CCC INVESTMENT BANKING

Food & Beverage Industry

Q2/2023 Review

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Valuation & Operating Metrics

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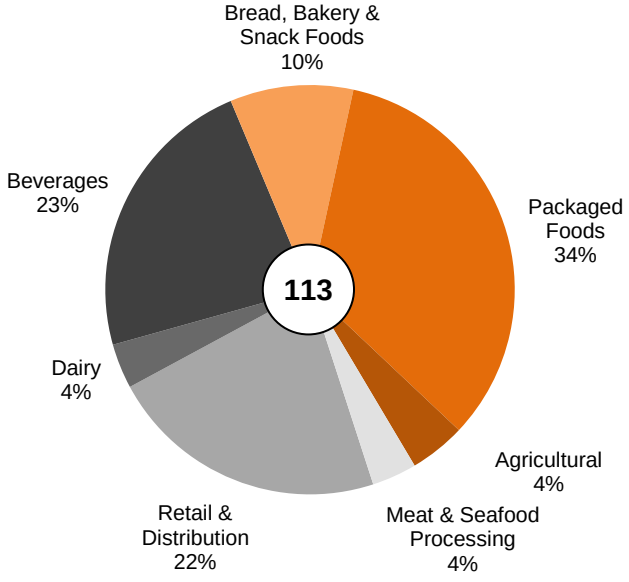
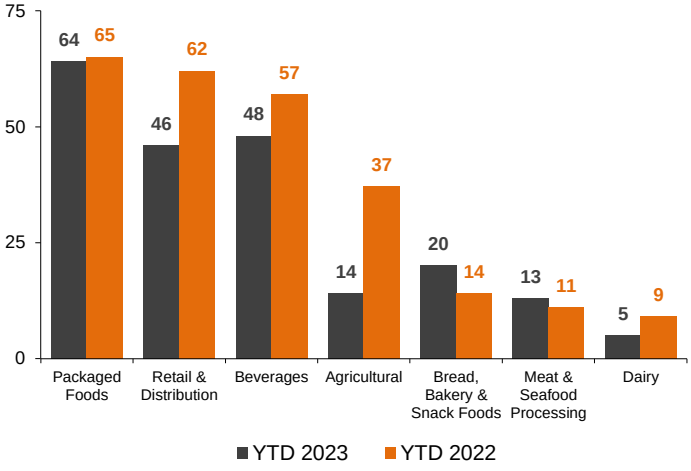
September 2023

North American Merger and Acquisition Statistics

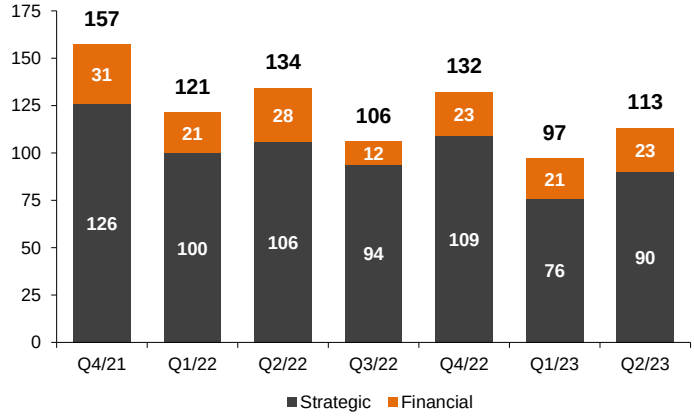
Q2/23 Food & Beverage ("F&B") Deal Volume by Segment



2023 YTD[(1)] F&B Transactions by Segment



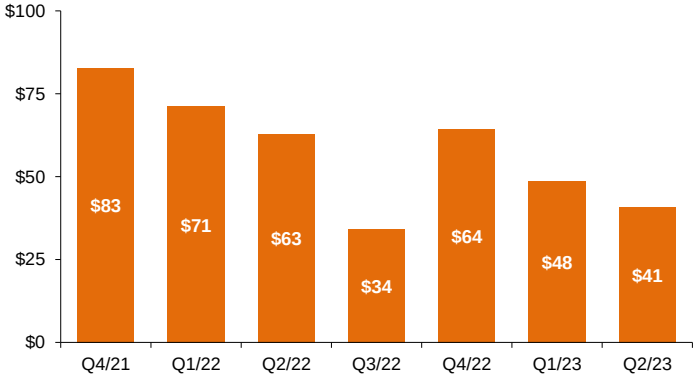
F&B Deal Volume by Transaction Type



F&B Average Deal Size

(US$M)

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



Q2/23 had 16 publicly disclosed transactions with 75% of those below US$50M in value.

Notes:

All statistics are for announced/closed majority stake transactions only.

All North American statistics/figures exclude Mexico (Canada & U.S. only)

[(1)] YTD – Year-to-Date – ended June 30th

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

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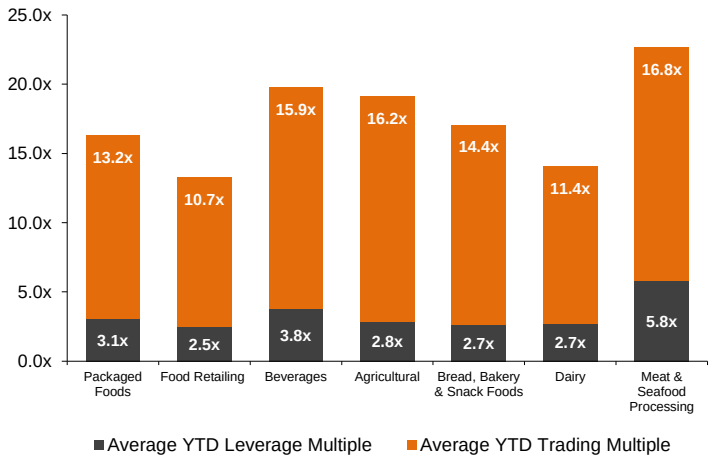
North American Merger and Acquisition Statistics

North American Public Company Trading[1] & Leverage[2] Multiples



Economic Indicator Forecast[3]

Exchange Rates	Actual		Forecast			
	Q2/22	Q2/23	Q3/23	Q4/23	Q1/24	Q2/24
CAD/USD	0.78	0.76	0.75	0.75	0.76	0.76

Interest Rates	Actual		Forecast			
	Q2/22	Q2/23	Q3/22	Q4/23	Q1/24	Q2/24
5-year GOC Bonds	3.1	3.69	3.78	3.58	3.44	3.29

Other Key Rates	Q2/22	Q2/23
CAD Prime Business Rate	4.70	6.95
CAD 1 month BA[4]	2.00	5.02
USD 3 month LIBOR[5]	2.29	5.55

Leverage Multiples for High Yield F&B Issuers

Company Name	Industry Classification	S&P Entity Credit Rating	LTM Total Debt/EBITDA Jun 30, 2022	LTM Total Debt/EBITDA Jun 30, 2023
Darling Ingredients Inc.	Agricultural Products	BB+	2.0x	4.3x
Lamb Weston Holdings, Inc.	Packaged Foods	BB+	4.5x	3.3x
Hostess Brands, Inc.	Bread, Bakery & Snack Foods	BB-	4.3x	3.4x
The Simply Good Foods Company	Packaged Foods	BB-	2.1x	1.7x
Post Holdings, Inc.	Packaged Foods	B+	7.8x	6.5x
Primo Water Corporation	Beverages	B+	4.9x	4.5x
High Liner Foods Incorporated	Meat & Seafood Processing	B	3.7x	4.1x
Sovos Brands, Inc.	Packaged Foods	B	5.6x	3.1x
SunOpta Inc.	Packaged Foods	B	5.9x	5.8x
TreeHouse Foods, Inc.	Packaged Foods	B	16.2x*	5.1x
Utz Brands, Inc.	Bread, Bakery & Snack Foods	B	15.4x*	9.6x
B&G Foods, Inc.	Packaged Foods	B-	7.5x	8.0x
Whole Earth Brands, Inc.	Packaged Foods	B-	10.1x*	11.8x*
Mean			**4.8x**	**5.0x**
Median			**4.7x**	**4.4x**

* *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.

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Q2/23 Featured Transactions

BEVERAGES

Date	Target Location	Target	Acquirer Location	Acquirer	Target Business Description	Enterprise Value*	EV / LTM Revenue	EV / LTM EBITDA
06-23-23		Domaine Curry Wine		Constellation Brands	Manufactures and sells wine products.	-	-	-
06-12-23		Ace Beverage Group		Corby Spirit and Wine	Manufactures and markets alcoholic beverages	$123.45	-	-
06-07-23		8th Wonder Brewery		Bayou City Hemp Company	Owns and operates a distillery.	-	-	-
05-22-23		Flying Dog Brewery		Matt Brewing Co.	Engages in producing and selling beer.	-	-	-
05-09-23		Stag's Leap Wine Cellars		Marchesi Antinori S.p.A.	Operator of vineyards and produces wines.	-	-	-
05-08-23		Penelope Bourbon		Luxco, Inc.	Produces and sells whiskey.	$215.8	-	-
05-04-23		A Production Winery and Planted Vineyard		The Duckhorn Portfolio	Vineyards in Sonoma County, California.	$55.0	-	-
05-01-23		Fishers Island Lemonade		Spirit of Gallo	Manufacturer of craft lemonade cocktails.	-	-	-

PACKAGED FOODS

Date	Target Location	Target	Acquirer Location	Acquirer	Target Business Description	Enterprise Value*	EV / LTM Revenue	EV / LTM EBITDA
06-28-23		Chef Inspirational Foods		Mama's Creations	Offers prepared salad, entrees, and olives.	$3.95	-	-
06-25-23		Whole Earth Brands		Unnamed Buyer	Operates through branded CPG and flavours segments.	$603.07	1.12x	12.17x
06-20-23		Raw Advantage Processing		BrightPet Nutrition Group	Manufactures freeze-dried and frozen raw pet food.	-	-	-
06-19-23		Lucky Foods		Daesang Corporation	Produces packaged kimchi and other Asian appetizers.	-	-	-
06-16-23		Love Child (Brands)		Nature's Path Foods	Produces organic baby and children's food products.	-	-	-
06-14-23		Yasso, Inc.		Unilever PLC	Produces and sells frozen Greek yoghurt bars.	-	-	-
05-30-23		Emerald Nuts		Flagstone Foods	Manufactures and markets food and beverage products.	$40.0	0.6x	-
05-24-23		Eat Howl		Penguin Natural Foods	Operates as a chef-driven, plant-based food company.	-	-	-
05-10-23		Assets of Tutti Gourmet		Sweets from the Earth	Quebec-based manufacturer of biscotti.	-	-	-
04-27-23		Esbenshade Inc		The Wenger Group	Produces and distributes eggs and egg products	-	-	-
04-17-23		Two Manufacturing Facilities		The Hershey Company	Two snacks manufacturing facilities in the USA.	$165.8	-	-
04-14-23		Altemia and Company		Lobe Sciences	Produces medical food for the dietary management of sickle cell disease.	$2.84	-	-
04-13-23		Assets related to sale of Frozen Pizza		Pizapie Inc.	Assets relate to production, sale, and distribution of pizza.	-	-	-

AGRICUTURAL

Date	Target Location	Target	Acquirer Location	Acquirer	Target Business Description	Enterprise Value*	EV / LTM Revenue	EV / LTM EBITDA
06-21-23		Mother Nature's Goodies		Teamshares Inc.	Producer and manufacturer of natural granola.	-	-	-
06-15-23		Gillette Citrus		Kings River Packing	Produces navels, valencias, and other citrus fruits.	-	-	-
06-08-23		Kankun Mango Variety		Sun World International	USA-based mango trees.	-	-	-
06-07-23		QualiTech		MidOcean Partners	Produces plant nutrition, animal nutrition and food ingredient products.	-	-	-
05-02-23		Snittjer Grain Company		Landus Cooperative	Assets consist of agricultural products and services.	-	-	-

Notes:

** Implied Enterprise Value in $USM.*

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

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Q2/23 Featured Transactions

BREAD, BAKERY & SNACK FOODS

Date	Target Location	Target	Acquirer Location	Acquirer	Target Business Description	Enterprise Value*	EV / LTM Revenue	EV / LTM EBITDA
06-27-23		The No Bake Cookie Co.		Village Family Capital	Produces and sells no-bake cookies.	-	-	-
06-07-23		Foley's Candies		Puratos Canada Inc.	Manufactures chocolate and bakery products.	-	-	-
06-01-23		Hillary's Sweet Temptations		Johnson Bros. Bakery Supply	Prepares and bakes cookie dough, dessert bars, and more.	-	-	-
05-15-23		Bellcour Bakery		Bellecour at Cooks of Crocus Hill	Bakes and sells fresh pastries.	-	-	-
04-27-23		Natural Bakery		Grupo Bimbo	Natural Bakery operates as a subsidiary of Grupo Bimbo.	-	-	-
04-06-23		Koa Natural Foods		Happy Belly Food Group	Manufactures organic snacks.	$2.59	-	-
04-03-23		Brooklyn Brands		Taguchi Shokuhni K.K.	Produces baked confectionary items.	-	-	-

MEAT & SEAFOOD PROCESSING

Date	Target Location	Target	Acquirer Location	Acquirer	Target Business Description	Enterprise Value*	EV / LTM Revenue	EV / LTM EBITDA
06-22-23		Alaska Seafood Marketing Institute		Tlingit and Haida Indian Tribes	Operates a seafood marketing firm.	-	-	-
06-05-23		Northern Divine Aquafarms		Caviar & Caviar	Produces organic white sturgeon and organic coho salmon.	-	-	-
05-16-23		Missouri Prime Beef Packers		STX Beef Company	Producer of beef products.	-	-	-
04-05-23		Home Port Seafood		Wild Alaskan	Produces frozen seafood.	-	-	-

RETAIL & DISTRIBUTION

Date	Target Location	Target	Acquirer Location	Acquirer	Target Business Description	Enterprise Value*	EV / LTM Revenue	EV / LTM EBITDA
06-28-23		El Rancho Inc.		Heritage Grocers Group	Operates a chain of Hispanic grocery stores.	-	-	-
06-26-23		Bix Produce Company		FreshPoint	Distributes bulk and pre-cut fruits and vegetables.	-	-	-
06-14-23		ACJ International		The Andersons	Supply-chain management in the pet food industry.	$41.4	-	-
06-05-23		Tri-State Companies		Batory Foods	Operates as a food ingredients broker and distributor.	-	-	-
05-31-23		Morton Williams Supermarkets		A2Z Smart Technologies	Operates as a food retailer selling groceries and more.	-	-	-
05-16-23		Gillco Products		Azelis Group NV	Engages in wholesale distribution of ingredients.	-	-	-
05-02-23		Testa Produce		FreshEdge	Distributes local produce, organic produce, and seasonal products.	-	-	-
04-27-23		MAPCO Express		Circle K Stores	Operator of a chain of convenience stores.	$725.0	-	-
04-18-23		City Wholesale Grocery		Imperial Trading Co.	Distributor of tobacco, drinks, groceries, and more.	-	-	-
04-14-23		Stores of Sullivan's Foods		Coborn's	11 grocery stores, a convenience store, and 3 hardware stores.	-	-	-
04-05-23		Quality Beverage		Martignetti Corporation	Wholesaler of ales, lagers, ciders, and wines.	-	-	-

DAIRY

Date	Target Location	Target	Acquirer Location	Acquirer	Target Business Description	Enterprise Value*	EV / LTM Revenue	EV / LTM EBITDA
05-25-23		Chapel Hill Creamery		Reverence Farms	Operates a dairy farm that produces milk and cheese.	-	-	-
05-13-23		Los Altos Food Products		Sigma Alimentos	Manufactures and sells Mexican cheese and sour cream.	-	-	-
04-03-23		Kaufhold's Kurds		Sky Island Capital	Produces hand-breaded Wisconsin cheese curds.	-	-	-

Notes:
** Implied Enterprise Value in $USM.*
Source: S&P Global Market Intelligence, CISION PR Newswire.

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Q2/23 Valuation and Operating Metrics

Select North American Public Companies

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

Ticker	Company	Stock Price 30-Jun-23	52 Week High	52 Week Low	Total Enterprise Value	Total Debt	LTM Revenue	LTM EBITDA	EBITDA Margin	Total Debt to LTM EBITDA	TEV / LTM Revenue[1]	TEV / LTM EBITDA[1]
Packaged Foods												
NYSE:CAG	Conagra Brands, Inc.	$33.72	$41.30	$32.30	$25,575	$9,468	$12,277	$2,254	18%	4.08x	**2.08x**	**11.35x**
NYSE:GIS	General Mills, Inc.	76.70	90.89	72.16	56,496	12,065	20,094	3,694	18%	3.13x	**2.81x**	**15.29x**
NasdaqGS:MDLZ	Mondelez International, Inc.	72.94	78.59	54.72	118,573	21,718	34,131	6,791	20%	2.88x	**3.47x**	**17.46x**
NYSE:SJM	The J. M. Smucker Company	147.67	163.07	125.83	18,363	4,428	8,529	1,611	19%	2.57x	**2.15x**	**11.40x**
NasdaqGS:KHC	The Kraft Heinz Company	35.50	42.80	32.73	63,120	20,179	26,929	6,017	22%	2.72x	**2.34x**	**10.49x**
Food Retailing Market												
TSX:EMP.A	Empire Company Limited	$28.42	$30.74	$24.99	$12,538	$5,361	$22,779	$1,238	5%	3.35x	**0.54x**	**9.99x**
TSX:L	Loblaw Companies Limited	91.59	97.61	79.72	41,514	13,858	44,035	3,845	9%	3.00x	**0.95x**	**10.83x**
TSX:MRU	Metro Inc.	56.50	59.58	50.66	16,336	3,156	14,171	1,239	9%	2.33x	**1.11x**	**12.67x**
NYSE:KR	The Kroger Co.	47.00	52.00	41.82	51,604	20,527	148,823	7,683	5%	2.41x	**0.35x**	**6.72x**
NYSE:WMT	Walmart Inc.	157.18	158.23	120.06	485,803	66,058	622,021	36,560	6%	1.66x	**0.78x**	**13.29x**
Beverages Market												
TSX:ADW.A	Andrew Peller Limited	$3.10	$4.94	$2.98	$312	$168	$291	$23	8%	6.32x	**1.07x**	**13.38x**
NASDAQ:KDP	Keurig Dr Pepper Inc.	31.27	41.31	30.47	57,696	14,373	14,567	3,739	26%	3.66x	**3.96x**	**15.43x**
NYSE:TAP	Molson Coors Beverage Company	65.84	68.13	46.69	20,895	6,965	11,178	1,956	18%	3.43x	**1.87x**	**10.68x**
NasdaqGS:PEP	PepsiCo, Inc.	185.22	196.88	160.98	291,872	43,621	90,135	15,392	17%	2.62x	**3.24x**	**18.96x**
NYSE:KO	The Coca-Cola Company	60.22	65.47	54.02	291,649	43,195	44,140	13,804	31%	3.04x	**6.61x**	**21.13x**
Agricultural Food Market												
NYSE:ADM	Archer-Daniels-Midland Company	$75.56	$98.28	$69.92	$52,141	$9,825	$99,884	$5,088	5%	1.76x	**0.52x**	**10.25x**
NasdaqGS:CVGW	Calavo Growers, Inc.	29.02	45.50	22.64	598	84	1,056	20	2%	2.68x	**0.57x**	**29.29x**
NYSE:INGR	Ingredion Incorporated	105.95	113.46	78.81	9,468	2,461	8,216	1,096	13%	2.08x	**1.15x**	**8.64x**
TSX:SOY	SunOpta Inc.	6.69	12.01	6.27	1,223	421	918	73	8%	4.86x	**1.33x**	**16.83x**
Bread, Bakery & Snack Foods Market												
NYSE:FLO	Flowers Foods, Inc.	$24.88	$30.16	$24.06	$6,608	$1,365	$4,904	$483	10%	2.35x	**1.35x**	**13.69x**
TSX:WN	George Weston Limited	118.28	138.89	104.80	35,824	16,091	44,452	4,762	11%	3.08x	**0.81x**	**7.55x**
NasdaqCM:TWNK	Hostess Brands, Inc.	25.32	29.00	20.54	4,265	995	1,383	293	21%	3.27x	**3.08x**	**14.56x**
NasdaqGS:JJSF	J&J Snack Foods Corp.	158.36	165.90	127.80	3,149	172	1,515	155	10%	1.00x	**2.08x**	**20.32x**
NYSE:K	Kellogg Company	67.40	77.17	63.74	30,657	7,484	15,696	1,945	12%	3.60x	**1.95x**	**15.76x**
Dairy Market												
NasdaqGS:CALM	Cal-Maine Foods, Inc.	$45.00	$65.32	$43.75	$1,558	$2	$3,146	$1,036	33%	0.00x	**0.50x**	**1.50x**
TSX:SAP	Saputo Inc.	22.41	28.32	20.99	12,305	3,077	13,384	1,084	8%	2.69x	**0.92x**	**11.35x**
Meat & Seafood Processing Market												
TSX:HLF	High Liner Foods Incorporated	$10.50	$11.98	$8.13	$754	$395	$1,104	$97	9%	3.90x	**0.67x**	**7.64x**
TSX:MFI	Maple Leaf Foods Inc.	19.54	21.48	14.24	3,771	1,615	3,672	95	3%	13.24x	**1.03x**	**39.82x**
NasdaqGS:PPC	Pilgrim's Pride Corporation	21.49	33.96	19.96	8,468	3,988	17,070	876	5%	3.75x	**0.50x**	**9.67x**
TSX:PBH	Premium Brands Holdings Corporatio	78.94	78.98	58.42	5,481	1,939	4,589	275	6%	6.14x	**1.17x**	**19.54x**
NYSE:TSN	Tyson Foods, Inc.	51.04	88.76	47.11	26,592	8,930	53,625	3,538	7%	2.10x	**0.50x**	**7.52x**

Notes:
As at June 30, 2023
[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 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

Brunswick Bierworks · Compass Foods · Summit Food Service – A Division of Colabor · 511 Food Service · Cinnaroll Bakeries Limited · Humbert's · L.B. Maple Treat · Wing's · Heinz · bento Sushi · Janes · Dare

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