

Acquirers Remain Thirsty for Craft Beer

Albeit with Selective Palettes



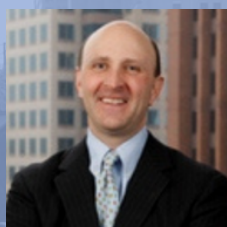
BREWERY & ALCOHOLIC BEVERAGE UPDATE

Carleton McKenna & Co

TABLE OF CONTENTS

| | |
|--|----|
| Key Brewery & Alcoholic Beverage Sector Trends 2023 | 4 |
| M&A Opportunities Remain Available as Acquirer Demonstrate Key Motivations for Consolidation | 5 |
| The Impact of Shifting Consumer Preferences | 7 |
| Notable Transactions & Representative M&A Multiples | 9 |
| Carleton McKenna Team & Track Record | 12 |

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Carleton McKenna

INVESTMENT BANKING SERVICES

Carleton McKenna & Co is an independent investment banking firm providing M&A Advisory, Capital Raising and Pre-Transition Advisory services. We deliver hands-on transaction execution, with clear, insightful strategy to drive extraordinary success. Our Partners are deeply engaged in each client's transaction – providing guidance through what is likely to be the most significant financial transaction of your life.

We work with middle market closely-held businesses, multi-generational family businesses, portfolio companies of financial sponsor firms and divisions or subsidiaries of public companies. Our broad-based engagement experience extends across a range of situations, industries, and enterprise values.

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KEY TAKEAWAYS

Carleton McKenna is pleased to share its 4Q23 beverage report following 3Q23's [Craft Brewery 5-Year Outlook to Change](#). In this report, Carleton McKenna explores the strategic marketplace, consolidation trends, noteworthy transactions, as well as what the future deal making landscape may look like for brewery and alcoholic beverage businesses to help sector participants shape their strategies for the near- to medium- term.

1. Several large M&A deals have gone down in 2023, including an increase in sizeable acquirers from the non-craft and non-alcoholic beverage sectors.
2. Large and regional brewers continue to consolidate to expand geographic reach and customer base, support premiumization strategies and diversify brands and product portfolios.
3. Significant middle-tier consolidation is taking place, where small- and mid-sized breweries are merging with similar sized peers that have historically been competitors or outside of their current markets.
4. Major brands are looking to divest segments of their craft beer businesses to focus on driving accelerated growth to core portfolios, increase resource allocation toward innovation pipeline and limit underperforming brands impacted by the pandemic, inflation, and increasing competition.
5. Rising health consciousness, as well as Gen Z's (of drinking age) eclectic beverage tastes, are boosting consumer sentiment toward non-alcoholic beverages.
6. A trend in premiumization, which will be fostered by rising disposable income levels, will encourage consumers to trade up to more expensive beverages.

Carleton McKenna has substantive experience in the Food & Beverage industry, with a niche interest in the Craft Brewery and Alcoholic Beverage segment. To learn more about Carleton McKenna's wide range of transaction experiences, strategies for growth or exit, and current Beverage industry trends, please [contact us](#).

M&A OPPORTUNITIES AVAILABLE – ACQUIRERS DEMONSTRATE KEY MOTIVES FOR CONSOLIDATION

We’re seeing a trend of small breweries — often, legacy breweries — merging with similar-sized peers, either competitors or out-of-market.

Strategic buyers have driven transaction activity through YTD 2023, comprising >90% of total deals, per Carleton McKenna’s transaction analysis. Key motivations for consolidation include penetrating new geographies and channels, production capabilities and capacity, product diversification (both in alcohol and NAs), greater revenue opportunities and achieving economies of scale.

Private equity and financial sponsor buyers, which comprised a small amount of transaction activity YTD 2023, have been largely overshadowed by strategics in the brewery sector. Lack of synergies, tighter lending markets and high valuations have made it difficult for targets in this sector to meet a financial sponsor’s investment thesis.

NON-CRAFT BUSINESSES ENTER THE CRAFT MARKET

With cannabis-based Tilray, we saw an entrance into the craft brewery space via acquisition of eight AB InBev brands. This may shift forecasted consumer sentiment, though likely not until the end of 2023.

Similarly, Bayou City Hemp purchased 8th Wonder Brewery & Distillery in June 2023¹. The acquisition deepens a relationship that had been established in 2021, when both businesses partnered to develop and release a CBD-infused non-alcoholic beverage. 8th Wonder’s super market partnerships with H-E-B, Walmart, Kroger and many other outlets will enable the full lineup of beer, spirits and cannabis-infused drinks to take prime shelf space across the United States.

South Carolina-based Striped Pig Distillery (“SPD”) partnered with Ghost Monkey Brewery (“GMB”) to develop a special addition beer, “New BeGINnings,” a Belgian Wit style beer that combines SPD’s award-winning gin with GMB’s microbrewery capabilities². The success of this collaboration was a precursor to SPD’s acquisition of GMB shortly thereafter in late May 2023.

Though acquisitions have been a main focus for companies already operating in the craft brewery space, these examples of non-craft partnerships have illuminated the synergistic possibilities for non-craft businesses entering the segment. Carleton McKenna expects a continuation of cross-market product releases combining craft and non-craft offerings, which may serve as a test trial for some future acquisition partnerships.

PENETRATION INTO THE SPIRITS MARKET

Molson Coors recently announced its acquisition of Blue Run Spirits, solidifying the brewer’s market approach going forward. As a boutique whiskey brand, Blue Run’s limited-release business model is expected to continue attracting customers – especially with their production being overseen by Bourbon Hall of Famer, Jim Rutledge³.

Similarly, Constellation Brands has continued to focus on the success of their Mexican import brands including Modelo, Corona and Pacifico while divesting within their craft and specialty divisions. Not only has Constellation Brands increased international focus, but they have also invested in female- and minority-owned businesses operating in the alcoholic beverage sector. Following in the footsteps of Constellation, AB InBev divested its craft beverages in favor of pushing the sale of their Beyond Beer portfolio in South America – with Brazil already showing a strong foothold for profit.



has acquired



has acquired



M&A OPPORTUNITIES AVAILABLE – ACQUIRERS DEMONSTRATE KEY MOTIVES FOR CONSOLIDATION

Though not wholly identical in strategy to ABInBev and Molson Coors, Constellation Brands has focused significant M&A activity towards the premiumization of wine products. In June 2023, Constellation Brands acquired Domaine Curry, a luxury wine brand from Coup De Foudre Napa Valley. Further diversification outside of the traditional brewery space will allow Constellation to enhance its already powerful portfolio of wine under their subsidiary, The Powerful Wine Company. The company has reshaped its wine and spirits portfolio to become a leading global premium, fine wine and craft spirits house of brands that align with today's consumer preferences. With this acquisition, Constellation Brands Wine & Spirits will continue to target strategic growth through a global omni-channel strategy, including U.S. wholesale and international channels, and DTC acceleration⁴.

In the same vein of strategic partnerships between craft and non-craft businesses, Constellation Brand's became a minority investor in an alcohol free brand, Töst in May 2023. Töst is a carbonated water, white tea and herb beverage that does not go through fermentation at any point during its production process. Töst's CEO, Brooks Addington, said regarding the acquisition, "We believe our mutual consumer-centric focus and desire to deliver premium product experiences positions Töst for exponential growth in the coming years."⁵

Even traditional beverage company, Coca-Cola has capitalized on the desire for spirits-based drinks with an array of spiked offerings in the past two years, including Topo Chico Hard Seltzer, a Jack Daniel's and Coke RTD cocktail and a newly announced Absolut Vodka and Sprite cocktail which will debut in 2024⁶.



has acquired



BLUE RUN



has acquired

DOMAINE Curry



has acquired

TÖST

PRODUCT PORTFOLIO EXPANSION

Though major alcoholic and non-alcoholic beverages are expanding across their traditional industry boundaries, regional businesses are expanding their own portfolios to compete amidst the megacompanies.

Ninkasi Brewing out of Eugene, Oregon, has consolidated with Wings & Arrows, an alcoholic beverage brand offering a variety of canned cocktails. Ninkasi had a tumultuous history prior to the pandemic and this new venture operating under the name Great Frontier Holdings, hopes to continue the brewery's legacy. Wings & Arrows operates through a number of individual brands across the alcoholic beverage spectrum including: Ashland Hard Seltzer, Mucho Aloha Hard Lemonade, Villager canned cocktails and Wings & Arrow beer⁷. The new company, Great Frontier Holdings, will become one of the largest independent alcohol beverage producers in the Western USA.

Dokkaebier, a leading craft brewery inspired by Asian-influenced ingredients, announced its acquisition of Federation Brewing in April 2023. Dokkaebier is one of the fastest-growing Asian breweries in the U.S. In three years, the brewing company developed and released more than 40 original craft beers and launched in more than 400 restaurants and retailers, including BevMo!, H Mart, Total Wine & More and Whole Foods Market⁸.

M&A OPPORTUNITIES AVAILABLE – ACQUIRERS DEMONSTRATE KEY MOTIVES FOR CONSOLIDATION

Federation Brewing, founded in 2014, is an award-winning craft brewery best known for its *In The Weeds West Coast IPA*, *Low Boy Stout* and *Utopia Planitia Red Rye Ale*. The brewery has long focused on bringing others into the beer industry, including notable partnerships with Hella Coastal, Oakland's only black-owned brewery, and Brewing with Brothas, which will soon be East Palo Alto's first locally owned brewery. The Asian-influenced brewery continues to expand and set a majority stake in Oakland's craft market with new products to be released by the end of 2024⁸.

MIDDLE TIER CONSOLIDATION

We're seeing a trend of small breweries — often, legacy breweries — merging with similar-sized peers, either competitors or out-of-market. Numerous craft brewery acquisitions were announced in April 2023, covering New Jersey to California⁹. For example, California-based Bear Republic Brewing and Drake's Brewing are set to merge, with Drake's acquiring all formulas, recipes, and intellectual property. Georgia-based NoFo Brew Co. acquired Tantrum Brewing's 10,000 sq. ft. facility in Cleveland, Georgia, including all land, and brand assets within the business' operations⁹.

Further, Rochester's FX Matt acquired Maryland-based Flying Dog in May 2023. This acquisition will shift Flying Dog's production to FX Matt over the remainder of 3Q 2023 before ceasing all operations in Maryland. FX Matt is expected to continue making investments following their recent investments over the last five years, which included a \$35 million brewhouse and tank farm expansion in 2021¹⁰.

San Antonio-based Alamo Beer Company and VIVA Beer merged in September 2023. This comes in response to their shared interest in unifying the San Antonio craft beer community. The combination of VIVA's self-distribution model with Alamo Beer's knowledge and history in San Antonio's craft brewery market promises an exciting future for both businesses¹¹.

Seattle's Optimism Brewing is closing, but Stoup Brewing is opening. The Ballard-born Stoup Brewing took over Capitol Hill's Optimism Brewing. The deal closed in early August with Stoup Brewing transforming the space for a reopening the week of August 21st, 2023¹².

Though the above examples all differed in circumstances pre-acquisition, each business gained a number of new growth possibilities including but not limited to access to new geographies, new land and operating assets, new brands, and greater revenue opportunities in an increasingly competitive market.

RISING DEMAND FOR HEALTH CONSCIOUS PRODUCTS

AB InBev is racing toward a better market position as they continue to put focus on the Beyond Beer portfolio. According to 3Q 2023 reports, Beyond Beer products delivered an estimated \$385 million in revenues during the quarter, up from \$325 million in Q1 and expected to increase by year end.

Oregon's Deschutes Brewery announced the addition of a new non-alcoholic IPA that will be produced in house. This product shift will allow Deschutes to scale and package an expanded portfolio of non-alcoholic beverages in addition to realizing the value of their investment in Sustainable Beverage Technologies' BrewVo equipment.

Three Weavers Brewing Company, an avant-garde craft brewery based in Inglewood, California, announced the launch of two aesthetically innovative product lines: i) GRDN PRTY, a cocktail-inspired flavored malt beverage and ii) NA – Three Weavers Non-Alcoholic Brews. These new offerings meet the demands of health-conscious and flavor-seeking individuals in the ever-evolving alternative beverage landscape.

Over the next five years, many beverage companies – both alcoholic and non-alcoholic – will continue to demonstrate their market strategies in the development of blue ocean products aimed toward health conscious consumers.

GEN Z PUSHES THE GAUGE AWAY FROM TRADITIONAL ALCOHOL OPTIONS

Young legal-drinking-age consumers aren't thumbing their nose at alcohol completely, but rather, they're drinking differently and with new preferences than past generations. Despite some claims that Gen Z's are not interested in alcohol, analyses of this generation's preferences are a bit more complicated, given that the oldest members of Gen Z are now 27, with the youngest being only 11¹³. When considering the wide context of today's beverage choices for those of drinking age specifically, what this generation chooses to drink is destined to be different than older drinkers simply because their options are starkly different from what was available 10 years ago.

More than any generation prior, Gen Z has grown up with a wealth of information about the physical and mental health risks of drinking. These don't only come from cringey public service ads anymore, but from the health and wellness influencers and personalities who are Gen Z's most trusted voices on these topics. Being perceived as healthy, balanced, and mindful are top priorities for this generation—but that doesn't necessarily preclude drinking or other indulgences.

According to a Berenberg Research report shared by Business Insider in May, a greater majority of drinking age Gen Z consumers preferred spirits like gin or vodka to beer and wine. Low- and no-alcohol beverages are continuing to grow in popularity, reaching \$11 billion in sales in 2022 according to IWSR, which noted earlier this year that the category still has room to grow⁶. Gen Z is also seeking more unique, global tastes from their alcoholic beverages, including ones originating in Asia and South America, according to a report from flavors company T. Hasegawa¹⁴.

Premiumization & Sustainability Move Ahead

According to the Brewer's Association, premiumization is reflected in higher priced brands that are seemingly performing ahead of the curve. Momentum has yet to slow down, however the stronger brand will be able to charge more for their product, and therefore promising a gap between producers¹⁴. For example, AB InBev is poised to gain from product premiumization through their Beyond Beer and international growth tactics, similar to that of Constellation Brands.

Additionally, sustainability is a top consideration among consumers when considering what products to buy, including alcoholic beverages. Consumers are willing to pay more for "sustainable production choices, quality ingredients and responsible employment practices." For consumers to be willing to spend money on premium alcohol they purchase, products must have benefits¹⁵ such as:

- Quality ingredients
- No additives or preservatives
- Describe "where [the alcohol] is from, who made it and how"
- "Sustainable production choices...responsible employment practices"

As apparent in the M&A transactions represented in this report, beverage companies are responding to evolving consumer behaviors by moving into previously unexplored categories to diversify their portfolio and mitigate risk. The beverage industry is entering a new era of category convergence as previously 'pure' beer, wine, spirits and soft drinks players adopt a more holistic approach to target a wider range of consumer preferences and occasions.

NOTABLE TRANSACTIONS AND M&A MULTIPLES



**BAYOU CITY
HEMP CO.**

has acquired



San Antonio's Bayou City Hemp acquired 8th Wonder Brewery in June 2023. The acquisition integrates the artisanal expertise of the iconic Houston craft brewer with the cutting-edge science of Texas' largest and most trusted cannabis operator.

With a C-suite that draws from a wide range of experience, Bayou City Hemp is poised to capture the Texas adult beverage market with a diversified portfolio of leading brands. The transaction has enormous implications for both the Texas beverage industry and the U.S. cannabis market, which is expected to grow to more than \$86 billion by 2030.

As the first of its kind, the combined company houses cannabis, craft beer and spirits under one roof, to be distributed and sold together in traditional sales channels across the country. Bayou City Hemp will leverage the established and trusted brand awareness 8th Wonder has built over the last decade to accelerate its portfolio's speed to market¹⁶.



**RIVER HORSE
BREWING CO.**
EWING, NEW JERSEY

has acquired



New Jersey's River Horse Brewing Company, in Ewing, NJ has acquired DuClaw Brewing Company of Baltimore, MD. The powerful combination of two beloved brands that each boast a legacy of over 25 years of great beer is expected to continue the success of these products.

While each brand will be managed separately, the efficiencies created by combining facilities and sharing production capacity and certain distribution partnerships will strengthen both entities.

Dave Benfield, Founder of DuClaw will continue to be the driving force behind the strategy, portfolio, product innovation and vibe of DuClaw and will ensure the continuity of the highest quality beer. River Horse will be expanding capacity in its Ewing, NJ facility in order to meet the demands of DuClaw's national distribution footprint. Stay tuned to some new innovative product releases to supplement the amazing DuClaw lineup¹⁶.

Brewery M&A Multiples 2019 - Present

| <i>\$ in Millions</i> | Minimum | Lower Quartile | Average | Median | Upper Quartile | Maximum |
|-------------------------------|---------|----------------|---------|--------|----------------|----------|
| Enterprise Value (\$M) | \$2 | \$20 | \$550 | \$100 | \$321 | \$10,430 |
| EV/Revenue | 0.3x | 0.9x | 1.9x | 1.3x | 2.1x | 7.2x |
| EV/EBITDA | 6.8x | 8.7x | 9.8x | 8.9x | 10.2x | 14.9x |
| EV/BBLs | \$140 | \$425 | \$580 | \$503 | \$840 | \$1,149 |

Brewery M&A Multiples 2021 - Present

| <i>\$ in Millions</i> | Minimum | Lower Quartile | Average | Median | Upper Quartile | Maximum |
|-------------------------------|---------|----------------|---------|--------|----------------|---------|
| Enterprise Value (\$M) | \$5 | \$37 | \$146 | \$87 | \$192 | \$495 |
| EV/Revenue | 0.3x | 1.0x | 2.2x | 1.3x | 1.4x | 7.2x |
| EV/EBITDA | 6.8x | 7.6x | 8.1x | 8.4x | 8.7x | 9.0x |
| EV/BBLs | \$146 | \$258 | \$449 | \$429 | \$548 | \$965 |

SELECT INDUSTRY TRANSACTIONS

Brewery Precedent Transaction Analysis (2019 - Present)

\$ in millions

| Date | Target | Acquirer/Investor | Transaction Value | % Acquired | Implied Enterprise | | Valuation | | |
|------------|---|--|-------------------|------------|--------------------|-------|-----------|----------|-----------|
| | | | | | Value | Sales | EBITDA | EV/Sales | EV/EBITDA |
| Announced | Eight Anheuser-Busch (NYSE: BUD) brands** | Tilray Brands (NAS: TRLY) | \$85 | 100% | \$85 | \$250 | | 0.3x | |
| 09/20/2023 | VIVA Beer | Alamo Beer Co. | | 100% | | | | | |
| 08/03/2023 | Blue Run Spirits | Molson Coors (NYSE: TAP) | | 100% | | | | | |
| 06/25/2023 | Domaine Curry | Constellation Brand | | 100% | | | | | |
| 06/20/2023 | Optimism Brewing | Stoup Brewing | | 100% | | | | | |
| 06/13/2023 | Boring Brew | Metavesco (PINX: MVCO) | \$495 | 100% | \$495 | | | | |
| 06/07/2023 | 8th Wonder Brewing | Bayou City Hemp | | 100% | | | | | |
| 06/01/2023 | Duclaw Brewing | River Horse Brewing | | 100% | | | | | |
| 05/31/2023 | Ninkasi Brewing | Wings & Arrows | | 100% | | | | | |
| 05/23/2023 | Flying Dog Brewery | FX Matt Brewing Company | | 100% | | \$7 | | | |
| 05/19/2023 | Ghost Monkey Brewery | Charleston's First Distiller | | 100% | | | | | |
| 04/17/2023 | Tantrum Brewing Company | NoFo Brew | | 100% | | | | | |
| 04/06/2023 | Federation Brewing | Dokkaebier | | 100% | | | | | |
| 03/07/2023 | Baere Brewing | Weston Scott | | 100% | | | | | |
| 02/16/2023 | Bear Republic Brewing | Drake's Brewing | | 100% | | | | | |
| 12/01/2022 | Cartridge Brewing | Saucy Brew Works | | 100% | | | | | |
| 11/18/2022 | The Rare Barrell | Cellarmaker Brewing | | 100% | | | | | |
| 11/07/2022 | Montauk Brewing Company | Tilray Brands (NAS: TRLY) | \$45 | 100% | \$45 | | | | |
| 11/04/2022 | Modern Times Beer | Maui Brewing | \$15 | 100% | \$15 | | | | |
| 10/01/2022 | Perfect Plain Brewing Company | Urban South Brewery | | 100% | | \$1 | | | |
| 09/22/2022 | Faubourg Brewing Company | Oyster City Brewing Company | | 100% | | | | | |
| 09/15/2022 | Amsterdam Brewing | Royal Unibrew (CSE: RBREW) | \$34 | 100% | \$34 | \$25 | \$4 | 1.3x | 9.0x |
| 09/13/2022 | Willie's Superbrew | Superbrew Acquisition Corp | | 100% | | | | | |
| 09/07/2022 | Beavertown Brewery | Heineken (AMS: HEIA) | \$45 | 51% | \$89 | \$89 | \$13 | 1.0x | 6.8x |
| 08/31/2022 | Stone Brewing | Sapporo Holdings | \$165 | 100% | \$165 | \$23 | | 7.2x | |
| 08/09/2022 | Pennsylvania Brewing Co | Arkham Realty & Property Mgmt | | 100% | | | | | |
| 08/02/2022 | Hairless Dog Brewing | Finnegan's | | 100% | | | | | |
| 06/17/2022 | Long Trail Brewing | Mass. Bay Brewing Co. | | 100% | | \$18 | | | |
| 05/25/2022 | Hansa Borg Bryggerier | Royal Unibrew (CSE: RBREW) | \$151 | 75% | \$201 | \$144 | \$24 | 1.4x | 8.4x |
| 05/23/2022 | Wild Acre Brewing | Bishop Cider | | 100% | | | | | |
| 05/20/2022 | Local Group Brewing | Bishop Cider | | 100% | | | | | |
| 05/20/2022 | Legal Draft Beer Company | Bishop Cider | | 100% | | | | | |
| 04/04/2022 | River Siren Brewing | Harmony and Brian Carlson | | 100% | | | | | |
| 01/14/2022 | Metal Works Brewing | Endeavour Local Restaurant | | 100% | | | | | |
| 01/13/2022 | CANarchy | Monster Beverage (NAS: MNST) | \$330 | 100% | \$330 | | | | |
| 12/28/2021 | Uinta Brewing | US Beverage, LLC | | 100% | | | | | |
| 12/20/2021 | Green Flash Brewing | Aphria/Tilray | \$5 | 100% | \$5 | | | | |
| 11/20/2021 | Bell's Brewery | Lion Little World Beverages (Kirin Holdings Co.) | | 100% | | \$61 | | | |
| 01/11/2021 | Skytown Beer Company | Catawba Valley Brewing | | 100% | | | | | |

SELECT INDUSTRY TRANSACTIONS CONTINUED

Brewery Precedent Transaction Analysis (2019 - Present)

\$ in millions

| Date | Target | Acquirer/Investor | Transaction Value | % Acquired | Implied Enterprise Value | Valuation | | | |
|------------|--|--|-------------------|------------|--------------------------|-----------|--------|----------|-----------|
| | | | | | | Sales | EBITDA | EV/Sales | EV/EBITDA |
| 12/22/2020 | Woodburn Brewery | March First Brewing | | 100% | | | | | |
| 11/30/2020 | SweetWater Brewing Company | Aphria | \$300 | 100% | \$300 | | | | |
| 10/07/2020 | Elevator Brewing Co | Jackie O's | | 100% | | | | | |
| 10/12/2020 | Kona Brewing Co. (in Hawaii) (Craft Brew Alliance) | PV Brewing (VantEdge Partners) | \$16 | 100% | \$16 | | | | |
| 09/09/2020 | McMenamins | Undisclosed investors | \$20 | NA | | | | | |
| 09/01/2020 | Axle Brewing Company | Eastern Market Brewing Co. | | 100% | | | | | |
| 06/12/2020 | Bay Area Beverage* | Golden Brands Beverage (Reyes Holdings) | | 100% | | | | | |
| 06/12/2020 | Double Dutch Drinks | Heineken | \$2 | 7% | \$20 | | | | |
| 06/01/2020 | BrownJug | Afognak Native Corp. | \$21 | 100% | \$21 | \$71 | \$2 | 0.3x | 8.9x |
| 06/01/2020 | Carlton & United Breweries (A-B InBev) | Asahi Group Holdings | \$10,430 | 100% | \$10,430 | | \$700 | | 14.9x |
| 05/05/2020 | BJ's Restaurant | Act III Holdings/T. Row Price | \$70 | 15% | \$868 | \$1,125 | \$99 | 0.8x | 8.7x |
| 04/20/2020 | Cascade Brewing | Portland-based private investor group | | 100% | | | | | |
| 03/02/2020 | Ballast Point Brewing & Spirits** | Kings & Convicts | \$100 | 100% | \$100 | | | | |
| 02/07/2020 | Innophos Holdings | One Rock Capital Partners | \$932 | 100% | \$932 | \$759 | \$99 | 1.2x | 9.4x |
| 02/04/2020 | Sprecher Brewing Co.* | Milwaukee-based private investor group | \$3 | 100% | \$3 | | | | |
| 01/30/2020 | Banded Peak Brewery | Labatt Brewing Company | | 100% | | | | | |
| 01/01/2020 | Michigan's Founders Brewin | Mahou San Miguel | \$199 | 60% | \$332 | | | | |
| 01/01/2020 | Atwater Brewery | Molson Coors Brewing | | 100% | | | | | |
| 12/13/2019 | Anderson Valley Brewing Company | Mainsheet Capital (Florida) | | 100% | | | | | |
| 12/05/2019 | Balter Brewing | Carlton & United Breweries (A-B InBev) | | 100% | \$119 | | | | |
| 11/20/2019 | Bold Rock Hard Cider | Southern Tier Brewing (Artisanal Brewing Ventures) | | 100% | | | | | |
| 11/20/2019 | Flying Embers | The Ecosystem Integrity Fund/Powerplant Ventures | \$25 | 21% | \$85 | | | | |
| 11/19/2019 | New Belgium Brewing | Lion Little World Beverages (Kirin Holdings Co.) | \$375 | 100% | \$375 | | | | |
| 11/15/2019 | NOCA Beverages | Undisclosed investors | \$4 | 13% | \$10 | | | | |
| 11/11/2019 | Craft Brew Alliance | Anheuser-Busch | \$221 | 69% | \$321 | \$199 | | 1.6x | |
| 10/19/2019 | Rivertowne Brewing Company* | Helltown Brewing | \$2 | 100% | \$2 | | | | |
| 10/09/2019 | Castle Brands | Pernod Ricard | \$223 | 90% | \$249 | \$95 | \$8 | 2.6x | |
| 09/16/2019 | Rochester Mills Production Brewery | Two Roots Brewing Co. (Lighthouse Strategies) | | 100% | | | | | |
| 09/09/2019 | Mocktail Beverages | Undisclosed investors | \$0 | 2% | \$9 | | | | |
| 07/08/2019 | Platform Beer | Anheuser-Busch | | 100% | | | | | |
| 07/03/2019 | Dogfish Head | Boston Beer Company | \$300 | 100% | \$300 | \$115 | \$24 | 2.6x | 12.5x |
| 07/01/2019 | Lake Louie Brewing | Wisconsin Brewing Company | | 100% | | | | | |

Source: Pitchbook

* Asset purchase **Implied Enterprise Value is estimate based on company filings, best known TTM financial and price data as of period end date, and publicly available information



Paul H. Carleton
Managing Partner

Paul is founder and Managing Partner of Carleton McKenna & Company. He has more than 40 years of experience in corporate and investment banking focusing on mergers and acquisitions and capital raising activities for both private and public corporations. Prior to establishing Carleton McKenna, Paul was founder and Senior Managing Director of Carleton, McCreary, Holmes & Company, which was acquired by KeyCorp. Paul was previously Senior Managing Director and Head of Corporate Finance at the regional investment banking firm of McDonald & Company.

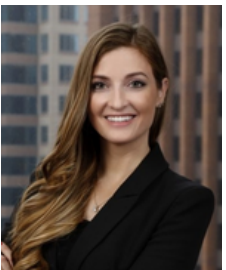
Paul has extensive corporate governance experience serving on corporate boards and not-for-profit boards. He has served on over 15 private company boards and currently sits on the Boards of E & H Family Group, Inc. and Breuer Premium Pet Food, Inc. Paul earned his bachelor's degree from Baldwin Wallace University and his master's in business administration from Northwestern University. He also received an honorary doctorate degree from Baldwin Wallace University.



Christopher J. McKenna
Managing Partner

Christopher McKenna is Managing Partner at Carleton McKenna & Company. Before joining Carleton McKenna, Chris partnered with a private equity firm to buy a Cleveland manufacturing business where he was President and CEO. Previously, Chris was the Director of Financial Analysis with the MacLean-Fogg Company in Chicago where he executed on financial transactions and acquisitions and also managed a business unit.

Chris was an Associate with the investment banking firm of Rodman & Renshaw in New York, where he was involved with private and public transactions to raise equity, subordinated and senior debt. He began his career in commercial banking in New York with Manufacturers Hanover Trust and Security Pacific Business Credit. Chris received his B.A. in Economics from Dartmouth College and his M.B.A. with High Distinction from the University of Michigan Business School.



Nora T. Mahoney
Managing Director

Nora T. Mahoney has experience with securities regulation, corporate governance, commercial litigation and broker dealer registrations. Nora is primarily responsible for the execution of capital raisings and private placement assignments across a variety of industries, as well as M&A advisory for business owners, specifically focused in B2B Services and Manufacturing.

Prior to joining Carleton McKenna, Nora worked for Attorney General Mike DeWine and then practiced Commercial Litigation with a national law firm where she was involved in pre-trial practice for securities litigation.

Nora was awarded her Juris Doctor and Masters from Vermont Law School and serves as a Board Member for First Federal of Lakewood and as an executive Board Member for the Union Club of Cleveland. She also serves on the Board of Trustees for Baldwin Wallace University, from which she received her Bachelors in Biology and Sustainability.



Alexis M. Becker

Vice President

Alexis is a Vice President at Carleton McKenna & Company. As part of Carleton McKenna's senior management team, Alexis manages M&A and capital raise transactions, guiding clients from preparation and marketing stages through negotiation and close. As part of transaction processing, Alexis reviews and develops marketing materials, conducts financial and valuation analysis, identifies strategic and financial partners for clients and facilitates due diligence processes. Alexis is also actively involved in building and maintaining client and partner relationships for Carleton McKenna.

Alexis completed her M.B.A. in Business Administration from Baldwin Wallace University in May 2018. She received her B.S. in Business Administration with a concentration in Marketing and a minor in Spanish from the Honors Program at Edinboro University of Pennsylvania, where she graduated top of her class.



Patrick T. Berry

Assistant Vice President

Patrick is an Assistant Vice President with Carleton McKenna & Co. His primary responsibilities include managing research, complex financial analysis and modeling as well as due diligence, process management and other day-to-day operations required for executing M&A transactions. He plays a key role throughout planning, strategizing and executing both buy-side and sell-side transactions for the Firm's clients.

Prior to joining Carleton McKenna & Co, Patrick interned for Bellwether Enterprise Real Estate Capital, a Cleveland-based commercial and multi-family mortgage banking firm. Patrick worked in both Asset Management and Production capacities, where he was involved in developing financial presentations on real estate assets, modeling and facilitating due diligence on debt structures, conducting industry research and serving portfolio loans through financial and maintenance covenant analyses.

Patrick graduated from The Ohio State University in December 2019 with a B.A. in Business Administration and a specialization in Finance. Patrick has passed the CFA Level II exam.



Emily A. Kuznik

Marketing Analyst

Emily is a Marketing Analyst at Carleton McKenna & Company. Her primary responsibilities include researching and developing marketing content and industry reports, enacting website development, maintaining a social media strategy and regulating web-based management services.

Prior to joining Carleton McKenna, Emily worked as a Leadership Development Fellow for Baldwin Wallace University's Carmel Boyer School of Business. As a member of the pilot program, she coordinated a variety of marketing initiatives for both graduate and undergraduate programs including social media and email marketing campaigns, advertising, event planning, and recruiting.

She graduated magna cum laude from Baldwin Wallace University in 2021 where she earned a B.A. in Digital Marketing and again in 2022 with an M.B.A. in Management.



has completed a recapitalization with



The undersigned provided exclusive financial advisory services to Malley's Candies, Inc.

Carleton McKenna
INVESTMENT BANKING SERVICES



The undersigned provided exclusive valuation and financial advisory services to Saucy Brew Works, LLC

Carleton McKenna
INVESTMENT BANKING SERVICES



has been acquired by

ANHEUSER-BUSCH



The undersigned provided exclusive financial advisory services to Platform Beer Co.

Carleton McKenna
INVESTMENT BANKING SERVICES



The undersigned provided exclusive valuation and financial advisory services to Sibling Revelry Brewing

Carleton McKenna
INVESTMENT BANKING SERVICES



The undersigned provided valuation advisory services to Buehler's Food Markets, Inc.

Carleton McKenna
INVESTMENT BANKING SERVICES



The undersigned provided exclusive valuation advisory services to C. J. Dannemiller Co.

Carleton McKenna
INVESTMENT BANKING SERVICES



The undersigned provided exclusive financial advisory services to Toast Spirits, LLC

Carleton McKenna
INVESTMENT BANKING SERVICES



The undersigned provided exclusive valuation and financial advisory services to The Brew Kettle

Carleton McKenna
INVESTMENT BANKING SERVICES



Chris McKenna is an investor and advisor to this artisan dough provider and advised on its exit

Carleton McKenna
INVESTMENT BANKING SERVICES



has acquired



The undersigned provided financial advisory services to Saucy Brew Works, LLC

Carleton McKenna
INVESTMENT BANKING SERVICES

SPOT & TANGO

Paul Carleton is a Board Representative for this rapidly growing organic pet food company and has assisted in capital raising

Carleton McKenna
INVESTMENT BANKING SERVICES



Carleton Advisors, LLC served as financial advisor in the sale of 28 Wendy's franchisees to an undisclosed buyer

Carleton McKenna
INVESTMENT BANKING SERVICES



Private Equity-backed chocolate manufacturer, wholesaler and retailer seeking acquisitions

The undersigned are currently providing exclusive buy-side advisory services to Project Confections

Carleton McKenna
INVESTMENT BANKING SERVICES



has successfully closed on the sale of equity financing

The undersigned provided exclusive financial advisory services to Petsense, Inc.

Carleton McKenna
INVESTMENT BANKING SERVICES



The undersigned is currently providing exclusive financial advisory services to Music Box Supper Club

Carleton McKenna
INVESTMENT BANKING SERVICES



Operator of a water & amusement park resort with numerous retail and dining offerings

The undersigned are currently providing exclusive buy-side advisory services to Project Splash

Carleton McKenna
INVESTMENT BANKING SERVICES

ENDNOTES

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15. <https://extension.psu.edu/alcoholic-beverage-consumption-statistics-and-trends-2023>
16. <https://pitchbook.com/>