



Seale & Associates

SNACKS INDUSTRY
Q2 2023
VALUATION UPDATE

Introduction

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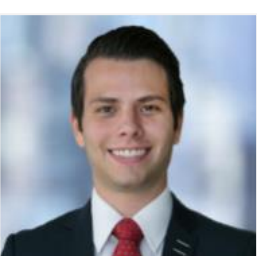
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SEALE & ASSOCIATES' SECTOR RELEVANT EXPERIENCE

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

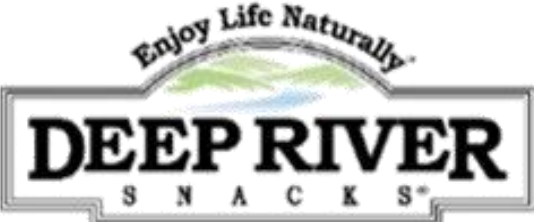
Seale completed a thorough screening of the potential universe of snack food companies that would align with Arca Continental's strategy. Seale pre-qualified each potential target and initiated transaction discussions with the targets that best fit Arca Continental's strategy and investment criteria.

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		Second Quarter Jun. 30, 2023 EV/EBITDA		
						2021	2022	EV/EBITDA	EV/Revenue	
Alicorp S.A.A.		PER	\$1,323	\$2,494	\$4,091	9.0%	7.1x	6.5x	6.2x	0.6x
B&G Foods, Inc.		USA	\$1,005	\$3,322	\$2,142	13.8%	11.5x	12.1x	10.5x	1.6x
Carozzi S.A.		CHL	\$442	\$1,290	\$1,792	13.1%	6.7x	6.7x	5.4x	0.7x
Cloetta AB (publ)		SWE	\$519	\$704	\$711	9.5%	12.7x	9.4x	9.9x	1.0x
Colombina S.A.		COL	\$135	\$419	\$682	11.1%	8.0x	6.5x	4.7x	0.6x
Ezaki Glico Co., Ltd.		JPN	\$1,657	\$1,283	\$2,329	8.5%	6.3x	5.6x	6.9x	0.6x
Hotel Chocolat Group plc		GBR	\$208	\$237	\$257	7.9%	24.4x	12.0x	7.1x	0.9x
Molinos Rio de la Plata S.A.		ARG	\$504	\$576	\$669	4.2%	8.2x	12.2x	22.1x	1.1x
Morinaga&Co., Ltd.		JPN	\$1,437	\$1,336	\$1,462	13.0%	6.3x	5.8x	7.6x	1.0x
Nongshim Co., Ltd.		KOR	\$1,747	\$1,756	\$2,495	8.0%	6.1x	6.6x	8.9x	0.7x
Premier Foods plc		GBR	\$1,399	\$1,747	\$1,245	17.3%	8.0x	7.5x	7.8x	1.4x
The Hain Celestial Group, Inc.		USA	\$1,119	\$2,028	\$1,806	7.9%	18.0x	14.5x	12.5x	1.1x
						Mean	8.1x	8.8x	8.0x	0.9x
						Median	7.6x	6.7x	7.6x	0.9x

■ 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		Second Quarter Jun. 30, 2023		
						2021	2022	EV/EBITDA	EV/Revenue	
Calbee, Inc.		JPN	\$2,356	\$2,206	\$2,101	12.2%	8.4x	8.6x	9.3x	1.1x
Flowers Foods, Inc.		USA	\$5,271	\$6,608	\$4,904	9.8%	10.3x	11.5x	11.4x	1.3x
Glanbia plc		IRL	\$3,976	\$4,611	\$6,030	7.0%	12.7x	11.5x	9.8x	0.7x
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 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	\$1,372	20.6%	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
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
ORION Corp.		KOR	\$3,601	\$3,008	\$2,212	21.5%	9.0x	6.4x	6.4x	1.4x

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		Second Quarter Jun. 30, 2023 EV/EBITDA		
						2021	2022	EV/EBITDA	EV/Revenue	
Orkla ASA	 NOR	\$7,172	\$9,187	\$5,980	14.3%	11.2x	10.1x	9.3x	1.6x	
Premium Brands Holdings Corporation	 CAN	\$3,523	\$5,481	\$4,589	6.0%	20.7x	17.2x	18.0x	1.2x	
The Simply Good Foods Company	 USA	\$3,642	\$3,941	\$1,196	17.9%	20.4x	17.7x	17.4x	3.3x	
TreeHouse Foods, Inc.	 USA	\$2,837	\$4,413	\$3,576	8.4%	8.4x	10.6x	12.2x	1.2x	
Tootsie Roll Industries, Inc.	 USA	\$2,505	\$2,394	\$708	15.0%	22.5x	22.9x	22.3x	3.4x	
Yamazaki Baking Co., Ltd.	 JPN	\$2,779	\$2,810	\$7,696	6.2%	6.1x	5.3x	6.1x	0.4x	
■ Excluded from mean and median						Mean	12.3x	11.9x	11.8x	1.4x
						Median	10.7x	11.5x	11.4x	1.3x














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		Second Quarter Jun. 30, 2023 EV/EBITDA		
						2021	2022	EV/EBITDA	EV/Revenue	
Barry Callebaut AG	 CHE	\$10,573	\$12,342	\$8,802	10.0%	19.5x	15.8x	12.7x	1.3x	
Campbell Soup Company	 USA	\$13,626	\$18,449	\$9,276	17.7%	9.3x	9.9x	9.5x	2.0x	
Chocoladefabriken Lindt & Sprüngli AG	 CHE	\$29,270	\$29,908	\$5,692	19.5%	31.5x	27.3x	26.7x	5.4x	
Conagra Brands, Inc.	 USA	\$16,081	\$25,575	\$12,277	18.4%	10.4x	11.9x	10.3x	2.1x	
General Mills, Inc.	 USA	\$44,884	\$56,496	\$20,094	18.4%	11.5x	13.5x	14.3x	2.8x	
Grupo Bimbo, S.A.B. de C.V.	 MEX	\$23,669	\$30,531	\$0	0.0%	6.3x	7.9x	9.2x	1.3x	
Kellogg Company	 USA	\$23,102	\$30,657	\$15,696	12.4%	11.9x	12.1x	14.7x	2.0x	
Mondelez International, Inc.	 USA	\$99,334	\$118,444	\$32,898	18.7%	14.9x	14.6x	16.4x	3.6x	
Nestlé S.A.	 CHE	\$320,823	\$374,885	\$106,718	19.8%	17.7x	14.0x	16.7x	3.5x	
PepsiCo, Inc.	 USA	\$255,176	\$291,872	\$90,135	17.1%	17.2x	17.2x	18.2x	3.3x	
The Hershey Company	 USA	\$51,038	\$55,603	\$10,741	25.2%	17.0x	19.6x	20.2x	5.2x	
The J. M. Smucker Company	 USA	\$15,078	\$18,363	\$8,529	18.9%	9.6x	11.4x	10.7x	2.2x	
The Kraft Heinz Company	 USA	\$43,567	\$63,120	\$26,929	22.3%	8.6x	8.8x	8.5x	2.3x	
■ Excluded from mean and median						Mean	12.8x	13.1x	13.4x	2.4x
						Median	11.7x	12.8x	13.5x	2.2x

Snacks – Q2 Global Transactions



















Date	Target	Country	Description	Buyer	Seller	% Acquired	Size US\$M	EV/ EBITDA	EV/ Revenue
Jun-23		USA	Produces and sells no-bake cookies	VILLAGE FAMILY CAPITAL	-	100.0%	-	-	-
Jun-23		ESP	Produces and sells chips, salty snacks, and nuts		-	100.0%	-	-	-
Jun-23	Pastry and Ice Cream activities of Galana	BEL	Produces bakery products, ice creams and sorbets			100.0%	-	-	-
Jun-23		USA	Produces specialty baked snacks such as cheesesticks, cheesecrisps and grilled crostini toasts	Del Sol Food Company, Inc.	-	100.0%	-	-	-
Jun-23		CAN	Produces chocolate and bakery products			100.0%	-	-	-
Jun-23		GBR	Produces and distributes grocery and confectionery products		-	100.0%	-	-	-
Jun-23		USA	Prepares and bakes cookie dough, dessert bars, togas, and filled cookies		-	100.0%	-	-	-
Jun-23		USA	Produces baked confectionery	Taguchi Shokuhin K.K.	ASTOR CAPITAL	100.0%	-	-	-
Jun-23		ITA	Produces and markets industrial pastry products and bread substitutes		-	75.0%	-	-	-
May-23		USA	Produces clustered, plant-based snacks			100.0%	-	-	-
May-23		GBR	Produces sugar confectionery products	Zubrance Ltd	-	100.0%	-	-	-

Snacks – Q2 Global Transactions (Continued)

Date	Target	Country	Description	Buyer	Seller	% Acquired	Size US\$M	EV/ EBITDA	EV/ Revenue
May-23		USA	Produces bakery products		-	100.0%	-	-	-
May-23		FRA	Produces cakes, snacks, and other bakery products			100.0%	-	-	-
May-23		CAN	Produces gluten-free baked products		-	100.0%	-	-	-
Apr-23		USA	Produces grocery and related products		-	100.0%	-	-	-
Apr-23		USA	Produces baked snack ingredients such as bagel chips, rye chips and pita chips		-	100.0%	-	-	-
Apr-23		BRA	Produces and sales dairy, bakery and pastry products		-	51.0%	-	-	-

ND: Not Disclosed

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
 Snack Food Manufacturing <i>NAICS 31191 – Snack Food Manufacturing</i>	 2019-2022	 \$52.3M	 \$87.7M	 19.3%	 1.5x	 19.4%	 7.8x	 5
 Bread and Bakery Product Manufacturing <i>NAICS 31181 – Bread and Bakery Product Manufacturing</i>	 2021-2023	 \$92.7M	 \$63.2M	 25.7%	 1.8x	 19.5%	 8.9x	 3

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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One of our core capabilities is to deliver sector-specific intelligence designed specifically for industry leaders, private equity firms, and their advisors. Our industry reports and featured articles deliver real-time access to key industry data, including:



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S U S C R I B E

Representative Global Engagements

 has acquired 	 has acquired 	 has sold  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 	 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 KPAC Holdings, Inc. A private investment group	 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 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.

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25

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

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Seale & Associates

Creative Solutions. Trusted Advice.