



THE STEPHENS GROUP



Food & Consumer Products

We invest in a wide range of food and beverage and consumer sectors. Within these sectors, we look for companies with solid management teams, value-added products or services that are difficult for competitors to replicate, and strong product development capabilities, all of which result in strong margins and stable customer relationships indicative of a truly differentiated business.

Our emphasis is on business-to-business (B2B) food and beverage providers. We believe there are sustainable trends toward outsourcing, innovation and asset utilization that will lift the supply chain for both private label and brands. Our strategy allows us to invest into companies benefitting from broad industry trends without taking single brand risk.

FOOD AND BEVERAGE

Sub-sectors of particular interest include:

- Ingredient suppliers, contract manufacturers/co-packers, private label industry participants, niche foodservice suppliers, value-added agriculture

Company attributes we're looking for:

- Strong and defensible market position in high-growth niches
- Opportunity to drive value through complementary or consolidating acquisitions
- Clear source of differentiation and value-add
- Application and/or product technical "know-how" or intellectual property
- Strong track record of R&D investment, product development and new product introduction
- Product performance is usually more important than price
- Manageable risk concentrations with customers and suppliers
- Gross margins in excess of 30% and/or EBITDA margins in excess of 10%

Representative investments:



Mitchell Gold
+Bob Williams

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