



Seale & Associates

SNACKS INDUSTRY
Q4 2023
VALUATION UPDATE

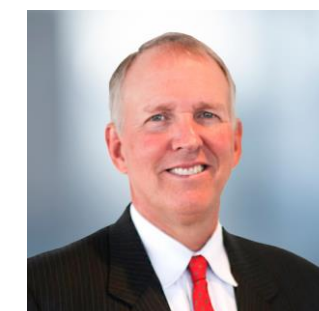
Introduction

We are pleased to share our Snacks 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.

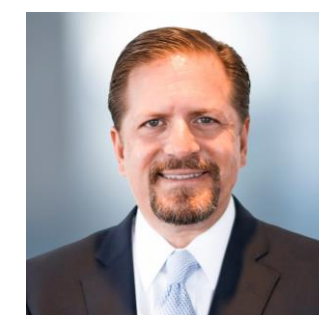
Over the course of 25+ years, we have successfully served clients all over the world, and we are delighted to continue providing investment banking advisory services to our clients who are looking to grow through acquisitions or optimize their portfolios through strategic divestitures.

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



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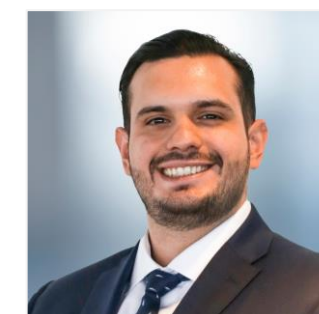
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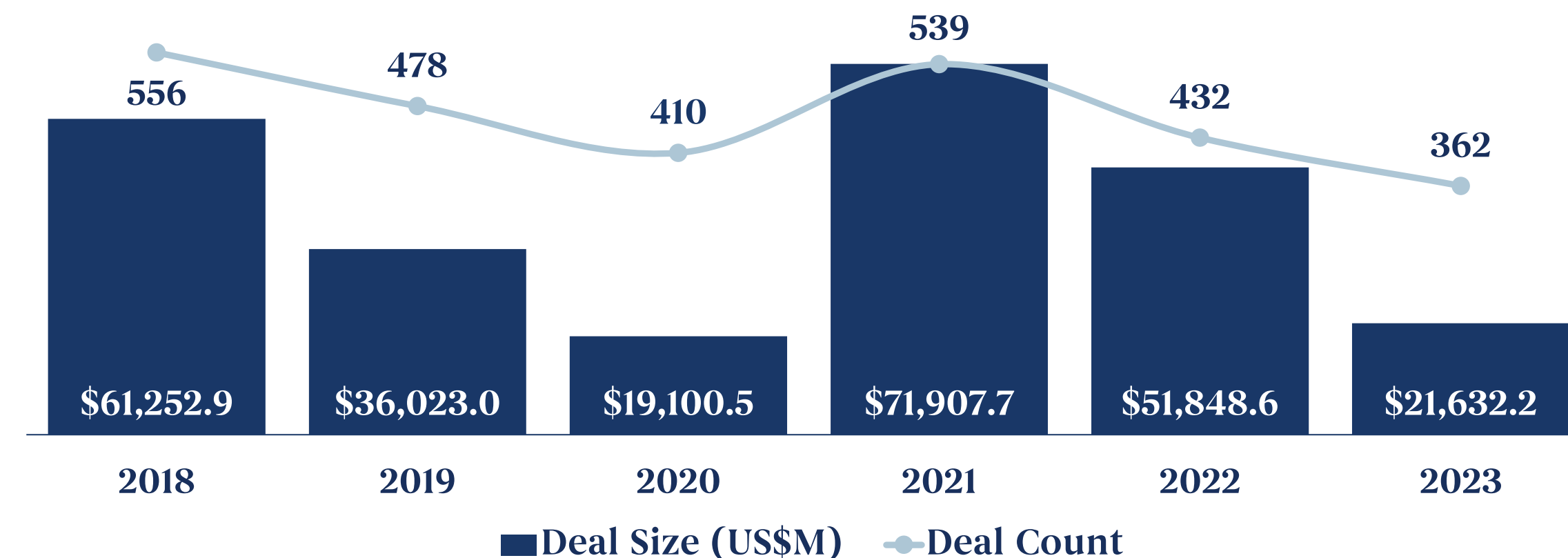
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Snacks's Industry Overview, M&A Trends and Market Intelligence

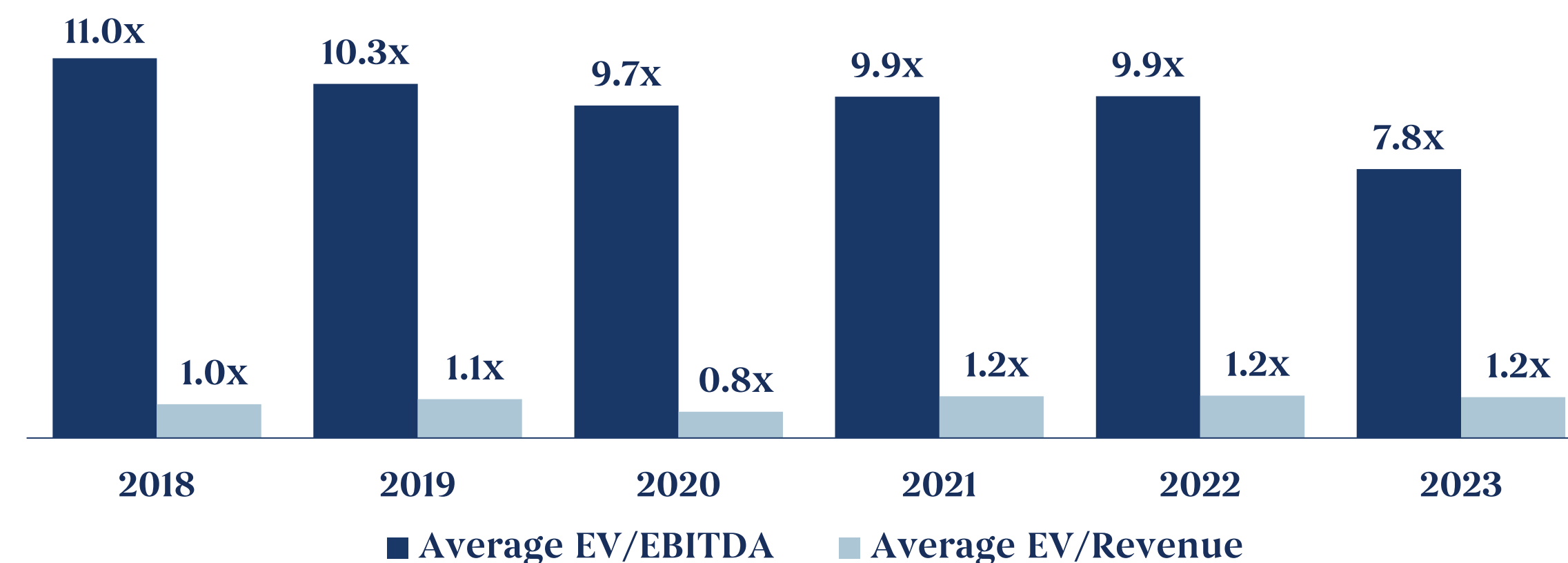
Snacks M&A Trends and Market Intelligence

- The **snack food** market size is expected to grow from **US\$256.3B** in **2023** to **US\$559.26B** by **2028**, at a **CAGR** of **16.89%**
- Manufacturers have launched products **fortified** with protein, vitamins, and nutrients, providing consumers with **nutrition** on-the-go
- In a study published in BMC Public Health, snacks accounted for approximately **19%** of total **energy intake**; men and women consumed an average of **1.6** and **1.9** snacks per day, respectively. This indicates that snacks play an important role in daily energy intake, which supports the trend to use them as meal **substitutes** and for various consumption occasions
- Consumer demand for **healthier** options has driven the emergence of low-fat, low-sugar, and protein-rich snacks on the market
- The market is also adapting to **changing** consumer **tastes** and preferences, with an increasing demand for fruity, dairy-free, and convenient snacks. This shift is driving companies to **innovate** and **diversify** their product ranges
- Snack companies are leveraging M&A, partnerships, and geographic expansions to **strengthen** their market position and take **advantage** of new consumer **trends**
- Since the pandemic, the market has been driven by technological improvements and companies are increasingly adopting **digital platforms** to **improve** sales and engage more effectively with consumers

Snacks Industry M&A Deal Size and Volume



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



Source: Mordor Intelligence, Grand View Research Snacks Market Report Overview, Euromonitor International

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		Fourth Quarter Dec. 31, 2023		
						2021	2022	EV/EBITDA	EV/Revenue	
Alicorp S.A.A.		PER	\$1,301	\$2,663	\$3,850	8.3%	7.1x	6.5x	8.4x	0.7x
B&G Foods, Inc.		USA	\$826	\$3,021	\$2,107	15.9%	11.5x	12.1x	9.0x	1.4x
Carozzi S.A.		CHL	\$420	\$972	\$1,683	14.5%	6.7x	6.7x	4.0x	0.6x
Cloetta AB (publ)		SWE	\$520	\$737	\$825	10.2%	12.7x	9.4x	8.8x	0.9x
Colombina S.A.		COL	\$141	\$459	\$863	11.6%	8.0x	6.5x	4.6x	0.5x
Ezaki Glico Co., Ltd.		JPN	\$1,883	\$1,408	\$2,302	9.6%	6.2x	5.6x	6.3x	0.6x
Molinos Rio de la Plata S.A.		ARG	\$580	\$607	\$172	2.1%	8.2x	12.2x	169.9x	3.5x
Morinaga&Co., Ltd.		JPN	\$1,645	\$1,517	\$1,458	14.1%	6.3x	5.8x	7.4x	1.0x
Premier Foods plc		GBR	\$1,493	\$1,841	\$1,376	18.2%	8.0x	7.5x	7.3x	1.3x
The Hain Celestial Group, Inc.		USA	\$982	\$1,857	\$1,782	8.4%	18.0x	14.5x	12.5x	1.0x





■ Excluded from mean and median

Mean 8.3x 8.0x 7.6x 0.9x
Median 8.0x 7.1x 7.9x 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		Fourth Quarter Dec. 31, 2023		
						2021	2022	EV/EBITDA	EV/Revenue	
Calbee, Inc.		JPN	\$2,510	\$2,425	\$2,080	12.8%	8.4x	8.6x	9.1x	1.2x
Flowers Foods, Inc.		USA	\$4,752	\$6,058	\$5,044	11.9%	10.3x	11.5x	10.1x	1.2x
Glanbia plc		IRL	\$4,340	\$4,919	\$5,913	8.0%	12.7x	11.5x	10.3x	0.8x
Gruma, S.A.B. de C.V.		MEX	\$6,794	\$8,492	\$6,493	15.1%	7.8x	5.0x	8.7x	1.3x
Grupo Nutresa S. A.		COL	\$5,317	\$6,480	\$4,948	11.2%	9.9x	14.5x	11.7x	1.3x
J&J Snack Foods Corp.		USA	\$3,233	\$3,305	\$1,559	12.3%	32.4x	19.2x	17.2x	2.1x
M. Dias Branco S.A. Indústria e Comércio de Alimentos		BRA	\$2,678	\$2,833	\$2,233	10.2%	12.5x	13.9x	12.5x	1.3x
ORION Corp.		KOR	\$3,539	\$2,843	\$2,310	22.0%	9.0x	6.4x	5.6x	1.2x
Orkla ASA		NOR	\$7,756	\$9,919	\$6,522	16.7%	11.2x	10.2x	9.1x	1.5x
Premium Brands Holdings Corporation		CAN	\$3,162	\$5,142	\$4,802	6.9%	20.7x	17.2x	15.6x	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		Fourth Quarter Dec. 31, 2023		
						2021	2022	EV/EBITDA	EV/Revenue	
The Simply Good Foods Company	 USA	\$3,952	\$4,191	\$1,250	19.3%	20.4x	17.7x	17.4x	3.4x	
TreeHouse Foods, Inc.	 USA	\$2,292	\$3,994	\$3,634	12.1%	8.4x	10.6x	9.1x	1.1x	
Tootsie Roll Industries, Inc.	 USA	\$2,215	\$2,094	\$762	17.3%	22.5x	22.9x	15.9x	2.7x	
Yamazaki Baking Co., Ltd.	 JPN	\$4,699	\$4,671	\$8,024	6.7%	6.1x	5.3x	8.7x	0.6x	
■ Excluded from mean and median						Mean	12.3x	11.7x	11.5x	1.5x
						Median	10.7x	11.5x	10.2x	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		Fourth Quarter Dec. 31, 2023	
						2021	2022	EV/EBITDA	EV/Revenue
Barry Callebaut AG	 CHE	\$9,224	\$10,746	\$10,059	10.3%	19.5x	15.8x	10.3x	1.1x
Campbell Soup Company	 USA	\$12,887	\$17,796	\$9,300	22.7%	9.3x	9.9x	8.4x	1.9x
Chocoladefabriken Lindt & Sprüngli AG	 CHE	\$28,141	\$29,256	\$6,049	21.0%	31.5x	27.3x	23.1x	4.8x
Conagra Brands, Inc.	 USA	\$13,699	\$22,949	\$12,172	21.6%	10.4x	12.4x	8.7x	1.9x
General Mills, Inc.	 USA	\$36,992	\$49,302	\$20,200	21.5%	11.5x	13.5x	11.4x	2.4x
Grupo Bimbo, S.A.B. de C.V.	 MEX	\$22,329	\$30,119	\$24,141	13.6%	6.3x	7.9x	9.2x	1.2x
Kellanova	 USA	\$19,150	\$26,035	\$15,866	14.1%	11.9x	12.1x	11.6x	1.6x
Mondelez International, Inc.	 USA	\$98,570	\$117,437	\$36,016	22.5%	14.8x	14.6x	14.5x	3.3x
Nestlé S.A.	 CHE	\$308,969	\$375,399	\$113,410	21.2%	17.7x	14.0x	15.6x	3.3x
PepsiCo, Inc.	 USA	\$236,278	\$270,933	\$91,617	19.0%	17.2x	17.2x	15.6x	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		Fourth Quarter Dec. 31, 2023		
						2021	2022	EV/EBITDA	EV/Revenue	
The Hershey Company	 USA	\$38,127	\$42,887	\$11,160	27.3%	17.0x	19.6x	14.1x	3.8x	
The J. M. Smucker Company	 USA	\$13,414	\$17,304	\$8,195	22.3%	9.6x	11.4x	9.5x	2.1x	
The Kraft Heinz Company	 USA	\$45,357	\$64,405	\$27,161	29.0%	8.6x	8.8x	8.2x	2.4x	
■ Excluded from mean and median						Mean	12.8x	13.1x	11.4x	2.5x
						Median	11.9x	13.5x	11.4x	2.4x

Snacks Industry - Q4 Global Transactions (1/2)

Date	Target	Country	Description	Buyer	Seller	% Acquired	Size US\$M	EV/ EBITDA	EV/ Revenue
Dec-23		USA	Produces and distributes snack food products			100.0%	-	-	-
Dec-23		USA	Produces snack products, including pork rinds and corn tortilla chips			100.0%	-	-	-
Dec-23		AUS	Produces and sells pies and bakery goods		-	100.0%	\$10.0	-	0.6x
Nov-23		JPN	Produces and sells popcorn		-	100.0%	-	-	-
Nov-23		GBR	Produces and retails chocolates and cocoa-derived products		-	100.0%	\$663.1	22.2x	2.6x
Nov-23		USA	Bakes gourmet cakes, cupcakes, brownies, cookies, and gluten-free treats		-	100.0%	-	-	-
Nov-23		AUS	Produces and sells plant-based, organic, and allergen-friendly snacks for babies, toddlers, and kids		-	100.0%	-	-	-
Oct-23		USA	Produces buns, muffins, and others products		-	100.0%	-	-	-
Oct-23		GBR	Produces fresh bread and bread-type bakery product		-	100.0%	-	-	-
Oct-23		GBR	Produces and offers kid's sugar confectionery, candies, and bubble gum brands		-	100.0%	\$21.2	-	-
Oct-23		GBR	Produces and retails a range of breakfasts, snacks, and chocolates aimed at the mass consumers and those on vegan, paleo, or keto diets		-	100.0%	-	-	-

Snacks Industry - Q4 Global Transactions (2/2)

Date	Target	Country	Description	Buyer	Seller	% Acquired	Size US\$M	EV/ EBITDA	EV/ Revenue
Oct-23	B.V. Vurense Snack Industrie 	NLD	Produces food bars			100.0%	-	-	-
Oct-23		USA	Produces, distributes, and retails chocolate and confectionary products		-	100.0%	-	-	-
							Mean	22.2x	1.6x
							Median	22.2x	1.6x

Selected Transactions Commentary



"This powerful combination of Palmex and Benestar represents a transformative step in our journey. It not only accelerates our growth trajectory but also aligns our resources to innovate and capture emerging market trends effectively, both within the ethnic and better-for-you categories."

Jose Luis Prado, Chairman and CEO of Palmex



"Hotel Chocolat is a brand we have admired for many years, with its leading premium product offering, world-class quality and deep omnichannel retail expertise. We are incredibly excited to partner with Angus and the rest of the Hotel Chocolat team to achieve further growth and success in the years ahead, building on our shared commitment to quality, sustainability and purpose."

Andrew Clarke, Global President of Mars Snacking



"This strategic acquisition strengthens our geographic presence in this high-growth industry and open doors to new QSR customers in the U.S."










Rafael Pamiás, COO of Grupo Bimbo



"The merger aligns seamlessly with Promise Holdings' vision of a stronger, more innovative, creative, and forward-thinking company. As Promise Confections embraces this transformative merger, we eagerly anticipate the infusion of Edward Marc Brands' leadership, and we look forward to crafting a prosperous legacy together."

Gordon C.C. Liao and Jacqueline Brooks, Founders and Managing Partners of Promise Holdings

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>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> 
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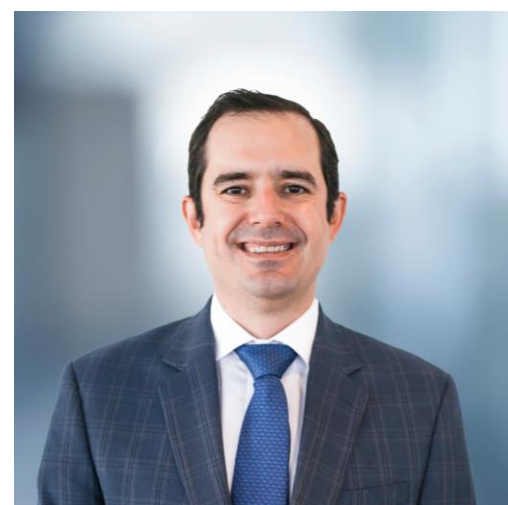


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University of Florida - BA in Political Science with High Honors

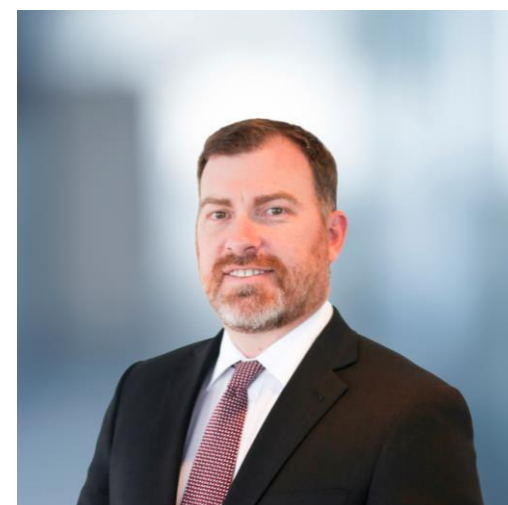


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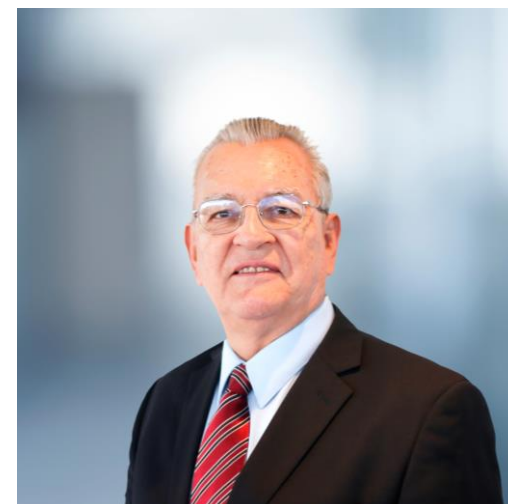


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Please contact us if you would like further information about M&A trends and/or specific transaction multiples for your industry.

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25

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