

Lassonde Industries announces an agreement to acquire U.S.-Based Old Orchard Brands

ROUGEMONT, QC, April 26, 2018 /CNW Telbec/ - Lassonde Industries Inc. (TSX: LAS.A) ("Lassonde") has reached an agreement to acquire Old Orchard Brands, LLC, a family-owned juice and beverage company based in Sparta, Michigan, for a total cash consideration of US\$146.0 million (subject to working capital and other adjustments) payable upon closing of the transaction. By way of additional consideration, a further amount of up to US\$10.0 million may be payable over the next two years subject to specified financial milestones. In addition, Lassonde has agreed to purchase the property, comprised of the plant and land, for US\$4.0 million subject to satisfaction of certain regulatory conditions. If the conditions are not met, this property will be rented under a long-term lease.

The closing of the transaction, expected in May 2018, is contingent on the parties agreeing to an action plan that ensures compliance with certain due care regulatory obligations related to the use of the real estate assets. The closing of the transaction is also subject to standard terms and conditions, including obtaining regulatory approvals.

"Adding the Old Orchard brand to our product portfolio will further strengthen our presence in the U.S. national brands sector," said Pierre-Paul Lassonde, Chairman of the Board and Chief Executive Officer of Lassonde Industries Inc. "This transaction fits well within our sustained growth strategy and improves our overall position in the United States."

"Old Orchard has a good reputation in the United States and enjoys solid brand loyalty, especially in the Central United States," said Jean Gattuso, President and Chief Operating Officer of Lassonde Industries Inc. "The Old Orchard brand complements our existing brands and, what's more, the transaction will add a line of frozen juices to our product offering, which introduces interesting growth opportunities."

"I am pleased that we have reached an agreement with Lassonde. It's the perfect combination of two companies with a long history of success in the juice industry," said Mark Saur President and Chief Executive Officer of Old Orchard Brands, LLC. "I am proud of what we have built over the past 30 years and could not think of a better owner of our brand and business than Lassonde. I have always admired this family-oriented business, their value system and the quality of their product offering. This is a perfect match that closes an exciting chapter for our family and employees and opens an even more exciting one."

Financing of the transaction

The acquisition will be financed by a firmly committed credit facility in an amount of US\$146.0 million. The related financing costs are estimated at US\$2.0 million. The other transaction-related costs are also estimated at US\$2.0 million.

Benefits of the transaction

The acquisition of Old Orchard Brands:

- Will improve Lassonde's manufacturing footprint in the Midwestern United States;
- Will further strengthen the Company's presence in the U.S. national brands juice sector; and
- Will provide access to a production line for frozen concentrated products.

About Old Orchard Brands

Old Orchard Brands, LLC is a family-owned and operated fruit juice and beverage company headquartered in Sparta, Michigan with sales of US\$103.3 million and an adjusted EBITDA of US\$15.8 million for its 2017 fiscal year.

Old Orchard is a leading brand in the shelf-stable fruit juice category across the Central United States and the nation's second largest brand in frozen juice concentrates.

Founded in 1985 by Mark Saur, Old Orchard employs nearly 100 people who are dedicated to crafting the highest quality products. The Old Orchard product portfolio provides consumers with an innovative mix of nearly 100 different varieties, including: 100% juice, 100% juice blends, reduced-sugar juice cocktails, seasonal lemonades and flavored teas. To learn more, visit www.oldorchard.com.

Sawaya Partners served as exclusive financial advisor to Old Orchard Brands, LLC.

About Lassonde

Lassonde Industries Inc. is a North American leader in the development, manufacture and sale of a wide range of ready-to-drink fruit and vegetable juices and drinks marketed under brands such as Apple & Eve, Everfresh, Fairlee, Fruité, Graves, Oasis and Rougemont.

Lassonde is also one of the two largest producers of store brand shelf-stable fruit juices and drinks in the United States and a major producer of cranberry sauces.

Lassonde also develops, manufactures and markets specialty food products under brands such as Antico and Canton. The Company imports and markets selected wines from various countries and manufactures apple ciders and cider-based beverages.

The Company produces superior quality products through the expertise of approximately 2,100 people working in 14 plants across Canada and