



WHY HEALTHY VENDING

HEALTHY LIVING IS HERE TO STAY

It is evolving from a rare consideration to a daily focus. Consumers are educating themselves more about the products and if it aligns with their health and wellness values. According to the Global Wellness Institute, the global health and wellness industry is now worth \$4.2 trillion. In the U.S., much of the health and wellness industry is overflowing with new trends that are related to food and nutrition. We all know your food choices each day can affect your health and how you feel today, tomorrow, and in the future.

WHY HEALTHY

The trend is cast and set. Big companies are diving in and some are even restructuring. Demand continues to rise for locations that support healthier living.

Everyone is aware of the explosion of gyms, crossfits, yoga centers, rock climbing facilities and others that support healthy living. These facilities are no longer an occasional visit but part of the daily lives of consumers.

Schools K-12, universities, and even big businesses, either through legislation or consumer demand, are changing their snack and drink options.

Gone are the days, where kids are starting their day with ridiculously high sugar, dye induced content cereals, followed by the school lunch program consisting of cheap carbohydrates. Children are taught to make healthy choices from a very age.

Big businesses are also shifting focus to enhance or create their wellness programs. Healthier employees are found to increase productivity and have fewer sick days. Surveys have even shown that big businesses can save on cost when changing even the food and drinks offered at work.



HEALTH & WELLNESS IS NO FAD

Amazon Purchases Whole Foods

In order to compete in the brick and mortar grocery business, Amazon determined that fresh, organic, healthier grocery was the future for the industry.

Frito-Lay Introduces Lightly Salted

The new line of Lightly Salted snack chips under the Lay's & Fritos banner contains 50% less sodium than original varieties. Focus shifts toward cutting back on the salt and adding more whole grain, vegetables, and protein products.

Coca Cola Reformulates 700+ Beverages PepsiCo Expands To Healthier Snacks

Coca Cola and PepsiCo made their names with the sugary drinks. With the sales declining on the traditional soda and an increasing demand for healthier soda alternatives, both companies are diversifying their portfolios. Coca-Cola mainly focusing on reducing sugar across its entire portfolio. PepsiCo, on the other hand, expands its reach towards healthy snacks.



WHY HEALTHY VENDING

SNACKING FOR ALL AGES

- > Millennials 23%
- > GenX 33%
- > Boomers 33%
- > Seniors 11%

47% Of consumers eat 3+ snacks per day.

55% Want snacks that provide a serving of fruit and vegetables.

58% Seek snacks that offer benefits beyond basic nutrition.

Source: IRI. How America Eats: The State of the Snack Industry, April 2019.

WHY VENDING

Healthy vending is on the rise and bridging the gap between a variety of businesses and wellness programs. In addition to challenging traditional vending ideas, this trend is a catalyst for a larger discussion around employee nutritional well-being. Healthy vending machines help enable access to healthier foods in places where food choices are especially limited.

Given that they take up a small amount of space, the machines are a relatively easy solution to accommodating food allergies and food preferences by providing a range of specialty products. The versatility of vending machines also allows them to be placed just about anywhere, including but not limited to offices, hospitals, fitness facilities, airports and schools.

Technology is also playing a deeper role so that vending machines are working 365 days a year without complications. Outdated vending machines are not equipped with the latest hardware and software that provide cashless and mobile payments, as well as infrared sensors that guarantee product delivery.

EVERYONE IS SNACKING

Majority of Consumers snack at least once a day. If it's not snacking in the comfort of their home, it's snacking on the go where the vending machine offers convenience and now healthier options.

With an ongoing obesity epidemic and a new trend in health and wellness, more and more states and municipalities are considering policies that strongly regulate what is available in vending machines



ALL VENDING MACHINES Are NOT Made Equal

While traditional vending machines focus more on indulgent snacks, healthy vending machines are paving the way for consumers to now have easier access to healthier options. Traditional vending machines do not stock healthier products because they are under contractual obligation to move thousands of cases of products from large distributors like Pepsi Co., Coca-Cola Co., Nestle, Kellogg's Co., Mars, etc.

This enables traditional vending operators to receive substantial rebates, sometimes even accounting for the route's entire profitability. Healthy snack and drink manufacturers do not offer similar rebate programs. The business models are completely different. This creates a significant demand in market opportunities for companies looking to vend healthier items.