

A photograph of a hamburger with a knife stuck through the top. The burger is on a sesame seed bun and contains a beef patty, cheese, tomato, and onions. The knife is a standard butter knife with a black handle. The background is dark and moody, with a white napkin visible on the left.

Seale & Associates

FOOD INDUSTRY
Q2 2023
VALUATION UPDATE

Introduction

We are pleased to share our Food Industry Multiples Valuation Update for Q2 2023.

At Seale & Associates, we are committed to providing process-driven solutions designed to optimize value and achieve our clients' 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 Food Industry clients that 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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Sector Relevant Experience

Extensive M&A transaction experience, including

- Provided acquisition advisory services to GBM, a leading Mexican market leader in supplying inputs to fruit and vegetable growers, on its sale to Arysta LifeScience, a global provider of crop protection and life science products
- Provided divestiture advisory services to a co-packer and private Label Manufacturer of Frozen Goods
- Provided acquisition advisory services to Grupo Chen, a producer of dairy products on its merger with Sigma Alimentos, a leading Mexican company in refrigerated foods a subsidiary of ALFA
- Provided advisory services to Unifoods, a leading Mexican food and beverage consumer products company
- Represented the shareholders of Caffenio, a leading Latin American coffee roaster and distributor, on the merger of their business with OXXO, the retail chain and distribution business of FEMSA
- Represented Arca Continental on the acquisition of three salty snack brands in the U.S. (Wise Snacks, Deep River Snacks, and Carolina Country Snacks)
- Provided corporate finance and valuation services to a leading Mexican manufacturer of orange juice concentrates
- Provided corporate advisory services for a leading Mexican producer of bananas and avocados



has been acquired by




Divestiture Advisory Services for a Co-packer and Private Label Manufacturer of Frozen Goods



has merged with




a business of





has partnered with



a subsidiary of

Valuation Advisory Services for a Manufacturer of Orange Juice Concentrates



Corporate Advisory Services for a Producer of Bananas and Avocados



Strategic Advisory Services



Valuation Advisory Services



Acquisition Advisory Services



Acquisition Advisory Services



Acquisition Advisory Services



Valuation Advisory Services

SEALE & ASSOCIATES' SECTOR RELEVANT EXPERIENCE

GRUPO CHEN

TARGET: Grupo Chen
TRANSACTION TYPE: Divestiture advisory
INDUSTRIES: Food & Beverage
GEOGRAPHY: Monterrey, Mexico

SITUATION

Seale & Associates was retained by the owner of Grupo Chen to advise on a sale of the company as part of succession planning. Grupo Chen produces, markets and distributes dairy products, including cheese, yogurt, butter, and dairy cream with a market leadership position in Northern Mexico.

SEALE & ASSOCIATES' APPROACH

Seale managed a preferred buyer process with Sigma Alimentos, while maintaining the option to initiate a competitive auction process with other interested strategic buyers for Grupo Chen. Seale's disciplined approach allowed our client to maintain momentum and negotiating leverage throughout the process and ensure closing at a premium value and more favorable terms.

OUTCOME

The process resulted in a successful acquisition of Grupo Chen by Sigma Alimentos, a subsidiary of ALFA (BMV:ALFA). Grupo Chen became Sigma's branded dairy products growth platform for the Mexican market.



has merged with











a business of



"When it came time to decide on a viable succession plan for my business, I knew that none of my children were interested taking over and the last thing I wanted was to leave them a potential mess after I was gone. Seale gave me "peace of mind" as they expertly guided me through the sale process for my life's work and made certain I got the very best price and terms."




Reynaldo Villarreal, Chief Executive Officer and Owner, Grupo Chen

Bread & Bakery Products 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, 2023		
						2021	2022	EV/EBITDA	EV/Revenue	
Aryzta AG		CHE	\$1,646	\$1,916	\$2,125	10.2%	15.8x	7.7x	7.4x	0.9x
Flowers Foods, Inc.		USA	\$5,271	\$6,608	\$4,904	9.8%	10.3x	11.5x	11.4x	1.3x
Grupo Bimbo, S.A.B. de C.V.		MEX	\$23,669	\$30,531	\$24,005	12.5%	6.3x	7.9x	9.2x	1.3x
Grupo Nutresa S. A.		COL	\$5,751	\$6,854	\$4,564	10.4%	9.9x	14.5x	13.7x	1.6x
Hostess Brands, Inc.		USA	\$3,364	\$4,265	\$1,383	21.2%	12.3x	14.7x	14.5x	3.1x
J&J Snack Foods Corp.		USA	\$3,049	\$3,149	\$1,515	10.2%	32.4x	19.2x	22.4x	2.1x
Lotus Bakeries NV		BEL	\$6,436	\$6,643	\$938	18.2%	30.8x	30.7x	37.0x	6.9x
M. Dias Branco S.A. Indústria e Comércio de Alimentos		BRA	\$2,968	\$3,391	\$2,118	8.6%	12.5x	13.9x	16.5x	1.5x
						Mean	11.2x	12.8x	12.1x	1.7x
						Median	11.3x	13.9x	12.5x	1.5x

■ Excluded from mean and median











Seasonings 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, 2023		
						2021	2022	EV/EBITDA	EV/Revenue	
Atlantic Grupa d.d.		HRV	\$725	\$805	\$985	5.6%	7.5x	8.1x	4.8x	0.8x
McCormick & Company, Incorporated		USA	\$23,395	\$28,196	\$6,516	18.0%	21.9x	22.4x	22.4x	4.3x
The Kraft Heinz Company		USA	\$43,567	\$63,120	\$27,096	22.7%	8.6x	8.8x	8.5x	2.3x
■ Excluded from mean and median						Mean	8.0x	8.4x	6.7x	1.6x
						Median	8.0x	8.4x	6.7x	1.6x

Grains & Cereals 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, 2023		
						2021	2022	EV/EBITDA	EV/Revenue	
General Mills, Inc.		USA	\$44,884	\$56,496	\$20,094	18.4%	11.5x	13.5x	14.3x	2.8x
Gruma, S.A.B. de C.V.		MEX	\$5,928	\$7,740	\$6,238	13.7%	7.8x	5.0x	8.6x	1.2x
Kellogg Company		USA	\$23,102	\$30,657	\$15,873	12.4%	11.9x	12.1x	14.7x	2.0x
Post Holdings, Inc.		USA	\$5,523	\$11,217	\$6,625	14.4%	12.6x	12.1x	12.4x	1.8x
■ Excluded from mean and median						Mean	8.8x	8.5x	12.5x	1.6x
						Median	11.5x	12.1x	13.4x	1.9x

Dairy 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, 2023		
						2021	2022	EV/EBITDA	EV/Revenue	
Danone S.A.	 FRA	\$39,297	\$50,491	\$31,117	15.0%	9.8x	9.2x	10.4x	1.7x	
Emmi AG	 CHE	\$5,159	\$5,835	\$4,575	8.8%	13.4x	13.8x	14.0x	1.2x	
Fonterra Co-operative Group Limited	 NZL	\$3,224	\$6,435	\$15,875	9.7%	7.7x	6.3x	4.0x	0.4x	
Glanbia plc	 IRL	\$3,976	\$4,611	\$6,030	7.0%	12.7x	11.5x	9.8x	0.7x	
Leche Gloria S.A.	 PER	\$755	\$1,105	\$1,398	9.9%	6.1x	7.5x	7.6x	0.8x	
Meiji Holdings Co., Ltd.	 JPN	\$6,205	\$6,483	\$7,454	12.2%	7.3x	6.9x	7.4x	0.9x	
Saputo Inc.	 CAN	\$9,453	\$12,305	\$13,188	8.0%	13.2x	14.3x	10.9x	0.9x	
Savencia SA	 FRA	\$856	\$1,663	\$7,001	6.2%	4.4x	3.8x	3.5x	0.2x	
Unibel S.A.	 FRA	\$2,264	\$3,466	\$4,041	9.7%	8.1x	9.0x	9.6x	0.9x	
Yakult Honsha Co.,Ltd.	 JPN	\$9,828	\$9,018	\$3,439	18.9%	12.3x	13.1x	13.9x	2.7x	
						Mean	9.5x	9.6x	9.1x	1.0x
						Median	9.0x	9.1x	9.7x	0.9x

Sources: Capital IQ, Mergermarket, TTR

Meat & Seafood 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, 2023		
						2021	2022	EV/EBITDA	EV/Revenue	
Brim hf.		ISL	\$1,142	\$1,355	\$511	23.5%	15.3x	12.8x	11.0x	2.6x
BRF S.A.		BRA	\$1,992	\$6,096	\$11,242	2.6%	7.2x	7.9x	10.2x	0.5x
Floridienne S.A.		BEL	\$823	\$1,125	\$557	10.6%	19.4x	20.6x	17.5x	2.0x
Hormel Foods Corporation		USA	\$21,971	\$24,681	\$12,267	12.0%	17.4x	14.0x	12.3x	2.0x
JBS S.A.		BRA	\$8,032	\$28,767	\$76,293	5.2%	4.7x	3.5x	5.2x	0.4x
L.D.C. S.A.		FRA	\$2,215	\$1,807	\$6,206	9.5%	4.4x	3.8x	3.0x	0.3x
Minerva S.A.		BRA	\$1,290	\$3,004	\$6,001	9.2%	4.9x	5.4x	5.2x	0.5x
Mowi ASA		NOR	\$8,211	\$10,590	\$5,658	25.8%	16.0x	10.8x	6.3x	1.9x
ORIOR AG		CHE	\$558	\$705	\$689	9.4%	15.2x	12.7x	10.5x	1.0x
Pilgrim's Pride Corporation		USA	\$5,087	\$8,468	\$17,070	5.1%	8.0x	5.6x	5.8x	0.5x
Tyson Foods, Inc.		USA	\$18,150	\$26,592	\$53,270	5.1%	6.9x	4.9x	6.2x	0.5x
						Mean	10.0x	8.2x	7.6x	1.1x
						Median	7.6x	6.8x	6.2x	0.5x

■ Excluded from mean and median












Prepared & Preserved Foods 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, 2023		
						2021	2022	EV/EBITDA	EV/Revenue	
B&G Foods, Inc.		USA	\$1,005	\$3,322	\$2,133	14.5%	11.5x	12.1x	10.5x	1.6x
Bakkavor Group plc		GBR	\$696	\$1,178	\$2,578	6.3%	7.2x	6.0x	6.3x	0.4x
Camil Alimentos S.A.		BRA	\$512	\$1,124	\$2,050	5.7%	6.7x	7.2x	7.7x	0.5x
Campbell Soup Company		USA	\$13,626	\$18,449	\$9,276	17.7%	9.3x	9.9x	9.5x	2.0x
CJ Cheiljedang Corporation		KOR	\$3,144	\$14,203	\$23,139	9.7%	6.9x	6.5x	6.4x	0.6x
Conagra Brands, Inc.		USA	\$16,081	\$25,575	\$12,277	18.4%	10.4x	11.9x	10.3x	2.1x
Ebro Foods, S.A.		ESP	\$2,714	\$3,352	\$3,349	11.9%	8.9x	9.1x	8.9x	1.0x
Lamb Weston Holdings, Inc.		USA	\$16,749	\$19,319	\$5,351	20.3%	16.8x	17.6x	18.9x	4.0x
Nissin Foods Holdings Co.,Ltd.		JPN	\$8,349	\$8,180	\$4,748	12.0%	11.4x	12.7x	14.0x	1.8x
Nomad Foods Limited		GBR	\$3,057	\$5,079	\$3,308	16.3%	12.4x	11.2x	9.2x	1.6x
Orkla ASA		NOR	\$7,172	\$9,187	\$5,980	14.3%	11.2x	10.1x	9.3x	1.6x
The J. M. Smucker Company		USA	\$15,078	\$18,363	\$8,529	18.9%	9.6x	11.4x	10.7x	2.2x
TreeHouse Foods, Inc.		USA	\$2,837	\$4,413	\$3,610	9.6%	8.4x	10.6x	12.2x	1.2x
						Mean	9.5x	9.9x	9.6x	1.4x
						Median	9.4x	10.3x	9.4x	1.6x
































■ Excluded from mean and median

Sources: Capital IQ, Mergermarket, TTR

LatAm Consumer Foods 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, 2023		
						2021	2022	EV/EBITDA	EV/Revenue	
Alicorp S.A.A.	 PER	\$1,323	\$2,494	\$4,094	8.6%	7.1x	6.5x	6.2x	0.6x	
BRF S.A.	 BRA	\$1,992	\$6,096	\$10,851	4.0%	7.2x	7.9x	10.2x	0.5x	
Grupo Bimbo, S.A.B. de C.V.	 MEX	\$23,669	\$30,531	\$24,005	12.5%	6.3x	7.9x	9.2x	1.3x	
Camil Alimentos S.A.	 BRA	\$512	\$1,124	\$2,050	5.7%	6.7x	7.2x	7.7x	0.5x	
Carozzi S.A.	 CHL	\$442	\$1,290	\$1,792	13.1%	6.7x	6.7x	5.4x	0.7x	
Colombina S.A.	 COL	\$135	\$419	\$682	11.1%	8.0x	6.5x	4.7x	0.6x	
Gruma, S.A.B. de C.V.	 MEX	\$5,928	\$7,740	\$6,238	13.7%	7.8x	5.0x	8.6x	1.2x	
Grupo Herdez, S.A.B. de C.V.	 MEX	\$868	\$1,941	\$1,998	14.3%	7.3x	6.3x	5.8x	1.0x	
Grupo Nutresa S. A.	 COL	\$5,751	\$6,854	\$4,564	10.4%	9.9x	14.5x	13.7x	1.6x	
M. Dias Branco S.A. Indústria e Comércio de Alimentos	 BRA	\$2,968	\$3,391	\$2,118	8.6%	12.5x	13.9x	16.5x	1.5x	
Molinos Rio de la Plata S.A.	 ARG	\$503	\$575	\$669	4.2%	8.2x	12.2x	22.0x	1.1x	
■ Excluded from mean and median						Mean	8.0x	8.6x	8.8x	1.0x
						Median	7.3x	7.2x	8.2x	1.0x

Food – Q2 Global Transactions










Date	Target	Country	Description	Buyer	Seller	% Acquired	Size US\$M	EV/ EBITDA	EV/ Revenue
Jun-23		AUS	Produces bakery products			100.0%	-	-	-
Jun-23		DEU	Processes and delivers freeze dried and air-dried ingredients		-	100.0%	-	-	-
Jun-23		USA	Operates as a global food company that provides high-quality plant-based sweeteners, flavor enhancers and other foods through their portfolio of brands	Martin Franklin	-	78.9%	\$169.0	12.2x	1.1x
Jun-23		FRA	Operates as the second-largest meat supplier in France			49.0%	-	-	-
Jun-23		USA	Produces and sells frozen Greek yogurt bars		-	100.0%	-	-	-
Jun-23		ESP	Provides chips, salty snacks, and nuts		-	100.0%	-	-	-
Jun-23		CAN	Produces chocolate and bakery products		Multiple Sellers	100.0%	-	-	-
May-23		COL	Produces raw materials and inputs for food processing		-	100.0%	\$62.0	-	-
May-23		USA	Operates a dairy farm that produces milk and cheese	REVERENCE FARMS 	-	100.0%	-	-	-
May-23		USA	Produces artisan chutneys, condiments, emulsions, pickles, preserves & spice blends		-	100.0%	-	-	-
May-23		USA	Operates as a chef-driven, plant-based food company		-	100.0%	-	-	-
May-23		ESP	Processes, packages, and distributes paprika, spices, and oleoresins for third parties and final consumers		-	>50%	-	-	-
May-23		USA	Operates as a plant that produces beef		-	100.0%	-	-	-
May-23		USA	Operates as a contract manufacturer, supplier, and distributor of frozen food		-	100.0%	-	-	-
May-23		TUR	Produces frozen bakery products		-	100.0%	\$46.2	-	-

Food – Q2 Global Transactions (Continued)

Date	Target	Country	Description	Buyer	Seller	% Acquired	Size US\$M	EV/ EBITDA	EV/ Revenue
May-23		ESP	Produces biscuits		-	100.0%	-	-	-
May-23		USA	Produces and sells Mexican cheese and sour cream		-	85.0%	-	-	-
Apr-23		CAN	Provides a variety of frozen foods		-	100.0%	-	-	-
Apr-23	Meat Processing plant in Tlaxcala	MEX	Processes, packages, and distributes meat products			100.0%	-	-	-
Apr-23	Home Port Seafood, Inc.	USA	Produces frozen seafood		-	100.0%	-	-	-

Sources: Capital IQ, Mergermarket, TTR

Private Equity Transactions

INDUSTRY CLASSIFICATION	PERIOD	AVERAGE ENTERPRISE VALUE (IN USD)	REVENUE (IN USD)	TTM REVENUE GROWTH	ENTERPRISE VALUE / REVENUE	EBITDA MARGIN	ENTERPRISE VALUE /EBITDA	NUMBER OF TRANSACTIONS
 Food Manufacturing <small>NAICS 311- Food Manufacturing</small>	 2018-2023	 \$52.6M	 \$49.3M	 16.0%	 1.4x	 17.9%	 7.5x	 60
Other Food Manufacturing <small>NAICS 3119- Other Food Manufacturing</small>	2018-2023	\$59.1M	\$54.7M	19.6%	1.5x	18.1%	7.7x	22

Source: GF Data

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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S U S C R I B E

Representative Global Engagements

 has acquired 	 has acquired 	 has sold Triumph Processing - Embee Division to 	 has sold Triumph Air Repair & Triumph Engines businesses to 	 has acquired unified brands from 	 has partnered with a company backed by 	 has acquired 	 has sold the North American guarding business of to 	 has sold to 	 has sold to 	 a subsidiary of has sold to
 has sold to Daives Baird Pty Ltd a sister company of 	 has acquired 	 has sold to Code Flower Inc.	 has sold its GRACE Membranes Business a subsidiary of 	 has sold and to 	 has sold a controlling interest to 	 has been acquired by 	 has sold SENSI CARE and ALOE+VESTA to 	 has sold their Sanitaryware Manufacturing Plant to 	 has acquired Multiple snack companies 	 has sold to
 has sold Commercial Flight Training Business to 	 has been acquired by 	 has sold Oxbow Sulphur, Inc. to 	 has been acquired by 	 has sold to 	 has acquired 	 has acquired 	 has acquired 	 has sold its SYCAR Resins business to 	 has sold to Private Equity Partners	 has been acquired by
 has sold to 	 has acquired KFC Costa Rica from 	 has been acquired by 	 has sold to 	 has sold the Films Business of to 	 has been acquired by 	 has sold to 	 Oxbow's Senior Subordinated debt issued by was refinanced by 	 has sold to 	 has acquired from THE MOORE COMPANY	 sold its concrete pumping business to

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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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