

Q1: Quarterly Industry Update

AS OF March 31, 2018

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 March 31, 2017, the median 52-week share price return of the Specialty Beverages industry was 5.3%. Between March 31, 2016 and March 31, 2018, the median EV/EBITDA multiple decreased from 18.2 to 16.7. Furthermore, the median price-to-earnings multiple decreased from 36.8 to 29.1 over the same period. The median revenue growth and EBITDA margins for the industry for the quarter were 1.4% and 12.0%, respectively.

Public Company Key Statistics

Median 52-Week
Return

5.3%

Median 3-Year CAGR
Return

16.3%

Median EV/Revenue
Multiple

2.7x

Median EV/EBITDA
Multiple

16.7x

Median Price/Earnings
Multiple

29.1x

Median EV/Gross CF
Multiple

23.3x

Comparable Public Company Market Price Returns as of March 31, 2018

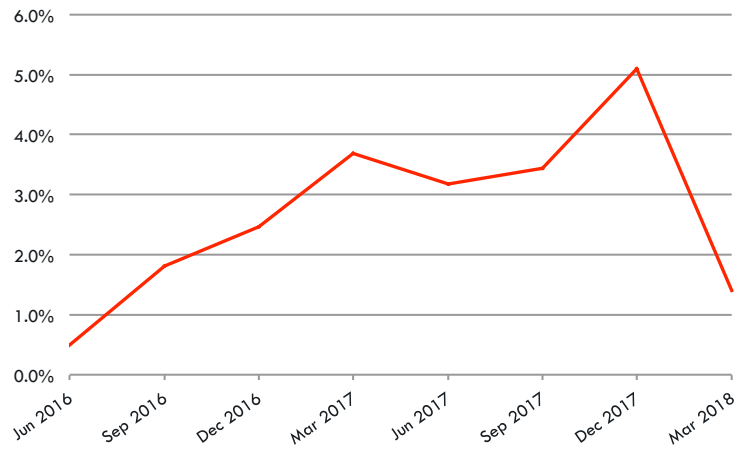
	YTD	3 Month	1 Year	2 Year	3 Year	2016	2015	2014
Celsius Holdings, Inc.	-17.1%	-17.1%	114.3%	64.5%	119.0%	26.3%	288.0%	47.1%
Cott Corporation	-12.2%	-12.2%	47.8%	23.4%	34.2%	3.0%	58.8%	-14.1%
Crystal Rock Holdings, Inc.	22.0%	22.0%	1.8%	19.6%	2.9%	40.5%	-23.9%	-21.4%
Dr Pepper Snapple Group, Inc.	-25.1%	-25.1%	7.0%	2.0%	10.6%	-2.7%	30.0%	47.1%
Leading Brands, Inc.	-9.6%	-9.6%	6.5%	-23.4%	-22.5%	-45.0%	-20.6%	-9.6%
Monster Beverage Corporation	-8.6%	-8.6%	42.7%	12.9%	20.6%	-10.7%	37.5%	59.9%
National Beverage Corp.	11.5%	11.5%	90.8%	46.4%	62.7%	12.4%	100.9%	12.2%
New Age Beverages Corporation	-6.8%	-6.8%	-47.6%	135.9%	85.5%	961.5%	14.7%	N/A
Primo Water Corporation	9.7%	9.7%	2.4%	25.3%	42.9%	53.5%	85.6%	63.9%
Reed's, Inc.	-8.6%	-8.6%	-62.2%	-46.3%	-36.0%	-23.8%	-9.0%	-25.9%
Median of Industry Public Companies	-17.1%	-17.1%	6.8%	21.5%	27.4%	7.7%	33.8%	12.2%

Multiple year periods are calculated as the average annual return.

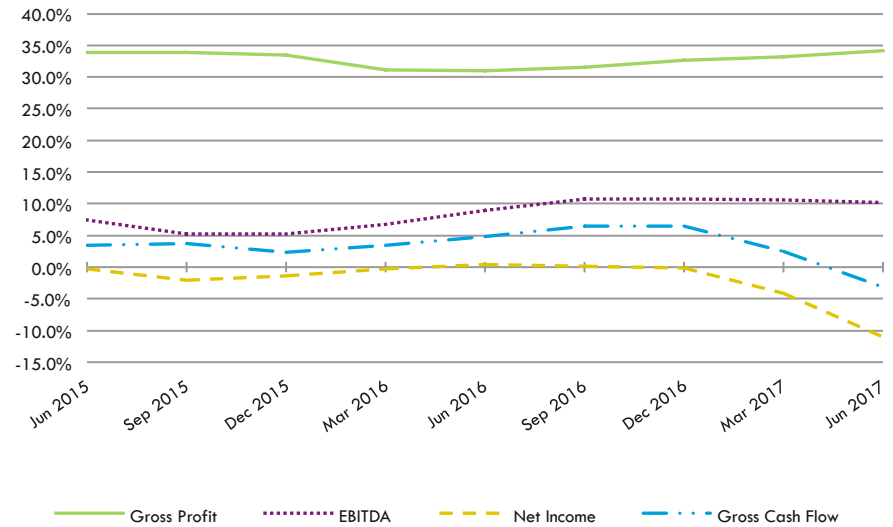
■ Highest Return
 ■ Lowest Return
 ■ Median Return

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



Public Company Median Multiples by Quarter

	3/31/18	12/31/17	9/30/17	3/31/17	6/30/16	3/31/16	12/31/15	9/30/15
EV/Revenues Multiple	2.7x	3.3x	2.8x	3.6x	2.9x	2.5x	3.0x	1.9x
EV/EBITDA Multiple	16.7x	16.6x	17.0x	17.2x	16.4x	15.4x	16.3x	15.2x
Price/Earnings Multiple	29.1x	36.1x	39.3x	28.7x	46.2x	35.2x	35.4x	30.9x
EV/Gross Cash Flows Multiple	23.3x	38.2x	38.8x	33.5x	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	nm	\$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
3/20/18	Crystal Rock Holdings, Inc.	Cott Corporation	\$35.0	100%	N/A	N/A
1/5/18	Merpez Ticaret Turizm	Della Gida Sanayi	\$6.4	75%	N/A	N/A
1/2/18	Terme di Crodo S.p.A.	Royal Unibrew A/S	\$95.9	100%	N/A	1.8x
10/26/17	Inhle Beverages (Pty) Ltd	Long4life Limited	\$19.0	97%	N/A	1.6x
10/17/17	Jilin Forest Industry Group	Jilin Forest Industry Co.	\$127.6	100%	\$140.1	0.8x
3/31/17	Maverick Brands, LLC	New Age Beverages Co.	\$12.6	100%	\$340.4	N/A
1/31/17	BAI Brands LLC	Mott's, LLP	\$1,700.0	100%	\$100.7	0.8x
8/2/16	Glacier Water Services, Inc.	Primo Water Corporation	\$255.5	100%	N/A	N/A
3/31/16	Eden Springs (Europe) SA	Cott Corporation	\$533.3	100%	\$0.0	256.0x
2/11/16	DIS B.V.	Refresco Gerber N.V.	\$80.6	100%	N/A	N/A
1/4/16	Thirsty Brothers Pty Ltd	The Food Revolution Group	\$2.5	100%	N/A	N/A
12/31/15	AquaTerra Corporation	International Flavors & Fragrances	\$199.2	100%	N/A	N/A

■ USA
 ■ International
 ■ Highest
 ■ Lowest
 ■ Median

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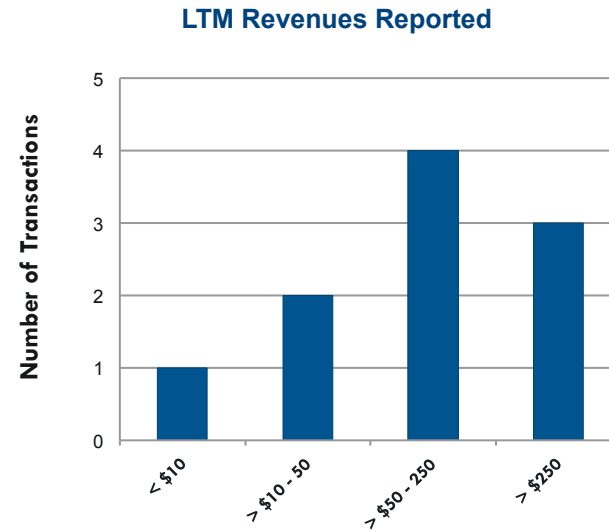
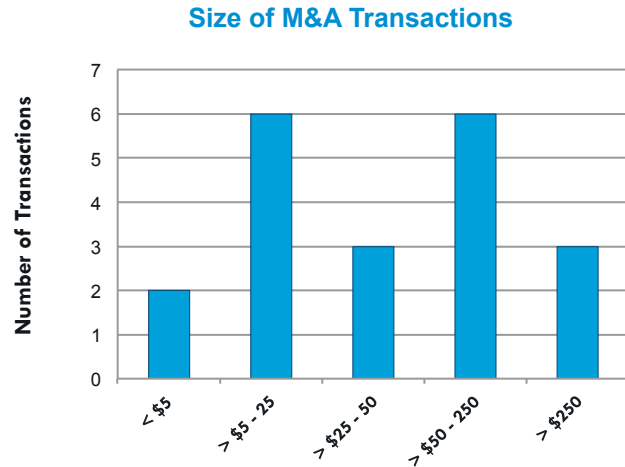
Recent Merger and Acquisition Transactions for a Majority Stake (dollars in millions)

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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 Europeort	\$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 March 31, 2018



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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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