

# YUMI

The first direct-to-parent, sustainable food company



SUMMER 2020 / CONFIDENTIAL

Yumi is the baby food you've always  
wanted for your **lil' nugget.**

Insert cute nickname  
for your kid here



# Yumi believes a better future starts with better food

We created Yumi because we believe that parents and babies deserve better choices. The first 1,000 days is the most crucial period for nutrition. We believe kids deserve food that is fresh, organic, truly nutrient dense and low in total sugar. The options at the grocery store were mostly fructose and shelf stable so we launched Yumi in 2017.



President, Co-founder

**Evelyn Rusli** has spent more than a decade as a journalist, previously on staff at the Wall Street Journal and the New York Times covering startups and innovation. She has a degree in English from Princeton University.



CEO, Co-founder

**Angela Sutherland** was formerly a Director at Sierra Constellation Partners, a private equity firm and formerly an investment banker at Goldman Sachs. She is a graduate of Toyota's management program and has a degree in mathematics from Brown University.



COO

**Michael Pacyna** was previously Vice President of Operations at Beyond Meat focused on supply chain and procurement. Prior, he was Vice President at CODA Energy and Chief Operating Officer of a baby products company distributed at Target, Amazon.



TOYOTA



BROWN



BEYOND MEAT

KEY HIGHLIGHTS

# Where Yumi is today

## July 2017

Launched

## \$28M

in Annualized Revenue Run Rate

## 5x

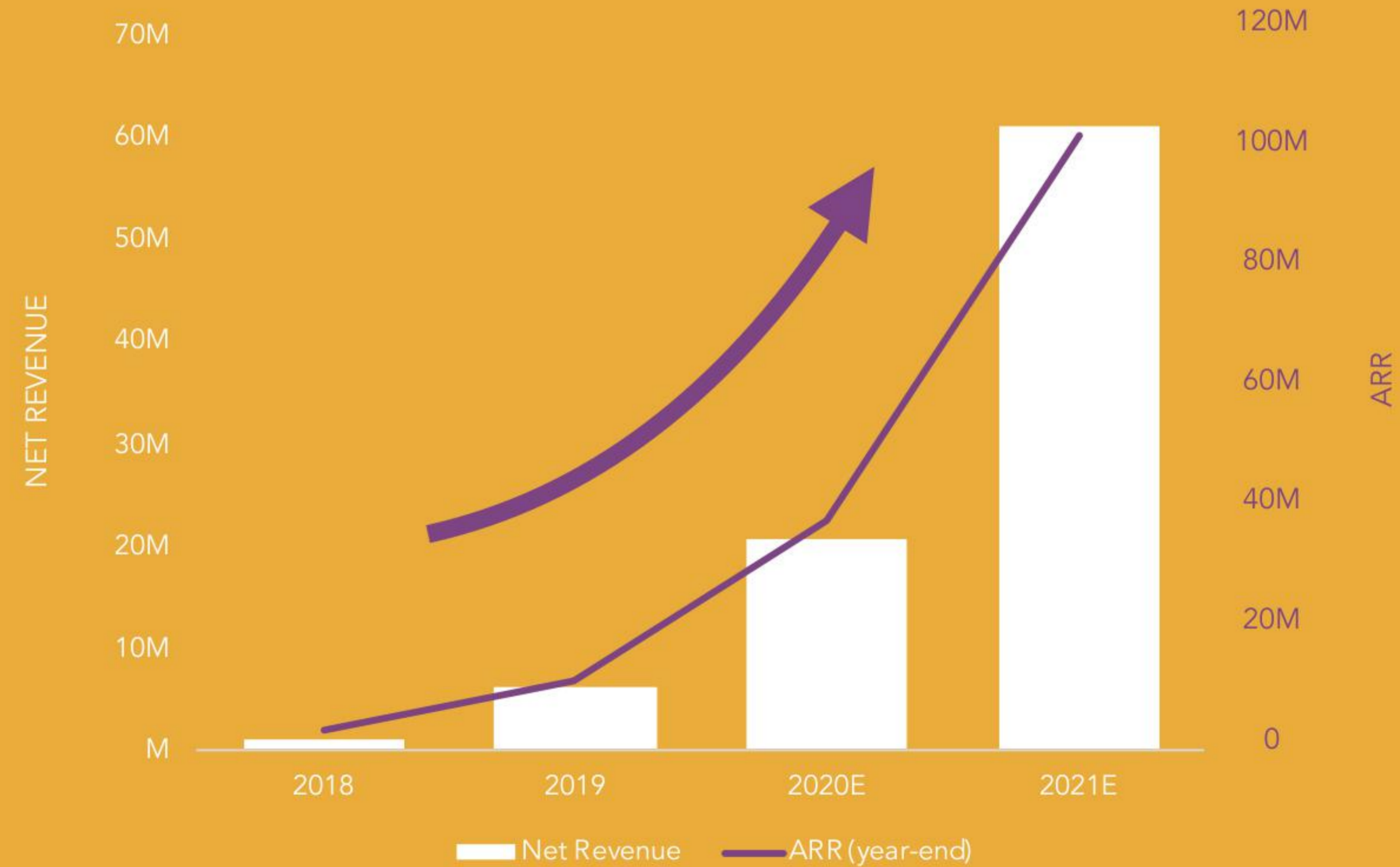
Revenue Growth Year over Year

## Over 2.5 Million

Meals Sold

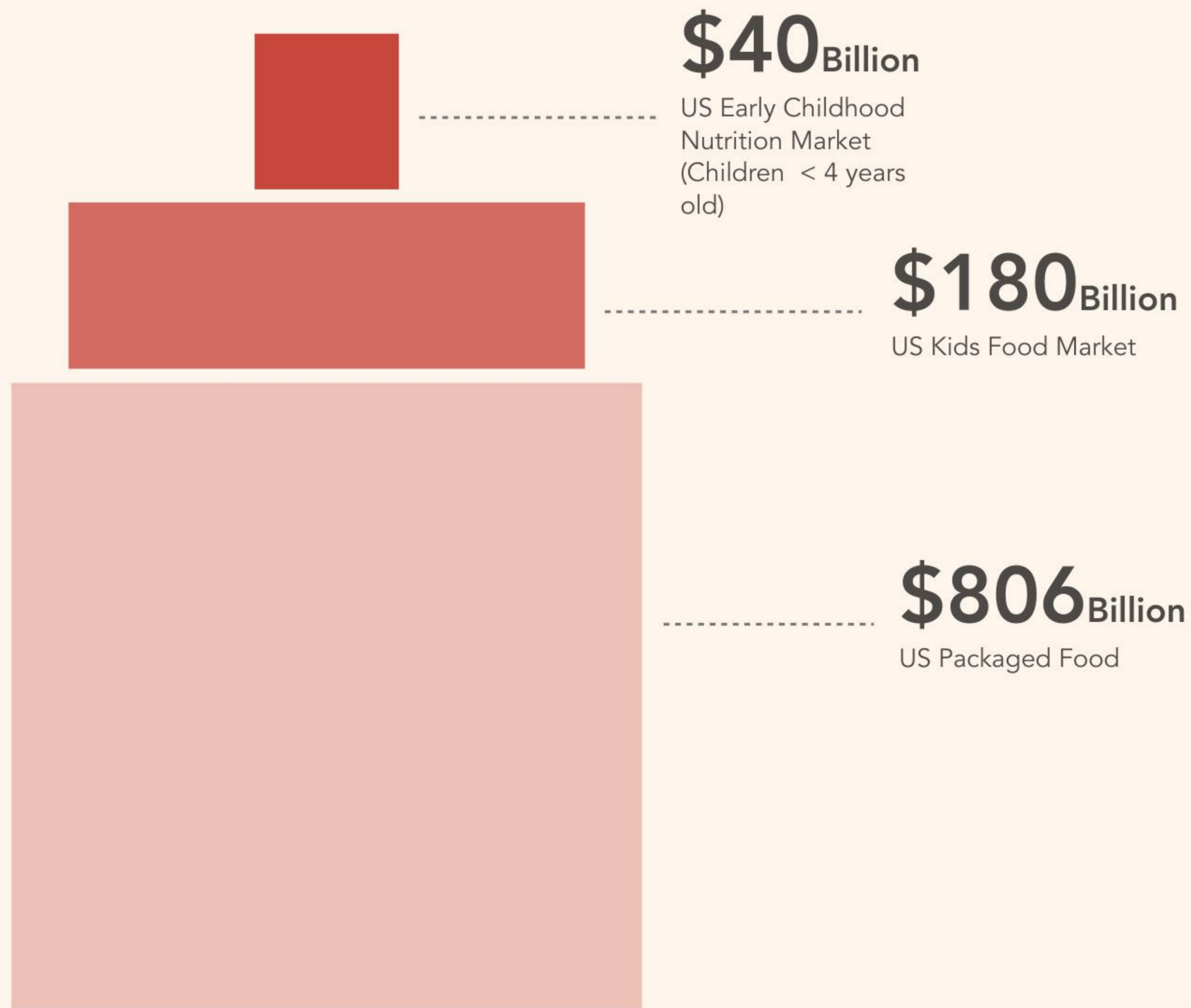
## Over 50,000

Babies Fed



# Early childhood nutrition is a massive opportunity at \$40 billion

Just **2.5%** of the early childhood nutrition market in the U.S.= **\$1 Billion ARR.**



## A giant market, dominated by lumbering giants

These legacy brands account for nearly 90% of the market. Gerber owns 61%.



## Loaded with sugar

Of the organic brands - on average, half of their calories are fruit sugar, leaving little for nutrition.



# This is the era of “conscious parenting”

The internet made for a new type of parent: More googling and parenting through digital communities.



Gerber.



1927

1931

...



1985



2003

2004



2007

2010

Google



## The Century of “Conscious Parenting”

- Digitally-native: Active Googlers
- Optimizers
- Values-based
- Actively engages in community

# Yumi is built for the modern, conscious parent

Recent surveys of parents show times have changed

**70%**

**use technology to better parent**

DIGITALLY-NATIVE

**68%**

**would pay more for organic**

OPTIMIZERS

**83%** OF MOMS, **74%** OF DADS

**rely on online groups for parenting advice**

DIGITAL COMMUNITIES

**84%**

**don't trust traditional brand advertising**

VALUES-BASED

1. MetrixLab/Foster Farms, (<http://www.prnewswire.com/news-releases/survey-parenthood-drives-millennial-demand-for-antibiotic-free-organic-poultry-meat-300093547.html> )
2. <https://www.ypulse.com/article/2018/03/07/how-millennials-navigate-tech-parenthood-in-4-stats/>
3. "Parents and Social Media." <https://www.pewresearch.org/internet/2015/07/16/parents-and-social-media/>
4. Maru/Matchbox 2017 Report, <http://www.marketwired.com/press-release/millennials-willingness-pay-premium-ingredients-is-helping-redefine-food-industry-2197287.htm>

The background of the slide is a top-down photograph of various fresh ingredients on a light-colored surface. It includes a halved papaya with its seeds, a kiwi sliced into rounds, a small jar of orange puree, a small jar of green puree with black seeds, a small jar of white puree, a small jar of red puree, cinnamon sticks, shredded coconut, and scattered seeds.

**Yumi delivers  
smarter food  
centered on trust.**

## Product

Fresh, organic, actually nutritious foods delivered direct to families and tailored to a child's development.

## Personalization

Data and technology platform that reaches customers digitally and provides a personalized experience.

## Community

A growing community for modern parents built on trusted content.

# What's different about our food? Everything.

Organic Mango

Top-selling  
Grocery  
Brand



Yumi



Them	Us
Older than your baby	Made fresh weekly
High in fructose (some include added sugar, like juice)	Balanced fiber to fructose ratio; less than half the avg. fructose of grocery store brands
No guidance	Nutritionist-approved program tailored to your child's development
Nutrient Poor	Avg. meal is dense in 10 key nutrients, with focus on neural development

# Yumi is saving you money

We offer more value per ounce



## Two Times the Nourishment

You need 2x the number of squeeze pouches per day to get the same nourishment as Yumi.



## Four Times the Nutrients

You need 4x the number of squeeze pouches per day to get the same nutrients as Yumi.

At \$3-\$4 per meal (based on box size), Yumi offers more value vs. the leading retail brands.

# We built a brand that matters

We're building something bigger than food



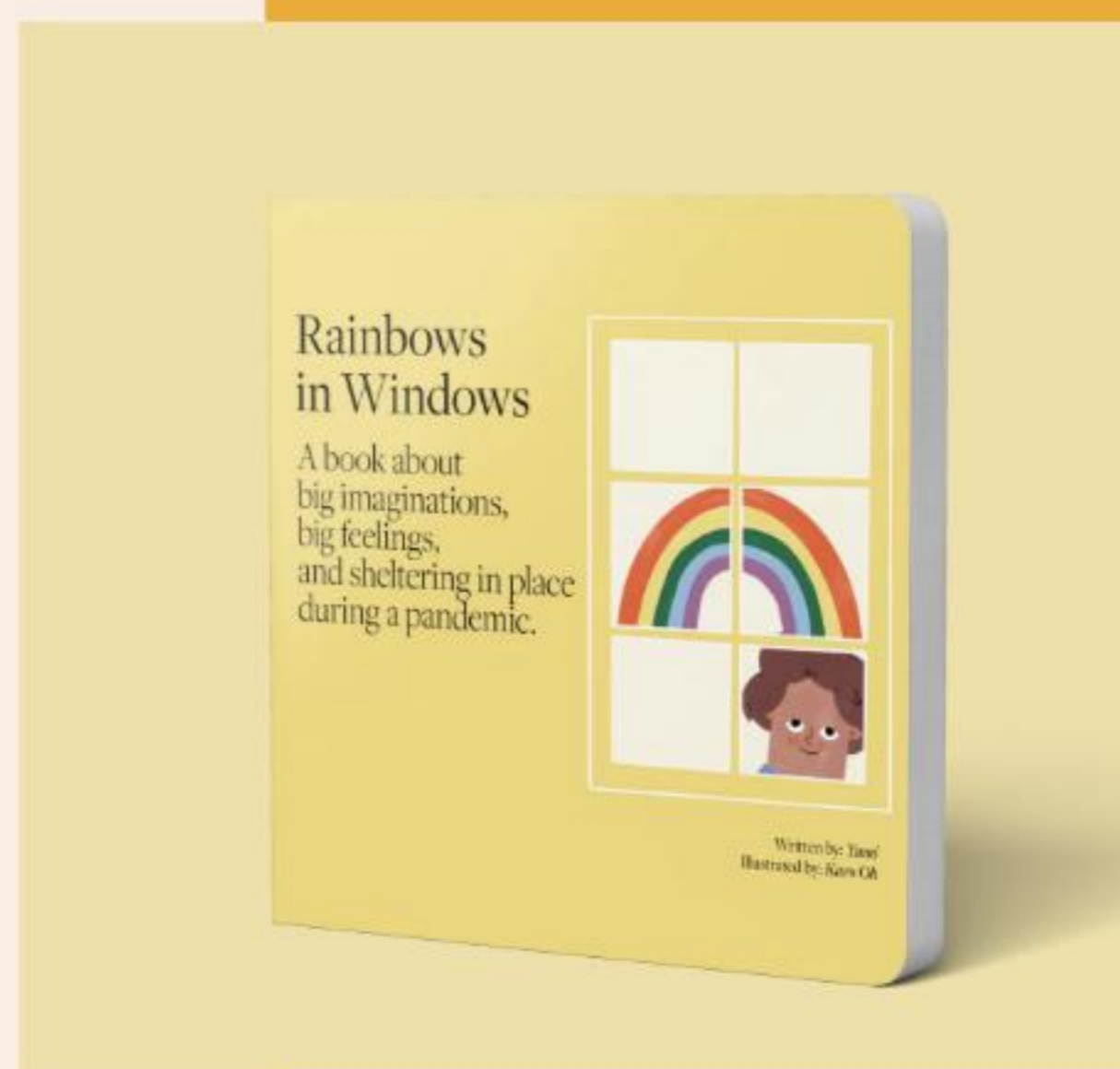
## Cultural partnerships

Quarterly collabs with America's top chefs.



## Social impact partnerships

We partner with nonprofits to reach all communities.



## Content that matters

Our children's book "Rainbows in Windows" sparked a viral campaign with 139M in reach.

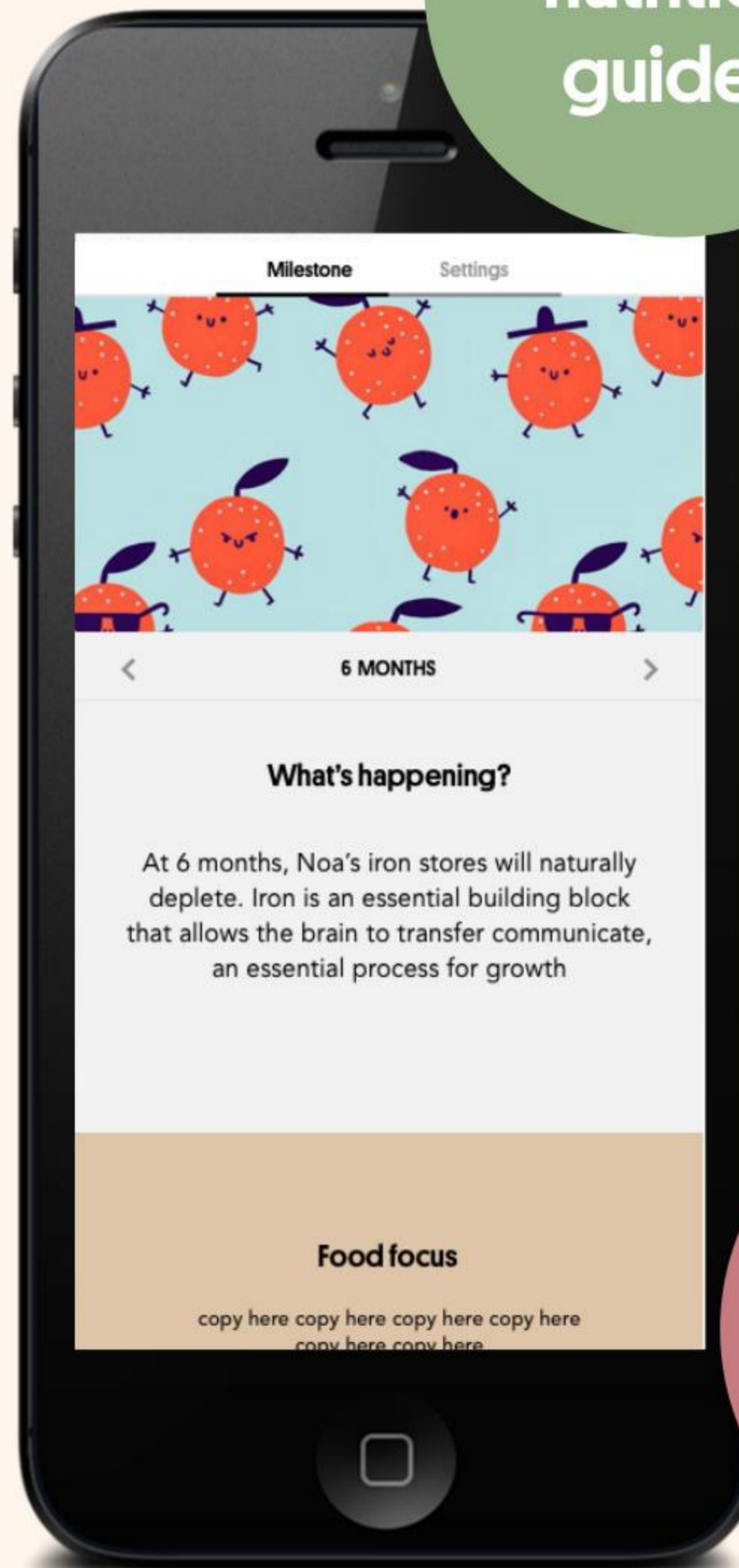
# With data, we make it personal

We now deliver more than **500 THOUSAND** personalized interactions each week.

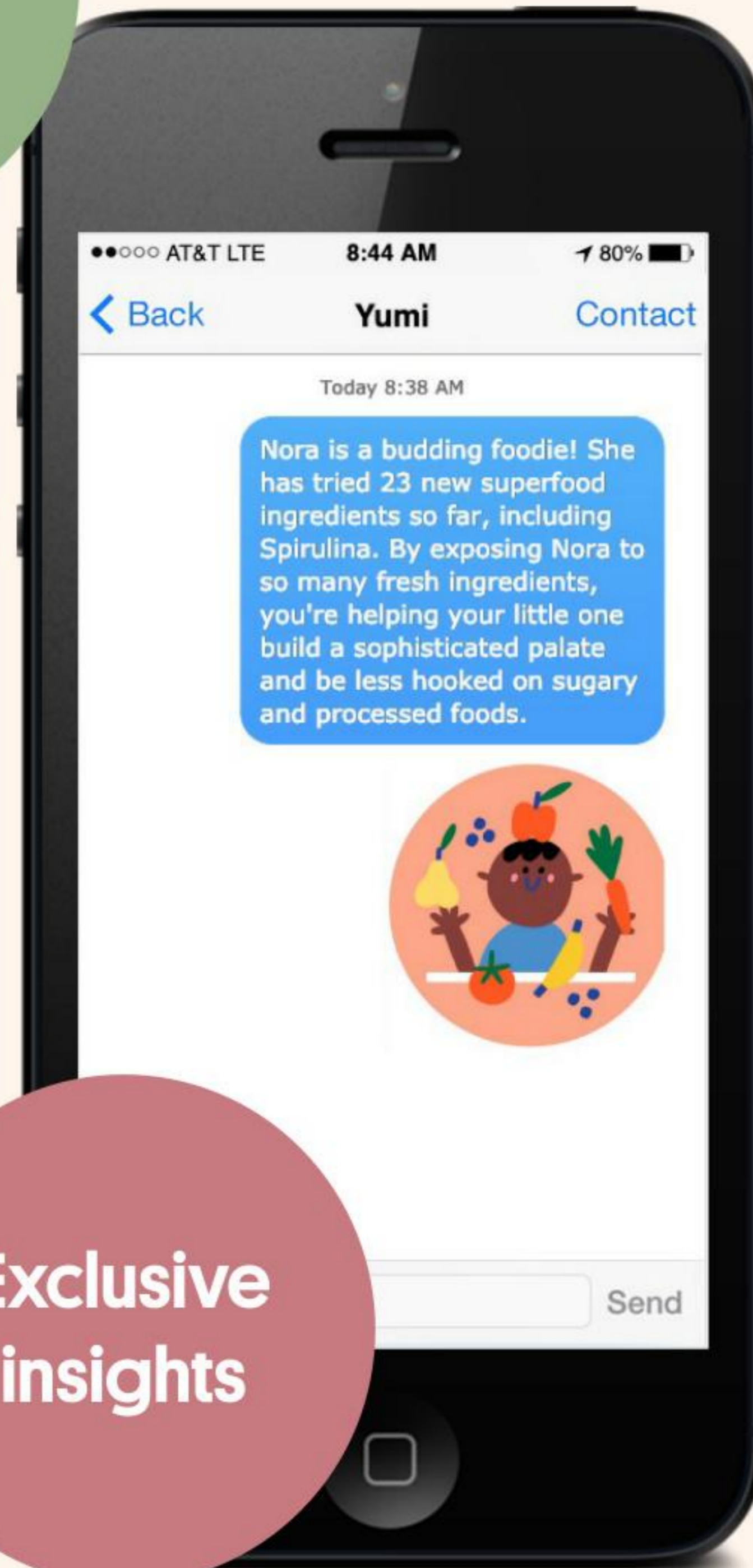
We learn from every interaction how to communicate with you as a customer and how to deepen trust.



Tailored nutrition guides



Exclusive insights



Turns customers into superfans



# Our MOAT: We have built the most intelligent platform for food



## ACQUISITION

Aggregate customer insights drive future campaigns

>10% Paid CAC improvement in '20



## SIGN-UP

We gather data points on a parent and child at sign up



## CUSTOMIZATION

Based on profile, user is assigned to optimal meal program.

70-plus core tracks



## PRODUCT DEVELOPMENT

All recipes and menus are algorithm-based, to ensure nutritional needs are met.



## MANUFACTURING

Using Markov chain modeling, we use past orders and favored combinations to anticipate future demand and predict which flavors are more likely to be chosen by each customer. This data dictates future purchases from suppliers.

<2% food waste



## PERSONALIZED CONTENT

Yumi's content management system can push unique insights to customers by SMS, email, account dashboard. We track interactions and tag attributes.

>3 touch-points per week



## CONTINUOUS FEEDBACK LOOP

Selections, surveys, additional user interactions inform future product decisions.



## PRODUCT LAUNCH

Yumi knows which products are most needed and which will have the quickest adoption

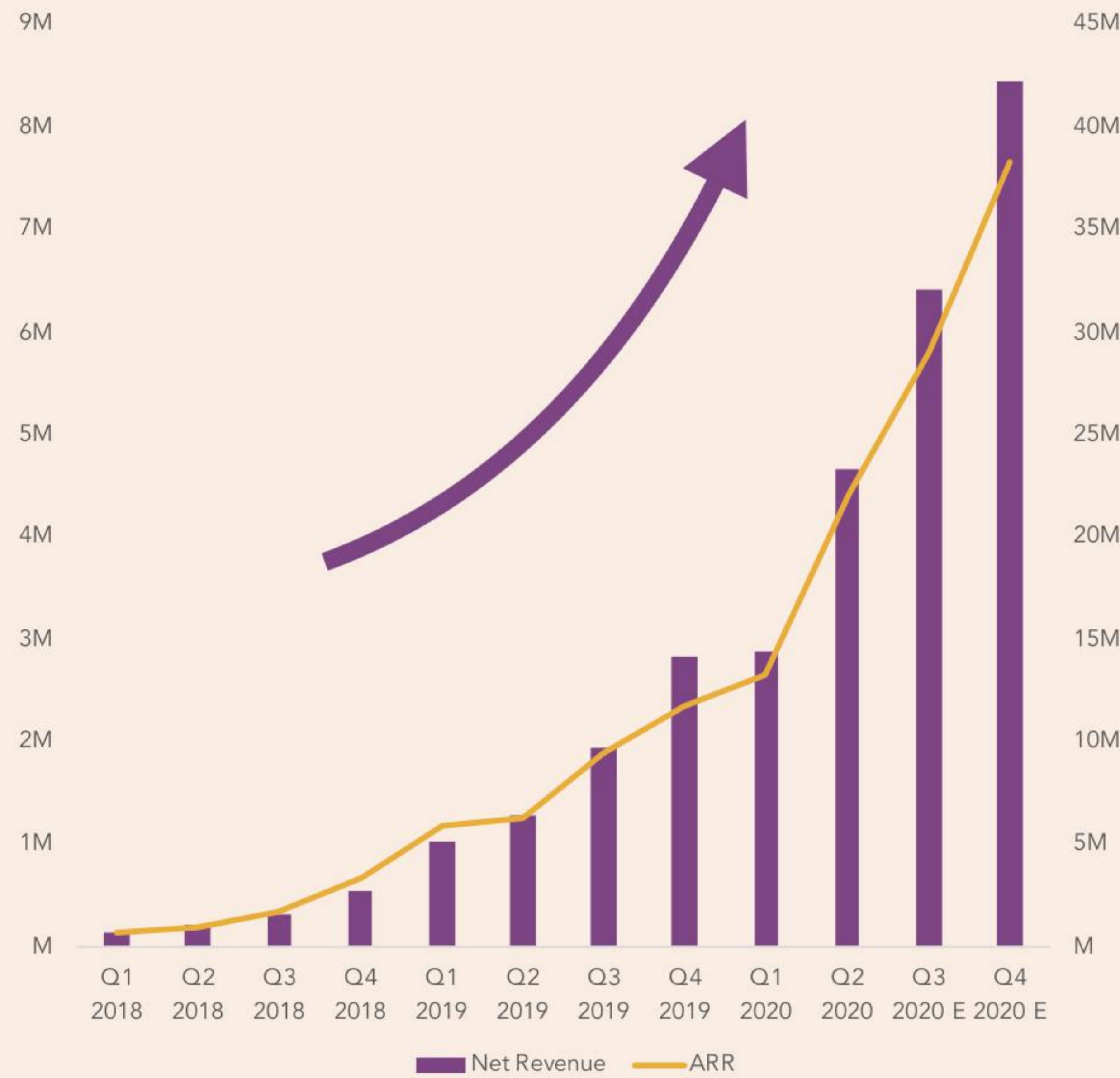
The highly predictable nature of child-rearing creates major opportunities for big data



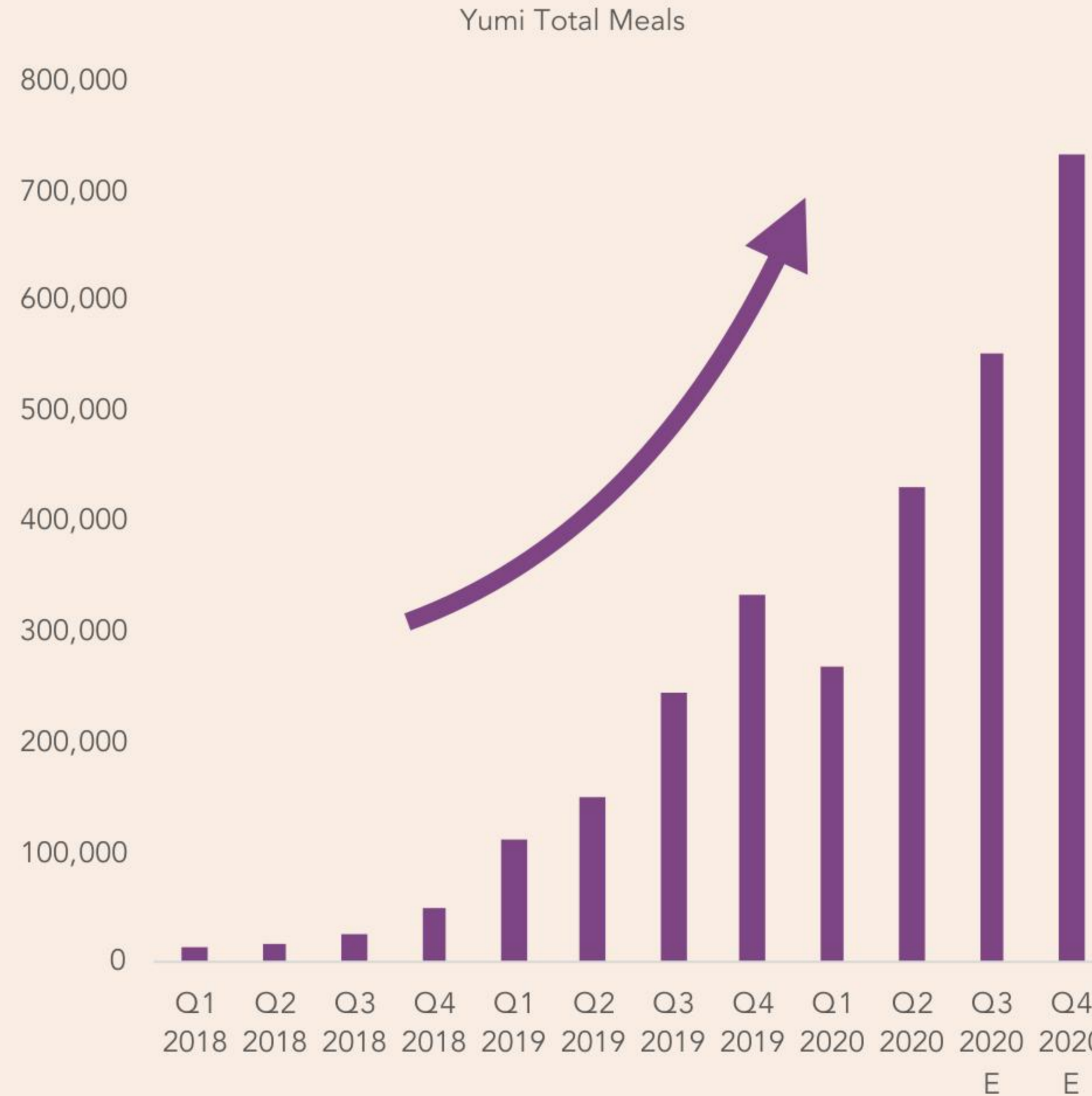
**Yumi is the fastest growing, DTC kid-food company.**



# Run rate has doubled since Q4 and is accelerating



**ARR**



**MEALS SOLD**

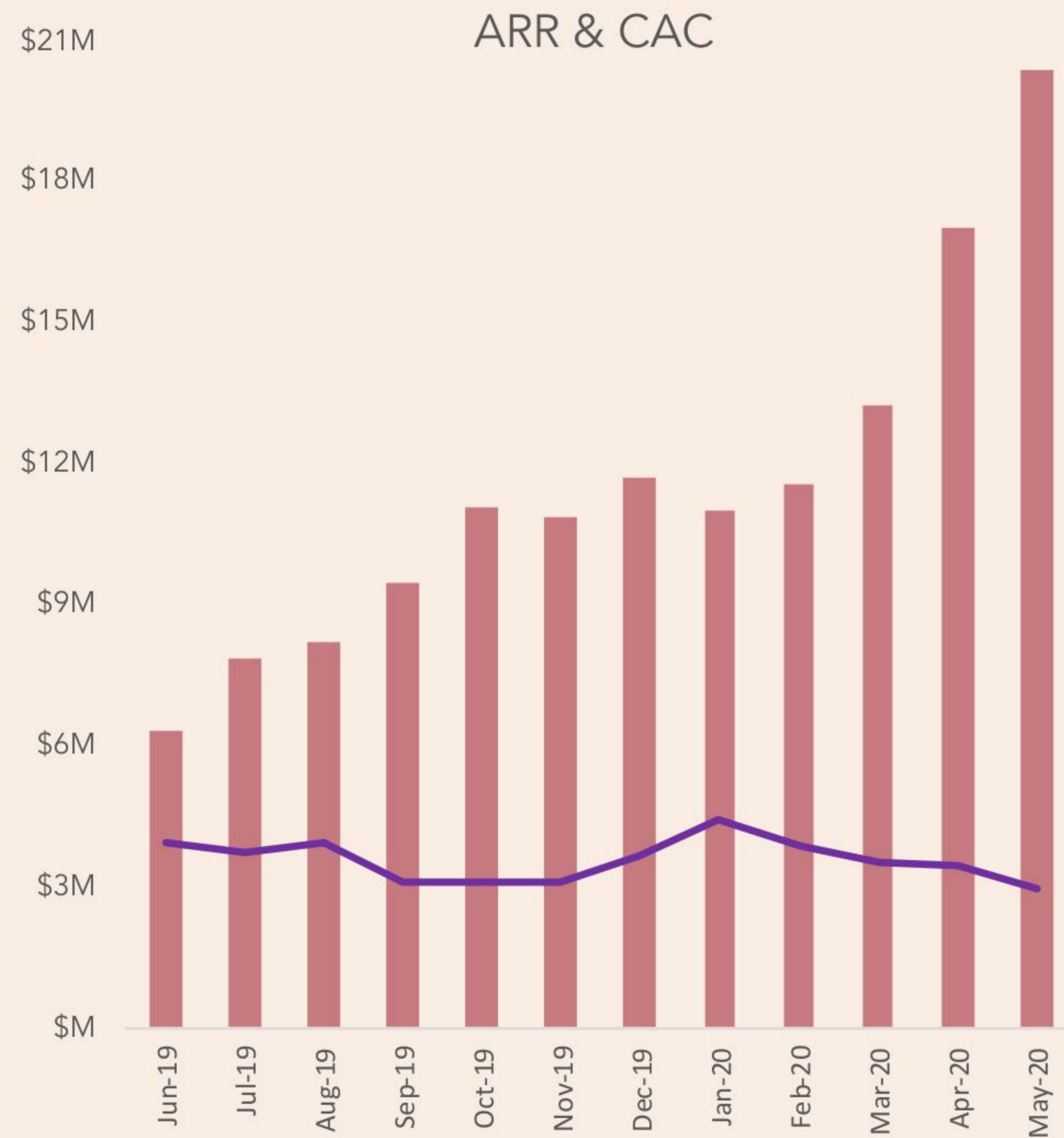
**\$28 M**  
Current ARR

**\$38 M**  
ARR at year end

**35%**  
MoM active  
subscriber growth  
since Q2 2018

**70%**  
Last quarter subscriber  
growth

# Exponential growth with steady CAC



New market born every year.  
Never saturate the market.

4 million new babies born every year means  
CPA doesn't increase

Other companies with regenerating markets:

**Chegg®**

**\$8.3 B**

**Bright Horizons**

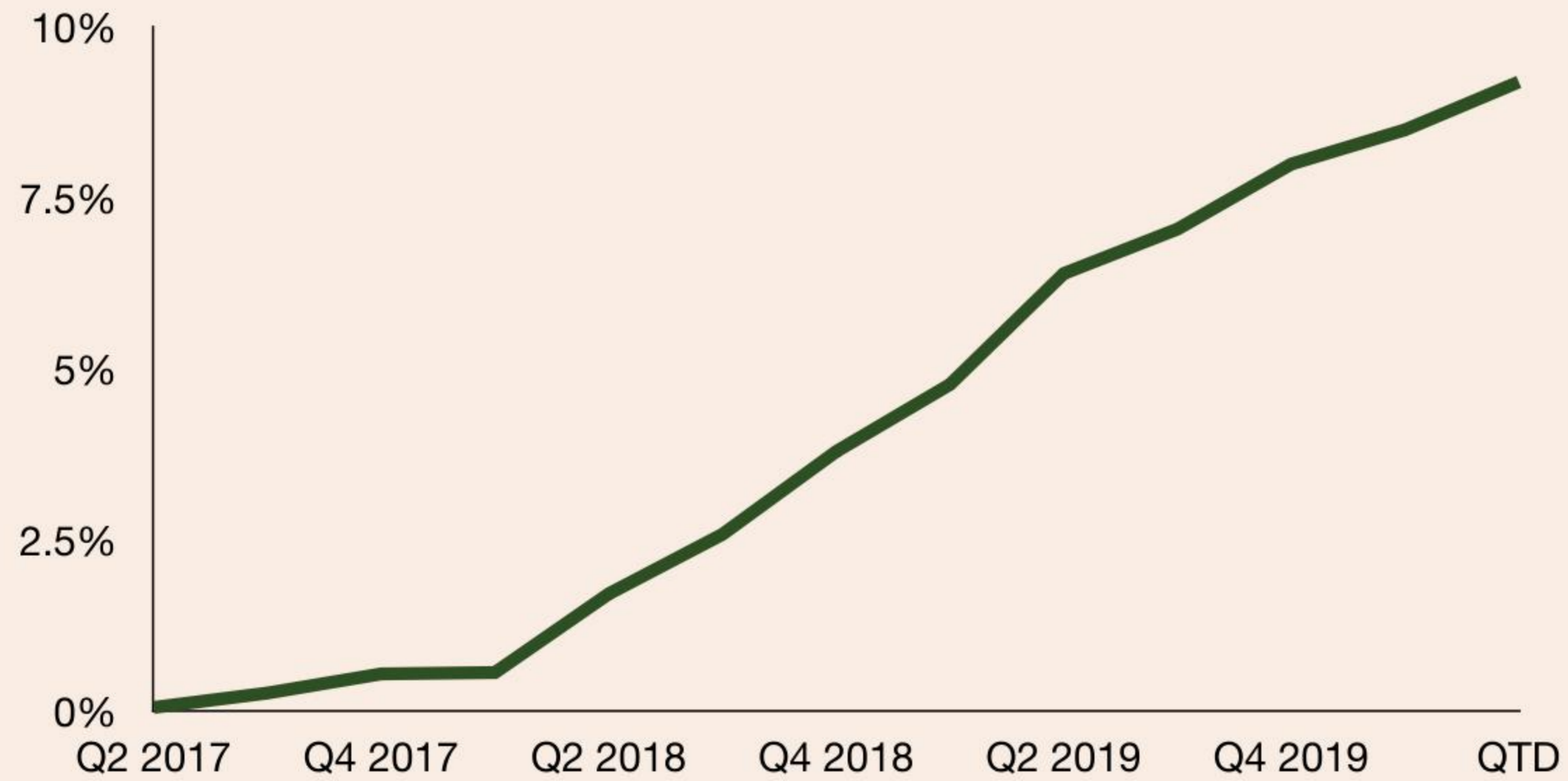
**\$7.1 B**

**welltower**

**\$21.6 B**

# Community Matters

We focus on regional markets, enabling rapid expansion and maximizing word of mouth



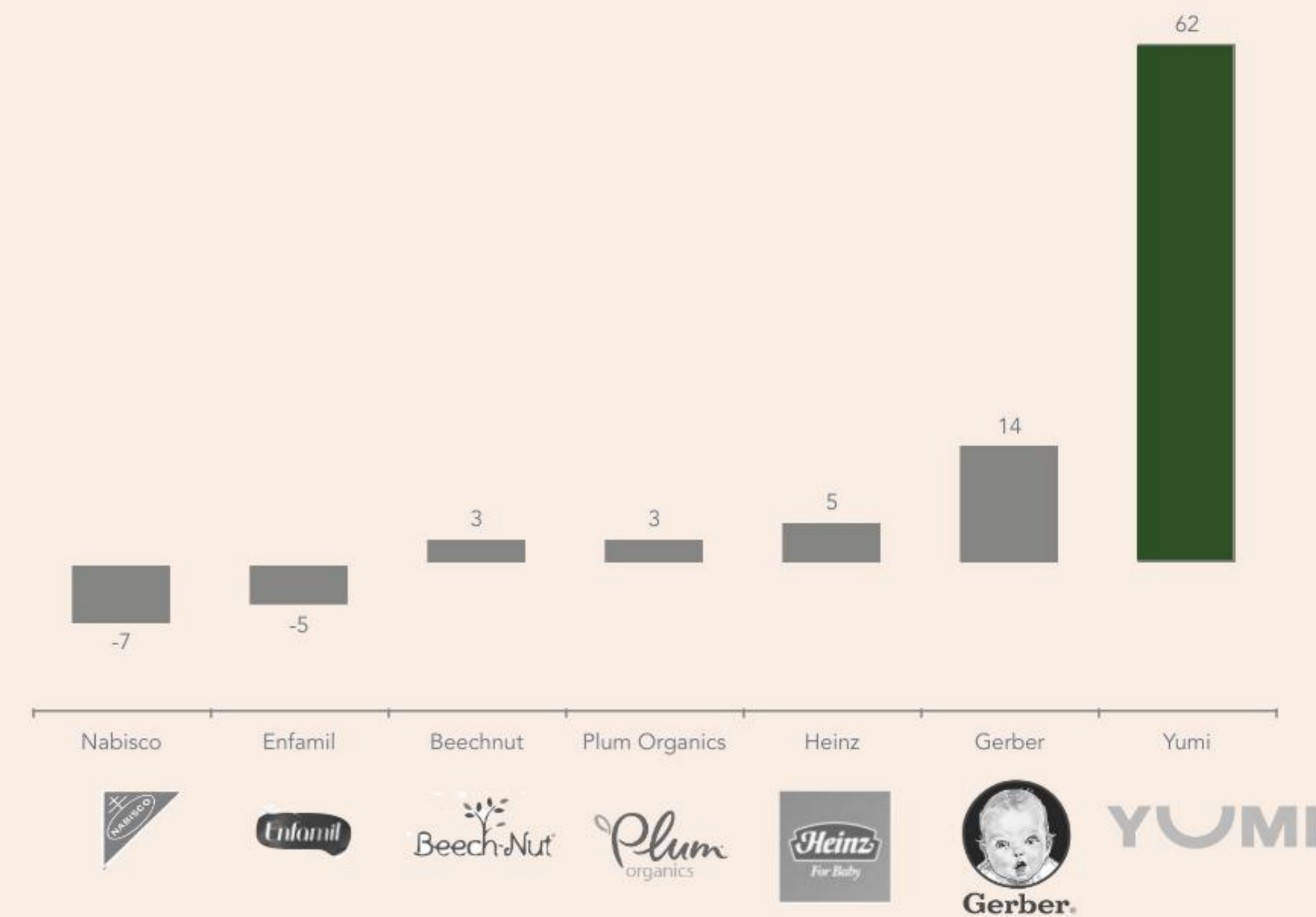
**Case Study: Bay Area Market Penetration**

**1 out of 10 babies in SF are fed by Yumi!**

LTV increases and CAC decreases as market share

We have the *highest satisfaction* in the industry.

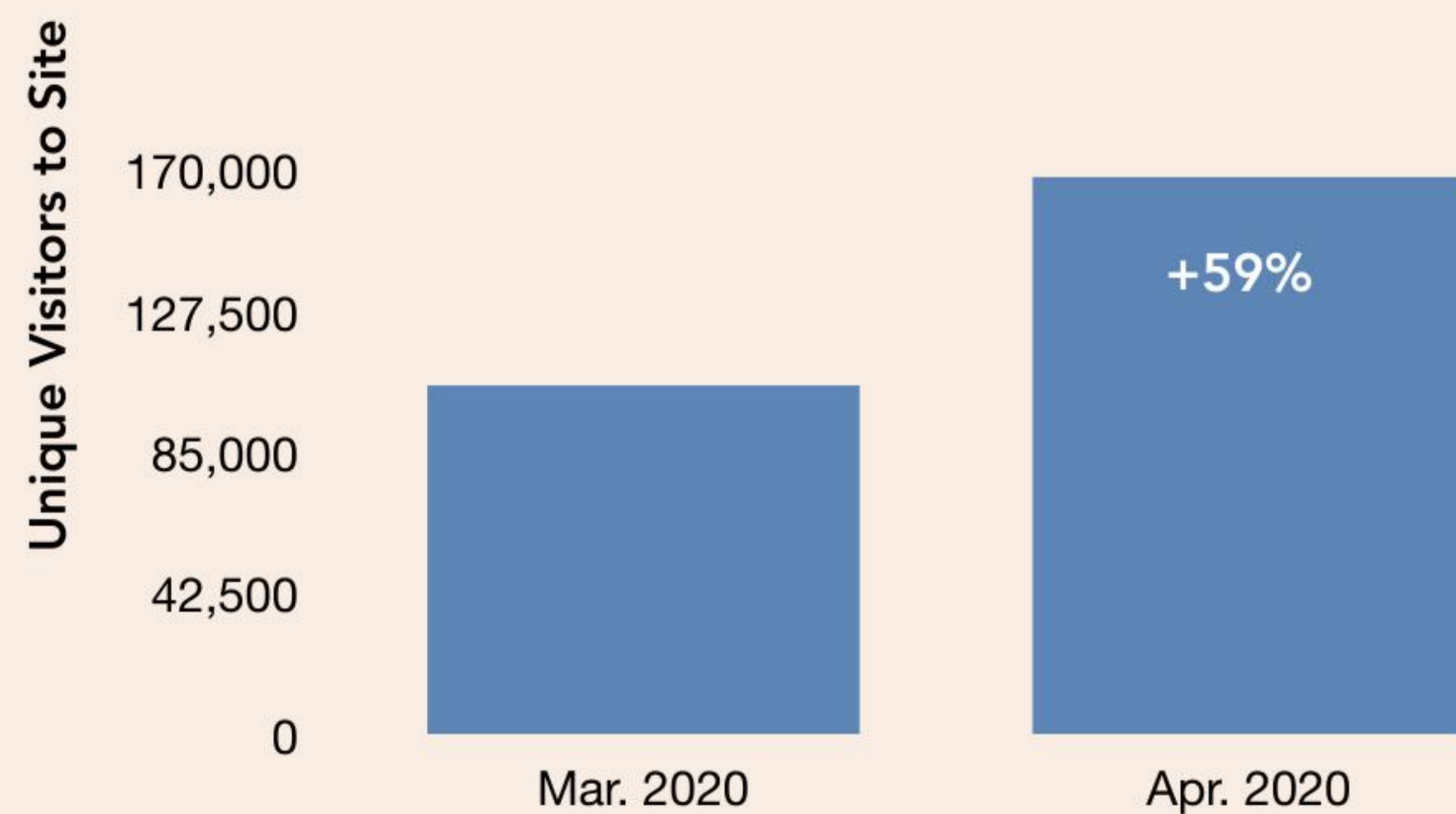
**Yumi NPS: 62**



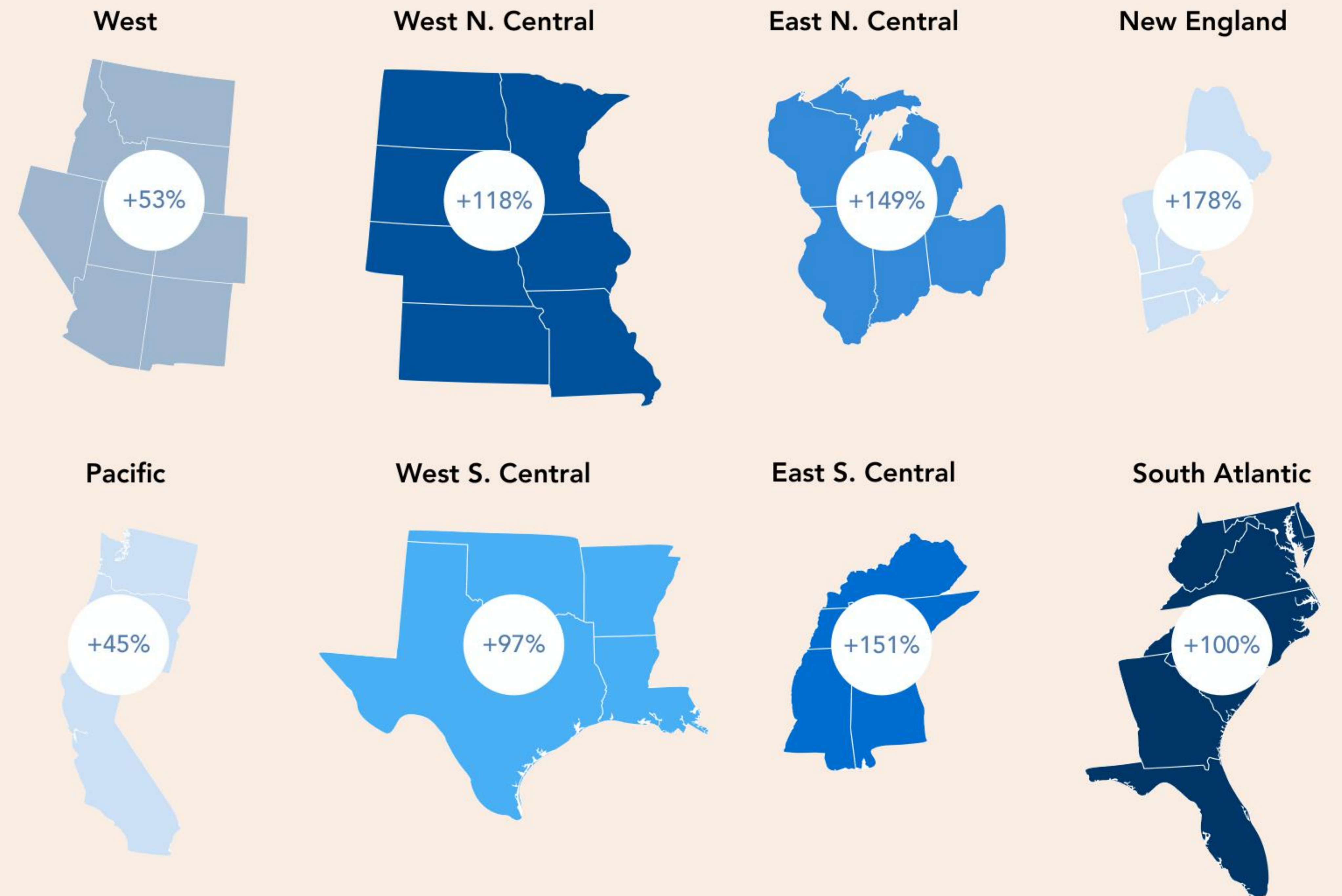
# Growing in new markets

We've continued to grow, despite COVID-19

## Overall Traffic increased 59%



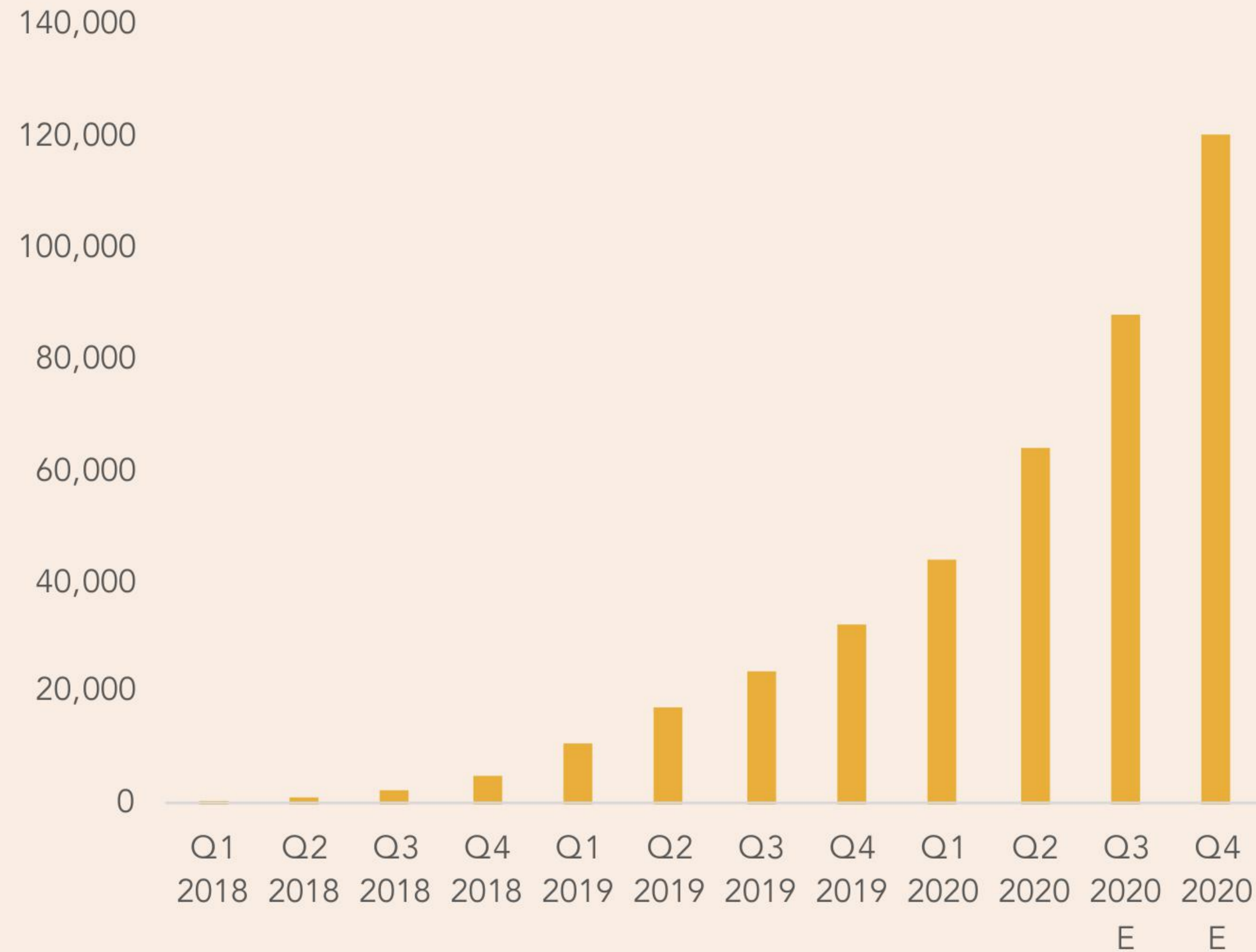
## Sharpest increase in orders from NEW markets



1. Compared to pre-pandemic January 2020 period.

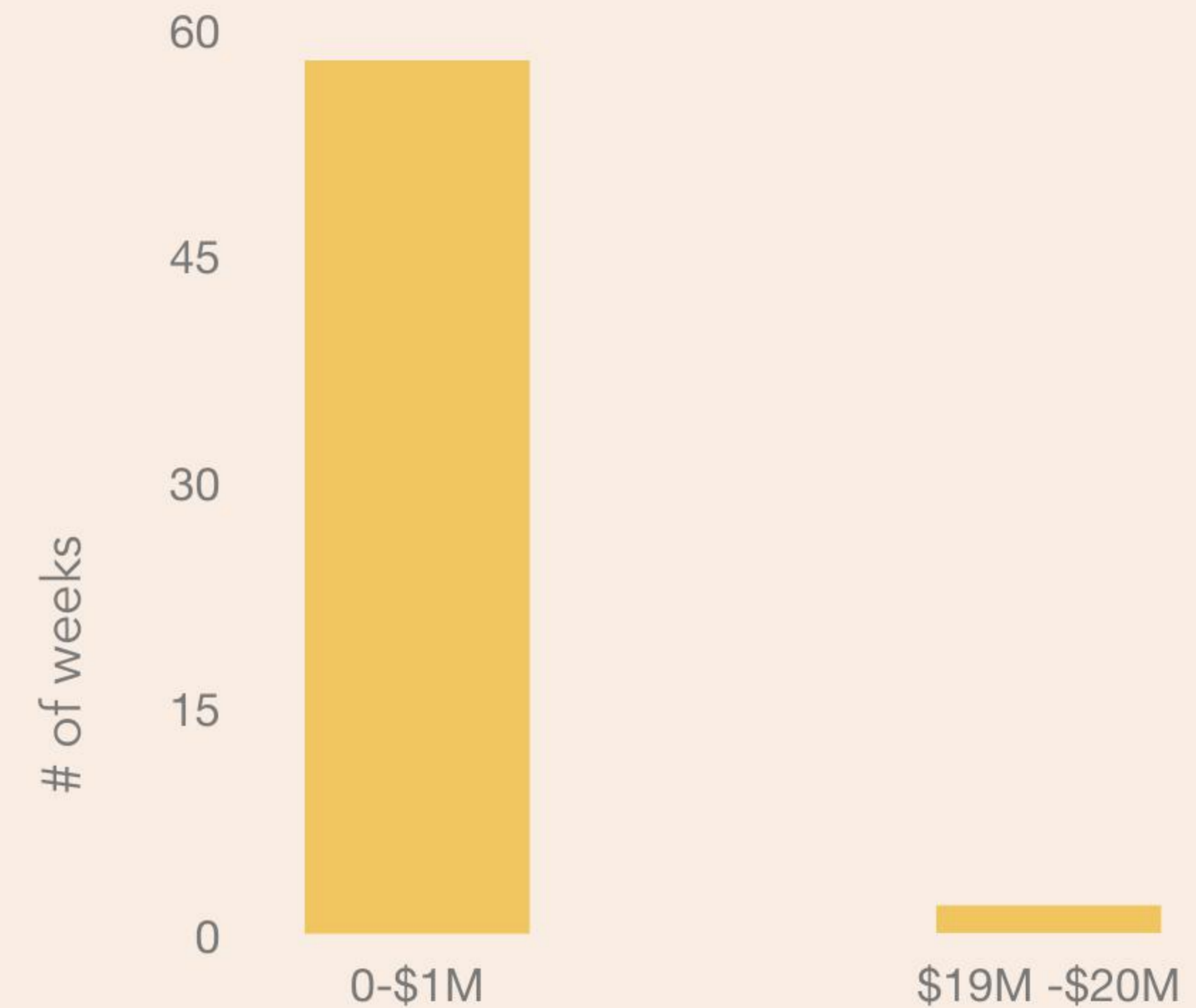
# We've validated our approach

Yumi cumulative customers




We've hit breakaway pace, acquiring customers *faster*

Run rate milestone (in \$ millions)



It took 58 weeks to reach \$1M run rate  
It took 2 weeks to get to \$20M from \$19M

# Key operating metrics and successful fundamentals



( The equivalent of  
**469** Gerber meals)



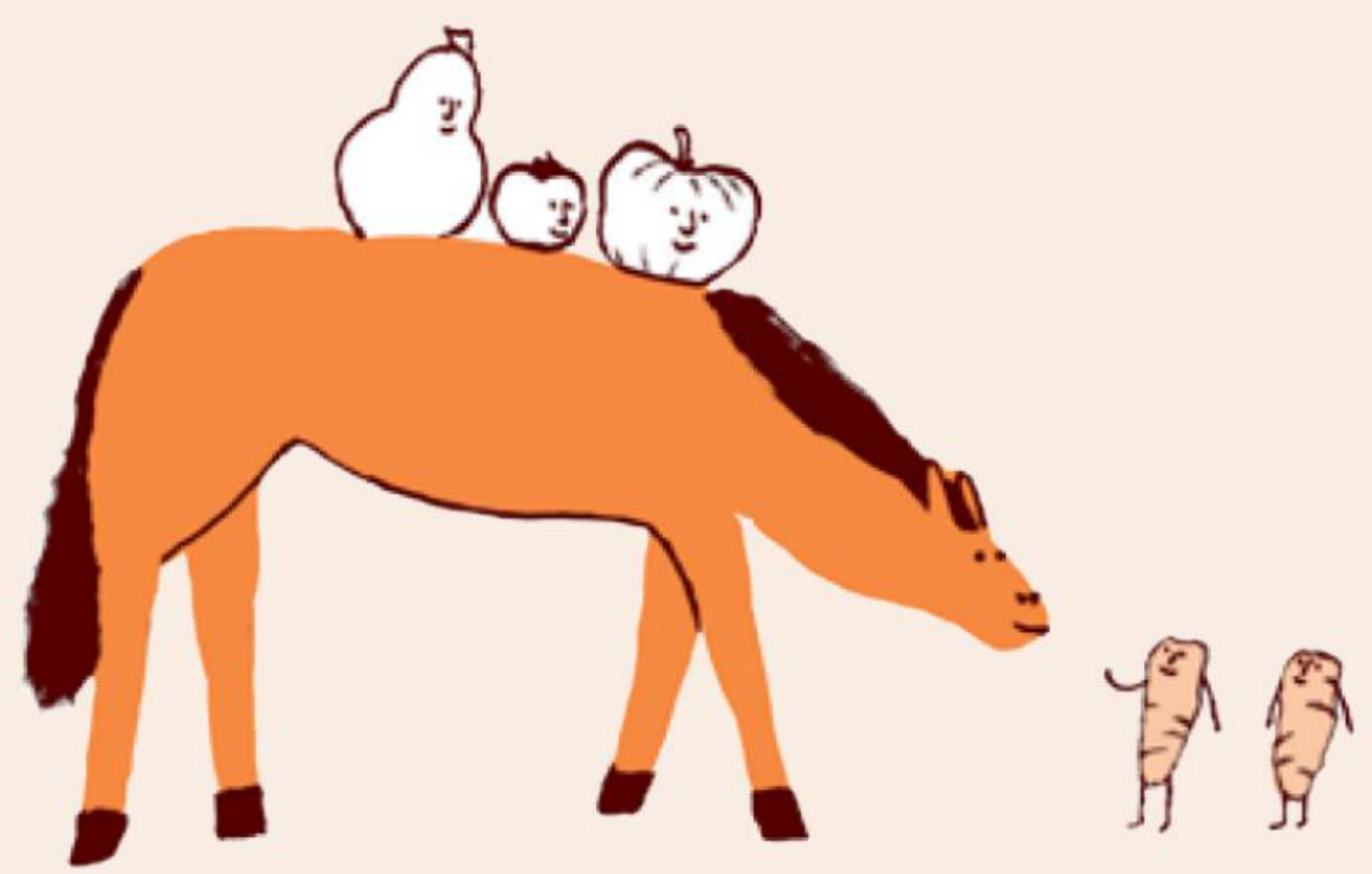
**\$664**  
ARPU\*



**\$1100**  
Top 25% ARPU

**\$70**  
Current CAC

**9.5:1**  
ARPU : CAC



# Best in class margins and ready to scale

**62%** Product Margin

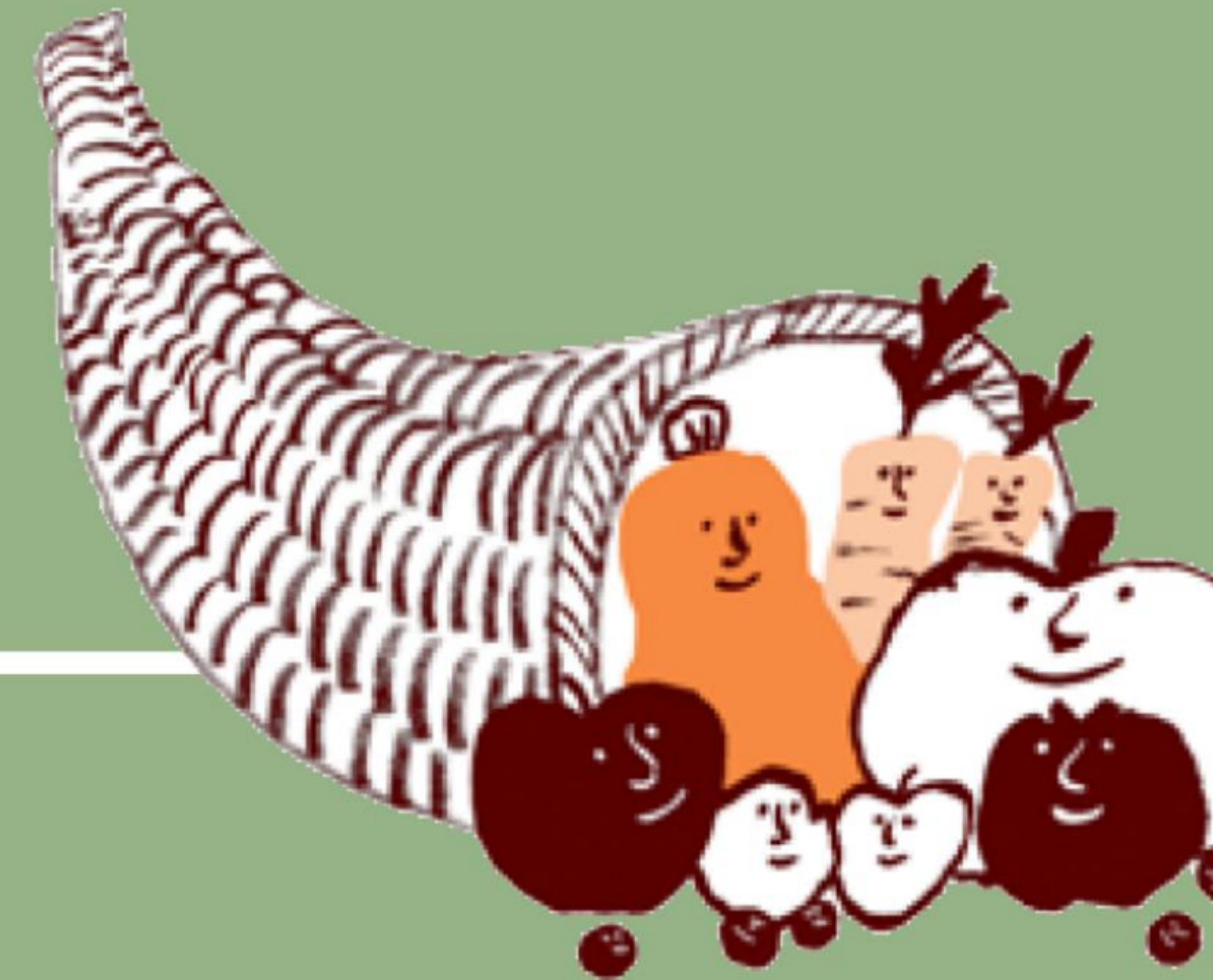
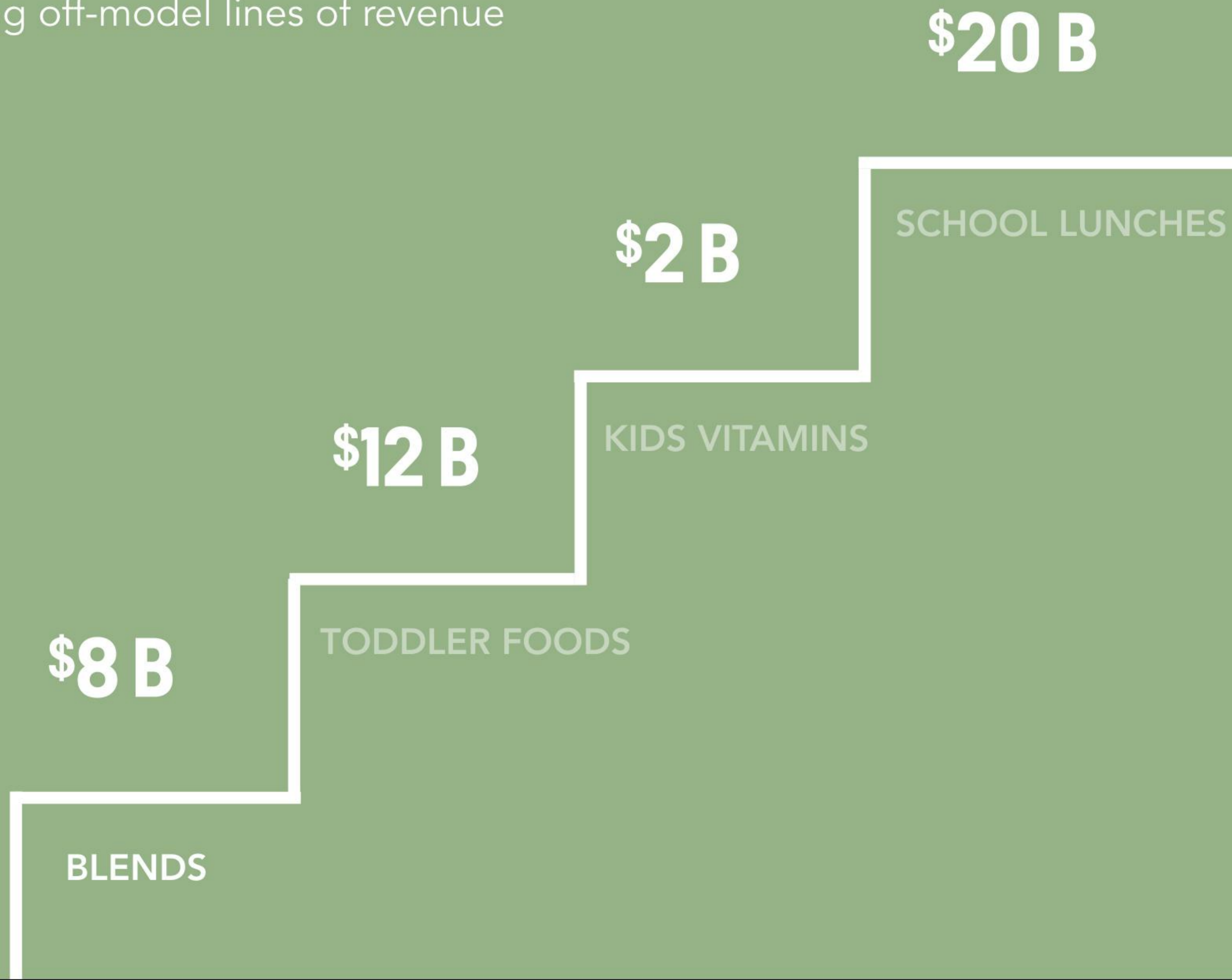
**32%** Margin with shipping

**26%** Net Margin with Coupons



# Once you're a Yumi parent, you never stop caring about what your kids eat

Upcoming off-model lines of revenue



Let's build a healthier generation, together.™



Thank you.

**ANGELA  
SUTHERLAND**

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**EVELYN  
RUSLI**

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# Appendix

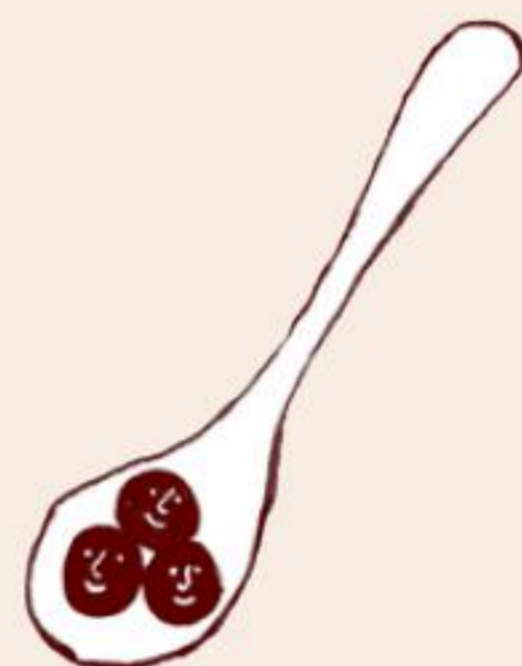
# How we're different

# This is social impact investing at its best— help babies and the earth:



**4x ROI**

for every dollar spent on childhood nutrition, in the US you'll see 4x the value in future health savings. Investing in Yumi means lower health care costs for a generation



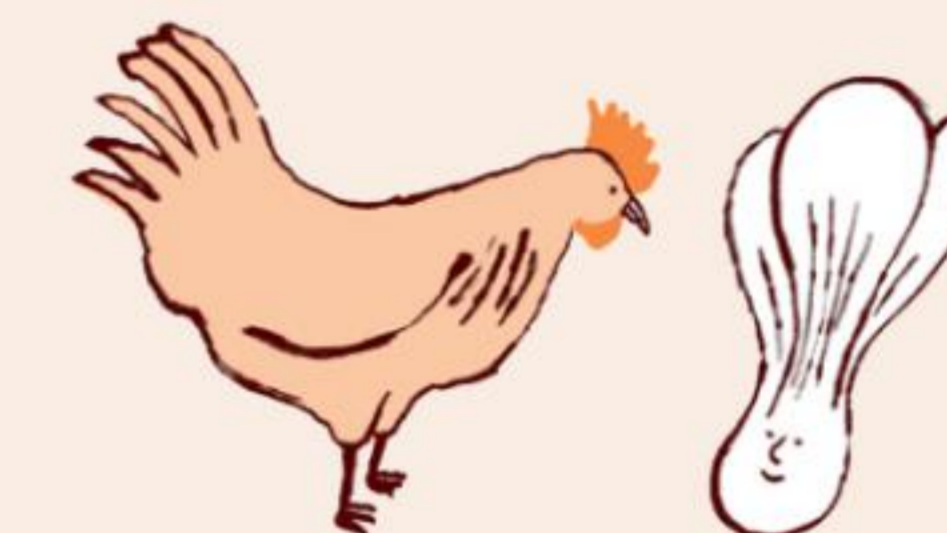
**3 out of 4**

babies are not getting enough nutrition.<sup>1</sup> Yumi delivers 100% of nutrition for babies and toddlers.



**33% → 2%**

1/3 of all food produced is wasted, when switching to smart food tech like Yumi, you can achieve 2% food waste<sup>2</sup>



**200,000**

gallons of water saved annually, by switching one meal a day to a Yumi meal

<sup>1</sup> According to the World Health Organization.

<sup>2</sup> According to the Food and Agriculture Organization.

# Serious about sustainability

Streamlining supply chain

**33%**

less greenhouse emissions than grocery store meals

Reduced Food Waste

**9x**

reduction in food waste compared to the average perishable food

Earth-friendly packaging

**100%**

recyclable and compostable. Designing next-generation circular packaging.

Support sustainable farming

**40%**

less carbon emissions vs. conventional farming



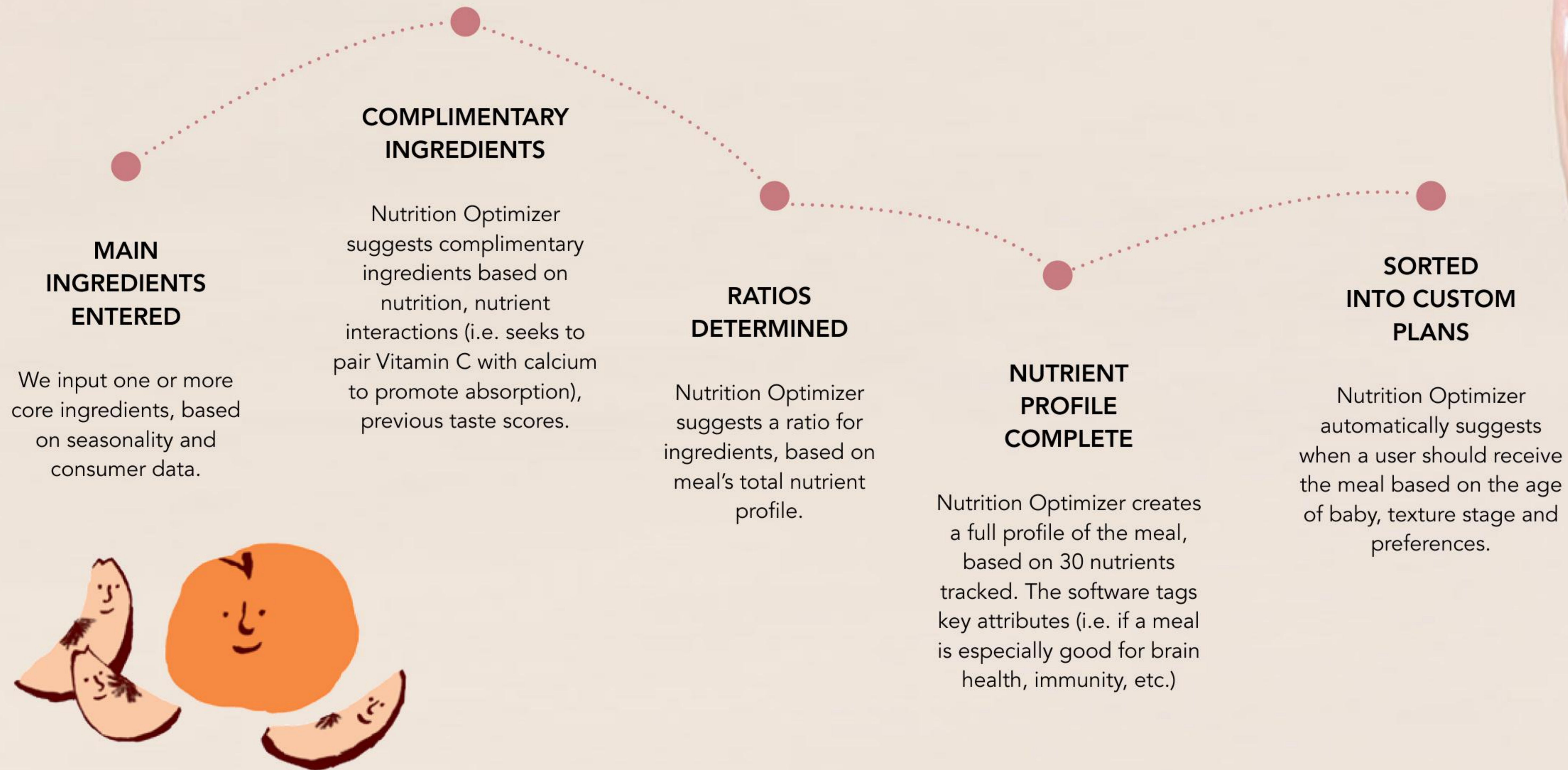
# The competition is not personalized or data-driven



Ultimately, we'll know more about this customer than any other brand.

# Artificial intelligence-driven recipes and meal plans

How a Yumi meal is made: A look at the patent-pending Yumi Nutrition Optimizer.



# Quality without compromise

We have the most rigorous quality control standards



## CAREFUL SOURCING

Work with a vetted network of organic, non-GMO certified farms. We do not source from areas that have historically tested high for heavy metal contamination.



## CO-PACKING PARTNERSHIP

Work with a seasoned co-packer. Ensures scalability and quality at minimal capex.

Rigorous HACCP plan.



## HPP TECHNOLOGY

Ready for retail. Food process includes kill step and HPP (cold pressed technology).

Regular quality and microbiological and pH checks.



## SAFE TRANSIT

Packaging is tested by third parties to ensure more than sufficient cold-hold for national transit.

# The only brand to partner with America's top chefs

Yumi has changed the category, by leveraging quarterly partnerships with elite tastemakers



## JON & VINNY'S

### Los Angeles

The James Beard Award-winning duo that has reshaped LA's food scene

Mushroom Bolognese



## EDUOARDO JORDAN

### Seattle

Two time James Beard Award-award-winning chef

Chickpea panisse



## BY CHLOE

### New York

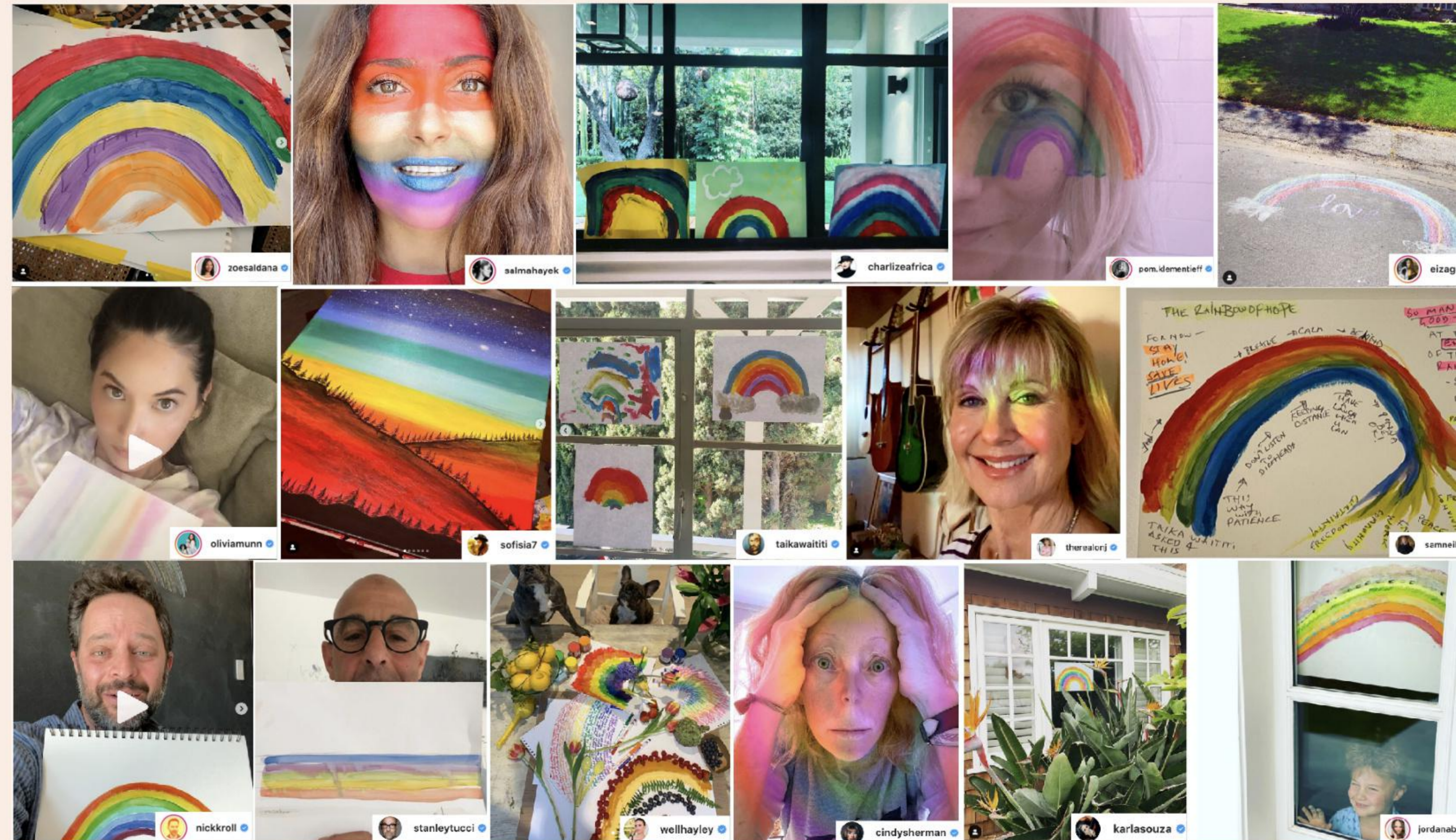
Cult-favorite restaurant that proved that plant-based foods can still be delicious and fun.

Baby burger bite

# Ramping up content in 2020

We are transitioning from customer-only content to becoming a go-to destination for parenting content

- Over 100,000 email subscribers
- Launched first content campaign, “Rainbows in Windows” in March 2020 (a children’s book for COVID-19)
  - Launched the digital e-book with a social share campaign
  - Went viral organically (\$0 spent on marketing), achieved audience of over 139M on social media
- Launching public portal for early childhood nutrition/development Q4 2020



# COVID-19 Update

# Diversified Sourcing Minimizes Risk of Supply Chain Disruption

With diversified sourcing since 2Q '19, we were well prepared for COVID-19 and global supply chain disruptions

## Jars and lids sourcing



CHINA



UNITED STATES



INDIA

## Cardboard packaging sourcing



MEXICO



PAKISTAN

## Food sourcing

- We have long term contracts with organic produce suppliers, ensuring stable access to raw materials

## Fulfillment



- Diversified shipping providers ensure no last-mile disruption
- We were designated as an essential business, allowing us to operate during lockdown periods
- Our fulfillment centers are well positioned to ramp up capacity in response to increased consumer demand

# WFH is highlighting the need for Yumi

With the pandemic, WFH is now mainstream. It is also exposing the challenge of parenting and working under one roof.

- With limited access to daycares and schools, parents of young kids, especially working mothers, find the challenge of juggling WFH and parenting responsibilities especially challenging

**46% of parents** reported high levels of stress (almost double that of peers without children)<sup>1</sup>

- Several companies have extended WFH through 2020, with some declaring it a permanent option.



## ***When Mom's Zoom Meeting Is the One That Has to Wait***

“The way we’ve been able to MacGyver a career as a woman is completely under attack by a global pandemic.”

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