



Seale & Associates

SNACKS INDUSTRY
Q3 2024
VALUATION UPDATE

25 years

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Introduction

We are pleased to share our Snacks 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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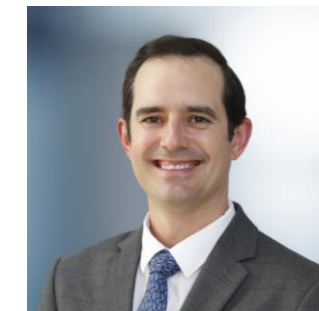
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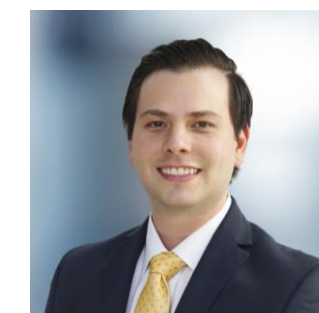
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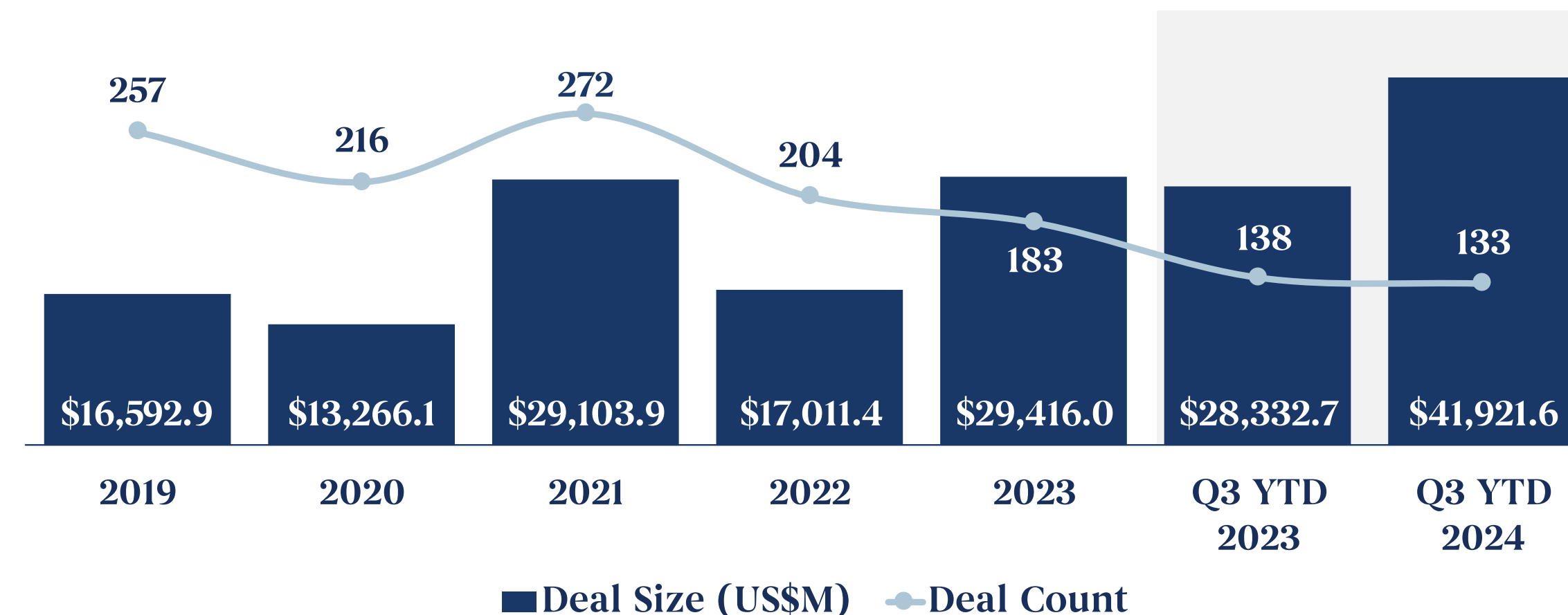
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Snacks Industry Overview, M&A Trends, and Market Intelligence

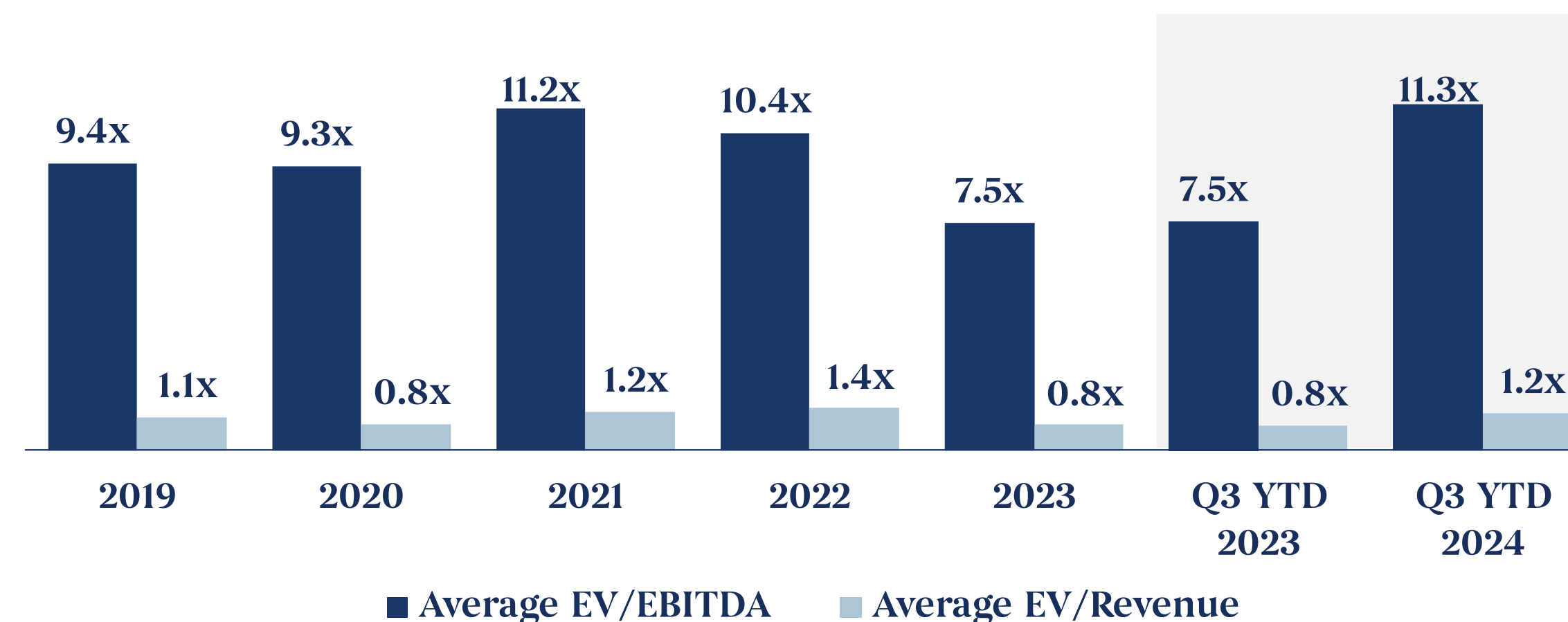
Snacks M&A Trends and Market Intelligence

- In the dynamic world of fast-moving consumer goods (FMCG), **snacking** has emerged as a **vibrant and rapidly evolving segment** within the Grocery Department. While the snack category has **faced stagnating volume due to recent economic pressures**, it is now **showing signs of recovery**. Total food and beverage **volume sales increased** in Q3 2024 for the first time in three years, with **core snack unit losses narrowing from -1.8% in Q3 2023 to -0.8% in Q3 2024**.
- A **key driver** in the industry is the **rising demand for convenient, ready-to-eat snacks, spurred by increasingly busy lifestyles**. **Packaged snacks offering quick and accessible options** for on-the-go consumers have **gained significant traction**, cementing convenience as a cornerstone of the market's growth.
- Health and wellness trends** are also playing a pivotal role in **reshaping the snacking landscape**. Modern consumers are increasingly **health-conscious**, seeking snacks that combine nutritional benefits with great taste. This shift has led to the rapid expansion of products tailored to these evolving preferences.
- The **demand for convenient and healthy snacks** has also **spurred interest** in personalized snacking experiences, **positioning the industry as a hotspot for M&A**. Companies are **acquiring brands** that cater to **health-conscious, premium, and convenient snack options**. **Large multinationals**, for instance, are **targeting niche snack producers** to tap into the growing markets for plant-based, organic, and functional snacks.
- Additionally, the **rise of Private Label brands** has brought a significant **shift** to the industry. **Retailers are launching their own affordable, high-quality snack lines** to meet consumer demand for value. This trend has **driven further M&A activity**, with **major players acquiring private label manufacturers**.
- Finally, **private equity firms** are increasingly **targeting mid-sized snack companies** with strong growth prospects. These firms see opportunities to scale operations, optimize supply chains, and eventually exit through sales to larger corporations, contributing to the ongoing consolidation and innovation within the snack industry.

Snacks Industry M&A Deal Size and Volume



Snacks Industry M&A Average EV/EBITDA and EV/Revenue








Source: Grand View Research Snacks Market Report Overview, Capital IQ, Baking Business, Global Data and Other Industry Reports

Snacks 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	
Alicorp S.A.A.	 PER	\$1,253	\$2,310	\$3,367	10.6%	6.5x	6.8x	6.5x	0.7x	
B&G Foods, Inc.	 USA	\$703	\$2,773	\$1,959	16.3%	12.1x	10.2x	8.7x	1.4x	
Carozzi S.A.	 CHL	\$478	\$1,192	\$1,666	16.4%	6.7x	5.5x	4.4x	0.7x	
Cloetta AB (publ)	 SWE	\$690	\$885	\$839	13.7%	9.4x	9.5x	7.7x	1.1x	
Colombina S.A.	 COL	\$131	\$467	\$773	12.9%	6.5x	4.8x	4.7x	0.6x	
Ezaki Glico Co., Ltd.	 JPN	\$1,948	\$1,525	\$2,284	10.6%	5.6x	6.8x	6.3x	0.7x	
Molinos Rio de la Plata S.A.	 ARG	\$631	\$655	\$474	10.8%	12.2x	41.9x	12.9x	1.4x	
Morinaga&Co., Ltd.	 JPN	\$1,796	\$1,690	\$1,554	13.7%	5.8x	7.3x	8.0x	1.1x	
Premier Foods plc	 GBR	\$2,125	\$2,440	\$1,534	19.4%	7.5x	7.8x	8.2x	1.6x	
The Hain Celestial Group, Inc.	 USA	\$775	\$1,549	\$1,706	9.0%	14.5x	13.0x	10.1x	0.9x	
■ Excluded from mean and median						Mean	8.7x	8.0x	7.2x	1.0x
						Median	7.1x	7.5x	7.8x	1.0x

Snacks Industry Global Comparable Public Companies (1/2)

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
Calbee, Inc.	 JPN	\$3,045	\$3,055	\$2,185	12.9%	8.6x	9.4x	10.8x	1.4x
Flowers Foods, Inc.	 USA	\$4,858	\$6,240	\$5,130	12.0%	11.5x	11.0x	10.1x	1.2x
Glanbia plc	 IRL	\$4,555	\$5,337	\$4,470	11.2%	11.5x	10.4x	10.7x	1.2x
Gruma, S.A.B. de C.V.	 MEX	\$6,787	\$8,121	\$6,572	17.0%	5.0x	7.9x	7.3x	1.2x
Grupo Nutresa S. A.	 COL	\$7,662	\$8,697	\$4,334	13.0%	14.5x	13.8x	15.4x	2.0x
J&J Snack Foods Corp.	 USA	\$3,343	\$3,452	\$1,575	13.7%	19.2x	20.4x	16.0x	2.2x
M. Dias Branco S.A. Indústria e Comércio de Alimentos	 BRA	\$1,569	\$1,638	\$1,826	15.1%	13.9x	13.9x	5.9x	0.9x

Snacks Industry Global Comparable Public Companies (2/2)

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	
ORION Corp.	 KOR	\$2,929	\$2,447	\$2,288	22.7%	6.4x	6.6x	4.7x	1.1x	
Orkla ASA	 NOR	\$9,430	\$11,713	\$6,610	17.2%	10.2x	9.2x	10.3x	1.8x	
Premium Brands Holdings Corporation	 CAN	\$3,148	\$5,229	\$4,727	7.1%	17.2x	17.1x	15.7x	1.1x	
The Simply Good Foods Company	 USA	\$3,482	\$3,550	\$1,331	19.1%	17.7x	17.3x	14.0x	2.7x	
TreeHouse Foods, Inc.	 USA	\$2,179	\$3,603	\$3,359	10.6%	10.6x	12.0x	10.1x	1.1x	
Tootsie Roll Industries, Inc.	 USA	\$2,258	\$2,142	\$727	18.8%	22.9x	21.7x	15.7x	2.9x	
Yamazaki Baking Co., Ltd.	 JPN	\$3,950	\$3,841	\$8,718	7.7%	5.3x	6.7x	5.7x	0.4x	
■ Excluded from mean and median						Mean	11.7x	11.3x	11.4x	1.4x
						Median	11.5x	11.5x	10.5x	1.2x





















Snacks Industry Global Comparable Public Companies (1/2)

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
Barry Callebaut AG	 CHE	\$10,148	\$13,270	\$12,296	8.4%	15.8x	12.3x	12.9x	1.1x
The Campbell's Company	 USA	\$14,583	\$22,019	\$9,636	22.5%	9.9x	9.6x	10.2x	2.3x
Chocoladefabriken Lindt & Sprüngli AG	 CHE	\$29,656	\$31,168	\$6,336	20.9%	27.3x	24.7x	23.6x	4.9x
Conagra Brands, Inc.	 USA	\$15,579	\$24,225	\$11,942	21.6%	12.4x	10.1x	9.4x	2.0x
General Mills, Inc.	 USA	\$40,998	\$54,102	\$19,801	22.6%	13.5x	13.7x	12.1x	2.7x
Grupo Bimbo, S.A.B. de C.V.	 MEX	\$15,010	\$23,282	\$20,414	14.8%	7.9x	8.7x	7.7x	1.1x
Kellanova	 USA	\$27,820	\$34,112	\$12,799	15.9%	12.1x	13.0x	16.7x	2.7x

Snacks Industry Global Comparable Public Companies (2/2)
















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	
Mondelez International, Inc.		USA	\$98,408	\$117,283	\$36,151	24.9%	14.6x	15.4x	13.0x	3.2x
Nestlé S.A.		CHE	\$258,620	\$329,838	\$109,039	21.7%	14.0x	16.0x	13.9x	3.0x
PepsiCo, Inc.		USA	\$233,576	\$271,969	\$91,920	19.9%	17.2x	17.0x	14.9x	3.0x
The Hershey Company		USA	\$38,795	\$44,090	\$10,972	28.0%	19.6x	18.4x	14.4x	4.0x
The J. M. Smucker Company		USA	\$12,886	\$21,504	\$8,499	24.7%	11.4x	10.9x	10.3x	2.5x
The Kraft Heinz Company		USA	\$42,451	\$61,621	\$26,130	28.0%	8.8x	8.6x	8.4x	2.4x
■ Excluded from mean and median						Mean	13.1x	12.8x	12.0x	2.8x
						Median	13.5x	13.0x	12.9x	2.7x

Snacks Industry – Q3 Global Transactions (1/2)

Date	Target	Country	Description	Buyer	Seller	% Acquired	Size US\$M	EV/ EBITDA	EV/ Revenue
Sep-24*	 PRATAAP SNACKS LIMITED	IND	Authum Investments & Infrastructure , investment firm, agreed to acquire Prataap Snacks , manufacturer of packaged snacks, diversifying its portfolio and nurturing Prataap Snacks' growth		-	46.9%	\$10.1	-	-
Sep-24*		ITA	Al Mada Holdings , through its agri-industrial unit Teralys, agreed to acquire Nutkao , manufacturer of hazelnut spreads, creams, and chocolates, strengthening its ongoing commitment to the agro-industry sector		-	100.0%	\$503.0	-	-
Sep-24		USA	Cheeze Kurls , manufacturer of salty snack foods, acquired Axiom Foods , manufacturer of tortilla chips, corn chips, extruded snacks, and pellet snacks, strengthening its product portfolio		-	100.0%	-	-	-
Sep-24*		CHN	Mondelēz International agreed to acquire a majority stake in Evirth , manufacturer of cakes and pastries, accelerating growth in the cakes and pastries category, a core focus for the company		-	>50.0%	-	-	-
Sep-24*		FRA	One Rock Capital Partners agreed to acquire Europe Snacks , manufacturer of salted snacks, capitalizing on new market opportunities		EURAZEO	0.0%	-	-	-
Sep-24		GBR	Prima Bakeries Group , manufacturer of pastries and cakes, acquired Furniss Foods , manufacturer of food products, expanding its production capabilities		-	100.0%	-	-	-
Sep-24		EGY	Hayel Saeed Anam Group & Co agreed to acquire Kellanova's majority stake in Bisco-Misr , manufacturer of baked goods and confectionery products, primarily biscuits, driving growth in the industry		Kellanova	>50.0%	-	-	-
Sep-24		USA	Shells By Design , provider of frozen tart shells and desserts, merged with French Gourmet Inc. , manufacturer of artisanal croissants, danishes, dough shells, and puff pastries, expanding geographical footprint		-	Merger	-	-	-
Sep-24*	 I.D.C. Holding, a.s.	SVK	Valeo Foods Group , manufacturer of quality sweets, treats, and snacks, agreed to acquire I.D.C. Holding , manufacturer of wafers, biscuits, confectionery, and chocolate, leveraging its international sales platform		-	100.0%	-	-	-
Aug-24		BRA	Grupo Bimbo , provider of bread products, agreed to acquire Wickbold , provider of bread products, complementing its brand portfolio		-	100.0%	-	-	-

Source: Capital IQ, Press Releases, Mergermarket

Snacks Industry – Q3 Global Transactions (2/2)

Date	Target	Country	Description	Buyer	Seller	% Acquired	Size US\$M	EV/ EBITDA	EV/ Revenue
Aug-24		USA	1-800-Flowers , provider of gourmet foods, gift baskets, floral products, etc., acquired Scharffen Berger Chocolate Maker Inc. , manufacturer of chocolates, expanding its product offering		-	100.0%	-	-	-
Aug-24		NLD	Pauwels Engineering , consulting firm, acquired Droste , manufacturer of cocoa chocolate products and confectioneries, resuming production			100.0%	-	-	-
Aug-24		USA	QualiTech , manufacturer of food ingredient products, acquired Ellison Bakery , manufacturer of cookies, snack bars, crunches, and toppings, expanding product capabilities and unlocking access to larger markets			100.0%	-	-	-
Aug-24*		USA	Mars , manufacturer of snacking and food, agreed to acquire Kellanova , manufacturer of snacks and convenience foods, boosting its growth and capabilities		-	100.0%	\$35,900.0	16.4x	2.8x
Aug-24		USA	Tidy Rock , private equity firm, acquired Glenn Wayne Wholesale Bakery , manufacturer of baked products, broadening its portfolio and leveraging Glenn Wayne's established market presence		-	100.0%	-	-	-
Jul-24		GBR	Cerealto , provider of agri-food products, acquired Hill Biscuits , manufacturer of biscuits, from LDC, enhancing its product portfolio and strengthening its position in the UK biscuit market			100.0%	-	-	-
Jul-24*		USA	Ferrero Group , manufacturer of sweet-packaged food, agreed to acquire Nonni's Food , manufacturer of artisanal biscotti and baked goods, from Vestar Capital Partners, strengthening its presence in North America			100.0%	-	-	-
Jul-24		USA	Legacy Bakehouse , manufacturer of baked snack components, acquired Angelic Bakehouse , manufacturer of sprouted grain baked goods, aiming to expand Legacy's production capacity and product offerings		-	100.0%	-	-	-
Jul-24		GBR	Groupe Mensez , industrial bakery business, acquired Village Bakery , manufacturer of baked goods, from Limerston Capital, enhancing its presence in the UK market			100.0%	-	-	-

*Announced transactions pending approval and other closing conditions

Mean 16.4x 2.8x
Median 16.4x 2.8x

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.

“We are very pleased to have successfully acquired Wise Foods”



“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, CEO, Arca Continental

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.

“This acquisition broadens the process of diversification and complementarity of the snacks portfolio”



“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, CEO, Arca Continental

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 <p>has acquired</p> 	 <p>has sold</p>  <p>Sidral Mundet U.S. Brand and Dist. Rights to</p> 	 <p>has acquired</p>  <p>KFC Costa Rica from</p> 	 <p>has acquired</p> 	 <p>has partnered with</p> 	 <p>has sold</p>  <p>to</p> 
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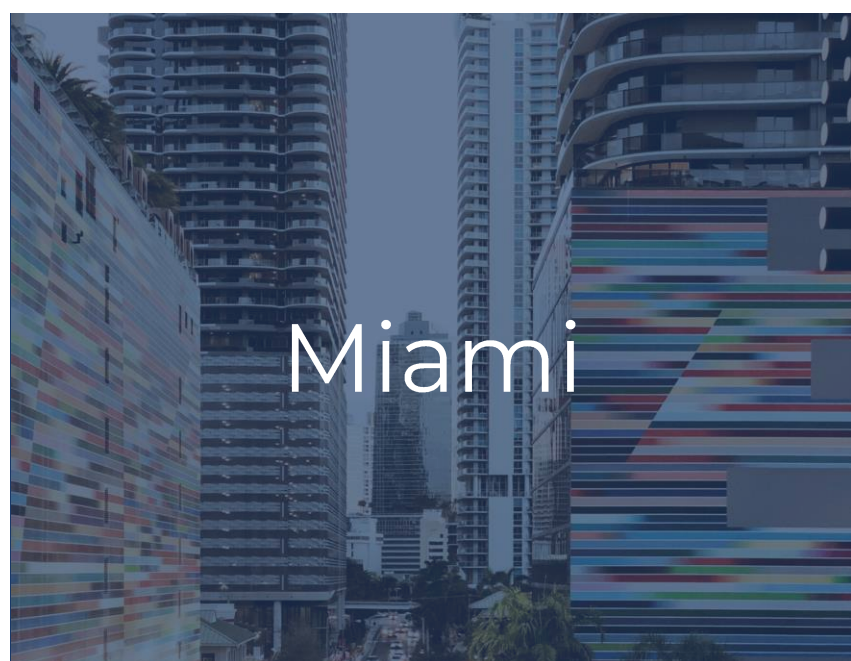
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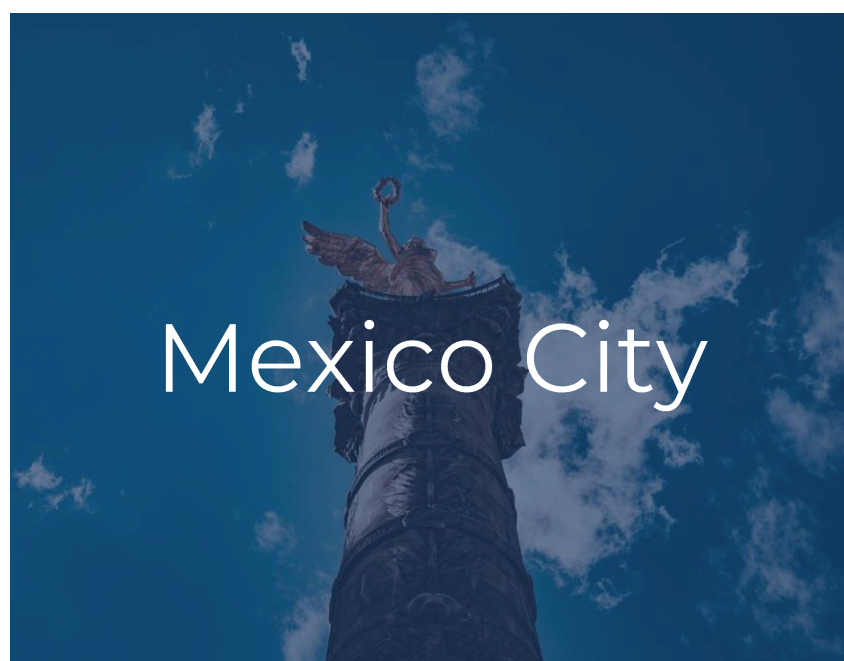
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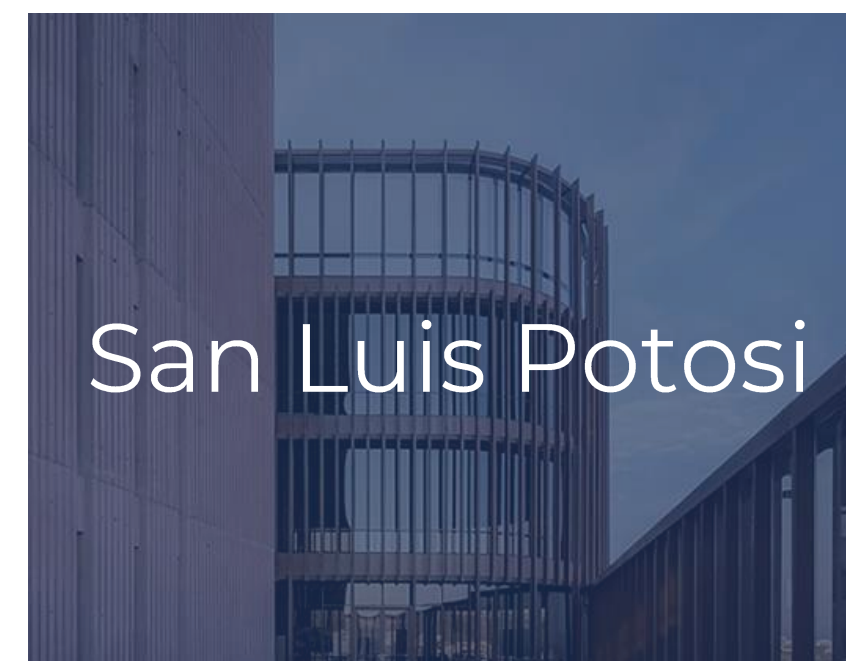
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Creative Solutions. Trusted Advice.

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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