



# Seale & Associates

SUPERMARKETS INDUSTRY  
Q1 2024  
VALUATION UPDATE

25 years

# Introduction

We are pleased to share our Supermarkets Industry Multiples Valuation Update for Q1 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.



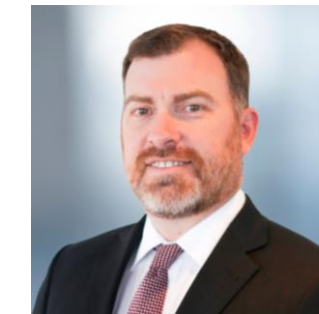
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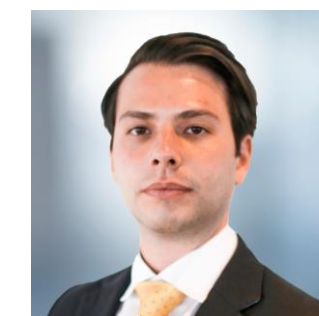
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**Armando Rios | Vice President**

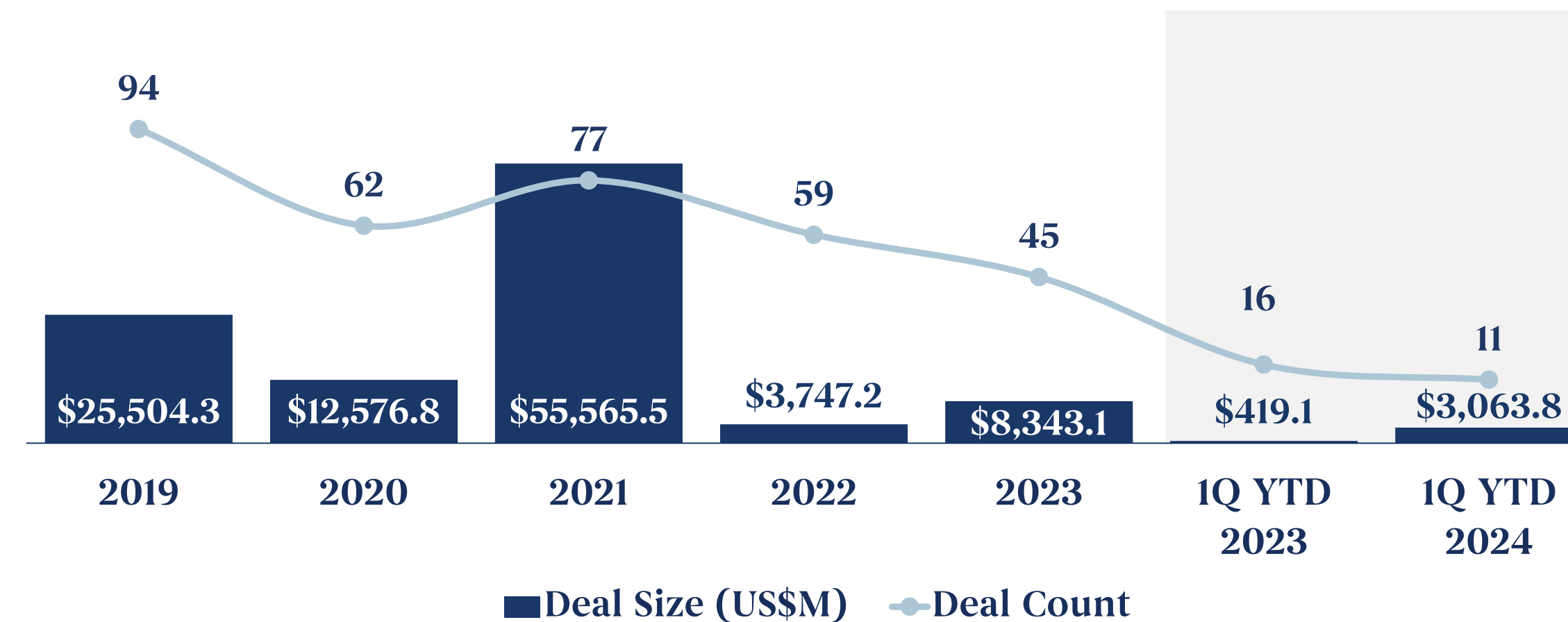
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# Supermarkets Industry Overview, M&A Trends and Market Intelligence

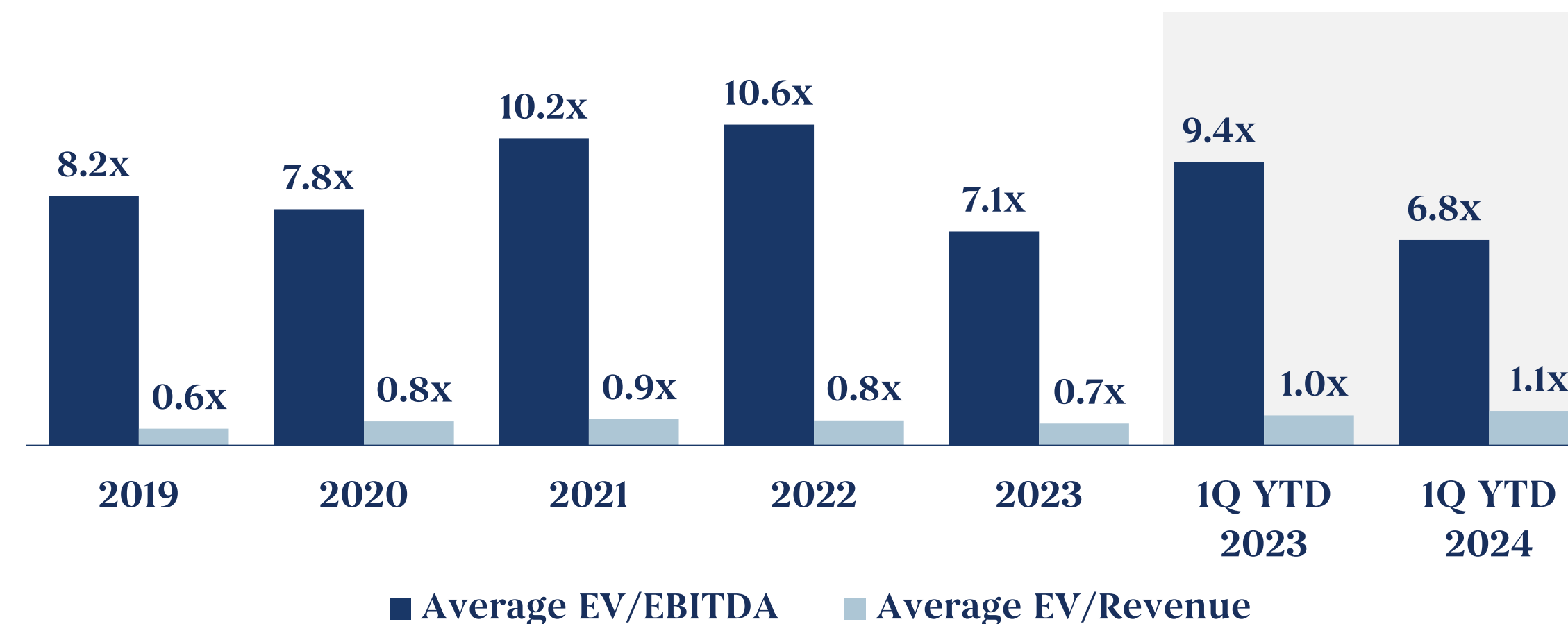
## Supermarkets Industry Overview

- The supermarkets market size is estimated at **US\$900.0 billion** in **2024** and is **expected to reach** a value of **US\$1.1 trillion** by **2029**, with a projected **CAGR** of **3.3%** from 2024 to 2029
- The growth in the forecast can be attributed to **e-commerce** integration, health and **wellness** trends, **sustainability** initiatives, **globalization**, and **innovation** in store formats
- **Online grocery sales** are **growing** rapidly and are **expected to continue** in the coming years. This is **due to several factors**, including the **convenience** of online shopping, the **increasing availability** of **delivery services**, and the **growing popularity** of **meal kits**
- Supermarket chains are pursuing scope **M&A** to **diversify** revenue streams and **mitigate** supply chain risks
- Supermarkets companies are pursuing consolidation to gain better access to customers and optimize portfolios and stay competitive. **Specialty retailers**, especially ethnic and specialty grocers, **may see increased M&A activity** as they **operate** in market **niches** where **major players** like Amazon and Walmart **have less presence**
- Some supermarkets and grocery retailers are **vertically integrating** by **acquiring** their own **suppliers**. This **gives** them **greater control over** their **supply chain** and **allows** them to **reduce costs**

Supermarkets Industry M&A Deal Size and Volume



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










Source: Mordor Intelligence, The Business Research Company, PWC

# Supermarkets Industry Global Comparable Public Companies

| Company                                  | Country   | Market Cap. US\$M | Enterprise Value US\$M | Revenue US\$M | EBITDA Margin | Annual Average EV/EBITDA |       | First Quarter Mar. 31, 2024 |            |      |
|--|---|-------------------|------------------------|---------------|---------------|--------------------------|-------|-----------------------------|------------|------|
|  |   |                   |                        |               |               | 2022                     | 2023  | EV/EBITDA                   | EV/Revenue |      |
| Albertsons Companies, Inc.               |  USA    | \$12,350          | \$26,831               | \$79,238      | 6.3%          | 5.1x                     | 5.0x  | 5.3x                        | 0.3x       |      |
| Grupo Comercial Chedraui, S.A.B. de C.V. |  MEX   | \$7,743           | \$9,797                | \$15,900      | 8.9%          | 6.9x                     | 7.0x  | 6.9x                        | 0.6x       |      |
| La Comer, S.A.B. de C.V.                 |  MEX    | \$2,555           | \$2,530                | \$2,409       | 10.0%         | 12.7x                    | 11.3x | 10.5x                       | 1.1x       |      |
| Loblaw Companies Limited                 |  CAN    | \$34,058          | \$46,314               | \$43,961      | 10.2%         | 9.6x                     | 9.3x  | 10.3x                       | 1.1x       |      |
| Organización Soriana, S. A. B. de C. V.  |  MEX   | \$3,689           | \$4,695                | \$10,777      | 7.1%          | 5.3x                     | 5.9x  | 6.1x                        | 0.4x       |      |
| Tesco PLC                                |  GBR  | \$26,171          | \$40,221               | \$86,119      | 6.3%          | 7.0x                     | 6.9x  | 7.4x                        | 0.5x       |      |
| The Kroger Co.                           |  USA | \$41,101          | \$58,465               | \$150,039     | 6.0%          | 7.2x                     | 6.1x  | 6.5x                        | 0.4x       |      |
| Wal-Mart de México, S.A.B. de C.V.       |  MEX  | \$70,539          | \$72,626               | \$54,665      | 10.4%         | 15.6x                    | 13.9x | 12.8x                       | 1.3x       |      |
| Walmart Inc.                             |  USA  | \$484,853         | \$544,973              | \$648,125     | 6.5%          | 11.2x                    | 12.0x | 12.9x                       | 0.8x       |      |
| Woolworths Group Limited                 |  AUS  | \$26,412          | \$35,871               | \$42,882      | 5.5%          | 12.1x                    | 11.9x | 15.2x                       | 0.8x       |      |
|  |   |                   |                        |               |               | <b>Mean</b>              | 9.3x  | 8.9x                        | 9.4x       | 0.7x |
|  |   |                   |                        |               |               | <b>Median</b>            | 8.4x  | 8.1x                        | 8.8x       | 0.7x |

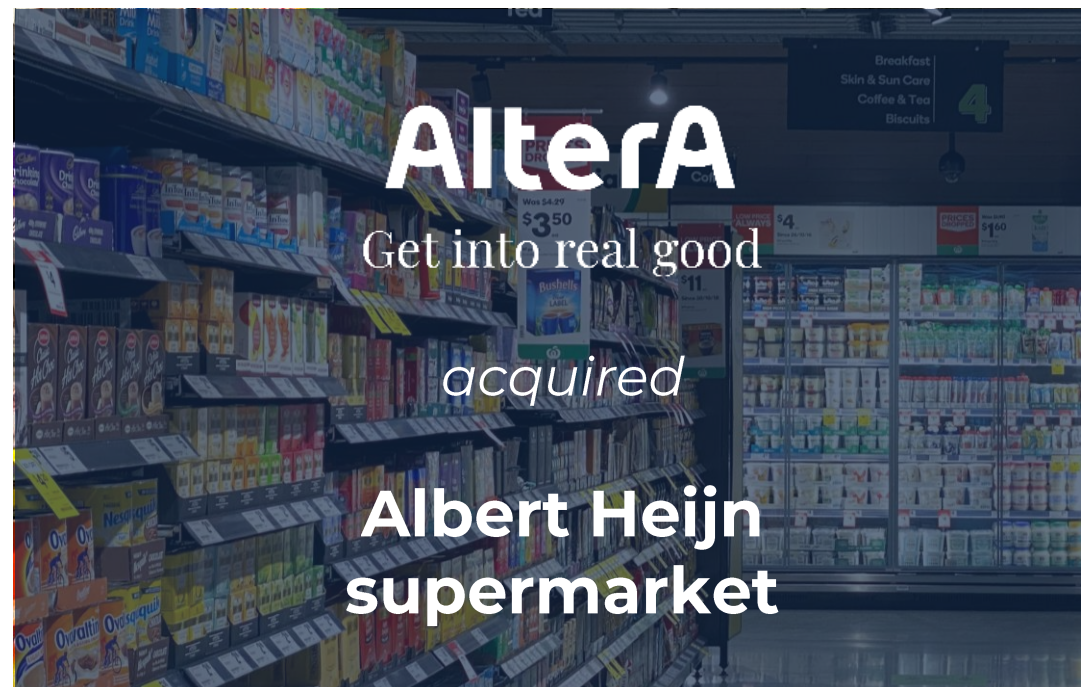
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| Company                            | Country   | Market Cap. US\$M | Enterprise Value US\$M | Revenue US\$M | EBITDA Margin | Annual Average EV/EBITDA |       | First Quarter Mar. 31, 2024 |            |      |
|------------------------------------|---|-------------------|------------------------|---------------|---------------|--------------------------|-------|-----------------------------|------------|------|
|                                    |   |                   |                        |               |               | 2022                     | 2023  | EV/EBITDA                   | EV/Revenue |      |
| Almacenes Éxito S.A.               |    | COL               | \$811                  | \$1,496       | \$5,427       | 6.7%                     | 6.1x  | 5.9x                        | 4.1x       | 0.3x |
| Aeon Co., Ltd.                     |    | JPN               | \$20,337               | \$38,573      | \$63,162      | 6.2%                     | 8.9x  | 9.0x                        | 9.8x       | 0.6x |
| BJ's Wholesale Club Holdings, Inc. |    | USA               | \$10,059               | \$13,014      | \$19,969      | 7.0%                     | 10.5x | 9.4x                        | 9.2x       | 0.7x |
| Carrefour SA                       |    | FRA               | \$11,838               | \$28,301      | \$91,388      | 5.4%                     | 6.4x  | 6.3x                        | 5.7x       | 0.3x |
| Costco Wholesale Corporation       |    | USA               | \$324,924              | \$324,036     | \$248,828     | 4.6%                     | 21.8x | 22.0x                       | 28.1x      | 1.3x |
| J Sainsbury plc                    |   | GBR               | \$7,963                | \$15,363      | \$41,299      | 6.3%                     | 6.0x  | 6.0x                        | 6.0x       | 0.4x |
| Target Corporation                 |  | USA               | \$81,816               | \$97,780      | \$107,412     | 8.6%                     | 9.5x  | 10.9x                       | 10.6x      | 0.9x |
| ■ Excluded from mean and median    |   |                   |                        |               |               | <b>Mean</b>              | 7.9x  | 7.9x                        | 7.6x       | 0.6x |
|                                    |   |                   |                        |               |               | <b>Median</b>            | 8.9x  | 9.0x                        | 9.2x       | 0.6x |

# Supermarkets Industry – Global Transactions

| Date                     | Target  | Country | Description                                    | Buyer   | Seller  | % Acquired | Size US\$M    | EV/ EBITDA | EV/ Revenue |
|--------------------------|---|---------|--|---|---|------------|---------------|------------|-------------|
| Mar-24                   | Three stores  | JPN     | Operates as a supermarket                      | Godai Co.   |  <b>Toho</b><br>株式会社 トーホーストア | 100.0%     | -             | -          | -           |
| Feb-24                   |    | JPN     | Operates in the retail industry                | <b>Marubeni</b>   | -   | ND         | -             | -          | -           |
| Feb-24                   |    | SAU     | Operates a supermarket chain                   |    |                              | 100.0%     | -             | -          | -           |
| Feb-24                   |    | JPN     | Operates and franchises convenience stores     |    |                              | 39.0%      | \$2,568.8     | 5.2x       | 1.5x        |
| Jan-24                   |    | JPN     | Operates and owns supermarkets                 |    |                              | 100.0%     | -             | -          | -           |
| Jan-24                   |  | GBR     | Operates supermarkets that sell asian products |  | <b>NRF Consumer Limited</b>   | 51.0%      | \$1.4         | -          | -           |
| Jan-24                   | <b>Albert Heijn supermarket</b>   | NLD     | Operates as a supermarket                      |  |                            | 100.0%     | -             | -          | -           |
| Jan-24                   | <b>Sendo Co.</b>  | JPN     | Operates a supermarkets and drug store chain   |  | -   | 22.8%      | -             | -          | -           |
| Jan-24                   | <b>Mamai co.</b>  | JPN     | Operates a supermarket chain                   |  | <b>Isemaru Shokuhin K.K.</b>  | 33.4%      | -             | -          | -           |
| Jan-24                   |  | JPN     | Operates a supermarket chain                   | <b>Aoki Shoten Ltd.</b>   | -   | 46.9%      | \$74.1        | -          | -           |
| <b>ND:</b> Not Disclosed |   |         |  |   |   |            | <b>Mean</b>   | 5.2x       | 1.5x        |
|                          |   |         |  |   |   |            | <b>Median</b> | 5.2x       | 1.5x        |

# Selected Transactions Commentary



*“With an A+ energy label, the acquisition in Sas van Gent contributes to our investment and sustainability strategy. Our convenience strategy is geared towards a stable direct return, while being less vulnerable to e-commerce and business cycles.”*

**Jaap van der Bijl, CEO of Altera**



*“This strategic milestone not only strengthens our position in the Kingdom's retail landscape but also reflects our unwavering commitment to growth and innovation.”*


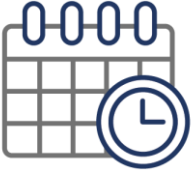







**Bobby Rajendran, CEO of Tamimi**



*“Convenience stores are extremely important as social infrastructure. We will fully utilize the power of telecommunications to build future stores.”*

**Makoto Takahashi, President of KKDI**

# 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  |
|---|---|--|---|---|--|---|--|---|
|  <p><b>Food and Beverage Stores</b></p> <p><i>NAICS 445 – Food and Beverage Stores</i></p> |  <p><b>2018-2024</b></p> |  <p><b>\$80.0M</b></p> |  <p><b>\$60.9M</b></p> |  <p><b>28.3%</b></p> |  <p><b>1.3x</b></p> |  <p><b>14.9%</b></p> |  <p><b>8.4x</b></p> |  <p><b>4</b></p> |

**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.



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# Global M&A Representative Engagements

|  |  |  |   |  |  |   |
|--|--|--|---|--|--|---|
| <p><b>BEIJER REF</b></p> <p>has been acquired by</p>  <p>HERITAGE DISTRIBUTION HOLDINGS</p>   | <p><b>avangardinnovative</b><br/>MOVING THE CIRCULAR ECONOMY FORWARD</p> <p>has sold a controlling interest to</p>  <p>WASTE MANAGEMENT</p>   | <p><b>ZN</b><br/>ZINC NACIONAL</p> <p>has sold</p> <p><b>GSDKO</b></p> <p>Zinc Oxide Corporation<br/>a subsidiary of</p>  <p>Korea Zinc</p> | <p><b>Electrolux</b><br/>PROFESSIONAL</p> <p>has acquired</p> <p><b>unified brands</b><br/>a DOVER company</p> <p>from</p>  <p>DOVER</p> | <p><b>Port Contractors</b><br/>STEVEDORES - TERMINAL OPERATORS</p> <p>has been acquired by</p>  <p>ENSTRUCTURE</p>  | <p><b>Oxbow</b></p> <p>Oxbow's Senior Subordinated debt issued by</p>  <p>H.J. BAKER<br/>ESTABLISHED 1880</p> <p>was refinanced by</p>  <p>BMO</p> | <p><b>Hertz</b></p> <p>has acquired</p>  <p>DONLEN</p> |
| <p><b>Standex</b></p> <p>has sold</p> <p><b>Enginetics</b></p> <p>to</p>  <p>Enjet AERO</p>   | <p><b>ITT</b></p> <p>has sold</p> <p><b>BURNY</b> <b>KALIBURN</b><br/>PLASMA CUTTING INNOVATION</p> <p>and</p> <p><b>CNC</b> Cleveland Motion Controls</p> <p>to</p>  <p>LINCOLN ELECTRIC</p> | <p><b>Honeywell</b></p> <p>has sold</p> <p><b>TENSOR</b></p> <p>to</p>  <p>GE Power Systems</p>   | <p><b>TRIUMPH™</b></p> <p>has sold</p> <p>Triumph Processing - Embee Division</p> <p>to</p>  <p>AMP<br/>ALL METALS PROCESSING</p>      | <p><b>TRIUMPH™</b></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><b>Rheem</b></p> <p>has acquired</p>  <p>HTPG</p>  | <p><b>GRACE</b></p> <p>has sold its GRACE Membranes business</p> <p><b>Uop</b><br/>a subsidiary of</p> <p><b>Honeywell</b></p>            |
| <p><b>convatec</b><br/>- forever caring -</p> <p>has sold</p> <p><b>SENSI CARE</b></p> <p>and</p> <p><b>ALOE VESTA™</b></p> <p>to</p>  <p>MEDLINE</p> | <p><b>United Technologies</b></p> <p>has sold</p> <p><b>MobileView</b></p> <p>to</p> <p><b>SAFE FLEET</b><br/>Driving Safety Forward™</p>  | <p><b>United Technologies</b></p> <p>has sold</p> <p><b>HTPG</b><br/>A division of Carrier Commercial Refrigeration, Inc.</p> <p>to</p> <p><b>MONOMOY</b> and <b>Starboard Capital Partners</b></p>                            | <p><b>LOCKHEED MARTIN</b></p> <p>has sold</p> <p>Commercial Flight Training Business</p> <p>to</p> <p><b>ALTEON</b><br/>A BOEING COMPANY</p>  | <p><b>FLOWSERVE</b></p> <p>has sold</p> <p><b>D&amp;B</b></p> <p>to</p> <p><b>DB</b><br/>DaviesBaird</p>   | <p><b>KBR</b></p> <p>has acquired</p> <p><b>Wabi</b><br/>Wabi Development Corporation</p>  | <p><b>H G</b><br/>HARRISON GYPSUM, LLC</p> <p>has been recapitalized by</p> <p><b>H. I. G.</b><br/>PRIVATE EQUITY</p>                     |



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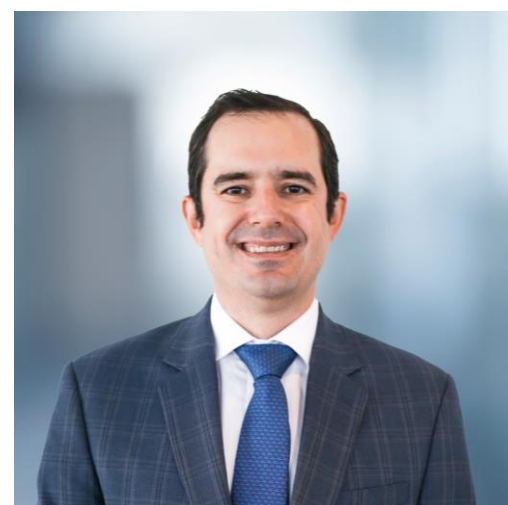


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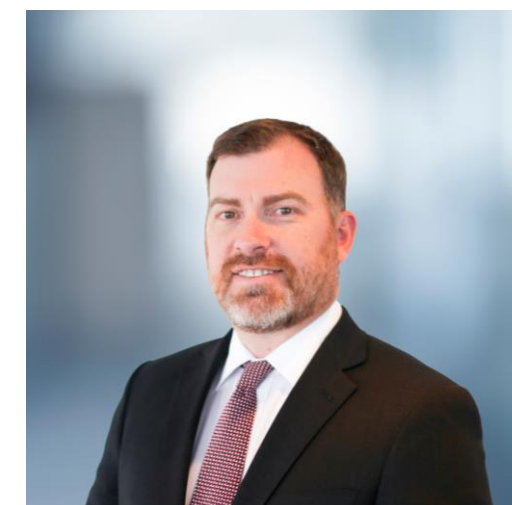


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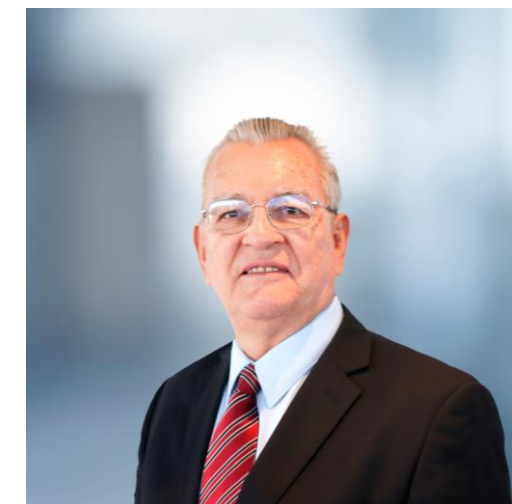


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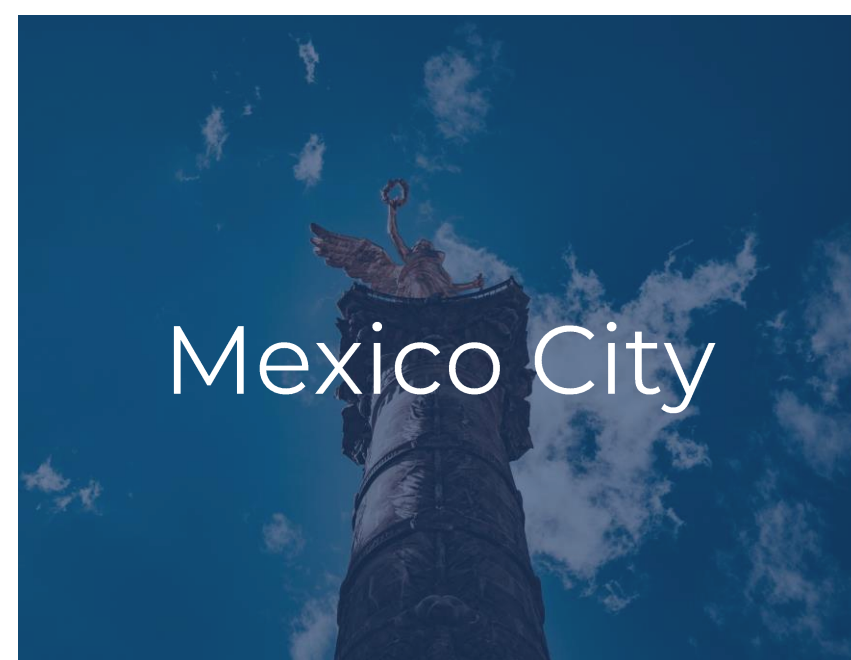
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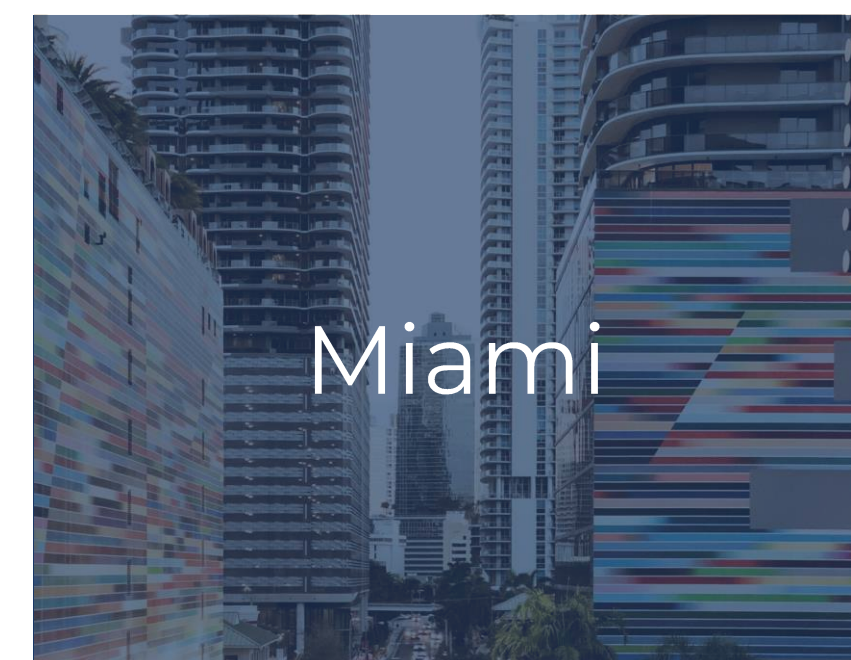
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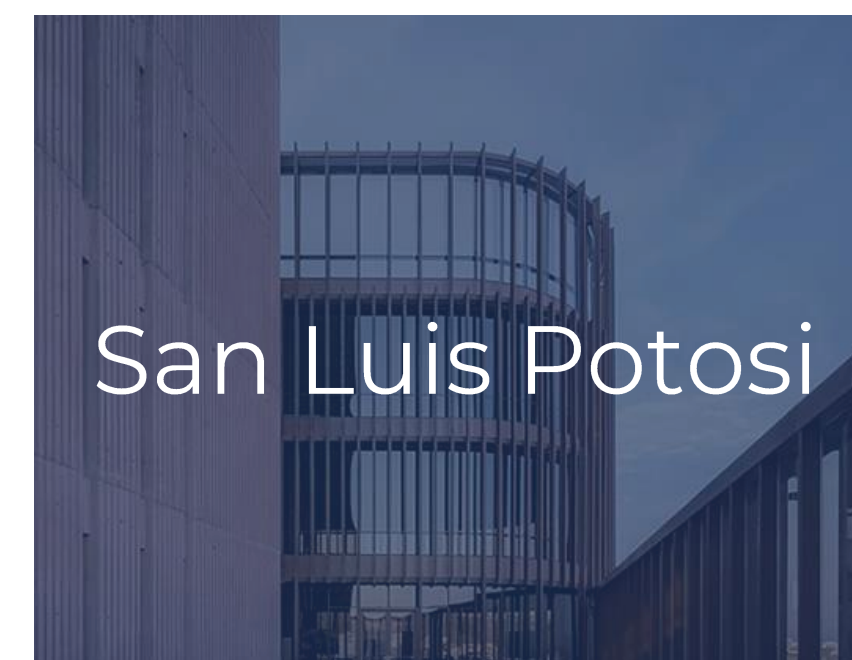
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**\$50B+**

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