



Seale & Associates

SUPERMARKETS INDUSTRY
Q3 2024
VALUATION UPDATE

25 years

Introduction

We are pleased to share our Supermarkets Industry Multiples Valuation Update for Q3 2024.

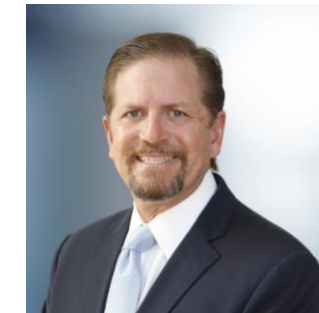
At Seale & Associates, we are committed to providing process-driven solutions designed to optimize value and achieve our client's strategic objectives in a range of transactions, including **Mergers, Acquisitions, Divestitures and Carve-Outs, Business Sales, Recapitalizations, and Joint Ventures**, among 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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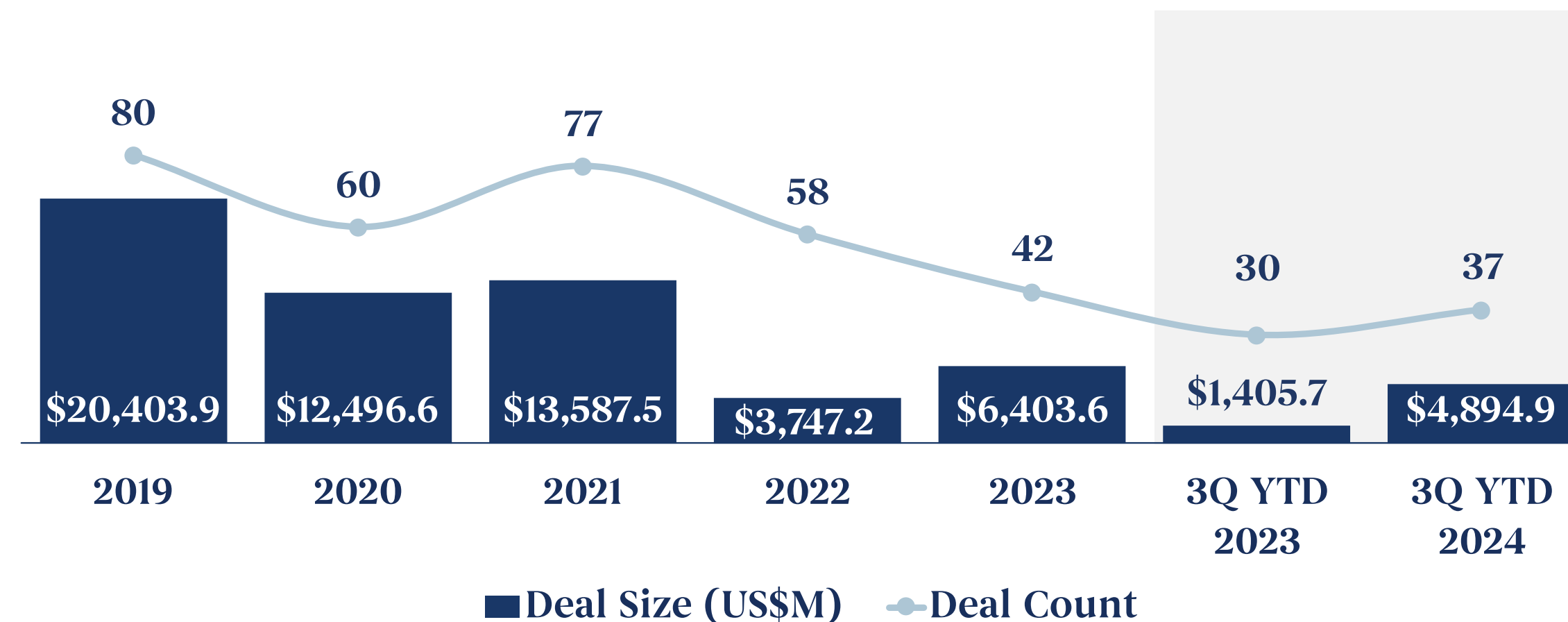
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Supermarkets Industry Overview, M&A Trends and Market Intelligence

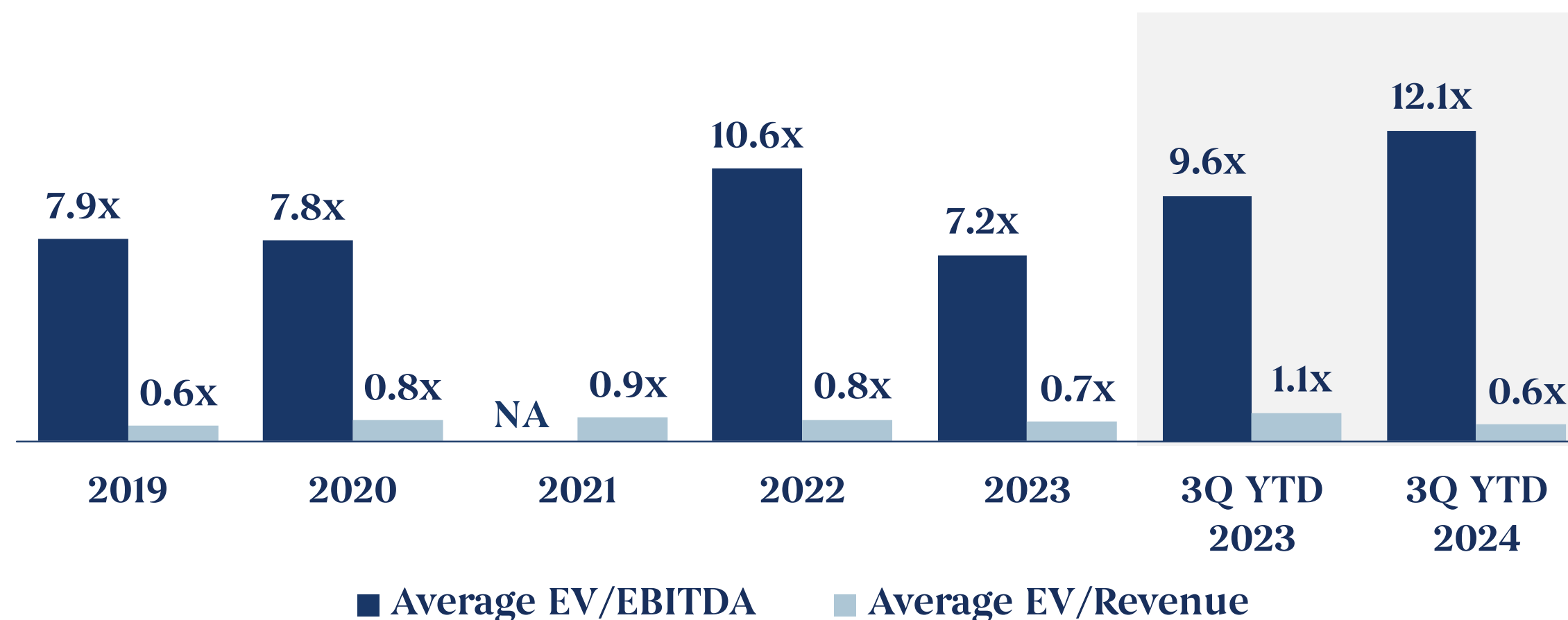
Supermarkets Industry Overview

- The supermarkets market size is estimated at **US\$900.0 billion** in **2024** and is **expected to reach** a value of **US\$1.1 trillion** by **2029**, with a projected **CAGR** of **3.3%** from 2024 to 2029
- The growth in the forecast can be attributed to **e-commerce** integration, health and **wellness** trends, **sustainability** initiatives, **globalization**, and **innovation** in store formats
- **Online grocery sales** are **growing** rapidly and are **expected to continue** in the coming years. This is **due to several factors**, including the **convenience** of online shopping, the **increasing availability** of **delivery services**, and the **growing popularity** of **meal kits**
- Supermarket chains are pursuing scope **M&A** to **diversify** revenue streams and **mitigate** supply chain risks
- Supermarkets companies are pursuing consolidation to gain better access to customers and optimize portfolios and stay competitive. **Specialty retailers**, especially ethnic and specialty grocers, **may see increased M&A activity** as they **operate** in market **niches** where **major players** like Amazon and Walmart **have less presence**
- Some supermarkets and grocery retailers are **vertically integrating** by **acquiring** their own **suppliers**. This **gives** them **greater control over** their **supply chain** and **allows** them to **reduce costs**

Supermarkets Industry M&A Deal Size and Volume



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





Source: Mordor Intelligence, The Business Research Company, PWC

Supermarkets 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	
Albertsons Companies, Inc.	 USA	\$10,702	\$24,532	\$79,714	6.2%	5.1x	5.0x	5.0x	0.3x	
Grupo Comercial Chedraui, S.A.B. de C.V.	 MEX	\$7,275	\$9,825	\$13,989	8.1%	6.9x	7.0x	8.7x	0.7x	
La Comer, S.A.B. de C.V.	 MEX	\$2,181	\$2,093	\$2,154	10.2%	12.7x	11.3x	9.5x	1.0x	
Loblaw Companies Limited	 CAN	\$40,516	\$53,323	\$44,653	10.2%	9.6x	9.3x	11.7x	1.2x	
Organización Soriana, S. A. B. de C. V.	 MEX	\$2,859	\$3,900	\$8,967	7.3%	5.3x	5.9x	6.0x	0.4x	
Tesco PLC	 GBR	\$32,615	\$46,233	\$92,694	6.5%	7.0x	6.9x	7.7x	0.5x	
The Kroger Co.	 USA	\$41,456	\$58,045	\$150,202	6.0%	7.2x	6.1x	6.5x	0.4x	
Wal-Mart de México, S.A.B. de C.V.	 MEX	\$52,715	\$54,150	\$47,832	10.2%	15.6x	13.9x	11.1x	1.1x	
Walmart Inc.	 USA	\$649,089	\$709,773	\$665,035	6.6%	11.2x	12.0x	16.1x	1.1x	
Woolworths Group Limited	 AUS	\$28,163	\$38,969	\$47,093	8.0%	12.1x	11.9x	10.3x	0.8x	
■ Excluded from mean and median						Mean	9.3x	8.9x	9.3x	0.8x
						Median	8.4x	8.1x	9.1x	0.8x

Hypermarkets 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	
Almacenes Éxito S.A.		COL	\$682	\$1,716	\$5,012	6.0%	6.1x	5.9x	5.7x	0.3x
Aeon Co., Ltd.		JPN	\$23,301	\$43,576	\$68,696	6.1%	8.9x	9.0x	10.4x	0.6x
BJ's Wholesale Club Holdings, Inc.		USA	\$10,936	\$13,734	\$20,406	7.8%	10.5x	9.4x	8.7x	0.7x
Carrefour SA		FRA	\$11,323	\$31,095	\$94,381	5.5%	6.4x	6.3x	6.0x	0.3x
Costco Wholesale Corporation		USA	\$392,840	\$389,968	\$254,453	4.7%	21.8x	22.0x	32.5x	1.5x
J Sainsbury plc		GBR	\$9,225	\$15,339	\$43,828	7.5%	6.0x	6.0x	4.7x	0.3x
Target Corporation		USA	\$71,801	\$87,466	\$107,300	9.1%	9.5x	10.9x	8.9x	0.8x
■ Excluded from mean and median						Mean	7.9x	7.9x	7.4x	0.7x
						Median	8.9x	9.0x	8.7x	0.6x

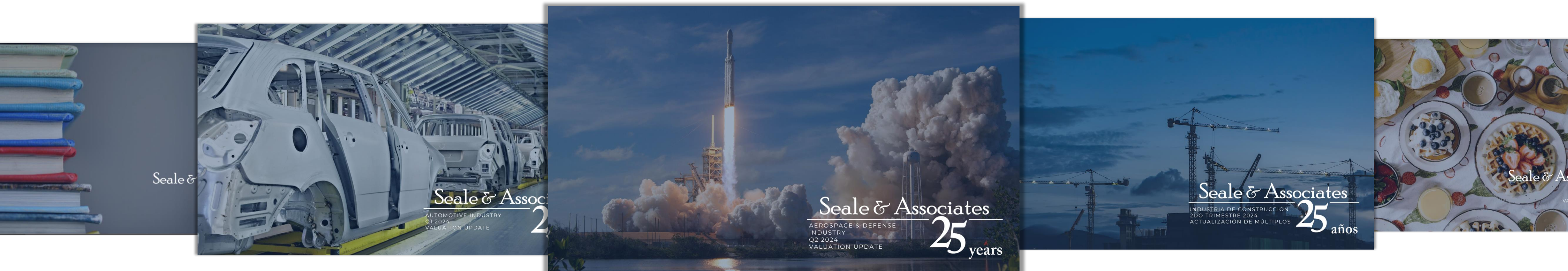
Supermarkets Industry – Global Transactions

Date	Target	Country	Description	Buyer	Seller	% Acquired	Size US\$M	EV/ EBITDA	EV/ Revenue	
Sep-24*	 永辉超市 YONGHUI SUPERSTORES	CHN	MINISO Group , a global value retailer, agreed to acquire a 29.4% stake in Yonghui Superstores , a leading Chinese retail chain operating approximately 850 supermarkets		-	29.4%	\$889.1	11.1x	-	
Sep-24*		IND	Metaviso , agreed to acquire a minority stake in New Shop , an Indian convenience retail chain, to establish 120 flagship stores in tier-two and tier-three markets	METAVISIO THOMSON	-	<50.0%	\$150.0	-	-	
Aug-24	Delek US Holdings Retail Operation	USA	FEMSA , a Mexican conglomerate operating the OXXO convenience store chain, acquired Delek US Holdings retail operations, comprising 249 convenience stores primarily in Texas and New Mexico	FEMSA		100.0%	\$385.0	-	-	
Jul-24	Carrefour Supermarket property in Paris	FRA	Barings , a global investment management firm, acquired a 4,500 m ² property in Paris's 7th arrondissement, leased to Carrefour Market , featuring over 2,400 m ² of retail space	BARINGS	Allianz 	100.0%	\$54.1	-	-	
								Mean	11.1x	-
								Median	11.1x	-

*Announced transactions pending approval and other customary closing conditions

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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</p> <p>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 CAPITAL PARTNERS and Starboard 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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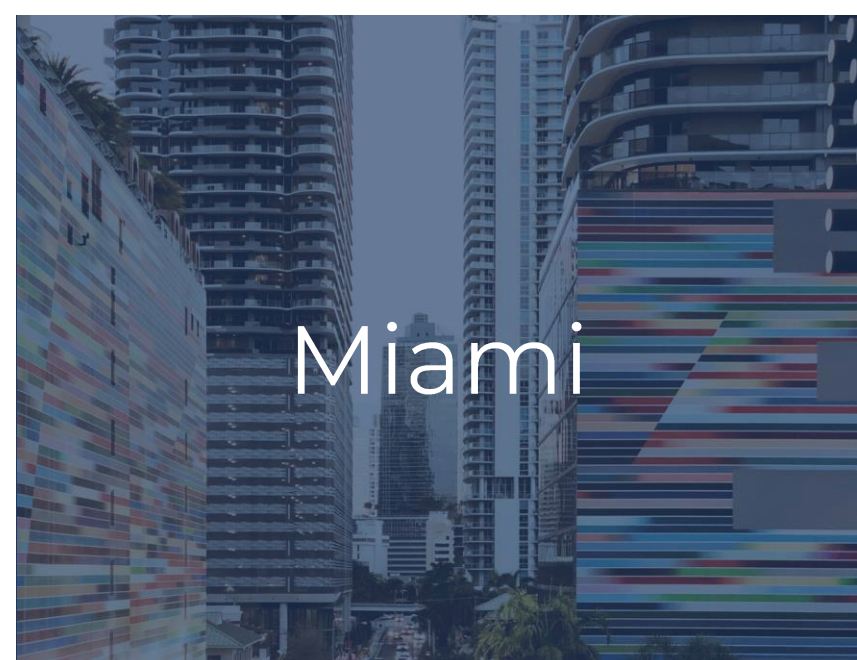
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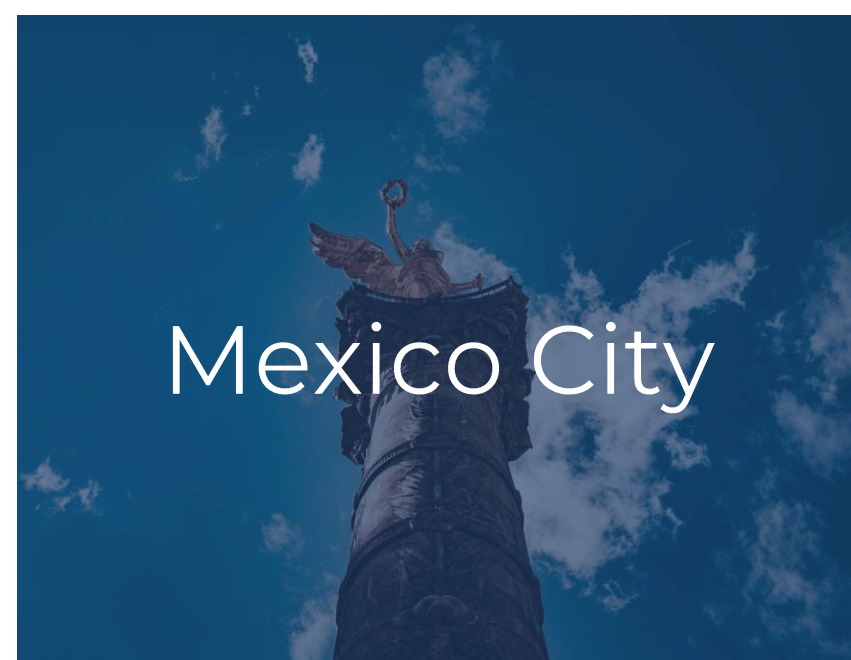
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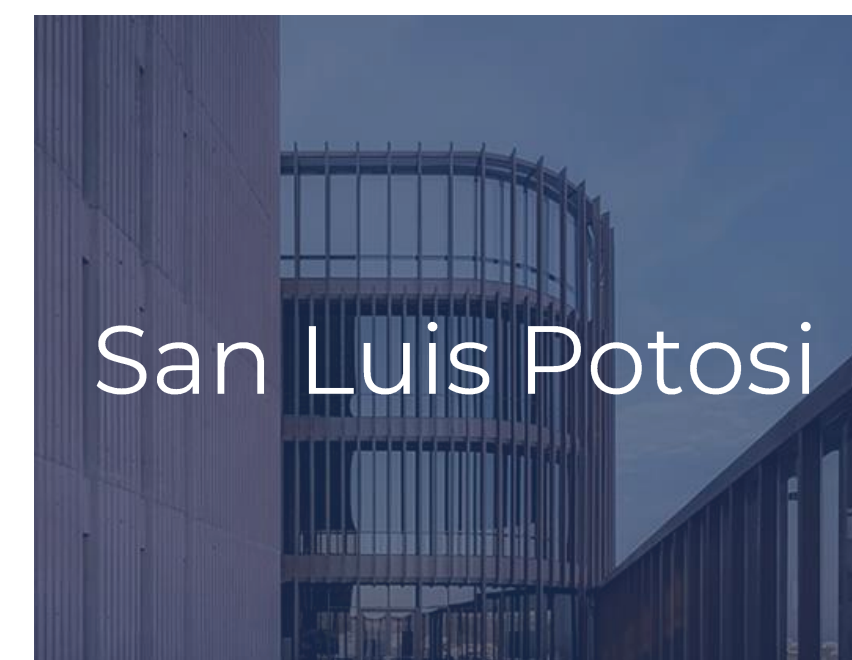
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For over 25 years, Seale & Associates has served leading public and private companies from around the world and operating in a broad range of industries with a high level of quality, integrity and independence while presenting innovative ideas and trusted solutions to address their most complex dealings.

25

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