



**INVESTOR DAY**

June 14, 2018 • New York, NY

Don Hinshaw, CEO

# AGENDA

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- 100 Plus Year Brand & Timeline
- About Us
- Executive Team – Best-in-Class
- Operating Company Profiles
- Financials
- Our Direction
- Brand & Product Expansion Potential

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# ENDURING 100 YEAR ICONIC BRAND



Then:



Sterno Folding Stoves



Sterno Curling Iron Set



Sterno Aluminum Cooking Set



Sterno Tea Kettle Outfit

***Sterno defines its category and is synonymous with portable heat***

Now:

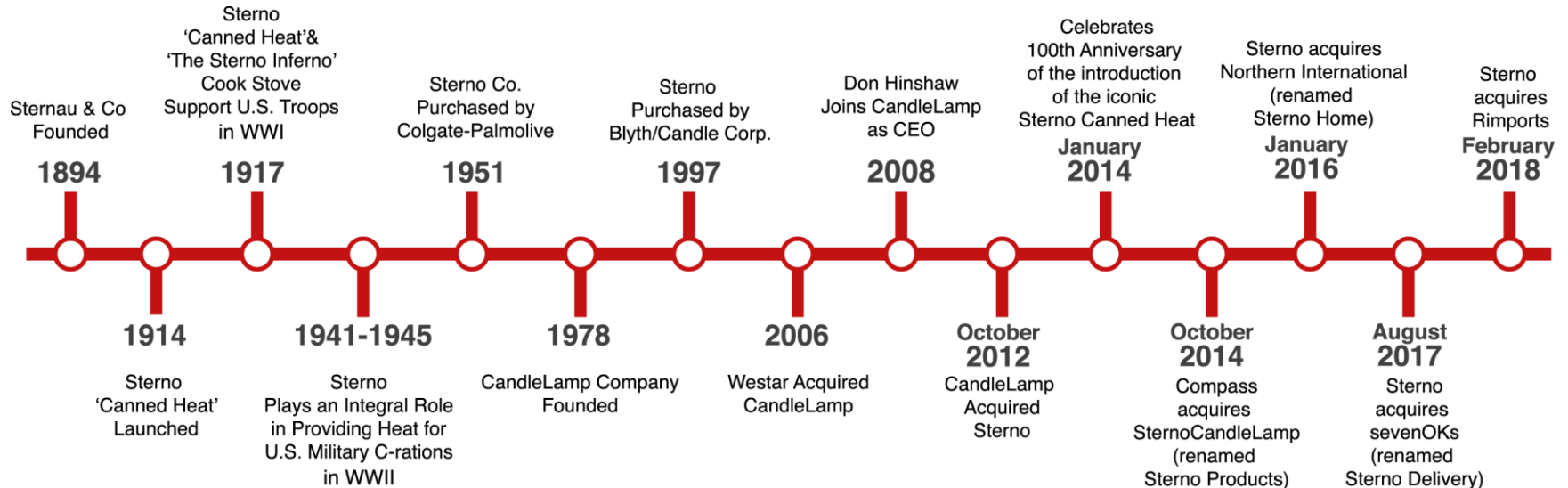


## Global Foodservice and Retail platform

- Manufactures over 145,000,000 heat cans per year
- Manufactures 100,000,000 scented wax units per year
- Sells over 25,000,000 LED candles per year
- 90% Brand Awareness in Foodservice and 70% Brand Awareness in Consumer Outdoor/Entertainer market

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# HISTORY OF STERNO



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# ABOUT US



- Headquartered in Corona, CA
- 2018P Pro forma Revenue of ~\$400 million and EBITDA of ~\$70 million



- Office in Corona, CA
- Manufacturing facilities in Memphis, TN and Texarkana, TX

- Offices in Toronto, Montreal, Vancouver

- Office and manufacturing facility in Provo, UT

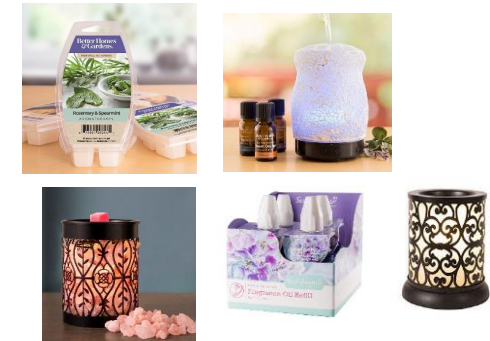
## Representative Products



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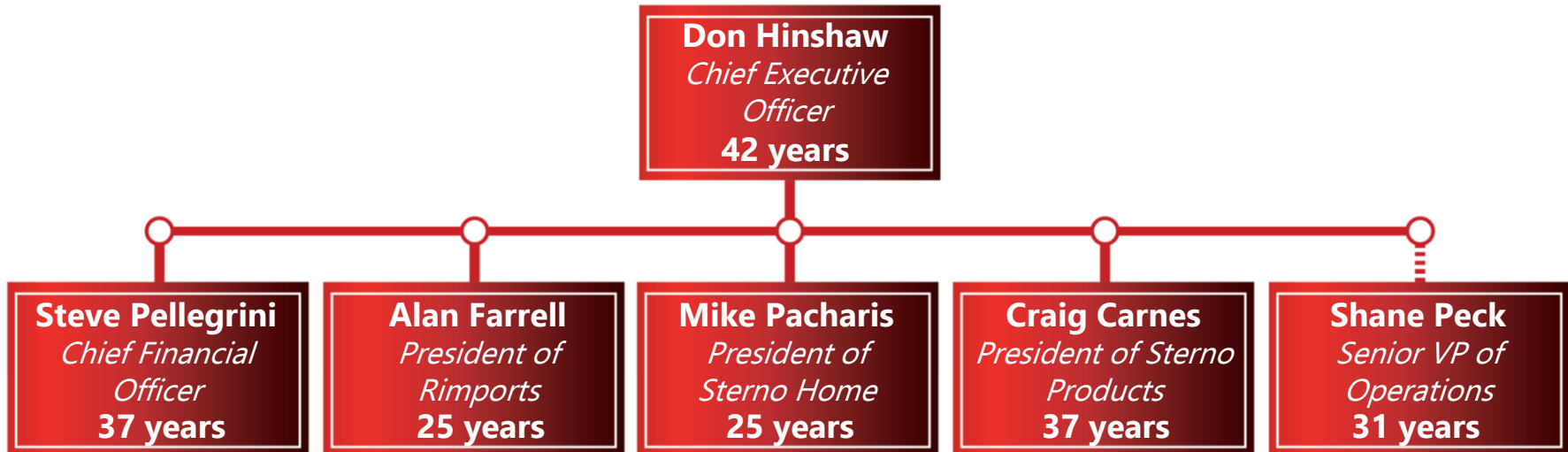


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# BEST-IN-CLASS TEAM



- Passionate about business
- Track record of value creation
- Focused on operational excellence
- High employee retention



Deep and Stable bench

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## OPERATING COMPANY PROFILES

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# STERNO PRODUCTS



- Sterno Products manufactures and distributes chafing fuels, butane, wax candles, catering and delivery products, and table lighting fixtures for restaurants, hotels and home entertainment uses, selling both Sterno Brand and private label
- 100+ Year old brand that defines its category
- Led by Craig Carnes (President)
  - Four Times Together – Multi Industry Background
- Maintains the largest industry capacity for chafing fuel via its two manufacturing facilities in Texas and Tennessee
- Employee base of over 360

## Comprehensive product portfolio:



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# STERNO PRODUCTS



- Broad and diverse distribution network including national accounts sales team, in-house field sales, and 40 independent sales brokers managing thousands of distribution points

## Major Customers:



## Awards won:

**Sysco** - Gold Supplier

**Edward DON** - Supplier Award of Excellence; Outstanding Supplier Award

**Gordon Food Service** - Cornerstone Partner

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sterno



home™

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- Acquired Northern International in January 2016 for C\$50 million
- Led by Mike Pacharis (President)
  - Two Times Together – Multi Industry Background
- In-house engineering team comprised of 7 employees located in Canada. Quality assurance and control teams based in China office work closely with suppliers to ensure first-grade production and customer satisfaction
- Employee base of over 130

## **Key Products:**

- Flameless battery-operated and solar-powered LED Candles marketed under the Candle Impressions® brand name and private label. Uses patented faux wick design that provides a realistic candle flame effect
- Home and garden lighting products marketed under the Paradise® brand name, and private label

## Major Product Lines:



Paradise

MIRAGE  
by Candle Impressions®

Candle  
Impressions®

## Major Customers:



## Awards won:

“Vendor of the Year” for Outdoor Lighting at Orchard Supply Hardware

**RIMPORTS<sup>®</sup>**  
**A STERNO GROUP COMPANY**

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# RIMPORTS



- Acquired Rimports in February 2018 for \$145 million<sup>(1)</sup>
- Led by Alan Farrell, President. Former executive and merchandise manager at Walmart
- Leading manufacturer and distributor of wickless candle products used for home décor and fragrance
- 115,000 sq. ft. manufacturing facility and 400,000 sq. ft. warehouse in Utah
- In-house design and production team includes custom fragrance development capabilities as well as graphic and factory design resources
- Employee base of over 230

## Key Products:

- Flameless wax warmers – Market share leader at retail
- Essential Oils and Aromatherapy Diffusers – newer product line, which is benefiting from strong underlying category growth

## Brands:

*ScentSationals*<sup>™</sup>

**Better  
Homes** <sup>(2)</sup>  
and Gardens<sup>®</sup>

adōr<sup>™</sup>  
HOME FRAGRANCES

OAK & RYE

Ambi Escents<sup>™</sup>  
HOME FRAGRANCE

*Estate*<sup>™</sup>  
Home Fragrance System

*(1) Excludes potential earn-out payment of up to \$25 million based on future financial performance*

*(2) Rimports works jointly with BGH brand and Walmart*

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## Major Product Lines:



Scented Wax Cubes



Wall Charm



Wax Warmer



Aromatherapy



Essential  
Oils/Diffuser

## Major Customers:



## Awards won:

**Walmart – Department 17 “Supplier of the Year” 2015, 2016, and 2017**

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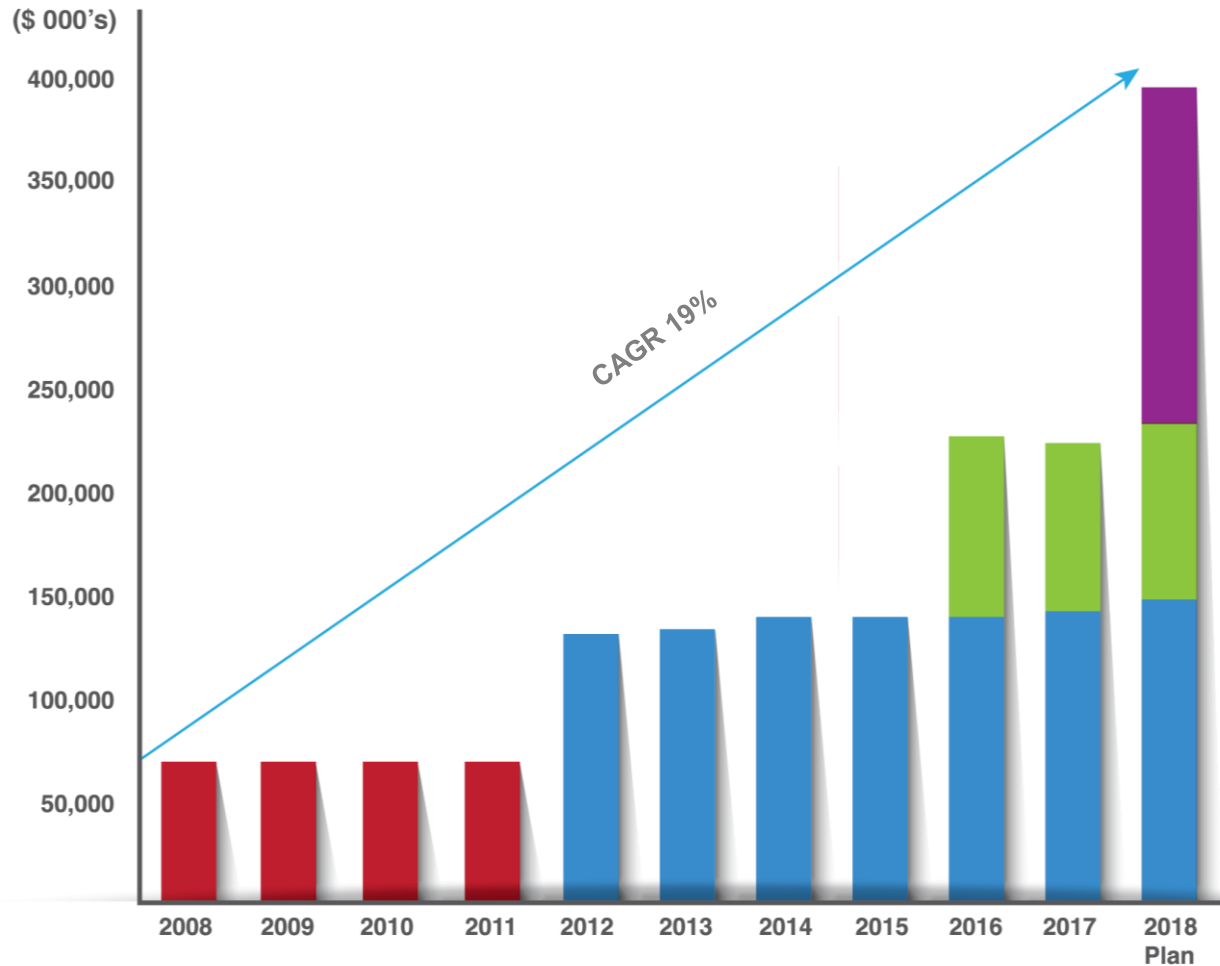


## FINANCIALS

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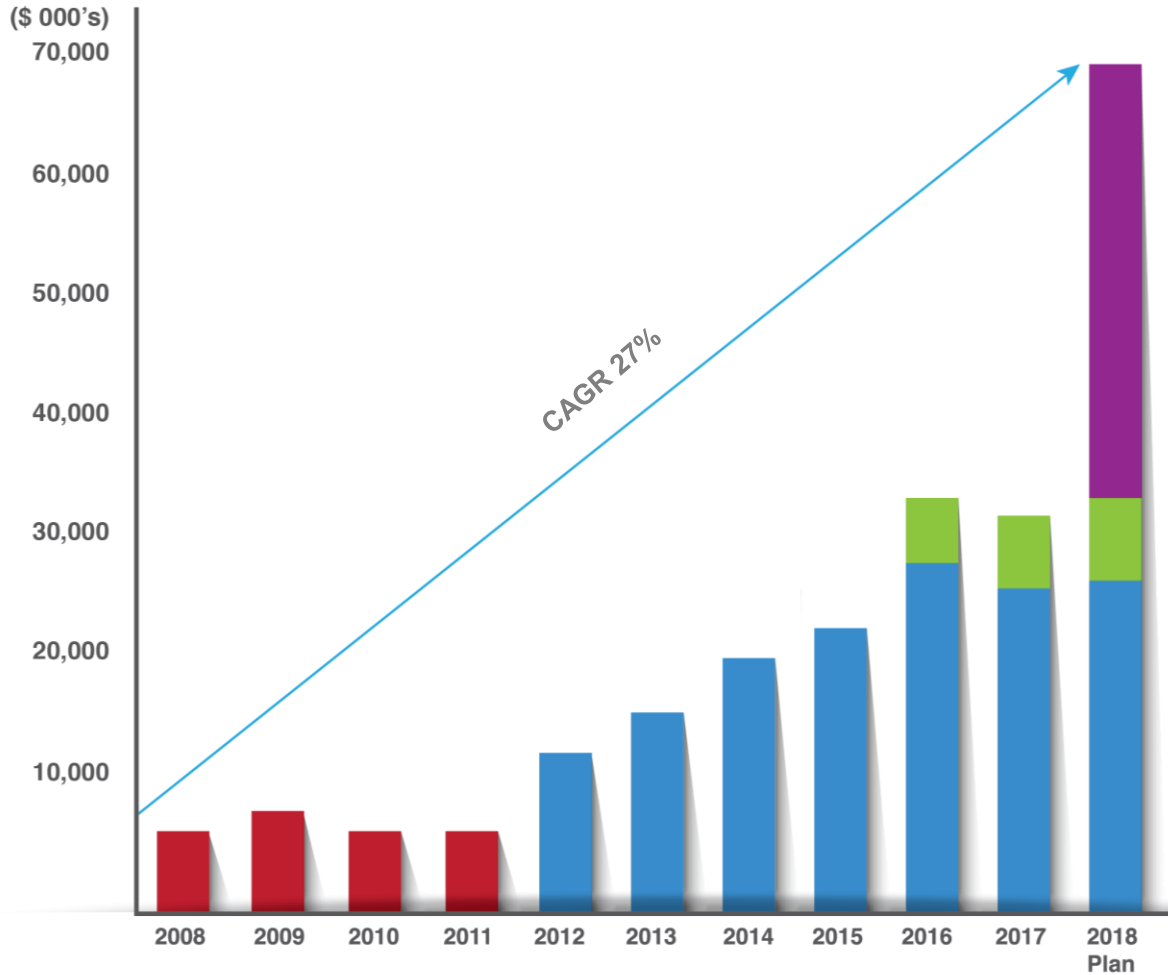
# NET SALES



■ CANDLELAMP ■ STERNOCANDLELAMP ■ STERNO HOME ■ RIMPORTS

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# EBITDA



CANDLELAMP STERNOCANDLELAMP STERNO HOME RIMPORTS

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## OUR DIRECTION

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# WHAT SEPARATES US FROM THE COMPETITION



- **Brand strength** – 100+ year iconic brand that defines its category
- **“One-stop shop”** – Full-Line supplier offering comprehensive product portfolio
- **Consistently high quality products** evidenced by Customer Report Cards
- **Trusted** – by Employees - Customers - Suppliers
- **Execution Consistency**
- **Low cost production** and sourcing drives efficiency gains and margin expansion
- **Best-in-class national sales organization** with both in-house and field sales
- **New product development team** characterized by fast decision making and speed-to-market
- **Leader in Environmentally preferred products** – UL Validated, Green line of chafing fuels, solar, low voltage and LED options
- **Leader in Regulatory Compliance** and 3<sup>rd</sup> Party Audits
- **Platform for continued Expansion** supported by flexible capital resources

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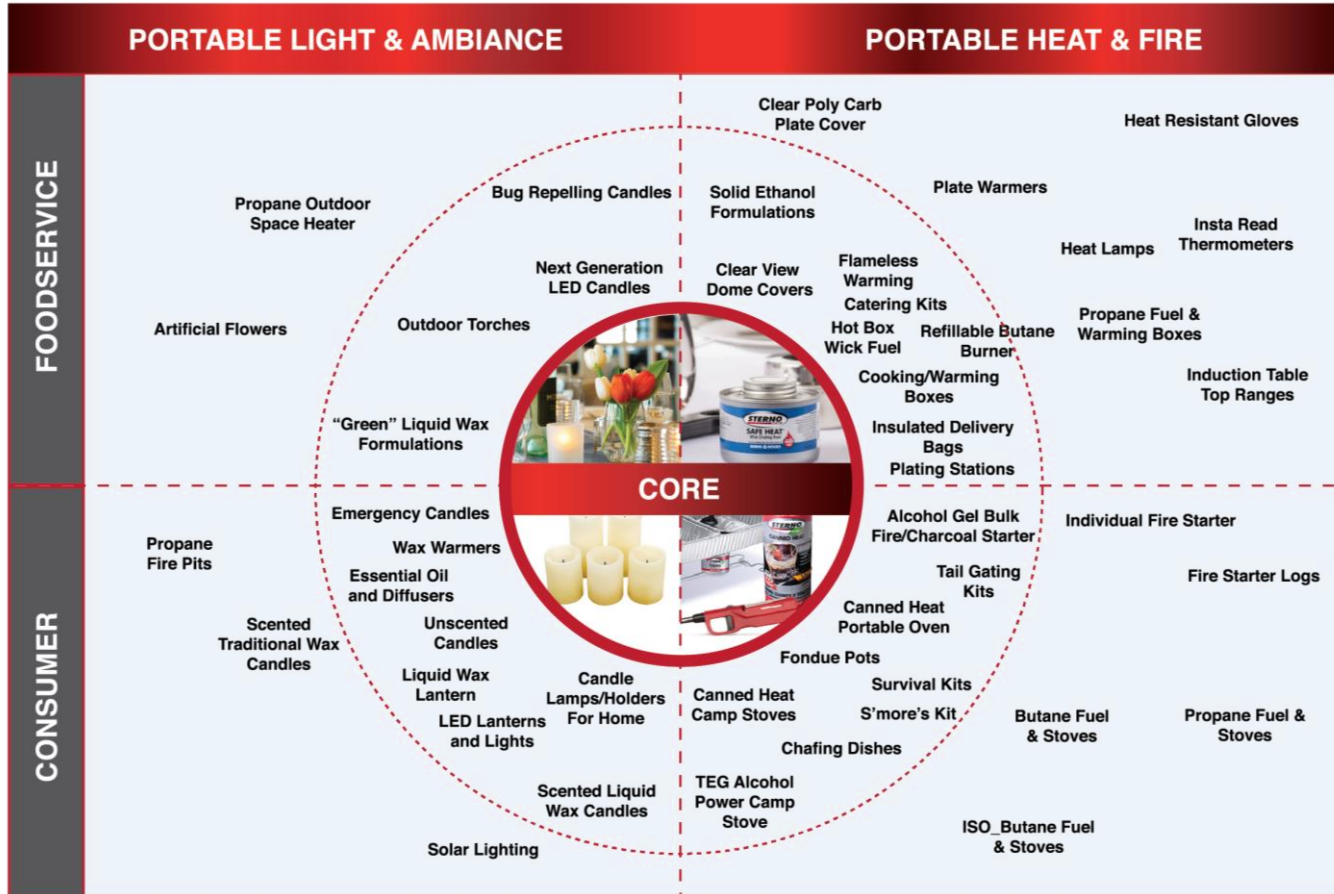


## BRAND & PRODUCT EXPANSION POTENTIAL

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# BRAND & PRODUCT EXPANSION POTENTIAL



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**THANK YOU**