

Sweet talk

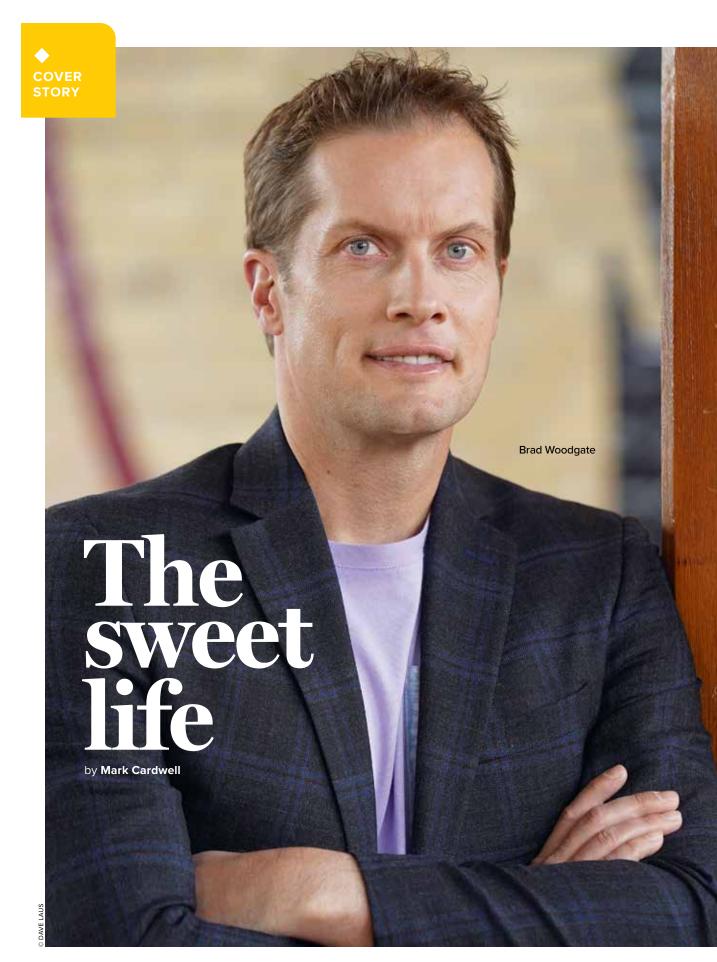
How Brad Woodgate's No Sugar Company is disrupting the snacking industry 26



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rad Woodgate is a man on a mission. After hitting it big in the health and wellness industry right out of university 20 years ago, the Toronto-based entrepreneur now has his sights set on helping people lead better lives with No Sugar Company, a fast-growing snack food business he founded in 2018.

Three years later, the company is generating annual revenue of nearly \$200 million from sales of 30-plus products in 70 countries.

"Our numbers are truly mind-boggling," says Woodgate, a former student athlete and fitness model who recently published a self-help book, *No Sugar in Me* (No Sugar Company Inc., 2021; not available at Costco). "Retailers have our products in their keto, weight loss, diabetic and snack food sections—and we belong in all of them."

Sugar-free

Born from Woodgate's belief in the benefits of a ketogenic (or keto) diet and conviction that processed sugar is as bad for human health as smoking, No Sugar Company's lineup of products—from snack bars, brownies and gummies to bread, ice cream and cereal—are made using quality low-carb, high-fat ingredients and natural sweeteners like erythritol in place of refined sugar.

"Our core principle is to never use added sugars to make our products taste good," says Woodgate, founder, president and CEO. "The bitter truth about sugar is that it increases the risk of heart disease, diabetes and weight gain and even affects brain health."

A health home run

Woodgate launched the company's first product—No Sugar Keto Bars—in 2018 on The Shopping Channel (now TSC), which reaches more than 6 million households across Canada.

"We sold out quickly," says Woodgate, 43. "That gave us a real boost and a lot of free advertising from word of mouth."

In 2019, the bars and a second product, No Sugar Keto Cups, were launched on HSN, which reaches 100 million homes in the United States.

By the end of 2020, when No Sugar products launched in Costco and other major food retailers across Canada and the U.S., the company had sold more than 100 million bars and 400 million cups to more than 1 million people, making it one of the top-selling keto brands in North America.

Those numbers continued to climb in 2021 with the addition of a dozen new products—including nut bars, bread, energy drinks and ice cream—and a worldwide expansion.

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─ BRAD WOODGATE ◆



This year the company will launch a dozen more items, including Browniez, Gemz, Barz and Cookiez, and embark on a multimillion-dollar advertising campaign that includes celebrity endorsements from actors like Kate Hudson and fitness and keto influencers.

"We're going to continue to be a massive industry disruptor by developing and delivering tasty, healthy foods that are free of sugar," says Woodgate.

Judging by Woodgate's track record in life and business, that could spell trouble for would-be competitors and good news for consumers in search of healthy food and beverage options.

Set up for success

Born and raised in Toronto's Brampton neighbourhood in a tightly knit family that excelled in both competitive sports and business, Woodgate grew up with a passion for basketball and dreams of playing in the NBA.

"We lived in the driveway," says his brother, Derek, who is three years older and went on to play basketball for McMaster University in Hamilton. "We were out there before and after school and on weekends. It was great for me because Brad was always ready to play and he worked hard to improve."

Woodgate bought jump shoes as a teen and got up to train at 6 a.m. every second morning for two years until he was able to dunk a basketball. "I've always been a very tenacious person," says Woodgate. "I think I have a persistency gene."

At Western University in London, Ontario, Woodgate eventually set aside basketball and decided instead to focus on a new business venture with Derek, who was then earning a Ph.D. and working for a nutrition supplement company.

Business smarts

The brothers' new company, Wellnx Life Sciences, marketed diet pills and health care supplements that Derek made and Brad sold from the trunk of his car, initially to fellow students.

"Brad has a magnetic personality and a gift to communicate and engage with people," Derek tells the Connection. "And he applies himself to business with the same fierce energy and competitive spirit he did with basketball in our driveway."

For the first three years, the brothers struggled to make ends meet. "It was a lonely, painful experience," recalls Woodgate. "We couldn't support ourselves and almost went bankrupt. I had a \$20-amonth budget and couldn't go to bars with an entrance fee."

Their luck turned at the Canadian National Exhibition in Toronto in 2003, when the brothers and their mom, Margie, staffed a sales booth in the same building as pain relief entrepreneur and TV personality Dr. Michael Ho.

'The first few days—crickets," says Woodgate. "But then we moved to an empty booth next to Dr. Ho and our fortunes changed immediately. We sold out of product [and] had to give IOUs for orders. It was nuts."

After landing national accounts with major retailers in Canada and the U.S., Wellnx became the No. 1 brand in the supplements category in the U.S. in 2006. Over the next decade, the company made more than \$1 billion in sales.

"Yes, we were successful—but we paid a price," says Woodgate. "We worked all the time. We didn't take a vacation for 10 years. I slept four hours a night. It was brutal."

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COMPANY INFO

Company

The No Sugar Company

Year established 2018

Founder(s)

Brad Woodgate, Joe Botticelli

Employees 19

Headquarters

Mississauga, Ontario

Website

thenosugarcompany.ca

Items carried at Costco

No Sugar Keto Bars, No Sugar Keto Bombs and a variety of regional items. Various item numbers. Warehouses/Costco.ca.

Quote about Costco

"Costco buyers know their categories inside and out and do a great job bringing value to their members.'

-Brad Woodgate founder, No Sugar Company





Be yourself

No Sugar Company is committed to battling bullying. The company donates 1% of sales of its new 11-bar Kids Snack Trax to two anti-bullying charities: Bullying Canada (bullyingcanada.ca) and Kind Campaign (finding kind.indieflix.com).

The boxes also contain bracelets with the inscription "Be Brave. Be Yourself."

"My wife was a victim of bullying at school, and [bullying is] a problem that continues," says Woodgate. "As a family, we want to do our part to try and help."-MC

Pursuing his passion

In 2009, Woodgate and his wife, Melanie, moved to Los Angeles. For the next six years, he tried to sell a TV reality show called The Entrepreneur in Me.

"It was a lifelong dream," says Woodgate, who helped celebrities like Carmen Electra, Holly Madison and Tami Roman with their workout routines, meal plans and supplement schedules while living in L.A. "But it didn't come true."

Back in Toronto, Woodgate bought his brother's shares of Wellnx after Derek founded a socially minded venture with his wife and their children.

As a new father working from home alone at the head of Wellnx, which was facing stiff competition and slower sales in a fast-changing retail environment, Woodgate began to suffer from a variety of health issues, including sleeplessness, lethargy and skin irritations.

"I started tinkering with my diet," he says. "I eliminated coffee and tried to take out sugar, but it was hard to do because it's everywhere. I learned that marketers use 72 terms for sugar to deceive consumers."

Convinced that keto was going to be a major consumer trend, Woodgate had an epiphany when he realized the name No Sugar had never been registered.

"Right away I bought the domain name worldwide," he says. "It was game on!"

Energized by the effects of his own keto diet and a new corporate challenge, Woodgate assembled a team of food and packaged-goods experts to develop snack products that used natural sweeteners instead of refined sugar.

"We hire the best scientists in the world for each food category and give them a sandbox to play in," he says. "We have our own R & D team, but they quarterback the outside scientists and the development process, which can involve hundreds of iterations to allow feedback at all levels."

No Sugar Company uses 22 different manufacturers in Canada and the U.S. to make its products as private-label brands. "The benefit to not having our own facilities is that we avoid all the fixed overhead costs," says Woodgate. "The downside is we don't control production schedules."

Amazingly, the company has only 19 employees. "I've already experienced the kind of expansion we're having, and I've leaned on team members who know and understand the scale and growth that's required in terms of operations, marketing and finances," says Woodgate. "We're a young and dynamic team that is living a crazy Canadian success story."

Mark Cardwell is a freelance writer and snack monster in the Quebec City region.