

Stonewall Kitchen

From the Farmer's Market to an International Family of Brands



STONEWALL KITCHEN VISION



To create a family of leading specialty food and lifestyle brands in North America



Our Vision

To be a family of leading specialty food
and lifestyle brands



STONEWALL KITCHEN



our story video



Double-click image to view

https://www.youtube.com/watch?time_continue=3&v=A6wxCtb3lZY&feature=emb_logo

Copy the above link into your browser to watch a fun video featuring our founders!



STONEWALL KITCHEN

Building a Leading Specialty Food Brand



1991

- Started from a farm stand in New England by Jonathan King & Jim Stott



1998

- First catalog connects customers with the full product assortment

2016

- Launched first Organic products
- Celebrated our 25th anniversary

2015

- Jonathan & Jim inducted into Specialty Food Association Hall of Fame

2013

- Wild Maine Blueberry Jam flown into space via the International Space Station



2020

- Acquired the Village Candle brand

2019

- Acquired the Vermont Village brand

1991

TODAY



1995

- Opened first company store
- Won Outstanding Product Line at Fancy Food Show

1996

- Won Outstanding Product Line at Fancy Food Show

1999

- Launched the company website

2000

- Company headquarters, operations and flagship store moved to York, Maine

2002

- Won Outstanding Product Line at Fancy Food Show

2008

- Cooking School opened in York

2018

- Acquired the Tillen Farms, Napa Valley Naturals and Montebello brands
- Launched a co-branded line with Legal Sea Foods
- Expanded our retail footprint to the west coast with a Café and Cooking School in Macy's



COMPANY CORE VALUES



OUR Core Values

STONEWALL KITCHEN
Creators of Specialty Foods
Quality
INGREDIENTS • PROCESS
A Core Value | Net Weight 354g (12.5 oz.)

STONEWALL KITCHEN
Creators of Specialty Foods
Creativity & Innovation
IMAGINATION • PROBLEM SOLVING
A Core Value | Net Weight 354g (12.5 oz.)

STONEWALL KITCHEN
Creators of Specialty Foods
Integrity & Respect
HONESTY • DOING RIGHT
A Core Value | Net Weight 354g (12.5 oz.)

STONEWALL KITCHEN
Creators of Specialty Foods
Passion
CARE • ENTHUSIASM
A Core Value | Net Weight 354g (12.5 oz.)

STONEWALL KITCHEN
Creators of Specialty Foods
Community
WORKING TOGETHER • GIVING BACK
A Core Value | Net Weight 354g (12.5 oz.)

Awards & Accolades

2020 SOFI AWARD

Vermont Village Organic
Ginger & Honey Apple Cider Vinegar

2020 NYIOOC WORLD OLIVE OIL
COMPETITION SILVER MEDALS

Nunez de Prado Organic
Extra Virgin Olive Oil
Lapas Organic Extra Virgin Olive Oil

2019 SOFI AWARD

Napa Valley Naturals
Grand Reserve Balsamic Vinegar – 25 stars

2018 SCOVIE AWARDS

Habanero Mango Aioli

2017 DALLAS GOURMET
GOLD AWARD

Organic Miso Ginger Dressing

2017 SOFI AWARD

Organic Miso Ginger Dressing

2017 GROCERY HEADQUARTERS
TRAILBLAZER AWARD

Organic Collection

2016 GROCERY HEADQUARTERS
TRAILBLAZER AWARD

Organic Jams

2014 BEST OF ATLANTA

Apple Cider Jam & Maple Bacon Aioli

2013 BEST OF ATLANTA

Mango Lime Salsa

2012 SOFI AWARD

Cinnamon Sugar Doughnut Mix

2011 SOFI AWARD

Roasted Peach Whiskey Sauce

2009 BEST OF ATLANTA

Maple Chipotle Grille Sauce

2008 SOFI AWARD

Balsamic Fig Dressing

2007 SOFI AWARD

Roasted Apple Grille Sauce

2005 SOFI AWARD

Roasted Garlic Onion Jam

2003 SOFI AWARD

Wasabi Ginger Sauce

2002 SOFI AWARD

Outstanding Product Line

2002 SOFI AWARD

Black Raspberry Jam

2001 SOFI AWARD

Fig & Walnut Butter

1997 SOFI AWARD

Maple Chipotle Grille Sauce

1996 SOFI AWARD

Outstanding Product Line

1996 SOFI FINALIST
OUTSTANDING SAVORY
CONDIMENT

Old Farmhouse Chutney

1995 SOFI AWARD

Roasted Garlic Onion Jam

1995 SOFI AWARD

Outstanding Product Line

3x winner of
Outstanding
Product Line

31x SOFI Finalist
& International
Award Winner

Craft Manufacturing and Fulfillment Capabilities

Stonewall Kitchen's in-house manufacturing and distribution allows us to uphold high quality standards, support continuous innovation and improvements, provide responsive customer service, and react quickly to sales demands

Manufacturing

- All jarred products batch manufactured in 11,000 sq. ft. company facility in York, Maine
- 15 million jars/year produced on two lines, running 2 shifts/5 days
- Capacity for over 20 million jars/year on current lines
- SQF Level II, HACCP, GFSI, and Organic certified



Production



Warehouse & Distribution



DTC Fulfillment

Warehouse and Distribution

- Total tracking throughout system creates complete visibility into product availability
- Recently moved into a leased, design-to-build distribution center in Dover, New Hampshire, with significant growth capacity
- Service all wholesale and DTC customers and store replenishment from Dover
- At peak season, pack and ship over 8,000 DTC orders per day

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Dover Facility

Understand your selling proposition and differentiating factors.



Serving Size 1 tablespoon
7 grams sugar

Wild Maine Blueberries, Pure Cane Sugar,
Fruit Pectin, Lemon Juice, Citric Acid.



Serving Size 1 tablespoon
13 grams sugar

Wild Blueberries, Sugar, Cane Sugar,
Fruit Pectin, Citric Acid



Serving Size 1 tablespoon
10 grams sugar

Blueberries, Sugar, **Corn Syrup,**
High Fructose Corn Syrup,
Pectin, Citric Acid

Know your place in the market... “Good, Better, Best”

Similar to coffee, there is a “Good, Better, Best” pyramid within jams (and specialty food in general). Superior products cost more due to better quality ingredients, craft manufacturing processes, and marketing and in-store experiences that “romance the brand.” Consumers understand this ‘value equation’ and are willing to pay more for higher quality products.





Wholesale Channel Overview

- Stonewall Kitchen sells its products predominantly through the wholesale channel, across a diverse group of retailers and distributors, all serviced from Dover, NH
- Go to market through a network of distributors, brokers, and direct
- Utilize 5 regional sales managers for the US and 1 international sales manager (sold in over 50 countries!)





Strategically Expanding Wholesale Business

Stonewall Kitchen has carefully and thoughtfully expanded distribution over time into top-tier stores across numerous attractive channels

The evolution and development of SWK's wholesale distribution (representative accounts)

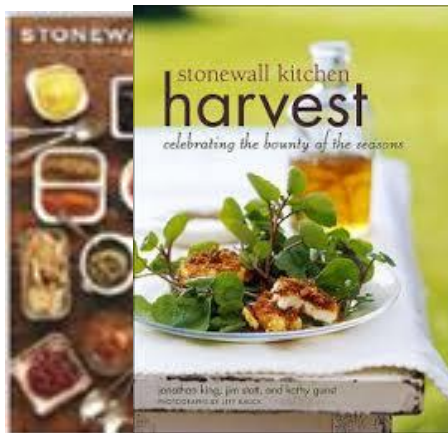


STONEWALL KITCHEN

Outstanding DTC Presence

- ◆ DTC is a significant core competency (vs. 1% industry average)
- ◆ Mailing over 4 million catalogs/year and sending 1 million emails/week
- ◆ Generates high gross margins – capturing retail prices without retail cost structure
- ◆ 550,000+ gifts prepared and shipped by Company between Thanksgiving and Christmas

Print Catalogs



Website



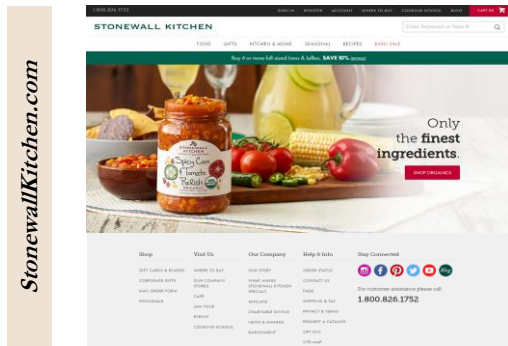


Experts at DTC...

With our first catalog in 1998 and our first website in 1999, our Direct-to-Consumer business today represents nearly **15% of our revenue**...and in the pandemic, closer to 20%. Within SWK DTC, Amazon is about 20% of our DTC business, stonewallkitchen.com and our call center are 80%.



Catalog



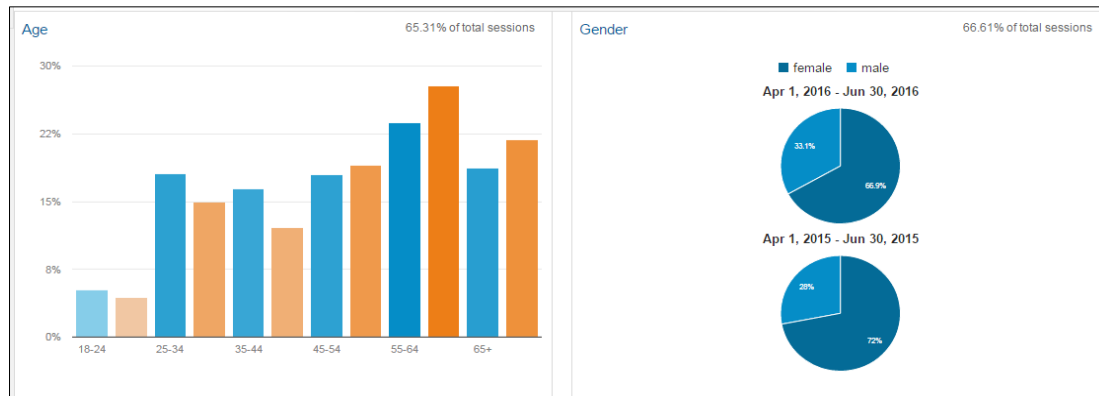
StonewallKitchen.com





Owning the Consumer

- We “disintermediate” the middle man for 33% of our business!
- Gives us unique insight, data, and re-marketability!
- House file of nearly one million names!



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	Desktop		Mobile		Tablet	
	Q2 15	Q2 16	Q2 15	Q2 16	Q2 15	Q2 16
% of Sessions	66.4%	61.7%	17.8%	23.6%	15.8%	14.7%
% of New Users	72.1%	67.0%	15.6%	21.8%	12.3%	11.3%
Pages / Session	9.15	4.94	7.37	3.68	10.71	6.14
Avg. Session Duration	0:02:11	0:02:54	0:02:00	0:02:19	0:02:54	0:03:53
% of Transactions	73.5%	75.3%	7.9%	9.4%	18.6%	15.3%
Conversion Rate	2.1%	4.3%	0.8%	1.4%	2.2%	3.7%



Our Retail Stores Romance the Brand

Unlike other food brands, we're a retailer ourselves, with stores from Camden, Maine down to South Windsor, Connecticut. We use our stores as marketing vehicles to “romance our products,” by conveying the “lifestyle nature” of our brand (well beyond just food) and by introducing 1 million guests per year to our products through dozens of free samples per store! These are our “Tasting Rooms”

- 9 retail stores in New England tourist towns, visited by 1m+ people per year
- An on-site café & cooking school
- New Village Candle pop-up store opened in July, 2020!
- 4 million+ samples a year
- Frequently visited by Wholesale customers for buying ideas!





Validated Importance for Trial

- While Wholesale may be the growth vehicle, Stores are the TRIAL vehicle!
- Turns out, more than one out of six of our users first *purchased* the brand in our Stores!
 - Speaks to the strength and importance of our omni-channel strategy

Where First Purchased Stonewall Kitchen (Trial)	
Where First Purchased	
Stonewall Kitchen Company store	17%
Stonewall Kitchen website	12%
Stonewall Kitchen catalog	5%
} 34% first trial!	
Other Retail Store	43%
Other Online Shopping Site	4%
Word of mouth or gift	8%
Other online or news source	0%
Other	5%
Don't remember	7%



Gifts Are Part of Our DNA!

Stonewall Kitchen gifts are beloved at any occasion, from hostess gifts to bridal showers to corporate gift-giving...last year we assembled, sold, and shipped more than 550,000 gifts in the holiday season alone!



Deluxe Downeast
Breakfast Gift



Best of the Best
Gift



Family Breakfast
Gift



What Else Makes Stonewall Kitchen Special?

Industry Recognition: We're one of the most awarded specialty food companies in America!

Exceptional Quality: We only select the best possible ingredients for each of our products!

Craft Batch Production: By carefully crafting individual batches we ensure quality and consistency so that guests receive only our best in every bite.

Unique & Innovative Flavors: As passionate food lovers, we're always looking for new and exciting flavor combinations to share.

Premium Packaging: Original artwork on many of our labels, signature boxes, and, in keeping with our heritage, founder Jonathan King's unique handwriting is prominently displayed on our product labels.



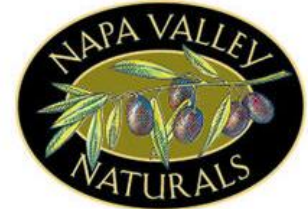
A Family of Authentic Brands



A specialty brand of premium cocktail garnishes and charcuterie products.



One of the most awarded specialty food companies in the country with products across many food categories.



by STONEWALL KITCHEN

A premium brand of certified organic oils, culinary oils, balsamic and aged wine vinegars



Apple sauces and raw apple cider vinegars are loved by customers for their superior taste and beneficial nutrients.



by STONEWALL KITCHEN

A line of signature sauces, condiments and more, inspired by the famous New-England restaurants.



IMPORTED FROM ITALY
by STONEWALL KITCHEN

Artisan organic pasta imported from crafted using old-world pasta techniques.



Tillen Farms...Our First Acquisition

Tillen Farms, maker of gourmet cocktail garnishes, sets the standard for what jarred fruits and vegetables should taste like. The majority of the produce is harvested from the rich soil of the Pacific Northwest, eliminating the need for anything artificial—you won't find synthetic dyes, additives or corn syrups here. Most of the offerings are Kosher certified and non-GMO.



STONEWALL KITCHEN



Legal Sea Foods By Stonewall Kitchen

In May, 2018, Stonewall Kitchen executed a licensing agreement to create and market the Legal Sea Foods brand. For over sixty years, Legal Sea Foods has been delighting guests with its ocean-fresh fare and New England-inspired menu. Now, we're proud to lend our specialty food expertise to bring signature sauces, condiments and more from their kitchen to your table. The perfect complement to a variety of dishes, these products will have you hooked from the very first bite!





Napa Valley Naturals

A Superior Quality Brand



STONEWALL KITCHEN

Napa Valley Naturals & Montebello

On November 16, 2018 –Stonewall Kitchen announced that it acquired Spruce Naturals LLC (“Spruce”) from its original founder, Kendall Cook. Spruce is the parent company for Napa Valley Naturals, a premium brand of certified organic extra virgin olive oils, culinary cooking oils, Italian balsamic vinegars and aged wine vinegars, as well as Montebello, an artisan brand of organic pastas imported from Italy.





Vermont Village



STONEWALL KITCHEN



And our most recent addition!

VILLAGE CANDLE®

- Founded in 1993 and headquartered in Wells, Maine
- Full candle product line, from traditional apothecary jars through votives, melts, and newer on-trend shapes and scents
- 200,000+ sq foot production and warehouse facility
- Sold primarily through grocery, online, and discount channels, including many common customers



STONEWALL KITCHEN

STONEWALL KITCHEN

Stonewall Home Launched in July 2020





From the Old “Family Management Team” ...





...To Centre Partners Joining the team



Centre Partners Management, LLC



John Stiker, Center Operating Partner



To the New “Management Team” 2020





Keep it Interesting, not Me-Too!

Stonewall Kitchen consumers shop our brand for interesting recipe combinations and delicious flavor profiles you just can't find anywhere else

Differentiated Flavor Profiles

We bring a premium offering with unique flavors that have become consumer favorites

Top US Jam/Jelly Flavors

1. Concord Grape
2. Strawberry
3. Red Raspberry

Top SWK Jam Flavors

1. Wild Maine Blueberry
2. Red Pepper/Hot Pepper
3. Roasted Garlic & Onion
5. Maple Bacon & Onion
45. Concord Grape

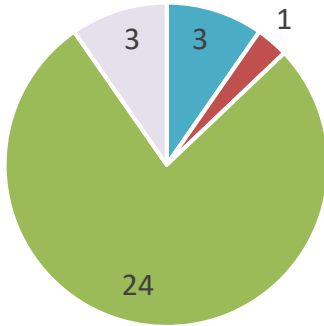
Not just true for jam...#1 selling items across multiple categories reflect innovative flavor combinations





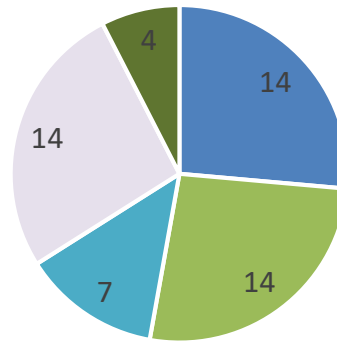
Product Dev - All Channels 2018-2020

2018



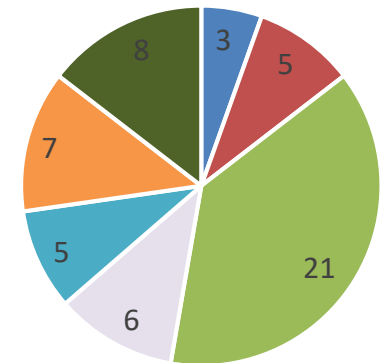
Tillen Macy's Stonewall FHK

2019



Legal Stonewall
Tillen FHK
MarMaxx

2020



Legal Montebello
Stonewall FHK
Tillen Napa Valley
MarMaxx

2018 = 31

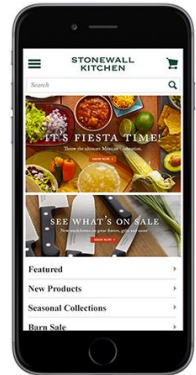
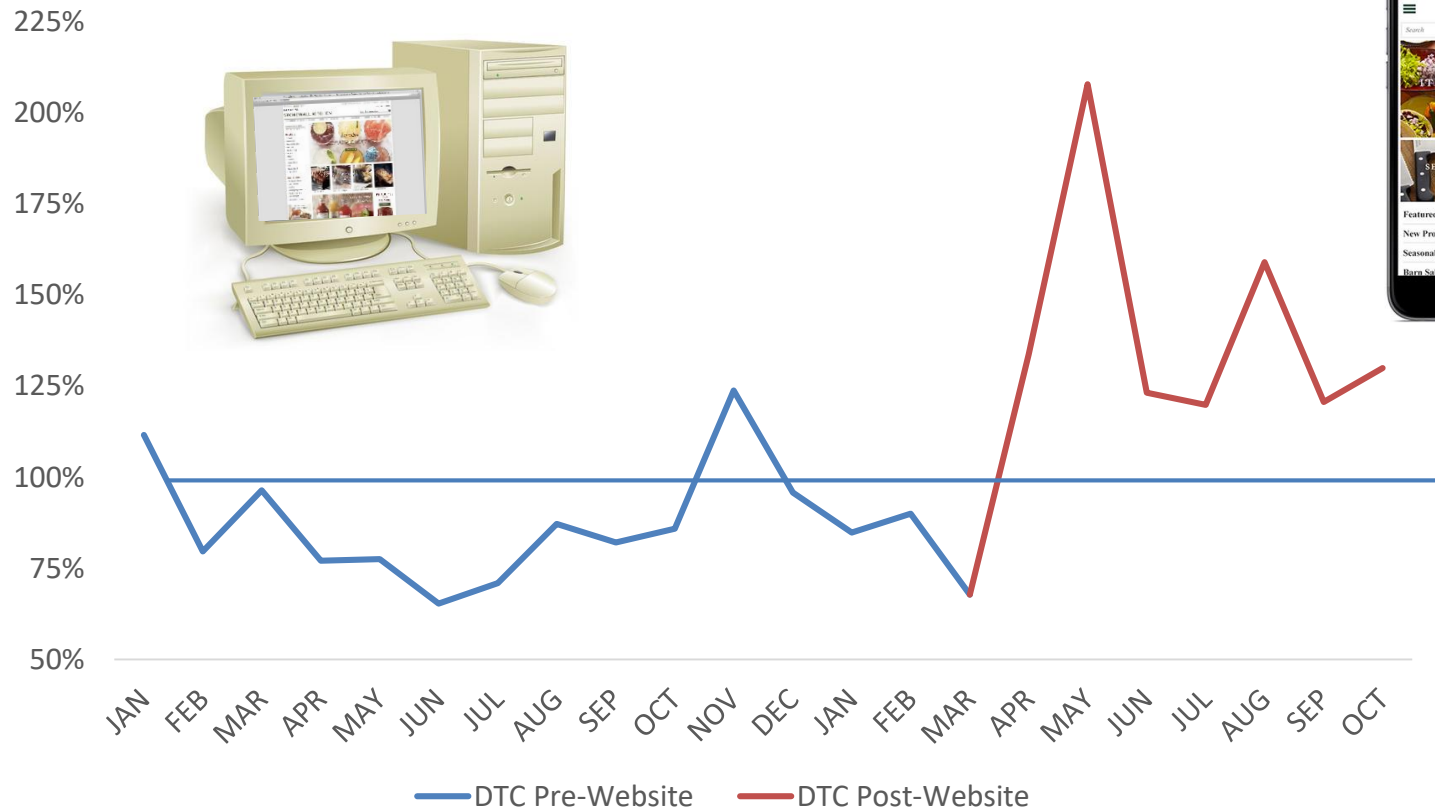
2019 = 53 (including MarMaxx)

2020 = 56 projected (including MarMaxx)

Accelerate the Business with Technology...

- The DTC business was really struggling in 2015, primarily due to an outdated website
- At the end of Q1 '16, implemented our mobile-friendly website and added a spring catalog
- The results have been...well...blockbuster

DTC Revenue Index vs. YAG Pre/Post- New Website



Without Forgetting “Old-School” Tools

- Stonewall Kitchen maintains house file of nearly 1 million qualified buyers
 - Primary distribution is Holiday Gift Guide, circulation of nearly 2 million
 - Off-season catalogs mailed primarily for top-of-mind (Spring, Summer, Fall)
- Purchasing match-back analysis substantiates profitability of each catalog drop
- Approximately 40% of catalog purchases completed through call center
- Fantastic direct mail marketing vehicle that more than pays for itself with measurable purchases!



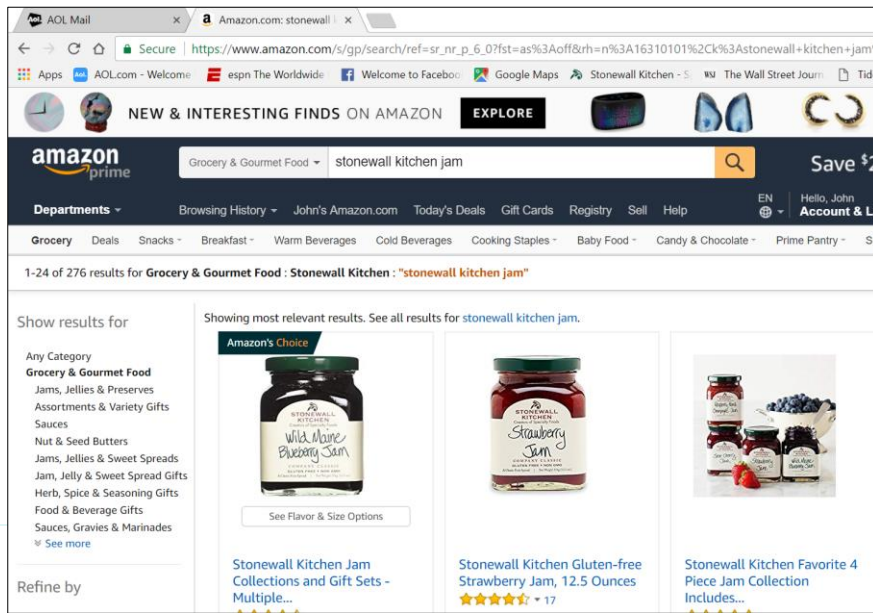


And Embrace ALL the Channels Available

Prior to 2014, Stonewall Kitchen had a nominal business with Amazon featuring unpredictable pricing, significant amounts of chargebacks and deductions

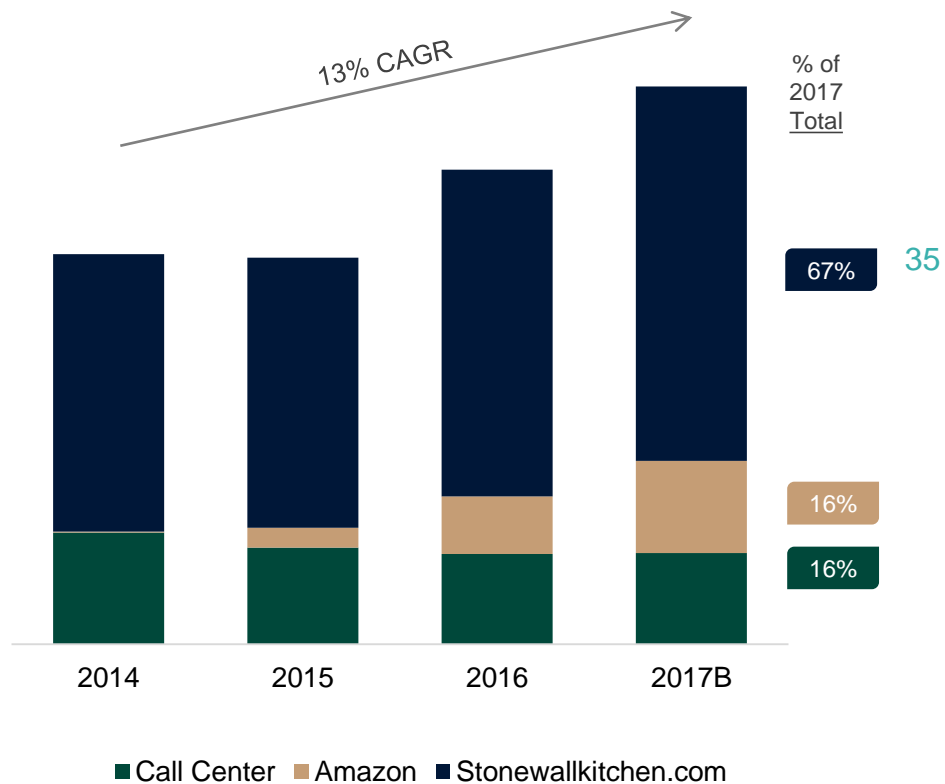
What We Did Differently

- Shifted to “fulfillment model” or “FBA” whereby we set pricing, continue to own the inventory, qualify for Amazon Prime
- Creates predictable Amazon fee structure
- Has allowed Amazon to become substantial portion of our DTC business, while our own website remains the primary portal for sales, recipes, content, and assortment



DTC Net Sales Growth

(\$ in millions)





Our Own Transaction History



- Founded in 1991, Stonewall was owned and managed by Jon & Jim for 23 years, at which time they were looking for retirement and diversification
- Centre invested in October 2014 on thesis of expanded distribution in grocery, Club, Amazon, and growth in owned DTC
 - In 2017, management convinced Centre to add acquisitions as a growth strategy
- By July 2019, Stonewall Kitchen was substantially bigger vs. Centre's original investment 5 years prior, and thus an appropriate time for their exit
- Audax invested on the thesis of organic and acquisition growth, based on our experience as a platform and backed by strong management team
- Since that investment, we have completed 2 acquisitions and are actively looking for additional opportunities
- Goal is to nearly triple our EBITDA...and we are well on our way!



And the Future Looks Bright!

With our expertise in brand building, product development, and omni-channel distribution, we are excited to continue to grow our business both organically and through additional selective acquisitions, with the goal of bringing our guests the best tasting and highest quality specialty foods and lifestyle brands.”

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The growth Challenges we all face...Q&A

- What role has Covid 19 played in the business?
- When is it right to hire additional team members?
 - Finding that balance of promoting from within and recognizing the instances when you need to bring in new talent.
- How do you continually adapt and transform the culture of a company? We remain “family oriented” but all growing organizations also need to develop policies and procedures that eventually have a more “corporate” than family feel.
- How do you accelerate growth of an iconic brand while maintaining profit margins? Innovation! Channels, products, systems, people.
- How do you maintain a premium image as the brand becomes available in more places? Have you learned or do you know when to say, “No, this customer opportunity isn’t right for our brand.” and know when to say, “Yes!”
- What’s the role of retail in an increasingly online world?
- Should I bring in an equity partner, sell or hold on? Do I hire an investment banker?





Thank you!