



whipstitch
CAPITAL

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

October 20, 2020

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Healthy Living: Industry Overview and Deal Update / Whipstitch Capital's Top 11 Healthy Living Consumer Trends

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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



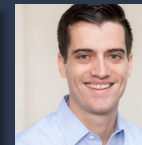
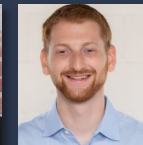
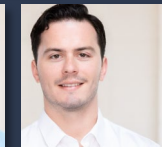
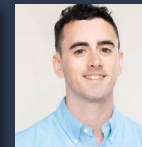
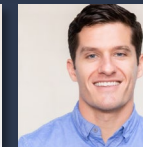
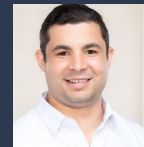
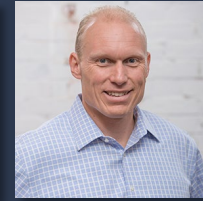
Category-Leading Clients

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



Baking

Low / no calorie baking company



Personal Care

Soap and lotion brand with products made from natural ingredients



Breakfast Foods

Organic breakfast and snack foods company



Feminine Care

DTC preventative care leader in women's health



Fruit-Based Snacks

Global supplier and marketer of premium fruit-based snacks

Select Prior Transactions

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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

Buyers ask us what we think and listen to our opinions

Regular interaction quarterly (or more) with over 50+ global strategics



100% Consumer Focused

We only do consumer

We know it better than anyone

We know how to talk about your company and the opportunity



Long-Term

We work with many clients over many years

We have no quarterly quotas

We work with clients to get the best deal done at the right time



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

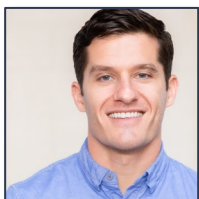
Managing Director



Michael Burgmaier

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

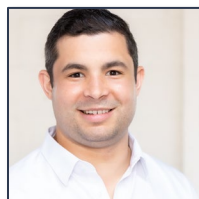
Managing Director



Greg Ucich, CFA

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

Vice President



Tim Sousa

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

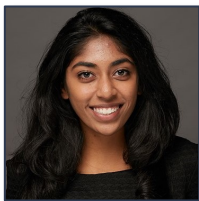
Vice President



Dominic Mangano

- Five 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

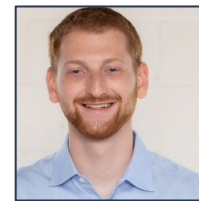
Analyst



Tyler Coppola, CPA

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

Analyst



Tom MacLean

- One year consumer IB experience; three years credit research experience at Moody's
- BS Finance, University of Connecticut

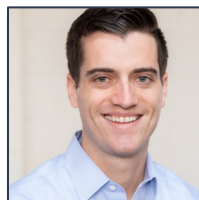
Analyst



Kathy Foster

- Five years of investment banking operations experience

Dir. of Operations



Brendan Camuso, CPA

- One year consumer IB experience; one year buy- and sell-side diligence experience
- 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



SINCE 1847
THAYERS
NATURAL REMEDIES

John Gehr
CEO, Thayers

"The Whipstitch Team worked tirelessly to get me the best possible outcome and I am thrilled. Whipstitch was hands-on from the get-go and quickly surfaced some key issues for us to work on ahead of selling the company. They quickly and effectively secured compelling offers from top strategic buyers and consumer-focused private equity groups. It was a hard decision in the end for me as we had so many fantastic options with various partners. I would highly recommend any company looking to sell to work with Whipstitch Capital."



PURPLE CARROT

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."



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."

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



Consumer Transaction Recap September 27-October 3, 2020

The consumer sector continues to receive attention from strategic buyer and financial investors. 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 have 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 News](#)
- [More from Whipstitch Capital](#)

FOOD AND BEVERAGE NEWS

[JIANGXIAOBAL LIQUOR CO. RAISES \\$230MM](#)
Chinese distiller Chongqing Jiangxiaobai Liquor Co. secured \$230 million in a Series C funding round led by China Renaissance New Economies Fund, Baillie Gifford and Loyal Valley Capital with participation from CMB International Capital, Kunyan Investment and Wens Investment.
[Read more](#)

[MISSION PRODUCE SECURES \\$96MM IN IPO](#)
Mission Produce, a supplier of fresh avocados, raised \$96 million in its IPO.
[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

DEAL DIFFERENT.TM

[Click to Subscribe!](#)

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

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SPINS®



Clear Value-Driver for Whipstitch Clients

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

<p>SINCE 1847 THAYERS NATURAL REMEDIES</p> <p>~~~~~</p> <p>L'ORÉAL PARIS</p>	<p>PURPLE CARROT</p> <p>~~~~~</p> <p><i>Oisix ra daichi</i></p>	<p>core</p> <p>~~~~~</p> <p>Keurig DrPepper™</p>	<p>RUNA</p> <p>~~~~~</p> <p>VITA COCO</p>	<p>RUSTIC CRUST AMERICAN FLATBREAD</p> <p>~~~~~</p> <p>ADVANTAGE CAPITAL</p>	<p>Uncle Matt's ICECREAM</p> <p>~~~~~</p> <p>Dean FOODS</p>
<p>KEVITA</p> <p>~~~~~</p> <p>PEPSICO</p>	<p>IGNITE SPECIALTIES • PARTNERSHIPS • GROWTH</p> <p>~~~~~</p> <p>ACOSTA SALES & MARKETING</p>	<p>ZOLA</p> <p>~~~~~</p> <p>KARPREILLY LLC GROWTH INVESTORS</p>	<p>BLAKE'S ALL NATURAL FOODS</p> <p>~~~~~</p> <p>CONAGRA BRANDS</p>	<p>MEDITERRANEAN SNACKS</p> <p>~~~~~</p> <p>SAFFRON ROAD WORLD CUISINE</p>	<p>SQUINCHER THE ACTIVITY CHAMP</p> <p>~~~~~</p> <p>KENT CORPORATION</p>
<p>BRAD'S Raw</p> <p>~~~~~</p> <p>PERGAMENT LOHAS FUND</p>	<p>function:</p> <p>~~~~~</p> <p>SUNSWEET</p>	<p>Cherrybrook's Kitchchen The Sweet Solution for Food Allergies</p> <p>~~~~~</p> <p>Cell-nique</p>	<p>Switch THE ONLY SWEET YOU NEED TO GET WHAT YOU WANT</p> <p>~~~~~</p> <p>APPLE & EVE</p>	<p>LIVING HARVEST tempt DO THE HEMP THING</p> <p>~~~~~</p> <p>HEALTHY BRANDS COLLECTIVE</p>	<p>On a Roll Sales</p> <p>~~~~~</p> <p>greencore group</p>

Private Placement Advisory: Select Deals Led by the Whipstitch Team

 	 	<p>Functional Beverage Co.</p> <p>\$50MM+ Private Equity Minority Investment</p>	 <p>Emil Capital 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>CASTANEA</p>	 	 	<p>KEVITA</p> 	 

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

2020 Transaction Activity on Pace to Match 2019 Record Levels

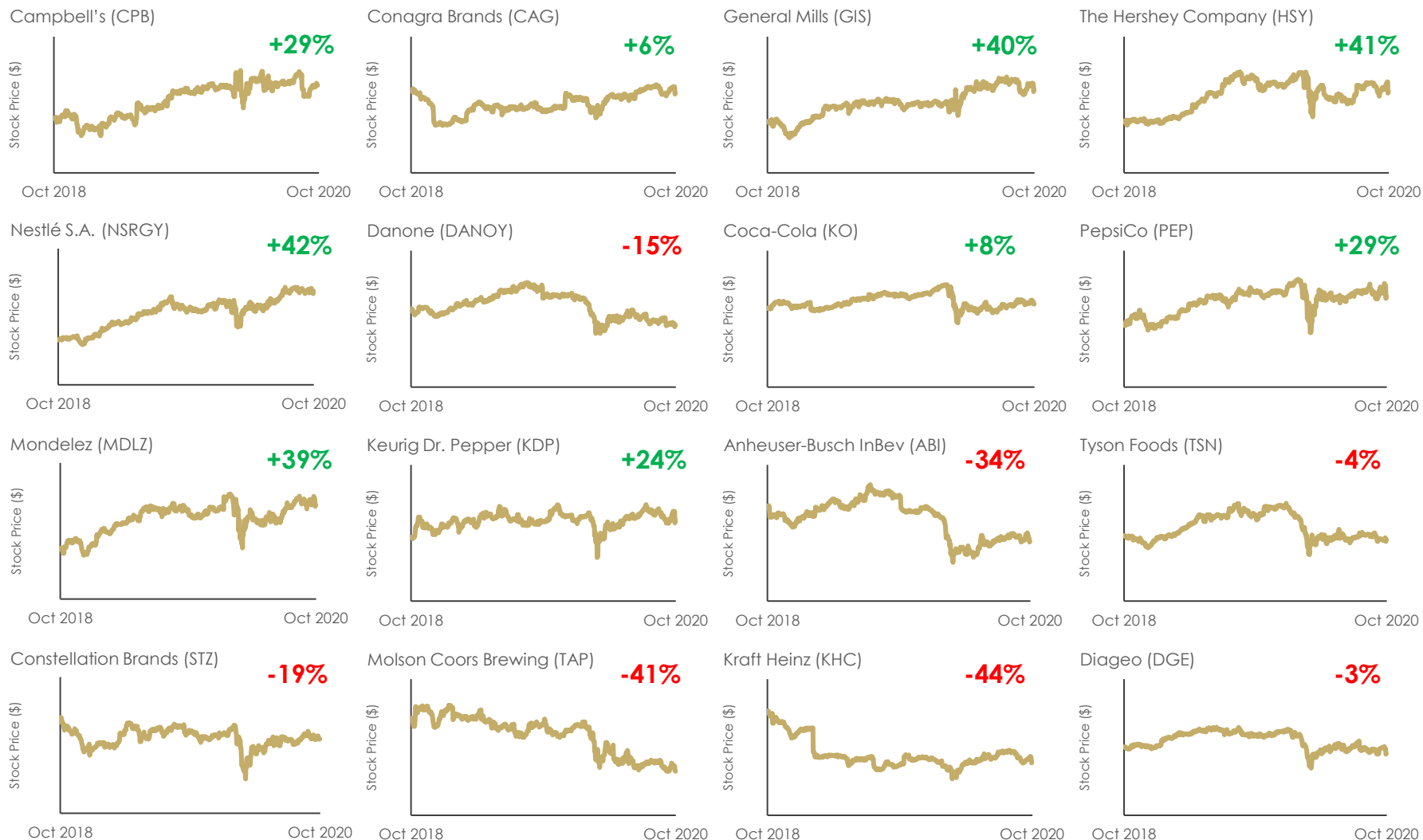
- Industry-wide financings grew by **9%** in H1 2020, indicating continued healthy capital markets activity
- M&A activity likely to increase in H2 2020 as buyers adjust to COVID-19 – activity largely paused from mid-March to mid-May

Nutrition and Health & Wellness Industry Transactions: M&A Details 2014 – H1 2020 ¹					
	2015	2016	2017	2018	2019
Retail & Distribution	10	26	34	22	29
Supplements	10	17	21	11	10
Ingredients	22	29	43	29	34
Contract Manufacturing	12	8	14	12	11
OTC & Personal Care	13	16	23	17	24
Natural & Organic, Functional Food	100	103	138	138	100
Others: Tech, Fitness, Pet	80	60	83	115	93
Total M&A	247	259	356	344	301
Financings	383	456	554	609	657
Average Size of Financing (\$MM)	\$21	\$15	\$25	\$37	\$31
Total Transactions	630	715	910	953	958
YoY Growth	+63%	+14%	+27%	+5%	0%

H1 2019	H1 2020
14	13
4	8
23	17
6	1
12	5
57	46
47	42
163	132
322	350
\$37	\$30
485	482
n/a	0%

1. Nutrition Capital Network

Two-Year CPG Stock Performance (As of October 2020)



Whipstitch Capital's Top-11 Healthy Living Trends

Why Stop at 10? Whipstitch Always Goes to 11

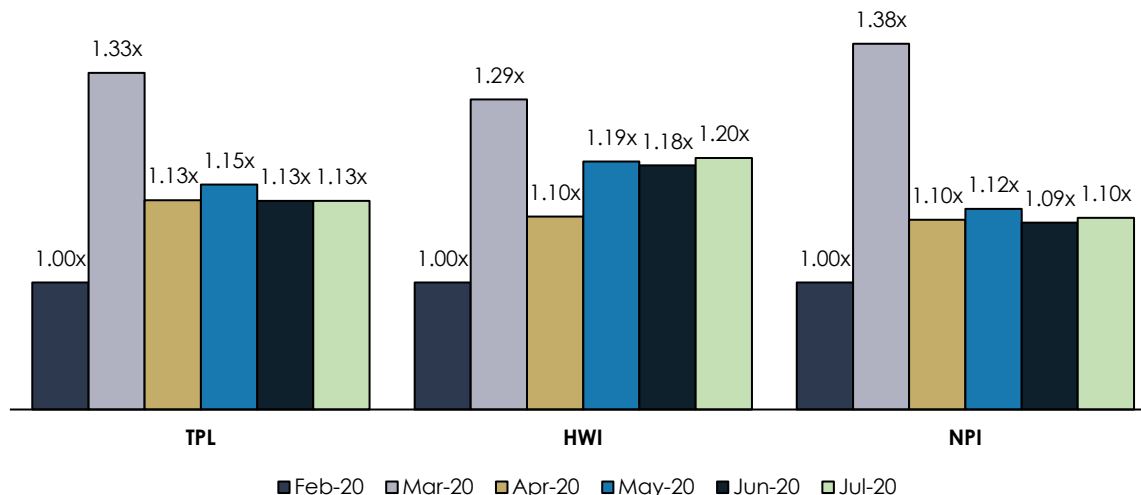
1. In the Wake of COVID-19, a Long-Term Focus on Health is Driving Outperformance of Better-for-You Brands
2. Consumers Eating More at Home, Boosting Sales of Products Used in Home Cooking
3. Frozen Food is Hot! Frozen Category Food Sales Remain Elevated Since March
4. New Consumer Shopping Habits Driving an Increased Adoption of Grocery Delivery
5. Consumers Increasing Efforts to Purchase Products from Mission-Driven and Socially-Active Brands
6. Large Cannabis States Benefiting From “Essential Business” Designation
7. Alcohol Continues to Expand Outside of Traditional Categories to Meet Changing Consumer Demands
8. Consumers Continue to Seek Protein Sources That are Not from Animals
9. Large Beauty Strategics Investing Heavily in Millennial and Gen Z Consumers
10. Low-Sugar Brands Continue Disrupting Food & Beverage Categories
11. Public Markets Showing High Interest in and Creating New Exit Opportunities for Consumer Brands

1. In the Wake of COVID-19, a Long-Term Focus on Health is Driving Outperformance of Better-for-You Brands

Noticeable Consumer Shift to Better-For-You

- Nearly 50% of consumers believe COVID-19 will influence their lives for at least the next 12 months – food that is healthy and sustainable set to benefit¹
- HWI (Health and Wellness Index) over-indexing TPL (Total Product Library) since COVID-19 by **7 percentage points** in July; significant spike in NPI (Natural Product Index) in March
- Private label organic growth **outpacing non-organic private label**

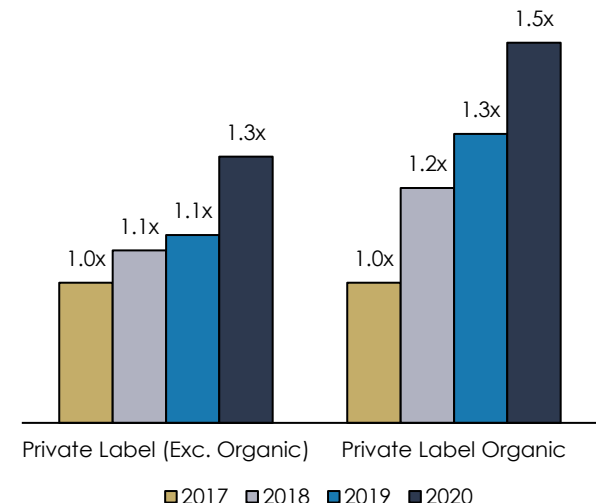
Dollar Change Index by Product Universe From February to July 2020²



Brands to Watch



Private Label Retail Sales as % of Total, All Categories in MULO Channel³



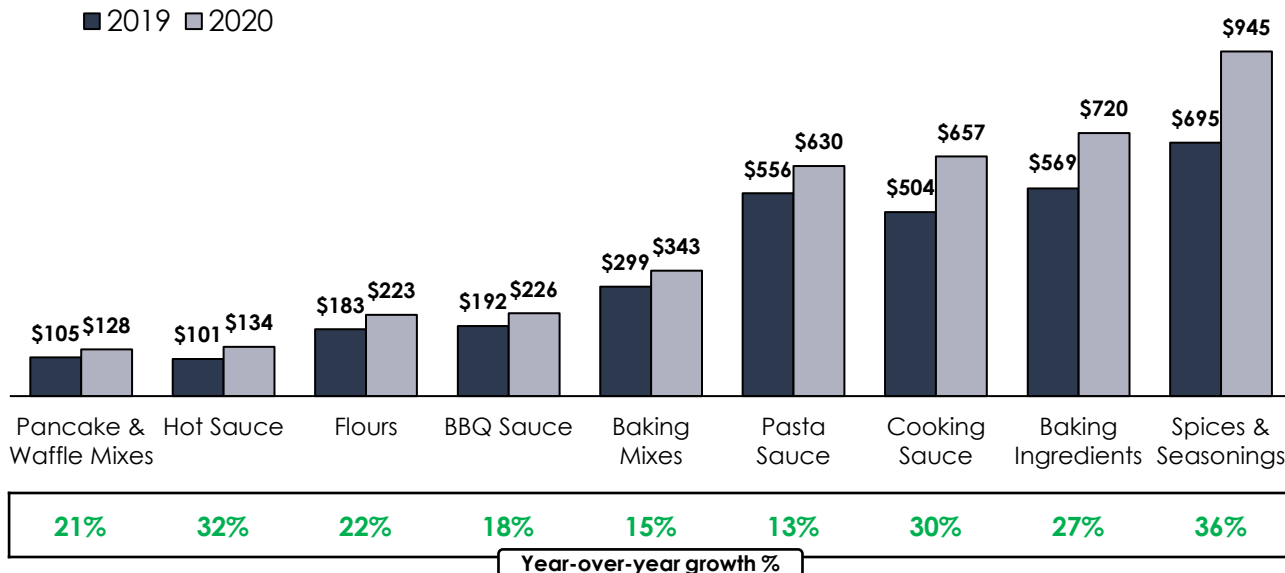
1. FMCG Gurus
 2. SPINS, MULO, Natural Enhanced, Convenience 4WE 7/12/2020
 3. SPINS, YTD WE 9/6/20, MULO + Natural Enhanced + Convenience, All categories with Private Label Organic sales > \$0

2. Consumers Eating More at Home, Boosting Sales of Products Used in Home Cooking

COVID-19 Has Increased Grocery Spending, Creating Opportunities in Select Categories

- Grocery store visits down **7.1%**¹ year-to-date as of June but grocery sales up **11%**² – consumers visiting stores less but spending more per visit
- New significant opportunities created in baking, spices and sauce categories – all of which have experienced **double digit growth** year-over-year
- Even as restaurants begin to re-open, experts predict grocery sales will have taken **~5%**³ of total restaurant industry sales by the end of 2021

\$ Sales (\$MM) and Year-Over-Year Growth by Subcategory⁴



Brands to Watch



1. Grocery Dive
2. U.S. Census Bureau
3. Oliver Wyman
4. SPINS, MJLO, 12WE 9/6/20

3. Frozen Food is Hot! Frozen Category Food Sales Remain Elevated Since March

COVID-19-Related Increase in Frozen Food Sales Led by Better-For-You Brands

- **COVID-19 Spike** – Frozen food sales grew by **45% year-over-year** in March
- **Sales Have Remained Strong** – Consumers continued to return to the frozen aisle; sales grew **16% year-over-year** in September
- **Better-For-You Brands Driving Growth** – Health and Wellness (HWI) brands grew **27% year-over-year** in the 12 weeks ended 9/6/20 versus **18%** for All Brands (TPL)

Brands to Watch

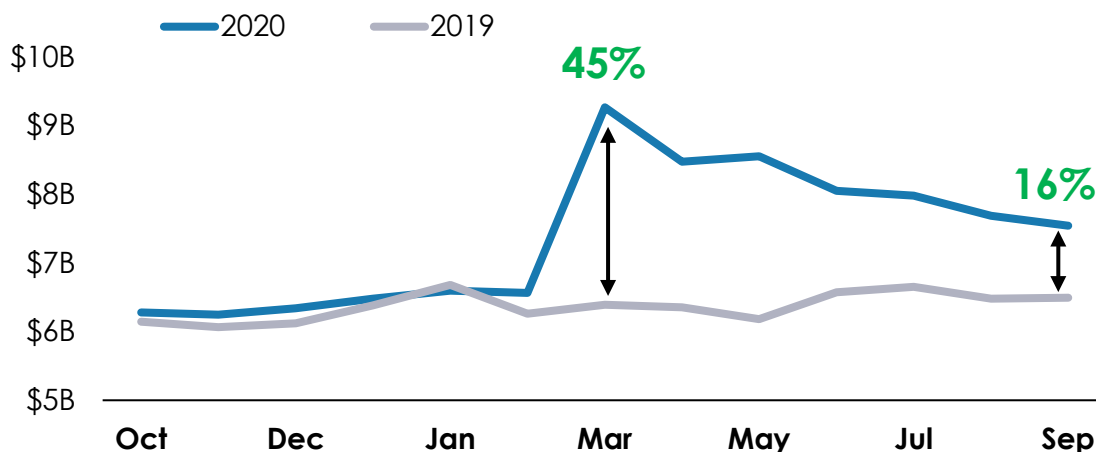


Enlightened



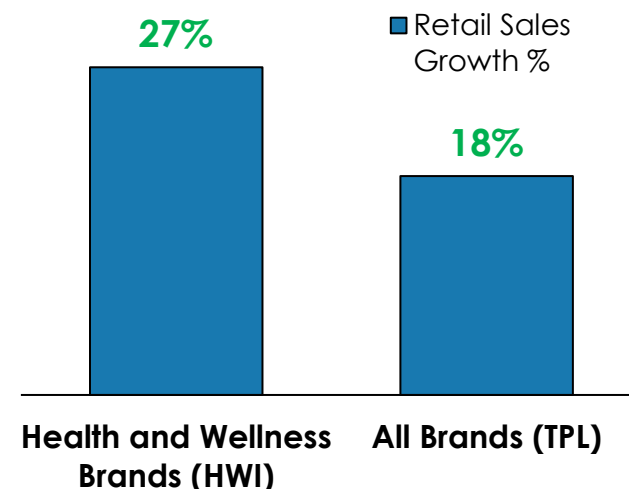
Frozen Food Sales Have Remained Elevated¹...

Frozen Foods Retail Sales, in \$B



...Driven by Better-For-You Brands¹

Retail Sales Growth, 12 WE 9/6/20



1. SPINS 12 WE 9/6/20, Total US – MULO, All Frozen Categories

4. New Consumer Shopping Habits Driving an Increased Adoption of Grocery Delivery

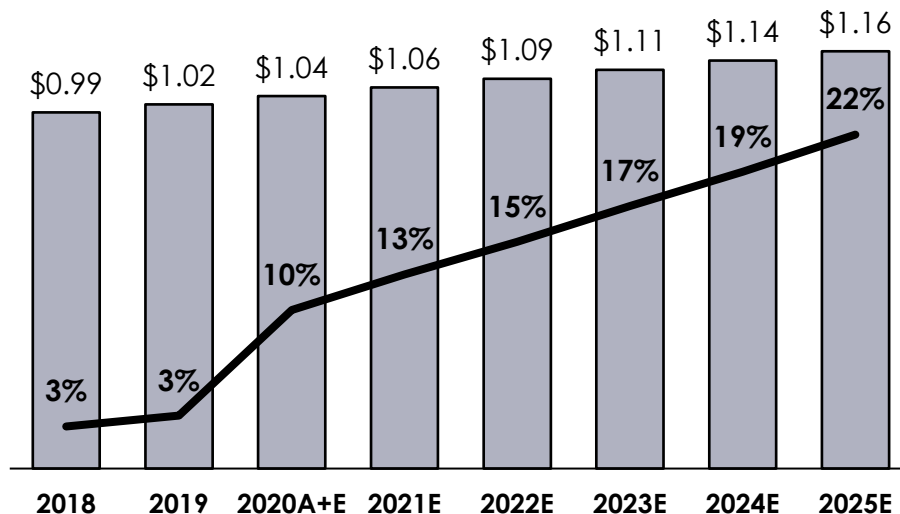
COVID-19 Forced Companies To Adopt New Technology For Mobile-First Consumers

- **Surge of Online Grocery** – Sales on pace to **triple year-over-year** as consumers increasingly prefer the ease of digital channels such as online delivery, click-and-collect, and contactless ordering¹
- **Modernizing Supply Chains** – Grocery retailers adapting to surge in online grocery by adopting new technology and re-evaluating supply chains and warehouse capabilities
- **Technology Forward** – Both strategics and emerging CPG brands becoming more adept at communicating with consumers online and driving brand discovery through direct-to-consumer marketing tactics

Online Grocery More Than Tripled “Overnight”^{1,2}

Online as % of Total Grocery Sales

■ Total Grocery Sales (BN) — Grocery eCommerce Sales %



Effects on Grocery Landscape

Impact	Example Brands
Retailers Optimizing Stores	
Virtual Storefronts	
Strategics Prioritizing Digital	

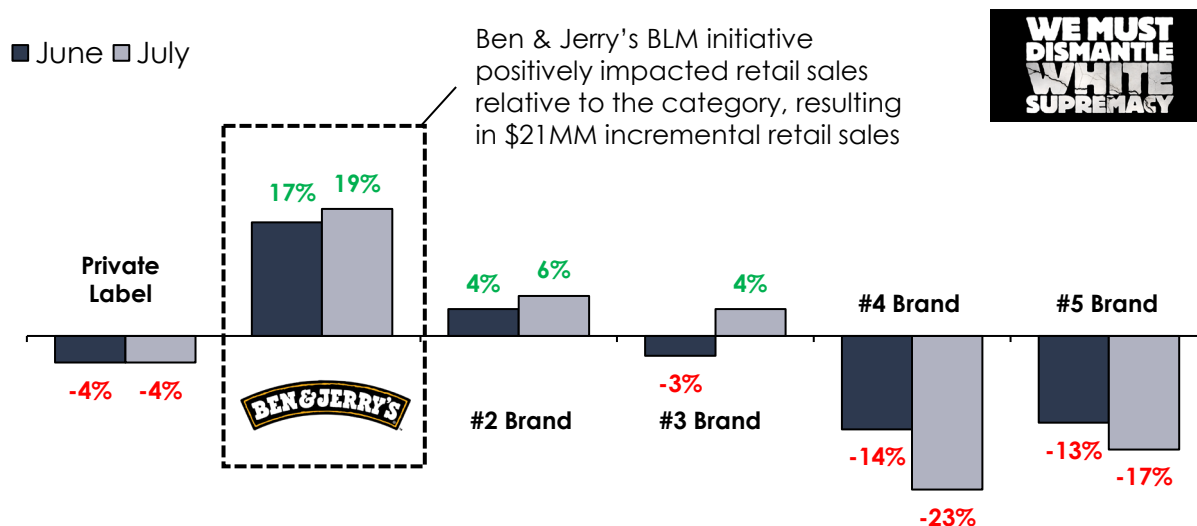
1. Mercatus and Incisiv
2. Bain

5. Consumers Increasing Efforts to Purchase Products from Mission-Driven and Socially-Active Brands

People, Planet, and Profit Become a Focal Point for Consumers

Consumers Increasingly 'Voting With Their Wallets'¹

Top 5 (\$ Sales) Ice Cream Brands % YoY Growth Above Category Growth



Of Gen-Z U.S. consumers:

90%

believe companies should act on environmental and social issues²

72%

use brand mission and purpose as a criterion for purchase decision-making²

Brands to Watch



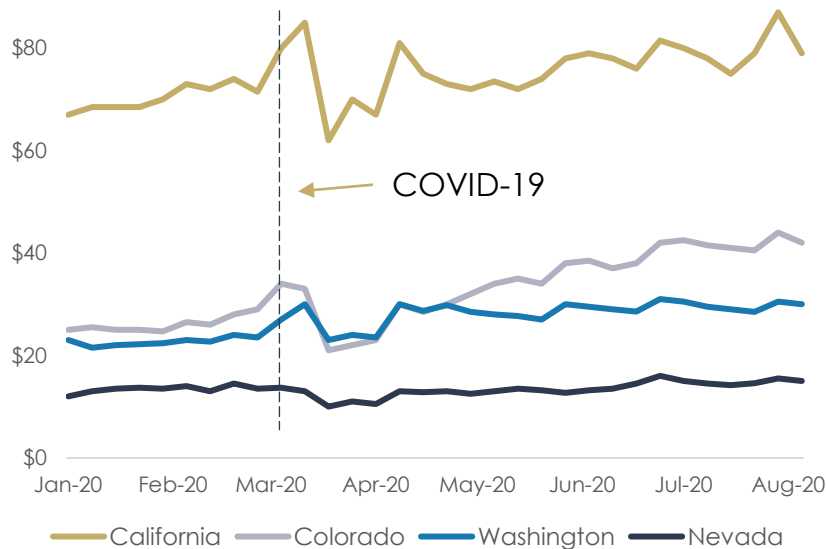
1. SPINS, MULO, Natural Enhanced, Convenience, FZ Ice Cream, 4WE 7/12/2020
2. Porter Novelli, 2019 Gen Z Purpose Study

6. Large Cannabis States Benefiting From “Essential Business” Designation

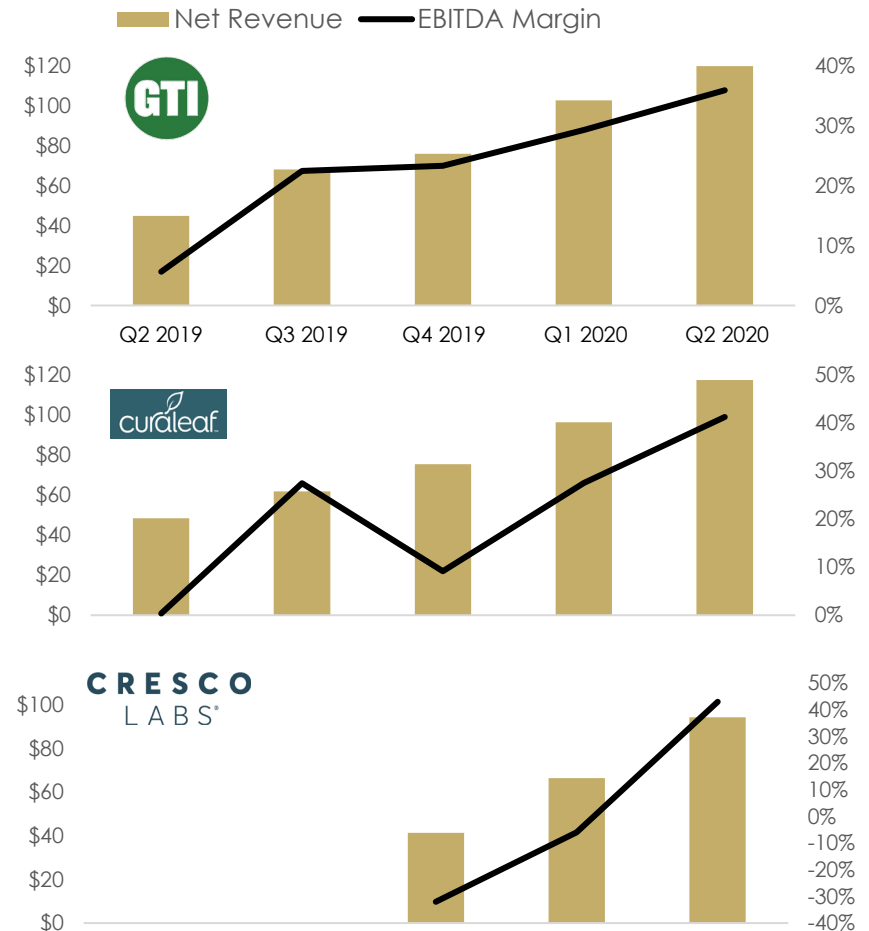
Multi-State Operators (MSOs) Performing Better Than Ever

- The six largest MSOs (\$ sales) reported **quarter-over-quarter net revenue growth of 28%** on average with some MSOs experiencing **70%+ same-store sales growth**¹
- California and Colorado experienced significant growth in their weekly sales from pre-COVID-19 levels – **~30% and nearly 50%, respectively**²

Weekly Cannabis \$ Sales, \$MM²



Select MSO's Net Revenue & Profitability³



1. New Cannabis Ventures, Q1 2020 vs Q2 2020, same-store sales growth year-over-year
 2. Headset
 3. Pitchbook

7. Alcohol Continues to Expand Outside of Traditional Categories to Meet Changing Consumer Demands

Alcohol Strategies and Private Investors Look Outside Traditional Categories

- As consumers continue to demand alternatives to traditional alcohol, large strategics have responded by investing in new ventures
- Companies have diversified by investing in the **'non-alcoholic' alcohol, better-for-you alcohol, traditional non-alcohol** and even **cannabis** categories
- The "alcoholic cocktails" and "malt liquor & other malt beverages" categories are up **58%** and **77%** year-over-year, respectively, while the beer and wine categories are only up **7%** and **11%** for the same period¹

Recent Acquisitions, Investments and Launches



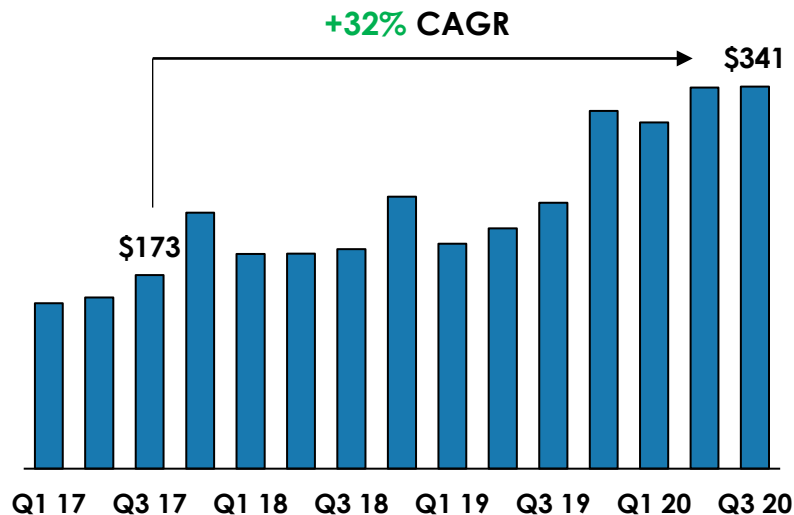
1. SPINS, MULO + Natural Enhanced + Convenience, 52WE 9/6/20

8. Consumers Continue to Seek Protein Sources That are Not from Animals

Plant-Based Products Continue to Grow; Cultured Meat Funding at All-Time High

Demand for Plant-Based Meat Rises¹

FZ + RF Plant-Based Meat Sales, in \$MM

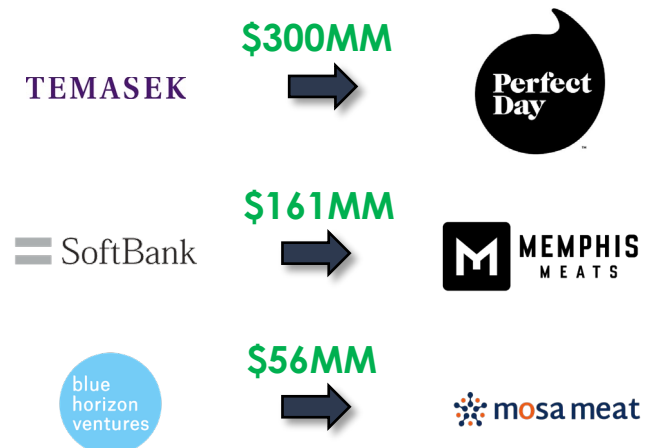


Select Plant-Based Meat Brands



Brands	Flexitarian Brands Emerge
SEEMORE <small>MEATS & VEGGIES™</small>	Veg-Forward Meat: Made with vegetables and meat; cater to consumers who may not like the taste of wholly plant-based protein but wish to cut down meat intake
R <small>RAISED & ROOTED™</small>	Blended Protein Meat: Meat products created partially with plant-based meat protein

Recent Investments in Cultured Food²



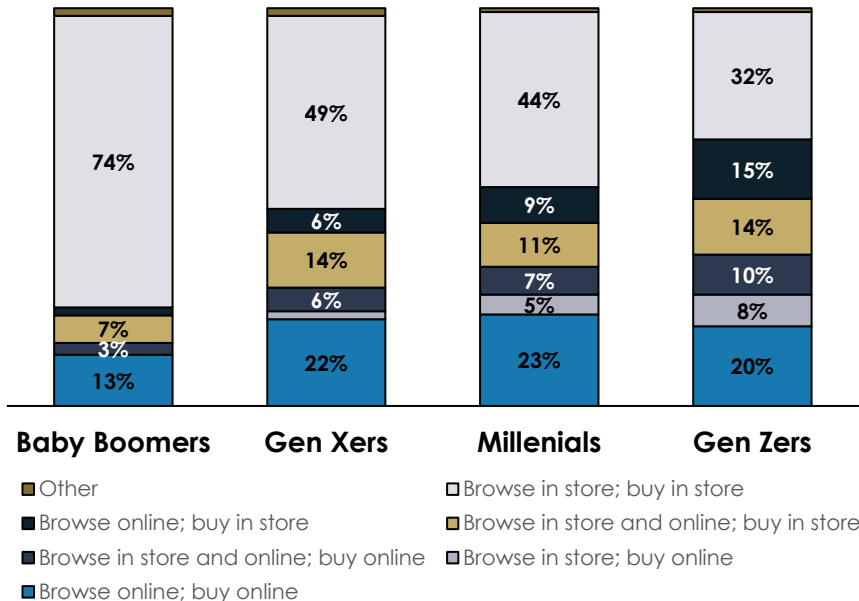
1. SPINS, MULO + Natural Enhanced, FZ + RF Plant-Based Meat Alternatives, 4WE 9/6/2020
2. Pitchbook

9. Large Beauty Strategics Investing Heavily in Millennial and Gen Z Consumers

COVID-19 Changing the Way Consumers View Personal Care

- Only **44%** of millennials and **32%** of Gen Zers browse in-store and buy in-store for skin care products compared to **74%** of Baby Boomers
- Millennials and Gen Zers are also much more likely to shop online with **23%** of Millennials and **20%** of Gen Zers browsing and buying skin care products exclusively online compared to **13%** for Baby Boomers
- The emergence of '**maskne**,' mask-related acne, due to mask requirements nationwide is causing the need for skin care products nationwide

Shopping Habits by Age Group¹



Recent Deal Highlights



Brands to Watch

1. SPINS, McKinsey

10. Low-Sugar Brands Continue Disrupting Food & Beverage Categories

Sugar-Consciousness, Emphasized in Younger Generations, is More Than a Fad

60%



51%

of parents **actively limit** their kids' food and beverage choices based on sugar content¹

of Gen Z consumers believe that sugar is an **obstacle to a healthy life**¹

+2x



90%

Average American's added sugar intake is more than **double the US Dietary Guidelines**²

of consumers say American diets are **filled with too much sugar** and 77% say they are reducing their intake³

Low-Sugar Brands Driving Growth of Categories With Most Added-Sugar⁴

\$35B SODA CATEGORY



YoY % growth⁵:
Sugar per serving:

+87%	-3%
1g	43g

\$13B ICE CREAM & NOVELTIES CATEGORY



YoY % growth⁵:
Sugar per serving:

+38%	-2%
1g	17g

\$9B CEREAL CATEGORY



YoY % growth⁵:
Sugar per serving:

+41%	-3%
5g	12g

Other Brands to Watch

hint

zevia
ZERO CALORIE BEVERAGES

Sweetie



COUNTRY
Archer
PROVISIONS

hydrant

gimMe

HighKey



ROWDY
ENERGY

LILY'S

SMART
SWEETS

1. Mintel
2. WSJ
3. Healthline

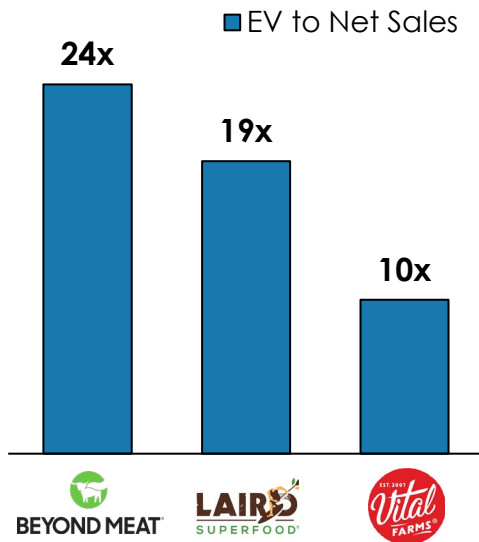
4. CDC
5. SPINS, MULO + Natural Enhanced + Convenience, 52 WE 9/6/20

11. Public Markets Showing High Interest in and Creating New Exit Opportunities for Consumer Brands

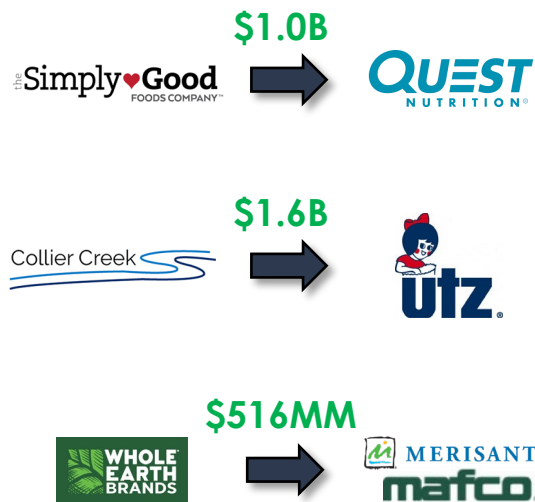
2020 Has Been a Record Year for Consumer IPO and SPAC Activity

- Recent Initial Public Offerings (IPOs) of better-for-you brands such as Beyond Meat and Vital Farms trading at **high multiples**
- Other brands have been acquired by **Special Purpose Acquisition Companies (SPACs)** – an alternative route to public markets that involves a less rigorous process than IPOs
- Several new consumer-focused SPACs have been announced in recent months, a signal of **the increasing interest in public exits**

Recent IPOs of Better-For-You Brands Trading at High Multiples¹



SPACs Becoming a Popular Route to Public Markets²



Flood of New Consumer-Focused SPACs Recently Formed



1. Pitchbook, as of September 2020
2. SEC filings

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 Consumer M&A Highlights

Buyer	Target	Date	Buyer	Target	Date	Buyer	Target	Target Date
 WIND POINT PARTNERS		Sep 2020	 SONOMA SB BRANDS		Mar 2020			Dec 2019
		Sep 2020			Feb 2020			Dec 2019
		Sep 2020			Feb 2020			Nov 2019
		Aug 2020			Jan 2020			Oct 2019
		Aug 2020			Jan 2020			Aug 2019
		Aug 2020			Jan 2020			Aug 2019
		Jun 2020			Jan 2020			Aug 2019
		May 2020			Dec 2019			Aug 2019

Recent Consumer Private Placements

Investor	Target	Date	Investor	Target	Date	Investor	Target	Date	
		Sep 2020			Jul 2020			Mar 2020	
		Sep 2020			Jun 2020			Feb 2020	
		Sep 2020			Jun 2020			Feb 2020	
		Aug 2020			May 2020			Feb 2020	
		Aug 2020			May 2020			Feb 2020	
		Jul 2020			May 2020			Feb 2020	
		Jul 2020			May 2020			Jan 2020	
		Jul 2020			Mar 2020				Jan 2020

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KEY TRENDS IN THE NATURAL PRODUCTS INDUSTRY



SPINS®



FINANCIAL PARTNERS GROUP

Empowering the Industry With Wellness-Focused Data Technology

PARTNERSHIPS



SPINS provides a common language for the industry fostering data-driven collaboration, fueling innovation and growth

OUR DIFFERENCE



FULL MARKET VISIBILITY

An unparalleled full market view, tracking emerging trends to products of mass scale



PRODUCT INTELLIGENCE

Uncover unseen drivers of wellness consumer purchase behavior



UNIQUE VIEW OF INNOVATIVE RETAILERS

Proprietary partnerships at natural & specialty retailers fostering innovation and growth



NATURAL CONSUMER

Identify the WHO to target behind the WHAT they buy

COMPREHENSIVE COVERAGE

Categories 102
e.g. Energy Bars, Non-Dairy Beverages, Meat Alternatives, Homeopathy, Herbal Formulas

Subcategories 510
e.g. Medicinal Teas, Cheese & Alternatives, Yogurt and Kefir, unctonal Beverages and Kombucha

Attribute Types 5000+
Spanning 75 attribute groups such as NOP Organic, Gluten-Free, Allergy-Friendly, No Added Hormones, Functional Ingredient, Paleo, Sprouted, Vegan

Certifications 13
e.g. Non-GMO Project, Fair Trade USA, B Corporation, Paleo Foundation, Whole Grains Council

Health Focus 24
e.g. Blood Sugar, Bone, Joint, Cardiovascular, Immune, Digestive, Prenatal, Prostate, Weight

Ingredients 640
e.g. Chia, Fish Oil, Fiber, Plant Sterols, Vitamin D, Probiotics, DHA, Protein, Glucosamine



SPINS' PROPRIETARY NATURAL CHANNEL

CONVENTIONAL RETAIL

EREWHON
ORGANIC GROCER & CAFE

SPROUTS
FARMERS MARKET

Bristol Farms

Target

Kroger

7-Eleven

PROGRESSIVE SHOPPERS



SCALE TO MASS MARKET

SPINS Financial Partners Team



Anu Goel

President

Client Growth Solutions

-
- Brand Equity Ventures
 - McKinsey & Company
 - Beam Suntory
 - University of Pennsylvania
 - Harvard Business School



Andrew Henkel

Senior Vice President

Brand Growth Solutions

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- Leo Burnett
 - McKinsey & Company
 - Kraft Foods
 - PepsiCo
 - Northwestern University
 - Kellogg School of Management



Edricco Reina

Managing Director

Financial Partners Group

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- The Nielsen Company
 - Anderson Merchandisers
 - Elmhurst College Business School
 - Western Michigan University



Michelle Fox

Director

Investing Strategy Solutions

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- Information Resources Inc
 - Tyson Foods
 - University of Denver



Madlen Karnatz

Associate

Financial Partners Group

-
- Protiviti Consulting
 - ESD Global
 - University of Notre Dame
 - Peking University – Beijing China

Financial Partners Solution Suite

SPINS HAS INNOVATED A RANGE OF **FIT-FOR-PURPOSE** SOLUTIONS SUITED TO THE UNIQUE NEEDS OF OUR AUDIENCE



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 tradeshows 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

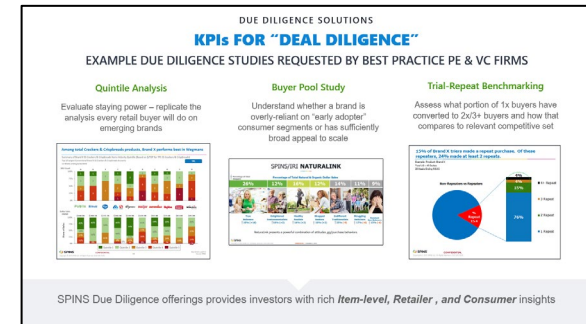
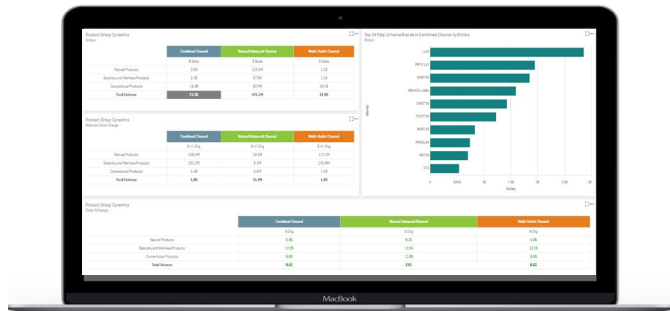


PORTFOLIO SUPPORT

SPINS ensures your portfolio brands receives the attention & solutions they need across all phases of growth

SPINS Investor Solution Suite

SPINS' FINANCIAL PARTNER SOLUTIONS ENABLE INVESTORS TO **SOURCE** MORE EFFICIENTLY, **EVALUATE** MORE EFFECTIVELY, AND **MANAGE** MORE PROFESSIONALLY



DUE DILIGENCE SOLUTIONS

CATEGORY PROFILER

Understand category performance by channel & identify top performing brands

BRAND PROFILE SUMMARY

Look up a brand's product mix and unpack key performance metrics

BRAND WORKSPACE & EXTRACTS

Export comprehensive datasets for deeper analysis with over 150 measures

BRAND FINDER

Apply investment criteria to uncover compatible targets

BENEFIT FROM ADVANTAGED RATES FOR:

CATEGORY DILIGENCE

- ✓ What are the key fundamentals of the macro-category?
- ✓ What is the category potential – size, development, growth opportunity?

BRAND DILIGENCE

- ✓ Who are the key retailers driving sales?
- ✓ What SKU mix / Attribute mix is driving performance?

CONSUMER DILIGENCE

- ✓ Who is the key consumer of the brand today? Tomorrow?
- ✓ Are consumers repurchasing after trial? Where is the brand sourcing volume?

Mobile Application

SPINS' GO-TO SOLUTION FOR QUICK SEARCH OF KEY BRAND INDICATORS WHILE ON THE GO

SPINS INVESTOR MOBILE SOLUTION

On-demand performance data in your pocket for tradeshow and insights 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 at current tradeshow.



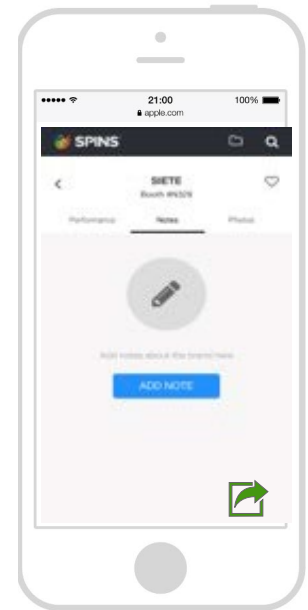
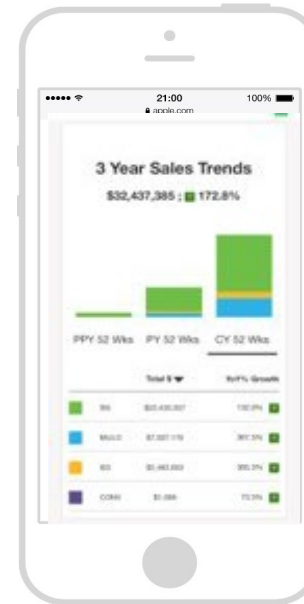
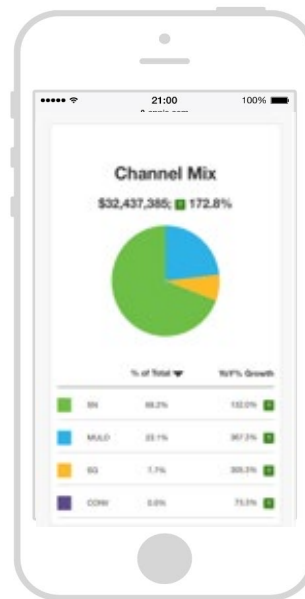
Access key insights and metrics

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



Notes & Photos

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. Share notes with colleagues, etc..








STATE OF THE NATURAL INDUSTRY

Natural Products Continue To Be The Engine Of Growth, But Conventional Products Have Spiked In Recent Months As Well

	Natural Enhanced Channel		Conventional Channel		Combined Channel	
	\$ Sales (\$ B)	\$ % Chg	\$ Sales (\$ B)	\$ % Chg	\$ Sales (\$ B)	\$ % Chg
Natural Products	\$9.8	8.0%	\$58.8	13.0%	\$68.6	12.3%
Specialty Products	\$3.1	11.3%	\$94.4	11.2%	\$97.5	11.2%
Conventional Products	\$3.5	13.6%	\$553.1	8.7%	\$556.7	8.7%
TOTAL UNIVERSE	\$16.5	9.8%	\$706.3	9.4%	\$722.8	9.4%

-  Natural & Specialty products contribute over 28% of cross-channel growth
-  In Conventional Channel, Natural & Specialty products are more than 27% of growth
-  Conventional Products have spiked recently, now growing at 8.7%

The Positive Impact On This Year's Sales

THE MACRO CONTEXT

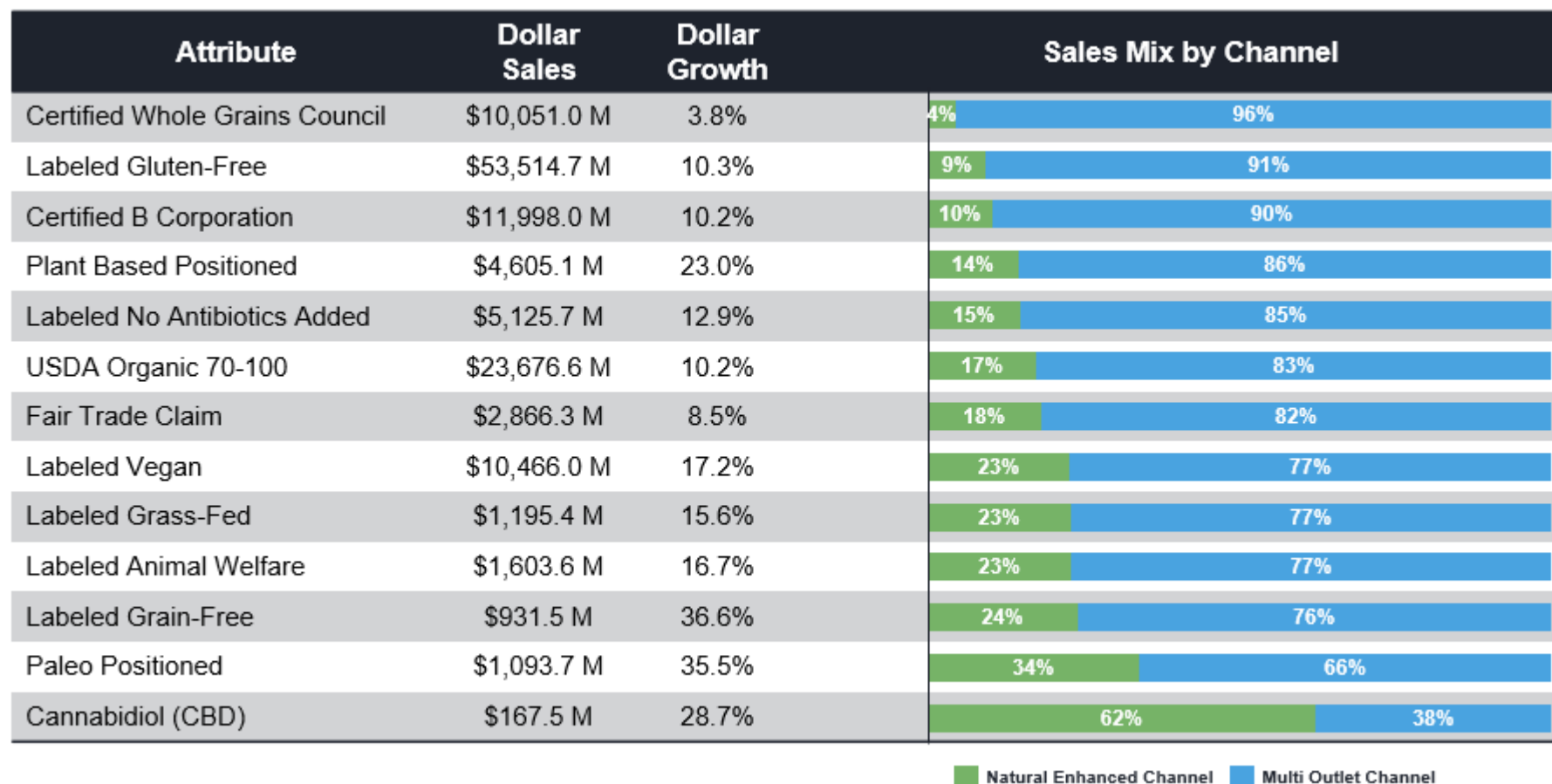
The overall impact is significant when viewing Natural Enhanced and MultiOutlet Channel growth over prior year across. The length of the pandemic and continued change in shopping habits have created strong growth across both natural and conventional products and supermarkets.

	Dollars	Units
Total SNE: All Products	+11%	7%
Total SNE: Natural Products	+9%	5%

	Dollars	Units
Total MultiOutlet: All Products	+10%	6%
Total MultiOutlet: Natural Products	+14%	9%

Overall, natural products represent slightly under 10% of cross channel sales. While most Natural Enhanced channel products are natural, MultiOutlet natural product sales are just 8.5% of sales.

Wellness Attributes Are Booming As Conscious Consumers Place A Premium On Ensuring Their Safety And Well-being



1. SPINScan Natural Enhanced (proprietary), Conventional Multi Outlet/ (powered by IRI), 52 weeks ending 7/12/2020. UPC coded items only.

Key Takeaways



HISTORIC SALES GROWTH

Historic sales growth in supermarkets continues, as families continue preparing most of their meals at home. Natural products' rate growth still exceeds the total store. These trends are expected to continue through the cool months ahead.



"CONSCIOUS CONSUMPTION" CONTINUES TO GROW

Consumers are seeking cleaner ingredient profiles, humane treatment of animals and recognizing the benefits of plant-based products. These areas of innovation continue to deliver strong sales growth and increased item count.



CONTINUED INNOVATION

Innovation continues to blossom as shoppers expect more for their dollars. Whether it's new plant-based, pet, or cocktail alcohol option or seeking enhanced nutrient density, shopping patterns continue to evolve with a keen eye on health.



IMMUNITY STILL TOP OF MIND

Immunity and personal safety continue to be key drivers in NonFood categories. Proactive consumer purchasing has driven immunity and cold & flu focused items to top trending spots in advance of the "normal" flu season spikes

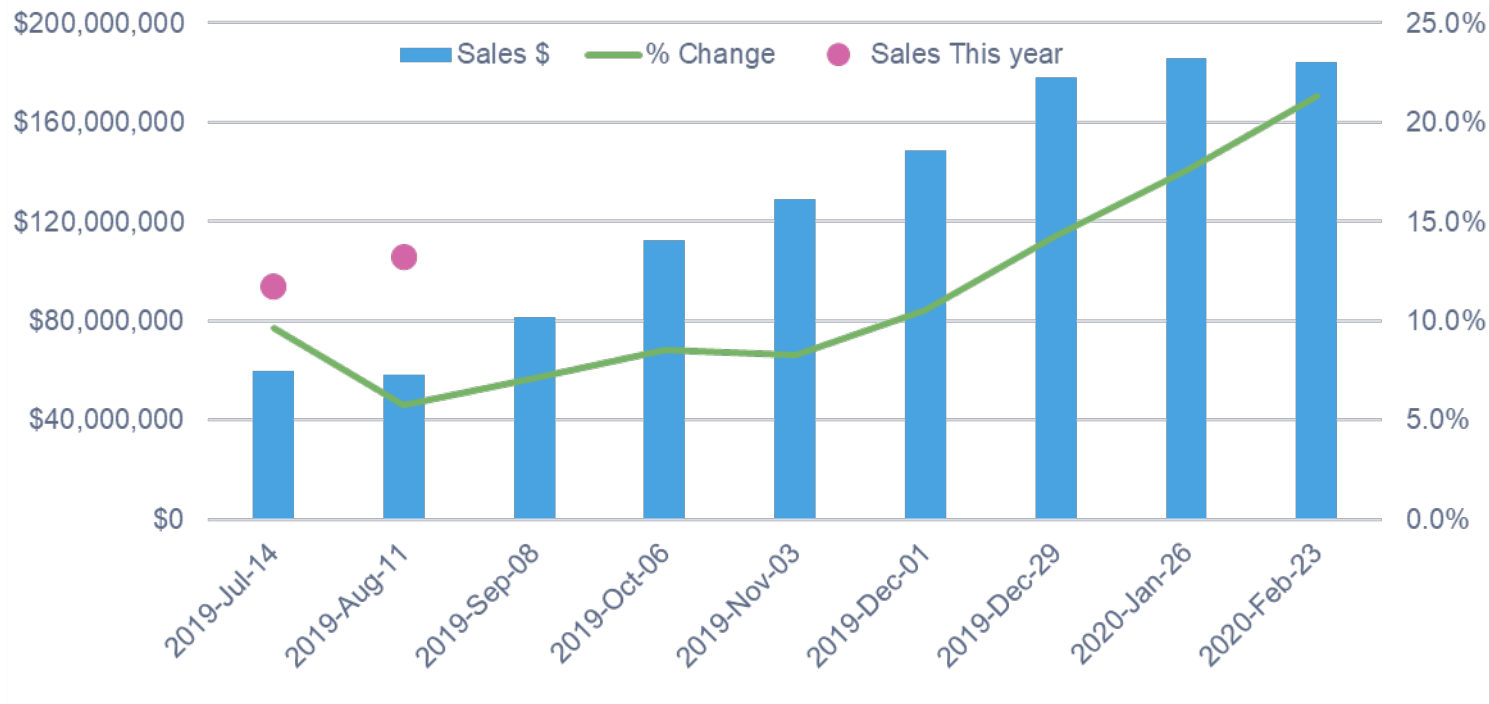


NATURAL TREND SPOTLIGHT

FLU SEASON'S HEAD START

A “Normal” Cold & Flu Season

We are in the typically slowest part of the season for cold & flu products, but July had a \$34 million or 57% head start over last year and August is even higher.

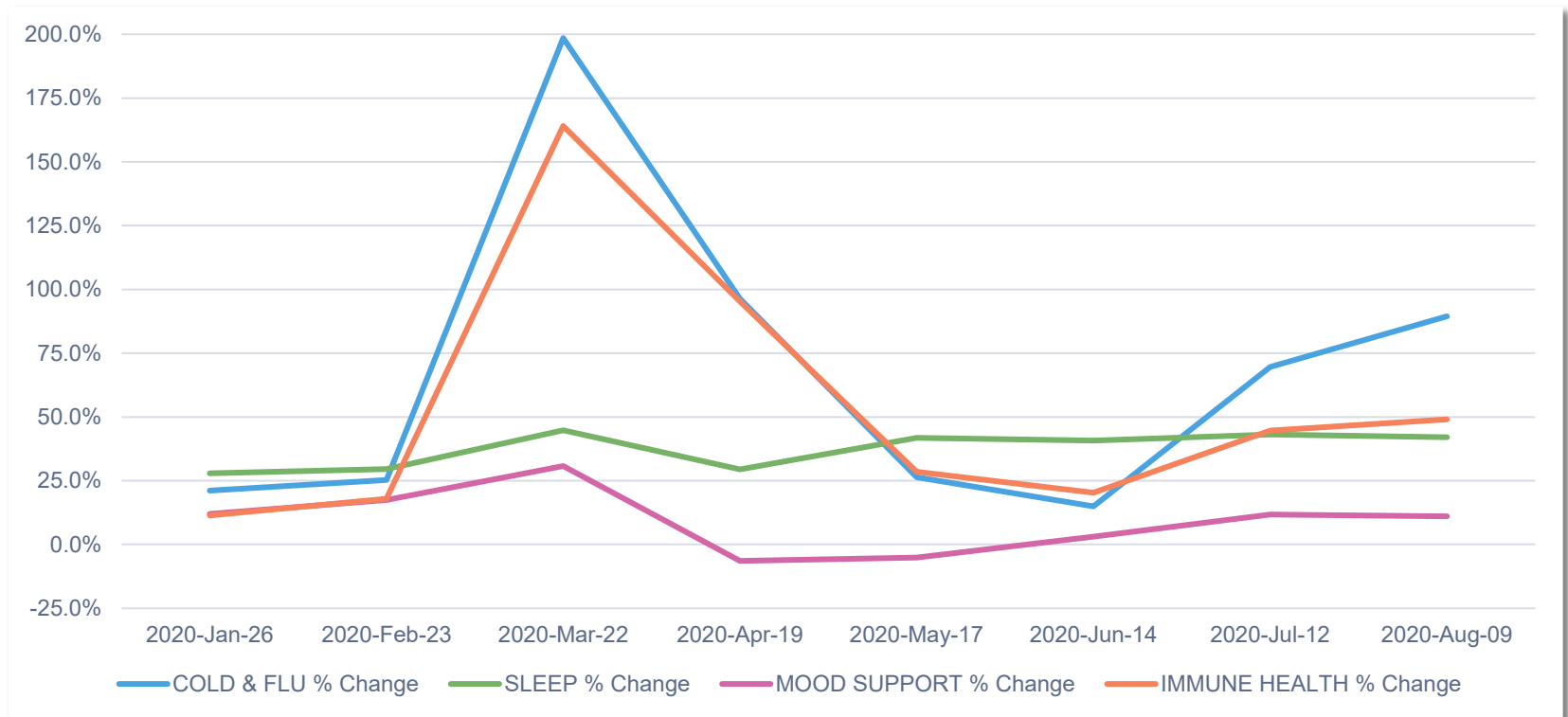


NEW ITEMS TO WATCH:



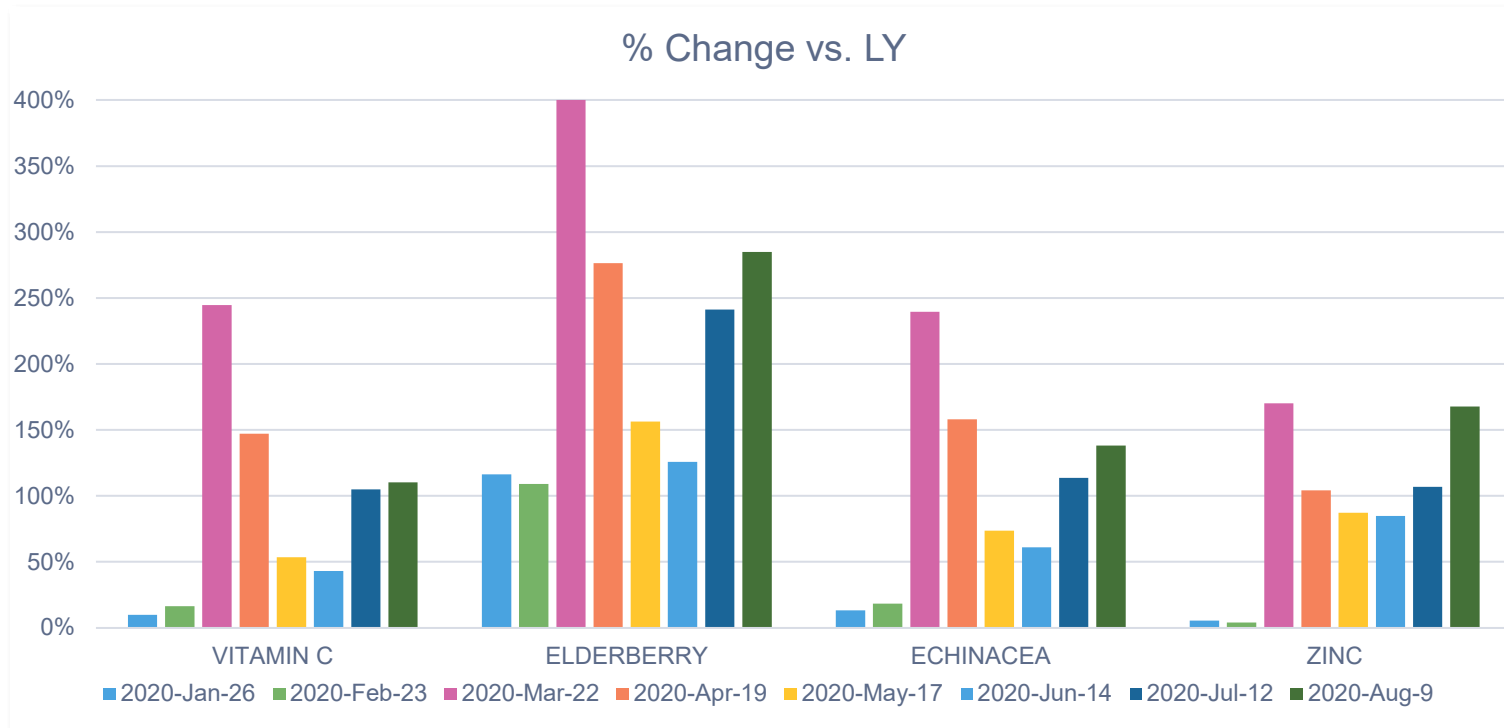
What Health Needs Are Top of Mind?

Mood support and sleep-oriented supplements continue to strongly perform vs. prior year, but direct immunity against COVID-19 and the approaching cold & flu season resurgence to the top trending health-focuses.



Immunity Functional Ingredients

Increasing sales rates this year versus prior year during what is normally a slow period further demonstrate that supporting immunity continues to be top of mind for many consumers.



KEY ITEMS:

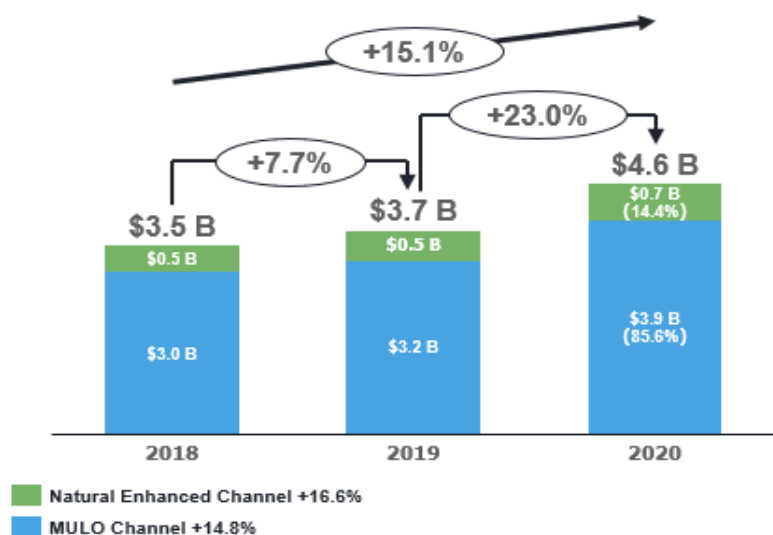


NATURAL TREND SPOTLIGHT

PLANT-BASED

Plant-Based Momentum Has Been Building Across the Entire Store

Three-Year Sales Growth: Plant-Based, Combined Channel



52 Weeks End 7/15/18, 7/14/19, 7/12/20

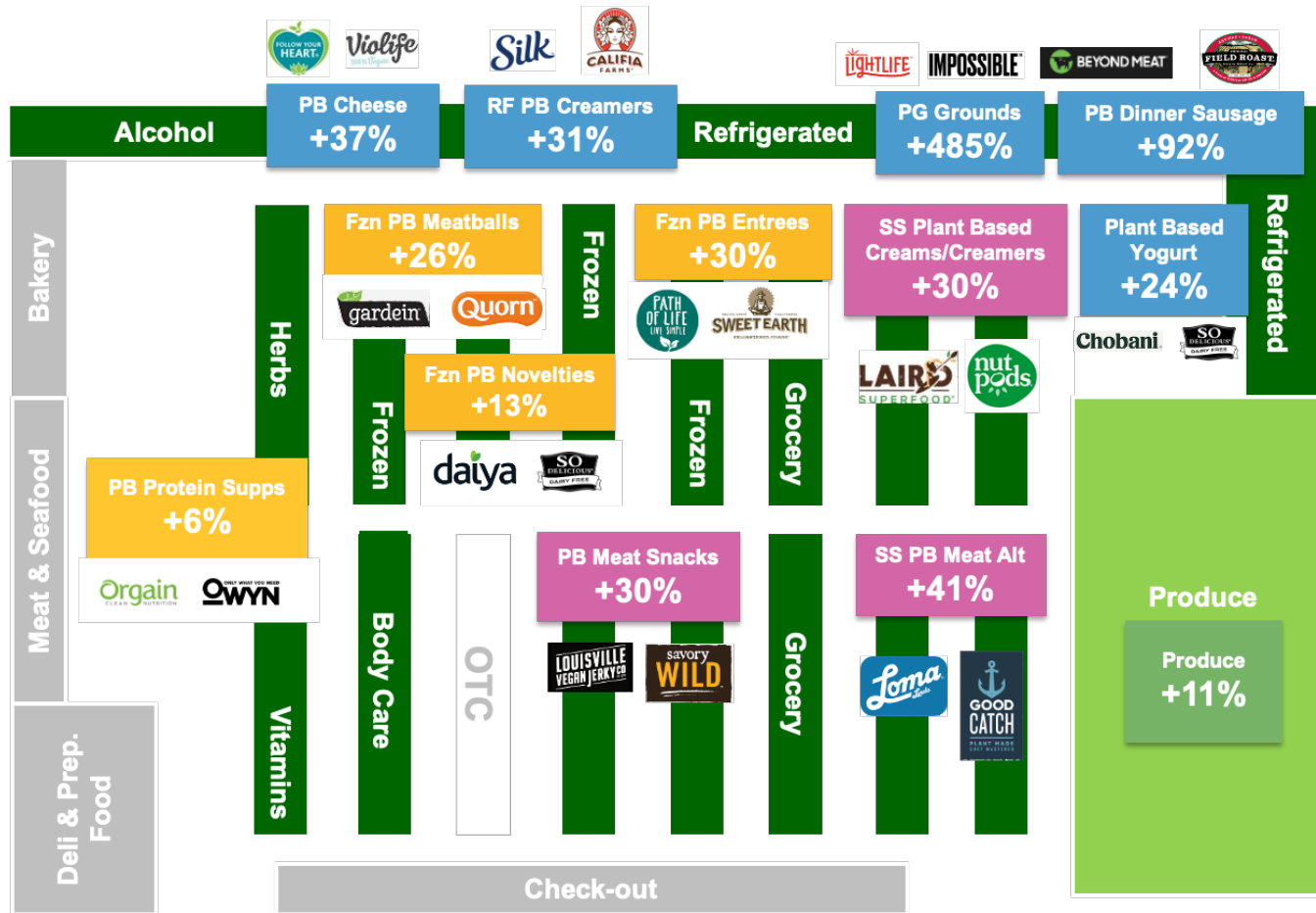
Top Categories by Dollar Volume: Plant-Based, Combined Channel

Top Categories by Dollar Volume: Plant-Based, Combined Channel	Dollar Growth
Refrigerated Plant Based Milk	13.6%
Frozen Plant Based Meat Alternatives	20.9%
Refrigerated Plant Based Meat Alternatives	88.3%
Refrigerated Yogurt & Kefir	24.1%
Refrigerated Creams & Creamers	29.3%
Frozen Desserts	12.7%
Shelf Stable Plant Based Milk	13.2%
Refrigerated Cheese & Plant Based Cheese	36.9%
Frozen Entrees	30.3%
Dairy & Plant Based Dairy Alternatives Other	24.3%

52 Weeks End 7/12/20 vs Year Ago

1. SPINScan Natural Enhanced (proprietary), Conventional Multi Outlet/ (powered by IRI), 52 weeks ending 7/12/2020. UPC coded items only.

Retail Availability Has Shifted, With Plant-Based Products Driving Growth in Every Aisle



1. SPINSScan Natural Enhanced (proprietary), Conventional Multi Outlet/ (powered by IRI), 52 weeks ending 7/12/2020, UPC coded items only

Product Supply Has Shifted to Meet Consumer Demand for Taste, Texture, & Price Parity



Beyond Meat, +157%

- Texture and physical properties of traditional beef patty
- Comparable taste



Oatly, +426%

- Creamy taste profile
- Attractive, mainstream packaging



Daiya, +30%

- Melt-ability of “cheese” alternative products
- Indulgent flavors

Taste is no longer a sacrifice!



Price is much more affordable!

Plant-Based Trends to Watch



Nutrition Facts	
About 3 servings per container	
Serving size 1/2 cup (85g)	
Amount per serving	
Calories	140
Total Fat 5g	
Saturated Fat 1g	
Trans Fat 0g	
Cholesterol 0mg	
Sodium 390mg	
Total Carbohydrate 5g	
Dietary Fiber 2g	
Total Sugars 1g	
Includes 0g Added Sugar	
Protein 18g	
Vitamin D 0.0mcg 0% • Calcium 10mg 0% • Iron 0.4mg 2% • Potassium 60mg 2%	



Nutritional Parity

- As plant-based categories continue to grow and evolve, brands are differentiating by elevating nutritional content of the products in order to achieve parity with meat and dairy

Plant-Based Seafood

- Overfishing, climate change, and ocean health have all brought negative attention to the seafood industry
- Tuna alternatives drive most growth in shelf stable meat alternatives



Clean Label Quest

- Numerous additives and long ingredient lists give plant-based products the perception of being over-processed
- Now, brands are focusing on innovative formulations and alternative ingredients for cleaner labels



Lower the Sugar

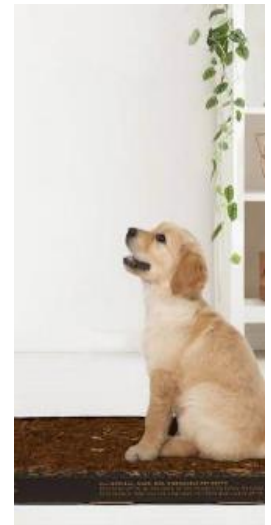
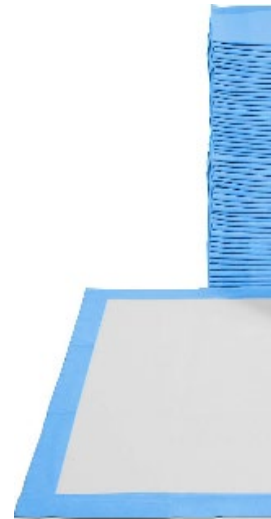
- The demonization of sugar and high carb offerings is changing the plant-based dairy formulation landscape.
- More products are leveraging low calorie sweeteners like stevia, allulose, monkfruit, and even whole fruits to provide a hint of sweetness.

A photograph of a pet food bowl filled with brown kibble, surrounded by fresh ingredients including two whole carrots, a whole eggplant, and a wooden cutting board with sliced salmon and eggplant. The image is overlaid with a semi-transparent white filter.

NATURAL TREND SPOTLIGHT

PET PARITY

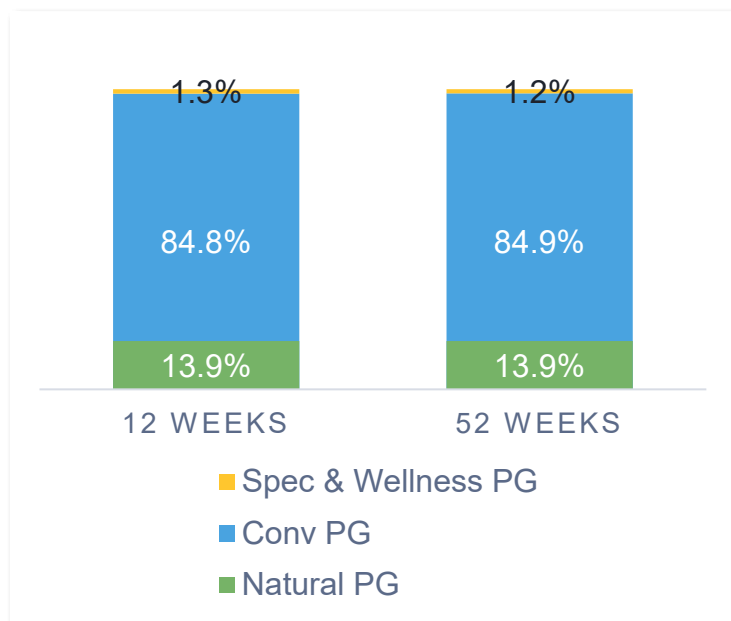
The Natural Shopper Motivations Continue Migrating to Pet



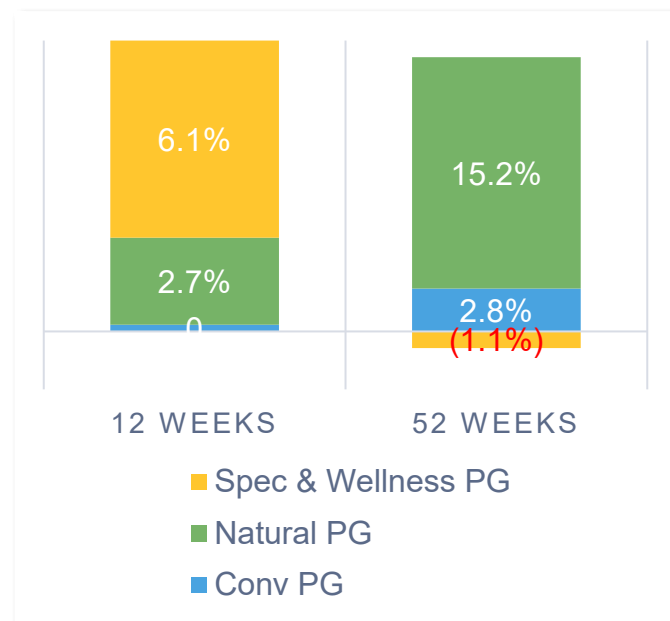
Natural, Specialty, & Wellness Are Driving Overall Growth

While mainstream conventional products still represent about 85% of all pet purchases, virtually all growth is being driven by differentiated products from Natural, Specialty & Wellness across an all channel view.

Dollar Share



YoY Growth



Growth in Health-Conscious Attributes Reveals Pet Parents Are Seeking Wellness as New Options Emerge

RAWHIDES & ANIMAL CHEWS

Natural & Specialty Products drive

2x growth compared to conventional items in this category



Raw Positioned

Grain Free

Frozen

Gluten Free

DOG TREATS



Grain Free

Gluten Free

Raw Positioned

31%

of dollar growth is made up from these three attributes

DOG FOOD

>35%

of dollar growth is being driven by raw and frozen



Natural Positioned

Raw Positioned

Frozen

VITAMINS AND SUPPLEMENTS



CBD

Frozen

Probiotics

Gluten Free

Organic

>60%

of dollar growth for this category is being driven by CBD



NATURAL TREND SPOTLIGHT

HEALTHIER HAPPY HOURS

Like the Evolution of Other Beverages, Innovative, Better-for-You Options Are Disrupting the Alcohol Department

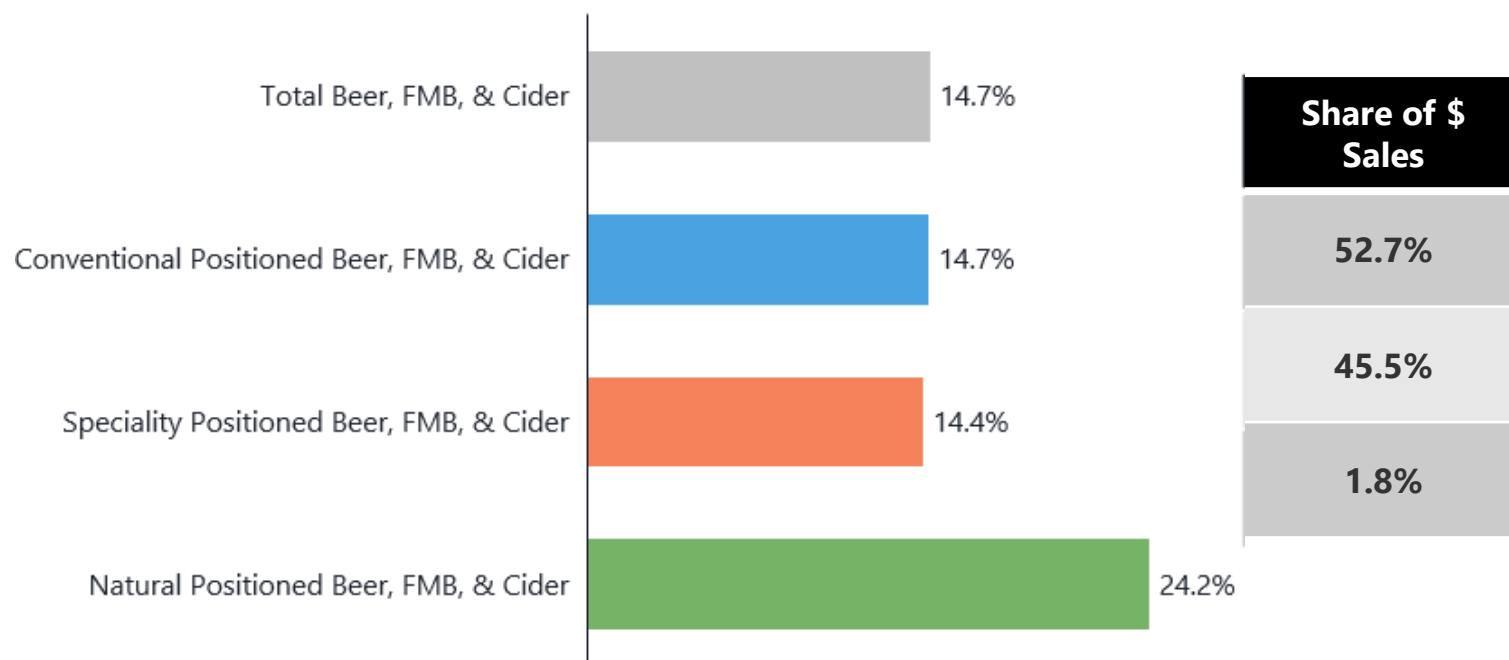


Natural Positioned Products Are Driving the Category's Growth, With Plenty of Runway to Expand

MULO Channel

52 weeks ending 8/9/20 vs Prior Year

Beer, FMB, & Cider \$ Sales & % Chg by Product Positioning



Five Segments of Products Are Driving the Change: Hard Kombucha Is the Newest Segment With Large Upside

MULO Channel

52 Weeks Ending 8/9/20 vs YA

LIGHT LAGER



\$6.9B; +6.7%
77.2% ACV

NA/LOW ALC* BEER



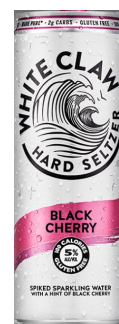
\$137M; +30.9%
66.8% ACV

HARD TEA



\$118M; +31.8%
52.9% ACV

HARD SELTZER



\$1.8B; +189.3%
78.1% ACV

HARD KOMBUCHA



\$16M; +146.3%
4.0% ACV

Hard Kombucha is the smallest of these segments, primed for growth with on-trend attributes



THANK YOU

Disclaimer and Indemnity



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