

Food and Beverage M&A Landscape

Spring 2018



Q M&A Activity

M&A deal activity in the food and beverage industry remains active, with more than 260 deals closed over the last twelve month (LTM) period ended March 31, 2018. Mega-sized deals continued to make headlines, with nine transactions closed worth more than \$1 billion. The largest transaction seen was Reckitt Benckiser Group's \$17.9 billion acquisition of Mead Johnson Nutritional Company. Mead Johnson manufactures nutritional products for infants. Additionally, Danone acquired The WhiteWave Foods Company, a plant-based foods and beverages manufacturer for \$12.5 billion. The next largest transaction was Campbell Soup Company's acquisition of Snyder's-Lance, Inc. for \$6.1 billion.

The food and beverage industry is predominately driven by strategic buyers (including companies primarily owned by private equity investors) with strategic transactions representing 92% of total deal flow over the LTM. With consumers looking less at brand names and focusing more on natural and organic goods (see page 4), large companies are looking to remain competitive through acquisitions.

Of the 264 deals closed in the past twelve months, 187 (71%) transactions were completed by privately owned buyers. The share price of public companies rose by 3.47% on average on the date of an acquisition announcement, indicating that investors are still optimistic about growth via M&A opportunities.

The demand for locally sourced and organic foods has yet to slow down, leading to the rise of smaller brand names in the industry. The ongoing industry consolidation will likely continue as large established companies look to gain recognition from local brand names and natural/organic food.

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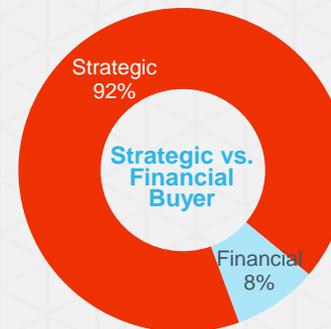
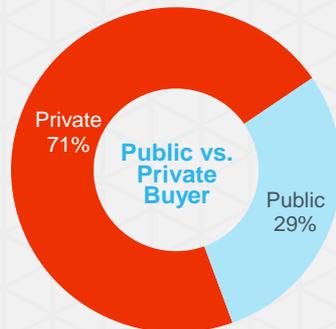
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M&A Activity Continued

of Closed Deals



By # of Closed Deals (LTM at Q1 2018)



Note: All amounts listed in USD unless otherwise noted. Includes Food & Beverage sector deals where the target was based in North America. Source: S&P Global Market Intelligence. Only transactions with over 50% of the company acquired are included in our analysis.

North America's Health Kick Continues

Demand for healthier food products continues to permeate the industry. Health conscious shoppers prefer natural, non-GMO and environmentally friendly food options, and are willing to pay more for it. A Consumer Reports study revealed that on average, organic foods were 47% more expensive than its non-organic counterpart.¹ The trend towards healthier options is led by millennials, which represent approximately 29.7% of the U.S. population² and 28.1% of the Canadian population.³ With technology allowing for quick and easy comparisons between food products, companies strive to differentiate themselves from the competition. Brand loyalty is no longer as strong of a factor for shoppers. According to the Ipsos MORI Global Trends 2017 survey, less than half of shoppers look for brand names when shopping for food items.⁴ There is an increased focus on local food products, with 67% of Americans and 68% of Canadians more likely to buy local produce.

Sales of health and wellness related products are outpacing total category growth by a significant margin, and the industry is clearly taking note. Significant acquisitions in the space include Danone's acquisition of plant-based food and beverage manufacturer The WhiteWave Foods Company, Campbell Soup Company's acquisition of natural and organic food producer Pacific Foods of Oregon, Inc., Groupe Lactalis S.A.'s acquisition of Stonyfield Farm, an organic yogurt producer and Kellogg's acquisition of Chicago Bar, the owner of RXBAR protein bars. Most recently, The Hershey Company acquired Amplify Snack Brands, a better-for-you snack brand, for approximately \$934 million. The deal closed on January 31, 2018.⁵

Similarly, the top three largest transactions involving a Canadian target are companies focused on healthier choices. Daiya Foods creates plant-based alternatives to dairy products, Kicking Horse provides organic and fair-trade coffees and L.B. Maple Treats provides a more natural source of sugar.

Top Ingredients Avoided by North Americans

	(% of respondents)
1 MSG	55%
2 Antibiotics or Hormones Used in Animal Products	54%
3 Artificial Sweeteners	54%
4 Artificial Preservatives	53%
5 Food in a package with BPA	53%

Source: Nielsen, 2016

Growth in Sales in the United States by Claim

	(Y-o-Y Volume Sales Growth)
1 Hormone-Free or Antibiotic-Free	21.7%
2 Organic	13.1%
3 GMO-Free	12.0%
4 Natural	7.5%
5 Without Artificial Colors or Flavors	5.4%

Source: Nielsen, 2016

1. Source: Consumer Reports
 2. Source: U.S. Census Bureau
 3. Source: Statistics Canada
 4. Source: Ipsos
 5. Source: S&P Global Market Intelligence

Significant U.S. Transactions¹

Mondelez International, Inc. acquires Tate's Bake Shop, Inc.



On May 6, 2018, Mondelez International, Inc. entered into a definitive agreement to acquire Tate's Bake Shop, Inc. from The Riverside Company for \$500 million. Mondelez, which makes Oreo cookies and Ritz crackers, is the result of a break up of food giant Kraft Foods Inc. in 2012. Dirk Van de Put, Mondelez Chairman and CEO said, "Tate's has demonstrated exceptional and very profitable growth."

Hormel Foods Corporation acquires Columbus Manufacturing, Inc.



On November 27, 2017, Hormel Foods Corporation acquired Columbus Manufacturing, Inc., a producer of salamis and deli meats for \$850 million. The acquisition expands Hormel's line of deli solutions. Jim Snee, president and CEO said, "The acquisition of Columbus is the catalyst for uniting all our deli businesses into one group."

Campbell Soup Company acquires Snyder's-Lance, Inc.



On March 26, 2018, Campbell acquired the snack company for \$4.9 billion in cash, and integrated it into Campbell's Snacks division. This was the largest deal in Campbell's 148-year history. "This acquisition will dramatically transform Campbell, shifting our center of gravity and further diversifying our portfolio into the faster-growing snacking category," said Campbell CEO Denise Morrison.

Kellogg Company acquires Chicago Bar Company, LLC



On October 27, 2017, Kellogg acquired Chicago Bar Company, the maker of RXBAR, for \$600 million. "With its strong millennial consumption and diversified channel presence including e-commerce, RXBAR is perfectly positioned to perform well against future food trends," said Kellogg's CEO Steve Cahillane.

Campbell Soup Company acquires Pacific Foods of Oregon, Inc.



On December 12, 2017, Campbell acquired natural and organic food product producer Pacific Foods of Oregon for \$700 million. Denise Morrison, Campbell's President and CEO, said, "Pacific Foods is an excellent strategic fit with Campbell's health and well being portfolio with its strong position in the faster-growing natural and organic category."

¹ Deals closed in Q4 2017 and Q1 2018 with an implied enterprise value greater than \$500 million. Excludes bankruptcy sales. Source: S&P Global Market Intelligence, Mergermarket, company press releases and various news sources (e.g., Polaris, Marketwired, WSJ and Newswire).

Select Recent Canadian Transactions¹

Prairie Mushrooms Group acquired by Highline Mushrooms



On March 7, 2018, Highline Mushrooms (a subsidiary of Fyffes PLC) acquired Prairie Mushrooms, which continues to operate as a subsidiary of Highline. The acquisition added five farms in Alberta and British Columbia to expand the company’s Western Canada operations, and is led by Prairie CEO, Duke Tran.

Pets4Life acquired by Dane Creek Capital Corp.



On January 31, 2018, Dane Creek Capital Corp. (DCCC) acquired Pets4Life, a leading manufacturer of gourmet frozen raw pet food located in St. Thomas, Ontario. Pets4Life is one of the few Canadian companies that also offers a wholly organic line made with Certified Organic ingredients. This acquisition marks DCCC’s second investment in the frozen raw space and one of several planned investments in 2018.

Best Cooking Pulses, Inc. acquired by Avena Foods Limited



On January 8, 2018, Avena Foods Limited of Regina, Saskatchewan acquired Best Cooking Pulses, Inc., located in Manitoba. According to Peter Samson, chairman of Avena Foods Limited, “BCP has a long-standing reputation for providing best-in-class pulse ingredients. This partnership will provide both companies with exciting new opportunities for our customers and our growers.”

Agri-Marketing Corp. acquired by Kemin Industries Inc.



On January 3, 2018, Kemin acquired the assets of its long-time exclusive distributor Agri-Marketing Corp. Dr. Chris Nelson, President and CEO of Kemin noted, “With this new location in Canada, we are increasing our efforts to better serve our current customers, as well as explore new opportunities for our products and services to improve the quality of life for people and animals in Canada.”

¹ Deals closed in Q4 2017 and Q1 2018. Excludes bankruptcy sales. Source: S&P Global Market Intelligence, Mergermarket, company press releases and various news sources (e.g., Polaris, Marketwired and Newswire.)

Recent North American M&A Activity by Subsector

Food and Beverage Subsector Definitions

Deals by Subsector (Last Twelve Months as of Q1 2018)

- Agricultural:**
Production and distribution of fresh produce.
- 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.
- 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.



Source: Capital IQ as of March 20, 2018.

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 Activity¹ ○○○○○○○○○○○○

Agricultural

(USD in millions)

Date Closed	Target	Target Location	Target Business Description	Acquirer	Enterprise Value	LTM Revenue	LTM EBITDA	EV/Revenue	EV/EBITDA	EBITDA Margin	
3/14/2018	176 Acre Blueberry Farm in Van Buren County, Michigan		176 Acre Blueberry Farm in Van Buren County, Michigan, comprises a blueberry farm consisting of 100 planted acres of blueberries.	Gladstone Land Corporation	\$2.10	-	-	-	-	-	
2/26/2018	Mann Packing Co., Inc.		Mann Packing Co., Inc. offers fresh-cut and commodity vegetables for retail, wholesale and foodservice marketplaces.	Del Monte Fresh Produce N.A., Inc.	\$360.85	\$535.00	-	0.67x	-	-	
12/18/2017	Organic Almond Orchard in California		Organic Almond Orchard in California comprises an almond orchard and is located in the United States.	Gladstone Land Corporation	\$5.90	-	-	-	-	-	
12/12/2017	Pacific Foods of Oregon, Inc.		Pacific Foods of Oregon, Inc. produces natural and organic food products.	Campbell Investment Company	\$700.00	\$218.00	-	3.21x	-	-	
11/18/2017	9020 2292 Québec Inc.		9020 2292 Québec Inc. engages in the production of maple flakes, and processing and bottling of maple syrup.	L.B. Maple Treat Corporation	\$31.27	-	\$3.99	-	7.84x	NA	
					Mean	\$220.02	\$376.50	\$3.99	1.94x	7.84x	NA
					Median	\$31.27	\$376.50	\$3.99	1.94x	7.84x	NA

¹ Includes transactions where financial details were disclosed and where over 50% of the company was acquired. Source: S&P Global Market Intelligence as of March 31, 2018.

Recent North American M&A Activity¹ ●○○○○○○○○○○○○○○

Bakery

(USD in millions)

Date Closed	Target	Target Location	Target Business Description	Acquirer	Enterprise Value	LTM Revenue	LTM EBITDA	EV/Revenue	EBITDA	EBITDA Margin
2/5/2018	Sandwich Bros. of Wisconsin Business of Kangaroo Brands, Inc.		Sandwich Bros. of Wisconsin is a Milwaukee-based maker of frozen flatbread sandwiches.	Conagra Brands, Inc.	-	\$60.00	-	-	-	-
2/1/2018	Certain U.S. Breakfast Assets of Aryzta LLC		Certain U.S. Breakfast Assets of Aryzta LLC comprises \$10 million of inventory and the property, plant, equipment and customer relationships serviced by the Chicago Cloverhill bakery facility.	Hostess Brands, Inc.	\$25.00	-	-	-	-	-
10/16/2017	East Balt, Inc.		East Balt, Inc. produces buns, bagels, English muffins, tortillas, breads and specialty bakery products.	Grupo Bimbo, S.A.B. de C.V.	\$650.00	\$420.00	\$70.00	1.55x	9.29x	16.67%

Mean	\$337.50	\$240.00	\$70.00	1.55x	9.29x	16.67%
Median	\$337.50	\$240.00	\$70.00	1.55x	9.29x	16.67%

¹ Includes transactions where financial details were disclosed and where over 50% of the company was acquired. Source: S&P Global Market Intelligence as of March 31, 2018.

Recent North American M&A Activity¹ ○○●○○○○○○○○○○

Better-For-You

(USD in millions)

Date Closed	Target	Target Location	Target Business Description	Acquirer	Enterprise Value	LTM Revenue	LTM EBITDA	EV/Revenue	EBITDA	EBITDA Margin	
1/31/2018	Amplify Snack Brands, Inc.		Amplify Snack Brands, Inc. develops, markets and distributes better-for-you snack products in North America and internationally.	The Hershey Company	\$1,527.30	\$371.67	\$82.45	4.11x	18.53x	22.18%	
1/29/2018	Field Roast Grain Meat Co., Inc.		Field Roast Grain Meat Co., Inc. produces and markets vegan meat products.	Maple Leaf Foods Inc.	\$120.00	\$38.00	-	3.16x	-	-	
1/24/2018	Galaxy Nutritional Foods, Inc.		Galaxy Nutritional Foods, Inc. produces plant-based, cheese-free products.	GreenSpace Brands Inc.	\$16.91	\$16.30	-	1.04x	-	-	
12/13/2017	Inventure Foods, Inc.		Inventure Foods, Inc. manufactures and markets healthy/natural and indulgent specialty snack food products in the United States and internationally.	Utz Quality Foods, LLC	\$140.54	\$272.30	\$2.12	0.52x	-	0.78%	
10/27/2017	Chicago Bar Company LLC		Chicago Bar Company LLC, doing business as RXBAR, produces and sells food protein bars in the United States.	Kellogg Company	\$600.00	-	-	5.00x	-	-	
					Mean	\$480.95	\$174.57	\$42.28	2.76x	18.53x	11.48%
					Median	\$140.54	\$155.15	\$42.28	3.16x	-	11.48%

¹ Includes transactions where financial details were disclosed and where over 50% of the company was acquired. Source: S&P Global Market Intelligence as of March 31, 2018.

Recent North American M&A Activity¹ ○○○●○○○○○○○○

Confectionery/Snacks

(USD in millions)

Date Closed	Target	Target Location	Target Business Description	Acquirer	Enterprise Value	LTM Revenue	LTM EBITDA	EV/Revenue	EV/EBITDA	EBITDA Margin
3/31/2018	U.S. Confectionery Business of Nestlé S.A.		As of March 31, 2018, U.S. Confectionery Business of Nestlé S.A. was acquired by Ferrero International S.A.	Ferrero International S.A.	\$2,800.00	-	-	-	-	-
3/26/2018	Snyder's-Lance, Inc.		Snyder's-Lance, Inc. engages in the manufacture, distribution, marketing and sale of snack food products in North America and Europe.	Campbell Soup Company	\$6,113.59	\$2,231.44	\$281.56	2.74x	21.71x	12.62%
3/14/2018	Brands and Macadamia Snack Business of Royal Hawaiian Macadamia Nut, Inc.		Brands and Macadamia Snack Business of Royal Hawaiian Macadamia Nut, Inc. engages in marketing and retail sale of macadamia nuts.	MacFarms Of Hawaii, LLC	\$2.71	-	-	-	-	-
2/28/2018	Royal Hawaiian Orchards brand of Royal Hawaiian Orchards, LP		Royal Hawaiian Orchards brand of Royal Hawaiian Orchards, LP comprises macadamia nut-based snacks business.	Buderim Group Limited	\$3.09	-	-	-	-	-
11/30/2017	Squirrel Brand LP, Certain Assets		Certain Assets of Squirrel Brand LP, comprises roasted and flavored nuts manufacturing business.	John B. Sanfilippo & Son, Inc.	\$31.50	-	-	-	-	-
11/27/2017	Old Lyme Gourmet Company		Old Lyme Gourmet Company, doing business as, Deep River Snacks produces and sells snacks.	Arca Continental, S. A. B. de C. V.	-	\$45.00	-	-	-	-

¹ Includes transactions where financial details were disclosed and where over 50% of the company was acquired. Source: S&P Global Market Intelligence as of March 31, 2018.

Recent North American M&A Activity¹ ○○○○●○○○○○○

Confectionery/Snacks

(USD in millions)

Date Closed	Target	Target Location	Target Business Description	Acquirer	Enterprise Value	LTM Revenue	LTM EBITDA	EV/Revenue	EBITDA Margin		
10/23/2017	Angie's Artisan Treats, LLC		Angie's Artisan Treats, LLC produces and sells popcorns and other snack items.	Conagra Brands, Inc.	\$250.00	-	-	-	-		
10/2/2017	Back to Nature Foods Company, LLC		Back to Nature Foods Company produces cookies, crackers, granolas, juices and nuts.	B&G Foods, Inc.	\$162.50	-	-	-	-		
					Mean	\$1,337.63	\$1,138.22	\$281.56	2.74x	21.71x	12.62%
					Median	\$162.50	\$1,138.22	\$281.56	2.74x	21.71x	12.62%

¹ Includes transactions where financial details were disclosed and where over 50% of the company was acquired. Source: S&P Global Market Intelligence as of March 31, 2018.

Recent North American M&A Activity¹ ○○○○○●○○○○○

General

(USD in millions)

Date Closed	Target	Target Location	Target Business Description	Acquirer	Enterprise Value	LTM Revenue	LTM EBITDA	EV/Revenue	EV/EBITDA	EBITDA Margin	
1/12/2018	Bob Evans Farms, Inc.		Bob Evans Farms, Inc. produces and distributes food products for grocery retailers in the United States.	Post Holdings, Inc.	\$1,741.35	\$418.17	\$64.75	4.16x	26.90x	15.48%	
11/30/2017	All assets of Groupe Commensal Inc.		All assets of Groupe Commensal Inc. comprises manufacturing operations of commensal products for restaurants.	Unknown/Individual Buyer(s)	\$3.34	-	-	-	-	-	
11/10/2017	Original Philly Holdings, Inc.		Original Philly Holdings, Inc., through its subsidiaries, produces raw and fully cooked Philly-style sandwich steak and cheesesteak appetizer products.	Tyson Foods, Inc.	\$226.00	\$130.00	-	1.74x	-	-	
11/2/2017	Preferred Brands International Inc.		Preferred Brands International Inc. produces ready-to-eat Indian entrees, Asian noodles and rice products.	Effem Holdings Limited	\$172.83	-	-	-	-	-	
					Mean	\$535.88	\$274.08	\$64.75	2.95x	26.90x	15.48%
					Median	\$199.41	\$274.08	\$64.75	2.95x	26.90x	15.48%

¹ Includes transactions where financial details were disclosed and where over 50% of the company was acquired. Source: S&P Global Market Intelligence as of March 31, 2018.

Recent North American M&A Activity¹ ○○○○○○●○○○○○

Dairy

(USD in millions)

Date Closed	Target	Target Location	Target Business Description	Acquirer	Enterprise Value	LTM Revenue	LTM EBITDA	EV/Revenue	EBITDA	EBITDA Margin
12/12/2017	Betin, Inc		Betin, Inc, doing business as Montchevre, produces and sells goat cheese.	Saputo Inc.	\$263.94	\$116.44	-	2.27x	-	-

Mean	\$263.94	\$116.44	NA	2.27x	NA	NA
Median	\$263.94	\$116.44	NA	2.27x	NA	NA

¹ Includes transactions where financial details were disclosed and where over 50% of the company was acquired. Source: S&P Global Market Intelligence as of March 31, 2018.

Recent North American M&A Activity¹ ○○○○○○○●○○○○

Ingredients

(USD in millions)

Date Closed	Target	Target Location	Target Business Description	Acquirer	Enterprise Value	LTM Revenue	LTM EBITDA	EV/Revenue	EBITDA	EBITDA Margin
2/27/2018	ERS Holdings, LLC		ERS Holdings, LLC develops Ready To Infuse Cannabis (RTIC) technology transforming cannabis oil into powder for infusion into food and beverage products.	Pivot Pharmaceuticals Inc.	\$6.25	-	-	-	-	-
1/30/2018	Minsa Corporation		Minsa Corporation owns and operates corn flour manufacturing plant and engages in the production and sale of corn flour.	Bunge North America, Inc.	\$75.00	-	-	-	-	-
12/4/2017	Gertrude Hawk Chocolates, Inc., Ingredients Division		Gertrude Hawk Chocolates, Inc., Ingredients Division comprises the manufacturing of small peanut butter cups and specialty chocolate ingredients for ice cream and snack food manufacturers.	Barry Callebaut AG	-	\$83.00	-	-	-	-

Mean	\$40.63	\$83.00	NA	NA	NA	NA
Median	\$40.63	\$83.00	NA	NA	NA	NA

¹ Includes transactions where financial details were disclosed and where over 50% of the company was acquired. Source: S&P Global Market Intelligence as of March 31, 2018.

Recent North American M&A Activity¹ ○○○○○○○○●○○○

Protein Producers

(USD in millions)

Date Closed	Target	Target Location	Target Business Description	Acquirer	Enterprise Value	LTM Revenue	LTM EBITDA	EV/Revenue	EV/EBITDA	EBITDA Margin
11/27/2017	Columbus Manufacturing, Inc.		Columbus Manufacturing, Inc. produces salamis and deli meats.	Hormel Foods Corporation	-	\$300.00	-	-	-	-
11/1/2017	Joseph Epstein Food Enterprises, Inc.		Joseph Epstein Food Enterprises, Inc. manufactures food products, which includes turkey meatballs.	MamaMancini's Holdings, Inc.	\$5.29	-	-	-	-	-
					Mean	\$5.29	\$300.00	NA	NA	NA
					Median	\$5.29	\$300.00	NA	NA	NA

¹ Includes transactions where financial details were disclosed and where over 50% of the company was acquired. Source: S&P Global Market Intelligence as of March 31, 2018.

Recent North American M&A Activity¹ ○○○○○○○○○○●○○

Specialty-Pet

(USD in millions)

Date Closed	Target	Target Location	Target Business Description	Acquirer	Enterprise Value	LTM Revenue	LTM EBITDA	EV/Revenue	EV/EBITDA	EBITDA Margin
12/19/2017	Omega Protein Corporation		Omega Protein Corporation develops, produces and delivers products to enhance the nutritional integrity of foods, dietary supplements and animal feeds worldwide.	Cooke Inc.	\$487.67	\$342.36	\$60.20	1.4x	8.1x	17.58%

Mean	\$487.67	\$342.36	\$60.20	1.42x	8.10x	17.58%
Median	\$487.67	\$342.36	\$60.20	1.42x	8.10x	17.58%

¹ Includes transactions where financial details were disclosed and where over 50% of the company was acquired. Source: S&P Global Market Intelligence as of March 31, 2018.

Recent North American M&A Activity¹ ○○○○○○○○○○●○

Non-Alcoholic Beverages

(USD in millions)

Date Closed	Target	Target Location	Target Business Description	Acquirer	Enterprise Value	LTM Revenue	LTM EBITDA	EV/Revenue	EBITDA	EBITDA Margin	
3/20/2018	Crystal Rock Holdings, Inc.		Crystal Rock Holdings, Inc. produces, markets and distributes bottled water to homes and offices in New England, New York and New Jersey.	Cott Corporation	\$34.77	\$58.30	\$4.34	0.60x	8.01x	7.44%	
1/30/2018	Traditional Carbonated Soft Drinks & Juice Business in the United States, Canada, Mexico and UK		Combined operations of Cliffstar Corporation, Cott Beverages Limited and other Cott-related entities. The companies produce and distribute soft drinks.	Refresco Group N.V.; Refresco US Holding Inc.	-	\$1,700.00	\$136.50	-	-	8.03%	
12/11/2017	Tazo Tea Company		Tazo Tea Company offers tea and herbal beverages.	Unilever United States, Inc.	\$384.00	\$112.47	-	3.41x	-	-	
10/27/2017	Coca-Cola Refreshments USA, Inc., Certain Manufacturing Assets in Phoenix and Denver		Coca-Cola Refreshments USA, Inc. produces, distributes and markets bottled and canned liquid non-alcoholic refreshment products in North America.	Swire Pacific Holdings, Inc.	\$106.00	-	-	-	-	-	
10/2/2017	Boyd Coffee Company, Inc.		Boyd Coffee Company, Inc., produces and sells roasted coffee.	Farmer Bros. Co.	\$58.57	\$95.00	-	0.62x	-	-	
					Mean	\$145.83	\$491.44	\$70.42	1.54x	8.01x	7.74%
					Median	\$82.28	\$103.74	\$70.42	0.62x	8.01x	7.74%

¹ Includes transactions where financial details were disclosed and where over 50% of the company was acquired. Source: S&P Global Market Intelligence as of March 31, 2018.

Recent North American M&A Activity¹ ○○○○○○○○○○●

Alcoholic Beverages

(USD in millions)

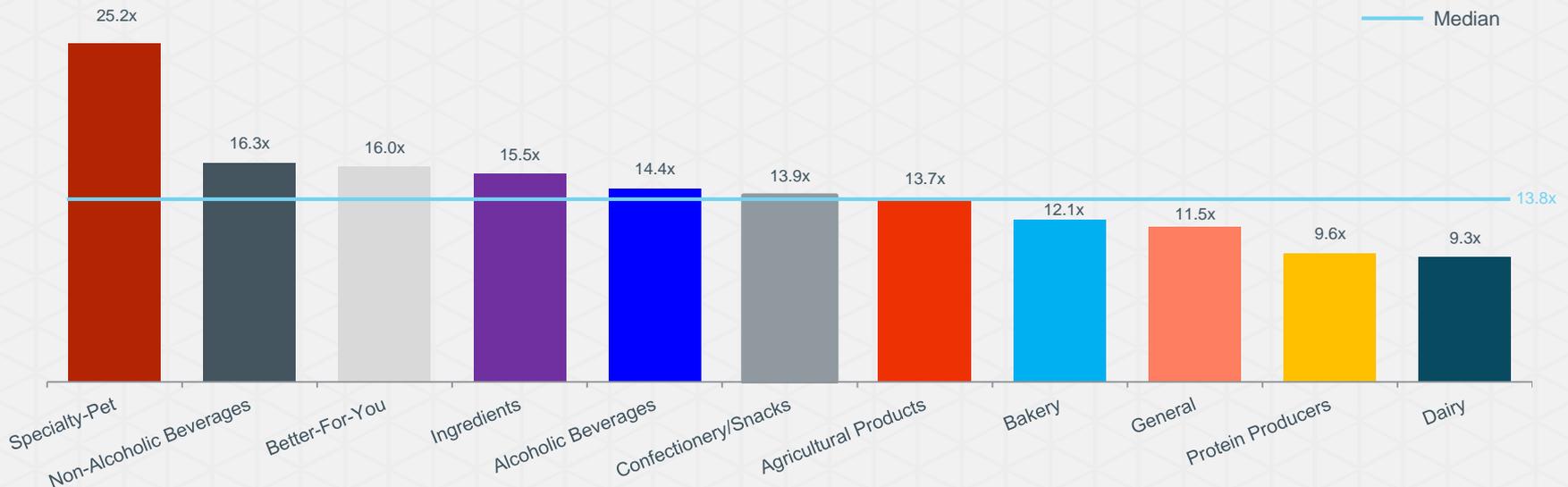
Date Closed	Target	Target Location	Target Business Description	Acquirer	Enterprise Value	LTM Revenue	LTM EBITDA	EV/Revenue	EBITDA	EBITDA Margin	
1/25/2018	Evans Brewing Company Inc.		Evans Brewing Company Inc. produces and sells craft beer in the United States.	I-ON Communications Co., Ltd. (nka:I-ON Communications Corp.)	-	\$2.32	(\$0.94)	-	-	-	
12/31/2017	Record Street Brewing Company		Record Street Brewing Company produces beer.	UPD Holding Corp.	\$1.60	-	-	-	-	-	
10/2/2017	Vinnova Corporation (nka:The Foreign Affair Winery Ltd.)		Vinnova Corporation produces wine under the brand Foreign Affair Winery.	Corby Spirit and Wine Limited	\$4.96	-	-	-	-	-	
10/1/2017	Tinhorn Creek Vineyards Ltd.		Tinhorn Creek Vineyards Ltd. produces red and white wines in Canada.	Andrew Peller Limited	\$23.78	\$5.76	-	4.13x	-	-	
					Mean	\$10.11	\$4.04	(\$0.94)	4.13x	NA	NA
					Median	\$4.96	\$4.04	(\$0.94)	4.13x	NA	NA

¹ Includes transactions where financial details were disclosed and where over 50% of the company was acquired. Source: S&P Global Market Intelligence as of March 31, 2018.

Public Company Trading Multiples

- Enterprise Value to LTM EBITDA multiples for Food and Beverage companies have continued to increase when compared to median multiples of the preceding five years across all food segments (see pages 21 and 22 for historical multiples by subsector).
- As of the close of Q1 2018, Specialty Pet, Non-Alcoholic Beverages and Better-for-You companies commanded the highest median EBITDA multiples—with all three subsectors benefiting from continued growth and innovation in the sector as consumers move towards healthier lifestyles for themselves and their pets.
- Key food trends have supported valuations for other subsectors—for example, increasing demand for specialty foods has steadily driven multiples for Ingredients companies to a median of 15.5x in Q1 2018; whereas Confectionery/Snacks companies have benefitted from growing trends towards convenience food choices, keeping median multiples near the 14.0x level in the first quarter.
- After three years of stable EBITDA multiples, alcoholic beverage companies saw their median EBITDA multiples drop in recent trading, reaching 14.4x in Q1 2018. This is largely due to consumer preferences shifting from traditional brands towards more premium wines and craft and specialty beers. The established alcoholic beverage companies have seen a decline in revenue growth.
- Multiples for agricultural products have seen a significant rise recently, increasing to a median of 13.7x in Q1 2018 compared to an average of 9.6x for the past five years; demand for agricultural products should continue to grow as end consumers move towards natural food sources.

EV/LTM EBITDA Median Multiples by Subsector – close of Q1 2018

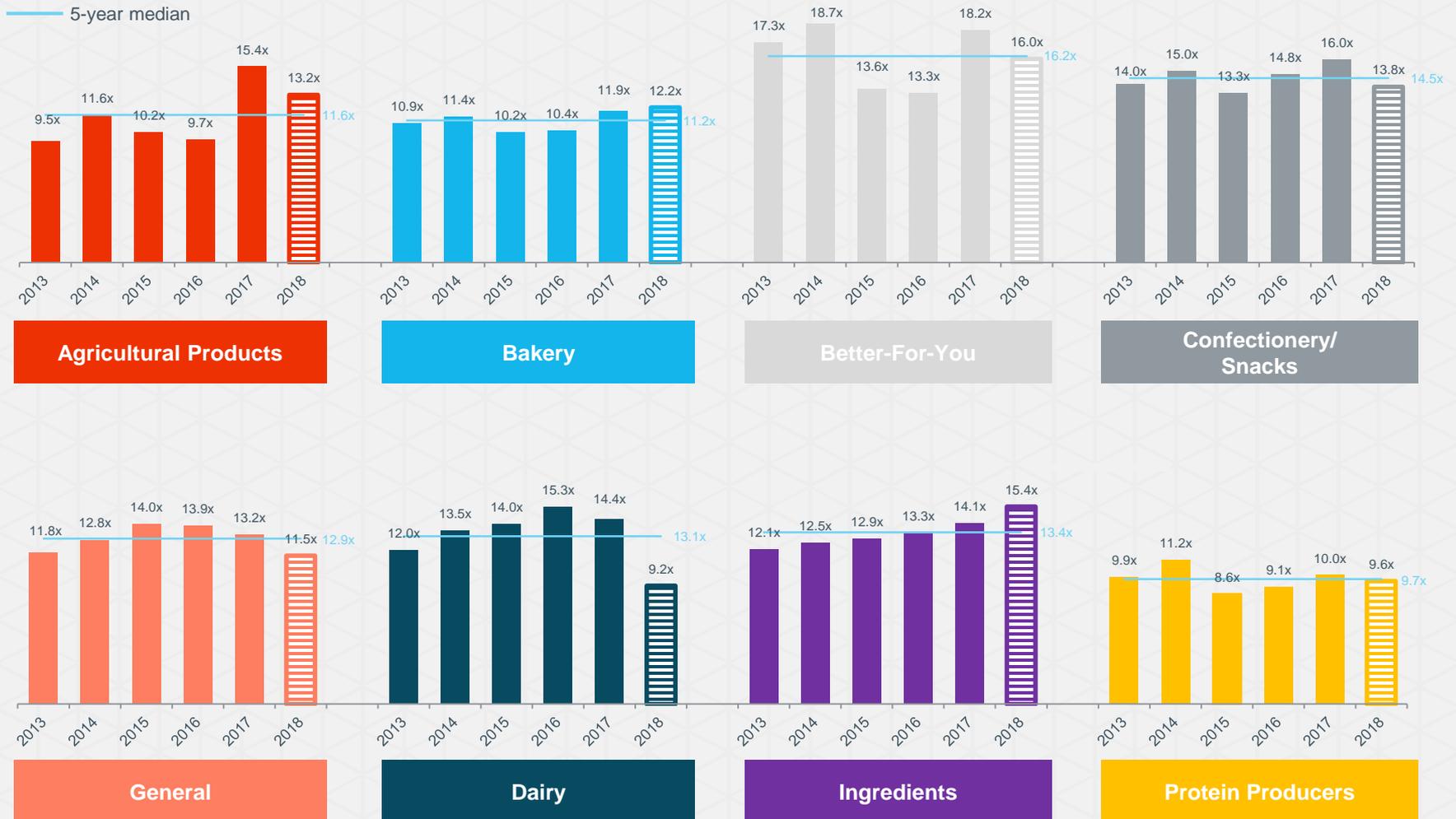


Note: Sector constituents based on selected comparable companies; certain periods exclude outliers based on Duff & Phelps analysis; EBITDA does not reflect adjustments for extraordinary items. EV = Enterprise Value = Market Capitalization + Total Debt + Preferred Equity – Cash and Short Term Investments. LTM = last twelve months. Source: S&P Global Market Intelligence; Q1 2018 as of close of March 31, 2018.

Source: S&P Global Market Intelligence; IBIS World 2016 Breweries in Canada and Distilleries in Canada; LCBO Annual Report

Public Company Trading Multiples

EV/LTM EBITDA Median Multiples – Food Segments (Q1 2018)



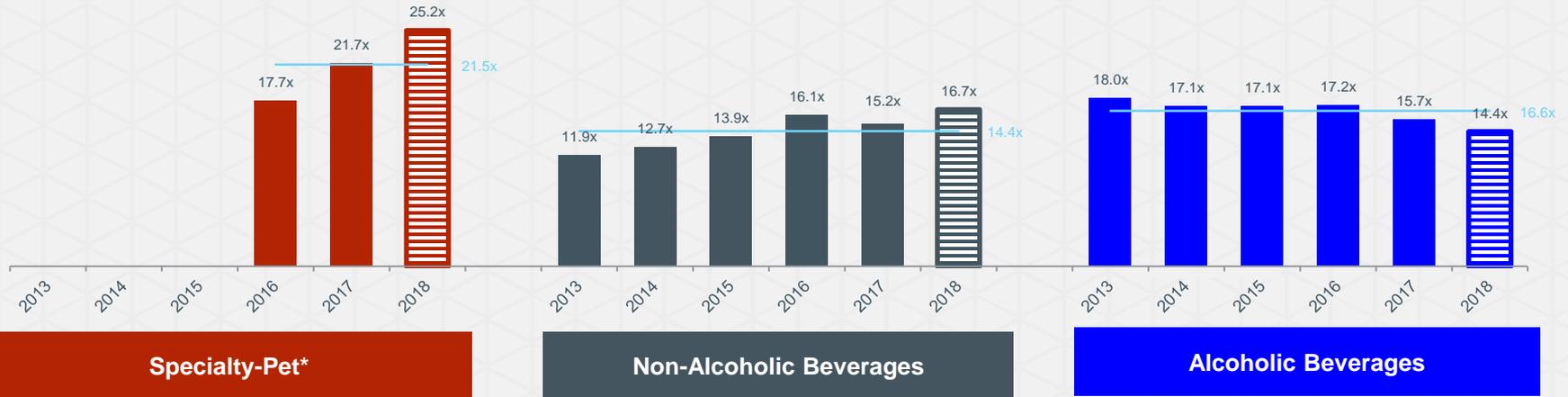
Note: Sector constituents based on selected comparable companies; certain periods exclude outliers based on Duff & Phelps analysis; EBITDA does not reflect adjustments for extraordinary items. EV = Enterprise Value = Market Capitalization + Total Debt + Preferred Equity – Cash and Short Term Investments. LTM = last twelve months. Source: S&P Global Market Intelligence; Q1 2018 as of close of March 31, 2018.

Source: S&P Global Market Intelligence; IBIS World 2016 Breweries in Canada and Distilleries in Canada; LCBO Annual Report

Public Company Trading Multiples

EV/LTM EBITDA Median Multiples – Food Segments (Q1 2018)

— 5-year median



*Insufficient comparable companies from 2013–2018.

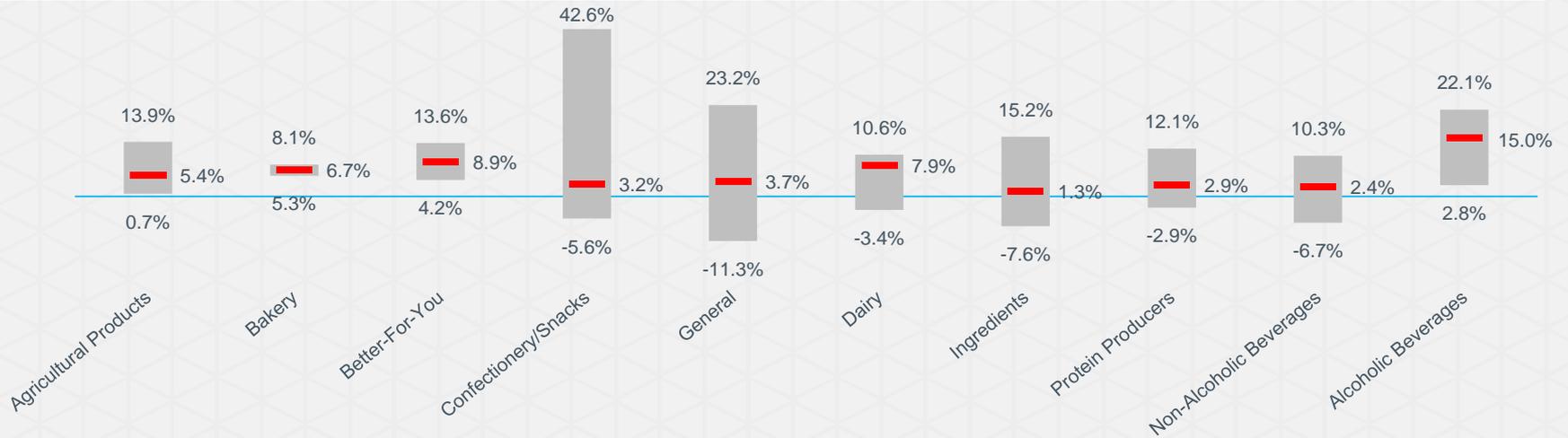
Note: Sector constituents based on selected comparable companies; certain periods exclude outliers based on Duff & Phelps analysis; EBITDA does not reflect adjustments for extraordinary items.

EV = Enterprise Value = Market Capitalization + Total Debt + Preferred Equity – Cash and Short Term Investments. LTM = last twelve months. Source: S&P Global Market Intelligence; Q1 2018 as of close of March 31, 2018.

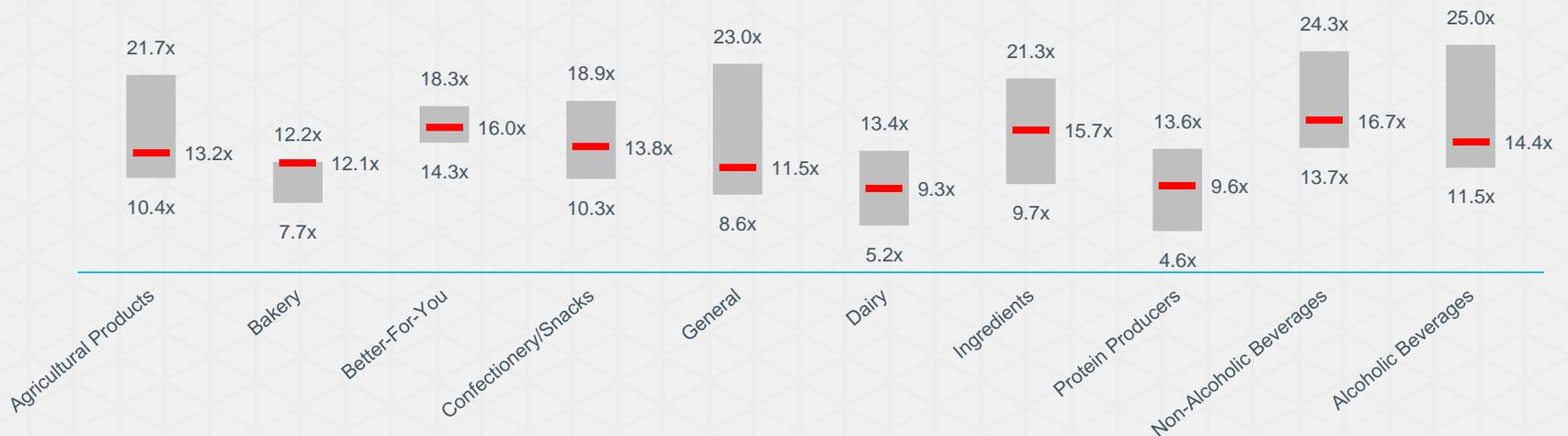
Source: S&P Global Market Intelligence; IBIS World 2016 Breweries in Canada and Distilleries in Canada; LCBO Annual Report

Select Public Company Operating and Trading Statistics

Five Year Revenue Growth Rate (CAGR)¹ - Range and Median (Q1 2018)*



Enterprise Value/LTM EBITDA (by Sector)¹ - Range and Median (Q1 2018)*



*Specialty-Pet companies were excluded due to insufficient data.

¹The values above represent high, median and low data points for each category as of March 31, 2018. Source: S&P Global Market Intelligence; Q1 2018 as of close of March 31, 2018.

Public Company Trading Statistics

(USD in millions, except per share data)

Company	HQ	31-Mar-18 Stock Price	% of 52-Wk High	Market Cap.	Enterprise Value	Operating Metrics (LTM)						Enterprise Value as a Multiple of					
						Revenue	Revenue CAGR, 5-Yr.	EBITDA Margin	Assets	Ret. on Assets	Net Debt/ EBITDA	Revenue			EBITDA		
												LTM	2018E	2019E	LTM	2018E	2019E
Agricultural Products																	
Lamb Weston Holdings, Inc.	U.S.	\$ 58.22	96%	\$ 8,514	\$ 10,979	\$ 3,338	NA	23.8%	\$ 2,754	14.0%	3.3x	3.3x	3.2x	3.1x	13.8x	13.8x	12.7x
Fresh Del Monte Produce Inc.	U.S.	45.24	73%	2,205	2,554	4,160	3.9%	5.9%	3,347	3.4%	3.1x	0.6x	NA	NA	10.4x	NA	NA
Calavo Growers, Inc.	U.S.	92.20	96%	1,618	1,648	1,097	13.9%	6.9%	361	11.1%	0.4x	1.5x	1.4x	1.2x	21.7x	19.3x	16.4x
Lassonde Industries Inc.	CA	203.16	97%	1,420	1,577	1,217	8.3%	11.8%	842	7.8%	0.9x	1.3x	1.3x	1.2x	11.0x	10.4x	9.5x
Rogers Sugar Inc.	CA	4.81	89%	508	768	584	5.7%	10.5%	646	5.5%	4.2x	1.3x	1.2x	1.2x	12.5x	9.7x	9.4x
Seneca Foods Corporation	U.S.	27.70	73%	270	725	1,315	0.7%	3.2%	1,072	0.7%	10.6x	0.6x	NA	NA	17.2x	NA	NA
Landec Corporation	U.S.	13.05	87%	360	415	537	5.2%	NM	386	NM	1.9x	0.8x	0.8x	0.8x	15.7x	15.7x	14.0x
Median			89%	\$ 1,420	\$ 1,577	\$ 1,217	5.4%	8.7%	\$ 842	6.6%	3.1x	1.3x	1.3x	1.2x	13.8x	13.8x	12.7x
Mean			87%	2,128	2,667	1,750	6.3%	10.3%	1,344	7.1%	3.5x	1.3x	1.6x	1.5x	14.6x	13.8x	12.4x
Bakery																	
George Weston Limited	CA	\$ 80.43	83%	\$ 10,292	\$ 24,208	\$ 38,508	8.1%	8.2%	\$ 30,699	4.1%	2.6x	0.6x	0.6x	0.6x	7.7x	7.4x	7.2x
Flowers Foods, Inc.	U.S.	21.86	100%	4,608	5,437	3,921	5.3%	11.4%	2,660	7.0%	1.9x	1.4x	1.4x	1.4x	12.2x	11.7x	11.0x
Hostess Brands, Inc.	U.S.	14.79	86%	1,478	2,683	776	NA	28.6%	2,966	4.0%	3.9x	3.5x	3.1x	3.0x	12.1x	11.9x	10.5x
Median			86%	\$ 4,608	\$ 5,437	\$ 3,921	6.7%	11.4%	\$ 2,966	4.1%	2.6x	1.4x	1.4x	1.4x	12.1x	11.7x	10.5x
Mean			89%	5,459	10,776	14,402	6.7%	16.1%	12,108	5.1%	2.8x	1.8x	1.7x	1.7x	10.6x	10.3x	9.6x
Better-For-You																	
The Hain Celestial Group, Inc.	U.S.	\$ 32.07	70%	\$ 3,333	\$ 3,961	\$ 2,915	13.6%	9.5%	\$ 3,087	4.3%	2.3x	1.4x	1.3x	1.3x	14.3x	11.8x	10.9x
SunOpta Inc.	CA	7.13	68%	619	1,145	1,280	4.2%	4.9%	982	1.8%	7.3x	0.9x	0.9x	0.9x	18.3x	12.8x	10.8x
The Simply Good Foods Company	U.S.	13.73	86%	969	1,099	410	NA	16.8%	953	NA	1.6x	2.7x	2.6x	2.5x	16.0x	14.8x	14.0x
Median			70%	\$ 969	\$ 1,145	\$ 1,280	8.9%	9.5%	\$ 982	3.0%	2.3x	1.4x	1.3x	1.3x	16.0x	12.8x	10.9x
Mean			75%	1,640	2,068	1,535	8.9%	10.4%	1,674	3.0%	3.7x	1.6x	1.6x	1.6x	16.2x	13.1x	11.9x
Confectionery/Snacks																	
Mondelez International, Inc.	U.S.	\$ 41.73	88%	\$ 61,555	\$ 79,527	\$ 26,247	-5.6%	20.7%	\$ 64,503	4.1%	3.7x	3.0x	3.0x	2.9x	14.6x	14.6x	13.6x
The Hershey Company	U.S.	98.96	85%	20,709	23,386	7,608	2.5%	23.7%	5,554	17.5%	1.4x	3.1x	3.0x	2.9x	13.0x	12.4x	12.0x
Post Holdings, Inc.	U.S.	75.76	85%	5,206	11,013	5,740	42.6%	18.6%	12,673	4.1%	6.6x	1.9x	1.8x	1.7x	10.3x	8.9x	8.2x
J&J Snack Foods Corp.	U.S.	136.56	87%	2,554	2,421	1,143	5.8%	14.3%	888	8.7%	NA	2.1x	2.1x	2.0x	14.8x	14.5x	13.5x
Tootsie Roll Industries, Inc.	U.S.	29.45	77%	1,897	1,902	519	-1.1%	19.4%	931	5.5%	NA	3.7x	NA	NA	18.9x	NA	NA
John B. Sanfilippo & Son, Inc.	U.S.	57.87	77%	656	724	879	4.0%	7.9%	426	8.2%	1.4x	0.8x	0.8x	0.8x	10.4x	9.9x	8.9x
Median			85%	\$ 3,880	\$ 6,717	\$ 3,442	3.2%	19.0%	\$ 3,242	6.8%	2.6x	2.6x	2.1x	2.0x	13.8x	12.4x	12.0x
Mean			83%	15,429	19,829	7,023	8.0%	17.5%	14,162	8.0%	3.3x	2.4x	2.1x	2.1x	13.7x	12.1x	11.3x

Definitions

CAGR: Compounded 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

LTM: Last Twelve Months

Source: S&P Global Market Intelligence as of March 31, 2018. Specific company selection based on a minimum value of \$100MM of previous fiscal year's revenue.

Public Company Trading Statistics

(USD in millions, except per share data)

Company	HQ	31-Mar-18 Stock Price	% of 52-Wk High	Market Cap.	Enterprise Value	Operating Metrics (LTM)						Enterprise Value as a Multiple of					
						Revenue	CAGR, 5-Yr.	EBITDA Margin	Assets	Ret. on Assets	Net Debt/ EBITDA	Revenue			EBITDA		
												LTM	2018E	2019E	LTM	2018E	2019E
Protein Producers																	
Tyson Foods, Inc.	U.S.	\$ 73.19	86%	\$ 26,898	\$ 36,308	\$ 39,307	3.5%	10.1%	\$ 28,046	7.9%	2.4x	0.9x	0.9x	0.9x	9.2x	8.2x	8.2x
Hormel Foods Corporation	U.S.	34.32	90%	18,174	18,672	9,219	2.1%	14.9%	7,859	10.4%	0.4x	2.0x	1.9x	1.8x	13.6x	13.3x	12.4x
Pilgrim's Pride Corporation	U.S.	24.61	64%	6,127	8,289	10,768	5.8%	12.7%	6,249	12.2%	1.6x	0.8x	0.7x	0.7x	6.1x	6.0x	6.0x
Seaboard Corporation	U.S.	4,265.00	91%	4,992	4,008	5,989	-1.0%	6.2%	5,255	3.2%	NA	0.7x	NA	NA	10.8x	NA	NA
Maple Leaf Foods Inc.	CA	24.35	85%	3,084	2,922	2,736	-2.9%	9.0%	2,106	5.5%	NA	1.1x	1.1x	1.0x	11.8x	9.6x	8.7x
Sanderson Farms, Inc.	U.S.	119.02	67%	2,718	2,329	3,426	6.8%	14.9%	1,722	16.0%	NA	0.7x	0.7x	0.6x	4.6x	5.9x	6.1x
Cal-Maine Foods, Inc.	U.S.	43.70	87%	2,125	1,924	1,334	1.5%	8.3%	1,144	3.1%	NA	1.4x	1.3x	1.3x	NM	8.7x	9.3x
High Liner Foods Incorporated	CA	8.65	52%	289	663	1,054	2.3%	5.2%	908	3.1%	7.0x	0.6x	0.6x	0.6x	12.0x	8.8x	8.3x
Clearwater Seafoods Incorporated	CA	3.55	38%	227	580	495	12.1%	15.6%	615	4.3%	4.6x	1.2x	1.2x	1.2x	7.5x	7.4x	6.8x
Bridgford Foods Corporation	U.S.	14.96	69%	136	129	168	5.6%	8.0%	92	6.8%	NA	0.8x	NA	NA	9.6x	NA	NA
Median			77%	\$ 2,901	\$ 2,626	\$ 3,081	2.9%	9.6%	\$ 1,914	6.1%	2.4x	0.8x	1.0x	0.9x	9.6x	8.5x	8.3x
Mean			73%	6,477	7,582	7,450	3.6%	10.5%	5,400	7.2%	3.2x	1.0x	1.1x	1.0x	9.5x	8.5x	8.2x
Specialty-Pet																	
Blue Buffalo Pet Products, Inc.*	U.S.	\$ 39.81	99%	\$ 7,898	\$ 7,898	\$ 1,275	19.5%	24.6%	\$ 849	25.3%	0.4x	6.2x	5.7x	5.1x	25.2x	23.1x	17.9x
Freshpet, Inc.	U.S.	16.45	79%	579	576	156	29.2%	6.5%	134	-1.2%	NA	3.7x	3.1x	2.6x	NM	NM	17.2x
Median			89%	\$ 4,238	\$ 4,237	\$ 716	24.3%	15.5%	\$ 491	12.0%	0.4x	4.9x	4.4x	3.8x	25.2x	23.1x	17.6x
Mean			89%	4,238	4,237	716	24.3%	15.5%	491	12.0%	0.4x	4.9x	4.4x	3.8x	25.2x	23.1x	17.6x
Non-Alcoholic Beverages																	
The Coca-Cola Company	U.S.	\$ 43.43	89%	\$ 184,806	\$ 214,191	\$ 33,918	-6.7%	35.4%	\$ 93,282	6.6%	2.5x	6.3x	6.7x	6.4x	17.8x	18.7x	17.6x
PepsiCo, Inc.	U.S.	109.15	89%	154,758	174,639	64,038	-0.5%	19.8%	81,887	8.4%	1.8x	2.7x	2.7x	2.6x	13.8x	13.1x	12.3x
Monster Beverage Corporation	U.S.	57.21	81%	32,404	31,202	3,369	10.3%	38.1%	4,791	17.2%	NA	9.3x	8.3x	7.5x	24.3x	22.4x	20.1x
Dr Pepper Snapple Group, Inc.	U.S.	118.38	93%	21,335	25,704	6,774	2.4%	22.7%	10,179	8.2%	2.9x	3.8x	3.7x	3.6x	16.7x	15.9x	14.9x
Cott Corporation	CA	14.70	83%	2,060	4,200	2,294	0.5%	12.0%	3,212	1.4%	3.9x	1.8x	1.8x	1.7x	15.2x	13.3x	12.4x
National Beverage Corp.	U.S.	89.02	69%	4,149	3,989	943	7.4%	22.5%	401	34.6%	NA	4.2x	4.1x	3.6x	18.8x	18.0x	15.4x
Farmer Bros. Co.	U.S.	30.20	81%	506	584	571	2.8%	7.5%	454	2.1%	1.9x	1.0x	0.9x	0.9x	13.7x	11.0x	8.9x
Median			83%	\$ 21,335	\$ 25,704	\$ 3,369	2.4%	22.5%	\$ 4,791	8.2%	2.5x	3.8x	3.7x	3.6x	16.7x	15.9x	14.9x
Mean			84%	57,145	64,930	15,987	2.3%	22.6%	27,744	11.2%	2.6x	4.2x	4.0x	3.8x	17.2x	16.0x	14.5x
Alcoholic Beverages																	
Constellation Brands, Inc.	U.S.	\$ 227.92	98%	\$ 43,620	\$ 54,532	\$ 7,585	22.1%	43.1%	\$ 20,539	7.9%	3.6x	7.2x	6.7x	6.3x	16.7x	17.4x	15.9x
Brown-Forman Corporation	U.S.	54.40	96%	27,956	29,540	3,210	2.8%	36.8%	5,042	14.5%	1.5x	9.2x	9.0x	8.5x	25.0x	26.1x	23.5x
Molson Coors Brewing Company	U.S.	75.33	77%	16,250	27,360	10,886	21.8%	21.8%	30,185	3.3%	4.6x	2.5x	2.5x	2.5x	11.5x	11.0x	10.7x
The Boston Beer Company, Inc.	U.S.	189.05	93%	2,202	2,111	892	8.1%	19.6%	580	13.2%	NA	2.4x	2.3x	2.2x	12.1x	12.5x	11.8x
Median			95%	\$ 22,103	\$ 28,450	\$ 5,398	15.0%	29.3%	\$ 12,790	10.6%	3.6x	4.9x	4.6x	4.4x	14.4x	15.0x	13.8x
Mean			91%	22,507	28,386	5,643	13.7%	30.3%	14,086	9.7%	3.3x	5.3x	5.1x	4.9x	16.3x	16.8x	15.5x

* Blue Buffalo Pet Products, Inc. was acquired by General Mills, Inc. on April 24, 2018 and has been delisted from the NASDAQ. Given the acquisition was announced on February 23, 2018, the stock price of Blue Buffalo Pet Products, Inc. may have been inflated as of March 31, 2018.

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1. Source: Thomson Financial Securities Data (U.S. deals \$75M < \$225M, including deals without a disclosed value). Full years 2013 through 2017. 2. Source: Published in Thomson Reuters' "Mergers & Acquisitions Review - Full Year 2015, 2016 and 2017."

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