

KROLL

Food and Beverage

Industry Insights

SPRING 2024

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Executive Summary

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279 food and beverage deals were announced in TTM March 2024



87% were completed by privately owned buyers



77% were strategic transactions

M&A Market Overview

Overview

Food and beverage M&A saw 70 deals announced in the first quarter (Q1) of 2024, an increase in transaction count from the previous quarter. For the trailing twelve months (TTM) ending March 31, 2024, 279 deals were announced in the space—11 fewer transactions compared to the prior TTM period. Overall, deal activity both year over year and quarter over quarter increased by 13%.

Q1 2024 saw several significant North American deals in the alcoholic beverage and protein producer spaces. Notable transactions within these areas include Prime Drink Group's acquisition of Triani Canada, and Cal-Maine Foods' acquisition of assets from Tyson Foods. The alcoholic beverage, protein producer, general and better-for-you categories were the most active in terms of deal volume, representing 63% of total transactions in the quarter.

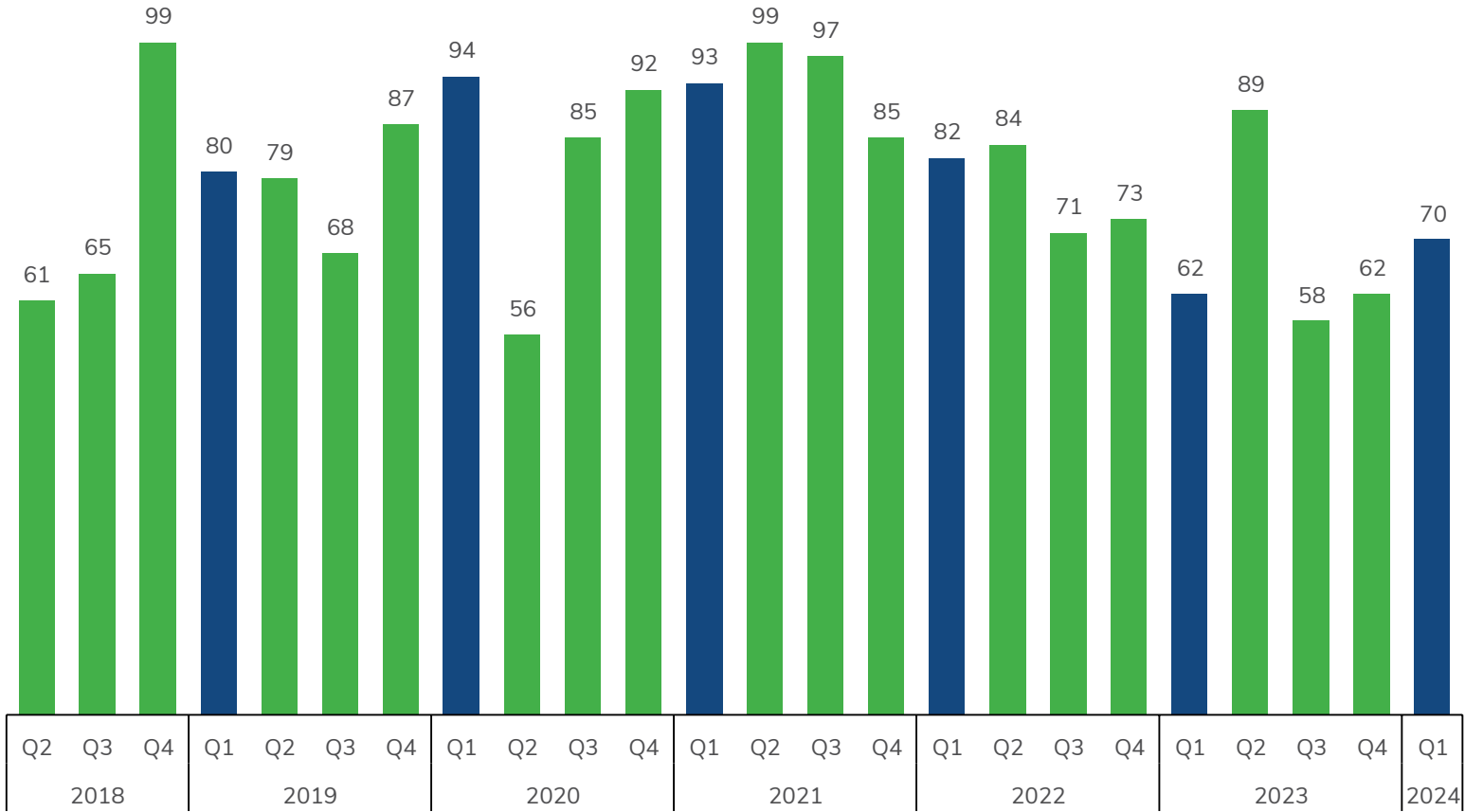
M&A activity in the food and beverage sector in TTM March 2024 remained predominantly driven by strategic buyers (including companies primarily owned by private equity investors), with strategic transactions representing 77% of total deal volume. Of the 279 deals announced over the year, 242 (87%) were completed by privately owned buyers.

The food and beverage space has had two consecutive quarters of increasing M&A activity, which can be attributed to interest rate stability, strong corporate balance sheets and improvement in the financing markets. There is an abundance of capital to drive deals, with both corporate cash balances and private equity dry powder at all-time highs. With debt reduction becoming a focus for highly leveraged businesses, well-capitalized companies are positioned to acquire high-quality assets at lower valuations.

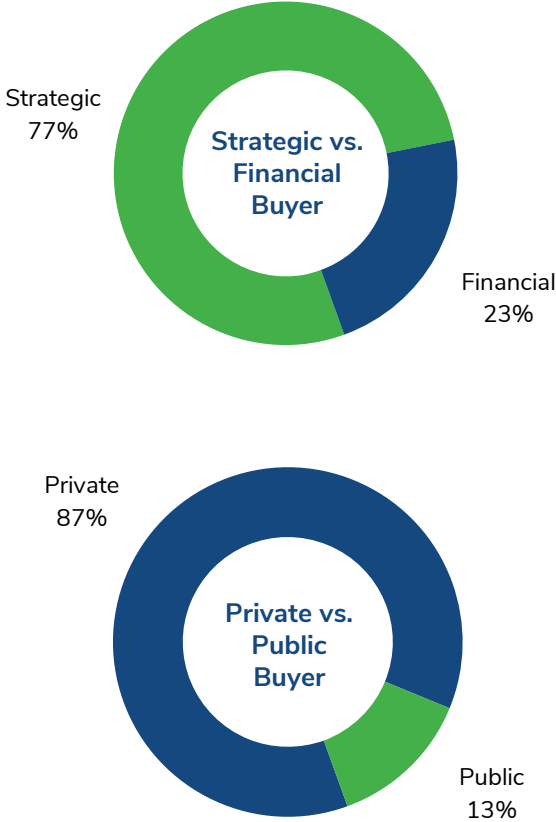
Companies will have to continue adapting to changes in consumer spending due to inflation and the subsequent effects on food consumption. Investors are emphasizing volume sales growth as food price elasticity increases. Rather than increasing prices, food companies will need to prioritize operational efficiency and market share expansion. As inflation stabilizes, with interest rate cuts expected during the balance of 2024, we anticipate continued momentum in M&A activity within the food and beverage space.

M&A Market Overview—Cont'd

Number of Announced Deals (as of March 31, 2024)



By Number of Announced Deals (TTM as of March 31, 2024)



Note: Includes food and beverage sector deals where the target was based in the U.S. or Canada.
 Source: S&P Capital IQ. Transactions with more than 50% of the company acquired are included in the analysis.

Select Recent Transactions¹

Kagome Co. Ltd. (TSE:2811) Acquired Ingomar Packing Company LLC



On January 26, 2024, Kagome Co. acquired Ingomar Packing, a processor of tomatoes, for **\$487 million**. The acquisition establishes Kagome as a prominent force in global tomato processing. “This strategic investment reflects our commitment to expanding our presence in key markets and driving sustainable growth. We look forward to leveraging our combined strengths to deliver value to our customers, shareholders, and stakeholders,” said Satoshi Yamaguchi, President of Kagome.

Our Home Agreed to Acquire Certain Assets and Brands of Utz Quality Foods LLC



On January 31, 2024, Our Home entered a definitive agreement to acquire certain assets and brands from Utz Quality Foods for **\$183 million**. “We are thrilled to announce this acquisition from Utz as it significantly scales Our Home’s snacking platform and manufacturing footprint across the United States. These transactions support our vision to deliver snacks that satisfy while creating a sense of connection and comfort at tremendous value,” said Aaron Greenwald, founder and CEO of Our Home.

White River Soy Processing LLC Acquired Benson Hill Ingredients LLC



On February 14, 2023, White River Soy Processing acquired Benson Hill Ingredients from Benson Hill for **\$72 million**. “Today’s acquisition displays White River’s commitment to our company’s mission to supply better nutritional outcomes to our customers, as well as meet the growing need for high-quality soy protein products—expanding our product offerings into the food grade market,” said Gordon Glade, Co-Founder of White River.

PTF Holdings LLC Acquired Progressive Produce Corporation



On March 13, 2024, PTF Holdings acquired a majority stake of Progressive Produce from Dole plc (NYSE:DOLE) for **\$185 million**. “[PTF] is thrilled about the opportunity to partner with Progressive Produce. The Company is a leader in top produce categories and has an impressive and diversified customer base, as well as an exceptional team. We look forward to helping Progressive Produce continue to deliver outstanding products and service,” said Derek Yurosek, Managing Director of Arable Capital Partners. (PTF Holdings is a portfolio company of Arable Capital Partners).

F&S Fresh Foods Agreed to Acquire the Fresh Cut Business of Calavo Growers (Nasdaq:CVGW)



On January 16, 2024, F&S Fresh Foods agreed to acquire the Fresh Cut Business from Calavo Growers for **\$100 million**. “To dedicate more focus to our core and to maximize shareholder value, we have been exploring strategic alternatives for our Fresh Cut business, previously known as RFG. I am pleased to share that we have signed a non-binding letter of intent to evaluate a sale of our Fresh Cut business and some related real estate with F&S Fresh Foods, a leader in the industry and one of our long-trusted co-packing partners,” said Lee E. Cole, President and CEO of Calavo Growers.

Prime Drink Group Corp. Agreed to Acquire Triani Canada Inc.



On January 22, 2024, Prime Drink Group entered into a definitive agreement to acquire Triani Canada for **\$28 million**. “This is a game changer for Prime. The value of this transaction for our shareholders is unprecedented—[Triani’s] expertise will help us in becoming a fully integrated beverage business from production to distribution,” said Alexandre Côté, CEO of Prime Drink Group.

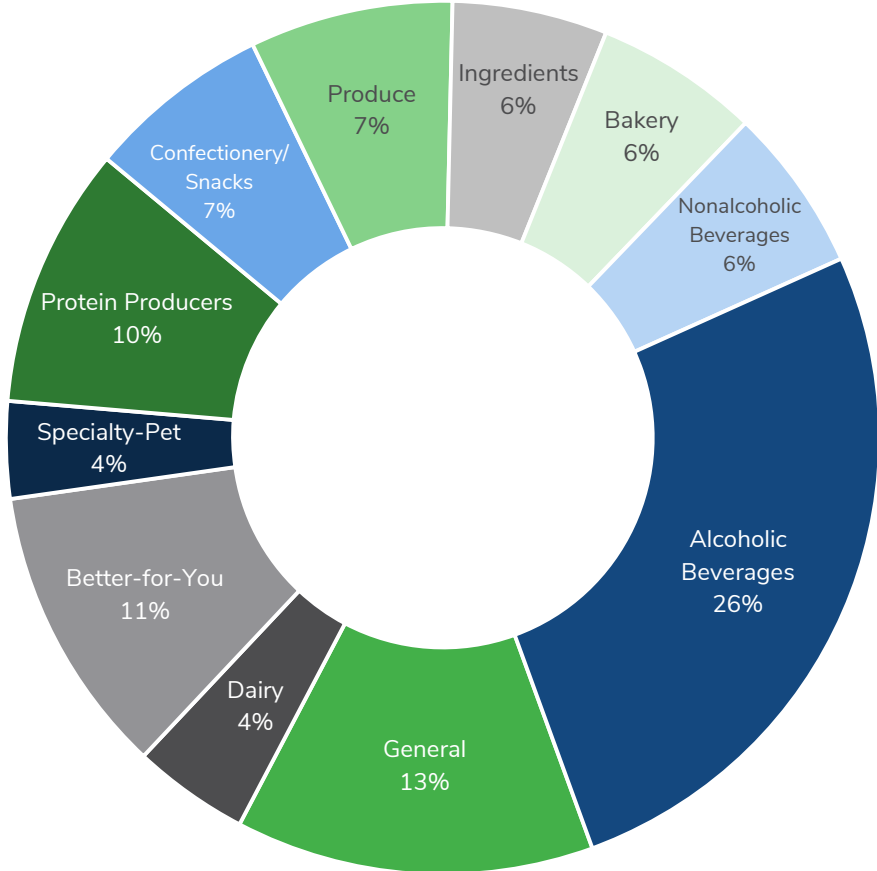
¹ Deals in the U.S. and Canada, closed or announced over Q1 2024, selected subjectively based on being representative of recent market activity, excluding bankruptcy sales. All figures are denoted in USD. Sources: S&P Capital IQ, Mergermarket, company press releases and various news sources (e.g., PR Newswire, GlobeNewswire, Business Wire). Note: All trademarks, trade names or logos referenced herein are the property of their respective owners.

Recent North American M&A Activity by Subsector

Food and Beverage Subsector Definitions







































- Bakery:**
Production and distribution of baked goods
 - Better-for-You:**
Differentiated food products with health benefits
 - Confectionery/Snacks:**
Chocolate, candy, nuts and other convenient snack foods
 - Dairy:**
Production and distribution of dairy or dairy by-products, such as cheese or yogurt
 - General:**
Conglomerates and general food businesses
 - Ingredients:**
Goods used in the production of other food-related items
 - Produce:**
Fresh produce or other agricultural products
 - Protein Producers:**
Meat and seafood producers and distributors
 - Specialty-Pet:**
Producers of pet food and treats
-
- Alcoholic Beverages:**
Wine, beer and spirits
 - Nonalcoholic Beverages:**
Beverages that do not contain alcohol

Deals by Subsector (TTM as of March 31, 2024)



TTM = Trailing 12 months.

Select Kroll Corporate Finance Food and Beverage Experience

<p>SELL-SIDE ADVISOR 🇨🇦</p>  <p>Gum Products International</p> <p>has been acquired by</p>  <p>Benford Capital Partners</p>	<p>SELL-SIDE ADVISOR 🇨🇦</p>  <p>TreeHouse</p> <p>has acquired certain assets of</p> 	<p>SELL-SIDE ADVISOR 🇨🇦</p>  <p>Pillers</p> <p>has been acquired by</p>  <p>Premium Brands</p>	<p>SELL-SIDE ADVISOR 🇨🇦</p>  <p>Stonemill Slow Crafted BAKEHOUSE</p> <p>has been acquired by</p> 	<p>SELL-SIDE ADVISOR 🇨🇦</p>  <p>pace PROCESSING</p> <p>has been acquired by</p> 	<p>SELL-SIDE ADVISOR 🇨🇦</p>  <p>yaya FOODS CORP.™</p> <p>has been acquired by</p> 
<p>SELL-SIDE ADVISOR 🇨🇦</p>  <p>SuperPuff</p> <p>has been acquired by</p>  <p>a portfolio company of</p> 	<p>SELL-SIDE ADVISOR 🇨🇦</p>  <p>Furlani</p> <p>has been acquired by</p> 	<p>SELL-SIDE ADVISOR 🇨🇦</p>  <p>Bakerhaus Veit</p> <p>has been acquired by</p>  <p>SWANDER PACE CAPITAL</p>	<p>BUY-SIDE ADVISOR 🇨🇦</p>  <p>ErieMeats EST. 1977</p> <p>has acquired</p> 	<p>FINANCIAL ADVISOR 🇨🇦</p>  <p>FROM THE HEARTH</p> <p>has secured senior debt financing from a consortium of lenders</p>	<p>SELL-SIDE ADVISOR 🇺🇸</p>  <p>DSD Manufacturers, Inc.</p> <p>has been acquired by</p>  <p>a portfolio company of</p> 
<p>BUY-SIDE ADVISOR 🇺🇸</p>  <p>Joy</p> <p>has acquired</p> 	<p>SELL-SIDE ADVISOR 🇺🇸</p>  <p>SEAJOY</p> <p>has been acquired by</p> 	<p>SELL-SIDE ADVISOR 🇺🇸</p>  <p>COUNTRY FRESH</p> <p>has been acquired by</p> 	<p>SELL-SIDE ADVISOR 🇺🇸</p>  <p>TROPICS MIXOLOGY</p> <p>a division of</p> <p>BEVERAGE INNOVATIONS</p> <p>has been acquired by</p> 	<p>SELL-SIDE ADVISOR 🇺🇸</p>  <p>VeggieLand™</p> <p>has been acquired by</p> 	<p>SELL-SIDE ADVISOR 🇺🇸</p>  <p>Newman's Own</p> <p>a portfolio company of</p>  <p>have been acquired by</p> 



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Select Kroll Corporate Finance Food and Beverage Experience

<p>SELL-SIDE ADVISOR </p> <p><i>Mariner Seafood</i></p> <p>has been acquired by</p> 	<p>BUY-SIDE ADVISOR </p> <p>PACIFIC COAST PRODUCERS</p> <p>has acquired</p> 	<p>SELL-SIDE ADVISOR </p> <p>freshdirect™</p> <p>has merged with</p> <p>brakes</p> <p>a portfolio company of</p> 	<p>SELL-SIDE ADVISOR </p> <p>SK FOODS</p> <p>has been acquired by</p> 	<p>SELL-SIDE ADVISOR </p> <p>Lincoln Poultry Complete Food Service Distribution</p> <p>has been acquired by</p> 	<p>SELL-SIDE ADVISOR </p> <p>Humboldt CREAMERY</p> <p>has been acquired by</p> 
<p>SELL-SIDE ADVISOR </p> <p>SILVER EAGLE DISTRIBUTORS</p> <p>has been acquired by</p> 	<p>SELL-SIDE ADVISOR </p> <p>NEOCCELL</p> <p>has been acquired by</p> 	<p>SELL-SIDE ADVISOR </p> <p>SOUTH BEACH diet</p> <p>has been acquired by</p> 	<p>SELL-SIDE ADVISOR </p> <p>Hampshire</p> <p>a portfolio company of</p> <p>CATTERTON</p> <p>has been acquired by</p> 	<p>SELL-SIDE ADVISOR </p> <p>VITATECH NUTRITIONAL SCIENCES, INC.</p> <p>has been acquired by</p> 	<p>SELL-SIDE ADVISOR </p> <p>Solstice</p> <p>has been acquired by</p> 
<p>BUY-SIDE ADVISOR </p> <p>SHORE Capital Partners</p> <p>has acquired</p> 	<p>BUY-SIDE ADVISOR </p> <p>FREY</p> <p>has acquired</p> 	<p>SELL-SIDE ADVISOR </p> <p>Jays</p> <p>has been acquired by</p> <p>WILLIS STEIN & PARTNERS</p>	<p>FINANCIAL ADVISOR </p> <p>LANDEC</p> <p>has been acquired by</p> 	<p>FINANCIAL ADVISOR </p> <p>CIC PARTNERS</p> <p>has acquired</p> 	<p>SELL-SIDE ADVISOR </p> <p>functional formularies</p> <p>has been acquired by</p> 

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<p>SELL-SIDE ADVISOR </p>  <p>has been acquired by</p> 	<p>FINANCIAL ADVISOR </p>  <p>has been acquired by</p> 	<p>SELL-SIDE ADVISOR </p>  <p>has acquired</p>  <p>a portfolio company of</p> 	<p>SELL-SIDE ADVISOR </p>  <p>has been acquired by</p> 	<p>SELL-SIDE ADVISOR </p>  <p>has been acquired by</p> 	<p>SELL-SIDE ADVISOR </p>  <p>has been acquired by</p> 
<p>FINANCIAL ADVISOR </p>  <p>has been acquired by</p> 	<p>SELL-SIDE ADVISOR </p>  <p>has sold certain assets to</p> 	<p>VALUATION OPINION </p> <p>Driscoll's, Inc.</p>  <p>Financial advisor to Driscoll's, Inc.</p>	<p>SOLVENCY OPINION </p>  <p>has completed the spinoff of</p> 	<p>ESOP ADVISORY </p> <p>Cargill, Incorporated</p>  <p>Financial advisor to the trustees of Cargill, Incorporated Employee Stock Ownership Plan (ESOP)</p>	<p>FAIRNESS OPINION </p> <p>ROSKAM BAKING COMPANY</p> <p>has been acquired by</p> 
<p>TRANSACTION ADVISORY </p>  <p>has been acquired by</p>  <p>Performed financial and tax due diligence on behalf of the Buyer</p>	<p>TRANSACTION ADVISORY </p>  <p>has been acquired by</p>  <p>Performed financial and tax due diligence on behalf of the Buyer</p>	<p>SOLVENCY OPINION </p>  <p>has completed the sale of</p> 	<p>TRANSACTION ADVISORY </p>  <p>has been acquired by</p>  <p>Performed financial and tax due diligence on behalf of the Buyer</p>	<p>SOLVENCY OPINION </p>  <p>(nka)</p>  <p>has completed the spinoff of</p> 	<p>FAIRNESS OPINION </p>  <p>has been acquired by</p>  <p>Financial advisor to the board of managers of The Bardstown Bourbon Company LLC</p>

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