



FOOD & BEVERAGE

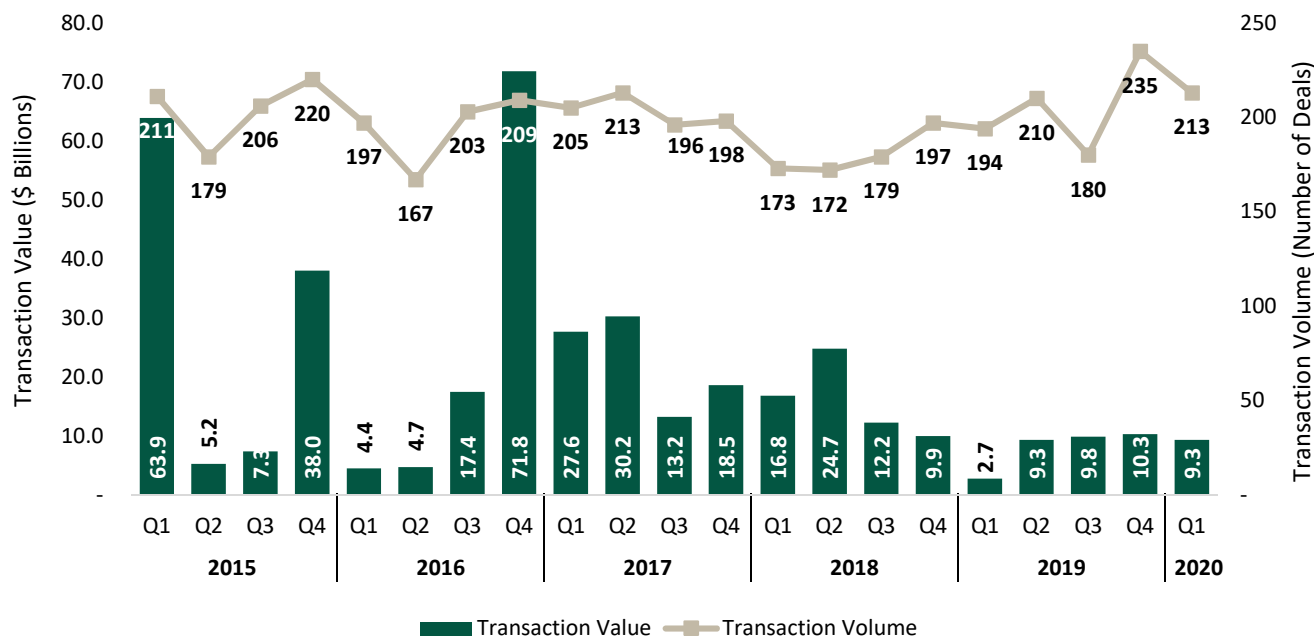
QUARTERLY UPDATE

Q1 2020

INDUSTRY OVERVIEW

M&A TRANSACTIONS & PERFORMANCE

NORTH AMERICAN FOOD AND BEVERAGE M&A TRANSACTIONS



M&A MARKET UPDATE - Q1 2020

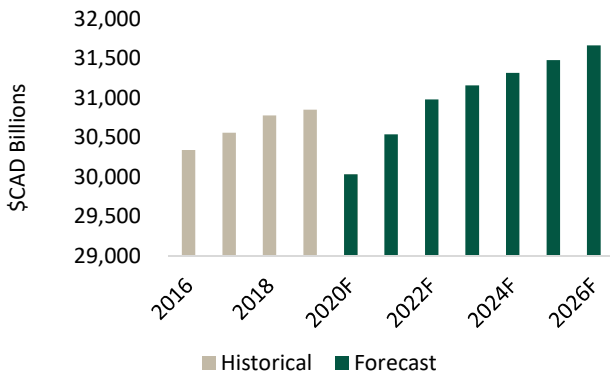
- M&A activity in the North American food and beverage industry declined in Q1 2020. Overall disclosed transaction volume decreased from 235 to 213 and total disclosed transaction value decreased from \$10.3 billion to \$9.3 billion from Q4 2019 to Q1 2020 respectively. Despite the decline in transaction value, average disclosed transaction value remained relatively unchanged, decreasing from \$43.6 million in Q4 2019 to \$43.5 million in Q1 2020.
- M&A activity in Q1 2020 was predominantly driven by industry operators (i.e. strategic buyers) who accounted for 94% of total deal volume during the period. Approximately 82% of the strategic deals were completed by privately-held food and beverage companies.
- The majority of transactions in Q1 2020 were in the packaged foods and meats, and restaurants sub-sectors, which comprised 29% and 26% of all disclosed transactions respectively. There was also notable deal volume in the beverage sub-sector, with a total of 32 disclosed transactions involving soft drink producers, distillers and vintners and brewers. M&A activity in these sub-sectors was reflective of operators making strategic acquisitions to diversify product offerings, increase scalability and expand business models into new channels.
- The largest deal during the quarter was PepsiCo, Inc.'s acquisition of Rockstar, Inc. for \$3.85 billion, an acquisition driven by PepsiCo, Inc.'s desire to expand their presence in the growing energy beverage category. Other large deals during the quarter included The Coca-Cola Company's acquisition of the remaining 58% stake of Fairlife, LLC from its joint venture partner for \$1.0 billion, bringing The Coca-Cola Company's ownership of Fairlife, LLC to 100% and US Foods, Inc.'s acquisition of Smart Foodservice Stores LLC for \$970 million.

MACROECONOMIC INDICATORS

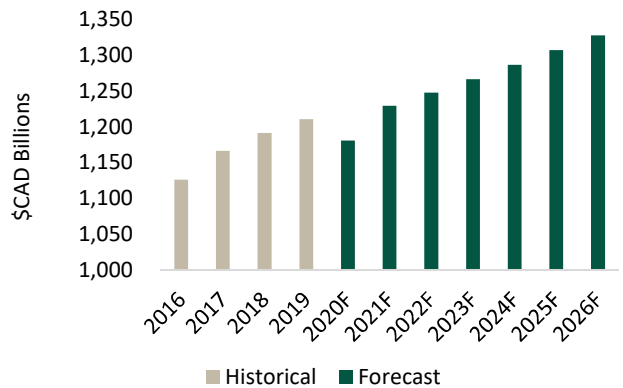
Key external drivers that affect the food and beverage industry in Canada include per capita disposable income, consumer spending, the consumer price index for food, and the consumer confidence index.

The decline in per capital disposable income, consumer spending and the consumer confidence index forecasted for 2020 is attributable to the COVID-19 pandemic which has caused economic contractions as business' have been ordered to close. This has contributed to increased levels of unemployment and declined consumer consumption, which has been exacerbated as a result of social distancing measures implemented by public health officials in Canada and across the Globe. During the pandemic, consumer demand for essential services, such as grocery stores and their associated supply chains, has remained relatively intact. However, fast food and dine in restaurants have been adversely impacted and are attempting to mitigate the decline in demand resulting from social distancing measures by enhancing delivery options to consumers. At present, the economic ramifications on the food and beverage industry and subsequent recovery from this pandemic are unclear. Domestic food prices are projected to increase at an annualized rate of 2% which is in line with the expected growth rate of consumer products.

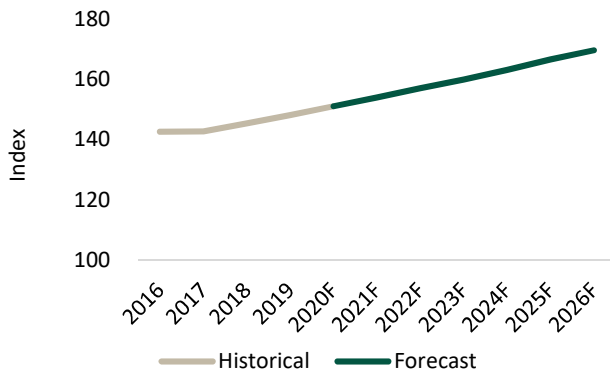
PER CAPITA DISPOSABLE INCOME - CANADA



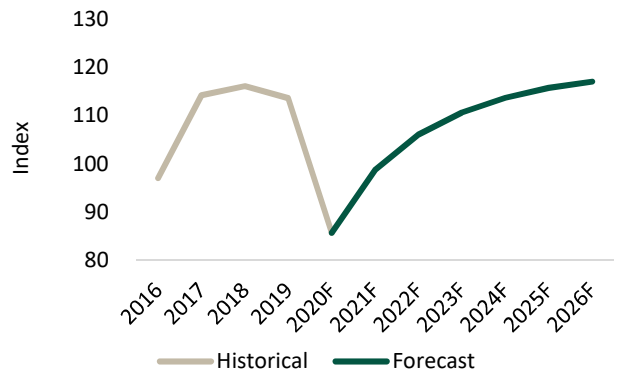
CONSUMER SPENDING - CANADA



CONSUMER PRICE INDEX FOR FOOD - CANADA



CONSUMER CONFIDENCE INDEX - CANADA



"F" indicates forecast.

Source: IBISWorld Industry Reports

SELECT RECENT M&A TRANSACTIONS



acquired



Announced	Feb. 21, 2020
TEV	\$45.0M
TEV/EBITDA	Not disclosed
TEV/Revenue	Not disclosed

- Golden Nugget LLC is an operating subsidiary of the diversified restaurant, hospitality, and entertainment company Landry's Inc. headquartered in Houston, Texas.
- The Palm chain is a fine-dining restaurant chain operating throughout the United States. The company was founded in 1926 and is based in New York City.
- This transaction enhances the market share of Landry's Inc. and its subsidiaries who collectively operate over 600 dining establishments worldwide.



acquired



Announced	Feb. 6, 2020
TEV	\$167.9M
TEV/EBITDA	Not disclosed
TEV/Revenue	Not disclosed

- Grieg Seafood ASA operates as a fish farming company engaging in the production and sale of Atlantic salmon. The company was founded in 1884 and is based in Bergen, Norway.
- Grieg NL Seafarms Ltd. constructs and operates salmon hatcheries to produce farmed fish. The company was founded in 2014 and is based in Marystown, Newfoundland.
- The acquisition is part of a growth strategy in which Grieg Seafood ASA aims to increase harvest potential.



acquired substantially all the assets of



Announced	Jan. 27, 2020
TEV	\$50.5M
TEV/EBITDA	Not disclosed
TEV/Revenue	Not disclosed

- The Chefs' Warehouse, Inc. distributes speciality food products in the United States and Canada. The company was founded in 1985 and is based in Ridgefield, Connecticut.
- Sid Wainer and Son, Inc. distributes speciality produce and foods to resorts, airlines, cruise lines, and others in North America. The company was founded in 1914 and is based in New Bedford, Massachusetts.
- The acquisition allows The Chefs' Warehouse, Inc. to accelerate expansion in Northeast USA.



acquired 50% interest in



Announced	Jan. 2, 2020
TEV	\$12.2M
TEV/EBITDA	Not disclosed
TEV/Revenue	Not disclosed

- Darling Ingredients Inc. develops, produces, and sells nature ingredients from edible and inedible bio-nutrients. The company was founded in 1882 and is based in Irving, Texas.
- EnviroFlight, LLC produces plant and animal feeds by processing waste distillers grains. The company was founded in 2009 and is based in Maysville, Kentucky.
- The acquisition was a 50% joint venture interest owned by Intrexon Corporation, increasing Darling Ingredients Inc.'s ownership of EnviroFlight, LLC to 100% and enhancing collaboration between the companies.

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	Growth	EBITDA	Margin	Revenue Growth	EBITDA Margin	NTM EV/EBITDA	LTM EV/EBITDA	LTM EV/REV
Processed Foods											
Nestlé S.A.	\$297,256	\$326,278	\$92,865	1.2%	\$19,284	20.8%	(3.2%)	22.1%	16.4x	16.9x	3.5x
Tyson Foods, Inc.	\$21,125	\$33,021	\$43,027	7.5%	\$4,110	9.6%	5.0%	10.1%	7.2x	8.0x	.8x
Campbell Soup Company	\$13,929	\$19,960	\$8,078	13.4%	\$1,447	17.9%	1.7%	20.8%	11.7x	13.8x	2.5x
B&G Foods, Inc.	\$1,159	\$3,069	\$1,660	(2.4%)	\$300	18.1%	1.2%	18.3%	10.0x	10.2x	1.8x
Median	\$17,527	\$26,490	\$25,553	4.4%	\$2,779	18.0%	1.5%	19.5%	10.8x	12.0x	2.2x
Mean	\$83,367	\$95,582	\$36,408	4.9%	\$6,285	16.6%	1.2%	17.8%	11.3x	12.2x	2.1x
Snacks											
The Hain Celestial Group, Inc.	\$2,711	\$3,090	\$2,239	(2.8%)	\$168	7.5%	(10.0%)	9.9%	15.5x	18.4x	1.4x
Sprouts Farmers Market, Inc.	\$2,185	\$3,835	\$5,635	8.2%	\$345	6.1%	8.4%	5.9%	10.7x	11.1x	.7x
United Natural Foods, Inc.	\$492	\$4,642	\$24,527	72.0%	\$478	2.0%	(0.7%)	2.2%	8.7x	9.7x	.2x
Median	\$2,185	\$3,835	\$5,635	8.2%	\$345	6.1%	(0.7%)	5.9%	10.7x	11.1x	.7x
Mean	\$1,796	\$3,856	\$10,800	25.8%	\$331	5.2%	(0.8%)	6.0%	11.6x	13.1x	.7x
Alcoholic Beverages											
Anheuser-Busch InBev SA/NV	\$87,139	\$189,510	\$52,329	(1.3%)	\$19,942	38.1%	(6.3%)	38.2%	10.1x	9.5x	3.6x
Heineken N.V.	\$48,149	\$66,165	\$23,969	6.6%	\$5,869	24.5%	6.9%	23.0%	11.2x	11.3x	2.8x
Brown-Forman Corporation	\$25,843	\$27,920	\$3,398	2.6%	\$1,184	34.8%	(1.3%)	37.3%	22.3x	23.6x	8.2x
Molson Coors Beverage Company	\$8,454	\$17,500	\$10,579	(1.8%)	\$2,328	22.0%	(5.4%)	21.3%	8.2x	7.5x	1.7x
Median	\$36,996	\$47,043	\$17,274	0.6%	\$4,099	29.7%	(3.4%)	30.2%	10.7x	10.4x	3.2x
Mean	\$42,396	\$75,274	\$22,569	1.5%	\$7,331	29.9%	(1.5%)	29.9%	13.0x	13.0x	4.1x
Non-Alcoholic Beverages											
The Coca-Cola Company	\$189,983	\$225,091	\$37,266	8.6%	\$11,990	32.2%	(1.0%)	31.4%	19.4x	18.8x	6.0x
PepsiCo, Inc.	\$166,848	\$194,820	\$67,161	3.9%	\$12,579	18.7%	2.4%	19.9%	14.2x	15.5x	2.9x
Starbucks Corporation	\$77,159	\$94,681	\$26,973	6.7%	\$5,545	20.6%	(0.6%)	19.9%	17.7x	17.1x	3.5x
Monster Beverage Corporation	\$30,206	\$28,905	\$4,201	10.3%	\$1,479	35.2%	7.5%	35.7%	17.9x	19.5x	6.9x
Median	\$122,003	\$144,751	\$32,120	7.7%	\$8,767	26.4%	0.9%	25.7%	17.8x	17.9x	4.8x
Mean	\$116,049	\$135,874	\$33,900	7.4%	\$7,898	26.7%	2.1%	26.7%	17.3x	17.7x	4.8x
Fruit and Vegetable											
Lamb Weston Holdings, Inc.	\$8,342	\$10,733	\$3,949	7.6%	\$854	21.6%	(5.3%)	25.5%	11.3x	12.6x	2.7x
Fresh Del Monte Produce Inc.	\$1,324	\$2,124	\$4,489	(0.1%)	\$203	4.5%	4.0%	N/A	N/A	10.5x	.5x
Seneca Foods Corporation	\$356	\$674	\$1,290	9.7%	\$68	5.2%	N/A	N/A	N/A	10.0x	.5x
Median	\$1,324	\$2,124	\$3,949	7.6%	\$203	5.2%	(0.6%)	25.5%	11.3x	10.5x	.5x
Mean	\$3,341	\$4,510	\$3,243	5.7%	\$375	10.5%	(0.6%)	25.5%	11.3x	11.0x	1.2x
Fast Food											
McDonald's Corporation	\$123,260	\$169,917	\$21,077	0.2%	\$10,509	49.9%	(9.4%)	49.4%	18.0x	16.2x	8.1x
Yum! Brands, Inc.	\$20,615	\$31,344	\$5,597	(1.6%)	\$2,018	36.1%	(1.9%)	35.5%	16.1x	15.5x	5.6x
Restaurant Brands International Inc.	\$11,946	\$25,720	\$5,603	4.6%	\$2,212	39.5%	(2.7%)	40.1%	11.8x	11.6x	4.6x
Chipotle Mexican Grill, Inc.	\$18,171	\$20,142	\$5,586	14.8%	\$692	12.4%	(0.6%)	10.7%	33.7x	29.1x	3.6x
Median	\$19,393	\$28,532	\$5,600	2.4%	\$2,115	37.8%	(2.3%)	37.8%	17.0x	15.9x	5.1x
Mean	\$43,498	\$61,781	\$9,466	4.5%	\$3,858	34.4%	(3.6%)	34.0%	19.9x	18.1x	5.5x
Food Retail											
Costco Wholesale Corporation	\$125,908	\$126,353	\$158,350	7.5%	\$6,479	4.1%	7.4%	4.2%	17.5x	19.5x	.8x
The Kroger Co.	\$23,735	\$44,514	\$122,286	0.4%	\$5,354	4.4%	2.3%	4.6%	7.7x	8.3x	.4x
Median	\$74,821	\$85,433	\$140,318	4.0%	\$5,917	4.2%	4.9%	4.4%	12.6x	13.9x	.6x
Mean	\$74,821	\$85,433	\$140,318	4.0%	\$5,917	4.2%	4.9%	4.4%	12.6x	13.9x	.6x

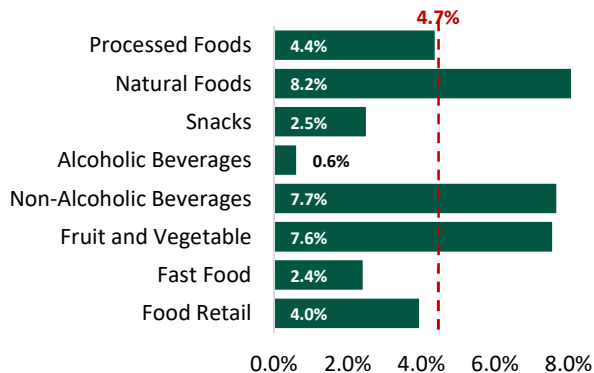
Source: Capital IQ. Data as of March 31, 2020.

"LTM" refers to last twelve months. "NTM" refers to next twelve months.

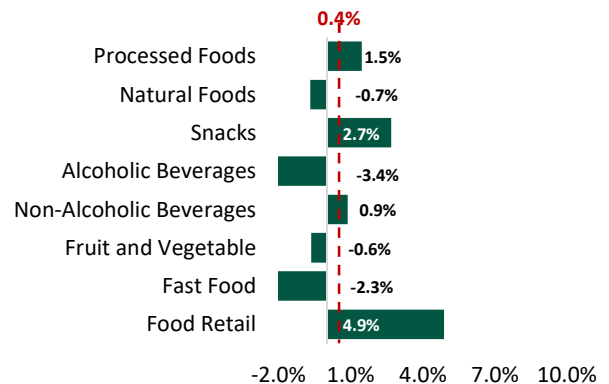
PUBLIC COMPARABLE ANALYSIS

GROWTH, MARGINS & MULTIPLES

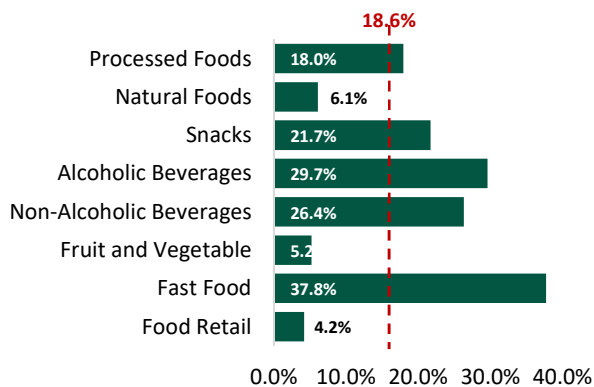
LTM REVENUE GROWTH



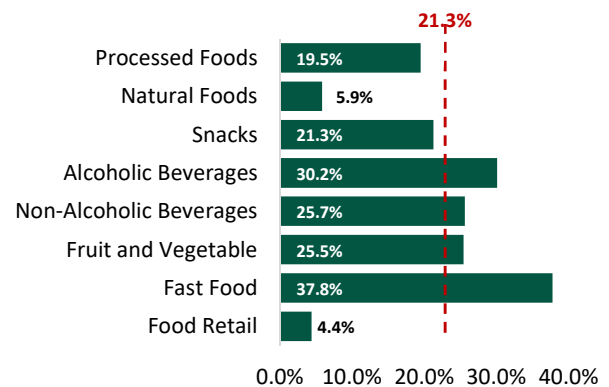
NTM REVENUE GROWTH



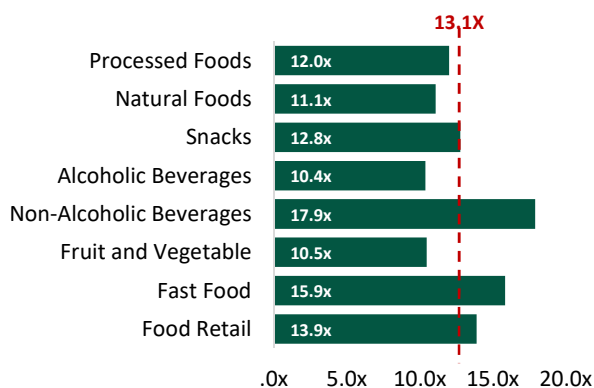
LTM EBITDA MARGIN



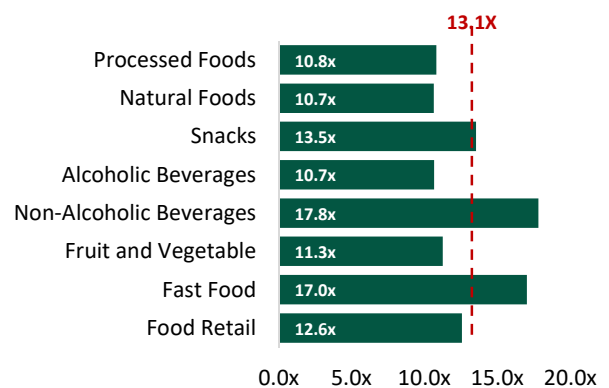
NTM EBITDA MARGIN



LTM EV/EBITDA



NTM EV/EBITDA

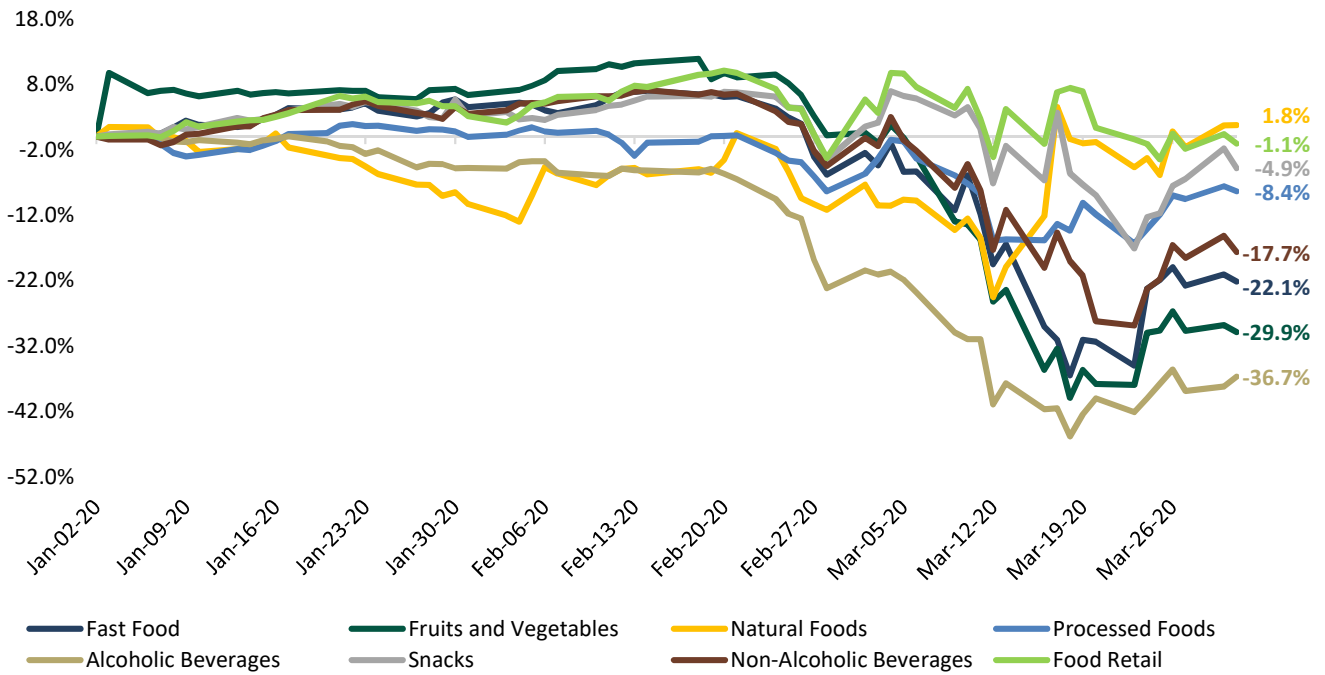


Source: Capital IQ. Data as of March 31, 2020.
 "LTM" refers to last twelve months. "NTM" refers to next twelve months.
 Valuation details provided on page 5.

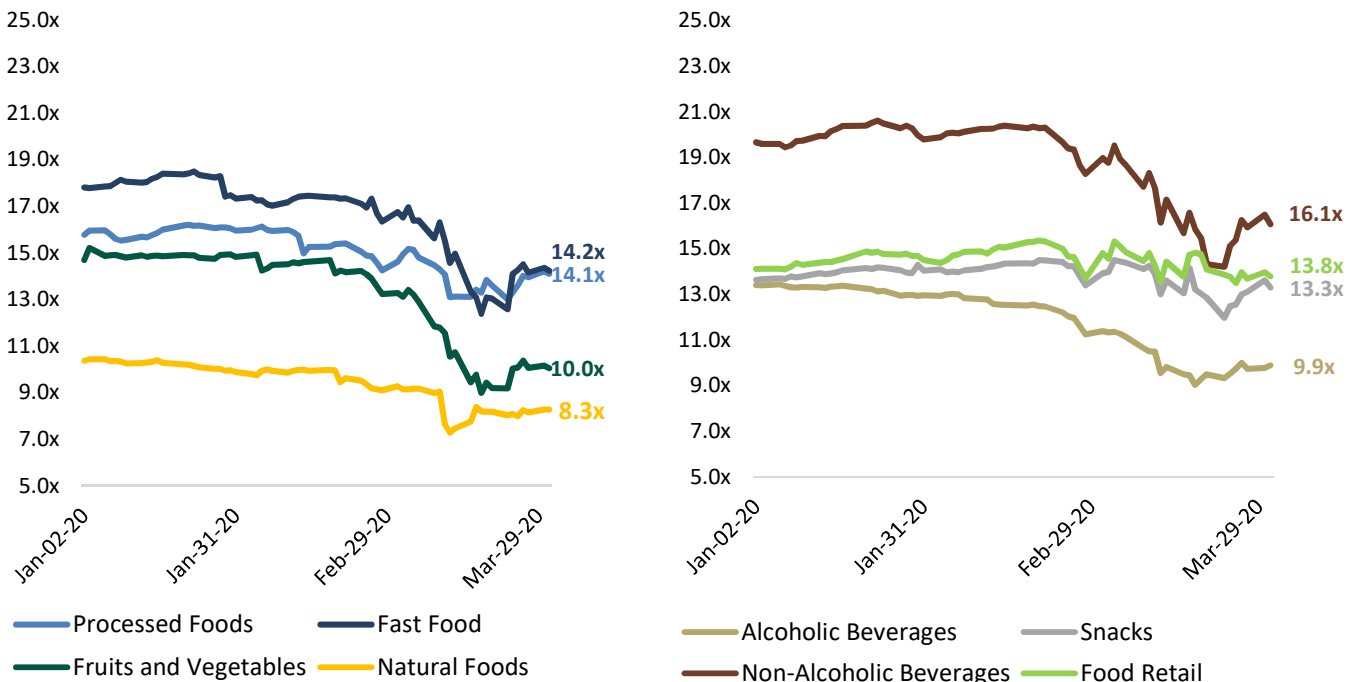
PUBLIC COMPARABLE ANALYSIS

PERFORMANCE ANALYSIS

FOOD & BEVERAGE PEER GROUP STOCK PERFORMANCE*



FOOD & BEVERAGE PEER GROUP EV/EBITDA MULTIPLES*



Source: Capital IQ. Data as of March 31, 2020.
*Peer group metrics are weighted by market capitalization
Further details provided on page 5.

ABOUT US



MNP Corporate Finance (MNPCF) has a dedicated team of over 60 merger, acquisition, and transaction 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 150+ M&A professionals in more than 25 countries.



CFxB - Global Reach with Local Relationships
Our affiliation with CFxB consists of 150+ M&A professionals in more than 25 countries

SERVICES

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

RECENTLY CLOSED DEALS (NATIONAL)

ROBERTSON IMPLEMENTS

has acquired four dealership locations from

Moody's Equipment LP

MNP Corporate Finance Inc. acted as exclusive financial advisor to Robertson Implements in structuring and negotiating this transaction.

DIVESTITURES > FINANCING > DUE DILIGENCE

FLSMIDTH

has acquired

MILL-ORE

MNP Corporate Finance Inc. acted as financial advisor to FLSMIDTH in structuring and negotiating this transaction.

DIVESTITURES > FINANCING > DUE DILIGENCE

SupremeX

has acquired

ROYAL
ENVIRONMENTAL LTD.

MNP Corporate Finance Inc. provided financial and tax due diligence services to SupremeX.

DIVESTITURES > FINANCING > DUE DILIGENCE

TRIPLE M METAL

has acquired

METROBEC

MNP Corporate Finance Inc. acted as exclusive financial advisor to MetroBec Inc. in structuring and negotiating this transaction.

DIVESTITURES > FINANCING > DUE DILIGENCE

CARBON60
THE MANAGED CLOUD COMPANY

has acquired

CIRRUS

MNP Corporate Finance Inc. provided financial and tax due diligence services to Carbon60.

DIVESTITURES > FINANCING > DUE DILIGENCE

DE LA FONTAINE
Imagerie, inc. realtor

has acquired

CHIEF EXPRESS LLC

MNP Corporate Finance Inc. acted as exclusive financial advisor to De La Fontaine Industries Inc. in structuring and negotiating this transaction.

DIVESTITURES > FINANCING > DUE DILIGENCE

GLBH

has acquired

ELRUS
AGGREGATE SYSTEMS

MNP Corporate Finance Inc. provided financial and tax due diligence services to GLBH Holdings Ltd.

DIVESTITURES > FINANCING > DUE DILIGENCE

EMERGE

has acquired

underpar.com
green shoes for life

MNP Corporate Finance Inc. provided financial due diligence services to Emerge Commerce Inc.

DIVESTITURES > FINANCING > DUE DILIGENCE

Crédit Mutuel Equity

has provided equity capital to

HIGHLIGHT
HEALTHY GREEN LIP

MNP Corporate Finance Inc. provided financial and tax due diligence services to Credit Mutuel Equity.

DIVESTITURES > FINANCING > DUE DILIGENCE

E300S ENVIRONMENTAL 300 SOLUTIONS
INDUSTRIAL WASTE MANAGEMENT

has merged with

WASTE-CO
CORPORAL SYSTEMS

MNP Corporate Finance Inc. provided financial and tax due diligence services to Environmental 300 Solutions, Inc.

DIVESTITURES > FINANCING > DUE DILIGENCE

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 five years alone we have completed over 120 transactions worth over \$2 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)

trialcard
has acquired
Policy Reporter
MNP Corporate Finance Inc. was the exclusive financial advisor to Policy Reporter in structuring and negotiating this transaction.

DIVESTITURES > FINANCING > DUE DILIGENCE

E360S ENVIRONMENTAL 360 SOLUTIONS
has acquired
SCALETTA GROUP
MNP Corporate Finance Inc. provided financial and tax due diligence services to Environmental 360 Solutions Inc.

DIVESTITURES > FINANCING > DUE DILIGENCE

E360S ENVIRONMENTAL 360 SOLUTIONS
has acquired the Calgary Alberta division assets of
URBAN IMPACT
recycling of work.
MNP Corporate Finance Inc. was the exclusive financial advisor to Urban Impact Recycling Ltd. in structuring and negotiating this transaction.

DIVESTITURES > FINANCING > DUE DILIGENCE

EQUICAPITA
has acquired
Condo Broker
VISAGE
the focal experts
MNP Corporate Finance Inc. provided financial and tax due diligence services to Equicapita Investment Corp.

DIVESTITURES > FINANCING > DUE DILIGENCE

A Confidential Buyer
has acquired
NORWELD STEEL (1994) LTD.
MNP Corporate Finance Inc. acted as exclusive financial advisor to Norweld Steel (1994) Ltd. in structuring and negotiating this transaction.

DIVESTITURES > FINANCING > DUE DILIGENCE

Rubicon PHARMACIES
has acquired
Grand Medicine Pharmacy
MNP Corporate Finance Inc. acted as exclusive financial advisor to Grand Medicine Pharmacy in structuring and negotiating this transaction.

DIVESTITURES > FINANCING > DUE DILIGENCE

VALENS
has acquired
Pommies
Cider Co.
MNP Corporate Finance Inc. acted as exclusive financial advisor to Pommies Cider Co. in structuring and negotiating this transaction.

DIVESTITURES > FINANCING > DUE DILIGENCE

CO-OP
has acquired the retail business of
COMMUNITY natural foods
reestablishing our community since 1927
MNP Corporate Finance Inc. provided transaction advisory and financial due diligence services to Calgary Co-op.

DIVESTITURES > FINANCING > DUE DILIGENCE

A Private Purchaser
has acquired
OVP
CHICKEN VILLAGE PHARMACY
MNP Corporate Finance Inc. acted as exclusive financial advisor to Chicken Village Pharmacy in structuring and negotiating this transaction.

DIVESTITURES > FINANCING > DUE DILIGENCE

APPLIED
has acquired
Policy Works
MNP Corporate Finance Inc. acted as exclusive financial advisor to Policy Works Inc. in structuring and negotiating this transaction.

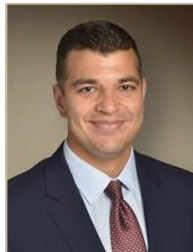
DIVESTITURES > FINANCING > DUE DILIGENCE

LEADERSHIP TEAM

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DUE DILIGENCE LEADERSHIP



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