



Food & Beverage Quarterly Newsletter

Q2 2023

Food & Beverage Q2 2023 Commentary

Mergers and acquisitions (M&A) activity in the U.S. food and beverage (F&B) industry picked up pace in Q2 2023 as a result of greater selling pressure in the industry and buyers with available dry powder. Global shortages and supply chain constraints have been hampering raw material flow in the industry.

A total of 138 M&A transactions were announced or completed in the U.S. in Q2 2023, up by ~31.4% compared with Q1 2023 which had 105 transactions. Within the F&B industry, M&A deals with disclosed multiples transacted at an average EV/EBITDA multiple of 10.1x during Q2 2023, with the food products segment witnessing the highest transaction volume with 46 transactions, followed by the beverages sector with 33 transactions. Driven by the announcement of Ruth's Hospitality Group's acquisition by Darden Restaurants for \$966 million, the total transaction value for Q2 2023 was ~\$2.8 billion compared to ~\$2.4 billion in Q1 2023.

Strategic buyers still account for the majority of M&A activity at 81% in the F&B space with the trend expected to continue as interest rate increases have had a cooling effect on leveraged buyouts by financial buyers. In Q2 2023, 344 M&A transactions were announced or closed globally at an average TEV/Revenue and TEV/EBITDA multiple of 3.2x and 11.9x, respectively.

Additionally, the relative stock price performance of the F&B industry outperformed the broader S&P 500 index, which has been decreasing since the beginning of 2022. By the end of Q2 2023, publicly traded food retail and restaurant businesses outperformed the S&P 500, suggesting increased investor confidence in these companies. Meanwhile, publicly traded beverage companies topped the charts in terms of median TEV/EBITDA multiple, which stood at 19.0x.

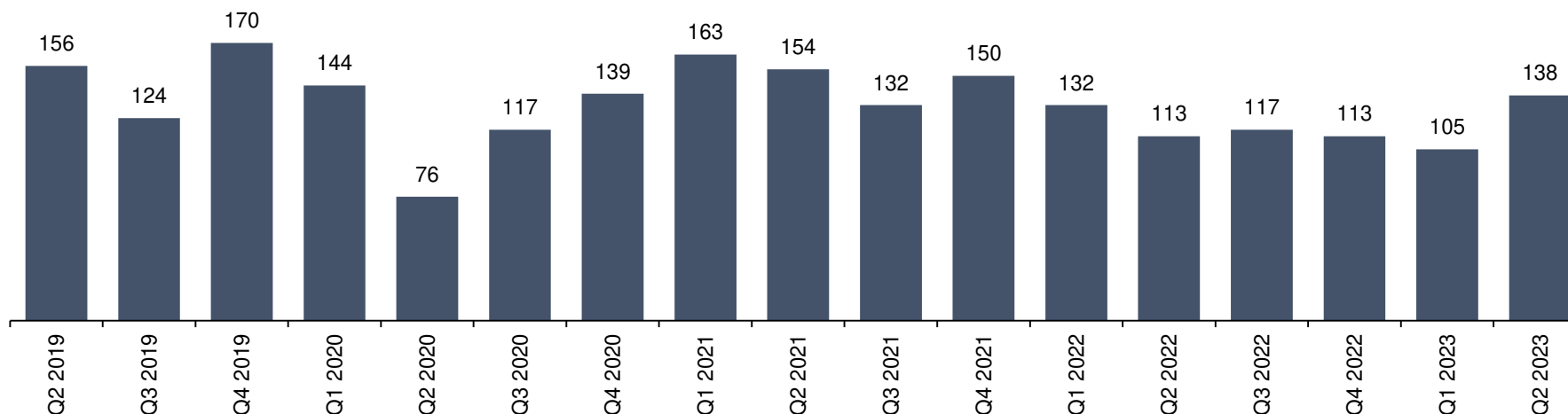
In Q2 2023 the F&B industry experienced an increase in consolidation with a focus on sustainability, health, digital transformation, and international expansion. Consumers are choosing not to visit restaurants as a result of high prices due to inflation. For the first time since inflation began to rise in mid-2021, restaurant prices have outpaced grocery prices on a 12-month basis¹. In addition, consumers are looking for easy to cook snack options which has contributed to sales growth of frozen products. The growing demand for frozen foods creates the need for more cold chain storage and an efficient supply chain. This leads to opportunities in the possible convergence of industries in the value chain. Environmental, social, and governance (ESG) is a significant trend impacting the F&B space, driven by the growing attention on companies' impact on the environment, the customers they serve, and their practices across the value chain².

Financial Indicators point towards a possible recession driven by concerns about potential bank failures, this has made public companies focus on internally generated profits to counteract the negative market sentiments¹. Vendor relationships have become a prime concern amongst the largest industry players due to the scarcity of key industry material due to global shortages driven by the Russia-Ukraine War³ and the likelihood of a drought in the Midwestern United States⁴. There is a focus on marketing as consumers seek to shift to cheaper alternatives.

Rising costs of raw materials and labor remain a priority issue for F&B companies⁵. Consumers are beginning to push back on rising prices, indicating further price increases are becoming more difficult to implement. There continues to be an abundant amount of capital in the market from excess cash on the balance sheets of public companies and private equity firms. Sellers in the market need to accept that it is a buyer's market and have to agree to prices that were considered unacceptable two or three years ago. Buyers seek to consolidate the market to enhance product offering rosters to cater to a larger demographic.

Food & Beverage – U.S. M&A Market Overview¹

Number of Closed M&A Transactions

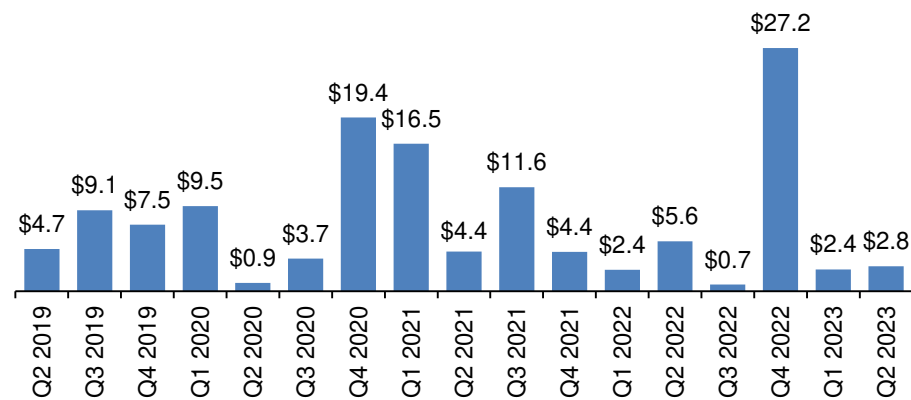
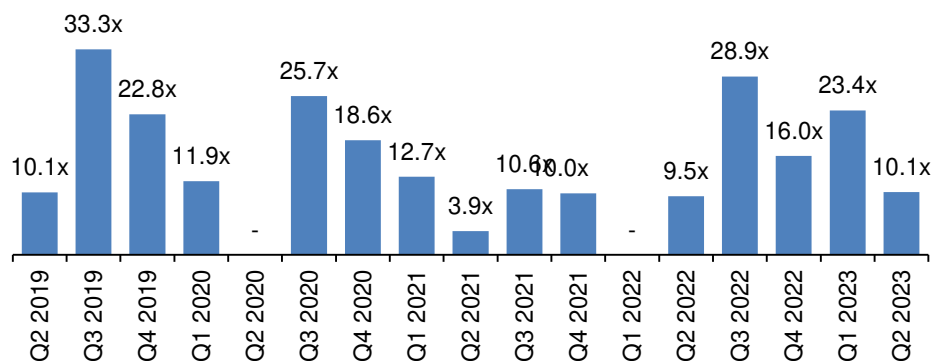


Mean TEV/EBITDA Multiples²

There were only two acquisitions with disclosed multiples in Q2 2023: Martin E. Franklin proposed to acquire remaining 78.9% stake in Whole Earth Brands, Inc. and Darden Restaurants, Inc. announced the acquisition of Ruth's Hospitality Group, Inc.

Total Transaction Value (\$B)²

The spike in the total transaction value in Q4 2022 is due to the acquisition of Albertsons Companies by Kroger for a total consideration of ~\$24.6 billion.

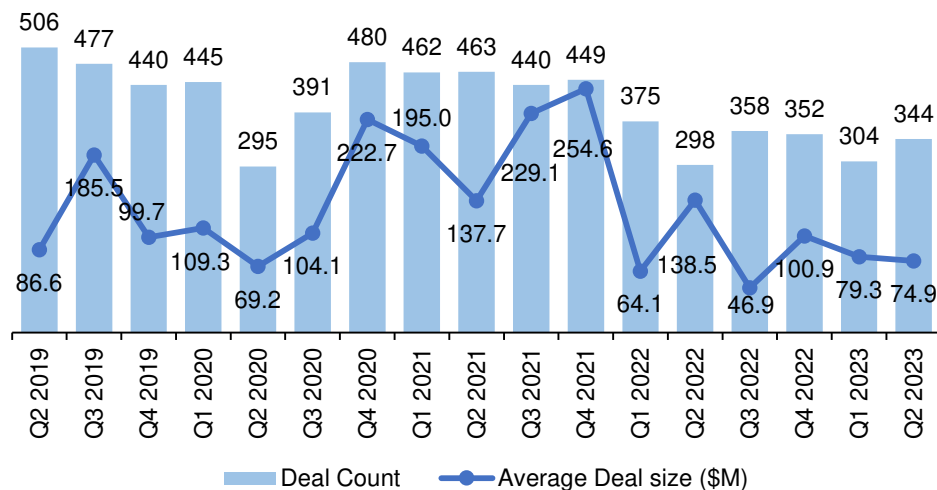


Source(s): S&P Capital IQ
 Note(s): 1 U.S. data presented as of 06/30/2023

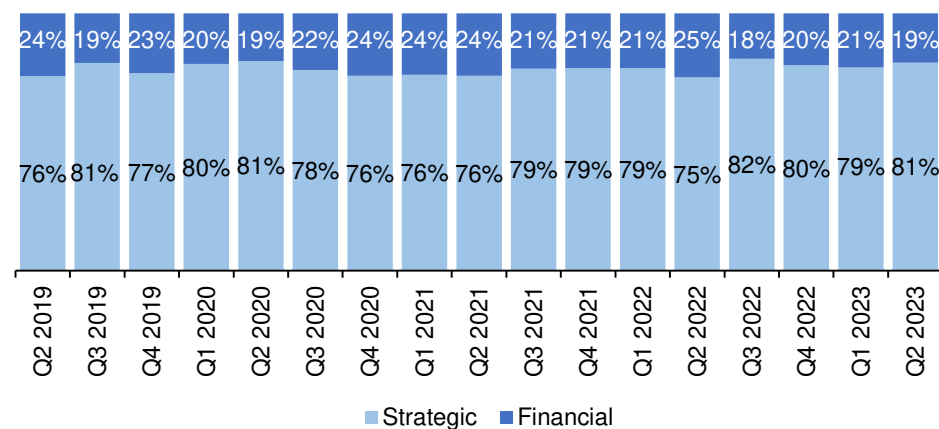
2 The mean TEV/EBITDA multiples and total transaction value based on publicly available transaction information

Food & Beverage – Global M&A Market Overview¹

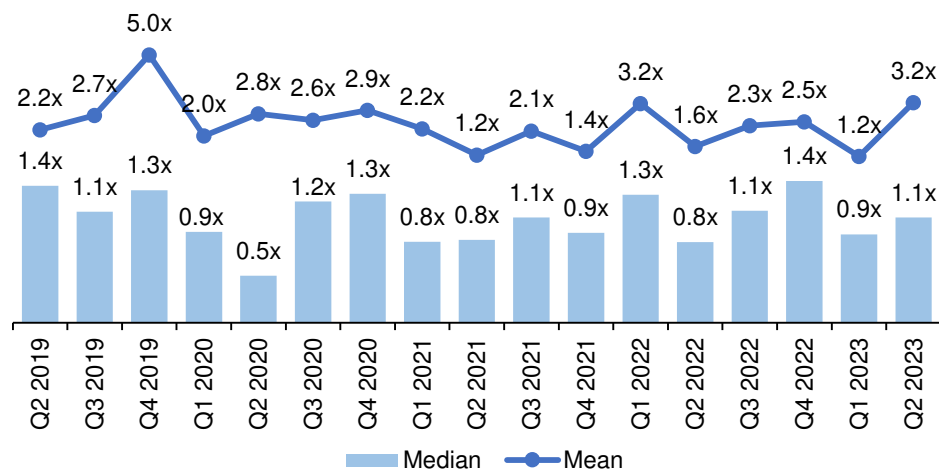
M&A Transaction Volume Quarterly



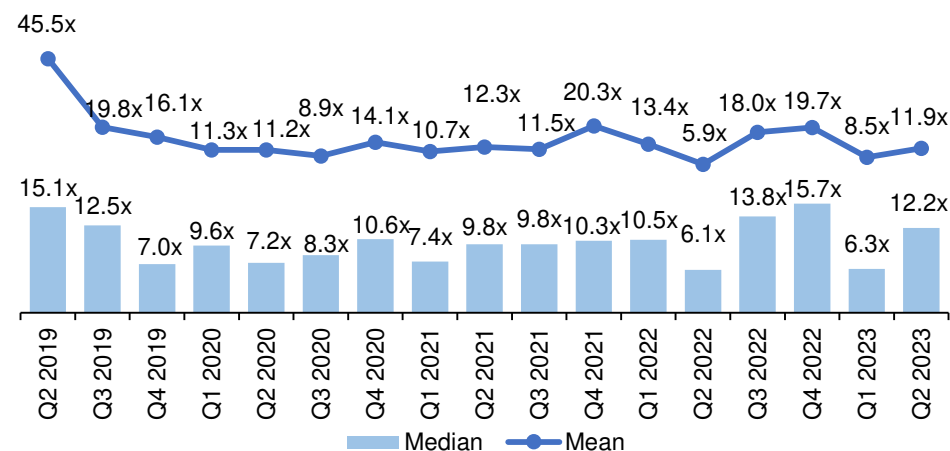
Strategic vs. Financial Buyer



Mean and Median TEV/Revenue



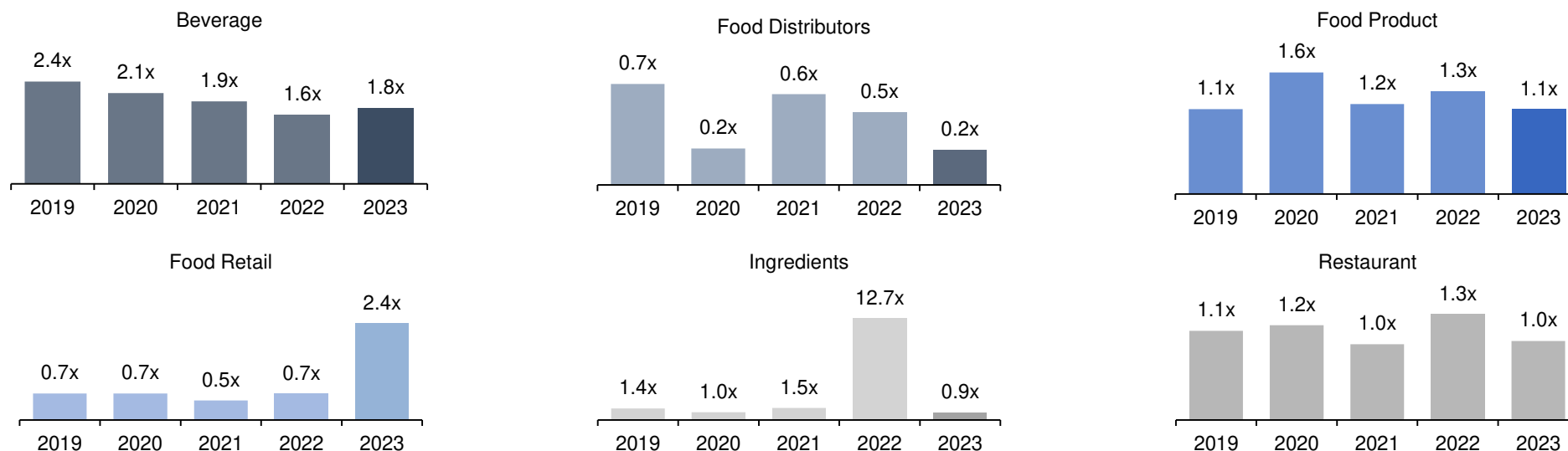
Mean and Median TEV/EBITDA



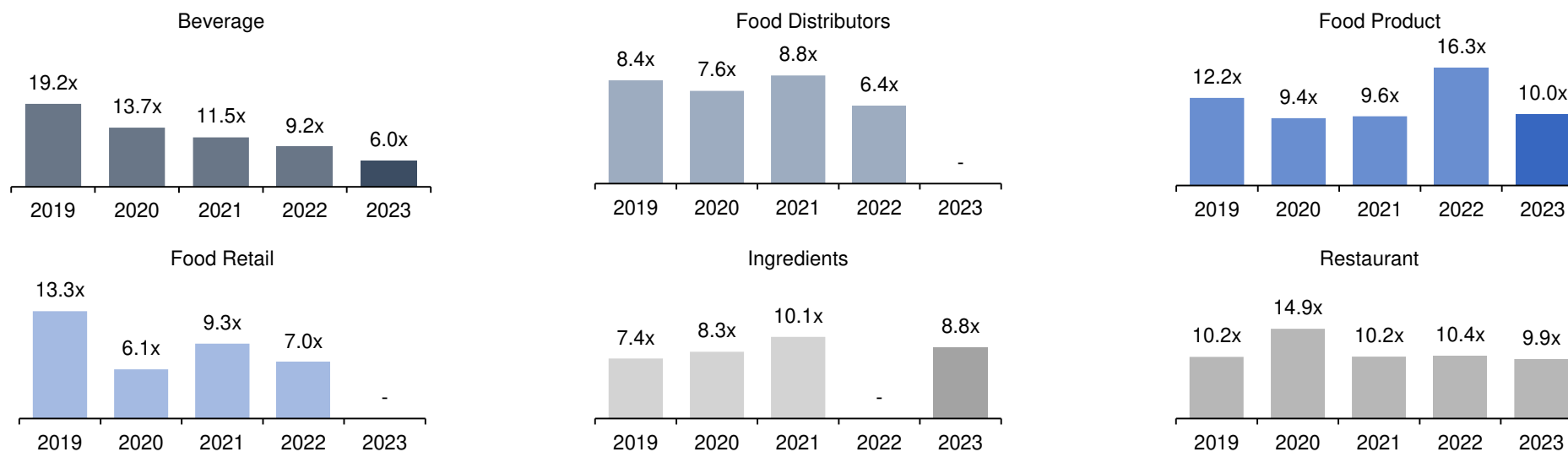
Source(s): S&P Capital IQ
 Note(s): 1 Global M&A market data presented as of 06/30/2023

Food & Beverage – Global Precedent Transactions Analysis^{1,2}

Precedent Transactions Analysis – Median TEV/Revenue










Precedent Transactions Analysis – Median TEV/EBITDA



Source(s): S&P Capital IQ
 Note(s): 1 2023 data presented as of 06/30/2023

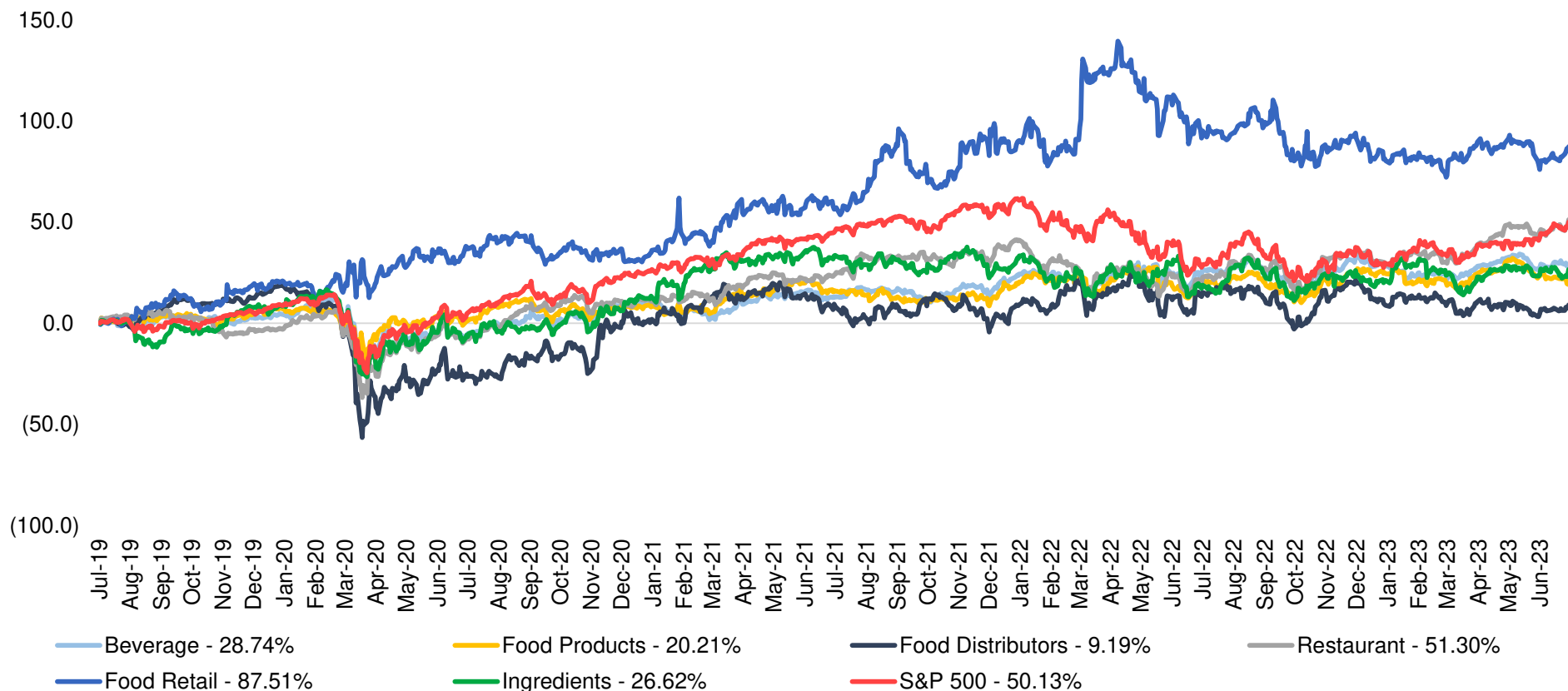
2 Precedent transactions analysis based on global food and beverage median TEV/Revenue and TEV/EBITDA multiples

Notable M&A Transactions in the U.S. in Q2 2023

Date Announced	Target	Category	Acquirer	Seller	Target Business Description
Jun-23		Food Product	Martin Franklin	N/A	<ul style="list-style-type: none"> ◆ Whole Earth Brands, Inc. operates as a global food company. It operates through two segments, Branded CPG and Flavors & Ingredients. ◆ Martin Franklin submitted a non-binding proposal of \$4 per share in cash for the health food company, according to a regulatory filing. ◆ Franklin already owns more than 21% of the company. He wants to combine Whole Earth Brands with another consumer company he controls, charcoal seller Royal Oak Enterprises, according to the filing.
May-23		Beverage		N/A	<ul style="list-style-type: none"> ◆ Penelope Bourbon LLC produces and sells whiskey. ◆ The acquisition includes all intellectual property and inventory of bottled products, as well as Penelope's aging whiskey inventory on a debt- and cash-free basis. ◆ This acquisition aligns well with Luxco's premiumization strategy and focus on growing high potential, high margin brands. Penelope is an excellent addition to the Branded Spirits portfolio as the company looks to expand its availability throughout their national distribution platform.
May-23		Restaurant		N/A	<ul style="list-style-type: none"> ◆ Ruth's Hospitality Group, Inc., together with its subsidiaries, develops, operates, and franchises fine dining restaurants under the Ruth's Chris Steak House name. ◆ Ruth's, owner and operator of Ruth's Chris Steak House (Ruth's Chris), will complement Darden's portfolio of differentiated brands which currently includes Olive Garden, LongHorn Steakhouse, Yard House, Cheddar's Scratch Kitchen, The Capital Grille, Seasons 52, Bahama Breeze, and Eddie V's.
Apr-23		Beverage		Copec	<ul style="list-style-type: none"> ◆ MAPCO Express, Inc. operates a chain of convenience stores in the southeastern United States. ◆ The acquisition is contingent on a separate transaction with MAPCO sites selling to Laval, Quebec-based Alimentation Couche-Tard Inc. ◆ The transaction includes the MAPCO My Rewards loyalty program, the MAPCO brand, and a leading retail fuel and convenience store chain in the southeastern United States.

Food & Beverage - Public Company Comparable Analysis¹

F&B Industry Relative Stock Price Performance



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

Food Distributors – SYY, 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, CASY, GO, SFM, IMKT.A, WMK, SPTN, NGVC, SENE.A, VLGE.A, BTTR

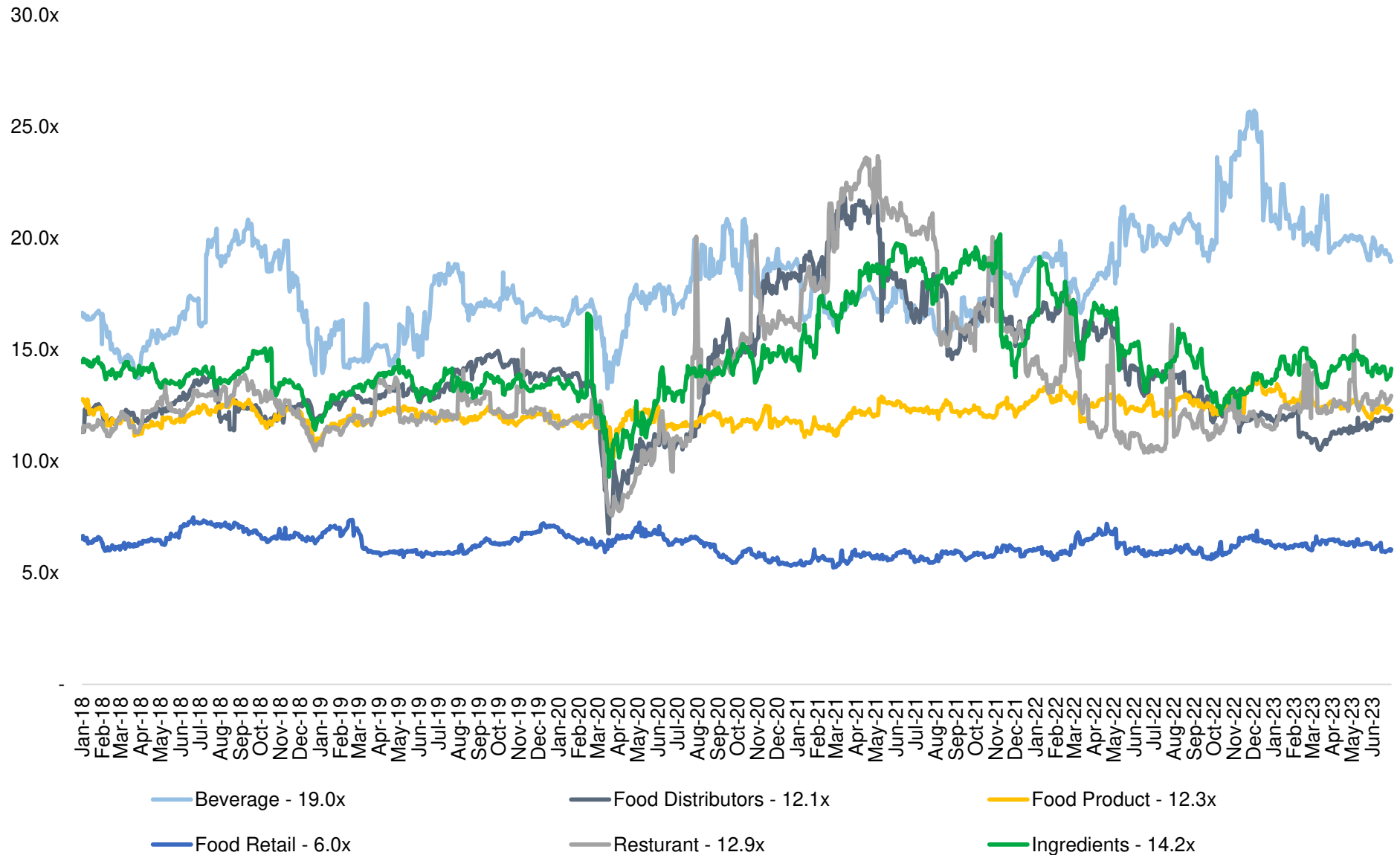
Ingredients – IFF, LW, DAR, BCPC, INGR, SXT, FREE, RIBT

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

Source(s): S&P Capital IQ
 Note(s): 1 Data presented as of 06/30/2023

Food & Beverage - Public Company Comparable Analysis¹

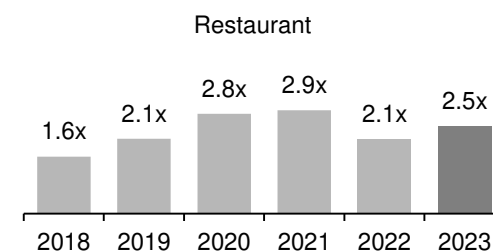
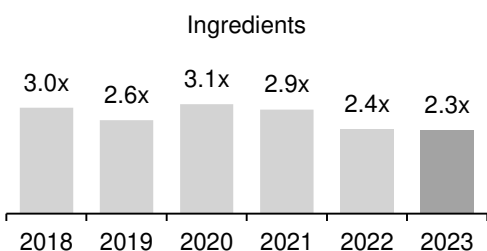
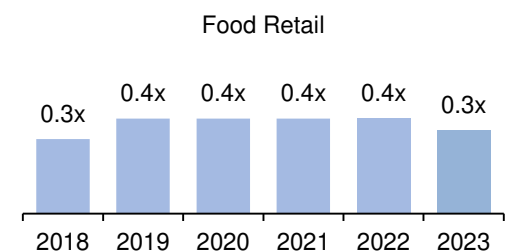
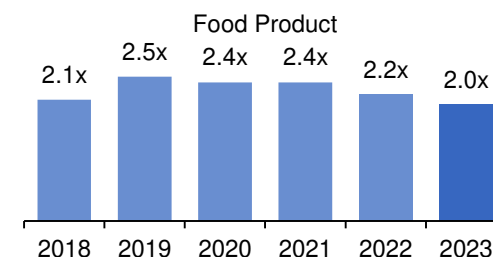
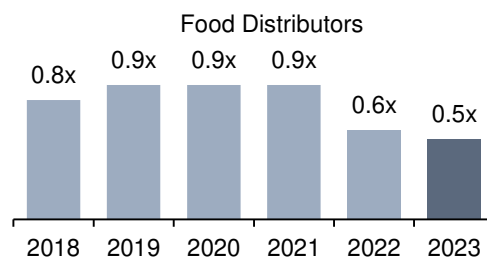
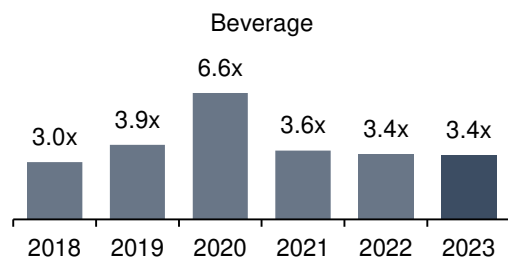
F&B Industry Performance – Median EV/EBITDA



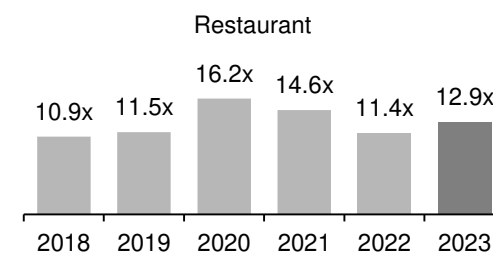
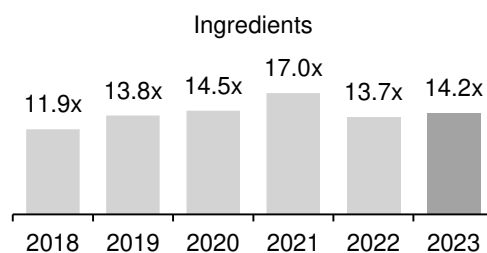
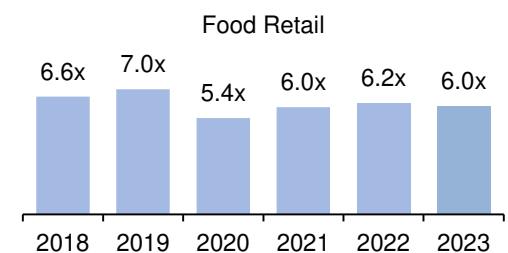
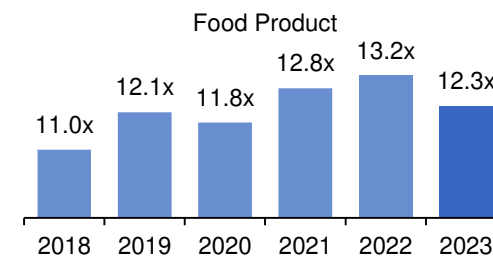
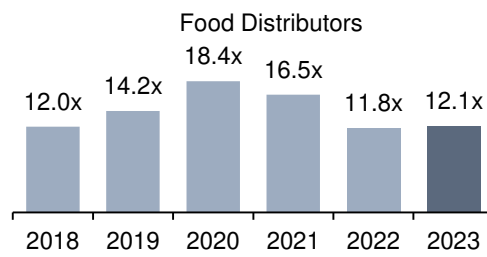
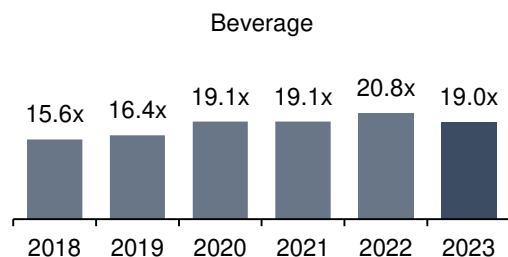
Source(s): S&P Capital IQ
 Note(s): 1 Data presented as of 06/30/2023

Food & Beverage - Public Company Comparable Analysis¹

Public Comparables – Median TEV/Revenue



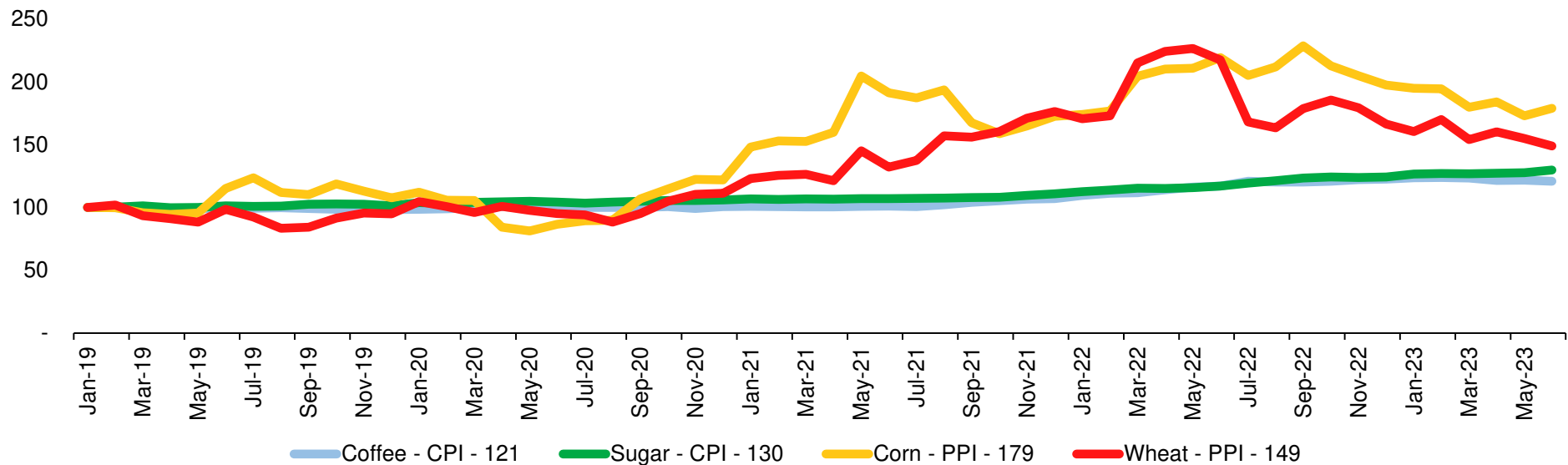
Public Comparables – Median TEV/EBITDA



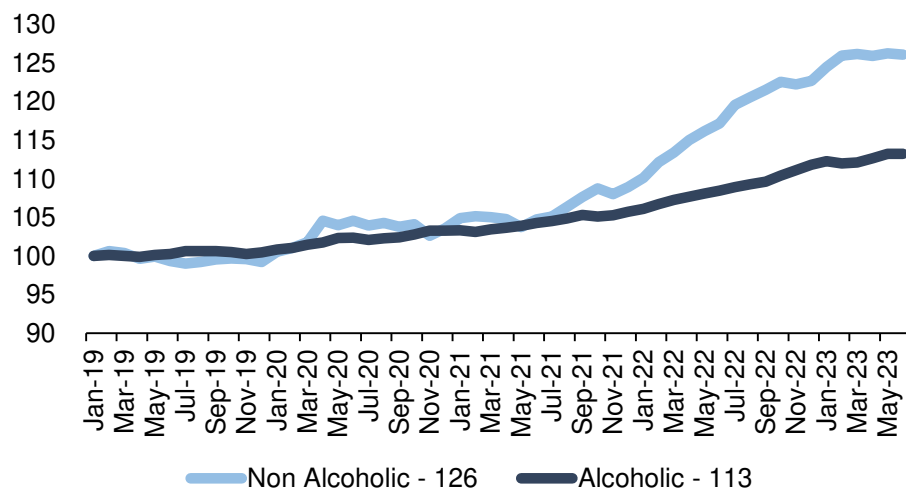
Source(s): S&P Capital IQ
 Note(s): 1 2023 data presented as of 06/30/2023

Food & Beverage – Price Indices¹

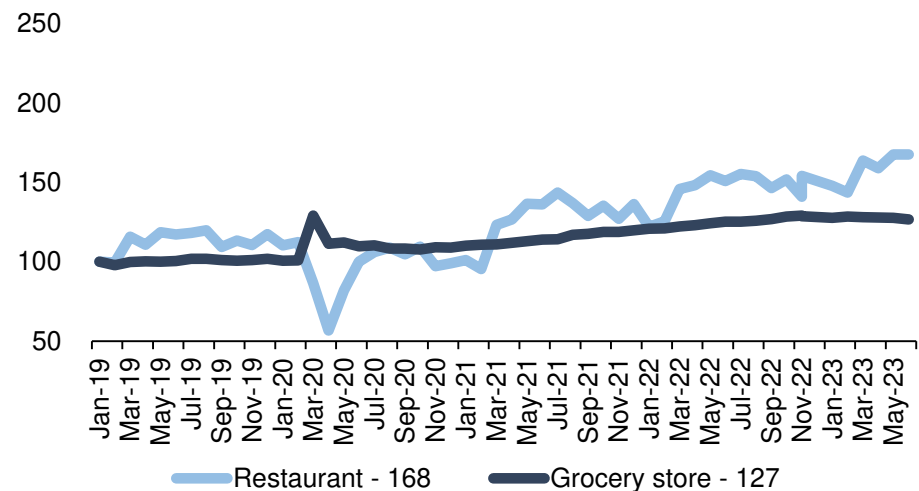
Food Commodity Price Indices



Beverage Consumer Price Indices



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 06/30/2023

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 and 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

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Our Service Offerings

Custom-Tailored Advisory Services

Sell-Side M&A

Every mergers and acquisitions (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 tailor 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.	\$ 7	\$ (5)	15.1%	(65.4%)	NA	5.0%	United States	\$ 17.9	2.4x	NM	1.2x	24.0x
Brown-Forman Corporation	\$ 4,228	\$ 1,313	59.0%	31.1%	NA	32.9%	United States	\$ 34,854.3	8.2x	26.5x	7.7x	23.5x
Constellation Brands, Inc.	\$ 9,604	\$ 3,270	49.7%	34.0%	NA	36.9%	United States	\$ 57,603.5	6.0x	17.6x	5.6x	15.3x
Keurig Dr Pepper Inc.	\$ 14,567	\$ 3,739	52.7%	25.7%	NA	28.7%	United States	\$ 57,696.1	4.0x	15.4x	3.8x	13.2x
Lifeway Foods, Inc.	\$ 151	\$ 12	24.8%	8.2%	NA	0.0%	United States	\$ 96.9	0.6x	7.8x	0.6x	NM
Molson Coors Beverage Company	\$ 11,178	\$ 1,956	34.9%	17.5%	NA	19.9%	United States	\$ 20,895.2	1.9x	10.7x	1.8x	9.0x
Monster Beverage Corporation	\$ 6,691	\$ 1,884	52.2%	28.2%	NA	30.2%	United States	\$ 57,105.5	8.5x	30.3x	7.5x	24.9x
National Beverage Corp.	\$ 1,173	\$ 207	33.8%	17.6%	NA	20.3%	United States	\$ 4,392.1	3.7x	21.2x	3.7x	18.1x
PepsiCo, Inc.	\$ 90,135	\$ 15,392	53.7%	17.1%	NA	18.8%	United States	\$ 291,872.3	3.2x	19.0x	3.1x	16.5x
Splash Beverage Group, Inc.	\$ 21	\$ (17)	33.0%	(80.3%)	NA	(32.9%)	United States	\$ 50.1	2.4x	NM	1.6x	NM
The Boston Beer Company, Inc.	\$ 2,070	\$ 194	40.8%	9.4%	NA	12.0%	United States	\$ 3,680.6	1.8x	19.0x	1.8x	14.7x
The Coca-Cola Company	\$ 44,140	\$ 13,804	58.5%	31.3%	NA	32.7%	United States	\$ 291,649.1	6.6x	21.1x	6.3x	19.3x
The Vita Coco Company, Inc.	\$ 465	\$ 40	30.0%	8.6%	NA	14.2%	United States	\$ 1,484.1	3.2x	37.2x	3.2x	22.3x

25th Percentile	31.5%	8.4%	NM	8.5%
Mean	41.4%	6.4%	NM	16.8%
Median	40.8%	17.5%	NM	19.9%
75th Percentile	53.2%	29.6%	NM	31.4%

25th Percentile	2.1x	15.4x	1.7x	14.7x
Mean	4.0x	20.5x	3.7x	18.3x
Median	3.2x	19.0x	3.2x	18.1x
75th Percentile	6.3x	26.5x	6.0x	23.5x

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.	\$ 345	\$ (59)	32.8%	(17.1%)	NA	2.5%	United States	\$ 417.3	1.2x	NM	0.9x	37.6x
Calavo Growers, Inc.	\$ 1,056	\$ 20	6.5%	1.9%	NA	4.9%	United States	\$ 597.7	0.6x	29.3x	0.6x	11.6x
Cal-Maine Foods, Inc.	\$ 3,146	\$ 1,036	38.0%	32.9%	NA	5.0%	United States	\$ 1,558.2	0.5x	1.5x	0.8x	15.9x
HF Foods Group Inc.	\$ 1,179	\$ 17	17.2%	1.4%	NA	NA	United States	\$ 435.0	0.4x	25.6x	NM	NM
John B. Sanfilippo & Son, Inc.	\$ 1,023	\$ 110	20.8%	10.8%	NA	NA	United States	\$ 1,397.7	1.4x	12.7x	NM	NM
Performance Food Group Company	\$ 52,980	\$ 1,150	11.5%	2.2%	NA	2.5%	United States	\$ 14,107.8	0.3x	12.3x	0.2x	9.5x
Sysco Corporation	\$ 75,554	\$ 3,784	18.2%	5.0%	NA	5.4%	United States	\$ 48,584.2	0.6x	12.8x	0.6x	11.4x
The Chefs' Warehouse, Inc.	\$ 3,055	\$ 142	23.7%	4.6%	NA	6.1%	United States	\$ 2,183.7	0.7x	15.4x	0.6x	9.9x
United Natural Foods, Inc.	\$ 30,128	\$ 610	14.0%	2.0%	NA	1.8%	United States	\$ 4,437.6	0.1x	7.3x	0.1x	7.9x
US Foods Holding Corp.	\$ 34,801	\$ 1,173	16.4%	3.4%	NA	4.4%	United States	\$ 16,000.9	0.5x	13.6x	0.4x	10.0x

25th Percentile	13.4%	1.8%	NM	2.5%
Mean	19.9%	4.7%	NM	4.1%
Median	17.7%	2.8%	NM	4.7%
75th Percentile	26.0%	6.4%	NM	5.3%

25th Percentile	0.3x	9.8x	0.3x	9.6x
Mean	0.6x	14.5x	0.5x	14.2x
Median	0.5x	12.8x	0.6x	10.7x
75th Percentile	0.8x	20.5x	0.7x	14.8x

Source(s): S&P Capital IQ
 Note(s): Data presented as of 06/30/2023

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.	\$ 2,142	\$ 296	20.2%	13.8%	NA	15.2%	United States	\$ 3,322.0	1.6x	11.2x	1.6x	10.3x	
Campbell Soup Company	\$ 9,276	\$ 1,646	30.7%	17.7%	NA	18.9%	United States	\$ 18,448.8	2.0x	11.2x	2.0x	10.3x	
Conagra Brands, Inc.	\$ 12,277	\$ 2,254	26.6%	18.4%	NA	19.3%	United States	\$ 25,575.5	2.1x	11.3x	2.1x	10.7x	
Flowers Foods, Inc.	\$ 4,904	\$ 483	47.4%	9.8%	NA	10.3%	United States	\$ 6,607.8	1.3x	13.7x	1.3x	12.3x	
Fresh Del Monte Produce Inc.	\$ 4,402	\$ 280	8.7%	6.4%	NA	5.7%	Cayman Islands	\$ 1,956.0	0.4x	7.0x	0.4x	7.6x	
General Mills, Inc.	\$ 20,094	\$ 3,694	32.6%	18.4%	NA	20.4%	United States	\$ 56,496.0	2.8x	15.3x	2.7x	13.4x	
Hormel Foods Corporation	\$ 12,267	\$ 1,475	16.8%	12.0%	NA	12.7%	United States	\$ 24,681.4	2.0x	16.7x	2.0x	15.5x	
J&J Snack Foods Corp.	\$ 1,515	\$ 155	29.0%	10.2%	NA	13.1%	United States	\$ 3,149.2	2.1x	20.3x	2.0x	15.2x	
Kellogg Company	\$ 15,696	\$ 1,945	29.8%	12.4%	NA	16.2%	United States	\$ 30,656.9	2.0x	15.8x	1.9x	11.7x	
Lancaster Colony Corporation	\$ 1,823	\$ 218	21.3%	11.9%	NA	15.2%	United States	\$ 5,469.0	3.0x	25.1x	2.8x	18.3x	
McCormick & Company, Incorporated	\$ 6,516	\$ 1,170	36.4%	18.0%	NA	18.7%	United States	\$ 28,195.6	4.3x	24.1x	4.1x	21.9x	
Mondelez International, Inc.	\$ 34,131	\$ 6,791	36.7%	19.9%	NA	19.6%	United States	\$ 118,572.6	3.5x	17.5x	3.2x	16.4x	
Pilgrim's Pride Corporation	\$ 17,070	\$ 876	5.9%	5.1%	NA	6.7%	United States	\$ 8,467.5	0.5x	9.7x	0.5x	7.4x	
Post Holdings, Inc.	\$ 6,625	\$ 954	26.0%	14.4%	NA	15.7%	United States	\$ 11,216.8	1.7x	11.8x	1.4x	9.3x	
The Hain Celestial Group, Inc.	\$ 1,806	\$ 143	21.3%	7.9%	NA	9.8%	United States	\$ 2,028.3	1.1x	14.2x	1.1x	11.3x	
The Hershey Company	\$ 10,741	\$ 2,709	43.2%	25.2%	NA	27.7%	United States	\$ 55,602.8	5.2x	20.5x	4.8x	17.4x	
The J. M. Smucker Company	\$ 8,529	\$ 1,611	32.9%	18.9%	NA	21.5%	United States	\$ 18,362.7	2.2x	11.4x	2.4x	11.1x	
The Kraft Heinz Company	\$ 26,929	\$ 6,017	31.0%	22.3%	NA	23.3%	United States	\$ 63,119.9	2.3x	10.5x	2.3x	9.9x	
The Simply Good Foods Company	\$ 1,196	\$ 214	36.3%	17.9%	NA	20.2%	United States	\$ 3,941.1	3.3x	18.4x	3.0x	15.0x	
TreeHouse Foods, Inc.	\$ 3,610	\$ 348	16.4%	9.6%	NA	9.9%	United States	\$ 4,413.3	1.2x	12.7x	1.2x	11.6x	
Tyson Foods, Inc.	\$ 53,625	\$ 3,538	8.3%	6.6%	NA	4.9%	United States	\$ 26,592.4	0.5x	7.5x	0.5x	10.0x	
Utz Brands, Inc.	\$ 1,419	\$ 105	31.3%	7.4%	NA	13.2%	United States	\$ 3,016.2	2.1x	28.8x	2.0x	15.4x	
Vital Farms, Inc.	\$ 428	\$ 31	33.5%	7.3%	NA	7.8%	United States	\$ 416.6	1.0x	13.3x	0.9x	10.9x	
25th Percentile			20.2%	7.9%	NM	9.9%				1.2x	11.2x	1.2x	10.3x
Mean			27.1%	13.5%	NM	15.1%				2.1x	15.1x	2.0x	12.7x
Median			29.8%	12.4%	NM	15.2%				2.0x	13.7x	2.0x	11.6x
75th Percentile			33.5%	18.4%	NM	19.6%				2.8x	18.4x	2.7x	15.4x

Source(s): S&P Capital IQ
 Note(s): Data presented as of 06/30/2023

Appendix

Public Company Comparables – Restaurants

Restaurants	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	
BJ's Restaurants, Inc.	\$ 1,326	\$ 80	11.9%	6.0%	NA	8.5%	United States	\$ 1,244.7	0.9x	15.6x	0.9x	10.7x	
Bloomin' Brands, Inc.	\$ 4,548	\$ 544	17.4%	12.0%	NA	11.9%	United States	\$ 4,343.2	1.0x	8.0x	0.9x	7.7x	
Carrols Restaurant Group, Inc.	\$ 1,776	\$ 80	13.8%	4.5%	NA	6.9%	United States	\$ 1,548.5	0.9x	19.3x	0.8x	13.6x	
Chipotle Mexican Grill, Inc.	\$ 9,284	\$ 1,770	40.5%	19.1%	NA	19.4%	United States	\$ 61,723.7	6.6x	34.9x	5.9x	30.5x	
Chuy's Holdings, Inc.	\$ 442	\$ 52	20.5%	11.7%	NA	12.2%	United States	\$ 847.1	1.9x	16.8x	1.7x	14.7x	
Darden Restaurants, Inc.	\$ 10,488	\$ 1,560	19.9%	14.9%	NA	15.3%	United States	\$ 25,797.5	2.5x	16.5x	2.2x	14.6x	
Dine Brands Global, Inc.	\$ 860	\$ 212	45.5%	24.7%	NA	29.4%	United States	\$ 2,407.9	2.8x	11.4x	2.9x	9.8x	
Domino's Pizza, Inc.	\$ 4,510	\$ 854	26.4%	18.9%	NA	20.0%	United States	\$ 16,996.2	3.8x	19.9x	3.6x	18.2x	
FAT Brands Inc.	\$ 419	\$ 29	33.1%	7.0%	NA	22.8%	United States	\$ 1,363.8	3.3x	42.8x	3.1x	13.7x	
First Watch Restaurant Group, Inc.	\$ 800	\$ 72	21.1%	9.0%	NA	10.1%	United States	\$ 1,461.3	1.8x	20.3x	1.5x	15.1x	
McDonald's Corporation	\$ 23,882	\$ 13,015	57.5%	54.5%	NA	53.6%	United States	\$ 264,158.9	11.1x	20.3x	10.0x	18.8x	
Papa John's International, Inc.	\$ 1,822	\$ 198	30.5%	10.9%	NA	10.5%	United States	\$ 3,398.0	1.9x	17.1x	1.5x	14.6x	
Shake Shack Inc.	\$ 991	\$ 75	35.7%	7.5%	NA	11.9%	United States	\$ 3,530.9	3.6x	47.2x	3.0x	26.8x	
The Cheesecake Factory Incorporated	\$ 3,376	\$ 184	39.1%	5.4%	NA	7.5%	United States	\$ 3,486.6	1.0x	19.0x	1.0x	12.8x	
Yum! Brands, Inc.	\$ 6,991	\$ 2,385	48.9%	34.1%	NA	35.1%	United States	\$ 50,924.1	7.3x	21.2x	6.8x	19.2x	
			25th Percentile	19.9%	7.0%	NM	10.1%		25th Percentile	1.0x	16.5x	1.0x	12.8x
			Mean	30.8%	16.0%	NM	18.3%		Mean	3.3x	22.0x	3.1x	16.0x
			Median	30.5%	11.7%	NM	12.2%		Median	2.5x	19.3x	2.2x	14.6x
			75th Percentile	40.5%	19.1%	NM	22.8%		75th Percentile	3.8x	21.2x	3.6x	18.8x

Source(s): S&P Capital IQ
 Note(s): Data presented as of 06/30/2023

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.	\$ 78,390	\$ 4,051	28.5%	5.2%	NA	5.5%	United States	\$ 27,089.9	0.3x	6.7x	0.3x	6.2x	
Better Choice Company Inc.	\$ 41	\$ (16)	30.9%	(39.3%)	NA	NA	United States	\$ 16.4	0.4x	NM	NM	NM	
Casey's General Stores, Inc.	\$ 15,094	\$ 930	20.4%	6.2%	NA	6.3%	United States	\$ 10,496.7	0.7x	11.3x	0.7x	11.2x	
Grocery Outlet Holding Corp.	\$ 3,712	\$ 188	30.8%	5.1%	NA	6.3%	United States	\$ 4,304.7	1.2x	22.9x	1.0x	16.5x	
Ingles Markets, Incorporated	\$ 5,760	\$ 432	24.3%	7.5%	NA	NA	United States	\$ 1,918.4	0.3x	4.4x	NM	NM	
Natural Grocers by Vitamin Cottage, Inc.	\$ 1,120	\$ 60	32.9%	5.4%	NA	NA	United States	\$ 633.0	0.6x	10.5x	NM	9.7x	
Seneca Foods Corporation	\$ 1,509	\$ 70	6.9%	4.6%	NA	NA	United States	\$ 730.1	0.5x	10.5x	NM	NM	
SpartanNash Company	\$ 9,787	\$ 165	15.3%	1.7%	NA	2.5%	United States	\$ 1,608.5	0.2x	9.8x	0.2x	6.4x	
Sprouts Farmers Market, Inc.	\$ 6,496	\$ 505	36.9%	7.8%	NA	7.5%	United States	\$ 5,114.8	0.8x	10.1x	0.7x	9.8x	
The Kroger Co.	\$ 148,823	\$ 7,683	22.3%	5.2%	NA	5.3%	United States	\$ 51,604.0	0.3x	6.7x	0.3x	6.5x	
Village Super Market, Inc.	\$ 2,140	\$ 99	28.2%	4.6%	NA	NA	United States	\$ 609.8	0.3x	6.2x	NM	NM	
Weis Markets, Inc.	\$ 4,737	\$ 253	25.3%	5.3%	NA	NA	United States	\$ 1,582.9	0.3x	6.2x	NM	NM	
25th Percentile			20.9%	4.6%	NM	4.6%	25th Percentile			0.3x	6.2x	0.3x	6.4x
Mean			25.2%	1.6%	NM	5.6%	Mean			0.5x	9.6x	0.6x	9.5x
Median			26.7%	5.2%	NM	5.9%	Median			0.4x	9.8x	0.5x	9.7x
75th Percentile			30.9%	6.0%	NM	6.6%	75th Percentile			0.7x	10.5x	0.8x	11.2x
















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	\$ 941	\$ 200	30.6%	21.3%	NA	24.2%	United States	\$ 4,733.6	5.03x	23.65x	4.9x	20.1x	
Darling Ingredients Inc.	\$ 6,957	\$ 1,138	23.1%	16.4%	NA	26.2%	United States	\$ 15,002.5	2.16x	13.18x	2.0x	7.6x	
Ingredion Incorporated	\$ 8,216	\$ 1,096	20.1%	13.3%	NA	14.3%	United States	\$ 9,467.7	1.15x	8.64x	1.1x	7.7x	
International Flavors & Fragrances Inc.	\$ 11,863	\$ 1,861	31.8%	15.7%	NA	17.6%	United States	\$ 31,747.7	2.68x	17.06x	2.8x	15.8x	
Lamb Weston Holdings, Inc.	\$ 5,351	\$ 1,086	27.3%	20.3%	NA	22.0%	United States	\$ 19,319.4	3.61x	17.78x	2.8x	12.8x	
RiceBran Technologies	\$ 41	\$ (5)	(0.9%)	(12.9%)	NA	NA	United States	\$ 13.4	0.33x	NM	NM	NM	
Sensient Technologies Corporation	\$ 1,453	\$ 246	33.0%	16.9%	NA	17.1%	United States	\$ 3,722.1	2.56x	15.14x	2.4x	14.2x	
Whole Earth Brands, Inc.	\$ 539	\$ 39	23.9%	7.2%	NA	14.8%	United States	\$ 594.2	1.10x	15.33x	1.1x	7.2x	
25th Percentile			20.9%	8.7%	NM	14.8%	25th Percentile			1.1x	13.2x	1.1x	7.6x
Mean			23.6%	12.3%	NM	19.5%	Mean			2.3x	15.8x	2.4x	12.2x
Median			25.6%	16.0%	NM	17.6%	Median			2.4x	15.3x	2.4x	12.8x
75th Percentile			31.5%	19.5%	NM	24.2%	75th Percentile			3.4x	17.8x	2.8x	15.8x

Source(s): S&P Capital IQ
 Note(s): Data presented as of 06/30/2023

Appendix

Precedent Transactions Analysis Support

(\$ in millions)




















Announced	Closed	Target	Category	Acquirer	Target Business Description	EV	EV/EBITDA
Jun-23	-	 created fresh	Food Distributor	 freshpoint	Bix Produce Company, LLC is engaged in the distribution of bulk and pre-cut fruits and vegetables, dairy, and related food items.	-	-
Jun-23	-	 WHOLE EARTH BRANDS	Food Products	Martin Franklin	Whole Earth Brands, Inc. operates as a global food company. It operates through two segments, Branded CPG and Flavors & Ingredients.	603.7	12.0x
Jun-23	Jun-23	 riceBran technologies (Rice Bran Segment)	Ingredients	STABIL NUTRITION	Stabilized Rice Bran business of RiceBran Technologies comprises the business of rice bran processing.	1.8	-
Jun-23	-	NUTRINOVA	Ingredients	 MITSUBISHI & CO.	Nutrinova Netherlands B.V. manufactures and sells functional food ingredients.	675.0	15.0x
Jun-23	Jun-23	 GLOBEAT JAPAN	Food Product	FULLCAST HLDGS.	Globeat Japan Inc. business includes the retail sale of specialized foods and operation of multiple restaurants.	55.7	-
Jun-23	-	 BROWN-FORMAN (Brown-Forman Finland Oy)	Beverage	 Coca-Cola HBC	Brown-Forman Finland Oy owns Finlandia, a leading vodka brand in Central and Eastern Europe.	220.0	-
Jun-23	Jun-23	 GDS Foods	Food Retail	 Mina Foods	GDS Foods is an importer and distributor of Italian food products to pizzerias throughout New York, New Jersey, and Pennsylvania.	-	-
Jun-23	Jul-23	 ACE BEVERAGE GROUP	Beverage	CORBÝ	Ace Beverage Group Inc. manufactures and markets alcoholic beverages. The company's products include beer and vodka.	123.5	-
Jun-23	-	DC Bars and Tuttons Brasserie	Restaurant	NIGHTCAP	DC Bars and Tuttons Brasserie operate bars.	5.9	-
Jun-23	Jul-23	Grybai LT Kooperatine bendrove	Ingredients	 Kauno Grūdai	Grybai LT Kooperatine bendrove produces organic ready-to-eat products such as soups, canned vegetables, stews, and grain bowls.	18.2	13.0x
Jun-23	-	 St. Cousair Crafted with Passion	Food Retail	 St. Cousair Crafted with Passion	Portlandia Foods manufactures organic condiments.	3.5	-
Jun-23	-	Dalrae F&B Co.	Restaurant		Dalrae F&B Co., Ltd. owns and operates restaurants.	10.7	1.3x

Source(s): S&P Capital IQ
Note(s): Data presented as of 06/30/2023

Appendix

Precedent Transactions Analysis Support

(\$ in millions)















Announced	Closed	Target	Category	Acquirer	Target Business Description	EV	EV/EBITDA
Jun-23	Jun-23		Food Distributor		Orrell's Food Service, Inc. operates as a broad-line distributor. Products range from custom meats to vegetables.	-	-
Jun-23	Jun-23		Beverage		Penelope Bourbon LLC produces and sells whiskey.	215.8	-
May-23	-		Food Retail		Morton Williams Supermarkets, Inc. operates as a food retailer that sells groceries and wine through stores and online mediums.	-	-
May-23	May-23	 (Emerald Nuts)	Food Retail		Emerald Nuts of Campbell Soup Company manufactures and markets food and beverage products.	40.0	-
May-23	-	 (Fuel business)	Food Retail		UK and Ireland based assets were acquired consisting of fueling stations in 1,000+ locations.	-	-
May-23	-	Guangdong Wens Dairy	Food Product	Guangdong Yuncheng Investment Holding	Guangdong Wens Dairy Co., Ltd. produces raw milk.	96.3	-
May-23	Apr-23	Supermarket Portfolio	Food Retail		Supermarket portfolio in Portugal.	42.0	-
May-23	-	 QUALITY IN EVERY BITE	Food Distributor		Gourmessa Sdn. Bhd. produces and distributes frozen food products.	7.6	-
May-23	May-23	 DONUK FIRINCILIK ÜRÜNLERİ	Food Product		Donuk Firincilik Ürünleri Sanayi ve Ticaret A.S. produces frozen bakery products.	46.2	-
May-23	-	JOHBECO	Food Distributor		JOHBECO Group distributes meat, delicatessen meat, fish, and seafood in Sweden.	110.0	-
May-23	May-23	Production Winery	Beverage		Production winery and planted vineyards in Alexander Valley, California.	55.0	-
May-23	Jun-23		Restaurants		Ruth's Hospitality Group, Inc., develops, operates, and franchises fine dining restaurants under the Ruth's Chris Steak House name.	950.0	8.1x

Source(s): S&P Capital IQ
Note(s): Data presented as of 06/30/2023

Appendix

Precedent Transactions Analysis Support

(\$ in millions)

Announced	Closed	Target	Category	Acquirer	Target Business Description	EV	EV/EBITDA
May-23	May-23	 TESTA PRODUCE, INC. <small>Green by Nature. Growing Change.</small>	Food Distributor	 FreshEdge	Testa Produce, Inc. distributes local produce to foodservice entities, including restaurants and hotels in Chicago.	-	-
May-23	May-23	 Greens	Food Distributors	 STERLING CAPITAL	Florida Veg Investments, LLC, doing business as Mr. Greens Produce, distributes food products.	-	-
May-23	-	Greencode farm	Ingredients	Matang Berhad	Greencode Farm Sdn Bhd produces palm oil.	6.9	-
Mar-23	May-23	 Dorot Gardens	Ingredients	DIPLOMAT	Garlic & Herbs Dorot Agricultural Cooperation Ltd. produces convenient, pre-portioned fresh-frozen garlic and herbs.	54.9	-
May-23	May-23	Restaurant Franchise	Restaurant	 FIRST WATCH	Six of its previously franchise-owned restaurants in Omaha, Nebraska.	8.2	-
Apr-23	-	 MAPCO	Food Product	 MAJORS MANAGEMENT	MAPCO Express, Inc. operates a chain of convenience stores in the southeastern United States.	725.0	-
Apr-23	-	 HEINEKEN <small>(Russian Business)</small>	Beverage	Augment Investments Limited	Russian business of Heineken N.V. that produces beer.	660.6	-
Apr-23	-	 Endian	Beverage	 Coca-Cola	Endian LLC engages in production and selling of soft drinks. The company's product, Chill Out, is a relaxation soft drink.	44.5	-
Apr-23	-	Spice Code Co.	Food Retail	 KANTSU	Spice Code Co. provides food production and supply network industry through central kitchen services.	-	-
Apr-23	-	PT Ladangrumpun Suburabadi	Ingredients	PT Global Berkat Usahatama	PT Ladangrumpun Suburabadi owns and manages palm oil plantation estates.	60.8	-
Apr-23	Jul-23	 THE FULHAM SHORE	Restaurant	TORIDOLL	The Fulham Shore PLC owns, operates, and manages restaurants in the United Kingdom.	229.7	11.6x
Apr-23	-	PT Kencana Inti Perkasa	Ingredients	 Mewah	PT Kencana Inti Perkasa engages in the palm oil processing industry.	6.8	-

Source(s): S&P Capital IQ
Note(s): Data presented as of 06/30/2023