

Tea

Breakfast
Skin & Sun Care
Coffee & Tea
Biscuits

4

Cereal

Breakfast

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LOW PRICE
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LOW PRICE
ALWAYS
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Seale & Associates

SUPERMARKETS INDUSTRY
Q4 2023
VALUATION UPDATE

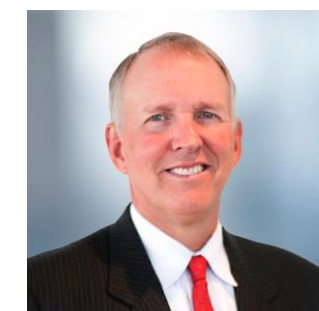
Introduction

We are pleased to share our supermarkets industry 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.

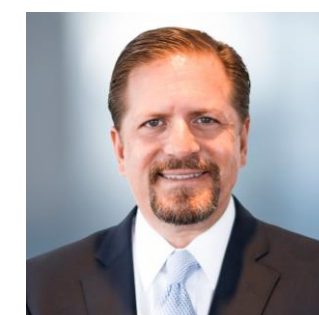
Over the course of 25+ years, we have successfully served clients all over the world, and we are delighted to continue providing investment banking advisory services to our clients who are looking to grow through acquisitions or optimize their portfolios through strategic divestitures.

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



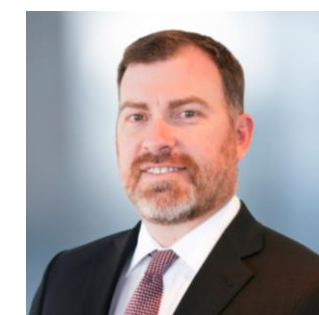
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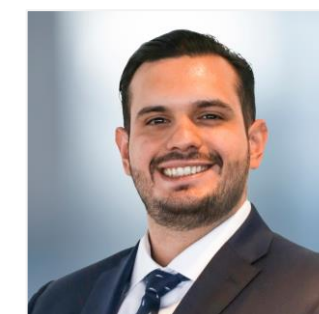
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Armando Rios | Vice President

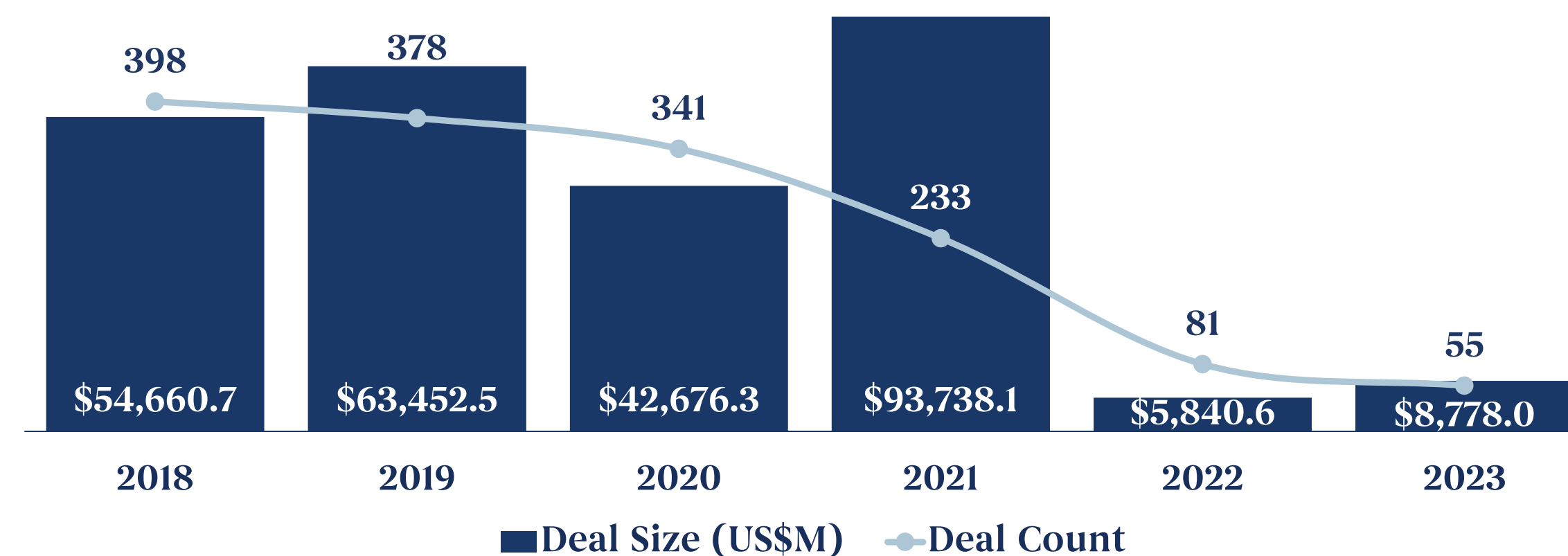
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Supermarkets Industry Overview, M&A Trends and Market Intelligence

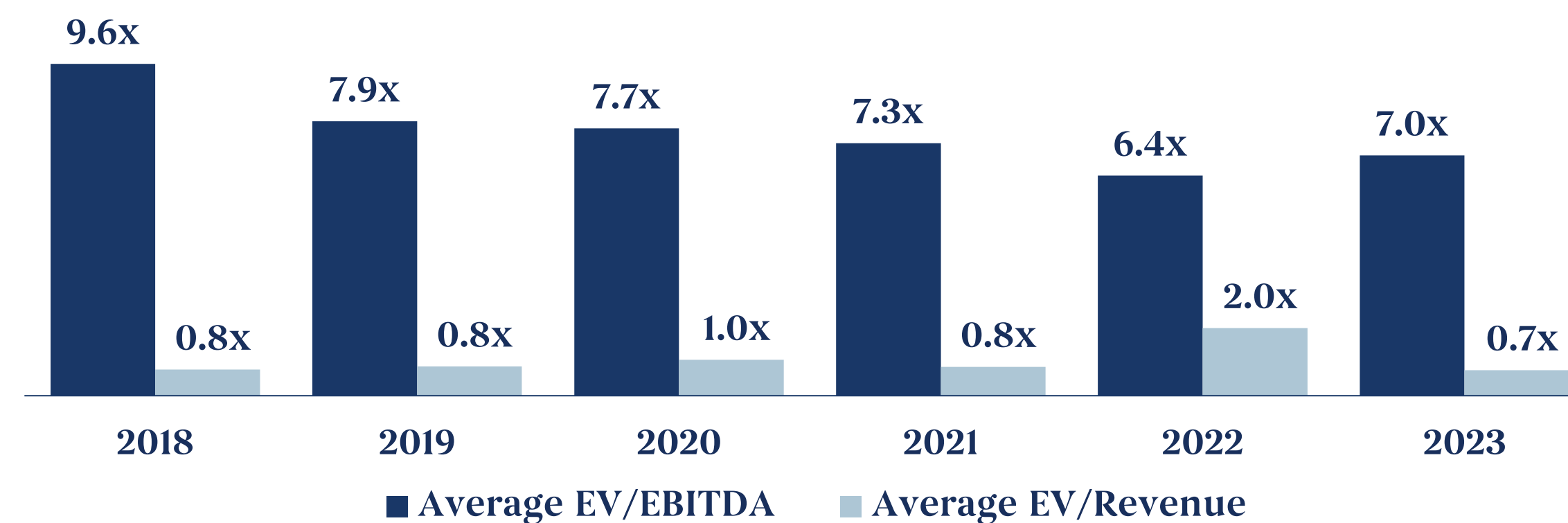
Supermarkets industry overview

- The supermarkets market size is estimated at **US\$0.9 trillion** 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**.
- 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**.
- 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**.

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		Fourth Quarter Dec. 31, 2023 EV/		
						2021	2022	EBITDA	Revenue	
Albertsons Companies, Inc.	 USA	\$13,246	\$27,623	\$79,163	6.3%	5.3x	5.1x	5.6x	0.3x	
Grupo Comercial Chedraui, S.A.B. de C.V.	 MEX	\$5,820	\$8,332	\$15,560	7.6%	6.5x	6.9x	7.0x	0.5x	
La Comer, S.A.B. de C.V.	 MEX	\$2,807	\$2,804	\$2,187	11.1%	14.9x	12.7x	11.5x	1.3x	
Loblaw Companies Limited	 CAN	\$30,415	\$42,859	\$45,076	10.2%	8.6x	9.6x	9.3x	1.0x	
Organización Soriana, S. A. B. de C. V.	 MEX	\$3,869	\$5,306	\$10,418	7.0%	5.3x	5.3x	7.2x	0.5x	
Tesco PLC	 GBR	\$25,950	\$40,119	\$85,841	6.4%	7.9x	7.0x	7.3x	0.5x	
The Kroger Co.	 USA	\$32,885	\$51,052	\$147,797	5.9%	7.2x	7.2x	5.9x	0.3x	
Wal-Mart de México, S.A.B. de C.V.	 MEX	\$73,857	\$75,333	\$52,438	10.4%	15.5x	15.6x	13.8x	1.4x	
Walmart Inc.	 USA	\$424,431	\$490,612	\$638,785	6.4%	10.6x	11.2x	12.0x	0.8x	
Woolworths Group Limited	 AUS	\$30,875	\$40,923	\$44,826	7.8%	12.1x	12.1x	11.7x	0.9x	
						Mean	9.4x	9.3x	9.1x	0.8x
						Median	8.2x	8.4x	8.3x	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		Fourth Quarter Dec. 31, 2023 EV/		
						2021	2022	EBITDA	Revenue	
Almacenes Éxito S.A.	 COL	\$1,184	\$2,279	\$5,492	6.7%	8.2x	6.1x	6.2x	0.4x	
Aeon Co., Ltd.	 JPN	\$19,110	\$36,617	\$66,794	6.1%	9.1x	8.9x	8.9x	0.5x	
BJ's Wholesale Club Holdings, Inc.	 USA	\$8,891	\$11,955	\$19,541	7.0%	9.1x	10.5x	8.8x	0.6x	
Carrefour SA	 FRA	\$12,802	\$31,987	\$93,852	5.5%	6.3x	6.4x	6.2x	0.3x	
Costco Wholesale Corporation	 USA	\$292,896	\$284,379	\$245,652	4.6%	20.6x	21.8x	25.1x	1.2x	
J Sainsbury plc	 GBR	\$8,985	\$16,448	\$40,844	6.4%	6.5x	6.0x	6.3x	0.4x	
Target Corporation	 USA	\$65,750	\$83,383	\$106,888	7.9%	11.1x	9.5x	9.9x	0.8x	
■ Excluded from mean and median						Mean	8.4x	7.9x	7.7x	0.6x
						Median	9.1x	8.9x	8.8x	0.5x

Supermarkets Industry – Global Transactions

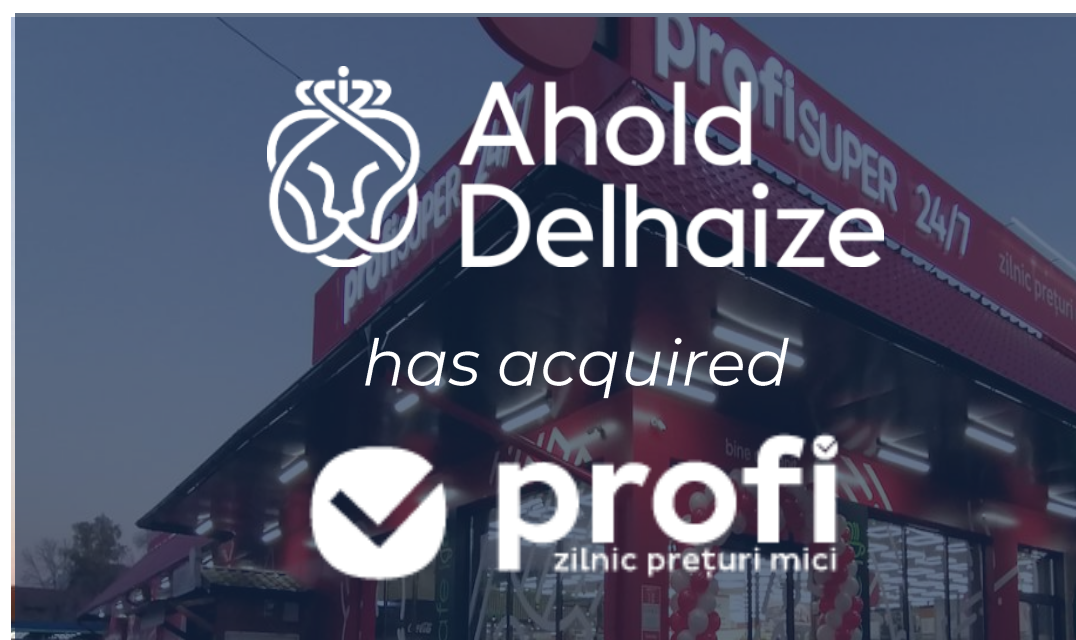
Date	Target	Country	Description	Buyer	Seller	% Acquired	Size US\$M	EV/ EBITDA	EV/ Revenue	
Nov-23		AUS	Owns and operates a chain of convenience stores in Australia		-	100.0%	\$1,132.4	-	-	
Nov-23		SVN	Operates a chain of supermarkets		-	100.0%	\$31.8	-	-	
Oct-23		ROM	Operates a chain of supermarkets		MidEuropa	100.0%	\$1,379.3	-	0.5x	
Oct-23		COL	Operates a chain of supermarkets		Multiple Sellers	85.2%	\$2,361.1	6.2x	0.4x	
Oct-23		GBR	Operates a chain of food stores		-	100.0%	-	-	-	
Oct-23		IMN	Operates a chain of food stores		-	100.0%	-	-	-	
Oct-23		JPN	Operates a chain of supermarkets		-	33.8%	\$169.8	-	0.1x	
								Mean	6.2x	0.3x
								Median	6.2x	0.4x

Selected Transactions Commentary



“The acquisition of 7-Eleven Australia demonstrates our commitment to growing 7-Eleven’s operations globally. We are looking forward to continuing to enhance the 7-Eleven brand in Australia, which enjoys a long-standing presence and unrivaled brand recognition with customers.”

Shinji Abe and Ken Wakabayashi, Co-CEO’s of 7-Eleven International



“I’d like to extend a very warm welcome to the full Profi team, we are very pleased to include them in our family. This step forwards fortifies our position in Central and Southern Europe, it also underscores our trust in the potential of the region.”


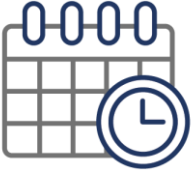







Wouter Kolk, CEO of Ahold Delhaize’s



“ScotFresh has an excellent reputation in the industry and is a well-recognised brand with significant customer loyalty and strong relationships with suppliers. For now, the stores will remain branded as ScotFresh, and we will run the operation as a separate business unit within our own business so we can share best practice.”

Colin McLean, CEO de CJ Lang

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>	 2018-2023	 \$80.0M	 \$60.9M	 28.3%	 1.3x	 14.9%	 8.4x	 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.

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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>HARRISON GYPSUM, LLC</p> <p>has been recapitalized by</p> <p>H. I. G. PRIVATE EQUITY</p>



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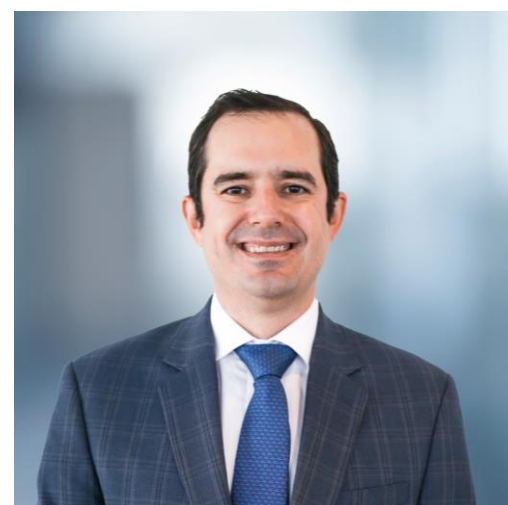


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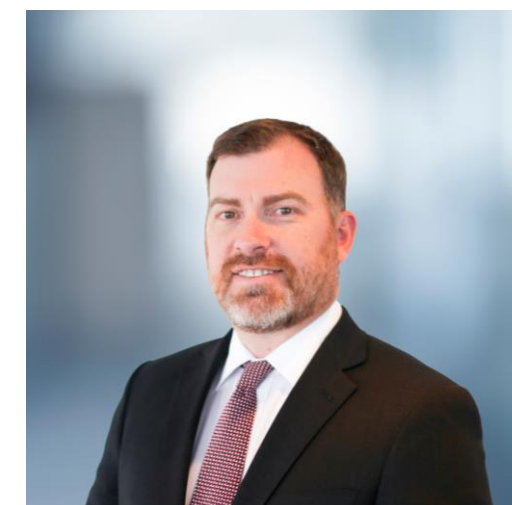


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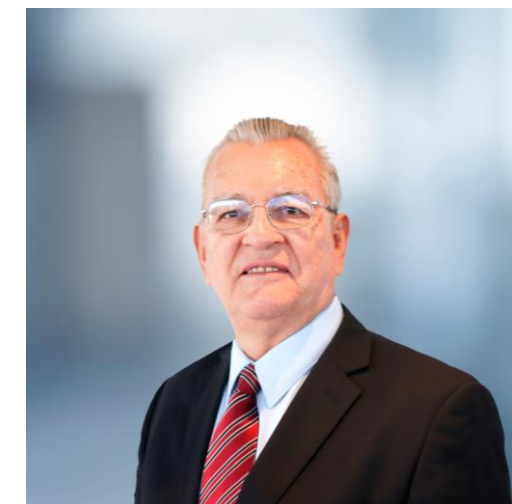


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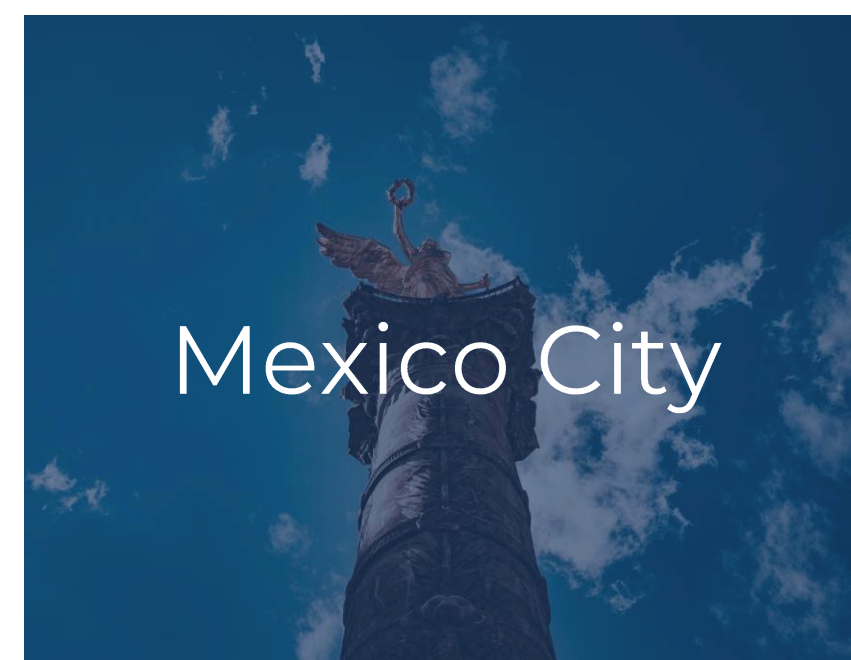
32+ years with Grupo Industrial Saltillo with experience as Director, Corp. Dev. and extensive global commercial experience
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MBA and BS in Industrial Engineering



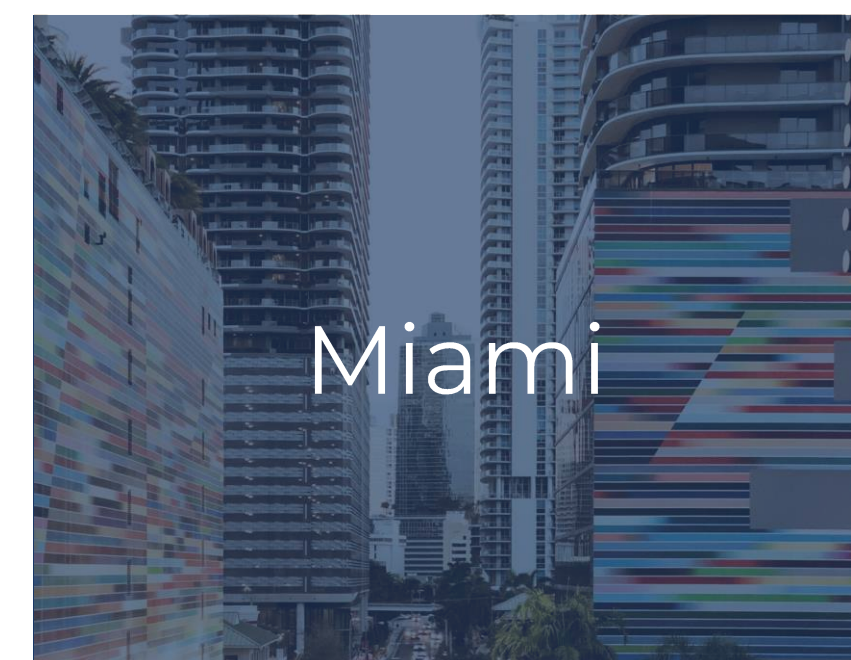
Washington D.C.



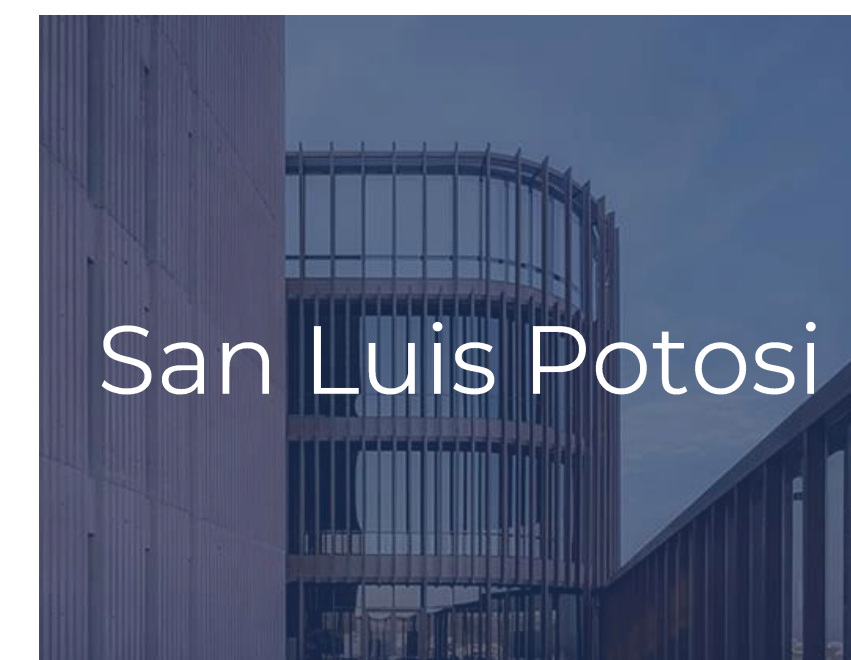
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25

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