

Late Summer 2019

# Consumer Biz Buzz

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

## TRANSACTION NEWS

Hey, let's pick up a little something for the summer vacation!

■ **AB InBev** canceled plans to spin off their Asia-Pacific unit as a public company. Instead, they are selling their Australian brands – including *Victoria Bitter* and *Pure Blonde* – to **Asahi** of Japan. The price is \$11 billion, or nearly 15 times EBITDA. It is a step to reducing debt of over \$100 billion.

■ On a much smaller scale, **AB InBev** is buying **Babe Wine**, the maker of wine in cans. You may know the brand as the “official wine of daydrinking” on social media.

■ **Campbell Soup** is selling their European snack business, including *Royal Dansk* cookies, to **Ferrero** for \$300 million. They are also selling their Australian snacks company, **Arnott's**, to **KKR** for \$2.2 billion. Both deals help focus Campbell on North America.

■ **Avon** is being acquired by **Natura**, a Brazilian direct seller of beauty products, in a \$2 billion stock deal. Recall that the business in North America, called **New Avon**, sold recently to a Korean company.

■ **Colgate-Palmolive** is paying \$1.7 billion for **Filorga**, a luxury skincare line from France.

■ **Henkel** bought 51% of **eSalon**, a custom hair color company. It is mostly an online business.

■ **Unilever** bought **Tatcha**, a geisha-inspired beauty company with revenue of about \$100 million. The selling price was reportedly near \$500 million.

■ **Mondelēz** took a majority stake in **Perfect Snacks**, the \$70 million maker of *Perfect Bar* refrigerated protein snacks. It is another example of a big food company adding a fast-growing business.

■ **Brown-Forman** is buying **The 86 Company** and their *Fords Gin* brand. It gives B-F a premium brand in a fast-growing spirits category.

■ **Newell** is selling **US Playing Card** to **Cartamundi**, a Belgian maker of cards and games. As a fun fact, the acquirer's name means “cards for the world” in Latin.

■ **Perdue Farms** acquired **Panorama Meats**, the #1 producer of grass-fed beef. That category has grown 16x since 2012.

■ **TreeHouse Foods** is selling their \$670 million snacks division to **Atlas Holdings**. The unit makes private label healthy snacks, especially nuts and trail mix.

■ We have not seen a “For Sale” sign, but **Revlon** hired Goldman Sachs to review moves euphemistically called strategic alternatives.



## TRANSACTION NEWS...CONTINUED

### *Private equity firms continue to be active buyers and sellers:*

- **AUA Private Equity** bought **TruFood**, a contract manufacturer with particular expertise in nutrition bars.
- **AUA** also bought **Gourmet Foods**, a maker of prepared foods for foodservice customers. The business is being added to **Gourmet Culinary Holdings**.
- **Swander Pace Capital** acquired **Bragg Live Food Products**, investing alongside celebrities **Katy Perry** and **Orlando Bloom**. The company makes apple cider vinegar and other health foods.
- **Manna Pro**, a pet products company owned by **Morgan Stanley Capital Partners**, is acquiring **Hero Pet Brands**. They make products in pet nutrition, grooming, cleanup, and waste pickup.
- **Aterian Investment Partners** bought **Hain Pure Protein**, a poultry carveout from **Hain Celestial**. The brands include *Empire Kosher*, *Kosher Valley*, and *FreeBird*.



- **Yellow Wood Partners** is buying **Dr. Scholl's** from **Bayer** for \$585 million. The German company is selling assets to help cover the costs of *Roundup* litigation.



- **Falfurrias Capital Partners** is buying **CF Sauer's** food business, which will become **Sauer Brands**. Their extracts, mayonnaise, and salad dressings include *Duke's*, *Gold Medal*, *Sauer's*, and *BAMA*. All are especially strong in the south.



- **BDT Capital Partners** is buying **Lew's Fishing** from **Peak Rock Capital**. The company owns fishing and hunting brands such as *Lew's Fishing*, *Strike King*, and *Hunters Specialties*.
- **WN Partners** bought **Ultima Health Products**. The company makes sugar-free electrolyte hydration products.
- **Encore Consumer** sold **ThunderWorks**, the maker of *Thundershirt* jackets that reduce pet anxiety, to **Ceva Santé Animale**. The buyer is a French maker of pet pharmaceuticals.



### *Among earlier stage companies:*

- **4th & Heart** closed series C funding of nearly \$8 million, led by **Harbinger Ventures**. The company makes ghee, a clarified butter traditionally used in Asian cooking.
- **Kopari**, an all-natural beauty brand focused on using coconut as an ingredient, raised \$20 million from **L Catterton**, **Unilever Ventures**, and **University Growth Fund**.

## COURTROOMS AND BUREAUCRACY

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Lawyers need vacations. They are people too.

- An arbitrator ruled in favor of **Coca-Cola** and against **Monster**, allowing the launch of *Coca-Cola Energy*. Coke distributes Monster and owns a minority ownership stake in the company, so the dispute was more than a little awkward.



- Meanwhile, **Bang Energy** sued **Monster**, saying they have tried to “confuse, defraud, and deceive the public about Bang Energy, its products, and CEO.” The two have a litigious history.
- The Justice Department launched a criminal probe into possible price-fixing by big chicken processors such as **Tyson**, **Pilgrim’s Pride**, and **Sanderson Farms**.



- **Bayer** finally got some good news among the 18,400 lawsuits claiming *Roundup* causes cancer. Judges in California reduced damages in two cases, with one dropping all the way from \$2 billion to \$87 million.



- San Francisco became the first major city to **ban the sale of e-cigarettes**, starting in 2020. The concern is nicotine addiction.



## EXPANDING AND CONTRACTING

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As always, we prefer the former.

- **Kellogg** is cutting 150 North American jobs after selling their cookie and fruit snack businesses. This is on top of the jobs that moved to new owner **Ferrero**.
- **Kraft Heinz** is cutting 400 hourly jobs this year. It is part of a restructuring after falling sales ... and an all-time low stock price.
- **Coty** is cutting an unspecified number of jobs as part of a restructuring. Things have not gone well for them in mass beauty, including issues after buying 40 brands from **P&G**.

## PEOPLE NEWS

Time to update your back-to-school contact list.

### CEOs

- **Laxman Narasimhan** joined **Reckitt Benckiser** and will become CEO. He was the chief commercial officer at **PepsiCo** after being a runner-up for the top job there.
- **Eric Beringause** joined **Dean Foods** as CEO. He was at **Gehl Foods, Sturm Foods, Alcoa, Gerber, Conagra, Pillsbury, Nabisco,** and **Nestlé.**
- **Michele Kessler** joined **REBBL**, the plant-based functional beverage, as CEO. She was at **thinkThin, Mars, Kraft,** and **P&G.**
- **Bill Toler** joined **Hydrofarm**, a maker of hydroponics gear, as chairman and CEO. His CPG work includes **Hostess Brands, Pinnacle Foods, Campbell Soup, Nabisco,** and **P&G.**
- **Tim Hassett** joined Unlimited Group, a digital agency, as CEO. He was at pet treat company **TDBBS, Beam Suntory, Campbell Soup,** and **P&G.**
- **Mike Indursky** joined **Tikun Olam Skincare**, a maker of CBD-infused products, as chairman and interim CEO. He was at **Bliss, Burt's Bees, L'Oreal,** and **Unilever.**
- **Blaine McPeak** joined **Champion Petfoods**, the maker of *Orijen* and *ACANA* brands, as CEO. He was at **WhiteWave** and **Kellogg.**
- **Eduardo Luz** joined **8 Greens**, a plant-based supplement company, as CEO. He was the CMO at **Kraft Heinz.**
- **Joanna Zucker** joined **PCA Skin** as CEO. She was at **PetSmart** and **P&G.**
- **Shannon Curtin** joined **New World Natural Brands**, a maker of beauty and personal care products, as CEO. She was at **Coty, Walgreens,** and **Walmart.**
- **Tim Brown** joined **Upfield**, a maker of plant-based spreads, as CEO of the Americas. He was at **Chobani** and **Nestlé Waters.**
- **Mark Ramadan** joined **Hu Products**, the vegan chocolate company, as CEO. He co-founded **Sir Kensington's** and sold it to **Unilever.**
- **David Goldstein** joined **Image Skincare**, a brand focused on the professional channel, as CEO. He was at **Dermalogica, PCA, Obagi, Allergan,** and **J&J.**



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

- **Molson Coors** named **Gavin Hattersley** as CEO. He ran **MillerCoors** and was previously CFO of the parent company.
- **Sodastream** promoted **Eyal Shohat** to CEO. He had been the chief legal officer and deputy CEO.
- **Newell Brands** named **Chris Peterson** as interim CEO. He is still the CFO.

**PRESIDENTS AND GMs**

- **Heather Smith Thorne** joined **TPG Growth** to lead their consumer investing work. She was at **Swander Pace Capital**.
- **Sejal Sha Miller** joined **Estée Lauder** as global president of *Smashbox* and *Glamglow*, coming from **Mattel**. Meanwhile, **Arnaud Goullin** joined from **Clinique** as *Glamglow's* global general manager.
- **Keith Neumann** joined **Tosi Nutrition**, an early stage maker of plant-based snacks, as president and COO. He was at **Clif Bar**, **Applegate**, **Beam Global**, and **Quaker**.
- **Cathryn Sleight** is joining **Mars Wrigley** as president of business development. She was at **Unilever**, **Coca-Cola**, and several other CPG companies.

**SALES AND MARKETING**

- **Alison Lewis** is joining **Kimberly-Clark** as chief growth officer. She was at **J&J**.
- **Sean Eggert** joined Under Armour to run sports marketing. He was at **Red Bull**.
- **Sandra Bereti** joined **Beech-Nut** as CMO. She was at **Danone**, **Mead Johnson**, and **P&G**.

**OTHER FUNCTIONS**

- **Mary Beth DeNooyer** joined **Keurig Dr Pepper** as chief HR officer. She was at **Pinnacle Foods**, **Hillshire Brands**, **Sara Lee**, **Pepsi Bottling**, and **General Mills**.
- **Michelle Nettles** joined Manpower as chief people and culture officer. We care because she came from **Molson Coors**.
- **Stephanie Lilak** is joining Dunkin' Brands as chief HR officer. She spent the past 23 years at **General Mills**.
- **Fareed Khan** joined **Surterra Wellness**, an early stage cannabis company, as CFO. He was in the same role at **Kellogg**.
- **Paul Hill** joined **Seaweed Bath Company** as CFO. He was at **Organic India**, **Hain Celestial**, **WhiteWave**, and **Coca-Cola**.
- **Chris Turner** joined Yum Brands as CFO. He was at **PepsiCo** and McKinsey.
- **Greg Christenson** joined **Champion Petfoods** as CFO. He was at **Amplify Snacks**, **WhiteWave**, **Oberto**, and **Kraft**.

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

- **Campbell Soup** promoted **Chris Foley** to president of meals and beverages. He has been at the company for 20 years.
- **L'Oreal** named **Fabrice Megarbane** as president of their China business, **Megan Grant** as president of the Luxe prestige fragrance division, and **Delphine Viguier-Hovasse** as president of *L'Oreal Paris*.
- **Estée Lauder** named **Sara Moss** as vice chairman. She will focus on working with the Lauder family and developing the company's female executives.
- **Tyson** named **Noelle O'Mara** as president of their \$9 billion prepared foods business. She was the CMO.

- **Luis Vazquez** joined **Avon** to lead the global sales team. He was at **Herbalife**.
- **Tim Jax** joined **Pretzels Inc.** as VP of marketing and innovation. He was at **TreeHouse** and **Conagra**.
- **Jay-Z** joined **Caliva**, a cannabis provider, as chief brand strategist. Apparently he knows a thing or two about the category.

- **Seth Weis** joined **Hain Celestial** as the SVP of business development. He was at **TreeHouse Foods**.
- **Sandra MacQuillan** joined **Mondelēz** as the EVP of integrated supply chain. She was at **Kimberly-Clark** and **Mars**.
- **Gerardo Scheufler** is joining **Lamb Weston** as chief supply chain officer. He was at **Mondelēz** and **P&G**.
- **Jano Cabrera** joined **General Mills** as chief communications officer. He was at McDonald's.

*Another move failed to support the vital headhunter sector of our economy:*

- **Coty** promoted **Sophie Hanrot** to chief HR officer. She was running HR for the luxury division.

BOARDS OF DIRECTORS

- **Robert Dixon** joined the board of Okta, a cloud software company. We care because he retired from **PepsiCo** as their CIO.
- **Michelle Goolsby** and **James White** joined the board of **Simply Good Foods**, which owns *Atkins* but has ambitions across wellness. Michelle was at **Dean Foods**; James was most recently at Jamba Juice.
- **Sonia Pérez** joined the **Sanderson Farms** board. She runs the southeast for AT&T.
- **Jack Stahl** joined **UNFI**'s board. He is a retired CEO of **Revlon** and previously was the COO of **Coca-Cola**.
- **Tricia Stitzel** is now the chairman of **Tupperware**. This is in addition to her role as CEO.
- **Paul Norman** and **Clive Sirkin** joined the **Jones Soda** board. Both were at **Kellogg**.

OBITUARIES



■ **Stewart Greene** died at 91. He co-founded ad agency Wells Rich Greene in 1966, ultimately doing memorable work for **P&G**, **Cadbury**, *Alka-Seltzer*, *Benson & Hedges*, and the state of New York.



■ **Philip Geier** died at 84. He was the chairman and CEO of Interpublic for 20 years, acquiring some 200 agencies to create a global advertising giant.



■ **Gary Burrell** died at 82. As a co-founder of Garmin, he deserves a non-CPG shoutout for helping make GPS an everyday reality.



■ **Patrick Sheehy** died at 88. He ran what is now **British American Tobacco**, diversifying it by buying companies such as Kohl's, Saks, and Farmers Group. BAT later narrowed its focus back to tobacco.



■ **Sherm Poppen** died at 89. He invented the *Snurfer*, which evolved into the snowboard.

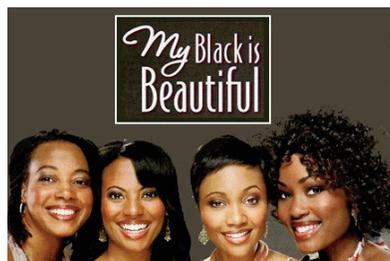
## MARKETING AND STRATEGY

Including some stuff that may actually work!

- Now here's an idea we can get behind. **Niman Ranch** teamed with **New Belgium Brewing** to create pork and beef products infused with *Fat Tire Amber Ale*.



- Dos Equis*, a brand owned by **Heineken**, will be the official beer of the College Football Playoffs. In other news, Clemson and Alabama will be there.
- P&G** has launched *Zevo*, its first bug killer. The premium-priced product uses a new chemical that is safe for people and pets. The brand comes from P&G Ventures, a unit focused on working with entrepreneurs.



- AriZona Beverages** signed a multi-year partnership with **Dixie Brands**, a maker of cannabis products. There will be *AriZona* brand gummies and vape pens to start.

- Meanwhile, **P&G** launched *My Black Is Beautiful* in Sally Beauty outlets. The brand includes five products for women with very textured and curly hair.

- General Mills** launched cereal and yogurt products with probiotics, using the licensed *GoodBelly* brand. They bought a stake in the parent company, **NextFoods**, last year.



- Thinsters* cookies launched special packaging to commemorate a partnership with the **Grateful Dead**. Somehow we were never interested in attending any of the band's record-setting 2,318 concerts.
- Dunkin'** began selling a breakfast sandwich featuring a **Beyond Meat** vegetarian patty. Regrettably, we do not want to eat "sausage" when you have to put quotes around it.



- In today's wellness market, **CBD is the hottest ingredient**. It is in products ranging from dog treats (*Honest Paws*) to beer (*Two Roots*) to cosmetics (*Vertly*). Now if only someone could prove it actually works.
- Tyson** plans to introduce chicken-like nuggets made from peas, flaxseed, and other plants. The new brand is called *Raised & Rooted*.
- Fire destroyed a **Beam Suntory** warehouse and about 45,000 barrels of *Jim Beam*. In addition to the inventory loss, bourbon runoff killed thousands of fish in the Kentucky River.
- In news that rocked our world, the **rules for making Scotch have been relaxed**. Now distillers can use casks that have aged spirits like tequila, leading to new flavor experiences.



- If you have missed the **hard seltzer craze**, you are not a millennial. The light, sparkling adult beverages are up 200%, with *White Claw* from **Mark Anthony Brands** as the clear leader. For a change, these flavored malt beverages are equally popular among men and women.

## IN CLOSING

Random reflections and reasonably reliable ramblings.



- Brandz released their list of the **world's 100 most valuable brands**, led by Amazon. CPG honorees include *Coca-Cola* (#14), *Marlboro* (#15), *L'Oreal* (#45), *Budweiser* (#51), *Pampers* (#79), *Colgate* (#84), and *Gillette* (#98).



- How have we missed the concept of **glamping**? It is camping with a luxury twist, providing nearly all the comforts of home.

- We are always interested in **successful second careers**. Thus we should have noticed that **Carlos Santana** has played in the major leagues for the past nine years.



- Hopefully you observed all the **major holidays since the last issue**. They included National Yo-Yo Day (6/6), National Ballpoint Pen Day (6/10), National Hot Dog Day (7/17), National Daiquiri Day (7/19), National Tequila Day (7/24), International Beer Day (8/2), and National S'Mores Day (8/10).

