

whipstitch

CAPITAL

DEAL DIFFERENT.

Healthy Living Consumer Products: Industry Update



Natural Products Expo East
September 2016

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Contents

- Whipstitch Capital Overview
- Deal Update / Whipstitch's Consumer Industry Overview
- SPINS Market Update: Produced for Whipstitch's Industry Analysis
- Consumer M&A and Private Placement Deal Data



Whipstitch Capital – A Bank Solely Focused on the Healthy Living Market

Whipstitch [hwip-stitch]

Noun. The stitch that passes over an edge, in joining, finishing, or gathering.

- Launched October 2015 by Nick McCoy and Michael Burgmaier
- Focused exclusively on innovative consumer companies
- Financial Advisory on M&A and institutional private placements
- Participate in over 15 consumer industry events/year
- Lead events such as all day financing seminars and invitation-only, investor-/acquirer-only networking gatherings
- Team has completed over 50 transactions over the past seven years
- Visit us at www.whipstitchcapital.com



RUN WITH US.

The Whipstitch Differentiation: Extreme Focus

Focus

- All we do is consumer; 90%+ food and beverage
- We know how to talk about your company and sell it – no learning curve

You Get the Top

- We don't just "hand off" – we work with you on the materials, make the calls and make the deal happen
- 100% Credibility with investors and acquirers

Experience

- Over 30 years of investment banking experience; cohesive team
- Top-quality materials
- High-touch, high-quality process

**We Are Not the Typical Banker, Nor Do We Want to Be
Won't Tell You What You Want to Hear; We Tell You the Truth
Our M.O.: Under-promise and Over-Deliver – Ask Our Former Clients...**

DEAL DIFFERENT.

Whipstitch is Co-Founded and Led by a Seasoned, Highly Experienced Team

Nick
McCoy



Michael
Burgmaier



- 20 years of investment banking experience
- Co-founder, Silverwood Partners
- Investment Banking Group at Gleacher & Co. (First Albany; now Jefferies)
- Director of M&A at Allmerica Financial Corp.
- Senior Associate, Corporate Development, Wheelabrator Technologies
- MBA in Finance from Wake Forest University; BS Business Admin. UNH

- 15+ years of investment banking, consulting and VC experience
- Formerly with Silverwood Partners
- Principal of VC firm CEI Community Ventures
- Consultant at Bain & Co., Inc.
- Frequent author and speaker at BevNet Live, Expo West, NCN and more
- MBA from Tuck School of Business at Dartmouth College; MPP, Duke; BA Economics, Boston College

Jefferies



A Deeply Experienced Whipstitch Team

The **24/7** Team



Greg Ucich

Senior Associate

- 3 years consumer IB experience at Silverwood Partners
- Outdoor activity enthusiast
- Aspiring beach volleyball player
- Based in San Diego, CA – the most beautiful place in the country.. (except summers in Maine, says Burgmaier incessantly)



Tim Sousa

Senior Associate

- 5 years consumer IB and PE experience at Silverwood, Kamylon Capital
- Happily retired NCAA athlete who has never lost the spirit of competition
- Human test subject (just look at Tim's desk drawer full of vitamins and supplements)



Taylor Lynch

Analyst

- PE experience New Forest Capital
- Avid sports enthusiast; Exercise Physiology degree from BYU
- Love of the outdoors, on path to become future Bear Grills
- Proud husband and father of newborn who loves the sound of her own cry

With Support From the **STITCHING CREW**



Bob Burke

- Consultant to natural and specialty food and beverage companies
- Named one of the "Top 25 Business Builders of the Natural Products Industry for the last 25 years" by Natural Foods Merchandiser Magazine
- Co-Author of *Natural Products Field Manual* and *The Sale's Manager Handbook*



Tim Sperry

- Founder of The Tim Sperry Group; a consultancy focused on clients selling into the Natural, Organic and Specialty Marketplaces
- Previously spent 20 years in purchasing leadership at Whole Foods Market
- Advisory board member to Back to Nature, New England Natural Bakers, and Galaxy Nutritional Foods



Kim Greenfeld

- Founder of Campo Verde Solutions providing consulting to natural and organic companies
- Private label expertise; previously with Trader Joe's and Whole Foods Market
- Fluent in both French and Spanish; hold AB degree from Occidental College, MBA in marketing from CSULA

Stitching Crew Continued...



Jeanne Varley

- Founder & CEO of Emerging Brand Strategies, LLC; a consultancy to emerging beverage and consumer goods co's
- Held senior level roles with Diageo, Constellation Brands and FIJI water
- Enjoys spending time with young daughter and husband near home in South Florida
- MBA from Wharton



Kent Pilakowski

- Created IGNITE Sales Management in 2007; works with established brands as a national sales force to assist in scaling CPG businesses
- Referred to as a "category captain" in the natural and organic space
- Former General Mills: Roles included directing sales operations, trade marketing and category management



Rick Antonelli

- Majority of professional career dedicated to UNFI; positions included Executive VP, Chief Operating Officer, and President of Distribution
- Leadership roles at Harvest Provision and Fairfield Farm Kitchens
- Served on Board of Directors for Galaxy Nutritional Foods, Zevia, National Cooperative Grocers Association, Mary's Gone Crackers and UNFI



Chris Licata

- CEO of The Tecnica Group, a winter sport and outdoor brand distributor; brands include Nordica, Tecnica, Blizzard and Rollerblade
- Previously President and CEO of Blake's All Natural Foods; acquired by ConAgra Foods in 2015
- In 2014, named the NH Small Business Person of the Year by The United States Business Administration

whipstitch
CAPITAL

M&A, Private Placement and Buy-Side Advisory: Select Deals Led by the Whipstitch Team



Whipstitch in the Press: NOSH Voices: "Under Pressure, Here's What the Big CPGs Will Do"

From a Whipstitch Article
Published 9/13/16



- The hurt is accelerating for the big CPGs; all eight of the top food and beverage companies experienced sales declines in Q1 2016 vs. 2015
- Despite suffering major losses, 2015 experienced strongest growth in food and beverage spending over the past four years thanks to growth of small and mid-sized CPG companies
- Large CPG companies are acting: Acquiring smaller companies and investing in relatively early-stage, fast-growth companies
- The numbers show that consumers are willing to pay and are spending but their money is flowing away from the CPG giants
- Small CPG companies should consider strategics for capital; entrepreneurs should look for great advisors, ask hard questions and think through all possible scenarios

Strategic	Investment Path	Fund/Group Name	Example Investments
	Internal group	Venturing & Emerging Brands (VEB)	Honest tea, suja, ZICO
	External Fund (one LP)	First Beverage Ventures	HEALTH-ADE, KOMBUCHA
	Investing	NEB/North America Premium Nutrition & Venturing	O.N.E. Coconut Water
	Investing	--	SWEET LEAF
	Created Fund	Acre Venture Partners	NA - launched 2016
	External Fund (backed by Mars)	Digitalis Ventures	SECOND GENOME THE MICROBIOME COMPANY
	Internal Group	301, Inc.	BEYOND MEAT, RHYTHM, kite hill
	Internal Group	1894 Ventures	NA - launched 2016
	Investing	--	NUMI ORGANIC TEA
	Investing	--	DAILY GREENS
	Investing	--	BODYARMOR SuperDrink, bai
	Internal Group	Cultivate Ventures	NA - launched 2016

Source: <http://www.bevnet.com/news/2016/nosh-voices-pressure-heres-big-cpgs-will>

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Some Top M&A Deals Since Expo West 2016



- High growth brands continue to attract premium multiples – barkTHINS acquired for 4x revenue
- Hormel's acquisition of Justin's illustrates need for large CPG companies to acquire small, fast-growing companies to offset declines in legacy brands
- Danone's acquisition of WhiteWave deepens Danone's natural and organic food offering while solidifying a US presence

Some Recent Food & Beverage M&A Highlights

Target	Acquirer	Date	Target	Acquirer	Date	Target	Acquirer	Date
		Feb 2016			May 2016			July 2016
		Feb 2016			May 2016			July 2016
		Mar 2016			May 2016			July 2016
		Mar 2016			May 2016			Aug 2016
		Mar 2016			June 2016			Aug 2016
		Apr 2016			June 2016			Aug 2016
		Apr 2016			June 2016			Sept 2016
		May 2016			July 2016			Sept 2016

Some Recent Food and Beverage Private Placements

Target	Investor	Date	Target	Investor	Date	Target	Investor	Date
		Mar 2016			Apr 2016		 	July 2016
		Mar 2016			May 2016			July 2016
		Mar 2016			May 2016			July 2016
		Mar 2016			June 2016			July 2016
		Apr 2016			June 2016			July 2016
	Undisclosed	Apr 2016		 	June 2016			Aug 2016
	Red Beard Holdings, LLC	Apr 2016		 	July 2016			Aug 2016
		Apr 2016			July 2016			Aug 2016
	 	Apr 2016			Aug 2016			

Whipstitch: Select Natural Product Trend Highlights

(One slide detail on each on the following seven pages...)

- Fats Are Back and Here to Stay; Grass-Fed, Plant-Based Foods Becoming Mainstream
- Food Labels Continue to Evolve: Transparency Changing What We See and What We Eat
- Nutritional and Performance Drinks Take Share in the Cold Case, Led by Probiotic-Infused Beverages
- Strong Consumer Demands Spark New Wave Coffee Products; Water Positioned to Overtake CSDs
- Supplements: A Growing Part of Everyday Life
- Vitamins and Dietary Supplements Help to Fight Our Biggest Health Concerns
- Personal Care Brands Focus on Familiar Ingredients

Fats Are Back and Here to Stay; Grass-Fed, Plant-Based Foods Becoming Mainstream

- Whole-fat milk, yogurt and other dairy products continue outsized category growth – whole milk sales increased 4.5% YoY in 2015 while fat-free milk fell 12.3%¹
- Grass-fed beef has grown at a 25-30% CAGR for the past decade while per capita beef consumption for traditional beef products continues to decline²
- US retail sales of plant-based foods & beverages grew 3.4% to \$4.9 billion YoY for the TTM ending June 2016, with particularly strong growth in cheese alternatives and refrigerated nut milks³

Whole Milk On the Rise

4.5%



Whole Milk

12.3%



Fat Free Milk

Grass-Fed Leaders



Plant-Based Innovators



Food Labels Continue to Evolve: Transparency Changing What We See and What We Eat

New GMO Labeling Laws: QR Codes? Really?

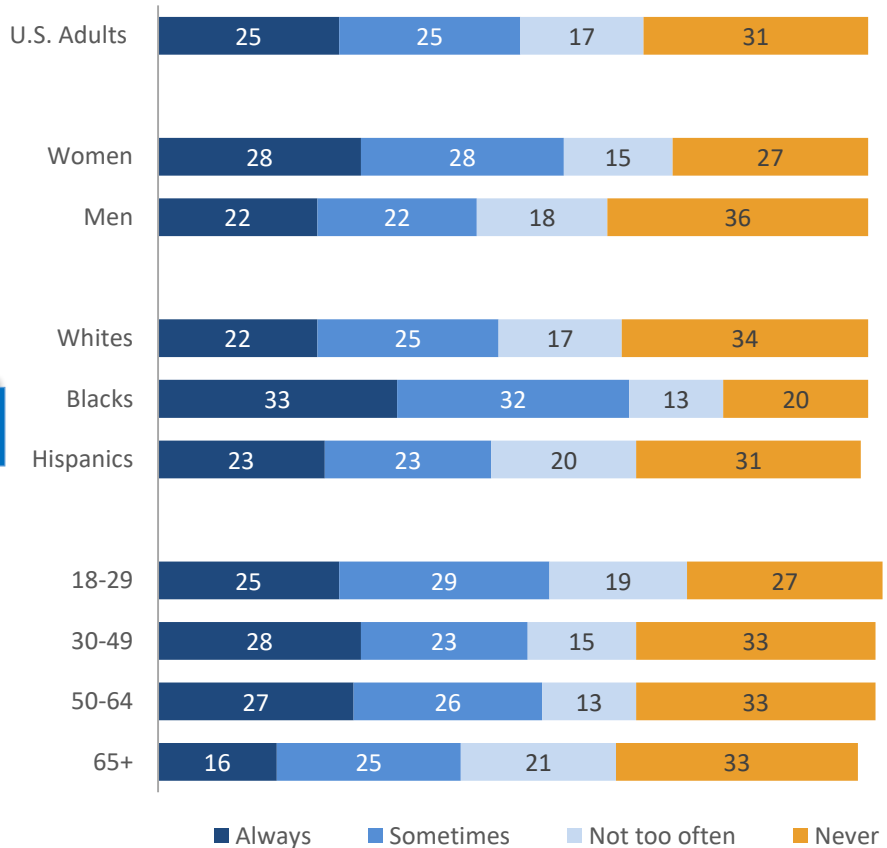
- Recently instituted GMO labeling law allows food producers to use digital codes to inform consumers of possible GMO ingredients in products
- Survey conducted states 59% of Americans 'not likely' to use QR codes to get GMO food information
- *“This bill is disappointing in terms of clear information on packaging” - Megan Westgate, executive director of Non-GMO Project¹*

Sugar Falls Further Out of Favor

- New U.S. FDA law will require companies to break out the added sugar content in products
- Companies such as KIND have begun publishing added sugar content; brands focused on low sugar product offerings poised for success



Checking for GMO Food Labeling, by Key Demographics²
% of U.S. adults who say they look for GMO labeling when food shopping



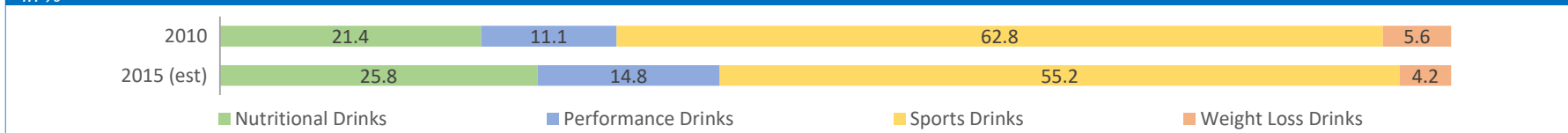
Nutritional and Performance Drinks Take Share in the Cold Case, Led by Probiotic-Infused Beverages

Nutritional and Performance Drinks Stealing Market Share

- Many functional beverages aim to improve overall health and performance
- Traditional weight loss and sport drinks segments losing market share to nutritional and performance segments
- From 2010 to 2015, Mintel reports that market share for both nutritional drinks and performance drinks increased from 21.4% to 25.8% and 11.1% to 14.8%, respectively¹

Nutritional and Performance Drinks Segments Steal Share, 2010 and 2015 (est)¹

in %

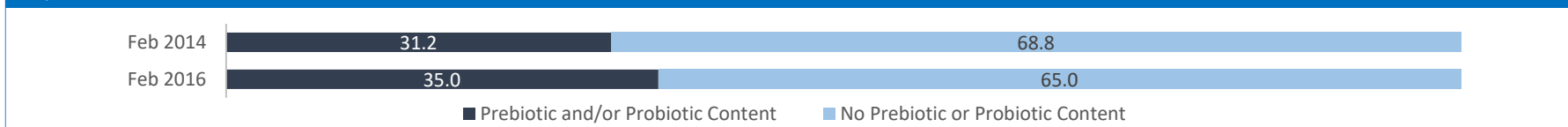


Probiotics Carrying the Heavy Load

- Many sub-segments in nutritional and performance drinks growing – Probiotics leading the pack
- Probiotic sales more than doubled between 2010 and 2015¹

Natural Supermarket Sales of Nutritional and Performance Drinks, by Pre and Probiotics, at Current Prices, Rolling 52 Weeks Ending Feb. 23, 2014 and Feb. 21, 2016¹

in %



Strong Consumer Demands Spark New Wave Coffee Products; Water Positioned to Overtake CSDs

Cold Brew Coffee Evolving Once Again

- Growing demand for premium RTD coffee and cold brew coffee (the ultimate “functional” drink)
- Recent trends such as nitro cold brew and “draft lattes” emerging as consumers search for alternate taste profiles
- In 2015, RTD cold-brewed coffee sales increased 115%, representing \$7.5MM of revenue (cold brew remains small portion of overall RDT coffee segment at just 0.4% of 2015 retail sales)¹

Nitro Cold Brew Leaders Emerge

Nitro cold brew infuses cold-brew coffee with nitrogen gas to produce a stout-like effect



La COLOMBE
COFFEE ROASTERS



Water Becoming a Go-To Beverage

- Water projected to surpass carbonated soft drinks by 2017; water grew 7.9% in 2015 (by volume), while dollar sales rose 8.9% over the same period²
- RTD sparkling and functional waters reshape how consumers view water; “very hot in the US”
- “Consumers want beverages that offer more than pure hydration” – Virginia Lee, Senior Beverage Analyst – Euromonitor International³

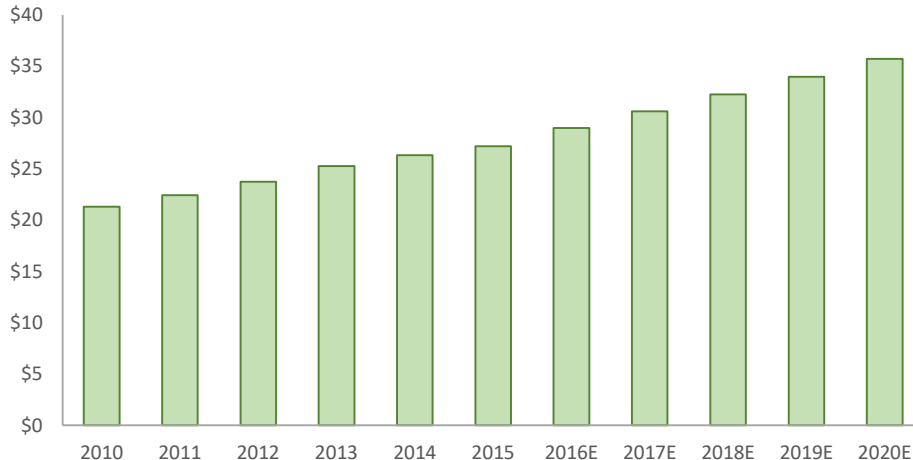


Supplements: A Growing Part of Everyday Life

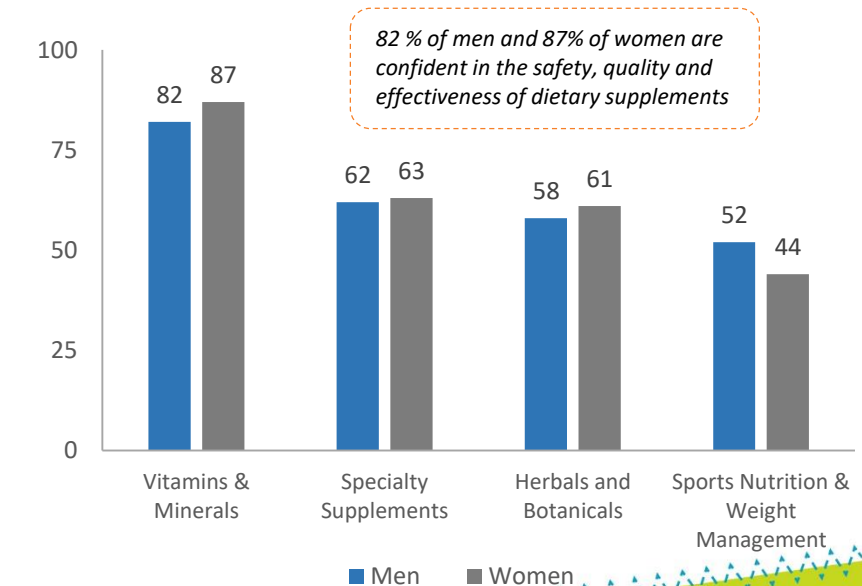
Supplements Sales Grow; Room for Increased Confidence

- The supplement industry expected to continue steady growth – est. category sales of \$35.7 billion in 2020¹
- Roughly 68% of U.S. adults take dietary supplements; consumer confidence remains high for vitamins and minerals; room for improvement with sports nutrition and weight management²
- Consumers design custom supplement plans to address concerns regarding beauty, sleep, energy, bone health, heart & circulation and overall general health

Total US Sales of Vitamins, Minerals & Supplements Market at Current Prices
in millions of \$ USD



Confidence in Supplement Safety, Quality and Effectiveness
in %



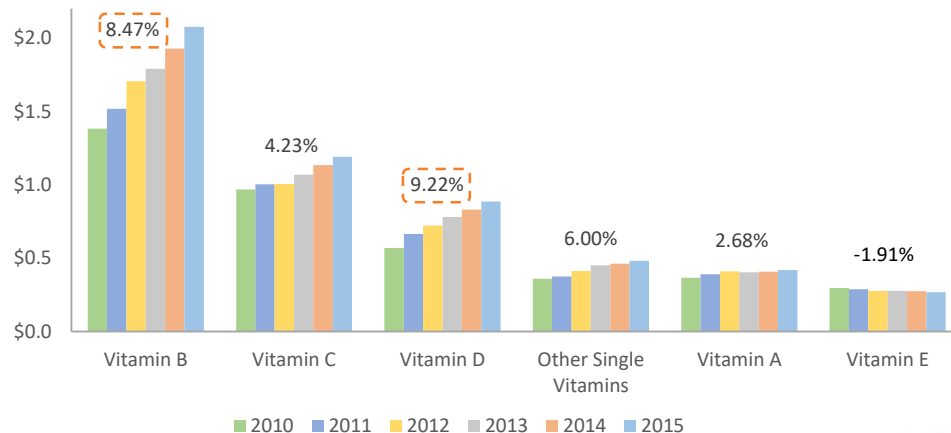
1. Mintel: Vitamins, Minerals and Supplement 2015 2. New Hope

Vitamins and Dietary Supplements Help to Fight Our Biggest Health Concerns

Vitamins: An Approach to Improve Health

- Vitamin sales driven largely by sales of vitamin B & D, accounting for 28% of total market share
- Vitamin B has positive effect on brain function, nervous system, and red blood cell health – driving consumer demand
- Vitamin D has proven to be one of the most useful vitamins for the human body; benefits include improved calcium absorption and bone growth, among others
- Landmark studies suggest Vitamin D contains properties that may slow or prevent development of cancer¹

Sales of Vitamins and Dietary Supplements by Category Value; Total US Vitamin Dollar Sales and 5 year CAGR % Growth² in billions of \$ USD, except %



Inflammation: A Root of Many Health Issues

- Inflammation linked to various chronic diseases: heart attacks, strokes, type two diabetes, Alzheimer's and cancer
- Chronic inflammation caused by a variety of health issues: excessive belly fat, poor diet, lack of exercise and smoking³
- Consumers looking to several vitamins and minerals to fight inflammation

Brands Fighting Inflammation

TEMPLE
TURMERIC

Superior Nutrition and FormulationSM
Jarrow FORMULAS[®]

Nature's Way

VITACOST

NATURE'S BOUNTY[®]

Personal Care Brands Focus on Familiar Ingredients

Personal Care Market Recognizes the Demand for Natural Products

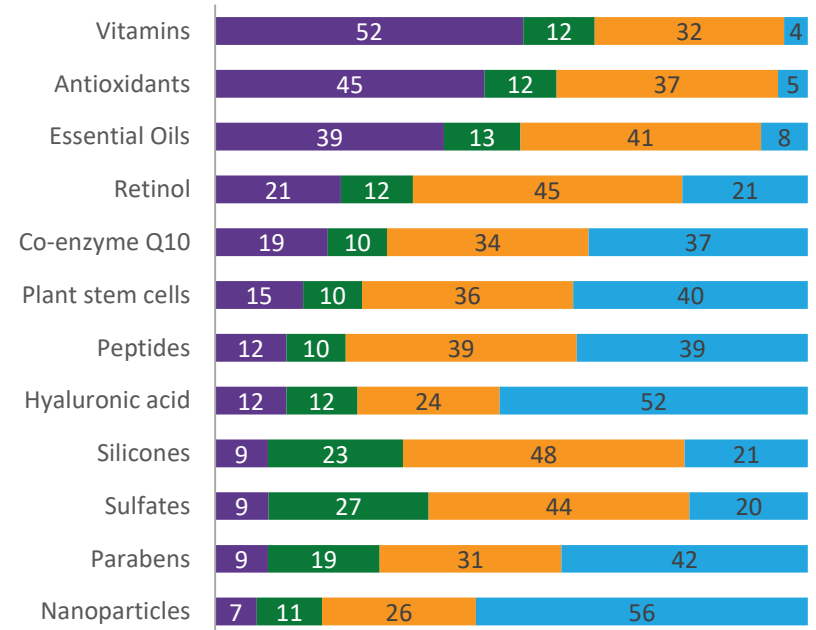
- Personal care products following the same seismic shift in food & beverage; consumers worried about the chemicals they put in and **ON** their bodies
- Consumers attracted to products that contain ingredients with which they are familiar, such as vitamins, antioxidants and essential oils
- Soaps including phthalates and sunscreens including oxybenzone are beginning to feel consumer distrust

Companies Positioned to Meet Consumer Demands



Mintel Report: Personal Care Consumer – US – Nov. 2015; Awareness & Influence of Ingredients¹
in %

The following ingredients are commonly found in personal care items. Please tell us if you have heard of the following ingredients and if so, how they influence your purchases



- I have heard of this and I look for this ingredient when I buy products
- I have heard of this and I try to avoid buying beauty products including this
- I have heard of this, but I don't know much about it
- I haven't heard of this

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SPINS

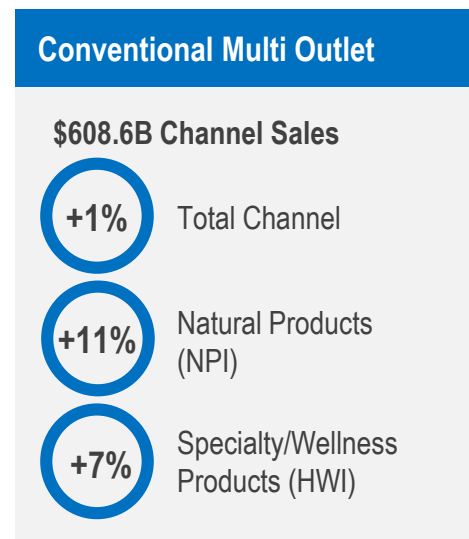
**Key Trends In
The Natural Products Industry**

September 2016

SPINS tracks retail sales performance across three major channels

Only SPINS segments each retail channel by Natural, Health & Wellness, and Conventional products to isolate industry dynamics. We capture the natural & specialty stores where many health & wellness products originate alongside the traditional supermarkets and mass retailers such as Walmart and Target.

Focus of this document



How We Track Products -- The Science

Retail data is segmented in our Product Library – a database of nearly 2 million UPCs. Every product with a barcode is hand-coded for an expansive list attributes, allowing for trillions of nuanced trend insights.

Categories

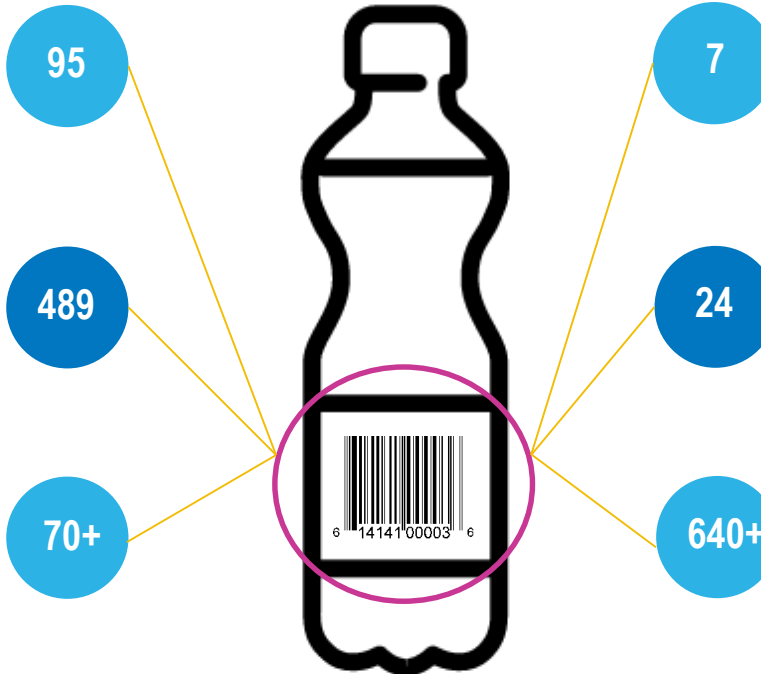
e.g. Energy Bars, Non Dairy Beverages, Meat Alternatives, Homeopathy, Herbal Formulas

Subcategories

e.g. Medicinal Teas, Cheese & Alternatives, Yogurt & Kefir, Functional Drinks & Kombucha

Attributes

e.g. Functional Ingredient, Gluten-free, Vegan, Hormone Free, Allergen Free, Paleo, Sprouted



Certifications

e.g. Non GMO Project, NOP Organic, Fair Trade USA, B Corporation, Whole Grain Council

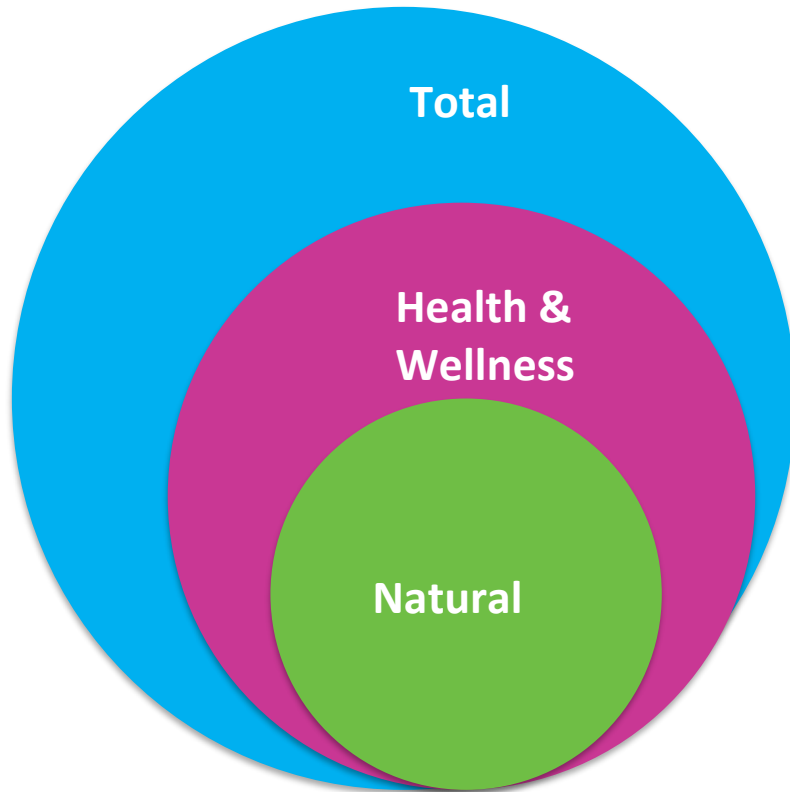
Health Focus

e.g. Blood Sugar, Bone, Joint, Cardiovascular, Immune, Digestive, Prenatal, Prostate, Weight

Ingredients

e.g. Chia, Fish Oil, Fiber, Plant Sterols, Vitamin D, Probiotics, DHA Products, Protein, Glucosamine

How We Track Products -- The Art



In order to isolate market dynamics, SPINS codes products **beyond the label** for how they are positioned toward natural, specialty, mainstream and other lifestyle consumers.

- Natural, Health & Wellness
- Paleo, Raw-Food Diet
- Age and Gender

CONTINUED DYNAMIC GROWTH TRAJECTORY




**STATE OF THE NATURAL
INDUSTRY**



What's Happening In The Natural Retail Landscape?

SPINS Segments All UPCs Into 3 Distinct “Product Groups”

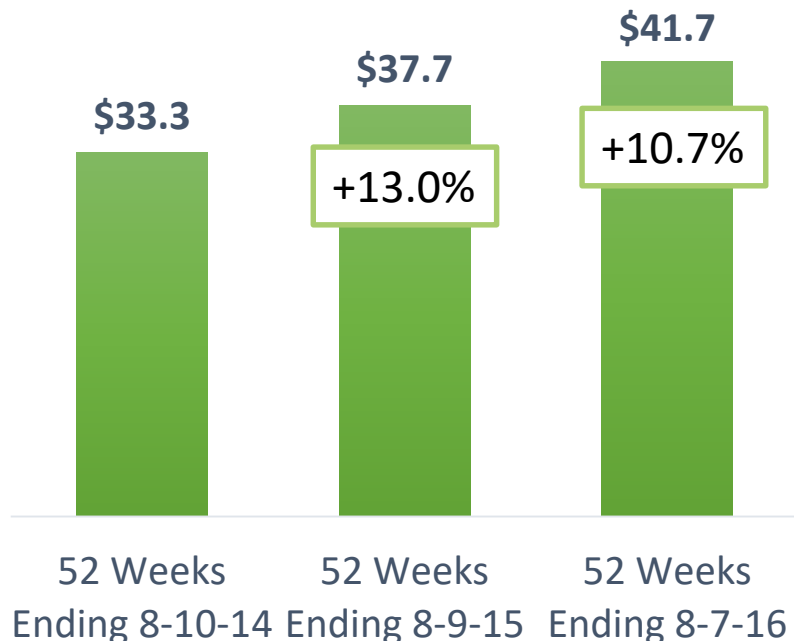
Total U.S. Retail Dollar Sales – Conventional Channel
52 Weeks Ending 8/7/16

Natural Products		Specialty Products		Conventional Products	
\$ Sales (\$b)	\$ % Chg	\$ Sales (\$b)	\$ % Chg	\$ Sales (\$b)	\$ % Chg
\$41.7	+10.7%	\$74.9	+5.3%	\$491.3	+0.1%
<p>We code beyond the label: SPINS recognizes and defines how brands are positioned towards <i>natural</i> in the marketplace. Because the term is not regulated, SPINS brand positioning is critical to understanding buying behavior and identifying growth opportunities in the health and wellness sector.</p> 		<p>Because health and wellness consumers also gravitate towards a number of products out- side of the NPI, SPINS has defined and codes for specialty, functional, and health & wellness products.</p> 		<p>Traditional mainstream brands and items.</p> 	

Natural Products Have Reached Over \$40 Billion And Have Grown 25% Since Late 2014

Total U.S. Retail Dollar Sales – Conventional Channel
52 Weeks Ending 8/7/16

THREE YEAR TRENDS (\$B)



NATURAL CATEGORY LEADERS % GROWTH/TOP 10 CATEGORIES

- 8.7% Packaged Fresh Produce
- 14.6% Yogurt & Kefir
- 18.4% Eggs
- 8.4% Chips, Pretzels, & Snacks
- 4.6% Milk
- 11.8% Refrigerated Juices & Functional Beverages
- 12.2% Energy Bars and Gels
- 5.1% Vitamins and Minerals
- 6.6% Refrigerated Non Dairy Beverages
- 12.8% Pet Food & Pet Care

While Conventional Products Represent 80% of Sales Dollars, Natural & Specialty Products Represent 95% of Sales Growth

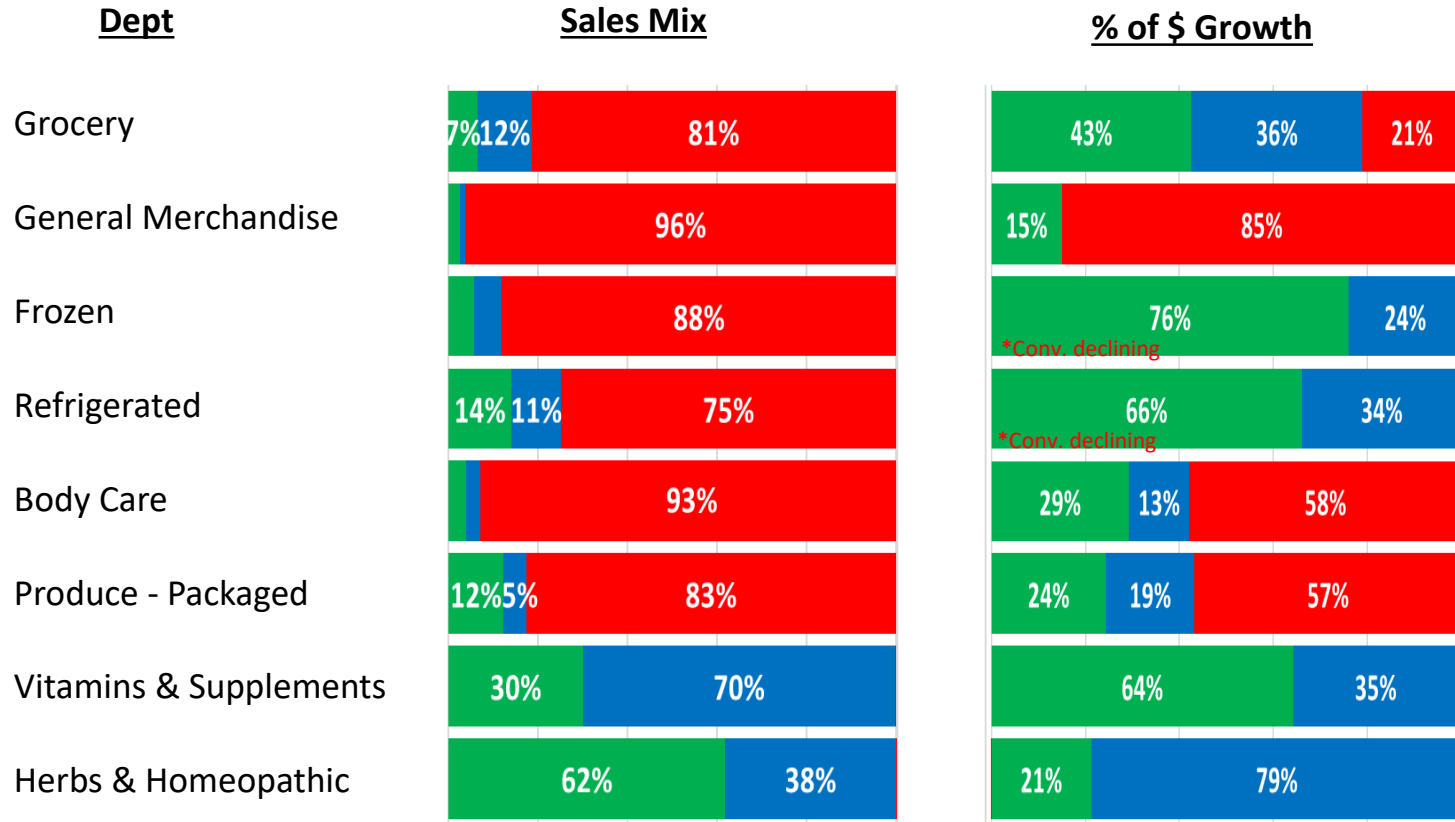
Total U.S. Retail Dollar Sales – Conventional Channel
52 Weeks Ending 8/7/16

	Conventional Channel (Multi-Outlet)			
	\$ Sales (\$MM)	\$ % Chg	\$ Growth (\$MM)	% Contrib.
Natural Products	\$41,706	10.7%	\$4,040	49%
Specialty & Functional Products	\$74,940	5.3%	\$3,785	46%
Conventional Products	\$491,357	0.1%	\$418	5%
TOTAL UNIVERSE	\$608,003	1.4%	\$8,243	100%

- Conventional products represent **81%** of sales
- Conventional products represent only **5%** of growth
- Significant focus on Natural and Specialty products



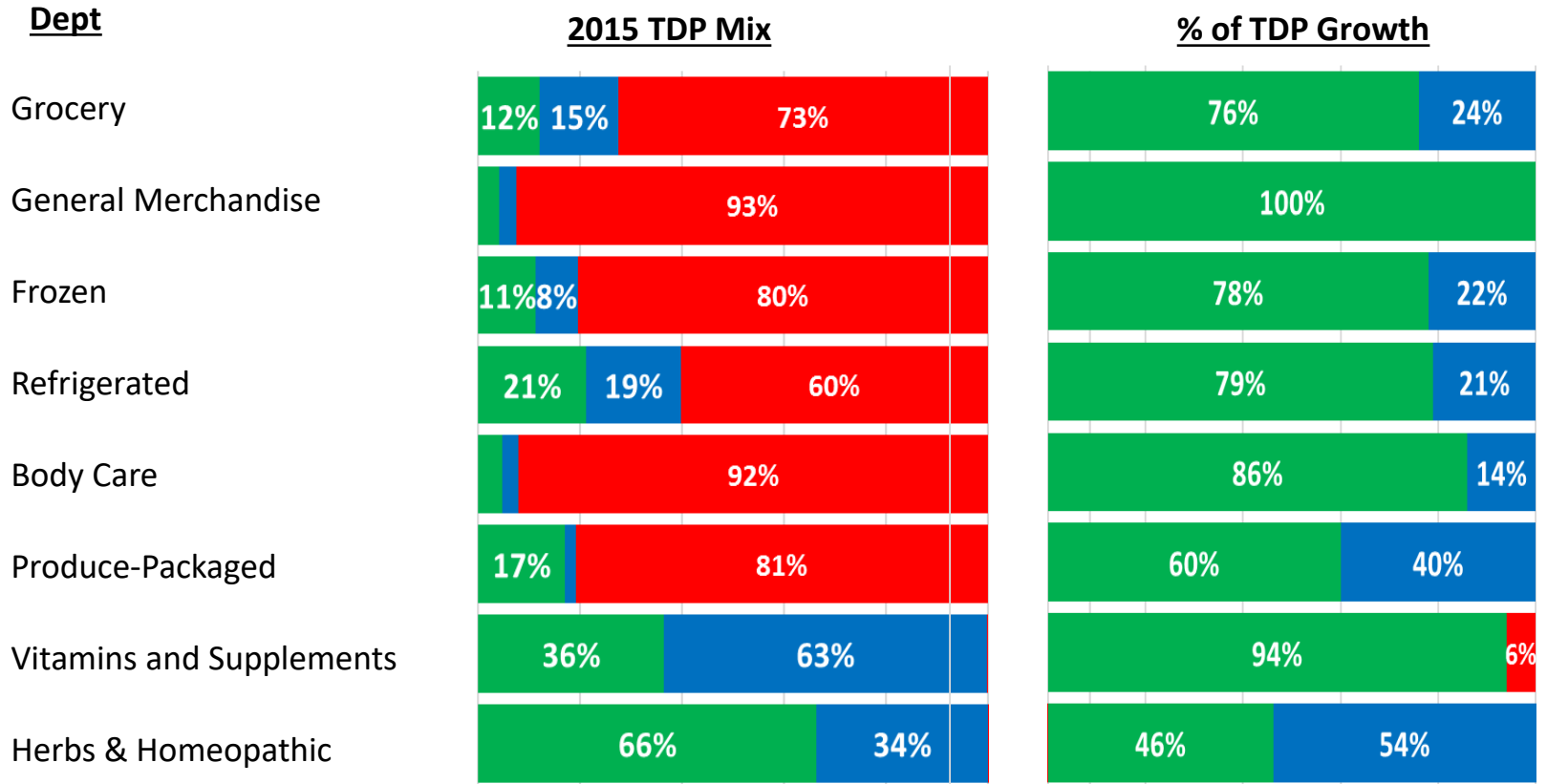
Conventional Channel Retailers Are Shifting To Natural In Every Department



* Alcohol excluded at appx \$30M

■ Conventional Products
 ■ Specialty/Functional Products
 ■ Natural Products

This Is A Result Of Shifts In Shelf Assortment



 Conventional Products

 Specialty/Functional Products

 Natural Products



What Are The Trends in Natural Products?

SPINS recognizes 4 different types of Natural Products based on consumer & customer perceptions

Total U.S. NPI Retail Dollar Sales & % Growth – Conventional Multi Outlet Channel
52 Weeks Ending 8/7/16



\$18.7b

Natural Standard

+10.2%

Marketed and sold in Natural retailers.
Meets the strictest quality standards demanded by core natural consumers.



\$12.0b

Naturally Perceived

+7.1%

Targets shoppers looking for an 'entry point' to make better purchasing decisions. *Broader distribution across various retail channels.*



\$5.3b

Specialty Natural

+15.4%

Marketed as artisan, premium quality, imported/regional or ethnic/cultural.
Quality standards similar to a Natural Standard brand.



\$5.5b

Conventional Natural

+16.9%

Developed by traditional CPG brands *but has added value such as organic content, fair trade, or allergy free.*

Sales of grain free products grew 116% to reach \$345 million across retail channels last year.

Grain Free Products

+116% Dollar Growth Combined Channel

Dollar Growth by Channel:



Rachael Ray's Zero Grain Turkey & Potato Dog Food



Two Moms in The Raw Grain Free Cereal



Cappello's Grain Free Fettuccine

Sales of products that are Paleo positioned grew 80% to reach \$51 million across retail channels last year.

Paleo Positioned Products

+80% Dollar Growth Combined Channel

Dollar Growth by Channel:



**Julian Bakery
Paleo Wraps**



**EPIC
Bison Bar**



**Seasnax
Classic Seaweed Snacks**

Sales of products featuring Sprouted label claims grew 14% to reach \$259 million across retail channels last year.

Sprouted Products

+14% Dollar Growth Combined Channel

Dollar Growth by Channel:



Food For Life
Sprouted Corn Tortillas



Alpine Valley
Sprouted Honey Wheat Bread



Wildwood Organics
Sprouted Tofu

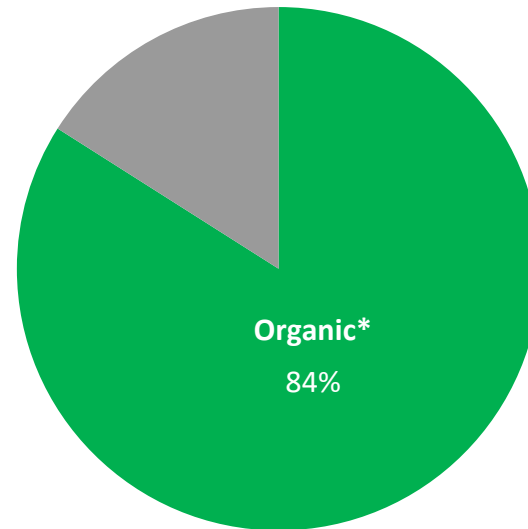
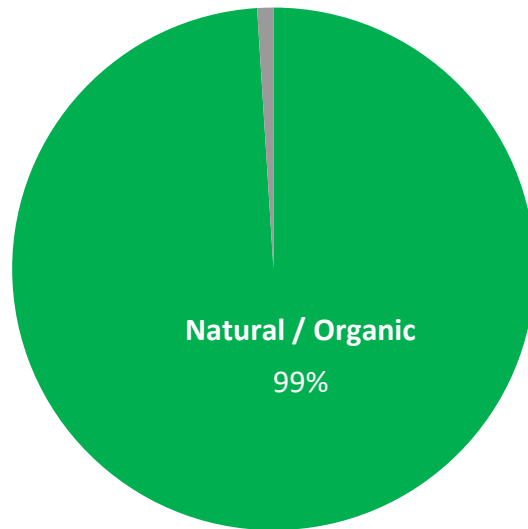


Who is the Natural Consumer?

SPINS NATURALINK

Nearly every HH purchases Natural/Organic products

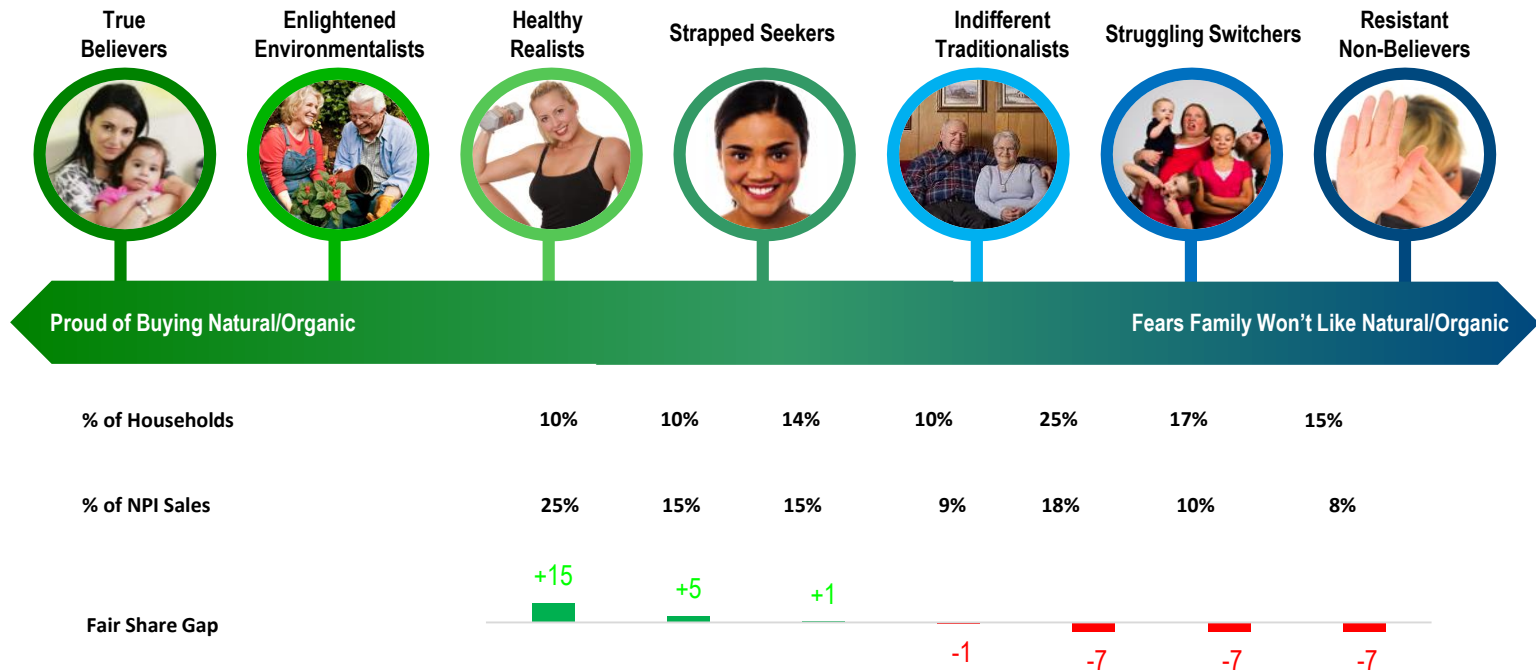
% of HHs Buying Natural / Organic at least 1 Time - All Outlets, Total US
52 Weeks Ending 12/27/15



*with at least 70% organic content

SPINS has identified 7 consumer segments, with varying levels of engagement in Natural Products

SPINS Naturalink categorizes shoppers by their engagement with Natural Products



SPINS NaturaLink Segmentation -- Segment Descriptions



True Believers

Enlightened Environmentalists

Healthy Realists

Strapped Seekers

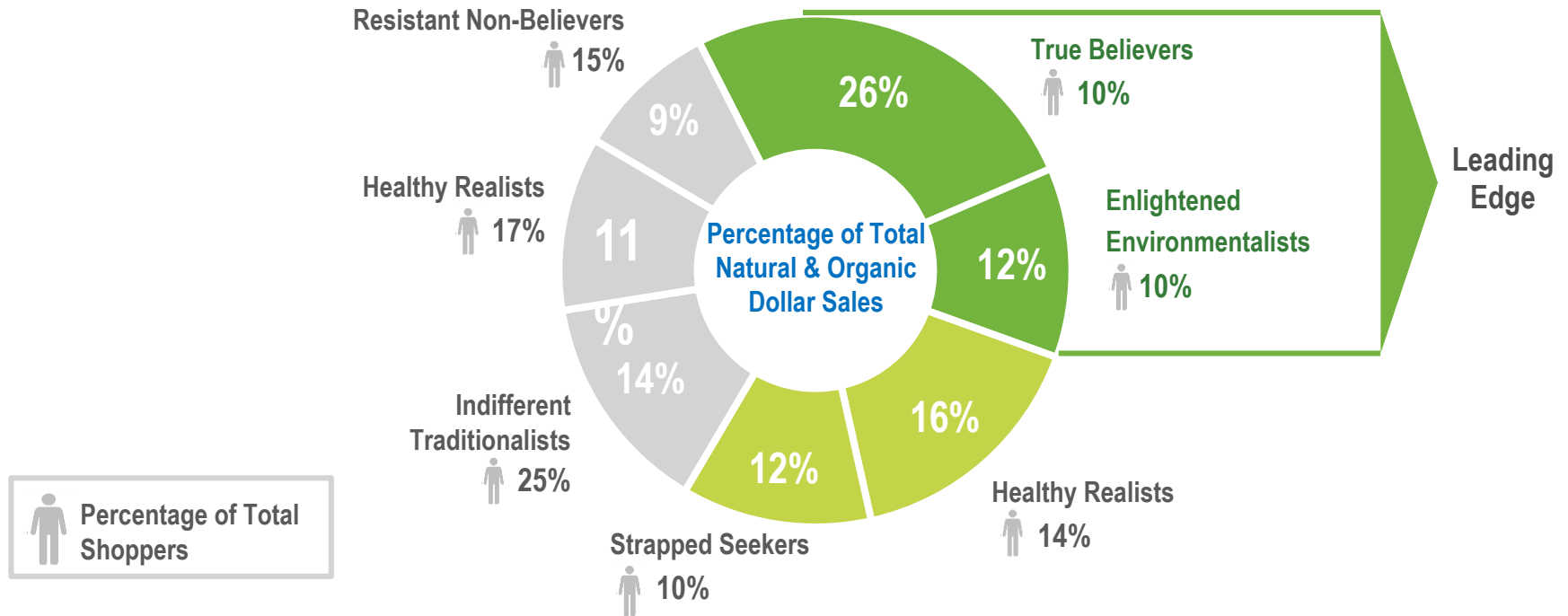
Indifferent Traditionalists

Struggling Switchers

Resistant Non-Believers

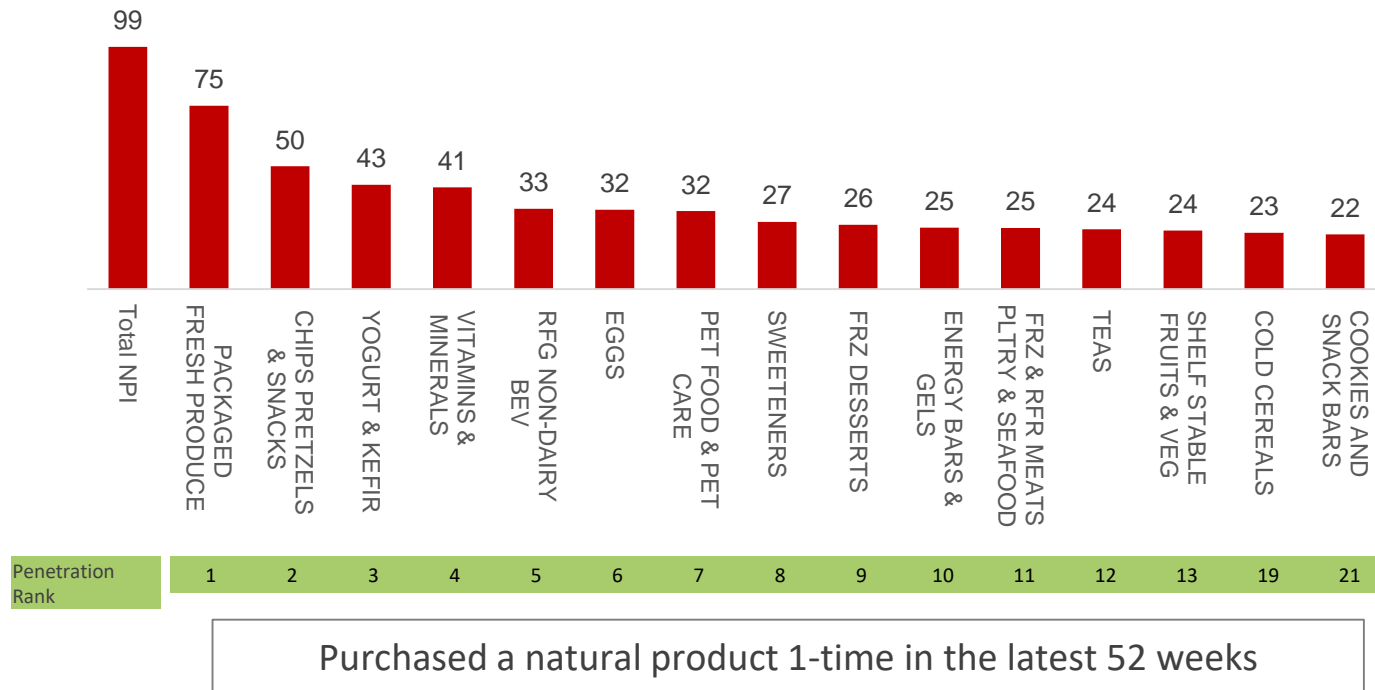
	True Believers	Enlightened Environmentalists	Healthy Realists	Strapped Seekers	Indifferent Traditionalists	Struggling Switchers	Resistant Non-Believers	
Attitudes	Description	Into staying fit & trying new things	Care about environment	Being healthy & fit the priority	Enjoy trying new things	No reason to change from current	Should be healthier, but price too high	Prefer to stick with what family likes
	Natural / Organic Beliefs	Committed to Organic & Natural	Want to be healthier; Go out of way for organic / natural	Open to organic / natural, but more likely for kids	Healthy lifestyle, but could do more; Budget is barrier	Unlikely to buy organic / natural	Natural / Organic is too expensive	Don't buy Organic / Natural
Total \$NPI	How many NPI trips each year?	47 \$15.70 per Trip	38 \$12.10 per Trip	30 \$10.90 per Trip	26 \$10.30 per Trip	22 \$9.60 per Trip	19 \$8.60 per Trip	18 \$9.00 per Trip
	What do they have in the basket?*	Personal Care	Digestive Aids & Enzymes	Baby Food	SS Functional Beverages	Food Supplements	Drink Mixes & Concentrates	Diet Formulas
Demos	Age	42	61	39	45	62	38	53
	Income	\$70k	\$59k	\$70k+	\$45k	\$48k	\$53k	\$50k
	HH Size	2-4	1-2	3-4	2-4	1-2	5+	2-4

SPINS views two segments as leading edge shoppers: True Believers and Enlightened Environmentalists



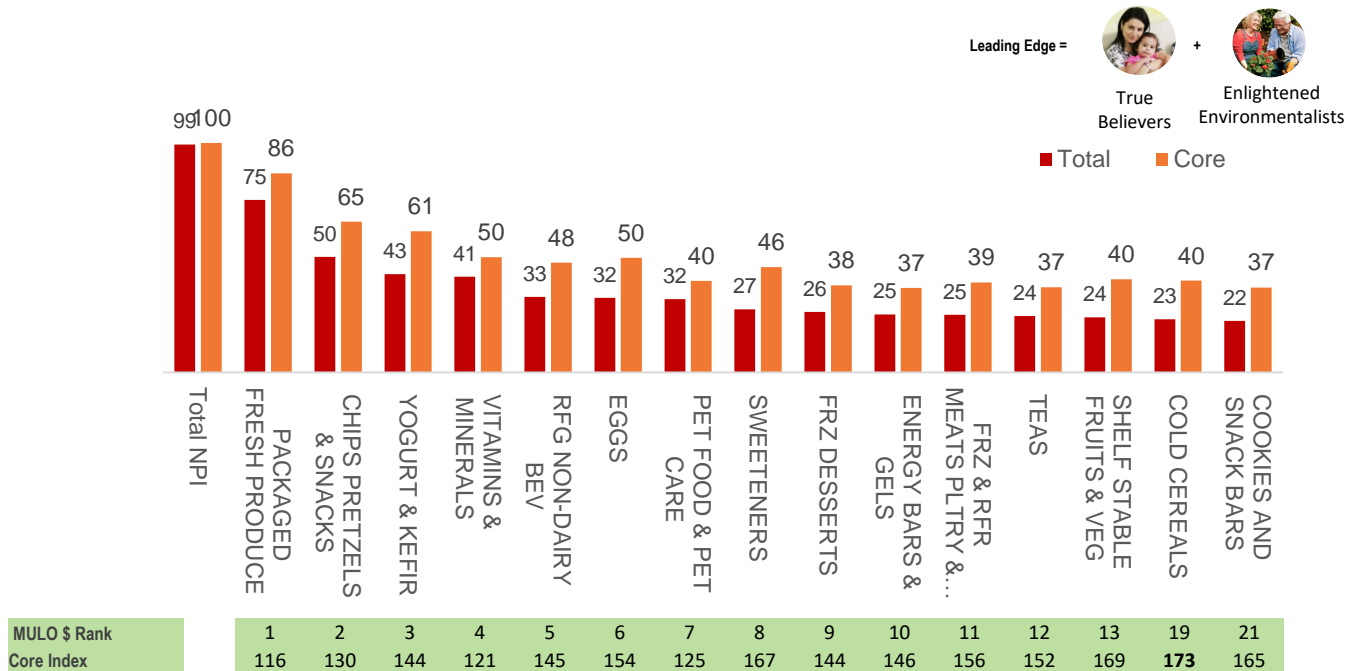
While all households have purchased at least one natural product in the last year, penetration varies by category

Total US HH Penetration : Total Panel, NPI Categories - All Outlets, Total US
52 Weeks Ending 12/27/15



Leading edge households are more likely to buy Natural Products across all categories

Total US HH Penetration : Total Panel & Core, NPI Categories - All Outlets, Total US
52 Weeks Ending 12/27/15



NaturaLink Segments shop for Natural Products differently by channel

Total US % Dollar Sales by NL Segment and Channel: Total NPI - All Outlets, Total US
52 Weeks Ending 12/27/15



	True Believers	Enlightened Environmentalists	Healthy Realists	Strapped Seekers	Indifferent Traditionalists	Struggling Switchers	Resistant Non-Believers	% of Total
<i>NPI \$s per Buyer</i>	\$736	\$462	\$324	\$267	\$211	\$168	\$158	
Natural	50	20	10	7	8	3	2	100
Grocery	27	15	16	9	16	9	8	100
Mass	20	10	19	10	16	14	10	100
Club	21	15	20	8	20	11	10	100
All Outlet	25	15	15	9	18	10	8	100

Green represents buyer index greater than 120; Red represents buyer index less than 80

SOLUTIONS FOR FINANCIAL PARTNERS

FINANCIAL INVESTORS LEVERAGE SPINS CAPABILITIES
TO MAKE WINNING INVESTMENTS

SPINS assets provide unique insights into investment opportunities

SPINS Cross-Channel Data

SPINScan Conventional SAFEWAY Publix Wegmans Walmart

- Joint service with IRI
- Comprised of ~101,000 retail locations spanning Grocery, Drug, Walmart, Mass, Dollar, Military and some Club.
- Includes reporting in the nation's leading retailers such as Target, Safeway, Kroger, Wegman's and Walmart.
- \$38B natural/organic market, with overall health and wellness double that size.

SPINScan Natural

- Full-format stores with \$2 million+ in annual sales and at least 50%+ of sales from natural/organic products.
- Includes co-ops, associations, independents, large regional chains (excludes Whole Foods).
- Breeds innovation and sustains the level of authenticity and high product standards that define the industry.
- ~1,100 retail locations, \$12.4B channel with 28% store increase and 60% volume increase over past 5 years.

SPINScan Specialty Gourmet

- Full-format stores with \$2 million+ in annual sales with at least 25% of sales from SPINS-defined specialty items.
- High-end stores with a focus on specialty, imported, natural, organic and prepared items.
- ~950 retail locations, representing more than \$14.2B, and poised for continued success.

SPINS 4

Leading retailers driving innovation

SPINS accesses unparalleled insights from leading-edge retailers on the evolution of assortment and the brands that will succeed in this changing retail landscape

SPINS Product Library

- 95 Categories**
Energy Bars, Non Dairy Beverages, Meat Alternatives, Homeopathy, Herbal Formulas...
- 489 Subcategories**
Medicinal Teas, Cheese & Alternatives, Yogurt & Kefir, Functional Drinks & Kombucha...
- 70+ Attributes**
Functional Ingredient, Gluten-free, Vegan, Hormone Free, Allergen Friendly, Paleo, Sprouted...
- 7 Certifications**
Non GMO Project, NCP Organic, Fair Trade USA, B Corporation, Whole Grain Council...
- 24 Health Focus**
Blood Sugar Support, Bone, Joint, Cardiovascular, Immune, Digestive, Prenatal, Weight...
- 640+ Ingredients**
Chia, Fish Oil, Fiber, Plant Sterols, Vitamin D, Probiotics, DHA Products, Protein, Glucosamine...

SPINS 5

Category trends & product insights

SPINS understands the lifecycle and success factors of brands built off our extensive work in growing these businesses from incubation to scale

SPINS Naturalink Consumer Segmentation

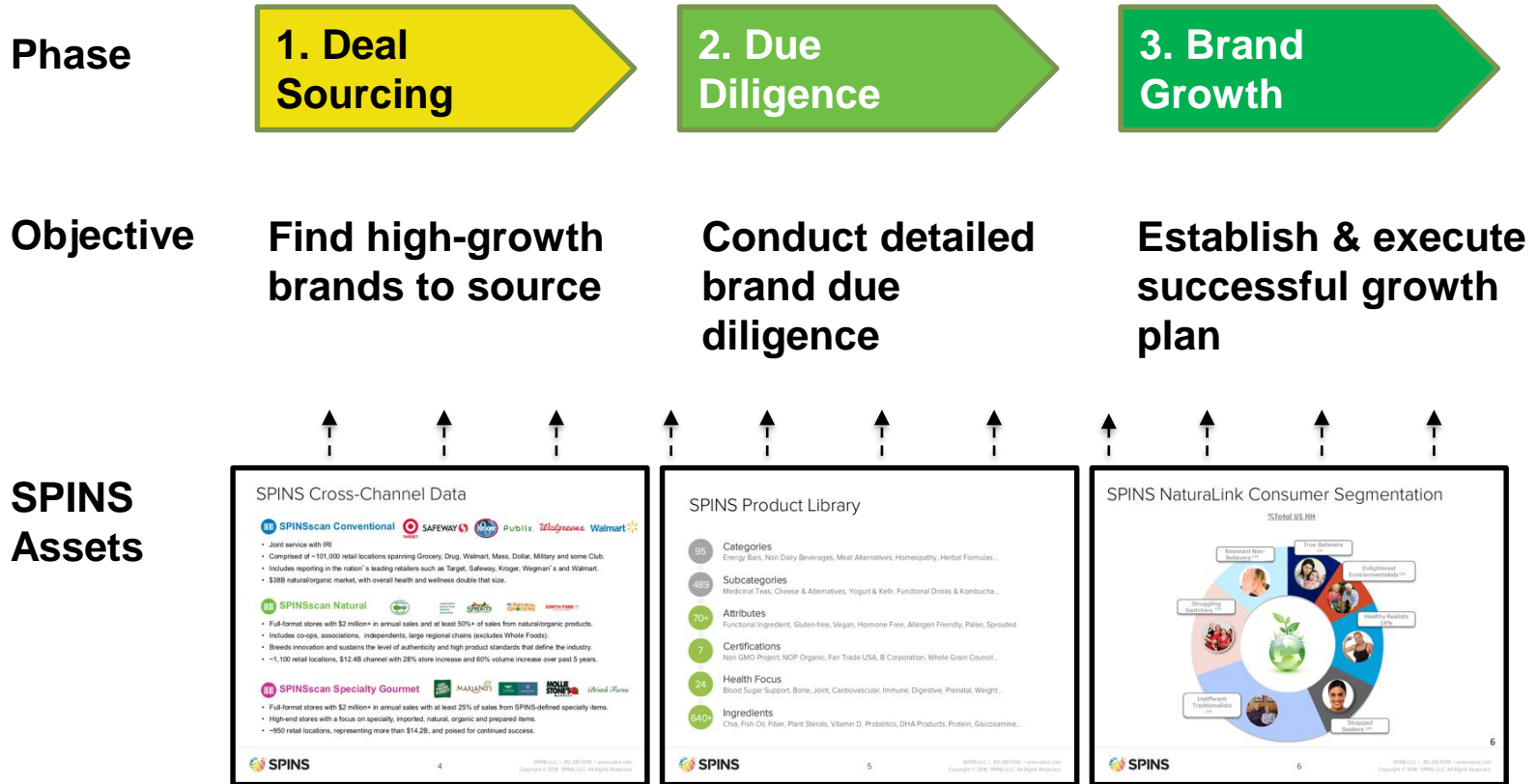
% Total U.S. HH

SPINS 6

Leading-edge consumer segments

SPINS Naturalink Segmentation open the door to what leading-edge consumers are buying and what they're trading off as a signal of what all consumers will be doing tomorrow.

Investors leverage SPINS assets to win across three phases of investment activity



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Helps investors access & leverage SPINS capabilities



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- Whipstitch Capital Overview
- Deal Update / Whipstitch's Consumer Industry Overview
- SPINS Market Update: Produced for Whipstitch's Industry Analysis



- Consumer M&A and Private Placement Deal Data

Selected Consumer M&A

Announced Date	Target	Acquirer	Transaction		Enterprise Value /	
			Value (\$ in 000)	Revenue	EBITDA	
9/9/16	Boathouse Beverage, LLC (SpikedSeltzer)	Anheuser-Busch InBev SA/NV	-	-	-	
9/8/16	Jimmy John's Franchise, LLC	Roark Capital Group	-	-	-	
8/11/16	Steaz	Novamex	\$30,000	1.4x	30.0x	
8/11/16	Gourmet Guru Inc.	United Natural Foods, Inc.	50,000	-	-	
8/10/16	Kings Food Markets, Inc.	KB Holdings, Inc.	-	-	-	
8/8/16	Tyrrells Potato Crisps Ltd.	Amplify Snack Brands, Inc. (NYSE:BETR)	397,000	3.6	21.7	
8/4/16	S&D Coffee, Inc.	Cott Corporation	355,000	-	6.0	
8/3/16	Create-A-Treat Ltd.	Thomas H. Lee Partners LP	-	-	-	
8/3/16	Give and Go Prepared Foods Corp.	Thomas H. Lee Partners LP	-	-	-	
8/1/16	Del Monaco Foods, Inc.	Kettle Cuisine, LLC	-	-	-	
7/29/16	Hannibal Village Market, Inc.	Tops Markets, LLC	-	-	-	
7/29/16	Dr. Smoothie Brands, Inc.	Bevolution Group	-	-	-	
7/27/16	NYM Holdings, Inc.	iFresh, Inc.	127,300	1.0	-	
7/26/16	Hop Valley Brewing Co.	Tenth and Blake Beer Company	-	-	-	
7/26/16	Whitlock Packaging Corporation	Refresco Group N.V.	129,000	-	7.3	
7/25/16	The Sandwich Factory Limited	Greencore Group plc	19,700	0.4	-	
7/20/16	New Century Snacks and Snak Club	Insignia Capital Group, LLC	-	-	-	
7/20/16	Dollar Shave Club, Inc.	Unilever PLC	1,000,000	6.6	-	
7/19/16	Golden Enterprises Inc.	UTZ Quality Foods, Inc.	143,600	1.1	16.7	
7/18/16	Lawler Foods, Ltd.	Gryphon Investors	-	-	-	
7/16/16	Black Waters Coffee Company, Route Business	Ronnoco Coffee, LLC	-	-	-	
7/12/16	AmRest Holdings SE (WSE:EAT)	FCapital Dutch BV; Inmobiliaria Tabga	1,359,200	1.5	11.9	
7/7/16	The WhiteWave Foods Company	Danone	12,490,200	3.1	26.6	
7/6/16	The Liberation Group Limited	Caledonia Investments plc	\$154,000	-	11.1x	

Selected Consumer M&A (continued)

Announced Date	Target	Acquirer	Transaction Value (\$ in 000)	Enterprise Value /	
				Revenue	EBITDA
7/5/16	Hostess Brands, LLC	Gores Holdings, Inc.	\$2,198,400	3.5x	12.1X
7/1/16	KAS Direct, LLC - Babyganics	S. C. Johnson & Son, Inc.	-	-	-
6/17/16	Pure Organic	Kashi Company	18,000	2.0	-
6/16/16	Elizabeth Arden, Inc.	Revlon Consumer Products Corp.	868,000	0.9	-
6/14/16	Dianne's Fine Desserts, Inc.	Geneva Glen Capital, LLC	-	-	-
6/13/16	Lovate Health Sciences	Xiwang Foodstuffs Co., Ltd., Primavera Capital Group	730,000	-	-
6/8/16	Retail Relay, Inc.	Door to Door Organics, Inc.	-	-	-
6/7/16	Eden Springs (Europe) SA	Cott Corporation	533,300	1.3	7.5
5/19/16	Fresh Unlimited, Inc.	US Foods, Inc.	-	-	-
5/18/16	Justin's, LLC	Hormel Foods Corporation	286,000	4.4	-
5/17/16	Cowgirl Creamery	Emmi AG	-	-	-
5/10/16	Abe's Market, Co.	Direct Eats, Inc.	-	-	-
5/9/16	Friendly's Ice Cream	Dean Foods Company	155,000	0.9	-
5/3/16	Doctor's Best Holdings, Inc.	Xiamen Kingdomway Group Company	115,200	-	-
5/3/16	ReNew Life Formulas, Inc.	The Clorox Company	290,000	2.5	-
5/2/16	Oatmega	Amplify Snack Brands, Inc.	30,800	4.4	-
4/29/16	Give and Go Prepared Foods Corp.	Thomas H. Lee Partners LP	-	-	-
4/26/16	Bark Thins (Ripple Collective)	The Hershey Company	285,374	4.1	-
4/19/16	Botanical Food Company, Ltd. (Gourmet Garden)	McCormick & Company, Incorporated	117,100	2.1	-
3/24/16	Nasoya Foods	Pulmuone Foods Co., Ltd.	50,000	-	-
3/14/16	The Fresh Market, Inc.	Apollo Global Management, LLC, Apollo Management VIII, L.P.	1,311,600	0.7	6.9
3/10/16	Grass Run Farm Inc, Meat Snacks Division	Link Snacks, Inc. (Jack Link's)	-	-	-
2/29/16	Haddon House Food Products, Inc.	United Natural Foods, Inc.	217,500	-	-
2/2/16	PANOS brands, LLC	Hammond, Kennedy, Whitney & Company Inc.	-	-	-

Consumer Private Placements

Announced Date	Target	Acquirer	Transaction Value (\$ in 000)
9/12/16	Meadow Foods Limited	Paine & Partners, LLC, Paine & Partners Capital Fund IV, L.P.	-
8/29/16	Philz Coffee, INC.	TPG Growth	\$45,000
8/15/16	iFood	Movile, Just Eat	30,000
8/4/16	TerraVia Holdings, Inc., Algenist	Tengram Capital Partners, LLC	20,000
8/4/16	GrubMarket, Inc.	GGV Capital, Shanghai Fosun High Technology Co., Global Founders Capital Management, Riverhead Capital Management LLC, Danhua Capital, Sound Ventures	20,000
8/4/16	Drizly, Inc.	Polaris Partners, other existing investors	15,000
8/3/16	Coast of Maine Organic Products, Inc.	Gemini Investors Inc.	260
8/2/16	Birchbox, Inc.	Existing Investors	15,000
7/26/16	Ospoto, Inc. (Sun Basket)	Avita Beverage Co. LLC	15,000
7/22/16	Kodiak Cakes, LLC	Sunrise Strategic Partners, LLC	16,520
7/21/16	Drums Food International Pvt. Ltd.	Verlinvest S.A., DSG Consumer Partners	6,620
7/19/16	LIFEAID Beverage Co.	KarpReilly LLC	-
7/14/16	Stone Brewing Co.	VMG Partners	89,500
7/13/16	True Fit Corporation	Intel Capital, Signal Peak Ventures, Jump Capital	25,000
7/12/16	Freed Foods, Inc. (NurturMe)	Advantage Capital Partners, Advantage Capital Agribusiness Partners,	4,990
7/12/16	Freshly, Inc.	Highland Capital Partners, Insight Venture Partners, White Star Capital, L.P.	21,000
7/5/16	Good Eggs, Inc.	Index Ventures, Obvious Ventures, S2G Ventures	15,000
6/27/16	Thrive Market, Inc.	The Invus Group, LLC, e.ventures, Greycroft Partners LLC, Cross Culture Ventures	111,000
6/22/16	Ripple Foods, PBC	Khosla Ventures, GV, Collaborative Fund, Prelude Ventures, S2G Ventures, Tao Capital Partners, Blueberry Ventures, Radicle Impact	30,000
6/22/16	LA Aloe, LLC	The Coca-Cola Company	-
5/31/16	Thrive Market, Inc.	Kapor Capital	-
5/17/16	R.E.D.D. Bar	Dan Nordstrom, Greg Hanson	1,000
5/9/16	Lyrical Foods, Inc. (Kite Hill)	Khosla Ventures, 301 Inc., CAVU Venture Partners	18,000

Consumer Private Placements (continued)

Announced Date	Target	Acquirer	Transaction Value (\$ in 000)
5/3/16	Cookie Chips	Alliance Consumer Growth	-
4/29/16	Jeni's Splendid Ice Creams LLC	Castanea Partners, Inc.	-
4/29/16	Chef's Cut Real Jerky	Clearlake Capital Group, L.P., CAVU Venture Partners	\$6,000
4/20/16	High Brew Coffee, Inc.	CAVU Venture Partners	4,070
4/13/16	True Drinks Holdings, Inc.	Red Beard Holdings, LLC	5,000
4/5/16	Sir Kensington	-	9,000
4/4/16	Body Armor	Dr Pepper Snapple Group, Inc.	6,000
3/31/16	Juicero, Inc.	Kleiner Perkins Caufield & Byers, GV, ARTIS Ventures	70,000
3/29/16	Tio Foods, LLC (Tio Gazpacho)	Circleup Growth Capital Fund I, L.P., CircleUp Network, Inc., Investment Arm, 301 Inc.	1,250
3/29/16	Perky Jerky	Sunrise Strategic Partners, LLC	-
3/9/16	Q Drinks	First Beverage Ventures	11,000
3/8/16	good culture, LLC	CAVU Venture Partners I, LP, 301 Inc., CAVU Venture Partners	2,100
3/7/16	Exo, Inc.	Collaborative Fund, AccelFoods, LLC	4,000
3/4/16	Health-Ade, LLC	CAVU Venture Partners I, LP, CAVU Venture Partners	15,000
3/1/16	Cheribundi, Inc.	-	5,000

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