

# NEWSLETTER Food & Beverage

January 2023

2022 in Review



**RIÓN** MERGERS AND  
ACQUISITIONS

**GLOBAL  
M&A  
PARTNERS**

# Table of Contents



In 2022, cost and ‘value for money’ became important to consumers as shoppers explored money-saving strategies to cope with the lingering high inflation and a looming recession.

Consumers seek brands that listen, understand, and respond to their core values. In 2023, understanding where consumers are willing to pay premiums will be critical to maximizing value and meeting the changing consumer preferences.

Our Global Food & Beverage Team provides extensive sector-specific expertise and close relationships with global buyers and sellers, both within local markets and throughout the world. Many of our advisory transactions are cross-border.

1	<b>Introduction</b>	03
2	<b>Review by Sector</b>	05
	Baking	05
	Beverages	08
	Condiments, Dressings & Sauces	11
	Food Ingredients	14
	Health & Wellness	17
	Snacking	20
	Dairy	23
3	<b>M&amp;A Highlights</b>	26
4	<b>Peer Trading Analysis</b>	32
5	<b>Overview of GMAP Food and Beverage Team</b>	41

## Overview

In 2022, the 'Food and Beverage' (F&B) industry experienced the effects of restrained household spending and rising prices, similar to all other consumer-facing industries. The global food and beverage market managed to retain its position and has shown strong growth figures from \$5,818.3 billion in 2021 to \$6,327.4 billion in 2022 at a compound annual growth rate (CAGR) of 8.7%. This was despite the Russia-Ukraine war, political chaos in leading economies, continued global economic recovery from the COVID disruption, the return of inflation, and significant supply chain disruptions.

Over the past year, the F&B industry has witnessed a few surging trends which have affected the industry dynamics significantly. Some of the noteworthy trends are: 1) Increasing focus on sustainability, 2) Continued consumer preference shift to healthier alternatives with cleaner labels, 3) Rise of smart kitchens, 4) Social media adaptation for home cooks, and 5) Increased initiative to address inefficient food production and distribution systems.

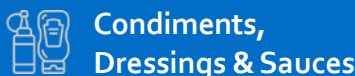
### Increased Capitalization on Health Awareness

- Brands are trying to stay up to date with the younger generation by investing in natural immunity and health products. Some of the main goods that are gaining popularity include plant-based foods, alcohol-free beverages, fermented drinks focused on gut health, and pre/probiotics, etc. The market is expected to grow at a CAGR of 5.8% from 2022 – 2030.
- **Plant-Based Food:** Having been linked to various health benefits, the trend of plant-based food has evolved into more than just a meat substitute. The market is expected to create a significant stir in the industry, boasting nutritional benefits similar to meat or dairy, a clean-label image, and tasteful seafood alternatives.
- **Non-Alcoholic Drinks:** The demand for non-alcoholic beverages is expanding at food service establishments such as cafés, restaurants, clubs, and pubs due to the rising acceptance of the sober curious trend. The Coca-Cola Company and PepsiCo are projected to increase product releases and growth initiatives which would likely enhance the market in growing regions.

### Initiative Toward Responsible Food Sourcing

- Various initiatives are targeting conscious consumers and creating awareness around sustainable business practices. **Blockchain technology** is being tested in new projects to decrease food fraud and waste, enhance customer information, boost food safety and profitability, and enhance food traceability.

In this 2022 'Year in Review' newsletter, we will explore the dynamics of the following key F&B segments:





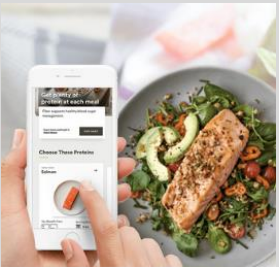
## Key Trends to Look for in 2023

### New Consumption Occasions For Hybrid Lifestyles



- Consumers have started adopting hybrid lifestyles with increased work-from-home activity. “Snackification” is a leading trend as more consumers have moved away from set mealtimes throughout the day.
- Breakfast represents a promising avenue for snacks players, as the hybrid worker desires convenience and gaining time efficiencies. Weekday lunchtimes are also potential functional snacking occasions.
  - For example, in 2022, the launch of the RXBAR A.M. energy bar in the US was positioned as a hassle-free and healthy, yet also indulgent, breakfast solution.

### Increased Customizations



- People want to personalize the flavors and sugar levels in their foods or beverages. Many companies are catering to this demand by innovating apps and technologies that provide consumers with customization options.
- Kopi Kenangan in Indonesia and Flash Coffee in Thailand and Singapore are using retail technology beverage apps that allow customization, including managing sugar levels and ingredient levels, on-demand delivery, and scheduled pickups.

### Knowledge is Power



- 2023 will see increased demand for transparency on food labels, from government-mandated details around allergens and calories to environmental information on carbon footprints, water use, and ingredient sourcing.
- More people want to know where their food comes from, empowering them to make informed choices and control their environmental impact.
- Whole Foods predicts that a growing number of food and beverage brands will work to limit their impact on the environment in 2023, communicating this to consumers on packaging as well as online.

### Found and Foraged



- Foraged ingredients are piquing interest, with research suggesting that consumers respond well to the personal touch of knowing the foods on their plates were hand-picked.
- This is influenced by increased awareness of the environmental impact of mass food production, plastic packaging, and chemical fertilizers.
- A considerable 53% of UK adults would like to see more foraged foods on menus, with familiar items like wild garlic and blackberries of particular interest.

## Baking

In 2022, bakeries finally resumed their pre-pandemic methods of operation. Some of the recent issues that are pushing bakers toward increased automation include supply chain inconsistencies, labor market difficulties, and an inflationary climate. Despite all the obstacles, the retail bakery sector progressed with increasingly creative concepts and constantly evolving trends.

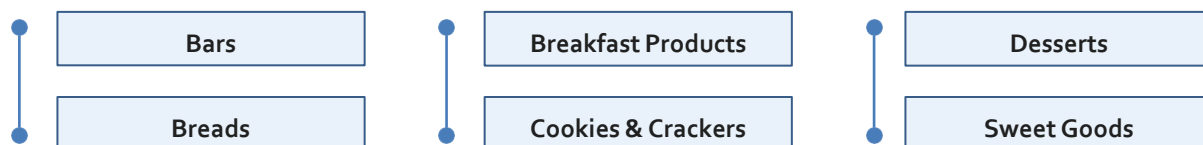
Conscious decision-making, celebration-based branding, 'On-the-Go Food', and curbside pickup are some of the trends that have impacted business operations and strategy from both the consumer and business owner perspective. Among these newer trends, quality and taste continue to persist as primary considerations from the customer expectation perspective.

Major players are also marketing products as a fulfilling, multi-sensory experience by adding nostalgic and feel-good factors, clean colors, and flavor experiments involving spices. Bakery and confectionary has become more than just desserts. Adding to the trend of making eating a premium experience, bakery products are growing smaller in portion size but with an added layer of luxury and increased focus on turning them into visual treats.



Per a recent study, 59% of consumers agree that a great appearance enhances the perception of taste. As a result, bakery product developers have started focusing more on packaging and appearance, which is expected to drive online sales further.

### Key Product Categories



### Market Overview

#### Global



- The global bakery and confectionary market is expected to grow at a CAGR of 4.8% between 2022 and 2027 to reach \$1,330.0 billion.
- The bread segment dominates the bakery market through high consumption across all customer age groups.
- There has been an increased use of natural flavors by confectionary producers.
- Innovation has been a major driving factor and contributor to the growth of this market.

#### Europe



- The European bakery market is expected to grow at a CAGR of 3.2% between 2022 and 2027 to reach \$272.0 billion.
- **Hybrid Bakery Products:** The emergence of hybrid bakery products (merging two styles / varieties of baked goods to create a new product) is one of the key market trends that is expected to positively impact the industry.
- The expansion of the bakery products market in Europe is substantially supported by the growing presence of in-store bakeries in supermarkets.

## II. Sector Coverage

### Asia-Pacific



- The Asia-Pacific bakery market is projected to grow at a CAGR of 8.5% between 2022 and 2027.
- The fragmented Asia-Pacific market for bakery products is dominated by China, owed to its rapid expansion and ability to keep up with a changing lifestyle focused on a healthier diet.
- The increased need for longer shelf life, health-conscious products, and desire to try global-cuisines is shaping the market.

### North America



- The North American bakery market is projected to grow at a CAGR of 4.8% between 2022 and 2027.
- The growing demand for convenient food products, increased disposable income, and growing health concerns are having a substantial impact on the North American bakery market.
- Manufacturers are seeking to meet consumers' changing preferences while maintaining customer loyalty by offering organic baked goods, breakfast cereals, and 'free-from' items.

## Market Drivers



### Celebration-Based Branding

Desserts have become more of a celebration and their branding is following a similar approach. Bright colors, extravagant designs, and celebratory atmosphere are being used to promote products as fun and vibrant to attract consumers.



### Healthy Indulgence

Increased awareness of a vegan diet, ingredient transparency, and healthier food alternatives have driven growth in bakery items with organic and plant-based ingredients. For example, chickpea-based milk instead of dairy milk has become much more common.



### Tech-Solution

Upgrading technology and equipment is critical in offering differentiated products and maintaining profitability. Continuous innovation to capture tailwinds driven by changing consumer preferences is expected to drive segment growth.

## Key Growth Trends

1

### Newstalgia



- Consumers have recently been seeking products that incorporate new tastes and concepts into familiar products, which allow them to enhance their nostalgic memories while trying something new.
- Per a recent study, 69% of the consumers are looking for foods that have a familiar product paired with new tastes.

2

### Taste of Sourdough



- The sourdough products market has expanded significantly in the last few years due to its combination of innovation, craftsmanship, and trendiness when paired with other tastes.
- Many developers are infusing sourdough into their product portfolios as consumers continue to prefer sourdough-based products beyond other breads.

3

**Affordable Indulgence**



- With the rising cost of living due to inflation, consumers are looking carefully at what they spend their money on.
- The bakery segment is expected to perform well in the current macro-economic environment due to more affordable items compared to other food product segments.

4

**Daily Delights**



- Consumers have changed their perception of sweet goods and have begun including them as an essential part of a balanced lifestyle. Tied to the growing importance of mental wellness, consumers are finding ways to bring moments of joy into their regular diets.
- Fifty percent of European consumers are expected to continue to include sweet baked goods as a regular part of their diet moving forward.

5

**Mindfulness**



- With increased awareness of how their choices affect their personal health and the overall environment, consumers are looking for more sustainable products liked baked goods.
- Seventy-one percent of European consumers are willing to pay a premium for sweet baked goods that are made sustainably.

**Key Insights**



**'Feel-Good' Products:** There is lot of opportunity for baking food manufacturers to adjust portion sizes to maintain the level of indulgence consumers are craving, with research showing that 50% of consumers prefer smaller treats as opposed to larger ones. Socializing with family and friends through indulging in food is an important use of income for 30% of consumers, and 28% globally claim that sharing food with family and friends is a top-three reason for indulging in baked goods.



**Technological Evolution:** Technology presents a 'make or break' scenario to bakers, as eCommerce has become a critical channel in introducing new products and attracting customers. Forty-one percent of European consumers plan to order more food online in 2023 than in the previous year.



**Veganism:** Vegan baked goods are quickly becoming mainstream as innovation drives higher quality and better tasting bakery products and ingredients. The dairy-free and vegan fillings market has exploded in recent years with increasing Environmental, Social, and Governance (ESG) concerns amongst the general population. The global vegan food market is expected to grow from \$13.6 billion in 2021 to \$18.7 billion in 2026 at a CAGR of 6.7%.

# Beverages

The beverage industry faced strong headwinds in 2022 due to customer uncertainties about inflation, geopolitical tensions, and fears of recession. However, companies quickly responded by reassessing their business models and investing in new technologies to become more agile and resilient.

With increasing awareness of healthy eating habits and lifestyle, consumers are shifting their preferences to healthy and non-alcoholic beverages. Although non-alcoholic beverages have been around for many years, there has been a recent surge in the demand for such products, and the segment is expected to continue its recent rapid growth. Furthermore, several beverage companies have launched fortified beverages such as functional juices or water, striving to achieve improved water balance, weight management, immunity boosting properties, and digestion. Consumers are increasingly seeking beverages that not only offer added benefits but also replace unhealthy ingredients such as sugar.

Companies have been heavily investing in the development of new products to expand their existing portfolio and keep up with the changing preferences of customers.

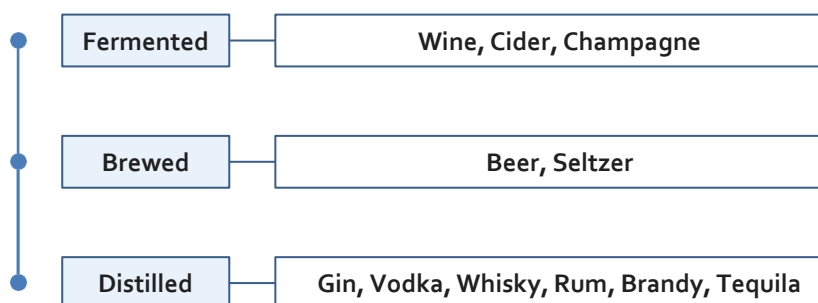


With the mindful drinking and 'sober curious' movements gaining traction, consumption of non-alcoholic drinks has increased. Younger generations are consuming less alcohol than usual as they become more inclined toward holistic health and wellness. As a result, healthy and functional beverages are on the rise, and alcohol-free and low-alcohol offerings have become more prominent across the world.

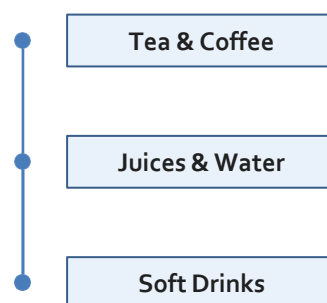


## Key Product Categories

### Alcoholic

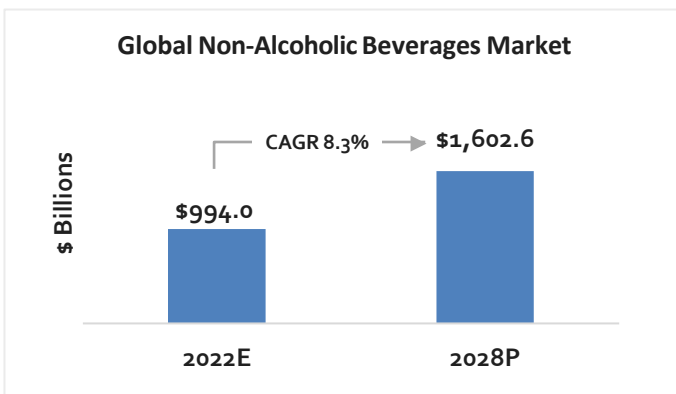
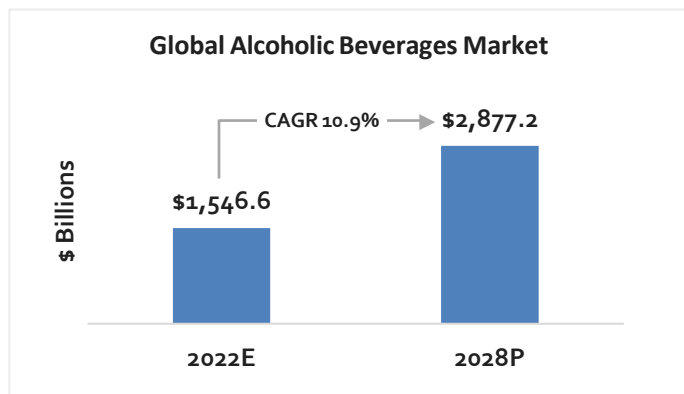


### Non-alcoholic





Market Overview



Global



- The global beverage market is estimated at \$2,540.6 billion in 2022 and is projected to reach \$4,479.8 billion by 2028, growing at a CAGR of 9.9%.
- A rising awareness of healthy eating habits and the increasing popularity of non-alcoholic beverages are expected to drive demand for the market.
- Further, major players are investing heavily in mergers and acquisitions and the development of new products to gain a competitive edge in the market.

Europe



- The European functional beverages market is expected to grow at a CAGR of 8.4% between 2022 – 2027, driven by the increasing number of health-conscious consumers and their demand for healthy beverages.
- Further, the rising demand for innovative products including plant-based, lactose-free, and Cannabidiol (CBD)-infused functional beverages is also expected to fuel growth in the European region.

Asia-Pacific



- The Asia-Pacific region is one of the fastest growing regions driven by the presence of untapped markets, huge population share, rising disposable income, and increasing demand for non-alcoholic beverages.
  - The region's growth is expected to be led by China and other emerging countries, including India, Thailand, and Malaysia.
- The alcoholic beverage market is expected to grow at a CAGR of 11.1% between 2022 – 2028.

North America



- North America accounted for the second-largest regional share within the non-alcoholic beverages market, with the Carbonated Soft Drinks (CSDs) segment being one of the largest.
- The rising concern of obesity in the US and Mexico and taxes levied by the government on sugar products are expected to be the primary drivers for the healthy and alternative beverage segments.

## Key Growth Trends

1

### Rising Popularity of Non-Alcoholic Beverages

- There has been a sharp increase in the demand for non-alcoholic beverages largely driven by younger consumers seeking healthier alternatives to traditional alcoholic drinks.
- In the US, the revenue from the non-alcoholic drinks segment grew 20.6% YoY between August 2021 and August 2022.
- Kefir and kombucha are examples of ingredients that are used to create non-alcoholic beverages and help achieve complex flavor profiles. Searches for 'Mocktails' were up 59% in 2022 and are expected to continue for several years.



2

### Fermented Drinks

- The increasing awareness of healthy and natural drinks has resulted in rising popularity of fermented beverages as an immunity booster as it is scientifically proven to enhance gut microbe diversity and decrease inflammatory proteins.
- Twenty-four percent of the consumers consider digestive health as one of the most important aspects of their overall well-being.
- Functional sodas such as OLIPOP, which is infused with botanicals, prebiotics, and other good-for-you ingredients, are gaining popularity.



3

### Hybrid Beverages

- Most consumers today are looking for taste experiences and for leading beverage companies to focus on developing new products by blending favorite qualities of existing drinks.
- Energy drinks that have high level of electrolytes and improve hydration offer a strong example of creating alternative forms of traditional products with added benefits and flavors.
- Bacardi includes nostalgic and classic cocktails in its 2023 trends report, citing its 2022 consumer survey, which found 58% of bartenders are most interested in classic cocktails with a twist.



4

### CBD Beverages

- Although the use of CBD in food and beverages is not approved by the FDA, the interest in cannabis beverages has been booming and is expected to capture a significant part of the beverages market in the future.
- The US and Canada are global leaders in patent filings for cannabis-based drinks. Major beverage companies are developing new products or building strategic partnerships to offer cannabis-based products in product portfolios.



5

### Mood Boosting Beverages

- As consumers grapple with life in a post-pandemic world, face the rising cost-of-living, and other global issues, the need to prioritize mental well-being has never been greater. This is fueling demand for products that claim to support the full spectrum of mental well-being needs, such as stress relief, relaxation, and improved sleep, energy levels, and focus.
- Thirty percent of global consumers find products that promote relaxation to be very appealing.



## Key Insights



**Functional Water:** Functional water contains healthy additives such as botanicals, vitamins, minerals, or oxygen. By 2025, the functional water market is expected to reach \$18.2 billion. More functional water options are expected in the coming years as consumers shift away from sugary and unhealthy drinks.



**Focus on Functional Health:** Modern consumers are educating themselves on digestive health, which includes understanding gut bacteria and how it impacts well-being. The fermented beverages sector is seeing rapid growth, with the probiotic beverages market expected to reach \$77 billion by 2025.



**Sugar Replacement:** Sugar is a dietary staple found in almost every processed food or beverage, but with the rising awareness and prevalence of sugar-related diseases, consumers are shifting to non-sugar drinks. Beverage makers are including new alternative ingredients to minimize any negative externalities associated with sugar consumption and keep up with changing consumer demand.

# Condiments, Dressings & Sauces

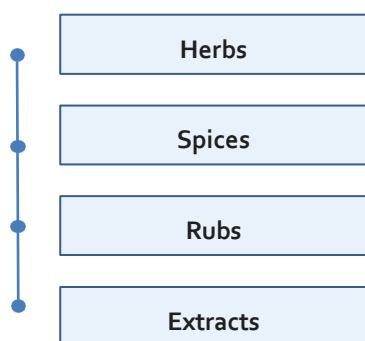
Condiments, dressings, sauces, and seasonings are highly popular around the world as consumers become more eager to experiment with new, global flavors.

Rising demand for international cuisines and the changing diet patterns to incorporate healthy alternatives are expected to significantly boost the demand for various condiments, sauces, and dressings around the globe.

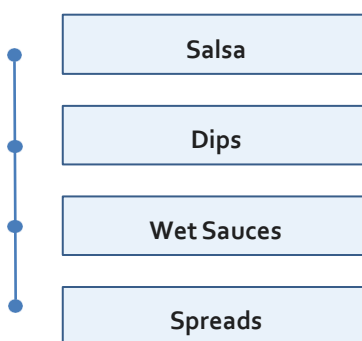
The category is broken down into three subsegments: flavor enhancers, snacking partners, and general food applications.

## Key Product Categories

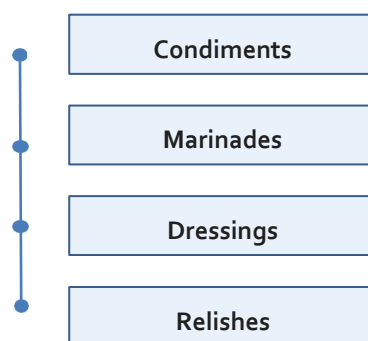
### Flavor Enhancers



### Snacking Partners



### General Food Applications



## II. Sector Coverage

### Global



- The global Sauces, Dressings, and Condiments market is expected to reach \$213.6 billion by 2027, growing at a CAGR of 5.3%.
- The increasing popularity of international cuisines along with shifting customer preference to healthier diet alternatives continue to drive overall market growth.
- The Table Sauces & Dressings and Cooking Sauces segments are projected to grow at a CAGR of 5.2% and 5.6%, respectively, through 2027.

### North America



- The North American Sauces, Dressings, and Condiments market was valued at \$36.6 billion in 2021, and is expected to grow at a CAGR of 4.7% from 2022 – 2027.
- The US dominated the market with a 64% share in 2021, driven by rising intake of tomato sauces & purees, and the increasing application of cooking sauces.
- Mexico is estimated to be one of the fastest growing regions from 2022 – 2027 due to increasing application of condiments in the Mexican diet.

### South America



- The South American market has exhibited strong growth, primarily due to a rising middle class and younger demographic eager to experiment with new flavors.
- In this region, cooking sauces account for about 35% of the market share followed closely by table sauces.
- Major recent challenges include the slowdown in South American economies due to supply chain disruption and rising inflation.

### Europe



- The European Sauces, Dressings, and Condiments market is expected to reach \$41.8 billion by 2027, growing at a CAGR of 5.2% from 2022 – 2027.
- Germany dominated the market with a 21% market share, driven by the rising popularity of organic barbeque sauces and healthier alternatives that replace sodium and sugar.
- France is estimated to be the fastest growing region from 2022 – 2027 due to the heightened popularity of pasta sauces, tomato pastes, and purees.

### Asia-Pacific



- The Asia-Pacific market is projected to grow the fastest through 2027 due to the rapid rise in disposable income for a large part of the population across India and China.
- India and China are expected to record double digit growth while Japan is expected to slow down due to an aging population.
- Salad dressings like sesame oil, citrus juice, and soy sauce are preferred in the Asian markets over Western favorites like vinaigrette and mayonnaise.

## Key Growth Trends

1

### Rising Popularity of Plant-Based Condiments

- Sales of plant-based condiments and dressings increased by \$81.0 million (123%) YoY in 2021.
- As consumers shift to vegan & vegetarian options to include healthier foods in their diets, sauces and condiments made from superfood nuts and seeds are rapidly gaining popularity.





2

### Rise in the Consumption of Spicy Foods

- While sweet flavor profile dominates the US market, consumer interest in spicy food is rising rapidly – up by 20% since the start of COVID-19.
- Chilis like Arbol, Cayenne, and Puya are used actively to pastes, sauces, oil, and honey.
- Spicy honey has seen a 15% growth rate in social discussions over the past year and has been gaining traction as a spread or topping, specifically at legendary US pizza shops, such as Paulie Gee’s.
- “Swicy” Food (sweet and spicy) is becoming a popular combination as consumers pursue flavors of global cuisines such as South Korean foods, where “swicy” is a popular flavor.



3

### Increase in Flavor Diversity

- There has been an increase in consumers experimenting with new flavors and foods to improve familiar comfort foods or recreate their favorite restaurant dishes at home.
- Increasing applications of mustard, either as a dipping sauce, in stir-frying, or as a constituent in mayonnaise and vinaigrettes is fueling growth in the North American markets.
- Tamarind is a culture-spanning ingredient, popular in several cuisines, including Mexican, Indian, and Southeast Asian, often sold as pods or pastes in sweet-sour-tangy-tart formulations.
  - In 2022, a tamarind-based candy stick in Mexico grew significantly in Google searches, and Doritos recently launched a new “Tangy Tamarind” flavor.



4

### Rising Reduced Sugar and Zero Sugar Options

- Increasing awareness of the health hazards of high sugar intake has led to consumers actively looking for alternative options.
- Major players in the condiments space have focused R&D efforts toward developing reduced sugar or zero sugar options, including Kinders’ Zero Sugar BBQ Sauce and Hunt’s’ “No Added Sugar” Pasta Sauce.



5

### New Global Flavors in the US Market

- Consumers continue to experiment with newer flavors to explore diverse cultures, increasing the interest in global condiments in the US.
- Amba, a high-growth sauce, rose by 32% in menu mentions, and Mexican molé saw a whopping 176% rise in social discussions since March 2020. Gochujang, or red chili paste, also saw a 31% increase in recipe mentions.
- Kimchi, gochujang, doenjang, and other Korean sauces & seasonings are growing in popularity due to their ability to add a punch to regular meals and allow consumers to make classic Korean recipes.
- Consumers are on the lookout for more sensorial consumption experiences, leading them to pursue different spices as flavor boosts/additives to common dishes.

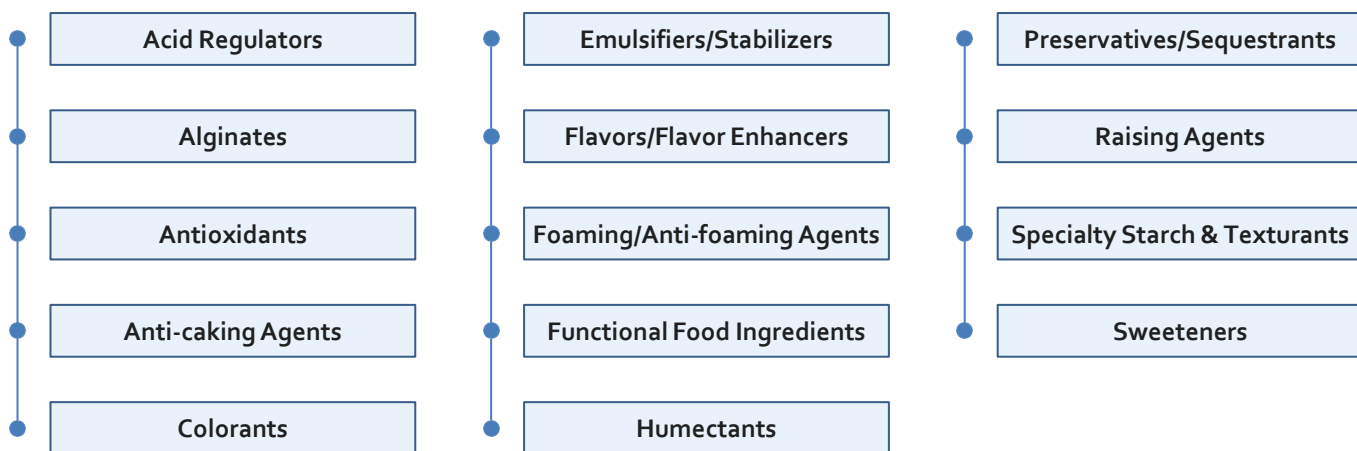


# Food Ingredients

Food ingredients are additives that are added to food and drinks either to enhance the flavor or the nutritional content of the meal or beverage. The segment includes emulsifiers, sweeteners, thickeners, stabilizers, color additives, fat replacers, acidulants, preservatives, pH control agents, binders, and more.

The pandemic has reinforced health and wellness trends as consumers are more mindful of the importance of healthy eating to their health and immunity. Consumers are also avoiding the use of artificial additives and preservatives, shifting their focus toward natural, organic, and plant-based alternatives. Ingredient transparency and the use of quality ingredients to deliver healthier formulations have become important considerations for consumers when choosing their products in recent years.

## Key Product Categories



## Market Overview

### Global



- The global specialty ingredients market is estimated at \$124.9 billion in 2022 and is projected to reach \$193.7 billion by 2030, growing at a CAGR of 6.4%.
- Increasing urban population, changing consumer preferences, rising penetration of eCommerce, and increasing awareness of natural, label-friendly food ingredients are expected to fuel the demand for the global market.

### Europe



- Europe's specialty food ingredients market is expected to grow at a CAGR of 5.0% from 2022 – 2025.
- High imports of specialty food ingredients coupled with the presence of a large number of processing and confectionary companies in Europe are expected to drive demand for specialty food ingredients.

## II. Sector Coverage

### Asia-Pacific



- Asia-Pacific held the largest revenue share, accounting for 25% of the global ingredients market, and is expected to witness the highest growth from 2022 – 2030. Within Asia, China has the largest regional share.
- Growing population, rising demand for convenience food, changing lifestyle, and dietary preferences are some of the factors that will drive the growth of the market.

### North America



- North America accounted for the second highest revenue share, dominated by the US market, which was valued at \$20.3 billion in 2021.
- The US market is projected to grow at a CAGR of 5.3% from 2022 – 2030. The younger population has been focusing on transparency in food ingredients and shifting their preference to more healthy and natural ingredients.

## Market Drivers



Increasing urbanization, rising R&D, and advancement of technology across the food industry



Rising demand for healthy ingredients and shifting consumer preferences toward clean label products



Increasing application of specialty food ingredients across different segments and industries



Rising demand for processed, packaged, and ready-to-eat foods

## Key Growth Trends

1

### Multifunctional Ingredients

- With increasing health awareness, food and beverage manufacturers are looking for innovative ways to deliver more functional products to consumers. Multifunctional food ingredients, which provide more than one functional attribute per product, can help companies meet consumer demands.
- Multifunctional ingredients developed by food manufacturers utilize digestible fibers to support a healthier, more balanced diet.



2

### Plant-Based Ingredients

- Due to the growing popularity of plant-based trends, the options for plant-based ingredients have increased tremendously over the last few years.
- Major food ingredients and meal players are pushing to add plant-based variants to their existing brands in key food markets.



3

### Natural Food Colors

- Recently there has been a surge in demand for food colors derived from natural sources. According to a survey, 75% of the consumers are willing to pay more for clean label and natural products.
- The launch of products using natural colors grew at an average rate of 2% from July 2017 to June 2022. The most used natural colors were caramel paprika extract, carmine, and titanium oxide.



4

### Clean to Clear Labels

- The need for clean labels is one of the biggest consumer trends over the last few years, but the concept of clear labels has been gaining a lot of traction recently with consumers demanding more transparency and accuracy in food ingredient labeling.
- Consumers are looking for products that not only contain familiar ingredients but also use easy-to-understand labeling that does not hide chemical or chemical-sounding ingredients.



5

### Sustainable Ingredients

- Sixty-five percent of the consumers want products that allow them to live a more sustainable and socially responsible life.
- Major food industry players including Nestle, Cargill, and Olam Food Ingredients are developing products to meet the rising demand for sustainable products. Companies are also working to develop ingredients from food waste and byproducts created during harvesting, production, and food processing.



6

### Fermentation of Ingredients

- The global fermented food and beverages segment has exhibited robust growth over the last few years due to its attractive health benefits.
- Fermentation is also being leveraged in the development of new and better food ingredients that will help industry players solve challenges in the food production process. Many manufacturers are using fermentation to hide the notes of ingredients which have useful benefits/qualities but do not taste good.





# Health & Wellness

The Global Health and Wellness sector is continuing to take advantage of the 'healthy' boom as consumers are increasingly shifting to healthier alternatives and buying foods with clean ingredients. Although the move toward healthy foods has been underway for some years, the recent pandemic has accelerated the trend exponentially. More consumers are prioritizing preventive nutrition, immunity, clean eating, and overall health and wellness, indicating a clear change in consumers' food preferences.

With the rising prevalence of eCommerce, digital channels have become a useful means of product discovery, leading to increased health food brand startups. Consumers are looking for foods that not only taste good but also help them accomplish their wellness goals. More than one-third of consumers around the world report that they 'probably' or 'definitely' plan to increase spending on nutrition apps, diet programs, juice cleanses, and subscription food services in 2022. Currently, organic foods, plant-based foods, and functional foods are a few of the top-performing categories.

## Key Product Categories

### Naturally Healthy

Natural food and drinks are minimally processed and free from artificial sweeteners, colors, and flavors. These are classified into fruits, vegetables, meat, fish, poultry, dairy products, non-dairy beverages, coffee & tea, beer & wine, and others.

### Functional

Functional foods contain biologically active ingredients, such as antioxidants, phytonutrients, enzymes, and live cultures, whereas food enrichment or fortification is the process of making food more nutritional by adding additional vitamins and minerals.

### Organic

Organically grown foods and beverages are free from man-made fertilizers, pesticides, growth regulators, and livestock feed additives. These products generally have a higher nutritive value. Some examples include organic fruits, vegetables, dairy, and meat.

### Plant-based

Plant-based foods and beverages are derived from plants or cultures. These act as substitutes to animal-origin products such as meats, seafood, eggs, and dairy. Vegetarian and veganism are major growth drivers of this segment.

### Better-For-You ("BFY")

Better-For-You foods are classified as low in salt and sugar, high in fiber, or high in added vitamins. Driven by young consumer lifestyles and their emerging health concerns, the BFY trend is focused on packaged food, with options including nuts, seeds, fruit snacks, healthy shakes, and protein bars.

### Food Intolerance/Free-from

Food intolerance, also referred to as 'free-from foods', are products in which the term 'free' suggests the food contains no detectable residues. Gluten-free, lactose-free, and diabetic foods are recommended for overcoming food intolerance from food ingredients such as gluten, lactose, and sugar, respectively.

## Key Segment Global Market Size and Growth, 2022 – 2027

Segment	Naturally Healthy	Functional	Organic	Plant-based	Better-For-You	Food Intolerance
Market Size 2022	\$373.8B	\$253.9B	\$208.2B	\$42.1B	\$37.0B	\$24.9B
Market Size 2027	\$512.2B	\$385.4B	\$388.2B	\$75.6B	\$50.9B	\$31.1B
CAGR 2022 – 2027	6.5%	8.7%	13.3%	12.4%	6.6%	4.6%

Source(s): Web Research, News Articles

## Market Overview

### Global



- The Global Health and Wellness Food market is expected to grow from an estimated \$939.9 billion in 2022 to almost \$1.4 trillion in 2027, at a CAGR of 8.5%.
- Changing consumer preferences, increasing focus on healthy eating, and rising food sensitivities have fueled the demand for the Health and Wellness Food market.
- Furthermore, the growing popularity of natural and organic foods backed by increased availability of these products in regular stores as compared to only specialty stores is driving further growth for the global market.

### Europe



- The Health and Wellness Food market in Europe is expected to grow at a CAGR of 9.0% from 2022 – 2029.
- An increasing awareness about sustainability and growing demand for clean label products have been driving the region's demand.
- Spain is expected to lead the market in Europe due to a rising consumption of healthy foods and a high concentration of health and wellness food manufacturers in the region.

### Asia-Pacific



- The Asia-Pacific region is projected to grow at a CAGR of 9.9% from 2022 – 2029.
  - Within Asia, China accounts for the largest market share and is expected to continue to dominate the region.
- The increasing number of health-conscious consumers and rising popularity of protein-based food which offers more nutritional and health benefits have boosted the growth of the market.

### North America



- The North America health and wellness food market is forecasted to grow at a CAGR of 9.3% from 2022 – 2029.
- A rising focus on health and growing cases of chronic diseases are driving the growth of the market.

## Market Drivers



### Increasing At-Home Lifestyle

Since the pandemic, the working population has shifted to a more at-home lifestyle causing people to focus more on their diet by turning to health and wellness food products.



### Intolerance to Lactose and Animal Protein

The increasing intolerance to lactose and the global adoption of vegan eating habits for health and sustainability purposes have resulted in a shift toward plant-based food products.



### Weight Management and Obesity Market

The growing awareness that most packaged foods are generally high in calories, sodium, solid fat, added sugars, and refined grains, which are highly correlated with Type 2 Diabetes and obesity



### Increased Product Offerings

Food manufacturers within the plant-based and organic foods segments have started providing products that span a range of dietary and taste preferences to target a broad array of consumers.

## Key Growth Trends

1

### Plant-Based Food Alternatives Have Gone Mainstream

- Plant-based offerings have expanded exponentially in recent years, driven by an increasing vegan population worldwide. The category has experienced growth not only for the known health benefits but also because it has become a popular means of sustainability and reducing environmental footprint.
- According to the International Food Information Council, 65% of people have consumed products in 2021 that imitate the flavor and texture of animal protein but are plant-based.



2

### Personalized/Precision Nutrition with Food Tech Revolution

- New technology, gut microbiome testing, and constant new food launches are bringing a tailored approach to food manufacturing. Blockchain producers are providing increased visibility throughout the supply chain to ensure food safety and traceability.
- The opportunity for customization in food and beverage consumption presents a large opportunity for both start-ups and established players.
- For example, Cadbury utilizes Sugar Reduction Technology to render sugar crystals 'hollow', leading to reduced sugar content in its chocolates, allowing consumers to enjoy a healthy alternative to traditional chocolate.



3

### More Mindful and Balanced Eating

- Per the global food and nutrition giant ADM, 66% of consumers globally are more concerned with immunity post-COVID-19.
- Increasing awareness regarding lifestyle ailments, immunity boosting, and body image concerns are driving the need for functional and naturally healthy ingredients. Traditional food and beverage companies have also been looking for strategic partnerships to strengthen their ingredient-focused product portfolio.
- Seeded food products are one of the key health food trends in 2022, as they offer similar nutritional benefits to nuts, a very common food allergen.



4

### Multiple Variants for Food and Beverages

- Many trends have risen for consumers to follow healthier and tastier food with increasing options for food and beverage products.
- The largest Health & Wellness category is functional foods, as they intersect many sectors, including tonics, chocolates, gummies, teas, smoothies, and snacks.
- Nutritious ice cream with adaptogens and superfood mushrooms are said to promote health, mental clarity, energy, etc., leading to growing traction among consumers.



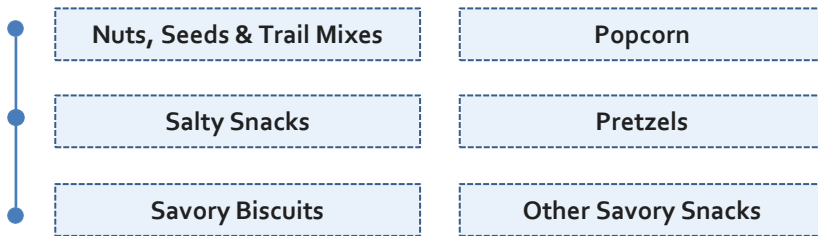
# Snacking

Consumers' preference for easy-to-carry, healthy, and quickly accessible food makes snacks a high-growth category. Witnessing the sudden upsurge, manufacturers have started launching products enriched with protein, vitamins, and nutrients, giving consumers on-the-go nutrition while snacking. Functional snacking is gaining more importance these days as people are replacing their meals with snacks. According to a report by Mondelez International, in 2021, 72% of people looked for portion-controlled snacking options, which means they sought to fulfil their nutritional needs through snacking.

Globally, people are replacing their meals with snacks as there is less time for them to have a proper meal due to busy work schedules. Recently, people have been snacking due to stress caused by their work and personal lives. In the UK, 46% of women and 26% of men have been known to consume snacks to reduce frustration. Because of stress eating, the appetite for meals is lost, and snacks seem to replace meals over the long-term. Moreover, the spread of the West's eating habits to the developing world and growing urbanization have helped improve market penetration for global players.

## Key Product Categories

### Savory Snacks



### Sweet Snacks



## Market Overview

### Global



- The global market for snack foods is projected to reach \$667.0 billion by 2027, growing at a CAGR of 5.6%.
- Cookies & Crackers lead the market, with a revenue share of 52.3%, followed by Tortilla Chips and Pretzels.
- The Cookies & Crackers segment is projected to grow at a 6.1% CAGR and reach \$356.1 billion by 2027.

### Europe



- The European Snack Foods market size is projected to reach \$84.0 billion by 2027, growing at a CAGR of 4.4%.
- The industry is driven by countries such as the UK and Spain as their consumers often engage in on-the-go eating in place of whole meals.
- Snack foods has emerged as an alternative to full-fledged meals in the European countries due to its convenience and quick source of nutrition and energy.

### Asia-Pacific



- The Asia-Pacific region is forecasted to reach \$344.2 billion by 2027 and is the fastest-growing market for snack food items.
- Growth is largely driven by countries such as India, Japan, and China as consumers in these countries have started adopting healthier lifestyles to combat childhood obesity.
- More companies are emphasizing clean labels and product flavor as tactics to attract customers.



North America



- The North American Snack Foods market is projected to reach \$153.0 billion by 2027, growing at a CAGR of 3.8%.
- North America is expected to account for ~25% of global market share in 2023.
- In 2023, the US Snack Foods market is estimated at \$108.5 billion.
- The growth in the region is mainly due to the presence of high-income consumer groups.

Market Drivers



Increased consumer preference for snack alternatives over traditional meals



Increasing demand for nutritious, on-the-go, and economical food options



Increased accessibility due to expanding supermarkets and eCommerce channels



Investment in efficient processing equipment to provide consumers with quality snacks

Key Growth Trends

1

New Formats

- New and exciting formats are a trending way to grab consumers' attention.
- This includes bites, balls, and other miniature versions of traditional snacks. In the US, about one in three consumers say they're interested in mini versions of snacks.
- Blake's Seed Based has been identified as a growing company attempting to take advantage of the tailwinds, selling Rice Krispies Treat-inspired bars, treats, and more.

2

Functional Nutrition

- Snacks with functional nutrition represent the next frontier in healthy snacking, as 76% of US consumers say it's important that snacks offer health benefits.
- Snacks with immunity claims have been on the rise and are expected to remain popular over the next few years.

3

Global Flavors

- Manufacturers are exploring more than just spices from around the world. They're enriching products with flavorful ingredients like lemongrass and serrano.
- Some brands have started replicating entire dishes into their better-for-you snacks, such as churro-flavored plantain chips.

4

CBD Snacks

- CBD products are also on an upward trajectory, with the global CBD snack market expected to reach \$2.6 billion by 2028.
- This presents a huge opportunity for snack developers to create products that incorporate CBD in protein bars, nut butters, sweets, non-alcoholic drinks, and sparkling beverages.

5

### Sustainable Snacking

- Sustainability is set to become an essential component of the product proposition in the coming years amidst increasing company pledges, growing consumer awareness, and a greater need to diversify ingredients amid ramping inflation.

6

### Mindful Snacking

- Snacks featuring natural, no additives/preservatives, organic, and GMO-free ingredients allow the mindful consumer to snack indulgently, but also 'guilt-free'.
- As a result, snacks that are gluten-, paleo-, or preservative-free are on the rise and are expected to stay popular during the next few years.

7

### Adultification

- Snack developers have started manufacturing snacks that appeal as much to the adult as they do to the younger generation.
- The adult snacking market is thriving with availability of snacks featuring premium flavors like coffee, beer, or wine, which contribute to making more sophisticated treats.

8

### Nostalgia Foods

- According to Whole Foods' 2023 Report, Nostalgia Foods are making a major comeback in the form of mac & cheese, pizza bites, old-school cereals, and especially in candies / sweets.
- This trend has become very popular on Tik Tok and other social media apps, as people recreate childhood foods like the dirty shirley, pizza toast, etc.

## Key Insights



**Packaging for Redefined Convenience:** Increased at-home occasions have reshaped when, where, and why people snack. Fifty-one percent of US consumers are looking for snacks that can be eaten on-the-go — but that doesn't necessarily mean 'out-of-the-house' anymore. With hybrid working models, consumers are eating both inside and outside of the home.



**Consumers Seeking Multi/Variety Packs:** From a dollar perspective, the US has seen a 26% increase in multipacks across IRI's food, drug, and mass convenience channels while units and volume are also growing. Forty-one percent of consumers look for variety packs when selecting snacks.



**Experiential Influencers:** Consumers are looking for snack products with more than one benefit across sustainability and holistic health. Food manufacturers who communicate these benefits through on-package claims and digital engagement — with a focus on monitoring what resonates with their target consumers — are best positioned for success.



**Evolved Holistic Health:** Snacks catering to dietary requirements are fueling category growth. In the US, for instance, 29% of consumers buy snacks to support the diets they follow.



**Sustainability-Aligned Attitude:** Snacking shoppers are aligning their attitudes with purchasing products touting key sustainability claims. Products that follow eco-friendly packaging innovations such as substituting plastic with paper or glass, use upcycling, or reusing excess food are growing in popularity.

# Dairy

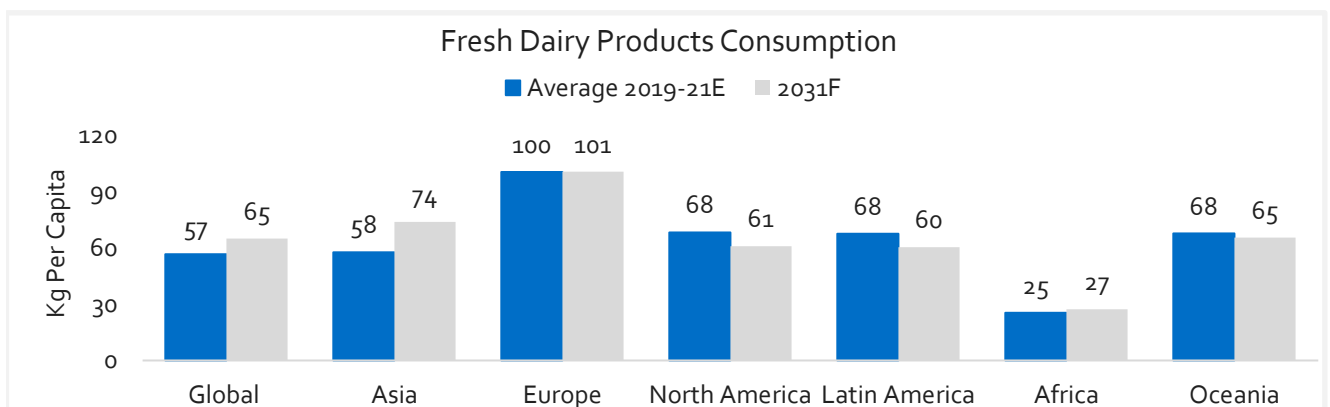
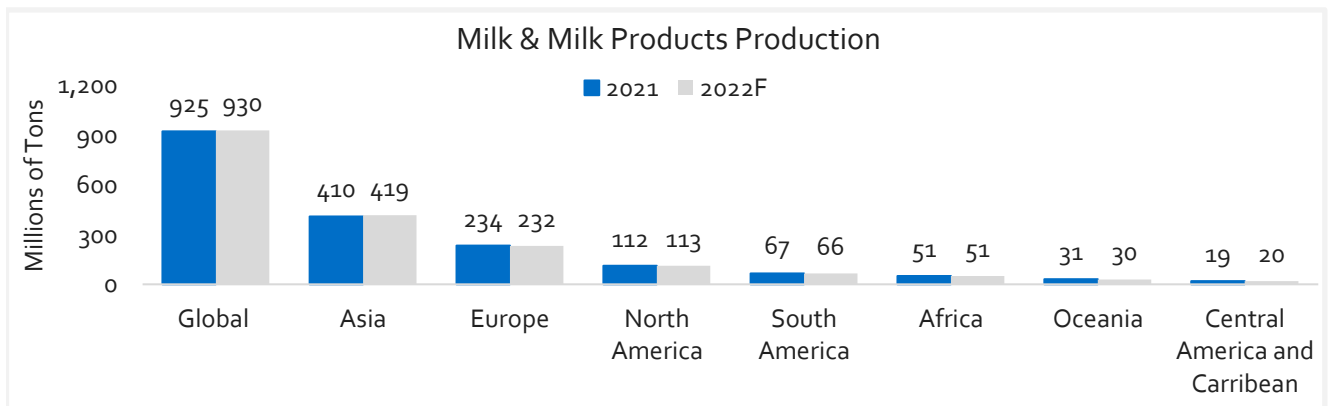
The long-term outlook on the global dairy industry remains positive with expected growth driven by population growth, rising incomes, urbanization, and westernization of diets in countries such as China and India.

However, the dairy industry is currently experiencing significant uncertainty. Even before the Russia–Ukraine conflict, global dairy commodity prices were soaring due to a supply shortfall. Major export regions have been grappling with poor weather and margin erosion, resulting in a YoY deficit that was much worse than anticipated in the second half of 2021. The seven biggest dairy-producing regions, including the US, EU, New Zealand, Australia, Brazil, Argentina, and Uruguay, have seen record-high feed costs and weather-related issues directly impacting the profitability of dairy farmers. Global herds have contracted or are facing barriers to growth, making it harder for milk output to rebound after the current slump. If weakening commodity prices translate into lower farmgate prices in the coming quarters, it may result in a slower recovery.

## Key Product Categories



## Core Dairy Segments Production and Consumption



Source(s): FAO - Dairy Market Review, OECD-FAO Agricultural Outlook

## Market Overview

### Global



- The global dairy market was estimated at \$893.0 billion in 2022 and is expected to reach \$1,243.0 billion by 2028, growing at a CAGR of 5.8%.
- Rising household income, increasing demand from the emerging economies, and growing health consciousness among consumers are fueling the growth of the market.
- Global milk consumption per capita is set to grow at a 1.4% CAGR until 2031. Consumption levels are expected to vary largely based on a country's per capita income growth, regional differences, and population growth.

### Europe



- The European dairy market is expected to grow at a CAGR of 1.4% from 2022 – 2028 and is forecasted to reach \$179.1 billion by 2028.
- Europe is one of the largest dairy markets in terms of volume of consumption. The 2019 – 2021 average per capita consumption of fresh dairy products was 100.4 kg.
- Western Europe is expected to drive the growth for the region due to rising GDP and higher standard of living in recent years.

### Asia-Pacific



- The Asia-Pacific dairy market is projected to grow at a CAGR of 3.1% from 2022 – 2027.
- The region is one of the leading producers of milk and milk products with an estimated production of 410 million tons in 2021 and is forecasted to increase to 419 million tons in 2022.
- India is one of the leading producers as a result of large dairy herd numbers, moderate yield gain, and efficient milk collection processes implemented by cooperatives.

### North America



- The North American dairy products market is expected to grow at a CAGR of 5% through 2026. The growth for the region is expected to be moderate in the coming years due to the decreasing demand for dairy products and shift towards dairy substitutes.
- The 2019 – 2021 average per capita consumption of fresh dairy products for US and Canada was 67.5 kg and 74.0 kg, respectively.

## Market Drivers



Optimization of milk production systems, improved feeding efficiency, animal health, and genetics



Increased availability of high-quality fodder and improving cattle productivity



Expansion of tech-backed milk and milk product delivery platforms



Favorable government schemes and initiatives related to milk production



Key Growth Trends

1

**Growing Demand for Organic Products**

- Consumers increasingly care about the methods behind food and beverage production, and there is a behavioral shift towards preferring organic over conventional food.
- The global organic food market is estimated at \$259.1 billion in 2022 and is projected to reach \$512.0 billion in 2027, growing at a CAGR of 14.6%.



2

**A2 Milk Opens an Entirely New Dairy Market**

- A2 milk products, which contain less A1 proteins that cause intolerance in many adults, are the future when it comes to non-lactose-related milk intolerance.
- Studies show that A1 can trigger many illnesses or intolerances, while A2 milk is generally better for overall health.
- The growing trend towards organic A2 dairy ingredients will continue to drive growth as more consumers are trying to avoid A1 beta-casein protein.



3

**Goat Milk Thrives**

- The goat milk market is also set to continue its growth, marked by recent boosts in yields and longer lactation lengths due to specialized breeding, with the global market projected to grow at a CAGR of 4.6% through 2030.
- North America holds the largest share of the global goat milk market, driven by an ever-increasing consumer interest in health and the associated health benefits of goat milk, such as its ability to reduce cholesterol levels.



4

**Sustainability – Emerging as a Universal Trend**

- Sustainability is a trend that is shaping almost every sector, and the dairy industry is no different. Ethical treatment of animals and reducing plastic waste are two of the primary concerns amongst dairy consumers.
- According to McKinsey, 55% of US dairy consumers said they might consider purchasing more dairy products from a company that has made environmental sustainability part of its mission.



5

**Healthier Snacks and High Protein Dairy**

- The changing market trends of the entire food and beverage market have a huge effect on the dairy industry as companies are striving to develop high-protein products to align with changing consumer preferences.
- The dairy industry is expected to be shaped by the world’s growing appetite for healthier snacks soon.
- According to McKinsey, 53% of US dairy executives consider health and wellness-conscious products as a key investment opportunity.



Following a year of unprecedented deal flow in 2021, a variety of macroeconomic factors has resulted in a slight decrease in merger and acquisition (M&A) activity in the F&B industry in 2022. Uncertainty over geopolitical tensions, interest rate hikes, and inflationary pressures have led to restraint among investors and strategic buyers. That said, there is still a significant amount of dry powder with investors and on the balance sheets of corporations which is expected to drive the acquisition demand from highly acquisitive food and beverage companies in 2023.

## Recent Highly Acquisitive Consolidators



## Recent Notable Acquisitions (Target / Acquirer)



# III. M&A Highlights

## Selected M&A Transactions (1/4)

Ann. Date	Target Company	Target Description	Country	Bidder Company	EV (\$M)	EV/ Revenue (x)	EV/ EBITDA (x)
19-Dec-22	Mondelez International (Chewing Gum Business)	Producer of flavored chewing gums	United States	Perfetti Van Melle	1,350.0	-	-
14-Dec-22	Waterloo Brewing	Engaged in the production, distribution, and sale of alcohol-based products	Canada	Carlsberg Canada	158.5	2.0	15.7
14-Dec-22	Palmetto Gourmet Foods	Manufacturer of packaged instant noodles	United States	Borealis Foods, Cibus Fund, Rocana Ventures	50.0	5.4	-
13-Dec-22	Dairy Partners Americas do Brasil	Produces and offers dairy products	Brazil	Groupe Lactalis	132.6	-	-
21-Nov-22	Tassal Group	Producer of sea food	Australia	Cooke	1,181.0	-	-
18-Nov-22	Soprole	Producer and distributor of dairy products	Chile	Gloria Foods	624.5	-	-
14-Nov-22	Teys Australia	Provider of beef and other red meats including frozen beef, premium grass beef and smoked beef	Australia	Minerva Foods	-	-	-
2-Nov-22	Balcones Distilling	Operates as a distillers and vintners company	United States	Diageo	-	-	-
31-Oct-22	Wilderness Trail Distillery	Producer of whiskey	United States	Davide Campari-Milano	600.0	10.5	16.0
28-Oct-22	Shandong Fengxiang Co.	Offers chicken meat products	China	PAG Capital	353.0	0.5	8.5
26-Oct-22	Badshah Masala	Engaged in manufacturing of spice mixes	India	Dabur India	140.6	6.1	-
25-Oct-22	Guizhou Jinsha Jiaojiu Winery Industry Co.	Producer and distributor of wines	China	China Resources Wine Holdings	3,066.1	-	-
21-Oct-22	Polar Seafood Denmark	Engaged in processesing, packaging, and marketing of cooked and peeled sea food products	Denmark	Brim hf.	164.7	0.3	-
20-Oct-22	Meijer Frozen Foods	Leading suppliers of frozen potato products	Netherlands	Lamb Weston Holland	688.2	-	-
19-Oct-22	Seattle's Best Coffee	Producer and distributor of roasted coffee bean	United States	Nestlé	7,150.0	-	-
17-Oct-22	Gelnex Gelatin	Manufacturer of gelatin and collagen	Brazil	Darling Ingredients	227.9	-	-
14-Oct-22	Danone Russia	Engaged in production of milk products	Russia	-	883.4	-	-
6-Oct-22	Diplomático Rum brand and related assets	Engaged in rum production business	Portugal	Brown-Forman	775.0	-	-
3-Oct-22	Denali Ingredients	Manufacturers of ingredients serving the ice cream, novelty, fluid dairy, bakery, and food service markets	United States	Orkla Food Ingredients	-	-	-

Source: Cap IQ

# III. M&A Highlights

## Selected M&A Transactions (2/4)

Ann. Date	Target Company	Target Description	Country	Bidder Company	EV (\$M)	EV/ Revenue (x)	EV/ EBITDA (x)
3-Oct-22	Saratoga Food Specialties	Producer of dry spice blends, sauces, dressings and glazes	United States	Astorg (Paris), Solina Group	587.5	-	-
3-Oct-22	Assets of Smithfield Foods	Engaged in food products processing business	United States	Solina Group	587.5	-	-
30-Sep-22	Coffee Holding	Producer and seller of wholesale green coffee and branded coffee	United States	Bunker Connect	623.6	0.6	38.4
16-Sep-22	Keystone Natural Holdings	Producer of plant-based protein food products	United States	House Foods America Corporation	110.0	2.0	39.6
7-Sep-22	DET Distributing	Distributor of alcoholic beverages	United States	Reyes Beer Division	400.0	-	-
31-Aug-22	Beaver Street Fisheries	Distributor of frozen seafood products	United States	Captain Fresh	600.0	-	-
30-Aug-22	B2B Powdered Cheese Business and Related Assets of The Kraft Heinz Company	B2B powdered cheese, condiments and sauces manufacturing company	United States	Kerry Group	107.5	-	-
30-Aug-22	Pernigotti	Manufacturer of chocolates and sweets including nougats, easter eggs, ice creams, candies and cookies	Italy	Invitalia, JP Morgan Asset Management, WalCor	63.5	30.1	-
30-Aug-22	Bodegas Williams & Humbert	Produces and markets alcoholic beverages	Spain	The Keepers Holdings	177.8	-	-
18-Aug-22	Clal Industries and Beverages	Manufactures and markets soft drinks and mineral water	Israel	Carmel Corp Ltd.	80.4	-	-
12-Aug-22	Märsch Importhandels-GmbH	Engaged in the production, import, distribution, and packaging of nuts and dried fruit products	Germany	Olam Deutschland GmbH	63.3	-	-
4-Aug-22	Certain Assets Associated with the Kitchen Basics Brand of Ready-to-use Stock and Broth of McCormick	Producer of flavors	United States	Del Monte Foods	99.0	2.2	-
25-Jul-22	The Spice Tailor	Producer and seller of flame-baked naans, Asian curry kits, lentil daal kits, Indian pastes and Indian curry kits	United Kingdom	Premier Foods	72.5	-	-
14-Jul-22	Guinness Cameroun	Owns and operates a brewery that brews and sells canned, stout, draught, and bottled beers	Cameroon	Castel Frères	459.1	-	-
14-Jul-22	Mohamed Mosaad Ahmed Auf Hamada And Partners	Engaged in production of coffee, gourmet nuts, nut butters, healthy food, biscuits, beverages, and dried fruits	Egypt	Agthia Group PJSC	257.8	4.0	16.3
29-Jun-22	The Better Health Company	Manufactures and distributes vitamins, minerals, and natural health supplements	New Zealand	Nestlé Australia	233.1	-	-
27-Jun-22	Tassal Group	Offers fresh, smoked, canned, and frozen salmon; and Australian black tiger prawns	Australia	Aquaculture Australia Company	1,160.2	2.1	7.8
24-Jun-22	Stone Brewing Co.	Produces and sells beers	United States	Sapporo USA	168.0	-	-

Source: Cap IQ

**Selected M&A Transactions (3/4)**

Ann. Date	Target Company	Target Description	Country	Bidder Company	EV (\$M)	EV/ Revenue (x)	EV/ EBITDA (x)
22-Jun-22	Globus Wine	Distributor of wines	Denmark	Anora (Beverages)	84.7	1.5	-
21-Jun-22	Silverado Vineyards	Engaged in production of wine	United States	Foley Family Wines	150.0	-	-
20-Jun-22	Clif Bar & Company	Producer of natural and organic energy food & drinks	United States	Mondelez International	2,900.0	-	-
15-Jun-22	San Miguel Fruits South Africa	Engaged in production of citrus fruits	South Africa	Citrico Global	77.1	-	-
3-Jun-22	Cocoaland Holdings	Manufacture of confectionery (chocolates, candies, cookies, wafers), soft drinks, and snacks	Malaysia	Fraser & Neave Holdings	132.7	2.6	15.4
27-May-22	32 liquor brands of United Spirits	Offers alcoholic beverages	India	Inbrew Beverages	106.8	0.1	-
25-May-22	Helper Main Meals and Suddenly Salad Side Dishes Businesses	Produces of a wide range of easy-to-make main meals and salad side dishes	United States	Eagle Family Foods Group	606.8	2.6	-
24-May-22	Nortera	Manufacturer and distributor of frozen and canned vegetables	Canada	Caisse de dépôt et placement du Québec, Fonds de solidarité FTQ	1,019.6	-	-
19-May-22	Dippin' Dots	Producer and seller of beaded ice cream products	United States	DD Acquisition Holdings	221.3	-	-
13-May-22	Cerealto Siro	Manufacturer of baked food products	Spain	Afendis Capital Partners, Davidson Kempner	116.4	-	-
12-May-22	Yukjun F&C	Engaged in production of beer and snacks	South Korea	PEF Keystone Partners	77.7	-	-
11-May-22	TNT Crust	Manufacturer and distributor of high-quality frozen pizza crusts	United States	General Mills	252.0	-	-
10-May-22	Picon Brand and Related Assets of Diageo	Offers bittersweet aperitif with a unique orange flavour	France	Davide Campari-Milano	125.3	5.5	-
9-May-22	HJF Co.	Processes and provides seasoned meat, packaged meat, and edible meat	South Korea	Hollys F&B Co.	62.6	-	-
6-May-22	Dumex Baby Food Co.	Manufactures and sells infant food and nutrition products, and milk powders	China	Danone Asia	130.5	-	-
5-May-22	FASA Group	Offers bovine, fish, poultry, swine, and vegetable-based products	Brazil	Rousselot Gelatinas do Brasil	555.7	3.7	-
5-May-22	Sterling Technology, Inc.	Manufactures and develops immunity solutions that include veterinarian and bioactive health solutions from colostrum	United States	GN Nutritional Solutions	60.0	2.5	-
3-May-22	Charlotte, N.C. Production Facility	Engaged in production of nonalcoholic beverages	United States	CCBCC Operations	60.0	-	-
29-Apr-22	Dharmya Business Ventures	Offers snacks, sweets, dry fruits, and seasonal products through its online platform	India	Wingreens Farms	161.0	-	-

Source: Cap IQ



# III. M&A Highlights

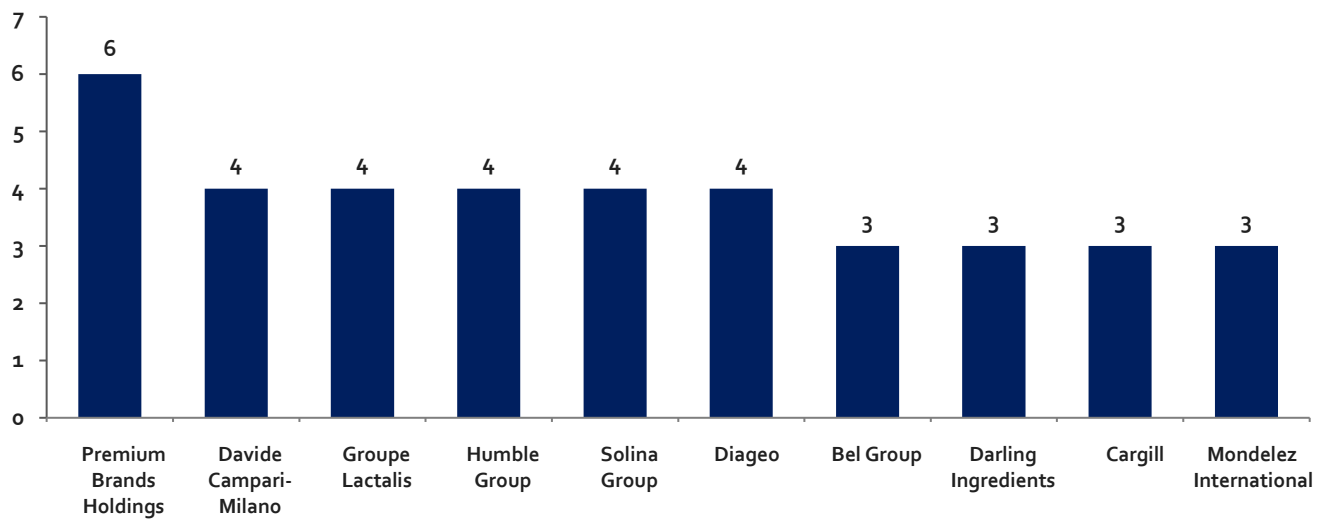
## Selected M&A Transactions (4/4)

Ann. Date	Target Company	Target Description	Country	Bidder Company	EV (\$M)	EV/ Revenue (x)	EV/ EBITDA (x)	
26-Apr-22	Club Coffee	Leading high quality custom coffee roaster in North America	Canada	Olam International	117.2	-	-	
26-Apr-22	Agricultural Corporation TEAZEN Co.	Produces and sells capsule tea, tea bags, green tea, herbal tea, blending tea, and lattes	South Korea	VIG Partners	82.4	-	-	
25-Apr-22	Confectionery Business of Grupo Bimbo	Candy and confectionery brand of Grupo Bimbo	Mexico	Mondelez International	1,300.0	2.6	-	
31-Mar-22	21Seeds	Offers all natural, craft infused tequila made with real fruit	United States	Diageo	160.4	-	-	
31-Mar-22	Quantum Hi-Tech (Guangdong) Biological Co.	Engages in the production, research and development, and sales of prebiotics	China	Tate & Lyle Investments Limited	236.6	-	-	
14-Mar-22	Pete's	Provider of fresh products including green, butter lettuce, watercress, baby romaine and a variety of organic lettuces	United States	Local Bounti	122.5	-	-	
4-Mar-22	Real Foods	Operator of a multi-brand food group intended to offer fresh products.	South Africa	Brait, Virgin, Virgin Active	140.9	-	-	
16-Feb-22	Shafer Vineyards	Producer and manufacturer of wine and spirits	United States	Starfield Properties	250.3	-	-	
16-Feb-22	Almer Malaysia	Manufacturer of spray-dried powders used in beverage systems and food product ingredients	Malaysia	Kerry Group	100.5	-	-	
10-Feb-22	Suntory Coffee Australia	Manufactures and sells fresh coffee	Australia	UCC ANZ Management	159.7	-	-	
1-Feb-22	4505 Meats	Producer of pork rinds and meat products	United States	Benestar Brands, Highlander Partners, Norwest Mezzanine Partners	50.0	1.3	-	
27-Jan-22	Tasty 9 Co.	Produces and delivers processed food and instant food products	South Korea	Fresheasy Co.	83.1	2.1	-	
13-Jan-22	CANarchy	Craft beer and hard seltzer company	United States	Monster Beverage	329.5	-	-	
7-Jan-22	Hansa Borg Bryggerier	Brewery and beverage company that produces both alcoholic and non-alcoholic drinks	Norway	Royal Unibrew	372.4	-	-	
4-Jan-22	ZFS Creston	Offers soy flour, flakes and grits which are be used as ingredients or extenders	United States	Benson Hill	133.3	1.0	20.6	
3-Jan-22	Chipita Societe	Manufactures & sells croissants, savory snacks, and bread based baked snacks	Greece	Mondelez International	2,076.2	3.6	-	
						<b>Mean</b>	<b>4.0</b>	<b>19.8</b>
						<b>Median</b>	<b>2.4</b>	<b>16.0</b>

Source: Cap IQ

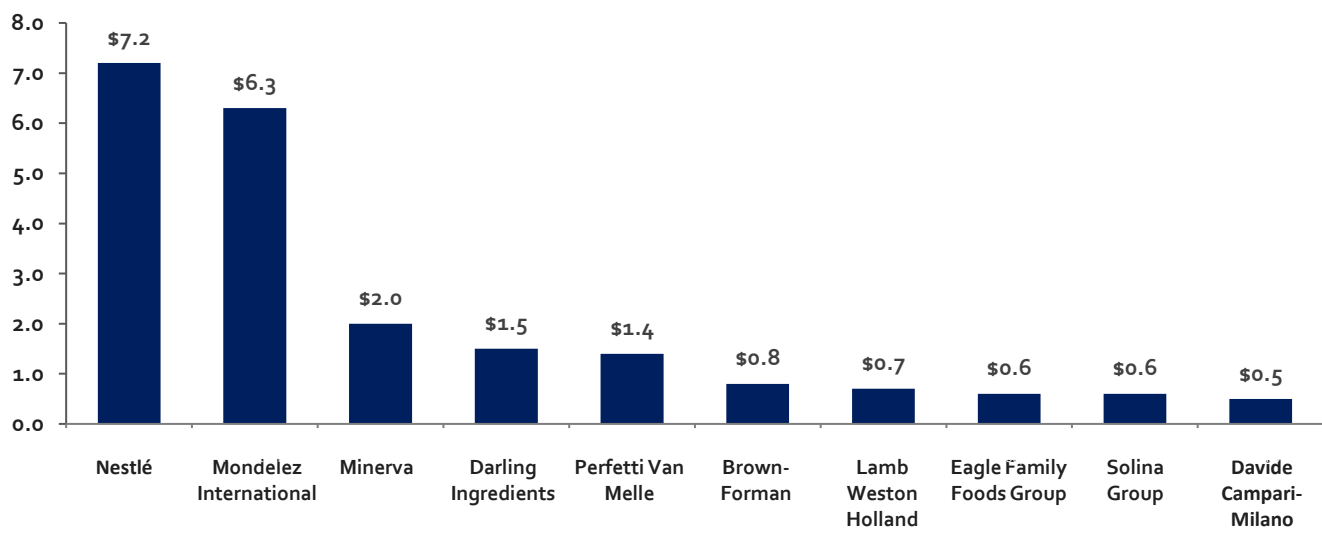
### Deal Count by Key Strategic Buyers (2022)

Key global strategic Food & Beverage companies have continued to make significant investments and acquisitions in order to enter new product categories, diversify their customer mix, and expand their geographic presence. As highlighted below, Premium Brands Holdings and Davide Campari-Milano were among some of the most active strategic buyers, with six and four acquisitions, respectively.



### Deal Value by Key Strategic Buyers (2022)

Top strategic transactions include the \$7.2 billion acquisition of Seattle's Best Coffee by Nestlé in October, followed by Mondelez's \$2.9 billion acquisition of Clif Bar & Company and Minerva's \$2.0 billion acquisition of Teys Australia in November.



Source: Cap IQ

# IV. Peer Trading Analysis

## Bakery

Company Name	Mkt Cap (\$M)	EV (\$M)	Margin (%)		EV/		
			EBITDA	EBIT	Sales (x)	EBITDA (x)	EBIT (x)
			LTM	LTM	LTM	LTM	LTM
<b>Bakery</b>							
George Weston	\$17,776	\$36,414	10.3%	7.8%	0.9x	8.4x	11.2x
Grupo Bimbo	19,432	26,190	12.7%	9.4%	1.2x	9.8x	13.2x
Britannia Industries	12,727	13,033	15.2%	13.8%	7.0x	46.2x	50.6x
Flowers Foods	6,068	7,087	10.3%	7.5%	1.5x	14.6x	20.0x
Gruma	5,138	6,900	13.1%	10.4%	1.3x	9.9x	12.4x
Lancaster Colony	5,436	5,391	11.6%	8.9%	3.2x	27.2x	35.4x
Hostess Brands	3,004	3,875	20.4%	16.4%	2.9x	14.4x	18.0x
Greggs	2,938	3,118	15.1%	11.1%	1.8x	12.1x	16.5x
Toly Bread	3,038	3,035	14.4%	12.3%	3.1x	21.3x	24.9x
M. Dias Branco	2,364	2,799	9.9%	7.6%	1.5x	15.1x	19.8x
Yamazaki Baking	2,519	2,420	5.8%	1.9%	0.3x	5.0x	15.2x
Premier Foods	1,156	1,574	17.9%	14.1%	1.4x	7.7x	9.7x
ARYZTA	1,183	1,488	10.9%	6.3%	0.8x	7.1x	12.3x
President Bakery	948	787	29.4%	24.3%	3.5x	11.8x	14.3x
Fujiya	501	412	8.5%	4.6%	0.5x	6.1x	11.4x
Tehmag Foods	317	320	19.7%	18.7%	1.8x	9.3x	9.8x
Finsbury Food	141	178	7.4%	5.1%	0.4x	5.5x	7.9x
Kawan Food	189	172	19.2%	12.7%	2.5x	13.2x	19.9x
		<b>Mean</b>	<b>14.0%</b>	<b>10.7%</b>	<b>2.0x</b>	<b>13.6x</b>	<b>17.9x</b>
		<b>Median</b>	<b>12.9%</b>	<b>9.9%</b>	<b>1.5x</b>	<b>10.8x</b>	<b>14.8x</b>

## Beverages

Company Name	Mkt Cap (\$M)	EV (\$M)	Margin (%)		EV/		
			EBITDA	EBIT	Sales (x)	EBITDA (x)	EBIT (x)
			LTM	LTM	LTM	LTM	LTM
<b>Beverages</b>							
The Coca-Cola	\$275,082	\$304,684	32.0%	28.9%	7.2x	22.5x	24.9x
PepsiCo	251,832	284,493	18.1%	15.1%	3.4x	18.8x	22.6x
Anheuser-Busch InBev	121,260	218,097	31.4%	25.2%	3.8x	12.1x	15.1x
Diageo	102,399	122,287	33.8%	31.4%	5.8x	17.3x	18.6x
Heineken	54,976	72,479	20.0%	13.8%	2.6x	13.1x	19.0x
Keurig Dr Pepper	50,565	63,020	25.4%	20.2%	4.6x	18.2x	22.9x
Pernod Ricard	51,910	61,661	29.3%	28.2%	5.3x	18.1x	18.8x
Constellation Brands	42,750	53,857	35.9%	32.0%	5.6x	15.7x	17.6x
Monster Beverage	53,011	50,399	26.8%	25.8%	8.1x	30.2x	31.3x
Ambev	44,850	42,050	27.1%	22.1%	2.7x	10.0x	12.3x
Brown-Forman	31,484	32,807	32.7%	30.8%	7.9x	24.3x	25.8x
Asahi Group Holdings	16,008	27,454	13.1%	7.5%	1.5x	11.1x	19.3x
Carlsberg	19,515	22,982	21.6%	15.9%	2.1x	9.9x	13.4x
China Resources Beer	22,589	20,583	14.6%	10.4%	4.0x	27.4x	38.4x
Thai Beverage	13,101	18,972	16.6%	14.4%	2.3x	13.7x	15.8x
Molson Coors Beverage	11,220	17,639	15.5%	9.2%	1.6x	10.6x	18.0x
Tsingtao Brewery Company	17,448	14,126	12.5%	9.5%	2.9x	23.4x	30.9x
Davide Campari-Milano	11,549	12,675	23.1%	21.1%	4.8x	20.8x	22.8x
Suntory Beverage & Food	10,665	10,740	14.0%	10.0%	1.0x	7.1x	9.9x
		<b>Mean</b>	<b>23.3%</b>	<b>19.6%</b>	<b>4.1x</b>	<b>17.1x</b>	<b>20.9x</b>
		<b>Median</b>	<b>23.1%</b>	<b>20.2%</b>	<b>3.8x</b>	<b>17.3x</b>	<b>19.0x</b>

### Condiments, Dressings, & Sauces

Company Name	Mkt Cap (\$M)	EV (\$M)	Margin (%)		EV/		
			EBITDA	EBIT	Sales (x)	EBITDA (x)	EBIT (x)
			LTM	LTM	LTM	LTM	LTM
<b>Condiments, Dressings, &amp; Sauces</b>							
<b>General Foods &amp; Condiments</b>							
The Kraft Heinz Company	\$49,867	\$69,301	22.7%	19.1%	2.7x	11.8x	14.0x
Conagra Brands	18,547	27,594	17.7%	15.4%	2.3x	12.9x	14.9x
The J. M. Smucker Company	16,898	21,585	18.7%	13.1%	2.6x	14.2x	20.1x
Lancaster Colony	5,436	5,391	11.6%	8.9%	3.2x	27.2x	35.4x
B&G Foods	799	3,230	12.5%	8.6%	1.5x	12.3x	17.9x
		<b>Mean</b>	<b>16.6%</b>	<b>13.0%</b>	<b>2.5x</b>	<b>15.7x</b>	<b>20.4x</b>
		<b>Median</b>	<b>17.7%</b>	<b>13.1%</b>	<b>2.6x</b>	<b>12.9x</b>	<b>17.9x</b>

<b>Condiments</b>							
McCormick & Company	\$22,219	\$27,285	17.5%	14.6%	4.3x	24.6x	29.4x
Kikkoman	10,193	9,928	12.9%	9.3%	2.3x	17.4x	24.4x
Kewpie	2,548	2,455	9.7%	5.9%	0.7x	7.7x	12.6x
Daesang	634	1,262	6.7%	3.7%	0.4x	5.8x	10.6x
ARIAKE JAPAN	1,066	581	21.3%	17.8%	1.4x	6.6x	7.9x
Wei Chuan Foods	321	467	7.5%	2.9%	0.7x	9.3x	24.0x
		<b>Mean</b>	<b>12.6%</b>	<b>9.0%</b>	<b>1.6x</b>	<b>11.9x</b>	<b>18.1x</b>
		<b>Median</b>	<b>11.3%</b>	<b>7.6%</b>	<b>1.1x</b>	<b>8.5x</b>	<b>18.3x</b>

<b>Overall Mean</b>	<b>14.4%</b>	<b>10.8%</b>	<b>2.0x</b>	<b>13.6x</b>	<b>19.2x</b>
<b>Overall Median</b>	<b>12.9%</b>	<b>9.3%</b>	<b>2.3x</b>	<b>12.3x</b>	<b>17.9x</b>



## Food Ingredients

Company Name	Mkt Cap (\$M)	EV (\$M)	Margin (%)		EV/		
			EBITDA	EBIT	Sales (x)	EBITDA (x)	EBIT (x)
			LTM	LTM	LTM	LTM	LTM
<b>Food Ingredients</b>							
<b>Specialty Driven Ingredients</b>							
International Flavors & Fragrances	\$26,730	\$37,715	20.4%	11.0%	3.0x	14.6x	27.2x
Givaudan	28,302	33,846	19.2%	15.4%	4.4x	22.9x	28.5x
McCormick & Company	22,219	27,285	17.5%	14.6%	4.3x	24.6x	29.4x
Kerry Group	16,204	18,875	13.5%	10.6%	2.2x	16.5x	20.9x
Symrise	15,442	17,885	20.8%	14.4%	3.9x	18.9x	27.4x
Chr. Hansen Holding	9,606	10,564	33.3%	26.7%	7.7x	23.2x	28.9x
Angel Yeast	5,823	6,331	13.0%	8.4%	3.5x	27.2x	42.2x
AAK AB	4,445	5,046	6.5%	5.6%	1.1x	17.1x	19.7x
Sensient Technologies	3,065	3,588	17.3%	13.7%	2.5x	14.5x	18.4x
Corbion	2,042	2,705	10.8%	6.3%	2.0x	18.5x	31.7x
		<b>Mean</b>	<b>17.2%</b>	<b>12.7%</b>	<b>3.5x</b>	<b>19.8x</b>	<b>27.4x</b>
		<b>Median</b>	<b>17.4%</b>	<b>12.3%</b>	<b>3.3x</b>	<b>18.7x</b>	<b>27.9x</b>

<b>Commodity Driven Ingredients</b>							
Archer-Daniels-Midland	\$51,006	\$59,866	5.1%	4.1%	0.6x	11.5x	14.4x
DuPont de Nemours	34,095	45,215	24.7%	16.4%	2.6x	10.6x	16.0x
Koninklijke DSM	21,500	23,179	16.8%	10.5%	2.2x	12.9x	20.8x
Bunge Limited	14,946	20,703	4.4%	3.8%	0.3x	7.1x	8.2x
Associated British Foods	15,291	17,605	11.0%	7.5%	0.8x	7.6x	11.1x
Olam Group	4,266	14,010	3.8%	2.9%	0.3x	9.1x	12.2x
Darling Ingredients	10,031	13,456	17.3%	11.4%	2.2x	12.8x	19.5x
Ingredion	6,420	8,640	12.2%	9.4%	1.1x	9.2x	11.9x
Tate & Lyle	3,503	3,852	17.2%	12.5%	2.0x	11.6x	15.9x
		<b>Mean</b>	<b>12.5%</b>	<b>8.7%</b>	<b>1.4x</b>	<b>10.3x</b>	<b>14.4x</b>
		<b>Median</b>	<b>12.2%</b>	<b>9.4%</b>	<b>1.1x</b>	<b>10.6x</b>	<b>14.4x</b>

<b>Overall Mean</b>	<b>15.0%</b>	<b>10.8%</b>	<b>2.5x</b>	<b>15.3x</b>	<b>21.3x</b>
<b>Overall Median</b>	<b>16.8%</b>	<b>10.6%</b>	<b>2.2x</b>	<b>14.5x</b>	<b>19.7x</b>

## Health & Wellness (1/2)

Company Name	Mkt Cap (\$M)	EV (\$M)	Margin (%)		EV/		
			EBITDA	EBIT	Sales (x)	EBITDA (x)	EBIT (x)
			LTM	LTM	LTM	LTM	LTM
<b>Health &amp; Wellness</b>							
<b>Fortified/Functional</b>							
Nongfu Spring	\$63,308	\$60,946	36.6%	28.9%	13.2x	36.1x	45.7x
Darling Ingredients	10,031	13,456	17.3%	11.4%	2.2x	12.8x	19.5x
Glanbia	3,522	4,372	6.1%	4.3%	0.8x	13.2x	18.8x
BellRing Brands	3,447	4,349	18.1%	16.5%	3.2x	17.5x	19.2x
The Simply Good Foods	3,804	4,191	18.3%	16.6%	3.5x	19.3x	21.2x
Herbalife Nutrition	1,457	3,901	12.5%	10.4%	0.7x	5.8x	7.1x
Hokuto Corp	455	610	8.2%	(2.1%)	1.1x	13.7x	NM
Weihai Baihe Biology	385	232	21.8%	18.6%	2.2x	10.1x	11.8x
		<b>Mean</b>	<b>17.4%</b>	<b>13.1%</b>	<b>3.4x</b>	<b>16.1x</b>	<b>20.5x</b>
		<b>Median</b>	<b>17.7%</b>	<b>14.0%</b>	<b>2.2x</b>	<b>13.4x</b>	<b>19.2x</b>
<b>Naturally Healthy</b>							
Dole	\$916	\$2,508	2.2%	0.8%	0.3x	12.7x	36.0x
Fresh Del Monte Produce	1,253	1,949	4.9%	2.7%	0.4x	9.0x	16.0x
Hortifrut	919	1,887	16.6%	8.8%	2.1x	12.4x	23.5x
Costa Group Holdings	904	1,574	13.5%	7.4%	1.7x	12.5x	22.7x
Mission Produce	821	1,003	3.5%	1.2%	1.0x	27.0x	81.6x
Greenyard	361	968	2.4%	1.1%	0.2x	8.2x	18.0x
The Vita Coco Company	773	761	2.0%	1.5%	1.8x	90.7x	118.3x
Farm Fresh	705	723	15.7%	10.5%	5.6x	35.5x	53.2x
Yantai North Andre Juice	804	653	19.4%	16.3%	4.1x	21.3x	25.4x
Calavo Growers	521	587	2.4%	1.0%	0.5x	20.8x	50.4x
Ichitan Group	448	436	22.6%	12.2%	2.6x	11.7x	21.7x
T&G Global	188	382	5.1%	3.1%	0.4x	8.5x	13.9x
Mehadrin	111	181	13.5%	12.0%	0.6x	4.5x	5.1x
Tipco Foods	133	172	6.7%	(5.1%)	2.0x	30.1x	NM
		<b>Mean</b>	<b>9.3%</b>	<b>5.2%</b>	<b>1.7x</b>	<b>21.8x</b>	<b>37.4x</b>
		<b>Median</b>	<b>5.9%</b>	<b>2.9%</b>	<b>1.3x</b>	<b>12.6x</b>	<b>23.5x</b>

## Health & Wellness (2/2)

Company Name	Mkt Cap (\$M)	EV (\$M)	Margin (%)		EV/		
			EBITDA	EBIT	Sales (x)	EBITDA (x)	EBIT (x)
			LTM	LTM	LTM	LTM	LTM
<b>Organic</b>							
United Natural Foods	\$2,316	\$6,028	2.3%	1.3%	0.2x	8.9x	15.9x
Maple Leaf Foods	2,243	3,524	3.4%	(0.1%)	1.0x	29.2x	NM
The Hain Celestial Group	1,445	2,399	8.8%	6.2%	1.3x	14.6x	20.5x
SunOpta	910	1,328	6.8%	2.7%	1.4x	21.4x	54.0x
Pulmuone	335	1,030	6.3%	1.4%	0.5x	7.2x	33.1x
Seneca Foods	462	823	7.1%	4.5%	0.6x	7.8x	12.3x
Oisix ra daichi	626	643	4.3%	2.2%	0.7x	17.5x	33.6x
		<b>Mean</b>	<b>5.6%</b>	<b>2.6%</b>	<b>0.8x</b>	<b>15.2x</b>	<b>28.2x</b>
		<b>Median</b>	<b>6.3%</b>	<b>2.2%</b>	<b>0.7x</b>	<b>14.6x</b>	<b>26.8x</b>

<b>Plant Based</b>							
Ingredion	\$6,420	\$8,640	12.2%	9.4%	1.1x	9.2x	11.9x
AAK AB	4,445	5,046	6.5%	5.6%	1.1x	17.1x	19.7x
Beyond Meat	785	1,592	(69.8%)	(76.6%)	3.6x	NM	NM
Oatly Group	1,030	1,053	(47.9%)	(50.5%)	1.5x	NM	NM
Tattooed Chef	103	133	(37.2%)	(39.8%)	0.6x	NM	NM
Valsoia	113	99	12.0%	9.9%	1.0x	8.0x	9.7x
		<b>Mean</b>	<b>(20.7%)</b>	<b>(23.6%)</b>	<b>1.5x</b>	<b>11.4x</b>	<b>13.7x</b>
		<b>Median</b>	<b>(15.4%)</b>	<b>(17.1%)</b>	<b>1.1x</b>	<b>9.2x</b>	<b>11.9x</b>

<b>Overall Mean</b>	<b>5.3%</b>	<b>1.6%</b>	<b>1.9x</b>	<b>17.9x</b>	<b>28.9x</b>
<b>Overall Median</b>	<b>6.8%</b>	<b>4.3%</b>	<b>1.1x</b>	<b>13.0x</b>	<b>20.5x</b>

## Snacking

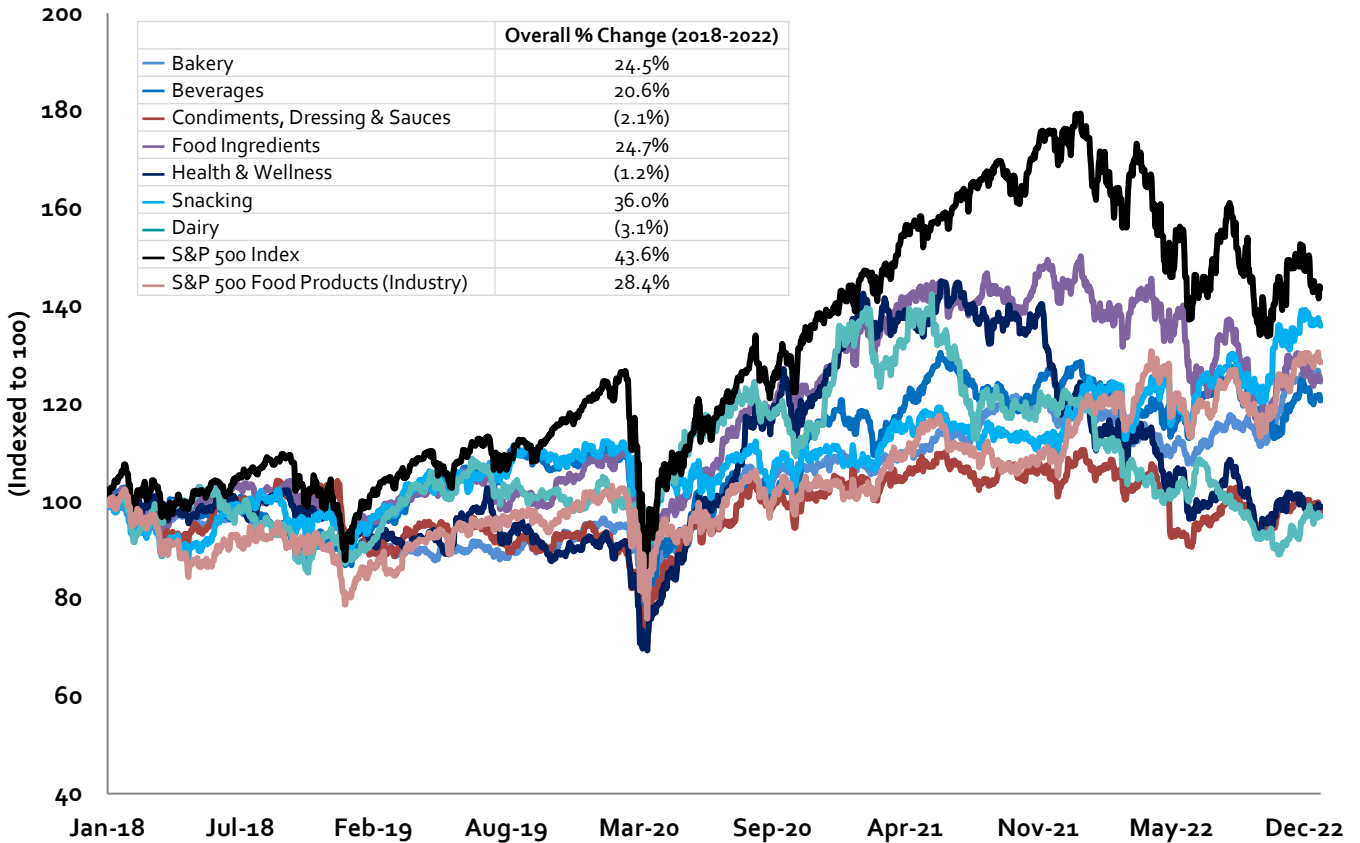
Company Name	Mkt Cap (\$M)	EV (\$M)	Margin (%)		EV/		
			EBITDA	EBIT	Sales (x)	EBITDA (x)	EBIT (x)
			LTM	LTM	LTM	LTM	LTM
<b>Snacking</b>							
PepsiCo	\$251,832	\$284,493	18.1%	15.1%	3.4x	18.8x	22.6x
Mondelez International	91,018	111,059	19.0%	15.4%	3.6x	19.2x	23.7x
General Mills	49,439	60,786	19.4%	16.5%	3.1x	16.2x	19.0x
The Hershey Company	47,491	52,377	25.3%	21.7%	5.2x	20.5x	23.9x
Kellogg Company	24,313	31,783	16.4%	13.2%	2.1x	13.0x	16.1x
Conagra Brands	18,547	27,594	17.7%	15.4%	2.3x	12.9x	14.9x
Campbell Soup	16,995	21,954	18.0%	14.1%	2.5x	13.7x	17.5x
Britannia Industries	12,727	13,033	15.2%	13.8%	7.0x	46.2x	50.6x
Post Holdings	5,302	11,103	13.6%	7.1%	1.9x	14.0x	26.8x
Grupo Nutresa	4,403	5,299	10.2%	8.3%	1.6x	15.2x	18.6x
TreeHouse Foods	2,769	4,756	7.0%	2.5%	1.0x	14.6x	40.3x
J&J Snack Foods	2,878	2,944	8.2%	4.3%	2.1x	25.3x	48.8x
		<b>Mean</b>	<b>15.7%</b>	<b>12.3%</b>	<b>3.0x</b>	<b>19.1x</b>	<b>26.9x</b>
		<b>Median</b>	<b>17.1%</b>	<b>14.0%</b>	<b>2.4x</b>	<b>15.7x</b>	<b>23.2x</b>

## Dairy

Company Name	Mkt Cap (\$M)	EV (\$M)	Margin (%)		EV/		
			EBITDA	EBIT	Sales (x)	EBITDA (x)	EBIT (x)
			LTM	LTM	LTM	LTM	LTM
<b>Dairy - Pure Play</b>							
Inner Mongolia Yili Industrial	\$29,396	\$30,348	10.7%	7.6%	1.7x	16.0x	22.4x
Fonterra Co-operative	2,717	5,941	7.3%	5.4%	0.4x	5.5x	7.4x
Emmi	4,535	5,220	10.0%	6.5%	1.2x	11.9x	18.4x
Bright Dairy & Food	2,198	2,652	6.2%	2.9%	0.6x	10.1x	21.7x
China Modern Dairy	1,000	2,370	26.4%	23.2%	1.7x	6.3x	7.2x
Shanghai Milkground Food	2,435	2,277	4.3%	2.6%	3.0x	69.1x	115.3x
Savencia	869	1,826	7.2%	4.3%	0.3x	3.9x	6.5x
Beingmate	853	912	4.9%	2.1%	1.9x	37.7x	87.8x
Yashili International	684	536	(1.2%)	(4.2%)	0.9x	NM	NM
Dutch Lady Milk Industries	456	421	22.8%	20.5%	1.4x	6.1x	6.8x
Dodla Dairy	369	327	7.4%	5.5%	1.0x	13.4x	18.2x
		<b>Mean</b>	<b>9.6%</b>	<b>6.9%</b>	<b>1.3x</b>	<b>18.0x</b>	<b>31.2x</b>
		<b>Median</b>	<b>7.3%</b>	<b>5.4%</b>	<b>1.2x</b>	<b>11.0x</b>	<b>18.3x</b>
<b>Dairy - Diversified</b>							
Nestlé	\$320,116	\$372,675	19.8%	17.0%	3.8x	19.0x	22.2x
Abbott Laboratories	191,427	198,309	27.6%	20.1%	4.5x	16.5x	22.6x
Danone	33,507	46,248	17.8%	13.2%	1.7x	9.3x	12.5x
China Mengniu Dairy	17,872	21,731	7.0%	4.4%	1.6x	23.2x	37.0x
Saputo	10,525	13,376	7.0%	4.3%	1.1x	15.3x	24.9x
Yakult Honsha	10,237	9,421	19.1%	13.6%	2.8x	14.4x	20.2x
Meiji Holdings	7,252	7,746	13.4%	8.3%	1.0x	7.3x	11.8x
Vietnam Dairy Products	6,775	6,337	20.5%	16.7%	2.5x	11.9x	14.7x
China Youran Dairy	1,046	3,509	20.9%	19.4%	1.4x	6.8x	7.3x
Morinaga Milk Industry	1,732	2,261	8.8%	4.6%	0.6x	6.5x	12.4x
Saudia Dairy & Foodstuff	1,841	1,691	17.8%	13.7%	2.6x	14.5x	18.8x
MEGMILK SNOW BRAND	933	1,364	5.4%	2.4%	0.3x	5.9x	13.5x
Ausnutria Dairy Corporation	963	869	12.3%	9.7%	0.7x	5.8x	7.4x
Synlait Milk	500	740	6.1%	3.3%	0.7x	11.2x	20.9x
		<b>Mean</b>	<b>14.5%</b>	<b>10.8%</b>	<b>1.8x</b>	<b>12.0x</b>	<b>17.6x</b>
		<b>Median</b>	<b>15.6%</b>	<b>11.4%</b>	<b>1.5x</b>	<b>11.6x</b>	<b>16.7x</b>
<b>Overall Mean</b>			<b>12.4%</b>	<b>9.1%</b>	<b>1.6x</b>	<b>14.5x</b>	<b>23.3x</b>
<b>Overall Median</b>			<b>10.0%</b>	<b>6.5%</b>	<b>1.4x</b>	<b>11.5x</b>	<b>18.3x</b>



## Peer Average vs S&P Food & Beverage



- Bakery<sup>1</sup>
- Snacking<sup>6</sup>
- Beverages<sup>2</sup>
- Dairy<sup>7</sup>
- Condiments, Dressings & Sauces<sup>3</sup>
- S&P 500 Index
- Food Ingredients<sup>4</sup>
- S&P 500 Food Products (Industry)
- Health & Wellness<sup>5</sup>

**Note 1:** Bakery - George Weston, Grupo Bimbo, Britannia Industries, Flowers Foods, Gruma, Lancaster Colony, Hostess Brands, Greggs, Toly Bread, M. Dias Branco, Yamazaki Baking, Premier Foods, ARYZTA, President Bakery, Fujiya, Tehmag Foods, Finsbury Food, Kawan Food Berhad

**Note 2:** Beverages - Coca-Cola, PepsiCo, Anheuser-Busch, Diageo, Heineken, Keurig Dr Pepper, Pernod Ricard, Constellation Brands, Monster Beverage, Ambev, Brown-Forman Corporation, Asahi Group Holdings, Carlsberg, China Resources Beer, Thai Beverage, Molson Coors Beverage, Tsingtao Brewery, Davide Campari-Milano, Suntory Beverage & Food

**Note 3:** Condiments, Dressing & Sauces - The Kraft Heinz Company, Conagra Brands, Inc., The J. M. Smucker Company, Lancaster Colony Corporation, B&G Foods, Inc., McCormick & Company, Kikkoman, Kewpie, Daesang, ARIAKE JAPAN, Wei Chuan Foods

**Note 4:** Food Ingredients - Chr. Hansen, Corbion, Koninklijke, Kerry Group, Associated British Foods, Archer-Daniels-Midland, Bunge, DuPont de Nemours, International Flavors & Fragrances, Ingredion, McCormick & Company, Sensient Technologies, AAK, Angel Yeast, Givaudan, Symrise, Olam Group, Tate & Lyle, Darling Ingredients

**Note 5:** Health & Wellness - Nongfu Spring, Darling Ingredients, Glanbia, BellRing Brands, The Simply Good Foods, Herbalife Nutrition, Hokuto Corp, Weihai Baihe Biology, Dole, Fresh Del Monte Produce, Hortifrut, Costa Group Holdings, Mission Produce, Greenyard, The Vita Coco Company, Farm Fresh, Yantai North Andre Juice, Calavo Growers, Ichitan Group, T&G Global, Mehadrin, Tipco Foods, United Natural Foods, Maple Leaf Foods, The Hain Celestial Group, SunOpta, Pulmuone, Seneca Foods, Oisix ra Daichi, Ingredion, AAK AB, Beyond Meat, Oatly Group, Tattooed Chef, Valsoia

**Note 6:** Snacking - PepsiCo, Mondelez International, General Mills, The Hershey Company, Kellogg Company, Conagra Brands, Campbell Soup, Britannia Industries, Post Holdings, Grupo Nutresa, TreeHouse Foods, J&J Snack Foods

**Note 7:** Dairy - Inner Mongolia Yili Industrial Group, Emmi, Fonterra Co-operative Group, Shanghai Milkground Food Tech Co, Bright Dairy & Food Co, China Modern Dairy, Beingmate, Yashili International, Savencia, Dutch Lady Milk Industries, Doda Dairy, Nestlé, Danone, China Mengniu Dairy, Saputo, Yakult Honsha, Meiji Holdings, Saudia Dairy & Foodstuff, Morinaga Milk Industry, Ausnutria Dairy Corporation, MEGMILK SNOW BRAND, Synlait Milk Limited, Vietnam Dairy Products, China Youran Dairy Group, Abbott Laboratories

## Americas



**Daniel Gomez\***  
Managing Director  
+1 312 658 4789  
dgomez@globalma.com  
**UNITED STATES**



**Stephen Scharafin**  
Director  
+1 312 658 4777  
sscharafin@bglco.com  
**UNITED STATES**



**Esteban Olivera**  
Managing Partner  
+54 11 2150 7185  
eolivera@globalma.com  
**ARGENTINA**



**Eduardo Meouchi**  
Partner  
+52 55 5520 3144  
emeouchi@rionma.com  
**MEXICO**



**Ian Macdonell**  
Managing Director  
+1 416 362 1953  
imacdonell@globalma.com  
**CANADA**



**Rafael Wilhelm Matthei**  
Partner – Executive Director  
+56 2 580 6000  
rwillhelm@globalma.com  
**CHILE**



**Luis Ortiz**  
Partner  
+52 555520 3144  
lortiz@globalma.com  
**MEXICO**



**Mónica Com**  
Partner  
+511 203 9800  
mcom@grupomacro.pe  
**PERU**



**Paulo Cury**  
Partner  
+55 11 3165 5800  
pcury@globalma.com  
**BRAZIL**

## Europe



**Michael Petit\***  
Managing Director  
+33 6 30 80 71 66  
mpetit@globalma.com  
**FRANCE**



**Ivars Pinkulis**  
Partner  
+371 67212324  
ipinkulis@globalma.com  
**LATVIA**



**Paul McGlone**  
Director  
+0161 393 1983  
pmcglone@globalma.com  
**UNITED KINGDOM**



**Philipp Elsen**  
Partner  
+49 211 15887064  
pelsen@globalma.com  
**GERMANY**



**Pal Farkas**  
Managing Director  
+36 30 612 7997  
pfarkas@globalma.com  
**HUNGARY**



**Harold Brummelhuis**  
Principal  
+31 0 30 6999 000  
hbrummelhuis@globalma.com  
**NETHERLANDS**



**Frederic de Boer**  
Partner  
+41 44 755 59 99  
fdeboer@globalma.com  
**SWITZERLAND**

## Rest of the World



**Bingyu Chen**  
Partner  
+86 106 520 2002  
cbingyu@globalma.com  
**CHINA**



**Jacob Won**  
Partner  
+82 2 3478 9802  
jhwon@globalma.com  
**SOUTH KOREA**



**Masataka Yoshisa**  
Senior Managing Director  
+81 3 3221 4973  
myoshida@globalma.com  
**Japan**

Selection of Deals Closed by Global M&A Partners in the F&B Sector



Sunrise Produce acquired by Investcorp.



Brown Gibbons Lang & Company  
Advisor to the seller 



Mateo's Gourmet Salsa acquired by Sauer Brands, a portfolio company of Falurrias Capital Partners



Brown Gibbons Lang & Company  
Advisor to the seller 



Vertically integrated, value-add processor and supplier of organic botanicals, herbs, and spices



Brown Gibbons Lang & Company  
Advisor to the seller 



Icelandirect acquired by New Heritage Capital



Brown Gibbons Lang & Company  
Advisor to the seller 



Side Launch Brewing, a leading Ontario-based craft brewery, has been sold to Equals Brewing



Crosbie & Company Inc.  
Advisor to the seller 



Sale of Santa Clara, leading dairy company in Mexico, to Jugos del Valle.



Ri6N 



Sale of Holy Greens to Equip Capital



Valentum Partners  
Advisor to the seller 



Divestiture of Moova Gida, a national milk and dairy producer in Turkey to Tat Gida.



Total Finans 



Sale of a leading specialist for ingredients for chocolate and ice cream



Norway Switzerland  
Zetra International 



Aventum acted as advisor to MB Funds on the sale of Makua Foods



Denmark Finland  
Aventum Partners  
Advisor to the seller 



Sweet and salty wafers and biscuits producer Urban Group was sold to Hungarian private investors



Invescom Corporate Finance  
Advisor to the seller 



Merger of the two largest Latvian dairy products manufacturers JSC "Rigas piena kombina?ts" and JSC "Valmieras Piens"



Russia Baltics  
Prudentia 



Acquisition of the second largest Latvian dairy company Valmieras Piens by a financial investor.



Prudentia 



Canadian fast casual restaurant business has been acquired by MTY Food Group, a TSX-listed restaurant franchisor



Crosbie & Company Inc.  
Advisor to the seller 



Supley Laboratories acquired 100% Probiotica from Bausch Health, former Valeant Pharmaceuticals



Brazil Hungary USA  
Condere  
Advisor to the buyer 



Switzerland Based - Consumer Product Juice Plus+ is whole food based nutrition Stake acquired 100%.



Zeus Capital  
Advisor 

**RIÓN** MERGERS AND  
ACQUISITIONS

**GLOBAL**  
**M&A**  
PARTNERS

## About Us

Established in 1999, Global M&A Partners is a leading international partnership of investment bankers specializing in mid-market transactions. We provide sector expertise, international scope, and deep local market knowledge and execution capabilities for our clients. We operate with local offices across 4 continents and have completed over 1,500 transactions during the last ten years, typically ranging from €50 to €500 million.

© 2021 Global M&A Partners. All rights reserved.

[www.rionma.com](http://www.rionma.com) | [www.globalma.com](http://www.globalma.com)