



whipstitch
CAPITAL

**Healthy Living Consumer Products:
Industry Update, Deal Review and Top Trends**



Natural Products Expo West
March 2020

Michael Burgmaier
Managing Director
mike@wstitch.com

Nicolas McCoy
Managing Director
nick@wstitch.com



Table of Contents

- **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**



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, Experienced Team

Ten-person team led by industry veterans Nick McCoy and Mike Burgmaier



Best-in-Class Advisors

Financial advisory on M&A and institutional private placements



Highly Skilled

50+ years collective work experience; 100+ transactions closed



Consumer Experts

Focused exclusively on innovative, better-for-you consumer companies



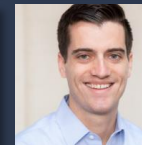
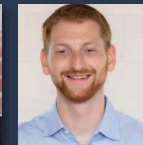
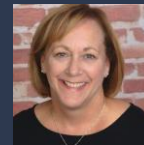
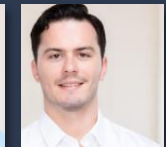
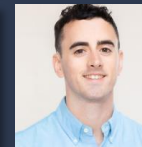
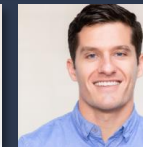
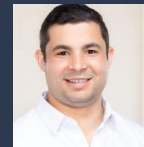
Category-Leading Clients

Whipstitch represents category-leaders, innovators, and top-quality teams



Boston HQ

Coverage across the U.S; clients and buyers from all over the world



whipstitch
CAPITAL



DEAL DIFFERENT.™

Whipstitch Represents Category Leaders, Innovators and Highly-Talented Teams



Select Active Mandates



Food

Low / no calorie baking company



Beverage

Clean-ingredient, plant-based energy drink company



Personal Care

Category-leading skin care company



Direct-to-Consumer

Subscription-based produce delivery company



Alcohol

Leading, innovative hard kombucha company

Select Prior Transactions

 core  Keurig DrPepper	<p>\$50MM+ Functional Beverage Co.</p> <p>Leading Consumer Private Equity Firm</p>	 KEVITA  PEPSICO	 GoodBelly PROBIOTICS  General Mills Making Food People Love	<p>\$170MM+ Leading Sports Nutrition Brand</p> <p>Leading Consumer Private Equity Firm</p>	 FLYING EMBERS  THE ECOSYSTEM INTEGRITY FUND powerplant VENTURES	 spindrifft  VMG	 essentia hydration perfected  CASTANEA
--	--	---	--	--	---	---	---

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



We Own Whipstitch

The principals own 100% of the firm

We are not 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, smaller brands (that will become large)



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



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

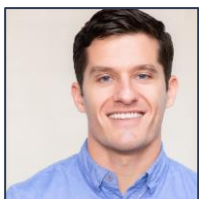
Managing Director



Michael Burgmaier

- Nearly 20 years of investment banking, consulting and VC Experience
- Former VC and Bain & Co.
- MBA, The Tuck School of Business at Dartmouth; MPP, Duke University; BS, Boston College

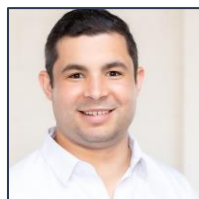
Managing Director



Greg Ucich, CFA

- Six years consumer IB experience
- Based in San Diego, CA – west coast coverage
- BS Economics and Finance, University of New Hampshire

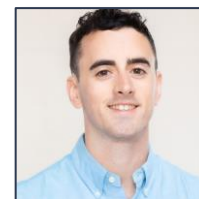
Vice President



Tim Sousa

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

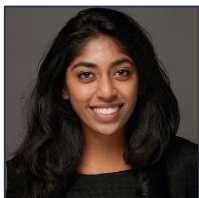
Vice President



Dominic Mangano

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

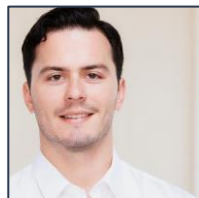
Vice President



Sarika Pokala

- Specialty Finance at JP Morgan
- BS Applied Economics and Management, Cornell University

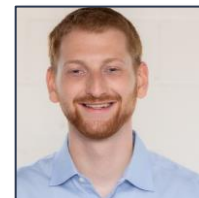
Analyst



Tyler Coppola, CPA

- One year consumer IB experience; Two years buy- and sell-side diligence experience
- MST and BS Accounting, Bentley University

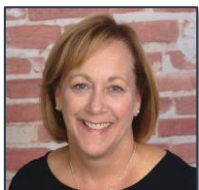
Analyst



Tom MacLean

- Three years credit research experience at Moody's
- BS Finance, University of Connecticut

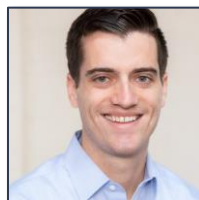
Analyst



Kathy Foster

- Five years of investment banking operations experience

Dir. of Operations



Brendan Camuso, CPA

- Buy- and sell-side due diligence at Ernst & Young
- BS Accounting, University of Maryland

Analyst

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

Pre-Process



Executive Summary & CIM

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



Financial 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

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



Andrew Levitt
Founder and CEO,
Purple Carrot

"Whipstitch was incredibly helpful in our sale to Oisix ra Daichi. Their knowledge of how to best position DTC businesses to acquirers and strategic connections within the domestic and international food and beverage landscape helped us navigate the ever-evolving e-commerce M&A market."



Alan Murray
CEO, GoodBelly by
NextFoods

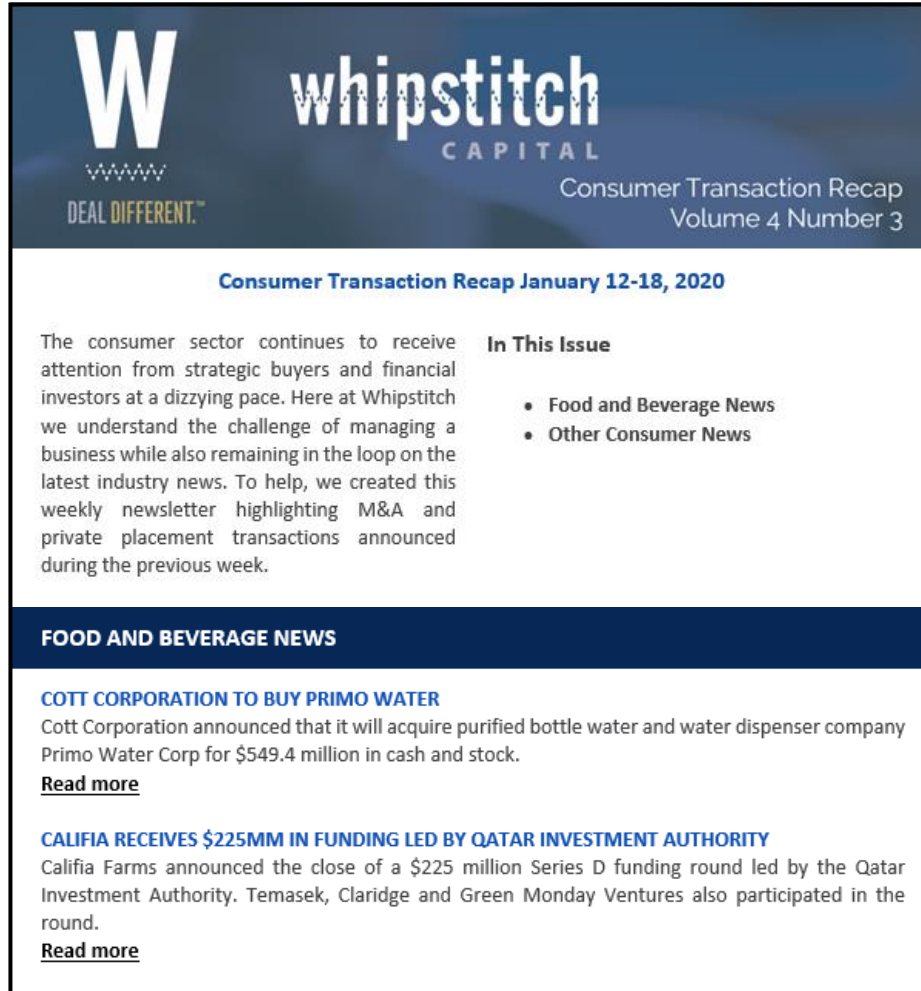
"I've worked with many investment banks over my career and have known Nick and Mike from Whipstitch for almost ten years. They, and the entire Whipstitch team did an incredible job for GoodBelly. Whipstitch knows the natural food space and the investment/acquisition environment and players better than 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."



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."

Be Sure to Subscribe to Our Industry-Leading Weekly Deal Recap Newsletter



- 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

DEAL DIFFERENT.™

[Click to Subscribe!](#)

Whipstitch – Consistently Quoted for Thought Leadership Surrounding Strategic Acquirers, Private Equity and More



**BevNET Live Summer 2019:
Whipstitch Capital's Nick
McCoy on Investment**

just-food

**Strategics Want to Buy
Companies in the Second
Inning**



**General Mills Venture Arm
Invests in GoodBelly
Probiotics Parent**

BEVNET®

**Investment Insight:
Uncertainty At KDP,
Confidence in Kombucha**



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

Forbes

**Interest Brewing In Kombucha
As Healthy Beer, Soda
Alternative**



**From Personalization to
Collagen and 'The Cloud':
Whipstitch Capital Picks
Top Healthy Living Trends**



**New Hope.
NETWORK™**

**Cash in Natural Foods:
Experts Weigh in on How to
Get it and Prepare to Sell**



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

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

Established Partnership Provides Whipstitch With Detailed Market Information on Every Brand and Category Tracked by SPINS

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

 <p>FLYING EMBERS</p> <p>THE ECOSYSTEM INTEGRITY FUND</p> <p>powerplant VENTURES</p>	<p>Functional Beverage Co.</p> <p>\$50MM+ Private Equity Minority Investment</p>	 <p>BASE CULTURE</p> <p>Emil Capital Partners</p>	 <p>CALIFORNIA Cali'flour FOODS</p> <p>SUNRISE STRATEGIC PARTNERS</p>	 <p>InvestEco</p>	 <p>COUNTRY ARCHER</p> <p>Monogram Capital PARTNERS</p>
<p>GoodBelly PROBIOTICS</p> <p>General Mills Making Food People Love</p>	 <p>SUNRISE STRATEGIC PARTNERS</p>	<p>\$100MM+ Supplement Co.</p> <p>Has received the first tranche of a \$45MM minority investment from a leading consumer- focused private equity firm</p>	<p>foodstirs modern baking</p> <p>Katjesgreenfood</p>	<p>peeled SNACKS</p> <p>SEURAT CAPITAL</p>	 <p>Several Early-Stage and Industry Angel Investors</p>
<p>spindrift</p> <p>VMG</p>	 <p>essentia hydration perfected</p> <p>CASTANEA</p>	<p>spindrift</p> <p>KARPREILLY GROWTH INVESTORS</p>	<p>SCIVATION</p> <p>PLEXUS CAPITAL</p>	<p>KEVITA</p> <p>SPK CAPITAL LLC</p>	<p>yasso frozen greek yogurt</p> <p>Warbros Venture Partners</p>

Table of Contents

- **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**



Natural Products Industry Capital Markets Remain Highly Active with M&A and Private Placements

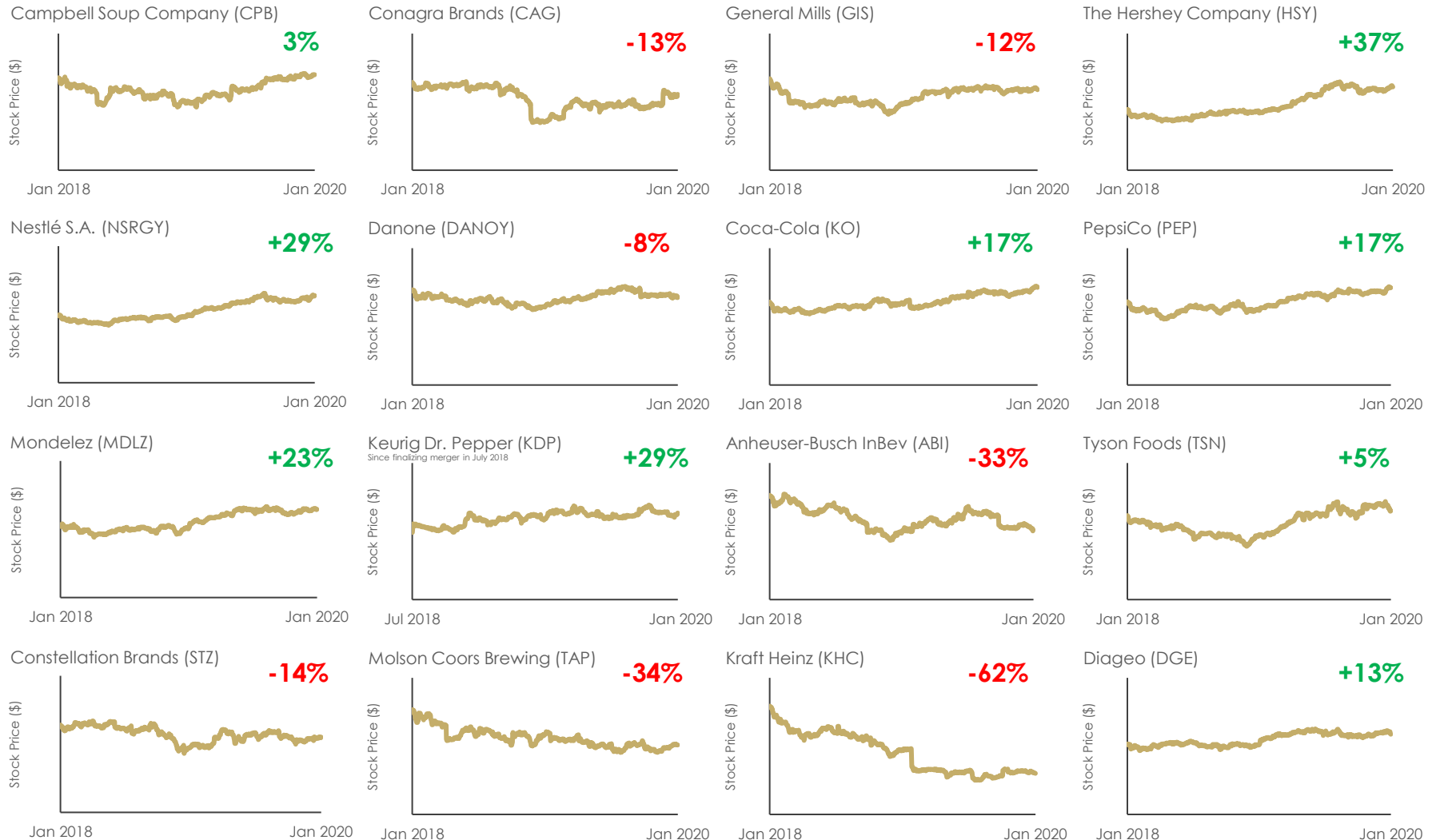
Total Financing and M&A Transactions Reached Record Number in 2019

- Industry-wide financings grew by **10%** in 2019, indicating continued healthy capital markets activity
- OTC & Personal Care, Ingredients and Retail & Distribution fields highly active, generating a combined **28%** increase in M&A transactions versus 2018

Nutrition and Health & Wellness Industry Transactions: M&A Details 2014 – 2019¹

	2014	2015	2016	2017	2018	2019
Retail & Distribution	11	10	26	34	22	29
Supplements	22	10	17	21	11	10
Ingredients	22	22	29	43	29	34
Contract Manufacturing	8	12	8	14	12	11
OTC & Personal Care	12	13	16	23	17	24
Natural & Organic, Functional Food	53	100	103	138	138	100
Others: Tech, Fitness, Pet	47	80	60	83	115	93
Total M&A	175	247	259	356	344	301
Financings	210	383	456	554	612	657
Average Size of Financing (\$MM)	\$22	\$21	\$15	\$25	\$37	\$31
Total Transactions	385	630	715	910	956	958
YoY Growth	+52%	+63%	+14%	+27%	+5%	+0.2%

Select Two-Year CPG Stock Performance (As of January 2020)



Whipstitch Capital's Top 11 Healthy Living Trends

Why Stop at 10? Whipstitch Always Goes to 11

1. Massive Plant-Based Opportunity Enticing Brands to Disrupt New Categories With Plant-Based Alternatives
2. Rapid Increase in Demand for CBD Products Pushing Congress to Develop Regulatory Framework
3. Large Investor Appetite for Better-For-You Beauty & Personal Care Mirrors Consumer Interest
4. Growing Multicultural Population in the U.S. Helping to Drive Internationally-Inspired Natural Food Sales
5. Better-For-You Brands Remain the Primary Catalyst of Innovation and Growth Within Indulgence Categories
6. Consumers Gravitate to Nutrient-Dense Snacks to Avoid Mindless Eating
7. Better-For-You Brands Using Convenience Stores and Foodservice as Accretive Channels to Build Brand Value
8. Healthy Fast Casual Restaurants Booming as Consumers Spend More on Restaurants and Demand Easy, Better-For-You Food Options
9. Food and Beverage Brands That Start Online Rising In Number as They Realize the Value of Immediate Customer Feedback
10. Pet Humanization Contributing to Growing Sales of Fresh, Human-Grade and Premium Pet Food
11. MULO Emerging as Primary Supplements Distribution Channel as Vitamin Shoppe and GNC Face Secular Declines

1. Massive Plant-Based Opportunity Enticing Brands to Disrupt New Categories With Plant-Based Alternatives

Consumers Integrating Broader Set of Plant-Based Options Into Their Diets

- Consumers continue to seek plant-based options as retail plant-based food sales grew **5x faster** than total food sales in the U.S. in the 52 weeks ended April 2019¹
- Even at **premium price points**, consumers choose plant-based over animal-based options for health reasons, ethical concerns or simply wanting an alternative²
- Massive **\$4B+** plant-based opportunity within conventional grocery^{4,5,6}

54%

of U.S. consumers try to consume less animal-based foods and more plant-based foods³

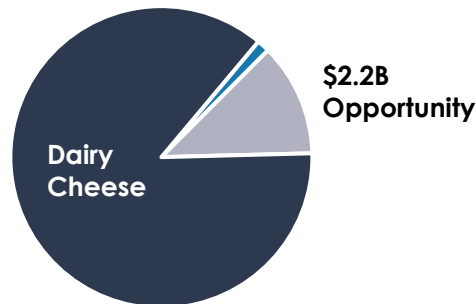
90%

of U.S. plant-based consumers also consume traditional meat and dairy²

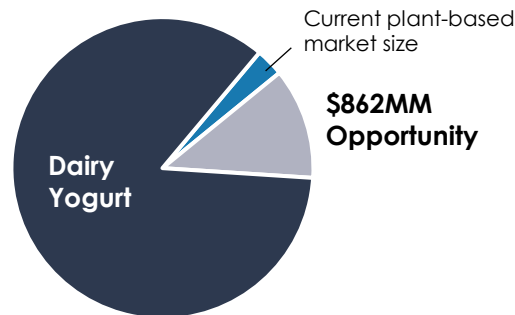
Plant-Based Market Opportunities

Plant-based milk represents **14%** of the milk category; how big is the opportunity within the following categories assuming they similarly reach **14%** plant-based?

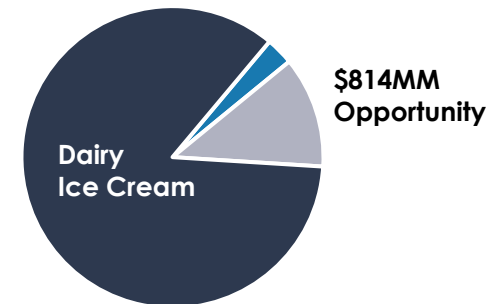
Plant-Based Cheese⁴



Plant-Based Yogurt⁵



Plant-Based Ice Cream⁶

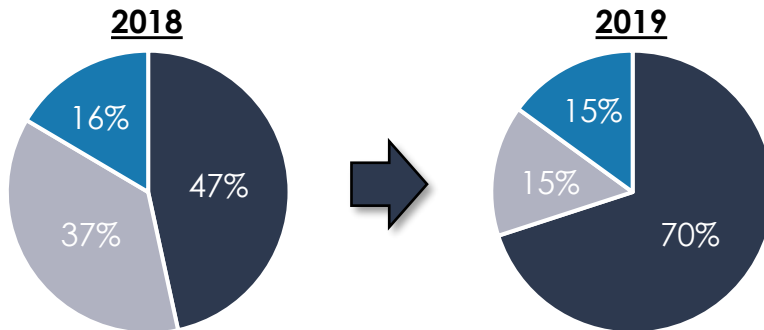


2. Rapid Increase in Demand for CBD Products Pushing Congress to Develop Regulatory Framework

Consumer Awareness of CBD Increased From 47% in 2018 to 70% in 2019

Consumer Awareness of CBD Increasing¹

- Familiar with CBD
- Not at all familiar with CBD
- Heard of CBD but doesn't know what it is



Select Stand-Out CBD Brands



CBD Regulatory Timeline²

1970-2018

CBD Regulated by Controlled Substances Act (CSA)

- No difference between legal treatment of CBD and THC
- CBD considered schedule I drug

December 2018

U.S. Farm Bill Passes

- CBD removed from Controlled Substances Act (CSA)
- Opens pathway for commercialization

November 2019

FDA CBD Hearing

- FDA declines to declare as Generally Recognized as Safe (GRAS)
- Remains illegal to market in supplements, food & beverage

January 2020

Congress Introduces New CBD Bill

- Potential pathway for legal use of CBD in supplements, food & beverage

1. New Hope
2. FDA, Food Dive, New Hope, Washington Post

3. Large Investor Appetite for Better-For-You Beauty & Personal Care Mirrors Consumer Interest

Younger Consumers With Preferences for “Clean” Products Driving Category Growth

- The global beauty and personal care market expected to grow from **\$500B** globally in 2019 to **\$800B** by 2023¹
- Millennial consumers, the largest potential buying group, search for transparency as they look for brands that reflect their aspirations for a healthy lifestyle and match their ethical and environmental standards²

72%

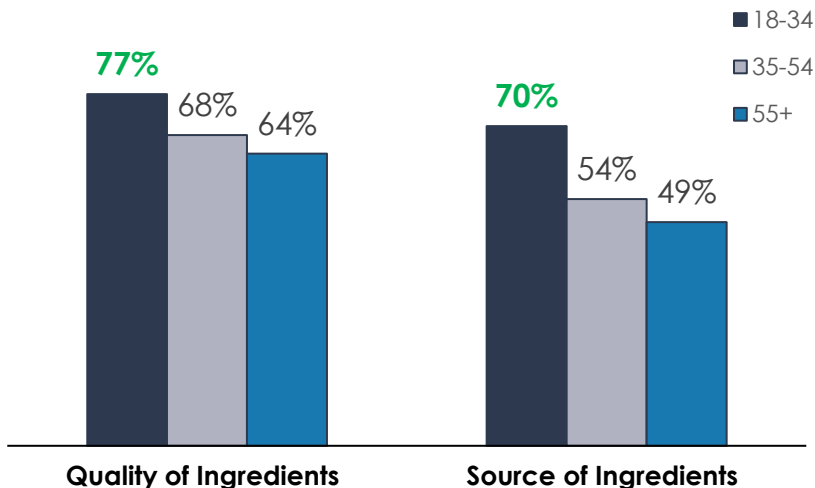
of global consumers
say it is important to buy
healthy or clean products,
regardless of age³

77%

of global millennials
rank ingredient quality as
most important in their
buying decision³

Younger Consumers Value Ingredients Quality

% of Respondents, by age group, indicating what value chain stage is important to them



Recent Beauty & Personal Care M&A



\$1.2B
Enterprise Value



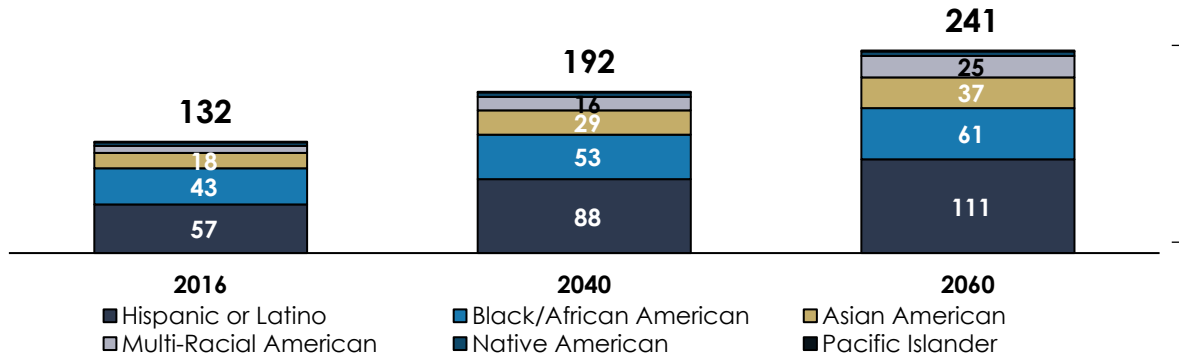
\$845MM
Enterprise Value

1. Statista
2. The Economist
3. AlixPartners, Global Survey

4. A Growing Multicultural Population in the U.S. Helping to Drive Internationally-Inspired Natural Food Sales

Brands Catering to Culturally Diverse Younger Generations With Varied Flavor Preferences

Multicultural Population, in millions¹:



Projected Increase
in U.S. Multicultural
Population by 2060¹:

+109 Million



Compared to **27 million decline**
in non-multicultural U.S. population

U.S. Snacking Increasingly Inspired by International Culture

Category	Internationally-Inspired Snacks Within Category	Brands to Watch
Salty Snacks	<ul style="list-style-type: none"> Nori – Japanese roasted seaweed snack Makhana – Indian-inspired, puffed lotus seeds 	
Meat Snacks	<ul style="list-style-type: none"> Biltong - South African dried meat with no added ingredients 	
Dairy	<ul style="list-style-type: none"> Skyr - Icelandic dairy product with high protein content 	

Brands Benefit From Authenticity²

87% of consumers purchase fare or food with ethnic flavors

Of those 87% of consumers:

32% would be willing to pay extra for authenticity

36% like to explore regional varieties of mainstream ethnic cuisines

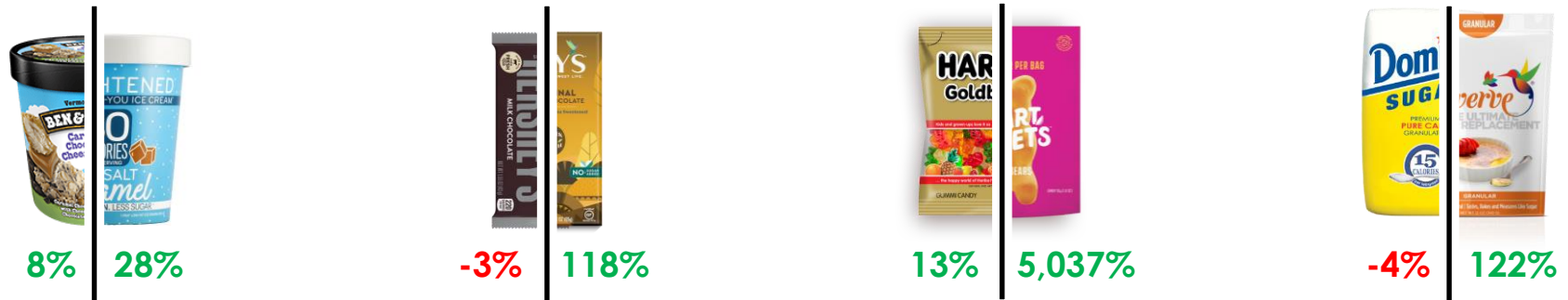
1. US Census Bureau
2. Technomic

5. Better-For-You Brands Remain the Primary Catalyst of Innovation and Growth Within Indulgence Categories

Consumers Are Enjoying a Growing Number of Better-For-You Products

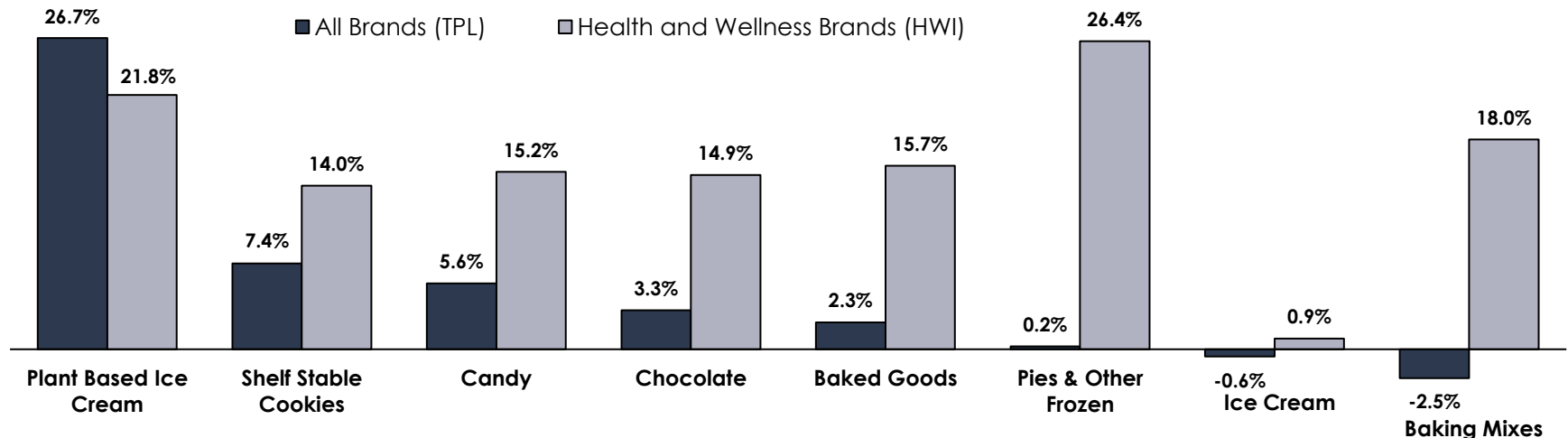
The Product Landscape Has Changed and Legacy Brands Are Being Unseated By New Entrants¹

Brand Sales Growth, 12WE 1/26/20 vs. YAGO



Better-For-You Indulgence Brands Outpacing Growth of Broader Categories²

Category Sales Growth, 52WE 12/29/19 vs. 2 YAGO



1. SPINS, 12WE 1/26/20/19; MULO
2. SPINS, 52WE 12/29/19; MULO; TPL+ HWI

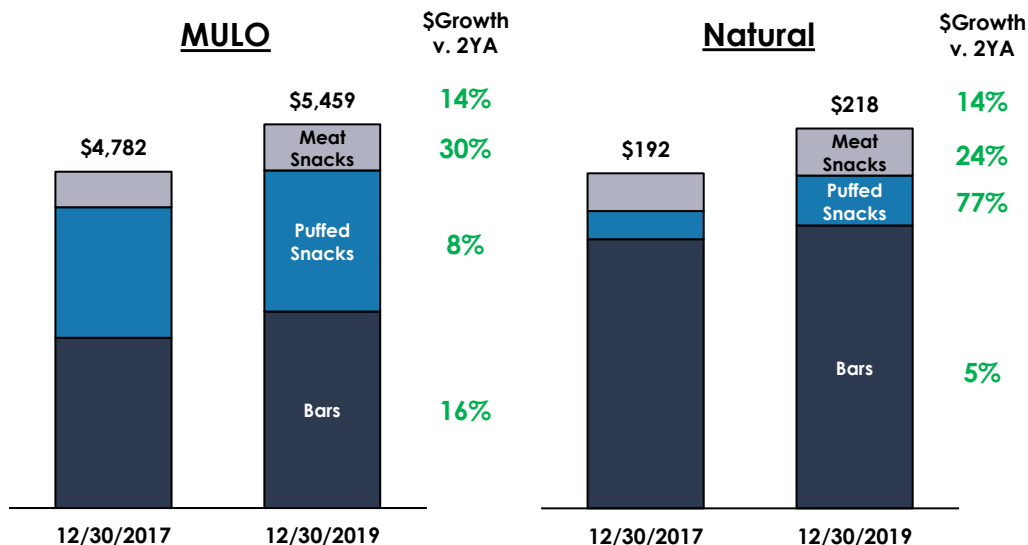
6. Consumers Gravitate to Nutrient-Dense Snacks to Avoid Mindless Eating

Better-For-You Snack Brands Recognizing Strong Growth

- American consumers continue to move away from mindless eating and empty calories towards nutrient-dense snack options – nutrient-dense snacks sales increased at an **11% CAGR** from 2014 to 2018¹
- Categories such as **puffed snacks, bars and meat snacks** experiencing stellar growth, each respectively **up 8%, 16% and 30%** in MULO vs. two years ago and **up 77%, 5% and 24%** in the Natural Channel over the same period²
- Some Gen Z and Millennial consumers (and Whipstitch team members!) snack up to six times daily and combine snacks to build a plate with protein, fruits, veggies & grains³

Total \$ Sales of Select of Nutrient-Dense Snacks Subcategories²

\$MM, SPINS, 52 WE 12/29/19; MULO + Natural



Brands Moving Towards Nutrient-Density



Kind Bar reducing 95% of their nut bar portfolio by 10-30 calories each



Country Archer quickly became the fastest-growing jerky brand across all channels

BIENA

Biena Snacks introduced chickpea-based snacks packed with protein and fewer carbs

1. Grocery Drive
2. \$MM, SPINS, 52 WE 12/29/19; MULO + Natural
3. Bakerandsnacks.com

7. Better-For-You Brands Using Convenience Stores and Foodservice as Accretive Channels to Build Brand Value

C-Stores Characterized by High Velocities; Foodservice by Stability & Profitability

- Entering the convenience channel continues to become an effective growth strategy for better-for-you brands
- Natural Products (NPI) brands grew at a **12% CAGR** in c-stores over the past two years vs. **4% CAGR** for all (TPL) brands¹
- NPI brands underpenetrated in convenience vs. MULO, highlighting large potential opportunity still available
- In the first half of 2018, convenience retailers cited a **45% increase** of health bar sales in their stores²
- Better-for-you brands like Impossible Burger, Beyond Meat, Sir Kensington's and Spindrift continue to gain significant foodservice contracts proving the channel as an effective means to build revenue and awareness

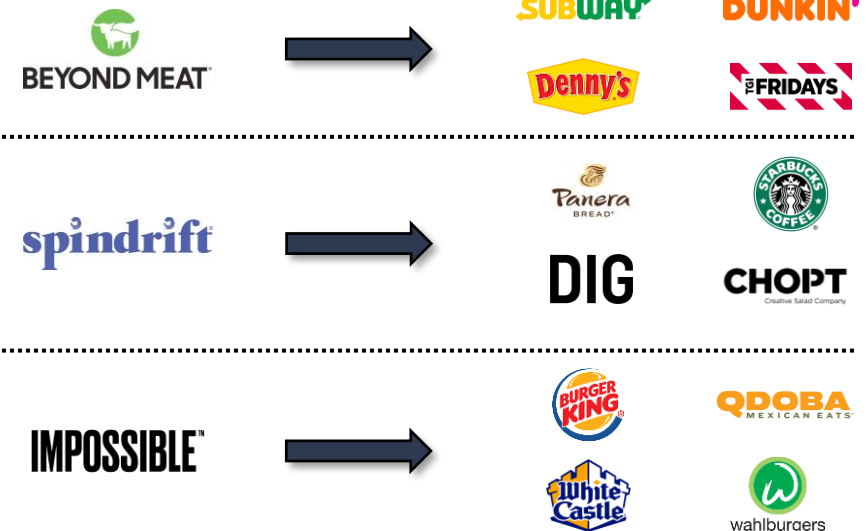
Large Opportunity For Natural Products in C-Stores¹

SPINS, 52 WE 1/26/20; NPI + TPL; MULO + Convenience

Natural Products (NPI) as % of Total Products (TPL)

Category	Convenience	MULO
SS Puffed Snacks	3.2%	13.2%
SS Tortilla and Corn Chips	2.2%	8.2%
SS Meat Snacks Other	1.1%	6.1%
FZ Novelties	1.5%	5.7%

Brands With Strong Foodservice Presence



1. SPINS, 52 WE 8/11/19; HWI; MULO + Convenience
 2. Food Dive
 3. Grocery Drive

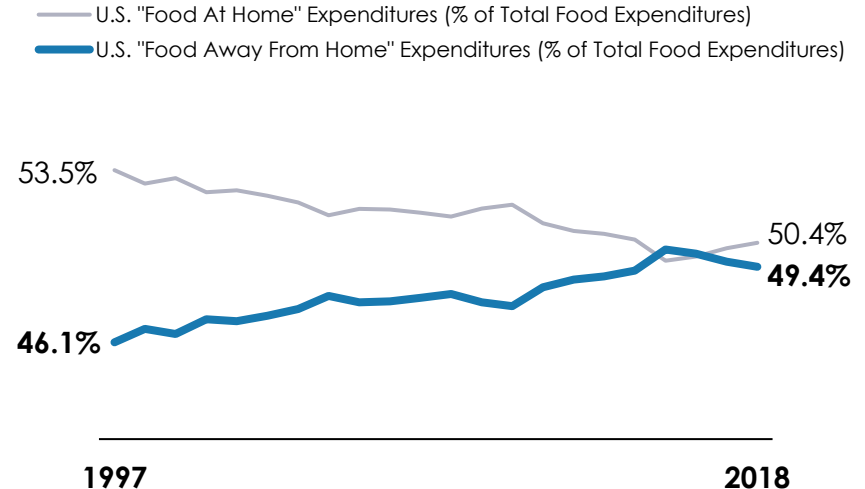
8. Healthy Fast Casual Restaurants Booming as Consumers Spend More on Restaurants and Demand Easy, Better-For-You Options

Explosive Growth of Healthy Fast Casual Restaurant Options Likely to Continue

Better-For-You Movement Meets Fast Food

- **Americans Spending More on Restaurants** – Nearly 50% of U.S. food expenditures came from “Food Away From Home” in 2019, up from 46% in 1997¹
- **Fast Casual Fueling Expansion of Concepts** – New on-the-go options driving restaurant industry growth and investment
- **Consumers Searching for Healthier Options** – 45% of consumers very likely to order healthier options at restaurants if they were offered²
- **Healthy Fast Casual Innovators Taking Advantage** – Newer concepts catering to a new generation of consumers with varied dietary preferences

Americans Spending More on Restaurants¹



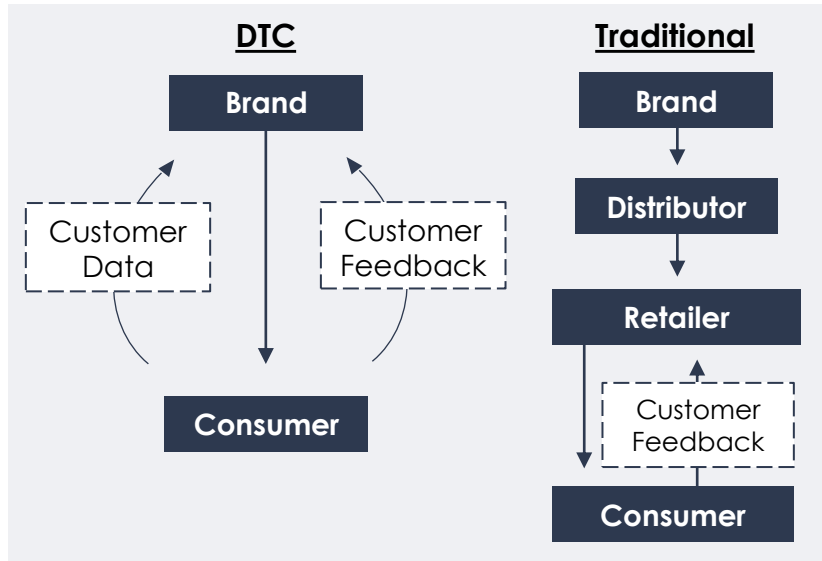
The Evolution of Fast Food



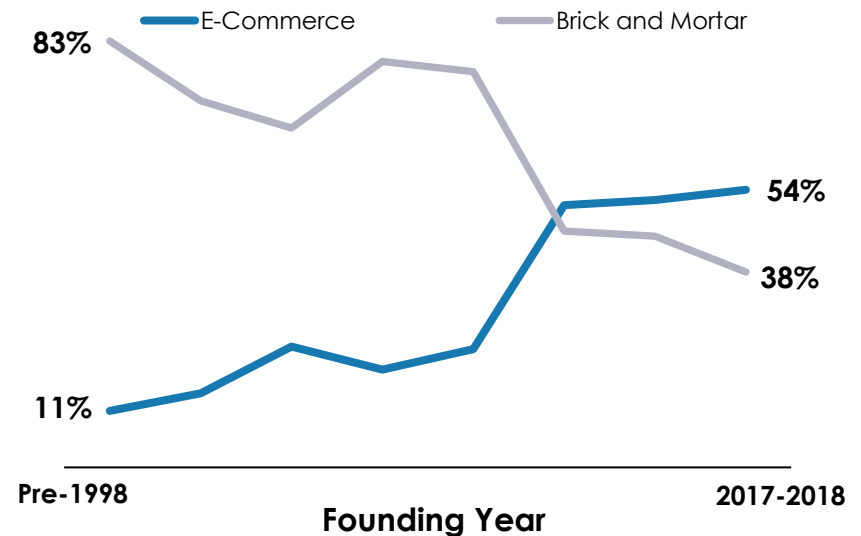
9. Food and Beverage Brands That Start Online Rising In Number as They Realize the Value of Immediate Customer Feedback

Abridged Customer Feedback Loop Utilized By A Growing Number of DTC Product Launches

Customer Feedback Loop: DTC v. Traditional¹



CPG Brands Launching Products Online Before Retail²



Select Stand-Out Food and Beverage Brands That Started Direct-to-Consumer



1. Medium
2. New Hope Network survey, as of Q1 2018 (N=295)

10. Pet Humanization Contributing to Growing Sales of Fresh, Human-Grade and Premium Pet Food

Retailers and Brands Taking Advantage of Pet Humanization Trend

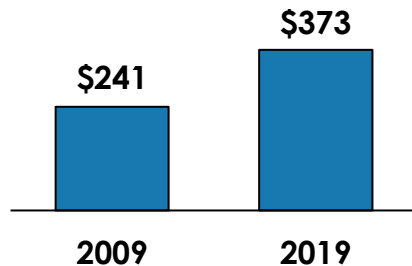
Human-Grade Pet Food Emerging in Large Pet Market

\$32B

U.S. pet food market in 2019¹

67%

of U.S. households own at least one pet¹



Average annual spending on pet food per pet-owning household increased from **\$241 in 2009 to \$373 in 2019**, driven by an increase in food quality¹

Retailers Taking Notice of Growing Trends



Offering fresh, small-batch, human-grade dog food in select stores in partnership with JustFoodForDogs



Plans to open over 100 vet clinics in stores and launching online pet pharmacy business



Developed its own brand of pet food made with real turkey and no added grain

Recent Pet M&A Highlights³



Financings of Emerging Direct-to-Consumer Brands³



1. American Pet Products Association
2. Pitchbook and public sources





11. MULO Emerging as Primary Supplements Distribution Channel as Vitamin Shoppe and GNC Face Secular Declines

MULO Channel Taking Share From Legacy Health and Nutrition Retailers

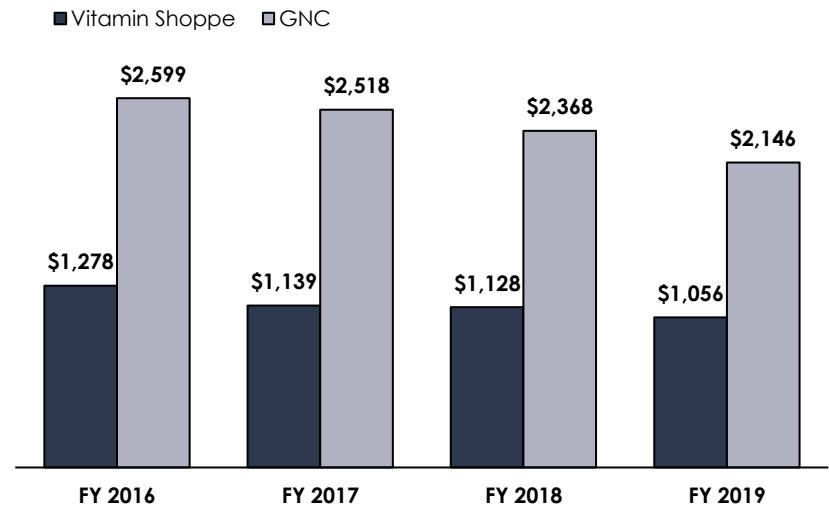
- Total supplement sales in MULO grew from \$5.8B in 2017 to \$6.4B in 2019, a **10% increase**¹
- Vitamin Shoppe and GNC facing secular declines as supplements become more available in MULO and online
- Brands continue to address changing health needs; demand increasing for ingestible beauty products, nootropics, greens supplements and gut health products
- Select categories experiencing strong growth in MULO include Food Supplements, Protein / Meal Replacement and Miscellaneous Supplements, which are **up 5%, 9% and 14%**, respectively vs. two years ago

Breakout Supplement Categories¹

SPINS, MULO, 52 WE 12/29/2019

Supplement Category	MULO \$ Growth vs. 2YA	Brands to Watch
Food Supplements	+5%	FOUR SIGMATIC®  Amazing Grass®
Protein/M Meal Replacement	+9%	ICONIC PROTEIN  VITAL PROTEINS®
Miscellaneous Supplements	+14%	 

Total Revenue of Health and Nutrition Retailers²



1. SPINS, 52 WE 12/29/19; MULO Pitchbook

Table of Contents

- **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

Beverage			Food					
Buyer	Target	Date	Buyer	Target	Date	Buyer	Target	Date
		Jan 2020		Campbell's U.K. Chips Business	Sep 2019			Jun 2019
		Jan 2020			Aug 2019			Jun 2019
		Jan 2020			Aug 2019			May 2019
		Dec 2019			Aug 2019			Apr 2019
		Dec 2019			Aug 2019			Apr 2019
		Dec 2019			Jul 2019			Apr 2019
		Nov 2019			Jun 2019			Apr 2019
		Oct 2019			Jun 2019			Apr 2019

Recent Food & Beverage Private Placements















































Beverage			Food		
Investor	Target	Date	Investor	Target	Date
	 ONLY WHAT YOU NEED	Jan 2020			Sep 2019
		Dec 2019			Sep 2019
ANDREESSEN HOROWITZ		Dec 2019			Aug 2019
TEMASEK		Dec 2019			Aug 2019
		Nov 2019			Jul 2019
		Nov 2019			Jul 2019
		Nov 2019			Jul 2019
		Oct 2019			Jul 2019
		Jun 2019			Jun 2019
		Jun 2019			Jun 2019
		May 2019			May 2019
		May 2019			Apr 2019

Table of Contents

- **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**



A top-down view of a rustic still life featuring various fresh ingredients and kitchen tools. In the center, a copper bowl holds green bell peppers, red onions, and a red apple. To the right, a bunch of green beans lies next to a large knife. A pomegranate is partially open, spilling its seeds. Scattered around are green leafy vegetables, cotton bolls, and small brown seeds. The background is a light-colored wooden surface.

KEY TRENDS IN THE NATURAL PRODUCTS INDUSTRY



SPINS®

ABOUT SPINS

WHO IS SPINS?



SPINS is the **leading data technology company** for the Natural & Organic Consumer Products Industry



SPINS is uniquely equipped to help investors **find**, **grow** and **invest** in winning brands



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



NATURAL
CONSUMER

Identify the WHO to target behind the WHAT they buy

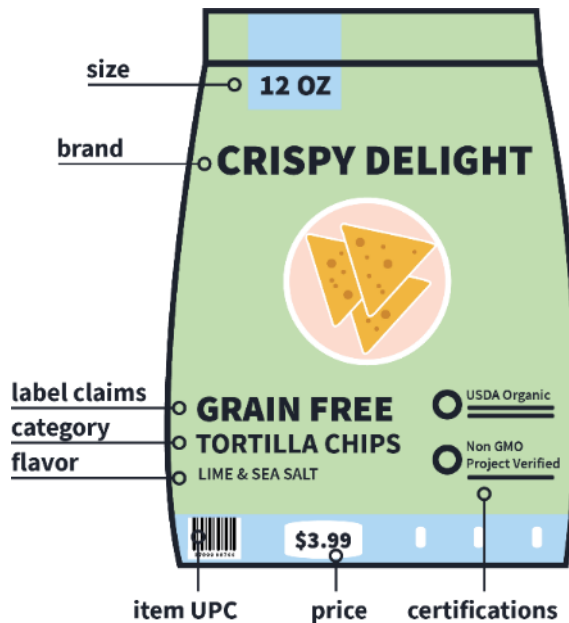
THE MOST PANORAMIC VIEW OF INNOVATION ACROSS THE MARKETPLACE

SPINS retail landscape offers insight to trends from incubation to mainstream



LEADING PRODUCT INTELLIGENCE

SPINS deconstructs complex product characteristics to bring forward valuable attributes driving consumer decisions at shelf



LABEL-BASED & BEYOND

Brand Positioning

Health Conditions

Clean Label

Lifeways & Eating Plans

Sustainability

Wellness Goals

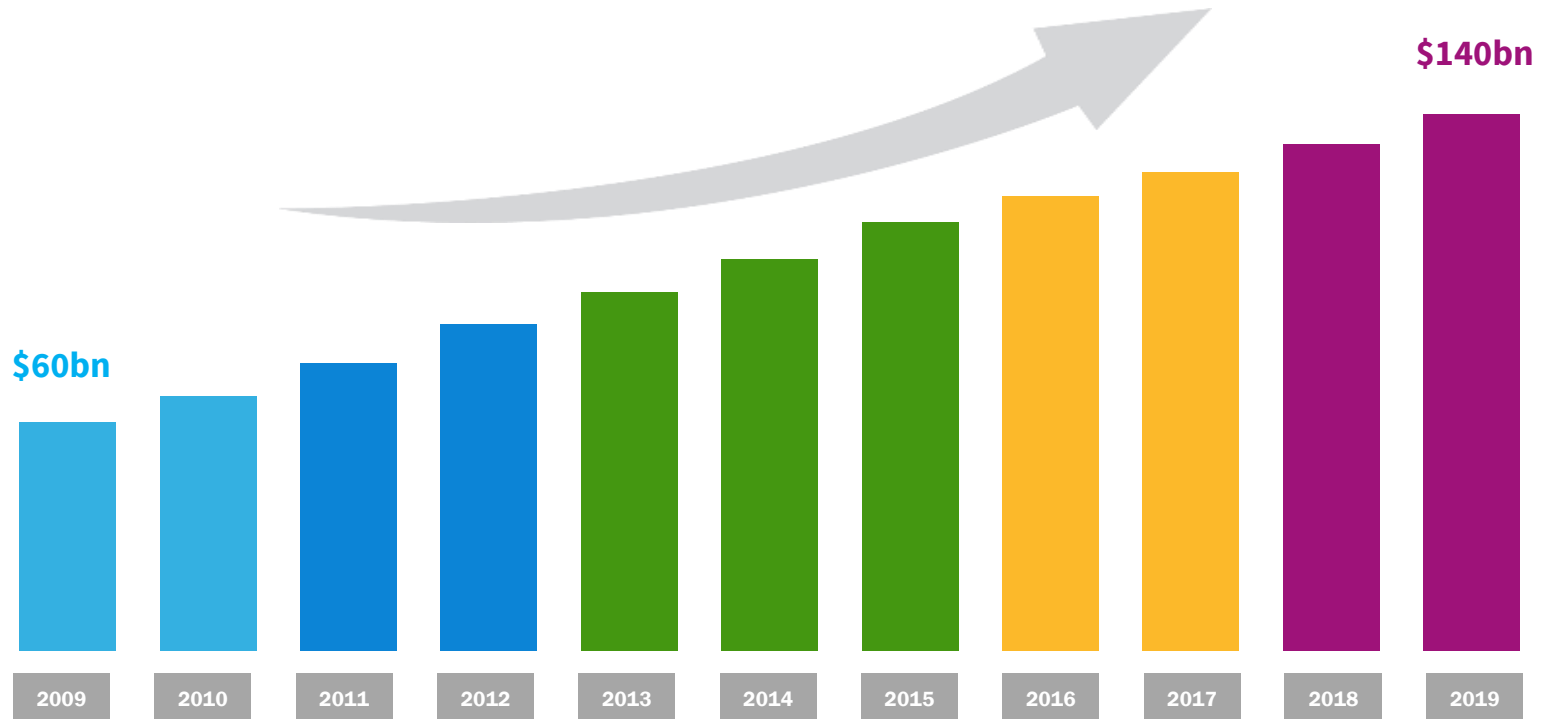
Social Impact

Ingredient Impact

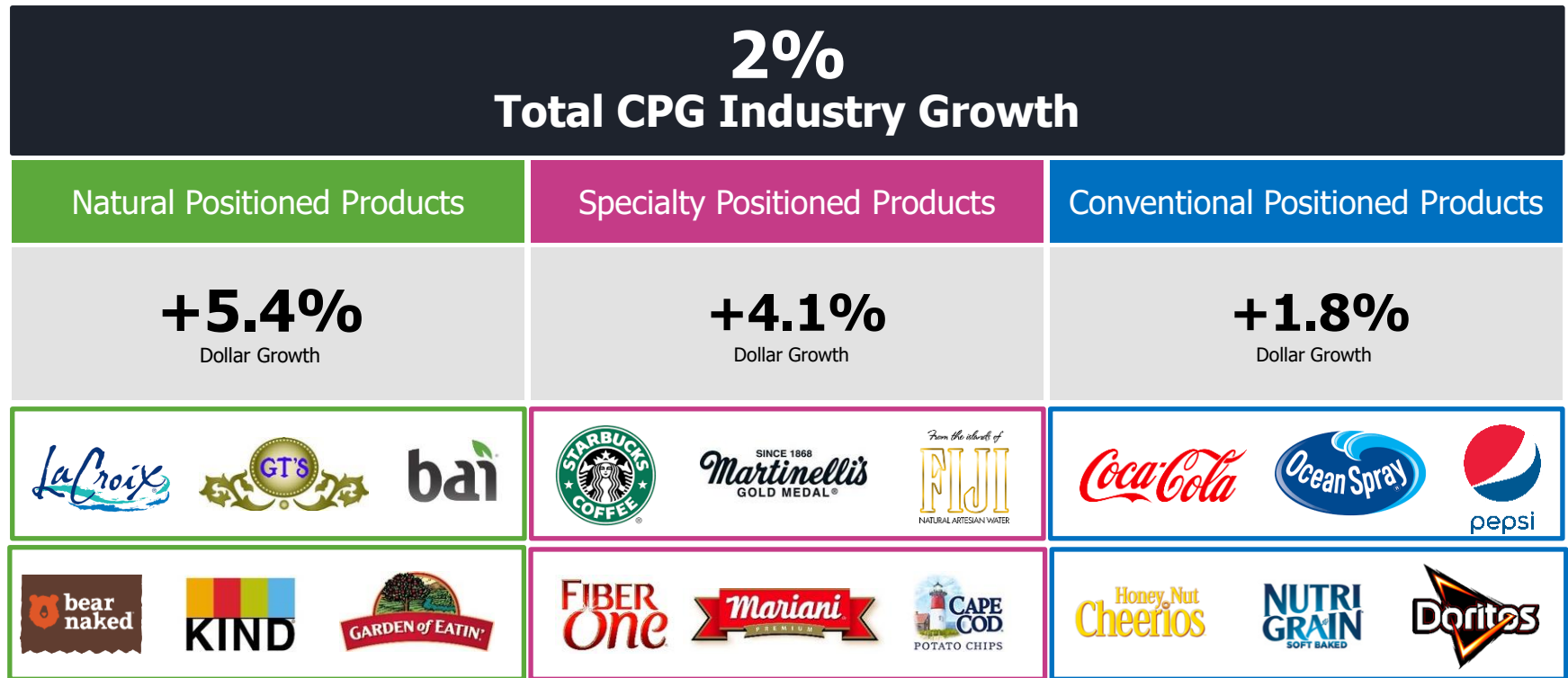


STATE OF THE NATURAL PRODUCTS INDUSTRY

The Natural Products Industry has more than doubled over the past decade



SPINS proprietary product positioning reveals what types of products are driving growth



Three Industry Forces Provide a Blueprint For Growth

The Conscious Consumer



**DEMAND
SHIFT**

Game-Changing Products



**SUPPLY
SHIFT**

Evolving Retail Landscape



**ROUTE-TO-
MARKET
SHIFT**

SPINS data shows a 20-year trend toward **Conscious Consumption** through the scale of Health & Wellness attributes



GOOD FOR HEALTH

Gluten free
Allergen free
Low sugar, sodium, etc.



GOOD FOR PLANET

Organic
Non-GMO
Demeter Certified Biodynamic



GOOD FOR ANIMALS

No Antibiotics Added
Grass Fed
No Added Hormones
Cage Free, Free Range, &
Pasture Raise



GOOD FOR PEOPLE

Fair Trade
B Corp

Brands are designing products with the following characteristics to meet wellness needs of **conscious consumers**

1. TARGET A DESIRABLE SOURCE OF VOLUME

2. ADDRESS UNMET CONSUMER NEED

3. STAY AHEAD OF THE CURVE ON ATTRIBUTES

ONE

**\$68mm |
+57%**



**\$34mm |
+35%**



**\$136mm |
+69%**



**\$47mm |
+94%**

CAULIPOWER

**\$114mm |
+130%**

spindrift

**\$40mm |
+117%**

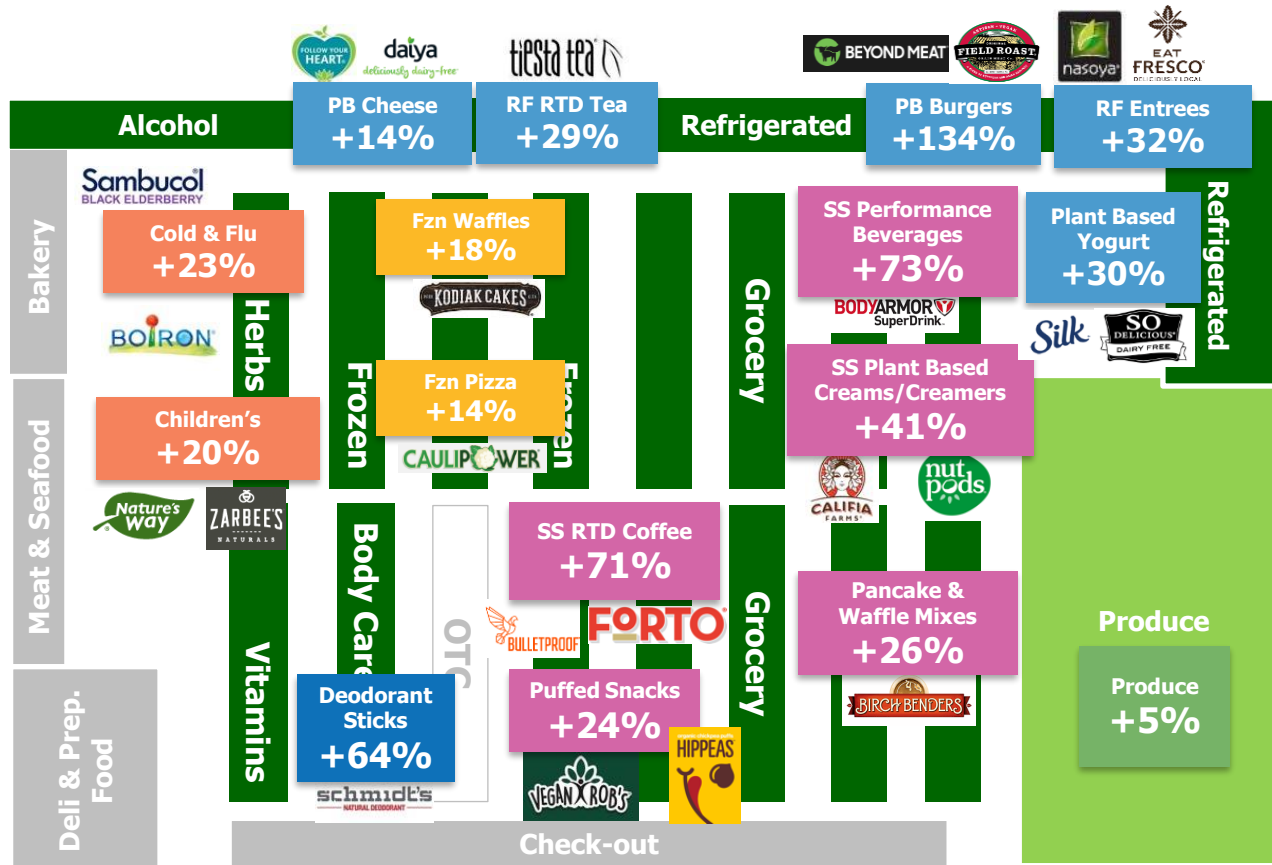
ripple
Dairy-Free. As It Should Be.

**\$40mm |
+20%**

Banza

**\$22mm |
+56%**

Game-changing products are driving growth in every aisle



Health & Wellness focused attributes are rapidly scaling in mainstream outlets...

Attribute	Dollar Sales	Dollar Growth	Sales Mix by Channel	
Certified Whole Grains Council	\$9,492.8 M	(8.1%)	6%	94%
Labeled Gluten-Free	\$47,568.9 M	2.5%	11%	89%
Certified B Corporation	\$11,009.7 M	4.0%	12%	88%
Plant-Based Positioned	\$3,980.8 M	8.6%	16%	84%
Labeled No Antibiotics Added	\$3,974.3 M	2.2%	20%	80%
Fair Trade Claim	\$3,087.4 M	(0.1%)	19%	81%
USDA Organic 70-100	\$22,010.9 M	3.8%	19%	81%
Labeled Animal Welfare	\$1,397.7 M	5.8%	26%	74%
Labeled Grass-Fed	\$1,127.6 M	12.5%	26%	74%
Labeled Vegan	\$9,061.9 M	9.0%	26%	74%
Labeled Grain-Free	\$778.4 M	30.6%	29%	71%
Paleo Positioned	\$763.0 M	46.4%	45%	55%
Cannabidiol (CBD)	\$181.5 M	175.8%	70%	30%

■ Natural
■ Conventional

...while Natural provides an indicator of these trends set to scale

Natural Channel

Top 10 Categories Contributing to Growth \$ - Natural Channel	% Growth Nat Chan
Produce	9.4%
Shelf Stable Candy	19.8%
Fzn & Refrigerated Meat Poultry & Seafood	8.8%
Food Supplements	12.6%
Bread & Baked Goods	6.9%
Shelf Stable Chips & Pretzels & Snacks	9.6%
Rf Cheese & Plant Based Cheese	10.1%
Refrigerated Entrees	12.7%
Rf Plant Based Meat Alternatives	47.9%
Shelf Stable Nuts & Trail Mix & Dried Fruit	10.1%

Conventional Channel

\$ Growth Conv Chan	% Growth Conv Chan
\$875.2 M	3.2%
\$499.3 M	2.4%
\$770.3 M	2.3%
\$31.4 M	4.0%
\$293.7 M	1.0%
\$982.1 M	4.8%
\$198.8 M	1.3%
\$396.2 M	4.9%
\$83.2 M	54.5%
\$43.6 M	0.6%



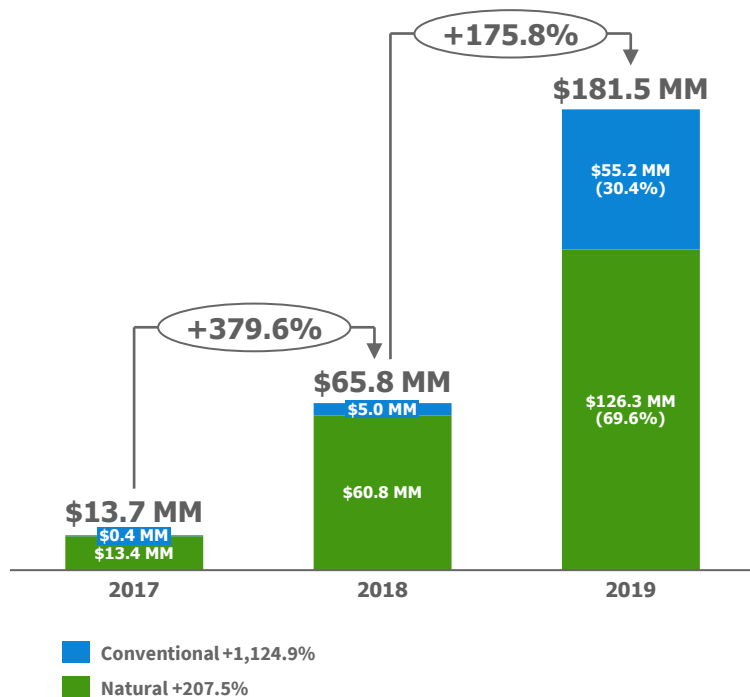
NATURAL TRENDS SPOTLIGHT: Food As Medicine

Consumers are increasingly turning to **Food as Medicine**, with growth across a range of Functional Ingredients

Ingredients	Sales	Growth
CBD (Food, Bev, Supps)	\$182 MM	+175.6%
Collagen Products	\$169 MM	+76.4%
MCT	\$98 MM	+233.6%
Mushrooms (Reishi, Chaga, etc)	\$32 MM	+37.9%
Ashwaganda	\$27 MM	+23.5%
Brewer's Yeast	\$6 MM	+6.1%
Moringa	\$8 MM	+29.1%

Cannabidiol (CBD) sales have grown exponentially over the past three years, making its mark across aisles

Three-Year Sales Growth: CBD Combined Channel



52 Weeks End 12/3/17, 12/2/18, 12/1/19

Top Categories by Dollar Volume: CBD Combined Channel

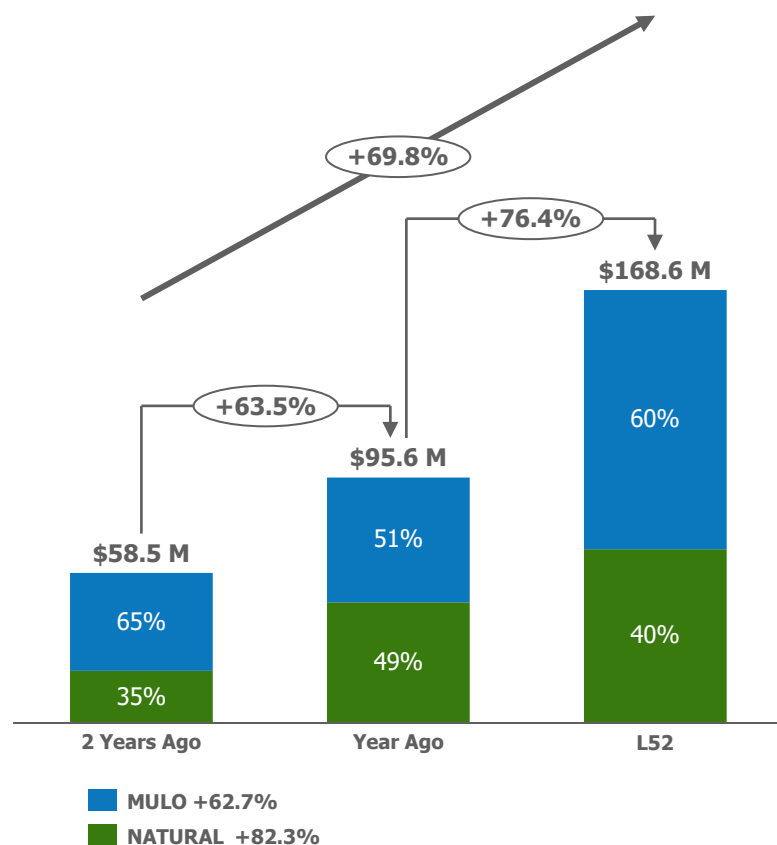
Dollar Growth

Food Supplements	139.2%
First Aid & Therapeutic Topicals	285.0%
Skin Care	551.6%
Shelf Stable Water	311.4%
Shelf Stable Functional Beverages	226.5%
Shelf Stable Candy	276.2%
Refrigerated Juices & Functional Beverages	2,492.4%
Pet Care & Wellness	171.6%
Soap & Bath Preparations	2,141.6%
Shelf Stable Tea	227.1%

Within the total store, **Collagen** is a \$169M attribute and continues to gain strong traction in both Natural and Conventional outlets

COLLAGEN FUNCT. INGREDIENT CROSS CHANNEL SALES- \$MM, MAX % ACV, AVERAGE ITEMS CARRIED

Total Store



Channel	\$ % CHG.		Total Dist Points		Average Items	
	L52	Pt. Chg	L52	Pct. Chg	L52	Pt. Chg
MULO	107.8%	+80.4	1.1 K	+190.5%	27.2	+14.5
NATURAL	43.9%	(87.1)	6.4 K	+45.1%	74.5	+23.9

Collagen is expanding beyond its core Vitamins & Supplements categories into Grocery as functional foods

COLLAGEN FUNCT. INGREDIENT SALES TOP 10 CATEGORIES – DOLLAR SALES & DOLLAR % CHANGE

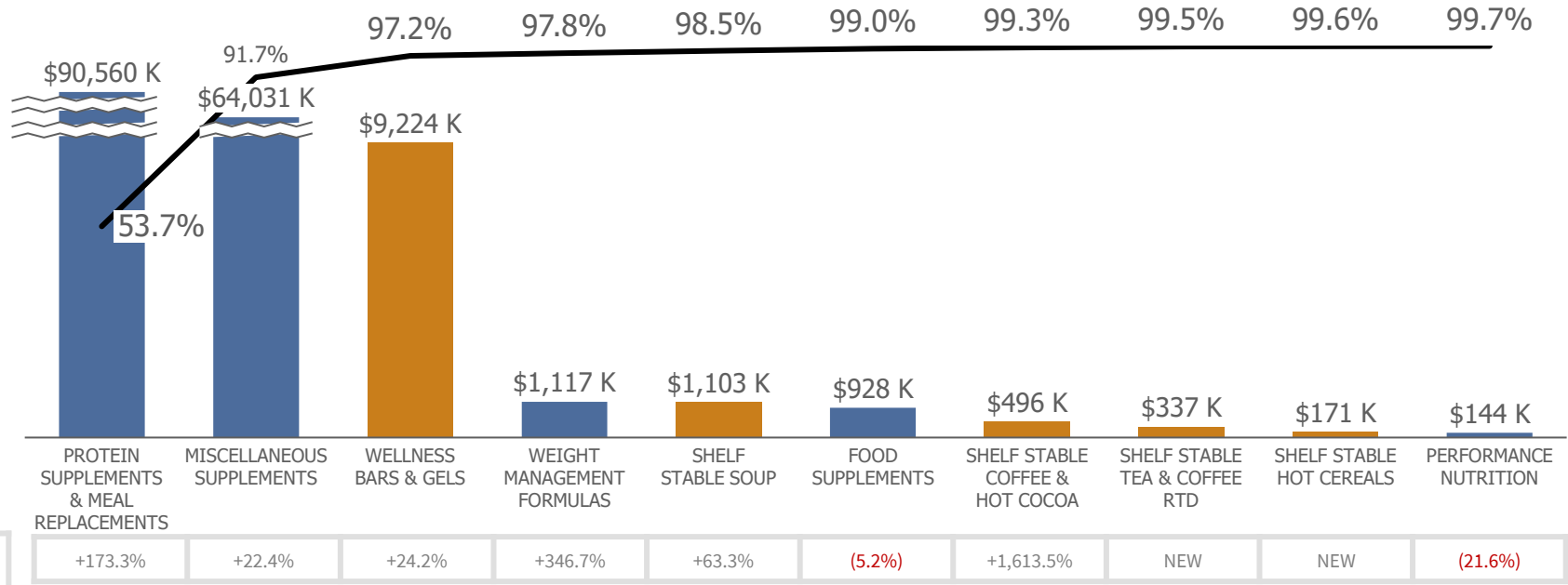
Total Store

— Cumulative Dollar Share ■ Dollar Sales

Department

■ VMS

■ GROCERY



\$ % Chg





SPINS

Copyright © 2020 SPINS LLC. All Rights Reserved.

Core Natural brands drive sales volume of **Collagen**, while Specialty Products gain momentum

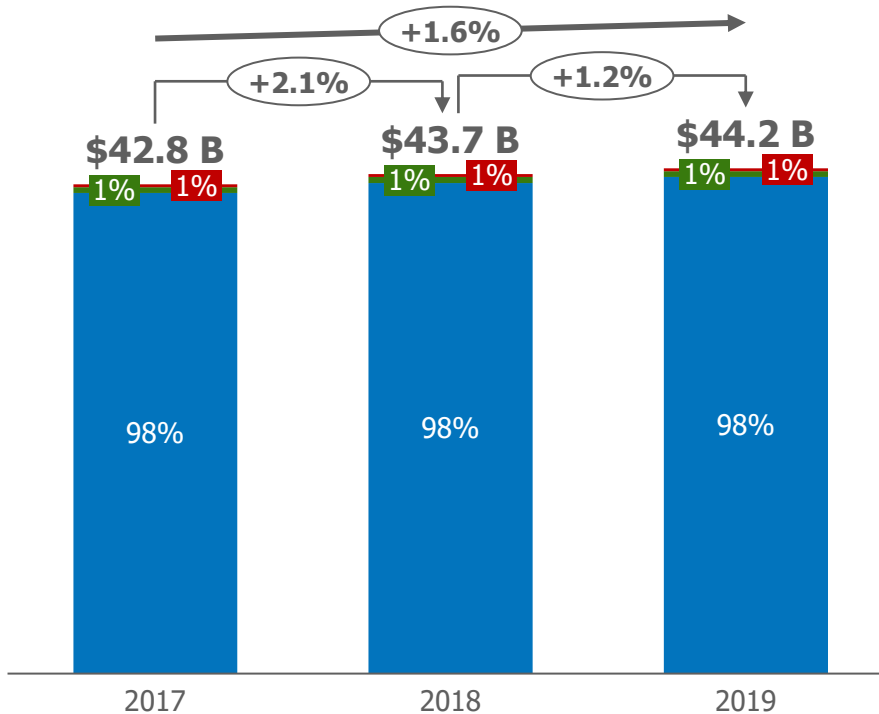
COLLAGEN DOLLAR SALES BY POSITIONING GROUP- \$ SALES & \$ % CHANGE

Natural		Specialty & Conventional	
\$153M Dollar Sales	+72% Dollar Growth	\$15M Dollar Sales	+135% Dollar Growth
			



NATURAL TRENDS SPOTLIGHT: Body Care

Total Body Care is a \$44.2B industry with growth of +1.2% versus latest year, with sales dominated in MULO

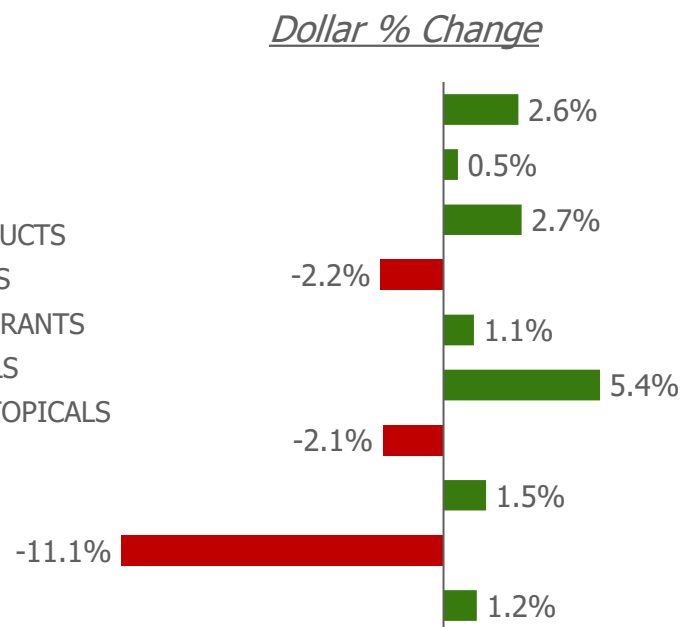
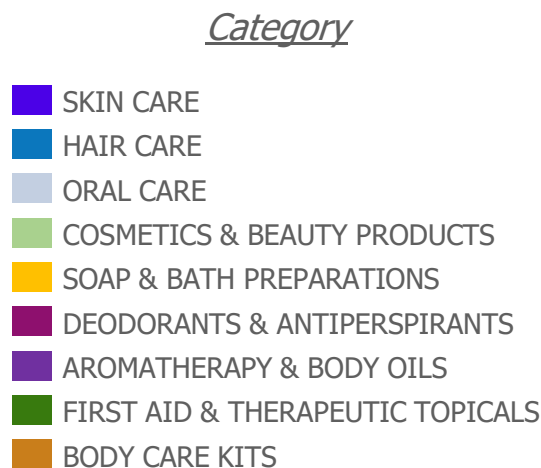
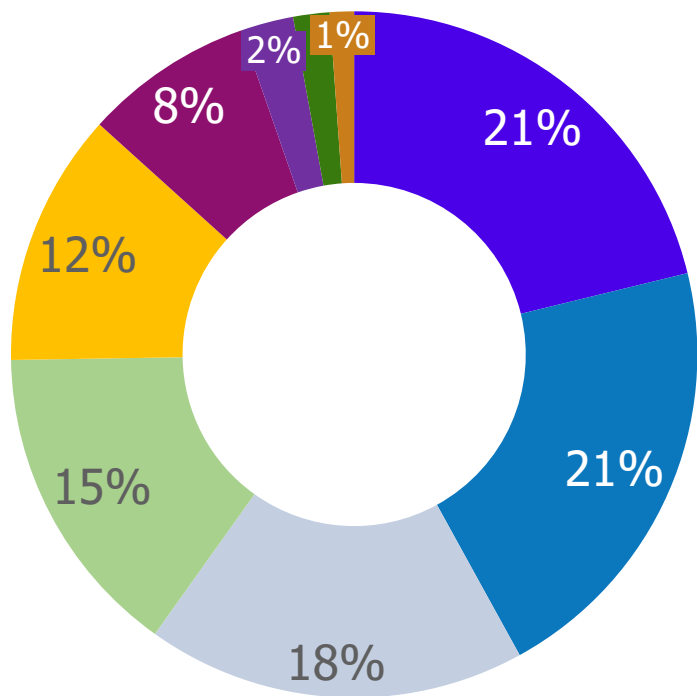


■ MULO +1.7%
 ■ Convenience +2.6%
 ■ Natural 0.0%

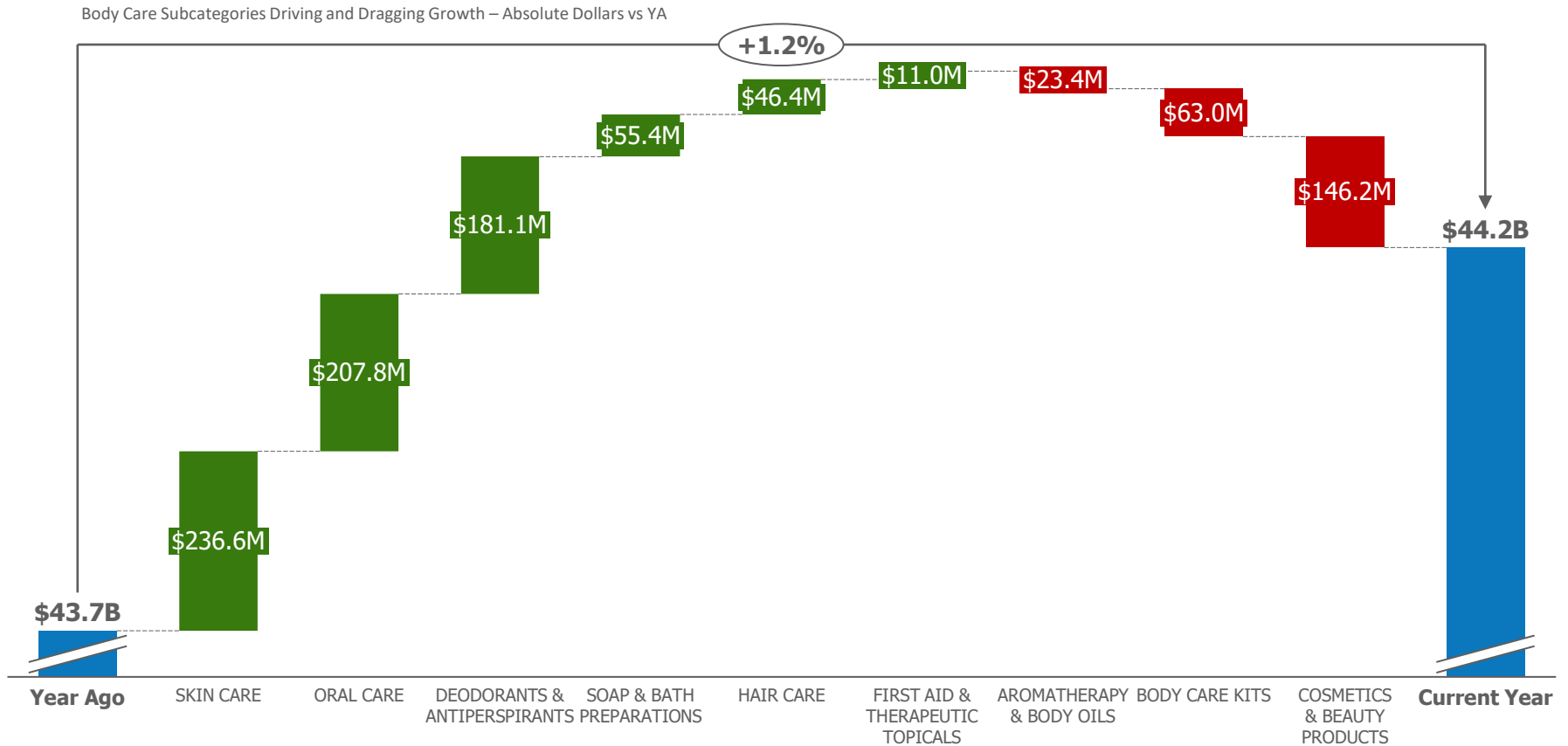
Channel	\$ % CHG.		Total Dist Points		Average Items	
	L52	Pt. Chg	L52	Pct. Chg	L52	Pt. Chg
MULO	+1.2%	-0.9	537,142	-0.2%	6,020.8	+99.8
NATURAL	-1.6%	-3.2	174,471	-2.8%	1,808.2	-50.1
CONVENIENCE	+1.5%	-2.1	2,365	-7.1%	32.4	-1.0

Skin Care, Hair Care, and Oral Care are the largest segments of Body Care; Deodorants & Antiperspirants shows strong growth potential

Body Care – Category Share of Sales and Growth






Skin and Oral Care are the fastest growing segments of Body Care, posting gains of over \$200M in absolute growth



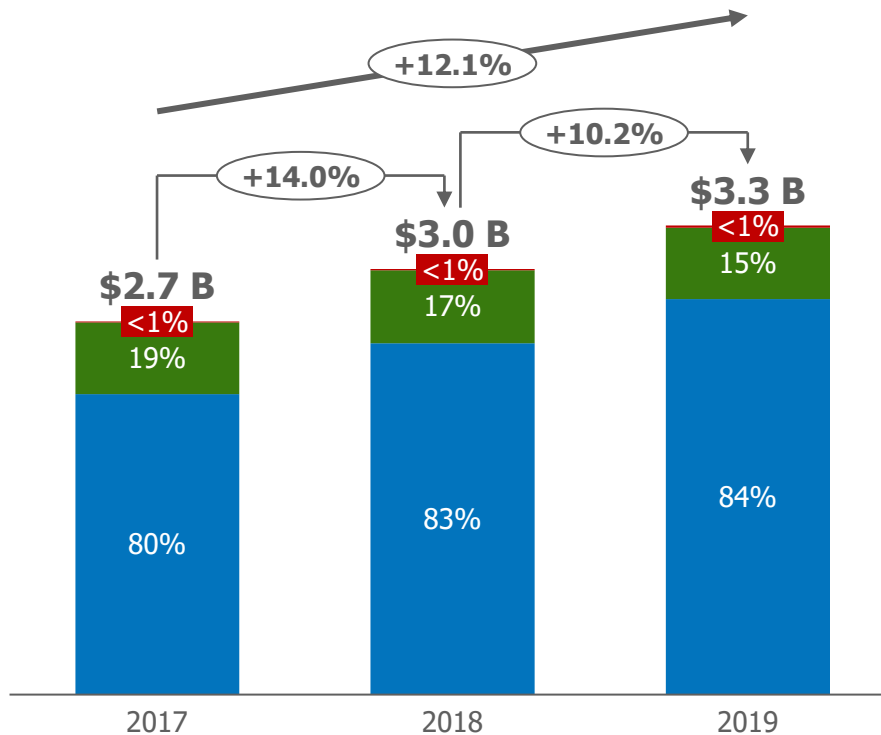
Body Care items are predominantly conventionally positioned, however natural products show strongest rate of growth at +10.2%

Body Care – Sales Breakout by Positioning Group

Natural Positioned Products (8%)		Specialty Positioned Products (4%)		Conventional Positioned Products (89%)	
\$3.3B	+10.2%	\$1.7B	+6.3%	\$39.1B	+0.2%
Dollar Sales	Dollar Growth	Dollar Sales	Dollar Growth	Dollar Sales	Dollar Growth
					

Within Body Care, Natural products make up \$3.3B in sales across channels, with growth of 10.2% in the most recent year

NPI Body Care Cross Channel Sales Trend

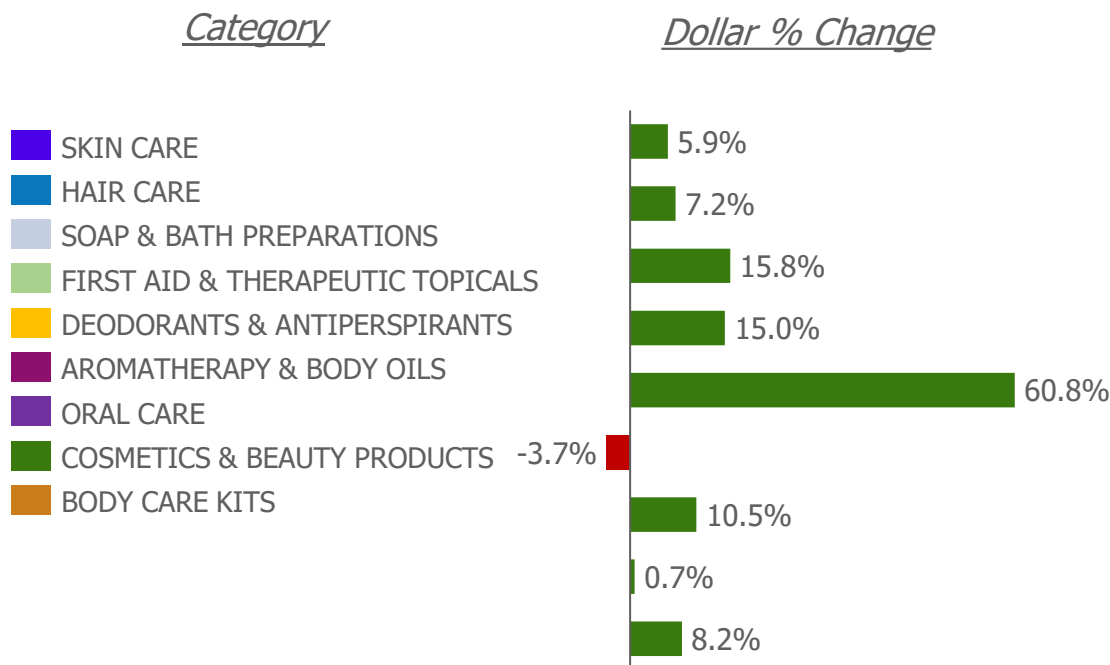
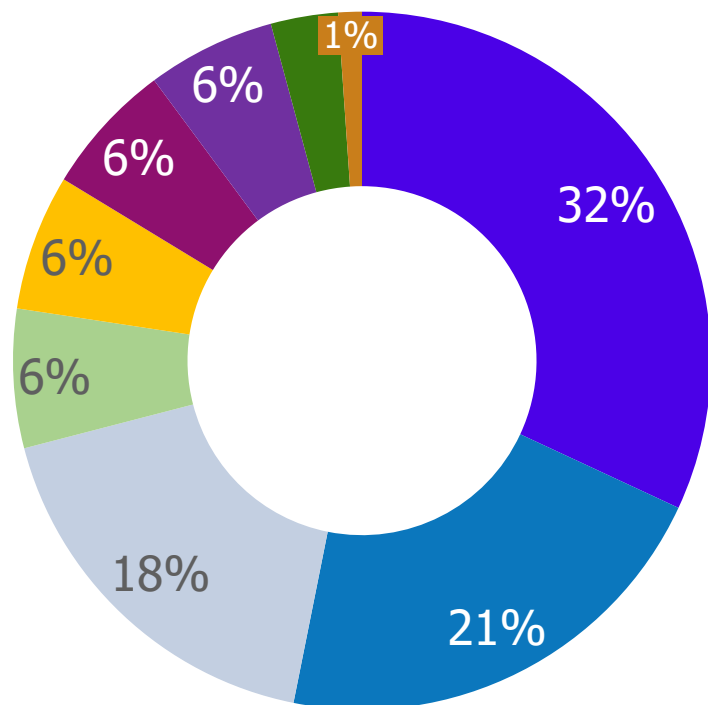


■ MULO +14.7%
 ■ Convenience +44.2%
 ■ Natural -0.1%

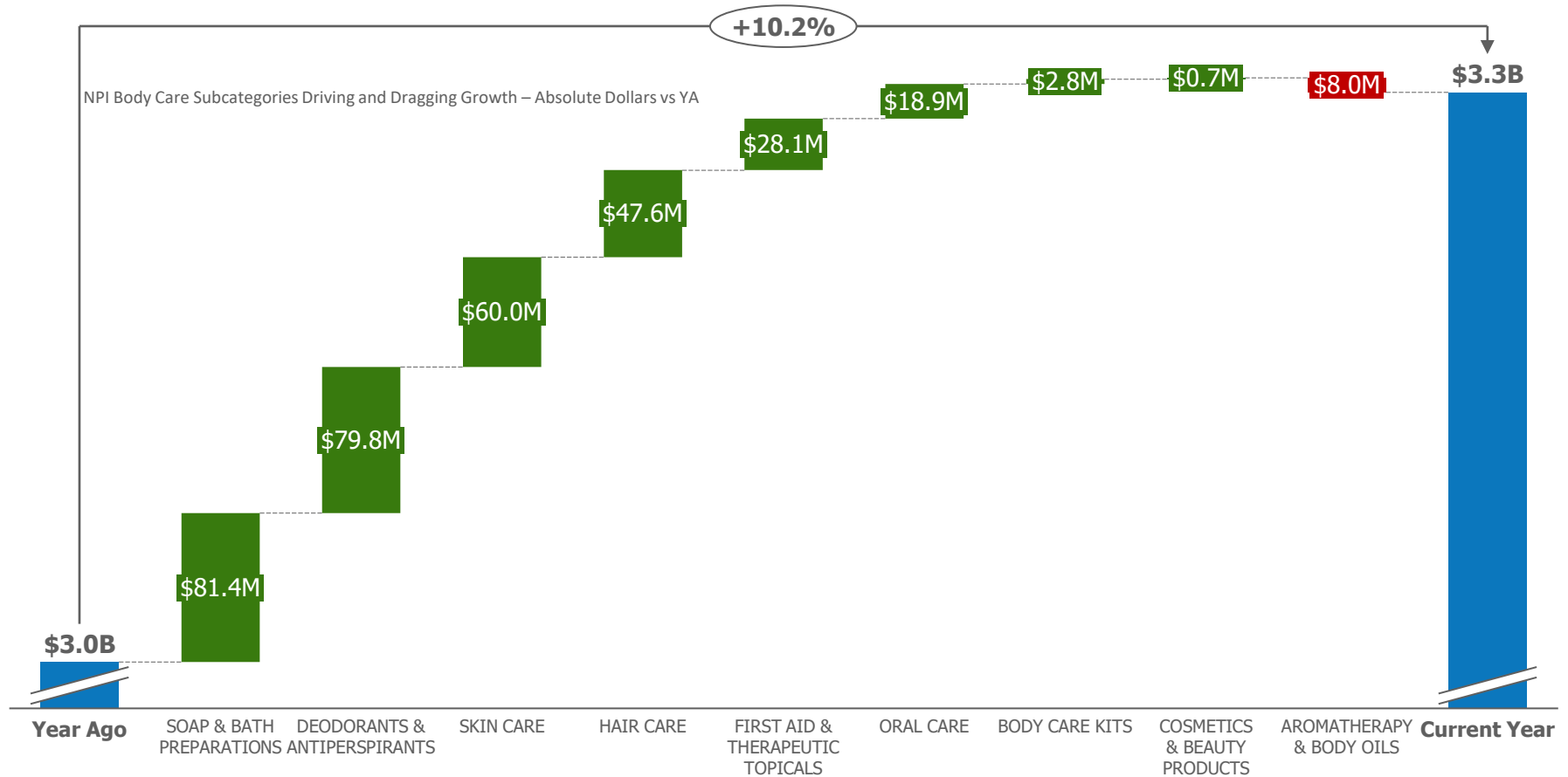
Channel	\$ % CHG.		Total Dist Points		Average Items	
	L52	Pt. Chg	L52	Pct. Chg	L52	Pt. Chg
MULO	+12.5%	-4.5	43,580	-3.1%	562.7	+66.3
NATURAL	-1.8%	-3.3	171,707	+11.6%	1,730.2	-55.9
CONVENIENCE	+68.0%	+44.1	96	+13.4%	3.6	+0.2

All segments of NPI body care post growth vs YA, except for Aromatherapy & Body Oils which is in slight decline at -3.7%

NPI Body Care – Category Share of Sales and Growth



Soap & Bath Preparations is the largest contributor to NPI Body Care growth at +\$80M in absolute growth





FINANCIAL PARTNERS GROUP

WHO ARE WE?

Introduction



Edricco Reina
Managing Director,
Financial Partners Group

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

ereina@spins.com



Michelle Fox
Director, Investment Strategy

- ❖ Information Resources Inc (IRI)
- ❖ Tyson Foods
- ❖ B.A., University of Denver

mfox@spins.com



Madlen Karnatz
Associate, Financial Partners Development

- ❖ Protiviti Consulting
- ❖ ESD Global
- ❖ B.B.A., University of Notre Dame
- ❖ Peking University – Beijing China

mkarnatz@spins.com

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.



Mobile Insights App

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



Due Diligence Solutions

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



Portfolio Support Solutions

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

Investors leverage SPINS data-driven solutions and expertise to **gain a competitive edge**



INVESTMENT INSIGHT 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.



MOBILE INSIGHT APP

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

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



Investors work with SPINS experts to navigate the details imperative to the long-term health of their targets



CATEGORY DUE DILIGENCE

- How is the category performing?
- 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?
- Who are the top performing brands within the category?



BRAND DUE DILIGENCE

- How is the brand's health?
- What is the overall growth trajectory across channels for the brand versus category and key competitors?
- What are the key retailers driving sales?
- What is the SKU mix driving performance?
- How does the attribute mix align to category trends and key competitors?
- Are there any regional skews?
- What adjacent benchmark examples would suggest longer-term growth potential?



CONSUMER DUE DILIGENCE

- Who is the key consumer of the brand today? What other consumer segments could the brand target?
- What's the upside from gaining increased penetration and, ultimately, loyalty?
- 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?

Please Contact the Whipstitch Capital Team for More Information



Michael Burgmaier
Managing Director
mike@wstitch.com



Nicolas McCoy
Managing Director
nick@wstitch.com

Disclaimer and Indemnity



Disclaimer

Nothing in this informational pamphlet is an offer or solicitation to buy or sell any security. Although this pamphlet may include investment related information, nothing in it is a recommendation that you purchase, sell or hold any security or any other investment or that you pursue an investment style or strategy. Wellness Partners, LLC dba Whipstitch Capital or Cedar Crest Advisors, LLC does not give any advice or make any representation through this informational pamphlet as to whether any security or investment is suitable to you or will be profitable and may have commercial relationships with companies named herein. Nothing in this pamphlet is intended to be, and you should not consider anything contained herein to be investment, accounting, tax or legal advice. If you would like investment, accounting, tax or legal advice, you should consult with your financial advisors, accountants, or attorneys regarding your individual circumstances and needs. The past performance of any investment, investment strategy or investment style is not indicative of future performance. For additional disclosures, please see our website at www.whipstitchcapital.com