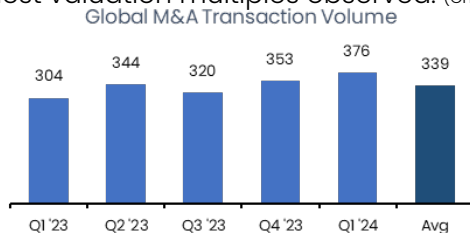


Positioning For M&A Growth Food & Beverage Industry Q1-2024

As we moved from 2023 to 2024, our team at Balmoral Advisors looked forward to a fresh start along with others in the M&A and capital markets. Having spent much of the past two years closely tracking the impact that macroeconomic trends and Federal Reserve policies had on M&A deal activity in the space, we are ready to shift our attention back to the core drivers of enduring value in the food & beverage industry. We believe that success in this space is driven by brands and products that connect with customers and the implementation of operating efficiencies that contribute to increasing earnings. It is on these critical elements that we will center our efforts as we navigate the promising opportunities of the coming year.

M&A Performance and Investment Trends

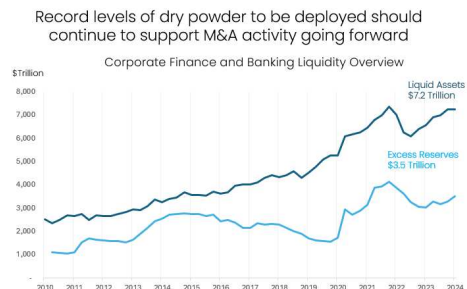
In the food and beverage sector, the global market witnessed 376 transactions, demonstrating a 6.5% increase in deal volume from the last quarter. Notably, the Food Products, Distributor, and Retail segments also secured some of the highest valuation multiples observed. (Chart 9)



Strategic acquirers, including those platforms backed by private equity, are

leading in market deal value, contributing to 80% of total deal volume. (Chart 4 & 5) The inherent stability of the food & beverage sector, the widespread availability of investment capital, the overall financial health of companies (Chart 11) and the prospect of interest rate stability, all combine to create a more favorable environment for M&A activity as we progress through 2024.

Looking at the broader financial landscape, non-bank lenders have continued to step up their loan activity. Meanwhile, the private equity sector is under increasing pressure to deploy its substantial capital reserves, estimated between \$2.0 and \$3.0 trillion. With the average hold period extending beyond traditional timelines due to pandemic-induced delays, there is growing pressure for private equity firms to accelerate exits from existing portfolio companies while also executing new acquisitions. With so much committed capital waiting on the sideline, we anticipate heightened competition for high-quality deals. Additionally, with non-bank lenders currently holding approximately \$7.2 trillion in liquid assets, complemented by a significant \$3.5 trillion in reserves held by depository institutions, we believe that M&A transactions in the food & beverage industry will continue to increase.



Sources: Food Engineering, Federal Reserve Bank of St. Louis

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Securities offered through Jordan Knauff & Company, LLC, Member FINRA / SIPC



Positioning For M&A Growth Food & Beverage Industry Q1-2024

Consumer Trends Shaping M&A

Beverage Industry Evolution The beverage sector encountered a transformative phase in 2023, as consumer tastes continue to reshape the market. Traditional beverages have been eclipsed by a dynamic array of offerings, tailored to health-aware consumers, environmentally responsible practices, and the latest in production innovation. Notably, we foresee sustained interest in non-alcoholic beverages and internationally inspired flavors.

Plant-Based Products Sector in Flux The landscape of plant-based products is experiencing divergence. While the beverage market is burgeoning with new plant-derived options, plant-based meats are continuing a downward trend. The decline in this previously promising sector has cast doubt over this sector's long-term appeal, making M&A activity scarce as companies grapple with finding the optimal balance of pricing, taste, and health benefits to foster consumer loyalty. Valuations have suffered, illustrated by Beyond Meat's stock plummeting from its 2019 high of \$222 per share to the current level of \$6 per share, leading to a cautious approach in M&A activity within the category.

On the other hand, plant-based beverages are on an upward trajectory, indicating a pronounced shift in consumer preferences. Alternative dairy drinks have achieved notable success, with sales hitting \$3.1 B in the last year. Growing consumer awareness of environmental impact and a trend toward healthier lifestyles are likely to sustain this interest.

Protein's Role in Consumer Health Concurrently, there is a rise in the popularity of plant-derived proteins and protein-enhanced products, driven by a focus on sustained health and wellness in the

post-pandemic era. The push for holistic health has propelled what were once specialized nutritional supplements into the mainstream active lifestyle arena. Pea protein, in particular, is emerging as a preferred option, offering both nutritional value and functional versatility. As protein-enriched products integrate into everyday diets, there are expansive opportunities for innovation in this sector, enhancing the market presence of plant proteins.

Other trends that we're tracking, which we'll comment on in future newsletters, include the increasing focus on sustainability, nutrition for brain health and longevity, and the acceleration in the growth of selected QSR restaurant concepts.

Outlook for Q2 and Beyond

The Food & Beverage industry's M&A environment is expected to improve in 2024 due to a stronger economic outlook and stabilizing capital markets. Investors are looking for companies with proven products or concepts, and steady cash flow streams. The early part of the year could present an opportune moment for executives to gear up for M&A transactions, with a promising Q3 and Q4 on the horizon. However, this optimism is balanced by key challenges that may pose obstacles to transaction activity, including the 2024 presidential election, ongoing global conflicts, and decisions by the Fed regarding interest rates.

Let's Get In Touch

Feel free to reach out to me to continue this conversation. Let's share insights, discuss opportunities, and collaborate on shaping the future of our industry together.

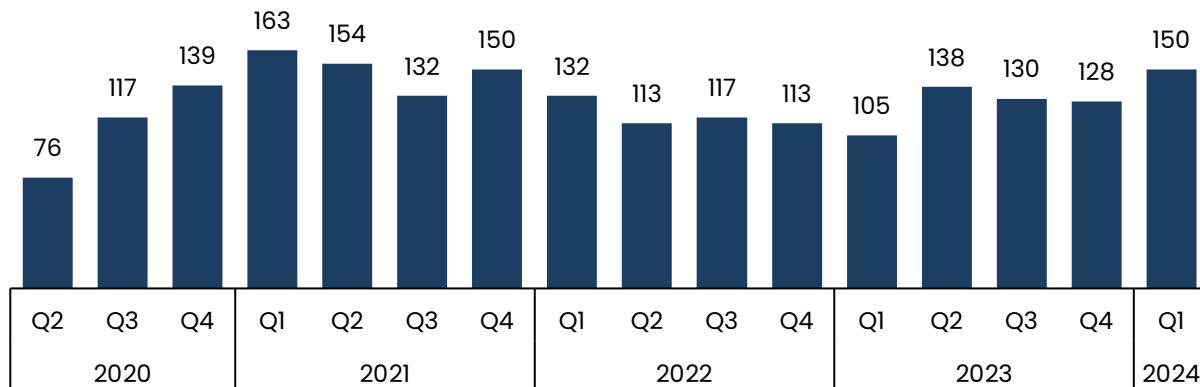
Sources: [Seeking Alpha](#), [Nielsen](#), [Food Dive](#), [Reuters](#), [Bain & Company](#)

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Number of Closed M&A Transactions

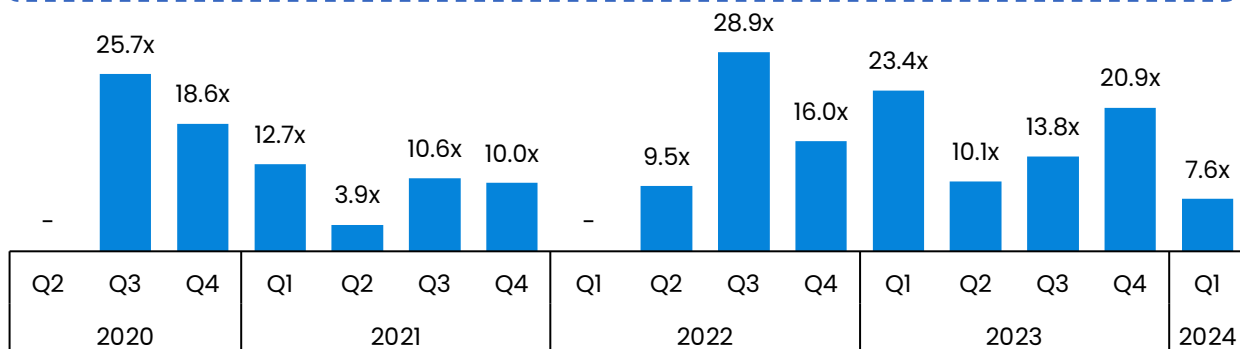
Chart - 1



Mean TEV/EBITDA Multiples²

Chart - 2

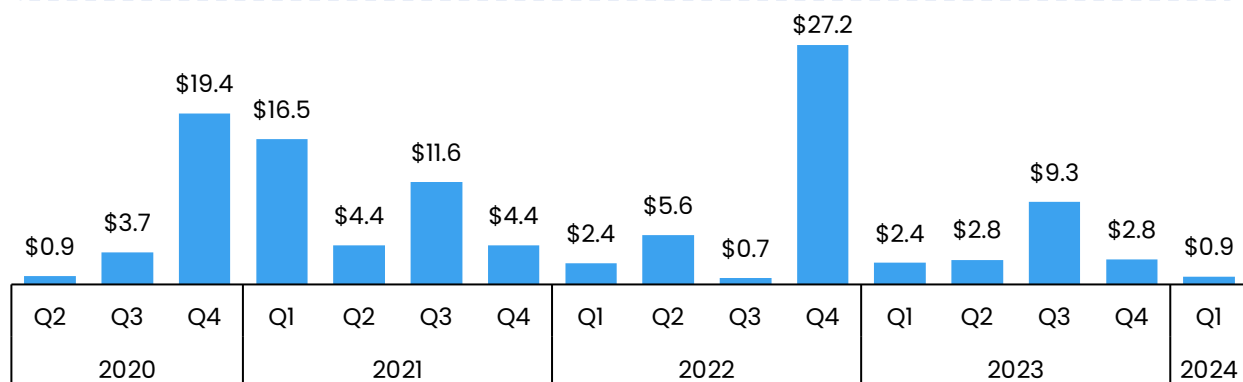
The increased valuation in Q4 2023 is due to the announced acquisition of Daou Vineyards by Treasury Wine Estates for a total consideration of ~\$1.0 billion, valuing the company at 20.9x EBITDA.



Total Transaction Value² (\$B)

Chart - 3

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

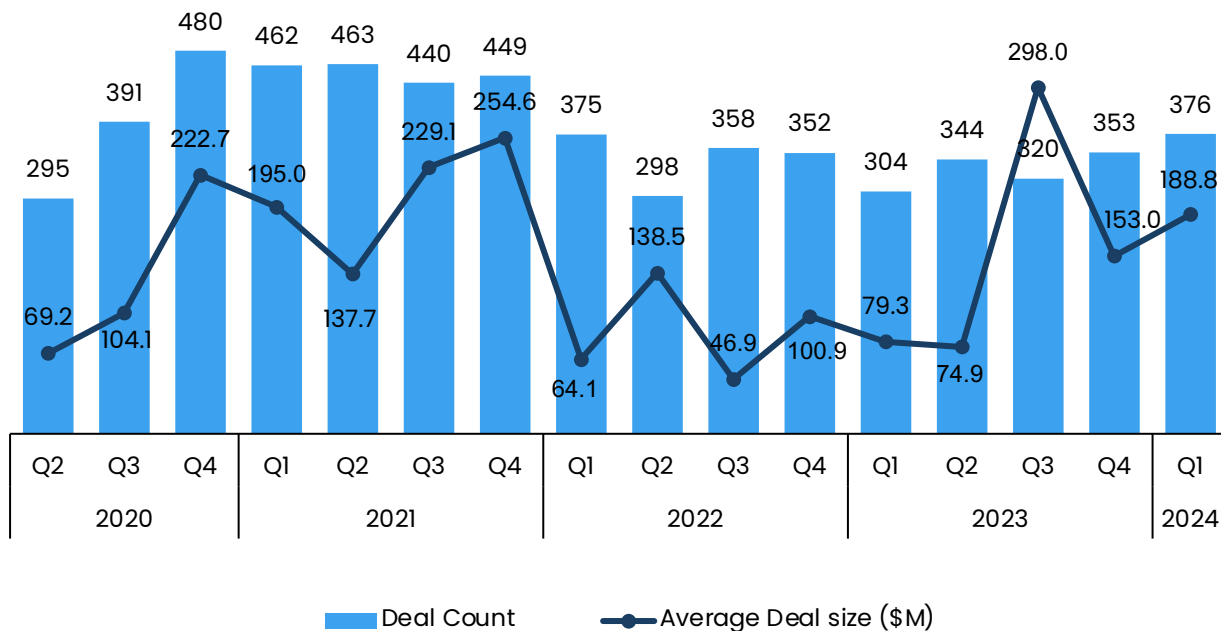


S&P Capital IQ. 1 - U.S. data presented as of 03/31/2024. 2 - The mean TEV/EBITDA multiples and total transaction value based on publicly available transaction information.

M&A Transaction Volume Quarterly

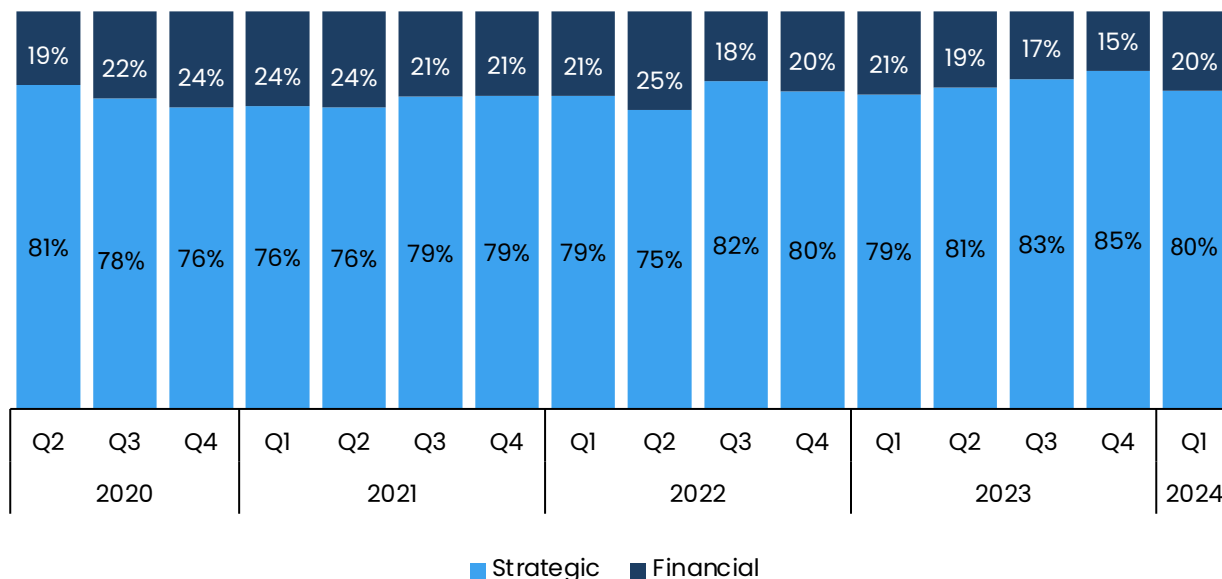
Chart - 4

The spike in the Average Deal Size in Q3 2023 is due to the announced acquisition of several public to private transactions like Hostess Brans & Sovos by The J.M. Smucker Company & Campbell for a total consideration of ~\$10.0 billion.



Strategic vs. Financial Buyer

Chart - 5



S&P Capital IQ. 1 - Global M&A market data presented as of 03/31/2024.

Chart - 6

Mean and Median TEV/Revenue

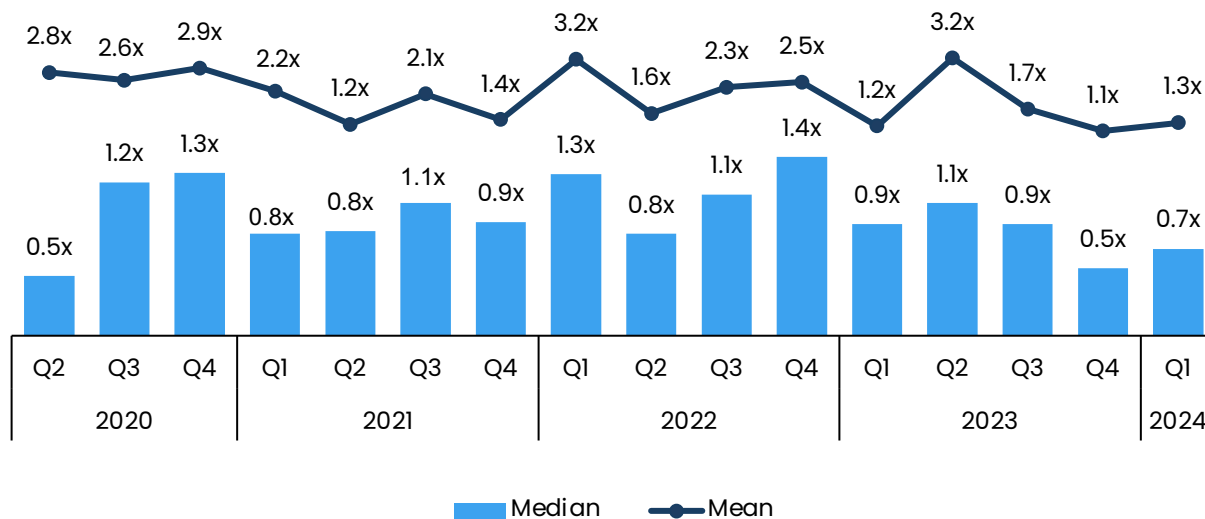
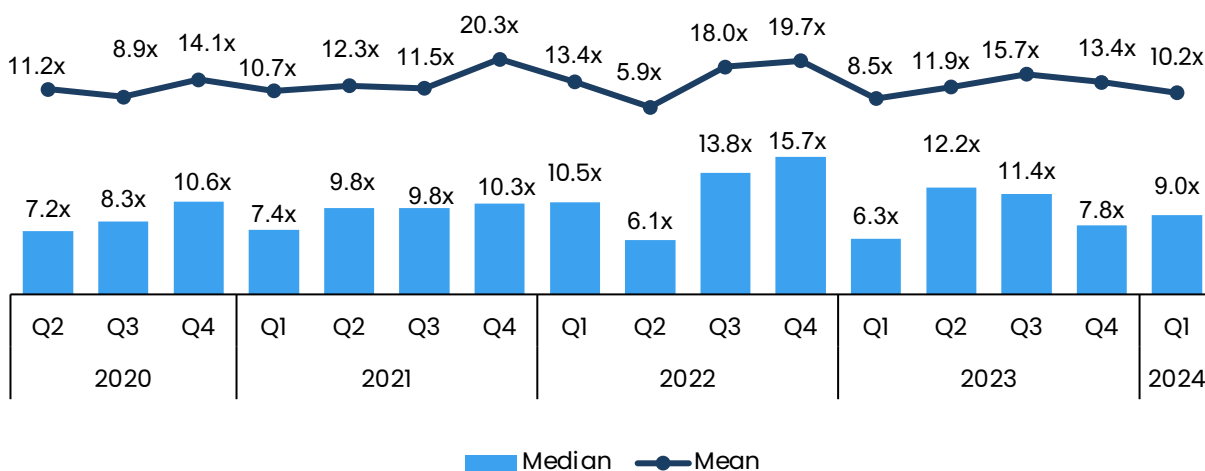


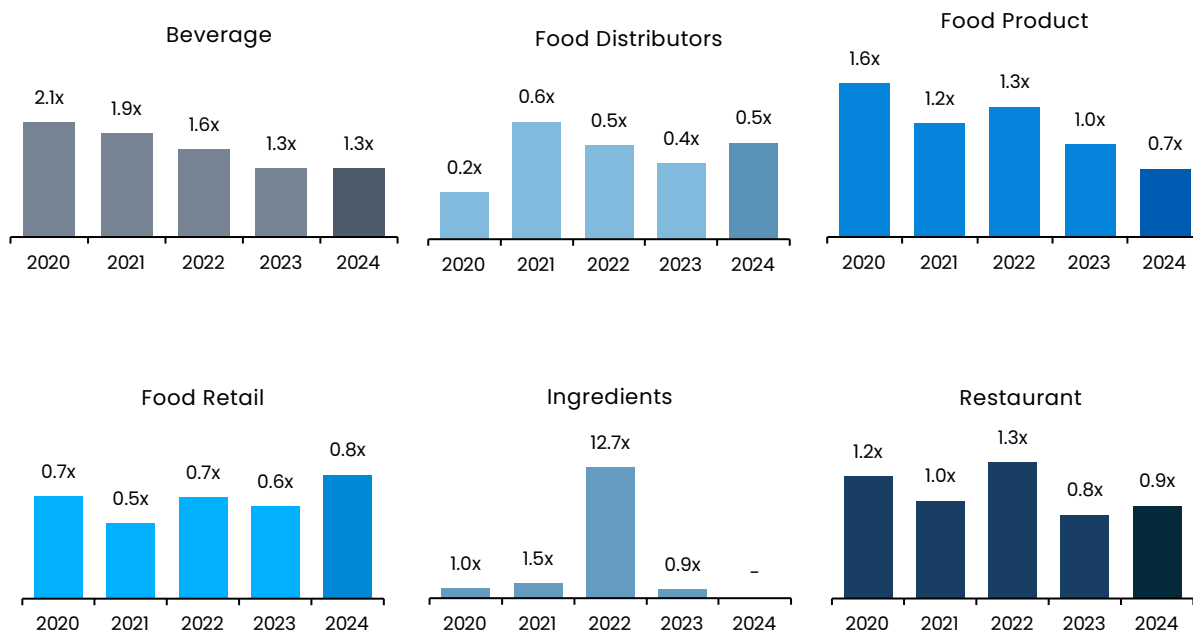
Chart - 7

Mean and Median TEV/EBITDA

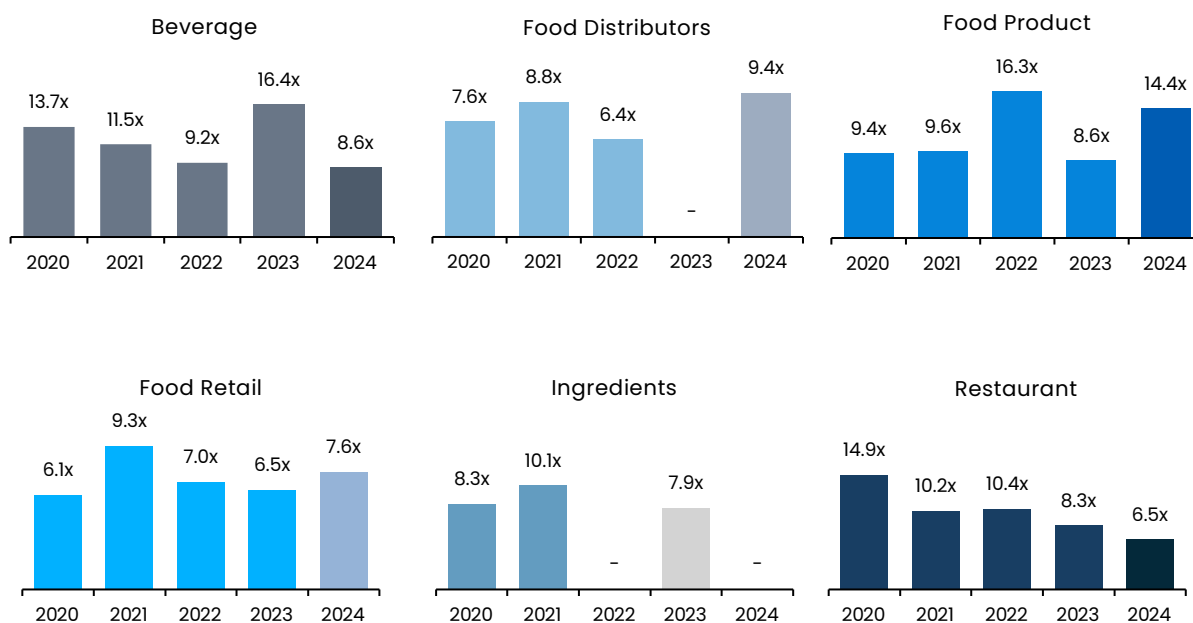


S&P Capital IQ. 1 - Global M&A market data presented as of 03/31/2024.

Precedent Transactions Analysis – Median TEV/Revenue











Precedent Transactions Analysis – Median TEV/EBITDA



S&P Capital IQ. 1 – Data presented as of 03/31/2024. 2 – Precedent transactions analysis based on global food & beverage median TEV/Revenue & TEV/EBITDA multiples.

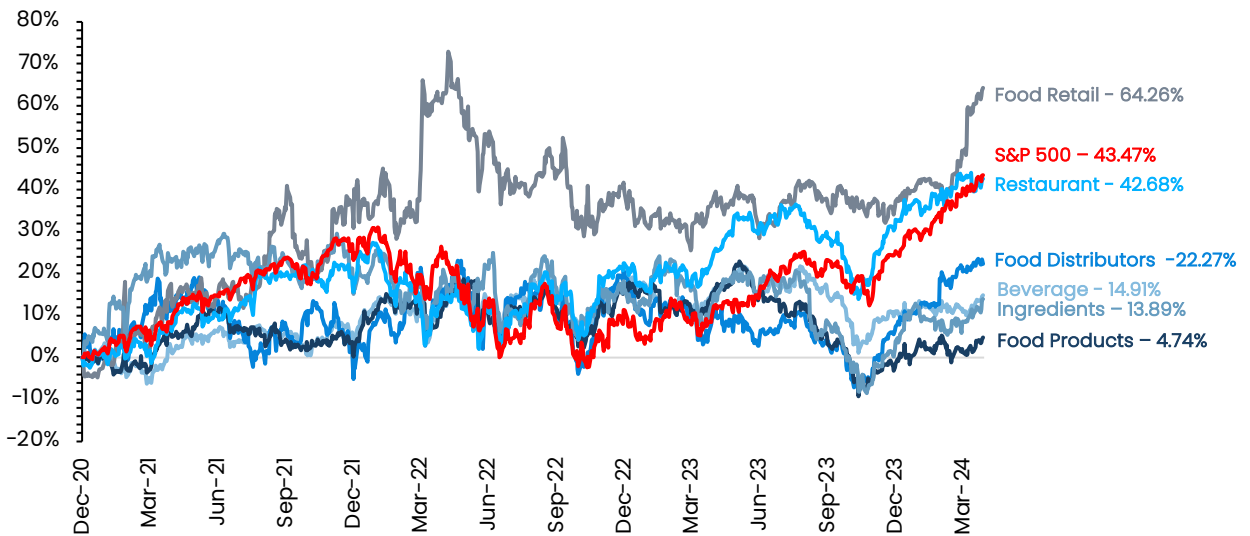
Notable M&A Transactions in the U.S. in Q1 2024

Date Announced	Target	Category	Acquirer	Seller	Target Business Description
Feb-24	 COURVOISIER <small>Les Epices de France</small>	Beverages	 CAMPARI	Beam Suntory	<ul style="list-style-type: none"> Courvoisier S.A.S. manufactures cognac. The company was founded in 1809 and is based in Jarnac, France. Campari has a track record of breathing new life into declining brands. The group is betting on re-establishing Courvoisier as a "global icon of luxury".¹ The deal, which will be the biggest acquisition by the Italian spirits group, comes as leading cognac makers reported a slump in sales amid slowing consumer demand.²
Feb-24	 LAWSON <small>(Japan)</small>	Food Retail	 KDDI	Japan Securities Finance	<ul style="list-style-type: none"> Lawson, Inc. operates and franchises convenience stores under the Lawson, Lawson Store 100, and Natural Lawson names in Japan and internationally. KDDI intends to leverage Lawson's approximately 14,600 stores nationwide to promote its banking and insurance products, a business area it has focused on in recent years amid intensifying competition in the mobile phone industry. The telecom carrier also envisions providing smartphone support services remotely at the stores.³
Feb-24	 Forno d'ASOLO	Food Products	 Invest Industrial <small>Private Equity Capital</small>	BC Partners	<ul style="list-style-type: none"> Forno d'Asolo S.p.A produces frozen bakery products. The company offers sweet, savory, and retail products; cakes, bread, among other ready to eat meals. BC Partners, agreed to sell Forno d'Asolo Group, \$1.2B, to Invest Industrial. Forno d'Asolo generated approximately €500m in sales and more than €85m of EBITDA in 2023, having almost quadrupled in size since BC Partners's original investment. The target will be merged with Sammontana, the first Italian gelato company.⁴
Jan-24	 CARROLS	Restaurants	 rbi	BlackRock	<ul style="list-style-type: none"> Carrols Restaurant Group, Inc., through its subsidiaries, operates restaurants in the United States. It operates quick service restaurants as a franchisee under the Burger King and Popeyes brands in 23 Northeastern, Midwestern, Southcentral, and Southeastern states. Under the terms of the merger agreement, RBI will acquire all of Carrols issued and outstanding shares that are not already held by RBI or its affiliates for \$9.55 per share in an all-cash transaction. This represents a premium of 23.0% to Carrols' 30 trading-day volume-weighted average price as of January and implies a total enterprise value of approximately \$1.0B.

1. Reuters 2. Financial Times 3. Kyodo News 4. Private Equity Wire

F&B Industry Relative Stock Price Performance

Chart - 10



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

Food Distributors – 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

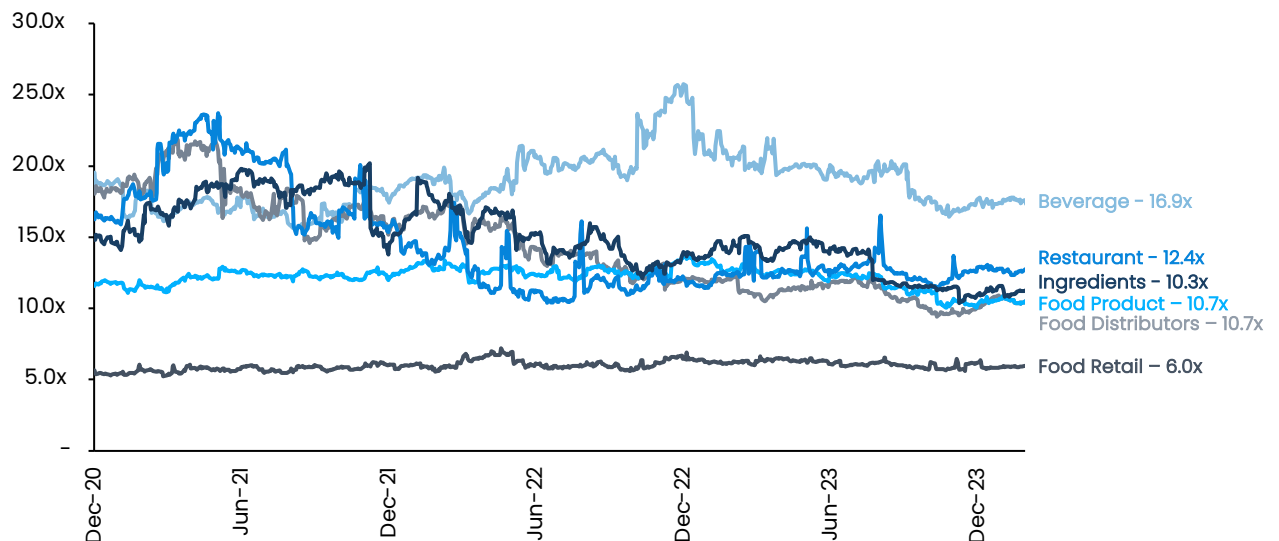
Food Retail – KR, ACI, CASY, GO, SFM, IMKT.A, WMK, SPTN, NGVC, SENE.A, VLGE.A, BTTR

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

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

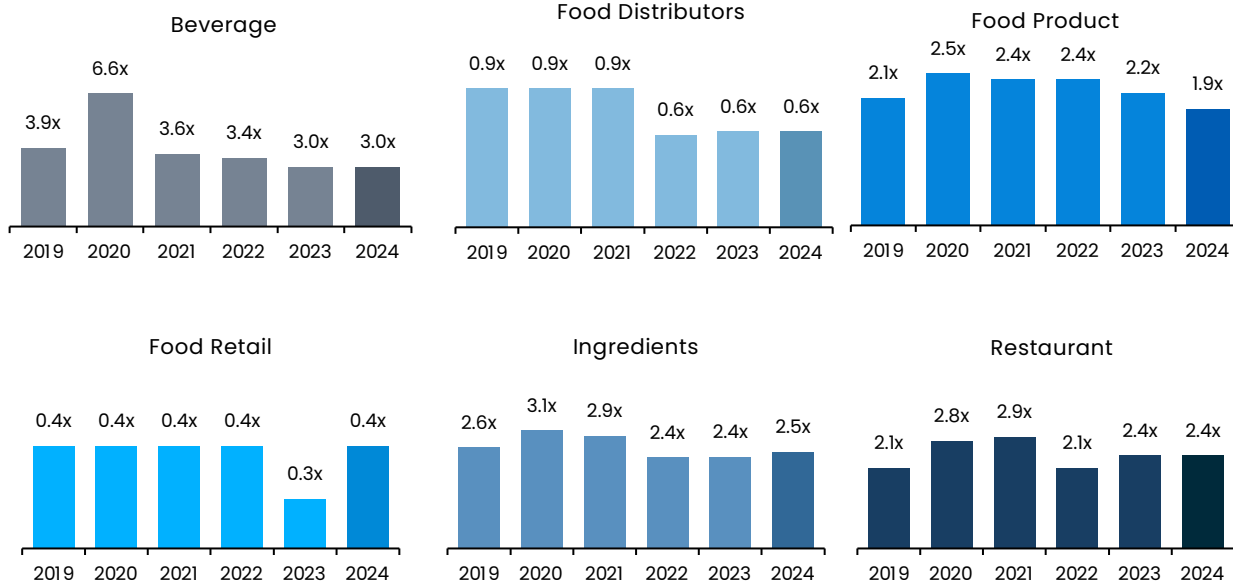
F&B Industry Performance – Median EV/EBITDA

Chart - 11

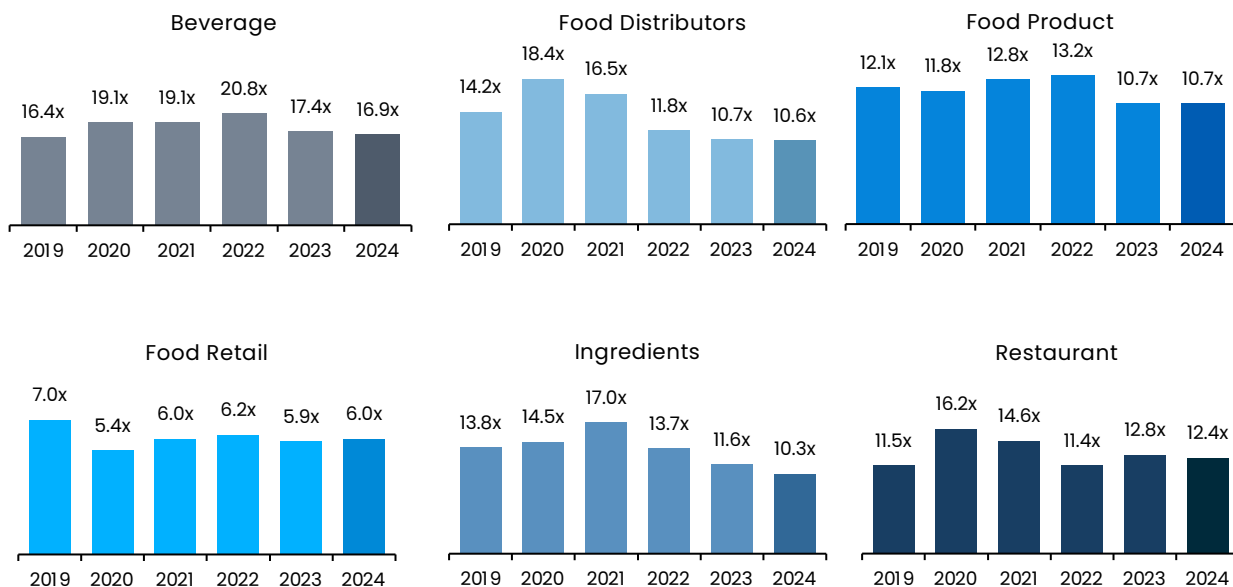


S&P Capital IQ. Data presented as of 03/31/2024.

Public Companies – Median TEV/Revenue



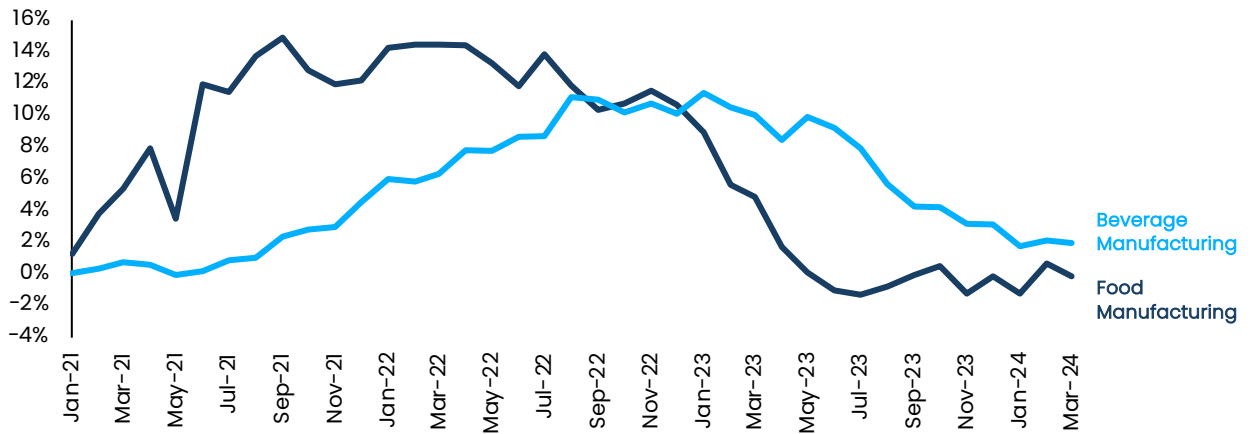
Public Companies – Median TEV/EBITDA



S&P Capital IQ. 1 – Data presented as of 03/31/2024.

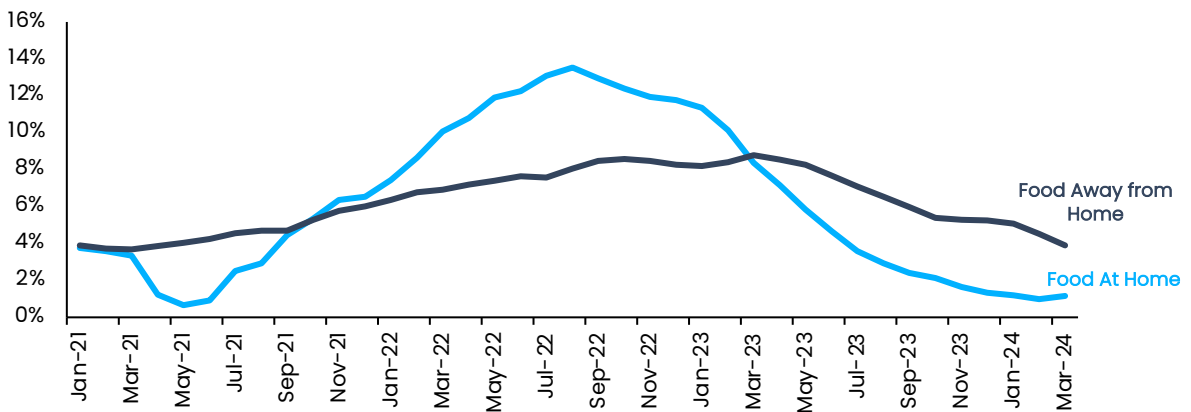
Food & Beverages PPI Growth (YOY%)

Chart - 10



Food CPI Change (YOY%)

Chart - 11



Federal Reserve Economic Data (FRED), S&P Capital IQ. 1 - Macro data rebased as of 01/01/2019 and presented as of 03/31/2024.

Appendix

Public Market Comparables and Precedent Transactions

Public Company Comparables – Beverages and Food Distributors

Beverages	LTM Results		LTM Margins		Yr FWD Margins		Country	Enterprise Value \$MM	TEV / LTM:		TEV / 1Yr FWD:	
	Revenue \$MM	EBITDA \$MM	Gross	EBITDA	Gross	EBITDA			Revenue	EBITDA	Revenue	EBITDA
Barfresh Food Group	\$8	(\$3)	35.5%	(30.9%)	NA	(3.8%)	United States	\$15	1.9x	NM	1.1x	NM
Brown-Forman Corporation	\$4,260	\$1,290	60.8%	30.3%	NA	31.9%	United States	\$26,685	6.3x	20.7x	6.2x	19.4x
Constellation Brands, Inc.	\$9,820	\$3,547	50.3%	36.1%	NA	37.7%	United States	\$60,374	6.1x	17.0x	5.8x	15.4x
Keurig Dr Pepper Inc.	\$14,814	\$3,941	54.5%	26.6%	NA	29.1%	United States	\$57,353	3.9x	14.6x	3.7x	12.8x
Lifeway Foods, Inc.	\$160	\$20	28.1%	12.6%	NA	15.1%	United States	\$301	1.9x	15.0x	1.7x	11.3x
Molson Coors Beverage Company	\$11,702	\$2,282	37.3%	19.5%	NA	21.0%	United States	\$20,118	1.7x	8.8x	1.7x	8.1x
Monster Beverage Corporation	\$7,140	\$2,081	53.1%	29.1%	NA	30.6%	United States	\$53,850	7.5x	25.9x	6.7x	22.0x
National Beverage Corp.	\$1,181	\$234	35.7%	19.8%	NA	21.2%	United States	\$4,175	3.5x	17.8x	3.5x	16.4x
PepsiCo, Inc.	\$91,471	\$16,328	54.2%	17.9%	NA	19.0%	United States	\$269,415	2.9x	16.5x	2.8x	14.9x
Splash Beverage Group, Inc.	\$19	(\$15)	29.5%	(78.2%)	NA	(47.2%)	United States	\$24	1.3x	NM	1.1x	NM
The Boston Beer Company, Inc.	\$2,009	\$210	42.4%	10.5%	NA	12.0%	United States	\$3,206	1.6x	15.3x	1.6x	13.0x
The Coca-Cola Company	\$45,754	\$14,441	59.5%	31.6%	NA	33.1%	United States	\$286,435	6.3x	19.8x	6.3x	18.9x
The Vita Coco Company, Inc.	\$494	\$58	36.6%	11.7%	NA	14.9%	United States	\$1,306	2.6x	22.7x	2.6x	17.4x

25th Percentile	35.6%	11.1%	NA	13.5%
Mean	44.5%	10.5%	NA	16.5%
Median	42.4%	19.5%	NA	21.0%
75th Percentile	54.4%	29.7%	NA	31.3%

25th Percentile	1.8x	15.0x	1.6x	12.8x
Mean	3.7x	17.6x	3.4x	15.4x
Median	2.9x	17.0x	2.8x	15.4x
75th Percentile	6.2x	20.7x	6.0x	18.9x

Food Distributors	LTM Results		LTM Margins		Yr FWD Margins		Country	Enterprise Value	TEV / LTM:		TEV / 1Yr FWD:	
	Revenue	EBITDA	Gross	EBITDA	Gross	EBITDA			Revenue	EBITDA	Revenue	EBITDA
BRC Inc.	\$396	(\$44)	31.7%	(11.1%)	NA	7.3%	United States	\$428	1.1x	NM	1.0x	13.1x
Calavo Growers, Inc.	\$967	\$23	7.2%	2.4%	NA	6.5%	United States	\$503	0.5x	21.8x	0.8x	12.7x
Cal-Maine Foods, Inc.	\$2,374	\$394	23.3%	16.6%	NA	16.6%	United States	\$2,319	1.0x	5.9x	1.1x	6.7x
HF Foods Group Inc.	\$1,148	\$36	17.8%	3.1%	NA	NA	United States	\$362	0.3x	10.0x	NM	NM
John B. Sanfilippo & Son, Inc.	\$998	\$113	22.0%	11.3%	NA	NA	United States	\$1,207	1.2x	10.7x	NM	NM
Performance Food Group Company	\$53,971	\$1,346	11.9%	2.5%	NA	2.6%	United States	\$16,101	0.3x	12.0x	0.3x	10.3x
Sysco Corporation	\$77,512	\$3,622	18.4%	4.7%	NA	5.4%	United States	\$50,354	0.6x	13.9x	0.6x	11.5x
The Chefs' Warehouse	\$3,434	\$161	23.7%	4.7%	NA	5.8%	United States	\$2,247	0.7x	13.9x	0.6x	10.5x
United Natural Foods	\$30,251	\$378	13.3%	1.2%	NA	1.7%	United States	\$4,241	0.1x	11.2x	0.1x	7.9x
US Foods Holding Corp.	\$35,597	\$1,438	17.3%	4.0%	NA	4.5%	United States	\$17,598	0.5x	12.2x	0.5x	10.3x

25th Percentile	13.0%	2.1%	NA	3.1%
Mean	18.7%	3.9%	NA	6.3%
Median	18.1%	3.6%	NA	5.6%
75th Percentile	23.4%	6.3%	NA	7.1%

25th Percentile	0.3x	10.4x	0.3x	8.5x
Mean	0.6x	12.4x	0.6x	10.4x
Median	0.6x	12.0x	0.6x	10.4x
75th Percentile	1.0x	13.9x	0.9x	12.4x

S&P Capital IQ. Data presented as of 03/31/2024.

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Public Company Comparables- Food Products

Food Products	LTM Results		LTM Margins		1Yr FWD Margins		Country	Enterprise Value \$MM	TEV / LTM:		TEV / 1Yr FWD:	
	Revenue \$MM	EBITDA \$MM	Gross	EBITDA	Gross	EBITDA			Revenue	EBITDA	Revenue	EBITDA
B&G Foods, Inc.	\$2,062	\$310	22.2%	15.1%	NA	15.7%	United States	\$2,930	1.4x	9.4x	1.5x	9.4x
Campbell Soup Company	\$9,271	\$1,742	31.4%	18.8%	NA	19.0%	United States	\$17,672	1.9x	10.1x	1.7x	9.0x
Conagra Brands, Inc.	\$12,118	\$2,244	27.3%	18.5%	NA	19.3%	United States	\$23,298	1.9x	10.4x	1.9x	9.9x
Flowers Foods, Inc.	\$5,091	\$486	48.3%	9.5%	NA	10.4%	United States	\$6,148	1.2x	12.6x	1.2x	11.5x
Fresh Del Monte Produce Inc.	\$4,321	\$247	8.2%	5.7%	NA	5.6%	Cayman Islands	\$1,775	0.4x	7.2x	0.4x	7.1x
General Mills, Inc.	\$20,173	\$4,296	34.7%	21.3%	NA	21.0%	United States	\$51,049	2.5x	11.9x	2.5x	12.1x
Hormel Foods Corporation	\$12,136	\$1,308	16.6%	10.8%	NA	11.8%	United States	\$21,377	1.8x	16.3x	1.7x	14.7x
J&J Snack Foods Corp.	\$1,556	\$176	30.4%	11.3%	NA	13.2%	United States	\$2,714	1.7x	15.4x	1.7x	13.0x
Kellanova	\$13,122	\$1,820	32.7%	13.9%	NA	17.5%	United States	\$25,921	2.0x	14.2x	2.0x	11.6x
Lancaster Colony Corporation	\$1,867	\$244	22.4%	13.1%	NA	15.2%	United States	\$5,349	2.9x	21.9x	2.8x	18.4x
McCormick & Company	\$6,699	\$1,224	37.9%	18.3%	NA	19.1%	United States	\$24,263	3.6x	19.8x	3.6x	18.9x
Mondelez International, Inc.	\$36,016	\$7,186	38.2%	20.0%	NA	20.0%	United States	\$108,027	3.0x	15.0x	2.9x	14.6x
Pilgrim's Pride Corporation	\$17,362	\$1,025	6.4%	5.9%	NA	8.2%	United States	\$11,266	0.6x	11.0x	0.6x	7.7x
Post Holdings, Inc.	\$7,391	\$1,158	27.6%	15.7%	NA	16.3%	United States	\$12,325	1.7x	10.6x	1.5x	9.2x
The Hain Celestial Group, Inc.	\$1,782	\$130	21.9%	7.3%	NA	9.0%	United States	\$1,407	0.8x	10.8x	0.8x	8.4x
The Hershey Company	\$11,165	\$2,952	44.8%	26.4%	NA	26.7%	United States	\$43,938	3.9x	14.9x	3.8x	14.4x
The J. M. Smucker Company	\$8,208	\$1,799	36.5%	21.9%	NA	23.1%	United States	\$20,759	2.5x	11.5x	2.3x	10.0x
The Kraft Heinz Company	\$26,640	\$6,366	33.7%	23.9%	NA	24.1%	United States	\$64,089	2.4x	10.1x	2.4x	9.9x
The Simply Good Foods Company	\$1,266	\$234	37.3%	18.5%	NA	20.2%	United States	\$3,383	2.7x	14.4x	2.5x	12.5x
TreeHouse Foods, Inc.	\$3,432	\$343	16.8%	10.0%	NA	10.8%	United States	\$3,275	1.0x	9.6x	1.0x	8.8x
Tyson Foods, Inc.	\$52,940	\$2,080	5.2%	3.9%	NA	5.6%	United States	\$28,953	0.5x	13.9x	0.5x	9.8x
Utz Brands, Inc.	\$1,438	\$114	31.6%	7.9%	NA	13.9%	United States	\$3,081	2.1x	27.1x	2.1x	15.4x
Vital Farms, Inc.	\$472	\$41	34.4%	8.7%	NA	10.5%	United States	\$942	2.0x	22.9x	1.7x	16.1x

25th Percentile	21.9%	8.7%	NA	10.5%
Mean	28.1%	14.2%	NA	15.5%
Median	31.4%	13.9%	NA	15.7%
75th Percentile	36.5%	18.8%	NA	20.0%

25th Percentile	1.2x	10.4x	1.2x	9.2x
Mean	1.9x	14.0x	1.9x	11.8x
Median	1.9x	12.6x	1.7x	11.5x
75th Percentile	2.5x	15.4x	2.5x	14.6x

S&P Capital IQ. Data presented as of 03/31/2024.

Public Company Comparables – Restaurants

Restaurants	LTM Results		LTM Margins		Yr FWD Margins		Country	Enterprise Value \$MM	TEV / LTM:		TEV / 1Yr FWD:	
	Revenue \$MM	EBITDA \$MM	Gross	EBITDA	Gross	EBITDA			Revenue	EBITDA	Revenue	EBITDA
BJ's Restaurants, Inc.	\$45,293	\$1,333	13.3%	7.0%	NA	8.6%	United States	\$1,283	1.0x	13.8x	0.9x	10.9x
Bloomin' Brands, Inc.	\$45,291	\$4,671	17.3%	11.8%	NA	11.6%	United States	\$4,359	0.9x	7.9x	1.0x	8.3x
Carrols Restaurant Group, Inc.	\$45,291	\$1,877	17.3%	7.3%	NA	8.0%	United States	\$1,686	0.9x	12.2x	0.9x	10.9x
Chipotle Mexican Grill, Inc.	\$45,291	\$9,872	40.7%	19.4%	NA	19.9%	United States	\$84,079	8.5x	43.9x	7.5x	37.6x
Chuy's Holdings, Inc.	\$45,291	\$461	21.6%	12.5%	NA	12.0%	United States	\$664	1.4x	11.5x	1.4x	11.7x
Darden Restaurants, Inc.	\$45,347	\$11,202	21.0%	15.4%	NA	16.1%	United States	\$25,220	2.3x	14.6x	2.1x	13.2x
Dine Brands Global, Inc.	\$45,291	\$828	48.1%	27.1%	NA	30.5%	United States	\$2,112	2.5x	9.4x	2.5x	8.2x
Domino's Pizza, Inc.	\$45,291	\$4,479	28.0%	19.5%	NA	20.2%	United States	\$22,749	5.1x	26.1x	4.7x	23.4x
FAT Brands Inc.	\$45,291	\$476	31.2%	7.9%	NA	14.7%	United States	\$1,606	3.4x	42.8x	2.2x	15.1x
First Watch Restaurant Group, Inc.	\$45,291	\$892	22.1%	9.8%	NA	10.4%	United States	\$1,946	2.2x	22.4x	1.9x	17.8x
McDonald's Corporation	\$45,291	\$25,178	57.1%	54.3%	NA	54.5%	United States	\$242,563	9.6x	17.7x	9.0x	16.5x
Papa John's International, Inc.	\$45,291	\$1,880	30.8%	11.7%	NA	10.5%	United States	\$3,025	1.6x	13.7x	1.4x	13.2x
Shake Shack Inc.	\$45,287	\$1,088	36.6%	9.5%	NA	13.2%	United States	\$4,400	4.0x	42.5x	3.5x	26.8x
The Cheesecake Factory Incorporated	\$45,293	\$3,440	40.9%	7.1%	NA	7.5%	United States	\$3,564	1.0x	14.7x	1.0x	13.1x
Yum! Brands, Inc.	\$45,291	\$7,076	49.4%	35.9%	NA	35.4%	United States	\$50,305	7.1x	19.8x	6.4x	18.2x

25th Percentile	21.0%	7.9%	NA	10.4%
Mean	31.7%	17.1%	NA	18.2%
Median	30.8%	11.8%	NA	13.2%
75th Percentile	40.9%	19.5%	NA	20.2%

25th Percentile	1.0x	12.2x	1.0x	10.9x
Mean	3.4x	20.9x	3.1x	16.3x
Median	2.3x	14.7x	2.1x	13.2x
75th Percentile	5.1x	26.1x	4.7x	18.2x

S&P Capital IQ. Data presented as of 03/31/2024.

Public Company Comparables – Food Retail and Ingredients

Food Retail	LTM Results		LTM Margins		Yr FWD Margins		Country	Enterprise Value \$MM	TEV / LTM:		TEV / Yr FWD:	
	Revenue \$MM	EBITDA \$MM	Gross	EBITDA	Gross	EBITDA			Revenue	EBITDA	Revenue	EBITDA
Albertsons Companies, Inc.	\$79,163	\$4,019	28.3%	5.1%	NA	5.3%	United States	\$26,496	0.3x	6.6x	0.3x	6.3x
Better Choice Company Inc.	\$42	(\$12)	30.7%	(29.2%)	NA	NA	United States	\$7	0.2x	NM	NM	NM
Casey's General Stores, Inc.	\$14,592	\$1,008	22.2%	6.9%	NA	7.2%	United States	\$13,021	0.9x	12.9x	0.9x	12.0x
Grocery Outlet Holding Corp.	\$3,969	\$214	31.3%	5.4%	NA	6.5%	United States	\$3,986	1.0x	18.6x	0.9x	14.2x
Ingles Markets, Incorporated	\$5,881	\$369	23.5%	6.3%	NA	NA	United States	\$1,721	0.3x	4.7x	NM	NM
Natural Grocers by Vitamin Cottage, Inc.	\$1,162	\$68	33.4%	5.9%	NA	NA	United States	\$743	0.6x	10.9x	NM	NM
Seneca Foods Corporation	\$1,482	\$113	10.3%	7.6%	NA	NA	United States	\$1,055	0.7x	9.4x	NM	NM
SpartanNash Company	\$9,729	\$223	15.3%	2.3%	NA	2.7%	United States	\$1,499	0.2x	6.7x	0.2x	5.7x
Sprouts Farmers Market, Inc.	\$6,837	\$519	37.1%	7.6%	NA	7.5%	United States	\$7,912	1.2x	15.3x	1.1x	14.4x
The Kroger Co.	\$150,039	\$8,153	23.0%	5.4%	NA	5.3%	United States	\$58,317	0.4x	7.2x	0.4x	7.5x
Village Super Market, Inc.	\$2,195	\$101	28.6%	4.6%	NA	NA	United States	\$658	0.3x	6.5x	NM	NM
Weis Markets, Inc.	\$4,697	\$246	25.3%	5.2%	NA	NA	United States	\$1,434	0.3x	5.8x	NM	NM

25th Percentile	22.4%	4.7%	NA	4.6%
Mean	25.7%	2.8%	NA	5.7%
Median	26.8%	5.4%	NA	5.9%
75th Percentile	31.1%	6.7%	NA	7.2%

25th Percentile	0.3x	6.5x	0.3x	6.1x
Mean	0.5x	9.5x	0.6x	10.0x
Median	0.4x	7.2x	0.6x	9.7x
75th Percentile	0.8x	12.9x	1.0x	14.3x

Ingredients	LTM Results		LTM Margins		Yr FWD Margins		Country	Enterprise Value	TEV / LTM:		TEV / Yr FWD:	
	Revenue	EBITDA	Gross	EBITDA	Gross	EBITDA			Revenue	EBITDA	Revenue	EBITDA
Balchem Corporation	\$922	\$212	32.7%	22.9%	NA	26.2%	United States	\$5,073	5.50x	23.98x	5.3x	20.1x
Darling Ingredients Inc.	\$6,788	\$1,101	24.2%	16.2%	NA	24.6%	United States	\$12,203	1.80x	11.08x	2.0x	8.0x
Ingredion Incorporated	\$8,160	\$1,180	21.4%	14.5%	NA	15.0%	United States	\$9,454	1.16x	8.01x	1.2x	7.9x
International Flavors & Fragrances Inc.	\$11,479	\$1,754	32.1%	15.3%	NA	18.6%	United States	\$32,159	2.80x	18.33x	2.9x	15.6x
Lamb Weston Holdings	\$6,551	\$1,372	27.6%	20.9%	NA	24.6%	United States	\$15,350	2.34x	11.19x	2.3x	9.3x
Sensient Technologies Corporation	\$1,456	\$237	31.6%	16.3%	NA	16.8%	United States	\$3,583	2.46x	15.10x	2.4x	14.2x
Whole Earth Brands	\$551	\$52	26.1%	9.4%	NA	14.0%	United States	\$621	1.13x	12.04x	1.1x	7.7x

25th Percentile	24.2%	14.5%	NA	15.0%
Mean	28.0%	16.5%	NA	20.0%
Median	27.6%	16.2%	NA	18.6%
75th Percentile	32.1%	20.9%	NA	24.6%

25th Percentile	1.2x	11.1x	1.2x	7.9x
Mean	2.5x	14.2x	2.4x	11.8x
Median	2.3x	12.0x	2.3x	9.3x
75th Percentile	2.8x	18.3x	2.9x	15.6x

S&P Capital IQ. Data presented as of 03/31/2024.

Transaction Activity

Recently Announced Transactions - Food & Beverage¹

Announced	Closed	Target	Category	Acquirer	Target Business Description	EV \$MM	EV/ EBITDA
Mar-24	Mar-24	 total foodservice	Food Distributors	 KITWAVE Wholesale Group	Foodservice distributor offering frozen & chilled food products	\$21.5	-
Mar-24	Mar-24	 YBB Food Wholesale Business	Food Distributors	 Fresh²	Business of Food Wholesale	\$72.2	-
Mar-24	Mar-24	 RR Mustard Oil Brand	Ingredients	 Annapurna	Brand of Mustard Oil	\$3.4	-
Mar-24	-	 CACIQUE	Ingredients	 LDC LDC Dairy Company	Producer and seller soluble coffee	-	-
Mar-24	-	F-Climbing Co., Ltd.	Food Retail	 KEIKYU 株式会社	Developer of a community-based food supermarket	-	-
Mar-24	-	EDP Business in Russia	Food Distributors	Vamin R LLC	Supplier of dairy products, such as yogurt, infant formula, & milk	-	-
Mar-24	-	 ERAMAS GROUP	Food Distributors	 SOGIM BHD	Engages in sale & distribution of coconut related products, palm oil, fat products, & dairy products	-	-
Mar-24	Apr-24	 BURKLUND DISTRIBUTORS, INC.	Food Distributors	 MCON	Distributor of products for operators of convenience store chains	\$18.9	-
Mar-24	-	Shorecal Limited	Restaurants	 Domino's	Owner and operator Domino's pizza franchises	\$114.2	8.0x
Mar-24	Mar-24	 TUNWORTH	Ingredients	 BUTLERS FARMHOUSE CHEESE	Producer and seller of cheese	-	-
Mar-24	-	 FRATELLI	Beverage	 L'Espresso	Producer and seller of wines	\$29.8	-
Feb-24	-	Merchong Palm Oil Mill Sdn Bhd	Ingredients	 Palm Oil Mill	Operator of a palm oil processing mill	\$13.2	-

¹ - S&P Capital IQ. Data presented as of 03/31/2024.

Transaction Activity




















Recently Announced Transactions – Food & Beverage¹

Announced	Closed	Target	Category	Acquirer	Target Business Description	EV \$MM	EV/ EBITDA
Feb-24	Feb-24	 cook it	Ingredients	freshprep	Producer & seller of ready-to-make meal kits	-	-
Feb-24	Mar-24	 PROGRESSIVE PRODUCE	Food Products	PTF Holdings, LLC	The company grows, packs, distributes, and ships fresh produce	\$185.0	-
Feb-24	-	 COURVOISIER <i>La Origine de l'Appartenance</i>	Beverage	CAMPARI	Manufacturer of Cognac	\$1,323.9	-
Feb-24	-	Anhui Daling Canyon Beverage Co., Ltd.	Beverage		The company offers packaged bottled drinking water & bagged mountain spring water	\$5.6	-
Feb-24	Apr-24	 BARGAIN BARN	Food Retail		Operator of Retail outlets	\$62.0	-
Feb-24	Feb-24	 Coca-Cola Bangladesh Beverages	Beverage	CCI	Producer and seller of sparkling soft drinks	\$130.0	-
Feb-24	Mar-24	 Frembassy Vegewel Business	Food Retail	cotta	Operator of a website intended to serve customers with plant-based and vegan restaurant information	-	-
Feb-24	Feb-24	BENSON HILL	Food Products		Producer and seller of ingredients for food, feed, and cooking oils	\$72.0	-
Feb-24	Feb-24	 552ha Heathcote Vineyard Portfolio	Beverage		Operator of a vineyard producing more than 4,000 tonnes of winegrapes	\$14.0	-
Feb-24	Feb-24	 الكان dukan	Food Retail		Operator of a retail grocery company	\$133.4	-
Feb-24	-	LAWSON	Food Retail		Operator and franchiser of convenience stores	\$11,047.8	7.6x
Feb-24	-	 Superior food services	Food Distributors	Melcash	Provider of foodservice and processed food products	266.8	9.4x

¹ - S&P Capital IQ. Data presented as of 03/31/2024.

Transaction Activity

Recently Announced Transactions – Food & Beverage¹

Announced	Closed	Target	Category	Acquirer	Target Business Description	EV \$MM	EV/ EBITDA
Feb-24	Mar-24	 Yokohama Susen Kagaku Industry	Food Products		Manufacturer and seller of natural seasonings, healthy foods, functional foods, and other foods in Japan	\$67.6	15.9x
Feb-24	-		Food Products		Producer of frozen bakery products	\$1,179.9	12.9x
Jan-24	-	 Snacks Manufacturing Facilities	Food Products		Provider of snacks and food items	\$182.5	-
Jan-24	Jan-24	 Operational Assets	Restaurants		Operator of a subscription-based meal kit business	\$24.0	-
Jan-24	Jan-24		Food Products		Producer and seller of tomato paste	\$486.7	-
Jan-24	-		Food Retail		Owner and operator of supermarkets	-	-
Jan-24	-		Restaurants		Provider of catering services	\$604.1	-
Jan-24	-		Beverage		Producer of the malt-based alcoholic beverages and non-alcoholic products	\$28.3	8.6x
Jan-24	-		Restaurants		Operator of restaurants	\$1,747.6	6.5x
Jan-24	Jan-24	 EQUESTRIAN	Ingredients		Producer of equine feed and herbal supplements	-	-
Jan-24	-		Restaurants		Operator Italian street food restaurant	-	-
Jan-24	-	21 Franchise Restaurants in North Carolina	Restaurants		Operates restaurants in North Carolina	\$75.0	-

1 - S&P Capital IQ. Data presented as of 03/31/2024.

Major News Headlines in Q1 2024

Recent Events and News – Global

Company	Date	Country	News Summary
	03/31/2024	United States	<ul style="list-style-type: none"> Kraft Heinz and NotCo, are not planning to slow the roll out of new products in the plant-based food category even as some of its competitors scale back their once lofty ambitions. The push further by The Kraft Heinz and Not Company comes as the sector is mired in a prolonged downturn. Inflation has caused many consumers to leave the pricier space in favor of animal-based items.¹
	03/25/2024	United States	<ul style="list-style-type: none"> Sazerac is buying BuzzBallz, a ready-to-drink cocktail business for an undisclosed amount. Demand for mixed drinks is driving beverage industry heavyweights to elevate their presence in the category through M&A and new product launches. Growing consumer demand for RTD cocktails is prompting veteran beverage companies to purchase start-up brands.²
	03/22/2024	United States	<ul style="list-style-type: none"> General Mills, has highlighted higher than normal costs for the quarter and is experiencing lower sales as well. Input costs have increased by 32.0% during 2023. While prices have remained elevated, the CPG giant saw a 1.0% decrease in net sales in its most recent quarter. The company saw its sales in its most recent quarter impacted by value-seeking behaviors from consumers.³
	03/19/2024	United States	<ul style="list-style-type: none"> Unilever plans to spin off its ice cream business, Ben & Jerry's as part of a sweeping restructuring plan designed to create "a simpler, more focused company." The consumer goods company also announced it would cut about 7,500 jobs as part of the restructuring effort.⁴
	03/15/2024	Belgium	<ul style="list-style-type: none"> Marlboro maker Altria sells \$2.0B stake in AB InBev. The sale comes in as the giant faces a gradual decline in beer consumption globally. The Bud Light and Michelob Ultra brewer separately announced plans to buy back roughly \$200 million of the shares, according to an SEC form filed by the company Wednesday.⁵ The move comes in the face of a general decline in Beer sales.
	03/12/2024	United States	<ul style="list-style-type: none"> Tyson to shutter Iowa pork plant, impacting more than 1,200 jobs. The facility will be the ninth to close since early 2023 as the Arkansas-based company deals with softening demand for meat and poultry. The Iowa closure comes after a volatile period for the company's pork business, which has struggled with high grain costs but has shown recent signs of improving.⁶
	03/11/2024	United States	<ul style="list-style-type: none"> Liquid Death valued at \$1.4B after latest funding round. The beverage maker, which is reportedly looking to go public this year, said the \$67.0M in new financing will be used to grow distribution and accelerate product innovation. Liquid Death said it had \$263.0M in retail sales through registers in 2023.⁷
	03/11/2024	United States	<ul style="list-style-type: none"> Just five months after WK Kellogg became an independent company, CEO Gary Pilnick says the Frosted Flakes maker is focusing on cereal before expanding its reach into other categories through M&A. Despite the challenges cereal has faced, Pilnick said there are opportunities to reinvigorate the space and increase the times when consumers decide to pour a bowl.⁸
	03/06/2024	United States	<ul style="list-style-type: none"> Kraft Heinz enters plant-based meats with Oscar Mayer hotdogs and sausages. "This is an attractive space. There is an unmet need," Lucho Lopez-May, the CEO of The Kraft Heinz Not Company, said in an interview. "We have the right assets and the right equities to go after the opportunity and develop the category."⁹
	02/29/2024	United States	<ul style="list-style-type: none"> Del Monte Foods to close 2 plants amid a 'reset in consumer behavior'. The company said it will start winding down operations at the Washington and Wisconsin facilities starting in April. The move comes as there has been a realignment of "buying habits at pre-COVID levels [that] has required the company to assess its manufacturing network and reduce the number of facilities."¹⁰

1. Kraft Heinz 2. Sazerac 3. General Mills 4. Unilever 5. Altria 6. Tyson Foods 7. Liquid Death 8. WK Kellogg 9. Kraft Heinz 10. Del Monte

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