



INDUSTRY UPDATE

FOOD & BEVERAGE
Q4 2023



GREENWICH
CAPITAL GROUP

GCG Food & Beverage Update | Q4 2023

Public Market Performance

Q4 2023 was a strong quarter for the Food & Beverage (“F&B”) industry. The industry has maintained stability during recent inflation, with companies adapting to shifts in consumer behavior. Industry players that focused on convenience and value navigated economic pressures well, while those who maintained the status quo underperformed. Anticipating the Federal Reserve’s rate cuts in 2024, companies have pivoted towards growth through strategic acquisitions and consolidation, benefitting from a more favorable lending environment. Most sectors in the industry experienced an increase in share price after several quarters of negative performance. The Restaurants segment saw the largest average increase in share price over the quarter, of 15.6% (see pg. 9). For the 3-year period ending December 31, 2023, the Food Retail and Restaurants sectors outperformed the S&P 500 index, which recorded gains of 27.0%.

Food & Beverage Market Performance



Source: S&P Capital IQ
Note: All values based on publicly available data as of 12/31/2023.

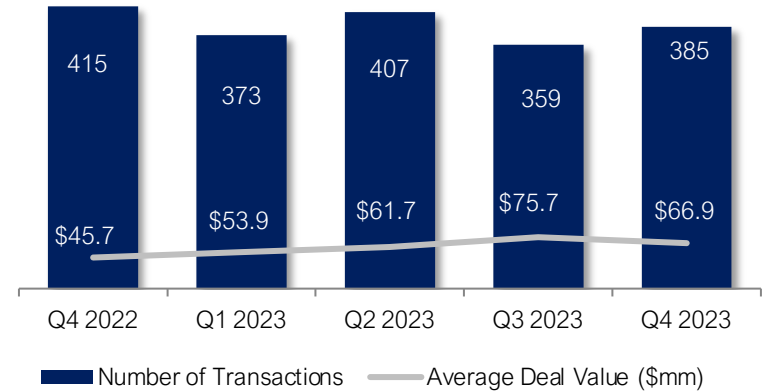


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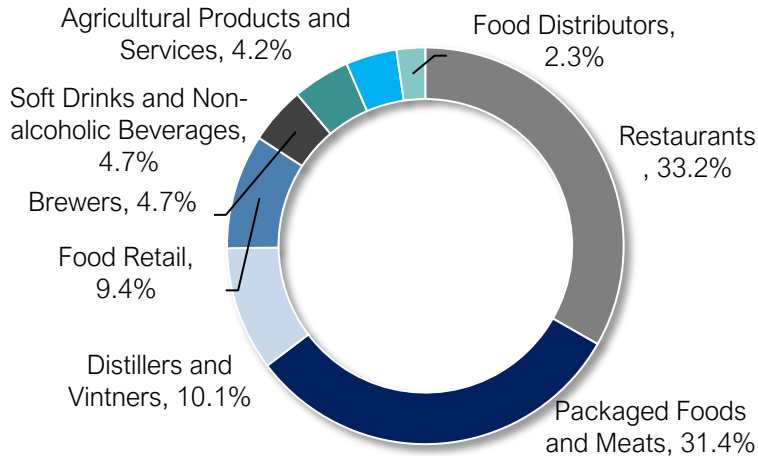
Middle-Market M&A Activity

In Q4 2023, the Food & Beverage industry saw a slight increase in transaction volume, signaling a growing confidence among buyers in the affordability of borrowing capital as a response to the Federal Reserve's recent rate cuts. While volume increased, most transactions were smaller in size compared to the prior quarter, leading to a modest reduction in average deal value observed. Strategic buyers have intensified their focus on consolidation, which is evident by recording the highest percentage of total transaction volume (90.1%) in the past five quarters. This emphasis on strategic "tuck-in" acquisitions underpins the trend of smaller deal sizes. The Restaurants category led activity in the industry, accounting for 33.2% of total volume. The Packaged Foods and Meats sector was active as well, comprising 31.4% of transaction volume.

Q4 2023 Food & Beverage M&A Activity

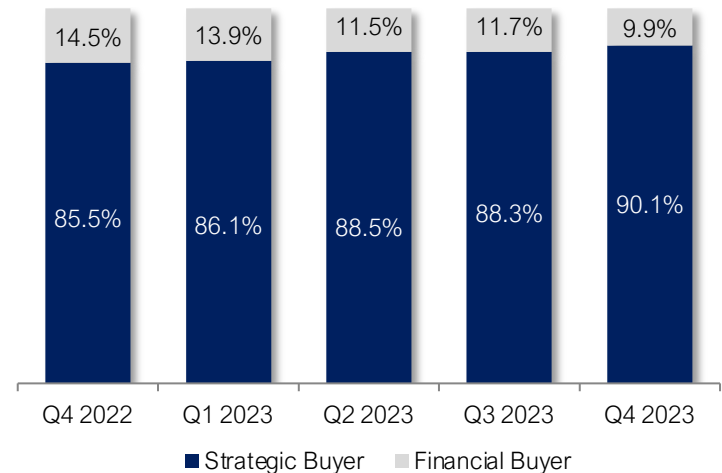


Q4 2023 M&A Activity by Sector



Source: S&P Capital IQ
 Note: All values based on publicly available data as of 12/31/2023.

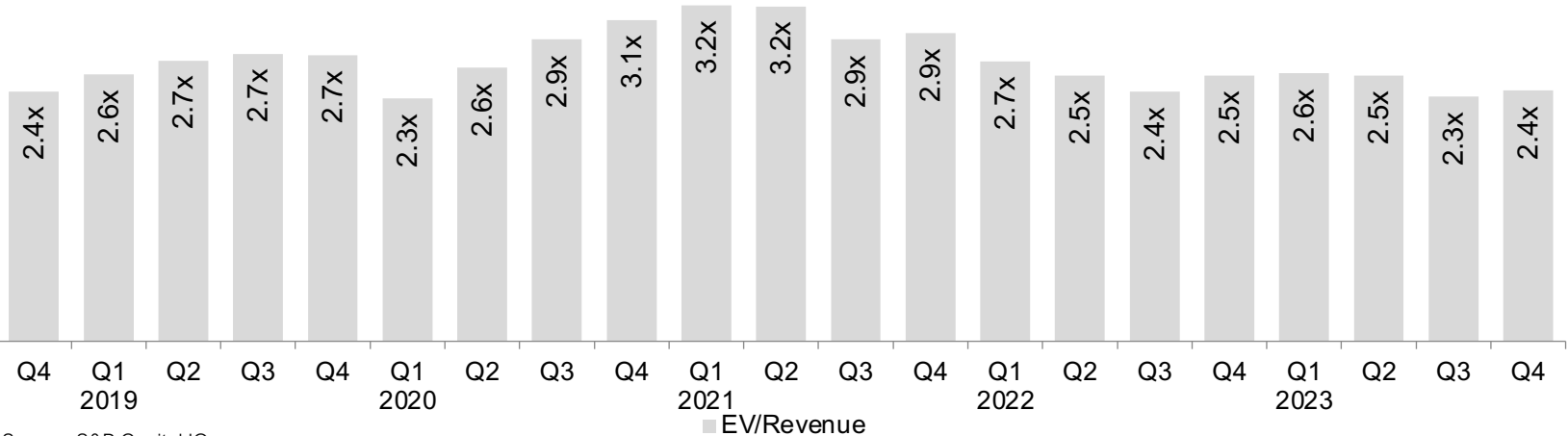
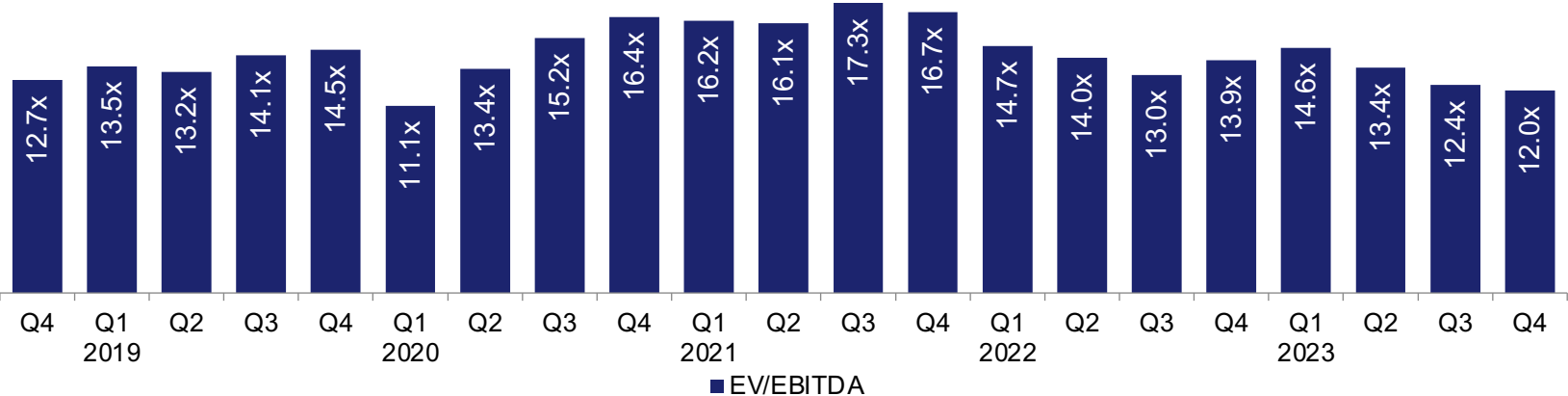
Q4 2023 M&A Activity by Buyer Type



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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 12.0x EBITDA and 2.4x Revenue in Q4 2023. The F&B industry recorded a 2.8% decrease in average EBITDA multiple and an increase of 2.6% in average Revenue multiple from the previous quarter. The Restaurants sector led the industry with median EBITDA multiples of 17.2x.



Source: S&P Capital IQ
 Note: All values based on publicly available data as of 12/31/2023.



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Public Comparable Companies

<u>Company Name</u>	<u>Enterprise Value (\$mm)</u>	<u>Share Stock Price</u>	<u>Price Change</u>		<u>LTM Margins</u>		<u>TEV / LTM:</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.	\$ 3,021.27	\$ 10.50	6.2%	(5.8%)	21.8%	15.0%	1.4x	9.0x	
Campbell Soup Company	\$ 17,795.86	\$ 43.23	5.2%	(23.8%)	31.1%	18.8%	1.9x	8.4x	
Conagra Brands, Inc.	\$ 22,949.46	\$ 28.66	4.5%	(25.9%)	27.1%	18.7%	1.9x	8.7x	
General Mills, Inc.	\$ 49,302.36	\$ 65.14	1.8%	(22.3%)	34.4%	20.3%	2.4x	11.4x	
Hormel Foods Corporation	\$ 20,254.66	\$ 32.11	(15.6%)	(29.5%)	16.5%	10.8%	1.7x	10.7x	
Kellanova	\$ 26,035.28	\$ 55.91	(6.0%)	(21.5%)	32.7%	15.1%	1.6x	11.6x	
Lancaster Colony Corporation	\$ 4,520.09	\$ 166.39	0.8%	(15.7%)	22.4%	13.1%	2.4x	18.7x	
McCormick & Company, Incorporated	\$ 23,051.61	\$ 68.42	(9.5%)	(17.5%)	37.6%	18.2%	3.5x	18.0x	
Mondelez International, Inc.	\$ 117,436.67	\$ 72.43	4.4%	8.7%	38.2%	20.0%	3.3x	14.5x	
Post Holdings, Inc.	\$ 11,467.95	\$ 88.06	2.7%	(2.4%)	27.6%	15.5%	1.6x	10.2x	
The J. M. Smucker Company	\$ 17,303.85	\$ 126.38	2.8%	(20.2%)	35.8%	20.9%	2.1x	9.5x	
The Kraft Heinz Company	\$ 64,405.40	\$ 36.98	9.9%	(9.2%)	33.2%	23.9%	2.4x	8.2x	
TreeHouse Foods, Inc.	\$ 3,994.09	\$ 41.45	(4.9%)	(16.1%)	16.6%	10.3%	1.1x	9.1x	
Tyson Foods, Inc.	\$ 28,634.34	\$ 53.75	6.5%	(13.7%)	5.2%	3.9%	0.5x	11.0x	
Mean	\$ 29,298.06	\$ 63.53	0.6%	(15.4%)	27.2%	16.0%	2.0x	11.3x	
Median	\$ 21,602.06	\$ 54.83	2.8%	(16.8%)	29.4%	16.9%	1.9x	10.4x	

Source: S&P Capital IQ

Note: All values based on publicly available data as of 12/31/2023.



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Public Comparable Companies (Cont'd)

<u>Company Name</u>	<u>Enterprise Value (\$mm)</u>	<u>Share Stock Price</u>	<u>Price Change</u>		<u>LTM Margins</u>		<u>TEV / LTM:</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	\$ 46,875.79	\$ 72.22	(4.2%)	(22.2%)	7.8%	5.3%	0.5x	7.5x	
Cal-Maine Foods, Inc.	\$ 2,199.14	\$ 57.39	18.5%	5.4%	29.9%	24.2%	0.7x	2.5x	
Hormel Foods Corporation	\$ 20,254.66	\$ 32.11	(15.6%)	(29.5%)	16.5%	10.8%	1.7x	10.7x	
Ingredion Incorporated	\$ 9,194.34	\$ 108.53	10.3%	10.8%	21.4%	14.5%	1.1x	7.5x	
International Flavors & Fragrances Inc.	\$ 31,169.95	\$ 80.97	18.8%	(22.8%)	31.8%	15.0%	2.7x	16.0x	
Pilgrim's Pride Corporation	\$ 9,635.27	\$ 27.66	21.2%	16.6%	5.1%	4.5%	0.6x	10.1x	
Premium Brands Holdings Corporation	\$ 5,125.74	\$ 70.98	1.0%	16.8%	19.2%	6.2%	1.1x	15.6x	
Sensient Technologies Corporation	\$ 3,464.96	\$ 66.00	12.9%	(9.5%)	31.8%	16.5%	2.4x	13.5x	
Mean	\$ 15,989.98	\$ 64.48	7.8%	(4.3%)	20.4%	12.1%	1.3x	10.4x	
Median	\$ 9,414.80	\$ 68.49	11.6%	(2.0%)	20.3%	12.7%	1.1x	10.4x	

Source: S&P Capital IQ

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Public Comparable Companies (Cont'd)

<u>Company Name</u>	<u>Enterprise Value (\$mm)</u>	<u>Share Stock Price</u>	<u>Price Change</u>		<u>LTM Margins</u>		<u>TEV / LTM:</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	\$ 217,452.86	\$ 64.62	16.9%	7.6%	54.0%	30.0%	3.5x	11.1x	
Brown-Forman Corporation	\$ 30,316.09	\$ 57.10	(1.0%)	(13.1%)	60.4%	31.0%	7.1x	22.2x	
Constellation Brands, Inc.	\$ 56,356.85	\$ 241.75	(3.8%)	4.3%	50.3%	36.1%	5.8x	17.9x	
Primo Water Corporation	\$ 3,974.66	\$ 15.07	8.6%	(3.0%)	60.9%	18.6%	1.7x	8.1x	
Farmer Bros. Co.	\$ 107.64	\$ 3.06	18.6%	(33.6%)	36.0%	(4.3%)	0.3x	NM	
Molson Coors Beverage Company	\$ 19,042.45	\$ 61.21	(3.7%)	18.8%	36.9%	18.7%	1.7x	8.5x	
Monster Beverage Corporation	\$ 56,983.71	\$ 57.61	8.8%	13.5%	52.6%	28.8%	8.2x	28.3x	
National Beverage Corp.	\$ 4,435.97	\$ 49.72	5.7%	6.9%	35.6%	19.5%	3.8x	18.1x	
PepsiCo, Inc.	\$ 270,932.67	\$ 169.84	0.2%	(6.0%)	54.2%	17.4%	3.0x	15.6x	
Starbucks Corporation	\$ 129,829.37	\$ 96.01	5.2%	(3.2%)	27.9%	19.8%	3.6x	12.8x	
The Boston Beer Company, Inc.	\$ 3,911.34	\$ 345.59	(11.3%)	4.9%	42.2%	10.6%	1.9x	17.1x	
The Coca-Cola Company	\$ 282,694.78	\$ 58.93	5.3%	(7.4%)	59.1%	31.5%	6.3x	17.4x	
Mean	\$ 89,669.87	\$ 101.71	4.1%	(0.9%)	48%	21.5%	3.9x	16.1x	
Median	\$ 43,336.47	\$ 60.07	5.2%	0.7%	51.5%	19.6%	3.6x	17.1x	

Source: S&P Capital IQ

Note: All values based on publicly available data as of 12/31/2023.



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Public Comparable Companies (Cont'd)

<u>Company Name</u>	<u>Enterprise Value (\$mm)</u>	<u>Share Stock Price</u>	<u>Price Change</u>		<u>LTM Margins</u>		<u>TEV / LTM:</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	\$ 307.46	\$ 195.00	(5.3%)	7.7%	8.8%	1.6%	0.2x	7.3x
Performance Food Group Company	\$ 15,861.61	\$ 69.15	17.5%	18.4%	11.9%	2.5%	0.3x	10.4x
SpartanNash Company	\$ 1,594.01	\$ 22.95	4.3%	(24.1%)	15.2%	2.0%	0.2x	6.2x
Sysco Corporation	\$ 48,048.41	\$ 73.13	10.7%	(4.3%)	18.4%	4.7%	0.6x	12.6x
The Chefs' Warehouse, Inc.	\$ 2,029.44	\$ 29.43	39.0%	(11.6%)	23.6%	4.5%	0.6x	10.3x
United Natural Foods, Inc.	\$ 4,505.19	\$ 16.23	14.8%	(58.1%)	13.4%	1.3%	0.1x	6.1x
US Foods Holding Corp.	\$ 15,716.12	\$ 45.41	14.4%	33.5%	17.1%	3.9%	0.4x	10.9x
Mean	\$ 12,580.32	\$ 64.47	13.6%	(5.5%)	15%	2.9%	0.4x	9.1x
Median	\$ 4,505.19	\$ 100.00	14.4%	(4.3%)	15.2%	2.5%	0.3x	10.3x

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<u>Company Name</u>	<u>Enterprise Value (\$mm)</u>	<u>Share Stock Price</u>	<u>Price Change</u>		<u>LTM Margins</u>		<u>TEV / LTM:</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.	\$ 4,046.19	\$ 43.18	36.7%	35.3%	13.5%	9.6%	1.0x	6.4x
Chipotle Mexican Grill, Inc.	\$ 65,328.91	\$ 2,286.96	24.8%	64.8%	40.7%	19.4%	6.9x	27.7x
Darden Restaurants, Inc.	\$ 26,580.50	\$ 164.30	14.7%	18.8%	20.8%	15.5%	2.4x	12.8x
Domino's Pizza, Inc.	\$ 19,507.56	\$ 412.23	8.8%	19.0%	27.1%	19.4%	4.4x	20.6x
McDonald's Corporation	\$ 261,398.87	\$ 296.51	12.6%	12.5%	57.1%	53.8%	10.5x	17.2x
Restaurant Brands International Inc.	\$ 39,221.79	\$ 78.13	17.3%	20.8%	40.3%	33.7%	5.7x	17.1x
Starbucks Corporation	\$ 129,829.37	\$ 96.01	5.2%	(3.2%)	27.9%	19.8%	3.6x	12.8x
Yum! Brands, Inc.	\$ 48,215.07	\$ 130.66	4.6%	2.0%	49.4%	35.6%	6.8x	18.7x
Mean	\$ 74,266.03	\$ 438.50	15.6%	21.3%	34.6%	25.8%	5.1x	16.7x
Median	\$ 43,718.43	\$ 147.48	13.6%	18.9%	34.1%	19.6%	5.0x	17.2x

Source: S&P Capital IQ

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Public Comparable Companies (Cont'd)

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			<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	\$ 1,907.47	\$ 86.37	14.7%	(10.5%)	23.5%	6.3%	0.3x	4.6x	
Natural Grocers by Vitamin Cottage, Inc.	\$ 715.87	\$ 16.00	23.9%	75.1%	33.4%	5.9%	0.6x	5.7x	
Sprouts Farmers Market, Inc.	\$ 6,285.45	\$ 48.11	12.4%	48.6%	37.0%	7.6%	0.9x	7.9x	
The Kroger Co.	\$ 51,051.85	\$ 45.71	2.1%	2.5%	22.7%	5.3%	0.3x	5.9x	
Village Super Market, Inc.	\$ 639.59	\$ 26.23	15.9%	12.6%	28.4%	4.5%	0.3x	4.1x	
Weis Markets, Inc.	\$ 1,623.32	\$ 63.96	1.5%	(22.3%)	25.1%	5.2%	0.3x	5.3x	
Mean	\$ 10,370.59	\$ 47.73	11.8%	17.7%	28.4%	5.8%	0.5x	5.6x	
Median	\$ 1,765.40	\$ 46.91	13.5%	7.6%	26.8%	5.6%	0.3x	5.5x	
Food & Beverage Mean	\$ 42,882.64	\$ 124.94	7.5%	(0.4%)	30.3%	15.3%	2.4x	12.0x	
Food & Beverage Median	\$ 19,042.45	\$ 63.96	5.7%	(3.2%)	28.4%	15.1%	1.7x	10.8x	

Source: S&P Capital IQ

Note: All values based on publicly available data as of 12/31/2023.



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Q4 2023 M&A Activity

Announcement Date	Target Name	Buyer Name	Sector	Value (\$mm)	TEV/Re v	TEV/EBITD A
10/4/2023	BlueNalu, Inc.	Neom Investment Fund	Packaged Foods and Meats	35.50	-	-
10/9/2023	ONEHOPE, Inc.		Distillers and Vintners	172.47	-	-
10/10/2023	Substantially All Assets of Perfection Pet Foods, LLC	Post Holdings, Inc.	Packaged Foods and Meats	238.80	-	-
10/13/2023	Certain assets of Sunrise Growers	Nature's Touch Frozen Foods, LLC	Packaged Foods and Meats	141.00	-	-
10/17/2023	Fermented Food Condiment Brands of The J. M. Smucker Company	TreeHouse Foods, Inc.	Packaged Foods and Meats	20.00	0.3x	-
10/25/2023	Bowery Farming Inc.		Agricultural Products and Services	220.25	-	-
10/25/2023	Founders Table Restaurant Group, LLC		Restaurants	30.53	-	-
10/25/2023	Mrs. Fields Famous Brands, LLC	Pearl Street Equity L.L.C.	Food Retail	-	-	-
11/1/2023	Sahala Snacks	CapVest Partners	Packaged Foods and Meats	34.00	0.7x	-
11/3/2023	TDBBS, LLC	Central Garden & Pet Company	Packaged Foods and Meats	60.00	-	-
11/7/2023	Wonder Group, Inc.	Nestlé S.A.	Restaurants	100.00	-	-
11/8/2023	Green Giant U.S. shelf stable vegetable product line of B&G Foods, Inc.	Seneca Foods Corporation	Agricultural Products and Services	55.60	-	-

Source: S&P Capital IQ

Note: All values based on publicly available data as of 12/31/2023. ⁽¹⁾ Capital Raised



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Q4 2023 M&A Activity

Announcement Date	Target Name	Buyer Name	Sector	Value (\$mm)	TEV/Re v	TEV/EBITD A
11/16/2023	Sonoma-Cutrer Vineyards, Inc.	The Duckhorn Portfolio, Inc.	Agricultural Products and Services	391.49	4.7x	-
11/16/2023	Pollo Operations, Inc.	Comvest Credit Partners	Restaurants	115.00	-	-
11/17/2023	Perfect Day, Inc.		Packaged Foods and Meats	90.00	-	-
11/23/2023	Finsbury Food Group	DBAY Advisors	Packaged Foods and Meats	176.00	0.4x	4.9x
11/30/2023	Summit Hills Food, Inc.	EagleTree Capital, LP	Packaged Foods and Meats	-	-	-
12/4/2023	Fresh Vine Wine, Inc.	Notes Live, Inc.	Distillers and Vintners	350.88	-	-
12/13/2023	Daou Vineyards	Treasury Wine Estates (ASX: TWE)	Distillers and Vintners	1,000.00	4.7x	15.9x
12/13/2023	Shearer's Foods, LLC	Clayton, Dubilier & Rice, LLC	Packaged Foods and Meats	-	-	-
12/13/2023	Worldwide Sport Nutritional Supplements Inc	Bain Capital Private Equity, LP	Packaged Foods and Meats	-	-	-
12/27/2023	Better Foods Inc.	Cleveland Avenue Advisers, LLC	Packaged Foods and Meats	15.00	-	-

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 LLC (“GCG”) is a leading investment bank that advises clients including closely-held and family-owned businesses, private equity firms, and public companies. GCG’s senior bankers have collectively advised on hundreds of transactions over many years of experience in mergers and acquisitions, with most having backgrounds with large U.S. and global firms. GCG is focused on advising clients in key industry verticals throughout the U.S.

GCG was founded by entrepreneurially minded investment banking professionals focused on building an organization centered around advising clients. We strive to build relationships by representing our clients’ long-term interests and earning their trust. In contrast to the practice of pushing transaction responsibilities to junior resources, our philosophy is to deliver personalized, senior-level attention and experience to every GCG engagement. We are proud to offer references that will speak to a differentiated level of service and results. 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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