



# FOOD & BEVERAGE

Q3 2024

# Industry Trends

GCG has observed several key trends throughout Q3 2024 shaping the Food & Beverage industry, highlighting strategic shifts toward long-term competitiveness. Industry leaders have continued to divest non-core assets, refining their portfolios to focus on core strengths and operational efficiencies, creating valuable opportunities for buyers to acquire established brands at attractive valuations. The beverage sector saw robust M&A activity, with a strong push into premium, high-growth categories like luxury beverages, reflecting rising consumer demand for quality and exclusive experiences. Additionally, the integration of artificial intelligence is revolutionizing operations as companies use AI-driven solutions to manage costs, streamline supply chains, and adapt to shifting consumer preferences. These trends emphasize a sector-wide commitment to operational efficiency, premiumization, and innovation.

1

## Divestiture of Non-Core Assets

Leading companies in the food & beverage space are increasingly divesting non-core assets to streamline operations, strengthen their supply chain, and reduce debt. This creates the opportunity for niche buyers to acquire brands at a value, allowing them to sharpen their market focus. A recent example of this trend is The Hain Celestial Group selling its ParmCrisps brand to Our Home.



2

## Premiumization Fuels Beverage Industry Growth in 2024

The beverage sector has seen significant M&A activity as companies aim to expand their portfolios into premium high-growth sectors. Constellation Brands has led this trend with its acquisition of Sea Smoke Estate Vineyards, known for high-end Pinot Noir. This reflects the industry's shift toward luxury products to meet growing consumer demand for premiumization.



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## F&B Companies Place Importance on Artificial Intelligence

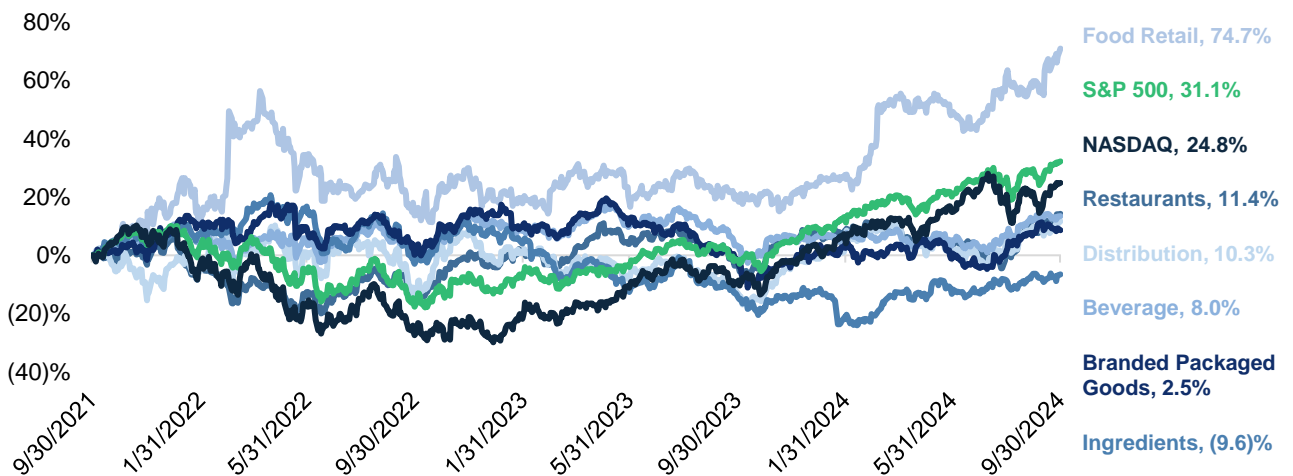
Food and beverage companies are increasingly using AI to tackle challenges like rising costs, supply chain disruptions, and changing consumer preferences. For instance, Unilever uses AI to assess product shelf life, texture, and taste, and predict factory performance during production, enhancing efficiency and quality control. This shift highlights AI's growing role in optimizing operations across the industry.



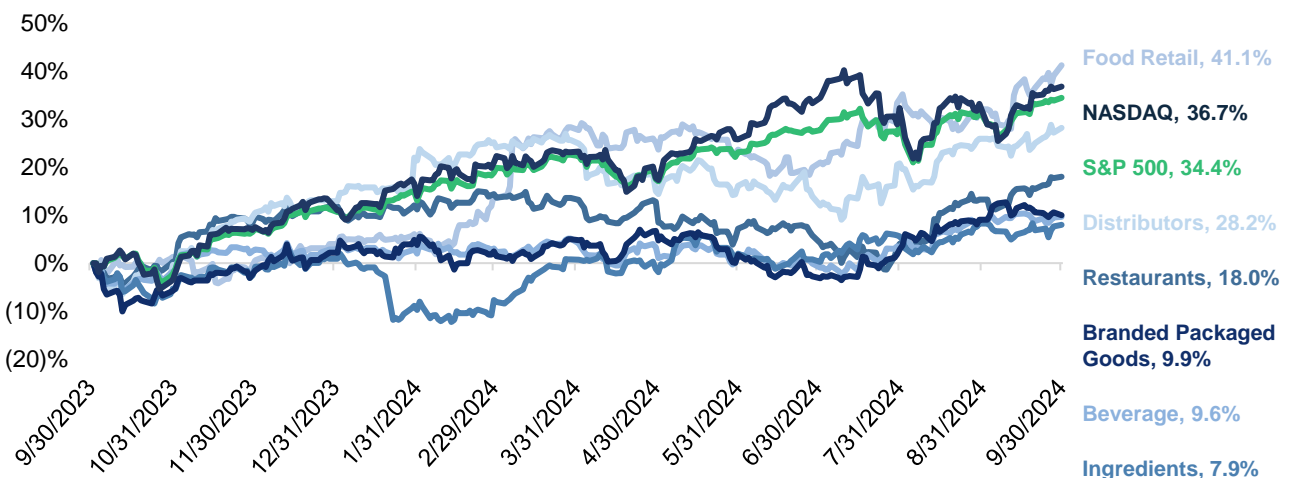
# Public Market Performance

The Food & Beverage (F&B) industry saw most sectors post quarter-over-quarter share price increases, driven by strong consumer spending in Q3, which has positively impacted financial performance and contributed to broader economic growth. While profitability has remained challenging throughout the year due to inflationary pressures and elevated costs, companies are increasingly prioritizing supply chain consolidation and operational efficiency. This strategic shift comes as it becomes more challenging to pass rising supply chain costs on to consumers, prompting industry players to seek internal efficiencies to protect margins. M&A deal activity increased in Q3 2024, and there is optimism for the end of the year due to anticipated Fed rate cuts in November and December. The Distributors segment saw the largest average share price increase over the quarter at 21.9% (see pg. 11). Over the 3-year period ending September 30, 2024, only the Food Retail sector outperformed the S&P 500 and NASDAQ indices, with gains of 74.7%. This performance highlights the resilience and adaption amongst the top players in the sector, positioning it well for sustained future growth.

## F&B Industry vs. S&P 500 & Nasdaq Composite Index Chart – 3 Years



## F&B Industry vs. S&P 500 & Nasdaq Composite Index Chart – LTM



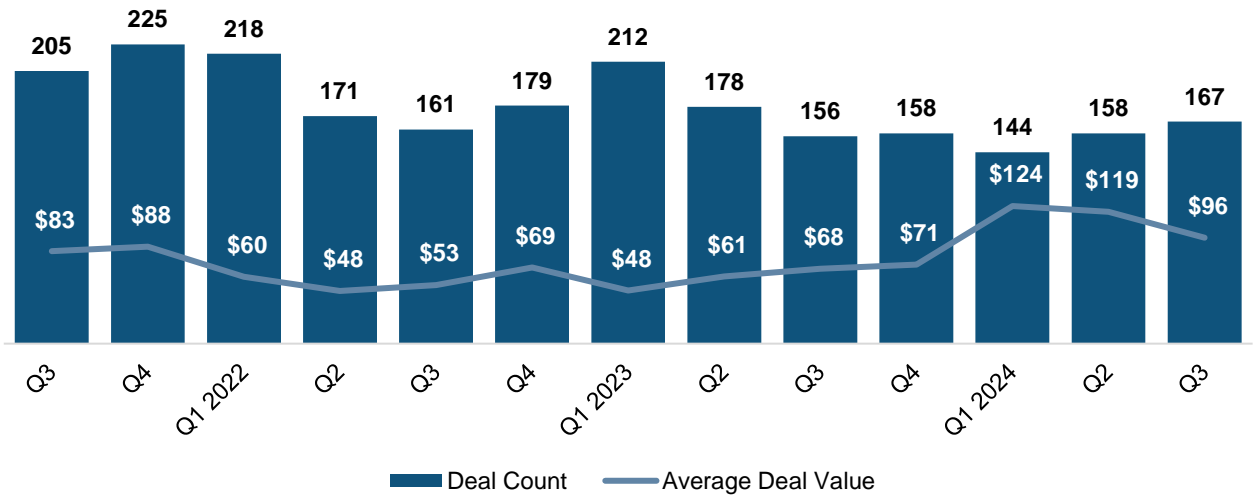
Source: Pitchbook

Note: All values based on publicly available data as of 09/30/2024

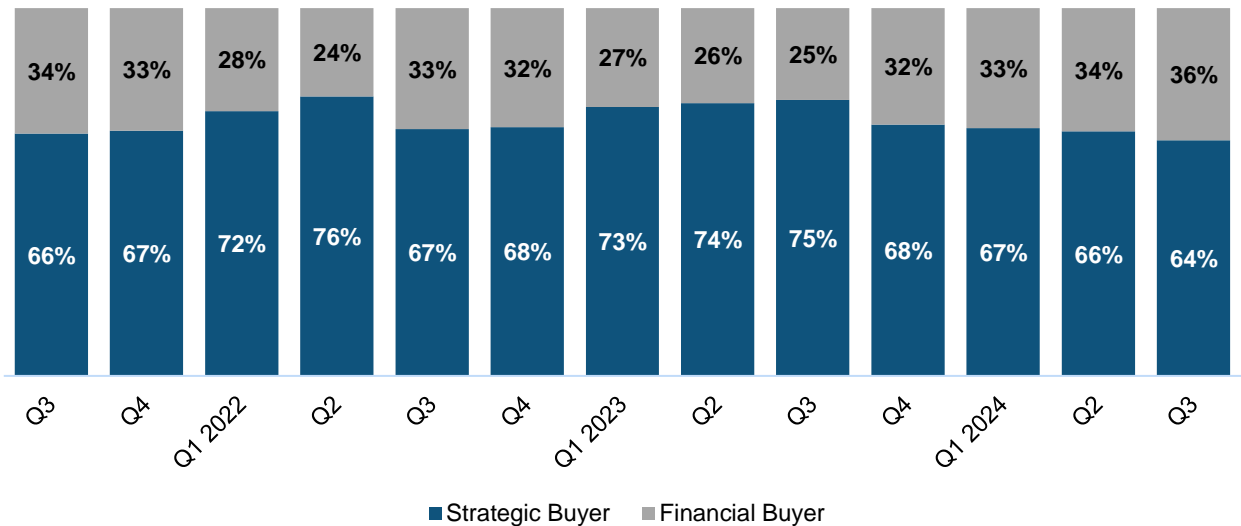
# Middle Market M&A Activity

In Q3 2024, the Food and Beverage industry sustained its upward trend in middle-market deal volume, continuing the growth seen since early in the year. While deal activity has steadily increased, average deal values have slightly compressed following two quarters of increased average deal values. This consistent rise in deal volume is likely fueled by significant dry powder available to financial sponsors and a favorable lending environment for strategic buyers, supported by recent Fed rate cuts. As a result, although average deal values have moderated, they remain strong compared to previous years as premium platform acquisitions and add-on deals continue to close. Strategic buyers remain the most active in the industry, accounting for 64% of the total transaction volume in the quarter.

## Food & Beverage Deal Activity (Deal Values in \$MM)



## M&A Activity by Buyer Type



Source: Pitchbook

Note: All values based on publicly available data as of 09/30/2024

# Representative Market Landscape

## Beverages



## Food Retail



## Ingredients



## Branded Packaged Goods



## Distributors









## Restaurants



# Comparable Transactions

## Q3 2024 M&A Activity – Select Transactions

7/17/2024	8/8/2024	8/20/2024
 Mistral Equity Partners <b>Verlinvest</b> acquires  Insomnia cookies	 <b>Lassonde</b> acquires  The Zidian GROUP	 <b>MARS</b> acquires  Kellanova
<p>Krispy Kreme has sold a majority stake of Insomnia Cookies to Mistral Equity Partners and Verlinvest for a total estimated deal amount of \$227.4MM. Insomnia Cookies, a rapidly expanding late-night bakery concept, has 250 locations worldwide, offering a variety of cookies, ice creams, and other sweets. Mistral and Verlinvest seek to take the company through its next chapter of growth.</p>	<p>Lassonde Industries has acquired The Zidian Group, the operator of Summer Garden Food Manufacturing, for a total estimated deal amount of \$286MM. Summer Garden develops and manufactures a wide range of premium sauces and condiments to over 20,000 locations. This acquisition expands the scope of Lassonde's North American specialty food business.</p>	<p>Mars has acquired Kellanova, a leading global snacking company, for a total consideration of \$35.9B. In acquiring Kellanova, Mars seeks to further develop its position as a sustainable snacking business that is fit for the future, while helping grow Kellanova into the world's best snacking company. Kellanova will become part of Mars Snacking division.</p>

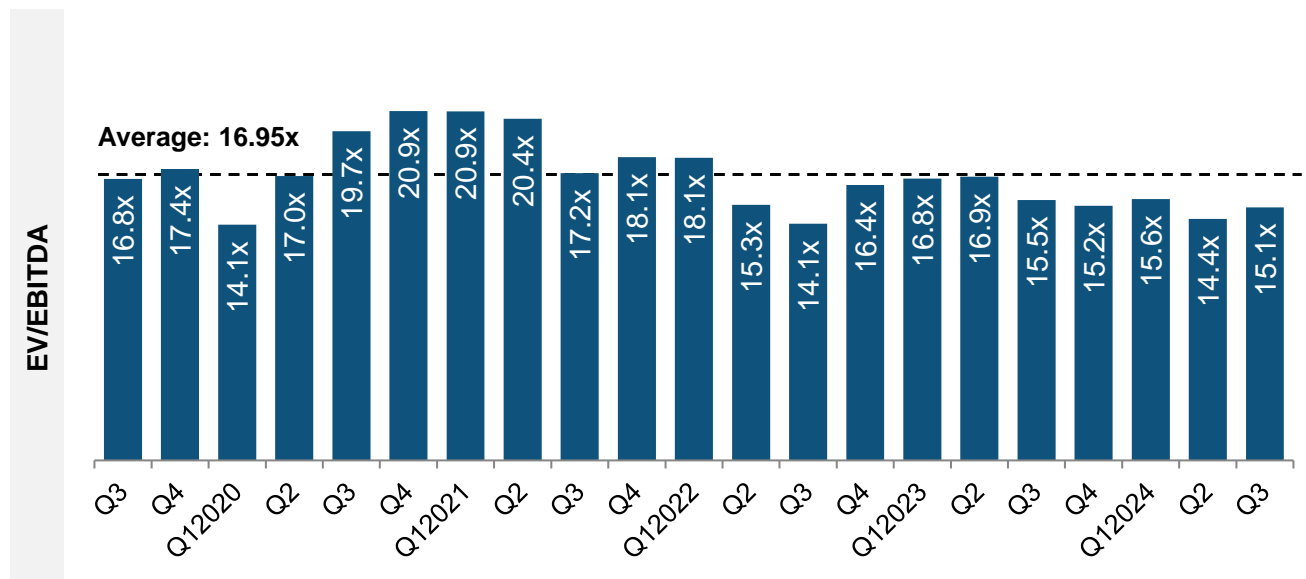
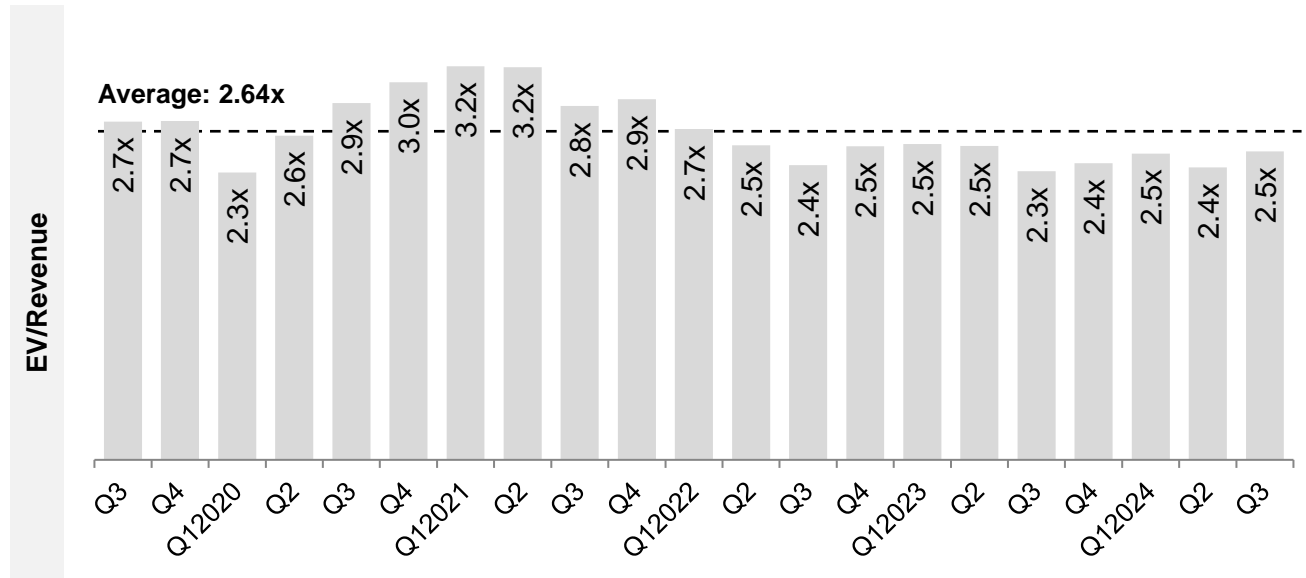
Announced Date	Target	Buyer	Value (\$MM)	TEV / Revenue	TEV / EBITDA
<b>Food &amp; Beverage</b>					
9/30/2024	Fresh Victor	Murano Group	1.86	-	-
9/23/2024	Milk Specialties Global	GoldenTree Asset Management	300.00 <sup>(1)</sup>	-	-
9/12/2024	Datassential Research	Endicott Capital	300.00	-	-
9/3/2024	7 Brew Coffee	Masked Rider Capital	12.42	-	-
9/3/2024	Wildflower Bread Company	Create Restaurants Holdings	28.20	-	-
8/20/2024	Kellanova	Mars	35,900.00	2.8x	20.4x
8/15/2024	Renaissance Food Group	F&S Fresh Foods	83.00	-	-
8/14/2024	Cheney Brothers	Performance Food Group	2,100.00	-	-
8/13/2024	Tacala	Adams Street Partners	512.50	-	-
8/8/2024	The Zidian Group	Lassonde Industries	286.00	1.9x	10.3x
8/7/2024	Far West Services	Undisclosed	100.00 <sup>(1)</sup>	-	-
8/5/2024	Whole Earth Brands	Rhône Group	169.00	0.3x	3.2x
8/4/2024	PUBLIC Craft Brewing Company	Lakefront Brewery	0.15	-	-
7/17/2024	Insomnia Cookies	Mistral Equity Partners., Verlinvest USA	227.40	-	-
7/17/2024	Chuy's Holdings	Darden Restaurants	605.00	1.2x	9.1x
7/10/2024	Pro Food Solutions	Comvest Partners	153.00 <sup>(1)</sup>	-	-
7/10/2024	Lotus Foods	Grounded Capital	22.50	-	-
7/1/2024	Killer Brownie	Irresistible Foods Group	42.00	-	-
7/1/2024	Coco & Eve	Gauge Capital	100.00	1.7x	-

Source: Pitchbook

Note: All values based on publicly available data as of 09/30/2024. <sup>(1)</sup> Capital Raised.

# Public Comparable Companies

Based on a representative set of publicly traded companies across the F&B industry, companies traded at an average multiple of 15.1x EBITDA and 2.5x Revenue in Q3 2024. The F&B industry recorded a 4.7% increase in average EBITDA multiple and a 5.5% increase in average Revenue multiple from the previous quarter.



Source: Pitchbook

Note: All values based on publicly available data as of 09/30/2024

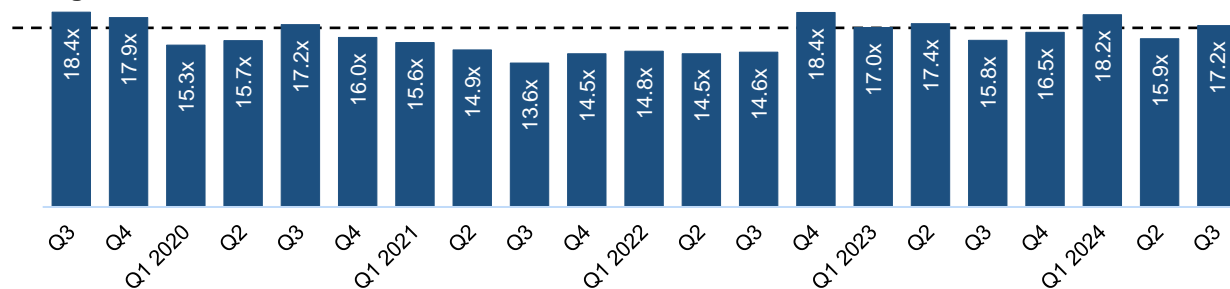
# Public Comparable Companies

## Branded Packaged Goods

Company Name	Enterprise Value (\$MM)	Share Stock Price	Price Change		LTM Margins		TEV / LTM:	
			3 month	12 month	Gross	EBITDA	Revenue	EBITDA
B&G Foods, Inc.	\$ 2,775.08	\$ 8.91	12.1%	(9.9%)	22.0%	4.5%	1.4x	31.0x
Campbell Soup Company	\$ 21,852.40	\$ 48.36	6.8%	17.7%	30.8%	30.8%	2.3x	15.5x
Conagra Brands, Inc.	\$ 24,281.21	\$ 32.72	15.6%	19.3%	27.7%	27.7%	2.0x	16.8x
General Mills, Inc.	\$ 54,529.26	\$ 74.62	17.9%	16.6%	34.6%	34.6%	2.8x	13.8x
Hormel Foods Corporation	\$ 19,669.22	\$ 31.66	4.0%	(16.7%)	16.8%	16.8%	1.6x	15.5x
Kellanova	\$ 34,146.40	\$ 80.65	42.2%	44.4%	34.4%	34.4%	3.0x	21.8x
Lancaster Colony Corporation	\$ 4,773.38	\$ 177.25	(6.0%)	7.4%	23.1%	23.1%	2.6x	18.3x
McCormick & Company, Incorporated	\$ 26,987.37	\$ 84.09	20.2%	11.2%	38.5%	38.5%	4.0x	20.8x
Mondelez International, Inc.	\$ 116,374.87	\$ 72.99	11.9%	5.2%	40.3%	40.3%	3.2x	15.5x
Post Holdings, Inc.	\$ 12,859.92	\$ 116.11	12.0%	35.4%	29.0%	29.0%	1.6x	10.3x
The J. M. Smucker Company	\$ 21,463.60	\$ 121.21	9.7%	(1.4%)	38.3%	38.3%	2.5x	11.9x
The Kraft Heinz Company	\$ 61,693.30	\$ 35.17	10.4%	4.5%	34.5%	34.5%	2.3x	13.3x
TreeHouse Foods, Inc.	\$ 3,585.98	\$ 41.41	14.1%	(5.0%)	15.7%	15.7%	1.1x	19.8x
Tyson Foods, Inc.	\$ 29,842.38	\$ 59.76	4.2%	18.4%	5.7%	5.7%	0.6x	15.6x
Mean	\$ 31,059.60	\$ 70.35	12.5%	10.5%	28.0%	26.7%	2.2x	17.1x
Median	\$ 23,066.80	\$ 66.38	12.0%	9.3%	29.9%	29.9%	2.3x	15.5x

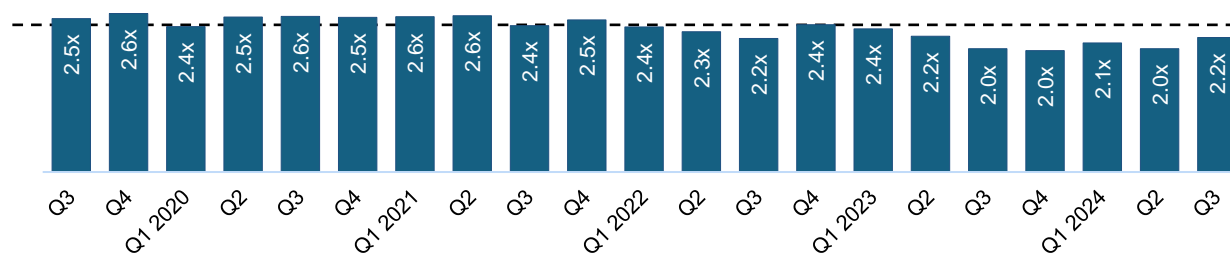
## Public Comps (TEV / EBITDA)

Average: 16.2x



## Public Comps (TEV / Revenue)

Average: 2.4x



Source: Pitchbook

Note: All values based on publicly available data as of 09/30/2024

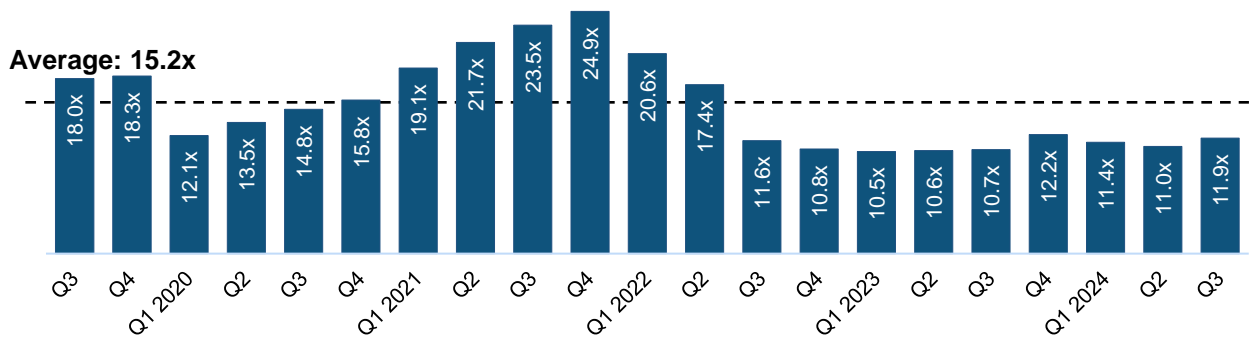


# Public Comparable Companies

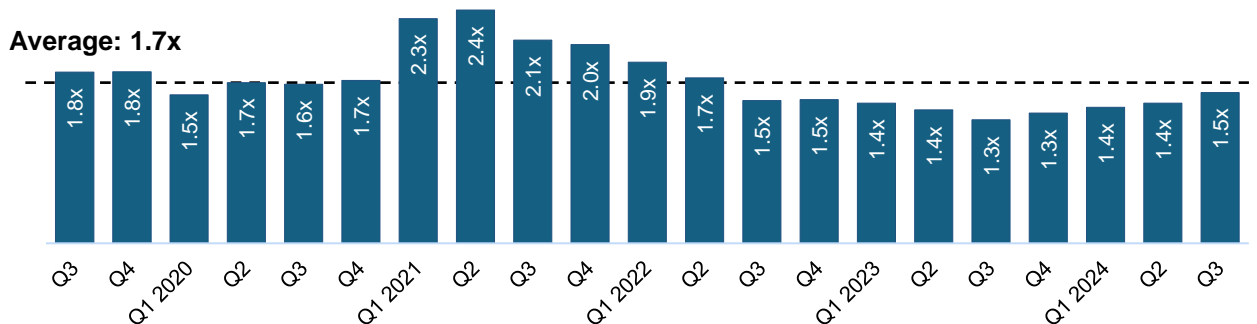
## Ingredients

Company Name	Enterprise Value (\$MM)	Share Stock Price	Price Change		LTM Margins		TEV / LTM:	
			3 month	12 month	Gross	EBITDA	Revenue	EBITDA
Archer-Daniels-Midland Company	\$ 39,884.01	\$ 59.52	(1.8%)	(21.1%)	7.4%	7.4%	0.4x	8.8x
Cal-Maine Foods, Inc.	\$ 3,010.89	\$ 76.84	22.4%	58.7%	28.0%	28.0%	1.1x	3.4x
Hormel Foods Corporation	\$ 19,669.22	\$ 31.66	4.0%	(16.7%)	16.8%	16.8%	1.6x	15.5x
Ingredion Incorporated	\$ 10,214.31	\$ 136.03	19.6%	38.2%	21.8%	21.8%	1.3x	8.8x
International Flavors & Fragrances Inc.	\$ 35,815.57	\$ 103.12	10.7%	51.3%	34.3%	34.3%	3.2x	17.3x
Pilgrim's Pride Corporation	\$ 13,565.74	\$ 48.12	25.8%	110.8%	9.8%	9.8%	0.8x	8.8x
Premium Brands Holdings Corporation	\$ 5,188.57	\$ 70.63	2.7%	0.2%	19.8%	19.8%	1.1x	15.2x
Sensient Technologies Corporation	\$ 3,956.47	\$ 78.47	6.5%	34.2%	31.4%	31.4%	2.6x	18.8x
Mean	\$ 16,413.10	\$ 75.55	11.2%	31.9%	21.2%	21.2%	1.5x	12.1x
Median	\$ 11,890.02	\$ 73.73	8.6%	36.2%	20.8%	20.8%	1.2x	12.0x

## Public Comps (TEV / EBITDA)



## Public Comps (TEV / Revenue)



Source: Pitchbook

Note: All values based on publicly available data as of 09/30/2024

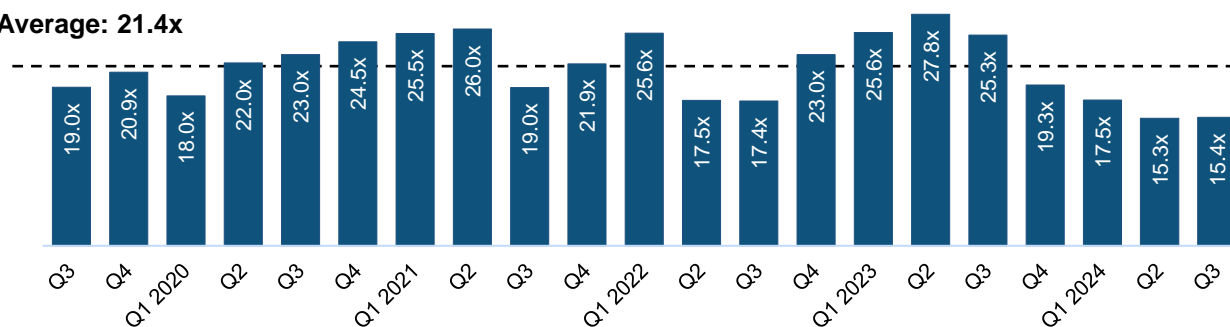
# Public Comparable Companies

## Beverages

Company Name	Enterprise Value (\$MM)	Share Stock Price	Price Change		LTM Margins		TEV / LTM:	
			3 month	12 month	Gross	EBITDA	Revenue	EBITDA
Anheuser-Busch InBev SA/NV	\$ 213,841.24	\$ 66.55	14.1%	20.3%	54.5%	54.5%	3.6x	11.1x
Brown-Forman Corporation	\$ 25,613.59	\$ 48.74	15.7%	(15.5%)	59.6%	59.6%	6.3x	17.6x
Constellation Brands, Inc.	\$ 59,082.53	\$ 257.68	0.5%	2.5%	51.1%	51.1%	5.8x	15.7x
Farmer Bros. Co.	\$ 94.17	\$ 1.91	(23.6%)	(26.0%)	39.3%	39.3%	0.3x	6.1x
Molson Coors Beverage Company	\$ 17,528.87	\$ 57.35	13.3%	(9.8%)	39.1%	39.1%	1.5x	7.3x
Monster Beverage Corporation	\$ 49,715.38	\$ 51.59	3.4%	(2.6%)	53.7%	53.7%	6.7x	23.8x
National Beverage Corp.	\$ 4,402.88	\$ 47.30	(10.4%)	0.6%	36.5%	36.5%	3.7x	17.7x
PepsiCo, Inc.	\$ 273,063.84	\$ 171.38	5.2%	1.1%	54.4%	54.4%	3.0x	16.7x
The Boston Beer Company, Inc.	\$ 3,196.45	\$ 288.10	(4.6%)	(26.0%)	43.8%	43.8%	1.6x	15.1x
The Coca-Cola Company	\$ 335,442.65	\$ 71.71	13.3%	28.1%	60.5%	60.5%	7.2x	23.0x
Mean	\$ 98,198.16	\$ 106.23	2.7%	(2.7%)	49%	49.3%	4.0x	15.4x
Median	\$ 37,664.48	\$ 61.95	4.3%	(1.0%)	52.4%	52.4%	3.6x	16.2x

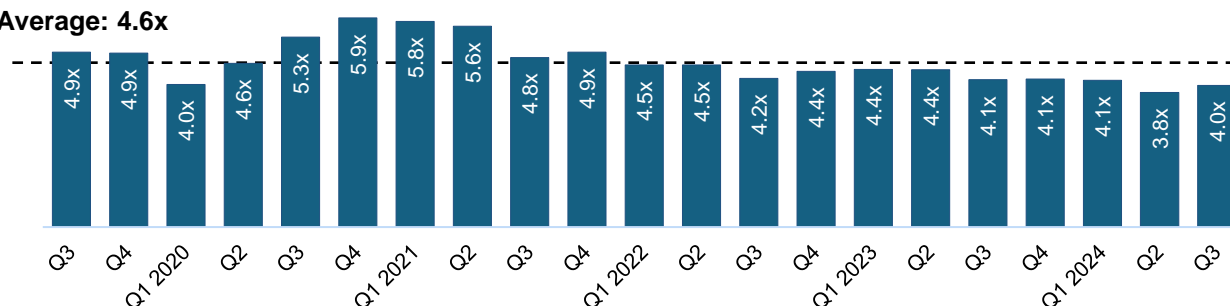
### Public Comps (TEV / EBITDA)

Average: 21.4x



### Public Comps (TEV / Revenue)

Average: 4.6x



Source: Pitchbook

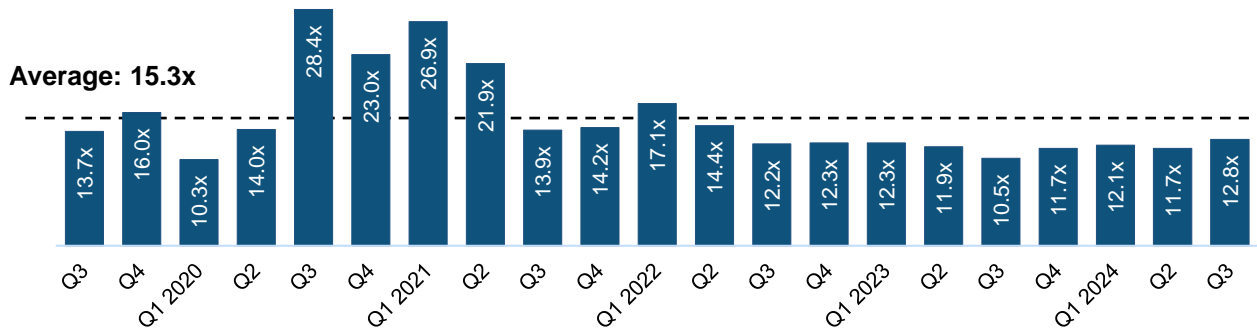
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# Public Comparable Companies

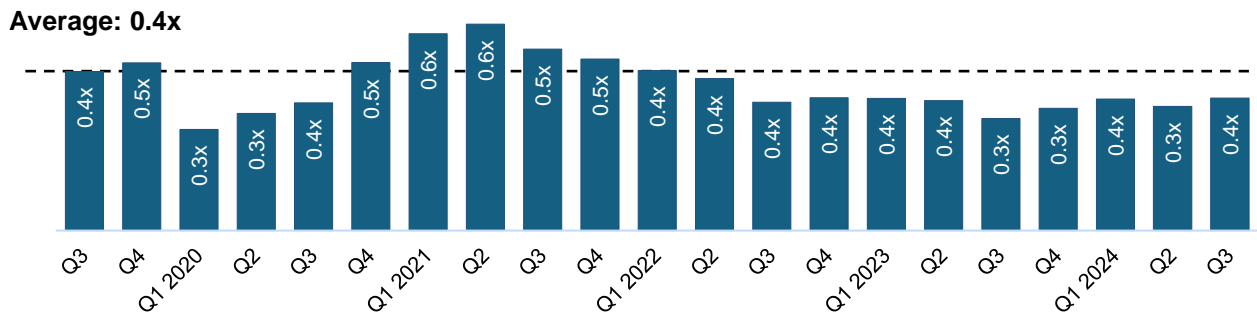
## Distributors

Company Name	Enterprise Value (\$MM)	Share Stock Price	Price Change		LTM Margins		TEV / LTM:	
			3 month	12 month	Gross	EBITDA	Revenue	EBITDA
AMCON Distributing Company	\$ 296.21	\$ 145.50	3.2%	(29.4%)	6.8%	6.8%	0.1x	10.1x
Performance Food Group Company	\$ 17,136.48	\$ 78.16	19.9%	32.8%	11.3%	11.3%	0.3x	12.4x
SpartanNash Company	\$ 1,628.14	\$ 22.58	23.7%	2.6%	15.5%	15.5%	0.2x	7.9x
Sysco Corporation	\$ 50,490.81	\$ 77.74	11.2%	17.7%	18.5%	18.5%	0.6x	12.1x
The Chefs' Warehouse, Inc.	\$ 2,541.93	\$ 41.84	6.8%	97.5%	23.9%	23.9%	0.7x	14.6x
United Natural Foods, Inc.	\$ 4,815.12	\$ 21.96	71.7%	55.3%	13.6%	13.6%	0.2x	14.8x
US Foods Holding Corp.	\$ 19,547.57	\$ 61.55	17.1%	55.0%	17.3%	17.3%	0.5x	13.8x
Mean	\$ 13,779.47	\$ 64.19	21.9%	33.1%	15%	15.3%	0.4x	12.2x
Median	\$ 4,815.12	\$ 100.00	17.1%	32.8%	15.5%	15.5%	0.3x	12.4x

## Public Comps (TEV / EBITDA)



## Public Comps (TEV / Revenue)



Source: Pitchbook

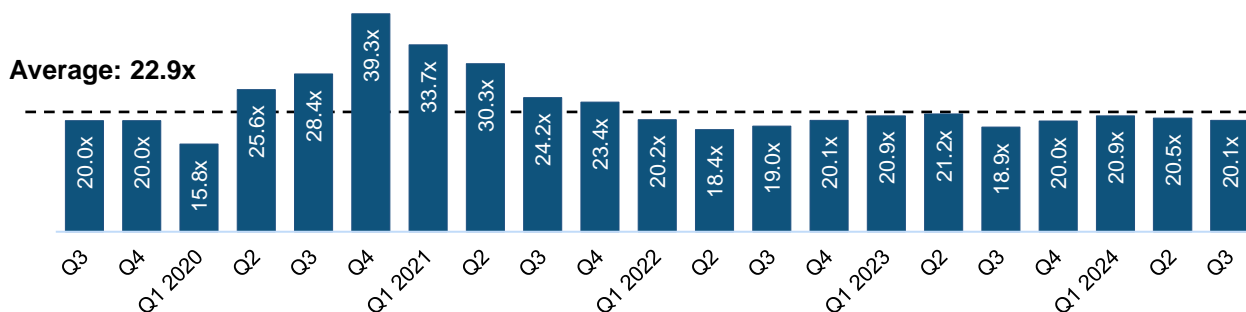
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# Public Comparable Companies

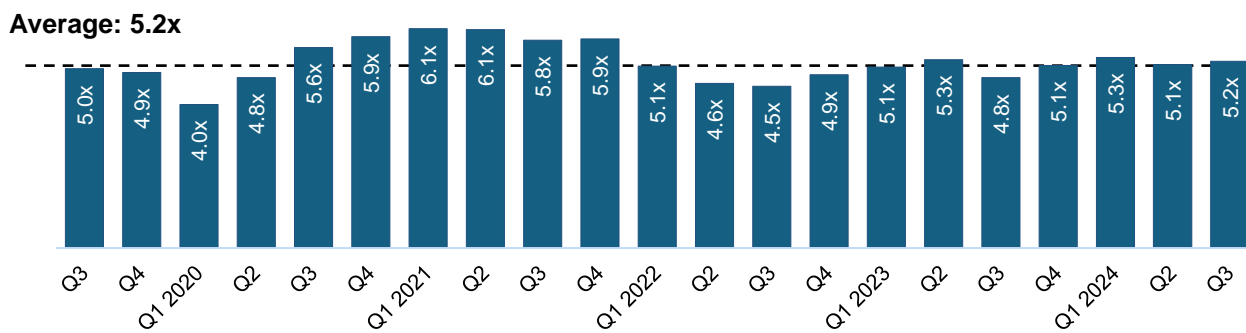
## Restaurants

Company Name	Enterprise Value (\$MM)	Share Stock Price	Price Change		LTM Margins		TEV / LTM:	
			3 month	12 month	Gross	EBITDA	Revenue	EBITDA
Brinker International, Inc.	\$ 5,459.41	\$ 78.76	8.6%	149.3%	14.2%	14.2%	1.2x	13.6x
Chipotle Mexican Grill, Inc.	\$ 81,081.89	\$ 57.17	(7.5%)	56.0%	27.1%	27.1%	7.6x	38.3x
Darden Restaurants, Inc.	\$ 24,407.98	\$ 164.12	10.6%	14.6%	21.2%	21.2%	2.1x	13.5x
Domino's Pizza, Inc.	\$ 19,979.84	\$ 430.66	(14.8%)	13.7%	38.9%	38.9%	4.3x	20.8x
McDonald's Corporation	\$ 268,547.66	\$ 302.98	21.2%	15.0%	57.0%	57.0%	10.4x	19.6x
Restaurant Brands International Inc.	\$ 40,342.96	\$ 72.49	3.1%	8.8%	39.0%	39.0%	5.4x	16.9x
Starbucks Corporation	\$ 132,316.08	\$ 97.43	26.3%	6.7%	27.5%	27.5%	3.6x	17.9x
Yum! Brands, Inc.	\$ 49,793.41	\$ 139.24	7.4%	11.4%	49.3%	49.3%	7.0x	19.9x
Mean	\$ 77,741.15	\$ 167.86	6.9%	34.5%	34.3%	34.3%	5.2x	20.1x
Median	\$ 45,068.19	\$ 118.34	8.0%	14.1%	33.2%	33.2%	4.9x	18.8x

### Public Comps (TEV / EBITDA)



### Public Comps (TEV / Revenue)



Source: Pitchbook

Note: All values based on publicly available data as of 09/30/2024

# Public Comparable Companies

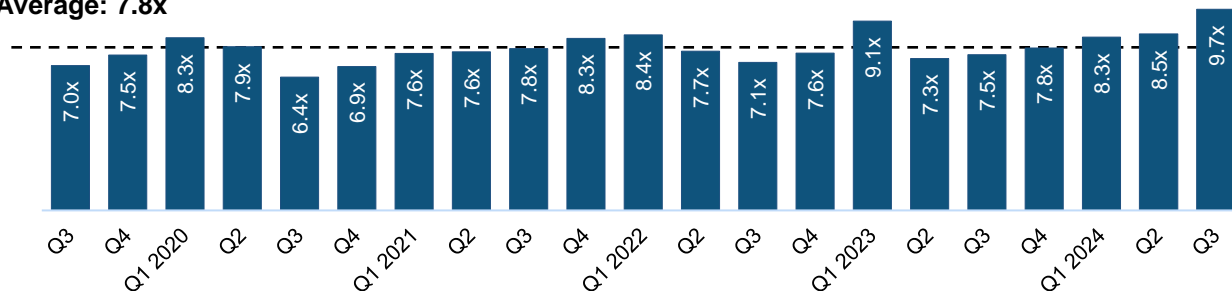
## Food Retail

Company Name	Enterprise Value (\$MM)	Share Stock Price	Price Change		LTM Margins		TEV / LTM:	
			3 month	12 month	Gross	EBITDA	Revenue	EBITDA
Ingles Markets, Incorporated	\$ 1,537.39	\$ 69.31	1.1%	(8.0%)	23.5%	23.5%	0.3x	4.4x
Natural Grocers by Vitamin Cottage, Inc.	\$ 1,021.83	\$ 29.44	38.3%	128.0%	29.1%	29.1%	0.8x	14.0x
Sprouts Farmers Market, Inc.	\$ 12,552.53	\$ 110.97	32.8%	159.3%	37.4%	37.4%	1.7x	18.0x
The Kroger Co.	\$ 56,526.91	\$ 56.71	12.2%	26.7%	22.4%	22.4%	0.4x	7.3x
Village Super Market, Inc.	\$ 721.56	\$ 31.26	19.1%	38.1%	28.6%	28.6%	0.3x	7.3x
Weis Markets, Inc.	\$ 1,590.39	\$ 68.24	8.8%	8.3%	24.6%	24.6%	0.3x	6.6x
Mean	\$ 12,325.10	\$ 60.99	18.7%	58.7%	27.6%	27.6%	0.6x	9.6x
Median	\$ 1,563.89	\$ 62.48	15.6%	32.4%	26.6%	26.6%	0.4x	7.3x

Food & Beverage Mean	\$ 44,159.56	\$ 90.75	11.6%	23.3%	30.2%	29.9%	2.5x	14.9x
Food & Beverage Median	\$ 19,669.22	\$ 70.63	10.7%	13.7%	28.6%	28.6%	1.6x	15.1x

## Public Comps (TEV / EBITDA)

Average: 7.8x



## Public Comps (TEV / Revenue)

Average: 0.5x



Source: Pitchbook

Note: All values based on publicly available data as of 09/30/2024

# About Greenwich Capital Group

*Greenwich Capital Group is a middle-market focused investment bank offering a range of strategic and financial advisory services to privately held businesses, private equity investors and publicly traded companies. Our senior professionals have held leadership positions at large, global platforms, bringing a wealth of experience and industry insight to each of our clients.*

- National Investment Banking Platform, with Five Offices throughout the United States
- Global Expertise with a Focus on the Middle-Market
- Senior-Level Investment Bankers who Specializing in:

- Private Company Transactions
- Family-Owned Businesses
- Corporate Divestitures
- ESOP Transactions
- Capital Advisory Mandates



## Mergers & Acquisitions

- Private Company Sale Transactions
- Corporate Divestitures
- Acquisitions
- Leveraged Recapitalizations
- Joint Ventures
- Distressed M&A

## ESOP and Financial Advisory

- ESOP Feasibility Study
- ESOP Advisory
- Complex Financial Modeling
- Business Valuation
- Strategic Options Analysis
- Corporate Development Advisory
- Board Advisory Services

## Capital Raising

- Senior Debt
- Junior Debt
- Unitranche Debt
- Minority Equity

**Independent & Focused Advice**

**Senior Level Attention**

**Industry Experience**

**Entrepreneurial & Collaborative**

**World-Class Advisory Services to the Middle Market**

# Food & Beverage Expertise


## Select Transactions




has been acquired by



a portfolio company of



has been acquired by




LaSalle Capital





S. Abraham & Sons, Inc



has been acquired by




has acquired



has acquired



has sold its Fruit<sub>2</sub>O water and Veryfine juice brands and related assets to




a subsidiary of


J.W. Childs Associates




has acquired



has acquired



has been recapitalized by



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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.

For additional perspective or to discuss M&A related opportunities in the Food & Beverage sector, please reach out to GCG's Food & beverage practice leader, Andrew Dickow. For more information, please visit [www.greenwichgp.com](http://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 Pitchbook database. For more information on this or anything else related to our research, please email [info@greenwichgp.com](mailto:info@greenwichgp.com).

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