



Holmes Mouthwatering Applesauce

“Ohio’s Premier Applesauce Product”

www.holmesapplesauce.com



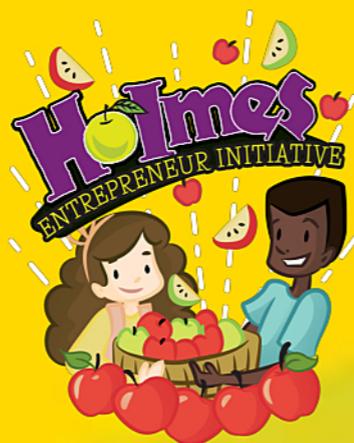
Executive Summary



- Holmes Made Foods, LLC is the manufacturer of **Holmes Mouthwatering Applesauce**, 100% all natural applesauce, made with only the best Ohio sourced ingredients.
- Holmes Applesauce was founded by Ethan Holmes at the age of 15 years old after wanting to create an applesauce product for kids, made by an actual kid.
- Containing only 13 grams of natural sugars and 40 calories, our applesauce is considered one of the healthiest on the market! (2 Smart Points® on WeightWatchers®)
- Available in over 250 retail locations in the Midwest: Heinen's, Whole Foods, Kroger, Target, Marc's and more.



Community



- Created the **“Holmes Entrepreneur Initiative”** in 2015 in partnership with Youth Opportunities Unlimited. Allowing students the chance to learn and earn a wage through working with a small business.
- Students undergo a 12 week program sampling and pitching our products in local grocery stores and monthly workshops on entrepreneurship.
- Since 2015, over 60,000 jars of applesauce have been made and sold with the assistance of high school students.
- In March 2018, H.E.I. hosted a graduation at The Cleveland Foundation for the programs student participants.



Company Milestones

- **COSE Business Competition Winners 2016,** \$20K
- **2017:** Raised \$150K in investment funds for equipment, new packaging, strawberry peach flavor, website revision, marketing materials, and inventory.
- **New Distribution Partnerships 2018:** UNFI, KeHe, DPI Foods. Opening us up to more than 100,000 grocery store channels.
- **150+ New Accounts in 2018:** Safeway, Acme Fresh Market, Marc's, Cleveland Clinic Wellness Stores, Notre Dame College, Ohio University, Safeway, Acme Fresh Market and more.



OUR RETAIL PRODUCTS



All applesauce is produced in Cleveland, Ohio
Made with only Golden Delicious apples, pears, and apple cider.

Package Types:

16 oz. glass jar + (4) 4 oz. cups

Case Count: 12 Units

Shelf Life: 2 years

All
NATURAL!

Made with
REAL
fruit!



Ohio Minority Business Certified

—NON—
GMO

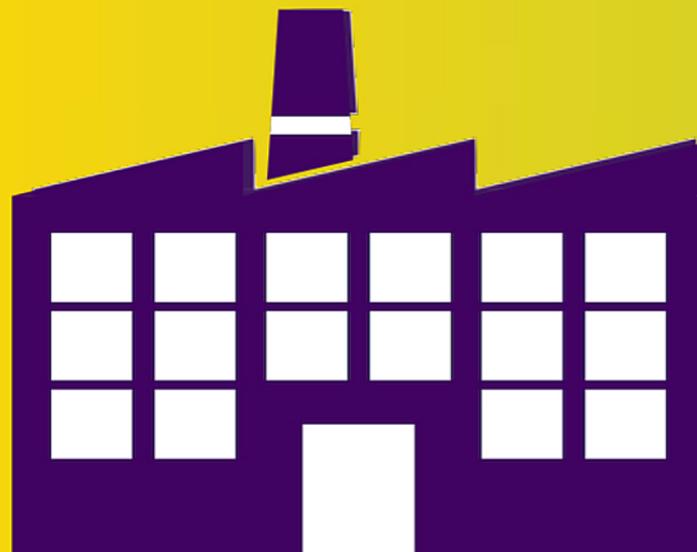
VEGAN
—friendly—

Production

- All items are produced and packaged at **Savory Food Systems**, 26245 Broadway Oakwood Village, OH 44146
- 13,000 square foot facility, staff of 3 employees, automatic/semi-automatic equipment.
- Monthly production capacity: \$20,000
- Annual production capacity: \$240,000
- Rental agreement: 12 months of usage, 5 days a week at \$24,000/Year.



Cost of Goods Sold



Manufacturing Facility Lease

\$2,000/Month

COGS:
\$2.00/Per Unit

Wholesale Price
(Cost to distributors/grocery stores)
\$3.00 - \$3.60/unit

Direct Price
(Cost to customers online/market events)
\$4.99/unit

35-60%
Profit Margin



U.S. Applesauce
Market Size: \$900M



300 Retail Locations:

Heinen's, Whole Foods, Kroger, Target, Safeway, Acme Fresh Market, Earth Fare, Lucky's Market, Giant Eagle Market District, Jungle Jim's, Marc's, Zagara's Marketplace & more.

Available in:

Ohio, Indiana, Illinois, Maryland, Michigan, Virginia, New York, & D.C.

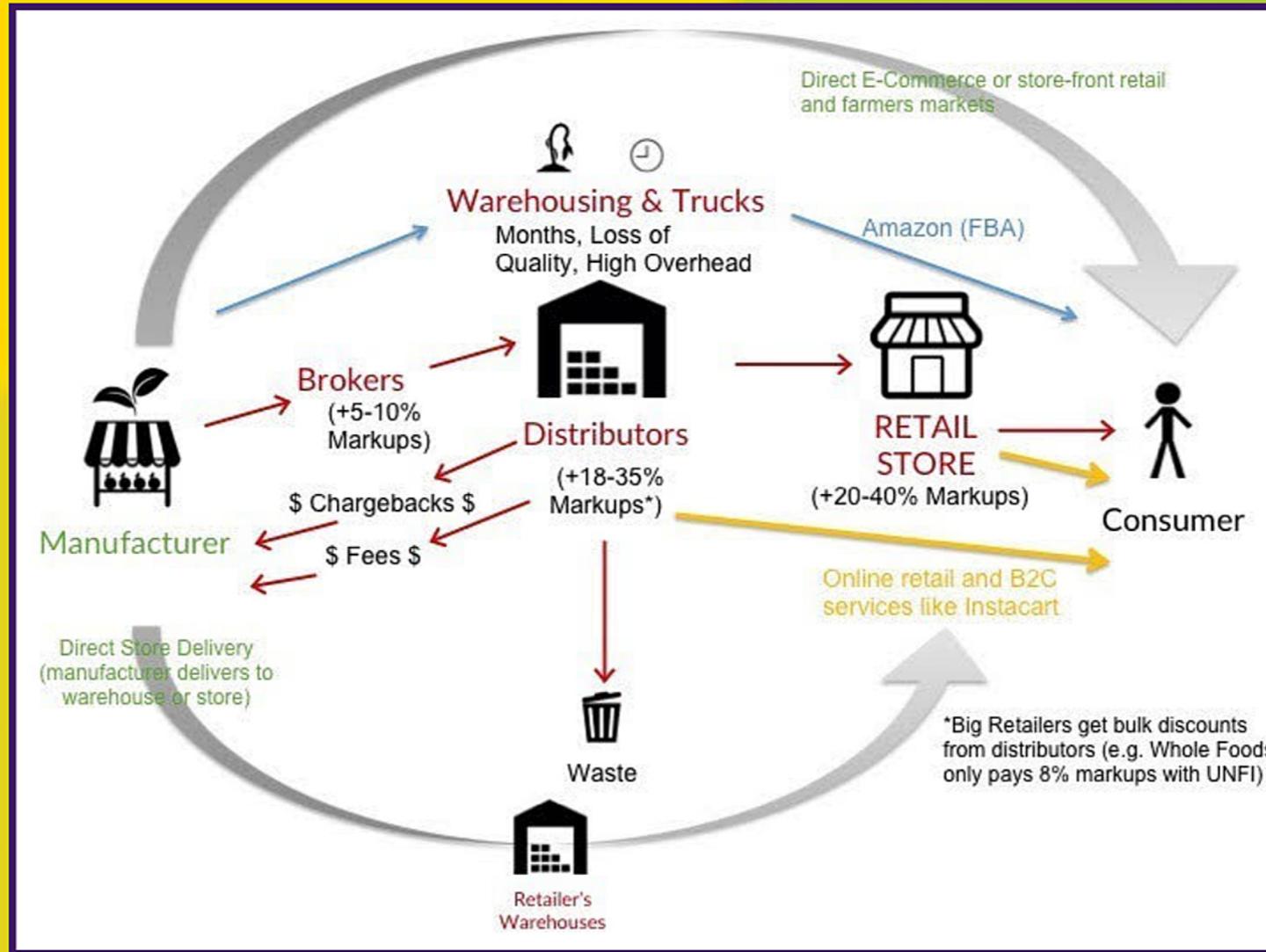


Competition



					
SUMMARY	All-natural applesauce. Made with Ohio grown apples. Homemade quality. Entered market 2015.	Organic, Unsweetened applesauce. Made with Vermont grown apples. Founded 1970	Commodity applesauce. Available in sweetened and unsweetened. Founded 1842	Commodity sweetened applesauce. Farmer owned. Founded 1907	Organic, Unsweetened applesauce. Made with California grown apples. Founded 1922
TARGET CUSTOMERS	Health conscious, quality focused consumers: Parents, adolescents, adults, elderly.	Health conscious, high income consumers: Parents, adolescents, adults, elderly.	Everyday, price conscious consumers: Parents, adolescents, adults, elderly.	Everyday, price conscious consumers: Parents, adolescents, adults, elderly.	Health conscious, high income consumers: Parents, adolescents, adults, elderly.
PRODUCT LINE	Unsweetened Applesauce.	Organic Applesauce, Vinegars, & Apple Butter.	Sweetened/ Unsweetened Applesauce, Juice, & Fruit Snacks.	Unsweetened Applesauce, Apple Butter, Juice, Vinegars, & Canned Fruit.	Organic Applesauce, Juice & Vinegars.
# OF FLAVORS	3	4	9	4	7
PRICING RANGE	\$4 - \$5	\$5 - \$6	\$2 - \$3	\$2 - \$3	\$4 - \$5
COMPETITIVE ADVANTAGE	New, improved option of applesauce. Homemade taste & consistency, all natural ingredients. Made by a millennial, social entrepreneur with the everyday consumer in mind.	Organic speciality option of applesauce. Company offers a variety of apple based products targeted to health conscious consumers.	Globally distributed and recognized as leader in apple based products. Conglomerate of Keurig Dr Pepper	Nationally distributed and recognized as a leader in the applesauce market, Conglomerate of Knouse Foods.	Organic speciality option of applesauce. Company offers a variety of apple based products targeted to health conscious consumers.

Business Model



Business 2 Business

80%



Direct To Consumers

20%

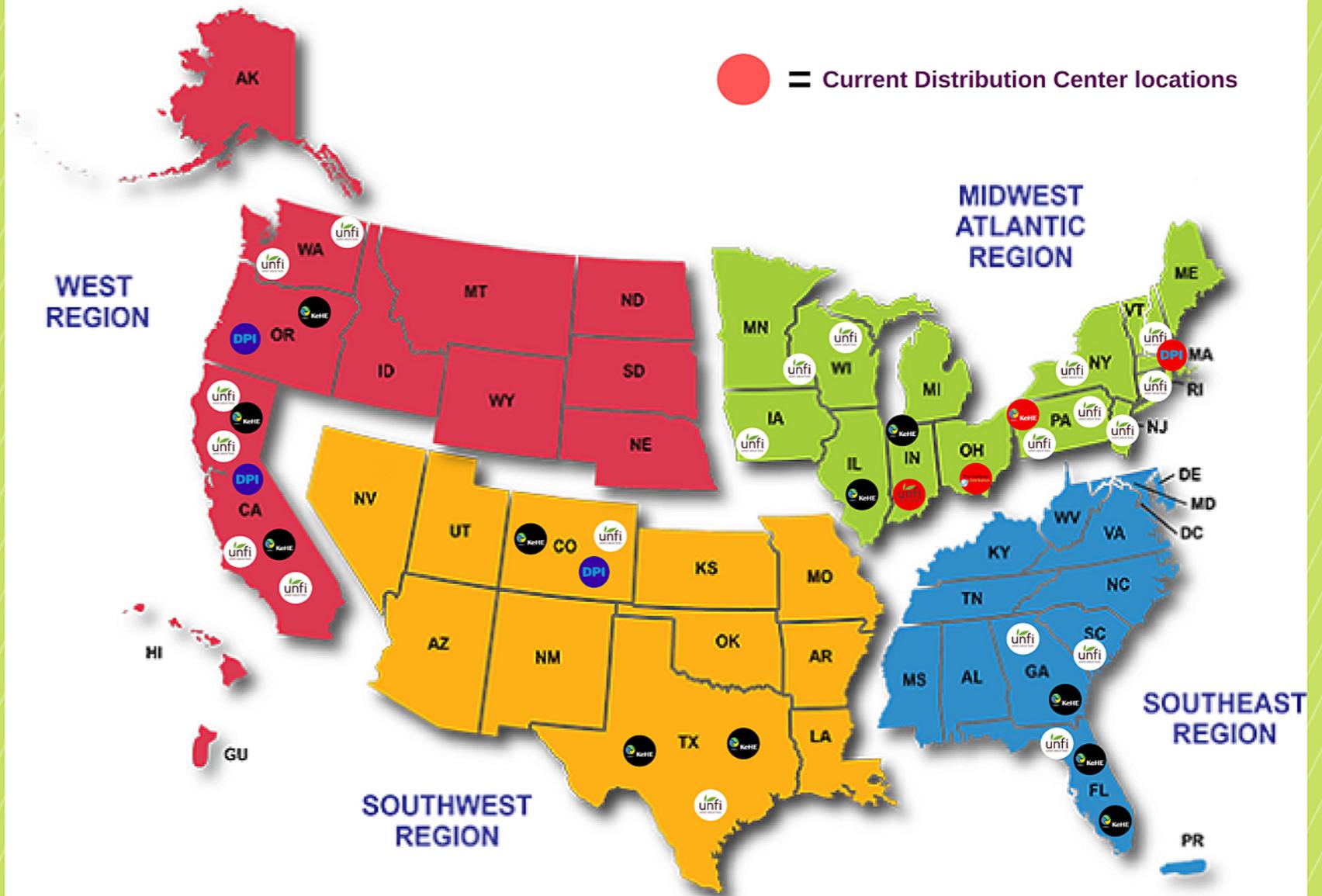


UNFI, KeHe, DPI Foods U.S. Distribution Centers

In 2018, our products were setup with 3 of the largest food distributors in the country:

UNFI, KeHe, & DPI Foods

These partnerships opened us up to 100,000 retailers throughout the country. With over 5 million cases of food items being delivered daily!



Products available in 4 out of 38 potential U.S. Distribution Centers

Distributor Trade shows = More Business

Key Targeted Accounts



2019-2020

ACCOUNT NAME	STATE(S)	# OF LOCATIONS	METHOD TO OBTAIN
Publix	AL, FL, GA, NC, SC, TN, VA	1,249	KeHe Food Show
Whole Foods (Mid-Atlantic)	KY, MD, NJ, PA, OH, VA, D.C.	80	Whole Foods Review 2019
Gelsons	CA	27	UNFI Food Show
Walmart	OH	139	Open Call Event, June 2020
Target (Midwest)	KY, MD, NJ, PA, OH, VA, D.C.	1,000	Target Corporate, Minneapolis
Wegmans	NY, PA, MD, MS, NJ, VA	98	DPI West Show
Brookshire Grocery	TX, LA, AK	175	KeHe Food Show
Fresh Market	AL, AK, CT, GA, IL, IN, OH, NY	159	UNFI Food Show
Dierbergs	MO	25	Summer Fancy Food Show
Pyramid Foods	AK, OK, MS	45	UNFI Food Show
Weis	PA, MD, NY, NJ, VA	205	KeHe Food Show
Giant Food Stores	PA, MD, VA	180	Expo East Show
Hannaford	ME, NH, VT, NY	200	Expo East Show
Meijer	WI, MI, IL, IN, OH, KY	220	UNFI Food Show
Fresh Thyme	OH, IL, PA, IN, MI	100	Summer Fancy Food Show
Sprouts	AL, AZ, CA, CO, FL, GA, KS, MD	223	DPI West Show
Roche Brothers	MA	17	UNFI Food Show
King's Food Market	NJ, NY, CT	25	DPI Midwest Show
Brookshire Grocery	TX, LA, AK	175	Expo East
Rouses Markets	LA, AL, MS	76	KeHe Food Show
Festival Foods	WA	38	Expo East
Plum Market	DET, IL	10	UNFI Food Show

Over 3,000 potential retail locations!

New Opportunities



Food Service:



Shown interest in purchasing our products as main applesauce supplier for patients.



Provider of meals and products for schools and institutions. Has shown interest in purchasing our items for customers.



Global leader in foodservice. Cleveland division has shown interest in products for foodservice/restaurant customers.



The #1 Zoo in Ohio. The Columbus Zoo has shown interest in products for their menu and kids meals.

Schools/Universities:



OHIO
UNIVERSITY

Committed to purchasing products for all campus retail locations 2019.



THE OHIO STATE
UNIVERSITY

Shown interest in purchasing our products for retail and dining services.



Funding Request

Holmes Made Foods, LLC is currently raising **\$250,000**
for the following:

- **Marketing/Promotions/Demos:** Increase store movement and sell through the product in current warehouses. (Minimum of 24 demos per month)
- **Sales:** Acquiring more retailers that are serviced by these distributors and in other markets (B2C) to sell through the product in the warehouses and create consistent sales. B2B Food shows and additional sales personnel will help us achieve.
- **B2C/Direct:** Providing our products directly to local retailers and online customers, our gross margin can increase by 20%. This can be achieved by taking advantage of farmers markets and e-commerce outlets.
- **Broker/Consultant:** Managing distributor policies, fees, free fills, and promotions. Allowing us to focus on production and sales, and not lose money.

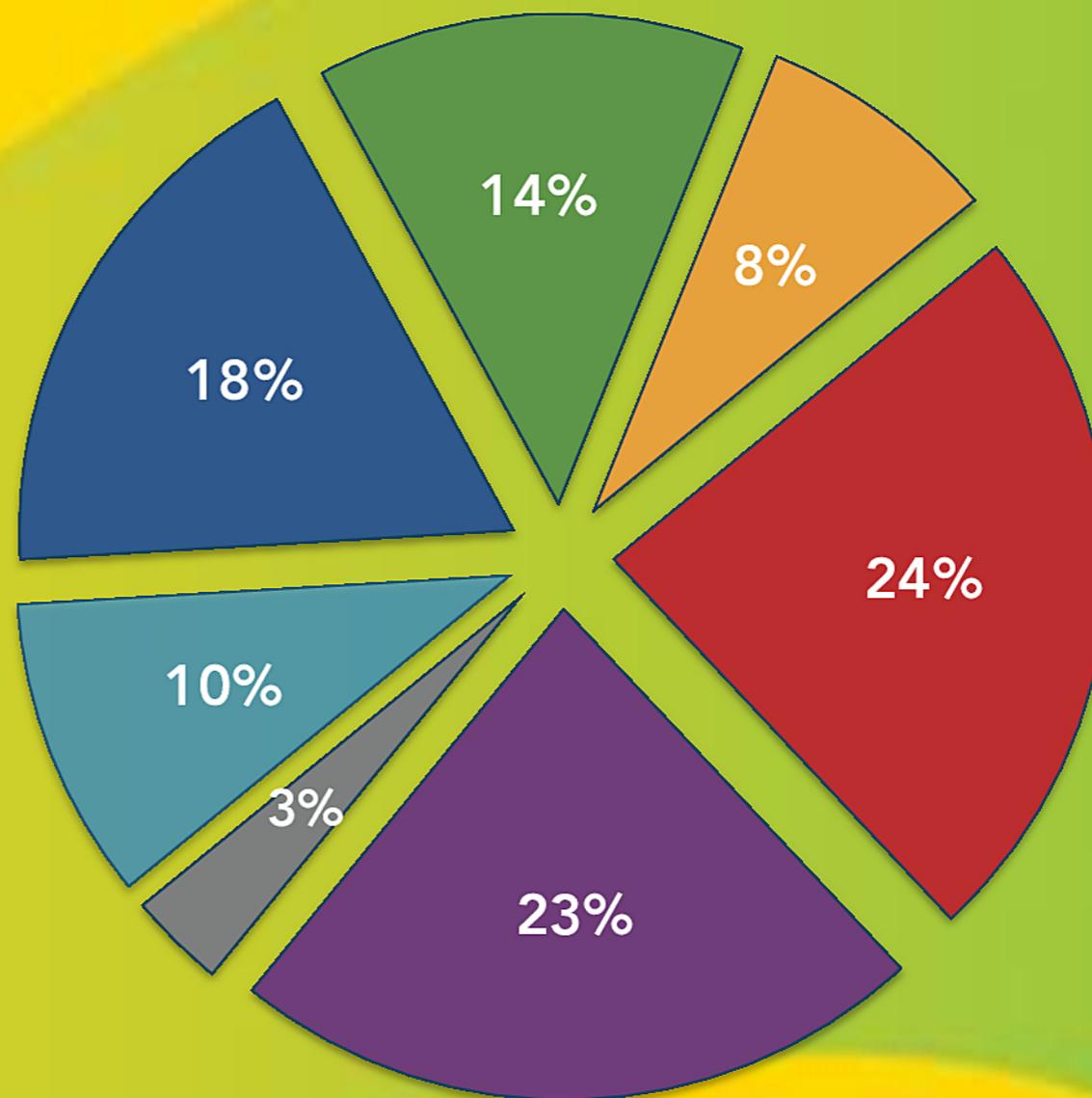
Existing Investors:

- Raised \$180,000 in seed capital from 2015-2017 through 3 angel investors.
- Funds have assisted with lifetime sales of \$250,000, 300+ retail locations, equipment purchases, production & brand awareness.

Usage of Funds

- Production - \$45K
- Equipment - \$35K
- Tradeshows - \$20K
- Marketing - \$60K
- Payroll - \$57K
- Contractors - \$8K
- Working Capital - \$25K

Total: \$250,000



How An Investment Will Improve Our Business

- Increase revenue by 400%
- Increase production capacity by 150%
- Acquire 2,000 new retail locations.
- Increase monthly and annual store velocity.
- Increase profit margin by 15%
- Introduce new product line

Action Plan To Improve

1. **Marketing:** Increase support to current retailers through weekly samplings, daily social media posts, and advertising.
2. **Sales:** Gain more retail customers and explore food service contracts to create a steady flow of revenue. Goals can be achieved by expanding current distributors through B2B trade show events and setting up monthly meetings.
3. **Payroll:** Create a strong team of skilled workers, avoid high turnover rates and inconsistent work.
4. **Production:** As sales increase, production will need to increase. In order to cut down lead times and create a steady cash flow, we will need to produce more efficiently.
5. **Product Line:** Improve label and packaging, product certifications, introduction of new product type, and competitive price point.
6. **Accounting:** Tightening up our financials, creating forecast, reports, and having a strong team behind our finances is key for us to be a successful venture and make the most out of our capital.

Team



**Ethan Holmes,
Founder/CEO**

- Company founder.
- Hiram College, Business Management
- Homegrown Entrepreneur of the year 2018.



**David Pritchett,
Operations**

- Joined company Dec. 2017.
- Assisted in creating new supplier relationships.
- Assisted in producing Over 30K units in 2018.



**Auden & Company,
Marketing**

- Marketing partner since 2016.
- Creator of our branding/marketing content.
- Manages social media pages and website.

Advisors

Rosanne Potter

Chief Financial Officer,
The Cleveland Foundation

Joe Rogers

Head of Contract Manufacturing,
Shearer's Foods

Alain Marec

Senior Principal Scientist,
The J.M. Smucker Company

Todd Goldstein

Founder/CEO,
LaunchHouse