



Taste elevated: Premium tomato category growth

The canned and ambient tomato category is experiencing robust growth, now valued at an impressive £251m¹ with a remarkable year-on-year increase of 16.2%². This growth is predominantly fuelled by two primary factors: price inflation and consumers trading up to premium offerings such as Mutti, enticed by their superior quality.

Interestingly, there has been a notable shift in market dynamics, with a slight but significant uptick in volume growth, at +0.1%³. Notably, Mutti stands out as a significant driver of this growth, boasting a 38% increase⁴.

Facing economic uncertainty, consumers are increasingly mindful of their spending in the category. This financial prudence is reflected in various shopping behaviours, including reducing overall basket spend, cutting back on takeaway purchases and seeking out the best value and promotions.

Simultaneously, the decline in out-of-home dining occasions has prompted consumers to seek premium products and flavours for their homemade meals. This trend is indicative of a broader demand among

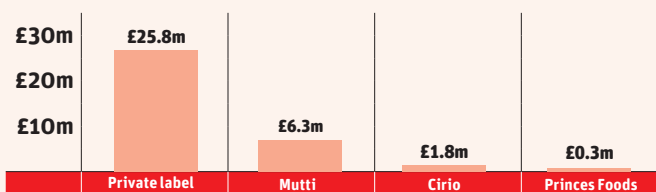
shoppers for great-tasting tomatoes that can elevate their everyday cooking to restaurant-quality standards.

As the market continues to witness the contrasting trends of consumers trading down to private-label while others trade up, opting for premium products like Mutti, mid-tier brands find themselves caught in the crossfire, with declining volumes and reduced market share. Shoppers utilise private-label offerings as a baseline measure against which they evaluate the potential benefits of trading up to branded products. In particular, consumers are drawn to brands that offer superior quality, responsible and sustainable practices, and a diverse array of inspiring choices. These factors weigh heavily on consumer choice; it's not just about cost.

The trifecta of value, quality and budget-consciousness continues to exert considerable influence over the market. In this environment, Mutti stands out as a brand well-positioned to meet evolving consumer demands and drive long-term, sustainable category growth.

Sources: ¹⁻⁴Nielsen IQ, Total Coverage, MAT to 30.03.24

Category value growth contribution (£m)



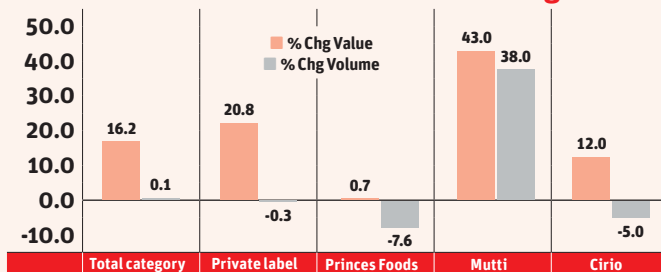
Source: Nielsen IQ Total Coverage MAT to 30.03.24

Ambient tomatoes category value growth (£) and Mutti growth YOY, and % change by key sector

SECTOR	TOTAL MARKET	TOTAL MARKET GROWTH	TOTAL MUTTI	MUTTI GROWTH
Total	£251.4M	+16.2%	£20.8m	+43.0%
Chopped	£132.4m	+13.6%	£12.3m	+47.9%
Passata	£41.5m	+17.8%	£3.0m	+32.0%
Puree	£42.1m	+22.9%	£2.5m	+26.0%
Whole	£32.0m	+13.4%	£2.0m	+73.0%
Speciality	£1.2m	+15.0%	£1.0m	+23.0%

Source: Nielsen IQ Total Coverage MAT to 30.03.24

Private-label & brand YOY % change



Source: Nielsen IQ Total Coverage MAT to 30.03.24

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Unlock the potential of the tomato category with a premium twist

Unleashing premium tomato excitement

As shoppers seek quality and premiumness, brands must offer a point of difference that engages and entices shoppers. Trading them up through the tiers is essential to continually add value to the category. Brands that truly stand out from private-label options bring incremental value, avoiding duplication to simplify the shopping experience.

Consumers are willing to invest in quality, as evidenced by Mutti's performance, outpacing the category with a 43% rise in value and 38% in volume⁵. This growth trend extends across all sectors, with Mutti contributing £6.3m to the category in the last MAT⁶, the largest branded contributor to growth.

Shopper insights from one



Mutti's diverse range offers pizza sauces and speciality options

leading supermarket further highlight Mutti's wide appeal across a range of its different shopper profiles and purchase drivers; it massively over-indexes with foodies and on-trend chefs as well as being a go-to for home cooks and those seeking value for money and easy meals.

Brand investment



is paramount for sustained growth and to drive trade-ups. Mutti is leading the charge in added-value promotional activity by investing in ATL and shopper marketing campaigns, as well as introducing value-added and popular product offerings like pizza sauces.

Education and inspiration help to infuse the category with excitement and sustainable

growth. From the quick-cook convenience of delicious passata and pizza sauces to the intense flavour of puree and the freshness of polpa, each offers unique benefits. Mutti's diverse range, with specialities like San Marzano and Baby Roma, ensures shoppers can choose the right product for every dish every time.

By making tomatoes the hero at mealtimes and encouraging exploration beyond chopped tomatoes, brands like Mutti with its customer partners can truly elevate the category experience.



With a dedicated focus on tomatoes, Mutti exemplifies elevated values, evident in its prestigious Pomodorino d'Oro award, bestowed upon farmers for their commitment to high-quality produce and sustainable practices. This is testament to its unparalleled quality, boasting the most vibrant coloured and flavourful tomatoes without any additives. This commitment to tomato excellence extends from farm to table, ensuring that Mutti delivers nothing but the finest tomatoes to its consumers.

Mutti shopper index



Source: Retailer X data 14.01.24 to 13.04.24

Source: ⁵⁻⁶Nielsen IQ, Total Coverage, MAT to 30.03.24



Tactics to increase category penetration and purchase frequency

Unlocking growth potential

While 81.7% of households currently purchase from the ambient tomatoes category⁷, there has been a slight decline of 1% in recent times⁸. Shoppers are also buying these products less frequently, with a decline of 0.9%⁹. Mutti believes there are three key drivers for growth in the category – each essential for increasing household penetration and purchase frequency amid changing consumer habits:

- 1. Increase penetration**
More shoppers need to be driven to purchase the category. To achieve this, various tactics can be employed, including promotional activities out of the aisle, such as themed food events like Italian Food Month or Make Your Own Pizza.
- 2. Boost purchase frequency**
To inspire shoppers to buy ambient tomato products more often, it's important to ensure a well-stocked core range from key sectors like chopped, passata, peeled and puree, which cater to diverse meal occasions. Cross-sector promotions and improving

merchandising, including clear signage and premium product placement, will encourage frequent purchases.

- 3. Encourage cross-shopping**
Educating shoppers on the benefits of cross-shopping across different sectors within the category is crucial. In-store point-of-sale materials, such as recipes showcasing the versatility of products from

different sectors, will facilitate this. Additionally, advertising and editorials, both in-store and online, will reinforce the message and drive engagement.

Five tactics for growth

- 1.** Offer the right range – good, better, best – giving shoppers the choice of breadth of range to maximise sales. Allocate the right space to brands that drive

trade up and add value to the category.

- 2.** Create activation at the fixture to attract shoppers down the aisle. Inspire shoppers to broaden their repertoire.
- 3.** Get tomatoes located outside the main fixture by tapping into key themed food events and occasions that create additional siting opportunities and sales – for example Taste of Italy Week or Summertime Food.
- 4.** Organise events to keep shoppers engaged and inspired – for example Mutti's Golden Tomato activities or National Pizza Week.
- 5.** Use online platforms to inspire and educate shoppers with recipes, bundle deals and clear merchandising.

By implementing these strategies, in partnership with Mutti, retailers can unlock the category's growth potential, driving increased penetration, purchase frequency and cross-shopping behaviour among shoppers. Read on to discover more about the exciting plans that Mutti has coming up.



Promotions such as Taste of Italy Week (left) and consumer competitions (right) keep shoppers engaged with the category



Source: ^{7,8} Nielsen IQ, Total Coverage, MAT to 30.03.24; ⁹ Kantar Worldpanel, 17.03.24

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Inspiration and investment to drive the category

Make it Mutti to drive maximum category value

Partnering with the premium brand Mutti is key to unlocking maximum growth potential in the tomato category. Here are five compelling reasons why Mutti can elevate your category:

Performance

Mutti has swiftly climbed the ranks to become the No.2 brand in the category¹⁰, with a £21m RSV. Not only is Mutti growing rapidly in both value and volume, but the company has also contributed the most significant value addition to the category, with a whopping £6.3m¹¹.

Comprehensive range

Mutti boasts a diverse range of products tailored to meet every meal occasion. From chopped and peeled tomatoes to puree, passata, pizza sauces and speciality items, Mutti has you covered across all sectors of premium ambient tomatoes.

Signpost brand status

Making Mutti the signpost brand will guide shoppers to the fixture and encourage trade-ups, thereby adding category value. Our products stand out for their quality and versatility, whether it's the best polpa, perfectly peeled tomatoes,



the smoothest passata, whole cherry tomatoes, pizza sauces or specialities.

Continued investment

Mutti remains committed to investing in the category to drive growth and excitement. With a £5m media investment in above-the-line and social channels planned this year, coupled with strategic shopper marketing initiatives and stand-out consumer events, Mutti will guide and inspire shoppers along the path to purchase.

Exciting campaigns ahead

Look out for our upcoming campaign, 'Make it Mutti', designed to inspire consumers to create delicious meals



at home. This will focus on education, trial and engaging with a younger demographic through social and digital channels. Plus, the anticipated return of the Golden Tomato Shopper campaign promises even more excitement and rewards for consumers.

Don't miss this golden opportunity to increase sales and add value to your category. Join Mutti in driving growth, inspiring shoppers and making tomatoes the hero in every meal. Together, let's Make it Mutti.

For further information please visit mutti.co.uk or email mutti@rhamar.com

Source: ¹⁰⁻¹¹ Nielsen IQ, Total Coverage, MAT to 30.03.24

