



INDUSTRY UPDATE

FOOD & BEVERAGE
Q4 2019

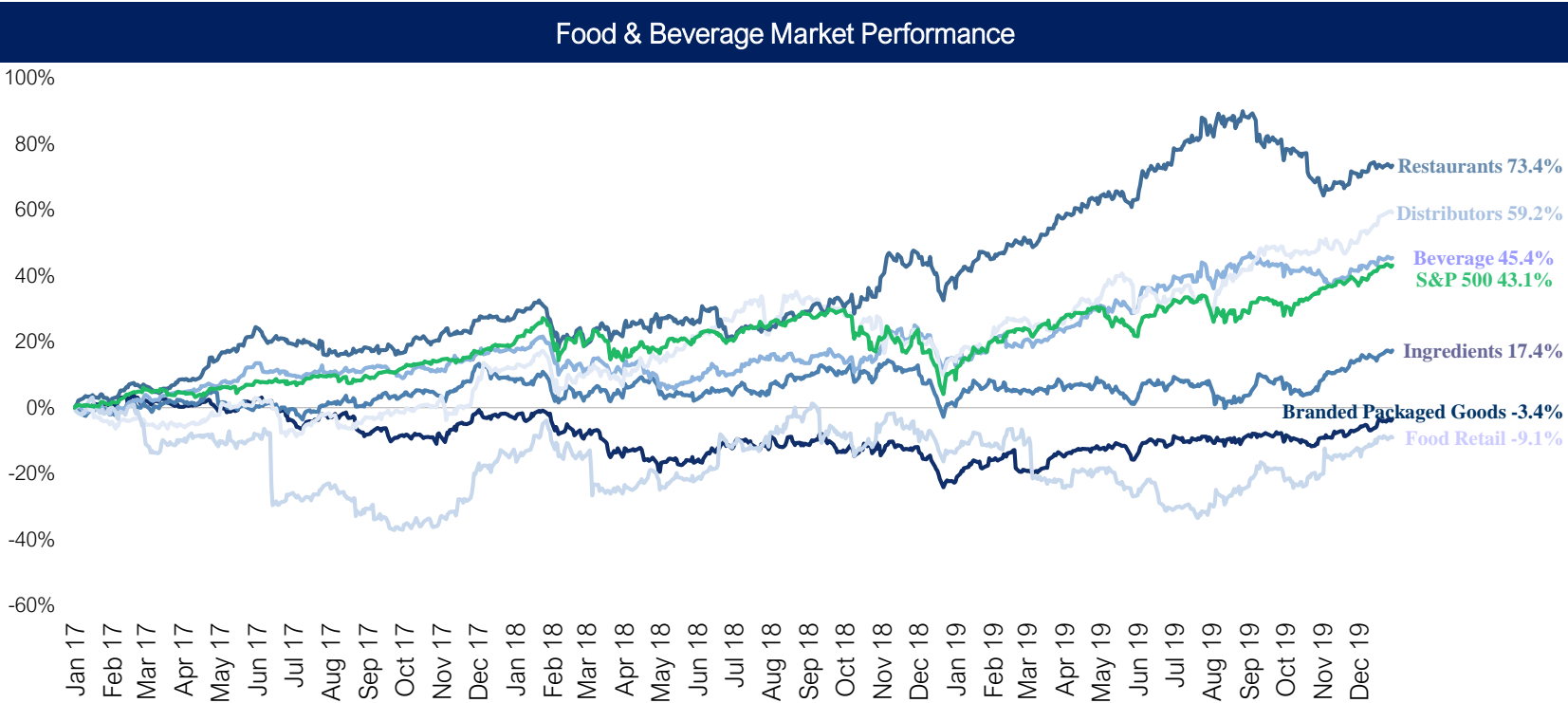


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Public Market Performance

Q4 2019 saw strong gains in the Food & Beverage (“F&B”) industry and the broader U.S. equity market as reports emerged on an agreement of an outline for the “phase one” U.S. and China trade deal. Fading recession fears and record low unemployment figures also drove markets higher. For the 3-year period ending December 31, 2019, the S&P 500 index was up by 43.1%. 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 73.4% and 59.2%, respectively.



Source: S&P Capital IQ
Note: All values based on publicly available data as of 12/31/2019



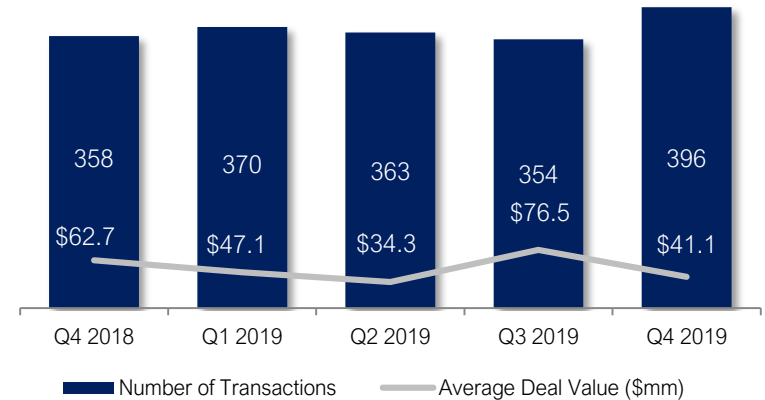
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Middle-Market M&A Activity

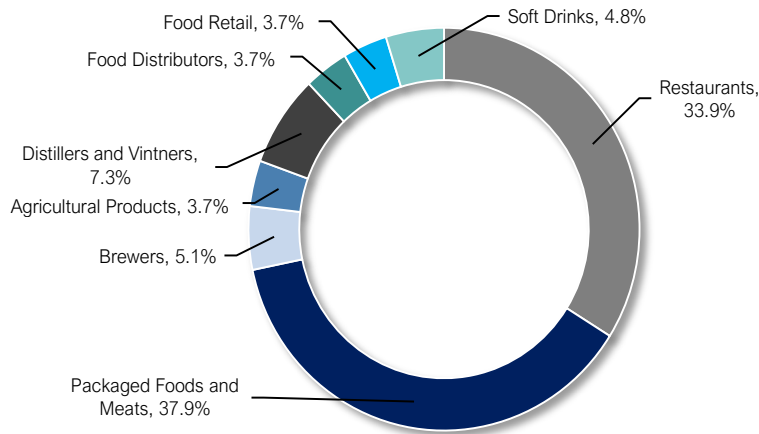
In Q4 2019, the F&B sector saw lower transaction values and a higher number of transactions compared to recent quarters. There were 396 transactions in Q4 which represented a strong reversal of the previous declining quarterly trend. Strategic buyers continue to dominate overall deal activity and have sought acquisitions to offset slowing organic growth and to diversify their offerings. In Q4, financial buyers represented under 12% of all M&A activity in the industry.

The Packaged Foods and Meats category led activity, accounting for nearly 38% of total F&B transaction volume. Restaurant companies proved to be attractive targets as well, comprising nearly 34% of transaction volume.

Food & Beverage M&A Activity



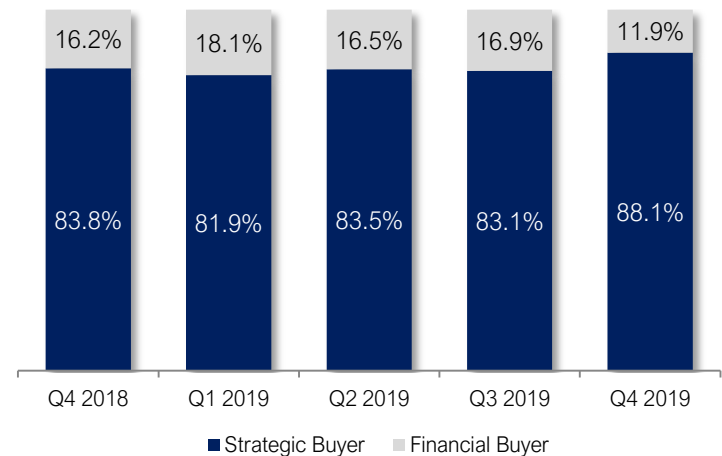
Q4 2019 M&A Activity by Sector Activity



Source: S&P Capital IQ

Note: All transaction data based on publicly available data as of 12/31/2019

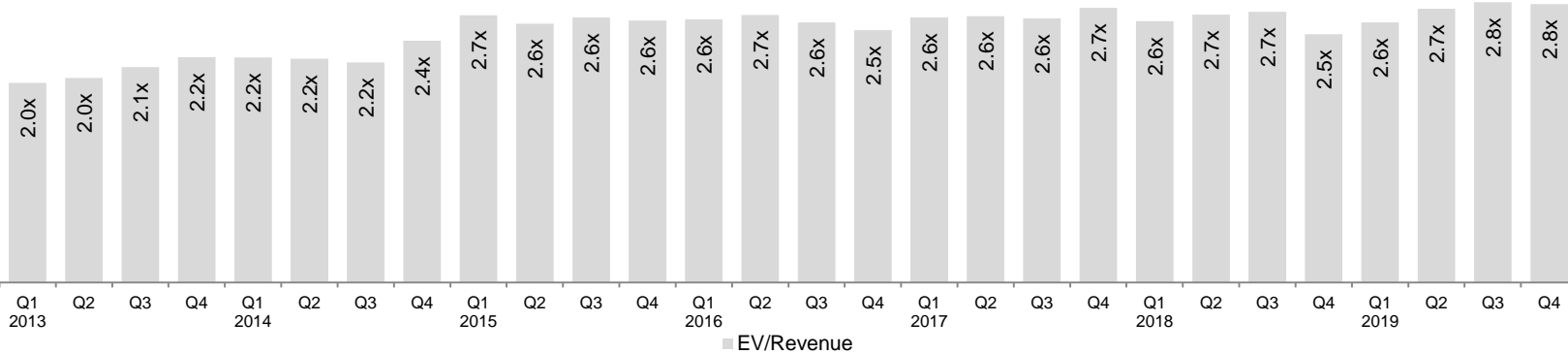
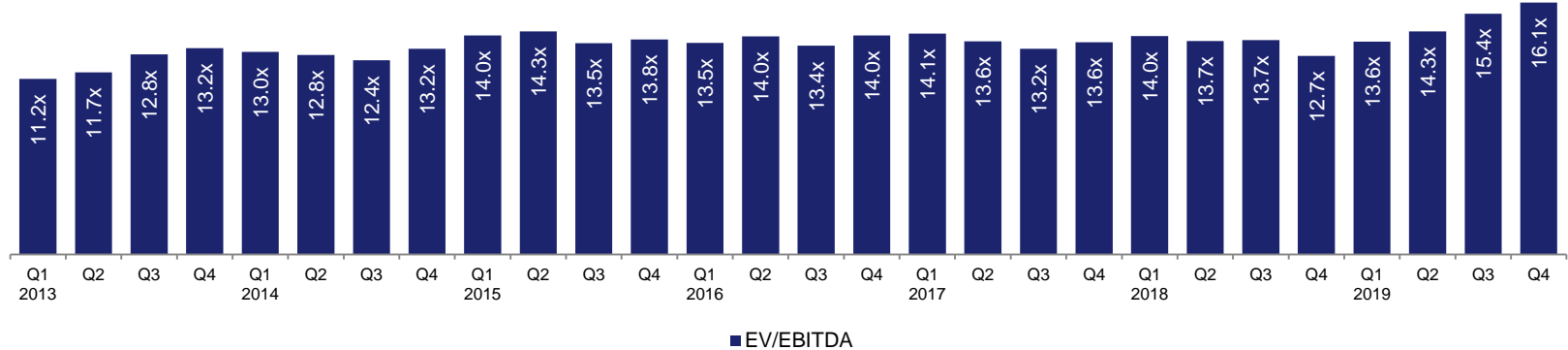
M&A Activity by Buyer Type



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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 16.1x 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 12/31/2019



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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.	\$ 3,059.21	\$ 17.93	(5.2%)	(38.0%)	24.0%	17.4%	1.9x	10.7x
Campbell Soup Company	\$ 23,456.81	\$ 49.42	5.3%	49.8%	33.5%	18.0%	2.9x	16.1x
Conagra Brands, Inc.	\$ 26,941.24	\$ 34.24	11.6%	60.3%	28.2%	20.6%	2.6x	12.4x
General Mills, Inc.	\$ 46,939.69	\$ 53.56	(2.8%)	37.5%	35.1%	22.2%	2.8x	12.6x
Kellogg Company	\$ 32,069.07	\$ 69.16	7.5%	21.3%	32.7%	15.1%	2.3x	15.5x
Lancaster Colony Corporation	\$ 4,255.16	\$ 160.10	15.5%	(9.5%)	25.4%	16.1%	3.2x	19.9x
McCormick & Company, Incorporated	\$ 27,080.05	\$ 169.73	8.6%	21.9%	44.1%	20.8%	5.0x	24.0x
Mondelez International, Inc.	\$ 98,142.53	\$ 55.08	(0.4%)	37.6%	39.4%	19.5%	3.8x	19.5x
Post Holdings, Inc.	\$ 14,171.09	\$ 109.10	3.1%	22.4%	31.7%	19.7%	2.5x	12.7x
The J. M. Smucker Company	\$ 17,852.69	\$ 104.13	(5.4%)	11.4%	38.2%	21.2%	2.3x	11.0x
The Kraft Heinz Company	\$ 68,345.89	\$ 32.13	15.0%	(25.3%)	32.8%	24.7%	2.7x	10.9x
TreeHouse Foods, Inc.	\$ 5,112.43	\$ 48.50	(12.5%)	(4.4%)	16.9%	9.1%	0.9x	10.1x
Tyson Foods, Inc.	\$ 44,854.82	\$ 91.04	5.7%	70.5%	12.0%	9.4%	1.1x	11.3x
Mean	\$ 31,713.90	\$ 76.47	3.5%	19.7%	30.3%	18.0%	2.6x	14.4x
Median	\$ 26,941.24	\$ 55.08	5.3%	21.9%	32.7%	19.5%	2.6x	12.6x

Source: S&P Capital IQ

Note: All values based on publicly available data as of 12/31/2019



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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	\$ 34,681.41	\$ 46.35	12.9%	13.1%	6.3%	3.9%	0.5x	13.8x
Cal-Maine Foods, Inc.	\$ 1,851.81	\$ 42.75	7.0%	1.1%	8.7%	(1.0%)	1.5x	-155.6x
Hormel Foods Corporation	\$ 23,688.41	\$ 45.11	3.2%	5.7%	19.8%	13.7%	2.5x	18.1x
Ingredion Incorporated	\$ 8,001.71	\$ 92.95	13.7%	1.7%	22.8%	16.1%	1.4x	8.7x
International Flavors & Fragrances Inc.	\$ 18,104.78	\$ 129.02	5.2%	(3.9%)	41.6%	21.8%	3.6x	16.4x
Pilgrim's Pride Corporation	\$ 10,184.52	\$ 32.72	2.1%	110.9%	8.9%	8.2%	0.9x	11.2x
Premium Brands Holdings Corporation	\$ 3,592.64	\$ 70.13	(0.3%)	27.8%	20.1%	7.5%	1.3x	18.0x
Sensient Technologies Corporation	\$ 3,419.68	\$ 66.09	(3.7%)	18.3%	32.8%	17.8%	2.6x	14.4x
Mean	\$ 12,940.62	\$ 65.64	5.0%	21.8%	20.1%	11.0%	1.8x	-6.9x
Median	\$ 9,093.12	\$ 56.22	4.2%	9.4%	20.0%	11.0%	1.5x	14.1x

Source: S&P Capital IQ

Note: All values based on publicly available data as of 12/31/2019



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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	\$ 275,528.84	\$ 82.04	(13.8%)	24.7%	62.1%	39.3%	5.1x	12.9x
Brown-Forman Corporation	\$ 33,754.93	\$ 67.60	7.7%	42.1%	63.8%	34.7%	9.9x	28.6x
Constellation Brands, Inc.	\$ 49,952.41	\$ 189.75	(8.5%)	18.0%	51.4%	36.7%	6.1x	16.5x
Cott Corporation	\$ 3,274.48	\$ 13.68	9.7%	(1.9%)	50.7%	12.1%	1.4x	11.3x
Farmer Bros. Co.	\$ 355.39	\$ 15.06	16.3%	(35.4%)	29.2%	3.7%	0.6x	16.5x
Molson Coors Beverage Company	\$ 21,111.29	\$ 53.90	(6.3%)	(4.0%)	38.6%	20.7%	2.0x	9.7x
Monster Beverage Corporation	\$ 32,888.24	\$ 63.55	9.5%	29.1%	59.9%	35.7%	8.0x	22.4x
National Beverage Corp.	\$ 2,186.35	\$ 51.02	15.0%	(28.9%)	36.3%	17.2%	2.2x	13.0x
PepsiCo, Inc.	\$ 218,938.48	\$ 136.67	(0.3%)	23.7%	55.2%	19.4%	3.3x	17.1x
Starbucks Corporation	\$ 112,315.12	\$ 87.92	(0.6%)	36.5%	28.2%	20.2%	4.2x	20.9x
The Boston Beer Company, Inc.	\$ 4,520.21	\$ 377.85	3.8%	56.9%	50.1%	18.5%	3.9x	20.8x
The Coca-Cola Company	\$ 269,933.60	\$ 55.35	1.7%	16.9%	61.7%	31.8%	8.0x	25.3x
Mean	\$ 85,396.61	\$ 99.53	2.9%	14.8%	49%	24.2%	4.6x	17.9x
Median	\$ 33,321.58	\$ 65.58	2.7%	20.8%	51.0%	20.5%	4.0x	16.8x

Source: S&P Capital IQ

Note: All values based on publicly available data as of 12/31/2019



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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	\$ 104.45	\$ 72.01	(5.6%)	(27.8%)	8.2%	1.2%	0.1x	8.8x
Core-Mark Holding Company, Inc.	\$ 2,018.97	\$ 27.19	(15.3%)	16.9%	6.9%	1.1%	0.2x	13.6x
Performance Food Group Company	\$ 8,207.09	\$ 51.48	11.9%	59.5%	12.3%	2.1%	0.4x	17.9x
SpartanNash Company	\$ 1,502.68	\$ 14.24	20.4%	(17.1%)	14.3%	1.8%	0.2x	10.1x
Sysco Corporation	\$ 52,560.00	\$ 85.54	7.7%	36.5%	19.0%	5.6%	0.9x	15.5x
The Chefs' Warehouse, Inc.	\$ 1,558.69	\$ 38.11	(5.5%)	19.2%	25.7%	4.9%	1.0x	20.5x
United Natural Foods, Inc.	\$ 4,739.08	\$ 8.76	(24.0%)	(17.3%)	12.8%	1.9%	0.2x	10.4x
US Foods Holding Corp.	\$ 14,417.56	\$ 41.89	1.9%	32.4%	17.7%	4.3%	0.6x	13.5x
Mean	\$ 10,638.57	\$ 42.40	(1.1%)	12.8%	15%	2.9%	0.4x	13.8x
Median	\$ 3,379.03	\$ 100.00	(1.8%)	18.1%	13.5%	2.0%	0.3x	13.6x

Source: S&P Capital IQ

Note: All values based on publicly available data as of 12/31/2019



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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.	\$ 4,172.90	\$ 42.00	(1.6%)	(4.5%)	16.1%	11.4%	1.3x	11.3x
Chipotle Mexican Grill, Inc.	\$ 25,261.82	\$ 837.11	(0.4%)	93.9%	33.7%	12.2%	4.7x	38.7x
Darden Restaurants, Inc.	\$ 18,441.89	\$ 109.01	(7.8%)	9.2%	21.7%	13.8%	2.1x	15.4x
Domino's Pizza, Inc.	\$ 15,626.40	\$ 293.78	20.1%	18.5%	27.9%	18.2%	4.4x	24.2x
Dunkin' Brands Group, Inc.	\$ 9,204.84	\$ 75.54	(4.8%)	17.8%	52.0%	34.6%	6.8x	19.6x
McDonald's Corporation	\$ 193,076.67	\$ 197.61	(8.0%)	11.3%	52.5%	49.6%	9.2x	18.6x
Restaurant Brands International Inc.	\$ 33,006.74	\$ 63.77	(10.4%)	21.9%	58.0%	39.5%	6.0x	15.2x
Starbucks Corporation	\$ 112,315.12	\$ 87.92	(0.6%)	36.5%	28.2%	20.2%	4.2x	20.9x
YUM! Brands, Inc.	\$ 41,152.01	\$ 100.73	(11.2%)	9.6%	50.2%	36.5%	7.5x	20.6x
Mean	\$ 50,250.93	\$ 200.83	(2.7%)	23.8%	37.8%	26.2%	5.1x	20.5x
Median	\$ 25,261.82	\$ 100.73	(4.8%)	17.8%	33.7%	20.2%	4.7x	19.6x

Source: S&P Capital IQ

Note: All values based on publicly available data as of 12/31/2019



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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	\$ 1,772.65	\$ 47.51	22.3%	74.5%	24.3%	6.2%	0.4x	6.8x
Natural Grocers by Vitamin Cottage, Inc.	\$ 273.83	\$ 9.87	(1.2%)	(35.6%)	26.4%	5.1%	0.3x	5.9x
Sprouts Farmers Market, Inc.	\$ 3,933.22	\$ 19.35	0.1%	(17.7%)	33.5%	6.0%	0.7x	11.8x
The Kroger Co.	\$ 43,243.03	\$ 28.99	12.5%	5.4%	22.5%	4.2%	0.4x	8.4x
Village Super Market, Inc.	\$ 395.21	\$ 23.20	(12.3%)	(13.2%)	27.8%	3.4%	0.2x	7.0x
Weis Markets, Inc.	\$ 1,155.15	\$ 40.49	6.2%	(15.3%)	26.5%	4.9%	0.3x	6.7x
Mean	\$ 8,462.18	\$ 28.24	4.6%	(0.3%)	26.8%	5.0%	0.4x	7.8x
Median	\$ 1,463.90	\$ 26.10	3.1%	(14.2%)	26.5%	5.0%	0.3x	6.9x
Food & Beverage Mean	\$ 38,012.59	\$ 89.82	2.0%	16.5%	31.4%	16.1%	2.8x	12.3x
Food & Beverage Median	\$ 16,739.54	\$ 55.22	1.8%	17.4%	28.2%	16.1%	2.3x	14.1x

Source: S&P Capital IQ

Note: All values based on publicly available data as of 12/31/2019



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Q4 2019 Middle-Market M&A Activity

Announcement Date	Target	Buyer	Sector	Value (\$mils)	TEV / Revenue	TEV / EBITDA
10/3/2019	Assets of Gourmet Garage	Village Super Market, Inc.	Food Retail	5.27	-	-
10/8/2019	Arrowhead Mills, Inc./nSpired Natural Foods, Inc.	Hometown Food Company	Packaged Foods and Meats	15.00	-	-
10/11/2019	Agincourt Industries, LLC	Cracker Barrel Old Country Store, Inc.	Restaurants	36.00	-	-
10/14/2019	All Assets of Soaring Wings, LLC	ARC Group, Inc.	Restaurants	18.00	0.30	-
10/15/2019	Navajo Mesa Farms, LLC / R&G Potato Company, Inc	Walther Farms LLC	Food Distributors	38.00	-	-
10/16/2019	Halo, Purely For Pets, Inc.	Better Choice Company Inc.	Packaged Foods and Meats	46.98	1.41	-
10/24/2019	Substantially All Assets of Sugarfina, Inc.	Bristol Investment Fund, Ltd; Bristol Capital Advisors, LLC	Food Retail	15.13	-	-
10/30/2019	Perfect Day, Inc.	Temasek Capital Management Pte Ltd; Horizons Ventures Limited	Packaged Foods and Meats	140.00	-	-
10/31/2019	Banza LLC	Enlightened Hospitality Investments Management LLC; Prelude Growth Partners	Packaged Foods and Meats	20.00	-	-
11/6/2019	Diversified Restaurant Holdings, Inc.	ICV Partners, LLC; ICV Partners IV, L.P.	Restaurants	180.76	1.13	13.39
11/8/2019	Substantially All Assets of the 4 Him Food Group	Juanita's Snack, LLC	Packaged Foods and Meats	9.38	-	-
11/8/2019	Harim USA, Ltd.	Harim Holdings Co., Ltd.	Packaged Foods and Meats	18.92	-	-
11/11/2019	Craft Brew Alliance, Inc.	Anheuser-Busch Companies, LLC	Brewers	288.11	1.91	70.71
11/19/2019	Jinx, Inc.	Brand Foundry Ventures; Align Ventures; Wheelhouse Investment Partners LLC; Sinai Ventures; NQV8, LLC; &vest	Packaged Foods and Meats	5.65	-	-
11/20/2019	Fermented Sciences, Inc.	The Ecosystem Integrity Fund; Monogram Capital Partners; Powerplant Ventures, LLC; Blueberry Ventures; EIF Fund III	Brewers	25.00	-	-
11/20/2019	Fruitsmart, Inc.	Universal Corporation	Packaged Foods and Meats	105.00	-	-
11/26/2019	Portfolio of Seven Giant Supermarket in Pennsylvania	Vastgood Properties, LLC; RW Partners, Inc.	Food Retail	127.00	-	-

Source: S&P Capital IQ

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



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Q4 2019 Middle-Market M&A Activity

Announcement Date	Target	Buyer	Sector	Value (\$mils)	TEV / Revenue	TEV / EBITDA
12/3/2019	Little Leaf Farms, LLC	Bank of America Corporation	Agricultural Products	18.00	-	-
12/4/2019	Substantially All Assets of Sugarloaf Holdings, LLC	Triple C Farms, LLC	Agricultural Products	20.72	-	-
12/10/2019	Caer, Inc.	Sweetgreen, Inc.; JAND, Inc.; SoulCycle Inc.; Uber Technologies, Inc.; HF Global, Inc.; Casper Sleep Inc.; Allbirds, Inc.	Packaged Foods and Meats	8.00	-	-
12/11/2019	NORPAC Quincy, Washington plant	Oregon Potato Co.	Packaged Foods and Meats	107.00	-	-
12/16/2019	Zumbro River Brand, Inc.	SensoryEffects Flavor Company	Packaged Foods and Meats	52.00	-	-
12/17/2019	Dragon Seeds, LLC	iFresh Inc.	Agricultural Products	11.06	-	-
12/17/2019	Shenandoah Valley Organic, LLC	Open Prairie Ventures, Inc.; Middleland Capital; NRV; S2G Ventures; Open Prairie Rural Opportunities Fund; NRV Early Stage Growth Fund LP; VTC Innovation Fund	Packaged Foods and Meats	15.00	-	-
12/17/2019	117 Pizza Hut Restaurants along with Strategic Real Estate Assets	Triton Pacific Capital Partners, LLC	Restaurants	80.00	-	-
12/21/2019	Portfolio of Four Village Inn Restaurants	Dow Sherwood Corporation	Restaurants	7.19	-	-

Source: S&P Capital IQ

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

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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