



whipstitch

CAPITAL

DEAL DIFFERENT.

**Healthy Living Consumer Products:
Industry Update, Deal Review and 'Hot' Categories**



**Natural
Products**
EXPO EAST®

Natural Products Expo East
September 2018

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Managing Director
nick@wstitch.com



W



DEAL DIFFERENT.

Disclaimer

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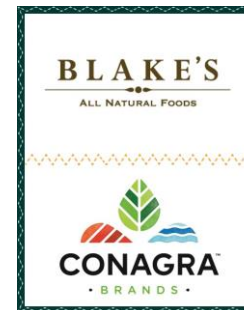


The Largest, Independent M&A and Private Placement Advisory Firm Solely Focused on the Healthy Living Consumer Market

Whipstitch [hwip-stitch]

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

- Led by Nick McCoy and Mike Burgmaier
- Focused exclusively on innovative consumer companies
- Financial Advisory on M&A and institutional private placements
- Participate in and lead over 15 consumer industry events/year
- Select recent deals:



Whipstitch Founded and Led by Experienced Dealmakers with a Highly Seasoned Team



Nick McCoy, Managing Director & Co-Founder

- 20+ years investment banking experience
- Formerly Gleacher & Co. (First Albany, now Jefferies), Allmerica Financial Corp., Wheelabrator Technologies
- MBA, Wake Forest University; BS, University of New Hampshire



Michael Burgmaier, Managing Director & Co-Founder

- 15+ years investment banking, consulting and VC Experience
- Formerly CEI Ventures, Bain & Co.
- MBA, The Tuck School of Business at Dartmouth; MPP, Duke University; BS, Boston College



Greg Ucich, Senior Associate

- Six years consumer IB experience
- Based in San Diego, CA – the most beautiful place in the country
- BS Economics and Finance, University of New Hampshire



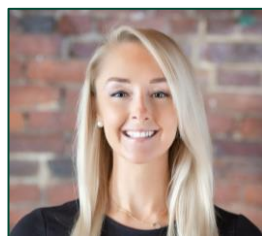
Tim Sousa, Senior Associate

- Six years consumer IB and PE experience
- MBA and BS Finance, Bentley University where Tim was a NCAA student athlete



Dominic Mangano, Associate

- Three years consumer IB experience
- BS Finance, University of Connecticut



Natalie Cira, Associate

- Eight years buy-side experience at global asset manager
- Marketing and strategy experience at two emerging food start-ups
- MBA, The Tuck School of Business at Dartmouth; BA Public Policy, Syracuse University



Steve Gentili, Analyst

- Prior experience performing valuations for financial reporting purposes
- BS Economics-Finance, Bentley University



Kathy Foster, Director of Operations

- Five years of investment banking operations experience

And Whipstitch has a Constant Connection with the Best: Supported by Industry Experts – the **W** Stitching Crew



**Bob
Burke**

- Consultant to natural and specialty food and beverage companies
- Over 25 years of experience in the natural products industry
- Co-Author of *Natural Products Field Manual* and *The Sale's Manager Handbook*



**Greg
Fleishman**

- Creates and grows brands: During 20-year career launched 1,500+ items across 17 F&B categories into 12 countries
- Currently serves on BOD for Demeter Biodynamic, Nuun, 4th Heart, Temple Beverage, Modern Alkeme and Foodstirs
- Named to Forbes List of Top Consumer Catalysts in 2016



**Chris
Licata**

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



**Edrizzo
Reina**

- Principal, Financial Partner Group at SPINS
- 15 years experiences developing strategic partnerships, consultative solution selling and translating complex data to meaningful insights
- Holds and MBA from Elmhurst and B.A. in Corporate Finance and Commercial Law from Western Michigan University



**Robert
Craven**

- CEO of FoodState; a company that has been mastering the art of whole-food supplements since 1973 through its MegaFood and INNATE Response brands
- Previously CEO of Garden of Life; led them to the #14 spot on the Inc. Magazine list of fastest-growing private companies



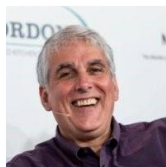
**Anu
Goel**

- EVP at SPINS, leading consulting practice, consumer insight team and financial partners group
- Previously held leadership positions at Brand Equity Ventures, McKinsey & Company, and Beam, Inc.
- Over 20 years experience building winning strategies helping brands and retailers succeed



**Bill
Moses**

- Former Co-Founder, Chairman/ CEO of KeVita Probiotic Drinks; acquired by PepsiCo in 2016
- Founder, angel investor and strategic advisor for several on- trend functional CPG ventures
- Owner of Casa Barranca Winery; the first certified organic winery in central coast California



**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 WFM



**John
Durant**

- Founder of Wild Ventures, an influencer-based venture fund focused on consumer health products & technology
- *New York Times* bestselling author of *The Paleo Manifesto* & *Spartan Fit!* with Joe De Sena, founder of Spartan Race
- Pre-launch advisor to Thrive Market; heavily involved in their influencer strategy



**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



**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 industry
- Former General Mills: Roles included directing sales operations, trade marketing and category management



**Jeanne
Varley**

- Founder & CEO of Emerging Brand Strategies, LLC, a consultancy to beverage and consumer goods co's
- Held senior level roles with Diageo, Constellation Brands & FIJI water
- MBA from Wharton

In 2017, The Whipstitch Team Accomplished a Lot. Even More will Happen in 2018.

2017 by the Numbers

- **Ten** M&A and Private Placements Transactions Closed
- **Three** Unannounced Deals
- **One** New Team Member
- **Over Ten** Speaking Events with Emerging Consumer Companies
- **One** Stitching Crew Lobster Bake



Whipstitch 2018 Transactions

- **Six** transactions closed in first half of 2018, including:



Whipstitch Works with Clients both Before and During the Process: Our Services are Comprehensive and Best-in-Class

Pre-Process



Exec Sum & CIM

We **create** the best story possible. We know what matters. We sell. We make you look good



Model

We **create** detailed, highly-complex bottoms-up financial models using airtight assumptions



Buyers List

We **leverage** our massive network to compile the best list of investors / acquirers tailored for you

Process



Calling Program

We **generate** strong interest and provide requested diligence materials



Meetings

We are on email and phones constantly and at meetings. We **manage** it all. We sell.



Diligence

We **manage** the Data Room. We know what will be asked and we have answers ready. (You will look good)



Marketplace

We **create** a competitive process designed to generate multiple offers

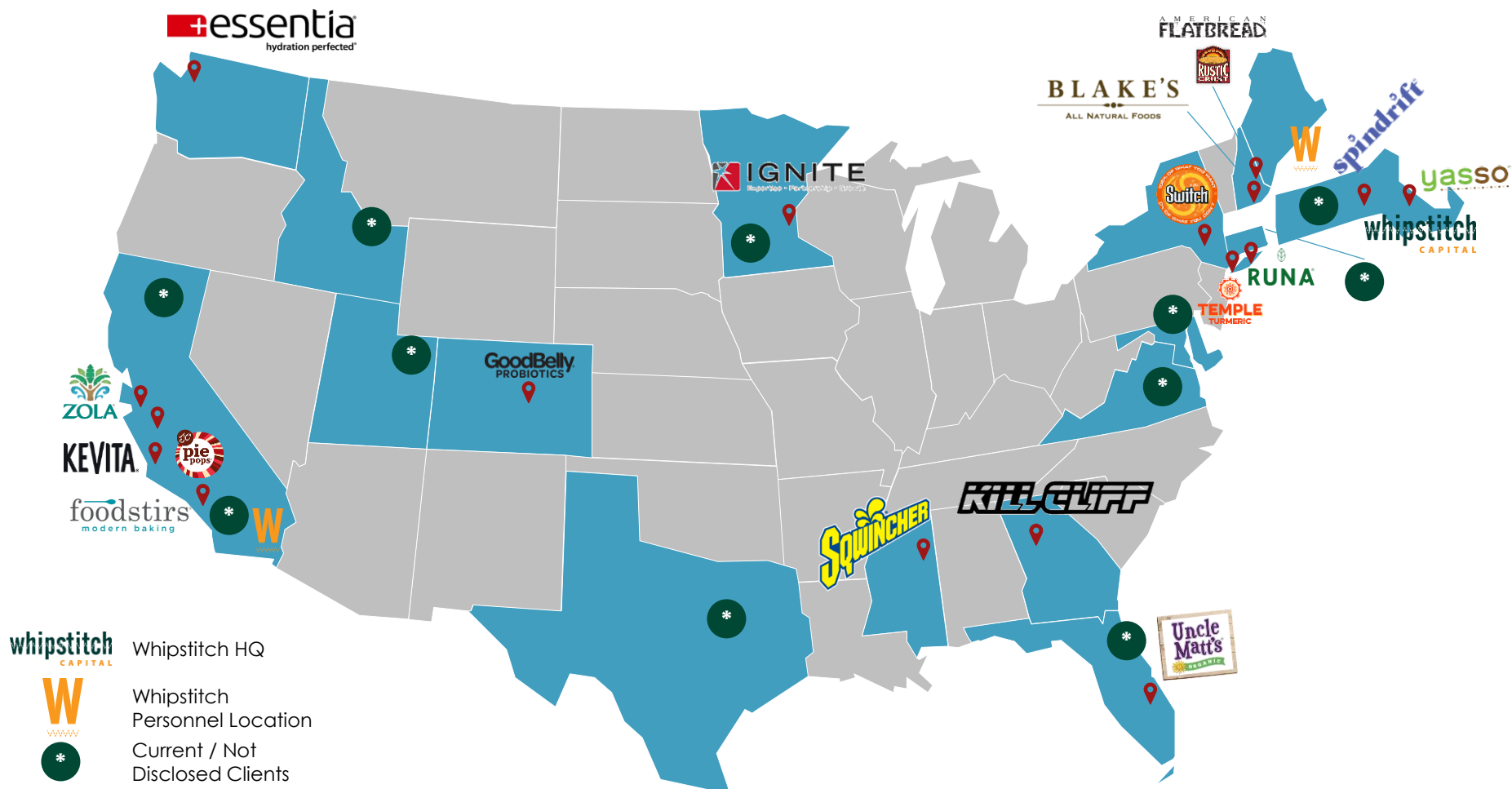


Closing

We **lead** negotiations with investors/acquirers to help create the best-possible outcomes

Coast to Coast: Whipstitch Team Handles a Natural Client Base

Select Current and Previous Whipstitch Team Client Locations



The Whipstitch Way: You Get the Best Bankers... and More

Whipstitch...Explained

- Whipstitch Capital provides a **hands-on** approach to better-for-you consumer clients
- Our core-competencies surround running **highly-competitive** processes for our high-growth clients
- Whipstitch actively **consults** with our clients to ensure they are building equity value on a daily basis
- Whipstitch serves as **connectors** – this is our only industry and we are **entrenched** in it, we know the buyers, investors, retailers – the key decision makers...
- Do not take our word for it, we would probably **under-promise and over-deliver** anyways..

Bill Moses – Co-Founder, CEO
and Chairman, KeVita



'Nick and Mike led KeVita expertly through more than five financing transactions and the ultimate exit to PepsiCo. Their knowledge, insight and tactical instincts created an amazing opportunity for KeVita and a tremendous outcome.'

Matt McLean – Founder and
CEO Uncle Matt's Organics



'When Whipstitch presented to Uncle Matt's, they came prepared with an in-depth analysis of our industry, and they knew more than I expected about our brand and space. The Whipstitch team helped us every step of the way, and they were instrumental in negotiating the final deal with Dean Foods.'

Be Sure to Subscribe to the Industry's Best Newsletter



Consumer Transaction Recap June 25-July 8, 2017

The consumer sector continues to receive attention from strategic buyers and financial investors at a dizzying pace. Here at Whipstitch we understand the challenge of managing a business while also remaining in the loop on the latest industry news. To help, we created this new weekly newsletter highlighting M&A and private placement transactions announced during the previous week.

FOOD AND BEVERAGE

LACTALIS TO PURCHASE STONYFIELD FOR \$875MM

Lactalis will acquire the Stonyfield organic yogurt business from Danone for \$875 million. Danone announced that it would sell the company, one of its US dairy subsidiaries, in March to help expedite the \$10.4 billion acquisition of WhiteWave Foods. The business generated a turnover of approximately \$370 million in 2016. The final purchase price represents 20 times Stonyfield's 2016 EBITDA.

[Read more](#)

CAMPBELL SOUP TO ACQUIRE PACIFIC FOODS FOR \$700MM

Campbell Soup Co. has agreed to acquire organic soup maker Pacific Foods for \$700 million in cash. Founded in 1987, Tuaiatin, Ore.-based Pacific Foods produces organic broth, soup, shelf-stable plant-based beverages, meals and side dishes. Products manufactured by the company are sold under the Pacific brand. Pacific Foods generated approximately \$218 million in sales in the 12 months ending May 31. The acquisition will expand Campbell Soup's footprint in the \$11 billion organic food and beverage category, which grew at a compound annual growth rate of 15.3% over the past four years, according to data from Information Resources, Inc.

[Read more](#)

In This Issue

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[Food and Beverage News](#)

[Other Consumer Transactions](#)

[More from Whipstitch Capital](#)

- Whipstitch distributes weekly transaction newsletters to more than 10,000 consumer industry professionals
- Covers food and beverage, supplements, retail and personal care
- Shared extensively within strategic acquirers and private equity firms
- Constant interaction with buyer/ investor universe – Whipstitch is the knowledge leader in consumer M&A
- Non-traditional buyers and investors see the newsletter and constantly ask to participate in our processes

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SPINS / Whipstitch Partnership Offers Comprehensive Data Set and Unrivaled Market Analysis Capabilities

This newly formed partnership provides Whipstitch with detailed market information on **every brand** and **every category** tracked by SPINS



SPINS[®]

- ✓ Investors and acquirers pay up when they see a strong data story
- ✓ We know the SPINS data inside and out, and we know the right story to tell
- ✓ Whipstitch clients get favorable access to SPINS data packages

Clear Value-Driver for Whipstitch Clients

Whipstitch in the News: Thought Leadership Surrounding Strategics, Private Equity and More

General Mills venture arm invests in GoodBelly Probiotics parent



Cash in natural foods: Experts weigh in on how to get it and prepare to sell



New Hope.
NETWORK..

From personalization to collagen and 'the cloud': Whipstitch Capital picks top healthy living trends

FOOD
navigator-usa.com

BEVNET.

Forbes

PROJECT
NOSH.

ID Food**DIVE**

Investment Insight: Uncertainty At KDP, Confidence in Kombucha

"There are several [kombucha brands] out there that are ready to be larger, national brands, and I think we're going to see a couple of those deals done in the next six to 12 months. It's just such a unique category that I think some of the smaller brands justify investment as opposed to the smaller brands in other categories...."

Interest Brewing In Kombucha As Healthy Beer, Soda Alternative

As M&A interest increases, standout companies may sell for as much as 3x to 6x revenue, says Burgmaier. Pepsico's purchase of KeVita in 2016 was valued at about 4.5x revenue, according to Mergermarket data.

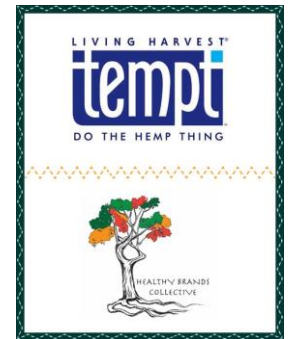
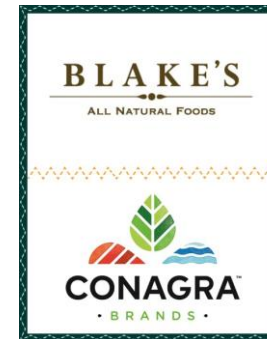
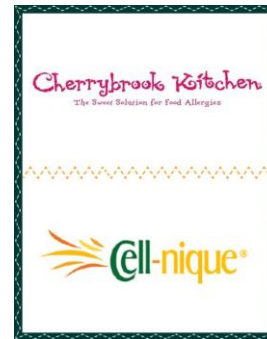
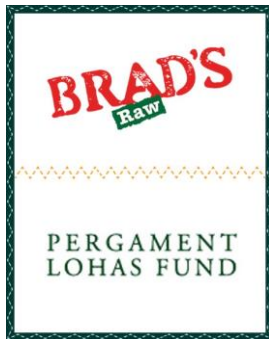
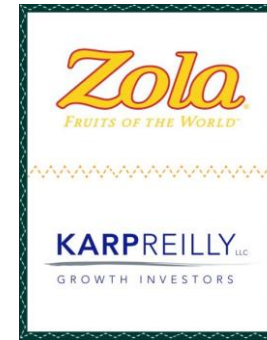
GoodBelly Lands \$12M Round, Led By 301 Inc.

301 VP and General Manager John Haugen told NOSH that, although there are numerous brands espousing gut health benefits, 301 was drawn to the science behind GoodBelly, as well as its rigorous testing of product efficacy... The investment will go toward expanding the GoodBelly platform, both by entering new retail channels Haugen said the two companies are working on developing a pipeline of new products to expand into new categories.

Canada's 'Better For You' Food And Beverage Sector Presents Big Opportunity For Investors


Companies like UNFI Canada, Whipstitch Capital, GreenSpace and others will among those sharing their thoughts on the sector at the meeting, and paying careful attention to the pitches from the Canadian businesses.

M&A Advisory: Select Deals Led by the Whipstitch Team




Private Placement Advisory: Select Deals Led by the Whipstitch Team

GoodBelly
PROBIOTICS



General Mills
Making Food People Love



ADVANTAGE CAPITAL

foodstirs
modern baking

Katjesgreenfood



SUNRISE
STRATEGIC PARTNERS

\$100MM+ Supplement Co.

Has received a minority investment from a leading consumer focused private equity firm

peeled
SNACKS



SEURAT CAPITAL



Several Early-Stage and Industry Angel Investors

spindrif






TRENTLY ADVISORS





KELLER ENTERPRISES

essentia
hydration perfected



CASTANEA PARTNERS

spindrif

KARPREILLY LLC
GROWTH INVESTORS

SCIVATION



PLEXUS CAPITAL
THE ACCESS YOU WANT. THE PATIENCE YOU NEED.

KEVITA



SPK CAPITAL LLC

yasso
frozen greek yogurt



Warbros Venture Partners

essentia
hydration perfected



New Ground Ventures

spindrif

prolog

KEVITA

KARPREILLY LLC
GROWTH INVESTORS

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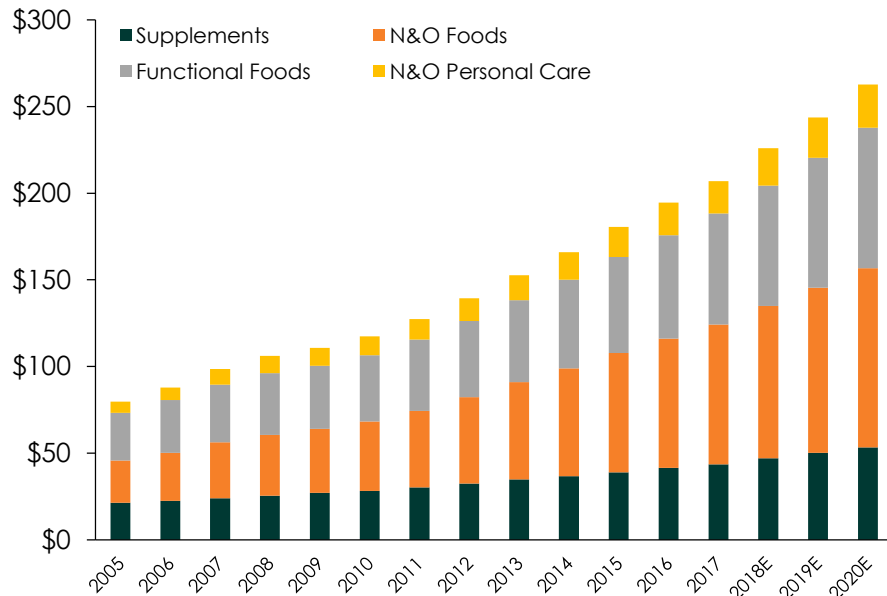
Natural Products Sales Growth Still Far Outpaces the Growth of the Overall Food and Beverage Industry

Total Sales of Natural Products Increased 6.5% YoY to \$207B

- All subsegments within natural products experiencing growth since 2005 (Supplements, N&O Foods, Functional Foods, N&O Personal Care)
- Internet sales, while still a small slice of the pie (~5%), grew **+12%** YoY, significantly surpassing the growth of both conventional (**+7%**) and natural (**+3%**) retailers
- Sales of fruits and vegetables (**+4.3%**) and supplements (**+4.8%**) anchored sales growth at natural retailers⁽²⁾
- 57% of natural retailers reported sales growth in 2017, with an average increase in sales of **+7.2%**⁽¹⁾

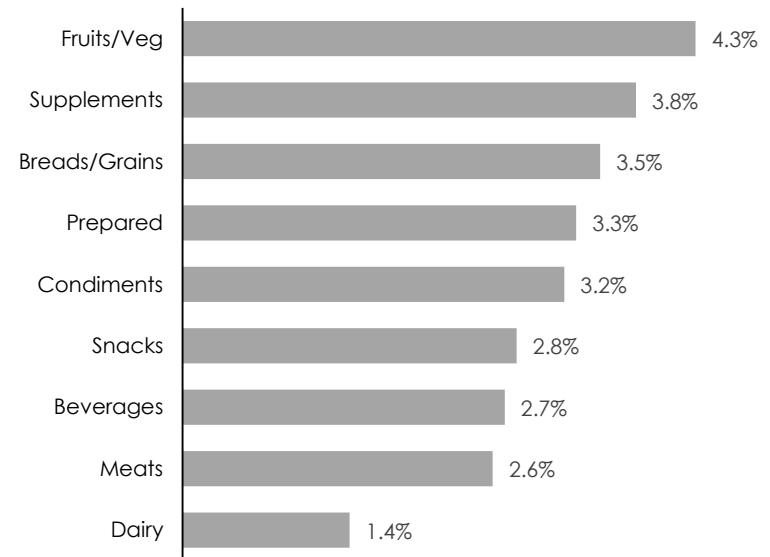
Total US Sales of Natural Products by Category^(1,2)

Annual Dollar Sales (\$B)



Leading Natural Channel Retailer Growth Categories⁽²⁾

2017 vs. 2016; Annual Dollar Sales Growth (%)



M&A, Financing Activity in Natural Products Still Robust After Four Years of Record-Breaking Pace

2018 Still on Track to Outperform 2015 and 2016, with an Uptick in Financing Size Relative to 2017

- Nutrition and Health & Wellness Industry dropped **-2%** in overall transaction activity in 1Q2018 compared to record growth in the full year 2017; M&A down **-10%** on an annualized basis and financings up **+3%**

Good Deals for Good Companies Still Get Done

















Nutrition and Health & Wellness Industry Transactions: M&A Details 2014 – (Jan-Jun) 2018⁽¹⁾

	2014	2015	2016	2017	Jan-Jun 2018
Retail & Distribution	11	10	26	34	8
Supplements	22	10	17	21	11
Ingredients	22	22	29	42	6
Contract Manufacturing	8	12	8	14	4
OTC & Personal Care	12	13	16	23	14
Natural & Organic, Functional Food	53	100	103	138	66
Others: Tech, Fitness, Pet	47	80	60	83	62
Total M&A	175	247	259	355	159
Financings	210	382	456	553	284
Average Size of Financing (\$MM)	\$22	\$21	\$15	\$25	\$31
Total Transactions	385	629	715	908	443
YoY Growth	+52%	+63%	+14%	+27%	-2%

Recent Food & Beverage M&A Highlights

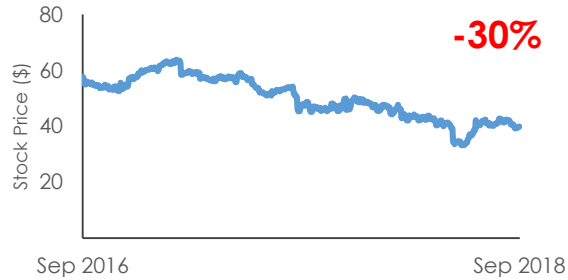
Buyer	Target	Date	Buyer	Target	Date	Buyer	Target	Date
		Aug 2018			Jun 2018			May 2018
		Aug 2018			Jun 2018		 Branded Coffee Business	May 2018
		Aug 2018			Jun 2018			May 2018
		Aug 2018			Jun 2018			May 2018
		Aug 2018			Jun 2018			Apr 2018
		Jul 2018			Jun 2018			Apr 2018
		Jul 2018			May 2018			Mar 2018
		Jul 2018			May 2018			Mar 2018

Recent Food & Beverage Private Placement Highlights

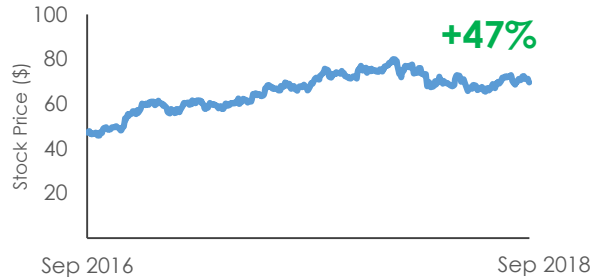
Investor(s)	Target	Date	Investor(s)	Target	Date	Investor(s)	Target	Date
	BODYARMOR	Aug 2018		LOLA	Jul 2018		IMPOSSIBLE™	Apr 2018
	Kettle & Fire	Aug 2018		Feed.	Jun 2018			Apr 2018
		Aug 2018			Jun 2018			Mar 2018
		Aug 2018		GoodBelly PROBIOTICS	Jun 2018			Mar 2018
		Jul 2018		PURPLE CARROT	May 2018		spindrift	Mar 2018
		Jul 2018			May 2018			Mar 2018
	Little SECRETS™	Jul 2018			May 2018			Mar 2018
		Jun 2018			May 2018			Mar 2018

Select CPG Stock Performance

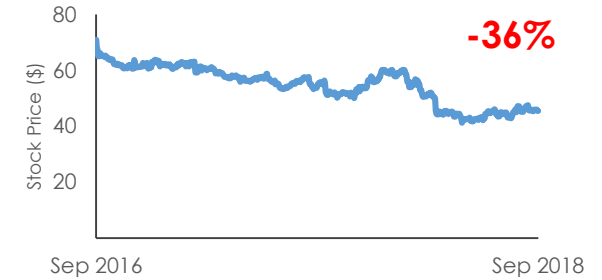
Campbell Soup Company (CPB)



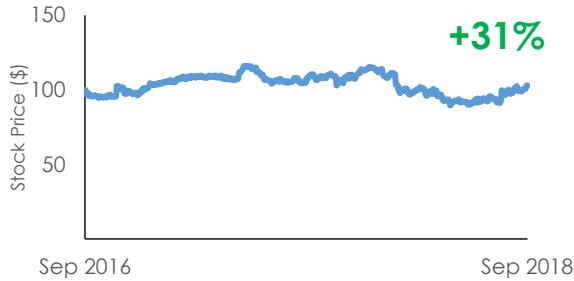
Conagra Brands (CAG)



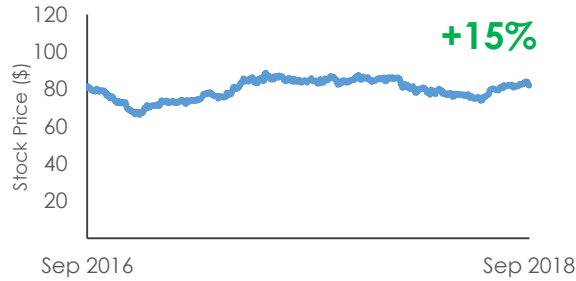
General Mills (GIS)



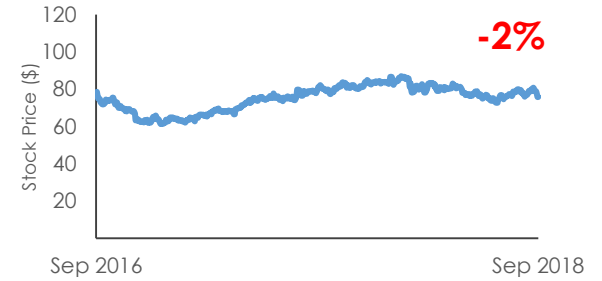
The Hershey Company (HSY)



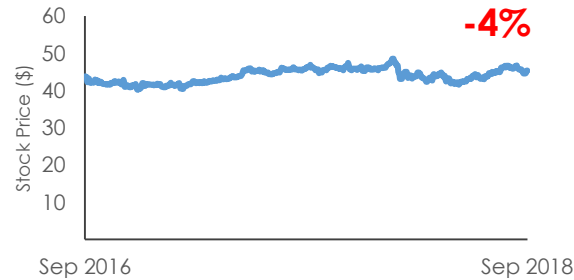
Nestlé S.A. (NESN)



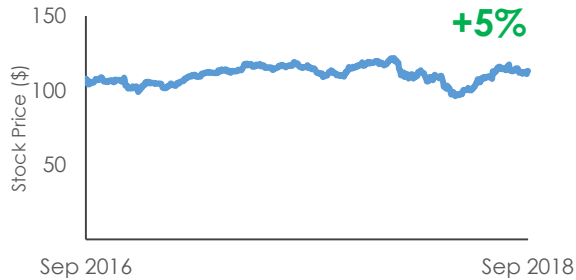
Danone (BN)



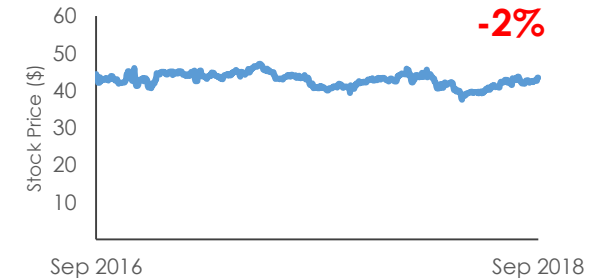
Coca-Cola (KO)



PepsiCo (PEP)



Mondelez (MDLZ)



Whipstitch Capital's Top 11 Healthy Living Trends and Truths

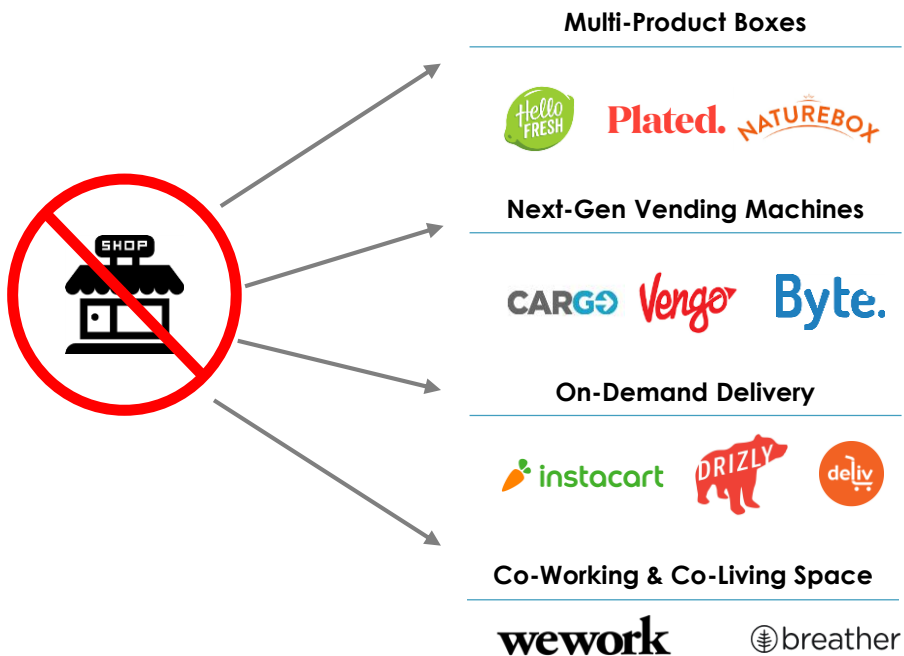
1. Stores Push Private Label and Become Competitors to CPG Brands
2. Convenience, Technology, Data and Millennials Driving Direct-to-Consumer Businesses
3. The Amazon Effect in Full-Swing; Retailers Turning to M&A to Drive Consumer Engagement and Growth
4. Large CPG Strategics Relying on Acquisitions to Drive Continued Growth in Years to Come
5. Cannabis Approaching A Tipping Point; Hemp-Based CBD May Soon be Removed from Schedule 1
6. Kombucha is the ONLY Growth Segment in the \$7B Refrigerated Juice & Functional Beverages Category
7. Bio-Hacking Turning Mainstream
8. Grain-Free – the Mainstream Evolution of Gluten-Free
9. Man (and Investors') Best Friend: Consumers' Increasingly Paying Up for their Dogs and other Pets
10. Blockchain May Bring Nearly Full Transparency to the Global Food Supply Chain
11. Cans – Cocktails, Seltzer and Wine – Transforming Alcohol, Emphasizing Craft and Convenience

1. Stores Push Private Label and Become Competitors to CPG Brands

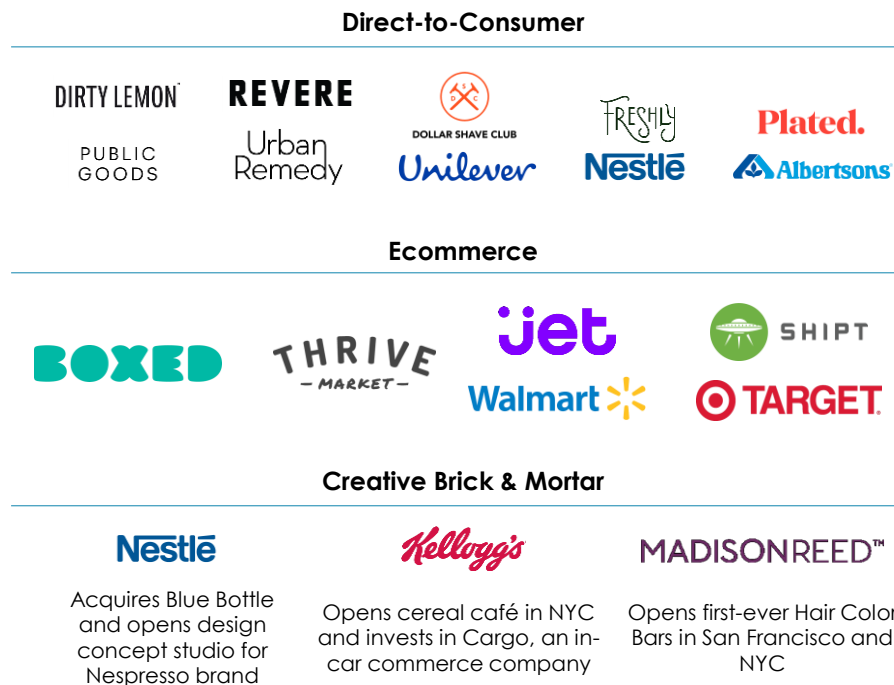
CPG brands respond to private label push by pursuing new points of sale

- As retailers push private labels more aggressively, CPG brands will increasingly seek to control their own points of sale through pursuing alternative distribution channels⁽¹⁾
- Legacy CPG brands and startups alike have adopted strategies to reduce retailer reliance, including opening their own stores, setting up e-commerce platforms, or using other strategies to reach consumers directly, side-stepping traditional retailers

Potential New CPG Distribution Channels⁽²⁾



Strategies to Reduce Retailer Reliance



2. Convenience, Technology, Data and Millennials Driving Direct-to-Consumer Businesses

Direct-to-Consumer Businesses Continue to Attract Investors and Acquirers

- Big brands having a difficult time “buying” audiences in today’s social media-focused environment; user generated content is more effective than brand content and resonates more with consumers⁽¹⁾
- As a result, direct-to-consumer businesses continue to draw attention from large CPGs, most notably Kroger’s \$700MM deal to acquire Home Chef in May of 2018⁽²⁾
- Walmart recently announced a partnership with Gobble, a meal-kit company that promises dishes will take 15 minutes or less and only require one pan; consumers can purchase Gobble meal-kits from Walmart’s website⁽³⁾

Select Consumer Product Exits



IPO
NASDAQ: SFIX



DOLLAR SHAVE CLUB



Unilever

TRUNK CLUB NORDSTROM

DTC Businesses to Watch



HUNGRY HARVEST

HARRY'S

WARBY PARKER



IPSY



BOXED

PURPLE CARROT



BARKBOX

Casper



BUTCHER BOX

Select Meal-Kit Exits



HOME CHEF



HELLO FRESH



Plated.



Blue Apron



Kroger

IPO
SE: HFG



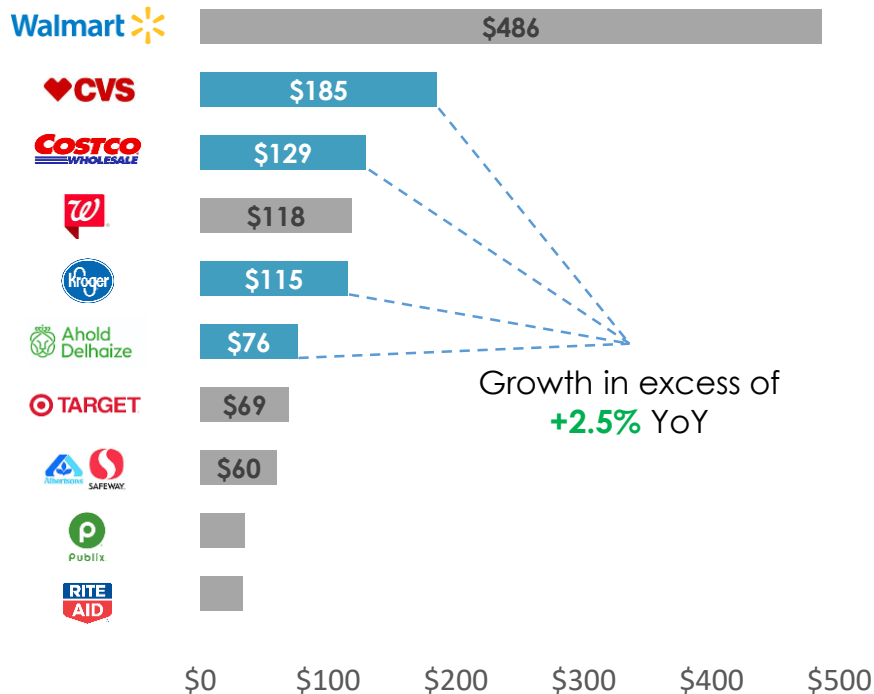
Albertsons

IPO
NYSE: APRN

3. The Amazon Effect in Full-Swing; Retailers Turning to M&A to Drive Consumer Engagement and Growth

- Retailers continue to face the 'Amazon Effect' – customers migrate from bricks and mortar retailers to online – e-commerce grocery sales **+5.5% YoY**^(1,2)
- With customers leaving, **retail grocers show stagnant growth** – just two retailers growing **>2.5% YoY**⁽¹⁾
- Amazon still early to grocery – (11% grocery household penetration vs. 77% core business) – expect retailers to aggressively pursue e-commerce M&A before it is too late...⁽¹⁾

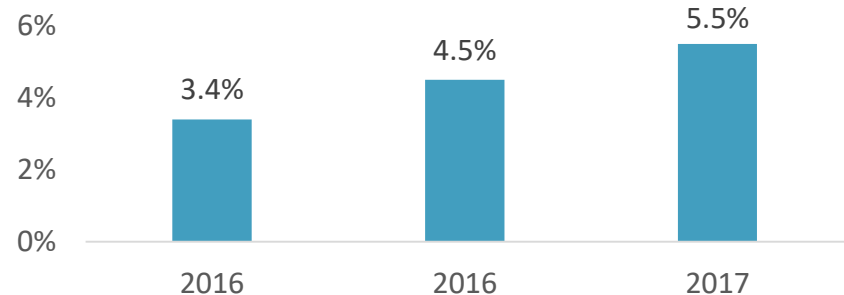
Largest Food Retailers – All Channels (\$B)⁽¹⁾




























Recent E-Commerce Targets and Financings



Online Share of Grocery Sales (%)⁽¹⁾



4. Large CPG Strategics Relying on Acquisitions to Drive Continued Growth in Years to Come

	Revenue (\$B)	YoY Growth %	Legacy Brands YoY Growth % ⁽¹⁾	Acquired Brands YoY Growth % ⁽¹⁾
	\$91.5	0.5%	 -3%  3%	 21%  23%
	\$63.5	1.2%	 -4%  0%	 37%  15%
	\$25.9	-0.1%	 -1%  -5%	 44%  12%
	\$7.8	-2.2%	 1%  4%	 28%  19%
	\$7.5	1.0%	 -1%  -1%	 35%  13%

5. Cannabis Approaching A Tipping Point; Hemp-Based CBD May Soon be Removed from Schedule 1

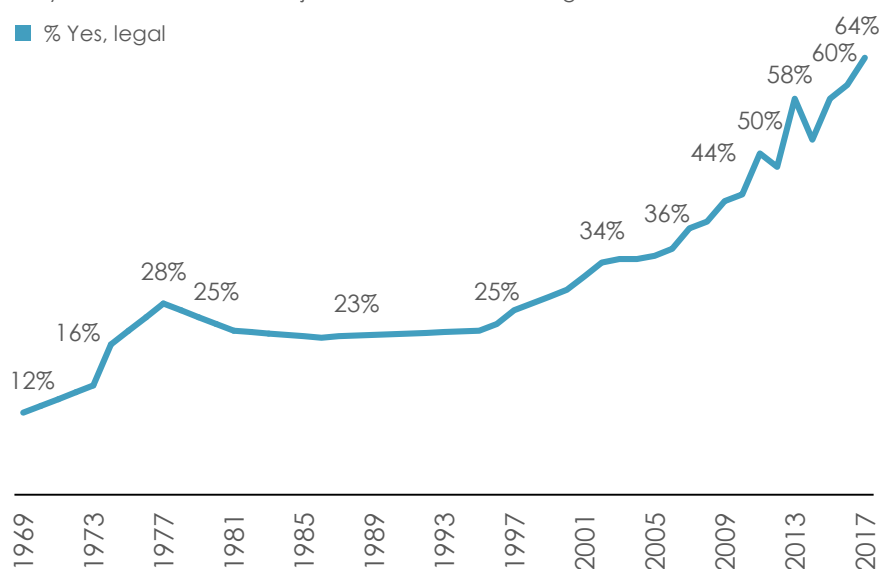
American's want to legalize marijuana; politicians are listening...

- **64% of Americans** think that **marijuana should be legal** – up from 25% 20 years ago⁽¹⁾
- There are **more marijuana-related bills** before the U.S. Congress **than ever before**⁽²⁾
- In June 2018, **for the first time**, the FDA approved a drug comprised of an active ingredient **derived from marijuana**
- Mitch McConnell's 2018 hemp legislation (the Hemp Farming Act) is included in the Senate's farm bill and **would remove industrial hemp from the list of controlled substances** under federal law – could go into affect later this year⁽³⁾

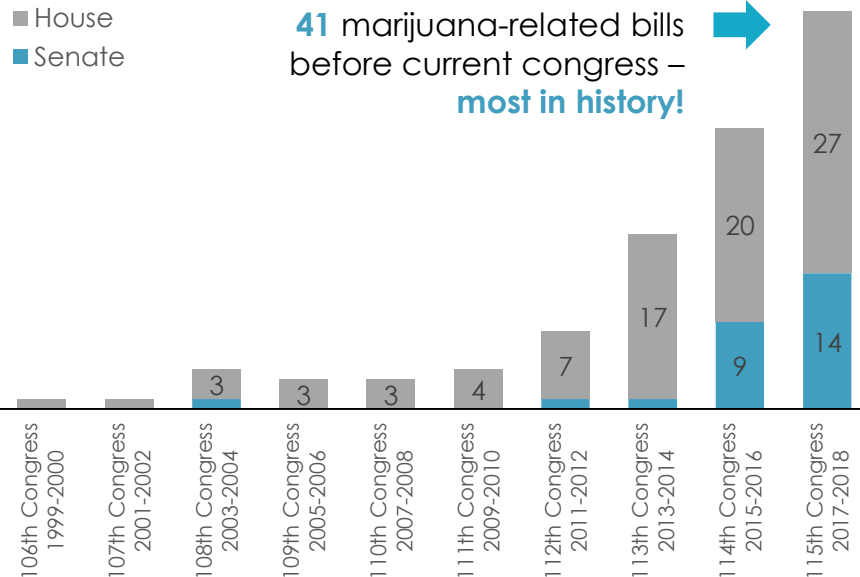
Americans' Support for Legalizing Marijuana Continues to Rise⁽¹⁾

Do you think the use of marijuana should be made legal, or not?

■ % Yes, legal



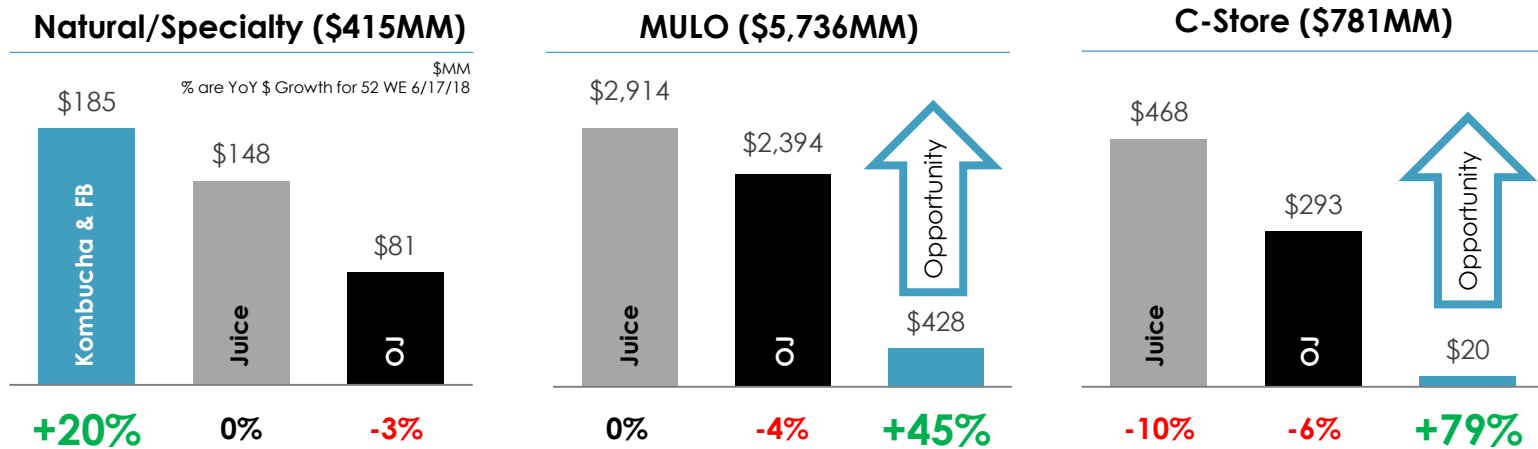
Number of Marijuana-Related Bills Before the U.S. Congress: 1999-2018⁽²⁾



6. Kombucha is the ONLY Growth Segment in the \$7B Refrigerated Juice & Functional Beverages Category

Kombucha becoming mainstream

- Kombucha experiencing strong **growth across all channels** with vast opportunity to further grow
- **Juice feeling the pain** as consumers look for better-for-you functional options
- Grocery stores and C-Stores will allocate more space to kombucha to increase refrigerated beverage growth
- Clear opportunity for **multiple kombucha brands to win**
- According to Food Business News, Coca-Cola is looking at ways it can dispense kombucha from its popular Freestyle vending machines – **another sign that kombucha is mainstream**



Brands to Watch



7. Bio-Hacking Turning Mainstream

With Limitless Data at Consumers' Fingertips, Consumers Going Beyond Food

- Finding a true-healthy state involves more than just diet and exercise – biohacking companies raising big money to get that message out
- Consumers have unprecedented access to a wide-range of bio-feedback information; most of which is unknown to the common consumer
- Companies such as Habit, EverlyWell, True Health Labs are marketing DTC test kits for food-sensitivity, inflammation and gut testing

The Gut-Brain Connection

- Continues to move at a rapid rate, with products tailored for such trends as: heart-health to bone-health, and now – brain-health
- Products launched with **brain-health claims** have **increased 36%** over the past five years⁽¹⁾



High-Profile Bio-Hacking Deals⁽²⁾



\$40MM
Capital
Raise



\$300MM
Capital
Raise



Ketosis Reached Brick and Mortar

- The ketogenic diet has been a staple of bio-hackers for years – and is now turning mainstream
- In August, Vitamin Shoppe announced the 'KETO HQ' – an in-store (800 stores) and online experience catering to consumers following a keto lifestyle⁽³⁾













8. Grain-Free – the Mainstream Evolution of Gluten-Free

Grain-Free Offers Superior Health Benefits to Gluten-Free; Promoting More Mainstream Potential

- Demand for healthier, less-processed CPG products has created an opportunity for grain-free to capitalize and build on gluten-free – consumer surveys indicate **33% of consumers actively avoid gluten and wheat⁽¹⁾**
- Grain-free products allow consumers to **remove more refined carbohydrates and other harmful ingredients than gluten-free** products
- **Scientific research suggests that removal of grains may minimize risk of chronic digestive and inflammatory illnesses** that have been linked to cardiovascular disease, metabolic syndrome, cancer, autoimmune diseases, Alzheimer's disease, schizophrenia and depression⁽²⁾
- Several staples of mainstream consumer diets restricted by grain-free diet – significant market opportunity exists for brands offering grain-free versions of such products to ease consumer adoption of a grain-free diet

Many Up and Coming Brands Disrupting Large Categories with Grain-Free Products

Category	Legacy Brand Net Carbs	New Brand Net Carbs
Bread	 27g	 6g
Oatmeal	 28g	 8g
Pizza Crusts	 24g	 1g
Snack Puffs	 17g	 17g
Tortillas	 21g	 16g

Grain-Free Products Allow Consumers to Avoid Harmful Ingredients

Gluten	A protein found within grain shown to cause digestive irritation and chronic inflammation
Phytates	Antioxidant compounds that bind with dietary minerals to prevent the consumer ability to absorb the nutrients
Lectins	Small carbohydrate-binding proteins that can bio-accumulate in one's body leading to damage of gut lining

9. Man (and Investors') Best Friend: Consumers' Increasingly Paying Up for their Dogs and other Pets

Consumers thinking of pets as “part of the family” creates huge opportunities for brands

- According to a recent study by Gale Partners, **44%** of millennials see their pets as “practice” for taking care of a child, with **21%** citing that the main reason they own a pet is to practice for taking care of a child⁽¹⁾
- Boomers and Millennials agree: **78%** of both groups state that their pet is part of their family⁽²⁾
- **76%** of Millennials identified an item they're more likely to “splurge” on for their pet than they would for themselves⁽²⁾

Millennial's Essential Qualities in Pet Supplies⁽²⁾



Brands to Watch



Select Recent Transactions in the Pet Industry⁽³⁾



\$1.9B



\$2.4B



\$8.0B



\$3.4B

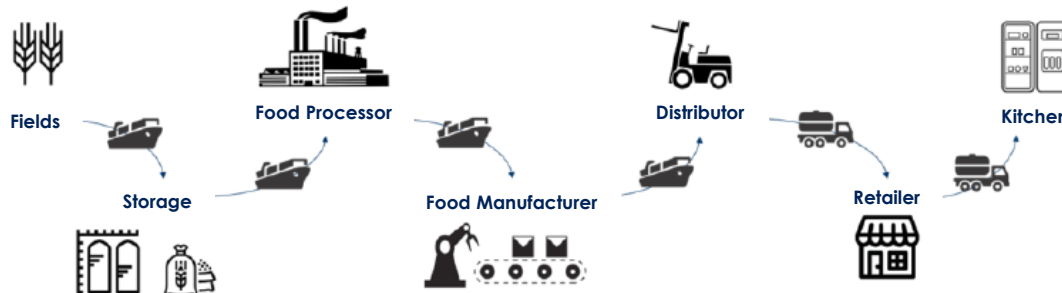
10. Blockchain May Bring Nearly Full Transparency to the Global Food Supply Chain

As consumers demand more transparency, industry players further investigate blockchain

- **What is blockchain?** A blockchain is a **secure digital database** of a growing list of records that **cannot be falsified** in which all information sent by its users is stored⁽¹⁾
- **Why does blockchain matter?** The technology can be used in the food sector so that all parties along the supply chain can provide **traceability information** about their particular role and for each batch (dates, places, farm buildings, distribution channels, and potential treatments) ⁽¹⁾
- Many key **retailers and manufacturers** working with IBM to **integrate blockchain** into their supply chains⁽²⁾
- In its 2017 investor meeting, **Walmart's VP of Food Safety** Frank Yiannas noted that with blockchain, he could **pull a product's tracking information in under three seconds**, while traditionally it had taken nearly a week⁽²⁾

The Complex Global Food Supply Chain⁽²⁾

Working with IBM to Integrate Blockchain into Their Supply Chains⁽²⁾

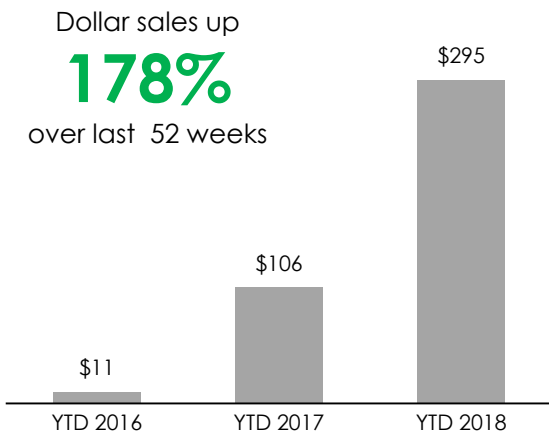


11. Cans – Cocktails, Seltzer and Wine – Transforming Alcohol, Emphasizing Craft and Convenience



RTDs deliver on consumer demands for convenience, premiumization, and better-for-you

- Alcohol encountering same seismic shifts as other CPG giants - consumers gravitating towards premium, more authentic, better-for-you brands
- Millennials and Gen Z consumers shaping the industry; both willing to pay up for quality and view beer - especially from large producers - as inauthentic and unappealing
- RTDs attractive to consumers for convenience and allow consumers to emulate the out-of-home drinking experience at a lower price point
- New premium product lines coming to market from both large players and small; hard seltzers leading the charge as the strongest performer due to their “healthier” nutrition profile: less sugar, lower calories

YoY Sales of Hard Seltzer⁽¹⁾ YTD – 7/14



Key Purchase Drivers for Alcohol RTDs⁽²⁾

-  Lighter offerings align closer with growing interest in health
-  Packaging contributes to portability/versatility
-  Premium positioning drives engagement, higher spend
-  Leveraging technology to boost engagement and sales

Emerging Alcohol RTD Brands



Contents

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- Healthy Living: Industry Overview and Deal Update / Whipstitch Capital's Top 11 Healthy Living Consumer Trends
- **Food & Beverage M&A and Private Placement Deal Data**
- SPINS Market Update: Produced for Whipstitch's Industry Analysis



Selected Consumer M&A Transactions

<u>Announced</u>			<u>Transaction</u>	<u>Enterprise Value /</u>	
<u>Date</u>	<u>Target</u>	<u>Acquirer</u>	<u>Value (\$000)</u>	<u>Revenue</u>	<u>EBITDA</u>
8/31/2018	Costa Coffee	Coca-Cola	5,140.0	3.9x	24.5x
8/31/2018	Hometown Food Company	Brynwood Partners	325.0	n/a	n/a
8/28/2018	Moxie	Coca-Cola	n/a	n/a	n/a
8/20/2018	SodaStream	Pepsico	3,100.0	n/a	n/a
8/16/2018	Keystone Foods	Tyson	2,500.0	n/a	n/a
7/18/2018	Popchips	Intersnack	n/a	n/a	n/a
7/16/2018	McCann's	B&G	32.0	2.5x	n/a
7/10/2018	Four Corners Brewing	Constellation Brands	n/a	n/a	n/a
6/28/2018	PillPack	Amazon	1,000.0	10.0x	n/a
6/27/2018	Pinnacle Foods	ConAgra Foods	10,900.0	3.5x	16.1x
6/20/2018	Runa	Vita Coco	n/a	n/a	n/a
6/7/2018	Tate's Bake Shop	Mondelez	500.0	n/a	n/a
6/4/2018	Tecumseh Poultry (Smart Chicken)	Tyson Foods	350.0	n/a	n/a
6/1/2018	Clearly Kombucha	Molson Coors	n/a	n/a	n/a
5/31/2018	Princes Gate Spring Water	Nestlé Waters	n/a	n/a	n/a
5/31/2018	Old Orchard Brands	Lassonde Industries	146.0	1.4x	9.1x
5/30/2018	Dream Water USA	Harvest One	26.7	4.5x	n/a
5/25/2018	Bare Snacks	Pepsico	200.0	n/a	n/a
5/14/2018	Ainsworth Pet Brands	JM Smucker	1,900.0	2.4x	17.3x
5/7/2018	Starbucks (branded coffee business)	Nestlé	7,150.0	3.6x	15.0x
4/3/2018	Hasenosa	Kerry Group	n/a	n/a	n/a
4/3/2018	Temple Tumeric	Dunn's River Brands	n/a	n/a	n/a
3/28/2018	Nestlé's Brazilian Water business	Grupo Edson Queiroz	n/a	n/a	n/a
3/26/2018	Snyder's-Lance	Campbell's	6,100.0	2.7x	21.7x
2/26/2018	Mann Packing	Fresh Del Monte Produce	361.0	0.7x	n/a
2/23/2018	Blue Buffalo Pet Products	General Mills	8,000.0	6.3x	25.5x

Selected Consumer M&A Transactions

Announced			Transaction	Enterprise Value /	
Date	Target	Acquirer	Value (\$000)	Revenue	EBITDA
2/22/2018	Braaitime	Stryve Foods	n/a	n/a	n/a
2/20/2018	Pro-Pet	Cargill	n/a	n/a	n/a
2/9/2018	Nature's Heart (Terrafertil)	Nestlé	n/a	n/a	n/a
2/5/2018	Sandwich Bros. of Wisconsin	Conagra Brands	n/a	n/a	n/a
1/31/2018	Amplify Snack Brands	Hershey	1,000.0	2.7x	12.5x
1/30/2018	Cott Beverages	Refresco Group	1,250.0	n/a	n/a
1/30/2018	Biltong USA	Stryve Foods	n/a	n/a	n/a
1/29/2018	Dr. Pepper Snapple	Keurig Green Mountain, JAB	23,000.0	3.9x	16.9x
1/29/2018	Field Roast Grain Meat Company	Maple Leaf Foods	120	3.2x	n/a
1/24/2018	Galaxy Nutritional Foods	GreenSpace Brands	17.8	1.1x	n/a
1/18/2018	J.R. Watkins	Swander Pace Capital	n/a	n/a	n/a
1/16/2018	Kernel Season's	Highlander Partners	n/a	n/a	n/a
1/10/2018	Caskers	Flaviar	n/a	n/a	n/a
1/9/2018	Atlanta Cheesecake Company	Gryphon Investors	n/a	n/a	n/a
1/7/2018	Aspall Cider	Molson Coors Brewing	n/a	n/a	n/a
1/1/2018	Green Plate Foods	Celebrate Brands	n/a	n/a	n/a
12/29/2017	Water Lilies Food	AUA Private Equity Partners	n/a	n/a	n/a
12/28/2017	Zotos International	Henkel	485.0	2.1x	n/a
12/19/2017	Omega Protein	Cooke	500.0	1.5x	9.0x
12/14/2017	Inventure Foods	Utz Quality Foods	90.0	0.3x	n/a
12/13/2017	Tazo Tea	Unilever	384.0	3.4x	n/a
12/13/2017	Alter Eco	Nextworld Evergreen	n/a	n/a	n/a
12/12/2017	Pacific Foods of Oregon	Campbell Soup Company	700.0	3.0x	n/a
12/12/2017	Montchevre	Saputo	265.0	1.8x	n/a
12/8/2017	Stir Foods	Wind Point Partners	n/a	n/a	n/a
12/8/2017	Harinas y Sémolas del Noroeste	Kerry Group	n/a	n/a	n/a

Selected Consumer M&A Transactions

Announced			Transaction	Enterprise Value /	
Date	Target	Acquirer	Value (\$000)	Revenue	EBITDA
12/6/2017	Pacifica Foods	Wind Point Partners	n/a	n/a	n/a
12/4/2017	Clarks UK	The Hain Celestial Group	n/a	n/a	n/a
12/1/2017	Ferrara Candy Company	Ferrero International	1,200.0	n/a	n/a
12/1/2017	Richelieu Foods	Freiberger (UK) Limited	435.0	1.3x	n/a
12/1/2017	RéVive Skincare	Tengram Capital Partners	n/a	n/a	n/a
12/1/2017	Nonni's Foods	Vestar Capital Partners	n/a	n/a	n/a
11/30/2017	Squirrel Brand	Sanfilippo John B & Son	31.5	0.9x	n/a
11/29/2017	San Francisco Salt Company	Red Monkey Foods, San Francisco Equity Partners	n/a	n/a	n/a
11/27/2017	Columbus Manufacturing	Hormel Foods	850.0	2.8x	n/a
11/27/2017	Deep River Snacks	Arca Continental	n/a	n/a	n/a
11/22/2017	Raybern's	Premium Brands	n/a	n/a	n/a
11/22/2017	Buddy's Kitchen	Premium Brands	n/a	n/a	n/a
11/21/2017	VeggieLand	Keystone Capital, Nature Soy	n/a	n/a	n/a
11/17/2017	Bento Sushi	Mayfair Equity Partners, YO! Sushi	78.4	0.7x	n/a
11/17/2017	Superior Tofu	Keystone Capital, Nature Soy	n/a	n/a	n/a
11/16/2017	Sunshine Beverages	Teall Investments	n/a	n/a	n/a
11/15/2017	Native (Deodorant)	Procter & Gamble	100.0	n/a	n/a
11/13/2017	Original Philly Cheesesteak Company	Tyson Foods	n/a	n/a	n/a
11/13/2017	Mendocino Farms	TPG Growth	n/a	n/a	n/a
11/6/2017	Labeyrie Traiteur Surgelés	Ajinomoto	24.6	0.3x	n/a
11/1/2017	Chameleon Cold Brew	Nestlé USA	n/a	n/a	n/a
10/30/2017	Clown Shoes Beer	Mass Bay Brewing	n/a	n/a	n/a
10/27/2017	RxBar	Kellogg's	600.0	5.0x	n/a
10/26/2017	Olivos Naturales	ADM Capital	152.9	4.5x	n/a
10/23/2017	Angie's Artisan Treats	Conagra Brands	250.0	n/a	n/a
10/16/2017	East Balt Bakeries	Grupo Bimbo	650.0	1.5x	9.3x

Selected Consumer M&A Transactions

<u>Announced</u>			<u>Transaction</u>	<u>Enterprise Value /</u>	
<u>Date</u>	<u>Target</u>	<u>Acquirer</u>	<u>Value (\$000)</u>	<u>Revenue</u>	<u>EBITDA</u>
10/16/2017	NutriScience Innovations	Akoya Capital Partners	n/a	n/a	n/a
10/12/2017	Acetum	Associated British Foods	372.7	3.3x	n/a
10/11/2017	Ganeden Biotech	Kerry Group	n/a	n/a	n/a
10/2/2017	Back To Nature Foods	B&G Foods	162.5	2.0x	9.6x
10/1/2017	Plated	Albertsons	187.5	n/a	n/a
9/30/2017	Hourglass Cosmetics	Unilever	275.0	3.9x	n/a
9/30/2017	Sweet Earth Natural Foods	Nestlé USA	n/a	n/a	n/a
9/22/2017	Unilever (South African Margarine Business)	Pembani Remgro Infrastructure Fund	900	n/a	n/a
9/18/2017	Schlotterbeck & Foss	Frontenac	n/a	n/a	n/a
9/14/2017	Blue Bottle Coffee	Nestlé	700.0	n/a	n/a
9/12/2017	Trilliant Food and Nutrition	The Blackstone Group	541.0	2.4x	n/a
9/12/2017	Ruby Fresh	POM Wonderful	n/a	n/a	n/a
9/11/2017	Moy Park	Pilgrim's Pride	1,300.0	0.6x	n/a
9/7/2017	The Body Shop International	Natura Cosmetics	1,191.9	1.2x	46.3x

Selected Consumer Private Placement Transactions

<u>Announced</u> Date	<u>Target</u>	<u>Investor(s)</u>	<u>Transaction</u> Value (\$000)
8/30/2018	Kettle & Fire	CAVU Venture Partners	8.0
8/28/2018	Liquid I.V.	CircleUp Network	5.0
8/22/2018	BODYARMOUR	Coca-Cola	300.0
8/7/2018	Good Catch	New Crop Capital (Lead), PHW Group, Thrive Market, Fresh Direct, Stray Dog Capital, Clear Current Capital, VegInvest, Rocana Capital, Blue Horizon, EverHope Capital, Baleine & Bjorn Capital, M13, Starlight Ventures	8.7
7/31/2018	Bulletproof	CAVU Venture Partners	40.0
7/20/2018	Little Secrets	Sunrise Strategic Partners	1.3
7/2/2018	Califia Farms	Ambrosia	50.0
6/28/2018	Rustic Crust	Advantage Capital	8.0
6/21/2018	GoodBelly	General Mills	12.0
6/20/2018	Feed.	Alven and Otium Brands	17.4
6/12/2018	Lola	Alliance Consumer Growth, with support from existing investors Spark Capital, Lerer Hippeau and Brand Foundry Ventures.	24.0
6/6/2018	The Honest Company	L Catterton	200.0
5/29/2018	High Brew Coffee	Charles Street Partners	20.0
5/18/2018	Rebbl	CAVU Venture Partners	20.0
5/7/2018	Purple Carrot	Fresh Del Monte	4.0
5/3/2018	Sol Cuisine	Avrio Capital	13.0
4/17/2018	Ellenos	Monogram Capital Partners	18.0
4/3/2018	Impossible Foods	Temasek, Sailing Capital	189.0
3/26/2018	Nulo Pet Food	Main Post Partners	28.4
3/20/2018	True Botanicals	Sonoma Brands (lead), Unilever Ventures, Cue Ball and other undisclosed investors	14.1
3/20/2018	Foodstirs	Katjesgreenfood, M13, Almanac Investments, and other undisclosed investors	n/a
3/15/2018	Spindrift	VMG Partners (lead), with support from existing investors Prolog Ventures, KarpReilly, RiverPark Ventures, and Almanac Investments	20.0

Selected Consumer Private Placement Transactions

<u>Announced</u> Date	<u>Target</u>	<u>Investor(s)</u>	<u>Transaction</u> Value (\$000)
3/16/2018	Humm Kombucha	VMG Partners	10.0
3/8/2018	Ancient Nutrition	VMG Partners (lead), Hillhouse Capital, ICONIQ Capital, Cambridge Companies, and Diverse Investor Group	103.0
3/1/18	VitaCup	First Beverage	n/a
2/15/2018	Harry's	Alliance Consumer Growth, Temasek Holdings, Tiger Global Management, Wellington Management	112.0
2/23/2018	Bear Squeeze	AccelFoods	0.7
2/6/2018	Stryve Foods	Murano Group	1.1
2/6/2018	Brew Dr. Kombucha	Castanea Partners	n/a
2/1/2018	Harmless Harvest	AccelFoods, Danone Manifesto Ventures, Mousse Partners	30.0
2/5/18	Wandering Bear	Unnamed Investors	8.0
1/31/2018	Gallinée	Unilever Ventures	n/a
1/29/2018	Ripple	Euclidean Capital, Fall Line Capital, GV, Khosla Ventures, Prelude Ventures, S2G Ventures, The Goldman Sachs Group	65.0
1/29/2018	Memphis Meats	BoxGroup, Tyson Ventures (Reese Schroeder)	n/a
1/25/2018	Sun Basket	Accolade Partners, August Capital, Correlation Ventures, Founders Circle Capital, Relevance Capital, Rembrandt Venture Partners, Sapphire Ventures, Unilever Ventures, Vulcan Capital	57.8
1/16/2018	Yasso	Castanea Partners	n/a
1/8/2018	Smashmallow	Sonoma Brands, VMG Partners	10.0
1/3/2018	Green Blender	Point Nine Capital, SOSV, Team Europe Management	1.7
1/2/2018	Muscle Food	BGF	13.8
1/1/2018	Safe Catch	Echo Capital Group, Essential Investments	5.0
12/19/2017	Daily Harvest	VMG Partners & Other Investors	43.0
12/18/2017	Coopland & Son (Scarborough)	BGF	11.4
12/15/2017	RISE Coffee	Winklevoss Capital Management	2.6
12/12/2017	Nutpods	CircleUp Network	2.1

Selected Consumer Private Placement Transactions

<u>Announced</u> Date	<u>Target</u>	<u>Investor(s)</u>	<u>Transaction</u> Value (\$000)
12/7/2017	Beyond Meat	Ambrosia Investments, Cleveland Avenue, Lauder Partners, Tyson Ventures & Other Investors	55.0
11/21/2017	Kona Deep	Danone Manifesto Ventures, Grand Crossing Capital	5.5
11/15/2017	Nuun	TSG Consumer	n/a
11/15/2017	Wild Friends Foods	Portland Seed Fund	3.0
11/8/2017	Urban Remedy	301, Inc.	17.0
11/7/2017	Powerful	Cambridge Companies, River Hollow Partners, SWAT Equity Partners	4.0
11/2/2017	4505 Chicharrones	CircleUp Network	3.0
11/1/2017	Vital Proteins	CAVU Venture Partners	25.5
11/1/2017	Crowd Cow	FUEL Capital	7.8
10/31/2017	Mooala Brands	M3 Ventures, Sweat Equities	5.0
10/30/2017	Ample Hills Creamery	Allana Group, Argonautic Ventures, Bullish, Lerer Hippeau Ventures, RiverPark Funds, Rosecliff Ventures	8.0
10/25/2017	&pizza	Beall Investment Partners, RSE Ventures	n/a
10/20/2017	Kusmi Tea	Nextworld Evergreen	23.5
10/20/2017	Tatcha	Castanea Partners	15.0
10/16/2017	Kalahari Biltong	AccelFoods	n/a
10/10/2017	Hippeas	CAVU Venture Partners, Strand Equity Partners	10.0
10/6/2017	The Honest Company	Fidelity Investments	75.0
10/5/2017	Caulipower	BFG Partners	2.0
9/28/2017	Yooji	Danone Manifesto Ventures	n/a
9/15/2017	Innis & Gunn Brewing Company	L Catterton	19.9
9/13/2017	ICONIC	KarpReilly	8.0
9/6/2017	Bhakti	Cleveland Avenue	5.3
9/5/2017	BulletProof	CAVU Venture Partners, Trinity Ventures	21.9

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SPINS



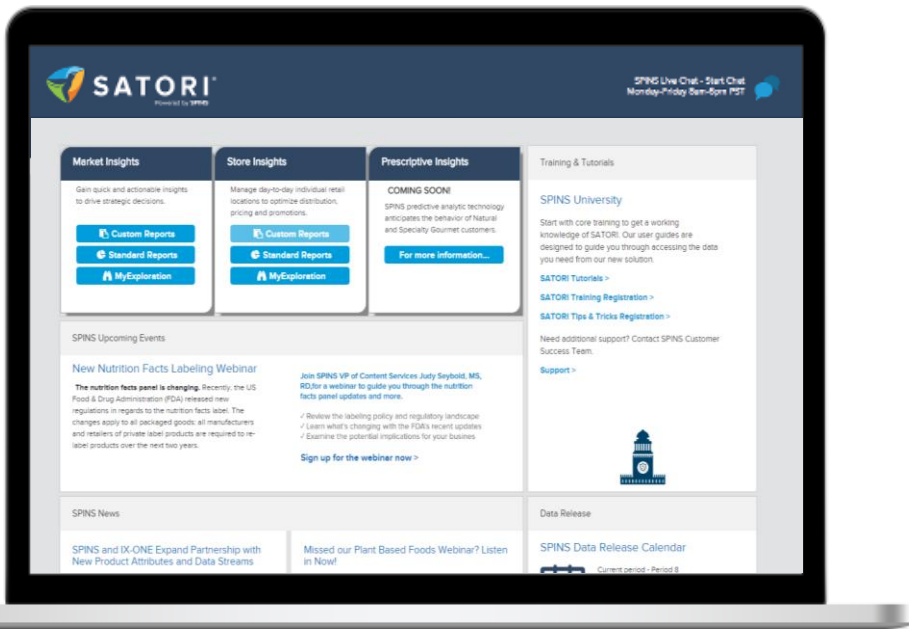
Introduction to **SPINS**

WHO IS SPINS?

For 20 years, SPINS has been an industry partner enabling the growth of Natural, Organic, and Specialty Products.

SPINS transforms raw data into intelligent and actionable business solutions.

- Tailored Solutions For **Brands, Retailers, Distributors, Brokers, and Investors**
- **Data & Reporting Solutions** – Snapshots, Subscriptions, Business Intelligence
- **Growth Solutions** – Brand Strategy, Consumer Insights, Due Diligence
- **Digital Solutions** – Digital Marketing Applications, Scorecards, Mobile Apps



Investors Gain Unique Market & Brand Insights by Leveraging SPINS Core Capabilities



CROSS-CHANNEL POS DATA REPORTING

Only SPINS provides data for both the traditional "Conventional channel" as well as Innovation-centered "Natural" and "Specialty Gourmet" channels

WHERE to find them



HEALTH & WELLNESS PRODUCT LIBRARY

Only SPINS characterizes nearly 2 million UPCs against 4675+ attributes. We are regularly launching new, industry-leading attributes

WHAT they buy



ENHANCED CONSUMER PANEL

Only SPINS enhances the National Household Panel with the SPINS Product Library and SPINS-IRI NaturalLink Segmentation framework

WHO to Target

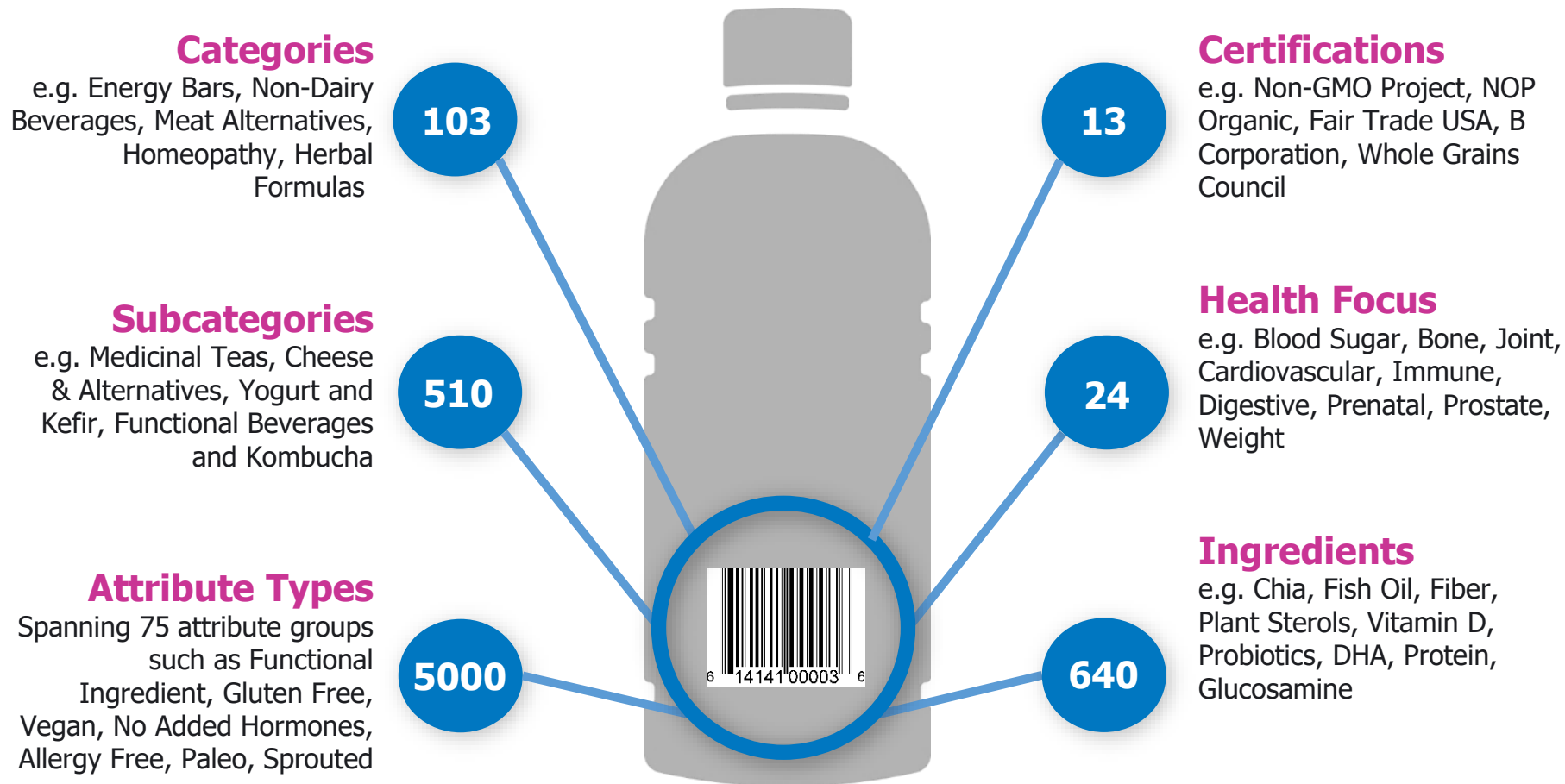
SPINS Tracks Retail Sales Performance Across Major Channels

ONLY SPINS DELIVERS A COMPLETE VIEW OF PRODUCT DISTRIBUTION.



SPINS Product Library is the Industry Standard for Health & Wellness Information On Products

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



Through SPINS, Investors Can See that Natural Products Outpace the Growth of Mainstream Brands

SPINS sorts products based on how they are positioned in the marketplace into three distinct groups. Easily filter products by these groups when conducting any brand sourcing analysis.

Natural Positioned Products

\$62B **+8.1%**

Dollar Sales

Dollar Growth

Specialty Positioned Products

\$110B **+3.5%**

Dollar Sales

Dollar Growth

Conventional Positioned Products

\$555B **+1.0%**

Dollar Sales

Dollar Growth

SPINS recognizes and defines how brands are positioned towards **natural** in the marketplace. Because the term is not regulated, SPINS' Brand Positioning is critical to understanding buying behavior and identifying growth opportunities in the wellness sector.

Because health conscious consumers also gravitate toward products outside of the NPI, SPINS has defined coding for **Health & Wellness** items. These include **Specialty** products marketed toward the foodie customer and **aspirational** products incorporating better-for-you attributes.

SPINS also codes for traditional mainstream brands and items that are perceived as **Conventional**. These products are long recognized as the standard in Conventional Food, Drug and Mass outlets.





WHO IS THE NATURAL CONSUMER?



SPINS & IRI Joined Forces to Develop NaturaLink

NaturaLink is a unique consumer segmentation framework based on a representative sample of the Total U.S. population – **not just those who buy Natural/Organic products.**

METHODOLOGY



5,000 demographically balanced respondents were surveyed.



Survey Topics included a broad range of attitudinal, behavioral and demographic information.



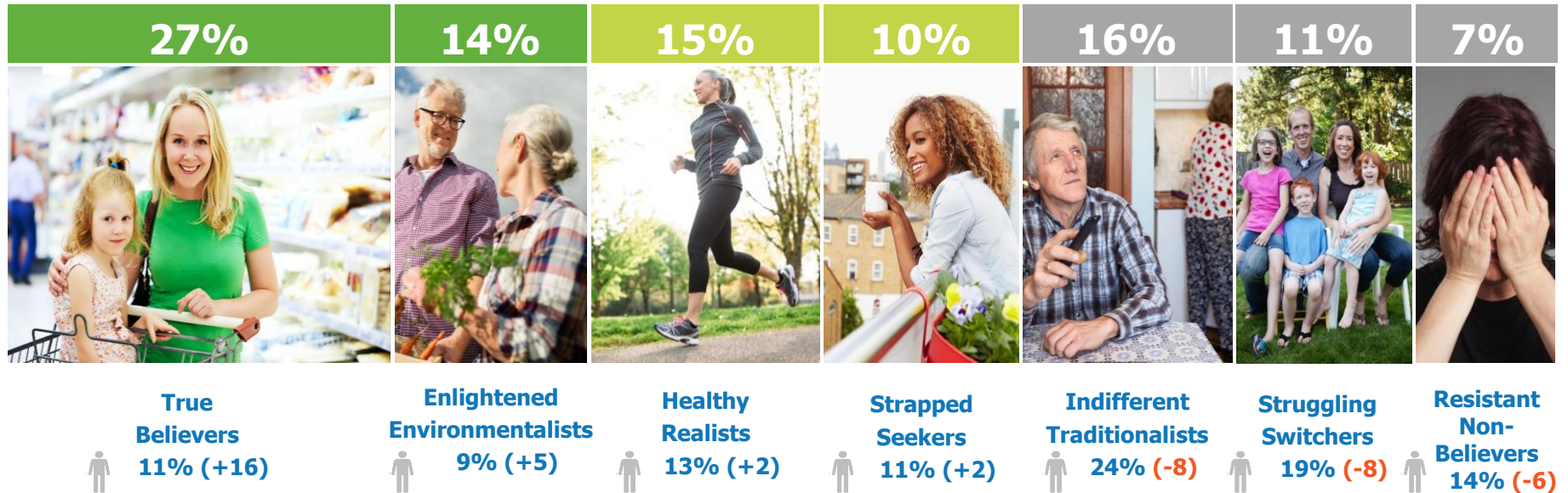
Over 45,000 HHs were then typed for richer insight into purchase behavior across total population.



NaturaLink has Identified Seven Consumer Segments across Total U.S. Population

Percentage of Total Natural & Organic Dollar Sales

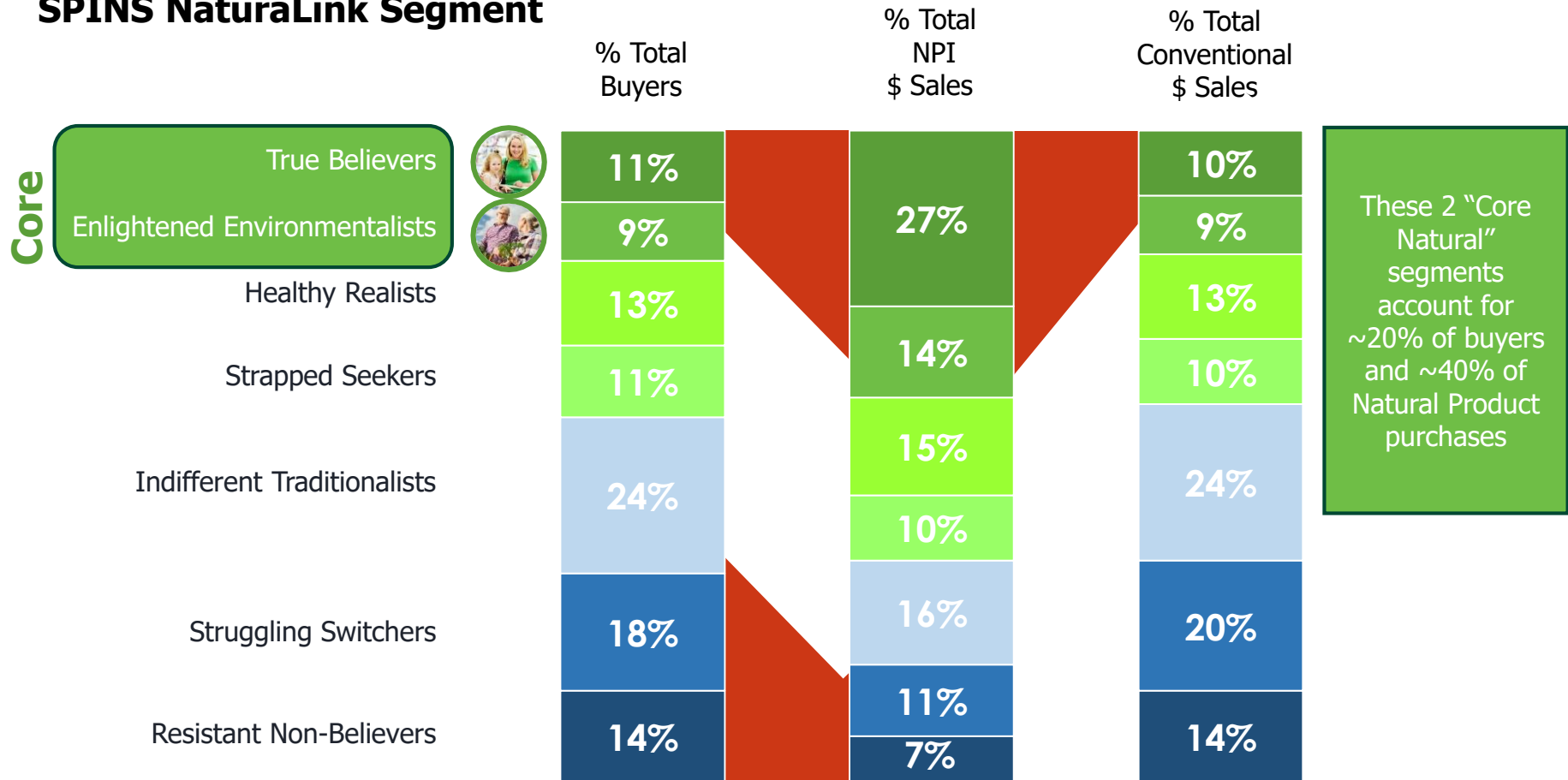
 Percentage of Total Shoppers



NaturaLink presents a powerful combination of attitudes *and* purchase behaviors. Two segments form the leading edge of Natural/Organic trends: **True Believers** and **Enlightened Environmentalists**.

Two of These Segments are Especially Important for Natural & Organic Focused Brands and Retailers

SPINS NaturaLink Segment



A Brief Look at the “Core Natural” Shopper

Core NaturaLink households are far more engaged in natural and organic, with significantly more trips and higher spend per buyer than the All Household Average of 30.2 trips/buyer and \$347 per buyer

True Believers



53.9
trips/buyer

\$871
per buyer

Enlightened Environmentalists



42.3
trips/buyer



\$540
per buyer

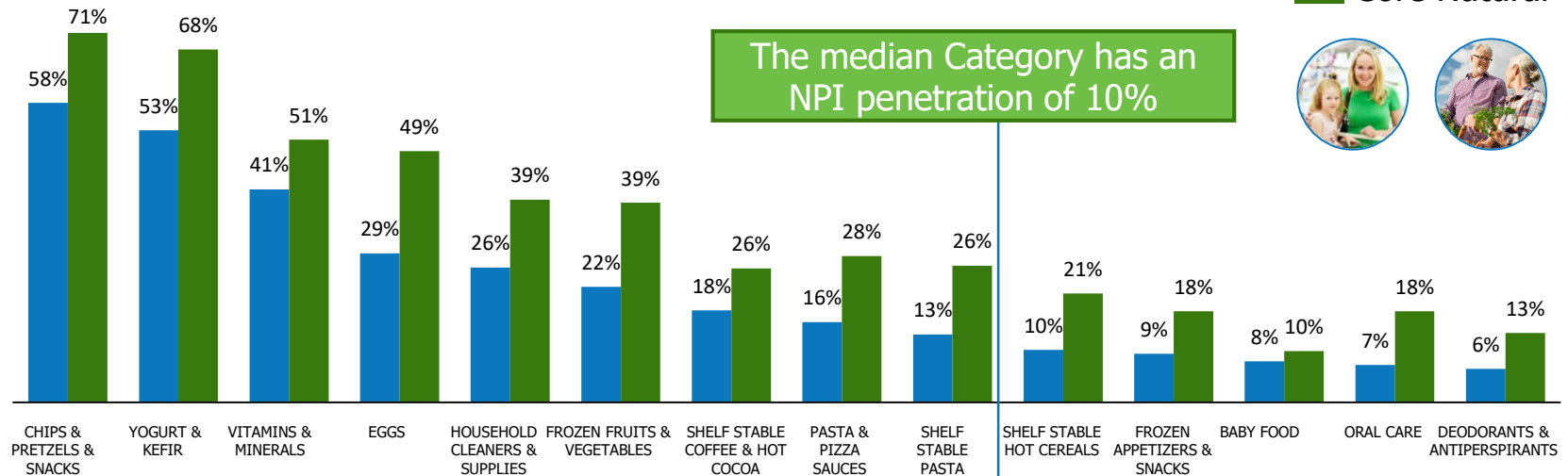
Core Natural/Organic Households, NPI Food & Beverage Categories | Total US All Outlets

In Every Category, “Core Natural” Consumers are Leading Adoption

HH % Natural Product Penetration

Total Panel vs “Core Natural” Consumers

 Total Panel
 Core Natural

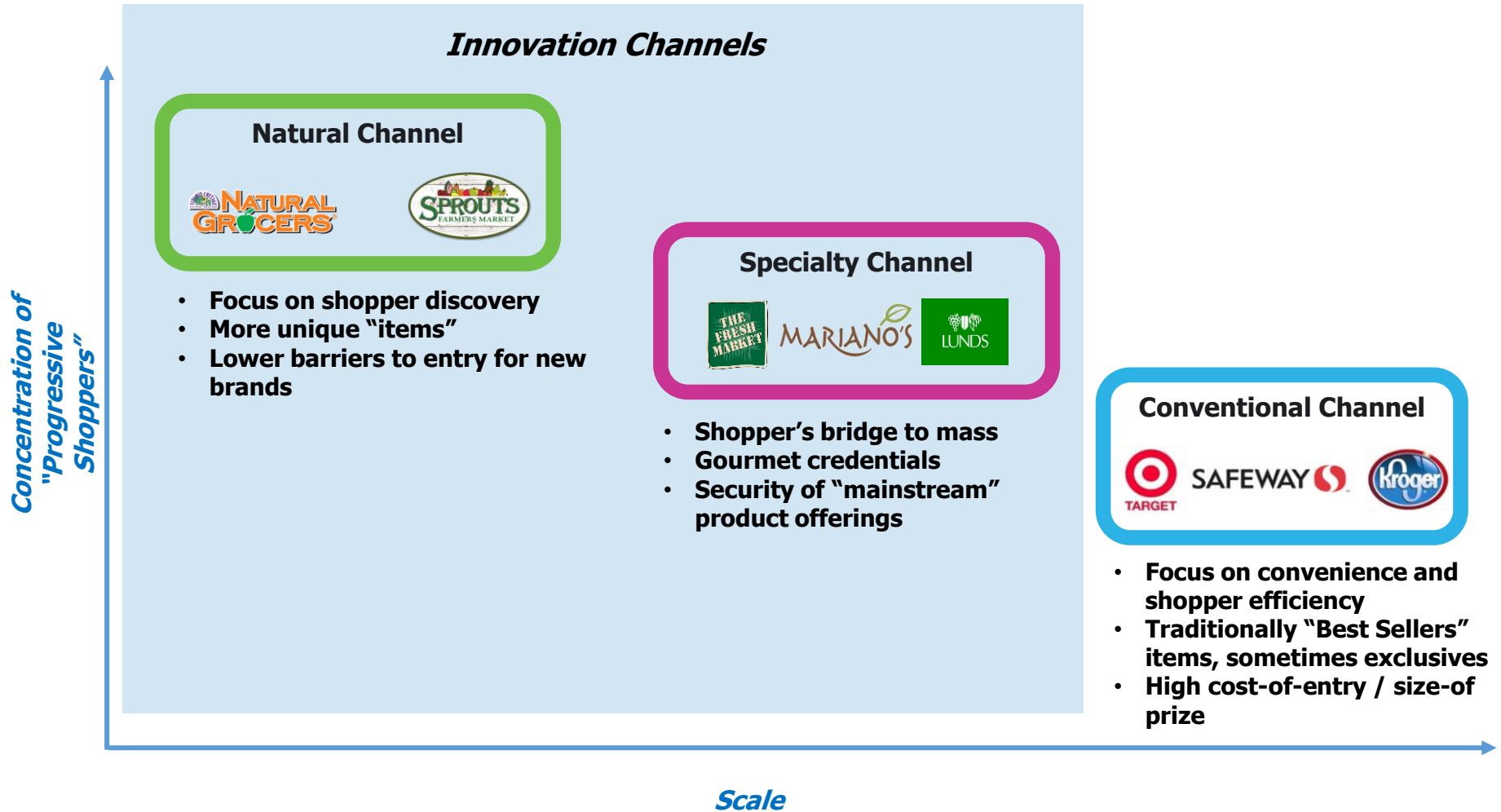


NPI Category Rank	2	3	4	12	23	32	35	38	41	53	56	60	63	67
NPI Category Influencer Rank	2	3	5	9	27	29	39	36	38	45	56	71	53	61

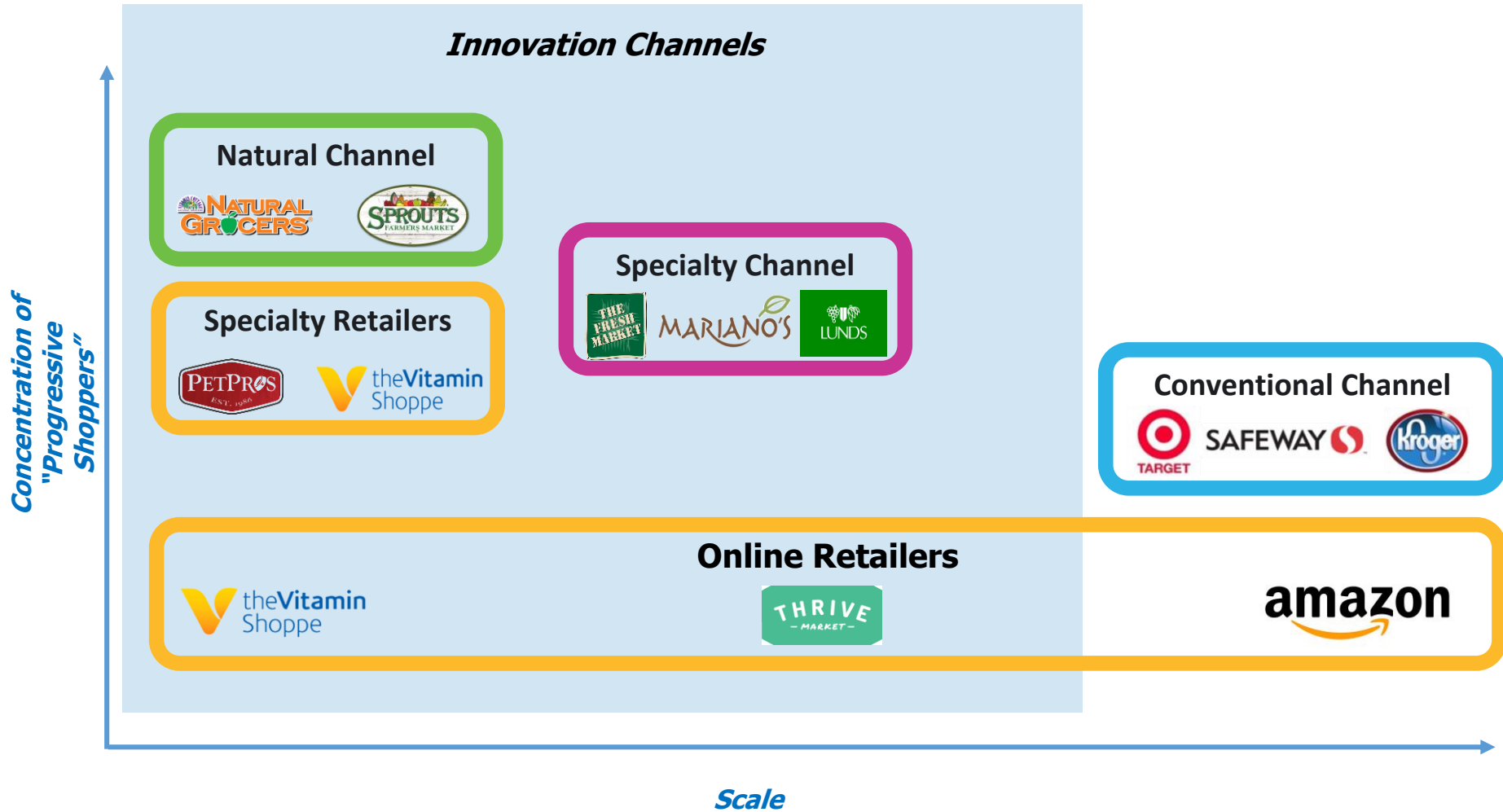


Disruption of **RETAIL** Landscape

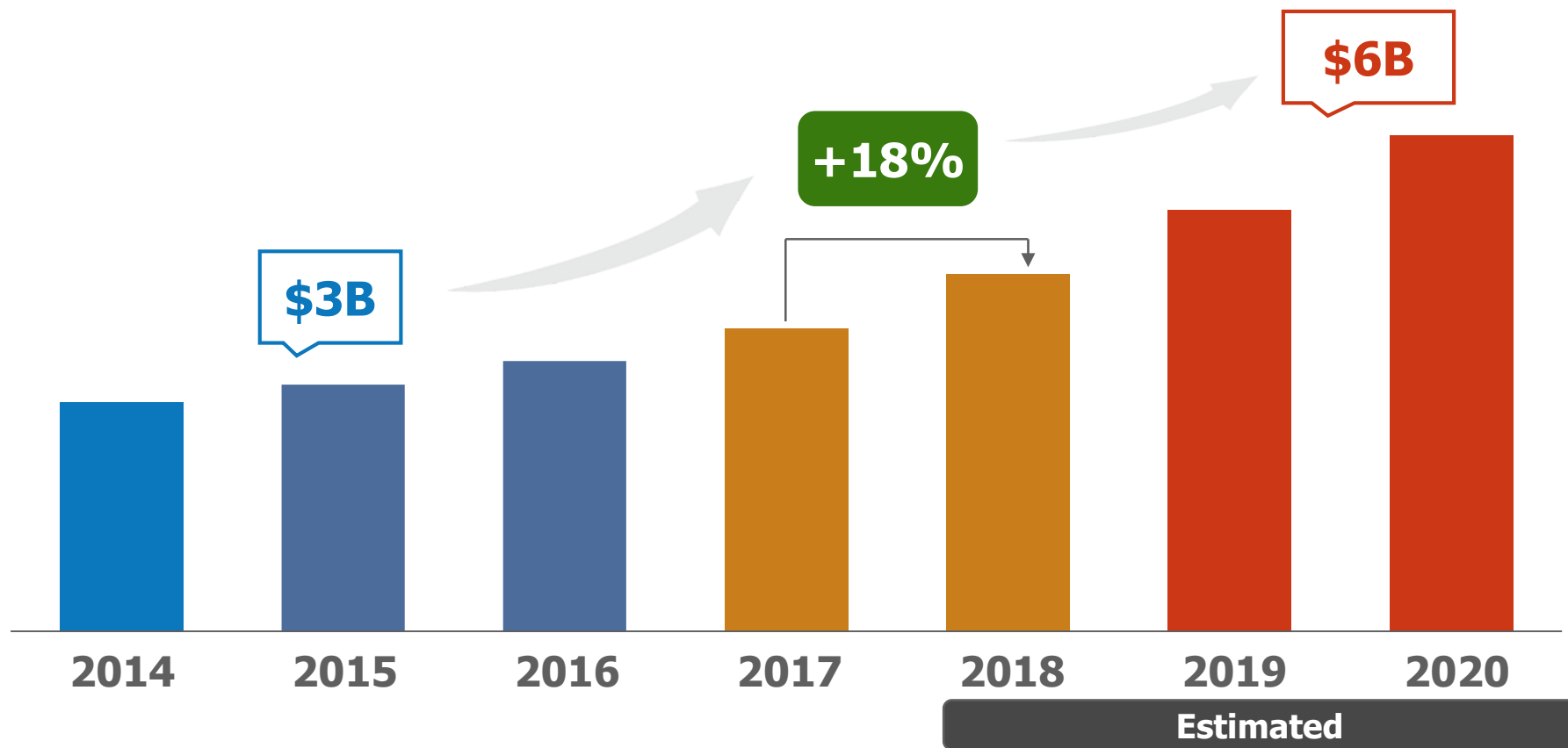
Each SPINS Channel Plays a Different Role



Specialty & Online Retailers are Disrupting this Landscape



Plant Based is a \$4.2B Industry with Accelerating Growth of +18%, Also Disrupting Retail



What is Plant Based?

Plant Based: Food & Beverage products intended to replace animal products such as meats, dairy, and eggs

Plant Based foods replace animal products



Plant based foods are NOT...

Originally derived from a plant



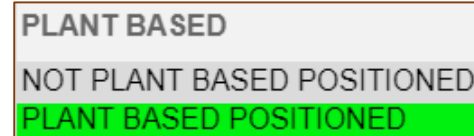
Animal Based



Sizing the Plant Based Industry: Our Methodology

SPINS created a Plant Based Attribute

- Attribute is coded across categories
- Aligned with Plant Based Foods Association Guidelines
- Labeled on package or marketed as Plant Based
- Private Label coded across Plant Based Subcategories



Four Macro Trends are Driving Interest in Plant Based Eating



Health & Wellness

- Nutritional Value
- Functional Foods
- Protein Demand



Technology

- Improved Taste
- Ability to Scale



Sustainability

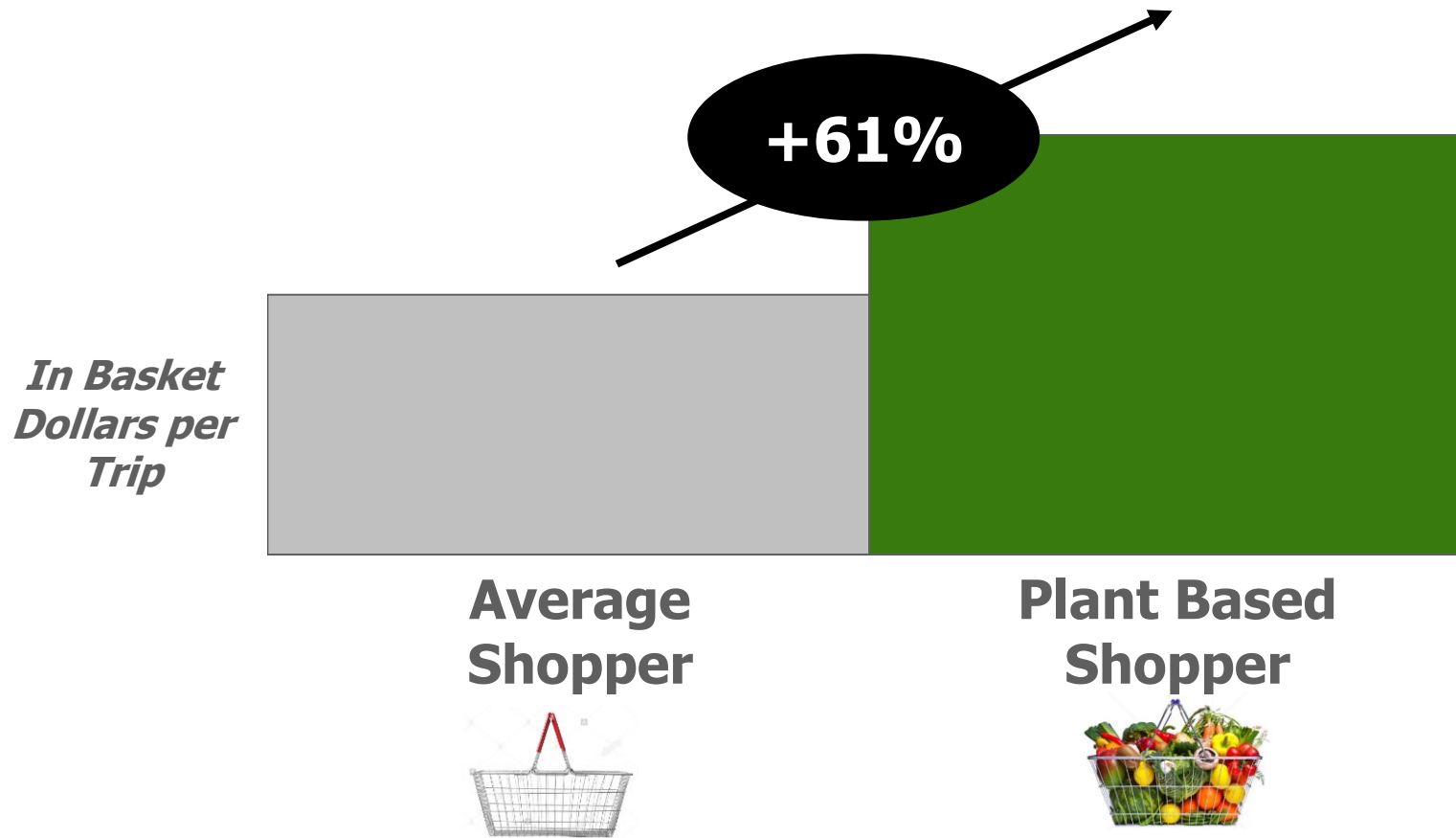
- Animal Welfare
- Farming Practices
- Local Foods



Transparency

- Clean Label
- Supply Chain Tracking

Plant Based Shoppers are Valuable, Spending +61% More than the Average Shopper



Plant Based Industry can be Looked at by Two Segments: Food & Beverage

Plant Based Food

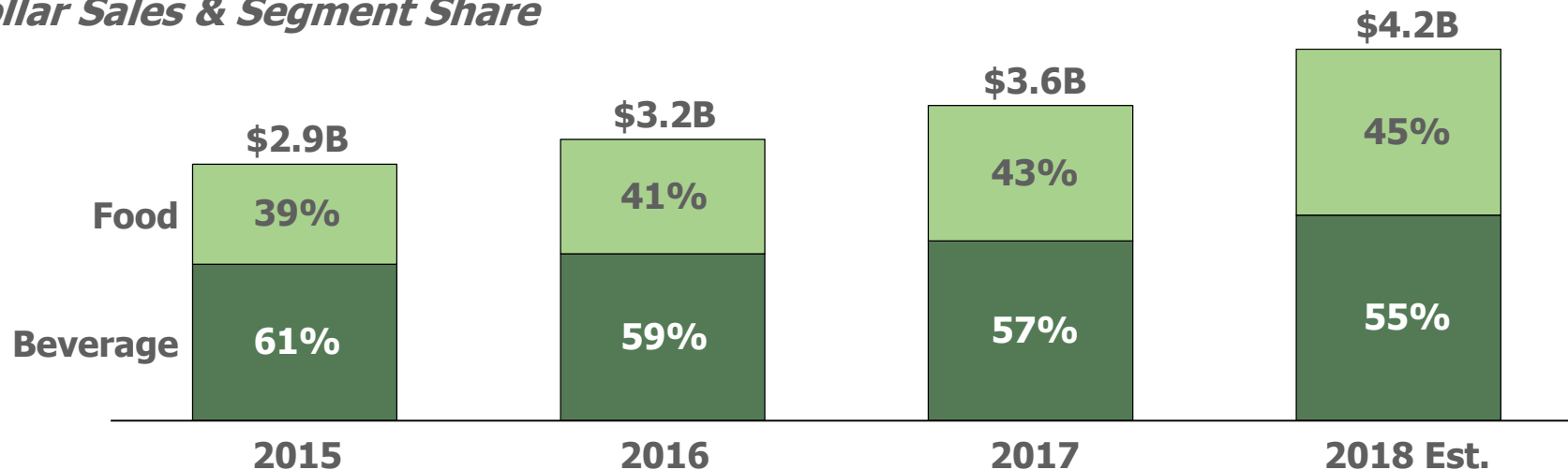


Plant Based Beverage



Plant Based Growth Driven by Accelerating Food Sales While Beverage Sales Pick up Steam

Dollar Sales & Segment Share

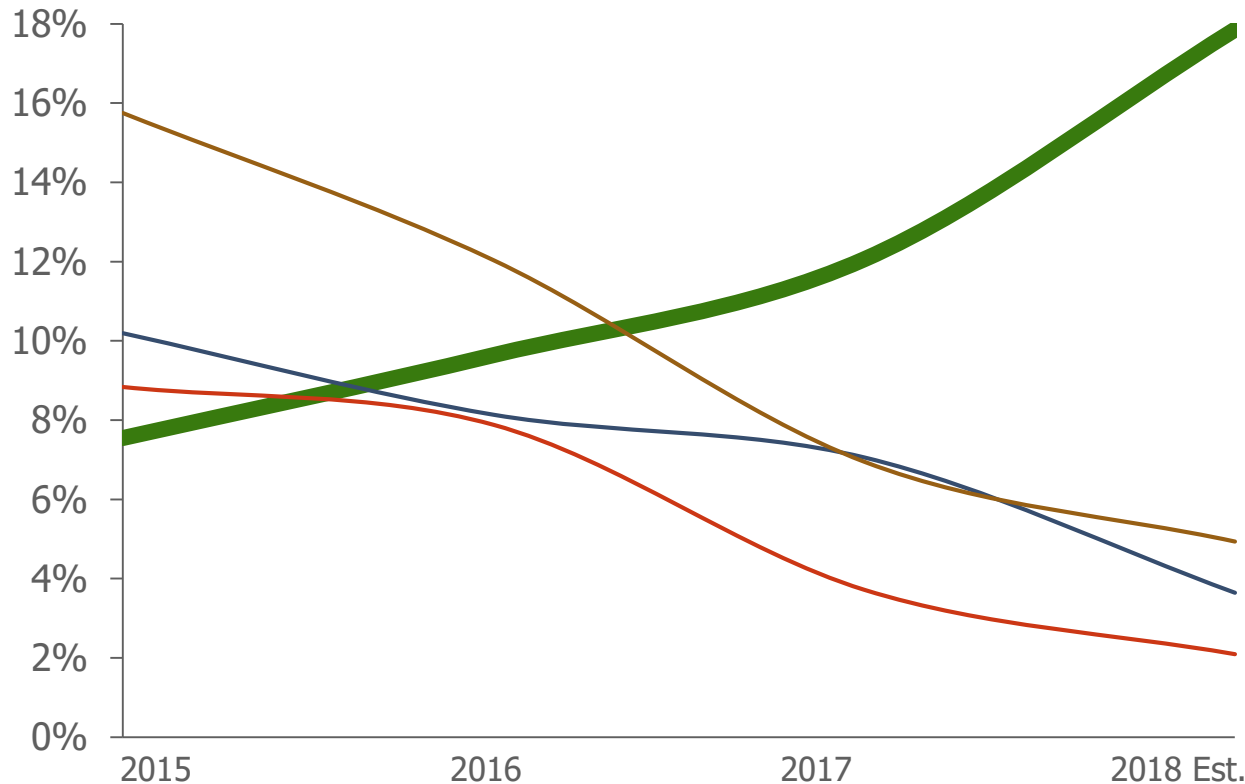


Dollar Sales (% Change vs YA)

Food	14%	19%	22%*
Beverage	7%	8%	14%*

Plant Based is Outpacing Growth of Labeled Organic, Gluten Free, and Non GMO

Dollar Sales (% Change vs YA)

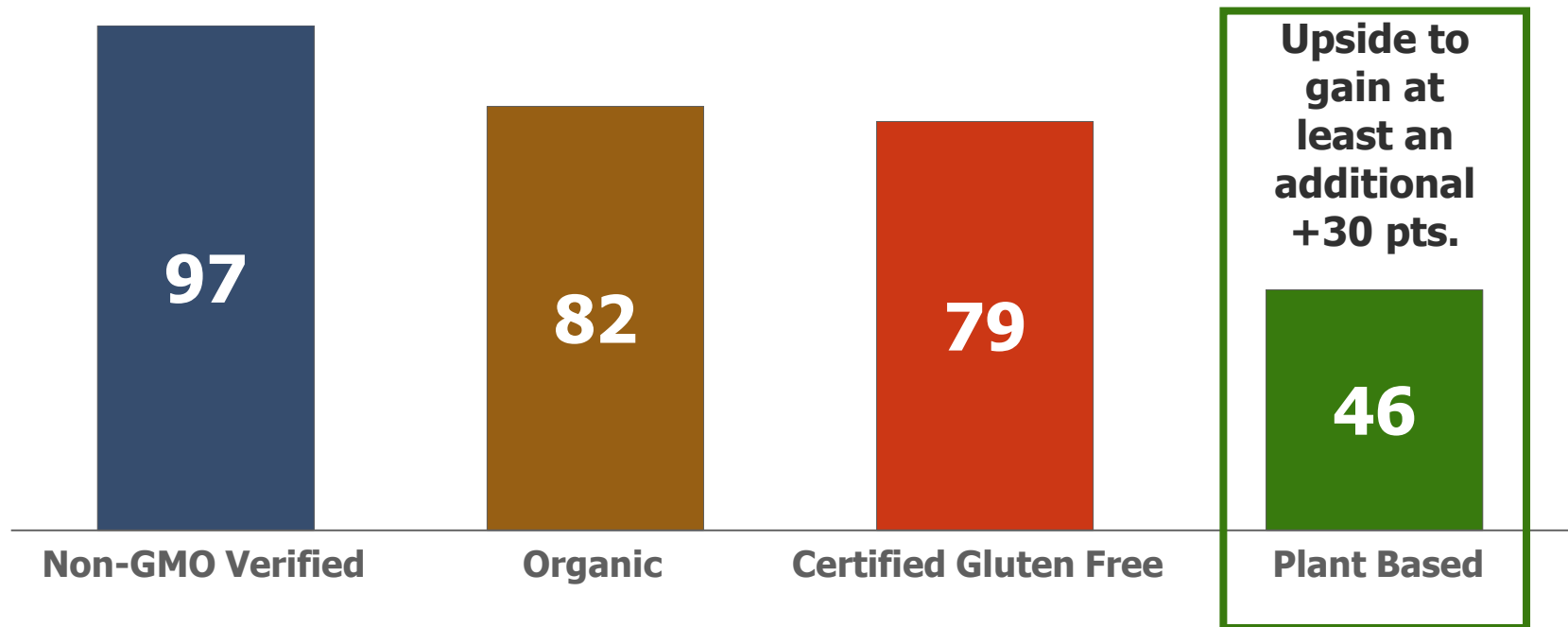


**Plant Based
+18%**

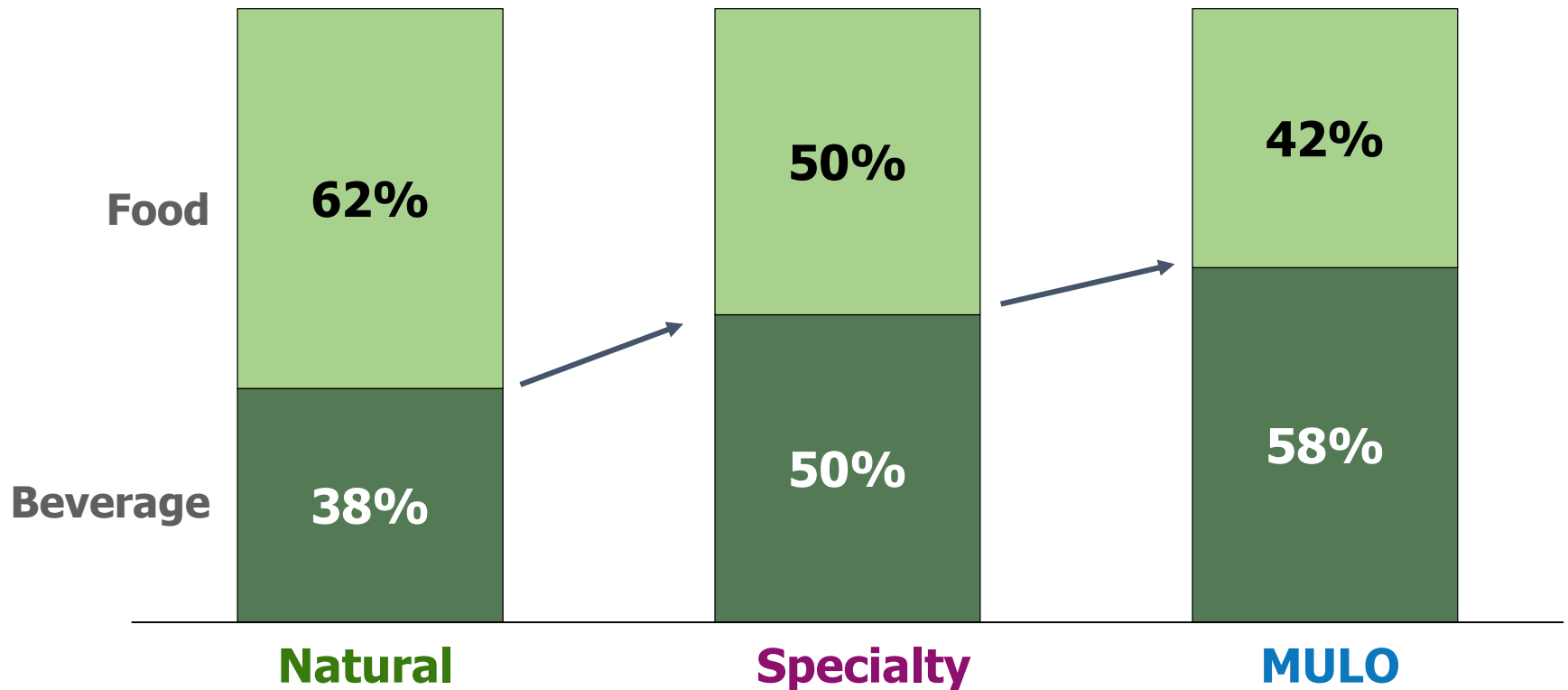
Labeled Organic
Labeled Non-GMO Verified
Labeled Gluten Free

Nearly Half of All Households are Already Buying Plant Based

% HH Penetration

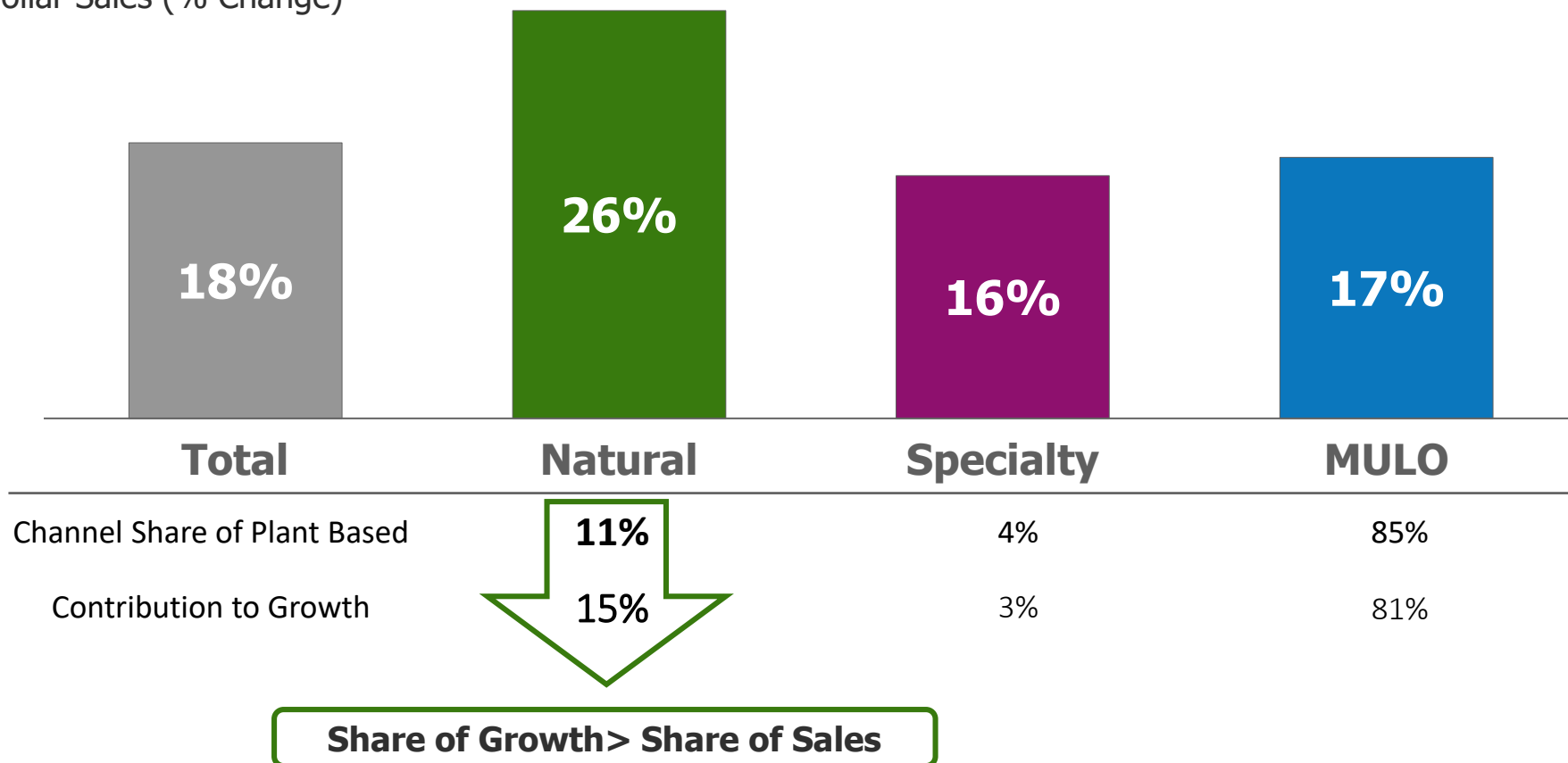


Food Holds the Majority of Plant Based in Natural Channel



Natural Channel is Outpacing Industry by +8 pts. and Overcontributing to Plant Based Growth

Dollar Sales (% Change)



Winning Brands Address Clearly Targeted Consumer Segments and their Needs

Selected examples in the Plant Based Categories



**Coconut Milk
Ice Cream**



**Whole Food Based
Alternative**



**Plant Based Dairy
Alternative**



Vegan Creamery



**Nutritious Pea
Milk**



**Portable, Dairy-
Free Creamer**



Plant Alchemy



Protein Beverage



SPINS[®]

Financial Partners Group

FIND, ANALYZE, AND INVEST IN WINNING BRANDS



Investors Leverage SPINS' Assets to Win Across Three Stages of Investment Activity

Deal Sourcing

- ✓ Discover categories ripe for disruption
- ✓ Identify brands that meet your investment criteria
- ✓ Get quick insights while walking trade shows

Due Diligence

- ✓ Conduct detailed brand and category due diligence
- ✓ Deep dive into brand performance at key retailer and item levels
- ✓ Leverage SPINS' industry expertise and assets to evaluate your investment thesis

Brand Growth

- ✓ Get an advantaged data subscription to support the brand growth strategy
- ✓ Leverage SPINS' sales and marketing experts to accelerate execution
- ✓ Receive an annual health check on brand portfolio

INVESTMENT INSIGHTS SUITE

Discover and track investment opportunities using SPINS' proprietary insights and data.



- **Comprehensive database** all categories, channels, brands
- Analyze & identify **disruptive categories** and trends
- Apply your **investment criteria** against SPINS' entire database to **find brands** that fit.
- View an **brand snapshot** with attribute profile and cross-channel sales performance
- Dive deeper into **brand sales performance**, including all metrics & regional data
- Set-up multiple **watch lists** of high-potential brands to monitor

BRAND INSIGHTS MOBILE APP

Research brands live on the trade show floor to understand their channel mix, category mix, three-year sales trend, and performance by channel.

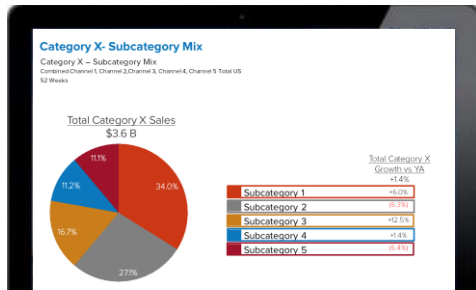


- **Lookup brands** based on Exhibitor name or Booth number
- **View three brand dashboards**
 - Channel mix
 - Category mix
 - 3yr sales trend
- **Favorite brands** of high interest for further analysis
- **Take notes** on what you learn in meetings
- **Take photos** to reference the product in future meetings

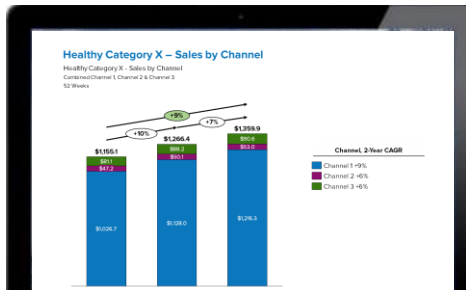
Due Diligence Solutions

Work with SPINS experts to navigate the details imperative to the long-term health of your brand

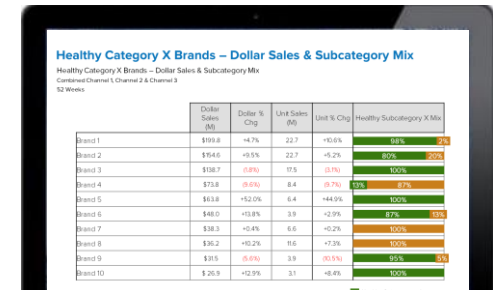
CATEGORY Due Diligence



BRAND Due Diligence



CONSUMER Due Diligence



- ❑ What are the key fundamentals of the macro-category and sub-categories?
- ❑ What is the category potential – size, development, growth?
- ❑ Where is there white space and growth opportunity based on performance trends?

- ❑ What are the key retailers driving sales?
- ❑ What is the SKU mix driving performance?
- ❑ What adjacent benchmark examples would suggest longer-term growth potential?

- ❑ Who is the key consumer of the brand today? What other consumer segments could the brand target?
- ❑ Are consumers who try the brand coming back to repurchase? On what cycle?
- ❑ Where is the brand/category sourcing volume from? What other brands/categories is the consumer shopping?

A large, bold, orange letter 'W' is positioned on the left side of the image. It is the first letter of the company name.

whipstitch
CAPITAL

DEAL DIFFERENT.

