



INDUSTRY UPDATE

FOOD & BEVERAGE
Q2 2022



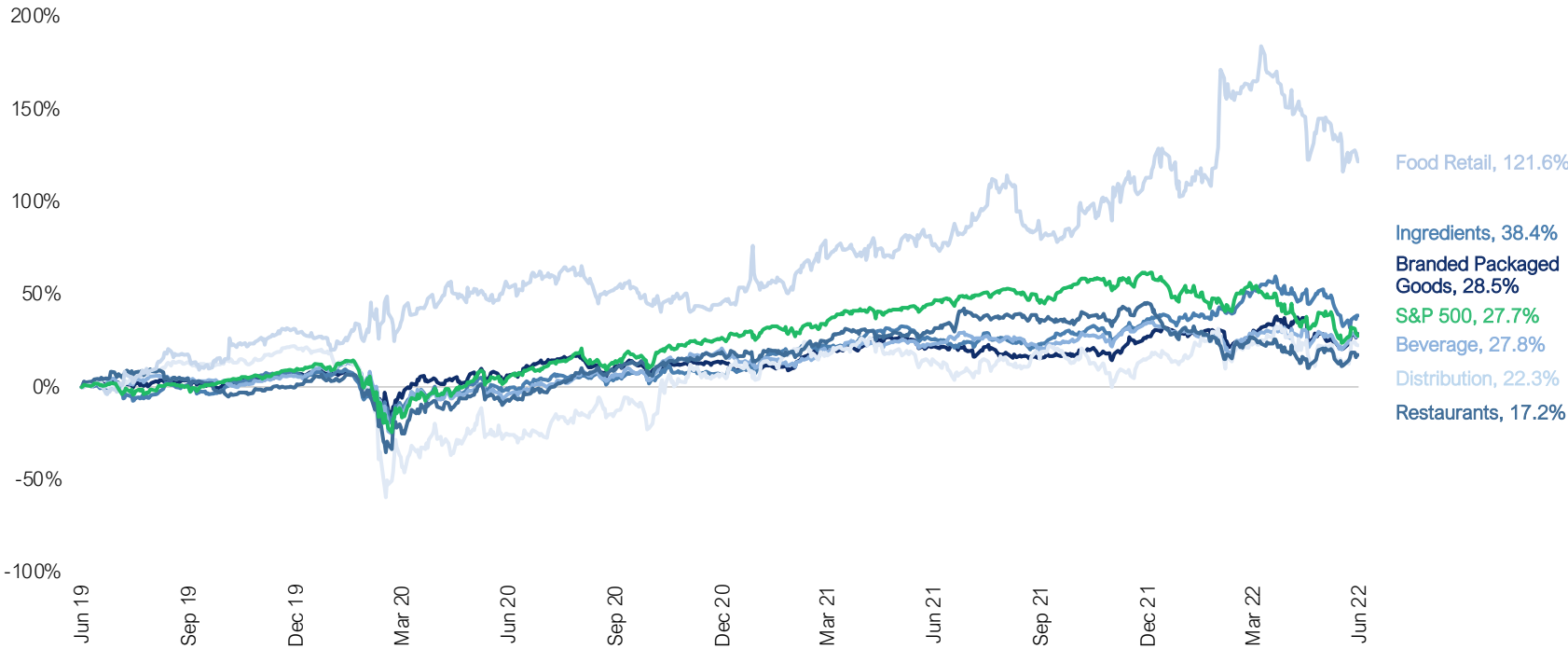
GREENWICH
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GCG Food & Beverage Update | Q2 2022

Public Market Performance

Q2 2022 saw varied performance in the Food & Beverage (“F&B”) industry while the broader U.S. equity market saw meaningful losses as a result of Federal Reserve interest rate increases and continued inflationary pressures. The Branded Packaged Goods segment was the strongest performer in Q2 2022 as the group recorded an average increase of 1.5% (see pg. 5) in share price over the quarter. For the 3-year period ending June 30, 2022, the S&P 500 index has recorded gains of 27.7%, despite the losses during the quarter. The Food Retail, Ingredients and Branded Packaged Goods segments have outperformed the broader market over the last 3 years, posting gains of 121.6%, 38.4% and 28.5%, respectively.

Food & Beverage Market Performance



Source: S&P Capital IQ
Note: All values based on publicly available data as of 6/30/2022.



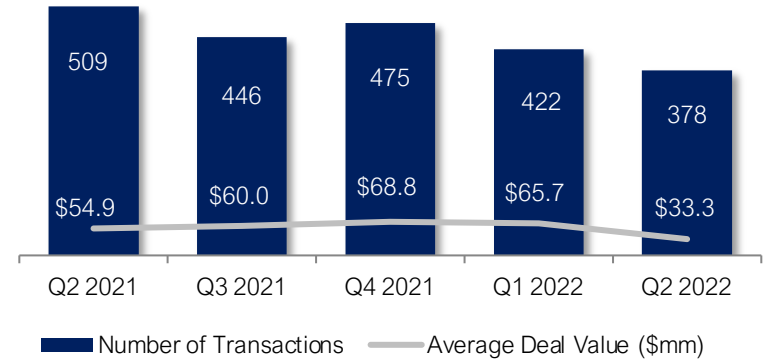
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Middle-Market M&A Activity

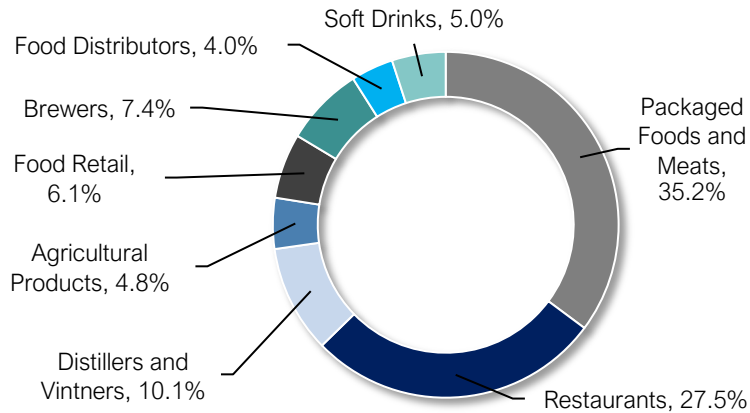
In Q2 2022, the F&B sector saw a moderate decrease in transaction volume and a substantial reduction in average deal value from the previous quarter. Strategic buyers continue to represent the largest portion of acquirers, accounting for 86.0% of transaction volume. However, private equity funds continue to seek investments in the space, with a substantial amount of capital available for investment. In Q2, financial buyers represented 14.0% of all M&A activity in the industry, a slowdown from previous quarters.

The Packaged Foods and Meats category led activity, accounting for 35.2% of total F&B transaction volume. The Restaurant sector proved to be an active segment as well, comprising 27.5% of transaction volume.

Q2 2022 Food & Beverage M&A Activity

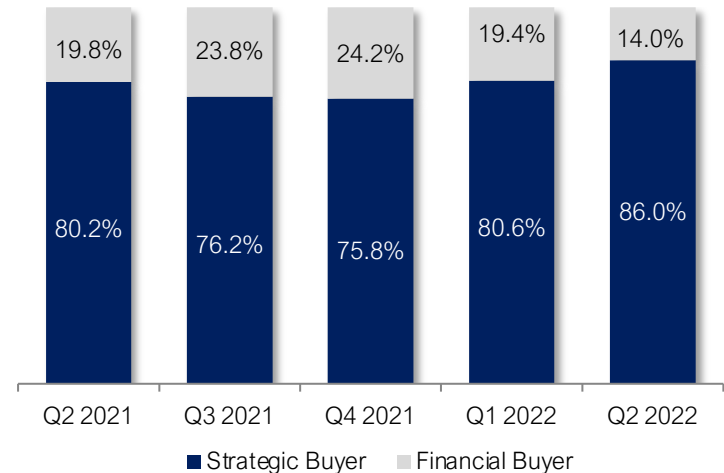


Q2 2022 M&A Activity by Sector



Source: S&P Capital IQ
Note: All values based on publicly available data as of 6/30/2022.

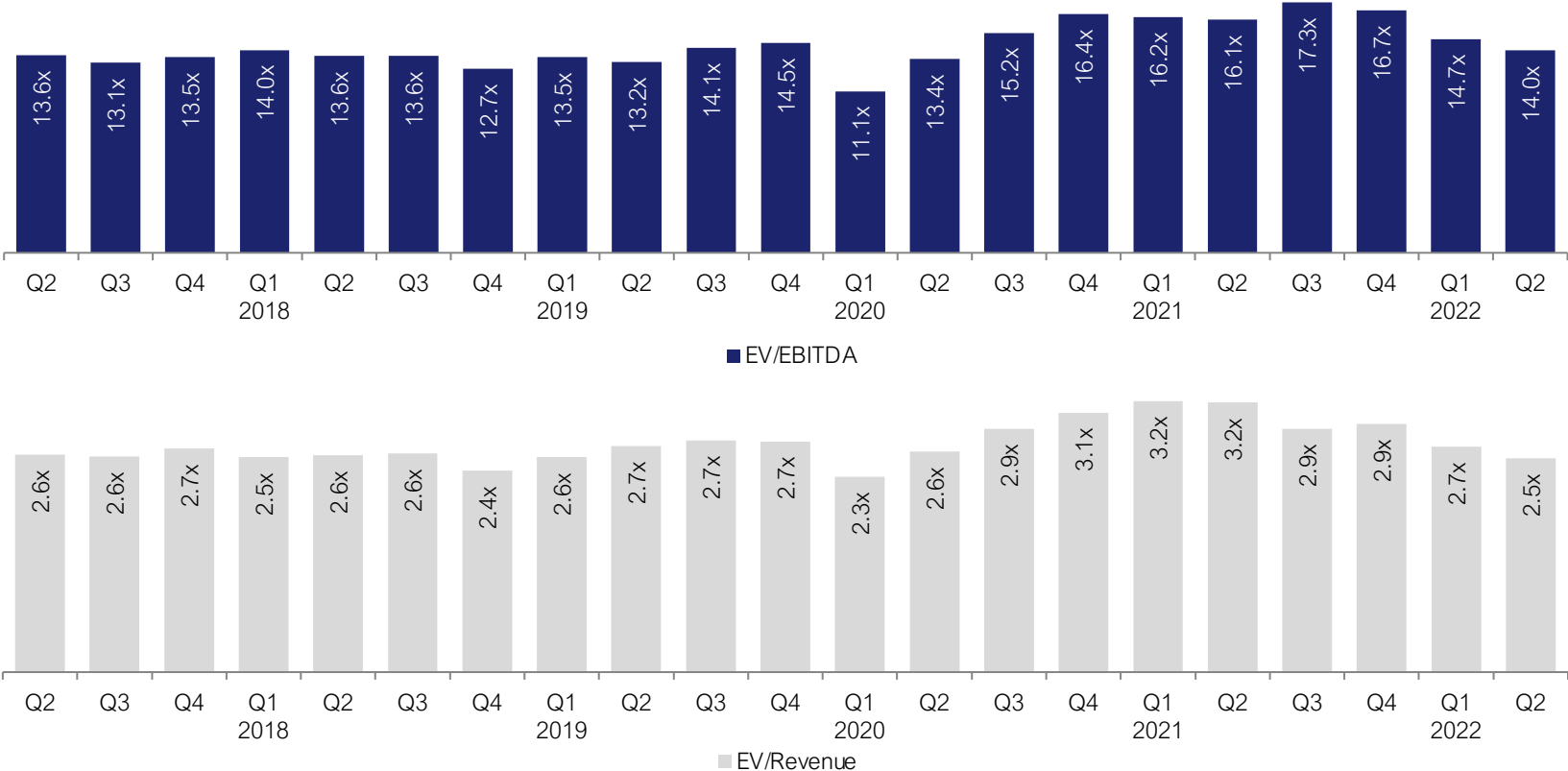
Q2 2022 M&A Activity by Buyer Type



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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 14.0x EBITDA and 2.5x Revenue. The Beverages and Restaurant segments continue to lead all categories, trading at a median multiple of 18.2x EBITDA and 15.4x EBITDA, respectively. As a whole, the F&B industry saw an average decrease in share price of 5.0% during the quarter.



Source: S&P Capital IQ
 Note: All values based on publicly available data as of 6/30/2022.



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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 (\$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>
Branded Packaged Goods								
B&G Foods, Inc.	\$ 3,943.94	\$ 23.78	(11.5%)	(27.5%)	20.7%	15.0%	1.9x	12.7x
Campbell Soup Company	\$ 19,241.66	\$ 48.05	9.0%	5.4%	31.4%	24.7%	2.3x	9.2x
Conagra Brands, Inc.	\$ 25,588.13	\$ 34.24	2.5%	(5.9%)	24.8%	19.2%	2.3x	11.7x
General Mills, Inc.	\$ 56,457.40	\$ 75.45	11.1%	23.8%	33.7%	22.3%	3.0x	13.3x
Hormel Foods Corporation	\$ 28,302.72	\$ 47.36	(8.0%)	(0.8%)	17.1%	16.9%	2.3x	13.5x
Kellogg Company	\$ 32,295.83	\$ 71.34	11.3%	10.9%	32.2%	18.9%	2.3x	12.0x
Lancaster Colony Corporation	\$ 3,509.71	\$ 128.78	(14.5%)	(33.5%)	22.0%	12.3%	2.2x	17.8x
McCormick & Company, Incorporated	\$ 27,397.78	\$ 83.25	(14.4%)	(5.7%)	37.7%	19.7%	4.3x	21.9x
Mondelez International, Inc.	\$ 104,221.82	\$ 62.09	(1.1%)	(0.6%)	37.9%	24.1%	3.6x	14.2x
Post Holdings, Inc.	\$ 10,773.22	\$ 82.35	20.2%	(24.1%)	27.2%	21.8%	1.6x	7.5x
The J. M. Smucker Company	\$ 18,081.42	\$ 128.01	(5.1%)	(1.2%)	34.0%	21.3%	2.3x	10.6x
The Kraft Heinz Company	\$ 65,878.06	\$ 38.14	(3.2%)	(6.5%)	31.9%	28.8%	2.6x	8.8x
TreeHouse Foods, Inc.	\$ 4,223.70	\$ 41.82	28.3%	(6.1%)	15.4%	8.8%	1.0x	10.9x
Tyson Foods, Inc.	\$ 38,349.94	\$ 86.06	(3.0%)	16.7%	15.9%	15.3%	0.7x	4.9x
Mean	\$ 31,304.67	\$ 67.91	1.5%	(3.9%)	27.3%	19.2%	2.3x	12.1x
Median	\$ 26,492.95	\$ 66.72	(2.0%)	(3.5%)	29.3%	19.5%	2.3x	11.9x

Source: S&P Capital IQ

Note: All values based on publicly available data as of 6/30/2022.



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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>
Ingredients								
Archer-Daniels-Midland Company	\$ 56,907.12	\$ 77.60	(13.1%)	28.1%	7.4%	6.4%	0.6x	10.6x
Cal-Maine Foods, Inc.	\$ 2,323.00	\$ 49.41	(6.4%)	36.5%	19.0%	12.1%	1.5x	41.0x
Hormel Foods Corporation	\$ 28,302.72	\$ 47.36	(8.0%)	(0.8%)	17.1%	16.9%	2.3x	13.5x
Ingredion Incorporated	\$ 7,851.92	\$ 88.16	0.2%	(2.6%)	18.9%	12.7%	1.1x	8.6x
International Flavors & Fragrances Inc.	\$ 42,274.30	\$ 119.12	(9.2%)	(20.3%)	36.2%	24.2%	3.4x	14.1x
Pilgrim's Pride Corporation	\$ 10,547.89	\$ 31.23	26.3%	40.8%	11.6%	13.0%	0.7x	6.2x
Premium Brands Holdings Corporation	\$ 4,862.69	\$ 72.43	(17.5%)	(28.7%)	18.1%	7.2%	1.2x	16.8x
Sensient Technologies Corporation	\$ 3,891.46	\$ 80.56	(4.8%)	(6.9%)	34.2%	18.2%	2.8x	16.6x
Mean	\$ 19,620.14	\$ 70.73	(4.1%)	5.7%	20.3%	13.8%	1.7x	15.9x
Median	\$ 9,199.91	\$ 75.01	(7.2%)	(1.7%)	18.5%	12.9%	1.4x	13.8x

Source: S&P Capital IQ

Note: All values based on publicly available data as of 6/30/2022.



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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	\$ 188,260.33	\$ 53.95	(12.1%)	(25.1%)	55.9%	32.8%	3.6x	10.7x
Brown-Forman Corporation	\$ 34,663.14	\$ 70.16	4.2%	(6.4%)	60.8%	34.4%	8.8x	25.6x
Constellation Brands, Inc.	\$ 55,149.46	\$ 233.06	(0.0%)	(0.4%)	52.9%	30.7%	6.0x	19.6x
Primo Water Corporation	\$ 3,731.01	\$ 13.35	(6.4%)	(20.3%)	56.2%	19.3%	1.8x	9.4x
Farmer Bros. Co.	\$ 205.02	\$ 4.69	(35.0%)	(63.0%)	29.0%	3.0%	0.5x	15.4x
Molson Coors Beverage Company	\$ 19,203.11	\$ 54.51	0.4%	1.5%	35.9%	18.1%	1.8x	7.9x
Monster Beverage Corporation	\$ 46,402.46	\$ 92.70	15.8%	1.5%	54.5%	31.8%	8.0x	25.1x
National Beverage Corp.	\$ 4,576.22	\$ 48.94	10.8%	3.6%	36.7%	21.2%	4.0x	19.0x
PepsiCo, Inc.	\$ 263,701.04	\$ 166.66	(0.8%)	12.5%	53.3%	18.8%	3.3x	17.4x
Starbucks Corporation	\$ 108,551.89	\$ 76.39	(16.1%)	(31.7%)	27.9%	29.9%	3.5x	11.6x
The Boston Beer Company, Inc.	\$ 3,749.15	\$ 302.97	(21.6%)	(70.3%)	36.4%	3.2%	1.9x	54.2x
The Coca-Cola Company	\$ 306,499.66	\$ 62.91	1.1%	16.3%	60.3%	37.6%	7.6x	20.3x
Mean	\$ 86,224.37	\$ 98.36	(5.0%)	(15.1%)	47%	23.4%	4.2x	19.7x
Median	\$ 40,532.80	\$ 66.54	(0.4%)	(3.4%)	53.1%	25.5%	3.5x	18.2x

Source: S&P Capital IQ

Note: All values based on publicly available data as of 6/30/2022.



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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>
Distributors								
AMCON Distributing Company	\$ 151.90	\$ 163.00	(3.3%)	6.5%	8.3%	2.4%	0.1x	4.8x
Performance Food Group Company	\$ 11,932.59	\$ 45.98	(11.1%)	(5.2%)	11.1%	2.1%	0.3x	13.0x
SpartanNash Company	\$ 1,823.21	\$ 30.17	(10.7%)	56.2%	15.9%	3.0%	0.2x	6.8x
Sysco Corporation	\$ 54,245.18	\$ 84.71	2.1%	9.0%	18.0%	5.2%	0.8x	15.9x
The Chefs' Warehouse, Inc.	\$ 1,968.01	\$ 38.89	19.8%	22.2%	23.1%	5.8%	1.0x	19.5x
United Natural Foods, Inc.	\$ 5,919.71	\$ 39.40	(6.5%)	6.5%	14.6%	3.4%	0.2x	6.0x
US Foods Holding Corp.	\$ 12,420.00	\$ 30.68	(19.4%)	(20.0%)	15.6%	2.9%	0.4x	13.7x
Mean	\$ 12,637.23	\$ 61.83	(4.2%)	10.7%	15%	3.6%	0.4x	11.4x
Median	\$ 5,919.71	\$ 100.00	(6.5%)	6.5%	15.6%	3.0%	0.3x	13.0x

Source: S&P Capital IQ

Note: All values based on publicly available data as of 6/30/2022.



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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.	\$ 3,218.72	\$ 22.03	(41.0%)	(64.4%)	14.5%	16.3%	0.8x	5.2x
Chipotle Mexican Grill, Inc.	\$ 39,252.57	\$ 1,307.26	(17.0%)	(15.7%)	38.0%	20.3%	5.0x	24.8x
Darden Restaurants, Inc.	\$ 19,578.35	\$ 113.12	(14.1%)	(22.5%)	20.7%	19.7%	2.0x	10.2x
Domino's Pizza, Inc.	\$ 19,159.64	\$ 389.71	(4.1%)	(16.5%)	26.6%	19.8%	4.4x	21.6x
McDonald's Corporation	\$ 227,815.65	\$ 246.88	(0.9%)	6.9%	55.3%	46.7%	9.6x	16.5x
Restaurant Brands International Inc.	\$ 30,828.17	\$ 50.15	(13.9%)	(22.2%)	41.7%	36.4%	5.2x	14.3x
Starbucks Corporation	\$ 108,551.89	\$ 76.39	(16.1%)	(31.7%)	27.9%	29.9%	3.5x	11.6x
Yum! Brands, Inc.	\$ 44,206.94	\$ 113.51	(6.1%)	(1.3%)	47.9%	34.4%	6.7x	18.8x
Mean	\$ 61,576.49	\$ 289.88	(14.1%)	(20.9%)	34.1%	27.9%	4.6x	15.4x
Median	\$ 35,040.37	\$ 113.32	(14.0%)	(19.3%)	32.9%	25.1%	4.7x	15.4x

Source: S&P Capital IQ

Note: All values based on publicly available data as of 6/30/2022.



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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	\$ 2,089.44	\$ 86.75	(4.5%)	48.9%	25.6%	9.3%	0.4x	4.2x	
Natural Grocers by Vitamin Cottage, Inc.	\$ 725.73	\$ 15.95	(16.6%)	48.5%	32.5%	11.5%	0.7x	5.8x	
Sprouts Farmers Market, Inc.	\$ 3,973.89	\$ 25.32	(20.8%)	1.9%	36.4%	11.8%	0.6x	5.5x	
The Kroger Co.	\$ 53,218.47	\$ 47.33	(16.0%)	23.5%	22.4%	5.7%	0.4x	6.6x	
Village Super Market, Inc.	\$ 616.73	\$ 22.81	(6.4%)	(3.0%)	28.2%	6.9%	0.3x	4.3x	
Weis Markets, Inc.	\$ 1,916.88	\$ 74.54	3.4%	44.3%	30.1%	5.9%	0.4x	6.1x	
Mean	\$ 10,423.52	\$ 45.45	(10.2%)	27.4%	29.2%	8.5%	0.5x	5.4x	
Median	\$ 2,003.16	\$ 36.33	(11.2%)	33.9%	29.1%	8.1%	0.4x	5.6x	
Food & Beverage Mean	\$ 41,336.96	\$ 104.03	(5.0%)	(2.2%)	30.2%	17.5%	2.5x	14.0x	
Food & Beverage Median	\$ 19,203.11	\$ 70.16	(6.1%)	(1.2%)	28.2%	18.1%	2.0x	12.7x	

Source: S&P Capital IQ

Note: All values based on publicly available data as of 6/30/2022.



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Q2 2022 Middle-Market M&A Activity

Announcement Date	Target Name	Buyer Name	Sector	Value (\$mm)	TEV/Rev	TEV/EBITDA
4/19/2022	Pickle assets of Farm Ridge Foods	Patriot Pickle, Inc.	Food Distributors	-	-	-
4/25/2022	Sealand Food, Inc.	HF Foods Group Inc.	Food Distributors	20.0	.3x	-
4/26/2022	Sanders Candy, LLC	CapVest Partners LLP	Packaged Foods and Meats	-	-	-
4/26/2022	Hotel YVE Miami	RFR Realty LLC	Restaurants	25.8	-	-
4/28/2022	Shop-N-Save, Inc.	SpartanNash Company	Food Retail	-	-	-
4/28/2022	Evans Food Group	Utz Quality Foods, LLC	Packaged Foods and Meats	39.7	-	-
5/3/2022	Baker Cheese, Inc.	Sargento Foods Inc.	Packaged Foods and Meats	-	-	-
5/3/2022	Keke's Breakfast Cafe and Eight Keke's Restaurants	Denny's Corporation	Restaurants	82.5	-	12.0x
5/3/2022	Charlotte, N.C. Production Facility	Coca-Cola Consolidated, Inc.	Soft Drinks	60.0	-	-
5/11/2022	The Fresh Market, Inc.	Cencosud S.A.	Food Retail	676.0	-	8.0x
5/11/2022	TNT Crust, Inc.	General Mills, Inc.	Packaged Foods and Meats	-	-	-
5/19/2022	Dippin' Dots, LLC	J&J Snack Foods Corp.	Packaged Foods and Meats	222.0	-	-

Source: S&P Capital IQ

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Q2 2022 Middle-Market M&A Activity

Announcement Date	Target Name	Buyer Name	Sector	Value (\$mm)	TEV/Rev	TEV/EBITDA
5/23/2022	Myrmex, Inc.	Ocado Group plc	Food Retail	10.9	-	-
5/25/2022	Modern Times Drinks, Inc.	Maui Brewing Company	Brewers	15.3	-	-
6/6/2022	Cuisine Solutions, Inc.	Bain Capital, LP	Packaged Foods and Meats	250.0	-	-
6/8/2022	Eat SciFi Inc.	Andreessen Horowitz LLC	Packaged Foods and Meats	22.0	-	-
6/13/2022	Cardenas Markets, Inc.	Apollo Global Management, Inc.	Food Retail	-	-	-
6/15/2022	Little Leaf Farms, LLC	TPG Capital, L.P.	Agricultural Products	300.0	-	-
6/24/2022	Stone Brewing Co. LLC	Sapporo USA, Inc.	Brewers	165.0	0.7x	-

Source: S&P Capital IQ

Note: All values based on publicly available data as of 6/30/2022. 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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