“OWN YOUR EVERYDAY” AND “PONTE ALMENDRA”: NEW CONSUMER CAMPAIGNS AND PROGRESS IN NORTH AMERICA

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NEW CONSUMER CAMPAIGNS AND PROGRESS IN NORTH AMERICA

EMILY FLEISCHMANN, Sr Director, Global Marketing, Almond Board of California
BRIAN O’CONNELL, Associate Director Strategic Planning, Sterling-Rice Group
BECKY JEFFERS, Marketing Manager, Almond Board of California
What do you hear?! Yanny or Laurel

What do you hear!?!

YANNY  LAUREL

VOTE
NEW CONSUMER CAMPAIGNS AND PROGRESS IN NORTH AMERICA

BRIAN O’CONNELL, Associate Director Strategic Planning, Sterling-Rice Group
STATE OF SNACKING: NORTH AMERICA
FOR MANY, SNACKING CAN BE A SECURITY BLANKET
“ON THE GO”
LIFESTYLES OF GEN Y + Z ARE CHANGING EATING HABITS AND ATTITUDES.
AS PART OF THAT, ONE MAJOR FORCE SHAPING SNACKING HABITS ARE THE STRESS LEVELS OF YOUNGER GENERATIONS.

Average Stress Levels

- Older Adults: 3.3
- Boomers: 4.1
- Millennials: 5.7
- Gen Z: 5.3
- Gen X: 5.1

1: Little or no stress
4.9: Average for all adults
10: A great deal of stress
STRESS SHAPES WHAT WE CRAVE

Craving: the mind and body’s attempt to pull us back together.
MY HECTIC LIFESTYLE REQUIRES THAT I SNACK A LOT.

50% OF BUSY BALANCERS AGREE WITH THE STATEMENT:

“I just wish there were more hours in the day. I have so many things I want to do, but you just run out of time.”

—U.S. ABC SEGEMENTATION STUDY 2017
SNACKING HELPS GIVE THEM A PHYSICAL ENERGY BOOST, FUEL THEM WHEN THEY DON’T HAVE TIME TO COOK, SUSTAIN THEIR ENERGY, AND GIVES THEM A REWARD OR TREAT.

--U.S. ABC SEGEMENTATION STUDY 2017
THE ALMOND OPPORTUNITY:
HELP “ON-THE-GO” SNACKERS “RE-ESTABLISH THEIR CENTER” WITH ALMONDS.
STATE OF SNACKING: NORTH AMERICA

FOR MANY, SNACKING CAN BE A SECURITY BLANKET

SNACKING IS TRENDIER AND MORE PROLIFIC THAN EVER
SNACKING IS TRENDIER AND MORE PROLIFIC THAN EVER
Proliferation of Snacking

Need for Convenience

Shifting Consumer Attitudes

Proliferation of Snacking
PEOPLE ARE SNACKING NOW MORE THAN EVER.

Average Weekly Snacking Occasions by Daypart

<table>
<thead>
<tr>
<th></th>
<th>2012 (N=1,507)</th>
<th>2017 (N=2,000)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Snack before breakfast</td>
<td>1.4</td>
<td>1.9</td>
</tr>
<tr>
<td>Mid-morning snack</td>
<td>2.6</td>
<td>2.7</td>
</tr>
<tr>
<td>Snack instead of lunch</td>
<td>1.5</td>
<td>2.1</td>
</tr>
<tr>
<td>Mid-afternoon snack</td>
<td>3.2</td>
<td>3.3</td>
</tr>
<tr>
<td>Snack before dinner</td>
<td>1.7</td>
<td>2.7</td>
</tr>
<tr>
<td>Snack instead of dinner</td>
<td>1.0</td>
<td>1.4</td>
</tr>
<tr>
<td>After-dinner/late-night snack</td>
<td>3.5</td>
<td>3.8</td>
</tr>
</tbody>
</table>


*Snack before breakfast occasion not asked in 2012

94% OF US ADULTS SNACK ON A DAILY BASIS
As expected, younger people are snacking more than their older counterparts.

Average Weekly Snacking by Daypart

<table>
<thead>
<tr>
<th>Daypart</th>
<th>Gen Z (N=144)</th>
<th>Millennials (N=772)</th>
<th>Gen X (N=752)</th>
<th>Boomers (N=332)</th>
</tr>
</thead>
<tbody>
<tr>
<td>A snack before breakfast</td>
<td>4.0</td>
<td>3.8</td>
<td>3.8</td>
<td>3.9</td>
</tr>
<tr>
<td>A snack instead of breakfast</td>
<td>2.0</td>
<td>1.5</td>
<td>1.3</td>
<td>0.9</td>
</tr>
<tr>
<td>Mid-morning snack</td>
<td>3.7</td>
<td>3.1</td>
<td>3.2</td>
<td>2.0</td>
</tr>
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<td>2.5</td>
<td>3.5</td>
<td>2.1</td>
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<tr>
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<td>2.8</td>
<td>2.2</td>
<td>2.5</td>
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<td>A snack before dinner</td>
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<td>2.9</td>
<td>2.1</td>
<td>2.3</td>
</tr>
<tr>
<td>A snack instead of lunch</td>
<td>2.7</td>
<td>2.9</td>
<td>1.9</td>
<td>1.3</td>
</tr>
<tr>
<td>Mid-morning snack</td>
<td>2.7</td>
<td>2.1</td>
<td>1.4</td>
<td>0.7</td>
</tr>
</tbody>
</table>

Young adults are most likely to have increased snacking and young snackers are most likely to claim they’re too busy for a full meal.

ON THE GO
LIFESTYLES OF GEN Y + Z
ARE CHANGING EATING
HABITS AND ATTITUDES.
AS A RESULT,
WE’VE SEEN A
“SNACKIFICATION”
OF SOCIETY.
50% of all eating occasions are now snacks!

The Hartman Group,
The Future of Snacking
COMBINED SALES OF BISCUITS, SNACK BARS, SAVORY SNACKS, CONFECTIONARY, ICE CREAM, BAKERY SNACKS (CAKES AND PASTRIES) AND YOGURT INCREASED BY A CAGR OF 3% BETWEEN 2011 AND 2016.
INVESTMENT IN E-COM IS DRIVING CATEGORY GROWTH/PROLIFERATION EVEN FURTHER.

- Internet retailing gained value share across sweet biscuits, fruit snacks and bars in 2016. Snack bars enjoyed the highest online penetration rate and reached a value share of 7%.
  - Players like Kind and Quest Nutrition highly invested in online sales through Amazon and direct-to-consumer programs.
  - Mondelez is also betting big on e-commerce, announcing plans in 2015 to increase online sales to USD1 billion by 2020.

*Snack before breakfast occasion not asked in 2012
THE ALMOND OPPORTUNITY:

USE ALMONDS VERSATILITY TO MAKE IT A UBIQUITOUS SNACK WITHIN “THE SNACKIFICATION OF SOCIETY.”
STATE OF SNACKING: NORTH AMERICA

FOR MANY, SNACKING CAN BE A SECURITY BLANKET

SNACKING IS TRENDIER AND MORE PROLIFIC THAN EVER

IT’S ALL ABOUT WHAT’S IN SNACKS, NOT WHAT’S NOT IN THEM
IT’S ALL ABOUT WHAT’S IN SNACKS, NOT WHAT’S NOT IN THEM
Let's start here, consumers report avoiding snacks with harmful ingredients, or ingredients they do not recognize.

Sweeteners, sugar, trans fats, and additives are among the most avoided ingredients in snacks.

Attributes Avoided (N=2,000)

- High fructose corn syrup: 27%
- Artificial sweeteners: 25%
- Highly processed foods: 25%
- Trans fats: 23%
- MSG: 23%
- High sodium content: 21%
- Ingredients I don’t recognize: 21%
- Sugar: 20%
- Additives: 20%
- Artificial colors: 19%
- Empty calories or high calorie: 19%
- Saturated fat: 18%
- Hydrogenated oils: 17%
- Cholesterol: 15%
- Carbs: 12%
- Wheat gluten: 7%
- Meat or animal-based products: 7%
- Dairy products: 4%
- None of the above: 26%

*Snack before breakfast occasion not asked in 2012*
CONSUMER PRESSURE IS CHANGING THE SNACKING LANDSCAPE.

• We are seeing a continued shift away from mass-produced products with long ingredient lists in favor of products appearing to be more natural.

• U.S. cities begin passing taxes on sweetened soft drinks, which significantly reduced consumption.

• The FDA will launch new mandates on labels in July 2018, with a specific emphasis on labeling added sugars.
AND THEY ARE LOOKING MORE CLOSELY AT THE PRESENCE OF POSITIVES.

*Snack before breakfast occasion not asked in 2012
There’s good news for snacks. 90% of snackers feel that snacking is part of a healthy diet.

### Snacking Attitudes - High Agreement (N=2,000)

<table>
<thead>
<tr>
<th>Statement</th>
<th>Strongly Agree</th>
<th>49%</th>
<th>41%</th>
<th>37%</th>
<th>35%</th>
<th>30%</th>
<th>27%</th>
<th>34%</th>
<th>33%</th>
<th>29%</th>
<th>31%</th>
<th>28%</th>
<th>21%</th>
<th>19%</th>
<th>18%</th>
<th>17%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Snacking can be part of a healthy diet</td>
<td>90%</td>
<td>49%</td>
<td>41%</td>
<td>37%</td>
<td>35%</td>
<td>30%</td>
<td>27%</td>
<td>34%</td>
<td>33%</td>
<td>29%</td>
<td>31%</td>
<td>28%</td>
<td>21%</td>
<td>19%</td>
<td>18%</td>
<td>17%</td>
</tr>
<tr>
<td>Good food is what makes life worth living</td>
<td>85%</td>
<td>48%</td>
<td>41%</td>
<td>37%</td>
<td>35%</td>
<td>30%</td>
<td>27%</td>
<td>34%</td>
<td>33%</td>
<td>29%</td>
<td>31%</td>
<td>28%</td>
<td>21%</td>
<td>19%</td>
<td>18%</td>
<td>17%</td>
</tr>
<tr>
<td>I like to reward myself with tasty snacks</td>
<td>83%</td>
<td>48%</td>
<td>41%</td>
<td>37%</td>
<td>35%</td>
<td>30%</td>
<td>27%</td>
<td>34%</td>
<td>33%</td>
<td>29%</td>
<td>31%</td>
<td>28%</td>
<td>21%</td>
<td>19%</td>
<td>18%</td>
<td>17%</td>
</tr>
<tr>
<td>Even unhealthy snacks are OK if eaten in moderation</td>
<td>83%</td>
<td>53%</td>
<td>41%</td>
<td>37%</td>
<td>35%</td>
<td>30%</td>
<td>27%</td>
<td>34%</td>
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<td>28%</td>
<td>21%</td>
<td>19%</td>
<td>18%</td>
<td>17%</td>
</tr>
<tr>
<td>Good snack choices are important for preventing...</td>
<td>81%</td>
<td>54%</td>
<td>41%</td>
<td>37%</td>
<td>35%</td>
<td>30%</td>
<td>27%</td>
<td>34%</td>
<td>33%</td>
<td>29%</td>
<td>31%</td>
<td>28%</td>
<td>21%</td>
<td>19%</td>
<td>18%</td>
<td>17%</td>
</tr>
<tr>
<td>I like to have a snack while I’m working</td>
<td>80%</td>
<td>46%</td>
<td>41%</td>
<td>37%</td>
<td>35%</td>
<td>30%</td>
<td>27%</td>
<td>34%</td>
<td>33%</td>
<td>29%</td>
<td>31%</td>
<td>28%</td>
<td>21%</td>
<td>19%</td>
<td>18%</td>
<td>17%</td>
</tr>
<tr>
<td>Eating several small meals each day is better for you...</td>
<td>79%</td>
<td>49%</td>
<td>41%</td>
<td>37%</td>
<td>35%</td>
<td>30%</td>
<td>27%</td>
<td>34%</td>
<td>33%</td>
<td>29%</td>
<td>31%</td>
<td>28%</td>
<td>21%</td>
<td>19%</td>
<td>18%</td>
<td>17%</td>
</tr>
<tr>
<td>I indulge my cravings for sweets</td>
<td>78%</td>
<td>49%</td>
<td>41%</td>
<td>37%</td>
<td>35%</td>
<td>30%</td>
<td>27%</td>
<td>34%</td>
<td>33%</td>
<td>29%</td>
<td>31%</td>
<td>28%</td>
<td>21%</td>
<td>19%</td>
<td>18%</td>
<td>17%</td>
</tr>
<tr>
<td>When I am feeling down, I want to treat myself to...</td>
<td>73%</td>
<td>42%</td>
<td>41%</td>
<td>37%</td>
<td>35%</td>
<td>30%</td>
<td>27%</td>
<td>34%</td>
<td>33%</td>
<td>29%</td>
<td>31%</td>
<td>28%</td>
<td>21%</td>
<td>19%</td>
<td>18%</td>
<td>17%</td>
</tr>
<tr>
<td>My snacking is much healthier now than it was...</td>
<td>71%</td>
<td>43%</td>
<td>41%</td>
<td>37%</td>
<td>35%</td>
<td>30%</td>
<td>27%</td>
<td>34%</td>
<td>33%</td>
<td>29%</td>
<td>31%</td>
<td>28%</td>
<td>21%</td>
<td>19%</td>
<td>18%</td>
<td>17%</td>
</tr>
<tr>
<td>For me, good taste is more important than health...</td>
<td>68%</td>
<td>47%</td>
<td>41%</td>
<td>37%</td>
<td>35%</td>
<td>30%</td>
<td>27%</td>
<td>34%</td>
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<td>29%</td>
<td>31%</td>
<td>28%</td>
<td>21%</td>
<td>19%</td>
<td>18%</td>
<td>17%</td>
</tr>
<tr>
<td>I’m very satisfied with the healthfulness of my snack...</td>
<td>65%</td>
<td>46%</td>
<td>41%</td>
<td>37%</td>
<td>35%</td>
<td>30%</td>
<td>27%</td>
<td>34%</td>
<td>33%</td>
<td>29%</td>
<td>31%</td>
<td>28%</td>
<td>21%</td>
<td>19%</td>
<td>18%</td>
<td>17%</td>
</tr>
<tr>
<td>I buy products that are natural</td>
<td>62%</td>
<td>44%</td>
<td>41%</td>
<td>37%</td>
<td>35%</td>
<td>30%</td>
<td>27%</td>
<td>34%</td>
<td>33%</td>
<td>29%</td>
<td>31%</td>
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<td>17%</td>
</tr>
</tbody>
</table>

*Snack before breakfast occasion not asked in 2012*
THE ALMOND OPPORTUNITY:
SHOW CONSUMERS THAT ALMONDS ARE THE “ONLY THE GOOD STUFF” SNACK.
NEW CONSUMER CAMPAIGNS AND PROGRESS IN NORTH AMERICA

BECKY JEFFERS, Marketing Manager, Almond Board of California
U.S. SHIPMENT GROWTH

U.S. Shipments (Pounds)

- FY 15/16: 593,190,150
- FY 16/17: 675,960,974
- FY 17/18: 734,719,722
MAXIMIZE OUR APPROACH:

How can we grow consumption even more in this market? What user group should we prioritize to efficiently and effectively increase consumption?

SOLUTION:

Find new target audience that can be inspired to increase their purchases and grow their almond affinity.
To ensure demand keeps up with an increase in supply we shifted our focus on increasing almond consumption among medium users.

• About how often do you eat almonds (either by themselves or in other foods)?

<table>
<thead>
<tr>
<th>Non-Users</th>
<th>Light Users</th>
<th>Medium Users</th>
<th>Heavy Users</th>
<th>Super Heavy Users</th>
</tr>
</thead>
<tbody>
<tr>
<td>N=330</td>
<td>N=870</td>
<td>N=1140</td>
<td>N=450</td>
<td>N=210</td>
</tr>
<tr>
<td>11%</td>
<td>29%</td>
<td>38%</td>
<td>15%</td>
<td>7%</td>
</tr>
<tr>
<td>“I never eat almonds”</td>
<td>Eat Almonds Several Times Per Year or Less</td>
<td>Eat Almonds Once a Month to Once a Week</td>
<td>Eat Almonds Several Times per Week</td>
<td>Eat Almonds Everyday</td>
</tr>
</tbody>
</table>
U.S. TARGET AUDIENCE: BUSY BALANCERS

Purchase Power
Household income $75K+ (median HHI $70.8K)

Connected
Spends time on social, streams radio, shops online, stays informed of key topics online and plans travel.

Savvy Shoppers
Looks to find deals without sacrificing quality.

32% of U.S. 77 Million Adults

44% males / 56% females

Tries To Do It All
Is strapped for time because of pursuing so many interests. Enjoys spending time with family and friends, working out and staying involved with the community.

Image Conscious
Aware of others’ perceptions of them and tries to maintain a favorable and influential image among peers.

Food for Fuel
Likes to try new and exciting foods, but values convenience to keep up with busy life.
U.S. OWN YOUR EVERYDAY, EVERY DAY CREATIVE

https://www.youtube.com/watch?v=l7m00Y7ZzUQ&index=63&list=PLC1A5A2AB3FFF770B
STARTED OFF WITH WINTER OLYMPICS 2018

Where our ads aired across NBC channels, including their TV, online and Snap Chat platforms
AND BUILT MOMENTUM FROM THERE
CONTINUE WORKING WITH CREDIBLE AND RELEVANT SPOKESPEOPLE TO EARN TOP-TIER MEDIA COVERAGE

Victoria Arlen, Paralympian Gold Medalist, ESPN correspondent and semi-finalist on Dancing with the Stars

Michele Romanow, in Toronto, is a young entrepreneur co-founder of Buytopia.ca and frequently appears on Dragon’s Den – the Canadian equivalent of Shark Tank
Sometimes there are great unsolicited endorsements that we can jump on in relevant cultural moments.
And the story caught on across North America.
Chef Dan Churchill, the personal chef for Lindsey Vonn for the 2018 Winter Olympics and our Almond Milk Spokesperson, featured almond milk hot chocolate on the Today Show live from athlete’s village.

Almond milk is the 2nd largest almond category at retail in terms of almond volume.
INSPIRING CURRENT ALMOND MILK CONSUMERS WITH VERSATILITY MESSAGES
Moving into this fiscal year, we’ve secured even more exciting media to maximize our reach to these busy consumers.
UPCOMING HIGHLIGHTS

- CBS Sports.com streaming of Super Bowl 2019
- Women’s World Cup 2019 sponsor
WHERE IS THE ALMOND EMOJI?
JOIN THE CAUSE AND SIGN THE PETITION

Sign today!
Application will be sent to the Unicode Consortium in spring 2019

www.almonds.com/emoji-signup

NECESSARY:
Food, water, shelter, love... and also an almond emoji.
MEXICO
MEXICO SHIPMENT GROWTH

Mexico Shipments (Pounds)

- FY 15/16: 17,423,598 pounds
- FY 16/17: 18,470,585 pounds
- FY 17/18: 22,172,131 pounds
KEY MEXICO OPPORTUNITIES

• Drive increased affinity and usage for almonds with our defined consumer target audience by positioning almonds as the perfect healthy snack to help them be at their best on weekdays.

• Leverage health professionals and influencers to drive awareness and credibility
MEXICO TARGET AUDIENCE: SUCCESSFUL SAVORISTS

Purchase Power
Socio economic status ranges from C+-A+

Unique
Consider themselves unconventional and like to feel different from the crowd

Smart Shoppers
Looks for a balance of quality and price when making purchases.

Routine Oriented
Like to follow a similar daily regimen

Image Conscious
Take care of their appearance and like to be considered healthy.

Snackers
Often snacks between meals. Consider themselves the key decision maker of the snacks they consume.

48% males / 52% females

20.83% of Mexico 39,211,401 Million Adults

Source: Galileo, Ipsos, Bimbo, Universo Ipsos
Nearly 10,000 Facebook followers and 500 Instagram followers

Media roundtable to introduce Almond Board of California to health and wellness media in Mexico

Target Audience
Successful Savorists - 21% of adults
Snacking, routines, H&W, purchase power

More than 60 earned articles in 4 months with 20.85 million impressions. Negotiated partnership for regular appearances on Pásale Yo Invito, a national TV show with 4.4 million impressions.

37 Posts = 895K Reach & 37K Interactions
For those days where 24 hours isn’t enough, Ponte Almendra. 23 almonds have 6 grams of protein that help you to have the energy you need to take on your day.
WE’RE MAKING GREAT IN-ROADS WITH EARNED MEDIA COVERAGE
AND EDUCATING HEALTH PROFESSIONALS TO BECOME ALMOND ADVOCATES
Thank you!