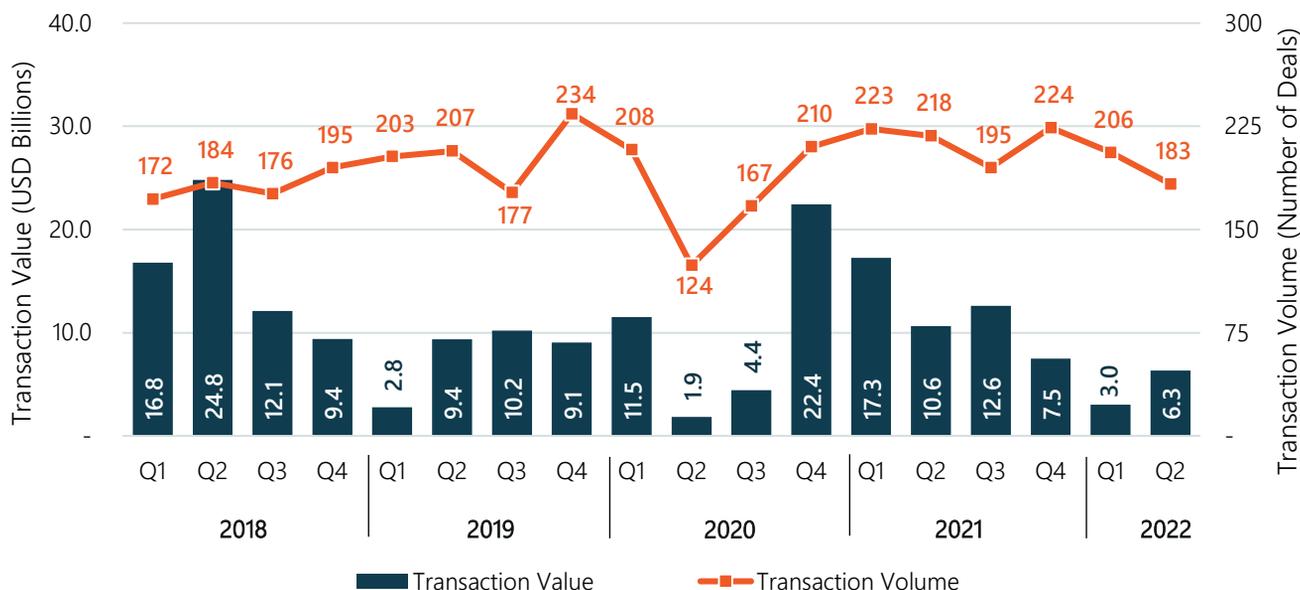


Food & Beverage

Quarterly Update | Q2 2022



North American Food & Beverage M&A Transactions



Q2 Transactions (Canada)
24
(-27.3% vs. Q1 2022)

Q2 Transaction Value (Canada)
\$141 million
(-49.8% vs. Q1 2022)

Q2 Transactions (US)
159
(-8.1% vs. Q1 2022)

Q2 Transaction Value (US)
\$6.2 billion
(60.6% vs. Q1 2022)

M&A Market Update – Q2 2022¹

- Despite a slight decrease in the number of transactions, aggregate transaction value in the North American food and beverage industry increased during Q2 2022, appreciating by 52% compared to the previous quarter. The large increase in transaction value is primarily attributed to Mondelez International Inc.'s acquisition of Clif Bar & Company for \$2.9 billion.
- The majority of transactions in Q2 2022 were in the packaged foods and meats and the restaurant sub-industries, which comprised 29% and 26% 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 33 transactions, up from 27 in the previous quarter and accounting for 17% of transaction volume.
- Industry M&A activity was primarily driven by private strategic acquirers in Q2 2022, which accounted for 74% of the total transaction volume, up from 70% in Q1 2022. The remaining acquisitions were made by publicly listed companies and private equity firms, which comprised 18% and 8% 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, all of which may hinder 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 attributes will continue to gain investor attention.

Source: Capital IQ. Data as of June 30, 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 June 30, 2022.

Macroeconomic Indicators

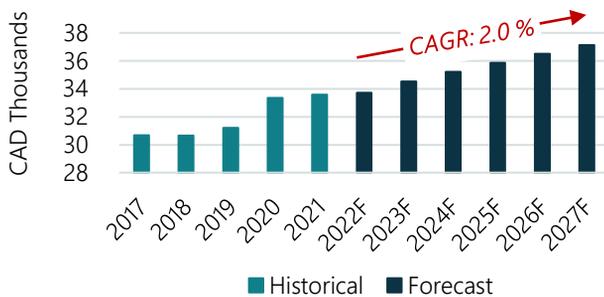
Key external drivers that affect the food and beverage industry in Canada include per capita disposable income, consumer spending, the consumer price index for food, and the consumer confidence index.

Per capita disposable income increased in the first half of 2022, as the economy continued to recover from the COVID-19 pandemic. Per capita disposable income is forecasted to grow at an annualized rate of 2% over the next five years to 2027. As per capita disposable income increases, consumers are more likely to purchase food and dining experiences outside their basic dietary needs.

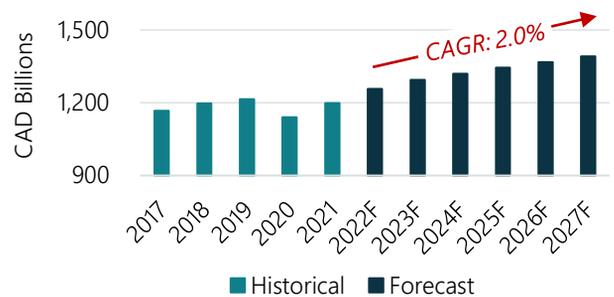
After dropping to historical lows in 2020, consumer spending levels rebounded in 2021 and continued to increase in the first half of 2022. The increase in consumer spending can be attributed to the nationwide availability of COVID-19 vaccines and the easing of government-imposed restrictions. While significantly higher than 2020 levels, the consumer confidence index experienced a slight decrease in 2022 due to rising inflation, as well as supply chain challenges and trade concerns associated with the ongoing conflict in Ukraine. Despite these concerns, the consumer confidence index is expected to increase at an annualized rate of 2.4% through to 2027, as COVID-19 restrictions continue to ease and the labour market improves. Consumer spending is also expected to follow suit as businesses resume normal operations, with forecasted annualized growth of 2.0% per year through to 2027.

Food prices in Canada increased by approximately 2.5% in 2021 and continued to increase throughout the first half of 2022. Food price inflation is anticipated to be 8.5% in 2022, which is significantly above the historical annualized growth rate of 2.5% between 2017 to 2021. The increase in food prices can be attributed to supply chain disruptions, as well as the inflationary pressures caused by increasing transportation costs and continued bottlenecks. Price increases are anticipated to continue through to 2027 at an annualized rate of 3.4%.

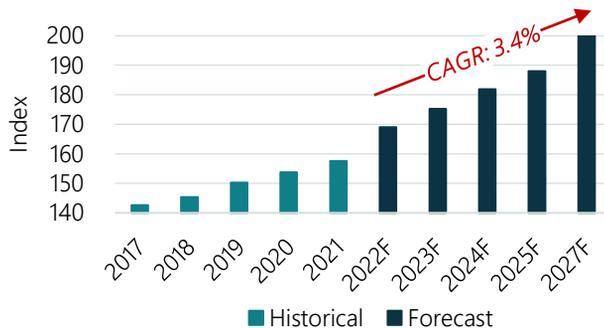
Per Capita Disposable Income



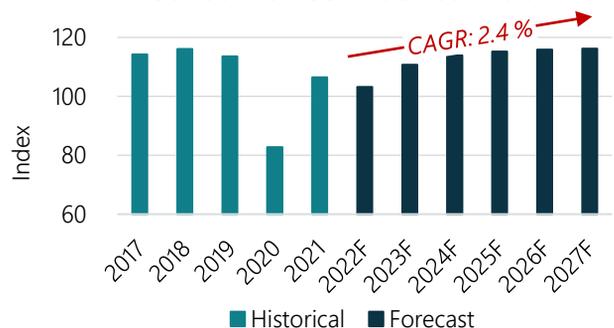
Consumer Spending



Consumer Price Index For Food



Consumer Confidence Index



Select Recent M&A Transactions

North America



acquired



Announced	Jun 20, 2022
EV	\$2.9 billion
EV/EBITDA	Not Disclosed
EV/Revenue	Not Disclosed

- **Mondelez International Inc.**, (“Mondelez”) through its subsidiaries, manufactures, markets, and distributes snack food and beverage products throughout Asia, Europe, North America, South America, and the Middle East. Mondelez services supermarkets, wholesalers, drug stores, and convenience stores, providing its snack products under well-established brands including Cadbury, Ritz, Halls, and Oreo. Founded in 2001, Mondelez is based in Chicago, Illinois.
- **Clif Bar & Company** (“Clif”) produces nutritious and organic snack foods. Clif’s product offering includes chocolate bars, protein snacks, various energy drink mixes, chocolate brownies, and other snack products. Clif services both domestic and international markets through a variety of outlets including grocery and convenience stores. Founded in 1992, Clif is based in Emeryville, California.
- The transaction will allow Mondelez to further strengthen its snack product portfolio, while capitalizing on the growing demand for sustainable and healthy snack products.



acquired



Closed	Jun 21, 2022
EV	\$222.0 million
EV/EBITDA	Not Disclosed
EV/Revenue	Not Disclosed

- **J&J Snack Foods Corp.** (“J&J”) manufactures and distributes snack food products throughout Canada, the United States, and Mexico. J&J operates in three segments including food service, retail supermarkets, and frozen beverage products. J&J sells its products through a network of food brokers, independent sales distributors, and e-commerce outlets. Founded in 1971, J&J is based in Pennsauken, New Jersey.
- **Dippin’ Dots LLC** (“Dippin’”) produces and distributes beaded ice cream and cookie dough products on an international scale. Dippin’s product offerings are sold through a variety of outlets including theme parks, movie theatres, stadiums, and convenience stores. Founded in 1988, Dippin’ is based in Paducah, Kentucky.
- The transaction complements J&J’s existing frozen novelty and frozen beverage business. The transaction will also further strengthen J&J’s brand presence within entertainment and amusement locations, theatres, convenience stores, and supermarkets, contributing to increased market share.

Select Recent M&A Transactions

North America



acquired



Closed	May 11, 2022
EV	\$411.0 million
EV/EBITDA	Not Disclosed.
EV/Revenue	Not Disclosed.

- **Cencosud S.A.** ("Cencosud") is a multinational retail conglomerate, with operations spanning Argentina, Brazil, Chile, Columbia, and Peru. Cencosud operates a diverse portfolio of retail segments including grocery stores, department stores, shopping centres, home improvement stores, and convenience stores. Founded in 1963, Cencosud is based in Santiago, Chile.
- **The Fresh Market Inc.** ("Fresh") operates as a premium speciality grocer in the United States. Fresh offers various food products including meat, seafood, produce, baked goods, and non-perishable food items. Fresh currently operates over 150 store locations, spanning 22 states. Founded in 1982, Fresh is based in Greensboro, North Carolina.
- The transaction will provide Cencosud the ability to geographically expand its operations into the United States retail grocery market. In addition, the transaction will allow Cencosud to further strengthen its existing fresh food product portfolio.



acquired



Announced	Apr 26, 2022
EV	\$117.2 million
EV/EBITDA	Not Disclosed
EV/Revenue	Not Disclosed

- **Olam International Limited** ("Olam"), an operating subsidiary of Olam Group Limited, distributes food and beverage products on a global scale. Olam distributes a wide variety of products including but not limited to cocoa, coffee, dairy, nuts, and spices. Founded in 1989, Olam is based in Choa Chu Kang, Singapore.
- **Club Coffee LP** ("Club") operates as a coffee roaster and packaging solutions provider. Club's innovative coffee products and solutions have enabled the company to become a dominant player in the North American coffee market. In addition, Club operates two state-of-the-art production facilities, allowing the company to effectively serve its large North American customer base. Founded in 1906, Club is based in Toronto, Canada.
- The transaction is aligned with Olam's growth strategy to deliver sustainable, natural, and value-added food and beverage ingredients and solutions. In addition, the transaction will increase Olam's production capabilities, while simultaneously expanding the company's North American distribution channels.

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.	\$322,060	\$357,083	\$87,470	3.3%	\$19,204	22.0%	15.7%	20.6%	17.1x	18.6x	4.1x
Tyson Foods, Inc.	\$31,115	\$38,350	\$51,339	18.7%	\$7,186	14.0%	3.9%	9.9%	7.2x	5.3x	0.7x
Campbell Soup Company	\$14,443	\$19,242	\$8,448	(3.0%)	\$1,738	20.6%	3.9%	18.9%	11.6x	11.1x	2.3x
B&G Foods, Inc.	\$1,638	\$3,944	\$2,084	3.0%	\$295	14.2%	3.1%	16.4%	11.2x	13.4x	1.9x
Median	\$22,779	\$28,796	\$29,894	3.1%	\$4,462	17.4%	3.9%	17.6%	11.4x	12.2x	2.1x
Mean	\$92,314	\$104,655	\$37,335	5.5%	\$7,106	17.7%	6.7%	16.5%	11.8x	12.1x	2.2x
Natural Foods											
The Hain Celestial Group, Inc.	\$2,132	\$3,001	\$1,885	(7.2%)	\$207	11.0%	5.9%	13.1%	11.5x	14.5x	1.6x
Sprouts Farmers Market, Inc.	\$2,776	\$3,974	\$6,166	(3.6%)	\$470	7.6%	3.9%	7.1%	8.8x	8.5x	0.6x
United Natural Foods, Inc.	\$2,297	\$5,920	\$28,390	5.1%	\$749	2.6%	4.9%	2.9%	6.9x	7.9x	0.2x
Median	\$2,297	\$3,974	\$6,166	(3.6%)	\$470	7.6%	4.9%	7.1%	8.8x	8.5x	0.6x
Mean	\$2,401	\$4,298	\$12,147	(1.9%)	\$475	7.1%	4.9%	7.7%	9.1x	10.3x	0.8x
Snacks											
General Mills	\$45,056	\$56,457	\$18,993	4.8%	\$3,965	20.9%	2.2%	19.6%	14.9x	14.2x	3.0x
The Hershey Company	\$44,238	\$49,213	\$9,342	11.1%	\$2,547	27.3%	8.4%	25.5%	19.0x	19.3x	5.3x
J&J Snack Foods Corp.	\$2,678	\$2,506	\$1,247	29.4%	\$132	10.6%	9.3%	11.2%	16.4x	18.9x	2.0x
Median	\$44,238	\$49,213	\$9,342	11.1%	\$2,547	20.9%	8.4%	19.6%	16.4x	18.9x	3.0x
Mean	\$30,657	\$36,059	\$9,861	15.1%	\$2,215	19.6%	6.7%	18.8%	16.8x	17.5x	3.4x
Alcoholic Beverages											
Anheuser-Busch InBev SA/NV	\$106,362	\$188,260	\$55,246	14.7%	\$17,928	32.5%	8.0%	34.2%	9.2x	10.5x	3.4x
Heineken N.V.	\$52,349	\$69,042	\$21,941	11.3%	\$5,347	24.4%	29.3%	22.8%	10.7x	12.9x	3.1x
Brown-Forman Corporation	\$33,187	\$34,663	\$3,933	13.6%	\$1,315	33.4%	4.6%	33.8%	24.9x	26.4x	8.8x
Molson Coors Beverage Company	\$11,835	\$19,203	\$10,596	12.1%	\$2,349	22.2%	1.5%	19.5%	9.1x	8.2x	1.8x
Median	\$42,768	\$51,853	\$16,268	12.9%	\$3,848	28.4%	6.3%	28.3%	9.9x	11.7x	3.3x
Mean	\$50,933	\$77,792	\$22,929	12.9%	\$6,735	28.1%	10.9%	27.6%	13.5x	14.5x	4.3x
Non-Alcoholic Beverages											
The Coca-Cola Company	\$272,717	\$306,500	\$40,126	20.0%	\$13,158	32.8%	5.4%	32.4%	22.4x	23.3x	7.6x
PepsiCo, Inc.	\$230,438	\$263,701	\$81,862	9.8%	\$14,816	18.1%	1.3%	18.5%	17.2x	17.8x	3.2x
Starbucks Corporation	\$87,612	\$108,552	\$31,329	31.4%	\$6,428	20.5%	7.8%	19.6%	16.4x	16.9x	3.5x
Monster Beverage Corporation	\$49,101	\$46,402	\$5,816	21.7%	\$1,840	31.6%	13.0%	31.2%	22.7x	25.2x	8.0x
Median	\$159,025	\$186,126	\$35,728	20.8%	\$9,793	26.1%	6.6%	25.4%	19.8x	20.5x	5.6x
Mean	\$159,967	\$181,289	\$39,783	20.7%	\$9,061	25.8%	6.9%	25.4%	19.7x	20.8x	5.6x
Fruit and Vegetable											
Lamb Weston Holdings, Inc.	\$10,322	\$12,646	\$3,953	12.6%	\$598	15.1%	9.0%	18.9%	15.5x	21.2x	3.2x
Fresh Del Monte Produce Inc.	\$1,412	\$2,201	\$4,301	3.1%	\$193	4.5%	2.5%	4.7%	N/A	11.4x	0.5x
Seneca Foods Corporation	\$452	\$620	\$1,385	(5.6%)	\$117	8.4%	N/A	N/A	N/A	5.3x	0.4x
Median	\$1,412	\$2,201	\$3,953	3.1%	\$193	8.4%	5.8%	11.8%	15.5x	11.4x	0.5x
Mean	\$4,062	\$5,156	\$3,213	3.4%	\$303	9.3%	5.8%	11.8%	15.5x	12.6x	1.4x
Fast Food											
McDonald's Corporation	\$182,579	\$227,816	\$23,764	21.1%	\$12,038	50.7%	(1.5%)	53.0%	18.3x	18.9x	9.6x
Chipotle Mexican Grill, Inc.	\$36,554	\$39,253	\$7,826	23.9%	\$1,120	14.3%	16.4%	17.7%	24.3x	35.0x	5.0x
Yum! Brands, Inc.	\$32,369	\$44,207	\$6,645	13.1%	\$2,258	34.0%	5.0%	35.0%	18.1x	19.6x	6.7x
Restaurant Brands International Inc.	\$15,485	\$30,828	\$5,930	18.5%	\$2,172	36.6%	7.5%	38.3%	12.6x	14.2x	5.2x
Median	\$34,462	\$41,730	\$7,236	19.8%	\$2,215	35.3%	6.2%	36.7%	18.2x	19.3x	5.9x
Mean	\$66,747	\$85,526	\$11,041	19.2%	\$4,397	33.9%	6.8%	36.0%	18.3x	21.9x	6.6x
Food Retail											
Costco Wholesale Corporation	\$212,335	\$210,085	\$217,538	16.6%	\$10,069	4.6%	9.8%	4.4%	20.0x	20.9x	1.0x
The Kroger Co.	\$33,867	\$53,218	\$141,190	6.8%	\$7,273	5.2%	5.1%	4.8%	7.4x	7.3x	0.4x
Median	\$123,101	\$131,652	\$179,364	11.7%	\$8,671	4.9%	7.5%	4.6%	13.7x	14.1x	0.7x
Mean	\$123,101	\$131,652	\$179,364	11.7%	\$8,671	4.9%	7.5%	4.6%	13.7x	14.1x	0.7x

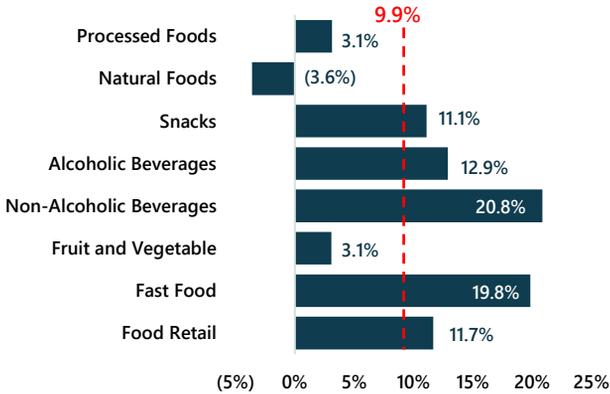
Source: Capital IQ. Data as of June 30, 2022.

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

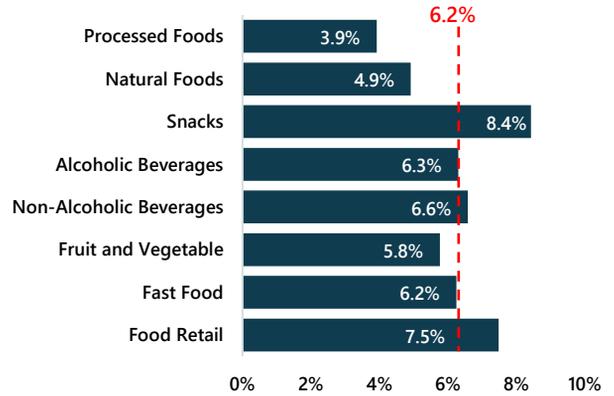
Public Comparable Analysis

Growth, Margins & Multiples

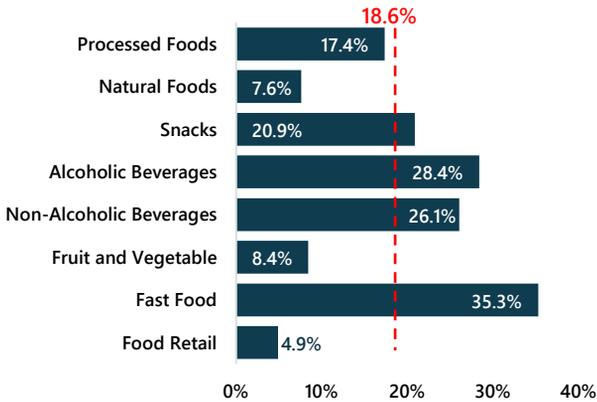
LTM Revenue Growth



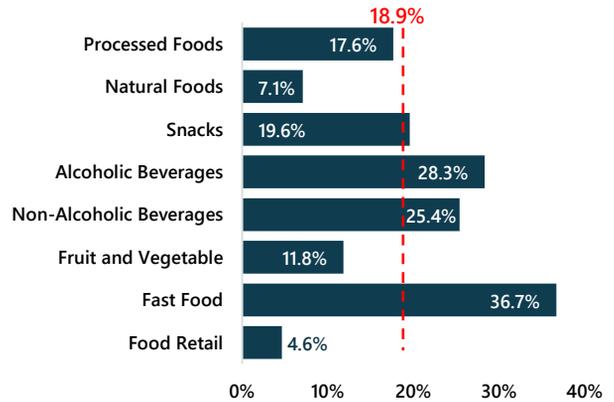
NTM Revenue Growth



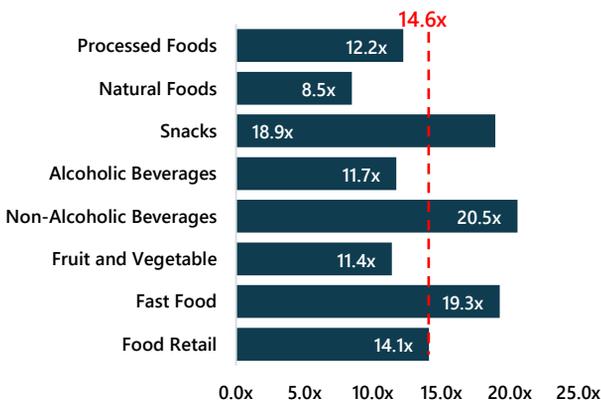
LTM EBITDA Margin



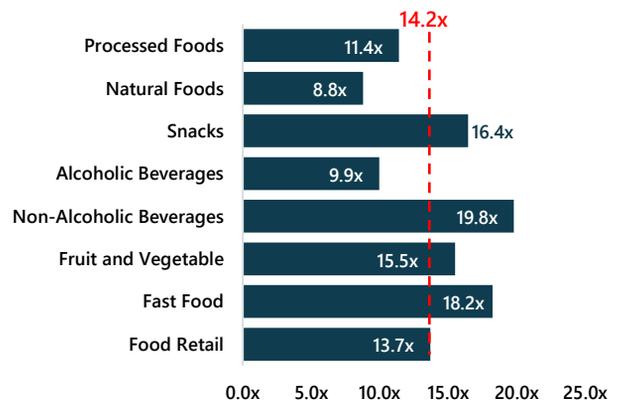
NTM EBITDA Margin



LTM EV/EBITDA



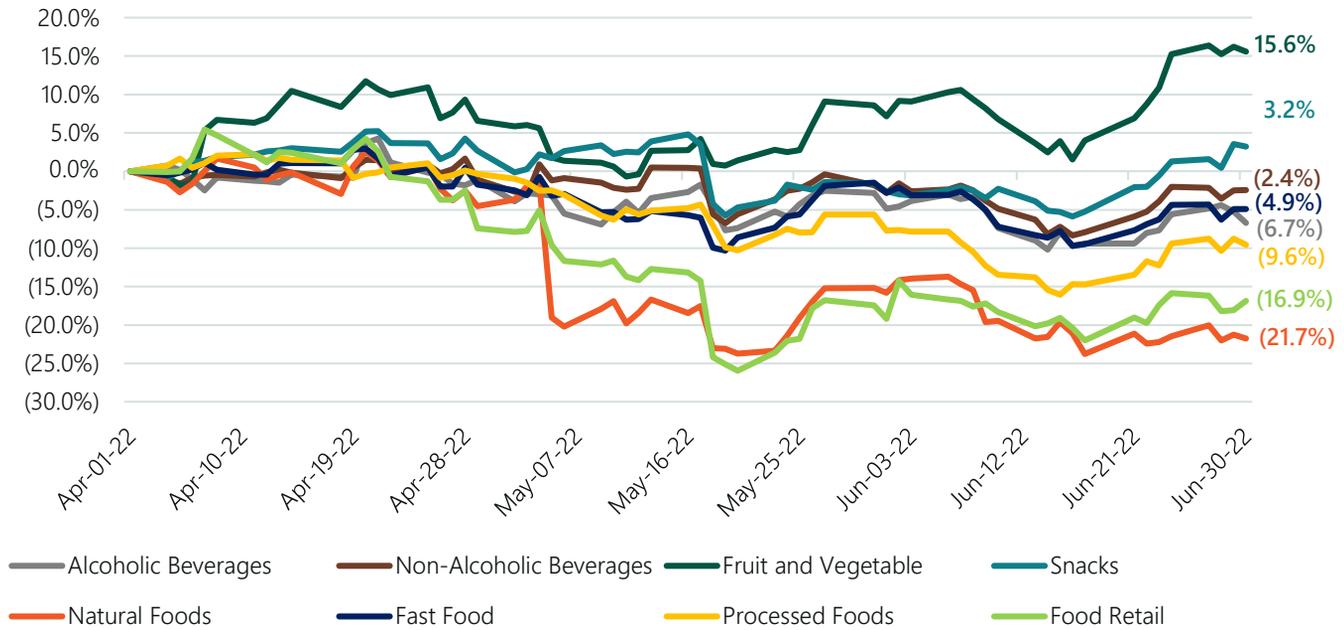
NTM EV/EBITDA



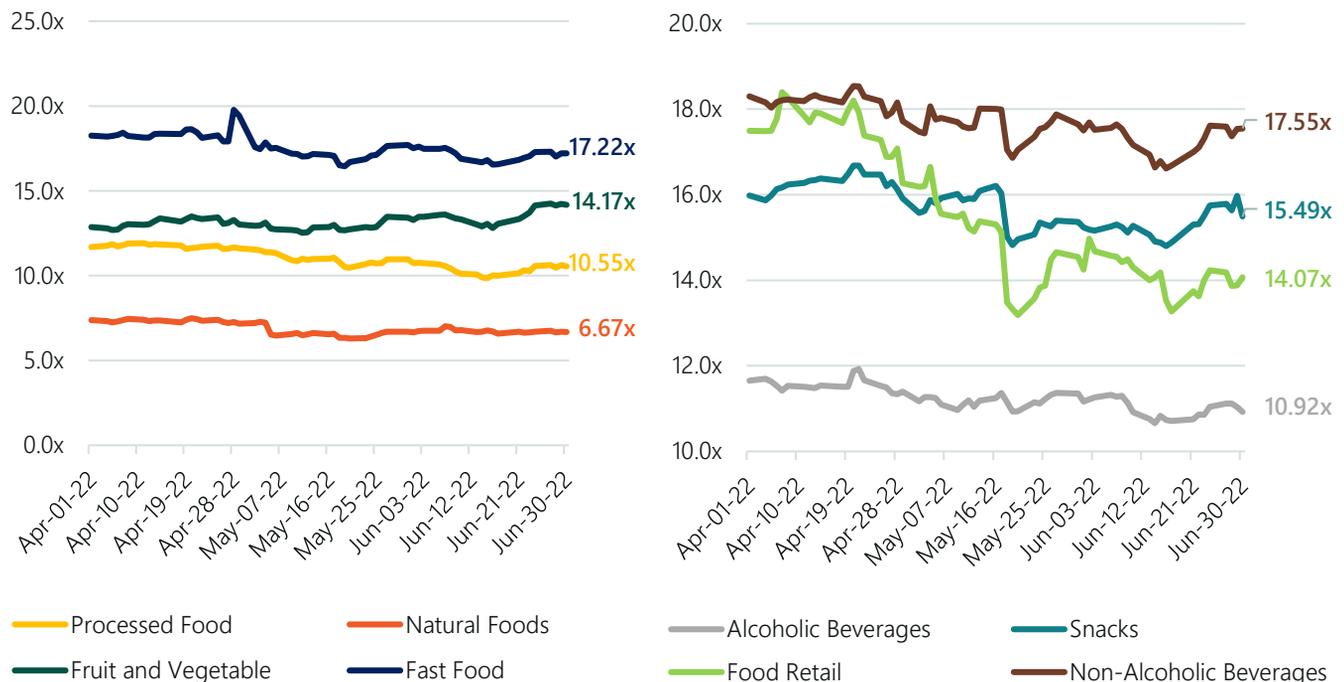
--- Average

Source: Capital IQ. Data as of June 30, 2022.
 "LTM" refers to last twelve months. "NTM" refers to next twelve months. "EV" refers to Enterprise Value.
 Group constituents are provided on page 6.

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.

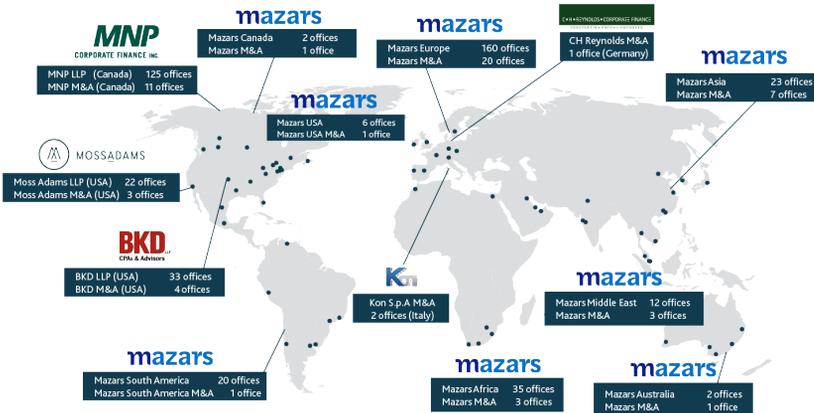
Our typical transactions range in value between \$3 million and \$300 million.

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.



CFxB CFXborder - Global reach with local relationships
Our corporate finance team through CFXb 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)

LOOMEX GROUP has acquired **ACF ASSOCIATES INC.**

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

RAM has acquired **Encepta**

MNP Corporate Finance Inc. acted as exclusive financial advisor to RAM Engineering Ltd. (RAM Consulting) in structuring and negotiating this transaction.

RAM has acquired **HORIZON ENGINEERING INC.**

MNP Corporate Finance Inc. acted as exclusive financial advisor to RAM Engineering Ltd. (RAM Consulting) in structuring and negotiating this transaction.

MEDSPA PARTNERS has acquired **SKINMETHOD**

MNP Corporate Finance Inc. acted as exclusive financial advisor to TSS Ventures Inc., dba Skin Method, in structuring and negotiating this transaction.

ReNue a division of **FYI doctors** has partnered with **SKIN & VEIN CENTRE**

MNP Corporate Finance Inc. acted as exclusive financial advisor to The Skin & Vein Centre in structuring and negotiating this transaction.

Luminate has acquired **Ontario Home OXYGEN**

MNP Corporate Finance Inc. provided financial due diligence services to Luminate Companies Inc.

À LA BOUFFE has acquired **sushi Jais**

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

E360S has acquired **BNM**, **RESEARCH**, and **ROZTEK**

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

NAMAKOR HOLDINGS has acquired **DUCHESE**

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

Einhell has acquired **KING KING CANADA**

MNP Corporate Finance Inc. acted as exclusive financial advisor to Duchese et Filles 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 220 transactions worth almost \$4 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)



Leadership Team

Transaction Leadership



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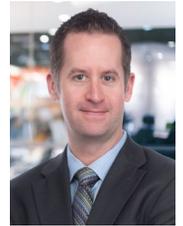
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