



INDUSTRY UPDATE

FOOD & BEVERAGE
Q1 2022

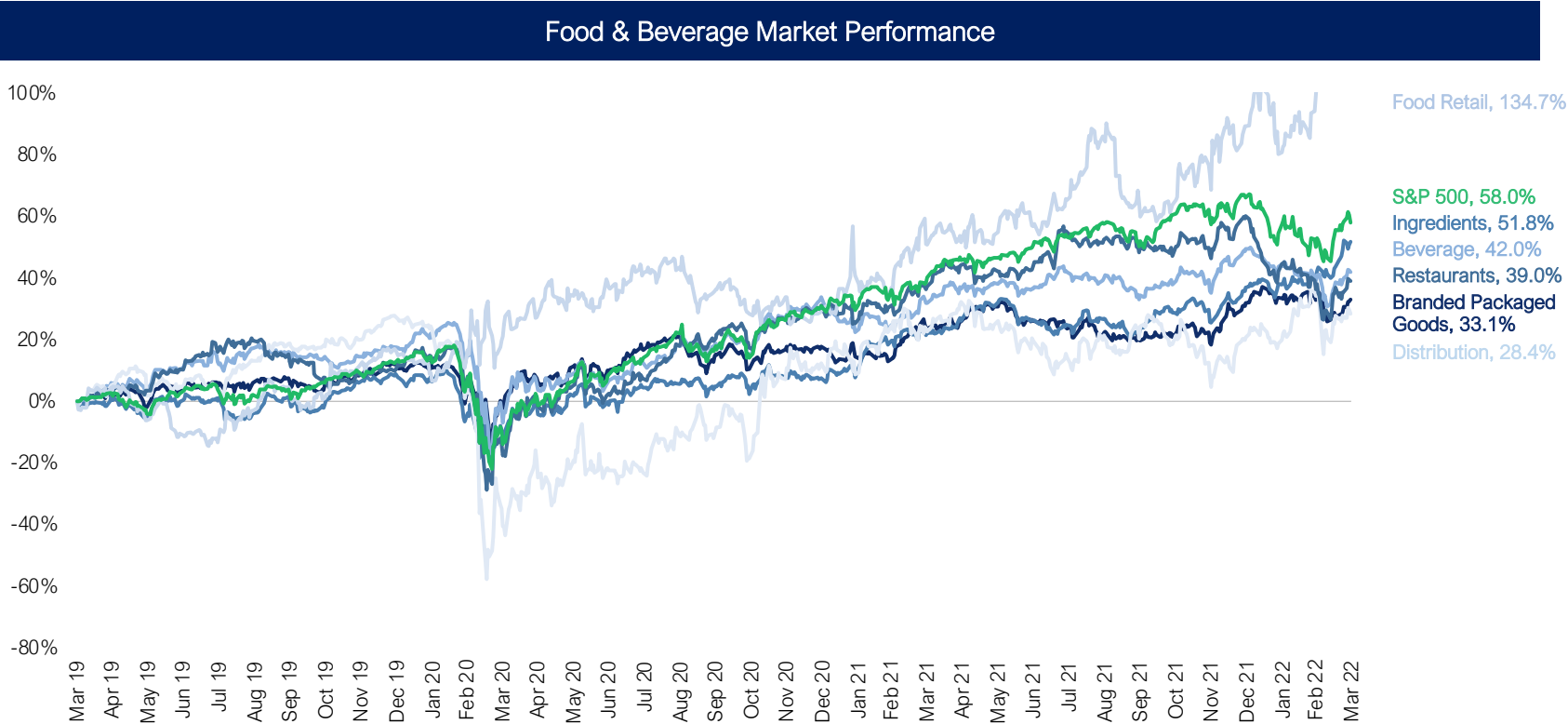


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GCG Food & Beverage Update | Q1 2022

Public Market Performance

Q1 2022 saw varied performance in the Food & Beverage (“F&B”) industry while the broader U.S. equity market saw substantial decreases as a result of inflation and interest rate concerns. The Food Retailers segment was the strongest performing in Q1 2022 as the group recorded an average increase of 14.7% (see pg. 10) in share price over the quarter. For the 3-year period ending March 31, 2022, the S&P 500 index was up by 58.0%, despite losses for the quarter. The F&B industry continues to lag the broader market with the exception of the Food Retail, as companies face difficult challenges such as supply chain constraints and staffing shortages.



Source: S&P Capital IQ
Note: All values based on publicly available data as of 3/31/2022.



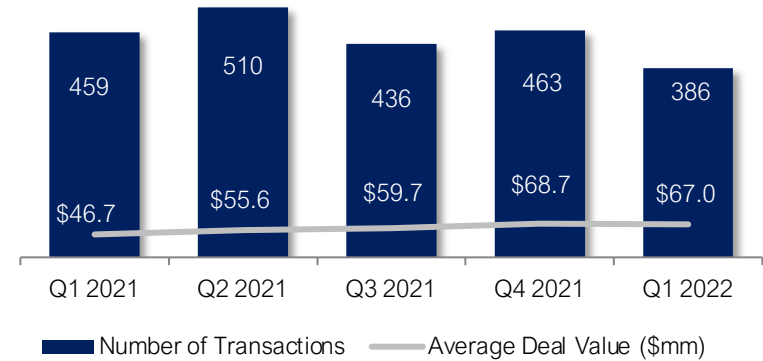
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Middle-Market M&A Activity

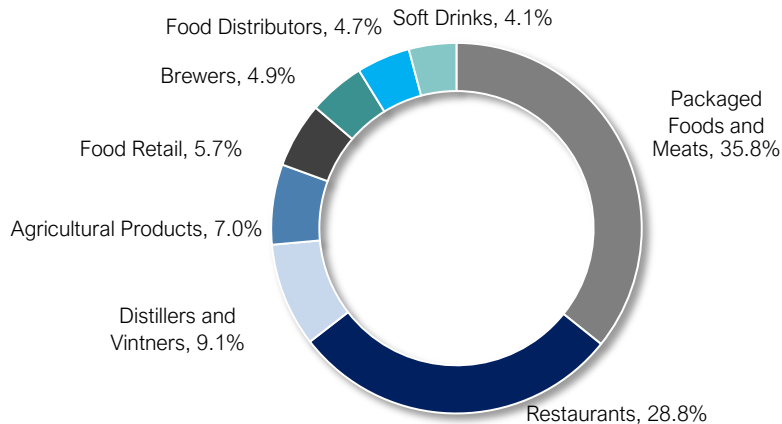
In Q1 2022, the F&B sector saw a moderate decrease in transaction volume from Q4 2021. The F&B sector also saw a slight decrease in average deal value, falling to \$67.0 million during the quarter. Strategic buyers continue to represent the largest portion of acquirers, accounting for 80.8% of transaction volume. However, private equity funds continue to seek investments in the space, searching for both new platforms and add-on investments. In Q1, financial buyers represented 19.2% of all M&A activity in the industry.

The Packaged Foods and Meats category led activity, accounting for 35.8% of total F&B transaction volume. The Restaurant sector proved to be an attractive target as well, comprising 28.8% of transaction volume.

Q1 2022 Food & Beverage M&A Activity

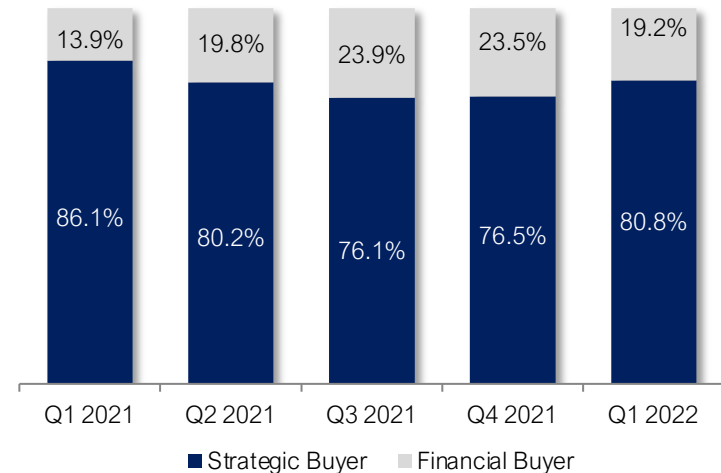


Q1 2022 M&A Activity by Sector



Source: S&P Capital IQ
 Note: All values based on publicly available data as of 3/31/2022.

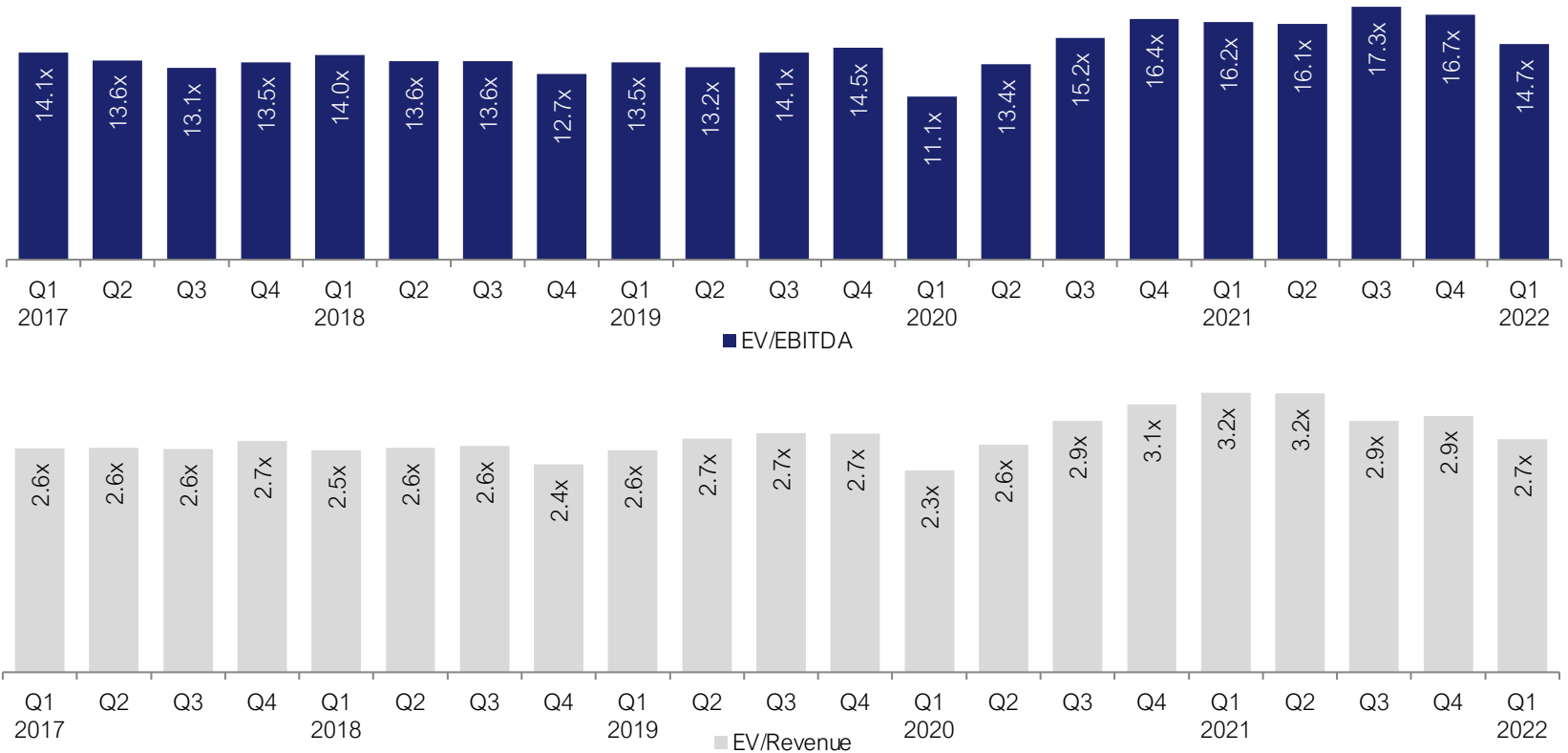
Q1 2022 M&A Activity by Buyer Type



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Public Company Trading Multiples

Based on a representative set of publicly traded companies across the F&B industry, companies traded at an average multiple of 14.7x EBITDA and 2.7x Revenue. The Beverages and Restaurant sectors continue to lead all categories, trading at a median multiple of 19.3x EBITDA and 16.3x EBITDA, respectively. As a whole, the F&B industry saw an average decrease in share price of 2.2% during the quarter.



Source: S&P Capital IQ
 Note: All values based on publicly available data as of 3/31/2022.



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Public Comparable Companies

Company Name	Enterprise	Share	Price Change		LTM Margins		TEV / LTM:	
	Value (\$mls)	Stock Price	3 month	12 month	Gross	EBITDA	Revenue	EBITDA
Branded Packaged Goods								
B&G Foods, Inc.	\$ 4,159.56	\$ 26.98	(12.2%)	(13.1%)	22.2%	16.2%	2.0x	12.5x
Campbell Soup Company	\$ 18,351.93	\$ 44.57	2.6%	(11.3%)	31.5%	24.8%	2.2x	8.9x
Conagra Brands, Inc.	\$ 25,752.35	\$ 33.57	(1.7%)	(10.7%)	25.6%	19.2%	2.3x	11.3x
General Mills, Inc.	\$ 52,469.90	\$ 67.72	0.5%	10.4%	33.4%	21.8%	2.8x	12.9x
Hormel Foods Corporation	\$ 30,571.21	\$ 51.54	5.6%	7.9%	17.1%	17.1%	2.6x	14.9x
Kellogg Company	\$ 29,832.17	\$ 64.49	0.1%	1.9%	32.4%	18.6%	2.1x	11.3x
Lancaster Colony Corporation	\$ 4,009.08	\$ 149.15	(9.9%)	(14.9%)	22.0%	12.3%	2.6x	18.1x
McCormick & Company, Incorporated	\$ 31,807.70	\$ 99.80	3.3%	11.9%	39.0%	21.1%	5.0x	23.7x
Mondelez International, Inc.	\$ 103,802.23	\$ 62.78	(5.3%)	7.3%	38.7%	25.1%	3.6x	14.3x
Post Holdings, Inc.	\$ 11,305.39	\$ 69.26	(38.6%)	(34.5%)	27.2%	14.9%	1.8x	11.4x
The J. M. Smucker Company	\$ 18,933.15	\$ 135.41	(0.3%)	7.0%	35.4%	21.3%	2.4x	11.3x
The Kraft Heinz Company	\$ 67,604.58	\$ 39.39	9.7%	(1.5%)	33.1%	29.2%	2.6x	8.7x
TreeHouse Foods, Inc.	\$ 3,579.45	\$ 32.26	(20.4%)	(38.2%)	16.5%	10.0%	0.8x	8.3x
Tyson Foods, Inc.	\$ 39,034.81	\$ 89.63	2.8%	20.6%	15.5%	14.9%	0.8x	5.3x
Mean	\$ 31,515.25	\$ 69.04	(4.6%)	(4.1%)	27.8%	19.0%	2.4x	12.4x
Median	\$ 27,792.26	\$ 63.64	(0.1%)	0.2%	29.4%	18.9%	2.3x	11.3x

Source: S&P Capital IQ

Note: All values based on publicly available data as of 3/31/2022.



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Public Comparable Companies (Cont'd)

<u>Company Name</u>	<u>Enterprise</u>	<u>Share</u>	<u>Price Change</u>		<u>LTM Margins</u>		<u>TEV / LTM:</u>	
	<u>Value (\$mls)</u>	<u>Stock Price</u>	<u>3 month</u>	<u>12 month</u>	<u>Gross</u>	<u>EBITDA</u>	<u>Revenue</u>	<u>EBITDA</u>
Ingredients								
Archer-Daniels-Midland Company	\$ 60,651.22	\$ 90.26	33.5%	58.4%	7.0%	5.9%	0.7x	12.2x
Cal-Maine Foods, Inc.	\$ 2,607.34	\$ 55.22	49.3%	43.7%	11.7%	3.7%	1.7x	46.0x
Hormel Foods Corporation	\$ 30,571.21	\$ 51.54	5.6%	7.9%	17.1%	17.1%	2.6x	14.9x
Ingredion Incorporated	\$ 7,818.19	\$ 87.15	(9.8%)	(3.1%)	18.9%	12.7%	1.1x	7.9x
International Flavors & Fragrances Inc.	\$ 45,083.62	\$131.33	(12.8%)	(5.9%)	35.2%	22.3%	3.9x	17.4x
Pilgrim's Pride Corporation	\$ 9,277.80	\$ 25.10	(11.0%)	5.5%	10.5%	10.9%	0.6x	6.5x
Premium Brands Holdings Corporation	\$ 5,462.11	\$ 87.60	(12.3%)	(8.0%)	18.1%	7.2%	1.4x	18.6x
Sensient Technologies Corporation	\$ 4,040.36	\$ 83.95	(16.1%)	7.6%	33.7%	17.1%	2.9x	17.6x
Mean	\$ 20,688.98	\$ 76.52	3.3%	13.3%	19.0%	12.1%	1.9x	17.6x
Median	\$ 8,548.00	\$ 85.55	(10.4%)	6.6%	17.6%	11.8%	1.5x	16.1x

Source: S&P Capital IQ

Note: All values based on publicly available data as of 3/31/2022.



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Public Comparable Companies (Cont'd)

<u>Company Name</u>	<u>Enterprise</u>	<u>Share</u>	<u>Price Change</u>		<u>LTM Margins</u>		<u>TEV / LTM:</u>	
	<u>Value (\$mils)</u>	<u>Stock Price</u>	<u>3 month</u>	<u>12 month</u>	<u>Gross</u>	<u>EBITDA</u>	<u>Revenue</u>	<u>EBITDA</u>
Beverages								
Anheuser-Busch InBev SA/NV	\$ 204,416.66	\$ 60.06	(0.8%)	(4.4%)	56.8%	34.0%	3.9x	11.2x
Brown-Forman Corporation	\$ 32,891.55	\$ 67.02	(8.0%)	(2.8%)	60.4%	33.1%	8.8x	26.5x
Constellation Brands, Inc.	\$ 53,599.20	\$ 230.32	(8.2%)	1.0%	53.4%	22.9%	6.2x	26.2x
Primo Water Corporation	\$ 3,931.97	\$ 14.26	(19.2%)	(12.4%)	55.8%	19.1%	1.9x	9.8x
Farmer Bros. Co.	\$ 246.99	\$ 7.12	(4.4%)	(31.8%)	29.0%	6.1%	0.6x	28.0x
Molson Coors Beverage Company	\$ 18,671.60	\$ 53.38	15.2%	4.4%	40.1%	22.9%	1.8x	7.8x
Monster Beverage Corporation	\$ 39,241.96	\$ 79.90	(16.8%)	(12.3%)	54.5%	31.8%	7.1x	21.1x
National Beverage Corp.	\$ 4,103.29	\$ 43.50	(4.0%)	(11.1%)	37.7%	22.0%	3.7x	16.7x
PepsiCo, Inc.	\$ 268,026.15	\$ 167.38	(3.6%)	18.3%	53.4%	18.8%	3.4x	17.9x
Starbucks Corporation	\$ 124,340.39	\$ 90.97	(22.2%)	(16.7%)	28.7%	30.9%	4.1x	13.3x
The Boston Beer Company, Inc.	\$ 4,778.95	\$ 388.47	(23.1%)	(67.8%)	37.1%	3.6%	2.3x	34.0x
The Coca-Cola Company	\$ 302,280.35	\$ 62.00	4.7%	17.6%	60.3%	37.6%	7.8x	20.8x
Mean	\$ 88,044.09	\$ 105.36	(7.5%)	(9.8%)	47%	23.6%	4.3x	19.4x
Median	\$ 36,066.76	\$ 64.51	(6.2%)	(7.8%)	53.4%	22.9%	3.8x	19.3x

Source: S&P Capital IQ

Note: All values based on publicly available data as of 3/31/2022.



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Public Comparable Companies

<u>Company Name</u>	<u>Enterprise</u>	<u>Share</u>	<u>Price Change</u>		<u>LTM Margins</u>		<u>TEV / LTM:</u>	
	<u>Value (\$mils)</u>	<u>Stock Price</u>	<u>3 month</u>	<u>12 month</u>	<u>Gross</u>	<u>EBITDA</u>	<u>Revenue</u>	<u>EBITDA</u>
Distributors								
AMCON Distributing Company	\$ 160.87	\$ 155.30	(22.2%)	35.4%	8.2%	2.4%	0.1x	5.2x
Performance Food Group Company	\$ 12,828.14	\$ 50.91	10.9%	(11.6%)	11.0%	2.0%	0.3x	15.9x
SpartanNash Company	\$ 1,894.66	\$ 32.99	28.1%	68.1%	15.7%	3.0%	0.2x	7.0x
Sysco Corporation	\$ 51,934.61	\$ 81.65	3.9%	3.7%	17.9%	4.9%	0.9x	17.6x
The Chefs' Warehouse, Inc.	\$ 1,674.48	\$ 32.60	(2.1%)	7.0%	22.7%	5.1%	1.0x	23.1x
United Natural Foods, Inc.	\$ 5,996.26	\$ 41.35	(15.7%)	25.5%	14.7%	3.8%	0.2x	5.7x
US Foods Holding Corp.	\$ 14,252.26	\$ 37.63	8.0%	(1.3%)	15.8%	3.1%	0.5x	15.5x
Mean	\$ 12,677.33	\$ 61.78	1.6%	18.1%	15%	3.5%	0.5x	12.8x
Median	\$ 5,996.26	\$ 100.00	3.9%	7.0%	15.7%	3.1%	0.3x	15.5x

Source: S&P Capital IQ

Note: All values based on publicly available data as of 3/31/2022.



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Public Comparable Companies (Cont'd)

<u>Company Name</u>	<u>Enterprise</u>	<u>Share</u>	<u>Price Change</u>		<u>LTM Margins</u>		<u>TEV / LTM:</u>	
	<u>Value (\$mils)</u>	<u>Stock Price</u>	<u>3 month</u>	<u>12 month</u>	<u>Gross</u>	<u>EBITDA</u>	<u>Revenue</u>	<u>EBITDA</u>
Restaurants								
Brinker International, Inc.	\$ 3,957.20	\$ 38.16	4.3%	(46.3%)	14.5%	16.3%	1.1x	6.5x
Chipotle Mexican Grill, Inc.	\$ 46,791.38	\$ 1,582.03	(9.5%)	11.3%	38.0%	20.2%	6.2x	30.5x
Darden Restaurants, Inc.	\$ 22,297.26	\$ 132.95	(11.7%)	(6.4%)	21.4%	20.0%	2.4x	12.0x
Domino's Pizza, Inc.	\$ 19,810.91	\$ 407.01	(27.9%)	10.7%	27.2%	20.3%	4.5x	21.8x
McDonald's Corporation	\$ 228,517.33	\$ 247.28	(7.8%)	10.3%	54.5%	58.0%	9.8x	17.0x
Restaurant Brands International Inc.	\$ 33,383.45	\$ 58.39	(3.8%)	(10.2%)	41.7%	36.4%	5.8x	15.7x
Starbucks Corporation	\$ 124,340.39	\$ 90.97	(22.2%)	(16.7%)	28.7%	30.9%	4.1x	13.3x
Yum! Brands, Inc.	\$ 45,985.92	\$ 118.53	(14.6%)	9.6%	48.0%	34.0%	7.0x	19.3x
Mean	\$ 65,635.48	\$ 334.42	(11.7%)	(4.7%)	34.3%	29.5%	5.1x	17.0x
Median	\$ 39,684.68	\$ 125.74	(10.6%)	1.6%	33.3%	25.6%	5.2x	16.3x

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 (\$mls)	Stock Price	3 month	12 month	Gross	EBITDA	Revenue	EBITDA
Food Retail								
Ingles Markets, Incorporated	\$ 2,175.32	\$ 89.05	3.1%	44.4%	25.6%	9.3%	0.4x	4.5x
Natural Grocers by Vitamin Cottage, Inc.	\$ 817.01	\$ 19.60	37.5%	11.7%	32.5%	11.5%	0.8x	6.7x
Sprouts Farmers Market, Inc.	\$ 4,814.98	\$ 31.98	7.7%	20.1%	36.4%	11.8%	0.8x	6.7x
The Kroger Co.	\$ 60,092.19	\$ 57.37	26.8%	59.4%	22.7%	5.4%	0.4x	8.1x
Village Super Market, Inc.	\$ 621.14	\$ 24.50	4.7%	3.9%	28.1%	7.2%	0.3x	4.2x
Weis Markets, Inc.	\$ 1,830.90	\$ 71.42	8.4%	26.4%	26.6%	6.0%	0.4x	6.0x
Mean	\$ 11,725.26	\$ 48.99	14.7%	27.7%	28.7%	8.5%	0.5x	6.0x
Median	\$ 2,003.11	\$ 44.68	8.1%	23.2%	27.3%	8.2%	0.4x	6.3x
Food & Beverage Mean	\$ 42,680.57	\$ 113.54	(2.2%)	3.4%	30.2%	17.4%	2.7x	14.7x
Food & Beverage Median	\$ 18,933.15	\$ 64.49	(3.6%)	3.9%	28.7%	17.1%	2.2x	13.3x

Source: S&P Capital IQ

Note: All values based on publicly available data as of 3/31/2022.



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Q4 2021 Middle-Market M&A Activity

Announcement Date	Target Name	Buyer Name	Sector	Value (\$mm)	TEV/Rev	TEV/EBITDA
1/4/2022	Long Beach Exchange	DJM Capital Partners, Inc.	Hypermarkets and Super Centers	158.20	-	-
1/13/2022	CANarchy	Monster Beverage Corporation	Brewers	330.00	-	-
1/17/2022	Betterer Foods, Inc.	The Planting Hope Company Inc.	Packaged Foods and Meats	7.00	-	-
1/18/2022	Meier's Wine Cellars, Inc.	Vintage Wine Estates, Inc.	Distillers and Vintners	35.00	1.9x	-
2/11/2022	Ole Smoky Distillery, LLC	Apax Partners LLP	Distillers and Vintners	-	-	-
2/16/2022	Shafer Vineyards	Starfield Properties, Inc.	Distillers and Vintners	250.30	-	-
2/17/2022	NatPets, LLC	L Catterton Partners	Packaged Foods and Meats	-	-	-
3/14/2022	Barrio Culinary Concepts, LLC	BQ Concepts LLC	Restaurants	28.10	-	-
3/14/2022	Stonewall Kitchen, LLC	TA Associates Management, L.P.	Packaged Foods and Meats	-	-	-
3/24/2022	Benson Hill, Inc.	BlackRock, Inc.; Grosvenor; GV Management Company	Agricultural Products	84.99	-	-

Source: S&P Capital IQ

Note: All values based on publicly available data as of 3/31/2022. 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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