

WESTPEAK RESEARCH ASSOCIATION

Maple Leaf Foods (MFI)

Consumer Staples – Food Processing

Meat Making the Beat

April 8, 2022

Maple Leaf Foods Inc. (MFI) is a Canadian food producer that specializes in producing processed meat, ready-to-cook, ready-to-eat meals, hog products, fresh pork and poultry. In 2017, the Company added a plant protein group into its product line, which includes plant protein products and vegan cheese. Maple Leaf Foods operates in Canada, the US and Asia.

Thesis

With management's recognition and action on the importance of sustainability, health and worker welfare, we believe that Maple Leaf Foods is a great investment target. Furthermore, its robust performance in the meat segment during COVID-19 and firm supply chain adds confidence to its future performance.

Drivers

The meat protein market is a highly competitive market that is constantly evolving. With consumers becoming more health and environmentally conscious, Maple Leaf Foods' diverse product line is able to capitalize on different consumers. With MFI's strong supply chain, COVID-19 did not negatively impact its production line. Instead, the company benefited from lockdowns as consumers

Valuation

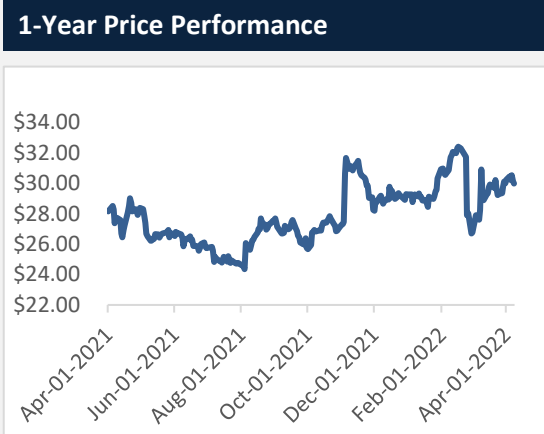
Our target share price is \$ 41.03 with an upside of 36.9% to its current share price. The target price is calculated with discounted cash flow (DCF) analysis using perpetuity growth method and exit multiple, comparable company using EV/EBITDA and P/E implied price. The calculation is weighted with 60% with DCF and 40% with comparable company analysis.

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Equity Research	Canada
Price Target	CAD\$ 41.14
Rating	Buy
Share Price (Apr. 8 Close)	CAD\$ 29.97
Total Return	37.3%

Key Statistics	
52 Week H/L	\$29.93/\$32.60
Market Capitalization	\$3.712B
Average Daily Trading Volume	\$0.3M
Net Debt	\$1.28B
Enterprise Value	\$5.04B
Net Debt/EBITDA	3.6x
Diluted Shares Outstanding	\$124M
Free Float	60.2%
Dividend Yield	2.7%

WestPeak's Forecast			
	2022E	2023E	2024E
Revenue	\$4.61B	\$4.92B	\$5.25B
EBITDA	\$415M	\$423M	\$426M
Net Income	\$100M	\$105M	\$130M
EPS	\$0.80	\$0.84	\$1.03
P/E	37.7x	36.0x	29.1x
EV/EBITDA	5.0x	10.0x	15.0x



Business Overview/Fundamentals

Company Overview

Maple Leaf Foods Inc. (Maple Leaf Food) is a Canadian meat processor and food producer. The company originally operated solely in meat processing but introduced a plant protein group into its operation in 2018. Maple Leaf Food made \$4.3 billion in global revenue in 2020 and currently employs around 13,000 workers. In the past ten years, the Company has acquired more than 30 companies, which has been its primary growth and expansion strategy. In 2017, Maple Leaf Foods acquired Lightlife Foods Inc., a plant-based protein producer for \$140.0 million. In 2018 the Company purchased 2 poultry plants in Canada, which are capable of processing 32.0 million kg of chicken a year. In the same year, it also purchased Viau Food Products Inc., a leading company in making Italian premade meals at \$215 million. Overall, the company has 32 manufacturing facilities (including 5 feed mills and 3 chicken hatcheries).

Financially, MFI expanded its revenue by exporting to the USA, Europe and China, due to the weak Canadian dollars. Due to the company complying with the International Financial Reporting Standards in 2018, its past data has been altered and reorganized. The company's revenue did drop in 2018 due to the spread of the African swine fever in China and the uncertainty in international trades, however, during the COVID-19 pandemic, Maple Leaf Foods was able to increase its presence in the Asia market due to the increase in pork demand as Asia is still recovering from the African swine fever. Unlike several other consumer discretionary firms, MFI was able to operate during the pandemic as it is considered an essential business.

Meat Protein

Meat protein accounts for 95% of Maple Leaf Foods' total revenue. The meat protein segments performed exceptionally well during the COVID-19 pandemic as people are encouraged to go out less, hence incentivizing to eat at home. With lockdowns and restaurants shutting down, the consumers' demand for MFI's processed meat went up. As MFI's products are ready-to-eat or ready-to-cook with little prep work needed, the convenience has attracted people who do not cook. Besides the convenience, MFI is considered one of the largest meat processors in Canada. 4 million hogs are processed annually with 40% raised under leading animal care practices. The Company drives growth in the meat segment through reinvesting in its brands, reaching new geographies and distribution channels, and building new facilities. Maple Leaf Foods aims to turn itself into the "most sustainable protein company on earth" as mentioned on its website. As the world's first major food processing company to be carbon neutral, Maple Leaf Foods can leverage their environmentally conscious status and embeds it into its marketing and packaging campaign. Furthermore, with the progression to reduce the usage of antibiotics and improve animal care, sustainable meat sales account for 15% of the total meat sales in Q3 2021. Maple Leaf Foods expanded sales in the US by more than 50%, while operating smoothly during COVID-19 and amid global supply chain disruption.

In 2021, Maple Leaf Foods completed the construction of the \$182 million Bacon Centre of Excellence to meet increasingly growing demand and to raise efficiency. The facility is built for pre-cooked bacon and to innovate new bacon products. Another facility that is expected to be completed by end of Q2 2022 is the London poultry facility. It is built to increase capacity to process higher margin poultry products and to gain operating efficiencies. The total spending is expected to be

\$772 million. With the rise in popularity of poultry and the benefit of increasing in scale, the London poultry is projected to generate more revenue for the company.

Plant Protein

In comparison to meat protein, plant protein faces stagnation and fierce competition. The plant protein segment faced disappointing performance in Q3, with similar trends seen in other popular plant protein brands, such as Beyond Meat Inc. Management is looking to re-examine the investment thesis and investigate the reasons for declining growth, currently predicting that the sales target will not be met for 2021. Although the sales and growth within this segment thus far have been disappointing, referencing Maple Leaf Foods' goal of becoming the most sustainable protein company on Earth, we believe management will not remove the plant protein segment. However, the amount of capital invested, and future innovation of this segment needs to be closely monitored, as this segment is currently losing money in the company. Maple Leaf Foods did complete its Indianapolis tempeh (fermented soy base used to make plant-based protein products) facility to produce more high-margin products more cost-effectively. The facility also has additional space for future growth opportunities. The acquisition costs amounted to USD \$100 million for acquisition, and it is expected to produce 4.5 million kg of tempeh per year. On an industry level, the growth rate for plant-based meat has been declining, even for brands like Beyond Meat and The Impossible Foods, but each at different levels of decreasing due to different level of brand popularity. The initial double-digit growth rate of the plant protein sector is largely driven by media hype, where consumers are incentivised to try it out. After the initial try, consumers may not continue to repurchase due to disappointment in taste, appearance, or even price. However, MFI is actively marketing and forming partnerships (e.g., plant-based chicken burger at KFC) to introduce its plant-based product to the market. The segment's growth is slowly down, but the overall industry is still expanding as more consumers are becoming more health and environmentally conscious.

Company Strategies

Focusing

Between 2010 to 2014, Maple Leaf Foods underwent a series of transformations to become the company it is today. The Company sold many of its brands to focus its capital on the packaged meat market. Management believes that by focusing solely on meat protein, the company will perform better instead of being involved in numerous unrelated fields. More specifically, they sold Rothsay— their biodiesel and rendering business, and Olivieri — their Italian pasta and sauce business in 2013. Rothsay was sold to Darling International, an American chemistry engineering firm and Olivieri was sold to Ebro Foods, a Spanish food processing firm. Later in 2014, the company sold Canada Bread, its flour-based product business, to Grupo Bimbo, S.A.B. de C.V. (Bimbo), a Mexican multinational food processing company focusing on flour-based products. Instead of working in various industries that are all unrelated, management believed that Maple Leaf Foods will perform better by just focusing on expanding its meat process section. Furthermore, in recognition of the fierce competition in the food industry, the company believes that the branches it sold off will be better operated by other companies. For example, its key competitor, Bimbo, is a bread company that sells to more than 33 countries and more than 190 bakery plants around the world, which Maple Leaf Foods could not compete against. While Bimbo spends all of its resources on improving and

expanding its plant, Maple Leaf Foods cannot do so as it also diversified across biofuel and pasta. By focusing on meat protein, MFI has started to combine its fragmented supply chain to deliver greater production efficiency and margin improvements.

Inorganic Growth: Strategic Acquisitions

Maple Leaf Foods has grown inorganically through acquiring more than 30 companies. In 2003, Maple Leaf Foods acquired its key competitor — Schneider Foods, helping Maple Leaf Foods become one of the largest meat packagers in Canada. In 2017, the company acquired Lightlife and Field Roast, two plant-based protein sources, to diversify their product profile. Management believes these two brands can target consumers who are environmentally continuous or are vegan, which its meat protein products cannot satisfy.

Developing Brand Loyalty and Rebranding

Maple Leaf Foods notices the trend of consumers demanding more specialized products, such as animal friendly, health-conscious, or culture specific meat products. The company's variety of brands helps it reach different demographics, while continuing to revamp its classic brands to attract more consumers. Many MFI products can be bought in the most popular retail stores in Canada and the US, such as Costco, Walmart and IGA, signifying that their products are well known and large retailers recognize consumers' demand for MFI products. For food brands, the more exposure it gets in large retailers means the more opportunities it gets to develop consumer loyalty. It further helps MFI to reach its goal of becoming the most sustainable meat company.

Maple Leaf

Being Maple Leaf Foods' most classic brand, Maple Leaf has developed another sister brand, Maple Leaf Natural Selection (Natural Selection). Maple Leaf focuses on providing comforting food that is great for families, such as cooked bacon and ham. In comparison, Natural Selection brands itself is a health-conscious meat brand, with no artificial preservatives and easily readable ingredients.

Schneiders

Schneiders is a classic brand that focuses on producing premium meat products, such as sausage, bacon, ham and European meat. It aims to provide consumers with the best tasting meat while using traditional European recipes. To acquire more customers, Schneiders also sells snack kits and meat-based pastries.

Greenfield Natural Meat Co.

Greenfield Natural Meat Co. (Greenfield) emphasizes making environmental and animal-friendly products. The brand promises to raise animals more humanely and ensures the use of sustainable practices to create a better environment. Some of the promises made by the brand include never using antibiotics in its products, humanely raising animals, and using an open-pen system for the pigs during the gestation period. Greenfield has a partnership with Earth Rangers, a children's environmental conservation organization, that educate environmental knowledge to children.

Mina

Mina is a brand that focuses on producing ready-to-eat Halal food, and all the products are certified by the Halal Monitoring Authority (HMA). Mina helps Maple Leaf Foods tap into a specialized market that cannot be fulfilled by its other Western culture-oriented brands. Some products under Mina include falafel, chicken shawarma meal kits, and fully cooked chicken bologna.

Lightlife

Lightlife focuses on producing plant protein products that try to mimic the taste of real meat. Its products include plant-based burger patties, hotdogs, and chicken tenders. The company announced a partnership with KFC Canada in 2021 to release its Lightlife Chicken 2.0 in 575 stores, and another partnership with Pizza in 2021 to sell Chick'n Sandwiches and Chick'n Bites in 400 stores. To compete against competitors, Lightlight had a Canada-wide ad campaign for the brand renovation.

Field Roast

In comparison to Lightlife, Field Roast focuses on producing vegan cheese and plant-based sausages. Its product is more similar to Schneiders, except vegan. Field Roast partnered with Little Caesars to release Filed Roast Pepperoni with 522 stores Canada-wide. Maple Leaf Foods uses the strategy of having two different plant-based brands to capture a wider consumer base.

Although the various brands under MFI target different customers, the brands help position MFI as a diverse and consumer-friendly brand. During an interview in 2021, McCain addressed how the future of the meat industry will continue to exist as “The human body has been consuming meat protein for over 150,000 years, so it will for the next 150,000 years as well. That doesn’t mean the meat industry does not need to change.” And the “changes in the meat industry can be reflected through the brands. With the fierce competition in the plant protein market, MFI must emphasize developing its brand to maintain its presence in the protein market. Furthermore, because the brands are branded independently, MFI can ensure its brand remains focused on its target market.

Industry Analysis for Meat in Canada

The four largest meat processors in Canada account for less than 35% of the industry revenue, but acquisitions of smaller firms by larger companies are expected to increase. Another trend to notice is how companies are vertically integrating to be more efficient and reduce production costs.

Competitive Landscape

The meat processing industry is becoming increasingly competitive. Selling price is the key factor that determines sales volume, hence minimizing input cost and maximizing processing efficiency is crucial. One important aspect to consider is the trend of increasing awareness of the health and environmental impact of red meat, which raises the expectation within the industry regarding ethical and nutritional qualities. With such trends, companies are specializing their products based on what the livestock had consumed and their living conditions.

In the meat-producing industry, the bigger the production factories, the better the company can minimize the production costs. The result is seeing large companies acquiring smaller factories in to increase their market shares and attempt to achieve economies of scale.

Some external factors to consider are trade barriers between nations and food safety standards. Any change in the trade policies will have a significant impact on the industry revenue as a large portion of the industry revenue comes from exports. Besides trade, competition from substitute products like eggs, seafood and vegan protein sources will reduce the market for meat.

Barriers to Entry

In Canada, the Canadian Food Inspection Agency enforces strict regulations to protect consumers, and the violation of these rules can lead to the shutdown of the facilities. Due to increasing health and safety measures, experienced companies understand the regulation standards and can adapt faster than smaller plants. Another factor to consider is the contracts between meat providers, processors, and retailers. They also act as a barrier to new companies as the newcomers will struggle to secure a contract when others already have long-term relationships working together. Lastly, trade barriers between nations act as a barrier to entry as to make profits, economies of scale are essential as the meat processing industry competes on price. New entrants often struggle to secure funding from investors.

Industry Analysis for Plant Protein

Plant protein, also known as “meat alternatives” and “plant-based meat” are increasing in popularity within the global market because of the increase in health and environmental concerns. Some of the key reasons for the exponential growth in the plant protein market include an increase in demand for healthy and environmentally- friendly meat alternatives, improvement in plant-based meat production, and an overall increase in meat consumption.

Competitive Landscape

According to IBIS World, the market concentration is low, and the top four players account for 18.5% of the revenue in the US. The Plant protein market is currently the most active in the US due to the rise in popularity of companies such as Beyond Meat Inc. and Impossible Foods. Hence, the competitive landscape analysis focuses on the US market, as the Canadian market is still in the earlier stages of development. The increase in demand for plant-based protein has attracted investors, which leads to more competition and product research and development. The plant protein market is competitive and is becoming increasingly competitive. Similar to the meat processor, the food processor is actively trying to increase its market share and minimize costs. Due to the increase in health and environmental awareness, plant protein can compete with animal-based protein sources. The consumer base for plant protein is increasing as people who were previously not vegetarian will consume more plant protein for its health benefits. Due to the novelty of plant protein in the general consumer market, the industry is sensitive to media messages and consumer attitudes towards health and plant-protein-based food.

Barriers to Entry

In the plant protein industry, the source and type of plant used are regulated by government agencies, which in the US is the Food and Drugs Administration (FDA) and in Canada, Health Canada. Similar to animal protein, food safety is crucial in the industry, and failure to comply with government regulations may be subject to the shutdown of the facility. Some barriers to entry are the availability of raw materials for production and high R&D expenditures. Due to the immense competition within the industry, large companies can secure raw materials at a better rate and develop new products more cost-efficiently in comparison to small firms. Another factor to consider is the strategic partnerships between raw material providers, the plant protein producer and retail. If one producer can secure a long-term partnership, newcomers will face more challenges to enter the market.

Competitors (Meat Protein)

Olymel LP

Based in Quebec, Olymel LP is a major meat processor that accounts for 12% of the market share and is owned by Sollio Cooperative Group (SCG). The company currently employs around 16,000 people. Products offered by Olymel include bacon, ham, and frozen meat meals. According to the company's 2020 annual report, Olymel made \$8.2 billion in global revenue in the fiscal year 2020. The company now focuses heavily on global development and has acquired numerous companies, such as Big Sky Farms Inc in 2013 to increase its market share. In 2016 Olymel acquired La Fernandiere, a Quebec-based sausage producer, which significantly increased its market share in the sausage category.

JBS Food Canada Inc.

JBS Food Canada Inc. is owned by JBS SA, the world's biggest meat processor that processes around 200,000 cattle and 500,000 hogs weekly. It is considered one of Canada's largest beef processors, which hires more than 2600 workers. JBS SA has a global revenue of \$70.4 billion in 2020. JBS Canada processes all levels of beef, from Prime to ungraded meat and ground beef. In 2013, JBS Canada acquired some operations of a Canadian meat-packaging company, XL Foods Inc. JBS SA was able to increase its presence in the US through its acquisition of Cargill Incorporated's pork segment.

Financially, the company's growth heavily relies on its acquisition strategy. They experienced a decline in revenue in 2018 due to the outbreak of African swine fever in Asia. However, the COVID-19 pandemic has increased the demand for pork in retailers in China as people are also under lockdown and not encouraged to eat out. The company can stay competitive because it is vertically integrated.

Competitors (Plant Protein)

Kellogg Company

The Kellogg Company (Kellogg) is a diverse US food-producing company that mainly produces ready-to-eat meals and snacks. Its products are available in more than 180 countries and are made in 21 countries. However, the company does also produce plant protein products through one of its subsidiary brands, Morningstar Farms. Kellogg started to sell soy-based

plant protein in the United States in 1975. Kellogg has greatly benefitted from the growing interest in plant-based food and the COVID-19 pandemic as people need to cook at home instead of going out to eat.

Beyond Meat Inc.

Beyond Meat Inc. (Beyond Meat) is a US company that specializes in making plant-based meat, and the company emphasis on recreating a meat-like texture in its products. Its products are available in more than 65 countries and can be found in grocery stores, restaurants, and schools. The company spends heavily on research and development to innovate its line of products.

Catalysts

A surge in COVID-19 cases and surfacing of new variants

As Maple Leaf Foods primarily produces ready-to-cook and ready-to-serve meat, a surge in COVID-19 cases is beneficial as people are incentivised to cook at home or might not even be allowed to go to restaurants. In March 2020, the revenue for the meat protein segment was CAD \$981.4 million. However, revenue increased to CAD \$1.040 billion in June 2020, due to the lockdowns imposed by the Canadian government in March. Sales in the meat protein group have been over \$1000 million since June 2020. Apart from the Canadian market, the impact of COVID-19 allows Maple Leaf Foods to increase its presence in the Asia market due to the increase in pork demand. Specifically, this catalyst applies to demand in China. China prioritizes its domestic supply and will only welcome foreign supply when the supply cannot balance its demand. The more people eat at home and go out less, the more products Maple Leaf Foods can sell.

Animal Disease Outbreaks outside of Canada and the United States

Animal disease outbreaks can be both harmful and beneficial to Maple Leaf Foods. For the harmful aspect, MFI needs to spend extra resources on securing its supply and plants to prevent any contamination. With an outbreak outside of Canada and the US, the government may require stricter regulation and prevention. However, the outbreak also comes with the opportunity to open up a new market. Meat products face heavy regulation as countries need to protect their domestic producer and prevent disease outbreaks. ASF is listed by the World Health Organization and is a highly contagious viral disease that affects pigs with a mortality rate up to 100%. Any detection of ASF generates great economic loss as the disease is hard to control, and often the solution is to kill all the pigs to prevent spreading. Such massive killing creates a shortage in supplies that often cannot be covered by the country that faces the outbreak, thus leading to the need for imports. If there is another ASF outbreak outside of Canada and the US, Maple Leaf Foods will be able to export more of its product towards the region, if not discover new markets. With increase in sales, MFI'S revenue increases, which drives its P/E ratio upwards. As a result, its stock price will increase.

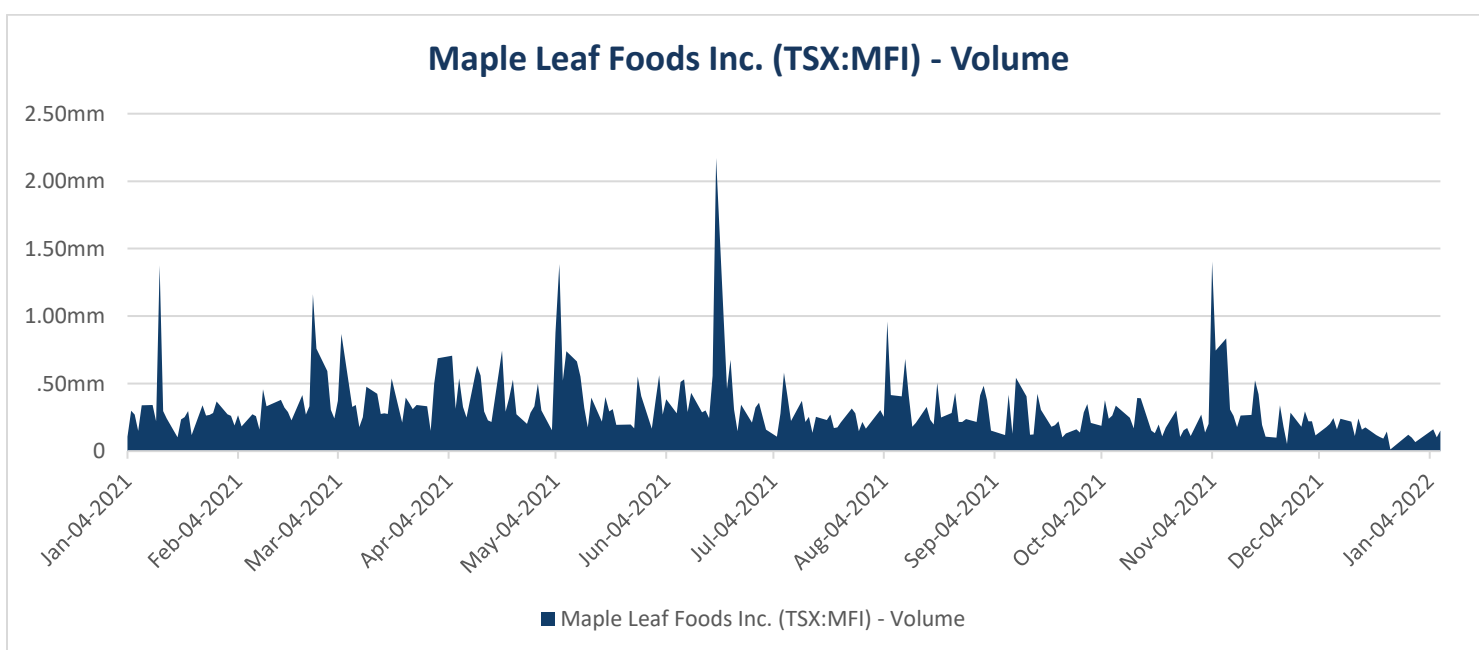
Shareholder Base, Liquidity, Market Depth

Shareholder Base

Maple Leaf Foods currently has a free float of 74,660,000 and 124,010,000 shares outstanding. Notability, 39.17% of the shareholders are insiders, with Michael McCain, the President, and CEO of Maple Leaf Foods, owning 39.07% of the shares. Such a significant ownership level may be beneficial to the company as the CEO has a strong incentive to improve the company's financials and performance. Overall, the top 10 shareholders own 57.10% of all shares and the list can be seen below:

Shareholder (Name)	Shares Owned (Equities)	% of Shares Out. (%)	Insider? (Yes/No)
McCain, Michael (President and CEO)	48,719,503	39.07%	Yes
Royal Bank of Canada	10,381,279	8.33%	No
Vangaurd Group Inc.	2,366,151	1.90%	No
Power Corp of Canada	1,762,657	1.41%	No
Dimensional Fund Advisors LP	1,675,231	1.34%	No
1832 Asset Management LP	1,580,699	1.27%	No
BlackRock Inc	1,338,050	1.07%	No
MD Financial Management Inc	1,241,049	1.00%	No
GAMCO Investors Inc	1,166,000	0.94%	No
Clarington Capital Management Inc	966,030	0.77%	No
Top 10 Shareholders	71,196,649	57.10%	

Liquidity



Valuation

Discount Cash Flow Assumptions

Revenue

MFI's average revenue growth for the past 5 years is 5%, we project the growth will continue to increase to 7% and slow down onwards. Specifically, the average revenue growth rate for meat protein is 9% for the last three years, whereas the revenue growth rate for plant protein dropped from 27% to -12% over the past three years. Since plant protein only accounts for 5% of the revenue for MFI, the sturdy growth rate of meat protein covers the decline in plant protein. Management believes that the increase in demand for MFI products is due to an increase in consumers eating at home and going to restaurants less.

Cost of Goods Sold

The weighted average for the past four quarters is taken to predict that the cost of goods sold is at 85%

Selling, General, and Administrative Expenses (SG&A)

The SG&A expense for the past four quarters has been stable compared to the past five years, which is predicted to be a constant at 6.5%

Effective Tax Rate

For prediction, the assumption is made upon that the company's effective tax rate is 31.3%, according to Bloomberg.

Weighted Average Cost of Capital (WACC)

The weighted average cost of capital is assessed to be at 4.6%. The 4.6% WACC is calculated with a risk-free rate of 2.51% on the Government of Canada 5 year benchmark bond yield in April 2022, and a Beta of 0.37 according to Bloomberg. An expected market return of 14.15% is used according to the S&P/TSX Composite Index, and a calculated the pre-tax cost of debt is calculated with after-tax cost of debt of 1.34% from Bloomberg.

Perpetuity Growth Rate

In the model, a 2.5% perpetuity growth rate is used for future projections, which is a reasonable number considering MFI's position in the industry and the market outlook.

Terminal EV/EBITDA Multiple

A 9.6x Terminal EV/EBITDA Multiple is used by taking the median of four comparable companies.

Comparable Company Analysis

The companies used in the comparable business model share similar products, market and market capitalization with Maple Leaf Foods. Three of them are meat processing company, and one of them is a dairy company. All of them have headquarters in Canada or the United States.

Pilgrim's Pride Corporation (NASDAQ: PPC)

Pilgrim's Pride Corporation (Pilgrim's Pride) is an American meat processing company that focuses on poultry but also sells pork. The company's key market is in North America and Eastern Europe. Pilgrim's pride is vertically integrated, so the company is responsible for the breeding, processing, packaging of its chicken. Pilgrim's Pride sells fresh, frozen, processed chicken and pork under the various brands it owns. Pilgrim's Pride sells its meat to retailers and distributors.



Sanderson Farms Inc. (NASDAQ: SAFM)

Sanderson Farms Inc. (Sanderson Farms) is an American meat processing company that produce, process and distributes its chicken products. The company sells fresh, frozen, ready-to-eat and ready-to-cook chicken. The company both breeds its own chicken and purchase chicken from other breeders. Sanderson sells its chicken to distributors, retailers, and fast food restaurant.



Premium Brands Holding (TSX: PBH)

Premium Brands Holding (Premium Brand) is a Canadian food processing company that process meat, ready-to-eat sandwich and frozen food. Premium Brands sells various processed food, ranging from deli meat, sandwich, wraps and entrees. The company sells its goods to retailers and restaurants in the United States and Canada.

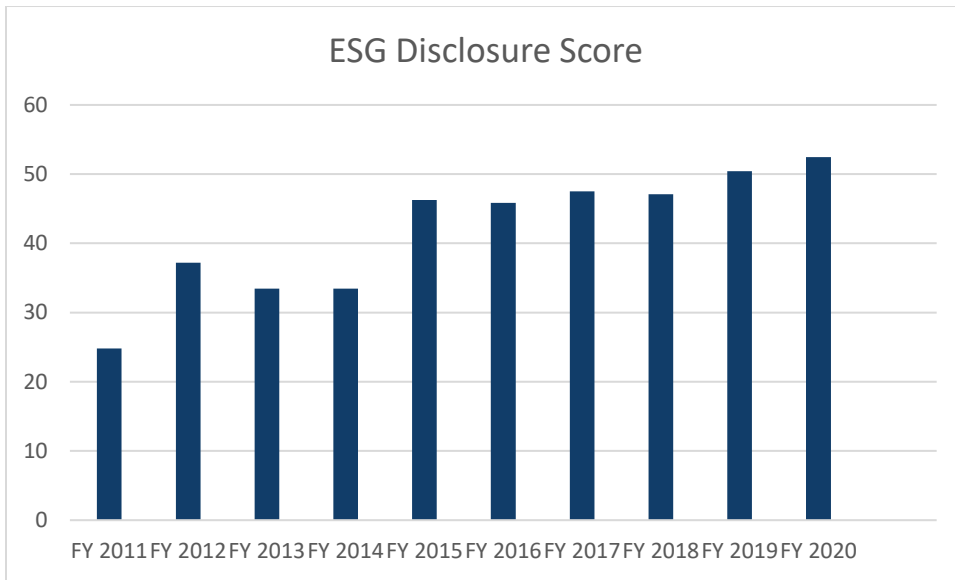


Saputo Inc. (TSX: SAP)

Saputo Inc. (Saputo) is a Canadian dairy company with its headquarter in Montreal, Quebec. The company's key markets are in North America and Europe. Saputo produces a diverse collection of dairy products, ranging from cheese, fresh milk, cream and processed dairy ingredients (e.g., yogurt). It also sells speciality dairy products (e.g., lactose free milk) and vegan cheese alternatives. Saputo's primary way of growth is through mergers and acquisitions. Saputo sells its goods to retailers and distributors.



Environment, Social and Governance



Environmental

Maple Leaf Foods has an ambitious goal to become the “most sustainable protein company on Earth”. The company became the first carbon neutral food company in 2020 and aims to reduce 50% of the emissions by 2025. Maple Leaf Foods uses a combination of improving its infrastructure (e.g., replacing old heating controls, improving wastewater treatment and repairing piping system) and purchasing carbon offsets. The company promises that the price consumer pays will not change because of the carbon neutral goals. For Maple Leaf Foods, balancing sustainability with its meat products is a challenging act as meat contributes around 60% of all greenhouse gases produced, according to Atul Jain, a climate scientist from University of Illinois.

Some of the environmental project investments:

- 1. St. Leon Wind Energy**
Location: Manitoba, Canada
The project is a 120.5MW wind farm, which is one of the largest wind farms in Manitoba.
- 2. University Energy Efficiency and Renewable Energy Projects**
Location: Indiana, Wisconsin, Oregon and Illinois USA. The project consists of the Ball State University of Indianan, University of Wisconsin- Milwaukee, Southern Oregon University and the University of Illinois, which the project encourages the communities in thees school to improve energy efficiency. Universities are able to use the revenue generated from carbon credit sales to achieve carbon neutrality.
- 3. Merom Farms**
Location: BC, Canada
The project converts the boiler to using biomass to heat up the greenhouse in BC. Specifically, the farm invested has 36 acres of greenhouses. With this project, Merom Farms no longer uses fossil fuels to heat up its greenhouse.

Societal

Maple Leaf Food created the Maple Leaf Centre for Action on Food Security, where the charity is aiming to reduce 50% of the food insecurity in Canada by 2030. The Maple Leaf Center has invested in 22 initiatives in Canada and donated more than \$2.5 million worth of products, operating to raise awareness and provide funding for Food Banks Canada and Community Food Centers Canada.



Supporting the Frontline Fund

Maple Leaf Food contributed \$2.5 million to hospitals across Canada to obtain healthcare supply for COVID-19. The campaign raised more than \$12.2 million and the money went to hospital supplies, vouchers for frontline workers to self-isolate and funding for vaccine development.

Health and Safety of Workers

Maple Leaf Foods has implemented a Health, Safety, Security and Environment (HSSE) management system, in which all the workers are covered by the HSSE system. The company has a HSSE assessment that hires a third-party consultant to fulfill Occupational Health and Safety Assessment Series (OHSAS) 18001 requirements. In addition, the laboratories are ISO/IEC 17025 accredited with the Standards Council of Canada's Accreditation Program for Testing and Calibration Laboratories. The company also has a governance structure that ensures the Occupational Health and Safety, and Operational Risk Management is enforced, and ensure regular reporting is sent to the Safety and Sustainability Committee of the Board of Directors.

The company has monthly Joint OHS Committee inspections and numerous inspections and investigations to minimize the hazards within the company. The culture encourages people to report hazards, and all workers are protected by Maple Leaf Food's Values and Collective Bargaining Agreement.

Employees and Workers

According to the 2020 ESG reporting, the company employs around 135,000 people, and is able to track 12,859 employees for data reporting. Within the 12,859 employees, 12,859 are permanent (full-time) employees and 510 are temporary (part-time) employees. Within the permanent employees, 43% are female and 57% are male, whereas within the temporary employees, 46% are female and 54% are male. Geographically, 95% are employees in Canada and 5% are working internationally. The company increased women's presence in director (from 26% in 2017 to 32% in 2020) and senior level (from 20% in 2017 to 28% in 2020), but there is no change in women's presence in manager level since 2017. MFI is gradually improving woman's presence in a traditionally male dominated industry, hence improving it's ESG.

MFI's ESG initiatives allows it to achieve its goal of becoming "the most sustainable protein company on earth", which is to exceed industry standard. MFI's ability to manage its ESG initiatives while having strong performance signifies the company's adaptability. By transitioning to renewable energy and reduce energy use, MFI proves to consumers that they are supporting a responsible and ethical company.

Governance

To analyze the Governance components of MFI, we used the Bloomberg ESG Score. The Bloomberg ESG Score is composed of two main components, which are board composition and executive compensation. In board composition, the four areas it covers are diversity, refreshment, director roles and independence. In executive compensation, the three areas it covers are incentive structure, pay for performance and pay governance. The scoring is out of 100, and the higher the better. MFI's Governance scoring has been steadily increasing, where it increased from 83.02 in 2012 to 93.74 in 2020.

Governance

Michael H. McCain – President and Chief Executive Officer

McCain joined Maple Leaf Foods in 1995 and has been in the food industry for over 40 years. Prior to joining Maple Leaf Foods, he worked in McCain Foods. McCain served as the Chief Operating Officer until 1998 and becomes the CEO of Maple Leaf Foods. McCain operates Maple Leaf Foods as a values-based company and places emphasis on sustainability. McCain currently owns 39.07% of the stocks in Maple Leaf Foods.

McCain's total financial compensation in 2020 is \$8,001,815 CAD with 15% (\$1,203,454) consists of salary, 29.5% (\$2,369,846) consists of stock award, optional awards makes up \$2,370,114, non-equity incentive makes up \$1,691,793, and pension makes up \$366,608.



Curtis Frank – President and Chief Operation Officer

As the President and Chief Operating Officer at Maple Leaf Foods, he is responsible for the commercial activities within the company. Before becoming the President, Frank had the position of Senior Vice President, Retail Sales at Maple Leaf Foods, in which he was responsible for leading the growth strategy in the North American market. Frank has been with Maple Leaf Foods for more than 19 years.

Frank's total financial compensation is \$2,476,778 Cad, with salary consists of \$682,434, stock awards that takes up \$500,287, option awards consists of \$499,719, non-equity incentive takes up \$ 753,816 and pension takes up \$40,522.



Geert Verellen – Chief Financial Officer

Joined in 2020 as the CFO, Verellen is responsible for all the financial activities within the company, which includes mergers and acquisitions (M&A), financial reporting and investor relations. Prior to joining Maple Leaf Foods, Verellen has 25 years of experience in various financial positions. He has 17 years of experience in the retail industry in Europe and North America and has served as the regional CFO in Canada, Japan and India at Walmart in 2018.

Verellen's total financial compensation in 2020 is \$3,131,399 CAD, with salary consists of \$606,042 CAD, stock awards takes up \$500,287, option awards takes up \$499,719, non-equity incentive takes up \$667,601, pension takes up \$32,950 and others consists of \$825,000.



Recommendation

Maple Leaf Foods has a resilient supply chain that allows it to adapt smoothly during the pandemic and capture the increased demand. MFI has a vision of becoming the “most sustainable protein on earth, which can be reflected through its improved facility, product line and management guidance. MFI recognises consumer's interest in meat is changing, where now taste is not the only factor people consider, but also how the animal is raised, treated, and processed. Although the plant protein segment is not as profitable as its meat protein segment, management sees the future in plant protein and continues to improve and market its products. MFI is a protein company that is well positioned in a market that has a diverse demand. MFI's active work to improve its ESG ensures the company is prepared for increased expectations from consumers and investors. MFI's strong portfolio of brands allows it to capitalise on different consumers with different demands.

In the valuation, we calculated a target price of \$41.14 using the following:

- 37.5% weighting on the perpetuity growth DCF method, projecting a share price of \$64.37.

- 37.5% weighting on exit multiple DCF method, projecting a share price of \$27.78.
- 12.5% weighting on EV/EBITA comparable company analysis method, projecting a share price of \$30.57.
- 12.5% weighting on P/E comparable company analysis method, projecting a share price of \$22.10.

Therefore, based on DCF and comparable company analyses, we issue Maple Leaf Foods a **BUY** rating.

Risks

Health Risk Associated with Red Meat Consumption

Canadians are having increased awareness of the association between consumption of red meat and health problems (e.g. heart disease). With the rise in awareness, Canadians are switching to other sources of proteins, such as seafood and plant-based protein and poultry, which means an increase in competition for the industry.

Livestock Health and Risk Associated with Animal Disease

Maple Leaf Food will be severely impacted if there is a disease outbreak within any animal groups (e.g. beef, pork and poultry). With outbreaks, it can result in extreme price volatilities and supply shortage or excess depending on Government's restrictions and policies. Livestock health in the foreign market also needs to be carefully monitored as disease outbreaks in foreign markets can impact domestic supply even if international restrictions are put in place. The enforcement of restrictions will lead to a volatile market that severely impacts Maple Leaf Food's operation. Disease outbreaks will also leave a long-term impact as the overall number of livestock available will have decreased dramatically. For Maple Leaf Food, monitoring the health status of the livestock and enforcing bio-security procedures is crucial. However, Maple Leaf Foods is a meat processing company, which means it does not produce all its meat and may purchase meat from a third-party producer. The security measures Maple Leaf Food has can fail, and it has no control over how the meat producer raises the livestock, which is an inherent risk because of how little the company can do about this problem. Meat products are heavily susceptible to any animal disease outbreak around the world. If one nation has a disease outbreak, international consumers' demand can decrease, which will impact Maple Leaf Food's operation even though the company has supported the Canadian government on disease prevention.

International Trade

Since Maple Leaf Foods exports a significant number of their products, any change in the international market is a risk, which includes changes in trade regulations, currency values, local regulations. Furthermore, any change in trade agreements between Canada and other nations will have a significant impact and is not limited to tariffs, trade barriers, quotas and many more. Such factors are not within the control of Maple Leaf Foods, which can lead to a decrease in revenue or an increase in production costs.

Food Safety and Consumer Liability and Product Recall

All of Maple Leaf Food's products are at risk of contamination, food spoilage, food tampering, which will all lead to an increase in cost to the company. Food tampering and spoilage will lead to product waste as products get recalled, which

means forgone sales and loss on production. More specifically, the products are all susceptible to organisms like Escherichia coli (E. coli), Salmonella and Listeria. Despite Maple Leaf Foods' best efforts to reduce these risk factors within its own facilities, there is always a chance of failure of the control mechanisms. Maple Leaf Foods may be required by the government to recall its products if they don't pass the quality inspection. It is important to consider that any contamination in Maple Leaf Foods' product can lead to liability claims, which leads to poor publicity and potentially government penalties and investigation. All these risks can lead to an increase in costs.

Appendix 1: Model Summary

Summary Page											
(Figures in mm CAD)	Dec-16 FY2017	Dec-17 FY2018	Dec-18 FY2019	Dec-19 FY2020	Dec-20 FY2021	Dec-21 FY2022	Dec-22 FY2023	Dec-23 FY2024	Dec-24 FY2025	Dec-25 FY2026	Dec-26 FY2027
Income Statement											
Revenue	3,331.8	3,522.2	3,495.5	3,941.5	4,303.7	4,606.5	4,919.0	5,254.3	5,613.8	5,998.4	6,409.7
EBITDA	367.6	336.7	277.2	295.8	387.6	415.1	423.0	425.6	454.7	485.9	519.2
Net Income	181.7	164.1	101.3	74.6	113.3	126.9	100.4	105.0	129.8	156.0	183.6
Earnings Per Share	\$ 1.32	\$ 1.24	\$ 0.79	\$ 0.60	\$ 0.91	\$ 1.01	\$ 0.80	\$ 0.84	\$ 1.03	\$ 1.24	\$ 1.46
Cash Flow Statement											
Capital Expenditures	(113.2)	(142.2)	(179.9)	(270.7)	(432.5)	(511.3)	(207.7)	(204.5)	(199.4)	(194.4)	(189.5)
Acquisitions	-	(199.4)	(379.6)	(0.8)	-	(41.9)	-	-	-	-	-
Divestitures	-	-	-	-	-	-	-	-	-	-	-
Dividend Payment	(48.3)	(56.6)	(65.1)	(71.8)	(78.9)	(66.7)	-	-	-	-	-
Dividend Per Share	\$ 0.36	\$ 0.44	\$ 0.52	\$ 0.58	\$ 0.64	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Dividend Payout to Earnings	26.6%	34.5%	64.3%	96.2%	69.7%	52.5%	-	-	-	-	-
Dividend Payout to Core FCF	10.3%	10.7%	13.6%	13.3%	10.5%	9.0%	-	-	-	-	-
Dividend Yield	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	-	-	-	-	-	-
Balance Sheet											
Current Assets	972.2	765.8	748.4	874.3	882.8	979.1	1,167.0	1,334.6	1,553.7	1,800.4	2,076.4
Non-Current Assets	1,660.4	1,866.8	2,379.4	2,639.7	2,977.4	3,360.0	3,308.0	3,256.9	3,207.1	3,158.5	3,111.1
Assets	2,632.6	2,632.6	3,127.8	3,514.0	3,860.2	4,339.0	4,475.1	4,591.5	4,760.8	4,958.9	5,187.5
Current Liabilities	375.2	350.3	494.9	535.1	667.0	661.4	697.1	708.6	748.0	790.1	835.1
Non-Current Liabilities	169.4	230.7	626.0	1,029.1	1,260.7	1,584.6	1,584.6	1,584.6	1,584.6	1,584.6	1,584.6
Liabilities	544.6	581.0	1,121.0	1,564.2	1,927.7	2,246.0	2,281.7	2,293.2	2,332.5	2,374.6	2,419.7
Shareholders' Equity	2,088.0	2,051.6	2,006.8	1,949.9	1,932.5	2,093.0	2,193.4	2,298.4	2,428.2	2,584.2	2,767.8
Cash	403.6	203.4	72.6	97.3	100.8	19.2	156.0	307.2	469.8	656.1	867.6
Debt	(403.6)	(203.4)	(72.6)	(97.3)	(100.8)	(19.2)	(156.0)	(307.2)	(469.8)	(656.1)	(867.6)
Net Debt	-	-	-	-	-	-	-	-	-	-	-
Minority Interests	-	-	-	-	-	-	-	-	-	-	-
Debt/EBITDA	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Operating Metrics											
Return on Equity (ROE)											
Return on Assets (ROA)											
Return on Invested Capital (ROIC)											
Valuation Metrics											
Stock Price (High)						\$ 29.97	\$ 29.97	\$ 29.97	\$ 29.97	\$ 29.97	\$ 29.97
Stock Price (Low)						\$ 29.97	\$ 29.97	\$ 29.97	\$ 29.97	\$ 29.97	\$ 29.97
Stock Price (Average)	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	\$ 29.97	\$ 29.97	\$ 29.97	\$ 29.97	\$ 29.97	\$ 29.97
Diluted Shares Outstanding (Average)	137.6	132.4	127.5	125.2	124.3	125.4	125.5	125.5	125.5	125.5	125.5
Market Capitalization (Average)	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	3,759.0	3,761.2	3,761.2	3,761.2	3,761.2	3,761.2
Enterprise Value (Average)	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	3,739.8	3,605.2	3,454.1	3,291.5	3,105.1	2,893.7
P/E	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	29.6 x	37.5 x	35.8 x	29.0 x	24.1 x	20.5 x
EV/EBITDA	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	9.0 x	8.5 x	8.1 x	7.2 x	6.4 x	5.6 x
FCF Yield to Market Capitalization	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	-6.7%	4.0%	4.3%	4.6%	5.2%	5.9%
FCF Yield to Enterprise Value	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	-6.8%	4.1%	4.7%	5.3%	6.3%	7.7%
Free Cash Flow											
EBIT	256.0	219.4	151.1	119.0	191.4	200.9	163.4	170.0	205.5	242.9	282.3
Tax Expense	(67.9)	(50.2)	(39.8)	(12.4)	(46.6)	(62.9)	(51.2)	(53.2)	(64.4)	(76.1)	(88.4)
D&A	111.7	117.2	126.1	176.8	196.3	214.1	259.7	255.6	249.2	243.0	236.9
Capital Expenditures	(113.2)	(142.2)	(179.9)	(270.7)	(432.5)	(511.3)	(207.7)	(204.5)	(199.4)	(194.4)	(189.5)
Changes in NWC	-	-	-	-	-	(93.4)	(15.5)	(5.0)	(17.1)	(18.3)	(19.5)
Unlevered Free Cash Flow	186.5	144.2	57.6	12.7	(91.5)	(252.6)	148.7	162.9	173.9	197.1	221.7
Valuation Summary											

Maple Leaf Foods (MFI)

Meat making the beat

Current Price	\$	29.97
Target Price	\$	41.14
Total Return		37.3%
Recommendation		BUY

DCF Valuation		
Perpetuity Growth Implied Price	\$	64.37
Exit Multiple Implied Price	\$	27.78
Comps Valuation		
Comps - EV/EBITDA Implied Price	\$	30.57
Comps - P/E Implied Price	\$	22.10

Valuation Weighting

Perpetuity Growth	0.375
Exit Multiple	0.375
EV/EBITDA	0.125
P/E Implied Price	0.125

Appendix 2: Discount Cash Flow Analysis

Unlevered free cash flow	Dec-15	Dec-17	Dec-18	Mar-19	Jun-19	Sep-19	Dec-19	Dec-19	Mar-20	Jun-20	Sep-20	Dec-20	Dec-20	Mar-21	Jun-21	Sep-21	Dec-21	Dec-21	Mar-22	Jun-22	Sep-22	Dec-22	Dec-22	Dec-23	Dec-24	Dec-25	Dec-26	
(Figures in mm CAD)	FY2017	FY2018	FY2019	Q1-2020	Q2-2020	Q3-2020	Q4-2020	FY2020	Q1-2021	Q2-2021	Q3-2021	Q4-2021	FY2021	Q1-2022	Q2-2022	Q3-2022	Q4-2022	FY2022	Q1-2023	Q2-2023	Q3-2023	Q4-2023	FY2023	FY2024	FY2025	FY2026	FY2027	
VACC Calculations																												
Cost of Equity																												
Risk-free rate	2.6%																											
Expected market return	9.3%																											
Market Risk Premium	6.7%																											
Beta	0.37																											
Cost of Equity	5.1%																											
Cost of Debt																												
Pre-tax cost of debt	2.8%																											
Debt adjustment factor	1.38																											
Effective tax rate	31.3%																											
Cost of Debt	2.44%																											
WACC																												
Market value of equity	3,761.2																											
Market value of debt	906.6																											
Total Capitalization	4,667.8																											
Cost of equity	5.1%																											
Cost of debt	2.4%																											
WACC	4.6%																											
Free Cash Flow																												
EBIT	256.0	219.4	151.1	76.4	17	9.9	31.0	119.0	4.9	45.3	97.8	43.4	191.4	70.9	19.9	69.0	42.1	200.9	31.2	41.3	44.5	46.4	163.4	170.0	205.5	242.9	282.3	
Less: Tax expense	(67.9)	(50.2)	(39.3)	(18.3)	1.0	11.6	(6.2)	(12.4)	(0.7)	(11.5)	(24.4)	(10.0)	(46.8)	(22.2)	(6.2)	(21.3)	(13.2)	(62.9)	(9.8)	(12.9)	(13.9)	(14.5)	(51.2)	(53.2)	(64.4)	(76.1)	(86.4)	
Add: Depreciation and amortization	111.7	117.2	126.1	42.6	43.2	44.5	46.4	176.8	46.6	47.7	47.7	54.3	196.3	50.2	50.2	47.8	65.9	214.1	65.5	65.1	64.7	64.3	259.7	256.6	249.2	243.0	236.9	
Less: Capital expenditures	(113.2)	(142.2)	(179.9)	(60.1)	(65.3)	(60.5)	(84.8)	(270.7)	(86.3)	(91.6)	(75.2)	(179.5)	(432.5)	(161.0)	(161.3)	(136.3)	(92.8)	(511.3)	(62.4)	(52.1)	(51.8)	(51.4)	(207.7)	(204.5)	(199.4)	(194.4)	(189.5)	
Less: Change in net working capital	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(93.4)	(93.4)	15.5	(21.5)	(6.1)	(3.4)	(15.5)	(5.0)	(17.1)	(18.3)	(19.5)	
Unlevered Free Cash Flow	186.5	144.2	57.6	40.0	(19.3)	5.5	(13.5)	12.7	(35.6)	(10.2)	46.0	(91.7)	(91.5)	(62.1)	(97.4)	(41.8)	(51.3)	(252.6)	50.0	19.9	37.4	41.4	148.7	162.9	173.9	197.1	221.7	
Discount factor	0.25	0.50	0.75	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Present Value of Unlevered Free Cash Flow	(61.4)	(95.2)	(40.5)	(49.1)	(246.1)	47.3	18.6	34.6	37.8	138.3	142.4	145.4	157.7	169.6														
Discounted Cash Flow Valuations																												

Perpetuity Growth Method	
Perpetuity Growth Rate	2.5%
FY sum of unlevered FCF	507.3
Terminal value	8,404.7
Enterprise Value	8,912.0
Add: Cash	73.5
Less: Debt	906.6
Less: Other EV adjustments	-
Equity Value	8,078.89
Shares outstanding	125.5
Implied Share Price	\$ 64.37
Current Price	\$ 29.97
Implied Price	\$ 64.37
Total Return	114.8%

Exit Multiple Method	
Terminal EV/EBITDA Multiple	9.6x
FY sum of unlevered FCF	507.3
Terminal value	3812.36167
Enterprise Value	4,319.7
Add: Cash	73.5
Less: Debt	906.6
Less: Other EV adjustments	-
Equity Value	3,486.6
Shares outstanding	125.5
Implied Share Price	\$ 27.78
Current Price	\$ 29.97
Implied Price	\$ 27.78
Total Return	-7.3%

Perpetuity Growth Rate
1.00%
1.50%
2.00%
2.50%
3.00%

Terminal EV/EBITDA Multiple
8.0x
9.0x
10.0x
11.0x
12.0x

WACC					
9.00%	8.50%	8.00%	7.50%	7.00%	
\$ 3.83	\$ 11.21	\$ 12.78	\$ 14.59	\$ 16.72	
\$ 10.79	\$ 12.32	\$ 14.10	\$ 16.17	\$ 18.63	
\$ 11.88	\$ 13.62	\$ 15.64	\$ 18.04	\$ 20.92	
\$ 13.15	\$ 15.12	\$ 17.46	\$ 20.27	\$ 23.71	
\$ 14.62	\$ 16.90	\$ 19.65	\$ 23.01	\$ 27.21	

WACC					
9.00%	8.50%	8.00%	7.50%	7.00%	
\$ 16.27	\$ 16.91	\$ 17.57	\$ 18.25	\$ 18.95	
\$ 18.74	\$ 19.44	\$ 20.18	\$ 20.93	\$ 21.71	
\$ 21.20	\$ 21.98	\$ 22.78	\$ 23.61	\$ 24.47	
\$ 23.67	\$ 24.52	\$ 25.39	\$ 26.29	\$ 27.22	
\$ 26.14	\$ 27.05	\$ 28.00	\$ 28.97	\$ 29.98	

Appendix 3: Comparable Company Analysis

(Figures in mm CAD)

Company	Ticker	Share Price	Shares Outstanding	Equity Value	Cash	Debt	Adjustments	Enterprise Value	EW/EBITDA Multiple			P/E Multiple								
									2021A EBITDA	2022E EBITDA	2023E EBITDA	2021A EW/EBITDA	2022E EW/EBITDA	2023E EW/EBITDA	Diluted EPS	Diluted EPS	Diluted EPS	2021A P/E	2022E P/E	2023E P/E
Pilgrim's Pride Corp	(NASDAQ:PPC)	\$ 29.96	243.9	7,282.9	534.5	4,464.4		11,212.8	1,588.1	1,770.1	1,846.9	7.1x	6.3x	6.1x	0.2 \$	3.32 \$	3.61 \$	186.6x	9.0x	8.3x
Sanderson Farms Inc	(NASDAQ:SAFM)	\$ 225.66	22.3	5,032.2	857.2	30.2		4,205.2	1,016.7	1,266.0	717.9	4.1x	3.3x	5.9x	25.5 \$	37.18 \$	24.59 \$	8.9x	6.1x	9.2x
Premium Brands Ho	(TSX:PBH)	\$ 105.66	44.8	4,733.6	16.5	1,936.2		6,653.3	337.4	517.9	594.7	13.7x	12.6x	11.2x	3.0 \$	5.39 \$	6.55 \$	34.8x	19.6x	16.1x
Saputo Inc.	(TSX:SAP)	\$ 29.31	415.7	12,184.2	163.0	4,248.0		16,269.2	1,094.3	1,201.7	1,485.5	14.9x	13.5x	11.0x	0.8 \$	1.17 \$	1.59 \$	35.7x	25.1x	18.4x
Maple Leaf Food	(TSX: MFI)	\$ 29.97	125.5	3,761.2	73.5	906.6	-	4,594.4	321.2	518.2	659.9	14.3x	8.9x	7.0x	0.8 \$	1.48 \$	2.21 \$	36.5x	20.3x	13.6x
Median												9.6x	8.5x						14.3x	12.7x
Mean												9.0x	8.5x						14.9x	13.0x
High												13.5x	11.2x						25.1x	18.4x
Low												3.3x	5.9x						6.1x	8.3x
												EW/EBITDA Implied Price			P/E Implied Price					
Median												\$ 32.96	\$ 28.12					\$ 21.16	\$ 27.97	
Mean												\$ 30.57	\$ 38.15					\$ 22.10	\$ 28.74	
High												\$ 49.26	\$ 52.19					\$ 37.08	\$ 40.74	
Low												\$ 7.08	\$ 24.16					\$ 8.98	\$ 18.28	

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