

A close-up photograph of a bartender's hand holding a metal strainer over a martini glass. A clear liquid is being poured from the strainer into the glass. The glass has a salted rim and contains a light-colored liquid. The background is blurred, showing a bar setting with various bottles and glasses.

Seale & Associates

25 years

ALCOHOLIC BEVERAGES
INDUSTRY
Q3 2024
VALUATION UPDATE

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Introduction

We are pleased to share our Alcoholic Beverages Industry Multiples Valuation Update for Q3 2024.

At Seale & Associates, we are committed to providing process-driven solutions designed to optimize value and achieve our client’s strategic objectives in a range of transactions, including **Mergers, Acquisitions, Divestitures and Carve-Outs, Business Sales, Recapitalizations, and Joint Ventures**, among other corporate finance and strategy consulting services.

Over the course of 25+ years, we have successfully served clients all over the world, and we are delighted to continue providing investment banking advisory services to our clients who are looking to grow through acquisitions or optimize their portfolios through strategic divestitures.

Seale has extensive experience advising leading multinational companies, private equity firms, and family-owned businesses across a wide range of industries.



James A. Seale | President
jseale@sealeassociates.com



Brett M. Carmel | Senior Managing Director
bcarmel@sealeassociates.com



Robert Whitney | Managing Director
rwhitney@sealeassociates.com



Sergio Garcia del Bosque | Managing Director
sgarcia@sealeassociates.com



Carlos Hernández Goudet | Managing Director
chernandez@sealeassociates.com



Alejandro Montemayor | Vice President
amontemayor@sealeassociates.com



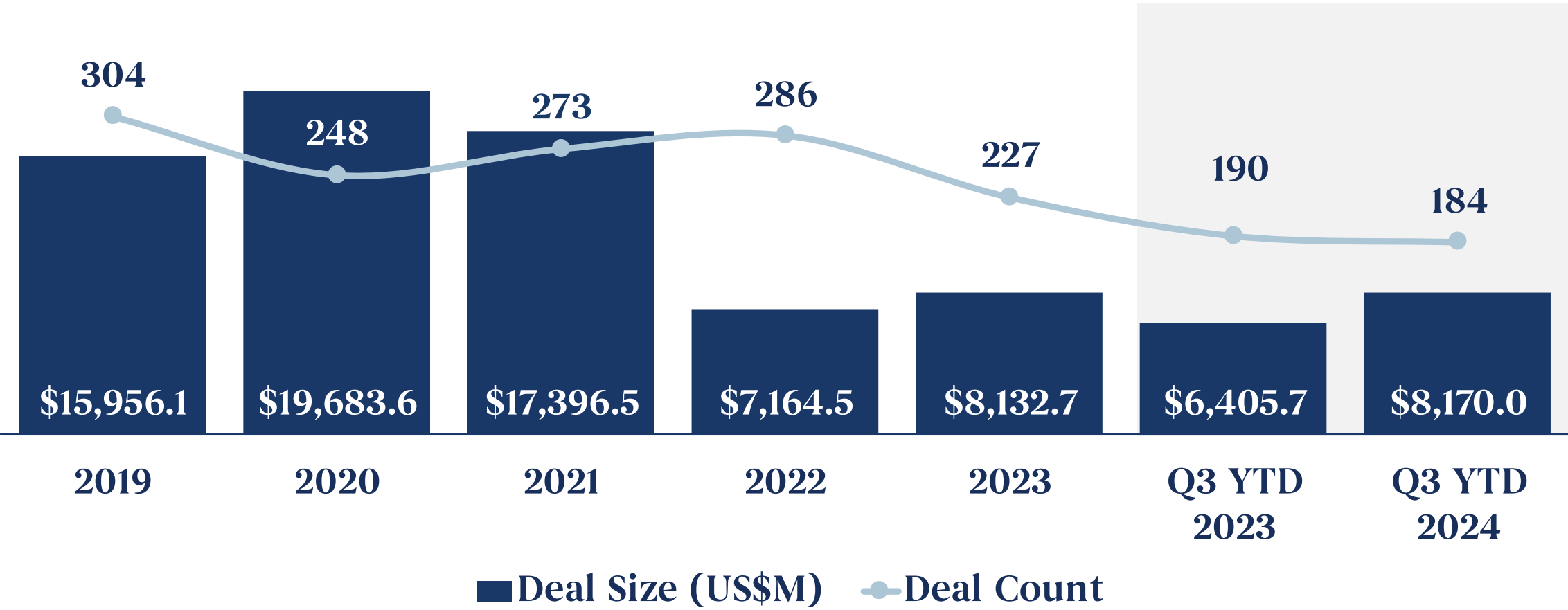
Armando Rios | Vice President
arios@sealeassociates.com

Alcoholic Beverage’s Industry Overview, M&A Trends and Market Intelligence

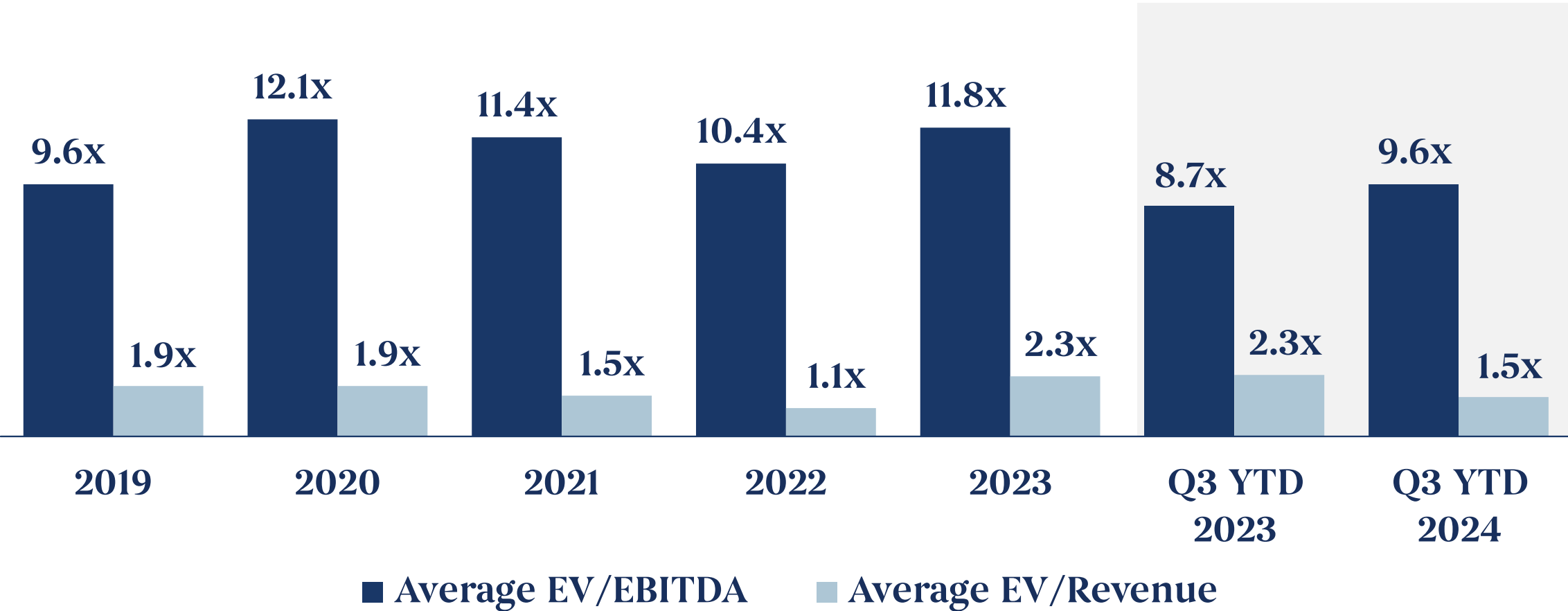
Alcoholic Beverage’s Industry Overview

- The alcoholic beverages market is projected to grow from **US\$2,527.0B in 2024 to US\$5,716.2B by 2032**, reflecting a strong **CAGR of 10.7%** during this period
- The alcoholic beverages **industry is rapidly transforming** as consumer preferences shift toward **healthier, functional alternatives**. Low- and no-alcohol options, natural ingredient infusions, and drinks with benefits like hydration and mood enhancement are becoming more popular.
- **Companies are** swiftly **adapting** their **portfolios** and **seeking strategic partnerships** to meet this growing demand, for example Heineken and Molson Coors both made strategic investments in alcohol-free brands to capitalize on this expanding market
- **Sustainability** has become a major focus in the industry, with consumers increasingly favoring brands that prioritize **eco-friendly practices**, such as sustainable sourcing, reduced packaging, and lower carbon footprints. **Organic and biodynamic wines** and **spirits made with sustainably harvested ingredients** are seeing **notable growth**, particularly in European and US markets
- Consumers are increasingly shifting towards **premium alcoholic beverages**, particularly in **developed markets** like North America and Western Europe. This trend is driven by the desire for **high-quality, craft, and luxury products**. Premium spirits, especially **whiskey, gin, and tequila**, are outperforming standard brands as consumers are willing to pay more for **superior taste and craftsmanship**
- **Consolidation** continues in the **craft beer and spirits segments**, with **larger companies acquiring smaller**, independent **brands to diversify their portfolios** and capitalize on the growing popularity of craft beverages. Recent examples include AB InBev's acquisition of craft beer brands and Diageo’s acquisition of craft distilleries
- **Major global alcohol companies** are **pursuing acquisitions and joint ventures** in **emerging markets** such as Latin America, China, and India to capture growing demand. These markets are seen as **high-growth areas** due to increasing disposable incomes and shifting consumer preferences towards premium alcoholic beverages
- **Strategic buyers** remain the primary force in M&A, accounting for **75.8%** of transactions year-to-date. However, **Private Equity** activity has surged, increasing deal volume by **156.0%** as firms ramp up capital deployment. Additionally, **add-on acquisitions** now represent **17.9%** of all deals, signaling a renewed emphasis on **inorganic growth**

Beverage’s Industry M&A Deal Size and Volume



Beverages Industry M&A Average EV/EBITDA and EV/Revenue










Source: Statista Alcoholic and Non-Alcoholic Reports, Publicis Sapient, Capital IQ, and Other Industry Reports



Beer Global Comparable Public Companies (1/2)

Company		Country	Market Cap. US\$M	Enterprise Value US\$M	Revenue US\$M	EBITDA Margin	Annual Average EV/EBITDA		Third Quarter Sep. 30, 2024 EV/ EBITDA		EV/ Revenue
							2022	2023			
Ambev S.A.		BRA	\$37,776	\$35,735	\$14,807	30.4%	10.0x	9.1x	7.9x		2.4x
Anheuser-Busch InBev SA/NV		BEL	\$130,601	\$215,267	\$59,927	31.9%	10.9x	10.5x	11.3x		3.6x
Asahi Group Holdings, Ltd.		JPN	\$19,931	\$29,873	\$20,208	14.3%	12.3x	11.1x	10.3x		1.5x
Beijing Yanjing Brewery Co.,Ltd.		CHN	\$4,520	\$3,388	\$2,086	10.8%	17.9x	21.2x	15.0x		1.6x
Carlsberg A/S		DNK	\$17,204	\$21,498	\$11,152	20.2%	10.3x	10.9x	9.5x		1.9x
Compañía Cervecerías Unidas S.A.		CHL	\$2,182	\$3,176	\$2,819	11.5%	6.1x	9.3x	9.8x		1.1x
Constellation Brands, Inc.		USA	\$46,949	\$59,078	\$10,191	39.9%	27.0x	35.3x	14.5x		5.8x
Heineken N.V.		NLD	\$49,761	\$70,834	\$34,198	18.0%	13.2x	12.0x	11.5x		2.1x

Beer Global Comparable Public Companies (2/2)

Company		Country	Market Cap. US\$M	Enterprise Value US\$M	Revenue US\$M	EBITDA Margin	Annual Average EV/EBITDA		Third Quarter Sep. 30, 2024	
							2022	2023	EV/ EBITDA	EV/ Revenue
Kirin Holdings Company, Limited		JPN	\$12,360	\$18,549	\$15,775	15.7%	8.9x	9.2x	7.5x	1.2x
Molson Coors Beverage Company		USA	\$11,919	\$17,949	\$11,938	22.2%	8.6x	9.8x	6.8x	1.5x
Olvi Oyj		FIN	\$681	\$659	\$719	15.0%	8.3x	5.6x	6.1x	0.9x
Royal Unibrew A/S		DNK	\$4,211	\$5,086	\$2,118	17.1%	16.2x	16.0x	14.0x	2.4x
Sapporo Holdings Limited		JPN	\$4,302	\$5,906	\$3,684	9.0%	28.8x	22.2x	17.8x	1.6x
The Boston Beer Company, Inc.		USA	\$3,340	\$3,161	\$2,004	12.3%	45.8x	19.5x	12.9x	1.6x
Unión de Cervecerías Peruanas Backus y Johnston S.A.A.		PER	\$7,367	\$7,256	\$1,985	45.4%	10.0x	8.9x	8.1x	3.7x
■ Excluded from mean and median						Mean	13.5x	12.5x	10.4x	1.9x
						Median	10.9x	10.9x	10.3x	1.6x

Spirits Global Comparable Public Companies

Company		Country	Market Cap. US\$M	Enterprise Value US\$M	Revenue US\$M	EBITDA Margin	Annual Average EV/EBITDA		Third Quarter Sep. 30, 2024 EV/EBITDA EV/Revenue	
							2022	2023		
Becle, S.A.B. de C.V.		MEX	\$5,690	\$6,696	\$2,238	17.3%	20.8x	18.8x	17.3x	3.0x
Brown-Forman Corporation		USA	\$23,065	\$25,817	\$4,091	30.5%	26.0x	25.0x	20.7x	6.3x
Davide Campari-Milano N.V.		ITA	\$10,189	\$13,060	\$3,328	22.8%	24.0x	22.3x	17.2x	3.9x
Diageo plc		GBR	\$77,524	\$102,038	\$20,269	34.7%	19.2x	15.0x	14.5x	5.0x
HITEJINRO Co., Ltd.		KOR	\$1,078	\$1,686	\$1,950	13.3%	8.1x	7.0x	6.5x	0.9x
Jiangsu Yanghe Distillery Co., Ltd.		CHN	\$21,302	\$17,597	\$4,866	38.8%	18.9x	14.0x	9.3x	3.6x
MGP Ingredients, Inc.		USA	\$1,831	\$2,126	\$788	25.6%	17.2x	14.8x	10.6x	2.7x
Pernod Ricard SA		FRA	\$38,006	\$51,389	\$12,936	30.5%	17.7x	15.7x	13.0x	4.0x
Rémy Cointreau SA		FRA	\$4,039	\$4,764	\$1,332	29.3%	24.3x	16.8x	12.2x	3.6x
Takara Holdings Inc.		JPN	\$1,659	\$1,645	\$2,393	8.9%	4.6x	4.9x	7.7x	0.7x
■ Excluded from mean and median						Mean	19.6x	15.5x	12.0x	3.3x
						Median	19.0x	15.3x	12.6x	3.6x

Wine Global Comparable Public Companies

Company		Country	Market Cap. US\$M	Enterprise Value US\$M	Revenue US\$M	EBITDA Margin	Annual Average EV/EBITDA		Third Quarter Sep. 30, 2024 EV/ EBITDA		EV/ Revenue
							2022	2023			
Delegat Group Limited		NZL	\$348	\$636	\$241	28.2%	13.3x	10.2x	9.4x		2.6x
Italian Wine Brands S.p.A.		ITA	\$231	\$352	\$472	10.0%	12.3x	11.8x	7.4x		0.7x
Laurent-Perrier S.A.		FRA	\$706	\$920	\$349	32.5%	11.1x	9.7x	8.1x		2.6x
Purcari Wineries Public Company Limited		CYP	\$135	\$177	\$84	27.8%	6.8x	6.9x	7.6x		2.1x
Sociedad Anónima Viña Santa Rita		CHL	\$173	\$305	\$185	5.4%	13.4x	15.9x	30.8x		1.7x
Treasury Wine Estates Limited		AUS	\$6,751	\$7,942	\$1,947	15.3%	15.8x	14.8x	26.6x		4.1x
Viña Concha y Toro S.A.		CHL	\$911	\$1,485	\$1,021	16.1%	7.8x	9.6x	9.0x		1.5x
Viña San Pedro Tarapacá S.A.		CHL	\$199	\$273	\$297	16.3%	5.9x	7.1x	5.6x		0.9x
Yantai Changyu Pioneer Wine Company Limited		CHN	\$1,930	\$1,777	\$562	21.8%	15.4x	15.8x	14.5x		3.2x
■ Excluded from mean and median						Mean	11.3x	11.3x	8.8x		1.9x
						Median	12.3x	10.2x	9.0x		2.1x

Alcoholic Beverages Industry – Q3 Global Transactions (1/2)

Date	Target	Country	Description	Buyer	Seller	% Acquired	Size US\$M	EV/ EBITDA	EV/ Revenue
Sep-24	 WATERLOO GIN	USA	John Paul DeJoria , founder of Patrón Tequila, acquired Waterloo Gin , distiller and marketer of spirits, primarily gin, from Treaty Oak Distilling , aiming to further expand the company's growth	John Paul DeJoria, founder of Patrón Tequila		100.0%	-	-	-
Sep-24*	 Naked Malt	GBR	William Grant & Sons announced the acquisition of The Famous Grouse and Naked Malt whiskey brands from The 1887 Company , enhancing their market reach	 WILLIAM GRANT & SONS	The 1887 Company	100.0%	-	-	-
Sep-24		GBR	Alliance Wine , producer and importer of wine, acquired H2Vin , producer of old wines, aiming to expand its offering of top-quality wines		-	100.0%	-	-	-
Sep-24*	Jeju Soju	KOR	Oriental Brewery Co. , subsidiary of AB InBev , announced the acquisition of Jeju Soju , producer of traditional Korean alcoholic beverages, from Shinsegae , marking its entry into the Korean distilled liquor market	 오비맥주 Oriental Brewery Co.	 SHINSEGAE	100.0%	\$74.6	-	-
Sep-24		GBR	DioniLife , provider of nonalcoholic adult beverages, acquired Mash Gang , producer of low- and no-alcohol craft beers, broadening the availability of premium non-alcoholic beer	 DioniLife™ ADULT BEVERAGES REIMAGINED	-	100.0%	-	-	-
Sep-24		GBR	Ubuntu Holdings , investment vehicle of Mike Harris, acquired a 51% stake in Monty's Brewery Limited , brewer specializing in ales, stouts, and gluten-free beers, aiming to increase national production and distribution	Ubuntu Holdings	-	51.0%	-	-	-
Sep-24		FRA	Argos Wityu , private equity group, acquired a majority stake in Groupe Routin , producer of alcoholic beverages, liqueurs, syrups, aperitif wines, and spirits, from Seven2 , aiming to accelerate international growth	 argos. wityu	 seven2	>50.0%	-	-	-
Aug-24		USA	Jayson Woodbridge , founder and owner of Hundred Acre Wine Group, acquired Kelly Fleming Winery , 286-acre Napa Valley estate producer of wines and spirits, expanding its production capabilities	Jayson Woodbridge, owner of Hundred Acre Wine Group	-	100.0%	-	-	-
Aug-24	Four Craft Beer Breweries	USA	Tilray Brands , a consumer packaged goods company, announced the acquisition of Four Craft Beer Breweries from Molson Coors Beverage Company , adding 30% more beer buying accounts to its portfolio	 TILRAY BRANDS	 MOLSON COORS beverage company	100.0%	-	-	-

Alcoholic Beverages Industry – Q3 Global Transactions (2/2)

Date	Target	Country	Description	Buyer	Seller	% Acquired	Size US\$M	EV/ EBITDA	EV/ Revenue
Aug-24	Opal Moon Winery	USA	Atlas Wine company, producer of wine, acquired Opal Moon Winery, comprised of a winery, gaining a 30,000-square-foot facility		-	100.0%	-	-	-
Aug-24	 Dry Fly	USA	Caymus Vineyards, Napa Valley wine producer, acquired a majority stake in Dry Fly, producer of wines, beers, cocktails, and spirits, aiming to expand in the spirits market		-	>50.0%	-	-	-
Aug-24		USA	Ackley Brands, family investment group focused on wine, acquired Charles Smith Wine, producer and marketer of wines, continuing its rapid expansion within the industry		-	100.0%	-	-	-
Aug-24		USA	Calicraft, producer of beer, acquired Heretic Brewing Company, producer and marketer of beer, enabling the company to significantly increase its brewing capacity		-	100.0%	-	-	-
Jul-24		USA	Gonzalez Byass, a producer of wine, spirits, and sherries, acquired Carolina Wine Brands, a producer of wine, from Santa Carolina, strengthening its market position in the Americas			100.0%	-	-	-
Jul-24*	Pernod Ricard's Wine Businesses	NZL	AWL, consortium of international investors, acquired Pernod Ricard's wine businesses in Australia, New Zealand, and Spain, expanding the brand's global footprint	 Accolade Wines		100.0%	-	-	-
Jul-24	 ATOM GROUP	GBR	Justin Petszaft, original founder, reacquired Atom Group, producer and marketer of spirits, from AB InBev's incubator arm ZX Ventures, restoring its status as an independent company	Justin Petszaft, original founder	 ABInBev	100.0%	-	-	-
Jul-24	Carlsberg Marston's Brewing Company	GBR	Carlsberg, producer of beer, acquired a 40% stake in Carlsberg Marston's Brewing Company, a UK-based brewery formed as a joint venture between Carlsberg UK and Marston's, taking full control of the company			40.0%	\$264.3	-	-

* Announced transactions pending approval and other closing conditions

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<div><div><p>Standex</p></div><p>has sold</p><div><p>Enginetics</p></div><p>to</p><div></div></div>	<div><div><p>ITT</p></div><p>has sold</p><div><p>BURNY KALIBURN PLASMA CUTTING INNOVATION</p></div><p>and</p><div><p>CNC Cleveland Motion Controls</p></div><p>to</p><div></div></div>	<div><div><p>Honeywell</p></div><p>has sold</p><div><p>TENSOR</p></div><p>to</p><div><p>GE Power Systems</p></div></div>	<div><div><p>TRIUMPH™</p></div><p>has sold</p><div><p>Triumph Processing - Embee Division</p></div><p>to</p><div></div></div>	<div><div><p>TRIUMPH™</p></div><p>has sold</p><p>Triumph Air Repair, the APU Overhaul Operations of Triumph Aviation Services – Asia, and Triumph Engines businesses</p><p>to</p><div></div></div>	<div><div><p>Rheem</p></div><p>has acquired</p><div></div></div>	<div><div><p>GRACE</p></div><p>has sold its GRACE Membranes business</p><div><p>UOP</p></div><p>a subsidiary of</p><div></div></div>
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JAMES A. SEALE

President and Founder | Washington, DC

+1 (703) 623-9253

32+ years of global M&A experience, Attorney, CPA Arthur Andersen, and Professor of Global Investment Banking at George Washington University
University of Virginia - JD
University of Kentucky - BS in Accounting

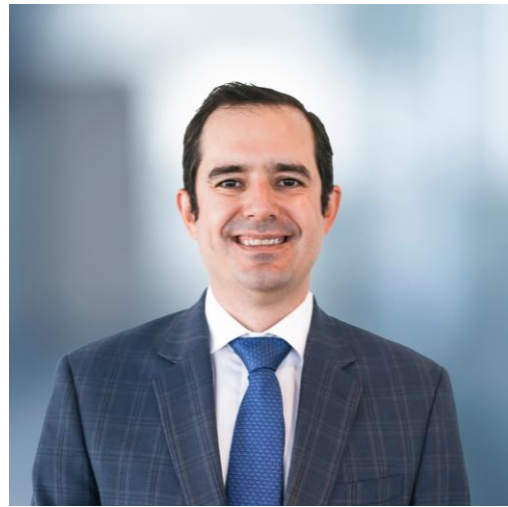


BRETT M. CARMEL

Senior Managing Director and Co-founder | Miami, FL

+1 (703) 294-6530

25+ years of global M&A experience and Professor of M&A at Johns Hopkins University
The George Washington University - MBA International Business and MA - International Affairs
University of Florida - BA in Political Science with High Honors



SERGIO GARCIA DEL BOSQUE

Managing Director | Mexico City, Mexico

+52 (55) 8000-7463

16+ years of global M&A experience
IPADE - MBA
Instituto Tecnológico y de Estudios Superiores de Monterrey
BS in Industrial Engineering



ROBERT E. WHITNEY

Managing Director | Washington, DC

+1 (703) 801-8939

19+ years of global M&A experience, CPA Deloitte & Touche, Corporate Audit and Assurance Services
University of Richmond - BS Business Administration in Accounting

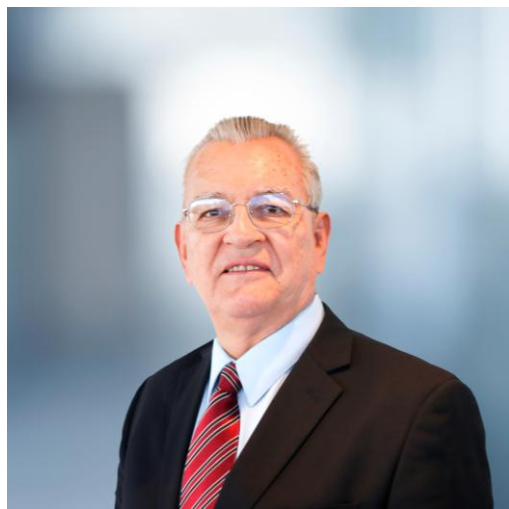


CARLOS HERNANDEZ GOUDET

Managing Director | San Luis Potosi, Mexico

+1 (571) 482-3432

14+ years of global M&A experience
Columbia University - MBA
Instituto Tecnológico y de Estudios Superiores de Monterrey
BS in Industrial Engineering



FELIPE BUENO

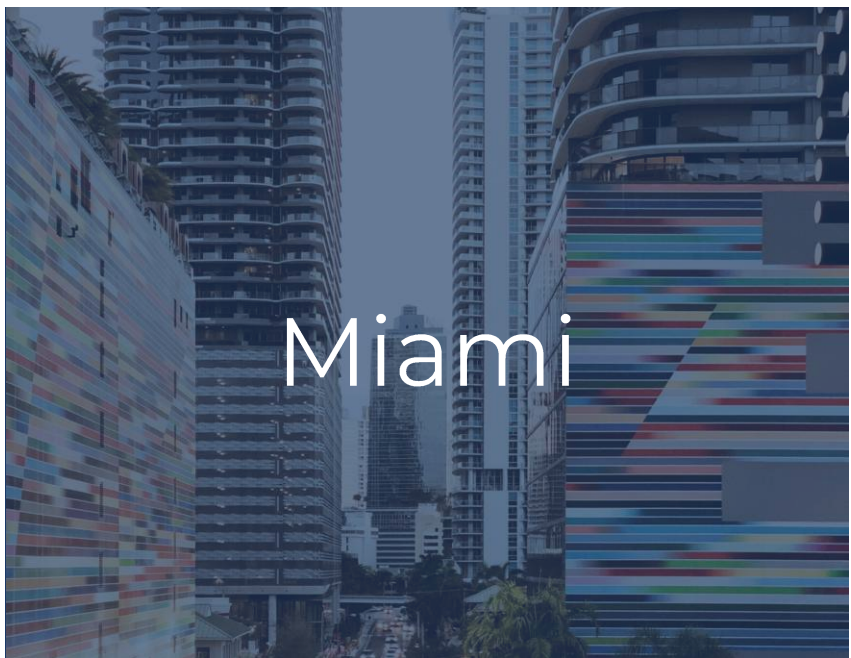
Senior Director | Monterrey, Mexico

+52 (84) 4432-4444

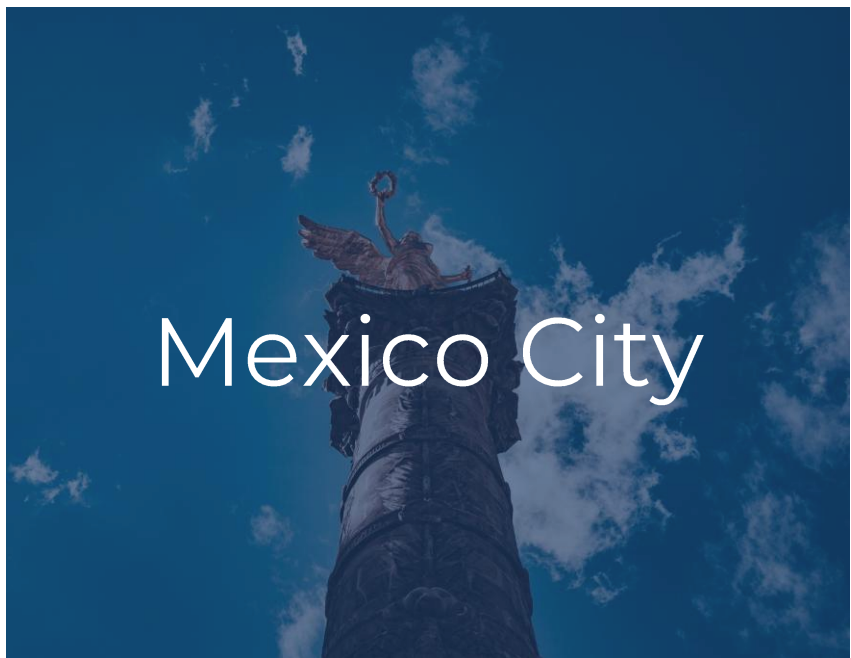
32+ years with Grupo Industrial Saltillo with experience as Director, Corp. Dev. and extensive global commercial experience
Instituto Tecnológico y de Estudios Superiores de Monterrey
MBA and BS in Industrial Engineering



Washington D.C.



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