

Q1: Quarterly Industry Update

AS OF March 31, 2020



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, 2019, the median 52-week share price return of the Specialty Beverages industry was 7.8%. Between March 31, 2019 and March 31, 2020, the median EV/EBITDA multiple increased from 16.1 to 20.1. However, the median price-to-earnings multiple decreased from 41.2 to 33.7 over the same period. The median revenue growth and EBITDA margins for the industry for the quarter were 1.0% and 11.8%, respectively.

Public Company Key Statistics

Median 52-Week
Return

7.8%

Median 3-Year CAGR
Return

24.3%

Median EV/Revenue
Multiple

4.3x

Median EV/EBITDA
Multiple

20.1x

Median Price/Earnings
Multiple

33.7x

Median EV/Gross CF
Multiple

29.8x

Comparable Public Company Market Price Returns as of March 31, 2020

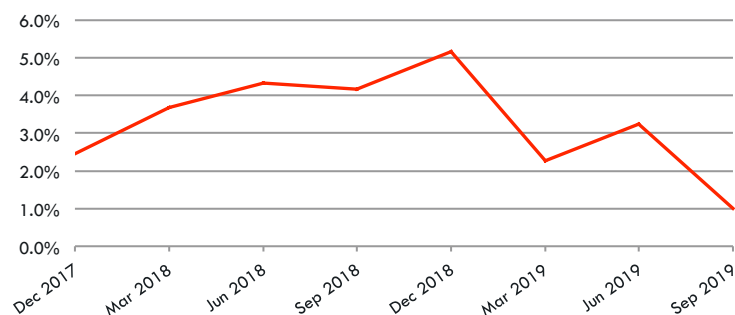
| | 2020 | 3 Month | 1 Year | 2 Year | 3 Year | 2019 | 2018 | 2017 |
|--|--------|---------|--------|--------|--------|--------|--------|--------|
| Celsius Holdings, Inc. | -17.1% | -17.1% | 11.5% | 41.7% | 17.6% | 114.3% | 26.3% | 288.0% |
| Cott Corporation | -12.2% | -12.2% | 19.0% | 9.1% | 19.2% | 47.8% | 3.0% | 58.8% |
| Monster Beverage Corporation | 22.0% | 22.0% | 20.9% | 3.4% | 8.7% | 7.0% | -2.7% | 30.0% |
| National Beverage Corp. | -25.1% | -25.1% | -31.9% | 30.5% | 68.1% | 6.5% | -45.0% | -20.6% |
| New Age Beverages Corporation | -9.6% | -9.6% | 23.9% | 6.8% | 59.6% | 42.7% | -10.7% | 37.5% |
| Primo Water Corporation | -8.6% | -8.6% | 5.3% | 21.7% | 45.1% | 90.8% | 12.4% | 100.9% |
| Reed's, Inc. | 11.5% | 11.5% | -41.4% | 7.4% | -22.9% | -47.6% | 961.5% | 14.7% |
| Median of Industry Public Companies | -8.6% | -8.6% | 5.3% | 9.1% | 19.2% | 7.0% | 3.0% | 37.5% |

Multiple year periods are calculated as the average annual return.

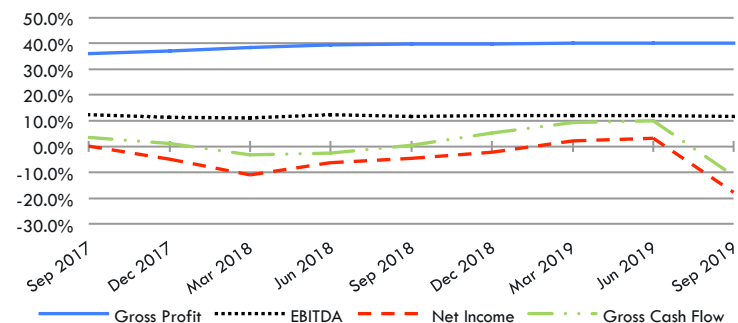
■ Highest Return
 ■ Lowest Return
 ■ Median Return

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

| | 3/31/20 | 12/31/19 | 9/30/19 | 6/30/19 | 3/31/19 | 12/31/18 | 9/30/18 | 6/30/18 |
|-------------------------------------|---------|----------|---------|---------|---------|----------|---------|---------|
| EV/Revenues Multiple | 4.3x | 2.8x | 2.1x | 2.3x | 2.4x | 3.6x | 3.9x | 4.0x |
| EV/EBITDA Multiple | 20.1x | 19.0x | 15.5x | 19.1x | 19.9x | 24.6x | 22.4x | 19.6x |
| Price/Earnings Multiple | 33.7x | 34.1x | 33.3x | 39.9x | 44.5x | 38.8x | 38.7x | 32.1x |
| EV/Gross Cash Flows Multiple | 29.8x | 29.1x | 24.4x | 39.3x | 39.8x | 34.6x | 34.5x | 28.2x |

■ Highest Multiple
 ■ Lowest Multiple
 ■ Median Multiple

Industry Initial Public Offerings – 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 |
|------------|-------------------------------------|-------------|----------------|---------------|--------------|--------|--------------|------------|----------------|----------------|
| 1/23/20 | Niagara Ventures Corporation | \$0.20 | 11.5 | \$2.3 | N/A | N/A | N/A | N/A | N/A | N/A |
| 11/14/19 | Primo Water Corporation | \$12.00 | 8.3 | \$100.0 | \$29.0 | \$25.1 | \$39.8 | (\$2.9) | (\$13.3) | \$0.8 |
| 12/12/18 | Reed's, Inc. | \$4.00 | 2.0 | \$8.0 | \$5.5 | \$3.4 | \$10.2 | (\$1.1) | (\$1.7) | (\$0.9) |
| 1/29/18 | AquaPenn Spring Water Company, Inc. | \$13.00 | 4.1 | \$52.9 | \$39.7 | \$14.3 | \$41.1 | \$6.8 | \$2.6 | \$6.8 |
| 5/14/17 | Hawaiian Springs, LLC | \$0.00 | 2.0 | \$8.0 | N/A | N/A | \$0.0 | (\$0.9) | (\$1.4) | (\$0.9) |
| 2/7/17 | 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 |

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

| Transaction Date | Target | Acquirer | Transaction Size | % Bought | LTM Revenues | EV/ Revenues |
|------------------|-----------------------------|--|------------------|----------|--------------|--------------|
| 2/20/20 | Zipfizz Corporation | KUC Holding | \$80.0 | 100% | N/A | N/A |
| 12/12/19 | Etablissements Geyer Freres | Royal Unibrew A/S | \$103.4 | 100% | \$2,691 | 1.0x |
| 11/11/19 | Appol sp. z o.o. | Zhonglu (Europe) sp.z o.o. | \$21.9 | 100% | \$58.3 | 0.6x |
| 10/3/19 | Refresco Group N.V. | PAI Partners; British Columbia Investment Management Corporation | \$2,807.6 | 80% | N/A | N/A |
| 3/20/18 | Refresco Group N.V. | Cott Corporation | \$2,807.6 | 100% | N/A | N/A |
| 1/5/18 | Crystal Rock Holdings, Inc. | Cott Corporation | \$35.0 | 100% | N/A | N/A |
| 1/2/18 | Merpez Ticaret Turizm | Della Gida Sanayi | \$6.4 | 75% | N/A | N/A |
| 10/26/17 | Terme di Crodo S.p.A. | Royal Unibrew A/S | \$19.0 | 100% | N/A | N/A |
| 1/31/17 | Jilin Forest Industry Group | Jilin Forest Industry Co. | \$127.6 | 97% | N/A | N/A |
| 12/12/16 | Maverick Brands, LLC | New Age Beverages Co. | \$12.6 | 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

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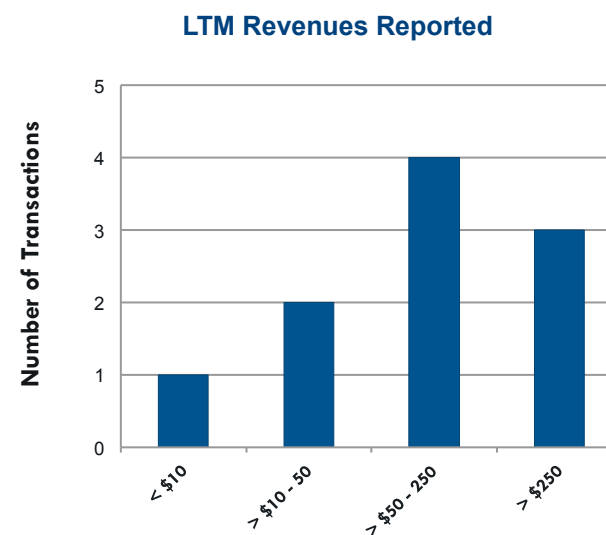
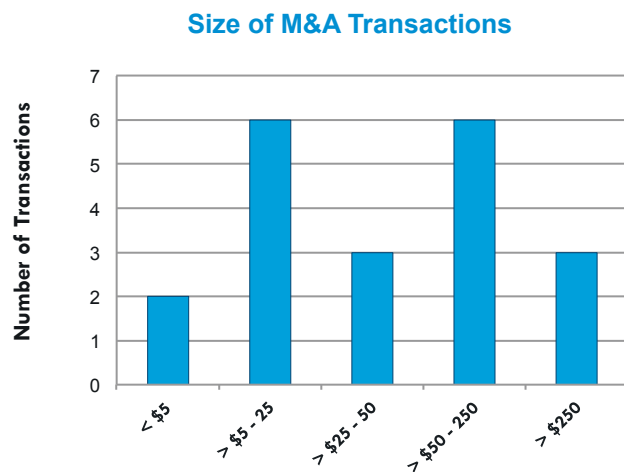
Size of Recent Merger and Acquisition Transactions for a Majority Stake (dollars in millions)

(Continued from previous page)

| 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 Europeport | \$3,096.5 | 100% | \$1,360 | 2.3x |
| 4/23/14 | Aguas de Fuentasanta, 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

Recent Merger and Acquisition Transactions for a Majority Stake (dollars in millions) as of March 31, 2020



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): 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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