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Food & Beverage Market Update

THIRD QUARTER 2023

Food & Beverage Industry Overview

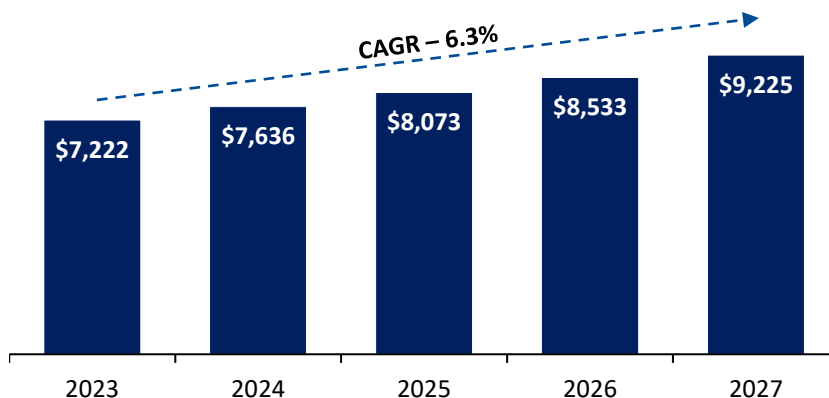


The U.S. food and beverage trends prioritize meeting customer needs and lifestyles through pricing and digital solutions, including online ordering systems, Direct-to-Consumer approaches and on-the-go lifestyles.

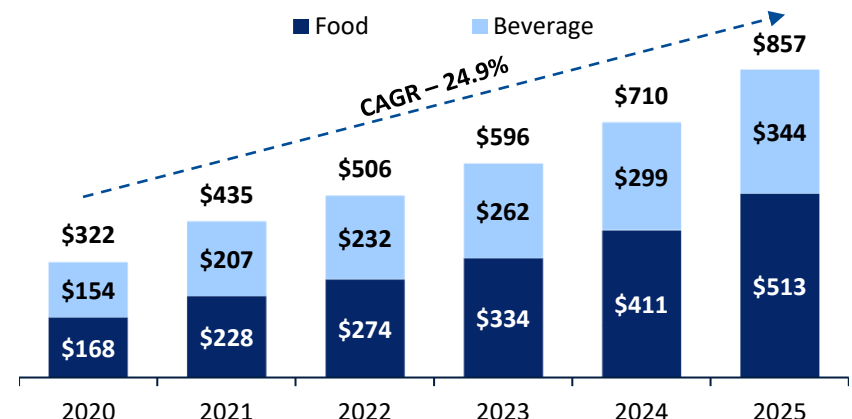
Overview

- In 2022, the U.S. firmly established itself as a leader in the food service industry, commanding a substantial 25.5% share of the global market. The industry is being driven by changing consumer preferences and technological advancements.
- The U.S. food service industry aims for \$2.0TN by 2033 with a 7.3% CAGR from 2023 to 2033. In 2023, the U.S. grocery retail market anticipates moderate growth due to lower inflation, rising consumer interest in foodservice, and nontraditional retailers gaining market share.
- The global beverage market is valued at \$1.8TN as of 2022. In the U.S., the beverage industry is divided into alcoholic and non-alcoholic segments, with water accounting for 51.2% of the non-alcoholic category and beer leading the alcoholic segment.
- The global vegan food market is expected to expand from \$26.2BN in 2021 to \$61.4BN by 2028. Rising demand for meat substitutes, alternative dairy, and younger generations' acceptance of vegan products drive market growth.
- The on-the-go food market is valued at \$185.8MM and is set to almost double to \$371.6MM in the coming years.
- The diverse U.S. food industry spans across categories such as baby food, bread & cereal products, convenience food, confectionary & snacks, dairy products & eggs, fish and seafood, meat, oils and fats, pet food, sauces and spices, vegetables, and sweeteners. Notably, the confectionery and snacks segment anticipates substantial growth, nearing \$80.0BN by 2026, while both dairy products and eggs, as well as the meat segments, are forecasted to expand by almost \$40.0BN each by 2026.

Global Food & Beverage Market Size (\$BN)



U.S. Food & Beverage Market Size (\$BN)









Food & Beverage M&A Deals



Date	Target	Buyer	EV / Revenue	EV / EBITDA	Target Description
Sep-23			0.7x	CONF	Produces, processes, and markets nuts and dried fruits snacks in the United States.
Sep-23			4.0x	17.2x	Develops, manufactures, markets, sells, and distributes snack products in the United States and Canada.
Aug-23			3.2x	14.6x	Operates as a consumer-packaged food company that manufactures and distributes consumer food products in the United States.
Jun-23			CONF	CONF	Producer of craft hard cider.
May-23			0.6x	CONF	Manufactures and markets food and beverage products.
Mar-23			CONF	CONF	United Malt Group Limited processes and supplies malt and craft ingredients to brewers, distillers, and food markets.
Mar-23			2.1x	13.3x	Engages in the production, distribution, and sale of alcohol-based products.
Dec-22			10.5x	16.2x	Operates as a Bourbon and Rye whiskey producer.
Sep-22			2.0x	39.6x	Produces plant-based protein food products.
Sep-22			1.3x	8.8x	A craft brewing company, that engages in the production of beer.

Payment Processing M&A Deals (cont.)



Date	Target	Buyer	EV / Revenue	EV / EBITDA	Target Description												
Sep-22		 DELTA CORP	CONF	CONF	Manufactures, roasts, packages, markets, and distributes roasted and blended coffees.												
Mar-22		 FORBIDDEN SPIRITS DISTILLING CO.	0.6x	6.3x	Manufactures craft distillers such as spirits, beers, and ready-to-drink products.												
Jan-22		 PLANT PLUS FOODS	CONF	CONF	Manufactures and sells food products in North America.												
Jan-22		 VWE VINTAGE WINE ESTATES	CONF	CONF	Produces and retails wine.												
Dec-21			2.4x	CONF	Manufactures and markets chips, cookies, and other snack products.												
Dec-21		 TREASURY WINE ESTATES	5.8x	13.2x	Engages in wine production.												
Dec-21			CONF	CONF	Processes, produces, and distributes a range of dairy products.												
<table border="1"> <tbody> <tr> <td>25th Percentile</td> <td>1.0x</td> <td>12.1x</td> </tr> <tr> <td>Mean</td> <td>3.0x</td> <td>16.2x</td> </tr> <tr> <td>Median</td> <td>2.1x</td> <td>14.0x</td> </tr> <tr> <td>75th Percentile</td> <td>3.6x</td> <td>16.5x</td> </tr> </tbody> </table>			25th Percentile	1.0x	12.1x	Mean	3.0x	16.2x	Median	2.1x	14.0x	75th Percentile	3.6x	16.5x			
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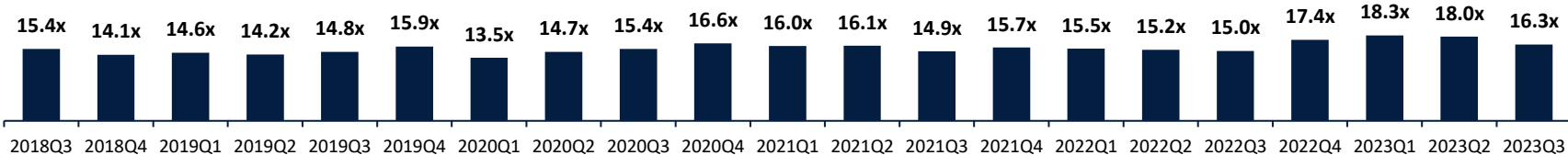
Comparable Food & Beverage Public Companies



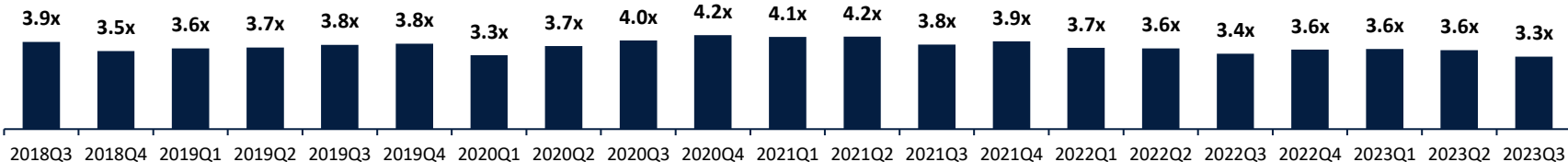
Food & Beverage	Market		LTM Results		LTM Margins		1Yr FWD Margins		TEV / LTM:		TEV / 1Yr FWD:	
	Cap	Revenue	EBITDA	Gross	EBITDA	Gross	EBITDA	Revenue	EBITDA	Revenue	EBITDA	
Anheuser-Busch InBev SA/NV	\$ 106,648	\$ 59,092	\$ 18,442	54.2%	31.2%	54.2%	33.9%	3.3x	10.6x	3.0x	9.0x	
Monster Beverage Corporation	\$ 52,795	\$ 6,691	\$ 1,899	52.2%	28.4%	52.2%	30.4%	7.4x	26.1x	6.5x	21.6x	
Constellation Brands, Inc.	\$ 43,693	\$ 9,786	\$ 3,152	50.1%	32.2%	50.1%	36.7%	5.7x	17.7x	5.3x	14.5x	
General Mills, Inc.	\$ 36,772	\$ 20,281	\$ 4,216	33.9%	20.8%	33.9%	20.6%	2.4x	11.6x	2.4x	11.4x	
Brown-Forman Corporation	\$ 27,268	\$ 4,259	\$ 1,329	59.2%	31.2%	59.2%	33.1%	7.0x	22.5x	6.6x	19.9x	
Hormel Foods Corporation	\$ 20,116	\$ 12,195	\$ 1,946	16.8%	16.0%	16.8%	12.6%	1.9x	11.7x	1.9x	14.8x	
Kellanova	\$ 17,360	\$ 15,873	\$ 2,118	30.6%	13.3%	30.6%	16.2%	1.6x	11.7x	1.8x	11.0x	
McCormick & Company, Incorporated	\$ 16,998	\$ 6,605	\$ 1,282	36.7%	19.4%	36.7%	18.6%	3.3x	16.9x	3.2x	17.0x	
Conagra Brands, Inc.	\$ 13,159	\$ 12,277	\$ 2,630	27.5%	21.4%	27.5%	19.3%	1.8x	8.5x	1.8x	9.4x	
Molson Coors Beverage Company	\$ 13,015	\$ 11,178	\$ 2,038	34.9%	18.2%	34.9%	19.9%	1.7x	9.4x	1.6x	8.3x	
Campbell Soup Company	\$ 11,787	\$ 9,357	\$ 2,154	31.4%	23.0%	31.4%	18.9%	1.8x	7.7x	1.8x	9.3x	
Lancaster Colony Corporation	\$ 4,789	\$ 1,823	\$ 232	21.3%	12.7%	21.3%	13.8%	2.6x	20.4x	2.5x	18.0x	
National Beverage Corp.	\$ 4,342	\$ 1,179	\$ 238	34.9%	20.1%	34.9%	20.3%	3.5x	17.5x	3.5x	17.1x	
Primo Water Corporation	\$ 2,145	\$ 2,257	\$ 455	60.2%	20.2%	60.2%	20.4%	1.7x	8.5x	1.6x	7.6x	
B&G Foods, Inc.	\$ 604	\$ 2,133	\$ 330	21.3%	15.5%	21.3%	15.1%	1.3x	8.7x	1.4x	9.0x	

25th Percentile	27.5%	16.0%	27.5%	16.2%	1.7x	8.7x	1.8x	9.2x
Mean	37.7%	21.6%	37.7%	22.0%	3.1x	13.9x	3.0x	13.2x
Median	34.9%	20.2%	34.9%	19.9%	2.4x	11.7x	2.4x	11.4x
75th Percentile	52.2%	28.4%	52.2%	30.4%	3.5x	17.7x	3.5x	17.1x

Quarterly EV / EBITDA Trend



Quarterly EV / Revenue Trend



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