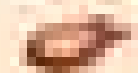


# kencko

by Lily Zhang



# agenda

**Company**

**Product**

**Market**

**Financials**

**Future**

**Conclusion**

# Company

kencko is a direct-to-consumer powdered fruit & vegetable shake, completely vegan and free of added sugars



## Tomas Froes

was diagnosed with acute gastritis and made the switch to veganism, using kencko to supplement his intake.

Cofounder at FROSTIMO  
Cofounder at Scioko



## Ricardo Vice Santos

manages growth and makes sure kencko stays customer-friendly and accessible.

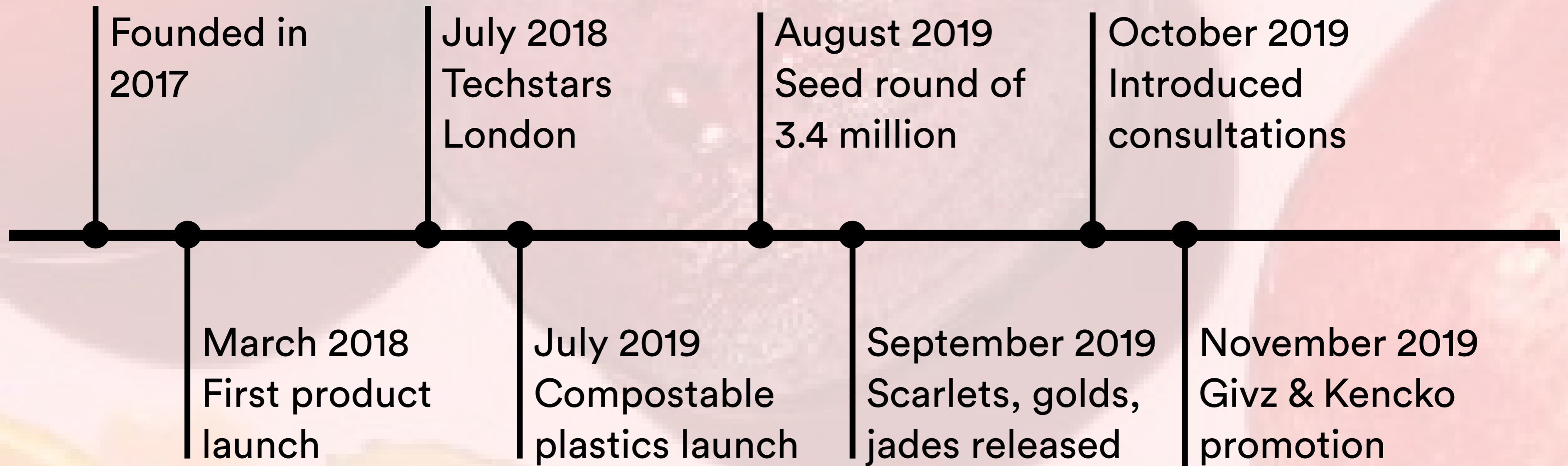
Cofounder at Roger Talk  
Lead Engineer & U.S.  
Founding Team of Spotify

25 employees



**3.52 million**  
in total funding from Kairos Society, Nextview Ventures, and Local Globes

# Timeline

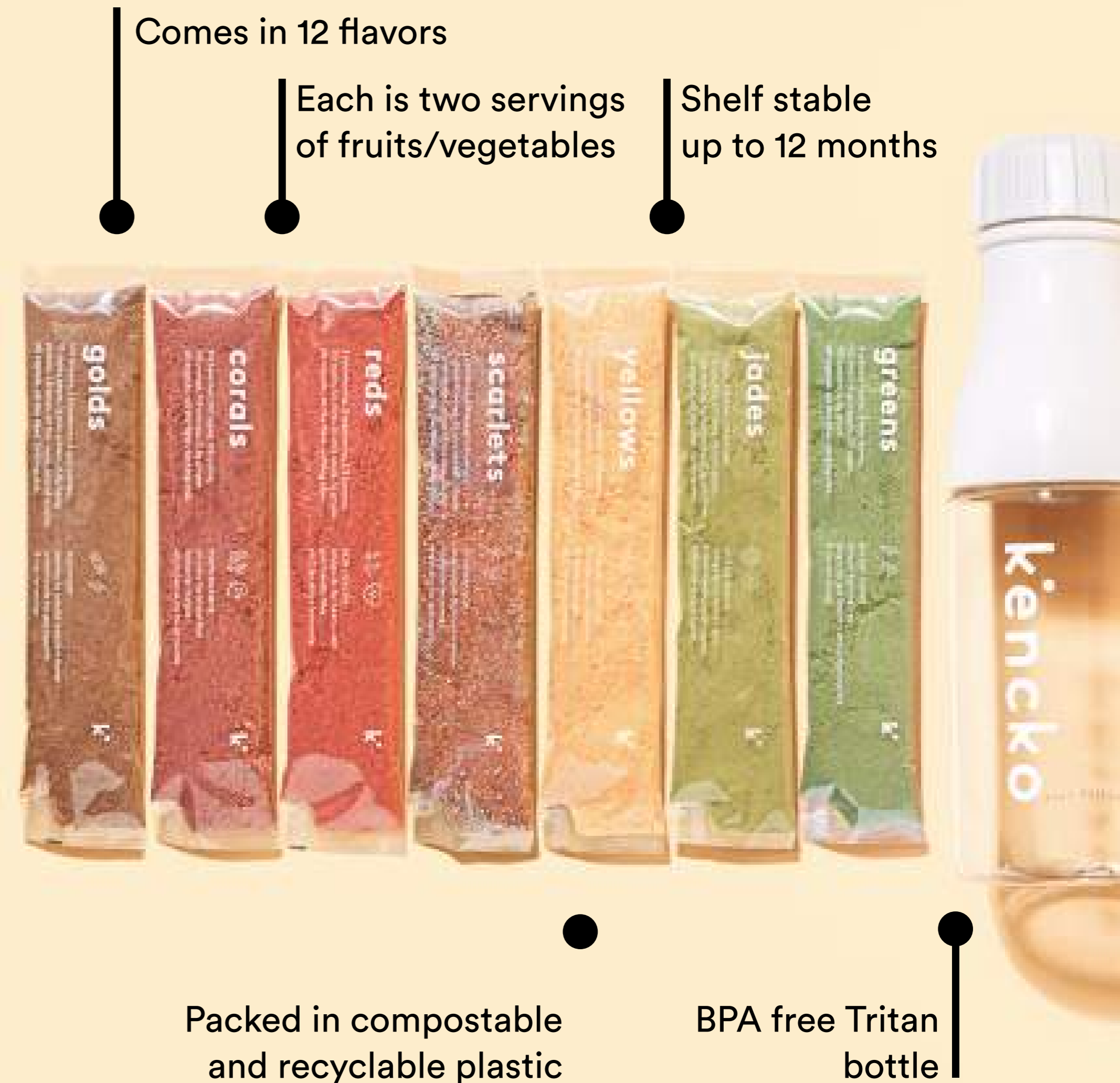


# Product

Kencko smoothies are made by

- flash freezing  
*to preserve flavor*
- slow drying  
*to preserve nutrients*
- powderizing  
*to preserve fiber content*

\* purchase includes access to nutritionist



# Competitive Advantage

## cost

kencko's cold-press competitors can charge up to **2-3x more** for a single beverage, making nutrition harder to access

## “ ease

I hated buying 1028373829 things for smoothies. Now I can just use kencko

Catherine T.

## nutrients

...lower **blood pressure**, reduce the risk of **heart disease** and **stroke**, prevent some types of **cancer**, lower risk of eye and **digestive problems**, and help keep **appetite** in check.

Harvard University

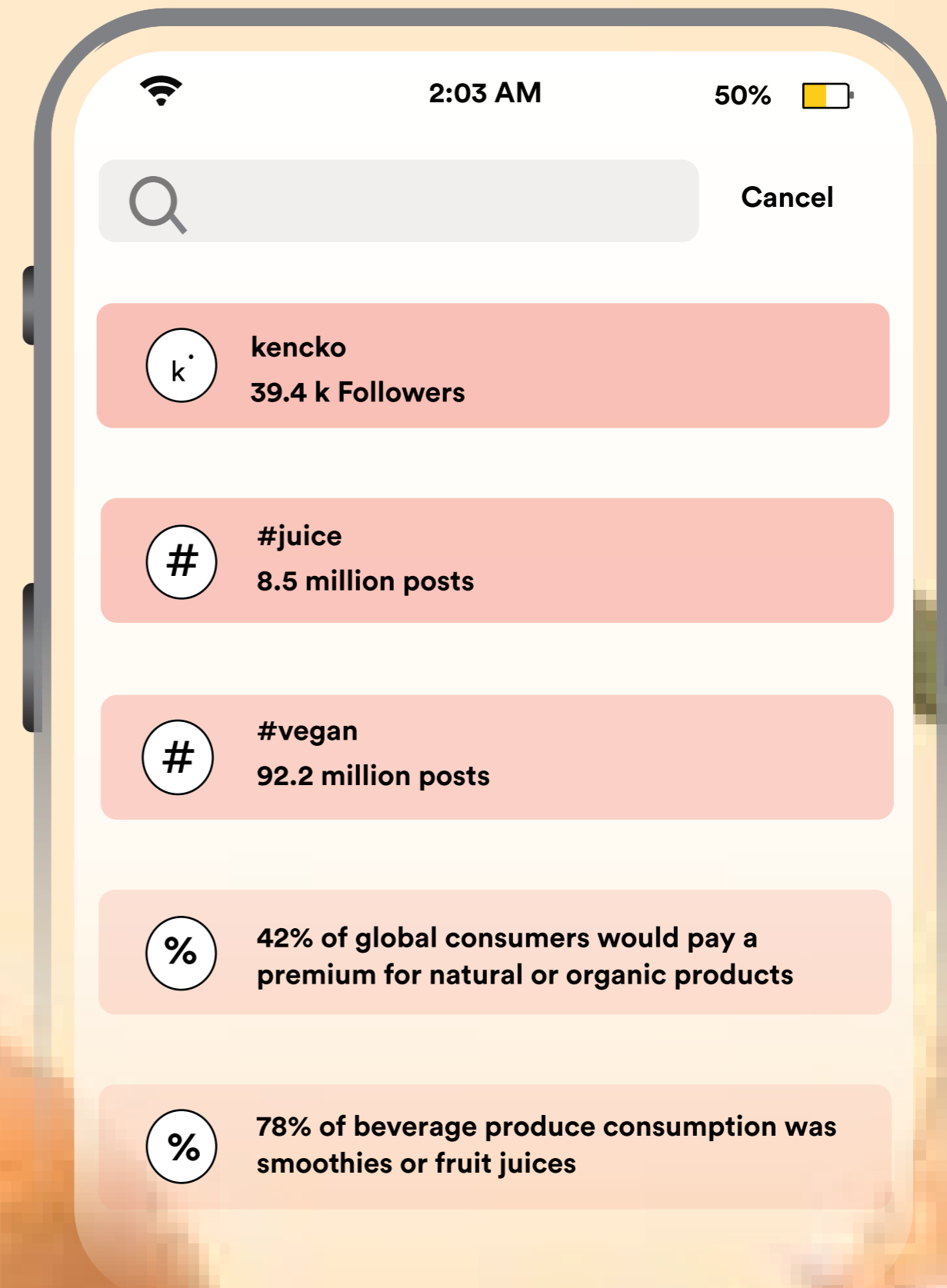
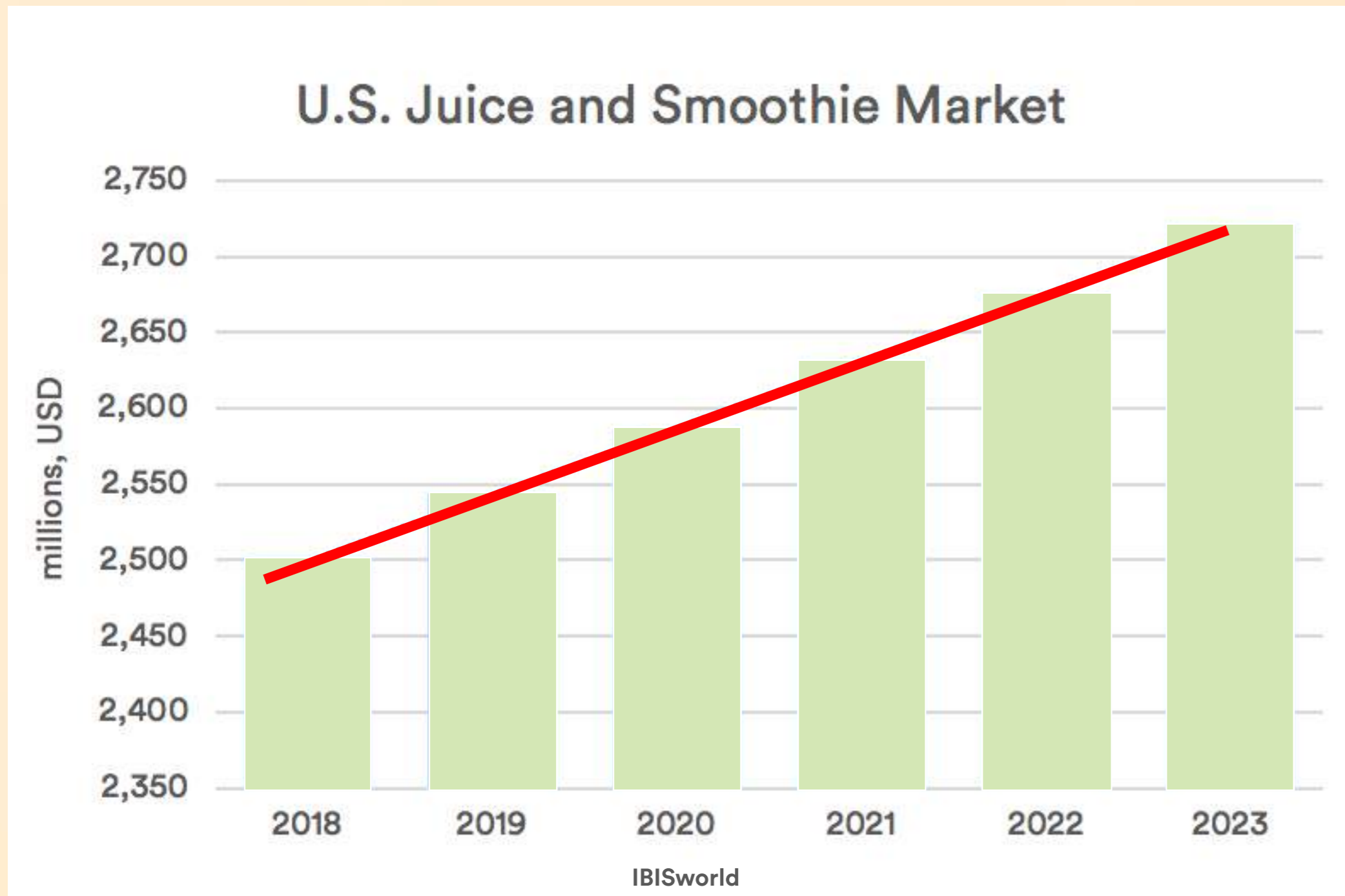
## ” taste

I was skeptical...but when I tried it, you could have told me it was fresh pressed juice and I would have believed you





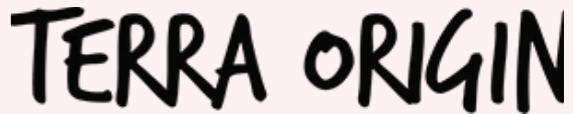
Josie E

# Market

The Organic Food Market is projected to reach **\$2.7 billion** by 2023 at a **CAGR of 1.7%**.



# Startup Competitors

					
Product	smoothie packets, nutritionists	beverage nutritional sachets	“dusts”, single ingredient mixes	superfood powder	drink packets, detoxes, capsules
Nutritional Value	no fiber or nutrient loss	vitamins, antioxidants	adaptogenic ingredients	vitamins, prebiotics	probiotics for gut health
Comparative Value	based on scientific research	convenient, fun flavors	designed to be supplements	approved for sport competitors	has unflavored choices
Lowest Cost per serving	\$2.95 USD; subscription	\$2.95 USD; one time purchase	\$2.95 USD; one time purchase	\$3.56 USD; subscription	\$1 USD; one time purchase
Funding Round	Seed Round 3.4 million	undisclosed	Series B undisclosed	undisclosed	Target Takeoff, Target Accelerator



# Established Competitors

					
Product	customizable fruit & veg powder	cold pressed juices, cleanses	cold pressed juices, cleanses	green juice, red juice, etc.	juices and smoothies
Dietary Concerns	organic, vegan, no added sugars	non-organic, selectively kosher	organic, vegan & lactose free	keto & gluten friendly, vegan	flavors added, no sugar added
Shelf Life	6 months for best taste	quality assured up to 7 days	within 16 days of manufacturing	2 years; 90 days opened (tubs)	enjoy by date
Lowest Price per Serving	\$2.95 USD	\$5 USD; in bundles	\$10.90 USD; in bundles	\$2.33 USD	\$2.79 USD
Accesibility	ships directly to customers	juice bars in 4 states; ships	retailers; ships	ships directly to customers	various retailers

# Revenue

The **growth rate** used is an average between U.S. smoothie growth rate and North American smoothie growth rate.

Year	Market Revenues, billions	Market Growth Rate
2019	7.791	3.90%
2020	8.095	3.90%
2021	8.410	3.90%
2022	8.738	3.90%
2023	9.079	3.90%
2024	9.433	3.90%
2025	9.801	3.90%

Year	Total Market, millions	Market Share	Revenues	Pre-Tax Operating Margin	Pre-Tax Operating Income
2020	8,094.73	0.03%	2.02	-10.00%	(0.20)
2021	8,410.43	0.75%	63.08	-8.00%	(5.05)
2022	8,738.43	1.00%	87.38	-6.00%	(5.24)
2023	9,079.23	1.50%	136.19	-4.00%	(5.45)
2024	9,433.32	2.00%	188.67	-2.00%	(3.77)
2025	9,801.22	2.50%	245.03	0.50%	1.23
2026	10,183.47	3.00%	305.50	1.00%	3.06
2027	10,580.63	3.50%	370.32	2.00%	7.41
2028	10,993.27	4.00%	439.73	3.00%	13.19
2029	11,422.01	4.50%	513.99	4.00%	20.56
2030	11,867.47	5.00%	593.37	5.00%	29.67

# Valuation

kencko's valuation is at **47.1 million**

## Summary of Free Cash Flows

Year	Total Market, millions	Market Share	Revenues, millions	Cost of capital	Cumulated Cost of Capital	Present Value of FCFF, millions
2020	8,094.73	0.03%	2.02	33%	1.33	(6.40)
2021	8,410.43	0.75%	63.08	33%	1.77	(13.92)
2022	8,738.43	1.00%	87.38	25%	2.21	(22.18)
2023	9,079.23	1.50%	136.19	25%	2.76	(6.75)
2024	9,433.32	2.00%	188.67	16%	3.21	17.98
2025	9,801.22	2.50%	245.03	16%	3.72	30.96
2026	10,183.47	3.00%	305.50	9%	4.05	3.54
2027	10,580.63	3.50%	370.32	9%	4.42	5.62
2028	10,993.27	4.00%	439.73	9%	4.82	8.23
2029	11,422.01	4.50%	513.99	9%	5.25	11.37
2030	11,867.47	5.00%	593.37	9%	5.72	15.05
					Terminal Value	3.57
					Enterprise Value	47.08

# Risks & Mitigants

## product

don't own process patent

competitors offer similar products

growing skepticism of trends

## price

one time purchase of starter kit  
~\$60 USD

single (3) month purchase  
requires initial payment of  
~\$180 USD

## legal

decreasing quality  
of consultations

unregulated medical  
advisory concerns

## marketing

focus on brand mission:  
not delivering a “vegan” product,  
but a convenient fruit & veg

lean on marketing in order  
to enhance distinctiveness and  
defensibility in market

## first-timers

consider lowering price of  
start kit for more accessibility

focus on growth of first-time  
purchase; encourage subscription  
with later discounts

## partner

be more transparent on  
medical capabilities

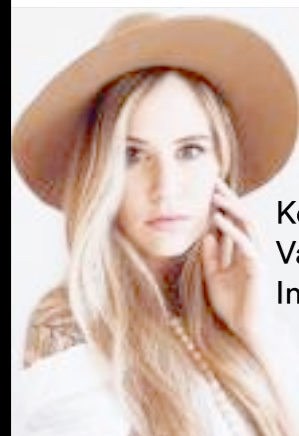
acquire, merge, or pursue a  
joint venture to provide licensed  
medical consultations

# In the Future

## Develop

In the future, Kencko plans to:

- \* explore international markets
- \* seek influencer partners
- \* test more flavors
- \* test new products
- \* create more bottle styles



Kelsee  
Van Nus,  
Influencer

Lauren McHale,  
SoulCycle trainer



Quinn Shephard,  
Actress & Director



## Exits

Major brands acquire in order to fill out their product lineup



Industry leaders that have IPO'ed in the past are later acquired



# Thesis

Kencko's product is an unrivaled mix of ingredients and nutrients

Their target customer base continues to grow and evolve towards Kencko's advantages

Deliver-to-door fruits & veg market is likely to continue growing



# Appendix

Company	Revenue	EBIT	Operating margin, pretax
Naked Juice	3,444.37	419.52	12.18%
Bolthouse Farms	1,005.27	100.00	9.95%
MTY Food Group	775.92	114.20	14.72%
Jamba, Inc.	577.50	70.34	12.18%
		Average	12.26%

Company	Acquired by	Revenues, millions	Market Share
Jamba, Inc.	Focus Brands	578	7.13%
Smoothie King	Smoothie King, Inc.	295	3.64%
Naked Juice	PepsiCo	3,444	43%
Bolthouse Farms	Butterfly Equity	1,005	12.42%
Odwalla	Coca Cola	194	2.48%
MTY Food Group	MTY Food Group, In	776	9.59%
Pressed Juicery	Private	75	0.93%
Juice Press	Private	75	0.93%
Suja Life	Suja Life LLC.	100	1.24%
Other			19.09%

Year	Pre-Tax Operating Income, millions	NOL at Start of Year	NOL at End of Year	Taxable Operating Income	Taxes Paid	After Tax Operating Income
2020	(0.20)	-	0.20	-	-	(4.05)
2021	(5.05)	0.20	5.25	-	-	(13.46)
2022	(5.24)	5.25	10.69	-	-	(21.85)
2023	(5.45)	10.69	21.59	-	-	(5.45)
2024	(3.77)	21.59	0.00	-	-	18.39
2025	1.23	0.00	0.00	-	-	34.30
2026	3.06	0.00	0	3.06	1.22	1.83
2027	7.41	-	-	7.41	2.96	4.44
2028	13.19	-	-	13.19	5.28	7.92
2029	20.56	-	-	20.56	8.22	12.34
2030	29.67	-	-	29.67	11.87	17.80

Year	Revenues, millions	Change in Revenues Next Year	Sales/Capital	Reinvestment	Unlevered beta, sector	1.61
2020	2.02	61.05	26.00	2.35	<i>Avg. Beta</i>	0.68
2021	63.08	24.31	26.00	0.93	<i>Tax Rate</i>	40%
2022	87.38	48.80	26.00	1.88	<i>Avg. market D/E ratio</i>	26%
2023	136.19	52.48	26.00	2.02	Total Beta	4.56
2024	188.67	56.36	26.00	2.17	<i>Market Beta</i>	0.88
2025	245.03	60.47	26.00	2.33	<i>Correlation to Market</i>	19%
2026	305.50	64.82	26.00	2.49	Total Beta	1.17
2027	370.32	69.41	26.00	2.67	<i>Market Beta</i>	0.88
2028	439.73	74.26	26.00	2.86	<i>Correlation to Portfolio</i>	75%
2029	513.99	79.38	26.00	3.05	Cost of Equity	0.33
2030	593.37	84.79	26.00	3.26	<i>Risk free rate</i>	0.65%
					<i>Market Risk Premium</i>	7%
					<i>Beta</i>	4.56



### Cost of Capital and Equity

Year	Market Beta	Correlation to Market	Total beta	Cost of Equity	Debt Ratio	Cost of Capital
2020	0.88	0.19	4.6	33%	0%	33%
2021	0.88	0.19	4.6	33%	0%	33%
2022	0.88	0.25	3.5	25%	0%	25%
2023	0.88	0.25	3.5	25%	0%	25%
2024	0.88	0.40	2.2	16%	0%	16%
2025	0.88	0.40	2.2	16%	0%	16%
2026	0.88	0.75	1.2	9%	0%	9%
2027	0.88	0.75	1.2	9%	0%	9%
2028	0.88	0.75	1.2	9%	0%	9%
2029	0.88	0.75	1.2	9%	0%	9%
2030	0.88	1.00	0.9	9%	0%	9%

### Cash flow, in millions

Year	FCFF	Terminal Value	Cost of capital	Cumulated Cost of Capital	Present Value
2020	(6.40)		33%	1.33	(6.40)
2021	(14.39)		33%	1.77	(13.92)
2022	(23.72)		25%	2.21	(22.18)
2023	(7.47)		25%	2.76	(6.75)
2024	20.56		16%	3.21	17.98
2025	36.63		16%	3.72	30.96
2026	4.33		9%	4.05	3.54
2027	7.11		9%	4.42	5.62
2028	10.77		9%	4.82	8.23
2029	15.39		9%	5.25	11.37
2030	21.06	3.57	9%	5.72	15.05

Enterprise Value

47.08