Q2: Quarterly Industry Update

AS OF June 30, 2018

cogent valuation
FINANCIAL OPINIONS

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, 2017, the median 52-week share price return of the Specialty Beverages industry was 14.9%. Between June 30, 2016 and June 30, 2018, the median EV/EBITDA multiple decreased from 22.1 to 19.0. Furthermore, the median price-to-earnings multiple decreased from 47.8 to 34.1 over the same period. The median revenue growth and EBITDA margins for the industry for the quarter were 3.2% and 11.9%, respectively.

Public Company Key Statistics

Median 52-Week Return 14.9%	**Median 3-Year CAGR Return** 19.2%	**Median EV/Revenue Multiple** 2.8x
Median EV/EBITDA Multiple 19x	**Median Price/Earnings Multiple** 34.1x	**Median EV/Gross CF Multiple** 29.1x

Comparable Public Company Market Price Returns as of June 30, 2018

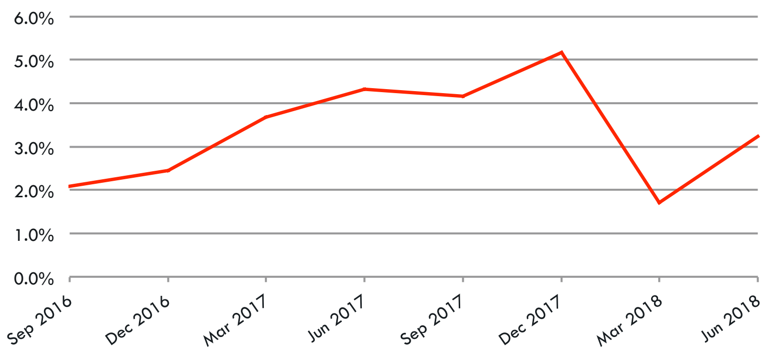
	YTD	3 Month	1 Year	2 Year	3 Year	2016	2015	2014
Celsius Holdings, Inc.	-12.4%	5.7%	8.2%	41.7%	17.6%	26.3%	288.0%	47.1%
Cott Corporation	-1.0%	12.7%	14.9%	9.1%	19.2%	3.0%	58.8%	-14.1%
Monster Beverage Corporation	-9.5%	0.2%	15.3%	3.4%	8.7%	-10.7%	37.5%	59.9%
National Beverage Corp.	9.7%	20.1%	14.3%	30.5%	68.1%	12.4%	100.9%	12.2%
New Age Beverages Corporation	-13.8%	-22.7%	-63.5%	6.8%	59.6%	961.5%	14.7%	N/A
Primo Water Corporation	39.1%	49.4%	37.7%	21.7%	45.1%	53.5%	85.6%	63.9%
Reed's, Inc.	83.9%	67.6%	16.3%	7.4%	-22.9%	-23.8%	-9.0%	-25.9%
Median of Industry Public Companies	-1%	**12.7%**	**14.9%**	**9.1%**	**19.2%**	**12.4%**	**58.8%**	**29.6%**

Multiple year periods are calculated as the average annual return.

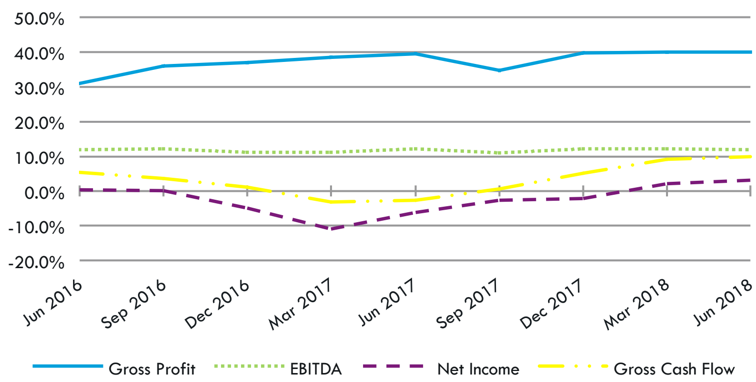
Highest Return *Lowest Return* *Median Return*

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
6/11/18	Appol sp. z o.o.	Zhonglu (Europe) sp.z o.o.	$21.9	100%	N/A	N/A
4/3/18	Refresco Group N.V.	PAI Partners; British Columbia Investment Management Corporation	$2,807.6	100%	$2,691	1.0x
3/20/18	Crystal Rock Holdings, Inc.	Cott Corporation	$35.0	100%	$58.3	0.6x
1/5/18	Merpez Ticaret Turizm	Della Gida Sanayi	$6.4	80%	N/A	N/A
1/2/18	Terme di Crodo S.p.A.	Royal Unibrew A/S	$95.9	100%	N/A	N/A
10/26/17	Inhle Beverages (Pty) Ltd	Long4life Limited	$19.0	100%	N/A	N/A
10/17/17	Jilin Forest Industry Group	Jilin Forest Industry Co.	$127.6	75%	N/A	N/A
3/31/17	Maverick Brands, LLC	New Age Beverages Co.	$12.6	100%	N/A	N/A
1/31/17	BAI Brands LLC	Mott's, LLP	$1,700.0	97%	N/A	N/A
12/12/16	Glacier Water Services, Inc.	Primo Water Corporation	$255.5	100%	$140.1	1.8x
8/2/16	Eden Springs (Europe) SA	Cott Corporation	$533.3	100%	$340.4	1.6x
3/31/16	DIS B.V.	Refresco Gerber N.V.	$80.6	100%	$100.7	0.8x

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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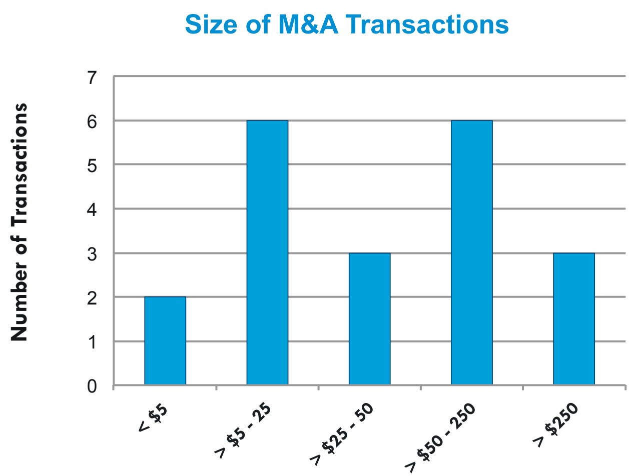
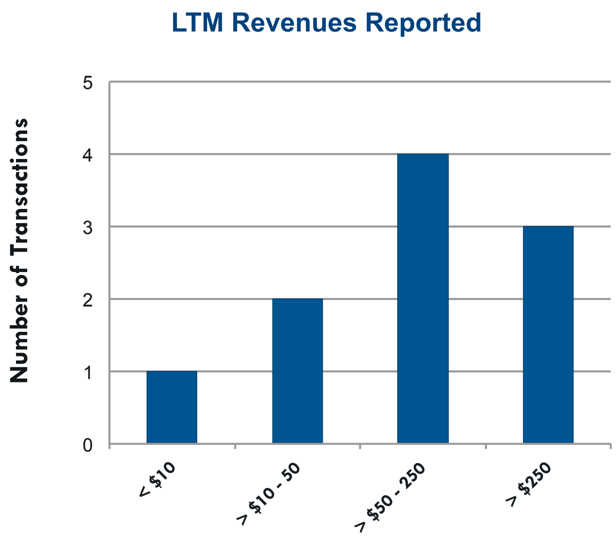
Transaction Date	Target	Acquirer	Transaction Size	% Bought	LTM Revenues	EV/ Revenues
3/31/15	American Beverage Corporation	Harvest Hill Beverage Co.	$59.8	100%	$114.3	0.5x
2/27/15	Dongbu Farm Gaya Co., Ltd.	WOONGJIN FOODS CO., LTD.	$12.2	94%	$32.5	0.4x
2/2/15	funkin Limited	A.G. BARR p.l.c.	$31.5	100%	$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	Aguas 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, 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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