



FOOD AND BEVERAGE *IQ*

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Industry-Specific Overview of Recent M&A and Capital Markets Activity

JANUARY 2025

Recent Market Observations

Food and Beverage Industry Update | January 2025

The U.S. Food and Beverage (F&B) industry experienced a resurgence in 2024, driven by improved consumer optimism as food prices decelerated and inflation continued to wane. For the first time in three years, the industry experienced sales volume growth, rising by 1.1% as of September 2024, marking a recovery from the declines of 1.2% in 2023 and 2.0% in 2022. Dollar sales also grew by 2.5%, although at a slower rate than the 4.7% increase in 2023 and the 8.6% surge in 2022, with limited ability to raise prices. For 2025, this positive trend is expected to continue, with volume growth projected around 1% and dollar sales rising between 2% – 4%. As a counter to this generally positive momentum, concerns about potential tariffs on imports are escalating, as the U.S. sources approximately 17% of its F&B consumption through imports.

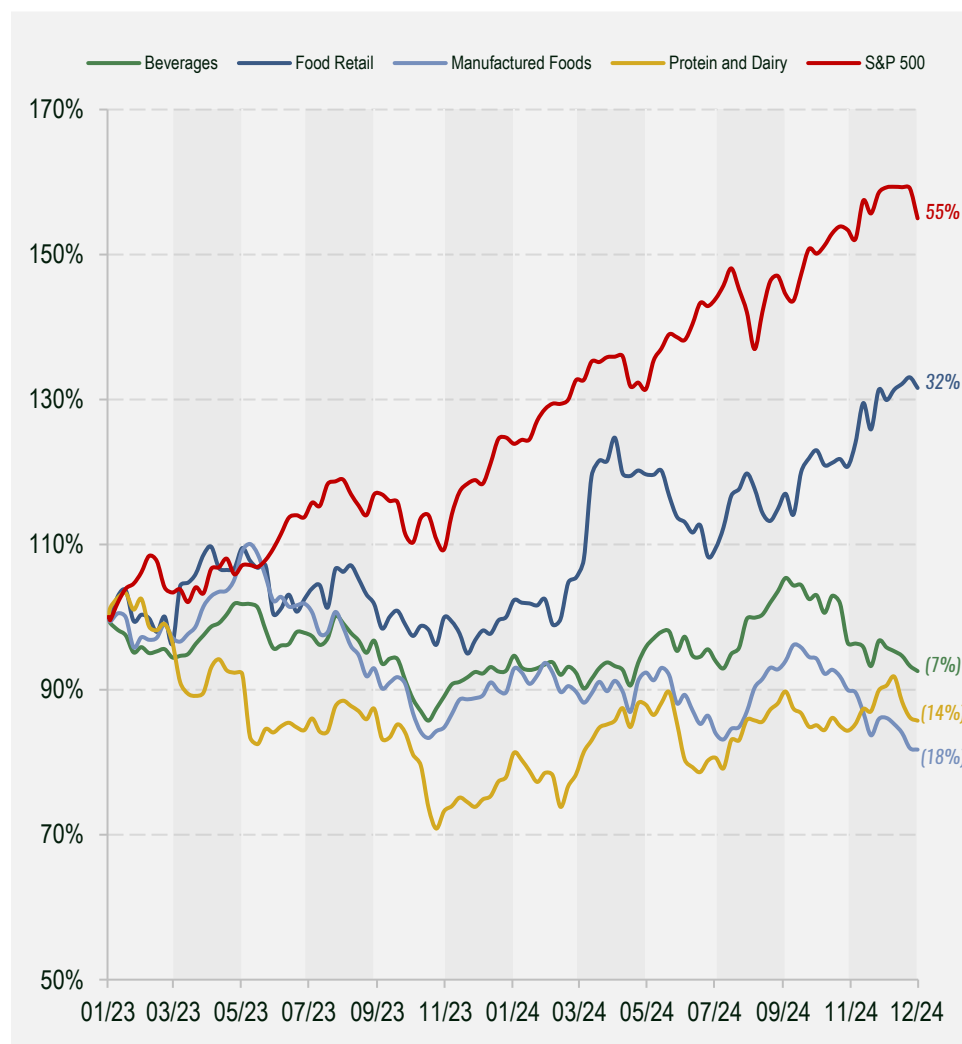
Between 2021 and 2023, manufacturers experienced significant dollar sales growth, largely driven by rising food prices. However, with inflation stabilizing in 2024 and expected to remain steady through 2025, the ability to continue increasing prices has become more constrained. As a result, manufacturers are reassessing their strategies, placing greater emphasis on high-margin products and prioritizing more profitable categories. This shift is evident in the actions of major companies like Constellation Brands, Campbell Soup, General Mills, Hain Celestial, Hormel, and J.M. Smucker, which have divested non-core or underperforming brands to streamline their product portfolios. Furthermore, with increased competition from private-label brands, many manufacturers are now focused on boosting market share, leading to higher promotional spending in 2024, a trend expected to continue in 2025 as companies seek to solidify their foothold. Retailers, on the other hand, are ramping up their private-label offerings, leveraging the higher profit margins these products yield to enhance their financial position in a market resistant to further price hikes.

As the cost of dining out continues to outpace that of eating at home, rising by 3.8% y-o-y in October compared to a more modest 1.1% increase for at-home food, consumers are increasingly opting for home-cooked meals, resulting in a 1% increase in in-home meal preparation in 2024. This rise in at-home dining has led to a notable rise in demand for ready-to-eat (RTE) foods. The share of in-home meals consisting of RTE options has climbed from 12% in 2021 to 16% in 2024, as consumers seek the convenience and time-saving benefits these meals offer.

The M&A market has maintained strong momentum throughout 2024, with deal activity rising steadily each quarter. This upward trajectory is projected to carry into 2025, as executives from leading F&B companies, including Flowers Foods, General Mills, and B&G Foods, indicate sustained momentum in the M&A landscape and project robust activity as market conditions remain dynamic and highly active. Furthermore, significant levels of private equity dry powder and an anticipated favorable regulatory environment are expected to boost transaction activity.

Source: Circana, Forbes, RSM US, Food Dive, CoBank, Reuters

Recent Stock Price Performance – Food and Beverage Indices



Source: Capital IQ























Food & Beverage Universe – **Beverage:** FIZZ, KDP, KO, PEP, PRMW | **Food Retail:** IMKT.A, KR, VLGE.A, WMK

Manufactured Foods: BGS, BRID, FLO, GIS, HSY, JJSF, K, KHC, LANC, MDLZ, THS

Protein & Dairy: CALM, HRL, TSN

Public Market Trading Multiples

Food and Beverage Industry Update | January 2025

(\$ in millions, other than stock price)			12/31/2024	Quarterly	Market	Total	LTM		Gross	EBITDA	Net Debt /	Enterprise Value / LTM	
Company			Stock Price	Price Δ	Cap.	EV ⁽¹⁾	Revenue	EBITDA	Margin	Margin	EBITDA	Revenue	EBITDA
Beverages		The Coca-Cola Company	\$62.26	(12%)	\$268,203	\$298,793	\$46,366	\$14,831	60%	32%	1.9x	6.4x	20.1x
		Keurig Dr Pepper Inc.	32.12	(13%)	43,569	59,826	15,148	4,230	56%	28%	3.7x	3.9x	14.1x
		National Beverage Corp.	42.67	(7%)	3,995	3,927	1,188	249	37%	21%	NM	3.3x	15.8x
		PepsiCo, Inc.	152.06	(10%)	211,049	248,164	91,920	16,913	55%	18%	2.0x	2.7x	14.7x
		Primo Water Corporation	25.99	5%	11,662	15,801	4,841	871	31%	18%	4.1x	3.3x	18.1x
Median									55%	21%	2.8x	3.3x	15.8x
Food Retail		Ingles Markets, Incorporated	\$64.44	(3%)	\$1,224	\$1,435	\$5,640	\$295	24%	5%	0.7x	0.3x	4.9x
		The Kroger Co.	61.15	9%	44,249	60,665	149,879	8,119	23%	5%	1.8x	0.4x	7.5x
		Village Super Market, Inc.	31.89	3%	471	716	2,258	101	29%	4%	1.5x	0.3x	7.1x
		Weis Markets, Inc.	67.72	3%	1,822	1,616	4,760	229	25%	5%	NM	0.3x	7.0x
Median									24%	5%	1.5x	0.3x	7.1x
Manufactured Foods		B&G Foods, Inc.	\$6.89	(22%)	\$545	\$2,631	\$1,959	\$288	22%	15%	6.8x	1.3x	9.1x
		Bridgford Foods Corporation	10.76	19%	98	89	232	4	24%	2%	NM	0.4x	24.8x
		Flowers Foods, Inc.	20.66	(9%)	4,351	5,718	5,121	518	49%	10%	2.1x	1.1x	11.0x
		General Mills, Inc.	63.77	(13%)	35,214	47,691	19,901	4,345	35%	22%	2.7x	2.4x	11.0x
		The Hershey Company	169.35	(12%)	34,269	39,298	10,972	2,953	44%	27%	1.7x	3.6x	13.3x
		J&J Snack Foods Corp.	155.13	(9%)	3,022	3,109	1,575	193	31%	12%	0.4x	2.0x	16.1x
		Kellanova	80.97	0%	27,910	33,965	12,799	2,032	36%	16%	2.7x	2.7x	16.7x
		The Kraft Heinz Company	30.71	(11%)	37,134	56,082	26,130	6,446	35%	25%	2.6x	2.1x	8.7x
		Lancaster Colony Corporation	173.14	(2%)	4,773	4,680	1,877	273	23%	15%	NM	2.5x	17.2x
Protein and Dairy		Mondelēz International, Inc.	59.73	(17%)	79,871	98,816	36,151	7,414	39%	21%	2.2x	2.7x	13.3x
		TreeHouse Foods, Inc.	35.13	(14%)	1,799	3,241	3,359	310	16%	9%	3.8x	1.0x	10.5x
		Cal-Maine Foods, Inc.	\$102.92	36%	\$5,047	\$4,290	\$2,653	\$589	28%	22%	NM	1.6x	7.3x
Protein and Dairy		Hormel Foods Corporation	31.37	(1%)	17,223	19,479	11,921	1,356	17%	11%	1.3x	1.6x	14.4x
		Tyson Foods, Inc.	57.44	(3%)	20,441	29,216	53,309	3,150	7%	6%	2.2x	0.5x	9.3x
Median									17%	11%	1.7x	1.6x	9.3x

Source: Capital IQ

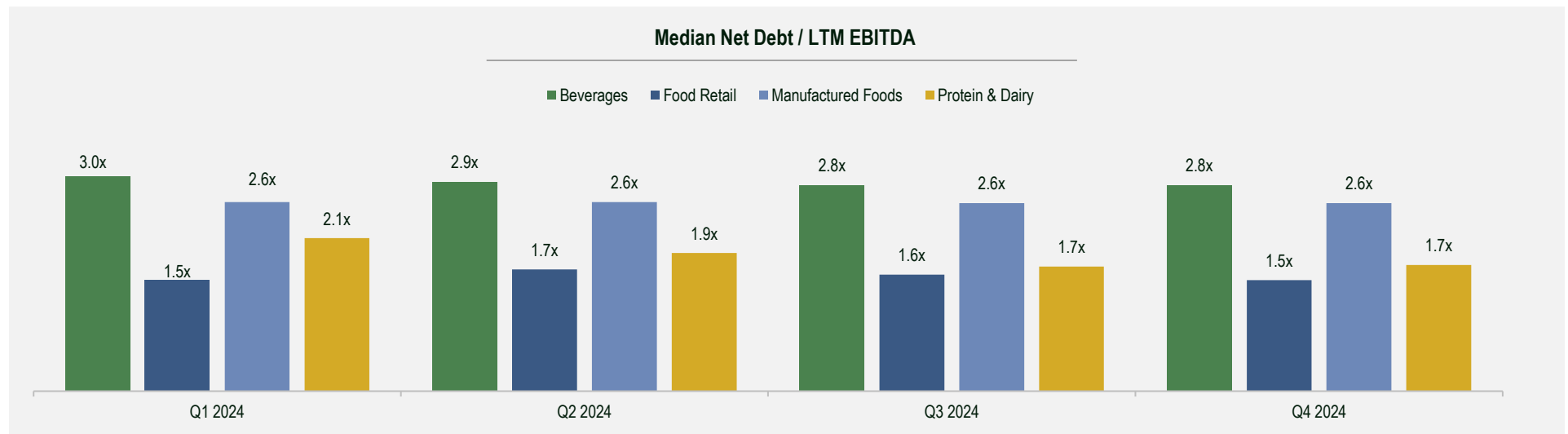
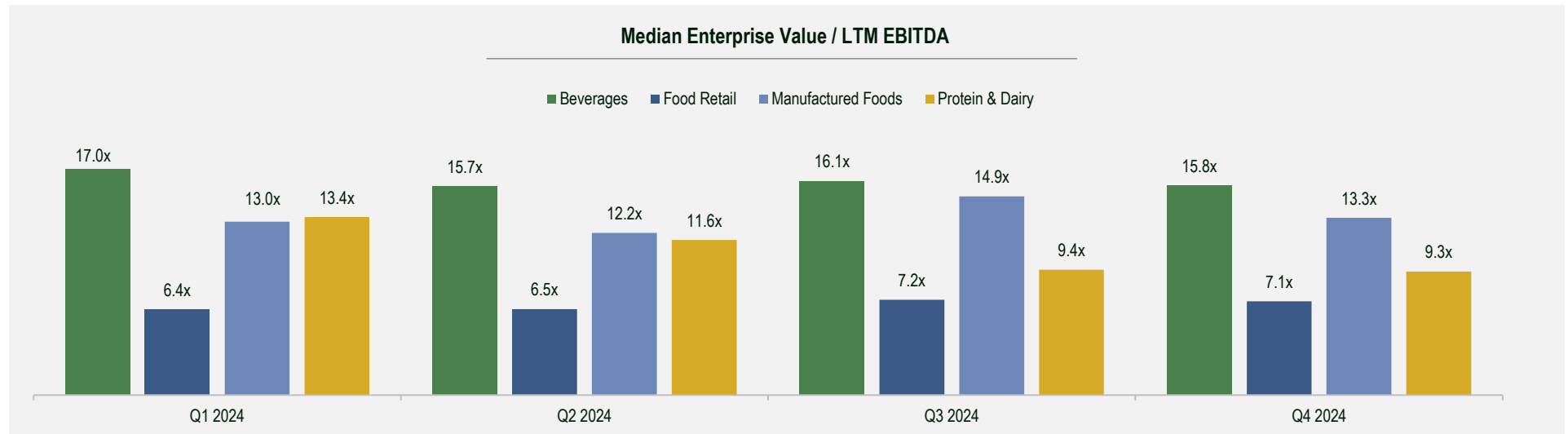
(1) EV ("Enterprise Value") is defined as market capitalization plus net debt, preferred equity, and minority interest.

(2) Medians exclude all non-meaningful values.

Valuation and Debt Multiples

Food and Beverage Industry Update | January 2025

Over the past four quarters, valuations and debt levels across the industry have generally remained steady; however, the Protein & Dairy sector has experienced significant compression in valuation multiples



Source: Capital IQ

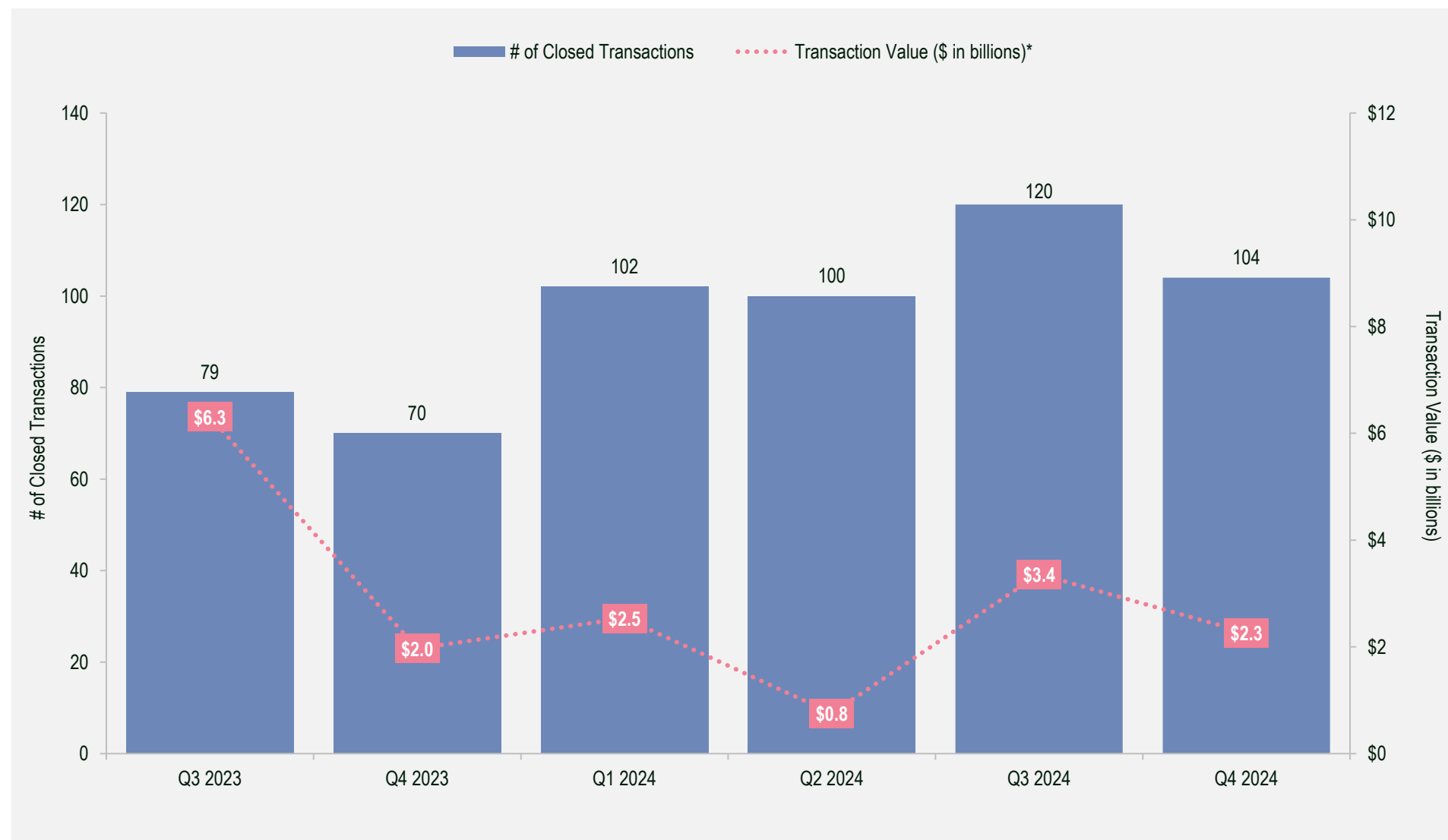
(1) EV ("Enterprise Value") is defined as market capitalization plus net debt, preferred equity and minority interest.

(2) Median and mean values exclude all non-meaningful values.

U.S. M&A Activity

Food and Beverage Industry Update | January 2025

Deal volume increased by ~50% in H2 2024, with 224 deals compared to 149 in H2 2023. Despite the increase in deal volume, aggregate disclosed deal values fell by ~31% over the same period






































Source: Capital IQ

*Transaction Value represents publicly announced deal terms

Recent Transaction Activity

Food and Beverage Industry Update | January 2025

Date	Target	Acquiror	Enterprise Value (\$M)	Target Description
12/24			Undisclosed	Produces protein-based marinated beef and poultry products
12/24			\$0.5	Manufactures and sells energy drinks
12/24			Undisclosed	Produces cheeses, plain-culture milks, corn meal cakes, sour creams, egg custard topped with caramel, corn and flour tortillas, and sausages
12/24			Undisclosed	Largest fresh produce processors in the Southeast US, offering fruits and vegetables
12/24			Undisclosed	Operates as a restaurant chain that provides a diverse menu centered around the buffalo style chicken wings
12/24			Undisclosed	Operates a range of restaurants that offer sauces, rubs, chips, and other items under the barbeque brand
11/24		Tilman Fertitta	\$30.0	Restaurant based in New York
11/24			Undisclosed	Manufactures and sells candies and chocolates
11/24			Undisclosed	Offers individually quick frozen (IQF), fresh burgers, fully cooked burgers and portion cut steaks
11/24			\$481.8	Manufactures energy drinks
11/24			\$75.0	Provides comprehensive canned beverage manufacturing for businesses in the Mid-Atlantic region
11/24			Undisclosed	Operates supermarkets providing grocery, meat, produce, deli, bakery, seafood, kitchen, floral, pharmacy, and gluten free products
10/24			\$25.0	Produces foods, beverages, and specialty items for the healthcare and long-term care communities
10/24			\$1,974.2	Offers wines under a portfolio of brands, including Duckhorn Vineyards, Decoy, Goldeneye, Paraduxx, Migration, Sonoma-Cutrer, Canvasback, Calera, Kosta Browne, Greenwing, & Postmark
10/24			\$151.5	Provides flavoring products that include spices, seasonings, and extracts
8/24			\$180.2	Produces smoked meat sticks
7/24			Undisclosed	Operates a chain of bakeries
7/24			\$789.9	Owns and operates full-service restaurants under the Chuy's name

Source: Capital IQ

Amherst Partners – Representative Transactions

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<p>Awrey Bakeries, LLC Livonia, MI</p>  <p>Has been acquired by Monomoy Capital Partners New York, NY</p>  <p>AmherstPartners</p> <p>Acted as advisor to Awrey Bakeries, LLC</p>	<p>BarFly Ventures Grand Rapids, MI</p>  <p>Has secured a \$25 million investment from</p>  <p>AmherstPartners</p> <p>Acted as exclusive advisor to BarFly Ventures</p>	<p>Blumefield Foods, LLC Wyandotte, MI</p> <p>Blumefield Foods, LLC</p> <p>Has acquired Weyland's Fisheries, Inc. Wyandotte, MI</p>  <p>AmherstPartners</p> <p>Acted as exclusive advisor to Blumefield Foods, LLC</p>	<p>Century Box, Inc. Methuen, MA</p>  <p>has been acquired by CORE Industrial Partners Chicago, IL</p>  <p>AmherstPartners</p> <p>Acted as exclusive financial advisor to Century Box, Inc.</p>	<p>Coffee Beanery Flushing, MI</p>  <p>Amherst provided financial advisory services</p> <p>AmherstPartners</p> <p>Acted as exclusive advisor to Coffee Beanery</p>	<p>Country Fresh, LLC Grand Rapids, MI</p>  <p>Amherst provided financial advisory services</p> <p>AmherstPartners</p> <p>Acted as exclusive financial advisor to Country Fresh, LLC</p>
<p>Herbruck Poultry Ranch Saranac, MI</p>  <p>Amherst provided management advisory services</p> <p>AmherstPartners</p> <p>Acted as exclusive advisor to Herbruck's Poultry Ranch</p>	<p>Irish Dairy Board Dublin, Ireland</p>  <p>Has acquired Thiel Cheese and Ingredients Hilbert, WI</p>  <p>AmherstPartners</p> <p>Acted as exclusive advisor to the Irish Dairy Board</p>	<p>Peter Kölln KGaA Elmshorn, Germany</p>  <p>Amherst provided financial advisory services</p> <p>AmherstPartners</p> <p>Acted as exclusive financial advisor to Peter Kölln KGaA</p>	<p>Marsh Supermarkets, Inc. Indianapolis, IN</p>  <p>Has obtained a senior credit facility from Bank of America Charlotte, NC</p>  <p>AmherstPartners</p> <p>Acted as exclusive financial advisor to Marsh Super Markets ⁽¹⁾</p>	<p>Packard Farms Claire, MI</p>  <p>Amherst provided financial advisory services</p> <p>AmherstPartners</p> <p>Acted as exclusive advisor to Packard Farms</p>	<p>Pressed Paperboard Technologies, LLC Bingham Farms, MI</p>  <p>has been acquired by May River Capital Chicago, IL</p>  <p>AmherstPartners</p> <p>Acted as advisor to Pressed Paperboard Technologies, LLC</p>

(1) Transaction executed by Amherst professionals while employed at previous firms

The Amherst Partners Team

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With a track record spanning 30 years, Amherst Partners is a boutique investment banking firm focused on providing M&A advisory and capital raising services primarily for closely-held businesses

Boutique investment bank with significant Wall Street experience



Giuliani Capital
Advisors

J.P.Morgan



Core Execution Team



Donald Luciani
Partner



Charles Chandler
Partner



Fahad Siddiqui
Director



John Wendzinski
Vice President



Sam Jabara
Associate



Emily Pachla
Controller



Amber Dunn
Director of Marketing

Operations Advisory



Jon B. Cotton
CEO, Apex Health, Former President,
Meridian Health Plan of Michigan



Ray Dallavecchia, Jr.
Owner, Venetian Associates



Terry Robinson
Former Senior Vice President and Director
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