M&A Facts Quarterly Q4 – 2023

FOOD & BEVERAGE

Food & Beverage Sector – M&A-Highlights and Market Insights

Data source: S&P Capital IQ. Analysis by Proventis Partners.

- As the **Food & Beverage sector** covers a broad range of different business lines and products, the 2023 Q4 Food & Beverage M&A Facts cover the subsectors food retailing and beverage, which is divided in brewers, distillers & vintners, and soft drinks.
- **Declining inflation** – The decline in the inflation rate from the highs at the beginning of the year to an inflation rate of 3.4% in the EU in December 2023 contributes to the stability of the macroeconomic environment.
- **Valuation multiples** of listed food retail companies as well as beverage companies show a mixed trend compared to previous quarters. As an example, listed global distillers and vintner companies were valued at 13.5x EBITDA in Q3 2023 and are now valued at 13.2x EBITDA. However, global soft drink companies were valued at 11.2x EBITDA in Q3 2023 and are now valued at 11.9x EBITDA
- The **number of deals** in Q4 2023 (64) decreased significantly by more than 65.5% compared to Q2 2023 (186), and also decreased compared to Q3 2023 (75).
- **Regional focus** – Although Asia / Pacific is the largest food and beverage market, North America is driving M&A activity in Q4 2023, accounting for 45.3% of total deals followed by Europe accounting for 32.8%. The North America market displays the highest median EBITDA multiple of 20.9x.
- **Investor focus** – Strategic buyers continue to drive deal activity, displaying a consistent share of 92% of total transactions. Strategic buyers paid a median EBITDA multiple of 12.0x

Covered sub-sectors:

Food Retailing

Beverage: Brewers | Distillers and Vintners | Soft Drinks

Market trends:

Food Retailing

- **Labor shortages** – One of the biggest challenges facing the food industry in developed countries is the shortage of labor, as vacancies cannot be filled.
- **Private label** – Almost all grocery shoppers (96%) currently buy private label products, partly to save money, however, also because of the better quality and flavor.
- **Technology and automation** – From contactless payment systems to inventory robots, grocery retailers are using various options to optimize efficiency and improve the customer experience. Automation helps to minimize errors, reduce costs and offer faster and more efficient services.

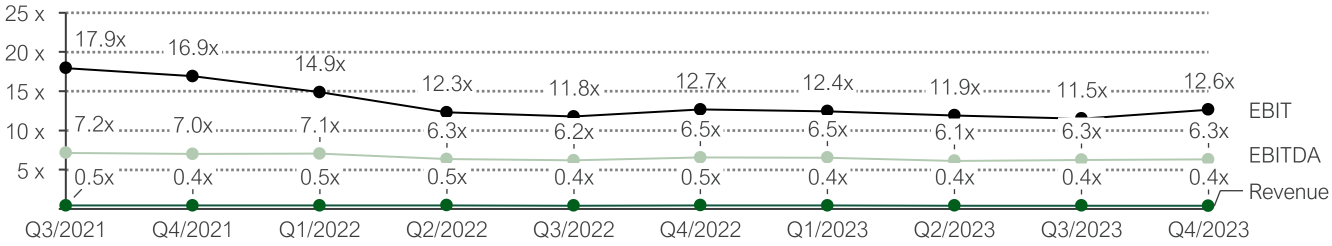
Beverages

- **Climate change** – Breweries are suffering from climate change, which primarily affects the two most important agricultural inputs, barley and hops.
- **Soft drink alternatives** – Drinks such as water kefir and kombucha are healthy alternative to soft drinks. The probiotic drinks are enjoying growing popularity.
- **Mushroom coffee** – Coffee mixed with mushroom extracts is on the rise as it has a number of health-promoting effects. Mushroom coffee quickly revitalizes and doesn't taste as bitter as bean coffee. Mushroom coffee requires less caffeine and is therefore also digestible for people with sensitive stomachs.

Global Food Retailing Sector Peer Group

Note: TEV = Total Enterprise Value. LTM = Last Twelve Months. Data source: S&P Capital IQ

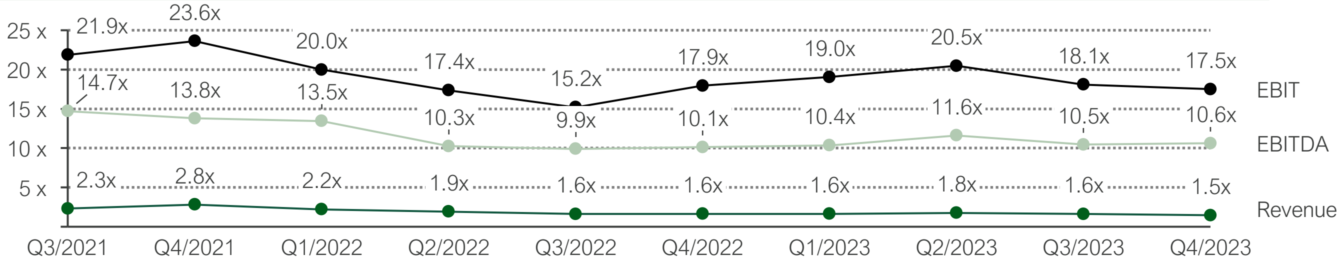
Company Name	Country	Market Cap	TEV	Total Revenue LTM	EBITDA LTM	TEV/EBITDA LTM	TEV/EBITDA prev. Quarter
The Kroger Co.	United States	29,751	46,187	137,629	7,281	5.9x	5.8x
Koninklijke Ahold Delhaize N.V.	Netherlands	24,994	40,302	88,984	5,291	6.1x	6.2x
Carrefour SA	France	11,582	28,939	83,455	3,675	6.2x	6.3x
Tesco PLC	United Kingdom	23,477	36,296	77,609	4,390	7.3x	6.7x
J Sainsbury plc	United Kingdom	8,129	14,880	36,580	1,848	6.3x	5.7x
Metro AG	Germany	2,293	5,376	30,551	697	5.1x	3.4x
Eurocash S.A.	Poland	533	1,173	7,084	150	4.8x	4.7x
Axfood AB (publ)	Sweden	5,299	6,224	6,943	382	11.5x	11.2x
Weis Markets, Inc.	United States	1,556	1,469	4,526	236	5.3x	4.9x
Sligro Food Group N.V.	Netherlands	701	1,129	2,757	89	9.7x	10.1x
MARR S.p.A.	Italy	755	968	2,007	81	10.4x	13.3x
Orsero S.p.A.	Italy	287	419	1,465	81	4.4x	4.8x
Hawesko Holding SE	Germany	285	482	669	38	9.3x	9.8x
WASGAU Produktions & Handels AG	Germany	68	245	622	17	6.7x	7.1x
Villars Holding S.A.	Switzerland	66	79	78	5	15.2x	17.6x
Median						**6.3x**	**6.3x**



Global Brewers Sector Peer Group

Note: TEV = Total Enterprise Value. LTM = Last Twelve Months. Data source: S&P Capital IQ

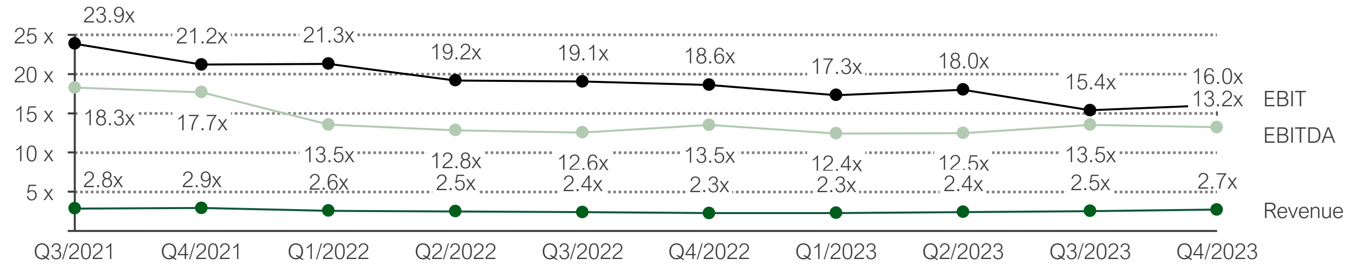
Company Name	Country	Market Cap	TEV	Total Revenue LTM	EBITDA LTM	TEV/EBITDA LTM	TEV/EBITDA prev. quarter
Anheuser-Busch InBev SA/NV	Belgium	116,067	196,795	56,286	16,906	11.1x	10.8x
Heineken N.V.	Netherlands	52,101	72,452	29,758	5,238	12.6x	11.8x
Molson Coors Beverage Company	United States	11,953	17,228	10,904	2,042	8.5x	9.7x
Carlsberg A/S	Denmark	16,472	19,959	9,748	1,735	10.6x	11.2x
The Boston Beer Company, Inc.	United States	3,777	3,539	1,949	206	17.1x	21.4x
Royal Unibrew A/S	Denmark	3,029	3,895	1,648	281	13.8x	15.6x
Olvi Oyj	Finland	580	559	632	71	7.7x	7.8x
Kulmbacher Brauerei Aktien-Gesellschaft	Germany	140	190	273	27	5.5x	5.4x
Kopparbergs Bryggeri AB (publ)	Sweden	207	205	184	20	9.9x	10.5x
Shepherd Neame Limited	United Kingdom	123	279	194	23	10.8x	12.7x
Brouwerij Handelsmaatschappij NV	Belgium	162	170	118	11	15.0x	10.4x
Allgäuer Brauhaus AG	Germany	109	129	35	5	28.1x	30.9x
KEO plc	Cyprus	69	79	68	9	8.4x	8.7x
Park & Bellheimer AG	Germany	11	12	24	5	2.1x	2.0x
BHB Brauholding Bayern-Mitte AG	Germany	8	7	17	2	3.7x	3.7x
Median						**10.6x**	**10.5x**



Global Distillers and Vintners Sector Peer Group

Note: TEV = Total Enterprise Value. LTM = Last Twelve Months. Data source: S&P Capital IQ

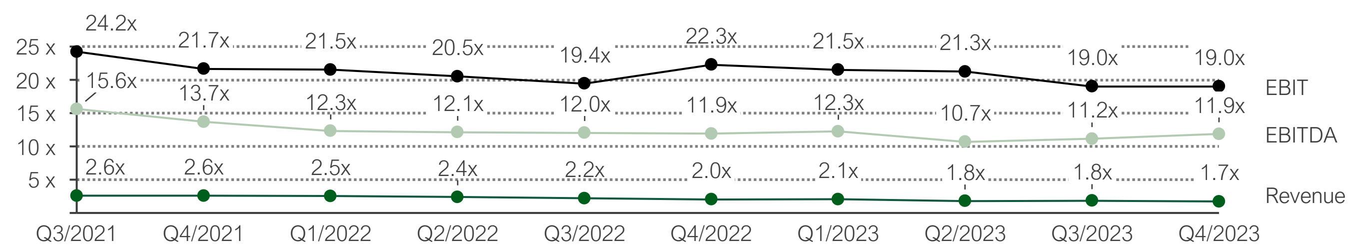
Company Name	Country	Market Cap	TEV	Total Revenue LTM	EBITDA LTM	TEV/EBITDA LTM	TEV/EBITDA prev. quarter
Diageo plc	United Kingdom	73,518	93,293	19,578	6,323	13.2x	13.9x
Pernod Ricard SA	France	40,460	51,733	12,137	3,464	13.8x	13.7x
Rémy Cointreau SA	France	5,852	6,443	1,318	309	20.2x	13.5x
MGP Ingredients, Inc.	United States	1,962	2,234	768	167	13.6x	15.2x
Schloss Wachenheim AG	Germany	130	249	426	42	5.2x	5.1x
AdVini S.A.	France	59	249	297	11	16.5x	17.6x
Andrew Peller Limited	Canada	143	295	268	24	11.1x	11.7x
Vranken-Pommery Monopole Société Anonyme	France	142	852	340	48	16.5x	16.6x
Lanson-BCC	France	272	766	283	67	11.0x	10.7x
Laurent-Perrier S.A.	France	716	920	307	95	9.6x	9.6x
Italian Wine Brands S.p.A.	Italy	179	333	410	28	10.7x	10.7x
Berentzen-Gruppe Aktiengesellschaft	Germany	55	68	184	10	5.8x	6.1x
Ambra S.A.	Poland	171	210	192	24	7.3x	7.0x
Lucas Bols N.V.	Netherlands	270	337	100	16	24.9x	15.9x
Masi Agricola S.p.A.	Italy	161	201	71	8	21.2x	20.2x
Median						**13.2x**	**13.5x**



Global Soft Drinks Sector Peer Group

Note: TEV = Total Enterprise Value. LTM = Last Twelve Months. Data source: S&P Capital IQ

Company Name	Country	Market Cap	TEV	Total Revenue LTM	EBITDA LTM	TEV/EBITDA LTM	TEV/EBITDA prev. quarter
PepsiCo, Inc.	United States	213,760	245,113	85,515	15,051	15.6x	16.3x
The Coca-Cola Company	United States	230,498	255,754	42,544	13,386	17.4x	17.1x
Keurig Dr Pepper Inc.	United States	42,152	55,196	13,936	3,713	14.8x	14.8x
Monster Beverage Corporation	United States	54,228	51,553	6,541	1,884	28.3x	27.5x
Primo Water Corporation	United States	2,180	3,607	2,168	404	8.1x	8.6x
Britvic plc	United Kingdom	2,397	3,109	2,016	270	11.0x	10.7x
National Beverage Corp.	United States	4,201	4,013	1,114	217	18.1x	17.7x
Fevertree Drinks PLC	United Kingdom	1,411	1,342	418	27	47.3x	54.5x
Spadel SA	Belgium	652	585	342	49	11.9x	12.7x
A.G. BARR p.l.c.	United Kingdom	655	606	432	64	9.3x	8.9x
Kofola CeskoSlovensko a.s.	Czech Republic	237	364	346	50	6.7x	7.0x
Nichols plc	United Kingdom	479	417	198	32	12.8x	11.2x
Mineralbrunnen Überkingen-Teinach GmbH & Co. KGaA	Germany	98	113	145	19	6.0x	6.4x
Krynica Vitamin S.A.	Poland	39	51	80	7	7.2x	6.2x
Excellence S.A.	Poland	5	5	18	1	3.7x	4.2x
Median						**11.9x**	**11.2x**



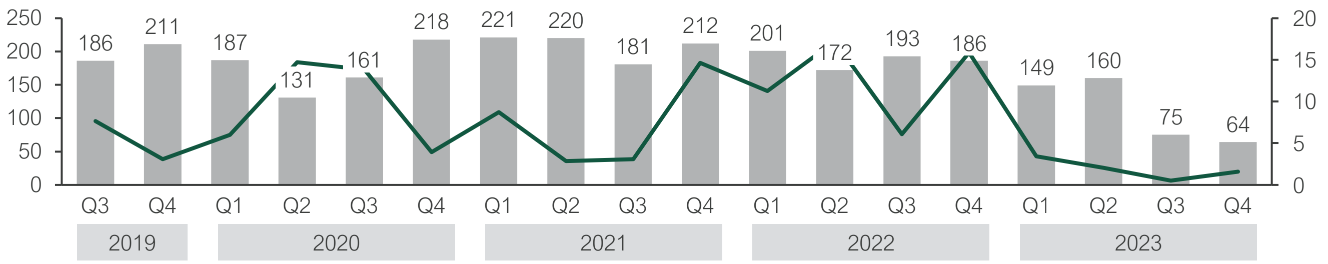
Recent Food Retailing and Beverage M&A Transactions

Note: TEV = Total Enterprise Value. TTV =Total Transaction Value in €m. Data source: S&P Capital IQ. Selection of transactions by Proventis Partners.

Announced Date	Target	Target Country	Acquirer	Acquirer Country	Acquired Stake (in %)	Total Transaction Value	Implied EV/ EBITDA
27.12.2023	Sarl La Debauch	FR	Societe Cooperative Agricole Corea Poitou Charentes la Cooperative des Agriculteurs	FR	100	n/a	n/a
21.12.2023	Experti Srl	IT	AEB S.p.A.	IT	100	n/a	n/a
30.10.2023	Daou Vineyards, LLC	AU	Treasury Wine Estates Limited (ASX:TWE)	AU	100	945	n/a
30.11.2023	Palm Tree International Co., Ltd.	JP	ACROVE Co., Ltd.	JP	100	n/a	n/a
27.11.2023	Château Lafaurie Peyraguey SAS	CH	Lalique Group SA (SWX:LLQ)	CH	75	18	n/a
21.11.2023	Churchill Graham SA	US	T. Edward Wines, Ltd.	US	100	n/a	n/a
24.10.2023	Rio Drinks Limited	UK	A.G. BARR p.l.c. (LSE:BAG)	UK	100	14	n/a
23.10.2023	Wilhelmsthaler Mineralbrunnen Gmbh	US	Sonnländer Getränke GmbH	DE	100	n/a	n/a
16.10.2023	Maison Villevert SAS	US	Proximo Spirits, Inc.	US	100	n/a	n/a
31.10.2023	Green Rabbit Holdings, Inc.	UK	Performance Food Group, Inc.	US	100	n/a	n/a

Global Food Retailing and Beverage M&A Deal Count, Recorded Transaction Volume 2019-2023

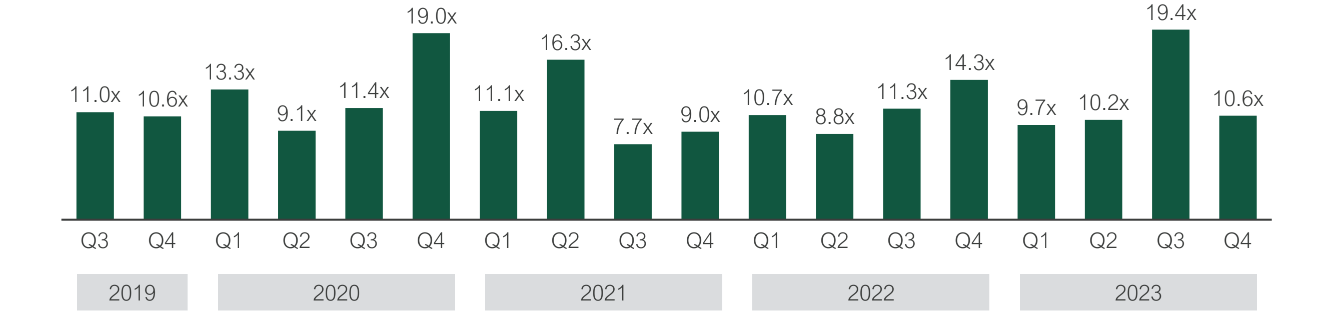
Data Source: S&P Capital IQ.



1: The transaction value is not representative due to a lack of deal value being published.

Global Food Retailing and Beverage M&A Median Transaction Multiples 2019-2023

Implied Transaction Enterprise Value / EBITDA of announced transactions with disclosed multiple.
Data Source: S&P Capital IQ.



The transaction multiple for Q4 2023 is not representative due to a lack of deal value being published.

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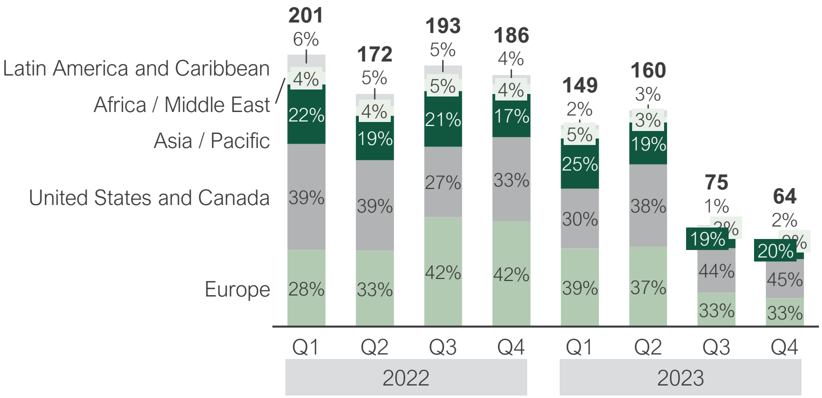
FOR WHAT TRULY COUNTS

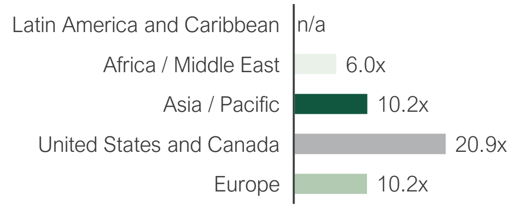
Global Food Retailing and Beverage M&A Deal Analysis

Announced transactions. Implied M&A Enterprise Value / LTM EBITDA of announced transactions with disclosed multiple.
Data Source: S&P Capital IQ

Deal Count by Target Region

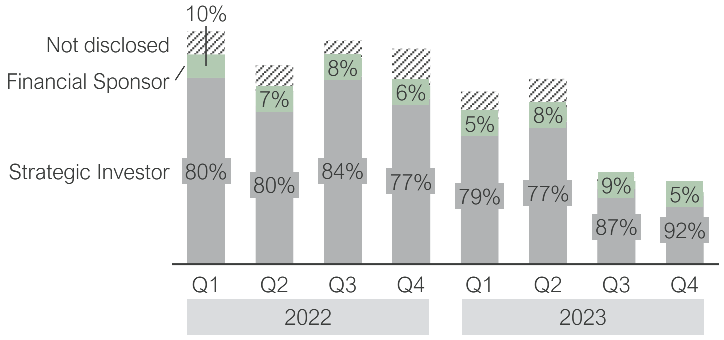


Median EBITDA Multiple by Target Region

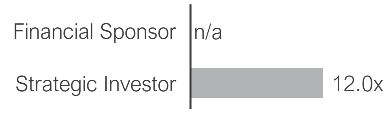


Deal Count by Investor Type

Announced transaction with identified investors.

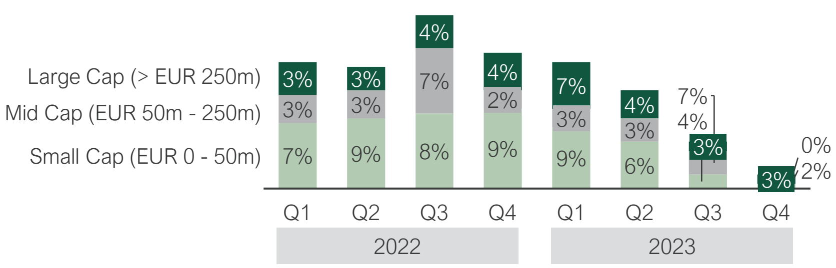


Median EBITDA Multiple by Investor Type

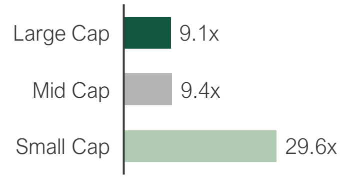


Deal Count by Company Size

Announced transactions with disclosed annual pre-transaction revenues



Median EBITDA Multiple by Company Size



Notes

The analysis considers announced transactions only. Recent Transactions and Quarterly Multiples only include transactions with available Enterprise Values (EV). As Capital IQ constantly updates its database, the values might differ from previous M&A Facts.

Frankfurt, Germany
Proventis Partners GmbH
Cristoph Ulrich, Partner
c.ulrich@proventis.com
T: +49 69 870 093 971

Hamburg, Germany
Proventis Partners GmbH
Jost Hartmann, Partner
j.hartmann@proventis.com
T: +49 40 360 9759-0

Zurich, Switzerland
Proventis Partners AG
Christoph Studinka, Partner
c.studinka@proventis.com
T: +41 44 536 3630

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