



**We have
great taste**

*Superior flavor
makes a superior
experience*

COLD COFFEE TRENDS

Away-from-home Beverage Consumption

Cold beverages continue to be the driver of total beverage growth

Expected
 Away-From-Home
 Consumption Is
 Highest For Gen Z¹

Away-from-home Beverage Consumption

Cold beverages continue to be the driver of total beverage growth

Thirst for Tasty Craveable Experiences

In 2023, beverages within all of the foodservice channel represent **\$232 billion** in retail sales equivalent dollars.² According to 65% of consumers, the number one driver of foodservice visits is tasty and craveable experiences. This is followed by seeking a more enjoyable (63%) and convenient (51%) experience compared to in-home consumption. To attract consumers, away-from-home beverages must be differentiated and difficult to replicate at home.



Year Over Year Change in Sales & Volume Growth²

2023 Total beverage sales growth outpaced total industry sales growth for the second consecutive year.

+7.6%

Total Industry Sales Growth

+7.8%

Total Beverage Sales Growth

Cold beverages continued to grow faster than hot beverages, reflecting an on-going shift in consumer tastes and behavior.

+6.8%

Hot Beverage Sales Growth

+8.3%

Cold Beverage Sales Growth

Beverage growth is expected to moderate going forward as the industry returns to a more normal growth cadence.

+0.5%

Hot Beverage Volume Growth

+2.6%

Cold Beverage Volume Growth

Taste is Paramount

The Consumer Perspective

Value will continue to be top-of-mind for consumers in 2024 but...Low price is second to **GREAT TASTE** as the top factor in whether consumers think an item is a good deal.¹

| | TOTAL | GEN Z | MILLENNIALS | GEN X | BOOMERS |
|----------------|-------|-------|-------------|-------|---------|
| Great taste | 75% | 77% | 68% | 77% | 81% |
| Low price | 62% | 64% | 66% | 61% | 58% |
| Healthy | 46% | 40% | 41% | 46% | 56% |
| Crowd Pleaser | 36% | 28% | 39% | 40% | 33% |
| Brand | 21% | 26% | 21% | 23% | 18% |
| Convenience | 21% | 23% | 25% | 17% | 20% |
| Familiarity | 21% | 24% | 19% | 19% | 24% |
| Sustainability | 12% | 13% | 15% | 10% | 8% |
| New/Unique | 5% | 5% | 7% | 6% | 2% |

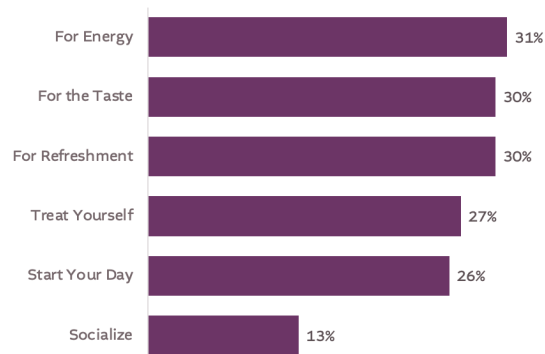
What are the TOP THREE factors you consider when deciding if an ITEM is a good value? (n=1000). Fielded October 2023.



“The clear cups, bright colors, and various toppings in iced drinks makes them highly attractive for social media posts.”

Dorothy Calba, a senior research analyst at Euromonitor International

Why do consumers drink cold brew coffee?³



Cold Coffee CONSUMER Flavor Appeal

Consumers continue to be interested in a wide variety of flavor offerings, with the appeal of **UNIQUE** flavors continuing to grow.

Q: Please rate the appeal of each of the following flavors for COLD COFFEE.³

| | 4 YR Change | | 3 YR Change | | |
|-----|----------------|-----|-------------|-----------------|-----|
| 43% | French Vanilla | - | 25% | Pumpkin | +1% |
| 40% | Caramel | -1% | 25% | Almond | - |
| 36% | Chocolate | -4% | 25% | Toffee | -1% |
| 31% | Hazelnut | -3% | 20% | Gingerbread | +1% |
| 27% | Irish Cream | -1% | 18% | Fruit Flavor | - |
| 27% | Cinnamon | +1% | 17% | Lavender/Floral | +1% |



Seasonal flavors could drive consumers to drink cold coffee away from home more often, as over one in five choose seasonal flavors while drinking cold coffee.³

Cold Brew Coffee

Deep Dive

Cold Brew Coffee vs. Iced Coffee²

Iced coffee is made with coffee or espresso, brewed in hot water and then chilled. Cold brew refers to a process by which coffee beans are roasted, ground and steeped in water to deliver a flavorful coffee concentrate. The cold process preserves freshness yielding less acidity and bitterness. Cold brew is never heated so it has a higher naturally occurring caffeine content and a smooth taste profile consumers have grown to love.



Cold Brew Coffee

+10%

Volume Change
2022-23

152.8

Index to 2019

9.2%

2023-27
Real CAGR

Iced Coffee

+5.9%

Volume Change
2022-23

115.7

Index to 2019

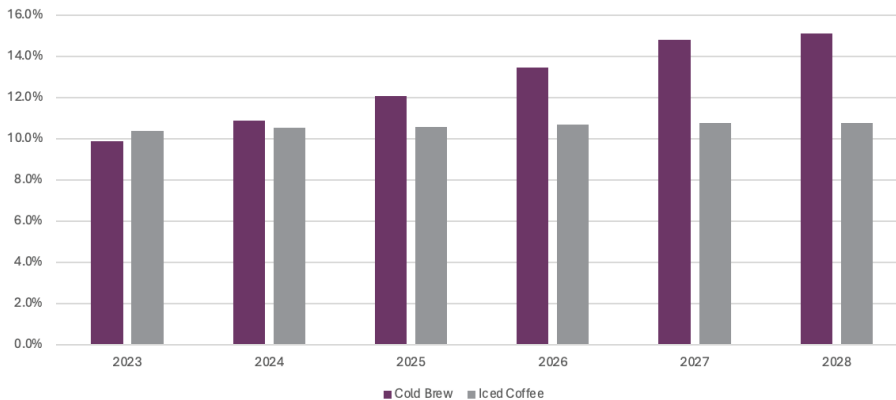
6.8%

2024-28
Real CAGR



Menu Penetration Projection

Cold brew coffee has been rapidly growing on menus over the last ten years while iced coffee growth has been diminishing. **Cold brew's menu penetration is predicted to overtake iced coffee by the end of this year.⁴** The next few years will be critical for cold brew growth and taking ownership of share while consumers settle into their routines and form their brand loyalties.



Cold brew ranks in the 100th percentile for future growth potential.

Its growth is predicted to outperform 100% of all other foods, beverage, and ingredients over the next four years.⁴

Cold Brew Coffee Mega Trends⁴

Looking for your next successful cold brew coffee LTO? Explore the latest flavor trends with us!

HERBS, SPICES & FLORAL

Adoption Stage

Herbs are growing with the hot beverage category and floral is taking off with lavender leading the way in cold beverages.

+121%

LAVENDER
Cold Coffee Flavor
4-year Growth

+83%

ROSE
Cold Coffee Flavor
4-year Growth



BREAKFAST INSPIRED

Adoption Stage

Maple is the classic flavor note but can also include elements of butter or notes of dishes such as pancakes, French toast, or waffles.

161%

FRENCH TOAST
Cold Coffee Flavor
4-year Growth

+123%

MAPLE SYRUP
Cold Coffee Flavor
4-year Growth



TEXTURE

Adoption Stage

What began with cold foam toppings and nitro to provide a different mouth-feel, has now transitioned into using bubble tea inclusions in coffee.

+73%

NITRO
4-year Growth

+1300%

COLD FOAM
4-year Growth

