



*M&A Update*

## Food & Beverage

September 2020

# Key Highlights

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# M&A in the United States

## Deal Activity & Valuations

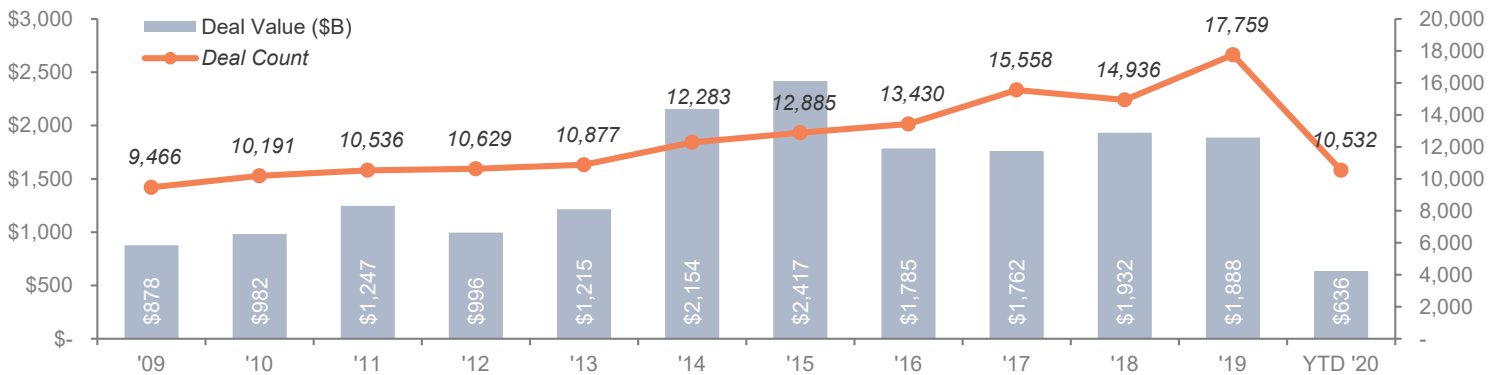
### Deal Activity

Mergers and acquisitions activity through the end of the third quarter of 2020 fell 20% on a year-over-year basis as the economic effects of the coronavirus pandemic continue to influence deal activity in the United States. Additionally, total deal value continues to decline as acquirers have developed a more cautious approach to the deployment of capital, given the vast uncertainties surrounding the pandemic.

<b>10,532</b> M&A Deals	<b>\$0.6 Trillion</b> Deal Value
▼ 20% YoY decline	▼ 55% YoY decline

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

\$ in Billions; Year to date through September 30, 2020



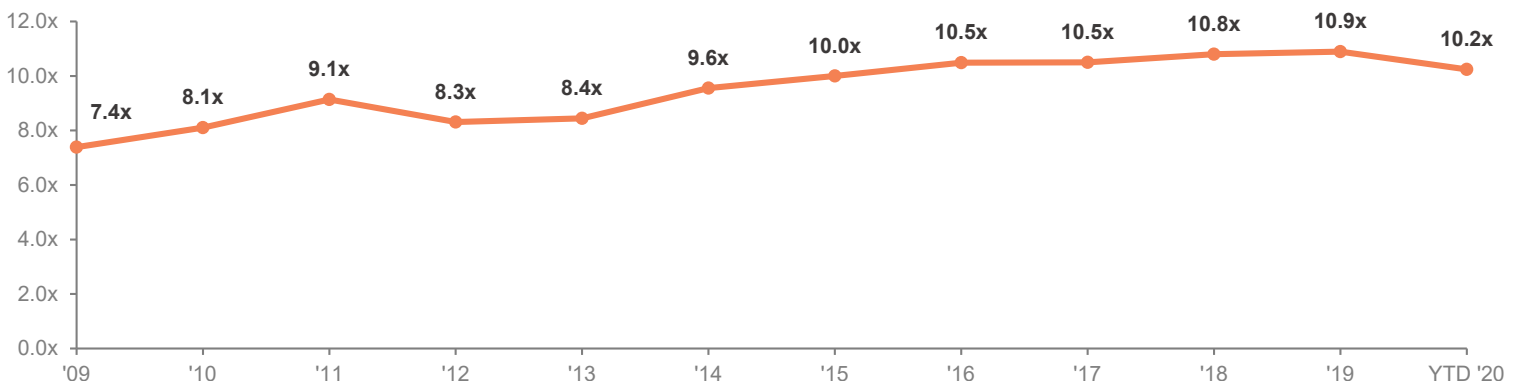
### Valuations

Given the complexity of accurately valuing assets in the current coronavirus environment as well as the overall uncertainty surrounding the market, acquirers have creatively modified transaction structures resulting in less cash at close while maintaining relatively high valuation multiples.

<b>10.2x</b>	<b>10.5x</b>
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 September 30, 2020



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

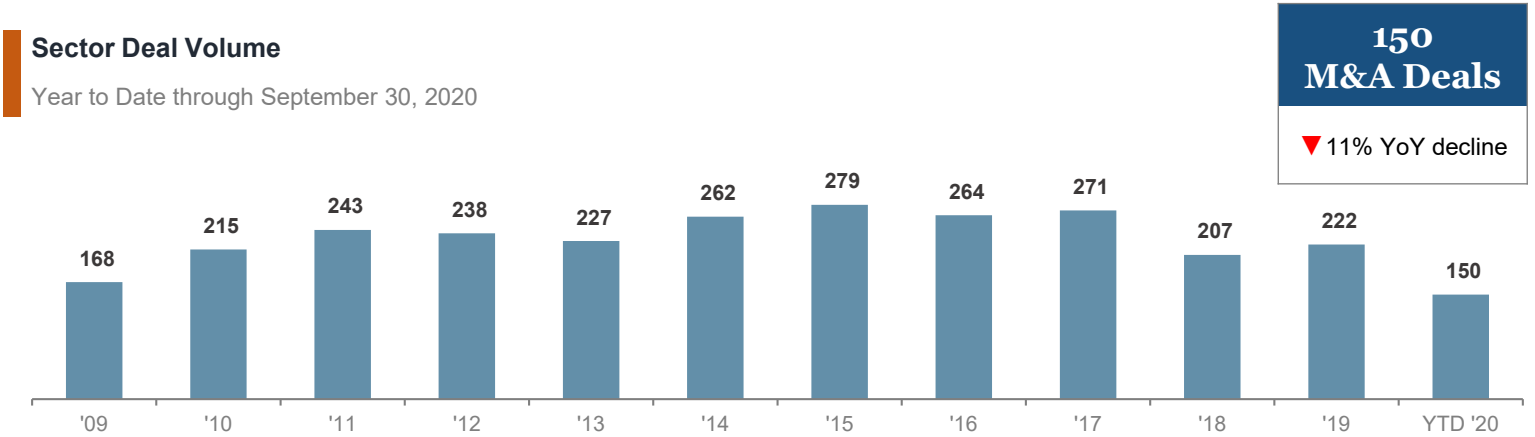
# M&A in the Food & Beverage Sector

## Sector Snapshot

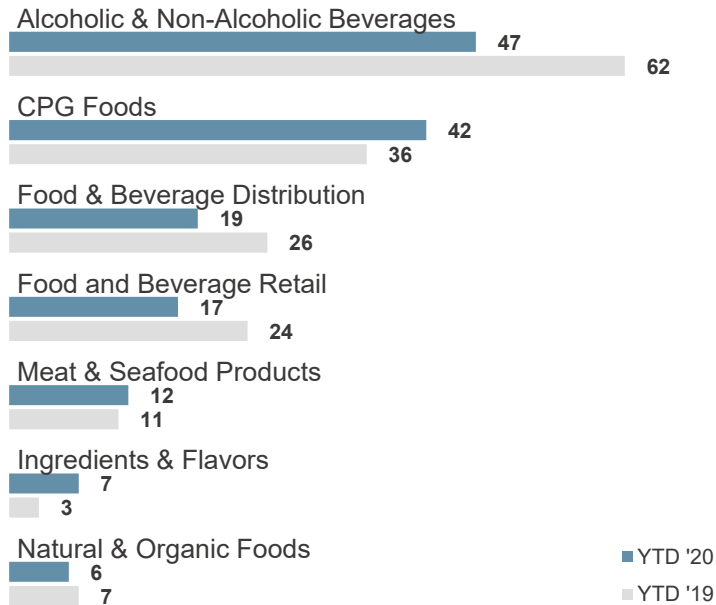
### Industries in the U.S. Food & Beverage Sector

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

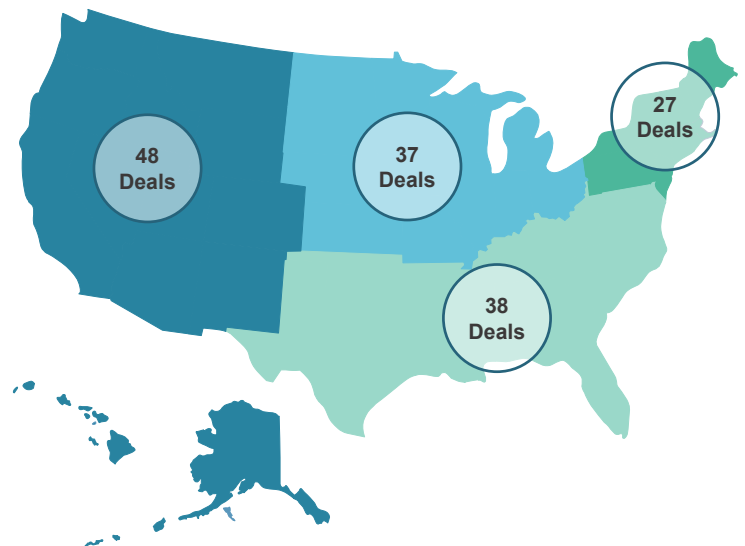
### Sector M&A Deal Volume



### 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

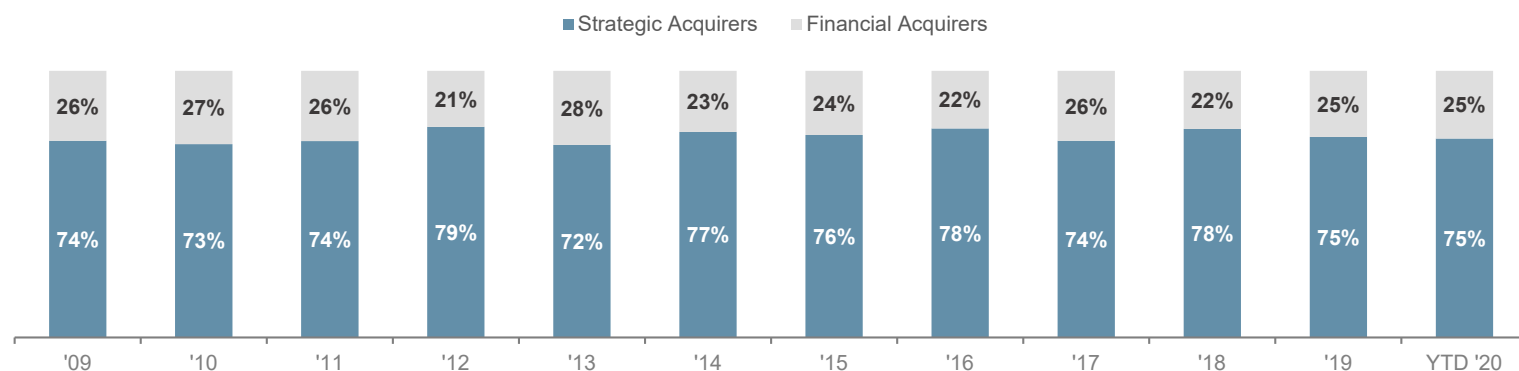
Date	Company	Acquirer	Enterprise Value (EV) (\$ in MM)	Implied EV / Revenue	Implied EV / EBITDA
Sep 2020	Brands Within Reach, LLC	Zachert Private Equity GmbH	\$15	-	-
Sep 2020	Copper and Kings American Brandy Company	Constellation Brands, Inc. (NYSE:STZ)	-	-	-
Sep 2020	Silva International, Inc.	Universal Corporation (NYSE:UVV)	\$170	-	-
Aug 2020	Waterloo Sparkling Water Corp.	Flexus Capital, LLC; Waterloo Capital, LLC; Moore Strategic Ventures, LLC	-	-	-
Aug 2020	Davos Brands LLC	Diageo plc (LSE:DGE)	\$610	-	-
Aug 2020	Fresh Promise Foods, Inc.	Human Brands International, Inc.	-	-	-
Aug 2020	Cascade Coffee, Inc.	Westward Partners, LLC	-	-	-
Jul 2020	Olde Thompson Inc.	Kainos Capital LP	-	-	-
Jul 2020	Empathy Wines, LLC	Constellation Brands, Inc. (NYSE:STZ)	-	-	-
Jun 2020	Kona Brewing Co., Inc.	PV Brewing Partners, LLC	\$16	-	-

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

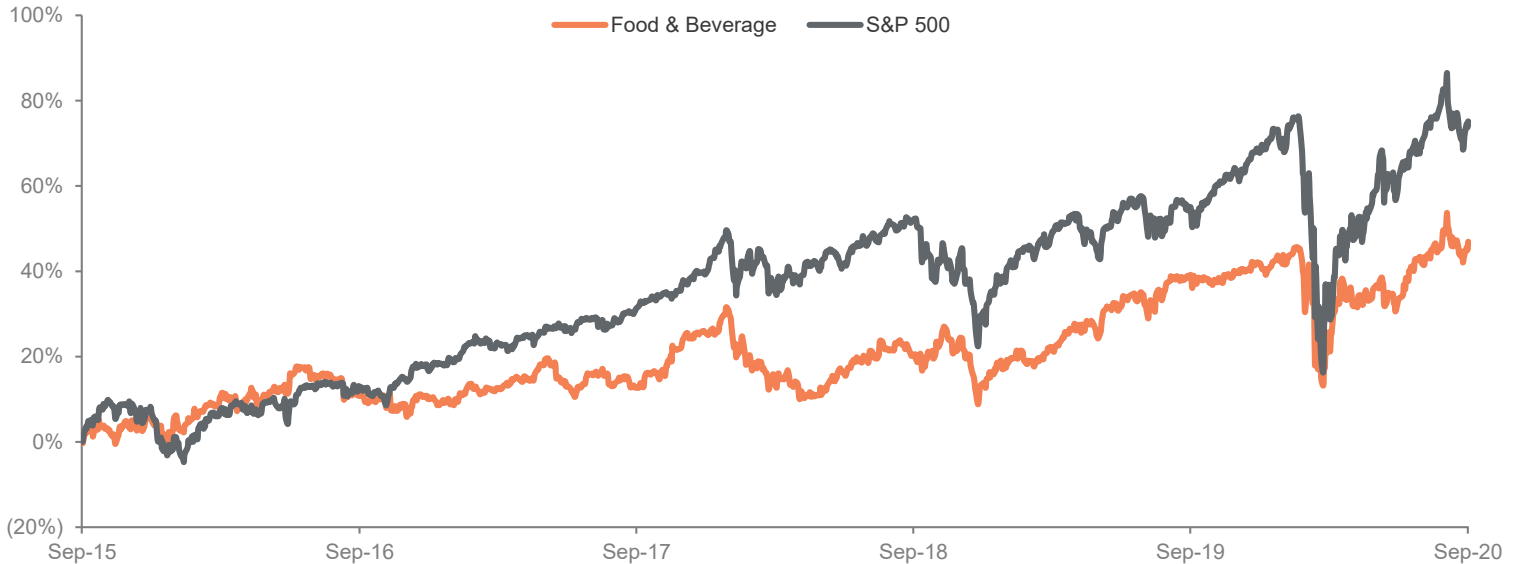
# Public Companies in the Food & Beverage Sector

## 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"><li>Sales of privately-held companies</li><li>Buy-side acquisitions</li><li>Minority buyouts</li><li>Corporate subsidiary divestitures</li><li>Private equity and venture capital portfolio divestitures</li></ul>	<ul style="list-style-type: none"><li>Senior secured and unsecured debt</li><li>Mezzanine capital</li><li>Growth equity capital</li><li>Recapitalizations</li><li>Private placements of institutional capital</li></ul>	<ul style="list-style-type: none"><li>Business valuations</li><li>Fairness opinions</li><li>Strategic options assessment</li><li>Ownership transition planning</li><li>Corporate reorganizations</li></ul>

### Why Clients Choose Us

<b>100+ Years</b>	Collective investment banking experience of our team	<b>\$7 Billion</b>	Completed transaction experience of our team
<b>Midwest Values</b>	Integrity, experience and commitment are our core values	<b>\$1 Billion</b>	Completed transaction value in the last five years
<b>Global Reach</b>	We represent clients across the world	<b>20+ Deals</b>	Number of transactions closed since 2017

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The information contained in this report was compiled by CC Capital Advisors from a variety of sources including news reports, S&P Capital IQ, Pitchbook, IMAA Institute, SEC filings, company statements, and information provided by M&A professionals. Many deals did not disclose pricing, and other private transactions may not have been publicly announced. Transactions are subject to change or termination prior to closing. While CC Capital Advisors makes a good faith effort to ensure the accuracy of this report, it is intended for general information purposes only. CC Capital Advisors is not responsible for any errors or omissions in this report.

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