

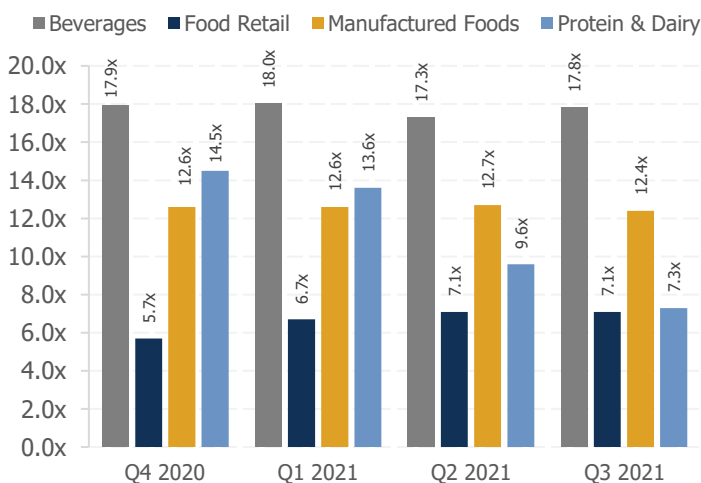
## Market Update Q3 2021

- Publicly traded consumer staples, including food & beverage companies, have generally lagged the broader market through September 2021. Inflationary pressures and supply chain disruptions have continued to be a drag for many as food prices and inputs have risen 2.1% YoY as of August 2021<sup>(1)</sup>
  - Another factor weighing on the food & beverage industry is the lack of labor available to restaurants, as full-time restaurant employees left their positions at a record high rate of 5.6% in April 2021<sup>(2)</sup>
- A common theme of the food & beverage industry in the past year has been merger and acquisition activity amongst strategic buyers as many pursued consolidation strategies in pursuit of cost synergies
- Aside from a modest increase in the valuation multiples attributable to the retail food sector over the past year, valuation multiples for other food & beverage sectors tracked by Amherst were either flat or down. Of particular note was the sharp decline in multiples for the protein & dairy sector as surprisingly strong earnings over the past year have outpaced the increase in overall valuations for firms in this sector
- Aggregate deal value in Q3 2021 amounted to \$0.6 billion, down by 25% when compared to Q3 2020 (\$0.8 billion). Reflective of the consolidation trend within the industry, there have been over 300 reported transactions year-to-date through Q3 2021
  - One of the more significant transactions announced in the third quarter was the joint effort between Cargill and Continental Grain to acquire Sanderson Farms, Inc. (NASDAQ:SAFM) for \$4.6 billion. The purchase price represents a 30% premium to Sanderson Farms, Inc.'s share price on the last full day of trading prior to media speculation about the potential sale

(1) U.S. Department of Agriculture  
(2) Bureau of Labor Statistics

## Valuation Multiples – Food & Beverage

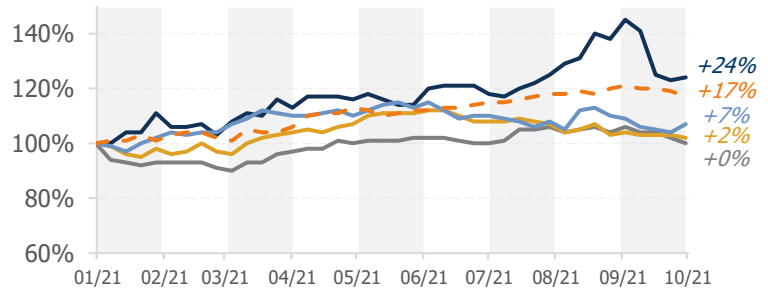
### Median Enterprise Value/LTM EBITDA



Source: S&P Capital IQ as of September 30, 2021

## Amherst Partners' Food & Beverage Indices

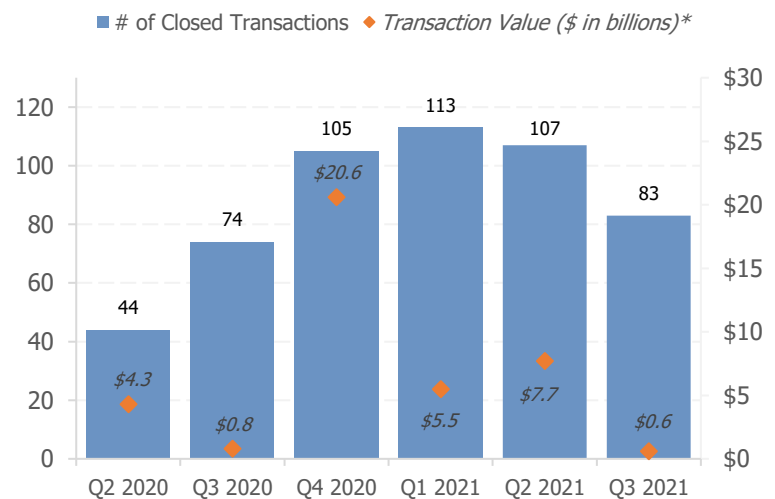
### Recent Performance



### AMHERST F&B INDEX



## U.S. M&A Activity – Food & Beverage



\*Transaction Value represents publicly announced deal terms

## About Amherst

With a track record spanning over 25 years, Amherst Partners is a boutique investment banking firm focused on providing M&A advisory and capital raising services, primarily for closely-held businesses.

Securities related transactions are offered through Amherst's wholly owned subsidiary, One Amherst LLC, a registered broker-dealer and member of FINRA and SIPC.

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