



Seale & Associates

SUPERMARKETS INDUSTRY
Q3 2023
VALUATION UPDATE

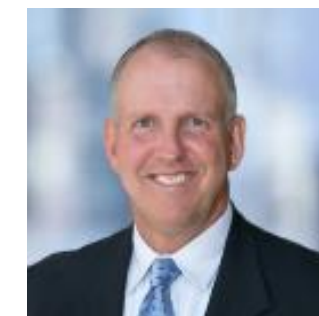
Introduction

We are pleased to share our Supermarkets 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 Supermarkets 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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Supermarkets Industry Overview, M&A Trends, and Market Intelligence

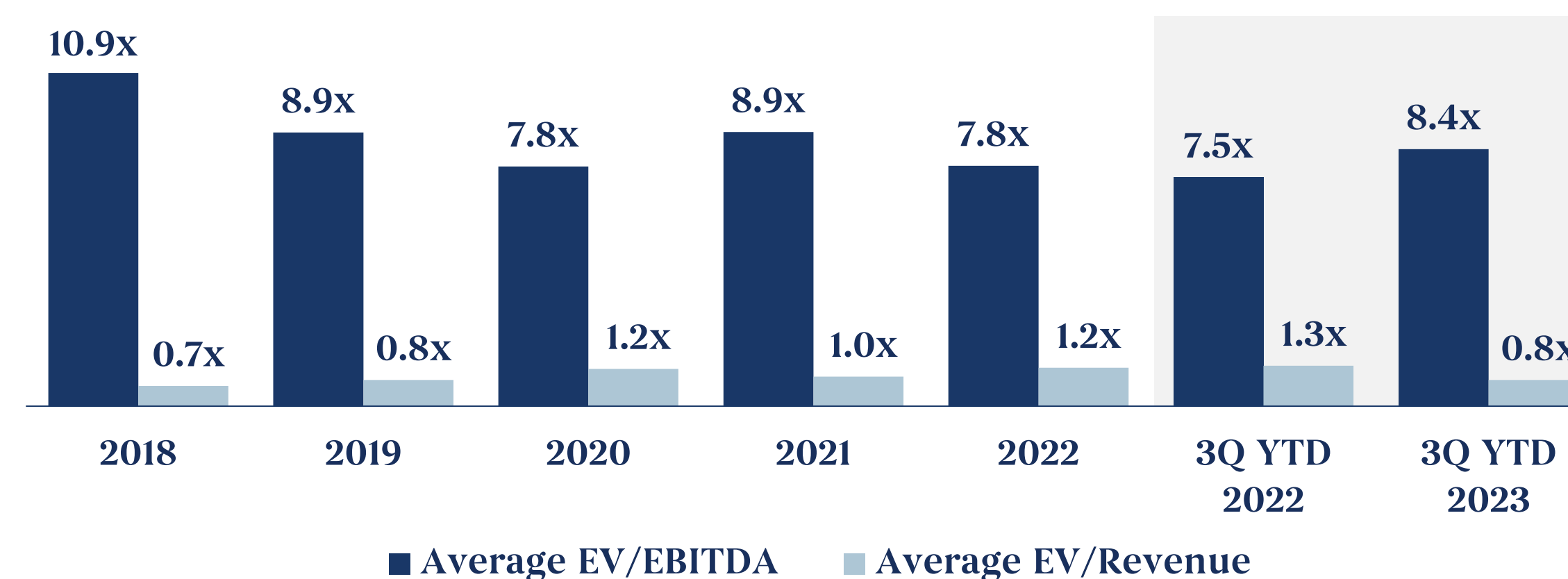
Supermarkets Industry Overview

- The food and grocery retail market was worth **US\$12.1 trillion** in **2022** and is **expected to achieve** a value of **US\$17.1 trillion** by **2030**, with a projected **CAGR of 4.4%** from 2023 to 2030.
- 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**.
- Consumers** are increasingly interested in **healthy** and **nutritious food**. This has increasingly driven demand for **organic** and **natural foods** and **products free of gluten, dairy, and other allergens**.
- Supermarkets and groceries retailers are **increasingly focused** on **sustainability**. This includes initiatives such as **reducing food waste, using renewable energy** and **sourcing products** from **sustainable suppliers**.
- 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**.
- Some supermarkets and grocery retailers are **expanding** into new **domestic** and **international** markets. This is driven by the **desire** to **grow** their **customer base** and **increase** their **market share**.
- The **acquisition** of **e-commerce logistics players** may be **less feasible** for grocers **due to high prices** and **size considerations**.
- 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**.

Supermarkets Industry M&A Deal Size and Volume



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











Source: Statista, Verified Market Research, OliverWyman, ModernRetail, GroceryDive, Capital IQ

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		Third Quarter Sep. 30, 2023		
						2021	2022	EV/EBITDA	EV/Revenue	
Albertsons Companies, Inc.		USA	\$13,097	\$27,384	\$78,761	6.4%	5.3x	5.1x	5.4x	0.3x
Grupo Comercial Chedraui, S.A.B. de C.V.		MEX	\$5,638	\$8,052	\$15,121	7.8%	6.5x	6.9x	6.8x	0.5x
La Comer, S.A.B. de C.V.		MEX	\$2,282	\$2,199	\$2,123	10.5%	14.9x	12.7x	9.8x	1.0x
Loblaw Companies Limited		CAN	\$26,892	\$39,393	\$42,970	10.5%	8.6x	9.6x	8.7x	0.9x
Organización Soriana, S. A. B. de C. V.		MEX	\$3,277	\$4,342	\$9,724	7.3%	5.3x	5.3x	6.1x	0.4x
Tesco PLC		GBR	\$22,767	\$35,468	\$82,240	6.4%	7.9x	7.0x	6.7x	0.4x
The Kroger Co.		USA	\$32,189	\$49,659	\$148,038	5.8%	7.2x	7.2x	5.8x	0.3x
Wal-Mart de México, S.A.B. de C.V.		MEX	\$65,780	\$67,449	\$49,946	10.2%	15.5x	15.6x	13.3x	1.4x
Walmart Inc.		USA	\$430,462	\$489,438	\$630,794	6.4%	10.6x	11.3x	12.1x	0.8x
Woolworths Group Limited		AUS	\$29,322	\$38,833	\$41,488	8.0%	12.1x	12.1x	11.7x	0.9x
						Mean	9.4x	9.3x	8.7x	0.7x
						Median	8.2x	8.4x	7.8x	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		Third Quarter Sep. 30, 2023		
						2021	2022	EV/EBITDA	EV/Revenue	
Almacenes Éxito S.A.		COL	\$941	\$1,920	\$5,407	6.9%	8.2x	6.1x	5.1x	0.4x
Aeon Co., Ltd.		JPN	\$16,960	\$33,717	\$62,539	6.0%	9.1x	8.9x	8.9x	0.5x
BJ's Wholesale Club Holdings, Inc.		USA	\$9,544	\$12,632	\$19,402	7.0%	9.1x	10.5x	9.4x	0.7x
Carrefour SA		FRA	\$12,410	\$30,781	\$90,922	5.4%	6.3x	6.4x	6.3x	0.3x
Costco Wholesale Corporation		USA	\$250,160	\$243,810	\$242,290	4.4%	20.6x	21.8x	22.9x	1.0x
J Sainsbury plc		GBR	\$7,190	\$14,390	\$39,131	6.4%	6.5x	6.0x	5.7x	0.4x
Sun Art Retail Group Limited		CHN	\$2,022	\$448	\$11,466	5.5%	4.4x	1.5x	0.7x	0.0x
Target Corporation		USA	\$51,040	\$68,695	\$108,008	7.4%	11.1x	9.5x	8.6x	0.6x
						Mean	7.8x	7.0x	6.4x	0.5x
						Median	8.7x	7.6x	7.4x	0.5x

■ Excluded from mean and median

Supermarkets Industry – Global Transactions

Date	Target	Country	Description	Buyer	Seller	% Acquired	Size US\$M	EV/ EBITDA	EV/ Revenue
Sep-23	57 Match and Smatch stores	BEL	Match: Operates a chain of supermarkets Smatch: Operates a chain of discount supermarket stores			100.0%	-	-	-
Sep-23	47 SuperCor supermarkets	ESP	Operates a chain of supermarkets in Spain			100.0%	\$60.0	-	-
Sep-23	10 former Aldi stores	DNK	Operates a chain of supermarkets			100.0%	-	-	-
Sep-23	Specific Assets of Kroger and Albertsons	USA	Albertsons: Operates supermarkets Kroger: Operates supermarkets and multi-department stores			100.0%	\$1,900.0	-	-
Sep-23	4 stores of Jan Linders	NLD	Operates a chain of supermarkets			100.0%	-	-	-
Aug-23	 Nityinis	IND	Operates a chain of supermarkets in South India			100.0%	\$8.1	-	1.7x
Aug-23	 Good Groceries	USA	Operates food grocery stores		-	100.0%	-	-	-
Aug-23	400 Winn-Dixie-branded supermarkets	USA	Operates grocery stores			100.0%	-	-	-
Aug-23	18 Save A Lot supermarkets	USA	Operates a chain of discount supermarket stores			100.0%	-	-	-
Jul-23	2 hypermarkets and 25 supermarkets	LUX	Cora: Operates a chain of hypermarkets, Match: Operates a chain of supermarkets, Smatch: Operates a chain of discount supermarket stores			100.0%	-	-	-
Jul-23	Assets of Cora and Match in France	FRA	Cora: Operates a chain of hypermarkets Match: Operates a chain of supermarkets			100.0%	\$1,167.6	-	-

Selected Transactions Commentary



“We set ourselves an ambitious goal of reaching 150 stores in the current business year. With these ten new locations, we now reach 154 stores. This is an unprecedented expansion in Lidl Denmark's history.”

Jens Stratmann, CEO of Lidl Denmark



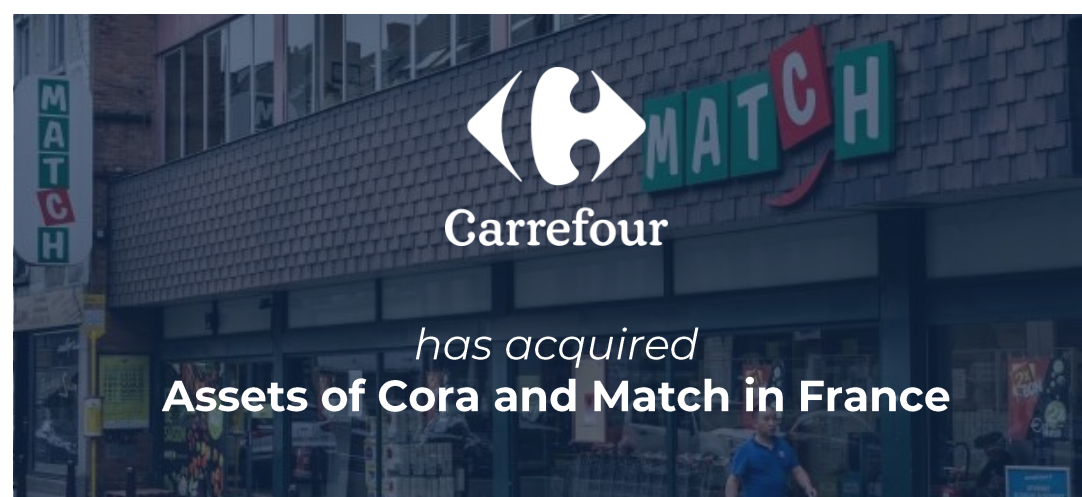
“The time was right to build on our growth momentum and help residents in the Southeast save on their grocery bills. The transaction supports our long-term growth strategy across the United States, including plans to add 120 new stores nationwide this year to reach a total of more than 2,400 stores by year-end.”

Jason Hart, CEO of Aldi U.S.



“As we’ve made a strategic shift to become a licensed wholesaler, it’s clear that our long-term growth momentum must be rooted in the success of our strong network of Retail Partners.”










Leon Bergmann, CEO of Save a Lot



“With the acquisition of the Cora and Match banners, Carrefour is announcing its first major acquisition in France in more than twenty years and consolidates its leading position in food retail in its domestic market.”

Alexandre Bompard, Chairman and CEO of Carrefour Group

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
 Food and Beverage Stores <i>NAICS 445 – Food and Beverage Stores</i>	 2018-2021	 \$80.0M	 \$60.9M	 28.3%	 1.3x	 14.9%	 8.4x	 4
Grocery Stores <i>NAICS 4451 – Grocery Stores</i>	2003-2017	\$234.8M	\$0.3M	-1.7%	0.3x	5.5%	6.0x	5

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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Representative Engagements

 <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 Sanitaryware business units ST. THOMAS CREATIONS and VITROMEX 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 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. 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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25

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