



In This Issue:

- Industry News
- Transactions
- State of the Industry
- About Mirus
- Mirus Consumer Spotlight

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Food and Beverage

Industry News

2022 Food and Beverage Manufacturing Outlook

Food Processing [Full Article](#)

Food and beverage manufacturers are feeling optimistic heading into 2022. According to *Food Processing's* annual survey, 81% of the respondents anticipate increased production over the next year. In addition, 47% expect an increase in their capital spending budget.

In 2022, food safety and cost control are food manufacturers' top priorities. To maintain food safety standards, employee training and equipment improvements are the most popular practices chosen by respondents in the survey. In addition, supply chain and inflationary pressure means that companies will have a higher focus on cost management this year.

Future of Work (FoW) in the Food Industry

Deloitte [Full Article](#)

Food retailers and product suppliers are seeking ways to move beyond the pandemic and adapt to changes in the industry. FoW initiatives have the potential to grow sales and market share, but "it is going to take leadership to navigate through the competing priorities and properly resource FoW efforts," according to Deloitte's recent report.

The report identifies the greatest people challenge facing the industry as talent availability and retention. Companies in other industries are tapping into the less-credentialed labor pool upon which the food industry has long relied, but flexibility and hybrid work options, where possible, will be key to retention.

Coca-Cola Acquires Remaining Stake in Sports-Drink Brand BodyArmor

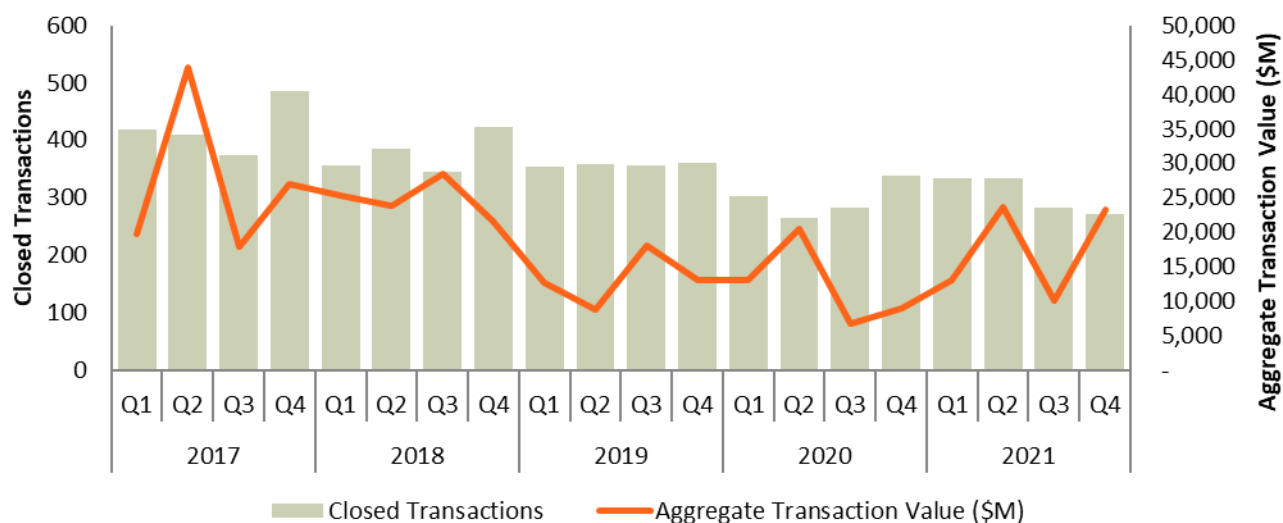
Wall Street Journal [Full Article](#)

Coca-Cola announced on November 1, 2021 to acquire full ownership of BodyArmor, a line of sports performance and hydration beverages. Coca-Cola is paying \$5.6 billion in cash for the remaining 85% of the company after an initial purchase of \$300M in 2018. The deal values BodyArmor at \$8B as Coca-Cola ramps up its competition with rivals like Pepsi in the energy drink category.

"BodyArmor has been a great addition to the system lineup over the last three years, and the company has driven continuous innovation in hydration and health-and-wellness products," said Alfredo Rivera, president of the North America operating unit of The Coca-Cola Company.

Food and Beverage

Food and Beverage M&A Environment

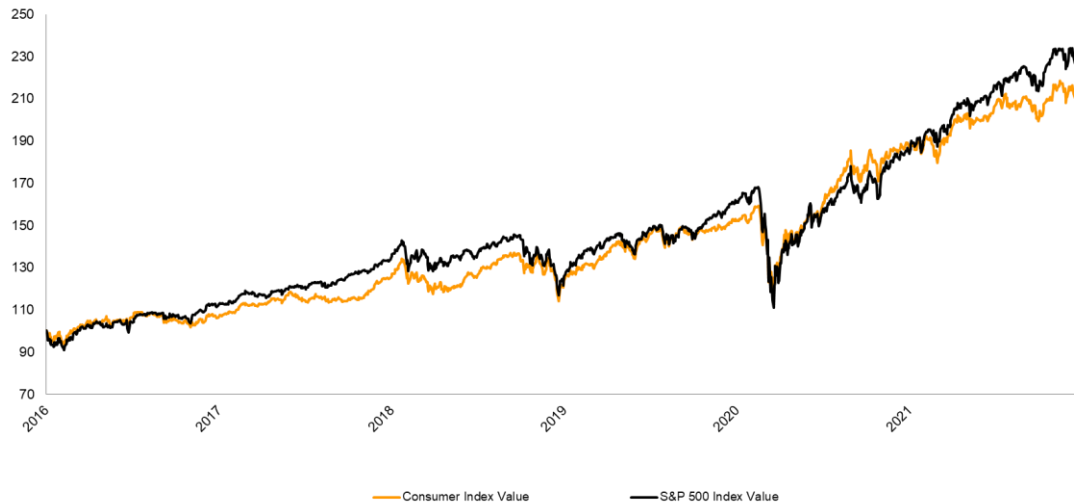


Selected Q4 2021 M&A

Date Closed	Target	Buyers/Investors	Sector	Enterprise Value (\$M)
10/1/2021	&ever GmbH	Kalera AS (OB:KAL)	Agricultural Products	125
10/1/2021	Bettera Brands, LLC	Catalent Pharma Solutions, Inc.	Packaged Foods and Meats	1,000
10/4/2021	Shank's Extracts, Inc.	Universal Corporation (NYSE:UVV)	Packaged Foods and Meats	100
10/4/2021	ASSAN FOODS	The Kraft Heinz Company (NasdaqGS:KHC)	Packaged Foods and Meats	100
10/13/2021	Youfoodz Holdings Limited	Cook E Services Australia Pty Ltd	Packaged Foods and Meats	77
10/18/2021	Agra's SA	Scandia Food SRL	Packaged Foods and Meats	12
10/29/2021	Fairfax Meadow Europe Ltd	Hilton Foods Limited	Packaged Foods and Meats	33
10/29/2021	Pastifício Santa Amália S.A.	Camil Alimentos S.A. (BOVESPA:CAML3)	Packaged Foods and Meats	78
11/1/2021	BA Sports Nutrition, LLC	The Coca-Cola Company (NYSE:KO)	Soft Drinks	5,600
11/5/2021	Nomadic Dairy Limited	Development Capital Fund Management Limited; BiaVest	Packaged Foods and Meats	34
11/15/2021	BBM production facility in UAE	Almarai Company (SASE:2280)	Soft Drinks	59
12/1/2021	Clover Stornetta Farms, Inc.	Alpina Productos Alimenticios S.A.	Packaged Foods and Meats	140
12/2/2021	Goyo Foods Industry Co., Ltd. (TSE:2230)	Mitsui & Co., Ltd. (TSE:8031)	Packaged Foods and Meats	24
12/6/2021	R.W. Garcia Co. Inc.	Utz Brands, Inc. (NYSE:UTZ)	Packaged Foods and Meats	56
12/7/2021	Double Diamond Distillery LLC	Tilray Brands, Inc. (NasdaqGS:TLRY)	Distillers and Vintners	106
12/16/2021	Café Bom Dia Ltda.	Camil Alimentos S.A. (BOVESPA:CAML3)	Packaged Foods and Meats	11
12/17/2021	Vestkorn Milling AS	Koninklijke DSM N.V. (ENXTAM:DSM)	Agricultural Products	73
12/28/2021	That's How We Roll LLC	The Hain Celestial Group, Inc. (NasdaqGS:HAIN)	Packaged Foods and Meats	261
12/30/2021	ZFS Creston LLC	Benson Hill, Inc. (NYSE:BHIL)	Agricultural Products	102
12/31/2021	PRODO Chikskaya Poultry Farm JSC	Chelyabinsk Poultry Farm	Packaged Foods and Meats	21

Consumer

M&A activity in the consumer products industry is expected to flourish in 2022 as more people receive vaccinations and consumer spending increases across a broad category of products and services. While COVID-related restrictions continue to affect demand in a few sub-sectors, consumer confidence is expected to return as restrictions ease. Spending habits are being influenced by post-pandemic lifestyle changes, which will catalyze deal-making both in terms of corporate portfolio reviews and private equity investments.



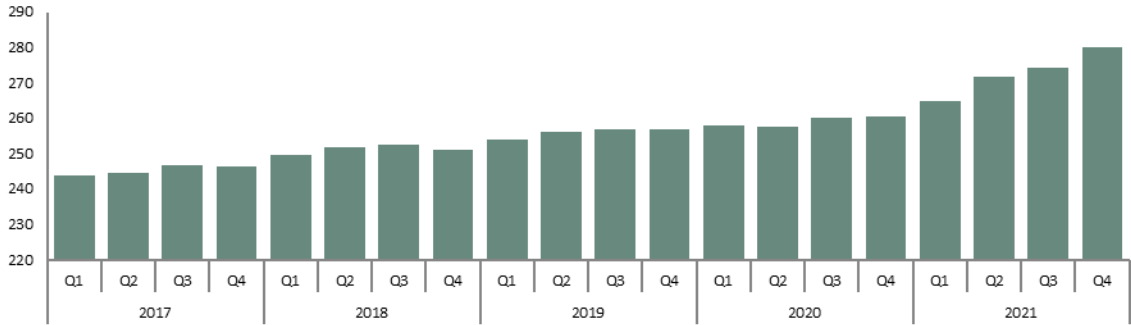
12/31/2021		LTM Financials			Valuation Metrics		LTM Margins	
Company Name	Ticker	Enterprise Value	Revenue	EBITDA	EV / Revenue	EV / EBITDA	Gross Margin	EBITDA Margin
Altria Group, Inc.	NYSE:MO	\$112,266	\$26,013	\$12,015	4.3x	9.3x	53.8%	46.2%
Amazon.com, Inc.	NasdaqGS:AMZN	\$1,748,253	\$469,822	\$59,175	3.7x	29.5x	42.0%	12.6%
Archer-Daniels-Midland Company	NYSE:ADM	\$46,880	\$85,249	\$3,951	0.5x	11.9x	7.0%	4.6%
AutoNation, Inc.	NYSE:AN	\$11,777	\$25,047	\$1,865	0.5x	6.3x	18.4%	7.4%
Best Buy Co., Inc.	NYSE:BBY	\$24,961	\$52,333	\$4,213	0.5x	5.9x	22.6%	8.1%
Bunge Limited	NYSE:BG	\$20,193	\$59,152	\$2,588	0.3x	7.8x	5.7%	4.4%
CarMax Inc.	NYSE:KMX	\$39,596	\$30,633	\$1,885	1.3x	21.0x	13.1%	6.2%
Carnival Corporation	NYSE:CCL	\$47,407	\$1,908	-\$4,051	NM	NA	NM	NM
Charter Communications, Inc.	NasdaqGS:CHTR	\$210,778	\$51,682	\$20,505	4.1x	10.3x	45.0%	39.7%
Comcast Corporation	NasdaqGS:CMCSA	\$322,578	\$116,385	\$34,621	2.8x	9.3x	67.0%	29.7%
Costco Wholesale Corporation	NasdaqGS:COST	\$248,913	\$203,084	\$9,413	1.2x	26.4x	12.8%	4.6%
CVS Health Corporation	NYSE:CVS	\$202,401	\$290,912	\$18,552	0.7x	10.9x	17.5%	6.4%
Dollar General Corporation	NYSE:DG	\$68,248	\$33,984	\$3,924	2.0x	17.4x	31.9%	11.5%
Dollar Tree, Inc.	NasdaqGS:DLTR	\$40,680	\$26,009	\$2,683	1.6x	15.2x	29.8%	10.3%
Ford Motor Company	NYSE:F	\$197,569	\$136,341	\$16,227	1.4x	12.2x	12.1%	11.9%
General Mills, Inc.	NYSE:GIS	\$53,137	\$18,608	\$3,975	2.9x	13.4x	34.2%	21.4%
General Motors Company	NYSE:GM	\$182,182	\$127,004	\$16,894	1.4x	10.8x	14.2%	13.3%
Genuine Parts Company	NYSE:GPC	\$22,276	\$18,319	\$1,472	1.2x	15.1x	34.9%	8.0%
Kimberly-Clark Corporation	NYSE:KMB	\$57,041	\$19,440	\$3,602	2.9x	15.8x	31.6%	18.5%
Kohl's Corporation	NYSE:KSS	\$11,777	\$19,075	\$2,714	0.6x	4.3x	41.8%	14.2%
Lear Corporation	NYSE:LEA	\$12,823	\$19,263	\$1,272	0.7x	10.1x	7.2%	6.6%
Lowe's Companies, Inc.	NYSE:LOW	\$198,392	\$95,222	\$14,842	2.1x	13.4x	33.1%	15.6%
Macy's, Inc.	NYSE:M	\$14,044	\$23,399	\$2,260	0.6x	6.2x	39.1%	9.7%
McDonald's Corporation	NYSE:MCD	\$244,822	\$23,223	\$11,628	10.5x	21.1x	54.2%	50.1%
Mondelez International, Inc.	NasdaqGS:MDLZ	\$109,648	\$28,720	\$6,107	3.8x	18.0x	39.2%	21.3%
NIKE, Inc.	NYSE:NKE	\$261,428	\$46,306	\$7,982	5.6x	32.8x	46.0%	17.2%
Penske Automotive Group, Inc.	NYSE:PAG	\$14,197	\$25,555	\$1,476	0.6x	9.6x	17.4%	5.8%
PepsiCo, Inc.	NasdaqGS:PEP	\$277,501	\$79,474	\$14,394	3.5x	19.3x	53.3%	18.1%
Performance Food Group Company	NYSE:PFGC	\$11,809	\$33,738	\$614	0.4x	19.2x	11.6%	1.8%
Philip Morris International Inc.	NYSE:PM	\$174,432	\$31,405	\$14,035	5.6x	12.4x	68.1%	44.7%
Rite Aid Corporation	NYSE:RAD	\$7,044	\$24,420	\$419	0.3x	16.8x	20.5%	1.7%
Starbucks Corporation	NasdaqGS:SBUX	\$154,224	\$29,061	\$6,226	5.3x	24.8x	29.0%	21.4%
Sysco Corporation	NYSE:SY	\$50,160	\$55,977	\$2,562	0.9x	19.6x	18.1%	4.6%
Target Corporation	NYSE:TGT	\$120,622	\$103,348	\$11,166	1.2x	10.8x	29.5%	10.8%
The Coca-Cola Company	NYSE:KO	\$284,544	\$38,655	\$12,602	7.4x	22.6x	60.3%	32.6%
The Gap, Inc.	NYSE:GPS	\$11,908	\$16,569	\$1,331	0.7x	8.9x	49.2%	8.0%
The Home Depot, Inc.	NYSE:HD	\$473,568	\$147,699	\$25,694	3.2x	18.4x	33.7%	17.4%
The Kraft Heinz Company	NasdaqGS:KHC	\$65,894	\$26,272	\$6,701	2.5x	9.8x	34.4%	25.5%
The Kroger Co.	NYSE:KR	\$51,668	\$135,577	\$5,549	0.4x	9.3x	22.8%	4.1%
The Procter & Gamble Company	NYSE:PG	\$419,188	\$78,346	\$21,171	5.4x	19.8x	49.4%	27.0%
The TJX Companies, Inc.	NYSE:TJX	\$96,593	\$45,639	\$4,706	2.1x	20.5x	35.2%	10.3%
The Walt Disney Company	NYSE:DIS	\$337,562	\$67,418	\$8,603	5.0x	39.2x	33.1%	12.8%
Twenty-First Century Fox, Inc.	NasdaqGS:FOXA	\$23,724	\$13,591	\$2,990	1.7x	7.9x	35.5%	22.0%
Tyson Foods, Inc.	NYSE:TSN	\$39,032	\$47,049	\$5,950	0.8x	6.6x	14.6%	12.6%
US Foods Holding Corp.	NYSE:USFD	\$13,100	\$27,986	\$794	0.5x	16.5x	16.0%	2.8%
Walgreens Boots Alliance, Inc.	NasdaqGS:WBA	\$79,026	\$134,972	\$5,649	0.6x	14.0x	21.5%	4.2%
Walmart Inc.	NYSE:WMT	\$452,202	\$571,962	\$40,313	0.8x	11.2x	25.0%	7.0%
Whirlpool Corporation	NYSE:WHR	\$17,628	\$21,985	\$2,775	0.8x	6.4x	20.1%	12.6%

Median	1.4x	13.4x	31.6%	11.9%
Mean	2.3x	14.9x	30.9%	15.1%

Consumer

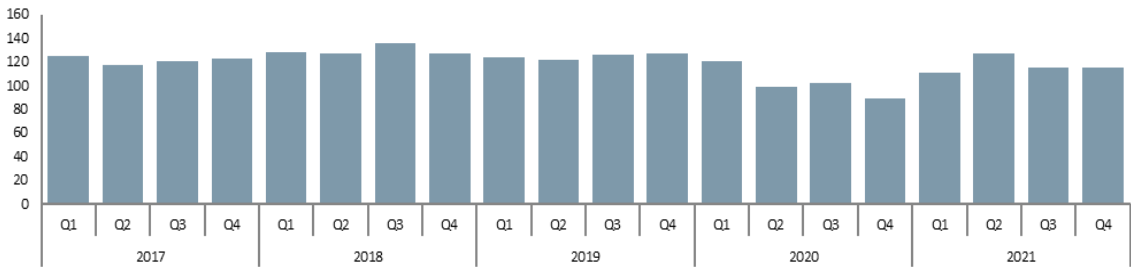
State of the Industry

Consumer Price Index



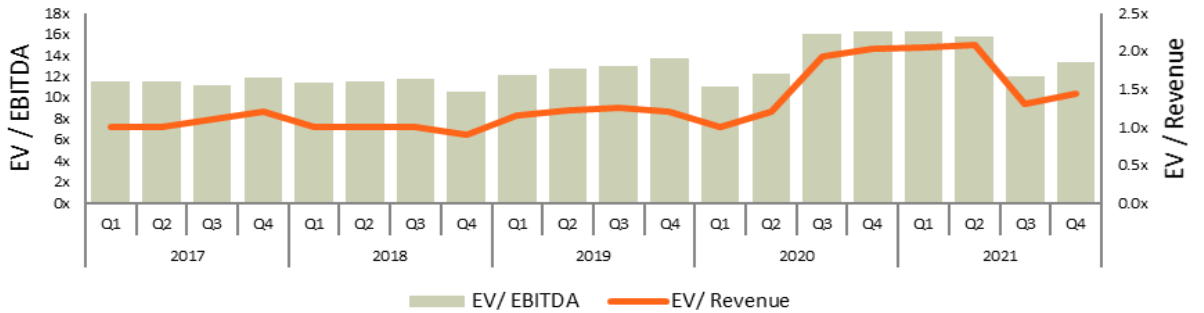
Source: The Bureau of Labor Statistics

Consumer Confidence Index



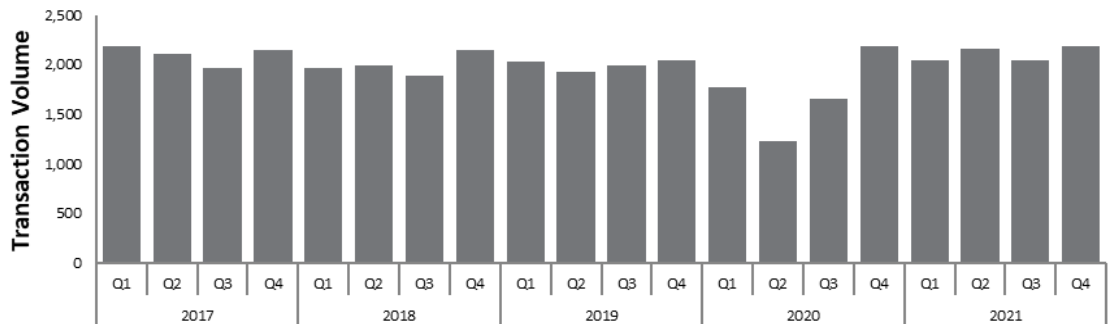
Source: The Conference Board

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.

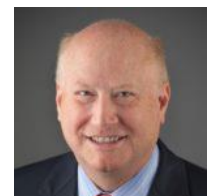
Partner Spotlight

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.



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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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