



**CCC**  
INVESTMENT  
BANKING



# Food & Beverage Industry

## Q1/2019 Review

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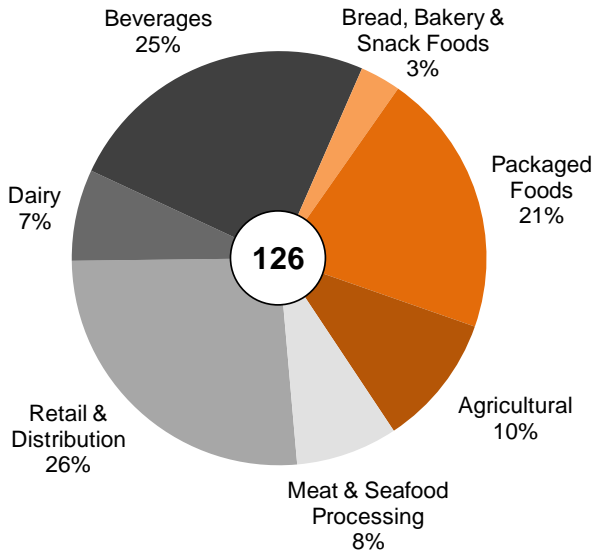
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July 2019

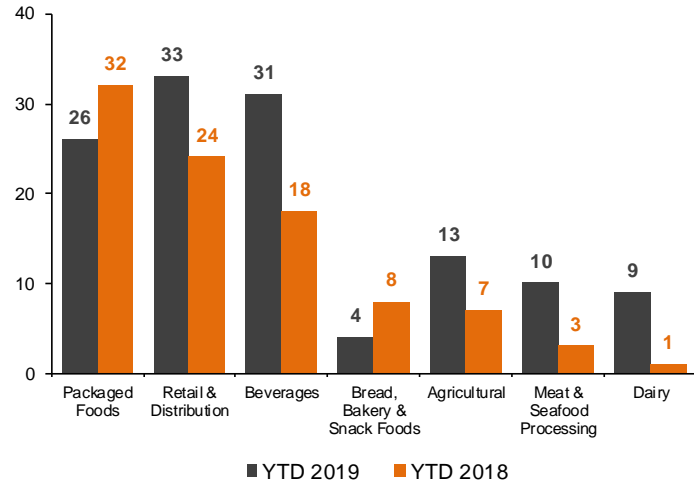


# North American\* Merger and Acquisition Statistics

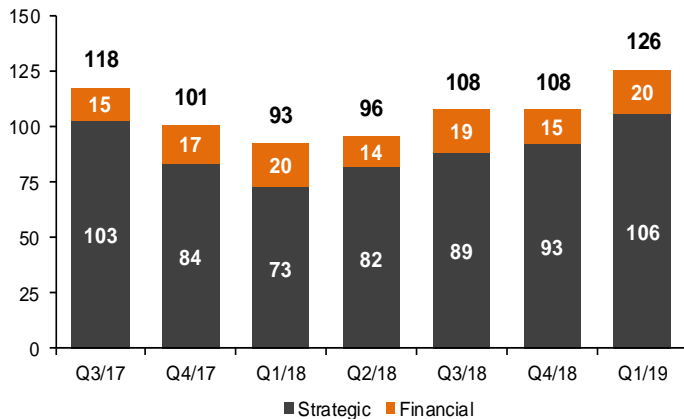
## Q1/19 Food & Beverage (“F&B”) Deal Volume by Segment



## 2019 YTD<sup>(1)</sup> F&B Transactions by Segment

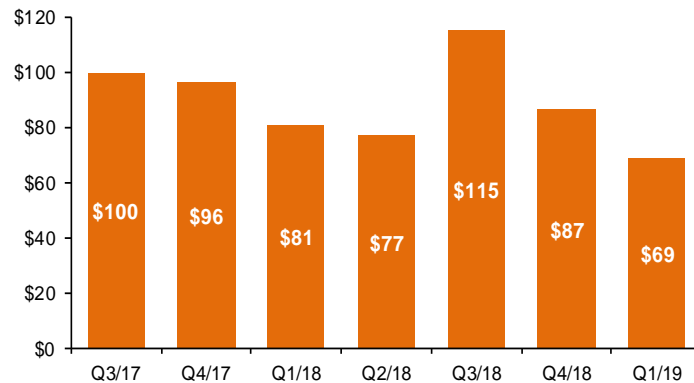


## F&B Deal Volume by Transaction Type



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

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



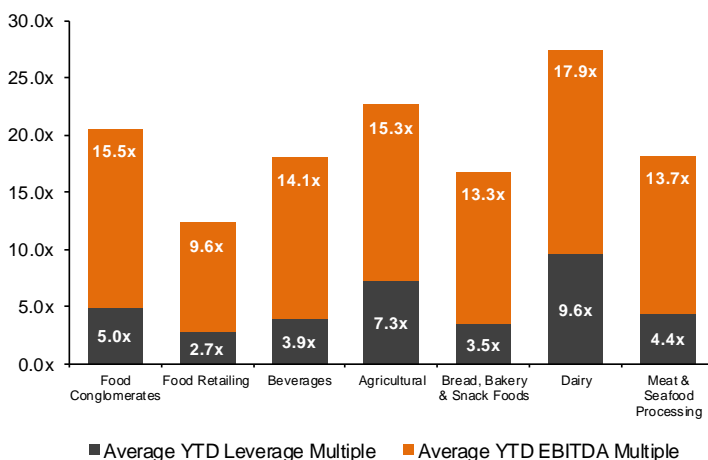
**Notes:**

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



# North American Merger and Acquisition Statistics

## North American Public Company Trading<sup>(1)</sup> & Leverage<sup>(2)</sup> Multiples



## Economic Indicator Forecast<sup>(3)</sup>

Exchange Rates	Actual		Forecast			
	Q1/18	Q1/19	Q2/19	Q3/19	Q4/19	Q1/20
CAD/USD	0.78	0.75	0.76	0.76	0.76	0.76
Interest Rates	Actual		Forecast			
	Q1/18	Q1/19	Q2/19	Q3/19	Q4/19	Q1/20
5-year GOC Bonds	1.96	1.52	1.54	1.62	1.63	1.69
Other Key Rates						
			Q4/18		Q1/19	
CAD Prime Business Rate			3.95		3.95	
CAD 1 month BA <sup>(4)</sup>			2.25		1.82	
USD 3 month LIBOR <sup>(5)</sup>			2.79		2.60	

## Leverage Multiples for High Yield F&B Issuers

Company Name	Industry Classification	S&P Entity Credit Rating	LTM Total Debt/EBITDA	
			Mar 31, 2018	Mar 31, 2019
Darling Ingredients Inc.	Agricultural Products	BB+	4.0x	4.3x
Cott Corporation	Beverages	B	4.7x	5.6x
Hostess Brands, Inc.	Bread, Bakery & Snack Foods	B+	4.8x	5.7x
Dean Foods Company	Dairy	CCC+	2.9x	32.7x
Pilgrim's Pride Corporation	Meat & Seafood Processing	BB-	2.0x	3.8x
Clearwater Seafoods Incorporated	Meat & Seafood Processing	B+	5.1x	4.9x
High Liner Foods Incorporated	Meat & Seafood Processing	B	6.8x	6.2x
Lamb Weston Holdings, Inc.	Packaged Foods	BB	3.4x	3.0x
B&G Foods, Inc.	Packaged Foods	BB-	6.4x	5.7x
TreeHouse Foods, Inc.	Packaged Foods	BB-	4.5x	5.2x
Post Holdings, Inc.	Packaged Foods	B+	7.3x	5.6x
The Simply Good Foods Company	Packaged Foods	B+	2.8x	2.4x
SunOpta Inc.	Packaged Foods	CCC+	8.3x	13.4x
The Chef's Warehouse, Inc.	Retail & Distribution	B+	5.1x	5.9x
<b>Mean</b>			<b>4.9x</b>	<b>7.5x</b>
<b>Median</b>			<b>4.3x</b>	<b>5.6x</b>

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



# Q1/19 Featured Transactions

## PACKAGED FOODS

Date	Target Location	Target	Acquirer Location	Acquirer	Target Business Description	Enterprise Value*	EV / LTM Revenue	EBITDA
03-22-19	Canada	RawPaw Natural Foods	Canada	United Pet Supplements	Produces raw meals & pet health supplements for dogs.	-	-	-
03-20-19	Canada	Bonnie & Clyde Premium Pet Goods	Canada	United Pet Supplements	Manufactures supplements for dogs and cats.	-	1.30x	-
02-25-19	USA	Garden Fresh Salsa	Canada	Aliments Fontaine Santé	Produces refrigerated salsa products.	-	-	-
02-22-19	USA	Proven Partners Group	USA	Tilia Holdings	Provides dried & powdered foods contract manufacturing.	-	-	-
02-22-19	Canada	Falcon Ridge Naturals	Canada	Private Investor	Produces certified organic echinacea products.	-	-	-
02-21-19	USA	Hampshire Pet Products	USA	Red Collar Pet Foods	Produces baked pet foods.	-	-	-
02-20-19	USA	Troyer Cheese	USA	Lipari Foods	Specializes in Amish cheeses, deli meats and related foods.	-	-	-
02-19-19	USA	CytoSport Business of Hormel Foods	USA	PepsiCo	Manufactures sports-oriented nutritional products.	\$465	1.56x	17.6x
02-15-19	USA	Rite Stuff Foods	Germany	Frostkrone Tiefkühlkost	Processes & produces specialty potato products.	-	-	-
01-31-19	USA	International/American Dehydrated Foods	Germany	Symrise AG	Produces poultry-based, protein-fortifying ingredients.	\$900	4.09x	-
01-22-19	USA	FreshCo	USA	American Pasteurization	Produces food products including hummus, salsa & soups.	-	-	-

## DAIRY

Date	Target Location	Target	Acquirer Location	Acquirer	Target Business Description	Enterprise Value*	EV / LTM Revenue	EBITDA
03-27-19	USA	Turkey Hill Business of The Kroger Co.	USA	Peak Rock Capital	Produces a line of ice cream, milk & beverages.	\$215	-	-
02-28-19	USA	Gilman Cheese	USA	Borgman Capital	Produces & sells various cheese products.	-	-	-
01-31-19	Canada	Rolling Meadow Dairy	Canada	Organic Meadow Co-Operative	A leading brand in the Canadian organic dairy industry.	\$1.4	-	-
01-11-19	Canada	Milk Plant of Saputo	Canada	Peterson Group	Comprises a milk producing plant.	-	-	-

## Meat & Seafood Processing

Date	Target Location	Target	Acquirer Location	Acquirer	Target Business Description	Enterprise Value*	EV / LTM Revenue	EBITDA
03-11-19	USA	Iowa Premium Beef	USA	Various acquirors	Offers meat slaughtering & meat packing services.	\$150	0.23x	-
02-25-19	USA	Assets of Bassian Farms	USA	The Chefs' Warehouse	Processes & supplies beef, poultry, pork and seafood.	-	-	-
02-08-19	USA	Eddy Packing	USA	Insight Equity	Produces & sells beef, pork & poultry products.	-	-	-
02-08-19	USA	Sam Kane Beef Processors	USA	STX Beef Company	Beef processor.	\$2	-	-
01-09-19	USA	Acornseekers	Spain	Industrias Carnicas Loriente Piqueras	Produces ham & pork products.	-	-	-

## AGRICULTURAL

Date	Target Location	Target	Acquirer Location	Acquirer	Target Business Description	Enterprise Value*	EV / LTM Revenue	EBITDA
03-28-19	Canada	The Blenheim Seed Corn Plant	Canada	Maizex Seeds	Business comprises a corn production plant.	-	-	-
02-04-19	USA	Legacy Fruit, Larson Fruit, Valley Fruit	USA	International Farming Corporation	Grows, packs & distributes fruits & vegetables.	-	-	-
01-29-19	USA	Vegetable Business of Growers Express	USA	Church Brothers	Grower of field-packed vegetable commodities.	-	-	-
01-22-19	Canada	Topgro Holdings	Canada	Bevo Farms	Operates agricultural land.	\$9	-	-

Notes:

\* Enterprise Value in \$USM

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



# Q1/19 Featured Transactions

## BEVERAGES

Date	Target Location	Target	Acquirer Location	Acquirer	Target Business Description	Enterprise Value*	EV / LTM Revenue	EBITDA
03-19-19		Laetitia Vineyard & Winery		Vintage Wine Estates	Manufactures wines, brandy & brandy spirits.	-	-	-
03-05-19		Alloy Wine Works		Vintage Wine Estates	Produces wine that is served in cans.	-	-	-
03-01-19		Gonzo's BiggDogg Brewing		Saugatuck Brewing	Owns & operates a brewery in Michigan.	-	-	-
02-22-19		Meredith Vineyard		Champagne Louis Roederer	Owns & operates a winery in California.	-	-	-
02-21-19		NEO Superwater		Betta4U Brands	Produces and sells high pH alkaline bottled water.	-	-	-
02-20-19		Cutwater Spirits		Anheuser-Busch InBev SA/NV	Produces whiskey, vodka, gin, rum mixers & cocktails.	-	-	-
02-08-19		Cott Beverages		Refresco Group N.V.	Develops & produces soft drink concentrates for bottlers.	\$50	0.63x	-
02-08-19		Beard Free Brewing		Bobcaygeon Brewing	Owns and operates a microbrewery in Peterborough.	-	-	-
02-04-19		Sufferfest Brewing		Sierra Nevada Brewing	Produces gluten-removed beers.	-	-	-
01-22-19		True Buch Kombucha		Zenabis Global	Provides organic tea beverages.	\$3	-	-
01-10-19		Bull Durham Beer		R&D Brewing	Beer producer.	-	-	-
01-02-19		19 Spirits Brand		Sazerac Company	Sazerac acquires 19 Spirits Brand from Star Industries.	-	-	-

## RETAIL & DISTRIBUTION

Date	Target Location	Target	Acquirer Location	Acquirer	Target Business Description	Enterprise Value*	EV / LTM Revenue	EBITDA
03-19-19		Eby-Brown Company		Performance Food Group	Distributes pre-packaged candy, snacks and beverages.	-	-	-
02-26-19		Animal Supply Co.		Summit Partners & Goldman Sachs	Operates as a wholesale distributor of pet food & supplies.	-	-	-
02-19-19		Agland Seed & Chemical		Richardson Pioneer	Operates as a retail crop input company.	-	-	-
02-15-19		All Seas Wholesale		Cooke	Distributes seafood, live shellfish & frozen seafood products.	-	-	-
02-14-19		Numage Trading		Tree of Life Canada	Imports & distributes Italian specialty food products.	-	-	-
02-12-19		Phoenix Imports		Chrysalis Acquisition Partners	Imports & distributes single ingredient dog meat products.	-	-	-
01-28-19		Waugh Foods		Sysco Corporation	An Illinois-based foodservice distributor.	-	-	-
01-28-19		AOF Service Alimentaire		AlimPlus	Distributes a range of food & non-food products in Quebec.	-	-	-
01-23-19		iFresh		HK Xu Ding	Operates a network of grocery supermarket chains.	\$35	0.27x	-
01-14-19		Seven Retail Properties		Firm Capital Property Trust	Seven Canadian retail grocery store properties.	\$63	-	-
01-10-19		Albert Uster Imports		Roland Foods	Imports and distributes a variety of food products.	-	-	-
01-04-19		Lipari Foods		H.I.G. Capital	Distributes food products under a variety of brand names.	-	-	-

## BREAD, BAKERY & SNACK FOODS

Date	Target Location	Target	Acquirer Location	Acquirer	Target Business Description	Enterprise Value*	EV / LTM Revenue	EBITDA
03-31-19		Cookie Business of Kellogg Company		Ferrero International S.A.	Producer of cookies & fruit snacks.	\$1,300	1.44x	-
03-04-19		Danish Baking		Global Bakeries	Operating as Bubbles Baking Co., producer of frozen cakes.	-	-	-
01-17-19		Dancing Deer Baking		Cell-Nique	Produces baked foods including brownies, cookies & cakes.	-	-	-

Notes:

\* Enterprise Value in \$USM

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



# Q1/19 Valuation and Operating Metrics

## Select North American Public Companies

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

Ticker	Company	Stock Price 31-Mar-19	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 <sup>(1)</sup>	EBITDA <sup>(1)</sup>
<b>Food Conglomerates Market</b>												
NYSE:CAG	Conagra Brands, Inc.	\$27.74	\$39.43	\$20.22	\$24,317	\$11,128	\$8,891	\$1,815	20%	6.13x	2.73x	13.40x
NYSE:GIS	General Mills, Inc.	51.75	51.96	36.42	46,329	15,021	16,594	3,625	22%	4.14x	2.79x	12.78x
NasdaqGS:MDLZ	Mondelez International, Inc.	49.92	50.05	37.42	89,858	20,431	25,711	4,400	17%	4.64x	3.49x	20.42x
<b>Food Retailing Market</b>												
TSX:EMP.A	Empire Company Limited	\$21.65	\$23.46	\$16.74	\$7,147	\$1,548	\$19,027	\$678	4%	2.28x	0.38x	10.77x
TSX:L	Loblaw Companies Limited	49.32	52.33	38.83	24,271	12,304	35,071	2,692	8%	4.57x	0.69x	8.99x
TSX:MRU	Metro Inc.	36.81	37.71	29.21	10,386	1,982	12,037	935	8%	2.12x	0.86x	11.13x
NYSE:KR	The Kroger Co.	24.60	32.74	23.15	34,424	15,229	121,162	5,222	4%	2.92x	0.28x	6.59x
NYSE:WMT	Walmart Inc.	97.53	106.21	81.78	337,757	58,461	514,405	32,795	6%	1.78x	0.66x	10.30x
<b>Beverages Market</b>												
TSX:ADW.A	Andrew Peller Limited	\$9.90	\$13.94	\$8.71	\$561	\$116	\$286	\$43	15%	2.69x	1.96x	13.01x
TSX:BCB	Cott Corporation	14.59	16.76	13.33	3,178	1,534	2,386	275	12%	5.58x	1.33x	11.57x
NYSE:TAP	Molson Coors Brewing Company	59.65	75.46	54.17	22,580	10,336	10,741	2,405	22%	4.30x	2.10x	9.39x
NasdaqGS:PEP	PepsiCo, Inc.	122.55	123.19	95.94	195,507	33,198	64,983	13,035	20%	2.55x	3.01x	15.00x
NYSE:KO	The Coca-Cola Company	46.86	50.84	41.45	229,706	45,563	32,250	10,687	33%	4.26x	7.12x	21.49x
<b>Agricultural Food Market</b>												
TSX:AGT	AGT Food and Ingredients Inc.	\$0.00	\$0.00	\$0.00	\$849	\$420	\$1,137	\$44	4%	9.50x	0.73x	18.79x
NYSE:ADM	Archer-Daniels-Midland Company	43.13	52.07	39.16	30,606	10,701	64,119	2,767	4%	3.87x	0.48x	11.06x
NYSE:INGR	Ingredion Incorporated	94.69	131.99	87.02	8,099	2,223	5,792	946	16%	2.35x	1.40x	8.56x
TSX:SOY	SunOpta Inc.	3.45	8.96	2.18	902	531	1,253	40	3%	13.42x	0.72x	22.82x
<b>Bread, Bakery &amp; Snack Foods Market</b>												
NYSE:FLO	Flowers Foods, Inc.	\$21.32	\$22.82	\$17.78	\$5,483	\$1,012	\$3,952	\$406	10%	2.49x	1.39x	13.51x
TSX:WN	George Weston Limited	71.89	83.53	64.88	27,577	15,886	36,547	3,222	9%	4.93x	0.75x	8.53x
NasdaqCM:TWNK	Hostess Brands, Inc.	12.50	14.98	9.87	2,443	988	864	175	20%	5.65x	2.83x	13.98x
NasdaqGS:JJSF	J & J Snack Foods Corp.	158.84	162.84	125.98	2,847	1	1,155	160	14%	0.01x	2.47x	17.82x
NYSE:K	Kellogg Company	57.38	74.98	53.14	28,853	9,759	13,668	2,297	17%	4.25x	2.11x	12.56x
<b>Dairy Market</b>												
NasdaqGS:CALM	Cal-Maine Foods, Inc.	\$44.63	\$52.30	\$40.63	\$1,879	\$3	\$1,524	\$224	15%	0.01x	1.23x	8.38x
NYSE:DF	Dean Foods Company	3.03	11.14	2.73	1,172	1,342	7,570	41	1%	32.75x	0.15x	28.60x
TSX:SAP	Saputo Inc.	34.08	34.30	26.61	15,040	1,794	10,102	894	9%	2.01x	1.49x	16.83x
<b>Meat &amp; Seafood Processing Market</b>												
TSX:CLR	Clearwater Seafoods Incorporated	\$3.69	\$4.79	\$3.29	\$573	\$345	\$443	\$70	16%	4.93x	1.29x	8.18x
TSX:HLF	High Liner Foods Incorporated	5.87	8.63	4.63	559	372	1,007	60	6%	6.21x	0.56x	9.33x
TSX:MFI	Maple Leaf Foods Inc.	23.13	25.95	19.49	3,120	535	2,682	246	9%	2.17x	1.16x	12.67x
TSX:PBH	Premium Brands Holdings Corporation	57.61	91.86	50.12	2,779	1,113	2,407	190	8%	5.86x	1.15x	14.64x
NasdaqGS:SAFM	Sanderson Farms, Inc.	131.84	132.50	93.98	2,906	60	3,207	102	3%	0.59x	0.91x	28.44x
NYSE:TSN	Tyson Foods, Inc.	69.43	72.42	49.77	37,084	12,374	40,686	4,104	10%	3.02x	0.91x	9.04x

Notes:

As at March 31, 2019

<sup>(1)</sup> 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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