



bridgepoint

INVESTMENT
BANKING

Manufacturing *M&A Quarterly Update*

Second Quarter 2021

Food Manufacturing Industry Continues to See High Growth in M&A Activity Following the Increase in Production During the Pandemic

Food Manufacturing Market Outlook

- **Transactions for food manufacturing are up over 100% from Q2-2020;** Bridgepoint believes this will continue through the 2nd half of 2021
- **Food manufacturing EBITDA multiples are nearly 1x above their historical average;** Bridgepoint expects this trend to continue
- **Approximately 40% of Americans said their food intake increased during the pandemic,** giving food manufacturing a strong boost throughout 2020
- **The food industry shifted from in-restaurant dining to in-home consumption during the pandemic,** driving changes in food manufacturing packaging, process and product

Food Manufacturing Middle-Market M&A



M&A Activity

24 food manufacturing transactions closed in Q1-2021, a 41% increase from 17 in Q4-2020



Financial Sponsors

Private equity and private equity-backed companies continue to deploy capital into the space and represent 64% of the deals done this year. We expect this to increase given the record amount of dry powder



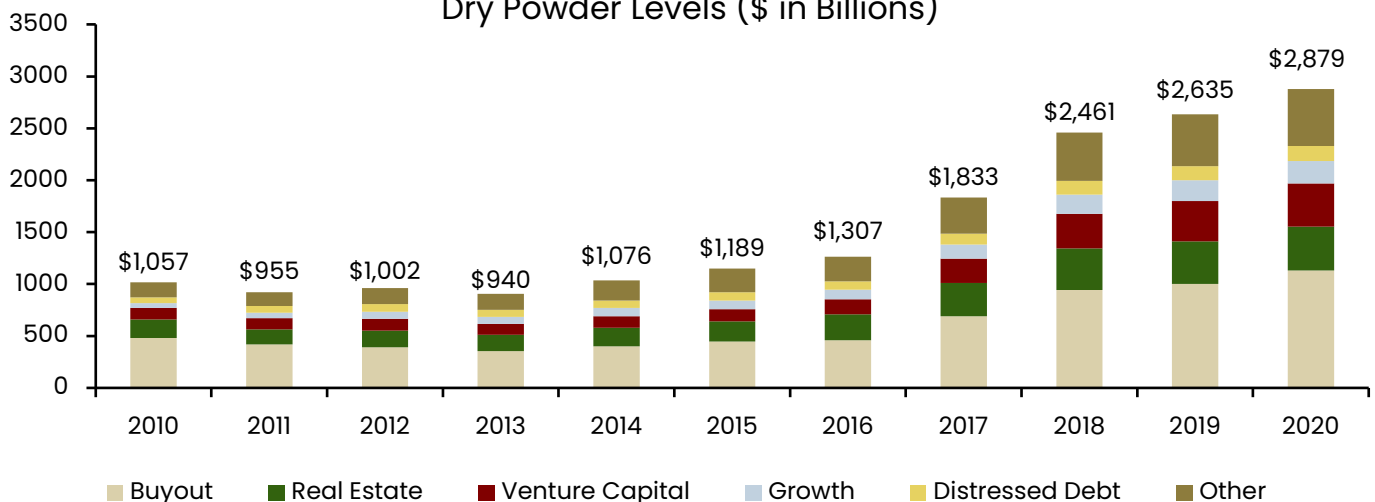
Strategic Buyers

Most strategics are beginning to invest in M&A now that vaccine rollout is gaining momentum

“During the past year, the restaurant industry was hit hard as patrons were not able to dine in-person. This issue grabbed all the highlights in the news. Behind the scenes, the food industry changed their approach to preparing, packaging and shipping food to consumers for ‘at-home’ dining. Many new companies sprung up and new products were developed as they met market demands. The evolution will likely continue.”

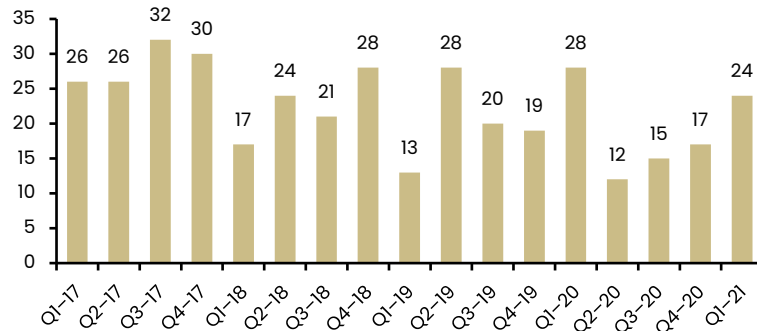
*Mike Anderson, Manufacturing Sector Lead
Bridgepoint Investment Banking*

Dry Powder Levels (\$ in Billions)

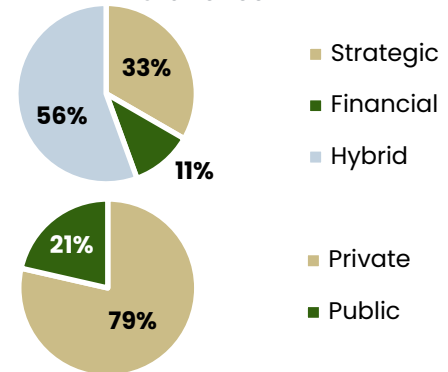


Selected Food Manufacturing M&A Transaction Statistics

Transaction Volume Q1-2017 – Q1-2021



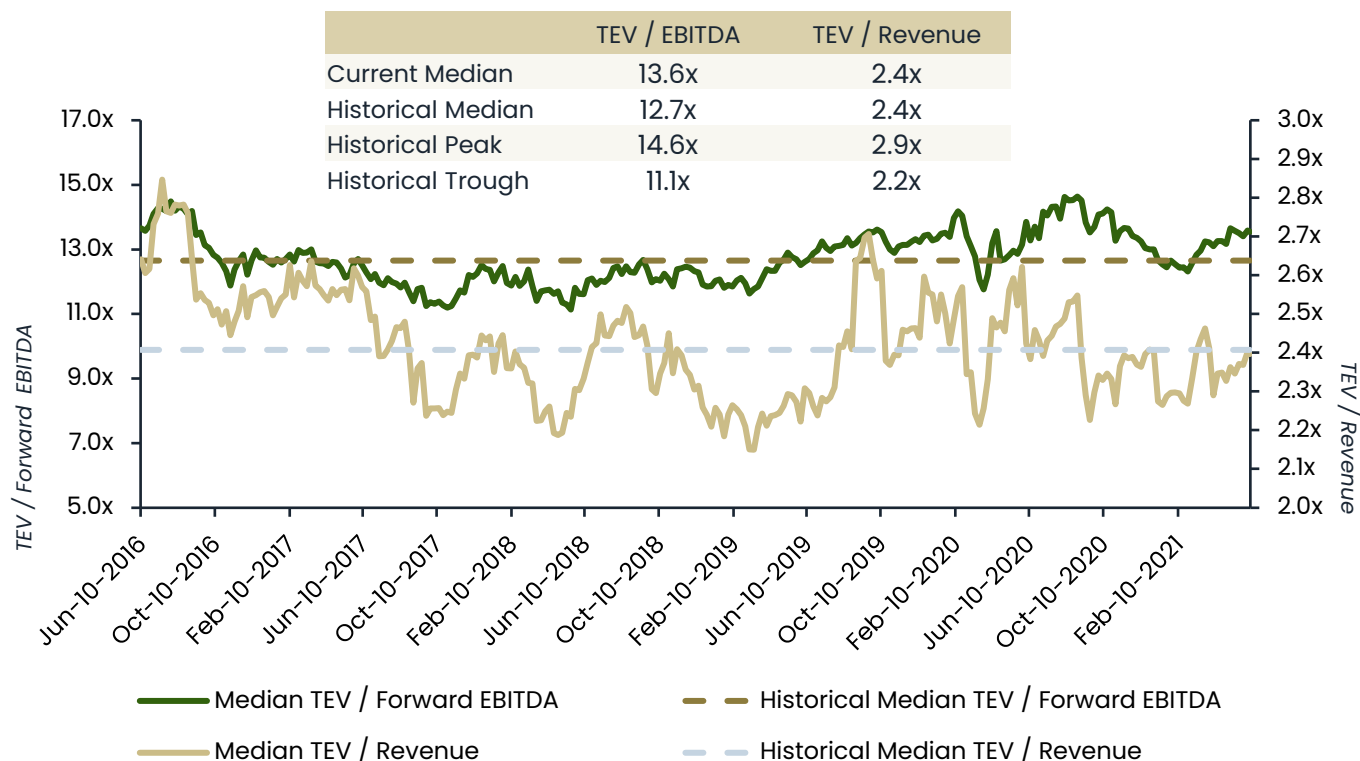
Food Manufacturing Transaction Buyer Statistics YTD



Recent Food Manufacturing M&A Transactions

Date	Target	Buyer	Business Description
03/31/2021	Plum, PBC	Sun-Maid Growers of California, Inc.	Produces organic food products for babies, kids and mothers
03/31/2021	RushNet, Inc. (OTCPK:RSHN)	Chattahoochee Physicians Laboratory Services, LLC	Provides beverage products in the United States and Canada
03/30/2021	U.S. Waffle Company, Inc.	C��r��lia SA	Bakes and distributes pancakes and waffles
03/16/2021	Vermont Hard Cider Company, LLC	Northeast Drinks Group, LLC	Produces and sells hard ciders in the United States
03/16/2021	City Brewing Company, LLC	Charlesbank Capital Partners, LLC; Oaktree Capital Management, L.P.; Blue Ribbon Partners, LLC	Produces and packages beers, flavored malt beverages, teas and energy drinks for beverage companies
03/12/2021	Aspire Bakeries	Lindsay Goldberg, LLC	Owns and operates as a baking company with specialty frozen baked goods
03/09/2021	Bubba's Foods, LLC	Ka-Pop! Snacks	Produces and retails gourmet grain-free snack food
03/02/2021	Decas Cranberry Products, Inc.	Fruit d'Or, Inc.	Grows, processes and markets cranberries for retail, foodservice and beverage, and industrial sectors worldwide
03/02/2021	Ya YA Foods Corporation	Entrepreneurial Equity Partners, L.P.	Operates as a contract manufacturer for plant-based beverages and liquid food products
03/01/2021	Lancaster Fine Foods, Inc.	STIR Foods, LLC	Produces custom sauces, dressings and condiments for retail, industrial and foodservice customers
02/19/2021	Follow Your Heart, Inc.	Danone S.A. (ENXTPA:BN)	Produces and supplies natural food products
02/03/2021	MLW Foods, Inc.	Fondation; Champlain Financial Corporation	Manufactures and supplies frozen food
02/02/2021	Torie & Howard, Inc.	American Licorice Company	Produces organic candies in pomegranate, orange, grapefruit, honey and cinnamon flavors
01/26/2021	ProPortion Foods, LLC	Cargill, Incorporated	Produces beef burgers, chicken breasts and thighs, meatloaf, meatballs, beef roasts, marinated beef, poultry and pork products
01/25/2021	Luxco, Inc.	MGP Ingredients, Inc. (NasdaqGS:MGP)	Produces, bottles, imports and markets specialty beverage alcohol and non-alcohol products
01/21/2021	Sunora Foods, Inc. (TSXV:SNF)	Alberta Ltd.	Offers canola, soybean, corn, olive and other specialty food oils under the Sunora, Sunera, and Sunya brands, as well as under various private labels
01/14/2021	ZICO Beverages, LLC	Powerplant Ventures, LLC	Manufactures and sells coconut water
01/05/2021	Hu Master Holdings, LLC	Mondelez International, Inc. (NasdaqGS:MDLZ)	Manufactures and sells chocolate products

Food Manufacturing Sector Valuation Analysis



Food Manufacturing

LINDSAY GOLDBERG

Aspire Bakeries

On March 12, 2021 Lindsay Goldberg announced that it has acquired Aspire Bakeries, one of the largest B2B providers of frozen baked goods in the US and Canada.

"ANA is one of the leading suppliers of high-quality baked goods in the U.S. and Canada, and we look forward to partnering with management to continue ANA's tradition of serving millions of consumers." – *Russell Triedman, Managing Partner, Lindsay Goldberg*

Food Manufacturing



On January 25, 2021 Atchison-based MGP Ingredients, Inc. (NasdaqGS:MGPI) announced that they have acquired Luxco, Inc.

"Luxco presents a unique opportunity to take a material step towards realizing our long-term strategy. It significantly expands our product line and increases our sales and distribution capabilities across all 50 states." – *David Colo, President and CEO, MGP*

Food Manufacturing







On March 16, 2021 City Brewing Company, the leading co-manufacturer of high-growth beverages in the US, announced an equity investment from Charlesbank Capital Partners, Oaktree Capital Management and Blue Ribbon Partners.

"This investment will allow us to enhance our brewing, processing and production capabilities, positioning us for future growth while enabling us to better serve our valued customers. We are an essential component of our customers' supply chains and we do not take that for granted." – *Ross Sannes, CEO, City Brewery*

Bridgepoint Executive Summary

- **Market-leading boutique investment bank providing M&A and capital raising advisory solutions focused on middle-market manufacturing firms**
- 276+ years cumulative investment banking experience spanning 220 transactions
- \$121+ billion of M&A, capital raising, corporate finance and M&A transaction advisory service experience
- 98 completed M&A assignments spanning more than \$36 billion in transactions
- 122 completed corporate finance transactions, raising more than \$85 billion in capital

Selected Recent Bridgepoint Transactions




 HAS BEEN ACQUIRED BY  Sell-side advisory Financial Advisor	 HAS BEEN ACQUIRED BY  Sell-side advisory Sole Financial Advisor	 International equipment financing to support future growth Sole Financing Arranger	 Growth debt financing Sole Financing Arranger	 HAS BEEN ACQUIRED BY  Sell-side advisory Sole Financial Advisor
 HAS BEEN RECAPITALIZED BY  Growth equity and debt capital raise Financial Advisor	 HAS BEEN ACQUIRED BY  Sell-side advisory Financial Advisor	 <i>Reliable...Responsive...Resourceful...Proactive</i> HAS BEEN ACQUIRED BY  Sell-side Advisory Financial Advisor	 HAS BEEN ACQUIRED BY  Buy-side advisory Financial Advisor	 HAS BEEN ACQUIRED BY  Buy-side advisory Sole Financial Advisor

Sectors of Focus

 Industrials & Transportation	 Technology	 Healthcare	 Business & IT Services	 Consumer & Retail
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276 YEARS OF EXPERIENCE	\$121B IN TRANSACTIONS	220 TOTAL TRANSACTIONS
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Senior Leadership

 Matt Plooster Founder & CEO	 Bryan Wallace Managing Director	 Gary Grote Managing Director	 Mike Anderson Managing Director	 Nick Orr Managing Director
 Wm. Lee Merritt MD & General Counsel	 Chad Gardiner Director	 Joe Liss Managing Director	 Natasha Plooster COO	 Subhash Marineni Vice President

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