

HOW TO PIVOT IN AN EVER-CHANGING FOOD PACKAGING ENVIRONMENT

Jim Wynne
Director of Food Solutions
Veritiv

Alex Konecky
Marketing Manager
Veritiv

John Ohlson
President
Ohlson Packaging

INTRODUCTION



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Director of Food Solutions
Veritiv



Alex Konecky
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President
Ohlson Packaging

AGENDA

Introduction

Food packaging trends: past, current and future

Customer insights from Duravant

Additional packaging considerations

Q&A

FOOD PACKAGING TRENDS

Past, current and future



FOOD PACKAGING MARKET



Driving Food Industry Growth:

- Single-serve packaging
- Ready-to-eat meals
- Enhanced convenience
- Expanding consumer purchasing power
- Growing supply chain
- Demand for food delivery services



Market Constraints:

- Volatile prices of raw materials
- Uncertainty in global trade policies
- Government regulations
- High-profile contamination recalls
- Consumer-driven environmental concerns



EMERGING TRENDS



Meal kits in grocery chains



Product availability in mission critical

A CHANGING WORLD



E-COMMERCE TRENDS

Companies need to be agile in order to adapt to today's supply chain challenges.



Individual Units &
Variety Packs



Durable &
Protective
Packaging



Fresh, Safe,
Accurate



Upscaling
Operations



Frozen Food
Challenge

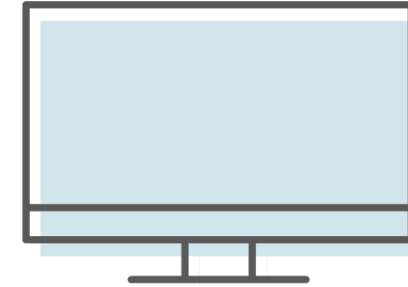


NEW TRENDS



More meals cooked at home

- 79% enjoy cooking at home on occasion
- 66% are reluctant to eat at restaurants
- 21% do not like or are tired of cooking at home



More remote work at home

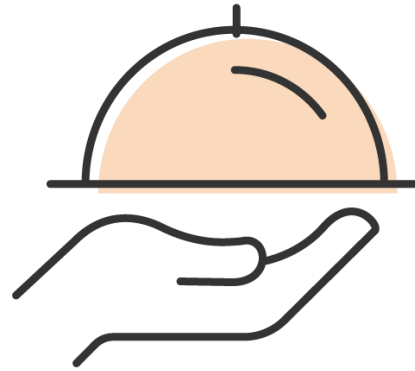
- 43% prefer to work from home until COVID-19 is resolved or safety measures are in place
- 25% are concerned about getting infected by colleagues
- 24% are concerned that physical distancing measures will not be implemented at their work location

REVERSE DENSIFICATION

- Employees are looking for remote work options
- Universities are looking to not have crowded auditoriums and dormitories



FUTURE



Foodservice

- Unbranded bulk sized products

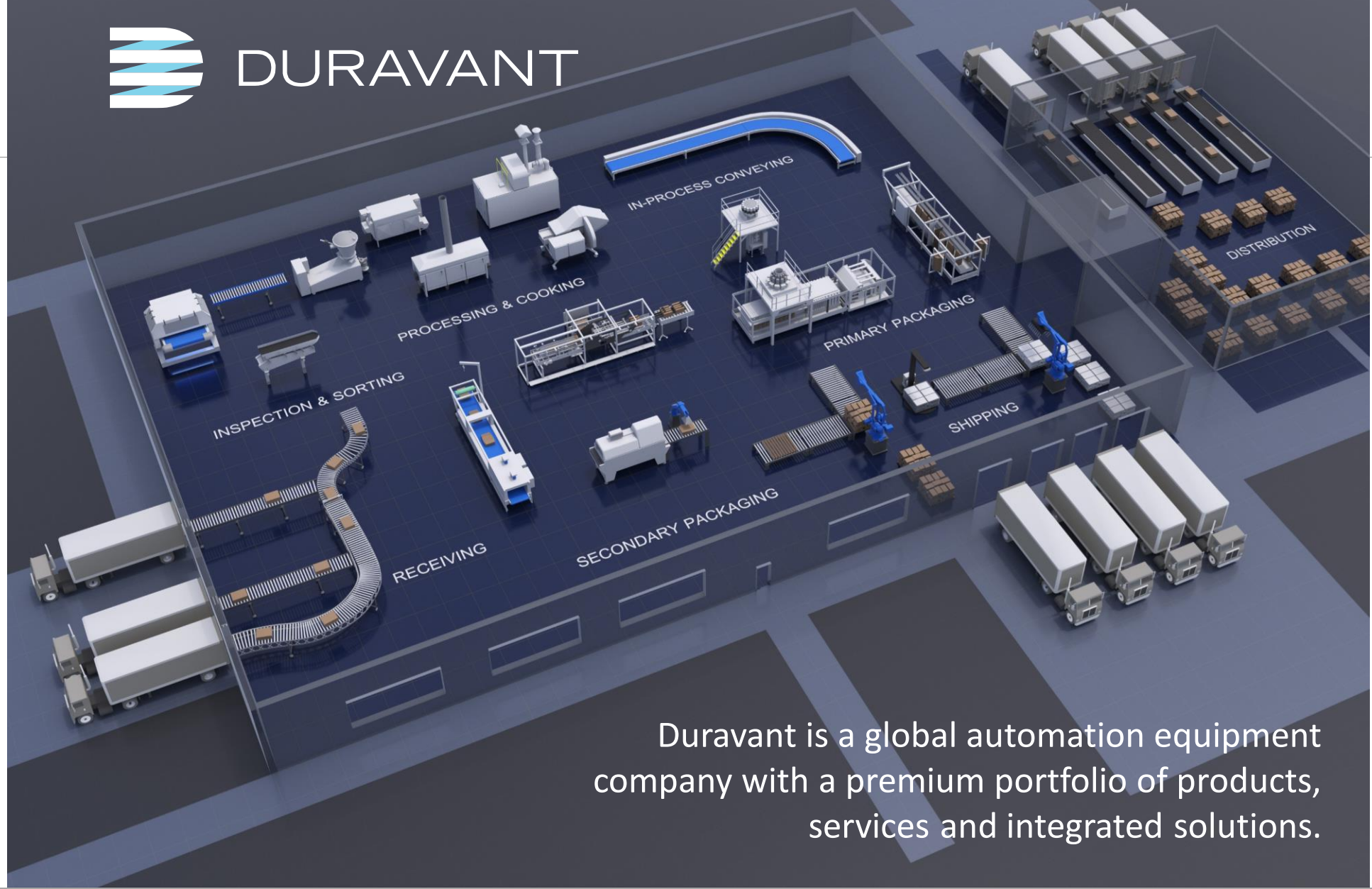


Pick-up & Delivery

- Heavily branded
- Single or smaller serve sizes

COVID TRENDS

Ohlson Packaging



Duravant is a global automation equipment company with a premium portfolio of products, services and integrated solutions.

DURAVANT Portfolio of Leading Brands

27 global manufacturing and sales offices. ~2,400 employees and growing.



DURAVANT Trusted Integrated Solutions

We optimize safety, productivity, efficiency and connectivity for the world's producers and movers of high demand goods.



Key industries we serve include

Food and Beverage | Consumer and Industrial Goods | Agriculture | E-commerce | Logistics

Pandemic Packaging Trends

- Switch from Commercial to Retail Packaging (Restaurants Closing)
- Demand for Gummy Nutraceuticals (Shelves Emptying, Panic Buying)
- Demand for Dried Goods/Shelf Stable in Bags (Shelves Emptying, Panic Buying)
- Uncertainty with Schools, School Lunches Transitioning from Cooked Onsite to Pre-Packaged
- Social Distancing in Packaging Rooms- Investing in Automation to Reduce Labor and Keep People Spread Apart
- Cannabis Business - Larger Demand for Infused Edibles
- Non-Profits (Breedlove) Expanding Their Support Due to Food Shortages, Economic Factors
- Transition from Manual to Automated Packaging with Lead Time Being Critical

Commercial -> Retail

TREND: Switch from Commercial to Retail packaging
(Restaurants closing):

OHLSON VALUE: Packaging Companies transition their equipment from commercial format to retail, typically need to invest in new equipment and need it FAST...Ohlson Defined Solutions, Ohlson Inventory, Ohlson Lead Time



Health Concerns Drive Buying

TREND: In addition to soaps and hand sanitizer, demand for Gummy Nutraceuticals has increased (Shelves emptying, panic buying, health during pandemic)

OHLSON VALUE: Panic buying creates shortages, Co-packers and CPGs looking to increase output FAST. Ohlson Defined Solutions, Ohlson Inventory, Ohlson Lead Time



Shelf Stable Staples

TREND: Demand for dried goods/shelf stable in bags (Shelves emptying, panic buying) – rice, beans, lentils, etc.

OHLSON VALUE: Panic buying creates shortages, Co-packers and CPGs looking to increase output FAST. Ohlson Defined Solutions, Ohlson Inventory, Ohlson Lead Time



School Food Uncertainty

TREND: Uncertainty with Schools, School lunches transitioning from cooked onsite to pre-packaged.

OHLSON VALUE: Companies who support K-12 school systems (as well as other non-commercial foodservice units) need equipment now in preparation for the 2020-2021 school year ... Ohlson Defined Solutions, Ohlson Inventory, Ohlson Lead Time



Single-Serve Apples Video



Social Distancing in Packaging

TREND: Social Distancing in packaging rooms – Companies investing in automation to eliminate labor and keep people spread apart

OHLSON VALUE: Automation can replace significant labor for companies manually packaging. Ohlson Defined Solutions, Ohlson Inventory, Ohlson Lead Time



Cannabis Edibles Growing

TREND: Cannabis business- more opportunities for Edibles than Flower right now

OHLSON VALUE: Possible concern among some because COVID-19 is primarily a respiratory ailment. Novelty aspect as well – more people eating their cannabis. Ohlson Defined Solutions, Ohlson Inventory, Ohlson Lead Time



Non-Profits Increasing Output

TREND: Non-Profits (Breedlove) expanding their support due to food shortages, economic factors.

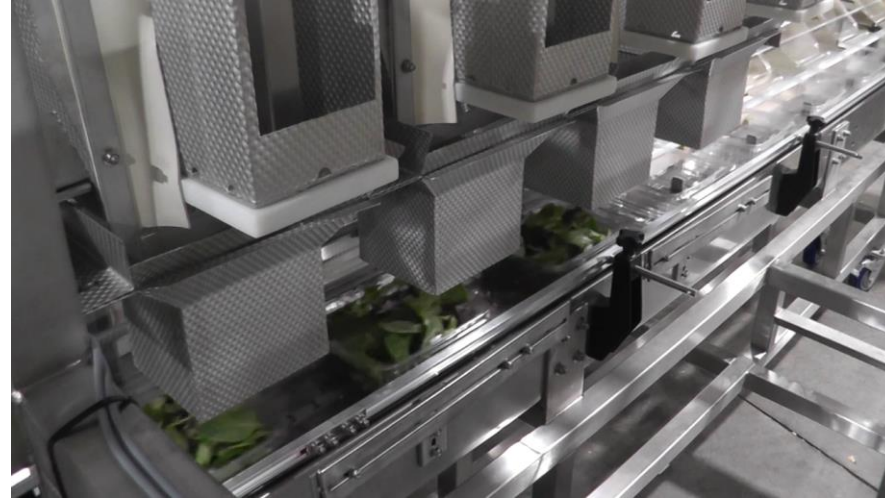
OHLSON VALUE: : Ohlson Defined Solutions, Ohlson Inventory, Ohlson Lead Time



Urgency in Change

TREND: Transition from manual to automated packaging - Lead time is critically important

OHLSON VALUE: Ohlson Defined Solutions, Ohlson Inventory, Ohlson Lead Time



ADDITIONAL PACKAGING CONSIDERATIONS

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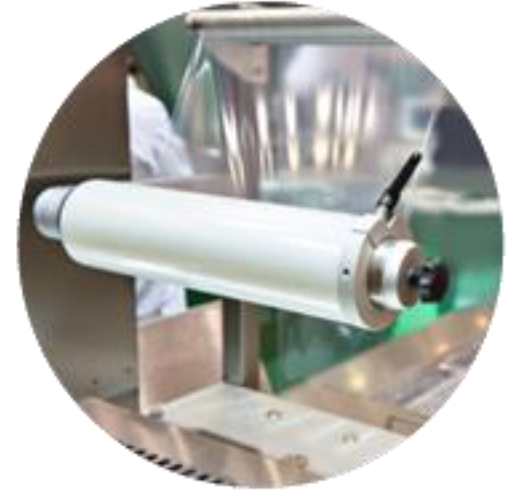
Retail-ready
Packaging



Packaging for
e-Commerce



Materials, Sourcing
& Sustainability



Automation



RETAIL-READY

Save time, labor and materials.

- Easy to identify
- Easy to open
- Easy to stock
- Easy to shop
- Easy to dispose or recycle





E-COMMERCE PACKAGING

What works in retail, doesn't always work for e-commerce.

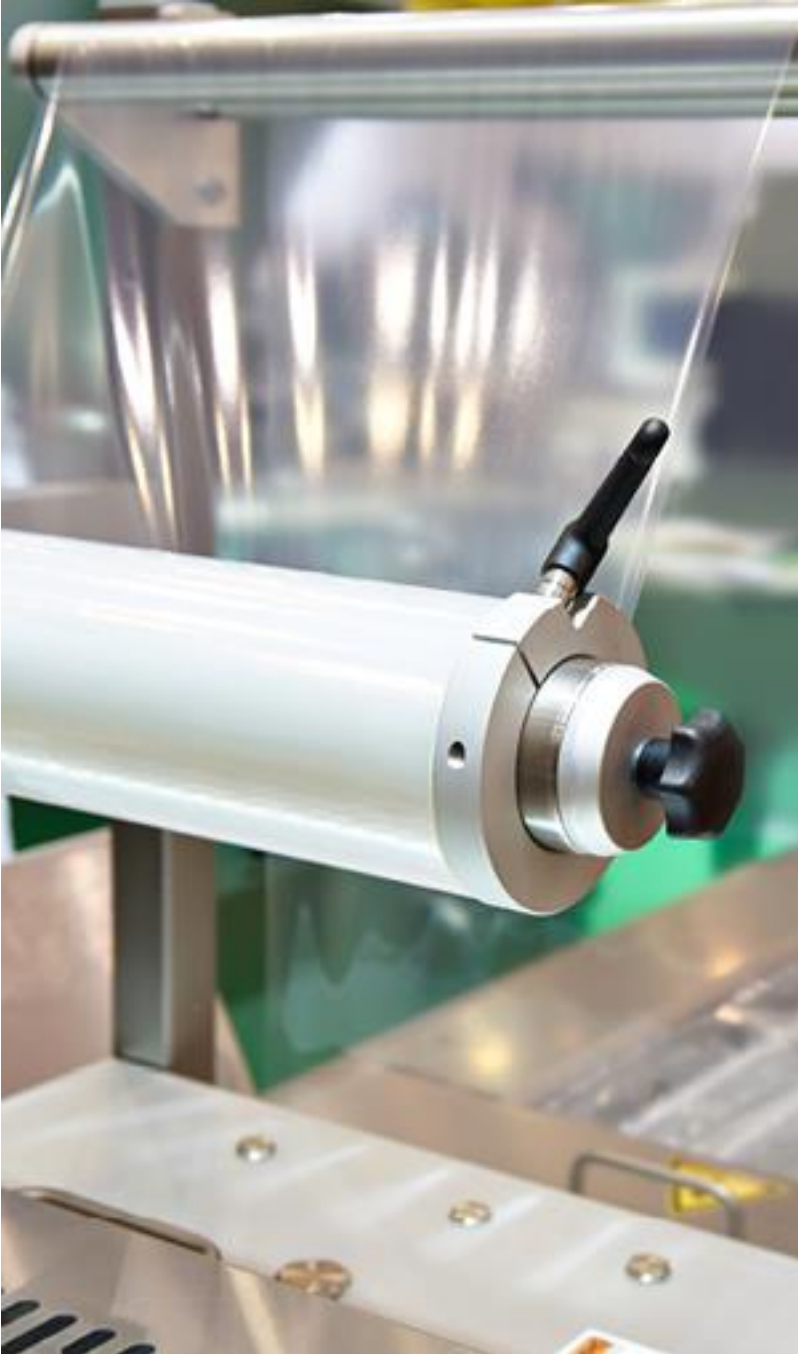
- DIM weights and shipping charges
- Protect your products from damage
- Temperature controlled packaging
- Positive consumer experience



MATERIALS, SOURCING & SUSTAINABILITY

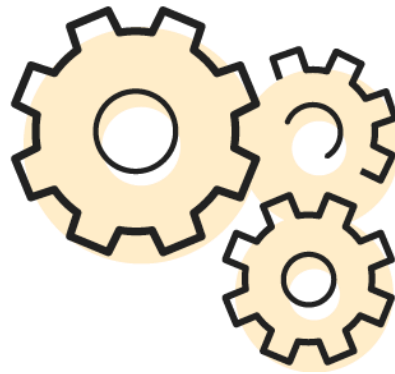
Choosing the best materials to meet your business and sustainability goals.

- Material-neutral
- Primary, secondary and tertiary packaging
- Sustainability

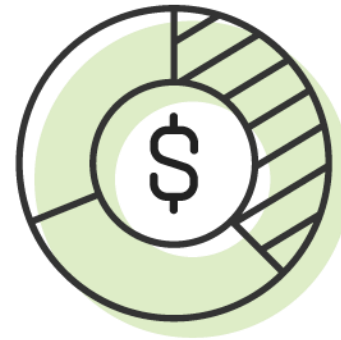


AUTOMATION

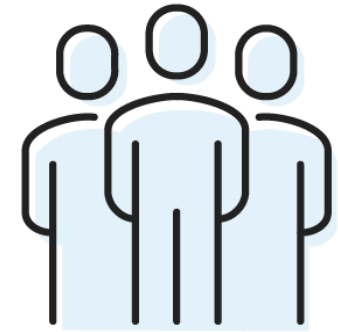
Automate, integrate, accelerate.



Boost production
without sacrificing
consistency



Reduce wasted time,
effort and money



Reallocate workforce
to revenue-
generating activities

- Create seamless workflows with integrated systems
- Adapt easily with quick, simple changeovers
- Place team members at safe distances along production line

QUESTIONS?

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THANK YOU FOR YOUR TIME TODAY.

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