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# Food and Beverage

## Industry News

### **Understanding the Food & Beverage Impact of COVID-19**

AIB International [Full Article](#)

As more individuals become vaccinated, food and beverage companies are reflecting on the impact of COVID-19, and how they can be better prepared in the future. Many companies plan to update their food safety plans, health crisis mitigation measures, and crisis management plans to include pandemics. Companies that were prepared for the pandemic performed better financially during COVID-19. Undoubtedly, companies have learned from the pandemic. According to the report, “78 percent of companies are taking steps to prepare now for the next pandemic.”

### **Food and Beverage Sector Update**

Food Processing [Full Article](#)

“Food & beverage manufacturers are feeling at least moderately optimistic about their prospects for 2021” according to an annual survey published by *Food Processing*. 41% of survey respondents plan to increase their staffing levels as the world returns to normalcy.

The survey also indicates that food manufacturers will be looking to further automate operations and invest in technology over the course of 2021 and beyond. Rather than a decrease of jobs, however, this automation will likely drive a surge of technical jobs available in the food and beverage sector.

### **Oreo Maker Mondelez Buys European Snack Producer Chipita**

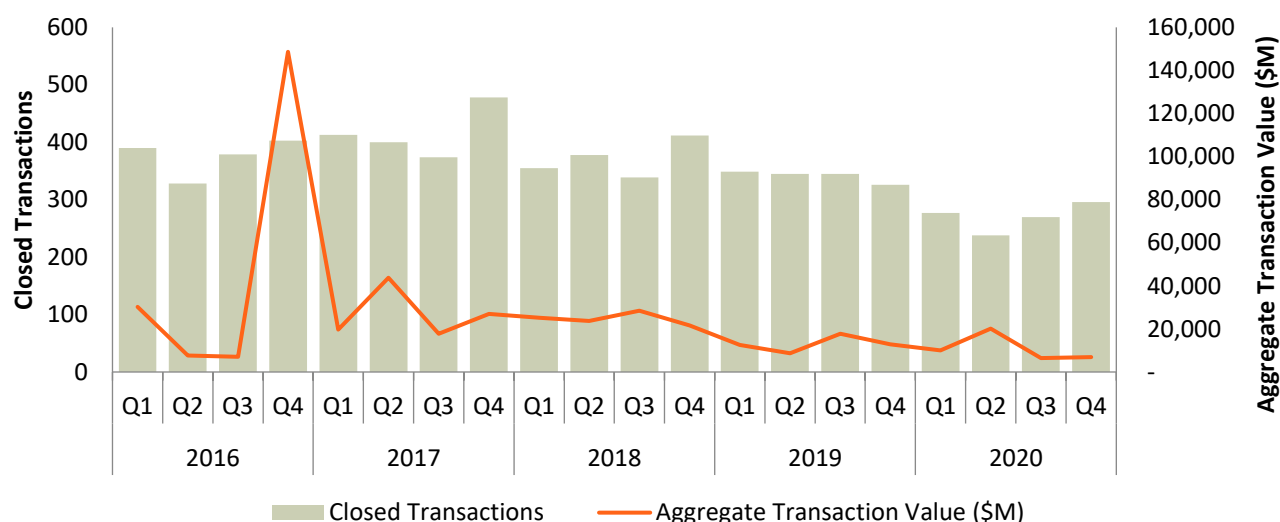
Bloomberg News [Full Article](#)

On May 27, Mondelez, an American company known for their production of Oreo Cookies and Ritz Crackers, purchased European snack maker Chipita for 2 Billion USD. Chipita is a \$580 million revenue company and is based in Greece. Mondelez is funding the acquisition with a combination of new debt and cash. This deal will help the company further its presence in the Central and Eastern European snack market. As a result of COVID-19, Mondelez has done extremely well due to an increased demand for packaged foods.

“Welcoming Chipita S.A.’s delicious pastry products into the Mondelēz International family advances our strategy to become the global leader in broader snacking,” said Dirk Van de Put, Chairman & CEO of Mondelēz International.

# Food and Beverage

## Food and Beverage M&A Environment

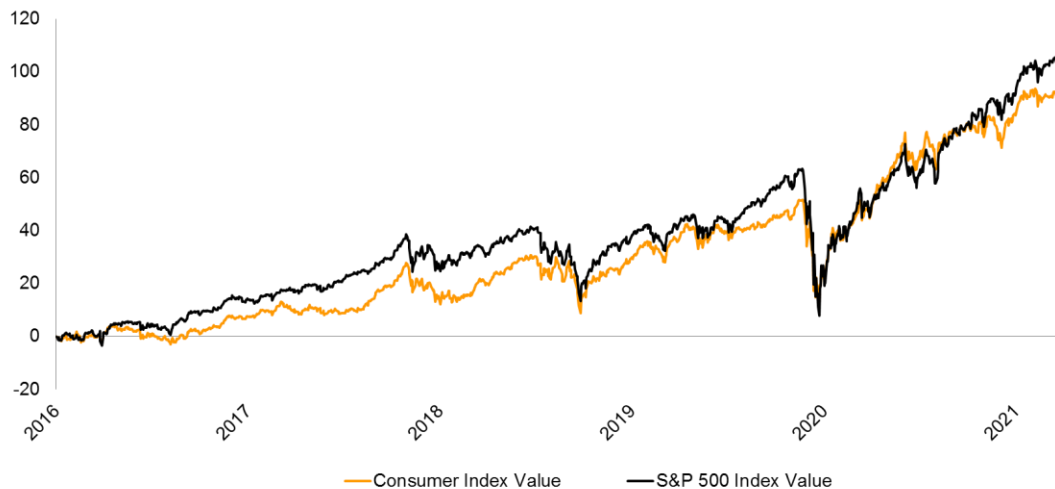


## Selected Q2 2021 M&A

Date Closed	Target	Buyers/Investors	Sector	Enterprise Value (\$M)
04/01/2021	Koffee Kup Bakery, Inc.	American Industrial Acquisition	Packaged Foods and Meats	-
04/05/2021	Natural American Foods, Inc.	Blue Road Management, L.P.	Packaged Foods and Meats	-
04/22/2021	Sa Giang Import Export Corporation	Vinh Hoan Corporation (HOSE:VHC)	Packaged Foods and Meats	19.4
04/22/2021	United Royale Holdings Corp.	CyberNorth Ventures Inc.	Agricultural Products	120.7
04/29/2021	Sosa Ingredients, S.L.	Savencia Gourmet SAS	Packaged Foods and Meats	-
05/09/2021	Modern Food Industries Company	Western Bakeries Company	Packaged Foods and Meats	-
05/17/2021	Long An Food Processing Export Joint	The PAN Group Joint Stock	Packaged Foods and Meats	10.4
05/20/2021	Ovostar Union Public Company Limited	Fairfax Financial Holdings Limited	Packaged Foods and Meats	129.8
05/28/2021	Borges Of California, Inc.	Carriere Family Farms, Inc.	Packaged Foods and Meats	-
06/04/2021	Plant Camp, LLC	Creald Partners	Packaged Foods and Meats	-
06/08/2021	Roberts Manufacturing Co. Limited	Proven Investments Limited	Packaged Foods and Meats	-
06/15/2021	Cape Olive Holdings (Pty) Ltd.	EXEO Capital	Agricultural Products	-

# Consumer

As the COVID-19 vaccine roll-out continues, the M&A outlook is improving. The number of North American transactions have returned to pre-COVID figures and are expected to increase further through the remainder of 2021. The consumer products industry has also adjusted to new commerce methods as a result of the pandemic, with many companies adopting models such as BOPIS (buy online pickup in store) to maintain business during the pandemic.



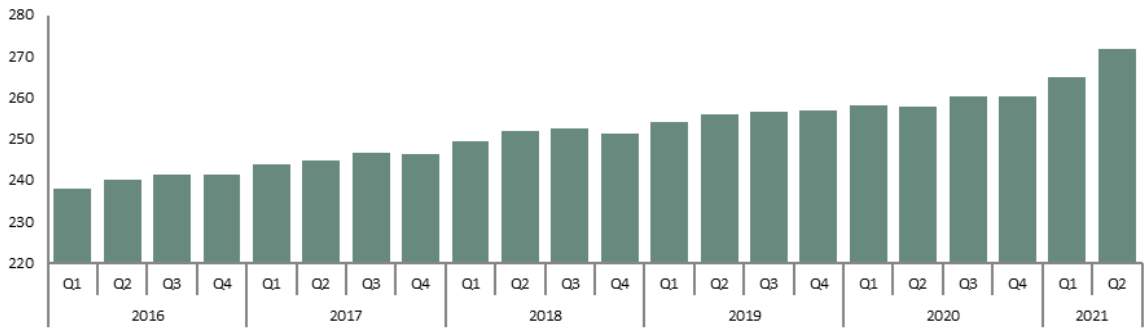
6/30/2021		LTM Financials		Valuation Metrics		LTM Margins		
Company Name	Ticker	Enterprise Value	Revenue	EBITDA	EV / Revenue	EV / EBITDA	Gross Margin	EBITDA Margin
Altria Group, Inc.	NYSE:MO	\$112,248	\$21,227	\$12,231	5.3x	9.2x	65.4%	57.6%
Amazon.com, Inc.	NasdaqGS:AMZN	\$1,763,203	\$443,298	\$59,321	4.0x	29.7x	40.7%	13.4%
Archer-Daniels-Midland Company	NYSE:ADM	\$45,429	\$74,923	\$3,633	0.6x	12.5x	7.2%	4.8%
AutoNation, Inc.	NYSE:AN	\$11,656	\$24,072	\$1,667	0.5x	7.0x	18.0%	6.9%
Best Buy Co., Inc.	NYSE:BBY	\$28,387	\$50,337	\$3,938	0.6x	7.2x	22.6%	7.8%
Bunge Limited	NYSE:BG	\$19,636	\$51,121	\$2,448	0.4x	8.0x	6.5%	4.8%
CarMax Inc.	NYSE:KMX	\$36,949	\$24,589	\$1,860	1.5x	19.9x	15.1%	7.6%
Carnival Corporation	NYSE:CCL	\$52,272	\$141	-\$3,809	NM	NA	NM	NM
Charter Communications, Inc.	NasdaqGS:CHTR	\$227,849	\$49,987	\$19,297	4.6x	11.8x	44.5%	38.6%
Comcast Corporation	NasdaqGS:CMCSA	\$357,968	\$108,991	\$31,857	3.3x	11.2x	66.8%	29.2%
Costco Wholesale Corporation	NasdaqGS:COST	\$174,507	\$186,637	\$8,677	0.9x	20.1x	13.1%	4.6%
CVS Health Corporation	NYSE:CVS	\$183,697	\$270,115	\$18,100	0.7x	10.1x	18.0%	6.7%
Dollar General Corporation	NYSE:DG	\$64,156	\$33,699	\$4,190	1.9x	15.3x	32.3%	12.4%
Dollar Tree, Inc.	NasdaqGS:DLTR	\$31,288	\$25,702	\$2,969	1.2x	10.5x	31.1%	11.6%
Ford Motor Company	NYSE:F	\$182,138	\$136,433	\$10,573	1.3x	17.2x	10.1%	7.7%
General Mills, Inc.	NYSE:GIS	\$49,046	\$18,127	\$4,105	2.7x	11.9x	35.6%	22.6%
General Motors Company	NYSE:GM	\$181,048	\$122,250	\$15,928	1.5x	11.4x	13.6%	13.0%
Genuine Parts Company	NYSE:GPC	\$20,572	\$17,870	\$1,485	1.2x	13.9x	34.7%	8.3%
Kimberly-Clark Corporation	NYSE:KMB	\$53,900	\$18,984	\$3,810	2.8x	14.1x	34.4%	20.1%
Kohl's Corporation	NYSE:KSS	\$13,274	\$17,414	\$1,624	0.8x	8.2x	37.9%	9.3%
Lear Corporation	NYSE:LEA	\$12,169	\$17,942	\$1,299	0.7x	9.4x	7.9%	7.2%
Lowe's Companies, Inc.	NYSE:LOW	\$157,667	\$94,344	\$13,809	1.7x	11.4x	33.1%	14.6%
Macy's, Inc.	NYSE:M	\$12,133	\$19,814	\$668	0.6x	18.2x	34.5%	3.4%
McDonald's Corporation	NYSE:MCD	\$218,886	\$21,744	\$11,254	10.1x	19.5x	53.2%	51.8%
Mondelez International, Inc.	NasdaqGS:MDLZ	\$107,661	\$27,843	\$6,162	3.9x	17.5x	40.4%	22.1%
NIKE, Inc.	NYSE:NKE	\$243,426	\$44,538	\$8,028	5.5x	30.3x	44.9%	18.0%
Penske Automotive Group, Inc.	NYSE:PAG	\$13,077	\$24,545	\$1,202	0.5x	10.9x	16.1%	4.9%
PepsiCo, Inc.	NasdaqGS:PEP	\$241,862	\$74,583	\$13,702	3.2x	17.7x	54.3%	18.4%
Performance Food Group Company	NYSE:PFGC	\$9,292	\$26,869	\$473	0.3x	19.6x	11.7%	1.8%
Philip Morris International Inc.	NYSE:PM	\$181,937	\$30,069	\$13,814	6.1x	13.2x	68.0%	45.9%
Rite Aid Corporation	NYSE:RAD	\$7,086	\$24,177	\$478	0.3x	14.8x	19.8%	2.0%
Starbucks Corporation	NasdaqGS:SBUX	\$151,270	\$27,117	\$5,488	5.6x	27.6x	28.2%	20.2%
Sysco Corporation	NYSE:SY	\$48,192	\$44,028	\$1,450	1.1x	33.2x	18.2%	3.3%
Target Corporation	NYSE:TGT	\$127,024	\$98,143	\$10,819	1.3x	11.7x	30.1%	11.0%
The Coca-Cola Company	NYSE:KO	\$267,917	\$33,433	\$11,773	8.0x	22.8x	59.4%	35.2%
The Gap, Inc.	NYSE:GPS	\$17,684	\$15,684	\$1,018	1.1x	17.3x	47.4%	6.5%
The Home Depot, Inc.	NYSE:HD	\$374,357	\$141,350	\$24,960	2.6x	15.0x	33.9%	17.7%
The Kraft Heinz Company	NasdaqGS:KHC	\$75,071	\$26,422	\$7,154	2.8x	10.5x	36.0%	27.1%
The Kroger Co.	NYSE:KR	\$47,500	\$132,247	\$5,504	0.4x	8.6x	23.5%	4.2%
The Procter & Gamble Company	NYSE:PG	\$351,355	\$76,118	\$20,959	4.6x	16.8x	51.6%	27.5%
The TJX Companies, Inc.	NYSE:TJX	\$87,405	\$37,815	\$3,022	2.3x	28.9x	35.3%	8.0%
The Walt Disney Company	NYSE:DIS	\$373,274	\$58,348	\$6,499	6.4x	57.4x	30.6%	11.1%
Twenty-First Century Fox, Inc.	NasdaqGS:FOXA	\$23,970	\$12,437	\$3,112	1.9x	7.7x	39.0%	25.0%
Tyson Foods, Inc.	NYSE:TSN	\$36,424	\$43,242	\$5,140	0.8x	7.1x	14.1%	11.9%
US Foods Holding Corp.	NYSE:USFD	\$14,054	\$22,841	\$511	0.6x	27.5x	16.2%	2.2%
Walgreens Boots Alliance, Inc.	NasdaqGS:WBA	\$87,011	\$146,172	\$5,243	0.6x	16.6x	19.7%	3.6%
Walmart Inc.	NYSE:WMT	\$441,797	\$562,839	\$39,655	0.8x	11.1x	25.1%	7.0%
Whirlpool Corporation	NYSE:WHR	\$18,248	\$21,771	\$3,224	0.8x	5.7x	21.9%	14.8%

Median	1.3x	13.9x	31.1%	11.1%
Mean	2.3x	16.1x	31.1%	15.2%

# Consumer

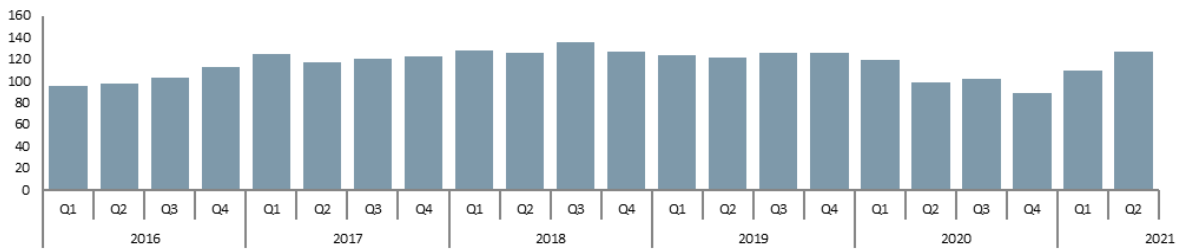
## State of the Industry

### Consumer Price Index



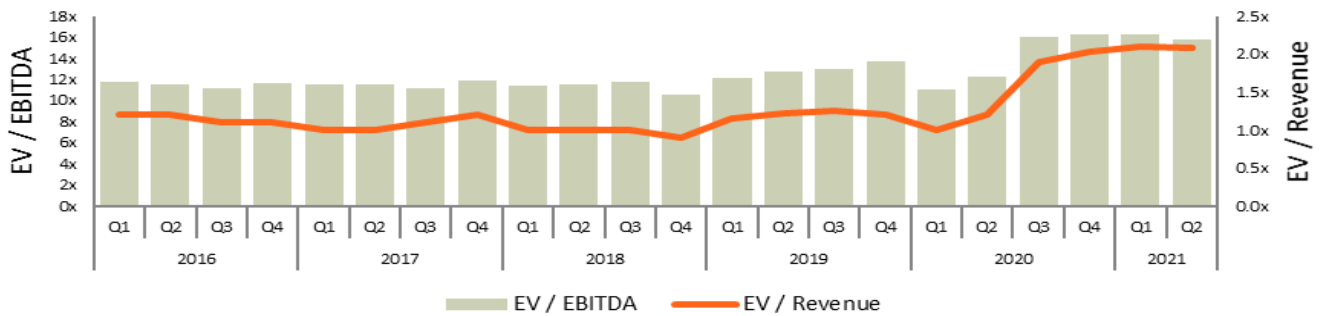
Source: Capital IQ

### Consumer Confidence Index



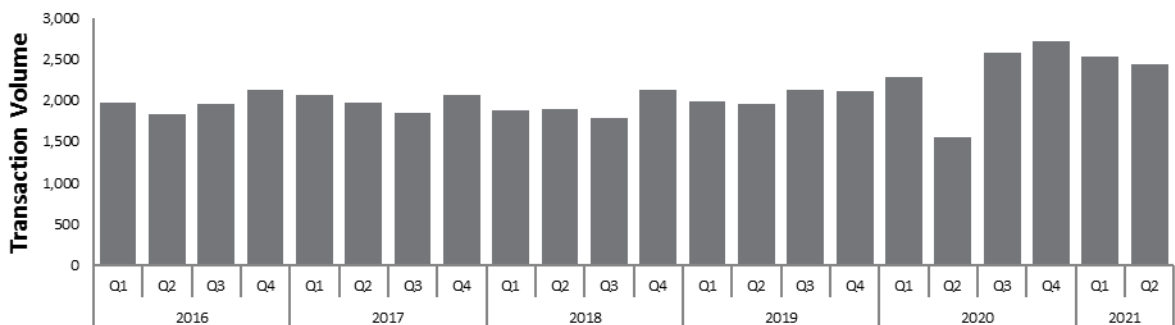
Source: Capital IQ

### 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

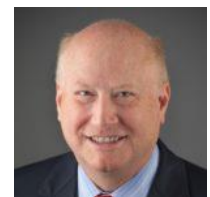
Spending on consumer products & services drives over two-thirds of the US economy and improving consumer sentiment is driving increased investment activity in the sector. Well-capitalized consumer companies are turning to M&A as a key business strategy to gain access to high growth emerging markets, 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 catalog 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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## 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.



Valley Fibers Corporation, dba WEBS America's Yarn Store and yarn.com, has been acquired by LoveCrafts Group Limited. This will bring together two leading companies in the market of yarns, weaving, and spinning supplies. It will also allow for the UK-based LoveCrafts to further expand into the North American crafting-focused e-commerce business. Following this transaction, LoveCrafts plans to keep the Valley Fibers retail store, product development, and marketing staff in Northampton, MA and its shipping operations in Easthampton, MA.

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