



Meat Substitutes

Category 101

May 2023

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Offering: Gardein



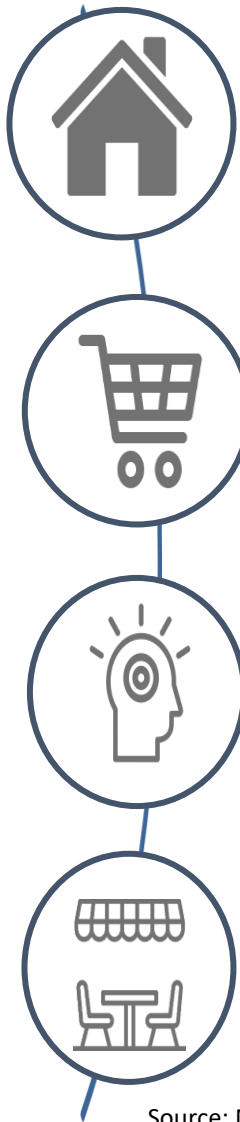
Overall Category Overview

Category Definition



- Meat Substitutes
 - A meat alternative, meat substitute, mock meat, faux meat, vegetarian meat, or vegan meat. Generally, a *meat analogue* means a food made from vegetarian ingredients, and sometimes without animal products such as dairy. Many analogues are soy-based (e.g. tofu, tempeh) or gluten-based, but now may also be pea protein-based. The market for meat analogues includes vegetarians, vegans, and non-vegetarians seeking to reduce their meat consumption.

Consumers often hear about Meat Substitutes by word of mouth and choose them as a healthy alternative to real meat



- Flexitarians, who aren't already on a meatless path (like vegans/vegetarians), are likely to come upon meat alternatives via friends and family who may be vegan or vegetarian and first try a meat alternative in the form of a burger, chicken or meatball at their home.
- When shopping at grocery for meat alternatives, beef and chicken replacements in the form of a patty, link, or strip are commonly sought with the intention to consume within a few days. Meat Alternative shoppers primarily go to the frozen section for meat alternative products since this is where meat alternatives have historically been shelved and where buyers are familiar with shopping for them.
- However, the refrigerated section is gaining traction due to Beyond as well as retailers like Whole Foods and Natural Grocers, who have dedicated refrigerated sections where some meat alternative products are located. Notably, this opens the potential for meat alternative shoppers to be intercepted in refrigerated before they even get to the frozen section and could grow to pose a threat to refrigerated brands.
- Price is the key factor when deciding whether to purchase a meat alternative product. Other than price, taste/texture (especially for Flexitarians) and ingredients/nutritional value come into play. Notably, soy content and protein are paid attention to and can determine if a meat alternative product makes it into the cart.
- For Flexitarians, other than price, considerations to purchase real meat are different than buying meat alternatives. Flexitarians also evaluate real meat based on price (price per pound, etc.), as well as qualities that aren't present with meat alternatives (marbling, fat content, cut, etc.). A meat alternative product may be chosen over a real meat product based on perceived health benefits (cutting back on meat, perception of less fat/calories), taste, and for appealing to a wider audience within a household.
- At food service, many know that they are going to order a meat alternative before they arrive. Among those who do not, they are likely to be ordering a meat alternative from that location for the very first time. These diners are motivated to order meat alternatives based on a perception of being "healthier", because they are on a meatless diet, or because they were intrigued by reviews and advertisements. Price is less of a factor than grocery here. Looking forward, diners would like to see more meat alternative breakfast offerings, as well as expanded forms beyond burgers – items like chicken alternatives and options for Mexican dishes.

Category Sales Trends



FZ Meat Substitutes experienced strong dollar growth trends over the past 3 years but has flattened in recent years, as well as unit sales

FZ Meat Substitutes \$ Sales Trend

3 Year \$ CAGR:

+11.3%

+44.4%

(2.3)%

(2.2)%

\$0.9B

\$1.2B

\$1.2B

\$1.2B

3 Years Ago

2 Years Ago

Year Ago

Current

FZ Meat Substitutes Unit Sales Trend

3 Year \$ CAGR:

+3.8%

+34.6%

(6.6)%

(11.2)%

\$192M

\$258M

\$241M

\$214M

3 Years Ago

2 Years Ago

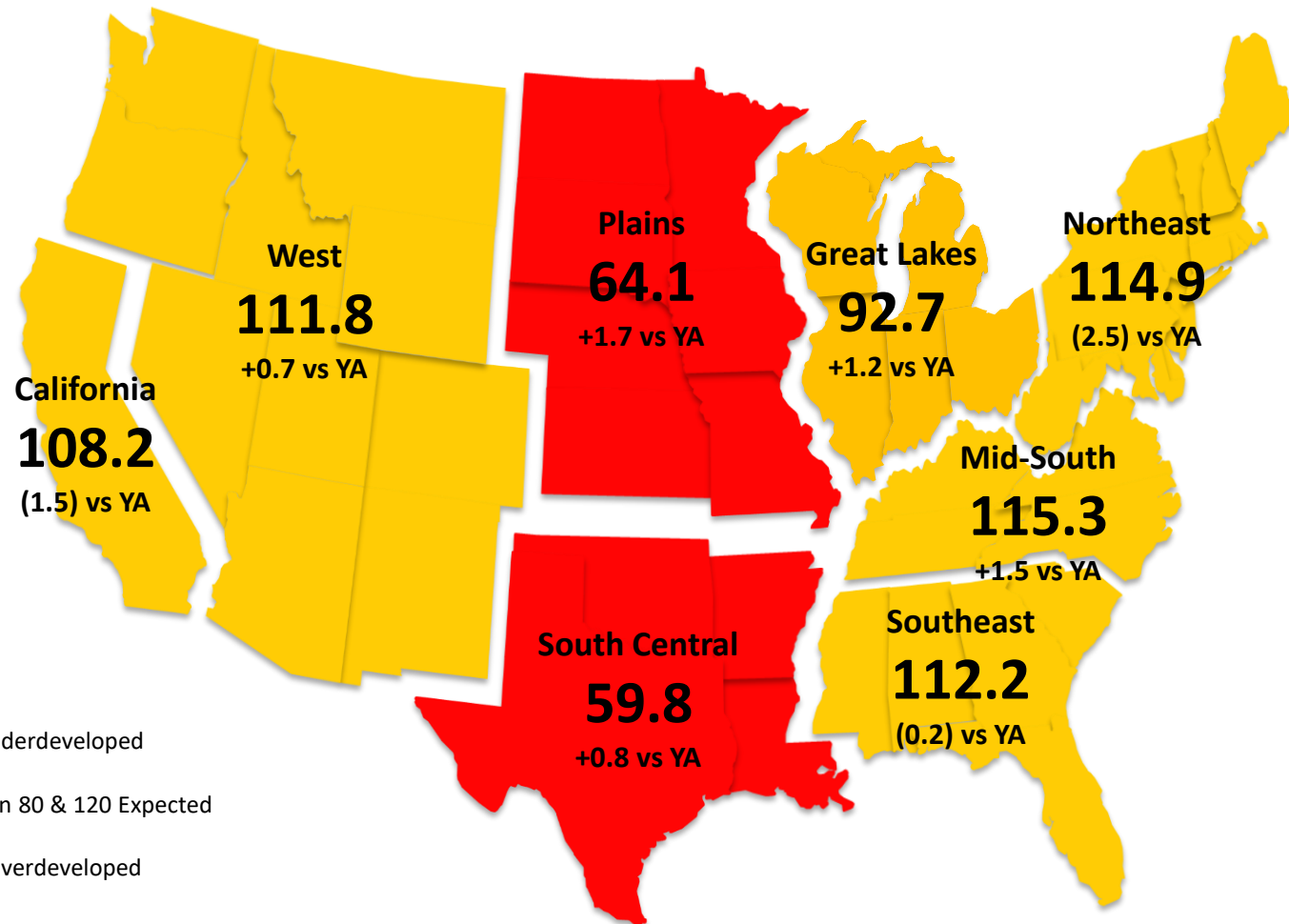
Year Ago

Current

Category Development Index by Region



FZ Meat Substitutes perform best in the eastern region



Index < 80 Underdeveloped

Index between 80 & 120 Expected

Index > 120 Overdeveloped

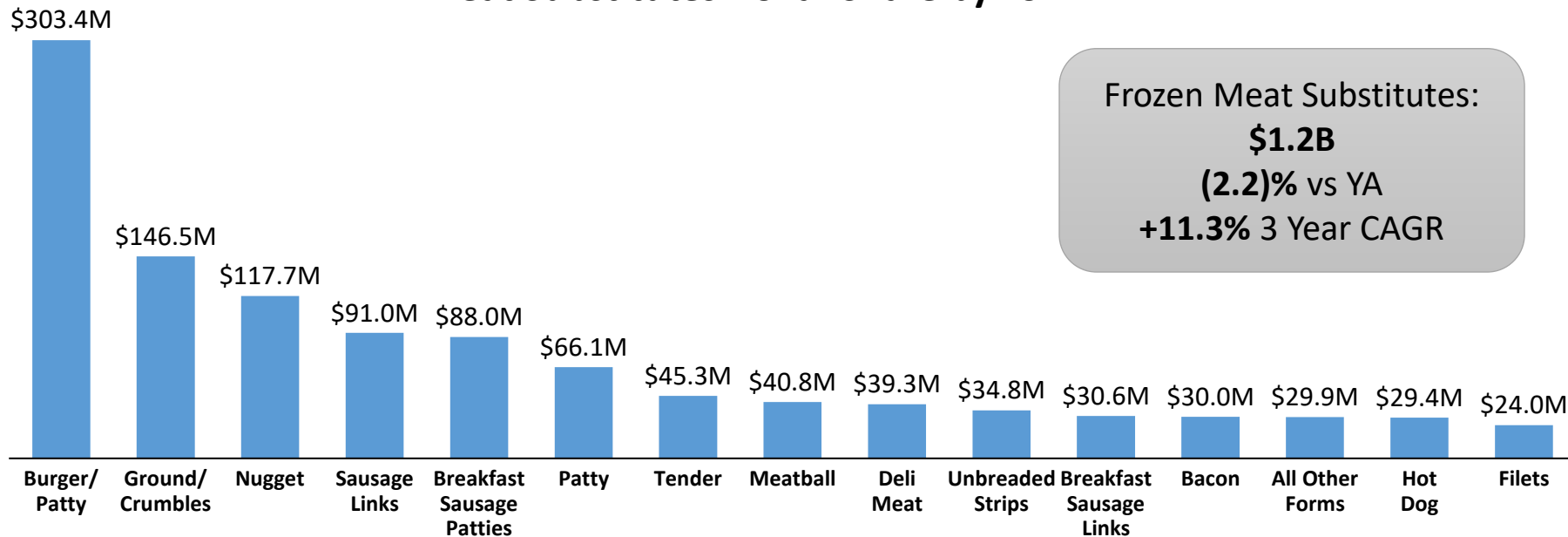
Meat Substitutes Share by Form



Burger/Patty make up over 25% of category sales. **Nugget** has the highest dollar share growth.

FZ Meat Substitutes Dollar Share by Form

Frozen Meat Substitutes:
\$1.2B
(2.2)% vs YA
+11.3% 3 Year CAGR



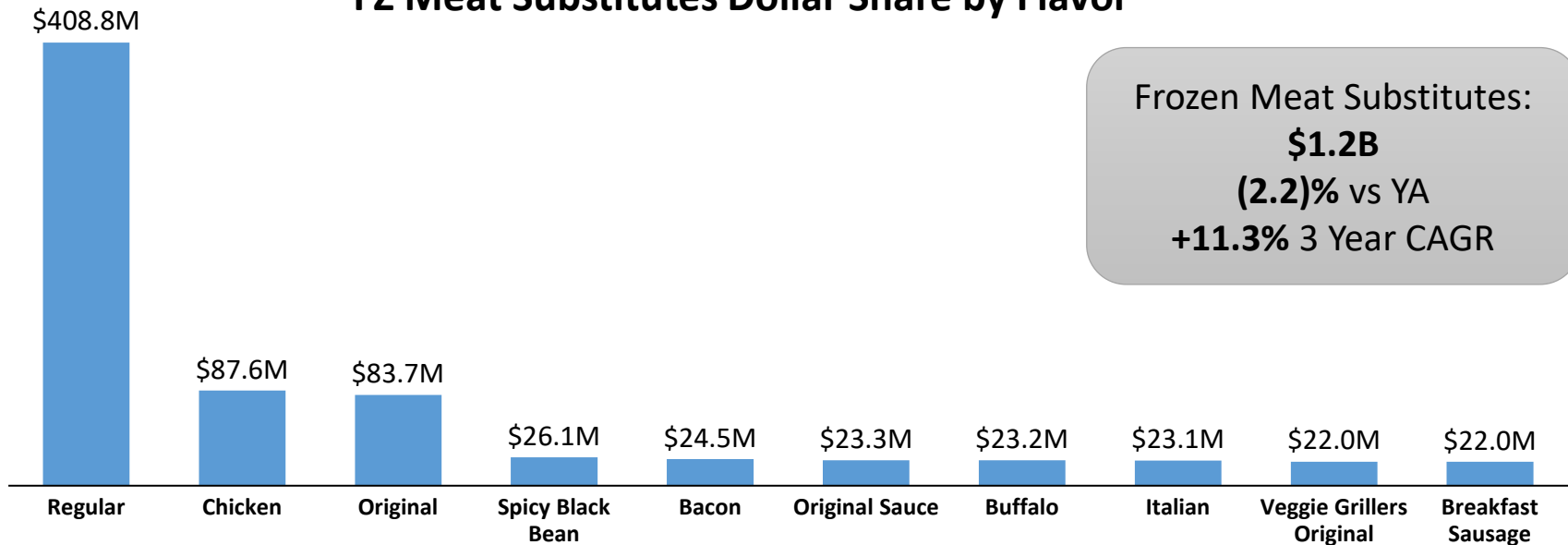
\$ Share	25.5	12.3	9.9	7.6	7.4	5.5	3.8	3.4	3.3	2.9	2.6	2.5	2.5	2.5	2.0
\$ Share▲	(1.4)	(2.0)	+1.7	(0.4)	(0.3)	(0.3)	+0.3	+0.2	+0.2	+0.4	(0.2)	(0.0)	+0.3	+0.0	+0.7
\$ Chg vs YA	(7.5)%	(16.1)%	+17.9%	(6.8)%	(5.9)%	(8.0)%	+5.0%	+5.4%	+5.5%	+13.6%	(7.8)%	(2.4)%	+13.2%	(1.2)%	+53.1%

Meat Substitutes Share by Flavor



Regular flavor makes up over 34% of category sales, with growth stemming from Chicken

FZ Meat Substitutes Dollar Share by Flavor



Frozen Meat Substitutes:
\$1.2B
(2.2)% vs YA
+11.3% 3 Year CAGR

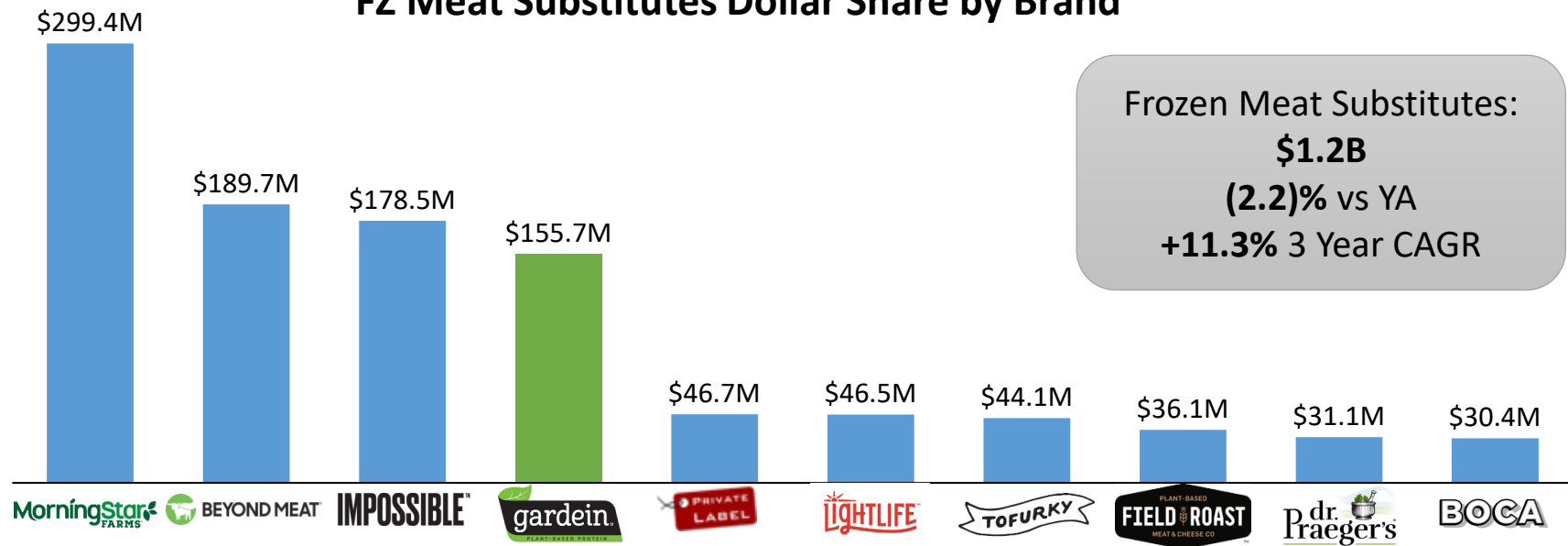
\$ Share	34.3	7.4	7.0	2.2	2.1	2.0	1.9	1.9	1.8	1.8
\$ Share ▲	(1.7)	+3.4	(1.3)	(0.2)	+0.0	(0.2)	+0.0	(0.3)	(0.1)	+0.0
\$ Chg vs YA	(6.8)%	+83.9%	(17.1)%	(9.4)%	(0.1)%	(11.8)%	(2.2)%	(14.9)%	(8.9)%	(0.9)%

Meat Substitutes Share by Brand



Gardein is #4 in dollar share behind Morningstar Farms, Beyond Meat, and Impossible in the **FZ Meat Substitutes** category. Impossible has experienced the highest growth.

FZ Meat Substitutes Dollar Share by Brand



\$ Share	25.1	15.9	15.0	13.1	3.9	3.9	3.7	3.0	2.6	2.5
\$ Share	(3.0)	(2.6)	+4.9	+1.2	+0.4	(0.5)	+0.1	(0.1)	+0.1	(0.6)
\$ Chg vs YA	(12.6)%	(15.8)%	+45.8%	+7.3%	+9.0%	(14.1)%	(0.7)%	(6.6)%	+3.4%	(20.1)%

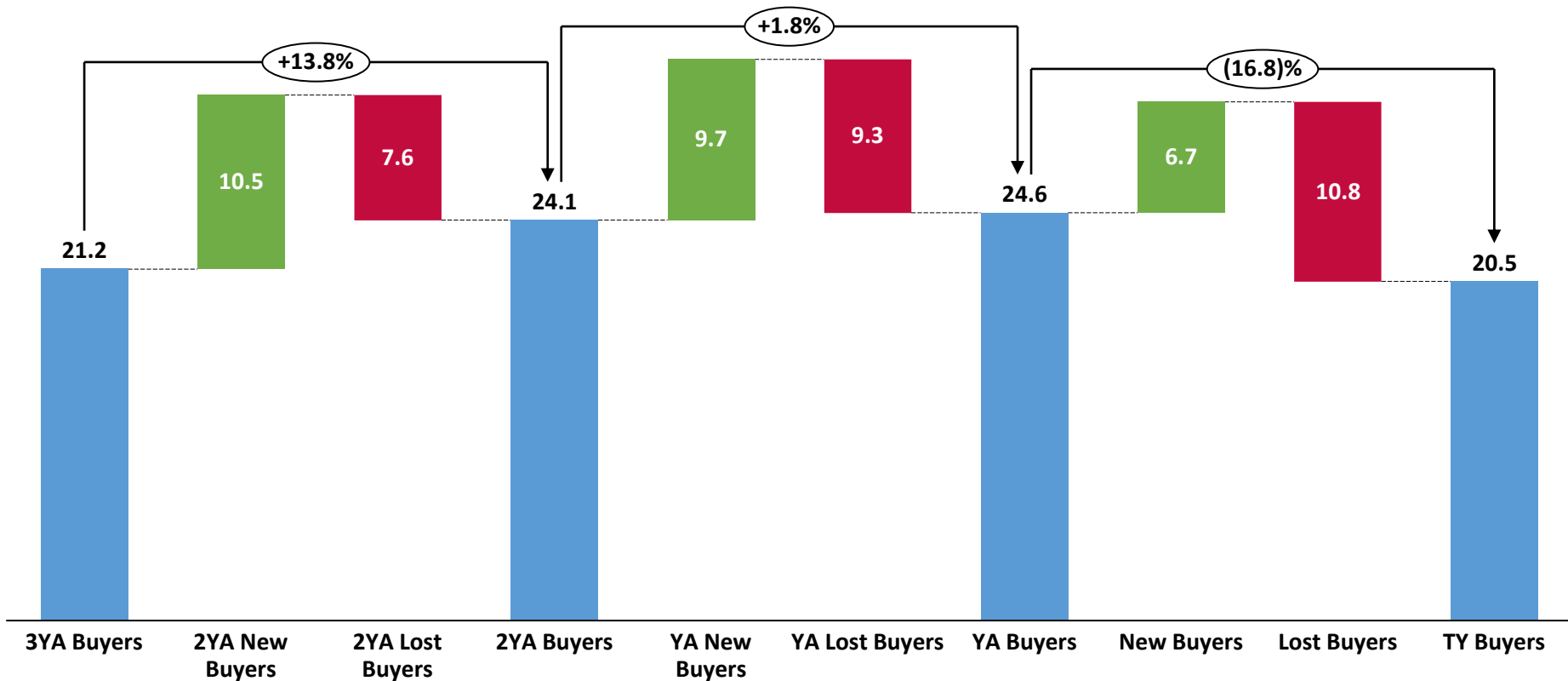
National Research/Insights

Meat Substitutes Buyer Summary



Category Buyers (millions)

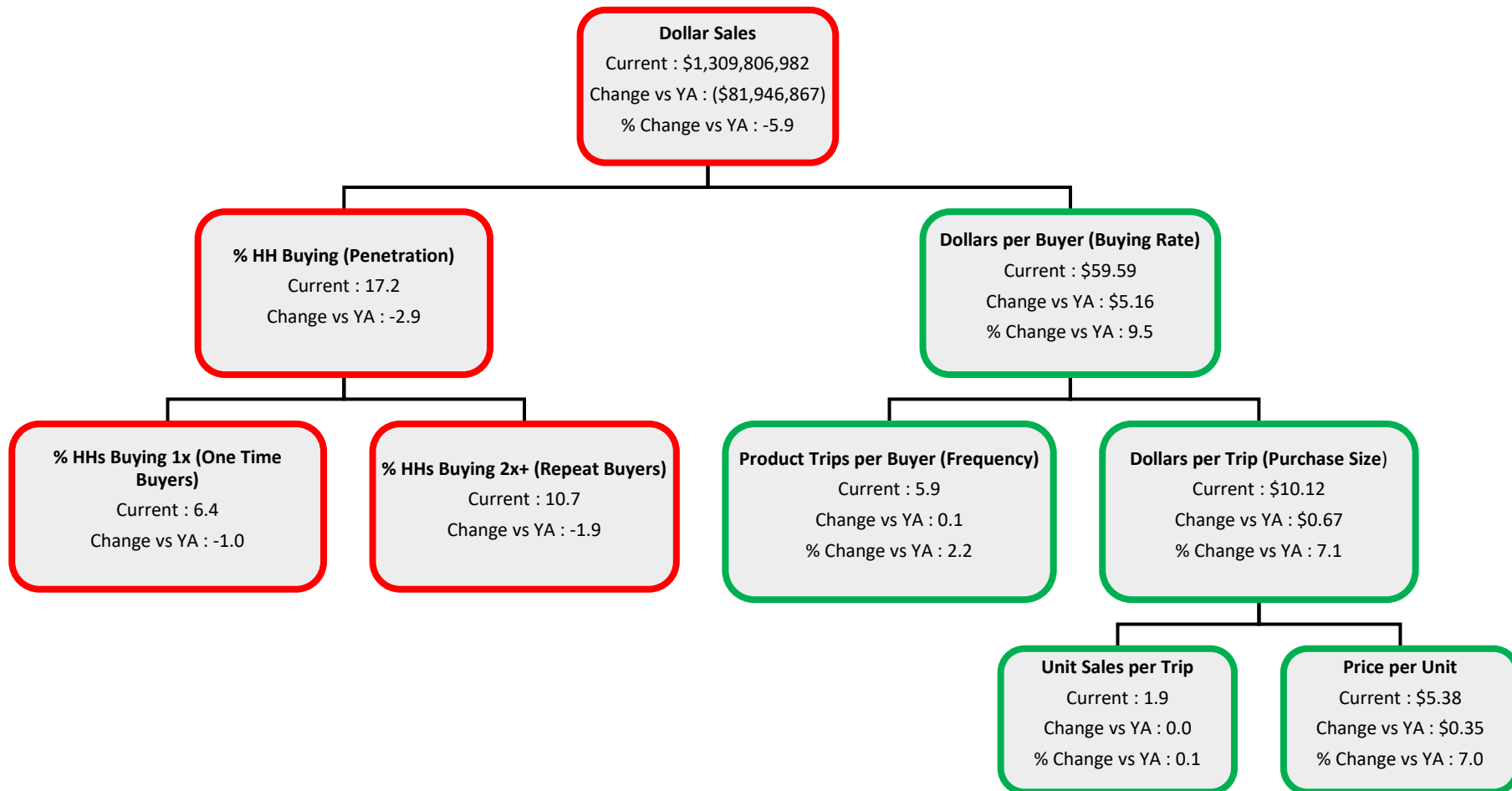
The total number of Buyers within the **FZ Meat Substitutes** category has declined (1.2)% since 2020.



Meat Substitutes Decomposition Tree



FZ Meat Substitutes

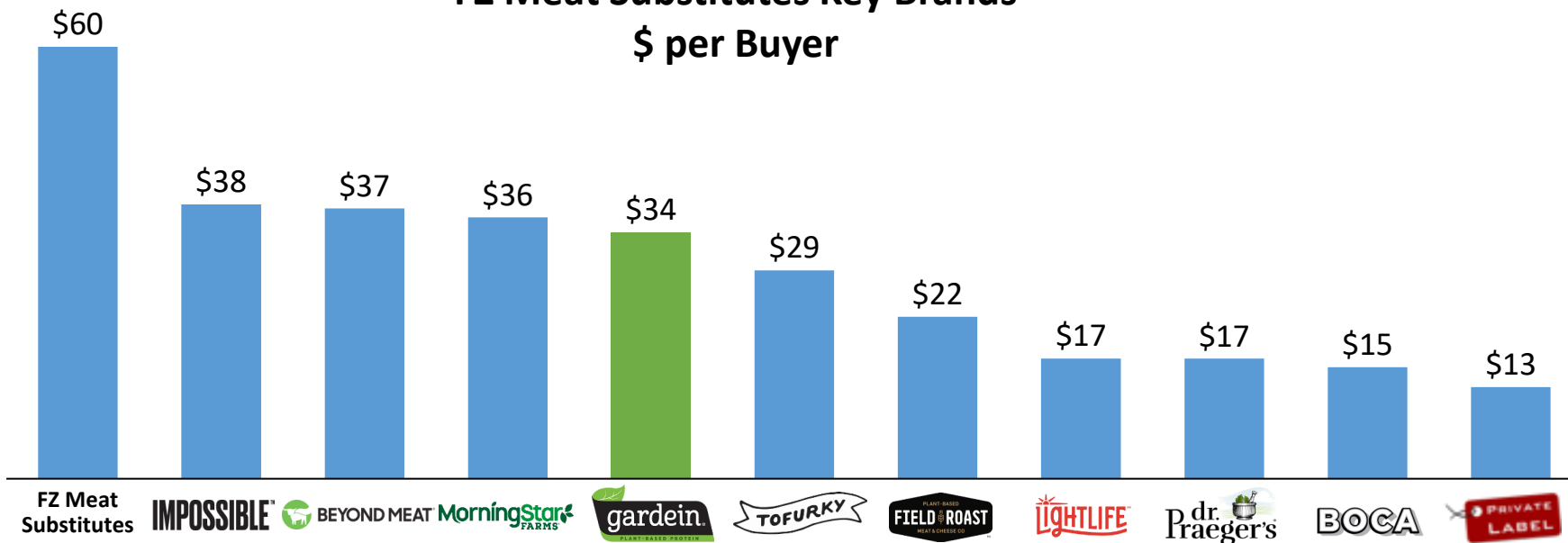


Meat Substitutes Category Buyer Spend Rate



FZ Meat Substitutes buyer spends roughly \$60 annually in the category.
Impossible has the highest spend per buyer.

**FZ Meat Substitutes Key Brands
\$ per Buyer**



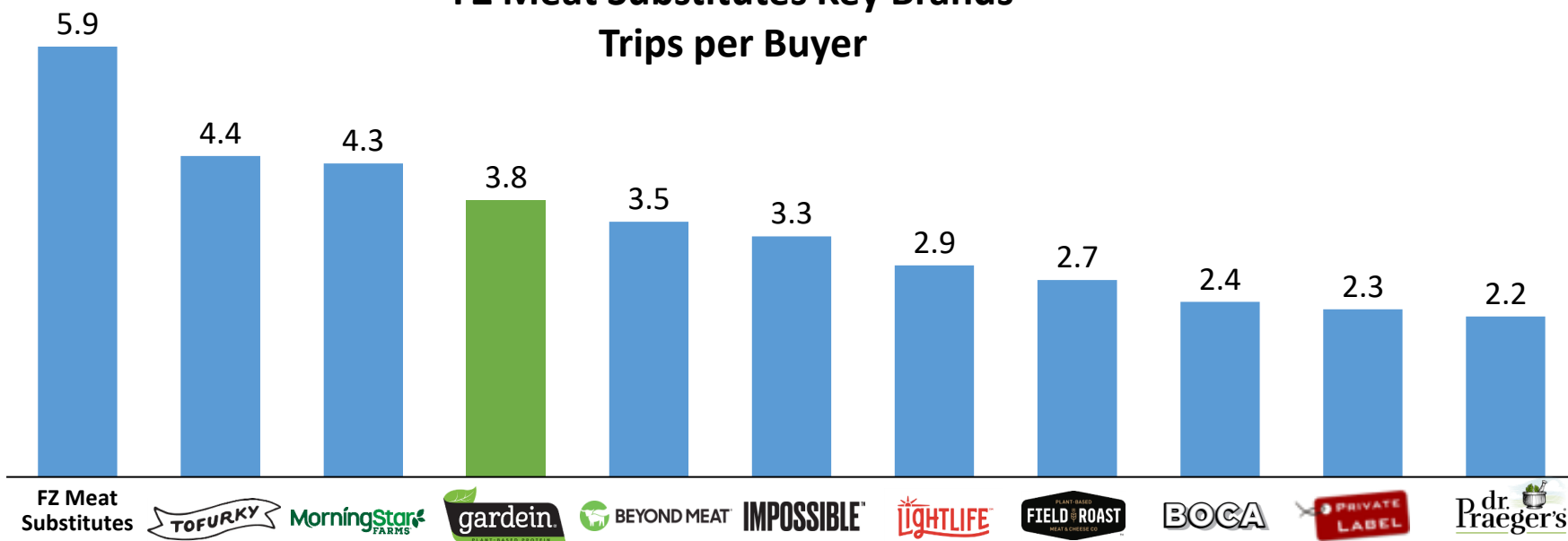
\$ Chg vs YA	\$5.16	\$9.62	\$4.76	\$0.13	\$5.56	\$2.91	\$3.07	\$1.24	\$2.21	(\$1.22)	\$1.20
% Chg vs YA	+9.5%	+34.1%	+14.6%	+0.4%	+19.5%	+11.2%	+15.9%	+8.1%	+15.4%	(7.4)%	+10.5%

Meat Substitutes Category Trip Rate



FZ Meat Substitutes buyer shops the category about 6x per year.
Gardein has the third highest trip rate.

**FZ Meat Substitutes Key Brands
Trips per Buyer**



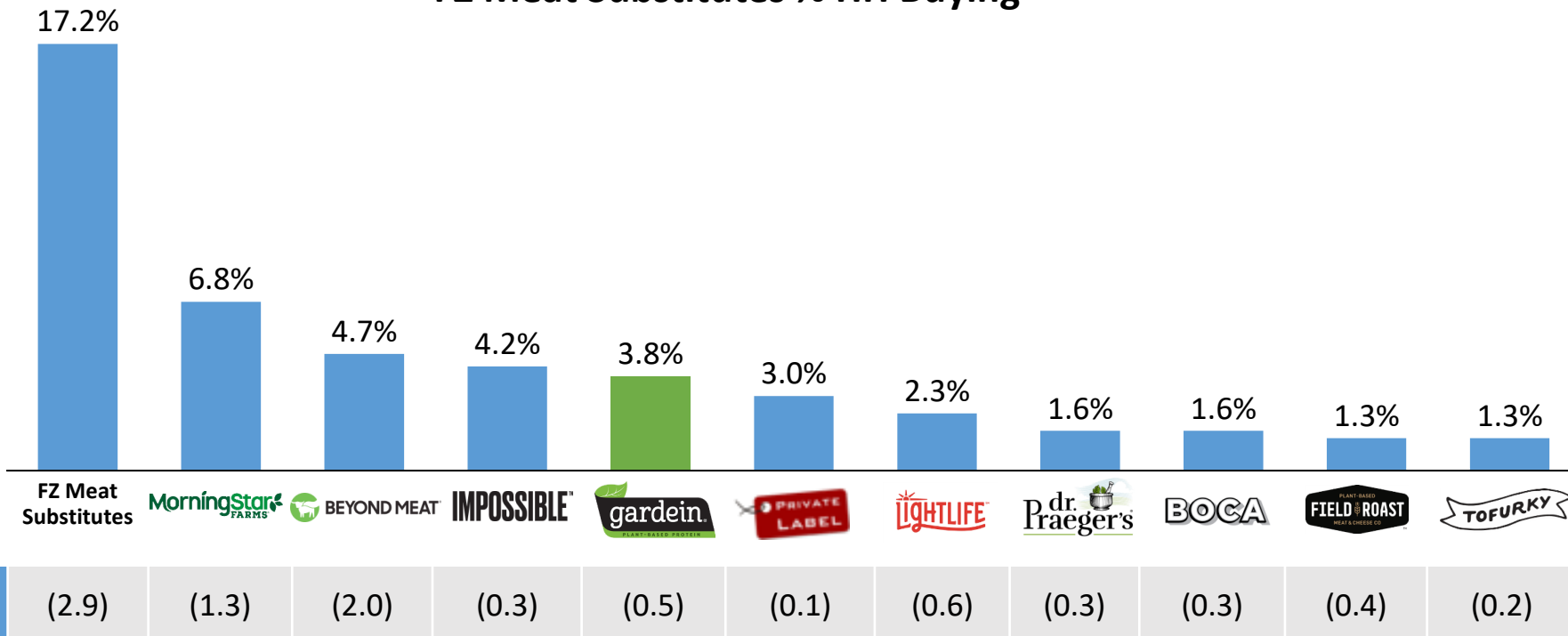
\$ Chg vs YA	0.1	0.2	(0.0)	0.2	0.3	0.5	0.2	0.2	(0.3)	0.1	0.1
% Chg vs YA	+2.2%	+5.1%	(0.8)%	+4.4%	+10.3%	+17.4%	+6.6%	+8.0%	(10.9)%	+6.2%	+4.4%

Meat Substitutes Category Household Penetration



17.2% of Households purchase **FZ Meat Substitutes**.

FZ Meat Substitutes % HH Buying

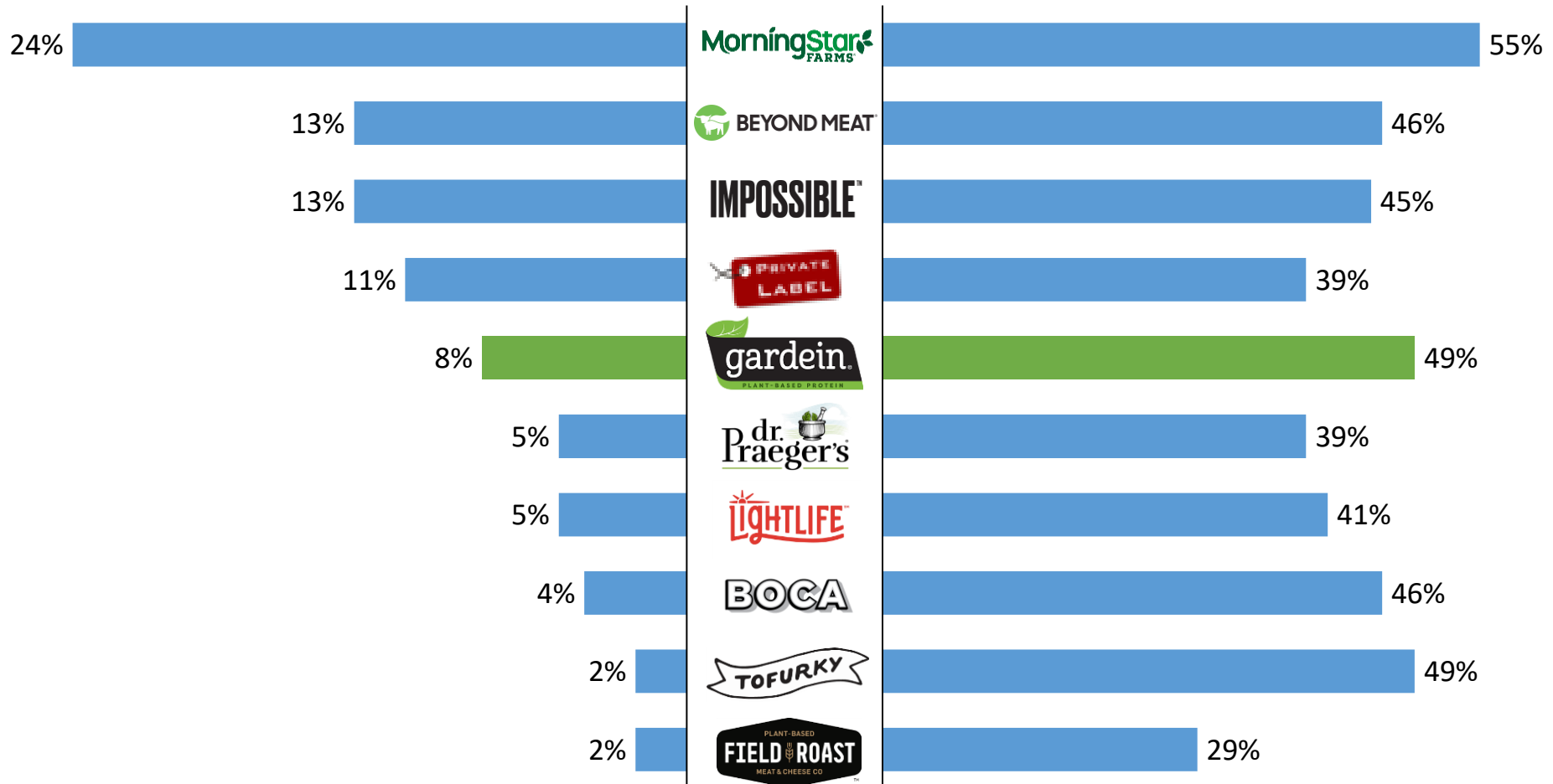


Meat Substitutes Trial & Repeat (Category Buyers)



Brand Trial %

Brand Repeat %





What is Gardein?

Gardein makes your meatless lifestyle easy



Gardein is a savory blend of nutritious vegetables & grain ingredients (*soy, wheat, ancient grains, peas, beets, and carrots*), prepared and slow-cooked to have the authentic taste, texture and nutrition of premium lean meat.





2003

Company is founded
by Yves Potvin



2009

Brand Launches
in USA
(Fresh section)

**Better
Homes
and Gardens.**

2014 BEST NEW PRODUCT

PETA

2014 PRODUCT OF THE YEAR

2010 - 2014

Massive distribution gains
Frozen production added
Exited Fresh section
20 Innovation Awards Won



2006

Brand Launches
in Canada
(Fresh section)

TSG CONSUMER
PARTNERS

2009

TSG Partnership
'Gardein' brand is born

Pinnacle
FOODS INC.

Nov 2014

Pinnacle Foods Acquires Gardein

CONAGRA
BRANDS

Oct 2018

Conagra Acquires Pinnacle

2018 - Present

#1 in Natural
#3 in U.S MULO+C
22,000+ stores
5,000+ restaurants
175+ colleges & universities
International business too



Gardein Frozen Meat Alternatives



Key Brand Attributes:

- ✓ Great taste & texture
- ✓ Wide variety
- ✓ Certified Vegan
- ✓ Non-GMO Project Verified
- ✓ Plant-based protein
- ✓ No Soy Ingredients*

We Do NOT Have:

- ✗ Artificial colors & flavors
- ✗ Preservatives
- ✗ Cholesterol
- ✗ Trans fats
- ✗ PHOs
- ✗ MSG

- **\$183M national brand, growing +29%.**
- **Portfolio of 30+ plant-based protein items, with a wide selection of flavors and varieties to satisfy all dayparts.**
- **The #1 ranking frozen meat substitute brand in the Natural Channel, & #2 in U.S. MULO.**
- **Consumers are younger, more affluent, digitally savvy, health conscious, and are seeking taste & variety.**