

Market Data

Better Choice Company Inc.

OTCQB: **BTTR**

Fiscal Year	December
Industry	Consumer Goods
Recent Price	\$0.81
Market Cap	\$39.6M
Shares Out.	48.9M
Float	2.6M
Avg. Volume (30-day)	138,480
Revenue (ttm)*	\$48.2M
Cash (mrq)*	\$21.3M

*Proforma

As of Oct 20, 2020

Company Website

betterchoicecompany.com

Company Overview

Better Choice Company is a rapidly growing animal health and wellness company committed to leading the industry shift toward pet products and services that help dogs and cats live healthier, happier, and longer lives. Better Choice takes an alternative, nutrition-based approach to animal health relative to conventional dog and cat food offerings and positions its portfolio of brands to benefit from the mainstream trends of growing pet humanization and consumer focus on health and wellness. Better Choice has a demonstrated, multi-decade track record of success selling trusted animal health and wellness products and leverages its established digital footprint to provide pet parents with the knowledge to make informed decisions about their pet's health. Better Choice sells the majority of its dog food, cat food and treats under the Halo and TruDog brands, which are focused, respectively, on providing sustainably sourced kibble and canned food derived from real whole meat, and minimally processed raw-diet dog food and treats.



Value Proposition

Better Choice generated nearly \$50 million in revenue in 2019 on a proforma basis that assumes its Q4 Halo acquisition closed on the first day of the year. At its current market cap, the Company trades for less than 1x its proforma trailing 12-month sales. Its closest peer, FreshPet (NASDAQ: FRPT) trades at an EV/Net Revenue multiple of 12x and EV/EBITDA multiple of 75x; comparatively, using the same proforma numbers, Better Choice trades at just 1.4x for both metrics. Better Choice has built a robust data-driven infrastructure and multi-channel marketing platform that provide strong DTC distribution capabilities and enable cost-effective growth of new and existing products in the marketplace. The Company's recent Series F financing raised \$18.9 million, \$11.3 million of which was invested by management and board members. With brands positioned to benefit from mainstream trends of growing pet humanization and consumer focus on health and wellness, Better Choice provides a great opportunity, at a low relative valuation, for investors to participate in this exciting space.

Investment Highlights

- **Compelling mix of established, premium pet food brands**
 - Pro-forma trailing 12-month revenue of \$48.2 million
 - Focus on fast growing e-commerce and international channels
 - Halo: award-winning, 30-year brand; 20% CAGR for revenue (2006-2016)
 - TruPet: loyal & growing customer base; \$1M monthly repeat customer revenue
 - Robust product innovation pipeline
- **Trading at low multiples relative to peers**
 - FreshPet (FRPT) trades at an EV/Net Revenue multiple of 12x and EV/EBITDA multiple of 75.8x; comparatively, Better Choice trades at just 1.4x for both metrics (as of May 2020)
- **Raised \$18.9M in Series F financing in October 2020**
 - Management and Board members funded more than \$11.3M of total offering
- **Attractive consumer and category dynamics**
 - Premium, natural products perfectly aligned with consumer trends
 - Industry shifting toward products that create longer, better lives for pets
 - \$100 billion market globally
 - US pet industry expected to grow at 3.3% CAGR through 2022
 - Recession-resistant industry
- **Organic and inorganic growth**
 - Data-driven multi-channel marketing platform
 - Targeting acquisitions of successful, profitable brands
- **Experienced management team with track record of success**
 - CEO: nearly 40 years industry leadership experience, including Procter & Gamble, Three Dog Bakery, Nutrivet, Rexall, Lavazza, and Quaker Oats

