



INDUSTRY UPDATE

FOOD & BEVERAGE
Q4 2022



GREENWICH
CAPITAL GROUP

GCG Food & Beverage Update | Q4 2022

Public Market Performance

Most sectors in the Food & Beverage (“F&B”) industry experienced gains in the market in Q4 2022, strengthened by a 2.1% growth in consumer spending during the quarter and a 2.8% increase in food and beverage purchases. While a slowdown continues to be expected in 2023 due to widespread fears of a recession, consumer spending remains a strong point in the economy. The Food Retail segment was the strongest performer in Q4 2022, recording a median increase of 16.1% (see pg. 10) in share price over the quarter. For the 3-year period ending December 31, 2022, all sectors in the F&B industry except for Distribution outperformed the S&P 500 index, which recorded gains of 18.8% despite losses over the last few quarters.

Food & Beverage Market Performance



Source: S&P Capital IQ
Note: All values based on publicly available data as of 12/31/2022.

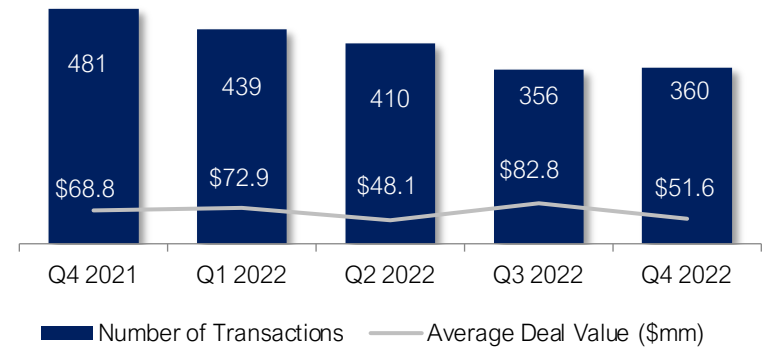


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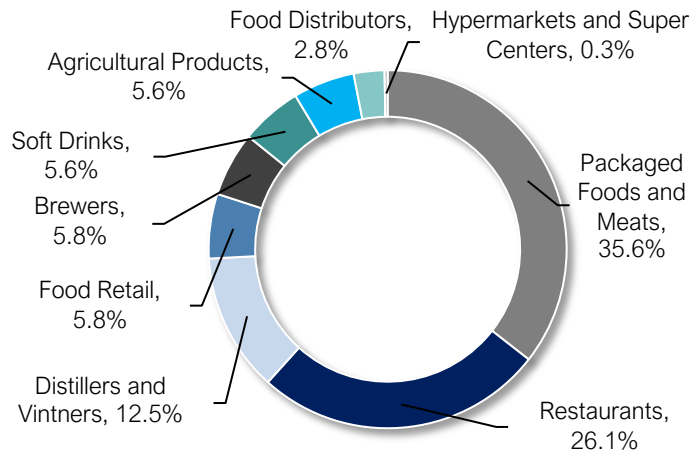
Middle-Market M&A Activity

Transaction volume in the F&B industry slightly increased in Q4 2022 compared to the previous quarter. However, transaction volume has decreased by 25% on a year-over-year basis. Average deal value normalized to levels achieved in Q2 following a significant rise in Q3. Strategic buyers continue to represent the largest portion of acquirers, accounting for 88.9% of transaction volume. As financial buyers find it increasingly difficult to secure lending for premium transactions, strategic players have continued using the cash on their books to grow via acquisition. Financial buyers remained active in the market as they deploy capital on add-on acquisitions. The Packaged Foods and Meats category led activity in the industry, accounting for 35.6% of total volume. The Restaurant sector was active as well, comprising 26.1% of transaction volume.

Q4 2022 Food & Beverage M&A Activity

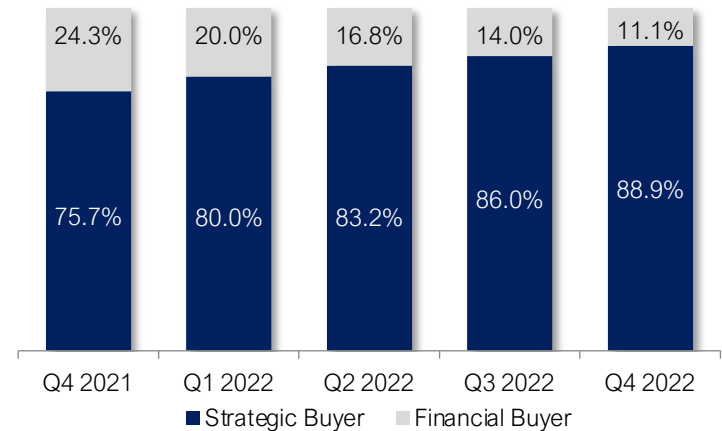


Q4 2022 M&A Activity by Sector



Source: S&P Capital IQ
 Note: All values based on publicly available data as of 12/31/2022.

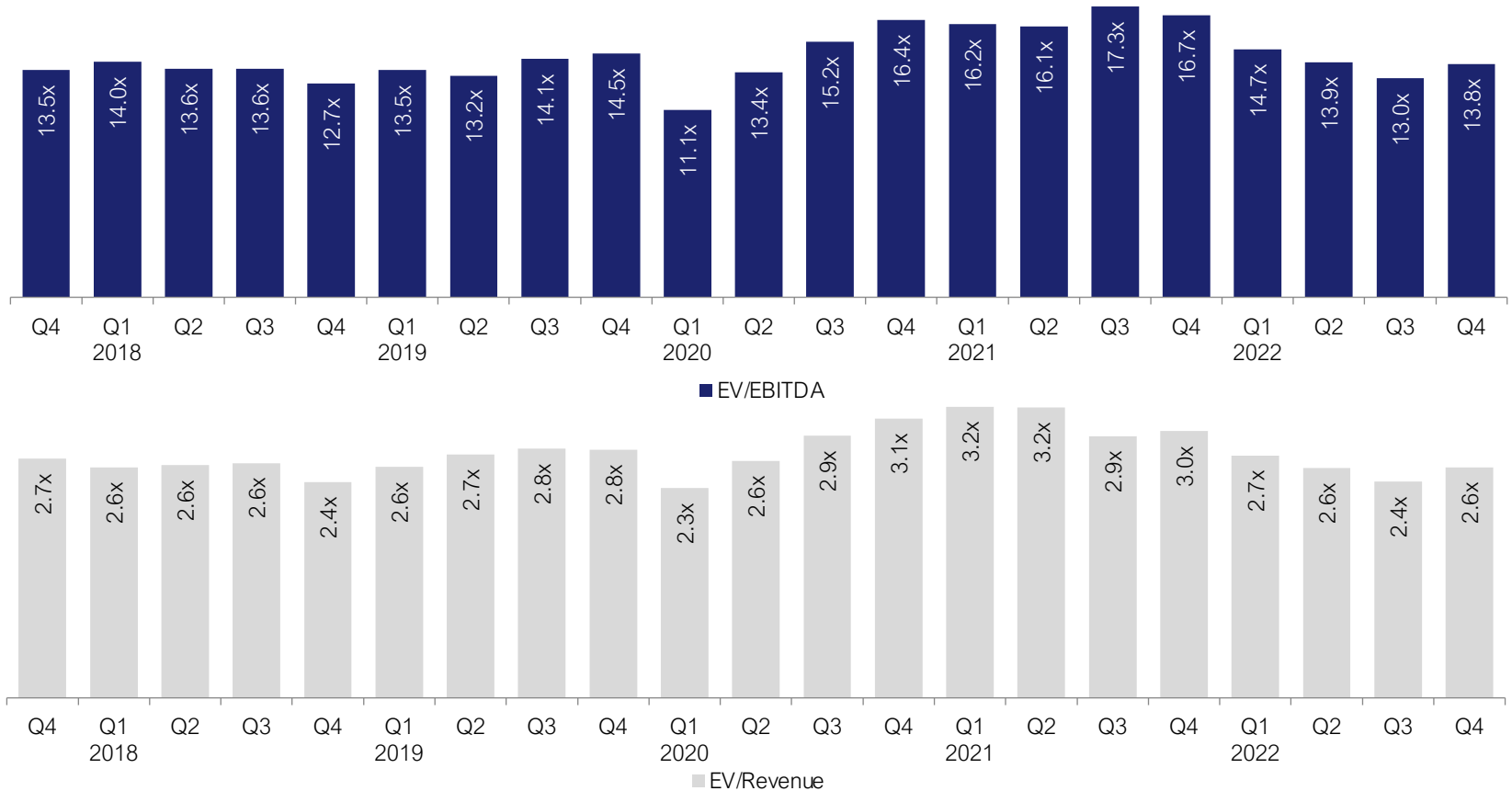
Q4 2022 M&A Activity by Buyer Type



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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 13.8x EBITDA and 2.6x Revenue in Q4 2022. The F&B industry recorded a 6.2% increase in average EBITDA multiple and an 8.3% increase in average Revenue multiple from the previous quarter. The Beverages sector continues to lead the industry with a median EBITDA multiple of 20.0x.



Source: S&P Capital IQ
 Note: All values based on publicly available data as of 12/31/2022.



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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.	\$ 3,230.29	\$ 11.15	(32.4%)	(63.7%)	19.1%	13.3%	1.5x	11.5x	
Campbell Soup Company	\$ 21,953.78	\$ 56.75	20.4%	30.6%	30.8%	21.2%	2.5x	11.7x	
Conagra Brands, Inc.	\$ 27,594.37	\$ 38.70	18.6%	13.3%	25.5%	19.9%	2.3x	13.7x	
General Mills, Inc.	\$ 60,785.86	\$ 83.85	9.5%	24.4%	32.7%	20.8%	3.1x	15.1x	
Hormel Foods Corporation	\$ 27,190.71	\$ 45.55	0.2%	(6.7%)	17.4%	16.6%	2.2x	13.2x	
Kellogg Company	\$ 31,782.87	\$ 71.24	2.3%	10.6%	30.2%	17.4%	2.1x	12.3x	
Lancaster Colony Corporation	\$ 5,391.43	\$ 197.30	31.3%	19.1%	20.9%	12.5%	3.2x	25.3x	
McCormick & Company, Incorporated	\$ 27,285.10	\$ 82.89	16.3%	(14.2%)	35.8%	18.8%	4.3x	22.4x	
Mondelez International, Inc.	\$ 111,059.47	\$ 66.65	21.6%	0.5%	36.1%	22.8%	3.6x	15.9x	
Post Holdings, Inc.	\$ 11,103.48	\$ 90.26	10.2%	(19.9%)	25.5%	14.4%	1.9x	14.1x	
The J. M. Smucker Company	\$ 21,584.82	\$ 158.46	15.3%	16.7%	32.0%	20.0%	2.6x	13.2x	
The Kraft Heinz Company	\$ 69,300.91	\$ 40.71	22.1%	13.4%	31.1%	28.0%	2.7x	9.6x	
TreeHouse Foods, Inc.	\$ 4,756.25	\$ 49.38	16.4%	21.8%	15.0%	8.2%	1.0x	12.5x	
Tyson Foods, Inc.	\$ 30,067.68	\$ 62.25	(5.6%)	(28.6%)	10.4%	10.0%	0.6x	4.7x	
Mean	\$ 32,363.36	\$ 75.37	10.4%	1.2%	25.9%	17.4%	2.4x	13.9x	
Median	\$ 27,237.91	\$ 64.45	15.8%	12.0%	27.9%	18.1%	2.4x	13.2x	

Source: S&P Capital IQ

Note: All values based on publicly available data as of 12/31/2022.



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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>	
Ingredients									
Archer-Daniels-Midland Company	\$ 59,865.68	\$ 92.85	15.4%	37.4%	7.5%	5.9%	0.6x	9.1x	
Cal-Maine Foods, Inc.	\$ 2,284.25	\$ 54.45	(2.1%)	47.2%	32.5%	26.7%	0.9x	3.4x	
Hormel Foods Corporation	\$ 27,190.71	\$ 45.55	0.2%	(6.7%)	17.4%	16.6%	2.2x	13.2x	
Ingredion Incorporated	\$ 8,639.83	\$ 97.93	21.6%	1.3%	18.6%	12.2%	1.1x	9.2x	
International Flavors & Fragrances Inc.	\$ 37,715.24	\$ 104.84	15.4%	(30.4%)	33.8%	21.9%	3.0x	13.7x	
Pilgrim's Pride Corporation	\$ 8,475.65	\$ 23.73	3.1%	(15.9%)	11.9%	15.4%	0.5x	3.2x	
Premium Brands Holdings Corporation	\$ 4,543.18	\$ 60.79	(1.8%)	(39.2%)	18.0%	6.8%	1.1x	15.8x	
Sensient Technologies Corporation	\$ 3,587.95	\$ 72.92	5.2%	(27.1%)	34.3%	18.0%	2.5x	14.0x	
Mean	\$ 19,037.81	\$ 69.13	7.1%	(4.2%)	21.7%	15.4%	1.5x	10.2x	
Median	\$ 8,557.74	\$ 66.86	4.1%	(11.3%)	18.3%	16.0%	1.1x	11.2x	

Source: S&P Capital IQ

Note: All values based on publicly available data as of 12/31/2022.



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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	\$ 214,460.93	\$ 60.04	32.9%	(0.8%)	55.1%	32.9%	3.4x	10.4x	
Brown-Forman Corporation	\$ 32,807.12	\$ 65.68	(1.3%)	(9.9%)	60.1%	33.6%	7.9x	23.6x	
Constellation Brands, Inc.	\$ 53,856.92	\$ 231.75	0.9%	(7.7%)	51.7%	14.6%	5.7x	32.3x	
Primo Water Corporation	\$ 4,095.94	\$ 15.53	23.1%	(11.9%)	57.6%	19.8%	1.8x	9.3x	
Farmer Bros. Co.	\$ 222.62	\$ 4.61	(1.7%)	(38.1%)	27.4%	1.2%	0.5x	37.0x	
Molson Coors Beverage Company	\$ 17,638.62	\$ 51.52	7.4%	11.2%	33.6%	16.3%	1.6x	10.1x	
Monster Beverage Corporation	\$ 50,398.81	\$ 101.53	16.8%	5.7%	50.7%	27.0%	8.1x	30.0x	
National Beverage Corp.	\$ 4,286.98	\$ 46.53	20.7%	2.6%	33.7%	18.4%	3.7x	20.1x	
PepsiCo, Inc.	\$ 284,493.02	\$ 180.66	10.7%	4.0%	53.2%	19.5%	3.4x	17.4x	
Starbucks Corporation	\$ 134,537.56	\$ 99.20	17.7%	(15.2%)	25.7%	27.1%	4.2x	15.1x	
The Boston Beer Company, Inc.	\$ 3,855.54	\$ 329.52	1.8%	(34.8%)	40.0%	7.9%	1.9x	24.4x	
The Coca-Cola Company	\$ 304,684.29	\$ 63.61	13.5%	7.4%	58.5%	36.1%	7.2x	19.9x	
Mean	\$ 92,111.53	\$ 104.18	11.9%	(7.3%)	46%	21.2%	4.1x	20.8x	
Median	\$ 41,602.96	\$ 64.65	12.1%	(4.3%)	51.2%	19.6%	3.6x	20.0x	

Source: S&P Capital IQ

Note: All values based on publicly available data as of 12/31/2022.



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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>
Distributors								
AMCON Distributing Company	\$ 240.10	\$ 181.00	(13.8%)	(9.3%)	8.2%	2.2%	0.2x	6.8x
Performance Food Group Company	\$ 13,831.24	\$ 58.39	35.9%	27.2%	11.2%	2.3%	0.3x	11.8x
SpartanNash Company	\$ 1,856.50	\$ 30.24	4.2%	17.4%	15.7%	2.7%	0.2x	7.3x
Sysco Corporation	\$ 49,877.96	\$ 76.45	8.1%	(2.7%)	18.2%	5.3%	0.7x	13.5x
The Chefs' Warehouse, Inc.	\$ 1,776.51	\$ 33.28	14.9%	(0.1%)	23.4%	6.1%	0.7x	12.3x
United Natural Foods, Inc.	\$ 6,028.08	\$ 38.71	12.6%	(21.1%)	14.4%	3.4%	0.2x	6.1x
US Foods Holding Corp.	\$ 12,974.78	\$ 34.02	28.7%	(2.3%)	15.9%	3.0%	0.4x	12.9x
Mean	\$ 12,369.31	\$ 64.58	12.9%	1.3%	15%	3.6%	0.4x	10.1x
Median	\$ 6,028.08	\$ 100.00	12.6%	(2.3%)	15.7%	3.0%	0.3x	11.8x

Source: S&P Capital IQ

Note: All values based on publicly available data as of 12/31/2022.



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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.	\$ 3,678.45	\$ 31.91	27.7%	(12.8%)	11.7%	13.7%	0.9x	6.8x
Chipotle Mexican Grill, Inc.	\$ 41,408.03	\$ 1,387.49	(7.7%)	(20.6%)	38.3%	21.5%	4.9x	22.9x
Darden Restaurants, Inc.	\$ 22,667.60	\$ 138.33	9.5%	(8.2%)	19.4%	18.5%	2.3x	12.3x
Domino's Pizza, Inc.	\$ 17,873.75	\$ 346.40	11.7%	(38.6%)	26.0%	19.5%	4.0x	20.4x
McDonald's Corporation	\$ 237,567.27	\$ 263.53	14.2%	(1.7%)	57.0%	63.3%	10.2x	17.2x
Restaurant Brands International Inc.	\$ 34,979.85	\$ 64.67	21.6%	6.6%	40.8%	34.5%	5.5x	15.9x
Starbucks Corporation	\$ 134,537.56	\$ 99.20	17.7%	(15.2%)	25.7%	27.1%	4.2x	15.1x
Yum! Brands, Inc.	\$ 47,959.58	\$ 128.08	20.4%	(7.8%)	48.2%	34.8%	7.1x	20.5x
Mean	\$ 67,584.01	\$ 307.45	14.4%	(12.3%)	33.4%	29.1%	4.9x	16.4x
Median	\$ 38,193.94	\$ 133.21	16.0%	(10.5%)	32.2%	24.3%	4.5x	16.6x

Source: S&P Capital IQ

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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	\$ 2,177.50	\$ 96.46	21.8%	11.7%	24.8%	8.8%	0.4x	4.3x	
Natural Grocers by Vitamin Cottage, Inc.	\$ 588.93	\$ 9.14	(15.3%)	(35.9%)	32.4%	10.6%	0.5x	4.9x	
Sprouts Farmers Market, Inc.	\$ 4,623.22	\$ 32.37	16.6%	9.1%	36.7%	11.8%	0.7x	6.2x	
The Kroger Co.	\$ 51,223.34	\$ 44.58	1.9%	(1.5%)	22.2%	5.7%	0.3x	6.1x	
Village Super Market, Inc.	\$ 624.33	\$ 23.29	20.5%	(0.4%)	28.2%	6.5%	0.3x	4.6x	
Weis Markets, Inc.	\$ 2,088.96	\$ 82.29	15.5%	24.9%	26.3%	7.0%	0.5x	6.6x	
Mean	\$ 10,221.05	\$ 48.02	10.2%	1.3%	28.4%	8.4%	0.5x	5.5x	
Median	\$ 2,133.23	\$ 38.48	16.1%	4.3%	27.3%	7.9%	0.4x	5.5x	
Food & Beverage Mean	\$ 43,623.84	\$ 110.15	11.1%	(3.4%)	29.6%	16.9%	2.5x	13.8x	
Food & Beverage Median	\$ 21,584.82	\$ 64.67	14.2%	(1.7%)	27.4%	16.6%	2.1x	13.2x	

Source: S&P Capital IQ

Note: All values based on publicly available data as of 12/31/2022.



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Q4 2022 Middle-Market M&A Activity

Announcement Date	Target Name	Buyer Name	Sector	Value (\$mm)	TEV/Rev	TEV/EBITDA
10/3/2022	Stellar Pizza	Marcy Venture Partners LLP	Packaged Foods and Meats	16.50 ⁽¹⁾	-	-
10/3/2022	Denali Ingredients, LLC	Orkla Food Ingredients AS	Packaged Foods and Meats	200.00	2.0x	13.9x
10/4/2022	Saratoga Food Specialties, Inc	Solina Group SAS	Packaged Foods and Meats	587.50	2.1x	0.0x
10/4/2022	FreshEdge, LLC	Wind Point Advisors, LLC	Food Distributors	-	-	-
10/5/2022	VNGR Beverage LLC	CAVU Venture Partners, LLC	Soft Drinks	25.00 ⁽¹⁾	-	-
10/6/2022	RoboBurger Inc.	Promethean Investments LLP	Restaurants	10.00 ⁽¹⁾	-	-
10/10/2022	Traditional Medicinals, Inc.	Grounded Capital LLC	Packaged Foods and Meats	50.00 ⁽¹⁾	-	-
10/12/2022	Ojos Locos Sports Cantina, LLC	Comvest Partners	Restaurants	-	-	-
10/18/2022	Animix LLC	Benford Capital Partners, LLC	Packaged Foods and Meats	-	-	-
10/18/2022	Seattle Coffee brand of Starbucks Corporation	Nestlé S.A.	Packaged Foods and Meats	-	-	-
10/24/2022	Pride Convenience Holdings, LLC	GPM Investments, LLC	Food Retail	230.00	-	-
10/31/2022	Wilderness Trail Distillery, LLC	Davide Campari-Milano N.V.	Distillers and Vintners	420.00	14.7x	26.4x

Source: S&P Capital IQ

Note: All values based on publicly available data as of 12/31/2022. Includes transactions from \$10mm to \$1,000mm in EV. ⁽¹⁾ Capital Raised.



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Q4 2022 Middle-Market M&A Activity

Announcement Date	Target Name	Buyer Name	Sector	Value (\$mm)	TEV/Rev	TEV/EBITDA
10/31/2022	Lipari Foods, LLC	Littlejohn & Co., LLC	Food Distributors	-	-	-
11/2/2022	African Agriculture, Inc.	Yorkville Advisors Global LP	Agricultural Products	100.00 ⁽¹⁾	-	-
11/2/2022	Wetzel's Pretzels, LLC	MTY Franchising USA, Inc.	Food Retail	207.00	0.8x	-
11/4/2022	Athletic Brewing Holding Co LLC	Keurig Dr Pepper Inc.; TRB Advisors LP; Alliance Consumer Growth, LLC	Brewers	75.45 ⁽¹⁾	-	-
11/7/2022	Montauk Brewing Company, Inc.	Tilray Brands, Inc.	Brewers	45.44	-	-
11/14/2022	Kohana Coffee, LLC	Westrock Beverage Solutions, LLC	Packaged Foods and Meats	39.38	3.0x	-
12/5/2022	Fuzzy's Taco Opportunities, LLC	Dine Brands Global, Inc.	Restaurants	80.00	0.3x	-
12/8/2022	Henry's Foods, Inc.	AMCON Distributing Company	Food Distributors	30.30	-	-
12/13/2022	Rowe's IGA Supermarket	Massy Stores (USA) LLC	Food Retail	47.00	-	-
12/14/2022	Waterloo Brewing Ltd.	Carlsberg Canada Inc.	Brewers	158.52	2.0x	14.0x
12/20/2022	Savory Solutions Group	PAI Partners	Packaged Foods and Meats	900.00	1.9x	-
12/31/2022	San Diego Farms LLC	Sun Capital Partners, Inc.	Agricultural Products	-	-	-

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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Andrew Dickow

Managing Director
Food & Beverage Leader
adickow@greenwichgp.com

O: (248) 480-2036

M: (248) 388-1888