



In This Issue:

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

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Food and Beverage

Industry News

2024 Food and Beverage Industry Outlook

The Real Economy, RSM US [Full Article](#)

Amidst the stabilizing U.S. economic landscape, consumers continued to show a willingness to spend despite high interest rates and a tight labor market. Yet as falling inflation provided relief for some businesses, prices for key food and beverage commodities remained high. In response, consumers continued to display a shift-to-value mindset—a pandemic-era tactic used to manage household budgets while juggling skyrocketing prices at grocery stores—turning to private label products and cheaper “dollar store” or “big-box” options. Building customer loyalty and focusing on brand strategy will be paramount to driving volume in 2024, and although promotions and discounts can help to drive sales, M&A could offer food & beverage companies a unique opportunity to strengthen key market segments and expand into more profitable target sectors.

Big Food vs. Big Pharma: Companies Bet on Snacking Just as Weight Loss Drugs Boom

CNBC [Full Article](#)

Kellogg recently spun off its stable cereal business (now named WK Kellogg Co) from its rapidly expanding snacking business (rebranded as Kellanova). This move aligned with a broader food industry trend towards expanding and bolstering snack offerings (see J.M. Smucker's \$5.6 billion acquisition of Twinkie maker Hostess Brands). With U.S. sweet snack sales poised to grow 4.6% annually through 2027 and the savory snacks market predicted to grow 6% annually, according to HSBC, this trend is fueled by an increase in snacking by Millennials and Gen Z consumers.

Food companies are wisely investing in internal R&D to create new, healthier formulations mirroring the taste of full-sugar and salt versions as the use of LP-1 weight loss drugs like Ozempic and Wegovy skyrocket. But not everyone is convinced these drugs are an issue, citing significant cost barriers—with a list price of roughly \$1,000 a month—and limited coverage by major health insurers. “We acknowledge that the impact in the near term is likely to be limited given drug adoption will grow gradually over time, but we could see a longer-term impact as drug prevalence increases,” Morgan Stanley's Paula Kaufman wrote in a note to clients. Time will tell if companies adapt to changes in consumer behavior through innovation and portfolio reshaping efforts geared towards healthier alternatives.

Consumers Cite Food Prices as Their Top Economic Concern

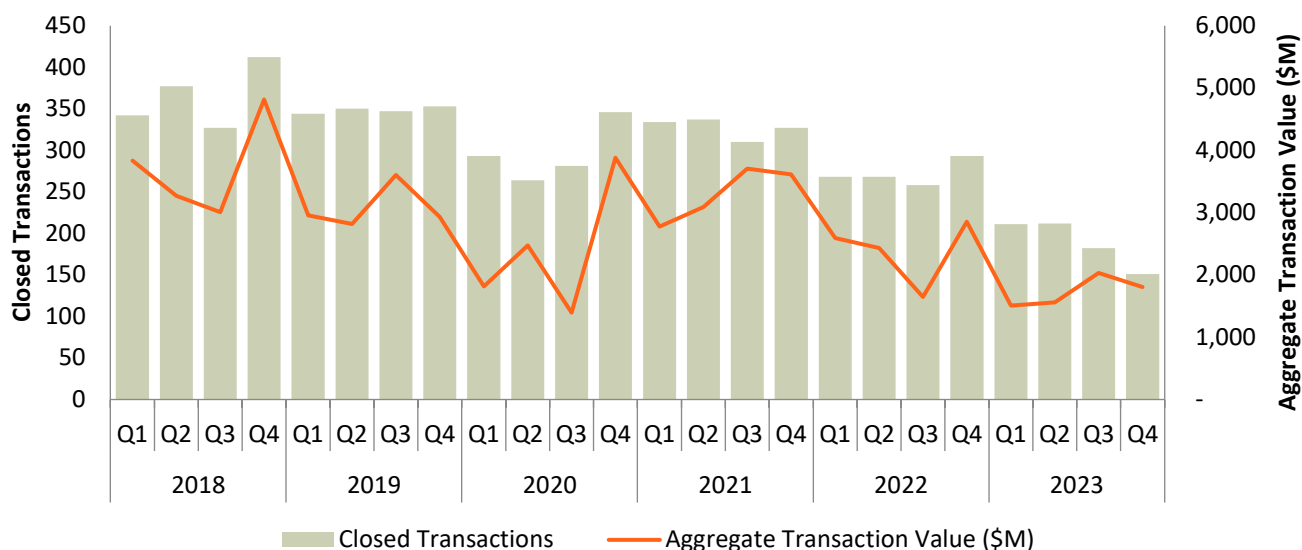
Morning Consult, Yahoo Finance [Full Article](#)

Food prices remain consumers' number-one economic concern according to internal survey data from Morning Consult. Food-at-home prices increased 1.7% on a year-over-year basis in November, with food groups like cereal, baked goods, eggs, butter, and coffee each increasing in price over the month.

Supply chain woes, competitive pricing, and crop and livestock issues resulted in grocery prices reaching record highs in 2022, and consumers have yet to forgive and forget. “It really comes back to the fact that price levels are still very high in consumers' minds relative to just a few years ago, so it's still recent memory when you could buy groceries for cheaper prices,” Morning Consult's senior economist Kayla Bruun said in a Food Dive interview. “It's still at a level consumers are bothered by, and it's still shaping purchasing decisions.”

Food and Beverage

Food & Beverage M&A Environment

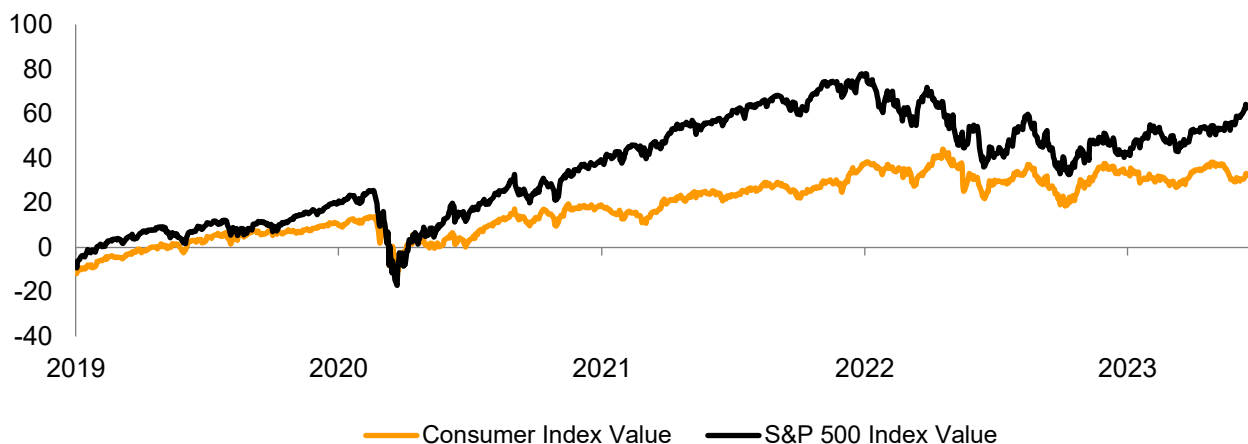


Selected Q4 2023 M&A

M&A Date Closed	Target	Buyers/Investors	Sector	Enterprise Value (\$M)
12/18/2023	Apollo Food Holdings Berhad (KLSE:APOLLO)	Scoop Capital	Packaged Foods and Meats	70.25
11/30/2023	PT Tasik Raja/PT Hijau Pryan Perdana/PT Bina Pitri Jaya/PT Alno Agro	Anglo-Eastern Plantations Plc (LSE:AEP)	Agricultural Products and Services	-
11/27/2023	Château Lafaurie Peyraguey SAS	Lalique Group SA (SWX:LLQ)	Distillers and Vintners	26.23
11/17/2023	business and certain assets of Rainbow Dust Colours Ltd	Rainbow Dust Limited	Packaged Foods and Meats	0.994
11/08/2023	Green Giant U.S. shelf stable vegetable product line of B&G Foods,	Seneca Foods Corporation (NasdaqGS:SENE.A)	Agricultural Products and Services	55.6
11/03/2023	TDBBS, LLC	Central Garden & Pet Company (NasdaqGS:CENT)	Packaged Foods and Meats	60.0
10/30/2023	FUEL10K Ltd	Premier Foods plc (LSE:PFD)	Packaged Foods and Meats	40.8
10/27/2023	Pig and Green Co., Ltd.	JeilFeed Corporation	Packaged Foods and Meats	1.67
10/24/2023	Rio Drinks Limited	A.G. BARR p.l.c. (LSE:BAG)	Brewers	14.96
10/21/2023	Longping Agriscience Co., Ltd.	Yuan Long Ping High-Tech Agriculture Co., Ltd. (SZSE:000998)	Agricultural Products and Services	1,533.42
10/21/2023	Longping Agriscience Co., Ltd.	Yuan Long Ping High-Tech Agriculture Co., Ltd. (SZSE:000998)	Agricultural Products and Services	1,593.63
10/20/2023	Apiter Laboratories	Comvita Limited (NZSE:CVT)	Packaged Foods and Meats	16.67
10/13/2023	Alziraat Jeotermal Tarim Gida Sanayi ve Ticaret Anonim Sirketi	Alarko Tarim Sanayi ve Ticaret Anonim Sirketi	Agricultural Products and Services	2.5
10/13/2023	Certain assets of Sunrise Growers	Nature's Touch Frozen Foods, LLC	Packaged Foods and Meats	-
10/12/2023	Altes Seracilik Tarim Gida Sanayi ve Ticaret Anonim Sirketi	Alarko Tarim Sanayi ve Ticaret Anonim Sirketi	Agricultural Products and Services	1.8
10/10/2023	All Assets of Perfection Pet Foods, LLC	Post Holdings, Inc. (NYSE:POST)	Packaged Foods and Meats	235.0
10/04/2023	Assets related to Ooh La Lemini	Sprecher Brewing Company, Inc.	Soft Drinks and Non-alcoholic Beverages	0.5
10/02/2023	Go Fast Sports & Beverage Company LLC	Global Sciences Holdings, Inc.	Soft Drinks and Non-alcoholic Beverages	1.2
10/02/2023	Al Ba Podlaskie Centrum Miesne Zuraw I Gryko Spolka Jawna/Franko	Gobarto S.A. (WSE:GOB)	Packaged Foods and Meats	6.92
09/29/2023	GRA Inc.	Kumiai Chemical Industry Co., Ltd. (TSE:4996)	Agricultural Products and Services	1.03
09/28/2023	Substantially all the assets of Fassio Egg Farms, Inc.	Cal-Maine Foods, Inc. (NasdaqGS:CALM)	Packaged Foods and Meats	54.89
09/27/2023	Sahale Snacks, Inc.	Kar Nut Products Company, LLC	Packaged Foods and Meats	34.0
09/23/2023	Anamika Sugar Mills Private Limited	Shree Renuka Sugars Limited (NSEI:RENUKA)	Packaged Foods and Meats	28.38
09/20/2023	Finsbury Food Group Limited	DBAY Advisors Limited	Packaged Foods and Meats	220.01
09/14/2023	Arabian Food Industries Company (DOMTY) - S.A.E (CASE:DOMT)	International Dairy Investment Company	Packaged Foods and Meats	90.85
09/07/2023	PT Agro Bumi Kaltim/PT Nusantara Agro Sentosa	PT Evans Indonesia	Agricultural Products and Services	63.7
09/06/2023	Certain Assets Relating to the Snack Bars Business Unit of Treehouse	John B. Sanfilippo & Son, Inc. (NasdaqGS:JBSS)	Packaged Foods and Meats	61.25
09/06/2023	Larsen S.A.S./Larsen cognac business	International Beverage Holdings Limited	Brewers	-
09/05/2023	Kernel Holding S.A. (WSE:KER)	AIRO Group, Inc.	Agricultural Products and Services	-

Consumer

M&A activity in the consumer products industry is expected to experience a wait and see approach in 2024. PwC states, "To execute successful M&A in 2024, dealmakers will be required to develop value creation plans at the onset, use effective screening and diligence capabilities to identify the right targets, and then act decisively to seize opportunities. By doing so, companies can use a period of broad uncertainty to create separation between themselves and their competitors."



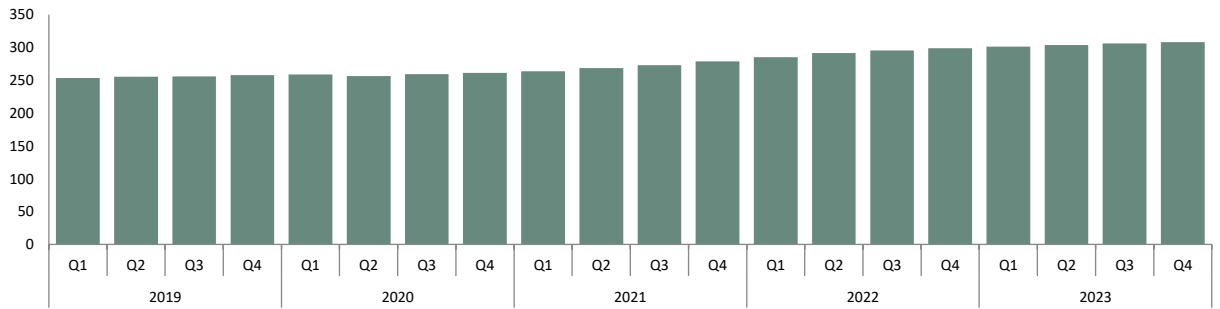
12/31/2023		LTM Financials			Valuation Metrics		LTM Margins	
Company Name	Ticker	Enterprise Value	Revenue	EBITDA	EV / Revenue	EV / EBITDA	Gross Margin	EBITDA Margin
Altria Group, Inc.	NYSE:MO	\$94,958	\$20,561	\$12,526	4.6x	7.6x	69.4%	60.9%
Amazon.com, Inc.	NasdaqGS:AMZN	\$1,672,049	\$554,028	\$73,978	3.0x	22.6x	46.2%	13.4%
Archer-Daniels-Midland Company	NYSE:ADM	\$46,876	\$96,896	\$5,088	0.5x	9.2x	7.8%	5.3%
AutoNation, Inc.	NYSE:AN	\$13,664	\$26,879	\$1,920	0.5x	7.1x	19.3%	7.1%
Best Buy Co., Inc.	NYSE:BBY	\$20,003	\$43,541	\$2,621	0.5x	7.6x	21.9%	6.0%
Bunge Limited	NYSE:BG	\$19,261	\$61,264	\$3,491	0.3x	5.5x	7.4%	5.7%
CarMax Inc.	NYSE:KMX	\$31,010	\$28,248	\$1,012	1.1x	30.6x	11.6%	3.6%
Carnival Corporation	NYSE:CCL	\$52,677	\$20,036	\$3,203	2.6x	16.4x	47.4%	16.0%
Charter Communications, Inc.	NasdaqGS:CHTR	\$158,659	\$54,570	\$21,171	2.9x	7.5x	44.9%	38.8%
Comcast Corporation	NasdaqGS:CMCSA	\$273,336	\$120,872	\$37,638	2.3x	7.3x	70.0%	31.1%
Costco Wholesale Corporation	NasdaqGS:COST	\$284,379	\$245,652	\$10,869	1.2x	26.2x	12.5%	4.4%
CVS Health Corporation	NYSE:CVS	\$165,694	\$346,601	\$18,343	0.5x	9.0x	15.3%	5.3%
Dollar General Corporation	NYSE:DG	\$47,562	\$39,036	\$3,620	1.2x	13.1x	30.6%	9.3%
Dollar Tree, Inc.	NasdaqGS:DLTR	\$41,192	\$29,685	\$2,509	1.4x	16.4x	30.1%	8.5%
Ford Motor Company	NYSE:F	\$162,471	\$174,228	\$16,908	0.9x	9.6x	10.4%	9.7%
General Mills, Inc.	NYSE:GIS	\$49,302	\$20,200	\$4,091	2.4x	12.1x	34.4%	20.3%
General Motors Company	NYSE:GM	\$144,672	\$171,971	\$16,681	0.8x	8.7x	12.3%	9.7%
Genuine Parts Company	NYSE:GPC	\$23,015	\$23,028	\$2,045	1.0x	11.3x	35.7%	8.9%
Kimberly-Clark Corporation	NYSE:KMB	\$48,709	\$20,425	\$3,703	2.4x	13.2x	33.9%	18.1%
Kohl's Corporation	NYSE:KSS	\$11,031	\$17,539	\$900	0.6x	12.3x	36.8%	5.1%
Lear Corporation	NYSE:LEA	\$10,846	\$22,997	\$1,628	0.5x	6.7x	7.9%	7.1%
Lowe's Companies, Inc.	NYSE:LOW	\$166,605	\$90,220	\$13,437	1.8x	12.4x	33.3%	14.9%
Macy's, Inc.	NYSE:M	\$11,341	\$23,930	\$1,768	0.5x	6.4x	39.3%	7.4%
McDonald's Corporation	NYSE:MCD	\$261,399	\$25,014	\$13,454	10.5x	19.4x	57.2%	53.8%
Mondelez International, Inc.	NasdaqGS:MDLZ	\$117,437	\$35,397	\$7,183	3.3x	16.3x	37.9%	20.3%
NIKE, Inc.	NYSE:NKE	\$167,484	\$51,542	\$6,812	3.2x	24.6x	44.0%	13.2%
Penske Automotive Group, Inc.	NYSE:PAG	\$17,846	\$29,267	\$1,557	0.6x	11.5x	16.8%	5.3%
PepsiCo, Inc.	NasdaqGS:PEP	\$270,933	\$91,617	\$16,125	3.0x	16.8x	54.0%	17.6%
Performance Food Group Company	NYSE:PFGC	\$15,862	\$53,574	\$1,298	0.3x	12.2x	11.8%	2.4%
Philip Morris International Inc.	NYSE:PM	\$192,565	\$34,279	\$13,449	5.6x	14.3x	63.6%	39.2%
Starbucks Corporation	NasdaqGS:SBUX	\$129,829	\$35,976	\$6,976	3.6x	18.6x	27.4%	19.4%
Sysco Corporation	NYSE:SY	\$48,048	\$76,818	\$3,534	0.6x	13.6x	18.4%	4.6%
Target Corporation	NYSE:TGT	\$83,383	\$106,888	\$7,956	0.8x	10.5x	26.8%	7.4%
The Coca-Cola Company	NYSE:KO	\$282,695	\$45,030	\$14,168	6.3x	20.0x	59.1%	31.5%
The Gap, Inc.	NYSE:GPS	\$11,951	\$14,834	\$942	0.8x	12.7x	45.9%	6.4%
The Home Depot, Inc.	NYSE:HD	\$392,105	\$153,714	\$25,472	2.6x	15.4x	33.4%	16.6%
The Kraft Heinz Company	NasdaqGS:KHC	\$64,405	\$27,161	\$6,487	2.4x	9.9x	33.2%	23.9%
The Kroger Co.	NYSE:KR	\$51,052	\$147,797	\$7,819	0.3x	6.5x	22.7%	5.3%
The Procter & Gamble Company	NYSE:PG	\$372,658	\$83,265	\$22,636	4.5x	16.5x	49.3%	27.2%
The TJX Companies, Inc.	NYSE:TJX	\$115,142	\$52,326	\$6,258	2.2x	18.4x	35.3%	12.0%
The Walt Disney Company	NYSE:DIS	\$215,484	\$88,898	\$14,701	2.4x	14.7x	33.4%	16.5%
Twenty-First Century Fox, Inc.	NasdaqGS:FOXA	\$18,504	\$14,928	\$2,935	1.2x	6.3x	33.7%	19.7%
Tyson Foods, Inc.	NYSE:TSN	\$28,634	\$52,881	\$1,832	0.5x	15.6x	5.0%	3.5%
US Foods Holding Corp.	NYSE:USFD	\$15,716	\$35,176	\$1,365	0.4x	11.5x	17.1%	3.9%
Walgreens Boots Alliance, Inc.	NasdaqGS:WBA	\$64,798	\$142,406	\$4,016	0.5x	16.1x	18.9%	2.8%
Walmart Inc.	NYSE:WMT	\$490,612	\$638,785	\$37,666	0.8x	13.0x	24.3%	5.9%
Whirlpool Corporation	NYSE:WHR	\$13,981	\$19,290	\$1,460	0.7x	9.6x	15.7%	7.6%

Median	1.2x	12.4x	33.2%	9.3%
Mean	1.9x	13.3x	31.1%	14.5%

Consumer

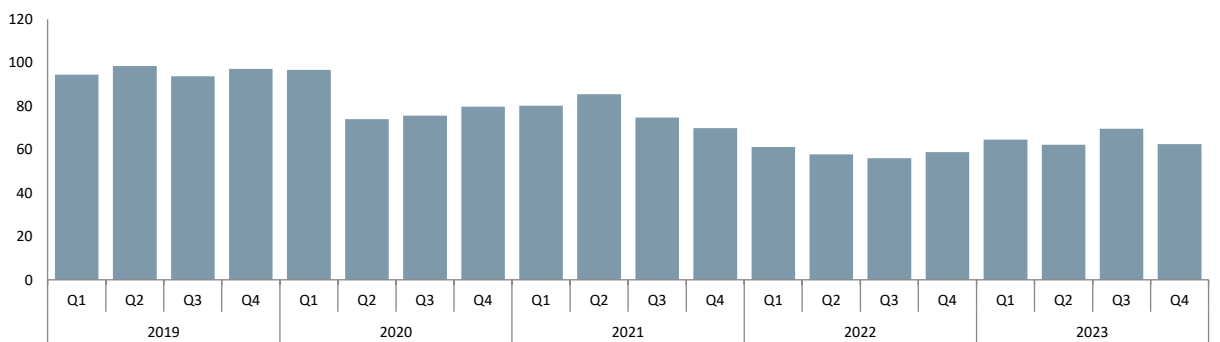
State of the Industry

Consumer Price Index



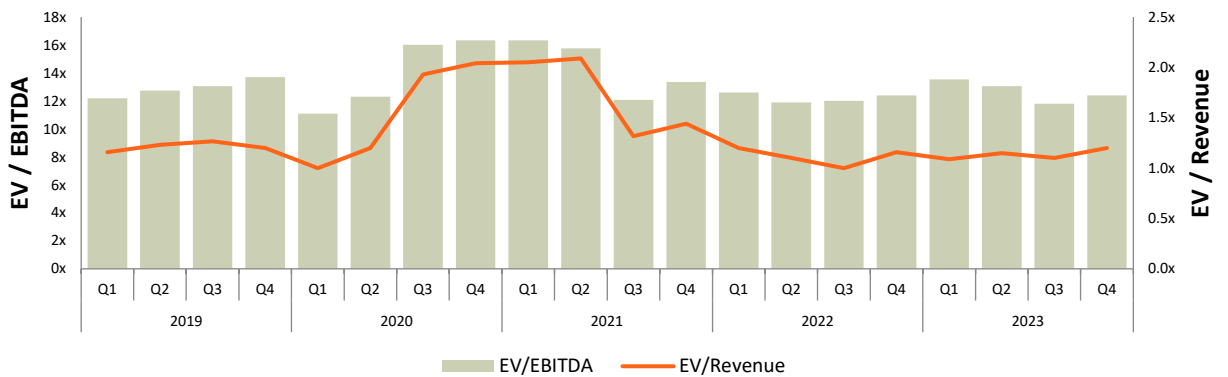
Source: FRED

Consumer Confidence Index



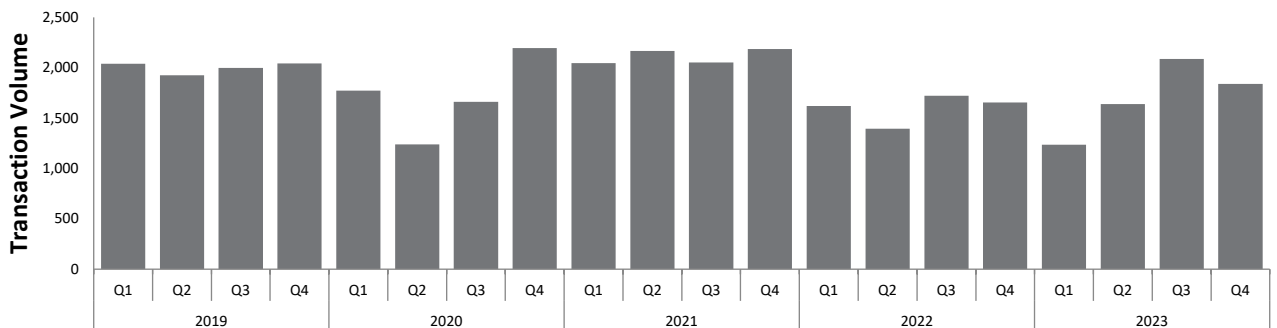
Source: FRED

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.

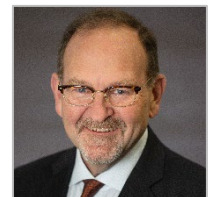
- We sweat the small stuff.
- Take a 3:00am call.
- Say yes.
- Say no.
- Dig deeper when things get tough.
- And celebrate with you when your efforts pay off and you can reflect on it all and say, "It's really remarkable what we've accomplished here."
- Then and only then, will we know that we've accomplished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

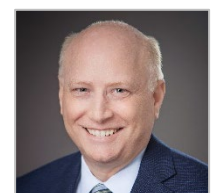
Partner Spotlight

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 food manufacturing business owner and CEO 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 has 20 years experience as a senior executive of national retail chains, and e-commerce and direct marketing companies, including shoe, home furnishing, continuing education and food catalogs and 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 freshwater 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.