



**CCC**  
INVESTMENT  
BANKING



# Food & Beverage Industry

## Q3/2020 Review

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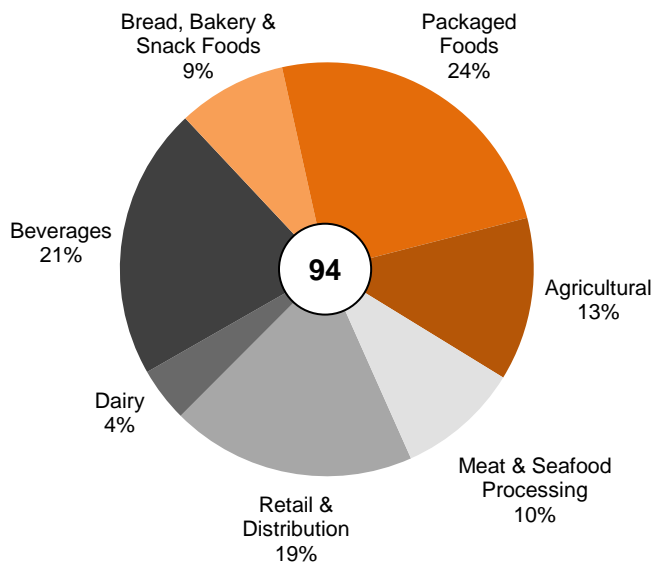
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December 2020

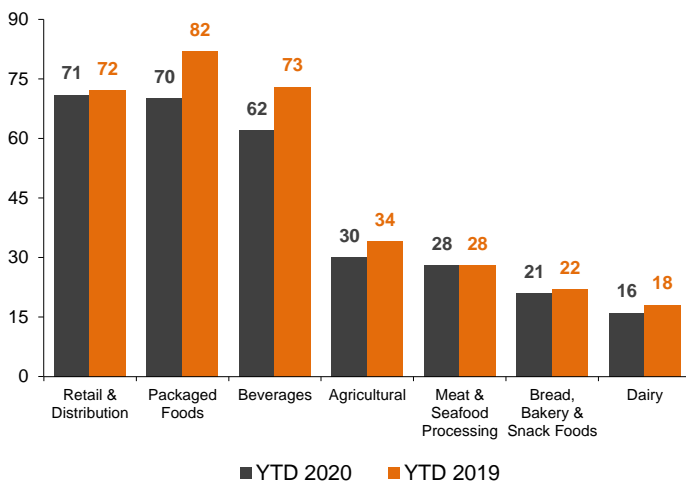


# North American Merger and Acquisition Statistics

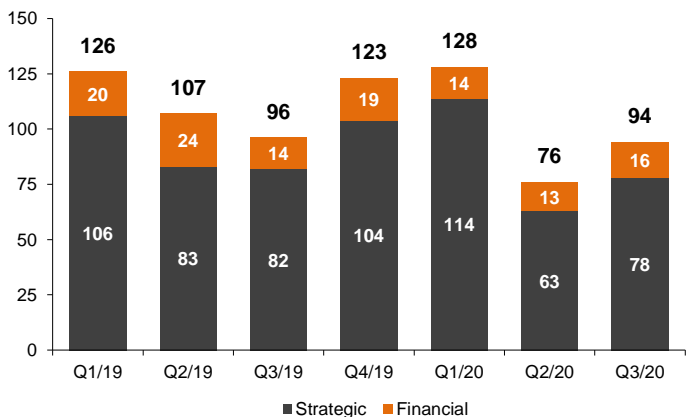
## Q3/20 Food & Beverage ("F&B") Deal Volume by Segment



## 2020 YTD<sup>(1)</sup> F&B Transactions by Segment

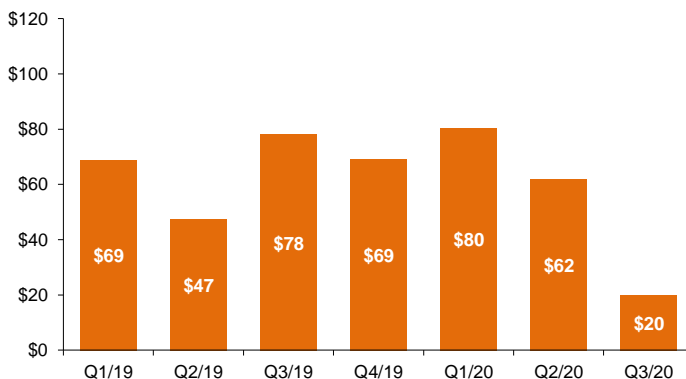


## F&B Deal Volume by Transaction Type



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

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



Notes:

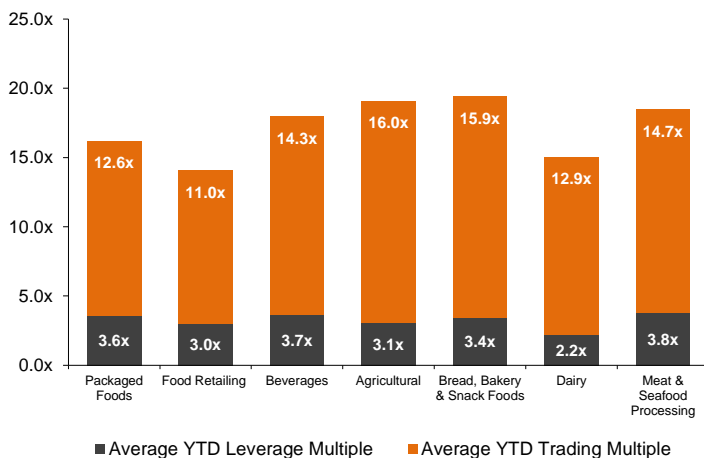
All statistics are for announced/closed majority stake transactions only.  
All North American statistics/figures exclude Mexico (Canada & U.S. only)

<sup>(1)</sup> YTD – Year-to-Date – ended September 30th

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			
	Q3/19	Q3/20	Q4/20	Q1/21	Q2/21	Q3/21
CAD/USD	0.75	0.76	0.76	0.77	0.77	0.77
Interest Rates	Actual		Forecast			
	Q3/19	Q3/20	Q4/20	Q1/21	Q2/21	Q3/21
5-year GOC Bonds	1.41	0.36	0.44	0.51	0.60	0.69
Other Key Rates						
	Q3/19		Q3/20			
CAD Prime Business Rate	3.95		2.45			
CAD 1 month BA <sup>(4)</sup>	1.82		0.25			
USD 3 month LIBOR <sup>(5)</sup>	2.09		0.23			

## Leverage Multiples for High Yield F&B Issuers

Company Name	Industry Classification	S&P Entity Credit Rating	LTM Total Debt/EBITDA	
			Sep 30, 2019	Sep 30, 2020
Darling Ingredients Inc.	Agricultural Products	BB+	4.2x	3.5x
Lamb Weston Holdings, Inc.	Packaged Foods	BB+	2.8x	3.9x
Pilgrim's Pride Corporation	Meat & Seafood Processing	BB+	2.9x	4.7x
TreeHouse Foods, Inc.	Packaged Foods	BB-	5.3x	5.0x
B&G Foods, Inc.	Packaged Foods	B+	7.6x	5.7x
Hostess Brands, Inc.	Bread, Bakery & Snack Foods	B+	5.6x	5.9x
Post Holdings, Inc.	Packaged Foods	B+	6.7x	7.1x
The Simply Good Foods Company	Packaged Foods	B+	2.1x	4.3x
Clearwater Seafoods Incorporated	Meat & Seafood Processing	B	4.7x	5.2x
Cott Corporation	Beverages	B	5.9x	4.7x
High Liner Foods Incorporated	Meat & Seafood Processing	B	5.3x	4.2x
United Natural Foods, Inc.	Retail & Distribution	B	6.0x	5.8x
The Chef's Warehouse, Inc.	Retail & Distribution	B-	5.6x	78.9x*
SunOpta Inc.	Packaged Foods	B-	20.9x*	6.7x
<b>Mean</b>			<b>5.0x</b>	<b>5.1x</b>
<b>Median</b>			<b>5.3x</b>	<b>5.0x</b>

\* Are not included in Mean or Median due to being outliers.

### 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



# Q3/20 Featured Transactions

## BEVERAGES

Date	Target Location	Target	Acquirer Location	Acquirer	Target Business Description	Enterprise Value*	EV / LTM Revenue	EBITDA
09-30-20		TBA Beverage		MOD Beverage	Assets include 3 beer brands, a facility and Odin Brewing.	-	-	-
09-14-20		Copper and Kings American Brandy		Constellation Brands	Operates a spirit distillery for producing brandy.	-	-	-
08-19-20		Steele Wines		Shannon Ridge	California-based manufacturer of wine.	-	-	-
08-19-20		Waterloo Sparkling Water		Equity Consortium	Texas-based producer of sparkling flavoured waters.	-	-	-
08-04-20		Cascade Coffee		Westward Partners	Produces and distributes contract-based packaged coffee.	-	-	-
07-21-20		Nerd Beverage		Beverages Holdings	Texas-based mental acuity drink company	-	-	-
07-21-20		3 Points Urban Brewery		Braxton Brewing	Cincinnati-based brewery.	-	-	-
07-08-20		Oregon Honey Products		Forbidden Fruit Ciderhouse	Manufacturer of honey mead.	-	-	-
07-02-20		Nestlé Pure Life Bottled Water		Ice River Springs Water	Nestlé Canada's Pure Life Bottled Water Business.	-	-	-

## PACKAGED FOODS

Date	Target Location	Target	Acquirer Location	Acquirer	Target Business Description	Enterprise Value*	EV / LTM Revenue	EBITDA
09-30-20		Certain assets of The Andersons		Ancient Brands Milling	Grain Puffing & Blending Assets in Iowa of The Andersons.	-	-	-
09-30-20		BrightPet Nutrition		A&M Capital Advisors	Manufactures premium and super-premium pet food.	-	-	-
09-21-20		Assets of Valley Processing		Mine Fruit Products	Juice & Puree production facilities and cold storage facilities.	-	-	-
09-18-20		Indulge Desserts		Emmi AG	Manufacturers premium American & international desserts.	-	-	-
09-11-20		Veggiecraft Farms		Litehouse	Manufactures gluten-free, veggie-based pastas.	-	-	-
09-08-20		Silva International		Universal Corporation	Processor of dehydrated vegetable, herb & fruit ingredients.	\$170	-	-
09-01-20		Eliot's Adult Nut Butters		Verus International	Award-winning, small-batch, flavoured nut butter company	-	-	-
08-31-20		Global Gourmet Foods		Premium Brands	Provider of ready-to-eat kettle cooked food solutions.	-	-	-
08-11-20		Grand Food		GrubMarket	California-based meat purveyor to the food service industry.	-	-	-
07-31-20		Brach Holdings		Simply Natural Foods	Co-manufacturer of better-for-you chocolate and bar brands.	-	-	-
07-20-20		Lounsbury Foods		Giraffe Foods	Leading producer of horseradish & seafood cocktail sauce.	-	-	-
07-16-20		Bliss Unlimited		HumanCo	Produces coconut milk based frozen desserts.	-	-	-

## AGRICULTURAL

Date	Target Location	Target	Acquirer Location	Acquirer	Target Business Description	Enterprise Value*	EV / LTM Revenue	EBITDA
09-15-20		Freshtex Produce		GrubMarket	Texas-based producer of fruits and vegetables.	-	-	-
08-17-20		Horizon Farm Property		Maricopa Orchards	California-based pistachio and almond producing farm.	\$8	-	-
07-29-20		Pfyffer Associates		Hitchcock Farms	California-based grower and shipper of brussels sprouts.	-	-	-
07-21-20		Loveday Mushroom Farms		South Mill Mushroom Sales	Winnipeg-based mushroom producer.	-	-	-
07-07-20		Growers Produce		GrubMarket	Produces cherries and other seasonally grown fruits.	-	-	-
07-07-20		Cali Fresh Produce		GrubMarket	San Francisco-based producer of fruits and vegetables.	-	-	-

Notes:

\* Implied Enterprise Value in \$USM

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

# Q2/20 Featured Transactions

## BREAD, BAKERY & SNACK FOODS

Date	Target Location	Target	Acquirer Location	Acquirer	Target Business Description	Enterprise Value*	EV / LTM Revenue	EBITDA
09-24-20		Assets of SimplyProtein® Brand		Wellness Natural	SimplyProtein® Brand of Simply Good Foods USA.	-	-	-
09-16-20		H & F Bread		Engelman's Bakery	Produces and distributes bakery products worldwide.	-	-	-
08-26-20		Birch Benders		Sovos Brands Intermediate	Producer of better-for-you pancake and waffle mixes.	-	-	-
08-25-20		Creative Food Ingredients		Parker Products	Develops and manufactures baked ingredient products.	-	-	-
08-10-20		Torri's Bakeshop		Village Juicery	Produces organic and plant-based pastries and desserts.	-	-	-
08-08-20		Ellison Bakery		Tilia Holdings	Produces cookies, crunches, bars and other baked goods.	-	-	-
07-31-20		Cheese Kurls		Kilroy Partners & Source Capital	Michigan-based private label snack food manufacturer.	-	-	-

## DAIRY

Date	Target Location	Target	Acquirer Location	Acquirer	Target Business Description	Enterprise Value*	EV / LTM Revenue	EBITDA
09-29-20		Assets of H.K. Anderson		Utz Quality Foods	Assets comprise property related to butter brand.	\$10	-	-
09-15-20		Natural Cheese Division of Kraft		Groupe Lactalis S.A.	Portfolio of cheese brands from Kraft Heinz.	\$3,200	1.78x	12.0x
08-26-20		Fromagerie Le Baluchon		Fromagerie L'ancêtre	Quebec-based producer of various cheeses.	-	-	-
07-15-20		Trickling Springs Creamery		South Mountain Creamery	Offers a variety of dairy products including milk and cream.	-	-	-

## RETAIL & DISTRIBUTION

Date	Target Location	Target	Acquirer Location	Acquirer	Target Business Description	Enterprise Value*	EV / LTM Revenue	EBITDA
09-24-20		Brands Within Reach		Zachert Private Equity	Distributor and marketer of healthy beverages.	\$15	-	-
09-24-20		Motor City Seafood		Great Lakes Wine & Spirits	Michigan-based seafood distributor.	-	-	-
09-18-20		Colorado Boxed Beef		Quirch Foods	Distributes refrigerated and frozen meat products.	-	-	-
09-10-20		Assets of Maison Kayser		Aurify Brands	The assets comprise several bakeries in the New York area.	-	-	-
08-31-20		Allseas Fisheries		Premium Brands Holdings	Engages in the wholesale distribution of seafood products.	-	-	-
08-10-20		Assets of Mountain Glacier		DS Services of America	Assets of water retail business in Texas and Tennessee.	-	-	-
07-30-20		Foodservice Business of TMI Trading		Schwan's Food Service	Offers Asian food solutions for the foodservice industry.	-	-	-

## MEAT & SEAFOOD PROCESSING

Date	Target Location	Target	Acquirer Location	Acquirer	Target Business Description	Enterprise Value*	EV / LTM Revenue	EBITDA
09-18-20		Vermont Smoke & Cure		Johnsonville, LLC	Leading East Coast meat-snacking company.	-	-	-
09-14-20		Mariner Seafood		True North Seafood	Massachusetts-based seafood processor.	-	-	-
08-11-20		Assets of VeroBlue Farms		NaturalShrimp	Assets include the Iowa-based barramundi farming facility.	\$10	-	-
07-29-20		Lamb Facility of Mountain States		JBS USA Holdings	Lamb processing facility of Mountain States Rosen.	\$14	-	-
07-16-20		Poultry Plant in Quebec		Giannone Poultry	Poultry processing plant in Drummondville Quebec.	-	-	-
07-10-20		Calihan Pork Processors		American Food Group	Processes and supplies butcher fresh pre-rigor pork.	-	-	-
07-09-20		RSJ Ventures		Sonoma Brands	Produces and sells steak and chicken jerkies.	-	-	-

Notes:

\* Implied Enterprise Value in \$USM

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

# Q3/20 Valuation and Operating Metrics

## Select North American Public Companies

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

Ticker	Company	Stock Price 30-Sep-20	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>Packaged Foods</b>												
NYSE:CAG	Conagra Brands, Inc.	\$35.71	\$39.34	\$22.83	\$26,963	\$9,902	\$11,343	\$2,364	21%	4.08x	2.38x	11.41x
NYSE:GIS	General Mills, Inc.	61.68	66.14	46.59	50,430	13,621	17,988	3,886	22%	3.51x	2.80x	12.98x
NasdaqGS:MDLZ	Mondelez International, Inc.	57.45	59.96	41.19	100,744	20,774	26,196	5,298	20%	3.39x	3.85x	19.02x
NYSE:SJM	The J. M. Smucker Company	115.52	125.62	91.88	18,304	5,522	7,994	1,841	23%	2.84x	2.29x	9.94x
NasdaqGS:KHC	The Kraft Heinz Company	29.95	36.37	19.99	62,960	28,523	25,782	6,643	26%	4.29x	2.44x	9.48x
<b>Food Retailing Market</b>												
TSX:EMP.A	Empire Company Limited	\$29.01	\$29.44	\$17.92	\$12,357	\$5,255	\$20,367	\$1,169	6%	3.65x	0.60x	10.52x
TSX:L	Loblaw Companies Limited	52.34	57.79	44.29	29,853	12,677	36,740	2,561	7%	3.89x	0.80x	11.41x
TSX:MRU	Metro Inc.	47.95	48.49	36.80	15,312	3,497	13,050	1,087	8%	2.91x	1.15x	13.82x
NYSE:KR	The Kroger Co.	33.91	37.22	23.71	44,086	20,626	128,905	6,305	5%	2.87x	0.34x	6.99x
NYSE:WMT	Walmart Inc.	139.91	151.33	102.00	455,693	70,242	542,026	36,616	7%	1.75x	0.84x	12.45x
<b>Beverages Market</b>												
TSX:ADW.A	Andrew Peller Limited	\$7.58	\$10.73	\$4.50	\$472	\$124	\$290	\$51	18%	2.32x	1.63x	9.27x
NASDAQ:KDP	Keurig Dr Pepper Inc.	27.60	32.00	18.98	53,862	14,862	11,431	3,524	31%	4.07x	4.71x	15.28x
NYSE:TAP	Molson Coors Beverage Company	33.56	61.94	32.11	15,938	8,791	9,846	2,268	23%	3.76x	1.62x	7.03x
NasdaqGS:PEP	PepsiCo, Inc.	138.60	147.20	101.42	227,861	44,571	68,557	12,583	18%	3.54x	3.32x	18.11x
NYSE:KO	The Coca-Cola Company	49.37	60.13	36.27	246,295	52,867	33,471	11,313	34%	4.67x	7.36x	21.77x
<b>Agricultural Food Market</b>												
NYSE:ADM	Archer-Daniels-Midland Company	\$46.49	\$48.56	\$28.92	\$35,026	\$9,280	\$62,706	\$2,607	4%	3.08x	0.56x	13.44x
NasdaqGS:CVGW	Calavo Growers, Inc.	66.27	95.69	48.31	1,266	98	1,117	51	5%	1.50x	1.13x	24.95x
NYSE:INGR	Ingredion Incorporated	75.68	99.51	59.11	6,808	2,346	5,943	835	14%	2.54x	1.15x	8.15x
TSX:SOY	SunOpta Inc.	7.44	7.93	1.28	1,308	505	1,258	75	6%	5.38x	1.03x	17.27x
<b>Bread, Bakery &amp; Snack Foods Market</b>												
NYSE:FLO	Flowers Foods, Inc.	\$24.33	\$25.18	\$17.42	\$6,254	\$1,406	\$4,260	\$453	11%	2.55x	1.47x	13.81x
TSX:WN	George Weston Limited	73.49	84.23	63.05	29,730	15,850	38,225	3,033	8%	4.59x	0.76x	9.60x
NasdaqCM:TWNK	Hostess Brands, Inc.	12.33	14.68	9.33	2,612	1,135	977	192	20%	5.62x	2.67x	13.58x
NasdaqGS:JJSF	J & J Snack Foods Corp.	130.39	195.72	105.67	2,265	62	1,022	77	7%	0.66x	2.22x	29.55x
NYSE:K	Kellogg Company	64.59	72.88	52.66	30,563	9,210	13,529	2,314	17%	3.76x	2.26x	13.21x
<b>Dairy Market</b>												
NasdaqGS:CALM	Cal-Maine Foods, Inc.	\$38.37	\$46.66	\$30.74	\$1,681	\$3	\$1,403	\$99	7%	0.03x	1.20x	16.99x
TSX:SAP	Saputo Inc.	25.07	31.49	22.00	13,208	3,315	11,035	1,027	9%	3.08x	1.20x	12.87x
<b>Meat &amp; Seafood Processing Market</b>												
TSX:CLR	Clearwater Seafoods Incorporated	\$4.50	\$4.81	\$2.87	\$646	\$349	\$404	\$67	17%	5.14x	1.57x	9.51x
TSX:HLF	High Liner Foods Incorporated	6.39	8.55	3.90	552	334	851	80	9%	3.95x	0.64x	6.87x
TSX:MFI	Maple Leaf Foods Inc.	20.38	23.09	12.79	3,170	738	3,145	234	7%	2.82x	1.01x	13.52x
TSX:PBH	Premium Brands Holdings Corporatioi	75.45	77.07	47.12	4,060	999	2,962	194	7%	4.60x	1.36x	20.78x
NasdaqGS:SAFM	Sanderson Farms, Inc.	117.97	179.45	102.13	2,695	137	3,531	91	3%	0.26x	0.76x	29.66x
NYSE:TSN	Tyson Foods, Inc.	59.48	94.24	42.57	33,015	12,570	42,609	4,363	10%	2.50x	0.77x	7.57x

Notes:

As at September 30, 2020

<sup>(1)</sup> All trading multiples based upon trading currency.

Source: S&P Global Market Intelligence

## About CCC Investment Banking

Established in 1975, CCC is one of Canada's leading independent middle market investment banks. 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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To find out how CCC can add value to your business, please contact one of our food and beverage specialists:

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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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