

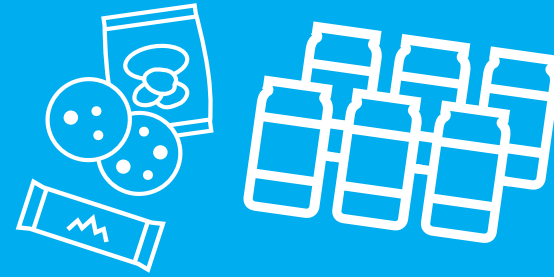
WHAT'S NEXT IN EMERGING MARKETS

HOW DO YOU BECOME **WHAT'S NEXT** WHEN THE PACE OF CHANGE IS ACCELERATING?

The rules to the emerging market playbook is changing. Where growth has been easy in the past, the shadows of competitors are now looming. Meanwhile, other markets remain tougher to crack open — and don't always reward the first to market.

TODAY, THE GROWTH OF FAST-MOVING CONSUMER GOODS (FMCG) IN EMERGING MARKETS IS TWO TO FOUR TIMES HIGHER THAN DEVELOPED MARKETS.

WHAT CAN BEER AND SNACKS TELL US ABOUT EMERGING MARKETS?



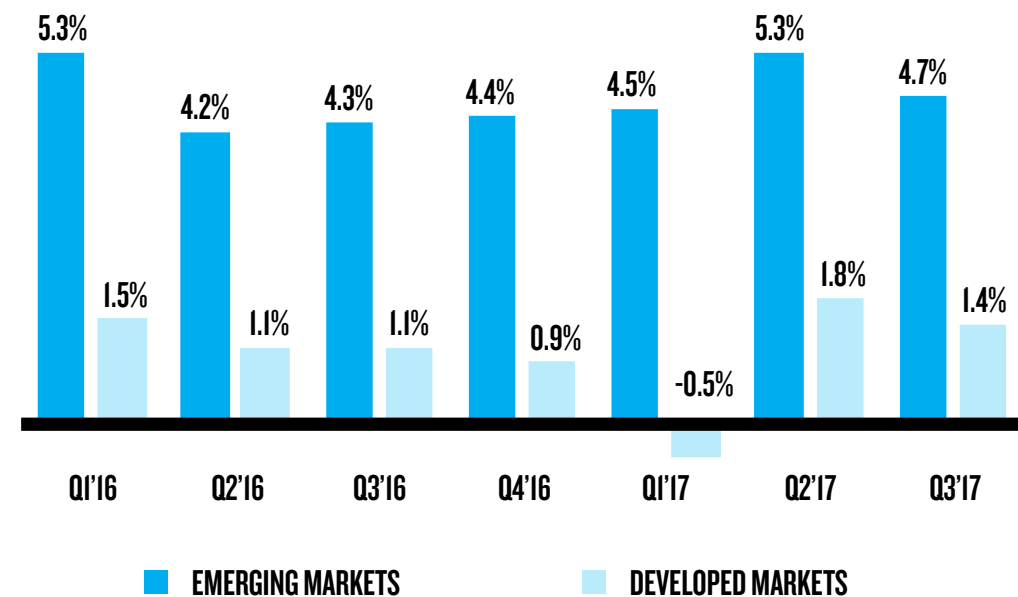
There's no denying the power of emerging markets. Over the past decade, emerging markets have contributed 80% to global growth, according to the International Monetary Fund.

This report uses beer and snacks to help you understand what's driving growth and find the next untapped opportunity. Why these categories? They are positive indicators for growth. As 'non-essentials', beer and snacks reveal that consumers are ready and able to spend beyond the bare necessities.

This report uses these categories to highlight five markets that are at a tipping point. These featured countries have macroeconomic conditions that suggest favorable growth such as: population growth, rising income, positive GDP forecasts, a young labor force and a stable infrastructure, among other factors.

FMCG SALES GROWTH IS TWO TO FOUR TIMES HIGHER IN EMERGING MARKETS

% NOMINAL VALUE GROWTH



Source: Retail Measurement Services, Regional Nielsen "Q3 Growth Reporter" reports (US, EU, LATAM, APAC, MENAP, etc.)

QUICK NAVIGATION

SNACKS >> P. 5

VIETNAM > 10

ARGENTINA > 14

BEER >> P.18

BRAZIL > 21

GHANA > 25

CÔTE D'IVOIRE > 30

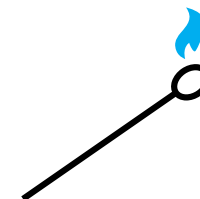
WHAT'S NEXT >> P.33

MARKETS TO WATCH



HOT RIGHT NOW:

BRAZIL
VIETNAM



BUBBLING UP:

ARGENTINA
GHANA
CÔTE D'IVOIRE

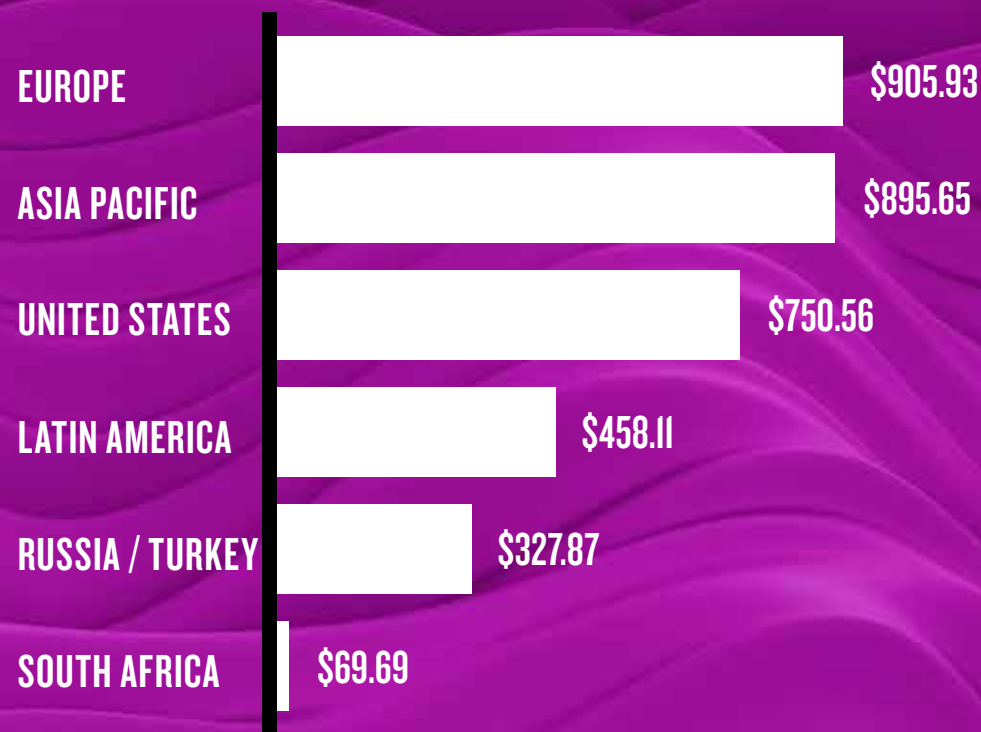
CONSUMERS ARE SWEET ON SNACKS

A rare global growth story, snacks are satisfying consumer cravings around the world.

**IN 2017, THE SNACKING BUSINESS GREW BY
\$3.4 BILLION USD.**

SNACK FOOD SALES SOAR AROUND THE WORLD

VALUE GROWTH IN \$M USD MAT Q2 2017



(USD M) 1 EUR = 1.14241 USD Based on rate June 30, 2017
Nielsen Macro Foods: Where segment data is available within foods. Canada is not included.
Source: Nielsen Retail Measurement Services MAT Q2 2017 for Europe, US, Asia Pacific, Latin America, Turkey, Russia and South Africa



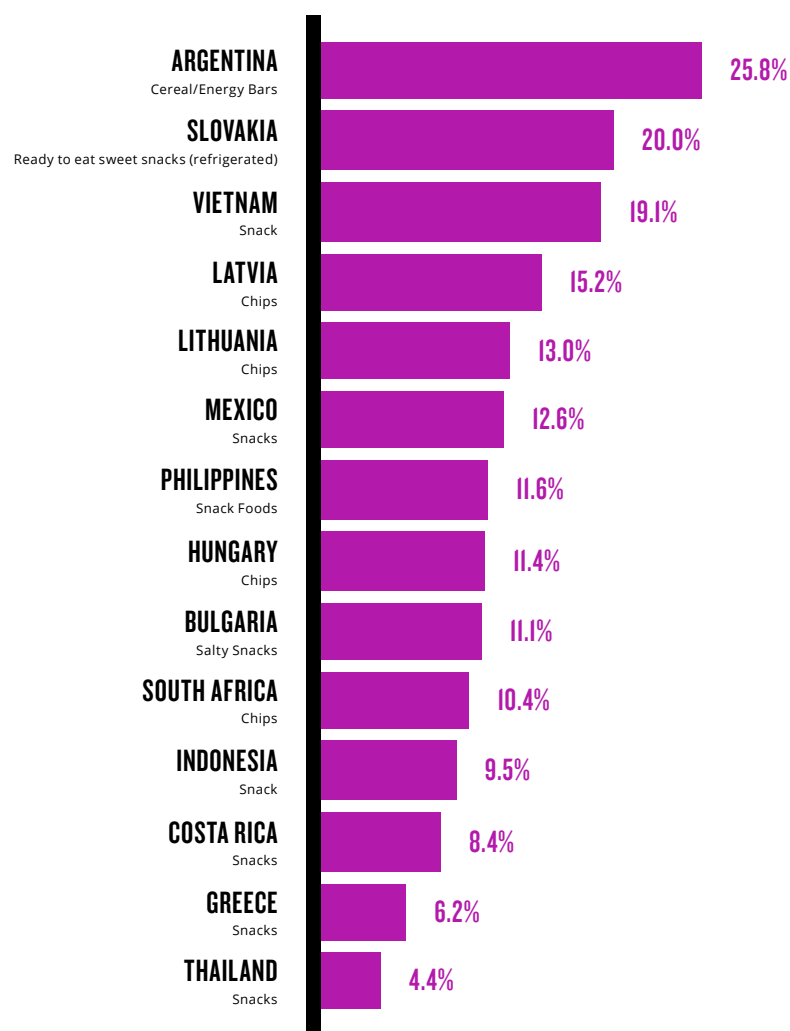
SO, WHERE ARE THE HOTTEST SNACK OPPORTUNITIES TODAY?

THE ANSWER REQUIRES A CLOSER LOOK AT GLOBAL CONSUMER AND POLICY TRENDS.

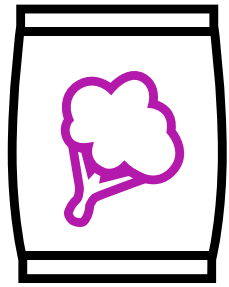
In this chart we've highlighted a few countries where snacks are growing. An analysis of volume versus value sales shows that mostly consumers are spending more, not buying more. Asia Pacific countries are the exception. In most of those countries both volume and sales are increasing.

WHERE SNACKS ARE SURGING

%VALUE GROWTH MAT Q3 2017



Source: Nielsen Retail Measurement Services, Top Measured Markets for Snacking Categories, by Value Contribution - MAT Q3 2017

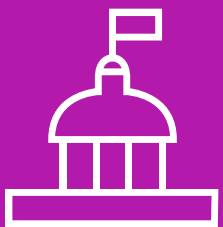


TREND SPOTLIGHT: HEALTHY AND PORTABLE

When it comes to snacks consumers aren't trading convenience for quality. As with other categories, they are striving to be more mindful snackers and searching for clean labels. Many indulgent snacks manufacturers have heard this message loud and clear and have simplified and scrubbed their ingredient lists. These steps are indicative of a larger trend, and one that is coming just in time.

By 2020, preventable diseases such as diabetes, stroke and heart attacks will contribute to 73% of all deaths. According to the World Health Organization 31 Million of these deaths will occur in low and middle income countries, many of which are emerging markets.

Consumers are looking at cleaning up their eating habits to reduce, delay or reverse these preventable diseases. In 2016, healthy food and drink sales grew double digits in India and Costa Rica, at 10% and 11.3%, respectively. During the same time, consumers in Columbia and Mexico bought healthy foods two to four times more often than indulgent ones. As a result, healthy foods' volume grew by 4.2%. And it's not just snacks. Vietnamese are thirsty for healthy food drinks. By the third quarter of 2017, the category grew by 10.3% and it's now one of the fastest growing in the country.



A BATTLE AGAINST THE BULGE

GOVERNMENTS HAVE JOINED THE CAUSE AND IMPLEMENTED TAXES, CAMPAIGNS, LABELING AND ADVERTISING REFORMS. HERE ARE A FEW RECENT EXAMPLES:

2017

SUGAR / SODA TAX: SOUTH AFRICA, UAE, THAILAND
CIGARETTE OR BEER TAX: PHILIPPINES, UAE, ESTONIA

2016

LIMIT ADVERTISING TO CHILDREN: TAIWAN
FOOD LABELING: CHILE, MEXICO AND KOREA
HEALTH REFORM: CHINA



DID YOU KNOW?

THE U.S. ON-THE-GO
SNACKING SUB-CATEGORY
GREW 10% EVERY YEAR
BETWEEN 2012 AND 2016.

Companies will need to continue to adjust their action plans to address these burgeoning consumer needs. The good news is, this healthy food trend is creating new opportunities within snacking and adjacent categories.

In the U.S., companies have found success in the “snackable” fruit and vegetable category, such as grapes or baby carrots. These portable produce items are then repackaged into individual servings. Think: dried fruit and nut snack packs, small fresh smoothies and fruit cups.

**CONSUMERS ARE EATING UP THIS “ON-THE-GO”
SNACKING SUB-CATEGORY, TO THE
TUNE OF \$1.1 BILLION DOLLARS.**

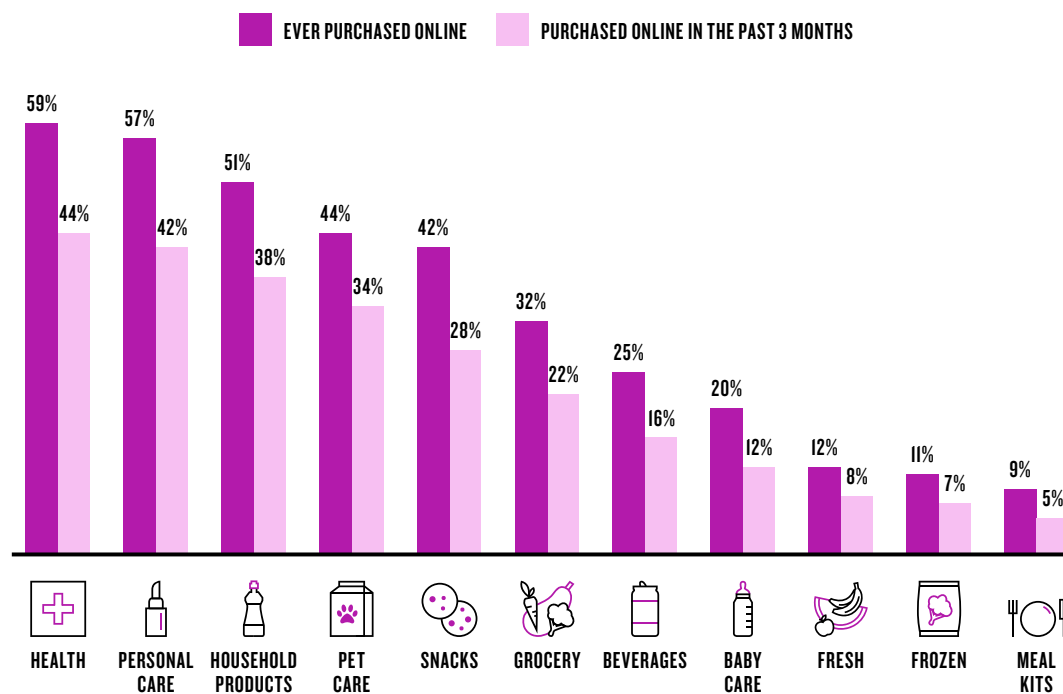
This is just one example of how companies can rethink the category. Snacks have the benefit of sitting at the corner of healthy and indulgent. This gives companies the opportunity to innovate across this spectrum — and combine local preferences and convenience. The most important task is to act fast to get ahead of policy and consumer trends. This will also enable companies to become partners with consumers in this healthier lifestyle quest.

WHAT'S NEXT?

FROM CLICK TO CHIPS

U.S. FMCG DEPARTMENTS PURCHASED ONLINE

WHAT TYPES OF PRODUCTS ARE SHOPPERS BUYING ONLINE TODAY?



Source: Nielsen, Digital Shopping Fundamentals, 2017



“THE SNACKING CATEGORY IS THE ULTIMATE CONVENIENCE FOOD, WHICH MAKES IT A NATURAL CANDIDATE FOR ONLINE RETAIL, AS THIS OFFERS CONSUMERS BETTER VARIETY, BULK DISCOUNTS, AND THE EASE OF HOME DELIVERY. IN THE U.S., SNACKS ARE ONE OF THE TOP FIVE FMCG CATEGORIES PURCHASED ONLINE.”

JORDAN ROST
VP CONSUMER INSIGHTS

VIETNAM

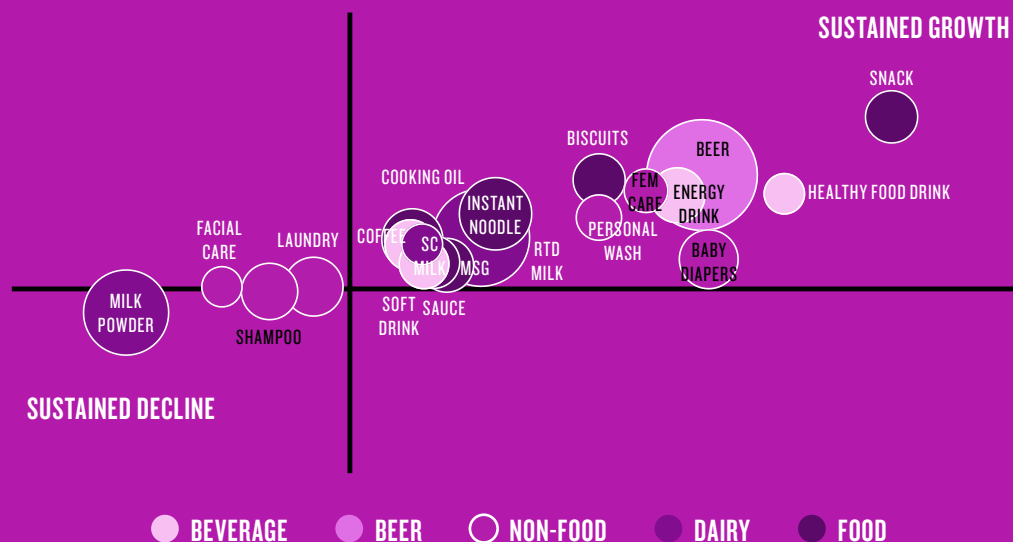
A GEM IN SOUTHEAST ASIA

Vietnam is currently experiencing one of its fastest economic expansions in years. It continues to enjoy a high GDP growth rate, which rose to 7.5% in the third quarter of 2017. It also boasts one of the fastest-growing FMCG industries in Asia at 5.9% YTD. Since 2012, residents have also seen their household wages increase by almost 40%.

Even more promising, only a few categories are decelerating. Snacks is leading the pack in growth, followed by beer and healthy food drinks. Energy drinks and feminine care follow closely behind.

VIETNAM'S ACCELERATING AND DECELERATING FMCG CATEGORIES

YTD VOLUME GROWTH VS. QUARTER VOLUME GROWTH, SIZE OF BUBBLE = ABSOLUTE VALUE OF CATEGORY



VIETNAM 2025: URBAN AND ONLINE



- VIETNAM WILL BE THE THIRD MOST POPULOUS COUNTRY IN SOUTHEAST ASIA WITH 99.8 M RESIDENTS.¹
- RESIDENTS WILL MIGRATE TO VIETNAM'S SECOND TIER CITIES, 1 - 5 MILLION LARGE. THESE CITIES SURPASS THE PERCENTAGE LIVING IN MEGA CITIES.²
- NEARLY HALF (49%) OF THE POPULATION WILL BE LIVING IN AN URBAN SETTING.²
- THE TOP EARNING HOUSEHOLDS ARE PREDICTED TO GROW FROM 17% OF ALL HOUSEHOLDS IN 2015 TO 24%.³
- CONNECTED SPENDERS — A DIGITAL SAVVY CONSUMER GROUP — WILL ACCOUNT FOR HALF OF ALL CONSUMER SPENDING JUST OVER 119 BILLION.⁴

(1) UNITED NATIONS (2) UNITED NATIONS (3) © REPRODUCED BY PERMISSION OF THE ECONOMIST INTELLIGENCE UNIT. (4) THE DEMAND INSTITUTE

TOMORROW'S VIETNAM: RURAL RESIDENTS FLOCKING TO SMALL TOWNS AND BIG CITIES

Over the last ten years, Vietnam's mid and mixed-density cities have grown, a pattern that is expected to continue through 2025. During this time, Vietnam will also experience a growth in its rural cities, as more people move to large towns and small cities.

VIETNAM TO SEE GROWTH IN LARGE TOWNS AND SMALL CITIES

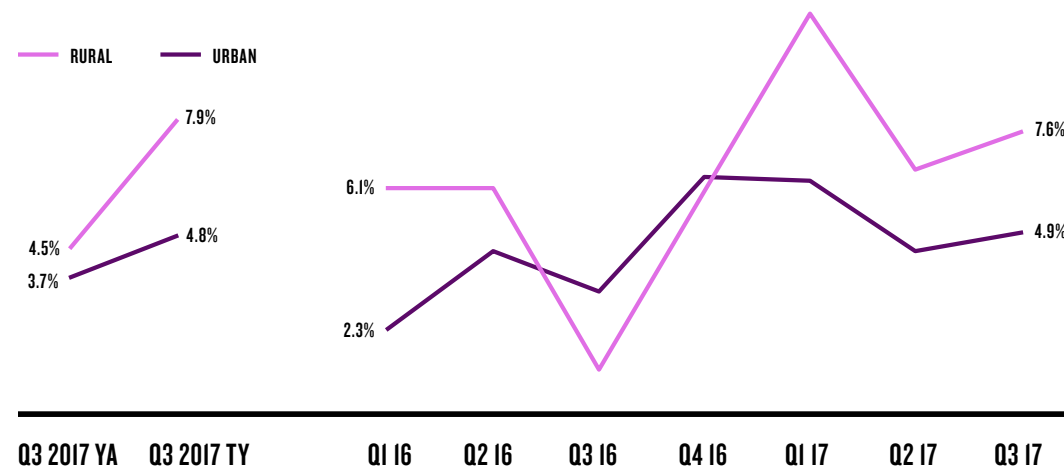
TOTAL POPULATION	2015	2025	% CHANGE
HIGH-DENSITY CITIES (5M+)	24%	24%	0
MIXED-DENSITY CITIES (1-5M)	19%	26%	37%
MID-DENSITY CITIES (500K-1M)	6%	0%	-100%
LARGE TOWNS AND SMALL CITIES (<500K)	3%	10%	233%
RURAL AND SMALL TOWNS	49%	40%	-18%

Source: United Nations

As rural regions become more developed, it will remain a strategic investment for companies looking to capture more growth. Rural consumers are already experiencing the benefits of urbanization, including increased exposure to mobile technologies and diversified media. This is rapidly pushing them to adopt more urban-like shopping behaviors.

VIETNAM'S RURAL FMCG GROWTH HIGHER AND MORE VOLATILE

URBAN VS. RURAL NOMINAL VALUE GROWTH FROM Q1 2016 - Q3 2017



Source: Nielsen Retail Measurement Services

Nominal Value Growth, the percentage change in value sales (expenditures) as measured by the total basket of reported product categories

Last year rural outpaced urban FMCG sales growth 7.6% to 4.9% (MAT Q3 2017). But the region has its challenges. Growth is still inconsistent. The heavy costs associated with expanding distribution to traditional trade-heavy areas will remain a challenge for manufacturers and retailers.

“THE KEY TO SUCCEEDING IN RURAL AREAS IS TO FIND THE RIGHT DISTRIBUTION MODEL, KEEPING IN MIND THAT THE CHANNEL AND CONSUMER SEGMENTATION WILL CONTINUE TO EVOLVE.”

HUONG QUYNH NGUYEN
MANAGING DIRECTOR, VIETNAM

ON TREND: HOMEGROWN DISRUPTORS

Although FMCG growth is high in Vietnam, it can also be uneven. As a result, companies compete to capitalize on the market's growth spurts. Smaller, local manufacturers have thrived in this competitive environment, growing twice as fast as those in the top 30.



SMALL MANUFACTURERS SEE DOUBLE THE GROWTH FMCG MANUFACTURER PERFORMANCE YTD Q3 2017

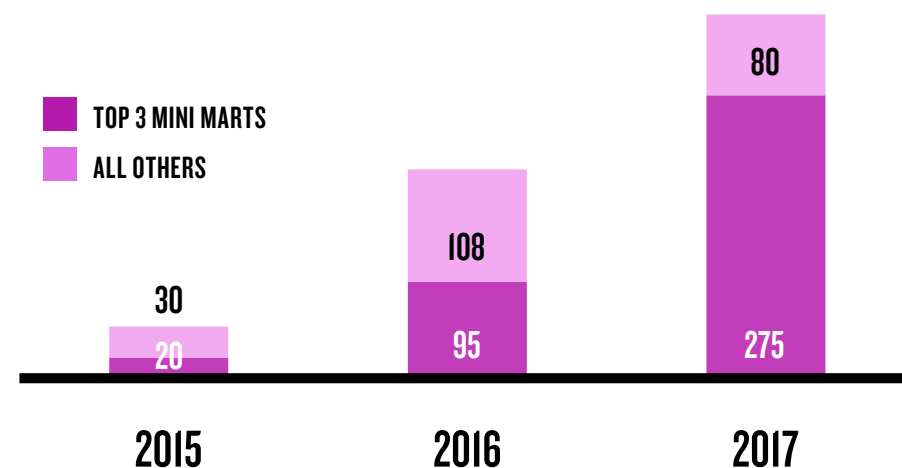
	VALUE % SHARE	VALUE % CHG YA
TOTAL FMCG	100.0%	5.9%
TOP 1-5	34.6%	6.5%
TOP 6-10	16.5%	6.8%
TOP 11-30	27.5%	5.4%
TOP 31-100	13.9%	1.5%
100+	7.5%	11.9%

Source: FMCG Urban Manufacturer performance, Nielsen Retail Measurement Services YTD Q3 2017

Local companies are also reshaping the retail landscape. According to Nielsen Retail Audit data, within the first 10 months of 2017 more than 600 modern trade stores opened. Of those stores, three local mini marts were responsible for 275 openings. Smaller format stores like mini marts helped grow the modern trade channel by 9.9% YTD Q3 2017 — twice as fast as the traditional trade channel (5.2%).

MODERN TRADE STILL HAS FAR TO GO TO CATCH UP WITH TRADITIONAL TRADE AND WET MARKETS, WHICH ACCOUNT FOR 83% OF ALL FMCG SALES IN VIETNAM.

LOCAL MINI MARTS HAVE MEGA OPENINGS IN VIETNAM # OF MINI MART STORE OPENINGS



Source: Retailer websites, ending October 2017

COMING UP

THE RISE OF THE 'CONNECTED & CONVENIENT' SHOPPER

Vietnam is an uber connected country, with significant mobile penetration in both rural and urban areas. Increased digital connectivity is enabling trends to spread and fueling an increased urgency for convenience and speed. These factors contributed to doubling e-commerce sales between 2016 - 2017. According to a Nielsen study, in Vietnam online shoppers are young, highly educated

professionals who earn in the top 25th percentile. On average, these consumers spend 21% more online than they do offline.

Local players are excelling in this connected environment, thanks to their agility and native expertise. Global companies need to a real-time understanding of emerging trends and the ability to take faster action.

VIETNAM'S CONNECTED SPENDERS IN 2025

DIGITAL SAVVY CONSUMERS WHO SPEND ABOVE THEIR INCOME CLASS



35.9 M
CONNECTED SPENDERS



WILL SPEND
\$119B



50%
OF TOTAL
CONSUMER SPEND





60%

**OF ARGENTINIANS HAVE SWITCHED TO
CHEAPER GROCERY STORE BRANDS**

50%

**OF ARGENTINIANS ARE AVOIDING
OUT-OF-HOME MEALS**

ARGENTINA: UNWRAP THE POTENTIAL

After a tough 2016 that took Argentina's GDP growth rate into the red, the economy made moves towards recovery in 2017. Inflation remains high, but has declined and is expected to stabilize. The International Monetary Fund predicts the country's GDP will recover to its pre-2016 levels in 2018 at 2.5%.

Indeed, the recession has affected the way Argentinians spend. Seventy-three percent of respondents said they've changed their spending to save on expenses (Q3 2017).

These cautious spenders have grown the sales of value and private label products. Even so, the demand for premium products have not wavered. Throughout 2016 — during the worst inflationary times — the volume of premium products grew by 12.9%. This is almost twice the regional average, while the rest of the FMCG category was declining. The country still has a few challenges ahead, such as increasing political tensions. That being said, as wages recover so should consumer spending.

“WITH PRODUCTS IN THE LOW AND PREMIUM PRICE TIERS SHOWING GREATEST GROWTH IN FMCG, IT IS ESSENTIAL FOR MANUFACTURERS TO OFFER “VALUE” IN THE EYES OF THE CONSUMER. IN THE LOWER PRICE TIER, THIS VALUE MUST BE GENUINE WITHOUT SACRIFICING QUALITY.”



RAFAEL GOIRAN
MARKET LEADER, ARGENTINA

ARGENTINA'S HIGH AND LOW PRICED TIERS GROW

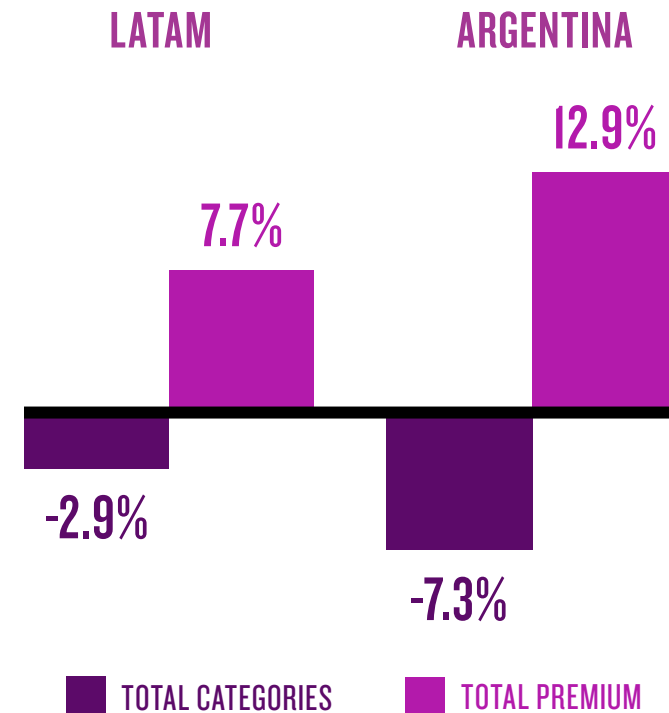
FMCG PERFORMANCE BY PRICE TIER, MAT Q3 2017

	VALUE % SHARE	VALUE % CHG YA
TOTAL FMCG	100%	20.3%
LOW TIER	19.4%	27.9%
MEDIUM TIER	46.6%	14.0%
PREMIUM TIER	31.9%	26.8%
PRIVATE LABEL	2.1%	24.2%

Source: Nielsen Retail Measurement Services MAT Q3 2017

CONSUMERS CRAVE PREMIUM PRODUCTS

% VARIATION IN VOLUME SALES 2016 - 2017



Source: Nielsen Retail Index | RY Mar '17 vs. RY Mar '16



WHAT'S PROPELLING THE ARGENTINIAN SNACK MARKET? LOCAL BRANDS

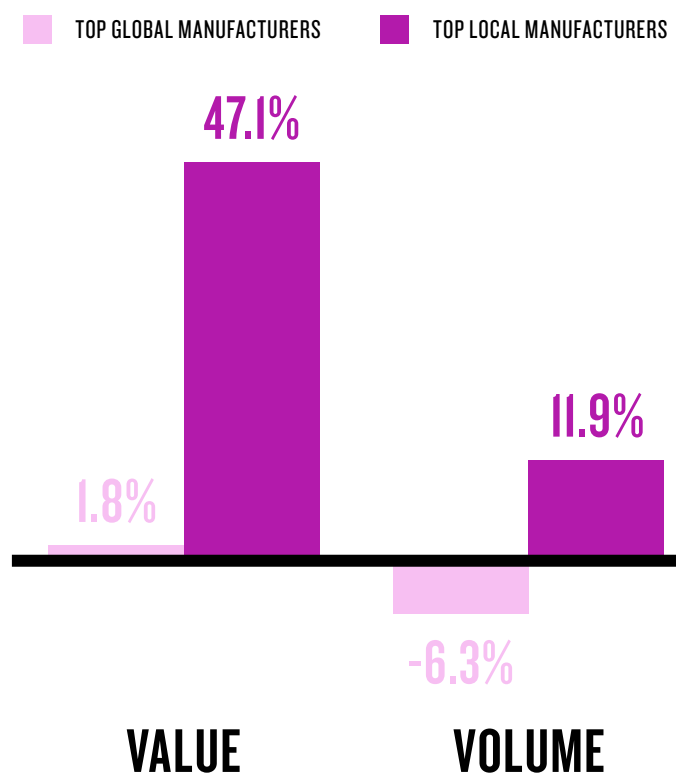
Affordable offerings from local manufacturers are the driving force behind the uptick in snacks. Since 2016, local manufacturers' snack sales have grown 47% while global players grew 2%. This trend is one we're seeing in nearly every category across Latin America.

What are local companies getting right?

Their innovations resonate with local consumers and have clear value propositions. Global companies can compete by focusing on developing their value, private label and premium products. There's also an opportunity to better capture local tastes and capitalize on important trends such as health and wellness.

LOCAL BRANDS SEE GROWTH IN ARGENTINA

% CHANGE IN VALUE & VOLUME SALES, 52 WEEKS



Source: Nielsen Retail Measurement Services 52 Wks Sept 17

ARGENTINA 2025: THE SPENDING POWER SHIFT

- THE TOP THREE INCOME LEVELS WILL GROW TO 45.4% OF ALL HOUSEHOLDS, UP FROM 33.7% IN 2015.¹
- INTERNET PENETRATION AND INVESTMENT IN TECHNOLOGY WILL INCREASE. ALONG WITH IT, THE NUMBER OF CONNECTED SPENDERS IS EXPECTED TO GROW TO 11.0 MILLION.²
- PAIRED WITH MORE SPENDING POWER, THESE CONNECTED SPENDERS WILL SPEND \$218 BILLION.³



WIN THE FUTURE: APPEAL TO THE CONNECTED

The Economist Intelligence Unit predicts that there will be a positive shift in wealth for Argentinians over the next decade. They will gain a stronger upper-middle class and at the same time, more access to the internet. These consumers will use their newfound wealth and digital prowess to research, shop for and engage with brands. The Demand Institute estimates that by 2025, there will be 11 million Connected Spenders accountable for \$218 billion in digital spend.

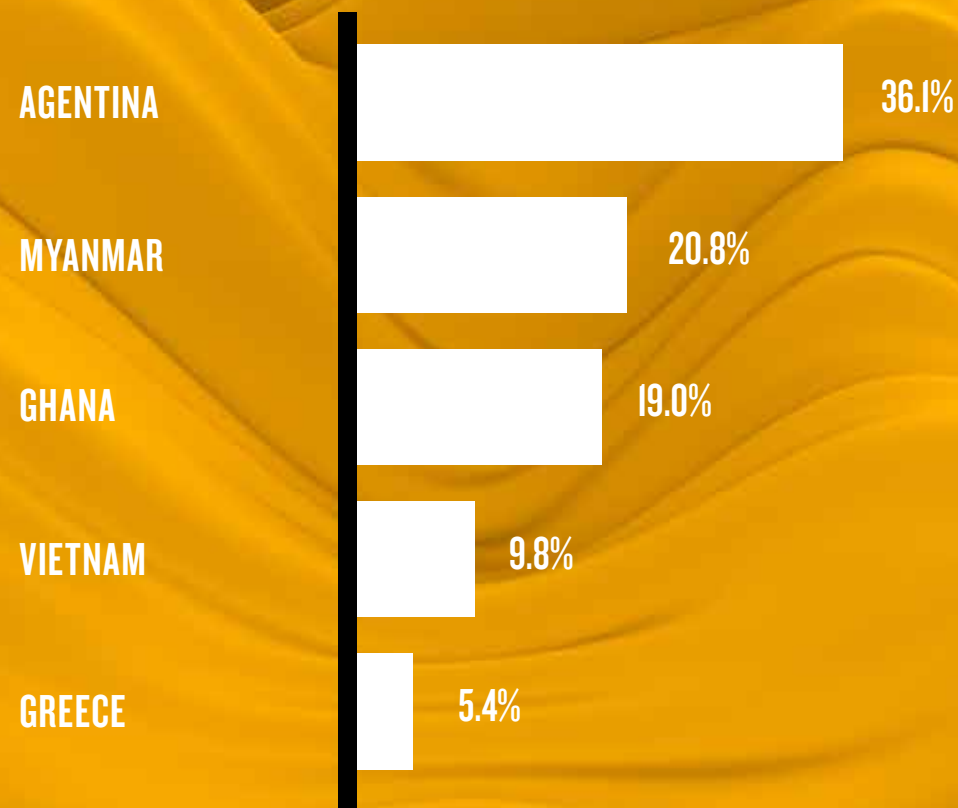
Stronger spending power and deeper connectivity will result in more savvy consumers. Personalization and the ability to address the core desires of these consumers will become an important differentiating point for marketers.

BEER A BREWING BUSINESS

As the most widely consumed alcoholic beverage around the world, beer can be a positive indicator for emerging markets. Increasing consumption and changing tastes can signal that consumers are beginning to spend and care more about non-essentials.

WHERE BEER SALES ARE BUBBLING

% VALUE GROWTH MAT Q3 2017



Source: Nielsen Retail Measurement Services MAT Q3 2017, Top Measured Markets for Beer Categories, by Value Contribution

THE EVOLUTION OF BEER: EMERGING CITIES AND A FLAVORFUL FUTURE

THE NEXT SOUTHEAST ASIAN CITIES FOR BEER

ASEAN SUB-REGIONS RANKED BY CONSUMPTION 2030 VS 2016



Emerging markets are also looking more promising as saturation rises and sales slow in other markets. These markets are not without their challenges. In expansion, companies must consider refrigeration, distribution channels, inflation and sin taxes.

Today, some emerging market megacities consume enough beer to eclipse smaller developed countries.

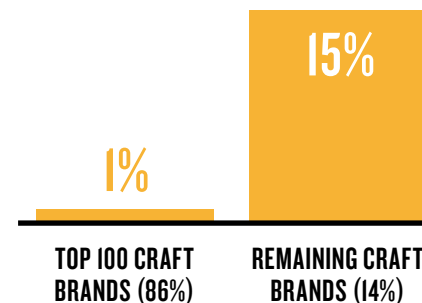
Tomorrow, their mid- to high-density sister cities will be the rising stars. According to a report by Nielsen and Alpha Beta, a strategy advisory firm, beer consumption is growing fastest in these mixed-density cities such as Vietnam's Da Nang and Thanh Hoa. Beer companies should look here to get their foot in the door.

WHAT WILL EMERGING MARKETS DRINK NEXT?

If emerging markets follow what's trending in developed markets, marketers can expect to realize new growth through premium, craft, ciders and fun flavors.

IN U.S. THE CRAFT LONG TAIL IS LEADING GROWTH

PERCENTAGE \$ GROWTH FOR U.S. CRAFT BEER BRANDS



Source: Nielsen Total U.S. All Outlets (xAOC + Liquor Plus + Conv + Military); 52 w/e 6-17-2017 -1,500 Craft beer brands

CIDER'S VERSATILITY LENDS IT BETTER TO COCKTAILS, FOOD PAIRINGS AND FLAVORS — ATTRACTING A GENDER BALANCED CONSUMER GROUP WHO ARE YOUNGER, WITH A HIGHER INCOME.*

DEVELOPED MARKET TRENDS SET TO GO GLOBAL

CRAFT

UK

- BETWEEN 2014 AND 2016 CATEGORY SALES MORE THAN DOUBLED, FROM £38.7 M TO £84.3M ¹

US

- DOLLAR SALES HAVE SLOWED TO 2.9% ²
- CRAFT BRANDS WITH LESS THAN 0.1% MARKET SHARE POSTED ON-PREMISE SALES GROWTH OF NEARLY 12% ³

CIDER

UK

- 28% OF CONSUMERS SAY THEY DRINK CIDER OUT OF HOME. ⁴
- CIDER IS THE FASTEST-GROWING OUT-OF-HOME CATEGORY, GROWING AT 1.9% BY VOLUME. ⁵

US

- SINCE 2013, RETAIL SALES OF ABOVE-PREMIUM CIDER ARE UP ALMOST 30%. ⁶
- CRAFT AND LOCAL =CIDERS GREW BY 39% BETWEEN 2015 AND 2016. ⁷

FLAVORS

UK

- FLAVORED DRAFT CIDERS GREW +137% AND PACKAGED CIDERS +7.9% BETWEEN 2015 AND 2016 ⁸

US

- TANGERINE AND PINEAPPLE FLAVORED IPA'S DOLLAR SALES ARE GROWING AT MORE THAN 40% VERSUS 2016. ⁹

Source:
 (1) Nielsen ScanTrack data to WE 05.11.16
 (2) Source: Nielsen Retail Measurement Services, Year ended Jan. 28, 2017
 (3) Nielsen CGA, Nielsen Retail Measurement Services
 *Nielsen Homescan Panel (52 w/e 12-31-2016)

(4) Nielsen CGA On Premise Consumer Survey (October-November, 2016), sample size: 13074, 12816
 (5) CGA Strategy OPMS P11 Data to: 05/11/2016
 (6) Nielsen Retail Measurement Services
 (7) Total U.S. All Outlets (xAOC + Liquor Plus + Conv + Military); 52 w/e 12-31-2016
 (8) CGA Strategy OPMS P11 Data to: 05/11/2016
 (9) Nielsen Scantrack, Markets: All Nielsen Measured Off-Premise (xAOC+ LiqPlus + Conv+ Military) Period: 52 WksW/E 07/15/17

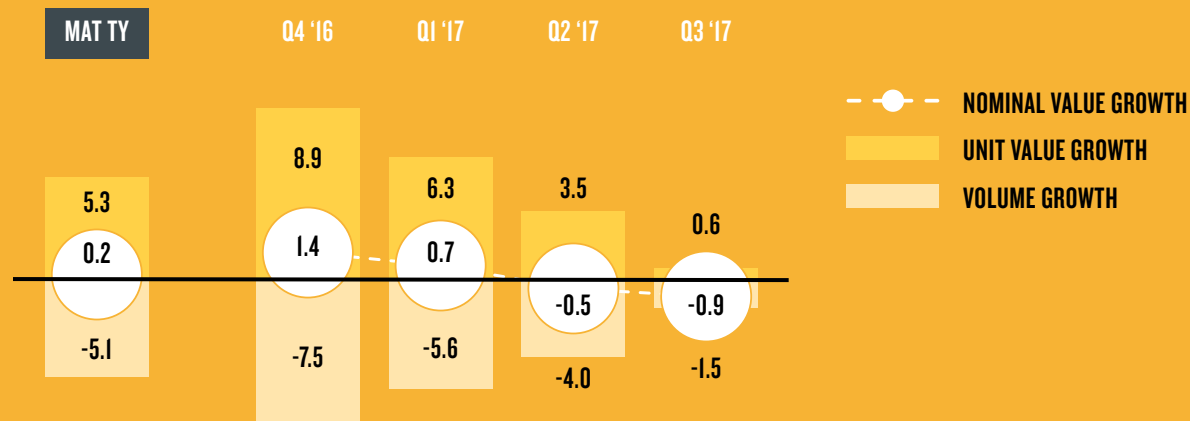
BRIGHTER DAYS BECKON BRAZIL

The Brazilian economy has suffered in recent years, but there are significant signs that the worst is over. The FMCG market here has yet to recover, but low inflation and a relaxed monetary policy has boosted GDP forecasts.

During the economic downturn, Brazilians adjusted their habits to reduce their consumption. For example, instead of going out, they turned their homes into gathering places.

BRAZIL'S VOLUME DECLINES SOFTENED OVER 2017

FMCG MARKET DYNAMICS Q4 2016 - Q3 2017

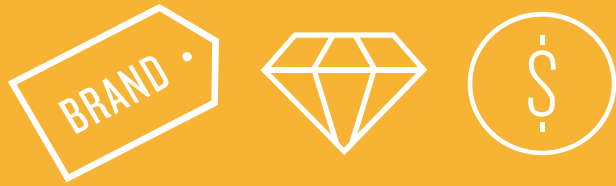


Source: Nielsen Retail Measurement Services, weighted average, MAT Q3 2017

BRAZIL 2025: AGING AND AFFLUENT

- AGES 50+, IS THE ONLY AGE GROUP EXPECTED TO INCREASE. BY 2025 THEY WILL ACCOUNT FOR 28.2% OF THE TOTAL POPULATION. ¹
- THOSE OVER 65 YEARS WILL INCREASE THE MOST FROM 8.0% IN 2015 TO 11.4%. ²
- THE NUMBER OF BRAZIL'S LOWEST EARNING HOUSEHOLDS WILL DECREASE, WHILE ALL OTHER HIGHER-EARNING HOUSEHOLDS, WILL SEE AN INCREASE. ³
- NEARLY A QUARTER OF BRAZIL'S POPULATION WILL BE CONNECTED SPENDERS (55.9M) — A DIGITAL SAVVY CONSUMER GROUP — AND SPEND OVER A HALF A BILLION OR EQUIVALENT TO A THIRD OF ALL CONSUMER SPEND. ⁴

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WHO GROWS THERE? BRAZIL'S PRIVATE LABEL AND PREMIUM

Private label brands, lower prices and promotions are boosting the modern trade channel by 5.4% MAT Q3 2017. Regional companies have reacted quickly to the economic downturn with their own innovations. In 2016, local players accounted for nearly 90% of all new low price brands and private labels. As a result, the number of items in these price sectors grew by 28%.

PRIVATE LABEL, LOW PRICED AND PREMIUM ITEMS BOOST BRAZIL'S FMCG GROWTH

FMCG PERFORMANCE BY PRICE TIER, MAT Q3 2017

	VALUE % SHARE	VALUE % CHG YA
TOTAL FMCG	100.0%	0.2%
LOW TIER	20.9%	1.2%
MEDIUM TIER	53.4%	-1.2%
PREMIUM TIER	25.3%	2.6%
PRIVATE LABEL	0.6%	3.3%

Source: Nielsen Retail Measurement Services MAT Q3 2017

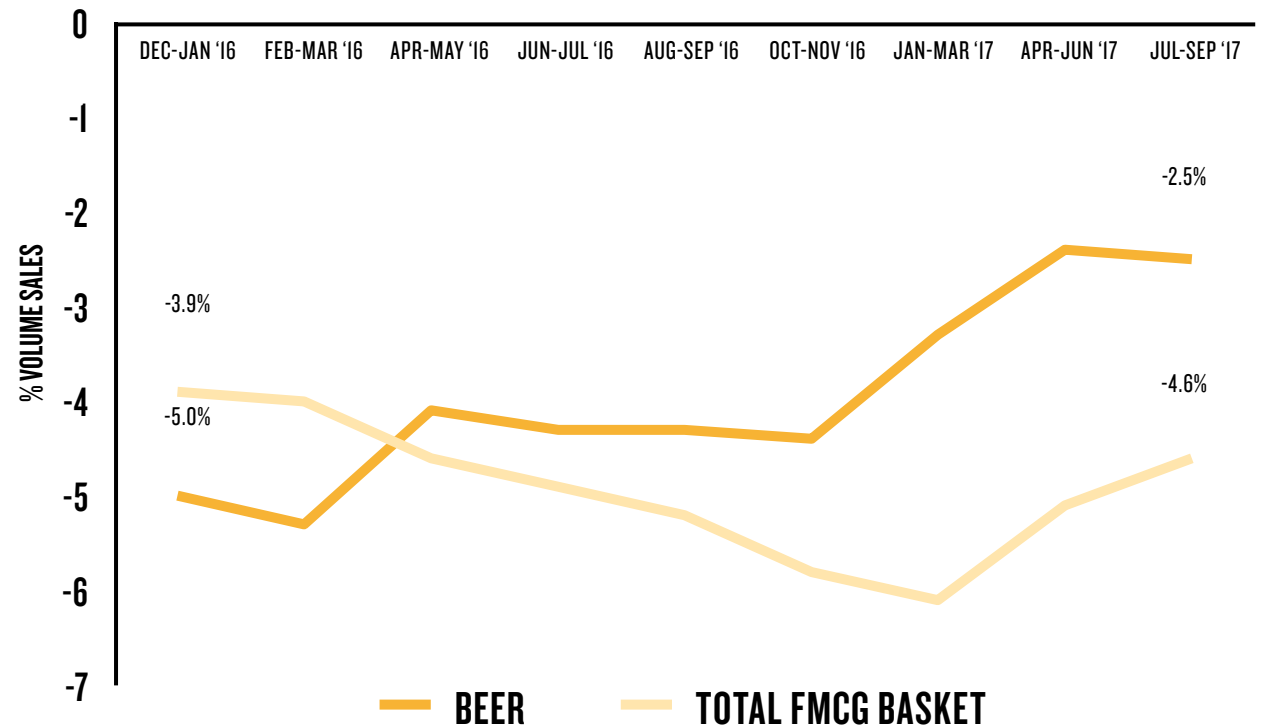
Consumers are still seeking better products. Even during the height of the economic crisis, 2015 - 2016, the volume of super premium beers grew by 30% and premium beers by 7%.

What makes Brazilians willing to spend more on beer? These brands are delighting them with new ingredients, flavors and packaging. They are also laser focused on delivering superior experiences.

“DESPITE RETRACTION, BEER CONSUMPTION WAS LESS AFFECTED THAN OTHER CONSUMER PRODUCTS MEASURED. THE TENDENCY IS TO CONTINUE TO DRINK LESS, BUT SPEND MORE ON BETTER PRODUCTS, SUCH AS IMPORTED, ARTISANAL OR SPECIALTY BEERS.”

DANIEL ASP SOUZA
BEVERAGE AND TOBACCO INDUSTRY EXPERT

BEER IN BRAZIL RECOVERS AHEAD OF FMCG BASKET



Source: Nielsen Retail Measurement Services Sept 2017

WHO CAN CHANGE THE TIDE?

MILLENNIALS, WHO MAKE UP MOST OF THE MIDDLE CLASS HOUSEHOLDS IN BRAZIL HAVE HAD **THE LARGEST INFLUENCE ON FMCG VOLUME DECLINES**. AS BRAZIL CLIMBS OUT OF THE RECESSION, THESE CONSUMERS ARE PRIME CANDIDATES FOR PREMIUM PRODUCTS.

TO WIN: ACTIVATE CONNECTED BRAZILIANS



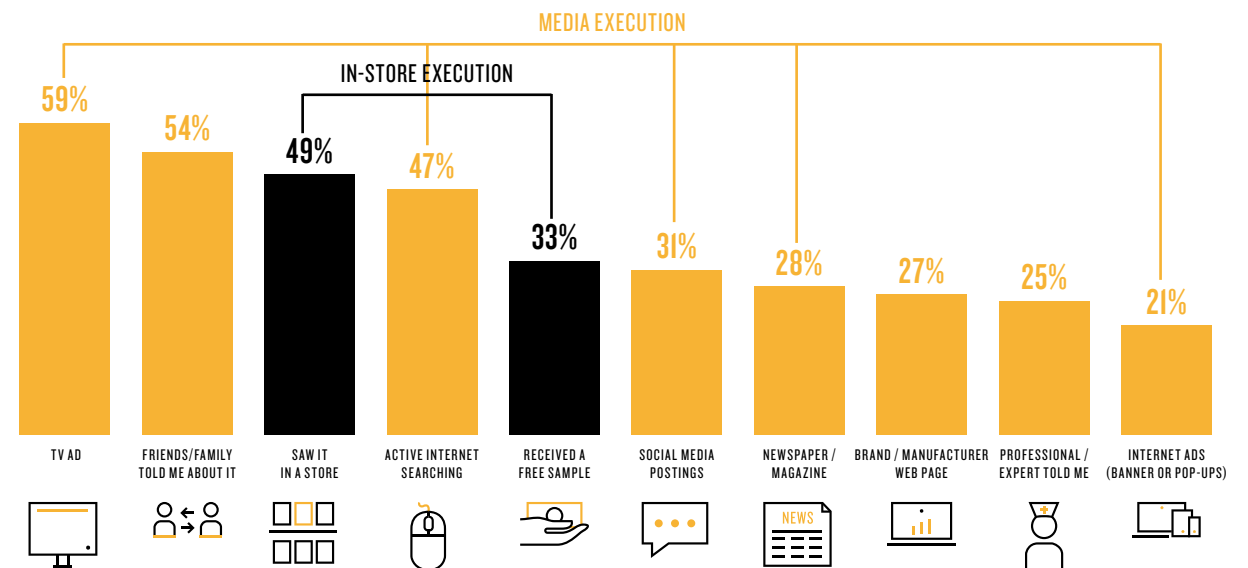
Over the past few years, Brazilian consumers have had to scrutinize their purchasing decisions and rethink their brand choices. This discerning attitude may not fade away.

WHAT DOES THIS MEAN FOR BRANDS TRYING TO EARN A BIGGER SPACE IN BRAZILIAN HEARTS? **SMART MARKETERS WILL INCLUDE A MIX OF MEDIAS, IMPROVED INTERACTIONS AT THE POINT-OF-SALE, AND A STRONG FOCUS ON CONVENIENCE.**

Already, brands are taking note. Nielsen Digital Ad ratings measured a 15.9X increase in campaigns in a mobile component, from 8% to 58% of all campaigns measured between 2015 and 2016. The Demand Institute estimates that by 2025 a quarter of Brazilians will be Connected Spenders, utilizing digital channels to spend more than half a billion by 2025.

KEY DRIVERS OF NEW PRODUCT DISCOVERY

TOP SOURCES OF NEW PRODUCT DISCOVERY FOR LATIN AMERICAN CONSUMERS



Source: Nielsen Marketing Mix, Mix of Incremental Volume Latin America



GAINS IN GHANA

Ghana's growth looks to be on the upswing, thanks to positive developments in the oil and gas sectors, agriculture production and government employment and tax policies. The World Bank predicts it will be the fastest-growing African country in 2018, with a 7.8% GDP. GDP is expected to level off to 6.2 in 2019.

With inflation levels at their lowest in more than three years, the Ghanaian consumer is more confident than ever. Having reaped the benefits of tax reductions and government employment programs, 40% say they are able to buy what they need or want. This has translated to spending in stores. Regional and local manufacturers and retailers are positive too. They consistently rate Ghana as the best business prospect in a bi-annual Nielsen survey.



GHANA 2025: YOUNG, URBANIZING WITH A RURAL STRONGHOLD

- GHANA'S POPULATION WILL GROW NEARLY 14%, FROM 28 M TO 32.5 M.¹
- THE PROFESSIONAL WORKING AGE POPULATION 20 - 65 WILL INCREASE TO 49.7% OF THE POPULATION, UP FROM 47.3% IN 2015. ²
- URBAN AREAS WILL SEE THE MAJORITY OF THIS GROWTH AND 39% WILL LIVE IN MIXED DENSITY CITIES (1-5 MILLION).³
- RURAL AREAS WILL RETAIN THE MAJORITY OF THE POPULATION, WITH 58% STILL RESIDING IN RURAL AND SMALL TOWNS.⁴

(1-4) UNITED NATIONS

WHERE IS GHANA'S FMCG GROWING?

At the end of 2017's third quarter, Ghana's total FMCG growth (14.0%) was almost twice as high as the next leading African market, South Africa (7.8%). Strong performances in food and beverages buoyed the market. These categories have done well in smaller formats and independent channels such as table tops and open markets. Smaller manufacturers have also stepped up to meet the needs of consumers, achieving growth ahead of the top five players.

FOOD AND BEVERAGES TAKE THE LEAD IN GHANA

FMCG SUPER CATEGORY PERFORMANCE MAT Q3 2017

SUPER CATEGORIES	VALUE % SHARE	VALUE % CHG YA
TOTAL FMCG	100.0%	14.0%
BEVERAGES	45.3%	17.5%
FOOD	34.4%	14.8%
NON-FOOD	20.4%	5.9%

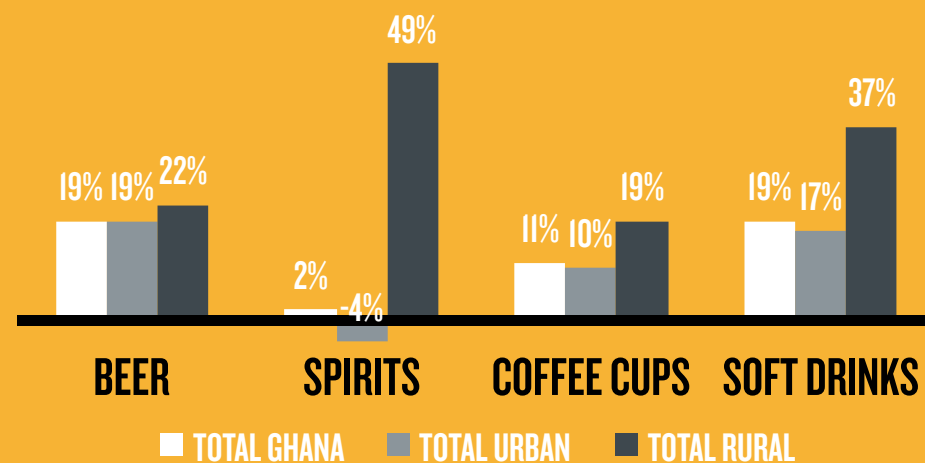
Source: Nielsen Retail Measurement Services MAT Q3 2017



A deep dive into the beverage category shows sales of beer, spirits, coffee and soda on the rise. This demonstrates that consumers are interested in spending a little more on everyday luxuries. Within these categories, rural regions are the biggest growth opportunity — in many cases two to three times faster than the total category.

RURAL SALES ARE GROWING FASTER IN MANY NON-ESSENTIAL CATEGORIES

% VALUE GROWTH 2016 - 2017



Source: Nielsen Retail Measurement Services, Data Ending September 2016, 2017

DID YOU KNOW?
OVER THE PAST THREE
YEARS, SALES FOR 8 OUT
OF THE TOP TEN BEER
MANUFACTURERS GREW
BY DOUBLE DIGITS.

Source: Nielsen Retail Measurement Services, Data Ending
 September 2015 -2017



WHAT WILL GROW NEXT?

PREMIUMIZATION INDICATORS ARE BLINKING IN BEER

Africa is one of the fastest growing beer markets in the world and Ghana is seeing some of the strongest growth. Lagers have the largest share of consumers' baskets, but growth is lagging behind the category. Older-style beers such as malt liquors and pilsners are also declining.

SO, WHAT ARE GHANAIS CRACKING OPEN?

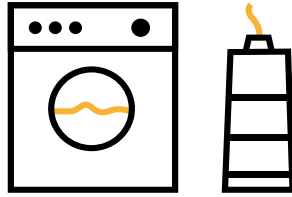
**FRUITIER, FLAVORED BEER CATEGORIES SUCH AS SHANDIES
 AND BEER-LIKE DRINKS* GREW 51% AND 21% IN VALUE SALES
 BETWEEN 2016 AND 2017, RESPECTIVELY. AS IN OTHER
 MARKETS, THESE FLAVORS APPEAL TO THOSE WHO MAY NOT
 LIKE A TRADITIONAL BEER TASTE.**

*categorized as ready-to-drink beer mixes in retail measurement data

These two trends show that Ghanaians are upgrading their beer, which could be the first sign of premiumization in the category.

To date, multinational companies have driven share, with a few notable exceptions. There is a huge opportunity for local players to capture both rural growth, but also develop beers that for local tastes.

GHANAIAANS



ARE UPGRADING

Consumers are also upgrading outside of beer and beverages. Despite a price hike in toothpaste and laundry detergent, Ghanaians are still reaching for these modern necessities. Many are investing in the more “premium” versions of these products.

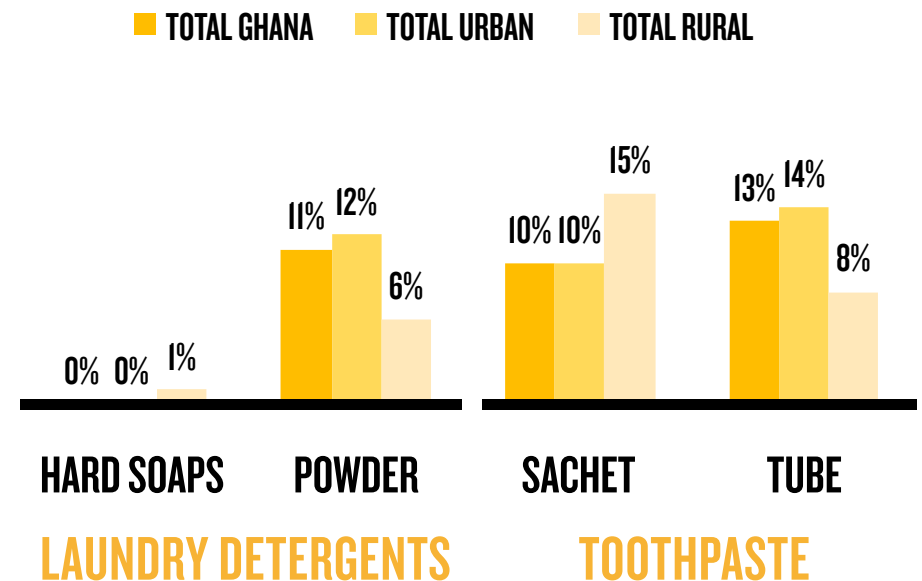
Powdered detergent, a more premium category than hard soaps, is propelling category sales at a rate of 11%. This is likely a result of consumers modernizing their laundry capabilities. Meanwhile hard soap sales have remained flat and volumes are declining in both rural and urban areas.

The story is similar for toothpaste, which has sachets / sample size versus tube product offerings. Urban consumers have purchased more and at a higher price. In rural areas, consumers are purchasing the smaller sized sachets, growing volume by 17%. A few rural consumers are taking the price increase for tube toothpaste, but they are not increasing consumption.

Growth in these categories, despite the price increase, indicates that these modern necessities are finding a permanent home in the lives of these consumers.

“PREMIUM” VERSIONS OF TOOTHPASTE AND LAUNDRY SAW GROWTH IN URBAN AREAS

VALUE % GROWTH 2016 - 2017



Source: Nielsen Retail Measurement Services, Data Ending September 2016, 2017



“THE GHANAIAN CONSUMER IS ENTERING A POSITIVE ECONOMIC ENVIRONMENT AND IMPROVED EMPLOYMENT OPTIONS. THIS SHOULD HAVE A POSITIVE IMPACT ON THEIR CAPACITY TO BUY MORE OF THE THINGS THEY NEED AS WELL AS THEIR ABILITY TO SPEND ON NON-ESSENTIALS.”

**ATO MICAH
COUNTRY MANAGER,
GHANA**

WHAT'S NEXT IN GHANA: CONSUMER POWER RISING

Now is an important time to make a mark. Product penetration is still fairly low and Ghanaians are eager to try new brands (67%) and are influenced by advertising (33%).

THROUGH 2025, URBAN AREAS WILL ACCOUNT FOR THE MAJORITY OF SALES, BUT 58% OF CONSUMERS WILL STILL LIVE IN RURAL AREAS. COMPANIES CAN GROW BRAND SHARE BY GETTING MORE PRODUCTS TO MARKET, ESPECIALLY IN RURAL AREAS.

As in other emerging countries, manufacturers in Ghana should expect to see more competition from regional and local players. As product penetration increases, this will lead to more consumer choice. Brands can capture consumers through messaging that resonates with value, quality and convenience. Health and wellness is also a rising trend within the Ghanaian community.

SPECIAL MENTION

CÔTE D'IVOIRE

A BURGEONING ECONOMY

Over the past five years, Côte d'Ivoire, Ghana's neighbor, has turned its economy around. It's now one of the fastest-growing areas in Africa. According to the World Bank, the country boasts a GDP growth rate of 8.8%.

CÔTE D'IVOIRE'S GDP IS VALUED AT \$36.16 BILLION USD, NOT FAR BEHIND GHANA'S \$42.69 BILLION.

The country's natural resource exports and manufacturing sector is helping to grow this economy. Most importantly, this revitalization has begun to lower the region's poverty rate.



WHAT SHOULD I WATCH FOR?

WHILE SIGNS OF PROGRESS EXIST, COMPANIES MUST KEEP AN EYE ON TWO KEY FACTORS: POLITICAL INSTABILITY AND DECLINING COCA PRICES. THESE COULD HAVE A TRICKLE DOWN EFFECT FOR THE CONSUMER, SOFTENING FMCG SALES.

WHERE WILL WE GROW NEXT?

CÔTE D'IVOIRE: A TRADITIONAL TRADE STRONGHOLD, BUT MODERN TRADE IS EDGING IN



Consumers buy two-thirds of all FMCG products in traditional trade stores including kiosks, convenience stores and open markets, which they visit multiple times a week. A look at some of the hottest categories shows that kiosks are driving the majority of the growth. But, grocery stores are holding their own and last year saw consistent and strong growth across the same categories.

Modern trade development is making headway thanks to a growing middle class. Already 35% of consumers shop in supermarkets for weekly and monthly pantry restocking.

MODERN NECESSITIES SHOW STRONG & CONSISTENT GROWTH ACROSS GROCERY STORES AND KIOSKS

% VALUE GROWTH 2017 VERSUS 2016

	TOTAL	MODERN		TRADITIONAL	
		GROCERIES	KIOSKS	CONVENIENCE	OPEN MARKET
TOOTHPASTE	0%	52%	68%	-3%	29%
BUTTER	13%	68%	81%	3%	8%
MARGARINE	-19%	11%	44%	-17%	70%
MAYONNAISE	11%	47%	69%	4%	29%

Source: Nielsen Retail Measurement Services, Data Ending September 2016, 2017

NOW TRENDING:

PREMIUM AMONG MODERN ESSENTIALS

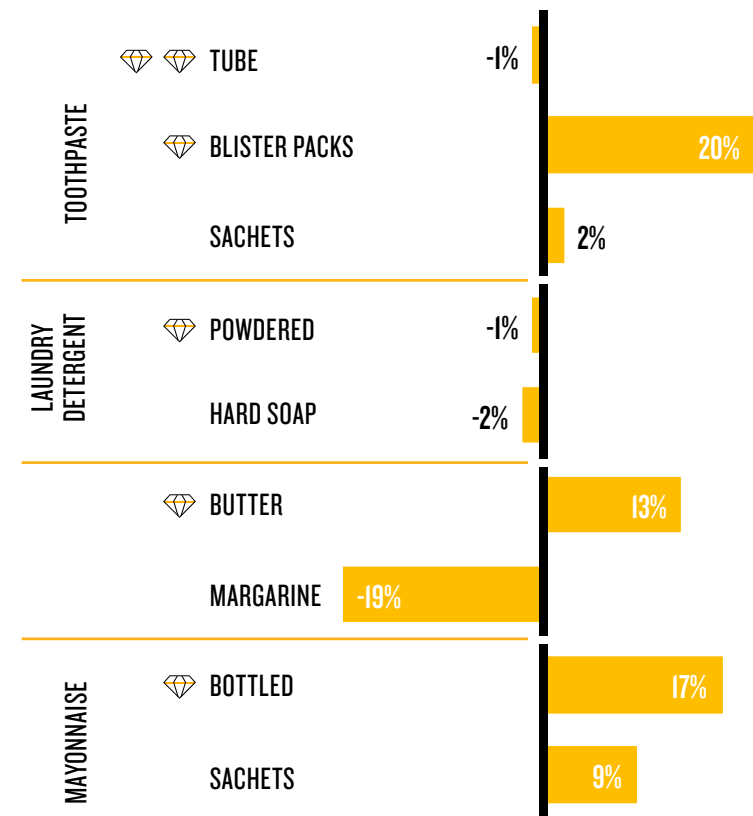


As with Ghana, consumers in Côte d'Ivoire are reaching for the premium or full size versions of many basic categories. Bottled mayonnaise sales growth is almost twice as high as sachets and butter is far outperforming margarine. Powdered detergents is declining at -1%, but hard soaps took a bigger hit, falling -2%. In toothpaste, blister packs, a step up in size from sachets, saw a 20% increase in value sales. These trends towards larger pack sizes are a positive indicator that consumers are starting to invest in and commit to these modern necessities.



THE BASICS ARE GETTING AN UPGRADE

% VALUE GROWTH VERSUS 2016



Source: Nielsen Retail Measurement Services, Data Ending September 2016, 2017

WAYS TO WIN WHAT'S NEXT

EMERGING MARKETS WILL REMAIN IMPORTANT INVESTMENTS, EVEN AS THE WORLD'S DEVELOPED ECONOMIES TAKE SERIOUS STEPS TOWARDS RECOVERY.

THESE MARKETS STILL HAVE THEIR CHALLENGES AND ARE BECOMING INCREASINGLY COMPETITIVE.

TO WIN, COMPANIES MUST EVOLVE THEIR STRATEGIES AND TAILOR THEM FOR EACH COUNTRY, IF NOT CITY. THIS REQUIRES INVESTING IN DEEPLY UNDERSTANDING CONSUMERS NEEDS, DESIRES AND ATTITUDES.

This report highlights a few important opportunities for growth:



PREMIUM AND PRIVATE LABEL: Premium and private label sales are both trending up. Consumers see private label brands improving in quality and are willing to exchange their typical brands for those offering a similar value. Premium goods can still deliver a strong value and by offering consumers a unique experience.



TRADITIONAL TRADE: While modern trade is growing, in rural areas — where the largest opportunities for growth exist — traditional trade remains a cornerstone.



GROWTH IN SMALL TOWNS AND MID-DENSITY CITIES: Rural and mid-density cities are the next frontier. As the infrastructure and job opportunities improve throughout these emerging markets, new centers for trade are sprouting up.



CONNECTIVITY: Emerging market consumers are setting the trend in digital, mobile and e-commerce behaviors — not just in their own countries but globally. These consumers are leapfrogging over the traditional systems in developed markets.

ABOUT NIELSEN

Nielsen Holdings plc (NYSE: NLSN) is a global measurement and data analytics company that provides the most complete and trusted view available of consumers and markets worldwide. Our approach marries proprietary Nielsen data with other data sources to help clients around the world understand what's happening now, what's happening next, and how to best act on this knowledge. For more than 90 years Nielsen has provided data and analytics based on scientific rigor and innovation, continually developing new ways to answer the most important questions facing the media, advertising, retail and fast-moving consumer goods industries. An S&P 500 company, Nielsen has operations in over 100 countries, covering more than 90% of the world's population. For more information, visit www.nielsen.com.

METHODOLOGY

The insights from this report used the following sources:

Nielsen Retail Measurement Services

Nielsen CGA Off-Premise Measurement

Nielsen Perishables Group FreshFacts

Nielsen Digital Shopping Fundamentals, 2017

Nielsen Retail Audit / Index

Nielsen Retail Audit Modern Trade 36CT & Census & Stores opening TOP MT retailers

Nielsen Omnichannel Shoppertrends 2017

Global Consumer Confidence Report

Nielsen ScanTrack

Nielsen Digital Ad Ratings

The World Bank

United Nations

Trading Economics

General Statistics Office of Vietnam

Alpha Beta

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THE SCIENCE BEHIND WHAT'S NEXT™