



Seale & Associates

FOODSERVICE EQUIPMENT
INDUSTRY
Q2 2024
VALUATION UPDATE

25 years

Introduction

We are pleased to share our Foodservice Equipment Industry Multiples Valuation Update for Q2 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.



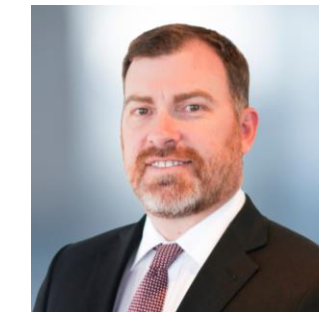
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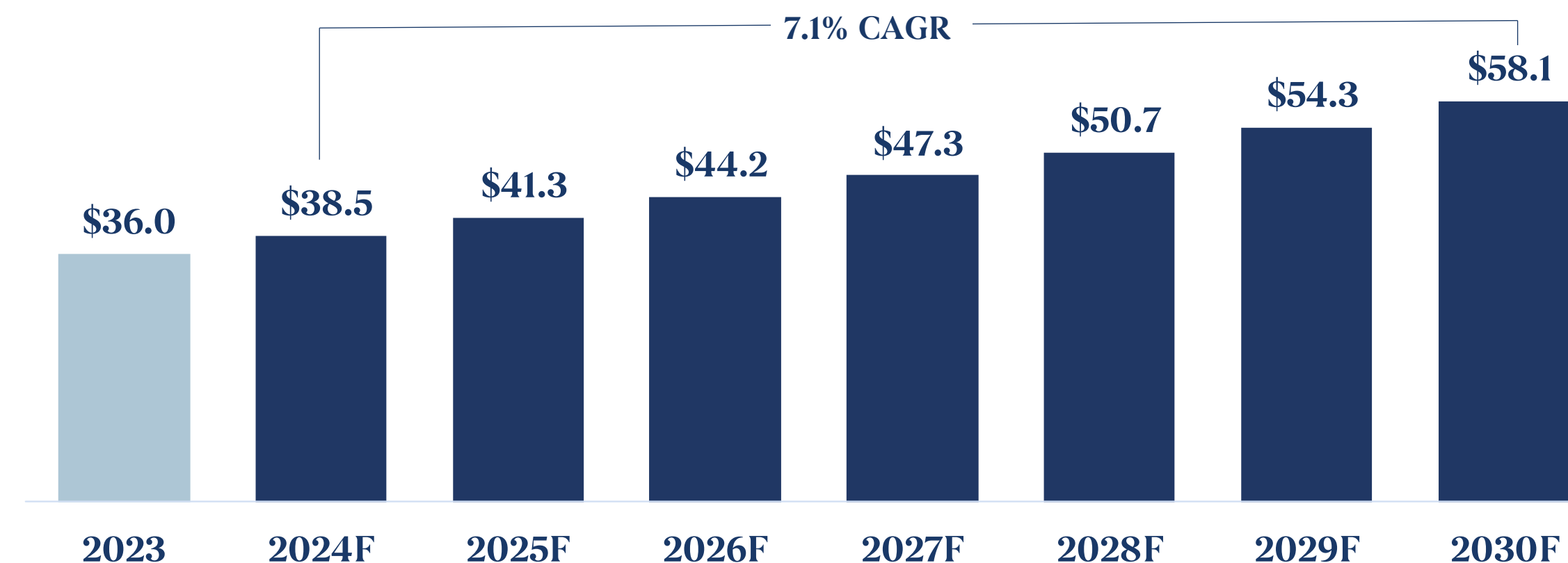
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Foodservice Equipment's Industry Overview, M&A Trends and Market Intelligence

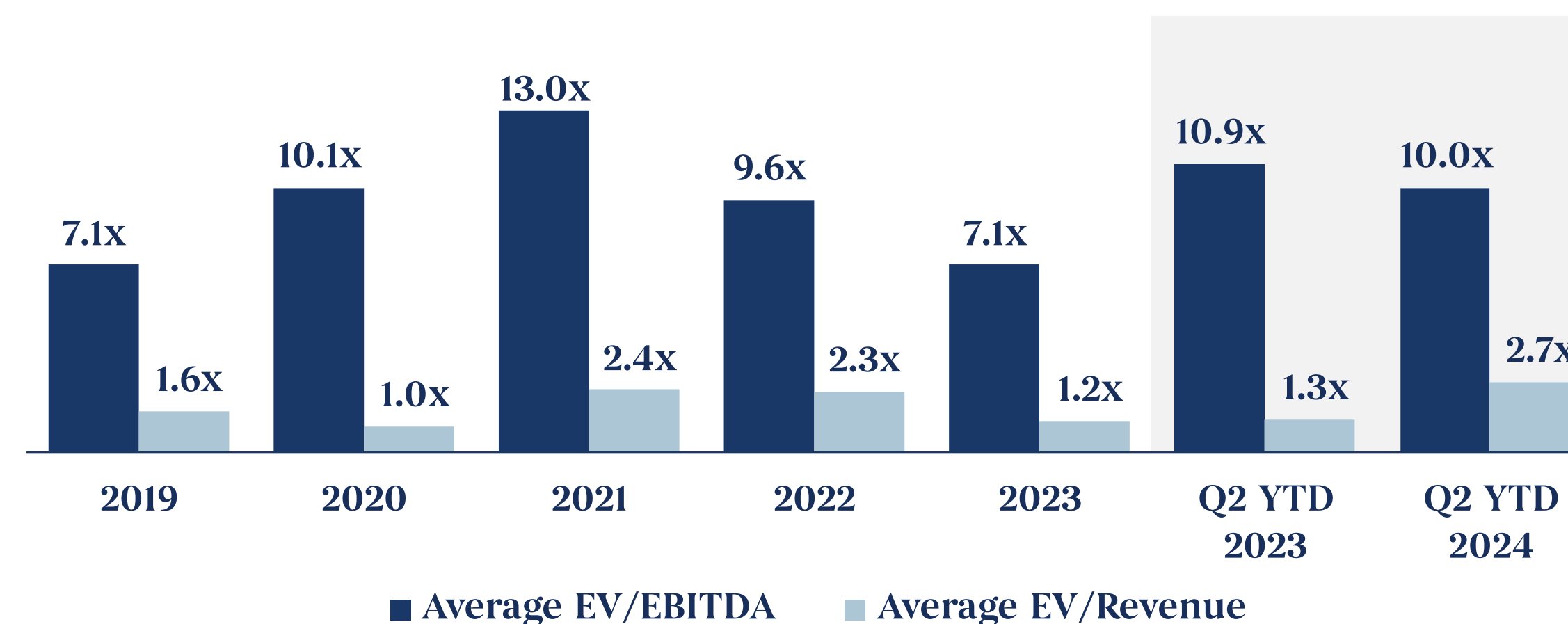
Industry Overview and M&A Trends

- The global **food service equipment market** was valued at **US\$36.0B** in 2023 and is **projected to grow** at a **compound annual growth rate (CAGR) of 7.1%** from 2024 to 2030
- The **increasing demand for takeout services** and the **expansion of the hospitality sector** are the **major contributors** to the industry's **upward trajectory**. Additionally, the **rise of digitization**, along with a strong **push for sustainable, eco-friendly equipment**, and **stricter consumer safety regulations**, are expected to create significant growth **opportunities** in the near future
- The **rapid expansion** of the food service sector is **fueling M&A** within the industry. As **restaurants, hotels, and catering services** increasingly **adopt advanced, energy-efficient equipment** to streamline kitchen operations, **companies** are turning to **acquisitions to expand** their capabilities, market presence and geographic
- A notable trend in the industry is the **integration of smart technologies** into food service equipment, **enabling real-time monitoring and automation**. This innovation is helping **businesses optimize operations, reduce energy consumption**, and meet the evolving demands of a tech-savvy consumer base
- Furthermore, **rising disposable incomes** and enhanced lifestyles globally are further **propelling market growth**. Within the market, the **cooking equipment segment** is expected to capture the largest share, driven by the need for **efficient, reliable, and advanced cooking solutions** in commercial kitchens. The **refrigeration equipment segment** is also anticipated to experience significant growth, fueled by increasing concerns over **food preservation** and adherence to **safety standards**
- To remain competitive, companies are investing heavily in **research and development (R&D)** to create **energy-efficient and eco-friendly products** that align with regulatory requirements and consumer preferences

Foodservice Equipment Market Size (US\$B)



Foodservice Equipment Industry M&A Average EV/EBITDA and EV/Revenue









Source: Fortune Business Insights, Capital IQ, Statista, Grand View Research and Other Industry Reports

Foodservice Equipment Global Comparable Public Companies










Company	Country	Market Cap. US\$M	Enterprise Value US\$M	Revenue US\$M	EBITDA Margin	Annual Average EV/EBITDA		Second Quarter Jun. 30, 2024		
						2022	2023	EV/EBITDA	EV/Revenue	
Dover Corporation	 USA	\$24,799	\$27,812	\$8,531	21.3%	13.6x	12.9x	15.3x	3.3x	
Electrolux Professional AB (publ)	 SWE	\$1,909	\$2,177	\$1,137	13.1%	16.8x	11.9x	14.7x	1.9x	
Fujimak Corporation	 JPN	\$96	\$77	\$271	7.6%	2.7x	2.4x	3.7x	0.3x	
Hoshizaki Corporation	 JPN	\$4,583	\$3,213	\$2,535	13.2%	12.3x	12.8x	9.6x	1.3x	
John Bean Technologies Corporation	 USA	\$3,024	\$3,195	\$1,643	17.1%	15.9x	14.5x	11.4x	1.9x	
Illinois Tool Works Inc.	 USA	\$70,709	\$78,076	\$16,014	29.2%	17.8x	18.2x	16.7x	4.9x	
Maruzen Co., Ltd.	 JPN	\$300	\$99	\$382	9.3%	0.4x	0.6x	2.8x	0.3x	
Rinnai Corporation	 JPN	\$3,242	\$2,583	\$2,726	12.3%	6.7x	6.7x	7.7x	0.9x	
The Middleby Corporation	 USA	\$6,593	\$8,691	\$3,908	22.4%	13.8x	11.7x	9.9x	2.2x	
■ Excluded from mean and median						Mean	10.3x	9.2x	9.4x	1.5x
						Median	13.6x	11.9x	9.9x	1.9x

Foodservice Equipment – Q2 Global Transactions

Date	Target	Country	Description	Buyer	Seller	% Acquired	Size US\$M	EV/ EBITDA	EV/ Revenue
Apr-24*	 Young Supply Company	USA	Provides HVAC, refrigeration, and food service equipment	 HERITAGE DISTRIBUTION HOLDINGS	-	100.0%	-	-	-
Apr-24	 PRO-FAB	USA	Provides food processing equipment	 GROTE	-	100.0%	-	-	-
Apr-24	 IFE GROUP	USA	Provides food service equipment	 JOHNSON-LANCASTER AND ASSOCIATES, INC. <small>The Premier Food Service Equipment Team</small>	-	100.0%	-	-	-

* Announced transactions pending approval and other closing conditions

Private Equity Transactions

INDUSTRY CLASIFICATION	PERIOD	AVERAGE ENTERPRISE VALUE (IN USD)	REVENUE (IN USD)	TTM REVENUE GROWTH	ENTERPRISE VALUE / REVENUE	EBITDA MARGIN	ENTERPRISE VALUE /EBITDA	NUMBER OF TRANSACTIONS
 Cutlery and Handtool Manufacturing <i>NAICS 33221 – Cutlery and Handtool Manufacturing</i>	 2011-2021	 \$54.1M	 \$32.3M	 15.2%	 1.7x	 22.7%	 7.1x	 5
Food Product Machinery Manufacturing <i>NAICS 333241 – Food Product Machinery Manufacturing</i>	2017-2022	\$77.7M	\$52.3M	7.3%	1.2x	16.7%	7.5x	3

Notes:

- Data obtained via GF Data, a subscription-based information platform, offering detailed information and metrics about the transactions of Private Equity funds in the U.S.
- The data is provided under a blind confidential format. Users of the data are unable to identify the exact company and transaction corresponding to the transaction details. Given this blind approach, the data submitted is less likely to be biased or manipulated.

ELECTROLUX PROFESSIONAL

TARGET

Unified Brands

TRANSACTION TYPE

Buy-side Advisory

INDUSTRIES

Foodservice, Beverage,
and Laundry

GEOGRAPHY

USA

SITUATION

Seale & Associates, Inc. announced that it acted as exclusive financial advisor to Electrolux Professional (STO: EPRO B) on the US\$244 million acquisition of Unified Brands Inc., a leading U.S.-based manufacturer of foodservice equipment, from Dover Corporation (NYSE: DOV), a diversified global manufacturer and solutions provider. Electrolux Professional is one of the leading global providers of foodservice, beverage, and laundry solutions, serving a wide range of customers globally, from restaurants and hotels to healthcare, educational, and other service facilities.

SEALE & ASSOCIATES' APPROACH

Seale professionals managed a preferred target process with Electrolux Professional. Seale's prior relevant experience in the industry ensured a smooth transaction process.

OUTCOME

The process resulted in the successful acquisition of Unified Brands from Dover, further expanding Electrolux Professional's presence in the U.S. market and enhancing its food service business with a robust portfolio of premium commercial kitchen brands.

“We appreciate the opportunity to advise Electrolux Professional on this transformational acquisition”



has acquired



from



“We appreciate the opportunity to advise Electrolux Professional on this transformational acquisition in the foodservice industry.”

Carlos Hernandez Goudet, Managing Director of Seale & Associates

Sector Relevant Experience

Extensive M&A transaction experience, including:

•Sale of HTPG to Monomoy Capital Partners and Starboard Capital Partners

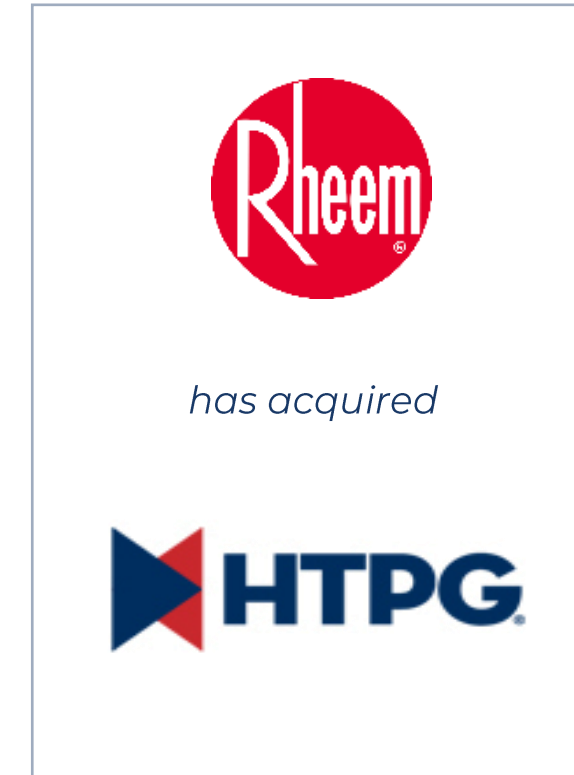
- Exclusive financial advisor to Carrier Corp., a subsidiary of United Technologies Corp., to help with the divestiture of Heat Transfer Products Group (HTPG), a manufacturer of commercial refrigeration equipment for the food service, food retail, and other non-consumable markets
- Seale assisted Carrier in preparing all deal marketing materials, researching and screening the potential buyers’ universe, confidentially prequalifying potential buyers, and negotiating the transaction

•Sale of International Cold Storage to CrownTonka and ThermalRite

- Exclusive financial advisor to Carrier Corp., a subsidiary of United Technologies Corp., to help with the divestiture of International Cold Storage, its commercial walk-in cooler business
- Seale assisted Carrier Corp. with preparing all deal-related marketing materials, researching and screening the potential buyers’ universe, confidentially prequalifying the potential buyers, and negotiating the transaction

•Acquisition of Unified Brands from Dover Corporation by Electrolux Professional

- Engaged as exclusive financial advisor to Electrolux Professional, to advise on the acquisition of Unified Brands from Dover Corporation
- Seale conducted extensive market research and prequalification to identify potential acquisition targets to strengthen their presence in the U.S. and expand their portfolio and brand offering



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Global M&A Representative Engagements

<p>BEIJER REF</p> <p>has been acquired by</p>  <p>HERITAGE DISTRIBUTION HOLDINGS</p>	<p>avangardinnovative MOVING THE CIRCULAR ECONOMY FORWARD</p> <p>has sold a controlling interest to</p>  <p>WASTE MANAGEMENT</p>	<p>ZN ZINC NACIONAL</p> <p>has sold</p> <p>GSDKO</p> <p>Zinc Oxide Corporation a subsidiary of</p>  <p>Korea Zinc</p>	<p>Electrolux PROFESSIONAL</p> <p>has acquired</p> <p>unified brands a DOVER company</p> <p>from</p>  <p>DOVER</p>	<p>Port Contractors STEVEDORES - TERMINAL OPERATORS</p> <p>has been acquired by</p>  <p>ENSTRUCTURE</p>	<p>Oxbow</p> <p>Oxbow's Senior Subordinated debt issued by</p>  <p>H.J. BAKER ESTABLISHED 1888</p> <p>was refinanced by</p>  <p>BMO</p>	<p>Hertz</p> <p>has acquired</p>  <p>DONLEN</p>
<p>Standex</p> <p>has sold</p> <p>Enginetics</p> <p>to</p>  <p>Enjet AERO</p>	<p>ITT</p> <p>has sold</p> <p>BURNY KALIBURN PLASMA CUTTING INNOVATION</p> <p>and</p> <p>CNC Cleveland Motion Controls</p> <p>to</p>  <p>LINCOLN ELECTRIC</p>	<p>Honeywell</p> <p>has sold</p> <p>TENSOR</p> <p>to</p>  <p>GE Power Systems</p>	<p>TRIUMPH™</p> <p>has sold</p> <p>Triumph Processing - Embee Division</p> <p>to</p>  <p>AMP ALL METALS PROCESSING</p>	<p>TRIUMPH™</p> <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>  <p>TGG THE GORES GROUP</p>	<p>Rheem</p> <p>has acquired</p>  <p>HTPG</p>	<p>GRACE</p> <p>has sold its GRACE Membranes business</p> <p>Uop a subsidiary of</p> <p>Honeywell</p>
<p>convatec - forever caring -</p> <p>has sold</p> <p>SENSI CARE</p> <p>and</p> <p>ALOE VESTA™</p> <p>to</p>  <p>MEDLINE</p>	<p>United Technologies</p> <p>has sold</p> <p>MobileView</p> <p>to</p> <p>SAFE FLEET Driving Safety Forward™</p>	<p>United Technologies</p> <p>has sold</p> <p>HTPG A division of Carrier Commercial Refrigeration, Inc.</p> <p>to</p> <p>MONOMOY CAPITAL PARTNERS and Starboard Capital Partners</p>	<p>LOCKHEED MARTIN</p> <p>has sold</p> <p>Commercial Flight Training Business</p> <p>to</p> <p>ALTEON A BOEING COMPANY</p>	<p>FLOWSERVE</p> <p>has sold</p> <p>D&B</p> <p>to</p> <p>DB DaviesBaird</p>	<p>KBR</p> <p>has acquired</p> <p>Wabi Wabi Development Corporation</p>	<p>H I G HARRISON GYPSUM, LLC</p> <p>has been recapitalized by</p> <p>H. I. G. PRIVATE EQUITY</p>

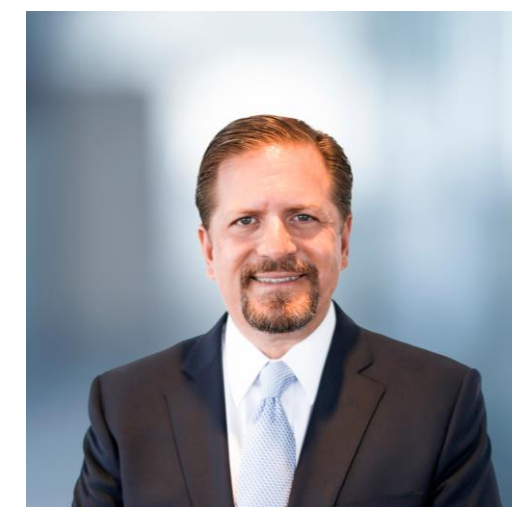


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University of Kentucky - BS in Accounting



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University of Florida - BA in Political Science with High Honors

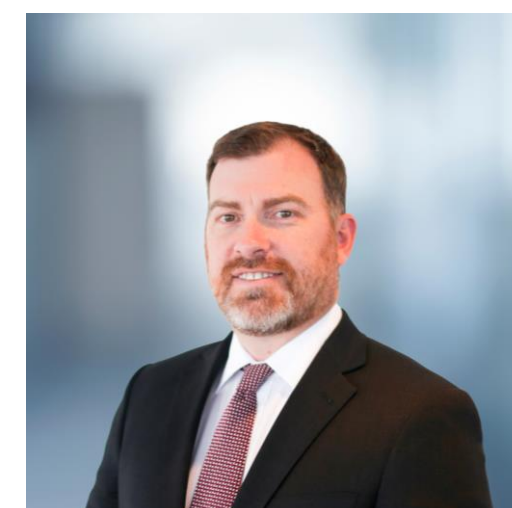


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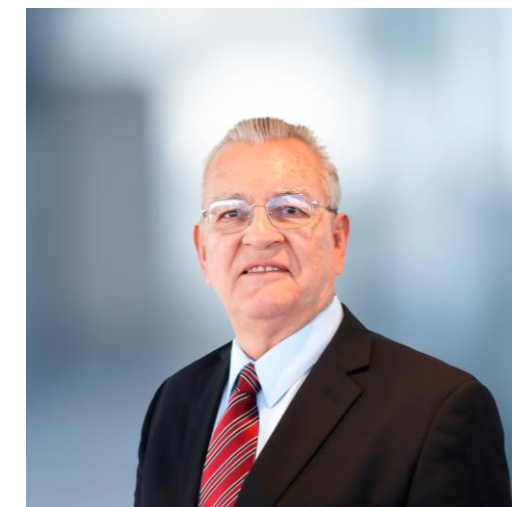


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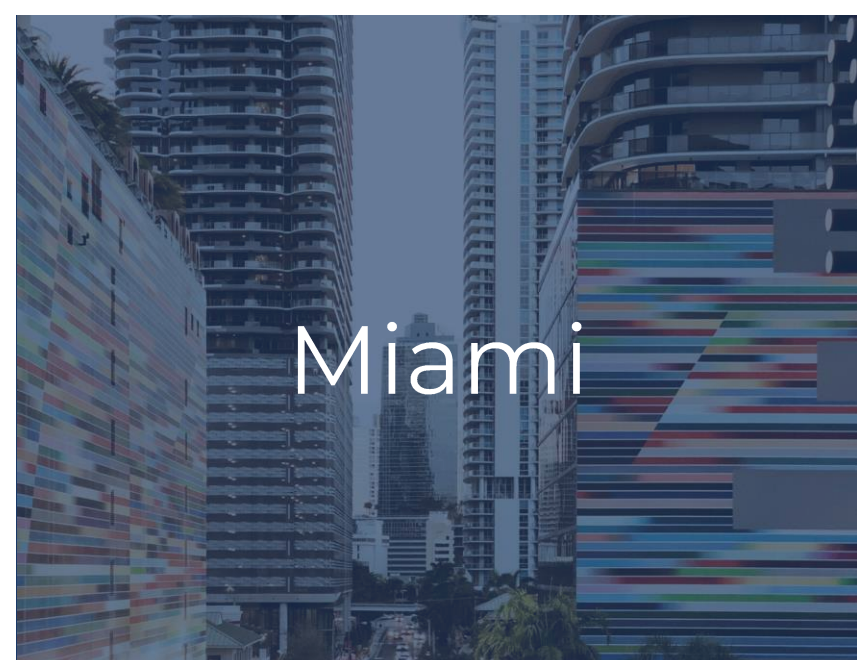
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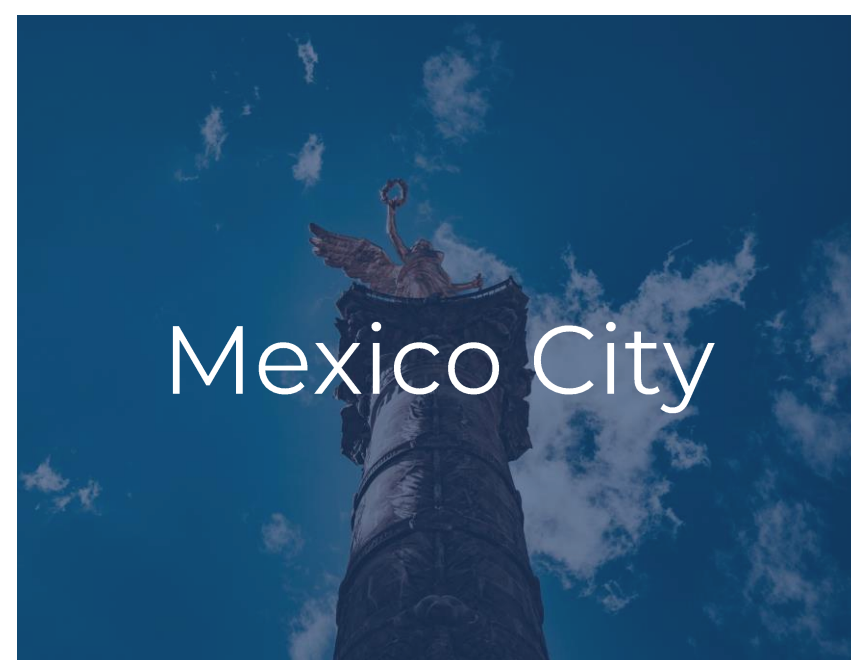
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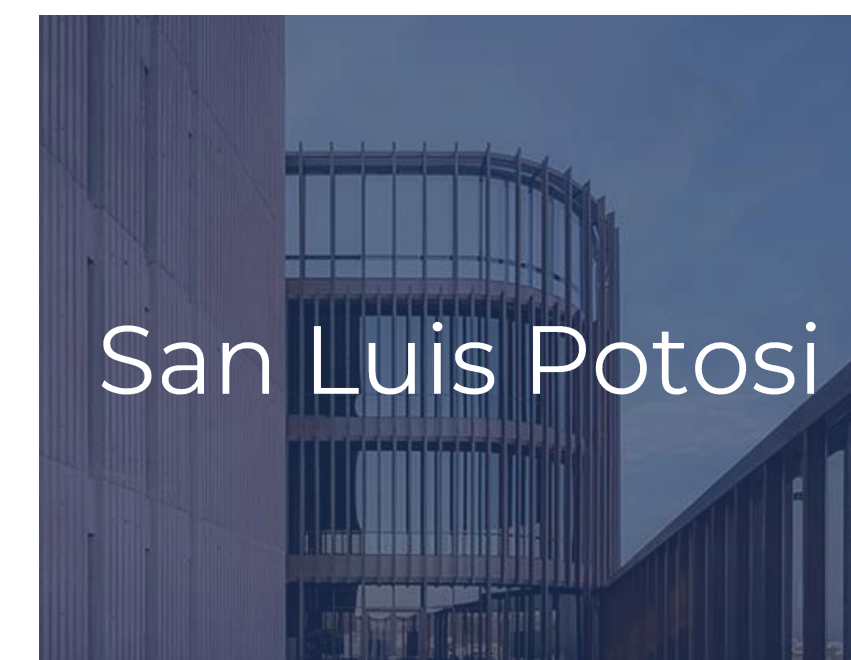
Miami



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San Luis Potosi

Creative Solutions. Trusted Advice.

For over 25 years, Seale & Associates has served leading public and private companies from around the world and operating in a broad range of industries with a high level of quality, integrity and independence while presenting innovative ideas and trusted solutions to address their most complex dealings.

25

YEARS OF EXPERIENCE

\$50B+

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