



FOOD & BEVERAGE

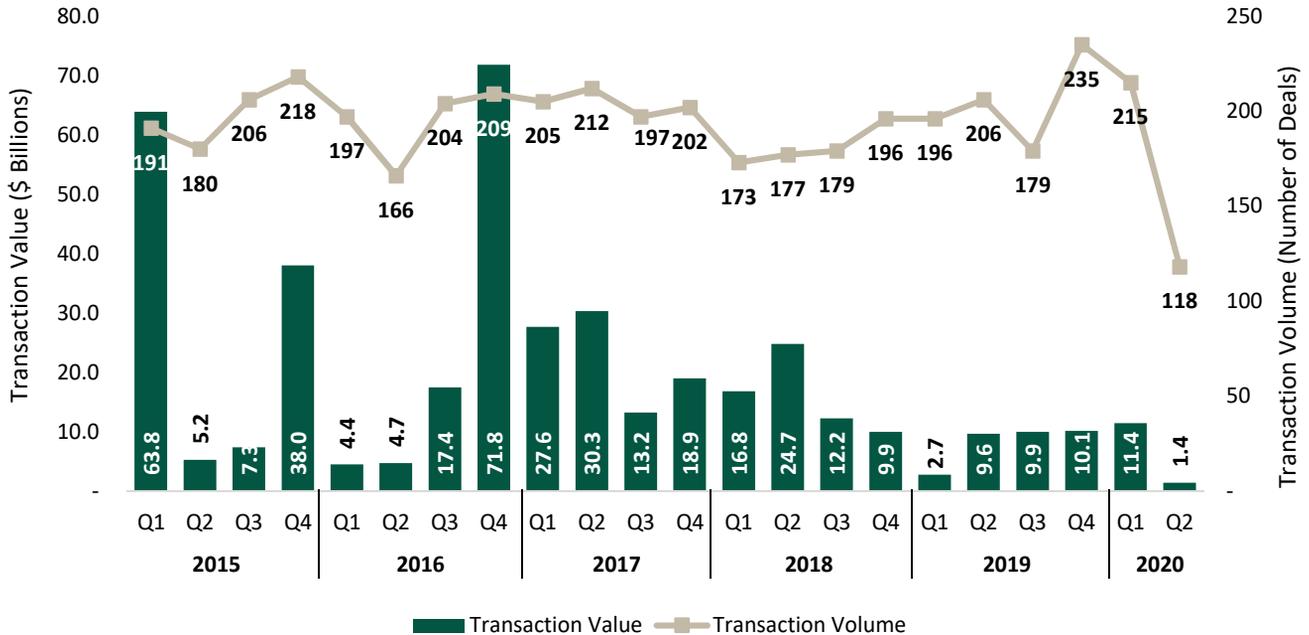
QUARTERLY UPDATE

Q2 2020

INDUSTRY OVERVIEW

M&A TRANSACTIONS & PERFORMANCE

NORTH AMERICAN FOOD & BEVERAGE M&A TRANSACTIONS



M&A MARKET UPDATE – Q2 2020

- M&A activity in the North American food and beverage industry declined in Q2 2020 due to the continued impact of the COVID-19 pandemic. Overall disclosed transaction volume decreased from 215 to 118 and total disclosed transaction value decreased from \$11.4 billion to \$1.4 billion from Q1 2020 to Q2 2020 respectively. Average disclosed transaction value decreased from \$52.9 million in Q1 2020 to \$11.5 million in Q2 2020.
- M&A activity in Q2 2020 was predominantly driven by industry operators (i.e. strategic buyers) who accounted for approximately 92 percent of total deal volume during the period. Approximately 88 percent of the strategic deals were completed by privately held food and beverage companies.
- The majority of transactions in Q2 2020 were in the packaged foods and meats and restaurants sub-sectors, which comprised 42 percent and 18 percent of all disclosed transactions respectively. There was also notable deal volume in the beverages sub-sector, with a total of 13 disclosed transactions involving soft drink producers, distillers and vintners, and brewers.
- The largest deal during the quarter was the acquisition of nearly all the assets of Borden Dairy Company by Capitol Peak Partners, LLC and KKR & Co. Inc. for \$340 million, following the completion of a court supervised Chapter 11 sale process. Other large deals during the quarter included Sazerac Company, Inc.’s acquisition of the Paul Masson Grande Amber Brandy Brand of Constellation Brands, Inc. for \$255 million, and the acquisition of Tabacalera USA by an investment consortia of individual investors for \$201 million.

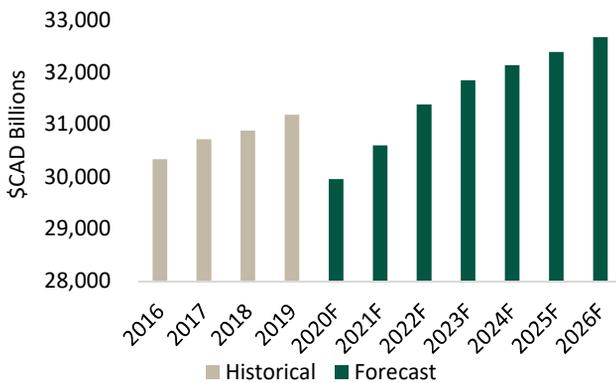
MACROECONOMIC INDICATORS

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.

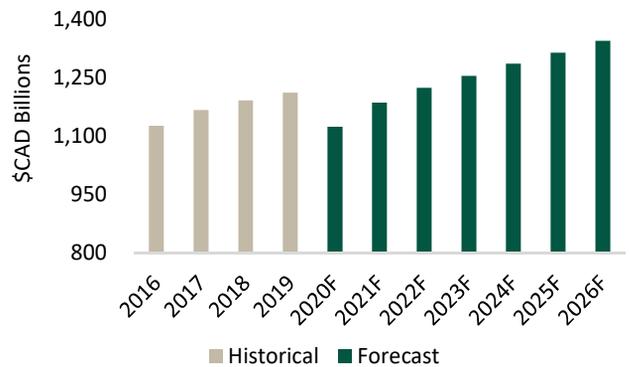
The decline in per capital disposable income, consumer spending, and the consumer confidence index forecasted for 2020 is attributable to the COVID-19 pandemic, which has caused economic contractions as many businesses remain closed or are operating at limited capacity due to public health safety measures. This has contributed to increased levels of unemployment and a decline in both consumer consumption and confidence, which have adversely impacted the food and beverage industry, specifically restaurants offering dine-in experiences. Grocery wholesale operators have fared better than food service restaurants and are expected to attempt to increase their value-add services through diversification and adapting to changing consumer trends. Over the coming months, it is anticipated that the food and beverage industry will show signs of improvement as public health restrictions are further eased, and operators and consumers alike adapt to the heightened degree of economic uncertainty.

Regarding the consumer price index for food, food prices are expected to rise during 2020 as low oil prices have depressed the value of the Canadian dollar, making it more expensive for operators within the industry to purchase food and produce from outside the country. Other factors contributing to rising food prices are additional costs borne by employers, such as plexiglass barriers and enforcing stringent cleaning protocols.

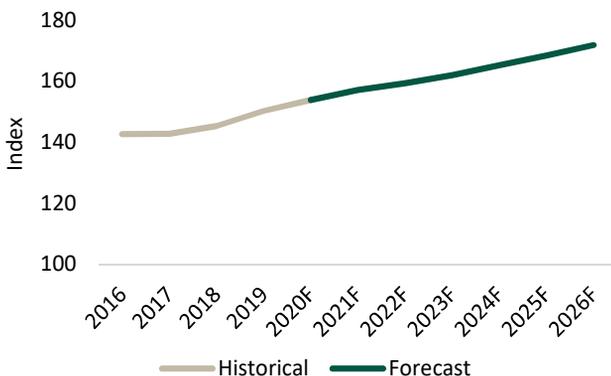
**PER CAPITA DISPOSABLE INCOME
- CANADA**



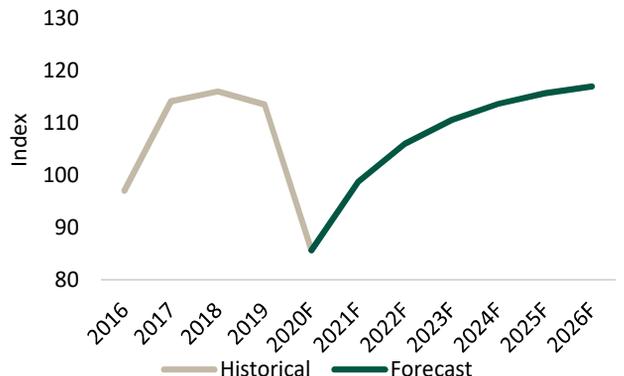
**CONSUMER SPENDING
- CANADA**



**CONSUMER PRICE INDEX FOR FOOD
- CANADA**



**CONSUMER CONFIDENCE INDEX
- CANADA**



"F" indicates forecast.

Source: IBISWorld Industry Reports.

SELECT RECENT M&A TRANSACTIONS



acquired



Announced	June 8, 2020
TEV	\$178.8M
TEV/EBITDA	Not disclosed
TEV/Revenue	Not disclosed

- Opes Acquisition Corporation acts as a special purpose acquisition company. The company was founded in 2017 and is based in Miami, Florida.
- BurgerFi International, LLC owns and operates fast-food restaurants in the United States. The company was founded in 2011 and is based in Palm Beach, Florida.
- The transaction allows Opes Acquisition Corporation to utilize BurgerFi International, LLC's technology-driven business model and highly-scalable structure.



acquired



Announced	June 1, 2020
TEV	\$16.3M
TEV/EBITDA	Not disclosed
TEV/Revenue	Not disclosed

- Afognak Native Corporation provides contract services to the United States federal government and other United States government agencies. The company was founded in 1971 and is based in Kodiak, Alaska.
- Brown Jug, Inc operates as a retailer of fine wine, spirits, and beer in Alaska. The company was founded in 1955 and is based in Anchorage, Alaska.
- The transaction allows Afognak Native Corporation to reduce its reliance on government contracting and be a responsible leader of retail alcohol sales.



acquired



Announced	May 14, 2020
TEV	\$48.5M
TEV/EBITDA	Not disclosed
TEV/Revenue	Not disclosed

- Fortress Investment Group LLC is a private equity firm specializing in buyout, recapitalization, and turnaround situations. The company was founded in 1998 and is based in New York City, New York.
- Krystal Company engages in the development, operation, and franchising of quick-service restaurants in the southeastern region of the United States. The company was founded in 1932 and is based in Dunwoody, Georgia.
- The acquisition was made by Fortress Investment Group LLC and its operating partner, Golden Child Holdings, with the aim to continue growing the Krystal Company brand.



acquired 75% of



Announced	April 9, 2020
TEV	\$319.6M
TEV/EBITDA	Not disclosed
TEV/Revenue	2.64x

- Ingredion Incorporated produces and sells starches and sweeteners for various industries. The company was founded in 1906 and is based in Westchester, Illinois.
- PureCircle Limited engages in the production, marketing, and distribution of natural sweeteners and flavours. The company was founded in 2001 and is based in Chicago, Illinois.
- The transaction enables Ingredion Incorporated to further align its sugar reduction platform with the trends in the food and beverage industry.

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.	\$318,519	\$348,046	\$92,865	1.2%	\$19,284	20.8%	(2.8%)	22.6%	17.0x	18.0x	3.7x	
Tyson Foods, Inc.	\$21,754	\$34,121	\$43,472	6.8%	\$4,096	9.4%	0.9%	8.6%	9.0x	8.3x	.8x	
Campbell Soup Company	\$14,996	\$20,708	\$8,363	16.2%	\$1,493	17.9%	1.9%	20.6%	11.8x	13.9x	2.5x	
B&G Foods, Inc.	\$1,563	\$3,457	\$1,697	0.9%	\$305	18.0%	11.9%	18.0%	10.1x	11.3x	2.0x	
Median	\$18,375	\$27,414	\$25,918	4.0%	\$2,795	17.9%	1.4%	19.3%	11.0x	12.6x	2.3x	
Natural Foods												
The Hain Celestial Group, Inc.	\$3,213	\$3,625	\$2,245	1.2%	\$188	8.4%	(9.3%)	10.7%	16.7x	19.3x	1.6x	
Sprouts Farmers Market, Inc.	\$3,014	\$4,428	\$5,867	10.0%	\$393	6.7%	8.1%	6.2%	11.3x	11.3x	.8x	
United Natural Foods, Inc.	\$996	\$4,815	\$25,232	43.6%	\$480	1.9%	3.3%	2.4%	7.6x	10.0x	.2x	
Median	\$3,014	\$4,428	\$5,867	10.0%	\$393	6.7%	3.3%	6.2%	11.3x	11.3x	.8x	
Mean	\$2,408	\$4,289	\$11,115	18.3%	\$354	5.7%	0.7%	6.4%	11.9x	13.5x	.9x	
Snacks												
General Mills	\$37,368	\$51,624	\$17,627	4.5%	\$3,713	21.1%	1.7%	21.5%	13.4x	13.9x	2.9x	
The Hershey Company	\$26,962	\$31,162	\$8,007	2.2%	\$1,937	24.2%	0.3%	25.1%	15.5x	16.1x	3.9x	
J & J Snack Foods Corp.	\$2,401	\$2,257	\$1,194	3.3%	\$154	12.9%	(16.6%)	9.8%	23.1x	14.6x	1.9x	
Median	\$26,962	\$31,162	\$8,007	3.3%	\$1,937	21.1%	0.3%	21.5%	15.5x	14.6x	2.9x	
Mean	\$22,244	\$28,348	\$8,942	3.3%	\$1,935	19.4%	(4.9%)	18.8%	17.3x	14.9x	2.9x	
Alcoholic Beverages												
Anheuser-Busch InBev SA/NV	\$96,723	\$203,784	\$51,108	(5.6%)	\$19,014	37.2%	(11.7%)	36.9%	12.2x	10.7x	4.0x	
Heineken N.V.	\$53,128	\$71,579	\$23,969	6.6%	\$5,869	24.5%	(0.7%)	21.8%	13.8x	12.2x	3.0x	
Brown-Forman Corporation	\$29,426	\$31,406	\$3,363	1.2%	\$1,187	35.3%	(2.9%)	35.1%	27.4x	26.5x	9.3x	
Molson Coors Beverage Company	\$7,499	\$17,023	\$10,379	(3.4%)	\$2,130	20.5%	(8.8%)	21.0%	8.6x	8.0x	1.6x	
Median	\$41,277	\$51,492	\$17,174	(1.1%)	\$4,000	29.9%	(5.9%)	28.5%	13.0x	11.5x	3.5x	
Mean	\$46,694	\$80,948	\$22,205	(0.3%)	\$7,050	29.4%	(6.0%)	28.7%	15.5x	14.3x	4.5x	
Non-Alcoholic Beverages												
The Coca-Cola Company	\$191,896	\$226,310	\$37,173	7.1%	\$12,120	32.6%	(10.2%)	32.5%	20.9x	18.7x	6.1x	
PepsiCo, Inc.	\$183,511	\$213,601	\$67,654	3.5%	\$12,360	18.3%	(0.5%)	19.5%	16.3x	17.3x	3.2x	
Starbucks Corporation	\$85,960	\$106,319	\$26,663	4.3%	\$5,130	19.2%	(10.6%)	13.9%	32.0x	20.7x	4.0x	
Monsieuro Beverage Corporation	\$36,501	\$35,596	\$4,317	10.6%	\$1,527	35.4%	0.6%	35.3%	23.2x	23.3x	8.2x	
Median	\$134,736	\$159,960	\$31,918	5.7%	\$8,625	25.9%	(5.4%)	26.0%	22.0x	19.7x	5.0x	
Mean	\$124,467	\$145,456	\$33,952	6.4%	\$7,784	26.4%	(5.2%)	25.3%	23.1x	20.0x	5.4x	
Fruit and Vegetable												
Lamb Weston Holdings, Inc.	\$9,336	\$11,734	\$3,949	7.6%	\$854	21.6%	(10.7%)	19.5%	17.0x	13.7x	3.0x	
Fresh Del Monte Produce Inc.	\$1,175	\$2,032	\$4,453	(2.0%)	\$177	4.0%	2.1%	4.2%	N/A	11.5x	.5x	
Seneca Foods Corporation	\$308	\$626	\$1,336	11.4%	\$91	6.8%	N/A	N/A	N/A	6.9x	.5x	
Median	\$1,175	\$2,032	\$3,949	7.6%	\$177	6.8%	(10.7%)	11.9%	17.0x	11.5x	.5x	
Mean	\$3,606	\$4,798	\$3,246	5.7%	\$374	10.8%	(36.2%)	11.9%	17.0x	10.7x	1.3x	
Fast Food												
McDonald's Corporation	\$137,164	\$184,096	\$20,767	(0.7%)	\$10,237	49.3%	(9.5%)	47.2%	20.7x	18.0x	8.9x	
Yum! Brands, Inc.	\$26,159	\$36,654	\$5,606	0.6%	\$2,006	35.8%	(0.7%)	33.6%	19.6x	18.3x	6.5x	
Restaurant Brands International Inc.	\$16,398	\$30,295	\$5,562	3.6%	\$2,162	38.9%	(8.7%)	38.3%	15.6x	14.0x	5.4x	
Chipotle Mexican Grill, Inc.	\$29,351	\$31,413	\$5,689	13.2%	\$665	11.7%	2.4%	11.0%	49.2x	47.2x	5.5x	
Median	\$27,755	\$34,033	\$5,647	2.1%	\$2,084	37.3%	(4.7%)	35.9%	20.2x	18.1x	6.0x	
Mean	\$52,268	\$70,614	\$9,406	4.2%	\$3,768	33.9%	(4.1%)	32.5%	26.3x	24.4x	6.6x	
Food Retail												
Costco Wholesale Corporation	\$133,874	\$135,012	\$160,876	7.5%	\$6,821	4.2%	5.5%	4.3%	18.6x	19.8x	.8x	
The Kroger Co.	\$26,333	\$44,222	\$126,584	4.3%	\$5,955	4.7%	(0.9%)	4.6%	7.6x	7.4x	.3x	
Median	\$80,104	\$89,617	\$143,730	5.9%	\$6,388	4.5%	2.3%	4.5%	13.1x	13.6x	.6x	
Mean	\$80,104	\$89,617	\$143,730	5.9%	\$6,388	4.5%	2.3%	4.5%	13.1x	13.6x	.6x	

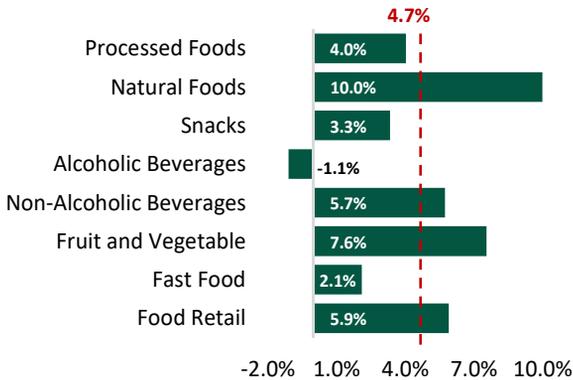
Source: Capital IQ. Data as of June 30, 2020.

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

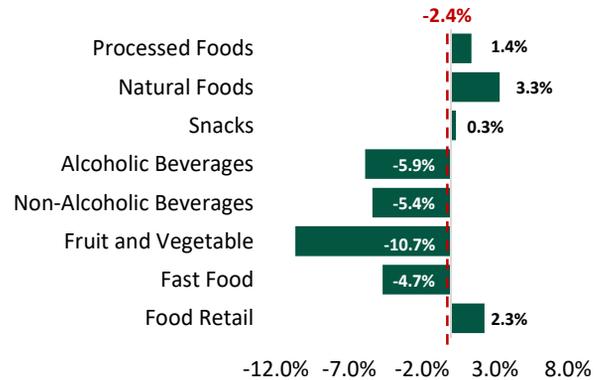
PUBLIC COMPARABLE ANALYSIS

GROWTH, MARGINS & MULTIPLES

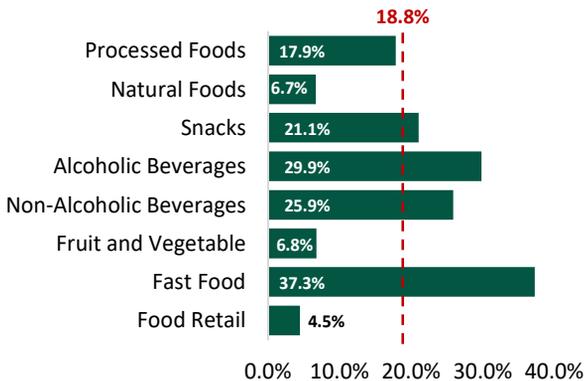
LTM REVENUE GROWTH



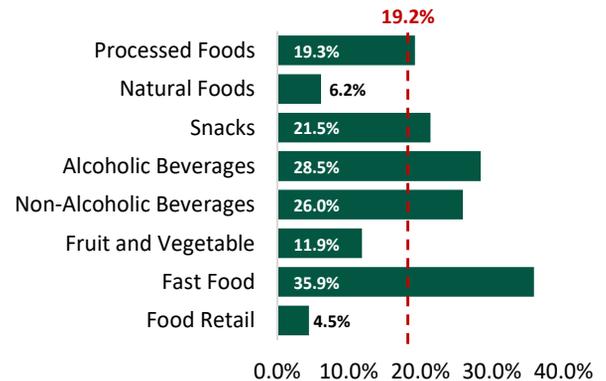
NTM REVENUE GROWTH



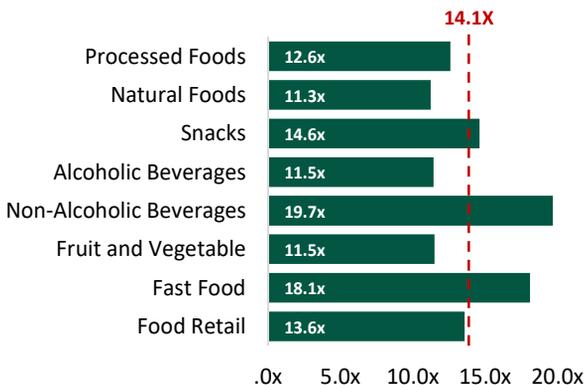
LTM EBITDA MARGIN



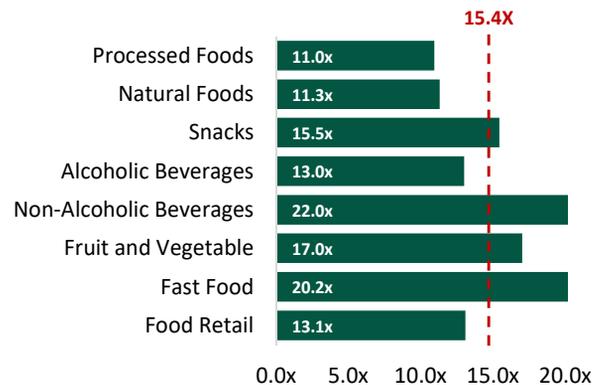
NTM EBITDA MARGIN



LTM EV/EBITDA



NTM EV/EBITDA

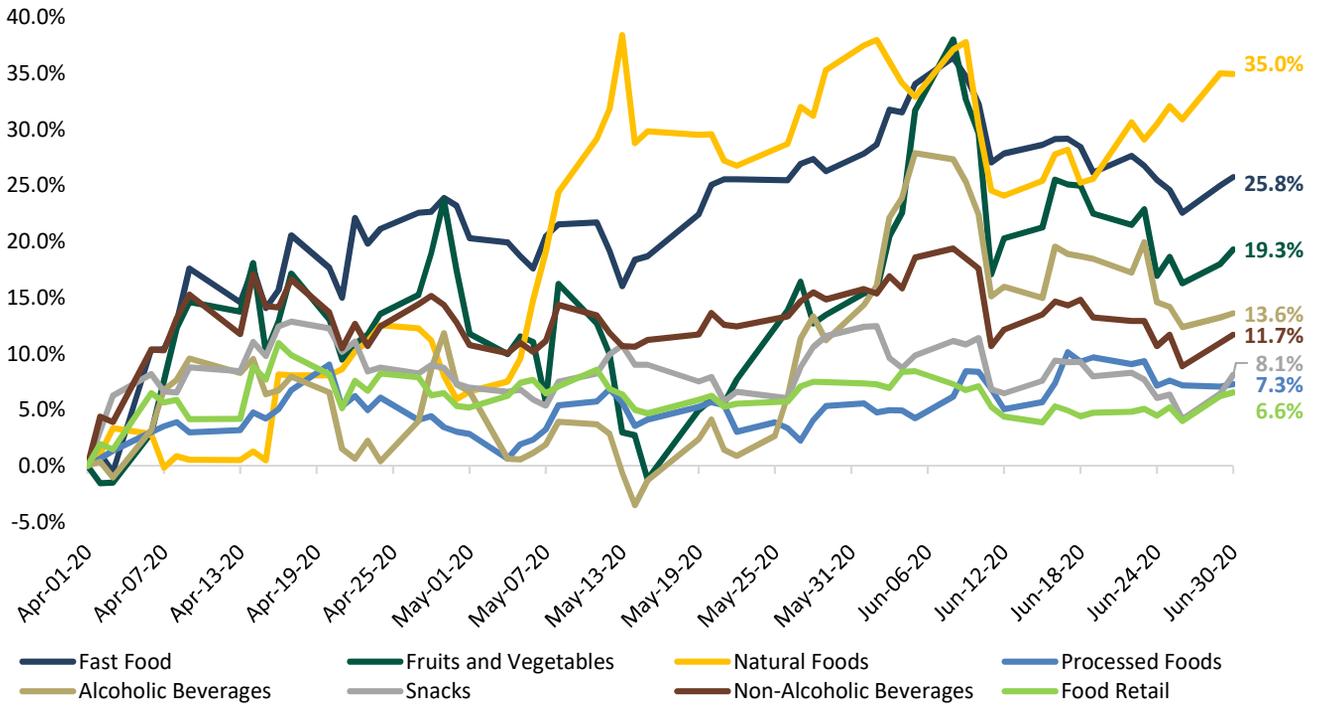


Source: Capital IQ. Data as of June 30, 2020.
 "LTM" refers to last twelve months. "NTM" refers to next twelve months.
 Valuation details provided on page 5.

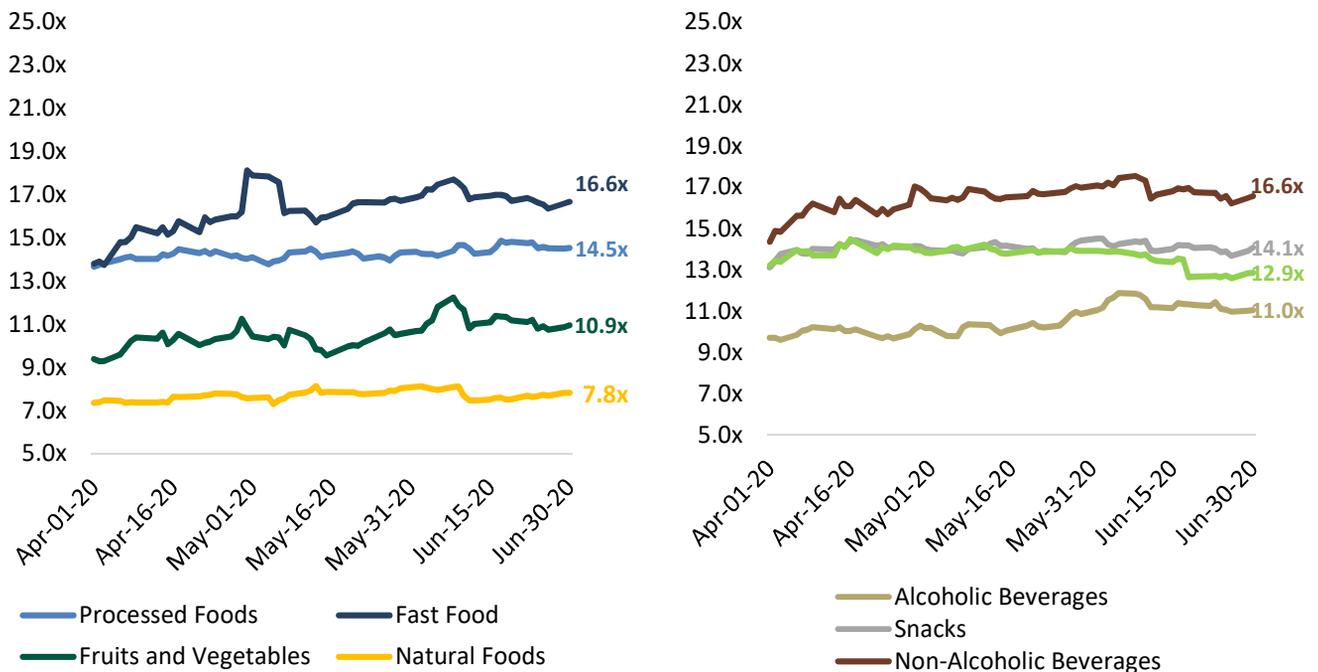
PUBLIC COMPARABLE ANALYSIS

PERFORMANCE ANALYSIS

FOOD & BEVERAGE PEER GROUP STOCK PERFORMANCE*



FOOD & BEVERAGE PEER GROUP EV/EBITDA MULTIPLES*



Source: Capital IQ, data as of June 30, 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 & 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 CFxBorder - 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)

EDMONTON PHARMACY GROUP has acquired

MNP Corporate Finance Inc. acted as exclusive financial advisor to Kind Investments Ltd. (aka CastleDowns ARP Pharmacy) in structuring and negotiating this transaction.

DIVESTITURES > FINANCING > DUE DILIGENCE

Jan Nelson and Andrew Windsor has acquired

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

DIVESTITURES > FINANCING > DUE DILIGENCE

Greyrock Capital Inc. has acquired

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

DIVESTITURES > FINANCING > DUE DILIGENCE

MEDSPA PARTNERS has acquired

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

DIVESTITURES > FINANCING > DUE DILIGENCE

A Confidential Buyer has acquired

Hayes Management Ltd.

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

DIVESTITURES > FINANCING > DUE DILIGENCE

ROBERTSON IMPLEMENTS has acquired

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

MNP Corporate Finance Inc. acted as financial advisor to Mill-Orb Industrial Inc. in structuring and negotiating this transaction.

DIVESTITURES > FINANCING > DUE DILIGENCE

SupremeX has acquired

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

DIVESTITURES > FINANCING > DUE DILIGENCE

TRIPLE M METAL has acquired

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

DIVESTITURES > FINANCING > DUE DILIGENCE

CARBON60 has acquired

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

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 more than \$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)

MST
has acquired
orbis
SOLUTIONS
for the leading
proctoscope

MNP Corporate Finance Inc. provided financial and tax due diligence services to MST Services Holdings, LLC.

DIVESTITURES > FINANCING > DUE DILIGENCE

DE LA FONTAINE
Integrate. We realize.

has acquired
ONE 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
ROBUSTATE SYSTEMS

MNP Corporate Finance Inc. provided financial and tax due diligence services to U.S. Bank Holdings Ltd.

DIVESTITURES > FINANCING > DUE DILIGENCE

EMERGE
has acquired
underpar.com
green. Just for sure

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

DIVESTITURES > FINANCING > DUE DILIGENCE

Crédit Mutuel Equity
has provided equity capital to
HIGHLIGHT
PROCTOR SCOPUS

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

DIVESTITURES > FINANCING > DUE DILIGENCE

E360S ENVIRONMENTAL AND SOLUTIONS
has merged with
WASTE-CO

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

DIVESTITURES > FINANCING > DUE DILIGENCE

trialcard CAPITAL STRATEGY
has acquired
Policy Reporter

MNP Corporate Finance Inc. was the exclusive financial advisor to Strategy Innovations Inc. (dba. Policy Reporter) in structuring and negotiating this transaction.

DIVESTITURES > FINANCING > DUE DILIGENCE

E360S ENVIRONMENTAL AND 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 AND SOLUTIONS
has acquired the Calgary, Alberta
division assets of
URBAN IMPACT
recycling of waste.

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
Cory Butler
VISAGE
The Face Experts

MNP Corporate Finance Inc. provided financial and tax due diligence services to Equicapita Investment Corp.

DIVESTITURES > FINANCING > DUE DILIGENCE

LEADERSHIP TEAM

TRANSACTION LEADERSHIP



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DUE DILIGENCE LEADERSHIP



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