

## Mother's Market and Kitchen Acquired by Mill Road Capital

**Brattleboro, Vermont**, February 9, 2016. Costa Mesa, California-based Mother's Market & Kitchen, founded in 1978, and now with seven supermarket-size locations in Southern California, has been acquired by private equity investment firm, Greenwich, Connecticut-based Mill Road Capital Management LLC (MRC). According to the real estate database maintained by Retail Insights®, based here, Mother's Market & Kitchen possesses some of the most valuable real estate in the nation. Remarking on the acquisition, Retail Insights' company founder and president, Jay Jacobowitz, said, "Household quality and demand potential for natural organic products is extremely high in the trade areas served by Mother's Market & Kitchen, and is among the best in the country according to our Retail Insights' *Retail Universe for Natural, Organic Food, Supplement and Personal Care Sales* database."

According to Jacobowitz, the stores are first-rate operations, with excellent food service offerings, dynamic merchandising, beautiful facilities, and the highest ingredient standards in the industry: "Coupling with Mill Road Capital should be a wake-up call for all supernatural competitors. MRC Senior Managing Director, Thomas Lynch, handled the private equity business for Blackstone Group, which manages over \$300 billion in investor funds. Lynch has borrowed a page from Blackstone, locking up investor capital for 10 years; a requirement of investing with Blackstone and MRC. By doing so, MRC can take the long view with its investment portfolio, allowing it to mature companies at their own intrinsic growth rates, and inoculating them from transient external factors, such as economic shocks or sector slowdowns.

"Certainly, Mother's Market could have attracted private equity capital long ago, in the 1990s for example, as Austin, Texas-based Whole Foods Market was executing its 'roll-up' strategy of buying the most significant supernatural competitors around the country. But Mother's Market did not take this route, content instead to focus on its regional trade area and build an unequaled brand identity of superior quality.

"I predict the acquisition by Mill Road Capital signals management intends to continue to pursue the long game, waiting patiently for ideal real estate before signing leases, and being careful to establish reasonable proximities between stores to maximize network distribution efficiencies. The growth plan may resemble The Cheesecake Factory, which chooses its real estate extremely carefully, only opening stores with optimal locations, and never settling for suboptimal real estate. I suspect Mother's Market & Kitchen will do something similar as it builds out from its Southern California base," Jacobowitz concluded.

### About Retail Insights®

Founded in 1998, Retail Insights is a natural products industry consultant specializing in strategic guidance to independent natural products retailers. In addition, the company provides a comprehensive set of marketing tools specifically designed for today's independent natural products retailer. Company founder and president, Jay Jacobowitz, recently received the *Natural Products Association's Industry Champion Award*, given to those who have made notable contributions to the industry above and beyond commercial success.

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