

Justin's: New Product Recommendation

HK28-006



Justin's Nut-Based Chips!

Why Pursue the Chip Market?

- Leading in Market Growth and Size
- Superior Margins and Financial Returns
- Synergy with Existing Product Line
- Aligns with Justin's Core Values



Looking Ahead: Evaluating Market Potential & Business Viability



Market Attractiveness

Fit with Brand Image

Financial Attractiveness

Operational Feasibility

Main Point 1: Market Attractiveness

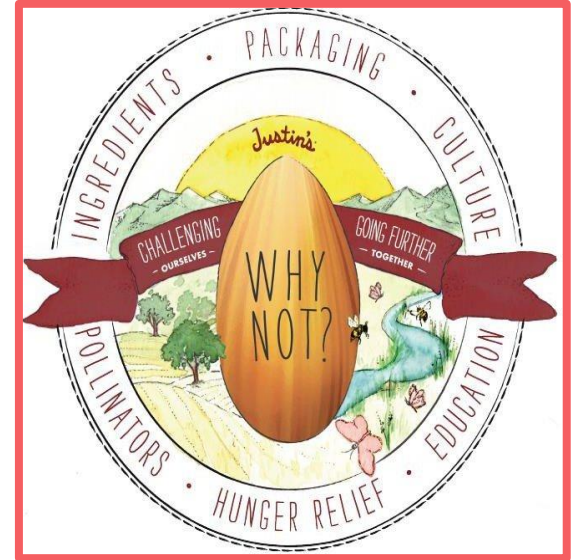
Chips: An Attractive Market, Ripe for Justin's Flavor Revolution

- **Fastest-growing category:** Chip market projected to grow 9.9% annually
- **Opportunity for premium differentiation:** Concentrated market, enables higher-end positioning
- **Rising consumer demand:** High-protein, plant-based snacks
- **Importance of innovation:** No existing nut-based options currently available

Main Point 2: Fit With Brand Image

What Is Justin's Known For?

- Clean products that fuel activity
- Nut Butters & Confections
- High quality & sustainably sourced ingredients
- Premium priced products



Alignment With Justin's Brand Image

Nut-Based Chips

- Nut product alignment
- Synergy with Justin's existing products
- Healthier/protein-rich
- Premium pricing
- Highest retail promo cost



Main Point 3: Financial Attractiveness

Chips

- **Highest Net Present Value (NPV)**
- **Highest Cash Flows**
- **Highest Net Income Margin**
- **Second Highest Internal Rate of Return (IRR) & Profitability Index**

Financial Strength

Metric	Chips	Next Best Option
NPV	\$8.74M	Almond Milk: \$6.83M
IRR	43.13%	Sunflower Seeds: 58.98%
Payback Period	2.69 years	Sunflower Seeds: 2.50 years
Operating Cash Flows (Yr 5)	\$15.05M	Almond Milk: \$11.99M

Final Recommendation

1. **Chips** – Best overall investment
2. **Toaster Pastries** – Solid alternative
3. **Sunflower Seeds** – Quick returns but weaker cash flows
4. **Almond Milk** – Decent but not outstanding
5. **Honey** – Least favorable choice

Main Point 4: Operational Feasibility

Our Recommended Path of Nut-Based Chips

- Chips face their greatest **challenge in manufacturing**
- Major **changes in production.**
- Requires sourcing new materials
- **Minor changes in packaging**
- Can **easily be distributed** with current network of warehouses
- Would **not require temperature control logistics**



Operation Simplicity for Sunflower Seeds

- Requires only **minor changes** to packaging and logistics.
- Would need to **source new materials**.
- Can use existing processing requirements.

Operational Insight on Almond Milk, Frozen Toaster Pastries, and Honey

- Almond milk **demands new production methods.**
- Honey presents a **challenge in ethical sourcing** partners.
- Frozen pastries require investment in **temperature-control logistics.**

Additional Considerations

- Branding & Scalability Challenges
- High Production Costs
- Supply Chain Integration Advantage



Our Final Recommendation

- Strategic Market Fit
- Competitive Advantage
- High ROI & Low Risk



Thank You For Your
Consideration!