CCC INVESTMENT BANKING

The Craft Brewing Industry:

Strong Growth Within a Declining Category

Contents:

Chris Wallace
Managing Director
(604) 282-4691
cwallace@cccinvestmentbanking.com

Hugh Notman
Managing Director
(604) 689-2495
hnotman@cccinvestmentbanking.com

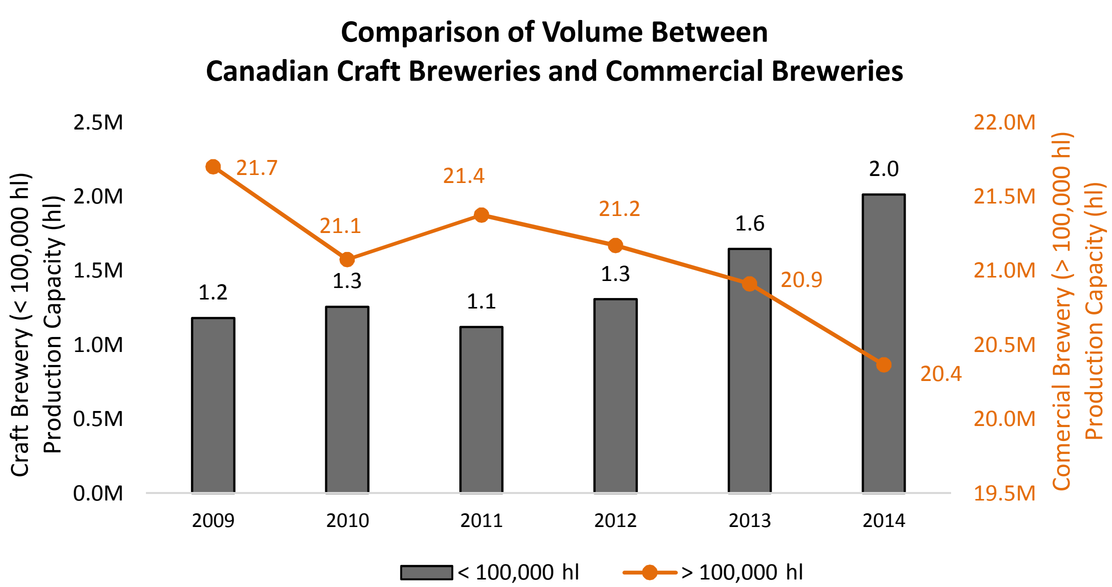
Cameron McKendrick
Analyst
(604) 689-0679
cmckendrick@cccinvestmentbanking.com

Jul/18

Industry Overview

While annual consumption of beer has declined year over year as a category, the sub-category of Craft Beer has been making impressive gains. This trend has picked up considerable steam in the last five years. This is not only having an impact on consumers and their preferences, it is just now beginning to have a financial impact as sales of craft breweries are being consummated with strategic buyers (other breweries) and with financial buyers (private equity funds). Investment in and divestiture of craft breweries is likely to be an increasingly common trend in the coming years. This report will help readers to identify the trends within the industry to best position themselves as buyers and/or sellers.

“Craft Beer” as a term is one that most people would tell you they understand but would then have a hard time defining. There is no bright line test that distinguishes a craft brewery from any other type of brewery. For our purposes we view craft breweries as being artisanal as opposed to commercial. The term originates, no doubt, from the concept of being “hand crafted” implying smaller batch runs as opposed to large process runs. While not every small brewery is a craft brewery, size certainly does matter, and is a main defining point for the industry. 15,000 hectolitres (hl) of annual production is a useful benchmark in Canada as statisticians tend to use this number as a category marker. Under 15,000 hl per year of production defines the majority of craft brewing participants and they can be thought of as the small craft breweries. There are several genuine craft breweries producing artisanal, high quality beer at levels well above that metric (Howe Sound, Phillips to name just two), however we observe that most of the craft breweries in Canada produce less than 15,000 hl on an annual basis. To draw a line in the sand, for definitional purposes we will categorize regional breweries as those whose annual production is between 15,000 hl and 350,000 hl. Breweries producing greater than 350,000 hl per year have outgrown the craft brewery category and will be referred to as commercial breweries.

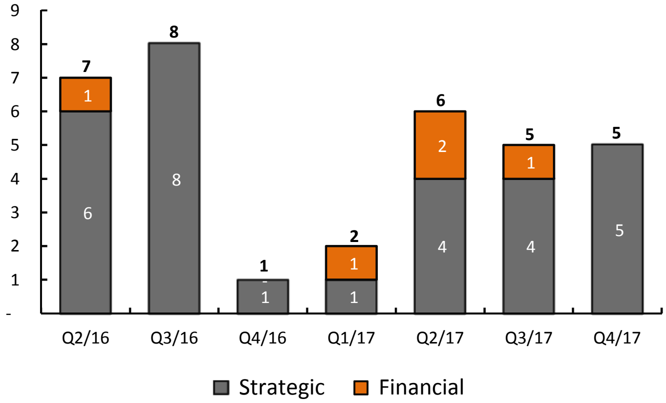


Sources: Brewers Association, Beer Canada

North American M&A and Private Equity Trends

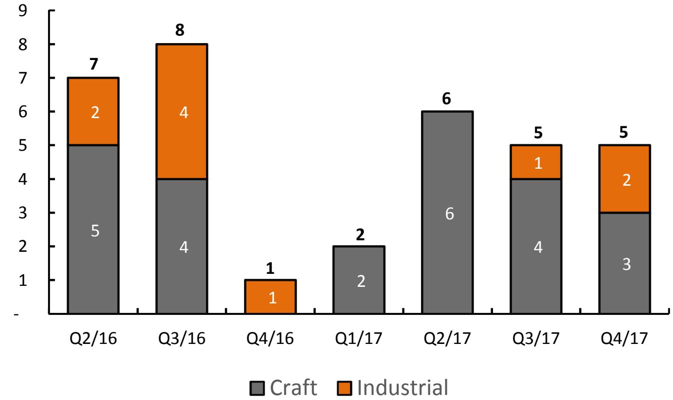
North American Brewery Announced Transaction Volume by Type[1]

(Majority stake transactions only)



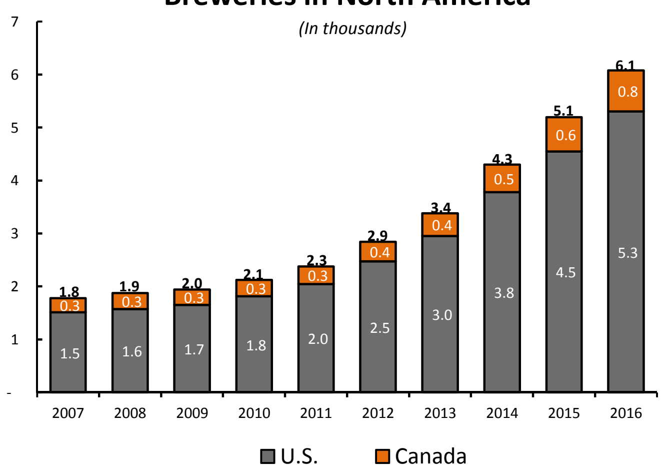
North American Brewery Announced Transaction Volume by Capacity[1]

(Majority stake transactions only)



Total Number of Breweries in North America[1]

(In thousands)



North American Brewery Announced Transaction Volume by Country[1]

(Majority stake transactions only)

Country	Q2/16	Q3/16	Q4/16	Q1/17	Q2/17	Q3/17	Q4/17
	1	0	0	2	0	1	1
	6	8	1	0	6	4	4
Total	**7**	**8**	**1**	**2**	**6**	**5**	**5**

Private Equity Transactions

- During 2017, in North America 18 breweries were sold. 14 breweries were sold to strategic buyers (other brewers or beverage companies) and four were sold to financial buyers (private equity funds).
- Three of the four financial acquisitions were executed by groups with pre-existing portfolio companies in the beverage space
- Total number of majority deals for 2017 (announced or completed) decreased by 10.5% to 17 deals compared to 19 in 2016, and 20 in 2015
- Considering the high proportion of off-market transactions in the brewery space relative to other industries, one cannot consider any brewery transaction data set to be exhaustive (see: Appendix A)

[1]*Excludes Mexico*

Sources: Thomson Reuters, Brewers Association, Beer Canada, various press releases

High Growth in a Declining Category

The Canadian beer industry is characterized by a few facts that are impactful:

- The overall industry is in decline
- The industry is dominated by two major conglomerates who together have 58.5% of the market
- The craft segment is bucking the volume decline trend and is showing significant growth

Beer production in Canada declined from 22.88 million hl (550 million 12 bottle cases) in 2009 to 22.39 million hl in 2014. Within that category, the craft brewing industry (breweries whose annual production is less than 100,000 hl) almost doubled in size from 1.18 million hl to 2.01 million hl.

During this time frame Canada's population has grown and this means that per capita beer consumption has been in a more pronounced decline, and this decline has been accelerating over the past five years. Declines in per capita consumption can be attributed to shifts in consumer preferences towards less alcohol consumption generally coupled with a shift away from beer toward more consumption of wine.

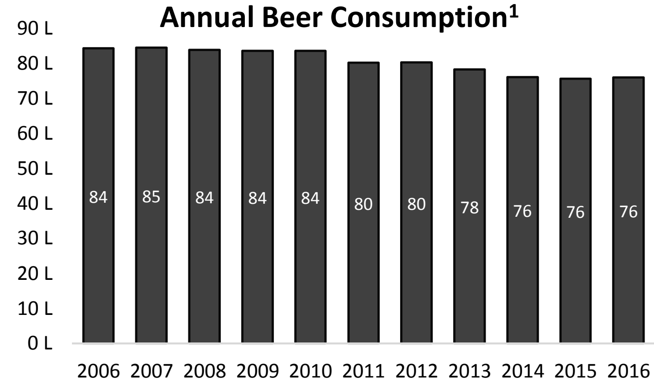
The two big conglomerates in the Canadian market are AB InBev and Molson Coors. AB InBev has a 31.7% market share and owns brands such as Budweiser, Labatt's, Kokanee, Becks, Lakeport and others. Molson Coors has a 26.8% market share and owns brands such as Molson's, Coors, Rickard's, and Carling, among others.

Standing in stark contrast to this overall volume decline is the robust growth in the craft brewery industry. These artisans have taken significant market share by:

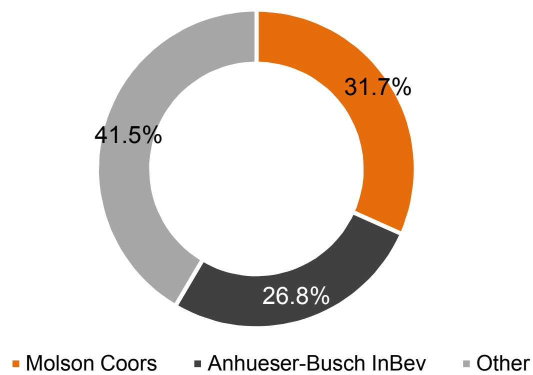
- Focusing on producing a quality product
- Using best available ingredients
- Making a large number of different styles of beer
- Innovative packaging
- On-site tasting rooms

The rise of craft brewing in the US started roughly a decade before it did in Canada. U.S. craft brewery production grew 13.22%[2] per year between 2006-2016 with gains across all segments excluding co-packaged production. Collectively, U.S. craft brewers produced 288 million hectolitres of beer in 2016, dwarfing the Canadian market.

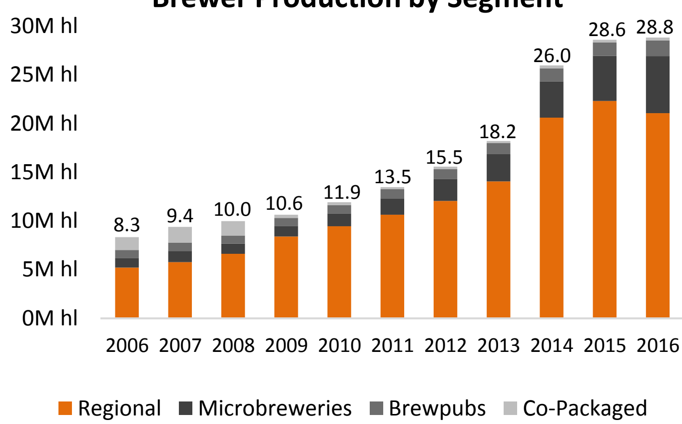
Canadian Per Capita Annual Beer Consumption[1]



2015 Canadian Market Share



Historical U.S. Craft Brewer Production by Segment



Sources: Statistics Canada, IBIS World, Brewers Association, Beer Canada
[1]Per capita sales by volume are based on the population of inhabitants of 15 years of age and over
[2]Compound Annual Growth Rate

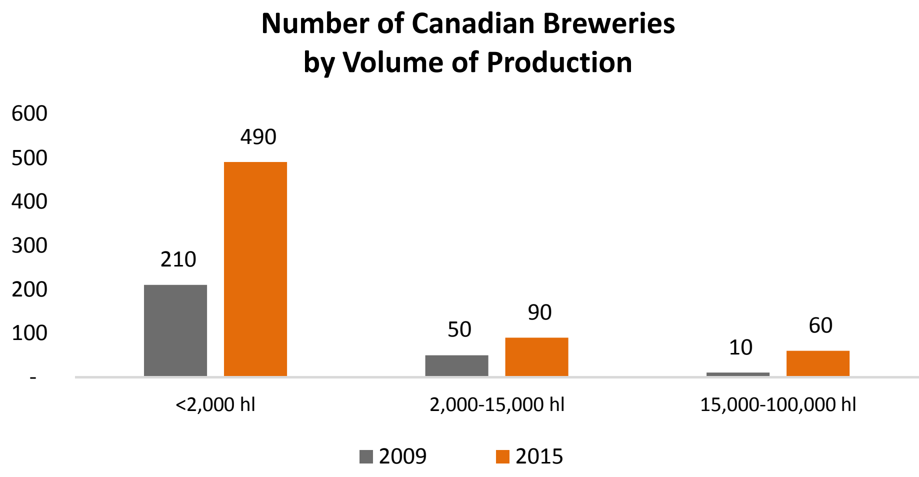
The Craft Brewing Difference

Artisanal offerings have developed a consumer that has become the beer-drinking equivalent of the "foodie". The more successful craft brewers are building their brand around catering to a more discerning consumer; one to whom quality of ingredients and flavour matters most. This contrasts with the commercial brewers who have traditionally marketed a lifestyle (youth, sports, beauty and party atmosphere). The commercial brewers marketing message has been "drink our beer and you will have a good time"; the craft breweries are saying "drink our beer; it tastes better because it is made better".

While the commercial breweries are producing for the masses, the craft breweries are brewing for individual tastes. The commercial breweries have concentrated offerings, just a few different brews per brand, often just ale, lager or light. The craft breweries will frequently offer over a dozen different styles of beer: lagers that run the colour spectrum from light to dark, domestic or Pilsner. Ales, the current trending category, can run from light to amber to dark. The consumers new found love of hops (the various types of flowers used in beer to stabilize it and impart a floral aroma and a distinctive earthy bitterness) has propelled India Pale Ales and other more "hoppy" styles up the sales charts. Dark beer styles, such as Porter and Stout are rising stars, especially in winter months. Craft beer is not just for quenching a thirst on a hot summers day. Big flavoured, full bodied, rich, malty, dark brews are keeping consumers interested in beer outside of what used to be viewed as the traditional beer season. Brewers are now experimenting with adding flavours to beer. This is not entirely new as Shandy (a mixture of beer and ginger beer, usually around 50/50) has been around for decades. Currently trending is sour beer, which utilizes a wild yeast in the fermentation to create a higher acid flavour profile, made popular by the Belgian Lambic beer. Also trending is a revival of the old German tradition of making a "Radler", beer with sparkling lemonade (also called Panache in French speaking countries). The currently popular variant in Canada is to make the Radler with grapefruit juice added. Other fruit flavours are being added, from blueberry and strawberry and everything in-between. Easy to do, and easy to do in bulk, the commercial breweries are experimenting in this direction in a paradox of the old established brand trying to emulate the new upstart.

Bud Light has had a great success implementing a similar strategy. Introduced in 2012, Bud Light's Lime-A-Rita has been a smashing success since its launch. After it is brewed, the beer is then blended with Bud Light Lime and other ingredients to achieve a taste similar to that of a margarita. Following the strong feedback from the consumer, AB InBev capitalized on the opportunity to extend the product line to include multiple flavours. It spawned such flavor extensions as Straw-Ber-Rita, Mang-O-Rita, and Raz-Ber-Rita and turned into one of the biggest success stories in recent beer history. Sales of Bud Light's 'Ritas' hit US$462 million in 2013, up US$150 million from the year before.

The craft strategy seems to be working as evidenced by growth in the craft segment relative to a general decline in the commercial segment. The biggest area of growth for the craft segment is in the new entrants. Of the 640 licensed breweries in Canada, over 76% produced less than 2,000 hl annually during 2015.



Sources: Statista

Key External Drivers Affecting Craft Brewers

Per Capita Disposable Income Level
Craft beers are generally more expensive than beers produced by commercial brewers, so the level of disposable income is likely to affect its sales. People are more inclined to purchase the more expensive category when their disposable income is higher. Thus, craft brewers are likely to benefit as per capita disposable income in Canada is likely to increase slowly.

Per Capita Expenditure on Beer
While alcohol consumption has been steady over the years, per capita consumption on beer has been on the decline. Consumer's taste and preferences toward different kinds of alcohol can influence sales in the beer market. This poses challenges for brewers in the upcoming years. However, as our statistics have shown, the sales of craft beer have been on the rise and this momentum may continue well into the future.

Price of Grains
As the primary input of beer production, the price of barley has a direct impact on the gross margin of brewery operations. Unless wholesale contract pricing varies with input prices, craft and commercial breweries have significant exposure to the price of barley. Craft beer requires much more grain than typical commercial lagers.

Excise Tax on Beer
Both federal and provincial bodies impose an excise tax on beer sales, borne by the producer and the consumer through elevated prices at the till. The 2017 Canadian federal budget proposed by Finance Minister Bill Morneau includes an escalation tax that perpetually hikes the prices of beer, wine and spirits every year at the rate of inflation. Provincial tax regimes vary by jurisdiction, but the newly reduced B.C. Liquor Distribution Board rates are included below.

British Columbia Liquor Distribution Branch – Wholesale Pricing Model[1]

Rate per hectolitre

Small Brewers (≤15,000 hl)	Medium Brewers (>15,001 ≤350,000 hl)	Large Brewers (>350,000 hl)
$40.00	$41.00 to $99.00	$108.00

Federal excise duty applied under subsection 170(1) [2]

Beer or malt liquor containing	Rate per hectolitre
>2.5% of absolute ethyl alcohol by volume	$31.84
>1.2%, <2.5% of absolute ethyl alcohol by volume	$15.92
≤1.2% of absolute ethyl alcohol by volume	$2.643

Federal excise duty applied to domestic brewers under subsection 170.1(1)[2]

	Rate per hectolitre		
Annual production volume increments	>2.5% of ethyl alcohol by volume	>1.2%, <2.5% of ethyl alcohol by volume	>0.5%, <1.2% of ethyl alcohol by volume
From 0 to 2,000 hectolitres	$3.184	$1.592	$0.2643
From 2,001 to 5,000 hectolitres	$6.368	$3.184	$0.5286
From 5,001 to 15,000 hectolitres	$12.736	$6.368	$1.0572
From 15,001 to 50,000 hectolitres	$22.288	$11.144	$1.8501
From 50,001 to 75,000 hectolitres	$27.064	$13.532	$2.2466
Greater than 75,000 hectolitres	$31.84	$15.92	$2.643

Sources: Government of Canada - EDBN22 Changes to Excise Duty Rates on Beer, British Columbia Liquor Distribution Board
[1]Effective July 3rd, 2016
[2]Effective March 23rd, 2017

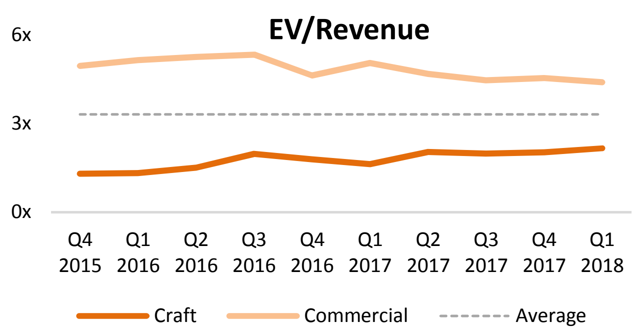
2017 Valuation and Operating Metric Trends

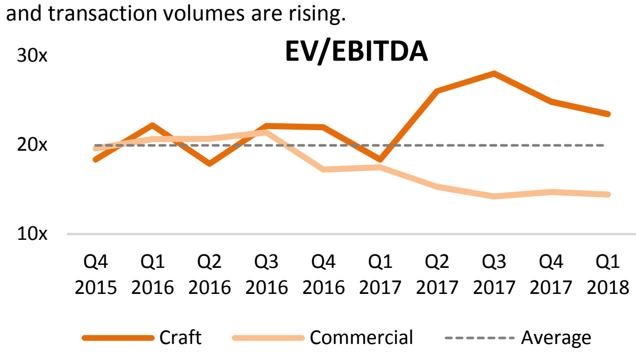
The table below compares public valuations for three large breweries versus three small breweries. Figures are in thousands, denoted in the default exchange currency, except for per share and multiple data.

Ticker	Company	Stock Price 15-Jun-18	52 Week High	52 Week Low	TEV	Market Cap.	LTM Revenue	LTM EBITDA	TEV / Revenue	TEV / EBITDA	P/E	EBITDA Margin	Net Debt Revenue
Large Capitalization													
EBR:API	Anheuser-Busch InBev SA/NV	98.31	124.83	91.36	297,068	190,111	56,595	21,812	5.2x	13.6x	25.0x	38.5%	4.8x
NYSE:TAP	Molson Coors Brewing Company	67.89	94.02	58.75	25,788	14,650	10,886	2,376	2.4x	10.9x	NM	21.8%	NM
NYSE:SAM	The Boston Beer Company, Inc.	291.05	291.85	128.7	3,343	3,390	892	175	3.7x	19.1x	33.0x	19.6%	NM
Mean									4.6x	15.8x	25.7x	29.1%	2.8x
Median									4.5x	16.4x	25.0x	29.2%	3.6x
Small Capitalization													
NASDAQ:BREW	Craft Brew Alliance Inc.	20.75	20.9	16.5	409	401	211	19	1.9x	21.3x	34.8x	9.1%	0.5x
TSX:BRB	Brick Brewing Co. Ltd.	3.0	3.6	2.27	116	106	34	4	3.4x	27.5x	NM	12.2%	2.3x
TSX:BR	Big Rock Brewery Inc.	4.18	6.21	3.54	35	29	35	2	1.0x	18.3x	NM	5.4%	2.9x
Mean									2.2x	22.9x	NM	0.1x	2.6x
Median									21.3x	34.8x	0.1x	2.3x	21.3x
Brewery Mean									3.6x	18.6x	28.0x	0.2x	2.4x
Brewery Median									3.4x	19.1x	29.0x	0.2x	2.6x
Category Averages													
Commercial Beer									4.6x	15.8x	25.7x	29.1%	2.8x
Craft Beer									2.2x	22.9x	NM	0.1x	2.6x
Spirts									4.6x	23.7x	19.3x	21.8%	3.2x
Wine									2.2x	14.3x	29.0x	19.0%	2.7x
General Beverage									3.6x	21.1x	25.8x	18.1%	3.2x
Total Mean									3.4x	19.4x	25.9x	0.2x	2.8x
Total Median									2.7x	18.7x	22.6x	0.2x	2.4x

North American Brewery Valuations Trends[1]

The trends are favourable for owners of craft breweries. Valuations and transaction volumes are rising.





Conclusion

The craft beer segment is bucking the trend of overall declining sales of beer generally. Craft breweries are challenging the traditional beer marketing paradigm and are emphasizing quality ingredients, individualized tastes and variety as opposed to the good times party that has been the norm. New entrants are the strongest area of growth and many of the more established craft breweries are now seeing their own growth curves flattening. It is likely now that the competitive landscape for the craft breweries is changing: taking share from the big commercial breweries is now becoming not losing share to the upstarts.

Merger and acquisition activity in the space is growing and is likely to be an enduring trend. Buyers are not just other breweries; private equity has joined the buyer group as well as private equity combined with other brewers. EBITDA multiples are healthy and sellers are able to monetize their years of hard work.

Sources: Capital IQ
[1]Averages of publicly traded beverage companies

Appendix A: Announced North American Brewery Transactions

Quarter	Announced	Status	Buyer	Target	Type	Target Country	% Acquired	EV Multiple xRevenue	EV Multiple xEBITDA
Published Transactions									
Q2/18	May 2018	Closed	Old Tomorrow Ltd.	Double Trouble Brewing Inc.	Strategic	Canada	-	-	-
Q2/18	Apr 2018	Closed	WC IPA LLC	Green Flash Brewing Company	Strategic	U.S.	-	-	-
Q1/18	Feb 2018	Announced	Uncle Billy's Brewery & Smokehouse	Pedernales Brewing Company	Strategic	U.S.	-	-	-
Q4/17	Dec 2017	Announced	The Maine Brew Bus, LLC	The Rhode Island Brew Bus, LLC	Strategic	U.S.	-	-	-
Q4/17	Dec 2017	Announced	Epic Brewing Company	Telegraph Brewing Co.	Strategic	U.S.	-	-	-
Q4/17	Nov 2017	Announced	Mahou-San Miguel Group	Avery Brewing Co.	Strategic	U.S.	30.0%	-	-
Q4/17	Nov 2017	Closed	Catawba Brewing Co.	Palmetto Brewing Co.	Strategic	U.S.	100.0%	-	-
Q4/17	Nov 2017	Announced	Molson Coors Brewing Company	Trou du diable	Strategic	Canada	-	-	-
Q4/17	Oct 2017	Announced	Mass Brewing Company	Clown Shoes Brewing	Strategic	U.S.	-	-	-
Q3/17	Aug 2017	Announced	Constellation Brands Inc.	Funky Buddha Brewery	Strategic	U.S.	-	-	-
Q3/17	Aug 2017	Closed	Brynwood Partners VII LP	Cold Spring Brewing Co	Financial	U.S.	-	-	-
Q3/17	Aug 2017	Announced	Sapporo Holdings Ltd	Anchor Brewing Company	Strategic	U.S.	-	-	-
Q3/17	Jul 2017	Closed	Lagunitas U.S. Holdings	Short's Brewing Co	Strategic	U.S.	-	-	-
Q3/17	Jul 2017	Announced	Coronado Brewing Company, Inc.	Monkey Paw Brewing Company	Strategic	U.S.	-	-	-
Q2/17	Jul 2017	Announced	Neace Ventures, LLC	Tin Man Brewing Co	Financial	U.S.	-	-	-
Q2/17	Jun 2017	Closed	Private Buyer: Paul and Sarah Casey	French Broad Brewing Co	Strategic	U.S.	-	-	-
Q2/17	Jun 2017	Closed	Hunters Point Brewery LLC	Speakeasy Ales and Lagers	Strategic	U.S.	-	-	-
Q2/17	May 2017	Closed	Castanea Partners	The Bruery	Financial	U.S.	-	-	-
Q2/17	May 2017	Closed	Ferment + Farm	Arbour Brewing Company	Strategic	U.S.	100%	-	-
Q2/17	Apr 2017	Closed	Seaboard Craft Beer Holdings	Fat Point Brewing	Strategic	U.S.	-	-	-
Q1/17	Feb 2017	Announced	Lost Craft Inc.	Sextant Craft Brewing	Strategic	Canada	-	-	-
Q1/17	Jan 2017	Closed	Golden Opportunities Fund Inc.	Fort Garry Brewing Division of Russell Breweries Inc.	Financial	Canada	-	-	-
Q4/16	Dec 2016	Announced	Craft Brew Alliance, Inc.	Wynwood Brewing Company LLC	Strategic	U.S.	24.5%	-	-
Q4/16	Nov 2016	Closed	Anhueser-Busch InBev SA/NV	Karbach Brewing Company	Strategic	U.S.	-	-	-
Q4/16	Oct 2016	Closed	Kirin Brewery Company, Limited	The Brooklyn Brewing Company	Strategic	U.S.	24.5%	-	-
Q3/16	Sept 2016	Closed	Agrial SA	Seattle Cider Company and Two Beers Brewing Co, LLC	Strategic	U.S.	-	-	-
Q3/16	Sept 2016	Closed	Huss Brewing Co	Papago Brewing Company	Strategic	U.S.	-	-	-
Q3/16	Sept 2016	Closed	John Cochran (former owner of Terrapin Beer Company, LLC)	Assets of Altamont Brewing	Strategic	U.S.	-	-	-
Q3/16	Sept 2016	Closed	Tenth and Blake Beer Company (Miller Coors)	Revolver Brewing, LLC	Strategic	U.S.	-	-	-
Q3/16	Aug 2016	Closed	Tenth and Blake Beer Company (Miller Coors)	Hop Valley Brewing Co	Strategic	U.S.	-	-	-
Q3/16	Jul 2016	Closed	ANSA McAL U.S., Inc.	Indian River Beverage Corporation	Strategic	U.S.	-	-	-
Q3/16	Jul 2016	Closed	Northern Eagle Beverages, Inc.	Glens Falls Brewing LLC	Strategic	U.S.	-	-	-
Q3/16	Jul 2016	Closed	Tenth and Blake Beer Company (Miller Coors)	Terrapin Beer Company, LLC	Strategic	U.S.	Majority	-	-
Q2/16	Jun 2016	Closed	Krebs Brewing Co	Prairie Artisan Ales	Strategic	U.S.	-	-	-
Q2/16	Jun 2016	Announced	Odin Brewing Company	Hilliard's Beer LLC	Strategic	U.S.	-	-	-
Q2/16	Jun 2016	Closed	Bob Macdonald of Muskoka Brewery	Vancouver Island Brewery	Strategic	Canada	-	-	-
Q2/16	May 2016	Closed	FInc.h's Beer Company, LLC	Hopothesis Beer Company LLC	Strategic	U.S.	-	-	-
Q2/16	May 2016	Closed	Fireman Capital Partners	Cigar City Brewing	Financial	U.S.	-	-	-
Q2/16	Apr 2016	Closed	Anhueser-Busch InBev SA/NV	Devil's Backbone Brewing Company LLC	Strategic	U.S.	-	-	-
Q2/16	Apr 2016	Annnounced	L&H Brewing Partners, LP	Flyfish Brewing Company, LLC	Strategic	U.S.	-	-	-
Q1/16	Feb 2016	Closed	Ulysses Management LLC; Artisnal Brewing Ventures	Victory Brewing Company	Financial	U.S.	-	-	-
Q1/16	Jan 2016	Closed	Adventure Brewing Co	Blue & Gray Brewing Company	Strategic	U.S.	-	-	-
Q1/16	Jan 2016	Closed	Evens Brewery Company	Bayhawk Ales Acquisiton	Strategic	U.S.	-	-	-
Q4/15	Dec 2015	Closed	Anhueser-Busch InBev SA/NV	Breckenridge Holding Company	Strategic	U.S.	-	-	-
Q4/15	Dec 2015	Closed	Anhueser-Busch InBev SA/NV	Four Peaks Brewing Company, Inc.	Strategic	U.S.	-	-	-
Q4/15	Nov 2015	Closed	Constellation Brands Inc.	Home Brew Mart, Inc.	Strategic	U.S.	-	10.0x	32.1x
Q4/15	Nov 2015	Announced	Private Buyer: Packy and Leslie Dennihan	Bend Brewing Company	Strategic	U.S.	-	-	-
Q4/15	Nov 2015	Closed	Molson Coors Brewing Company	MillerCoors LLC	Strategic	U.S.	58.0%	2.7x	12.5x
Q4/15	Nov 2015	Announced	Anhueser-Busch InBev SA/NV & Undisclosed buyer	Mark Anthony Group's Ready-to-Drink, Cider & Craft Beer brands in CA	Strategic	Canada	-	-	-
Q4/15	Oct 2015	Closed	Labatt Brewing Company Limited	Mill Street Brewery	Strategic	Canada	-	-	-
Q4/15	Oct 2015	Announced	Pacific Brewing and Malting Co	American Brewing Company	Strategic	U.S.	-	-	-
Q3/15	Sept 2015	Closed	LNK Partners	Dogfish Head Craft Brewery, Inc.	Financial	U.S.	15.0%	-	-
Q3/15	Sept 2015	Closed	Anhueser-Busch InBev SA/NV	Golden Road Brewing	Strategic	U.S.	-	-	-
Q3/15	Sept 2015	Announced	Tenth and Blake Beer Company (Miller Coors)	Saint Archer Brewing Company	Strategic	U.S.	Majority	-	-

Sources: Capital IQ – Public Transcripts, PR Newswire, Company Press Releases

Appendix A: Announced North American Brewery Transactions

Quarter	Announced	Status	Buyer	Target	Type	Target Country	% Acquired	EV Multiple xRevenue	EV Multiple xEBITDA
Published Transactions									
Q3/15	Sept 2015	Closed	Heineken NV	Lagunitas Brewing Company	Strategic	U.S.	50.0%	-	-
Q3/15	Aug 2015	Closed	Private Buyer	Just Take Action, Inc.	Strategic	U.S.	-	-	-
Q3/15	Aug 2015	Closed	CDC Oregon Co	Mesa Beverage Co	Strategic	U.S.	-	-	-
Q3/15	Jul 2015	Announced	Duvel Moortgat NV	Firestone Walker Brewing Co	Strategic	U.S.	-	-	-
Q2/15	Jun 2015	Closed	Premier Diversified Holdings Inc.	Russell Breweries Inc.	Financial	Canada	17.0%	0.9x	7.6x
Q2/15	Jun 2015	Closed	Lucid Brewing, LLC	American Sky Brewing Co	Strategic	U.S.	-	-	-
Q2/15	Apr 2015	Closed	Howe Sound Brewing	R&B Brewing	Strategic	Canada	-	-	-
Q1/15	Mar 2015	Announced	Fireman Capital Partners	Perrin Brewing Company, LLC	Financial	U.S.	-	-	-
Q1/15	Feb 2015	Closed	Encore Consumer Capital	Full Sail Brewing, Inc.	Financial	U.S.	-	-	-
Q1/15	Jan 2015	Closed	Anhueser-Busch InBev SA/NV	Elysian Brewing Company, Inc.	Strategic	U.S.	-	-	-
Q4/14	Dec 2014	Closed	Mahou, SA	Canal Street Brewing Co, LLC	Strategic	U.S.	30%	-	-
Q4/14	Nov 2014	Closed	Green Flash Brewing Co	The Alpine Beer Company	Strategic	U.S.	-	-	-
Q4/14	Nov 2014	Closed	Anhueser-Busch InBev SA/NV	10 Barrel Brewing Company	Strategic	U.S.	-	-	-
Q4/14	Oct 2014	Closed	Rahr Corporation	Gilbertson & Page (Canada) Inc.	Strategic	Canada	-	-	-
Q3/14	Sept 2014	Closed	TSG Consumer Partners	SweetWater Brewing Company, LLC	Strategic	U.S.	Minority	-	-
Q3/14	Sept 2014	Closed	Private Buyer: Jason Roeper	Rivertown Brewing Company, LLC	Strategic	U.S.	-	-	-
Q3/14	Sept 2014	Closed	TSG Consumer Partners; Oasis Beverages Cyprus, Limited	Pabst Brewing Company, LLC	Financial	U.S.	Minority	-	-
Q3/14	Sept 2014	Closed	Ulysses Management LLC; Artisnal Brewing Ventures	Southern Tier Brewing Company	Financial	U.S.	Majority	-	-
Q2/14	Apr 2014	Closed	Northern Eagle Beverages, Inc.	Cooperstown Brewing Company, LLC	Financial	U.S.	-	-	-
Q1/14	Mar 2014	Closed	Ten Ninety Brewing Co	Big Chicago Brewing Company, LLC	Financial	U.S.	-	-	-
Q1/14	Feb 2014	Closed	VinoCom LLC	Venberg & DeWulf	Financial	U.S.	-	-	-
Q1/14	Feb 2014	Closed	Anhueser-Busch InBev SA/NV	Blue Point Brewing Company, Inc.	Financial	U.S.	-	-	-
Q1/14	Jan 2014	Closed	Blume Brauhaus, LLC	Pour Decisions Brewing Company, LLC	Financial	U.S.	-	-	-
Q4/13	Dec 2013	Closed	VinoCom LLC	Craftbev International Amalgamated, Inc., Celis Beers	Financial	U.S.	-	-	-
Q4/13	Oct 2013	Closed	Duvel Moortgat USA Ltd	Boulevard Brewing Associates Limited Partnership	Financial	U.S.	Less than 25%	-	-
Q1/13	Sept 2013	Closed	Stormbreaker Brewing, LLC	Amnesia Brewing LLC, Location on Mississippi	Financial	U.S.	-	-	-
Q1/13	Aug 2013	Closed	A&S Brewing Collaborative, LLC	Shmaltz Brewing Company, LLC, Coney Island Brand	Financial	U.S.	100%	-	-
Q2/13	Jun 2013	Closed	Fonds de solidarité FTQ	Les Brasseurs du Nord Inc.	Financial	Canada	-	-	-
Q2/13	Jun 2013	Closed	Private Buyer: Paul DeMere	Hawaii Nui Brewing LLC	Strategic	U.S.	-	-	-
Q2/13	Apr 2013	Closed	Les Brasseurs RJ, Inc.	La Brasserie Mcauslan Brewing Inc.	Strategic	Canada	54%	-	-
Q1/13	Jan 2013	Closed	ESOP	New Belgium Brewing Company, Inc.	Strategic	U.S.	-	-	-
Q4/12	Nov 2012	Closed	Mustang Brewing Company, LLC	OKCity Brewing Co LLC	Strategic	U.S.	-	-	-
Q4/12	Oct 2012	Closed	Cerveceria Costa Rica SA	North American Breweries, Inc.	Strategic	U.S.	-	-	-
Q2/12	Jun 2012	Closed	Great Basin Brewing Co, Inc.	Buckbean Brewing Company, LLC	Strategic	U.S.	-	-	-
Q1/12	Jan 2012	Closed	A&S Brewing Collaborative LLC	Southern California Brewing Company, Inc.	Strategic	U.S.	100%	-	-
Q1/12	Jan 2012	Closed	Sage Capital, LLC	The Saint Louis Brewery, Inc.	Financial	U.S.	60%	-	-
Q4/11	Nov 2011	Closed	Front Row Property LLC	Springfield Brewing Company	Strategic	U.S.	-	-	-
Q4/11	Nov 2011	Closed	Holy Brew Brewing Company	Lost Rhino Brewing Company	Strategic	U.S.	Minority	-	-
Q4/11	Oct 2011	Closed	MillerCoors LLC	Terrapin Beer Company, LLC	Strategic	U.S.	Majority	-	-
Q3/11	Aug 2011	Closed	Hartman Distributing Co	Elder Distributing, Inc.	Strategic	U.S.	Majority	-	-
Q3/11	Aug 2011	Closed	Armada Data Corp	The Big & Easy Bottle Brewing Company Inc.	Strategic	Canada	90%	-	-
Q2/11	Apr 2011	Closed	SunTX Capital Partners	Carolina Beverage Group LLC	Financial	U.S.	-	-	-
Q2/11	Apr 2011	Closed	Uni-World Capital, LP	Iron City Brewing Co,	Financial	U.S.	100%	-	-
Q1/11	Mar 2011	Closed	Anhueser-Busch InBev SA/NV	Fulton Street Brewery, LLC	Strategic	U.S.	100%	-	-
Q1/11	Mar 2011	Closed	Anhueser-Busch InBev SA/NV	Goose Island Brewery	Strategic	U.S.	100%	-	-
Q1/11	Jan 2011	Closed	Foothills Brewing Company	Carolina Beer and Beverage Company, LLC, Beer Divison	Strategic	U.S.	Majority	-	-
Q1/11	Jan 2011	Closed	FBCMO, LLC	Fitz's Bottling Company, LLC	Strategic	U.S.	Majority	-	-
Q1/11	Jan 2011	Closed	Beer Barons Inc.	King Brewery Inc.	Strategic	Canada	Majority	-	-

Sources: Capital IQ – Public Transcripts, PR Newswire, Company Press Releases

About CCC Investment Banking

Established in 1975, CCC is Canada's leading independent middle market investment bank. CCC has a specialization in the North American food and beverage industry. CCC provides advisory services in:

◆ Mergers & Acquisitions ◆ Management Buy-outs ◆ Divestitures ◆ Financing Strategy and Placement
◆ Restructurings ◆ Strategic Reviews ◆ Valuations and Fairness Opinions

CFI Network

- CCC is the exclusive Canadian member of Corporate Finance International ("CFI"), a global network of leading independent middle-market investment banking firms with members or partners in North America, Western & Eastern Europe, Asia and South America
- CCC leads CFI's working group specializing in cross-border transactions with a focus on the food and beverage sector

Corporate Finance International

Contact Us

- To find out how CCC can add value to your business, please contact one of our food and beverage specialists:

Chris Wallace, Managing Director
• 604-282-4691
• cwallace@cccinvestmentbanking.com

Hugh Notman, Managing Director
• 604-689-2495
• hnotman@cccinvestmentbanking.com

Cameron McKendrick, Analyst
• 604-689-0679
• cmckendrick@cccinvestmentbanking.com

We welcome your feedback. Let us know what you'd like to see in our next report.
For more information on CCC, please visit: www.cccinvestmentbanking.com

Toronto Office
155 Wellington Street West, Suite 3720
Toronto, Ontario M5V 3H1
T: 416 599 4206   F: 416 599 9250

Vancouver Office
450 – 400 Burrard Street
Vancouver, BC V6C 3A6
T: 604 689 2495

www.cccinvestmentbanking.com

Corporate Finance International