



Seale & Associates

NON-ALCOHOLIC BEVERAGES
INDUSTRY
Q2 2024
VALUATION UPDATE

25 years

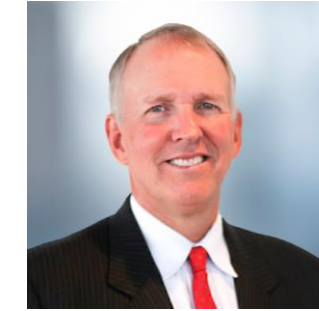
Introduction

We are pleased to share our Non-Alcoholic Beverages Industry Multiples Valuation Update for Q2 2024.

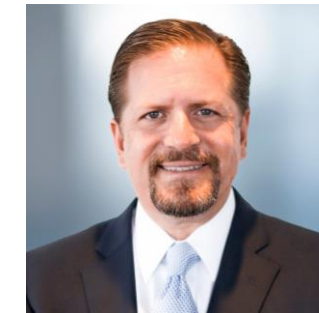
At Seale & Associates, we are committed to providing process-driven solutions designed to optimize value and achieve our client's strategic objectives in a range of transactions, including **Mergers, Acquisitions, Divestitures and Carve-Outs, Business Sales, Recapitalizations, and Joint Ventures**, among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

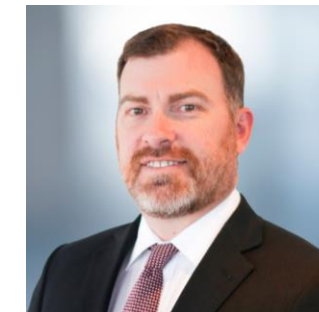
Seale has extensive experience advising leading multinational companies, private equity firms, and family-owned businesses across a wide range of industries.



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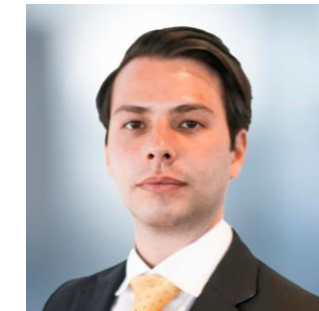
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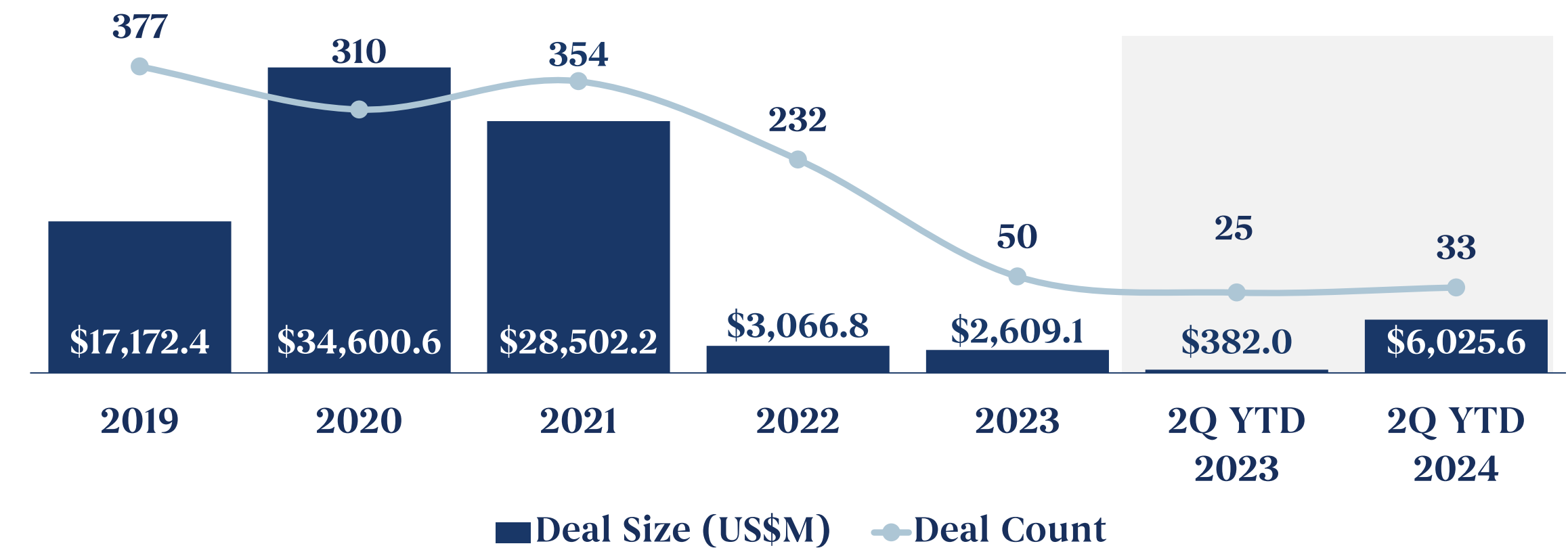
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Beverage's Industry Overview, M&A Trends and Market Intelligence

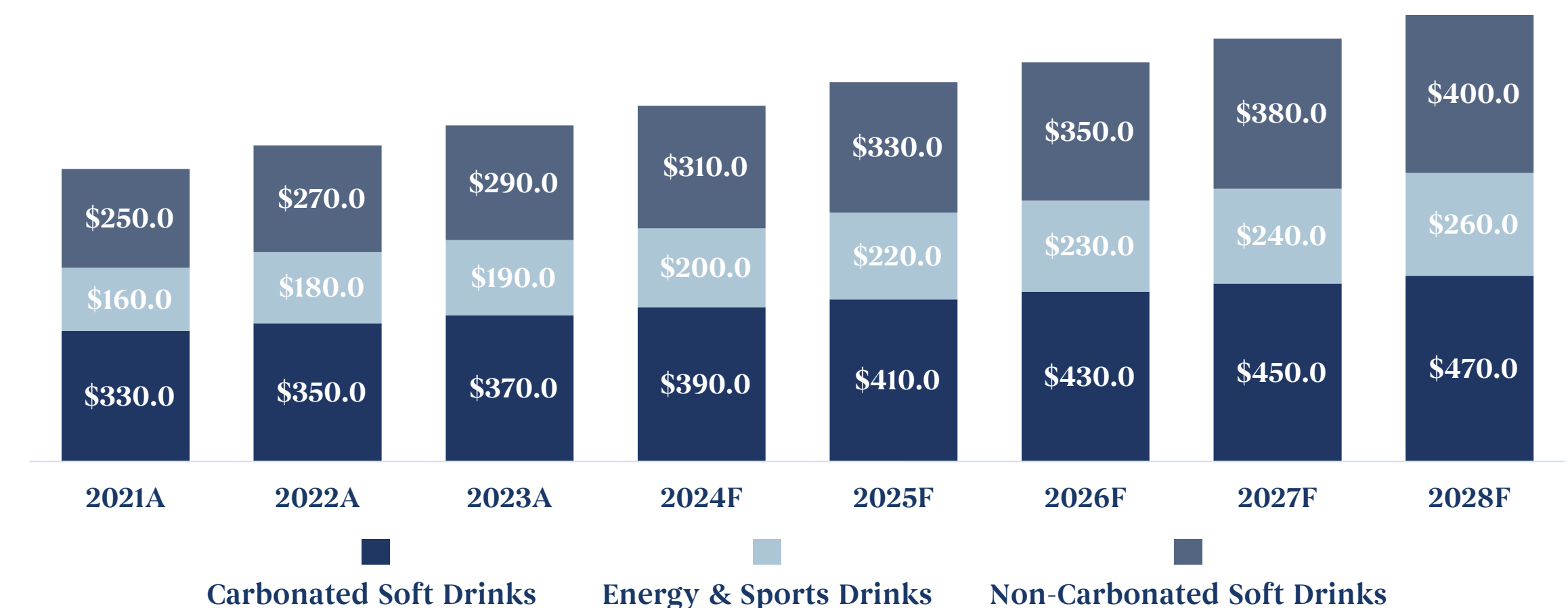
Global Beverage Industry Trends

- The Non-Alcoholic Drinks market is expected to reach **US\$162.1 billion** in revenue **by 2024**, with an annual growth rate (CAGR) of **11.1% from 2024 to 2029**
- Foreign Direct Investments (FDI)-related deals accounted for a **30.0% share** of the global beverage industry's **M&A activity in Q1 2024**, up **42.0% over the previous quarter**
- The growing interest in **health and wellness** is driving the popularity of **functional beverages**. Products designed to boost energy, immunity, cognitive function, and gut health are **increasingly in demand**, driven by consumers prioritizing their physical or mental well-being
- The **rising demand** for health-focused, non-alcoholic beverages presents **new opportunities for emerging brands**. As consumers increasingly prioritize wellness, brands offering innovative, non-alcoholic options are well-positioned to capture this growing market
- Rising disposable incomes, urbanization, and changing lifestyles are **key factors** that contribute to **increased consumer spending on beverages**. Additionally, the **rise of e-commerce** has made it easier for consumers to access a wide range of non-alcoholic drinks, further **fueling market growth**











Beverage Industry M&A Deal Size and Volume



Beverage Industry Revenue (2021-2028) in Billion USD








Industry 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	
A.G. BARR p.l.c.		GBR	\$842	\$780	\$506	15.2%	9.8x	9.4x	10.2x	1.5x
Fevertree Drinks PLC		GBR	\$1,599	\$1,543	\$461	6.4%	26.3x	38.9x	52.4x	3.3x
Hokkaido Coca-Cola Bottling Co.,Ltd.		JPN	\$227	\$177	\$353	7.0%	7.4x	8.6x	7.2x	0.5x
Kofola CeskoSlovensko a.s.		CZE	\$276	\$398	\$388	13.6%	9.0x	7.4x	7.6x	1.0x
Lotte Chilsung Beverage Co., Ltd.		KOR	\$938	\$2,099	\$2,763	11.8%	7.7x	6.9x	6.4x	0.8x
Mineralbrunnen Überkingen-Teinach GmbH & Co. KGaA		DEU	\$120	\$133	\$158	12.8%	7.2x	6.1x	6.6x	0.8x
Nichols plc		GBR	\$471	\$389	\$214	16.4%	16.1x	11.8x	11.1x	1.8x
Spadel SA		BEL	\$863	\$745	\$371	15.8%	12.4x	13.1x	12.7x	2.0x
The Vita Coco Company, Inc.		USA	\$1,579	\$1,456	\$500	14.0%	35.4x	57.1x	20.9x	2.9x
Wisynco Group Limited		JAM	\$510	\$495	\$338	13.1%	11.3x	9.0x	11.2x	1.5x
						Mean	10.1x	9.0x	9.1x	1.2x
						Median	10.5x	9.2x	10.6x	1.5x






■ Excluded from mean and median

Source: Capital IQ

Industry 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	
Britvic plc		GBR	\$3,683	\$4,661	\$2,319	14.2%	11.9x	10.8x	14.2x	2.0x
Embotelladora Andina S.A.		CHL	\$2,450	\$3,234	\$2,945	17.1%	5.3x	5.7x	6.4x	1.1x
Fraser & Neave Holdings Bhd		MYS	\$2,471	\$2,409	\$1,109	14.7%	14.0x	13.2x	14.8x	2.2x
Ito En, Ltd.		JPN	\$2,253	\$2,056	\$2,823	7.7%	17.6x	12.9x	9.5x	0.7x
National Beverage Corp.		USA	\$4,795	\$4,518	\$1,192	21.4%	18.3x	19.8x	17.7x	3.8x
Primo Water Corporation		USA	\$3,501	\$4,414	\$1,846	22.5%	9.6x	8.7x	10.6x	2.4x
■ Excluded from mean and median						Mean	10.2x	10.3x	11.1x	1.7x
						Median	12.9x	11.9x	12.4x	2.1x

Industry 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	
Arca Continental, S.A.B. de C.V.		MEX	\$16,647	\$19,422	\$11,960	19.5%	7.9x	8.4x	8.3x	1.6x
Coca-Cola FEMSA, S.A.B. de C.V.		MEX	\$18,033	\$20,366	\$14,240	17.1%	7.8x	8.8x	8.4x	1.4x
Celsius Holdings, Inc.		USA	\$13,307	\$13,254	\$1,490	20.7%	NM	67.9x	43.0x	8.9x
Keurig Dr Pepper Inc.		USA	\$45,276	\$61,709	\$15,062	28.9%	17.1x	15.6x	14.2x	4.1x
Monster Beverage Corporation		USA	\$52,050	\$48,551	\$7,386	29.3%	25.1x	30.2x	22.4x	6.6x
PepsiCo, Inc.		USA	\$226,743	\$264,404	\$92,054	19.3%	17.2x	17.0x	14.9x	2.9x
Suntory Beverage & Food Limited		JPN	\$10,969	\$11,169	\$10,325	12.7%	8.1x	7.4x	8.5x	1.1x
The Coca-Cola Company		USA	\$274,201	\$302,566	\$46,465	36.2%	19.9x	18.5x	18.0x	6.5x
						Mean	13.0x	12.6x	12.0x	2.2x
						Median	17.1x	16.3x	14.5x	3.5x

■ Excluded from mean and median

NM: Not Measurable

Industry – Global Transactions

Date	Target	Country	Description	Buyer	Seller	% Acquired	Size US\$M	EV/ EBITDA	EV/ Revenue
Jun-24	Coca-Cola Emporia/Classic Vending	USA	Provides vending, coffee, and micro-market services to businesses		-	100.0%	-	-	-
Jun-24*		USA	Provides bottled water, water dispensers, and filtration services		-	100.0%	\$23.0	-	-
Jun-24		USA	Provides consumer-based ketone supplement drinks	Adventures Capital	INTELLIGENT FOODS	100.0%	\$107.0	-	-
May-24*	Assets of Kalil Bottling	USA	Production, sales, and distribution assets including bottling rights for Canada Dry, 7UP, A&W, Snapple and Core Hydration			100.0%	-	-	-
May-24		USA	Provides sparkling water flavored with organic fruit juices, organic flavors, and carbonated water		-	100.0%	-	-	-
May-24		USA	Provides tea beverages	Next in Natural	-	100.0%	-	-	-
May-24	Carbonated Water Business from Otogino	JPN	Provides carbonated water products	LIFEDRINK COMPANY		100.0%	-	-	-
Apr-24*		USA	Provides plant-based protein beverages		Multiple Sellers	100.0%	\$280.0	-	-
Apr-24		SRB	Provides mineral water, soft drinks, and energy beverages			46.4%	\$96.2	-	-
Apr-24		USA	Provides beverage manufacturing and bottling services		-	100.0%	-	-	-

*Announced transactions pending approval and other customary closing conditions

Café Del Pacífico

TARGET

Café Del Pacífico, S.A. de C.V (“Caffenio”)

TRANSACTION TYPE

Joint Venture Advisory

INDUSTRIES

Food and Beverage

GEOGRAPHY

Hermosillo, Mexico

SITUATION

Seale & Associates was retained by the family owners of Caffenio, a leading Mexican roaster and producer of coffee and coffee related products to advise on the structuring of a transaction with OXXO, their largest client by sales and volume. OXXO and our client had strong concerns about the highly dependent nature of their commercial relationship and how best to grow the venture.

SEALE & ASSOCIATES’ APPROACH

Seale performed a comprehensive analysis of the situation and designed an optimal transaction structure that addressed the concerns of both partners.

OUTCOME

The process resulted in the sale of a minority equity participation and the execution of a long-term supply agreement with OXXO. After the transaction, Caffenio has experienced accelerated growth driven by a stronger relationship with OXXO.

“They earned our trust and the trust of our partner”

 **CAFFENIO**[®]

has partnered with



a subsidiary of



“We asked Seale to help us design and execute a joint venture with a major customer. They designed a custom transaction structure that perfectly addressed our needs and the needs of our major customer. They earned our trust and the trust of our partner – and both parties could not be happier about the outcome.”

José Antonio Díaz

President and CEO Café Del Pacífico, S.A. de C.V.

Grupo Fomento Queretano

TARGET

Grupo Fomento Queretano

TRANSACTION TYPE

Merger Advisory

INDUSTRIES

Consumer Products, Food and Beverage

GEOGRAPHY

Queretaro, Mexico

SITUATION

Seale & Associates was retained by the family owners of Grupo Fomento Queretano, one of the oldest family-owned Coca-Cola bottlers in Mexico, to analyze strategic alternatives for their business in the context of a changing industry landscape.

SEALE & ASSOCIATES' APPROACH

Seale presented the family with a range of strategic alternatives and outcome scenarios for a sale or merger with three industry consolidators considering the family's value, timing, and control objectives. After the family decided that a merger with Coca-Cola FEMSA was the preferred alternative, Seale ran a disciplined and expedited process to achieve the shareholder's objectives.

OUTCOME

Seale's approach resulted in a successful merger with Coca-Cola FEMSA. As a result of the merger, Grupo Fomento Queretano's shareholders received 45.1 million newly issued KOF series L shares for a total aggregate enterprise transaction value of approximately MXN\$7.6 billion (US\$580 million), including the assumption of debt.

“Their professionals provided invaluable guidance and support”

FOQUE
GRUPO FOMENTO QUERETANO

merged its

Beverage Division

with

Coca-Cola

FEMSA

“From the very beginning of the planning process before our merger with Coca-Cola FEMSA, Seale listened and provided straightforward answers to each and every one of our family member's questions and concerns and outlined the full range of options. Their professionals provided invaluable guidance and support as they helped us to navigate the merger negotiations. We knew we could count on their trusted advice to make certain we made the best decisions for our company, our employees, and our family”.

Federico Ruiz Rubio
Ex Board member and shareholder, Grupo Fomento Queretano

Grupo Tampico

TARGET

Grupo Tampico

TRANSACTION TYPE

Merger Advisory

INDUSTRIES

Consumer Products,
Food and Beverage

GEOGRAPHY

Tamaulipas, Mexico

SITUATION

Seale & Associates was retained by Grupo Tampico’s shareholders to properly analyze and structure the merger of the company’s beverage division with Coca-Cola FEMSA.

SEALE & ASSOCIATES’ APPROACH

Seale presented the family with a range of strategic alternatives and outcome scenarios for a sale or merger with three industry consolidators, considering the family’s value, timing, and control objectives. After the family decided that a merger with Coca-Cola FEMSA was the preferred alternative, Seale ran a disciplined and expedited process to achieve the shareholder’s objectives.

OUTCOME

Seale’s approach resulted in a successful merger with Coca-Cola FEMSA. As a result of the merger, Grupo Tampico’s shareholders received 63.5 million newly issued KOF series L shares at a value of Ps. 103.20 per share. The issued KOF series L shares appreciated 19.8% to a price of MXN. 123.63 prior to closing, representing a total aggregate enterprise transaction value of MXN. 10.6 billion (approximately US\$800 million as of the closing date exchange rate). The transaction closed on October 11, 2011.

“Seale provided our shareholders with valuable guidance”



merged its
Beverage Division
with



“Seale provided our shareholders with valuable guidance on a wide range of important topics during the process and served as a trusted advisor in helping us to structure a successful merger with Coca-Cola FEMSA that met our family shareholders’ objectives.”

Robert Fleishman
Vice President, Grupo Tampico

“We are pleased to have successfully closed this very important merger transaction in a short period of time and consolidating our position as a leader in the Mexican beverage industry”.

Carlos Salazar Lomelin, Chief Executive Officer, Coca-Cola FEMSA

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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 IMPROVEMENTS IN SHAPE CUTTING PLASMA CUTTING INNOVATION</p> <p>and</p> <p>CMC 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 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 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

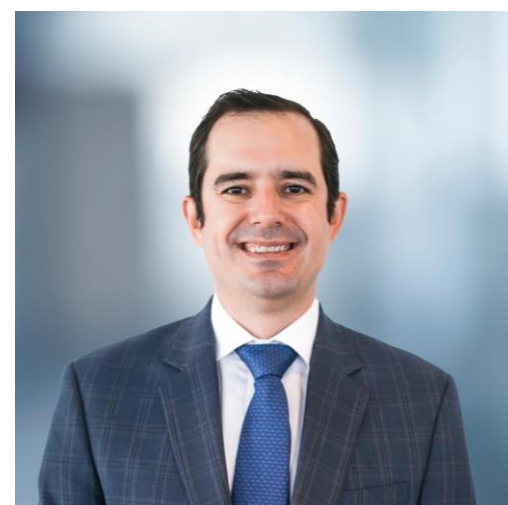


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The George Washington University - MBA International Business and MA - International Affairs
University of Florida - BA in Political Science with High Honors

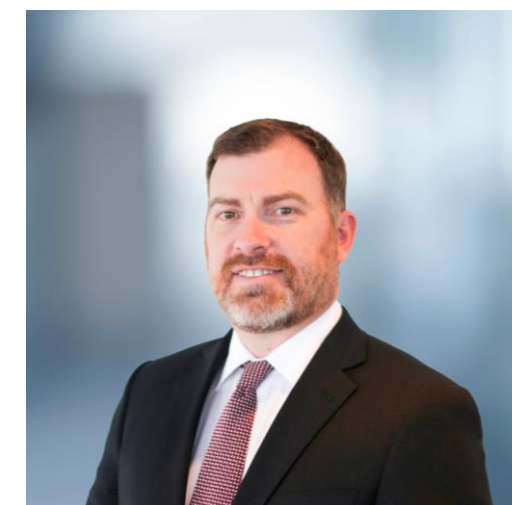


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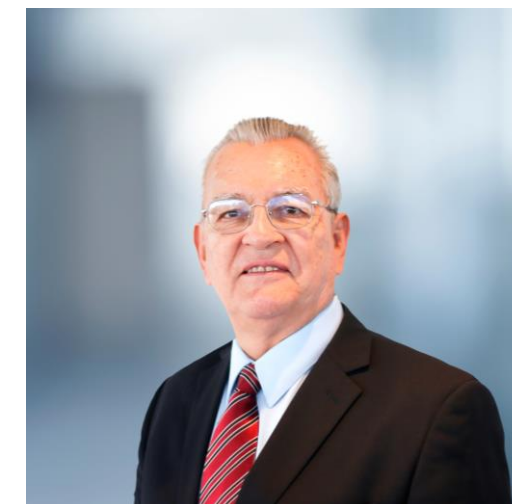


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Instituto Tecnológico y de Estudios Superiores de Monterrey
BS in Industrial Engineering



FELIPE BUENO

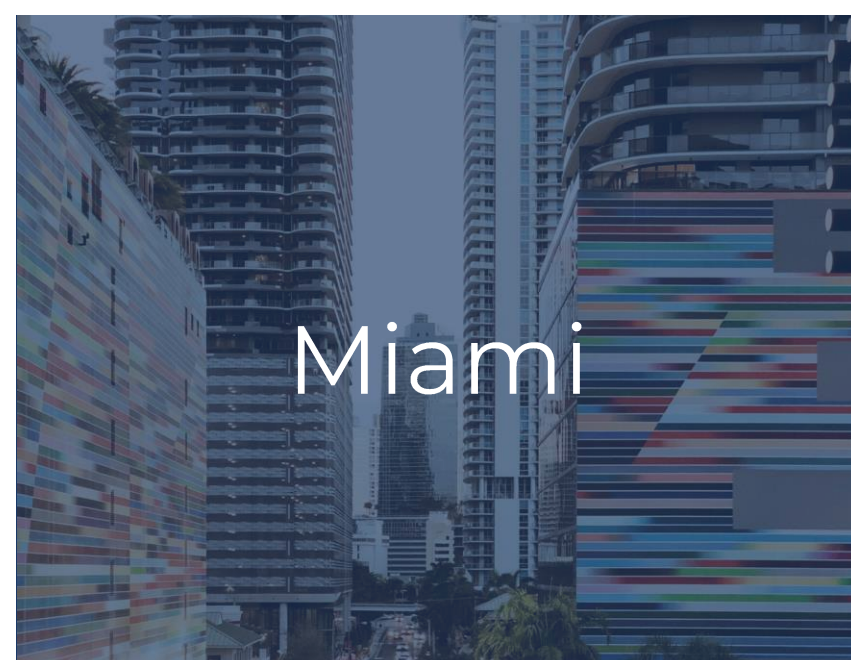
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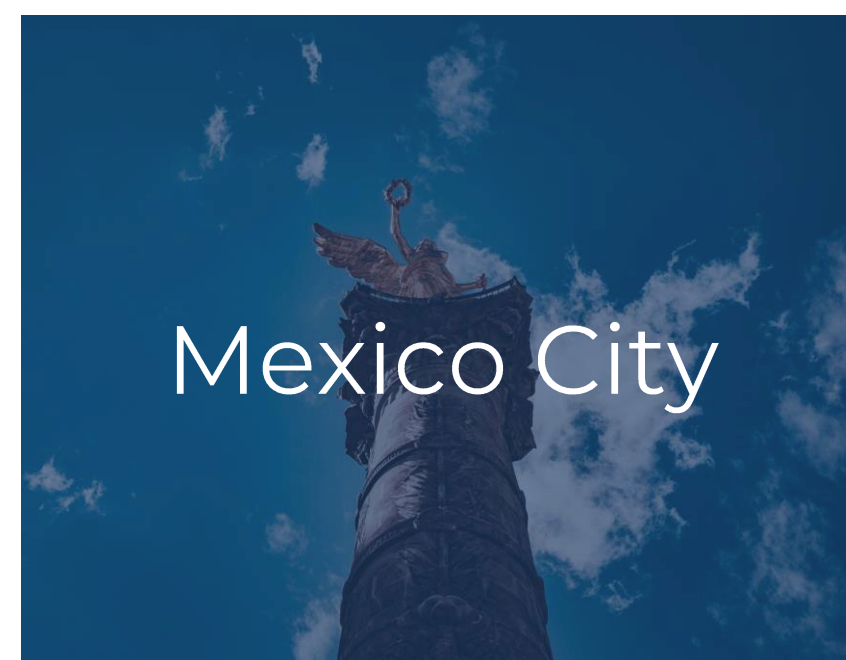
32+ years with Grupo Industrial Saltillo with experience as Director, Corp. Dev. and extensive global commercial experience
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MBA and BS in Industrial Engineering



Washington D.C.



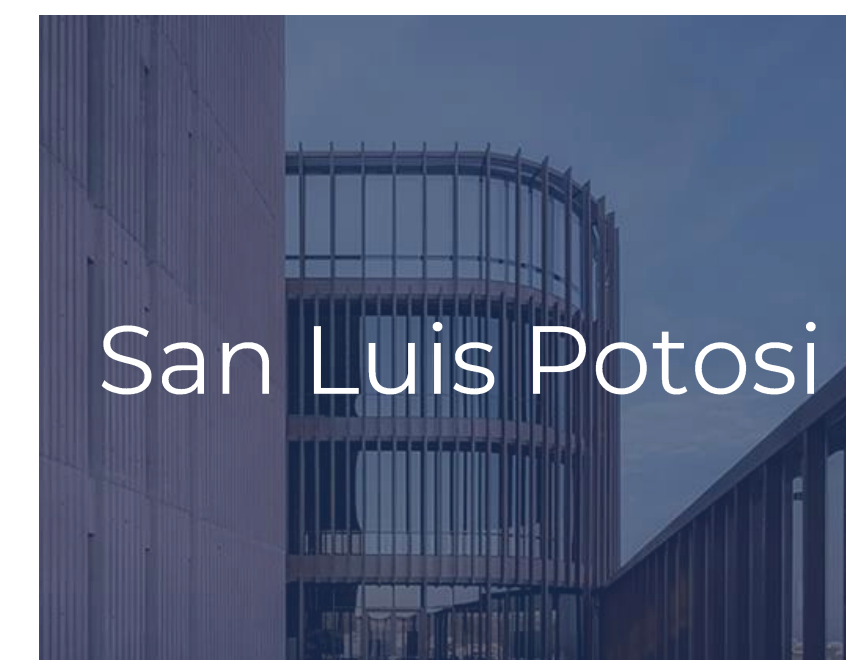
Miami



Mexico City



Monterrey



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+

TRANSACTIONS
GLOBALLY

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...as well as with reputable funds, family-offices and privately held companies.



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