

A row of five condensation-covered aluminum cans is shown on a production line. The cans are arranged in a slightly descending line from left to right. The background is a blurred industrial setting with metal rails and machinery. The overall color palette is a muted, monochromatic blue-grey.

Seale & Associates

NON-ALCOHOLIC BEVERAGES INDUSTRY
Q1 2023
VALUATION UPDATE

Introduction

We are pleased to share our Non-Alcoholic Beverages Industry Multiples Valuation Update for Q1 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 23+ years, we have successfully served clients all over the world, and we are delighted to continue providing investment banking advisory services to our Non-Alcoholic Beverages 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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SEALE & ASSOCIATES' SECTOR RELEVANT EXPERIENCE

Café Del Pacífico

TARGET: Café Del Pacífico, S.A. de C.V. ("Caffenio")

TRANSACTION TYPE: Joint Venture advisory

INDUSTRIES: Food and Beverage

GEOGRAPHY: Hermosillo, Mexico

SITUATION

Seale & Associates was retained by the family owners of Caffenio, a leading Mexican roaster and producer of coffee and coffee related products to advise on the structuring of a transaction with OXXO, their largest client by sales and volume. OXXO and our client had strong concerns about the highly dependent nature of their commercial relationship and how best to grow the venture.

SEALE & ASSOCIATES' APPROACH

Seale performed a comprehensive analysis of the situation and designed an optimal transaction structure that addressed the concerns of both partners.

OUTCOME

The process resulted in the sale of a minority equity participation and the execution of a long-term supply agreement with OXXO. After the transaction, Caffenio has experienced accelerated growth driven by a stronger relationship with OXXO.



"We asked Seale to help us design and execute a joint venture with a major customer. They designed a custom transaction structure that perfectly addressed our needs and the needs of our major customer. They earned our trust and the trust of our partner – and both parties could not be happier about the outcome".

José Antonio Díaz, President and CEO Café Del Pacífico, S.A. de C.V.

SEALE & ASSOCIATES' SECTOR RELEVANT EXPERIENCE

Grupo Fomento Queretano

TARGET: Grupo Fomento Queretano

TRANSACTION TYPE: Merger advisory

INDUSTRIES: Consumer Products, Food and Beverage

GEOGRAPHY: Queretaro, Mexico

SITUATION

Seale & Associates was retained by the family owners of Grupo Fomento Queretano, one of the oldest family-owned Coca-Cola bottlers in Mexico, to analyze strategic alternatives for their business in the context of a changing industry landscape.

SEALE & ASSOCIATES' APPROACH

Seale presented the family with a range of strategic alternatives and outcome scenarios for a sale or merger with three industry consolidators considering the family's value, timing, and control objectives. After the family decided that a merger with Coca-Cola FEMSA was the preferred alternative, Seale ran a disciplined and expedited process to achieve the shareholder's objectives.

OUTCOME

Seale's approach resulted in a successful merger with Coca-Cola FEMSA. As a result of the merger, Grupo Fomento Queretano's shareholders received 45.1 million newly issued KOF series L shares for a total aggregate enterprise transaction value of approximately Ps. 7.6 billion (US\$580 million), including the assumption of debt.



FOQUE
GRUPO FOMENTO QUERETANO

merged its beverage
division with



"From the very beginning of the planning process before our merger with Coca-Cola FEMSA, Seale listened and provided straightforward answers to each and every one of our family member's questions and concerns and outlined the full range of options. Their professionals provided invaluable guidance and support as they helped us to navigate the merger negotiations. We knew we could count on their trusted advice to make certain we made the best decisions for our company, our employees, and our family".

Federico Ruiz Rubio, Board member and shareholder, Grupo Fomento Queretano

SEALE & ASSOCIATES' SECTOR RELEVANT EXPERIENCE

Grupo Tampico

TARGET: Grupo Tampico

TRANSACTION TYPE: Merger Advisory

INDUSTRIES: Consumer Products, Food and Beverage

GEOGRAPHY: Tamaulipas, Mexico

SITUATION

Seale & Associates was retained by Grupo Tampico's shareholders to properly analyze and structure the merger of the company's beverage division with Coca-Cola FEMSA.

SEALE & ASSOCIATES' APPROACH

Seale presented the family with a range of strategic alternatives and outcome scenarios for a sale or merger with three industry consolidators considering the family's value, timing, and control objectives. After the family decided that a merger with Coca-Cola FEMSA was the preferred alternative, Seale ran a disciplined and expedited process to achieve the shareholder's objectives.

OUTCOME

Seale's approach resulted in a successful merger with Coca-Cola FEMSA. As a result of the merger, Grupo Tampico's shareholders received 63.5 million newly issued KOF series L shares at a value of Ps. 103.20 per share.



merged its beverage
division with













"Seale provided our shareholders with valuable guidance on a wide range of important topics during the process and served as a trusted advisor in helping us to structure a successful merger with Coca-Cola FEMSA that met our family shareholders' objectives".

Robert Fleishman, Vice President, Grupo Tampico

"We are pleased to have successfully closed this very important merger transaction in a short period of time and consolidating our position as a leader in the Mexican beverage industry".

Carlos Salazar Lomelin, Chief Executive Officer, Coca-Cola FEMSA


Non-alcoholic Beverages Global Comparable Public Companies Small Cap

Company	Country	Market Cap. US\$M	Enterprise Value US\$M	Revenue US\$M	EBITDA Margin	Annual Average EV/EBITDA		First Quarter Mar. 31, 2023		
						2021	2022	EV/EBITDA	EV/Revenue	
A.G. BARR p.l.c.		GBR	\$694	\$634	\$393	16.8%	11.0x	9.8x	9.4x	1.6x
Fevertree Drinks PLC		GBR	\$1,852	\$1,755	\$415	10.1%	46.8x	26.3x	39.0x	4.1x
Hokkaido Coca-Cola Bottling Co.,Ltd.		JPN	\$219	\$161	\$396	5.6%	5.1x	7.4x	7.9x	0.4x
Kofola CeskoSlovensko a.s.		CZE	\$235	\$373	\$348	12.3%	10.0x	9.0x	8.0x	1.1x
Lotte Chilsung Beverage Co., Ltd.		KOR	\$1,272	\$2,204	\$2,260	13.6%	10.7x	7.8x	7.4x	1.0x
Mineralbrunnen Überkingen-Teinach GmbH & Co. KGaA		DEU	\$109	\$121	\$148	14.0%	9.2x	7.2x	5.6x	0.9x
Nichols plc		GBR	\$510	\$443	\$199	17.2%	25.7x	16.1x	12.3x	2.2x
Organización Cultiba, S.A.B. de C.V.		MEX	\$472	\$330	\$21	-31.0%	7.3x	4.7x	NM	14.8x
Société de Services, de Participations, de Direction et d'Elaboration Société anonyme		BEL	\$731	\$669	\$343	12.4%	13.3x	12.4x	12.5x	2.1x
Wisynco Group Limited		JAM	\$428	\$392	\$293	14.8%	12.5x	11.3x	9.0x	1.3x
						Mean	9.9x	8.7x	9.0x	1.3x
						Median	10.4x	8.4x	8.5x	1.2x

■ Excluded from mean and median

NM: Not Mesurable





Non-alcoholic Beverages Global Comparable Public Companies Mid Cap

Company	Country	Market Cap. US\$M	Enterprise Value US\$M	Revenue US\$M	EBITDA Margin	Annual Average EV/EBITDA		First Quarter Mar. 31, 2023		
						2021	2022	EV/EBITDA	EV/Revenue	
Britvic plc		GBR	\$2,848	\$3,566	\$1,803	14.9%	15.6x	12.0x	11.4x	1.8x
Celsius Holdings, Inc.		USA	\$7,129	\$7,341	\$654	-23.5%	NM	NM	NM	11.2x
Embotelladora Andina S.A.		CHL	\$2,217	\$3,207	\$3,127	16.9%	6.2x	5.3x	5.5x	1.0x
Ito En, Ltd.		JPN	\$3,332	\$3,169	\$3,271	7.5%	22.1x	17.6x	13.2x	1.0x
National Beverage Corp.		USA	\$4,922	\$4,839	\$1,170	17.4%	17.6x	18.3x	22.2x	4.1x
Primo Water Corporation		USA	\$2,449	\$4,051	\$2,215	17.4%	10.6x	9.6x	9.2x	1.8x
						Mean	12.5x	4.3x	9.8x	1.4x
						Median	13.1x	12.0x	10.3x	1.4x

■ Excluded from mean and median

NM: Not Measurable

Non-alcoholic Beverages Global Comparable Public Companies Large Cap

Company	Country	Market Cap. US\$M	Enterprise Value US\$M	Revenue US\$M	EBITDA Margin	Annual Average EV/EBITDA		First Quarter Mar. 31, 2023		
						2021	2022	EV/EBITDA	EV/Revenue	
Arca Continental, S.A.B. de C.V.		MEX	\$15,632	\$18,440	\$10,764	18.5%	7.7x	7.9x	8.3x	1.6x
Coca-Cola FEMSA, S.A.B. de C.V.		MEX	\$16,905	\$19,478	\$11,624	17.7%	7.6x	7.8x	9.2x	1.7x
Keurig Dr Pepper Inc.		USA	\$49,619	\$62,918	\$14,057	26.1%	16.4x	17.1x	16.4x	4.5x
Monster Beverage Corporation		USA	\$56,431	\$53,799	\$6,311	26.1%	26.2x	25.1x	32.4x	8.5x
PepsiCo, Inc.		USA	\$251,084	\$287,347	\$86,392	17.2%	17.2x	17.2x	17.8x	3.3x
Suntory Beverage & Food Limited		JPN	\$11,471	\$11,576	\$10,998	14.1%	8.1x	8.1x	7.5x	1.1x
The Coca-Cola Company		USA	\$268,361	\$300,730	\$43,004	31.4%	19.4x	19.9x	19.6x	7.0x
						Mean	12.7x	13.0x	13.1x	3.9x
						Median	12.2x	12.6x	12.8x	3.3x

■ Excluded from mean and median

Non-alcoholic Beverages – Q1 Global Transactions

Date	Target	Country	Description	Buyer	Seller	% Acquired	Size US\$M	EV/ EBITDA	EV/ Revenue
Mar-23		GBR	Produces soft drinks, mineral water, and bottled water		-	100.0%	-	-	-
Mar-23	YCL CO.,LTD.	JPN	Produces and sells soft drinks			100.0%	-	-	-
Mar-23		USA	Produces and sells energy drinks		-	ND	-	-	-
Mar-23		USA	Produces bottled water		-	100.0%	-	-	-
Feb-23		DEU	Produces bottled water		-	100.0%	-	-	-
Feb-23	NIR Advisors Private Limited	IND	Produces mineral and artificial water and other drinks	-		100.0%	-	-	-
Jan-23		USA	Produces and markets bottled soft drinks		-	100.0%	\$45.9	-	-
Jan-23		FRA	Produces mineral water	Neptune, SA	-	100.0%	-	-	-
Jan-23		DEU	Produces flavored functional water		-	45.0%	-	-	-
Jan-23		CAN	Produces and distributes mocktail and low-calorie beverages	Remington Resources Inc.	-	100.0%	\$1.3	-	-
Jan-23		IND	Produces and sells carbonated soft drinks and juices		-	50.0%	\$5.0	-	-

ND: Not Disclosed

Representative Global Engagements

 has acquired 	 has acquired 	 has sold Triumph Processing - Embee Division to All Metals Processing of Orange County	 has sold Triumph Air Repair & Triumph Engines businesses to THE GORES GROUP	 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 	 Engineers & Constructors 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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