The Health Balancing Act

Navigating wellness goals in a wallet-first world

April 2026 - Western Canada View

NIQ

Under growing pressure, Canadians can no longer spend like before.

Resilient, resourceful, and evolving - today's shopper is rewriting the rules.

Growth will come to those who listen, adapt, and evolve

NIQ

From crisis to complexity:

The new consumer reality

Wallets are under pressure and spending has become intentional

- Rising living costs, economic uncertainty, and uneven confidence have permanently changed how Canadians allocate their dollars.

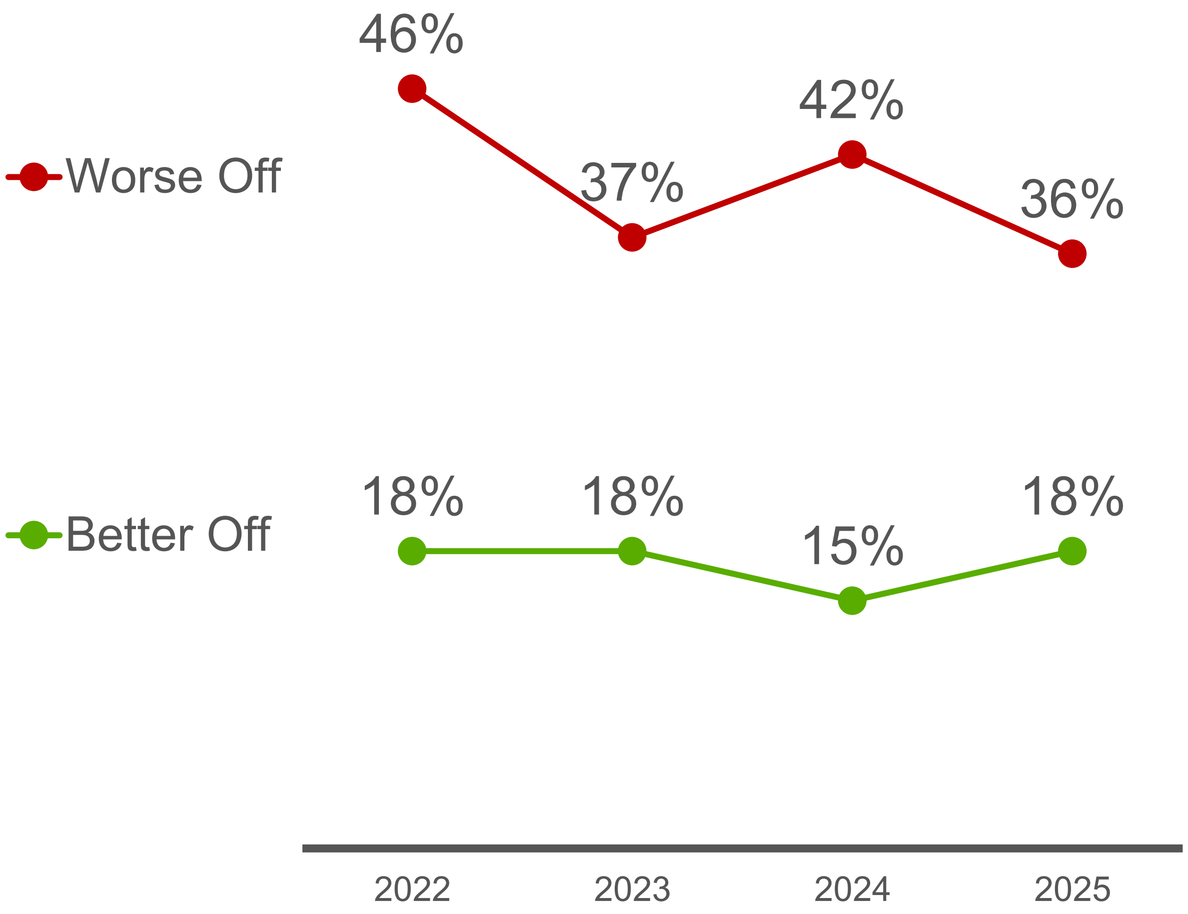
Consumers aren’t pulling back, they’re recalibrating

- Today’s shopper is disciplined and resourceful: prioritizing essentials, scrutinizing every purchase, trading down, switching channels, and redefining what “value” truly means.

NIQ

Consumer sentiment around their personal finances are improving

Canadian consumer financial position sentiment



Why Worse Off?

83% ***Increased costs of living***

39% ***Economic slowdown***

28% ***Job insecurity / loss***

Top Concerns for 2026

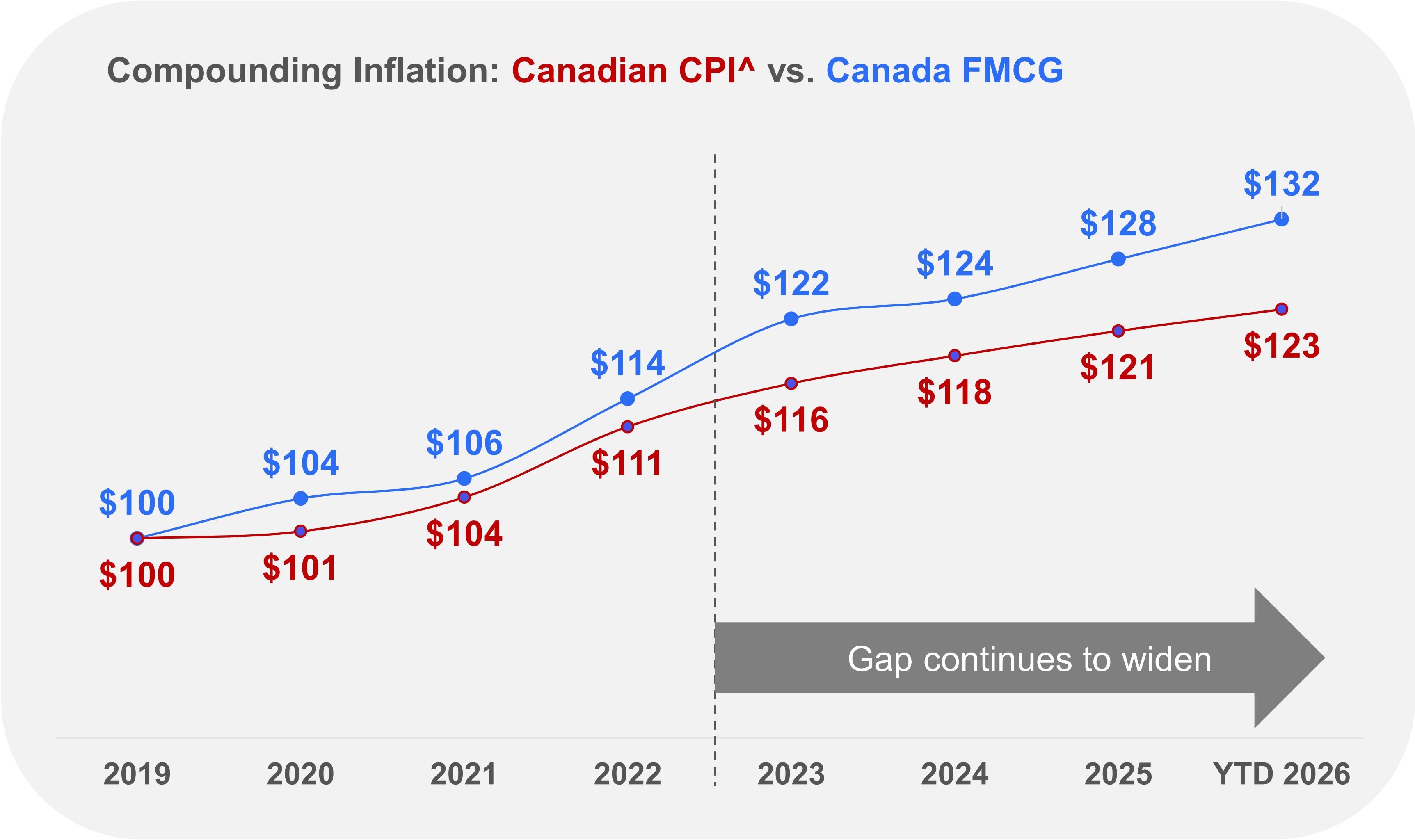
46% ***Rising food costs***

21% ***Global conflict***

20% ***Economic downturn***

Source: NIQ 2026 Consumer Outlook, vs. previous studies. Q: Compared to a year ago, is your household better off or worse off financially? Mid Year

FMCG inflation has increased at a faster rate than overall CPI



Consumers are spending +32% more for FMCG products than pre-pandemic

Compare that to overall living costs that increased +23%

Source: NielsenIQ, MarketTrack Canada All Channels Combined, Annual Periods – YTD 13 weeks to March 28, 2026 *Inflation: $ % Chg. less EQ Vol % Chg. ^CPI: Statistics Canada (Monthly Avg)

What is FMCG Spending-Based Inflation:

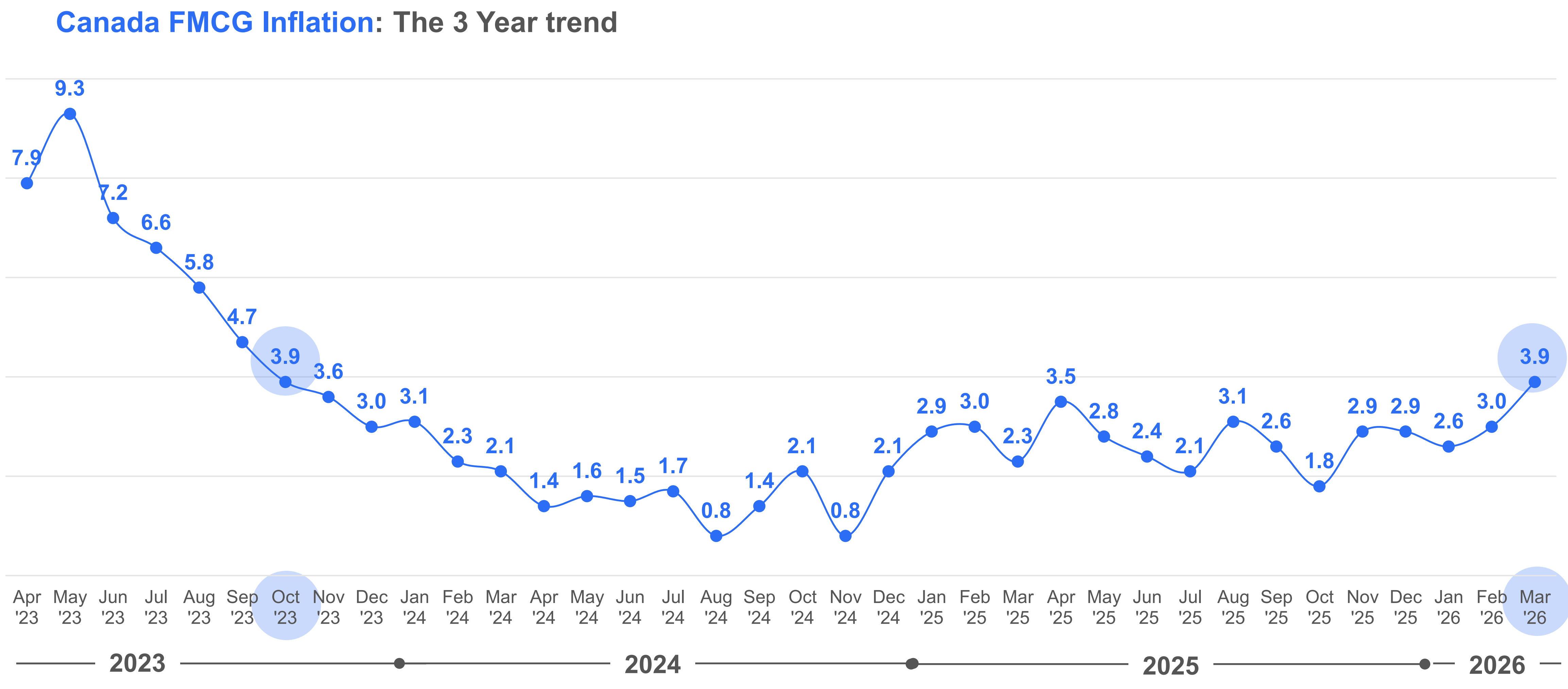
FMCG Spending-based inflation measures the change in what consumers **actually paid and purchased**. Month of March 2026 results are based on 2.3 billion units sold (Food 2.0 Billion units)

It accounts for:

- **Promotions and discounts** (e.g., if consumers bought more on sale weighted by the depth of discount)
- **Product mix shifts** (e.g., trading down to cheaper brands or switching to smaller or larger sizes)
- **Behavioural changes** (e.g., switching stores, buying less or more of certain items)

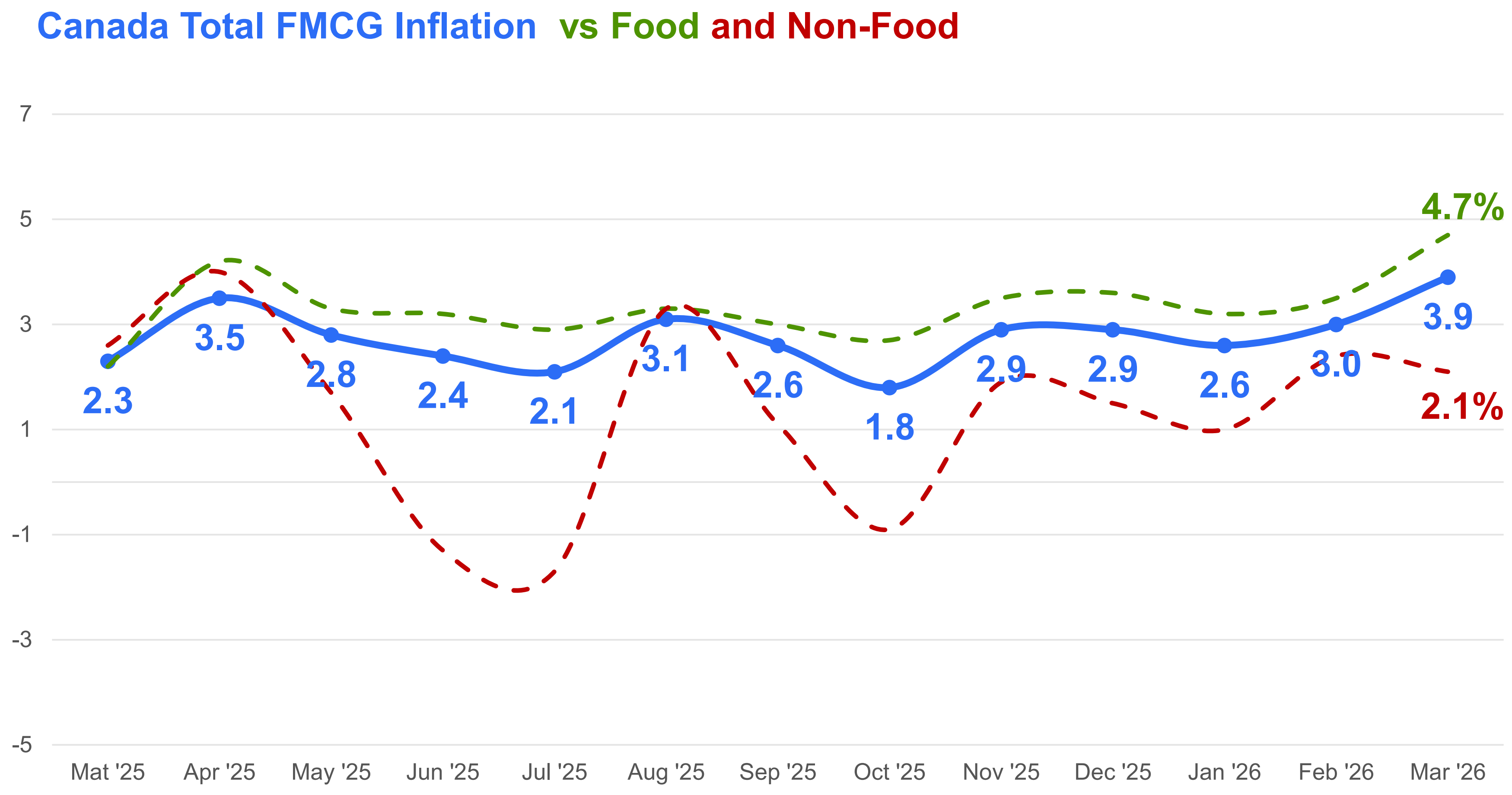
NIQ measures the growth in dollars less the growth in tonnage volume to answer the question; Are consumers spending more or less for the overall volume being purchased?

FMCG inflation jumped sharply in March ‘26 to +3.9% - the highest rate of increase since October ’23.



Source: NielsenIQ MarketTrack Canada All Channels Combined, Monthly Periods *Inflation: $ % Chg. less EQ Vol % Chg.

Over the past year, food prices have been rising faster than non-food



L52 Weeks

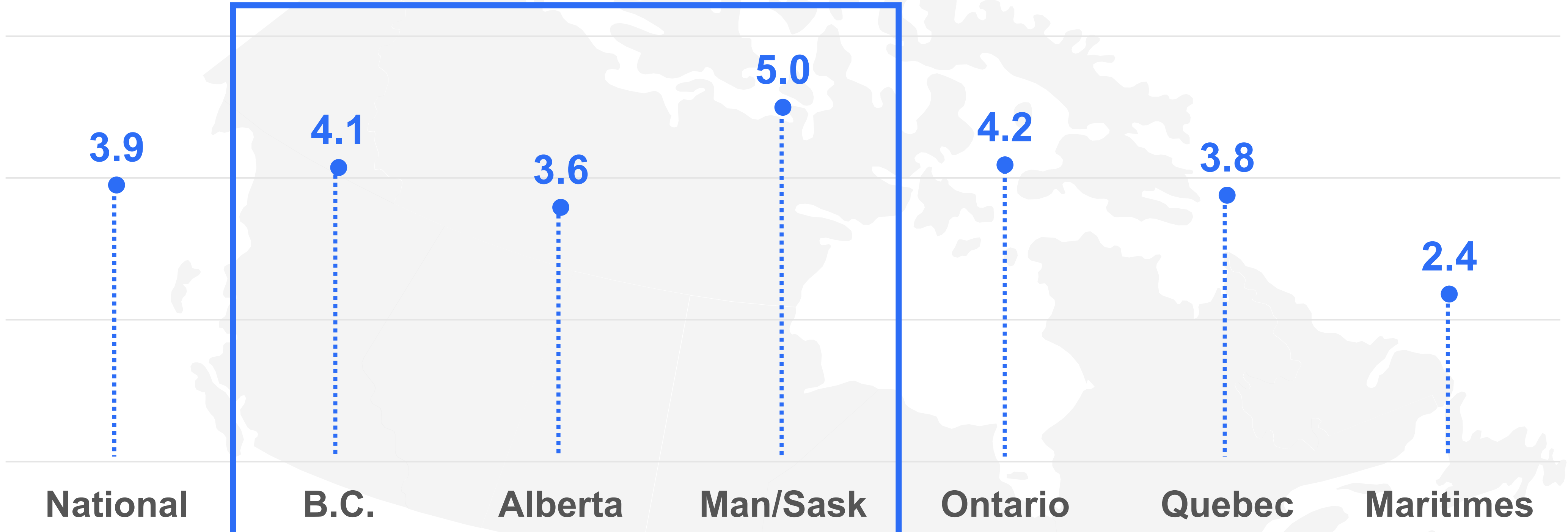
FMCG	+3.0%
Food	+3.6%
Non-Food	+1.3%

Source: NielsenIQ MarketTrack Canada All Channels Combined, Monthly Periods and L52 March 28, 2026

*Inflation: $ % Chg. less EQ Vol % Chg.

B.C. and Man/Sask prices are rising faster than the Canadian average

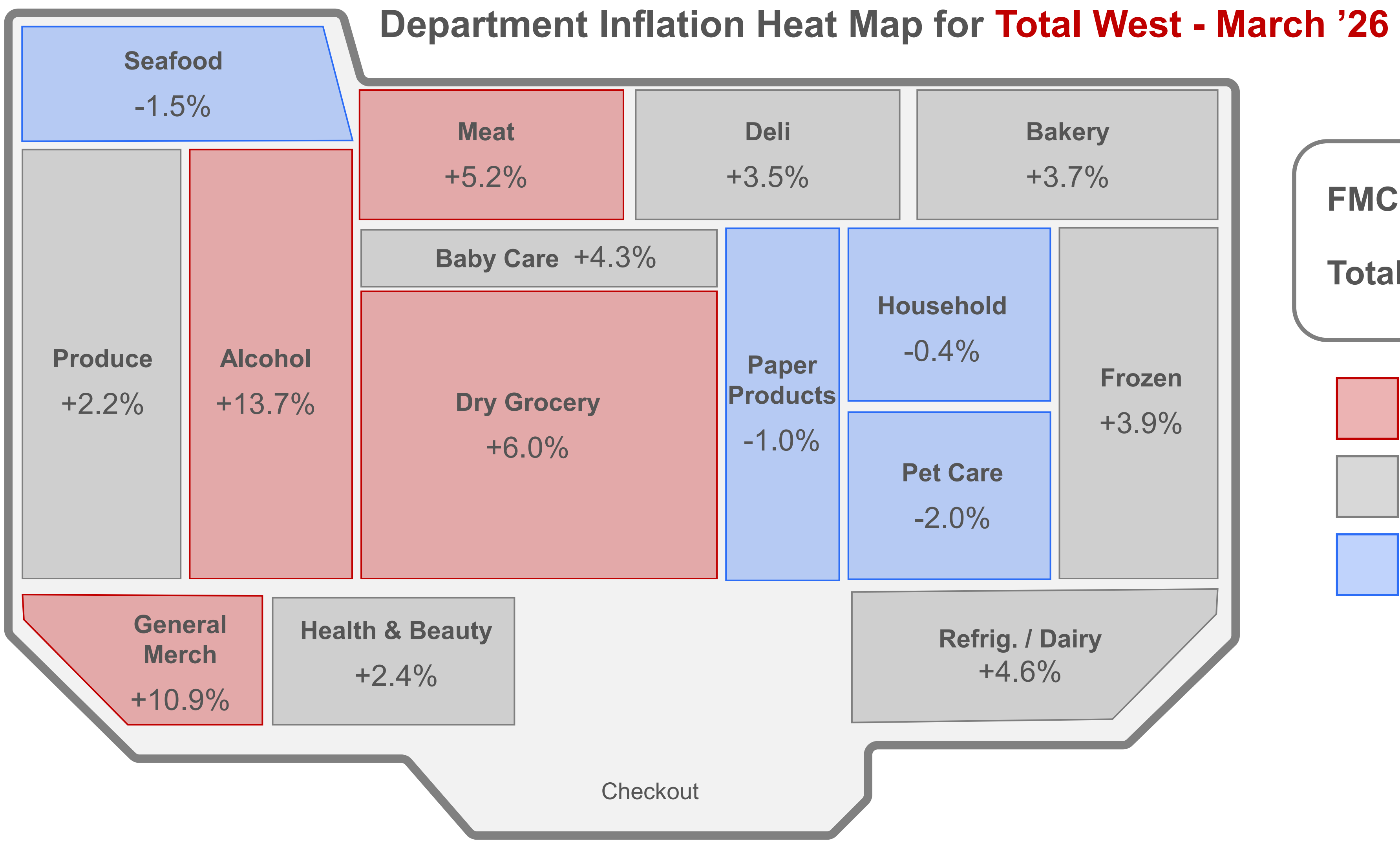
Regional FMCG Inflation – March 2026



	National	B.C.	Alberta	Man/Sask	Ontario	Quebec	Maritimes
Food	4.7	3.8	4.3	5.5	5.4	4.8	3.0

Source: NielsenIQ MarketTrack All Channels Combined, 5 weeks ending March 28, 2026 *Inflation: $ % Chg. less EQ Vol % Chg.

There are several polarizing price increases across the store



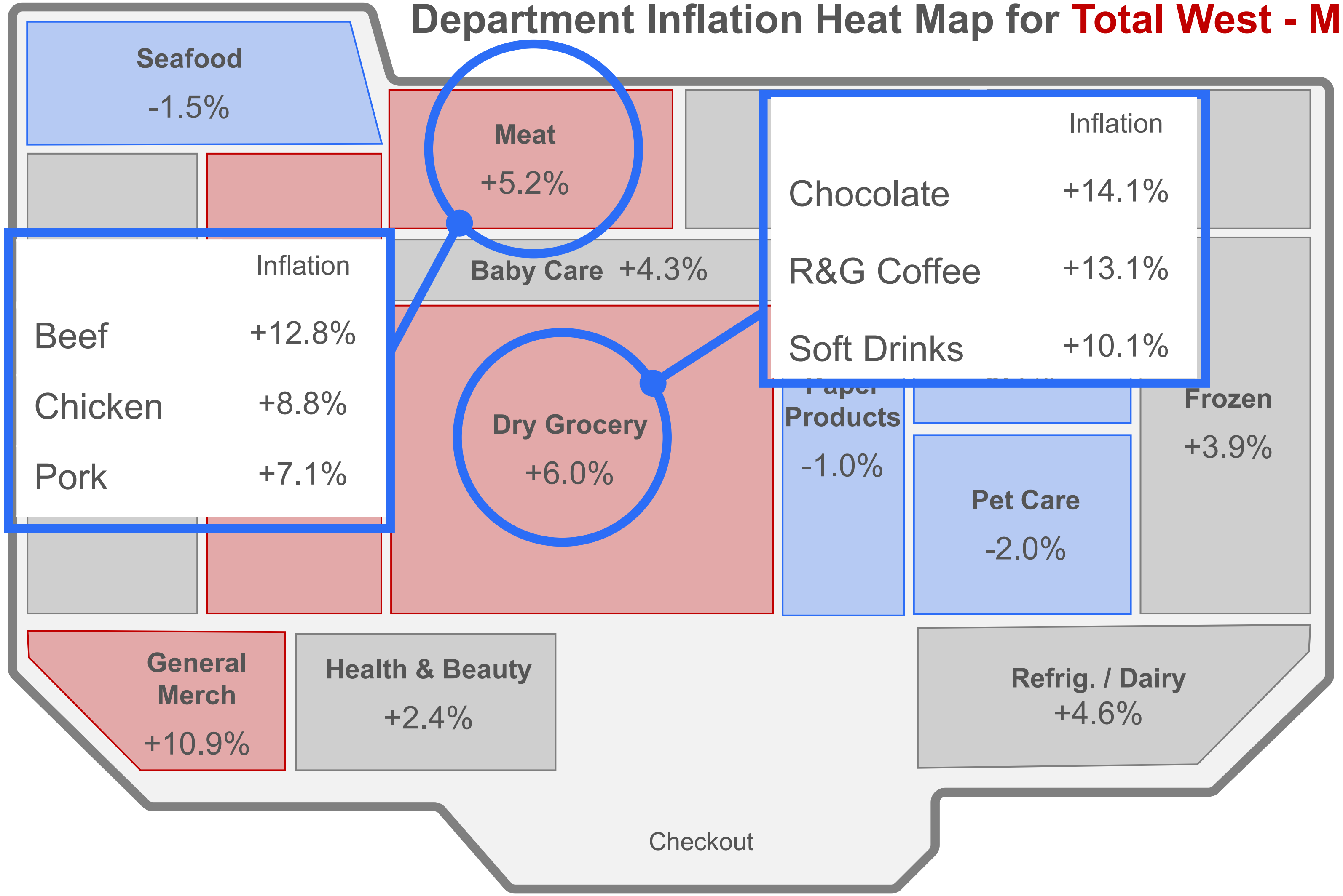
FMCG Inflation*

Total FMCG: +4.1%

- > +5% Higher than average
- +2-5% Average
- <+2% Below Average

There are several polarizing price increases across the store

Department Inflation Heat Map for Total West - March ’26



FMCG Inflation*

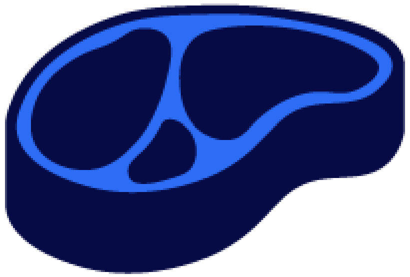
Total FMCG: +4.1%

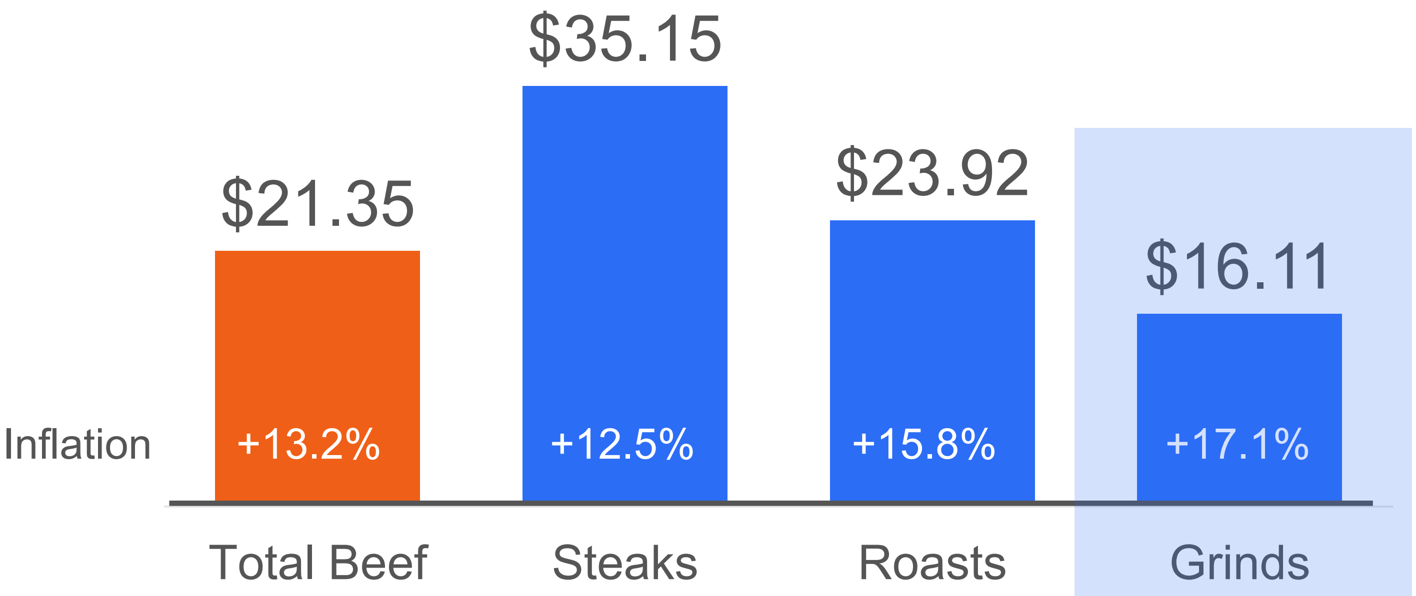
> +5%	Higher than average
+2-5%	Average
<+2%	Below Average

Source: NielsenIQ MarketTrack Total Western Canada All Channels Combined, 5 weeks ending March 28, 2026 *Inflation: $ % Chg. less EQ Vol % Chg.

Using beef as an example, consumers are moving away from more expensive segments while maintaining volume of grinds

Top 3 Beef Segments
52-week Price Per KG



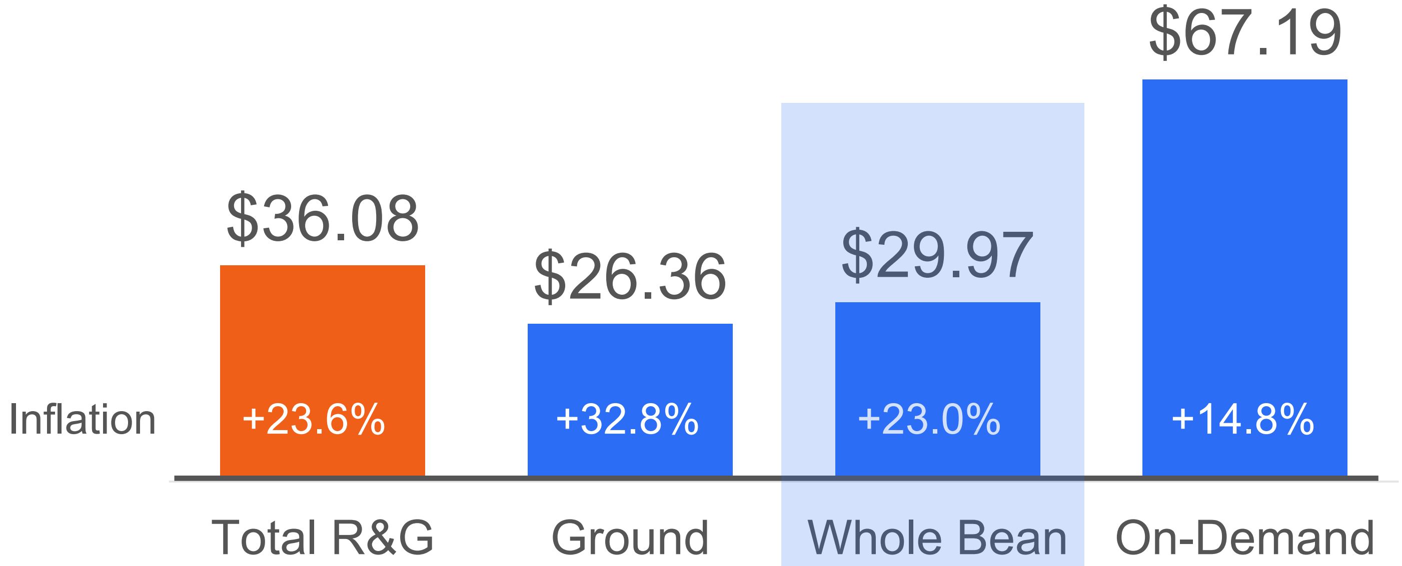


	Total Beef	Steaks	Roasts	Grinds
$ % Chg.	+10	+4	+6	+17
KG % Chg.	-3 ⬇	-9 ⬇	-9 ⬇	0

Source: NielsenIQ, MarketTrack Total West All Channels Combined, 52 weeks to March 28, 2026, Vol: Kilograms

Within Roast & Ground Coffee consumers are shifting to whole bean

R&G Coffee Segments
52-week Price Per KG

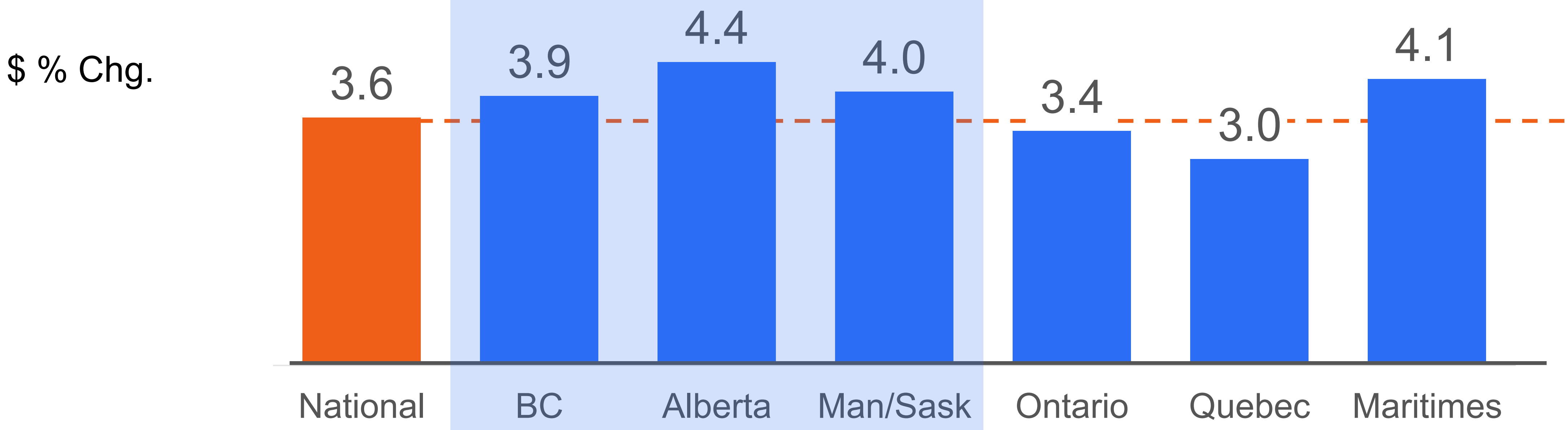


	Total R&G	Ground	Whole Bean	On-Demand
$ % Chg.	+20	+27	+23	+12
KG % Chg.	-4 ⬇	-5 ⬇	0	-3 ⬇

Source: NielsenIQ, MarketTrack Total West All Channels Combined, 52 weeks to March 28, 2026, Vol: Kilograms

Western Canada is leading regional growth fuelled primarily by inflation

Total FMCG – 52 week



	National	BC	Alberta	Man/Sask	Ontario	Quebec	Maritimes
Vol % Chg.	+0.6	+1.3	+1.8	+0.7	+0.4	-0.4	+1.7
Inflation	+3.0	+2.6	+2.6	+3.2	+3.0	+3.4	+2.4

Source: NielsenIQ, MarketTrack National All Channels Combined, 52 weeks to March 28, 2026, Equiv. Vol

How Western consumers are taking control of their spending

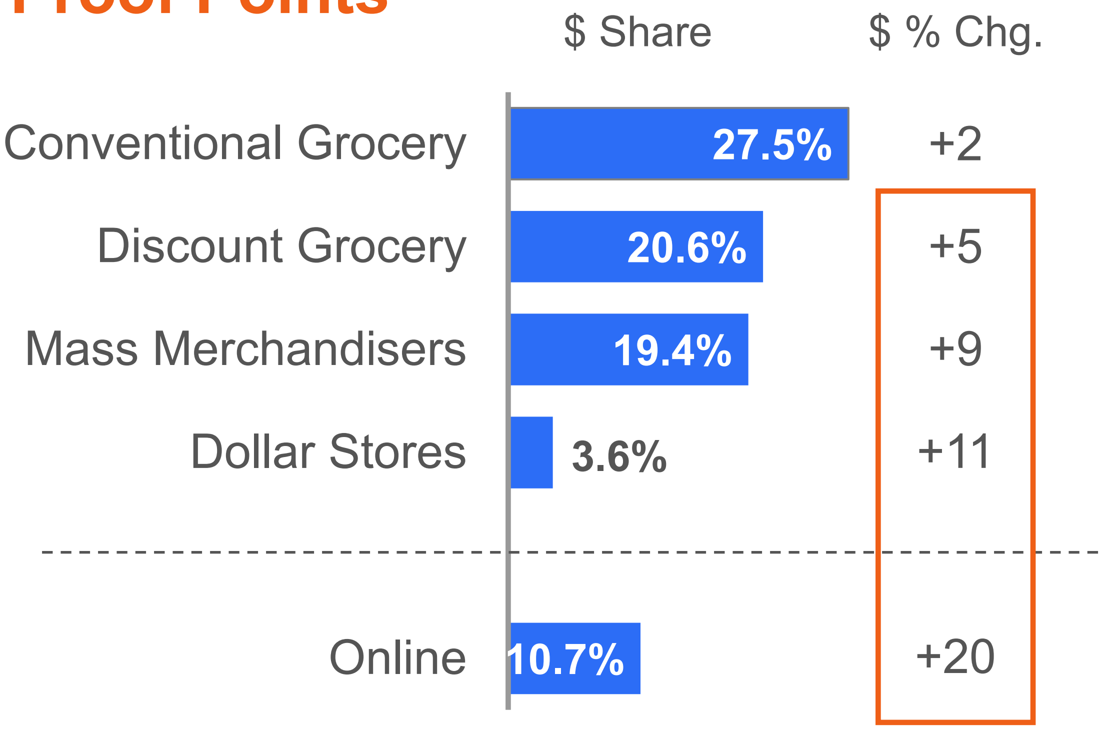
Where they shop

Controlling channel, location, and convenience to lower total spend

#2	52%	Shop at retailers with loyalty points
#4	50%	Seek out stores with the lowest prices
	32%	Shop more often at discount retailers
	23%	Travel less to save on gas expenses
	22%	Shop at stores closer to my home
	19%	Shop online

Trip choice is driven by **total cost to shop**, not just shelf price including fuel, convenience, and rewards.

Proof Points



Source: NielsenIQ, Private Brands Survey - Omnishiopper, Total West Total FMCG Tracked Sales, Latest 52 weeks ending March 21,, 2026

How Western consumers are taking control of their spending

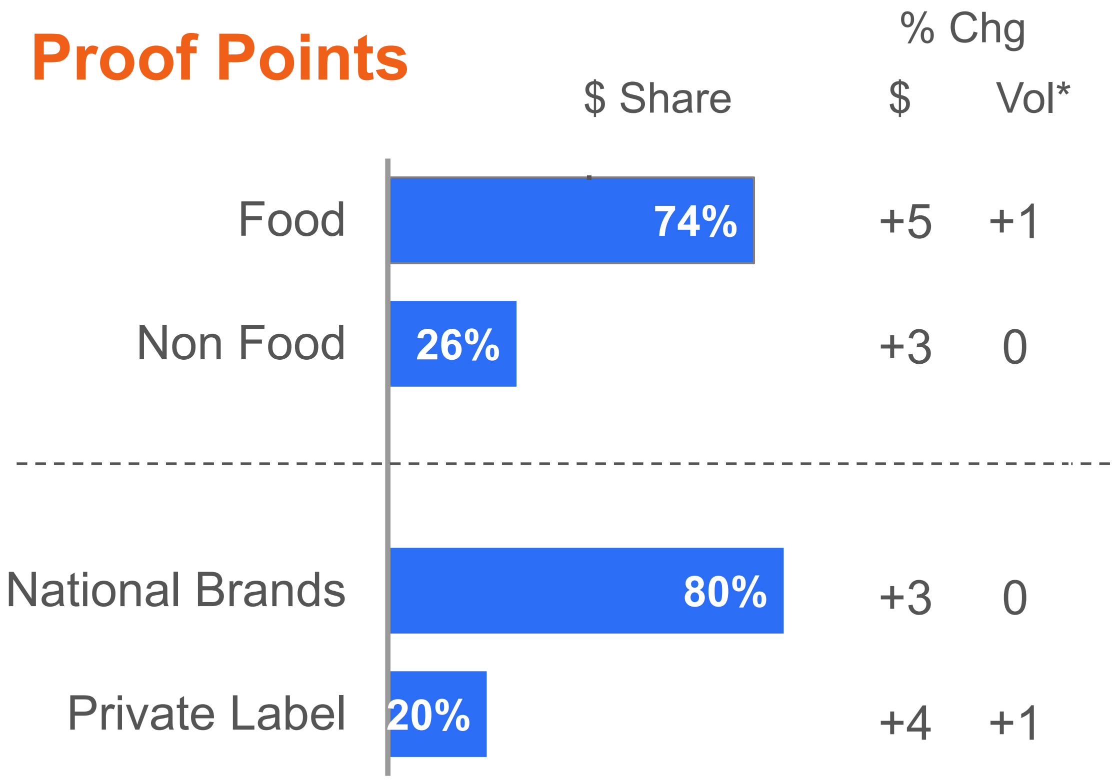
What they buy

Editing the basket to protect affordability

#5	45%	Only buy essentials
	42%	Buy less expensive name brand products
	39%	Buy less expensive alternatives
	35%	Buy store brand products

Assortment is a value lever. Shoppers are actively **trading down and across** price tiers to fit budgets.

Proof Points



Source: NielsenIQ, , Private Brands Survey - MarketTrack Total West All Channels Combined, 52 weeks to March 28, 2026, *Unit Vol

How Western consumers are taking control of their spending

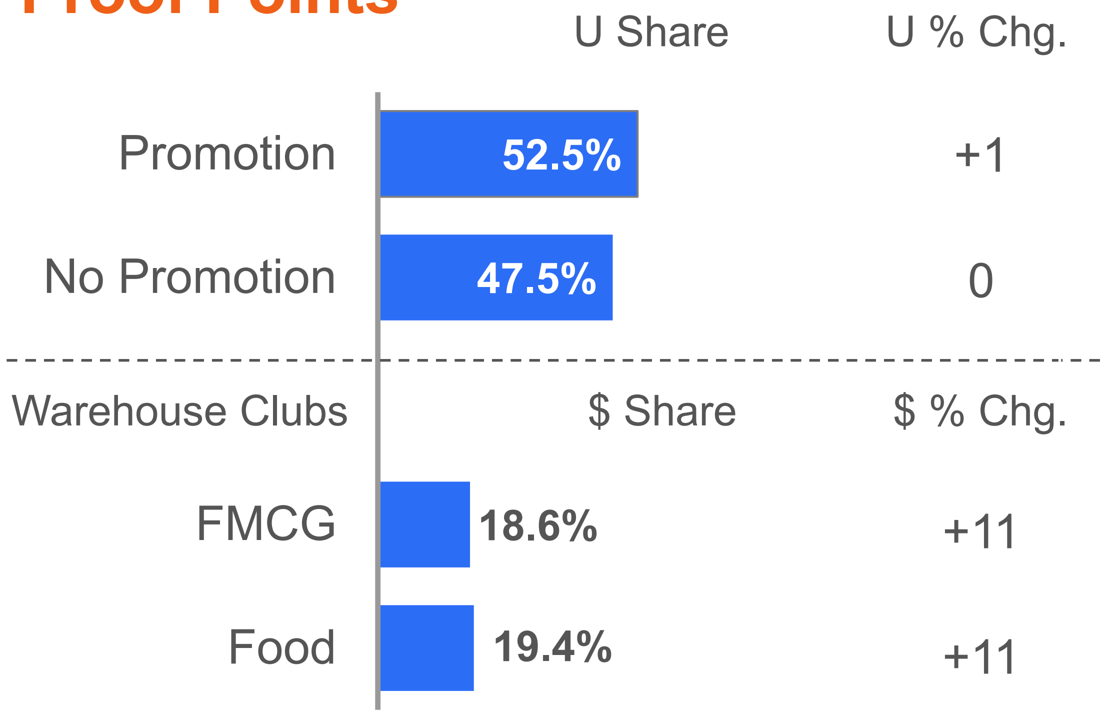
How they buy

Using tactics, timing, and deal mechanics to stretch budgets

#1	60%	Stock-up when items are on sale
#3	50%	Only buy items on sale
	42%	Use coupons when I shop
	38%	Price/Ad match to get lower prices
	36%	Buy larger sizes for a better value
	16%	Purchase smaller sizes for lower prices

Promotions and pack sizes are being **weaponized by shoppers**, increasing the importance of precision.

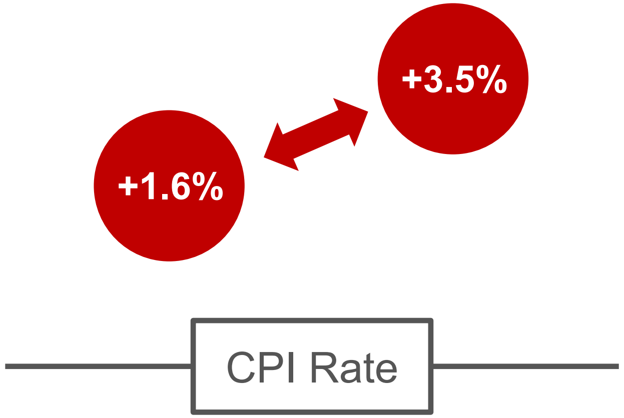
Proof Points



Source: NielsenIQ, Private Brands Survey - Omnishiopper, / MarketTrack Total West Total FMCG Tracked Sales, Latest 52 weeks ending March 21,2026

What's next? Rising gas prices and the potential inflationary impact on FMCG

Food Inflation Impact



In past fuel spikes, food inflation outran overall CPI by 1.6 to 3.5 percentage points

High Replenishment Categories

Frequent deliveries, temperature control, short shelf life → immediate fuel pass-through

- **Fresh dairy** (milk, cream, yogurt)
- **Fresh produce** (fruit & vegetables)
- **Fresh meat, poultry & seafood**

Plastic-Intensive Categories

Higher crude prices raise resin, film, and bottle costs

- **Beverages** (soft drinks, bottled water, juices)
- **Household cleaning products**
- **Personal care** (hair care, skin care)

Fertilizer & Energy-Intensive Agricultural Inputs

Oil and natural gas drive fertilizer, feed, and farm operating costs

- **Grains & cereal-based foods**
- **Produce** (especially greenhouse-grown)
- **Dairy & animal-based products** (via feed and farm energy costs)

Source: Statistics Canada – Trending food inflation over the rate of CPI when oil >$100 USD   2008 to 2023 years analyzed

Rising gas prices with fuel changes

Shopping Behaviour

- Shop online / use home delivery
- Shop closer to home
- One-stop-shop / bulk buying

Value Focus

- Buy less expensive brands
- Shift to retailers with lower prices
- Stock-up when on promotion

Lifestyle Impact

- Spend more time at home
- Eat out less
- Reduce overall spending
- Drive less and use transit more

Banner Loyalty At Risk

12%
I shop at different stores more often

49%
I shop at same stores but less often

36%
No change in store choice

Source: NIQ 2026 Rising Gas Prices Report – Total West Q: has higher gas prices influenced store choice

From crisis to complexity:

The new consumer reality

Wallets are under pressure and spending has become intentional

- Rising living costs, economic uncertainty, and uneven confidence have permanently changed how Canadians allocate their dollars.

Consumers aren't pulling back, they're recalibrating

- Today's shopper is disciplined and resourceful: prioritizing essentials, scrutinizing every purchase, trading down, switching channels, and redefining what "value" truly means.

This is a pivotal moment for grocery growth

- **Price alone won't win.** Growth will come from earning the trip through relevance, affordability, and solutions that meet consumers where they are *right now*.

NIQ

When every dollar is intentional, price becomes the expectation, not the differentiator.

Growth now comes from personalization: meeting distinct health and wellness needs across ages, lifestyles and life-stages as consumers define value on their own terms

NIQ

6 Barriers hindering healthier life choices

76%

of Canadians are concerned about future health problems

1	Cost	59%	Say healthier alternatives are too expensive
2	Motivation	28%	Don’t feel driven to make healthier choices
3	Time	24%	Don’t have time to make healthier choices
4	Availability	23%	Have difficulty finding healthier alternatives
5	Trust	19%	Don’t trust that the product will be effective
6	Guidance	16%	Product labeling is confusing/too complex

Source: NIQ’s 2025 Global Health & Wellness survey – Canada. 2025 Health & Wellness Report

Weighing in on three health and wellness trends

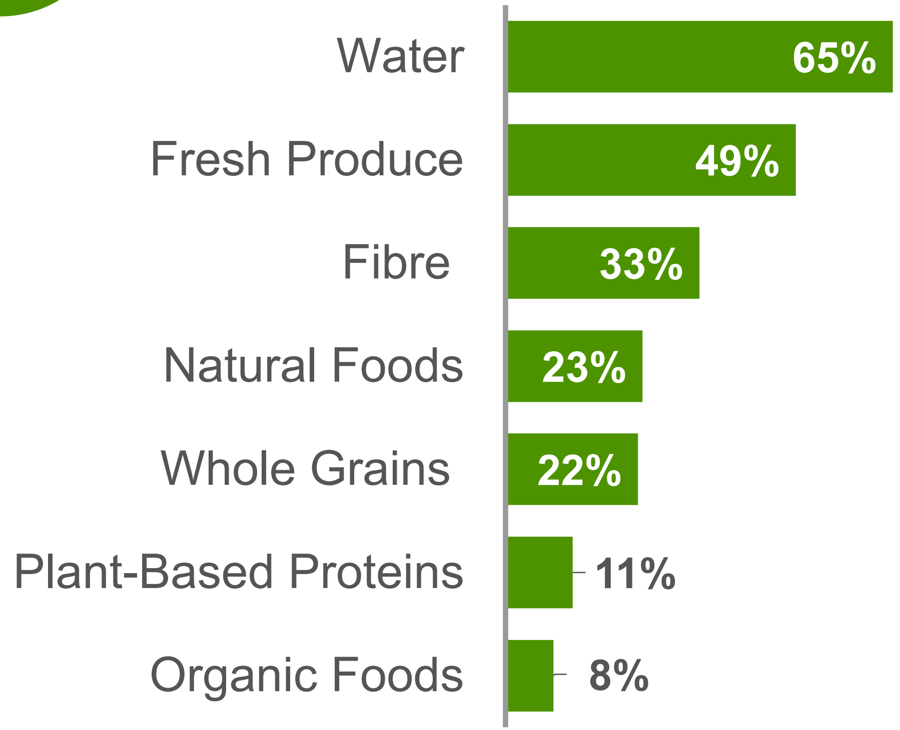
Diet Choices

Protein Push

Healthy Aging

What Western Canadians are changing in their diets

+ Adding more to their diets



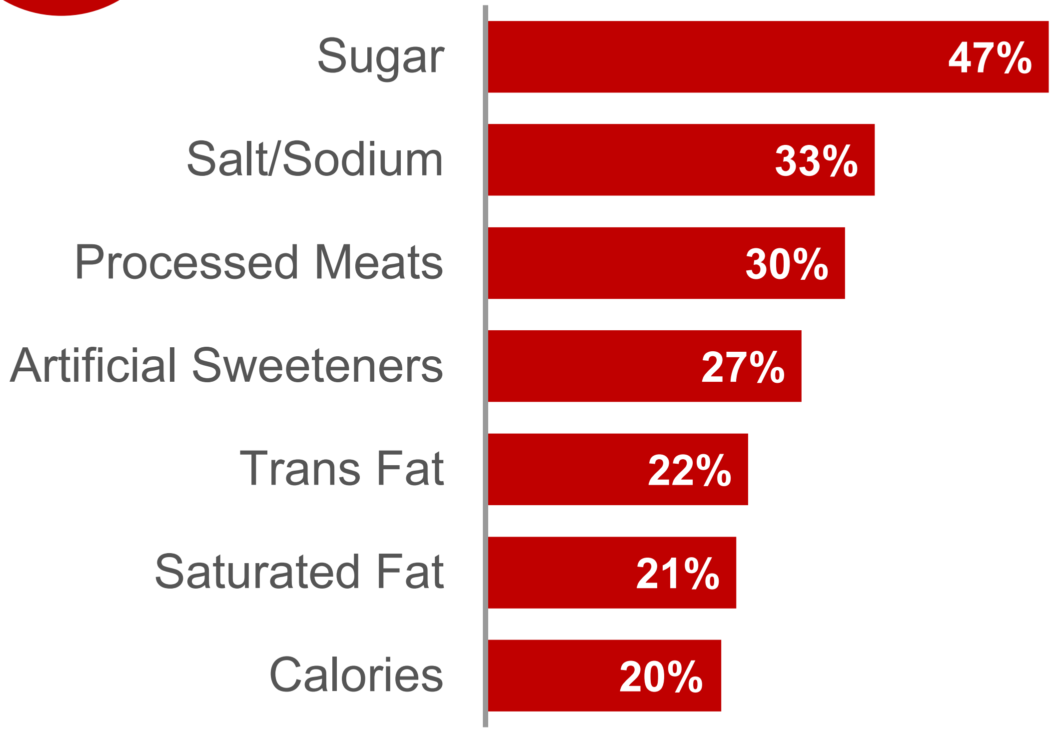
Influencing in-store trends

Category & Label Trends	$ % Chg.
ENERGY & NUTRITION PRODUCTS	+20%
FRESH FRUIT	+6%
VEGETABLES - FROZEN	+6%
FRUIT - FROZEN	+6%
LAXATIVES	+4%
ORGANIC	+3%
FLAT WATER	+3%
FRESH VEGETABLES	0%
CONTAINS WHOLE GRAIN	-1%
FIBRE	-2%
PLANT (MEAT/DAIRY ALT)	-2%
NUTRITIONAL SUPPLEMENTS	-3%

Source: NIQ's 2025 Health & Wellness Report – Total West NielsenIQ NPI Total West All Channels 52 weeks to March 28, 2026

What Western Canadians are changing in their diets

Removing from their diets



Influencing in-store trends

Categories & Label Trends	$ % Chg.
CALORIE FREE	+8%
SALT	+6%
SUGAR SUBSTITUTES	+6%
SUGAR	+5%
SUGAR FREE	+4%
NO ADDED SUGAR	+3%
FAT FREE	+3%
LOW SODIUM	+3%
SODIUM FREE	0%
LOW CALORIE	-1%
LOW FAT	-1%
REDUCED SODIUM	-1%
REDUCED SUGAR	-5%
REDUCED FAT	-5%
REDUCED CALORIE	-17%

Source: NIQ's 2025 Health & Wellness Report – Total West NielsenIQ NPI Total West All Channels 52 weeks to March 28, 2026

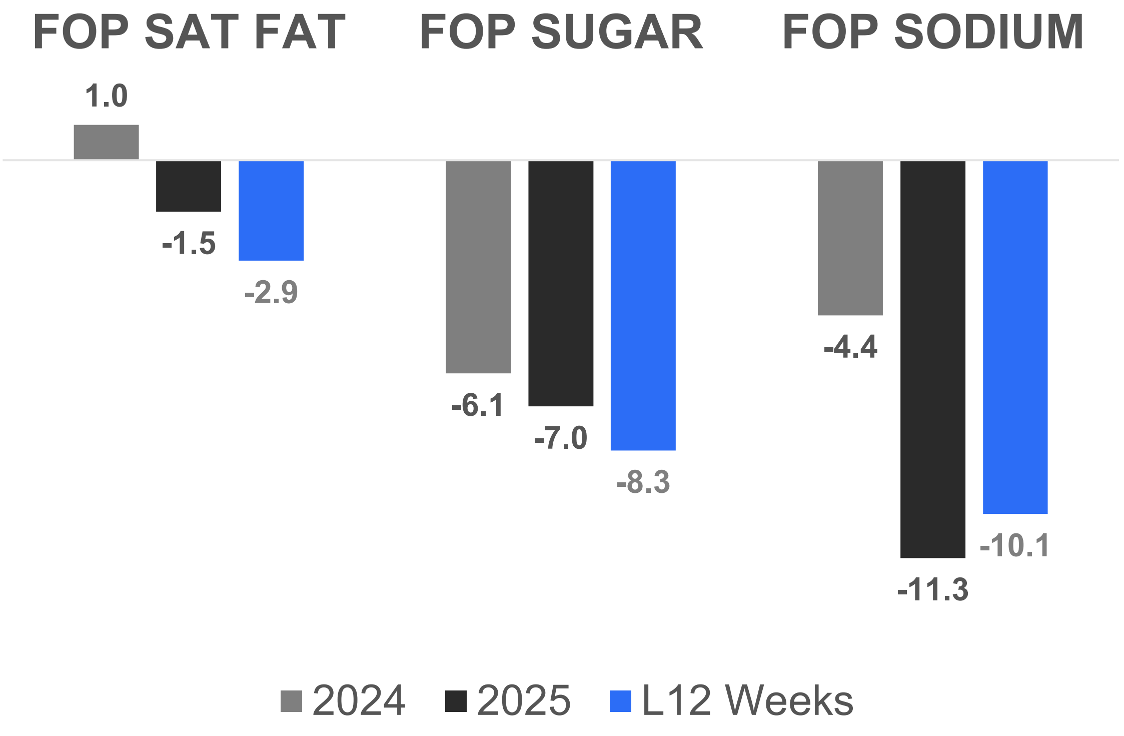
Consumption of high sodium, saturated fat and sugar foods continues to decline with FOP

Front of Pack Nutrition Symbol (FOP)

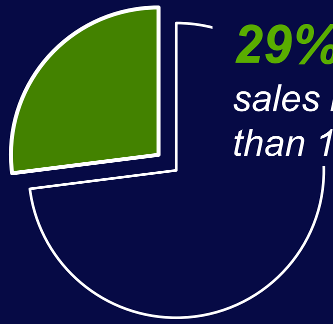
Food and Beverage Vol. % Chg.

77%

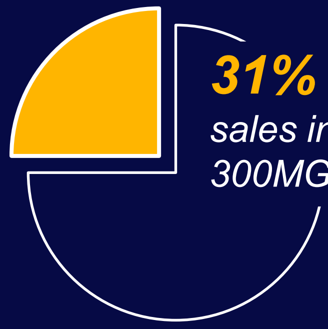
Of Canadians are aware of Health Canada's FOP Nutrition Symbol



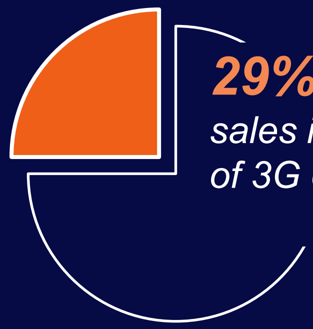
Total FMCG 2025 vs 2024 +0.7% Tonn % Chg.



29% of food and beverage sales in Canada contain more than 15g of sugar per serving



31% of food and beverage sales in Canada contain more 300MG of sodium by serving



*29% of food and beverage sales in Canada contain more of 3G of sat fat by serving**

**Based on products with a nutrition facts label*

Source : National All Channels, 52 weeks PE March 21th 2026

Source: NIQ, RMS – NIQ Product Insight; National GB+DR+MM+C&G, Based on Grocery (Grocery+Deli+Bakery), PE *March 21t, 2026*

Protein a common theme among NIQ's Breakthrough Innovation Winners

20g protein
<1g sugar
4-5g net carbs

High-protein toaster pastries with nostalgic appeal

Legendary Foods Protein Pastries

20g protein
no added sugar

No-sugar bars that feel indulgent

Barebells

2,290mg electrolytes
nothing artificial
coconut water

Functional hydration with real ingredients

BODYARMOR Flash I.V.

non-alcoholic
lower calories
lower carbs

Non-alcoholic beer for wellness seekers

Athletic Brewing

more protein
low carb
gluten free
no BS flours

Keto-friendly frozen chicken with high protein

Real Good Foods Lightly Breaded Chicken

no antibiotics
no added hormones or steroids
nothing artificial

Clean-label for health-conscious families

Just Bare Lightly Breaded Chicken

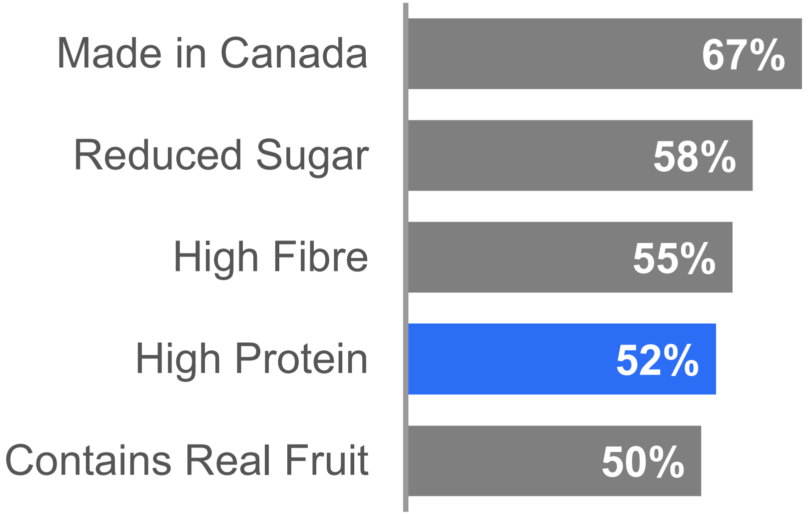
The protein movement meets the needs of Western Canadians

52%

+4 points higher than CA average

of Western Canadians are looking for products with high protein claims

Desired Label Claims

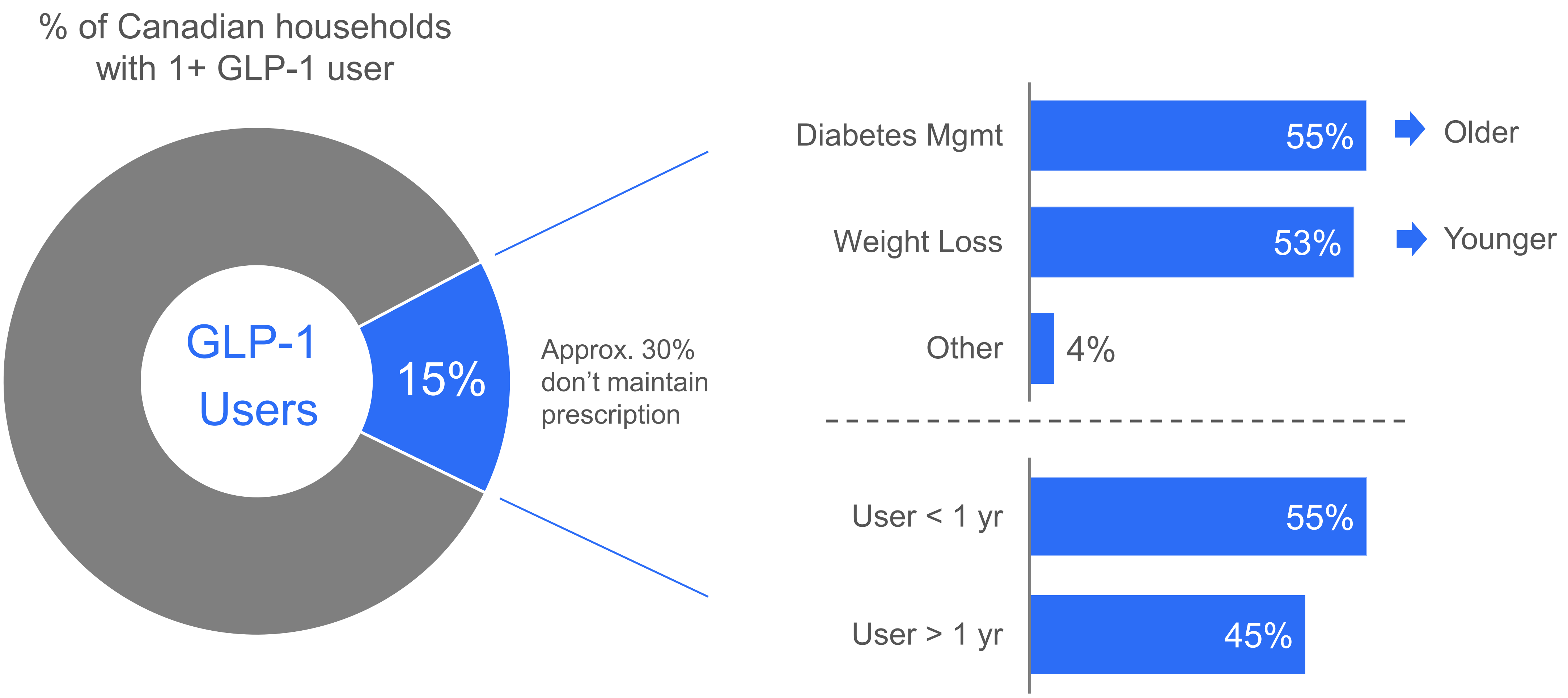


NPI Protein Stated Claim or Qualified	$ % Chg.
SOURCE OF PROTEIN STATED	+13
CONTAINS MILK PROTEIN QUALIFIED	+10
CONTAINS PEA PROTEIN QUALIFIED	+9
CONTAINS BEAN PROTEIN QUALIFIED	+4

Protein Based Categories	$ % Chg.
COTTAGE CHEESE	+31
YOGURT	+12
TOFU	+11
VEGETABLES - DRY	+9
EGGS	+7
TUNA – CANNED	+4

Source: NielsenIQ 2025 Health & Wellness Study Total West - NIQ NPI: Total West All Channels 52 weeks to March 28, 2026

Appetite-suppressing medications can lead to insufficient protein intake, fueling the need for smaller portion protein dense offerings



Source: NielsenIQ April 2025 GLP-1 Study

Q: What are you/others in your household using/used the prescription injection to treat? *Diabetes Mgmt, Weight loss, and Other percentages are not mutually exclusive

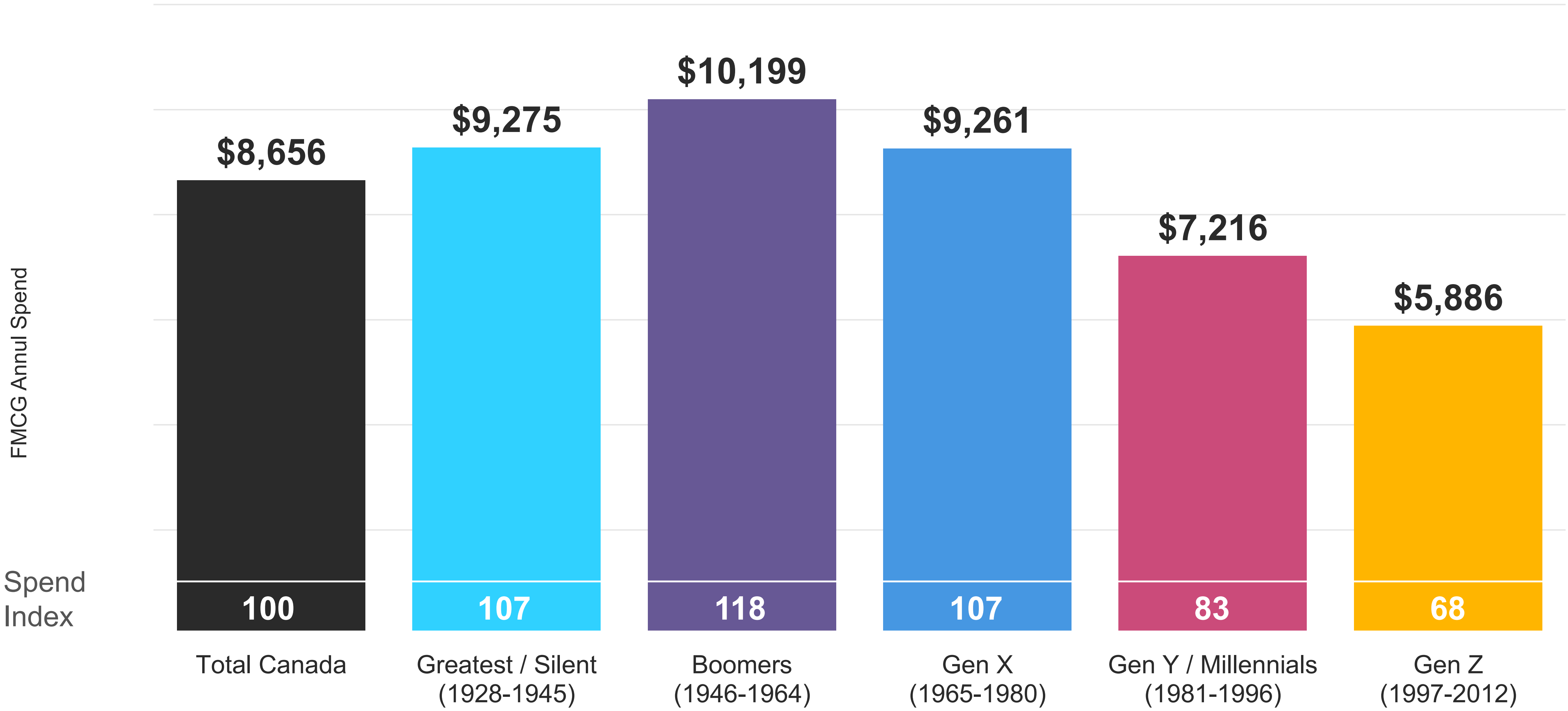
Canada’s recent population boom has remixed the generations

>3+ million new Canadians since 2022

Generation	Age Range	Est. % of Pop. 2026	Growth Direction
Gen Alpha	<13 yrs	10%	▲ growing slightly
Gen Z	14-29 yrs	18–19%	▲ immigration-supported
Gen Y (Millennials)	30-45 yrs	22–23%	▲ largest / tied-largest
Gen X	46-60 yrs	18%	▼ declining
Baby Boomers	61-80 yrs	22–23%	▼ aging into 75+
Greatest/Silent	>80 yrs	9–10%	▲ fastest-growing

Source: Statistic Canada

In the West, older households spend more annually on FMCG



Source: NielsenIQ, Homescan, Total West Tracked Sales, 52 weeks ending March 21, 2026 – Based on representative age range within cohort

Generational FMCG Department Spending Shifts

Category	Gen Z → Gen Y	Gen Y → Gen X	Gen X → Boomers	Boomers → Greatest
Baby Care	Green	Red	Red	Red
Dessert	Green	Red	Red	Yellow
HMR	Green	Green	Yellow	Red
Alcohol	Yellow	Green	Green	Red
Fresh Meat	Yellow	Green	Green	Yellow
OTC Health	Yellow	Green	Green	Green
Paper Products	Yellow	Yellow	Green	Green
Hot Beverages	Yellow	Yellow	Yellow	Green
Seafood	Yellow	Yellow	Yellow	Green
Snack	Red	Red	Red	Yellow
Confectionery	Yellow	Red	Red	Yellow
General Merch.	Red	Yellow	Yellow	Yellow
Cold Beverages	Red	Yellow	Yellow	Yellow
Pet Needs	Yellow	Yellow	Red	Red

Green = Age In

Yellow = Neutral

Red = Age Out

Source: NielsenIQ, Homescan, Total Canada Tracked Sales, 52 weeks ending March 14 25, 2025 – Based on Annual

Retailers play an important role in supporting how consumers approach aging well

58% Say healthy aging is VERY important to them personally

How Canadians approach aging well

- 41% Exercise
- 32% Healthy Eating
- 12% Sleep / Rest
- 8% Vitamins & Supplements
- 6% Mental Health

How does your assortment & services meet these needs?

Source: NielsenIQ Healthy Aging & Longevity Lifestyles Survey on Omnishopper Panel
Q3. How important is healthy aging to you personally?? | n=8014

The data is clear;
pressure hasn't stopped demand, it's sharpened it.

The question now isn't whether consumers will spend, but **who they choose to spend with and why.**

Three Growth Recommendations for Grocery Retailers

Redefine Value Beyond Price

1

Win the Total Trip

Price is now table stakes. Earning the trip requires affordability plus ease, rewards, and relevance.

+

Use Assortment as a Value Lever

2

Trade Shoppers Across, Not Out

Shoppers are editing baskets, not abandoning categories. The right assortment keeps spend in-store.

+

Turn Health into a Value Driver

3

Make Better Choices Easier to Buy

When healthy choices are easy and affordable, shoppers reward the store and the brands with loyalty.

Growth will not come from price alone.

The winners will be those who combine affordability, assortment, and simplified wellness solutions, **meeting shoppers exactly where they are today and tomorrow**

The Bottom Line: In today's retail game, every shot counts

Thank You!

For more information about NIQ’s research solutions, please connect with us.

Carman.Allison@NielsenIQ.com

Scan to receive a copy of this presentation

NielsenIQ