

Lassonde Industries Inc. (LAS.A:TSX)

Food & Beverages – Confectionery Goods

“Juiced Up”

Company Profile

Lassonde Industries Inc. is a manufacturer, developer, and marketer of ready-to-drink fruit and vegetable beverages as well as other specialty food products like broths and sauces. It also manufactures cider-based and wine-based beverages. The company has operations in two distinct segments, which are retail and food service.

Expectations of Free Cash Growth

Aside from 2016E where synergies with Apple & Eve are expected to take effect, we expect fairly flat top-line growth due to the nature of the industry and the mature state of the company and its distribution networks. Moreover, given Lassonde’s mature state we expect low levels future of capital expenditure and thusly a possibility in an increase of dividends as well as gradual overall deleveraging.

Industry Consolidation

We anticipate that in the wake of a juice beverage market that has shown signs of possibly drying up, that the ability to scale and market through variety will be indispensable for future success. Given its propensity in making strategic acquisitions to bolster its product line and grow market share, we believe that as some competitors begin to struggle that consolidation and increased market share will be able to drive Lassonde’s future growth.

Valuation & Recommendation

Through our research and analysis, we have placed a buy rating for the company at a target price of \$193.31. This is based off of a combined approach of equally weighted DCF and CCA. With a current price of \$165.00, an upside of 17.2% exists.

Please see legal disclaimer at bottom.

Analyst: Marcus Leung, BComm 18

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Equity Research Canada

Price Target	CAD\$ 193.31
Rating	Buy
Current Share Price, close	CAD\$ 165.00
Total Return	17.2%

Key Statistics

52 week H/L	\$167.99/\$131.57
Market Capitalization	\$1,086.6M
Net Debt	\$373M
Enterprise Value	\$1459.9M
Net Debt/Enterprise Value	25.6%
Diluted Shares Outstanding	\$49M
Free Float %	45.8%
Dividend Yield	1%
LTM P/E	21.68x
LTM EV/EBITDA	9.18x

WestPeak’s Forecast

	<u>2015E</u>	<u>2016E</u>	<u>2017E</u>
Revenue	\$1.23B	\$1.40B	\$1.42B
EBITDA	\$159M	\$154M	\$142M
EBIT	\$117M	\$120M	\$110M
Net Income	\$69M	\$63M	\$52M
P/E	25.6x	15.8x	14.6x
EV/EBITDA	8.1x	8.4x	8.3x
Price/Book	1.8x	1.6x	1.5x

Price Performance - 1 Year



Business Overview/Fundamentals

Lassonde Industries operates in two distinct market segments: the retail segment and the food service segment. The retail segment is comprised of selling products to food wholesalers and retailers, examples of which include grocers and supermarkets. The latter segment, food services, is focused on selling products to restaurants, schools, hotels, and wholesalers related to the aforementioned institutions. A large proportion of Lassonde's business stems from private label juice, as it is the second-largest private label juice supplier in the United States.

The company has five operating subsidiaries: A. Lassonde Inc., Apple & Eve LLC, Arista Wines Inc., Clement Pappas and Company Inc, and Lassonde Specialties Inc.

A. Lassonde Inc.

The oldest of the five subsidiaries, this company operates thirteen juice brands with operations in Quebec, Ontario, Alberta, and Nova Scotia. The brands operated by this subsidiary are as follows: Allen's, Del Monte, Everfresh, Fairlee, Fairlee Nature's Best, Flavür, Fruité, Graves, Oasis, Orange Maison, Rougemont, Sunlike, Tropical Grove.

Apple & Eve LLC

Acquired in July 2014, Apple & Eve is one of Lassonde's main operating subsidiaries in the United States. The intention of this subsidiary was to capitalize on growth opportunities in the U.S. national brand juice and drink market, diversify the company product portfolio, and increase its critical mass in support of consumers through leveraging existing distribution centers and economies of scale.

Arista Wines Inc.

A wine subsidiary established in 2006, Arista Wines is a prominent fixture in the making, packaging, and marketing of wines, ciders, and other mixed alcoholic beverages. This subsidiary operates six brands (Arte Nova, Bistro Mundo, Coeur de Pomme, Dublin's Pub, Globe Trotter, and miSangria) that can be found in all major grocery store chains in Canada and also in provincial liquor board stores.

Clement Pappas and Company Inc.

Acquired in August 2011, Clement Pappas is the second-largest producer of fruit juices and drinks for store brands in the United States. Originally a family-owned company until it became public through acquisition. This subsidiary is Lassonde's other main operating American subsidiary.

Lassonde Specialties

Lassonde's shelf-stable food products subsidiary. This subsidiary currently has seven brands, offering a diverse product portfolio which includes sauces, broths, tapenades, bruschetta toppings, marinades, corn-on-the-cob, and soups. This subsidiary's operations are not core to Lassonde, and as such should be viewed as a non-significant portion of the parent company.

Financial Position and Forward Strategies

Lassonde seems to have hit a relatively placid financial state where it could continue operations for the foreseeable future with little to no qualms. As previously mentioned, apart from expected growth in 2016E due to further integration of Apple & Eve, we expect low single-digit long-term revenue growth for Lassonde due to a juice beverage industry that is struggling to find any consistent growth. We also expect relatively consistent margins that mirror the company's past operations.

With regards to the company's balance sheet, Lassonde looks to be in a comfortable position. Their two major acquisitions, Clement and Pappas in 2011 and Apple & Eve in 2014, for US\$390m and US\$150m respectively, are responsible for most of their ongoing debt. Total debt stands at \$373.90m, which gives a trailing Debt/EBITDA ratio of 2.0x. We expect this ratio to decrease due to strong free cash flow generation and gradual deleveraging, with our forecasts having the ratio at 1.6x by 2020E. With regards to financing ability, since the company has just under \$200m of unused capacity in its revolving operating credit facilities, we believe that Lassonde has and will continue to have the capability to finance future acquisition and deploy additional capital in the future if required.

We anticipate flat capex in the future due to limited industry growth opportunities and the relatively mature state of Lassonde. The flat capex, combined with low EBITDA growth, should result in stable, relatively strong free cash flow generation. Possibilities of future acquisitions notwithstanding, we believe that the cash flows generated by the company in the future could be used for gradual deleveraging and increased dividend payments.

With regards to the company's strategy going forward, and as evidenced by its two acquisitions in the last five years, Lassonde is primarily interested in growing and diversifying its product line. This diversification is said to be accomplished by way of subsidiary growth and private label expansion.

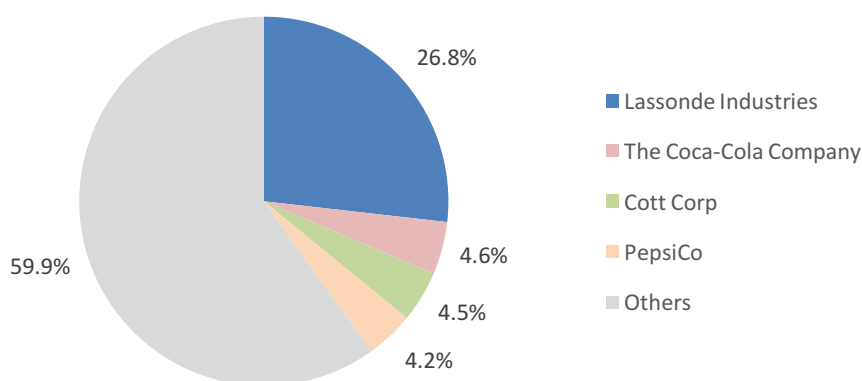
Macro Environment

Sustained growth has been absent in the North American fruit and vegetable juice market for much of the last decade, a trend that is likely driven by an increasing number of consumers making the switch away from high-sugar drinks, even those that are naturally-occurring, towards lower-sugar alternatives.

Canada

In the Canadian juice production industry, Lassonde is the clear cut leader with an estimated market share of 26.8%. The industry is highly fragmented with the top four players only comprising 40.1% of total industry revenue in 2015. The Canadian juice industry is expected to experience low growth in the range of 0.5% to 1% as it undergoes structural changes to capitalize on the emergence of a health-conscious consumer trend. With its fragmented state, Lassonde has an opportunity to consolidate smaller players and take up a larger proportion of market share through its ability to produce with scale.

Canadian Juice Industry Estimated Market Share



Source: IBISWorld

United States

The American juice production industry plays as a stark contrast to its Canadian counterpart; with highly recognizable brands characterizing the majority of the industry, it suitably follows that a large proportion of the market is dominated by a few, very large players. In 2015, it is estimated that the trio of PepsiCo, The Coca-Cola Company, and Dr Pepper Snapple Group made up 46.8% of industry revenues, leaving 53.2% for other producers such as Lassonde. Unlike the Canadian market, Lassonde's approach in the American market has been to expand largely through acquisitions of established players in the market like Apple & Eve and Clement and Pappas instead of organic growth. Due to the high proportion of name brands, we expect Lassonde to continue to grow its private label business and diversify its various American product lines.

A Health Conscious Movement

According to IBISWorld's industry research report on Juice Production in Canada, per capita soft drink consumption has seen a steady decline in the last decade from 46 gallons in 2005 to 41 gallons in 2015. The trend is expected to continue to an estimated amount of 36 gallons by 2020. Working under the assumption that juice will continue to be perceived as a healthy alternative to soft drinks, it should be expected that the industry may experience an increased consumer base as select consumers switch over from soft drinks to juices.

However, in an even larger scope, there should be some concern for the broad shift that is occurring away from beverages that contain a large amount of sugar, both natural and processed. With that said, it is fair to assume that little to no growth in the industry should be expected as the growth from the soft drink to juice movement should be offset by the low sugar movement.

Thus, under the assumption of the North American juice production industry staying stagnant with regards to growth over the next five years, it can be also assumed that the only changes in the industry will be internal, structural changes. This internal shift will present opportunities for existing firms to consolidate and expand, and we expect that Lassonde will be able to capitalize on this industry restructuring through innovation of their

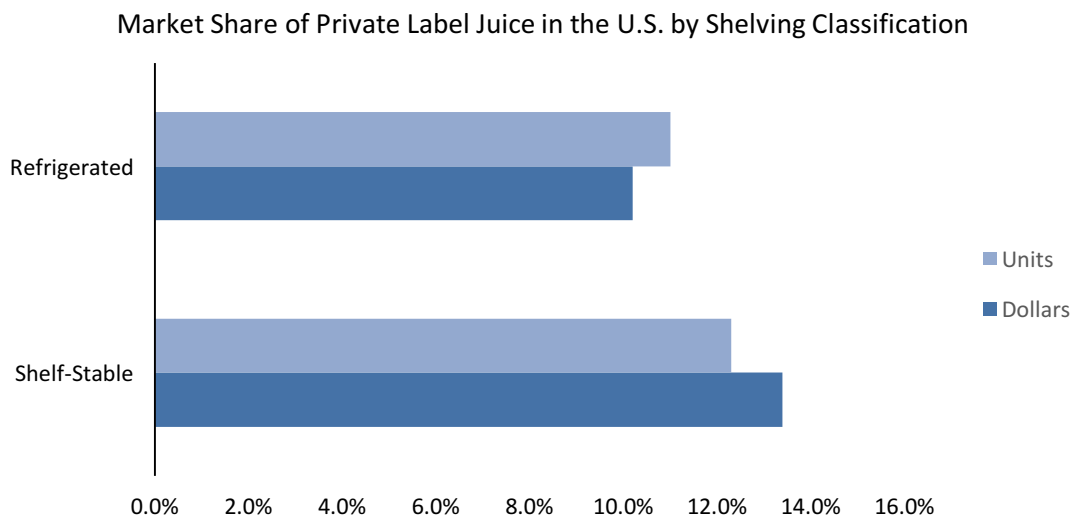
products. Its broad product line and extensive distribution network through its various subsidiaries ensure that it is well-positioned to and shift in consumer preference.

The State of Private Label Juices

The state of private label juice consumption is and is expected to continue to be in flux largely due to conflicting consumer consumption and preference trends. The dominating trend continues to be strong, recognizable brands in juice production such as Tropicana and Minute Maid, thus leaving only approximately 12-13% of market share in the U.S. for private label alternatives.

After acquiring Clement and Pappas in 2011, Lasso de is the second-largest producer of private-label juice beverages in the United States. Thus, the state of the private-label juice industry, namely in the shelf-stable and refrigerated subsectors where most of the company's produce lines reside, is largely indicative of Lasso de's profitability in the industry. Historically, according to a September 2014 Report by Packaged Facts, private label juice as a whole has underperformed the overall juice market, as evidenced by a decline in units of sales by over 6% in 2013 compared to a 2% decline by its branded counterparts.

With many grocer chains and supermarkets planning to introduce initiatives for expanding private label programs, coupled with an emerging consumer trend for cost-effective purchases, the overall private label beverage industry as a whole is expected to experience low growth in the realm of 1% per year from 2016 to 2018. Additional industry growth in the private label sector will be largely reliant on increased market penetration and a shift towards cost-effective purchasing by consumers.



Source: PackagedFacts

The Recovery of Disposable Income

As the disposable income of consumers increases, the probability that they spend more on discretionary products such as juice drinks also increases. Thus, it can be stated that for any discretionary good, an increase in per capita disposable income will most likely result in an increase for product demand. In a broader macro view, this means that industry demand for juice products holds a material correlation with changes in per capita disposable income.

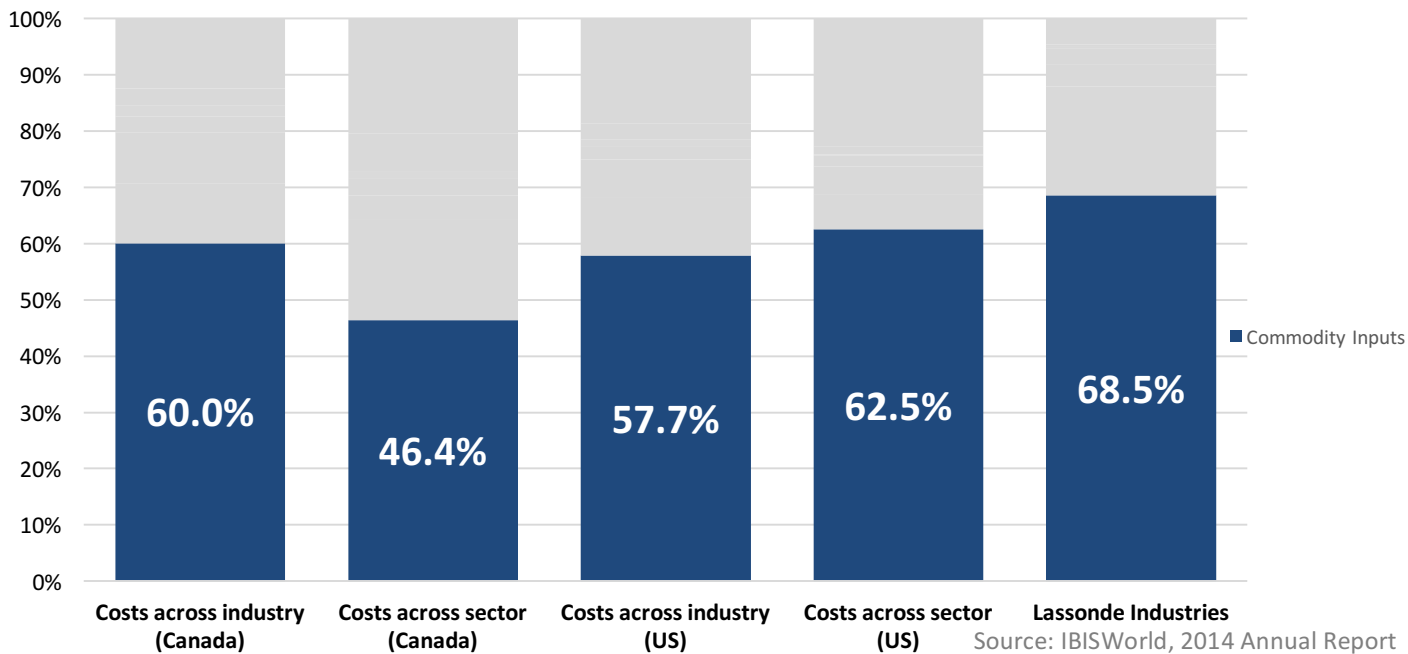
Per capita disposable income experienced little to no change in the events of the economic downturn and the years directly following it. However, according to IBISworld's Per Capita Disposable Income Report³, per capita disposable income is expected to gradually recover as consumers become more confident in allocating their income towards discretionary goods. This recovery should drive Lassonde's future sales, and we expect the company's sales to mirror the industry's slow recovery by assigning a forecasted revenue growth rate at around 1% for the next five years.

This expected increase of consumer expenditures towards discretionary goods is not without a few risks. New companies are introducing new products that may take away some portions of market share from existing juice producers. The recovery of disposable income is also expected to be accompanied by an emergence of healthy alternatives such as coconut water and kombucha that will provide increased competition, and an increasing level of product diversification in the North American juice market to cater to the increase in consumer expenditures in the industry.

A Stabilization in Key Commodities

Juice production market research reports in the U.S. and Canada by IBISworld estimate that raw materials for juice beverage producers can make up anywhere between 50% to 80% of the cost of production. Apple juice concentrate, orange juice concentrate, and packaging in the form of polyethylene lining are the main commodities that the juice production industry is mainly reliant upon with regards to the costs of input. This sentiment has been reiterated by management within several of their quarterly management reports, with the company constantly monitoring the volatility of the following commodity prices and hedging as necessary.

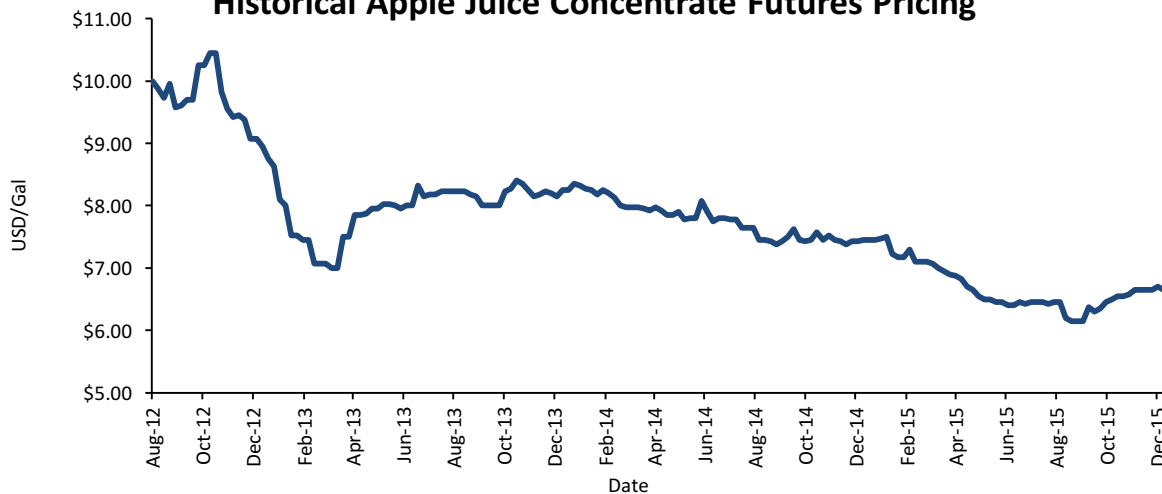
Commodity Input Proportions of Juice Production



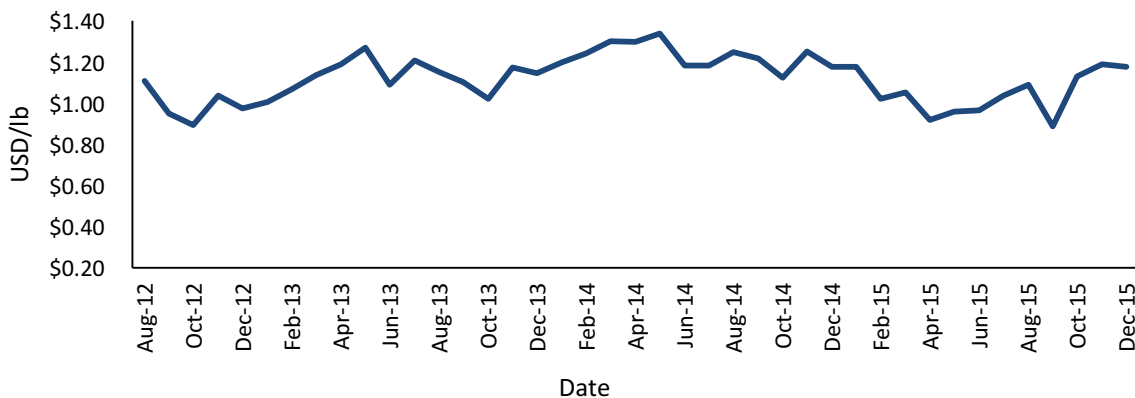
It should be noted that based on the above data that commodities account for a higher percentage of costs than other firms in its industries, and thus the stability of input prices is essential for the company to maintain its margins at their current state. In addition, based on the following charts it would appear that Lassonde's

key commodities are beginning to stabilize; this stabilization in key juice production commodities should reduce margin volatility across the industry and enable juice producers to focus elsewhere to improve profitability.

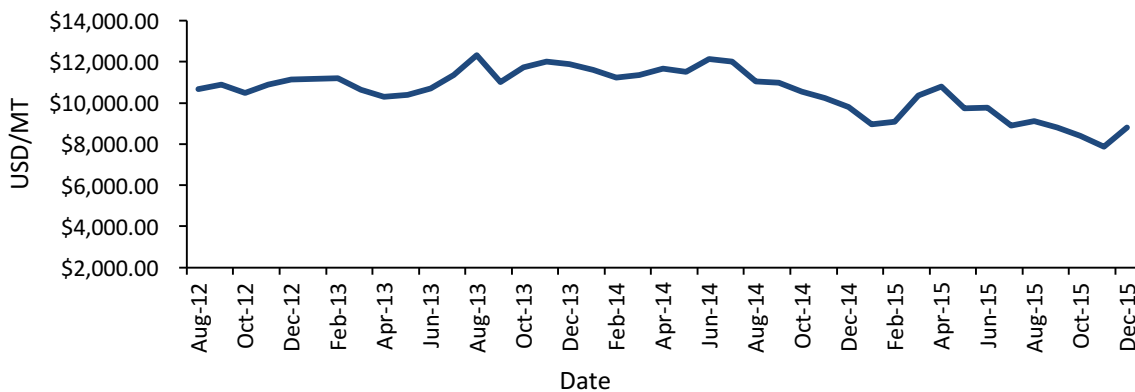
Historical Apple Juice Concentrate Futures Pricing



Historical Orange Juice Concentrate Futures Pricing



Historical Polyethylene Futures Pricing



Sustained Competitive Advantage

Extensive Distribution Network

Each of Lassonde's five subsidiaries has an established distribution network, with the collective of the five giving the Lassonde Group effective coverage of most parts of North America. In total, the Lassonde Group has fourteen plants throughout Canada and the United States. A. Lassonde Inc. has production and storage facilities located in Quebec, Ontario, Alberta, and Nova Scotia providing it effective geographic coverage of Canada. Their older American Subsidiary Clement and Pappas has five production facilities located in New Jersey, Maryland, North Carolina, Arkansas, California, and Massachusetts, with the distribution centers being in New Jersey and Arkansas.

Economies of Scale

Lassonde has the ability to draw upon several production facilities and distribution networks in the U.S. that were pre-established by past-management prior to acquisition. These distribution networks belonging to Apple & Eve and Clement and Pappas give Lassonde a critical mass to support consumers through scale of production. In addition, the amount of plants it has in Canada under A. Lassonde Inc. gives it the flexibility and scale it needs to keep up with larger competition.

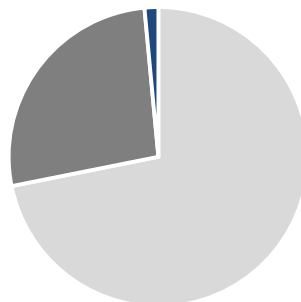
Diversified Product Offerings

The Lassonde Group has hundreds of products under the various branded product lines of its subsidiaries. Each of its subsidiaries has several brands, and each of its brands have anywhere from a few to over a hundred products. Lassonde's product variety allows it to cater to consumer's changing demands as well as appeal to a wide range of consumers.

Shareholder Base & Liquidity

Significant Institutional Ownership

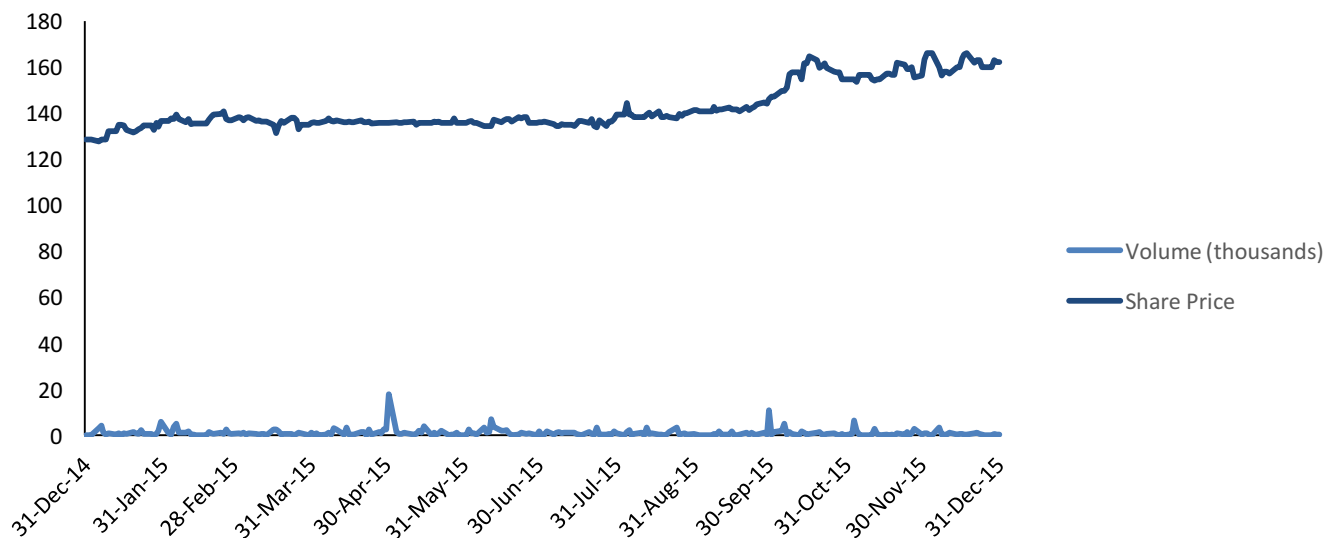
With 71.86% of Lassonde share's being held by institutions and 26.65% being held by mutual funds, 98.51% of the company's shares are under non-retail ownership.



■ Institutions ■ Mutual Funds ■ Retail Ownership

Trading Volume and Illiquidity

Lassonde Industries' stock experiences very little to no trading volume, with the daily average being around 600 trades per day. This low level of liquidity opens up traders of this security to various risks which include but are not limited to: price manipulation, deteriorating company reputation, uncertainty, and challenges in fair representation.



Management Team

Pierre-Paul Lasonde

Chairman of the Board, CEO (1999)

Mr. Pierre-Paul Lasonde was named Chief Executive Officer in 1999, and has been the Chairman of the Board since 1973. He has been heavily involved with the operations and external relations of the company's oldest subsidiary, A. Lassonde Inc. Mr. Lasonde is a graduate of the American Business Association and studied administration and accounting at the École des Hautes Études Commerciales de Montréal.

Jean Gattuso

President, COO (1987)

President of A. Lassonde Inc. since 1998, Mr. Jean Gattuso was named Chief Executive Officer of A. Lassonde Inc. in May 2004 and Chief Operating Officer of Lassonde Industries Inc. in April 2009. Originally hired in 1987 as Director of Marketing at A. Lassonde Inc., Mr. Gattuso held the following positions prior to his current position: Executive Vice-President of Marketing and Sales Administration, Assistant General Manager, and General Manager. He was also the General Manager of Vac-O-Nut from 1988 to 1990. Before joining the Lassonde Group, Gattuso worked for Catelli in marketing. He holds a Bachelor of Commerce from McGill university as well as a Masters in Business Administration from Université du Québec à Montréal.

Guy Blanchette

Executive VP, CFO (2007)

Mr. Guy Blanchette was named Executive Vice-President and Chief Financial Officer in March 2015, after serving as Vice-President and Chief Financial Officer since May 2007. Mr. Blanchette is a chartered accountant and a CMA. Before joining Lassonde, Blanchette was Vice-President and Treasurer of CAE; he has also worked for Alstom Canada as Chief Financial Officer, SNC Industrial Technologies Inc. as Vice-President, Finance and Strategic Planning, and Vice-President, Treasurer and General Manager at SNC-Lavalin. He holds a Bachelor of Business Administration with a major in Accounting from Université du Québec à Trois-Rivières.

Given that the Lassonde Group operates in a relatively mature industry sector, it is equally fitting that their management team possesses ample amounts of experience both in their respective positions as well as the overarching industry. The company as of present does not require any radical changes or significant pivots in business strategy, and as such does not necessarily require an influx of new knowledge, skills, or abilities in their upper-management.

Risks

Lack of Geographic Consumer Diversification

Lassonde's sales stem nearly exclusively from the Canadian and American markets. In FY2015, sales in the company's Canadian region were \$564.9 million (47.8%) and sales in the company's American region were \$609.6 million (51.6%). It is important to note that while the company holds significant positions in both aforementioned North American markets, that its lack of international diversification exposes it to any potential economic downturns or changes in competitive landscape that may occur within North America.

Competitive Landscape

While this can be said for most companies, it is still notable to mention the number and size of Lassonde's competitors. Since the key value propositions derived from products in the confectionary goods subsector are price and product quality, the ability of larger companies to produce competitive products at a lower cost and utilize larger financial, distribution, and marketing resources makes the company's industry a risk. Lassonde's major competitors include Sun-Rype Products Ltd, The Coca-Cola Company, PepsiCo Inc., and Dr Pepper Snappy Group Inc., among others.

Health and Safety Regulations

Being a beverage manufacturer, Lassonde is susceptible to any changes enacted by the Canadian Food Inspection Agency and US Department of Agriculture. The company is required by law to abide to the various regulations of the two aforementioned governing bodies, with regulations relating to production standards such as cleanliness, handling and storage, and maintenance of production equipment. The observance of regulatory changes may pose the risk of increased production costs and thus present a material decline in profitability. The violation of regulations may also impose new liabilities or disrupt existing operations, which would also produce a decline in profitability.

Foreign Exchange Risk

Given the aforementioned section detailing the stabilization of key commodity prices in USD terms, it should be expected that transnational firms with both American and Canadian such as Lassonde will be affected in the short-term by foreign exchange fluctuations as hedges roll off. In terms of operations, it should be expected that margins will be impacted negatively with more volatility being introduced. However, neutrality is predicted in the long-term, as we would expect that foreign exchange movements would be captured through changes in pricing.

Foreign exchange also presents a risk in sales, although the firm is only negatively impacted if the Canadian dollar eclipses the American dollar in value.

Valuation

Projected Financials:

Revenue growth projections for Lassonde are largely based off expected industry growth rates in the range of 0.5% to 1.5% with an added increment to reflect the expectation that Lassonde will exceed industry growth rates by a percent on average as it has in the past. Much of this industry-excess growth is due to our assumption that their recent acquisition of Apple & Eve in 2014 will begin to produce synergies for the firm's overall operations. Gross and operating margins are projected to hover around historical rates, as cost of inputs have stabilized as of late and with no material changes in their structuring of G&A expenses. The two have remained steady over the years at around 70% and 19% respectively with no signs of them changing in the near future.

Something important to note is that while our financials have included future continued financing as well as gradual share repurchases, that our specific projections may not be particularly exact with regards to what management eventually decides to do. Management has expressed their intentions to execute share repurchases in the near future, and have also expressed an interest in paying down their long-term debt. However, without a specific timeline and only vague indications of the magnitude of these changes, our estimates are primarily based on the company's past actions in order to err on the side of conservatism.

Discounted Cash Flow

Lassonde Industries is by nature a collective of five subsidiaries with various brands under ownership. Each of these brands produce product lines of fifty products or more. Thus, in order to simplify the revenue growth process, we decided to regard the company as a consolidated entity as opposed to a sum of all its subsidiaries.

Our weighted average cost of capital took into account the company's current capitalization structure which has remained relatively unchanged for the last five years, with a debt to total capitalization ratio of 26%. Thus, working with the company's current tax rate of 25%, a weighted average debt yield-to-maturity of 5.5%, a risk free rate of 2.1% based off the U.S. Treasury's 10 Year Bond Rate, and a Equity Risk Premium of 6.1% as given by Aswath Damodaran at New York University's Stern School of Business, we were able to derive a weighted average cost of capital of 5.61%.

Our implied intrinsic value of Lassonde given the parameters stated above and our aforementioned forecasted financial metrics is a value of \$192.05 with an upside of 17.3% given the current share price of \$165.00 as of January 8th, 2015.

Comparable Companies Analysis

Lassonde Industries is by nature a collective of five subsidiaries with various brands under ownership. Each of these brands produce product lines of fifty products or more. Thus, in order to simplify the revenue growth process, we decided to regard the company as a consolidated entity as opposed to a sum of all its subsidiaries. Companies that we decided to include had similar transnational operations that operate primarily in North America. These other companies reside in the consumer discretionary subsector and also have various subsidiaries that play host to a diverse range of brands and products.

Our Comparable Companies Analysis uses EV/EBIT as it captures each firm's degree of leverage in a production intensive industry. Since Lassonde is an established player in a maturing market, we believe that the trailing EV/EBIT ratio of 16.23x is fairly reflective of its performance in the future; our analysis using the 16.23x multiple yields a price target of \$194.91.

Our final, derived share price using equal weights for our DCF and CCA is \$193.31.

Recommendation

The Juice Isn't Running Out Anytime Soon

Lassonde Industries presents investors a stable growth opportunity that could potentially become the centerpiece of one's portfolio; a well-positioned, stable beverage producer that will look to consolidate and capitalize on a tightening, saturated industry.

Market share and margins have remained relatively stable while sales have begun slowing in recent years, but revenues are anticipated to experience a slight spike due to expected synergies with their most recent acquisition, Apple & Eve. Assuming that input prices stay constant and minimal shift in consumer preference, Lassonde is expected to mirror its current performance for the foreseeable future.

Appendices

Appendix 1: Discounted Cash Flow

DISCOUNTED CASH FLOW ANALYSIS Lassonde Industries Inc.

	2015A	2016E	2017E	2018E	2019E	2020E	2021E	2022E	2023E	2024E	2025E
Current Debt to Total Capitalization		26%									
Current Tax Rate		25%									
Current Weighted Average Debt Yield-to-Maturity		5.5%									
Current LTM Equity Market Return		6.1%									
Current Risk Free Rate		2.1%									
Current LTM Equity Beta		1.00x									
Current Weighted Average Cost of Capital (WACC)		5.61%									
Long-term Perpetuity Growth Rate		2.00%									
EBIT		122	137	136	135	140	146	153	156	160	164
Tax Rate		30%	33%	35%	38%	35%	35%	35%	35%	35%	35%
Depreciation, Depletion and Amortization		40	29	30	31	27	27	24	24	24	24
Capital Expenditure		-18	-19	-20	-21	-22	-23	-24	-24	-23	-22
Change in Net Working Capital		-21	-6	-4	-3	-4	-5	-5	-4	-4	-5
Unlevered Free Cash Flow		86	97	95	91	93	94	95	98	101	104
Discounted Unlevered Free Cash Flow		81.68	86.76	80.67	72.95	70.91	67.84	64.95	63.08	61.77	60.38

Present Value of Projected Cash Flows	\$ 711
Present Value of Perpetuity Cash Flows	\$ 969
Total Enterprise Value	\$ 1,680
Total Debt	\$ 338
Cash	\$ 1
Total Equity Value	\$ 1,342
Shares Outstanding (millions)	7
Price/Share	\$192.05

Long-term Growth Rate	Discount Rate (WACC)							
	4.11%	4.61%	5.11%	5.61%	6.11%	6.61%	7.11%	7.61%
0.00%	\$223.45	\$189.92	\$163.67	\$142.63	\$125.52	\$111.34	\$99.45	\$89.36
0.50%	\$245.90	\$205.90	\$175.35	\$151.36	\$132.16	\$116.48	\$103.47	\$92.54
1.00%	\$275.58	\$226.31	\$189.87	\$161.98	\$140.11	\$122.52	\$108.14	\$96.20
1.50%	\$316.63	\$253.27	\$208.42	\$175.19	\$149.77	\$129.75	\$113.65	\$100.46
2.00%	\$377.14	\$290.57	\$232.94	\$192.05	\$161.79	\$138.55	\$120.24	\$105.47
2.50%	\$475.22	\$345.55	\$266.84	\$214.34	\$177.14	\$149.50	\$128.25	\$111.47
3.00%	\$661.67	\$434.67	\$316.82	\$245.16	\$197.43	\$163.47	\$138.21	\$118.77
3.50%	\$1,153.78	\$604.09	\$397.83	\$290.59	\$225.48	\$181.93	\$150.94	\$127.85

Appendix 2: Comparable Companies Analysis

TRADING COMPARABLES ANALYSIS

Lassonde Industries Inc.

Company	Price	Mkt-Cap	Cash	T. Debt	EV	LTM				EV/Sales	EV/EBITDA	EV/EBIT	P/E
						Sales	EBITDA	EBIT	Net Income				
Cott Corporation	15.31	1226.30	63.70	1703.60	2866.20	2788.70	311.80	105.10	38.40	1.03	9.19	27.27	31.93
Constellation Brands Inc.	147.11	29333.00	493.50	7416.60	36256.10	6361.40	2011.50	1801.40	1026.10	5.70	18.02	20.13	28.59
Boston Beer Co. Inc.	171.31	2292.90	134.60	0.50	2158.80	962.60	204.00	162.30	101.40	2.24	10.58	13.30	22.61
National Beverage Corp.	40.87	1956.20	75.80	0.00	1880.40	671.70	93.10	81.50	53.40	2.80	20.20	23.07	36.63
Andrew Peller Ltd.	20.60	214.90	0.00	55.20	270.10	226.60	28.30	22.40	14.40	1.19	9.54	12.06	14.92
SunOpta, Inc.	8.59	523.30	99.00	148.80	573.10	1201.40	51.00	28.80	5.70	0.48	11.24	19.90	91.81
Lassonde Industries Inc.	165.00	1086.60	0.60	373.90	1459.90	1229.38	180.00	89.98	42.49	1.19x	8.11x	16.23x	25.57x
High										5.7x	20.2x	27.3x	91.8x
Average										2.2x	13.1x	19.3x	37.7x
Median										1.7x	10.9x	20.0x	30.3x
Low										0.5x	9.2x	12.1x	14.9x
										EV/Sales	EV/EBITDA	EV/EBIT	P/E
Implied Market Capitalization - High										\$6,633	\$3,262	\$2,080	\$3,901
Implied Market Capitalization - Average										\$2,380	\$1,990	\$1,362	\$1,604
Implied Market Capitalization - Median										\$1,738	\$1,590	\$1,427	\$1,286
Implied Market Capitalization - Low										\$213	\$1,281	\$712	\$634

Appendix 3: IBISWorld Per Capita Disposable Income Research Report

Per Capita Disposable Income

(IBISWorld Business Environment Report Nov '15)

Year	Amount	%Change
1981	20455	1.49%
1982	20686	1.13%
1983	21214	2.55%
1984	22479	5.96%
1985	22961	2.14%
1986	23633	2.93%
1987	23929	1.25%
1988	24825	3.74%
1989	25340	2.07%
1990	25557	0.86%
1991	25395	-0.63%
1992	26134	2.91%
1993	26218	0.32%
1994	26610	1.50%
1995	27180	2.14%
1996	27719	1.98%
1997	28397	2.45%
1998	29723	4.67%
1999	30352	2.12%
2000	31524	3.86%
2001	32077	1.75%
2002	32755	2.11%
2003	33344	1.80%
2004	34223	2.64%
2005	34428	0.60%
2006	35461	3.00%
2007	35870	1.15%
2008	36082	0.59%
2009	35620	-1.28%
2010	35684	0.18%
2011	36299	1.72%
2012	37163	2.38%
2013	36369	-2.14%
2014	37084	1.97%
2015	38042	2.58%
2016	39069	2.70%
2017	40048	2.51%
2018	41070	2.55%
2019	41968	2.19%
2020	42981	2.41%
2021	43997	2.36%

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