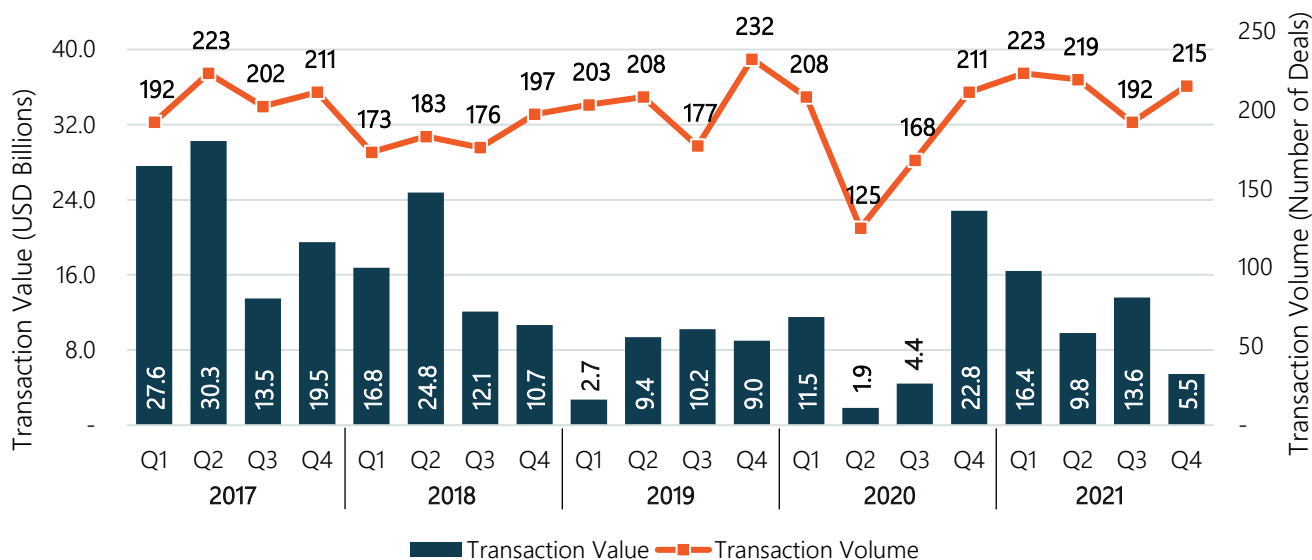


Food & Beverage

Quarterly Update | Q4 2021



North American Food & Beverage M&A Transactions



Q4 Transactions (Canada)
32
(+28.0% vs. Q3 2021)

Q4 Transaction Value (Canada)
\$1.8 billion
(+463.3% vs. Q3 2021)

Q4 Transactions (US)
183
(+9.6% vs. Q3 2021)

Q4 Transaction Value (US)
\$3.7 billion
(-72.6% vs. Q3 2021)

M&A Market Update – Q4 2021¹

- Despite an overall increase in the number of transactions, Q4 2021 transaction values in the North American food and beverage industry decreased by 60% compared to the previous quarter. The decline in transaction values was driven by fewer large transactions in the United States (“US”), which experienced a 73% decline in transaction value in the quarter. Canada, however, experienced an increase of 463% in transaction value, driven primarily by FGF Brands Inc.’s acquisition of the fresh and frozen bakery business of George Weston Limited for \$888.7 million.
- The majority of transactions in Q4 2021 were in the restaurant and packaged foods sub-industries, which comprised 27% and 30% of total transactions, respectively. During the quarter, the beverage sector, which includes soft drinks, brewers, distillers, and vintners, also experienced notable deal activity with a total of 25 transactions, accounting for 12% of transaction volume.
- Industry M&A activity was primarily driven by private strategic buyers in Q4 2021, who accounted for 61% of the total transaction volume. The remaining acquisitions were made by publicly listed companies and private equity firms, which comprised 24% and 15% of total transaction volume, respectively.
- In response to surging inflation rates caused by growing consumer demand, global supply chain issues, product shortages, and rising oil prices, monetary policymakers have hinted at upcoming interest rate increases. An interest rate increase will result in more expensive debt financing, and may act as a deterrent on future transaction values and volumes.

Source: Capital IQ. Data as of December 31, 2021. All figures are in USD.

¹M&A summary data is based on publicly disclosed transactions in the food and beverage industry between January 1, 2017 to December 31, 2021.

Macroeconomic Indicators

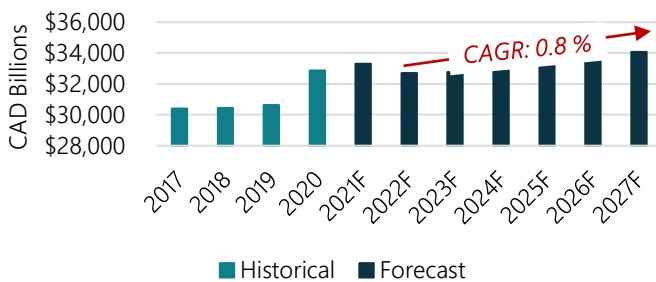
Key external drivers that affect the food and beverage industry in Canada include per capita disposable income, consumer spending, the consumer confidence index, and the consumer price index for food.

Per capita disposable income increased in 2020 and was forecasted to increase in 2021 due to significant government stimulus and unemployment benefits associated with COVID-19 government relief initiatives. The spread of the COVID-19 delta variant resulted in the extension of many government relief initiatives in 2021, which buoyed disposable incomes. In 2022 however, disposable income is forecasted to decline due to expected interest rate hikes and a reduction of COVID-19 support packages from the government.

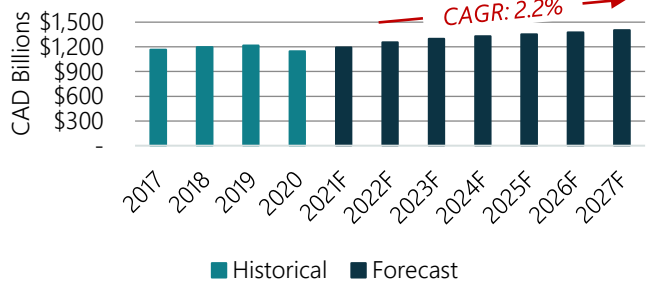
Consumer spending and consumer confidence levels were at historic lows in 2020 due to strict regulations relating to the COVID-19 pandemic, which included stay-at-home orders, the banning of indoor gatherings, and capacity limits in establishments. Capacity limits and mandatory closures significantly reduced consumer spending at restaurants and bars to the direct benefit of grocery retailers, which were deemed essential and posted record setting revenues in 2020 and 2021. Consumer confidence levels have recovered well in 2021 with nationwide availability of the COVID-19 vaccine, and with the unemployment rate approaching pre-pandemic levels. Consumer spending is expected to follow suit as activity restrictions are eased and businesses resume normal operations, with forecasted annualized growth of 2.2% per year through 2027.

Food prices in Canada increased approximately 5.2% during 2021, soaring past the historical annual growth rate of 1.9% between 2016 to 2020. The increases in food prices during 2021 were attributable to the depressed value of the Canadian dollar, making it more expensive for Canadian stores to purchase imported goods, as well as a reduction in supply attributable to damaged crops from floods, wild fires, and droughts. Supply chain pressures have also increased costs for suppliers, which are ultimately passed down to consumers. Forecasted food price inflation for 2022 is anticipated to be between 5.0% and 7.0%, limiting the overall buying power of consumers.

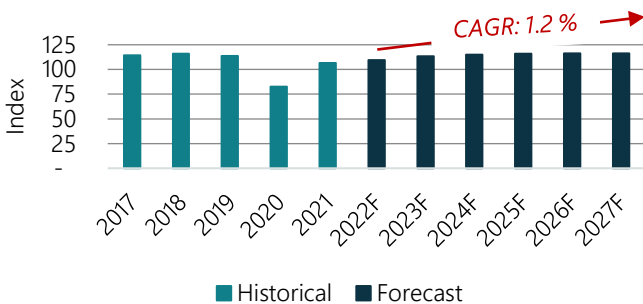
Per Capita Disposable Income



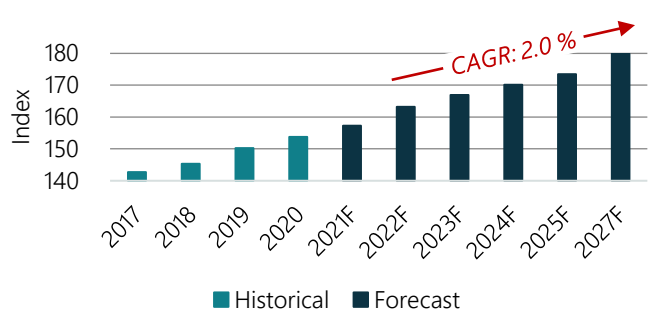
Consumer Spending



Consumer Confidence Index



Consumer Price Index for Food



Select Recent M&A Transactions

North America



acquired

WESTON FOODS

Announced	Oct 26, 2021
EV	\$888.7M
EV/EBITDA	Not Disclosed
EV/Revenue	Not Disclosed

- **FGF Brands Inc.** ("FGF") is a technology driven bakery specializing in naan bread, flat bread, pizza crusts, sweets, and laminated dough. FGF serves a variety of customers including grocery retailers and food service companies. FGF sells its baked goods through stores in the US, Canada, and Puerto Rico. FGF was founded in 2004 and is based in Concord, Ontario.
- **Weston Foods Fresh and Frozen Bakery Business** ("Weston Bakery") are assets and a business comprised of a North American fresh and frozen baked good manufacturer serving grocery retailers and food service customers with bread, rolls, artisan breads, cakes, donuts, and pies. Weston Bakery produces private label products and owns brands including Ace Bakery, Casa Mendosa, Country Harvest, Dave's Killer Bread, D'Italiano, and Gadoua. The assets of Weston Bakery are located in Canada and were previously owned by George Weston Limited ("GWL").
- GWL sold Weston Bakery to FGF as part of its strategic plan to focus on its retail and real estate businesses. The acquisition of Weston Bakery provided FGF an exceptional opportunity to capitalize on GWL's significant industry experience, robust brand portfolio, loyal customers, and Canadian roots.



acquired



Announced	Dec 6, 2021
EV	\$845.7M
EV/EBITDA	9.5x
EV/Revenue	1.6x

- **Jack in the Box Inc.** ("Jack in the Box") operates and franchises Jack in the Box quick service restaurants, with over 2,200 locations across the US. Jack in the Box was founded in 1951 and is based in San Diego, California.
- **Del Taco Restaurants, Inc.** ("Del Taco") develops, franchises, owns, and operates Del Taco quick service restaurants, with over 600 locations across the US. Del Taco was founded in 1964 and is based in Lake Forest, California.
- The acquisition strengthens Jack in the Box's portfolio of quick service restaurant brands and diversifies its offering to include Mexican cuisine. The acquisition also helps Jack in the Box increase market share in the quick service restaurant industry as Jack in the Box and Del Taco have over 2,800 locations combined across the US.

Select Recent M&A Transactions

North America



Closed	Nov 17, 2021
EV	\$315.0M
EV/EBITDA	13.2x
EV/Revenue	5.8x

- **Treasury Wine Estates Limited** ("TWE") is the largest premium wine company in the world, with diversified operations including cultivation, marketing, sales, and distribution. TWE owns and leases 9,260 hectares of vineyards in Australia and New Zealand, 3,200 hectares of vineyards in California, 166 hectares in Italy, and 60 hectares in France. TWE markets and sells its products to distributors, wholesalers, retail chains, independent retailers, on-premise outlets, and directly to consumers. TWE was founded in 1843 and is based in Melbourne, Australia.
- **Frank Family Vineyards, LLC** ("FFV") is a wine producer with a tasting room, multiple vineyards, and a portfolio of award winning luxury wines. FFV was founded in 1992 and is based in Calistoga, California.
- TWE has pivoted focus to growing its wine portfolio in the US. This transaction allows TWE to continue to expand its reach in the US, while improving national distribution channels, access to high-quality vineyards, and access to key customer accounts. In addition, FFV is known for luxury chardonnay, which provided TWE with an opportunity to fill a gap in its portfolio of luxury wine offerings.



Announced	Oct 27, 2021
EV	\$20.0M
EV/EBITDA	Not Disclosed
EV/Revenue	0.7x

- **1-800-Flowers.com, Inc.** ("Flowers") provides gifts for various occasions in the US, which includes a diverse range of products such as flowers, floral and fruit arrangements, plants, personalized products, candies, chocolates, and wines. Flowers markets and sells products on its e-commerce platform. Flowers was founded in 1976 and is based in Jericho, New York.
- **Vital Choice Wild Seafood & Organics, Inc.** ("Vital") provides a wide range of products including salmon, cod, tuna, halibut, shrimp, shellfish, canned seafood, smoked seafood, omega-3 supplements, organic foods, pet food, and more, all of which are sold on Vital's e-commerce platform. Vital was founded in 2000 and is based in Ferndale, Washington.
- The acquisition of Vital positions Flowers to capitalize on the growing consumer trend toward healthy and sustainable foods.

Public Comparable Analysis

Trading Multiples & Operating Statistics

(Figures in USD Millions, except percentages and ratios)

Company	Market Capitalization	Enterprise Value	LTM Operating Figures				NTM Consensus Estimates			Valuation	
			Revenue	Revenue Growth	EBITDA	EBITDA Margin	Revenue Growth	EBITDA Margin	NTM EV/EBITDA	LTM EV/EBITDA	LTM EV/REV
Processed Foods											
Nestlé S.A.	\$384,504	\$427,559	\$85,304	(3.7%)	\$18,190	21.3%	16.1%	21.5%	20.1x	23.5x	5.0x
Tyson Foods, Inc.	\$31,646	\$39,032	\$47,049	8.9%	\$5,950	12.6%	6.4%	10.1%	7.7x	6.6x	0.8x
Campbell Soup Company	\$13,114	\$18,324	\$8,372	(5.4%)	\$1,809	21.6%	1.2%	19.1%	11.3x	10.1x	2.2x
B&G Foods, Inc.	\$1,994	\$4,432	\$1,995	3.5%	\$327	16.4%	6.0%	17.0%	12.4x	13.6x	2.2x
Median	\$22,380	\$28,678	\$27,711	(0.1%)	\$3,880	18.9%	6.2%	18.0%	11.9x	11.8x	2.2x
Mean	\$107,815	\$122,337	\$35,680	0.8%	\$6,569	18.0%	7.4%	16.9%	12.9x	13.4x	2.6x
Natural Foods											
The Hain Celestial Group, Inc.	\$3,958	\$4,368	\$1,927	(6.9%)	\$222	11.5%	2.7%	14.7%	15.0x	19.6x	2.3x
Sprouts Farmers Market, Inc.	\$3,332	\$4,571	\$6,209	(0.4%)	\$502	8.1%	0.5%	7.0%	10.4x	9.1x	0.7x
United Natural Foods, Inc.	\$2,851	\$6,518	\$27,263	1.2%	\$808	3.0%	4.3%	2.8%	8.2x	8.1x	0.2x
Median	\$3,332	\$4,571	\$6,209	(0.4%)	\$502	8.1%	2.7%	7.0%	10.4x	9.1x	0.7x
Mean	\$3,380	\$5,152	\$11,799	(2.0%)	\$511	7.5%	2.5%	8.2%	11.2x	12.3x	1.1x
Snacks											
General Mills	\$40,644	\$53,137	\$18,608	1.8%	\$3,975	21.4%	0.4%	19.9%	14.3x	13.4x	2.9x
The Hershey Company	\$39,856	\$43,889	\$8,830	9.9%	\$2,327	26.4%	3.6%	26.2%	18.3x	18.9x	5.0x
J & J Snack Foods Corp.	\$3,015	\$2,770	\$1,145	12.0%	\$122	10.6%	9.7%	12.7%	17.4x	22.7x	2.4x
Median	\$39,856	\$43,889	\$8,830	9.9%	\$2,327	21.4%	3.6%	19.9%	17.4x	18.9x	2.9x
Mean	\$27,838	\$33,266	\$9,528	7.9%	\$2,141	19.5%	4.6%	19.6%	16.7x	18.3x	3.4x
Alcoholic Beverages											
Anheuser-Busch InBev SA/NV	\$102,653	\$195,406	\$52,873	11.4%	\$17,177	32.5%	5.9%	35.5%	9.8x	11.4x	3.7x
Heineken N.V.	\$64,731	\$82,914	\$20,482	(5.9%)	\$5,084	24.8%	31.3%	23.0%	13.4x	16.3x	4.0x
Brown-Forman Corporation	\$34,034	\$35,311	\$3,623	8.3%	\$1,127	31.1%	5.3%	33.5%	27.6x	31.3x	9.7x
Molson Coors Beverage Company	\$10,086	\$17,235	\$9,955	1.1%	\$2,299	23.1%	5.7%	19.9%	8.2x	7.5x	1.7x
Median	\$49,382	\$59,113	\$15,218	4.7%	\$3,692	28.0%	5.8%	28.2%	11.6x	13.8x	3.9x
Mean	\$52,876	\$82,717	\$21,733	3.7%	\$6,422	27.9%	12.1%	28.0%	14.8x	16.6x	4.8x
Non-Alcoholic Beverages											
The Coca-Cola Company	\$255,753	\$284,544	\$37,802	12.9%	\$13,306	35.2%	4.9%	33.7%	21.3x	21.4x	7.5x
PepsiCo, Inc.	\$242,976	\$277,501	\$76,681	11.8%	\$13,886	18.1%	4.2%	18.9%	18.4x	20.0x	3.6x
Starbucks Corporation	\$137,229	\$154,224	\$29,061	23.6%	\$6,226	21.4%	12.4%	21.6%	21.9x	24.8x	5.3x
Monster Beverage Corporation	\$50,819	\$47,902	\$5,313	20.2%	\$1,843	34.7%	9.6%	34.6%	23.8x	26.0x	9.0x
Median	\$190,103	\$215,863	\$33,431	16.6%	\$9,766	28.1%	7.2%	27.7%	21.6x	23.1x	6.4x
Mean	\$171,694	\$191,043	\$37,214	17.1%	\$8,815	27.4%	7.7%	27.2%	21.3x	23.0x	6.4x
Fruit and Vegetable											
Lamb Weston Holdings, Inc.	\$9,258	\$11,227	\$3,894	9.6%	\$565	14.5%	6.2%	16.5%	16.5x	19.9x	2.9x
Fresh Del Monte Produce Inc.	\$1,312	\$2,033	\$4,237	0.3%	\$204	4.8%	4.3%	4.5%	N/A	10.0x	0.5x
Seneca Foods Corporation	\$415	\$625	\$1,396	1.2%	\$168	12.0%	N/A	N/A	N/A	3.7x	0.4x
Median	\$1,312	\$2,033	\$3,894	1.2%	\$204	12.0%	5.2%	10.5%	16.5x	10.0x	0.5x
Mean	\$3,662	\$4,628	\$3,176	3.7%	\$312	10.4%	5.2%	10.5%	16.5x	11.2x	1.3x
Fast Food											
McDonald's Corporation	\$200,314	\$244,822	\$22,528	16.6%	\$11,223	49.8%	8.2%	51.9%	19.4x	21.8x	10.9x
Chipotle Mexican Grill, Inc.	\$49,188	\$51,655	\$7,194	23.7%	\$1,041	14.5%	15.9%	17.0%	36.4x	49.6x	7.2x
Yum! Brands, Inc.	\$40,704	\$51,888	\$6,437	14.9%	\$2,274	35.3%	6.7%	35.3%	21.4x	22.8x	8.1x
Restaurant Brands International Inc.	\$19,119	\$33,216	\$5,551	9.1%	\$2,067	37.2%	9.0%	39.5%	13.9x	16.1x	6.0x
Median	\$44,946	\$51,772	\$6,816	15.7%	\$2,171	36.3%	8.6%	37.4%	20.4x	22.3x	7.6x
Mean	\$77,331	\$95,395	\$10,427	16.1%	\$4,151	34.2%	10.0%	35.9%	22.7x	27.6x	8.0x
Food Retail											
Costco Wholesale Corporation	\$251,737	\$248,913	\$203,084	17.4%	\$9,413	4.6%	8.9%	4.5%	25.1x	26.4x	1.2x
The Kroger Co.	\$33,278	\$51,668	\$135,577	3.8%	\$5,549	4.1%	3.0%	4.9%	7.6x	9.3x	0.4x
Median	\$142,507	\$150,290	\$169,331	10.6%	\$7,481	4.4%	5.9%	4.7%	16.4x	17.9x	0.8x
Mean	\$142,507	\$150,290	\$169,331	10.6%	\$7,481	4.4%	5.9%	4.7%	16.4x	17.9x	0.8x

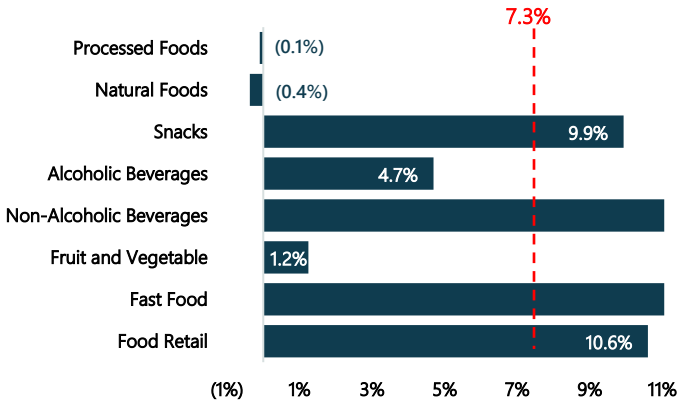
Source: Capital IQ. Data as of December 31, 2021.

"LTM" refers to last twelve months. "NTM" refers to next twelve months. "EV" refers to Enterprise Value.

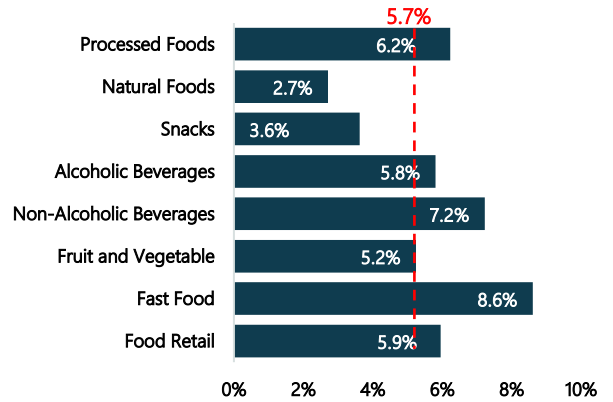
Public Comparable Analysis

Growth, Margins & Multiples

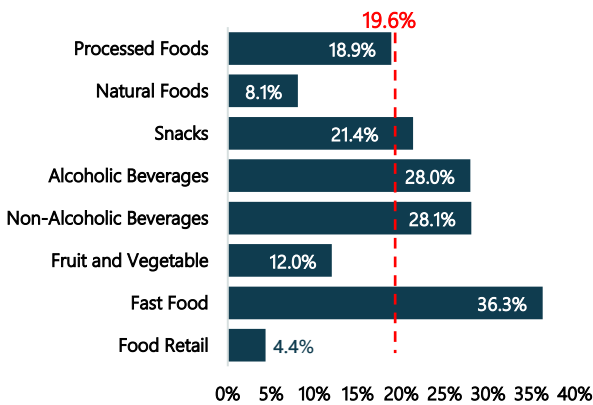
LTM Revenue Growth



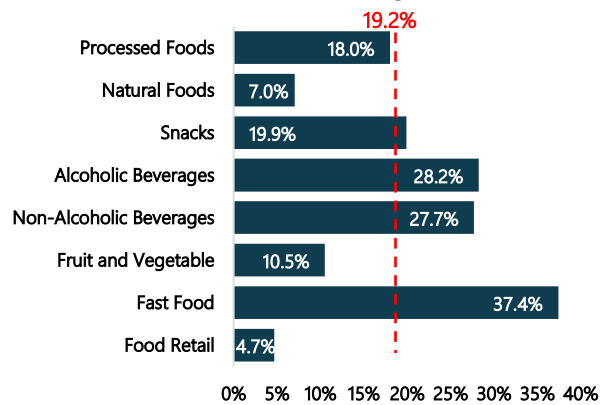
NTM Revenue Growth



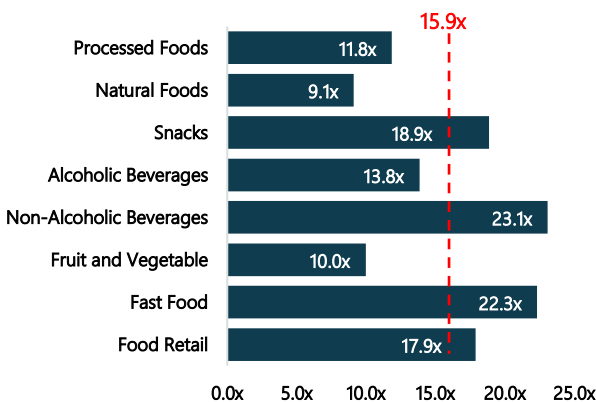
LTM EBITDA Margin



NTM EBITDA Margin



LTM EV/EBITDA



NTM EV/EBITDA



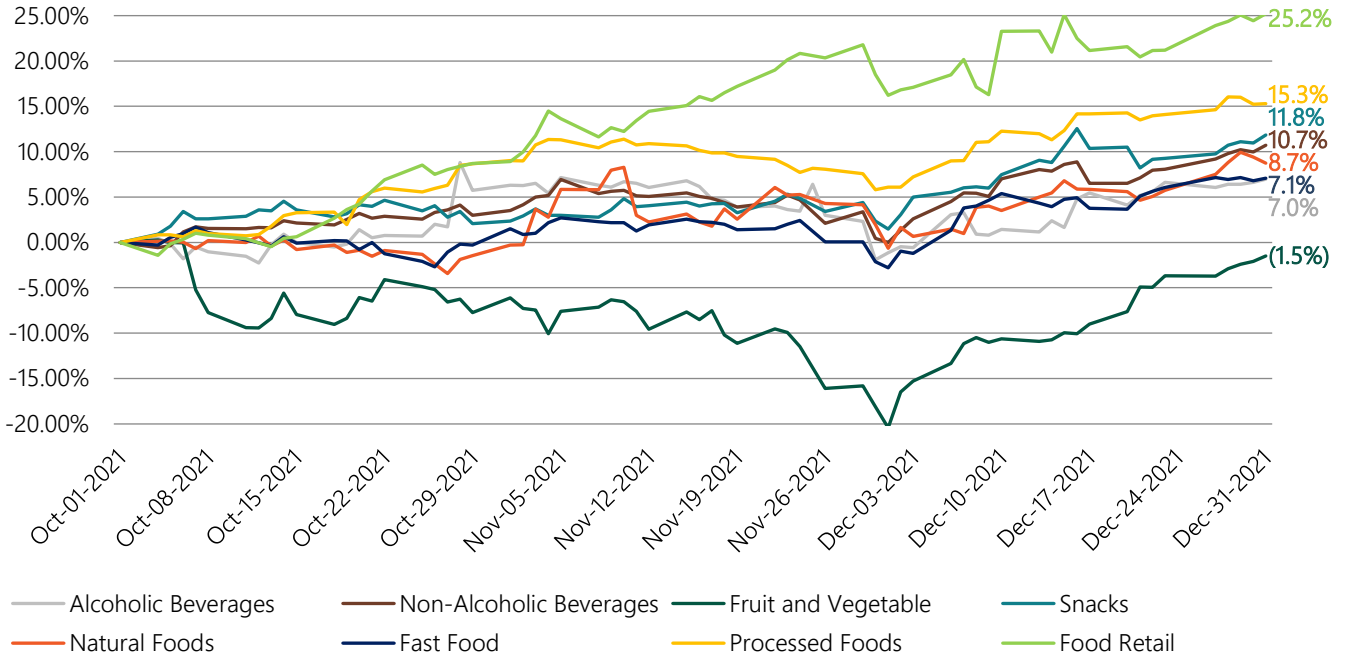
--- Average

Source: Capital IQ. Data as of December 31, 2021.
Group constituents are provided on page 6.
All figures are in USD.

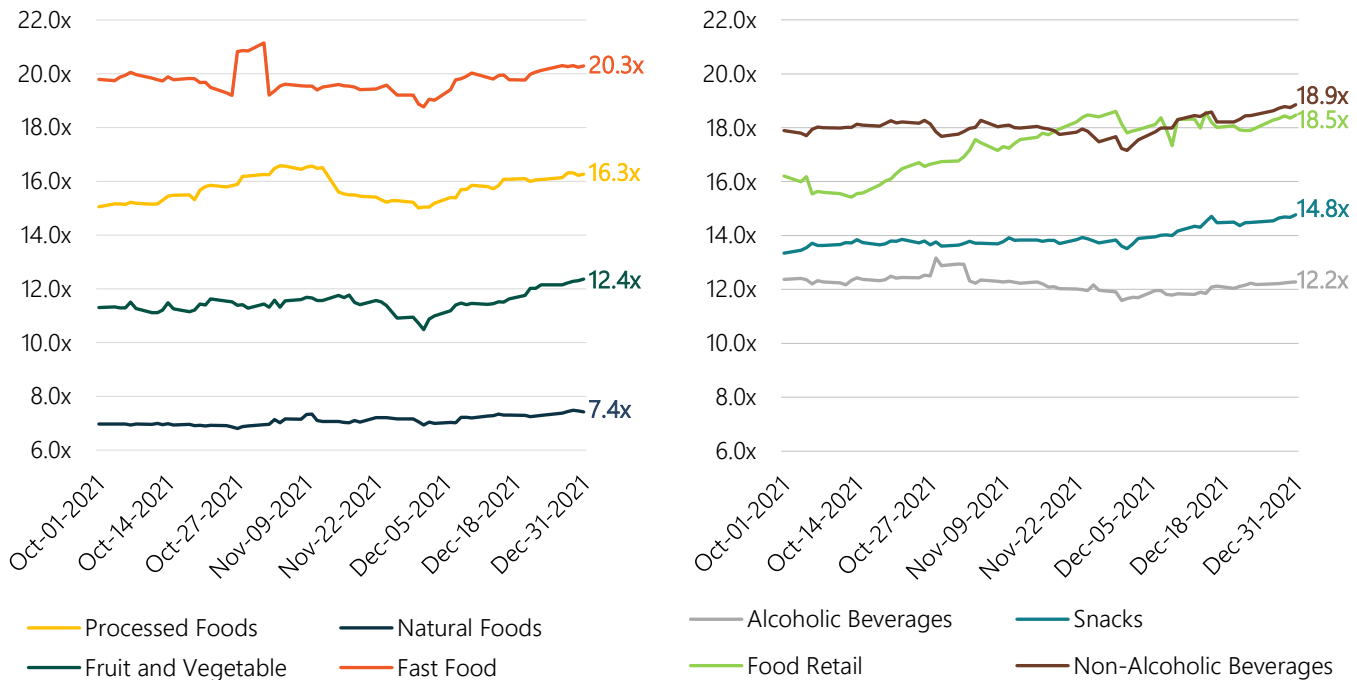
Public Comparable Analysis

Performance Analysis

Food & Beverage Peer Group Stock Performance



Food & Beverage Peer Group EV/EBITDA Multiples



About Us



MNP Corporate Finance ("MNPCF") has a dedicated team of over 100 M&A and due diligence professionals across Canada. MNPCF works with clients in virtually all industries as they prepare, plan and execute transactions.

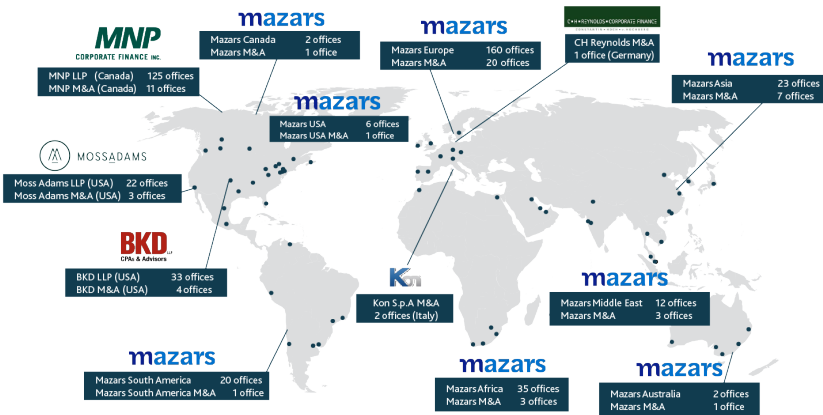
Our typical transactions range in value between \$3 million and \$300 million.

Local and International Reach

MNP is a participating firm within Praxity, a unique global alliance of independent accounting/advisory firms created to answer global business needs. As a member of Praxity, we are able to offer access to corporate finance, accounting and tax advisory services worldwide. We are also affiliated with Corporate Finance Cross Border, which consists of 250+ M&A professionals in more than 30 countries.



CFxBorder - Global reach with local relationships
Our corporate finance team through CFxBorder consists of 250 plus M&A professionals in more than 30 countries



Recently Closed Deals (National)

Services

- Divestitures
- Acquisitions
- Debt Financing
- Due Diligence
- Transaction Advisory Services

About Us



Deal Experience

Since our inception, our team has advised on hundreds of transactions, in a wide range of industries with diverse enterprise values. In the past eight years alone we have completed over 200 transactions worth over \$3.5 billion (not including due diligence engagements).

Industry Experience

- Food & Beverage
- Retail & Distribution
- Manufacturing
- Agriculture
- Automotive
- Materials
- Health Care
- Pharmaceutical
- Transportation
- Construction
- Software
- Financial Services
- Technology
- Energy
- Oilfield Services
- Real Estate

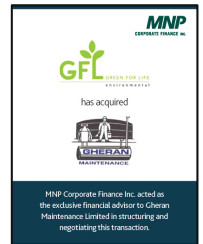
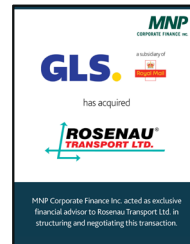
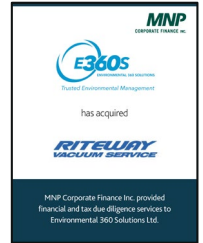
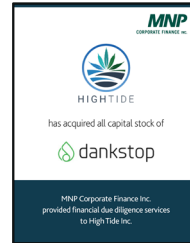
Hands-on Approach

Current M&A transactions require a hands-on approach from start to finish including the active engagement of senior resources. Our senior resources are dedicated to our clients and are available as necessary and appropriate. We keep our clients regularly informed of the engagement status, issues we are encountering, successes and overall progress.

Integrated Service Offering

We draw on the vast experience and deep specialist knowledge network of our partners locally, nationally and internationally as specialty issues arise, such as pre-transaction tax planning, transaction structuring, estate planning, valuation, due diligence, performance improvement and risk management.

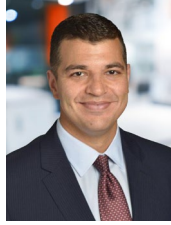
Recently Closed Deals (National)



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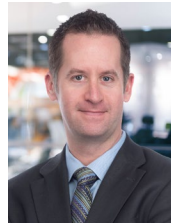


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Due Diligence Leadership



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