



INDUSTRY UPDATE

FOOD & BEVERAGE
Q1 2020



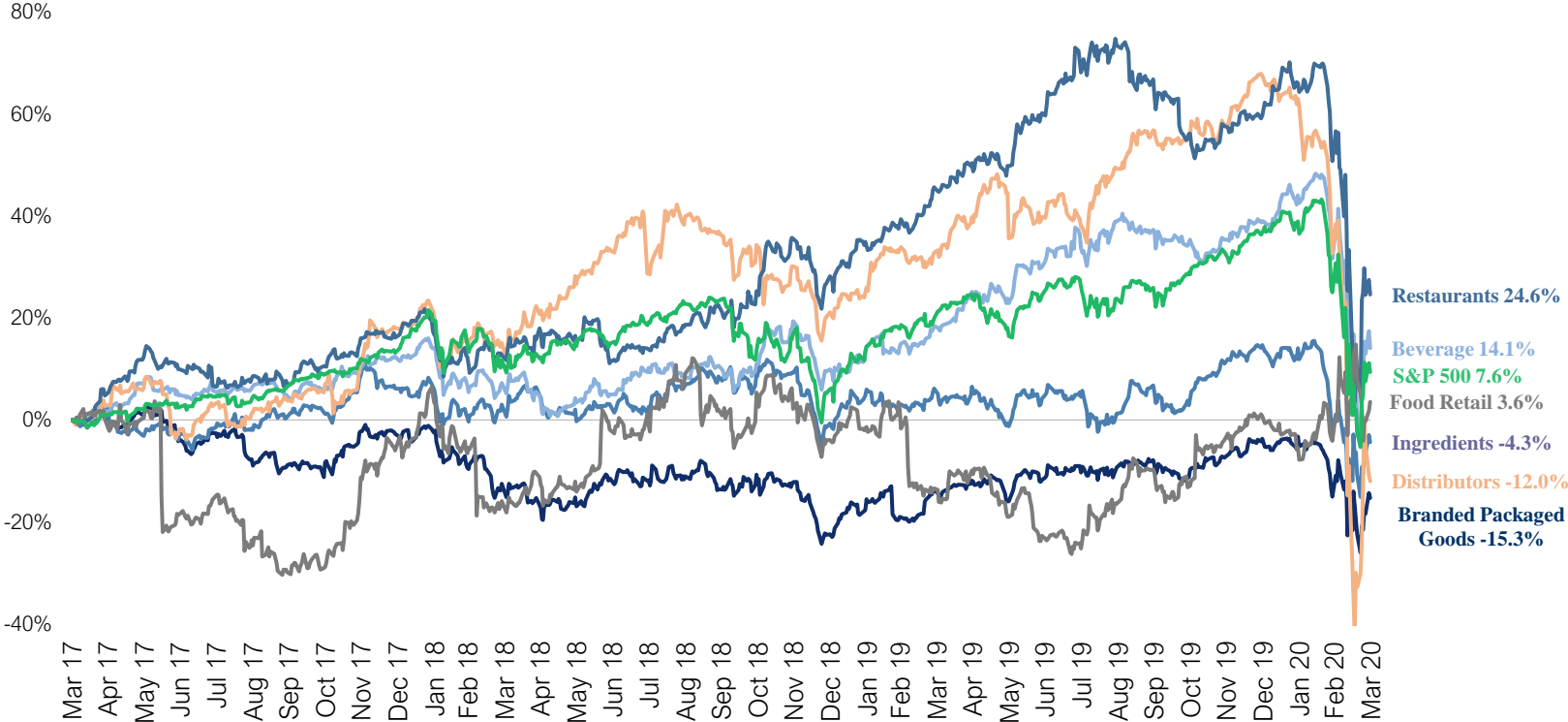
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Public Market Performance

Q1 2020 saw negative gains in the Food & Beverage (“F&B”) industry and the broader U.S. equity market due to weakening investor sentiment and market volatility caused by COVID-19. The Food Retail segment was the strongest performing in Q1 2020 as retailers experienced a surge in demand caused by the mandatory lockdown enforced across the nation. For the 3-year period ending March 31, 2020, the S&P 500 index was up by 7.6%, losing the majority of its previous gains. The F&B industry underperformed the broader market with the exception of the Restaurants and Beverage segments.

Food & Beverage Market Performance



Source: S&P Capital IQ
Note: All values based on publicly available data as of 03/31/2019



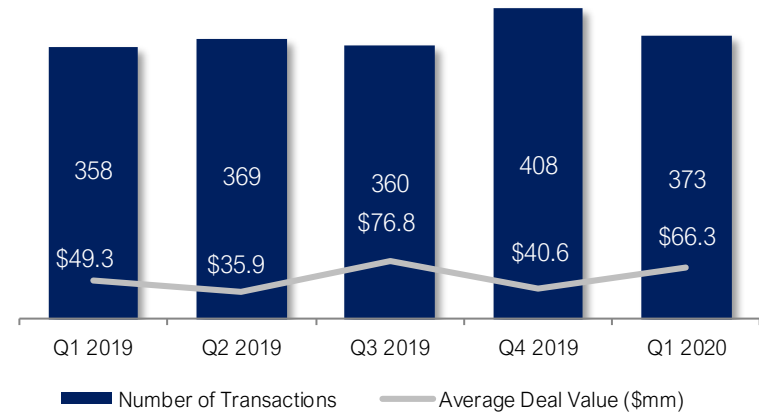
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Middle-Market M&A Activity

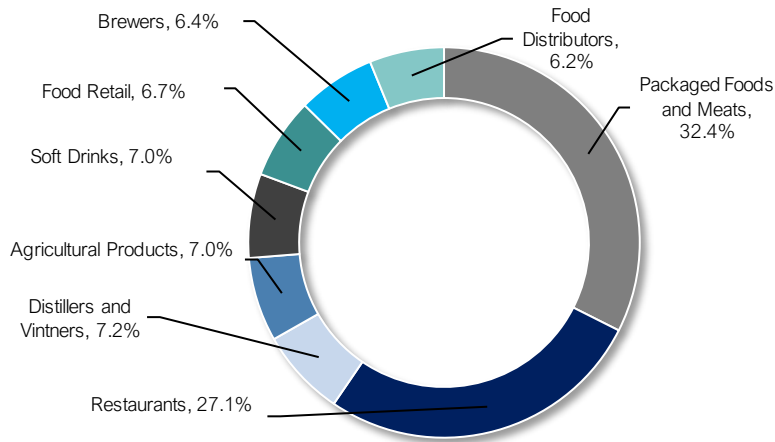
In Q1 2020, the F&B sector saw higher transaction values and a lower number of transactions compared to Q4 2019. There were 373 transactions in Q1 with an average deal value of \$66.3 million. Strategic buyers continue to dominate overall deal activity and have sought acquisitions to offset slowing organic growth and to diversify their offerings. In Q1, financial buyers represented under 12% of all M&A activity in the industry.

The Packaged Foods and Meats category led activity, accounting for over 32% of total F&B transaction volume. Restaurant companies proved to be attractive targets as well, comprising over 27% of transaction volume.

Food & Beverage M&A Activity



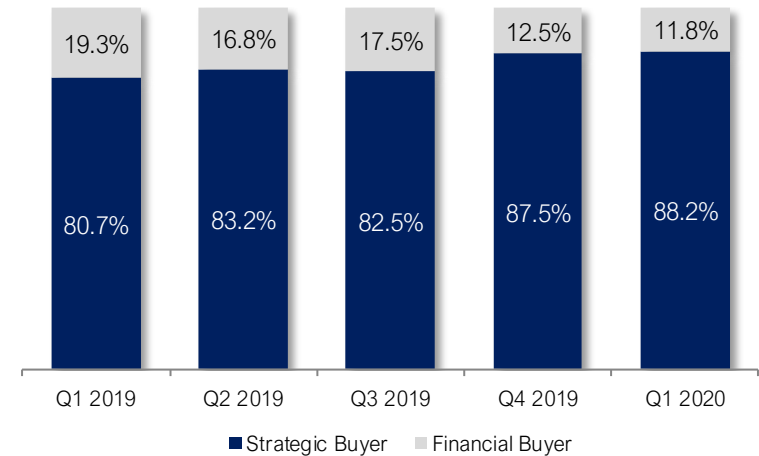
Q1 2020 M&A Activity by Sector Activity



Source: S&P Capital IQ

Note: All transaction data based on publicly available data as of 03/31/2020

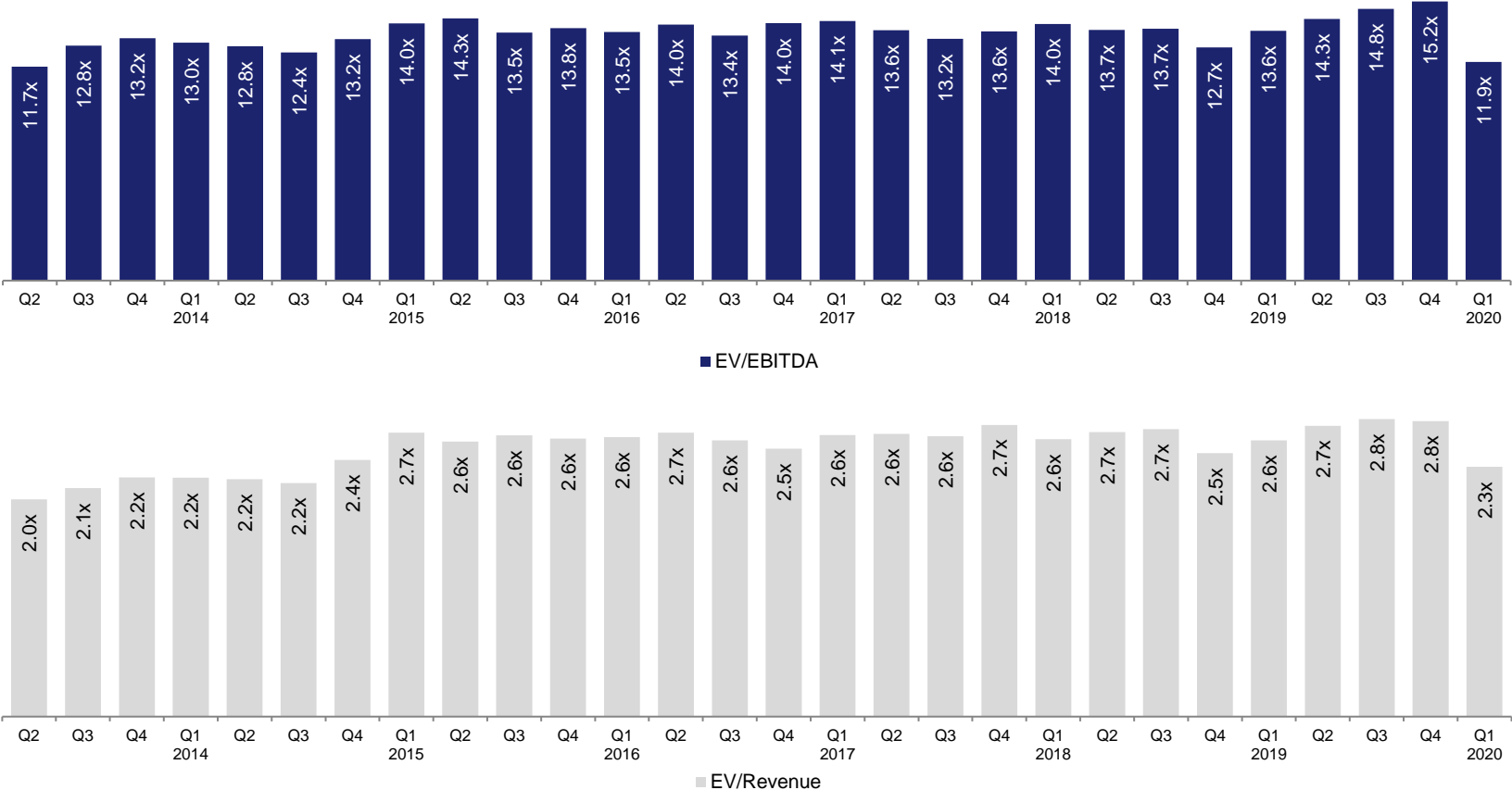
M&A Activity by Buyer Type



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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 11.9x EBITDA and 2.3x revenue. Among the sectors disclosed on the previous page, the strongest trading multiples were observed in the Beverage and Restaurant sectors. The overall industry experienced a decline in EBITDA and revenue multiples of 22% and 18% in Q1 2020 due to COVID-19, bringing the industry multiples back to 2014 levels.



Source: S&P Capital IQ
 Note: All values based on publicly available data as of 03/31/2020



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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.	\$ 3,068.85	\$ 18.09	0.9%	(25.9%)	24.4%	18.9%	1.8x	9.8x
Campbell Soup Company	\$ 19,959.53	\$ 46.16	(6.6%)	21.1%	33.9%	19.6%	2.5x	12.6x
Conagra Brands, Inc.	\$ 24,554.22	\$ 29.34	(14.3%)	5.8%	27.8%	20.8%	2.4x	11.4x
General Mills, Inc.	\$ 46,241.15	\$ 52.77	(1.5%)	2.0%	34.9%	23.0%	2.8x	12.0x
Hormel Foods Corporation	\$ 24,726.45	\$ 46.64	3.4%	4.2%	19.6%	14.0%	2.6x	18.6x
Kellogg Company	\$ 29,191.49	\$ 59.99	(13.3%)	4.5%	32.6%	16.9%	2.1x	12.7x
Lancaster Colony Corporation	\$ 3,805.39	\$ 144.64	(9.7%)	(7.7%)	25.9%	16.8%	2.9x	17.0x
McCormick & Company, Incorporated	\$ 23,195.36	\$ 141.21	(16.8%)	(6.3%)	40.3%	22.1%	4.4x	19.7x
Mondelez International, Inc.	\$ 89,724.79	\$ 50.08	(9.1%)	0.3%	40.0%	25.0%	3.5x	13.9x
Post Holdings, Inc.	\$ 11,953.96	\$ 82.97	(24.0%)	(24.2%)	32.2%	19.3%	2.1x	10.8x
The J. M. Smucker Company	\$ 18,326.91	\$ 111.00	6.6%	(4.7%)	38.2%	22.4%	2.4x	10.7x
The Kraft Heinz Company	\$ 57,918.26	\$ 24.74	(23.0%)	(24.2%)	32.8%	32.1%	2.3x	7.2x
TreeHouse Foods, Inc.	\$ 4,635.74	\$ 44.15	(9.0%)	(31.6%)	18.7%	11.9%	1.1x	9.1x
Tyson Foods, Inc.	\$ 33,020.76	\$ 57.87	(36.4%)	(16.6%)	12.1%	9.6%	0.8x	8.0x
Mean	\$ 27,880.20	\$ 64.98	(10.9%)	(7.4%)	29.5%	19.5%	2.4x	12.4x
Median	\$ 23,874.79	\$ 51.43	(9.4%)	(5.5%)	32.4%	19.4%	2.4x	11.7x

Source: S&P Capital IQ

Note: All values based on publicly available data as of 03/31/2020



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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	\$ 28,742.57	\$ 35.18	(24.1%)	(18.4%)	6.4%	5.3%	0.4x	8.4x
Cal-Maine Foods, Inc.	\$ 2,000.67	\$ 43.98	2.9%	(1.5%)	6.3%	(3.2%)	1.7x	NM
Hormel Foods Corporation	\$ 24,726.45	\$ 46.64	3.4%	4.2%	19.6%	14.0%	2.6x	18.6x
Ingredion Incorporated	\$ 6,811.58	\$ 75.50	(18.8%)	(20.3%)	21.1%	15.9%	1.1x	6.9x
International Flavors & Fragrances Inc.	\$ 15,084.81	\$ 102.08	(20.9%)	(20.7%)	41.2%	22.6%	2.9x	13.0x
Pilgrim's Pride Corporation	\$ 6,869.69	\$ 18.12	(44.6%)	(18.7%)	9.4%	10.0%	0.6x	6.0x
Premium Brands Holdings Corporation	\$ 2,839.73	\$ 51.08	(27.2%)	(11.3%)	19.9%	8.1%	1.1x	13.6x
Sensient Technologies Corporation	\$ 2,456.70	\$ 43.51	(34.2%)	(35.8%)	31.4%	16.8%	1.9x	11.1x
Mean	\$ 11,191.53	\$ 52.01	(20.4%)	(15.3%)	19.4%	11.2%	1.5x	11.1x
Median	\$ 6,840.63	\$ 45.31	(22.5%)	(18.6%)	19.7%	12.0%	1.4x	11.1x

Source: S&P Capital IQ

Note: All values based on publicly available data as of 03/31/2020



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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	\$ 189,510.26	\$ 44.12	(46.2%)	(47.5%)	61.1%	39.3%	3.7x	9.4x
Brown-Forman Corporation	\$ 27,920.43	\$ 55.51	(17.9%)	5.2%	63.4%	35.5%	8.2x	23.2x
Constellation Brands, Inc.	\$ 40,652.14	\$ 143.36	(24.4%)	(18.2%)	51.4%	10.6%	4.9x	20.9x
Primo Water Corporation	\$ 2,668.91	\$ 9.01	(34.1%)	(38.2%)	51.3%	15.3%	1.2x	7.9x
Farmer Bros. Co.	\$ 202.17	\$ 6.96	(53.8%)	(65.2%)	28.0%	2.8%	0.3x	12.5x
Molson Coors Beverage Company	\$ 17,499.69	\$ 39.01	(27.6%)	(34.6%)	39.7%	22.7%	1.7x	7.3x
Monster Beverage Corporation	\$ 28,904.70	\$ 56.26	(11.5%)	3.1%	60.0%	35.4%	6.9x	19.4x
National Beverage Corp.	\$ 1,769.07	\$ 42.65	(16.4%)	(26.1%)	36.4%	18.7%	1.8x	9.7x
PepsiCo, Inc.	\$ 194,819.84	\$ 120.10	(12.1%)	(2.0%)	55.4%	20.2%	2.9x	14.4x
Starbucks Corporation	\$ 94,681.34	\$ 65.74	(25.2%)	(11.6%)	28.4%	21.7%	3.5x	16.2x
The Boston Beer Company, Inc.	\$ 4,447.61	\$ 367.56	(2.7%)	24.7%	48.2%	16.2%	3.6x	20.3x
The Coca-Cola Company	\$ 225,091.02	\$ 44.25	(20.1%)	(5.6%)	60.7%	36.3%	6.0x	16.8x
Mean	\$ 69,013.93	\$ 82.88	(24.3%)	(18.0%)	49%	22.9%	3.7x	14.8x
Median	\$ 28,412.57	\$ 49.88	(22.3%)	(14.9%)	51.3%	20.9%	3.5x	15.3x

Source: S&P Capital IQ

Note: All values based on publicly available data as of 03/31/2020



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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	\$ 93.12	\$ 63.00	(12.5%)	(29.2%)	8.0%	1.3%	0.1x	8.4x
Core-Mark Holding Company, Inc.	\$ 1,907.98	\$ 28.57	5.1%	(23.1%)	6.9%	1.7%	0.1x	8.4x
Performance Food Group Company	\$ 5,654.53	\$ 24.72	(52.0%)	(37.6%)	11.9%	2.4%	0.2x	10.5x
SpartanNash Company	\$ 1,494.69	\$ 14.32	0.6%	(9.8%)	14.6%	2.3%	0.2x	7.5x
Sysco Corporation	\$ 32,254.82	\$ 45.63	(46.7%)	(31.7%)	19.0%	5.8%	0.5x	9.2x
The Chefs' Warehouse, Inc.	\$ 691.40	\$ 10.07	(73.6%)	(67.6%)	25.5%	7.0%	0.4x	6.2x
United Natural Foods, Inc.	\$ 4,641.58	\$ 9.18	4.8%	(30.6%)	12.8%	2.6%	0.2x	7.2x
US Foods Holding Corp.	\$ 8,937.38	\$ 17.71	(57.7%)	(49.3%)	17.7%	4.5%	0.3x	7.7x
Mean	\$ 6,959.44	\$ 26.65	(29.0%)	(34.8%)	15%	3.4%	0.3x	8.1x
Median	\$ 3,274.78	\$ 100.00	(29.6%)	(31.1%)	13.7%	2.5%	0.2x	8.1x

Source: S&P Capital IQ

Note: All values based on publicly available data as of 03/31/2020



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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.	\$ 3,029.96	\$ 12.01	(71.4%)	(72.9%)	15.9%	14.5%	0.9x	6.3x
Chipotle Mexican Grill, Inc.	\$ 20,142.09	\$ 654.40	(21.8%)	(7.9%)	33.6%	17.7%	3.6x	19.4x
Darden Restaurants, Inc.	\$ 12,015.15	\$ 54.46	(50.0%)	(55.2%)	21.7%	15.5%	1.4x	8.8x
Domino's Pizza, Inc.	\$ 16,808.06	\$ 324.07	10.3%	25.6%	28.0%	20.5%	4.6x	22.8x
Dunkin' Brands Group, Inc.	\$ 7,223.27	\$ 53.10	(29.7%)	(29.3%)	51.7%	43.1%	5.3x	12.2x
McDonald's Corporation	\$ 169,917.10	\$ 165.35	(16.3%)	(12.9%)	52.7%	58.2%	8.1x	13.8x
Restaurant Brands International Inc.	\$ 25,719.96	\$ 40.03	(37.2%)	(38.5%)	58.0%	35.7%	4.6x	12.9x
Starbucks Corporation	\$ 94,681.34	\$ 65.74	(25.2%)	(11.6%)	28.4%	21.7%	3.5x	16.2x
Yum! Brands, Inc.	\$ 31,344.35	\$ 68.53	(32.0%)	(31.3%)	50.5%	36.9%	5.6x	15.2x
Mean	\$ 42,320.14	\$ 159.74	(30.4%)	(26.0%)	37.8%	29.3%	4.2x	14.2x
Median	\$ 20,142.09	\$ 65.74	(29.7%)	(29.3%)	33.6%	21.7%	4.6x	13.8x

Source: S&P Capital IQ

Note: All values based on publicly available data as of 03/31/2020



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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	\$ 1,605.48	\$ 36.16	(23.9%)	30.9%	24.2%	6.1%	0.4x	6.2x
Natural Grocers by Vitamin Cottage, Inc.	\$ 601.11	\$ 8.51	(13.8%)	(28.8%)	26.3%	5.1%	0.7x	13.0x
Sprouts Farmers Market, Inc.	\$ 3,835.08	\$ 18.59	(3.9%)	(13.7%)	33.8%	10.2%	0.7x	6.7x
The Kroger Co.	\$ 44,513.56	\$ 30.12	3.9%	22.4%	22.8%	5.1%	0.4x	7.7x
Village Super Market, Inc.	\$ 417.96	\$ 24.58	5.9%	(10.1%)	27.6%	4.0%	0.3x	6.3x
Weis Markets, Inc.	\$ 1,208.95	\$ 41.66	2.9%	2.1%	28.7%	6.3%	0.3x	5.4x
Mean	\$ 8,697.02	\$ 26.60	(4.8%)	0.5%	27.2%	6.1%	0.4x	7.6x
Median	\$ 1,407.21	\$ 27.35	(0.5%)	(4.0%)	27.0%	5.6%	0.4x	6.5x
Food & Beverage Mean	\$ 31,522.13	\$ 72.47	(20.0%)	(16.7%)	31.1%	16.9%	2.3x	11.9x
Food & Beverage Median	\$ 15,084.81	\$ 45.63	(17.9%)	(16.6%)	28.4%	16.2%	1.9x	11.0x

Source: S&P Capital IQ

Note: All values based on publicly available data as of 03/31/2020



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Q1 2020 Middle-Market M&A Activity

Announcement Date	Target	Buyer	Sector	Value (\$mils)	TEV / Revenue	TEV / EBITDA
1/2/2020	EnviroFlight, LLC	Darling Ingredients Inc.	Packaged Foods and Meats	12.20	-	-
1/7/2020	Gathered Foods Corporation	SBI Investment Co., Ltd.; House Foods Group - SBI Innovation Fund	Packaged Foods and Meats	10.10	-	-
1/14/2020	Wedderspoon Organic Holdings, L.P.	Business Capital	Food Retail	5.50	-	-
1/14/2020	Califia Farms LP	Temasek Holdings (Private) Limited; Qatar Investment Authority; Claridge, Inc.; Green Monday Ventures L.P. (GMV)	Packaged Foods and Meats	225.00	-	-
1/24/2020	OLIPOP, Inc	Finn Capital Partners, LLC; Boulder Food Group, LP; Monogram Capital Partners; BFG Partners; Rocana Venture Partners; Döhler Ventures GmbH	Soft Drinks	13.04	-	-
1/27/2020	All Assets Of Sid Wainer & Son, Inc.	The Chefs' Warehouse, Inc.	Food Distributors	50.45	3.6x	-
1/27/2020	Eleven locations of Lucky's Market	Publix Super Markets, Inc.; ALDI Inc.	Food Retail	19.30	-	-
1/27/2020	Thistle Health Inc.	Powerplant Ventures, LLC	Restaurants	5.65	-	-
1/27/2020	Assets of BL Restaurant	BLH Acquisition Co., LLC	Restaurants	82.50	-	-
1/28/2020	Proud Source Water, Inc.	AF Ventures	Soft Drinks	6.00	-	-
1/31/2020	S&D Coffee, Inc.	Westrock Coffee Company, LLC	Packaged Foods and Meats	405.00	-	-
2/3/2020	Substantially all of the assets of Cambridge Packing Company, Inc.	The Chefs' Warehouse, Inc.	Packaged Foods and Meats	20.00	2.5x	-
2/7/2020	Sokowatch Inc.	Breyer Capital; Vertex Ventures; Quona Capital, Llc; Amplo Management, L.L.C.; 4DX Ventures; Timon Capital	Food Distributors	18.01	-	-
2/10/2020	Verde Farms, LLC	Manna Tree Partners	Packaged Foods and Meats	15.00	-	-
2/12/2020	Cadillac Ranch Assets of Granite City Food & Brewery, Ltd.	Landry's, Inc.	Restaurants	7.50	-	-
2/18/2020	Five Production Facilities and Ledbetter Branded Retail Products of Empire Packing Company, L.P.	JBS USA Food Company, LLC	Packaged Foods and Meats	238.00	-	-

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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Q1 2020 Middle-Market M&A Activity

Announcement Date	Target	Buyer	Sector	Value (\$mils)	TEV / Revenue	TEV / EBITDA
2/20/2020	Sadler's Smokehouse, Ltd.	Hormel Foods Corporation	Packaged Foods and Meats	270.00	1.6x	9x
2/21/2020	The Palm chain	Golden Nugget LLC	Restaurants	45.00	-	-
2/24/2020	Van Leeuwen Ice Cream LLC	Blue Scorpion Investments; NextWorld Evergreen; M3 Ventures	Packaged Foods and Meats	18.70	-	-
2/24/2020	PetPlate, Inc.	301 Inc.; The Yard Ventures; Castor Ventures; Fernbrook Capital Management, LLC; DFE Capital Management	Restaurants	9.00	-	-
2/25/2020	Ellenos Real Greek Yogurt	Equilibra Partners Management LLC	Packaged Foods and Meats	18.00	-	-
2/26/2020	BlueNalu, Inc.	Nutreco N.V.; Griffith Foods Inc.; Sumitomo Corporation of Americas; Pulmuone Co., Ltd.; Agronomics Limited; New Crop Capital; Stray Dog Capital; KBW Ventures, Inc.; Clear Current Capital; CPT Capital; Rich Products Ventures	Packaged Foods and Meats	20.00	-	-
2/27/2020	Schoep's Ice Cream Co., Inc.	Brothers International Desserts Inc.	Packaged Foods and Meats	8.40	-	-
3/3/2020	Powerful Foods, LLC	MMG Consumer Brands	Packaged Foods and Meats	5.00	-	-
3/3/2020	Assets of CraftWorks Restaurants and Breweries, Inc.	Fortress Credit Corporation	Restaurants	138.00	-	-
3/9/2020	Impossible Foods Inc.	Temasek Holdings (Private) Limited; Horizons Ventures Limited; Khosla Ventures; Mirae Asset Global Investments Co., Ltd	Packaged Foods and Meats	500.00	-	-
3/18/2020	ByHeart, Inc.	Polaris Partners; Two River Group Holdings, LLC; Belco Capital LLC; Red Sea Ventures; OCV Partners; D1 Capital Partners L.P.	Packaged Foods and Meats	70.00	-	-
3/25/2020	Georgetowne store in Brooklyn	Seven Seas Georgetowne, LLC	Food Retail	5.00	-	-

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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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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Andrew Dickow

Managing Director

Food & Beverage Leader

adickow@greenwichgp.com

O: (248) 480-2036

M: (248) 388-1888