

Chairman's Remarks – PLMA 2019 Annual Meeting

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Chairman of the Board of Directors, PLMA

MARCH 22, 2019 – PEBBLE BEACH, CA – I would like to express thanks to the membership for your ongoing support and trust in my ability to serve PLMA as Chairman of the Board of Directors. I would also like to acknowledge the support of my company, Reynolds Consumer Products, and my deepest thanks to the members of the executive committee and the entire PLMA Board and to those serving on the various committees and task forces of PLMA for their support and their dedication to the work of the Association.

Private label's growth and success in the US continues at or near historic levels. Store brands in 2018 recorded impressive gains across many, many categories, while generating some of the strongest results among exclusive and premium products that continue to open opportunities for private label well beyond the NBE and budget tiers. With retailers like Walmart, Aldi, Lidl and Costco all increasing their PL business and growing sales, experts are predicting that Private Brand has only one direction to go in the US... UP!

And all this takes place in a business environment that continues to rack up unprecedented, transformational changes in virtually every area – technological, societal, transactional and informational. The facts are your customers are also being forced to change how they do business to keep up with the rapid change in our industry.

Note the investments already being made on the retailer side in new ecommerce models, the rise of click-and-collect and more. The question of where and how they will invest and execute going forward – in stores as well as online – are going matter tremendously. Will these investments pay off?

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As suppliers, we must continue to innovate as retailers are hungry for differentiation in private label. Quality has never been more important in our industry and in order to be positioned for the future you must have the very best product available.

Calculating your own return on investment will be difficult, and the return may look very different than what you're accustomed to. But the staying relevant to the new shopper and to your customer is the only choice you have.

How much higher will your category grow, and how can you position your company for success? Fortunately, we are here and we have some of the best minds in the business to help find a way forward together.

Thank you once again. I hope you enjoy the conference.