

**PKF Investment Banking**  
***Q4 2023 Food & Beverage Quarterly Review***















Winter 2023

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# Food & Beverage M&A Market – Key Observations

1	Resilient Food & Beverage M&A Landscape	<ul style="list-style-type: none"> <li>Despite the uncertainty in other consumer sectors, food &amp; beverage remains an active vertical.</li> <li>Deflationary trends coupled with a resilient pent-up demand have continued to spur M&amp;A activity – also, valuation multiples remain strong for high-quality assets.</li> </ul>
2	On-Going Synergistic Consolidation	<ul style="list-style-type: none"> <li>Strategic buyers are pursuing accretive acquisitions as they seek synergies, economies of scale, increased negotiation power with suppliers and additional revenue opportunities – often paying healthy multiples.</li> <li>Large strategic players and middle market brands are investing in self-manufacturing capabilities via M&amp;A.</li> </ul>
3	Selective Private Equity Buyer Activity	<ul style="list-style-type: none"> <li>Private equity buyers remain selective, electing to focus on high-quality platforms with proven cash flow pattern, resilient revenue, and robust gross margins.</li> <li>Sponsor-backed platforms are actively pursuing add-ons to unlock synergies – these acquisitions have thrived due to less debt utilization.</li> </ul>
4	Main Areas of Opportunity Going Forward	<ul style="list-style-type: none"> <li><u>Health, Wellness and Sustainability</u> – Pervasive trends fueling M&amp;A to tap into new product lines and boost margins</li> <li><u>Pet</u> – Growing category bolstered by humanization of pets, on-going innovation and demand for healthier ingredients</li> <li><u>Direct-to-Consumer</u> – Leverage consumer data to tailor product offering and improve long-term customer experience</li> </ul>
5	Continued Optimism Looking Ahead	<ul style="list-style-type: none"> <li>Looking ahead, we remain optimistic in terms of M&amp;A appetite amidst moderating inflation, a resilient labor market, and a more stable (possibly, declining) interest rate environment.</li> <li>Investors will remain selective in pursuing quality assets with track record of growth and defensible market position.</li> </ul>

# Select Prominent M&A Transactions

Date	Target	Acquirer	Deal Type	Target Description / Deal Rationale
Oct 2023	<b>Mondelez International</b> (Chewing Gum Business)		Strategic	<b>Acquisition of Mondelez's Gum Business in N. America / Europe for \$1.35bn</b> <ul style="list-style-type: none"> <li>Global expansion of Perfetti Van Melle's portfolio of chewing gum brands</li> <li>Further bolster manufacturing capacity, market distribution and financial profile</li> </ul>
Oct 2023			Financial	<b>Acquisition of Bazooka Candy Brands by Apax Partners for \$0.7bn</b> <ul style="list-style-type: none"> <li>Continue to capitalize on Bazooka's portfolio of iconic confectionery brands</li> <li>Focus on distribution growth, product innovation, geographic expansion, and M&amp;A</li> </ul>
Oct 2023			Strategic	<b>Acquisition of Jelly Belly Candy by Ferrara Candy Company – terms undisclosed</b> <ul style="list-style-type: none"> <li>Combine jellybean flavors / gourmet specialty confections with Ferrara's portfolio</li> <li>Access to Jelly Belly's distribution in 60+ countries across five continents</li> </ul>
Nov 2023	<b>Primo Water</b> (International Businesses)		Strategic	<b>Acquisition of a significant portion of Primo Water's International for \$0.6bn</b> <ul style="list-style-type: none"> <li>Focus on N.America where Primo has leadership, scale and large addressable market</li> <li>Drive organic growth, reduce leverage, accelerate Water Direct tuck-in M&amp;A</li> </ul>
Nov 2023			Strategic	<b>Acquisition of DAOU Vineyards by Treasury Wine Estates for \$1.0bn</b> <ul style="list-style-type: none"> <li>Drive Treasury Wine Estates' portfolio growth strategy in the U.S. and globally</li> <li>Ensure sufficient scale to potentially launch a luxury wine division in the Americas</li> </ul>
Dec 2023			Financial	<b>Acquisition of Newly Weds Foods by Redwood Holdings for \$4.0bn</b> <ul style="list-style-type: none"> <li>In line with Redwood's strategy of investing in companies with strong market position</li> <li>Following the deal, Newly Weds will continue to operate as an independent entity</li> </ul>
Dec 2023			Strategic	<b>Acquisition of Courvoisier Cognac from Beam Suntory for \$1.2 bn</b> <ul style="list-style-type: none"> <li>Add one of the major cognac brands to Campari's portfolio – cognac would become the 4<sup>th</sup> major part of the group, alongside aperitifs, bourbon and tequila</li> </ul>
Dec 2023			Strategic	<b>Acquisition of La Colombe by Chobani for \$0.9bn</b> <ul style="list-style-type: none"> <li>La Colombe will benefit from Chobani's extensive retail execution, marketing and cold chain capabilities as well as expand the reach of its single-serve product line</li> </ul>



Source: FactSet, PitchBook, PKF Investment Banking – information as of December 31, 2023

# Select Recent M&A Transactions – Food & Beverage

Investor	Target	Date	Investor	Target	Date	Investor	Target	Date	
 Tyson	 PROTIX	Oct 2023	Frontenac	 嘉嘉 PRIME FOOD	Oct 2023	 GlacierPoint ENTERPRISES	Cool River Beverages	Dec 2023	
 PRITZKER PRIVATE CAPITAL	 SUGAR FOODS CORPORATION	Oct 2023	 GRUPO BIMBO NOURISHING A BETTER WORLD	 Mile Hi Companies	Oct 2023	 SPC SWANDER PACE CAPITAL	 CDPQ	 BOULANGERIE ST METHODE BAKERY   DEPUIS - SINCE 1947	Dec 2023
Promise Holdings	 EST. 1914 EDWARD MARC CHOCOLATIER	Oct 2023	 EAGLETREE CAPITAL	 SummitHill FOODS	Nov 2023	 H. I. G. CAPITAL	 Patriot Pickle	Dec 2023	
 IMPACT CAPITAL	 JUNKLESS.	Oct 2023	 Altamont CAPITAL PARTNERS	 MINI MELTS Ice Cream	Nov 2023	 CASTLE HARLAN	 BojaAquaFarms	Dec 2023	
 SK CAPITAL	 JK Ingredients	Oct 2023	 SENECA	 Green Giant	Nov 2023	 B&G	 Old Neighborhood QUALITY FOODS	Dec 2023	
Benford Capital Partners	 JP FOODS	Oct 2023	 Weetabix	Deeside Cereals	Dec 2023	 CLAYTON DUBILIER & RICE	 SHEARER'S	Dec 2023	

Source: FactSet, PitchBook, PKF Investment Banking

## Select Recent M&A Transactions – Pet

Investor	Target	Date	Investor	Target	Date	Investor	Target	Date
		Oct 2023			Nov 2023		<i>John A. Van Den Bosch Co.</i>	Dec 2023
		Oct 2023			Nov 2023			Dec 2023
		Oct 2023			Nov 2023			Dec 2023
		Nov 2023			Dec 2023			Dec 2023

# Select Recent Offerings / Private Placements

Date	Target Description / Deal Synopsis
Oct 2023	<b>THIRD WAVE COFFEE COMPLETES SERIES C</b> <ul style="list-style-type: none"> <li>Specialty coffee brand Third Wave Coffee completed a <b>\$35m Series C</b> led by Creaegis, with participation from Westbridge.</li> </ul>
Oct 2023	<b>BLUENALU RAISES NEW ROUND</b> <ul style="list-style-type: none"> <li>Cell-based seafood / alternative bluefin tuna company, BlueNalu, secured <b>\$33.5m from new and existing investors in a Series B</b>.</li> </ul>
Oct 2023	<b>UMIAMI RAISES NEARLY \$35M</b> <ul style="list-style-type: none"> <li>Plant-based whole cut chicken producer Umiامي secured <b>\$34.7m</b> in a round led by the S. de PI Fund and French Tech Seed.</li> </ul>
Oct 2023	<b>EDEN BREW SECURES NEARLY \$25M</b> <ul style="list-style-type: none"> <li>Eden Brew, a developer of animal-free casein dairy products, completed a <b>\$24.5m Series A</b> led by Main Sequence Ventures.</li> </ul>
Oct 2023	<b>EAT THE CHANGE RAISES \$14M</b> <ul style="list-style-type: none"> <li>Food and beverage company Eat the Change secured <b>\$14m</b> to promote its iced tea beverage line in a round led by S2G Ventures.</li> </ul>
Nov 2023	<b>RECOVER 180 RAISES ADDITIONAL \$35M</b> <ul style="list-style-type: none"> <li>Sports drink Recover 180 secured <b>\$35m from existing investors</b> including athletes Kyler Murray and Jared McCain.</li> </ul>
Nov 2023	<b>THE CUMULUS COFFEE COMPANY RAISES OVER \$20M</b> <ul style="list-style-type: none"> <li>The Cumulus Coffee, a provider of cold brew coffee compact machines, secured <b>\$20.3m</b> led by Valor Siren and Valor Equity.</li> </ul>

Date	Target Description / Deal Synopsis
Nov 2023	<b>4TH &amp; HEART RAISES \$10M</b> <ul style="list-style-type: none"> <li>Ghee producer 4th &amp; Heart secured <b>\$10m in a round led by existing investor Cambridge Companies SPG</b>.</li> </ul>
Nov 2023	<b>SPIRITED BRANDS HOLDINGS RAISES NEARLY \$5M</b> <ul style="list-style-type: none"> <li>Spirited Brands Holdings, a low alcohol ready-to-drink cocktail company, secured <b>\$4.5m</b> from undisclosed investors.</li> </ul>
Nov 2023	<b>RIPPLE FOODS RAISES \$49M</b> <ul style="list-style-type: none"> <li>Pea milk maker Ripple Foods raised <b>\$49m in a new round, taking its cumulative funding to more than \$274m</b>.</li> </ul>
Nov 2023	<b>LUCKY F*CK COMPLETES \$4M ROUND</b> <ul style="list-style-type: none"> <li>Better-for-you energy drink brand Lucky F*ck closed a <b>\$4m seed funding round</b> led by Imaginary Ventures.</li> </ul>
Dec 2023	<b>NINE BANDED WHISKEY RAISES \$10M</b> <ul style="list-style-type: none"> <li>Nine Banded Whiskey, a producer of whiskeys and bourbons, completed a <b>\$10m Series A</b> led by No Sleep Beverage.</li> </ul>
Dec 2023	<b>ATHLETES CHRIS PAUL AND ALY RAISMAN INVEST IN MEATI</b> <ul style="list-style-type: none"> <li>Plant-based meat brand Meati <b>secured investment from NBA star Chris Paul and Olympic gymnast Aly Raisman</b>.</li> </ul>
Dec 2023	<b>OAKBERRY RAISES \$67M</b> <ul style="list-style-type: none"> <li>Global quick-service açai brand OAKBERRY completed a <b>\$67m Series C</b> led by BTG Pactual.</li> </ul>

Source: FactSet, PitchBook, PKF Investment Banking

# Public Comparables – *Median Values*

Category	% of High 52-Week	3-Yr. Revenue CAGR	LTM EBITDA Margin	EV / LTM <sup>(1)</sup>		EV / NTM <sup>(2)</sup>	
				Revenue	EBITDA	Revenue	EBITDA
Branded Foods	76.9%	3.6%	18.7%	1.92x	10.4x	1.92x	10.0x
Private Label	79.9%	4.2%	11.1%	1.15x	10.4x	1.92x	11.0x
Nutrition	93.2%	9.0%	14.1%	1.86x	16.7x	1.80x	10.5x
Baked Goods	81.9%	8.7%	12.9%	1.27x	11.1x	1.16x	11.3x
Dairy	87.4%	6.3%	9.2%	1.27x	9.6x	1.17x	9.5x
Snacks	85.6%	10.9%	15.0%	2.55x	16.5x	2.80x	15.1x
Protein Processing	84.2%	9.4%	5.2%	0.67x	12.0x	0.97x	9.8x
Produce	79.9%	3.4%	4.3%	0.62x	8.2x	0.48x	8.9x
Agribusiness	69.2%	16.6%	21.2%	1.12x	5.2x	1.45x	7.0x
Ingredients & Flavors	83.3%	7.5%	16.8%	2.69x	16.2x	2.95x	13.7x

Notes: (1) LTM stands for Last Twelve Months; (2) NTM stands for Next Twelve Months  
Source: FactSet as of December 31, 2023



# Public Comparables – *Median Values* (continued)

Category	% of High 52-Week	3-Yr. Revenue CAGR	LTM EBITDA Margin	EV / LTM <sup>(1)</sup>		EV / NTM <sup>(2)</sup>	
				Revenue	EBITDA	Revenue	EBITDA
Food Distribution	78.0%	15.4%	2.3%	0.27x	11.7x	0.34x	9.6x
Grocery & Retail	95.8%	5.7%	6.2%	0.36x	6.5x	0.46x	6.8x
Food E-Commerce	57.5%	34.0%	NMF	1.14x	NMF	0.90x	15.6x
Non-Alcoholic	90.5%	7.2%	20.1%	3.36x	16.8x	3.24x	14.3x
Wine, Beer, Spirits	86.6%	6.0%	19.1%	2.24x	14.2x	2.07x	12.2x
Fast Casual	92.0%	18.4%	10.6%	2.18x	22.1x	2.16x	17.3x
Quick Service	92.6%	8.9%	29.7%	5.12x	16.7x	4.76x	15.8x
Casual Dining	95.2%	13.2%	11.5%	1.06x	11.9x	1.35x	12.5x
Family Dining	63.6%	10.9%	17.0%	2.13x	10.5x	2.10x	11.0x

Notes: (1) LTM stands for Last Twelve Months; (2) NTM stands for Next Twelve Months  
Source: FactSet as of December 31, 2023





# About PKF Investment Banking

# Trusted Advisors with Proven Deal Track Record

PKF Investment Banking is the investment banking affiliate of PKF O'Connor Davies, a full-service certified public accounting and consulting firm **with more than 1,500 professionals led by over 200 partners in 18 offices in the United States.**

The PKF Investment Banking team has successfully completed **over 250 M&A advisory and capital raise engagements in North America and abroad.**

We focus on **privately held companies** and have extensive knowledge with decades of experience **advising middle market businesses.**

## Broad Global Reach Across the PKF Network

- We serve as a liaison to **over 400 member firms located in 150 countries and 5 continents** through PKF International
- This global network of independent firms ensures direct access to exceptional advisory professionals with local / regional expertise

**20,000**

professionals  
across the globe

**224**

independent  
advisory firms

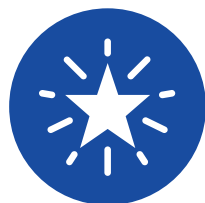
**480+**

offices  
worldwide

## PKF Investment Banking Services

- **Sell-Side M&A**
  - Perform a comprehensive business review to enhance value and certainty to close
  - Develop marketing materials and financial models
  - Global outreach to all capable buyers
  - Evaluate and negotiate offers
  - Ensure transaction closes in an efficient and timely manner
- **Buy-Side M&A**
  - Develop acquisition strategy and search criteria
  - Research and develop target company database
  - Conduct tailored marketing campaign to reach target universe
  - Assist with due diligence, deal and integration issues
  - Advise on value, structure, terms, process and closing
- **Exit Readiness and Transaction Planning**
  - Proactively prepare business owners and management teams for a successful transaction with optimal results
  - Improve performance and enhance shareholder value

# PKF Investment Banking – Differentiating Attributes



## High-Caliber Personal Attention

Senior banker actively involved across the entire M&A process

Middle market focus

Reputation for integrity and track record of excellence



## Superior Execution Model

Systematic yet flexible approach – *no cookie cutters*

Designed to meet client needs and goals

Focus on certainty to close and maximum value



## Global Reach

Global footprint and reach directly and via the PKFOD global network

Bold go-to-market strategy aimed at identifying and engaging all capable targets



## Exceptional Marketing

Dynamic marketing and positioning grounded in data analytics

Generating more client options – increased odds of success and better terms and value



## Subject Matter Experts

Full access to all PKFOD experts in accounting, tax, valuation and diligence

Entrepreneurial mindset ensuring all potential deal issues are identified / mitigated

# Senior Consumer Team Bio

## Alberto Sinesi, *Director*

Alberto Sinesi is a Director with over 12 years of experience in investment banking and corporate development. Mr. Sinesi has advised public and private clients on over 30 domestic and cross-border, sell-side and buy-side M&A transactions. He has worked with clients across a variety of consumer verticals, including consumer products, e-commerce / direct-to-consumer, food and beverage and retail / multi-site segments both in North America and Europe. Additionally, he has provided valuation and transaction opinion services to public and private investment funds, encompassing private equity institutions, private credit funds, investment banks, hedge funds and business development companies.

Prior to joining PKF Investment Banking, Mr. Sinesi spent over a decade in the M&A and Valuations & Opinions groups at Lincoln International, a global middle market investment banking advisory firm. Mr. Sinesi received his Master of Business Administration from ESADE Business School (Spain) and New York University, Leonard N. Stern School of Business, and his Master of Arts in Finance and Business Administration from the University of Genoa (Italy).



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