



# INDUSTRY UPDATE

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FOOD & BEVERAGE  
Q3 2020



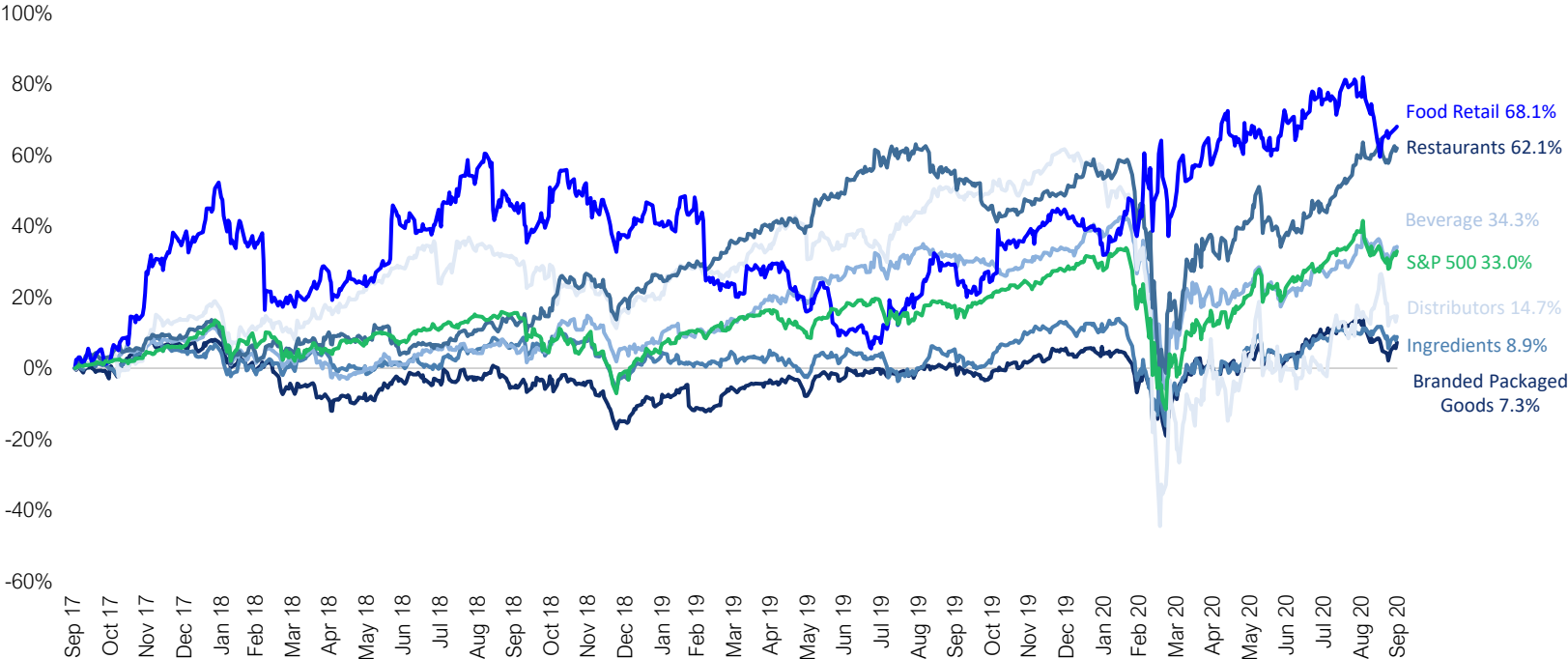
GREENWICH  
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# GCG INDUSTRY UPDATE | Food & Beverage

## Public Market Performance

Q3 2020 saw significant gains in the Food & Beverage (“F&B”) industry and the broader U.S. equity market as equities continued the previous quarter’s strong recovery from the COVID-19 pandemic. The Restaurants segment was the strongest performing in Q3 2020 as companies were pushed to meet the increased consumer demand caused by re-openings around the country. For the 3-year period ending September 30, 2020, the S&P 500 index was up by 33.0%, continuing to grow after the Q2 recovery. The F&B industry underperformed the broader market with the exception of the Food Retail, Restaurants, and Beverage segments.

### Food & Beverage Market Performance



Source: S&P Capital IQ  
Note: All values based on publicly available data as of 9/30/2020



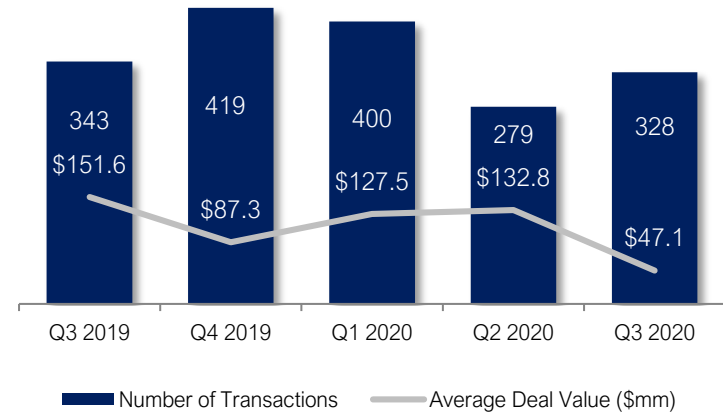
# GCG INDUSTRY UPDATE | Food & Beverage

## Middle-Market M&A Activity

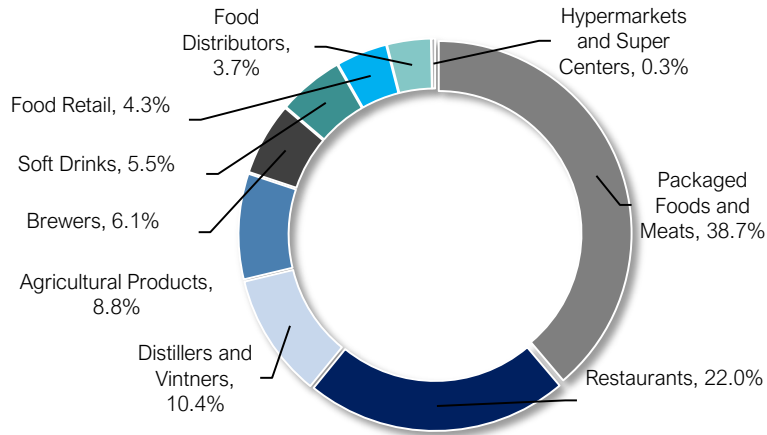
In Q3 2020, the F&B sector saw lower transaction values and a significantly higher number of transactions compared to Q2 2020. There were 328 transactions in Q3 with an average deal value of \$47.1 million. Strategic buyers continue to dominate overall deal activity and have sought acquisitions to offset slowing organic growth and to diversify their offerings. In Q3, financial buyers represented under 20% of all M&A activity in the industry.

The Packaged Foods and Meats category led activity, accounting for nearly 40% of total F&B transaction volume. Restaurant companies proved to be attractive targets as well, comprising 22% of transaction volume.

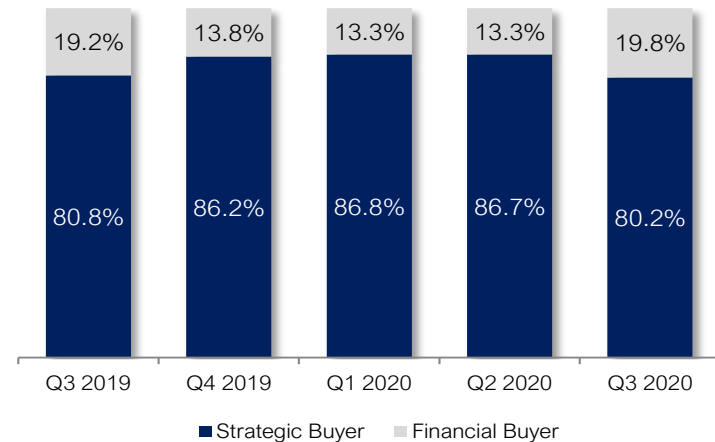
### Food & Beverage M&A Activity



### Q3 2020 M&A Activity by Sector Activity



### M&A Activity by Buyer Type



Source: S&P Capital IQ

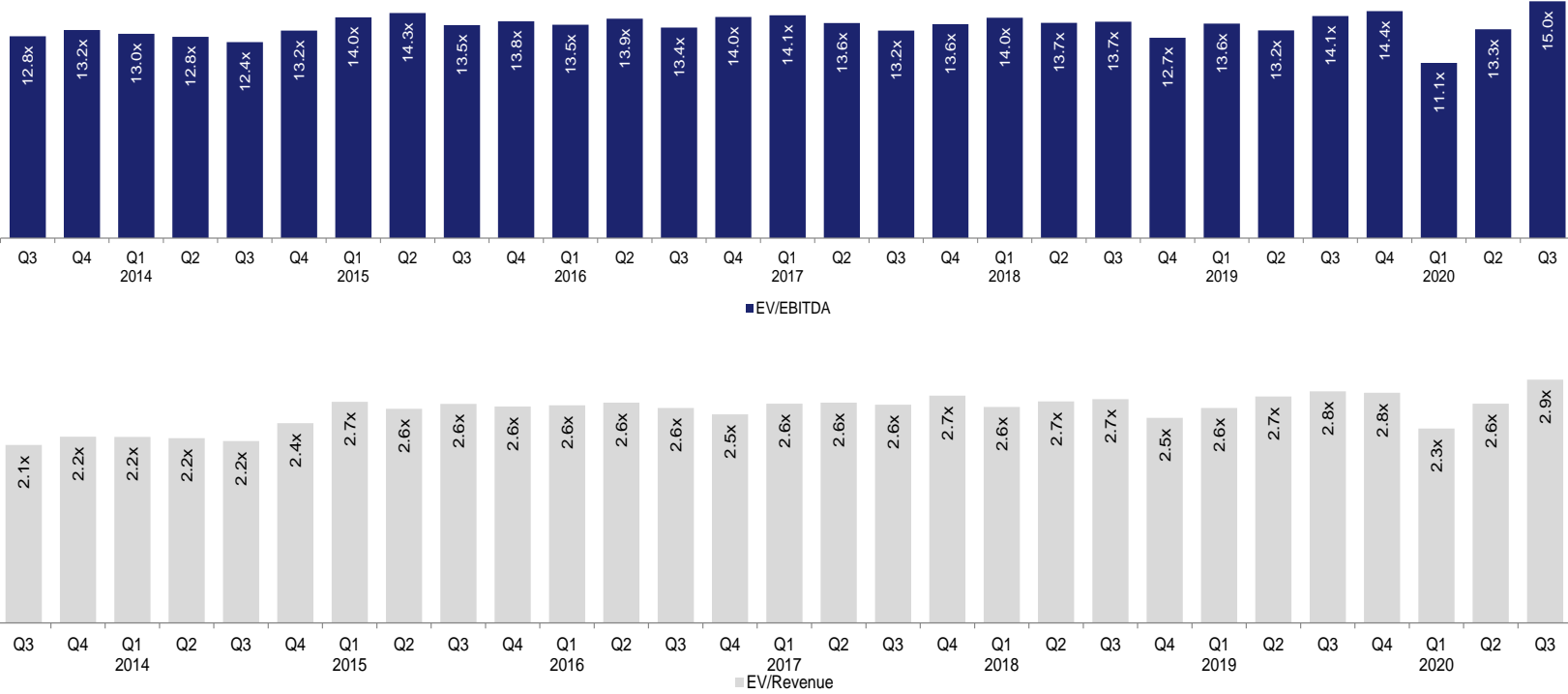
Note: All values based on publicly available data as of 9/30/2020. Beginning in Q3 2020, GCG's middle market M&A criteria includes transactions from \$10mm to \$500mm in EV.



# 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 15.0x EBITDA and 2.9x 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 13% and 12% in Q3 2020 due to the continued recovery from Q1's decline caused by the onset of COVID-19.



Source: S&P Capital IQ  
 Note: All values based on publicly available data as of 9/30/2020



# 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.	\$ 3,518.55	\$ 27.77	13.9%	46.9%	24.4%	19.1%	1.9x	10.0x
Campbell Soup Company	\$ 20,214.85	\$ 48.37	(2.5%)	3.1%	34.6%	21.9%	2.3x	10.6x
Conagra Brands, Inc.	\$ 26,962.82	\$ 35.71	1.5%	16.4%	28.7%	22.0%	2.4x	11.6x
General Mills, Inc.	\$ 50,429.87	\$ 61.68	0.0%	11.9%	35.3%	22.2%	2.8x	12.6x
Hormel Foods Corporation	\$ 26,002.14	\$ 48.89	1.3%	11.8%	19.2%	18.3%	2.7x	14.6x
Kellogg Company	\$ 30,563.16	\$ 64.59	(2.2%)	0.4%	33.2%	17.3%	2.3x	13.1x
Lancaster Colony Corporation	\$ 4,749.83	\$ 178.80	15.4%	29.0%	26.8%	17.0%	3.6x	21.0x
McCormick & Company, Incorporated	\$ 30,011.84	\$ 194.10	8.2%	24.2%	41.1%	23.1%	5.4x	23.5x
Mondelez International, Inc.	\$ 100,744.04	\$ 57.45	12.4%	3.9%	38.9%	23.8%	3.9x	16.3x
Post Holdings, Inc.	\$ 12,247.87	\$ 86.00	(1.8%)	(18.7%)	31.4%	18.7%	2.1x	11.4x
The J. M. Smucker Company	\$ 18,303.51	\$ 115.52	9.2%	5.0%	38.5%	24.3%	2.3x	9.4x
The Kraft Heinz Company	\$ 62,789.23	\$ 29.95	(6.1%)	7.2%	33.0%	25.3%	2.5x	9.7x
TreeHouse Foods, Inc.	\$ 4,354.81	\$ 40.53	(7.5%)	(26.9%)	18.9%	12.1%	1.0x	8.3x
Tyson Foods, Inc.	\$ 33,015.27	\$ 59.48	(0.4%)	(30.9%)	12.5%	11.8%	0.8x	6.6x
Mean	\$ 30,279.13	\$ 74.92	3.0%	5.9%	29.7%	19.8%	2.6x	12.8x
Median	\$ 26,482.48	\$ 58.47	0.7%	6.1%	32.2%	20.5%	2.4x	11.5x

Source: S&P Capital IQ

Note: All values based on publicly available data as of 9/30/2020



# 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	\$ 35,026.02	\$ 46.49	16.5%	13.2%	6.7%	5.6%	0.5x	9.8x
Cal-Maine Foods, Inc.	\$ 1,681.18	\$ 38.37	(13.7%)	(4.0%)	15.5%	7.5%	1.2x	16.0x
Hormel Foods Corporation	\$ 26,002.14	\$ 48.89	1.3%	11.8%	19.2%	18.3%	2.7x	14.6x
Ingredion Incorporated	\$ 6,807.58	\$ 75.68	(8.8%)	(7.4%)	21.0%	15.6%	1.1x	7.2x
International Flavors & Fragrances Inc.	\$ 17,075.03	\$ 122.45	(0.0%)	(0.2%)	40.9%	21.2%	3.3x	15.8x
Pilgrim's Pride Corporation	\$ 6,076.74	\$ 14.97	(11.4%)	(53.3%)	6.6%	7.3%	0.5x	7.1x
Premium Brands Holdings Corporation	\$ 4,059.90	\$ 75.45	18.5%	7.3%	19.1%	7.2%	1.4x	19.6x
Sensient Technologies Corporation	\$ 2,980.81	\$ 57.74	10.7%	(15.9%)	30.7%	15.2%	2.3x	14.9x
Mean	\$ 12,463.67	\$ 60.00	1.6%	(6.1%)	20.0%	12.2%	1.6x	13.1x
Median	\$ 6,442.16	\$ 53.32	0.6%	(2.1%)	19.2%	11.4%	1.3x	14.8x

Source: S&P Capital IQ

Note: All values based on publicly available data as of 9/30/2020



# 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	\$ 206,991.45	\$ 53.88	9.3%	(43.4%)	59.2%	30.1%	4.1x	13.8x
Brown-Forman Corporation	\$ 36,711.20	\$ 75.32	18.3%	20.0%	62.5%	35.6%	11.0x	30.8x
Constellation Brands, Inc.	\$ 48,414.19	\$ 189.51	8.3%	(8.6%)	52.1%	24.5%	5.9x	69.4x
Primo Water Corporation	\$ 3,798.84	\$ 14.19	3.6%	13.7%	51.1%	16.2%	1.5x	9.3x
Farmer Bros. Co.	\$ 164.36	\$ 4.42	(39.8%)	(65.9%)	27.6%	4.6%	0.3x	7.1x
Molson Coors Beverage Company	\$ 15,938.20	\$ 33.56	(2.3%)	(41.6%)	38.2%	23.4%	1.6x	6.9x
Monster Beverage Corporation	\$ 41,148.05	\$ 80.20	15.7%	38.1%	59.9%	36.3%	9.6x	26.3x
National Beverage Corp.	\$ 2,860.00	\$ 68.01	11.5%	53.3%	37.9%	21.4%	2.8x	13.0x
PepsiCo, Inc.	\$ 227,861.11	\$ 138.60	4.8%	1.1%	55.3%	18.3%	3.4x	18.4x
Starbucks Corporation	\$ 122,028.09	\$ 85.92	16.8%	(2.8%)	22.5%	25.0%	5.1x	20.3x
The Boston Beer Company, Inc.	\$ 10,674.40	\$ 883.36	64.6%	142.6%	47.6%	18.4%	7.3x	39.7x
The Coca-Cola Company	\$ 246,294.82	\$ 49.37	10.5%	(9.3%)	60.0%	35.5%	7.2x	20.2x
Mean	\$ 80,240.39	\$ 139.70	10.1%	8.1%	48%	24.1%	5.0x	22.9x
Median	\$ 38,929.62	\$ 71.67	9.9%	(0.9%)	51.6%	23.9%	4.6x	19.3x

Source: S&P Capital IQ

Note: All values based on publicly available data as of 9/30/2020



# 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>Distributors</b>								
AMCON Distributing Company	\$ 115.60	\$ 64.59	14.6%	(15.3%)	7.9%	1.7%	0.1x	6.2x
Core-Mark Holding Company, Inc.	\$ 1,720.62	\$ 28.93	15.9%	(9.9%)	6.8%	1.7%	0.1x	7.6x
Performance Food Group Company	\$ 7,208.16	\$ 34.62	18.8%	(24.8%)	11.7%	2.2%	0.3x	13.0x
SpartanNash Company	\$ 1,413.09	\$ 16.35	(23.1%)	38.2%	14.8%	2.7%	0.2x	5.8x
Sysco Corporation	\$ 40,575.81	\$ 62.22	13.8%	(21.6%)	18.7%	4.7%	0.8x	16.2x
The Chefs' Warehouse, Inc.	\$ 885.20	\$ 14.54	7.1%	(63.9%)	25.5%	4.7%	0.6x	13.4x
United Natural Foods, Inc.	\$ 4,563.41	\$ 14.87	(18.3%)	29.1%	14.6%	3.9%	0.2x	4.4x
US Foods Holding Corp.	\$ 10,394.69	\$ 22.22	12.7%	(45.9%)	17.1%	3.6%	0.4x	11.8x
Mean	\$ 8,359.57	\$ 32.29	5.2%	(14.3%)	15%	3.2%	0.3x	9.8x
Median	\$ 3,142.02	\$ 100.00	13.3%	(18.5%)	14.7%	3.2%	0.2x	9.7x

Source: S&P Capital IQ

Note: All values based on publicly available data as of 9/30/2020





# 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>Restaurants</b>								
Brinker International, Inc.	\$ 4,290.08	\$ 42.72	78.0%	0.1%	13.3%	15.9%	1.4x	8.8x
Chipotle Mexican Grill, Inc.	\$ 36,883.33	\$ 1,243.71	18.2%	48.0%	32.9%	16.2%	6.6x	40.5x
Darden Restaurants, Inc.	\$ 18,332.00	\$ 100.74	33.0%	(14.8%)	17.4%	13.0%	2.3x	17.8x
Domino's Pizza, Inc.	\$ 20,892.96	\$ 425.28	15.1%	73.9%	27.4%	20.4%	5.6x	27.0x
Dunkin' Brands Group, Inc.	\$ 9,664.76	\$ 81.91	25.6%	3.2%	51.0%	42.3%	7.4x	17.5x
McDonald's Corporation	\$ 211,989.66	\$ 219.49	19.0%	2.2%	51.2%	55.6%	11.1x	20.0x
Restaurant Brands International Inc.	\$ 31,856.49	\$ 57.51	5.3%	(19.2%)	57.3%	37.1%	6.1x	16.5x
Starbucks Corporation	\$ 122,028.09	\$ 85.92	16.8%	(2.8%)	22.5%	25.0%	5.1x	20.3x
Yum! Brands, Inc.	\$ 37,920.79	\$ 91.30	5.1%	(19.5%)	48.5%	34.0%	6.9x	20.3x
Mean	\$ 54,873.13	\$ 260.95	24.0%	7.9%	35.7%	28.8%	5.8x	21.0x
Median	\$ 31,856.49	\$ 91.30	18.2%	0.1%	32.9%	25.0%	6.1x	20.0x

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	\$ 1,486.55	\$ 38.04	(11.7%)	(2.1%)	25.3%	7.8%	0.3x	4.2x
Natural Grocers by Vitamin Cottage, Inc.	\$ 588.99	\$ 9.86	(33.7%)	(1.3%)	30.6%	10.7%	0.6x	5.5x
Sprouts Farmers Market, Inc.	\$ 3,822.68	\$ 20.93	(18.2%)	8.2%	35.4%	11.0%	0.6x	5.7x
The Kroger Co.	\$ 44,086.25	\$ 33.91	0.2%	31.5%	23.6%	5.6%	0.3x	6.1x
Village Super Market, Inc.	\$ 405.94	\$ 24.61	(11.2%)	(7.0%)	28.1%	5.4%	0.2x	4.4x
Weis Markets, Inc.	\$ 1,296.23	\$ 48.00	(4.2%)	25.9%	28.7%	7.2%	0.3x	4.7x
Mean	\$ 8,614.44	\$ 29.23	(13.1%)	9.2%	28.6%	7.9%	0.4x	5.1x
Median	\$ 1,391.39	\$ 29.26	(11.4%)	3.5%	28.4%	7.5%	0.3x	5.1x
<b>Food &amp; Beverage Mean</b>	<b>\$ 36,823.22</b>	<b>\$ 105.04</b>	<b>6.2%</b>	<b>2.5%</b>	<b>30.9%</b>	<b>17.5%</b>	<b>2.9x</b>	<b>15.0x</b>
<b>Food &amp; Beverage Median</b>	<b>\$ 17,075.03</b>	<b>\$ 57.45</b>	<b>7.1%</b>	<b>0.4%</b>	<b>28.7%</b>	<b>17.3%</b>	<b>2.3x</b>	<b>13.0x</b>

Source: S&P Capital IQ

Note: All values based on publicly available data as of 9/30/2020



# GCG INDUSTRY UPDATE | Food & Beverage

## Q3 2020 Middle-Market M&A Activity

Announcement Date	Target	Buyer	Sector	Value (\$mils)	TEV/ Revenue	TEV/ EBITDA
7/8/2020	Upward Farms	Prime Movers Lab	Packaged Foods and Meats	15.00	-	-
7/8/2020	Conception Nurseries US, Inc.	Pickwick Capital Partners, LLC	Agricultural Products	12.00	-	-
7/15/2020	Hint Inc.	GingerBread Capital; Springboard Growth Capital LLC	Soft Drinks	25.00	-	-
7/29/2020	Lamb Processing Facility of Mountain States Rosen	JBS USA Holdings, Inc.	Packaged Foods and Meats	14.25	-	-
8/4/2020	CSM Bakery Solutions LLC	Rhone Capital, L.L.C.	Packaged Foods and Meats	56.27	-	-
8/12/2020	Unfold Bio, Inc.	Temasek Capital Management Pte. Ltd.; Leaps by Bayer	Agricultural Products	30.00	-	-
8/12/2020	Harim USA, Ltd.	Farmsco; HARIM Co., Ltd.	Packaged Foods and Meats	31.01	-	-
8/12/2020	Impossible Foods Inc.	Temasek Holdings (Private) Limited; Coatue Management, L.L.C.; Mirae Asset Global Investments Co., Ltd; XN Capital	Packaged Foods and Meats	200.00	-	-
8/13/2020	The Johnny Rockets Group, Inc.	FAT Brands Inc.	Restaurants	24.60	0.08	-
8/23/2020	All assets of KB US Holdings, Inc. and its Subsidiaries	TLI Bedrock LLC	Food Retail	75.00	-	-
9/8/2020	Silva International, Inc.	Universal Corporation	Packaged Foods and Meats	170.00	-	-
9/8/2020	Supplying Demand Inc.	Convivialité Ventures; Velvet Sea Ventures	Soft Drinks	23.00	-	-
9/15/2020	Bulletproof 360, Inc.	Trinity Ventures; CAVU Venture Partners; Rocana Venture Partners; Beliv Company	Packaged Foods and Meats	13.00	-	-
9/28/2020	AppHarvest, Inc	Fidelity Management & Research Company LLC; Novus Capital Corporation; Inclusive Capital Partners, L.P.	Agricultural Products	405.00	-	-
9/29/2020	Brands Within Reach, LLC	Zachert Private Equity GmbH	Food Distributors	15.00	-	-
9/29/2020	Certain Assets of the H.K. Anderson Business	Utz Quality Foods, LLC	Packaged Foods and Meats	10.00	-	-

Source: S&P Capital IQ

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# 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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