



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



Natural Products Expo West March 2019 Michael Burgmaier Managing Director mike@wstitch.com Nicolas McCoy Managing Director nick@wstitch.com

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- SPINS Market Update: Produced for Whipstitch's Industry Analysis





Whipstitch Capital: the Largest, Independent Investment Bank in the U.S. Solely Focused on the Healthy Living Market

The Leading Better-For-You, Consumer-Focused Investment Bank in the U.S.

- Large, highly-experienced team, led by Nick McCoy and Mike Burgmaier
- Focused exclusively on innovative, better-for-you consumer companies
- Financial Advisory on M&A and institutional private placements
- Participate in and lead over 15 consumer industry events/year
- 50+ years collective work experience together with 100+ transactions closed



DEAL DIFFERENT.™

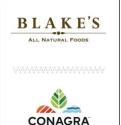
Select recent deals

















In 2018, The Whipstitch Team Closed 15 Transactions – Even More Happening in 2019

2018 by the Numbers

- Fifteen M&A / private placements transactions
- Four unannounced deals
- Two new team members
- Over 10 speaking events
- One new HQ in Boston



A Sampling of Mandates

- Subscription-based produce delivery company
- Low-carb baked goods and entrée platform
- Alternative sugar baking company
- Clean-ingredient performance nutrition company
- · Category-leading personal care company



Whipstitch is Unique: 100% Founder Owned; Solely Consumer Focused; Strong Middle-Market Banking Capabilities



We Own Whipstitch

We own 100% of the firm

No one tells us what to do and we aren't going anywhere



Connected

We know virtually every acquirer and investor in the consumer space

They ask us what we think and listen to our opinion



100% Consumer Focused

We only do consumer

We know it better than anyone

We know how to talk about your company and the opportunity



Big and Small

We work with \$100+ million brands

And a few, select, small brands (that will become large)

We own the firm

We have flexibility



Lead Industry Gatherings

We bring acquirers and investors to us with can't-miss events throughout the year



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



Managing Director

Nick McCoy, CFA

- 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



Managing Director

Michael Burgmaier

- Nearly 20 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



Vice President

Greg Ucich, CFA

- 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



Vice President

Tim Sousa

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



Vice President

Dominic Mangano

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



Associate

Natalie Cira

- One year consumer IB experience; eight years buyside experience at global asset manager
- Marketing and strategy at two emerging food start-ups
- MBA, The Tuck School of Business at Dartmouth; BA Public Policy, Syracuse



Analyst

Steve Gentili

- One year consumer IB experience; prior experience performing valuations for financial reporting purposes
- BS Economics-Finance, Bentley University



Analyst

Tyler Coppola, CPA

- Prior experience performing buy- and sellside due diligence
- Masters in Taxation, BS Accounting, Bentley University



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



Rick **Antonelli**

- Career dedicated to **UNFI**: positions included Executive VP. COO. & President of Distribution
- Leadership at Harvest Provision & Fairfield Farm Kitchens



Bob **Burke**

- Over 25 years of experience in the natural products industry
- Co-Author of Natural Products Field Manual and The Sale's Manager Handbook

Creates and grows

vear career launched

brands: During 20-



Mike Bush

- 25+ years of experience leading businesses in the natural products, healthcare and bioinformatics industries
- Former CEO of Ganeden: led the company through its merger with Kerry



Robert Craven

- CEO of FoodState: a whole-food supplements company
- Previously CEO of Garden of Life: led them to the #14 spot on the Inc. Magazine list of fastest-growing private companies



John Durant

- Founder of Wild Ventures, an influencer-based venture fund focused on consumer health products & technology
- Pre-launch advisor to Thrive Market: heavily involved in their influencer strategy





- Tecnica, Blizzard & Rollerblade
- Previously led Blake's All Natural Foods: acquired by ConAara Foods



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



Fleishman

- 1,500+ items across 17 F&B categories into 12 countries Greg
 - Currently serves on multiple BODs for leading food and beverage brands



- Bill Moses
- Former Co-Founder. Chairman/ CEO of KeVita Probiotic Drinks: acquired by PepsiCo in 2016
- Founder, anael investor and strategic advisor for several ontrend functional CPG ventures



- Jeanne Varley
- Founder & CEO of Emeraina Brand Strategies, LLC, a consultancy to beverage and consumer goods co's
- Held senior level roles with Diageo. Constellation Brands & FIJI water



- Anu Goel
- EVP at SPINS, leading consulting practice, consumer insight team and financial partners group
- Over 20 years experience building winnina strateaies helping brands and retailers succeed



- Kent Pilakowski
- Created IGNITE Sales Management in 2007; works with established brands as a national sales force to assist in scaling CPG businesses
- Former General Mills various sales and marketina roles



Kim Greenfeld

- Founder of Campo Verde Solutions providina consultina to natural and organic companies
- Private label expertise: previously with Trader Joe's and Whole Foods



Edricco Reina

- Principal, Financial Partner Group at SPINS
- 15 years experiences developing strategic partnerships. consultative solution selling and translating complex data to meaninaful insights



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





Calling Program

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



Process

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)



Buyers List

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



Marketplace

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



Closing

We **lead** negotiations with investors/acquirers to help create the bestpossible outcomes



Deep History of Successful Processes: With Whipstitch, You Get the Best Bankers... and More



GoodBelly. PROBIOTICS

Alan Murray CEO, GoodBelly by NextFoods "I've worked with many investment banks over my career and have known Nick and Mike from Whipstitch for almost ten years. They, and the entire Whipstitch team did an incredible job for GoodBelly. Whipstitch knows the natural food space and the investment/acquisition environment and players better than anyone. It helps too that they have a regular dialogue and great reputation with all major strategic players in this field. They have invested heavily in becoming the premier investment bank in this space and its paying off. We couldn't be more pleased with our outcome."



KEVITA.

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 Our Industry-Leading Weekly Deal Recap Newsletter



Consumer Transaction Recap November 25-December 1, 2018

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 weekly newsletter highlighting M&A and private placement transactions announced during the previous week.

In This Issue

Food and Beverage News

Other Consumer Transactions

More from Whipstitch Capital

FOOD AND BEVERAGE

KRAFT HEINZ BUYS PRIMAL KITCHEN FOR \$200MM

The Kraft Heinz Co. entered into a definitive agreement to acquire Primal Nutrition, L.L.C., the maker of Primal Kitchen branded products, for approximately \$200 million. Founded in 2015 by Mark Sisson and Morgan Buehler, Primal Kitchen offers a range of better-for-you condiments, sauces, dressings and snacks. The business is expected to generate approximately \$50 million in net sales this year.

Read more

ACQUIRED SALES CORP. BUYS 20% STAKE IN ABLIS AND BENDISTILLERY

Acquired Sales Corp. announced that it signed a letter of intent to purchase 19.99% of the ownership of CBD-infused beverage maker Ablis, LLC and of craft distillers Bendistillery Inc. d/b/a Crater Lake Spirits and Bend Spirits for a total of \$7,596,200 in cash.

Read more

- 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



Click to Subscribe!



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

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







- ✓ Investors and acquirers pay up when they see a strong data story
- ✓ We know 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



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





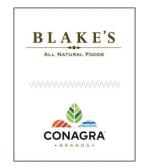


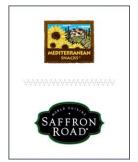




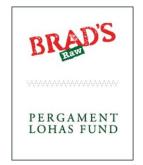




















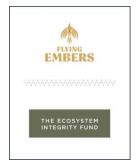




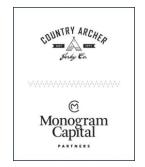




Private Placement Advisory: Select Deals Led by the Whipstitch Team































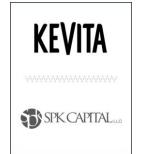








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Natural Products Industry Remains Active Environment for M&A and Private Investments

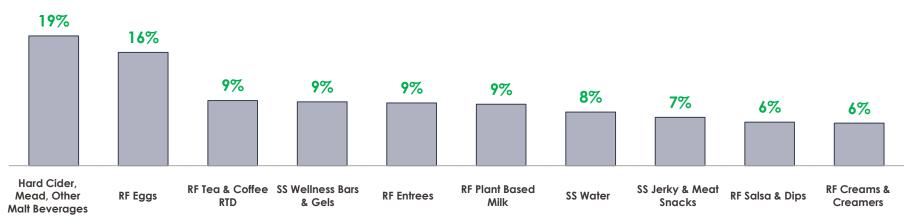
2018 Achieved Highest Total Transaction Activity to Date With 942 Transactions

- Nutrition and Health & Wellness Industry experienced a +3% increase in overall transaction activity in 2018, with a significant increase of +48% in average financing size relative to 2017
- Financings up +9% and M&A activity down slightly at -5%; numbers still very high across all segments compared to historical averages

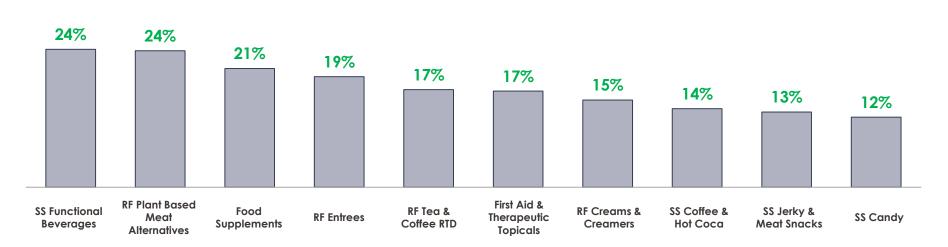
Nutrition and Health & Wellness Industry Transactions: M&A Details 2014 –2018 ⁽¹⁾									
	2014	2015	2016	2017	2018				
Retail & Distribution	11	10	26	34	22				
Supplements	22	10	17	21	10				
Ingredients	22	22	29	43	28				
Contract Manufacturing	8	12	8	14	12				
OTC & Personal Care	12	13	16	23	17				
Natural & Organic, Functional Food	53	100	103	138	136				
Others: Tech, Fitness, Pet	47	80	60	83	113				
Total M&A	175	247	259	356	338				
Financings	210	382	456	555	604				
Average Size of Financing (\$MM)	\$22	\$21	\$15	\$25	\$37				
Total Transactions	385	629	715	911	942				
YoY Growth	+52%	+63%	+14%	+27%	+3%				

Fastest-Growing Categories in MULO and Natural

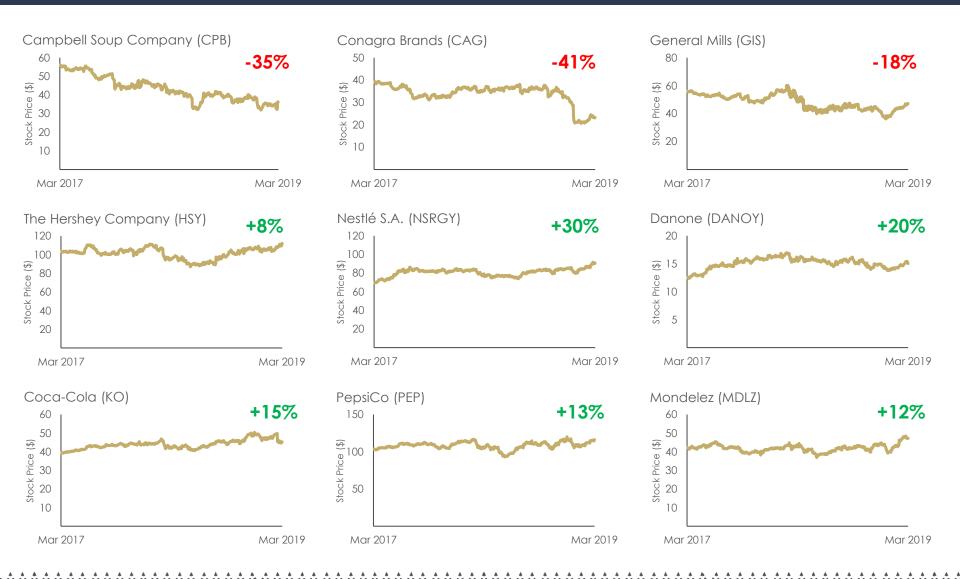
Top 10 Fastest-Growing (\$ Sales) Categories in MULO With >\$300MM in Sales



Fastest-Growing (\$ Sales) Categories in Natural With >\$20MM in Sales



Select Two-year CPG Stock Performance (As of March 2019)





Whipstitch Capital's Top 11 Healthy Living Trends

Why Stop at 10? Whipstitch Goes to 11

- 1. Specialty Diets Continue to Garner Loyal Followings with Keto Driving Growth
- 2. Healthy Alcohol Brands Capturing Changing Consumer Demand
- 3. Consumers Continue to Seek Dairy Alternatives
- 4. Consumers Demanding a Low-Carb, Grain-Free Lifestyle
- 5. State and Federal Law Changes Spark the Strategic Push into the Cannabis Sector
- 6. The Endless, Ever-Increasing Importance of E-Commerce
- 7. Functional Beverage Boom Shows No Sign of Stopping
- 8. Sparkling Water Sales Continue to Bubble Up
- 9. Puffs, Veggies and Bars Anchoring Better-For-You Snack Category Growth
- 10. The Plant-Based Protein Revolution Continues to Flourish
- Increasing Adoption of Low Sugar Lifestyles Creating Market Opportunity for Next Generation Brands



1. Specialty Diets Continue to Garner Loyal Followings with Keto Driving Growth

Keto Garnering Mainstream Adoption

- 36% of consumers follow a specialty diet, with 'intermittent-fasting,' a keto off-shoot, attracting the largest share
 of diet-followers in 2018⁽¹⁾
- Consumer desire to adopt a new diet stems from (i) wanting to lose weight (44%) and (ii) wanting a sense of wellness and to have more energy (42%)⁽¹⁾
- Specialty diets are a massive consumer trend that even fast-casual restaurants are addressing – Chipotle recently launched three diet-specific menu items; (i) Whole 30 (ii) Keto and (iii) Paleo

Brands to Watch

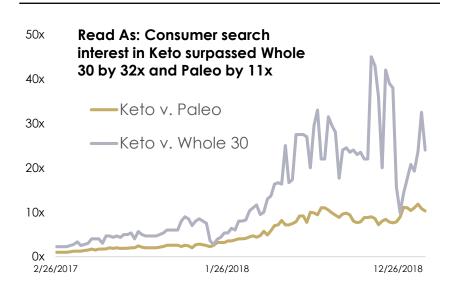


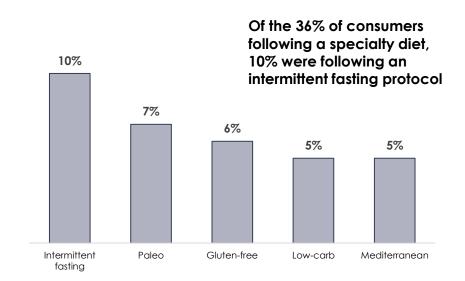




Keto vs. Paleo vs. Whole 30⁽²⁾

Consumer Preferred Diets(1)





IFIC Foundation
 Google Analytics, January 2019

whipstitch

2. Healthy Alcohol Brands Capturing Changing Consumer Demand

Brewers Look Beyond the Barrel as Volume of Traditional Alcohol Stagnates

- US alcohol volumes dropped 0.8% in 2018; beer volumes down 1.5% and slowed growth in wine and spirits(1)
- Fall in alcohol volumes reflects a growing trend toward mindful drinking, where calorie reduction and alcohol-related health concerns appear among leading reasons for reducing alcohol consumption⁽²⁾
- 'Better-for-you' alcohol movement buoyed by success of RTD hard seltzers that push back against perception that alcohol must be heavy and calorie-dense
- Decline in traditional alcohol sales prompting beer and spirits companies to diversify and consider healthier alternatives including hard kombucha, seltzers and even nonalcoholic spirits / beer
- While kombucha has historically been offered in varieties that contain low ABV, many brands now extending into the alcohol segment and launching 'hard' options with higher ABV levels equivalent to beer

Trending Better-For-You Categories

Hard Kombucha Well Aligned With Consumer Trends

Hard Seltzers

Hard Kombucha

Wine Spritzers









of Millennials say that how an alcoholic drink impacts their health and wellbeing either always or often influences their product choice²

Alcoholic Beverage Health Innovation: Top Four Purchase Drivers²

- 1. Low Sugar
- 2. Low Calorie
- 3. Natural Flavoring
- 4. Low Carb



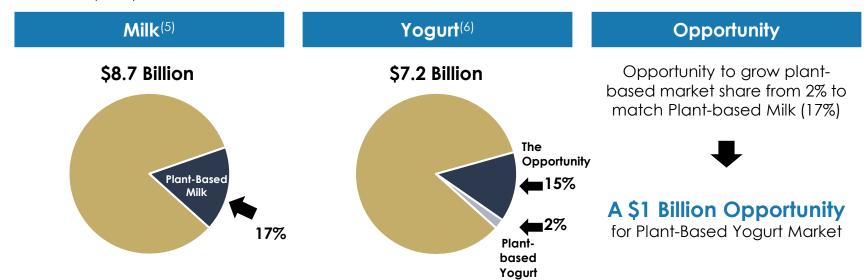
3. Consumers Continue to Seek Dairy Alternatives

Dairy-Free Booming – Massive Whitespace Remains in Yogurt

- Dairy Alternatives market expected to reach \$41 Billion by 2025; a 17% CAGR(1)
- Plant-based Yogurt experiencing tremendous growth: +47% year-over-year and +130% from two years ago⁽²⁾
- Plant-based beverages on track to comprise 40% of total dairy and non-dairy alternative beverage category by 2021⁽³⁾
- Oat Milk taking the market by storm supply can not keep up with demand the #1 Oat Milk player, Oatly, to open manufacturing facility Spring 2019 to increase supply eight-fold⁽⁴⁾

Massive Plant-Based Yogurt Opportunity







4. Consumers Demanding a Low-Carb, Grain-Free Lifestyle

Carb Reduction and Grain Avoidance Remain Center-Stage

- Consumers want to eliminate 'bad carbs' and are searching for grain-free and plant-based alternatives
- 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 drawing investors' attention, most notably Stripes Group's \$90MM investment in Siete Family Foods
- Cauliflower, broccoli and other vegetables provide great ingredient versatility to make low-carb varieties of traditionally high-carb diet staples like bread and pasta

Brands Disrupting Large Categories with Grain-Free Products

Category	Legacy Br Net Carl		New Brand Net Carbs		
Pizza Crusts	BOBOLI	24g	Califform FOODS 1g		
Bread	WONDER	27g	BASE CULTURE 6g		
Bars	PowerBar	21g	dang 49		
Tortillas	ORTEGA	21g	14g		

Consumer Trends Driving Increased Popularity of Low-Carb Lifestyles⁽²⁾



36% follow a specific diet pattern



16% follow a net low carb diet



58% believe calories from sugar and carbs are the leading cause of weight gain



New Hope Network

5. State and Federal Law Changes Spark Strategic Push into the Cannabis Sector

Cannabis' Increasing Popularity Drives Sales, Tax Dollars and Innovation

- Nearly one in four Americans between the ages of 18 and 29 say they 'regularly' or 'occasionally' consume cannabis, according to a recent Gallup poll(1)
- Colorado has sold more than \$6B worth of marijuana since it was legalized in 2014. The state is close to \$1B in collected tax revenue⁽²⁾ since legalization and sold a record breaking \$1.55B of cannabis products in 2018

Massive Opportunity to Steal Market Share

16% Of the U.S. population consumes cannabis(3)



70% Of the U.S. population consumes alcohol(4)

Select Transaction Activity in the Cannabis Sector⁽³⁾



Altria



\$4.0B(5)

Brands to Watch











JV to research cannabis-infused beverages

\$1.8B(5)









\$100MM JV to research cannabisinfused beverages

National Survey of Drug Use and Health, 2015



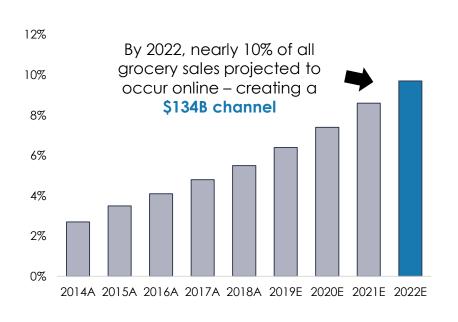
6. The Endless, Ever-Increasing Importance of E-Commerce

42% of shoppers have purchased groceries online in the past year(1)

- Online grocery represents the largest piece of the projected grocery channel pie; currently generating \$60B in sales, up 35% year-over-year and expected to reach \$134B by 2022⁽¹⁾
- Existing brick and mortar retailers well positioned to capture e-commerce share, with 85% of first-time e-commerce users preferring to order online from a store they already go to⁽¹⁾
- Wal-Mart e-commerce sales up 43% year-over-year bolstered by grocery sales (52% of revenue); Wal-Mart adding grocery pickup to 3,100 of their 5,000+ stores⁽²⁾

Proportion of U.S. Grocery Spend Online (3)

Big Grocery Recent Partnerships









7. Functional Beverage Boom Shows No Sign of Stopping

Consumers Seeking Functionality: Instead of Asking 'What's in this Bottle,' Asking 'What Does this Bottle Do For Me?'(1)

- Consumers searching for functional beverage benefits in drinks they already consume; busier lifestyles driving need for convenient beverage formats that allow consumers to manage wellbeing on the move
- Rising consumer interest in functional beverages and fermented products has moved markets into
 mainstream, evidenced by growth of kombucha sales up 43% in 2018; projected to reach \$1.8B by 2020⁽¹⁾
- While on-trend ingredients such as probiotics and collagen have garnered attention, consumers still look to mainstream ingredients like protein, vitamins, caffeine and antioxidants to guide product choice⁽²⁾

Attributes Consumers Want in Their Beverages (2)



relaxation



35%





21%



Trending Functional Ingredients

Turmeric | Matcha | Charcoal | Spirulina | Aloe | Lavender | Guarana | MCT Oil | Collagen | CBD







Brands to Watch













8. Sparkling Water Sales Continue to Bubble Up

No Signs of Fizzing Out – Consumers' Love of Sparkling Water Remains Strong, Growing at 16% Year-over-Year⁽¹⁾

- Sparkling water consumption in the U.S. continues to increase as consumers seek to quench their thirst with cleaner, lower-calorie and lower-sugar alternatives to traditional soft drinks
- Sales of sparkling water across all channels grew 16% year-over-year and exceeded \$2.8B over the past 52 weeks, with 68% of those sales coming from flavored sparking water⁽¹⁾
- Established players continue to invest in sparkling water category to achieve growth from Coca Cola's acquisition of Topo Chico in 2017, to PepsiCo launching Bubly, and acquiring SodaStream for \$3.2B in 2018⁽²⁾
- Sparkling beverages extend beyond water with product launches in coffee, tea, cannabis and more

Sparkling Beverages Extend Across Categories

Year-Over-Year \$ Sales of Top 10 Largest Sparkling Water Brands (3)

PLAIN ့ိ္င္ပဲ	FLAVORED	ENERGY	COFFEE	COCONUT WATER	FRUIT JUICE	ALCOHOLIC	CANNABIS
P errier	La Croix	hi+ball NEAD	Keepeis	Ž.	spindrift	E CLAR	HI-FI HOPS
S.PELLEGRINO	b b b y .	CLEAN	MATCHLESS	cocolibre	SPANKLING IDICE	BRIGGS	Sprig Smile More.
(jobo.	POLAR	PHOCUS Naturally Energizing	Stumptown	baì	Minute Maid- sparkling	TRULY	UTOPIA" Sparkling Water

^{20%} YoY growth rate
\$1,776
\$1,483

52 Wks.
1/27/18

52 Wks.
1/27/19



SPINS, SS Sparkling Water & Sparkling Flavored Water, MULO+Natural+Specialty+Convenience, 52 WE 1/27/19

^{2.} PitchBook

SPINS, SS Sparkling Water & Sparkling Flavored Water, MULO+Natural+Specialty+Convenience, 52 WE 1/27/19. Top 10 based on \$ sales.

9. Puffs, Veggies and Bars Anchoring Better-For-You Snack Category Growth

Better-For-You Snacking Categories Continue Outsized Growth

- 94% of Americans snack every day with 30% of those consumers in search of healthier snacking alternatives;
 driving the boom of several better-for-you snack industry sub-segments⁽¹⁾
- Segments such as puffed snacks, vegetable snacks and meat snacks experiencing stellar growth, up 10%, 11% and 22% in MULO respectively vs. two years ago⁽²⁾
- Strategics have noticed, starting or segmenting existing brands as anchors for snack innovation hubs such as Hershey's Amplify and PepsiCo's HIVE

Breakout Snacking Categories(2)

Strategics Creating BFY Snack Hubs

Category	Mulo \$Growth v. 2YA	Natural \$Growth v. 2YA	Brands to Watch
Puffed Snacks	+10%	+4%	Pesser Evil HIPPEAS VEGAN ROB
Veg & Fruit Snacks	+11%	+5%	RHYTHM peeled snacks
Wellness Bars	+21%	+15%	dang R.E.D.D.
Meat Snacks	+15%	+24%	COUNTRY ARCHED THE NEW PRIMAL















The Hive

10. The Plant-Based Protein Revolution Continues to Flourish

2019 Predicted to be 'The Year of the Vegan; Where Millennials Lead and Businesses and Governments Follow' - The Economist

- The appeal of products without animal-derived ingredients has extended far beyond the limited pool of steadfast vegans - 70% of the world's population is either reducing meat consumption or giving up meat entirely(1)
- 25% of Americans 25 to 34 years old identify as vegan or vegetarian(2)
- Both plant-based meat products and lab-grown 'clean' meat companies have seen notable investments from top-tier VC's and strategics

Startups Innovating Across the Alternative Protein **Ecosystem**















Trend Drivers

Population growth outpacing food supply



Alternative protein sources can reduce negative environmental impact⁽⁴⁾

45%

Less Energy

96%

Less Greenhouse Gas Emissions

99%

Less Land Use

Consumers, particularly millennials, seeking healthier, animal-free food alternatives



US sales of vegan foods rose 10x as fast as food sales as a whole, largely driven by millennials and Gen I'ers switching to an animal protein-free lifestyle (5)

Advances in ag tech and synthetic biology enabling hightech meatless products









World Resources Institute

11. Increasing Adoption of Low-Sugar Lifestyles Creating Market Opportunity for Next Generation Brands

Consumers Actively Reducing High Sugar Intake to Address Health Issues

60 lbs.

Americans consume over 60 pounds of added sugar per year(1)

Average American sugar

intake five times higher

than doctor

recommended amount(2)

84%

84% of Americans actively limit sugar intake⁽³⁾

85%

85% of consumers reduce sugar intake for health reasons(4)

No/Low Sugar Brands Driving Growth of Billion Dollar Categories (5)

\$3.8B SWEETENERS CATEGORY		\$11.6B ICE CREAM & NOVELTIES CATEGORY			TD COFFEE EGORY		\$31.4B CARBONATED BEVERAGE CATEGORY	
S	Swerve THE ULTIMATE SUGAR REPLACEMENT.	Domino SUGAR	Enlightened	Breyers.	SUPER COFFEE	DUNKIN'	spindrift	pepsi
YoY \$ Growth (\$MN):	+\$11	-\$8	+\$29	-\$26	+\$4	-\$10	+\$12	-\$22
Sugar pe serving (g		192g ⁶	6g	16g	0g	40g	1g	4 1g





Convenience; FZ Desserts, Shelf Stable Soda & Carbonated Beverages

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Whipstitch Capital Overview



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





Recent Food & Beverage M&A Highlights

<u>Buyer</u>	<u>Target</u>	<u>Date</u>	<u>Buyer</u>	<u>Target</u>	<u>Date</u>	<u>Buyer</u>	<u>Target</u>	<u>Date</u>
PEPSICO	MÚSCLE MILK	Feb 2019	LAKEVIEW FARMS	SímplyFresh	Dec 2018	COTT	VALLEY SPRING MALE	Oct 2018
ABInBev	CUTWATER' SPIRITS	Feb 2019	LAKEVIEW FARMS	Tribe	Dec 2018	MAPLE LEAF	Foods Inc.	Oct 2018
Unilever	graze	Feb 2019	NEWAGE	☆ MORINDA	Dec 2018	Keurig DrPepper	core	Sep 2018
glanbia	Watson	Feb 2019	L CATTERTON	(HOLULA)	Dec 2018	Coca Cola	QUAND C'EST TROP C'EST	Sep 2018
ETILRAY	henp bods	Feb 2019	Kraft <i>Heinz</i>	PRIMAL	Nov 2018	HERSHEYS	PIRATE BRANDS	Sep 2018
fountain of health	GARDEN FRESH	Feb 2019	sovos brands	nosa.	Oct 2018	CocaCola	COLVE IN COL	Aug 2018
SIERRA NEVADA	SUFFERFEST Beer Company	Feb 2019	PEPSICO	HEALTH' WARRIOR	Oct 2018	CocaCola	Moxie	Aug 2018
THE CARLYLE GROUND NOMURA	P Orion	Jan 2019	glanbia	Slim fast	Oct 2018	PEPSICO	S ^O Öla stream	Aug 2018



Recent Food & Beverage Private Placements

Investor	<u>Target</u>	<u>Date</u>	Investor	<u>Target</u>	<u>Date</u>	<u>Investor</u>	<u>Target</u>	<u>Date</u>
Horizons Ventures 维特经统 TEMASEK	Perfect Day	Feb 2019	CAVU	ence Larm	Oct 2018	SUNRISE STRATEGIC PARTNERS	Little secrets	Jul 2018
STRIPES GROU	JP (NET)	Feb 2019	Monogram Capital	COUNTRY ARCHED	Sep 2018	L CATTERTON	TONESTO OF STANDS	Jun 2018
wework	LAIR SUPERFOOD	Jan 2019	Coca Cola	BODYARMOR	Aug 2018	Alvencapital	Feed.	Jun 2018
UR PRIVATE	S Cati Supplied by Nature. Powered by Science.	Jan 2019	CAVU	Kettle & Fire	Aug 2018	ADVANTAGE C A P I T A L	RUSTIC FLATBREAD	Jun 2018
af.	ROMR Organic	Dec 2018	CircleUp	LIQUIDIV.* Fueling Life's Adventures	Aug 2018	General Mills Mills Propie Love	GoodBelly. PROBIOTICS	Jun 2018
InvestEco	Jesser Eril [®]	Nov 2018	NEW CROP CAPITAL	GÖÖD	Aug 2018	Del Monte Control	PURPLE Carrot	May 2018
THE ECOSYSTEM INTEGRITY FUND	FLYING EMBERS	Nov 2018	CAVÚ	BULLETPROOF	Jul 2018	CAVU	REBBL	May 2018
EMERGING BRAND ELEVATOR CAVU	kitehill	Oct 2018	Ambrosia	CALIFIA	Jul 2018	Charles Street	HIGH Brew COFFEE	May 2018



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Key Trends In The Natural Products Industry

March 2019





SPINS EMPOWERS THE INDUSTRY WITH WELLNESS-FOCUSED DATA TECHNOLOGY

POWERING INVESTORS WITH THE INSIGHTS THEY NEED TO INVEST WITH CONFIDENCE IN WINNING BRANDS

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



FULL MARKET VISIBILITY

Understand the retail landscape to plan your next move and scale



UNIQUE VIEW OF NATURAL AND SPECIALTY RETAIL

Proprietary partnerships at the innovative retailers integral to your growth



PRODUCT INTELLIGENCE

Uncover unseen drivers of wellness consumer purchase behavior



CLOUD-BASED TECHNOLOGY

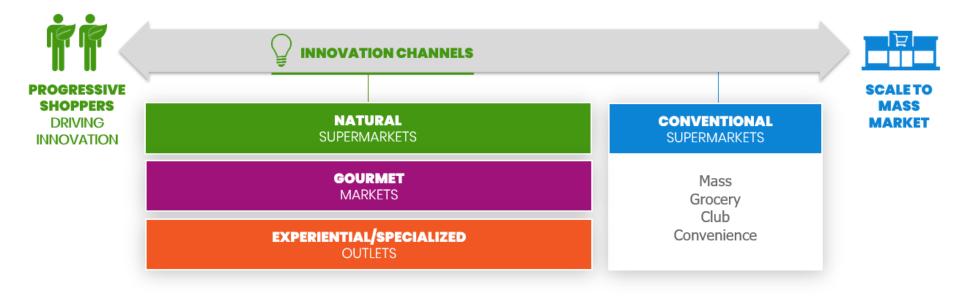
Dynamic insights at your fingertips to inform your strategy





A Panoramic View of Retail Sales Performance Across All Channels

Offering an unmatched view into **innovation** driving the market





Industry Leading Product Intelligence Illuminates the Unseen Dynamics Driving Consumer Decisions at Shelf



Product Attributes Beyond the Label

combining our **industry expertise, advanced technology**and **comprehensive product view**, SPINS demystifies the label
and deconstructs complex
characteristics to bring forward
valuable attributes like:

- Dietary & lifestyle choices
- Ingredients & nutrition analysis
- Product positioning
- Sustainability



SPINS Proprietary Product Positioning Reveals What Types of Products are Driving Growth

NATURAL

Brand Positioning

Core natural products that are often known for their high quality, holistic benefits that align with the ideals of the Natural Products Industry.

SPECIALTY & WELLNESS

Brand Positioning

Products that have unique taste profiles, are international or imported, and are marketed as premium quality to the 'foodie' consumer.

CONVENTIONAL

Brand Positioning

Products that are perceived as conventional or mainstream. These are long recognized as the standard brands in Food, Drug, and Mass retail 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.



















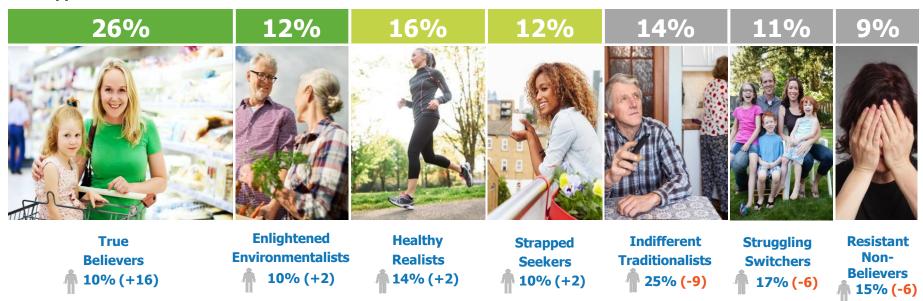




NaturaLink has Identified 7 Consumer Segments Across Total U.S. Population

Percentage of Total Natural & Organic Dollar Sales

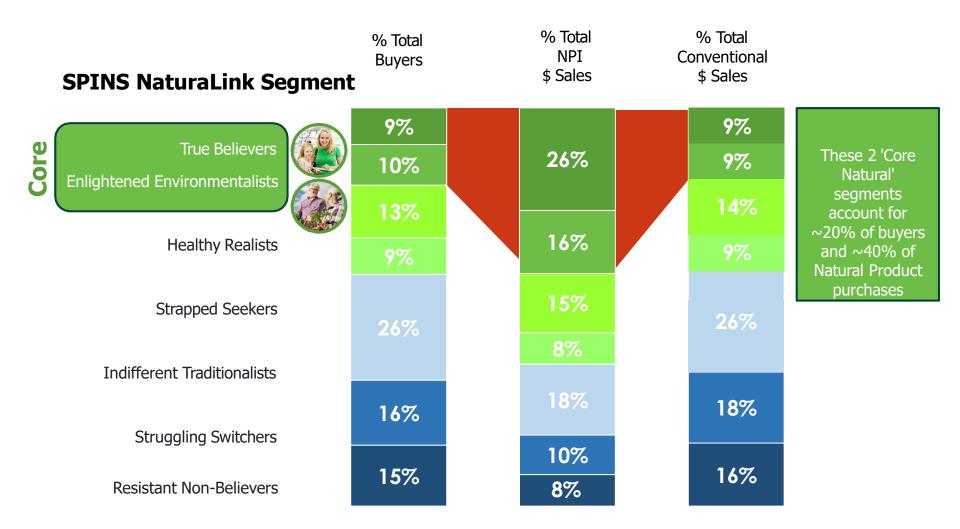
Percentage of Total Shoppers



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



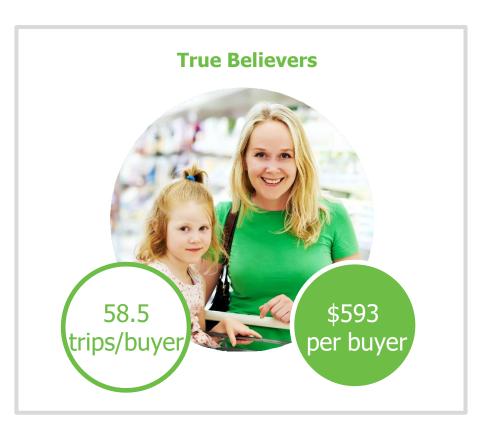
Two of these Segments are Especially Important for Natural & Organic Focused Brands and Retailers





A Brief Look at the 'Core Natural' Shopper

Brands and Retailer leverage NaturaLink to unlock deeper insights into these trend & influence leading consumer segments

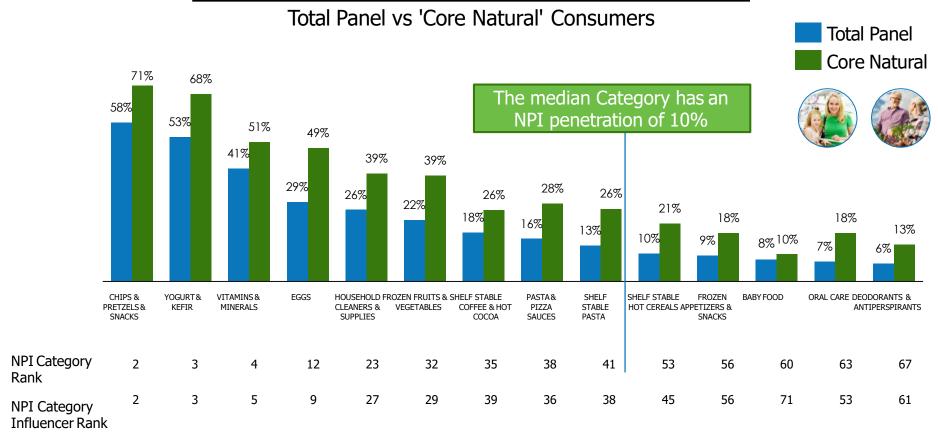






In Every Category, 'Core Natural' Consumers are Leading Adoption

HH % Natural Product Penetration





What Drives the Natural Consumer?

✓ Personal Health Factors

- Clean labeled & minimally processed
- Functional ingredients
- Low sugar, sodium, etc.







✓ Environmental Factors

- Non-GMO
- Fair Trade
- Demeter Certified Biodynamic







✓ Animal Welfare Factors

- Animal Welfare
- No Antibiotics Added
- Grass Fed
- No Added Hormones
- Cage Free, Free Range, & Pasture Raised









Disruption of the Retail Landscape

Consumers No Longer Shop Categories, they Shop Granular Personal Needs







Merging of

e-commerce and digital

experience

with brick-and-mortar

Consumers are less loyal than ever before

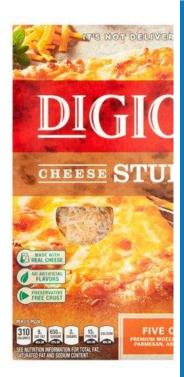
Consumer needs are even more refined



Legacy Categories & Brands have Been Disrupted, Seemingly Overnight



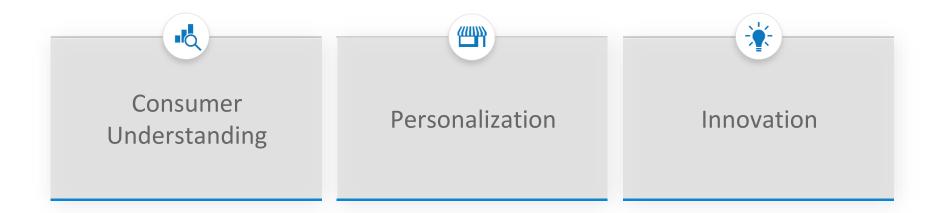






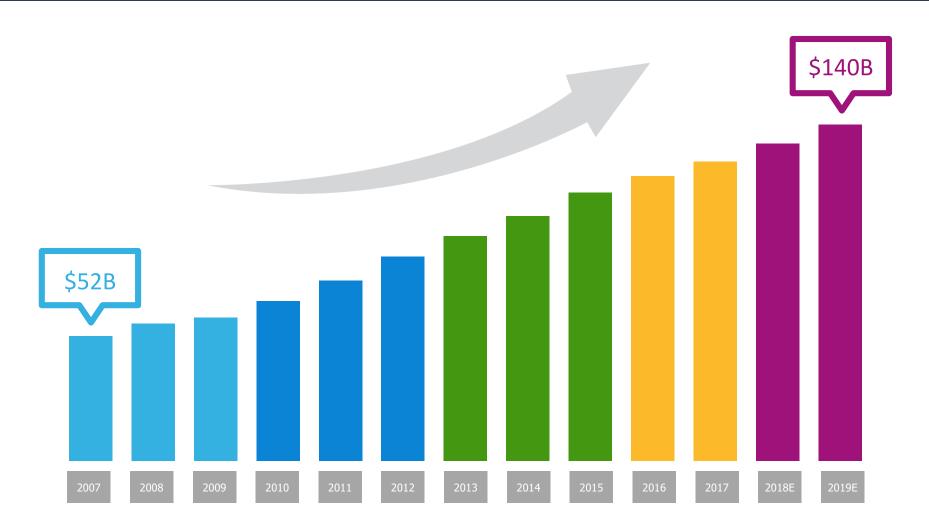


Keeping a Pulse on Innovation and the Wellness Insights Driving Consumer Purchase Decisions is Key





The Natural Products Industry has Soared over the Past Decade to an Estimated \$140B



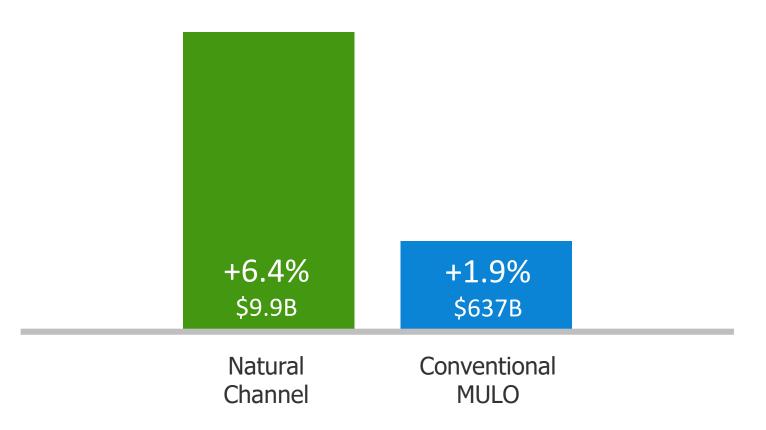
Sources: SPINSscan Natural and Specialty Gourmet (proprietary), Conventional Multi-Outlet and FreshLook Perishables (powered by IRI), Public Financial Reporting, Various Industry Publications, and SPINS estimates | *Estimated





The Natural Channel Continues to Fuel Growth of the Industry



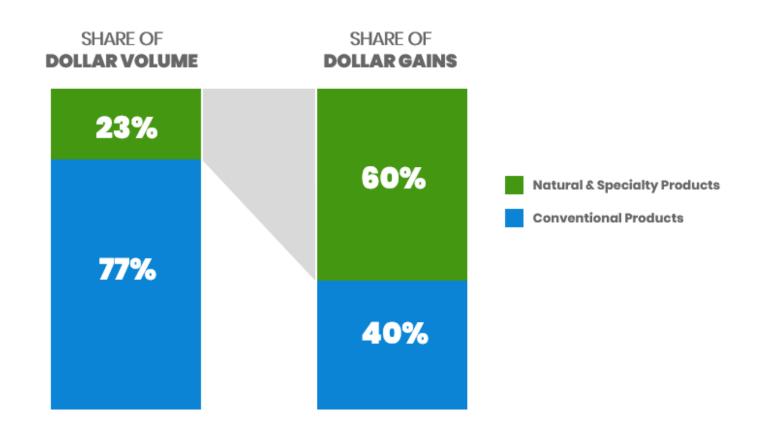


Source: SPINSscan Natural and Specialty Gourmet (proprietary), Conventional Multi Outlet (powered by IRI), 52 weeks ending 12.30.2018. UPC coded items only.





With Natural & Specialty Positioned Products Well Overcontributing in Driving Growth

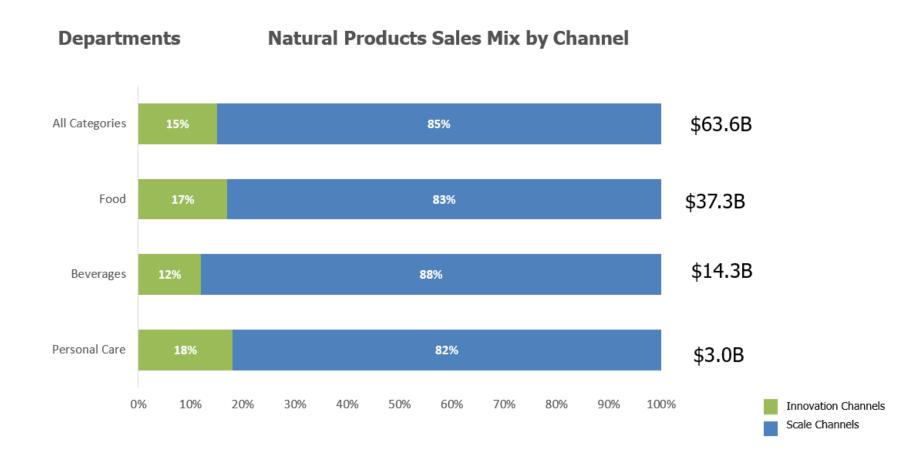


Source: SPINSscan Natural and Specialty Gourmet (proprietary), Conventional Multi Outlet (powered by IRI), 52 weeks ending 12.30.2018. UPC coded items only. Natural and Organic defined as SPINS NPI Brand positions



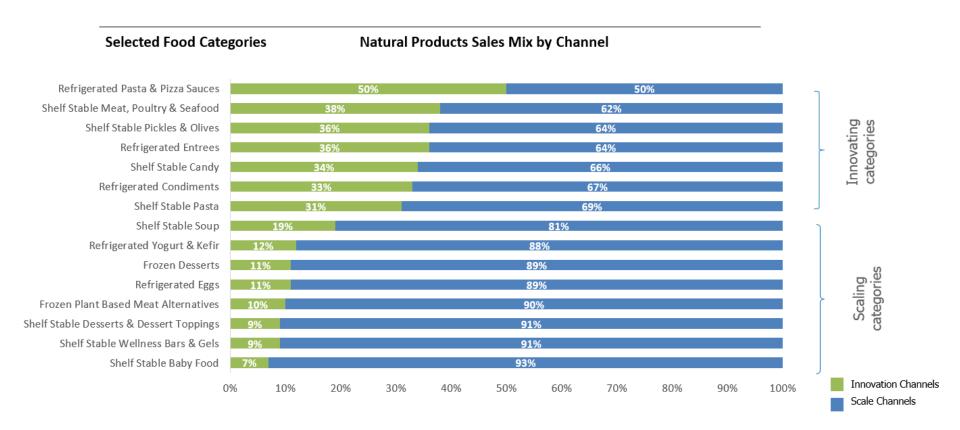


Natural Products Sales Start in Innovation Channels, then Migrate into Scale Channels



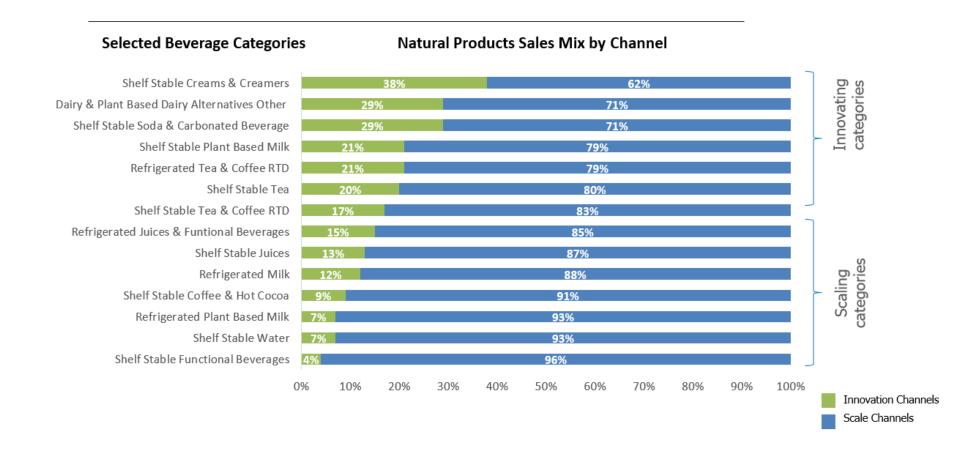


Food Department Deep-dive Shows Which Categories are More/Less Developed in Scale Channels



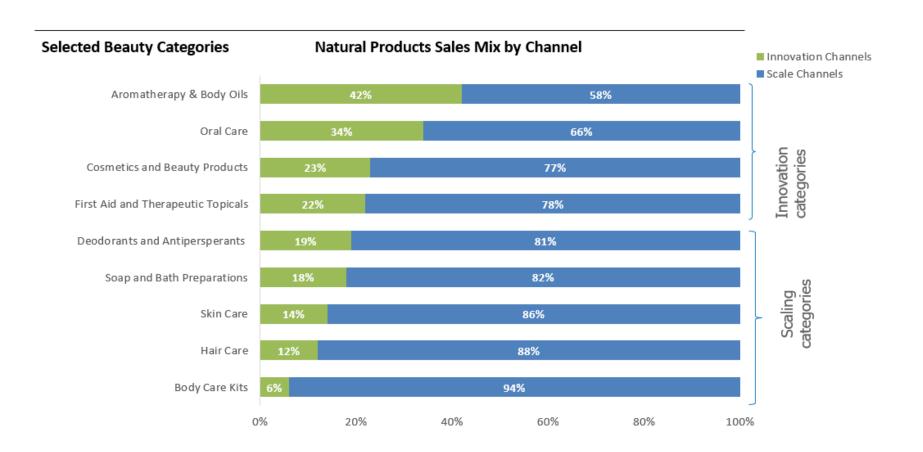


Beverage Department Deep-Dive





Personal Care Department Deep-Dive





Trends to Watch

SPINS Predictions Show the Following Food Trends Taking the Industry by Storm in 2019

Internationally Inspired Innovation in Nuts & Seeds

Perfectly portable, easy to eat, and full of protein, antioxidants, and long-lasting energy, nut & seed



snacks are seeing accelerated innovation with pil nuts, barukas, and more.

Seeing Seafood Differently

SPINS forecasts a renewed interest in foods from the sea and their sustainability in 2019, both in familiar product types and new ones.



Season of Sesame

SPINS is watching sesame closely in 2019 for two reasons: its increasing inclusion in new recipes and the future of its regulatory status as an allergen.

ons



Mainstream

Paleo is now expanding from core-natural consumers to mainstream awareness and becoming available in more outlets, for more eating occasions.

Paleo Principles Go

Both natural product innovation and the broader M&A space reflect this movement.







SPINS Predictions Show the following Beverage Trends Taking Hold in 2019

Betting on Bitters

In an evolving consumer climate where shoppers are mindful of sugar, have sophisticated palates, and seek out herbal remedies, SPINS predicts that bitters will have a big year in 2019.



Eyes on Aronia

Is the next up-andcoming ingredient sourced from North America? Watch for RTD innovation to help make bitter and tart aronia berries more accessible, delivering abundant antioxidants in brightly colored beverages.



A Maturing Market for Kids Beverages



SPINS predicts new developments in the kids' beverage segment focused on reducing or eliminating sugar and adding new functional ingredients.

New-School Alcohol

New craft versions of hard seltzers, betterfor-you booze, and innovative canned cocktails are just a few of the trends we see coming for this segment.





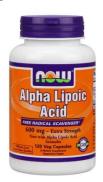


Sleep Aids and Mitochondrial Health will be Big for Vitamins and Supplements

The Mighty Mitochondria

SPINS predicts that increased interest in cellular health will drive newfound attention to supplements supporting mitochondrial function for a wide range of health focuses, in part driven by keto-lifestyle needs.





Seeking Sleep

In 2019, SPINS expects *sleep* will become an even more prominent health focus, answered by both interesting ingredient combinations and innovative delivery methods coming to market.







Financial Partners Group

FIND · ANALYZE · GROW WINNING BRANDS

SPINS Financial Partners Group Works with Leading Financial & Strategic Investors



Anu Goel
President
Client Growth Solutions

- Brand Equity Ventures
- McKinsey & Company
- Beam Inc.
- B.S., University of Pennsylvania
- MBA, Harvard Business School



Edricco Reina
Principal
Financial Partners Team

- The Nielsen Company
- · Anderson Merchandisers
- New Market Capital Group
- B.B.A., Western Michigan University
- MBA, Elmhurst College



Investors Leverage SPINS Data-driven Solutions and Expertise to Gain a Competitive Edge



Investment Insights Suite

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



Due Diligence Solutions

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



Mobile Insights App

On-demand performance data in your pocket for tradeshows and insights on-the-go.



Portfolio Support Solutions

SPINS ensures your portfolio brands receive the attention and solutions they need across every phase of their growth journey



Unprecedented Data-driven Insights Through SPINS' Newly Redesigned Investment Insights Suite

INSIGHTS SUITE

Dynamic, insight-rich dashboards that help you discover, screen, and track opportunities based on your unique investment criteria.

Category Profiler

Quickly understand category performance by channel, and identify top performing brands within that.

Brand Profile Summary

Lookup a brand's product portfolio and performance metrics. Unpack key performance metrics in each key channel.

Regional Brand Finder

Quickly identify most significant Regional brands that have yet to be scaled Nationally



New Brand Finder

Identify Brands that are new to market and compare their initial velocity performance vs. other entrants

Target & Portfolio Watchlist

Easily monitor prospective target brands and your existing portfolio through your watchlist





On-the-go Performance Insights at your Fingertips

MOBILE INSIGHTS APP

Leverage quick search and key brand indicators while on the go.

Research brands live on the trade show floor

Search by brand, company, or booth number, and instantly review retail performance and sales trends.

Access key insights and metrics

Arm yourself with insights on the health and make-up of attending brands including category mix data, channel mix data, and a brand's 3-year trajectory.

Save Photos, Notes, and Favorites!

Snap and save photos plus enter reminder notes for any brand at the trade show. You can also 'favorite' any brand for quick access later on.



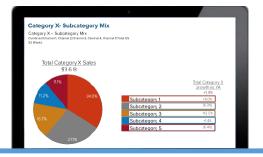


Work with SPINS Experts to Navigate the Details Imperative to the Long-term Health of your Brand

SOLUTIONS

Conduct detailed due diligence on a category, brand, and consumer level, diving deep into upside opportunities and downside risks of your investment opportunity.

CATEGORYDue 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?

BRAND

Due Diligence



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

CONSUMER

Due Diligence

althy Category)	/ Dunada	Dellas	Calaa 8	Cultura	tomoni Milir
hy Category X Brands – Col			Sales &	Subca	tegory MIX
ned Channel 1, Channel 2 & Chann		egory mix			
wire					
	Doller Sales (M)	Dollar % Cing	Unit Sales (M)	Unit% Cha	Healthy Subcategory X Mix
Brand 1	\$199.8	14.7%	22.7	+10,6%	98%
Brand 2	\$1546	-9.5%	22.7	+5.2%	80% 20%
Brand 3	\$1387	1.8%)	17.5	(3.1%)	100%
Brand 4	\$73.3	8.6%)	8.4	(5.7%)	13% 87%
Brand 5	\$633	+52.0%	6.4	+44.9%	100%
Brand 6	\$48.0	413.8%	3.9	+2.9%	87% 13%
Brand 7	\$38.3	-0.4%	6.6	+0.2%	100%
Brand 8	\$36.2	+10.2%	11.6	+7.3%	100%
Brand 9	\$31.5	6.6%)	3.9	(10.5%)	95%
Brand 10	\$ 26.9	+12.9%	3.1	+8.4%	100%

- 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?





Seven Key Insights Successful Investors Know...Before They Invest in H&W Brands





Engage SPINS Brand Growth Strategy Experts to Accelerate Portfolio Performance

SOLUTIONS

Gain a higher return on your portfolio by engaging SPINS experts to outline the right Sales & Marketing strategies to accelerate growth.



Brand Health Check

Receive a report on the strengths and weaknesses of your brand to identify which areas are contributing to your brand's health.

100 Day Growth Plan

Identify key value drivers and create a roadmap to success over a 100-day period.

Retailer Growth Strategy

Develop a retailer strategy to take your brand national.

Innovation Roadmap

Transform your portfolio by gaining insights on winning trends.

Maximize Data

Lean on SPINS experts to learn how to maximize value of your data.





Please Contact the Whipstitch Capital Team for More Information



Michael Burgmaier Managing Director mike@wstitch.com



Nicolas McCoy Managing Director nick@wstitch.com



Whipstitch

DEAL DIFFERENT.™

