



Seale & Associates

SNACKS INDUSTRY
Q3 2023
VALUATION UPDATE

Introduction

We are pleased to share our Snacks 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 Snacks 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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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		Third Quarter Sep. 30, 2023		
						2021	2022	EV/EBITDA	EV/Revenue	
Alicorp S.A.A.		PER	\$1,257	\$2,641	\$3,778	9.5%	7.1x	6.5x	7.4x	0.7x
B&G Foods, Inc.		USA	\$715	\$2,985	\$2,107	15.7%	11.5x	12.1x	9.0x	1.4x
Carozzi S.A.		CHL	\$402	\$1,153	\$1,635	13.7%	6.7x	6.7x	5.1x	0.7x
Cloetta AB (publ)		SWE	\$478	\$698	\$736	10.1%	12.7x	9.4x	9.4x	0.9x
Colombina S.A.		COL	\$139	\$432	\$827	11.2%	8.0x	6.5x	4.7x	0.5x
Ezaki Glico Co., Ltd.		JPN	\$1,748	\$1,370	\$2,173	8.8%	6.2x	5.6x	7.2x	0.6x
Hotel Chocolat Group plc		GBR	\$216	\$244	\$250	12.9%	24.4x	12.0x	7.6x	1.0x
Molinos Rio de la Plata S.A.		ARG	\$502	\$565	\$397	2.1%	8.2x	12.2x	68.4x	1.4x
Morinaga&Co., Ltd.		JPN	\$1,660	\$1,593	\$1,376	12.9%	13.4x	12.7x	9.0x	1.2x
Nongshim Co., Ltd.		KOR	\$2,032	\$2,040	\$2,509	9.2%	6.1x	6.6x	8.8x	0.8x





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		Third Quarter Sep. 30, 2023		
						2021	2022	EV/EBITDA	EV/Revenue	
Premier Foods plc	 GBR	\$1,265	\$1,600	\$1,319	16.2%	8.0x	7.5x	7.5x	1.2x	
The Hain Celestial Group, Inc.	 USA	\$928	\$1,795	\$1,782	8.9%	18.0x	14.5x	11.4x	1.0x	
■ Excluded from mean and median						Mean	8.8x	8.9x	7.9x	1.0x
						Median	8.1x	8.5x	8.2x	1.0x

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		Third Quarter Sep. 30, 2023		
						2021	2022	EV/EBITDA	EV/Revenue	
Calbee, Inc.		JPN	\$2,379	\$2,260	\$1,963	12.4%	8.4x	8.6x	9.3x	1.2x
Flowers Foods, Inc.		USA	\$4,687	\$6,049	\$5,003	11.9%	10.3x	11.5x	10.2x	1.2x
Glanbia plc		IRL	\$4,351	\$4,906	\$5,662	8.0%	12.7x	11.5x	10.8x	0.9x
Gruma, S.A.B. de C.V.		MEX	\$6,340	\$8,170	\$6,493	14.0%	7.8x	5.0x	9.0x	1.3x
Grupo Nutresa S. A.		COL	\$5,603	\$6,727	\$4,707	11.2%	9.9x	14.5x	12.8x	1.4x
J&J Snack Foods Corp.		USA	\$3,157	\$3,258	\$1,559	11.0%	32.4x	19.2x	19.0x	2.1x
M. Dias Branco S.A. Indústria e Comércio de Alimentos		BRA	\$2,460	\$2,791	\$2,170	9.3%	12.5x	13.9x	13.9x	1.3x
ORION Corp.		KOR	\$3,767	\$3,145	\$2,225	21.4%	9.0x	6.4x	6.6x	1.4x
Orkla ASA		NOR	\$7,482	\$9,812	\$6,201	16.7%	11.2x	10.2x	9.5x	1.6x
Premium Brands Holdings Corporation		CAN	\$3,122	\$5,105	\$4,688	6.6%	20.7x	17.2x	16.5x	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		Third Quarter Sep. 30, 2023		
						2021	2022	EV/EBITDA	EV/Revenue	
The Simply Good Foods Company	 USA	\$3,436	\$3,735	\$1,243	18.2%	20.4x	17.7x	16.5x	3.0x	
TreeHouse Foods, Inc.	 USA	\$2,457	\$4,207	\$3,634	11.3%	8.4x	10.6x	10.2x	1.2x	
Tootsie Roll Industries, Inc.	 USA	\$2,119	\$2,024	\$762	15.8%	22.5x	22.9x	16.8x	2.7x	
Yamazaki Baking Co., Ltd.	 JPN	\$3,789	\$3,740	\$7,573	6.2%	6.1x	5.3x	8.0x	0.5x	
■ Excluded from mean and median						Mean	11.4x	10.4x	10.0x	1.3x
						Median	10.7x	11.5x	10.5x	1.3x


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		Third Quarter Sep. 30, 2023		
						2021	2022	EV/EBITDA	EV/Revenue	
Barry Callebaut AG		CHE	\$8,735	\$10,465	\$9,263	10.3%	19.5x	15.8x	11.0x	1.1x
Campbell Soup Company		USA	\$12,240	\$17,020	\$9,357	23.0%	9.3x	9.9x	7.9x	1.8x
Chocoladefabriken Lindt & Sprüngli AG		CHE	\$25,746	\$26,773	\$5,570	21.0%	31.5x	27.3x	22.9x	4.8x
Conagra Brands, Inc.		USA	\$13,103	\$22,547	\$12,277	20.6%	10.4x	12.4x	8.9x	1.8x
General Mills, Inc.		USA	\$37,196	\$49,241	\$20,281	20.8%	11.5x	13.5x	11.7x	2.4x
Grupo Bimbo, S.A.B. de C.V.		MEX	\$21,236	\$28,327	\$23,437	13.8%	6.3x	7.9x	8.8x	1.2x
Kellanova		USA	\$20,373	\$27,755	\$15,866	13.3%	11.9x	12.1x	13.1x	1.7x
Mondelez International, Inc.		USA	\$94,413	\$113,976	\$35,397	22.1%	14.8x	14.6x	14.6x	3.2x
Nestlé S.A.		CHE	\$302,675	\$363,843	\$104,428	21.2%	17.7x	14.0x	16.5x	3.5x
PepsiCo, Inc.		USA	\$233,248	\$270,555	\$91,617	18.1%	17.2x	17.2x	16.3x	3.0x

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		Third Quarter Sep. 30, 2023		
						2021	2022	EV/EBITDA	EV/Revenue	
The Hershey Company	 USA	\$40,910	\$45,742	\$10,858	26.3%	17.0x	19.6x	16.0x	4.2x	
The J. M. Smucker Company	 USA	\$12,554	\$16,349	\$8,461	21.6%	9.6x	11.4x	9.0x	1.9x	
The Kraft Heinz Company	 USA	\$41,320	\$60,622	\$27,161	27.8%	8.6x	8.8x	8.0x	2.2x	
■ Excluded from mean and median						Mean	12.8x	12.5x	11.8x	2.2x
						Median	11.9x	13.5x	11.7x	2.2x

Snacks Industry – Q3 Global Transactions (1/2)

Date	Target	Country	Description	Buyer	Seller	% Acquired	Size US\$M	EV/ EBITDA	EV/ Revenue
Sep-23	 SAHALE SNACKS	USA	Produces natural gourmet snacks such as nut blends, glazed nuts, seasoned nuts and dried fruits snacks			100.0%	\$34.0	-	0.7x
Sep-23		CAN	Produces private label cookies and biscuits		-	100.0%	-	-	-
Sep-23		USA	Produces potato chips and snacks		-	100.0%	-	-	-
Sep-23		USA	Produces and sells crates of Japanese candy, snacks, and drinks on an online monthly subscription basis		-	100.0%	-	-	-
Sep-23		USA	Produces, sells, and distributes snack products		Multiple Sellers	100.0%	\$5,600.0	18.7x	4.1x
Sep-23		GBR	Produces craft bakery goods for its own retail shop	Allen Jackson Bakery Limited	-	100.0%	-	-	-
Sep-23	Assets Associated with the Snack Bars Division of Treehouse Foods	USA	Produces snack bars			100.0%	\$63.0	-	-
Aug-23		USA	Imports, distributes and sells baking and pastry products		-	100.0%	-	-	-
Aug-23		USA	Offers snacks, coffee, tea, water, and other food items through vending machines	TROLLEY HOUSE REFRESHMENTS	-	100.0%	-	-	-
Aug-23	Franks Vending Service, Inc.	USA	Offers vending machines, micromarkets, and office coffee services		-	100.0%	-	-	-
Aug-23	Nom Bites Ltd	GBR	Produces protein bars, snacks and treats		-	100.0%	-	-	-

Snacks Industry - Q3 Global Transactions (2/2)

Date	Target	Country	Description	Buyer	Seller	% Acquired	Size US\$M	EV/ EBITDA	EV/ Revenue	
Aug-23	 AMES <small>AMES INTERNATIONAL INC.</small>	USA	Produces and supplies chocolates, roasted and salted nuts, and cookies	 PUYALLUP <small>TRIBE OF INDIANS</small>	-	100.0%	-	-	-	
Aug-23	 Naked Foods	GBR	Produces fruit and confectionery sauces, fillings, compotes, and ripples	 MEADOW	-	100.0%	-	-	-	
Aug-23	 Marie Morin <small>Une maison de desserts</small>	CAN	Produces and sells desserts	 LACTALIS CANADA	-	100.0%	-	-	-	
Jul-23	 Red Bird <small>MANUFACTURING</small>	USA	Produces and markets sugar candies, puffs, and sticks to major retailers	 SEQUEL  EMBASSY PARK INVESTMENT COMPANY EPIC	-	100.0%	-	-	-	
								Mean	18.7x	2.4x
								Median	18.7x	2.4x

Selected Transactions Commentary



“We are excited to announce the acquisition of Hostess Brands, which represents a compelling expansion of our family of brands and a unique opportunity to accelerate our focus on delighting consumers with convenient solutions across different meal and snacking occasions.”

Mark Smucker, Chair of the Board, President and CEO of The J.M. Smucker Co.



“Sahale Snacks adds a fantastic super-premium product to our range, considerably broadens our snack mix & nut portfolio and unlocks significant new opportunities for us to help grow the category.”

Victor Mehren, CEO of Second Nature Brands



“This acquisition significantly accelerates our strategy within the growing snack bar category and diversifies our product offerings. We will be able to offer our private label customers a complete portfolio of snack bars.”










Jeffrey T. Sanfilippo, CEO of John B. Sanfilippo & Son



“There is a gap in the market for an agile player who can develop, scale up and manufacture fruit preparations and Naked Foods has an enviable reputation for its quality and nimbleness.”

Raj Tugnait, CEO of Meadow

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	\$99.5M	\$58.0M	32.0%	1.9x	21.6%	8.6x	4

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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 <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</p> <p>Sanitaryware business units</p> <p>ST. THOMAS CREATIONS <small>SAFARIROOMS 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+

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Recapitalizations

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



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Creative Solutions. Trusted Advice.