

A red circular logo with a white shadow. Inside the circle, the words "GROCERY" and "OUTLET" are in white, bold, sans-serif capital letters, stacked vertically. Below them, the words "bargain market" are in a yellow, lowercase, script font.

**GROCERY
OUTLET**
bargain market

Our Story

ABOUT US

Est. in 1946 in the heart of

**SAN
FRANCISCO**

**OVER
\$3.6 BILLION**
in Net Sales per year



450+
Locations



Treasure hunt
shopping experience



Natural, Organic,
Specialty & Healthy

SMALL FORMAT

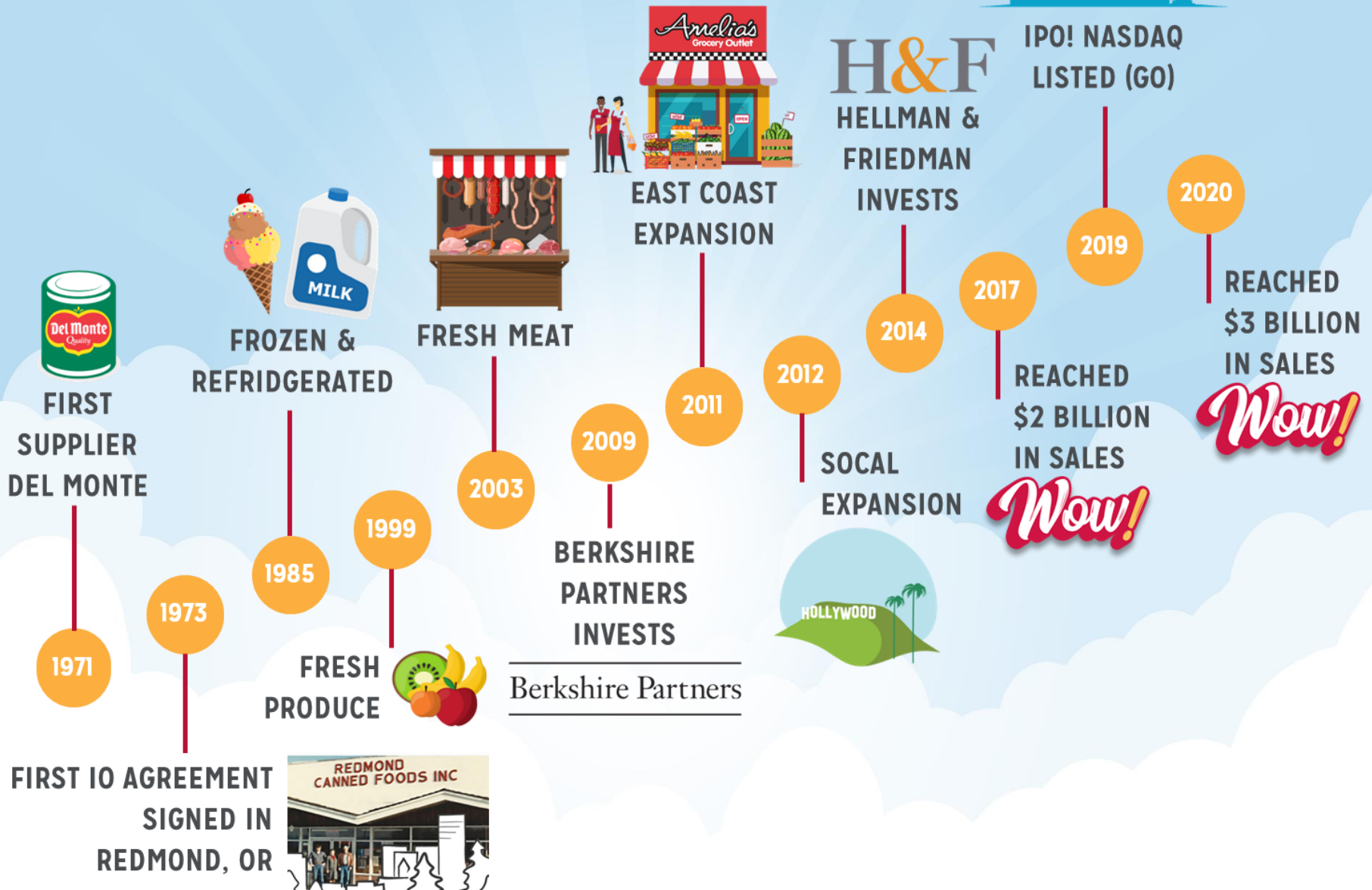
Limited Assortment

6,500 SKUS

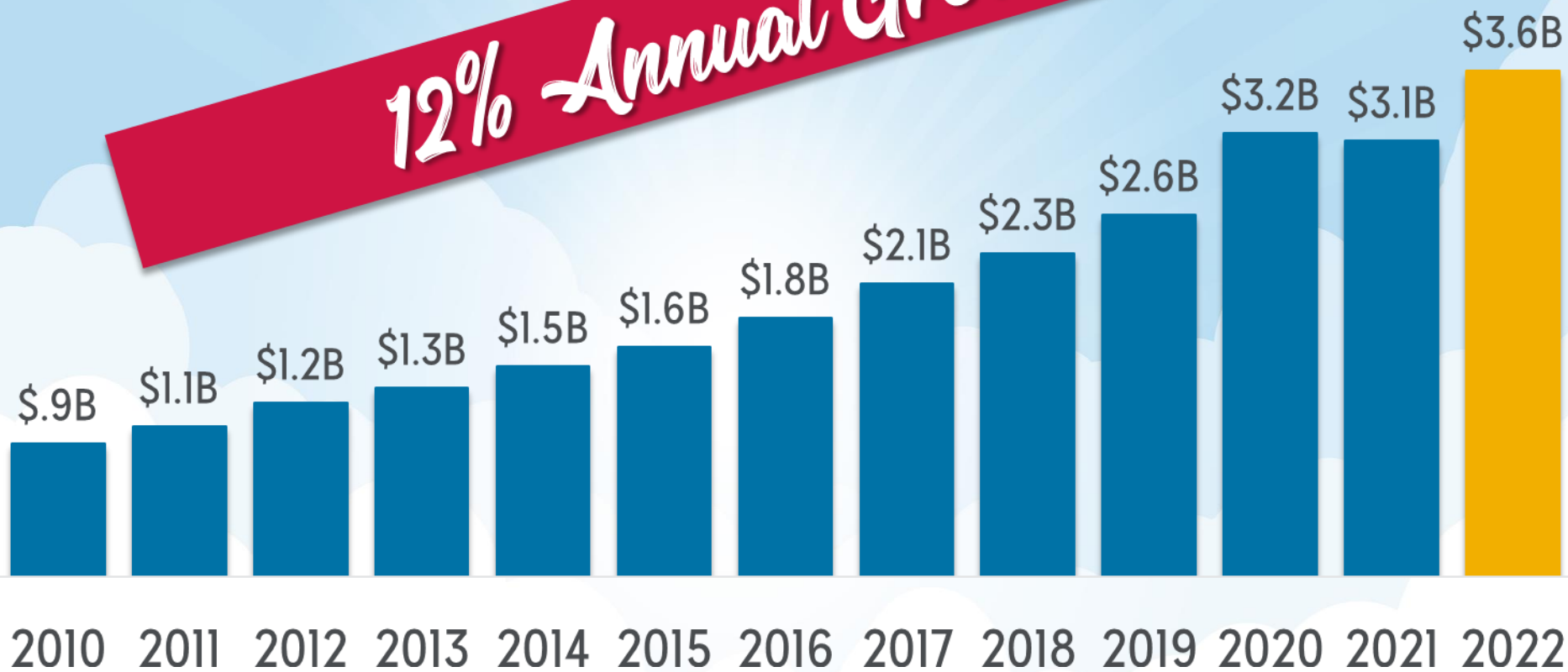
Store Size

15,000 SQFT.

OUR EVOLUTION

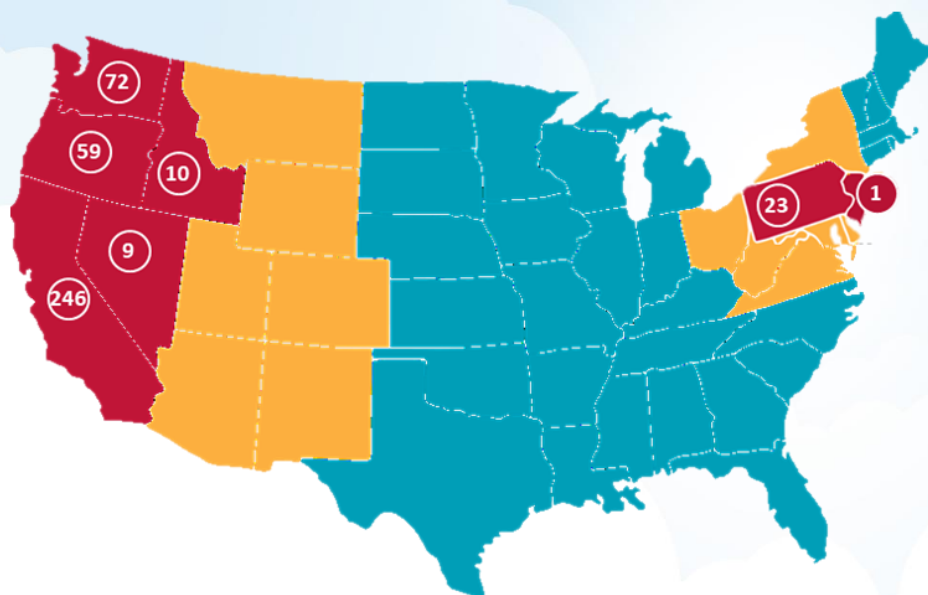


12% Annual Growth



SIGNIFICANT WHITESPACE OPPORTUNITY

- Targeting ~300 “In-Market” locations and ~1,500 new locations including neighboring states
- Long-term market potential to establish ~4,800 stores nationally



+5x Potential

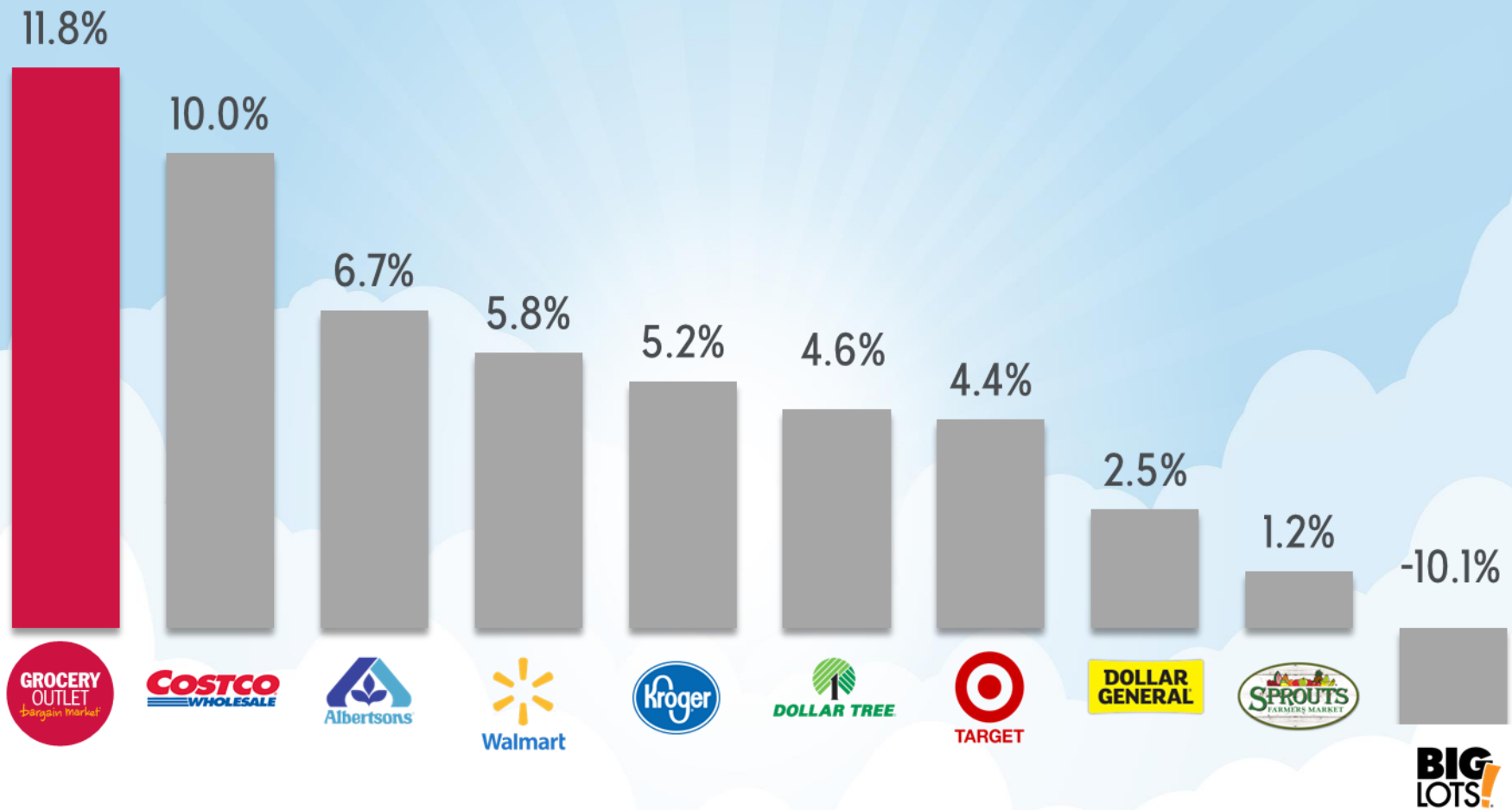
440+

~1,900

As of
Q2 2023

Neighboring
State
Potential

LAST 12 MONTHS COMP SALES



Q4 CUSTOMER COUNT



A UNIQUE APPROACH TO BUYING

OPPORTUNISTIC BUYING MODEL

- Grocery Outlet works with leading CPG to purchase “opportunistic” inventory at an extreme discount
- Opportunistic enables GO to offer Extreme Value
 - 40%+ off conventional grocers
 - 20%+ discount to key value competitors such as Wal-Mart
 - Provides value to both CPG Partners and our shoppers



EVERYDAY ASSORTMENT

- Builds customer traffic by offering staples such as Milk or Sugar that cannot be sourced opportunistically
- Increases Size of Basket by offering a total shopping solution
- Pricing
 - Must meet or beat lowest retail in the market.
 - Margins typically compressed from importance of protecting value



A DIFFERENT APPROACH TO SELLING

INDEPENDENT OPERATOR MODEL

- Independent Operator model drives high customer loyalty
- Operators protect the brands of our supplier partners by ensuring product is creatively merchandised & sold directly to the end user
- Maintain deep involvement in local communities
- Raised over \$13M for over 400+ local food banks selected and partnered with locally by our operators
- 50/50 partnership with Grocery Outlet based on consignment arrangement; not a franchise



BIG BENEFITS TO SUPPLIERS

- Significant cost recovery on average 1-2% total sales volume
- 100% controlled, brand protected sales channel
- Flexible solutions provider
- Scale and geographic reach for one-stop-shop partnership
- Quick response, decision-making, execution and payment
- Additional regular goods sales channel



HOW CAN WE PARTNER?

SHORT DATE CODES

Shorter code
dates not
acceptable by
primary retail
channel

EXCESS INVENTORY

Over production
or missed
forecasted items
on special packs

PACKAGE CHANGES

Package refresh
related to
Branding or
Regulatory
changes

DISCONTINUED ITEMS

Failed innovation
discontinued by
retail partners

EXCESS CAPACITY MOQs

Ability to fill
excess capacity
or meet MOQs for
younger brands



NOSH

NOSH

Natural Organic Specialty Healthy

- We show great value on leading brands in categories relevant to our customers
- We have grown the NOSH customer at GO, tapping into a new, valuable customer base

NOSH AS % OF GO SALES



NOSH (CONT.)

~\$1 BILLION DOLLAR BUSINESS, GROWING AT DOUBLE DIGITS

GROCERY OUTLET AGGRESSIVELY PURSUING NEW
ASSORTMENT

2023 EXPO WEST; \$13 MILLION IN DEALS FROM THE SHOW!





Thank you!



HIRSHBERG
ENTREPRENEURSHIP INSTITUTE