

# SEVEN STILLS



Series A Investor Deck  
July, 2018



Seven Stills was founded by Tim Obert and Clint Potter in August of 2013 in San Francisco.



We began by renting a 400 sq ft storage unit and contracting local brewery & distillery production space.



We quit our day jobs, invested \$50k of our savings, and began self-distributing in San Francisco.



By the end of 2014 we had won two medals at the World Spirits Competition...



...were voted Zagat's Top 30 Under 30...



...and secured a distribution agreement with Pacific Edge for sales throughout the state of California.

# Whiskey Made from Craft Beer

**COGS**  
**\$7.50**  
/bottle

**WS**  
**\$17.59**

**d Tc**  
**\$36**

**\$4.1 Million**  
**Sales to date**

**70,000+ units**  
**sold since 2014**

**2500+ accounts**  
**in California**





In 2015 we completed our first financing round via friends & family and private lenders.



We moved out of the storage unit and opened a 4,400 sq.ft. brewery, distillery and tasting room in San Francisco's Bayview district.



We were the first distillery open to the public in San Francisco, and business took off.



With the increased cash flow, we opened our first satellite location in 2016, and generated \$1.2M in our first year.



By the end of 2016, we had grown from three people to a team of 18.

## Adding craft beer to the mix



In October 2017 we expanded our portfolio to include a line of craft beers. The response was overwhelming. sales spiked again, with a projected natural growth of \$3.5M by the end of 2018.

so good I had to make a trip back

one of the best beers of 2018

believe the hype, these guys are getting it

They've been pumping out some killer brews lately

they haven't been in the beer game too long, but it sure tastes like they have

@sevenstills has been killing it

it's insane how much fire Seven Stills has been putting out

like always @sevenstills delivered

really on point marketing... nice work @sevenstills of sf



73 likes  
stouroute @sevenstills and @magnifybrewing  
Pauly Dank was so good I had to make a trip back to @imperialbeercafe for more and some new friends cheers 🍻



74 likes  
roccowine 🍷 8 Lbs Per Bbl 🍷 is back. One of the best beers of 2018. If you haven't tried it you must grab some. 🍷🍷 #RoCo



43 likes  
beertimers 🍷 @sevenstills .. 🍷 8 EIGHT POUNDS of straight dank. Hazy India Pale Ale, Hype Can Series, 7.5%. Believe the hype, these guys are getting it.



254 likes  
bud358 @sevenstills Seven Stills Brewery & Distillery - Eight Pounds NE IPA, San Francisco CA | Another good brew from 7S. This packed that hoppy punch



120 likes  
renoberman @sevenstills in collab with @magnifybrewing Pauly Dank DIPA. SWIPE 🍷🍷🍷 Really impressed with Seven Stills they haven't been in the beer game for too long but their beer sure



65 likes  
dj\_likes\_craftbeer Some Beerhaul action from @roccowine . Since @sevenstills has been killing it, I had to grab their double ipa TOMA-HAWP. For now on I'm buying any seven stills material I see. And then there's @laughingmonksf Brother Billy, Hazy IPA. Don't be surprise when these guys blow up and their shit is flying off the shelf. Hazy IPAs are hot right now, WHAT HAZY IPA ARE YOU GUYS DRINKING? let me know folks! #craftbeer #craftbeernotcrapbeer



26 likes  
hoppy\_beer\_dad 038 @sevenstills Blue Funke 5.9% ABV x Blueberry Kettle Sour It's insane how much fire Seven Stills has been putting out. Blue Funke is a blueberry kettle sour that gives you a refreshing blueberry flavor but doesn't



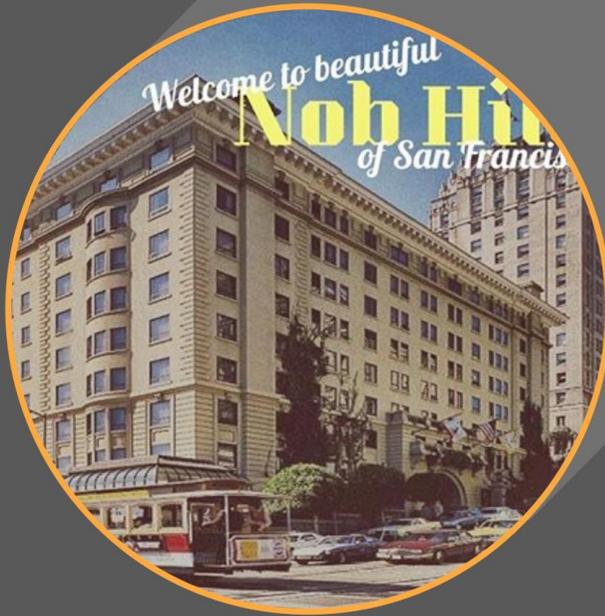
316 likes  
beardedbrewdude First time trying this style, and like always, @sevenstills delivered. Brilliant flavor and incredibly refreshing. It's a saison for summer.



lan A. Munoz @lanAMunoz · 36m Really on point marketing. I think this is definitely up your alley @NeerajKA Nice work @SevenStills of SF

We've hired three sales reps, one driver, a logistics manager, and a dedicated marketing/social media manager to support the growth.





We've opened a second satellite bar atop San Francisco's Nob Hill, in the heart of the City's tourist and business center.



Our existing facility is now at capacity and we are turning down an average of 50 inquiries per week to carry our beers nationwide.

## Craft Beer Packaged cans



**COGS**  
**\$19**  
/ case

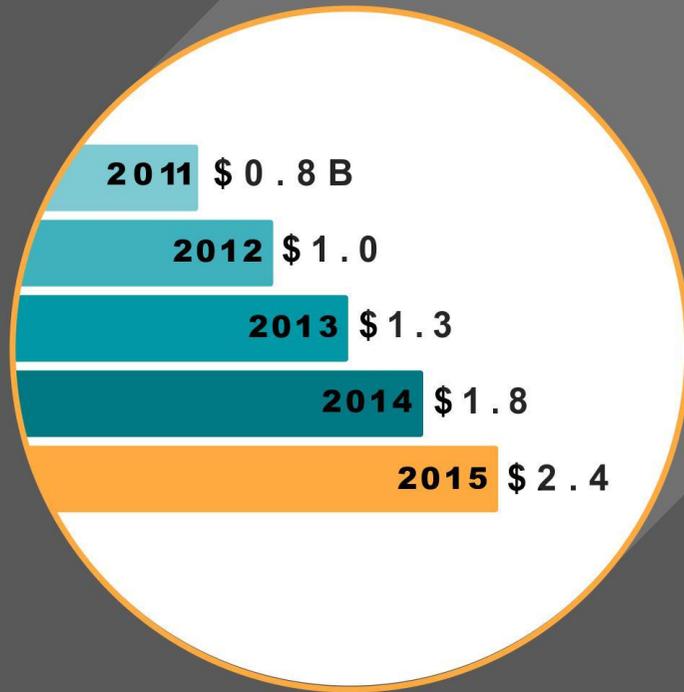
**ws**  
**\$72**

**dTc**  
**\$102**

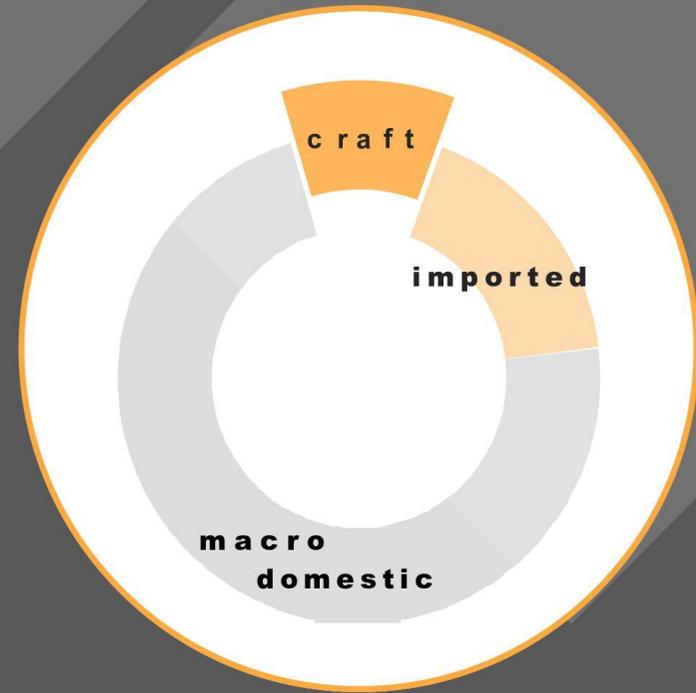
we Currently have  
production  
capacity to bring  
beer service to  
only 80 of our  
2500+ california  
retailers.

we have received  
distribution  
requests from all  
50 states and have  
established  
nationwide  
pathways.

# Market size



craft spirits retail sales by value



beer market

| Overall  | Craft   | Craft share |
|----------|---------|-------------|
| \$107.6B | \$23.5B | 21.8%       |

# 100 h o o p e r

To keep up with the demand, we're now opening an 18,000 sq.ft. facility in the heart of San Francisco. This flagship brewery/distillery will also include a restaurant, cocktail bar, outdoor beer garden, retail merchandise & bottle shop, and private, rentable, hidden speakeasy bar.





To pay for the project, we raised another \$700k from our original investors, were granted a \$1.2m TI allowance from our developers, and received \$2.65m from our lender.



# expansion



**conservative estimates project this expansion to generate \$13.5m by the end of 2019, versus our natural growth trajectory of \$7m.**

**Upon completion of 100 Hooper in February 2019, we will have a combined capacity of 75k barrels per year with a \$250M+ valuation.**

\*These figures are estimates and cannot be guaranteed.

# 2017 Multiple valuation

## Seven Stills Inc.

Recent M&A Transactions  
(Dollars in Actual Amounts)

|                                 | Minimum         | Midpoint        | Maximum         |
|---------------------------------|-----------------|-----------------|-----------------|
| Multiple                        | 4.5x            | 5.0x            | 5.5x            |
| 2017-2020 Blended<br>Income     | \$6,298,652.41  | \$6,298,652.41  | \$6,298,652.41  |
| Implied Enterprise Value        | \$28,343,935.84 | \$31,493,262.04 | \$34,642,588.25 |
| Less: Net Debt                  | \$580,609.00    | \$580,609.00    | \$580,609.00    |
| Plus: Developer<br>Contribution | \$1,210,090.00  | \$1,210,090.00  | \$1,210,090.00  |
| Pre Money Equity<br>Valuation   | \$28,973,416.84 | \$32,122,743.04 | \$35,272,069.25 |

### Current Offering:

Implied Pre Money Equity  
Valuation: **\$32,122,743.04**  
Series A Equity Valuation:  
**\$28,200,000.00**

Implied Discount to Series A  
Investor: **12.22%**

Convertible Note Discount:  
**15%**

Convertible Note Equity  
Valuation: **\$23,970,000**

\*These figures are estimates and cannot be guaranteed.

# management & advisory team



**TIM OBERT**  
CO-FOUNDER, CEO



**CLINT POTTER**  
CO-FOUNDER, COO



**SEAN O'LEARY**  
GENERAL MANAGER  
PETE'S AND MOMO'S



**RYLAN ORTIZ**  
PRODUCTION MANAGER  
SPEAKEASY



**MIKE HENNESSEY**  
PUENTELABS,  
CO-FOUNDER



**SAM ALLEN**  
SALES FORCE,  
VP M&A



**CHRIS ANDERSON**  
ASSAY ADVISORY, CEO

# SEVEN STILLS



t h a n k y o u !