Welcome to the Food & Beverage Market Quarterly where we will highlight industry trends occurring within the value chain. While diverse, most companies generally fall within one or more of the five upstream and downstream sectors shown to the right.

**FOOD & BEVERAGE VALUE CHAIN**

- Processing
  - Agribusiness
  - Meats, Protein, Dairy
  - Produce, Nuts
  - Packaged, Bulk
- Branded Food
  - Frozen, Refrigerated
  - Shelf Stable
  - Savory Snacks
  - Confectionary
- Beverage
  - Beer, Wine, Spirits
  - Soft Drinks, Seltzer
  - Coffee, Tea
  - Juice, Water
- Grocery & Retail
  - Large Format
  - Small Format
  - Club Stores
  - Convenience
- Food Service
  - Quick Service
  - Casual
  - Specialty
  - Institutional

**TREND SPOTLIGHT**

**Plant-Based Alternatives Growing With Consumers**

The plant-based food industry has experienced rapid growth in recent years with Nielsen finding 39% of Americans actively trying to eat more plant-based foods last year.² The rise in plant-based food sales has been attributed to consumers’ focus on health and wellness, animal welfare, and environmental sustainability. Individuals purchasing these plant-based alternatives do so when they are viewed as healthier, more ethically sourced options that don’t sacrifice taste. Grocers, restaurants and food companies are actively investing through shelf space, marketing or ownership in the plant-based food category, partnering with startup companies such as Impossible Burger, Memphis Meats and Beyond Meat. Grocers are positioning meat and dairy alternatives in their traditional counterparts’ aisles.

Restaurants such as Carl’s Jr., TGI Fridays, White Castle and A&W Restaurants are adding meat alternatives to their menu, alongside health-focused marketing initiatives. Large meat processors such as Tyson and Cargill are making strategic investments in plant-based startups to help diversify their protein offerings.⁴ ⁵ All sectors are attempting to attract customers who want to experiment with plant-based eating but aren’t necessarily vegan, also referred to as being a *flexitarian*.  

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¹ Nielsen data includes dollar sales for meat, egg, and dairy alternatives as Impossible Burger, Memphis Meats and Beyond Meat.

² Nielsen data includes dollar sales for meat, egg and dairy alternatives.

³ Nielsen data includes dollar sales for meat, egg and dairy alternatives.

⁴ ⁵ Nielsen data includes dollar sales for meat, egg and dairy alternatives.
**HIGHLIGHTED TRANSACTION**

**Beyond Meat Files for Initial Public Offering — November 19, 2018**

- Beyond Meat is one of the fastest growing food companies in the United States, offering a portfolio of plant-based meats.
- The California-based startup is the maker of the “Beyond Burger,” its flagship vegan product, and vegan sausage, vegan chicken and vegan meat crumbles.
- The company hopes to raise as much as $100 million to invest in current and additional facilities and R&D, and to expand sales and marketing capabilities.
- Products are currently available in approximately 28,000 points of distribution primarily in the United States as well as in several other countries, across mainstream grocery, mass merchandiser and natural retailer channels, and various food-away-from-home channels, including restaurants, food service outlets and schools.
- At one of its main vendors, Kroger, 93% of Beyond Burger buyers over the 26-week period ended June 30, 2018, also purchased animal protein during the same period, evidencing appeal to both vegan and flexitarian eaters.

**RECENT LOAN MARKET ACTIVITY**

<table>
<thead>
<tr>
<th>Date</th>
<th>Borrower</th>
<th>Rating</th>
<th>Size ($MM)</th>
<th>Structure</th>
<th>Tenor (Days)</th>
<th>Drawn (bps)</th>
<th>Undrawn (bps)</th>
<th>Purpose</th>
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<tr>
<td>1/3/19</td>
<td>Altria</td>
<td>BBB/A3</td>
<td>$14,600</td>
<td>DDTL</td>
<td>364 Days</td>
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<td>9.0</td>
<td>Acquisition</td>
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<td>12/5/18</td>
<td>McDonald’s</td>
<td>BBB+/Baa1</td>
<td>$3,500</td>
<td>Revolver</td>
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<td>11/29/18</td>
<td>Tyson Foods</td>
<td>BBB/Baa2</td>
<td>$1,800</td>
<td>Term Loan A</td>
<td>364 Days</td>
<td>112.5</td>
<td>–</td>
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<tr>
<td>11/16/18</td>
<td>Albertsons</td>
<td>B+</td>
<td>$4,000</td>
<td>ABL Revolver</td>
<td>5 Years</td>
<td>150.0</td>
<td>25.0</td>
<td>General Corporate</td>
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**RECENT CAPITAL MARKETS ACTIVITY**

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<th>Issuer</th>
<th>Rating</th>
<th>Size ($MM)</th>
<th>Tenor (Years)</th>
<th>Spread (bps)</th>
<th>Coupon</th>
<th>Purpose</th>
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</thead>
<tbody>
<tr>
<td>1/17/19</td>
<td>Kroger Co.</td>
<td>BBB/Baa1</td>
<td>$600 / $600</td>
<td>10 / 30</td>
<td>190 / 245</td>
<td>4.50% / 5.40%</td>
<td>General Corporate</td>
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<td>11/28/18</td>
<td>Anheuser-Busch InBev</td>
<td>A- / Baa1</td>
<td>$2,500 / $4,250 / $750</td>
<td>6 / 10 / 12</td>
<td>160 / 205 / 220</td>
<td>4.15% / 4.75% / 4.90%</td>
<td>General Corporate</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>$2,000 / $4,000 / $2,000</td>
<td>20 / 30 / 40</td>
<td>240 / 250 / 275</td>
<td>5.45% / 5.55% / 5.80%</td>
<td>General Corporate</td>
</tr>
</tbody>
</table>

**FOR MORE INFORMATION**

- **James Kenwood**
  Head of Food & Beverage
  214-871-1216
  james.kenwood@pnc.com

- **Jake Hopkins**
  Food & Beverage
  214-871-4303
  jake.hopkins@pnc.com

- **Brian M. Bauer**
  Debt Capital Markets
  312-338-5301
  brian.m.bauer@pnc.com

- **Kristi Eberhardt**
  Debt Capital Markets
  216-222-2365
  kristi.eberhardt@pnc.com

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1. As of November 30, 2018
4. sec.gov/Archives/edgar/data/1655210/000162828018014471/beyondmeats-1.htm

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