

Brain Freeze How approaching dairy-free Ice Cream is proving difficult

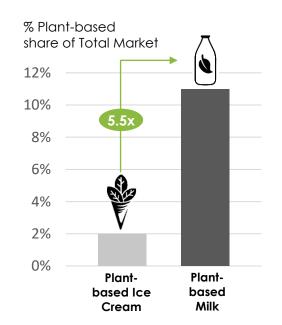
September 2023





...but non-dairy Ice Cream represents only ~2% of total category share, presenting a significant opportunity

VOLUME



VALUE

+20%

Average price difference between PB and normal Ice Cream options

Consumers are willing to pay higher prices for Plant-based Ice Cream, seeing it as "vegan premium"

6 Increasingly, consumers expect to be to be offered dairy and non-dairy options as a given 99

Fatma Tek
Ice Cream Innovation Lead
Unilever, 2023

But there is no consensus on how best to unlock this Non-Dairy Ice Cream opportunity, with most major players adopting 1 of 3 strategic approaches



Double down on dairy, as alternatives currently fail to deliver the required functional benefits

PROS

- Protect core business
- Focus
- "Last mover" advantage



Jose Alves UK Head, Haagen Dazs [2023]

CONS

- Market share
- Lack of realtime learnings
- Challenger vs. incumbent

"We still don't feel it's right to compromise [on taste / texture1"





Substitute dairy with plant-based alternatives, most commonly coconut, almond, cashew and / or oat milks

PROS

- Incremental volume / value
- "First mover" advantage
- "New news"

CONS

- Functional experience
- Raw material availability
- Public scrutiny

Simon CMO.

"We know it's Middleton possible to re-create the most sublime Booja Booja ice-cream delights"





Use technology to create lab-grown protein bases replicating dairy characteristics without animal harm

PROS

- Functional benefits
- Animal free
- Total market opportunity

CONS

- R&D costs
- Cannibalisation
- Regulation
- "Unnatural"



Jennifer Dyne Head of Ice Cream, Unilever [2023]

"The aim is to capture the creaminess that you aet from dairy"

- When is the 'right' time to enter?
- What are the main competitor threats?
- Who is delivering the best product exp.?
- How to manage cross-contamination risks?
- Who has the 'best-in-class' technology?
- Will this drive or cannibalise profit?

Kaiser's core capabilities can help accelerate sustainability and Plantbased Ice Cream initiatives across multiple business functions

Opportunity Sizing

Sourcing

Production

other companies at

contamination risks?

How successful are

managing cross-

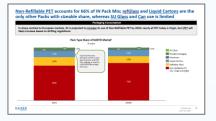
Product & Packagine

- What is the volume and value of the opportunity for PB Ice Creams?
- What pricing maximizes customers' willingness to buy PB Ice Creams?
- How are companies managing Plantbased ingredient sourcing?
- Who are the key suppliers to build relationships with?

- Who is "best-in-class" in PB production practices and technologies?
- How successful are other companies at expanding their portfolio with PB Ice Creams?

- How will pack type mix change based on future regulations?
- What are the key pack innovations?

Market Sizing and Growth



Supplier Criteria



Competitive Benchmarking



Supply Network Design



Voice of Consumer



Sourcing Practices



Best-in-Class Case Studies

Case Study: Eagle Mountain, UT				
Sine Details	r 2000 Facility	Case Ready Meat		-
	Ready reports by KKS while reducing	lant to keep agreetly presengent all dominal traditional labor needs by XXX access the		
- The solid sample	a intervention from the first stage of th	eta cortaines, and novements or basel		
Presenting Newly-design carting of cartishin stools	ord bendertunities, weighing, and slittly mirrorb, still, significant manual labor is	equipment improves automatic pand inon- mepained for satting	-	Santa Marie
- Standed equipment to	tracease purhaging efficiency, reduce t	ing across plants, (Company A) in a phobally material packaging mad hims, high-speed may religious to before upon d'economic	2 3=	
· Palesting Saturated	elisticing were obvious title recolonic	and labor and improve quainstiffs after	Person Villa	
		will and labor utilization scores the client		

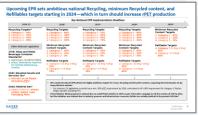
Vendor / Partner Landscape

(Client) Key Business Questions	Client Logo	Competitor Logo
CI Prioritization and STIS	HQ level Manager of Change and multi-site (1 analysis) Site specific plant Availation over-sering (2 projects Shift in Ciphilosophy from plant Availation in terromomy elider programs in increase and product Arity Lincoling to bulinous SCP inside New Availation.	A small dedicated trace of 6-7 C meglospes tracel between the X manufacting alons and the technical center (all within 30 mill m WI — C must remittee specialise by protect type; sub-cet A, sub-cet B, sub-cet B and cet B
Safety & Quality Consentment / Resourcing	 Markiple dedicated HS levels aforty and quality roles Site, specific filters from fine more seeing quality and winter Site is specific filters from the contamination, and persopher what this may result in more discertified product as competition (j. Losse on overall product quality in, principle specific product). 	Alt highest output pilest in [Location A], (), is it shifts of it people, with team leach. At each of the other two lover output plants, (), it sears are smaller in the last half below similar shallow.
SMR Structures	Typically, 1 shift followed by a sanitation at harvest sites Zshifts followed by a sanitation at prediation vites	ABF plants run three 8 hour production shifts Monday Friday Able to oper atx extended runs (1.86 condinuous hours) before sanita for
	 Ourages to provide observable of sendineer by minimal storage at facilities (e.g., for [agesdient A] packaging materials, etc.] high facilities with production of redules, no leng herizon production locks. 	Preduction looks are set no later than Wednesday for the coming week and are followed with rigid by

Long-Term Strategy



Regulatory Assessment







Our clients need to move fast. But they never have to fly blind.

Thank you for reading

If you would like to know more, please:

- 1 Visit our website https://kaiserassociates.com/
- 2 Get in touch with our Consumer & Retail team:

KAISER

Simone Luciani
Vice President, EMEA Consumer & Retail

sluciani@kaiserassociates.com

https://www.linkedin.com/in/simone-luciani-bb25122/

33 Cavendish Square, 13th Floor London, W1G 0DB www.kaiserassociates.com KAISER

Christopher Goddard Vice President, EMEA Consumer & Retail

cgoddard@kaiserassociates.com

https://www.linkedin.com/in/christopher-goddard-28a22339/

33 Cavendish Square, 13th Floor London, W1G 0DB www.kaiserassociates.com KAISER

Anna Nussbaum Vice President, NA Consumer & Retail

anuschaum@kaisarassaciatas com

https://www.linkedin.com/in/anna-nussbaum/

1615 L Street, NW 13th Floor Washington, DC 20036 www.kaiserassociates.com