



INDUSTRY UPDATE

FOOD & BEVERAGE
Q3 2022



GREENWICH
CAPITAL GROUP

GCG Food & Beverage Update | Q3 2022

Public Market Performance

Q3 2022 saw moderate losses across most Food & Beverage (“F&B”) industry segments and results were in-line with the broader U.S. equity market as inflationary pressures and Federal Reserve interest rate hikes continued to pressure the market. The Restaurants segment was the strongest performer in Q3 2022, recording a median increase of 8.2% (see pg. 9) in share price over the quarter, significantly outperforming the broader market. For the 3-year period ending September 30, 2022, the S&P 500 index has recorded gains of 21.5%, despite the losses over the last few quarters. The Food Retail and Ingredients segments have outperformed the broader market over the last 3 years, posting gains of 77.0%, 30.0%, respectively.

Food & Beverage Market Performance



Source: S&P Capital IQ

Note: All values based on publicly available data as of 9/30/2022.



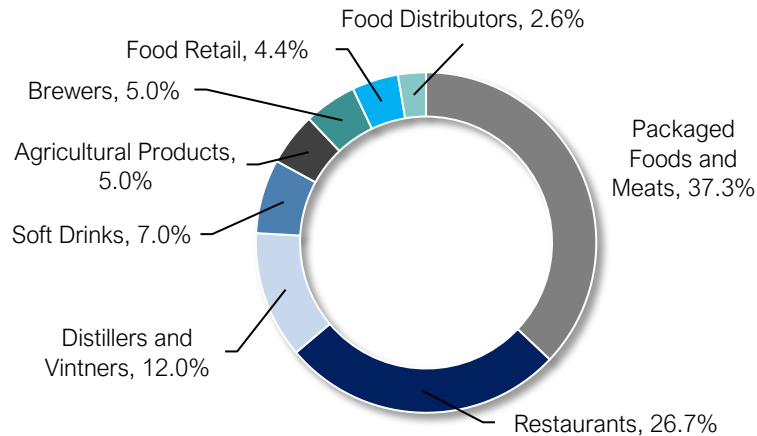
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Middle-Market M&A Activity

In Q3 2022, the F&B sector recorded a 15% decrease in transaction volume compared to the previous quarter and a 23% decrease compared to Q3 2021. However, average deal value remained strong and increased to its highest level over the previous four quarters. Strategic buyers continue to represent the largest portion of acquirers, accounting for 85.6% of transaction volume. With an estimated \$1.3 trillion of capital available for platform and add-on acquisitions, private equity funds will continue to remain active in the sector as investors continue to deploy their capital in strong businesses.

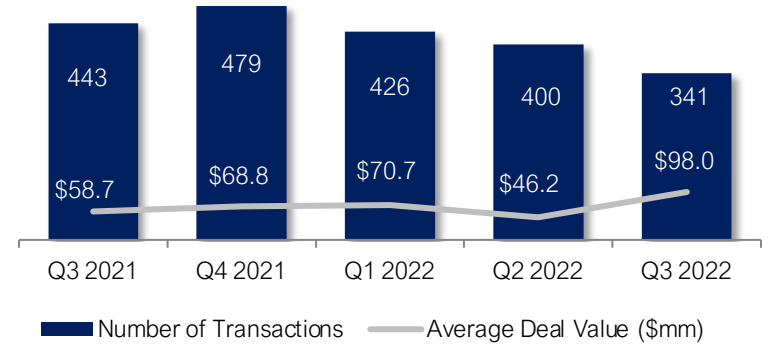
The Packaged Foods and Meats category led activity, accounting for 37.3% of total F&B transaction volume. The Restaurant sector proved to be an active segment as well, comprising 26.7% of transaction volume.

Q3 2022 M&A Activity by Sector

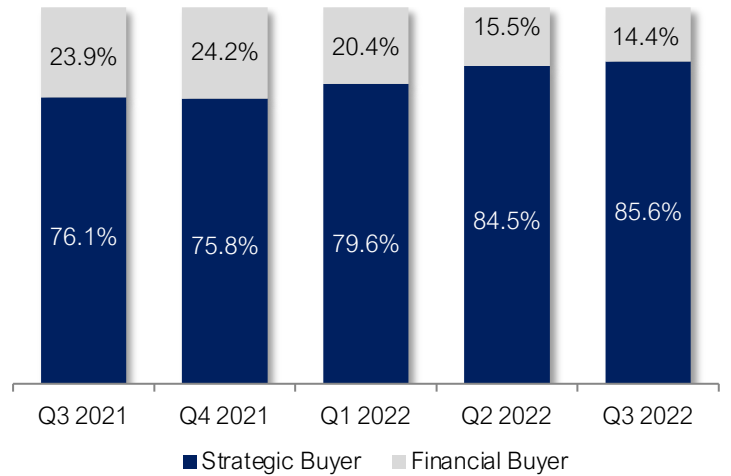


Source: S&P Capital IQ
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Q3 2022 Food & Beverage M&A Activity



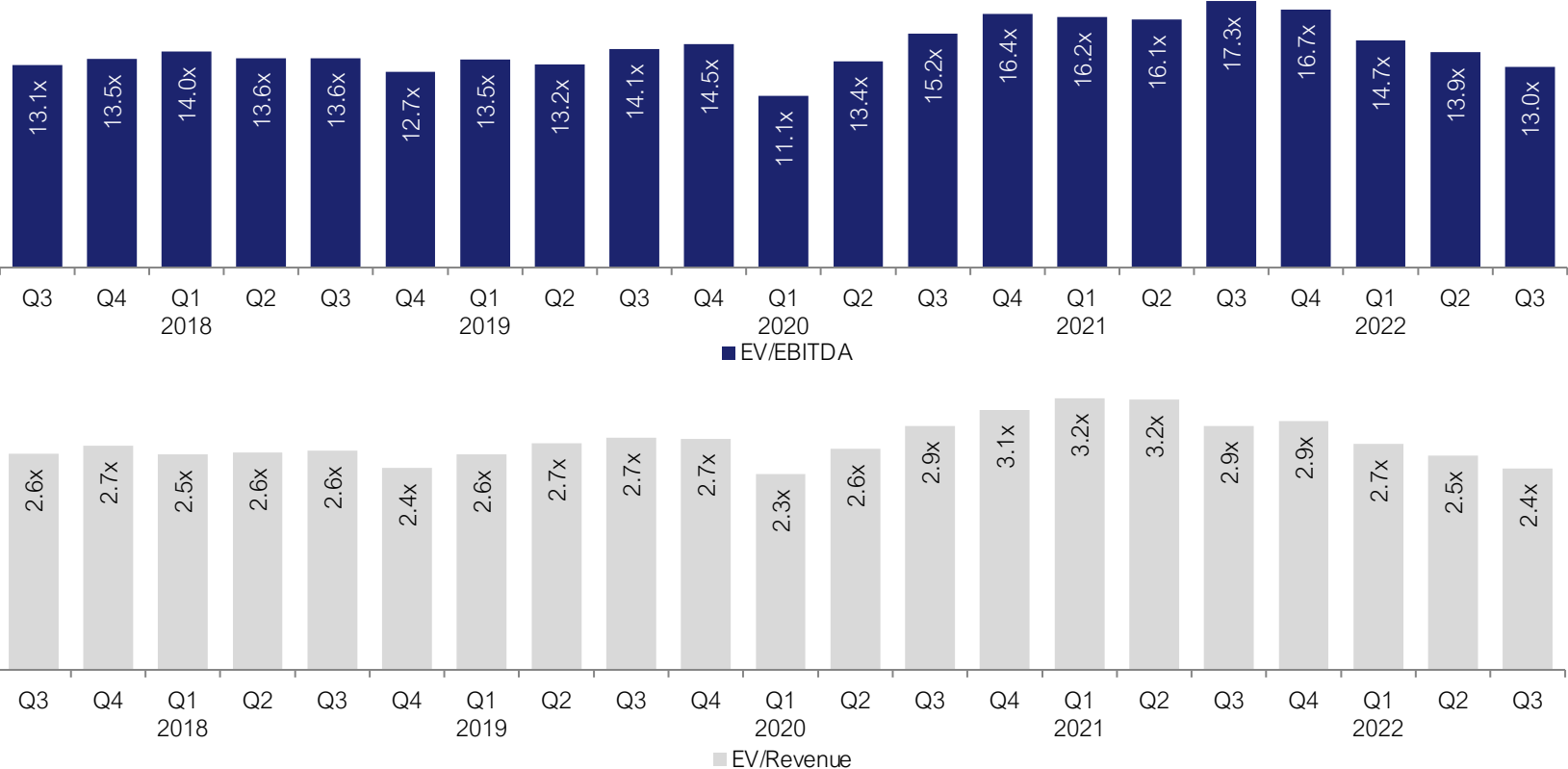
Q3 2022 M&A Activity by Buyer Type



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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 13.0x EBITDA and 2.4x Revenue in Q3 2022. The F&B category recorded a 6.5% decrease in average EBITDA multiple and a 4.1% decrease in average Revenue multiple from the previous quarter. The Beverages sector continues to lead all F&B segments with a median EBITDA multiple of 16.3x.



Source: S&P Capital IQ
 Note: All values based on publicly available data as of 9/30/2022.



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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.	\$ 3,507.97	\$ 16.49	(30.7%)	(44.8%)	19.0%	13.2%	1.7x	12.7x
Campbell Soup Company	\$ 19,049.05	\$ 47.12	(1.9%)	12.7%	30.7%	21.9%	2.2x	10.2x
Conagra Brands, Inc.	\$ 24,877.00	\$ 32.63	(4.7%)	(3.7%)	24.8%	17.0%	2.2x	11.2x
General Mills, Inc.	\$ 56,689.07	\$ 76.61	1.5%	28.1%	32.6%	21.0%	3.0x	14.1x
Hormel Foods Corporation	\$ 27,276.40	\$ 45.44	(4.1%)	10.8%	17.4%	17.0%	2.2x	12.7x
Kellogg Company	\$ 31,492.28	\$ 69.66	(2.4%)	9.0%	31.0%	17.8%	2.2x	12.1x
Lancaster Colony Corporation	\$ 4,111.65	\$ 150.28	16.7%	(11.0%)	21.2%	12.1%	2.5x	20.2x
McCormick & Company, Incorporated	\$ 24,221.55	\$ 71.27	(14.4%)	(12.0%)	36.9%	19.0%	3.8x	19.4x
Mondelez International, Inc.	\$ 92,841.14	\$ 54.83	(11.7%)	(5.8%)	37.9%	24.1%	3.1x	12.9x
Post Holdings, Inc.	\$ 10,605.00	\$ 81.91	(0.5%)	(25.6%)	26.1%	13.6%	1.5x	11.4x
The J. M. Smucker Company	\$ 19,301.64	\$ 137.41	7.3%	14.5%	32.8%	20.7%	2.4x	11.6x
The Kraft Heinz Company	\$ 60,683.42	\$ 33.35	(12.6%)	(9.4%)	31.9%	28.8%	2.4x	8.2x
TreeHouse Foods, Inc.	\$ 4,235.73	\$ 42.42	1.4%	6.4%	14.6%	7.9%	0.9x	11.6x
Tyson Foods, Inc.	\$ 31,013.23	\$ 65.93	(23.4%)	(16.5%)	15.5%	14.9%	0.6x	4.0x
Mean	\$ 29,278.94	\$ 66.10	(5.7%)	(3.4%)	26.6%	17.8%	2.2x	12.3x
Median	\$ 24,549.27	\$ 60.38	(3.2%)	(4.7%)	28.4%	17.4%	2.2x	11.9x

Source: S&P Capital IQ

Note: All values based on publicly available data as of 9/30/2022.



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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	\$ 56,928.18	\$ 80.45	3.7%	34.1%	7.4%	6.4%	0.6x	9.4x	
Cal-Maine Foods, Inc.	\$ 2,438.18	\$ 55.59	12.5%	53.7%	26.0%	19.5%	1.2x	5.9x	
Hormel Foods Corporation	\$ 27,276.40	\$ 45.44	(4.1%)	10.8%	17.4%	17.0%	2.2x	12.7x	
Ingredion Incorporated	\$ 7,429.74	\$ 80.52	(8.7%)	(9.5%)	18.5%	12.3%	1.0x	8.1x	
International Flavors & Fragrances Inc.	\$ 35,568.84	\$ 90.83	(23.7%)	(32.1%)	34.4%	22.2%	2.8x	12.7x	
Pilgrim's Pride Corporation	\$ 8,546.93	\$ 23.02	(26.3%)	(20.8%)	11.6%	13.0%	0.5x	3.9x	
Premium Brands Holdings Corporation	\$ 4,506.35	\$ 61.91	(14.5%)	(39.6%)	17.9%	7.0%	1.1x	16.2x	
Sensient Technologies Corporation	\$ 3,414.98	\$ 69.34	(13.9%)	(23.9%)	34.3%	18.1%	2.4x	13.3x	
Mean	\$ 18,263.70	\$ 63.39	(9.4%)	(3.4%)	20.9%	14.5%	1.5x	10.3x	
Median	\$ 7,988.34	\$ 65.63	(11.3%)	(15.2%)	18.2%	15.0%	1.1x	11.0x	

Source: S&P Capital IQ

Note: All values based on publicly available data as of 9/30/2022.



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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	\$ 172,748.19	\$ 45.16	(16.3%)	(19.9%)	55.9%	32.8%	3.3x	9.9x	
Brown-Forman Corporation	\$ 33,411.66	\$ 66.57	(5.1%)	(0.7%)	61.0%	34.9%	8.3x	23.7x	
Constellation Brands, Inc.	\$ 54,853.17	\$ 229.68	(1.5%)	9.0%	52.3%	17.6%	6.0x	19.5x	
Primo Water Corporation	\$ 3,539.41	\$ 12.62	(5.5%)	(20.0%)	56.7%	19.5%	1.7x	8.9x	
Farmer Bros. Co.	\$ 213.98	\$ 4.69	-	(44.2%)	29.2%	3.0%	0.5x	15.3x	
Molson Coors Beverage Company	\$ 17,170.16	\$ 47.99	(12.0%)	3.5%	35.9%	18.1%	1.6x	9.0x	
Monster Beverage Corporation	\$ 43,386.08	\$ 86.96	(6.2%)	(2.1%)	51.8%	28.3%	7.2x	25.5x	
National Beverage Corp.	\$ 3,576.80	\$ 38.54	(21.3%)	(26.6%)	34.3%	19.0%	3.1x	16.4x	
PepsiCo, Inc.	\$ 258,991.52	\$ 163.26	(2.0%)	8.5%	53.2%	19.5%	3.2x	16.2x	
Starbucks Corporation	\$ 117,332.22	\$ 84.26	10.3%	(23.6%)	27.0%	29.0%	3.7x	12.6x	
The Boston Beer Company, Inc.	\$ 3,869.10	\$ 323.65	6.8%	(36.5%)	40.0%	7.9%	2.0x	61.3x	
The Coca-Cola Company	\$ 275,261.73	\$ 56.02	(11.0%)	6.8%	58.9%	36.3%	6.7x	18.4x	
Mean	\$ 82,029.50	\$ 96.62	(5.3%)	(12.2%)	46%	22.2%	3.9x	19.7x	
Median	\$ 38,398.87	\$ 61.30	(5.3%)	(11.0%)	52.1%	19.5%	3.2x	16.3x	

Source: S&P Capital IQ

Note: All values based on publicly available data as of 9/30/2022.



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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	\$ 267.75	\$ 210.00	28.8%	41.0%	8.3%	2.4%	0.2x	7.9x
Performance Food Group Company	\$ 11,647.34	\$ 42.95	(6.6%)	(7.6%)	11.1%	2.1%	0.2x	11.8x
SpartanNash Company	\$ 1,788.45	\$ 29.02	(3.8%)	32.5%	15.8%	2.8%	0.2x	7.0x
Sysco Corporation	\$ 46,341.57	\$ 70.71	(16.5%)	(9.9%)	18.0%	5.1%	0.7x	13.1x
The Chefs' Warehouse, Inc.	\$ 1,606.58	\$ 28.97	(25.5%)	(11.1%)	23.1%	5.8%	0.7x	12.6x
United Natural Foods, Inc.	\$ 5,342.19	\$ 34.37	(12.8%)	(29.0%)	14.5%	3.4%	0.2x	5.4x
US Foods Holding Corp.	\$ 11,495.89	\$ 26.44	(13.8%)	(23.7%)	15.7%	2.9%	0.4x	12.4x
Mean	\$ 11,212.83	\$ 63.21	(7.2%)	(1.1%)	15%	3.5%	0.4x	10.0x
Median	\$ 5,342.19	\$ 100.00	(12.8%)	(9.9%)	15.7%	2.9%	0.2x	11.8x

Source: S&P Capital IQ

Note: All values based on publicly available data as of 9/30/2022.



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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.	\$ 3,356.11	\$ 24.98	13.4%	(49.1%)	13.1%	15.2%	0.9x	5.8x
Chipotle Mexican Grill, Inc.	\$ 44,586.34	\$ 1,502.76	15.0%	(17.3%)	38.0%	20.3%	5.5x	27.0x
Darden Restaurants, Inc.	\$ 21,039.46	\$ 126.32	11.7%	(16.6%)	19.9%	19.1%	2.2x	11.3x
Domino's Pizza, Inc.	\$ 16,298.79	\$ 310.20	(20.4%)	(35.0%)	26.0%	19.5%	3.7x	18.6x
McDonald's Corporation	\$ 215,467.20	\$ 230.74	(6.5%)	(4.3%)	55.3%	58.5%	9.1x	15.6x
Restaurant Brands International Inc.	\$ 31,648.75	\$ 53.18	6.0%	(13.1%)	41.4%	35.5%	5.2x	14.6x
Starbucks Corporation	\$ 117,332.22	\$ 84.26	10.3%	(23.6%)	27.0%	29.0%	3.7x	12.6x
Yum! Brands, Inc.	\$ 42,219.25	\$ 106.34	(6.3%)	(13.1%)	47.9%	34.8%	6.3x	18.2x
Mean	\$ 61,493.52	\$ 304.85	2.9%	(21.5%)	33.6%	29.0%	4.6x	15.5x
Median	\$ 36,934.00	\$ 116.33	8.2%	(17.0%)	32.5%	24.6%	4.4x	15.1x

Source: S&P Capital IQ

Note: All values based on publicly available data as of 9/30/2022.



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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>
Food Retail								
Ingles Markets, Incorporated	\$ 1,878.82	\$ 79.21	(8.7%)	20.0%	25.0%	8.9%	0.3x	3.8x
Natural Grocers by Vitamin Cottage, Inc.	\$ 626.06	\$ 10.79	(32.4%)	(3.8%)	32.5%	11.3%	0.6x	5.1x
Sprouts Farmers Market, Inc.	\$ 4,207.84	\$ 27.75	9.6%	19.8%	36.5%	11.8%	0.7x	5.7x
The Kroger Co.	\$ 50,578.53	\$ 43.75	(7.6%)	8.2%	22.3%	5.7%	0.4x	6.2x
Village Super Market, Inc.	\$ 566.22	\$ 19.33	(15.3%)	(10.8%)	28.1%	6.4%	0.3x	4.0x
Weis Markets, Inc.	\$ 1,814.92	\$ 71.24	(4.4%)	35.6%	26.7%	7.3%	0.4x	5.7x
Mean	\$ 9,945.40	\$ 42.01	(9.8%)	11.5%	28.5%	8.6%	0.4x	5.1x
Median	\$ 1,846.87	\$ 35.75	(8.1%)	14.0%	27.4%	8.1%	0.4x	5.4x
Food & Beverage Mean	\$ 39,463.25	\$ 104.09	(5.5%)	(6.0%)	29.9%	17.1%	2.4x	13.0x
Food & Beverage Median	\$ 19,049.05	\$ 61.91	(5.5%)	(9.5%)	27.0%	17.0%	2.2x	12.4x

Source: S&P Capital IQ

Note: All values based on publicly available data as of 9/30/2022.



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Q3 2022 Middle-Market M&A Activity

Announcement Date	Target Name	Buyer Name	Sector	Value (\$mm)	TEV/Rev	TEV/EBITDA
7/5/2022	Base Culture, Inc.	Flowers Foods, Inc.	Packaged Foods and Meats	9.8	-	-
7/7/2022	John Graves Food Service, Inc.	GS Foods Group, Inc.	Food Distributors	-	-	-
7/13/2022	Blue Ocean Barns Inc.	Valor Management Corp.; Tao Capital Partners	Packaged Foods and Meats	20.0 ⁽¹⁾	-	-
7/20/2022	Fiesta Canning Co., Inc.	Taglich Private Equity, LLC	Packaged Foods and Meats	-	-	-
7/27/2022	Klosterman Baking Company	New Water Capital, L.P	Packaged Foods and Meats	-	-	-
8/4/2022	Kitchen Basics Brand of Ready-to-use Stock and Broth of McCormick	Del Monte Foods, Inc.	Packaged Foods and Meats	99.0	2.2x	-
8/9/2022	BBQ Holdings, Inc.	MTY Franchising USA, Inc.	Restaurants	325.7	1.1x	8.8x
8/11/2022	Pathwater, Inc.	Altos Ventures Management, Inc.	Soft Drinks	30.0 ⁽¹⁾	-	-
8/17/2022	Eat Just, Inc.	C2 Capital Partners	Packaged Foods and Meats	25.0 ⁽¹⁾	-	-
8/23/2022	Casa Komos Beverage Group LLC	Molson Coors Beverage Company	Distillers and Vintners	-	-	-
8/26/2022	Betty Buzz LLC	Alliance Consumer Growth, LLC	Soft Drinks	-	-	-
8/30/2022	Powdered Cheese Business of The Kraft Heinz Company	Kerry Group	Packaged Foods and Meats	107.5	-	-

Source: S&P Capital IQ

Note: All values based on publicly available data as of 9/30/2022. Includes transactions from \$10mm to \$500mm in EV. ⁽¹⁾ Capital Raised.



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Q3 2022 Middle-Market M&A Activity

Announcement Date	Target Name	Buyer Name	Sector	Value (\$mm)	TEV/Rev	TEV/EBITDA
9/1/2022	Kate Farms, Inc.	Novo Holdings A/S	Packaged Foods and Meats	75.0 ⁽¹⁾	-	-
9/8/2022	Bachan's, Inc.	Sonoma Brands Capital	Packaged Foods and Meats	13.0 ⁽¹⁾	-	-
9/8/2022	FRC Balance LLC	Centerbridge Partners, L.P.; Manna Tree Partners	Restaurants	100.0	-	-
9/13/2022	Powell & Mahoney, Ltd.	Fevertree Drinks PLC	Distillers and Vintners	5.9	-	-
9/15/2022	Cella Farms Inc.	Khosla Ventures, LLC	Packaged Foods and Meats	6.0 ⁽¹⁾	-	-
9/16/2022	Keystone Natural Holdings, LLC	House Foods America Corporation	Packaged Foods and Meats	110.0	2.0x	39.6x
9/30/2022	Coffee Holding Co., Inc.	Delta Corp Holdings Ltd	Packaged Foods and Meats	41.1	0.6x	38.4x

Source: S&P Capital IQ

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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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