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and maximize deal value

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- Consumer

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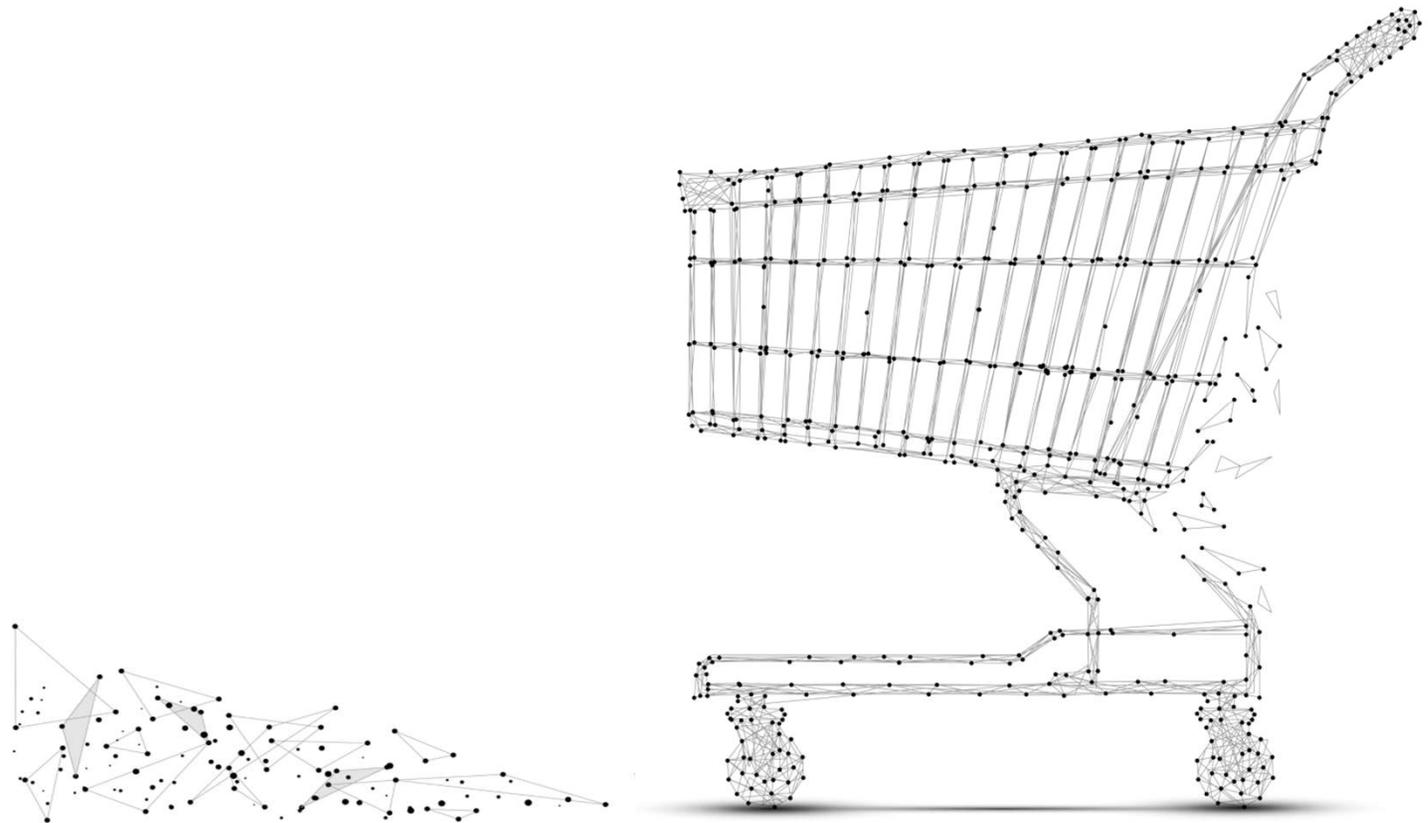
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Consumer Product Goods Market Insights Fall 2022



Key Trends in 2022 Impacting the Consumer Product Goods Sector



Supply Chain Issues
and Passed Down
Costs



Inflation on Aisle 6:
Consumers Hit with
Higher Grocery Bills



The Age of the “Click and
Collect” Model

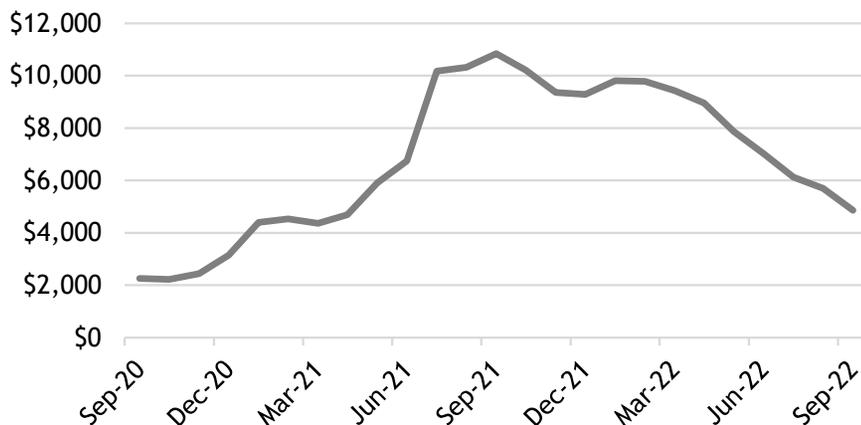


Supply Chain Issues and Passed Down Costs



- Supply chain issues has been one of the main contributors to CPI rising 8.5% YoY through July 2022⁽¹⁾
- Disruptions began at the onset of the Pandemic in early 2020, with many factories around the globe shutting down or cutting back on capacity
 - Tyson Foods, major poultry producer, and Smithfield Foods, the world’s largest pork processor, temporarily closed their plants across the United States in early April 2020⁽²⁾
- Higher demand for consumer goods combined with the lingering effects of pandemic restrictions saw ocean shipping costs skyrocket for much of 2021, which were eventually passed on to the end-consumer⁽³⁾
 - The cost to send a 40 ft shipping container from China to the United States hit a record high of \$20,586 in September 2021, up 455% from the prior September⁽³⁾
- Looking into 2022, companies are investing heavily in technology to automate key nodes with their supply chain in order to become more efficient and responsive to major disruptions⁽⁴⁾
 - Johnson & Johnson is currently investing in a project to use intelligent digital automation to predict how much product consumers will purchase at any retail location⁽⁵⁾
- The New York Fed’s Global Supply Chain Pressure Index (GSCPI) fell for a third straight month in July 2022 and hit its lowest point since January 2021, signaling that supply chain bottlenecks are beginning to ease⁽⁶⁾

Global Container Freight Index⁽⁷⁾



Select Quotes - Industry Leaders⁽⁸⁾

“We’re working with our suppliers to pass through some of these higher costs, while paying close attention to our customers reactions to higher prices across all our classes. So far, we believe customers are generally absorbing the higher prices reasonably well” - **Niraj Shah, Chief Executive Officer Wayfair**



“My belief is managing the supply chain will be something which will be with us for a long time. It will be a really core competence of companies like us, making sure that you can manage these scarcities and issues on the supply chain.” - **Alan Jope, Chief Executive Officer Unilever**



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Sources:

(1) U.S. Bureau of Labor
(2) NBC News
(3) Council on Foreign Relations

(4) KPMG
(5) Supply Chain Management Review
(6) Axios

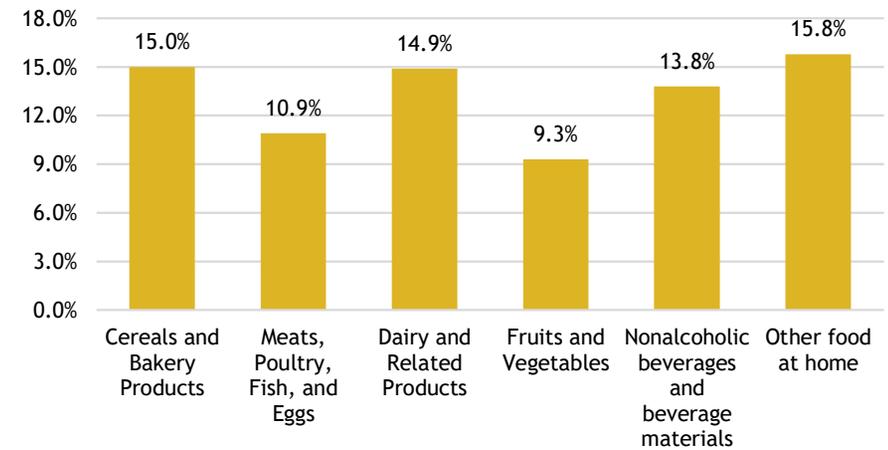
(7) Freightos Data
(8) Supply Chain Dive

Inflation on Aisle 6: Consumers Hit with Higher Grocery Bills



- Per the July 2022 Consumer Price Index report, food prices have increased 10.9% YoY which puts current food prices at an all-time high⁽¹⁾
 - Food consumed at home increased in price by 13.1% YoY, led by cereals, bakery products, and dairy related products
- Price increases related to food products can be attributed to a few factors:
 - Milk production forecast in 2022 is 226 billion pounds, which would represent the first YoY decrease since 2009⁽²⁾
 - Poor weather conditions in key corn-producing states is decreasing yield forecasts and planting progress⁽²⁾
 - Global wheat production is lower than expected due to Russia's invasion and destruction of Ukraine's most productive arable areas⁽³⁾
- Consumer spending on groceries fell 11.7% in Q2 2022, a reflection of consumer's cutting down their grocery budget and choosing more lower-priced options⁽⁴⁾
 - The University of Michigan conducts a monthly survey and found that consumer sentiment reached a record low between May and June⁽⁵⁾
- Rob Fox, the director of the knowledge exchange division at CoBank, predicts prices won't decline until Q1/Q2 2023 and even then, won't be below price tags seen in 2021⁽³⁾

YoY Percentage Change of Food at Home (July 2022)⁽¹⁾



Estimated Price Inflation Examples since July 2022⁽¹⁾



Hillshire Farm Turkey Breast, 11lb

Year	Price
2021	\$6.51
2022	\$7.50
Change:	+15.2%



12-Count Eggs

Year	Price
2021	\$2.28
2022	\$3.15
Change:	+38.0%



Red Bull Energy Drink, 12 Fl Oz (4 Pack)

Year	Price
2021	\$9.49
2022	\$10.48
Change:	+13.8%

**Current prices reflect July 2022 data. July 2021 prices are an estimate based on YoY average inflation rates found in the CPI for July*



The Age of the “Click and Collect” Model

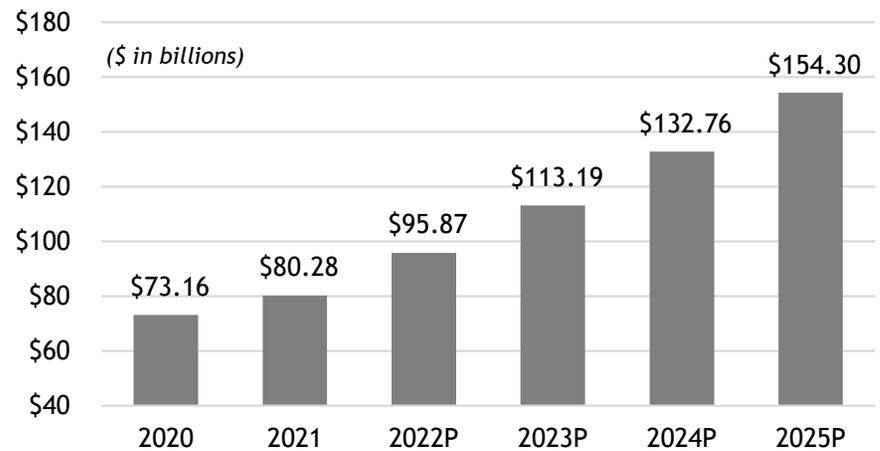


- Online retailers are shifting their models to include a “click and collect” model, also known as buy online and pick in store (BOPIS), which is a hybrid e-commerce model that utilizes online store pickup and delivery of common consumer products
- Click and collect is becoming increasingly popular as in 2020, 60% of U.S. retailers implemented it into their business model⁽¹⁾
- In 2020, seven multichannel retailers accounted for 64% of all the click and collect sales in the US⁽²⁾
- Walmart is the largest retailer utilizing this model, as Walmart attributed 25.4% of all click and collect orders in 2021, which was the largest share of any U.S. retailer⁽³⁾
 - Walmart’s high market share in 2021 was due to their large section of grocery items as well as increased popularity of the online orders and pick-ups due to the Covid-19 pandemic
- This model is relatively attractive for retailers as click and collect e-commerce sales are more profitable due to the retailer not having to pay the cost of delivering packages to consumer’s homes
- In the US alone, “click and collect” sales are projected to be over \$95.0B in 2022 and are **expected to reach over \$154.0B by 2025**, as the adoption of this model becomes more prevalent⁽⁴⁾
 - Click and collect’s share of all e-commerce sales in 2021 was 8.7%, which is projected to increase to 9.6% by 2025

Click and Collect Players



US Click and Collect Sales (2020-2025)⁽⁴⁾



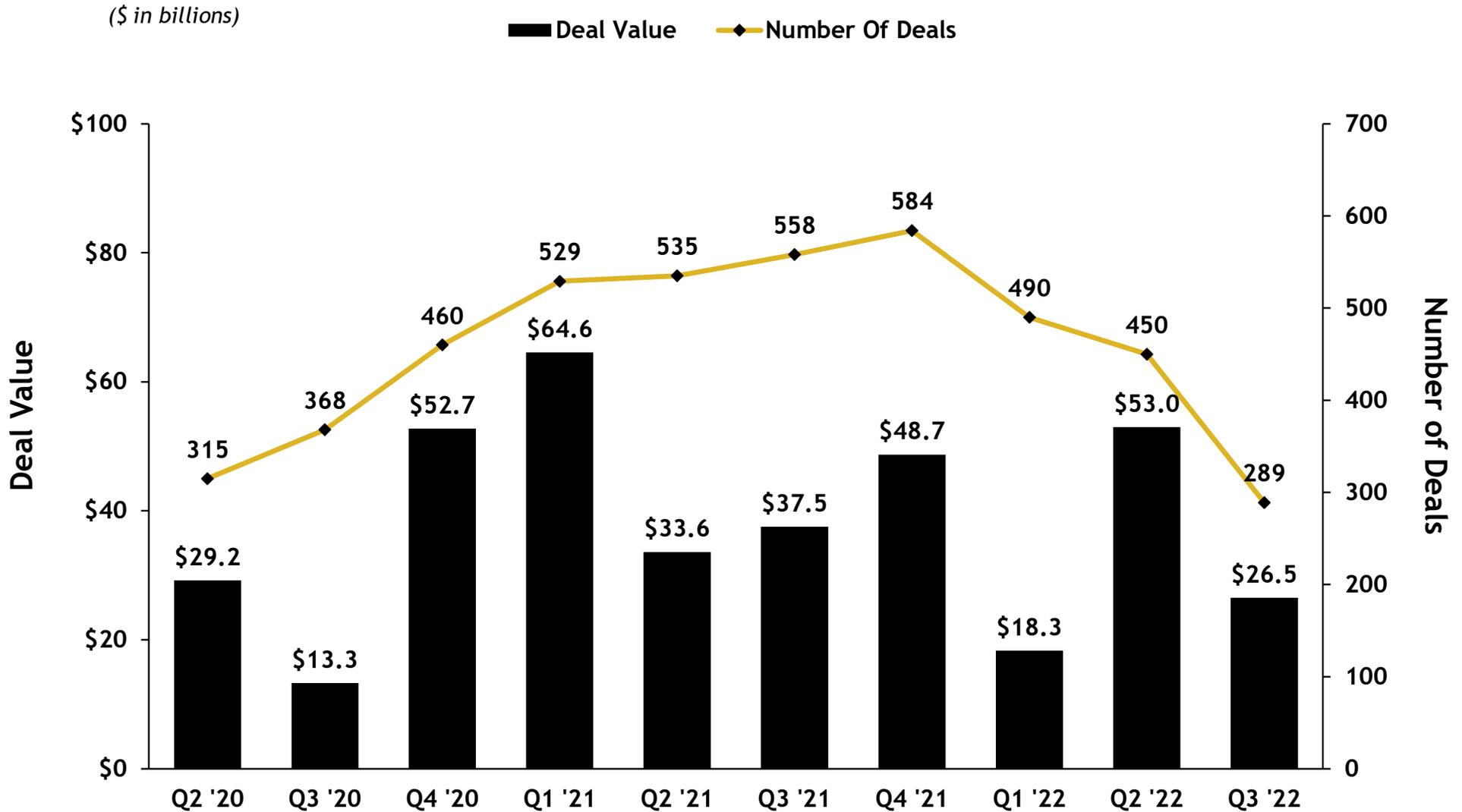
CPG Food & Beverage Products Brands Map



CPG Household & Personal Products Brands Map



Consumer Product Goods M&A Deal Activity



Select M&A Transactions

Deal Date	Target	Buyer/Acquirer	Target Business Description	TEV (\$M)	EV/Revenue	EV/EBITDA
08/31/22			Operator of a craft brewery based in Escondido, California	\$165	N/A	N/A
08/03/22			Producer of liquid stocks for cooking purposes intended to offer delicious, accessible and quality meal ingredients	\$99	N/A	N/A
08/01/22			Producer of organic energy and nutritional foods and drinks	\$2,900	N/A	N/A
07/22/22			Processor of dressed-chicken as well as producer and seller of a variety of fresh, frozen, and value-added chicken products to grocers, food-service operators, and distributors	\$4,530	0.8x	3.5x
07/19/22			Manufacturer of health and wellness products intended to inspire wellness in all	\$210	N/A	N/A
07/02/22			Manufacturer of tea powder and blends	\$4,750	2.0x	N/A
07/01/22	 		Food brands formerly owned by General Mills	\$610	N/A	N/A
06/20/22			Manufacturer and seller of frozen products intended to serve the domestic and international market	\$222	N/A	N/A

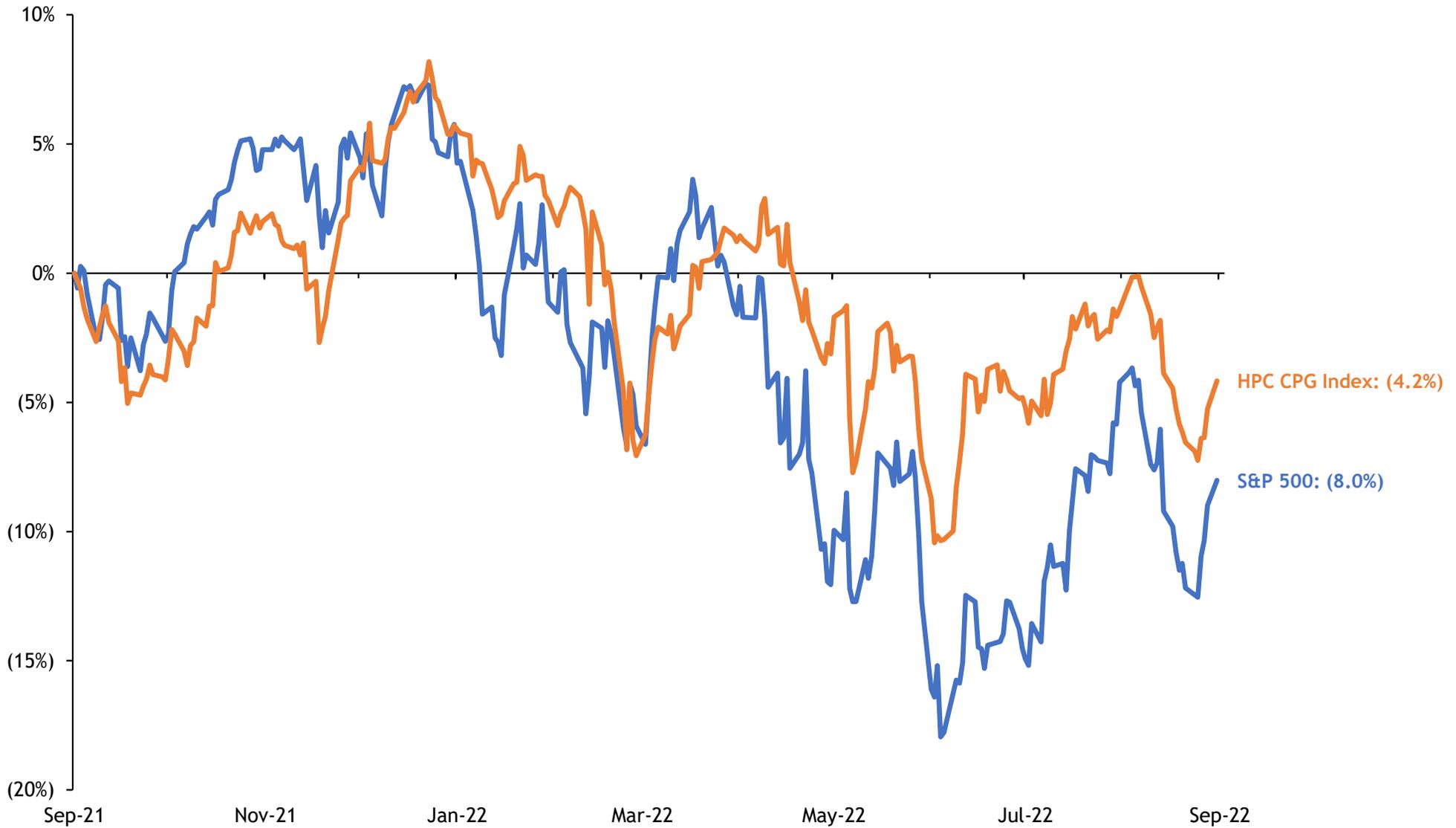


Select M&A Transactions (cont.)

Deal Date	Target	Buyer/Acquirer	Target Business Description	TEV (\$M)	EV/Revenue	EV/EBITDA
05/31/22			Manufacturer and retailer of perfumes, fragrances and accessories committed to translating memories and emotions into products and experiences	\$1,060	N/A	N/A
05/12/22			Manufacturer of smokeless tobacco products including snus, moist snuff, chewing tobacco, cigars, and lighters and matches	\$16,000	7.5x	17.8x
04/01/22			Producer of food and beverage products and ingredients serving customers in the food, beverage, paper, packaging, personal care, apparel and animal nutrition industries	\$852	N/A	N/A
02/01/22			Manufacturer of luxury skincare products committed to offering cosmetics while spreading awareness on global issues	\$590	N/A	N/A
01/25/22			Manufacturer of audio and entertainment products intended to offer quality audio and visual experiences across a wide range of categories	\$440	1.6x	7.6x
01/20/22			Designer and manufacturer of lightweight communications headsets, telephone headset systems, and other communications endpoints	\$3,300	N/A	N/A
01/03/22			Manufacturer of snacks and chocolate confectioneries intended to develop and produce products of high nutritional value	\$1,922	N/A	N/A
01/01/22			Manufacturer of hair and lifestyle products that are designed to nourish, restore and enhance natural beauty	\$330	N/A	N/A



Consumer Product Goods Indexed Stock Performance



Public Companies

(\$ in millions, except per share)

Company	Stock Price 09/12/22	% of 52 Week High	Enterprise Value	LTM		LTM Margins		3 Year CAGR		Enterprise Value / LTM	
				Revenue	EBITDA	Gross Profit	EBITDA	Revenue	EBITDA	Revenue	EBITDA
 <i>Procter & Gamble</i>	\$141.10	85.3%	\$384,454	\$80,187	\$21,501	47.7%	26.8%	4.4%	9.2%	4.8x	17.9x
	\$117.59	86.2%	\$374,825	\$95,616	\$18,927	46.7%	19.8%	(1.6%)	(1.7%)	3.9x	19.8x
	\$62.50	93.0%	\$304,902	\$41,322	\$13,228	58.9%	32.0%	4.1%	4.2%	7.4x	23.0x
	\$173.90	96.0%	\$275,516	\$81,862	\$14,816	53.3%	18.1%	7.1%	4.6%	3.4x	18.6x
	\$260.37	96.0%	\$240,569	\$23,594	\$12,071	55.3%	51.2%	3.0%	5.1%	10.2x	19.9x
	\$357.01	81.3%	\$200,751	\$37,066	\$7,750	73.2%	20.9%	6.2%	5.3%	5.4x	25.9x
	\$51.57	85.3%	\$192,773	\$56,499	\$17,745	55.9%	31.4%	0.8%	(5.3%)	3.4x	10.9x
	\$97.66	86.8%	\$176,661	\$31,804	\$13,952	66.6%	43.9%	2.0%	4.5%	5.6x	12.7x
	\$47.05	97.8%	\$152,822	\$58,829	\$11,419	46.2%	19.4%	0.9%	(1.8%)	2.6x	13.4x
	\$61.90	89.1%	\$104,353	\$29,878	\$6,019	37.9%	20.1%	3.5%	10.1%	3.5x	17.3x
ESTÉE LAUDER	\$255.42	68.3%	\$97,824	\$17,737	\$4,273	75.7%	24.1%	5.8%	9.4%	5.5x	22.9x
	\$77.90	91.0%	\$73,056	\$17,700	\$4,192	58.2%	23.7%	3.9%	0.9%	4.1x	17.4x
Average						56.3%	27.6%	3.3%	3.7%	5.0x	18.3x
Median						55.6%	23.9%	3.7%	4.5%	4.5x	18.2x



HPC Overview

HPC Overview

- Founded in 2000 - by the two prior heads of the Healthcare and Technology Investment Banking Groups at Raymond James
- Advised on **150+ transactions** and has been a consistent leader in providing independent and unbiased strategic counsel and advisory services to global sellers and buyers of middle-market firms
- Diverse team with extensive execution experience across all areas of the Consumer sector
- Bulge bracket capabilities with a boutique touch



Industry Leading. . .



- M&A Atlas Awards Boutique Investment Bank of the Year and Deal of the Year Winner (Business Services)



- Global Finance World's Best Investment Bank (Southeast Region)



- Ernst & Young Entrepreneur of the Year (Florida Region, Financial Services)

Consumer Coverage. . .



With a Focus on Products & Goods



HPC Overview

Senior Banker Committed to Consumer Sector Coverage

Experienced Banker



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Vice President

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Experience:

- Advised on 20+ strategic M&A and financing transactions
- Prior experience working in public accounting for Dixon Hughes Goodman's Private Equity Services practice

Education:

- M.S. in Accounting from Appalachian State University
- B.S. in Accounting from Appalachian State University

Select M&A Engagements



has been recapitalized by



*has been acquired
by*



Recent Closed Transactions



Trade Group Affiliations



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HPC Overview

Recent HPC Transactions

 <p>has been acquired by</p>  <p>a portfolio company of</p> 	 <p>has been acquired by</p>  <p>a portfolio company of</p> 	 <p>has entered into a joint venture with</p>  <p>a portfolio company of</p> 	 <p>has been acquired by</p>  <p>a portfolio company of</p> 	 <p>Restore • Rebuild • Replace • Renew</p> <p>has been acquired by</p> 
 <p>has been acquired by</p>  <p>a portfolio company of</p> 	 <p>has been acquired by</p> 	 <p>has been acquired by</p> 	 <p>has been recapitalized by</p> 	 <p>has been acquired by</p> 
 <p>has been acquired by</p>  <p>a portfolio company of</p> 	 <p>Diamonex subsidiary</p> <p>has been acquired by</p>  <p>a portfolio company of</p> 	 <p>has been acquired by</p> 	 <p>has been acquired by</p> 	 <p>has been acquired by</p> 



Select HPC Consumer Product Goods Experience

Case Study - Food Manufacturer



Overview of the Transaction

- Recapitalization of Country Meats - a Florida-based manufacturer of branded shelf-stable, smoked pork snack sticks - by Union Capital Equity Partners II, L.P, a leading lower middle-market private equity firm that invests in smaller U.S. founder-owned and family-owned businesses out of a \$200 million fund.
- Country Meats is a second-generation and family founded and owned business. The founder's three sons rolled 30% equity into the newly recapitalized company post-transaction and the youngest now acts as the CEO of the Company.
- The Company has more than 40 years of experience manufacturing the product and has sold more than 100 million meat sticks - primarily to non-profit organizations for fundraising re-sale.

Hyde Park Capital's Role

- Hyde Park Capital was engaged as the exclusive investment banker and financial advisor to Country Meats in connection with the sale of the Company.
- Hyde Park Capital marketed the opportunity to a targeted list of buyers and identified, negotiated and closed the transaction with the financial sponsor.



Select HPC Consumer Product Goods Experience

Case Study - Packaged Foods Producer & Distributor



has been acquired by



Overview of the Transaction

- 100% sale of Paradise, Inc fruit business to Seneca Foods Corp. (“Seneca”).
- Based in Plant City, FL, Paradise is a producer, packager, and distributor of its brands of candied fruit, which have been the favorites of homemakers and commercial bakers throughout North America.
- Paradise has partnered with America’s leading grocery retailers like The Kroger Companies, Safeway Stores, Inc., Food Lion, and Bi-Lo, making it the world’s largest manufacturer and supplier of consumer-packaged candied fruit ingredients for baked goods.
- Headquartered in Marion, NY, Seneca is a leading American food processor and distributor providing a wide range of products for retail, food service, international and industrial markets.

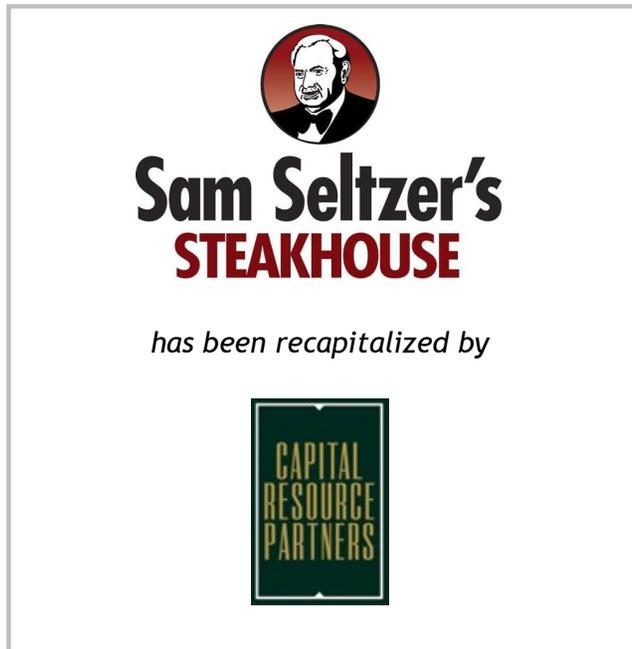
Hyde Park Capital’s Role

- Hyde Park Capital was engaged as the exclusive financial advisor and provided a fairness opinion to Paradise for this transaction.
- Hyde Park Capital originated, negotiated and closed the transaction with Seneca.



Select HPC Consumer Product Goods Experience

Case Study - Wholesale Food Distributor



Overview of the Company

- Investment of \$11 million in subordinated debt by Boston-based private equity and mezzanine capital group Capital Resource Partners, an investment fund with over \$1 billion in capital under management.
- Sam Seltzer's Steakhouse is a traditional, full service steakhouse chain comprised of eleven high-volume restaurants located throughout the West Coast of Florida.

Hyde Park Capital's Role

- Hyde Park Capital was engaged by the founder and owners of Sam Seltzer's to manage a capital raise of equity and/or debt for the Company to provide growth capital for expansion of the business throughout Florida.
- Utilizing its extensive network of relationships with financial sponsors, Hyde Park Capital was able to identify and solicit the interest of leading private equity group Capital Resource Partners interest in Sam Seltzer's Steakhouse.
- Hyde Park Capital negotiated and helped close the transaction which provided Sam Seltzer's management team the necessary capital to execute its growth strategy while minimizing the equity dilution to shareholders.



Select HPC Consumer Product Goods Experience

Case Study - Sustainable-Focused Restaurant Operator



Overview of the Transaction

- Growth equity investment by Bain Capital Double Impact into Sustainable Restaurant Group.
- Sustainable Restaurant Group (SRG) is a collection of brands that are defining the future of hospitality through a deep commitment to environmental and social change. SRG started in 2008 with the launch of Bamboo Sushi, the world's first sustainable sushi restaurant, and then in 2016 added QuickFish, a sustainable quick service restaurant. SRG operates six locations in Portland, Oregon and Denver.
- Bain Capital Double is the impact investing strategy of Bain Capital, a leading global private investment firm. Bain Capital Double Impact utilizes Bain Capital's proven, deep diligence, value-added approach to build great companies that deliver both competitive financial returns and meaningful, measurable social and environmental good.
- Bain was joined by Kitchen Fund to support Sustainable Restaurant Group's entrance into new regional markets and to amplify the concepts' commitment to sustainability efforts.

Hyde Park Capital's Role

- Hyde Park Capital worked with Sustainable Restaurant Group to identify a potential investor that aligned with the Company's commitment to environmental and social change.

