



Seale & Associates

SUPERMARKETS INDUSTRY
Q2 2024
VALUATION UPDATE

25 years

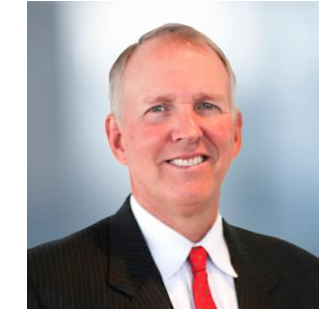
Introduction

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.



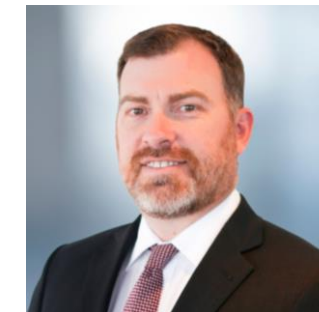
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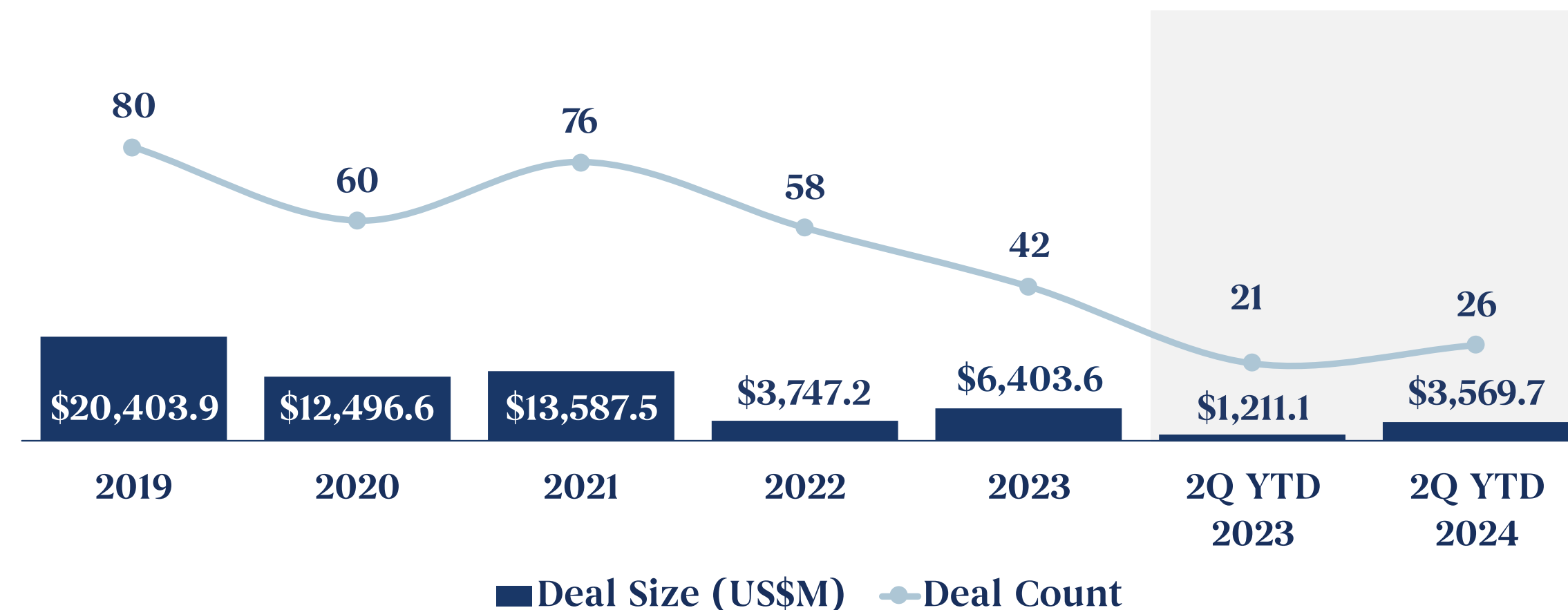
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Supermarkets Industry Overview, M&A Trends and Market Intelligence

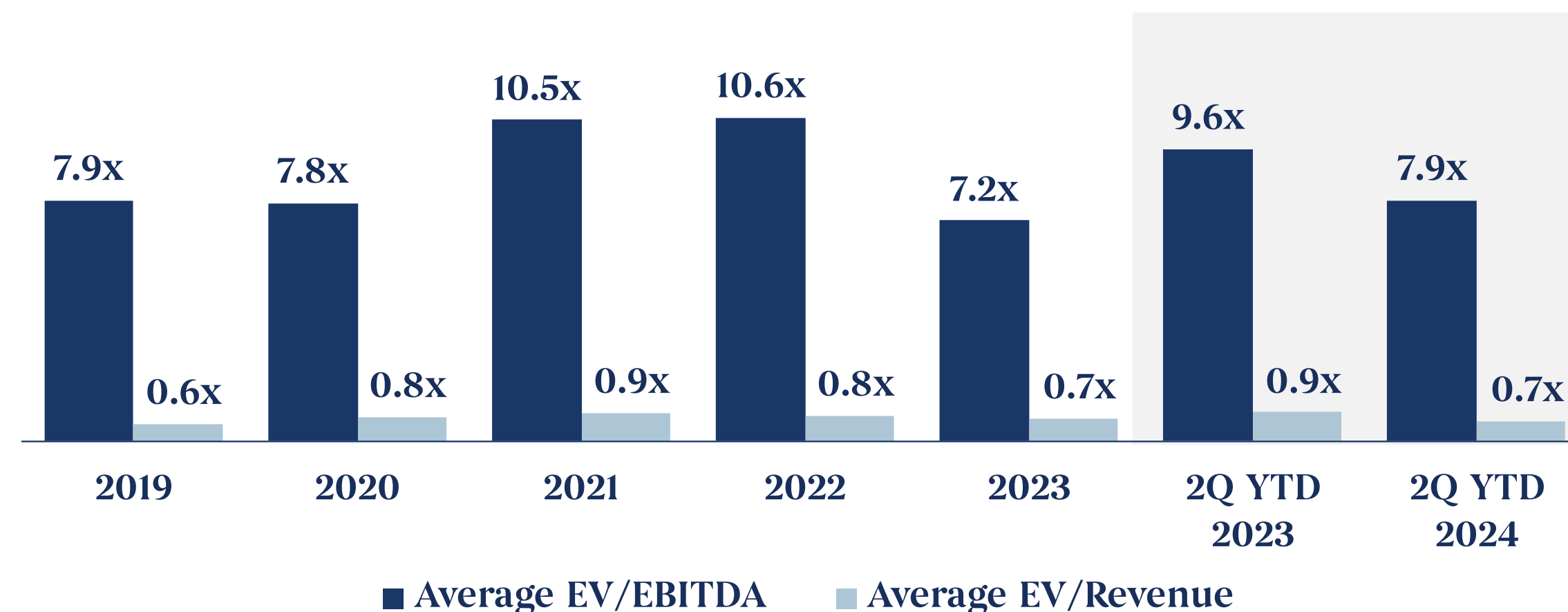
Supermarkets Industry Overview

- 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



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		Second Quarter Jun. 30, 2024		
						2022	2023	EV/EBITDA	EV/Revenue	
Albertsons Companies, Inc.	 USA	\$11,437	\$25,464	\$79,453	6.4%	5.1x	5.0x	5.0x	0.3x	
Grupo Comercial Chedraui, S.A.B. de C.V.	 MEX	\$6,673	\$9,053	\$14,580	8.5%	6.9x	7.0x	7.3x	0.6x	
La Comer, S.A.B. de C.V.	 MEX	\$2,120	\$2,080	\$2,253	10.1%	12.7x	11.3x	9.1x	0.9x	
Loblaw Companies Limited	 CAN	\$35,398	\$47,731	\$44,076	10.2%	9.6x	9.3x	10.6x	1.1x	
Organización Soriana, S. A. B. de C. V.	 MEX	\$2,991	\$4,291	\$9,598	7.3%	5.3x	5.9x	6.2x	0.4x	
Tesco PLC	 GBR	\$26,525	\$39,366	\$86,174	6.6%	7.0x	6.9x	6.9x	0.5x	
The Kroger Co.	 USA	\$36,039	\$52,484	\$150,143	6.0%	7.2x	6.1x	5.9x	0.3x	
Wal-Mart de México, S.A.B. de C.V.	 MEX	\$59,460	\$61,182	\$50,337	10.5%	15.6x	13.9x	11.6x	1.2x	
Walmart Inc.	 USA	\$544,628	\$608,758	\$657,332	6.6%	11.2x	12.0x	14.1x	0.9x	
Woolworths Group Limited	 AUS	\$27,529	\$37,207	\$43,875	5.5%	12.1x	11.9x	15.4x	0.8x	
						Mean	9.3x	8.9x	9.2x	0.7x
						Median	8.4x	8.1x	8.2x	0.7x

Hypermarkets 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	
Almacenes Éxito S.A.		COL	\$689	\$1,696	\$5,063	6.3%	6.1x	5.9x	5.4x	0.3x
Aeon Co., Ltd.		JPN	\$18,295	\$36,659	\$60,162	6.2%	8.9x	9.0x	9.8x	0.6x
BJ's Wholesale Club Holdings, Inc.		USA	\$11,657	\$14,517	\$20,164	7.4%	10.5x	9.4x	9.8x	0.7x
Carrefour SA		FRA	\$9,589	\$25,939	\$90,669	5.4%	6.4x	6.3x	5.3x	0.3x
Costco Wholesale Corporation		USA	\$376,830	\$374,628	\$253,695	4.6%	21.8x	22.0x	32.0x	1.5x
J Sainsbury plc		GBR	\$7,537	\$13,302	\$41,326	7.5%	6.0x	6.0x	4.3x	0.3x
Target Corporation		USA	\$68,489	\$84,866	\$106,621	8.7%	9.5x	10.9x	9.2x	0.8x
■ Excluded from mean and median						Mean	7.9x	7.9x	7.3x	0.5x
						Median	8.9x	9.0x	9.2x	0.6x


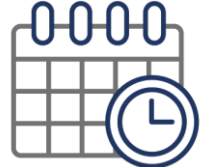







Supermarkets Industry – Global Transactions

Date	Target	Country	Description	Buyer	Seller	% Acquired	Size US\$M	EV/ EBITDA	EV/ Revenue
Jun-24*	Codim 2 SA	FRA	Operates four hypermarkets and nine supermarkets in Corsica			100.0%	-	-	-
Jun-24		USA	Operates supermarkets across the USA south east region		-	100.0%	-	-	-
Jun-24*		GBR	Operates retail stores across the United Kingdom		-	100.0%	-	-	-
May-24		USA	Operates a network of retail convenience stores with fuel in Texas		-	100.0%	-	-	-
May-24*		JPN	Operates supermarket stores in Japan			35.1%	\$236.7	7.6x	0.3x
Apr-24*		JPN	Engages in retail business in Japan			49.0%	\$234.8	10.3x	0.2x

*Announced transactions pending approval and other customary closing conditions

Mean 9.0x 0.3x
Median 9.0x 0.3x

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>Food and Beverage Stores <i>NAICS 445 – Food and Beverage Stores</i></p>	 <p>2018-2024</p>	 <p>\$80.0M</p>	 <p>\$60.9M</p>	 <p>28.3%</p>	 <p>1.3x</p>	 <p>14.9%</p>	 <p>8.4x</p>	 <p>4</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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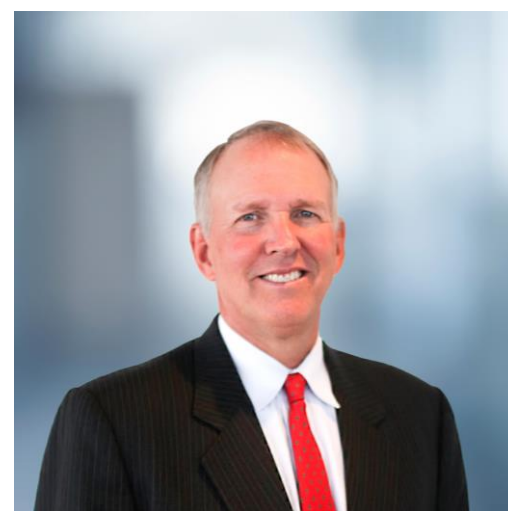
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Global M&A Representative Engagements

<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 CAPITAL PARTNERS 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>



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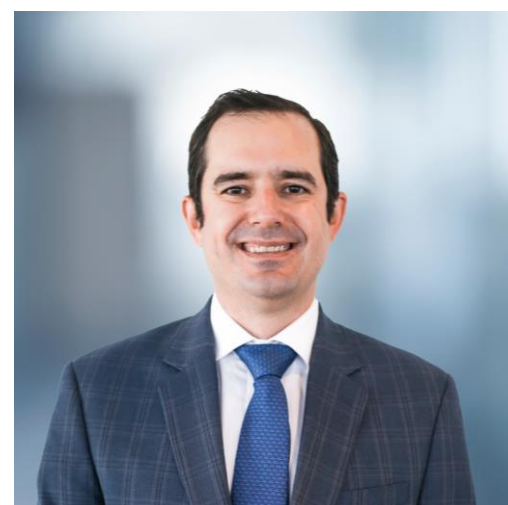


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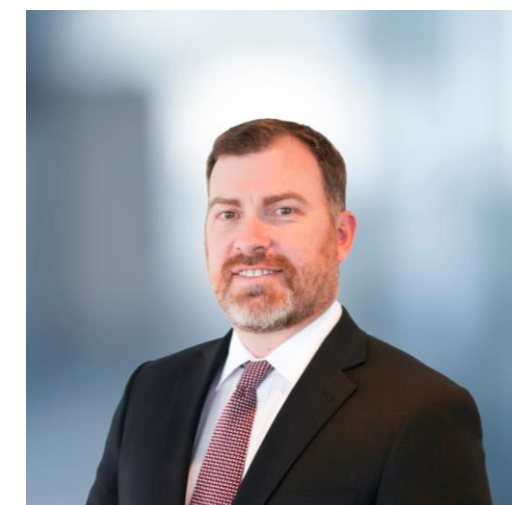


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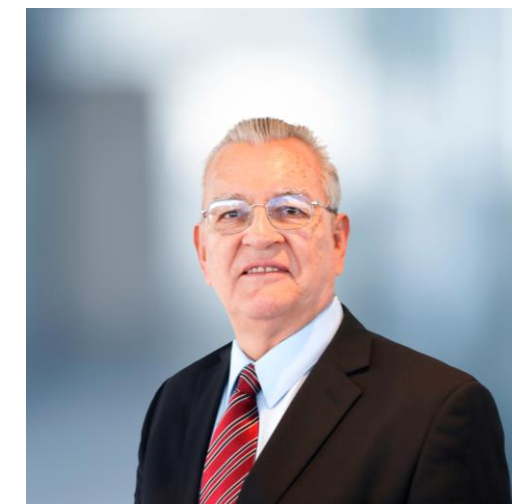


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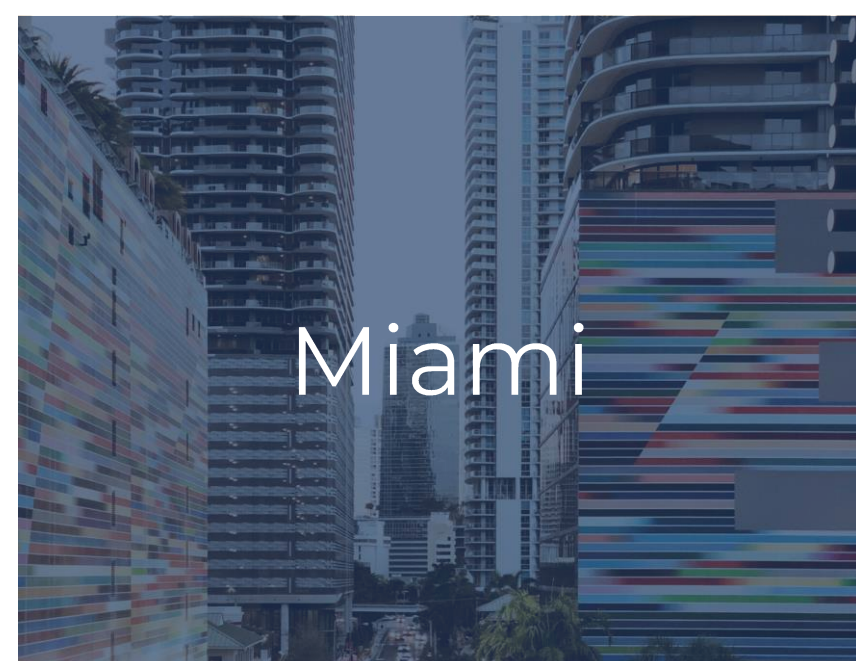
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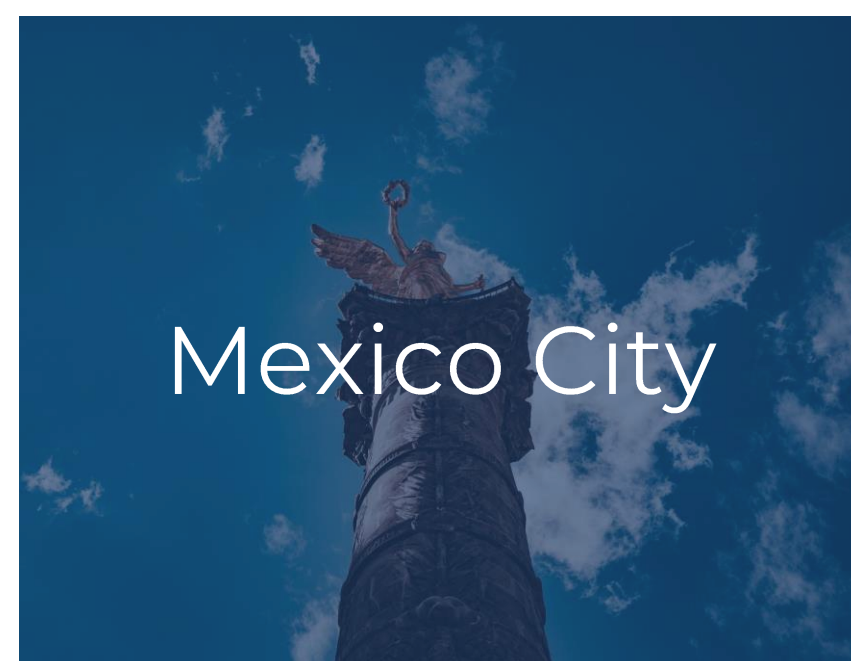
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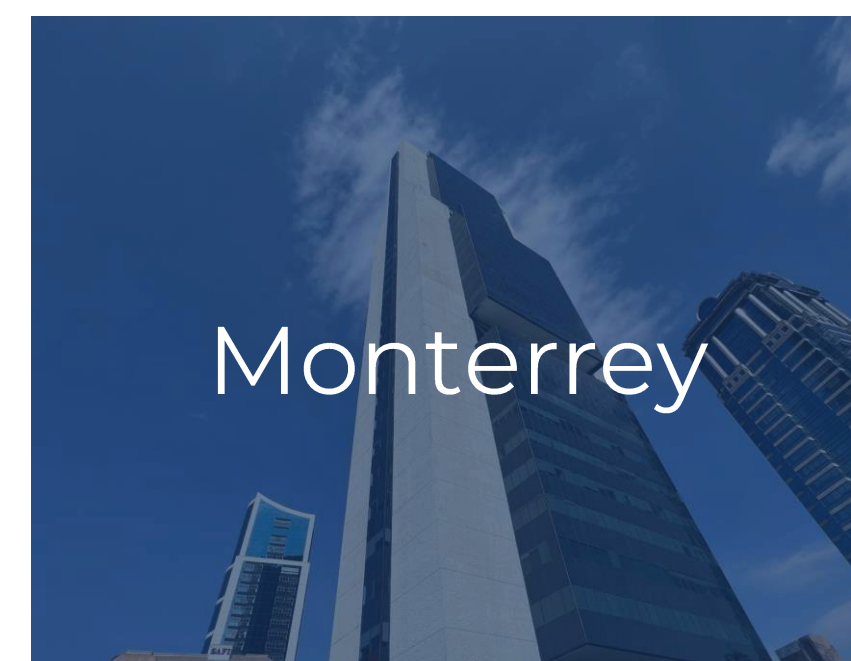
Washington D.C.



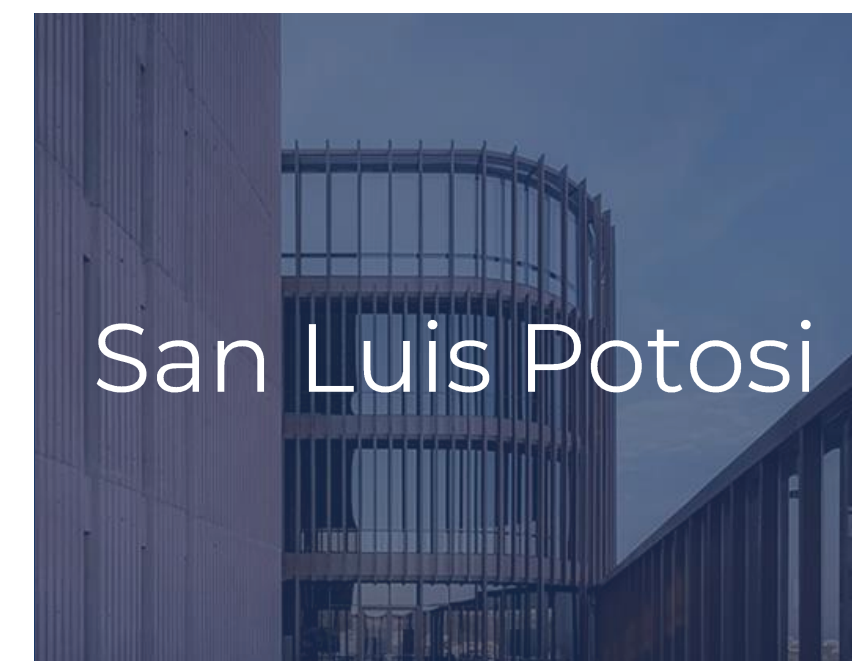
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For over 25 years, Seale & Associates has served leading public and private companies from around the world and operating in a broad range of industries with a high level of quality, integrity and independence while presenting innovative ideas and trusted solutions to address their most complex dealings.

25

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