



## Food & Beverage Quarterly Newsletter

---

Q2 2022

# Food & Beverage Q2 2022 Commentary

*M&A activity in the U.S. food & beverage (“F&B”) industry slowed in Q2 2022 as it continues to grapple with rising input costs, shortages and recession.*

During Q2 2022, there were 113 M&A transactions that closed in the U.S., down 14% compared to Q1 2022 (132). M&A deals in the F&B industry transacted at an average EV/EBITDA multiple of 9.5x in Q2 2022. Restaurant transactions led in terms of transaction volume (35), followed by food products (24). While transaction volume was down, total transaction value was up 134% in Q2 2022, driven in part by Mondelez International’s acquisition of Grupo Bimbo’s Confectionary Business for \$1.3 billion in April and its acquisition of the Clif Bar & Company for \$2.9 billion the following June.

Operational challenges in the F&B industry are the primary reason for the dip in transaction volume. From health and safety to labor shortages, supply chain disruptions and inflation; most F&B management teams have been faced with a growing list of issues since COVID-19. Each of these issues have yet to be completely mitigated, presenting a hurdle for both buyers and sellers in demonstrating positive business performance.

Globally, there were 298 M&A transactions that closed, led by strategic buyers who accounted for 88% (218) of the transactions in Q2 2022. Strategic buyers have accounted for the majority of the M&A activity in the F&B industry historically, with the trend showing no signs of letting up as interest rate hikes give some financial buyers pause. So far in 2022 restaurant transactions have led in terms of median TEV/EBITDA multiple due to the acquisition of Keke’s Breakfast Cafe by Denny’s Corporation for \$82.5 million, which transacted at a TEV/EBITDA multiple of 12.0x. The average TEV/Revenue and TEV/EBITDA multiples in Q2 2022 globally were 1.6x and 5.9x respectively.

The relative stock price performance for the F&B industry has seen a slower decline when compared to the broader S&P 500, which has been decreasing since the start of the year, suggesting increased public confidence in consumer staples. Publicly traded beverage companies lead in terms of median TEV/EBITDA multiple at the end of Q2 2022, trading at approximately 19.6x TEV/EBITDA.

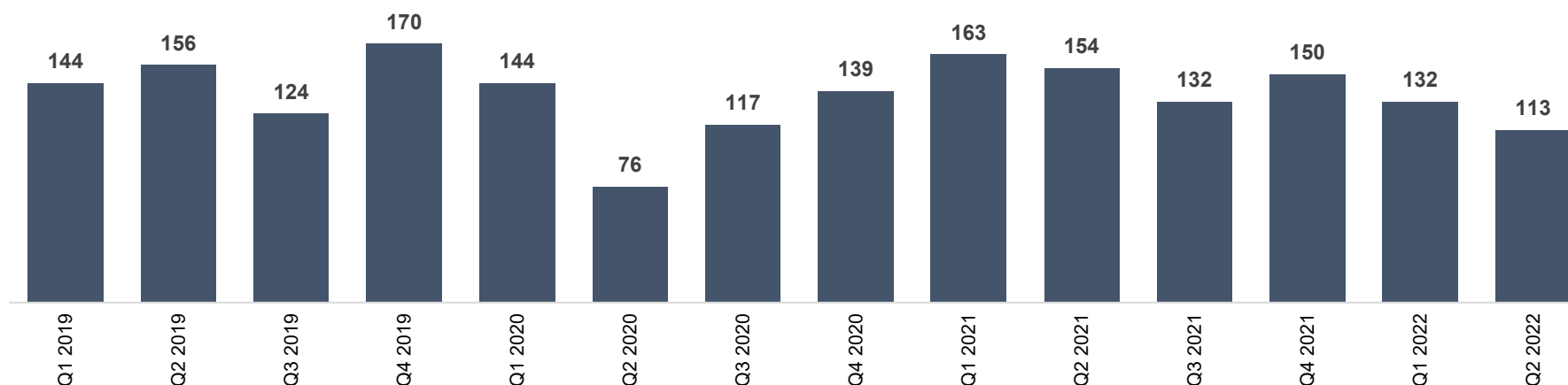
Food inflation has risen sharply in 2022 after increasing throughout 2021, prolonging the recovery of the F&B industry following COVID-19. Food inflation in the U.S. hit 10.9% in July, the highest on record since May of 1979. Compared to the previous month, food prices were up 1.1% July, the seventh consecutive monthly increase of 0.9% or more, mainly due to a rise in the cost of nonalcoholic beverages (2.3%), coffee (3.5%), dairy and related products (1.7%).

Concerns of a global food shortage have been mounting given the war in Ukraine and the huge amounts of fertilizer, wheat, and other food-related exports that come from that region. While the U.S. produces most of its own food - with roughly half of domestic land used for agricultural production - a sufficient food supply shouldn’t be taken for granted.

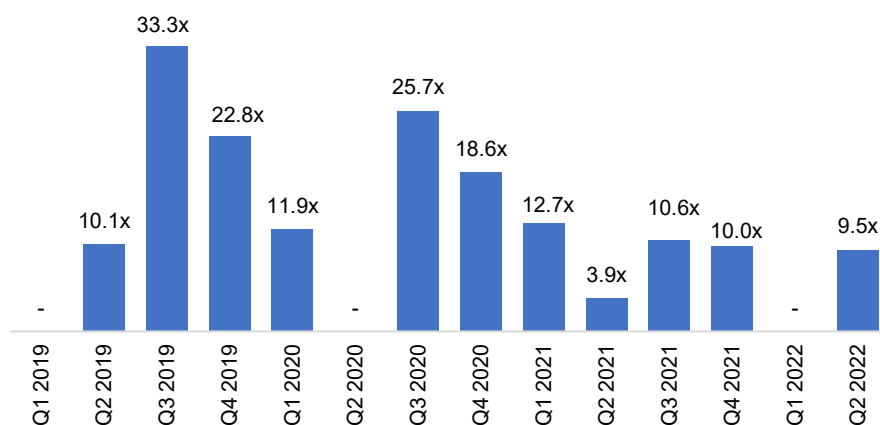
While interest in M&A in the F&B industry will continue in 2022, valuations are likely to decline through the rest of this year. Strategic buyers continue to lead in terms of transaction volume, accounting for 88% of the 296 M&A transactions that closed in Q2 2022 globally, with the trend showing no signs of letting up as interest rate hikes give some financial buyers pause.

# Food & Beverage – U.S. M&A Market Overview<sup>1</sup>

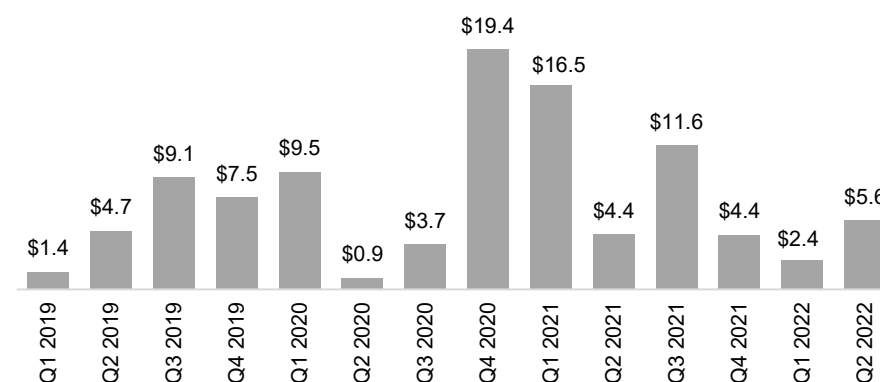
## Number of Closed M&A Transactions



## Mean TEV/EBITDA Multiples<sup>2</sup>



## Total Transaction Value (\$B)<sup>2</sup>



Source(s):

S&P Capital IQ

Note(s):

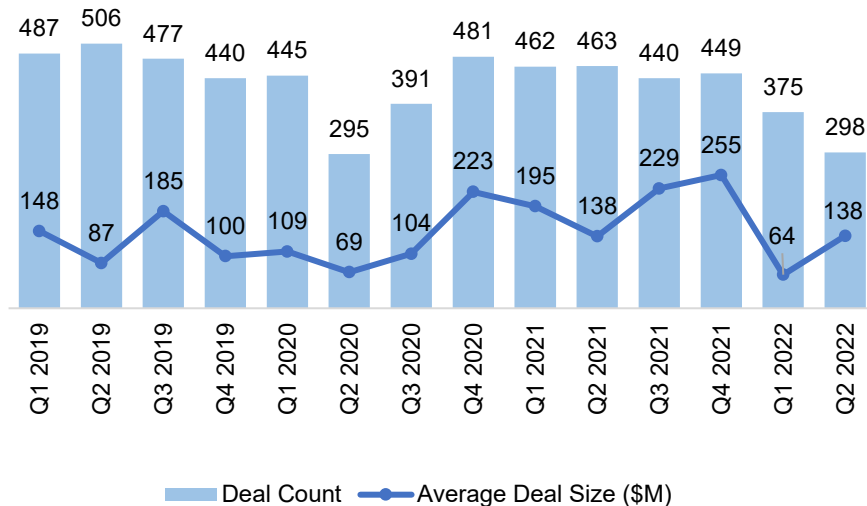
1 U.S. data presented as of 06/30/2022

2 The mean TEV/EBITDA multiples and total transaction value based on publicly available transaction information

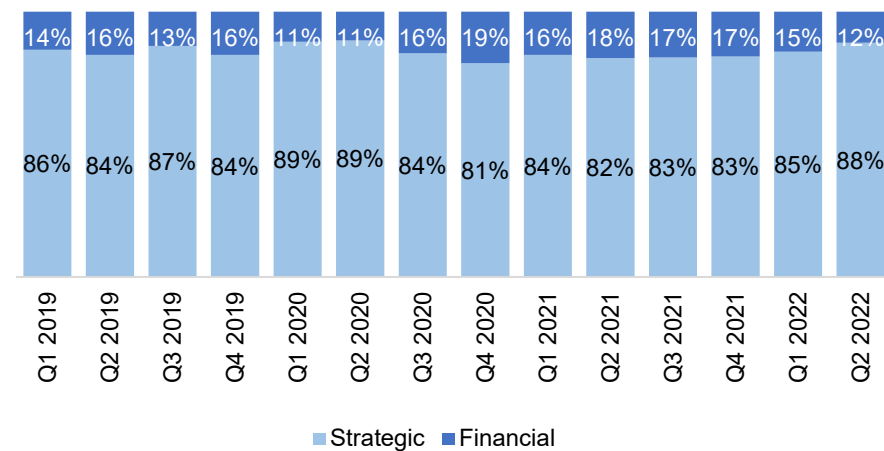


# Food & Beverage – Global M&A Market Overview<sup>1</sup>

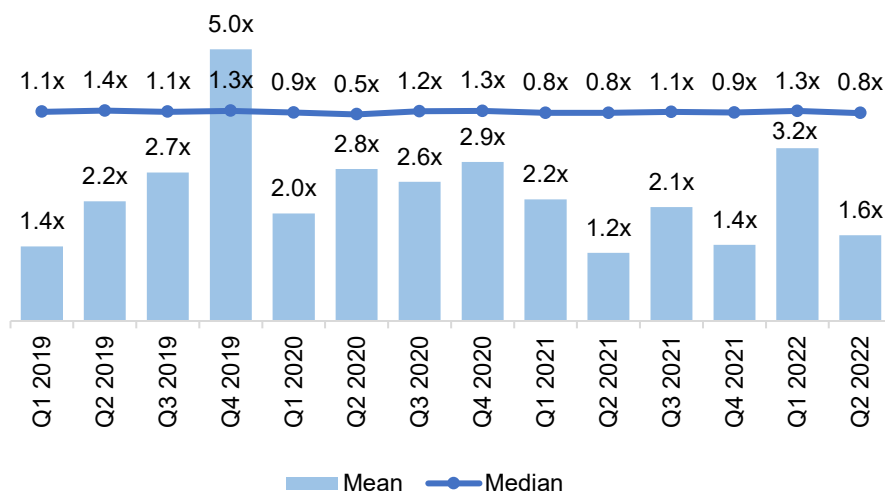
## M&A Transaction Volume Quarterly



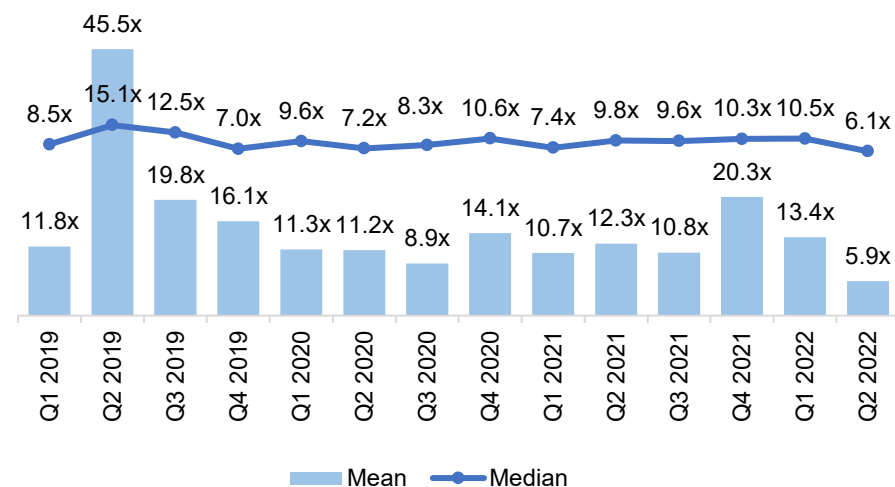
## Strategic vs. Financial Buyer



## Mean and Median TEV/Revenue



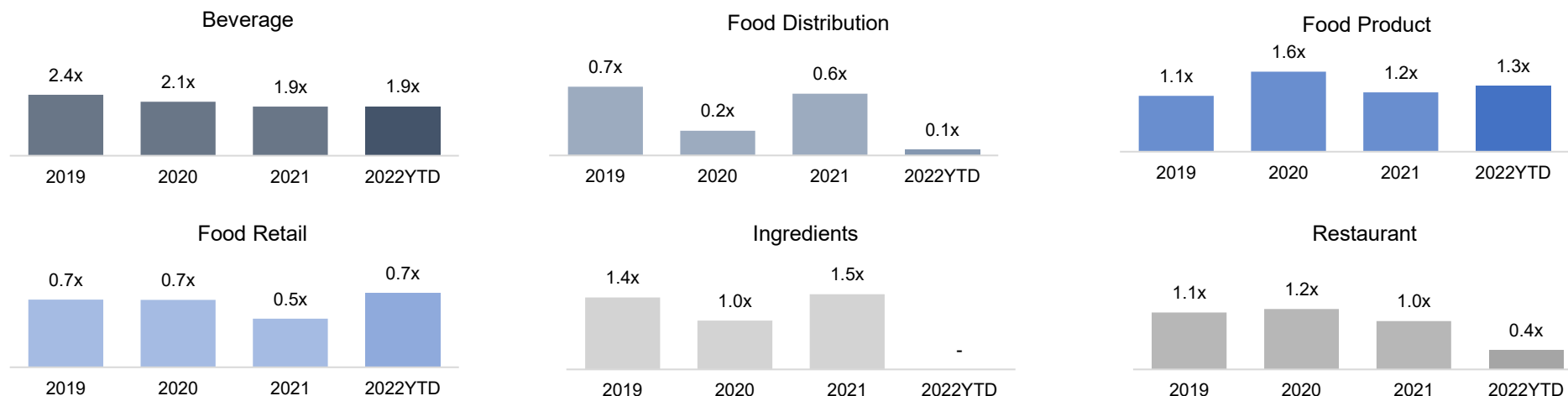
## Mean and Median TEV/EBITDA



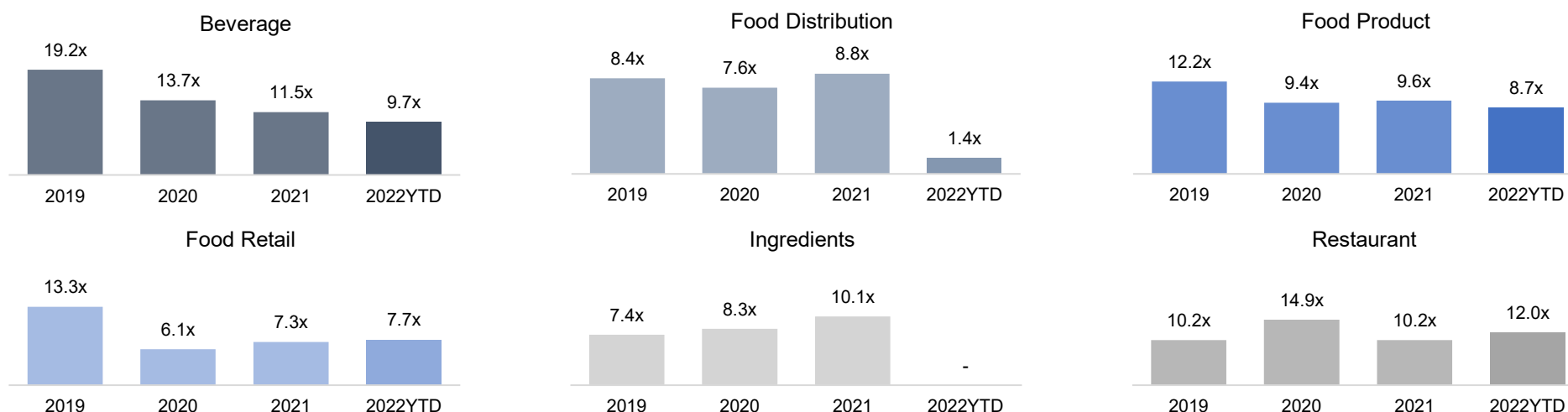
Source(s): S&P Capital IQ  
 Note(s): 1 Global M&A market data presented as of 06/30/2022

# Food & Beverage – Global Precedent Transaction Analysis<sup>1,2</sup>

## Precedent Transactions Analysis – Median TEV/Revenue



## Precedent Transactions Analysis – Median TEV/EBITDA










Source(s):  
Note(s):

S&P Capital IQ  
1 2022 YTD data presented as of 06/30/2022

2 Precedent transactions analysis based on global food and beverage median TEV/Revenue and TEV/EBITDA multiples



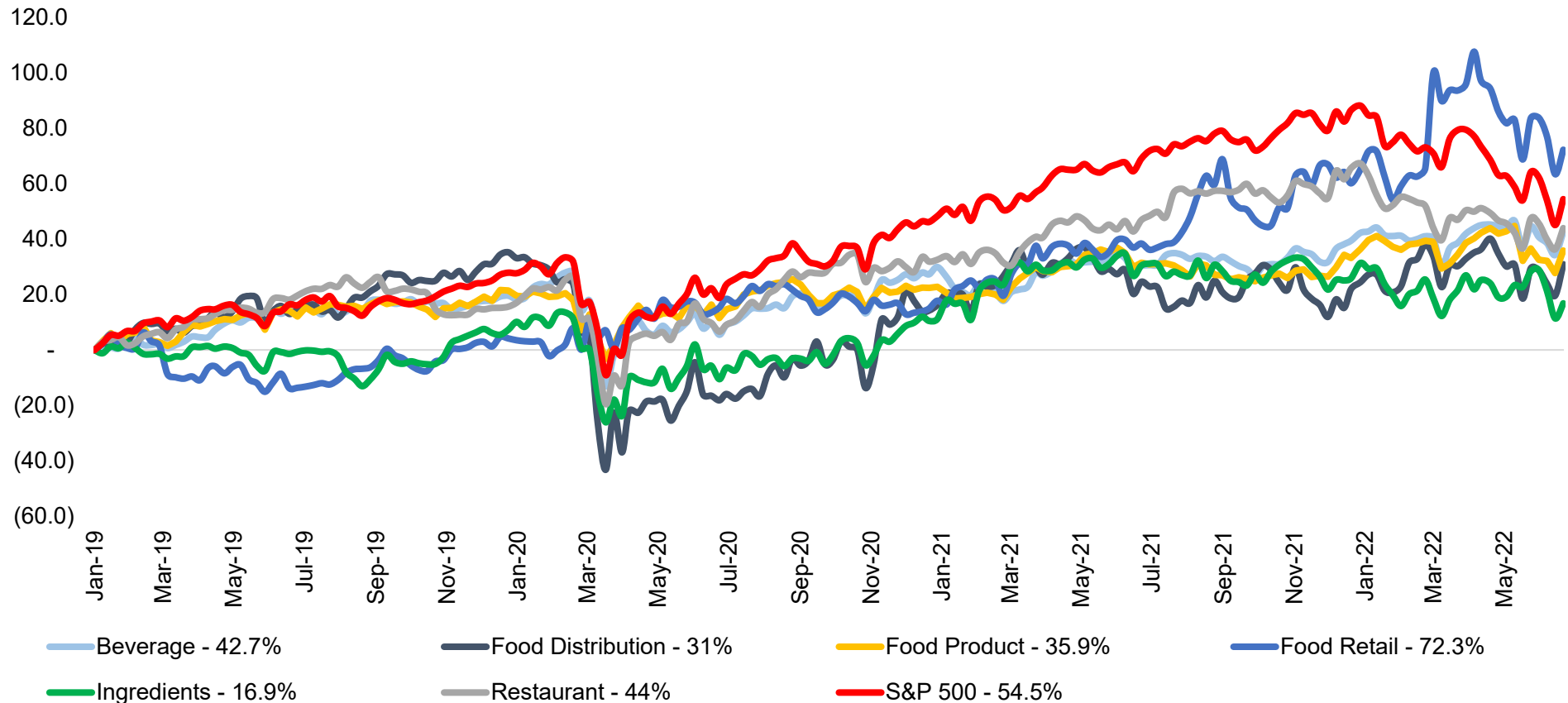
# Notable Q2 U.S. M&A Transactions

Date Announced	Target	Category	Acquirer	Seller	Target Business Description
Jun-22		Food Product		NA	<ul style="list-style-type: none"> <li>◆ Mondelez International, an American multinational confectionery, food, holding and beverage and snack food company, agreed to acquire Clif Bar &amp; Company for \$2.9 billion on June 20, 2022</li> <li>◆ Clif Bar &amp; Company produces nutritious and organic foods, offering sports nutrition and snacks for adventurers</li> <li>◆ The acquisition includes the CLIF®, LUNA® and CLIF Kid® brands, expanding Mondelez International's global snack bar business to more than \$1 billion, building on Mondelez International's continued prioritization of fast-growing snacking segments in key geographies <ul style="list-style-type: none"> <li>– Dirk Van de Put, the Chairman and CEO of Mondelez International, noted that the acquisition advances their ambition to lead the future of snacking by winning in chocolate, biscuits and baked snacks as they continue to scale their high-growth snack bar business</li> </ul> </li> <li>◆ The transaction is expected to be top-line accretive in year two and create cost synergies by using Mondelez International's global and North American scale to expand Clif's sales distribution and gain further penetration in existing and new customers and channels in the U.S.</li> </ul>
May-22		Food Products	 		<ul style="list-style-type: none"> <li>◆ J&amp;J Snack Foods (J&amp;J), an American manufacturer, marketer, and distributor of branded niche snack foods and frozen beverages for the food service and retail supermarkets, entered into a definitive agreement to acquire Dippin' Dots from Fischer Enterprises for approximately \$220 million on May 19, 2022</li> <li>◆ Dippin' Dots produces and sells beaded ice cream products worldwide, a unique confection created by flash freezing ice cream mix in liquid nitrogen</li> <li>◆ J&amp;J expects Dippin' Dots will benefit from sales synergies, with the acquisition leveraging the combined strength in entertainment and amusement locations, theaters, convenience, and supermarkets to realize added scale, operational and go-to-market synergies and create new selling opportunities among an expanded customer base <ul style="list-style-type: none"> <li>– J&amp;J's President &amp; CEO Dan Fachner described Dippin' Dots as an iconic and differentiated brand that builds on J&amp;J's track-record of profitable M&amp;A with the Company completing over 30 value-building transactions throughout its history</li> </ul> </li> </ul>
Apr-22		Food Distribution		NA	<ul style="list-style-type: none"> <li>◆ HF Foods Group Inc. (HF Foods), a leading food distributor to Asian restaurants across the U.S., announced that it has entered into an agreement to acquire Sealand Food, Inc. ("Sealand") for \$20 million on April 19, 2022</li> <li>◆ Sealand is one of the largest frozen seafood suppliers servicing the Asian/Chinese restaurant market along the Eastern Seaboard of the U.S. <ul style="list-style-type: none"> <li>– Peter Zhang, CEO of HF Foods, stated that the acquisition of Sealand takes their extensive distribution network to 46 states covering well over 90% of the contiguous United States and propels HF Foods to over a \$1 billion in projected 2022 revenue</li> </ul> </li> <li>◆ Upon completion of the acquisition of Sealand, HF Food will serve approximately 15,000 restaurants, continuing to solidify its market leadership position</li> <li>◆ Sealand's extensive distribution network perfectly complements the strengths of HF Food's existing network and supports its strategic goal of growth by acquisition</li> </ul>

Source(s): S&P Capital IQ

# Food & Beverage - Public Company Comparable Analysis<sup>1</sup>

## F&B Industry Relative Stock Price Performance



**Beverage** – KO, PEP, KDP, STZ, MNST, BF.B, TAP, FIZZ, SAM, COCO, SBEV, LWAY, BRFH

**Food Distribution** – SYU, USFD, PFGC, UNFI, BRCC, CVGW, CALM, CHEF, JBSS, HFFG

**Food Product** – MDLZ, KHC, GIS, HSY, TSN, K, HRL, MKC, CAG, CPB, SJM, POST, PPC, FLO, SMPL, THS, BGS, LANC, HAIN, UTZ, JJSF, FDP, VITL

**Food Retail** – KR, ACI, CASH, GO, SFM, IMKT.A, WMK, SPTN, NGVC, SENE.A, VLGE.A, BTTR

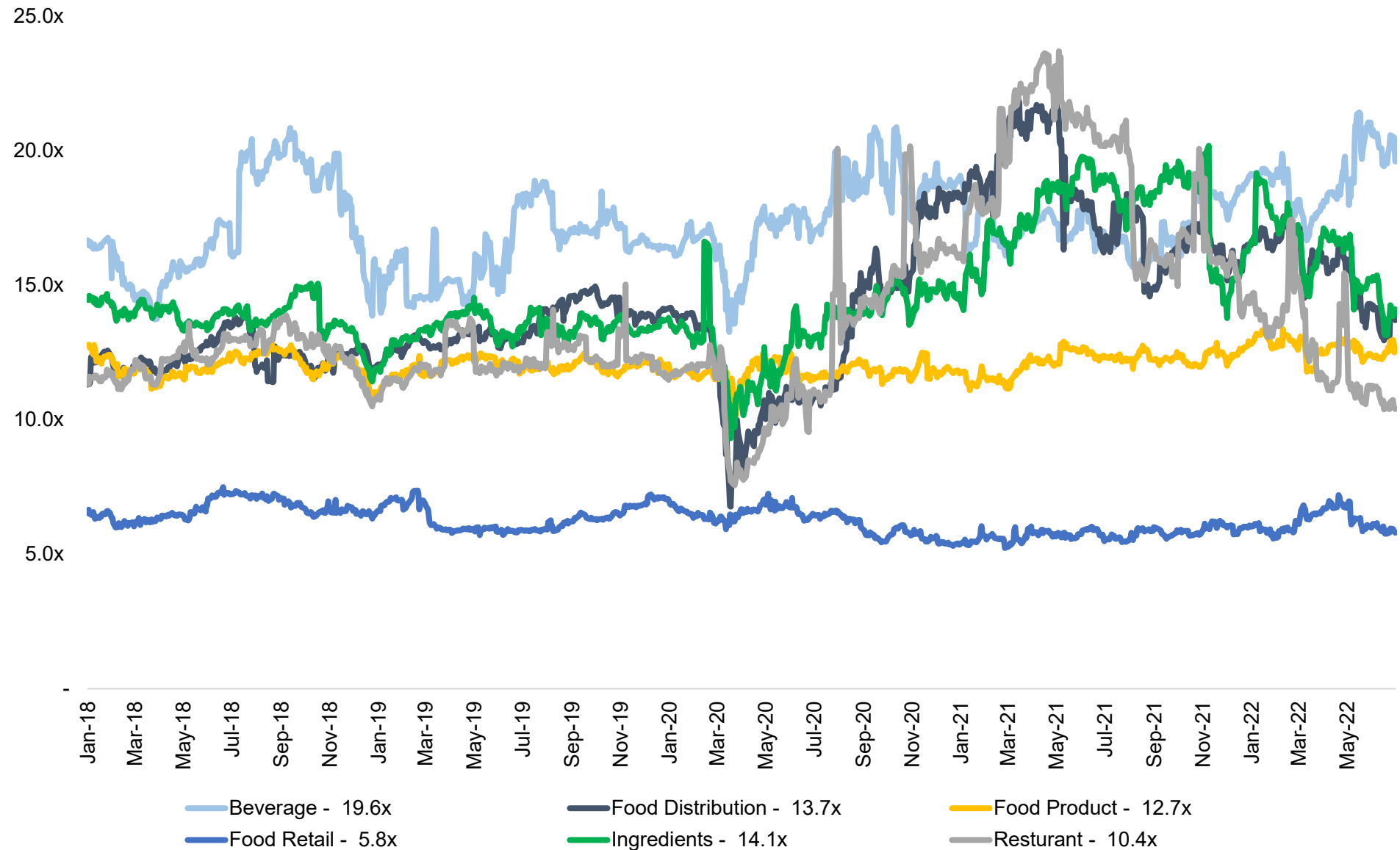
**Ingredients** – IFF, LW, DAR, BCPC, INGR, SXT, FREE, RIBT

**Restaurant** – MCD, YUM, CMG, DRI, DPZ, PZZA, BLMN, CAKE, DIN, SHAK, TAST, FAT, FWRG, BJRI, RUTH, CHUY

Source(s): S&P Capital IQ  
Note(s): 1 Data presented as of 06/30/2022

# Food & Beverage - Public Company Comparable Analysis<sup>1</sup>

## F&B Industry Performance – Median EV/EBITDA

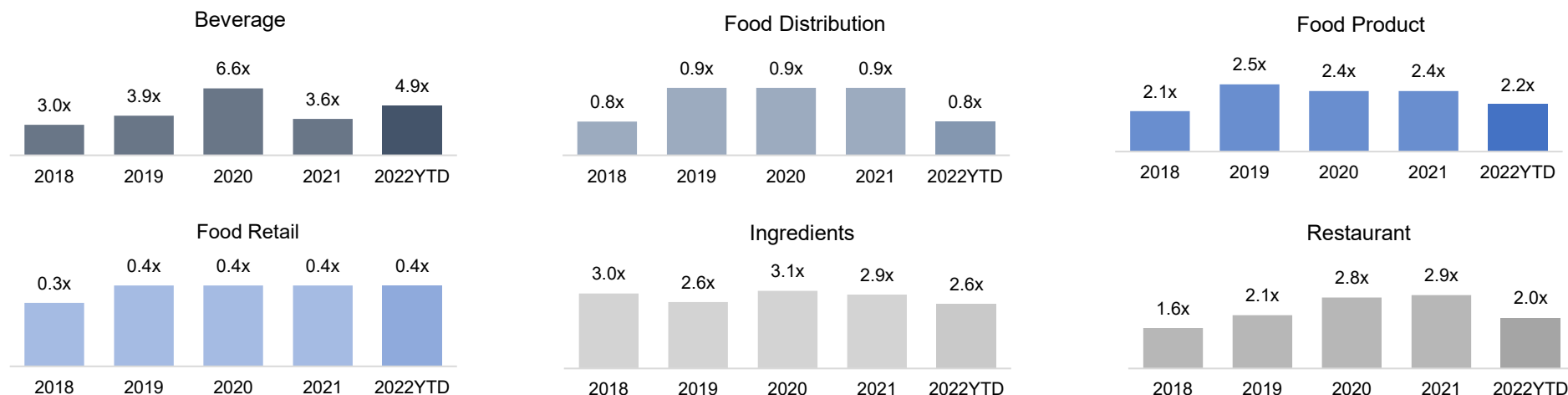


Source(s): S&P Capital IQ  
 Note(s): 1 Data presented as of 06/30/2022

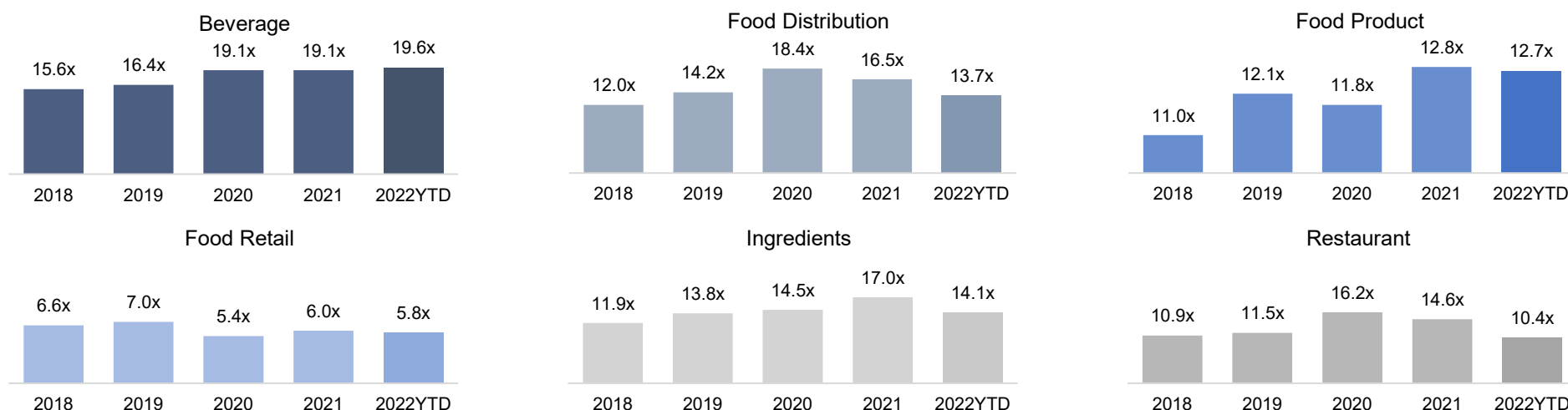


# Food & Beverage - Public Company Comparable Analysis<sup>1</sup>

## Public Comparables – Median TEV/Revenue



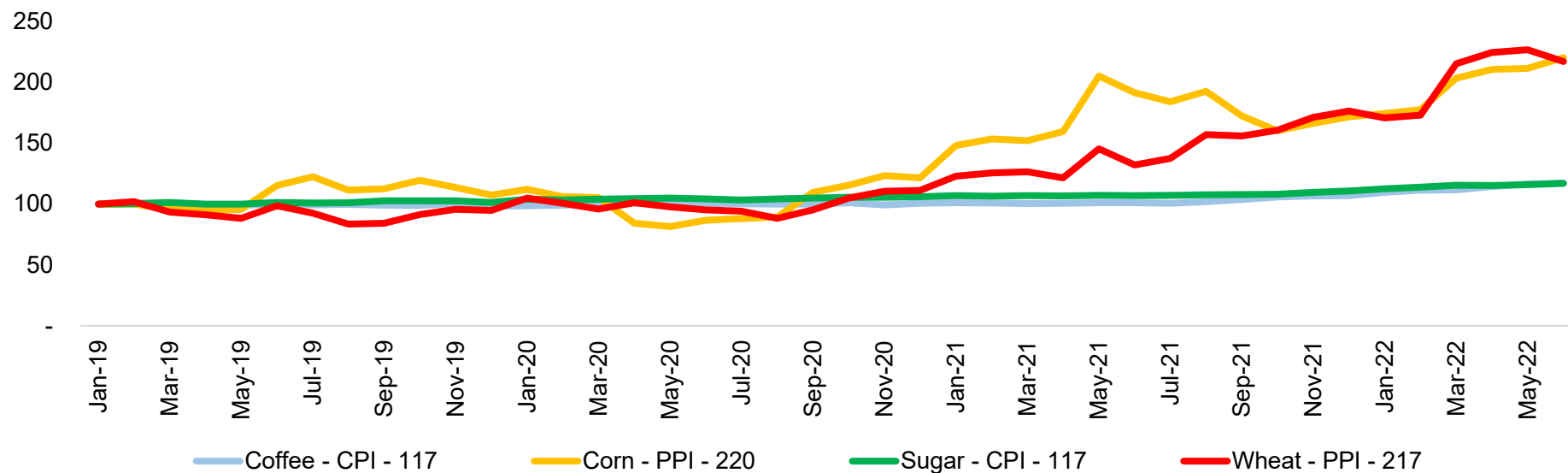
## Public Comparables – Median TEV/EBITDA



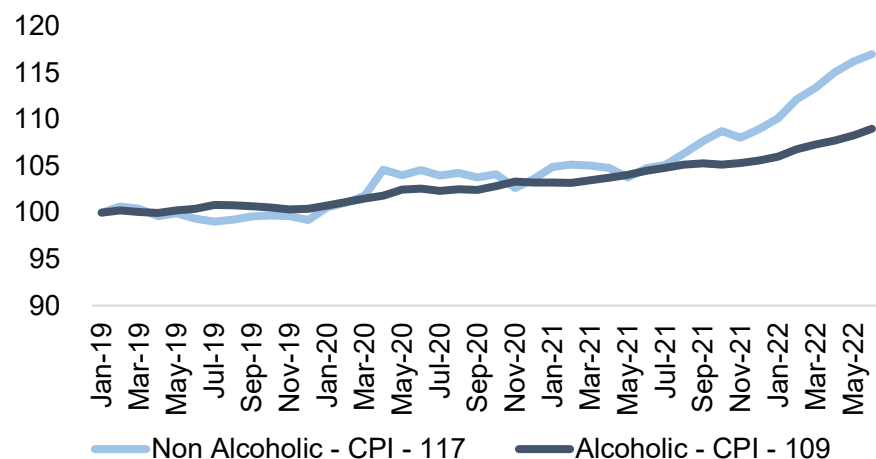
Source(s): S&P Capital IQ  
 Note(s): 1 Data presented as of 06/30/2022

# Food & Beverage – Price Indices<sup>1</sup>

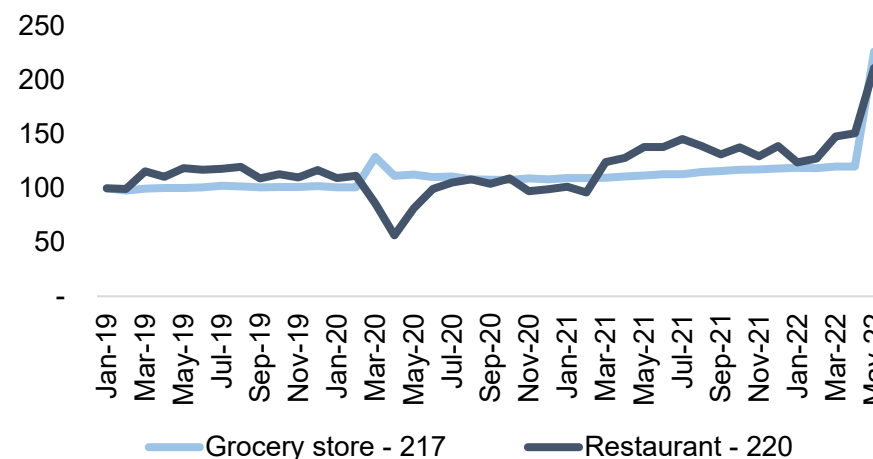
## Food Commodity Price Indices



## Beverage Consumer Price Index



## Restaurant & Grocery Sales Indices



Source(s): Federal Reserve Economic Data (FRED), S&P Capital IQ  
 Note(s): 1 Macro data rebased as of 01/01/2019 and presented as of 06/30/2022

# About Balmoral Advisors

## Food & Beverage is One of Our Core Industries of Focus



**Building  
Products**



**Business  
Services**



**Chemicals &  
Materials**



**Food &  
Beverage**



**Industrials**



**Plastics &  
Packaging**

Balmoral Advisors is an independent, specialty investment bank dedicated to providing mergers & acquisitions, corporate finance, and financial restructuring advisory services for clients worldwide. We work with business owners, corporations and financial investors involving emerging growth companies, mature businesses, corporate divestitures, distressed and turnaround transactions.

We bring a powerful combination of deep experience, industry expertise, and broad market reach to every client engagement. Our senior professionals have decades of experience and collectively have advised on more than \$35 billion of transactions. There is no “one size fits all”. We evaluate each client’s unique needs and develop a customized approach based on decades of experience.

Our practice is global, but the culture of our firm reflects our Midwestern roots in terms of values, work ethic, and focus on developing long-term relationships. Since inception, more than half of our completed transactions were with repeat clients.

## The Balmoral Food & Beverage Team

### **Chris Cerimele**

Managing Partner

+1 312-371-3527 (m)

+1 312-768-9890 x237 (o)

[ccerimele@balmoraladvisors.com](mailto:ccerimele@balmoraladvisors.com)

### **Bob Dekker**

Managing Director

+1 312-399-3627 (m)

+1 312-768-9890 x335 (o)

[bdekker@balmoraladvisors.com](mailto:bdekker@balmoraladvisors.com)

### **Bill Brandell**

Senior Advisor

+1 312-766-9890 (m)

+1 630-800-9744 (o)

[bbrandell@balmoraladvisors.com](mailto:bbrandell@balmoraladvisors.com)

### **Michael Palumbo**

Associate

+1 574-612-3251 (m)

+1 312-766 9890 x725 (o)

[mpalumbo@balmoraladvisors.com](mailto:mpalumbo@balmoraladvisors.com)

# Our Service Offerings

## Custom-Tailored Advisory Services

### Sell-Side M&A

Every M&A transaction presents its own unique opportunities and challenges. Success often requires many factors, some of which include knowledge and experience, skill, thoughtfulness, creativity, market reach and timing. When advising clients, we begin by understanding their needs and objectives – how they define success - and tailoring an approach designed to maximize results. Balmoral has extensive sell-side M&A experience, with our capabilities including:

- Sale of Entire Company (As a Whole or in Parts)
- Divestitures and Corporate Carve-Outs
- Bankruptcy Court-Supervised Asset Sales (§363, etc.)
- Exploration of Other Strategic Alternatives
- Flexibility in Process, from Bi-Lateral Negotiations to Broad Public Auctions

### Buy-Side M&A

Whether helping identify targets, open doors, navigate through an auction process or negotiate and close on a transaction structure that works well for a situation, we bring the experience and resources to help our clients succeed. Our buy-side M&A capabilities cover a wide range of transaction profiles with engagements often involving one or more of the following:

- Negotiated Acquisition - *where a target has been identified and discussions may have already begun*
- Auction Participation - *leverage our sell-side experience to assist in evaluating a business that is being sold*
- Retained Search - *where we assist in developing and approaching a list of potential candidates for either acquisition or some other form of strategic alliance or joint venture*
- Mergers, Consolidations, and Joint Ventures – *where we advise in situations that do not involve a strict buy/sell transaction*
- Distressed and Cross Border Transactions

### Capital Raising

Balmoral is an independent advisor not affiliated with any financial institution or investment fund. When advising clients, we begin by understanding our client's needs and objectives and help them identify, evaluate, and select an optimal financing structure and terms. We then help arrange the financing with the help of our extensive database of third-party financial providers and corporate investors. Our assignments typically involve one or more of the following:

- Equity Placement - *common equity and preferred securities, growth and acquisition capital*
- Debt Placement - *senior and subordinated debt and convertible securities, shareholder buyouts and minority recapitalizations*

# APPENDIX

---

Public Market Comparables and Precedent Transactions

# Appendix

## Public Company Comparables – Beverages and Food Distributors

Beverages	LTM Results		LTM Margins		1Yr FWD Margins		Country	Enterprise Value	TEV / LTM:		TEV / 1Yr FWD:	
	Revenue	EBITDA	Gross	EBITDA	Gross	EBITDA			Revenue	EBITDA	Revenue	EBITDA
Barfresh Food Group, Inc.	\$ 8	\$ (2)	36.4%	(21.8%)	NA	7.4%	United States	\$ 68.8	8.4x	NM	3.5x	46.7x
Brown-Forman Corporation	\$ 3,933	\$ 1,315	60.8%	33.4%	NA	33.6%	United States	\$ 34,663.1	8.8x	26.4x	8.4x	25.1x
Constellation Brands, Inc.	\$ 9,157	\$ 3,431	52.9%	37.5%	NA	36.9%	United States	\$ 55,149.5	6.0x	16.1x	5.7x	15.5x
Keurig Dr Pepper Inc.	\$ 12,859	\$ 3,779	54.8%	29.4%	NA	29.3%	United States	\$ 62,802.4	4.9x	16.6x	4.4x	14.9x
Lifeway Foods, Inc.	\$ 114	\$ 9	28.2%	7.9%	NA	NA	United States	\$ 74.5	0.7x	8.2x	NM	NM
Molson Coors Beverage Company	\$ 10,596	\$ 2,349	40.1%	22.2%	NA	19.6%	United States	\$ 19,203.1	1.8x	8.2x	1.8x	9.2x
Monster Beverage Corporation	\$ 5,816	\$ 1,840	54.5%	31.6%	NA	31.6%	United States	\$ 46,402.5	8.0x	25.2x	7.1x	22.4x
National Beverage Corp.	\$ 1,138	\$ 226	36.7%	19.9%	NA	20.1%	United States	\$ 4,576.2	4.0x	20.2x	3.8x	18.9x
PepsiCo, Inc.	\$ 80,854	\$ 14,589	53.4%	18.0%	NA	18.4%	United States	\$ 263,701.0	3.3x	18.1x	3.1x	17.0x
Splash Beverage Group, Inc.	\$ 13	\$ (30)	22.1%	(228.8%)	NA	7.8%	United States	\$ 104.7	8.0x	NM	3.4x	43.8x
The Boston Beer Company, Inc.	\$ 1,943	\$ 58	37.1%	3.0%	NA	13.1%	United States	\$ 3,749.1	1.9x	65.0x	1.8x	13.7x
The Coca-Cola Company	\$ 40,126	\$ 13,328	60.3%	33.2%	NA	32.4%	United States	\$ 306,499.7	7.6x	23.0x	7.2x	22.2x
The Vita Coco Company, Inc.	\$ 401	\$ 20	27.0%	5.0%	NA	7.1%	United States	\$ 538.4	1.3x	26.7x	1.2x	16.5x

25th Percentile	32.3%	4.0%	NM	9.1%
Mean	43.4%	-0.7%	NM	21.4%
Median	40.1%	19.9%	NM	19.8%
75th Percentile	54.6%	32.4%	NM	32.2%

25th Percentile	1.9x	16.1x	2.1x	15.1x
Mean	5.0x	23.1x	4.3x	22.2x
Median	4.9x	20.2x	3.6x	18.0x
75th Percentile	8.0x	26.4x	6.7x	24.4x

Food Distributors	LTM Results		LTM Margins		1Yr FWD Margins		Country	Enterprise Value	TEV / LTM:		TEV / 1Yr FWD:	
	Revenue	EBITDA	Gross	EBITDA	Gross	EBITDA			Revenue	EBITDA	Revenue	EBITDA
BRC Inc.	\$ 250	\$ (25)	37.3%	(10.1%)	NA	0.9%	United States	\$ 195.9	0.8x	NM	0.6x	62.0x
Calavo Growers, Inc.	\$ 1,164	\$ 13	4.5%	1.1%	NA	4.1%	United States	\$ 848.8	0.7x	63.9x	0.7x	16.2x
Cal-Maine Foods, Inc.	\$ 1,534	\$ 51	11.7%	3.3%	NA	18.1%	United States	\$ 2,323.0	1.5x	45.8x	1.1x	6.1x
HF Foods Group Inc.	\$ 715	\$ 41	18.5%	5.8%	NA	NA	United States	\$ 407.6	0.6x	9.9x	NM	NM
John B. Sanfilippo & Son, Inc.	\$ 905	\$ 93	21.0%	10.2%	NA	NA	United States	\$ 916.5	1.0x	9.9x	NM	NM
Performance Food Group Company	\$ 43,845	\$ 732	11.1%	1.7%	NA	2.0%	United States	\$ 11,932.6	0.3x	16.3x	0.2x	10.4x
Sysco Corporation	\$ 65,816	\$ 3,266	18.0%	5.0%	NA	5.6%	United States	\$ 54,245.2	0.8x	16.6x	0.7x	13.3x
The Chefs' Warehouse, Inc.	\$ 1,978	\$ 68	22.7%	3.4%	NA	5.8%	United States	\$ 1,968.0	1.0x	29.0x	0.8x	13.2x
United Natural Foods, Inc.	\$ 28,390	\$ 749	14.6%	2.6%	NA	2.9%	United States	\$ 5,919.7	0.2x	7.9x	0.2x	6.9x
US Foods Holding Corp.	\$ 30,990	\$ 838	15.6%	2.7%	NA	4.0%	United States	\$ 12,420.0	0.4x	14.8x	0.4x	9.0x

25th Percentile	11.6%	1.5%	NM	2.3%
Mean	17.5%	2.6%	NM	5.7%
Median	16.8%	3.0%	NM	4.1%
75th Percentile	21.4%	5.2%	NM	5.7%

25th Percentile	0.4x	9.9x	0.3x	7.5x
Mean	0.7x	23.8x	0.6x	18.8x
Median	0.8x	16.4x	0.7x	11.9x
75th Percentile	1.0x	37.7x	0.8x	15.5x

Source(s): S&P Capital IQ  
Note(s): Data presented as of 06/30/2022



# Appendix

## Public Company Comparables – Food Products

Food Products	LTM Results		LTM Margins		1Yr FWD Margins		Country	Enterprise Value	TEV / LTM:		TEV / 1Yr FWD:	
	Revenue	EBITDA	Gross	EBITDA	Gross	EBITDA			Revenue	EBITDA	Revenue	EBITDA
B&G Foods, Inc.	\$ 2,084	\$ 295	20.7%	14.2%	NA	16.3%	United States	\$ 3,943.9	1.9x	13.4x	1.8x	11.3x
Campbell Soup Company	\$ 8,448	\$ 1,738	31.4%	20.6%	NA	18.9%	United States	\$ 19,241.7	2.3x	11.1x	2.2x	11.6x
Conagra Brands, Inc.	\$ 11,365	\$ 2,053	25.6%	18.1%	NA	18.3%	United States	\$ 25,588.1	2.3x	12.5x	2.1x	11.6x
Flowers Foods, Inc.	\$ 4,465	\$ 486	49.5%	10.9%	NA	10.1%	United States	\$ 6,583.0	1.5x	13.5x	1.4x	13.4x
Fresh Del Monte Produce Inc.	\$ 4,301	\$ 193	6.7%	4.5%	NA	4.7%	Cayman Islands	\$ 2,201.4	0.5x	11.4x	0.5x	10.6x
General Mills, Inc.	\$ 18,993	\$ 3,965	33.7%	20.9%	NA	19.5%	United States	\$ 56,457.4	3.0x	14.2x	2.9x	14.9x
Hormel Foods Corporation	\$ 12,459	\$ 1,502	17.1%	12.1%	NA	13.3%	United States	\$ 28,302.7	2.3x	18.8x	2.3x	17.2x
J&J Snack Foods Corp.	\$ 1,247	\$ 132	26.7%	10.6%	NA	11.2%	United States	\$ 2,506.2	2.0x	18.9x	1.8x	16.2x
Kellogg Company	\$ 14,269	\$ 2,546	32.2%	17.8%	NA	15.8%	United States	\$ 32,295.8	2.3x	12.7x	2.2x	14.1x
Lancaster Colony Corporation	\$ 1,610	\$ 187	22.0%	11.6%	NA	12.1%	United States	\$ 3,509.7	2.2x	18.8x	2.1x	17.3x
McCormick & Company, Incorporated	\$ 6,339	\$ 1,170	37.7%	18.5%	NA	20.8%	United States	\$ 27,397.8	4.3x	23.4x	4.1x	19.7x
Mondelez International, Inc.	\$ 29,246	\$ 6,097	38.7%	20.8%	NA	19.8%	United States	\$ 104,221.8	3.6x	17.1x	3.4x	16.9x
Pilgrim's Pride Corporation	\$ 15,744	\$ 1,530	10.5%	9.7%	NA	9.7%	United States	\$ 10,547.9	0.7x	6.9x	0.6x	6.1x
Post Holdings, Inc.	\$ 6,597	\$ 1,059	27.2%	16.1%	NA	17.5%	United States	\$ 10,773.2	1.6x	10.2x	1.9x	10.9x
The Hain Celestial Group, Inc.	\$ 1,885	\$ 207	23.9%	11.0%	NA	13.2%	United States	\$ 3,001.3	1.6x	14.5x	1.5x	11.4x
The Hershey Company	\$ 9,342	\$ 2,543	45.5%	27.2%	NA	25.5%	United States	\$ 49,213.5	5.3x	19.4x	4.7x	18.3x
The J. M. Smucker Company	\$ 7,999	\$ 1,593	34.0%	19.9%	NA	18.5%	United States	\$ 18,081.4	2.3x	11.3x	2.2x	11.8x
The Kraft Heinz Company	\$ 25,693	\$ 6,137	33.1%	23.9%	NA	23.0%	United States	\$ 65,878.1	2.6x	10.7x	2.5x	10.9x
The Simply Good Foods Company	\$ 1,154	\$ 220	38.8%	19.1%	NA	20.1%	United States	\$ 4,189.1	3.6x	19.0x	3.4x	17.0x
TreeHouse Foods, Inc.	\$ 4,411	\$ 333	15.4%	7.5%	NA	8.9%	United States	\$ 4,223.7	1.0x	12.7x	0.9x	9.8x
Tyson Foods, Inc.	\$ 51,339	\$ 7,186	15.9%	14.0%	NA	9.9%	United States	\$ 38,349.9	0.7x	5.3x	0.7x	7.4x
Utz Brands, Inc.	\$ 1,252	\$ 61	31.3%	4.8%	NA	12.1%	United States	\$ 2,789.0	2.2x	45.9x	2.1x	17.1x
Vital Farms, Inc.	\$ 279	\$ (1)	30.2%	(0.4%)	NA	4.2%	United States	\$ 267.0	1.0x	NM	0.7x	17.7x
<b>25th Percentile</b>			20.7%	10.6%	NM	10.1%	<b>25th Percentile</b>					
<b>Mean</b>			28.2%	14.5%	NM	14.9%	<b>Mean</b>					
<b>Median</b>			30.2%	14.2%	NM	15.8%	<b>Median</b>					
<b>75th Percentile</b>			34.0%	19.9%	NM	19.5%	<b>75th Percentile</b>					

Source(s): S&P Capital IQ  
Note(s): Data presented as of 06/30/2022

# Appendix

## Public Company Comparables - Restaurants

Restaurants	LTM Results		LTM Margins		1Yr FWD Margins		Country	Enterprise	TEV / LTM:		TEV / 1Yr FWD:				
	Revenue	EBITDA	Gross	EBITDA	Gross	EBITDA		Value	Revenue	EBITDA	Revenue	EBITDA			
BJ's Restaurants, Inc.	\$	1,162	\$	60	11.5%	5.2%	NA	5.9%	United States	\$	1,001.9	0.9x	16.6x	0.8x	12.9x
Bloomin' Brands, Inc.	\$	4,275	\$	508	17.7%	11.9%	NA	11.6%	United States	\$	3,452.0	0.8x	6.8x	0.8x	6.6x
Carrols Restaurant Group, Inc.	\$	1,662	\$	58	12.4%	3.5%	NA	5.1%	United States	\$	1,434.0	0.9x	24.9x	0.8x	16.5x
Chipotle Mexican Grill, Inc.	\$	7,826	\$	1,120	38.0%	14.3%	NA	18.3%	United States	\$	39,252.6	5.0x	35.0x	4.2x	23.0x
Chuy's Holdings, Inc.	\$	409	\$	59	23.5%	14.4%	NA	10.9%	United States	\$	491.2	1.2x	8.3x	1.1x	10.4x
Darden Restaurants, Inc.	\$	9,630	\$	1,529	20.7%	15.9%	NA	15.3%	United States	\$	19,578.3	2.0x	12.8x	1.9x	12.5x
Dine Brands Global, Inc.	\$	918	\$	244	41.1%	26.5%	NA	26.4%	United States	\$	2,563.7	2.8x	10.5x	2.7x	10.3x
Domino's Pizza, Inc.	\$	4,385	\$	810	27.2%	18.5%	NA	18.8%	United States	\$	19,159.6	4.4x	23.7x	4.0x	21.3x
FAT Brands Inc.	\$	210	\$	21	39.9%	10.2%	NA	0.0%	United States	\$	1,292.3	6.2x	60.2x	3.0x	NM
First Watch Restaurant Group, Inc.	\$	647	\$	64	21.6%	10.0%	NA	9.5%	United States	\$	1,284.6	2.0x	19.9x	1.8x	18.6x
McDonald's Corporation	\$	23,399	\$	12,038	54.5%	51.4%	NA	54.7%	United States	\$	227,815.6	9.7x	18.9x	10.0x	18.3x
Papa John's International, Inc.	\$	1,848	\$	199	31.2%	10.8%	NA	10.7%	United States	\$	3,664.5	2.0x	18.4x	1.7x	15.8x
Ruth's Hospitality Group, Inc.	\$	459	\$	74	27.2%	16.1%	NA	15.5%	United States	\$	749.7	1.6x	10.2x	1.4x	9.3x
Shake Shack Inc.	\$	788	\$	49	33.5%	6.2%	NA	8.4%	United States	\$	1,901.7	2.4x	39.1x	1.9x	22.6x
The Cheesecake Factory Incorporated	\$	3,094	\$	232	40.5%	7.5%	NA	7.1%	United States	\$	3,024.1	1.0x	13.0x	0.9x	12.4x
Yum! Brands, Inc.	\$	6,645	\$	2,258	48.0%	34.0%	NA	35.0%	United States	\$	44,206.9	6.7x	19.6x	6.3x	18.2x
									25th Percentile		1.0x	11.1x	0.9x	10.4x	
									Mean		3.1x	21.1x	2.7x	15.2x	
									Median		0.8x	16.3x	0.6x	11.8x	
									75th Percentile		4.9x	24.6x	3.8x	18.6x	

Source(s): S&P Capital IQ  
Note(s): Data presented as of 06/30/2022

# Appendix

## Public Company Comparables – Food Retail and Ingredients

Food Retail	LTM Results		LTM Margins		1Yr FWD Margins		Country	Enterprise Value	TEV / LTM:		TEV / 1Yr FWD:	
	Revenue	EBITDA	Gross	EBITDA	Gross	EBITDA			Revenue	EBITDA	Revenue	EBITDA
Albertsons Companies, Inc.	\$ 71,887	\$ 4,265	29.4%	5.9%	NA	5.6%	United States	\$ 26,602.2	0.4x	6.2x	0.3x	6.2x
Better Choice Company Inc.	\$ 52	\$ (14)	30.3%	(27.7%)	NA	(6.8%)	United States	\$ 60.8	1.2x	NM	0.9x	NM
Casey's General Stores, Inc.	\$ 12,953	\$ 817	21.3%	6.3%	NA	4.7%	United States	\$ 8,510.6	0.7x	10.4x	0.5x	10.5x
Grocery Outlet Holding Corp.	\$ 3,159	\$ 159	30.6%	5.0%	NA	6.5%	United States	\$ 5,446.7	1.7x	34.3x	1.6x	24.0x
Ingles Markets, Incorporated	\$ 5,382	\$ 491	25.6%	9.1%	NA	NA	United States	\$ 2,089.4	0.4x	4.3x	NM	NM
Natural Grocers by Vitamin Cottage, Inc.	\$ 1,080	\$ 68	32.5%	6.3%	NA	NA	United States	\$ 725.7	0.7x	10.6x	NM	NM
Seneca Foods Corporation	\$ 1,385	\$ 117	10.7%	8.4%	NA	NA	United States	\$ 619.9	0.4x	5.3x	NM	NM
SpartanNash Company	\$ 9,037	\$ 207	15.9%	2.3%	NA	2.5%	United States	\$ 1,823.2	0.2x	8.8x	0.2x	8.0x
Sprouts Farmers Market, Inc.	\$ 6,166	\$ 470	36.4%	7.6%	NA	7.0%	United States	\$ 3,973.9	0.6x	8.5x	0.6x	8.8x
The Kroger Co.	\$ 141,190	\$ 7,239	22.4%	5.1%	NA	4.8%	United States	\$ 53,218.5	0.4x	7.4x	0.4x	7.5x
Village Super Market, Inc.	\$ 2,070	\$ 72	28.2%	3.5%	NA	NA	United States	\$ 616.7	0.3x	8.5x	NM	NM
Weis Markets, Inc.	\$ 4,322	\$ 259	27.0%	6.0%	NA	NA	United States	\$ 1,916.9	0.4x	7.4x	NM	NM

25th Percentile	21.6%	3.9%	NM	2.5%
Mean	25.9%	3.2%	NM	3.5%
Median	27.6%	6.0%	NM	4.8%
75th Percentile	30.5%	7.3%	NM	6.5%

25th Percentile	0.4x	6.2x	0.3x	7.2x
Mean	0.6x	10.2x	0.6x	10.8x
Median	0.4x	8.5x	0.5x	8.4x
75th Percentile	0.7x	10.4x	0.9x	13.9x

Ingredients	LTM Results		LTM Margins		1Yr FWD Margins		Country	Enterprise Value	TEV / LTM:		TEV / 1Yr FWD:	
	Revenue	EBITDA	Gross	EBITDA	Gross	EBITDA			Revenue	EBITDA	Revenue	EBITDA
Balchem Corporation	\$ 842	\$ 184	30.4%	21.8%	NA	21.6%	United States	\$ 4,240.2	5.03x	23.06x	4.2x	19.4x
Darling Ingredients Inc.	\$ 5,061	\$ 918	26.0%	18.1%	NA	27.3%	United States	\$ 11,509.6	2.27x	12.54x	1.9x	7.0x
Ingredion Incorporated	\$ 7,172	\$ 912	18.9%	12.7%	NA	12.8%	United States	\$ 7,851.9	1.09x	8.61x	1.0x	7.9x
International Flavors & Fragrances Inc.	\$ 12,417	\$ 2,822	36.2%	22.7%	NA	20.2%	United States	\$ 42,274.3	3.40x	14.98x	3.3x	16.4x
Lamb Weston Holdings, Inc.	\$ 3,953	\$ 598	19.6%	15.1%	NA	18.7%	United States	\$ 12,646.0	3.20x	21.15x	2.7x	14.3x
RiceBran Technologies	\$ 33	\$ (4)	0.8%	(12.9%)	NA	NA	United States	\$ 37.5	1.13x	NM	NM	NM
Sensient Technologies Corporation	\$ 1,376	\$ 225	33.7%	16.4%	NA	17.6%	United States	\$ 3,891.5	2.83x	17.26x	2.6x	14.7x
Whole Earth Brands, Inc.	\$ 519	\$ 54	30.6%	10.5%	NA	16.2%	United States	\$ 675.7	1.30x	12.45x	1.2x	7.7x

25th Percentile	19.1%	11.0%	NM	16.2%
Mean	24.5%	13.1%	NM	19.2%
Median	28.2%	15.8%	NM	18.7%
75th Percentile	32.9%	20.9%	NM	21.6%

























25th Percentile	1.2x	12.4x	1.2x	7.7x
Mean	2.5x	15.7x	2.4x	12.5x
Median	2.6x	15.0x	2.6x	14.3x
75th Percentile	3.4x	21.2x	3.3x	16.4x

Source(s): S&P Capital IQ  
Note(s): Data presented as of 06/30/2022

# Appendix

























## Precedent Transaction Analysis Support

(\$ in millions)

Announced	Closed	Target	Category	Acquirer	Target Business Description	EV	EV/EBITDA
Jun-22	Jul-22	 <b>GREEN RIVER</b> SPIRITS COMPANY™	Beverage	 <b>BARDSTOWN</b> BOURBON COMPANY™	Green River Spirits Company engages in the distillation and production of spirits	ND	ND
Jun-22	Jun-22	 <b>AQUILA</b>	Beverage	 <b>HAPPINES</b>	Beer brewing and restaurants business of Aquila comprises brewing production and restaurant management business	ND	ND
Jun-22	-	 <b>Berry</b> Gardens	Food Distribution	 <b>Driscoll's</b>	Berry Gardens Limited markets and distributes berry and stone fruits in the United Kingdom	ND	ND
June-22	-	 <b>JLG</b>	Food Distribution	 <b>CSFI</b> PT CIKAP SAMUDERA FISHING INDUSTRY Tbk	PT Jembatan Lintas Global engages in the wholesale of fishery products	1.9	ND
Jun-22	Aug-22	 <b>CLIF</b> BAR	Food Products	 <b>Mondelēz</b> International	Clif Bar & Company produces nutritious and organic foods	2,900.0	ND
Jun-22	-	 <b>Modern Times</b> BEER	Beverage	 <b>BREWERY X</b> EST. 2011	Modern Times Drinks, Inc., along with its subsidiaries, engages in producing beers and coffee	20.0	ND
Jun-22	Jul-22	 <b>San Miguel</b>	Ingredients	 <b>CITRIC</b>	San Miguel Fruits South Africa (Pty) Ltd produces citrus fruits	ND	ND
Jun-22	-	 <b>Yoke's</b> FRESH MARKET	Food Retail	 <b>Yoke's</b> FRESH MARKET	Missoula Fresh Market operates as a grocery store	ND	ND
Jun-22	-	 <b>CARDENAS</b>	Food Retail	 <b>APOLLO</b>	Cardenas Markets, Inc. owns and operates a chain of supermarkets	ND	ND
Jun-22	-	 <b>Rio Ranch</b> MARKET	Food Retail	 <b>CARDENAS</b>	Rio Ranch Markets owns and operates a chain of supermarkets in Southern California	ND	ND
Jun-22	Jun-22	 <b>AGRI</b> COOL	Ingredients	 <b>vif</b>	Agricoor SAS grows food products in containers which include strawberries	ND	ND
Jun-22	-	 <b>BRIDGETOWN</b> MUSHROOMS	Ingredients	 <b>GrowLife</b>	Certain assets, properties, rights and interests of Bridgetown Mushrooms, LLC comprises mushrooms growing business	0.7	ND

























Source(s): S&P Capital IQ  
Note(s): Data presented as of 06/30/2022

# Appendix

(\$ in millions)							
Announced	Closed	Target	Category	Acquirer	Target Business Description	EV	EV/EBITDA
Jun-22	Jun-22		Ingredients		Zafron Foods Ltd manufactures mayonnaise, sauces, condiments, dressings, chutneys, and deli fillers	ND	ND
May-22	May-22		Food Retail		Peter Thompson Group Ltd engages in selling chicken cuts, beef, and pork from its market shop and online	ND	ND
May-22	-		Food Distribution		Accelerated Trading and Technologies owns Akeed, an online food delivery platform that allows customers to order food	10.0	ND
May-22	May-22		Food Retail		Kiwi Mart operates a chain of convenience stores that sells French, Thai, and local brand products	ND	ND
May-22	-		Beverage		32 liquor brands of United Spirits Limited comprises 32 brands, including Haywards, Old Tavern etc.	106.8	ND
May-22	May-22		Restaurants		Chilango Ltd. operates Mexican restaurants. It offers burritos, tacos, fast foods, salads, and food and drinks to customers	3.5	ND
May-22	Jun-22		Food Products		Dippin' Dots, LLC produces and sells beaded ice cream products worldwide	222.0	ND
May-22	Jul-22		Restaurants		Yukjun F&C owns and operates hip pub chain	77.7	ND
May-22	Oct-21		Beverage		RDPL's operating business comprises alcoholic beverages manufacturing business	1.2	ND
May-22	-		Food Retail		Business and Assets of McColl's Retail Group plc comprises convenience stores	197.0	ND
May-22	-		Food Products		Dumex Baby Food Co., Ltd. manufactures and sells infant food and milk powders under the brand name Dumex in China	130.5	ND
May-22	Aug-22		Food Products		FASA Group produces poultry food products	555.7	ND

Source(s): S&P Capital IQ  
Note(s): Data presented as of 06/30/2022

# Appendix

(\$ in millions)							
Announced	Closed	Target	Category	Acquirer	Target Business Description	EV	EV/EBITDA
May-22	Mar-22		Beverage		Charlotte, N.C. Production Facility comprises nonalcoholic beverage production business	60.0	ND
Apr-22	-		Food Products		Dharmya Business Ventures Pvt Ltd manufactures food products	161.0	ND
Apr-22	Apr-22		Ingredients		Ascender S.A. produces sauces, gourmet products, and light dressings for meats and salad dressings	20.0	ND
Apr-22	Jul-22		Food Products		Club Coffee LP operates as a roaster, contract manufacturer, and distributor of packaged coffees	117.2	ND
Apr-22	Apr-22		Restaurants		Hotel YVE Miami operates a restaurant in Florida	25.8	ND
Apr-22	-		Food Distribution		Substantially All of the Assets of Sealand Food, Inc. comprises seafood supply business	20.0	ND
Apr-22	-		Restaurants		Abuzaid Restaurants Company Ltd engages in the field of preparing and serving popular foods	20.0	ND
Apr-22	-		Food Distribution		SM Broilers Sdn Bhd. markets and distributes poultry products	0.7	1.4x
Apr-22	-		Food Distribution		Lunching.pl Sp. z o.o. owns and operates an online food ordering and delivery platform	3.9	ND
Apr-22	Apr-22		Restaurants		Lake Macquarie Tavern Pty Ltd operates as a tavern in Australia	24.6	ND
Apr-22	-		Ingredients		Blum Distributors Ltd. engages in the cultivation, distribution, and sale of mushroom growing products to commercial	3.1	ND
Apr-22	Apr-22		Restaurants		Le Groupe Resto-Achats inc. owns and operates restaurant	3.6	ND

Source(s): S&P Capital IQ  
Note(s): Data presented as of 06/30/2022