



GCG INDUSTRY UPDATE | Food & Beverage

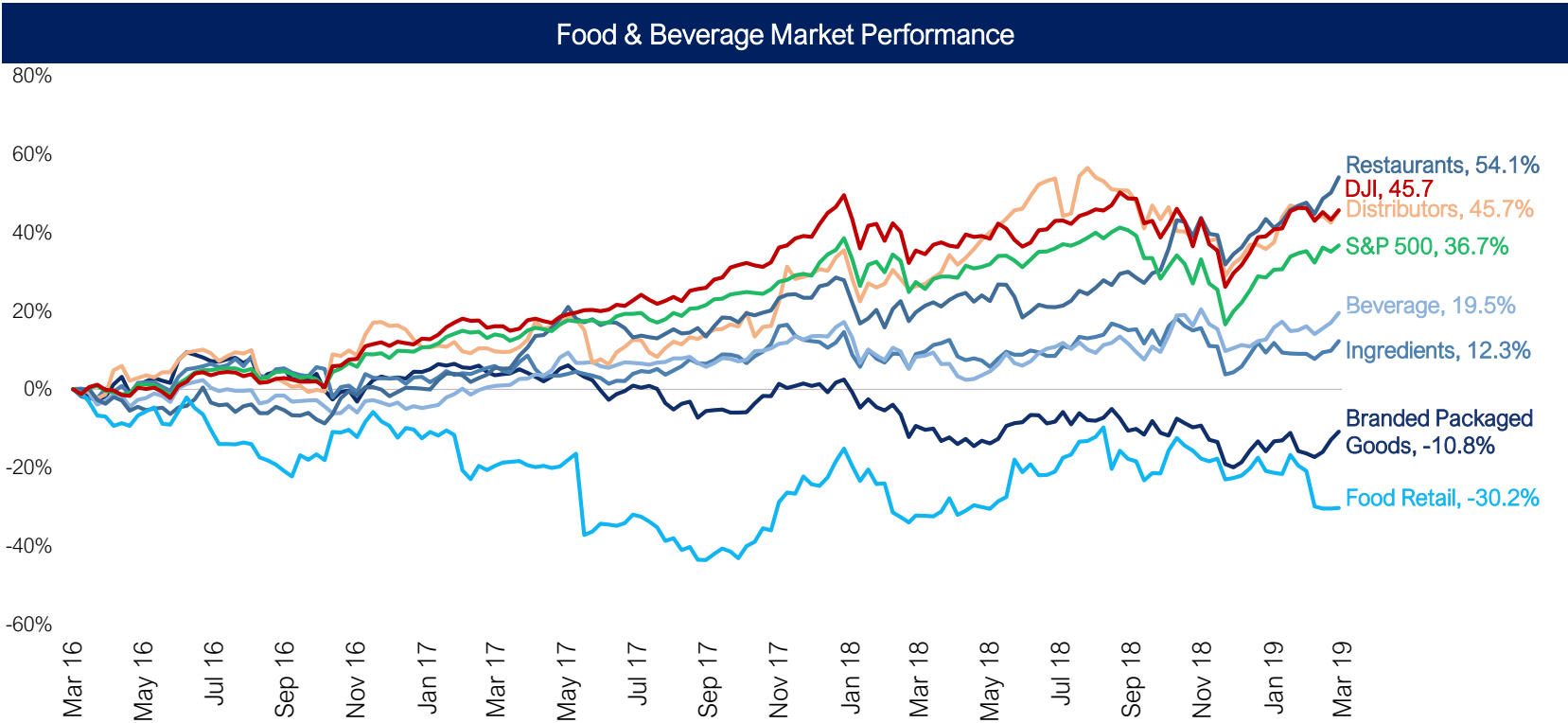
Q1 2019



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Public Market Performance

Q1 2019 saw strong gains in the Food & Beverage (“F&B”) industry and the broader U.S. equity market as the market sentiment reversed course from a negative and volatile Q4 2018. However, for the 3-year period ending March 31, 2019, the S&P 500 and DJI indices were up 36.7% and 45.7%, respectively. The F&B industry as a whole exhibited moderate performance on a 12-month basis, with certain segments performing stronger than others. The industry was led by the Restaurant and Distribution segments, both of which outperformed the S&P 500 over the 3-year period with stock gains of 54.1% and 45.7%, respectively.



Source: S&P Capital IQ
Note: All values based on publicly available data as of 3/31/2019



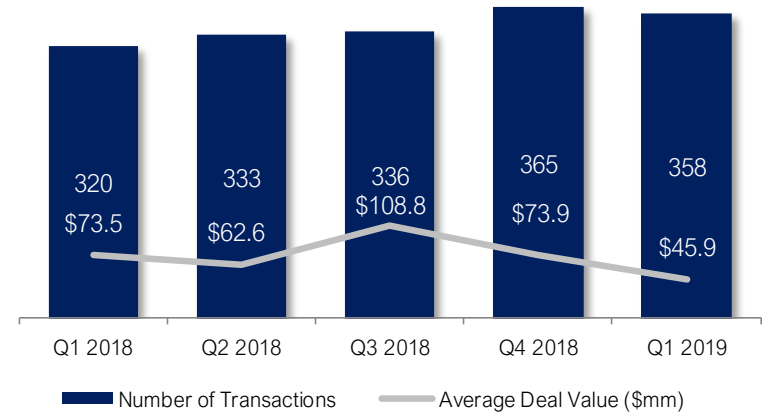
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Middle-Market M&A Activity

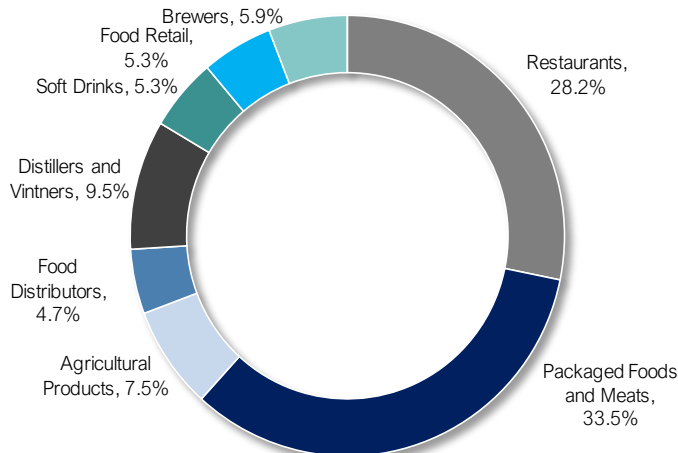
In Q1 2019, the F&B sector saw smaller transaction values and a lower number of transactions compared to Q4 2018. However, the overall number of transactions remained strong with 358 transactions in Q1. Strategic buyers continue to dominate overall deal activity and have sought acquisitions to offset slowing organic growth and to diversify their offerings. In Q1, Financial buyers represented just under 17% of all M&A activity in the industry.

The Packaged Foods and Meats category led activity, accounting for roughly 34% of total F&B transaction volume. Restaurants proved to be attractive targets as well with over 28% of deal flow.

Food & Beverage M&A Activity



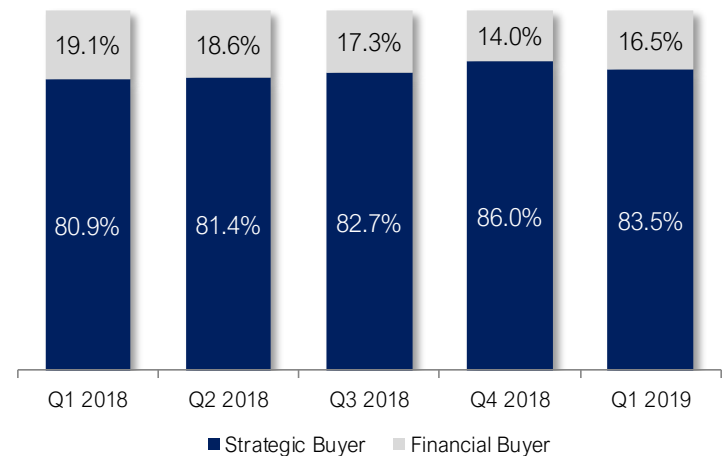
Q1 2019 M&A Activity by Sector Activity



Source: S&P Capital IQ

Note: All values based on publicly available data as of 3/31/2019

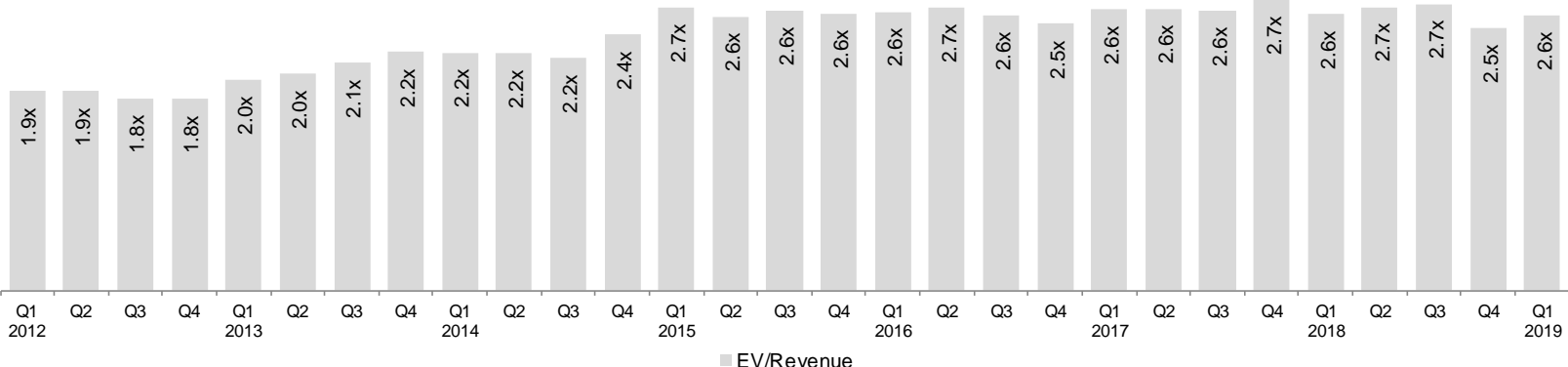
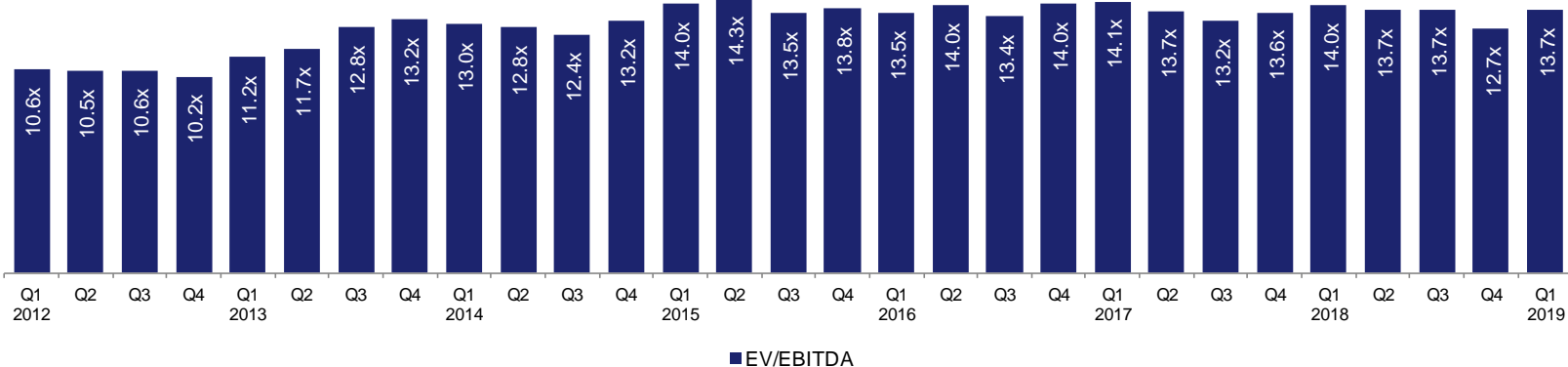
M&A Activity by Buyer Type



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Public Company Trading Multiples

Based on a representative set of publicly traded companies across the F&B industry, public companies in F&B traded at an average multiple of 13.7x EBITDA and 2.6x revenue. Among the six sectors, the strongest trading multiples were observed in the Beverage and Restaurant sectors.



Source: S&P Capital IQ
 Note: All values based on publicly available data as of 3/31/2019



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Public Comparable Companies

Company Name	Enterprise	Share	Price Change		LTM Margins		TEV / LTM:	
	Value (\$mils)	Stock Price	3 month	12 month	Gross	EBITDA	Revenue	EBITDA
Branded Packaged Goods								
B&G Foods, Inc.	\$ 3,219	\$ 24.42	(15.5%)	3.0%	25.0%	18.1%	1.9x	10.4x
Campbell Soup Company	\$ 20,745	\$ 38.13	15.6%	(12.0%)	31.2%	20.5%	2.1x	10.4x
Conagra Brands, Inc.	\$ 24,317	\$ 27.74	29.9%	(24.8%)	29.1%	20.4%	2.7x	13.4x
General Mills, Inc.	\$ 46,329	\$ 51.75	32.9%	14.8%	34.7%	21.8%	2.8x	12.8x
Kellogg Company	\$ 28,853	\$ 57.38	0.6%	(11.7%)	35.6%	17.8%	2.1x	12.0x
Lancaster Colony Corporation	\$ 4,116	\$ 156.69	(11.4%)	27.2%	24.9%	16.6%	3.2x	19.5x
McCormick & Company, Incorporated	\$ 24,520	\$ 150.63	8.2%	41.6%	43.8%	20.1%	4.5x	22.5x
Mondelez International, Inc.	\$ 89,779	\$ 49.92	24.7%	19.6%	39.9%	17.6%	3.5x	19.7x
Post Holdings, Inc.	\$ 13,568	\$ 109.40	22.7%	44.4%	29.7%	18.8%	2.2x	11.6x
The J. M. Smucker Company	\$ 19,172	\$ 116.50	24.6%	(6.1%)	37.8%	21.4%	2.5x	11.6x
The Kraft Heinz Company	\$ 70,091	\$ 32.65	(24.1%)	(47.6%)	34.8%	26.9%	2.7x	9.9x
TreeHouse Foods, Inc.	\$ 5,748	\$ 64.55	27.3%	68.7%	17.4%	8.7%	1.0x	11.4x
Tyson Foods, Inc.	\$ 37,084	\$ 69.43	30.0%	(5.1%)	12.9%	10.1%	0.9x	9.2x
Mean	\$ 29,811	\$ 73.01	12.7%	8.6%	30.5%	18.4%	2.5x	13.4x
Median	\$ 24,317	\$ 57.38	22.7%	3.0%	31.2%	18.8%	2.5x	11.6x

Source: S&P Capital IQ

Note: All values based on publicly available data as of 3/31/2019



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Public Comparable Companies (Cont'd)

Company Name	Enterprise	Share	Price Change		LTM Margins		TEV / LTM:	
	Value (\$mils)	Stock Price	3 month	12 month	Gross	EBITDA	Revenue	EBITDA
Ingredients								
Archer-Daniels-Midland Company	\$ 30,606	\$ 43.13	5.3%	(0.6%)	6.5%	4.5%	0.5x	10.7x
Cal-Maine Foods, Inc.	\$ 1,879	\$ 44.63	5.5%	2.1%	23.1%	14.7%	1.2x	8.4x
Hormel Foods Corporation	\$ 24,093	\$ 44.76	4.9%	30.4%	20.7%	14.0%	2.5x	18.0x
Ingredion Incorporated	\$ 8,099	\$ 94.69	3.6%	(26.6%)	23.4%	16.8%	1.4x	8.2x
International Flavors & Fragrances Inc.	\$ 17,744	\$ 128.79	(4.1%)	(5.9%)	42.6%	21.9%	4.5x	20.4x
Pilgrim's Pride Corporation	\$ 7,546	\$ 22.29	43.7%	(9.4%)	7.7%	7.1%	0.7x	9.8x
Sensient Technologies Corporation	\$ 3,545	\$ 67.79	21.4%	(4.0%)	33.6%	18.5%	2.6x	13.8x
Premium Brands Holdings Corporation	\$ 2,779	\$ 57.61	5.0%	(37.3%)	19.8%	8.1%	1.3x	15.5x
Mean	\$ 12,036	\$ 62.96	10.7%	(6.4%)	22.2%	13.2%	1.8x	13.1x
Median	\$ 7,823	\$ 51.19	5.1%	(4.9%)	21.9%	14.3%	1.3x	12.2x

Source: S&P Capital IQ

Note: All values based on publicly available data as of 3/31/2019



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Public Comparable Companies (Cont'd)

Company Name	Enterprise	Share	Price Change		LTM Margins		TEV / LTM:	
	Value (\$mils)	Stock Price	3 month	12 month	Gross	EBITDA	Revenue	EBITDA
Beverages								
Anheuser-Busch InBev SA/NV	\$ 272,887	\$ 83.97	27.6%	(23.6%)	62.7%	39.5%	5.0x	12.7x
Brown-Forman Corporation	\$ 27,155	\$ 52.78	10.9%	(3.0%)	66.3%	33.1%	8.2x	24.8x
Constellation Brands, Inc.	\$ 46,910	\$ 175.33	9.0%	(23.1%)	50.6%	37.7%	5.8x	15.3x
Cott Corporation	\$ 3,178	\$ 14.61	4.8%	(0.7%)	49.5%	11.7%	1.3x	11.4x
Farmer Bros. Co.	\$ 457	\$ 20.01	(14.2%)	(33.7%)	33.5%	4.4%	0.7x	16.9x
Molson Coors Brewing Company	\$ 22,580	\$ 59.65	6.2%	(20.8%)	38.9%	21.3%	2.1x	9.9x
Monster Beverage Corporation	\$ 28,687	\$ 54.58	10.9%	(4.6%)	60.3%	35.9%	7.5x	21.0x
National Beverage Corp.	\$ 2,418	\$ 57.73	(19.6%)	(35.1%)	39.2%	20.7%	2.4x	11.5x
PepsiCo, Inc.	\$ 195,507	\$ 122.55	10.9%	12.3%	54.8%	20.0%	3.0x	15.0x
Starbucks Corporation	\$ 96,594	\$ 74.34	15.4%	28.4%	29.3%	20.3%	3.8x	18.8x
The Boston Beer Company, Inc.	\$ 3,280	\$ 294.73	22.4%	55.9%	51.4%	16.9%	3.3x	19.5x
The Coca-Cola Company	\$ 230,042	\$ 46.86	(1.0%)	7.9%	63.1%	33.3%	7.2x	21.7x
Mean	\$ 77,475	\$ 88.10	6.9%	(3.4%)	50%	24.6%	4.2x	16.5x
Median	\$ 27,921	\$ 58.69	10.0%	(3.8%)	51.0%	21.0%	3.6x	16.1x

Source: S&P Capital IQ

Note: All values based on publicly available data as of 3/31/2019



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Public Comparable Companies (Cont'd)

Company Name	Enterprise	Share	Price Change		LTM Margins		TEV / LTM:	
	Value (\$mils)	Stock Price	3 month	12 month	Gross	EBITDA	Revenue	EBITDA
Distributors								
AMCON Distributing Company	\$ 82	\$ 89.00	(10.8%)	(1.1%)	8.3%	1.1%	0.1x	7.5x
Core-Mark Holding Company, Inc.	\$ 2,071	\$ 37.13	59.7%	74.6%	6.7%	1.0%	0.2x	15.4x
Performance Food Group Company	\$ 5,405	\$ 39.64	22.8%	32.8%	13.1%	2.3%	0.3x	13.0x
SpartanNash Company	\$ 1,250	\$ 15.87	(7.6%)	(7.8%)	13.8%	2.4%	0.2x	6.3x
Sysco Corporation	\$ 42,413	\$ 66.76	6.5%	11.3%	18.9%	5.6%	0.7x	12.8x
The Chefs' Warehouse, Inc.	\$ 1,166	\$ 31.05	(2.9%)	35.0%	25.4%	4.8%	0.8x	16.8x
United Natural Foods, Inc.	\$ 3,864	\$ 13.22	24.8%	(69.2%)	13.7%	2.6%	0.3x	10.6x
US Foods Holding Corp.	\$ 11,121	\$ 34.91	10.3%	6.5%	17.8%	4.2%	0.5x	11.0x
Mean	\$ 8,422	\$ 40.95	12.9%	10.3%	15%	3.0%	0.4x	11.7x
Median	\$ 2,968	\$ 100.00	8.4%	8.9%	13.8%	2.5%	0.3x	11.9x

Source: S&P Capital IQ

Note: All values based on publicly available data as of 3/31/2019



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Public Comparable Companies (Cont'd)

Company Name	Enterprise	Share	Price Change		LTM Margins		TEV / LTM:	
	Value (\$mils)	Stock Price	3 month	12 month	Gross	EBITDA	Revenue	EBITDA
Restaurants								
Brinker International, Inc.	\$ 2,920	\$ 44.38	0.9%	22.9%	16.7%	12.3%	0.9x	7.4x
Chipotle Mexican Grill, Inc.	\$ 19,017	\$ 710.31	64.5%	119.8%	32.7%	11.5%	3.9x	34.0x
Darden Restaurants, Inc.	\$ 15,627	\$ 121.47	21.6%	42.5%	21.8%	13.9%	1.9x	13.4x
Domino's Pizza, Inc.	\$ 14,105	\$ 258.10	4.1%	10.5%	27.5%	17.7%	4.1x	23.2x
Dunkin' Brands Group, Inc.	\$ 8,738	\$ 75.10	17.1%	25.8%	52.1%	33.6%	6.6x	19.7x
McDonald's Corporation	\$ 175,555	\$ 189.90	6.9%	21.4%	51.3%	47.9%	8.3x	17.4x
Restaurant Brands International Inc.	\$ 29,685	\$ 65.11	24.5%	14.4%	58.2%	39.7%	5.5x	14.0x
Starbucks Corporation	\$ 96,594	\$ 74.34	15.4%	28.4%	29.3%	20.3%	3.8x	18.8x
YUM! Brands, Inc.	\$ 40,342	\$ 99.81	8.6%	17.2%	46.9%	33.4%	7.1x	21.2x
Mean	\$ 44,732	\$ 182.06	18.2%	33.7%	37.4%	25.6%	4.7x	18.8x
Median	\$ 19,017	\$ 99.81	15.4%	22.9%	32.7%	20.3%	4.1x	18.8x

Source: S&P Capital IQ

Note: All values based on publicly available data as of 3/31/2019



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Public Comparable Companies (Cont'd)

Company Name	Enterprise	Share	Price Change		LTM Margins		TEV / LTM:	
	Value (\$mils)	Stock Price	3 month	12 month	Gross	EBITDA	Revenue	EBITDA
Food Retail								
Ingles Markets, Incorporated	\$ 1,425	\$ 27.62	1.5%	(18.4%)	24.0%	5.8%	0.3x	5.9x
Natural Grocers by Vitamin Cottage, Inc.	\$ 322	\$ 11.95	(22.0%)	66.9%	26.7%	5.4%	0.4x	6.9x
Sprouts Farmers Market, Inc.	\$ 3,242	\$ 21.54	(8.4%)	(8.2%)	33.6%	6.6%	0.6x	9.4x
The Kroger Co.	\$ 34,424	\$ 24.60	(10.5%)	2.8%	22.3%	4.3%	0.3x	6.6x
Village Super Market, Inc.	\$ 333	\$ 27.33	2.2%	3.6%	27.5%	3.9%	0.2x	5.2x
Weis Markets, Inc.	\$ 1,006	\$ 40.81	(14.6%)	(0.4%)	27.0%	5.1%	0.3x	5.6x
Mean	\$ 6,792	\$ 25.64	(8.6%)	7.7%	26.8%	5.2%	0.4x	6.6x
Median	\$ 1,216	\$ 25.97	(9.5%)	1.2%	26.8%	5.2%	0.3x	6.3x
Food & Beverage Mean	\$ 34,361	\$ 82.68	9.8%	8.1%	31.9%	16.5%	2.6x	13.9x
Food & Beverage Median	\$ 14,866	\$ 55.98	7.6%	2.9%	29.3%	16.9%	2.1x	12.8x

Source: S&P Capital IQ

Note: All values based on publicly available data as of 3/31/2019



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Q1 2019 Middle-Market M&A Activity

Announcement Date	Target	Buyer	Sector	Value (\$mm)	TEV / Revenue	TEV / EBITDA
3/28/2019	Nine Popeyes Restaurants in Tennessee	Carrols Restaurant Group, Inc.	Restaurants	9.00	-	-
3/28/2019	Nine Burger King Restaurants located in Louisiana and Mississippi	Carrols Restaurant Group, Inc.	Restaurants	21.02	-	-
3/28/2019	18 Burger King Restaurants in Tennessee	Carrols Restaurant Group, Inc.	Restaurants	22.73	-	-
3/28/2019	35 Popeyes Restaurants in Louisiana and Mississippi	Carrols Restaurant Group, Inc.	Restaurants	27.76	-	-
3/22/2019	4505 Meats Inc	Encore Consumer Capital; CircleUp Network, Inc.	Packaged Foods and Meats	8.45	-	-
3/7/2019	Five Stores of Gordy Market, Inc.	SpartanNash Company	Food Retail	15.10	-	-
3/7/2019	RiceBran Technologies	Continental Grain Company Corp.; DG Capital Management, LLC; Dillon Hill Capital, LLC	Packaged Foods and Meats	12.14	-	-
3/4/2019	Betterer Foods, Inc.	Strand Equity Partners, LLC	Packaged Foods and Meats	5.50	-	-
2/28/2019	Nine BWW restaurants located in the Chicago	AMC Wings, Inc.	Restaurants	22.50	0.69x	-
2/26/2019	Motif Ingredients, Inc.	Fonterra Co-operative Group Limited; Viking Global Investors LP; Louis Dreyfus Company B.V.	Packaged Foods and Meats	90.00	-	-
2/21/2019	Epogee LLC.	HG Ventures	Packaged Foods and Meats	8.30	-	-
2/20/2019	Revolution Foods, Inc.	Nuveen Investments, Inc.	Packaged Foods and Meats	10.00	-	-
2/20/2019	221 Restaurants of Cambridge Franchise Holdings, LLC	Carrols Restaurant Group, Inc.	Restaurants	238.47	-	-
2/19/2019	CytoSport Business of Hormel Foods Corporation	PepsiCo, Inc.	Packaged Foods and Meats	465.00	1.55	-
2/14/2019	Beverage Brand and Intellectual Property Portfolio of Carlsbad Naturals LLC	Isodiol International Inc.	Packaged Foods and Meats	8.46	-	-
2/11/2019	DoorDash, Inc.	Sequoia Capital; Temasek Holdings (Private) Limited; GIC Pte. Ltd.; Coatue Management, L.L.C.; Y Combinator Management LLC; DST Global	Restaurants	400.00	-	-
2/8/2019	Cott Beverages LLC	Refresco Group N.V.	Soft Drinks	50.00	0.63x	-
2/5/2019	Little Spoon Organic, LLC	SoGal Ventures; Kairos Society; Interplay Ventures; Vaultier7 LLP	Packaged Foods and Meats	7.00	-	-
2/4/2019	Siete Family Foods Inc.	Stripes Group LLC	Packaged Foods and Meats	90.00	-	-
2/3/2019	Papa John's International, Inc.	Starboard Value LP	Restaurants	200.00	-	-
1/31/2019	Low-Carb High-Fat, LLC	One Better Ventures	Packaged Foods and Meats	7.75	-	-

Source: S&P Capital IQ

Note: Data shown from transactions with available financial information and greater than \$5mm in value



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Q1 2019 Middle-Market M&A Activity (Cont'd)

Announcement Date	Target	Buyer	Sector	Value (\$mm)	TEV / Revenue	TEV / EBITDA
1/28/2019	Oggi's Pizza & Brewery/Outback Steakhouse/Red Robin/Joe's Crab Shack in Garden Grove	Valore Ventures	Restaurants	13.10	-	-
1/25/2019	iFresh Inc.	HK Xu Ding Co, Limited	Food Retail	29.59	0.27	-
1/23/2019	Hans Kissle Company, LLC	Mitsui & Co., Ltd.; KENKO Mayonnaise Co.,Ltd.	Packaged Foods and Meats	108.00	-	-
1/18/2019	Perfect Day, Inc.	Temasek Holdings (Private) Limited; Asia Debt Management Hong Kong Limited; Horizons Ventures Limited	Packaged Foods and Meats	34.75	-	-
1/15/2019	The Farmer's Dog, Inc.	Insight Venture Partners LLC; Shasta Ventures; Forerunner Ventures	Packaged Foods and Meats	39.00	-	-
1/3/2019	Vapiano International LLC	Plutos Sama, LLC	Restaurants	15.00	-	-

Source: S&P Capital IQ

Note: Data shown from transactions with available financial information and greater than \$5mm in value



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Food & Beverage Expertise

GCG offers a unique breadth and depth of expertise in Food & Beverage from both an operational and transactional standpoint. Our professionals bring direct experience in senior operating roles within the industry to augment our investment banking and consulting services.

The range of segments that GCG has worked in extends from snack foods to dairy products, private label, manufacturing, retail and distribution, among many other segments. Our Food & Beverage professionals have deep roots in the industry and are able to provide clients with the guidance and support needed to expand their businesses, allow them to run more effectively and venture into new markets both domestically and globally. Our experience, community of networks and relationships have positioned us as industry leaders surrounding M&A, private placements and financial advisory in the Food & Beverage sector.

More about Greenwich Capital Group

Greenwich Capital Group (“GCG”) is a middle market focused advisory firm offering a range of investment banking and consulting services to private companies, public companies and private equity investors. For additional perspective or to discuss M&A related opportunities in the F&B sector, please reach out to GCG’s Food & Beverage practice leader, Andrew Dickow. For more information, please visit www.greenwichgp.com.

Data Sources: We have based our findings on data provided by industry recognized sources. Data and information for this publication was collated from the S&P Capital IQ database. For more information on this or anything else related to our research, please email info@greenwichgp.com.

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