



Seale & Associates

NON-ALCOHOLIC BEVERAGES INDUSTRY
Q3 2023
VALUATION UPDATE

Introduction

We are pleased to share our Non-alcoholic Beverages Industry Multiples Valuation Update for Q3 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 Non-alcoholic Beverages Industry 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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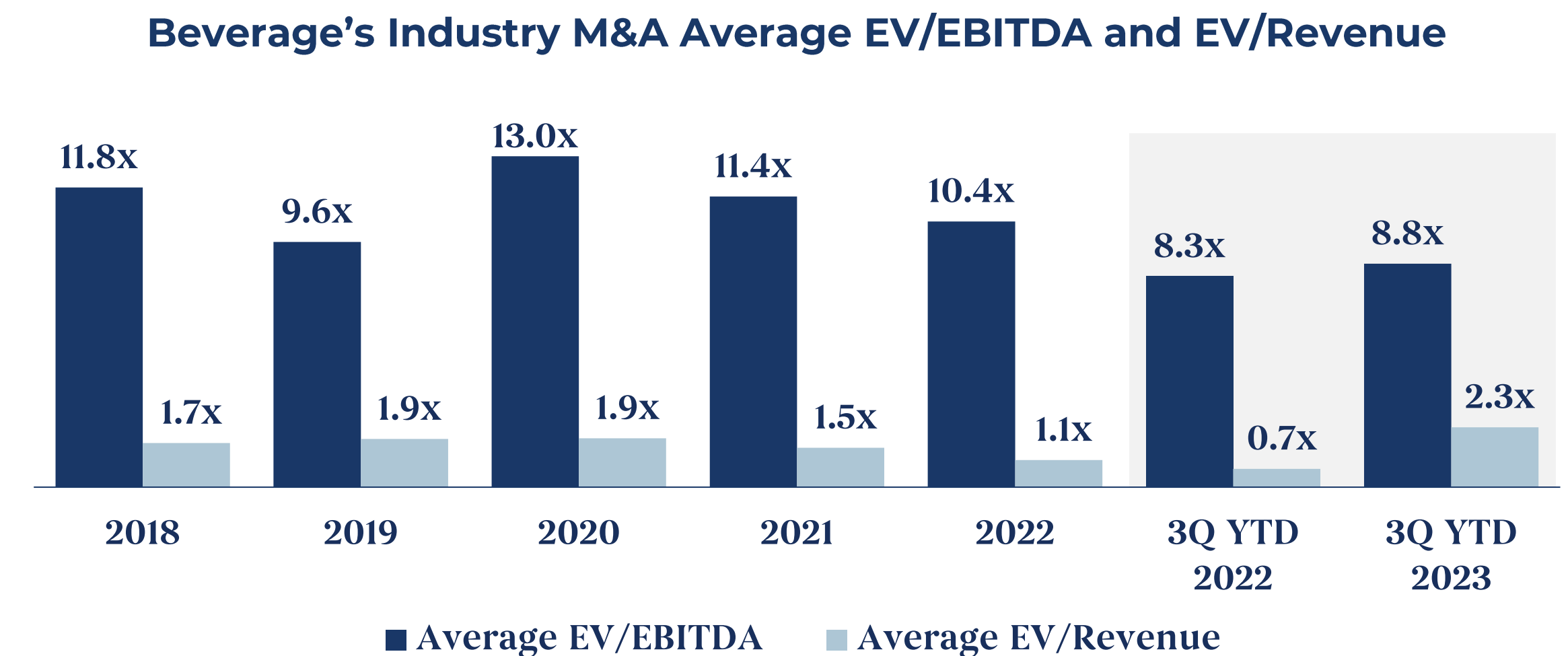
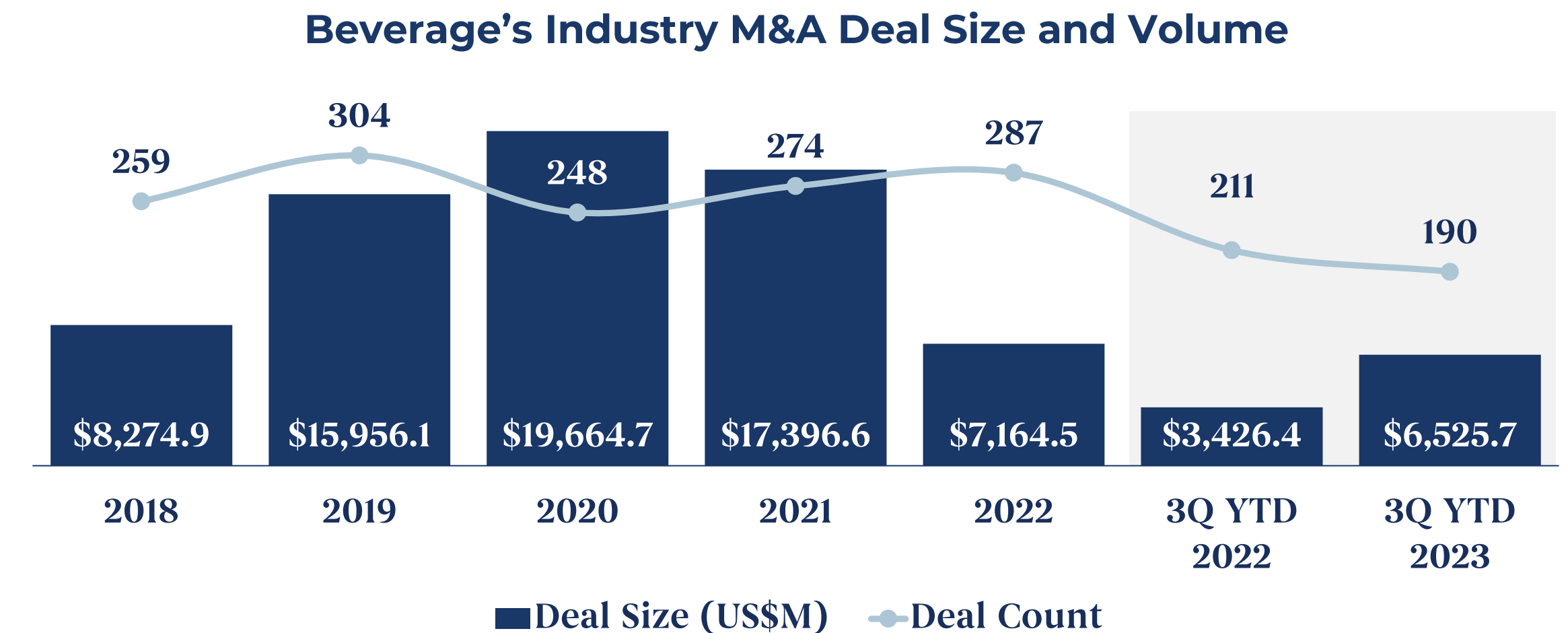
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Beverage's Industry Overview, M&A Trends and Market Intelligence

Global Beverage Industry Trends

- The global beverage industry closed in 2022 with a revenue of US\$2,318.9 billion. It is expected to grow to US\$2,926.7 billion by 2027, representing a CAGR of 4.8%
- In 2022, alcoholic beverages accounted for 64.2% of the global beverage market, generating US\$1,488.9 billion. Non-alcoholic beverages represented the remaining 35.8%, with a market value of US\$830.0 billion
- Rising costs of raw materials and labor are putting pressure on food and beverage companies, as consumers are beginning to push back on rising prices
- Businesses continue to focus on core competencies while remaining conservative on growth projects
- There continues to be an abundant amount of capital in the market from excess cash on the balance sheets of public companies and private equity firms
- FDI-related deals accounted for a 31.0% share of the global beverage industry's M&A activity in Q3 2023, up 20.0% over the previous quarter
- Companies are increasingly looking to control their entire value chain, from sourcing raw materials to manufacturing and distribution, which is driving M&A activity in the sector
- There is a push for greater product diversification and entry into high-growth end markets among beverage players, which is providing significant tailwinds for consolidation activity










Industry 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, 2023		
						2021	2022	EV/EBITDA	EV/Revenue	
A.G. BARR p.l.c.		GBR	\$664	\$612	\$452	15.3%	11.0x	9.8x	8.9x	1.4x
Fevertree Drinks PLC		GBR	\$1,709	\$1,636	\$438	6.9%	46.8x	26.3x	54.5x	3.7x
Hokkaido Coca-Cola Bottling Co.,Ltd.		JPN	\$251	\$200	\$375	5.5%	5.1x	7.4x	9.6x	0.5x
Kofola CeskoSlovensko a.s.		CZE	\$247	\$383	\$356	15.3%	10.0x	9.0x	7.0x	1.1x
Lotte Chilsung Beverage Co., Ltd.		KOR	\$902	\$1,839	\$2,210	13.0%	10.6x	7.7x	6.4x	0.8x
Mineralbrunnen Überkingen-Teinach GmbH & Co. KGaA		DEU	\$113	\$128	\$154	13.0%	9.2x	7.2x	6.4x	0.8x
Nichols plc		GBR	\$452	\$386	\$208	16.7%	25.7x	16.1x	11.2x	1.9x
Organización Cultiba, S.A.B. de C.V.		MEX	\$455	\$328	\$17	322.7%	7.3x	6.3x	5.8x	18.8x
Spadel SA		BEL	\$734	\$664	\$362	14.4%	13.3x	12.4x	12.7x	1.8x
Wisynco Group Limited		JAM	\$435	\$389	\$325	14.2%	12.5x	11.3x	8.4x	1.2x
						Mean	9.9x	8.9x	8.5x	1.5x
						Median	10.8x	9.4x	8.7x	1.3x

■ Excluded from mean and median

Industry 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, 2023		
						2021	2022	EV/EBITDA	EV/Revenue	
Britvic plc		GBR	\$2,681	\$3,506	\$2,134	15.3%	15.6x	11.9x	10.7x	1.6x
Celsius Holdings, Inc.		USA	\$13,195	\$13,339	\$1,149	NM	NM	NM	NM	11.6x
Embotelladora Andina S.A.		CHL	\$1,960	\$2,965	\$3,074	16.2%	6.2x	5.3x	5.9x	1.0x
Fraser & Neave Holdings Bhd		MYS	\$1,977	\$1,969	\$1,065	15.2%	14.9x	14.0x	12.2x	1.8x
Ito En, Ltd.		JPN	\$3,241	\$3,097	\$2,943	7.9%	22.1x	17.6x	13.3x	1.1x
National Beverage Corp.		USA	\$4,390	\$4,204	\$1,179	20.1%	17.6x	18.3x	17.7x	3.6x
Primo Water Corporation		USA	\$2,210	\$3,834	\$2,295	19.8%	10.6x	9.6x	8.4x	1.7x
■ Excluded from mean and median						Mean	13.0x	10.2x	10.1x	1.8x
						Median	15.2x	12.9x	11.5x	1.7x

Industry 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, 2023		
						2021	2022	EV/EBITDA	EV/Revenue	
Arca Continental, S.A.B. de C.V.		MEX	\$15,462	\$18,589	\$12,545	18.8%	7.7x	7.9x	7.9x	1.5x
Coca-Cola FEMSA, S.A.B. de C.V.		MEX	\$16,479	\$19,320	\$13,901	16.9%	7.6x	7.8x	8.2x	1.4x
Keurig Dr Pepper Inc.		USA	\$44,111	\$58,205	\$14,750	26.6%	16.4x	17.1x	14.8x	3.9x
Monster Beverage Corporation		USA	\$55,466	\$52,220	\$6,923	27.4%	26.2x	25.1x	27.5x	7.5x
PepsiCo, Inc.		USA	\$233,248	\$270,555	\$91,617	18.1%	17.2x	17.2x	16.3x	3.0x
Suntory Beverage & Food Limited		JPN	\$9,413	\$9,667	\$10,461	12.4%	8.1x	8.1x	7.4x	0.9x
The Coca-Cola Company		USA	\$242,077	\$271,117	\$45,030	35.2%	19.4x	19.9x	17.1x	6.0x
■ Excluded from mean and median						Mean	12.7x	13.0x	12.0x	2.1x
						Median	16.4x	17.1x	14.8x	3.0x

Non-Alcoholic Beverages Industry – Global Transactions

Date	Target	Country	Description	Buyer	Seller	% Acquired	Size US\$M	EV/ EBITDA	EV/ Revenue
Sep-23		FRA	Sells fresh fruit and plant-infused water		-	ND	-	-	-
Sep-23		JPN	Manufactures and sells lemonade		-	66.0%	-	-	-
Sep-23	Production site in Wales	GBR	Manufactures naturally sourced bottled water under the brands Highland Spring, Hydr8, and private-label			100.0%	-	-	-
Aug-23		PHL	Bottles and distributes Coca-Cola products in Philipines	 	-	100.0%	\$1,800.0	-	1.1x
Aug-23		AUS	Manufactures and distributes non-alcoholic beverages including raw and fresh kombucha, sparkling probiotic water and health shots		-	100.0%	-	-	-
Jul-23		BRA	Manufactures energy drinks			100.0%	-	-	-
Jul-23		NLD	Manufactures and distributes soft drinks			100.0%	\$300.0	12.0x	1.5x
Jul-23	All of the assets of Bang Energy	USA	Manufactures energy drinks			100.0%	\$362.0	-	-
ND: Not Disclosed								Mean	1.3x
								Median	1.3x

Selected Transactions Commentary



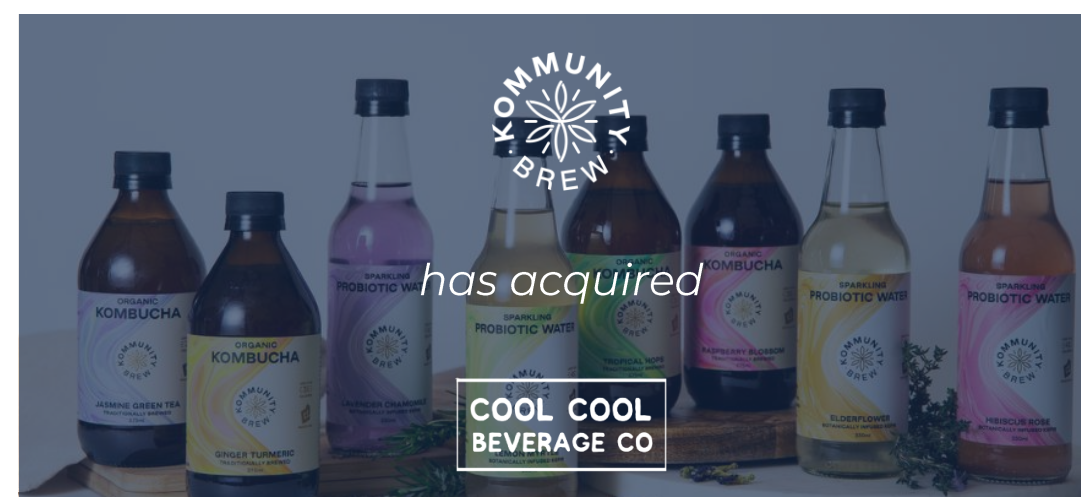
“We are very proud of the partnership with Halls especially as we share the same values and vision for quality, sustainability, and innovation. The agility of our team to innovate combined with Halls’ avocado production, sourcing and marketing expertise will facilitate our growth aspirations and help meet the requirements of each market and sector.”

Marceau Vidrequin, CEO of Infuséo



“The Blaen Twyni site presented us with the ideal opportunity to expand our capacity with a plentiful source of pure natural Welsh spring water, which complements the supply of pure water we already have at our source in Heartsease.”

William Watkins, Founder and Owner of Radnor Hills



“The integration of CCBC into our business is a major milestone in the evolution of Kommunity Brew, putting us in a strong position to increase our profile in the Eastern States, while improving operating margins from a Melbourne manufacturing base.”










Mason Bagios, CEO of Kommunity Brew



“I am delighted by this acquisition, which enables us to enter the higher-margin energy category in Brazil. In line with our strategy to accelerate and expand our presence in the country, we will access a growing category, extend our regional presence and deliver efficiencies in our supply chain.”

Simon Litherland, CEO of Britvic

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
 Beverage Manufacturing <i>NAICS 3121 – Beverage Manufacturing</i>	 2018-2021	 \$72.9M	 \$82.7M	 15.7%	 1.6x	 19.7%	 7.8x	 6
Soft Drink Manufacturing <i>NAICS 312111 – Soft Drink Manufacturing</i>	2018-2020	\$86.7M	\$131.3M	12.9%	1.1x	13.9%	7.1x	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.

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

FEMSA

“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 Ps. 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
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 Ps. 123.63 prior to closing, representing a total aggregate enterprise transaction value of Ps. 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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Mandatos Representativos

 <p>INMAGUSA Grupo Galaz, S.A de C.V.</p> <p>has been acquired by</p> 	 <p>has sold</p>  <p>to</p> 	 <p>has sold its Sanitaryware business units</p> <p>ST. THOMAS CREATIONS <small>SAFARI ROOMS THAT WORK BEAUTIFULLY</small></p> <p>and</p>  <p>to</p> 	 <p>has sold</p>  <p>to</p> 	 <p>has sold</p>  <p>to</p> 	 <p>has been acquired by</p> 	  <p>acquired</p> <p>The Zinc Recycling Business</p> <p>of</p> 
 <p>acquired</p>  <p>Automotive dealerships from</p> 	 <p>has sold</p>  <p>to</p> 	 <p>has sold</p> <p>Kidde de Mexico, S.A. de C.V.</p> <p>Fire Safety Solutions Business</p> <p>to an affiliate of</p> 	 <p>has sold its concrete pumping business</p> <p>to</p> 	<p>CORPORACION</p>  <p>has sold</p>  <p>to</p> 	 <p>has been acquired by</p> 	 <p>has been acquired by</p> 
 <p>has been acquired by</p> 	<p>intelectiva®</p> <p>has acquired</p>  <p>KFC Costa Rica from</p> 	 <p>Multiple acquisitions</p>    	 <p>has partnered with</p>  <p>a subsidiary of</p> 	 <p>has been acquired by</p> 	 <p>has merged its Beverage Division with</p> 	 <p>has merged its Beverage Division with</p> 

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Please contact us if you would like further information about M&A trends and/or specific transaction multiples for your industry

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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

SERVICES AND SOLUTIONS

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Divestitures

Joint Ventures / Alliances

Recapitalizations

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We have worked repeatedly with many of the most well-known companies in the world...

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



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