



CCC
INVESTMENT
BANKING



Food & Beverage Industry

Q4/2020 Review

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Valuation & Operating Metrics

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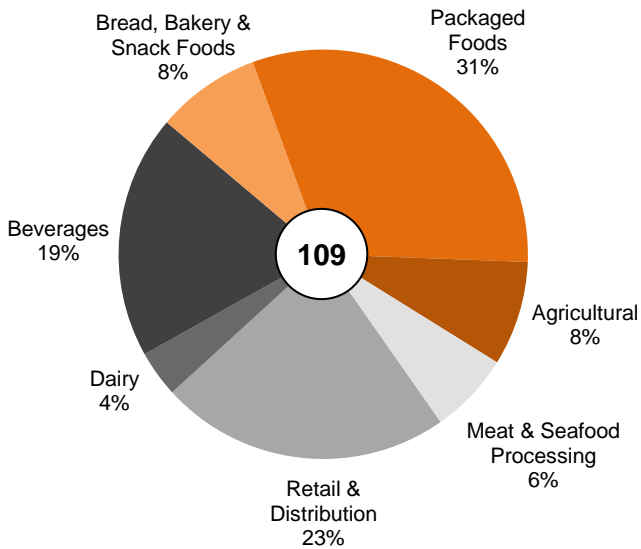
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March 2021

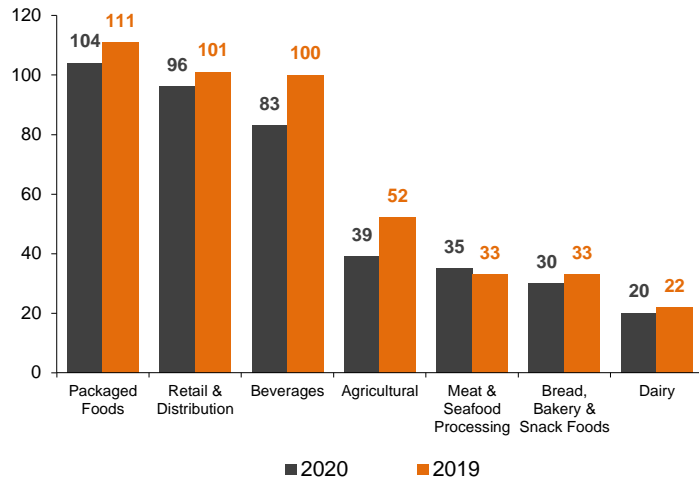


North American Merger and Acquisition Statistics

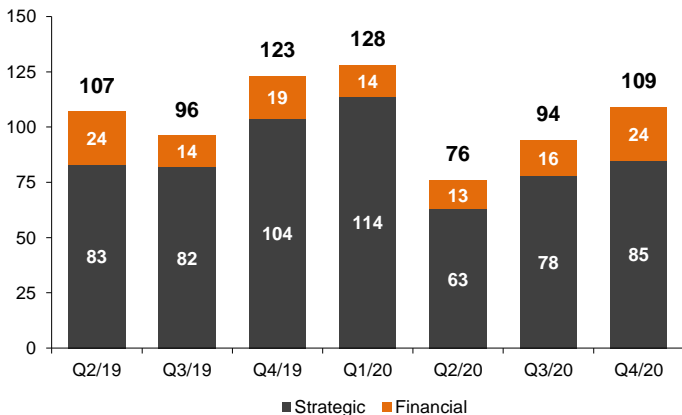
Q4/20 Food & Beverage ("F&B") Deal Volume by Segment



2020 F&B Transactions by Segment

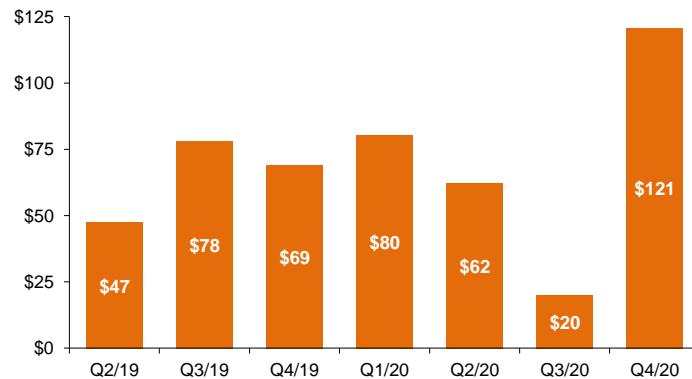


F&B Deal Volume by Transaction Type



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

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



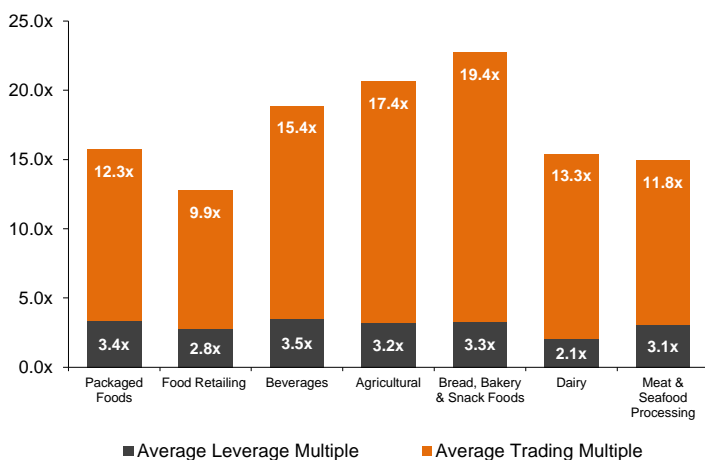
* Q4/20 saw an above average deal size due to an extremely high amount of publicly disclosed transactions.

Notes:

All statistics are for announced/closed majority stake transactions only.
 All North American statistics/figures exclude Mexico (Canada & U.S. only).
 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			
	Q4/19	Q4/20	Q1/21	Q2/21	Q3/21	Q4/21
CAD/USD	0.76	0.78	0.78	0.79	0.79	0.79
Interest Rates	Actual		Forecast			
	Q4/19	Q4/20	Q1/21	Q2/21	Q3/21	Q4/21
5-year GOC Bonds	1.63	0.44	0.50	0.59	0.70	0.81
Other Key Rates						
	Q4/19		Q4/20			
CAD Prime Business Rate	3.95		2.45			
CAD 1 month BA ⁽⁴⁾	1.99		0.22			
USD 3 month LIBOR ⁽⁵⁾	1.91		0.24			

Leverage Multiples for High Yield F&B Issuers

Company Name	Industry Classification	S&P Entity Credit Rating	LTM Total Debt/EBITDA	
			Dec 31, 2019	Dec 31, 2020
Campbell Soup Company	Packaged Foods	BBB-	5.9x	3.8x
Darling Ingredients Inc.	Agricultural Products	BB+	4.4x	3.5x
Lamb Weston Holdings, Inc.	Packaged Foods	BB+	2.7x	3.9x
Pilgrim's Pride Corporation	Meat & Seafood Processing	BB+	2.7x	3.4x
TreeHouse Foods, Inc.	Packaged Foods	BB-	5.2x	5.0x
B&G Foods, Inc.	Packaged Foods	B+	6.4x	5.2x
Hostess Brands, Inc.	Bread, Bakery & Snack Foods	B+	5.3x	5.5x
Post Holdings, Inc.	Packaged Foods	B+	6.1x	7.3x
The Simply Good Foods Company	Packaged Foods	B+	6.9x	3.7x
Primo Water Corporation	Beverages	B	5.1x	4.9x
High Liner Foods Incorporated	Meat & Seafood Processing	B	5.2x	4.2x
United Natural Foods, Inc.	Retail & Distribution	B	7.6x	5.7x
The Chef's Warehouse, Inc.	Retail & Distribution	B-	6.6x	-*
SunOpta Inc.	Packaged Foods	B-	16.3x*	6.7x
Mean			5.4x	4.8x
Median			5.3x	4.9x

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

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.

Q4/20 Featured Transactions

BEVERAGES

Date	Target Location	Target	Acquirer Location	Acquirer	Target Business Description	Enterprise Value*	EV / LTM Revenue	EBITDA
12-30-20		FONA International		McCormick & Company	Manufacturer of natural flavour extracts for F&B markets.	\$710	-	-
12-01-20		Windsor Canadian Whisky Brand		Prestige Beverage Group	Whisky brand formerly run by Chicago-based Beam Suntory.	-	-	-
11-25-20		Iconic Brewing Company		Ace Hill Beer Company	Producer of ready-to-drink alcoholic beverages.	-	-	-
11-24-20		Naturo Group Investments		BevCanna Enterprises	Develops beverages for in-house and white label brands.	\$18	-	-
11-25-20		SweetWater Brewing		Aphria	Atlanta-based microbrewery that offers specialty beers.	\$366	5.49x	16.29x
11-30-20		Brunswick Bierworks		Clairvest Equity Partners	Clairvest Equity Partners has made an equity investment in Brunswick Bierworks. Brunswick is a leading Canadian contract manufacturer of beer and pre-mixed ready-to-drink alcoholic beverages. CCC acted as exclusive financial advisor to Brunswick.	-	-	-
10-13-20		Portfolio of Wine Brands of BNA Wine		Miller Family Wine	Portfolio includes the Butternut, Volunteer and The Rule.	-	-	-

PACKAGED FOODS

Date	Target Location	Target	Acquirer Location	Acquirer	Target Business Description	Enterprise Value*	EV / LTM Revenue	EBITDA
12-21-20		U.S. Based Chile Pepper Business		Olam Americas	U.S. based chile pepper business of Mizkan America.	\$109	-	-
12-17-20		Wholesome Sweeteners		Whole Earth Brands	Leader in organic, plant-based and fair-trade sweeteners.	\$241	-	-
12-03-20		Natural Balance Pet Foods		Nexus Capital	Producer of premium dog and cat food products.	\$50	0.23x	-
11-25-20		Holy Crap Brands		Plant & Co. Brands	Produces an organic and healthy breakfast cereal.	-	-	-
11-24-20		The Cholula Food Company		McCormick & Company	Cholula is a premium Mexican hot sauce brand.	\$800	8.33x	25.0x
11-19-20		Old World Spices & Seasonings		Shore Capital Partners	Manufacturer of various custom blended ingredients.	-	-	-
11-10-20		Swerve®		Whole Earth Brands	Manufacturer of zero sugar and plant-based sweeteners.	\$80	-	-
11-06-20		Manna Pro Products		The Carlyle Group, Constitution Capital	Manufactures animal feeds for animal health & nutrition.	-	-	-
11-05-20		U.S. Dry Pasta and Noodles Business		TreeHouse Foods	Ebro's Riviana Foods U.S. branded pasta business.	\$243	1.21x	-
10-28-20		Dry Pasta Business of Catelli Foods		Barilla America	Ebro's Catelli dry pasta business located in Canada.	\$124	1.60x	-
10-27-20		SmartSweets		TPG Growth	Vancouver-based better-for-you candy brand.	-	-	-
10-26-20		Barley Business & Related Assets		Anchor Ingredients	Barley business & related assets from Dakota Dry Bean.	-	-	-
10-26-20		Crisco® Oils and Shortening Business		B&G Foods	Crisco® Oils & Shortening Business of J. M. Smucker.	\$550	2.04x	8.1x
10-08-20		Above Food		Purely Canada Foods	Develops plant-based meat and dairy products.	-	-	-

AGRICULTURAL

Date	Target Location	Target	Acquirer Location	Acquirer	Target Business Description	Enterprise Value*	EV / LTM Revenue	EBITDA
12-23-20		22 Acre Greenhouse Range		Green Rise Foods	22 Acre Greenhouse Range located in Kingsville, Ontario.	\$12	-	-
12-17-20		4,600 Acres of Farmland		Gladstone Land Corp.	Farm comprising of almonds, pistachios and pomegranates.	\$62	-	-
10-26-20		Canadian Canola Breeding Program		Farmer's Business Network Canada	Canadian canola breeding program of Cibus, Ltd.	-	-	-
10-09-20		Eco Farms Trading Operations		The Oppenheimer Group	Produces avocados, dragon fruits, lemons and oranges.	-	-	-
10-01-20		Green Plains Cattle Company		AGR Partners, StepStone Group	Kansas-based operator of cattle feedlots.	\$161	-	-

Notes:

* Implied Enterprise Value in \$USM.

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

Q4/20 Featured Transactions

BREAD, BAKERY & SNACK FOODS

Date	Target Location	Target	Acquirer Location	Acquirer	Target Business Description	Enterprise Value*	EV / LTM Revenue	EBITDA
12-02-20		Nature's Bakery		KIND LLC	Nevada-based manufacturer of simple & wholesome snacks.	-	-	-
11-11-20		Truco Enterprises		Utz Brands	Producer of tortilla chips, salsa and queso.	\$480	-	-
11-03-20		Miller Baking		Benestar Brands	Manufacturer of Pretzilla branded soft pretzels and buns.	-	-	-
11-02-20		Bad Monkey		Champlain Financial	Producer of ready-to-eat popcorn and confectionery items.	-	-	-
10-06-20		Portofino Bakery & Pace Processing		Bond Bakery Brands	Two leading B.C.-based bakery companies.	-	-	-

DAIRY

Date	Target Location	Target	Acquirer Location	Acquirer	Target Business Description	Enterprise Value*	EV / LTM Revenue	EBITDA
12-17-20		Ultima Foods		Lactalis Canada	Operating as Aliments Ultima, producer of various yogourts.	-	-	-
12-14-20		Almark		Michael Food Group	Georgia-based producer and supplier of eggs.	-	-	-
11-02-20		Umpqua Dairy Products		Producers Dairy Foods	Family-owned manufacturer of various dairy products.	-	-	-

RETAIL & DISTRIBUTION

Date	Target Location	Target	Acquirer Location	Acquirer	Target Business Description	Enterprise Value*	EV / LTM Revenue	EBITDA
12-31-20		Tut's International		Lipari Foods	Importer of Middle Eastern and Eastern European Food.	-	-	-
12-12-20		QuickChek		Murphy USA	New Jersey-based owner & operator of convenience stores.	\$645	-	-
12-08-20		Leo's Apples		GrubMarket	New York-based distributor of a wide array of fresh fruits.	-	-	-
11-24-20		Doctor Deli Distributions		DMB Distribution Alimentaire	Ontario-based provider of food distribution services.	-	-	-
11-18-20		McCartney Produce		FreshEdge	Tennessee-based supplier of fruits and vegetables.	-	-	-
11-09-20		The Organic Corp & Tradin Organics		Amsterdam Commodities N.V.	Two companies were part of SunOpta's international organic ingredients business.	\$389	0.79x	10.0x
11-05-20		Beverages & More		goBrands	California-based specialty beverage retailer.	\$350	-	-
10-30-20		Regal Confections		Clearspring Capital Partners	Quebec-based distributor of confectionery & chocolate.	-	-	-
10-22-20		Best Fresh Produce		GrubMarket	Los Angeles-based distributor of fresh fruits and vegetables.	-	-	-
10-22-20		Aquanor Marketing		Samherji hf	Imports, distributes and markets seafood products.	-	-	-
10-08-20		Eight Convenience/Liquor Stores		Mid-Island Consumer Services Co-Op	Vancouver Island-based convenience-format liquor stores.	\$16	-	-

MEAT & SEAFOOD PROCESSING

Date	Target Location	Target	Acquirer Location	Acquirer	Target Business Description	Enterprise Value*	EV / LTM Revenue	EBITDA
12-31-20		Blue Earth Group		Santa Monica Seafood	Produces and supplies chilled and frozen seafood products.	-	-	-
11-23-20		Neesvigs		Fortune Fish Company	Wisconsin-based seafood, meat processor and distributor.	-	-	-
11-09-20		Clearwater Seafoods		Premium Brands Holdings	One of North America's largest seafood companies.	\$742	1.90x	10.76x
10-31-20		Peter Pan Seafoods		Northwest Fish Company	Assets comprise marine fishery product business.	-	-	-
10-06-20		Harris Seafood		The Chefs' Warehouse	Assets include the seafood manufacturing business.	-	-	-
10-01-20		Cami International Poultry		ADP Direct Poultry	Engages in the slaughtering and processing of poultry.	-	-	-

Notes:

* Implied Enterprise Value in \$USM.

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

Q4/20 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-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 ⁽¹⁾	EBITDA ⁽¹⁾
Packaged Foods												
NYSE:CAG	Conagra Brands, Inc.	\$36.26	\$39.34	\$22.83	\$27,255	\$9,540	\$11,517	\$2,427	21%	3.83x	2.37x	11.23x
NYSE:GIS	General Mills, Inc.	58.80	66.14	46.59	48,224	13,964	18,287	3,979	22%	3.51x	2.64x	12.12x
NasdaqGS:MDLZ	Mondelez International, Inc.	58.47	59.96	41.19	101,709	21,046	26,581	5,412	20%	3.45x	3.83x	18.79x
NYSE:SJM	The J. M. Smucker Company	115.60	125.62	91.88	18,082	5,298	8,070	1,888	23%	2.66x	2.24x	9.58x
NasdaqGS:KHC	The Kraft Heinz Company	34.66	36.37	19.99	68,300	29,152	26,185	6,856	26%	3.49x	2.61x	9.96x
Food Retailing Market												
TSX:EMP.A	Empire Company Limited	\$27.30	\$32.08	\$18.74	\$12,138	\$5,090	\$20,890	\$1,207	6%	3.44x	0.56x	9.63x
TSX:L	Loblaw Companies Limited	49.29	60.43	46.31	29,165	12,612	38,342	2,656	7%	3.74x	0.73x	10.52x
TSX:MRU	Metro Inc.	44.58	51.99	38.48	14,485	3,636	14,275	1,339	9%	2.49x	1.01x	10.78x
NYSE:KR	The Kroger Co.	31.76	37.22	26.72	42,645	20,671	130,654	6,596	5%	2.76x	0.33x	6.47x
NYSE:WMT	Walmart Inc.	144.15	153.66	102.00	468,790	69,200	548,743	38,024	7%	1.67x	0.85x	12.33x
Beverages Market												
TSX:ADW.A	Andrew Peller Limited	\$8.22	\$9.49	\$4.71	\$500	\$137	\$311	\$53	17%	2.46x	1.61x	9.41x
NASDAQ:KDP	Keurig Dr Pepper Inc.	32.00	32.24	18.98	59,704	14,491	11,618	3,542	30%	3.94x	5.14x	16.86x
NYSE:TAP	Molson Coors Beverage Company	45.19	61.94	32.11	18,159	8,603	9,654	2,171	22%	3.84x	1.88x	8.36x
NasdaqGS:PEP	PepsiCo, Inc.	148.30	148.77	101.42	239,922	45,843	70,372	12,725	18%	3.44x	3.41x	18.85x
NYSE:KO	The Coca-Cola Company	54.84	60.13	36.27	269,115	44,420	33,014	11,493	35%	3.75x	8.15x	23.42x
Agricultural Food Market												
NYSE:ADM	Archer-Daniels-Midland Company	\$50.41	\$52.05	\$28.92	\$36,452	\$11,068	\$64,355	\$2,782	4%	3.46x	0.57x	13.10x
NasdaqGS:CVGW	Calavo Growers, Inc.	69.43	90.73	48.31	1,318	92	1,059	49	5%	1.50x	1.24x	26.65x
NYSE:INGR	Ingredion Incorporated	78.67	99.51	59.11	7,158	2,368	5,987	858	14%	2.50x	1.20x	8.34x
TSX:SOY	SunOpta Inc.	11.67	11.74	1.43	1,700	505	1,258	75	6%	5.38x	1.28x	21.47x
Bread, Bakery & Snack Foods Market												
NYSE:FLO	Flowers Foods, Inc.	\$22.63	\$25.18	\$17.42	\$5,856	\$1,394	\$4,283	\$472	11%	2.44x	1.37x	12.41x
TSX:WN	George Weston Limited	74.62	87.62	65.93	30,857	15,864	39,836	3,181	8%	4.40x	0.74x	9.29x
NasdaqCM:TWNK	Hostess Brands, Inc.	14.64	14.69	9.33	2,889	1,141	1,017	206	20%	5.28x	2.84x	14.02x
NasdaqGS:JJSF	J & J Snack Foods Corp.	155.37	189.17	105.67	2,729	59	980	56	6%	0.85x	2.78x	48.95x
NYSE:K	Kellogg Company	62.23	72.88	52.66	29,558	9,210	13,529	2,314	17%	3.76x	2.18x	12.77x
Dairy Market												
NasdaqGS:CALM	Cal-Maine Foods, Inc.	\$37.54	\$46.66	\$30.74	\$1,641	\$3	\$1,439	\$131	9%	0.02x	1.14x	12.57x
TSX:SAP	Saputo Inc.	27.96	32.92	23.00	14,431	3,320	11,438	1,085	9%	2.92x	1.26x	13.30x
Meat & Seafood Processing Market												
TSX:HLF	High Liner Foods Incorporated	\$8.71	\$9.31	\$4.07	\$593	\$334	\$851	\$80	9%	3.95x	0.66x	7.06x
TSX:MFI	Maple Leaf Foods Inc.	22.15	24.15	13.37	3,355	788	3,378	305	9%	2.36x	0.99x	11.00x
NasdaqGS:PPC	Pilgrim's Pride Corporation	19.61	32.94	14.06	6,938	2,571	12,092	767	6%	2.78x	0.57x	9.05x
TSX:PBH	Premium Brands Holdings Corporation	79.05	83.38	49.27	4,347	999	2,962	194	7%	4.60x	1.39x	21.28x
NasdaqGS:SAFM	Sanderson Farms, Inc.	132.20	177.31	102.13	2,968	66	3,564	182	5%	0.11x	0.83x	16.35x
NYSE:TSN	Tyson Foods, Inc.	64.44	94.24	42.57	34,088	11,868	43,185	4,912	11%	2.12x	0.79x	6.94x

Notes:

As at December 31, 2020.

⁽¹⁾ 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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The background features a dark grey field with large, overlapping, angular shapes in a vibrant orange color, creating a dynamic, abstract pattern.

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