



wildpack  
BEVERAGE INC.

TSX.V:CANS

Investor Presentation

June 2021

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**01**

# **Company Overview**



# Wildpack Beverage Inc. (TSX.V:CANS)

## Business Overview

Wildpack Beverage Inc. (TSX.V:CANS) (“Wildpack”) is a co-packing company that provides **filling, decorating and brokering** of aluminum cans for **middle-market beverage brands**

Wildpack operates **four facilities** located in Atlanta, Baltimore, Las Vegas and Sacramento and intends to **expand its geographic network** of manufacturing locations to cover the U.S. middle-market beverage segment



### Can Filling

- Customer provides ingredients and formula
- We blend, fill and seal



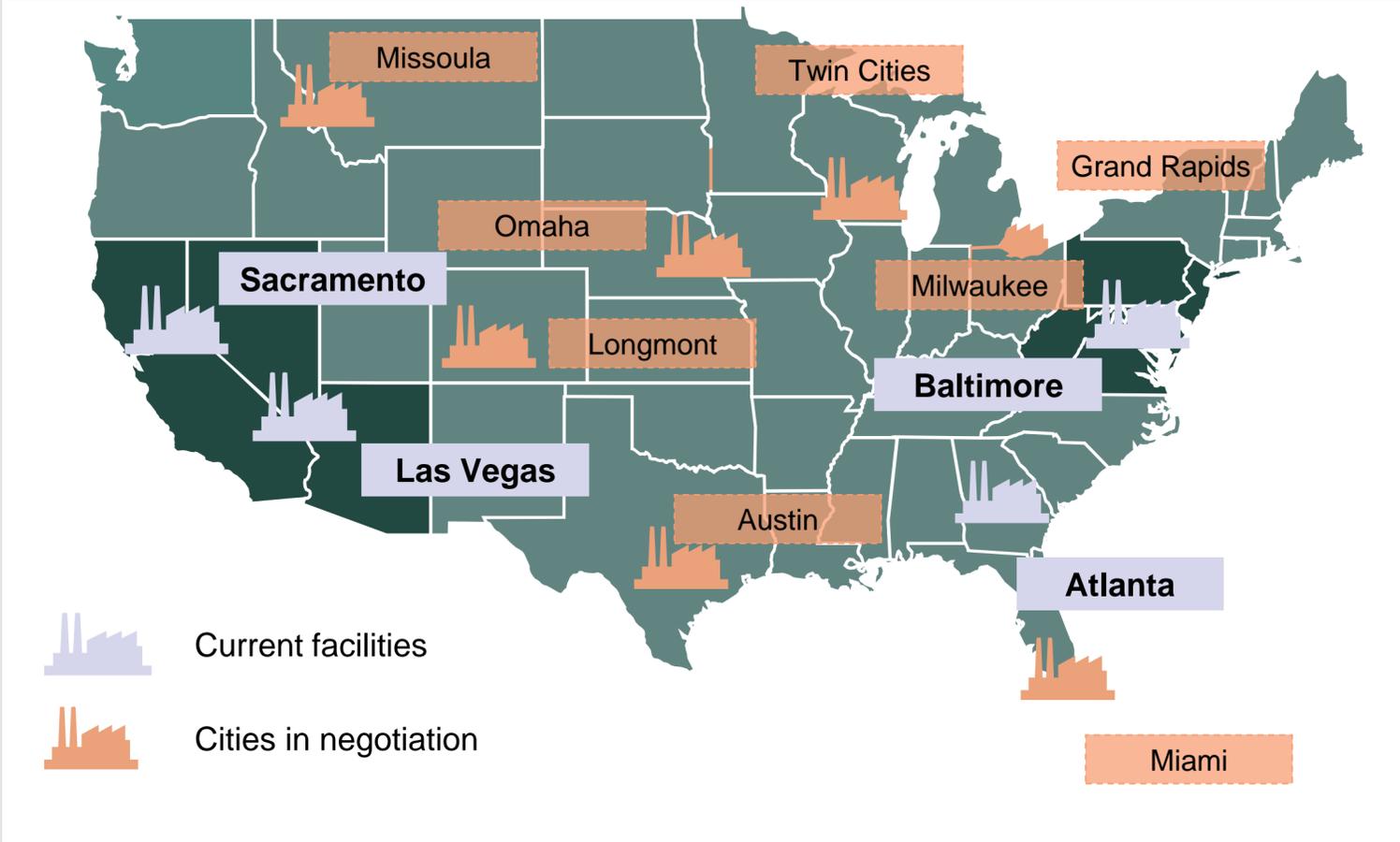
### Can Decorating

- Customer provides artwork
- We apply label



### Can Brokering

- Customer needs cans
- We sell cans



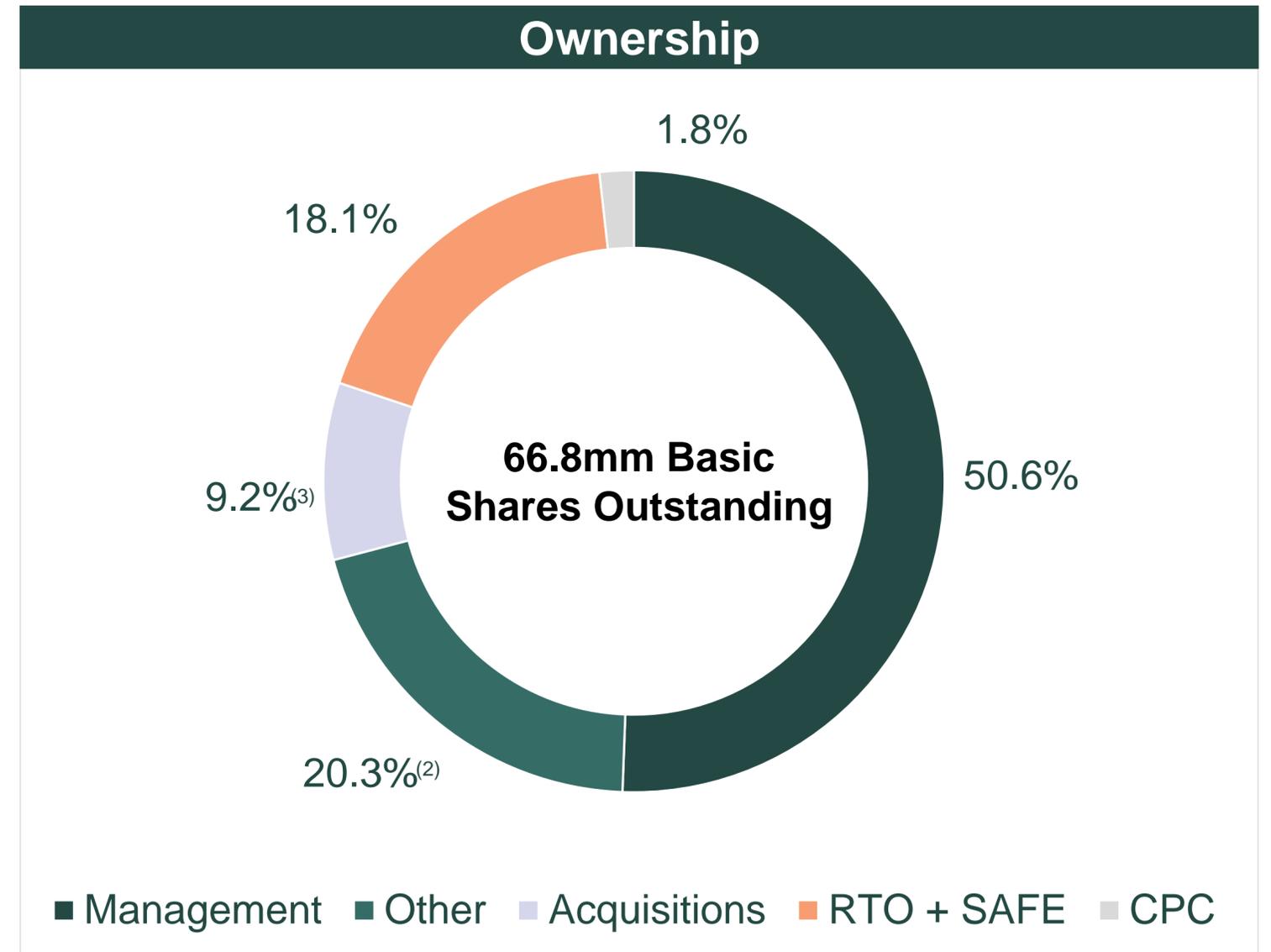
*Sacramento and Baltimore generated ~US\$12.3mm in sales in 2020*

# Capitalization

## Recently Raised C\$20mm Through Convertible Debenture Offering

Capitalization Table		
Share Price <sup>(1)</sup>	C\$	\$1.20
Basic Shares Outstanding	mm	66.8
FDITM Shares Outstanding	mm	76.7
FDITM Market Cap	C\$mm	\$92.0
Add: Total Debt	C\$mm	\$24.7
Less: Cash	C\$mm	(\$20.9)
Less: ITM Securities	C\$mm	(\$7.3)
<b>Enterprise Value</b>	<b>C\$mm</b>	<b>\$88.6</b>

Dilutive Securities		
Type	Amount (mm)	Weighted Average Strike
Options	4.3	C\$0.33
Warrants	13.0	C\$1.50



**51% insider ownership with long-dated lock-ups in place**

<sup>(1)</sup>Based on 10-day VWAP as of June 8, 2021

<sup>(2)</sup>6.0M (44.1%) of shares are subject to lock-up

<sup>(3)</sup>Shares are subject to lock-up

# Management

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## **Mitch Barnard: Chief Executive Officer (CEO)**

Growth focused with vast experience leading financing and M&A transactions.

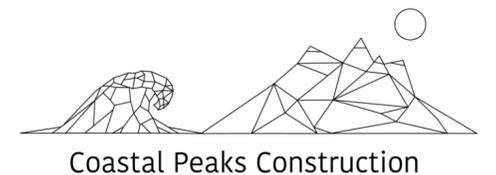
FASKEN



## **Ryan Mason: Chief Financial Officer (CFO)**

Balanced experience in financial analysis and control as a public accountant and CFA.

MNP



## **Steve Fader: Chief Execution Officer (CXO)**

Expert in consolidation business strategies and integrations.



## **Thomas Walker: Chief Growth Officer (CGO)**

Breadth of experience in synergy driven M&A of manufacturing assets.

FASKEN



## **Chuck Zadlo: Chief Operations Officer (COO)**

Seasoned executive in beverage manufacturing across alcohol and non-alcohol segments.



# Board of Directors



**Jeffrey Mason: Independent, Chairman of the Board**  
25+ years in public company governance and management.



**Sean Clark: Independent**  
Numerous start-up to public company exits.



**Joe Bubel: Independent**  
Top tier financial analyst and M&A deal maker.



**Paul Mann: Independent**  
25+ years public company financial experience.



**Matt Dwyer: Independent**  
Second largest shareholder and real estate expert.



**Stephen Fader: Non-Independent**  
Largest shareholder of Wildpack.



**Mitch Barnard: Non-Independent**  
Management representative.



# Investment Highlights

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## Demand for craft canning services is exploding

- The rise in popularity of canned seltzers and craft beers has led to massive growth
- Growth is disproportionately weighted to cans creating a large, underserved middle market

## Demand is outpacing capacity

- Consistent demand backlog allows for premium pricing and frequent price increases
- Reduces risk of idle capacity upon completion of build and buy expansion

## Fragmented market is primed for consolidation

- Undercapitalized competitors do not benefit from a national network
- Stand alone competitors can be acquired at attractive multiples

## Relatively light CAPEX catapults growth

- Smaller equipment is cheaper and faster to get / install
- Existing facilities can be acquired and optimized driving significant efficiencies

## Market leader for innovation

- Forefront of developing digital ordering solutions, attracting millennial new-age brands & creating moat
- Disrupting an industry dominated by outdated business practices

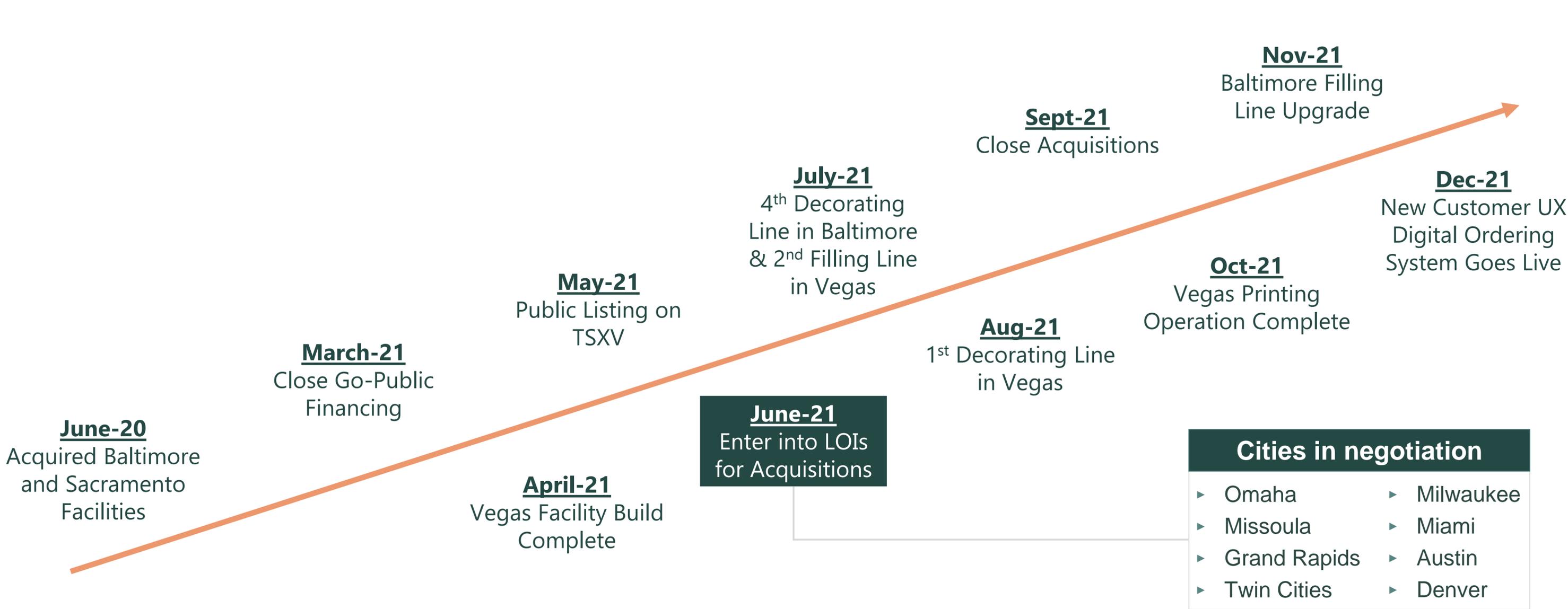
## Strong competitive advantages

- Breadth of services offered and locations is unmatched by competitors
- A national network is rewarded by marquee customers

**Wildpack is positioned to dominate the middle market and emerge as the leading consolidator in the space**

# Important Milestones

## Proven track record of success



**02**

# **Industry Overview & Market Drivers**



# We have contracted a lot of cans

## North America is out of cans

“A nationwide shortage of cans is the latest threat to craft beer. Ball Corp., the world’s largest manufacturer of cans...

**The U.S. market alone is short 10 billion cans.”**

Washington Post, Oct-20

“Berlin Packaging, the world’s largest hybrid packaging supplier, has been forced to rethink planning strategies with its partners and consumers with extended supplier lead times.”

Fox News, Nov-20

“Californian breweries are also struggling with the shortage... ”Everyone is impacted.

In the past three to four months, we've experienced multiple instances of delays, shortages, changes in agreed-upon terms.

**It's a nightmare.”**

Newsweek, Oct-20

“Demand is likely to continue to outpace supply **through next year or possibly**

**longer.”**

Gamer Packaging, Nov-20

## 2021 Wildpack Contracted Cans

Country	Units	Arrangement
Sri Lanka	55M	Take-or-Pay
Europe	32M	Take-or-Pay
Pakistan	50M	Take-or-Pay
Malaysia	35M	Take-or-Pay
USA	28M	Allocation

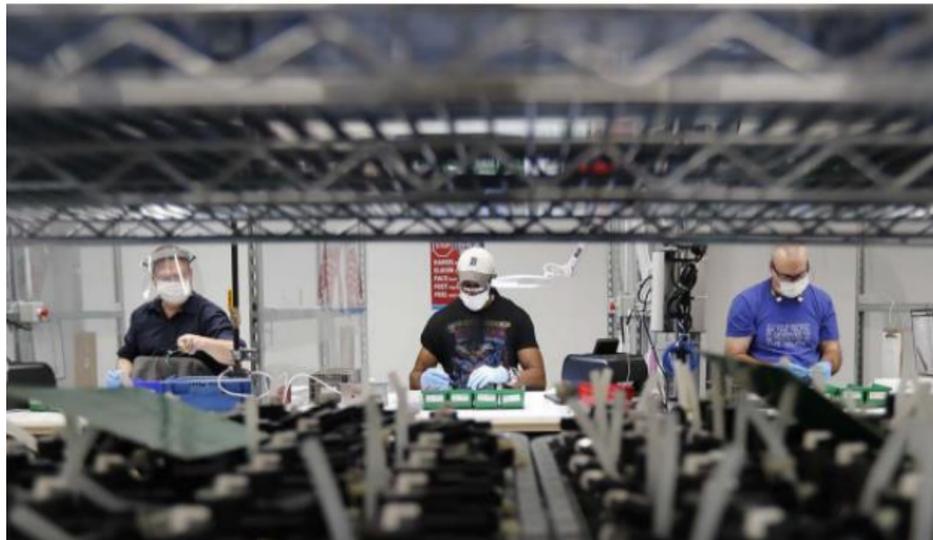
*Note: we have the ability to take up to 100% above contractual obligation*

# There is a can shortage

FINANCIAL SERVICES

## Post-pandemic boom poised to get smacked with severe shortages

Supply chain problems have been unfolding throughout the pandemic, as people radically shifted what they bought.



One of the biggest challenges impacting the U.S. alcohol [supply chain] is what's been coined the **"CAN-DEMIC"** – a widespread shortage of aluminum cans  
- BevAlc Insights (April 2021)

wildpack

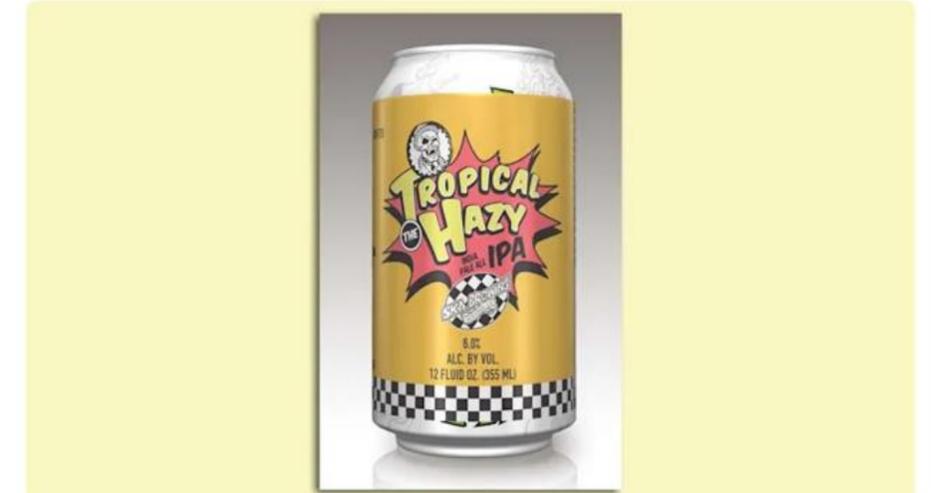
Supply chain problems have been unfolding throughout the pandemic, **as people radically shifted what they bought** toppling the normally efficient order of global supply chains.  
- Politico (April, 2021)

## Ongoing aluminum can shortage spurs packaging manufacturer to increase production

Published Feb. 12, 2021



## Aluminum can shortage continues more than a year into pandemic



**Consumer preferences changed**, as people stayed home and did not go to bars and restaurants  
- MetalMiner (April 2021)

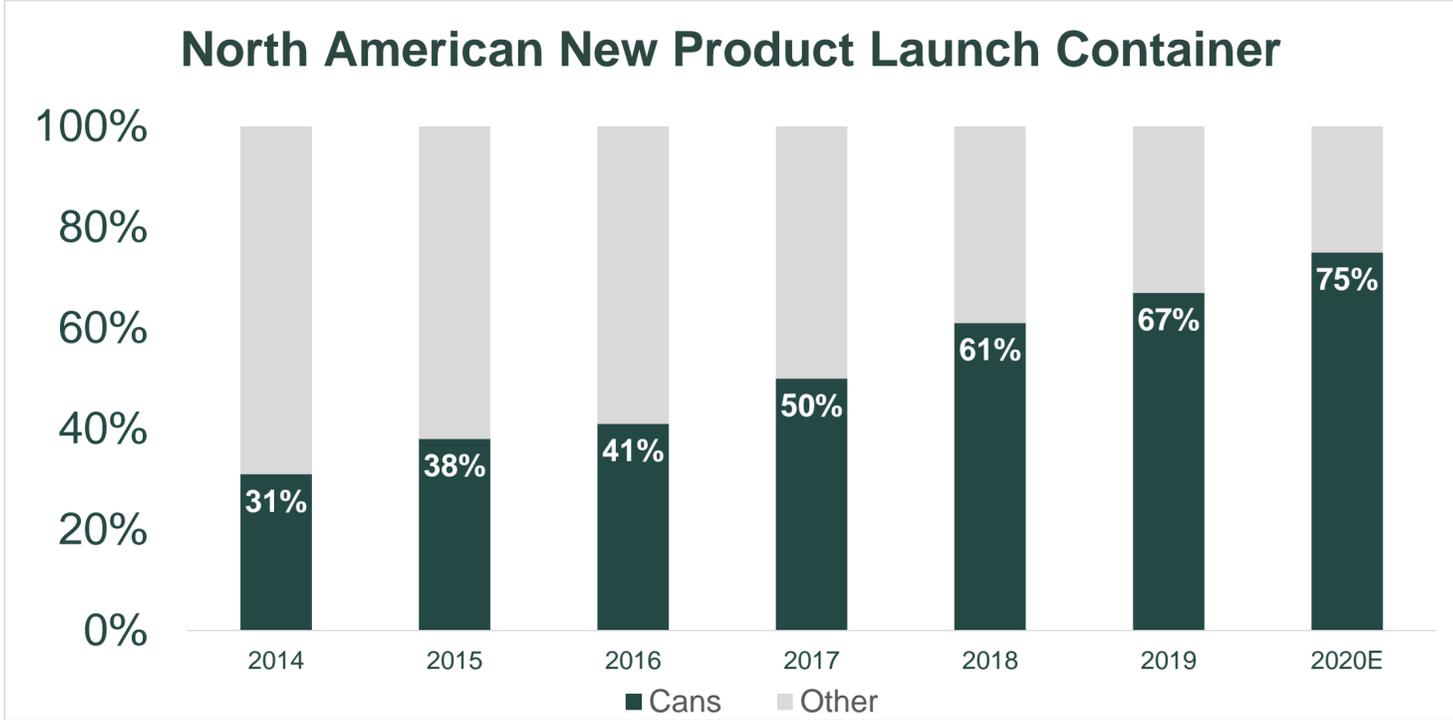
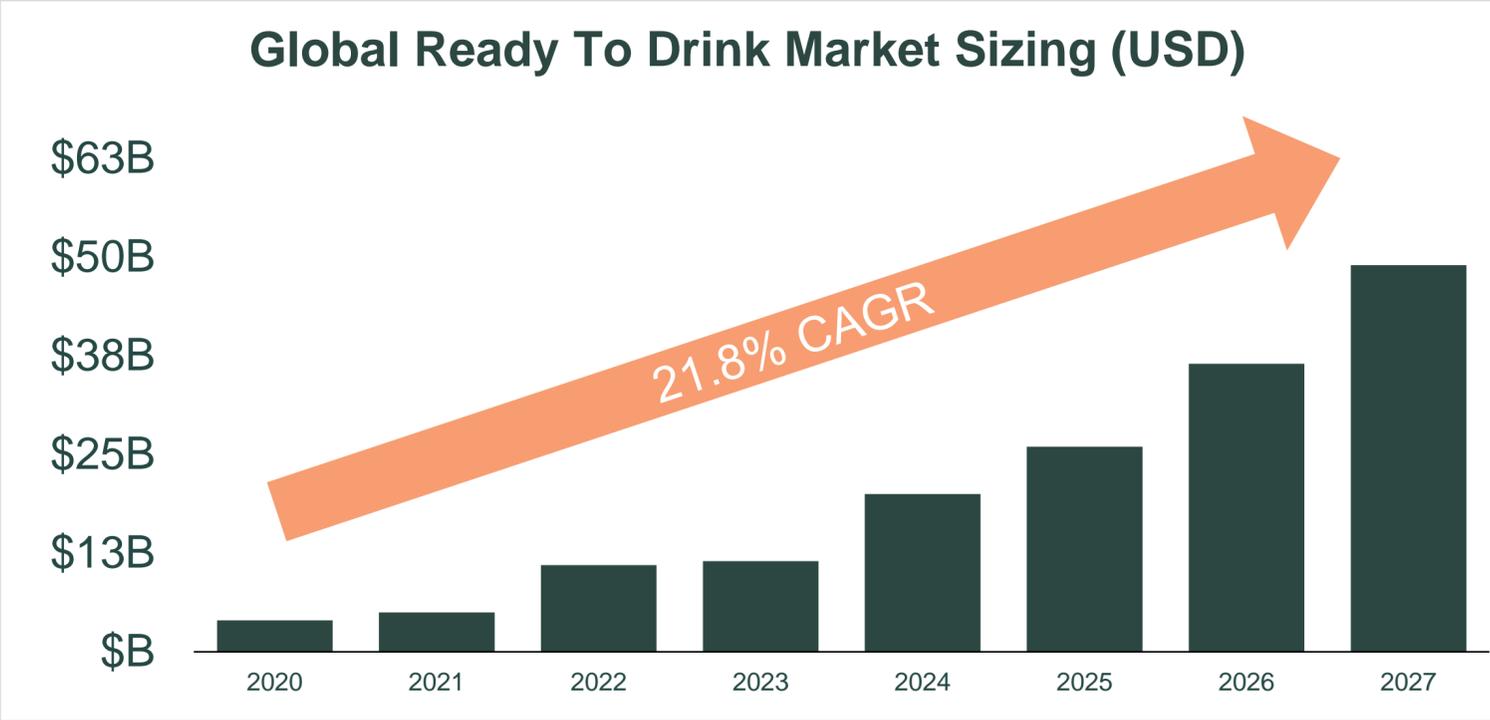
# Consumer preferences have shifted towards cans

## The market is growing dramatically and is under capacity

- ▶ Major shift into craft beverage consumption has increased middle market demand
- ▶ Servicing a vast array of customers with complex needs is challenging
- ▶ The middle market was out of capacity before this boom
- ▶ Alcohol in a can is driving growth

## We built our business to capitalize

- ▶ Flexible manufacturing lines allow us to capture the sea of work
- ▶ Optimized changeover speed and decreased downtime maximize profitability
- ▶ Premium pricing results in stronger margins than our top-market competitors
- ▶ One of the few providers who manufacture canned alcohol and non-alcohol



Source: IWRS Drinks Market Analysis, November 11, 2020. Ardagh, Wall Street Research, YouGov August 2020 survey

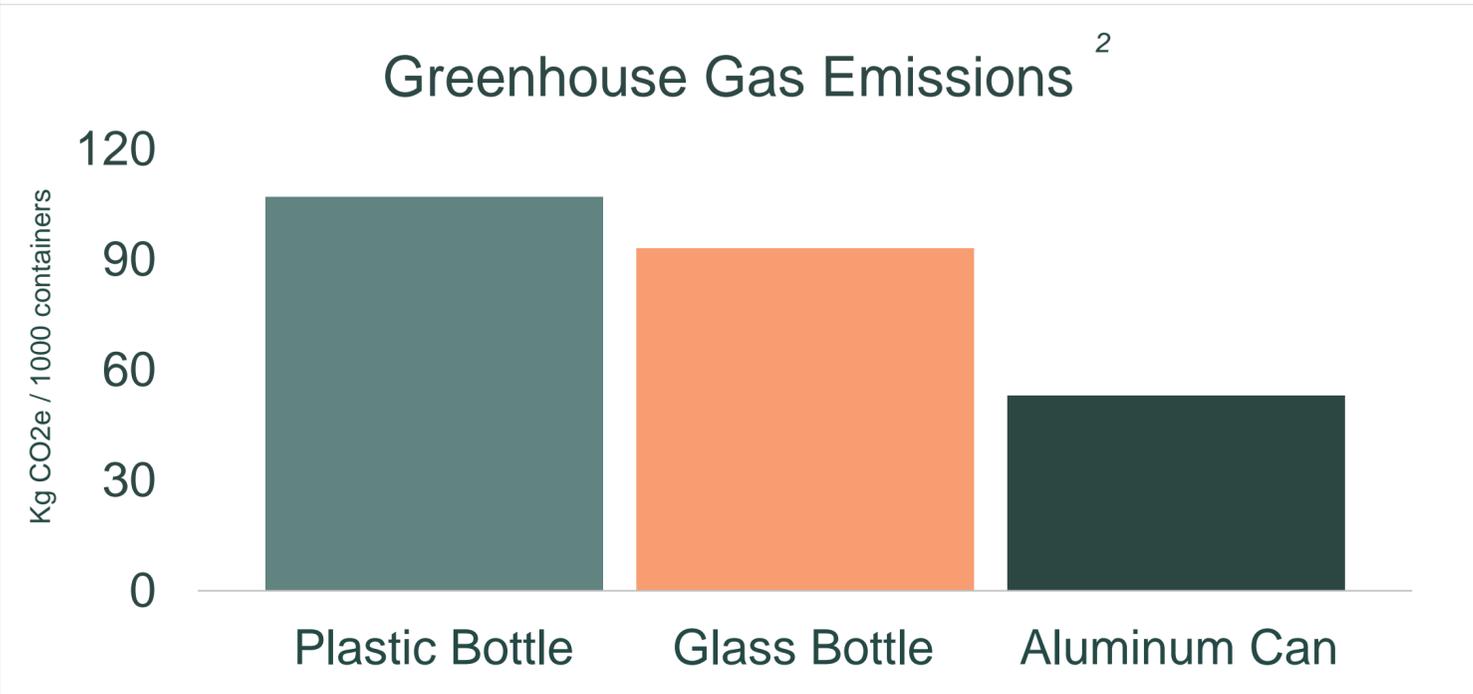
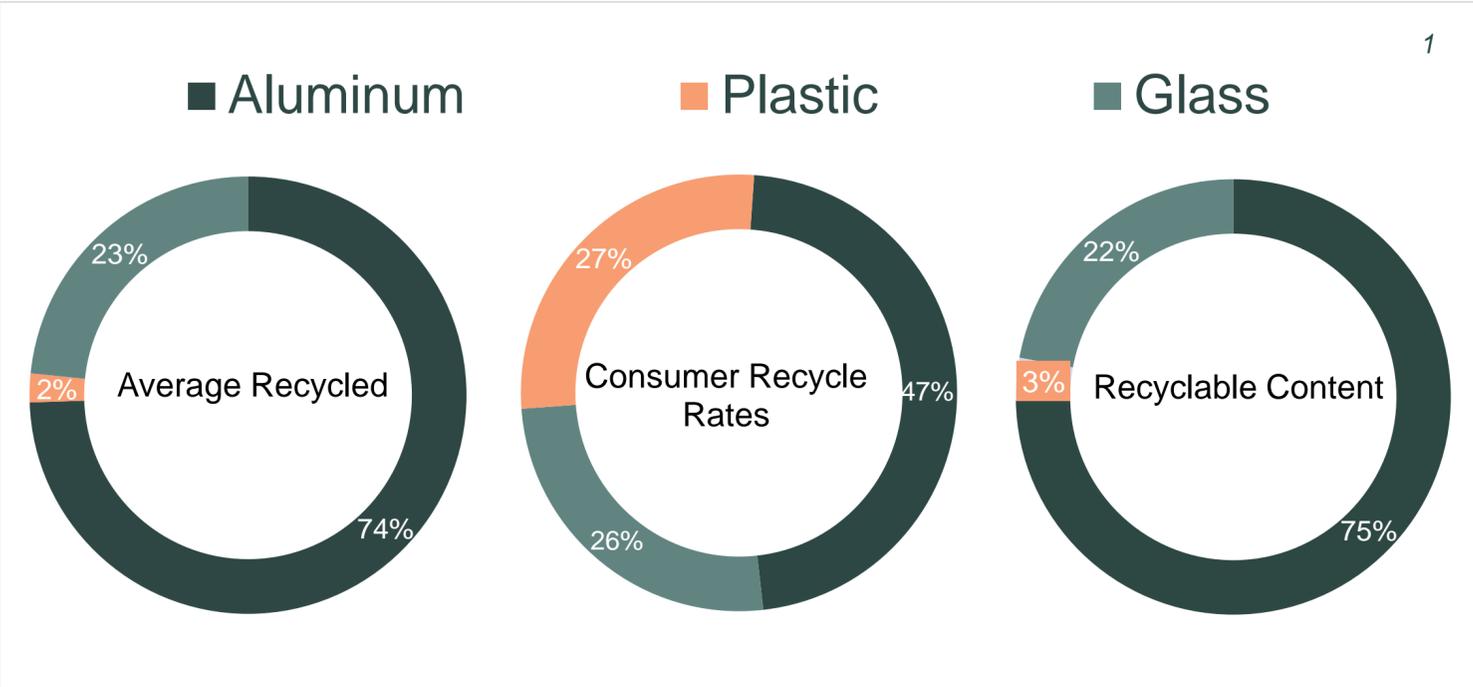
# Cans are socially responsible

## Consumers are changing...

More consumers select cans

More beverages companies select cans

## We have more demand



“The rise in health concerns among the people to avoid plastic containers as they are harmful and non-bio-degradable is driving the beverage can markets 4.9% CAGR during the forecast period 2020-2025.” - **Industry Arc Beverage Cans Market Forecast (2020-2025)**

“Nearly 70 percent of CGS survey respondents said that sustainability is at least “somewhat important” to them when making a purchase and 47 percent would pay more for a sustainable product.” - **CGS 2019 U.S. Consumer Sustainability Survey**

<sup>1</sup>Gamer Packaging Market Report 2020; The Aluminum Can Advantage: Key Sustainability Performance Indicators 2020; <sup>2</sup>Analysis of the Energy and Greenhouse Gas Emission Implications of Distributing and Refrigerating Beverages (2016).

# Consolidation at the top and fragmentation at the bottom

	MID-MARKET NEEDS	WHY THEY NEED IT	WHY REFRESCO DOESN'T	wildpack BEVERAGE INC.
SPEED	100-300 cans per minute	Lower scrap potential	Large runs less impacted	✓
MINIMUM	<150K cases per run	Smaller distribution requirements	High fixed run costs	✓
PACKAGING FLEXIBILITY	Many	Vast differences between products	Not feasible on high speed lines	✓
LOCATION	Many	Decrease shipping costs	Economies of scale	✓



- ▶ Refresco is consolidating the high speed beverage manufacturers in North America and filling the capacity with more A-level customers.
- ▶ **Pushing B-level customers down into lower tiers of the manufacturing market with nobody to serve them.**
- ▶ Fragmented, undercapitalized and legacy operators at the bottom of the market struggling to push up into the middle.
- ▶ **Strong M&A opportunities for a fully integrated middle market solution.**

**03**

# **Our Execution Strategy**

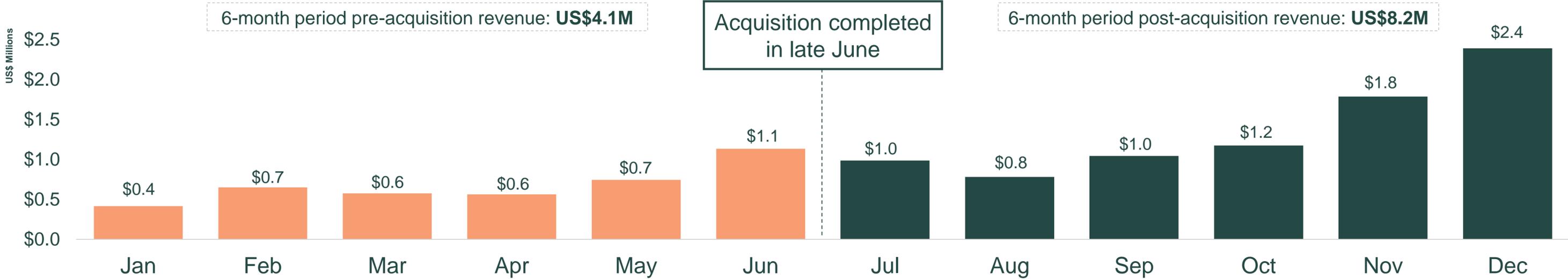


**We intend to expand our business by  
executing our buy and build strategy**

# Acquiring and upgrading

## Post Acquisition Upgrades Increase Efficiency

Total revenues of ~US\$12.3M generated in 2020 (pre and post-acquisition)



## Equipment is Inexpensive and Quick to Install

Typical ramp-up period and required capex

### Filling Line

Equipment Type	Order Lead Time	Install Time	Cost
Conveyance	60-days	30-days	\$0.30M
Filler and Seamer	90-days	30-days	\$0.30M
Pasteurizer	90-days	30-days	\$0.20M
Packaging	90-days	30-days	\$0.20M
Tenant Improvements	30-days	90-days	\$0.50M
<b>Total</b>			<b>\$1.5M</b>



5-Months

### Decorating Line

Equipment Type	Order Lead Time	Install Time	Cost
Conveyance	60-days	30-days	\$0.30M
Applicator	90-days	30-days	\$0.10M
Shrink Tunnel	90-days	30-days	\$0.05M
Packaging	90-days	30-days	\$0.15M
Tenant Improvements	30-days	90-days	\$0.20M
<b>Total</b>			<b>\$0.8M</b>

# Illustrative unit margin of facility operations

Decorating (per can)		Filling (per case equivalent) <sup>(1)</sup>	
Unit Price	\$0.28	Unit Price	\$3.39
Unit Cost	(\$0.21)	Unit Cost	(\$2.53)
EBITDA	\$0.07	EBITDA	\$0.85
EBITDA Margin %	25.6%	EBITDA Margin %	25.2%

**If Wildpack can DECORATE 120mm cans in a year, it can generate ~US\$8.5mm in Decorating EBITDA**

**If Wildpack can FILL 4mm case equivalents in a year, it can generate ~US\$3.5mm in Filling EBITDA**

*Note: These figures do not represent forecasted financial performance, and are only illustrations of potential unit economics for operations.*

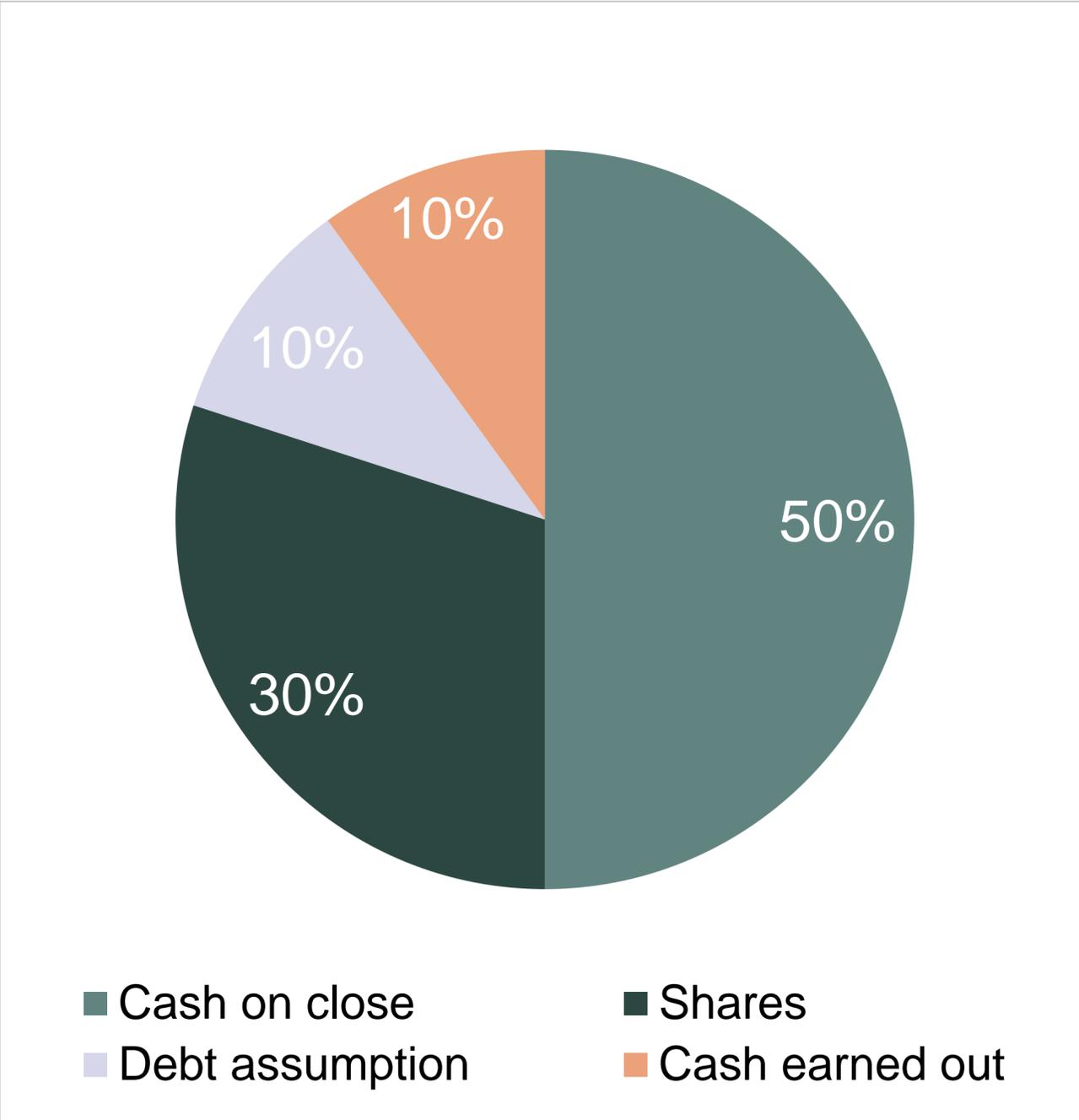
<sup>(1)</sup>Case equivalent = 24 12oz cans

# Attractive acquisition opportunities in the market

## Major Acquisition Arbitrage Available

	Baltimore / Sacramento Acquisition	Acquisition Targets	Public
Multiple of NTM revenue	<b>0.6x</b>	<b>0.9x</b>	<b>1.8x</b>
Multiple of NTM EBITDA	<b>3.0x</b>	<b>6.0x</b>	<b>9.8x</b>

## Consideration Breakdown



# Public Comparables

Company Name	Market Cap (FDITM)	Enterprise Value	EV / Revenue		EV / EBITDA	
			CY 2021E	CY 2022E	CY 2021E	CY 2022E
CCL Industries Inc. Class B	\$12,555	\$13,959	2.5x	2.4x	11.8x	11.4x
Cascades Inc.	\$1,530	\$3,460	0.7x	0.7x	5.5x	5.0x
Intertape Polymer Group Inc.	\$1,729	\$2,397	1.7x	1.6x	9.8x	9.3x
Winpak Ltd.	\$2,657	\$2,085	2.2x	2.2x	11.2x	10.2x
Waterloo Brewing Ltd.	\$263	\$326	2.8x	2.4x	13.5x	11.0x
Good Natured Products Inc	\$235	\$237	4.1x	2.7x	nmf	nmf
Big Rock Brewery Inc.	\$44	\$52	na	na	na	na
<b>Average</b>			<b>2.3x</b>	<b>2.0x</b>	<b>10.4x</b>	<b>9.4x</b>
<b>Median</b>			<b>2.4x</b>	<b>2.3x</b>	<b>11.2x</b>	<b>10.2x</b>

Note: As at June 21, 2021.

Source: FactSet, Public Disclosures.

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- Forefront of developing digital ordering solutions, attracting millennial new-age brands & creating moat
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## Strong competitive advantages

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