Winning When Growth is Harder

Fueling growth in an era of choice, complexity and change

May 2026

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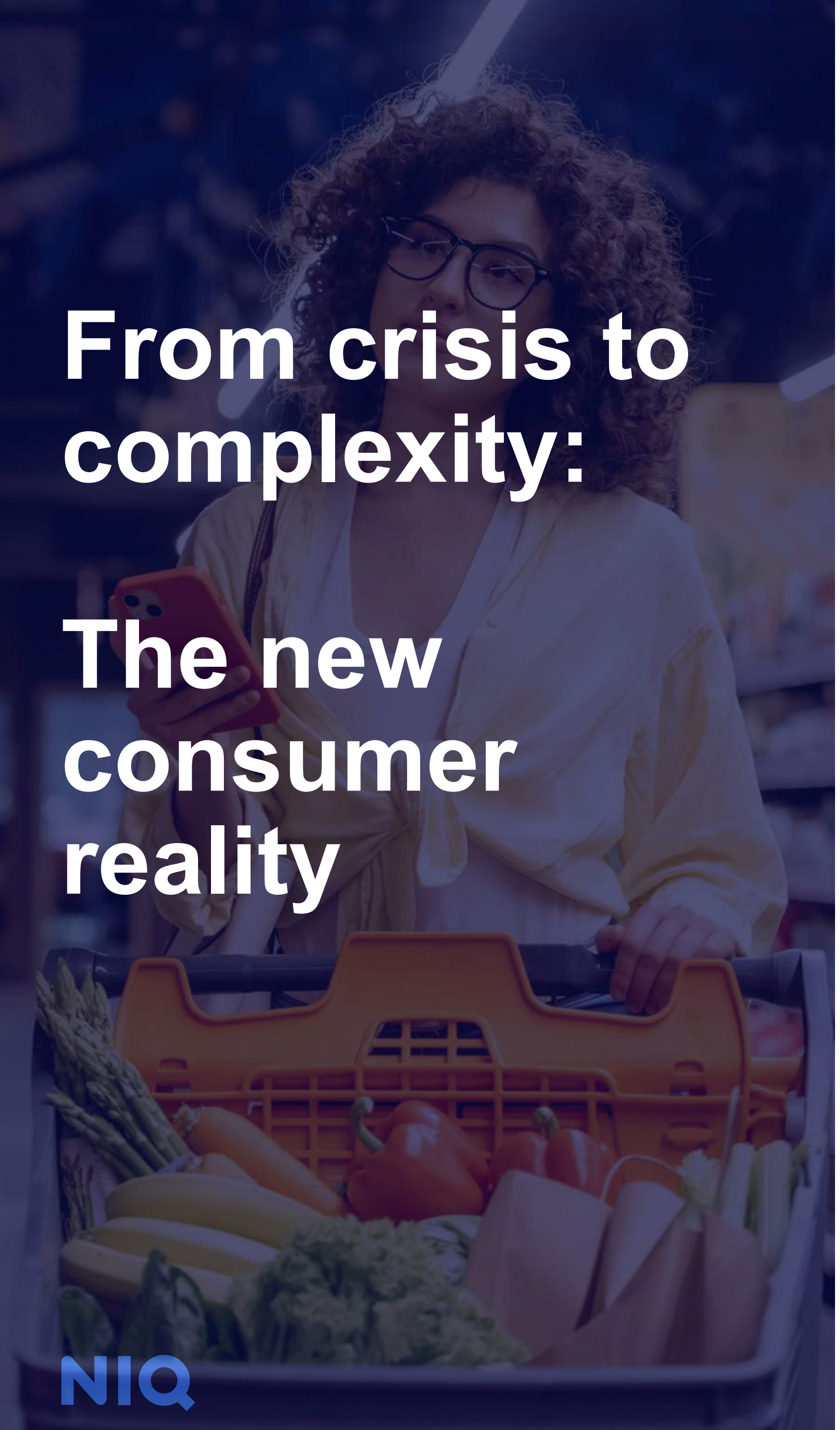
NIQ

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

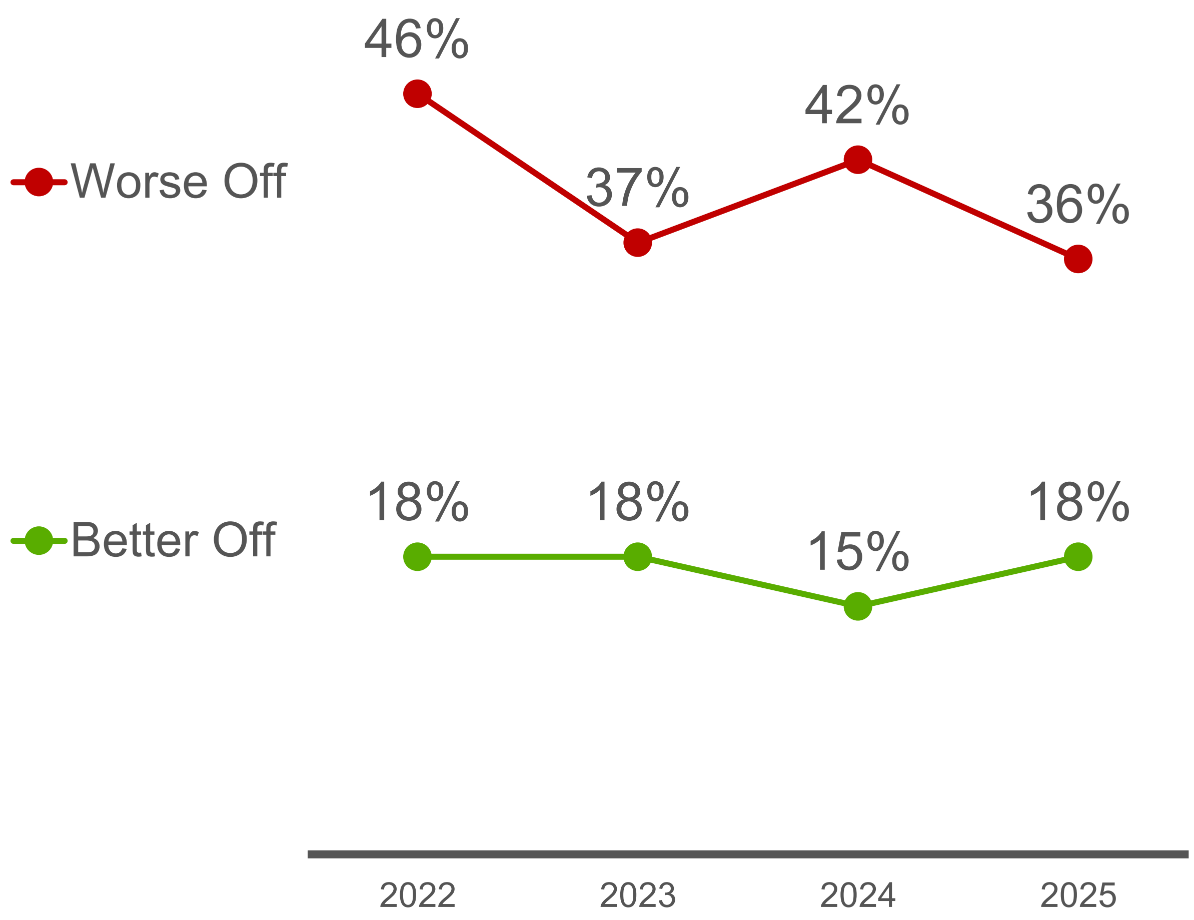
- Today’s shopper is disciplined and resourceful: prioritizing essentials, scrutinizing every purchase, trading down, switching channels, and redefining what “value” truly means.

This is a pivotal moment for FMCG growth

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

Consumer sentiment around their personal finances are improving

Canadian consumer financial position sentiment



Why Worse Off?

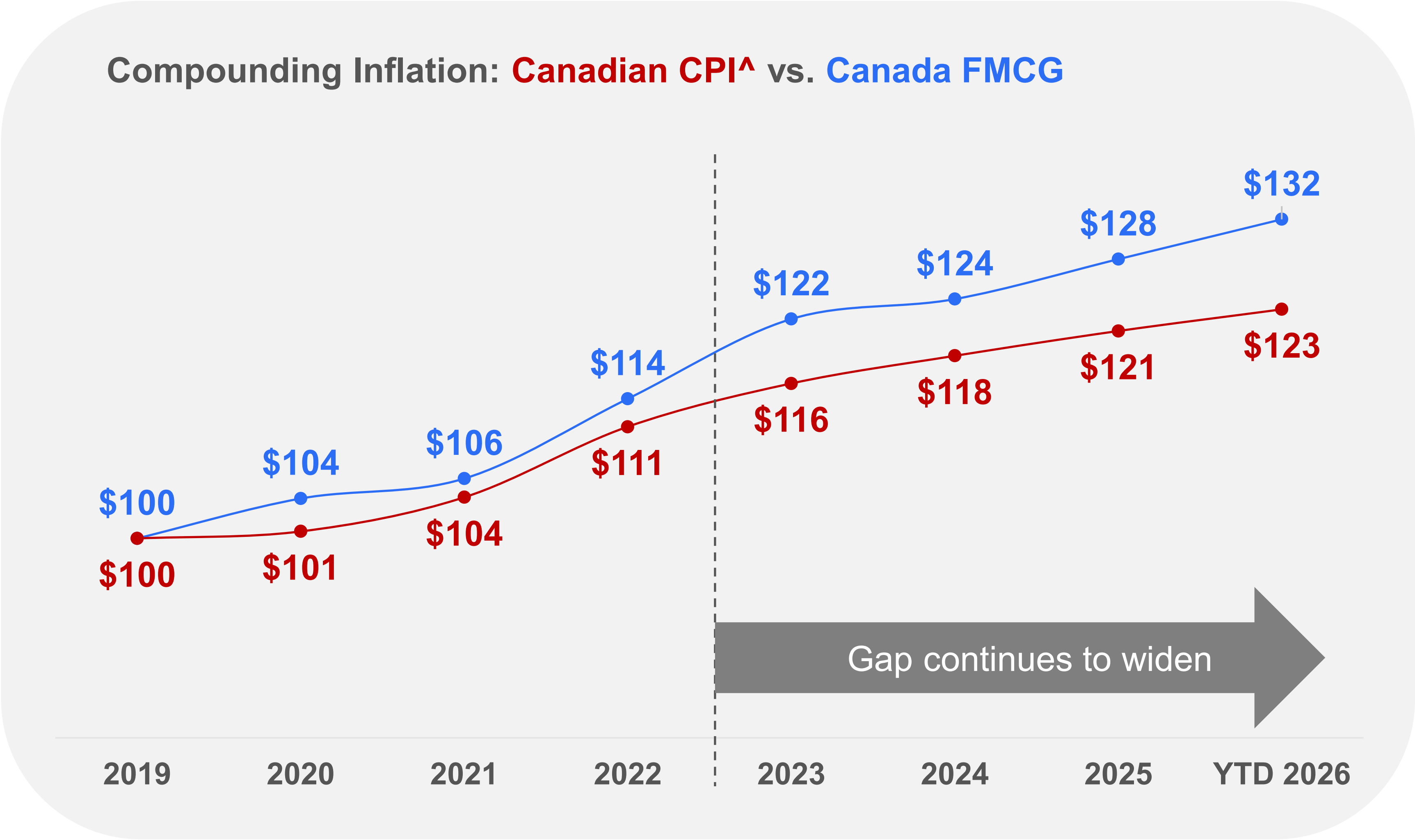
- **83%** *Increased costs of living*
- **39%** *Economic slowdown*
- **28%** *Job insecurity / loss*

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



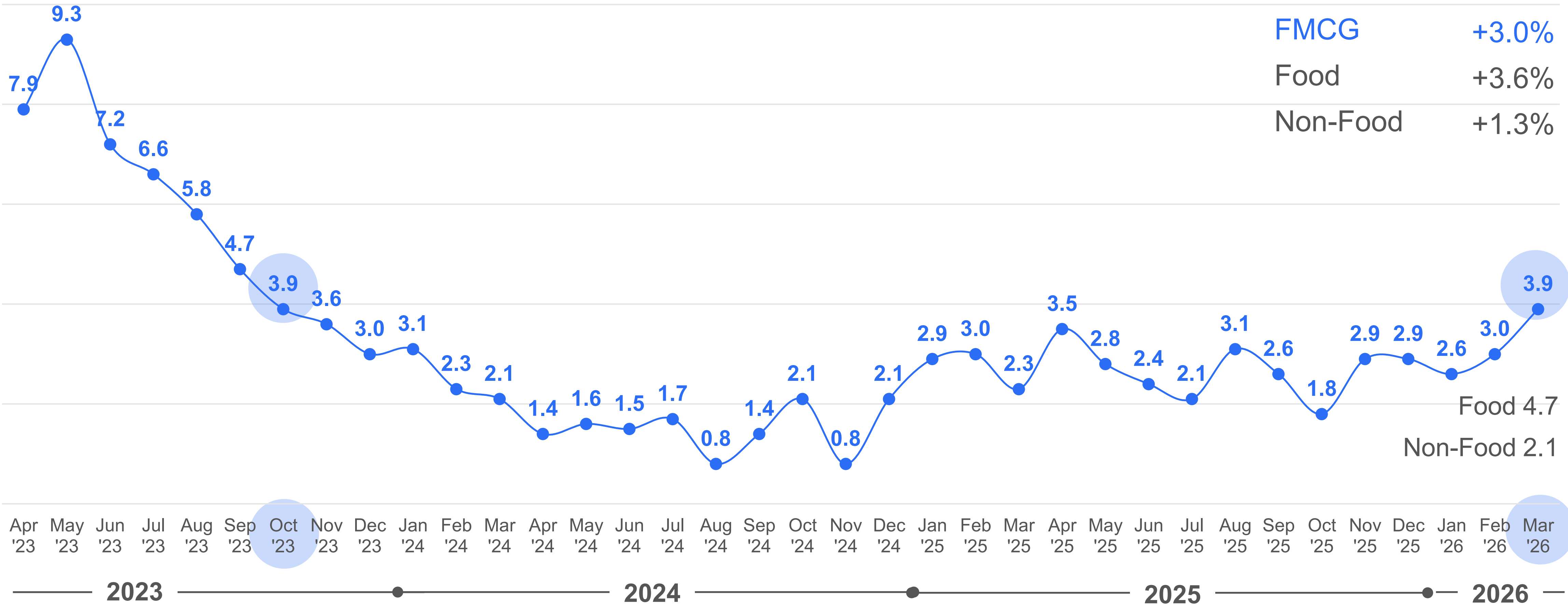
Consumers are spending +32% more for FMCG products than pre-pandemic

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)

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

Canada FMCG Inflation: The 3 Year trend

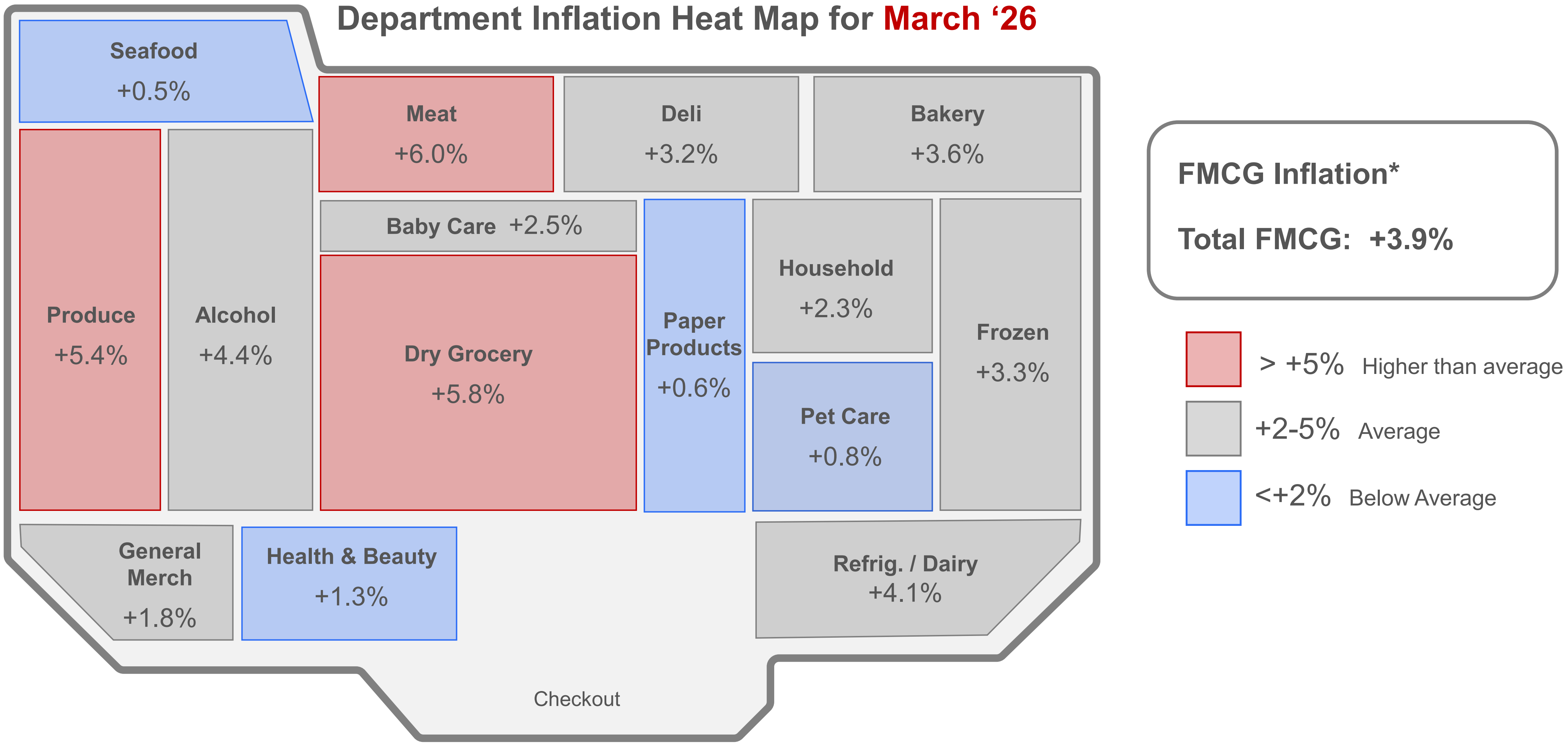


L52 Weeks

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

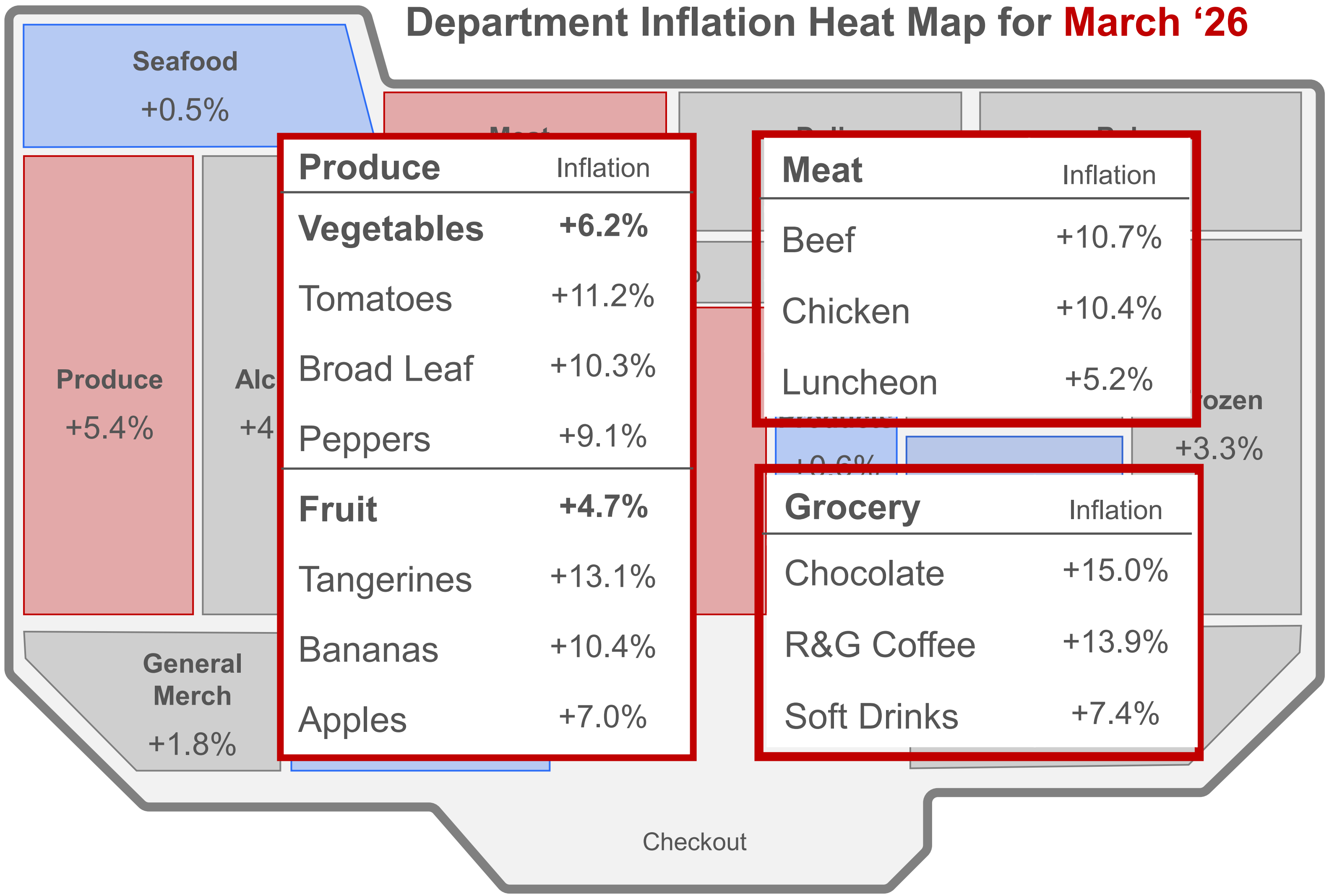
Source: NielsenIQ MarketTrack Canada All Channels Combined, Monthly Periods *Inflation: $ % Chg. less EQ Vol % Chg.

There are several polarizing price increases across the store



Rising commodities impacting specific categories

Department Inflation Heat Map for March '26



Produce	Inflation
Vegetables	**+6.2%**
Tomatoes	+11.2%
Broad Leaf	+10.3%
Peppers	+9.1%
Fruit	**+4.7%**
Tangerines	+13.1%
Bananas	+10.4%
Apples	+7.0%

Meat	Inflation
Beef	+10.7%
Chicken	+10.4%
Luncheon	+5.2%

Grocery	Inflation
Chocolate	+15.0%
R&G Coffee	+13.9%
Soft Drinks	+7.4%

FMCG Inflation*

Total FMCG: +3.9%

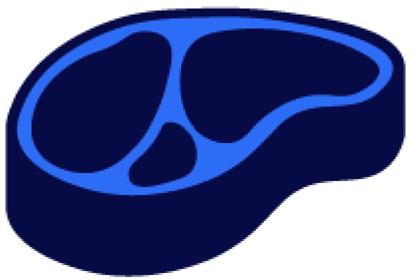
- > +5% Higher than average
- +2-5% Average
- <+2% Below Average

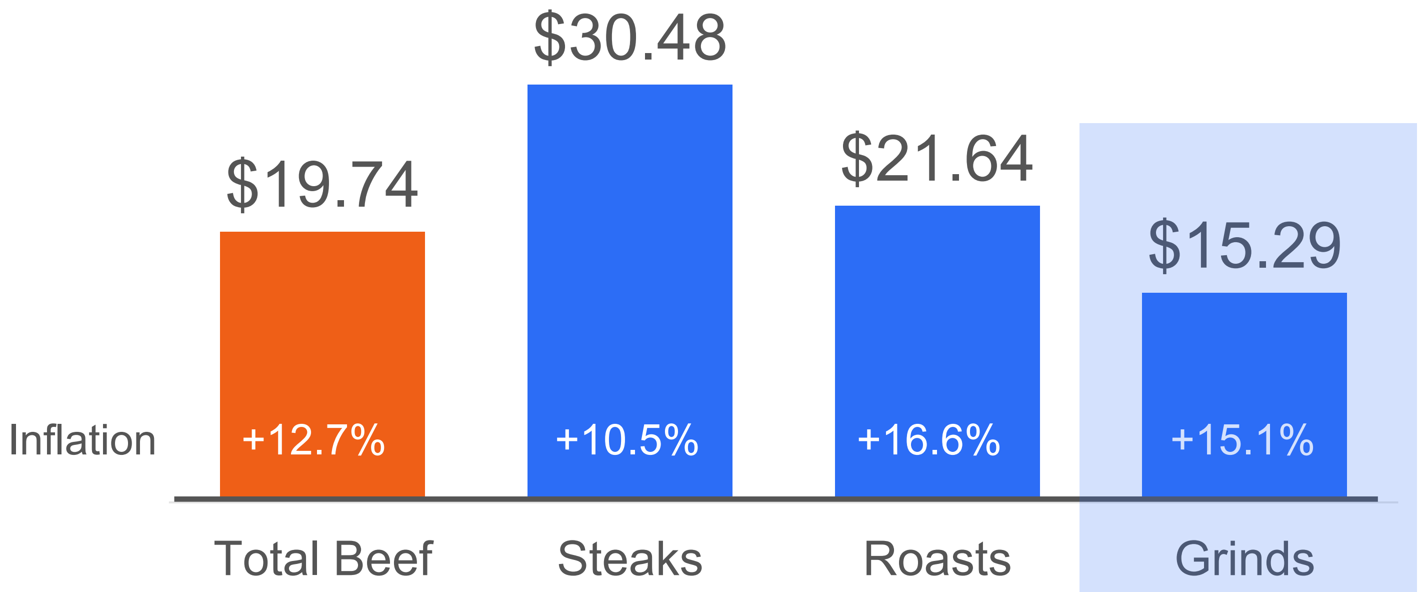
NIQ

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

Trading down and out: 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



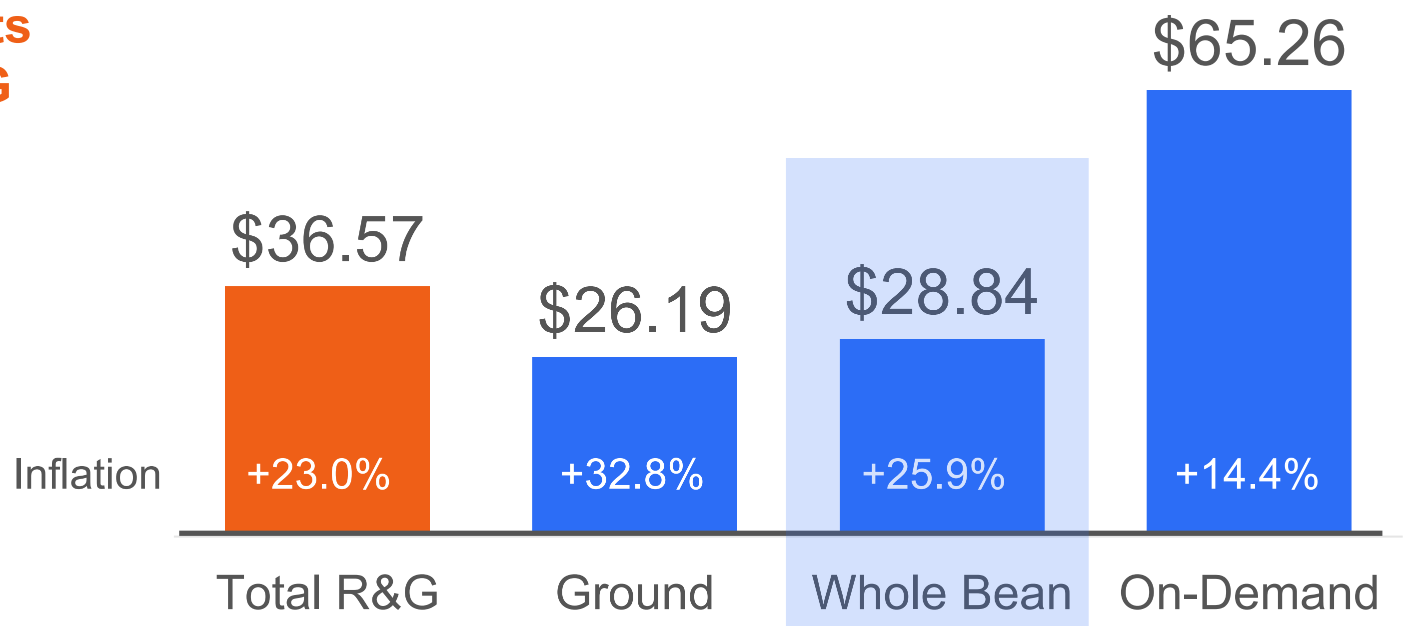


	Total Beef	Steaks	Roasts	Grinds
$ % Chg.	+10	+7	+6	+15
KG % Chg.	-3	-4	-10	0

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

Quality & Control: Within Roast & Ground Coffee consumers are shifting to whole bean

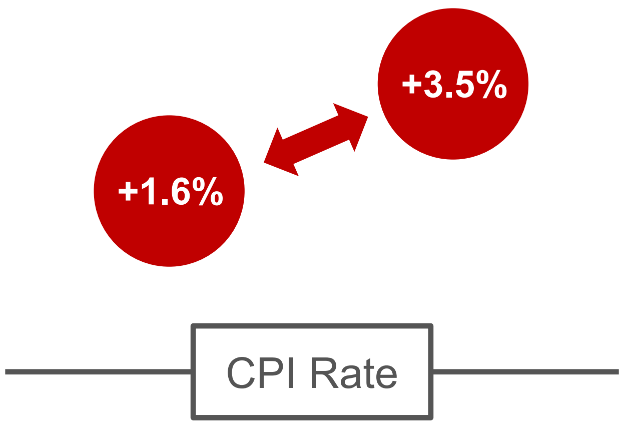
R&G Coffee Segments
52-week Price Per KG



	Total R&G	Ground	Whole Bean	On-Demand
$ % Chg.	+19	+10	+32	+26
KG % Chg.	-4	-7	+6	-5

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 in the coming months

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

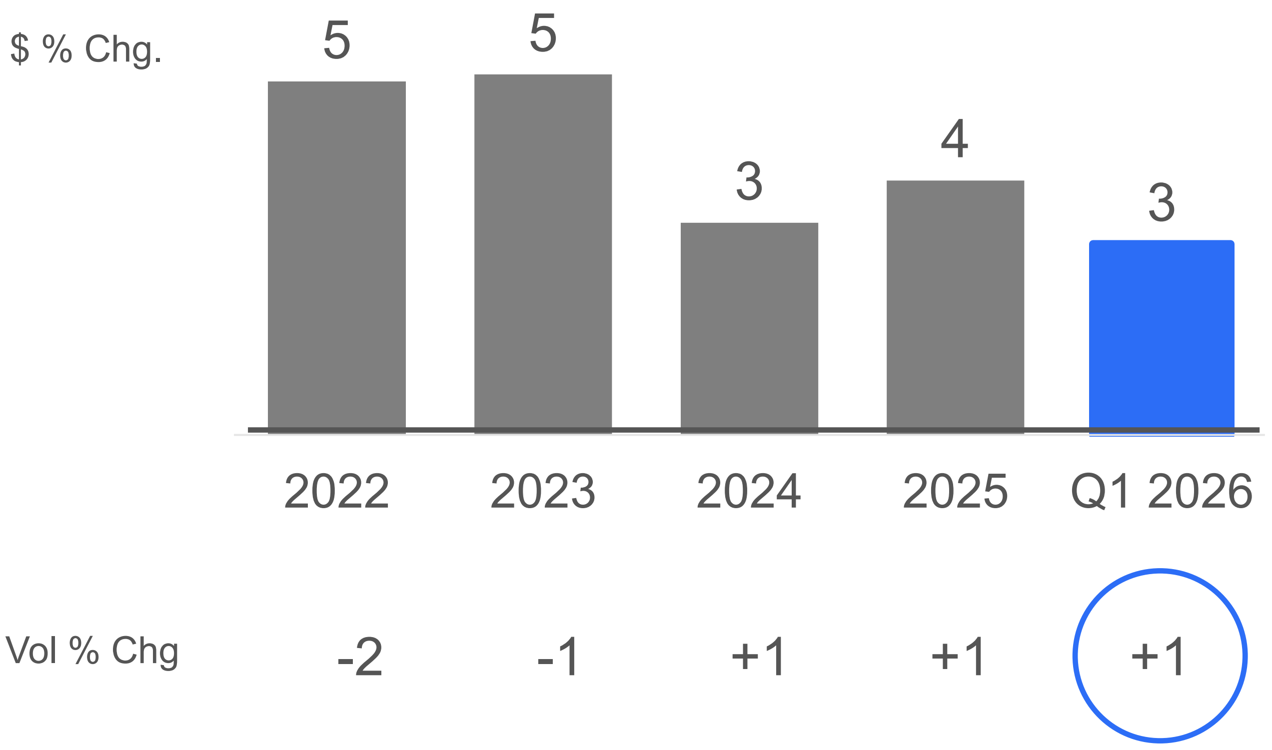
Banner Loyalty At Risk

12%	49%	36%
I shop at different stores more often	I shop at same stores but less often	No change in store choice

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

FMCG dollar performance continues to be fueled by inflation while volume lags

Canadian FMCG Performance

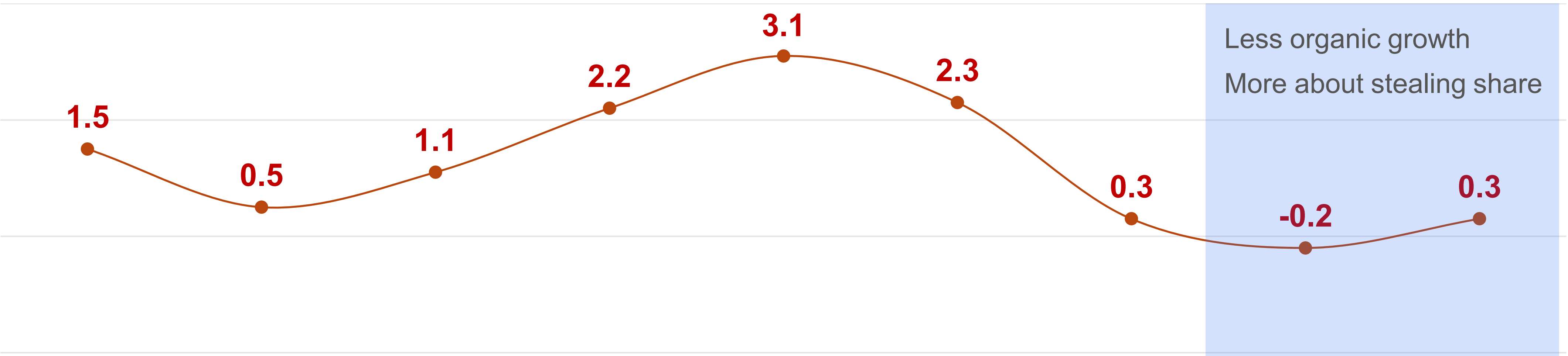


2026 YTD Growth	Dollars	Volume
Maritimes	+4	+2
Quebec	+3	0
Ontario	+3	0
Man/Sask.	+4	+1
Alberta	+4	+2
B.C.	+4	+1

Source: NielsenIQ, MarketTrack Canada All Channels Combined, Annual Periods YTD 13 weeks to March 28, 2026

Canada's population is forecasted to slow in the next 2 years

Canada's Population Growth



2019	2020	2021	2022	2023	2024	2025 Est	2026 Est	2027 Est
37.8M	38.0M	38.5M	39.3M	40.5M	41.5M	41.6M	41.6M	41.7M
+569K	*+199K*	*+420K*	*+833K*	*+1,234K*	*+952K*	*+124K*	*-80K*	*+123K*

NEW: > +3 million in 3 years

Source: Statistics Canada 2025 Estimate: Immigration + Births – Deaths

Factors impacting volume trends in FMCG

Financial Pressures

49% are only buying what they need

42% only have money for the essentials

41% plan shopping ahead to control spend & impulse

Eating Habits

35% eating leftovers more often

19% are skipping meals

HMR +3% units

Return to the office fueling out of home

Food Insecurity

+99% increase in food bank visits since 2019

Food bank usage exceed 25 million visits in 2025

1 in 10 rely on food banks or charity to get by

GLP-1 Impact

15% of Canadians using GLP-1 medications

1-3 months use: volume -1.5% to -2.5%*

7-11 months use: volume -5.2% to -12.5%*

Annual Loss: -$450m+

Source: NielsenIQ 2026 Consumer Outlook / GLP-1 Study / External media   *NIQ US GLP-1 2024 Study

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

Price can protect volume but **innovation drives growth.**

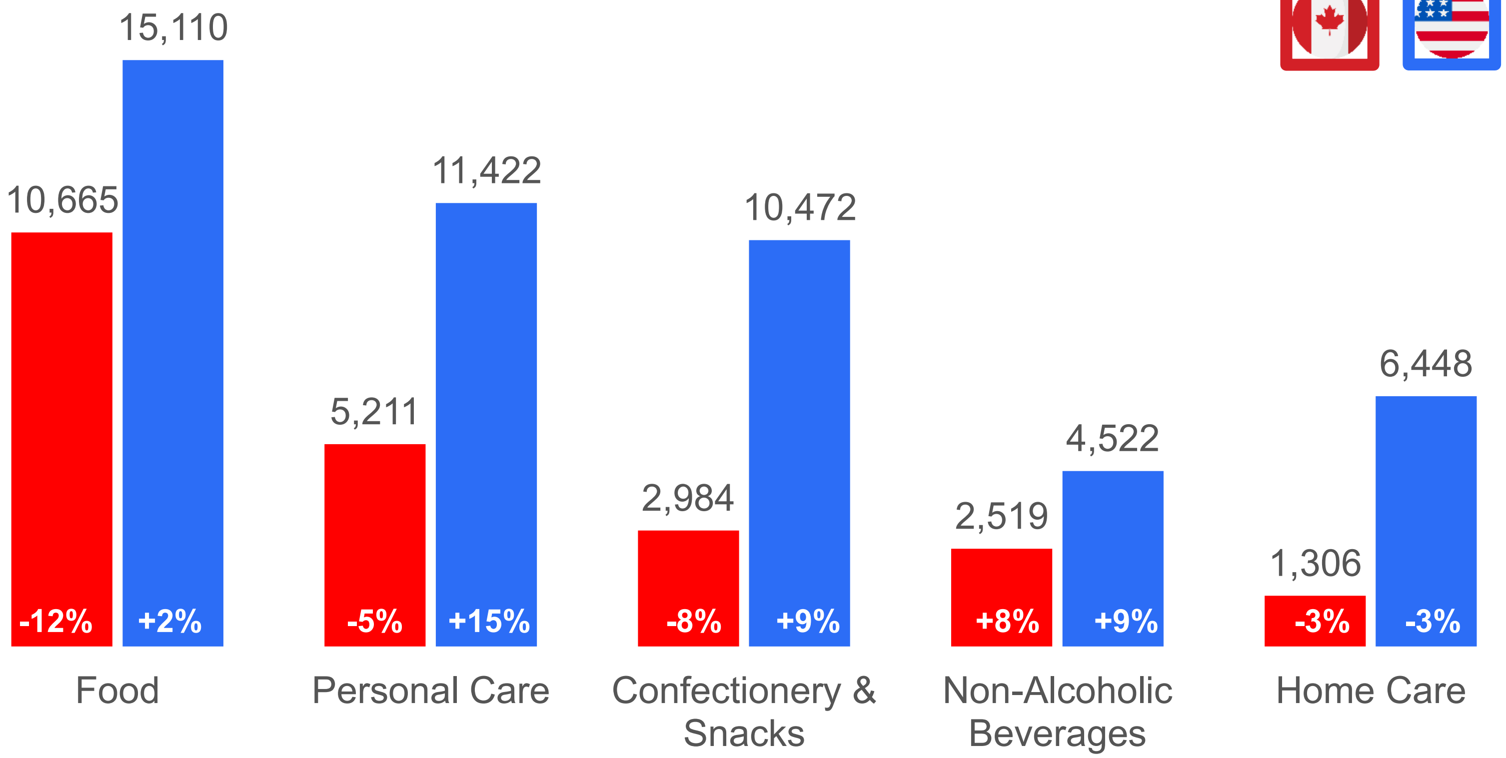
Winning brands are those that continuously adapt to changing consumer needs

NIQ

Canada sees fewer launches than the US

But…
Innovation contribution is higher in Canada

Innovation items total and change (in %) vs year ago
Latest 52 weeks – w/e 03-21-2026



	Food	Personal Care	Confectionery & Snacks	Non-Alcoholic Beverages	Home Care
CA	5.6%	13.4%	14.1%	5.9%	21.9%
US	3.7%	8.9%	8.6%	5.6%	18.4%

% Dollar Contribution

Source: NielsenIQ Innovation Measurement US and Canada| TOTAL US XAOC + CONV and NATIONAL EXCL NFLD GB +DR +MM | Latest 52 weeks - w/e 03-21-2026 vs Latest 52 weeks YA - w/e 03-22-2025

Growth is no longer about presence, it’s about relevance

Value First

Generations

Diversity

Growth is no longer about presence, it's about relevance

Value First

Consumers are taking control of their spending

Where they shop

- Controlling channel and convenience to lower total spend

What they buy

- Editing the basket to protect affordability

How they buy

- Using tactics, timing, and deal mechanics to stretch budgets

The consumers search for value is putting retailer and brand loyalty at risk

Top 10 consumer saving strategies for FMCG

Average of 4.2

Saving Strategies

Per Shopper

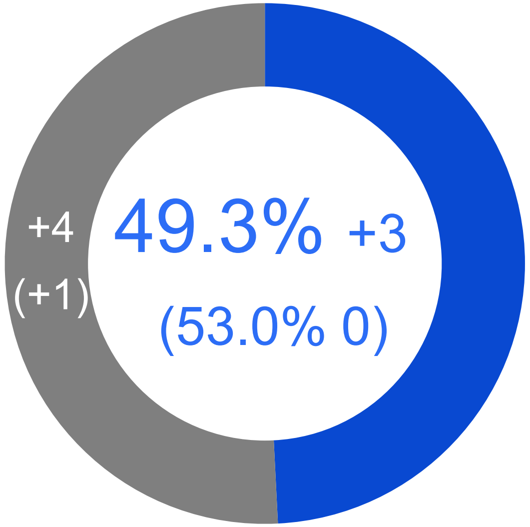
Source: NIQ 2025 Private Label Study – June 2025 - Canada

Promotions in Canada remain a key volume driver but momentum has slowed

Buying on Promotion*

$ % of FMCG
$ % Growth

(Volume)



Inflation:

Promotion	+3.7%
Non-Promo	+2.6%

Value Proposition ⬇

% Dollars Sold On Promotion

Food	50.9%	+4
Non-Food	43.7%	+2

% Promotion Lift

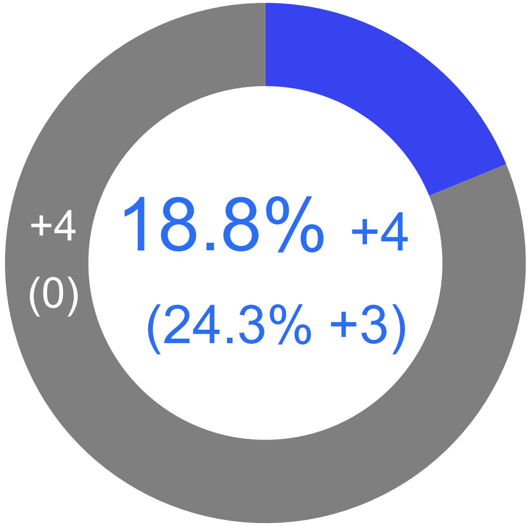
Dollars	69.6%	-0.7 pt
Volume	100.5%	-4.8 pt

Private Label provides a value alternative so point of difference matters

Buying Private Label

$ % of FMCG
$ % Growth

(Volume)



Inflation:

Private Label	+0.9%
National Brands	+3.7%

Value Proposition ⬆

PL Dollar Share

Food	20.4%	+4
Non-Food	13.6%	+2

% Reason For Buying PL

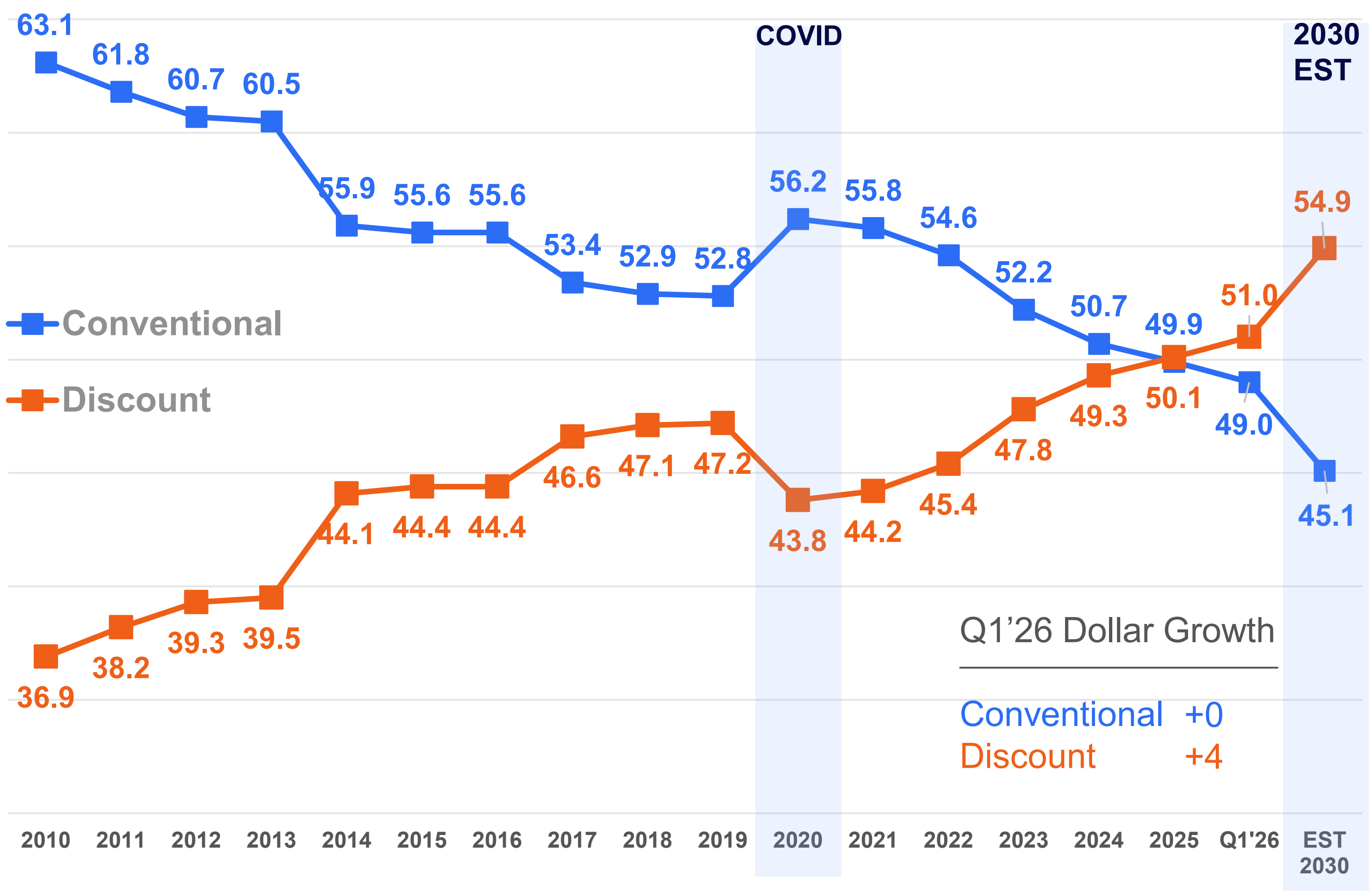
52% Lower Price

33% Same Quality

30% Better Value

Canadians have shifted spend to Discount retailers – with more to come!

Discount vs Conventional Grocery + Drug + Mass – $ Market Share



Discounters* Winning With:

Volume: **61.2%** +2 (Convent -2)

Food: **51.6%** of $ +6 (Convent +2)

Trips: **+6%** (Convent +2)

Baskets: **22% higher** ($63 vs. $52)

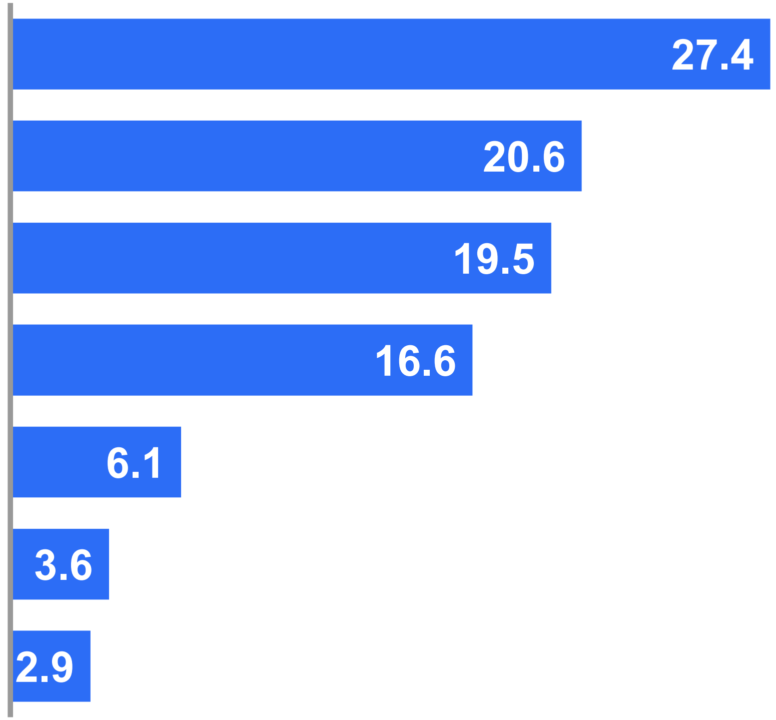
Private Label: 21.5 % of $ +6%
27.1% of Vol +4%
(Convent 16.4% / 22.6%)

High Income: **$100k+ 37%** of $'s
Spend 7% more

Source: Syndicated DB GDM2021-2017 - Presidents Report (All Channels GDM - includes Costco) | 2016-2014 - Presidents Report (GDM) | 2013-2008 - Homescan Grocery Comp Q1 '26: 13 weeks ending to March 28, 2026 *L52 weeks

Consumer are shifting FMCG wallets to value-based retailer formats

Total FMCG retail channel share of trade



	% Chg.	Food	Non-Food
Conventional Grocery	+2	+2	+1
Discount Grocery	+5	+6	+2
Mass Merch Stores	+10	+7	+15
Warehouse Clubs	+11	+12	+9
Drug Stores	+3	+1	+3
Dollar Stores	+11	+12	+10
Ethnic Grocery	+11	+11	+22

Source: NielsenIQ, Omnishopper, Total Canada Tracked Sales, 52 weeks ending March 28, 2026

Warehouse Clubs' growth is fueled by reach and frequency

Warehouse Dollar Share

Food Household Spend Metrics

Annual Spend $1,525 +6%

+2% **Baskets $80.43**

Trips 19.0 +4%

Penetration

79.3% 13.2M Households +5%

Total FMCG Trips

6.4% of retail trips; 264.2M +5%
Food purchased on 95% of trips

Shopper Profile % of Dollar Sales

1-2 member	48.2%	+0.9	⬆ Smaller
3+ member	51.2%	-0.9	
<$50k	15.3%	+0.9	⬆ Less Income
$50k-$100k	31.9%	+0.8	
>$100k	52.8%	-1.7	
With Kids	34.2%	+0.7	⬆ Diverse
Ethnic	36.5%	+0.9	

Online accounts for almost 10% share of wallet in FMCG

Online share of wallet

$ % of FMCG

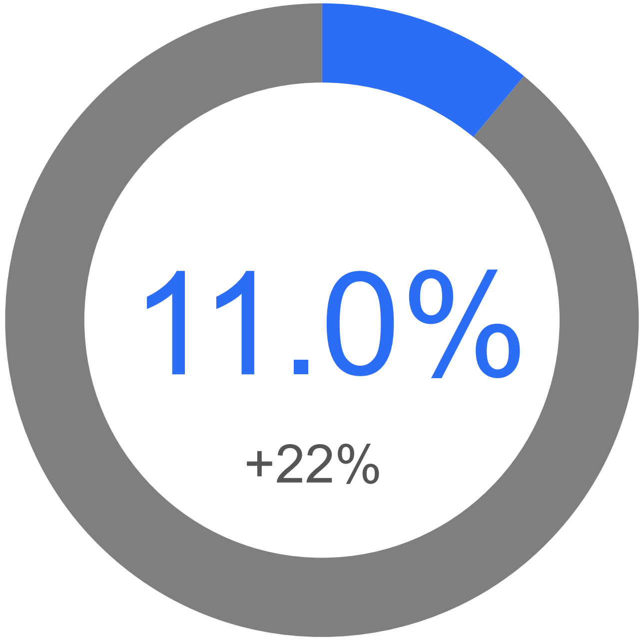
Generations

15.0% Gen Z

15.6% Gen Y

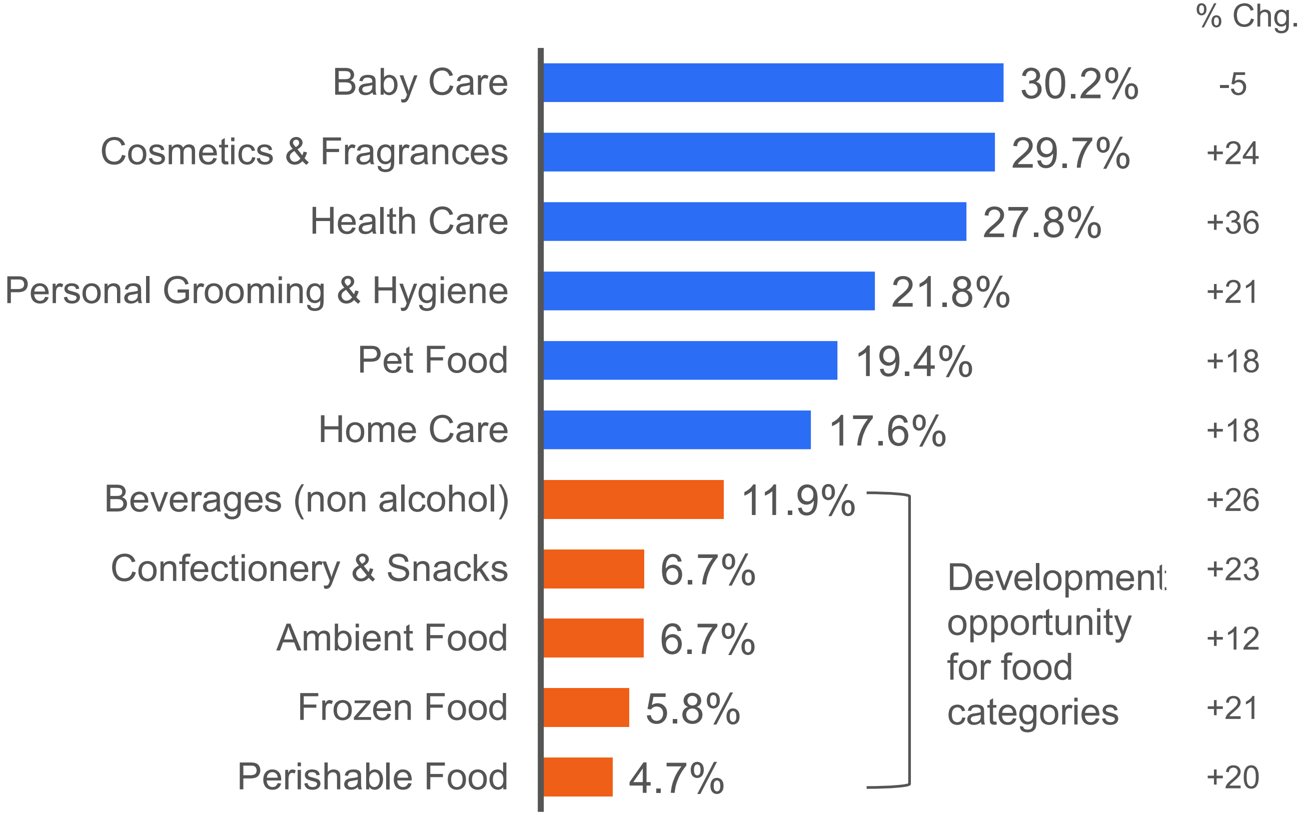
11.9% Gen X

7.8% Boomer+



Penetration 68.3% +1.6 pts

Online share stronger among non-food departments



Growth is no longer about presence, it's about relevance

Generations

Canada's generational mix is reshaping demand

Who is growing

- Immigration is reshaping younger cohorts,

What they spend on

- Older generations spend more annually on core FMCG

How demand will shift

- Future growth depends on anticipating life-stage transitions

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

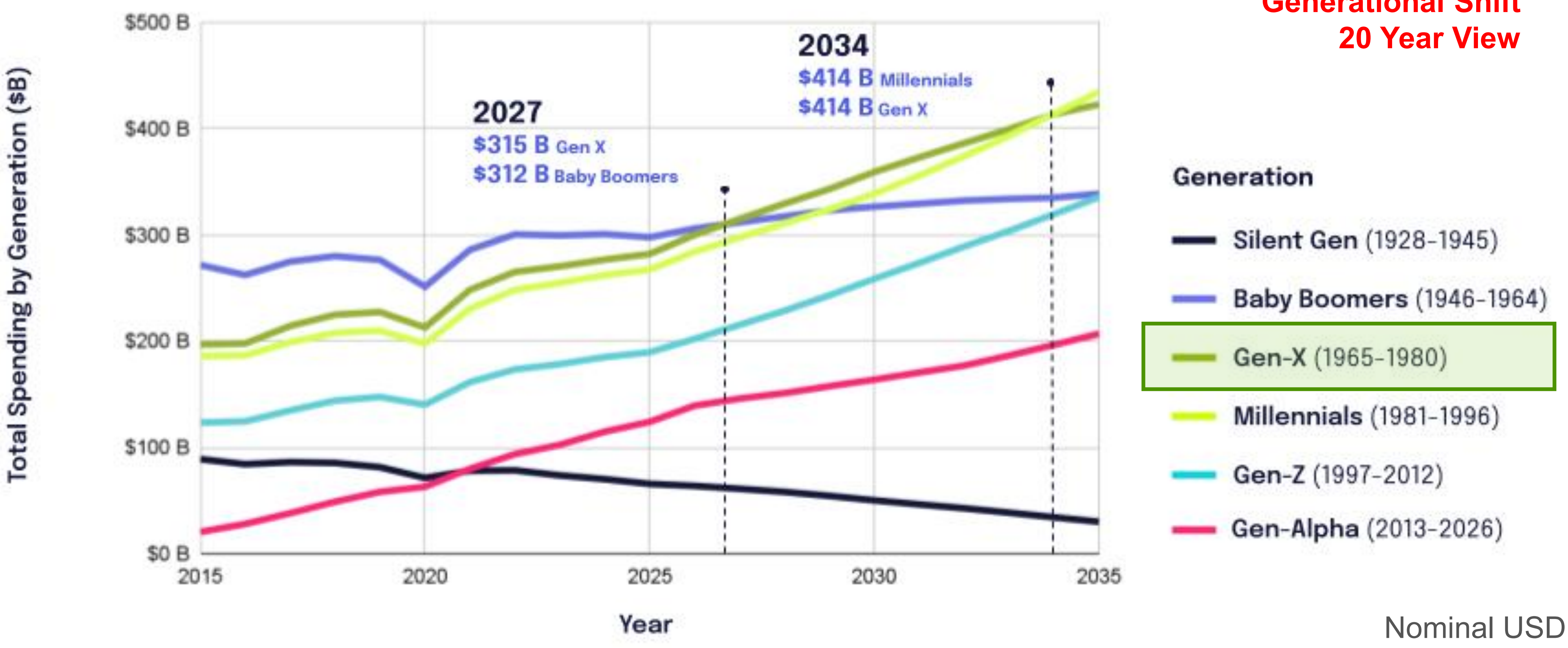
Source: Statistic Canada

Canada is on the cusp of becoming a Gen X economy

Canada's "Gen-X decade" only spans 7 years, and starts in 2027

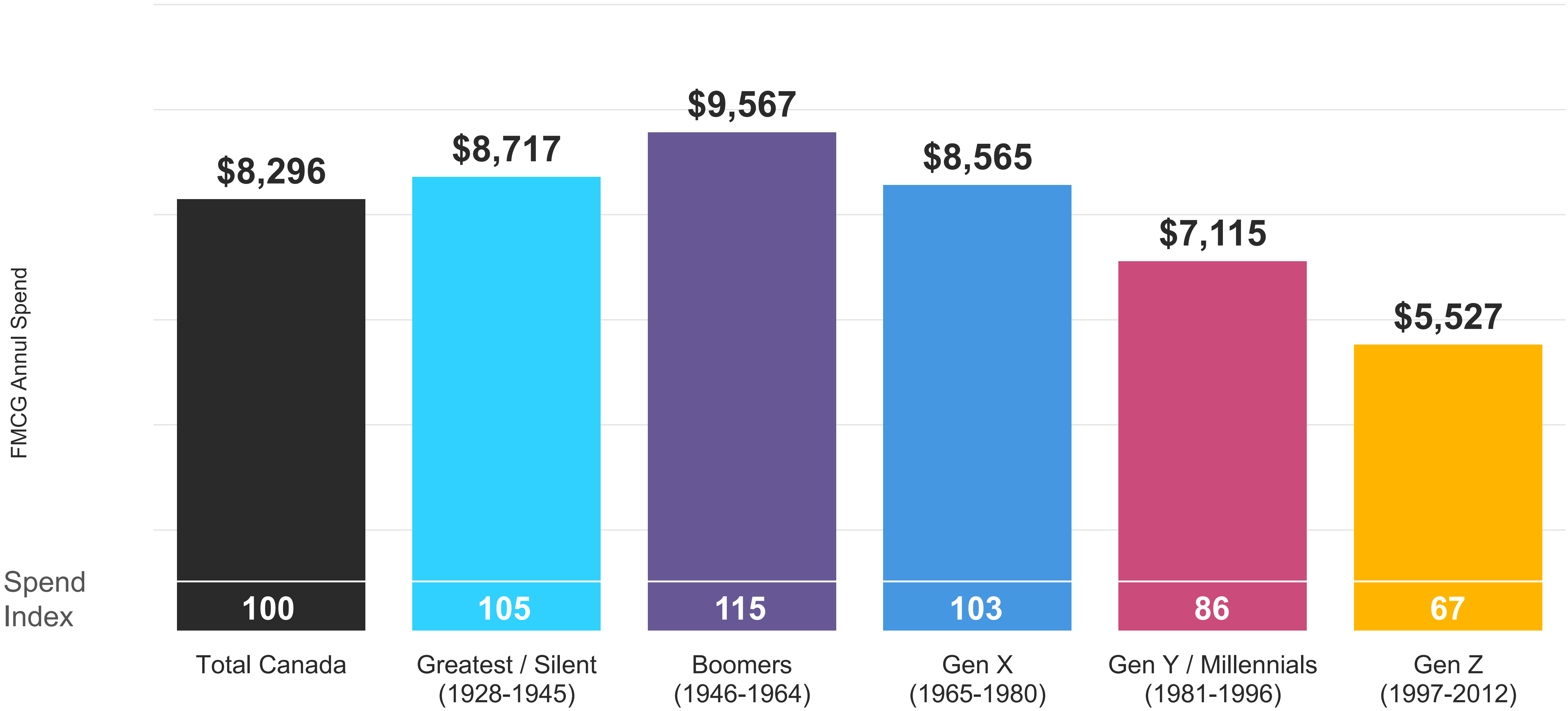
Canada total spending by generation, 2015-2035

Canada's Generational Shift 20 Year View



Nominal USD

Older households spend more annually on FMCG



Source: NielsenIQ, Homescan, Canada t Tracked Sales, 52 weeks ending March 28, 2026 – Based on representative age range within cohort

Generational FMCG Food Department Spending Shifts

Category	Gen Z Aging	Gen Y Aging	Gen X Aging	Boomers Aging
Dessert	Green	Red	Red	Red
Snack	Green	Green	Yellow	Red
Refrig/Dairy	Green	Yellow	Yellow	Red
Prepared Foods	Green	Green	Yellow	Red
Produce	Green	Yellow	Yellow	Yellow
Frozen	Green	Green	Yellow	Yellow
Condiments & Sauces	Green	Yellow	Yellow	Red
Baking Needs	Yellow	Yellow	Yellow	Yellow
Cold Beverages	Yellow	Green	Green	Red
Meat & Seafood	Yellow	Green	Green	Yellow
Bakery	Yellow	Yellow	Yellow	Green
Deli	Yellow	Green	Green	Green
Confectionery	Red	Green	Green	Red
Hot Beverages	Yellow	Yellow	Green	Green
Alcohol	Red	Red	Green	Green

Green = Age In

Yellow = Neutral

Red = Age Out

Source: NielsenIQ, Homescan, Total Canada Tracked Sales, 52 weeks ending March 28, 2026 – Based on Annual -- +/- 5% change in development index

Generational FMCG Non-Food Department Spending Shifts

Category	Gen Z Aging	Gen Y Aging	Gen X Aging	Boomers Aging
Baby Care				
Hair Care				
Body Care				
Cosmetics				
Household Products				
Oral Hygiene				
Paper Products				
Shaving				
OTC				
Pet Needs				

Green = Age In

Yellow = Neutral

Red = Age Out

Source: NielsenIQ, Homescan, Total Canada Tracked Sales, 52 weeks ending March 28, 2026 – Based on Annual -- +/- 5% change in development index

Brands 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

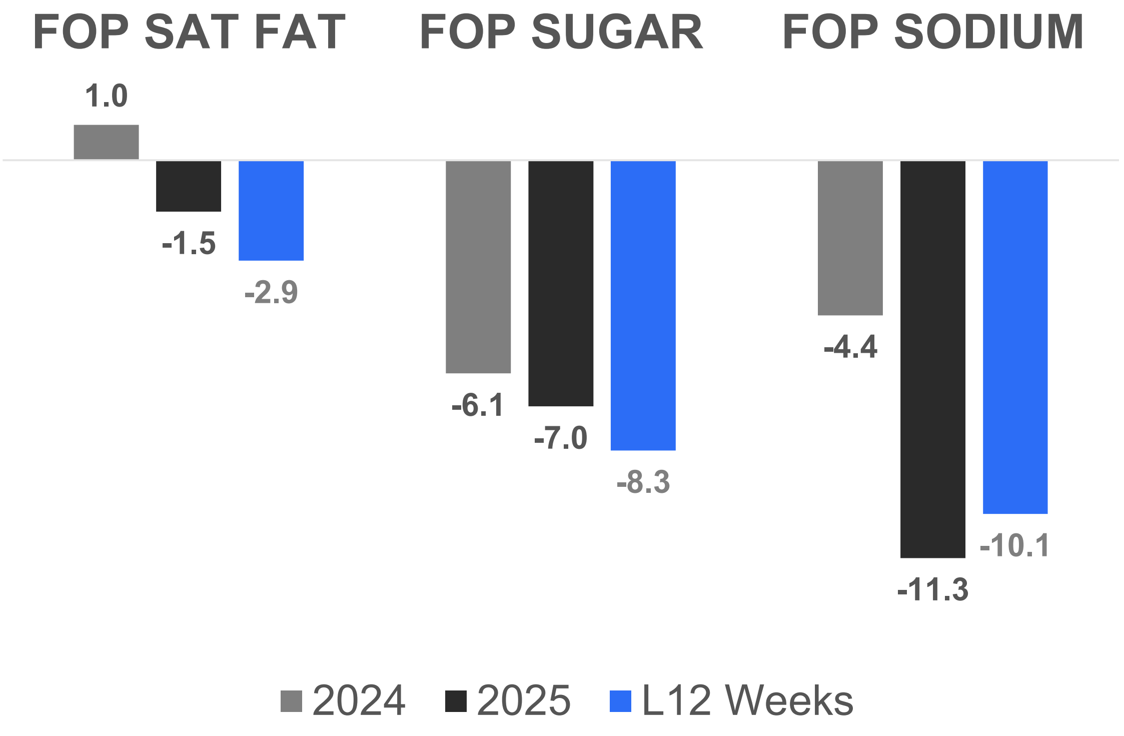
How does your assortment eet these needs?

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

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

Front of Pack Nutrition Symbol (FOP)

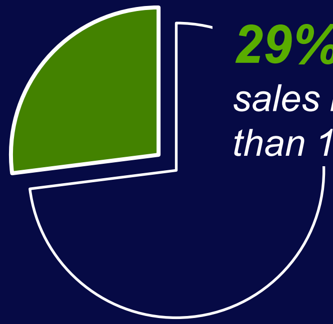
Food and Beverage Vol. % Chg.



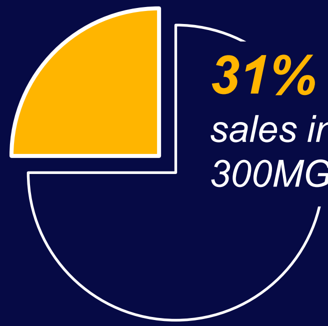
77%

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

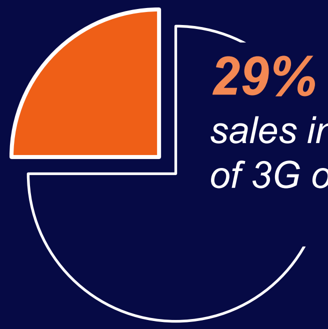
Total FMCG 2025 vs 2024 +0.7% Tonn % Chg.



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*

Growth is no longer about presence, it's about relevance

Diversity

Ethnic households are now a core growth engine in FMCG

Who is driving growth

- Over one-third of Canadian households are ethnic increasing demand growth

What they buy

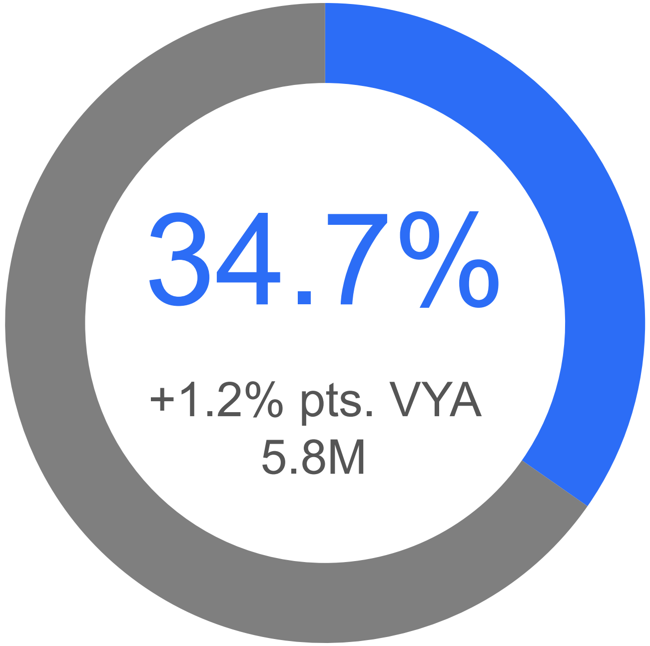
- Higher share of spend on core cooking essentials

How they allocate spend

- Lower relative spend in discretionary and non-essential categories

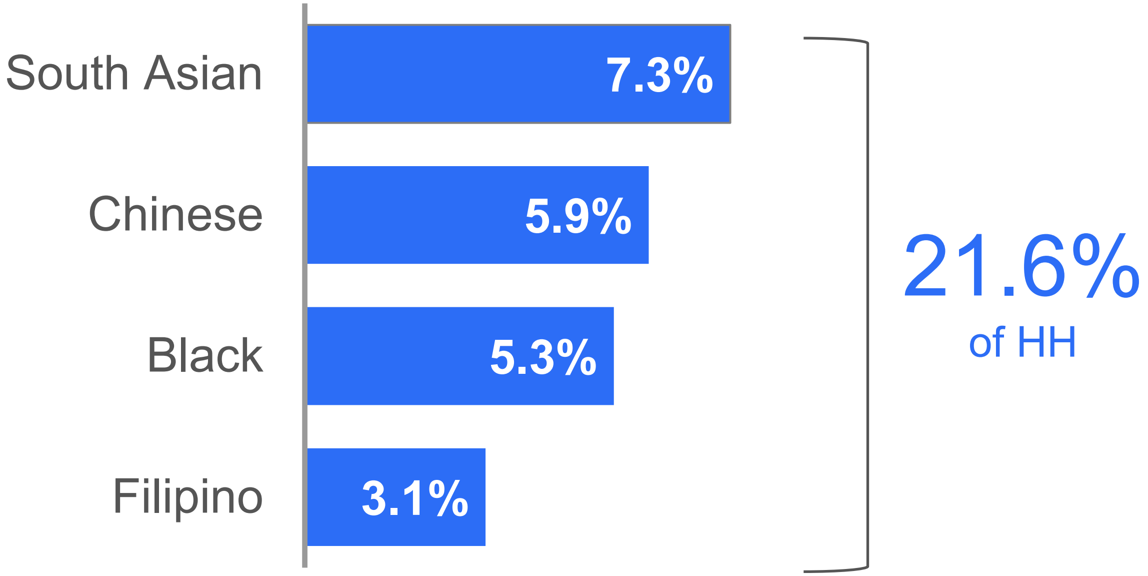
Ethnic consumers account for over a third of Canadian households

% of Ethnic Households



+5% in absolute gains

Top 4 % of Households Break Down

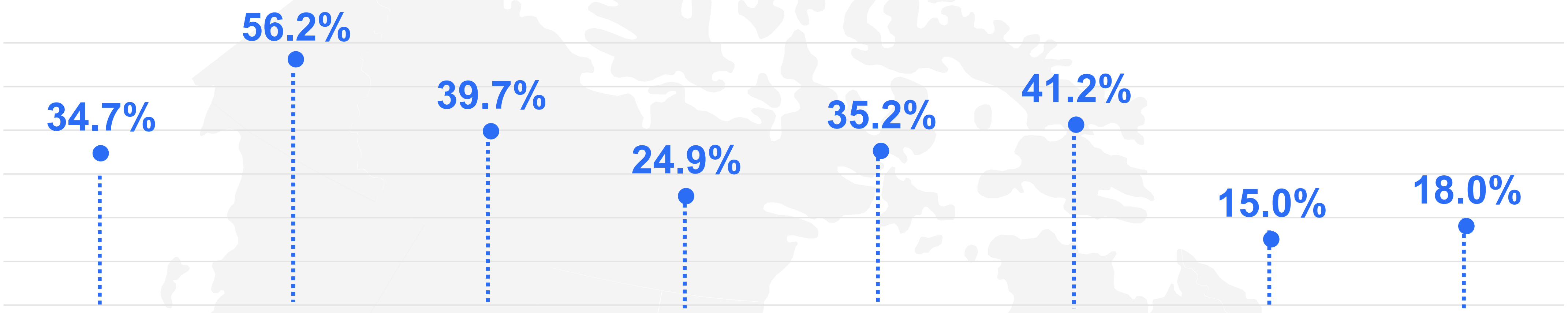


Other 13.1%

Source: NielsenIQ, Omnishiopper, Total Canada Tracked Sales, Latest 52 weeks ending March 28, 2026 – Ethnic Households

BC and Ontario have the largest portion of ethnic households

% Ethnic Households By Region

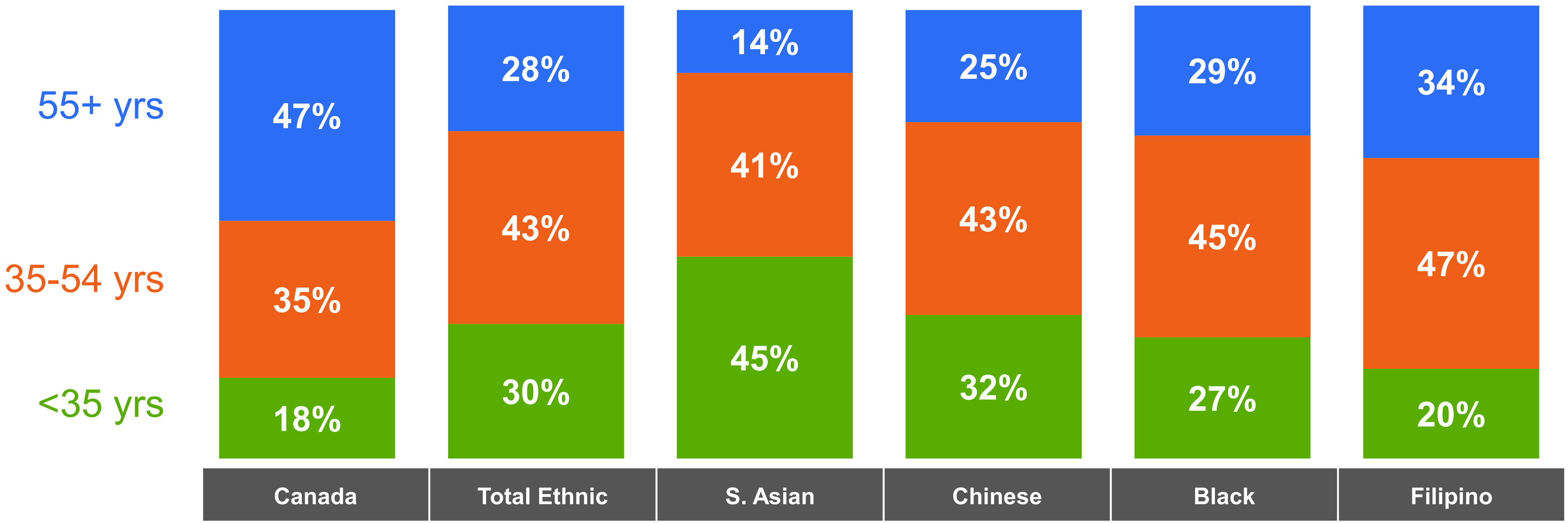


	National	BC	Alb	Sask	Man	Ont	Que	Mar
South Asian	7.3%	9.4%	7.7%	5.4%	6.7%	11.2%	1.0%	3.1%
Chinese	5.9%	19.1%	5.4%	2.0%	2.7%	6.0%	0.8%	0.6%
Black	5.3%	2.6%	5.0%	4.0%	5.5%	8.0%	3.7%	3.2%
Filipino	3.1%	5.3%	7.6%	3.7%	7.2%	2.5%	0.4%	1.6%

Source: NielsenIQ, Omnishiopper, Total Canada Tracked Sales, Latest 52 weeks ending March 28, 2026 – Dist'n of Ethnic Households

Ethnic households tend to be younger with children

% Household by Age



	Canada	Total Ethnic	S. Asian	Chinese	Black	Filipino
% With Kids <18	26%	33%	38%	27%	39%	38%

Source: NielsenIQ, Omnishiopper, Total Canada Tracked Sales, Latest 52 weeks ending March 28, 2026 – Dist'n of Ethnic Households

Ethnic households spend more on the core essentials of cooking

Ethnic Households

Top 10

Departments

Department	Household Spend	Share of Spend	% Chg.	Index
Total FMCG	$8,344.17	100.0%	+9	89
Perishable Food	$3,047.54	36.5%	+9	93
Ambient Food	$1,257.70	15.1%	+7	91
Personal Grooming & Hygiene	$755.06	9.0%	+10	102
Confectionery & Snacks	$652.82	7.8%	+9	78
Beverages (non-alcohol)	$640.36	7.7%	+11	79
Frozen Food	$565.32	6.8%	+9	92
Health Care	$496.64	6.0%	+15	92
Home Care	$336.77	4.0%	+6	89
Pet Food	$263.15	3.2%	+9	72
Cosmetics & Fragrances	$248.33	3.0%	+13	121

Source: NielsenIQ, Omnishiopper, Total Canada Tracked Sales, Latest 52 weeks ending March 28, 2026 – Ethnic Households

Growth is no longer about presence, it’s about relevance

Value First

When every dollar counts, growth flows to brands that **innovate value beyond price** through smarter formats, clearer benefits, and frictionless choice.

- Reformulate to protect margins and affordability
- Creating tiered propositions (good / better / best clarity)
- Simplifying claims, benefits, and navigation > especially online

Generations

Winning growth comes from **innovating alongside generational life-stage shifts**, using format and functionality to stay relevant as needs evolve.

- Smaller packs & functional upgrades for aging households
- Entry-price innovations for Gen Z & Millennial budget pressure
- Lifecycle-led pipeline planning, not static segmentation

Diversity

Relevance is driven by **innovating for cultural needs** by using assortment to turn diversity into sustained commercial advantage.

- Innovate in mainstream categories, not just niche or overdeveloped ones
- Design formats and packs for family use (larger households)
- Look beyond the border for global brands to appeal to culture preferences

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.**

Thank You!

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