

A Year of Data-Driven Innovation at Ardent Mills



Ardent Mills' Innovation Strategy Is Centered on You Winning With Your Customers

Ardent Mills has a finger on the pulse of how (and why) consumers make purchase decisions — and how those decisions can, in turn, help benefit our customers. Here's a glimpse at how evolving consumer behaviors drove Ardent Mills' innovation strategy for 2023 and how they will continue to drive innovation at Ardent Mills in the new year (and beyond).

Consumers are increasingly driven by intentions around health and nutrition.

Today's consumers choose ingredients with purpose and adjust their choices based on personal wellness goals. They're also willing to spend more on products when they see them as an investment in their health.

64%

of consumers reported making a purposeful change to their eating/dietary habits during the first 3 quarters of 2023¹

<1 in 10

consumers claimed to have adopted a formal or structured diet program²

On average, consumers report actively participating in about **7 different eating/dietary behaviors** at a given time.³

36%

of consumers actively participate in **High Protein** eating in their daily diets

+21%

projected participation growth in 2024⁴

18%

of consumers actively participate in **Plant Protein** eating in their daily diets

+41%

projected participation growth in 2024⁵

15%

of consumers actively participate in **Plant-Forward/Plant-Based** eating in their daily diets

+56%

projected participation growth in 2024⁶

80%

of consumers reported that "seeking ingredients/foods [they] think are good for [them]" is important to their dietary/eating goals and priorities⁷

>73%

of consumers reported that "avoiding ingredients/foods [they] think are bad for [them]" is important to their dietary/eating goals and priorities⁸

66%

of consumers agreed that they are "willing to pay more for foods that have a positive impact on [their] health"⁹

Ardent Mills took action to stay ahead of the trends.

Consumer preference for ingredients that meet specific nutrition preferences drove investments in more quality protein and plant-based ingredients like Ancient Grains Plus™ Baking Flour Blend.



Ancient Grains Plus

Ancient Grains Plus™ Baking Flour Blend mixes consumer-favorite Ancient Grains, including quinoa, buckwheat and chickpea flours, into a blend that brings more quality protein than traditional wheat flours.

These investments are paying off, with select mixes and products containing Ancient Grains and other nutrition-based promises outperforming products that do not contain them.

+0.4%

sales in units of Baking Mixes with Ancient Grains (Qualified)¹¹

-0.9%

sales in units of Baking Mixes **not** containing Ancient Grains (Qualified)¹²

+2.9%

sales in units of Prepackaged Cookies with Ancient Grains (Qualified)¹⁵

-2.4%

sales in units of Prepackaged Cookies **not** containing Ancient Grains (Qualified)¹⁶

+1.6%

sales in units of Baking Mixes with Protein Presence Stated¹⁷

-1.1%

sales in units of Baking Mixes **without** Protein Presence Stated¹⁸

7.6%

CAGR of new product launches of Baking Mixes & Ingredients with both Ancient Grains as an ingredient and a High/Source of Protein positioning or claim¹⁹

Ardent Mills offers high-quality ingredients that taste great and offer the nutrition of Ancient Grains and Alternative Flours.

Tasting great is a nearly universal trait consumers crave for the foods they purchase. Today, this requirement is prominently paired with the role (real and/or perceived) food proposes to play in their health and wellness. And, of course, affordability remains a key consumer priority as we enter 2024.

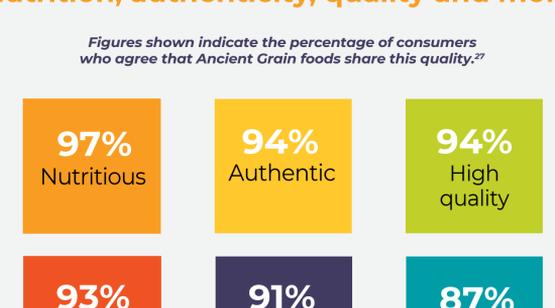
Taste	92%	of consumers report that "great tasting foods" are important to their dietary/eating goals and priorities ²⁰
Nutrition	71%	of consumers claim that "foods that allow [them] to maintain some sense of commitment to health/wellness" are a high/medium priority for 2024 ²¹
	72%	of consumers claim that "foods that offer a benefit that meet [their] dietary goals" are a high/medium priority for 2024 ²²
	80%	of consumers report that "seeking ingredients/foods [they] think are good for [them]" is important to their dietary/eating goals and priorities ²³
Affordability	85%	of consumers claim that "foods that offer affordable nutrition" are a high/medium priority for 2024 ²⁴
	60%	of consumers identify price/cost as the #1 factor that will impact their ability to achieve and/or maintain eating/dietary goals in 2024 ²⁵
	52%	of consumers agree that "grain-based foods (e.g., bread, pasta, pizza crusts, cookies) are an affordable way to eat nutritiously" ²⁶

Taste, nutrition and affordability will reign supreme in the coming year and are key inputs leveraged by Ardent Mills Innovation Centers (AMIC) as we innovate the products of both today and tomorrow.

As a complement to our best-in-class portfolio of traditional flours, Ardent Mills' grains (Ancient and otherwise) rate very highly among consumers for perceived health benefits, nutrition and eating experience.



Ancient Grains



Alternative Grains



Consumers associate Ancient Grains with nutrition, authenticity, quality and more.

Figures shown indicate the percentage of consumers who agree that Ancient Grain foods share this quality.²⁷

97%

Nutritious

94%

Authentic

94%

High quality

93%

Better-for-You

91%

Taste good

87%

Purchase tiebreaker

Figures shown indicate the percentage of consumers who agree that any Grains included as an ingredient imparts this quality on a product.²⁸

72%

Positively affects taste²⁹

61%

Positively affects nutritional profile³⁰

62%

Positively affects eating texture³¹

48%

of consumers agree that they "make an effort to know about different grains so [they] can incorporate them into [their] diet"³²

46%

of consumers agree they "plan to eat more grains in the next year"³³

Among Ancient Grains and Alternative Flour options, consumers are especially drawn to products containing Quinoa and Chickpea as ingredients.

Quinoa

Figures shown indicate the percentage of consumers who agree that Quinoa included as an ingredient imparts this quality on a product.

55%

Positively affects taste³⁴

67%

Positively affects nutritional profile³⁵

53%

Positively affects eating texture³⁶

Chickpea

63% of consumers agree that "Beans/Peas/Lentils/Chickpeas should play a bigger role in the daily diet of Americans"³⁷

Manufacturers, retailers, distributors and foodservice providers are also taking note of the rising popularity of Ancient Grains.³⁸

Figures shown indicate the percentage segments that indicate increased interest in specialty grains, alternative grains, flours and pulses.

86%

Manufacturers

85%

Retailers

76%

Distributors

69%

Foodservice operators

+10%

Year-over-year increase from 2021 to 2023

+13%

Year-over-year increase from 2021 to 2023

+14%

Year-over-year increase from 2021 to 2023

+11%

Year-over-year increase from 2021 to 2023

Beyond taste, nutrition and the eating experience, consumers have also grown in preference for foods grounded in tradition, authenticity and personal identity.

59%

of consumers agree that "[their] cultural background/upbringing influences the way [they] eat"³⁹

51%

of consumers agree that "food is part of [their] identity"⁴⁰

69%

of consumers agree that "baking from scratch is a way to show someone you care about them"⁴¹

15%

of consumers actively participate in Authentic Food eating in their daily diets, and participation growth of +58% is projected in 2024⁴²

In fact, authenticity and personal connection are among the primary draws of Ancient Grains as ingredients.

94%

of consumers agree that "foods with ancient grains are authentic"⁴³

89%

of consumers agree that "foods with ancient grains have a compelling story"⁴⁴

Ardent Mills Puts You at the Center of Innovation.

As you've seen, we have our eye on consumer trends to help keep you informed of what your customers are expecting. One thing is certain: Consumers don't want to compromise on taste, quality or nutrition. The good news? With the depth and breadth of the Ardent Mills product portfolio, they won't have to. Couple that with our Ardent Mills Innovation Centers (AMIC), built to help you navigate marketplace opportunities, stay ahead of trends with innovative food solutions and drive innovation and growth, and you've got a winning combination for 2024 — and beyond.

Get in touch with an Ardent Mills Rep today! Call (888) 680-0013

1-2 Through Q3 2023; Ardent Mills Proprietary Research, 2023. 3 Through Q3 2023, considers 50 different specific eating behaviors; Ardent Mills Proprietary Research, 2023. 4-12, Ardent Mills Proprietary Research, 2023. 13-18 Nielsen, Total FMCC, Last 52 weeks through Nov. 11, 2023. 19 Innova Market Insights, 2023. 20-26 Ardent Mills Proprietary Research, 2023. 27, 28 Ardent Mills Proprietary Research, 2023. 29-33 https://www.ardentmills.com/media/48362/ardent-mills-fgmi-2023-report.pdf. 34-36 Among those familiar with Quinoa; Ardent Mills Proprietary Research, 2023. 37 Ardent Mills Proprietary Research, 2023. 38 Ardent Mills Proprietary Research 39-42 Ardent Mills Proprietary Research, 2023. 43, 44 Ardent Mills Proprietary Research, 2022.