



Seale & Associates

NON-ALCOHOLIC BEVERAGES
INDUSTRY
Q3 2024
VALUATION UPDATE

25 years

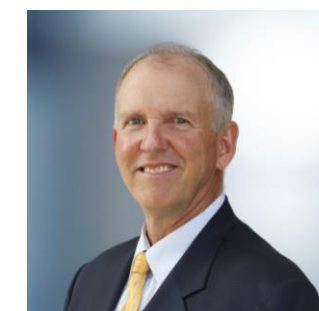
Introduction

We are pleased to share our Non-Alcoholic Beverages Industry Multiples Valuation Update for Q3 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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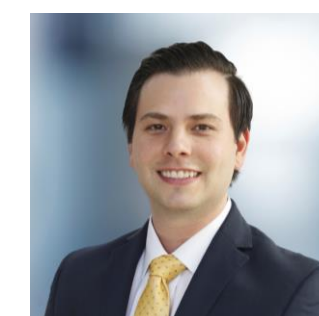
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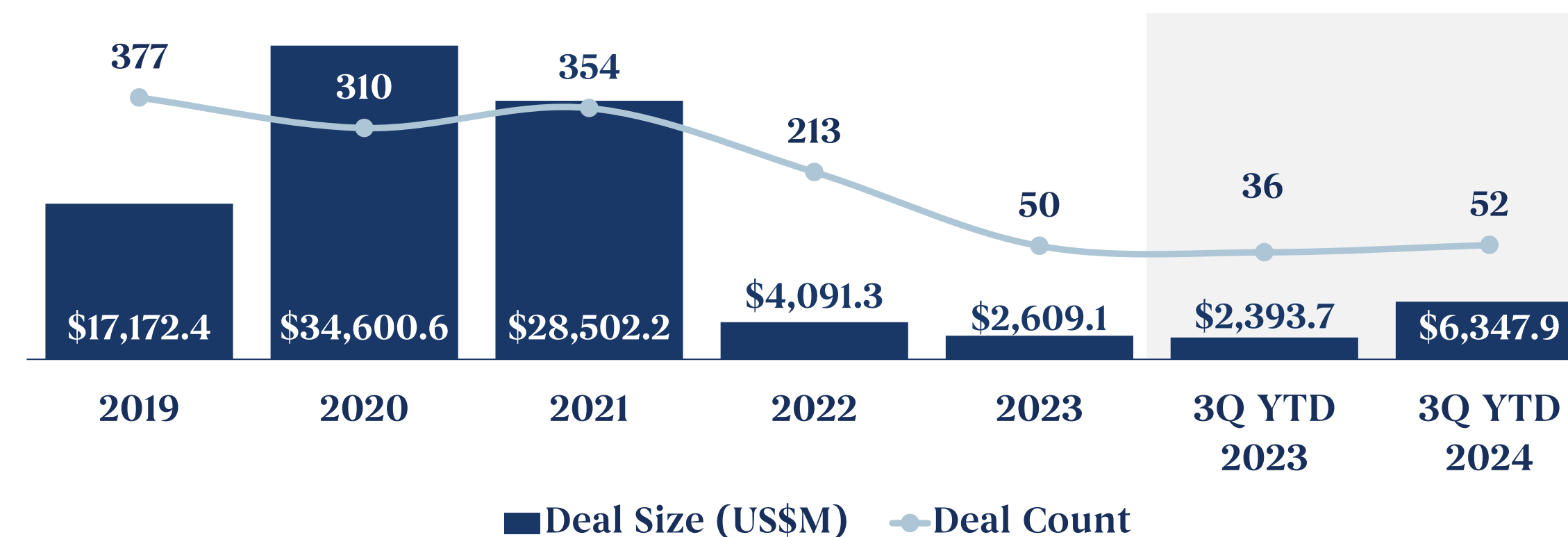
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Beverage's Industry Overview, M&A Trends and Market Intelligence

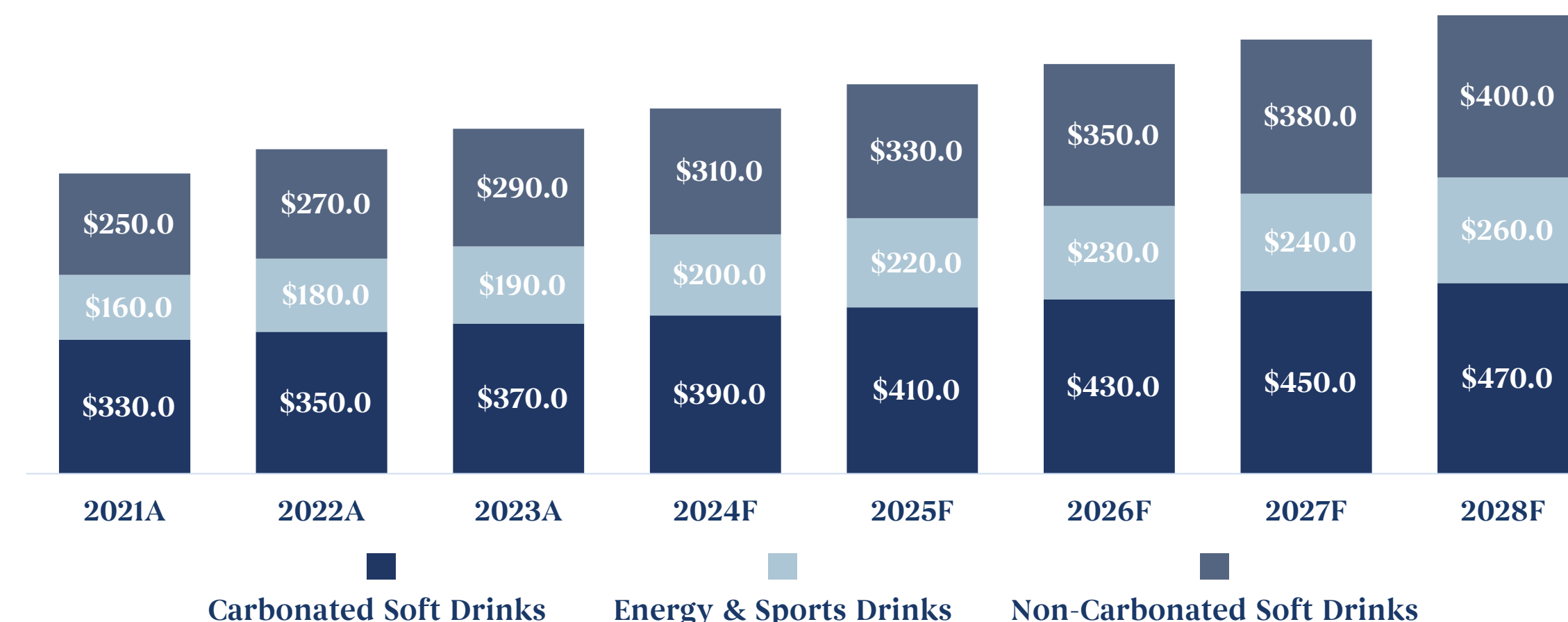
Global Beverage Industry Trends

- The Non-Alcoholic Drinks market is expected to reach **US\$162.1 billion** in revenue **by 2024**, with an annual growth rate (CAGR) of **11.1% from 2024 to 2029**
- The growing interest in **health and wellness** is driving the popularity of **functional beverages**. Products designed to boost energy, immunity, cognitive function, and gut health are **increasingly in demand**, driven by consumers prioritizing their physical or mental well-being
- Water leads the non-alcoholic beverage market, valued at **US\$428.3 billion in 2023** and projected to reach **US\$744.9 billion by 2034**, driven by rising demand for clean, convenient hydration
- The **rising demand** for health-focused, non-alcoholic beverages presents **new opportunities for emerging brands**. As consumers increasingly prioritize wellness, brands offering innovative, non-alcoholic options are well-positioned to capture this growing market
- Rising disposable incomes, urbanization, and changing lifestyles are **key factors** that contribute to **increased consumer spending on beverages**. Additionally, the **rise of e-commerce** has made it easier for consumers to access a wide range of non-alcoholic drinks, further **fueling market growth**

Beverage Industry M&A Deal Size and Volume




Beverage Industry Revenue (2021-2028) in Billions USD




Source: GlobalData., NIQ, Statista, Businesswire, Capital IQ

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, 2024		
						2022	2023	EV/EBITDA	EV/Revenue	
A.G. BARR p.l.c.		GBR	\$930	\$878	\$551	15.4%	9.8x	9.4x	10.3x	1.6x
Fevertree Drinks PLC		GBR	\$1,291	\$1,221	\$485	8.8%	26.3x	38.9x	28.7x	2.5x
Hokkaido Coca-Cola Bottling Co.,Ltd.		JPN	\$261	\$207	\$393	7.2%	7.4x	8.6x	7.3x	0.5x
Kofola CeskoSlovensko a.s.		CZE	\$312	\$496	\$436	15.3%	9.0x	7.4x	7.4x	1.1x
Lotte Chilsung Beverage Co., Ltd.		KOR	\$956	\$2,141	\$3,055	11.6%	7.7x	6.9x	6.0x	0.7x
Mineralbrunnen Überkingen-Teinach GmbH & Co. KGaA		DEU	\$112	\$125	\$168	12.5%	7.2x	6.1x	6.0x	0.7x
Nichols plc		GBR	\$480	\$388	\$227	17.2%	16.1x	11.8x	9.9x	1.7x
Spadel SA		BEL	\$898	\$775	\$400	17.3%	12.4x	13.1x	11.2x	1.9x
The Vita Coco Company, Inc.		USA	\$1,608	\$1,457	\$495	15.9%	35.4x	57.1x	18.5x	2.9x
Wisynco Group Limited		JAM	\$507	\$492	\$350	12.7%	11.3x	9.0x	11.1x	1.4x
						Mean	9.2x	9.0x	8.7x	1.2x
						Median	10.5x	9.2x	10.1x	1.5x

■ Excluded from mean and median

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, 2024		
						2022	2023	EV/EBITDA	EV/Revenue	
Britvic plc	 GBR	\$4,216	\$5,254	\$2,545	13.7%	11.9x	10.8x	15.1x	2.1x	
Celsius Holdings, Inc.	 USA	\$7,309	\$7,232	\$1,371	24.7%	NM	67.9x	21.4x	5.3x	
Embotelladora Andina S.A.	 CHL	\$2,727	\$3,641	\$3,117	16.9%	5.3x	5.7x	6.9x	1.2x	
Fraser & Neave Holdings Bhd	 MYS	\$2,778	\$2,703	\$1,272	15.5%	14.0x	13.2x	13.7x	2.1x	
Ito En, Ltd.	 JPN	\$2,481	\$2,370	\$3,195	6.9%	17.6x	12.9x	10.8x	0.7x	
National Beverage Corp.	 USA	\$4,394	\$4,364	\$1,197	21.9%	18.3x	19.8x	16.7x	3.6x	
Osotspa Public Company Limited	 THA	\$2,145	\$2,160	\$837	17.6%	19.2x	22.6x	14.7x	2.6x	
■ Excluded from mean and median						Mean	14.5x	14.2x	14.2x	2.3x
NM: Not Measurable						Median	15.8x	13.2x	14.7x	2.1x

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, 2024 EV/		
						2022	2023	EBITDA	Revenue	
Arca Continental, S.A.B. de C.V.		MEX	\$15,927	\$18,725	\$11,449	19.4%	7.9x	8.4x	8.4x	1.6x
Coca-Cola FEMSA, S.A.B. de C.V.		MEX	\$18,640	\$20,988	\$13,666	17.1%	7.8x	8.8x	9.0x	1.5x
Keurig Dr Pepper Inc.		USA	\$50,826	\$67,137	\$15,148	29.5%	17.1x	15.6x	15.0x	4.4x
Monster Beverage Corporation		USA	\$51,103	\$50,346	\$7,411	29.3%	25.1x	30.2x	23.2x	6.8x
PepsiCo, Inc.		USA	\$233,576	\$271,969	\$91,920	19.9%	17.2x	17.0x	14.9x	3.0x
Suntory Beverage & Food Limited		JPN	\$11,634	\$11,860	\$11,698	12.9%	8.1x	7.4x	7.9x	1.0x
The Coca-Cola Company		USA	\$309,707	\$337,328	\$46,366	36.8%	19.9x	18.5x	19.8x	7.3x
■ Excluded from mean and median						Mean	11.6x	11.5x	11.0x	2.3x
						Median	17.1x	15.6x	14.9x	3.0x

Beverage's Industry – Global Transactions

Date	Target	Country	Description	Buyer	Seller	% Acquired	Size US\$M	EV/ EBITDA	EV/ Revenue
Sep-24	La Compagnie Des Pyrenees	FRA	Acqua Sant'Anna , a mineral water company, acquired La Compagnie des Pyrénées , a producer of mineral water, to expand its presence in the European market and enhance its product portfolio		-	100.0%	\$55.8	-	-
Sep-24		USA	Diageo , a leading global beverage company, acquired Ritual Zero Proof , a producer of non-alcoholic spirits, to strengthen its position in the rapidly growing non-alcoholic beverage market	DIAGEO	-	100.0%	-	-	-
Sep-24	Pure Plus Co., Ltd.	KOR	Hanwha Galleria , a department store operator, acquired Pure Plus , a domestic beverage manufacturer specializing in non-alcoholic drinks		-	100.0%	-	-	-
Sep-24		GBR	Cott Retail Brands , a subsidiary of Cott Corporation , divested Aimia Foods , a food and beverage producer, aiming to streamline its operations and focus on core business areas	-	Cott Retail Brands Ltd.	100.0%	-	-	-
Aug-24	Kona Gold LLC	USA	Bemax , a private label development company, acquired Kona Gold , a producer of premium energy drinks, to diversify its product offerings and expand its presence in the consumer-packaged goods sector		NuVibe, Inc.	100.0%	-	-	-
Jul-24		PRT	Aquaservice , a water distribution company, acquired Eden Springs Portugal , a leading provider of bottled water coolers, to expand its presence in the Iberian Peninsula and enhance its service offerings			100.0%	\$20.8	-	-
Jul-24		ESP	Grupo Corporativo Fuertes , a leading agro-industrial conglomerate, acquired Agua de Solares , a company specializing in mineral water bottling and distribution		-	100.0%	-	-	-
Jul-24	Sermsuk Public Company Limited	THA	So Water Company , a wholly-owned subsidiary of Thai Beverage Public Company , acquired Sermsuk Public Company , a beverage producer known for brands like 'est' and 'Crystal' drinking water	So Water Company Limited	Prestige 2015 Company Limited	35.3%	\$161.6	13.6x	1.1x

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.

“They earned our trust and the trust of our partner”

 **CAFFENIO**[®]

has partnered with



a subsidiary of

FEMSA

“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.

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 MXN\$7.6 billion (US\$580 million), including the assumption of debt.

“Their professionals provided invaluable guidance and support”

FOQUE
GRUPO FOMENTO QUERETANO

merged its

Beverage Division

with

Coca-Cola
FEMSA

“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
Ex Board member and shareholder, Grupo Fomento Queretano

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. The issued KOF series L shares appreciated 19.8% to a price of MXN. 123.63 prior to closing, representing a total aggregate enterprise transaction value of MXN. 10.6 billion (approximately US\$800 million as of the closing date exchange rate). The transaction closed on October 11, 2011.

“Seale provided our shareholders with valuable guidance”



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

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<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 1888</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 IMPROVEMENTS IN SHAPE CUTTING 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 and Starboard Capital Partners 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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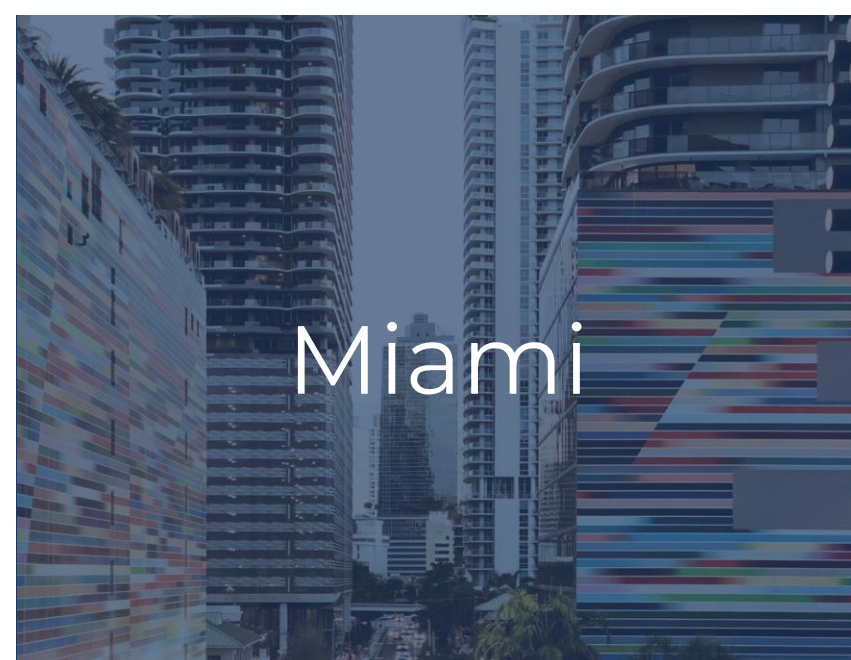
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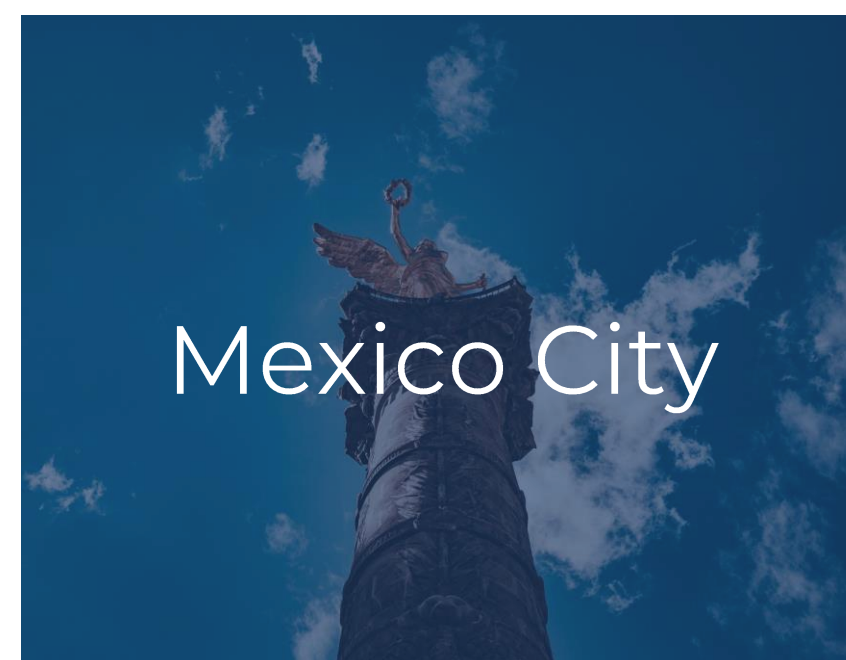
32+ years with Grupo Industrial Saltillo with experience as Director, Corp. Dev. and extensive global commercial experience
Instituto Tecnológico y de Estudios Superiores de Monterrey
MBA and BS in Industrial Engineering



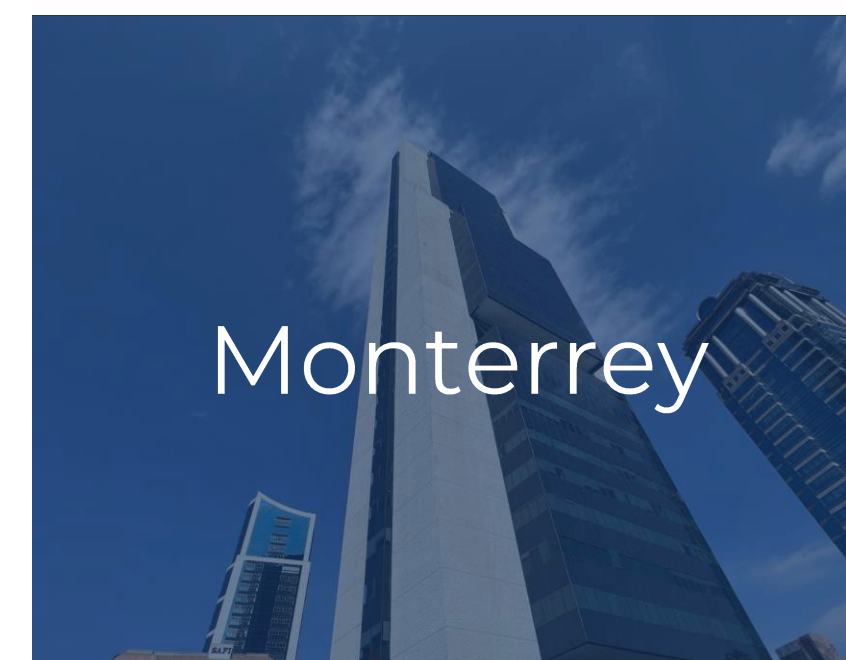
Washington D.C.



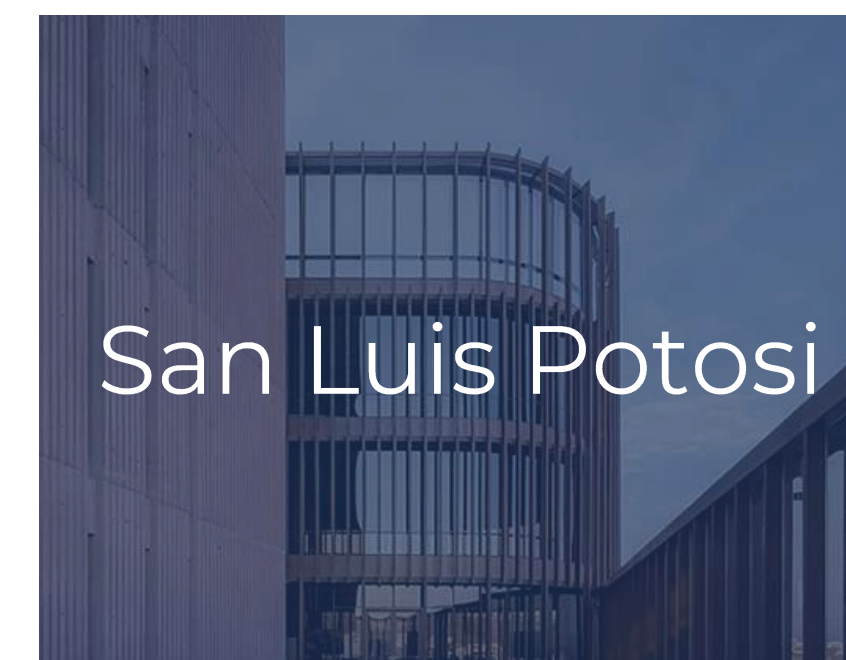
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Creative Solutions. Trusted Advice.

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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EXPERIENCE

\$50B+

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