

March Madness 2024

Consumer Biz Buzz

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

TRANSACTION NEWS

Time to update your brackets.

- **Unilever** sold a portfolio of over 20 beauty and personal care brands, including *Q-Tips* and *Caress*, to **Yellow Wood Partners**.
- Meanwhile, **Unilever** is buying **K18 Hair**, a biotech hair care brand. **True Beauty Ventures** was an investor.
- **P&G** sold their *Vidal Sassoon* business in China to **Henkel**.
- **Utz** sold the *Good Health* and *R.W. Garcia* snack brands – plus some manufacturing plants – for \$183 million. The buyer, **Our Home**, also owns *PopChips*.
- **Molson Coors** now owns 40% of **ZOA Energy**, the drink brand co-founded by **Dwayne “The Rock” Johnson**.
- **Danone** sold their Russian operations to a local dairy group. As you may recall, the Kremlin seized the business last July.
- **Dole** sold their 65% stake in **Progressive Produce**, a fresh fruit and vegetables business, to **Arable Capital Partners**.
- **Chobani** paid \$900 million for **La Colombe**, a ready-to-drink coffee business.
- **Zoe Foster-Blake**, the founder of **Go-To Skincare**, bought the brand back for \$22 million. She sold it to **BWX** for \$89 million in 2021, but they went bankrupt last year.



- Beauty company **Puig** bought German anti-aging skin care brand **Dr. Barbara Sturm**.

- **Heritage Distilling** bought **Thinking Tree Spirits**. Both are in the craft spirits space.

Private equity firms appear to be a bit more active in 2024:

- **Bain Capital** bought a stake in **1440 Foods**, a portfolio of sports nutrition brands such as *MET-RX* and *Pure Protein*. **4x4 Capital** remains an investor.
- **Yellow Wood Partners** bought *ChapStick* from **Haleon**, adding it to **Suave Brands**.
- **Platinum Equity** is buying the *Horizon Organic* business from **Danone**, along with the *Wallaby* brand of yogurt.
- **Swander Pace** partnered with two other firms to acquire **St-Methode Bakery**, a Canadian maker of fresh bread products.
- Meanwhile, **Swander Pace** sold **Patriot Pickle** to **HIG Capital**.



TRANSACTION NEWS...CONTINUED

- **Altamont Capital** invested in **Mini Melts**, a maker of frozen novelties.



- **Gryphon Investors** sold **RoC Skincare** to **Bridgepoint**, a European PE firm.
- **Aria Growth** bought a minority stake in **Ultra Violette**. The Australian sunscreen brand plans to enter the US market.
- **InvestBev** invested in **JuneShine**, a maker of RTD cocktails and hard kombucha.
- **Fengate Private Equity** bought **Saco Foods** from **Benford Capital**. The brands include *Dolci Frutta* and *Solo Foods*.



- **Bansk Group** bought **No Man's Land**, a maker of premium beef jerky.
- **Rio Investment Partners** bought **High Key**, a maker of reduced sugar snacks. It will be added to **Creations Foods**.

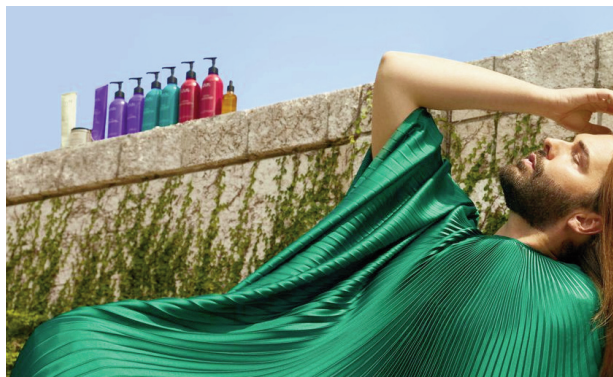


- **Trek One Capital** bought **Alter Eco**, a maker of organic chocolate products.
- **Mill Point Capital** bought a frozen Italian foods portfolio from **Ajinomoto Foods**. It will be added to **Seviroli Foods**.
- **Humble Growth** paid \$32 million for a minority stake in **Momentous**, a fast-growing sports nutrition company.
- **Advent International** bought **Skala Cosméticos**, the fastest-growing hair care brand in Brazil.
- **Verlinvest** bought a minority stake in **Cible Skin**. The French skincare brand markets the science of cell immunity and rejuvenation.

- **Clayton Dubilier & Rice** bought **Shearer's**, a snack manufacturer. It was owned by **Ontario Teachers**.

- **Pritzker Private Capital** and its **Sugar Foods** company bought **Concord Foods** from **Arbor Investments**. Both portfolios include some branded products.

- **Windsong Global** bought **JVN Hair** out of bankruptcy. The brand was created by **Jonathan Van Ness** of "Queer Eye" fame.



- **Firelight Capital** bought **Fromm International**, a hair tools company.
- Kroger partnered with **MidOcean Partners** to create **MPearlRock**. The initiative will help emerging brands scale, and they bought **Nutpods** to start.
- **Wind Point** and **Highlander Partners** merged their **Palmex** and **Benestar** companies. It creates a sizable Hispanic and better-for-you salty snack company.
- **Meaningful Partners** provided growth capital to **M2 Ingredients** and their *Om* brand of mushroom powders.
- **GroundForce Capital** and their **SYSTM Brands** partner bought **Humm Kombucha**. The company was owned by **VMG**.



TRANSACTION NEWS...CONTINUED

- **Alpine Investors** and their **Antelope** company bought **My Perfect Pet**. They make gently cooked dog and cat food.
- Speaking of pets, **Wind Point Partners** bought **Pet Brands**, a treats business. It was added to **Targeted PetCare**.

Among earlier stage companies:

- **Perfect Day**, a maker of animal-free dairy products, raised \$90 million from existing investors. It precedes a Series E round.
- **Timeline**, a longevity skincare brand, raised \$66 million in a Series D round. It was led by **L'Oréal's** venture group.
- **Serenity Kids**, a pouched baby food brand, raised \$52 million in a Series B round. It was led by **Stride Consumer Partners**.



- **Voyage Foods** raised nearly \$22 million, led by **Valor Equity** and **Horizons Ventures**. The food tech company makes products like peanut-free spreads.
- **Culture Pop** raised a \$21 million round led by **Enlightened Hospitality**. They make soft drinks with probiotics.
- **Clever Carnivore** raised \$7 million of seed funding for their lab-grown meat business. It was led by **Lever VC**, a firm focused on the alternative protein category.

VOYAGE

culture
pop
soda


CLEVER CARNIVORE

- **Jiant** closed a \$6 million Series A round, led by **Natureza Growth Partners**. They say the brand of ready-to-drink alcoholic beverages is "Spelled wrong. Tastes right."



- Speaking of RTD cocktails, **sipMARGS** raised \$2 million to expand their canned margaritas. The round was led by **Lab Capital Advisors**.
- **Rivalz** closed a \$6 million seed round, led by **March Group**. The company uses AI to create protein-based snacks.
- **Kroma Wellness** raised a \$5 million Series A round. They make superfood snacks and protein powders.
- **Mush Foods**, a maker of alt meat from mushroom mycelium, raised a \$6 million seed round. It was led by **Viola Ventures**.
- **Subtl Beauty** raised \$5.5 million in Series A funding. **Cult Capital** led the round.
- **Hi!Papa**, a personal care brand focused on children in China, raised a Series A round. It was led by **L Catterton**.
- **Sanzo**, an Asian-inspired flavored sparkling water, raised \$5 million in a Series A round.
- **Mezcla**, a maker of plant-based protein bars, raised \$4 million in a Series A round. It was led by **Dream Ventures** and **Santatera Capital**.
- **Jupiter**, a scalp health company, raised a \$3 million round. It was led by **Willow Growth Ventures** and **Springdale Ventures**.

TRANSACTION NEWS...CONTINUED

- **Spacegoods** raised a \$3 million seed round. The London-based brand uses mushrooms and nootropics in a line of wellness powders.
- **Naturanic**, a Brazil-based snack company, raised a \$2 million Series A round. It was led by **Moriah Asset**.
- **PawCo**, a plant-based pet nutrition brand, raised \$2 million in seed funding. It was led by **Elevate Ventures**.
- **Unfabled**, a London-based provider of women's health products, raised \$1.6 million in seed funding. **Morgan Stanley** participated.
- **Painterland Sisters** raised \$1.2 million via crowdfunding. They make organic skyr.
- **Jones**, a marketer of nicotine replacement products and programs, raised a \$1 million pre-seed round. It included the founders of Warby Parker, **Harry's**, and AllBirds.
- VC-backed **Rind Snacks**, which makes dried snacks from upcycled fruit, acquired **Small Batch Organics** and their granola products.
- **Atomo Coffee** got an investment from **Suntory**. They make an eco-friendly coffee alternative, upcycling seeds to reduce the deforestation due to commercial farming.
- We love seeing athletes invest in CPG companies. **Meati Foods** added NBA star **Chris Paul** and gold medal gymnast **Aly Raisman** to backers of their fungi-based meat alternative.

**eat
meati™**



Appearing at a stock exchange near you:

- **Harry's** is reportedly preparing for an IPO. We hear revenue is approaching \$1 billion.
- **Amer Sports**, the owners of *Wilson* and *Arc'teryx*, listed on the NYSE in February. The reaction was lukewarm.



If you missed the "For Sale" signs:

- Reports say **Brynwood** may be selling **Hometown Food**. They make *Pillsbury* baking products and *Birch Benders*.



- Likewise, **Vestar** may be selling **Roland Foods**. The business is mostly foodservice and ingredients, but there is a retail piece.



- **Unilever** announced plans to spin off their ice cream business. It generates over \$8 billion with the *Ben & Jerry's*, *Breyers*, *Popsicle*, and *Klondike* brands.

COURTROOMS AND BUREAUCRACY

So an attorney walked into a bar ...

- The **FTC** sued to **block** Kroger and Albertsons from merging. The attorneys general of nine states joined in, saying the deal will hurt consumers.
- **Snoop Dogg** and **Master P** sued **Post Consumer Brands**. They claim Post agreed to make and distribute *Snoop Cereal*, but instead sabotaged the brand.
- **Danone** got the FDA to approve the first health claim linking yogurt consumption to **reduced risk of Type 2 diabetes**. All yogurt brands can use the claim.



- In other rapper news, **Sean “Diddy” Combs** and **Diageo** resolved their legal dispute and dissolved their partnership on *Ciroc* vodka and *DeLeon* tequila. Loyal readers will remember he claimed Diageo had put more emphasis on other brands.



- **J&J** agreed to pay \$700 million to more than 40 states to settle an investigation about marketing talcum-based baby powder. It is a positive step, but they still face lawsuits by more than 52,000 plaintiffs.
- **Bayer** was hit with a \$2.3 billion judgment in a Philadelphia court when a jury decided *Roundup* causes cancer. Alas, this story may never end.
- There is growing focus on **greenwashing**, which refers to making misleading environmental claims. New York’s attorney general has sued **JBS**, and European authorities are officially investigating **Unilever**.



EXPANDING AND CONTRACTING

Everything should be growing in the Spring!

- **Mars** is building a \$237 million plant for their *Nature’s Bakery* brand. It will create 190 new jobs. They also opened a \$42 million R&D facility in Chicago.
- The US economy added a **better-than-expected 275,000 jobs** in February. Although HMA’s share was way less than 1%, we had the most interesting ones.
- On the flip side, **Estée Lauder** is cutting 3-5% of their jobs after revenue declined 7% in the latest quarter.
- Also on the contracting side, **Hasbro** is cutting 1,100 jobs after slow toy sales in the holidays.
- **Unilever** is cutting 7,500 jobs worldwide, primarily in white collar roles.

PEOPLE NEWS

They switched teams before the tournament.

CEOs

- **Kristie Juster** joined **Conair** as CEO. She was at Kimball International and **Newell**.
- **Larry Bodner** joined **Dollar Shave Club** as CEO. He was at **Bulletproof 360**, **Sovos Brands**, **Big Heart Pet**, and **P&G**.
- **Doug Behrens** joined **Catalina Crunch** as CEO. He was at **KIND**, **Amplify Snack Brands**, **Danone**, **WhiteWave**, and **J&J**.
- **John Hommeyer** joined **Walden Local Meat** as CEO. His CPG creds include **Kate Farms**, **Clorox**, and **P&G**.
- **Wayne Lutomski** joined **WNDY (We're Not Dead Yet)**, a maker of nutritional products for older consumers, as CEO. His experience includes **Uno Foods**, **Welch's**, **Just Born**, and **PepsiCo**.
- **Mac Tillman** joined **PetWise**, a maker of pet products, as CEO. His CPG work includes **Alete Active Nutrition**, **GU Energy**, **Big Heart Pet**, **Del Monte**, **Hain Celestial**, and **P&G**.
- **Brian Huff** joined **Nissin Foods**, the instant noodles company, as CEO. He was at **Diamond Foods**, **Whole Earth Brands**, and **Kellogg**.
- **Nick Vlahos** joined skincare company **Rhode** as CEO. He was at **Honest Co**, **Clorox**, and **Helene Curtis**.
- **Eric Kufel** joined **JustFoodForDogs** as CEO. He has run other **L Catterton** companies over the past 15 years, after starting at **Kellogg** and **Coca-Cola**.
- Speaking of pets, **Kristi Ross** joined **Three Dog Brands**, a pet treat company, as CEO. She was at **Targeted Petcare**, **Mezzetta**, and **Nestlé Purina**.
- **Mike Roman** joined **3M**, which has a CPG business, as CEO. He is new to our sector.
- **Tom Corley** joined **Community Coffee** as CEO. He started his journey at **Kraft**.
- **Maria Stipp** joined **Suja Life**, with its *Suja Organic* and *Vive Organic* brands, as CEO. She was in CPG at **Stone Brewing**, **Lagunitas Brewing**, **Miller Brewing**, and **Kellogg**.
- **Jonathan Berkowitz** joined **PlayMonster** as CEO. His CPG background includes **EastPoint Sports** and **Hasbro**.
- **Neela Montgomery** joined **Orveon**, the collective of *bareMinerals*, *BUXOM* and *Laura Mercier*, as CEO. Her background is mostly in retail.
- Also in the beauty world, **Lisa Sequino** joined **Supergoop!** as CEO. She was at **JLo Beauty**, **Estée Lauder**, and **P&G**.
- **John D'Alessandro** joined **Honey Stinger**, a nutritional brand for endurance athletes, as CEO. Most recently he was at **Humm Kombucha**, **Nutraceutical Corporation**, and **Edgewell Personal Care**.
- **Curt Alpeter** joined **Grafton Village Cheese**, a Vermont handmade cheese company, as CEO. He was at maple products maker **Ronamok Maple**.
- **Gregg Renfrew** returned to **Beautycounter** as CEO. He founded the beauty brand in 2013, then left in 2022.
- **Kirk Tanner** joined Wendy's as CEO. We care because he spent 32 years at **PepsiCo**, where he ran North American beverages.

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

- **L'Occitane** named **Laurent Marteau** as CEO. He joined the company in 2022.
- **Franz Bakery**, a regional bread and pastry maker in the Northwest, promoted **Kim Nisbet** to CEO. She is a 34-year vet.
- Mexican food company **Ruiz Foods** promoted **Kimberli Carroll** from COO to CEO. She is a 23-year company vet.



PRESIDENTS, COOs, GMs

- **Paul Schwartz** joined **Fiskars** as SVP of the Americas. His CPG work includes **KidKraft**, **Morton Salt**, **Revlon**, **Clorox**, and **Kraft**.
 - **Scott Tassani** joined **TreeHouse Foods** as president and chief commercial officer. He was at **Meati** and **General Mills**.
 - **Steve Katzenberger** joined **Kodiak Cakes** as COO. He was at **Campbell Soup**, **Hearthside Food**, and **Kraft Foods**.
 - **Lauri Luker** joined **Catalina Crunch**, a maker of low carb snacks and cereal, as COO. She was at **Kellanova**, **Amplify Snacks**, **WhiteWave**, and **Conagra**.
 - **Erin Cast** joined **Revolution Beauty** as president of North America. She was at **Mars**, **Coty**, **KIND**, **L'Oréal**, and **PepsiCo**.
- Too many moves failed to support the vital headhunter sector of our economy:*
- **PepsiCo** named **Ram Krishnan** as CEO of PepsiCo Beverages North America. He was running international beverages.
 - **Kellanova** (previously the Kellogg snacks business) named **Nicolas Amaya** as president of North America. **Victor Marroquin** succeeds him in Latin America.
 - **General Mills** named **Dana McNabb** as president of North America Retail, with **Jonathan Nudi** becoming president of Pet and International. Meanwhile, **Bethany Quam** became president of US Morning Foods and **Ricardo Fernandez** became president of International.
 - **General Mills** also named **Pankaj Sharma** as president of North America foodservice. He succeeds the retiring **Shawn O'Grady**.
 - **Campbell Soup** made **Risa Cretella** the GM of a new Distinctive Brands business unit. She joined when **Sovos Brands** was acquired.
 - **P&G** named **Freddy Bharucha** as president of personal care and **Sue Kyung Lee** as president of skin care. They succeed the retiring **Markus Strobel**.
 - **Estée Lauder** promoted **Aida Moudachirou-Rebois** to GM of **MAC Cosmetics**. She had been the CMO.
 - Ice cream maker **Blue Bell** promoted **Jimmy Lawhorn** to president. He is a 26-year company vet.
 - **Nuovo Pasta** promoted **Tom Quinn** to president. He joined them 19 years ago.

SALES AND MARKETING

- **Anthony Kyles** joined **Campbell Soup** as chief customer officer for the meals & beverages business. He was at **PepsiCo**.
 - **Roger Yoder** joined **Mary's Gone Crackers** as VP of marketing and BD. It is his first role in CPG.
 - **John Frost** joined **Chobani** as chief customer officer. He was at **PepsiCo**.
 - **Jason Krzewinski** joined **Bob's Red Mill** as VP of sales. He was at **Nestlé Waters** early on, and most recently at **JonnyPops** and **Crystal Farms Dairy**.
 - **Todd Tillemans** joined **Perdue Farms** as chief commercial officer. His CPG work spans **Hershey**, **Unilever**, and **General Mills**.
 - **Ray Faust** joined **Olipop**, the soda for digestive health, as chief commercial officer. He was at **Oliver Winery**, **Heineken**, and **Coca-Cola**.
- Sometimes you don't need to switch teams to move ahead:*
- **Mars** named **Eric Huston** as VP of sales for North America in their food and nutrition business. He is a 7-year vet.
 - **Hormel** named **Darren Carter** as VP of retail sales for the East. He joined the company in 1996.

OTHER FUNCTIONS

- **Dorria Ball** joined **The Honest Company** as chief people officer. Her experience includes **Mondelez** and **Kraft Heinz**.
- **Gary Shubert** joined **Innovative Food** as CFO. He was at Walmart and **Tyson**.
- **Jeremy Hux** joined **Upside Foods**, a maker of meat from cultured cells, as CFO. He is new to a true CPG company.
- **Phil Graves** joined **Meati Foods**, a maker of alt-meat from mushroom root, as CFO. He was in CPG at **Wild Idea Buffalo**.
- **Dara Williams** joined **Nuts.com** as CHRO. It is her first CPG experience.
- **Kate Pomeroy** joined **Mark Anthony Group** (the *White Claw* people) as chief innovation officer. She was at **Pernod Ricard**, **Absolut**, and **Y&R**.
- **Regina Picciano** joined **Baldor Specialty Foods** as chief people officer. She was at **Southern Glazer**, **Coca-Cola**, and **Diageo**.
- **Sonali Dalvi** joined **Kodiak Cakes** as VP of product development. Her CPG work was at **PepsiCo**.

BOARDS OF DIRECTORS

- **Benno Dorer** and **John Morikis** joined the **General Mills** board. Dorer was the CEO of **Clorox**, and Morikis was the CEO of Sherwin-Williams.
- **Jim Keane** joined the **Newell Brands** board. He is the retired CEO of Steelcase.
- **John Replogle** and **Neeraj Tolmare** joined the Crocs board. John runs **One Better Ventures** and was the CEO of **Seventh Generation** and **Burt's Bees**. Neeraj is the CIO at **Coca-Cola**.
- **David Marberger** joined the Levi Strauss board. He is the CFO at **Conagra**.
- **Mike Barkley** joined the board of **The Honest Company**. He was the CEO of **KIND**.
- **Daniel Servitje** joined the Starbucks board. He is the long-time CEO of **Grupo Bimbo**.
- **Mike Lorelli** joined the board of Stew Leonard's. His CPG work includes **PepsiCo** and **Clairol**.
- **Terry Thomas** joined **McCormick's** board. He is the chief growth officer at **Flowers Foods**.
- **Rob Leibowitz** joined the **Three Dog Bakery** board. He runs a business at **Keurig Dr Pepper**, and he has lots of pet experience.

OBITUARIES



- **Mike Grgich** died at 100. He made the chardonnay that won a famous Paris tasting that put Napa Valley on the map. He later founded **Grgich Hills Estate** winery.



- **Hugh Cullman** died at 100. He worked at **Philip Morris** for over 30 years, where he led an ill-advised industry campaign to reassure smokers that tobacco isn't that bad for you.



- **William Post** died at 96. As the manager of a bakery for **Kellogg**, he essentially created *Pop-Tarts* in 1964.



- **Bob Moore** died at 94. He founded **Bob's Red Mill**, the Oregon-based whole grain food company, in 1978.



- **Joe Louis Dudley** died at 86. He co-founded **Dudley Products**, a maker of beauty products for Black consumers.



- **Neil Drossman** died at 83. The copywriter penned witty ads for brands such as *Meow Mix*, which he said cats "ask for by name."



- **Zong Qinghou** died at 79. He founded **Wahaha Group**, a beverage company in China. Later he won a power struggle and owned **Danone's** business in China.

MARKETING AND STRATEGY

Marketing showers lead to May flowers.

- **Unilever** has partnered with **Perfect Day** to launch a lactose-free chocolate ice cream. The dairy protein comes from fermentation.



- **White Claw** has launched zero-alcohol products. We were particularly intrigued they are targeting consumers who are “sober curious” or have a “damp” lifestyle.



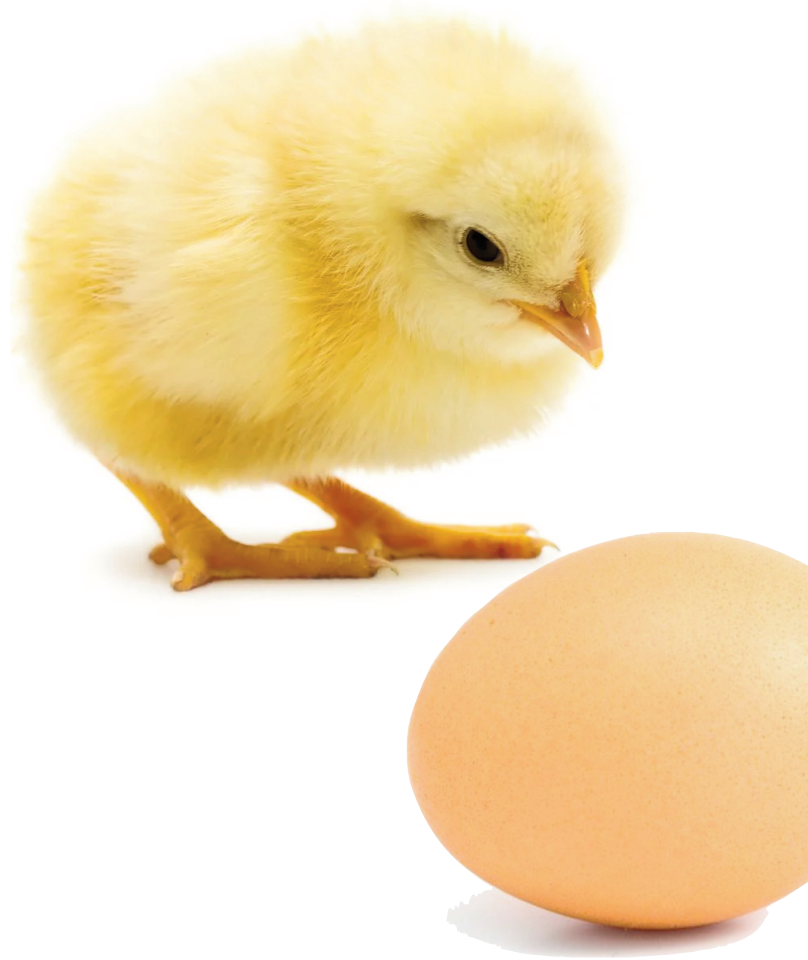
- **Angie's Boomchickapop** teamed up with Cinnabon to launch *Cinnabon Drizzled Kettle Corn*.

- **Conagra** is extending multiple brands into the freezer aisle. They include *Chef Boyardee*, *Bertolli*, and the aforementioned *Angie's Boomchickapop*.

- **Mondelez** has launched *Dirt Cake Oreo*. The limited-time cookies include gummy sprinkles, brownie flavor crème, and chocolate crème. We are as intrigued as we are repulsed.



- The co-founder of **RXBAR** must have completed his non-compete. **Peter Rahal** will launch a new protein bar, *David*, later this year.



IN CLOSING

Enjoy the Spring!

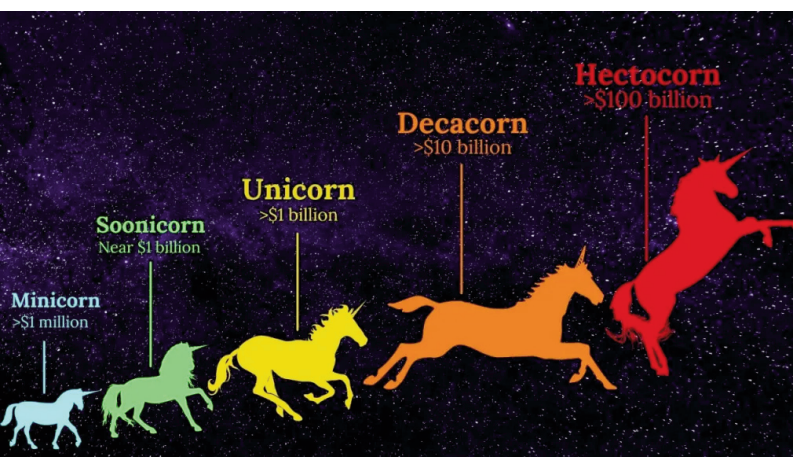


- *Ethisphere Institute* released their list of the 136 most ethical companies. Alphabetically, CPG was well represented by **Bimbo**, **Brown-Forman**, **Colgate-Palmolive**, **Hasbro**, **Hershey**, **Kellanova**, **Kimberly-Clark**, **L'Oréal**, **PepsiCo**, and **Smucker**.

- Did you miss **Veganuary**? The idea was to try going vegan in January, and in 2023 some 7% of Americans skipped animal products for at least part of the month.

VEGANUARY

- Last year was the **worst in a decade** for VC-backed companies, according to *Pitchbook*. About 700 companies sold for over \$26 billion, but that was **only a quarter of 2021's peak value**. And on the PE front, total **exit value fell 26%** ... with an average **hold time of 6.4 years** at exit.
- US workers **quit 6.1 million fewer jobs** in 2023 than in 2022. The 12% decline is a bit concerning, as it can depress income growth amid doubt about the job market.
- The featured word this issue is **soonicorn**. It refers to a company closing in on unicorn status with a valuation of \$1 billion.



- Company names that made us smile this quarter include **Wahaha Group** and **Boogie Lab**.



- In case you missed it, *Stanley Quencher* stainless steel tumblers are the **latest collectible craze**. It got out of hand when a woman in Sacramento allegedly stole \$2,500 worth of them from a local store.



- **Kevin Chamberlain** was the first to answer **last issue's trivia question**. He knew *Pop-Tarts* replaced *Cheez-It* as the title sponsor of the bowl game in Orlando. Both are owned by **Kellanova** (formerly Kellogg).

CPG TRIVIA CHALLENGE

As **this issue's trivia question**, what Oscar-winning actor owes his start to commercials for *Bubble Yum*, *Kraft Singles*, and *Apple Jacks*?

