



Sign of the Times



KPMG Corporate Finance LLC
3rd Quarter 2022 Beverage Newsletter

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The Hard and Fast Liquid Refreshment Beverage Category is Finally Shaking Up

In this quarter's Food & Beverage newsletter, we are taking a deeper dive into the liquid refreshment beverage (LRB) category, which includes all non-alcoholic beverages. This segment contains the two largest beverage categories in the U.S. by volume, bottled water and carbonated soft drinks (CSD), each comprising of a market share of more than 30%. Today, total LRB revenue is approx. \$204 billion across the food service and take-home channels, up 13% year-over-year.

In 2021, we saw strong sales across several categories in the LRB segment even as the return to on-premise

consumption failed to meet its projections. The at-home consumption channel carried the category and was able to offset the softness experienced by on-premise. Over the two year pandemic period, the CAGR for on-premise fell to -5.6%, while the CAGR for off-premise grew to 3.5%, resulting in a total CAGR of -0.2% and total volume CAGR of 0.7%. This signaled a strong recovery in the latter part of the pandemic period as LRBs in the US saw 13% year-over-year growth in 2021.

Many food & beverage companies are still figuring out how to navigate the pandemic's lasting impact to changes

in consumer preferences. The return to normalcy, and consumer's growing focus on health and wellness, has left many LRB companies scrambling to innovate and adapt to shifting category trends.

As consumers move away from high calorie and sugary options (CSDs, juice, sports, and energy drinks) towards healthier beverages, companies will have to be focused on investments in R&D, new route to market strategies, and M&A opportunities within water, brewed beverages, and healthier juice options that meet the needs of today's consumer.

Consumer behaviors continue to transform the beverage landscape



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E-Commerce is Now Business Critical as At-Home Consumption Accelerates

Source: BofA Equity Research Report

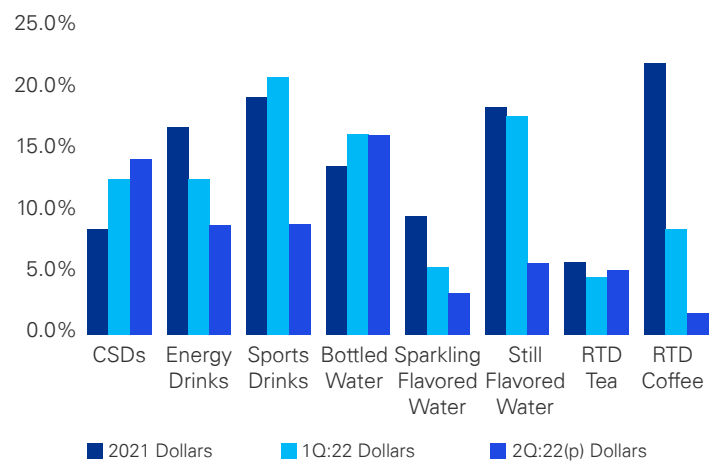
The Next Wave... Which LRB Categories are Hottest?

Consumer tastes in the US are shifting towards no and low calorie beverages

LRB categories performed well in 2021 showing its resiliency after a weak 2020.

- CSDs witnessed an upward trend after 16 years of consecutive declines
- Niche categories including ready-to-drink (RTD) coffee, flavored water, and energy drinks, all experienced double-digit growth
- Bottled water, one of the largest LRB categories, performed well experiencing 12.5% growth from a year ago
- As we navigate economic downturns in 2022, some interesting trends have emerged in the LRB category. While all signs point to no and low calorie options taking market share, CSDs have seen significant dollar value growth in 1H:22
- While flavored water options saw very strong growth in 2021, that impressive growth slowed to a more manageable level in 1H:22 and is expected to continue on a more cautious growth trajectory throughout the rest of the year

Retail Dollar Sales Growth in Measured Channels



Emerging beverage categories

While the US is experiencing a shift in taste to more low and no calorie beverages, which includes water, brands are still pushing innovation to capture emerging niche segments across the LRB universe. Many of these emerging segments have been able to utilize functionality as their core component with an aim to lean on younger consumers who are willing to pay a premium for a healthier refreshment alternative.



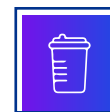
Cannabis-Infused Beverages

Constrained by laws and regulation, a consistent rise of CBD and THC infused beverages have immense potential as 2021 sales jumped 80% to \$645 million at the wholesale level



RTD Mate and Guayusa Tea

These are caffeinated herbal beverages that are likely to offer various health benefits. Sales of this category are projected to grow by 31.3% to reach \$88 billion



Protein Drinks

The demand for protein drinks is growing as peas, almonds, spirulina and other grains are becoming more widely available in drinks and is expected to surpass \$1 billion at wholesale

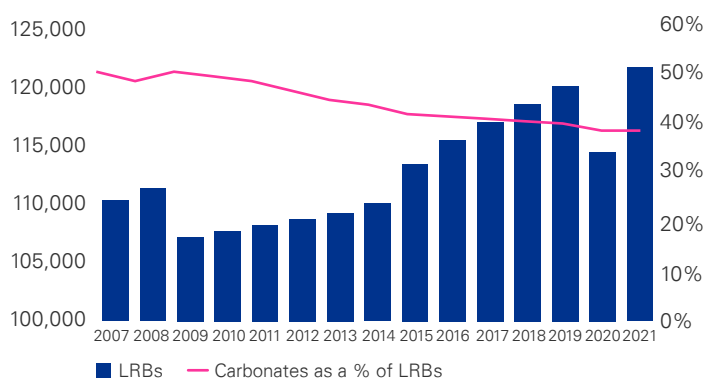
Source: Beverage Marketing Corporation; BofA Equity Research Report

Note: (p) is projected

As LRB volume continues to grow, carbonates lose share

- Since 2009, carbonates have seen a significant decline in their share of the LRB market, while LRB volume has seen steady growth year-over-year and a strong recovery from the pandemic related drop-off in 2020.
- LRB volume in 2021 reached a whopping 120.8 million liters sold, while carbonates as a percentage of LRBs has settled firmly below 40%.
- The recent uptick in carbonates may be attributed to increased demand for sparkling water, currently the fastest growing segment in bottled water

Carbonates as a Percentage of LRBs



Inflation Drives Sales Higher as Volume Suffers

Rising prices are impacting dollar sales

As of July 2022, the 12 month Consumer Price Index (CPI) decreased to 8.5% from its four-decade inflation high of 9.1% in June 2022. The 12 month CPI for food at home and for food away from home measured 13.1% and 7.6%, respectively as of July 2022. Although we have seen unprecedented inflation over the last 12 months, we are potentially shifting towards normalcy as the CPI remained unchanged for the month ended July 2022.

The CSD category saw an uptick in 4, 12, and 52 week dollar sales for the period ending July 16, 2022. Interestingly, nearly all the major players (Coca-Cola, PepsiCo, and Keurig Dr Pepper) saw declines or near flat volume over the same period. With pricing up 12.6% over the broader CSD category from a year ago, it is evident that dollar sale increases are driven entirely by rising prices and not volume.

CSD Retail Performance by Company, Plus Private Label (Dollars, Volume, Pricing)

Period Ending July 16, 2022	All Carbonated Soft Drinks	Coca-Cola	PepsiCo	Keurig Dr Pepper	Private Label	
52 week Dollar Sales (\$MM)	\$34,852	\$14,520	\$10,012	\$8,418	\$764	
\$ +/-	4 week	14.2%	17.4%	9.1%	14.0%	21.6%
	12 week	12.9%	16.1%	7.9%	12.7%	16.8%
	52 week	11.4%	13.4%	8.3%	12.0%	0.0%
Vol +/-	4 week	(1.4%)	2.0%	(8.3%)	0.4%	2.8%
	12 week	(1.7%)	0.0%	(6.1%)	(0.2%)	1.0%
	52 week	(1.3%)	(-0.4%)	(3.5%)	0.9%	(8.7%)
Price +/-	4 week	15.8%	15.1%	19.0%	13.5%	18.2%
	12 week	14.6%	16.1%	14.1%	12.9%	15.9%
	52 week	12.6%	13.8%	11.9%	11.1%	8.6%

What inflation means for beverages

Higher commodity costs paired with labor and trucker shortages are unlikely to result in short-term price stability. One data point to support this outlook is the 12 month producer price index (PPI), which grew by 9.8% as of July 2022. While consumers may switch some of their purchases from on-premise to off-premise, beverages are a consumer staple that is not as easily substitutable as consumer discretionary items or services like Netflix, which works to their benefit.

Supply chain issues with aluminum cans aren't going anywhere

Supply chain tensions have touched nearly every consumer product and beverages are the latest category to experience a slump, especially as global demand for canned drinks has been so strong. From gridlocks in trucking and shipping to labor shortages and unpredictable weather, lack of bottles and cans may be the biggest threat to beverage companies.

All of these factors have forced a change in buying patterns, resulting in a trickle-down effect on product offerings and time-to-market. According to a Credit Suisse report, the supply of aluminum cans in North America is sold out up to 24- 36 months and supply may not even out until 2025 or 2026. Suppliers have shifted focus to their large customers leaving smaller businesses to adapt and improvise at a substantial cost to their bottom line. Some companies say they've lost up to a month or 15% of their annual sales due to supply issues. Anything sold in a 12 ounce can will continue to face the greatest challenges. LRB companies should continue to look towards innovation and sustainable, alternative packaging methods like 100% recycled polyethylene terephthalate (PET) for future success.



Source: Beverage Marketing Corporation; IRI; other publicly available sources

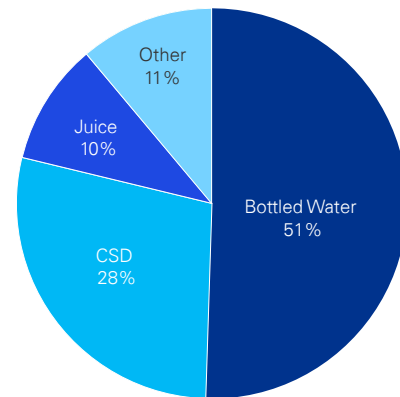
Bottled Water Plays Crucial Role in Non-alc Beverages

The US leads global market consumption volume share in both functional and flavored water

- The global bottled water market share was \$302 billion in 2021 and is expected to grow to \$515 billion over the next 10 years. The US leads the global market consumption volume share in both functional and flavored water
- Bottled water through more recent innovation is still expanding with newer products like Smartwater (KO), Lifewtr (PEP), and Pure Life, as consumers strive for healthier beverages in portable form
- Despite the bright outlook for bottled water, some young, ethical-minded consumers are increasingly opting for tap water (99% of US Consumers have access to clean tap water) or drinking fountains to reduce their environmental footprints
- So far in 2022, bottled water has seen its volume growth progressively decelerate, while its retail dollar growth remains surprisingly strong. Bottled water dollar growth hit 14.8% on a mere 1.5% volume growth in 2Q:22
- The flavored water category has slowed experiencing an estimated 13.3% decline in volume growth off of a strong 12.0% in 2021; however, record pricing still yields solid dollar growth
- The most surprising category has been sparkling flavored water. Volume declined 5.3% in 2Q:22 while dollars continued to grow (although not at the 20%+ levels of prior years)

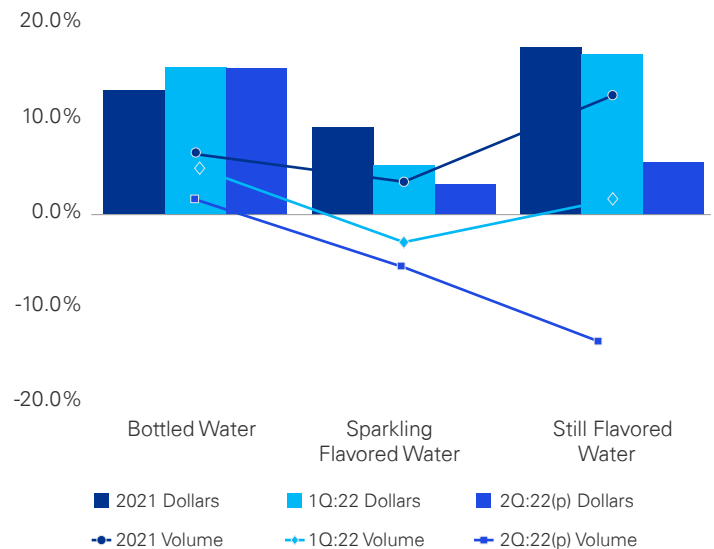
Over 50% of Non-Alcoholic beverage consumption in the home is bottled water. While the global LRB category is ~714.4 billion liters in size (take home + on premise) and has enjoyed a five-year volume growth CAGR of 3.2%

At Home LRB Volume



Note: Other includes RTD Tea, Sports Drinks, Energy Drinks, RTD Coffee, Asian Specialty, & Concentrates)

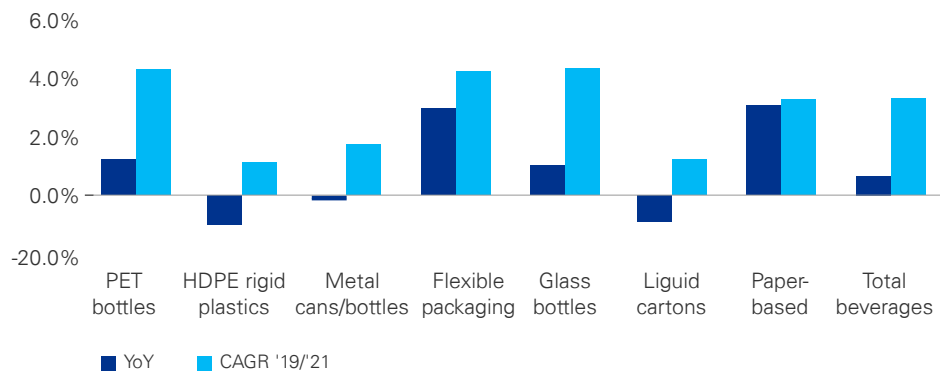
Volume & Retail Dollar Sales by Category 2021 vs. 1Q & 2Q 2022(p)



100% recycled PET fueling sustainability efforts in the LRB category

Traveling with a water bottle has become as ubiquitous as having a phone in your hand, forcing companies to choose more sustainable packaging to decrease their environmental footprint. While rPET flexible packaging, and glass bottles seem to be the most attractive sustainability efforts, they each have their own set of challenges. As discussed, there have been supply chain issues with aluminum, resin, rPET, with companies experiencing shortages and demand driven price hikes through 1H:22. LRB manufacturers may have to look further for sustainability such as returnable glass, paper bottles or cartons.

Change in US LRB Packaging by Type



Coca-Cola recently announced their bottled water brand DASANI will transition to 100% rPET bottles this summer. As big player's continue to rollout rPET bottles, sourcing issues will only grow larger

Source: BofA Equity Research Report, Euromonitor, Beverage Marketing Corp
 Note: (p) is projected



Functionality is Driving Differentiation in LRBs

Energy drinks are projected to drive growth with a 5 year CAGR of +8.0% ”

Beyond energy, consumer demand for nutritional density in beverages is increasing. This is related to changes in consumer behavior as lives got busier (pre-pandemic) and in the aftermath of the pandemic, consumer habits regarding health and wellness continue to evolve.

The traditional eating pattern of three meals occasionally augmented by a snack is being displaced by one where consumers are eating more “mini-meals” throughout the day. This is disrupting traditional meals (e.g., shrinking) and snacks (consumers seeking more

nutritional density). Beverages are playing a role in meeting this change in behavior with offering higher levels of protein, fruits and vegetables, micro nutrients, and other nutritional wants and desires.

Recent developments in functional beverage



PepsiCo announced a \$550 million investment and long-term distribution deal with Celsius making them the preferred distribution partner globally and 8.5% minority owners. The investment values Celsius at ~\$6.47 billion (~336x EV / TTM EBITDA). The deal occurs shortly after parting ways as distributors of Bang and further solidifies the importance of functionality in every major beverage player’s portfolio.

In the 1H:22 introductions of new functional drinks took a 43% dive from a year ago while kombucha product offerings rose by 71% in an already crowded space. As kombucha continues to struggle, we expect to see the potential kombucha customer shifting their focus towards more established functional offerings.

Molson Coors’ move beyond beer seems to be paying off with its investment in Dwayne ‘The Rock’ Johnson’s Zoa Energy. Zoa is touted as a healthier, more natural energy drink. Molson has leaned on its existing beer distributor network to get Zoa on shelves. The energy drink is part of Molson’s efforts to broaden their brand portfolio in non-alc/functional beverages.

Digitalization has a significant impact on the consumer’s product choices

Consumers are increasingly looking more towards product attributes like product quality, healthfulness, nutrition, and more ethical sourcing. Instead of relying on branding when choosing beverages, consumers are more and more turning to the Internet to scour product ingredient lists and the associated health benefits of said ingredients.

Many are becoming more cognizant of factors such as sustainability and ethical sourcing as a further filter for their product- purchasing decisions. There has already been decades of evolution in the health and wellness arena from mere “better-for-you” products to beverages that deliver actual functional benefits which will ultimately lead to personalized nutrition and reinforces the idea that in the future, consumers will be less brand conscious and more focused on a product’s unique functional benefits.



Emerging brands consider their M&A options

The growth outlook for global functional beverages remains positive

- As health awareness becomes an increasingly important issue in many countries, consumers continue to shift from sugary soft drinks to healthier alternatives in the functional drinks segment, boosting global market growth.
- The U.K., U.S., and China are expected to witness strong growth trends over the forecast period.

	Energy Drinks	Plant-Based Beverages	Probiotics
Market Growth Rate Through 2027	6.5%	8.0%	6.1%
Global Market Size By 2027 (\$ in Billions)	\$85.6	\$22.9	\$22.0
	Functional Water	Nootropic Market ⁽¹⁾	Relaxation Beverages
Market Growth Rate Through 2027	8.3%	17.9%	14.1%
Global Market Size By 2027 (\$ in Billions)	\$11.3	\$6.0	\$1.1

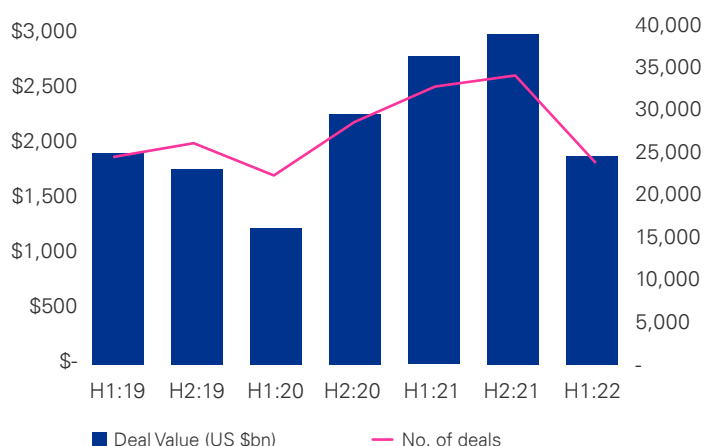
Note: ⁽¹⁾: The Market Growth Rates and Market Size for the functional beverage segments are through the year 2027, except for the Nootropic Market which is forecasted through 2024.

Source: Grand View Research

LRB: Investment Overview

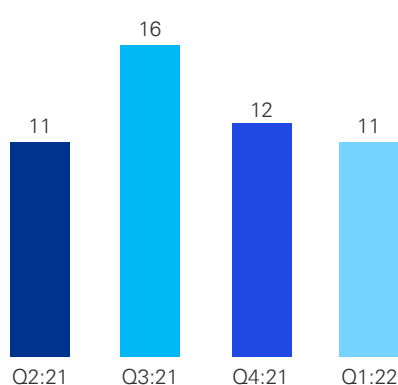
Non-alcoholic beverage M&A in the US remains steady through the beginning of 2022

Global Deal Volume Slow



Note: Global deal volume is inclusive of all industries; *Up to June 15, 2022
Source: CapIQ, Refinitiv, Pitchbook

US Non-alcoholic Deal Activity



Note: Includes US Non-Alc deal volume only
Source: Cascadia Capital



Coca-Cola and Brown-Forman announce plans to debut Jack and Coke RTD cocktail – June 2022

Monster Energy announces the upcoming launch of The Beast Unleashed FMB (6% ABV) – August 2022

PepsiCo announces investment and long-term distribution deal with Celsius – August 2022



Traditional non-alcoholic beverage brands Coke, Pepsi, and Monster have now expanded their battleground into new territory. After decades of exclusively producing non-alc beverages, one can only assume what this means for the future of the alcoholic beverage industry. The rapidly expanding RTD alcoholic beverage market offers a massive growth opportunity for Coke, Monster, and Pepsi and we expect to see more non-alc beverage brands producers will join the party.

Monster Beverage Corporation completes acquisition of CANarchy – January 2022

Monster Beverage Corporation has successfully completed the \$329 million acquisition of CANarchy Craft Brewery Collective, the deal includes Cigar City Brewing and Oskar Blues, along with Deep Ellum Brewing Co., Perrin Brewing, Squatters Brewery and Wasatch Brewery.

“This transaction provides us with a springboard from which to enter the alcoholic beverage sector,” said Monster’s Vice Chairman and Co-Chief Executive Officer Hilton Schlosberg. “The acquisition will provide us with a fully in-place infrastructure, including people, distribution and licenses, along with alcoholic beverage development expertise and manufacturing capabilities in this industry.”



Valuation Multiples

\$329m EV

11.0x EBITDA



Source: Pitchbook, Forbes, Company press releases, and Other publicly available information.

Non-alcoholic Beverage Transactions (1/3)

NA bev transactions yield average valuations of 2.50x EV / TTM revenue and 9.0x EV / TTM EBITDA

Announced Date	Target	Buyer	Target Description	Implied EV (\$mm)	EV as a TTM Revenue	Multiple of TTM EBITDA
Non-Alc Beverage						
Aug-22	Celsius Holdings, Inc.	PepsiCo, Inc.	Produces and Functional drinks and liquid supplements	\$6,470	13.30x	336.0x
Jul-22	Original New York Seltzer LLC./LA Bottle Works Inc.	Entertainment Arts Research, Inc.	Produces soft drinks.	NA	NA	NA
Jul-22	Only What You Need, Inc.	Purchase Capital LLC; United Nutritional Brands LLC	Plant-protein brand, produces and sells nutrition products.	NA	NA	NA
Jul-22	Cambodia Beverage Company Limited	Swire Coca-Cola Limited	Cambodia Beverage Company Limited operates in the soft drinks industry.	NA	NA	NA
Jul-22	JAVO BEVERAGE COMPANY, INC.	Florida Food Products, LLC	Extracts, processes, produces, and markets coffee, tea and botanicals, concentrates, and ingredient and flavor products.	\$152	NA	NA
Jul-22	REBBL INC.	SYSTM Foods Inc.	REBBL INC. produces and sells herb powered beverages.	NA	NA	NA
Jul-22	KOZ Water LLC	Golden Grail Technology Corp.	KOZ Water LLC offers premium purified and pH balanced water packaged in cans.	NA	NA	NA
Jul-22	Heil- und Mineralquellen Germete GmbH	Krombacher Brauerei Bernhard Schadeberg GmbH & Co. KG	Heil- und Mineralquellen Germete GmbH produces and sells drinking mineral water bottles.	NA	NA	NA
Apr-22	Aguas Danone De Argentina S.A.	Compañía Cervecerías Unidas Argentina S.A.	Aguas Danone De Argentina S.A. is based in Buenos Aires, Argentina.	\$59	NA	NA
Apr-22	Suntory Beverage & Food Nigeria Limited	Africa FMCG Distribution Ltd.	Suntory Beverage & Food Nigeria Limited manufactures and sells nonalcoholic beverages in Nigeria.	\$12	NA	NA
Feb-22	Celldration Water	The Now Corporation	Obsidian Performance Group, Inc. produces and distributes water products.	NA	NA	NA
Feb-22	Refresco Group B.V.	KKR & Co. Inc.	Operates as a bottler of beverages for retailers and branded beverage companies in Europe and North America.	\$5,469	1.14x	8.9x
Feb-22	Tickle Water	Golden Grail Technology Corp.	Tickle Water is a manufacturer and producer of non- carbonated drinks.	NA	NA	NA
Jan-22	Day One Beverages, Inc.	1933 Industries Inc.	Day One Beverages, Inc. produces guilt-free water with zero calories and no sugar.	\$2	NA	NA
Dec-21	Good2Grow	Wind Point Advisors, LLC	In Zone Brands, Inc., doing business as good2grow, produces and sells healthy and nutritional drinks for the children.	NA	NA	NA
Dec-21	SpaceStation, Inc.	Mammoth Distribution, Inc.	SpaceStation, Inc. manufactures and sells cannabis- infused beverages.	NA	NA	NA
Nov-21	Saratoga Spring Water Company	BlueTriton Brands, Inc.	Bottled spring water production business.	\$27	1.90x	13.1x

Source: Pitchbook, Capital IQ

Non-alcoholic Beverage Transactions (2/3)

NA bev transactions yield average valuations of 2.50x EV / TTM revenue and 9.0x EV / TTM EBITDA

Announced Date	Target	Buyer	Target Description	Implied EV (\$mm)	EV as a TTM Revenue	Multiple of TTM EBITDA
Non-Alc Beverage						
Nov-21	Aqua d'Or Mineral Water A/S.	Royal Unibrew A/S	Aqua d'Or Mineral Water A/S produces and distributes bottled mineral water primarily in Denmark.	NA	NA	NA
Nov-21	Big Easy Bucha, LLC	Beliv LLC	Big Easy Bucha, LLC produces beverages made of fruits.	NA	NA	NA
Oct-21	Everest Water of SIA Orkla Confectionery & Snacks Latvija	JSC Cesu alus	Producer and retailer of bottled water	NA	NA	NA
Oct-21	GetFresh Sp. z o. o.	Primo Water Corporation	Production and distribution of spring water under Dar Natury brand	NA	NA	NA
Sep-21	Big Swig, Inc.	Yooma Wellness Inc.	Big Swig, Inc. produces and sells sparkling water beverages.	\$1	NA	NA
Sep-21	Sipple Hydration Stations	Primo Water Corporation	Owns and operates a network of hydration stations that provide purified and chilled water refills in the UK	NA	NA	NA
Sep-21	Odwalla, Inc.	Full Sail IP Partners LLC	Odwalla, Inc. produces and sells fruit juices and drink mixes.	NA	NA	NA
Sep-21	Sneak Energy Limited	True Capital Limited	Manufactures and sells energy drinks, merchandise, and other canned energy products.	NA	NA	NA
Aug-21	Atlas Bottling Corporation Sarl	Oman Refreshment Company SAOG	Atlas Bottling Corporation Sarl operates a bottling plant for Pepsi.	\$60	NA	NA
Aug-21	Three Production Facilities in US of The Coca-Cola Company	Refresco Group B.V.	Missouri, Texas, Michigan; involves long-term agreements for contract manufacturing activities.	NA	NA	NA
Aug-21	Tropicana Products, Naked Juice Company and Other Select Juice Brands	PAI Partners	Portfolio including Tropicana, Naked and other select juice brands across North America	\$5,738	1.91x	NA
Jul-21	HOP WTR Inc.	Constellation Brands, Inc.	HOP WTR Inc. produces sparkling water infused with adaptogens and nootropics.	NA	NA	NA
Jul-21	Substantially All of the Assets of The Sweetwater Company, Inc.	DS Services of America, Inc.	Bottled water production business.	NA	NA	NA
Jul-21	Suja Life, LLC	Paine Schwartz Partners, LLC	Suja Life, LLC produces and sells cold-pressed and organic juices.	NA	NA	NA
Jul-21	HANSA-HEEMANN AG	Refresco Group B.V.	HANSA-HEEMANN AG produces, packs, and supplies mineral water and soft drinks in Germany.	NA	NA	NA

Source: Pitchbook, Capital IQ

Non-alcoholic Beverage Transactions (3/3)

NA bev transactions yield average valuations of 2.50x EV / TTM revenue and 9.0x EV / TTM EBITDA

Announced Date	Target	Buyer	Target Description	Implied EV (\$mm)	EV as a TTM Revenue	Multiple of TTM EBITDA
Non-Alc Beverage						
Jul-21	MC Energy S.A.S	Royal Unibrew A/S	MC ENERGY S.A.S produces energy drinks under the Crazy Tiger brand name.	\$97	6.10x	NA
Jul-21	Harmless Harvest, Inc.	Danone Manifesto Ventures	Harmless Harvest, Inc. produces organic coconut water.	NA	NA	NA
May-21	Compañía Cervecerías Unidas S.A.	Inversiones y Rentas S.A.	Compañía Cervecerías Unidas S.A. operates as a beverage company in Chile, Argentina, Bolivia, Colombia, Paraguay, and Uruguay.	\$3,600	1.38x	8.7x
Mar-21	Essentia Water, LLC	Nestlé USA, Inc.	Manufactures, packages, and markets bottled alkaline and electrolyzed water.	NA	NA	NA
Feb-21	Nestlé Waters North America Inc.	One Rock Capital Partners, LLC; Metropoulos & Co.	Produces and Canada. sells bottled water in the United States	\$4,300	NA	NA
Upper Quartile					2.96x	8.8x
Mean					2.63x	8.8x
Median					1.65x	8.8x
Lower Quartile					1.32x	8.8x

Note: Celsius and Pepsi deal has been excluded from the deal multiple summary as this valuation may be seen as an outlier in the category



Source: Pitchbook, Capital IQ

Select Public Beverage Companies

Public beverage companies trade in the 15.0x – 16.0x EV / EBITDA range

Company EBITDA	Last Twelve Month (LTM) Financials						EV / Revenue		EV / EBITDA		Net Debt / LTM
	Market Cap	Enterprise Value	Revenue	EBITDA	Gross Margin	EBITDA Margin	LTM	NTM	LTM	NTM	
Non-Alc Beverage											
The Coca-Cola Company	\$282,052	\$297,328	\$41,322	\$13,228	58.9%	32.0%	7.20x	6.97x	22.5x	21.5x	2.4x
PepsiCo, Inc.	248,935	279,124	81,862	14,816	53.3%	18.1%	3.41x	3.29x	18.8x	18.0x	2.3x
"Nongfu Spring Co., Ltd.	65,875	63,907	4,675	1,725	59.5%	36.9%	NM	NM	NM	NM	NM
Keurig Dr Pepper Inc."	56,685	69,358	13,273	3,579	53.1%	27.0%	5.23x	4.83x	19.4x	16.3x	3.6x
Monster Beverage Corporation	48,084	45,650	6,009	1,690	51.8%	28.1%	7.60x	6.70x	27.0x	23.2x	NM
Celsius Holdings, Inc.	7,785	7,726	487	19	39.6%	3.9%	NM	9.84x	NM	NM	NM
National Beverage Corp.	5,376	5,385	1,138	226	36.7%	19.9%	4.73x	4.49x	23.8x	22.3x	0.1x
Britvic plc	2,727	3,552	1,981	293	41.8%	14.8%	1.79x	1.82x	12.1x	10.7x	2.8x
Fevertree Drinks PLC	1,447	1,226	421	81	42.1%	19.1%	2.91x	2.86x	15.2x	25.8x	NM
Olvi Oyj	760	727	525	87	39.8%	16.5%	1.38x	1.62x	8.4x	12.3x	NM
A.G. BARR p.l.c.	708	627	361	68	44.2%	18.8%	1.74x	1.77x	9.2x	9.3x	NM
Lassonde Industries Inc.	619	852	1,545	120	26.8%	7.8%	0.55x	0.51x	7.1x	6.2x	1.6x
The Vita Coco Company, Inc.	837	843	414	18	26.2%	4.3%	2.04x	1.74x	NM	19.5x	0.3x
Nichols plc	517	459	191	34	44.3%	17.7%	2.40x	2.36x	13.6x	12.9x	NM
Kofola CeskoSlovensko a.s.	252	419	318	44	44.5%	13.8%	1.32x	1.31x	9.6x	10.5x	3.9x
GURU Organic Energy Corp.	165	126	24	(12)	55.6%	NM	5.18x	4.06x	NM	NM	3.3x
Zevia PBC	228	151	157	(118)	40.1%	NM	0.96x	0.73x	NM	NM	0.4x
Splash Beverage Group, Inc.	90	89	14	(29)	18.6%	NM	6.19x	2.80x	NM	24.6x	0.1x
The Alkaline Water Company Inc.	75	82	63	(37)	21.9%	NM	1.30x	1.08x	NM	NM	NM
NewAge, Inc.	34	42	440	(2)	67.6%	NM	NM	NA	NM	NA	NM
Jones Soda Co.	39	30	18	(4)	28.6%	NM	1.65x	NA	NM	NA	2.5x
Flow Beverage Corp.	21	36	34	(32)	20.7%	NM	1.08x	0.83x	NM	NM	NM
Reed's, Inc.	22	43	52	(17)	24.4%	NM	0.83x	0.65x	NM	NM	NM
Upper Quartile					52.40%	23.40%	4.84x	4.17x	20.2x	22.1x	2.9x
Mean					40.90%	18.60%	2.97x	3.01x	15.6x	16.6x	1.9x
Median					41.80%	18.10%	1.91x	2.09x	14.4x	17.2x	2.3x
Lower Quartile					27.70%	14.30%	1.31x	1.26x	9.5x	11.1x	0.4x

Source: Capital IQ

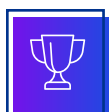
1. All figures in USD, where applicable, converted at rates as of August 18, 2022.

2. Enterprise Value (EV) equals Market Capitalization plus Debt, Preferred Equity, and Minority Interest, minus Cash and Cash Equivalents as of closing price August 18, 2022.

3. EBITDA equals Earnings before Interest Expense, Income Taxes, Depreciation and Amortization.

4. Note: LTM refers to Last Twelve Months and NTM refers to Next Twelve Months

Leading Middle Market M&A Advisor*



Global M&A Leader

Over 2,700 deals with a total combined value exceeding \$64B

M&A Global Ranking 2017 - 2021		
1	KPMG Corporate Finance	2,729
2	PwC	2,686
3	Deloitte	2,182
4	Houlihan Lokey	2,038
5	Rothschild & Co.	1,606
6	Ernst & Young LLP	1,579
7	Industrial & Comm Bank	1,070
8	IMAP	989
9	BDO	987
10	K3 Capital Group	937

M&A Food & Beverage GlobalRanking 2017 - 2021		
1	KPMG Corporate Finance	180
2	Altius Group	154
3	PwC	153
4	Deloitte	151
5	Hilton Smythe Group	134
6	Houlihan Lokey	130
7	Rothschild & Co.	129
8	Ernst & Young LLP	105
9	Kaede Group	75
10	Oaklins / K3 Capital Group	64

KPMG Corporate Finance Food & Beverage Industry Practice

The KPMG Corporate Finance team has a well-established track record of delivering value to business owners by leveraging its deep knowledge of the food & beverage sector, significant transaction experience, and a relationship driven approach. To further discuss how the changing market affects your company, please contact a member of the KPMG Corporate Finance team

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Global coverage. Industry knowledge. Middle-market focus

The Corporate Finance practices of KPMG International's network of independent member firms (KPMG) have been ranked collectively as the number one investment bank according to Refinitiv's global M&A transaction volume league tables. KPMG firms operate in 84 countries with more than 2,500 professionals who are able to meet the needs of clients across the globe

KPMG Corporate Finance LLC

KPMG Corporate Finance LLC provides a broad range of investment banking and advisory services to its domestic and international clients. Our professionals have the experience and depth of knowledge in global M&A and project finance to advise clients on mergers and acquisitions, sales and divestitures, buyouts, financings, debt restructurings, equity recapitalizations, capital advisory, real estate, portfolio solutions, and other advisory initiatives. For more information on KPMG CF, please visit www.kpmgcorporatefinance.com



Source: (1) Thomson Reuters SDC; Each set of figures is taken from the league table press releases issued for that year. Middle market is defined as deals less than US \$500 million.

(2) Represents the KPMG LLP practice

Longstanding Expertise in Global Beverages*

Select M&A Credentials in the Beverage Space

 
SARATOGA

acted as exclusive financial advisor to Saratoga Spring Water Company on the sale to Blue Triton Brands

*Advisor to
Seller 2021*

 
THE WHISKY EXCHANGE

acted as financial advisor to the shareholders of The Whisky Exchange on the sale to Pernod Ricard



*Advisor to
Seller 2021*

- Mergers & Acquisitions
- Divestitures
- Capital Markets
- Restructuring

 
MOLSON COORS beverage company

acted as financial advisor to Molson Coors India on the sale of its Indian beer brand Thunderbolt and the breweries in India to Inbrew Holdings Pte. Ltd

*Advisor to
Seller 2021*

 
BEWA

acted as financial advisor to the shareholders on the disposal of 100% stake in Jurajska Sp. Z o.o., a bottled water producer in Poland to Hortex So.. Z o.o.

*Advisor to
Seller 2019*

 
THE CAPTAIN company

acted as exclusive financial advisor to Captain Kombucha on the strategic investment by Orkla Foods

*Advisor to
Seller 2019*

 
ROYAL UNIBREW



provided due diligence and SPA assistance to Royal Unibrew A/S on the acquisition of Bev. Con ApS with brands Cult Energy, Shaker and Mokaï

*Advisor to
Buyer 2018*

 
BRITVIC

acted as exclusive financial advisor to Britvic on the acquisition of a stake in EBBA – Empresa Brasileira de Bebidas e Alimentos S.A.

*Advisor to
Buyer 2017*

 
BERNIER food & beverage

acted as financial advisor to Bernier Food & Beverage on the sale to Peak Rock Capital

*Advisor to
Seller 2015*

*Represents the global Corporate Finance practices of KPMG International's network of independent member firms.

Important disclosures

The information contained in this newsletter is of a general nature and is not intended to address the circumstances of any particular individual or entity including their investment objectives or financial needs. In preparing this newsletter, we have relied upon and assumed, without independent verification, the accuracy and completeness of all information available from public sources. Although we endeavor to provide accurate and timely information, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. No one should act or rely on the information in this newsletter without appropriate professional advice after a thorough examination of the particular situation. The information contained in this newsletter does not constitute a recommendation, offer, or solicitation to buy, sell, or hold any security of any issuer. Past performance does not guarantee future results.

Last Call ...

Thinking about selling your business in 2022?



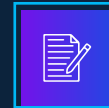
Financial Information

Ensuring you have robust financial data with an appropriate financial control environment will help you protect value in a sales process.



Timing

When is the best time to market your business? Being able to demonstrate that your company has performed well through COVID-19 and the successful implementation of new initiatives will help secure higher valuations.



Succession Planning

Have you made yourself redundant? If you are looking to step away from the business at the time of a sale, buyers will be focused on the quality of the remaining management team.



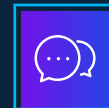
Understand the Growth Story

Effectively articulating how you successfully navigated through COVID-19 and a clear growth story to the buyer population will help extract maximum valuation.



Manage Risk

Remove areas of risk from the business where feasible. For example, complex supply chain structures and high levels of customer concentration will be areas of concern for a buyer.



Speak to an Advisor

The aforementioned points are a helpful summary of some of the key considerations when thinking about the sale of a business. Each company and situation however is unique so seek the advice of a professional M&A advisor.

It's your life's work, so value it!

For more information, contact us:



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