

Thanksgiving 2019

Consumer Biz Buzz

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

TRANSACTION NEWS

Feel free to go back for seconds.



- **Hasbro** is paying \$4 billion for eOne, the owner of children's cartoon *Peppa Pig* and not-so-children's music label *Death Row Records*. It continues Hasbro's push beyond traditional toys and games.
- **Simply Good Foods** is paying nearly \$1 billion for **Quest Nutrition**, the protein bar company owned by **VMG**. *Quest* will join *Atkins* and *Simply* in a brand portfolio.
- **Hershey** is buying **ONE Brands**, maker of *ONE* protein bars, for \$397 million. **CAVU Ventures** was an investor.
- **Shiseido** is paying \$845 million for **Drunk Elephant**, the indie "clean beauty" brand. **VMG** was a minority investor.
- **Pernod Ricard** paid \$223 million for **Castle Brands**, the maker of high-end brands such as *Jefferson's* bourbon and *Goslings* rum. In a smaller deal, they bought **Firestone & Robertson** and their *TX* brand of super premium whiskey.
- **Conagra** sold their DSD snack brands (*Tim's*, *Snyder's of Berlin*, *Husman's*, etc.) to **Utz**. The businesses came with the **Pinnacle Foods** acquisition last year.
- **SC Johnson** bought **Oars + Alps**, a men's clean skincare brand. They reportedly paid \$20 million for their first brand in that sector.
- **KIND Healthy Snacks** bought **Creative Snacks**. They make cluster-style snacks and trail mixes.
- **AB InBev** spun off **Budweiser Asia** in an IPO that was the second biggest of the year. Proceeds are being used to cut debt.
- Meanwhile, **AB InBev** is paying \$220 million for the 69% of **Craft Brew Alliance** they do not own. Their eight brands of craft beer include *Kona Brewing* and *Redhook*.
- **Ebro Foods** bought *Tilda*, a UK-focused rice brand, from **Hain Celestial** for \$342 million. Sales are about \$200 million.
- **Rich Products** acquired **Christie Cookie**. The Nashville-based maker of gourmet cookies sells mostly through direct-to-consumer channels.
- **Henkel** is buying **DevaCurl** from **Ares**, a private equity firm. The \$100 million brand, which is for curly and wavy hair, is sold through salons, Sephora, Ulta, and online.
- **Altria** and **Philip Morris** wanted to reunite, 11 years after splitting. But investors hated the idea, so it was called off.
- **Post Holdings** spun off their active nutrition business (*Dymatize*, *PowerBar*, etc.) via an IPO. The new company is called **BellRing Brands**, and Post owns 80% of the shares to start.

TRANSACTION NEWS...CONTINUED

- **Coty** is paying \$600 million for 51% of **Kylie Cosmetics**. This is **Kylie Jenner's** makeup and skincare company.
- **Estée Lauder** is buying the remaining 67% of **Have & Be**, after first investing in 2015. The South Korean company makes *Dr. Jart+* skincare and *Do The Right Thing* men's grooming products.



HAVE & BE

Dr.Jart+

ESTÉE
LAUDER
COMPANIES

- **Molson Coors** bought 49% of **L.A. Libations**, an incubator for nonalcoholic beverages. It is to help the brewer innovate faster ... outside of beer.

For sale:

- **Coty** wants to sell their hair care and professional beauty businesses, which generate revenue of nearly \$3 billion. Brands include *Wella*, *Clairol*, and *OPI*. Most were acquired from **P&G** in 2016.
- **Revlon** is reportedly working with **Goldman Sachs** to explore sale options.

Private equity firms continue to be active buyers and sellers:

- **General Atlantic** is buying a majority stake in **Morphe Holdings**, a digitally-led beauty company.
- **Swander Pace Capital** is buying **Café Valley**, a wholesale baker of sweet baked goods for retail and foodservice channels.
- Meanwhile, **Swander Pace** sold **Passport Foods** to **Skyview Capital**. They make globally-inspired entrees and appetizers
- **NexPhase Capital** invested in **Popcornopolis**. Their gourmet ready-to-eat popcorn includes flavors like *Zebra* (dark and white chocolate) and *Nearly Naked*.



- **VMG Partners** bought **Popchips**, which was owned by PE firm **Verlinvest**.
- **Brynwood** bought the *Arrowhead Mills* and *SunSpire* brands from **Hain Celestial**. They will become part of **Hometown Foods**.
- Meanwhile, **Brynwood** sold **Joseph's Frozen Foods**, a maker of frozen stuffed pasta and sauces, to **LaSalle Capital**. The business was part of **Nestlé** until 2013.
- **Vestar** made a minority investment in **Simple Mills**, a natural foods maker of baking mixes, crackers, and cookies.
- **Wind Point Partners** sold **Evans Food Group** to **Highlander Partners**. They acquired the pork rind company in 2016.
- **Goldner Hawn** sold **Cameron's Coffee** to **Grupo Nutresa**, a big Colombian food company.
- **Stonewall Kitchen**, which is owned by **Audax**, bought **Vermont Village**. They make organic apple products.
- **Encore Consumer** invested in **Murry's**. They make frozen French toast products for private label and foodservice customers.

Among earlier stage companies:

- **Hershey** used its C7 Ventures investment group to buy minority stakes in **Blue Stripes** and **Fulfil**. The first makes foods and beverages from cacao pulp; the second makes protein bars in the UK.
- **Alliance Consumer Growth** invested in **Smashmallow**. They make the *Smash* brand of organic marshmallow treats and related items, with gummies coming soon.
- **Nestlé** invested in **Before Brands** and their *SpoonfulOne* brand. The digitally-native products help prevent food allergies in kids.



- **Icelandic Glacial**, a premium spring water brand from Iceland, raised \$66 million. That includes \$35 million from **BlackRock**.

COURTROOMS AND BUREAUCRACY

Have a lawyer over for Thanksgiving dinner. They're lonely.

- **AB InBev** accused **Molson Coors** of stealing secret recipes for *Bud Light* and *Michelob Ultra*. A now-suspended employee allegedly photographed the recipes and texted them to the other side.
- A judge in California ruled **Nestlé** must deal with a class action suit claiming several brands are mistakenly labeled as GMO-free. It's probably just a nuisance, but still.
- Raise your hand if you have not sued **Bayer** yet over *Roundup's* alleged connection to cancer. The number of cases has more than doubled ... to 42,700 lawsuits.
- **Kellogg** will pay \$30 million to settle a class action suit alleging some cereals and snack bars used misleading nutrition claims. The company also cannot use words such as "healthy," "wholesome," and "nutritious" on several brands for at least three years.
- **Starkist** will pay a \$100 million fine for price fixing in canned tuna in 2012 and 2013. **Bumble Bee** has already been fined \$25 million; **Chicken of the Sea** was the whistleblower and was not charged.
- **Dean Foods** filed for Chapter 11 bankruptcy protection. Problems include shrinking milk consumption and the loss of Walmart and Food Lion as customers.
- Four men agreed to pay \$936,000 in SEC fines. They were charged with insider trading when **Utz** bought **Golden Flake** potato chips in 2016.
- It is a **bad time to be in the vaping business**. Michigan and New York banned the sale of flavored e-cigarettes, and the White House may prohibit ones that do not taste like tobacco or menthol. **Juul** is preemptively discontinuing their mint flavor, which accounts for about 70% of sales.
- Meanwhile, for the first time the FDA is letting eight smokeless tobacco brands be marketed as **healthier than cigarettes**. Snus (pronounced "snooze") are like chewing tobacco in little pouches.



EXPANDING AND CONTRACTING

Obviously, we prefer the former.

- **Tyson** is adding 100 jobs as they expand a poultry processing plant in Georgia.
- **Molson Coors** is cutting up to 500 jobs as they restructure to focus less on beer and more on tea and coffee. The company is even being renamed **Molson Coors Beverage Company**.
- **Juul** is cutting roughly 650 jobs, or 16% of their total. But you probably expected that after reading all the anti-vaping news.



PEOPLE NEWS

Time to update your holiday card list.

CEOs

- **Mike Axelrod** joined **Del Real Foods**, the Mexican foods company, as CEO. His CPG work includes **Passport Food Group, TreeHouse Foods, Pactiv, McCain Foods,** and **Kraft**.
- **Jeff Yapp** joined **Golden Leaf Holdings**, a producer and dispenser of cannabis products, as CEO. His CPG roots include **Gallo** and **General Foods**.
- **Joe Ens** is joining **HighKey**, a maker of Keto-friendly snacks, as CEO. He spent years at **General Mills**.
- **Amit Pandhi** joined **VMG-backed Velocity Snack Brands (Popchips)** as CEO. He was at **Arctic Zero** and PE firm **HGGC**.
- **Craig Stevenson** joined **Scholl's Wellness Company (Dr. Scholl's)** as CEO. He was at **Clorox** and **P&G**.
- **Bob Baird** joined **Innovative Water Care**, a supplier of water treatment and sanitizing products. His CPG background includes **A.T. Cross, Dorel, Philips Electronics, Scott Paper,** and **P&G**.
- **Craig Shiesley** joined **Yasso**, a maker of frozen Greek yogurt desserts, as CEO. He was at **Amplify Snacks, WhiteWave,** and **SCJ**.
- **Seth Kaufman** is joining **Moët Hennessy North America** as CEO. He was at **PepsiCo**.
- **Justin Lambeth** joined **Treeline Cheese**, a maker of plant-based cheese alternatives as CEO. He was at **NatureSweet, PepsiCo, Heinz,** and **Nabisco**.
- **Ann Mukherjee** joined **Pernod Ricard** as CEO of North America. She was at **SCJ** and **Frito-Lay**.
- **Mike Keown** joined **Honey Stinger**, a maker of energy products for athletes, as CEO. He was at **Farmer Bros., WhiteWave, Dean Foods, Minute Maid, Gallo,** and **P&G**.
- **Carl Lee** is the CEO of **Benestar**, a snack company formed by **Highlander Partners** after acquiring **Evans Food Group**. He was the CEO of **Snyder's-Lance**.
- **Deverl Maserang** joined coffee company **Farmer Bros.** as CEO. He was at **Earthbound Farm, Starbucks,** and **Chiquita**.
- **Michael Watt** joined **Daiya**, a maker of plant-based foods, as CEO. He was at **Baby Gourmet Foods, Mars Wrigley, Campbell Soup,** and **J&J**.
- **Jennifer Locke** is joining **Crimson Wine Group (Pine Ridge Vineyards, etc.)** as CEO. She was at **Treasury Wine Estates**.
- **Vic Mehren** joined **Kar's Nuts** as CEO. He was at **Mars Wrigley**.
- **Al Multari** joined **Banana**, a maker of banana and plantain snacks, as CEO. He was most recently at **Nissin Foods** and **Nestlé**.
- **Doug Cahill** is the CEO of **Hillman Group**, a maker of signs, fasteners, and other hardware products. He is a partner at CCMP and previously ran **Doane Pet Care** and **Mars Petcare**.



CEOs CONTINUED

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

- **KIND** promoted **Mike Barkley** to CEO. He joined last year as president and COO.
- **Post Holdings** named **Darcy Horn Davenport** as CEO of **BellRing Brands**, the sports nutrition business they spun off. She was the division president.
- **Rich Products** named **Richard Ferranti** as CEO. He was president and COO, and he succeeds the retiring **Bill Gisel**.

PRESIDENTS AND GMs

- **Dan Poland** joined **KIND** as COO. He was at **Pinnacle Foods**, **WhiteWave**, **McCain Foods**, **HJ Heinz**, **Nestle**, and **Gerber**.
- **Jeff Caswell** joined **General Mills** as president of US snacks. He was at **Tyson**, **Conagra**, **PepsiCo**, and **Danone**.
- **Dean Banks** is joining **Tyson** as president. He was on the company's board, coming from the tech world.
- **Kristin Bird** joined **T. Marzetti**, the salad dressing and food company, as president of foodservice. She was at **Basic American Foods**, **Tyson**, **Hillshire Brands**, and **Unilever**.
- **Norm Snyder** joined **Reed's**, the craft soda company, as COO. He was most recently at **Avitae**, the caffeinated water company.
- **Mike Pilkington** joined **Death Wish Coffee**, famously the world's strongest coffee, as COO. He was at Sysco.
- **Michael Fanuele** joined Assembly, an agency, as president. He was the chief creative officer at **General Mills**.
- **Drew Brees** joined Franworth, a PE firm focused on franchised businesses. It is not related to CPG, but we like knowing what NFL quarterbacks do between games.

- **Zing Zang** promoted **Brent Albertson** to CEO. He joined as president and chief customer officer in 2016.
- **L'Oréal** named **Stéphane Rinderknech** as CEO of the US business. He has been there since 2001, most recently in China.
- **Litehouse**, the #1 refrigerated salad dressing brand, promoted **Kelly Prior** to CEO. He joined the company in 2002.
- McDonald's promoted **Chris Kempczinski** to CEO. We care because he spent nearly 20 years at **P&G**, **PepsiCo**, and **Kraft**.

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

- **General Mills** named **Bethany Quam** as president of the pet segment, most notably *Blue Buffalo*. She ran Europe and Australia, where **Dana McNabb** takes her place.
- **Hormel** promoted **Deanna Brady** to EVP of refrigerated foods as **Tom Day** retires. Her successor as sales head is **PJ Connor**.
- **Bridgestone** named **TJ Higgins** to run consumer and commercial tires in the Americas. He has a CPG background that includes **Pfizer** and **J&J**.
- **Chobani** promoted **Peter McGuinness** to president. He has been CMO for six years.
- **J&J** named **Deeptha Khanna** as global president and **Duda Kertesz** as US president of skin health. The group includes *Neutrogena*, *Aveeno*, and baby care.
- **Nestlé** named long-time veteran **Sanjay Bahadur** as president of a new group focused on external growth opportunities, including venture capital funding.
- **Turning Point Brands** promoted **Graham Purdy** to COO. The company makes "other tobacco products" like the *Zig Zag* rolling papers.

SALES AND MARKETING

- **Doug Behrens** joined **KIND** as chief customer officer. He was at **Amplify Snack Brands, WhiteWave, J&J, and P&G.**
- **Stuart Kronauge** is joining **Beyond Meat** as CMO, coming from **Coca-Cola**. Meanwhile, **Marc Patrick** is joining as SVP of marketing, coming from Nike.
- Speaking of faux meat, **Jessie Becker** joined **Impossible Foods** as SVP of marketing. She was at Google and Netflix.
- **Rhonda Hoffman** joined **Pharmavite** as CMO. Her CPG work includes **Abbott Nutrition** and **P&G.**
- **Nigyar Makhmudova** joined **Danone** as EVP of growth and innovation. She was running global pet nutrition at **Mars.**
- **Olga Osminkina-Jones** joined **Beam Suntory** to run innovation, R&D, and ready-to-drink products. She was at **PepsiCo, Danone, Heineken, Estée Lauder, and P&G.**
- **Miguel Leal** joined **Cholula**, the hot sauce company, as CMO. He was at **KIND, Diamond Foods, Dannon, and Frito-Lay.**
- **Tim Jax** joined **Pretzels Inc.** as VP of marketing and innovation. He was at **TreeHouse Foods** and **Conagra.**
- **Bonnie Neulight** joined **Rebbl**, the functional beverage brand, as CMO. She was at **Mezzetta Foods, Clorox, Smucker, and Del Monte.**
- **Bridget Lasda** joined **King Juice** as chief customer officer. She was at **Heineken** and **Coca-Cola.**
- **Maisie Antonello** joined **Jones Soda** as VP of marketing. She was at Starbucks and **Frito-Lay.**
- **Mike Fulton** joined **Jim Buddy's Protein Donuts** as chief sales officer, coming from.

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

- **Kraft Heinz** named **Nina Barton** to their new chief growth officer role. She was running Canada and the online business.
- **Maple Leaf Foods** promoted **Casey Richards** to SVP of marketing and innovation. He still oversees the pastry business.
- **JM Smucker** is promoting **Geoff Tanner** to chief marketing and commercial officer. He was SVP of growth and consumer engagement.

OTHER FUNCTIONS

- **Rebecca Bagin** joined **KIND** as chief HR officer. She was at Tory Burch and **Campbell Soup.**
- **Frank Steinert** joined **Henkel** as the HR head for North America. He was at Random House.
- **Jim Scarfone** joined **MidOcean Partners** as CHRO. He was most recently at **KIND.**
- **Miriam Ort** is joining **C&S Wholesale Grocers** as CHRO. She was at Avis, **PepsiCo,** and **Avon.**
- **Javier Idrovo** is joining **Hain Celestial** as CFO. He was at **Hershey, Dole,** and **BCG.**
- **Mick Beekhuizen** joined **Campbell Soup** as CFO. He was at **Chobani.**
- **Jeff Moran** joined **Yes To**, the hair and skincare company, as CFO. He was most recently at Alvarez & Marsal.
- **Yexi Liu** joined **Rich Products** as CIO. He was at Westinghouse Electric.
- **Jim Swanson** joined **J&J** as CIO. He was at **Bayer.**
- **Francesco Tinto** joined Walgreens Boots Alliance as CIO. We care because he was at **Kraft Heinz** and **Kraft** for 17 years.
- **Deirdre Stanley** joined **Estée Lauder** as general counsel. She was at Thomson Reuters.
- **Daniel Cunha** joined **Ocean Spray** as CFO. He was at a PE firm and at **Kraft Heinz.**
- **John Kimble** joined **JAKKS Pacific**, the toy company, as CFO. He was at **Mattel** and Disney.

OTHER FUNCTIONS CONTINUED

Yada yada yada about internal moves:

- **Spectrum Brands** promoted **Rebeckah Long** to SVP of global HR. She joined the company in 2008.
- **Kraft Heinz** named **Paulo Basilio** as CFO for a second stint. In between, he led business planning and development.

BOARDS OF DIRECTORS

- **Dan Poland** joined the board of **Sovos Brands**, the food and beverage acquisition company. He is the COO at **KIND Snacks**.
- We missed it, but **Cheryl Bachelder** joined the Chick-fil-A board. We care because it is our favorite fast food ... and because she started at **P&G**.
- **Mike Mardy** joined the board of **True Leaf**, a maker of CBD pet products. He was at **Tumi**, **Keystone Foods**, and **Nabisco**.
- **Pierre Denis** and **Beatrice Ballini** joined **Coty's** board. He is CEO of Jimmy Choo; she is a headhunter at a faceless megafirm.
- **Rod Troni** joined the board of **Pretzels, Inc.** He was the CEO of **Sky Valley Foods**.
- **General Mills** promoted **Kofi Bruce** to CFO as **Don Mulligan** retires. Bruce has been at the company for 10 years.
- **JM Smucker** promoted three: **Jill Penrose** to chief people and administrative officer, **Tucker Marshall** to CFO, and **Amy Held** to chief strategy and international officer.
- **John Frascotti** joined Party City's board. He is the president and COO of **Hasbro**.
- **Rich Beck** and **Mike Sims** joined **Hain Celestial's** board. Beck was in operations and GM roles at **PepsiCo**; Sims is the CFO of Trugreen.
- **Ted Rich** joined the board of **Rich Products**. He represents the third generation of the family owners.
- **Michele Buck** was named chairman of **Hershey**, in addition to her CEO role.
- **Nils Andersen** was named chairman of **Unilever**. He joined the board in 2015, and he was the CEO of Maersk and **Carlsberg**.

OBITUARIES



■ **Jeffrey Davidson** died at 60 after a motorbike accident in New York. He was CEO of the company formed when **JD Beauty** and **Goody Products** merged.



■ **Kenneth Mason** died at 97. As the president of **Quaker Oats** in the 1970s, he argued that Saturday morning cartoons were more harmful than sugary cereals.



■ **Gert Boyle** died at 95. She was the chairwoman of Columbia Sportswear, which her father founded. While not a CPG person, we liked the "one tough mother" ads where she and her son tested products.



■ **David Koch** died at 79. The world's 11th richest man co-owned Koch Industries, which acquired **Georgia-Pacific** in 2005. He and his brother were also big donors to conservative causes and candidates.



■ **Bill Smith** died at 84. Known as "The Beer Guy," he ran **Pittsburgh Brewing** and then **Pabst** from 1981 to 1985.



■ **Jack Breen** died at 85. He turned **Sherwin-Williams** around during his 21 years as CEO, starting in 1979.

MARKETING AND STRATEGY

It sounded like a good idea at the time.

- Finally, a concept we can really get behind! **Jim Buddy's Protein Donuts** is moving from London to the US. Each donut has 11 grams of protein and is under 160 calories.



- Pizza Hut has partnered with **Kellogg** to introduce *Stuffed Cheez-It Pizza* for a limited time. It features four baked squares with a *Cheez-It* crust and a filling.
- An ultra-premium tequila called *Cincoro* is launching in 12 markets and will soon go national. Four of the five founders own NBA teams, with one of them being **Michael Jordan**.



- Speaking of celebrities in CPG, **Alex Rodriguez** and **Jennifer Lopez** are backing **Tiller & Hatch**. The new brand of eight frozen meals, designed for electric pressure cookers, is now in Walmart.



- Meanwhile, actress **Kate Hudson** is launching *King St. Vodka*. Because you know the world needs another vodka. This one is named for a street she lived on in New York.
- Mondelez** is introducing *CaPao*, a snack brand based on the juice from cacao fruit pulp ... plus nuts and seeds. It comes from their **SnackFutures** innovation group.
- Molson Coors** is launching beer with coffee and testing coffee spiked with alcohol. *Blue Moon Iced Coffee Blonde* is an ale brewed with coffee beans, and *La Colombe Hard Cold Brew Coffee* is cold brew coffee with 4.2% alcohol.

- Mattel** has launched the first genderless dolls, called *Creatable World*. They can have short hair or long hair, and they come with gender-neutral wardrobes. The objective is to be more inclusive.



- In the "we thought we had seen everything" category, **P&G** warned they may have a shortage of dish soap like *Dawn*. They've only been making the stuff for a century!
- Kraft Heinz** added new frozen items to their *Pioneer Woman* brand, which is a partnership with media personality **Ree Drummond**. They also launched *Amazing Grains*, a brand of min-meals such as overnight oats and fusion grain bowls.
- Miller Lite** has offered a free beer to anyone who unfollows the brand on Instagram or Facebook. They want us to think of beer as the original social media.
- Coca-Cola** will launch a brand called *Aha* in March. Think of it as *LaCroix* plus caffeine. Which makes it pretty much perfect.



- Meanwhile, **Constellation** is launching four flavors of *Corona*-branded hard seltzers. And **AB InBev** will launch *Bud Light Seltzer* in early 2020.
- Unilever** took the lead by committing to cut non-recycled plastic packaging in half by 2025. They now use 700,000 tons annually!
- Nestle** is folding **Nestle Waters** into their three geographic units around the world. The business had been stand-alone since it was created in 1992.

IN CLOSING

Good tidings and best wishes for the holidays.

- *Forbes* published their list of the 50 **most powerful women in business**. There were four CPG representatives: **Michele Buck** of **Hershey**, **Beth Ford** of **Land O' Lakes**, and **Ashley McEvoy** and **Jennifer Taubert** of **Johnson & Johnson**.



- *Harvard Business Review* announced their 100 best-performing CEOs of 2019. CPG's representation was driven by beauty and beverage alcohol: **Jean-Paul Agon** of **L'Oreal**, **Michitaka Sawada** of **Kao**, **Fabrizio Freda** of **Estée Lauder**, **Masahiko Uotani** of **Shiseido**, **Jean-François van Boxmeer** of **Heineken**, and **Ivan Menezes** of **Diageo**.



- **Myron Uecker** retired after 54 years at **General Mills**. Yes, recruiters hate it when people are lifers at a company.
- Could we see a CPG guy in the White House? **Deval Patrick** is entering the 2020 presidential race. His campaign will probably focus on his two terms as governor of Massachusetts, but we prefer his time as general counsel at **Coca-Cola**.
- We will be investing our retirement savings in bonds offered by **BrewDog**. They pay 6%, with half in cash ... and half in beer.
- Challenger, Gray & Christmas says **1,332 CEOs have left their roles** in 2019, a record number through October. Some changes have been natural progressions; others are responses to changing economic expectations and technologies.
- This issue's **All-Name Nominee** is in the "Ironic Name" category. The police chief in Portland, Oregon, is Danielle **Outlaw**.
- We close with an important **public service announcement** for the holidays. There is still time to get your *Pumpkin Spice Spam*.



Happy
Thanksgiving