



Seale & Associates

SNACKS INDUSTRY
Q2 2024
VALUATION UPDATE

25 years

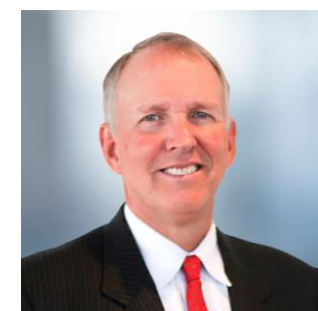
Introduction

We are pleased to share our Snacks 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.

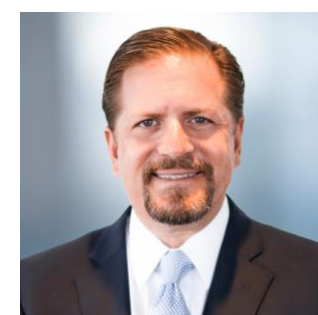
Over the course of 25+ years, we have successfully served clients all over the world, and we are delighted to continue providing investment banking advisory services to our clients who are looking to grow through acquisitions or optimize their portfolios through strategic divestitures.

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



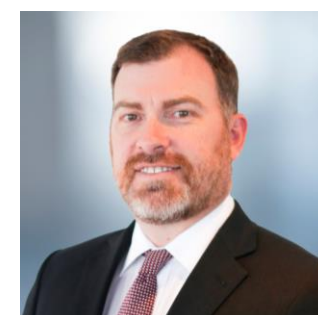
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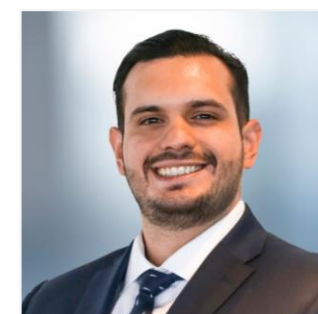
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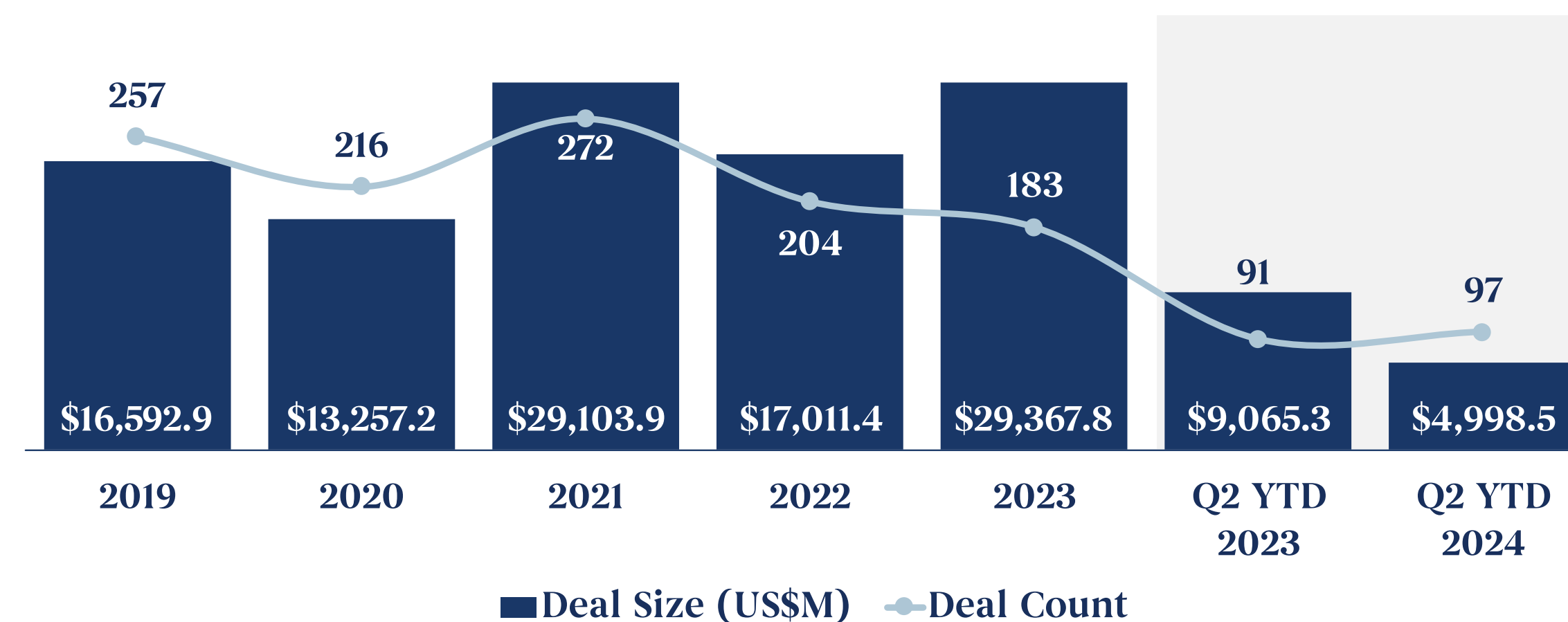
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Snacks Industry Overview, M&A Trends, and Market Intelligence

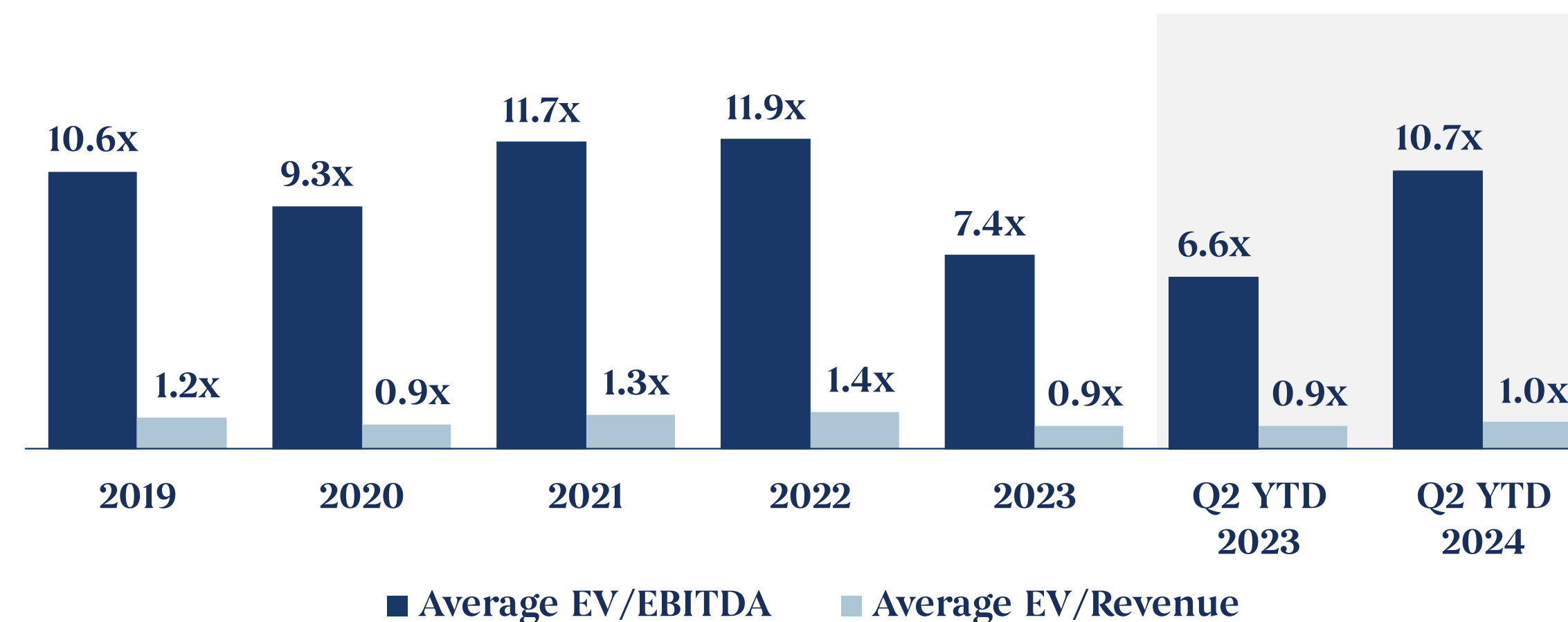
Snacks M&A Trends and Market Intelligence

- The **global snacks market size** was estimated at **US\$692.5B in 2023** and is expected to **grow** at a **CAGR of 4.2%** from 2024 to 2030.
- The **rising demand for convenient, ready-to-eat food options** and **healthier snack alternatives** are the **major drivers** of the market's expansion. Additionally, **growing consumer interest in unique flavors, organic products, and environmentally sustainable packaging** is expected to create significant **growth opportunities**
- The **increasing focus on health and wellness is rapidly reshaping the industry**, as consumers opt for **snacks that are high in protein, low in sugar, and free from artificial additives**. Mergers and acquisitions (M&A) have become a **pivotal strategy**, targeting **businesses that offer innovative products and flavors that comply with the health-conscious consumer preferences**
- Another **notable trend** in the snacks industry is the **surge in online sales channels**, as **e-commerce platforms** become **increasingly popular** among consumers seeking convenience. This shift is **prompting manufacturers to invest in digital marketing and online distribution strategies** to reach a broader audience
- The **savory snacks segment** which includes products such as chips and nuts, is expected to **retain the largest market share** due to its broad appeal. Meanwhile, the **demand for plant-based snacks and other health-oriented alternatives** is **projected to surge**, reflecting the **global shift towards healthier eating habits**
- **To stay competitive, companies** in the snacks industry need and are **investing heavily in the creation of health-conscious products** that **meet the evolving consumer preferences** and **comply with the new high regulatory standards**

Snacks Industry M&A Deal Size and Volume



Snacks Industry M&A Average EV/EBITDA and EV/Revenue



Source: Grand View Research Snacks Market Report Overview, Capital IQ, Global Data and Other Industry Reports

Snacks 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	
Alicorp S.A.A.		PER	\$1,269	\$2,169	\$3,322	9.8%	6.5x	6.8x	6.6x	0.7x
B&G Foods, Inc.		USA	\$639	\$2,701	\$2,001	16.2%	12.1x	10.2x	8.3x	1.4x
Carozzi S.A.		CHL	\$415	\$1,058	\$1,590	16.2%	6.7x	5.5x	4.1x	0.7x
Cloetta AB (publ)		SWE	\$555	\$724	\$798	13.5%	9.4x	9.5x	6.7x	0.9x
Colombina S.A.		COL	\$132	\$454	\$787	12.6%	6.5x	4.8x	4.6x	0.6x
Ezaki Glico Co., Ltd.		JPN	\$1,653	\$1,292	\$2,073	11.1%	5.6x	6.8x	5.6x	0.6x
Molinos Rio de la Plata S.A.		ARG	\$974	\$948	\$487	15.4%	12.2x	41.9x	12.7x	1.9x
Morinaga&Co., Ltd.		JPN	\$1,387	\$1,213	\$1,363	13.6%	5.8x	7.3x	6.6x	0.9x
Premier Foods plc		GBR	\$1,735	\$2,032	\$1,438	19.5%	7.5x	7.8x	7.3x	1.4x
The Hain Celestial Group, Inc.		USA	\$621	\$1,434	\$1,736	8.9%	14.5x	13.0x	9.2x	0.8x
						Mean	8.0x	8.0x	6.6x	0.8x
						Median	7.1x	7.5x	6.7x	0.9x

■ Excluded from mean and median

Snacks Industry Global Comparable Public Companies (1/2)

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
Calbee, Inc.	 JPN	\$2,398	\$2,349	\$1,912	13.0%	8.6x	9.4x	9.5x	1.2x
Flowers Foods, Inc.	 USA	\$4,687	\$6,028	\$5,133	11.7%	11.5x	11.0x	10.0x	1.2x
Glanbia plc	 IRL	\$5,069	\$5,416	\$4,470	10.6%	11.5x	10.4x	11.4x	1.2x
Gruma, S.A.B. de C.V.	 MEX	\$6,652	\$7,939	\$6,642	16.0%	5.0x	7.9x	7.5x	1.2x
Grupo Nutresa S. A.	 COL	\$5,733	\$6,788	\$4,366	12.8%	14.5x	13.8x	12.1x	1.6x
J&J Snack Foods Corp.	 USA	\$3,148	\$3,283	\$1,592	13.1%	19.2x	20.4x	15.7x	2.1x
M. Dias Branco S.A. Indústria e Comércio de Alimentos	 BRA	\$1,777	\$1,829	\$1,851	15.1%	13.9x	13.9x	6.6x	1.0x
ORION Corp.	 KOR	\$2,645	\$2,233	\$2,179	22.5%	6.4x	6.6x	4.6x	1.0x
Orkla ASA	 NOR	\$8,122	\$10,069	\$6,463	16.3%	10.2x	9.2x	9.6x	1.6x
Premium Brands Holdings Corporation	 CAN	\$3,058	\$5,073	\$4,650	6.9%	17.2x	17.1x	15.9x	1.1x




Snacks Industry Global Comparable Public Companies (2/2)

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	
The Simply Good Foods Company	 USA	\$3,618	\$3,686	\$1,276	19.9%	17.7x	17.3x	14.5x	2.9x	
TreeHouse Foods, Inc.	 USA	\$1,927	\$3,270	\$3,383	10.5%	10.6x	12.0x	9.2x	1.0x	
Tootsie Roll Industries, Inc.	 USA	\$2,151	\$2,007	\$751	17.6%	22.9x	21.7x	15.2x	2.7x	
Yamazaki Baking Co., Ltd.	 JPN	\$4,158	\$4,153	\$7,642	7.5%	5.3x	6.7x	7.3x	0.5x	
■ Excluded from mean and median						Mean	11.0x	11.3x	9.3x	1.2x
						Median	11.5x	11.5x	9.8x	1.2x

Snacks Industry Global Comparable Public Companies (1/2)

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
Barry Callebaut AG	 CHE	\$8,918	\$11,853	\$9,941	9.7%	15.8x	12.3x	12.3x	1.2x
Campbell Soup Company	 USA	13491.6501	\$20,871	\$9,411	23.4%	9.9x	9.6x	9.5x	2.2x
Chocoladefabriken Lindt & Sprüngli AG	 CHE	\$26,827	\$27,876	\$5,956	20.1%	27.3x	24.7x	23.3x	4.7x
Conagra Brands, Inc.	 USA	\$13,587	\$22,256	\$12,051	20.2%	12.4x	10.1x	9.1x	1.8x
General Mills, Inc.	 USA	\$35,308	\$48,457	\$19,857	23.0%	13.5x	13.7x	10.6x	2.4x
Grupo Bimbo, S.A.B. de C.V.	 MEX	\$15,391	\$23,229	\$21,468	14.5%	7.9x	8.7x	7.5x	1.1x
Kellanova	 USA	\$19,720	\$26,271	\$12,821	15.5%	12.1x	13.0x	13.2x	2.0x
Mondelez International, Inc.	 USA	\$87,779	\$106,003	\$35,976	26.5%	14.6x	15.4x	11.1x	2.9x
Nestlé S.A.	 CHE	\$267,556	\$323,237	\$102,499	21.6%	14.0x	16.2x	14.6x	3.2x
PepsiCo, Inc.	 USA	\$226,743	\$264,404	\$92,054	19.3%	17.2x	17.0x	14.9x	2.9x

Snacks Industry Global Comparable Public Companies (2/2)

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	
The Hershey Company	 USA	\$37,176	\$42,352	\$11,014	29.8%	19.6x	18.4x	12.9x	3.8x	
The J. M. Smucker Company	 USA	\$11,606	\$20,103	\$8,179	24.4%	11.4x	10.9x	10.1x	2.5x	
The Kraft Heinz Company	 USA	\$39,125	\$58,210	\$26,317	27.6%	8.8x	8.6x	8.0x	2.2x	
■ Excluded from mean and median						Mean	12.5x	12.8x	11.1x	2.2x
						Median	13.5x	13.0x	11.1x	2.4x










Snacks Industry – Q2 Global Transactions

Date	Target	Country	Description	Buyer	Seller	% Acquired	Size US\$M	EV/ EBITDA	EV/ Revenue
Jun-24		USA	Manufactures salty snack food			100.0%	-	-	-
Jun-24		GRC	Manufactures and markets ice cream		-	100.0%	-	-	-
Jun-24*		ESP	Manufactures and markets snacks and frozen ready-made meals		-	100.0%	-	-	-
May-24		USA	Manufactures and markets corn chips		-	50.0%	-	-	-
May-24		USA	Manufactures private label pies, mini pies, pie fillings, and other related products			100.0%	-	-	-
May-24		FRA	Manufactures savory snacks, fine desserts and fresh salads			>50.0%	-	-	-
Apr-24		IND	Manufactures packaged food including cookies, biscuits and chocolates		-	ND	\$84.0	-	-
Apr-24		USA	Manufactures artisanal salty crackers and bakery products		-	>50.0%	-	-	-
Apr-24		USA	Manufactures and markets chips, cookies, and other snacks			100.0%	\$7.7	-	-
Apr-24		IRL	Manufactures and markets plant-based snacks		-	>50.0%	-	-	-
Apr-24		BRA	Manufactures chocolate products including easter eggs, bars, bonbons, and gourmet offerings		-	100.0%	-	-	-

ND: Not Disclosed

*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
 Snack Food Manufacturing <i>NAICS 31191 – Snack Food Manufacturing</i>	 2019-2022	 \$52.3M	 \$87.7M	 19.3%	 1.5x	 19.4%	 7.8x	 5
Bread and Bakery Product Manufacturing <i>NAICS 31181 – Bread and Bakery Product Manufacturing</i>	2023-2024	\$49.6M	\$38.6M	12.7%	1.4x	18.4%	7.9x	17

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.

ARCA CONTINENTAL

TARGET

Wise Foods, Inc.

TRANSACTION TYPE

Acquisition advisory

INDUSTRIES

Branded Consumer Products, Food & Beverage

GEOGRAPHY

Northeastern USA

SITUATION

Seale & Associates was retained by Arca Continental (BMV:AC) with the mandate to help grow their snacks business portfolio by acquiring a platform business in the U.S. market to maximize growth opportunities.

SEALE & ASSOCIATES' APPROACH

Seale completed a thorough screening of the potential universe of snack food companies that would align with Arca Continental's strategy. Seale pre-qualified each potential target and initiated transaction discussions with the targets that best fit Arca Continental's strategy and investment criteria.

OUTCOME

The process resulted in the acquisition of Wise Foods, which was Arca Continental's first and largest snack foods acquisition in the United States. The acquisition provided Arca Continental (BMV:AC) with a platform possessing sufficient size and scale to execute an aggressive acquisition led growth strategy in the snack category.

“We are very pleased to have successfully acquired Wise Foods”



“We are very pleased to have successfully acquired Wise Foods as part of our strategy to grow our snack foods business in the United States, Mexico and throughout Latin America.”

Seale was instrumental and offered invaluable guidance and support throughout the entire process to ensure we completed this strategic acquisition in a very short timeline. We look forward to working with them again in the future as part of our team.”

Francisco Garza Egloff, CEO, Arca Continental

ARCA CONTINENTAL

TARGET

Deep River Snacks

TRANSACTION TYPE

Acquisition advisory

INDUSTRIES

Branded Consumer Products, Food & Beverage

GEOGRAPHY

USA

SITUATION

Seale & Associates acted as exclusive financial advisor to Arca Continental (BMV:AC) with the mandate to capture both the conventional and growing better-for-you segment within the snack category.

SEALE & ASSOCIATES' APPROACH

Seale completed a thorough screening of the potential universe of snack food companies that would align with Arca Continental's strategy. Seale pre-qualified each potential target and initiated transaction discussions with the targets that best fit Arca Continental's strategy and investment criteria.

OUTCOME

The process resulted in the acquisition of Deep River Snacks, a leading authentic brand of premium, better-for-you snacks products distributed throughout the United States. Through this acquisition, Arca Continental (BMV:AC) became a more significant player in the salty snacks industry.

“This acquisition broadens the process of diversification and complementarity of the snacks portfolio”



“This acquisition broadens the process of diversification and complementarity of the snacks portfolio for the U.S. consumer with innovative products and in differentiated segments, allowing us to better serve our customers and enhance the development of our brands.”

Francisco Garza Egloff, CEO, Arca Continental

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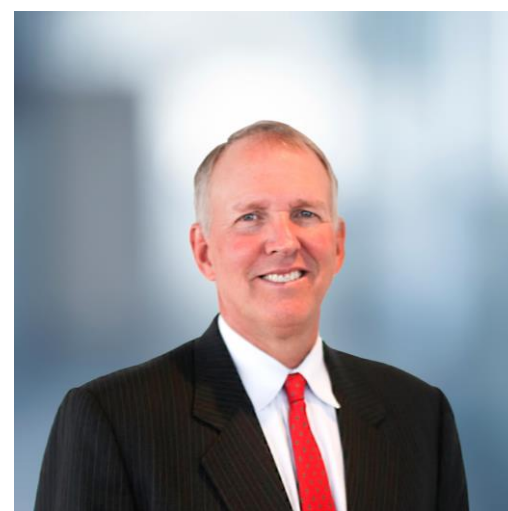
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 <p>has acquired</p> 	 <p>has sold</p>  <p>Sidral Mundet U.S. Brand and Dist. Rights to</p> 	 <p>has acquired</p>  <p>KFC Costa Rica from</p> 	 <p>has acquired</p> 	 <p>has partnered with</p> 	 <p>has sold</p>  <p>to</p> 
 <p>Sale of Parma Ham Business</p>	 <p>Acquisition Advisory Services</p>	 <p>Valuation Advisory Services</p>	 <p>Valuation Advisory Services</p>	 <p>Corporate Finance Advisory Services</p>	 <p>Acquisition Advisory Services</p>



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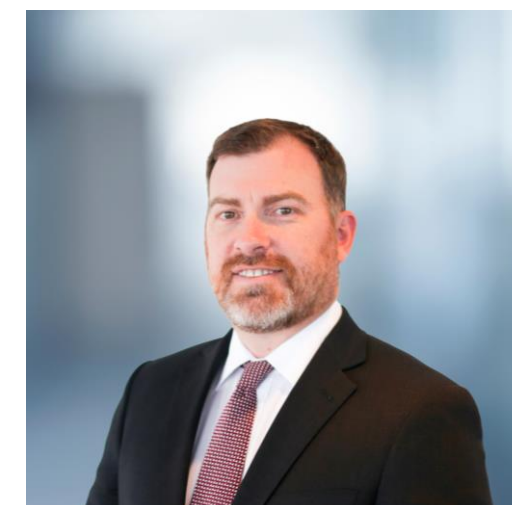


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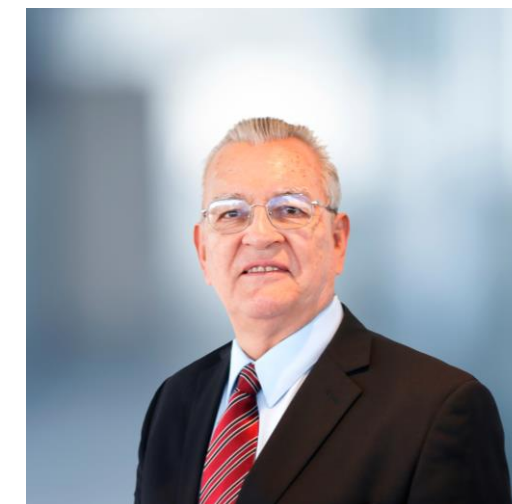


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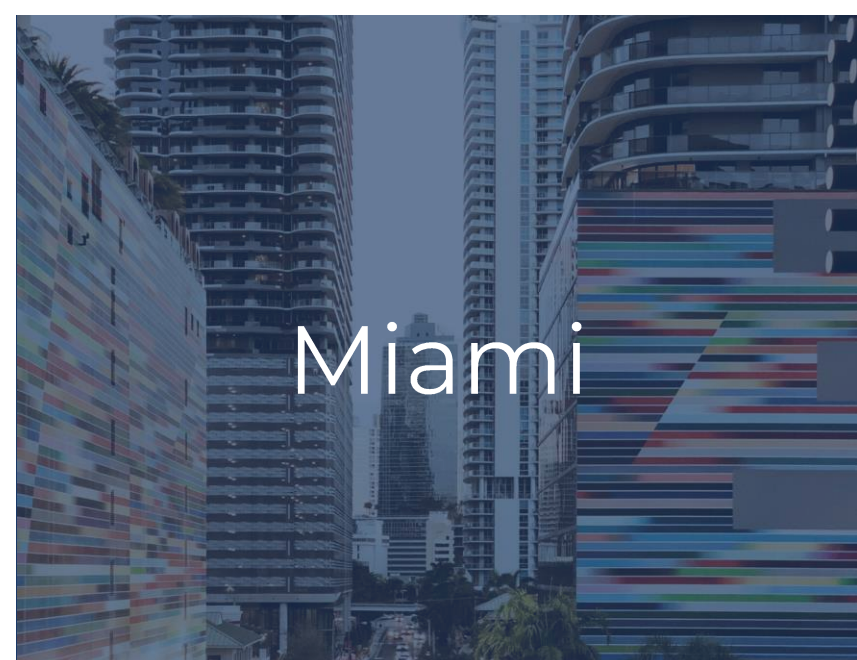
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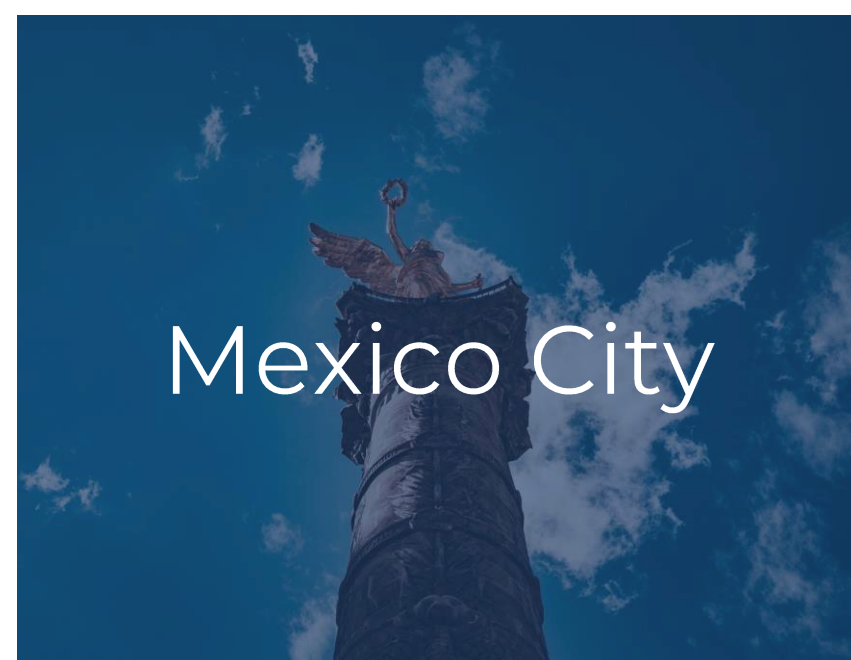
32+ years with Grupo Industrial Saltillo with experience as Director, Corp. Dev. and extensive global commercial experience
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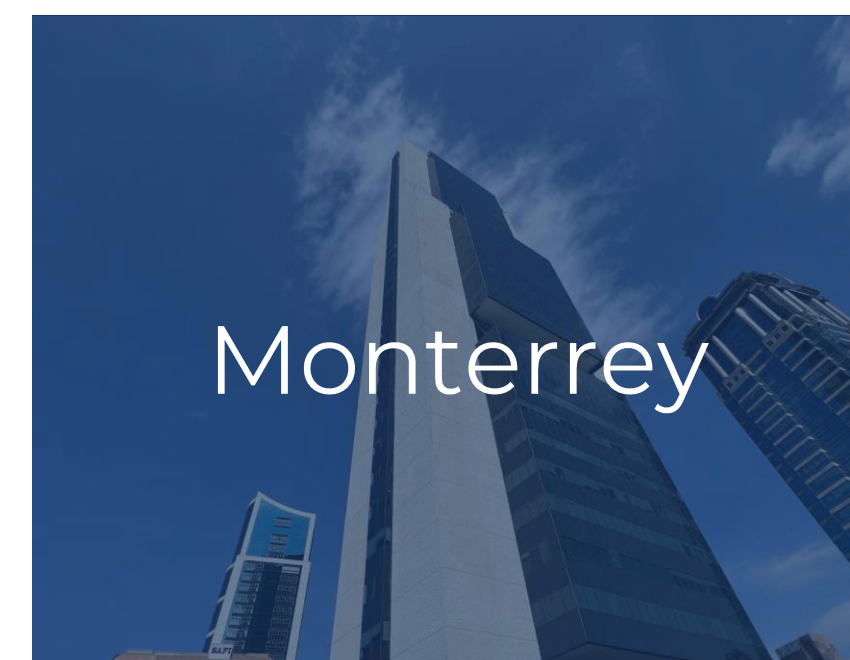
Washington D.C.



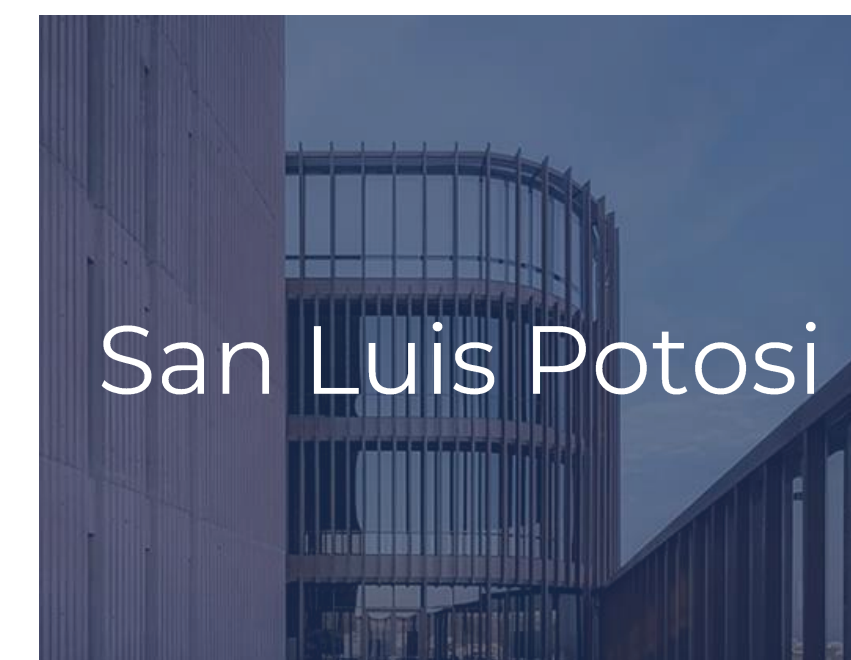
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Creative Solutions. Trusted Advice.

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

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



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