

## Specialty Beverages

### INDUSTRY SUMMARY

COGENT VALUATION identified **Specialty Beverages** publicly traded companies, IPOs, and recent M&A transactions within the Specialty Beverages industry, which provides a basis for market and transaction pricing that can be used by your firm in estimating market sentiment and its impact on your firm's value. Over the last year since June 30, 2016, the median 52-week share price return of the Specialty Beverages industry was 3.6%. Between June 30, 2015 and June 30, 2017, the median EV/EBITDA multiple increased from 12.3 to 17.6. However, the median price-to-earnings multiple decreased from 41.1 to 29.3 over the same period.

### Public Company Key Statistics

Median 52-Week  
Return

3.6%

Median 3-Year CAGR  
Return

26.8%

Median EV/Revenue  
Multiple

3.8x

Median EV/EBITDA  
Multiple

17.6x

Median Price/Earnings  
Multiple

29.3x

Median EV/Gross CF  
Multiple

36.2x

## Comparable Public Company Market Price Returns as of June 30, 2017

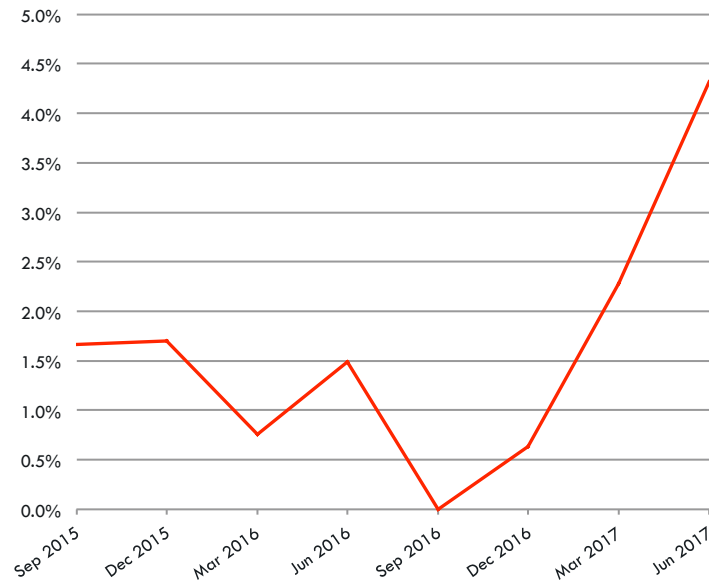
	YTD	3 Month	1 Year	2 Year	3 Year	2016	2015	2014
Celsius Holdings, Inc.	73.5%	9.0%	85.6%	22.5%	88.1%	26.3%	288.0%	47.1%
Cott Corporation	27.4%	16.7%	3.6%	21.4%	26.8%	3.0%	58.8%	-14.1%
Crystal Rock Holdings, Inc.	0.6%	-1.2%	18.8%	4.6%	0.4%	40.5%	-23.9%	-21.4%
Dr Pepper Snapple Group, Inc.	0.5%	-7.0%	-5.7%	11.8%	15.9%	-2.7%	30.0%	47.1%
Leading Brands, Inc.	9.8%	-6.3%	-2.3%	-33.5%	-28.9%	-45.0%	-20.6%	-9.6%
Long Island Iced Tea Corp.	29.5%	38.5%	-30.6%	-20.3%	N/A	24.5%	N/A	N/A
Monster Beverage Corporation	12.0%	7.6%	-7.3%	5.5%	28.0%	-10.7%	37.5%	59.9%
National Beverage Corp.	83.2%	10.7%	49.0%	104.0%	70.4%	12.4%	100.9%	12.2%
New Age Beverages Corporation	23.9%	24.2%	212.8%	233.9%	N/A	961.5%	14.7%	N/A
Primo Water Corporation	3.4%	-6.5%	7.5%	49.0%	38.6%	53.5%	85.6%	63.9%
Reed's, Inc.	-40.2%	-41.0%	-0.8%	-37.3%	-22.3%	-23.8%	-9.0%	-25.9%
Median of Industry Public Companies	12.0%	7.6%	3.6%	11.8%	26.8%	12.4%	33.8%	12.2%

Multiple year periods are calculated as the average annual return.

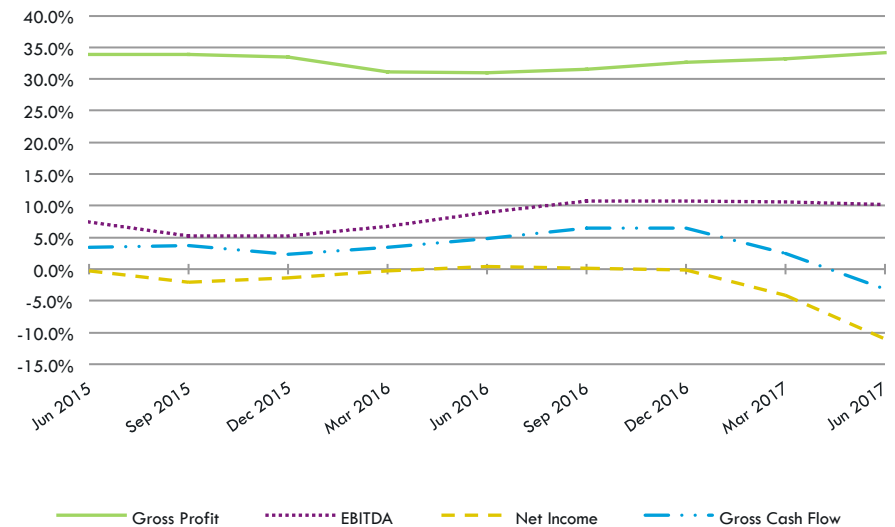
■ Highest Return
 ■ Lowest Return
 ■ Median Return

## Industry Revenue Growth and Profit Margins for the Past Two Years

**Median Quarterly Revenue Growth of All Specialty Beverages Companies**



**Median Gross Profit, EBITDA, Net Income, and Gross Cash Flow Margins**



## Median Public Companies

The chart below illustrates Public Company Multiples.

	6/30/17	3/31/17	12/31/16	9/30/16	6/30/16	3/31/16	12/31/15	9/30/15
<b>EV/Revenues Multiple</b>	3.8x	4.1x	2.9x	2.6x	2.9x	2.5x	3.0x	1.9x
<b>EV/EBITDA Multiple</b>	17.6x	16.8x	14.0x	13.9x	16.4x	15.4x	16.3x	15.2x
<b>Price/Earnings Multiple</b>	29.3x	28.9x	28.9x	28.1x	46.2x	35.2x	35.4x	30.9x
<b>EV/Gross Cash Flows Multiple</b>	36.2x	34.4x	20.9x	20.8x	27.8x	23.2x	26.5x	21.7x

■ Highest Multiple
 ■ Lowest Multiple
 ■ Median Multiple

## Industry Initial Public Offerings—Industry: Specialty Beverages (dollars in millions, except share prices)

Offer Date	Company Name	Offer Price	Shares Offered	Amount Raised	Total Assets	Debt	LTM Revenues	LTM EBITDA	LTM Net Income	LTM Cash Flows
8/23/12	Niagara Ventures Corporation	\$0.20	11.5	\$2.3	N/A	N/A	N/A	N/A	N/A	N/A
11/4/10	Primo Water Corporation	\$12.00	8.3	\$100.0	\$29.0	\$25.1	\$39.8	(\$2.9)	(\$13.3)	\$0.8
12/12/06	Reed's, Inc.	\$4.00	2.0	\$8.0	\$5.5	\$3.4	\$10.2	(\$1.1)	(\$1.7)	(\$0.9)
1/29/98	AquaPenn Spring Water Company, Inc.	\$13.00	4.1	\$52.9	\$39.7	\$14.3	\$41.1	\$6.8	\$2.6	\$6.8
5/14/97	Hawaiian Springs, LLC	\$0.00	2.0	\$8.0	N/A	N/A	\$0.0	(\$0.9)	(\$1.4)	(\$0.9)
2/7/97	Puro Water Group, Inc.	\$6.00	1.4	\$8.1	\$17.8	\$10.5	\$10.6	\$3.1	\$0.6	\$3.1
Median IPO		nm	11.5	\$8.1	\$23.4	\$12.4	\$10.6	(\$0.9)	(\$1.4)	\$0.8

Multiple year periods are calculated as the average annual return.

■ Highest Return
 ■ Lowest Return
 ■ Median Return

## Recent Merger and Acquisition Transactions for a Majority Stake (dollars in millions)

Transaction Date	Target	Acquirer	Transaction Size	% Bought	LTM Revenues	EV/ Revenues
3/31/17	<b>Maverick Brands, LLC</b>	<b>New Age Beverages Co.</b>	\$12.6	100%	N/A	N/A
1/31/17	<b>BAI Brands LLC</b>	<b>Mott's, LLP</b>	\$1,700.0	97%	N/A	N/A
12/12/16	<b>Glacier Water Services, Inc.</b>	<b>Primo Water Corporation</b>	\$255.5	100%	\$140.1	1.8x
8/2/16	<b>Eden Springs (Europe) SA</b>	<b>Cott Corporation</b>	\$533.3	100%	\$340.4	1.6x
3/31/16	<b>DIS B.V.</b>	<b>Refresco Gerber N.V.</b>	\$80.6	100%	\$100.7	0.8x
2/11/16	<b>Thirsty Brothers Pty Ltd</b>	<b>The Food Revolution Group</b>	\$2.5	100%	N/A	N/A
1/4/16	<b>AquaTerra Corporation</b>	<b>Cott Corporation</b>	<b>\$45.6</b>	<b>100%</b>	<b>\$55.2</b>	<b>0.8x</b>
12/31/15	<b>Nirvana, Inc.</b>	<b>Alder Creek Beverage</b>	\$5.7	100%	N/A	N/A
9/30/15	<b>RM Fresh Brands Inc.</b>	<b>Legacy Ventures</b>	\$2.6	100%	\$0.0	256.0x
8/3/15	<b>Kerr Concentrates, Inc.</b>	<b>Ingredion Incorporated</b>	\$100.0	100%	N/A	N/A
7/23/15	<b>The Feel Good Drinks Company</b>	<b>Nichols plc</b>	\$6.5	100%	N/A	N/A
5/1/15	<b>Henry H. Ottens Manufacturing</b>	<b>International Flavors &amp; Fragrances</b>	\$199.2	100%	N/A	N/A

■ USA
 ■ International
 ■ Highest
 ■ Lowest
 ■ Median

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## Recent Merger and Acquisition Transactions for a Majority Stake (dollars in millions)

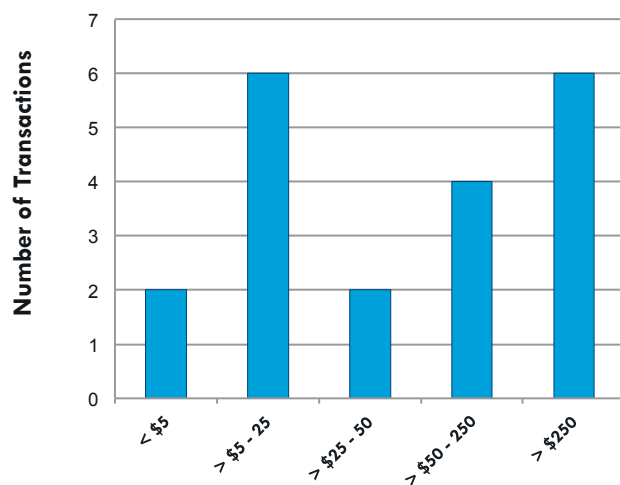
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Transaction Date	Target	Acquirer	Transaction Size	% Bought	LTM Revenues	EV/ Revenues
3/31/15	American Beverage Corporation	Harvest Hill Beverage Co.	\$59.8	100%	\$114.3	0.5x
2/27/15	Dongbu Farm Gaya Co., Ltd.	WOONGJIN FOODS CO., LTD.	\$12.2	94%	\$32.5	0.4x
2/2/15	funkin Limited	A.G. BARR p.l.c.	\$31.5	100%	\$13.5	2.3x
12/12/14	DSS Group, Inc.	Cott Corporation	\$1,246.5	100%	N/A	N/A
10/1/14	WILD Flavors GmbH	Archer Daniels Midland Europoort	\$3,096.5	100%	\$1,360	2.3x
4/23/14	Agua de Fuensanta, S.A.	Global SMM 2009 S.L.	\$5.4	100%	N/A	N/A
1/31/14	Innovacion de Bebidas S.A.	Valle, Ballina & Fernandez	\$5.1	100%	N/A	N/A
8/30/13	DS Waters of America, Inc.	Crestview Partners, L.P.	\$887.5	100%	\$923.0	1.0x
Median of the 20 M&A Transaction Targets			\$52.7	100%	\$107.5	1.3x

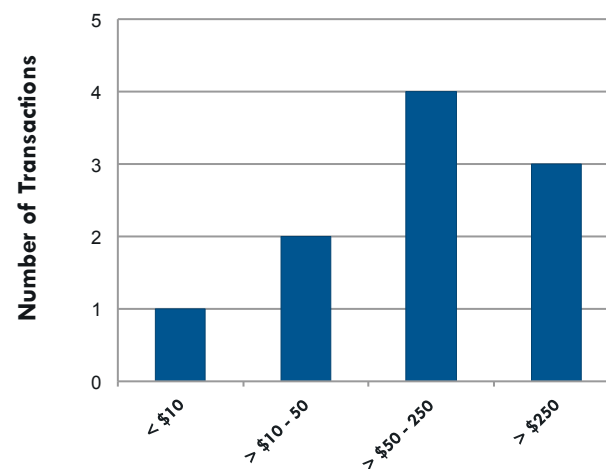
USA
  International
  Highest
  Lowest
  Median

## Recent Merger and Acquisition Transactions for a Majority Stake (dollars in millions) as of June 30, 2017

Size of M&A Transactions



LTM Revenues Reported





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**Definitions of Financial Terms Used in this Quarterly Industry Update:** Enterprise Value (EV): Market Value of Equity + Market Value of Debt  
—Cash Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA): Profitability metric sometimes also referred to as operating profit or operating earnings.

**Gross Cash Flows:** Net Income + Depreciation and Amortization Expense Latest Twelve Months (LTM): Financial information is as of the latest twelve months through the date of this Quarterly Industry Update.

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