



FOOD & BEVERAGE

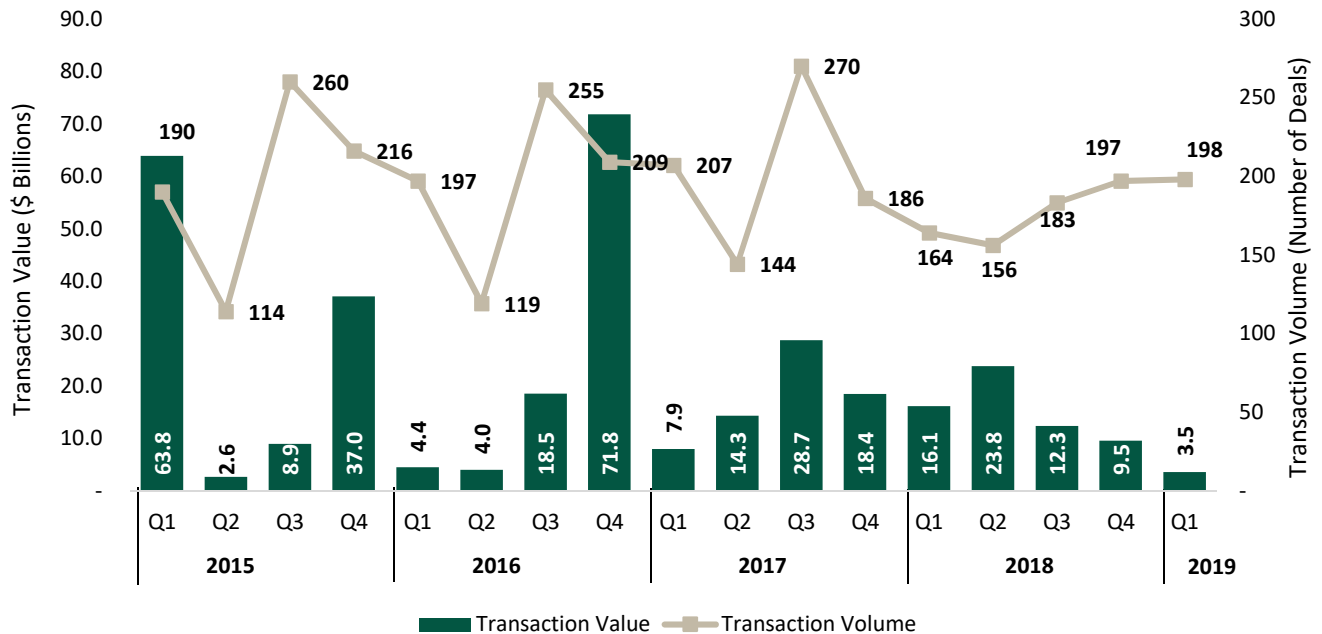
QUARTERLY UPDATE

Q1 2019

INDUSTRY OVERVIEW

M&A TRANSACTIONS & PERFORMANCE

NORTH AMERICAN FOOD AND BEVERAGE M&A TRANSACTIONS*



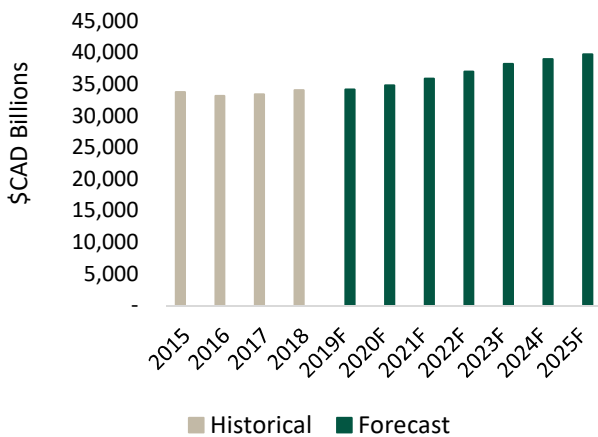
M&A MARKET UPDATE FOR Q1 2019

- M&A activity in the North American food and beverage industry remained robust in Q1 2019, continuing to build on an active M&A market in 2018. Overall transaction volume increased from 197 deals in Q4 2018 to 198 deals in Q1 2019, however total disclosed transaction value fell from \$9.5 billion to \$3.5 billion during the same period. The decrease in transaction value from the preceding quarter was primarily attributable to three multi-billion dollar transactions in Q4 2018, including the acquisition of the Schwan Food Company Inc. by CS Foods America Corp. for \$2.2 billion, the acquisition of Kraft Foods' Canadian Natural Cheese Business by Parmalat Canada Inc. for \$1.2 billion, and the acquisition of Greencore Us Holdings LLC by Hearthside Food Solutions LLC for \$1.1 billion. Conversely, during Q1 2019, there were no disclosed transactions in the North American food and beverage industry that exceeded one billion in value.
- M&A activity in the food and beverage industry was largely driven by private strategic buyers in Q1 2019 as acquisitions by private companies accounted for 64% of the total transaction volume during the quarter. The remaining acquisitions were made by private equity firms and publicly listed companies, comprising 15% and 21% of total transaction volume respectively.
- Industry M&A activity continues to be driven by evolving consumer preferences. As food and beverage companies struggle with lower single-digit growth rates in traditional channels (i.e. processed foods, fast food, etc.), leading players are looking for M&A opportunities to adapt to changing customer preferences, particularly towards the healthier segments, including natural foods and functional foods.
- In Canada, M&A activity in the food and beverage industry increased from 24 transactions in Q4 2018 to 37 transactions in Q1 2019, however disclosed transaction value decreased from \$1.3 billion to \$670 million in the same period. Canadian M&A activity in Q1 2019 was primarily comprised of transactions involving natural food production, which increased from six deals in Q4 2018 to fourteen deals in Q1 2019. Notably, Tilray Inc., a Canadian pharmaceutical and cannabis company, completed its acquisition of Fresh Hemp Foods Ltd. for approximately \$318.5 million in Q1 2019.

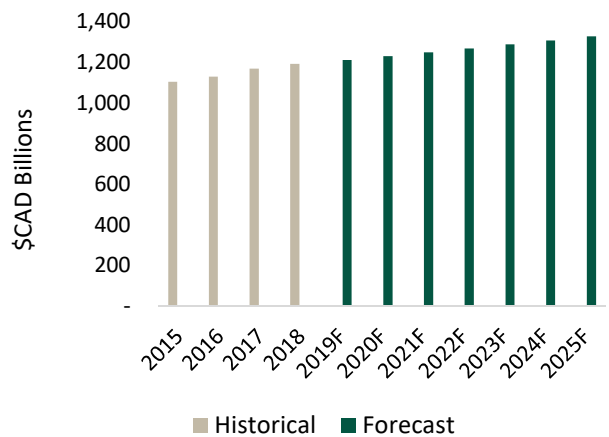
MACRO ECONOMIC INDICATORS

The 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. Growth in the food and beverage industry is expected to be fueled by rising incomes and increased consumer spending, with many consumers seeking premium goods, such as natural and organic products.

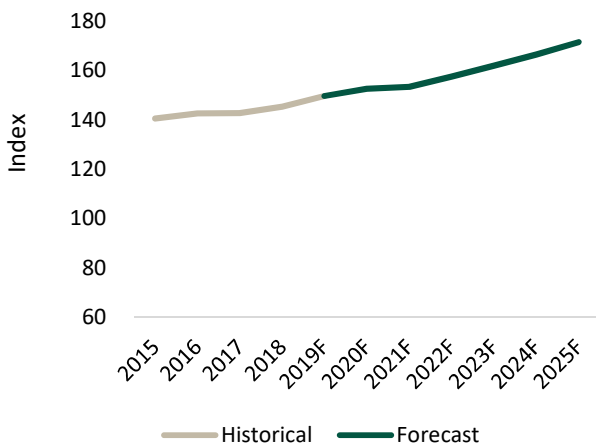
PER CAPITA DISPOSABLE INCOME - CANADA



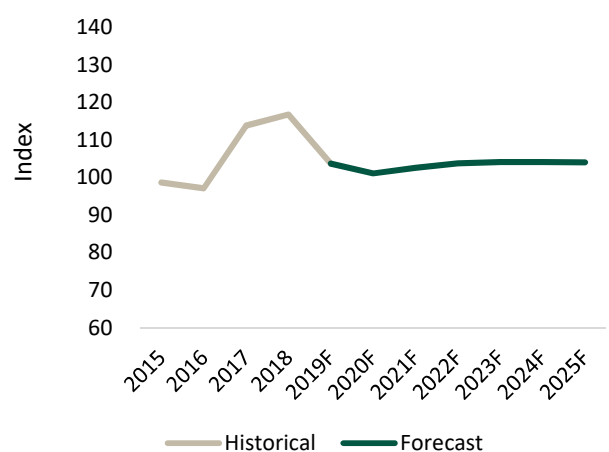
CONSUMER SPENDING - CANADA



CONSUMER PRICE INDEX FOR FOOD - CANADA



CONSUMER CONFIDENCE INDEX - CANADA



Source: IBISWorld Industry Reports.
"F" indicates forecast.

SELECT RECENT M&A TRANSACTIONS

symrise 

acquired



Announced	Jan 10, 2019
TEV	\$900M
TEV/EBITDA	Not disclosed
TEV/Revenue	4.09x

- Symrise AG develops, produces, and supplies fragrances, flavorings, cosmetic active ingredients, raw materials and functional ingredients. The company is headquartered in Holzminden, Germany.
- International Dehydrated Foods, Inc. produces poultry-based, protein-fortifying ingredients. American Dehydrated Foods, Inc. produces and supplies ingredients to pet-food manufacturers. Both companies were subsidiaries of Darrco LLC., which is headquartered in Springfield, Missouri.


PEPSICO

acquired

CYTOSPORT

Announced	Feb 19, 2019
TEV	\$465M
TEV/EBITDA	Not disclosed
TEV/Revenue	1.55x

- PepsiCo, Inc. develops, produces and supplies a variety of foods internationally, across three major categories including snacks, cereals and beverages. The company is headquartered in Purchase, New York.
- CytoSport, Inc. produces protein-enhanced functional beverages and other sports nutrition products in the US. The company is headquartered in Walnut Creek, California.


TILRAY

acquired



Announced	Feb 20, 2019
TEV	\$319M
TEV/EBITDA	Not disclosed
TEV/Revenue	Not disclosed

- Tilray, Inc. engages in the research, cultivation, processing, and distribution of medical cannabis. The company offers its products to patients, physicians, pharmacies, governments and hospitals. The company is headquartered in Nanaimo, B.C.
- Fresh Hemp Foods Ltd. produces hemp-based foods including hemp hearts, hemp oils, hemp bites, hemp bars, and protein powders. The company is headquartered in Winnipeg, Canada.


glanbia

acquired



Announced	Feb 20, 2019
TEV	\$89M
TEV/EBITDA	Not disclosed
TEV/Revenue	0.88x

- Glanbia Nutritionals, Inc. provides nutritional and functional ingredient solutions. The company offers dairy minerals and lactose, flaxseeds, functional ingredient systems, whey proteins, amino acids and vitamins. The company is headquartered in Evanston, Illinois.
- Watson Foods Co., Inc. produces and supplies human health and nutrition products and ingredient systems for food and supplement industries. The company is headquartered in West Haven, Connecticut.

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.	\$283,526	\$315,087	\$91,750	2.0%	\$18,664	20.3%	4.2%	21.3%	15.5x	16.9x	3.4x
Tyson Foods, Inc.	\$25,361	\$37,084	\$40,016	1.8%	\$4,032	10.1%	7.1%	9.8%	8.8x	9.2x	0.9x
Campbell Soup Company	\$11,482	\$20,745	\$9,751	24.1%	\$1,999	20.5%	1.5%	19.5%	10.8x	10.4x	2.1x
B&G Foods, Inc.	\$1,595	\$3,219	\$1,701	3.3%	\$308	18.1%	(3.5%)	18.5%	10.6x	10.4x	1.9x
Median	\$18,421	\$28,914	\$24,884	2.7%	\$3,016	19.2%	2.8%	19.0%	10.7x	10.4x	2.0x
Mean	\$80,491	\$94,034	\$35,804	7.8%	\$6,251	17.3%	2.3%	17.3%	11.4x	11.7x	2.1x
Natural Foods											
The Hain Celestial Group, Inc.	\$2,407	\$3,097	\$2,397	0.0%	\$179	7.5%	(4.1%)	8.6%	15.7x	17.3x	1.3x
Sprouts Farmers Market, Inc.	\$2,664	\$3,242	\$5,207	11.6%	\$345	6.6%	9.9%	6.0%	9.4x	9.4x	0.6x
United Natural Foods, Inc.	\$672	\$3,864	\$14,258	47.1%	\$364	2.6%	73.7%	2.7%	5.9x	10.6x	0.3x
Median	\$2,407	\$3,242	\$5,207	11.6%	\$345	6.6%	9.9%	6.0%	9.4x	10.6x	0.6x
Mean	\$1,914	\$3,401	\$7,288	19.6%	\$296	5.6%	26.5%	5.8%	10.3x	12.4x	0.7x
Snacks											
General Mills	\$30,987	\$46,329	\$16,594	6.0%	\$3,625	21.8%	3.3%	20.8%	13.0x	12.8x	2.8x
The Hershey Company	\$23,944	\$27,822	\$7,791	3.7%	\$2,043	26.2%	1.8%	24.5%	14.3x	13.6x	3.6x
J & J Snack Foods Corp.	\$2,983	\$2,847	\$1,145	1.9%	\$158	13.8%	2.8%	14.5%	16.6x	18.1x	2.5x
Median	\$23,944	\$27,822	\$7,791	3.7%	\$2,043	21.8%	2.8%	20.8%	14.3x	13.6x	2.8x
Mean	\$19,305	\$25,666	\$8,510	3.8%	\$1,942	20.6%	2.6%	20.0%	14.6x	14.8x	3.0x
Alcoholic Beverages											
Anheuser-Busch InBev SA/NV	\$164,403	\$272,887	\$54,619	(3.2%)	\$21,562	39.5%	2.2%	41.2%	11.9x	12.7x	5.0x
Heineken N.V.	\$60,205	\$75,093	\$22,471	4.0%	\$5,492	24.4%	18.7%	23.4%	12.0x	13.7x	3.3x
Brown-Forman Corporation	\$24,907	\$27,155	\$3,313	3.2%	\$1,095	33.1%	5.2%	34.8%	22.4x	24.8x	8.2x
Molson Coors Brewing Company	\$12,909	\$22,580	\$10,770	(2.1%)	\$2,291	21.3%	(0.7%)	22.9%	9.2x	9.9x	2.1x
Median	\$42,556	\$51,124	\$16,620	0.5%	\$3,892	28.7%	3.7%	29.1%	11.9x	13.2x	4.2x
Mean	\$65,606	\$99,429	\$22,793	0.5%	\$7,610	29.6%	6.3%	30.6%	13.9x	15.2x	4.7x
Non-Alcoholic Beverages											
The Coca-Cola Company	\$200,334	\$230,042	\$31,856	(10.0%)	\$10,594	33.3%	9.2%	32.9%	20.1x	21.7x	7.2x
PepsiCo, Inc.	\$172,095	\$195,507	\$64,983	1.5%	\$13,035	20.1%	2.0%	19.8%	14.9x	15.0x	3.0x
Starbucks Corporation	\$92,449	\$96,594	\$25,279	11.2%	\$5,131	20.3%	5.9%	21.7%	16.6x	18.8x	3.8x
Monster Beverage Corporation	\$29,645	\$28,687	\$3,807	13.0%	\$1,367	35.9%	10.0%	36.2%	18.9x	21.0x	7.5x
Median	\$132,272	\$146,050	\$28,567	1.5%	\$7,863	20.3%	7.5%	27.3%	17.8x	18.8x	3.8x
Mean	\$123,631	\$137,707	\$31,481	0.9%	\$7,532	24.5%	6.8%	27.6%	17.6x	18.5x	4.7x
Fruit and Vegetable											
Lamb Weston Holdings, Inc.	\$10,978	\$13,231	\$3,671	10.0%	\$798	21.7%	3.4%	24.1%	14.5x	16.6x	3.6x
Fresh Del Monte Produce Inc.	\$1,305	\$2,031	\$4,494	10.0%	\$182	4.1%	6.0%	N/A	N/A	11.1x	0.5x
Seneca Foods Corporation	\$241	\$589	\$1,328	10.3%	(\$6)	(0.5%)	N/A	N/A	N/A	-91.0x	0.4x
Median	\$1,305	\$2,031	\$3,671	10.0%	\$182	4.1%	4.7%	24.1%	14.5x	11.1x	0.5x
Mean	\$4,175	\$5,284	\$3,164	10.1%	\$325	8.4%	4.7%	24.1%	14.5x	-21.1x	1.5x
Fast Food											
McDonald's Corporation	\$145,334	\$175,555	\$21,025	(7.9%)	\$10,061	47.9%	(0.7%)	51.6%	16.3x	17.4x	8.3x
Yum! Brands, Inc.	\$30,583	\$40,342	\$5,688	(3.2%)	\$1,899	33.4%	(3.7%)	38.2%	19.3x	21.2x	7.1x
Restaurant Brands International Inc.	\$16,379	\$29,685	\$5,357	17.1%	\$2,127	39.7%	4.1%	42.1%	12.6x	14.0x	5.5x
Chipotle Mexican Grill, Inc.	\$19,694	\$19,017	\$4,865	8.7%	\$559	11.5%	8.8%	12.7%	28.3x	34.0x	3.9x
Median	\$25,138	\$35,014	\$5,523	2.7%	\$2,013	36.5%	1.7%	40.2%	17.8x	19.3x	6.3x
Mean	\$52,997	\$66,150	\$9,234	3.7%	\$3,662	33.1%	2.1%	36.2%	19.1x	21.7x	6.2x
Food Retail											
Costco Wholesale Corporation	\$106,513	\$106,208	\$147,237	8.3%	\$6,106	4.1%	6.9%	4.3%	15.7x	17.4x	0.7x
The Kroger Co.	\$19,624	\$34,424	\$121,162	(1.2%)	\$5,222	4.3%	1.5%	4.4%	6.4x	6.6x	0.3x
Median	\$63,069	\$70,316	\$134,200	3.5%	\$5,664	4.2%	4.2%	4.3%	11.1x	12.0x	0.5x
Mean	\$63,069	\$70,316	\$134,200	3.5%	\$5,664	4.2%	4.2%	4.3%	11.1x	12.0x	0.5x

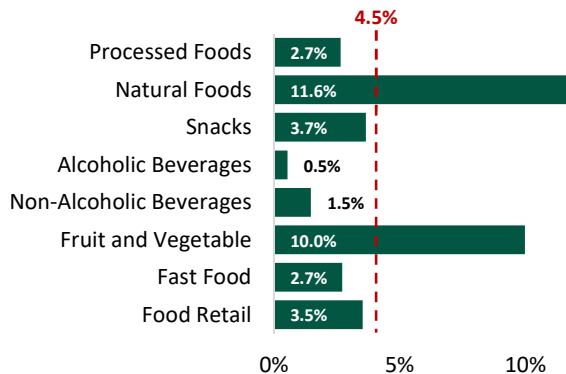
Source: Capital IQ. Data as of March 31, 2019.

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

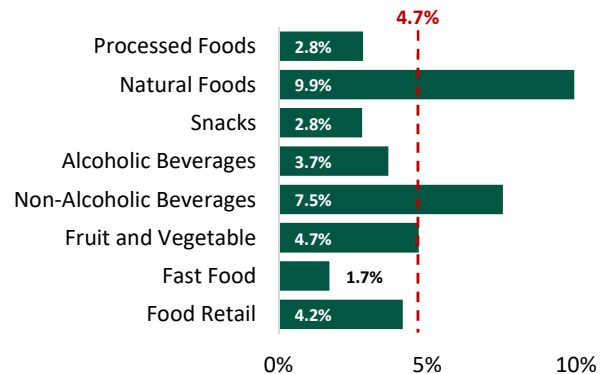
PUBLIC COMPARABLE ANALYSIS

GROWTH, MARGINS & MULTIPLES

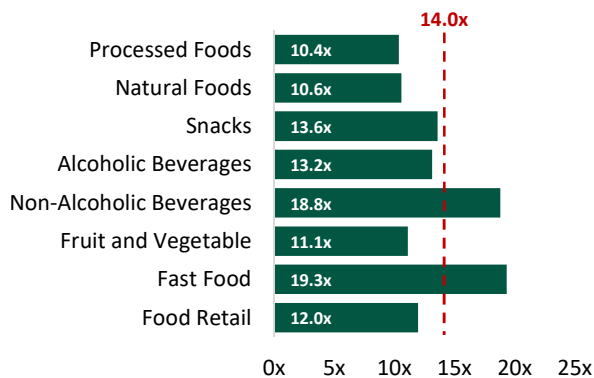
LTM REVENUE GROWTH



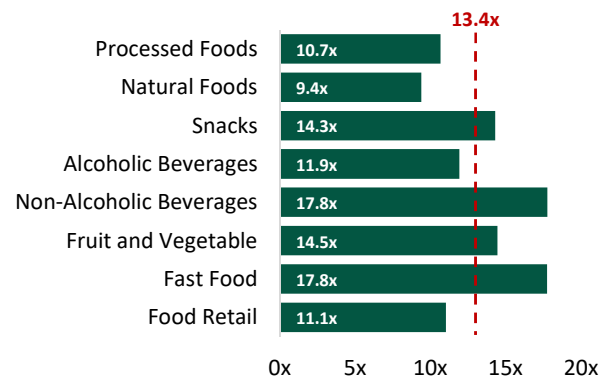
NTM REVENUE GROWTH



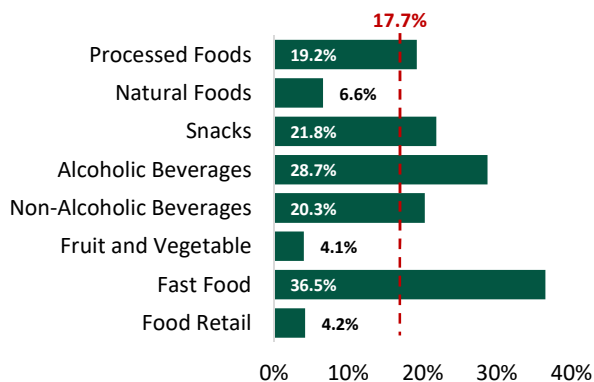
LTM EV/EBITDA



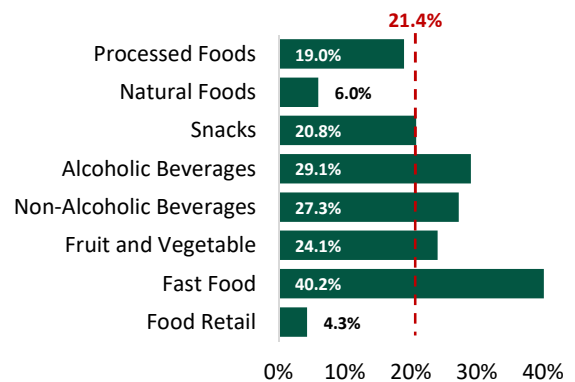
NTM EV/EBITDA



LTM EBITDA MARGIN



NTM EBITDA MARGIN

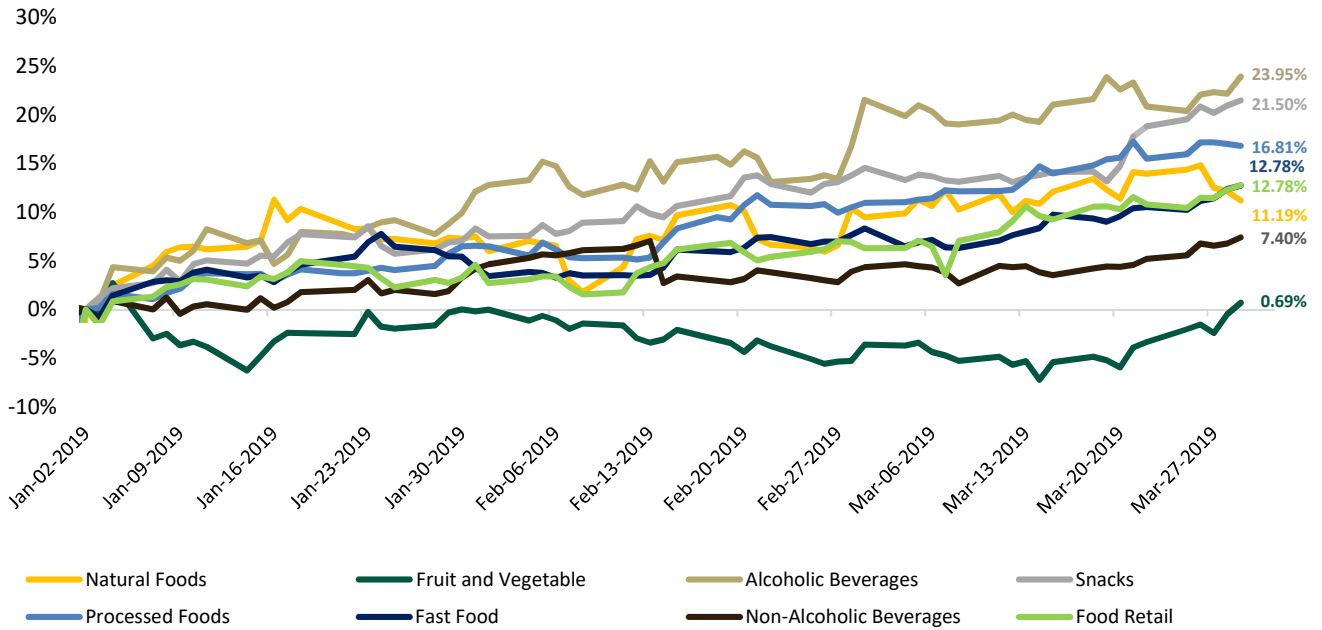


Source: Capital IQ. Data as of March 31, 2019.
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 Valuation details provided on page 5.

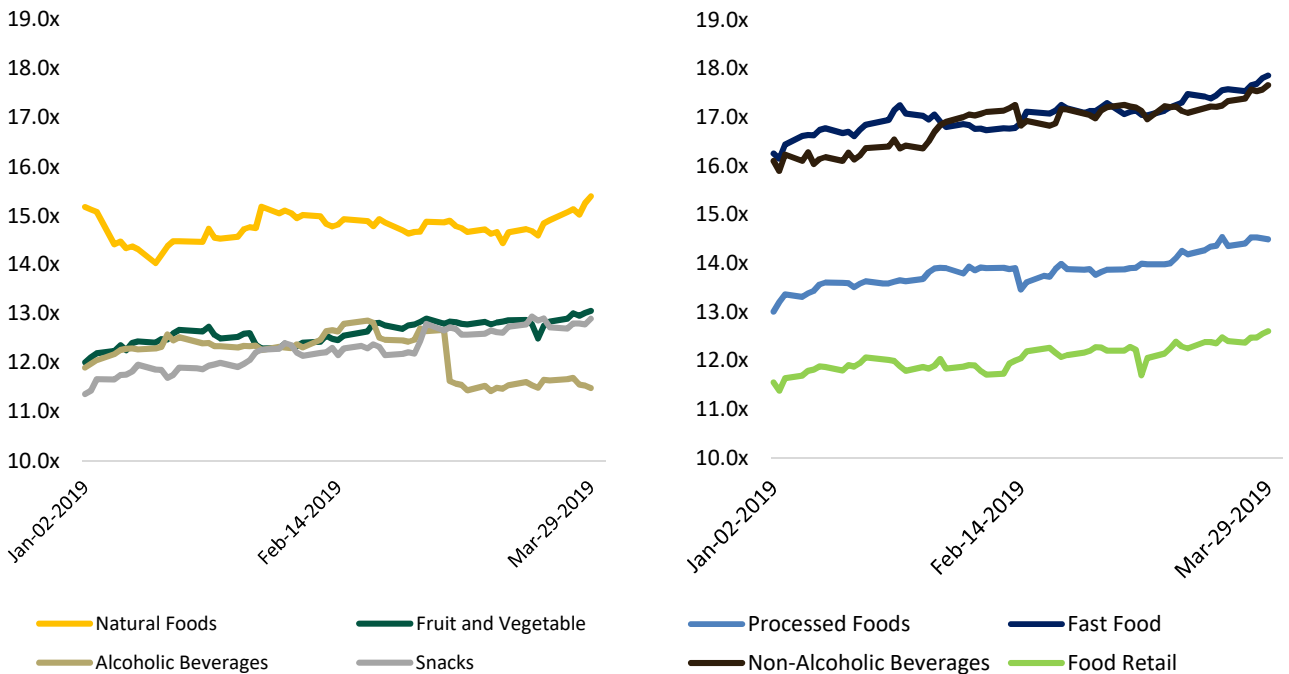
PUBLIC COMPARABLE ANALYSIS

PERFORMANCE ANALYSIS

FOOD & BEVERAGE PEER GROUP STOCK PERFORMANCE



FOOD & BEVERAGE PEER GROUP LTM EV/EBITDA MULTIPLES

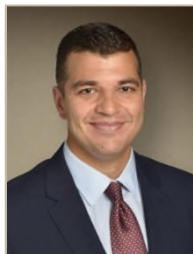


Source: Capital IQ. Data as of March 31, 2019.
Further details provided on page 5.

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MNPCF – RECENTLY CLOSED DEALS

NATIONAL

E.B. Horsman & Son
The Government (Purchasers of Goods)

has acquired

Mack
Measurement & Control Ltd.

MNP Corporate Finance Inc. was the exclusive financial advisor to E.B. Horsman & Son Ltd. in structuring and negotiating this transaction.

DIVESTITURES > FINANCING > DUE DILIGENCE

Scotiabank

has provided debt financing to

Yardstick

MNP Corporate Finance Inc. provided financial due diligence services to Yardstick Software Inc.

DIVESTITURES > FINANCING > DUE DILIGENCE

The Civil Construction division of
Jack Cowe Ltd.
ESTABLISHED 1953

has merged with

Lehigh Hanson
HEIDELBERGCEMENT Group

MNP Corporate Finance Inc. was the exclusive financial advisor to Jack Cowe Ltd. in structuring and negotiating this transaction.

DIVESTITURES > FINANCING > DUE DILIGENCE

ptm
CAPITAL INC.

has invested in

TAM International LP

MNP Corporate Finance Inc. provided financial due diligence services to PTM Capital Inc.

DIVESTITURES > FINANCING > DUE DILIGENCE

Nice

has acquired

micanan

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

DIVESTITURES > FINANCING > DUE DILIGENCE

Bonnefield
FARMLAND Ltd. FARMING

has acquired land from a

Confidential Seller

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

DIVESTITURES > FINANCING > DUE DILIGENCE

EQUICAPITA

has acquired

Shaw Group
OF REAL ESTATE INVESTMENT

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

DIVESTITURES > FINANCING > DUE DILIGENCE

has acquired

Hall-Chem

MNP Corporate Finance Inc. acted as exclusive financial advisor to Hall-Chem Manufacturing Inc. in structuring and negotiating this transaction.

DIVESTITURES > FINANCING > DUE DILIGENCE

PAPP
INTERNATIONAL

has raised the necessary debt financing to complete the acquisition of

Imagine Publications

MNP Corporate Finance Inc. acted as exclusive financial advisor in arranging the debt raise.

DIVESTITURES > FINANCING > DUE DILIGENCE

EQUICAPITA

has acquired

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

DIVESTITURES > FINANCING > DUE DILIGENCE

CHRYSALIS
SPECIALTY SOLUTIONS

has acquired

Pharm Imports Inc.
(Open Range Pet Treats and Exotic Farms)

MNP Corporate Finance Inc. was the exclusive financial advisor to Pharm Imports Inc. in structuring and negotiating this transaction.

DIVESTITURES > FINANCING > DUE DILIGENCE

telecon

has acquired

CAM-TEL
LINE LOGGING

MNP Corporate Finance Inc. acted as exclusive financial advisor to Cam-Tel Line Logging in structuring and negotiating this transaction.

DIVESTITURES > FINANCING > DUE DILIGENCE

Rubicon
PHARMACIES

has acquired

MY PHARMACY
We Care For You

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

DIVESTITURES > FINANCING > DUE DILIGENCE

CBGF
CANADIAN BUSINESS GROWTH FUND

has provided growth capital to

LIFT AUTO

MNP Corporate Finance Inc. provided financial due diligence services to Canadian Business Growth Fund.

DIVESTITURES > FINANCING > DUE DILIGENCE

MINTOSH PERRY

has acquired

ONSTREAM
Engineering Ltd.

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

DIVESTITURES > FINANCING > DUE DILIGENCE

CAI
CAPITAL PARTNERS

has acquired

ANSN TRAFFIC GROUP

MNP Corporate Finance Inc. provided financial and tax due diligence services to CAI Capital Partners.

DIVESTITURES > FINANCING > DUE DILIGENCE

Redhead
EQUIPMENT LTD.

has acquired

Norsask
EQUIPMENT LTD.

MNP Corporate Finance Inc. acted as exclusive financial advisor to Norsask Farm Equipment Ltd. in structuring and negotiating this transaction.

DIVESTITURES > FINANCING > DUE DILIGENCE

Jim Pattison
autogroup

has acquired

CANYON CREEK TOYOTA

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

DIVESTITURES > FINANCING > DUE DILIGENCE

SANGOMA
TECHNOLOGIES

has acquired

digium

MNP Corporate Finance Inc. provided financial due diligence services to Sangoma Technologies Corporation.

DIVESTITURES > FINANCING > TRANSACTION ADVISORS

CO-OP

has acquired

Westview

Tri West

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

DIVESTITURES > FINANCING > TRANSACTION ADVISORS

taiga
building products

has acquired

EXTERIOR WOOD, INC.

MNP Corporate Finance Inc. was the exclusive financial advisor to Taiga Building Products Ltd. in structuring and negotiating this transaction.

DIVESTITURES > FINANCING > TRANSACTION ADVISORS

Westcap

has acquired

MDT

MNP Corporate Finance Inc. was the exclusive financial advisor to Westcap Technologies Corp. in structuring and negotiating this transaction.

DIVESTITURES > FINANCING > TRANSACTION ADVISORS

has entered into a strategic partnership with a family sponsored food and beverage venture.

MNP Corporate Finance Inc. acted as exclusive financial advisor to Producer Drive Technologies Corp. in structuring and negotiating this transaction.

DIVESTITURES > FINANCING > TRANSACTION ADVISORS

Wright Spud Farms Inc.

has acquired the shares of

Fiskel Farms Transport Ltd.

MNP Corporate Finance Inc. acted as exclusive financial advisor to Fiskel Farms Transport Ltd. in structuring and negotiating this transaction.

DIVESTITURES > FINANCING > TRANSACTION ADVISORS

WM
WASTE MANAGEMENT

has acquired

BRESKO

MNP Corporate Finance Inc. was the exclusive financial advisor to Breco Industries Ltd. in structuring and negotiating this transaction.

DIVESTITURES > FINANCING > TRANSACTION ADVISORS