

NEWSLETTER

Food & Beverage

GLOBAL
M&A
PARTNERS



Health and Wellness

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As consumers place greater emphasis on maintaining healthier lifestyles, the Health and Wellness market continues to evolve and grow, flourishing in several categories. Heightened consumer awareness and desire to purchase high-quality products, along with the adoption of cutting-edge technology by manufacturers, have led to increased research and development (R&D) and a boom in M&A activity.

Our Global Food & Beverage Team provides extensive sector-specific expertise and has close relationships with global buyers and sellers, both within your home territory and throughout the world. Many of our advisory transactions are cross-border.

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Key Insights

The Health and Wellness sector within the Food & Beverage industry has experienced steady growth driven by a global wave of health-conscious consumers, as well as a heightened focus on personal health in light of the COVID-19 pandemic, all of which have influenced food preferences and purchasing decisions. Some of the primary growth drivers include:

- Immunity boosting foods are trending favorably as consumers seek to balance physical and mental well-being. The demand for processed products has declined due to a flourishing market for foods free from additives and fillers.
- Millennials are becoming an increasingly influential demographic as they expect transparency and prefer naturally healthy, organic, locally sourced, and sustainable foods.
- The regulatory environment is stimulating demand for wholesome products. Governments around the world are establishing new dietary guidelines and enacting new laws governing nutrition requirements and food claims to help consumers make more informed food choices.
- Consumer preferences and demand have led companies to place increased importance on food safety and traceable supply chains in order to succeed in a competitive, post-COVID marketplace.

These drivers are expected to support growth trends which will enable the industry to surpass \$1 trillion in market size within the next decade. The Health and Wellness industry is estimated at \$764.2 billion in 2020 and is projected to reach \$1.1 trillion by 2027, representing a 4.8% compounded annual growth rate ("CAGR"). Currently, naturally healthy, functional foods, and better-for-you products are a few of the top performing categories¹.

We expect investment activity in the sector to remain robust with health-focused brands becoming sought after targets as companies look to accelerate market penetration in trending categories and fulfill the growing demand for immunity boosting foods. Large food and beverage companies are pursuing strategic partnerships, acquisitions, and repositioning brands to maintain leadership. PepsiCo, Hershey, Lotus Bakeries, Midsona, The Livekindly, Conagra Brands, Royal Wessanen, Danone, and Keurig Dr Pepper are active players in the Health and Wellness space. Financial sponsors have also been active and are ready to deploy capital into health and wellness brands to build growth platforms and capitalize on consumer trends.



¹) ReportLinker

Sector Overview

The global Health and Wellness sector is experiencing a 'healthy' boom. Consumers are increasingly developing food sensitivities, adopting unconventional diets, and maintaining healthier and more active lifestyles. This has resulted in the pursuit of more wholesome nutrition options, such as fresh, plant-based, and organic foods.

The sector has grown substantially in developing regions and emerging markets. With today's emphasis on living a better life through healthier eating and exercise, health and wellness is expected to show substantial growth over the next few decades. Products are aimed at preventing disease, aiding weight loss, and improving health management.

The sector can be classified into the following segments: Functional, Naturally Healthy, Better-for-You, Food Intolerance / Free-From, Organic, and Plant-Based. The industry is served by a variety of players, ranging from large global food manufacturers to fast-growing start-ups.

Danone, Hershey, Conagra, and PepsiCo are among the larger companies in the Health and Wellness market. Other key participants include Amy's Kitchen, NBTY (KKR), Compagnie Biodiversité, Triballat Noyal, HiPP, and Alnatura.



Health and Wellness Sector Segments

Functional

Functional foods are medicinal foods which contain biologically active ingredients, such as antioxidants, phytonutrients, enzymes, and live cultures, whereas food enrichment or fortification is the process of making food more nutritional by adding additional vitamins and minerals.

Naturally Healthy

Natural food and drinks are minimally processed and free from artificial sweeteners, colors, and flavors. These are classified into fruits, vegetables, meat, fish, poultry, dairy products, non-dairy beverages, coffee & tea, beer & wine, and others.

Better-for-You

Better-for-You (BFY) foods are classified as low in salt and sugar, high in fiber, or high in added vitamins. Driven by young consumer lifestyles and their emerging health concerns, the better-for-you trend is focused on packaged food, with options including nuts, seeds, fruit snacks, meal replacement shakes, and protein bars with simple and clearly labeled ingredients.

Food Intolerance

Food intolerance, also referred to as 'free-from foods', are products in which the term 'free' suggests the food should contain no detectable residues. Gluten-free, lactose-free, and diabetic foods are recommended for overcoming food intolerance from food ingredients such as gluten, lactose, and sugar, respectively.

Organic

Organically grown foods and beverages are free from man-made fertilizers, pesticides, growth regulators, and livestock feed additives. These products generally have a higher nutritive value. Some examples include organic fruits, vegetables, dairy, and meat.

Plant-Based

Plant-Based foods and beverages are derived from plants or cultures. These act as substitutes to animal-origin products such as meats, seafood, eggs, and dairy. Vegetarian and veganism are major growth drivers of this segment.

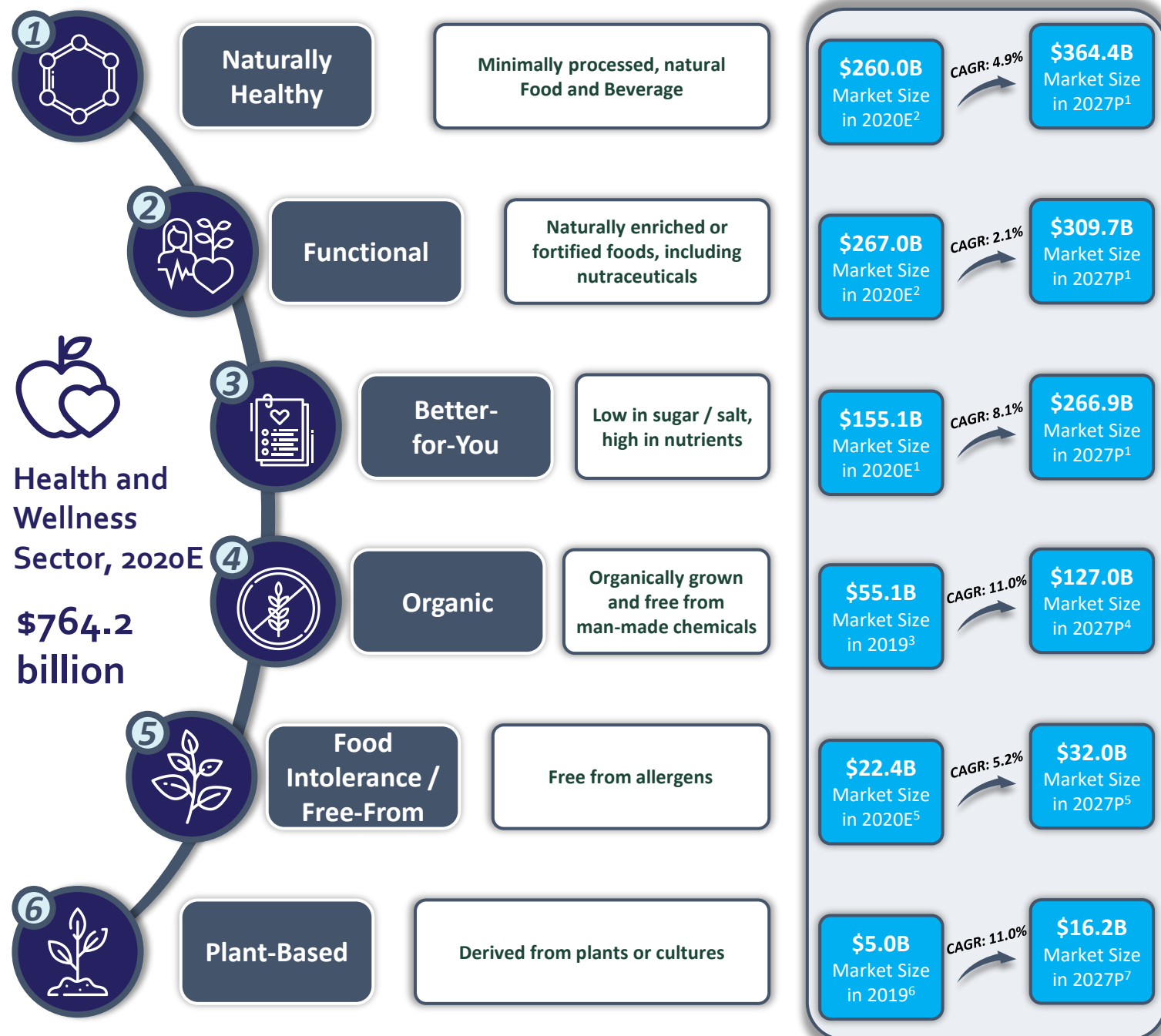
For a more detailed overview of each segment within the Health and Wellness sector, see the "Segment Review" section on pages 16-22.

Health and Wellness Sector - Market Size by Segment

The global Health and Wellness market* is expected to grow from an estimated \$764.2 million in 2020 to almost \$1.1 trillion in 2027, at a CAGR of 4.8%.

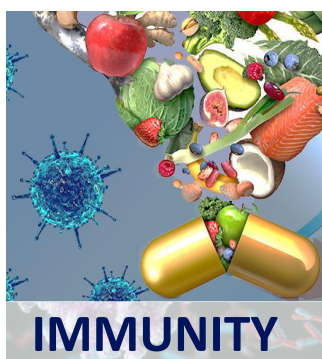
Naturally healthy, functional, and BFY are the three leading segments, accounting for roughly 90% share of the global market. Organic and Plant-Based are the fastest growing segments, exhibiting CAGRs of 11.0% and 15.8%, respectively, driven by consumer desire to maintain their health during COVID-19.

Key Segment Global Market Size and Growth, 2027P



1) ReportLinker 2) Euromonitor; 3) Organic Trade Association; 4) TechSci Research
5) Global Industry Analysts; 6) SPINS, The Good Food Institute (GFI); 7) Food Industry Executive
*) Total global size does not equate to the sum of the segments due to overlap

Growth Drivers



COVID-19 Raises the Importance of Good Health

Globally, 76% of consumers are concerned about COVID-19, while 59% and 57% have stated they have become more conscious about overall health and immunity, respectively. In addition, 73% of consumers stated they plan to eat and drink healthier. This sector is set to benefit significantly from this sustained shift in behavior and buying trends¹. Immunity boosting, energy sustaining, and stress reducing foods are also expected to experience a surge in demand as consumers tackle pandemic-related anxiety and strive for physical and mental well-being through the consumption of healthier foods.



Rising Demand from Millennials

Millennials, which account for about 1.8 billion people worldwide, are estimated to account for 23% of the global population in 2020² and are a major driving force behind the growth of the health and wellness sector. Millennials demonstrate striking differences compared to previous demographics in how they maintain their health through food choices, in particular, healthy snacking. Millennials desire transparency and look for naturally healthy, organic, locally sourced, and sustainable foods. This is different from their parents age group, who focused on low-fat and low-calorie products. Their brand agnostic approach creates a large opportunity for small- and mid-sized BFY companies to compete with large, established brands. Millennials will comprise the largest share of the global workforce, approximately 40% over the next decade³, granting them meaningful purchasing power to further influence food and beverage trends.



Rise in Chronic Diseases

Chronic diseases, including cardiovascular disease, Type 2 diabetes, respiratory diseases, and cancer are the leading causes of death and disability worldwide, and continue to rise in prevalence. According to the World Health Organization, chronic diseases are estimated to account for 73% of deaths globally in 2020, up from roughly 60% in 2001. With a rise in this number, the need for change in behaviors related to diet and food are also widely recognized, thus driving growth of health and wellness foods⁴.

1) FMCG Gurus; 2) MSCI Inc.; 3) Cushman & Wakefield; 4) WHO



Rise in Online Shopping

Online eCommerce continues to challenge grocery retailers, primarily in developed markets, through convenience and connectivity. This digital connectivity is serving to broaden consumer reach and enable smaller, health and wellness-focused brands to gain a foothold in established categories. The COVID-19 pandemic has further propelled the adoption of online channels as consumers shift to online grocery shopping and delivery platforms due to public movement restrictions. Whole Foods, a leading natural food retailer, actually limited the number of its online grocery consumers due to unprecedented demand during the initial stages of COVID-19. Nourish Organics, an Indian online retailer, experienced a 30% increase in sales in April 2020¹. General Mills registered 50% growth in eCommerce sales in its fiscal year 2020 as consumers increasingly turned to online channels for groceries².



Weight Management and Obesity Market

The demand for healthy food will continue to grow in order to combat obesity and the increasing prevalence of lifestyle diseases. Growth in the Health and Wellness sector is also led by the increasing use of diet plans, fitness-tracking apps, and health and fitness clubs, as well as growing education and awareness concerning obesity. Weight management and obesity concerns have increasingly been at the center of several growing lifestyle trends.



Increasing Food Sensitivity

Food allergy rates are rising in developed countries worldwide, with food sensitivity influencing consumer preferences. Examples of foods causing allergic reactions in sensitive people include gluten, wheat, dairy, nuts, and soy. Retail sales data has shown strong growth for products catering to food sensitivities in the United Kingdom, Germany, and the United States.

¹) IndiFoodBev; ²) FoodNavigator

On-Trends

Plant-Based Meat Alternatives¹

Foods derived from plant proteins and engineered to mimic the taste and texture of meat have soared into the mainstream in conjunction with the rise of health-conscious consumerism. Plant-based proteins are gaining popularity in mass market channels as established food players and growing start-ups increasingly introduce plant-based products. A large factor driving this growth is a sustainability concern to find high-quality meat by climate change-focused millennials. Pea and rice protein, key ingredients in popular plant-based products from Beyond Meat and Nestlé, are growing in popularity as alternatives.

Personalized Nutrition

Personalized nutrition is in the spotlight as consumers look for options to fit their unique lifestyles. Consumers expect a tailored approach to eating with new technology, gut microbiome testing, and constant new food launches. Providing the opportunity for customization in food and beverage consumption, in particular within the dietary vitamin and supplement market, presents a large opportunity for start-ups and established players.

Food Transparency

Where food is sourced is increasingly becoming a topic of interest to consumers. They are catching on to marketing messages and labelling practices which conveniently omit certain information. Six in ten global consumers are interested in learning more about the source of their foods². Increasing transparency to meet evolving, ethical, environmental, and clean label demands is key. Brands are adopting new packaging technologies, such as invisible barcodes and near-field communication, with creative and meaningful storytelling. The consumer lifestyle trend towards cleaner living is broadening and heightening expectations around what constitutes a clean label. Aspects include human and animal welfare, supply chain transparency, free-from confirmations, and sustainable sourcing.

New Omni-Channel Eating

As foodservice and retail domains increasingly overlap, consumers can eat what they want, when and where they want it. To accomplish this, they are seeking convenience, richer experiences, and accessible indulgence. Traditional hospitality is getting edged out, particularly due to COVID-19, giving consumers more time to stay at home and sharpen their own culinary prowess. Increased home cooking is driving the use of convenient meal kits / starters and more sophisticated ingredients, resulting in new food experiences across various channels.

¹) Food Industry Executive; ²) Innova Customer Survey



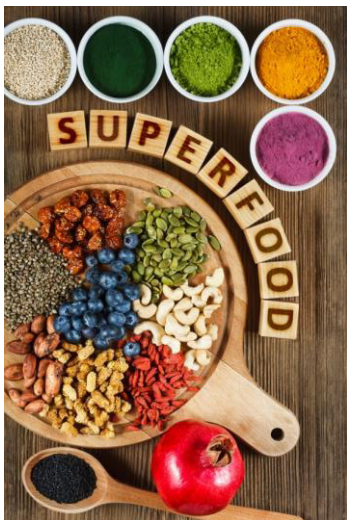
Immunity-Boosting Ingredients

Ongoing anxiety stemming from COVID-19 will encourage consumers to prioritize their immune health moving forward. 59% of consumers stated they have become more conscious about their overall health and 57% said the same about their immunity¹. Immunity-boosting ingredients, such as Vitamin C and Zinc, will play a significant role in the coming year, while research and interest in the role of the gut microbiome and personalized nutrition will accelerate.



Reduced Sugar and Sodium

The recent trend scrutinizing two major ingredients, sodium and sugar, will continue as there is mounting evidence linking health problems to excessive consumption. Low-sodium formulations and products with no "added sugars" will have an upper hand as consumers avoid these items.



Superfoods²

After chia seeds, goji berries, and kombucha, there will likely be a new rise in select superfoods, including:

- **Chickpeas:** Chickpeas are a good source of B-vitamins, dietary fiber, protein, and a variety of minerals. Hummus is well-known as a healthy chickpea dip. Rise in usage is expected, such as the use of chickpea flour as a gluten-free alternative in baking.
- **Eggs:** Eggs are a nutrient-dense superfood with high-quality protein, choline, iron, B-vitamins, and Vitamin A. Additionally, more and more scientific evidence has been released showing prior claims which linked eggs to heart disease and diabetes were false and misleading.
- **Rooibos tea:** Rooibos tea is antioxidant-rich, and it is exceptionally low in tannins. It can be served hot or cold and has a range of culinary applications including baking, cooking, and desserts.
- **Raw dark chocolate:** There is an increased desire to consume food high in antioxidants and vitamins which still provide comfort. Raw dark chocolate with a high cocoa percentage has an impressive nutritional profile, as it is enriched with vitamins, minerals, flavonoids, and antioxidants. Its wide usage in smoothies, baked goods, and desserts is an added benefit.



Food Safety Driven by Technology³

Food recalls are more prevalent than ever before. Researchers have identified more than 250 foodborne diseases. According to the Centers for Disease Control, about 48 million people fall ill from foodborne illnesses every year, resulting in nearly 130,000 hospitalizations and 3,000 deaths. Food and beverage producers rely on technology to elevate food safety practices and reduce the frequency of outbreaks or other incidents.

Sensors combined with machine vision and artificial intelligence aim to improve food-sorting processes and remove damaged foods from packing operations, thus reducing spoilage.

¹) FMCG Gurus; ²) IOL; ³) Gray

Off-Trends



Low / Non-Alcoholic Beverages

Drinks crafted from botanicals and low in alcohol trended before the onset of the pandemic. Since then, alcohol sales have increased and mocktail bars have witnessed closures. However, this may be only a temporary pause in the trending non-alcoholic movement. Popularity of low- and no-alcohol beverages is expected to resume as consumers return to their health and wellness values once the COVID-19 crisis normalizes.



Meat Consumption

Apart from the headwinds the meat industry has faced over the past decade, it is now being threatened by changing consumer perceptions stemming from the COVID-19 pandemic. A greater consumer emphasis on cleanliness and sanitation has elevated scrutiny of meat sourcing and packaging. Additionally, the closure of processing plants and disruption in supply chains has broadly reduced consumption due to a lack of availability..



Fresh and Sustainable

Supply chain disruptions have decreased the availability of fresh produce, forcing consumers to turn to frozen and non-perishable products with longer shelf lives.

Additionally, unemployment has left many consumers with more limited choices, favoring affordable foods over higher-priced organic and sustainable alternatives. For those who are still able to purchase the more expensive alternatives, empty grocery shelves threaten their choice of ideal foods.

Challenges



COVID-19 Disruption

The Food and Beverage industry has experienced challenges in adapting to and coping with COVID-19. Manufacturing, foodservice, food retail, and food delivery have all been impacted by the pandemic. Heightened consumer demand, coupled with workforce shortages and disrupted supply chains, caused an imbalance between supply and demand. Various food manufacturers and food retailers benefited from this shift from on-premise to off-premise. However, foodservice and hospitality companies have been challenged and forced to adapt to a reduction in on-premise dining and service hours.



Need for Innovation

Manufacturers must continue to innovate in a dynamic and competitive marketplace. The product life cycle has contracted, requiring companies to stay ahead of rapidly-changing consumer preferences or risk losing competitiveness.



Food Safety and Regulation

The clean label trend is stimulating consumer demand for products containing natural, minimally processed ingredients. Food and beverage companies must adapt to changing preferences, despite facing continued pressure to maintain shelf life and comply with food safety standards. Reducing sugar intake is one of the key regulations endorsed by the FDA, which is lessening demand for products containing sugar. In addition, there are growing concerns about the traceability of ingredients and products.



Maintaining a Safe Supply Chain

Maintaining a safe supply chain network is a critical challenge for healthy food companies. Food and beverage recalls are expected to increase, as the FDA, USDA, and Centers for Disease Control and Prevention respond to pressures from consumers during the pandemic. This requires companies to invest in plant maintenance and safety measures, while providing quality checks and complete transparency for all suppliers. This highlights food traceability as a pivotal challenge for the industry, and companies leading this effort will outperform their peers.

Regulations

Local and national governments are reacting to health concerns by drafting new health guidelines and passing regulations to encourage consumption of nutritious food and beverage alternatives.

Encouraging Health and Wellness

→ The **Scottish Government** and local authorities have jointly committed to providing the healthiest food to children and young people in an attempt to **improve diet, halve childhood obesity by 2030, and strengthen healthy eating habits**. In a new initiative to make school lunches healthier, the government has pledged to **include fruits and vegetables, limit the consumption of processed meat** to help reduce exposure to nitrites, and **remove fruit juice and smoothies** to help reduce sugar intake.

→ India's food regulator, FSSAI (Food Safety and Standards Authority of India), released draft regulations for school children in November 2019. The draft proposes a complete ban on the sale of soft drinks and potato wafers, junk foods within 50 meters of school campus, and 'high in fat, salt and sugar' foods / drinks. The adoption of comprehensive programs to promote healthy diets and safe foods within the school campus should help promote these initiatives¹.

→ The Agriculture Improvement Act of 2018, commonly known as the 2018 Farm Bill, reauthorizes the programs administered by the Food and Nutrition Service (FNS) through 2023, including WIC, Supplemental Nutrition Assistance Program (SNAP), and school meals. Examples include the **Food Insecurity and Nutrition Initiative** program (FINI), which helps to **incentivize the purchase of fresh, local produce**, and the **Healthy Food Financing Initiative** (HFFI), which **offers grants and loans** to help **establish locally-owned healthy food retail outlets** in low-access areas. This is in addition to the Dietary Guidelines published by the U.S. Department of Agriculture (USDA) and the Department of Health and Human Services (HHS), which has seen substantial investments towards its implementation³.

Sugar Taxes

Malaysia's Ministry of Health is taking a rigorous stance to reduce obesity. Currently, nearly half of the country's population is overweight or obese. To combat this increasing trend, the Health Ministry recently announced it was considering a **sugar-sweetened beverage (SSB) tax**, which will **increase the price of unhealthy products in order to make them less accessible**².

Mexico introduced a sugar tax in 2014, which appears to be producing results. Purchases of sugar-sweetened beverages dropped **5.5% in the first year** after the tax was introduced, followed by a 9.7% decline in the second year.



Source: 1) FSSAI; 2) Ministry of Health – Malaysia; 3) USDA

Natasha's Law¹

Natasha's Law is expected to bring essential changes to food labelling regulations for UK-based food companies

Natasha's Law: Beginning in October 2021, all UK-based food companies must clearly label all foods produced and packed on-premises with a complete list of ingredients.

The new legislation was enacted following the death of a teenager who suffered from an allergic reaction due to mislabelled ingredients at a famous food chain, underscoring the importance of clearly labelled ingredients.

In the UK, an estimated 2 million people are living with some form of diagnosed food allergy, of which over 600,000 (1 in 100) have celiac disease. On average, ten people die every year from food-induced anaphylaxis. The law was introduced to protect allergy sufferers and give them confidence in the food they buy.

**COVID-19 Reinforces and Shapes Food and Beverage Regulations**

The pandemic has compelled food authorities from several countries to work around legislations to protect consumers during these pressing times

EU:

The EU has strict rules in place guaranteeing high levels of food safety, including good hygiene practices and biosecurity measures for food workers to protect consumers from the spread of infection in contaminated food². These practices involve following HACCP and Food Safety Management System processes which include existing food hygiene guidance³.

Additionally, member states of the European Commission reinforced vigilance against a growing number of online offers and advertising of foods claiming to prevent or cure COVID-19.

Penalties for cases reported in reference to COVID-19 claims include the health claim being withdrawn or changed, administrative fine, injunction, and offers removed⁴.

US:

The U.S. Food & Drug Administration (FDA) provided food manufacturers with temporary and limited flexibilities in food labeling requirements under select circumstances to help minimize the impact of supply chain disruptions associated with the COVID-19 pandemic⁵.

The FDA also extended the application period to 2021 for importers to apply for the Voluntary Qualified Importer Program (VQIP) – a voluntary fee-based program established by the FDA Food Safety Modernization Act (FSMA) which provides expedited review of animal food imports into the U.S.. Those approved will strive to achieve and maintain a high level of control over the safety and security of their supply chain⁶.

Additionally, the U.S. FDA and the Federal Trade Commission (FTC) issued warning letters to companies for selling fraudulent COVID-19 products in an attempt to contain the further spread of false COVID-19 health claims⁷.

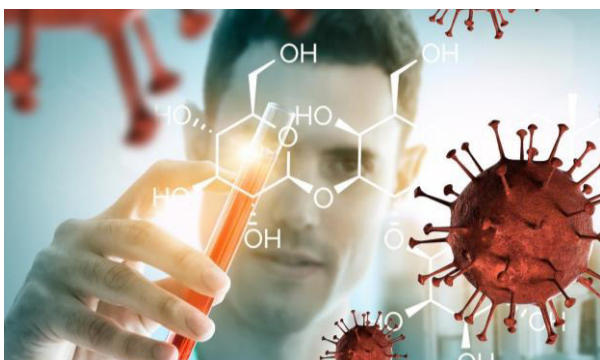


1) CPD Online College Limited; 2) EURACTIV; 3) GOV.UK; 4) European Commission; 5) US FDA; 6) New Food Magazine; 7) Food Navigator

Others:

Japan temporarily relaxed its strict food labelling regulations to help accommodate food manufacturers that were forced to modify production processes or raw material procurement, due to supply chain disruption resulting from COVID-19¹.

“The Ministry of Food, Agriculture, Forestry and Rural Affairs has taken into consideration the difficulties of food companies with high dependence on imported raw materials due to the recent global spread of COVID-19, [and] has decided to suspend origin labelling temporarily. Companies do not need to label the country of origin (country name) of the imported raw materials used on the packaging of their respective food / agricultural products.” - KFIA



In response to COVID-19, the **South Korean** Ministry of Food and Drug Safety has allowed a grace period on submissions for the original Korean National Agricultural Products Quality Management Service (NAQS) import certificate for organic foods imported from the U.S. and Europe. Companies will have to submit original certificates to the authorities once the situation normalizes.

The Korea Food Industry Association (KFIA) also announced that regulations for country-of-origin labelling of food items have been relaxed due to supply chain disruptions experienced by food companies.

Importantly, this relaxation is only for companies importing and using raw materials from countries which have implemented measures such as national blockades, movement restrictions, and / or closure of industrial facilities¹.

The Health Sciences Authority (HSA), **Singapore's** national regulator for health products, removed a significant number of product listings making false COVID-19 health claims from their local eCommerce platforms. Fraudulent products listed included herbs, health supplements, traditional medicines, and other similar food products.

The clampdown on advertising false and misleading claims was part of HSA's involvement in an Internet-based enforcement action (Operation Pangea) coordinated by Interpol. More than 2,500 listings of adulterated products were removed in March 2020¹.

To tackle **India's** health crisis, the FSSAI has mandated food fortification of edible oils and milk to deliver essential vitamin and mineral-rich foods to the country's large population. Mandatory food fortification was put in place in staples such as rice, wheat, and salt, among others. The new standards now provides a range for fortification of iron, folic acid, vitamin B12, and Vitamin A, among other nutrients, and in salt, vegetable oils, and milk. Dosage ranges of these micronutrients are adjusted to fulfill 30-50% of the daily nutritional requirements for an individual^{1,2}.



¹) Food Navigator; ²) FSSAI

Other Regulatory Changes

Consumers are increasingly seeking greater transparency in labelling, leading to new regulatory requirements to help consumers make informed food choices.

1 EU REGULATION

In April 2018, a new EU regulation on acrylamide (a suspected carcinogen which forms when starchy foods are treated at high heat) has set lower 'benchmark values' in product categories that include breakfast cereals; fine bakery wares such as cookies, biscuits, and cereal bars; coffee and coffee substitutes; and baby food. The process of reducing acrylamide would involve reducing sugars and amino acid asparagine from food ingredients¹.

2 U.S. FDA

In May 2016, the U.S. Food and Drug Administration (FDA) issued updated requirements for the labelling of nutrition and supplement facts to reflect new scientific information, including the link between diet and chronic diseases. The new law requires "added sugars" to be included, serving sizes to reflect the actual amount of foods and beverages being eaten, and per serving and per package labelling of whether an item could be eaten in a single or in multiple sittings. Manufacturers with \$10 million or more in annual sales were required to comply by January 2020, and smaller companies will have until January 2021².

3 WHO

The World Health Organization (WHO) issued guidelines recommending adults and children reduce their daily intake of sugar to no more than 10% of total caloric intake, while ideally being under 5%. Global average per capita sugar consumption decreased to 22.6 kg in 2018, compared to 22.9 kg in 2017 and 23.0 kg in 2016³.

4 MINSAL

Chile's Ministry of Health (MINSAL) enacted a Food Law to advance preventive measures for public health. Key provisions of the new regulatory framework include warning labels on products for which sodium, saturated fats, or sugars exceed MINSAL limits; special labelling for all genetically modified foods; prohibiting the sale of foods to schools with a nutritional composition exceeding MINSAL limits; and restricting advertising of non-compliant foods to children⁴.

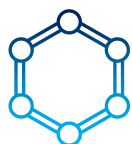
Source: 1) EU; 2) US FDA; 3) WHO; 4) MINSAL

Segment Review

Functional



Global sales of Functional Foods topped **\$267 billion** in February 2020¹.



Functional Foods

- | Components of Functional Foods | | |
|--------------------------------|-----------------------|---------------------------|
| • Dietary Supplements | • Omega 3 Fatty Acids | • Carotenoids |
| • Folic Acid | • Phytosterols | • Dietary Fiber |
| • Micronutrients | • Vitamin D | • Fatty Acids |
| • Oil | • Vitamin B12 | • Minerals |
| | | • Prebiotics & Probiotics |
| | | • Vitamins |

The U.S. accounted for almost 25% of the global Functional Foods market with **\$63 billion** in sales in February 2020².

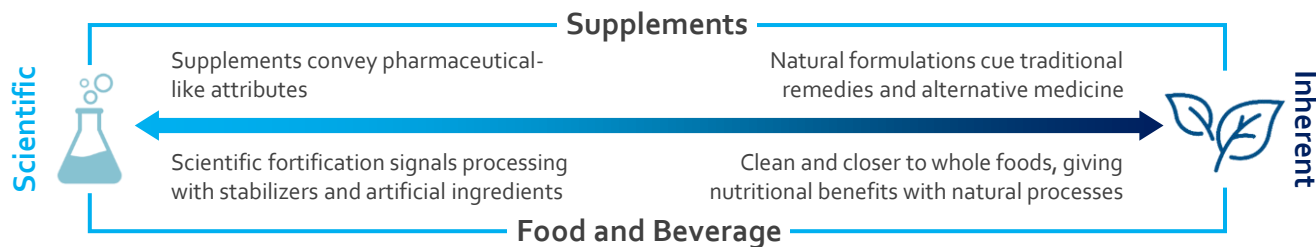
Functional Foods have a targeted nutritional value and a specific purpose, thus providing health benefits beyond the normal nutrition level. In addition to the nutritional characteristics, these foods have properties which positively affect one or more physiological functions. These also include nutraceuticals that consist of dietary supplements and vitamins.

Functional Foods can be naturally enriched or produced through fortification, the process of increasing micronutrient content by adding vitamins and minerals to food. Key vitamins and minerals such as iron, iodine, zinc, vitamin A, and vitamin D are added to staple foods such as rice, wheat, oil, milk, and salt to improve their nutritional content.

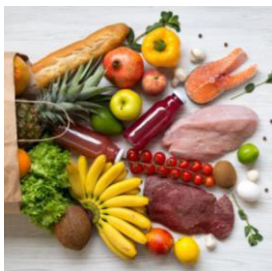
The Nature's Bounty Co., Glanbia, GNC, Pharmavite, Lifeway Foods, Triballat Noyal, Otsuka, and Chobani are some of the key players in Functional Foods market.

¹) Euromonitor

Spectrum of Functional Products: As consumers navigate a diverse marketplace, Functional Products (supplements as well as food and beverage) have developed internal distinctions and external connections which map to an array of Scientific to Inherent.



- 45% of consumers preferred the consumption of inherent Functional Foods (non-fortified and whole) to fulfill their nutritional requirements, while only 25% preferred Functional Foods with added fortification¹
- Among consumers who have turned towards functional solutions to maintain their health, almost a third are consuming functional products daily (Supplements – 31% and Food and Beverage – 29%)¹



Products for immune support are among the most sought after Functional Foods, especially due to the COVID-19 pandemic. Globally, the number of launches claiming immunity as a functional benefit in the breakfast cereals segment grew to 5% during April 2019 – March 2020, compared to 4% in each of the two preceding years. In France, which has accounted for less than 1% of launches in the immunity enhancing sector, 34% of the population still consumed immunity enhancing food and beverages².

Naturally Healthy

Natural food and beverages refer to products manufactured without the use of hormones, antibiotics, sweeteners, food colorings, and flavorings. They contain naturally occurring nutrients such as vitamins, calcium, and fiber. This market possesses significant growth potential given growing consumer focus on health and wellness, food safety, and social impact in food purchasing decisions. Traditional values such as convenience, price, and taste also have a positive impact.

Key players include The Hain Celestial Group, Tea Too, Bob's Red Mill Natural Foods, Califia Farms, and Blue Diamond Growers.

Nuts, Fruits, and Seed Snacks is an important segment in the Naturally Healthy segment. In contrast to most fried, baked, or processed snacks, nuts, fruit, and seeds possess a relatively natural image.

Cereal Bars are also considered to be a healthy alternative to other snacks, as they contain high protein and fiber content. Cereal Bars is the largest segment and is projected to gain significant share due to the growing demand for healthy food options along with other benefits such as better taste, filling capacity, and portability.



Global sales of Naturally Healthy foods were ~\$260 billion in February 2020, while U.S. sales reached \$42 billion³.

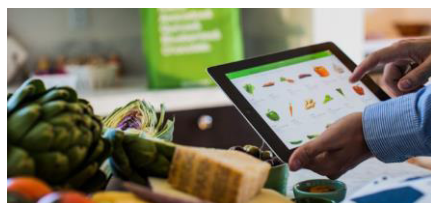
¹) The Hartman Group; ²) Mintel GNPD; ³) Euromonitor; IFT

Naturally Healthy Bottled Water is a growing product within the Health and Wellness sector. It offers traceability, transparency, and natural minerals, which are desirable attributes as consumers are concerned about sugary drinks and are pursuing simple products with naturally healthy ingredients.

Coconut and Plant-Based Water is a naturally healthy hybrid between juice and water. Coconut water, which has no added sugar, no fat or cholesterol, and no preservatives, is seeing strong growth across several regions.

Natural Product sales continued to outpace sales of conventional counterparts before, during, and after the pandemic stock-up period

- Sales grew by 21% for the week ended May 17, 2020 vs. a year ago, compared with an increase of 15% for conventional Food and Beverage¹
- Natural frozen foods posted the largest year-over-year gain for the eight week period ending May 17, 2020¹



Supermarkets accounted for the highest share with 51% of Natural Product sales, followed by specialty stores with 14%. Internet sales of Natural Products doubled from 5% in March 2020 to 10% in mid-May 2020, given the consumer shift to online channels for grocery shopping during the pandemic¹.

Better-for-You (BFY)

BFY is a combination of 'lite' and 'good' products. Lite products are foods and beverages which contain no, low, or reduced calories. Products are typically designated as diet, lite, and zero.

'Good' products are generally considered wholesome, such as whole-grain products. They can also be traditional products made healthier but do not fall under the 'lite' product segment. BFY is segmented into **Reduced Fat**, **Reduced Salt**, and **Reduced Sugar**. Better-for-You Foods and The Simply Good Foods Company are two major players offering BFY products (reduced carb and sugar).

Consumers are becoming more conscious of what they eat to promote healthy lifestyles and are demanding more wholesome food products. Taste and quality remain paramount in their food choices, followed closely by ingredient content and nutritional value. The BFY opportunity appears to be in foods and beverages which deliver positive health benefits, taste, and convenience.

Growth in this segment will be driven by emerging markets, specifically in Asia-Pacific. China will remain among the fastest growing markets, while countries such as Australia, India, and South Korea will lead the market in Asia-Pacific to grow to \$143.1 billion by the year 2027. Latin America is estimated to expand at a CAGR of 5.2% from 2020-2027². For consumers of the more developed regions of North America and Western Europe, categories such as organic, free-from, and naturally healthy alternatives are gaining more attention than BFY.



The U.S., Canada, Japan, China, and Europe better-for-you markets have a combined market size estimated at

\$155.1 billion in 2020, which is projected to reach **\$201.5 billion** by 2027 at a CAGR of 3.5%².



Consumer priorities regarding BFY products remain unaffected by the pandemic. They continue to look for products which fit their lifestyles, although availability issues caused by disrupted supply chains may be a hindrance. Priority of top 10 BFY claims also remains unchanged with protein claiming the top spot, followed by low / no sugar, natural, vitamins, no artificial flavors, low / no sodium, high fiber, organic, and low / no fat³.

¹) IRI & SPINS; ²) ReportLinker; ³) GutCheck

Food Intolerance / Free-From



The global market for Food Intolerance products has experienced significant growth, driven largely by the dramatic rise in food allergies and sensitivities worldwide. The market is segmented into diabetic food, gluten-free food, lactose-free food, allergen-free foods (includes soy, egg, peanut, and tree nut products), no trans-fat food, and others.

The Free-From Beverage segment has been growing rapidly in recent years, particularly after the war against sugar. The lactose-free segment is seeing strong growth in dairy products as awareness of lactose intolerance increases.



The global Food Intolerance products market was estimated at **\$22.4 billion** in 2020 and is expected to reach **\$32.0 billion** by 2027, representing a CAGR of 5.2%¹.

An estimated 15% to 22% of consumers are intolerant or allergic to certain ingredients. The remainder consume free-from products because of their perceived health benefits rather than for medical reasons. Today's consumers are educated about food intolerances caused by certain food ingredients. This growing awareness has created the perception that free-from foods are healthier and safer, which in turn is driving growth in the Free-From Food market.

Amy's Kitchen, Better for You Foods, Bob's Red Mill Natural Foods, Dr. Schär, Freedom Foods Group, Barr Necessities, and Canyon Bakehouse are some of the key players in Free-From Food market.



The global lactose-free products market is estimated at **\$11.0 billion** in 2020 and is projected to reach **\$15.1 billion** by 2027, at a CAGR of 4.6%¹



The global gluten-free products market is estimated at **\$5.6 billion** in 2020 and is projected to reach **\$8.3 billion** by 2025, at a CAGR of 8.1%²

85 million Americans avoid allergens and spend **\$19 billion** annually on allergen-free foods³



Consumers are channeling their focus on health into their food choices, seeking options such as sugar-free

- U.S. sales for this segment increased 16.6% to \$169.7 million over the 52 weeks ending June 14, 2020 ⁴
- Four of the top five companies in sugar-free chocolate / candy sales saw increases over the last year. Among these, Lily's Sweets witnessed the largest jump of 51.3% to reach \$25.6 million in sales, propelled by the introduction of its line of no-sugar-added white chocolate bars^{4,5}.

¹) Global Industry Analysts, Inc.; ²) Markets and Markets; ³) Food Allergy Research & Education; ⁴) IRI; ⁵) Research and Markets

Organic

Organic foods and beverages are manufactured using organic-certified ingredients and contain no man-made additives, pesticides, fertilizers, or genetically modified organisms (GMO).

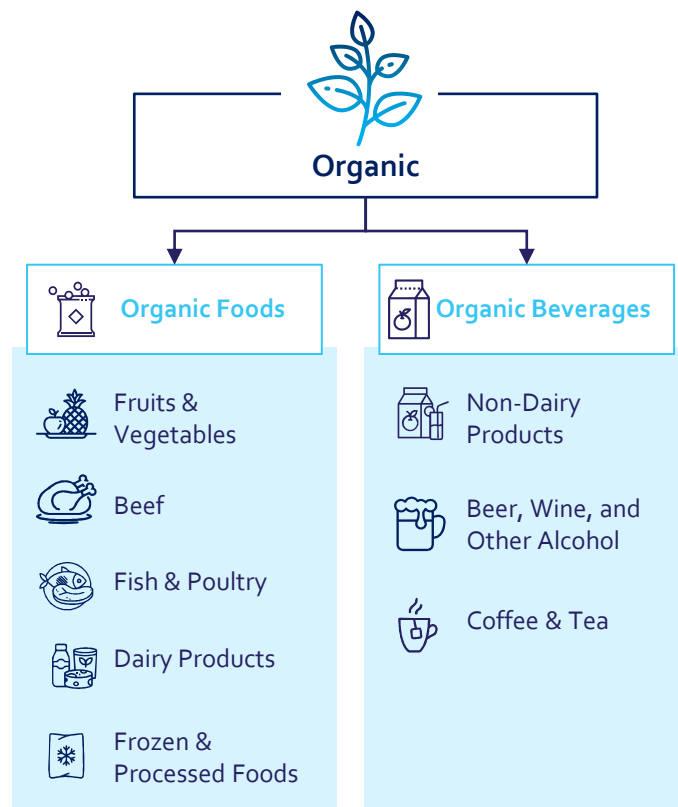
Key players include Organic Valley, Horizon Organic, Amy's Kitchen, Compagnie Biodiversité, Hipp, Alnatura, Eden Food, Yeo Valley, Green & Black's, and Organic India.

Performance of key Organic product categories in the U.S. in 2019:

Organic Fruits and Vegetables: Fruits and Vegetables grew by nearly 5% to reach \$18 billion in sales in 2019, dominating the organic produce market¹. Bananas, carrots, and apples witnessed strong volume growth whereas strawberries, apples, and blueberries generated strong dollar increase in Q3 2020¹.

Organic Dairy and Eggs: Organic Dairy and Eggs sales accounted for just over 8% of the total Dairy and Eggs market. The \$6.6 billion Organic Dairy segment grew at a rate of ~2%, growing much faster than the conventional Dairy segment, which grew by only 0.2%².

Organic Meats: Organic Meat, Poultry, and Fish remained the smallest segment in 2019 with \$1.4 billion in sales. However, it also witnessed the highest segment growth of ~10%. Organic Poultry dominated with \$865 million in sales, accounting for more than half of overall Organic Meat, Poultry and Seafood segment sales².



U.S. Organic Produce sales reached **\$55.1 billion** in 2019, up 5% from the previous year. Food-related Produce accounted for a 90.9% share of this market².



Other notable Organic drivers

- Although a small share of Organic Food, Organic Condiments and Spices is showing outsized growth. Organic Spices recorded sales of \$345 million with over 15% growth. Sales of Ethnic Sauces reached \$77 million, with a growth rate of 23%. Organic Ketchup saw 16% growth².

Retail sales value of Organic Food in Canada

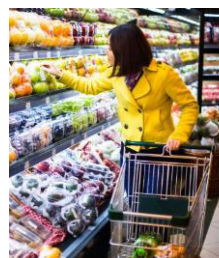
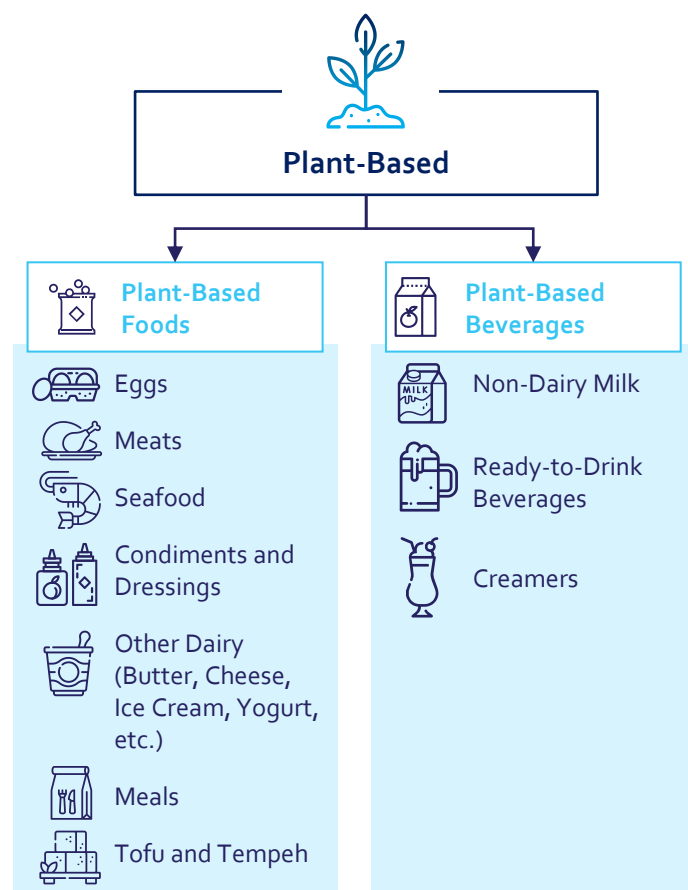
- In 2019, retail sales of Organic Food products in Canada totaled ~\$1.3 billion. This segment has been growing at a CAGR of 2.6% between 2016-2019 and is expected to grow from an estimated \$1.3 billion in 2020 to ~\$1.4 billion in 2023 at a CAGR of 2.6%³.

¹)Organic Produce Network; Organic Trade Association (OTA); ³) GlobalData Intelligence Center

Plant-Based

Plant-Based foods and beverages are derived from plants or cultures and are substitutes to animal-origin products such as meats, seafood, eggs, and dairy. The rise of vegetarian and veganism have contributed to rapid segment growth and increased spending on new product development in the recent years.

Key players include Gardein, Perfect Day Inc., Impossible Foods, Morningstar Farms (Kellogg Company), Beyond Meat, Plantible Foods, Rebellyous Foods, Livekindly, and InnovoPro. Major corporations such as Unilever, JBS, Tyson, Smithfield, Hormel, and Cargill have also started offering their own lines of plant-based alternatives.



Grocery sales of plant-based animal product alternatives have grown 29% to \$5 billion through 2017-2019 in the U.S., compared to U.S. retail food dollar sales pegged at 4% during the same period¹.

Plant-Based Milk is the most developed segment, followed by “Other Dairy” and Meat. Plant-Based Eggs is the least developed segment but is also the fastest growing:

- **Plant-Based Milk** is the most developed segment with \$2.0 billion in sales and accounted for 14% of Retail Milk sales in 2019
 - Almond milk dominates Plant-Based milk sales, however, oat milk grew by 686% in 2019
- U.S. retail sales of **Plant-Based Meat** was \$939 million in 2019. Dollar sales of this segment grew by 38% from 2017-2019
 - Plant-based versions of beef, chicken, and pork comprised ~70% of Plant-Based Meat sales
 - Top-selling products of Plant-Based Meat were burgers, followed by sausages and hot dogs, chicken and breakfast patties
- **Other Plant-Based Dairy** sales were \$1.4 billion in 2019.
 - The **Plant-Based Ice Cream and Frozen Novelty** segment led with \$336 million in sales, followed by **Creamers** (\$287 million), and **Yogurt** (\$283 million)
- U.S. retail sales of both **Plant-Based Meals** and **Tofu and Tempeh** grew 8% year-over-year in 2019 to reach \$377 million and \$128 million, respectively
- **Plant-Based Eggs** saw the highest dollar sales growth at 228% from 2017-2019¹

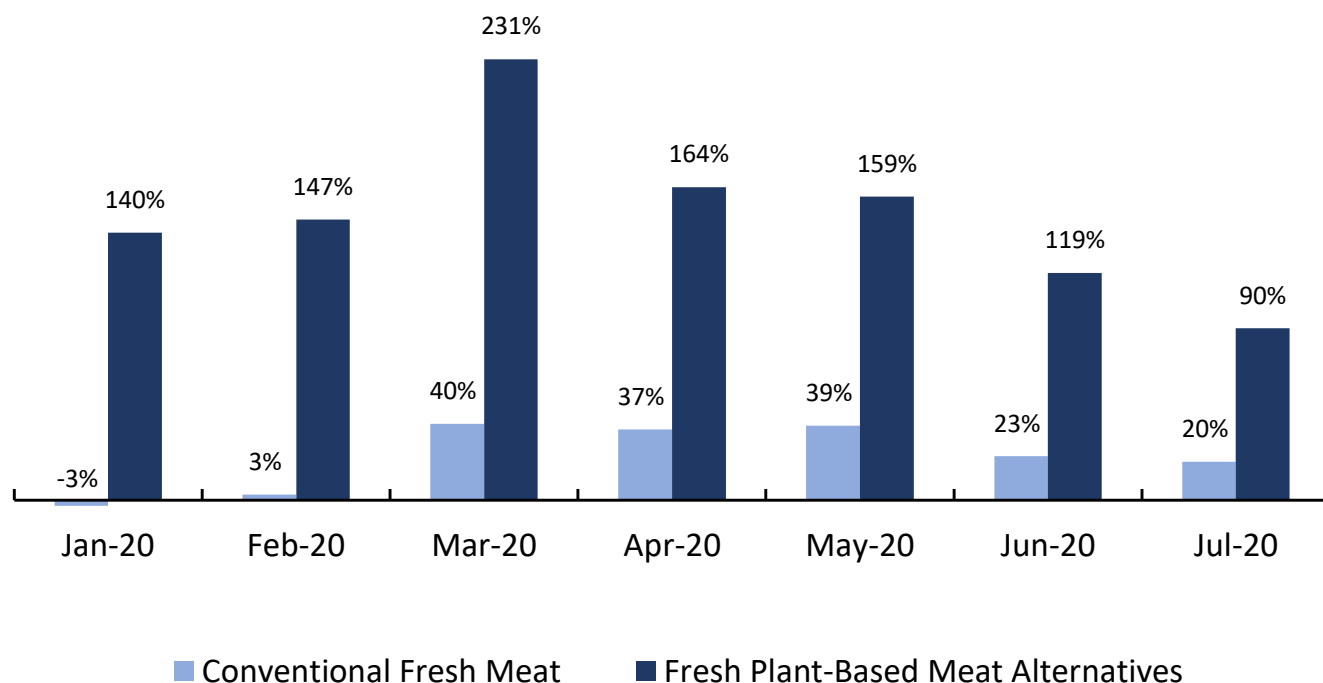


Plant-Based Meat accounts for ~1% of all dollar sales for Retail Meat (including random-weight meat) and 2% of all dollar sales for Retail Packaged Meat. There is a \$12 billion opportunity for Plant-Based Meat to reach market share parity with Plant-Based Milk (14%)².

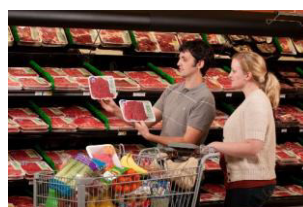
¹) SPINS, The Good Food Institute (GFI) – March 2020 ; ²) SPINS, IRI, Nielsen / GFI

Several Plant-Based categories experienced strong retail sales growth in the U.S. during the Covid-19 pandemic

YoY Percent Change in Refrigerated Plant-Based Meat and Conventional Meat Sales¹



Major growth for Plant-Based Meat: Shutdowns of meat processing plants due to Covid-19 have led to disruptions within the animal-based meat supply chain. This has benefitted plant-based alternatives, which are filling the gap created by the slowdown in meat production. Plant-Based Meat dollar and volume sales experienced strong growth between March 1, 2020 and June 7, 2020 compared to the year-ago period. Dollar growth ranged between 44%-152%, and volume growth was 36%-135%².



Changing consumer behavior: Growing consumer interest in plant-based meat has accelerated during the pandemic. In the event of meat shortages caused by Covid-19, 47% of U.S. consumers are willing to switch to eating more plant-based meat. Millennials and Gen Z are more likely to switch to eating more plant-based meat, at 56% and 62%, respectively³.

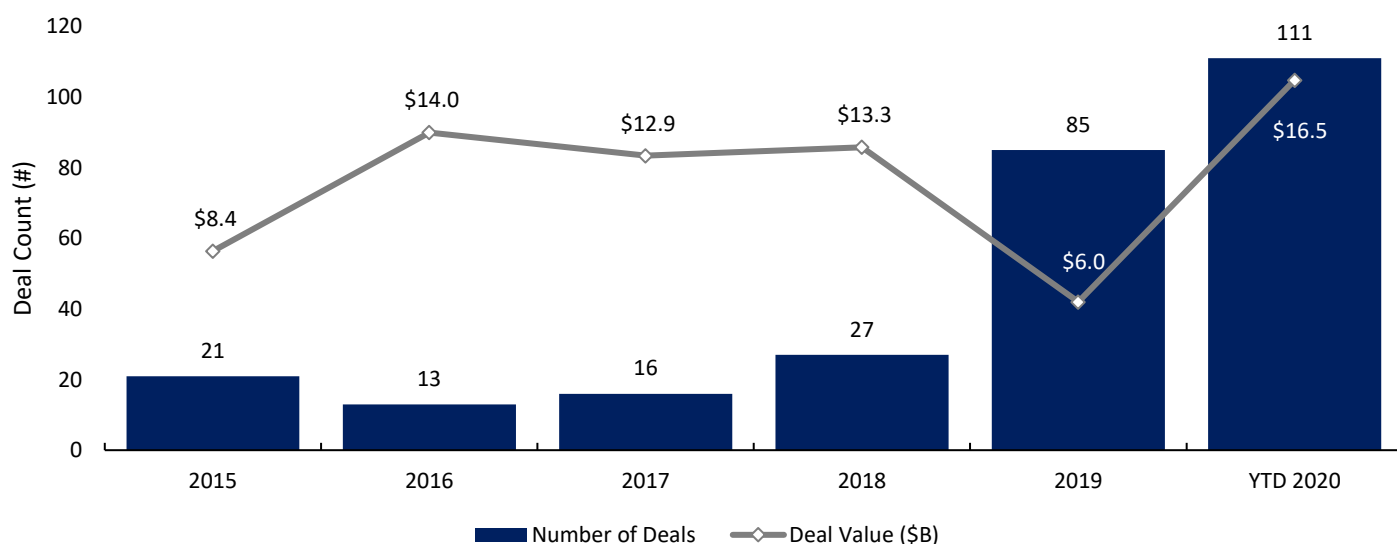
¹) Nielsen; ²) 210 Analytics LLC using IRI data / GFI; ³) Datassential / GFI

M&A Drivers

Overview

The volume of Health and Wellness transactions increased significantly in 2019 and trended positively in 2020. Large industry players are acquiring small-to medium-sized businesses to gain access to the Health and Wellness segment, enter new geographies, and complement their existing portfolios. The segment is also attracting interest from financial sponsors eager to capitalize on market growth opportunities.

M&A Activity (2015 – YTD Dec-20)



M&A Activity (2015 – YTD Dec-20)

Investor interest in the Health and Wellness sector is growing. Plant-Based, Natural, Organic, and Functional Food are trending categories generating attractive growth rates. Large CPG companies are aggressively pursuing acquisitions of fast-growing brands in innovative categories, rather than build them internally, to establish a foothold and capitalize on changing consumer preferences.

Source: Mergermarket, Industry Reports

Highly Acquisitive Consolidators

HERSHEY'S



Growth investment in Quinn Snacks provides significant upside in a healthy, natural food brand



Acquisition of One Brands complements the Oatmega business and provides a competitive offering of brands in the nutrition bar segment



Acquisition of Fulfil Nutrition generates opportunities in new customer segments and markets



Acquisition of Pirates Brands complements the Amplify business



Acquisition of Snyder's-Lance enhanced better-for-you snack offering and accelerated access to faster-growing channels, including convenience and natural



Pacific Foods, a manufacturer of organic and natural soups and broths, added an authentic brand with a loyal customer following in the organic and functional foods segments



Acquisition of Littlelunch enhanced product offering and presence in the German market for organic ready-made meals



Acquisition of Danival complements position in French Health Food Stores and aligns with 'connecting to nature' purpose



Acquisition of BFY Brands, maker of air popped healthy snack brands, supports capabilities in the nutritious snack segment



Acquisition of Health Warrior expanded presence in the plant-based nutrition bar segment



Acquisition of CytoSport expanded presence in sport-oriented nutritional products



Acquisition of Pinnacle Foods created the second-largest U.S. frozen foods company and expanded presence in the snacking segment



Acquisition of Angie's Artisan Treats, maker of Broom chickapop, modernized and expanded portfolio in the better-for-you snacking segment



Acquisition of Thanasi Foods, maker of Duke's Meat snacks and BIGS Seeds, extended the portfolio to more premium segments within on-trend categories



Acquisition of LikeMeat, producer of vegan meat alternatives, accelerates growth and expansion opportunities



Acquisition of Oumph!, a plant-based food brand, accelerates mission of plant-based eating



Acquisition of Fry Group Foods, maker of soya-based vegetarian meals, advances strategy to become a leading plant-based food company

Source: Mergermarket

Other Notable Acquisitions


MARS

Mars' acquisition of KIND, manufacturer and distributor of healthy snacks and fruit and nut bars, enables the company to continue to build on KIND's growth across geographies and categories

**NATURE'S
BAKERY**


KIND's acquisition of Nature's Bakery, a family-owned provider of wholesome and delicious snacks, extends the ability to build out a platform of brands and products that make wholesome snacking choices more readily available to people everywhere


KraftHeinz

Groupe Lactalis' acquisition of The Kraft Heinz Company's natural cheese business strengthens its portfolio of iconic, strongly-positioned brands, including Cheez Whiz, Cracker Barrel, Polly-O, Breakstone's, Knudsen, Athenos, and Hoffman's

**bettera
brands**
Nutravail

Bettera Brands's acquisition of Nutravail, developer and manufacturer of health and wellness food products, enables the company to offer a full spectrum of delivery systems to its customers

The Coca-Cola Company


The Coca-Cola Company's acquisition of Fairlife, producer of nutritious milk beverages products, is part of the company's mission to become a "total beverage company" – one that plays in a number of categories far beyond its traditional soda stronghold

BiotoBio
Il tuo partner di Natura


BiotoBio's acquisition of La Finestra sul Cielo, provider of organic food products focused on food intolerances, allows the company to take advantage of Piedmontese production and transformation sites, while also strengthening distribution of organic products and opportunities for exportation



Renaissance Food Group's acquisition of Simply Fresh Fruit, processor and supplier of fresh-cut fruits primarily serving the foodservice and hospitality markets



Blue Point Capital Partner's acquisition of Country Pure Foods, producer of branded and private-label beverages and juice products, expands its natural and organic food and beverage portfolio

the Simply Good
FOODS COMPANY™

QUEST
NUTRITION®

The Simply Good Foods Company's acquisition of Quest Nutrition, manufacturer of healthy snacks, strengthens the company's position in market, thereby expanding its portfolio of brands and product offerings with greater consumer base and channel diversification

glanbia
SlimFast **HNS**
HEALTHY NUTRITION SOLUTIONS

Glanbia's acquisition of weight management and health improvement food product businesses SlimFast and Hyper Network Solutions of Florida, helps extend the company's performance nutrition portfolio to related consumer needs



All Aboard the Healthy Snacks Train

- Large food manufacturers are investing billions in healthy snack brands to penetrate and expand in the flourishing healthy snack market.
- Notable acquisitions in this segment include Lotus Bakeries' acquisition of UK-based organic and healthy snacks company Natural Balance Foods; Valeo Foods Group's acquisition of baked snacks company Kettle Foods; and Ferrero's \$300 million acquisition of Denmark-based baked snack brand Kelson Group.

Start-Ups and Innovation

- Large manufacturers have drastically ramped up acquisition efforts of start-ups and early-stage companies to gain market access and accelerate growth, as these smaller entities have innovative offerings which cater to specialized dietary requirements and eating habits.
- Groupe Bel acquired All in Foods, which offers innovative plant-based alternatives such as cheese and sauces, while PepsiCo acquired Health Warrior, a maker of plant-based products such as nutrition bars.



Penetrating New Markets

- Consumer product companies are using acquisitions to enter and establish a position in the emerging health and wellness segments in developing regions.
- Netherlands-based Royal Wessanen's acquisition of Littlelunch and Danival are expected to strengthen its presence in the German organic and French health food markets, respectively. Canada-based Wellness Natural Inc.'s acquisition of Simply Good Foods expands the company's U.S. market presence.

Developing a Strong Health and Wellness Portfolio

- Companies are choosing to expand complementary offerings through acquisitions of other established brands to increase their market presence.
- Examples like Royal Wessanen's acquisitions of Biogran in December 2016, Danival in July 2020, and Littlelunch in October 2020, prove the power in organic businesses, strong product portfolios, and transparent supply chains.

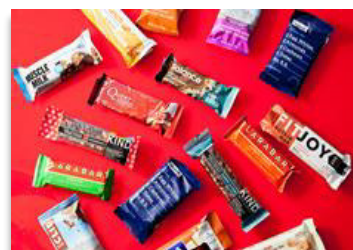


Financial Investors' Growing Interest in the Health and Wellness Market

- Private equity and venture capital investors continue to deploy more capital into the food and beverage sector as they seek to capitalize on increasing consumer demand for healthy food options.
- In August 2020, Impossible Foods Inc., developer of plant-based substitutes for meat products, secured \$200 million in its latest funding round, led by new investor Coatue. In September 2020, Chile-based manufacturer of vegan dairy products The Not Company, raised \$85 million from an investor group that included L Catterton.

Protein-Driven Deals

- Protein has been a key focus area for weight watchers and health food enthusiasts due to its various nutritional benefits. Taking cue from this trend, companies have been proactive in being associated with protein-rich products, such as powders, snacks, and bars.
- In August 2019, The Hershey Company acquired US-based high-protein snack bar maker One Brands (\$397 million) and Ireland-based protein bar maker Fulfil Nutrition.



Source: Mergermarket

Select M&A Transactions – (YTD Dec-20)

Date	Target	Target Country	Target Description	Acquirer	Acquirer Country
2-Dec-20	Nature's Bakery	United States	US-based provider of better-for-you snacks	KIND LLC	United States
1-Dec-20	Matrixx Initiatives	United States	US-based manufacturer and distributor of ZICAM branded supplements	Church & Dwight	United States
26-Nov-20	Famille Mary Ruche Beau Rivage	France	France-based online producer and seller of honey products	Groupe Lea Nature SA	France
25-Nov-20	SmartyPants Vitamins	United States	US-based producer of vitamins, minerals, and supplements	Unilever	United States
22-Nov-20	David Del Curto S.A.	Chile	Chile-based producer and distributor of fruits in Chile and internationally	Hancock Natural Resource Group, Inc.	United States
19-Nov-20	McCartney Produce Co., Inc.	United States	US-based supplier of fruits and vegetables	FreshEdge, LLC	United States
18-Nov-20	Fresh Direct	US-based	US-based eCommerce food grocer, focusing on fresh food delivery	Ahold Delhaize; Centerbridge Partners	Netherlands; United States
17-Nov-20	KIND LLC	United States	US-based manufacturer and distributor of healthy snacks and fruit and nut bars	Mars, Incorporated	United States
16-Nov-20	Nappi 1911	Italy	Italy-based processor of dried fruit, candied fruit, fruit in syrup and jams, hazelnuts, cherries, and sour cherries	Aksia Group SGR S.p.A.	Italy
12-Nov-20	Lillie Brothers Ltd.	United Kingdom	UK-based distributor of milk and dairy products	Cornish Farm Dairy Limited	United Kingdom
12-Nov-20	Gastronomica Roscio S.R.L.	Italy	Italy-based producer of chilled and frozen ready-to-eat meals	Dea Capital Alternative Funds SGR SpA	Italy
10-Nov-20	Swerve, L.L.C./Swerve IP, L.L.C	United States	US-based manufacturer and marketer of zero sugar, keto-friendly, and plant-based sweeteners and baking mixes	Whole Earth Brands, Inc. (NasdaqCM:FREE)	United States
8-Nov-20	Toyama Seika Center, K.K.	Japan	Japan-based distributor of fruits and vegetables	AIDIC Co., Ltd.	Japan
5-Nov-20	Bio-K Plus	Canada	Canada-based manufacturer and distributor of probiotics and fermented beverages	Kerry Group	Ireland
3-Nov-20	Pearlside Holdings Ltd.	Cyprus	Cyprus-based distributor of raw cashew nuts	Dekel Agri-Vision plc (AIM:DKL)	Cyprus
3-Nov-20	Higgins & White Inc	United States	US-based provider of fruit, nut, and specialty ingredients	Skidmore Sales & Distributing Company, Inc.	United States
2-Nov-20	CeCe Veggie Noodles	United States	US-based manufacturer and seller of hand-crafted plant-based meal solutions	Fresh From Texas, Texas Next Capital	United States
30-Oct-20	Chengdu Wagott Bio-Tech Co., Ltd	China	China-based manufacturer and seller of tea extract products	Guilin Layn Natural Ingredients Corp.	China
30-Oct-20	Jakobsens A/S	Denmark	Denmark-based producer of honey	Good Food Group A/S	Denmark
27-Oct-20	SmartSweets Inc.	Canada	Canada based manufacturer of candies with no sugar, sugar alcohols, or artificial sweeteners	TPG Growth	United States
26-Oct-20	Crisco® Oils (J. M. Smucker Company)	United States	US-based manufacturer of vegetable oils	B&G Foods North America, Inc.; B&G Foods Canada, ULC	Canada and United States

Source: Mergermarket

Select M&A Transactions – (YTD Dec-20)

Date	Target	Target Country	Target Description	Acquirer	Acquirer Country
26-Oct-20	Pollenergie, SAS	France	France-based processor and marketer of bee products, such as fresh frozen pollen, propolis, royal jelly, and honey	BEECOM	France
22-Oct-20	BIOVEGAN	Germany	Germany-based provider of organic, vegan and gluten-free baking products and food ingredients	Finexx	Germany
22-Oct-20	J&K Ingredients	USA	US-based manufacturer of baked goods ingredients with an emphasis on natural, organic and clean label products	CORE Industrial Partners	USA
22-Oct-20	The Perfect Puree of Napa Valley	USA	US-based producer of fruit and vegetable purees and concentrates	Spanos Barber Jesse & Co.	USA
15-Oct-20	NATURELO Premium Supplements	USA	US-based provider of vitamins and other whole-ingredient-made healthcare supplements	Arcadia Consumer Healthcare	USA
15-Oct-20	Littlelunch	Germany	Germany-based company providing organic food such as soups, sauces amongst others	Royal Wessanen	Netherlands
29-Sep-20	Simply Good Foods Canada	Canada	Canada-based nutritional snacking company	Wellness Natural	Canada
28-Sep-20	GURU Beverage	Canada	Canada-based natural energy drink manufacturer	Mira X Acquisition	Canada
23-Sep-20	LikeMeat (49% Stake)	Germany	Germany-based producer of vegan meat alternatives, products such as plant-based bratwurst, schnitzel and gyros strips	The Livekindly Co.	USA
15-Sep-20	Kraft Heinz (Natural Cheese Business)	USA	US-based Natural Cheese businesses of Kraft Heinz	Groupe Lactalis	France
14-Sep-20	Hilo Nutrition	USA	US-based company that provides consumers with novel alternatives to traditional powder supplements	Highlander Partners	USA
14-Sep-20	Nutravail	USA	US-based developer and manufacturer of health and wellness food products	Bettera Brands	USA
11-Sep-20	Inner Mongolia Yiyangmei Dairy (80% Stake)	China	China-based company engaged in manufacturing and sale of dairy products, including organic infant and other formula milk powder and cheese	Beijing Dabeinong Technology	China
7-Sep-20	Laboratoire Lescuyer	France	France-based company that produces dietary food supplements	Laboratoires Lehning	France
3-Sep-20	Klement	Poland	Poland-based producer of functional foods, sports supplements and diet supplements	Bayn Group	Sweden
1-Sep-20	Liquid I.V.	USA	US-based company engaged in manufacturing drink mixes and nutrients	Unilever	United Kingdom
1-Sep-20	Honey Mama's	USA	US-based food manufacturer of better-for-you indulgence brand	Amberstone Ventures	USA
28-Aug-20	Nestle	China	China-based healthy drinking water business of Nestle S.A.	Tsingtao Brewery	China
21-Aug-20	Go Glukos	USA	US-based producer of sports nutrition and energy supplement products made from glucose	United Sports Brands	USA
31-Jul-20	Simply Natural Foods	USA	US-based company that manufactures and supplies nutrition bars and confections for food brands	AOG	USA

Source: Mergermarket

Select M&A Transactions – (YTD Dec-20)

Date	Target	Target Country	Target Description	Acquirer	Acquirer Country
21-Jul-20	Danival	France	France-based producer of fruit and vegetable based organic savory and sweet food products	Royal Wessanen	Netherlands
21-Jul-20	Nerd Beverage	USA	US-based company, maker of energy drinks	Beverage USA Holdings	USA
20-Jul-20	ARIIX Holdings; Zennoa; The LIMU Company; MaVie Limited; PT Shannen Global Indonesia	Singapore	Indonesia-based skincare and beauty company; Singapore-based DNA mapping and wellness company; US-based e-commerce and direct-to-consumer company; US-based seaweed-based supplements and foods; US-based superfoods nutrition company	NewAge	USA
8-Jul-20	DNS	Japan	Japan-based supplier of health supplements, drinks, meal bars and other products with a focus on protein powder	Nippon Sangyo Suishin	Japan
3-Jul-20	Rorosmeieriet	Norway	Norway-based producer of organic dairy products	Salvesen & Thams	Norway
2-Jul-20	La Finestra sul Cielo	Italy	Italy-based provider of organic food products focused on food intolerances, probiotics and vegan foods	BiotoBio SRL	Italy
30-Jun-20	Beretta Farms	Canada	Canada based company engaged in manufacturing and processing natural and organic meat products	Vukota Capital Management	USA
23-Jun-20	Rhythm Superfoods	USA	US-based healthy snack company	Sesajal	Mexico
17-Jun-20	Oumph!	Sweden	Sweden-based plant-based food brand	The Livekindly Co.	USA
15-Jun-20	Velle	Russia	Russia-based producer of oat-based beverages and probiotic foods	Artur Sirakanyan (Private investor); Onyx Stone	Cyprus
12-Jun-20	Ittella International	USA	US-based plant-based food company	Forum Merger II	USA
1-Jun-20	Bobeldijk Food Group	Netherlands	Netherlands-based manufacturer and seller of a range of meat alternative products under its Vegafit brand, including plant-based alternatives to meatballs, steaks, nuggets, etc.	B.V. Kennemervis	Netherlands
22-May-20	Natural Balance Foods	United Kingdom	UK-based organic and healthy snacks company	Lotus Bakeries	Belgium
7-May-20	Rudi's Organic Bakery	USA	US-based company providing organic bakery products	Promise Gluten Free	Ireland (Republic)
7-May-20	Three Bakers Gluten Free Bakery	USA	US-based bakery providing gluten-free baking products	Promise Gluten Free	Ireland (Republic)
4-May-20	KRAVE Pure Foods	USA	US-based producer of artisanal jerky, that makes and markets a line of natural and high-protein snacks using cuts of all-natural beef, pork and turkey	Sonoma Brands	USA
27-Apr-20	Wildtree	USA	US-based provider of organic food products and meal replacement solutions	Altair Acquisitions	USA

Source: Mergermarket

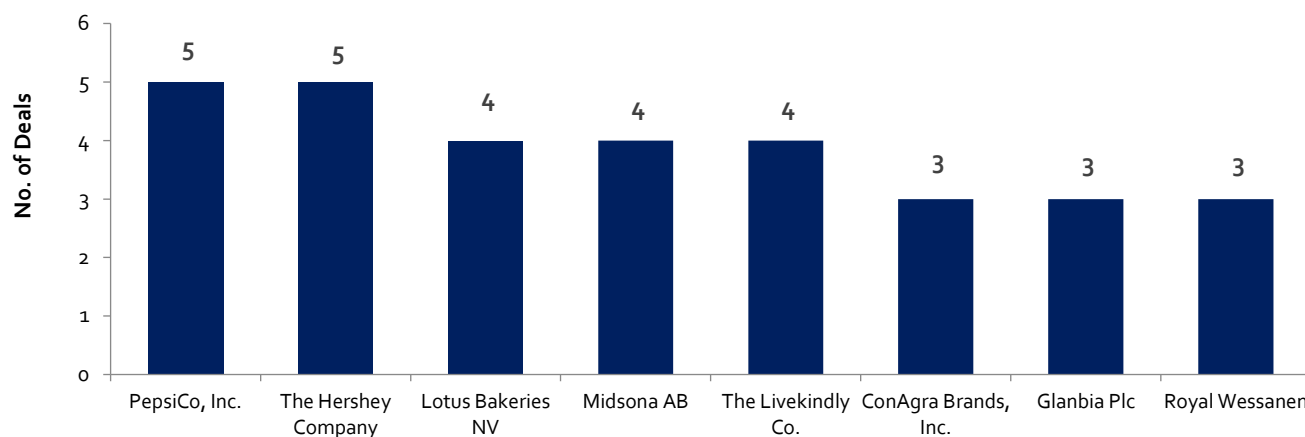
Select M&A Transactions – (YTD Dec-20)

Date	Target	Target Country	Target Description	Acquirer	Acquirer Country
19-Mar-20	BenFit-Nutrition	Germany	Germany-based organic food company dedicated to prepare high protein baked goods	Antin Infrastructure Partners; Angelika Schoechlin (Private Investor)	France
12-Mar-20	Fry Group Foods	South Africa	South African-based manufacturer of soya-based vegetarian meals	The Livekindly Co.	USA
12-Mar-20	All in Foods	France	France-based producer of plant-based alternatives to cheese and sauces	Groupe Bel	France
11-Mar-20	Rockstar	USA	US-based company manufacturing energy drinks for athletes	PepsiCo	USA
6-Mar-20	Naked Foods Organic Health Foods	Australia	Australia-based organic bulk health foods chain	Wu Family	Australia
20-Feb-20	Brekki	USA	US-based company offering ready to eat overnight oats and healthy meals	Cedar's Mediterranean Foods	USA
17-Feb-20	LikeMeat	Germany	Germany-based producer of vegan meat alternatives, products such as plant-based bratwurst, schnitzel and gyros strips	The Livekindly Co.	USA
12-Feb-20	Beanitos	USA	US-based company that makes organic snacks and chips	The Good Bean	USA
7-Feb-20	Pandy Foods AB	Sweden	Sweden-based company engaged in producing low sugar high protein candy bars, energy drinks, protein bars & related products	Bayn Group	Sweden
27-Jan-20	Lucco Fit	Brazil	Brazil-based provider of healthy eating foods	Sapore	Brazil
24-Jan-20	Daizu	Germany	Germany-based beverage company engaged in manufacturing of natural sleep drink with melatonin	Dr. Kade Pharmazeutische Fabrik	Germany
21-Jan-20	Simply Fresh Fruit	USA	US-based processor and supplier of a broad line of fresh-cut fruit	Renaissance Food Group	USA
17-Jan-20	Vuohelan Herkku Oy	Finland	Finland - based company engaged in developing and manufacturing only gluten-free products	Oy Karl Fazer	Finland
16-Jan-20	Frulact	Portugal	Portugal-based specializes in the production of natural fruit-based and plant-based ingredients	Ardian	France
3-Jan-20	Fairlife	USA	US-based processor of value-added dairy products	The Coca-Cola Company	USA

Source: Mergermarket

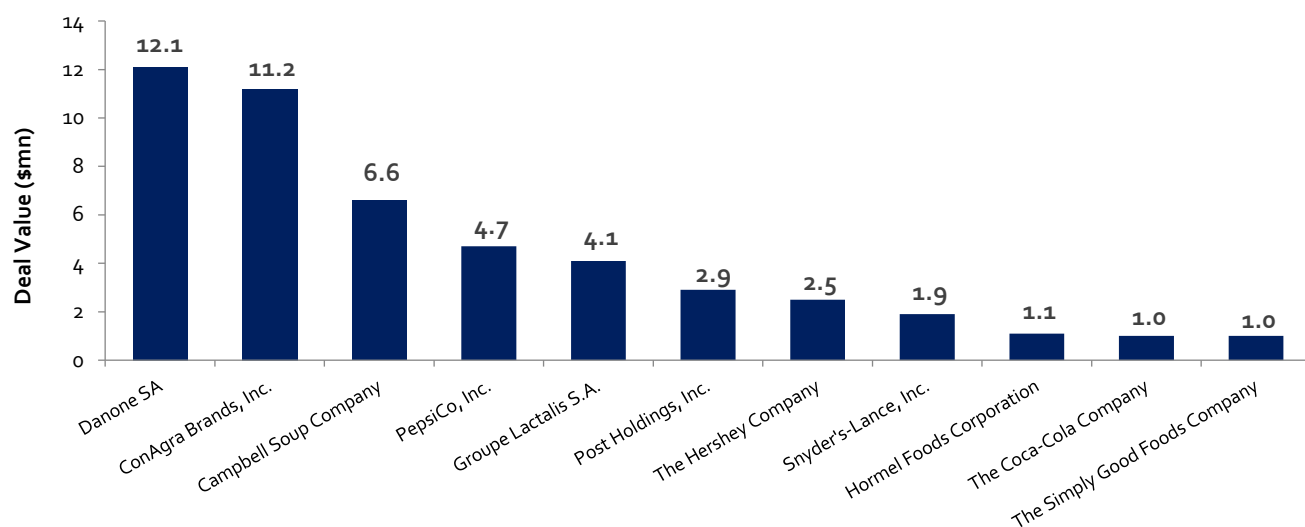
Top Strategic Buyers by Deal Count (2015 – YTD Dec-20)

Strategic buyers have made a significant investment in the Health and Wellness sector over the last five years. The Hershey Company and PepsiCo have completed five acquisitions, followed by The Livekindly Co., Midsona, and Lotus Bakeries at four each. Royal Wessanen, Glanbia Plc, and Conagra Brands each completed three acquisitions between 2015 – YTD 2020.



Top Strategic Buyers by Deal Value (2015 – YTD Dec-20)

Top strategic transactions include the \$12.1 billion acquisition of WhiteWave Foods by Danone in 2016; Conagra's \$11.2 billion acquisition of Angie's Artisan Treats and Thanasi Foods in 2017 and Pinnacle Foods in 2018; and Campbell Soup Company's acquisition of Snyder's-Lance and Pacific Foods in 2017 for a combined value of \$6.6 billion.



Source: Mergermarket

Peer Trading Analysis

Public Company Valuation Metrics

Fortified/Functional

Company Name	Market Cap (Capital IQ)	EV (USDm)	Margin (%)		EV/		
			EBITDA	EBIT	Sales (x)	EBITDA (x)	EBIT (x)
			LTM	LTM	LTM	LTM	LTM
Herbalife Nutrition Ltd.	6,071	7,670	13.4%	11.6%	1.43x	10.7x	12.4x
Glanbia plc	3,760	4,705	7.0%	4.8%	1.06x	15.0x	22.3x
Freedom Foods Group Limited	574	792	NM	NM	1.98x	NM	NM
V V Food & Beverage Co.,Ltd	1,000	1,188	10.0%	5.7%	1.58x	15.7x	27.8x
Valsoia S.p.A.	169	138	15.3%	13.6%	1.49x	9.7x	11.0x
Enervit S.p.A.	64	83	1.6%	NM	1.35x	NM	NM
Lifeway Foods, Inc.	97	93	6.5%	3.1%	0.93x	14.3x	30.0x
Mean			9.0%	7.7%	1.40x	13.1x	20.7x
Median			8.5%	5.7%	1.43x	14.3x	22.3x

Naturally Healthy

Company Name	Market Cap (Capital IQ)	EV (USDm)	Margin (%)		EV/		
			EBITDA	EBIT	Sales (x)	EBITDA (x)	EBIT (x)
			LTM	LTM	LTM	LTM	LTM
Fresh Del Monte Produce Inc.	1,222	1,985	4.1%	1.9%	0.47x	11.4x	25.2x
Hortifrut S.A.	768	1,383	23.5%	13.1%	2.16x	9.2x	16.5x
John B. Sanfilippo & Son, Inc.	871	937	10.6%	8.5%	1.07x	10.1x	12.6x
Total Produce plc	665	1,209	2.1%	1.3%	0.28x	13.7x	21.5x
Costa Group Holdings Limited	1,201	1,603	9.0%	3.7%	2.15x	23.8x	NM
Hokuto Corporation	628	809	17.8%	8.1%	1.17x	6.6x	14.5x
T&G Global Limited	245	437	4.4%	2.7%	0.51x	11.5x	19.1x
Ichitan Group Public Company Limited	478	492	25.0%	12.3%	3.39x	13.6x	27.4x
Mehadrin Ltd.	135	215	6.0%	4.1%	0.61x	10.1x	14.8x
Tipco Foods Public Company Limited	113	165	0.7%	NM	1.84x	NM	NM
Yantai North Andre Juice Company Limited	1,222	1,103	21.8%	17.5%	7.83x	36.0x	44.8x
Malee Group Public Company Limited	58	137	2.6%	NM	1.00x	38.5x	NM
Mean			10.6%	7.3%	1.87x	16.8x	21.8x
Median			7.5%	6.1%	1.12x	11.5x	19.1x

Source: S&P CapIQ as of 4 December 2020

Organic/Free-From

Company Name	Market Cap (Capital IQ)	EV (USDm)	Margin (%)		EV/		
			EBITDA	EBIT	Sales (x)	EBITDA (x)	EBIT (x)
			LTM	LTM	LTM	LTM	LTM
The Hain Celestial Group, Inc.	3,804	4,162	10.1%	7.6%	2.01x	19.9x	26.4x
SunOpta Inc.	891	1,541	6.0%	3.2%	1.22x	20.5x	38.6x
Pulmuone Co., Ltd.	556	1,191	6.9%	1.9%	0.59x	8.5x	31.6x
Seneca Foods Corporation	396	634	10.3%	8.4%	0.46x	4.5x	5.5x
Select Harvests Limited	481	721	23.2%	15.5%	4.06x	17.5x	26.2x
NewAge, Inc.	396	429	NM	NM	1.73x	NM	NM
Carmit Candy Industries Ltd.	27	44	9.2%	5.9%	0.91x	9.8x	15.2x
GreenSpace Brands Inc.	11	26	NM	NM	1.09x	NM	NM
Mean			11.0%	7.1%	1.51x	13.4x	23.9x
Median			9.7%	6.8%	1.16x	13.7x	26.3x

Diversified

Company Name	Market Cap (Capital IQ)	EV (USDm)	Margin (%)		EV/		
			EBITDA	EBIT	Sales (x)	EBITDA (x)	EBIT (x)
			LTM	LTM	LTM	LTM	LTM
The Hershey Company	31,403	35,350	25.5%	21.9%	4.40x	17.3x	20.1x
Conagra Brands, Inc.	17,338	26,879	20.8%	17.6%	2.37x	11.4x	13.5x
Post Holdings, Inc.	6,208	12,666	18.8%	12.3%	2.22x	11.9x	18.1x
Vietnam Dairy Products Joint Stock Company	9,808	9,380	25.7%	21.7%	3.66x	14.2x	16.8x
B&G Foods, Inc.	1,776	3,560	18.4%	15.2%	1.85x	10.0x	12.1x
The Simply Good Foods Company	2,216	2,744	17.8%	16.2%	3.36x	18.9x	20.8x
Raisio plc	597	510	13.8%	11.8%	1.85x	13.4x	15.7x
Midsona AB (publ)	532	692	9.2%	6.4%	1.80x	19.6x	28.2x
Taisun Enterprise Co., Ltd.	409	409	4.6%	3.5%	1.44x	31.2x	NM
Yaizu Suisankagaku Industry Co.,Ltd.	117	35	7.4%	4.4%	0.26x	3.5x	5.8x
Mean			16.2%	13.1%	2.32x	15.1x	16.8x
Median			18.1%	13.7%	2.04x	13.8x	16.8x

Plant-Based

Company Name	Market Cap (Capital IQ)	EV (USDm)	Margin (%)		EV/		
			EBITDA	EBIT	Sales (x)	EBITDA (x)	EBIT (x)
			LTM	LTM	LTM	LTM	LTM
Beyond Meat, Inc.	8,748	8,598	NM	NM	NM	NM	NM
Tyson Foods, Inc.	25,526	36,106	11.6%	8.9%	0.84x	7.2x	9.4x
Kellogg Company	21,437	29,606	17.1%	13.6%	2.19x	12.8x	16.1x
Conagra Brands, Inc.	17,338	26,879	20.8%	17.6%	2.37x	11.4x	13.5x
Maple Leaf Foods Inc.	2,623	3,251	7.5%	4.3%	1.03x	13.9x	24.1x
Else Nutrition Holdings Inc.	299	295	NM	NM	NM	NM	NM
Burcon NutraScience Corporation	226	216	NM	NM	NM	NM	NM
Mean			14.3%	11.1%	1.61x	11.3x	15.8x
Median			14.4%	11.2%	1.61x	12.1x	14.8x
Overall Mean			12.0%	9.2%	1.83x	15.1x	20.5x
Overall Median			10.1%	8.1%	1.49x	13.5x	19.1x

Source: S&P CapIQ as of 4 December 2020

Note: Under Organic / Free-From, Bellamy's Australia acquired by China Mengniu Dairy Company Limited in September 2019

Peer Average vs. S&P Food & Beverage Index

The Health and Wellness sector has witnessed negative returns year-over-year. However, the market has shown positive long-term growth with the Organic / Free-From and Diversified segments appreciating by 80.5% and 60.0%, respectively.

The S&P Food & Beverage Select Industry Index (equities classified in the GICS Food & Beverage sub-industry of the S&P Total Market Index) has outperformed the Health and Wellness market, which implies large companies are performing relatively well compared to smaller-scale players.

(% change)	5Y	3Y	1Y	6m
Fortified/Functional				
Herbalife Nutrition Ltd.	77.5%	46.8%	11.0%	11.6%
Lifeway Foods, Inc.	(44.7%)	(38.1%)	224.0%	156.0%
V V Food & Beverage Co.,Ltd	(37.5%)	(7.2%)	52.9%	43.8%
Valsoia S.p.A.	(36.1%)	(14.7%)	29.1%	19.0%
Enervit S.p.A.	18.4%	(14.3%)	(5.2%)	2.2%
Freedom Foods Group Limited	(4.7%)	(41.7%)	(36.4%)	(9.7%)
Glanbia plc	(32.4%)	(31.3%)	8.8%	11.6%
Peer Average	(8.5%)	(14.9%)	6.0%	14.4%
Naturally Healthy				
Ichitan Group Public Company Limited	(3.3%)	40.4%	116.9%	72.3%
John B. Sanfilippo & Son, Inc.	33.5%	24.1%	(22.2%)	(8.4%)
Malee Group Public Company Limited	(48.5%)	(80.9%)	(3.9%)	(8.3%)
Tipco Foods Public Company Limited	(56.7%)	(49.5%)	(7.9%)	14.5%
Yantai North Andre Juice Company Limited	194.4%	112.0%	56.4%	62.0%
Costa Group Holdings Limited	51.4%	(36.2%)	75.4%	34.8%
Fresh Del Monte Produce Inc.	(40.7%)	(47.5%)	(22.1%)	6.8%
Hokuto Corporation	6.3%	11.1%	8.9%	8.1%
Hortifrut S.A.	47.8%	(53.5%)	(31.0%)	12.9%
Mehadrin Ltd.	6.3%	(26.3%)	12.4%	23.0%
T&G Global Limited	44.3%	(15.7%)	10.9%	12.3%
Total Produce plc	9.9%	(43.3%)	10.9%	28.0%
Peer Average	20.4%	(25.7%)	10.9%	22.9%

Source: S&P CapIQ as of 4 December 2020

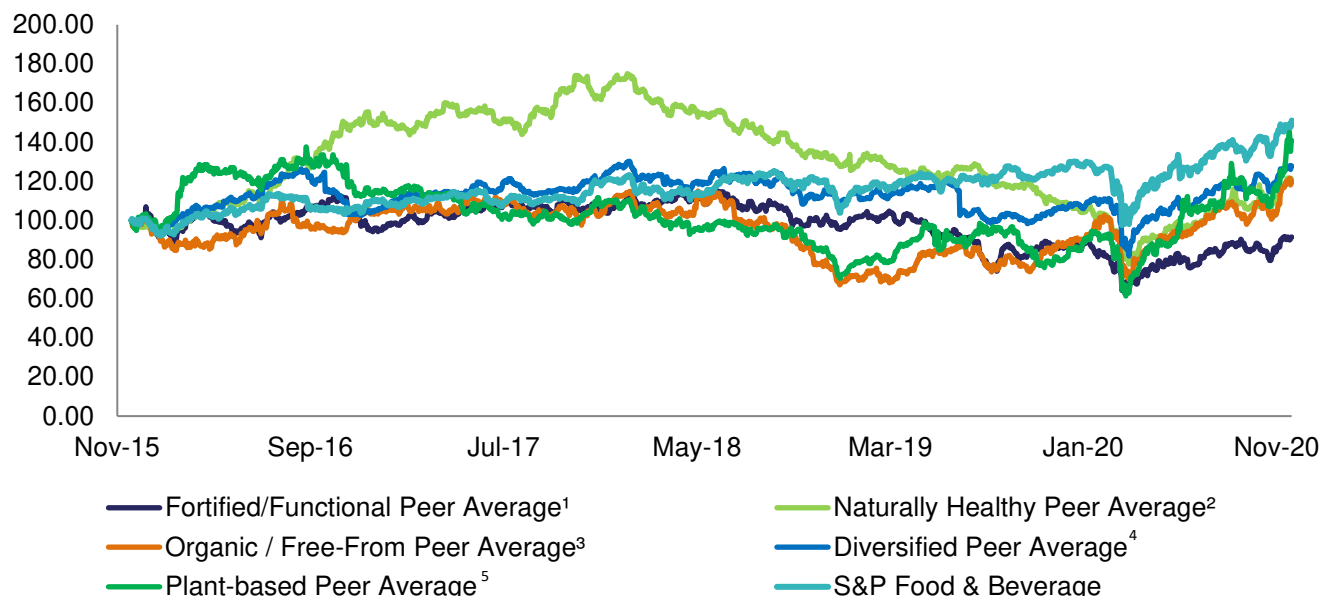
Peer Average vs. S&P Food & Beverage Index (continued)

(% change)	5Y	3Y	1Y	6m
Organic / Free-From				
Carmit Candy Industries Ltd.	178.7%	142.9%	25.7%	23.5%
GreenSpace Brands Inc.	(93.3%)	(95.1%)	(55.9%)	(39.8%)
The Hain Celestial Group, Inc.	(4.1%)	(8.7%)	50.9%	22.6%
NewAge, Inc.	857.1%	54.4%	na	106.8%
Select Harvests Limited	(37.5%)	10.5%	(29.1%)	(4.7%)
Seneca Foods Corporation	58.7%	33.1%	15.7%	26.8%
SunOpta Inc.	41.5%	30.4%	284.8%	102.6%
Pulmuone Co., Ltd.	(6.5%)	6.4%	93.4%	21.3%
Peer Average	124.3%	32.9%	157.1%	60.9%
Diversified				
B&G Foods, Inc.	(23.6%)	(23.5%)	64.4%	14.9%
Conagra Brands, Inc.	(13.8%)	(4.5%)	23.3%	5.5%
The Hershey Company	74.4%	33.8%	0.6%	12.4%
Midsona AB (publ)	110.0%	38.8%	55.4%	38.5%
Post Holdings, Inc.	39.5%	20.0%	(11.8%)	4.8%
Raisio plc	(19.8%)	(13.2%)	0.0%	(5.7%)
The Simply Good Foods Company	na	72.2%	(17.3%)	30.8%
Taisun Enterprise Co., Ltd.	141.8%	46.8%	14.0%	0.9%
Vietnam Dairy Products Joint Stock Company	48.2%	(22.8%)	11.0%	12.5%
Yaizu Suisankagaku Industry Co.,Ltd.	16.1%	(12.1%)	(0.7%)	9.1%
Peer Average	77.0%	46.2%	66.9%	36.7%
Plant-based				
Beyond Meat, Inc.	na	na	89.5%	4.0%
Tyson Foods, Inc.	34.7%	(15.9%)	(21.6%)	16.6%
Kellogg Company	(11.1%)	(8.2%)	(5.1%)	(4.7%)
Conagra Brands, Inc.	(13.8%)	(4.5%)	23.3%	5.5%
Maple Leaf Foods Inc.	27.7%	(24.0%)	15.4%	12.1%
Else Nutrition Holdings Inc.	na	na	1248.1%	282.0%
Burcon NutraScience Corporation	38.4%	389.5%	182.8%	107.7%
Peer Average	40.8%	29.5%	77.3%	57.7%
S&P Food and Beverage	51.1%	26.8%	19.4%	17.6%

Source: S&P CapIQ as of 4 December 2020

Note: Under Organic / Free-From, Bellamy's Australia acquired by China Mengniu Dairy Company Limited in September 2019

Peer Average vs. S&P Food & Beverage



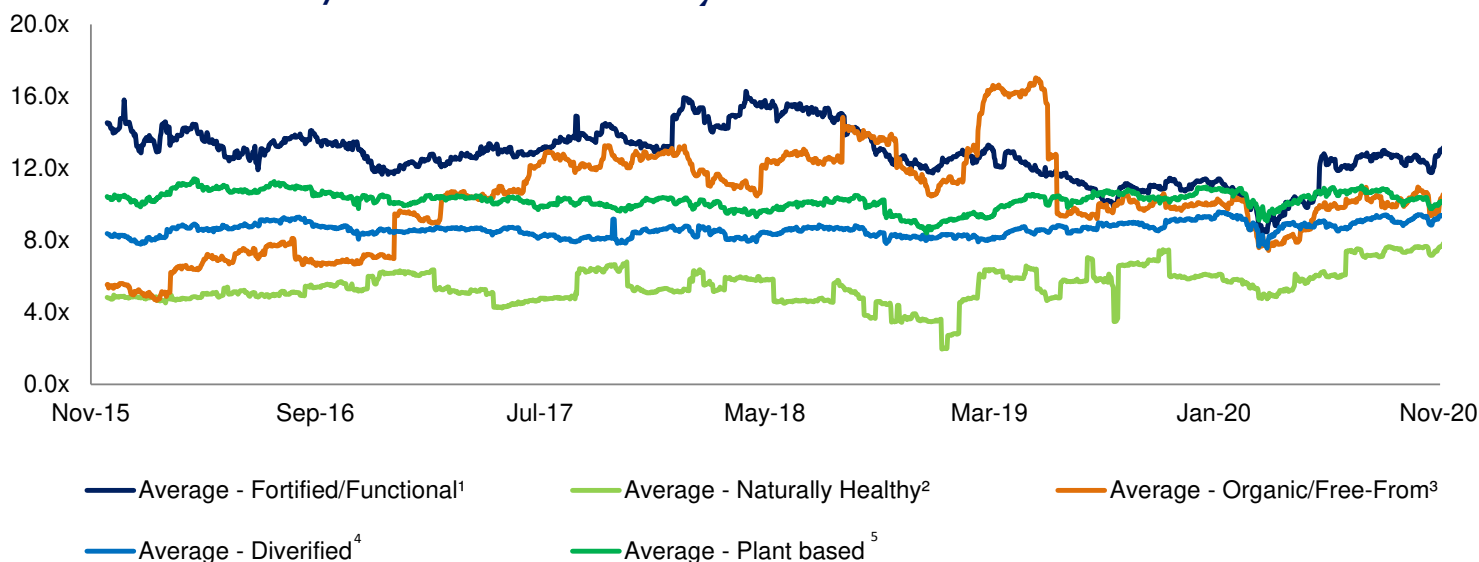
Andre Juice Co. Class H, Costa Group Holdings, Fresh Del Monte Produce, Hokuto Corporation, Hortifrut, Mehadrin, T&G Global, Total Produce

Note 3: Organic / Free-From: Carmit Candy Industries, GreenSpace Brands, Hain Celestial Group, New Age Beverages, Select Harvests, Seneca Foods Corporation Class A, SunOpta, Pulmuone Co.

Note 4: Diversified: B&G Foods, Conagra Brands, Hershey Company, Midsona Class B, Post Holdings, Raisio Oyj Class V, Simply Good Foods Co, Taisun Enterprise Co., Vietnam Dairy Products, Yaizu Suisankagaku Industry Co.

Note 5: Plant-based: Beyond Meat, Tyson Foods, Kellogg Company, Conagra Brands, Maple Leaf Foods, Else Nutrition Holdings, Burcon NutraScience Corporation

Historical EV/NTM EBITDA Analysis



Note 1: Fortified / Functional: Herbalife Nutrition, Lifeway Foods, V V Food & Beverage Co., Class A, Valsoia, Enervit, Freedom Foods Group, Glanbia.

Note 2: Naturally Healthy: Ichitan Group Public Co., John B. Sanfilippo & Son, Malee Group Public Company, Tipco Foods Public Co., Yantai North

Andre Juice Co. Class H, Costa Group Holdings, Fresh Del Monte Produce, Hokuto Corporation, Hortifrut, Mehadrin, T&G Global, Total Produce

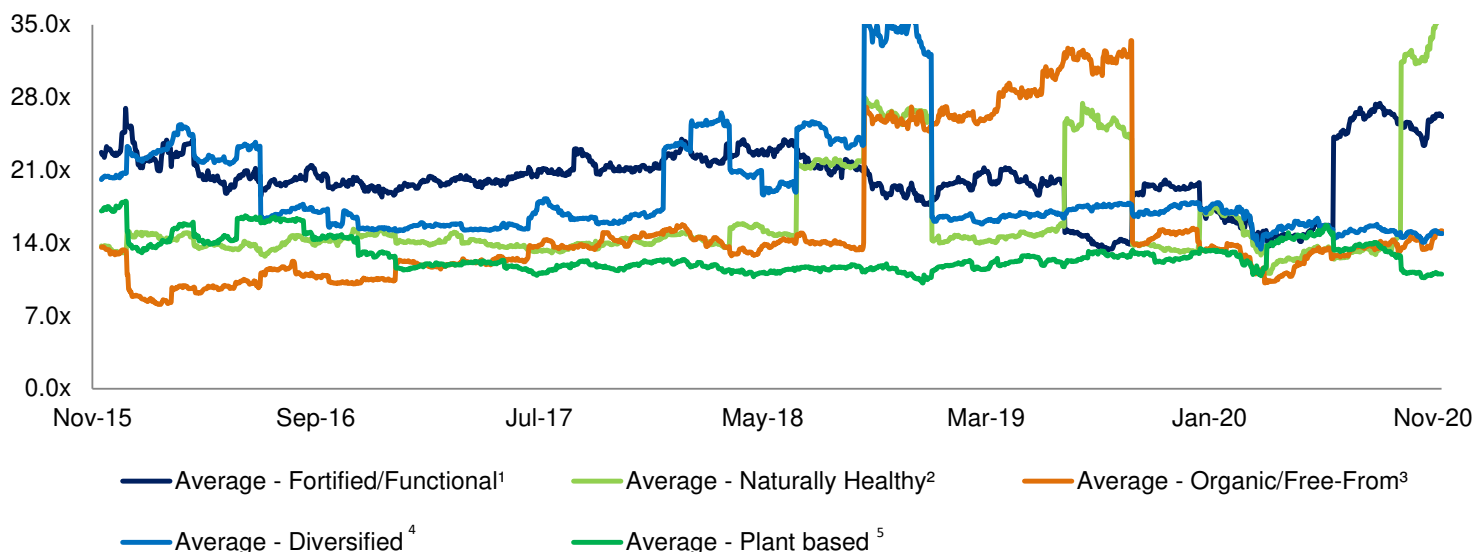
Note 3: Organic / Free-From: Carmit Candy Industries, GreenSpace Brands, Hain Celestial Group, New Age Beverages, Select Harvests, Seneca Foods Corporation Class A, SunOpta, Pulmuone Co.

Note 4: Diversified: B&G Foods, Conagra Brands, Hershey Company, Midsona Class B, Post Holdings, Raisio Oyj Class V, Simply Good Foods Co, Taisun Enterprise Co., Vietnam Dairy Products, Yaizu Suisankagaku Industry Co.

Note 5: Plant-based: Beyond Meat, Tyson Foods, Kellogg Company, Conagra Brands, Maple Leaf Foods, Else Nutrition Holdings, Burcon NutraScience Corporation

Source: S&P CapIQ as of 4 December 2020

Historical EV/LTM EBITDA Analysis



Note 1: Fortified / Functional: Herbalife Nutrition, Lifeway Foods, V Obj Food & Beverage Co., Class A, Valsoia, Enervit, Freedom Foods Group, Glanbia.

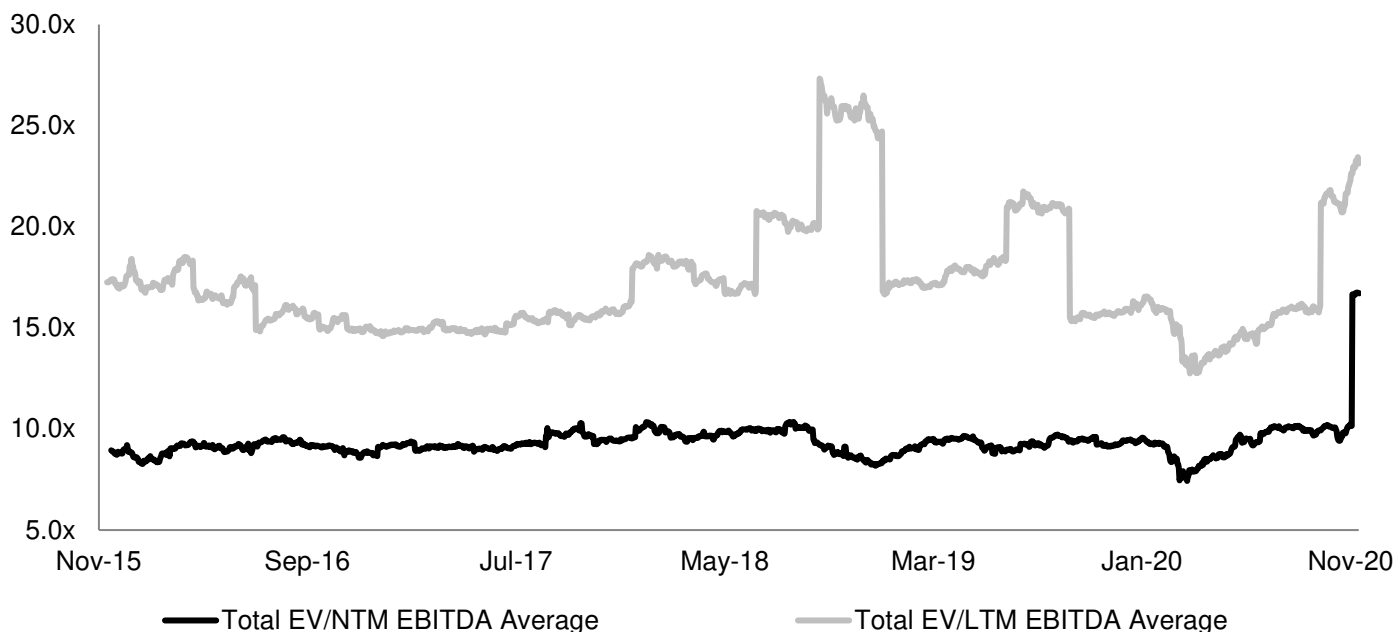
Note 2: Naturally Healthy: Ichitan Group Public Co., John B. Sanfilippo & Son, Malee Group Public Company, Tipco Foods Public Co., Yantai North Andre Juice Co. Class H, Costa Group Holdings, Fresh Del Monte Produce, Hokuto Corporation, Hortifrut, Mehadrin, T&G Global, Total Produce

Note 3: Organic / Free-From: Carmit Candy Industries, GreenSpace Brands, Hain Celestial Group, New Age Beverages, Select Harvests, Seneca Foods Corporation Class A, SunOpta, Pulmuone Co.

Note 4: Diversified: B&G Foods, Conagra Brands, Hershey Company, Midsona Class B, Post Holdings, Raisio Oyj Class V, Simply Good Foods Co, Taisun Enterprise Co., Vietnam Dairy Products, Yaizu Suisankagaku Industry Co.

Note 5: Plant-based: Beyond Meat, Tyson Foods, Kellogg Company, Conagra Brands, Maple Leaf Foods, Else Nutrition Holdings, Burcon NutraScience Corporation

Total EV/LTM EBITDA vs. EV/NTM EBITDA Comparison



Source: S&P CapIQ as of 4 December 2020

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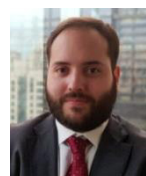
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* Denotes Co-heads of the Food & Beverage team

Global M&A Partners Select Transactions

Food Ingredients and Agricultural Products

 Frutarom acquired Rieber & Son, a leading supplier of industrial ingredients to the Norwegian food industry Israel Norway GLOBAL M&A PARTNERS Saga Corporate Finance & Value Base M&A Advisor to the seller	 AAK AB acquires Fanagra, a Colombian company in the oil and fats industry. GLOBAL M&A PARTNERS Advisor to the buyer	 Sale of Ojah, producer of high protein meat substitutes to management and the family office Korys GLOBAL M&A PARTNERS JBR Advisor to the seller	 Reorganization of the capital of Naturex France Spain GLOBAL M&A PARTNERS Financière de Courcelles Advisor to the seller	 Sale of controlling shares of Grobest, one of the largest producers of aquatic feed in Asia, to Permira. United Kingdom Taiwan GLOBAL M&A PARTNERS FCC Partners Advisor to the seller
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Food Processing, Food Manufacturing

Undisclosed Bakery Products Manufacturer Hungary GLOBAL M&A PARTNERS Invescom Advisor to the seller	 Warnock Food Products, Inc. has been acquired by Calbee, Inc. (TSE:2229) Japan USA GLOBAL M&A PARTNERS Brown Gibbons Lang & Company Advisor to the seller	 Gimv made a significant investment in Snack Connection Belgium Luxembourg Netherlands GLOBAL M&A PARTNERS JBR Advisor to the seller	 Merger of the two largest Latvian dairy products manufacturers JSC "Rīgas piena kombinācija" and JSC "Valmieras Piens" Russia Baltics GLOBAL M&A PARTNERS Prudentia	 DIVESTITURE of Mediterranean antipasti manufacturer Ceposa AG (CH) to an investor group led by Verium AG (CH) GLOBAL M&A PARTNERS Zetra International Advisor to the seller
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Food Distribution, Food Retail, Restaurants

 Sale of 80% of the shares of the leading French distributor of Japanese food products for hotels and restaurants Japan France GLOBAL M&A PARTNERS Financière de Courcelles Advisor to the seller	 Acquisition of Massey Fair, a U.S. ingredient broker/distributor by Batory Foods GLOBAL M&A PARTNERS Brown Gibbons Lang & Company Advisor to the buyer	 Advisory to Alsea on the sale of a majority stake in the master franchisee of P.F. Chang's in Brazil Brazil Mexico GLOBAL M&A PARTNERS Condere & Rión Advisor to the seller	 YO! Sushi owns, operates, and franchises conveyor belt sushi restaurants, principally in the UK and the US United Kingdom USA GLOBAL M&A PARTNERS Zeus Capital Advisor to the buyer	 Grupo Premier, the master franchisee of Carl's Jr. for the Mexico City region, has been acquired by Taco Holding. GLOBAL M&A PARTNERS Rión Advisor to the seller
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About Us

Established in 1999, Global M&A Partners is one of the major international M&A networks comprised of independent investment banking firms partnering to provide international scope and local market expertise to our clients. We operate in more than 30 countries across 4 continents and have completed over 1,500 transactions during the last five years typically ranging from €20 to €500 million.

Our Food & Beverage team is comprised of seasoned M&A professionals from more than 17 partner countries with extensive knowledge of the dynamics and innovative changes occurring globally and locally in the Food & Beverage Industry (e.g., changing consumer preferences, rapid food innovation, shifting supply chain, etc.).

Our M&A activity in the Food & Beverage sector is robust and includes many cross-border transactions, driven by international growth, strategic tuck-ins, and consolidation. Given our sector experience, transaction expertise, and unparalleled access to local decision makers, we can work together to offer customized M&A solutions and premium valuations for our clients.

