



Navigating GLP-1 and F&B Investment

Latest Perspectives

2025



OC&C
Strategy consultants





GLP-1 is changing F&B consumption habits; investment opportunities persist but additional lenses are needed to evaluate assets

- GLP-1 products are highly effective at driving consumer weight loss (by restricting caloric intake); penetration has grown rapidly as a result, reaching ~9% of US adults in early 2025, with an additional ~6% who have cycled off the drugs
- Penetration is likely to continue increasing given massive addressable user base and receding barriers to adoption – slow improvement across insurance cover, cost, supply, etc.; however, there is evidence of a slowing following the initial period of rapid uptake, especially given uncertainty around access and cost
- For a segment of current users, there is also growing evidence of GLP-1s becoming embedded as a dietary tool, with a degree of on/off cycling, which combined with increasing penetration further heightens the need to understand impacts on F&B
- So far, aggregate impact on F&B volumes is estimated at ~1-2%; meaning GLP-1's are a structural headwind
- However, this impact is not evenly distributed:
 - **Category variation:** GLP-1 consumers are disproportionately pulling back spending on snacks (sweet and savory) and unhealthy food items more generally
 - **Demographic variation:** Current usage skews towards specific consumer demographics (higher income, age 35+), meaning individual brand exposure will vary depending on their consumer profile; exposure to higher frequency 'super consumers' could also mean a disproportionate impact on a given category, brand, or product
 - **Occasion variation:** Beyond reducing portion sizes, GLP-1 users are also pulling back spend from AFH consumption and 'non-core' meals e.g. pre-bed
- Given these dynamics, F&B continues to present attractive investment opportunities, but key questions relating to GLP-1 exposure should be addressed when assessing an asset
 1. What is the overall exposure assessment for the current proposition (based on addressed segment/product/occasion) / and resulting potential 'headwind'
 2. What is the impact on avenues for growth in core and adjacencies? E.g. is there scope to augment portfolio to actively target the GLP-1 user segment?
 3. Are there further asset specific considerations driven by GLP-1 e.g. portion sizes, regulatory dynamics on ingredients, labelling etc. packaging requirements?

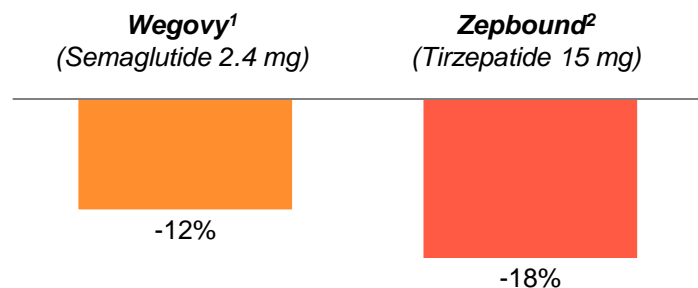
The latest generation of GLP-1 products have been a game-changer for weight loss, and penetration has accelerated rapidly since mid-2021

GLP-1: Current Usage

GLP-1 Efficacy

Change in Consumer Weight from Leading GLP-1s

Placebo subtracted from baseline, after 68 & 72 weeks respectively

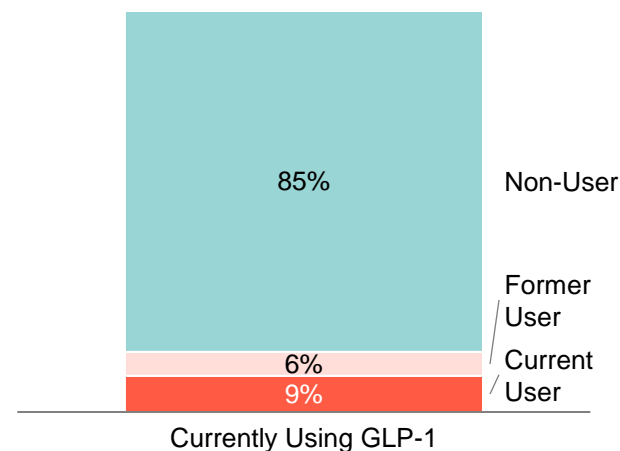


- **GLP-1s drive weight loss by reducing calorific intake; appetite is suppressed in multiple ways:**
 1. Mimicking a hormone that signals fullness to the brain and regulates blood sugar (GLP-1)
 2. Slowing digestion by delaying gastric emptying, leaving people satiated for longer after eating
 3. Stimulating insulin release to maintain stable blood sugar levels
 4. Mimicking the satisfaction in the brain people get from eating high-sugar / high-fat foods
- GLP-1s are also associated with a growing set of secondary health benefits e.g. decreased risk of heart attack, stroke, Alzheimer's

GLP-1 Penetration 2025

GLP-1 Usage¹ Across US Adult Population

N = 3,733, % of Respondents



- Penetration has grown rapidly since the launch of next generation GLP-1 products (Wegovy / Ozempic) in mid-2021
- There is now a material segment of the population who have already cycled off GLP-1 products having previously used

1. STEP 1 Trial, 2. SURMOUNT 1 Trial

3. Are you currently using or have you previously used a GLP-1 medication (e.g., Ozempic, Wegovy, Mounjaro) for weight loss or diabetes management?

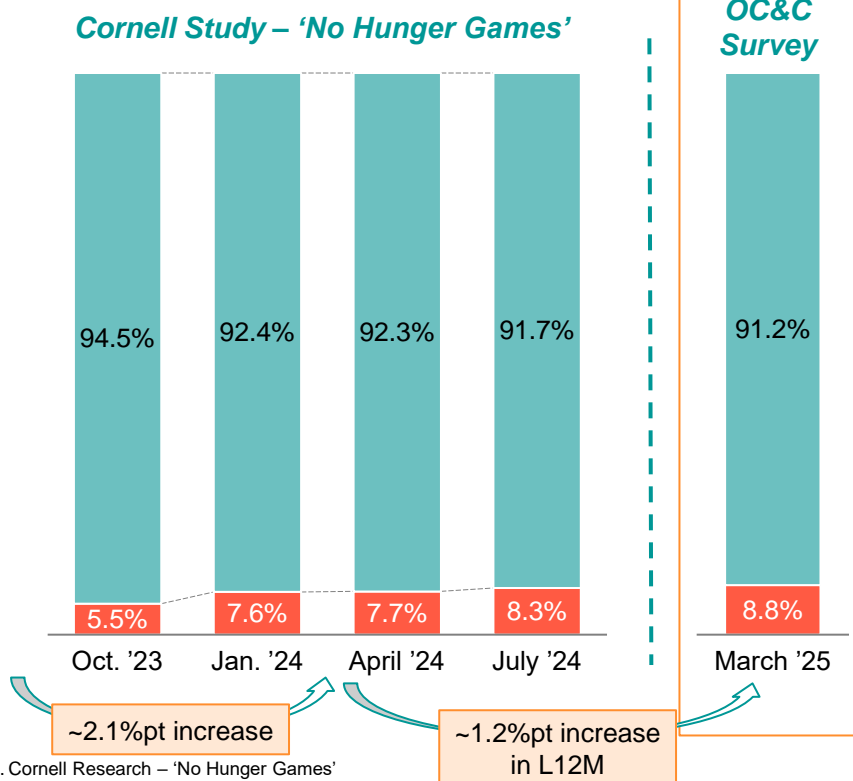
Source: OC&C Consumer Survey 2025, OC&C analysis

After growing rapidly to ~9% of US adults, there is some indication recent GLP-1 penetration growth could be slowing

GLP-1: Current Usage

GLP-1 penetration grew ~3% 2023-24, but recent penetration appears to be slowing

GLP-1 Population Incidence¹
(% of Respondents, 2023-24)



1. Cornell Research – ‘No Hunger Games’

2. NIH review of studies

3. [if never used GLP-1] Why are you not using GLP-1s (e.g., Ozempic, Trulicity, Byetta, Victoza, etc.) today?
Those who worry about side effects, science, delivery method, dependence & stigma are considered concerned of core GLP-1 offerings

Source: Desk Research, NIH, Cornell Research, OC&C Analysis

Barriers to Adoption & Outlook

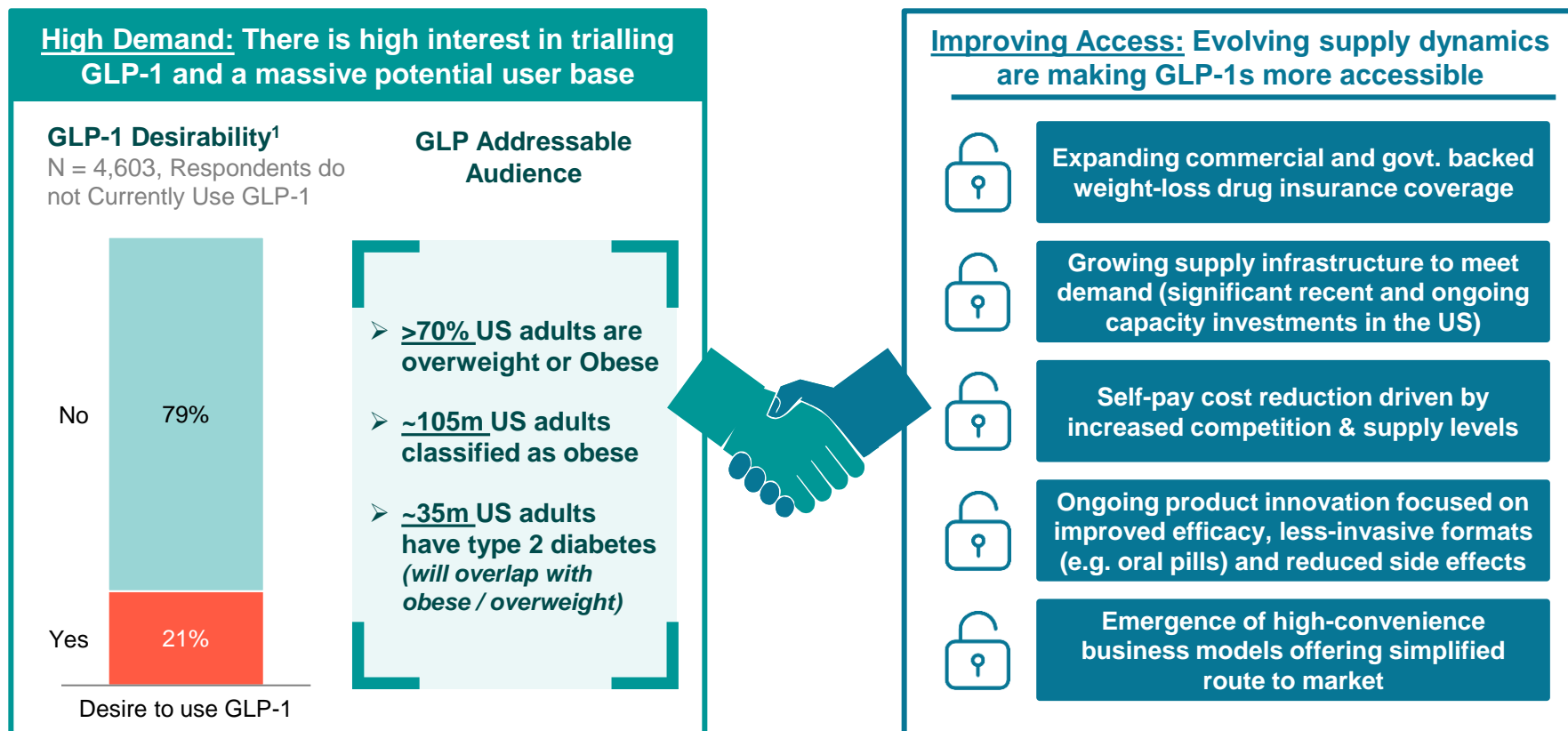
- Despite dramatically increased usage in recent years, **GLP-1 medications still face barriers to broader adoption**²
- While there is evidence of some of these barriers receding, **consumers remain concerned about core elements of the medication** – 28% are concerned about side effects³
- Furthermore, as original GLP-1 manufacturers have resolved supply shortages, **patients are being forced shift back to branded, FDA-approved options – which are often more expensive and require more steps for approval** than prescriptions from compounding pharmacies
- Original manufacturers are starting to work to mitigate cost barriers and improve access, but more stringent requirements still apply
 - In Feb 2025, **Eli Lilly** announced they plan to cut costs of Zepbound by 50% via their DTC program (\$500 self-pay cost)
 - Wegovy** just launched a direct sell option priced at \$500 vs list price of \$1.3k
- Manufacturers are also **engaged in ongoing R&D** to improve the efficacy of GLP-1s and reduce side effects – in aggregate, uptake may slow somewhat, but will likely continue increasing steadily

Share of Consumers Reporting Reason for Not Using GLP-1s (% of Non-GLP-1 Respondents, Nat Rep, N=2,555)³



However, underlying demand and evolving access and product innovation mean GLP-1 penetration is expected to continue increasing

Non-Users Considering GLP-1



High demand and improving supply mean it is likely that penetration of GLP-1s across the US will continue to grow

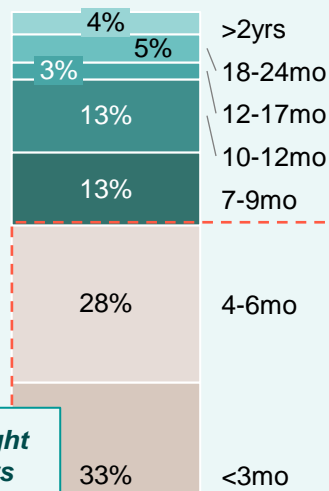
1. Would you consider using a GLP-1 medication (e.g. Ozempic, Trulicity, Byetta, Victoza, etc.) if it were made available to you?
Source: OC&C Consumer Survey, 2024, CDCOC&C analysis

Consumer usage of GLP-1s varies greatly, and there is emerging evidence of cycling – which heightens the need to understand impacts

Varied Behavior After GLP-1

Usage Duration: Most consumers use GLP-1's for <6 months

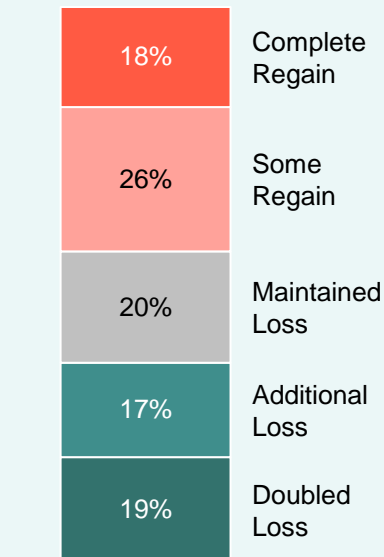
Length of GLP-1 Use for Weight Loss (% of Respondents) N = 685



60%+ weight loss users discontinue treatment <6months

Behavior After Stopping: Net regain in weight after 12 months

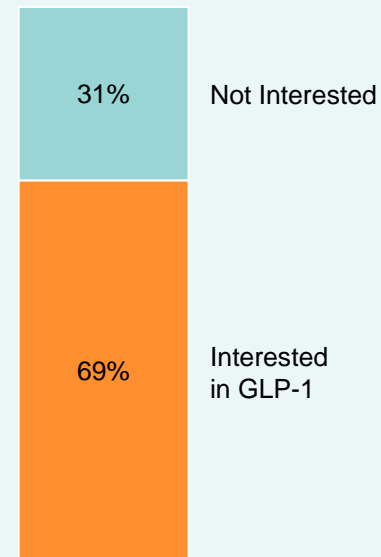
Weight Regain 12mo After GLP-1² (% of Respondents) N = 20,274



Net Change: +8% Regain

Interest in Restarting: Most former users are interested in restarting

Expressed Interest in GLP-1³ (% of Former Users) N=253



*These dynamics suggest there is potential for GLP-1s to become embedded in people's lifestyles...
...with a degree of cycling on and off becoming more common...
...Which may also constrain the 'active user' base at any one time despite penetration headroom*

1. Based On Numerator 2023 Survey on GLP-1

2. Proportion of Patients by Weight Change After Stopping Semaglutide. EpicResearch.org 2024 Survey

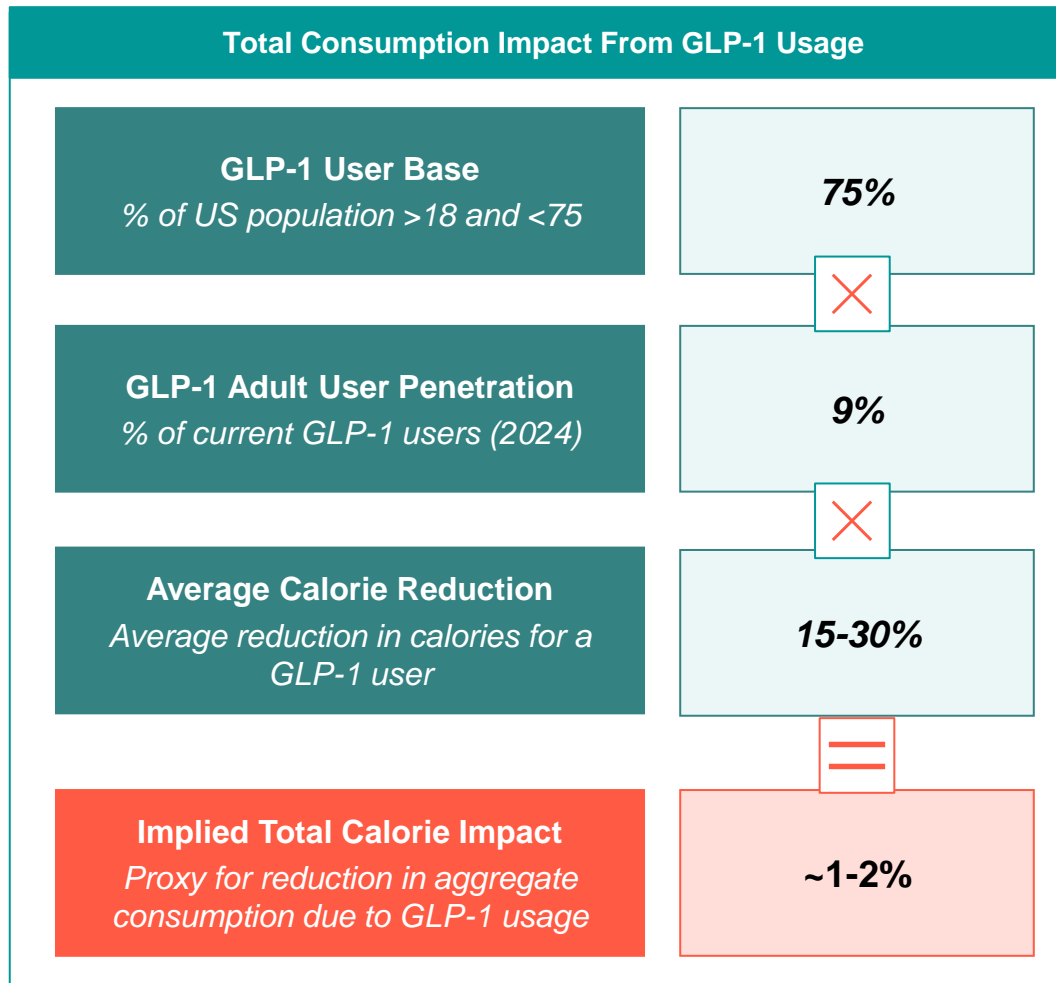
3. Would you ever consider it in the future / taking again it in the future? OC&C Survey

Source: Numerator 2023 Survey, KFF, Truveta Research, OC&C Survey, OC&C Analysis

Aggregate impact on F&B volume is a ~1-2%pt headwind at current penetration levels but could grow with increasing penetration

Impact of GLP-1 on F&B Consumption

Indicative



The total reduction in F&B volume due to GLP-1s has been moderate so far...

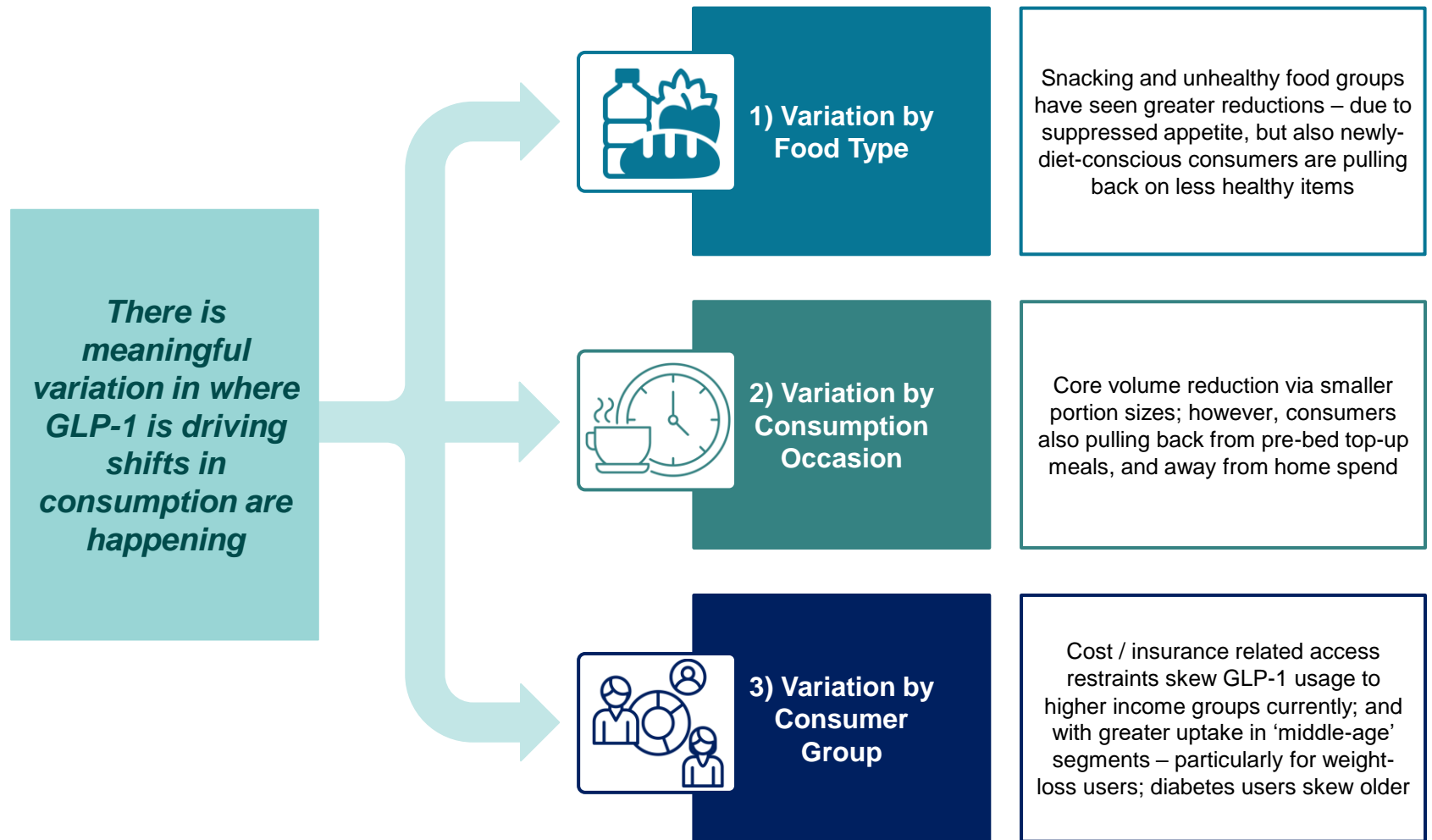
...but if penetration were to double the impact could be ~3-4% total volume

As such the growing GLP-1 usage should be thought of as a structural headwind that will have varying impact across the market

This assumes similar calories are ingested across the consumer base – in reality, GLP-1 users are likely to have had higher calorie consumption

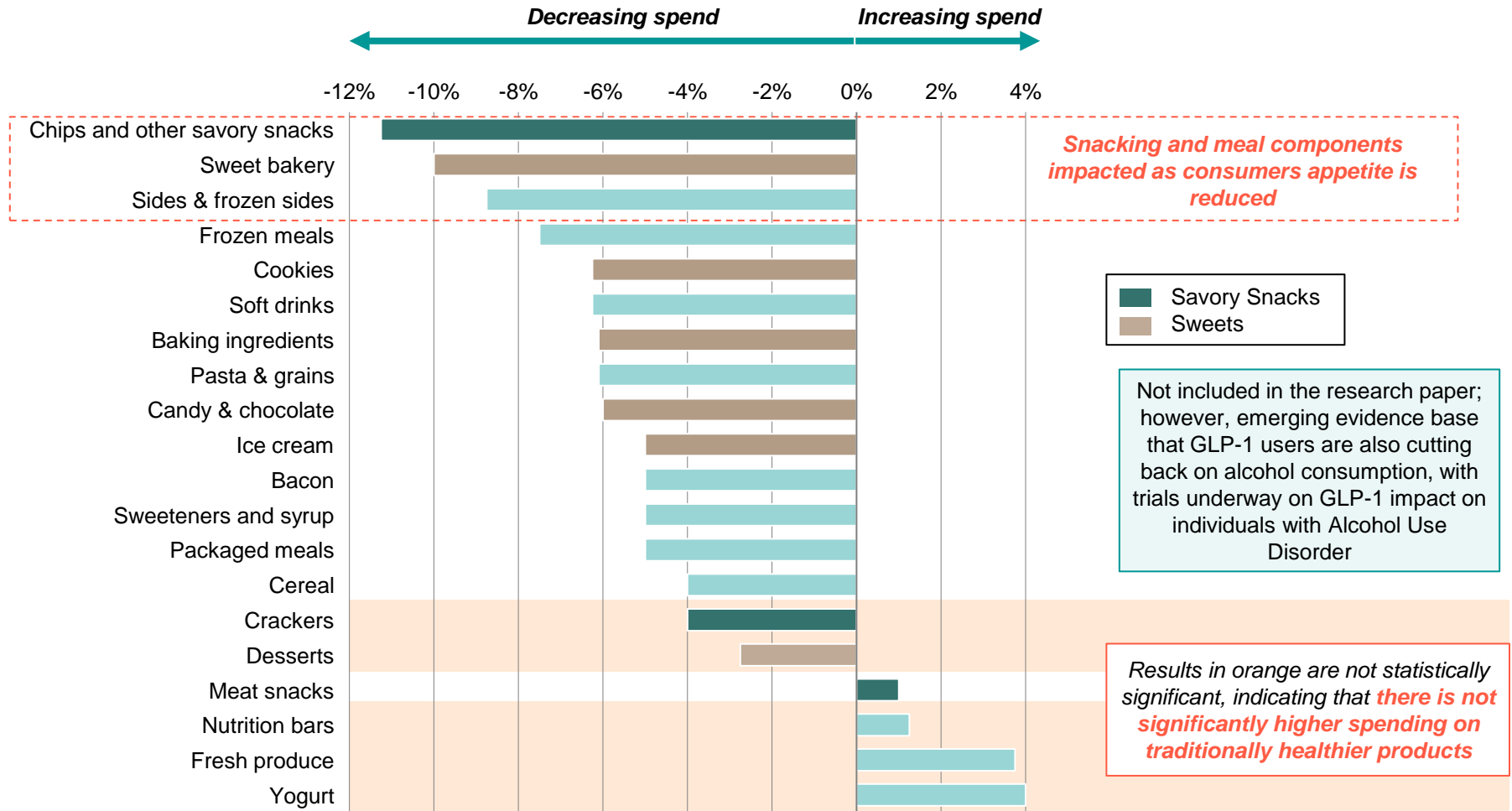
However, the impact on consumption volume is not evenly dispersed across the F&B landscape

GLP-1 Impacted Segments



In-home, change in consumption varies by category – GLP-1 users reduce grocery spend on high-calorie, high-sugar, and high-fat items

Percent Change in Grocery Spending Six Months Post GLP-1 Adoption for Weight Loss by Grocery Category¹, 2025



1. Working paper by Hristakeva et al, 2025 ("No-Hunger Games"). The authors used a two-way fixed-effects model to estimate the percentage change in spend based on 2623 users and 4072 matched non-adopters

2. Figures in chart represent median points within statistical ranges

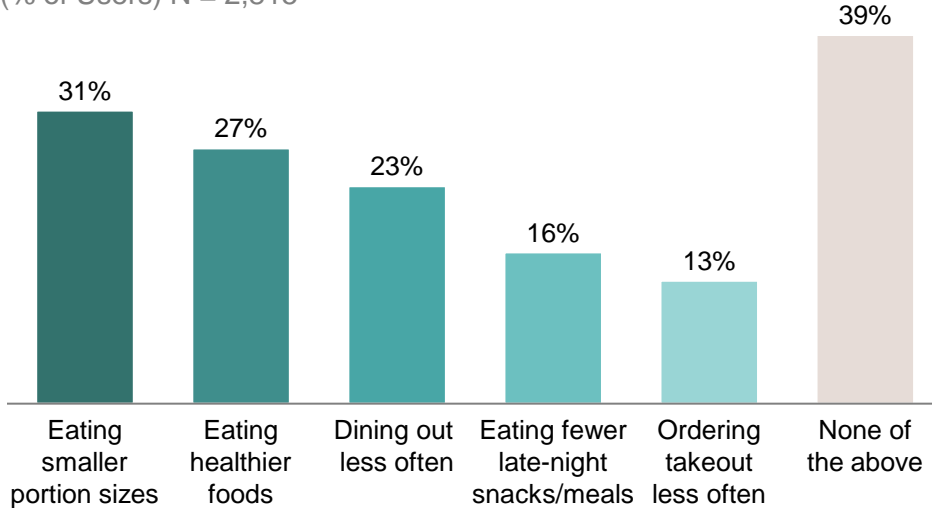
Source: Cornell School of Business (No-Hunger Games, 2025); OC&C analysis

GLP-1s are shifting consumers interaction with F&B – portions are shrinking, meal patterns are changing, and AFH spend is reducing

GLP-1 Impact on Consumption

Changes in Overall Dining Habits

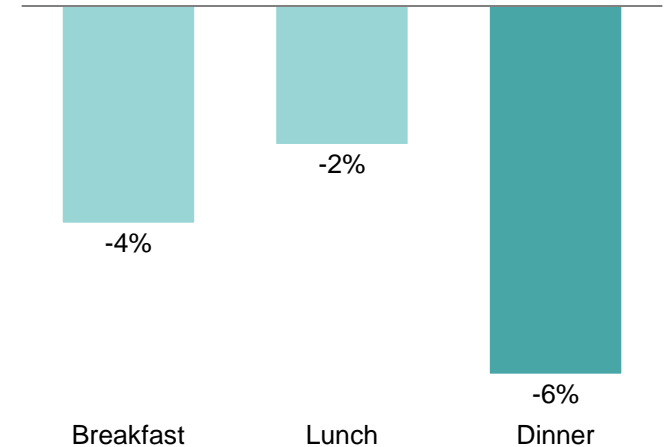
Change in Reported Dining Habits Since Taking a GLP-1 Medication for Weight Loss, 2024
(% of Users) N = 2,815



- Given appetite suppression, as well as for many a perceived desire to lose weight (evidenced by the ~5% placebo effect), GLP-1 consumer dining habits show relatively wide change variation
- Dietary changes like reduced portions and healthier choices are most common
- But a large share of consumers are cutting out evening consumer, and/or reducing away from home food spend

Away-From-Home F&B Trends

Change in Reported Spending on Food-Away-From-Home In First 6 Months of Treatment, 2025
(% Decrease) N = 2,623



- For AFH spend specifically, dinner spend was most impacted (which aligns with dinner often being a more social occasion with greater discretionary spend)
- Notably, during the 2nd 6 months of GLP-1 usage the impact on dinner spend fell to ~2% suggesting consumer preference is a factor (beyond change in appetite)

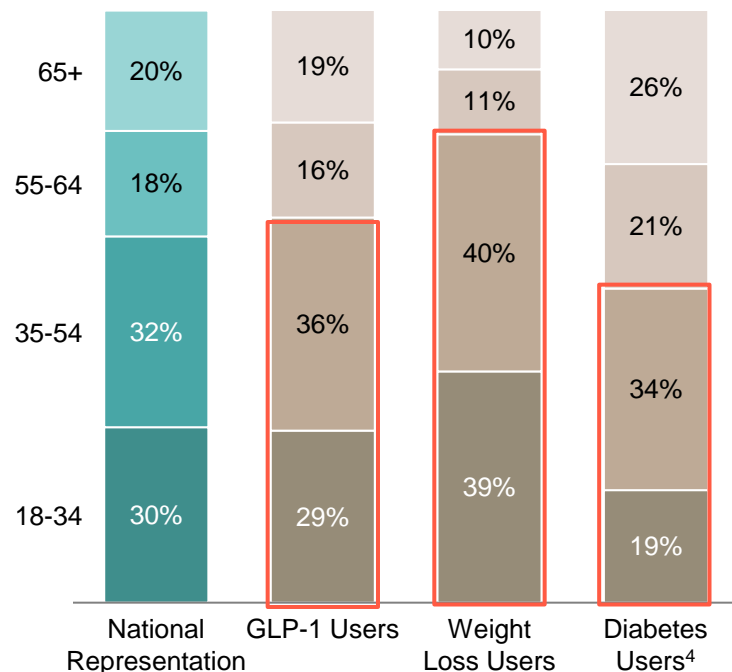
GLP-1 penetration is skewed towards specific consumer demographics, notably more affluent, and 'middle-aged', and further skew based on use

GLP-1 User Demographics

OC&C Consumer Surveys¹

Age

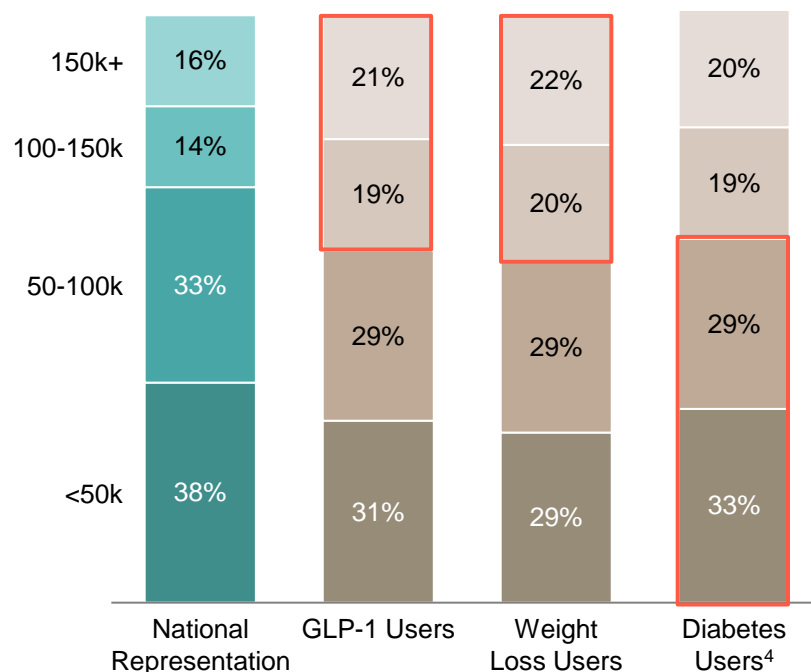
GLP-1 Usage by Age²



The GLP-1 user base for weight loss skews younger than the GLP-1 user base for diabetes treatment

Household Income

GLP-1 Usage by Household Income³



The GLP-1 user base for weight loss skews higher income vs. the GLP-1 user base for diabetes treatment

1. Aggregated results for recent surveys run across snacking and meal sides (total N of 8,504 with 772 GLP-1 users) | 2. How old are you? | 3. What is the gross (i.e., pre-tax) annual income of your household?

4. Includes usage for other metabolic conditions e.g. insulin resistance

Source: OC&C Past Work, Numerator, OC&C analysis



Given these dynamics, F&B investment opportunities persist, but key questions relating to an assets GLP-1 exposure should be assessed

Implications for F&B Opportunities

F&B Investment Takeaways

- F&B continues to present attractive investment opportunities despite impact of GLP-1s
- Aggregate impact on consumption has thus far been relatively moderate
- And varied usage duration, diet adherence after coming off, and consideration for cycling, offer some mitigation despite growing penetration
- As such, GLP-1 usage should be thought of as a structural (but growing) headwind
- However, asset specific consideration is required to assess GLP-1 exposure (both for upside and risk)

Key Criteria for Asset Evaluation

1

Portfolio exposure and headwind analysis by occasion, category, and consumer segment (e.g. exposure to 'super-users'), with scenario modelling for how this could evolve

2

Impact and viability of potential growth levers for core proposition and adjacencies e.g. development of GLP-1 targeted product lines

3

Portfolio optimization possibilities, e.g. portion and product sizes, packaging innovation, and potential related regulatory dynamics (food standards, labelling, ingredient usage, etc.)

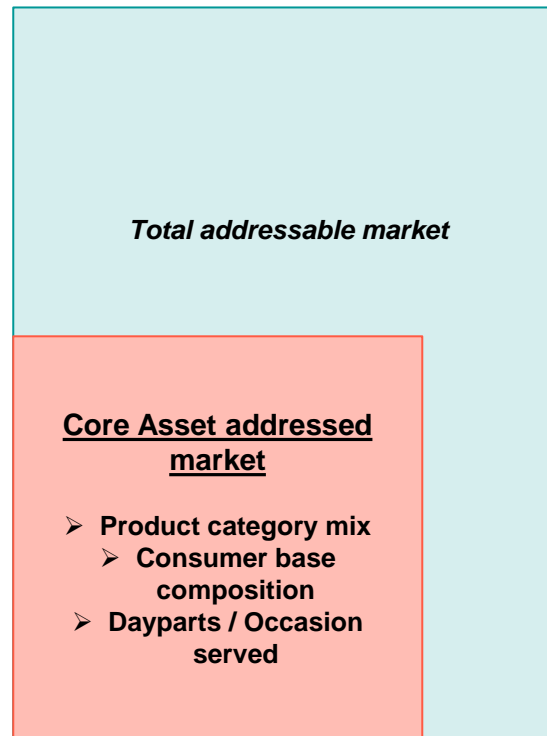
Given the variation in GLP-1 impact; asset-specific assessment on the potential volume growth headwind is required

Key Considerations: Exposure to GLP-1 Volume Reduction

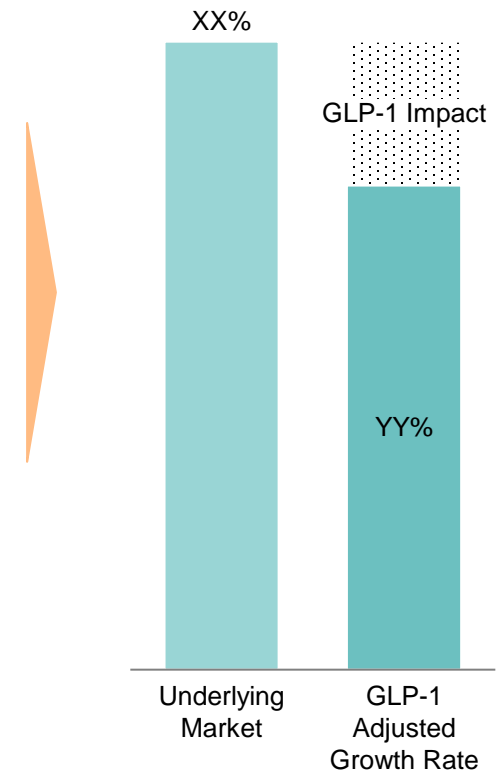
Market Exposure Modelling

- Given the presence of GLP-1 as a structural headwind, additional market modelling to assess the asset addressed growth rate:
 - What is the category specific change in consumption?
 - Who is the consumer base for the specific brand / product? What is GLP-1 penetration for those consumers?
 - Do the occasions served / product positioning mitigate impact (trend-based a permissible indulgence)
- As well as latest trend based modelling on evolving GLP-1 usage

1. Define the addressed market of the proposition to size the GLP-1 exposure



2. Factor in exposure, plus GLP-1 usage evolution into adjust market growth



GLP-1 disruption also presents opportunities; the impact on core (and adjacent) growth levers should be assessed when looking at an asset

Nestle GLP-1 Product Overview

The change in consumption habits, and detailed insights into consumer segments mean F&B players can begin to tailor their proposition to address GLP-1 users more actively

Nestle has launched a range of initiatives looking to serve the needs of (and extract value from) GLP-1 users



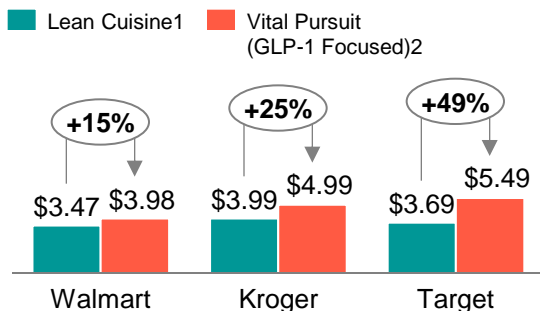
1) New Brand Development

September 2024: Nestle launched **Vital Pursuit**, a frozen meals brand targeting GLP-1 users

Vital Pursuit is **~15-50% more expensive** than close counterpart Lean Cuisine



Nestle Pizza Frozen Meals Pricing by Brand
\$/Meal (Single Serve SKU)

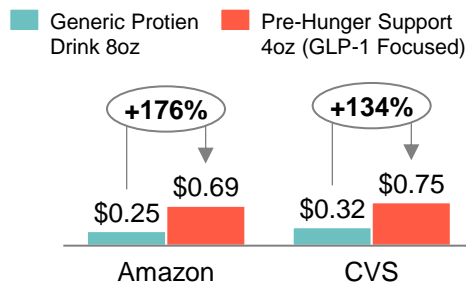


2) Product Extensions

December 2024: BOOST Pre-Meal Hunger Support protein shots are launched, designed for GLP-1 users; they are **~1.5x more expensive per oz** than generic BOOST protein drinks



Nestle BOOST Pricing by Product Line
\$/oz (Multi-Pack SKU)³



3) Tools to Navigate Portfolio

- May 2024: Nestle launched **GLP-1nutrition.com**, an **educational resource and sales platform** for products targeted to GLP-1 users' changing nutritional needs (e.g. supplements for hydration, gut health)
- Highlighted brands include Garden of Life, BOOST, Vital Proteins, Nuun, Fiber Choice, and Nature's Bounty



1. Lean Cuisine meal SKUs are pizzas products (Walmart & Kroger: same Pepperoni Pizza Protein Kick product; Target: Supreme Pizza product used, as Pepperoni Pizza Protein Kick not offered)

2. Vital Pursuit meals SKUs are the same pepperoni pizza product (Walmart, Target, & Kroger: Pepperoni Pizza)

3. GLP-1 focused BOOST protein shakes come in 4-packs of ~4oz bottles; generic BOOST protein drinks come in 4-packs at CVS, smallest multi-pack is 6-pack on Amazon

Source: OC&C analysis

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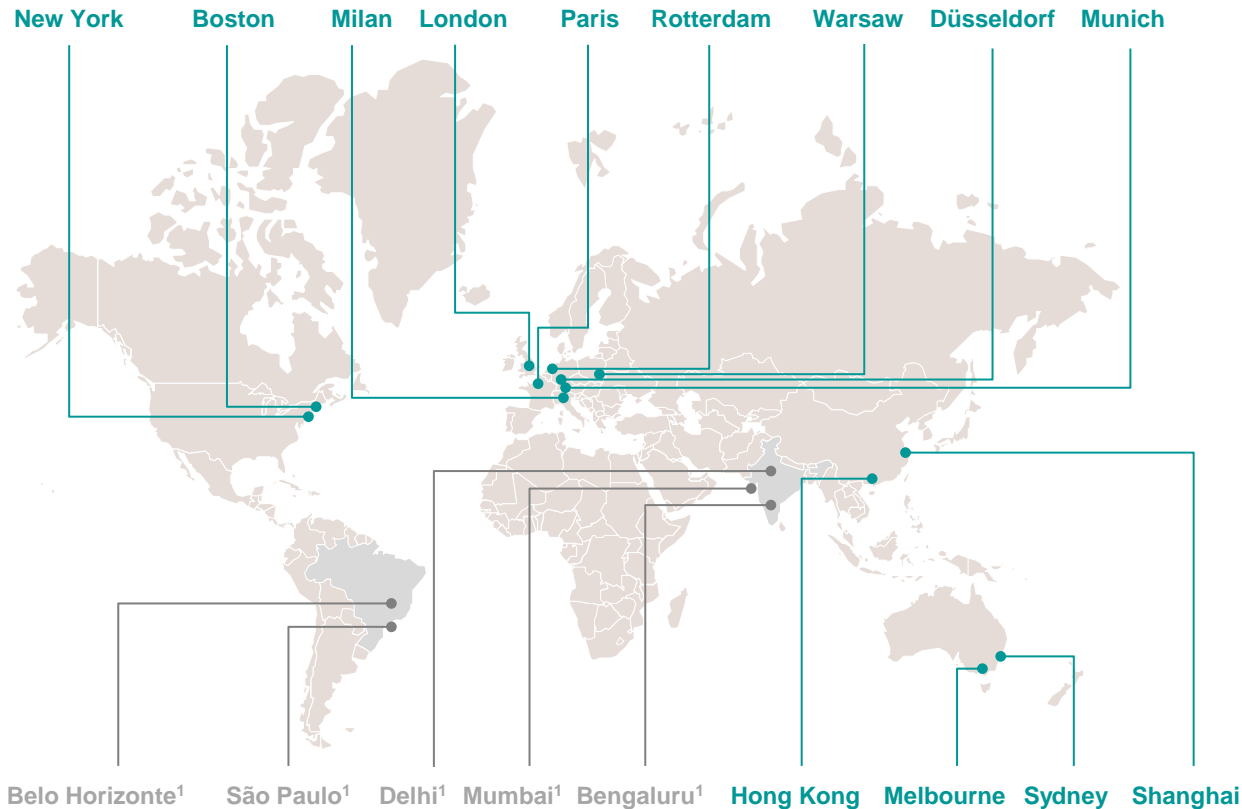
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