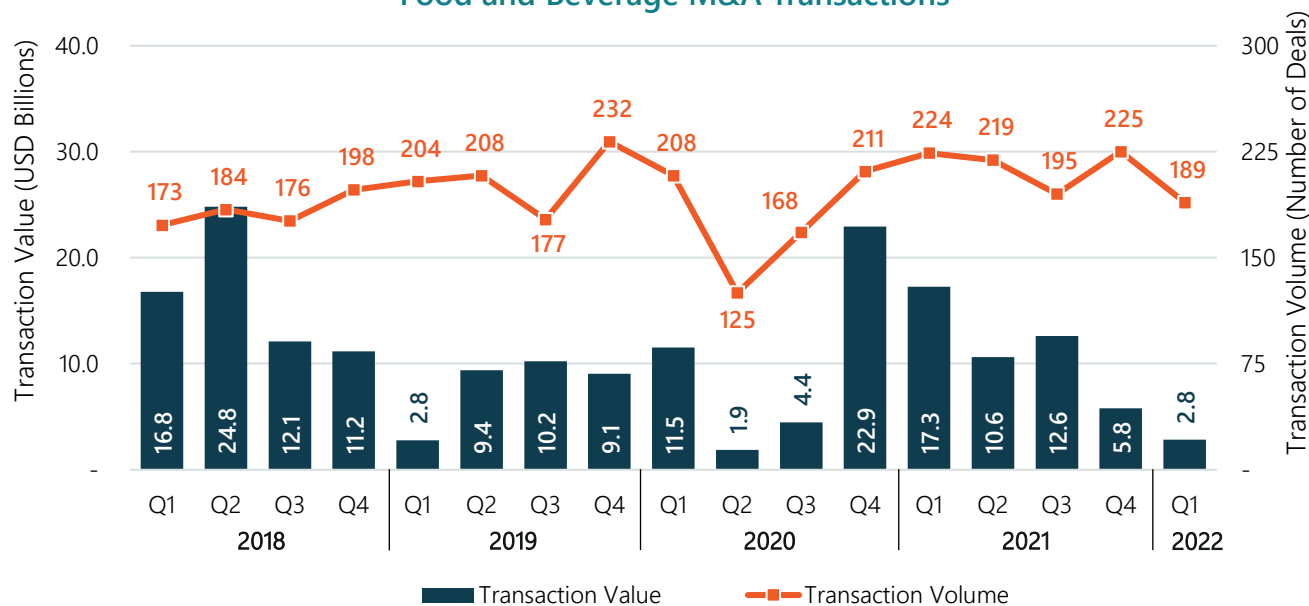


Food & Beverage

Quarterly Update | Q1 2022



North American Food and Beverage M&A Transactions



Q1 Transactions (Canada)

32

(-8.6% vs. Q4 2021)

Q1 Transaction Value (Canada)

\$280 million

(-84.6% vs. Q4 2021)

Q1 Transactions (US)

157

(-17.4% vs. Q4 2021)

Q1 Transaction Value (US)

\$2.6 billion

(-11.5% vs. Q4 2021)

M&A Market Update – Q1 2022¹

- Aggregate transaction value and volumes declined during Q1 2022 in the North American food and beverage industry, down 51% and 16%, respectively, compared to the previous quarter. The decline in transaction value is partly driven by an increased number of transactions with undisclosed transaction values in Q1 of 2022 compared to those in Q3 and Q4 of 2021.
- The majority of transactions in Q1 2022 were in the packaged foods and meats, and restaurant sub-industries, which comprised 32% and 22% of total transactions, respectively. During the quarter, the beverage industry, which includes soft drinks, brewers, distillers, and vintners, also experienced notable deal activity with a total of 27 transactions, up from 25 in the previous quarter and accounting for 14% of transaction volume.
- Industry M&A activity was primarily driven by private strategic acquirers in Q1 2022, which accounted for 70% of the total transaction volume, up from 61% in Q4 of 2021. The remaining acquisitions were made by publicly listed companies and private equity firms, which comprised 19% and 11% 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 begun interest rate increases. In addition to rising interest rates, the ongoing conflict in Ukraine has resulted in global economic uncertainty. Interest rate increases and economic uncertainty may act as a deterrent to future transaction values and volumes. As companies continue to work through these challenges, brands with strong customer connectivity, pricing power, a focus on better-for-you offerings, and purpose-driven brands will continue to garner investor interest.

Source: Capital IQ. Data as of March 31, 2022. All figures are in USD.

¹M&A summary data is based on publicly disclosed transactions in the food and beverage industry between January 1, 2018 to March 31, 2022.

Macroeconomic Indicators

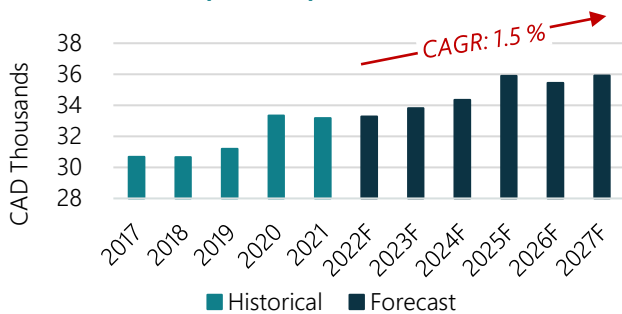
Key external drivers that affect the food and beverage industry in Canada include per capita disposable income, consumer spending, the consumer price index for food, and the consumer confidence index.

Per capita disposable income declined in 2021 from the increased levels in 2020 associated with government relief initiatives during the COVID-19 pandemic. However, per capita disposable income in 2021 remained higher than pre-pandemic levels and is forecasted to continue growing through to 2027 at an annual rate of 1.5%. As per capita disposable income increases, consumers are more likely to purchase food and dining experiences outside their basic dietary needs.

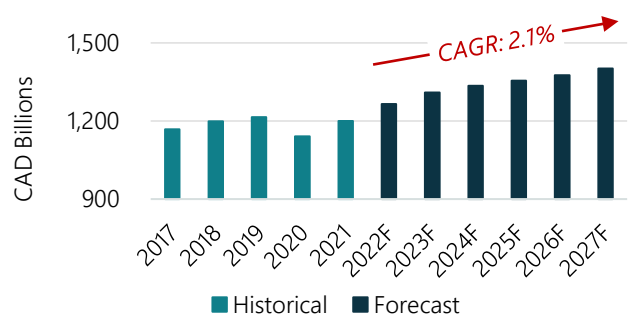
Consumer spending and consumer confidence levels increased in 2021 from historical lows in 2020 due to strict regulations during the COVID-19 pandemic. Capacity limits and mandatory closures significantly reduced consumer spending at restaurants and bars to the direct benefit of grocery retailers, which posted record-setting revenues in the last two years and are expected to continue growing at an annualized rate of 1.0% through to 2026. Consumer confidence levels were bolstered by the nationwide availability of COVID-19 vaccines. However, continued supply chain challenges and trade concerns associated with the conflict in Ukraine are expected to result in a decline again in 2022. As COVID-19 restrictions continue to ease and the labour market improves, consumer confidence is expected to grow at an annual rate of 2.4% through 2027. Consumer spending is expected to follow suit as businesses resume normal operations, with forecasted annualized growth of 2.1% per year through 2027.

Food prices in Canada increased by approximately 2.5% during 2021, soaring past the historical annual growth rate of 1.5% between 2017 and 2020. The increase in food prices during 2021 was attributable to costs incurred for safety and cleaning protocols and inflation associated with product shortages and supply chain issues. Food price inflation is anticipated to be 3.7% in 2022, limiting the overall buying power of consumers. Price increases are anticipated to continue through to 2027 at an annual rate of 2.2%.

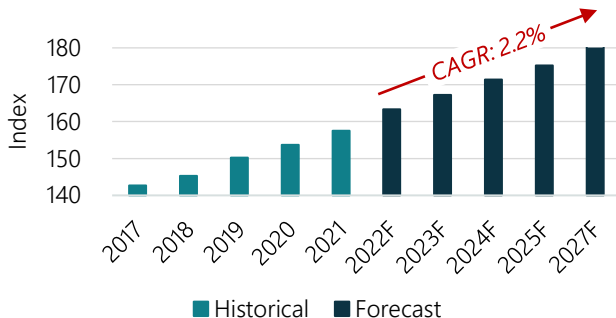
Per Capita Disposable Income



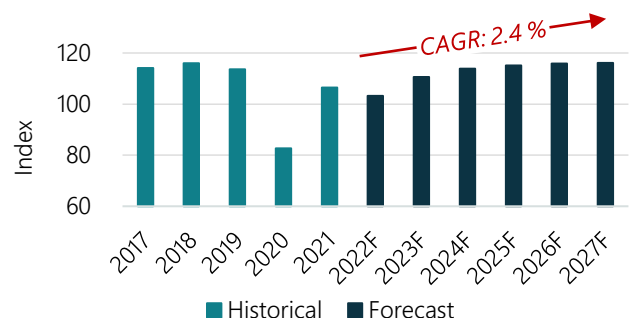
Consumer Spending



Consumer Price Index For Food



Consumer Confidence Index



Select Recent M&A Transactions

North America



acquired



Closed	Mar 4, 2022
EV	Not Disclosed
EV/EBITDA	Not Disclosed
EV/Revenue	Not Disclosed

- **Premium Brands Holdings Corporation** ("PBHC") owns a range of leading specialty food manufacturing and distribution businesses across Canada and the United States ("US"). PBHC's specialty food offering includes a range of seafood, meat, snack, deli, pastry, entrée, and ready-to-eat meal products. PBHC has completed over 30 transactions since 2017. Founded in 1917, PBHC is based in Richmond, British Columbia ("BC").
- **Beechgrove Country Foods Inc.** ("Beechgrove") is a specialty manufacturer and distributor of dry cured and cooked protein products. Operating out of a 50,000 square foot facility, Beechgrove produces over 50 meat products, including toppings for pizza, which are distributed to manufacturers and restaurants. Founded in 1987, Beechgrove is based in Toronto, Ontario.
- The transaction will allow PBHC to further strengthen its position in the Canadian specialty food market, while expanding its protein platform.



acquired



Closed	Feb 18, 2022
EV	\$256.9M
EV/EBITDA	8.5x
EV/Revenue	Not Disclosed

- **Parkland Corporation** ("Parkland") is a leading international operator and consolidator of convenience retail and fuel marketing businesses. Parkland services customers across Canada, the US, the Caribbean, Central America, and South America. Parkland maintains supply chain, logistics, and marketing capabilities across all assets, allowing for strategic oversight at every stage of the supply chain process. Founded in 1969, Parkland is based in Calgary, Alberta.
- **M&M Food Market** ("M&M") retails branded frozen food products through online and store front locations across Canada. M&M operates over 300 corporate-owned and franchise locations and over 2,000 express locations. Founded in 1980, M&M is based in Mississauga, Ontario.
- This transaction is part of Parkland's diversification strategy to expand its food offering, customer reach, and innovation pipeline. M&M products will be sold through Parkland's existing and growing convenience store locations.

Select Recent M&A Transactions

North America



acquired



Closed	Feb 17, 2022
EV	\$330.0M
EV/EBITDA	Not Disclosed
EV/Revenue	Not Disclosed

- **Monster Beverage Corporation** ("Monster") develops, markets, distributes, and sells beverages and concentrates in Canada, the US, and internationally through its subsidiaries. Monster's product offering includes energy drinks, soft drinks, and juices. Monster serves convenience, grocery, specialty, drug, and mass merchandiser stores, as well as e-commerce retailers and the military. Founded in 1985, Monster is based in Corona, California.
- **CANarchy** manufactures and distributes craft beer and hard seltzer through the operation of six subsidiaries in Colorado, Utah, Texas, Florida, North Carolina, and Michigan. Founded in 2015, CANarchy is based in Longmont, Colorado.
- The transaction includes the purchase of six alcoholic brands, allowing Monster to enter the alcoholic beverage sector and further diversify the company's beverage portfolio. Furthermore, the acquisition will provide Monster with the infrastructure, people, distribution, licenses, development expertise, and manufacturing capabilities required in the alcoholic beverage industry.



acquired



Closed	Jan 18, 2022
EV	\$25.0M
EV/EBITDA	8.0x
EV/Revenue	1.9x

- **Vintage Wine Estates, Inc.** ("VWE") produces and distributes wine and craft spirit products in Canada, the US, and internationally. VWE operates wineries in California, Oregon, and Washington state. With a product offering diversified across various price ranges and product type options, VWE holds a primary focus on affordable wine products. Founded in 2019, VWE is based in Incline Village, Nevada.
- **Meier's Wine Cellars, Inc.** ("Meier's Wine") is a leading producer, bottler, importer, and marketer of specialty alcoholic and non-alcoholic beverages. Meier's Wine operates a winery, tasting rooms, and retail stores in Ohio. Founded in 1890, Meier's Wine is the oldest and largest producer of wine in Ohio and is based in Silverton, Ohio.
- The transaction will allow VWE to capitalize on enhanced production capabilities and supply chain efficiencies through Meier's Wine's warehouse and storage space. Additionally, the transaction will allow VWE to rapidly expand distribution points in the Midwest, Northeast, and Southeast US, while also helping VWE expand its ready-to-drink production.

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.	\$360,198	\$396,513	\$87,470	3.3%	\$19,097	21.8%	13.9%	21.1%	18.8x	20.8x	4.5x
Tyson Foods, Inc.	\$32,488	\$39,035	\$49,522	15.6%	\$6,703	13.5%	5.0%	10.1%	7.4x	5.8x	0.8x
Campbell Soup Company	\$13,447	\$18,352	\$8,302	(7.4%)	\$1,719	20.7%	2.7%	19.0%	11.3x	10.7x	2.2x
B&G Foods, Inc.	\$1,857	\$4,160	\$2,056	4.5%	\$317	15.4%	2.2%	17.0%	11.6x	13.1x	2.0x
Median	\$22,967	\$28,693	\$28,912	3.9%	\$4,211	18.1%	3.8%	18.0%	11.5x	11.9x	2.1x
Mean	\$101,998	\$114,515	\$36,838	4.0%	\$6,959	17.9%	5.9%	16.8%	12.3x	12.6x	2.4x
Natural Foods											
The Hain Celestial Group, Inc.	\$3,142	\$3,900	\$1,875	(10.4%)	\$219	11.7%	9.5%	14.0%	13.6x	17.8x	2.1x
Sprouts Farmers Market, Inc.	\$3,547	\$4,815	\$6,100	(5.7%)	\$464	7.6%	4.7%	7.2%	10.4x	10.4x	0.8x
United Natural Foods, Inc.	\$2,409	\$5,996	\$27,779	1.3%	\$809	2.9%	4.7%	2.8%	7.5x	7.4x	0.2x
Median	\$3,142	\$4,815	\$6,100	(5.7%)	\$464	7.6%	4.7%	7.2%	10.4x	10.4x	0.8x
Mean	\$3,033	\$4,904	\$11,918	(4.9%)	\$498	7.4%	6.3%	8.0%	10.5x	11.9x	1.0x
Snacks											
General Mills	\$40,782	\$52,470	\$18,625	(0.0%)	\$3,773	20.3%	2.9%	19.9%	13.8x	13.9x	2.8x
The Hershey Company	\$44,462	\$49,508	\$8,971	10.1%	\$2,364	26.3%	8.9%	26.0%	19.5x	20.9x	5.5x
J&J Snack Foods Corp.	\$2,964	\$2,741	\$1,222	24.7%	\$136	11.1%	9.5%	12.0%	17.0x	20.2x	2.2x
Median	\$40,782	\$49,508	\$8,971	10.1%	\$2,364	20.3%	8.9%	19.9%	17.0x	20.2x	2.8x
Mean	\$29,402	\$34,906	\$9,606	11.6%	\$2,091	19.2%	7.1%	19.3%	16.7x	18.3x	3.5x
Alcoholic Beverages											
Anheuser-Busch InBev SA/NV	\$119,407	\$204,417	\$54,304	15.8%	\$17,816	32.8%	7.3%	34.6%	10.1x	11.5x	3.8x
Heineken N.V.	\$55,360	\$73,099	\$21,941	11.3%	\$5,347	24.4%	26.9%	23.0%	11.4x	13.7x	3.3x
Brown-Forman Corporation	\$31,377	\$32,892	\$3,749	11.6%	\$1,200	32.0%	3.8%	32.9%	25.7x	27.4x	8.8x
Molson Coors Beverage Company	\$11,596	\$18,672	\$10,280	6.5%	\$2,316	22.5%	4.3%	19.9%	8.8x	8.1x	1.8x
Median	\$43,368	\$52,995	\$16,110	11.5%	\$3,832	28.2%	5.8%	28.0%	10.8x	12.6x	3.5x
Mean	\$54,435	\$82,270	\$22,568	11.3%	\$6,670	27.9%	10.6%	27.6%	14.0x	15.2x	4.4x
Non-Alcoholic Beverages											
The Coca-Cola Company	\$268,799	\$302,280	\$38,655	17.1%	\$12,773	33.0%	8.3%	32.7%	22.1x	23.7x	7.8x
PepsiCo, Inc.	\$231,528	\$268,026	\$79,474	12.9%	\$14,373	18.1%	2.5%	18.6%	17.7x	18.6x	3.4x
Starbucks Corporation	\$104,643	\$124,340	\$30,362	31.0%	\$6,451	21.2%	10.4%	21.4%	17.3x	19.3x	4.1x
Monster Beverage Corporation	\$42,296	\$39,242	\$5,541	20.5%	\$1,853	33.4%	12.4%	32.6%	19.3x	21.2x	7.1x
Median	\$168,085	\$196,183	\$34,508	18.8%	\$9,612	27.1%	9.4%	27.0%	18.5x	20.2x	5.6x
Mean	\$161,817	\$183,472	\$38,508	20.4%	\$8,862	26.5%	8.4%	26.3%	19.1x	20.7x	5.6x
Fruit and Vegetable											
Lamb Weston Holdings, Inc.	\$8,699	\$10,828	\$3,953	12.6%	\$598	15.1%	7.9%	17.2%	14.8x	18.1x	2.7x
Fresh Del Monte Produce Inc.	\$1,233	\$2,020	\$4,252	1.2%	\$208	4.9%	4.0%	4.4%	N/A	9.7x	0.5x
Seneca Foods Corporation	\$436	\$623	\$1,358	(7.7%)	\$135	10.0%	N/A	N/A	N/A	4.6x	0.5x
Median	\$1,233	\$2,020	\$3,953	1.2%	\$208	10.0%	6.0%	10.8%	14.8x	9.7x	0.5x
Mean	\$3,456	\$4,490	\$3,188	2.0%	\$314	10.0%	6.0%	10.8%	14.8x	10.8x	1.2x
Fast Food											
McDonald's Corporation	\$183,874	\$228,517	\$23,223	20.9%	\$11,741	50.6%	4.5%	51.9%	18.1x	19.5x	9.8x
Chipotle Mexican Grill, Inc.	\$44,347	\$46,791	\$7,547	26.1%	\$1,084	14.4%	14.9%	17.0%	31.8x	43.2x	6.2x
Yum! Brands, Inc.	\$34,253	\$45,986	\$6,584	16.5%	\$2,301	34.9%	7.1%	35.0%	18.6x	20.0x	7.0x
Restaurant Brands International Inc.	\$18,079	\$33,383	\$5,739	15.5%	\$2,125	37.0%	8.9%	39.0%	13.7x	15.7x	5.8x
Median	\$39,300	\$46,389	\$7,066	18.7%	\$2,213	36.0%	8.0%	37.0%	18.4x	19.7x	6.6x
Mean	\$70,138	\$88,670	\$10,773	19.8%	\$4,313	34.2%	8.9%	35.7%	20.6x	24.6x	7.2x
Food Retail											
Costco Wholesale Corporation	\$255,231	\$252,739	\$210,219	17.7%	\$9,905	4.7%	8.1%	4.6%	24.1x	25.5x	1.2x
The Kroger Co.	\$41,496	\$60,092	\$137,888	4.1%	\$6,592	4.8%	2.7%	5.1%	8.4x	9.1x	0.4x
Median	\$148,363	\$156,415	\$174,054	10.9%	\$8,249	4.7%	5.4%	4.8%	16.3x	17.3x	0.8x
Mean	\$148,363	\$156,415	\$174,054	10.9%	\$8,249	4.7%	5.4%	4.8%	16.3x	17.3x	0.8x

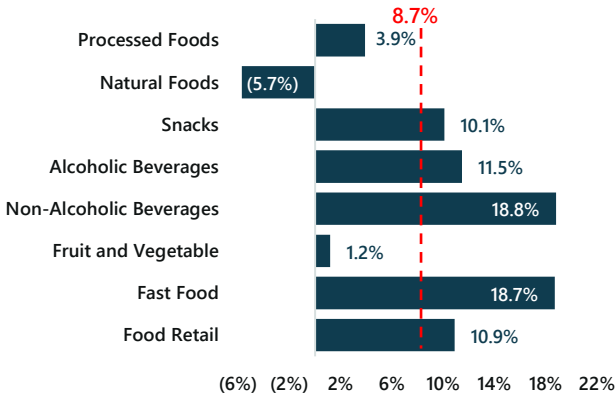
Source: Capital IQ. Data as of March 31, 2022.

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

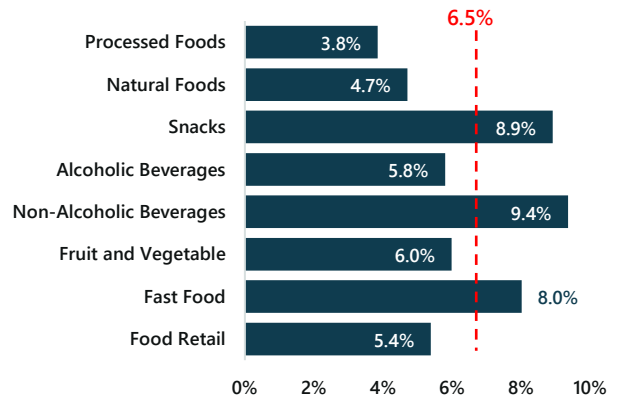
Public Comparable Analysis

Growth, Margins & Multiples

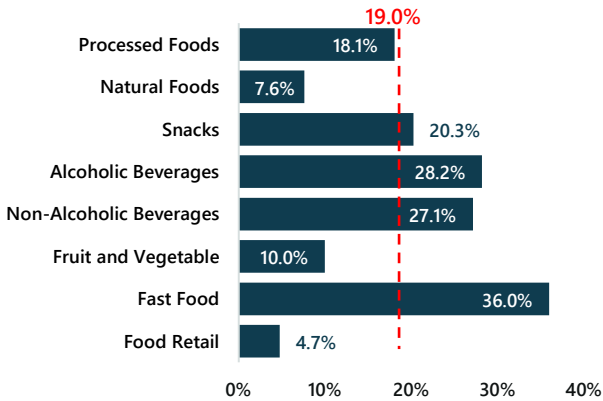
LTM Revenue Growth



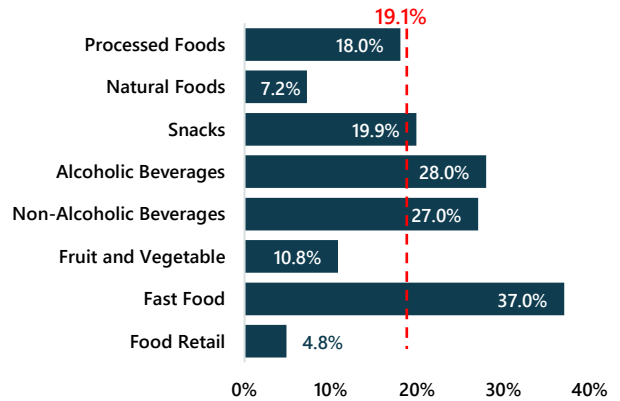
NTM Revenue Growth



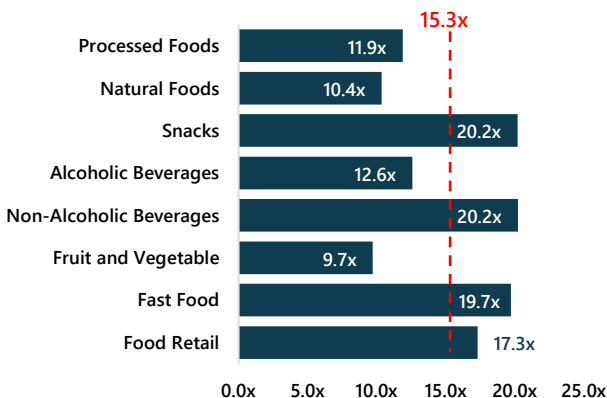
LTM EBITDA Margin



NTM EBITDA Margin



LTM EV/EBITDA



NTM EV/EBITDA

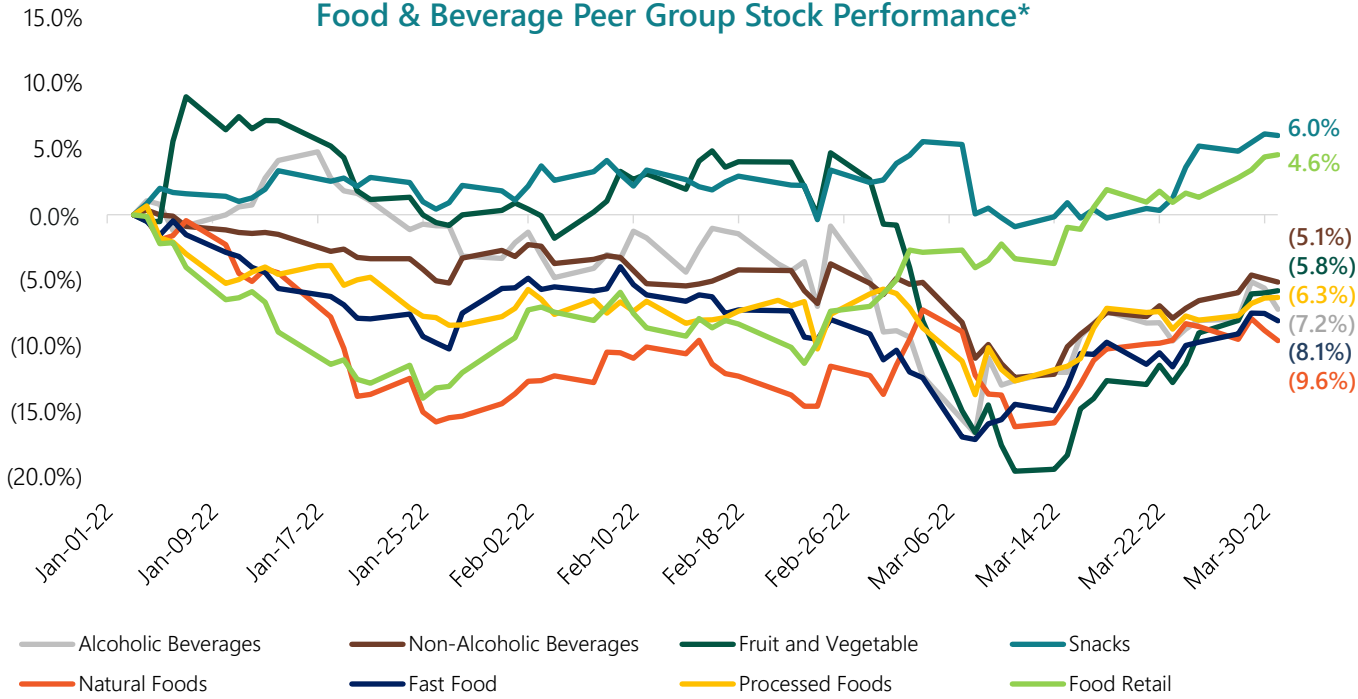


--- Average

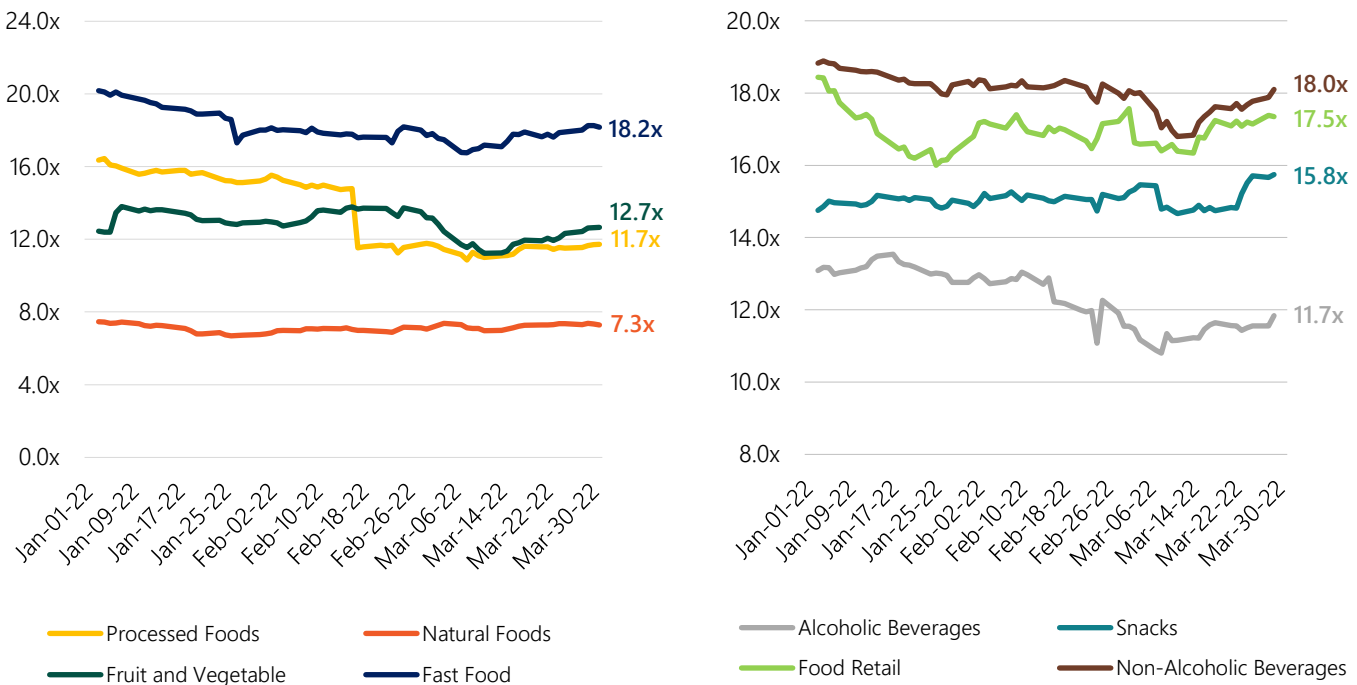
Public Comparable Analysis

Performance Analysis

Food & Beverage Peer Group Stock Performance*



Food & Beverage Peer Group EV/EBITDA Multiples



Source: Capital IQ. Data as of March 31, 2022.
Group constituents are provided on page 6.

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.

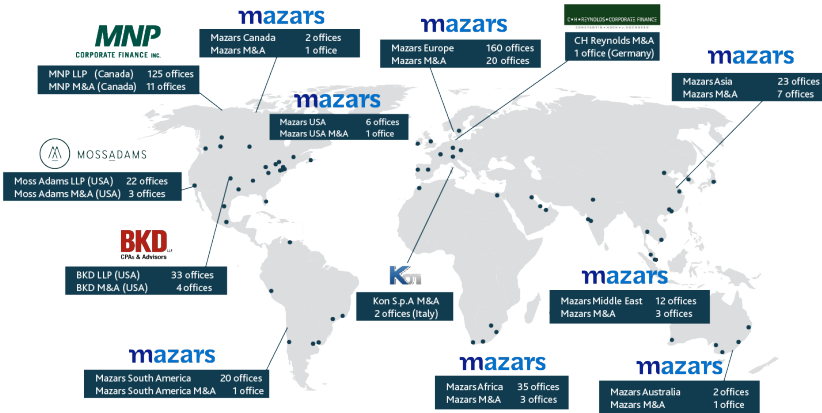
Our typical transactions range in value between \$3 million and \$300 million.

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



Services

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

Recently Closed Deals (National)

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 Duchesne et al. Inc. in structuring and negotiating this transaction.

has acquired

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

has acquired

MNP Corporate Finance Inc. acted as exclusive financial advisor to Young Motors (1971) Ltd. in structuring and negotiating this transaction.

has acquired

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

has invested in

MNP Corporate Finance Inc. provided financial and tax due diligence services to PPM Capital Inc. and Reynat Equity Partners

has acquired

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

has acquired

MNP Corporate Finance Inc. acted as financial advisor to Dramis Communications Solutions Ltd. in structuring and negotiating this transaction.

has acquired

MNP Corporate Finance Inc. acted as exclusive financial advisor to Colohoo Waste Disposal and Meridian Waste Disposal in structuring and negotiating this transaction.

has acquired the net operating assets of

MNP Corporate Finance Inc. acted as exclusive financial advisor to Process Flow Systems Ltd. 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 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

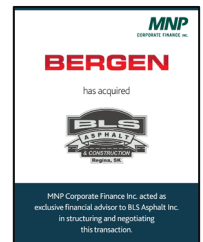
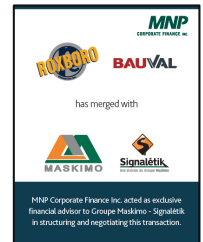
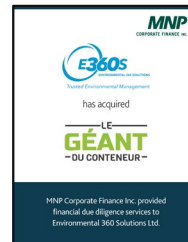
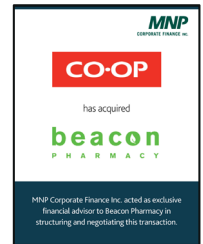
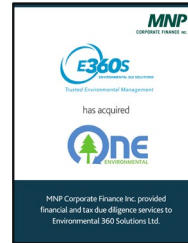
Hands-on Approach

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.

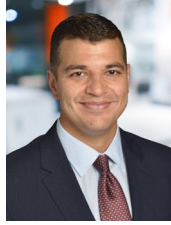
Recently Closed Deals (National)



Transaction Leadership



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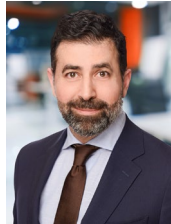
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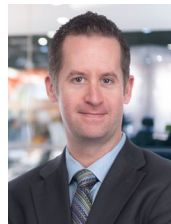


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Due Diligence Leadership



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