



# **Better Choice Company, Inc.**

4<sup>th</sup> Annual D.A. Davidson Consumer Growth Conference

March 2021

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# BTTR Has A Clear Strategy For Rapid Growth



BECOME A CLEAR LEADER IN  
PREMIUM+ PET FOOD FOR CATS  
AND DOGS.



LEAD GLOBAL INNOVATION IN  
THE PREMIUM+ PET FOOD  
CATEGORY.



UTILIZE AN OMNI-CHANNEL  
APPROACH LEVERAGING  
ECOMMERCE.

# With A Dynamic Company Culture

- **Our Mission:** Become the most innovative premium pet food company in the world.
- **Our Vision:** The pet food company that excites creativity, optimism, and well-being.
- **Company Values:**
  - Make products with integrity
  - Treat pets and their parents with respect
  - Create long lasting & profitable relationships
  - Work smarter & faster





Rob S.

Alexis I.

Joanna S.

Andrea Y.

Cory C.

Ricard

Rick A.

Scott L.

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Will M.

Kasey C.

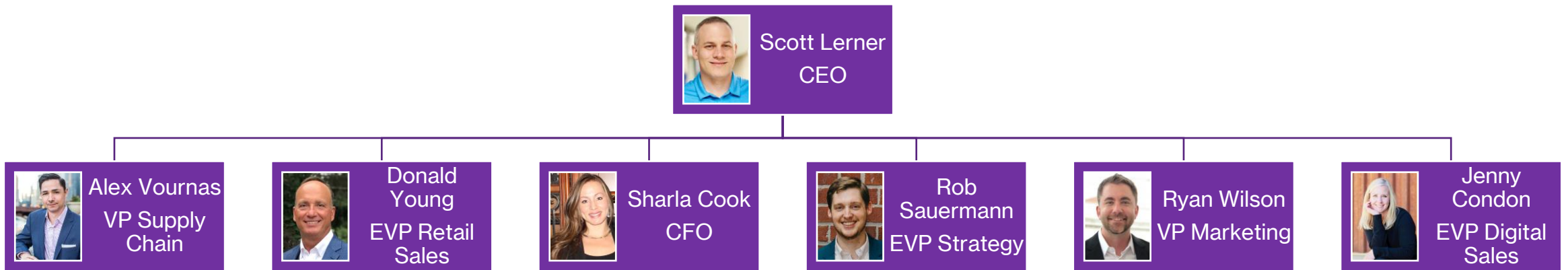
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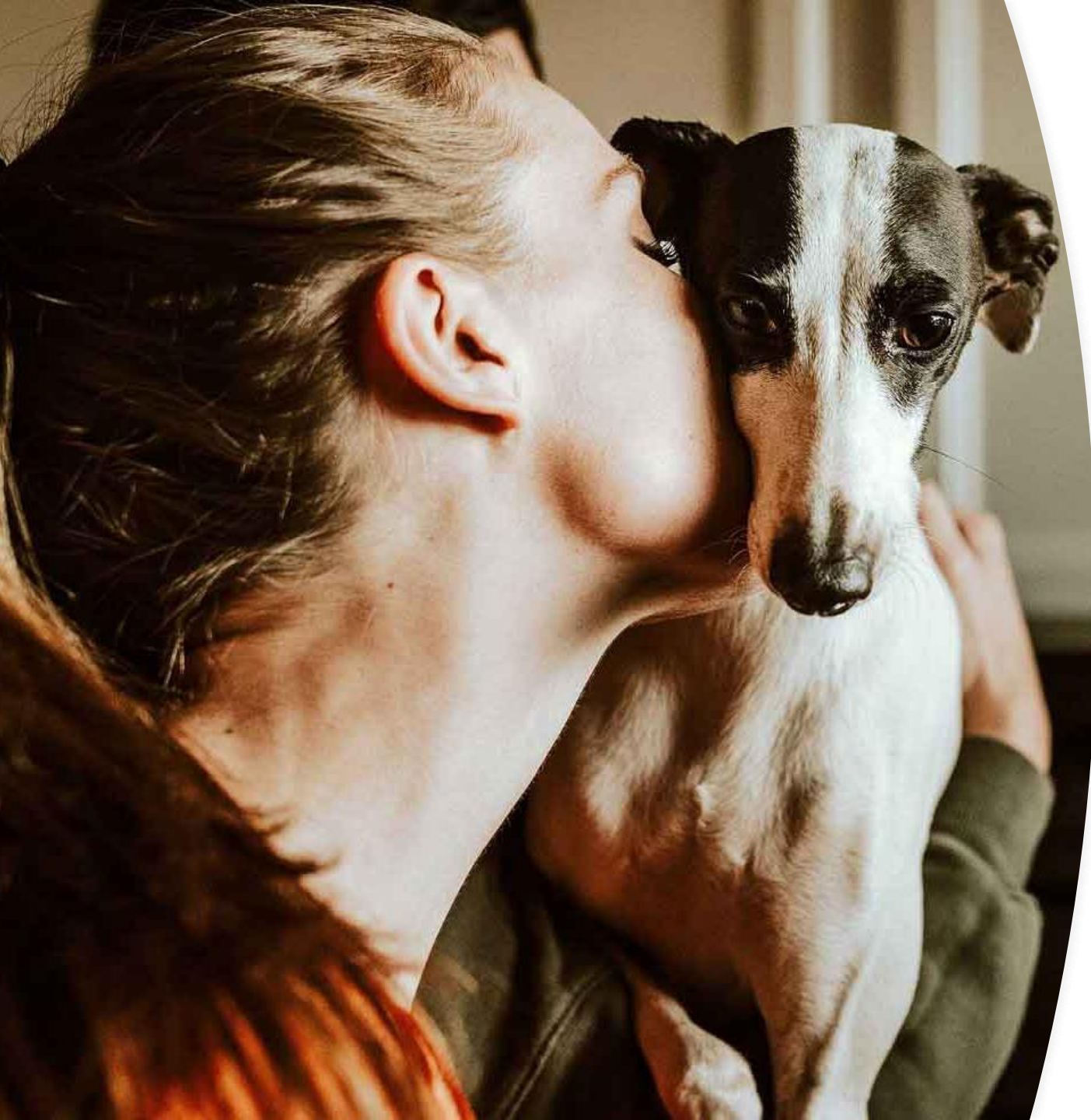
# We Have Assembled A World Class Team

Ready to take the lead position in the pet food industry

# A Leadership Team Positioned To Win



- **Scott Lerner** – Consumer products veteran with 20+ years of experience; track record of successful PE backed exits (VMG)
- **Donald Young** – Pet industry leader with 29+ years experience; successful exits to Mars (Nutro) & Nestle (Merrick)
- **Rob Sauermann** – Health & wellness investment background with over \$100m growth equity capital deployed (Pegasus)
- **Jenny Condon** – E-Commerce expert responsible for increasing online sales at Merrick to \$150M (30% CAGR over 5 years)
- **Ryan Wilson** – CPG & pet industry marketing leader with history of successful brand launches (Merrick / Nestle)
- **Alex Vournas** – Experienced supply chain expert, recently managed supply chain & logistics of Solid Gold’s expansion in Asia
- **Sharla Cook** – Significant public company reporting experience, formerly controller at Checkers Drive-In Restaurants



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## **BTTR Has 35+ Years of Success**

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- The Halo and TruDog brands have a long history of success in the market and have positioned the company for growth
- Both brands were born out of the idea to deliver BETTER nutrition and wellness CHOICES to help furry family members live healthier, happier and longer lives
- The company is at a true inflection point to become an innovation and growth engine in the industry

# Two Complementary Brands With Innovative Opportunities for Consolidation Over Time



- A 35-year-old, super premium natural pet food brand uniquely differentiated from its competitors
  - Using natural whole meat and no rendered meat meal
  - Highly digestible due to the use of real whole protein
- History of top line growth driven by continued premiumization of the pet food industry
- Flexible and scalable outsourced manufacturing model with capacity to grow
- Well positioned within E-Commerce and International



- A 7-year-old DTC brand that markets raw freeze-dried and dehydrated food, treats, and supplements
- Well positioned to take advantage of pet parents increasing desire to feed the highest quality ingredients to their pets
- A broad-based product portfolio of wellness products with a unique direct to consumer platform





# Best-in-Class Products Delivering On Core Consumer Needs

## Top Consumer Needs

Not Confident In What They Are Feeding

Looking For A Healthier Pet Food

Confused On What Is Best For Their Dog



Halo® Holistic Chicken and Chicken Liver Recipe for Adult Dogs



TruDog Feed Me Turkey Grain-Free Freeze-Dried Raw Dog Food



Blue™ Life Protection Formula® Adult Chicken & Brown Rice Recipe Dry Dog Food



Merrick® Classic Real Chicken + Green Peas Recipe with Ancient Grains Adult Dry Dog Food



Natural Balance® Original Ultra® Whole Body Health® Chicken, Duck Meal Dry Dog Formula



Wellness® Complete Health® Adult Deboned Chicken & Oatmeal Recipe Dry Dog Food

Top 5 Ingredients

(WHOLE) Chicken	Ground Turkey	Deboned Chicken	Deboned Chicken	Chicken	Deboned Chicken
(WHOLE) Chicken Liver	Turkey Heart	Chicken Meal	Chicken Meal	Chicken Meal	Chicken Meal
Dried Egg Product	Turkey Liver	Brown Rice	Peas	Peas	Oatmeal
Oatmeal	Herring Oil	Barley	Turkey Meal	Potatoes	Ground Barley
Pearled Barley		Oatmeal	Brown Rice	Chicken Fat	Peas



# **Simplifying Our Business To Drive Success**

- Growing 2 differentiated business models is overly complex, costly, and time consuming

A man with short brown hair, wearing a maroon polo shirt, is seen from the back, hugging a golden retriever dog. The dog is looking towards the camera with its mouth open, showing its teeth. The background is a scenic view of a mountain range under a soft, golden light, suggesting a sunset or sunrise.

# One Halo Brand!

Driven by creativity and innovation

# Creates A Smarter Approach

01

One mega Halo brand that spans across all channels domestically and internationally.

02

Allows for a strong “Halo” marketing effect across all sub-brands to maximize spending.

03

While talking to the consumer at an efficient higher master brand and emotional level.

04

Enabling economies of scale in supply chain & optimizing strong capital resource allocation.

05

Aligning the interests of the entire BTTR company to drive success!

# And Leverages A Differentiated Omni-Channel Strategy

- Multiple channels allows BTTR to optimize margin by maneuvering revenue from one channel to the next on a monthly basis as needed
- By eliminating channel conflict it opens up our ability to share resources from one channel to the next (innovation, data, etc.)

2020 Gross Sales  
~\$20M



Ecommerce

2020 Gross Sales  
~\$11M



Brick &  
Mortar

2020 Gross Sales  
~\$12M



DTC



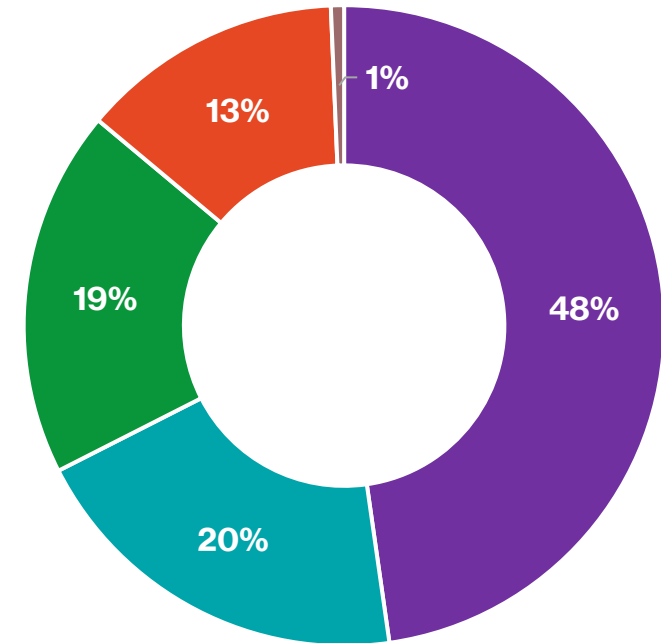
**+ INTERNATIONAL**

2020 Gross Sales ~\$9M

# International Expansion Is A Key Strategy

- We believe growth in Asia is fueled by increasing levels of economic financial status and demand for premium, western manufactured products, with China representing the largest market opportunity for growth
- Halo realized an impressive 95% YoY sales growth in Asia in 2020
- BTTR agreed to \$25.6 million of aggregate minimum purchases with Asian Distribution Partners from January 1, 2021 – December 31, 2022
- Acceleration of sales in China driven in part by Halo’s ability to secure Product Import Registrations for 15 Dog and Cat Food Diets from the Ministry of Agriculture and Rural Affairs of China (“MOA”) in June 2020
- In addition to growth in Asia, BTTR is evaluating opportunities to enter Australia, Latin America and the Middle East

International Sales by Geography (2020)



■ China ■ Taiwan ■ Korea ■ Japan ■ Other

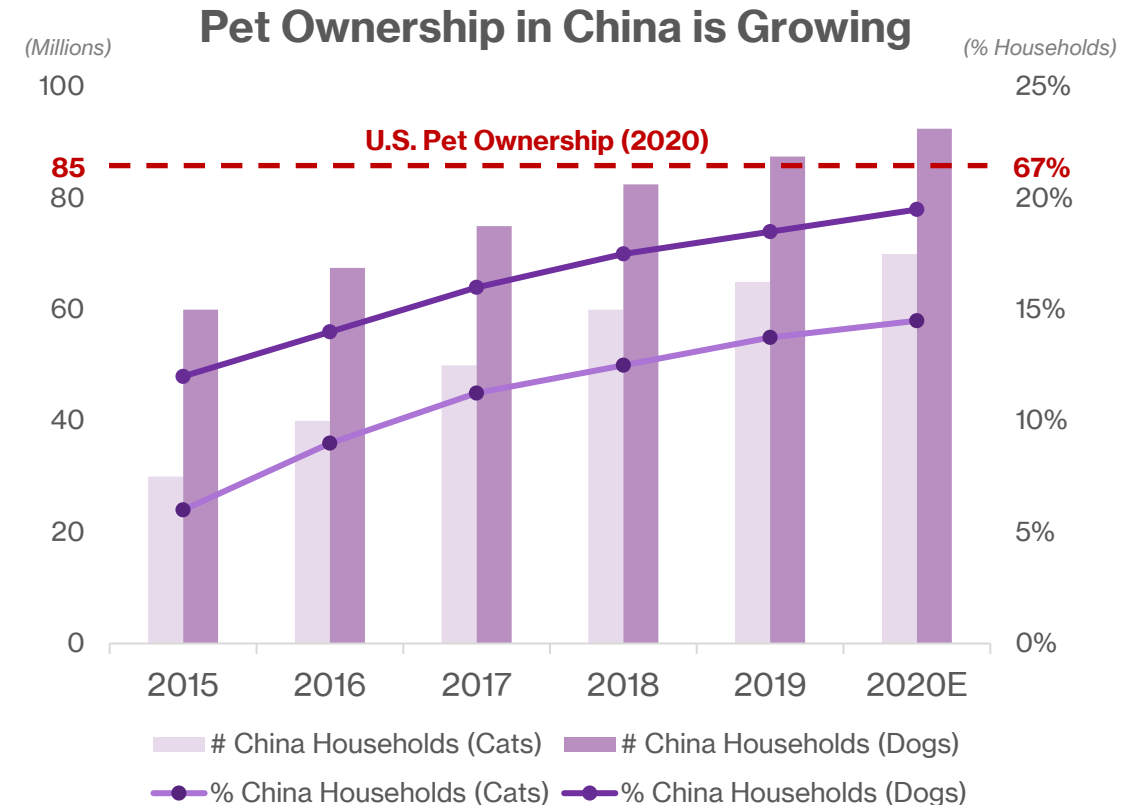
# BTTR Has A First-Mover Advantage In China

## Chinese Market Opportunity:

- Chinese pet market estimated to be ~\$7 billion by 2022
- Only ~10% of urban households in China own a pet (Mordor Intelligence)
- Premium dry cat food market growing at 28% CAGR (2015 – 2025F; Euromonitor)
- Premium dry dog food market growing at 20% CAGR (2015 – 2025F; Euromonitor)

## The Halo Brand Has A Clear Point Of Difference In China:

- Approval of 15 dry diets by Chinese MOA in June 2020
- Strong distribution partner and marketing support
- Established supply chain partners with whitelisted approval to import product
- Halo's target consumer is an educated, urban dwelling millennial female
  - >50% of Halo's Chinese customers were born after 1990
  - ~80% of Halo's Chinese customers purchased product online



Source: Euromonitor, American Pet Products Association.

# BTTR Is Focused on Maximizing Shareholder Value

Anchored in high growth channels

- E-Commerce, DTC & Pet Specialty work together to create a “Halo” effect
- Recent team member additions expected to drive Pet Specialty growth

Strong and growing international presence

- Consistent near-doubling of international sales YoY with contracted minimum purchases supports rapid growth across key markets

Extremely active investment sector

- Significant M&A and IPO activity in the market (i.e. Solid Gold & Wellpet)
- PetCo files an IPO and Carlyle “re-acquires” Manna Pro from Morgan Stanley

Public market scarcity

- FreshPet (FRPT) is the only publicly traded direct competitor to BTTR
- FRPT trades at ~19x 2020 revenue



# While Simultaneously Sourcing & Evaluating Transformative M&A Transactions

- We remain committed to locating the right assets that meet our investment criteria
- Strong industry contacts increase our ability to source transactions internally and avoid highly competitive auctions
- Preference for asset light models that avoid channel conflict / competition with Halo & TruDog brands
- Public company structure has historically enabled Better Choice to offer transaction consideration in the form of cash and stock



## The New Halo Brand Strategy Simply Works!

1. Easy to execute in market
2. Creates a “Halo” effect
3. Leverages internal scale
4. Allows for selective M&A opportunities over time





**Thank You**

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