

# Pure Earth Collection Seed round fundraiser

2023

# Multi-award winning eco kids brand growing at 200%

## About us

- Non-toxic and biodegradable children's products using plants, not plastic.
- On a mission to reduce the growing microplastic exposure in kid's lives.
- Ahead of the curve on the eco trend, making us well placed to benefit from the sustainability demands of consumers.
- Best sellers: unique 100% natural fabric baby sleeping bags and organic cotton blackout blinds. Both have won prestigious industry awards for design.
- Core products are non-seasonal and do not change with fashions/ trends. We rarely have to discount end of line stock and products remain robust from year to year.

## Recent awards

Up against huge industry players and well-known household names (inc. Stokke, Silver Cross and Baby Mori), we were awarded:



pure earth collection

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## Executive summary

Pure Earth Collection is a digitally-led, fast growth, high margin, scalable, on trend eco kids brand with significant international potential.

We are raising £250,000 for 12% equity at a post-money valuation of £2.08m.

Based on 5 year projections:

Revenue: £5.6m

Gross profit: £3.8m

Net profit: £1.5m

Average industry earnings multiple:  
10-15x net profit

Potential exit valuation  
£15m - £23m

Potential ROI: 7-11x

Exit strategy: Trade sale

EIS advanced assurance in place

# Sustainability is huge and growing consumer trend

The global environmental crises and the world's increasing reliance on toxic materials is one of the defining issues of this century. The extent of the health implications from these materials is still unclear, particularly for future generations. Health and sustainability have become a growing priority for consumers.

**73%** of millennials  
say they would pay  
more for sustainable  
products

The global ethical apparel market is growing fast:

**\$6.3bn in 2019**

growing 8.7% per year since 2015

**\$15.2bn by 2030**

The organic clothing subsector is expected to grow the fastest

COP26 adds pressure to businesses to have a stronger  
focus on sustainability

Pure Earth Collection is ahead of the curve with their pioneering range of organic and ethical products which are better for human health and the environment. Our core company values are to protect the health of children and the planet, and this is reflected in every part of our supply, production and distribution chains.

# The health implications of micro-plastics and kids

## The problem

The children's market is reaching an inflection point as more studies reveal that children are up to 20x more exposed to micro-plastics - a huge and growing health concern.

Unfortunately, the majority of toys and children's products are made from plastics - the main reason for this increased exposure.

## The solution

Parents are beginning to understand the severity of the issue and are increasingly looking for natural and non-toxic alternatives.

We use our community to help spread awareness about micro-plastics and other toxins, and how to minimise exposure. As well as creating a range of products made from plants, not plastics.

Dr Kannan, Professor of Paediatrics at New York School of Medicine, has made an urgent statement saying "children's products should be made free from plastic".

## Recent studies into micro-plastics and their discoveries:

**December 2020:** Micro-plastics found in placenta of unborn babies

**March 2021:** Micro-plastics in lungs passes to heart, brain and fetuses (study on rats)

**April 2021:** Micro-plastics in lungs caused significant cell change and damage

**September 2021:** Babies have 10-20x more micro-plastic than adults in feces

**October 2021:** Bottle-fed babies ingest around 1.6m micro-plastics per day

**November 2021:** Airborne micro-plastics in 8 year old's bedroom 22x higher than rest of house

**December 2021:** Micro-plastics cause cell death and allergic reactions

**March 2022:** Micro-plastics found in human bloodstream

**October 2022:** Micro-plastics found in 75% of breast milk samples

# Timeline and key achievements

## Timeline

- **Founder: Emma Bianco, a creative with a masters in economics, 10 year background in finance and previous experience in the baby market**
- **Founder capital committed to date: £115,000**
- **Sep 2018: Official launch**
- **Jan 2020: Raised £180,000**
- **2023: Achieved profitability**
- **2023: Fundraising target £250,000**
- **Capital required for: Marketing, team expansion and stock**

**Profitability  
Achieved  
2023**

**Over 200%  
revenue  
growth  
(2023)**

**Won five  
industry  
awards**

**Incoming  
collaboration  
requests  
From over 25  
influencers and  
celebrities, with up to  
1.4m followers**

**120%  
Revenue growth  
Year on year  
since launch**

**Multiple  
Publication  
write ups.  
Including The  
Telegraph and  
Sheer Luxe**

**>20 retailers  
Sold through  
retailers and  
online  
marketplaces**

**Average order  
values constantly  
increasing**

# Loyal customers and scalable business model

## Customers

Typical customers are middle class 25-45 years olds from across the UK. Some customers from America and Australia each month.

In 2022 we had had 2,000 website orders

43% of customers make a repeat purchase

## Key business metrics

80% of the nursery market alone is now online

Median profit margin: 68%

Organic sales: >50%

Online, direct to consumer sales: >90%

## Scalability

Pure Earth Collection is an online, high margin, digitally-led brand positioning us well to scale nationally and internationally. Although we currently don't do any marketing outside of the UK we get a steady stream of sales from abroad, showing there is demand for our products overseas.

*"They have literally got every product perfect, don't know what I would have done without their blackout blind the last few years either!"*

*-Tessa Kelly, customer and wellbeing influencer*

*"Mary slept all night in her sleeping bag. Love your products and will be telling everyone about them"*

*-Susan Wallace, multiple repeat customer and baby sleep specialist*

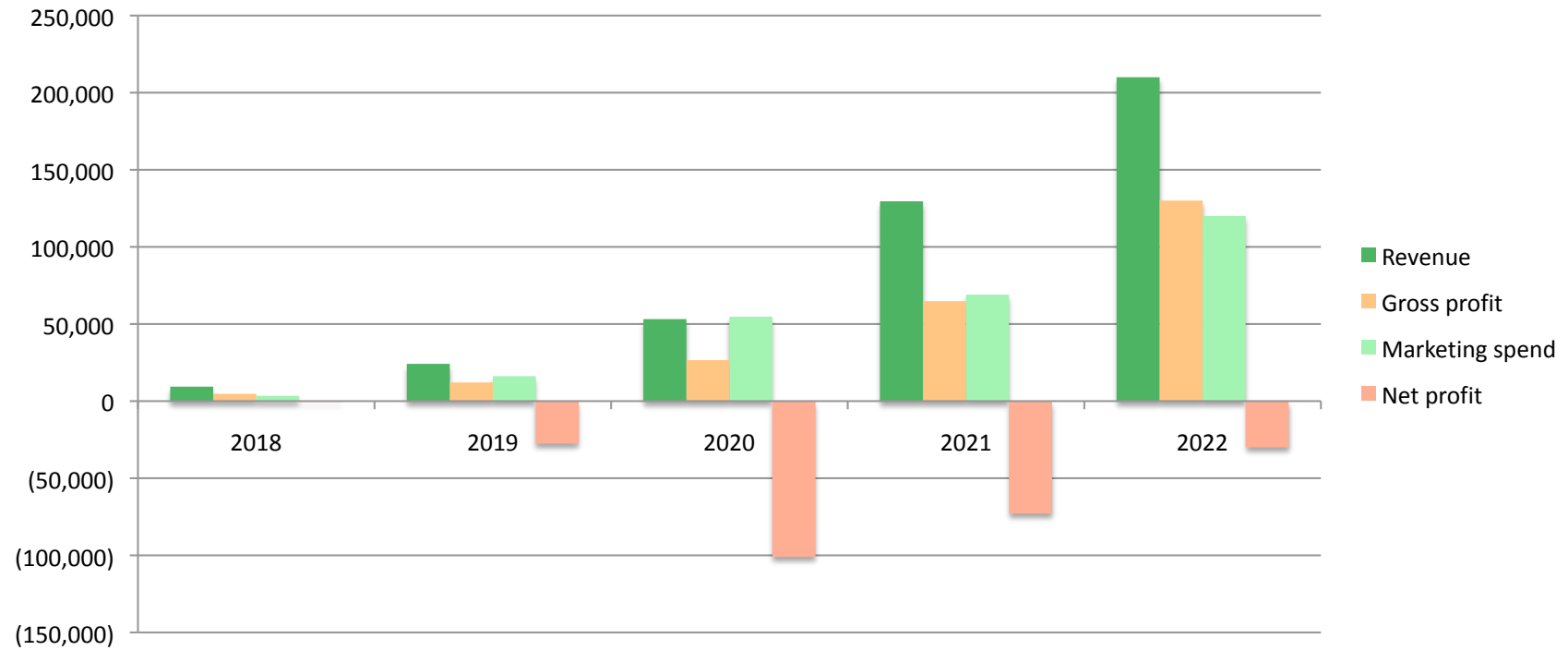
*"Customer service was spot on and very helpful and quick. I have and will continue to share this brand with all parents I meet."*

*- Rosie Pique-Christie, multiple repeat customer*

*pure earth collection* 

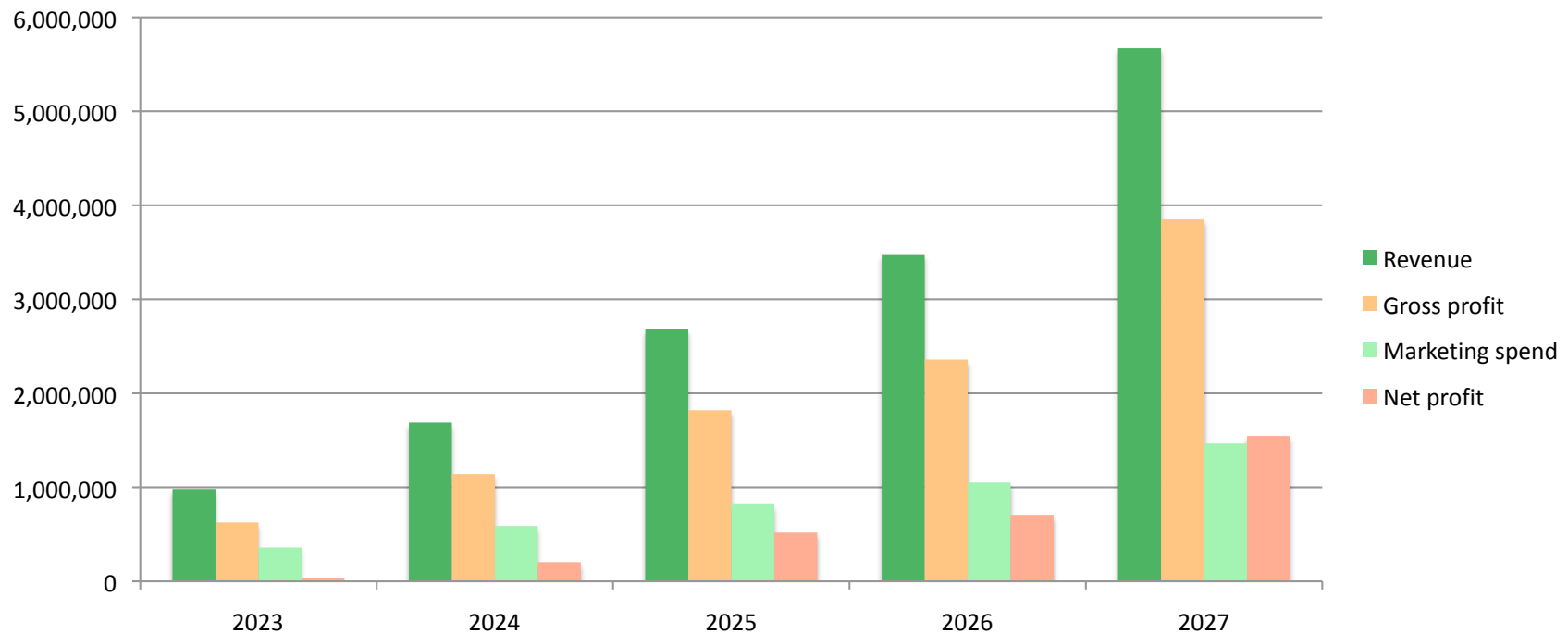


## Average YoY revenue growth 120% since 2018



Despite the challenges of the last 3 years, we've managed not just to ride the storm, but have achieved impressive revenue growth. All while being faced with huge macroeconomic challenges.

## Revenues projected to grow to over £5.6m by 2027

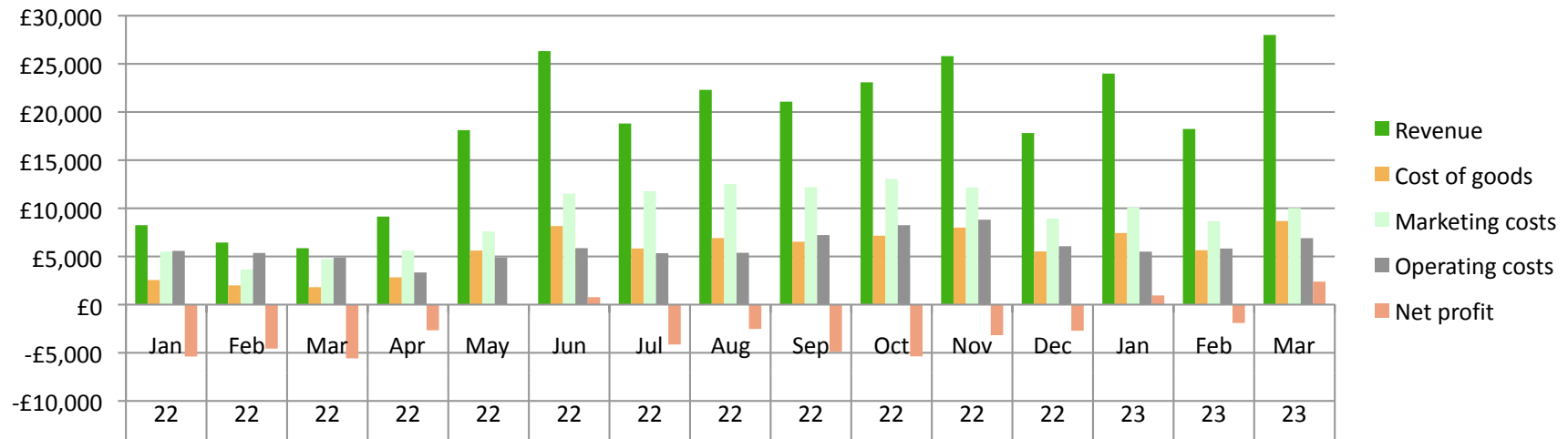


Projections are based on our proven and achieved customer acquisition costs and conservative average transaction values, coupled with increased ad spend.

Growth expected to accelerate once fundraising is completed due to marketing spend and increased product range.

# P&L by month

2022 / 2023



## Notes:

- Beginning of 2022 was depressed due to fundraising distraction and underperforming marketing
- 2022 May, June and July: Exceeded our post fundraise revenue targets with improved marketing efficiencies
- 2022 July and August: Growth slowed due to 4 week customs hold up costing £10k in refunds and port rents
- 2022 October and November: consistent month on month growth with improved marketing efficiencies
- 2022 December: inflated online ad costs make marketing less efficient
- 2023 to date: Net profits for year to date with record sales in March due to increased marketing efficiencies

# Achieving monthly revenues of £60,000 in 12 months

CAC: £28  
ATV: £96  
Monthly online ad spend: £20,000  
Supporting ad spend: £4,000

Brand awareness

We have implemented a new digital marketing strategy which has resulted in revenue growth of over 400% since March. We're continuing to focus on and improve this campaign.

Evangelism marketing

Our products create evangelical customers who provide us with organic marketing. Nurturing existing customers creates more self fulfilling referrals.

Website improvements

Recent website improvements have increased our conversion rates by over 250% and significantly increased our ATVs. We'll be focusing on further improving these metrics.

New product launches

Launching new products in our pipeline will help encourage repeat purchases and also improve our ATVs.

Co-branding collaborations

We have been approached by brands, investment banks and high end resorts to co-brand products for their customers. This bring us upfront and immediate sales, and boosts our brand awareness.

# Achieving monthly revenues of £150,000 over 2-3 years

CAC: £26

ATV: £103

Monthly online ad spend: £38,000

Supporting ad spend: £5,000

Scale ad budgets

Using the capital raised from the fundraiser we will scale ad budgets to reach a wider audience and generate more sales.

Physical pop ups and stores

We will initially run a series of pop ups in key shopping areas and will then look to open a more permanent store in the best performing areas.

Physical events marketing

We will run educational and networking events for parents at our stores. This is a strategy we had started in 2019 and it was working well for brand awareness and sales.

New product launches

We will continue to develop other products to further increase our ATVs and improve customer retention.

Scale co-branding

With the traction gained so far and over the next 12 months, we will start to approach larger hotel groups, resorts and brands for co-branding opportunities.

## Continue to scale into years 4-5

Grow monthly revenues to above £300,000 and look to scale the brand internationally

Target CAC  
£26

Average  
transaction  
values >£103

Monthly online  
ad spend  
£80,000

Building trust through physical marketing and stores

Target geographies such as USA and Australia where the brand values and products have already proved to appeal to customers with steady monthly orders and where we have won awards.

# Expanding product range

Sleep & Bedding

Products pre-fundraise  
(2018-19)

Sleeping bags - standard, embroidered, tropical nights



Baby blankets



Products since fundraise  
(2020-21)

Simple bags



Travel beds



Blackout blinds



Products in pipeline

Organic bedding



Natural duvet and pillow



Cot sheets



Toys & Nursery

Teethers



Star mat



Bunny comforter



Sensory toys



Rocky road mat



Other soft toys



Muslins



Clothing

Kids jackets



Adult robe



Kids robe



Snood



Mittens



Confidential outerwear



Various sleepwear



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# Team



## Founder and Managing Director

Emma Bianco is the Founder of Pure Earth Collection and an advocate of non-toxic and sustainable living. She spent over ten years working in private equity, corporate finance and consultancy focussed on Africa – helping to cement her problem solving, “can-do”, work ethic! She has previous experience in the baby market and has now returned to her more creative side and her passion for health, wellness and babies.

## Board Directors

Maria Graham has been in equity sales for 20 years, most recently at Barelays. She is an angel investor in start-ups and one of Pure Earth Collection’s cornerstone investors.

Natasha Foster is Co-Founder and COO at Paid (EnterpriseSaaS) with experience investing in and scaling start-ups. Prior to Paid she ran a consulting business and spent 12+ years in investment banking at HSBC and law at Sheerman and Stirling LLP.

## Nina Howard, Marketing and General Support

Nina has worked for Pure Earth Collection for the last four years focussing on marketing, PR, website development, logistics, customer support and much more. She has an in-depth understanding of all aspects of the day to day running of the business. Nina has previous experience in retail and joined us following a degree in marketing and PR.

## Advisory Board

Made up of six business mentors with various professional backgrounds including PR, marketing, finance, headhunting and creative. They provide advice on all aspects of the business including product design, marketing and customer experience.



# The investment opportunity

Our seed investment round in 2023 is for a target of £250,000.

Based on 5 year projections:

Revenue: £5.6m  
Gross profit: £3.8m  
Net profit: £1.5m  
Average industry earnings multiple:  
10-15x net profit

Potential exit valuation  
£15m - £23m

Potential ROI: 7-11x

Exit strategy: Trade sale

EIS Advanced Assurance is currently in place.

Capital raised in this fundraiser will be used primarily for marketing, team expansion and stock.

# Disclaimer

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