



INDUSTRY UPDATE

FOOD & BEVERAGE
Q2 2019

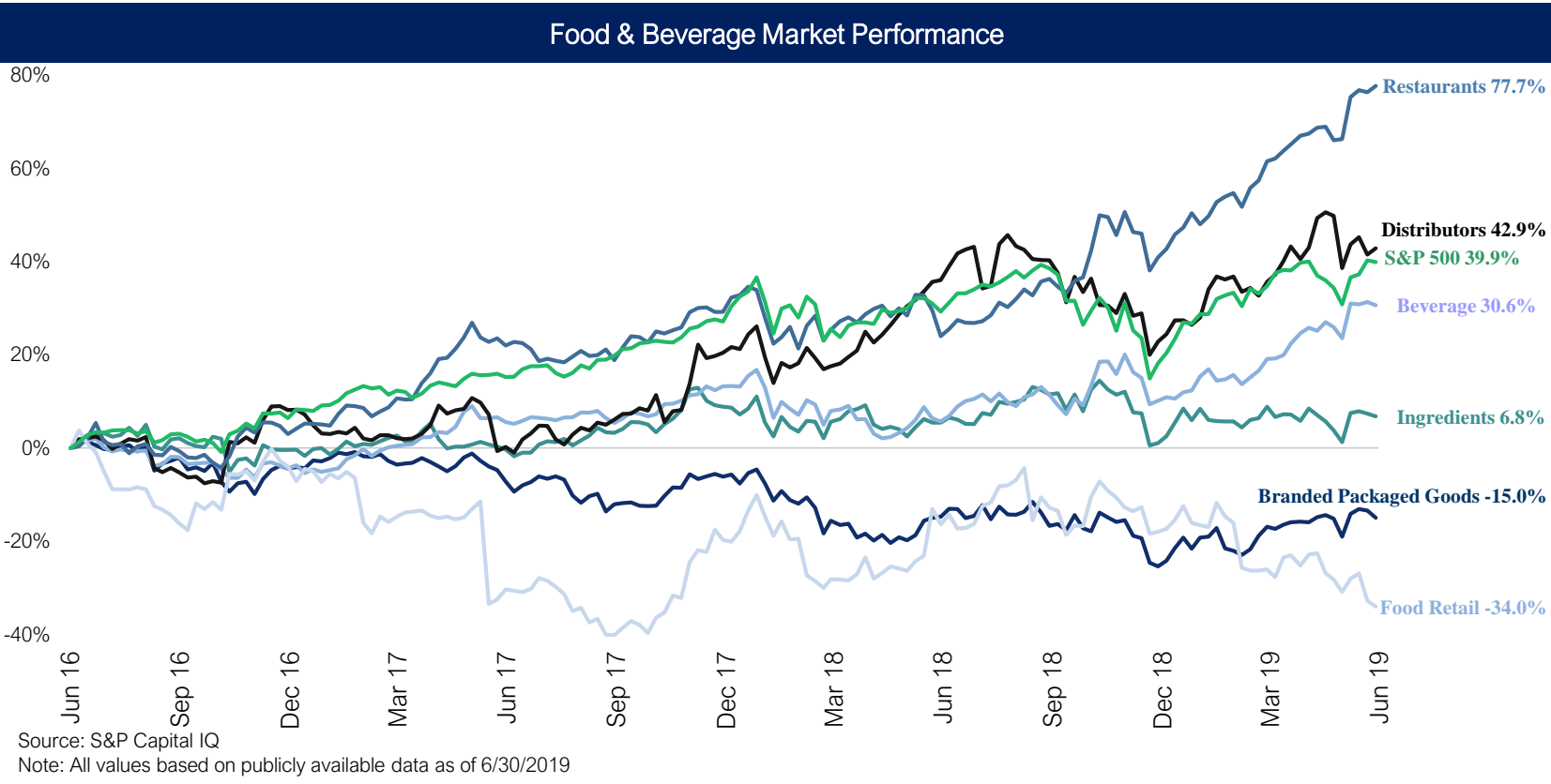


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Public Market Performance

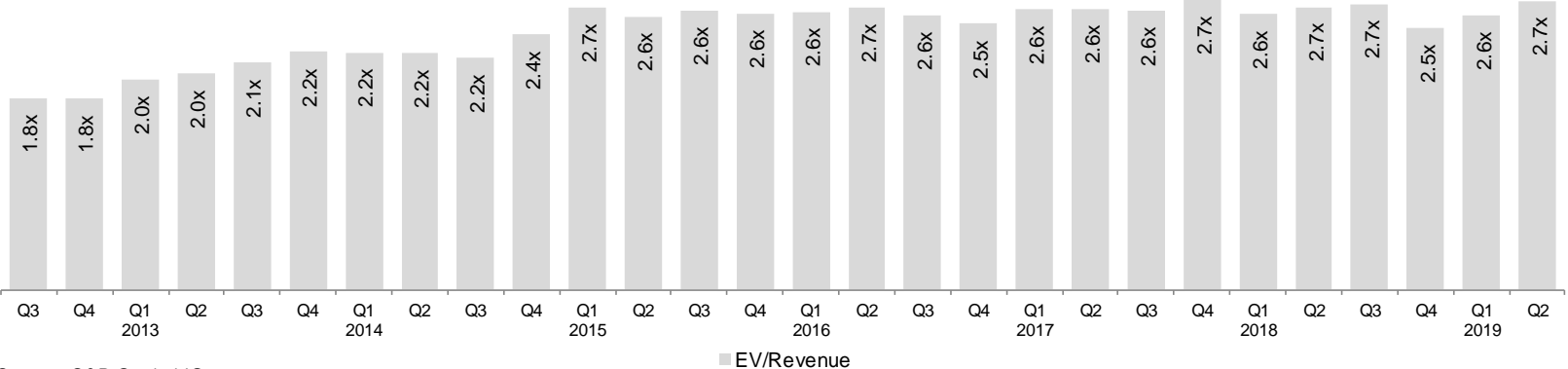
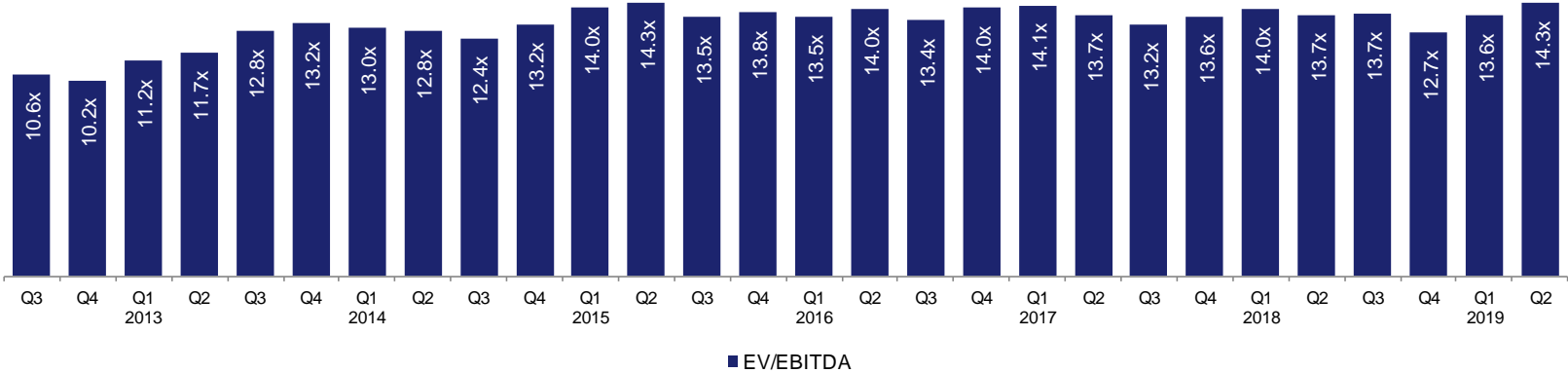
Q2 2019 saw strong gains in the Food & Beverage (“F&B”) industry and the broader U.S. equity market despite ongoing trade tensions and concerns of a global growth slowdown. The market rally through Q2 2019 was largely driven by the prospect of an upcoming Fed rate cut. For the 3-year period ending June 30, 2019, the S&P 500 index was up by 39.9%. 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 77.7% and 42.9%, respectively.



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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 14.3x EBITDA and 2.7x revenue. Among the six sectors disclosed on the previous page, 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 6/30/2019



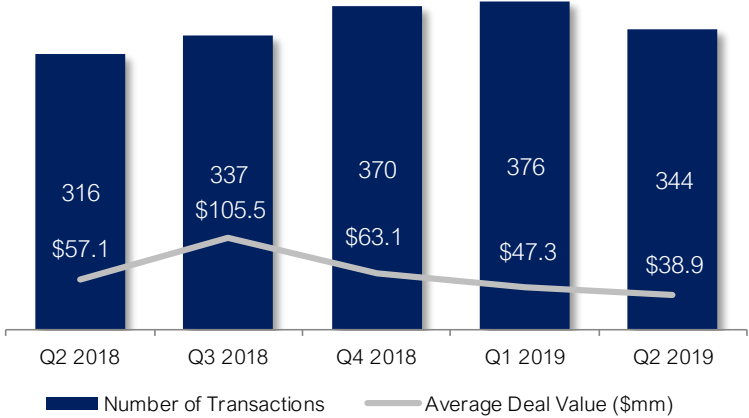
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Middle-Market M&A Activity

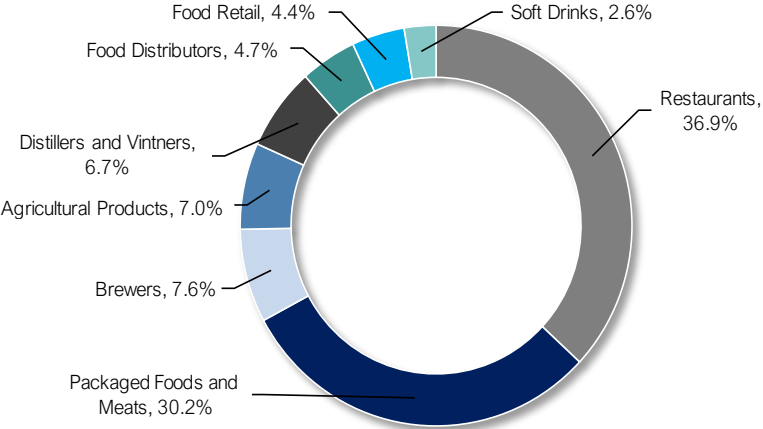
In Q2 2019, the F&B sector saw smaller transaction values and a lower number of transactions compared to recent quarters. However, the overall number of transactions remained strong with 344 transactions in Q2. Strategic buyers continue to dominate overall deal activity and have sought acquisitions to offset slowing organic growth and to diversify their offerings. In Q2, financial buyers represented 16% of all M&A activity in the industry.

The Restaurants category led activity, accounting for nearly 37% of total F&B transaction volume. Packaged Foods and Meat companies proved to be attractive targets as well with over 30% of transaction volume.

Food & Beverage M&A Activity

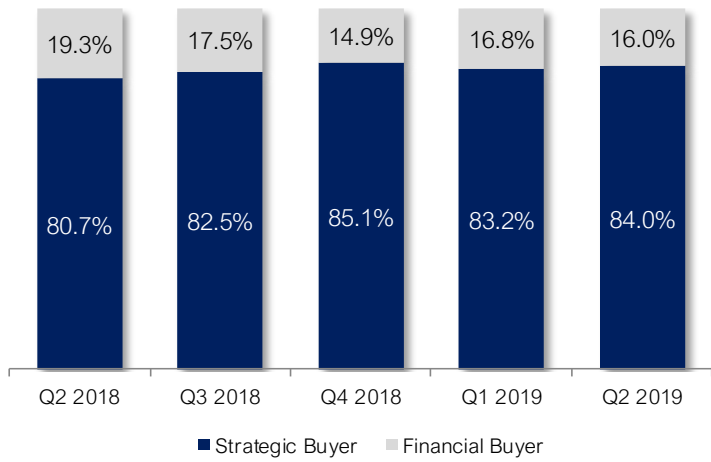


Q2 2019 M&A Activity by Sector Activity



Source: S&P Capital IQ
 Note: All transaction data based on publicly available data as of 6/30/2019

M&A Activity by Buyer Type



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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.	\$ 3,024.76	\$ 20.80	(14.8%)	(30.4%)	24.2%	17.6%	1.8x	10.2x
Campbell Soup Company	\$ 21,154.08	\$ 40.07	5.1%	(1.2%)	30.9%	19.4%	2.1x	10.8x
Conagra Brands, Inc.	\$ 23,327.16	\$ 26.52	(4.4%)	(25.8%)	28.5%	20.5%	2.4x	11.9x
General Mills, Inc.	\$ 46,516.69	\$ 52.52	1.5%	18.7%	34.5%	21.5%	2.8x	12.9x
Kellogg Company	\$ 28,291.42	\$ 53.57	(6.6%)	(23.3%)	34.2%	16.8%	2.1x	12.3x
Lancaster Colony Corporation	\$ 3,899.85	\$ 148.60	(5.2%)	7.4%	25.1%	16.4%	3.0x	18.4x
McCormick & Company, Incorporated	\$ 25,081.11	\$ 155.01	2.9%	33.5%	43.9%	20.4%	4.6x	22.7x
Mondelez International, Inc.	\$ 96,579.49	\$ 53.90	8.0%	31.5%	39.3%	17.1%	3.8x	21.9x
Post Holdings, Inc.	\$ 14,045.42	\$ 103.97	(5.0%)	20.9%	30.3%	19.4%	2.3x	12.0x
The J. M. Smucker Company	\$ 18,994.80	\$ 115.19	(1.1%)	7.2%	37.2%	20.4%	2.4x	11.9x
The Kraft Heinz Company	\$ 68,025.90	\$ 31.04	(4.9%)	(50.6%)	34.7%	26.8%	2.6x	9.7x
TreeHouse Foods, Inc.	\$ 5,525.91	\$ 54.10	(16.2%)	3.0%	17.2%	8.8%	1.0x	11.2x
Tyson Foods, Inc.	\$ 41,602.12	\$ 80.74	16.3%	17.3%	12.8%	10.1%	1.0x	10.1x
Mean	\$ 30,466.82	\$ 72.00	(1.9%)	0.6%	30.2%	18.1%	2.5x	13.5x
Median	\$ 23,327.16	\$ 53.90	(4.4%)	7.2%	30.9%	19.4%	2.4x	11.9x

Source: S&P Capital IQ

Note: All values based on publicly available data as of 6/30/2019



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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	\$ 32,684.74	\$ 40.80	(5.4%)	(11.0%)	6.6%	4.3%	0.5x	11.8x
Cal-Maine Foods, Inc.	\$ 1,695.78	\$ 41.72	(6.5%)	(9.0%)	16.4%	7.5%	1.2x	16.5x
Hormel Foods Corporation	\$ 21,250.50	\$ 40.54	(9.4%)	8.9%	20.5%	14.0%	2.2x	15.8x
Ingredion Incorporated	\$ 7,487.04	\$ 82.49	(12.9%)	(25.5%)	23.0%	16.3%	1.3x	7.9x
International Flavors & Fragrances Inc.	\$ 19,664.92	\$ 145.09	12.7%	17.0%	42.1%	21.8%	4.5x	20.8x
Pilgrim's Pride Corporation	\$ 8,626.77	\$ 25.39	13.9%	26.1%	7.1%	6.5%	0.8x	12.2x
Sensient Technologies Corporation	\$ 3,805.52	\$ 73.48	8.4%	2.7%	33.1%	18.3%	2.8x	15.4x
Premium Brands Holdings Corporation	\$ 3,686.53	\$ 68.43	18.8%	(20.5%)	20.2%	7.9%	1.5x	19.4x
Mean	\$ 12,362.73	\$ 64.74	2.4%	(1.4%)	21.1%	12.1%	1.9x	15.0x
Median	\$ 8,056.90	\$ 55.07	1.5%	(3.2%)	20.3%	11.0%	1.4x	15.6x

Source: S&P Capital IQ

Note: All values based on publicly available data as of 6/30/2019



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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	\$ 285,759.06	\$ 88.51	5.4%	(12.2%)	62.6%	39.5%	5.3x	13.4x
Brown-Forman Corporation	\$ 28,529.71	\$ 55.43	5.0%	13.1%	65.2%	35.5%	8.6x	24.2x
Constellation Brands, Inc.	\$ 51,817.56	\$ 196.94	12.3%	(10.0%)	50.5%	36.8%	6.3x	17.2x
Cott Corporation	\$ 3,227.62	\$ 13.35	(8.6%)	(19.3%)	49.7%	11.5%	1.4x	11.7x
Farmer Bros. Co.	\$ 390.46	\$ 16.37	(18.2%)	(46.4%)	32.1%	5.4%	0.6x	11.9x
Molson Coors Brewing Company	\$ 22,458.86	\$ 56.00	(6.1%)	(17.7%)	39.9%	22.4%	2.1x	9.3x
Monster Beverage Corporation	\$ 33,836.54	\$ 63.83	16.9%	11.4%	60.3%	36.0%	8.7x	24.1x
National Beverage Corp.	\$ 1,920.64	\$ 44.63	(22.7%)	(58.3%)	37.9%	19.3%	1.9x	9.8x
PepsiCo, Inc.	\$ 211,751.87	\$ 131.13	7.0%	20.4%	55.0%	19.6%	3.2x	16.5x
Starbucks Corporation	\$ 108,621.40	\$ 83.83	12.8%	71.6%	29.0%	20.1%	4.3x	21.1x
The Boston Beer Company, Inc.	\$ 4,285.81	\$ 377.76	28.2%	26.0%	51.2%	17.9%	4.1x	22.7x
The Coca-Cola Company	\$ 252,914.58	\$ 50.92	8.7%	16.1%	62.1%	34.6%	7.7x	22.3x
Mean	\$ 83,792.84	\$ 98.23	3.4%	(0.4%)	50%	24.9%	4.5x	17.0x
Median	\$ 31,183.13	\$ 59.92	6.2%	0.7%	50.8%	21.3%	4.2x	16.9x

Source: S&P Capital IQ

Note: All values based on publicly available data as of 6/30/2019



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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	\$ 77.58	\$ 95.83	7.7%	8.9%	8.3%	1.2%	0.1x	6.1x
Core-Mark Holding Company, Inc.	\$ 2,281.34	\$ 39.72	7.0%	75.0%	6.8%	1.1%	0.2x	16.5x
Performance Food Group Company	\$ 5,387.75	\$ 40.03	1.0%	9.1%	13.1%	2.3%	0.3x	12.7x
SpartanNash Company	\$ 1,494.57	\$ 11.67	(26.5%)	(54.3%)	13.9%	2.2%	0.2x	8.2x
Sysco Corporation	\$ 44,561.67	\$ 70.72	5.9%	3.6%	18.9%	5.7%	0.7x	13.1x
The Chefs' Warehouse, Inc.	\$ 1,443.72	\$ 35.07	12.9%	23.1%	25.5%	4.7%	1.0x	20.6x
United Natural Foods, Inc.	\$ 3,664.15	\$ 8.97	(32.1%)	(79.0%)	13.3%	2.2%	0.2x	9.6x
US Foods Holding Corp.	\$ 11,381.41	\$ 35.76	2.4%	(5.4%)	17.9%	4.3%	0.5x	10.8x
Mean	\$ 8,786.52	\$ 42.22	(2.7%)	(2.4%)	15%	3.0%	0.4x	12.2x
Median	\$ 2,972.75	\$ 100.00	4.2%	6.2%	13.6%	2.3%	0.3x	11.8x

Source: S&P Capital IQ

Note: All values based on publicly available data as of 6/30/2019



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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.	\$ 2,690.63	\$ 39.35	(11.3%)	(17.3%)	16.4%	11.9%	0.8x	7.1x
Chipotle Mexican Grill, Inc.	\$ 22,247.25	\$ 732.88	3.2%	69.9%	33.2%	11.7%	4.4x	37.7x
Darden Restaurants, Inc.	\$ 15,440.24	\$ 121.73	0.2%	13.7%	21.7%	13.7%	1.8x	13.3x
Domino's Pizza, Inc.	\$ 15,069.27	\$ 278.28	7.8%	(1.4%)	27.7%	18.0%	4.3x	23.8x
Dunkin' Brands Group, Inc.	\$ 9,594.42	\$ 79.66	6.1%	15.3%	51.8%	33.9%	7.2x	21.1x
McDonald's Corporation	\$ 201,565.12	\$ 207.66	9.4%	32.5%	51.8%	48.6%	9.7x	19.9x
Restaurant Brands International Inc.	\$ 32,208.78	\$ 69.54	6.8%	15.3%	58.2%	39.6%	6.0x	15.1x
Starbucks Corporation	\$ 108,621.40	\$ 83.83	12.8%	71.6%	29.0%	20.1%	4.3x	21.1x
YUM! Brands, Inc.	\$ 44,426.27	\$ 110.67	10.9%	41.5%	48.3%	34.0%	8.0x	23.4x
Mean	\$ 50,207.04	\$ 191.51	5.1%	26.8%	37.6%	25.7%	5.2x	20.3x
Median	\$ 22,247.25	\$ 110.67	6.8%	15.3%	33.2%	20.1%	4.4x	21.1x

Source: S&P Capital IQ

Note: All values based on publicly available data as of 6/30/2019



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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	\$ 1,471.48	\$ 31.13	12.7%	(2.1%)	24.1%	5.9%	0.4x	6.0x
Natural Grocers by Vitamin Cottage, Inc.	\$ 270.04	\$ 10.05	(15.9%)	(21.1%)	26.7%	5.3%	0.3x	5.7x
Sprouts Farmers Market, Inc.	\$ 3,865.30	\$ 18.89	(12.3%)	(14.4%)	33.5%	6.5%	0.7x	11.1x
The Kroger Co.	\$ 37,446.90	\$ 21.71	(11.7%)	(23.7%)	22.4%	4.3%	0.3x	7.2x
Village Super Market, Inc.	\$ 326.65	\$ 26.51	(3.0%)	(10.0%)	27.6%	3.8%	0.2x	5.3x
Weis Markets, Inc.	\$ 1,091.36	\$ 36.41	(10.8%)	(31.7%)	26.8%	4.9%	0.3x	6.3x
Mean	\$ 7,411.95	\$ 24.12	(6.8%)	(17.2%)	26.8%	5.1%	0.4x	6.9x
Median	\$ 1,281.42	\$ 24.11	(11.3%)	(17.8%)	26.7%	5.1%	0.3x	6.2x
Food & Beverage Mean	\$ 36,912.71	\$ 86.41	0.3%	2.0%	31.7%	16.4%	2.7x	14.7x
Food & Beverage Median	\$ 15,254.76	\$ 54.00	2.7%	3.3%	29.0%	16.6%	2.1x	12.8x

Source: S&P Capital IQ

Note: All values based on publicly available data as of 6/30/2019



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Q2 2019 Middle-Market M&A Activity

Announcement Date	Target	Buyer	Sector	Value (\$mm)	TEV / Revenue	TEV / EBITDA
4/1/2019	MGI Grain Processing, LLC	RiceBran Technologies	Agricultural Products	4.04	1.35	-
4/8/2019	J. Alexander's Holdings, Inc.	Ancora Advisors, LLC	Restaurants	255.83	1.08	11.82
4/11/2019	Papa Murphy's Holdings, Inc.	MTY Franchising USA, Inc.	Restaurants	184.52	1.53	8.80
4/16/2019	Fruit Business of Paradise, Inc.	Gray & Company, Inc.	Packaged Foods and Meats	10.89	-	-
4/17/2019	Milk Powder Facility Of Hilmar Cheese Company, Inc.	California Dairies, Inc.	Packaged Foods and Meats	307.08	-	-
4/26/2019	Big League Foods, Inc.	Verus International, Inc.	Food Distributors	5.10	-	-
5/9/2019	Off-Centered Way LLC	The Boston Beer Company, Inc.	Brewers	307.08	-	-
5/9/2019	Hain Pure Protein Corporation	Aterian Investment Partners, LLC; Aterian Investment Partners III, LP	Packaged Foods and Meats	80.00	-	-
5/15/2019	Wawa's Flagship Store In Philadelphia's Center City	Agree Realty Corporation	Food Retail	15.00	-	-
5/15/2019	Clabber Girl Corporation	B&G Foods North America, Inc.	Packaged Foods and Meats	80.00	-	-
5/16/2019	Substantially All of The Assets of Kona Grill, Inc.	Williston Holding Company, Inc.	Restaurants	20.30	-	-
5/20/2019	JB's on the Beach	Ark Restaurants Corp.	Restaurants	7.00	-	-
5/22/2019	Caravela Coffee, L.L.C.	Oikocredit Ecumenical Development Cooperative Society U.A.	Food Distributors	4.70	-	-
6/3/2019	Brands Within Reach, LLC	New Age Beverages Corporation	Food Distributors	6.54	-	-
6/4/2019	Spring Oaks Greenhouses, Inc.	Green Growth Brands Inc.	Agricultural Products	54.65	-	-
6/7/2019	NYM Holding, Inc	Go Fresh 365, Inc.	Food Retail	9.10	-	-
6/20/2019	Elevation Franchise Ventures, LLC	FAT Brands Inc.	Restaurants	10.05	-	-

Source: S&P Capital IQ

Note: Data shown from relevant transactions with available financial information and greater than \$4mm 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 includes, but is not limited to, snack foods, private label, manufacturing, retail and distribution. 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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