



Seale & Associates

SNACKS INDUSTRY
Q1 2023
VALUATION UPDATE

Introduction

We are pleased to share our Snacks 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 Snacks 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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SEALE & ASSOCIATES' SECTOR RELEVANT EXPERIENCE

Arca Continental

TARGET: Wise Foods, Inc.

TRANSACTION TYPE: Acquisition advisory

INDUSTRIES: Branded Consumer Products, Food & Beverage

GEOGRAPHY: Northeastern USA

SITUATION

Seale & Associates was retained by Arca Continental (BMV:AC) with the mandate to help grow their snacks business portfolio by acquiring a platform business in the U.S. market to maximize growth opportunities.

SEALE & ASSOCIATES' APPROACH

Seale completed a thorough screening of the potential universe of snack food companies that would align with Arca Continental's strategy. Seale pre-qualified each potential target and initiated transaction discussions with the targets that best fit Arca Continental's strategy and investment criteria.

OUTCOME

The process resulted in the acquisition of Wise Foods, which was Arca Continental's first and largest snack foods acquisition in the United States. The acquisition provided Arca Continental (BMV:AC) with a platform possessing sufficient size and scale to execute an aggressive acquisition led growth strategy in the snack category.



Has acquired



"We are very pleased to have successfully acquired Wise Foods as part of our strategy to grow our snack foods business in the United States, Mexico and throughout Latin America.

Seale was instrumental and offered invaluable guidance and support throughout the entire process to ensure we completed this strategic acquisition in a very short timeline. We look forward to working with them again in the future as part of our team."

Francisco Garza Egloff, Chief Executive Officer, Arca Continental

SEALE & ASSOCIATES' SECTOR RELEVANT EXPERIENCE

Arca Continental

TARGET: Deep River Snacks

TRANSACTION TYPE: Acquisition advisory

INDUSTRIES: Branded Consumer Products, Food & Beverage

GEOGRAPHY: USA

SITUATION

Seale & Associates acted as exclusive financial advisor to Arca Continental (BMV:AC) with the mandate to capture both the conventional and growing better-for-you segment within the snack category.

SEALE & ASSOCIATES' APPROACH

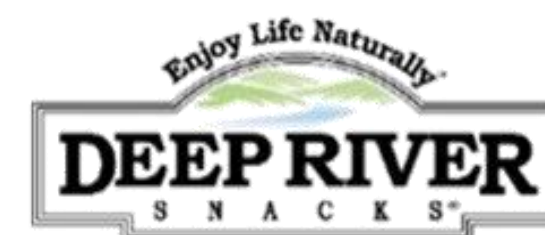
Seale completed a thorough screening of the potential universe of snack food companies that would align with Arca Continental's strategy. Seale pre-qualified each potential target and initiated transaction discussions with the targets that best fit Arca Continental's strategy and investment criteria.

OUTCOME

The process resulted in the acquisition of Deep River Snacks, a leading authentic brand of premium, better-for-you snacks products distributed throughout the United States. Through this acquisition, Arca Continental (BMV:AC) became a more significant player in the salty snacks industry.















Has acquired



"This acquisition broadens the process of diversification and complementarity of the snacks portfolio for the U.S. consumer with innovative products and in differentiated segments, allowing us to better serve our customers and enhance the development of our brands."

Francisco Garza Egloff, Chief Executive Officer, Arca Continental

Small Cap Global Comparable Public Companies







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	
Alicorp S.A.A.		PER	\$1,472	\$2,557	\$4,045	10.2%	7.1x	6.5x	6.1x	0.6x
B&G Foods, Inc.		USA	\$1,117	\$3,529	\$2,163	13.1%	11.5x	12.1x	11.6x	1.6x
Carozzi S.A.		CHL	\$422	\$1,272	\$1,590	13.3%	6.7x	6.7x	5.5x	0.7x
Cloetta AB (publ)		SWE	\$603	\$783	\$705	9.5%	12.7x	9.4x	11.3x	1.2x
Colombina S.A.		COL	\$122	\$348	\$605	11.2%	8.0x	6.5x	4.5x	0.5x
Ezaki Glico Co., Ltd.		JPN	\$1,595	\$1,133	\$2,305	8.8%	6.3x	5.6x	5.6x	0.5x
Hotel Chocolat Group plc		GBR	\$316	\$344	\$257	7.9%	24.4x	12.0x	10.5x	1.3x
Molinos Rio de la Plata S.A.		ARG	\$400	\$475	\$781	5.4%	8.2x	12.2x	11.8x	0.7x
Morinaga&Co., Ltd.		JPN	\$1,312	\$1,113	\$1,444	13.5%	6.3x	5.8x	5.7x	0.8x
Nongshim Co., Ltd.		KOR	\$1,681	\$1,689	\$2,488	7.3%	6.1x	6.6x	9.7x	0.7x
Premier Foods plc		GBR	\$1,305	\$1,723	\$1,032	17.9%	8.0x	7.5x	8.3x	1.5x
The Hain Celestial Group, Inc.		USA	\$1,534	\$2,470	\$1,854	8.6%	18.0x	14.5x	14.1x	1.3x
						Mean	8.1x	8.8x	8.2x	1.0x
						Median	7.6x	6.7x	8.3x	0.7x

■ Excluded from mean and median

Mid Cap Global Comparable Public Companies

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
Calbee, Inc.	 JPN	\$2,604	\$2,470	\$2,036	12.7%	8.4x	8.6x	9.6x	1.2x
Flowers Foods, Inc.	 USA	\$5,791	\$6,819	\$4,806	10.3%	10.3x	11.5x	11.5x	1.4x
Glanbia plc	 IRL	\$3,907	\$4,539	\$6,030	7.0%	12.7x	11.5x	9.7x	0.7x
Gruma, S.A.B. de C.V.	 MEX	\$5,454	\$7,283	\$5,919	14.5%	7.8x	5.0x	8.3x	1.2x
Grupo Nutresa S. A.	 COL	\$4,944	\$5,868	\$3,515	10.3%	9.9x	14.5x	14.2x	1.6x
Hostess Brands, Inc.	 USA	\$3,321	\$4,207	\$1,358	20.3%	12.3x	14.7x	14.7x	3.1x
J&J Snack Foods Corp.	 USA	\$2,850	\$2,936	\$1,414	8.2%	32.4x	19.2x	21.9x	2.1x
M. Dias Branco S.A. Indústria e Comércio de Alimentos	 BRA	\$1,674	\$2,069	\$1,916	8.4%	12.5x	13.9x	11.5x	1.0x
ORION Corp.	 KOR	\$4,141	\$3,534	\$2,285	21.9%	9.0x	6.4x	7.3x	1.6x

Mid Cap Global Comparable Public Companies (Continued)



















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	
Orkla ASA	 NOR	\$7,079	\$8,905	\$5,927	15.3%	11.2x	10.1x	9.0x	1.6x	
Premium Brands Holdings Corporation	 CAN	\$3,298	\$5,181	\$4,455	6.0%	20.7x	17.2x	17.6x	1.2x	
The Simply Good Foods Company	 USA	\$3,957	\$4,350	\$1,188	18.0%	20.4x	17.7x	19.0x	3.7x	
TreeHouse Foods, Inc.	 USA	\$2,830	\$4,352	\$3,454	6.4%	8.4x	10.6x	15.5x	1.3x	
Tootsie Roll Industries, Inc.	 USA	\$3,053	\$2,916	\$687	16.4%	22.5x	22.9x	25.6x	4.2x	
Yamazaki Baking Co., Ltd.	 JPN	\$2,485	\$2,524	\$8,167	5.9%	6.1x	5.3x	5.3x	0.3x	
						Mean	12.3x	11.9x	12.5x	1.6x
						Median	10.7x	11.5x	11.5x	1.3x

■ Excluded from mean and median



Large Cap Global Comparable Public Companies

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	
Barry Callebaut AG		CHE	\$11,640	\$12,932	\$8,802	10.0%	19.5x	15.8x	13.9x	1.5x
Campbell Soup Company		USA	\$16,465	\$21,110	\$9,177	17.8%	9.3x	9.9x	11.0x	2.3x
Chocoladefabriken Lindt & Sprüngli AG		CHE	\$27,742	\$28,368	\$5,407	18.6%	31.5x	27.3x	25.8x	5.2x
Conagra Brands, Inc.		USA	\$17,902	\$27,584	\$12,214	18.2%	10.4x	11.9x	11.5x	2.3x
General Mills, Inc.		USA	\$50,195	\$61,413	\$19,955	19.1%	11.5x	13.5x	15.1x	3.1x
Grupo Bimbo, S.A.B. de C.V.		MEX	\$22,285	\$28,106	\$20,440	17.7%	6.3x	7.9x	6.7x	1.3x
Kellogg Company		USA	\$22,945	\$30,313	\$15,315	13.7%	11.9x	12.1x	13.5x	2.0x
Mondelez International, Inc.		USA	\$95,050	\$116,777	\$32,898	19.1%	14.9x	14.6x	16.2x	3.7x
Nestlé S.A.		CHE	\$325,865	\$378,875	\$102,501	19.4%	17.7x	14.0x	17.3x	3.6x
PepsiCo, Inc.		USA	\$251,084	\$287,347	\$88,038	16.8%	17.2x	17.2x	17.8x	3.3x
The Hershey Company		USA	\$51,909	\$56,563	\$10,741	25.3%	17.0x	19.6x	21.1x	5.4x
The J. M. Smucker Company		USA	\$16,781	\$21,085	\$8,328	18.6%	9.6x	11.4x	12.7x	2.5x
The Kraft Heinz Company		USA	\$47,448	\$67,467	\$26,485	22.7%	8.6x	8.8x	9.1x	2.5x
■ Excluded from mean and median						Mean	12.8x	13.1x	13.8x	2.6x
						Median	11.7x	12.8x	13.7x	2.5x

Snacks- Q1 Global Transactions

Date	Target	Country	Description	Buyer	Seller	% Acquired	Size US\$M	EV/ EBITDA	EV/ Revenue
Mar-23		FRA	Produces bakery products		-	100.0%	-	-	-
Mar-23	GOOD DAY CHOCOLATE	USA	Produces chocolate-based supplements	And-Y-Not, LLC		100.0%	-	-	-
Feb-23		FRA	Produces and sells ice-creams, sorbets, patisseries, and breads		argos.wityu	100.0%	-	-	-
Feb-23		DNK	Produces cocoa, chocolate, and sugar confectionery products		-	100.0%	-	-	-
Feb-23		GBR	Produces marshmallow bars		-	100.0%	-	-	-
Feb-23		GBR	Produces fudge, caramel, and toffee		-	100.0%	-	-	-
Feb-23		JPN	Produces and sells confectioneries and snack food	DC Joesl Co., Ltd.		10.0%	-	-	-
Jan-23		GBR	Produces confectionary products		-	100.0%	\$7.1	6.3x	0.3x
Jan-23		USA	Produces potato chips			100.0%	-	-	-

Snacks- Q1 Global Transactions (Continued)

Date	Target	Country	Description	Buyer	Seller	% Acquired	Size US\$M	EV/ EBITDA	EV/ Revenue
Jan-23		DEU	Produces candy and other confectionery products		-	100.0%	-	-	-
Jan-23		USA	Produces potato chips	LIGHTSPRING CAPITAL PARTNERS	-	100.0%	-	-	-
Jan-23		ROM	Produces bakery products		-	100.0%	-	-	-
Jan-23		SWE	Distributes grocery and confectionary products		-	100.0%	-	-	-
Jan-23	Aktiebolaget Cool & Candy	SWE	Distributes grocery and confectionary products		-	100.0%	-	-	-
Jan-23		CAN	Produces breads, rolls, and pretzels		SPC Management Co. Inc.	100.0%	-	-	-
Jan-23		USA	Produces baking mixes and frostings, pancakes and waffle mixes		sovos brands	100.0%	\$40.0	-	-
Jan-23		USA	Produces cookies dough	-	-	100.0%	-	-	-
Jan-23		PRT	Produces dry fruits, seeds, and snacks	Societe Cooperative Agricole	-	100.0%	-	-	-

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 	 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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Creative Solutions. Trusted Advice.

For over 20 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.

SERVICES AND SOLUTIONS

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We have worked repeatedly with many of the most well-known companies in the world...

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