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# Food and Beverage

## Industry News

### **McCormick Completes Acquisition of Cholula Hot Sauce**

Cision [Full Article](#)

On November 24, 2020, McCormick announced the agreement to buy Cholula, a premium Mexican hot sauce brand for \$800 million using cash and commercial paper. McCormick expects the transaction to dilute earnings per share in 2020 & 2021 and have no impact on adjusted earnings per share.

Lawrence E. Kurzius, Chairman, President and CEO states that "Cholula is a great strategic addition accelerating our condiment growth opportunities with a complementary authentic Mexican flavor hot sauce. The talented employees of Cholula have built a strong foundation, and when combined with McCormick's operational expertise and infrastructure, we plan to drive further growth of this iconic brand."

### **Kellogg Unveils Revamped Approach to Innovation**

Food Business News [Full Article](#)

Forthcoming product launches from Kellogg Co. focuses on three areas says Nigel Huges, senior vice president of global research development.

The key area of innovation, well being, responds to a significant rise in overall health and wellness. He says that they are addressing this through zero or low sugar variants of their foods across the globe. He also mentioned that many consumers are turning their attention their gut and immune system health.

Huges also mentioned that the company is well situated for the new trend in plant-based foods, as their overall portfolio of foods is 86% plant based. In 2021, they plan to add veggie meatballs and bites to the suite of plant-based foods.

### **Food and Beverage Sector Opportunities**

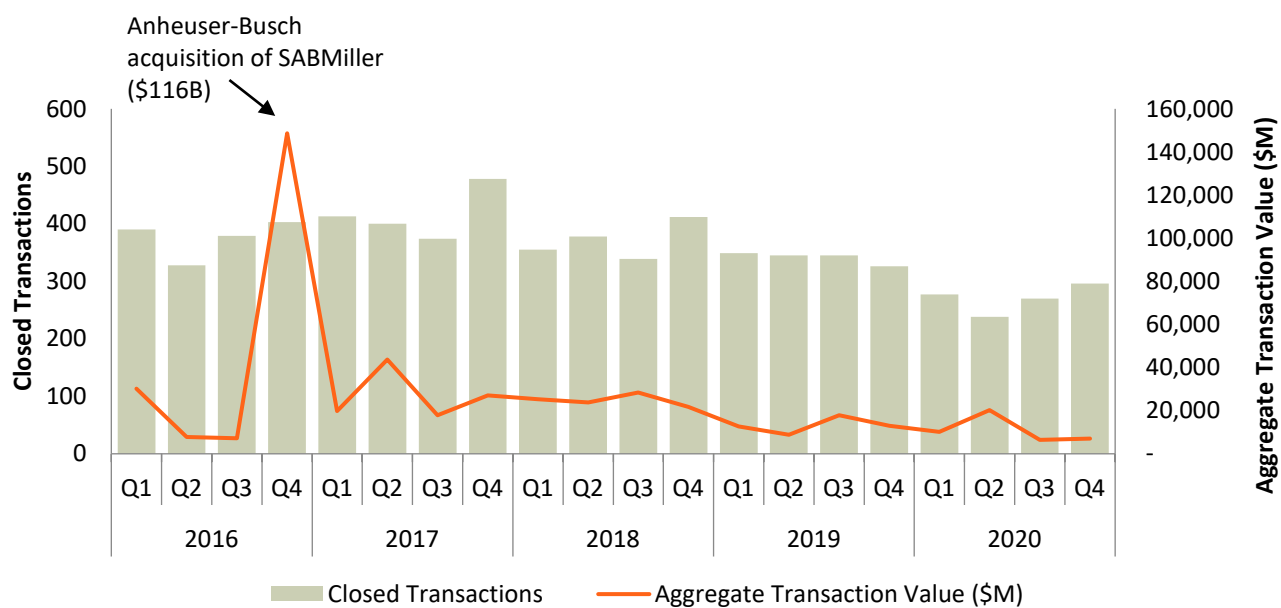
KPMG [Full Article](#)

"Food and beverage retail sales have seen significant growth driven by shelter-in-place protocols resulting in nearly all food consumption occurring in the home, in addition to stockpiling behavior preparing for food shortages. This behavior will subside as states and cities reopen, however, behavioral changes driven by COVID-19 such as the shift to ecommerce, as well as the importance placed on food safety and supply chain traceability are going to be lasting"

"Accelerated migration of food and beverage shopping including greater demand for frozen and perishable items through e-commerce during COVID-19 will have a long-term impact on consumer behavior and require increased cold storage and shipping capacity"

# Food and Beverage

## Food and Beverage M&A Environment

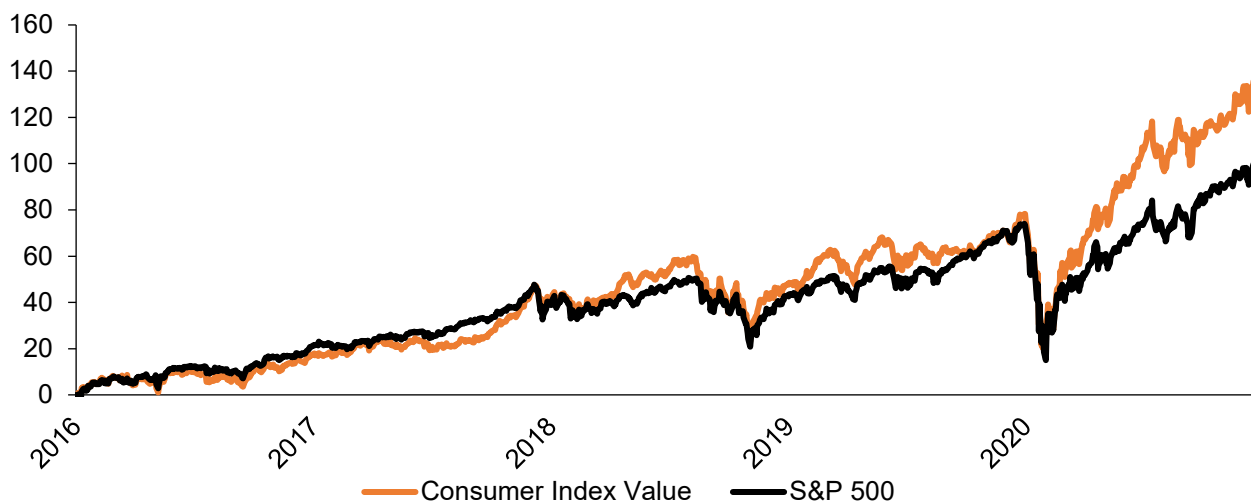


## Selected Q4 2020 M&A

Date Closed	Target	Buyers/Investors	Sector	Enterprise Value (\$M)	EV / LTM	
					Revenue	EBITDA
12/31/2020	Assets of Biotech BetaGlucans AS	Danstar Ferment AG	Consumer Staples	8.00	-	-
12/31/2020	Kido Frozen Foods Joint Stock Company	KIDO Group Corporation	Consumer Staples	90.39	-	-
12/13/2020	Edita Food Industries Company	-	Consumer Staples	470.14	1.9x	11.7x
12/11/2020	Certain Assets of its Dry Pasta and Noodles Bu American Italian Pasta Company	-	Consumer Staples	242.50	1.2x	-
12/11/2020	PLS Plantations Berhad (KLSE:PLS)	Ekovest Berhad	Consumer Staples	123.62	5.0x	18.0x
12/9/2020	Chongqing Jianiang Brewery Co., Ltd.	Chongqing Brewery Co., Ltd.	Consumer Staples	187.32	1.2x	-
12/4/2020	ADF Foods Limited (BSE:519183)	Convergent Finance LLP	Consumer Staples	127.30	3.0x	20.2x
12/1/2020	Kervan Gida Sanayi ve Ticaret A.S. (IBSE:KRVG Norges Bank Investment Management	-	Consumer Staples	41.17	0.5x	2.5x
12/1/2020	Crisco® Oils and Shortening Business of The J. B&G Foods North America, Inc.	B&G Foods North America, Inc.	Consumer Staples	550.00	2.0x	8.1x
11/30/2020	PT Cemar Lestari	Global Palm Resources Private Limited	Consumer Staples	10.66	6.7x	-
11/30/2020	The Cholula Food Company Inc.	McCormick & Company, Incorporated	Consumer Staples	800.00	8.3x	-
11/25/2020	SweetWater Brewing Company, Inc.	Aphria Inc.	Consumer Staples	366.00	5.5x	16.3x
11/12/2020	Gastronomica Roscio s.r.l.	Dea Capital Alternative Funds SGR SpA	Consumer Staples	73.83	2.2x	12.5x
10/31/2020	Tongaat Hulett Starch (Pty) Limited	KLL Group Proprietary Limited	Consumer Staples	317.63	1.3x	6.4x
10/31/2020	Tongaat Hulett Starch (Pty) Limited	KLL Group Proprietary Limited	Consumer Staples	317.63	1.3x	6.4x
10/23/2020	Cloetta AB	Malfors Promotor A.B.	Consumer Staples	1018.68	1.5x	10.7x

# Consumer

The M&A environment is slowly recovering as confidence in the industry and economy are rising as a result of the increasing vaccine deployments. Industry valuations remain modest while consumer confidence is lower than recent years. Overall, the industry is responding to changing consumer preferences driven by the pandemic.



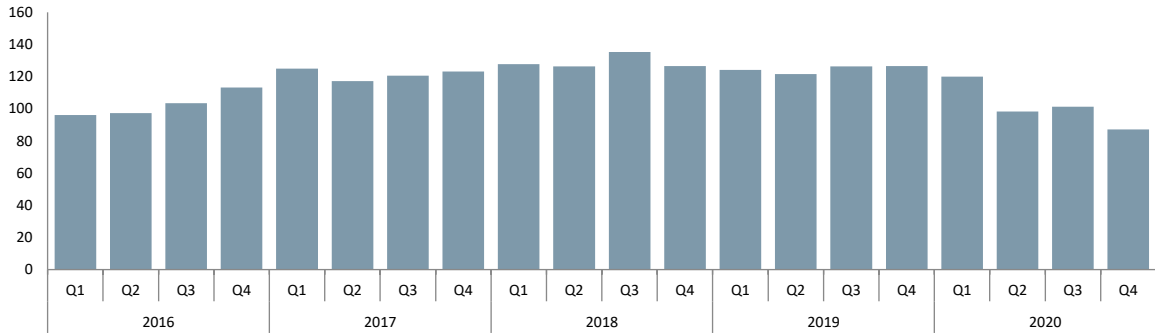
12/31/2020		LTM Financials			Valuation Metrics		LTM Margins	
Company Name	Ticker	Enterprise Value	Revenue	EBITDA	EV / Revenue	EV / EBITDA	Gross Margin	EBITDA Margin
Altria Group, Inc.	NYSE:MO	\$101,459	\$20,841	\$11,770	4.9x	8.6x	64.7%	56.5%
Amazon.com, Inc.	NasdaqGS:AMZN	\$1,662,580	\$386,064	\$48,150	4.3x	34.5x	39.6%	12.5%
Archer-Daniels-Midland Company	NYSE:ADM	\$36,452	\$64,355	\$2,782	0.6x	13.1x	6.9%	4.3%
AutoNation, Inc.	NYSE:AN	\$10,485	\$20,390	\$1,168	0.5x	9.0x	17.6%	5.7%
Best Buy Co., Inc.	NYSE:BBY	\$24,751	\$45,521	\$3,225	0.5x	7.7x	22.6%	7.1%
Bunge Limited	NYSE:BG	\$17,146	\$41,404	\$1,847	0.4x	9.3x	6.7%	4.5%
CarMax Inc.	NYSE:KMX	\$30,552	\$19,883	\$1,267	1.5x	24.1x	14.6%	6.4%
Carnival Corporation	NYSE:CCL	\$41,241	\$5,594	-\$2,676	7.4x	NA	14.9%	-47.8%
Charter Communications, Inc.	NasdaqGS:CHTR	\$218,751	\$48,097	\$18,101	4.5x	12.1x	44.1%	37.6%
Comcast Corporation	NasdaqGS:CMCSA	\$338,280	\$103,564	\$30,593	3.3x	11.1x	68.0%	29.5%
Costco Wholesale Corporation	NasdaqGS:COST	\$163,122	\$172,929	\$8,072	0.9x	20.2x	13.2%	4.7%
CVS Health Corporation	NYSE:CVS	\$164,890	\$267,908	\$18,104	0.6x	9.1x	18.0%	6.8%
Dollar General Corporation	NYSE:DG	\$62,785	\$32,490	\$3,964	1.9x	15.8x	31.6%	12.2%
Dollar Tree, Inc.	NasdaqGS:DLTR	\$34,076	\$25,057	\$2,715	1.4x	12.6x	38.1%	10.8%
Ford Motor Company	NYSE:F	\$164,062	\$127,144	\$4,807	1.3x	34.1x	4.8%	3.8%
General Mills, Inc.	NYSE:GIS	\$48,224	\$18,287	\$3,979	2.6x	12.1x	35.5%	21.8%
General Motors Company	NYSE:GM	\$150,645	\$122,485	\$13,653	1.2x	11.0x	11.8%	11.1%
Genuine Parts Company	NYSE:GPC	\$17,296	\$16,537	\$1,275	1.0x	13.6x	34.2%	7.7%
Kimberly-Clark Corporation	NYSE:KMB	\$52,982	\$19,140	\$4,301	2.8x	12.3x	37.1%	22.5%
Kohl's Corporation	NYSE:KSS	\$11,259	\$16,646	\$997	0.7x	11.3x	36.5%	6.0%
Lear Corporation	NYSE:LEA	\$11,385	\$17,046	\$1,133	0.7x	10.0x	7.3%	6.6%
Lowe's Companies, Inc.	NYSE:LOW	\$133,753	\$85,313	\$10,803	1.6x	12.4x	33.1%	12.7%
Macy's, Inc.	NYSE:M	\$10,596	\$19,637	\$20	0.5x	529.8x	33.5%	0.1%
McDonald's Corporation	NYSE:MCD	\$207,489	\$19,208	\$7,514	10.8x	27.6x	50.8%	39.1%
Mondelez International, Inc.	NasdaqGS:MDLZ	\$101,709	\$26,581	\$5,423	3.8x	18.8x	39.3%	20.4%
NIKE, Inc.	NYSE:NKE	\$223,076	\$38,254	\$5,094	5.8x	43.8x	43.0%	13.3%
Penske Automotive Group, Inc.	NYSE:PAG	\$11,939	\$20,444	\$754	0.6x	15.8x	15.6%	3.7%
PepsiCo, Inc.	NasdaqGS:PEP	\$239,922	\$70,372	\$12,725	3.4x	18.9x	54.9%	18.1%
Performance Food Group Company	NYSE:PFGC	\$9,290	\$26,667	\$470	0.3x	19.8x	11.8%	1.8%
Philip Morris International Inc.	NYSE:PM	\$155,446	\$28,694	\$12,701	5.4x	12.2x	66.7%	44.3%
Rite Aid Corporation	NYSE:RAD	\$7,186	\$23,854	\$616	0.3x	11.7x	20.3%	2.6%
Starbucks Corporation	NasdaqGS:SBUX	\$146,332	\$23,170	\$2,873	6.3x	50.9x	21.3%	12.4%
Sysco Corporation	NYSE:SY	\$46,142	\$45,902	\$1,573	1.0x	29.3x	18.4%	3.4%
Target Corporation	NYSE:TGT	\$97,410	\$88,621	\$8,744	1.1x	11.1x	29.4%	9.9%
The Coca-Cola Company	NYSE:KO	\$269,115	\$33,014	\$11,334	8.2x	23.7x	59.3%	34.3%
The Gap, Inc.	NYSE:GPS	\$12,839	\$14,050	\$156	0.9x	82.3x	46.8%	1.1%
The Home Depot, Inc.	NYSE:HD	\$312,359	\$125,631	\$21,929	2.5x	14.2x	34.0%	17.5%
The Kraft Heinz Company	NasdaqGS:KHC	\$68,300	\$26,185	\$6,856	2.6x	10.0x	35.0%	26.2%
The Kroger Co.	NYSE:KR	\$42,645	\$130,654	\$6,596	0.3x	6.5x	23.8%	5.0%
The Procter & Gamble Company	NYSE:PG	\$364,557	\$73,975	\$20,802	4.9x	17.5x	52.1%	28.1%
The TJX Companies, Inc.	NYSE:TJX	\$87,052	\$33,400	\$1,922	2.6x	45.3x	32.9%	5.8%
The Walt Disney Company	NYSE:DIS	\$386,362	\$65,388	\$9,709	5.9x	39.8x	32.9%	14.8%
Twenty-First Century Fox, Inc.	NasdaqGS:FOXA	\$21,022	\$12,662	\$3,133	1.7x	6.7x	38.7%	24.7%
Tyson Foods, Inc.	NYSE:TSN	\$34,088	\$43,185	\$4,912	0.8x	6.9x	13.7%	11.4%
US Foods Holding Corp.	NYSE:USFD	\$13,083	\$23,681	\$672	0.6x	19.5x	16.8%	2.8%
Walgreens Boots Alliance, Inc.	NasdaqGS:WBA	\$75,735	\$141,505	\$4,487	0.5x	16.9x	19.7%	3.2%
Walmart Inc.	NYSE:WMT	\$468,790	\$548,743	\$38,024	0.9x	12.3x	24.8%	6.9%
Whirlpool Corporation	NYSE:WHR	\$16,401	\$19,456	\$2,462	0.8x	6.7x	19.8%	12.7%

Median	1.3x	13.1x	32.2%	10.4%
Mean	2.4x	29.8x	30.3%	12.6%

# Consumer

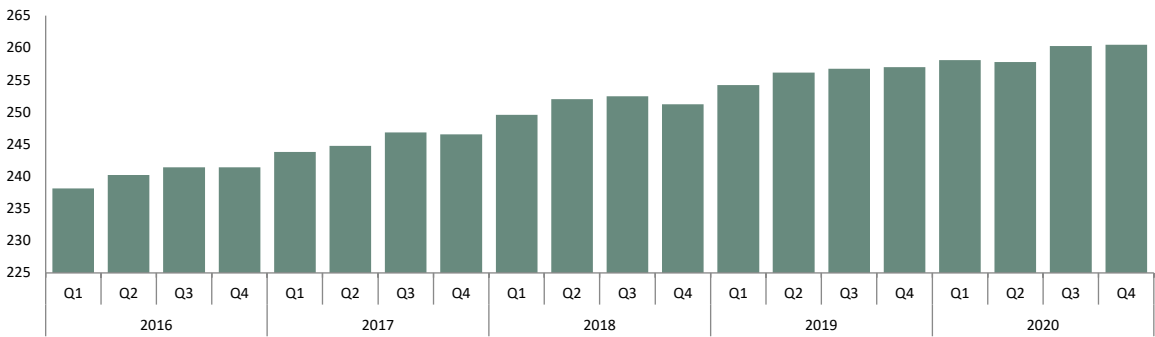
## State of the Industry

### Consumer Confidence Index



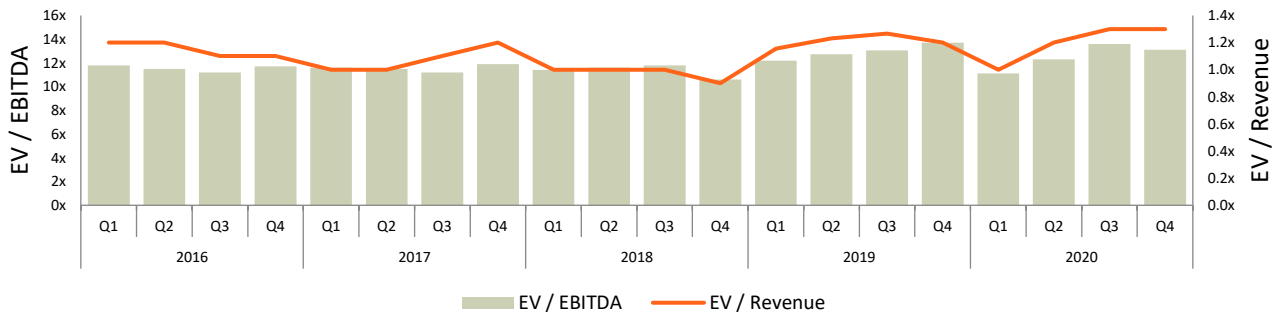
Source: Capital IQ

### Consumer Price Index



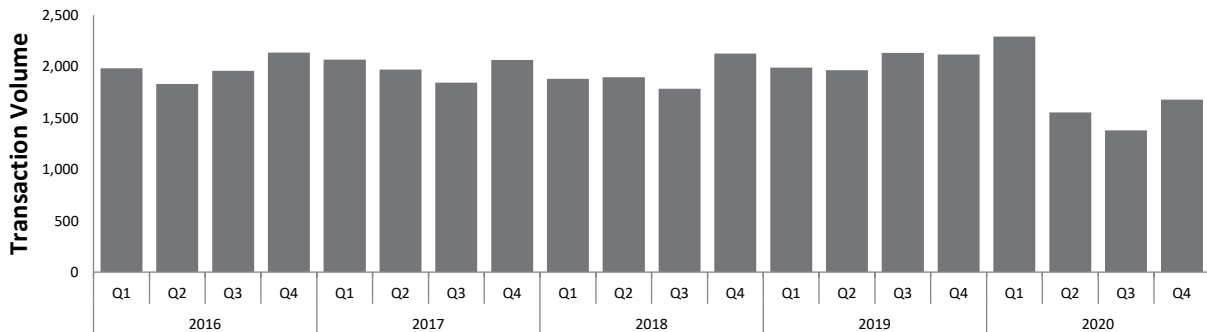
Source: Capital IQ

### Industry Valuations



Source: Capital IQ

### Consumer Transaction Volume



Source: Capital IQ



## The Value of Accomplishment

The highest level of expertise and hard work is what accomplishment requires. It's what you deserve and what we do.

- We sweat the small stuff.
- Take a 3:00am call.
- Say yes.
- Say no.
- Dig deeper when things get tough.
- And celebrate with you when your efforts pay off and you can reflect on it all and say, "It's really remarkable what we've accomplished here."
- Then and only then, will we know that we've accomplished something meaningful, too.

### About Mirus

Spending on consumer products & services drives over two-thirds of the US economy and improving consumer sentiment is driving increased investment activity in the sector. Well-capitalized consumer companies are turning to M&A as a key business strategy to gain access to high growth emerging markets, cover the multichannel landscape, acquire scale, and ensure access to resources. Our Consumer Group understands these trends and can help you best position your company for growth or a successful exit in the midst of ongoing consolidation. Mirus provides direct access to sector-specific expertise, as well as global buyers and sellers.

### Partner Spotlight

Andrew Crain brings to Mirus a diverse skillset of transactional, executive and legal acumen. Andy is an experienced dealmaker, and his prior experience as a family business owner gives him a unique vantage point from which to successfully guide clients through the financial, operational and emotional aspects of the transaction process. An investment banker since 2005, Andy provides merger & acquisition and corporate finance advisory services to owners of consumer products, food & beverage, business & industrial services, manufacturing and distribution companies throughout New England and nationwide. An investment banker since 2005, Stuart also has 20 years experience as a senior executive of national retail chains, and e-commerce and direct marketing companies. Stuart has led shoe, home furnishing, continuing education and food catalogs Or companies. He has additional experience in apparel and beauty. Stuart's transaction experience centers on e-commerce and catalog companies, food and beverage, and home and gift. Stuart, a frequent speaker and writer, has an MBA from Harvard University and has taught direct marketing and advertising at Bentley College.



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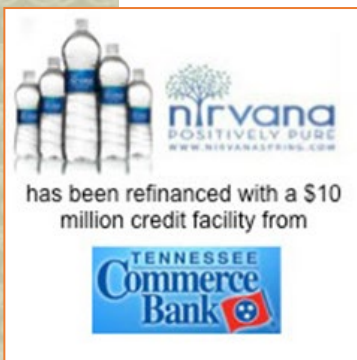


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## Mirus Consumer Spotlight



Crystal Rock is a 100 year old direct-to-consumer home and office water, coffee, filtration and office supply service delivery business. The company bottles and distributes Crystal Rock® Waters purified water, Vermont Pure® natural spring water, Cool Beans® coffee, and other break room items to the commercial office and residential customers throughout New York and New England. Crystal Rock Holdings, Inc. was acquired by Cott Corporation of all outstanding shares of Crystal Rock for \$0.97 per share in cash. Mirus served as the exclusive financial advisor to Crystal Rock in the transaction, which values the company at approximately \$35 million.



Andrew advised Nirvana in a \$10 million growth financing with Tennessee Commerce Bank. Nirvana Inc. has established its brand of positively pure, naturally green, spring water based on the companies' core principles of quality and product integrity. Bottled under its own label as well as for select private label partners, it draws its product from New York State's Adirondack Mountain range of over 2,000 untouched acres, where the firm owns over 50 naturally flowing fresh water springs.



Brigham's Ice Cream Inc. agreed to sell its product lines to a subsidiary of HP Hood LLC in a move that brings together two of the region's biggest and best-loved ice cream brands. Under the agreement, Hood will acquire the Brigham's 94-year-old brand name, all its products, proprietary flavors, and recipes. In a separate transaction, Brigham's 28 retail outlets and restaurants will be sold to Baltimore-based Deal Metrics LLC.

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