



# INDUSTRY UPDATE

---

FOOD & BEVERAGE  
Q3 2019

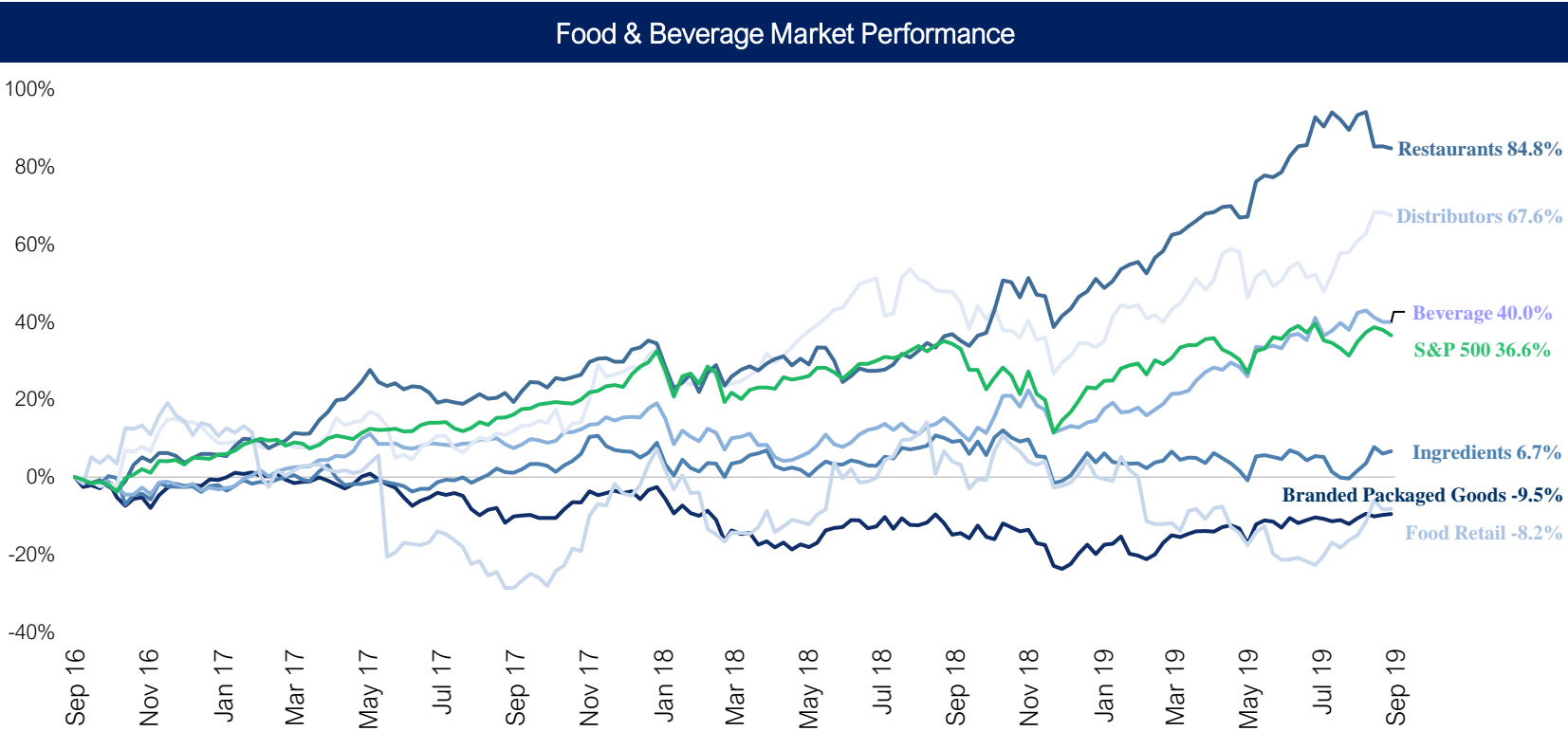


GREENWICH  
CAPITAL GROUP

# GCG INDUSTRY UPDATE | Food & Beverage

## Public Market Performance

Q3 2019 saw modest gains in the Food & Beverage (“F&B”) industry and the broader U.S. equity market as investors remained cautious of a global growth slowdown. The Federal Reserve acted as expected by cutting rates by 25 basis points in July and September while US economic data was largely stable. For the 3-year period ending September 30, 2019, the S&P 500 index was up by 36.6%. 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 84.8% and 67.6%, respectively.



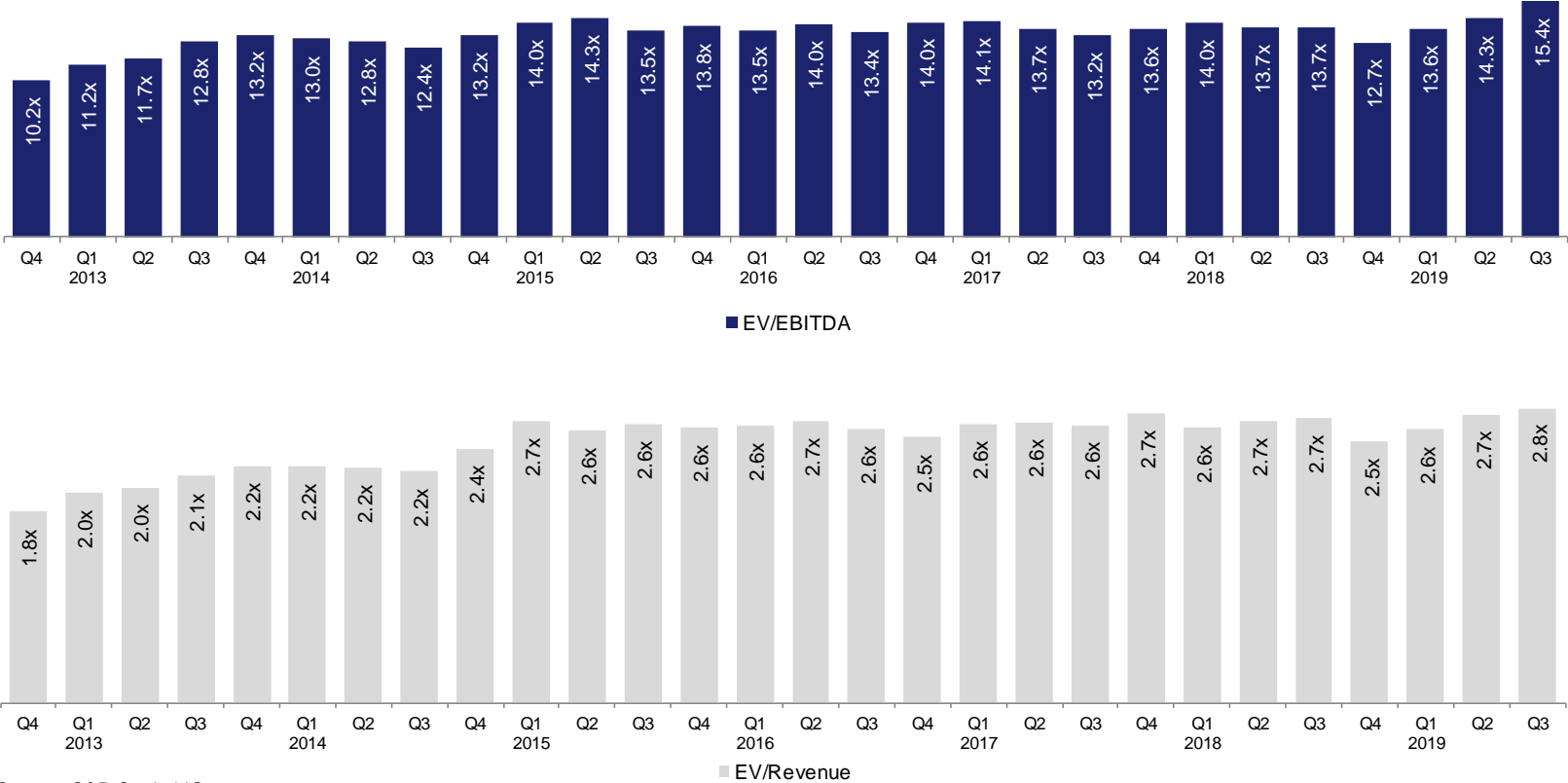
Source: S&P Capital IQ  
Note: All values based on publicly available data as of 9/30/2019



# GCG INDUSTRY UPDATE | Food & Beverage

## 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 15.4x EBITDA and 2.8x revenue. Among the six sectors disclosed on the previous page, the strongest trading multiples were observed in the Beverage, Ingredients and Restaurant sectors.



Source: S&P Capital IQ  
 Note: All values based on publicly available data as of 9/30/2019



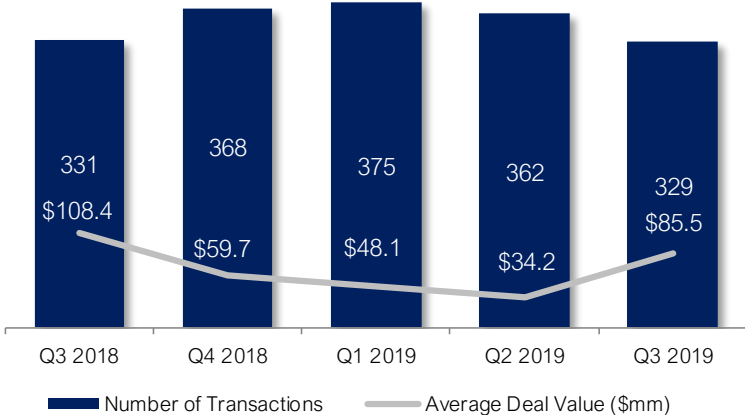
# GCG INDUSTRY UPDATE | Food & Beverage

## Middle-Market M&A Activity

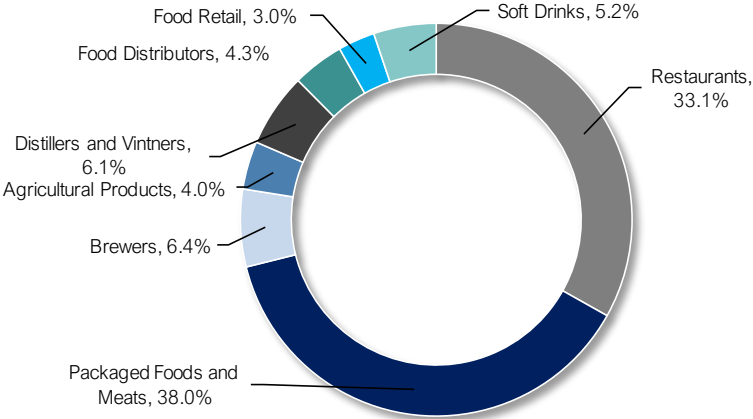
In Q3 2019, the F&B sector saw higher transaction values and a lower number of transactions compared to recent quarters. However, the overall number of transactions remained strong with 329 transactions in Q3. Strategic buyers continue to dominate overall deal activity and have sought acquisitions to offset slowing organic growth and to diversify their offerings. In Q3, financial buyers represented 17% of all M&A activity in the industry.

The Packaged Foods and Meats category led activity, accounting for 38% of total F&B transaction volume. Restaurant companies proved to be attractive targets as well with over 33% of transaction volume.

### Food & Beverage M&A Activity

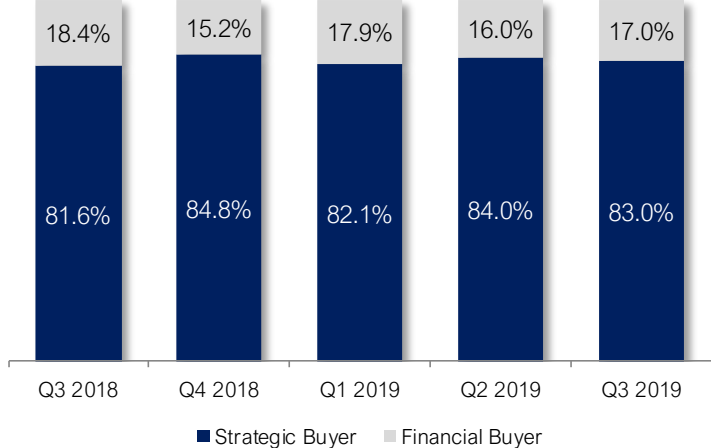


### Q3 2019 M&A Activity by Sector Activity



Source: S&P Capital IQ  
 Note: All transaction data based on publicly available data as of 9/30/2019

### M&A Activity by Buyer Type



# GCG INDUSTRY UPDATE | Food & Beverage

## 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
<b>Branded Packaged Goods</b>								
B&G Foods, Inc.	\$ 3,064.30	\$ 18.91	(9.1%)	(31.1%)	24.2%	17.5%	1.8x	10.5x
Campbell Soup Company	\$ 22,581.95	\$ 46.92	17.1%	28.1%	33.4%	18.3%	2.8x	15.3x
Conagra Brands, Inc.	\$ 25,393.77	\$ 30.68	15.7%	(9.7%)	28.4%	20.1%	2.5x	12.5x
General Mills, Inc.	\$ 48,399.08	\$ 55.12	5.0%	28.4%	34.7%	21.8%	2.9x	13.3x
Kellogg Company	\$ 31,917.66	\$ 64.35	20.1%	(8.1%)	33.9%	17.2%	2.3x	13.5x
Lancaster Colony Corporation	\$ 3,615.48	\$ 138.65	(6.7%)	(7.1%)	25.0%	15.9%	2.8x	17.3x
McCormick & Company, Incorporated	\$ 25,251.97	\$ 156.30	0.8%	18.6%	44.1%	20.8%	4.6x	22.4x
Mondelez International, Inc.	\$ 98,973.77	\$ 55.32	2.6%	28.8%	39.1%	18.9%	3.9x	20.4x
Post Holdings, Inc.	\$ 14,035.18	\$ 105.84	1.8%	8.0%	31.3%	20.1%	2.4x	11.9x
The J. M. Smucker Company	\$ 18,543.33	\$ 110.02	(4.5%)	7.2%	38.1%	21.0%	2.4x	11.4x
The Kraft Heinz Company	\$ 64,528.46	\$ 27.94	(10.0%)	(49.3%)	33.0%	24.9%	2.5x	10.1x
TreeHouse Foods, Inc.	\$ 5,604.73	\$ 55.45	2.5%	15.9%	17.1%	8.9%	1.0x	11.6x
Tyson Foods, Inc.	\$ 43,806.08	\$ 86.14	6.7%	44.7%	12.6%	9.9%	1.1x	10.6x
Mean	\$ 31,208.91	\$ 73.20	3.2%	5.7%	30.4%	18.1%	2.5x	13.9x
Median	\$ 25,251.97	\$ 55.45	2.5%	8.0%	33.0%	18.9%	2.5x	12.5x

Source: S&P Capital IQ

Note: All values based on publicly available data as of 9/30/2019



# GCG INDUSTRY UPDATE | Food & Beverage

## 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
<b>Ingredients</b>								
Archer-Daniels-Midland Company	\$ 32,413.92	\$ 41.07	0.7%	(18.3%)	6.3%	4.0%	0.5x	12.8x
Cal-Maine Foods, Inc.	\$ 1,715.72	\$ 39.96	(4.2%)	(17.3%)	11.7%	2.3%	1.4x	58.2x
Hormel Foods Corporation	\$ 23,030.51	\$ 43.73	7.9%	11.0%	20.4%	14.1%	2.4x	17.2x
Ingredion Incorporated	\$ 7,374.46	\$ 81.74	(0.9%)	(22.1%)	22.7%	16.1%	1.3x	8.0x
International Flavors & Fragrances Inc.	\$ 17,626.69	\$ 122.69	(15.4%)	(11.8%)	41.9%	21.8%	3.7x	17.1x
Pilgrim's Pride Corporation	\$ 10,093.51	\$ 32.05	26.2%	77.1%	8.0%	7.4%	0.9x	12.6x
Sensient Technologies Corporation	\$ 3,573.60	\$ 68.65	(6.6%)	(10.3%)	32.8%	17.8%	2.7x	15.1x
Premium Brands Holdings Corporation	\$ 3,560.26	\$ 70.35	2.8%	(3.5%)	20.1%	7.6%	1.4x	17.9x
Mean	\$ 12,423.58	\$ 62.53	1.3%	0.6%	20.5%	11.4%	1.8x	19.9x
Median	\$ 8,733.98	\$ 56.19	(0.1%)	(11.0%)	20.3%	10.9%	1.4x	16.1x

Source: S&P Capital IQ

Note: All values based on publicly available data as of 9/30/2019



# GCG INDUSTRY UPDATE | Food & Beverage

## 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
<b>Beverages</b>								
Anheuser-Busch InBev SA/NV	\$ 294,452.44	\$ 95.15	7.5%	8.7%	62.4%	41.6%	5.4x	13.1x
Brown-Forman Corporation	\$ 31,697.72	\$ 62.78	13.3%	24.2%	64.4%	35.1%	9.5x	27.2x
Constellation Brands, Inc.	\$ 53,718.22	\$ 207.28	5.3%	(3.9%)	50.6%	36.3%	6.5x	18.0x
Cott Corporation	\$ 3,120.57	\$ 12.47	(6.6%)	(22.8%)	50.1%	11.6%	1.3x	11.2x
Farmer Bros. Co.	\$ 308.88	\$ 12.95	(20.9%)	(50.9%)	30.1%	4.7%	0.5x	11.1x
Molson Coors Brewing Company	\$ 22,018.65	\$ 57.50	2.7%	(6.5%)	38.9%	20.9%	2.1x	9.9x
Monster Beverage Corporation	\$ 30,412.50	\$ 58.06	(9.0%)	(0.4%)	60.0%	35.7%	7.6x	21.4x
National Beverage Corp.	\$ 1,913.12	\$ 44.36	(0.6%)	(62.0%)	37.1%	18.0%	1.9x	10.8x
PepsiCo, Inc.	\$ 220,846.04	\$ 137.10	4.6%	22.6%	55.2%	19.4%	3.3x	17.3x
Starbucks Corporation	\$ 112,164.04	\$ 88.42	5.5%	55.6%	28.7%	20.2%	4.3x	21.3x
The Boston Beer Company, Inc.	\$ 4,440.35	\$ 364.08	(3.6%)	26.6%	50.6%	17.7%	4.0x	22.7x
The Coca-Cola Company	\$ 267,995.93	\$ 54.44	6.9%	17.9%	61.7%	32.1%	8.0x	24.9x
Mean	\$ 86,924.04	\$ 99.55	0.4%	0.8%	49%	24.4%	4.6x	17.4x
Median	\$ 31,055.11	\$ 60.42	3.6%	4.1%	50.6%	20.5%	4.2x	17.6x

Source: S&P Capital IQ

Note: All values based on publicly available data as of 9/30/2019



# GCG INDUSTRY UPDATE | Food & Beverage

## 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
<b>Distributors</b>								
AMCON Distributing Company	\$ 81.07	\$ 76.25	(20.4%)	(12.3%)	8.3%	1.2%	0.1x	6.4x
Core-Mark Holding Company, Inc.	\$ 2,085.22	\$ 32.12	(19.1%)	(5.4%)	6.9%	1.1%	0.2x	14.0x
Performance Food Group Company	\$ 6,176.14	\$ 46.01	14.9%	38.2%	12.7%	2.2%	0.3x	14.1x
SpartanNash Company	\$ 1,430.78	\$ 11.83	1.4%	(41.0%)	14.0%	2.0%	0.2x	8.5x
Sysco Corporation	\$ 48,428.83	\$ 79.40	12.3%	8.4%	19.0%	5.6%	0.8x	14.5x
The Chefs' Warehouse, Inc.	\$ 1,617.39	\$ 40.32	15.0%	10.9%	25.7%	4.8%	1.1x	21.9x
United Natural Foods, Inc.	\$ 3,798.55	\$ 11.52	28.4%	(61.5%)	13.0%	2.0%	0.2x	8.7x
US Foods Holding Corp.	\$ 12,387.93	\$ 41.10	14.9%	33.4%	17.8%	4.3%	0.5x	11.8x
Mean	\$ 9,500.74	\$ 42.32	5.9%	(3.7%)	15%	2.9%	0.4x	12.5x
Median	\$ 2,941.88	\$ 100.00	13.6%	1.5%	13.5%	2.1%	0.2x	12.9x

Source: S&P Capital IQ

Note: All values based on publicly available data as of 9/30/2019





# GCG INDUSTRY UPDATE | Food & Beverage

## 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
<b>Restaurants</b>								
Brinker International, Inc.	\$ 2,803.03	\$ 42.67	8.4%	(8.7%)	16.2%	11.6%	0.9x	7.5x
Chipotle Mexican Grill, Inc.	\$ 25,278.43	\$ 840.47	14.7%	84.9%	33.7%	12.2%	4.7x	38.6x
Darden Restaurants, Inc.	\$ 19,361.97	\$ 118.22	(2.9%)	6.3%	21.7%	13.8%	2.3x	16.4x
Domino's Pizza, Inc.	\$ 13,646.28	\$ 244.59	(12.1%)	(17.0%)	27.9%	18.2%	3.8x	21.1x
Dunkin' Brands Group, Inc.	\$ 9,567.05	\$ 79.36	(0.4%)	7.7%	51.9%	34.2%	7.1x	20.8x
McDonald's Corporation	\$ 207,218.86	\$ 214.71	3.4%	28.3%	52.5%	49.5%	9.9x	20.0x
Restaurant Brands International Inc.	\$ 35,750.03	\$ 71.14	2.3%	20.0%	57.9%	39.4%	6.6x	16.7x
Starbucks Corporation	\$ 112,164.04	\$ 88.42	5.5%	55.6%	28.7%	20.2%	4.3x	21.3x
YUM! Brands, Inc.	\$ 45,243.13	\$ 113.43	2.5%	24.8%	49.5%	35.9%	8.2x	22.9x
Mean	\$ 52,336.98	\$ 201.45	2.4%	22.4%	37.8%	26.1%	5.3x	20.6x
Median	\$ 25,278.43	\$ 113.43	2.5%	20.0%	33.7%	20.2%	4.7x	20.8x

Source: S&P Capital IQ

Note: All values based on publicly available data as of 9/30/2019



# GCG INDUSTRY UPDATE | Food & Beverage

## 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
<b>Food Retail</b>								
Ingles Markets, Incorporated	\$ 1,623.45	\$ 38.86	24.8%	13.5%	24.3%	6.2%	0.4x	6.3x
Natural Grocers by Vitamin Cottage, Inc.	\$ 272.98	\$ 9.99	(0.6%)	(40.9%)	26.5%	5.3%	0.3x	5.8x
Sprouts Farmers Market, Inc.	\$ 3,913.51	\$ 19.34	2.4%	(29.4%)	33.4%	6.3%	0.7x	11.5x
The Kroger Co.	\$ 40,583.78	\$ 25.78	18.7%	(11.4%)	22.4%	4.3%	0.3x	7.9x
Village Super Market, Inc.	\$ 325.78	\$ 26.45	(0.2%)	(2.8%)	27.8%	3.7%	0.2x	5.3x
Weis Markets, Inc.	\$ 1,115.90	\$ 38.14	4.8%	(12.1%)	26.6%	4.9%	0.3x	6.5x
Mean	\$ 7,972.57	\$ 26.43	8.3%	(13.9%)	26.8%	5.1%	0.4x	7.2x
Median	\$ 1,369.67	\$ 26.12	3.6%	(11.8%)	26.5%	5.1%	0.3x	6.4x
<b>Food &amp; Beverage Mean</b>	<b>\$ 38,269.05</b>	<b>\$ 88.51</b>	<b>3.1%</b>	<b>3.2%</b>	<b>31.6%</b>	<b>16.2%</b>	<b>2.8x</b>	<b>15.7x</b>
<b>Food &amp; Beverage Median</b>	<b>\$ 15,830.93</b>	<b>\$ 56.48</b>	<b>2.6%</b>	<b>3.0%</b>	<b>28.7%</b>	<b>16.7%</b>	<b>2.3x</b>	<b>13.8x</b>

Source: S&P Capital IQ

Note: All values based on publicly available data as of 9/30/2019



# GCG INDUSTRY UPDATE | Food & Beverage

## Q3 2019 Middle-Market M&A Activity

Announcement Date	Target	Buyer	Sector	Value (\$mils)	TEV / Revenue	TEV / EBITDA
7/8/2019	Flagstone Foods, Inc./ Linette Quality Chocolates, Inc.	Atlas Holdings LLC	Packaged Foods and Meats	90.00	-	-
7/10/2019	Green Grass Foods Inc.	VMG Partners; CircleUp Network, Inc., Investment Arm	Packaged Foods and Meats	33.61	-	-
7/23/2019	Seasoned Development, LLC	Cracker Barrel Old Country Store, Inc.	Restaurants	89.10	-	-
7/24/2019	International Coffee & Tea, LLC	Jollibee Worldwide Pte. Ltd.	Food Retail	350.00	1.12	-
7/31/2019	North Italia Concept	The Cheesecake Factory Incorporated	Restaurants	130.00	-	-
7/31/2019	Fox Restaurant Concepts LLC	The Cheesecake Factory Incorporated	Restaurants	223.00	-	-
8/1/2019	Superior Cake Products, Inc.	Sara Lee Frozen Bakery	Packaged Foods and Meats	65.00	1.51	9.29
8/1/2019	Caviar Inc.	DoorDash, Inc.	Restaurants	410.00	-	-
8/5/2019	Business and a Foxtail Bakery Business segment of Perkins & Marie Callender's, LLC	Perkins Group, LLC	Restaurants	40.00	-	-
8/7/2019	Project Service LLC	TD Greystone Asset Management; Applegreen plc; IST3 Infrastruktur Global Fund; Greystone Infrastructure Fund (Global Master) L.P	Restaurants	229.00	-	-
8/21/2019	More Than Gourmet, Inc.	Ajinomoto Health & Nutrition North America, Inc.	Packaged Foods and Meats	35.69	2.88	-
8/22/2019	Substantially All Assets of NORPAC Foods, Inc.	Oregon Potato Co.	Packaged Foods and Meats	149.50	-	-
8/23/2019	NaturalShrimp Incorporated	GHS Investments, LLC	Packaged Foods and Meats	11.00	-	-
8/26/2019	Culture Fresh Foods, Inc.	FreshTracks Capital; CEI Ventures, Inc.	Packaged Foods and Meats	11.00	-	-
8/26/2019	Puris Proteins, LLC	Cargill, Incorporated	Packaged Foods and Meats	75.00	-	-

Source: S&P Capital IQ

Note: Data shown from relevant transactions with available financial information and greater than \$10mm in value



# GCG INDUSTRY UPDATE | Food & Beverage

## Q3 2019 Middle-Market M&A Activity

Announcement Date	Target	Buyer	Sector	Value (\$mils)	TEV / Revenue	TEV / EBITDA
8/28/2019	Castle Brands Inc.	Pernod Ricard SA	Distillers and Vintners	276.64	3.10	61.10
8/29/2019	Assets of Restaurants Unlimited, Inc.	Landry's, Inc.	Restaurants	37.20	-	-
8/30/2019	Substantially All of Restaurants of Kona Grill, Inc. and Affiliated Entities	The ONE Group Hospitality, Inc.	Restaurants	36.00	-	-
9/9/2019	Green Plains Cattle Company LLC	StepStone Group LP; AGR Partners; StepStone Atlantic Fund, L.P.; Tgam Agribusiness Fund-B Lp	Agricultural Products	77.24	-	-
9/9/2019	AQUAhydrate, Inc.	The Alkaline Water Company Inc.	Soft Drinks	50.83	3.39	-
9/11/2019	Direct Store Delivery Snacks Business	Utz Quality Foods, LLC	Packaged Foods and Meats	140.00	-	-
9/12/2019	Perkins & Marie Callender's, LLC	Huddle House, Inc.	Restaurants	51.50	0.06	-
9/12/2019	Il Fornaio (America) LLC	Create Restaurants NY Inc.	Restaurants	74.20	0.65	-
9/18/2019	Cameron's Coffee and Distribution Company	Grupo Nutresa S. A.	Packaged Foods and Meats	113.00	1.57	-
9/20/2019	Sweetgreen, Inc.	Lone Pine Capital LLC; True Ventures; D1 Capital Partners L.P.	Restaurants	150.00	-	-

Source: S&P Capital IQ

Note: Data shown from relevant transactions with available financial information and greater than \$10mm in value



# GCG INDUSTRY UPDATE | Food & Beverage

## 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](http://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](mailto:info@greenwichgp.com).

Disclaimer: This publication contains general information only and Greenwich Capital Group, LLC is not, by means of this publication, rendering professional advice or services. Before making any decision or taking any action that may affect your finances or your business, you should consult a qualified professional adviser. Greenwich Capital Group, LLC shall not be responsible for any loss whatsoever sustained by any person who relies on this publication.



**Andrew Dickow**

Managing Director

Food & Beverage Leader

[adickow@greenwichgp.com](mailto:adickow@greenwichgp.com)

O: (248) 480-2036

M: (248) 388-1888