



Seale & Associates

NON-ALCOHOLIC BEVERAGES
INDUSTRY
Q4 2023
VALUATION UPDATE

25 years

Introduction

We are pleased to share our Non-Alcoholic Beverages 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.



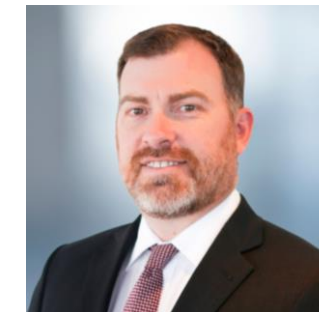
James A. Seale | President

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



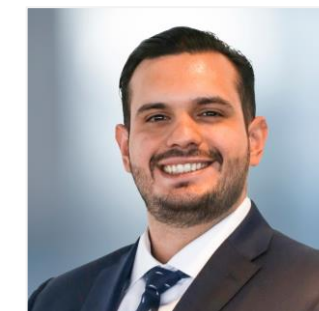
Carlos Hernández | Managing Director

chernandez@sealeassociates.com



Alejandro Montemayor | Vice President

amontemayor@sealeassociates.com



Armando Rios | Vice President

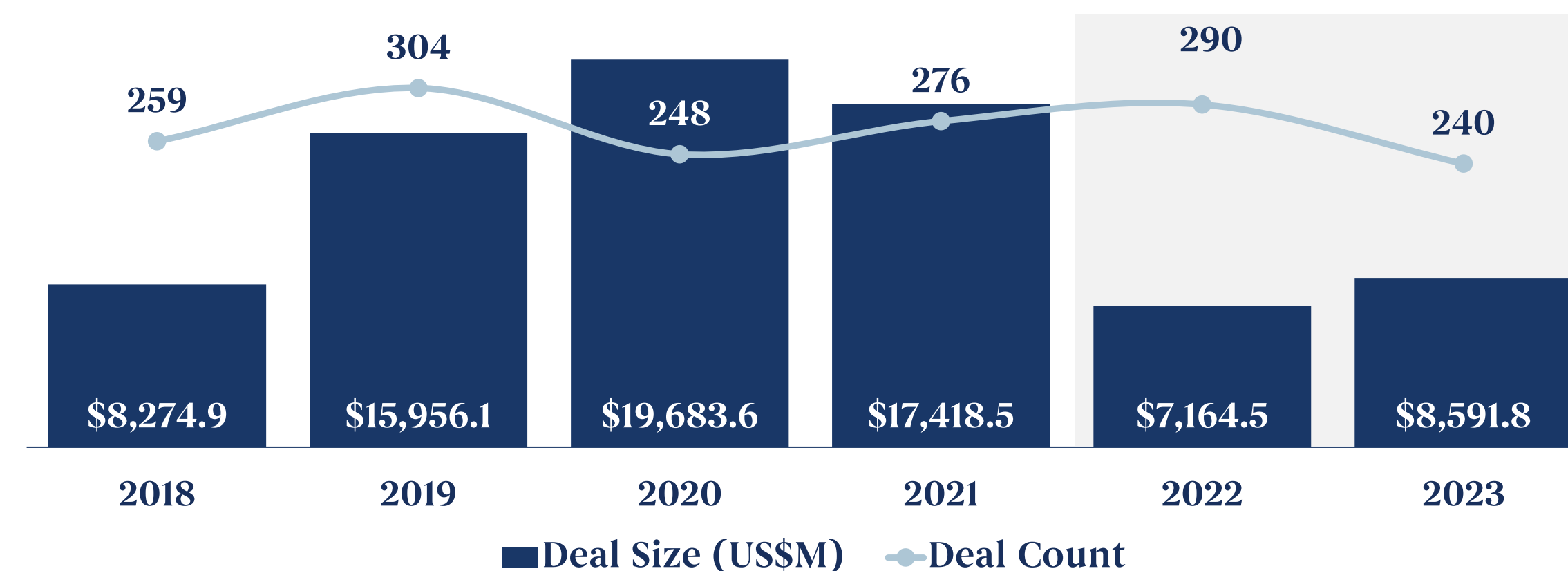
arios@sealeassociates.com

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

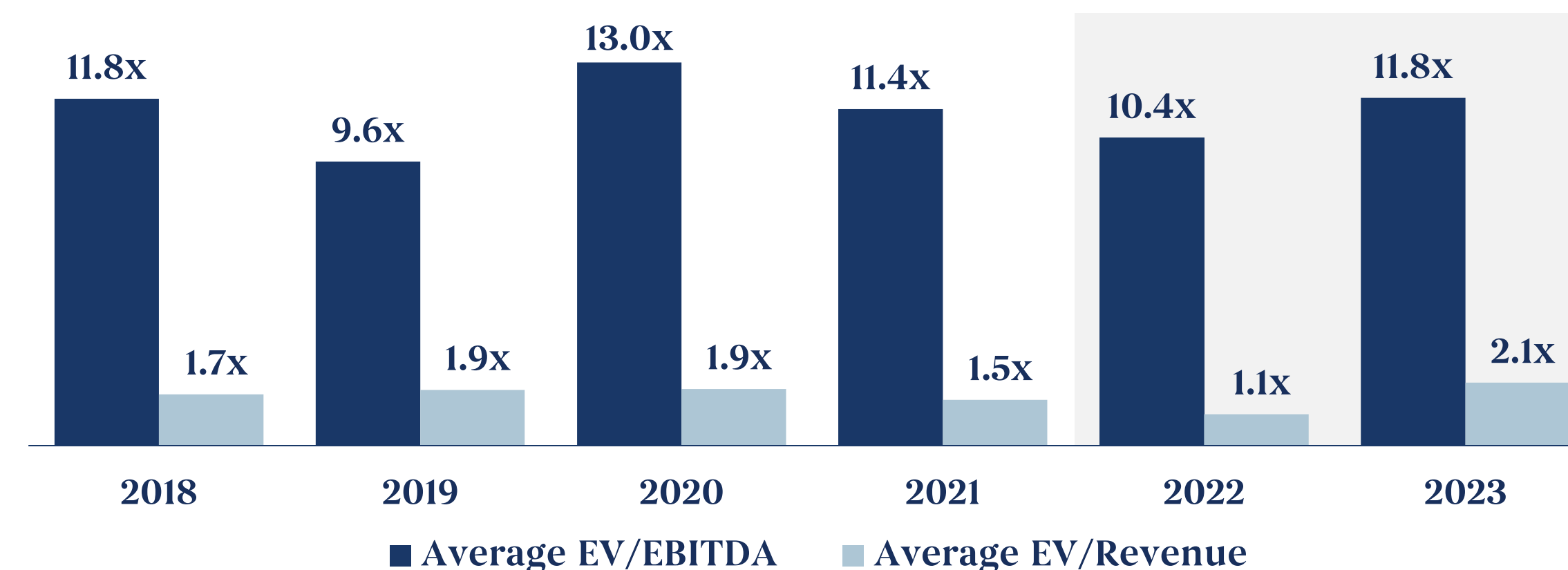
Global Beverage Industry Trends

- The global beverage industry is estimated at **US\$596.9 billion** in **2024** and is expected to grow to **US\$732.7 billion** in **2028** at a **CAGR of 5.9%**
- Global sales volumes of non-alcoholic drinks are expected to grow at a **CAGR of 7.0%** between **2023** and **2027**
- Foreign direct investments (FDI)-related deals accounted for a **27.0% share** of the global beverage industry's M&A activity in the **fourth quarter of 2023**, up **39.0% over the previous quarter**
- The nutritious beverages sector is expected to experience a growth rate of **6.5% in the upcoming 5 years**, reaching a market value of **US\$203.0 billion**, led by a shift towards healthier living, a decrease in sugar intake, and a demand for more convenient options
- **Sustainability** is a **critical factor**, driven by evolving consumer demands and the need to effectively navigate the uncertainties associated with natural resource pricing. This sector's **substantial reliance** on water, energy, and petroleum underscores its exposure to environmental challenges
- Rising disposable incomes, urbanization, and changing lifestyles are **key factors** that contribute to **increased consumer** spending on beverages











Beverage's Industry M&A Deal Size and Volume



Beverage's Industry M&A Average EV/EBITDA and EV/Revenue







Industry 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	
A.G. BARR p.l.c.		GBR	\$724	\$670	\$471	15.3%	11.0x	9.8x	9.3x	1.4x
Fevertree Drinks PLC		GBR	\$1,559	\$1,483	\$457	6.9%	46.8x	26.3x	47.3x	3.2x
Hokkaido Coca-Cola Bottling Co.,Ltd.		JPN	\$243	\$180	\$400	7.1%	5.1x	7.4x	6.4x	0.5x
Kofola CeskoSlovensko a.s.		CZE	\$262	\$403	\$377	16.0%	10.0x	9.0x	6.7x	1.1x
Lotte Chilsung Beverage Co., Ltd.		KOR	\$1,088	\$2,243	\$2,483	12.9%	10.6x	7.7x	7.0x	0.9x
Mineralbrunnen Überkingen-Teinach GmbH & Co. KGaA		DEU	\$109	\$124	\$161	13.0%	9.2x	7.2x	6.0x	0.8x
Nichols plc		GBR	\$530	\$461	\$217	16.6%	25.7x	16.1x	12.8x	2.1x
Organización Cultiba, S.A.B. de C.V.		MEX	\$522	\$391	\$1,464	13.0%	7.3x	6.3x	2.1x	0.3x
Spadel SA		BEL	\$720	\$647	\$378	14.4%	13.3x	12.4x	11.9x	1.7x
Wisynco Group Limited		JAM	\$530	\$491	\$331	14.1%	12.5x	11.3x	10.5x	1.5x








■ Excluded from mean and median

Mean 9.9x 8.9x 8.1x 1.0x
Median 10.8x 9.4x 8.2x 1.2x




Industry 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	
Britvic plc		GBR	\$2,650	\$3,437	\$2,227	14.0%	15.6x	11.9x	11.0x	1.5x
Embotelladora Andina S.A.		CHL	\$2,123	\$3,005	\$2,985	17.1%	6.2x	5.3x	5.9x	1.0x
Fraser & Neave Holdings Bhd		MYS	\$2,251	\$2,193	\$1,115	13.7%	14.9x	14.0x	14.3x	2.0x
Ito En, Ltd.		JPN	\$3,104	\$2,845	\$3,169	8.0%	22.1x	17.6x	11.2x	0.9x
National Beverage Corp.		USA	\$4,643	\$4,436	\$1,179	20.8%	17.6x	18.3x	18.1x	3.8x
Primo Water Corporation		USA	\$2,409	\$3,987	\$1,772	27.1%	10.6x	9.6x	8.3x	2.3x
■ Excluded from mean and median						Mean	13.0x	10.2x	10.1x	1.5x
						Median	15.2x	12.9x	11.1x	1.8x

Industry 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 EV/		
						2021	2022	EBITDA	Revenue	
Arca Continental, S.A.B. de C.V.		MEX	\$18,590	\$21,555	\$12,763	19.2%	7.7x	7.9x	8.8x	1.7x
Coca-Cola FEMSA, S.A.B. de C.V.		MEX	\$19,882	\$22,212	\$14,497	17.0%	7.6x	7.8x	9.0x	1.5x
Celsius Holdings, Inc.		USA	\$12,631	\$12,697	\$1,318	13.6%	NM	NM	70.6x	9.6x
Keurig Dr Pepper Inc.		USA	\$46,593	\$61,011	\$14,814	27.8%	16.4x	17.1x	14.8x	4.1x
Monster Beverage Corporation		USA	\$59,940	\$56,984	\$7,140	28.2%	26.2x	25.1x	28.3x	8.0x
PepsiCo, Inc.		USA	\$236,278	\$270,933	\$91,471	18.9%	17.2x	17.2x	15.7x	3.0x
Suntory Beverage & Food Limited		JPN	\$10,187	\$10,373	\$11,285	13.0%	8.1x	8.1x	7.1x	0.9x
The Coca-Cola Company		USA	\$254,779	\$282,695	\$45,754	35.6%	19.4x	19.9x	17.4x	6.2x
						Mean	12.7x	13.0x	12.1x	2.9x
■ Excluded from mean and median						Median	16.4x	17.1x	15.3x	3.5x
■ NM: Not Measurable										

Industry – Global Transactions

Date	Target	Country	Description	Buyer	Seller	% Acquired	Size US\$M	EV/ EBITDA	EV/ Revenue
Dec-23		USA	Provides premium coffee, draft lattes, and coffee drinks	Chobani	-	100.0%	\$900.0	-	-
Dec-23		ZAF	Produces carbonated soft drinks, mineral water, energy drinks		-	100.0%	\$72.0	-	-
Nov-23		USA	Provides smoothie bases, juices, refreshers, teas and lemonades		HIGHLANDER partners, L.P.	100.0%	-	-	-
Oct-23		USA	Provides morning drink mixes for energy and focus enhancement	society BRANDS	-	100.0%	-	-	-
Oct-23		USA	Provides natural lemonade with no added sugar and low calories			100.0%	\$0.5	-	-
Oct-23		USA	Provides a variety of energy drinks		-	100.0%	\$1.2	-	-

Selected Transactions Commentary



“We’ve already made an investment in the coffee category with our creamers and are excited about bringing La Colombe into the Chobani family, and offering the delicious, high-quality cold brew and ready-to-drink craftsmanship of La Colombe to a next generation of consumers, powered by a strong distribution partner in KDP.”

Hamdi Ulukaya, Founder and CEO of Chobani



“Bevolution strengthens our position as a leading one-stop-shop beverage solutions platform and expands our portfolio of product offerings to our valued customers. The addition of Bevolution, with its highly complementary foodservice customer base, will create significant synergies and growth opportunities for years to come.”










W. Ashley Edens, CEO of Sunny Sky Products



“By adding an All-Natural Beverage category to our already successful craft sodas and beer divisions we are able to maximize our distribution channels and provide even more bold and delicious tasting beverages that consumers love.”

Sharad Chadha, CEO of Sprecher Brewey

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>	 2018-2023	 \$72.9M	 \$82.7M	 15.7%	 1.6x	 19.7%	 7.8x	 6
Soft Drink Manufacturing <i>NAICS 312111 – Soft Drink Manufacturing</i>	2018-2023	\$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



“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 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

Sign up for M&A insights

We deliver sector-specific intelligence designed specifically for industry leaders, private equity firms, and their advisors. Our industry reports and featured articles deliver real-time access to key industry data, including:



Emerging industry trends

Quarterly reports covering 30+ industries

Monthly reports for the U.S., Mexico, and Colombia

Transaction analysis and market trends

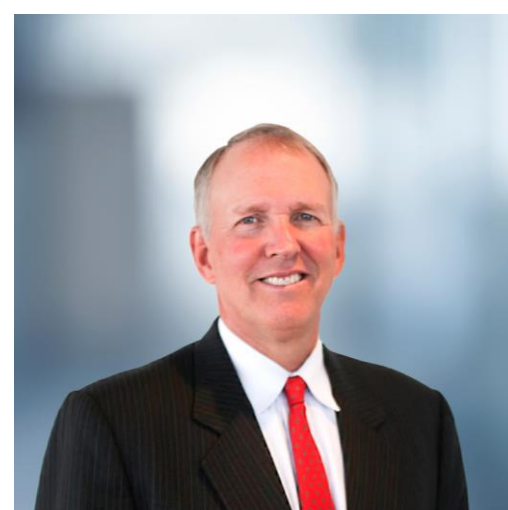
Valuable insights for industry leaders

Receive email updates with our proprietary data, reports, and insights as they are published for the industries that matter to you the most

SUBSCRIBE

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 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>

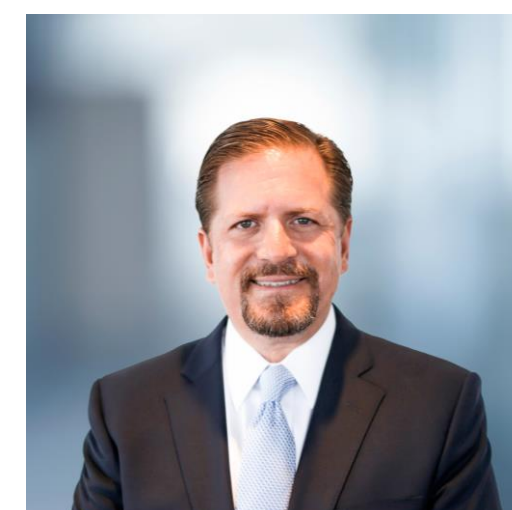


JAMES A. SEALE

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

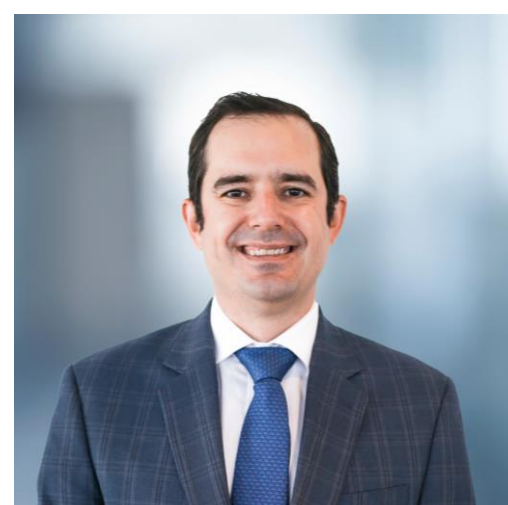


BRETT M. CARMEL

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

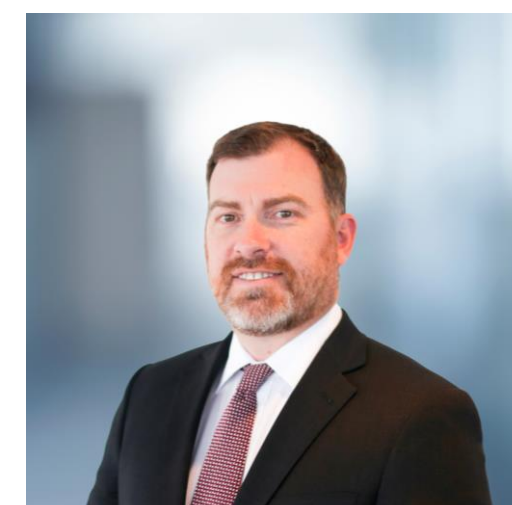


SERGIO GARCIA DEL BOSQUE

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

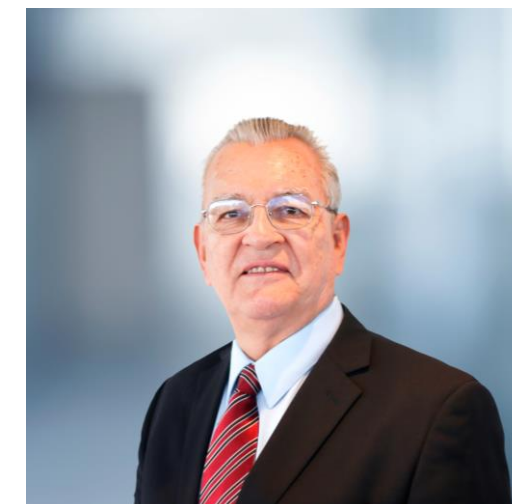


CARLOS HERNANDEZ

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

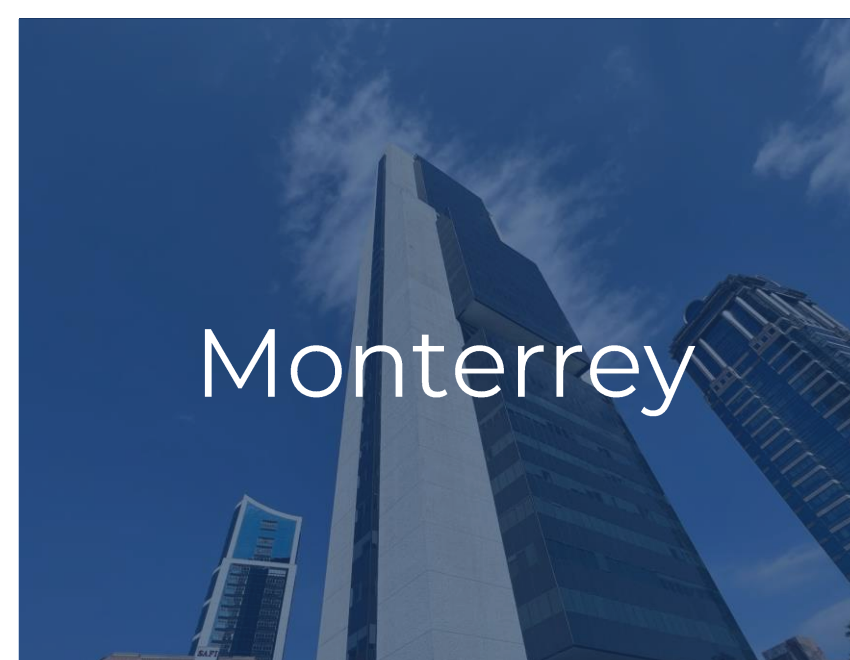
Senior Director | Monterrey, Mexico

+52 (84) 4432-4444

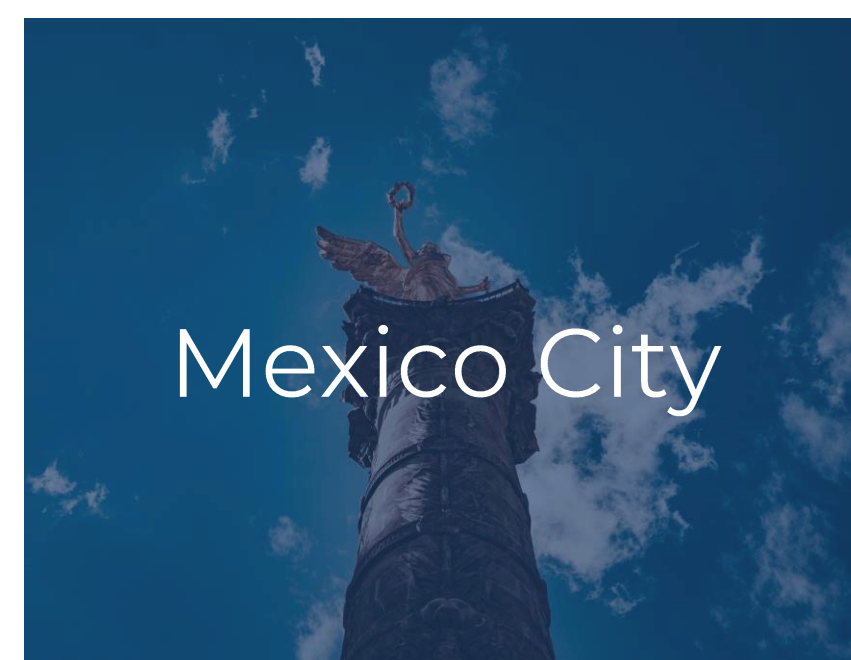
32+ years with Grupo Industrial Saltillo with experience as Director, Corp. Dev. and extensive global commercial experience
Instituto Tecnológico y de Estudios Superiores de Monterrey
MBA and BS in Industrial Engineering



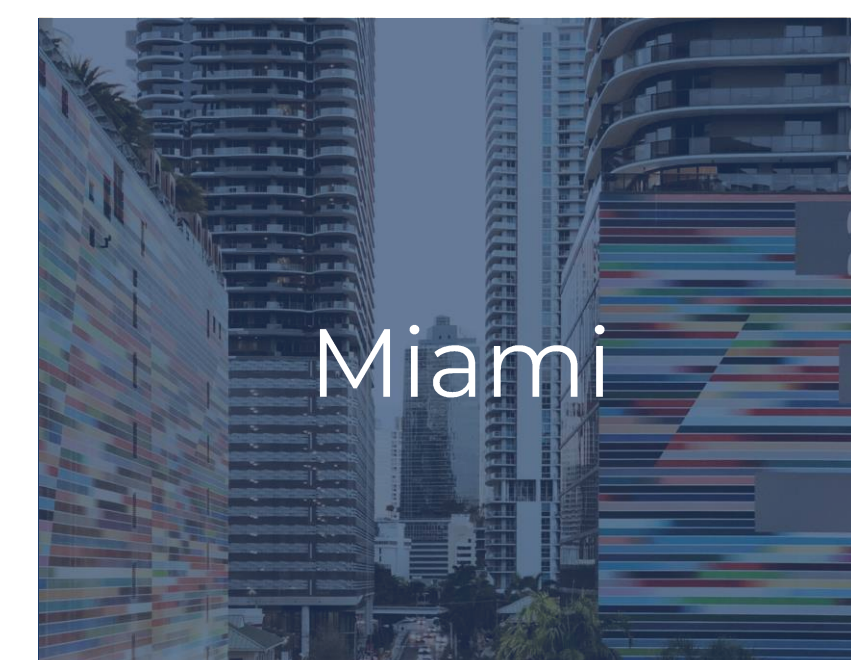
Washington D.C.



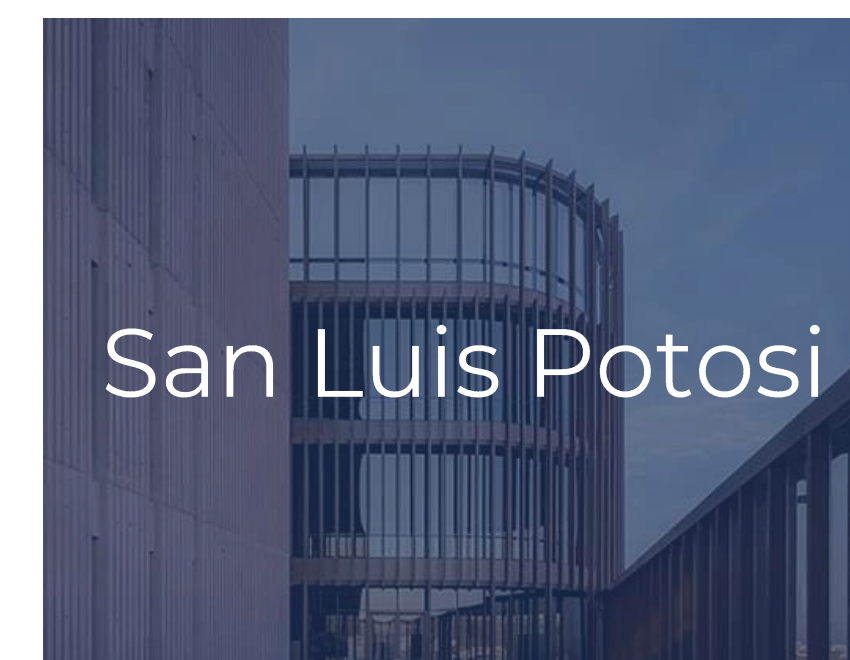
Monterrey



Mexico City



Miami



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

SERVICES AND SOLUTIONS

Mergers & Acquisitions

Divestitures

Joint Ventures / Alliances

Recapitalizations

Due Diligence / Support

Expert Witness Testimony

Corporate Finance Advisory

Strategy Consulting

Trusted Advisor to Leading Companies Worldwide

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.





Seale & Associates

Creative Solutions. Trusted Advice.