Food and Beverage M&A Landscape
Fall 2020
M&A Market Overview

While food and beverage M&A deal activity in the U.S. and Canada continued to see a downtick in the trailing twelve months (TTM) ending September 30, 2020, with 283 deals closing over the period, Q3 2020 deal volume was the highest it has been in the past five years.

The third quarter of 2020 did not produce any landmark transactions, except for the sale of Kraft Heinz’ natural cheese business to Groupe Lactalis S.A. for USD 3.2 bn, which was announced on September 15, 2020. See page 5 for further details.

M&A activity in the food and beverage sector is still predominately driven by strategic buyers (including companies primarily owned by private equity investors), with strategic transactions representing 83% of total deal value over the TTM. Of the 283 deals closed over the TTM, 240 (85%) were completed by privately owned buyers.

Although deal volume in Q3 2020 was up almost 8% from the previous year, with 71 deals closing over the period, compared to only 66 the year before, overall deal volume in the TTM decreased 10.2%, relative to the 313 deals closed over the TTM ending September 20, 2019.

As expected, reduced uncertainty from the pandemic in Q3 coincided with a rebound in food and beverage M&A. Businesses and consumers have adapted to “the new normal,” and credit markets have recalibrated to allow access to capital for acquisitions. Combined with pent-up demand from potential buyers, these circumstances resulted in the highest third quarter deal count in recent years. The trend will likely continue into the final months of 2020 as buyers jockey for quality assets - strategic buyers are sitting on ample cash, private equity funds have access to stable financing again and a need to place capital, and Special Purpose Acquisition Companies (SPACs) become a new vehicle for investors to create value in the food and beverage space.

On the ground, it is still a tale of two markets. Food and beverage businesses with high exposure to retail, e-commerce and food delivery have weathered the pandemic well, as consumers largely continue to eat and drink at home. Conversely, businesses that were levered to the food service sector are still experiencing reduced demand from key end markets, including restaurants, hospitality, travel and tourism, sports and entertainment. These businesses will likely remain under pressure as the threat of further restrictions loom headed into the winter, until a longer-term solution to the pandemic (i.e., an effective vaccine) is within reach.

Sources: Capital IQ as of September 30, 2020

Note: M&A deal count is defined by a list of subsectors viewed as the best representation of the industry.
M&A Market Overview, Continued

Number of Closed Deals (as of September 30, 2020)

By Number of Closed Deals (TTM as of September 30, 2020)

Note: All amounts are listed in USD unless otherwise noted. Includes food and beverage sector deals, where the target was based in North America. Source: S&P Global Market Intelligence. Transactions with more than 50% of the company acquired are included in the analysis.
### Duff & Phelps Proprietary Market Market Intelligence

#### Active M&A Markets
- Transaction activity has accelerated in recent months as the uncertainty around the impact of COVID-19 on commerce and consumers has decreased.
- Deal activity is being fueled by the cash that strategics have harvested during the pandemic and more liquid credit markets.
- Private equity buyers are increasing their exposure to food and beverage businesses due to the general resiliency and positive trajectory of the industry.

#### Robust Fundraising Environment for Profitable Companies
- Growing companies in branded food and beverage and novel ingredients are seeing plentiful fundraising alternatives.
- Large institutional funds are more active in growth equity rounds as they chase investment opportunities that are not readily available in the public markets.
- Investors are placing a premium on profitability in the current market, whereas in the past years, sales growth was more important.

#### Proliferation of SPACs
- SPACs have grown in popularity for public market investors looking for new opportunities by providing companies a quick and economical avenue to go public compared to IPOs.
- SPACs have been active this year, with several acquisitions closing over 2020 (e.g., Act II Global Acquisition Corp./Flavors Holdings Inc.; Navis Resources Corp/Modern Meat, Inc.; Collier Creek Holdings/Utz Brands Holdings, LLC).

#### Strategics Selling Non-Core Assets
- Strategics are increasingly reassessing their portfolios and selling business lines that are either non-core or dragging down their overall growth/profitability.
- Consumer behavior both during and post COVID-19 is likely driving decisions around what brands and categories are relevant.

#### Potential Tax Law Changes Motivating Entrepreneurs
- U.S. entrepreneurs are increasingly seeking to complete sale transactions in 2020 out of fear that any future potential capital gains rate changes will be retroactively assessed to the beginning of 2021.
- This has led to a massive uptick in deals coming to market in recent weeks.

#### Increased Interest in E-commerce
- The shift in consumer spend to online channels during the pandemic indicates the long-term opportunity in food and beverage E-commerce.
- Most strategics are behind the curve compared to smaller competitors, in terms of developing a user-friendly and efficient online strategy, which may lead them to acquire digitally native businesses.

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1 Proprietary insight based on anecdotal experience of Duff & Phelps Securities employees

Sources: Duff & Phelps Securities, Reuters
Select Recent Transactions

**Bond Bakery Brands Limited acquired Pace Processing and Product Development Ltd.**

On October 6, 2020, Bond Bakery Brands Limited closed the acquisition of Pace Processing and Product Development Ltd. (Pace), a Canadian bakery and food solutions manufacturer specializing in pizzas, cakes and other sweet and savory baked goods that serve retail and food service customers in Canada and the U.S. *Duff & Phelps Securities Canada acted as exclusive financial advisor to the shareholders of Pace.*

**Anheuser-Busch InBev SA/NV acquired Craft Brew Alliance, Inc.**

On September 30, 2020, Anheuser-Busch InBev SA/NV (A-B) closed the acquisition of Craft Brew Alliance, Inc. at an implied valuation of USD 379 mn. The acquisition, previously announced in November 2019, was completed by A-B’s U.S.-subsidiary, Anheuser-Busch Companies, LLC, which already held a minority ownership position in the target. The deal was approved by shareholders in February but was forced to restructure to satisfy an antitrust review by government officials over the course of the year.

**Groupe Lactalis S.A. to acquire The Kraft Heinz Company’s natural cheese business**

On September 15, 2020, Groupe Lactalis S.A. announced the acquisition of the natural cheese business of The Kraft Heinz Company (KH) for USD 3.2 bn. “We believe these cheese and dairy businesses will thrive in the hands of a global dairy company like Groupe Lactalis,” said KH CEO Miguel Patricio. “At the same time, the transaction will enable us to build sustainable competitive advantage in businesses where we have stronger brand, greater growth prospects, and can use our manufacturing scale and consumer-based platforms approach.”

**Utz Quality Foods, LLC and Collier Creek Holdings combine to form Utz Brands, Inc.**

On August 28, 2020, Collier Creek Holdings (a SPAC) completed a reverse-merger with Utz Quality Foods, LLC (Utz), forming Utz Brands, Inc., trading as UTZ on the NYSE. “The completion of our business combination with Collier Creek and the initiation of Utz as a public company, marks a significant milestone and will fuel our next century of growth after nearly 100 years as a family-owned business,” said Dylan Lissette, CEO at Utz, a 25-year veteran at the company.

**Whole Earth Brands, Inc. acquired Flavors Holdings Inc.**

On June 25, 2020, Whole Earth Brands, Inc. (WEB), formerly known as Act II Global Acquisition Corp. (a SPAC), closed the acquisition of Flavors Holdings Inc. for USD 338 mn, which was previously announced in December 2019 for USD 550 mn. The transaction was renegotiated over the course of Q1 and Q2 2020 through three different amendments. The shares of Whole Earth Brands trade on the Nasdaq under the ticker symbol FREE.

**Tillridge Global Agribusiness Partners acquired Freshstone Brands Inc.**

On May 22, 2020, private equity firm Tillridge Global Agribusiness Partners acquired Freshstone Brands Inc., from Vancouver-based family-office, Founders Group of Food Companies Inc. Freshstone Brands Inc. is a Canadian manufacturer of private label packaged prepared food products, operating through two divisions, Fresh Selections and Keybrand Foods Inc.

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1 Deals in the U.S. and Canada, closed or announced over the past six months, selected based on subjectively being representative of recent market activity, excluding bankruptcy sales. Sources: S&P Global Market Intelligence, Mergermarket, company press releases and various news sources (e.g., Newswire, PR Newswire, GlobeNewswire)
Recent North American M&A Activity by Subsector

Food and Beverage Subsector Definitions

**Bakery:**
Production and distribution of baked goods

**Better-For-You:**
Differentiated food products with health benefits

**Confectionery/Snacks:**
Chocolate, candy, nuts and other convenient snack foods

**General:**
Conglomerates and general food businesses

**Dairy:**
Production and distribution of dairy or dairy by-products, such as cheese or yogurt

**Ingredients:**
Goods used in the production of other food-related items

**Produce:**
Fresh produce or other agricultural products

**Protein Producers:**
Meat and seafood producers and distributors

**Specialty-Pet:**
Pet food producers, distributors and retailers

**Non-Alcoholic Beverages:**
Beverages that do not contain alcohol

**Alcoholic Beverages:**
Wine, beer and spirits

Deals by Subsector (TTM as of September 30, 2020)

By Sector

- **Produce:** 13%
- **Ingredients:** 6%
- **Bakery:** 7%
- **Non-Alcoholic Beverages:** 10%
- **Alcoholic Beverages:** 20%
- **Confectionery/Snacks:** 8%
- **Protein Producers:** 12%
- **Specialty-Pet:** 4%
- **Better-For-You:** 3%
- **Dairy:** 5%
- **General:** 12%

Source: Capital IQ as of September 30, 2020. Note: M&A deal count is defined by a list of subsectors viewed as the best representation of the industry.
## Recent North American M&A Activity

<table>
<thead>
<tr>
<th>Date Closed</th>
<th>Target</th>
<th>Target Location</th>
<th>Target Business Description</th>
<th>Acquirer</th>
<th>Financial Metrics (Where Disclosed)</th>
</tr>
</thead>
<tbody>
<tr>
<td>April 1, 2020</td>
<td>Give and Go Prepared Foods Corp.</td>
<td>CA</td>
<td>Give and Go Prepared Foods Corp. manufactures and sells frozen and thaw-and-sell baked goods to retailers and foodservice operators globally.</td>
<td>Mondelez International, Inc.</td>
<td>LTM Rev.: USD 500.0</td>
</tr>
<tr>
<td>Announced</td>
<td>Amino Balls Inc.</td>
<td></td>
<td>Amino Balls Inc. produces plant-based protein snacks.</td>
<td>Sire Bioscience Inc.</td>
<td>EV: USD 0.1</td>
</tr>
<tr>
<td>July 31, 2020</td>
<td>Outer Galactic Chocolates, LLC</td>
<td>US</td>
<td>Outer Galactic Chocolates, LLC produces cannabis-infused chocolate.</td>
<td>Mendo Distribution and Transportation, LLC</td>
<td>EV: USD 0.5</td>
</tr>
<tr>
<td>Announced</td>
<td>Certain assets of the H.K. Anderson business of Conagra Brands, Inc.</td>
<td>US</td>
<td>The assets comprise intellectual property related to the H.K. Anderson butter brand.</td>
<td>Utz Quality Foods, LLC</td>
<td>EV: USD 10.0</td>
</tr>
</tbody>
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Recent North American M&A Activity

### General

<table>
<thead>
<tr>
<th>Date Closed</th>
<th>Target Business Description</th>
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<tbody>
<tr>
<td>August 11, 2020</td>
<td>Non-strategic manufacturing asset of Curation Foods, Inc. (a subsidiary of Landec Corporation) comprises food manufacturing operations in Ontario and California.</td>
<td>Private Buyer</td>
<td>EV: USD 4.8</td>
</tr>
<tr>
<td>June 11, 2020</td>
<td>The North American Buitoni business of Nestlé USA, Inc. comprises a pasta manufacturing facility as well as rights to the Buitoni brand in the U.S., Canada and the Caribbean territories.</td>
<td>Buitoni Food Company</td>
<td>EV: USD 115.0</td>
</tr>
<tr>
<td>April 30, 2020</td>
<td>Infusion Works Inc. manufactures cannabinoid-based foods.</td>
<td>City View Green Holdings Inc.</td>
<td>EV: USD 4.2</td>
</tr>
</tbody>
</table>

### Dairy

<table>
<thead>
<tr>
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</thead>
<tbody>
<tr>
<td>Announced</td>
<td>The natural cheese business of The Kraft Heinz Company</td>
<td>Groupe Lactalis S.A.</td>
<td>LTM Rev.: USD 1,800.0</td>
</tr>
<tr>
<td>Infusion Works Inc.</td>
<td>The natural cheese business of The Kraft Heinz Company comprises brands such as Breakstone’s, Knudsen, Polly-O, Athenos, Hoffman’s, Cracker Barrel and Cheez Whiz.</td>
<td>City View Green Holdings Inc.</td>
<td>LTM EBITDA: USD 266.7 EBITDA Margin: 14.8%</td>
</tr>
<tr>
<td>October 1, 2020</td>
<td>Silva International, Inc. provides dehydrated vegetable, herb and fruit ingredients to the food industry.</td>
<td>Universal Corporation</td>
<td>EV: USD 170.0</td>
</tr>
</tbody>
</table>

### Ingredients

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<tr>
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1 Includes majority acquisitions and mergers with disclosed financial details. Excludes bankruptcy sales. Source: S&P Global Market Intelligence as of September 30, 2020
## Recent North American M&A Activity

### Ingredients

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</tr>
</thead>
<tbody>
<tr>
<td>June 25, 2020</td>
<td>Flavors Holdings Inc.</td>
<td>US</td>
<td>Manufactures and markets tabletop sweeteners under Equal and Canderel brands.</td>
<td>Whole Earth Brands, Inc.</td>
<td>EV: USD 387.5</td>
</tr>
</tbody>
</table>

### Produce

<table>
<thead>
<tr>
<th>Date Closed</th>
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</thead>
<tbody>
<tr>
<td>October 1, 2020</td>
<td>The California farm property of Horizon Farm Enterprises LLC</td>
<td>US</td>
<td>Produces pistachios and almonds.</td>
<td>Maricopa Orchards, LLC</td>
<td>EV: USD 8.1</td>
</tr>
<tr>
<td></td>
<td>S-FDF LLC</td>
<td>US</td>
<td>Produces freeze dried fruits and vegetables for human consumption.</td>
<td>Black Ridge Oil &amp; Gas, Inc.</td>
<td>EV: USD 5.9</td>
</tr>
</tbody>
</table>

### Protein

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<tr>
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<tbody>
<tr>
<td>June 26, 2020</td>
<td>Assets of VeroBlue Farms</td>
<td>US</td>
<td>Comprises property, equipment, tanks, rolling stock, inventory, permits, contracts, customer lists and contracts.</td>
<td>NaturalShrimp Incorporated</td>
<td>EV: USD 10.0</td>
</tr>
<tr>
<td></td>
<td>Sadler’s Smokehouse, Ltd.</td>
<td>US</td>
<td>Processes and sells pit-smoked meats.</td>
<td>Navis Resources Corp. (nka: Modern Meat Inc.)</td>
<td>EV: USD 2.6</td>
</tr>
</tbody>
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### Recent North American M&A Activity

#### Protein

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<thead>
<tr>
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<tbody>
<tr>
<td>April 6, 2020</td>
<td>Certain facilities and brands of Empire Packing Company, L.P.</td>
<td>JBS USA Food Company, LLC</td>
<td>EV: USD 238.0</td>
</tr>
<tr>
<td></td>
<td>The transaction comprises five production facilities and the Ledbetter branded</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>retail products of Empire Packing Company, L.P.</td>
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<td></td>
</tr>
</tbody>
</table>

#### Non-Alcoholic Beverages

<table>
<thead>
<tr>
<th>Date Closed</th>
<th>Target Description</th>
<th>Acquirer</th>
<th>Financial Metrics</th>
</tr>
</thead>
<tbody>
<tr>
<td>April 24, 2020</td>
<td>Rockstar, Inc. produces energy drinks for people with active lifestyles ranging from</td>
<td>PepsiCo, Inc.</td>
<td>EV: USD 4,700.0</td>
</tr>
<tr>
<td></td>
<td>athletes to rockstars.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>April 1, 2020</td>
<td>Manna Resources, Inc. operates a bottled water trading business focused on China</td>
<td>Astron Connect Inc.</td>
<td>EV: USD 0.1</td>
</tr>
<tr>
<td></td>
<td>and other Asian markets under the brand Manna Water.</td>
<td></td>
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</tr>
</tbody>
</table>

#### Alcoholic Beverages

<table>
<thead>
<tr>
<th>Date Closed</th>
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<th>Acquirer</th>
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</tr>
</thead>
<tbody>
<tr>
<td>Announced</td>
<td>Paul Masson Grande Amber Brandy brand of Constellation Brands, Inc.</td>
<td>Sazerac Company, Inc.</td>
<td>EV: USD 255.0</td>
</tr>
<tr>
<td>Re-Announced</td>
<td>Portfolio of wine and spirits brands and winemaking facilities of Constellation</td>
<td>E. &amp; J. Gallo Winery</td>
<td>EV: USD 1,032.9</td>
</tr>
<tr>
<td></td>
<td>Brands Inc.</td>
<td></td>
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</tr>
<tr>
<td></td>
<td>The acquired portfolio comprises winemaking facilities and wine and spirits brands.</td>
<td></td>
<td></td>
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<tr>
<td></td>
<td>The transaction is a modified agreement, excluding several previously included</td>
<td></td>
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<tr>
<td></td>
<td>brands.</td>
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</tbody>
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## Recent North American M&A Activity

### Alcoholic Beverages

<table>
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<tr>
<th>Date Closed</th>
<th>Acquirer</th>
<th>Target Business Description</th>
<th>Target Location</th>
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<th>Financial Metrics (Where Disclosed)</th>
</tr>
</thead>
<tbody>
<tr>
<td>October 6, 2020</td>
<td>PV Brewing Partners, LLC</td>
<td>Kona Brewing Co., Inc., produces and distributes craft beers.</td>
<td>US</td>
<td>Kona Brewing Co., Inc.</td>
<td>EV: USD 15.8, LTM Rev.: USD 198.7, LTM EBITDA: USD 8.7, EV/Rev.: 1.9x, EV/EBITDA: 43.6x, EBITDA Margin: 4.4%</td>
</tr>
<tr>
<td>September 30, 2020</td>
<td>Anheuser-Busch Companies, LLC</td>
<td>Craft Brew Alliance, Inc. brews and sells craft beers, ciders, and seltzers in the U.S. and internationally.</td>
<td>US</td>
<td>Craft Brew Alliance, Inc.</td>
<td>EV: USD 378.6</td>
</tr>
</tbody>
</table>
Public Company Trading Multiples

EV/TTM EBITDA Median Multiples by Subsector as of October 15, 2020

Note: Sector constituents based on selected comparable companies; certain periods exclude outliers based on Duff & Phelps analysis; EBITDA does not reflect adjustments for extraordinary items. EV = Enterprise Value = Market Capitalization + Total Debt + Preferred Equity – Cash and Short-Term Investments. TTM = last 12 months. Source: S&P Global Market Intelligence
Public Company Trading Multiples

**EV/TTM EBITDA Median Multiples – Food and Beverage Subsectors as of October 15, 2020**

**Dairy**
- 2016: 18.1x
- 2017: 16.4x
- 2018: 14.7x
- 2019: 14.2x
- 2020: 16.4x

**Ingredients**
- 2016: 14.3x
- 2017: 14.5x
- 2018: 11.9x
- 2019: 15.7x
- 2020: 15.1x

**Produce**
- 2016: 10.3x
- 2017: 15.4x
- 2018: 15.2x
- 2019: 16.6x
- 2020: 15.2x

**Protein Producers**
- 2016: 9.1x
- 2017: 10.0x
- 2018: 11.3x
- 2019: 13.5x
- 2020: 9.7x

**Specialty-Pet**
- 2016: 11.3x
- 2017: 11.8x
- 2018: 9.7x
- 2019: 8.9x
- 2020: 8.7x

**Non-Alcoholic Beverages**
- 2016: 16.2x
- 2017: 16.7x
- 2018: 14.2x
- 2019: 16.1x
- 2020: 16.4x

**Alcoholic Beverages**
- 2016: 17.2x
- 2017: 15.7x
- 2018: 13.2x
- 2019: 22.5x
- 2020: 23.6x

Note: Sector constituents based on selected comparable companies; certain periods exclude outliers based on Duff & Phelps analysis; EBITDA does not reflect adjustments for extraordinary items. EV = Enterprise Value = Market Capitalization + Total Debt + Preferred Equity – Cash and Short-Term Investments. TTM = last 12 months. Source: S&P Global Market Intelligence.
Select Public Company Operating and Trading Statistics

5-Year Revenue Growth Rate (CAGR)\(^1\) – Range and Median (as of October 15, 2020)*

Enterprise Value/TTM EBITDA (by sector)\(^1\) – Range and Median (as of October 15, 2020)*

*Specialty-Pet companies were excluded due to insufficient data
\(^1\) The values above represent high, median and low data points for each category as of October 15, 2020.
Source: S&P Global Market Intelligence
### Public Company Trading Statistics

(USD in millions, except per share data)

|----------------------------------------------|------|---------------|-------------|------------------|-------------------------|-------------|------------------|

**Operating Metrics (TTM)**

- Revenue
- Revenue CAGR, 5-Yr.
- EBITDA Margin
- Assets
- Ret. on Assets
- Net Debt/EBITDA

**Enterprise Value as a Multiple of**

- Revenue
- EBITDA

|----------------------------------------------|------|---------------|-------------|------------------|-------------------------|-------------|------------------|

### Glossary
- **CAGR**: Compound annual growth rate
- **EBITDA**: Earnings before interest, taxes, depreciation and amortization. EBITDA does not reflect adjustments for extraordinary items.
- **Enterprise Value**: Market capitalization + total debt + preferred equity + minority interest – cash and short-term investments
- **TTM**: Last 12 months

Source: S&P Global Market Intelligence as of October 15, 2020. Companies selected based on being most representative of their specific industry group.
# Public Company Trading Statistics

(USD in millions, except per share data)

<table>
<thead>
<tr>
<th>Company</th>
<th>HQ</th>
<th>Stock Price</th>
<th>Market Cap.</th>
<th>Enterprise Earnings</th>
<th>Revenue CAGR, 5-Yr.</th>
<th>EBITDA Margin</th>
<th>Ret. on Assets</th>
<th>Net Debt/EBITDA</th>
<th>Enterprise Value as a Multiple of EBITDA</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Dairy</strong></td>
<td></td>
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<tr>
<td>Saputo Inc.</td>
<td>CA</td>
<td>26.57</td>
<td>10,880</td>
<td>13,843</td>
<td>10,782</td>
<td>6.7%</td>
<td>9.9%</td>
<td>10,005</td>
<td>4.8% 2.8x 1.3x 1.2x 1.2x 12.9x 11.9x 10.8x</td>
</tr>
<tr>
<td>Lifeway Foods, Inc.</td>
<td>U.S.</td>
<td>5.46</td>
<td>85</td>
<td>84</td>
<td>96</td>
<td>-4.3%</td>
<td>4.4%</td>
<td>57</td>
<td>0.2% NA 0.9x NA NA 19.8x NA NA NA NA</td>
</tr>
<tr>
<td><strong>Median</strong></td>
<td></td>
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<td></td>
<td></td>
<td>73%</td>
<td>5,483</td>
<td>6,963</td>
<td>5,439</td>
<td>1.2%</td>
<td>7.2%</td>
<td>5,031</td>
<td>2.5% 2.8x 1.1x 1.2x 1.2x 16.4x 11.9x 10.8x</td>
</tr>
<tr>
<td><strong>Mean</strong></td>
<td></td>
<td>73%</td>
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<td><strong>Ingredients</strong></td>
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<td></td>
</tr>
<tr>
<td>Archer-Daniels-Midland Company</td>
<td>U.S.</td>
<td>49.94</td>
<td>100%</td>
<td>27,749</td>
<td>36,943</td>
<td>64,306</td>
<td>-2.7%</td>
<td>5.6%</td>
<td>44,341</td>
</tr>
<tr>
<td>McCormick &amp; Company, Incorporated</td>
<td>U.S.</td>
<td>199.15</td>
<td>94%</td>
<td>26,569</td>
<td>30,668</td>
<td>5,528</td>
<td>5.3%</td>
<td>23.1%</td>
<td>10,861</td>
</tr>
<tr>
<td>International Flavors &amp; Fragrances Inc.</td>
<td>U.S.</td>
<td>116.01</td>
<td>81%</td>
<td>12,405</td>
<td>16,386</td>
<td>5,097</td>
<td>10.7%</td>
<td>21.2%</td>
<td>12,989</td>
</tr>
<tr>
<td>Bunge Limited</td>
<td>U.S.</td>
<td>54.21</td>
<td>93%</td>
<td>7,570</td>
<td>14,935</td>
<td>39,741</td>
<td>-3.9%</td>
<td>6.6%</td>
<td>18,559</td>
</tr>
<tr>
<td>Ingredion Incorporated</td>
<td>U.S.</td>
<td>79.23</td>
<td>80%</td>
<td>5,307</td>
<td>7,045</td>
<td>6,015</td>
<td>1.4%</td>
<td>15.6%</td>
<td>6,611</td>
</tr>
<tr>
<td>Balchem Corporation</td>
<td>U.S.</td>
<td>104.36</td>
<td>92%</td>
<td>3,376</td>
<td>3,524</td>
<td>673</td>
<td>2.2%</td>
<td>23.4%</td>
<td>1,151</td>
</tr>
<tr>
<td>Sensient Technologies Corporation</td>
<td>U.S.</td>
<td>63.38</td>
<td>95%</td>
<td>2,685</td>
<td>3,220</td>
<td>1,316</td>
<td>-0.9%</td>
<td>14.3%</td>
<td>1,714</td>
</tr>
<tr>
<td><strong>Median</strong></td>
<td></td>
<td>93%</td>
<td>7,570</td>
<td>14,935</td>
<td>5,528</td>
<td>1.4%</td>
<td>15.6%</td>
<td>10,861</td>
<td>4.9% 3.4x 2.4x 2.5x 2.6x 15.1x 15.1x 14.1x</td>
</tr>
<tr>
<td><strong>Mean</strong></td>
<td></td>
<td>90%</td>
<td>12,237</td>
<td>16,103</td>
<td>17,525</td>
<td>1.7%</td>
<td>15.7%</td>
<td>13,747</td>
<td>4.8% 2.8x 2.7x 2.6x 2.5x 14.6x 15.4x 14.3x</td>
</tr>
<tr>
<td><strong>Produce</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Lamb Weston Holdings, Inc.</td>
<td>U.S.</td>
<td>73.24</td>
<td>76%</td>
<td>10,718</td>
<td>12,748</td>
<td>3,675</td>
<td>NA</td>
<td>23.0%</td>
<td>4,273</td>
</tr>
<tr>
<td>Fresh Del Monte Produce Inc.</td>
<td>U.S.</td>
<td>24.84</td>
<td>66%</td>
<td>1,176</td>
<td>1,958</td>
<td>4,306</td>
<td>1.7%</td>
<td>6.1%</td>
<td>3,294</td>
</tr>
<tr>
<td>Calavo Growers, Inc.</td>
<td>U.S.</td>
<td>69.28</td>
<td>73%</td>
<td>1,223</td>
<td>1,319</td>
<td>1,117</td>
<td>5.6%</td>
<td>5.1%</td>
<td>437</td>
</tr>
<tr>
<td>Lassonde Industries Inc.</td>
<td>CA</td>
<td>112.52</td>
<td>84%</td>
<td>780</td>
<td>1,069</td>
<td>1,332</td>
<td>6.2%</td>
<td>10.1%</td>
<td>1,094</td>
</tr>
<tr>
<td>Mission Produce, Inc.</td>
<td>U.S.</td>
<td>13.15</td>
<td>87%</td>
<td>916</td>
<td>1,063</td>
<td>887</td>
<td>NA</td>
<td>11.2%</td>
<td>698</td>
</tr>
<tr>
<td>Rogers Sugar Inc.</td>
<td>CA</td>
<td>3.88</td>
<td>93%</td>
<td>402</td>
<td>676</td>
<td>600</td>
<td>9.3%</td>
<td>10.9%</td>
<td>642</td>
</tr>
<tr>
<td>Seneca Foods Corporation</td>
<td>U.S.</td>
<td>41.94</td>
<td>87%</td>
<td>382</td>
<td>597</td>
<td>1,359</td>
<td>1.3%</td>
<td>10.8%</td>
<td>883</td>
</tr>
<tr>
<td>Landec Corporation</td>
<td>U.S.</td>
<td>10.36</td>
<td>86%</td>
<td>303</td>
<td>506</td>
<td>587</td>
<td>1.7%</td>
<td>2.9%</td>
<td>506</td>
</tr>
<tr>
<td><strong>Median</strong></td>
<td></td>
<td>85%</td>
<td>846</td>
<td>1,066</td>
<td>1,225</td>
<td>3.7%</td>
<td>10.5%</td>
<td>790</td>
<td>5.2% 2.2x 1.0x 1.0x 1.0x 10.5x 12.6x 10.3x</td>
</tr>
<tr>
<td><strong>Mean</strong></td>
<td></td>
<td>82%</td>
<td>1,987</td>
<td>2,492</td>
<td>1,733</td>
<td>4.3%</td>
<td>10.0%</td>
<td>1,478</td>
<td>4.6% 4.9x 1.2x 1.3x 1.3x 13.6x 13.5x 11.0x</td>
</tr>
</tbody>
</table>

Source: S&P Global Market Intelligence as of October 15, 2020. Companies selected based on being most representative of their specific industry group; for definitions, refer to page 15.

*HQ was relocated to Cayman Islands, but the company is still U.S.-based for operational purposes.
### Public Company Trading Statistics

**Operating Metrics (TTM)**

<table>
<thead>
<tr>
<th>Company</th>
<th>Price</th>
<th>Revenue CAGR, 5-Yr.</th>
<th>EBITDA Margin</th>
<th>Ret. on Assets</th>
<th>Net Debt/ EBITDA</th>
<th>Revenue</th>
<th>EBITDA</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Mean</strong></td>
<td>3.0x</td>
<td>1.5x</td>
<td>7.6x</td>
<td>3.1x</td>
<td>1.5x</td>
<td>1.5x</td>
<td>3.1x</td>
</tr>
<tr>
<td><strong>Median</strong></td>
<td>3.0x</td>
<td>1.5x</td>
<td>7.6x</td>
<td>3.1x</td>
<td>1.5x</td>
<td>1.5x</td>
<td>3.1x</td>
</tr>
</tbody>
</table>

**Revenue Value as a Multiple of**

<table>
<thead>
<tr>
<th>Company</th>
<th>Value</th>
<th>Stock Price</th>
<th>EBITDA</th>
<th>Revenue</th>
<th>TTM 2020E</th>
<th>TTM 2021E</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Mean</strong></td>
<td>3.0x</td>
<td>1.5x</td>
<td>7.6x</td>
<td>3.1x</td>
<td>1.5x</td>
<td>1.5x</td>
</tr>
<tr>
<td><strong>Median</strong></td>
<td>3.0x</td>
<td>1.5x</td>
<td>7.6x</td>
<td>3.1x</td>
<td>1.5x</td>
<td>1.5x</td>
</tr>
</tbody>
</table>

### Food and Beverage M&A Landscape | Fall 2020

**Mean** values are calculated as arithmetic means.

**Median** values are calculated as medians.

**Value** multiples are rounded to one decimal place.

*Source: S&P Global Market Intelligence as of October 15, 2020. Companies selected based on being most representative of their specific industry group; for definitions, refer to page 15.*
About Our Food and Beverage Corporate Finance Practice

Duff & Phelps’ Consumer group is among the most active middle-market advisors, providing sell-side, buy-side and capital raising services for clients worldwide. With expertise in consumer, food and beverage, restaurant and retail sectors, our professionals have executed more than 100 industry transactions over the past 10 years.

<table>
<thead>
<tr>
<th>Proven Execution</th>
<th>100+ Consumer M&amp;A and Capital Raise transactions over the past 10 years</th>
</tr>
</thead>
<tbody>
<tr>
<td>Deep Sector Expertise</td>
<td>Category focus drives thought leadership and builds invaluable relationships with buyers and investors alike</td>
</tr>
<tr>
<td>Customized Approach</td>
<td>Successful track record of premium value transactions driven by hands-on execution and creativity</td>
</tr>
<tr>
<td>Experienced Team</td>
<td>More than 30 bankers dedicated exclusively to the Consumer sector within North America</td>
</tr>
<tr>
<td>Global Platform</td>
<td>Nearly 4,000 employees across 70 offices in 25 countries, with an extensive presence in North America, Europe and Asia</td>
</tr>
</tbody>
</table>

#4 Middle-Market M&A Advisor over the past 10 years

300+ M&A Transactions over the past five years

#1 Ranked for U.S. and global Fairness Opinions for 2019

1,000+ Transaction Opinions for USD 2 trillion in deal value since 2005

650+ Private Equity Groups (PEGs) proactively covered by our Financial Sponsors Group

1,730+ PEGs contacted under engagement mandates in 2017

45+ private equity coverage officers across North America

1 Source: Thomson Financial Securities Data (U.S. deals USD 15M < USD 170M, including deals without a disclosed value). Full years 2010 through 2019

2 Source: Published in Thomson Reuters’ Mergers & Acquisitions Review - Full Year 2015, 2016, 2017, 2018 and 2019
Select Duff & Phelps Food and Beverage Experience

Sell Side Advisor

- Hampshire
  - has been acquired by Catterton
  - has been acquired by Arbor Investments
  - has been acquired by Red Collar Pet Foods

- Stonemill Slow Crafted Bakery
  - has been acquired by Canada Bread

Sell Side Advisor

- Freshway
  - has been acquired by US Foods

Sell Side Advisor

- Country Fresh
  - has been acquired by Kainos Kainos Capital
  - has been acquired by Anheuser-Busch

- Karbach Brewing Co.
  - has been acquired by Grupo Jacarezinho

Financial Advisor

- Pion Tea Heart
  - has secured senior debt financing from a consortium of lenders

Sell Side Advisor

- Pace Processing
  - has been acquired by SPC

Sell Side Advisor

Buy Side Advisor

- Mama Mary's
  - has been acquired by Pacific Coast Producers

- Oregon Craft Brewers Inc.
  - has acquired

Sell Side Advisor

- Labrini
  - has been acquired by Grupo

- Pillar's
  - has been acquired by Bevolution

Sell Side Advisor

- Tropics Mixology
  - a division of Beverage Innovations

Note: All trademarks, trade names, or logos referenced herein are the property of their respective owners.
Contact Us

Bob Bartell, CFA
Global Head of Corporate Finance
Chicago
+1 312-697-4654
bob.bartell@duffandphelps.com

Jon Pratt
Managing Director, Consumer, Food, Restaurant and Retail Corporate Finance
Boston
+1 857-327-6000
jon.pratt@duffandphelps.com

Joshua Benn
Global Head of Consumer, Food, Restaurant and Retail Corporate Finance
New York
+1 212-450-2840
joshua.benn@duffandphelps.com

Farzad Mukhi
Director, Consumer, Food, Restaurant and Retail Corporate Finance
Los Angeles
+1 424-249-1661
farzad.mukhi@duffandphelps.com

Dr. Howard E. Johnson
Managing Director, Canadian M&A Advisory
Toronto
+1 416-597-4500
howard.johnson@duffandphelps.com

Devin Kennealy
Director, Canadian M&A Advisory
Toronto
+1 416-361-6749
Devin.kennealy@duffandphelps.com

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