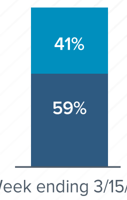
COVID-19
CPG INDUSTRY UPDATE

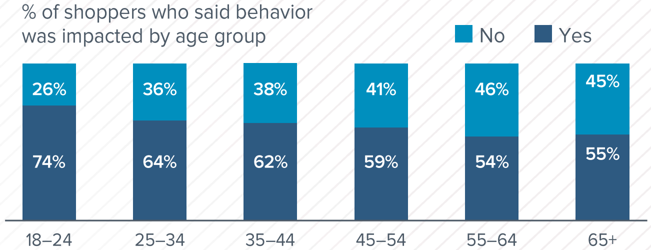
ADVANTAGE SOLUTIONS

59% of consumers say COVID-19 has impacted their shopping behavior, up from 33% in the prior week

% of shoppers who said behavior was impacted



% of shoppers who said behavior was impacted by age group



Source: Numerator survey 3/17/20–Shoppers with confirmed purchases of grocery, households, or health & beauty between 3/12 and 3/17.

Shopping behavior affected by COVID-19

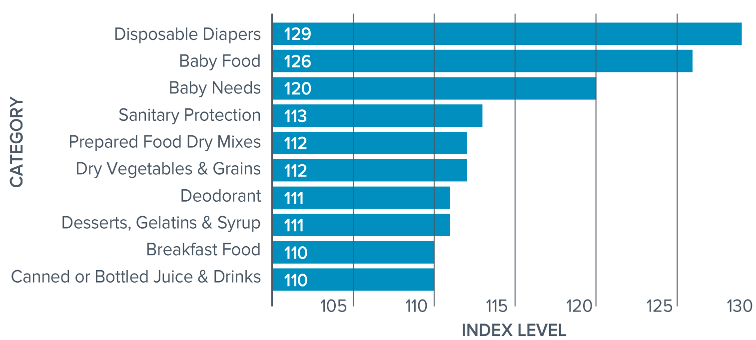
Highest growth categories since COVID-19 hit US

% chg vs YAG (healthcare, cleaning and stock-up categories, US multi-outlet)

HIGHEST ACCELERATING CATEGORIES	PRE PERIOD 8/8/19 – 1/19/20	POST PERIOD 1/20/20 – 3/8/20	DELTA
TOTAL STORE	1.8%	3.5%	1.7
Hand Sanitizers	3.2%	169.4%	166.2
HH Cleaner Cloths	4.5%	72.2%	67.7
Personal Thermometers	15.8%	57.6%	41.8
Powdered Milk	1.7%	38.5%	36.8
Gloves	-2.5%	20.3%	22.8
HH Cleaner	-0.3%	18.7%	19.0
Toothbrush Holders	-12.4%	4.1%	16.5
Bleach	-4.9%	11.2%	16.1
Moist Towelettes	6.8%	22.1%	15.3
Soap	1.7%	16.4%	14.7
Charcoal	10.8%	25.5%	14.7
Dry Beans/Vegetables	-0.8%	13.1%	13.9
First Aid Treatment	1.7%	14.4%	12.6
Rice	3.3%	14.5%	11.2
Toilet Tissue	3.8%	14.4%	10.5

Shoppers seek health-adjacent categories in addition to essentials

Top complementary categories to buyers of hand sanitizer



Sources: Information Resources Inc; The Nielsen Company; Nielsen Spectra; Numerator – 2020

28%

The number of shoppers replacing in-store trips with online shopping

What to expect in categories where shoppers pantry load

Demand for **health and cleaning products** will likely drop after the outbreak

Demand for **pantry staples** will normalize after the outbreak ends

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Shopping Behavior Index by Channel — YTD through March 15, 2020

	TOTAL	BEAUTY	BODEGA	CLUB	DOLLAR	DRUG	FOOD	GAS & C-STORE	HEALTH	LIQUOR	MASS	MILITARY	PET	SPECIALTY
% of HH's reporting	86%	76%	90%	92%	98%	93%	91%	76%	78%	86%	89%	90%	117%	79%
$ Sales vs Year Ago	114	78	119	120	144	115	135	81	118	112	125	121	105	114
Trips vs Year Ago	104	98	108	107	110	100	107	92	101	102	104	109	99	102
$/Trips vs Year Ago	111	98	118	103	118	109	120	96	96	111	115	114	106	123
HHs vs Year Ago	99	81	93	109	112	106	105	93	122	99	104	97	100	91
Buy Rates vs Year Ago	115	96	127	111	129	109	128	87	97	113	120	124	105	125

Index = 105 to 109 110–119 120–150

Source: Numerator–2020

- The volume of households shopping these channels, while still above year ago, is slowing as people fully integrate social distancing
- Shopping is becoming much more targeted, with more shopping focused on destination stores like club, food, mass and dollar stores

Observations by channel & key retailer

Supermarkets	Delivery and pick-up options gain traction as shoppers want to limit human interaction
Drug Stores	Channel trips are up significantly as shoppers search for products and pharmacists support non-COVID-19 patients redirected away from other healthcare facilities
Walmart	Supply chain disruptions for medical supplies should be minimal given that 2/3 of sourcing is from within the US. However, Just-In-Time inventory models could threaten supplies in categories that are sourced from China
Target	Special time is being dedicated to senior shoppers and those with health concerns. All Cafes, Pizza Huts, Snack Bars, Beverage Bars, Starbucks, seating areas and condiment stations in stores are closed indefinitely
Club	Increased out of stocks and store traffic has led to limits on the number of goods each shopper is allowed to purchase. May decrease hours of operation and control customer flow to minimize exposure to the virus
Convenience	Rural and rest stop locations will see a decline in sales, especially as non-essential travel is banned. Chains with delivery options may have an advantage as people look to minimize human interaction
Discounters	Core shoppers have a limited ability to stock up, as they are not in a position for large basket trips. These shoppers will refocus their tight budgets on long lasting food, healthcare and other essential categories Stores in rural areas and small towns may see an uptick in trips as this is often the only modern trade format to top-up on basic consumables Aldi and Lidl may be open to suppliers and brands, as they may be challenged to maintain adequate supply of their private label offerings in key categories
Apparel/Beauty/ Retailers/Malls	Closures and Shoppers causing very soft sales but those with a strong online presence – e.g. Sephora's are better placed to offset brick and mortar challenges

Source: Numerator–2020

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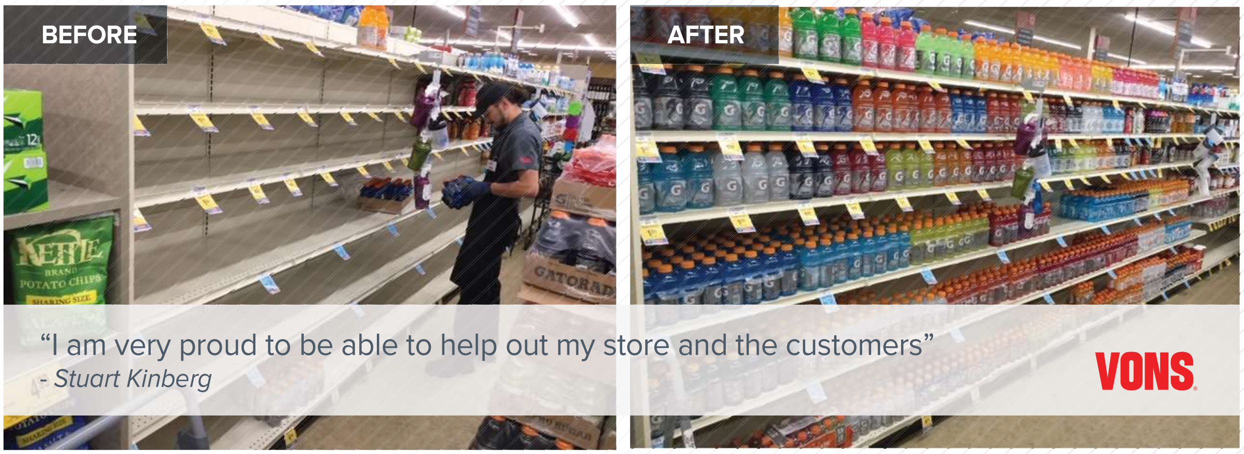
FROM THE FRONT LINES
Serving not only our clients and customers, but our communities

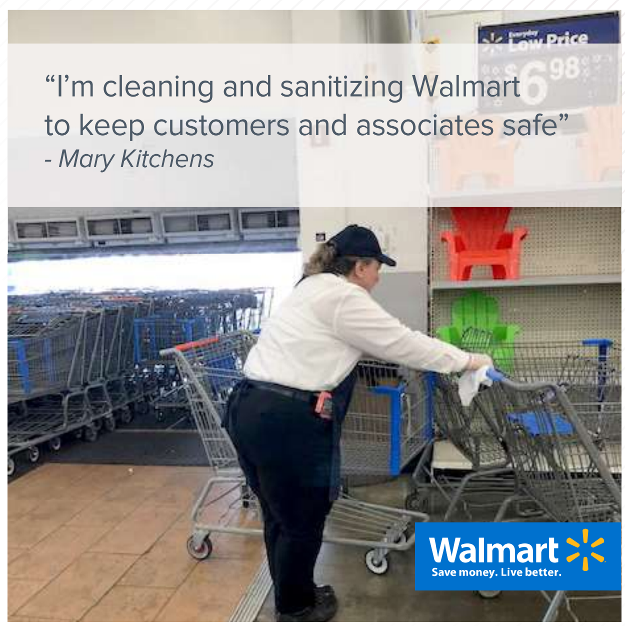
Making sure products are in stock for our community



"I am very proud to be able to help out my store and the customers"
- Stuart Kinberg

Keeping areas sanitized for everyone, ensuring both associates and customers are safe

Audrey Lafferty working her 5th day in a row sanitizing and keeping the customers safe at Walmart



"I'm cleaning and sanitizing Walmart to keep customers and associates safe"
- Mary Kitchens

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