



CCC
INVESTMENT
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Food & Beverage Industry

Q4/2018 Review

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Valuation & Operating Metrics

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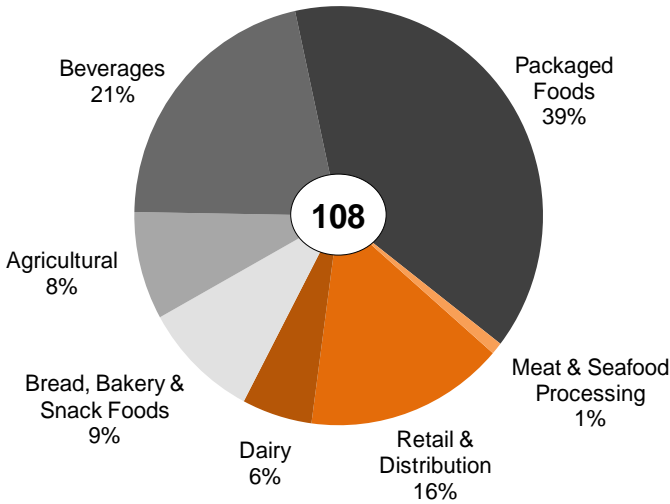
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April 2019

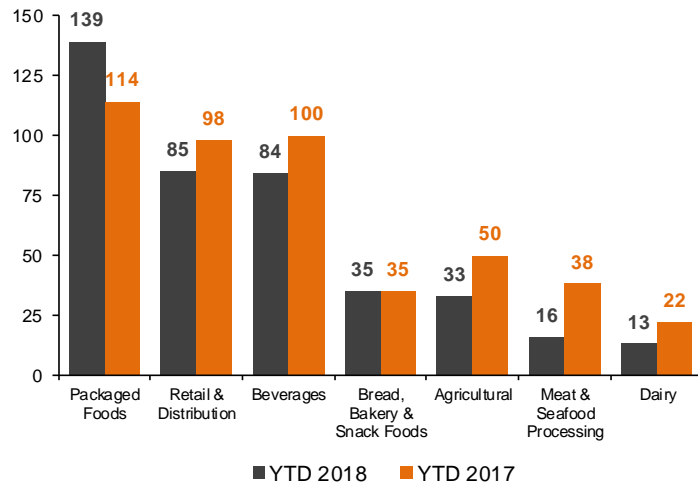


North American* Merger and Acquisition Statistics

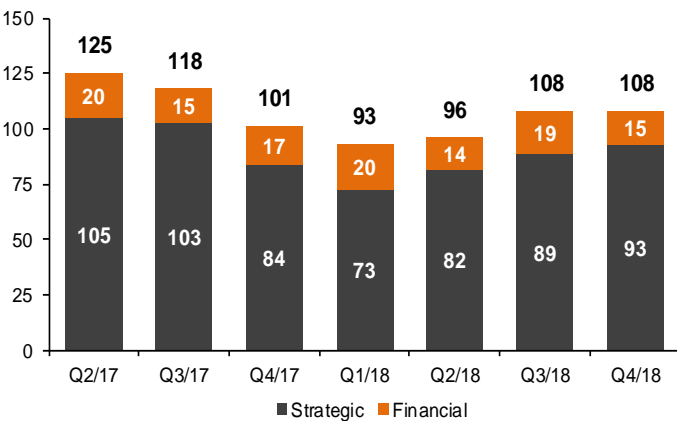
Q4/18 Food & Beverage (“F&B”) Deal Volume by Segment



2018 YTD⁽¹⁾ F&B Transactions by Segment

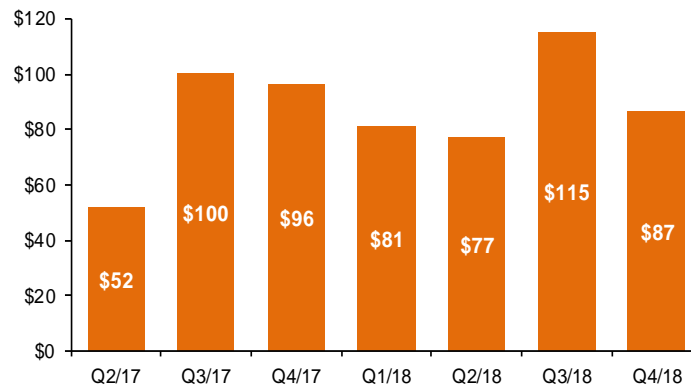


F&B Deal Volume by Transaction Type



F&B Average Deal Size (US\$M)

(For disclosed transactions under US\$500M in value)



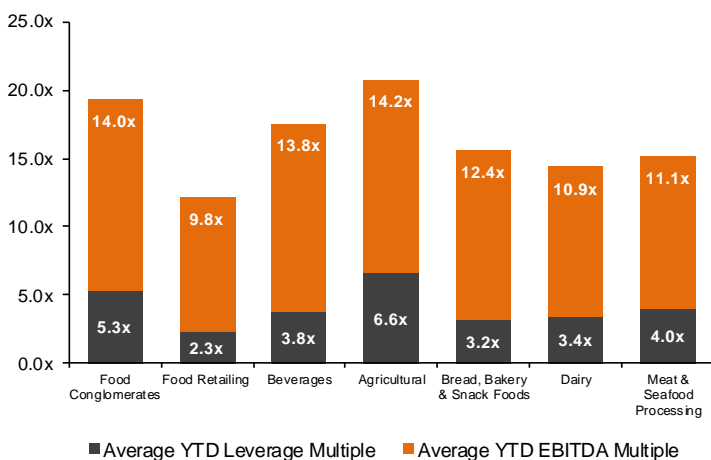
Notes:

* All North American statistics/figures exclude Mexico (Canada & U.S. only)
 All statistics are for majority stake transactions only
⁽¹⁾ YTD – Year-to-Date – ended December 31st
 Source: S&P Global Market Intelligence, CISION PR Newswire, Thomson Reuters



North American Merger and Acquisition Statistics

North American Public Company Trading⁽¹⁾ & Leverage⁽²⁾ Multiples



Economic Indicator Forecast⁽³⁾

Exchange Rates	Actual		Forecast			
	Q4/17	Q4/18	Q1/19	Q2/19	Q3/19	Q4/19
CAD/USD	0.79	0.74	0.75	0.76	0.76	0.76
Interest Rates	Actual		Forecast			
	Q4/17	Q4/18	Q1/19	Q2/19	Q3/19	Q4/19
5-year GOC Bonds	1.86	1.89	1.89	2.04	2.15	2.17
Other Key Rates						
		Q3/18		Q4/18		
CAD Prime Business Rate		3.70		3.95		
CAD 1 month BA ⁽⁴⁾		2.02		2.25		
USD 3 month LIBOR ⁽⁵⁾		2.39		2.79		

Leverage Multiples for High Yield F&B Issuers

Company Name	Industry Classification	S&P Entity Credit Rating	LTM Total Debt/EBITDA	
			Dec 31, 2016	Dec 31, 2018
Darling Ingredients Inc.	Agricultural Products	BB+	4.0x	3.9x
Lamb Weston Holdings, Inc.	Packaged Foods and Meats	BB	4.5x	3.1x
B&G Foods, Inc.	Packaged Foods and Meats	BB-	5.4x	5.3x
Pilgrim's Pride Corporation	Packaged Foods and Meats	BB-	1.4x	3.0x
TreeHouse Foods, Inc.	Packaged Foods and Meats	BB-	4.5x	4.6x
Clearwater Seafoods Incorporated	Packaged Foods and Meats	B+	3.7x	4.9x
Hostess Brands, Inc.	Packaged Foods and Meats	B+	5.1x	5.7x
Post Holdings, Inc.	Packaged Foods and Meats	B+	5.2x	5.5x
The Simply Good Foods Company	Packaged Foods and Meats	B+	n.m.	2.6x
AGT Food and Ingredients Inc.	Packaged Foods and Meats	B	5.2x	11.5x
Cott Corporation	Soft Drinks	B	11.3x	4.8x
High Liner Foods Incorporated	Packaged Foods and Meats	B	3.4x	6.1x
Dean Foods Company	Packaged Foods and Meats	CCC+	1.9x	8.4x
SunOpta Inc.	Packaged Foods and Meats	CCC+	6.2x	11.9x
Mean			4.7x	5.8x
Median			4.5x	5.1x

Notes:
⁽¹⁾ Enterprise Value to EBITDA - Earnings Before Interest, Taxes, Depreciation and Amortization
⁽²⁾ Leverage defined as Total Debt to EBITDA
⁽³⁾ Majority consensus of Canadian Chartered Banks
⁽⁴⁾ BA - Bankers' Acceptance
⁽⁵⁾ LIBOR - London Interbank Offered Rate
 Source: S&P Global Market Intelligence, Economic Indicator Forecasts from various Canadian Banks



Q4/18 Featured Transactions

PACKAGED FOODS

Date	Target Location	Target	Acquirer Location	Acquirer	Target Business Description	Enterprise Value*	EV / LTM Revenue	EBITDA
12-20-18		Tio Foods		Tipp Enterprises	Produces organic and gluten-free chilled vegetable soups.	-	-	-
12-18-18		Wesson Oil Brand of Conagra Brans		Richardson International Limited	Retail brand of canola and vegetable cooking oils.	\$180	-	-
12-14-18		Ariake U.S.A., Inc.		Kerry Group plc	A leader in organic bone stock.	\$176	3.32x	-
12-12-18		The Cholula Food Company		L Catterton	Manufactures and distributes various hot sauces.	-	-	-
12-12-18		Tribe Mediterranean Foods		Lakeview Farms	Producer and seller of hummus in various flavours.	-	-	-
12-11-18		Giraffe Foods		Graham Partners	Develops sauces, marinades, dips and dressings.	-	-	-
12-10-18		N.A. coatings and seasonings business of Southeastern Mills		Kerry Group plc	Manufactures coatings and seasonings.	\$192	-	-
12-07-18		Good Food Holdings		PK Retail Holdings	Processes natural foods through its My Fare Web tool.	\$275	0.46x	-
12-01-18		Yucatan Foods		Apio	Produces and sells guacamole in the U.S.	\$80	1.33x	16.0x
11-29-18		Primal Nutrition		The Kraft Heinz Company	Manufacturer of various food seasonings and sauces.	\$200	-	-
11-26-18		Simply Fresh Foods		Lakeview Farms	Mexican salsa and seafood salads producer.	-	-	-
11-26-18		Frozen Specialities		Bellisio Foods	Produces frozen pizzas and pizza bites.	\$16	0.27x	-
11-19-18		Blommer Chocolate Company		Fuji Oil Holdings	Chocolate manufacturing company.	\$750	0.83x	13.39x
11-16-18		Pearson's Candy Company		Spell Capital Partners	Produces various candy products.	-	-	-
11-15-18		The Schwan Food Company		CJ Cheiljedang Corporation	Brands include Red Baron®, Tony's®, Big Daddy's®.	\$2,300	-	-
11-15-18		Idaho Pacific Corporation		Seidler Haas	Produces and supplies dehydrated potato products.	-	-	-
11-02-18		Richard M. Heagy Foods, Inc.		Lipari Foods	Produces cheeses, deli meats and frozen food products.	-	-	-
11-01-18		Pacific Coast Canola		Viterra	Processes and produces canola.	-	-	-
10-19-18		Assets of Bantam Bagels		T Marzetti Company	Produces frozen mini stuffed bagels and mini pancakes.	\$34	1.7x	-
10-19-18		96 Degrees, Inc.		Schlotterbeck & Foss Company	Producer of dressings and organic salsas.	-	-	-
10-16-18		Advanced Fresh Concepts		Zensho Holdings	Develops and supplies sushi products.	\$257	-	-
10-15-18		Greencore US Holdings		Hearthside Food Solutions	Producer of fresh-made sandwiches, entrees, and salad kits.	\$1,075	-	-
10-05-18		Louisiana Fish Fry Products		Peak Rock Capital	Provides a broad array of Louisiana-inspired food products.	-	-	-

DAIRY

Date	Target Location	Target	Acquirer Location	Acquirer	Target Business Description	Enterprise Value*	EV / LTM Revenue	EBITDA
12-19-18		Best Cheese Corporation		Koninklijke FrieslandCampina	Produces various cheese products.	-	-	-
11-06-18		Canadian Natural Cheese Business of Kraft Canada		Parmalat Canada	Produces Cracker Barrel, P'tit Quebec & aMOOza! cheeses.	\$1,234	2.89x	-
10-30-18		Noosa Yoghurt		Sovos Brands Intermediate	A fast growing premium yoghurt manufacturer.	-	-	-
10-26-18		F&A Dairy Products		Saputo	Manufacturer of a variety of natural cheeses.	\$85	-	-

Notes:

* Enterprise Value in \$USM

Source: S&P Global Market Intelligence, CISION PR Newswire

Q4/18 Featured Transactions

BEVERAGES

Date	Target Location	Target	Acquirer Location	Acquirer	Target Business Description	Enterprise Value*	EV / LTM Revenue	EBITDA
07/10/18		Revive Brands		Peet's Coffee & Tea	Operates a brewery under the name Revive Kombucha.	-	-	-
11/27/18		Voco		Europa Group USA	Produces cocktail beverages.	-	-	-
11/07/18		Mad Scientists Brewing Partners		Craft Revolution	Doing business as Sixpoint Brewery, produces beer.	-	-	-
11/05/18		Qupe Wine Cellars		Vintage Wine Estates	Producer of handcrafted wines in California.	-	-	-
10/15/18		Postmark Brewing		Craft Collective Beerworks	Operates as a craft brewery in Vancouver.	-	-	-
10/10/18		Mountain Valley Spring Company		DSS Group	Produces and delivers bottled spring water.	\$79	-	-
10/10/18		Appalachian Mountain Brewery		Craft Brew Alliance	Operates as a brewery out of North Carolina.	-	-	-
10/10/18		Cisco Brewers		Craft Brew Alliance	Operator of a small brewery in Massachusetts.	\$23	-	-
10/01/18		Mars Drinks North America		Luigi Lavazza	Offers single serve coffees, teas and hot chocolate drinks.	-	-	-

BREAD, BAKERY & SNACK FOODS

Date	Target Location	Target	Acquirer Location	Acquirer	Target Business Description	Enterprise Value*	EV / LTM Revenue	EBITDA
11-16-18		Omni Baking Company		T. Marzetti Company	Produces frozen garlic bread products.	\$25	-	-
11-15-18		Backerhaus Veit		Swander Pace Capital	Company bakes breads, rolls and pretzels.	-	-	-
11-07-18		Canyon Bakehouse		Flowers Foods	Company bakes gluten-free breads, bagels and muffins.	\$205	-	-
10-31-18		Health Warrior		PepsiCo.	Produces chia bar snacks and seeds.	-	-	-
10-24-18		Pretzels, Inc.		Peak Rock Capital	Produces corn-extruded products and pretzels.	-	-	-
10-23-18		Morley Brands		Kar Nut Products	Produces chocolates, confections, nuts and desserts.	-	-	-
10-23-18		Joey's Fine Foods		Indulge Dessert Holdings	Manufactures sweet snacks and dessert snacking products.	-	-	-

RETAIL & DISTRIBUTION

Date	Target Location	Target	Acquirer Location	Acquirer	Target Business Description	Enterprise Value*	EV / LTM Revenue	EBITDA
12-15-18		Lotito Foods		Norseland	Importer of fine Italian, European and domestic cheeses.	-	-	-
12-10-18		Fresh Direct Produce		Hammond, Kennedy, Whitney & Company	Imports and distributes fresh produce throughout Canada.	-	-	-
12-05-18		Olean Wholesale Grocery Cooperative		C&S Wholesale Grocers	Operates as a full-service grocery wholesaler.	-	-	-
11-20-18		Martin's Super Markets		SpartanNash	Owns and operates a chain of supermarkets in the U.S.	-	-	-
11-16-18		Gardiner Dam Terminal		Viterra Inc.	Inland grain terminal located in Central Saskatchewan.	\$45	-	-
11-16-18		Best Yet Market		Lidl US	Owns and operates a chain of supermarkets in the U.S.	-	-	-
11-01-18		Sweet Jesus		International Franchise	One of the fastest-growing ice-cream chains in Canada.	-	-	-
10-15-18		Lansing Trade Group		The Andersons	Transports grains, feed ingredients and freight within N.A.	\$646	-	9.95x

AGRICULTURAL

Date	Target Location	Target	Acquirer Location	Acquirer	Target Business Description	Enterprise Value*	EV / LTM Revenue	EBITDA
11/21/18		Baldwin-Minkler Farms		Fiera Comox Partners	Almond processor.	-	-	-

Notes:

* Enterprise Value in \$USM

Source: S&P Global Market Intelligence, CISION PR Newswire

Q4/18 Valuation and Operating Metrics

Select North American Public Companies

(all data in US\$M except for share price & multiples)

Ticker	Company	Stock Price 31-Dec-18	52 Week		Total Enterprise Value	Total Debt	LTM Revenue	LTM EBITDA	EBITDA Margin	Total Debt to LTM EBITDA	TEV / LTM	TEV / LTM
			High	Low							Revenue ⁽¹⁾	EBITDA ⁽¹⁾
Food Conglomerates Market												
NYSE:CAG	Conagra Brands, Inc.	\$21.36	\$39.43	\$20.22	\$21,494	\$11,564	\$8,179	\$1,562	19%	7.40x	2.63x	13.76x
NYSE:GIS	General Mills, Inc.	38.94	60.69	36.42	38,835	15,256	16,278	3,447	21%	4.43x	2.39x	11.27x
NasdaqGS:MDLZ	Mondelez International, Inc.	40.03	46.54	37.42	77,263	18,727	25,938	4,567	18%	4.10x	2.98x	16.92x
Food Retailing Market												
TSX:EMP.A	Empire Company Limited	\$21.13	\$21.85	\$16.38	\$6,525	\$1,250	\$18,828	\$770	4%	1.62x	0.36x	8.82x
TSX:L	Loblaw Companies Limited	44.78	51.26	38.03	27,404	6,602	34,261	2,438	7%	2.71x	0.80x	11.25x
TSX:MRU	Metro Inc.	34.69	35.24	28.08	9,707	1,985	11,250	849	8%	2.34x	0.87x	11.50x
NYSE:KR	The Kroger Co.	27.50	32.74	22.85	36,485	15,018	124,102	4,939	4%	3.04x	0.29x	7.39x
NYSE:WMT	Walmart Inc.	93.15	109.98	81.78	330,385	61,461	511,879	32,828	6%	1.87x	0.65x	10.06x
Beverages Market												
TSX:ADW.A	Andrew Peller Limited	\$10.03	\$13.95	\$8.53	\$559	\$120	\$280	\$43	15%	2.81x	2.00x	13.07x
TSX:BCB	Cott Corporation	13.93	16.42	13.05	2,960	1,342	2,373	279	12%	4.82x	1.25x	10.64x
NYSE:TAP	Molson Coors Brewing Company	56.16	85.86	54.17	22,180	10,501	10,770	2,291	21%	4.58x	2.06x	9.68x
NasdaqGS:PEP	PepsiCo, Inc.	110.48	122.51	95.94	177,272	32,321	64,661	12,820	20%	2.52x	2.74x	13.83x
NYSE:KO	The Coca-Cola Company	47.35	50.84	41.45	229,518	43,595	31,856	10,594	33%	4.12x	7.20x	21.66x
Agricultural Food Market												
TSX:AGT	AGT Food and Ingredients Inc.	\$12.19	\$16.64	\$9.53	\$776	\$420	\$1,137	\$44	4%	9.50x	0.68x	17.55x
NYSE:ADM	Archer-Daniels-Midland Company	40.97	52.07	39.16	29,966	8,388	64,341	2,865	4%	2.93x	0.47x	10.46x
NYSE:INGR	Ingredion Incorporated	91.40	146.28	87.02	7,717	2,100	5,841	984	17%	2.13x	1.32x	7.84x
TSX:SOY	SunOpta Inc.	3.87	8.77	3.62	893	509	1,261	43	3%	11.87x	0.71x	20.84x
Bread, Bakery & Snack Foods Market												
NYSE:FLO	Flowers Foods, Inc.	\$18.47	\$22.82	\$17.78	\$4,680	\$1,012	\$3,952	\$406	10%	2.49x	1.18x	11.53x
TSX:WN	George Weston Limited	65.99	81.82	63.55	26,525	12,424	35,593	3,115	9%	3.99x	0.75x	8.51x
NasdaqCM:TWNK	Hostess Brands, Inc.	10.94	15.36	9.87	2,304	988	850	172	20%	5.74x	2.71x	13.38x
NasdaqGS:JJSF	J & J Snack Foods Corp.	144.59	162.80	125.98	2,583	1	1,145	158	14%	0.01x	2.26x	16.38x
NYSE:K	Kellogg Company	57.01	74.98	55.11	28,965	8,893	13,547	2,405	18%	3.70x	2.14x	12.04x
Dairy Market												
NasdaqGS:CALM	Cal-Maine Foods, Inc.	\$42.30	\$52.30	\$39.50	\$1,743	\$4	\$1,576	\$263	17%	0.01x	1.11x	6.63x
NYSE:DF	Dean Foods Company	3.81	12.06	3.61	1,225	906	7,755	107	1%	8.44x	0.16x	11.41x
TSX:SAP	Saputo Inc.	28.72	33.54	26.06	12,962	1,838	9,534	880	9%	2.09x	1.36x	14.72x
Meat & Seafood Processing Market												
TSX:CLR	Clearwater Seafoods Incorporated	\$4.21	\$5.74	\$2.89	\$613	\$340	\$434	\$69	16%	4.93x	1.41x	8.91x
TSX:HLF	High Liner Foods Incorporated	5.61	11.15	4.54	527	368	1,049	61	6%	6.08x	0.50x	8.71x
TSX:MFI	Maple Leaf Foods Inc.	20.03	26.44	19.09	2,539	313	2,562	207	8%	1.51x	0.99x	12.27x
TSX:PBH	Premium Brands Holdings Corporation	54.86	89.97	49.09	2,646	832	2,220	179	8%	4.64x	1.19x	14.77x
NasdaqGS:SAFM	Sanderson Farms, Inc.	99.29	137.60	93.98	2,078	0	3,236	141	4%	0.00x	0.64x	14.78x
NYSE:TSN	Tyson Foods, Inc.	53.40	82.51	49.77	29,135	11,992	40,016	4,032	10%	2.97x	0.73x	7.23x

Notes:

As at December 31, 2018

⁽¹⁾ All trading multiples based upon trading currency.

Source: S&P Global Market Intelligence



CCC Investment Banking

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 ◆ Capital Raises

A Sample of CCC's F&B Transaction Experience



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The background features a dark grey field with large, overlapping, angular shapes in a vibrant orange color, creating a dynamic, abstract geometric pattern.

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