

Holiday 2023

Consumer Biz Buzz

News That Makes Teeth Whiter, Clothes Brighter,
and Life Just Plain Better

TRANSACTION NEWS

Remember, no returns without a receipt.



Hostess
BRANDS

- **Smucker** paid \$5.6 billion for **Hostess**. The *Twinkies* maker expands their presence in sweet snacking.

- Meanwhile, **Smucker** sold the *Sahale Snacks* nut brand to **Second Nature Brands**, which is owned by **CapVest**.

- Also, **Smucker** sold *Bick's* pickles, *Habitant* pickled beets, *Woodman's* horseradish, and *McLarens* pickled onions to **TreeHouse Foods**. The \$20 million price sounds high to someone who doesn't like pickled stuff.

- **Unilever** is selling **Dollar Shave Club**, after paying a reported \$1 billion for it in 2016. **Nexus Capital Management** is the buyer.



- **Spin Master** is paying \$950 million for **Melissa & Doug**, adding the wooden toys to their portfolio. **AEA Investors** is the seller.

- **Mars** is paying \$663 million for **Hotel Chocolat**, a UK-based premium chocolate brand. The plan is to grow internationally.



- **General Mills** bought **Fera Pets**, a pet supplement business. It marks their entry into that category, as well as the first investment by their growth equity fund.
- **Post Holdings** is paying \$235 million for **Perfection Pet Foods**, a business focused on private label and co-manufacturing.
- As a final pet note, **Central Garden & Pet** bought **TDBBS**, a maker of dog chews and treats. **Bregal Partners** was the seller.
- **Treasury Wine Estates** of Australia paid up to \$1 billion for **Daou Vineyards**, a luxury wine producer in California. They are best known for Cabernet Sauvignon.
- Speaking of wine, **Brown-Forman** sold *Sonoma-Cutrer* to **The Duckhorn Portfolio**, which is owned by **TSG Consumer**. The price for the premium wine brand was around \$400 million.
- **Smithfield Foods** bought a 50.1% stake in **Argal Group**, a cold cuts company in Spain.

- **Nature's Touch** is paying \$141 million for **SunOpta's** frozen fruit business and its production facilities.
- **Ferrara Candy** is buying **Jelly Belly**, which has been family-owned since 1869. As a fun fact, *Jelly Belly* has over 100 flavors.



- In another candy deal, **Nestlé** is buying **Grupo CRM**, a Brazilian premium chocolate company. **Advent International** is the seller.
- **B&G Foods** sold their canned *Green Giant* business, but kept the frozen part. The buyer is **Seneca Foods**, their long-time copacker.
- Finally, **Tyson Foods** bought a minority stake in insect protein startup **Protix**. Forgive us for skipping that taste test.



Private equity firms may have had more active holiday seasons, but they still made news:

- **Nexus Capital Management** is buying **MAV Beauty** and its brands such as *Marc Anthony* and *Cake Beauty*. It enables MAV to avoid bankruptcy proceedings.
- **L03 Capital** invested growth capital in **Inspired Beauty Brands**. Their haircare brands include *Hask* and *Gray Away*.
- Speaking of beauty, **True Beauty Brands** and **Unilever Ventures** invested in **The 7 Virtues**, a clean fragrance brand. It is the first fragrance investment by either group.
- In another beauty deal, **Stride Consumer Partners** bought a minority stake in **Odele**, a \$30 million clean haircare brand.
- To finish up the beauty news, **Silber Equity** bought **Pure Brazilian**. They make a smoother for unruly hair.
- **Citation Capital** acquired **Cibo Vita**, makers of *Nature's Garden* better-for-you snacks.



PALACE CULTURE

- **PAI Partners** bought **Palace Culture**, a maker of plant-based cheese. The business will be added to **Compleat Food Group**.

- **Benford Capital** has invested in **RP Foods**, a maker of Hispanic food and beverage products. It could be a rollup play.
- **Norwest Equity Partners** bought **United Sports Brands** from **Bregal Partners**. The top brands are *Shock Doctor*, *McDavid*, and *Pearl Izumi*.
- **Wind Point Partners** bought **Assisi Pet Care**, a UK-based maker of pet food and treats.
- **Great Point Brands** sold **Live Beverages** to **Better Booch**, a competitor in the kombucha category.
- **Morgan Stanley** invested in **Huel**. The UK-based maker of nutritional powders and meal-replacement shakes had revenue of \$175 million last year.
- **Butterfly Equity** led an investment in **Pacifico Aquaculture**, the only producer of ocean-raised striped bass. It will help pay for a new nursery facility in Baja California.
- **Society Brands**, an investor in tech-enabled CPG brands, acquired **Club EarlyBird**. The powder-based energy drink uses a DTC model.
- **Encore Consumer** acquired **Ryeco** to add to their **Tourtellot** business. It creates a large East Coast produce distributor.
- **SKKY Partners**, the PE firm co-founded by **Kim Kardashian**, made their first investment. It is a minority stake in **TRUFF**, a maker of truffle-infused condiments.
- **Kingswood Capital** and **First Bev** made a minority investment in **G FUEL**. Their energy drinks are primarily for gamers.



- **EagleTree Capital** bought **Summit Hill Foods**. Their brands are *Better Than Bouillon* and *Original Louisiana Hot Sauce*.

- **Centre Lane** bought **Instant Brands**, the maker of *Instant Pot*, out of bankruptcy. The price was \$351 million.
- Along those lines, it looks like **Hildred Capital** will buy **Hello Bello** from bankruptcy. The environmentally friendly DTC diaper startup was founded by TV stars **Kristen Bell** and **Dax Shepard**.

Among earlier stage companies:

- **L-Nutra**, a longevity-focused nutrition company, raised \$47 million in a Series D round. It was led by **Brentwood Associates** and the CEO of Moderna.



- **4th & Heart**, a maker of clarified butter called ghee, raised \$10 million of growth equity to build a second production facility. Existing investors **Cambridge SPG** and **Harbinger Ventures** participated.
- **Grubbly Farms**, a maker of pet food using fly grub protein, raised nearly \$9 million in Series A funding. As a fun fact, chickens are the #3 most popular pet in the US.
- **Spirited Brands** raised \$4.5 million in seed funding. It will help launch the *Soké* and *Soula* canned cocktail brands in early 2024.



- Plant-based functional beverage startup **Evermind** raised \$1.3 million for a DTC launch. **White Rose Ventures** participated.
- **Iya Foods** raised more capital to make baked goods with African superfoods. **Clover Vitality** and **Cleveland Avenue** led the round.

- Hot sauce company **Tia Lupita** raised nearly \$3 million in seed funding. It was led by **Santatera Capital** and **GBM Ventures**.
- Pet products company **Oh Norman!** raised \$3 million in seed capital, led by three VC firms. The company was founded by **Kaley Cuoco**, a star of *Big Bang Theory*.
- **Eat the Change** raised \$14 million in growth capital. They will expand distribution of *Just Ice Tea* and test *Cosmic Chews* snacks.
- **Flaus** raised a \$2 million seed round, led by **Yeti Capital**. They make the first electric flosser, a concept we find weirdly interesting.



- Athletes love CPG investments, including **Brock Purdy's** stake in plant-based energy drink **Yerbaé**. Fun fact: the 49ers QB makes less per year than the injured **Joe Burrow** does in each quarter of every game.
- Also in the NFL, **Maxx Crosby** invested in protein beverage brand **Slate Milk**. He is a defensive end for the Las Vegas Raiders.
- Finally, hydration brand **Recover 180** raised another \$35 million from investors who include **Kyler Murray** of the Arizona Cardinals and **Jared McCain** of the Duke Blue Devils. (NIL is truly a game-changer!)



TRANSACTION NEWS...CONTINUED



Appearing at a stock exchange near you:

- **Kellogg** officially became two public companies. Going forward, the snack portfolio is **Kellanova** and the cereal business is **W.K. Kellogg**.

W.K. Kellogg Co
Kellanova

- **Sanofi** plans to spin off their \$5 billion CPG business, which includes *Allegra*, *IcyHot*, and *Aspercreme*. It echoes moves by other big pharma companies, with this listing likely to be on the Paris exchange.

- **Honasa Consumer**, the parent company of skin and personal care brand *Mamaearth*, went public on the Indian exchange.

mamaearth™

- Finally, we go beyond CPG company to mention that **Birkenstock** went public on the NYSE. It was arguably the ugliest IPO ever, but also the most comfortable.

BIRKENSTOCK®



COURTROOMS AND BUREAUCRACY

Santa has three lists: nice, naughty, and lawyers.

- **Smashmallow** won a \$21 million verdict against a supplier who failed to deliver on equipment promises. The victory is bittersweet, since in the meantime the marshmallow company has gone out of business.



- As a (hopefully) final mention of **Bayer** and its *Roundup* lawsuits, a Missouri jury decided the company should pay \$1.5 billion for causing cancer.
- A district court jury decided **Kellogg**, **Kraft Heinz**, and **Nestlé** were victims of price-fixing by egg producers. The suit was filed in 2011, and damages will be set next.



- **Flowers Foods** agreed to pay \$137 million to settle a class action suit filed by independent distributors in California.

EXPANDING AND CONTRACTING

Layoffs make for lousy holidays.

- **Nestlé** will eliminate 77 jobs at their Ohio headquarters.
- **Beyond Meat** will cut 65 jobs, or 19% of their non-production employees. Alt-meat companies are facing headwinds.

PEOPLE NEWS

Time to update your holiday card list.

CEOs

- **Joey Bergstein** became the CEO of **BlueTriton Brands**, the regional bottled water business previously owned by **Nestlé**. He was at **Sabra Dipping**, **Seventh Generation**, **Diageo**, **Molson**, and **P&G**.
- **Tim Cofer** is joining **Keurig Dr Pepper** to become CEO in early 2024. He was at **Central Garden & Pet** and **Mondelez**.
- **Lauri Ann Goldman** joined **Tupperware** as CEO. She was at **Avon**, **Spanx**, and **Coca-Cola**.
- **Lauri Kien Kotcher** joined **Quip** as CEO. Her CPG experience includes **Hello Products**, **Godiva**, and **Pfizer**.
- **Amanda Baldwin** is joining **Olaplex**, a haircare brand, as CEO. She was at **Supergoop**, **StriVectin**, and **L Catterton**.
- **Jan Grywczynski** joined **Local Hive Honey** as CEO. He was at **Brownie Brittle**, **PhillySwirl**, and **Nestlé**.
- **Rod Hepponstall** joined food manufacturer **C.H. Guenther** as CEO. He was at **High Liner Foods**, **Lamb Weston**, **Conagra**, **Grupo Bimbo**, and **Maple Leaf Bakery**.
- **Joe Ens** joined **Fontaine Santé Foods**, a plant-based food company, as CEO. He was at **HighKey** and **General Mills**.
- **Lauren Brindley** joined UK-based **Revolution Beauty Group** as CEO. She was at **Walgreens**.
- **Don Clark** joined **Cerebelly**, the brain-focused baby food, as CEO. His background is mostly in retail.
- **Bryan Crowley** joined energy drink maker **G FUEL** as CEO. His background includes **Casa Azul Spirits**, **Soylent**, **Pabst Brewing**, **Mars**, and **Conagra**.
- **Doug Gillespie** joined **Beauty By Imagination** as CEO. He was at **Aden + Anais**, **Jarden**, **Munchkin**, and **Brown-Forman**.
- **Amit Pandhi** joined **Harvest Food Group** as CEO. He was at **Popchips** and **Arctic Zero**.
- **Adam Butler** joined Mexican food maker **Flagship Food Group** as CEO. He spent 17 years at **Kraft Heinz**.

A number of moves failed to utilize a highly-skilled executive recruiter. Or our competitors.

- **Tervis**, the drinkware company, promoted **Hosana Fieber** to CEO. She was the COO and CFO.
- **Daily Harvest** is promoting **Ricky Silver** to CEO, effective in early 2024. He has been the chief supply chain officer.
- **Arla Foods Ingredients** is promoting **Luis Cubel** to CEO in early 2024. He joined the company in 2002.
- **Daiya Foods** is promoting **Hajime Fujita** to CEO. He was at parent company **Otsuka Pharmaceuticals**.
- **Leprino Foods** is promoting **Lance FitzSimmons** from chief supply chain officer to CEO, effective in late 2024. He succeeds the retiring **Mike Durkin**.
- **NEOM Organics**, a UK-based aromatherapy company, promoted **Isabel Malbois** to CEO. She joined in 2021.
- **Post Holdings** named **Jeff Zadoks** as interim CEO while **Rob Vitale** takes a medical leave. Jeff is the COO.



PRESIDENTS AND GMs

- **Dan O'Leary** joined **Smucker** when they acquired **Hostess**. He is now the GM of sweet baked snacks and pet.
- **Rob Leibowitz** joined **Keurig Dr Pepper** to run the ready-to-drink coffee business. His history includes **Kite Hill**, **TSG Consumer**, **Del Monte**, and **Mars**.
- **Erik Rahner** joined **Spectrum Brands** as GM of North America. His history includes **Edgewell**, **Energizer**, and **Beiersdorf**.
- **Emily Bond** joined **Newell Brands** as GM of the home fragrance business. She was at **Givaudan**, **Coty**, and **Unilever**.
- **Sonika Malhotra** joined **Make Up For Ever**, a subsidiary of **LVMH**, as president of the Americas. She was at **Unilever**.
- **Paula Scandone** joined skincare company **Shielded Beauty** as GM. Her background includes **Beauty Stat Cosmetics** and **Dr. Dennis Gross Skincare**.
- In other **Kraft Heinz** moves, **Willem Brandt** becomes president of Europe and Pacific developed markets and **Bruno Keller** becomes president of East and West emerging markets.
- **Keurig Dr Pepper** named **Andrew Achambault** as president of US refreshment beverages and **Patrick Minogue** as president of US coffee. **Sudhanshu Priyadarshi**, the CFO, added international president responsibilities.
- **Utz Snacks** named **Cary Devore** as chief operating and transformation officer. He joined in 2016 and was the COO.
- **Philadelphia Macaroni** promoted **Nora Stabert** to president and COO. She joined the company in 2018.
- **L'Oréal** named **Laetitia Toupet** as global GM of the dermatological beauty division. It includes *CeraVe* and *La Roche-Posay*.

Other moves failed to support the vital headhunter sector of our economy:

- **Kraft Heinz** named **Pedro Navio** as president of North America. The six-year vet succeeds **Carlos Abrams-Rivera**, who becomes CEO in 2024.



SALES AND MARKETING

- We missed it initially, but **Shannon Toyos** joined **Post Holdings** as CMO for their pet business. She was at **Kite Hill**, **Smucker**, and **Del Monte**.
- **Stephan Czipionka** joined Korea-based **CJ Foods** as CMO. He was at **Coca-Cola**.
- **Jodi Olson** joined **Kinder's**, a seasonings and sauce company, as EVP of marketing. She was at **Clif Bar** and **General Mills**.
- **Rick Simington** joined **Organic Valley**, a farmer-owned dairy cooperative, as EVP of sales. He was at **I and Love and You**, **Banza**, **Chobani**, and **Kellogg**.
- **Jennifer Van Aken** joined **Beauty By Imagination** as VP of brand strategy and growth. She was a consultant after early days at **Unilever**, **L'Oréal**, and **Beiersdorf**.

Sometimes great jobs go to those who wait.

- **Unilever** named **Esi Eggleston Bracey** as their global chief growth and marketing officer. She has run the US business.
- **L'Oréal** named **Fabrice Megarbane** as chief global growth officer. He joined the company in 2000.
- **Kraft Heinz** named **Diana Frost** as global chief growth officer, expanding her scope from North America. Likewise, **Cory Onell** expands his sales scope to global.
- **Mars** named **Osher Hoberman** as CMO of **KIND Snacks**. He joined Mars in 2004, most recently in business development.
- **Daiya Foods** is promoting **Melanie Domer** from CMO to chief commercial officer (marketing and sales). **John Kelly** goes from VP of marketing to CMO.

OTHER FUNCTIONS

- We missed it initially, but **Becky Schmitt** joined **PepsiCo** as chief HR officer. It is her first CPG role, although she was at a little retailer in Northwest Arkansas.
- Speaking of **PepsiCo**, long-time CFO **Hugh Johnston** moved from **PepsiCo** to Disney as their CFO.
- We also missed **TJ Wolfe's** move to **Wayne-Sanderson Farms**, the #3 poultry company, as CFO. He was at **Coca-Cola**.
- **Deepak Bhatia** joined **Hershey** as chief technical officer. He was at Amazon, a little bookseller you may have heard of.
- **Mitchell Arends** joined **Utz Snacks** as chief supply chain officer. He was at **Kraft Heinz**, **Nestlé**, and **Gerber**.
- **Amr Arafa** is joining chocolate company **Barry Callebaut** as chief digital officer. He was at IKEA and **Mondelez**.
- **Jim Barch** joined **Unreal Snacks** as COO. He was at **Tea Forté**, **Ben & Jerry's**, **Seventh Generation**, **Gillette**, and **Polaroid**.

Other executives moved up without moving on.

- **Scotts Miracle-Gro** promoted **Julie DeMuesy** to chief HR officer. She has been at the company for 13 years.
- **Keurig Dr Pepper** named **Monique Oxender** as chief corporate affairs officer. She was the chief sustainability officer.
- **Helen of Troy** took "interim" off the CFO title for **Brian Grass**, who rejoined the company in April.

BOARDS OF DIRECTORS

- **Larry Bodner** joined the board of **BARK**, the pet products subscription brand. He is the CEO of **Bulletproof 360**.
- **Lori Bush**, **Paul Keglevic**, and **William Transier** joined **Tupperware's** board. Lori is the only one with traditional CPG experience, from **J&J**.
- **John Howe** and **Lora Van Velsor** joined the board of **Assisi Pet Care**. Both were at **Compana Pet Brands**.
- **Tony Terry** joined the **Newell Brands** board. He was the CFO of Marriot Vacations.
- **Mark Ramadan** joined the board of **TRUFF**, the maker of truffle-infused condiments. He was the co-founder of **Sir Kensington's** and the CEO of **Hu**.
- **Kris Malkoski** joined the board of Aaron's, the rent-to-own people. We care because she runs a business unit at **Newell Brands**.
- **Guy Persaud** joined Nordstrom's board. Again, we care because he runs the new business unit at **P&G**.

OBITUARIES



■ **Charlie Munger** died at 99. While not a CPG guy, he partnered with **Warren Buffett** for over 50 years. Among Berkshire Hathaway's five biggest stock positions now are **Coca-Cola** and **Kraft Heinz**.



■ **Tom James** died at 82. He created some of America's best-loved packaging at **Lifesavers**, **Nabisco**, **Pinnacle Foods**, **Gerber**, and **Nestlé**.



■ **Karen Davis** died at 79. She was a tireless animal rights activist who changed some practices by poultry industry companies.



■ **Suzanne Somers** died at 76. Most think of her as a "Three's Company" star, but we respect her as an entrepreneur who sold 10 million *Thighmaster* devices.

MARKETING AND STRATEGY

Some of this stuff may make it onto our holiday gift list.

- For the brand's 75th birthday, **Frito-Lay** partnered with Milk Bar to create a *Cheetos* cake. It is available online for \$62.



- Speaking of **Frito-Lay**, they are launching *Cheetos Pretzels* with one side covered in Cheetle dust. And yes, "Cheetle" is a word.
- **PepsiCo** will enter the functional water category in early 2024 with *Gatorade Water*. It contains electrolytes and comes in bottles made from 100% recycled plastic.
- **Kraft Heinz** is launching grilled cheese versions of *Lunchables*. It is their first frozen item, utilizing their new technology for crispy products from the microwave.
- **Foodstory Brands** has partnered with Paramount to launch products tied to the *Yellowstone* hit series. You can get your cowboy on with their breakfast sausage, bacon, smoked meats, and baked beans.



- **Coca-Cola** is partnering with **Pernod Ricard** to create a ready-to-drink *Absolut* and *Sprite* cocktail. Unfortunately, the 2024 launch markets do not include the US.
- We honestly thought it was an April Fool's joke, but Kellogg (now **Kellanova**) has partnered with Bissell to create the *EggoVac*. It is a robotic vacuum cleaner that looks like a giant *Eggo* waffle.



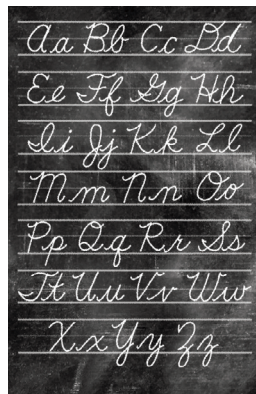
- You may have noticed that **Pumpkin Spice** season has come and gone. According to *Future Market Insights*, global sales of pumpkin spice products reached \$1.1 billion. Our favorite was from **Dude Wipes**, who introduced a *Dumpkin Spice* version.



IN CLOSING

The year is almost over, so out with the old and in with the new.

- *Pitchbook* says the **value of PE exits fell 41%** from Q2 to Q3 ... with the lowest value for any non-Covid quarter since 2008. The good news: **a 2024 rebound is expected**.
- Meanwhile, *Pitchbook* also says **PE firms raised \$242 billion** in the US through September. That is a lot, but it is down from last year because institutional investors have cut back their allocations to PE.
- Regardless of the calendar, Fall started when *Mallomars* made their annual appearance. **Mondelez** makes only 3 million boxes each year, sold from September through March.
- We often feel old, especially when we **write in cursive**. But that skill may come back, now that half the states have laws requiring cursive to be taught in schools.



- **Jim McGinnis** was the first to answer **last issue's trivia question**. He (and several others) knew *Bud Light* replaced *Budweiser* as the best selling beer back in 2001.



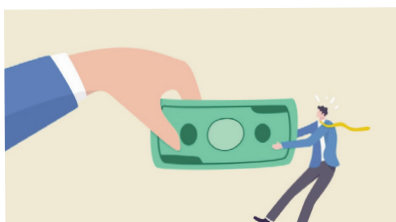
- Were you one of the people who consumed **80 million pounds of cranberries** over Thanksgiving? Assuming that's a yes, are you a canned or a sauce person?



This issue's new word is **orthosomnia**. It refers to losing sleep over your anxiety about optimizing sleep.



- Another (relatively) new word is **greedflation**. It refers to inflation driven by price gouging, and some politicians accuse food companies of doing that.



CPG TRIVIA CHALLENGE

As **this issue's trivia question**, which CPG brand replaced another CPG brand this year as the title sponsor of a college football bowl game?

