



CONSUMER  
GROWTH  
PARTNERS

Our Capabilities

February 2020



## CGP Overview

Consumer Growth Partners (“CGP”) is a private equity investment and strategic advisory firm with an *exclusive sector focus on specialty retail and non-perishable branded consumer products companies*

- Core Capabilities

- We *pursue PE transactions* where our sector expertise can add significant value over the entire investment horizon to both our investors and company owners/management.
- We *provide strategic advisory services* to facilitate long-range planning, support growth, optimize financial performance, and maximize value.

*Our unique advisory model helps retailers, brands and investors maximize growth, profitability and value with a tailored approach based on our clients’ goals*

## Private Equity Investing

CGP evaluates 50-100 “in-category” investment opportunities per year and selects only the most attractive situations to pursue

- Our extensive experience, network and expertise enable us to find the most attractive opportunities and then unlock significant value over the life of each investment
- We have relationships with literally hundreds of capital sources including traditional PE firms, Family Offices, Small Business Investment Companies (SBIC’s), Junior Capital (Mezzanine) providers, and Senior Lenders (Commercial Banks and Specialty Finance Companies).
- Once we have determined the ideal capital structure for a transaction, we partner the right investors to maximize the returns for both the Company and its Investors.
- CGP remains involved in an advisory (including board) role over the life of the investment horizon through exit.

## Private Equity Investing

CGP focuses on investing in middle-market, growth-oriented companies with at least \$2.5mm of EBITDA. We have the following additional investment criteria:

- Proven concept with defensible business model
- Proven economics
- EBITDA growth potential
- Experienced management team
- Viable exit strategy

We *prefer* companies:

- With capital requirements of \$5MM or more.
- Seeking either a control or non-control investor

Although we focus on middle-market companies, we will partner with capital sources on larger transactions where CGP's value-added expertise can make the capital source a stronger buyer and owner.

# Private Equity Investing – Portfolio Investments



Baskins Western Wear

Western and work wear retailer



B Cellars

Napa Valley winery



I.O. Metro

Upscale furniture retailer



Peruvian Connection

Luxury women's apparel brand



Shoe Sensation

Family footwear retailer in small-town America



Vio Life

Oral and personal care brand



Wild Things

Technical apparel brand

## Strategic Advisory Services

We work with Retailers and Branded Consumer Products Companies to help position to grow, improve profitability/valuation and successfully raise capital.

- We work closely with company leadership to *develop common vision and tactical executional plans* to drive success
- We conduct *deep-dive industry analysis, evaluate competitive positioning, analyze revenue opportunities* and *evaluate the investments and organizational resources needed* to achieve growth objectives
- We focus on improving and *optimizing financial performance*
- We help businesses communicate positioning to *craft the most compelling story* for potential investors

When the time is right to raise equity capital, CGP may put together the investor group or help the Company select an investment banker to run a process for choose the investor(s)



## Strategic Advisory Services

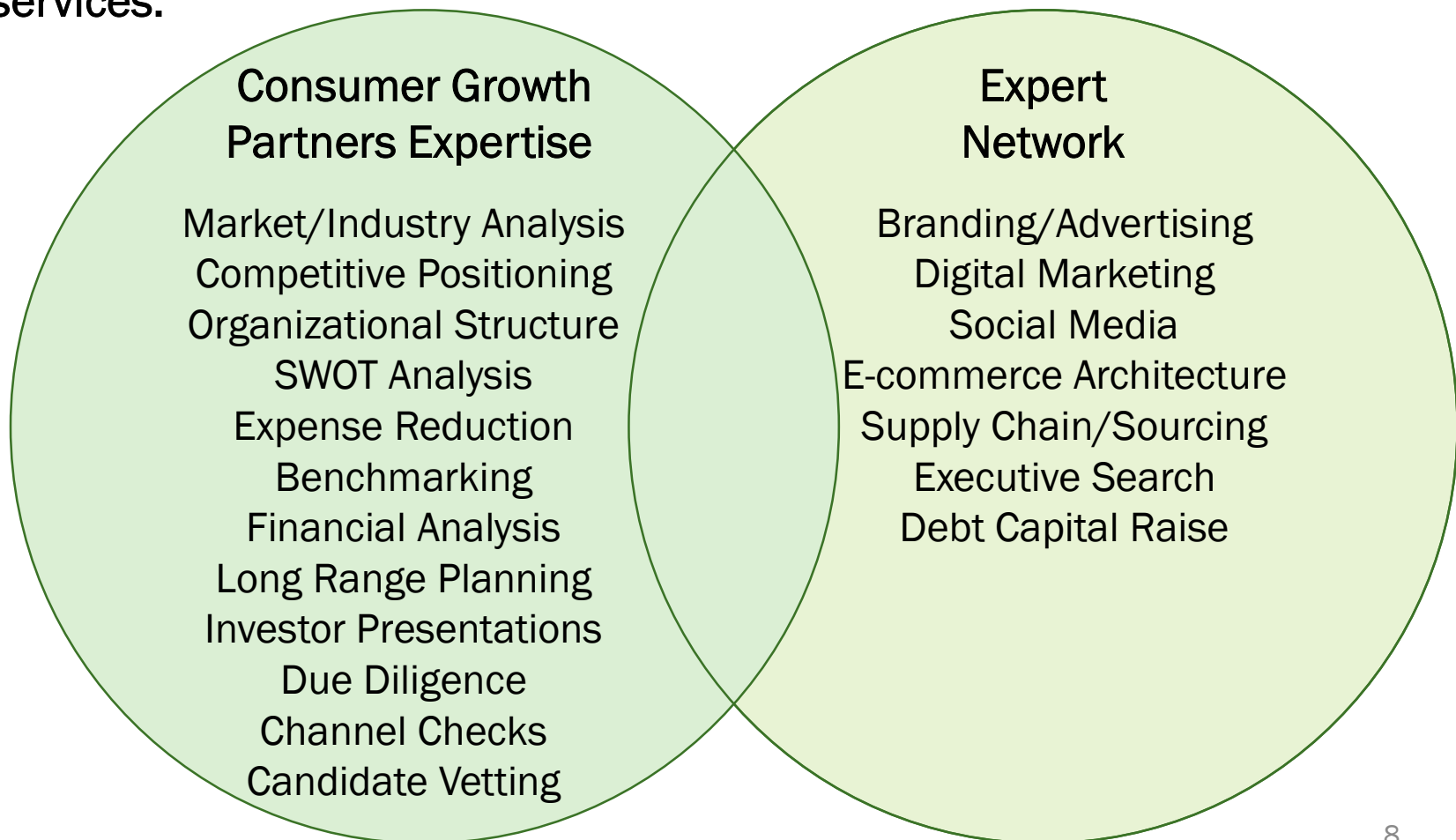
We work with companies who are growth oriented but for a variety of reasons may not be ready, willing and/or able to take in meaningful amounts of equity capital at the current time.

Hence, we have the following Strategic Advisory Criteria:

- Profitable companies with the potential to achieve at least \$10mm in revenue and \$2.5mm in EBITDA within 3 years
- Will require an outside infusion of capital within the next 1-3 years to achieve their growth plans and targets
- Company owners who recognize and appreciate that “holistic” strategic and operational assistance is the best way to prepare and position themselves for an investment of outside capital from the best investors.

## Strategic Advisory Services

CGP leverages its deep experience/expertise and an extensive network of industry and functional experts to provide a wide range of advisory services.





## HOBO Bags Case Study

**Situation** - In 2015 HOBO Bags had flat sales growth for 3 years and \$2.5 million in EBITDA. The founder, owners were interested in raising outside capital, but were disappointed with the valuation they would receive for the business at that time.

**Task** - CGP helped HOBO develop a long term, strategic and financial plan and marshal the resources necessary to achieve it.

### Actions

- CGP worked with internal financial team to improve financial model, customer analysis, and business dashboards.
- CGP ran a process to identify marketing and branding consultants and recruiters for digital team.
- CGP lead bi-annual strategic planning sessions and worked with leadership team to develop and monitor tactical strategies for each channel of distribution.

### Results

- By 2018, HOBO topline was growing at a double-digit rate, the company had built a rapidly growing digital business while cleaning up distribution. EBITDA had more than tripled.
- In late 2018, CGP ran a process to hire investment bank, worked with management and bankers to develop CIM, and advised on and negotiated with potential investors.
- In mid-2019, HOBO sold 60% of the company for a valuation estimated to be four times greater than they would have achieved four years earlier.



## Our Team



### Richard Baum, Managing Partner

- 10+ years of private equity experience including seven PE portfolio company investments and exits
- 15+ years as top-ranked Wall Street retail/consumer equity research analyst at Credit Suisse, Goldman Sachs, and Sanford Bernstein & Co.
- 5+ years experience in merchandising at Bloomingdale's
- 5+ years experience in strategy consulting at Boston Consulting Group
- Member of the Board of Directors of Vera Bradley, Inc. (NASDAQ: VRA) and Factory Connection, Inc.
- Chairman of the Board of Harris Originals of NY, Inc.
- President of Retail Marketing Society (RMS)



### Liz Dunn, Operating Partner

- Founder and CEO of Pro4ma, a retail analytics and data platform
- 10+ years as a Wall Street equity research analyst covering specialty retail, department store, branded apparel, footwear and luxury sectors
- Strategy and finance positions at Gap and Liz Claiborne as well as consumer investment banking experience at Bear Stearns
- Member of the Board of Directors of GameStop Corp. (NYSE: GME)

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