



# INDUSTRY UPDATE

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FOOD & BEVERAGE  
Q2 2020



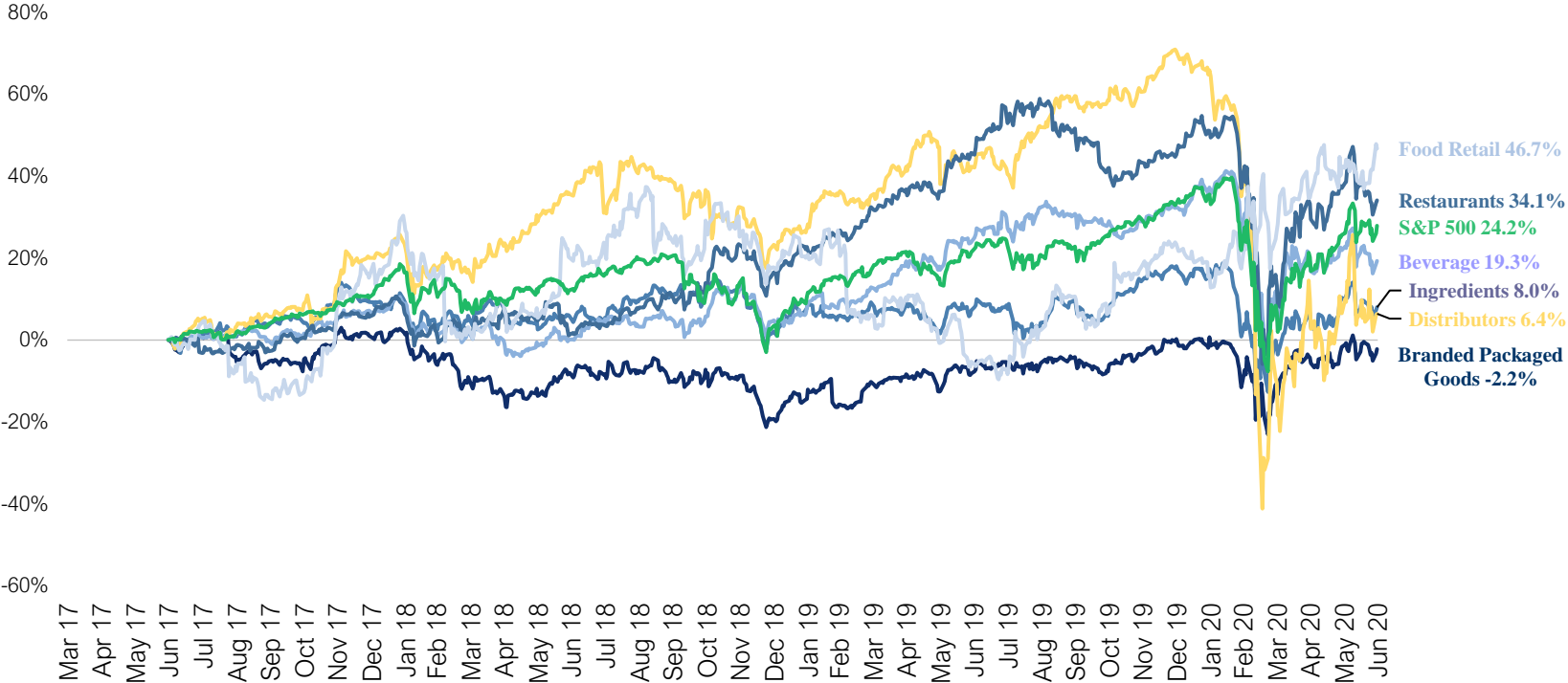
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# GCG INDUSTRY UPDATE | Food & Beverage

## Public Market Performance

Q2 2020 saw significant gains in the Food & Beverage (“F&B”) industry and the broader U.S. equity market as equities experienced a strong recovery from previous quarter’s sharp decline caused by the COVID-19 pandemic. The Food Distribution segment was the strongest performing in Q2 2020 as companies were pushed to meet the increased consumer demand caused by the mandatory lockdowns enforced across the nation. For the 3-year period ending June 30, 2020, the S&P 500 index was up by 24.2%, recovering most of its Q1 2020 losses. The F&B industry underperformed the broader market with the exception of the Restaurants and Food Retail segments.

**Food & Beverage Market Performance**



Source: S&P Capital IQ  
Note: All values based on publicly available data as of 06/30/2020



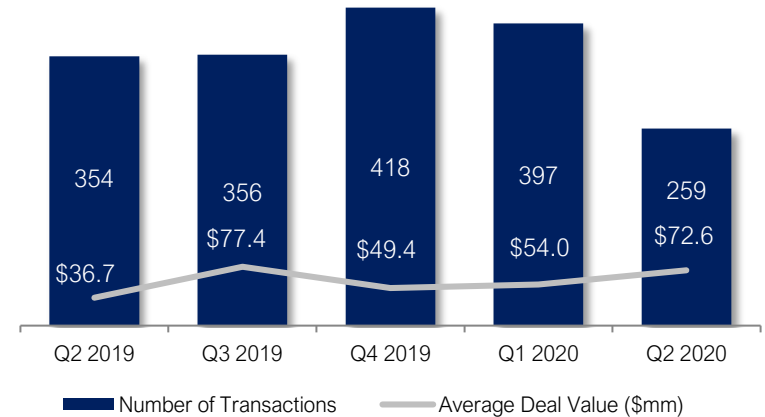
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## Middle-Market M&A Activity

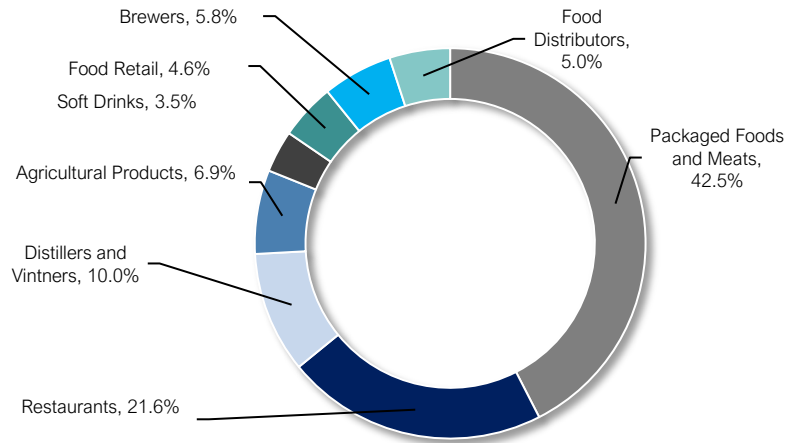
In Q2 2020, the F&B sector saw higher transaction values and a significantly lower number of transactions compared to Q1 2020. There were 259 transactions in Q2 with an average deal value of \$72.6 million. Strategic buyers continue to dominate overall deal activity and have sought acquisitions to offset slowing organic growth and to diversify their offerings. In Q2, financial buyers represented under 12% of all M&A activity in the industry.

The Packaged Foods and Meats category led activity, accounting for over 42% of total F&B transaction volume. Restaurant companies proved to be attractive targets as well, comprising nearly 22% of transaction volume.

### Food & Beverage M&A Activity



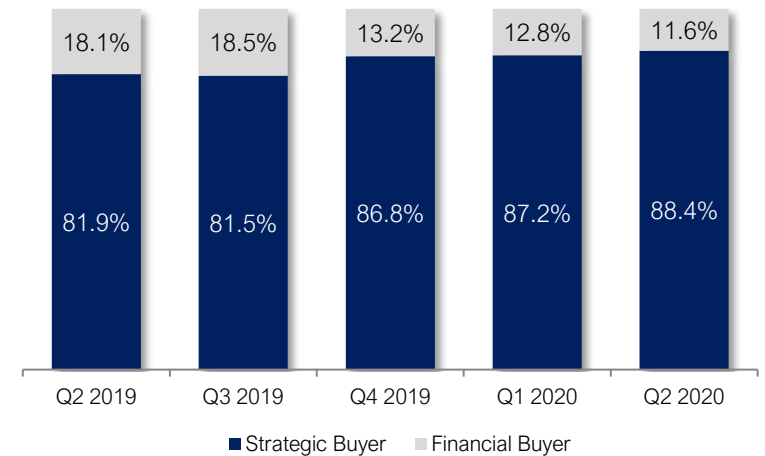
### Q2 2020 M&A Activity by Sector Activity



Source: S&P Capital IQ

Note: All transaction data based on publicly available data as of 06/30/2020

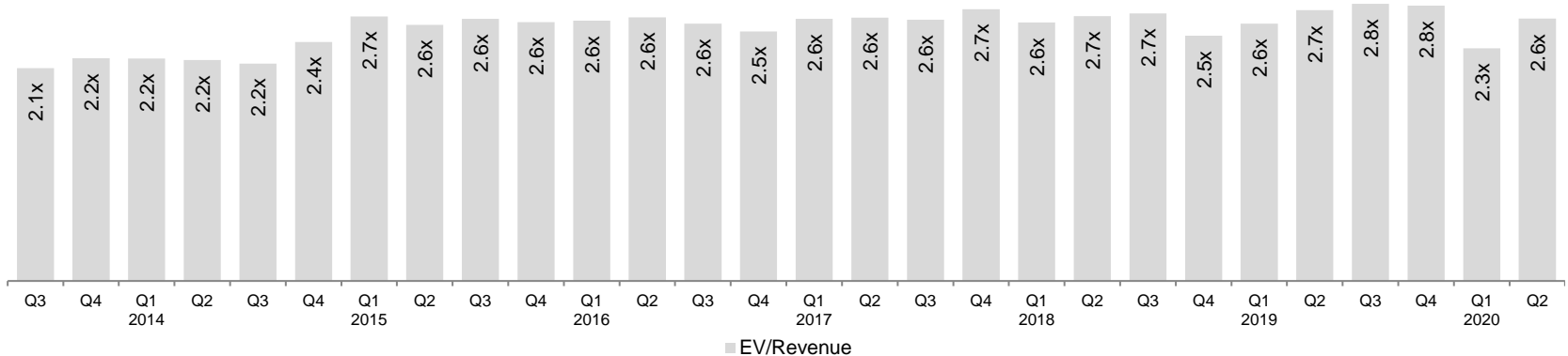
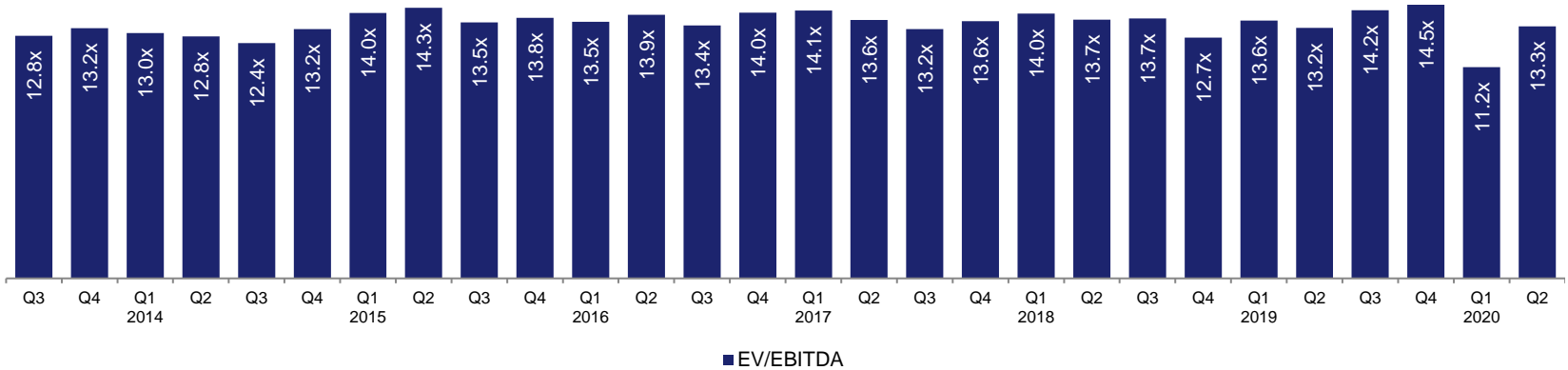
### M&A Activity by Buyer Type



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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 13.3x EBITDA and 2.6x 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 an increase in EBITDA and revenue multiples of 19% and 13% in Q2 2020 due to the strong recovery from the previous quarters decline caused by the onset of COVID-19.



Source: S&P Capital IQ

Note: All values based on publicly available data as of 06/30/2020



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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
<b>Branded Packaged Goods</b>								
B&G Foods, Inc.	\$ 3,456.79	\$ 24.38	44.6%	17.2%	24.2%	18.8%	2.0x	10.8x
Campbell Soup Company	\$ 20,708.42	\$ 49.63	6.7%	23.9%	34.2%	21.2%	2.5x	11.7x
Conagra Brands, Inc.	\$ 26,324.57	\$ 35.17	24.6%	32.6%	28.1%	20.7%	2.4x	11.5x
General Mills, Inc.	\$ 51,623.66	\$ 61.65	14.0%	17.4%	34.9%	22.6%	3.1x	13.2x
Hormel Foods Corporation	\$ 25,772.69	\$ 48.27	3.2%	19.1%	19.5%	18.3%	2.7x	14.6x
Kellogg Company	\$ 31,266.78	\$ 66.06	8.5%	23.3%	33.1%	17.3%	2.3x	13.4x
Lancaster Colony Corporation	\$ 4,114.73	\$ 154.99	12.4%	4.3%	26.0%	16.7%	3.1x	18.4x
McCormick & Company, Incorporated	\$ 28,141.76	\$ 179.41	25.3%	15.7%	40.9%	23.3%	5.2x	22.2x
Mondelez International, Inc.	\$ 91,302.24	\$ 51.13	0.0%	(5.1%)	39.2%	24.6%	3.5x	14.3x
Post Holdings, Inc.	\$ 12,649.40	\$ 87.62	7.9%	(15.7%)	31.3%	18.9%	2.2x	11.5x
The J. M. Smucker Company	\$ 17,459.31	\$ 105.81	(4.4%)	(8.1%)	38.5%	23.6%	2.2x	9.5x
The Kraft Heinz Company	\$ 66,455.26	\$ 31.89	26.7%	2.7%	31.9%	25.0%	2.6x	10.5x
TreeHouse Foods, Inc.	\$ 4,605.13	\$ 43.80	3.6%	(19.0%)	18.5%	11.9%	1.1x	9.0x
Tyson Foods, Inc.	\$ 34,120.56	\$ 59.71	0.9%	(26.0%)	11.6%	11.0%	0.8x	7.1x
Mean	\$ 29,857.24	\$ 71.39	12.4%	5.9%	29.4%	19.6%	2.5x	12.7x
Median	\$ 26,048.63	\$ 55.42	8.2%	10.0%	31.6%	19.8%	2.4x	11.6x

Source: S&P Capital IQ

Note: All values based on publicly available data as of 06/30/2020



# 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	\$ 31,015.30	\$ 39.90	11.4%	(2.2%)	6.5%	5.4%	0.5x	8.9x
Cal-Maine Foods, Inc.	\$ 2,025.06	\$ 44.48	4.8%	6.6%	13.5%	4.9%	1.7x	NM
Hormel Foods Corporation	\$ 25,772.69	\$ 48.27	3.2%	19.1%	19.5%	18.3%	2.7x	14.6x
Ingredion Incorporated	\$ 7,406.76	\$ 83.00	7.4%	0.6%	21.2%	16.1%	1.2x	7.4x
International Flavors & Fragrances Inc.	\$ 17,099.76	\$ 122.46	13.4%	(15.6%)	41.4%	21.7%	3.3x	15.2x
Pilgrim's Pride Corporation	\$ 6,597.70	\$ 16.89	(9.7%)	(33.5%)	8.7%	9.3%	0.6x	6.0x
Premium Brands Holdings Corporation	\$ 3,475.91	\$ 63.66	31.9%	(7.0%)	19.6%	7.9%	1.2x	15.8x
Sensient Technologies Corporation	\$ 2,795.74	\$ 52.16	17.0%	(29.0%)	30.7%	14.3%	2.1x	13.6x
Mean	\$ 12,023.61	\$ 58.85	9.9%	(7.6%)	20.1%	12.2%	1.7x	11.6x
Median	\$ 7,002.23	\$ 50.22	9.4%	(4.6%)	19.6%	11.8%	1.5x	13.6x

Source: S&P Capital IQ

Note: All values based on publicly available data as of 06/30/2020



# 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	\$ 203,783.81	\$ 49.30	15.0%	(44.3%)	60.6%	38.3%	3.9x	10.2x
Brown-Forman Corporation	\$ 31,405.54	\$ 63.66	12.4%	14.8%	63.2%	36.2%	9.3x	25.8x
Constellation Brands, Inc.	\$ 46,319.64	\$ 174.95	19.5%	(11.2%)	51.5%	8.5%	5.6x	52.4x
Primo Water Corporation	\$ 3,793.13	\$ 13.70	52.0%	2.5%	51.5%	15.8%	1.5x	9.5x
Farmer Bros. Co.	\$ 206.78	\$ 7.34	4.9%	(55.2%)	28.5%	3.6%	0.4x	10.1x
Molson Coors Beverage Company	\$ 17,023.40	\$ 34.36	(14.7%)	(38.6%)	37.9%	21.2%	1.6x	7.7x
Monster Beverage Corporation	\$ 35,596.36	\$ 69.32	19.5%	8.6%	59.8%	35.6%	8.2x	23.2x
National Beverage Corp.	\$ 2,625.41	\$ 61.02	42.9%	36.7%	37.0%	19.8%	2.7x	14.1x
PepsiCo, Inc.	\$ 213,600.81	\$ 132.26	5.4%	0.9%	55.3%	18.3%	3.1x	17.0x
Starbucks Corporation	\$ 106,333.30	\$ 73.59	8.4%	(12.2%)	27.0%	29.4%	4.0x	13.6x
The Boston Beer Company, Inc.	\$ 6,502.12	\$ 536.65	47.3%	42.1%	48.2%	16.3%	4.9x	30.0x
The Coca-Cola Company	\$ 226,309.75	\$ 44.68	(0.7%)	(12.3%)	60.0%	35.4%	6.1x	17.1x
Mean	\$ 74,458.34	\$ 105.07	17.7%	(5.7%)	48%	23.2%	4.3x	19.2x
Median	\$ 33,500.95	\$ 62.34	13.7%	(5.2%)	51.5%	20.5%	3.9x	15.5x

Source: S&P Capital IQ

Note: All values based on publicly available data as of 06/30/2020



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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
<b>Distributors</b>								
AMCON Distributing Company	\$ 97.84	\$ 56.34	(10.0%)	(41.2%)	7.9%	1.7%	0.1x	5.6x
Core-Mark Holding Company, Inc.	\$ 1,716.52	\$ 24.96	(9.1%)	(37.2%)	6.9%	1.7%	0.1x	7.4x
Performance Food Group Company	\$ 7,328.91	\$ 29.14	15.6%	(27.2%)	11.6%	2.4%	0.3x	12.1x
SpartanNash Company	\$ 1,641.79	\$ 21.25	56.1%	82.1%	14.6%	2.5%	0.2x	7.5x
Sysco Corporation	\$ 37,025.47	\$ 54.66	17.9%	(22.7%)	19.0%	5.3%	0.6x	11.7x
The Chefs' Warehouse, Inc.	\$ 944.05	\$ 13.58	45.9%	(61.3%)	25.5%	6.4%	0.6x	9.2x
United Natural Foods, Inc.	\$ 4,814.69	\$ 18.21	114.2%	103.0%	12.7%	3.2%	0.2x	5.9x
US Foods Holding Corp.	\$ 9,350.97	\$ 19.72	8.1%	(44.9%)	17.5%	4.1%	0.4x	8.7x
Mean	\$ 7,865.03	\$ 29.73	29.8%	(6.2%)	14%	3.4%	0.3x	8.5x
Median	\$ 3,265.61	\$ 100.00	16.8%	(32.2%)	13.7%	2.9%	0.2x	8.1x

Source: S&P Capital IQ

Note: All values based on publicly available data as of 06/30/2020





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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
<b>Restaurants</b>								
Brinker International, Inc.	\$ 3,628.55	\$ 24.00	111.6%	(39.0%)	15.3%	17.7%	1.1x	6.1x
Chipotle Mexican Grill, Inc.	\$ 31,412.94	\$ 1,052.36	64.4%	43.6%	32.9%	16.0%	5.5x	31.0x
Darden Restaurants, Inc.	\$ 14,552.75	\$ 75.77	33.3%	(37.8%)	18.0%	15.3%	1.9x	12.2x
Domino's Pizza, Inc.	\$ 18,591.71	\$ 369.44	6.5%	32.8%	27.8%	20.6%	5.1x	24.8x
Dunkin' Brands Group, Inc.	\$ 8,317.28	\$ 65.23	23.0%	(18.1%)	51.7%	43.1%	6.1x	14.1x
McDonald's Corporation	\$ 184,095.51	\$ 184.47	9.7%	(11.2%)	52.5%	57.8%	8.9x	15.3x
Restaurant Brands International Inc.	\$ 30,294.83	\$ 54.63	35.7%	(21.4%)	57.9%	35.0%	5.4x	15.6x
Starbucks Corporation	\$ 106,333.30	\$ 73.59	8.4%	(12.2%)	27.0%	29.4%	4.0x	13.6x
Yum! Brands, Inc.	\$ 36,653.69	\$ 86.91	23.0%	(21.5%)	49.7%	35.8%	6.5x	18.3x
Mean	\$ 48,208.95	\$ 220.71	35.1%	(9.4%)	37.0%	30.1%	4.9x	16.8x
Median	\$ 30,294.83	\$ 75.77	23.0%	(18.1%)	32.9%	29.4%	5.4x	15.3x

Source: S&P Capital IQ

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# 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	\$ 1,612.30	\$ 43.07	27.4%	38.4%	24.5%	7.0%	0.4x	5.3x
Natural Grocers by Vitamin Cottage, Inc.	\$ 710.06	\$ 14.88	84.8%	48.1%	26.7%	10.7%	0.7x	6.9x
Sprouts Farmers Market, Inc.	\$ 4,427.99	\$ 25.59	37.6%	35.5%	34.3%	10.6%	0.8x	7.1x
The Kroger Co.	\$ 44,221.79	\$ 33.85	14.2%	55.9%	23.4%	5.4%	0.3x	6.5x
Village Super Market, Inc.	\$ 451.15	\$ 27.72	20.3%	4.6%	27.7%	5.3%	0.3x	4.9x
Weis Markets, Inc.	\$ 1,343.93	\$ 50.12	25.0%	37.7%	28.8%	6.7%	0.4x	5.5x
Mean	\$ 8,794.54	\$ 32.54	34.9%	36.7%	27.6%	7.6%	0.5x	6.0x
Median	\$ 1,478.12	\$ 30.79	26.2%	38.0%	27.2%	6.8%	0.4x	6.0x
<b>Food &amp; Beverage Mean</b>	<b>\$ 34,337.86</b>	<b>\$ 90.36</b>	<b>21.6%</b>	<b>0.7%</b>	<b>31.0%</b>	<b>17.4%</b>	<b>2.6x</b>	<b>13.3x</b>
<b>Food &amp; Beverage Median</b>	<b>\$ 17,023.40</b>	<b>\$ 51.13</b>	<b>14.2%</b>	<b>(2.2%)</b>	<b>28.1%</b>	<b>16.7%</b>	<b>2.2x</b>	<b>11.7x</b>

Source: S&P Capital IQ

Note: All values based on publicly available data as of 06/30/2020



# GCG INDUSTRY UPDATE | Food & Beverage

## Q2 2020 Middle-Market M&A Activity

Announcement Date	Target	Buyer	Sector	Value (\$mils)	TEV / Revenue	TEV / EBITDA
6/30/2020	Kitu Life, Inc.	Skyview Capital, LLC; Anthos Capital, L.P.; ZX Ventures LLC; Echo Capital Group LLC; Rx3 Ventures, L.P.; RX3 Growth Partners	Packaged Foods and Meats	25.00	-	-
6/25/2020	Paul Masson Grande Amber Brandy Brand of Constellation Brands, Inc.	Sazerac Company, Inc.	Distillers and Vintners	255.00	-	-
6/25/2020	Arcor USA, Inc.	Arcor S.A.I.C.	Packaged Foods and Meats	5.00	-	-
6/16/2020	Nearly All of the Assets of Borden Dairy Company	KKR & Co. Inc.; Capitol Peak Partners, LLC	Packaged Foods and Meats	340.00	-	-
6/10/2020	Certain Assets of S-FDF LLC	Black Ridge Oil & Gas, Inc.	Packaged Foods and Meats	5.88	-	-
6/9/2020	North American Buitoni® business of Nestlé USA, Inc.	Buitoni Food Company	Packaged Foods and Meats	115.00	-	-
6/8/2020	Burgerfi International, LLC	Opes Acquisition Corp.	Restaurants	178.82	2.40	13.60
6/1/2020	Brown Jug, Inc.	Afognak Commercial Group, LLC	Food Retail	16.34	-	-
5/20/2020	Good Planet Foods LLC	Greatpoint Investment Management, LLC; Stray Dog Capital LLC; Cleveland Avenue LLC; Lever VC; Tasseo Consumer Ecosystem LP	Packaged Foods and Meats	12.00	-	-
5/18/2020	Atlast Food Co.	Alpha Impact Investment Management Partners	Packaged Foods and Meats	7.00	-	-
5/14/2020	Krystal Company	Fortress Investment Group LLC; Golden Child Holdings	Restaurants	48.50	-	-
5/1/2020	BJ's Restaurants, Inc.	T. Rowe Price Associates, Inc.; Act 3 Holdings, LLC	Restaurants	70.00	-	-
5/1/2020	Beta Hatch Inc.	Innova Memphis, Inc.; Cavallo Ventures, Inc.; Brighton Jones Investment Partners, LLC; Klein Agricultural Products Capital Investments Limited		8.46	-	-
4/30/2020	Outstanding Foods, Inc.	SternAegis Ventures	Packaged Foods and Meats	5.00	-	-
4/21/2020	Vive Organic, Inc.	Cambridge Companies SPG, Powerplant Ventures, LLC, Monogram Capital Partners	Packaged Foods and Meats	13.00	-	-

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

## Q2 2020 Middle-Market M&A Activity

Announcement Date	Target	Buyer	Sector	Value (\$mils)	TEV / Revenue	TEV / EBITDA
4/15/2020	SunOpta Foods, Inc.	Oaktree Capital Management, L.P.; Engaged Capital, LLC; Oaktree Huntington Investment Fund II, L.P.; Oaktree Organics, L.P.; Engaged Capital Flagship Master Fund, LP	Packaged Foods and Meats	60.00	-	-
4/13/2020	CoverCress Inc.	Prolog Ventures; Hermann Companies, Inc.; Prelude Ventures, LLC; FGC Management Co., LLC; Leaps by Bayer	Agricultural Products	5.00	-	-
4/9/2020	PureCircle Limited	Ingredion Incorporated	Packaged Foods and Meats	91.44	2.64	-
4/6/2020	Anyplace, Inc.	Mitsui Sumitomo Insurance Venture Capital Co., Ltd.; CyberAgent Capital Co., Ltd.; East Ventures Co., Ltd.; Fujita Fund; GA technologies Co., Ltd.; Akatsuki Inc., Investment Arm; Heart Driven Fund; Digital Base Capital Co., Ltd.	Restaurants	5.92	-	-
4/1/2020	McArthur Dairy Assets in Florida of Dean Foods Company	Moishe Mana	Packaged Foods and Meats	16.50	-	-

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](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).

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