



M&A Update

Food & Beverage

December 2019

Key Highlights

M&A in the United States

The broad M&A market in the U.S. remains healthy even in light of economic and political uncertainties, while valuations continue to climb to record highs.

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M&A in the Food & Beverage Sector

205 deals have been announced or completed in the sector so far in 2019, representing a 10% increase compared to the same time period last year.

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Notable Transactions

Apollo's \$2.1 billion buyout of Smart & Final Stores, and Dairy Farmers of America's acquisition of the remaining stake in Stremick's Heritage Foods for \$1.8 billion rank among the top deals.

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Public Markets

The performance of public companies in the sector has improved substantially in the second half of 2019 to narrow the gap with the broader market

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M&A in the United States

Deal Activity & Valuations

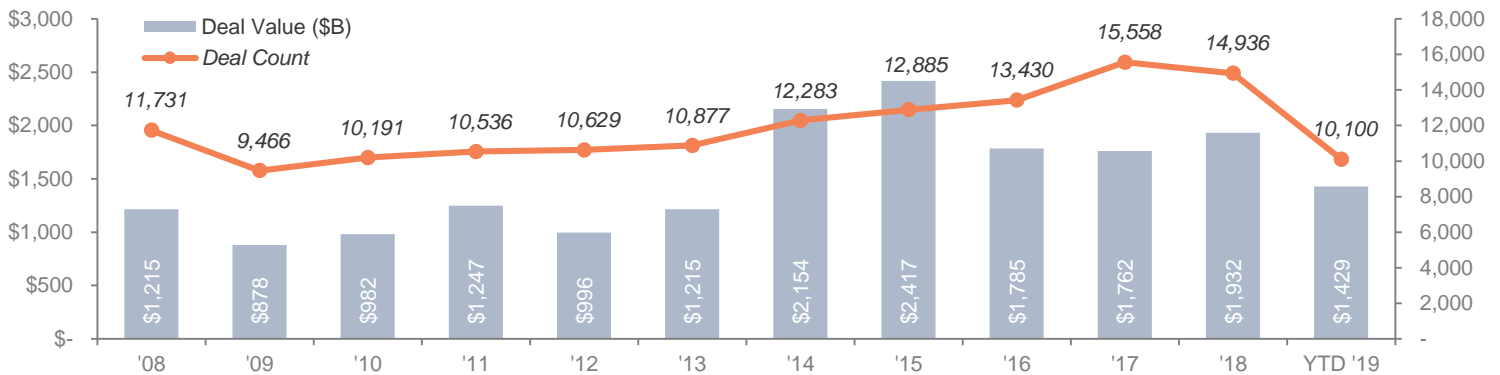
Deal Activity

The broad U.S. M&A market in 2019 remains healthy despite economic uncertainty from trade tensions and recession risk. Though year-to-date activity has been lower than in the same time period in 2018 – total deal volume and value declined 28% and 23%, respectively – the current M&A environment is fundamentally strong due to low interest rates, the bull market in stocks, high valuations and large capital reserves waiting to be deployed by strategic and financial acquirers.

10,100 M&A Deals	\$1.4 Trillion Deal Value
▼ 28% YoY decline	▼ 23% YoY decline

Total M&A Deal Volume & Value in the United States

\$ in Billions; Year to date through November 30, 2019



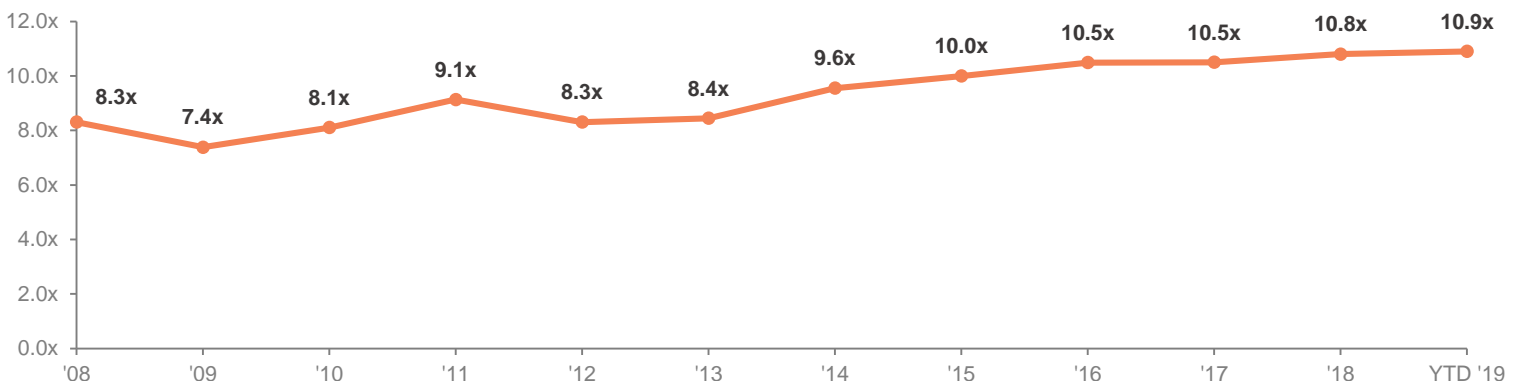
Valuations

Valuation levels continue to climb amid strong deal competition, cheap capital and high sellers' expectations. After reaching a lofty 10.8x in 2018, the median Enterprise Value (EV) to EBITDA multiple rose to double digits once again in 2019. The current benchmark of 10.9x EBITDA represents a 47% increase (equivalent to 3.5x EBITDA) vs. 2009 and marks the fifth consecutive year with valuation multiples north of 10.0x.

10.9x	10.5x
Current Median EV / EBITDA	5-Year Median EV / EBITDA

Median Enterprise Value (EV) / EBITDA Valuation Multiple

Only includes transactions with disclosed financial terms; Year to date through November 30, 2019



Sources: S&P Capital IQ, Pitchbook, IMAA Institute, CCCA Research

Definitions: YoY = Year-over-year; Enterprise Value = Market Cap + Debt – Cash; EBITDA = Earnings Before Interest, Taxes, Depreciation & Amortization

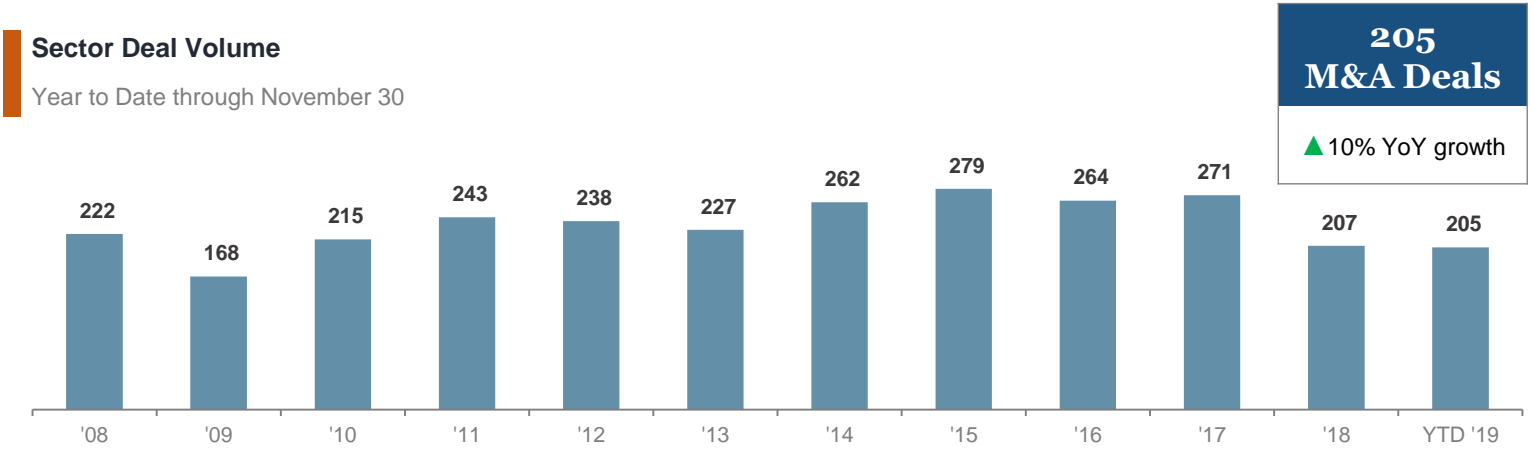
M&A in the Food & Beverage Sector

Sector Snapshot

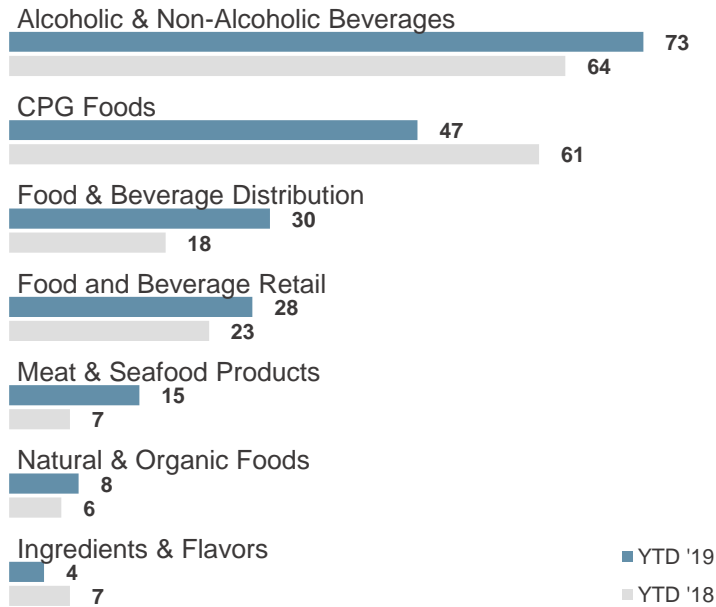
Industries in the U.S. Food & Beverage Sector

- Food & Beverage Retail
- Food & Beverage Distribution
- Meat & Seafood Products
- Ingredients & Flavors
- Alcoholic & Non-Alcoholic Beverages
- CPG Foods

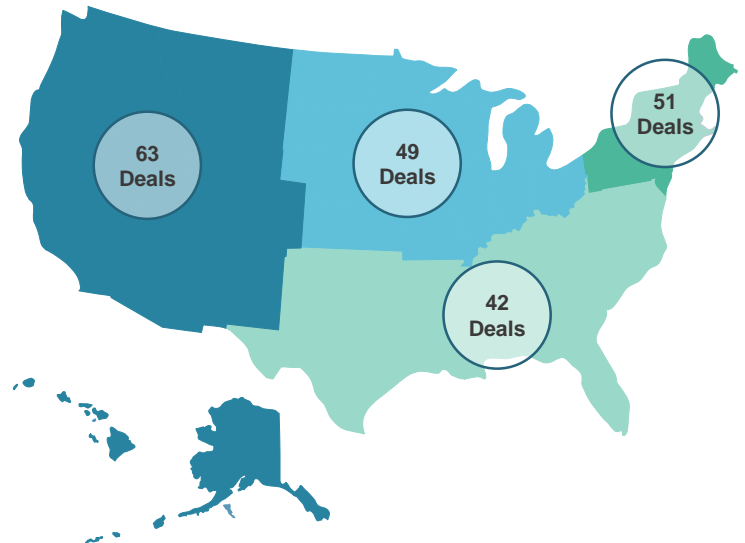
Sector M&A Deal Volume



M&A Deal Volume by Industry



M&A Deal Volume by U.S. Region



Sources: S&P Capital IQ, Pitchbook, IMAA Institute, CCCA Research
Definitions: YoY = Year-over-year

M&A in the Food & Beverage Sector

Notable Deals & Buyer Mix

Notable Deals

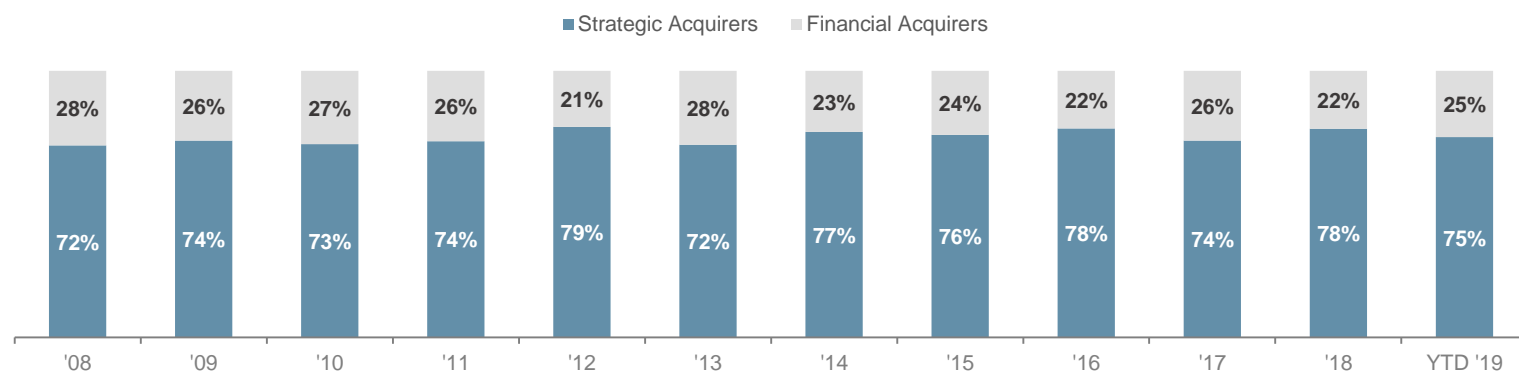
Date Closed or Announced	Company	Acquirer	Enterprise Value (EV) (\$ in MM)	Implied EV / Revenue	Implied EV / EBITDA
Aug 2019	Castle Brands	Perond Ricard SA (ENXTPA:RI)	\$276	3.1x	-
Aug 2019	ONE Brands	The Hershey Company (NYSE:HSY)	\$401	-	-
Aug 2019	Quest Nutrition	Atkins Nutritional Holdings	\$1,000	-	-
Jul 2019	International Coffee & Tea	Jollibee Worldwide	\$350	1.1x	-
Jun 2019	Prinova Group	Nagase America Corporation	\$621	-	-
Jun 2019	B&R Global Holdings	HF Foods Group	\$644	1.2x	28.2x
May 2019	Off-Centered Way / Dogfish Head Brewery	The Boston Beer Company (NYSE:SAM)	\$1,350	-	-
Apr 2019	Stremick's Heritage Foods	Dairy Farmers of America	\$1,795	-	-
Apr 2019	Smart & Final Stores	Apollo Management	\$2,078	0.4x	13.2x
Apr 2019	Bolthouse Farms	Butterfly Enterprises	\$510	-	-

Note: This table includes only a sample of relevant transactions in the context of M&A activity in the sector. It is not meant to be all-inclusive.

Buyer Mix

Share of Acquisitions

% of Acquisitions by Strategic and Financial Acquirers



Sources: S&P Capital IQ, Pitchbook, IMAA Institute, CCCA Research

Definitions: Enterprise Value = Market Cap + Debt – Cash; EBITDA = Earnings Before Interest, Taxes, Depreciation & Amortization

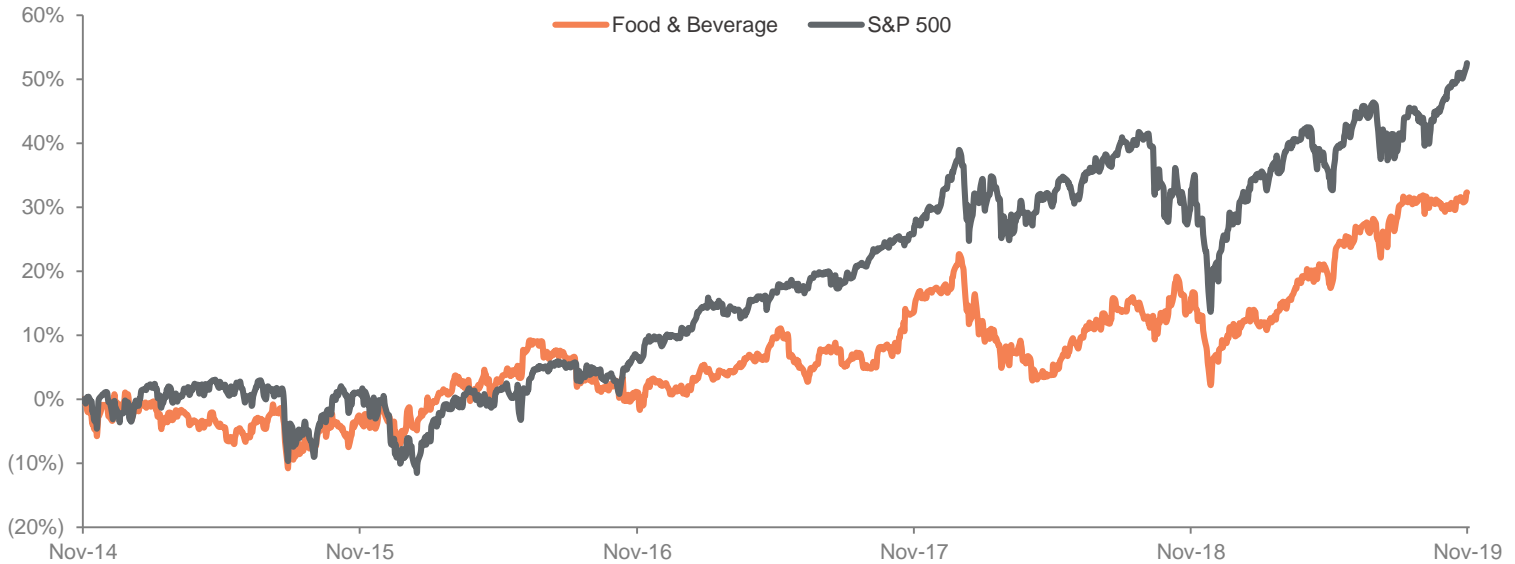
Public Companies in the Food & Beverage Sector

Performance & Valuations

Sector Performance

Return vs. S&P 500

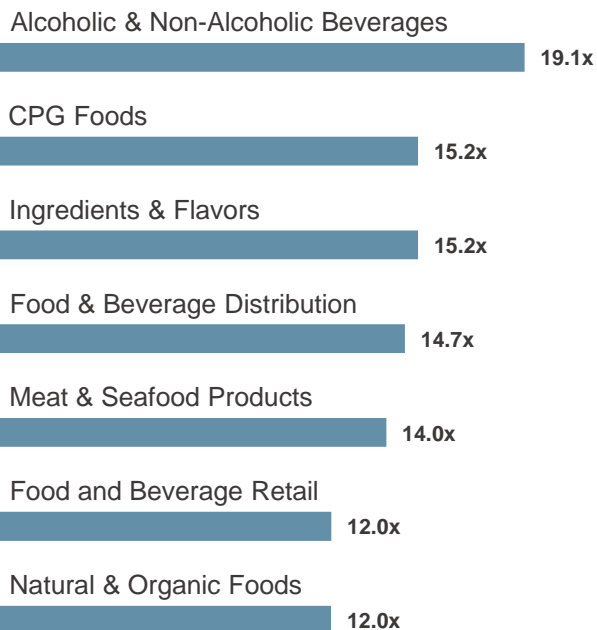
Last 5 Years



Valuations

Enterprise Value / LTM EBITDA

Median of Publicly Traded Companies



Enterprise Value / NTM EBITDA

Median of Publicly Traded Companies



Sources: S&P Capital IQ, Pitchbook, IMAA Institute, CCCA Research

Definitions: Enterprise Value = Market Cap + Debt - Cash; EBITDA = Earnings Before Interest, Taxes, Depreciation & Amortization; LTM = Last Twelve Months; NTM = Next Twelve Months

CC Capital Advisors

Firm Overview

Who We Are

CC Capital Advisors is a boutique investment banking firm providing mergers and acquisitions, capital raising and strategic advisory services to middle market clients. Our experienced team of committed advisors combines long-standing transaction experience to provide independent and uncompromised services to achieve our clients' objectives.

Who We Serve

We tailor our services to a broad base of clients, including entrepreneurs, family-owned businesses, private and public corporations, family offices, private equity and venture capital investors. Clients have repeatedly chosen us as trusted advisors and partners because of our quality advice, ability to execute transactions and client-first philosophy.

What We Do

Mergers & Acquisitions	Capital Raising Advisory	Strategic Advisory
<ul style="list-style-type: none">Sales of privately-held companiesBuy-side acquisitionsMinority buyoutsCorporate subsidiary divestituresPrivate equity and venture capital portfolio divestitures	<ul style="list-style-type: none">Senior secured and unsecured debtMezzanine capitalGrowth equity capitalRecapitalizationsPrivate placements of institutional capital	<ul style="list-style-type: none">Business valuationsFairness opinionsStrategic options assessmentOwnership transition planningCorporate reorganizations

Why Clients Choose Us

100+ Years	Collective investment banking experience of our team	\$7 Billion	Completed transaction experience of our team
Midwest Values	Integrity, experience and commitment are our core values	\$1 Billion	Completed transaction value in the last five years
Global Reach	We represent clients across the world	15 Deals	Number of transactions closed since 2017

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