcorn

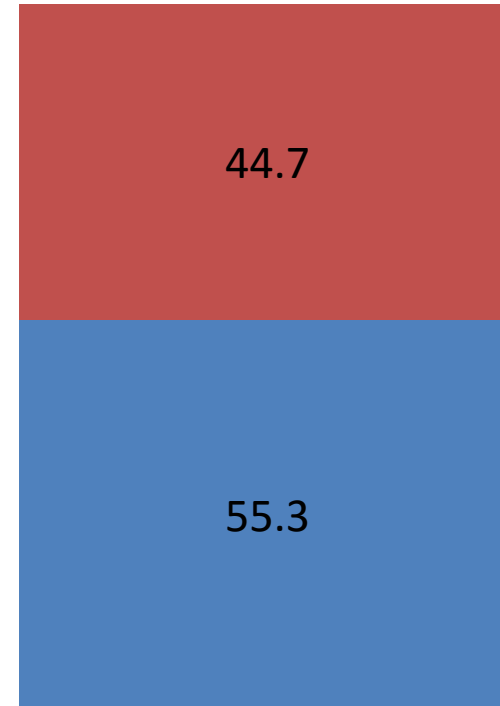
Where have Microwave Popcorn sales gone?

Last year sales were lost due to buyers spending less on the category (61.3%). This year losses are due primarily to switching their spend to RTE or Kernel (55.3%)

March 2015



March 2016



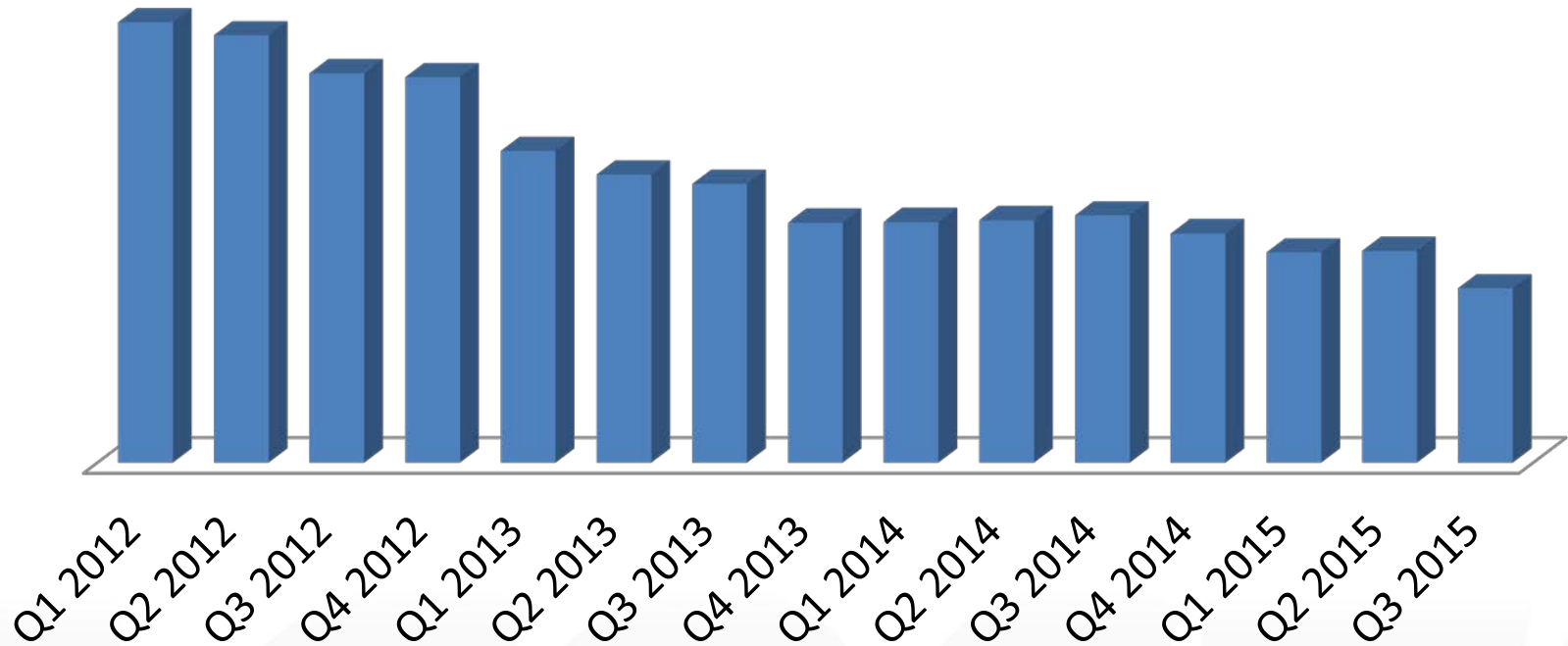
- Lost \$ Sales above expected due to Lost Category Buyers
- Lost \$ Sales above expected due to Category buyers spending Less on Category
- Expected Lost \$ Sales due to normal contraction, buyer churn and switching

- Lost \$ Sales above expected due to Lost Category Buyers
- Lost \$ Sales above expected due to Category buyers spending Less on Category
- Expected Lost \$ Sales due to normal contraction, buyer churn and switching

Source: Major Retailer Shopper card data

Fewer consumers are purchasing Unpopped Popcorn

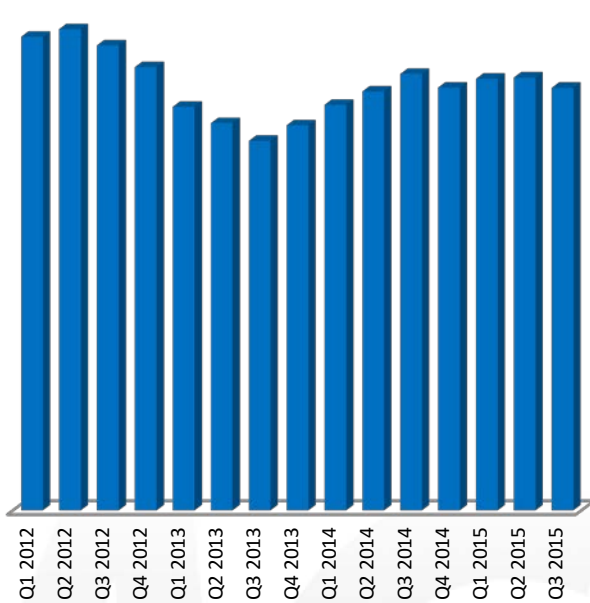
Unpopped Popcorn Item Buyers (000)



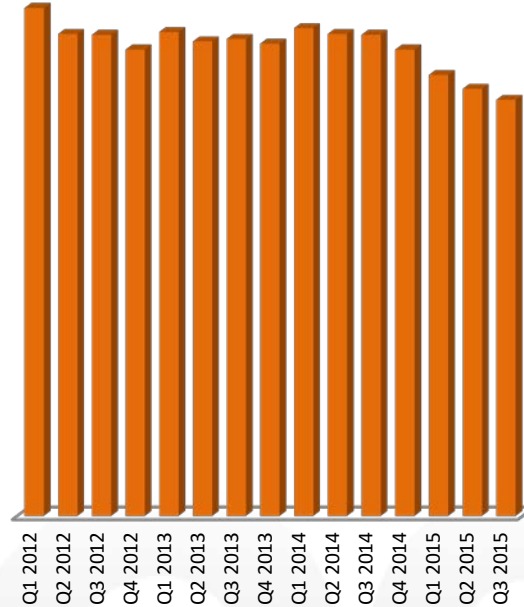
Source: Nielsen Consumerfacts Q1 2012 thru Q3 2015

Pop Secret and Act II Microwave Popcorn have not experienced the same decrease in Item Buyers as Orville Redenbacher

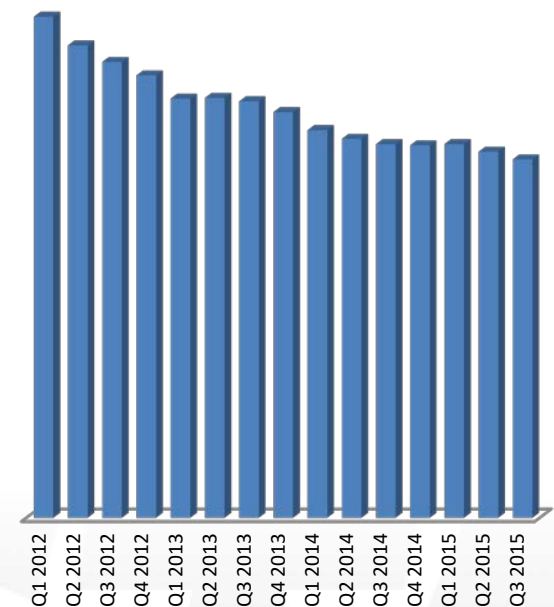
Pop Secret Item Buyers (000)



Act II Item Buyers (000)



Orville Redenbacher Item Buyers (000)

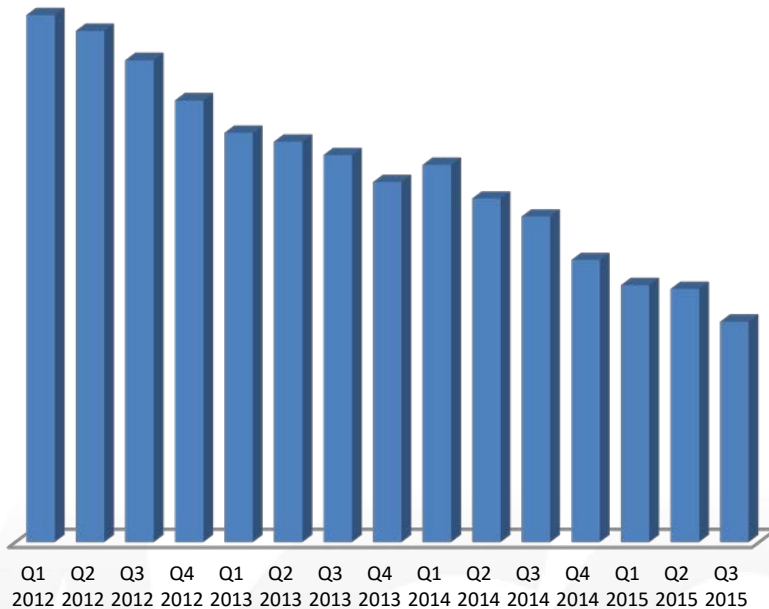


Source: Nielsen Consumerfacts Q1 2012 thru Q3 2015

Channel shifting among consumers purchasing unpopped popcorn has occurred

- Consumers purchasing unpopped popcorn in Grocery continues to decline
- Between Q1 2013 – Q4 2014 consumers shifted from Mass to Dollar then shifted back.

Item Buyers-Grocery



Item Buyers Mass and Dollar

