



INDUSTRY UPDATE

FOOD & BEVERAGE
Q3 2021

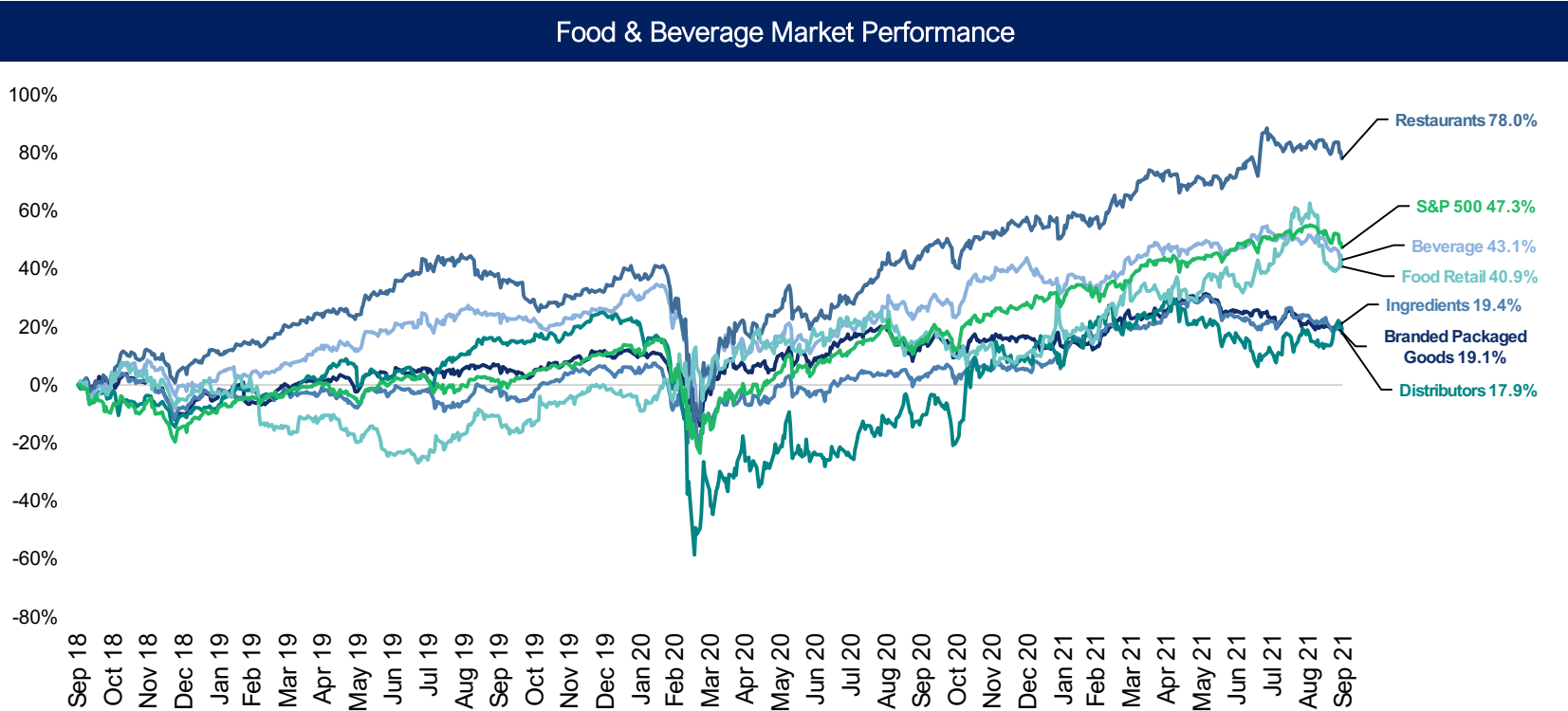


GREENWICH
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Public Market Performance

Q3 2021 saw additional gains in the Food & Beverage (“F&B”) industry and the broader U.S. equity market as equities advanced Q2’s recovery from the COVID-19 pandemic. The Restaurants segment was the strongest performing in Q3 2021 as the outlook for the sector improved due to strong earnings and positive news regarding COVID-19 booster vaccines. For the 3-year period ending September 30, 2021, the S&P 500 index was up by 47.3%, extending its run from Q2. The F&B industry underperformed the broader market except for the Restaurants segment.



Source: S&P Capital IQ
Note: All values based on publicly available data as of 9/30/2021.



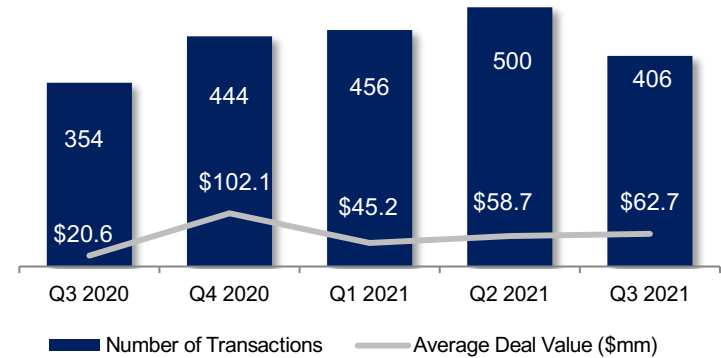
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Middle-Market M&A Activity

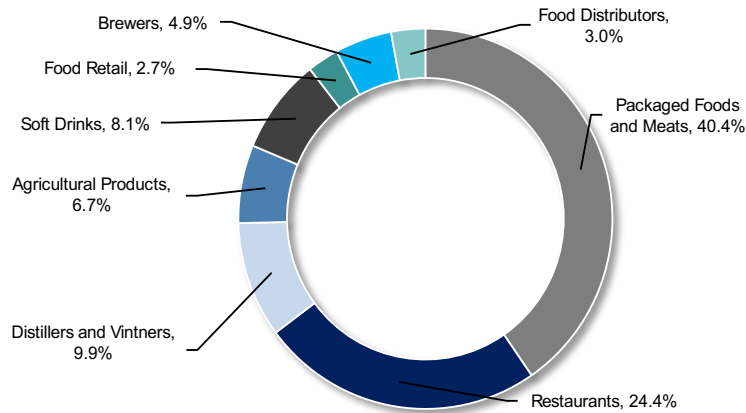
In Q3 2021, the F&B sector saw fewer transactions and higher average deal value than in Q2 2021. There were 406 transactions in Q3 with an average deal value of \$62.7 million. Strategic buyers continue to dominate overall deal activity, while financial buyers have grown their presence due to favorable industry trends, historical levels of dry powder, and a push to get deals done before potentially unfavorable changes to the capital gains tax rate. In Q3, financial buyers represented 22.2% of all M&A activity in the industry.

The Packaged Foods and Meats category led activity, accounting for 40.4% of total F&B transaction volume. Restaurant companies proved to be attractive targets as well, comprising nearly 24.4% of transaction volume.

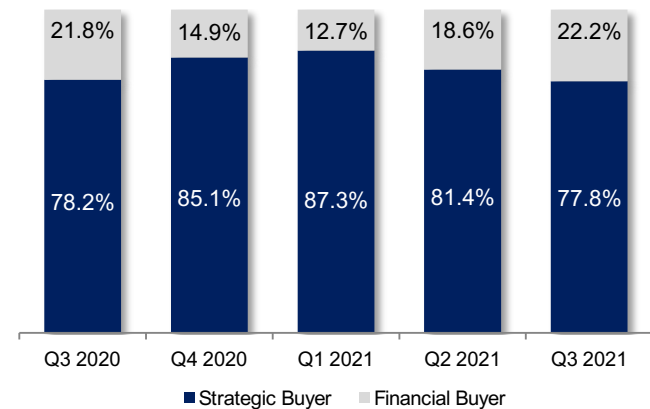
Food & Beverage M&A Activity



Q3 2021 M&A Activity by Sector



M&A Activity by Buyer Type



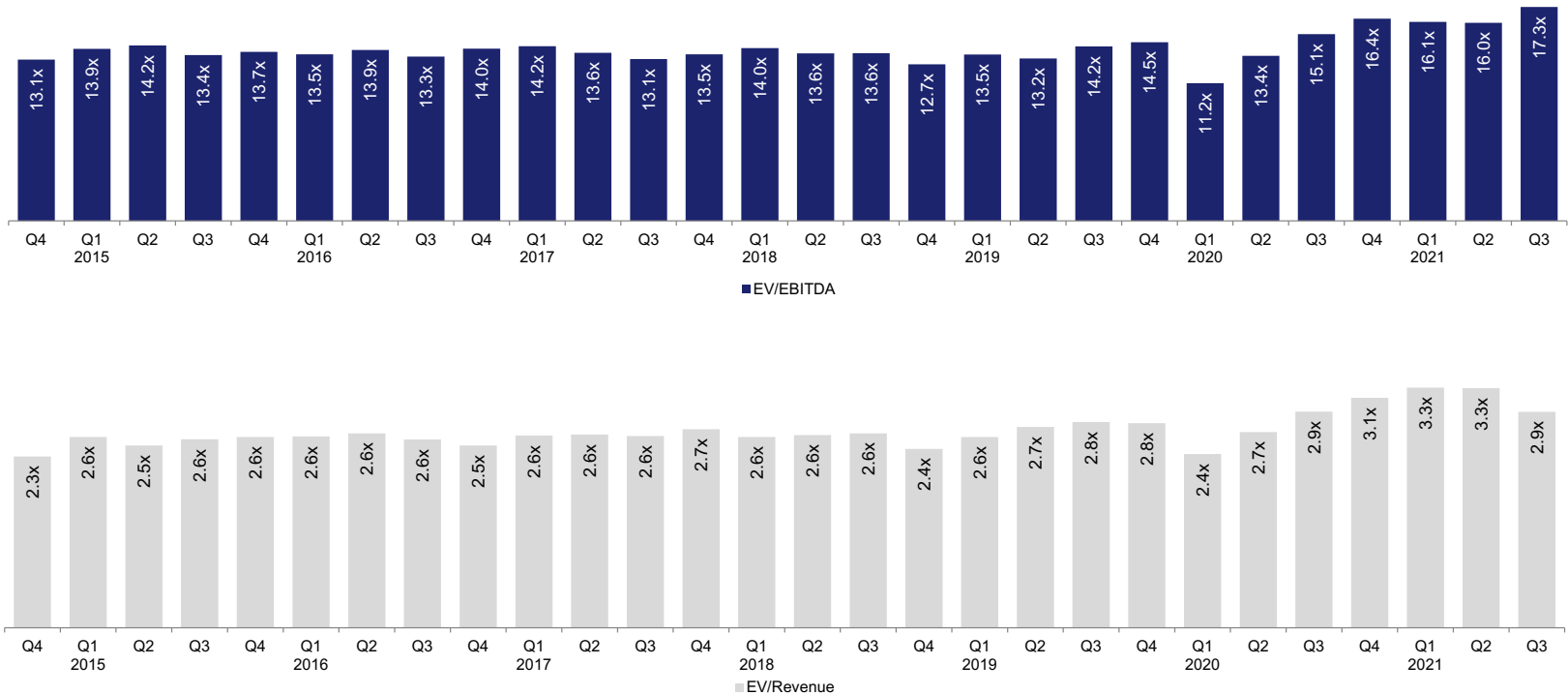
Source: S&P Capital IQ
 Note: All values based on publicly available data as of 9/30/2021.



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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 17.3x EBITDA and 2.9x revenue. Among the sectors disclosed on the previous page, the strongest trading multiples were observed in the Ingredients, Beverage and Restaurant sectors. The overall industry experienced an increase in EBITDA multiples of 8.1% and a decrease in revenue multiples of 12.2%.



Source: S&P Capital IQ

Note: All values based on publicly available data as of 9/30/2021.



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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.	\$ 4,264.81	\$ 29.89	(8.9%)	7.6%	24.3%	18.5%	2.2x	11.7x
Campbell Soup Company	\$ 17,831.46	\$ 41.81	(8.3%)	(13.6%)	33.2%	26.6%	2.1x	7.9x
Conagra Brands, Inc.	\$ 25,499.90	\$ 33.87	(6.9%)	(5.2%)	27.6%	21.2%	2.3x	10.2x
General Mills, Inc.	\$ 49,352.32	\$ 59.82	(1.8%)	(3.0%)	35.3%	23.8%	2.7x	11.3x
Hormel Foods Corporation	\$ 25,265.54	\$ 41.00	(14.1%)	(16.1%)	18.6%	13.6%	2.4x	18.0x
Kellogg Company	\$ 30,121.98	\$ 63.92	(0.6%)	(1.0%)	34.1%	18.0%	2.1x	11.9x
Lancaster Colony Corporation	\$ 4,492.73	\$ 168.81	(12.8%)	(5.6%)	26.4%	16.1%	3.1x	19.0x
McCormick & Company, Incorporated	\$ 26,909.90	\$ 81.03	(8.3%)	(16.5%)	40.0%	21.4%	4.4x	20.5x
Mondelez International, Inc.	\$ 99,191.02	\$ 58.18	(6.8%)	1.3%	40.4%	26.0%	3.6x	13.7x
Post Holdings, Inc.	\$ 14,140.59	\$ 110.16	1.6%	28.1%	30.7%	18.6%	2.4x	12.8x
The J. M. Smucker Company	\$ 17,621.37	\$ 120.03	(7.4%)	3.9%	38.2%	23.2%	2.2x	9.6x
The Kraft Heinz Company	\$ 66,559.11	\$ 36.82	(9.7%)	22.9%	35.5%	32.0%	2.5x	7.9x
TreeHouse Foods, Inc.	\$ 4,343.43	\$ 39.88	(10.4%)	(1.6%)	18.9%	12.4%	1.0x	8.2x
Tyson Foods, Inc.	\$ 37,562.37	\$ 78.94	7.0%	32.7%	13.4%	11.3%	0.8x	7.3x
Mean	\$ 30,225.47	\$ 68.87	(6.2%)	2.4%	29.8%	20.2%	2.4x	12.1x
Median	\$ 25,382.72	\$ 59.00	(7.8%)	(1.3%)	32.0%	19.9%	2.3x	11.5x

Source: S&P Capital IQ

Note: All values based on publicly available data as of 9/30/2021.



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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	\$ 43,491.58	\$ 60.01	(1.0%)	29.1%	7.2%	6.2%	0.6x	9.3x
Cal-Maine Foods, Inc.	\$ 1,678.46	\$ 36.16	(0.1%)	(5.8%)	10.9%	2.3%	1.2x	52.6x
Hormel Foods Corporation	\$ 25,265.54	\$ 41.00	(14.1%)	(16.1%)	18.6%	13.6%	2.4x	18.0x
Ingredion Incorporated	\$ 7,905.12	\$ 89.01	(1.6%)	17.6%	21.7%	16.6%	1.2x	7.4x
International Flavors & Fragrances Inc.	\$ 45,276.93	\$ 133.72	(10.5%)	9.2%	38.0%	23.1%	5.6x	24.3x
Pilgrim's Pride Corporation	\$ 9,297.53	\$ 29.08	31.1%	94.3%	9.0%	8.8%	0.7x	8.0x
Premium Brands Holdings Corporation	\$ 5,806.26	\$ 102.45	0.8%	35.8%	19.1%	8.3%	1.7x	20.0x
Sensient Technologies Corporation	\$ 4,301.54	\$ 91.08	5.2%	57.7%	32.5%	17.5%	3.2x	19.1x
Mean	\$ 17,877.87	\$ 72.81	1.2%	27.7%	19.6%	12.1%	2.1x	19.8x
Median	\$ 8,601.32	\$ 74.51	(0.6%)	23.3%	18.8%	11.2%	1.4x	18.5x

Source: S&P Capital IQ

Note: All values based on publicly available data as of 9/30/2021.



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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	\$ 205,166.70	\$ 56.38	(21.7%)	4.6%	58.2%	34.7%	4.1x	11.7x
Brown-Forman Corporation	\$ 32,682.87	\$ 67.01	(10.6%)	(11.0%)	60.4%	32.4%	9.0x	27.9x
Constellation Brands, Inc.	\$ 50,651.52	\$ 210.69	(9.9%)	11.2%	53.4%	34.2%	5.8x	14.6x
Primo Water Corporation	\$ 4,049.51	\$ 15.78	(5.7%)	11.2%	56.6%	19.9%	2.0x	10.3x
Farmer Bros. Co.	\$ 258.44	\$ 8.41	(33.7%)	90.3%	25.4%	3.5%	0.6x	18.7x
Molson Coors Beverage Company	\$ 17,562.88	\$ 46.38	(13.6%)	38.2%	41.5%	24.5%	1.8x	7.2x
Monster Beverage Corporation	\$ 44,448.50	\$ 88.83	(2.8%)	10.8%	57.9%	36.3%	8.6x	23.8x
National Beverage Corp.	\$ 4,688.48	\$ 52.49	11.1%	54.4%	39.4%	24.1%	4.3x	17.8x
PepsiCo, Inc.	\$ 244,503.91	\$ 150.41	1.5%	8.5%	53.9%	18.9%	3.3x	17.1x
Starbucks Corporation	\$ 148,693.92	\$ 110.31	(1.3%)	28.4%	28.2%	31.1%	5.5x	17.7x
The Boston Beer Company, Inc.	\$ 6,177.34	\$ 509.75	(50.1%)	(42.3%)	46.9%	18.1%	2.9x	16.3x
The Coca-Cola Company	\$ 257,508.98	\$ 52.47	(3.0%)	6.3%	60.6%	40.3%	7.1x	17.6x
Mean	\$ 84,699.42	\$ 114.08	(11.7%)	17.5%	49%	26.5%	4.6x	16.7x
Median	\$ 38,565.69	\$ 61.70	(7.8%)	11.0%	53.7%	27.8%	4.2x	17.3x

Source: S&P Capital IQ

Note: All values based on publicly available data as of 9/30/2021.



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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	\$ 156.19	\$ 148.98	(2.7%)	130.7%	7.8%	2.3%	0.1x	5.6x
Performance Food Group Company	\$ 9,222.75	\$ 46.46	(4.2%)	34.2%	11.7%	2.3%	0.3x	13.0x
SpartanNash Company	\$ 1,513.04	\$ 21.90	13.4%	33.9%	15.6%	3.0%	0.2x	5.6x
Sysco Corporation	\$ 49,046.13	\$ 78.50	1.0%	26.2%	18.2%	4.8%	1.0x	19.8x
The Chefs' Warehouse, Inc.	\$ 1,609.80	\$ 32.57	2.3%	124.0%	22.6%	0.8%	1.3x	159.1x
United Natural Foods, Inc.	\$ 6,193.08	\$ 48.42	30.9%	225.6%	14.6%	3.9%	0.2x	5.8x
US Foods Holding Corp.	\$ 13,240.21	\$ 34.66	(9.6%)	56.0%	16.2%	2.8%	0.5x	18.2x
Mean	\$ 11,568.75	\$ 58.78	4.4%	90.1%	15%	2.9%	0.5x	32.4x
Median	\$ 6,193.08	\$ 100.00	1.0%	56.0%	15.6%	2.8%	0.3x	13.0x

Source: S&P Capital IQ

Note: All values based on publicly available data as of 9/30/2021.



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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.	\$4,941.79	\$61.85	-14.2%	157.7%	12.6%	15.6%	1.7x	11.0x
Chipotle Mexican Grill, Inc.	\$45,833.71	\$1,550.34	10.2%	47.3%	36.3%	16.3%	7.3x	44.4x
Darden Restaurants, Inc.	\$22,905.32	\$145.99	0.6%	92.7%	20.8%	19.7%	3.2x	16.2x
Domino's Pizza, Inc.	\$22,199.83	\$466.49	26.7%	26.3%	27.6%	20.0%	5.3x	26.2x
McDonald's Corporation	\$218,886.00	\$230.99	2.7%	25.2%	51.4%	55.6%	11.2x	20.1x
Restaurant Brands International Inc.	\$34,156.46	\$64.44	-1.8%	18.0%	57.2%	35.3%	6.8x	19.4x
Starbucks Corporation	\$151,270.42	\$111.81	1.4%	51.9%	23.1%	26.1%	6.3x	24.3x
Yum! Brands, Inc.	\$45,272.57	\$115.03	4.8%	32.4%	48.1%	36.2%	7.7x	21.3x
Mean	\$68,183.26	\$343.37	3.8%	56.4%	34.6%	28.1%	6.2x	22.9x
Median	\$39,714.52	\$130.51	2.0%	39.8%	32.0%	23.1%	6.6x	20.7x

Source: S&P Capital IQ

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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	\$ 1,880.61	\$ 66.03	13.3%	73.6%	26.5%	10.0%	0.4x	3.9x
Natural Grocers by Vitamin Cottage, Inc.	\$ 647.11	\$ 11.22	4.5%	13.8%	32.2%	10.6%	0.6x	5.8x
Sprouts Farmers Market, Inc.	\$ 3,914.53	\$ 23.17	(6.8%)	10.7%	36.9%	12.0%	0.6x	5.2x
The Kroger Co.	\$ 49,027.30	\$ 40.43	5.5%	19.2%	23.1%	4.8%	0.4x	7.6x
Village Super Market, Inc.	\$ 609.47	\$ 21.68	(7.8%)	(11.9%)	27.8%	6.2%	0.3x	6.0x
Weis Markets, Inc.	\$ 1,360.13	\$ 52.55	1.7%	9.5%	27.4%	7.5%	0.3x	4.4x
Mean	\$ 9,573.19	\$ 35.85	1.7%	19.1%	29.0%	8.5%	0.4x	5.5x
Median	\$ 1,620.37	\$ 31.80	3.1%	12.2%	27.6%	8.7%	0.4x	5.5x
Food & Beverage Mean	\$ 41,471.07	\$ 119.49	(3.1%)	25.7%	31.4%	18.4%	2.9x	17.3x
Food & Beverage Median	\$ 17,831.46	\$ 59.82	(2.7%)	12.2%	28.2%	18.1%	2.2x	13.7x

Source: S&P Capital IQ

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Q3 2021 Middle-Market M&A Activity

Announcement Date	Target	Buyer	Sector	Value (\$mm)	TEV/Rev	TEV/EBITDA
7/1/2021	D & D Commodities Ltd.	Central Garden & Pet Company	Packaged Foods and Meats	118.00	-	-
7/1/2021	Taco Cabana, Inc.	Yadav Enterprises, Inc.	Restaurants	85.00	0.36	10.00
7/2/2021	J. Alexander's Holdings, Inc.	SPB Hospitality LLC	Restaurants	313.48	1.62	17.74
7/8/2021	19 BURGER KING® Restaurants in Indiana and Michigan	Carrols Restaurant Group, Inc.	Restaurants	30.80	-	-
7/13/2021	Angelo's Pizza 1697 Inc./1279 1st Avenue LLC/60th Street Restaurant Corporation	Bit Brother Limited	Restaurants	12.50	-	-
7/28/2021	El Chorro Lodge, Inc.	Grossman Company Properties, Inc.	Restaurants	19.50	-	-
8/12/2021	Organic Blueberry Orchards in Oregon & California	Gladstone Land Corporation	Agricultural Products	42.30	-	-
9/1/2021	Carolina Aseptic / Carolina Dairy	Saputo Inc.	Packaged Foods and Meats	118.00	-	-
9/3/2021	First Choice Ingredients, Inc.	Koninklijke DSM N.V.	Packaged Foods and Meats	453.00	-	-
9/7/2021	Shank's Extracts, Inc.	Universal Corporation	Packaged Foods and Meats	100.00	-	-

Source: S&P Capital IQ

Note: All values based on publicly available data as of 9/30/2021. Includes transactions from \$10mm to \$500mm in EV.



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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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