FABID

Accounting & Finance | Investment Banking | CPG Advisory

BEVNET & NOSH INSIDER • Exclusive Report

Q2 2024 REPORT

Trends and Insights in food, beverage, and CPG financings

Volume IV
July 2024

Providing financial **services for CPG**

FABID combines financial expertise with our own painstakingly researched and proprietary investor and valuation data to best serve our clients. From beginning to exit, and all the spreadsheets, models, and analyses in-between, we have the knowledge and experience to help brands transition from startup to success.

Fractional Finance & Accounting

Our team helps brands make better financial decisions with quality accounting and sound financial guidance. From system setup, to consistently and promptly closing the books, to managing costs, cash, and investors, we can help you run your business better without needing multiple full-time hires.

Founder-led Fundraising

We accelerate fundraises by supplying proprietary and personalized investor info to brands seeking support, yet too early to engage a bank. Coupled with tips from our experience leading a process, it helps brands close their rounds quickly and cost-effectively.

Investment Banking

For brands and manufacturers looking for dedicated assistance with a capital raise or a potential sale, we offer a no-nonsense, outcome-focused approach, with hands-on support. Our industry relationships and experience enables us to maximize value for our clients.

Food and beverage **Q2 ’24 venture trends**

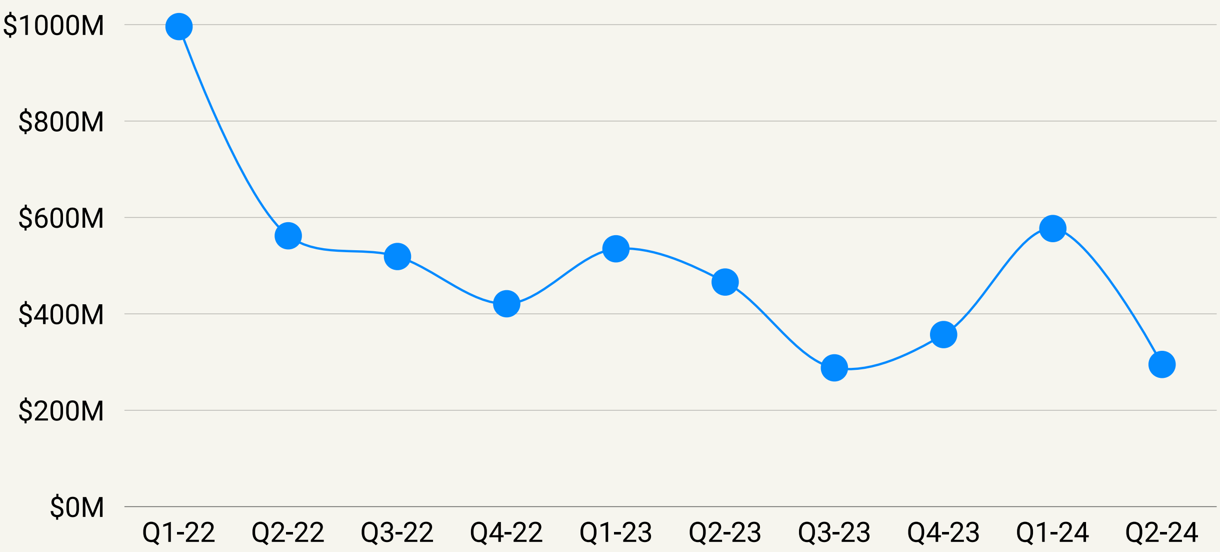
Consumable brands selling in the United States through traditional or e-commerce channels.

Key stats and figures **from Q2 2024**

↓ **$295m** Total Investment	**49%** QoQ Decrease	Venture funding decreased by 49% quarter--over quarter, driven by fewer late stage investments compared to the first quarter of the year...
↓ **51** Total Brands	**3** QoQ Decline	The number of brands receiving venture funding fell to 51, from 54 the period prior. This follows a general trend of less brands raising VC funding.
↓ **$5.4m** Average per Brand	**$5.2m** QoQ Decrease	Average investment per brand fell, mostly due to the absence of very large rounds. The Top 5 deals in Q2 2024 accounted for $117M or 40.4% of total investment
↓ **2.8m** Median per Brand	**$0.5m** QoQ Decrease	Median brand investment fell by $500K as smaller deals took center stage for the first time in quite a while.

The second weakest **of the past ten quarters**

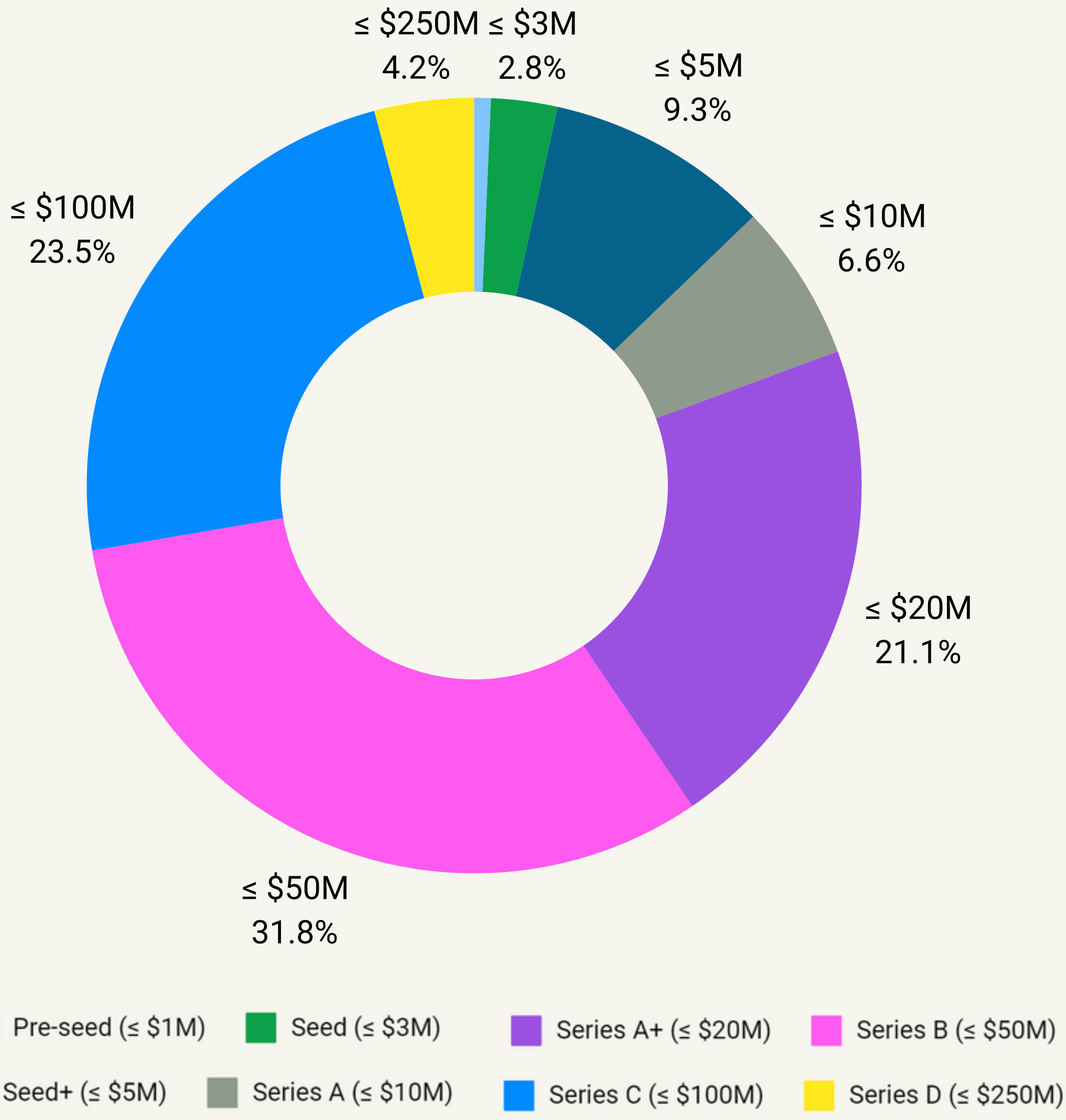
Despite three consecutive quarters of increasing investment, Q2 saw a marked decline, tempering excitement and confidence in a VC rebound.



Brands	Total	Count	Average	Median	Max
Q2 '22	$562M	99	$5.6M	$2.4M	MAGIC SPOON
Q2 '23	$466M	81	$5.5M	$2.6M	CASA AZUL ORGANIC
Q2 '24	$295M	51	$5.5M	$2.8M	VOYAGE

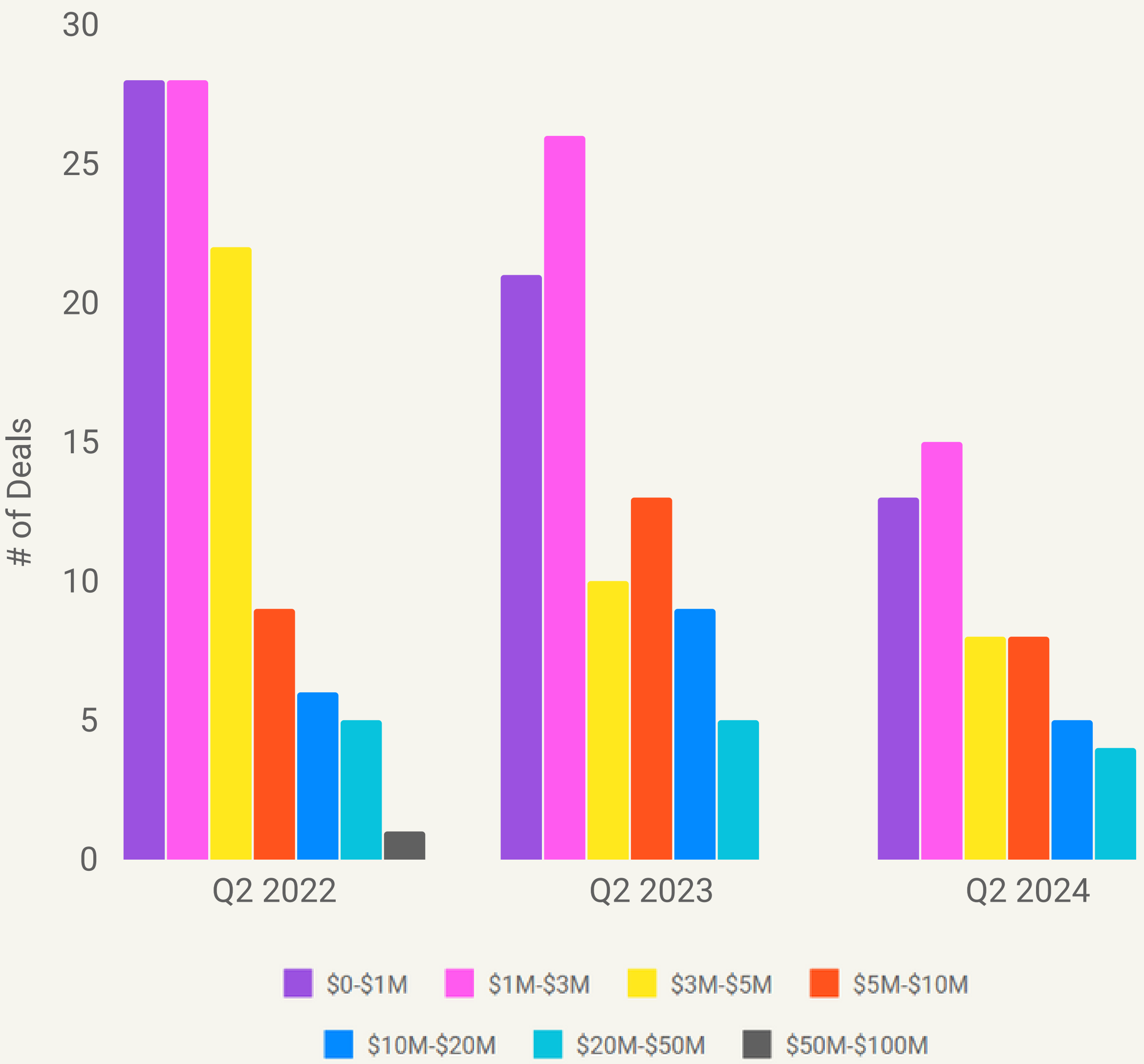
Despite smaller deals, **bigger brands get more**

Even in a quarter lacking large deals, the majority of funding still goes to more established brands.

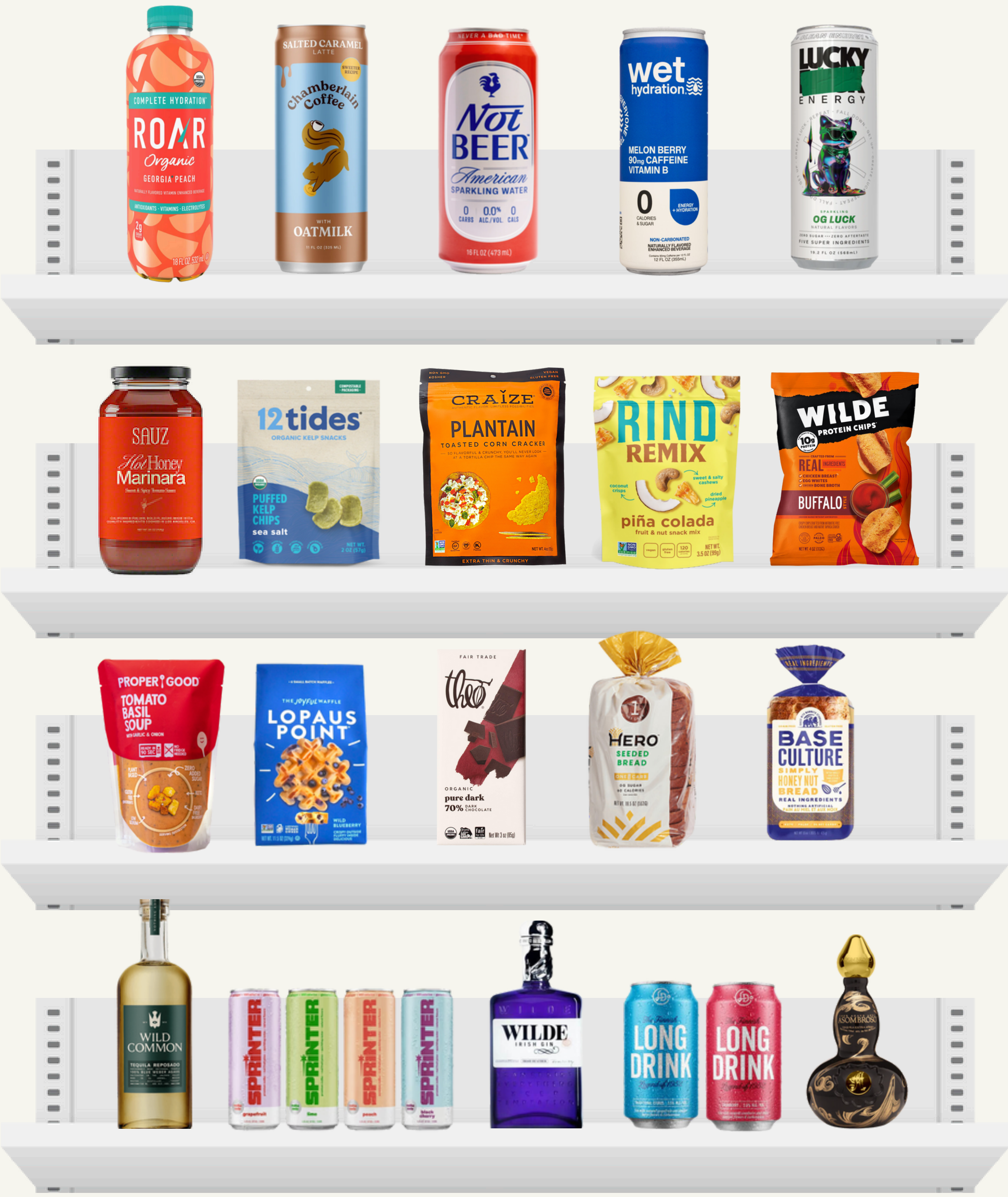


Deal volumes have fallen **for rounds of all sizes**

It doesn't matter if you're raising less than $1M or more than $50M, the number of deals getting done has generally declined across the board



Key venture deals during **the second quarter**



Key deals that caught our **eye in M&A and VC in Q2**

Target	Investor	Type	Date	Amount	Product
Daily Harvest	Multiple	VC	Apr-24	$12M	Smoothies and more
Lucky Energy	Multiple	VC	Apr-24	$8M	Energy drinks
Wilde	Multiple	VC	Apr-24	$20M	Chicken chips
Firehook Bakery	Forward Consumer	M&A	Apr-24	NA	Cookies, crackers, and more
Merican Mule	FX Matt Brewing	M&A	Apr-24	NA	Moscow Mule cocktails
OWYN	Simply Good Foods	M&A	Apr-24	$280M	Plant-based protein drinks and more
Pillars	Benford Capital Partners	M&A	Apr-24	NA	Plant-based yogurt beverages
Sauz	Multiple	VC	May-24	$5M	Pasta sauce
Voyage Foods	Multiple	VC	May-24	$30M	Sustainable staple foods
Proper Good	Multiple	VC	May-24	$6M	Soup, chili, sides, and more
Sprinter	K5 Global	VC	May-24	$13M	Vodka soda
Slice	Suja Life	M&A	May-24	NA	Fruit-flavored soda
Sound	Next In Natural	M&A	May-24	NA	Sparkling water with tea botanicals
Waterbird Spirits	E & J Gallo	M&A	May-24	NA	Canned cocktails
Xochitl	Forward Consumer	M&A	May-24	NA	Chips and salsas
Wild Common	HIPStr	VC	Jun-24	$5M	Mezcal and tequila
The Long Drink	Multiple	VC	Jun-24	$16M	Gin based beverages
HERO	Multiple	VC	Jun-24	$21M	Low-carb bread and more
Omsom	DayDayCook	M&A	Jun-24	$12M	Asian sauce kits
Wicked Kitchen	Ahimsa Companies	M&A	Jun-24	NA	Plant-based seafood and more

Considers all food and beverage brands, not just venture-backed companies. Includes pending.

Deal and investor **spotlights for Q2**

A deeper dive into key transactions and a newer fund focused on CPG investments

OWYN sells for $280M **to Simply Good Foods**

Led by CEO Mark Oliveri since 2017, OWYN grew to become the leading plant-based RTD nutrition brand. This exit marked the first time in nearly two years of a high-profile, venture-backed exit with publicly reported figures.

It serves as a much needed boost for enduring confidence in the possibility of high-multiple strategic exits.

Previous investors included a mix of PE and VC firms, including Purchase Capital, Clearlake Capital, PowerPlant Partners (nka GroundForce Capital), and Electric Feel Ventures.

$280 Million

All Cash Transaction

2.3X '24E Net Sales

13.3X [1] '24E EBITDA

Source: Simply Good Foods Co. Press Release.

1. EBITDA multiple includes synergies.

DayDayCook Agrees to **acquire Omsom**

Omsom was founded in 2020 by first-generation Vietnamese-American sisters Vanessa and Kim Pham with the goal of bringing restaurant-quality Asian cuisine to American homes.

As part of the transaction, DayDayCook ("DDC") will pay up to $11.7M, subject to certain net revenue and profit goals. DDC will also inject needed working capital of ~$1M per year over the next three years.

As the early-stage financing market remains challenging, outcomes that give the brand resources and growth potential are a great achievement.

$11.7[1] Million

Asset Purchase

3.1X '23 Gross Sales

$3M+[2] Prior VC Funding

Source: DayDayCook press releases and filings, industry sources.

1. Potential total consideration neither guaranteed nor paid upon transaction closing. All transaction multiples are subject to change.
2. SEC filings show ~$3M in funding, although various insiders commented total funding was ~$8M.

Habitat Partners backs **emerging CPG brands**

Habitat Partners began in 2022 from a relationship with creative agency Red Antler, which has been a pillar of the startup/venture community since 2007.

Fund One is a $31M vehicle managed by Daniel Faierman (Partner), Blake Lyon (Managing Partner and Red Antler's Chief Business Officer), Emily Heyward (Partner and Red Antler Cofounder), and JB Osborne (Partner and Red Antler Cofounder).

Habitat Partners is not a CVC and possesses a diverse LP base. Portfolio companies receive special access to top Red Antler leadership, access to an extensive network, and advisory/support.

Investor Role	*Stage Focus*	*Check Size*
Typically Follow, Can Lead	**Pre-seed Through Series A**	**$250K - $750K**

Representative Investments[1] in Food and Beverage Brands

Habitat Partners

Happy Wolf · Muddy Bites · Kinder Farms · Popup Bagels · Original Sunshine · Zero Acre

1. To see a full portfolio listing, visit www.habitatpartners.co.

Sources, disclaimer, **and contact info**

Additional detail on how FABID sources our data, organizes it, and a page from our lawyer

Methodology

How we source and categorize our data

The database underlying this report relies on a variety of public and non-public sources of information such as industry publications, SEC filings, newsletters, job postings, internet research, events, trade shows, word-of-mouth, and social media to track investments made by angel investors, incubators, venture capital firms, family offices, and private equity firms. For funding events discovered via SEC filings, the filing date acts as the reference date. While a best effort is made, no guarantee is given regarding the dataset's comprehensiveness or accuracy.

Category-level data captures the total funding of all brands selling any products in that category. That is, the total funding to a brand selling a single product in a category contributes to the category's overall total, regardless of the percentage of sales it may contribute to the brand.

Unless otherwise stated, our data covers the U.S. branded food, beverage, and consumable supplements categories, which includes in-market products sold to consumers through e-commerce or retail channels.

Unless otherwise stated, data excludes brands and funding events considered as "non-core," with additional details available here. For 2022, we excluded Pepsi's investment in Celsius and KDP's investment in Nutrabolt from all aggregate statistics. For 2023, we excluded KDP's investment in La Colombe.

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