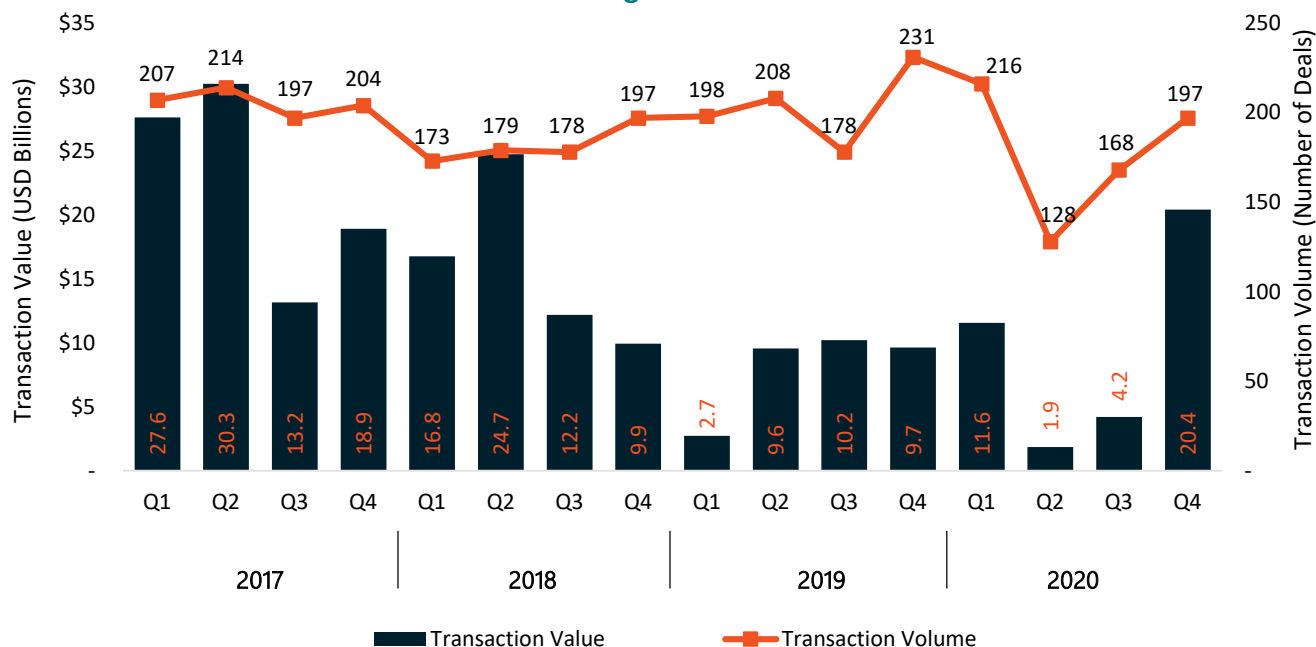


Food & Beverage

Quarterly Update | Q4 2020



North American Food & Beverage M&A Transactions¹



M&A Market Update – Q4 2020¹

- M&A activity in the North American food and beverage industry experienced a meaningful uptick in transaction value and volume in Q4 2020, after positive news regarding vaccine development significantly improved consumer sentiment and the overall industry outlook. Transaction volume increased from 168 to 197 deals, while total transaction value increased from \$4.2 billion to \$20.4 billion from Q3 2020 to Q4 2020.
- Similar to the previous three quarters in 2020, the packaged foods and meats, and restaurants sub-sectors continue to lead transaction volume in the sector, which comprised 32% and 28% of Q4 2020 transaction volume, respectively. The beverages sub-sector also maintained strong M&A activity during Q4 2020, with a total of 23 transactions involving soft drink producers, distillers and vintners, and brewers. Strategic acquisitions that diversify product offerings, increase scalability, and open new sales channels, continue to fuel M&A activity.
- The significant increase in transaction value in Q4 2020 is largely attributable to the acquisition of Dunkin' Brands Group, Inc. (Dunkin' Brands) by Inspire Brands, Inc. (Inspire Brands) for \$12.4 billion. The acquisition of Dunkin' Brands, which includes the brands of Dunkin' and Baskin-Robbins, results in Inspire Brands now encompassing nearly 32,000 restaurants across 60 countries. As a result of this transaction, Inspire Brands has become the second largest restaurant company in the US based on locations and system sales.

Macroeconomic Indicators

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

Per capita disposable income increased in 2020 due to significant government stimulus and unemployment benefits associated with COVID-19 government relief initiatives. Per capita disposable income is forecast to decline in 2021 as the government is expected to reduce COVID-19 support packages during the year.

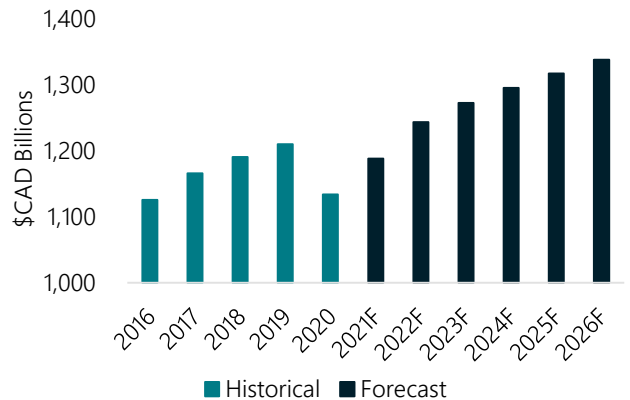
Despite increased levels of per capita disposable income in 2020, consumer spending and consumer confidence were at historically low levels in 2020 due to strict regulations and economic uncertainties stemming from the COVID-19 pandemic. However, with the recent approval of two COVID-19 vaccines, consumer spending and consumer confidence are forecast to grow at an annualized rate of 2.3% and 5.1%, respectively between 2021 to 2026.

Food prices in Canada increased approximately 2.3% during 2020, which is slightly above the historical annual growth rate of 1.9% between 2016 to 2020. The increase in food prices during 2020 is attributable to the depressed value of the Canadian dollar, which resulted in greater demand for domestic food purchasing, driving up the domestic consumer price index for food.

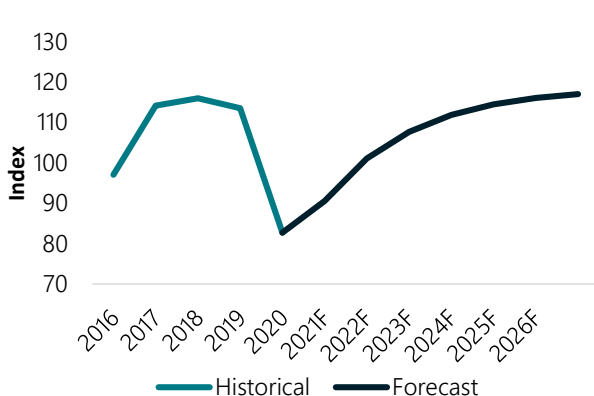
Per Capita Disposable Income



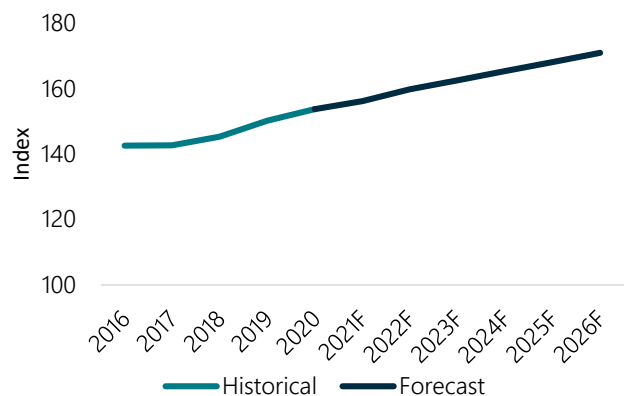
Consumer Spending



Consumer Confidence Index



Consumer Price Index For Food



Source: IBISWorld Industry Reports and Statistics Canada. Data as of January 2021. "F" indicates forecast.

Select Recent M&A Transactions



acquired

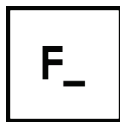


Announced	Nov 24, 2020
EV	\$800.0M
EV/EBITDA	Not Disclosed
EV/Revenue	8.3x

- McCormick & Company, Incorporated (McCormick) manufactures and distributes spices, condiments, and other seasoning mixes. McCormick was founded in 1889 and is based in Hunt Valley, Maryland.
- The Cholula Food Company Inc. (Cholula) manufactures and distributes a variety of hot sauce flavours. Cholula was founded in 1989 and is based in Jersey City, New Jersey.
- The transaction expands McCormick's condiment product offering and increases McCormick's market presence in the high-growth hot sauce category.



acquired



Announced	Nov 23, 2020
EV	\$277.0M
EV/EBITDA	Not Disclosed
EV/Revenue	Not Disclosed

- HelloFresh SE (HelloFresh) provides meal kits for home cooked meals. HelloFresh was founded in 2011 and is based in Berlin, Germany.
- Factor75, LLC (Factor75) prepares and delivers prepared meals to homes and offices. Factor75 was founded in 2011 and is based in Batavia, Illinois.
- The transaction allowed HelloFresh to strengthen its position in the US meal kit market.



acquired



Announced	Nov 4, 2020
EV	\$366.0M
EV/EBITDA	16.3x
EV/Revenue	5.5x

- Aphria Inc. (Aphria) is a Canadian producer of medical cannabis products. Aphria was founded in 2013 and is headquartered in Leamington, Ontario.
- SweetWater Brewing Company, Inc. (SweetWater) is a craft brewery that sells products in the southeastern region of the US. SweetWater was founded in 1996 and is based in Atlanta, Georgia.
- The transaction allowed Aphria to diversify its product offering and will accelerate Aphria's entry into the US by leveraging SweetWater's existing distribution infrastructure.



acquired



Announced	Oct 30, 2020
EV	\$12,364.5M
EV/EBITDA	21.0x
EV/Revenue	9.0x

- Inspire Brands owns a portfolio of restaurant brands including Arby's, Buffalo Wild Wings, and Sonic Drive-in. Inspire Brands was founded in 2018 and is based in Atlanta, Georgia.
- Dunkin' Brands owns a portfolio of fast-food restaurant brands including Dunkin' and Baskin-Robbins. Dunkin' Brands was founded in 1973 and is based in Canton, Massachusetts.
- The transaction added over 21,000 restaurant locations to Inspire Brands' portfolio of restaurants.

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	EBITDA	NTM EV/EBITDA	LTM EV/EBITDA	LTM EV/REV
Processed Foods											
Nestlé S.A.	\$328,194	\$366,603	\$88,554	(5.1%)	\$18,896	21.3%	7.0%	22.9%	16.9x	19.4x	4.1x
Tyson Foods, Inc.	\$23,508	\$34,088	\$43,185	1.8%	\$5,013	11.6%	1.1%	9.8%	8.0x	6.8x	0.8x
Campbell Soup Company	\$14,647	\$20,246	\$8,848	9.4%	\$1,683	19.0%	(5.4%)	20.4%	11.8x	12.0x	2.3x
B&G Foods, Inc.	\$1,782	\$3,566	\$1,928	17.0%	\$355	18.4%	4.3%	18.9%	9.4x	10.0x	1.8x
Median	\$19,078	\$27,167	\$26,017	5.6%	\$3,348	18.7%	2.7%	19.7%	10.6x	11.0x	2.1x
Mean	\$92,033	\$106,126	\$35,629	5.8%	\$6,487	17.6%	1.7%	18.0%	11.5x	12.1x	2.3x
Natural Foods											
The Hain Celestial Group, Inc.	\$4,041	\$4,399	\$2,070	0.1%	\$209	10.1%	0.5%	11.6%	18.2x	21.0x	2.1x
Sprouts Farmers Market, Inc.	\$2,371	\$3,738	\$6,232	12.5%	\$473	7.6%	3.7%	6.9%	8.4x	7.9x	0.6x
United Natural Foods, Inc.	\$896	\$4,775	\$26,890	4.5%	\$691	2.6%	1.8%	2.5%	6.9x	6.9x	0.2x
Median	\$2,371	\$4,399	\$6,232	4.5%	\$473	7.6%	1.8%	6.9%	8.4x	7.9x	0.6x
Mean	\$2,436	\$4,304	\$11,731	5.7%	\$458	6.8%	2.0%	7.0%	11.2x	11.9x	1.0x
Snacks											
General Mills	\$35,952	\$48,224	\$18,287	9.0%	\$3,979	21.8%	(3.6%)	20.8%	13.2x	12.1x	2.6x
The Hershey Company	\$31,707	\$35,654	\$8,033	1.6%	\$2,049	25.5%	2.6%	26.7%	16.2x	17.4x	4.4x
J & J Snack Foods Corp.	\$2,945	\$2,729	\$1,022	(13.9%)	\$77	7.5%	(0.4%)	10.7%	25.1x	35.6x	2.7x
Median	\$31,707	\$35,654	\$8,033	1.6%	\$2,049	21.8%	(0.4%)	20.8%	16.2x	17.4x	2.7x
Mean	\$23,535	\$28,869	\$9,114	(1.1%)	\$2,035	18.3%	(0.5%)	19.4%	18.1x	21.7x	3.2x
Alcoholic Beverages											
Anheuser-Busch InBev SA/NV	\$137,463	\$237,293	\$47,449	(12.7%)	\$16,307	34.4%	3.9%	37.4%	12.9x	14.6x	5.0x
Heineken N.V.	\$64,195	\$85,832	\$21,769	(5.9%)	\$4,848	22.3%	21.7%	21.7%	14.9x	17.7x	3.9x
Brown-Forman Corporation	\$37,006	\$38,709	\$3,346	(1.7%)	\$1,170	35.0%	5.3%	34.5%	31.9x	33.1x	11.6x
Molson Coors Beverage Compa	\$9,837	\$18,159	\$9,846	(6.3%)	\$2,268	23.0%	2.9%	21.7%	8.3x	8.0x	1.8x
Median	\$50,601	\$62,270	\$15,807	(6.1%)	\$3,558	28.7%	4.6%	28.1%	13.9x	16.1x	4.5x
Mean	\$62,125	\$94,998	\$20,602	(6.7%)	\$6,148	28.7%	8.5%	28.8%	17.0x	18.3x	5.6x
Non-Alcoholic Beverages											
The Coca-Cola Company	\$235,671	\$269,115	\$33,471	(7.0%)	\$11,313	33.8%	7.9%	33.4%	22.3x	23.8x	8.0x
PepsiCo, Inc.	\$204,944	\$239,922	\$68,557	3.8%	\$12,583	18.4%	5.5%	19.6%	16.9x	19.1x	3.5x
Starbucks Corporation	\$125,562	\$146,332	\$23,518	(11.3%)	\$3,103	13.2%	21.2%	21.3%	24.1x	47.2x	6.2x
Monster Beverage Corporation	\$48,822	\$47,169	\$4,420	7.6%	\$1,611	36.5%	12.2%	36.9%	25.7x	29.3x	10.7x
Median	\$165,253	\$193,127	\$28,495	(1.6%)	\$7,208	26.1%	10.0%	27.3%	23.2x	26.5x	7.1x
Mean	\$153,750	\$175,635	\$32,491	(1.7%)	\$7,153	25.5%	11.7%	27.8%	22.3x	29.8x	7.1x
Fruit and Vegetable											
Lamb Weston Holdings, Inc.	\$11,523	\$13,553	\$3,552	(9.8%)	\$715	20.1%	2.5%	22.4%	16.7x	19.0x	3.8x
Fresh Del Monte Produce Inc.	\$1,140	\$1,904	\$4,225	(6.3%)	\$174	4.1%	1.7%	5.1%	N/A	10.9x	0.5x
Seneca Foods Corporation	\$362	\$600	\$1,379	8.6%	\$142	10.3%	N/A	N/A	N/A	4.2x	0.4x
Median	\$1,140	\$1,904	\$3,552	(6.3%)	\$174	10.3%	2.1%	13.7%	16.7x	10.9x	0.5x
Mean	\$4,341	\$5,352	\$3,052	(2.5%)	\$344	11.5%	2.1%	13.7%	16.7x	11.4x	1.6x
Fast Food											
McDonald's Corporation	\$159,886	\$207,489	\$19,034	(9.8%)	\$8,963	47.1%	13.6%	50.0%	19.2x	23.1x	10.9x
Chipotle Mexican Grill, Inc.	\$38,801	\$40,886	\$5,817	8.3%	\$546	9.4%	16.4%	14.1%	42.9x	74.9x	7.0x
Yum! Brands, Inc.	\$32,749	\$42,890	\$5,603	2.6%	\$1,908	34.1%	9.0%	34.0%	20.6x	22.5x	7.7x
Restaurant Brands International	\$18,571	\$32,607	\$5,089	(7.6%)	\$1,895	37.2%	7.9%	40.4%	14.7x	17.2x	6.4x
Median	\$35,775	\$41,888	\$5,710	(2.5%)	\$1,902	35.6%	11.3%	37.2%	19.9x	22.8x	7.3x
Mean	\$62,502	\$80,968	\$8,886	(1.6%)	\$3,328	31.9%	11.7%	34.6%	24.4x	34.4x	8.0x
Food Retail											
Costco Wholesale Corporation	\$166,897	\$163,122	\$172,929	11.8%	\$8,072	4.7%	6.9%	4.4%	20.1x	20.2x	0.9x
The Kroger Co.	\$24,180	\$42,645	\$130,654	7.4%	\$6,596	5.0%	(1.8%)	4.8%	7.0x	6.5x	0.3x
Median	\$95,539	\$102,884	\$151,792	9.6%	\$7,334	4.9%	2.6%	4.6%	13.6x	13.3x	0.6x
Mean	\$95,539	\$102,884	\$151,792	9.6%	\$7,334	4.9%	2.6%	4.6%	13.6x	13.3x	0.6x

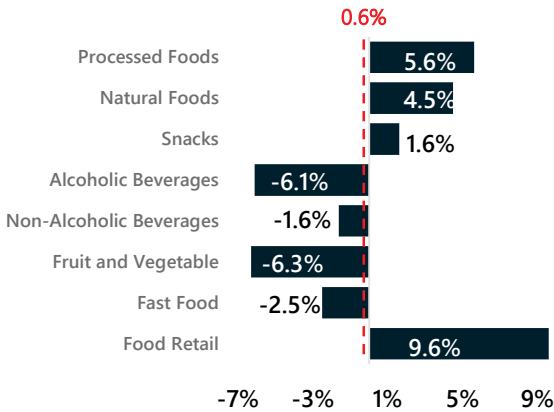
Source: Capital IQ. Data as of December 31, 2020.

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

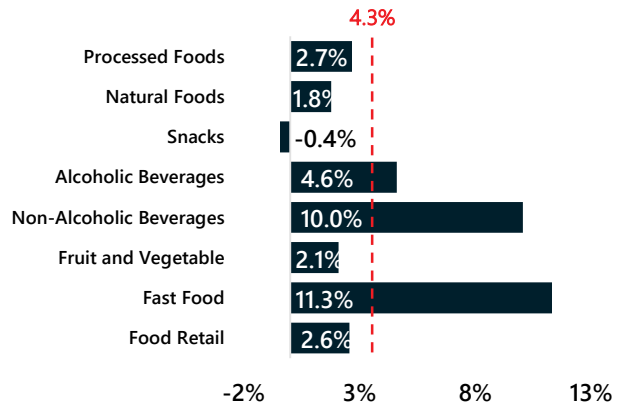
Public Comparable Analysis

Growth, Margins & Multiples

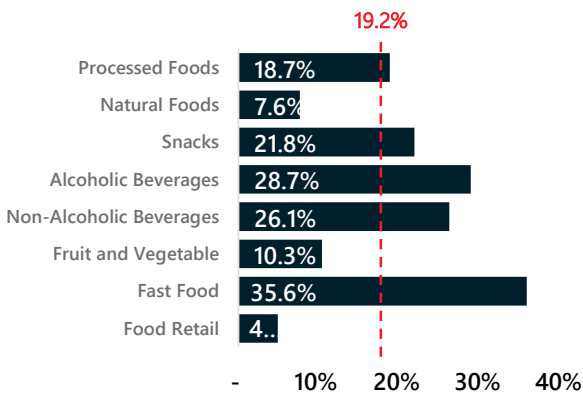
LTM Revenue Growth



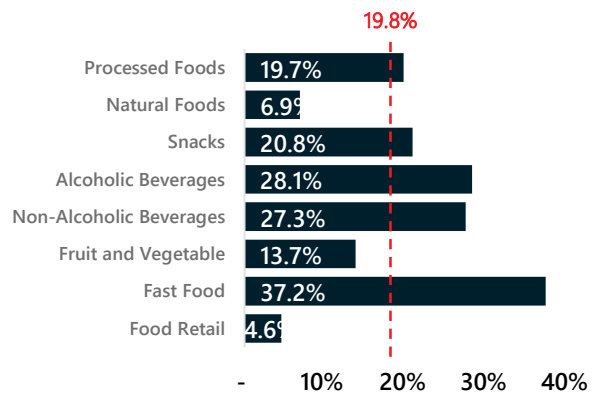
NTM Revenue Growth



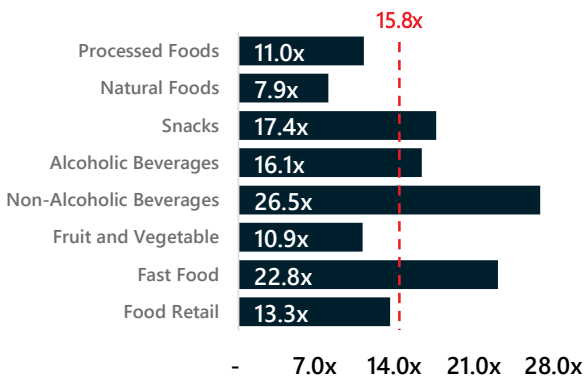
LTM EBITDA Margin



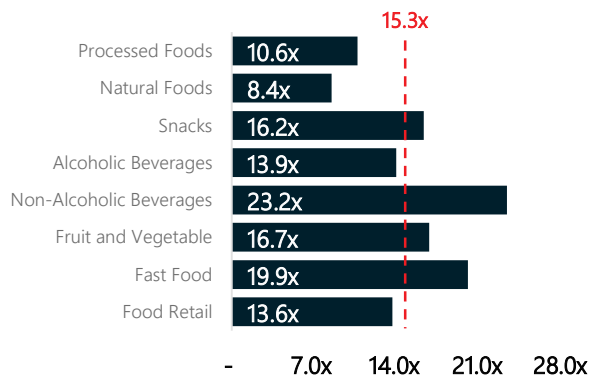
NTM EBITDA Margin



LTM EV/EBITDA



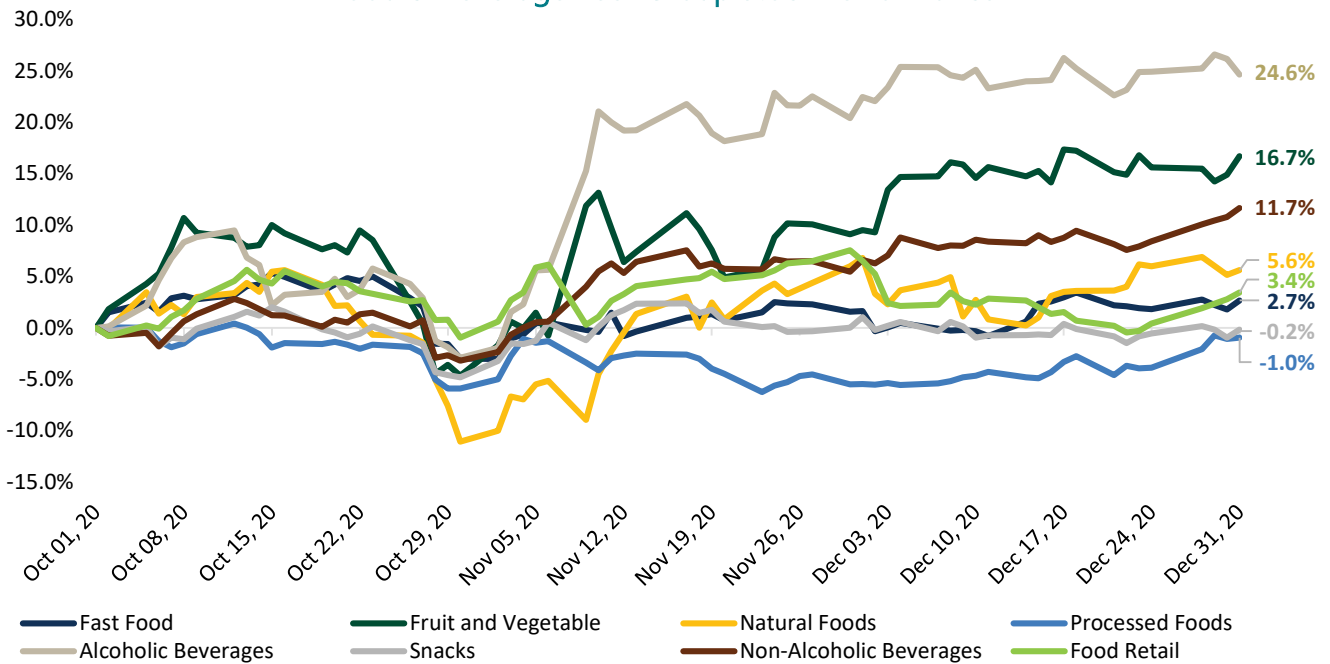
NTM EV/EBITDA



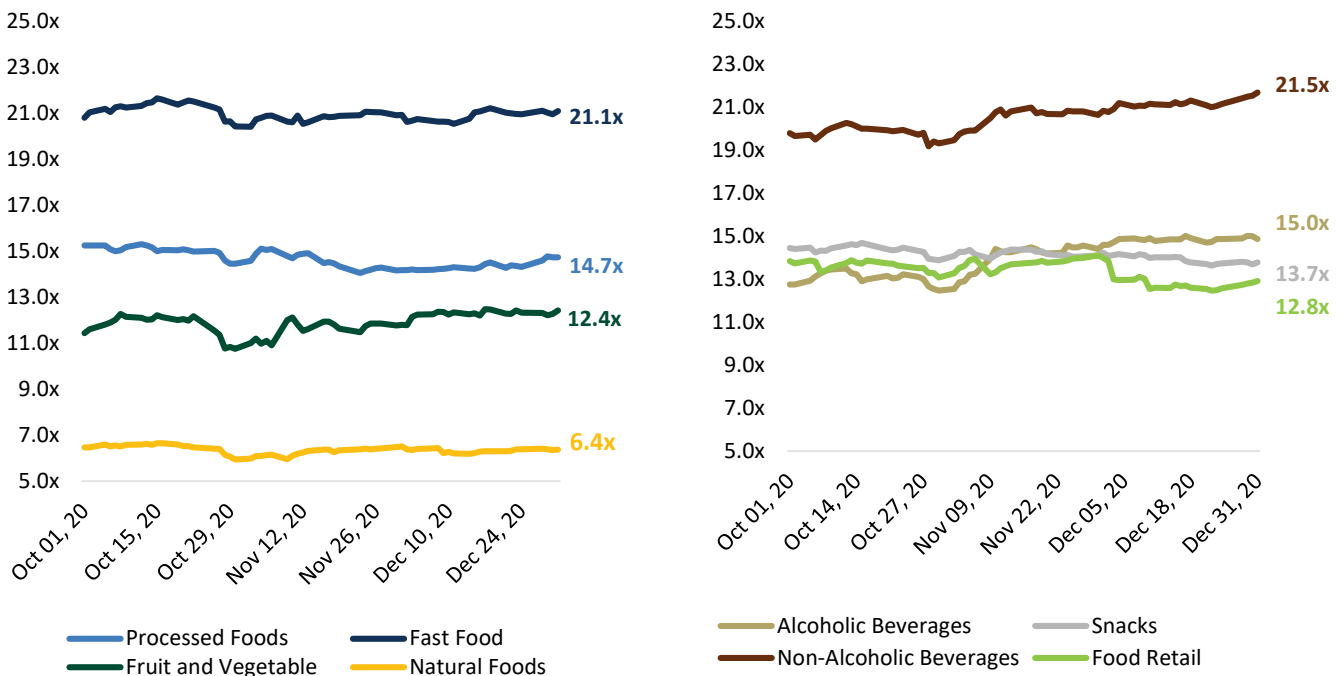
Public Comparable Analysis

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 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 170+ M&A professionals in more than 30 countries.



CFxBorder - Global Reach with Local Relationships
Our corporate finance team through CFxB consists of 170 plus M&A professionals in more than 30 countries

Services

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

Recently Closed Deals (National)

has acquired all capital stock of

MNP Corporate Finance Inc. provided financial and tax due diligence services to Environmental 360 Solutions Ltd.

has acquired

MNP Corporate Finance Inc. provided financial and tax due diligence services to Environmental 360 Solutions Ltd.

has acquired

MNP Corporate Finance Inc. acted as exclusive financial advisor to Main Line Industries Ltd. in structuring and registering this transaction.

has acquired all of the capital stock of

MNP Corporate Finance Inc. provided financial and tax due diligence services to Environmental 360 Solutions Ltd.

has acquired

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

has acquired

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

has acquired

MNP Corporate Finance Inc. provided financial due diligence services to Environmental 360 Solutions Ltd.

has acquired

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

has acquired

MNP Corporate Finance Inc. provided financial and tax due diligence services to Environmental 360 Solutions Ltd.

has acquired

MNP Corporate Finance Inc. acted as exclusive financial advisor to Oxy-arc International Inc. in structuring and negotiating this transaction.

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 six years alone we have completed over 125 transactions worth over \$2 billion (not including due diligence engagements).

Industry Experience

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

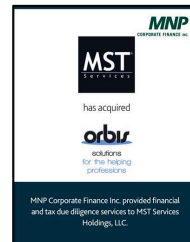
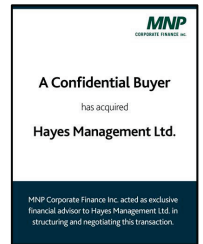
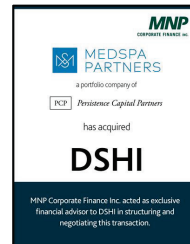
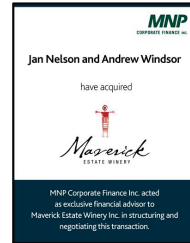
Hands-on Approach

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.

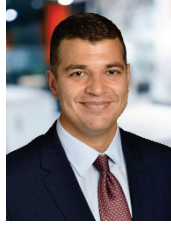
Recently Closed Deals (National)



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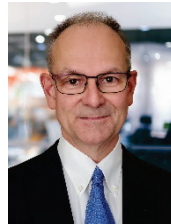
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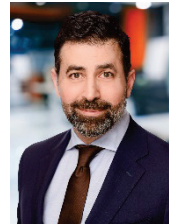
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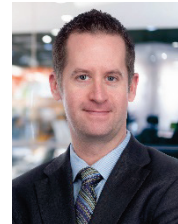
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