



Seale & Associates

FOODSERVICE EQUIPMENT
INDUSTRY
Q4 2023
VALUATION UPDATE

25 years

Introduction

We are pleased to share our Foodservice Equipment Industry Multiples Valuation Update for Q4 2023.

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.

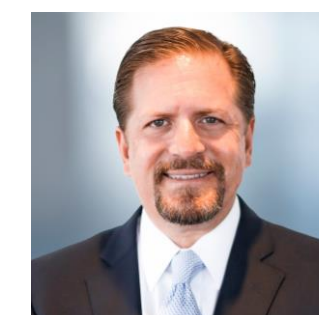
Over the course of 25+ years, we have successfully served clients all over the world, and we are delighted to continue providing investment banking advisory services to our clients who are looking to grow through acquisitions or optimize their portfolios through strategic divestitures.

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



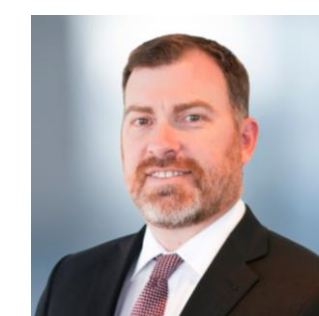
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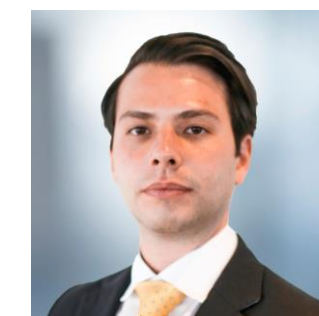
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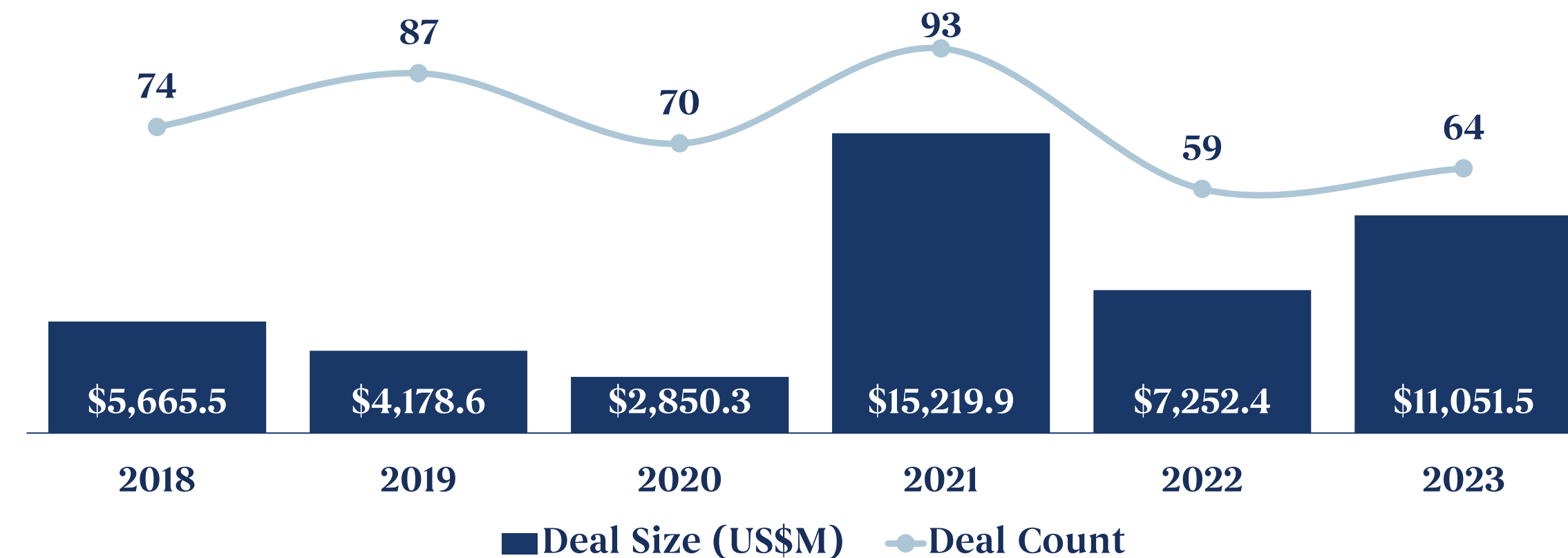
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Foodservice Equipment's Industry Overview, M&A Trends and Market Intelligence

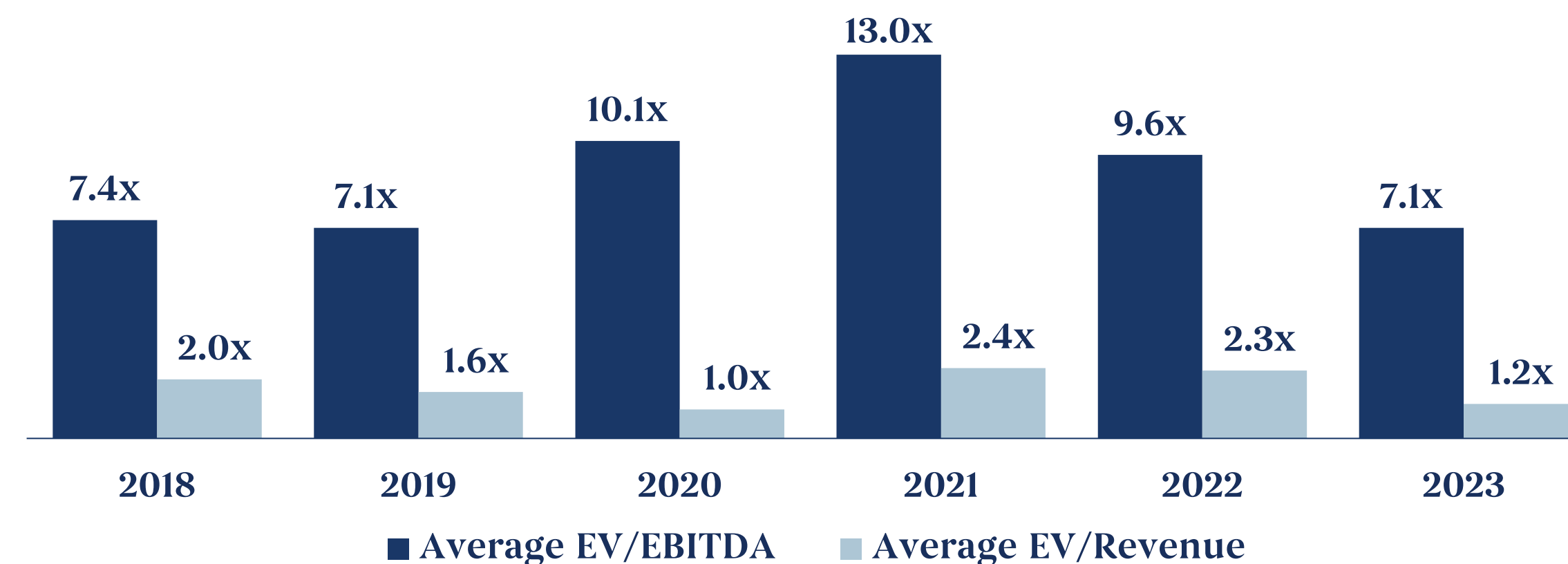
Industry Overview and M&A Trends

- The **commercial kitchen appliances** market size is estimated at **US\$42.8B** in **2024**, and is expected to reach **US\$56.5B** by **2029**, growing at a **CAGR** of **5.7%**
- The demand for commercial kitchen equipment has **surged** notably over time, fueled by the rapid **growth** in foodservice **providers**, including quick-service and full-service restaurants
- Hotels and restaurants seek efficient and advanced kitchen appliances for **optimal** performance in their culinary operations. These companies prefer kitchen equipment that offers **top-notch services** swiftly
- Restaurants, hotels, and clubs are increasingly using **commercial kitchen appliances**, such as refrigerators, ovens, and utensils
- Many establishments are investing in new kitchen equipment to **comply** with new **safety** and **sanitation** guidelines, such as touchless technologies and improved air filtration systems
- The global market for food processing machinery is expected to grow at a **CAGR** of **5.5%**
- The rising demand for frozen, fresh-cut, and exotic fruits and vegetables is anticipated to **boost** the need for fruit & vegetable **processing machinery**, seen as processing extends the shelf life of these products, which subsequently enhances trade opportunities
- The anticipated **growth** in demand for **confectionery equipment** in the coming years is expected to be fueled by the rising demand for confectioneries via retail stores and independent confectionery chains




Foodservice Equipment Industry M&A Deal Size and Volume



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



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		Fourth Quarter Dec. 31, 2023		
						2021	2022	EV/EBITDA	EV/Revenue	
Dover Corporation		USA	\$21,517	\$24,384	\$8,438	21.5%	16.6x	13.6x	13.4x	2.9x
Electrolux Professional AB (publ)		SWE	\$1,572	\$1,748	\$1,178	13.4%	22.6x	16.8x	11.1x	1.5x
Fujimak Corporation		JPN	\$74	\$46	\$273	6.4%	3.0x	2.7x	2.6x	0.2x
Hoshizaki Corporation		JPN	\$5,304	\$3,525	\$2,650	12.4%	19.3x	12.3x	10.8x	1.3x
John Bean Technologies Corporation		USA	\$3,166	\$3,285	\$1,664	17.8%	18.8x	15.9x	11.1x	2.0x
Illinois Tool Works Inc.		USA	\$78,814	\$85,891	\$16,107	28.1%	20.9x	17.8x	19.0x	5.3x
Maruzen Co., Ltd.		JPN	\$317	\$84	\$426	7.8%	2.2x	0.4x	2.5x	0.2x
Rinnai Corporation		JPN	\$3,320	\$2,697	\$2,989	11.0%	7.7x	6.7x	8.2x	0.9x
The Middleby Corporation		USA	\$7,889	\$10,325	\$4,037	22.0%	18.8x	13.8x	11.7x	2.6x
■ Excluded from mean and median						Mean	13.4x	10.3x	8.9x	1.4x
						Median	18.8x	13.6x	11.1x	1.5x

Foodservice Equipment – Q4 Global Transactions

Date	Target	Country	Description	Buyer	Seller	% Acquired	Size US\$M	EV/ EBITDA	EV/ Revenue
Dec-23	 Edward Don & Company	USA	Distributes foodservice equipment, supplies, and disposables			100.0%	-	-	-
Nov-23	Assets of Foodmek Ltd	GBR	Manufactures food processing machinery			100.0%	-	-	-
Nov-23	 STAINLESS SPECIALTIES INC	USA	Manufactures stainless steel equipment and products for food service, restaurants, and other commercial industries		-	100.0%	-	-	-

ND: Not Disclosed

Selected Transactions Commentary



“This exemplary business, led by Steve Don and a strong leadership team, will drive accretive value to Sysco’s business and enable Sysco to better serve our customers with a more complete product assortment.”

Kevin Hourican, President and CEO of Sysco



“We are delighted to have acquired Foodmek and to be able to continue its legacy of providing high-quality processing equipment to the food and drink industry.”










Lesley Cardiff, Finance Director of CAE



“We're thrilled to welcome SSI to our organization. SSI's production facility in Eastlake, OH, will increase our custom fabrication capacity and create a best-in-class 'purpose-built' manufacturing organization of stainless-steel commercial restaurant equipment.”

Sacha Polakoff, President and CEO of NAKS

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.

Sector Relevant Experience

Extensive M&A transaction experience, including:

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

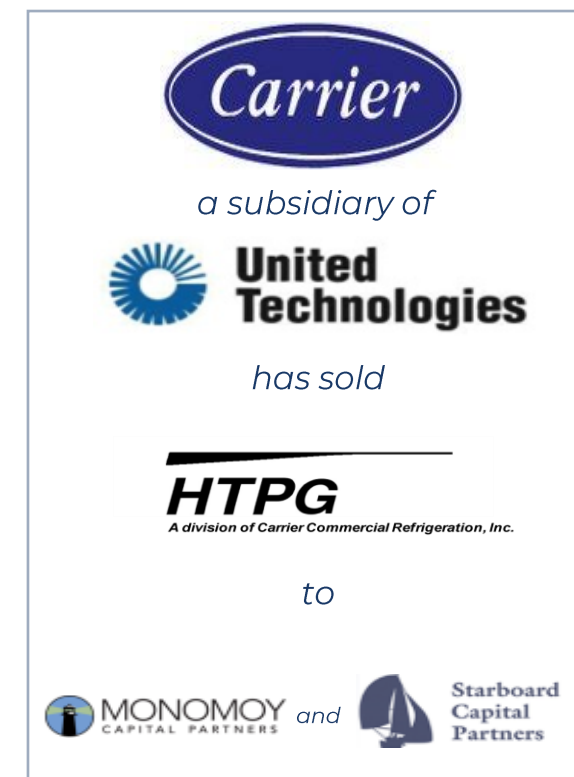
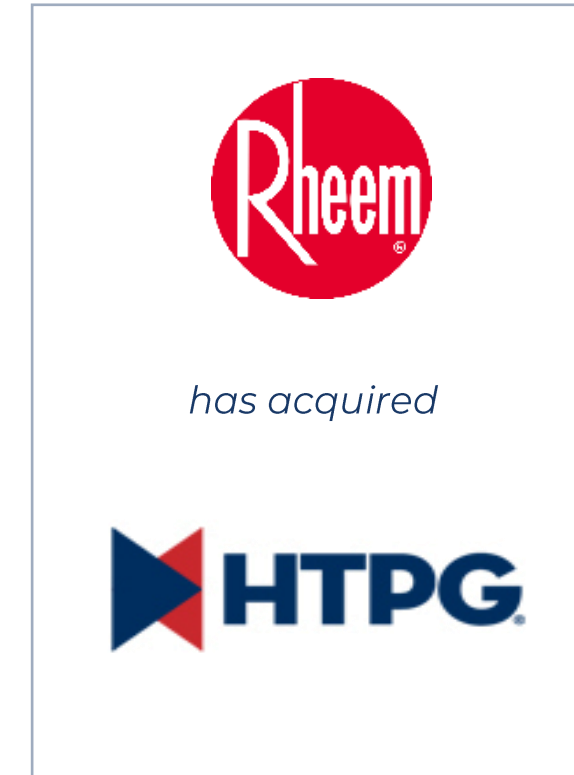
- Exclusive financial advisor to Carrier Corp., a subsidiary of United Technologies Corp., to help with the divestiture of Heat Transfer Products Group (HTPG), a manufacturer of commercial refrigeration equipment for the food service, food retail, and other non-consumable markets
- Seale assisted Carrier 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



GRUPO TORREY

TARGET

Grupo Torrey

TRANSACTION TYPE

Sell-side Advisory

INDUSTRIES

Commercial Kitchen
Equipment

GEOGRAPHY

Mexico

SITUATION

Seale & Associates was retained by the shareholders of Grupo Torrey as exclusive financial advisor on the sale of their business to Imbera, a subsidiary of FEMSA (BMV: FEMSA). Torrey was an independent commercial kitchen equipment company in Mexico. Its product line includes refrigerators, meat slicers, scales and measuring equipment, among others. The company exports products globally and serves its customers in Mexico through a strong network of distributors.

SEALE & ASSOCIATES' APPROACH

Seale professionals managed a preferred buyer process with Imbera, a subsidiary of FEMSA. Seale's prior relevant experience in the industry as well as its good relationship with FEMSA ensured a smooth transaction process.

OUTCOME

The process resulted in the successful divestiture of Grupo Torrey to Imbera, Further expanding FEMSA's capabilities in the industry.

“The involvement of a major buyer like FEMSA further underscores the importance of this deal”



has been acquired by



a subsidiary of



“We are pleased to have been able to represent Grupo Torrey in this strategic divestiture to Imbera, a subsidiary of FEMSA.

This transaction was particularly significant as the shareholders of Grupo Torrey have long been integral to the family business. The involvement of a major buyer like FEMSA further underscores the importance of this deal. We wish the new owners of Grupo Torrey every success.”

Sergio Garcia del Bosque, Managing Director, Seale & Associates

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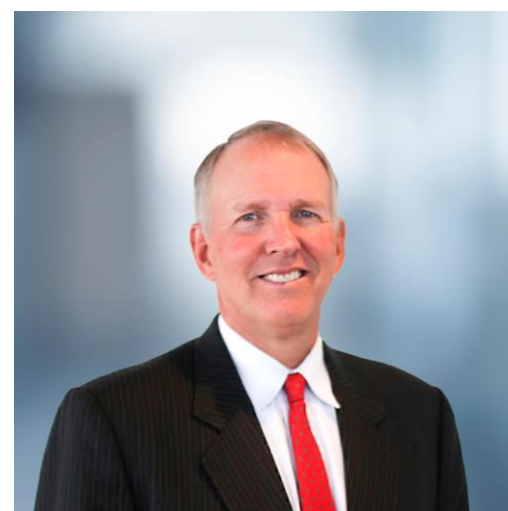
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Global M&A Representative Engagements

<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 1880</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>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

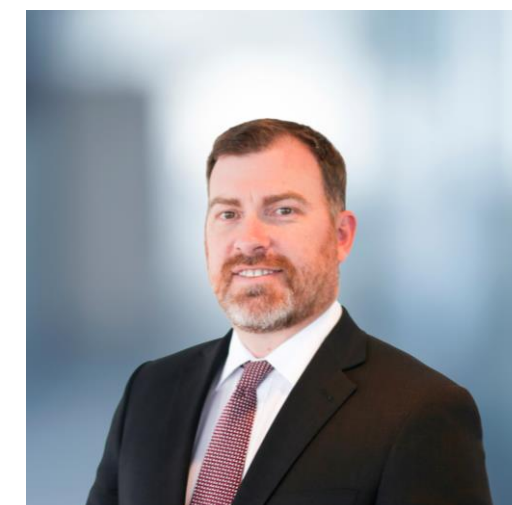


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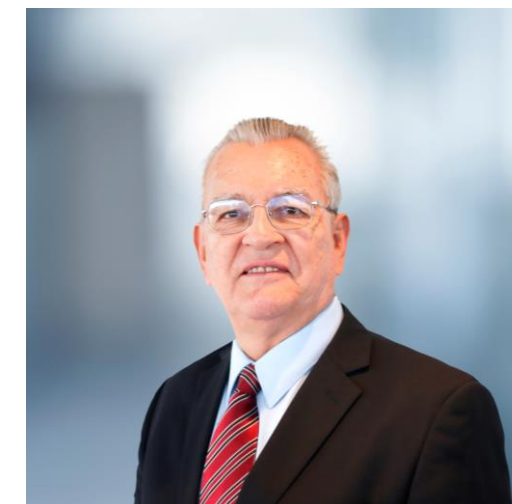


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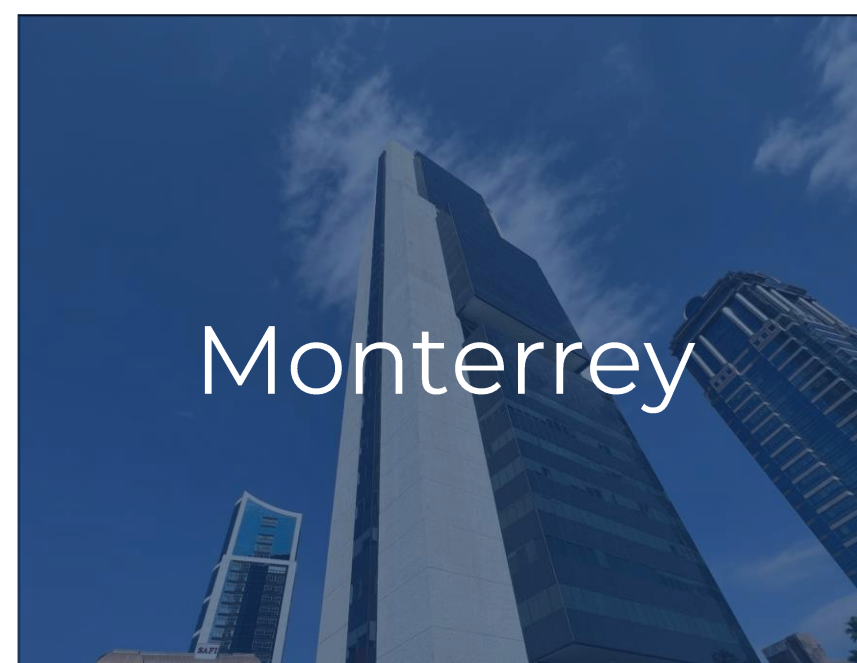
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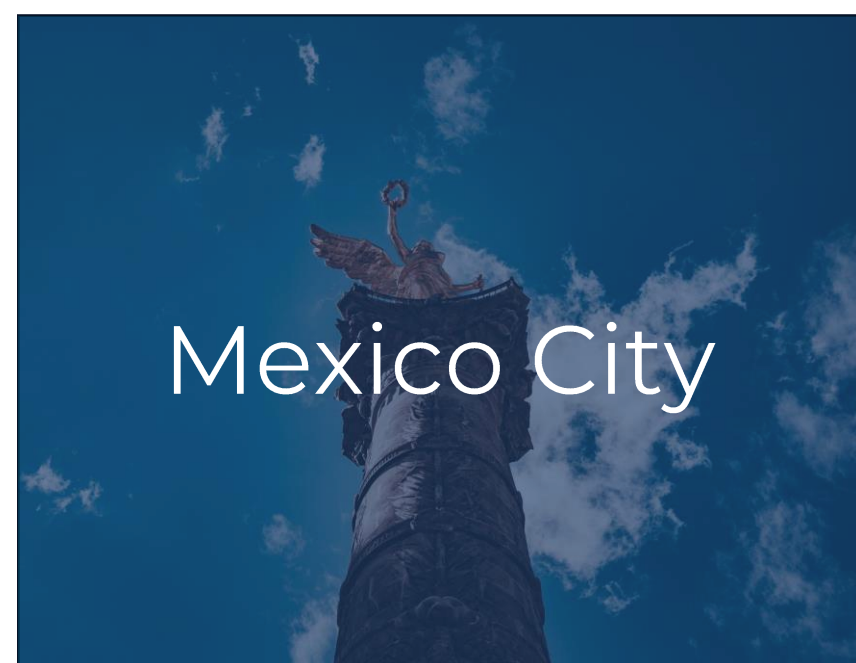
32+ years with Grupo Industrial Saltillo with experience as Director, Corp. Dev. and extensive global commercial experience
Instituto Tecnológico y de Estudios Superiores de Monterrey
MBA and BS in Industrial Engineering



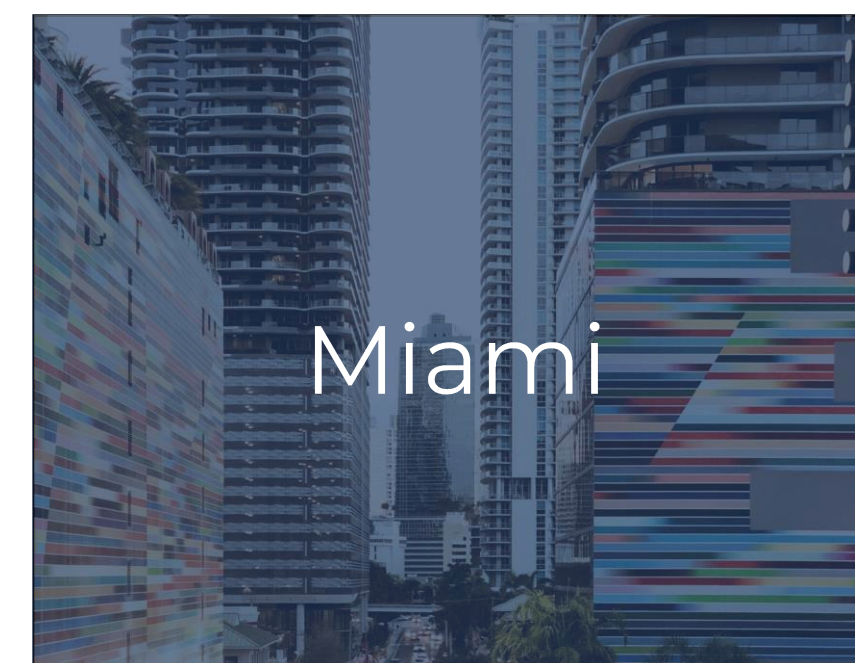
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Mexico City



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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

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\$50B+

TRANSACTIONS GLOBALLY

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Recapitalizations

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