



**FOOD & BEVERAGE**  
**SECTOR UPDATE AND M&A TRENDS**  
Q2 2022

**ALMA.**advisors

# Deteriorating macroeconomic outlook has a rather muted effect on the F&B sector

## Sector overview

### Macroeconomic developments

- Central banks across the globe are **shifting away from accommodating monetary policies to curb elevated inflation**, increasing recessionary fears
- The ongoing **Russian invasion of Ukraine** continues to suppress exports from the Black Sea – the world's third largest grain and oilseed exporting region – **disrupting supply chains and destabilising market and consumer confidence, driving prices and inflation higher**
- The non-cyclical side of the F&B sector has proven **resilient as it did in the economic downturns** of the past, helping the S&P F&B Select Industry index to **outperform the S&P 500** as global recessionary fears mount

### Consumer trends

#### New reality

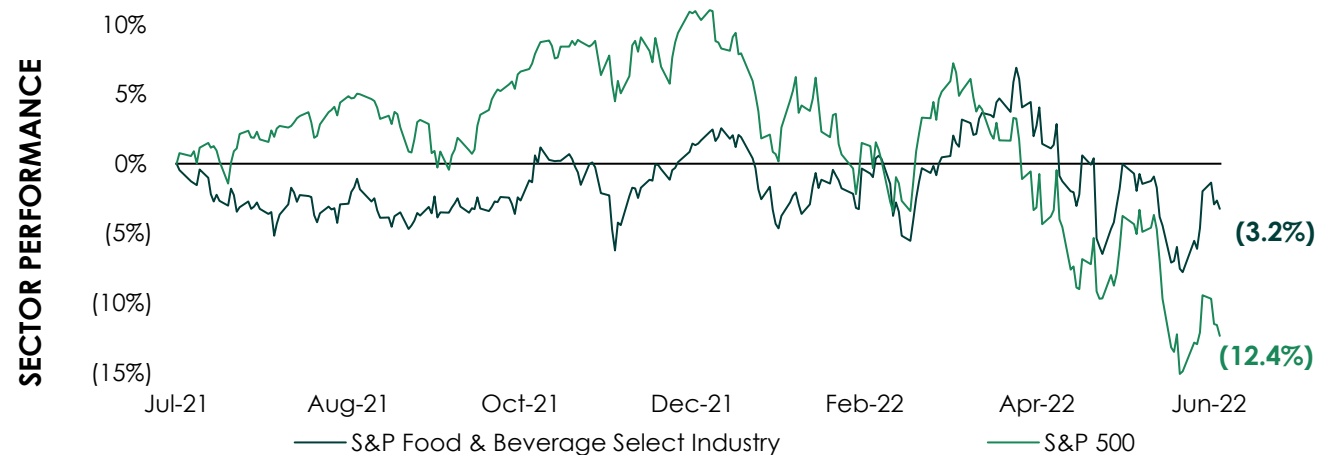
- Economic opening after the pandemic has **supported the F&B market on its road to recovery**
- **Wellness culture** drives innovative products; **plant-based comfort foods** on the rise

#### Rising inflation

- High inflationary environment and the corresponding drop in household spending to **impact the cyclical side of the F&B**
- As shopping baskets are getting smaller and more expensive, **families will be looking for cheaper substitutes**

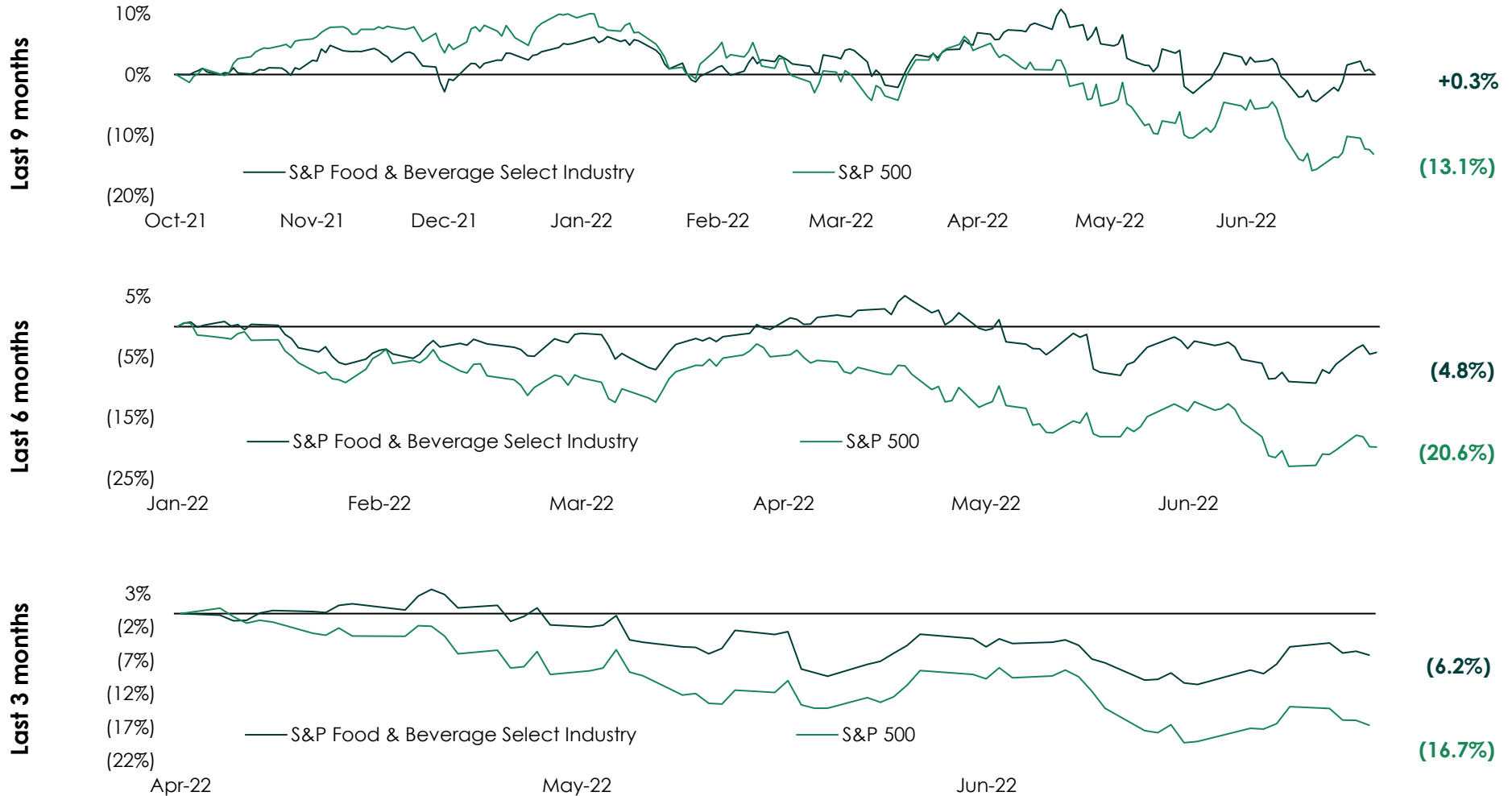
#### Looking ahead

- F&B sector is currently at the **center of developments** on a global scale
- Necessity to ensure food sufficiency amid the ongoing crisis in Ukraine → **F&B as an attractive play**



# S&P F&B select industry has significantly outperformed the broader market

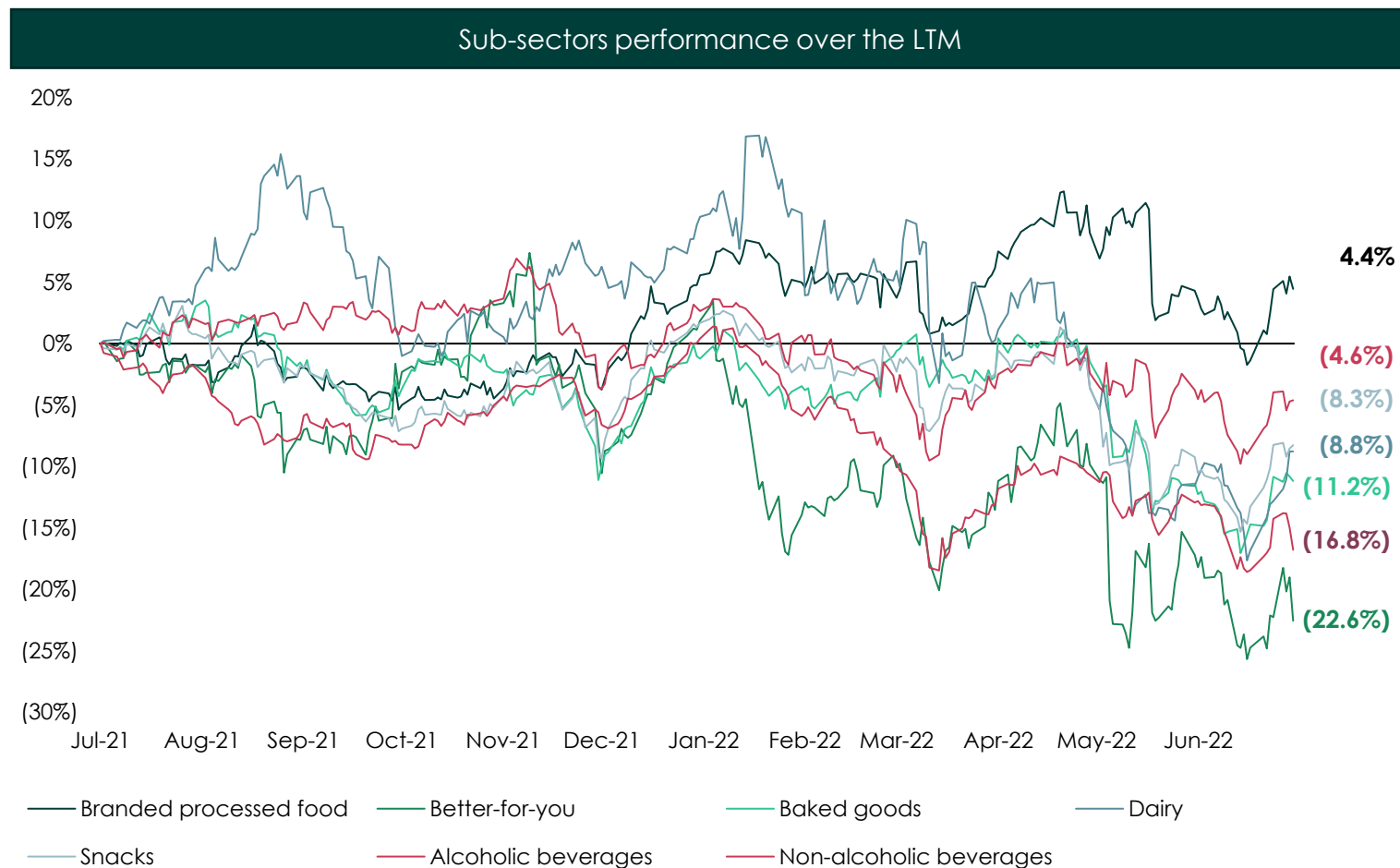
## Sector performance



# Branded processed food segment was the undisputed winner of the F&B industry; better-for-you products lagged

Publicly traded companies overview per sub-sector

- *Branded processed food sub-sector continues to lead the race between the rest of the F&B segments, recording returns of 4.4% LTM, at a time period where the broader market is down by 12.4%*
- *Better-for-you publicly traded companies witnessed significant volatility over the same period, with their returns currently lagging the rest of the sector*



Data as of 30/06/2022

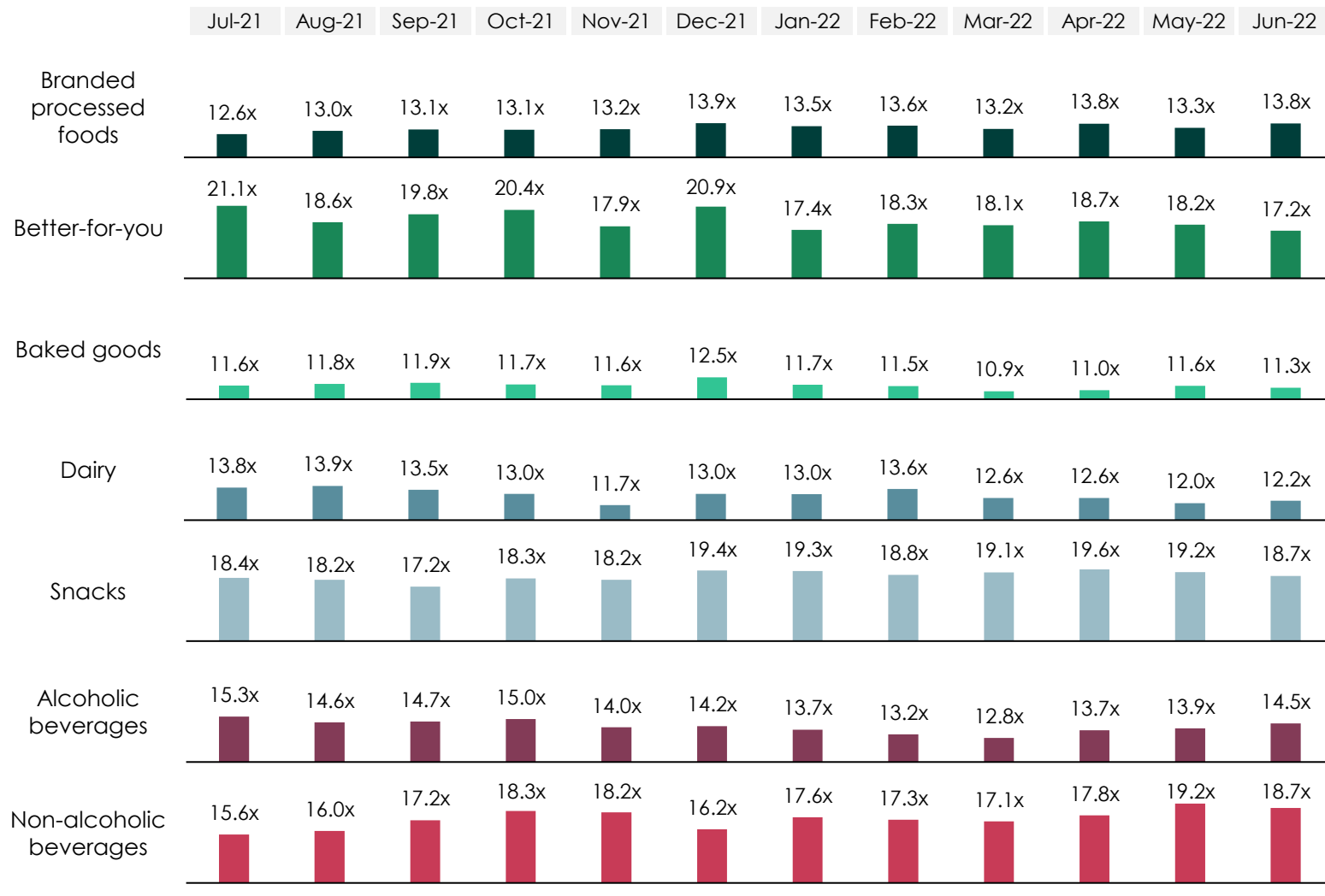
Notes: Trading comparable companies per segment were used to create seven equally weighted indices

Sources: FactSet

# Industry multiples have remained resilient over the past year despite the market turmoil

## LTM EV/EBITDA multiples

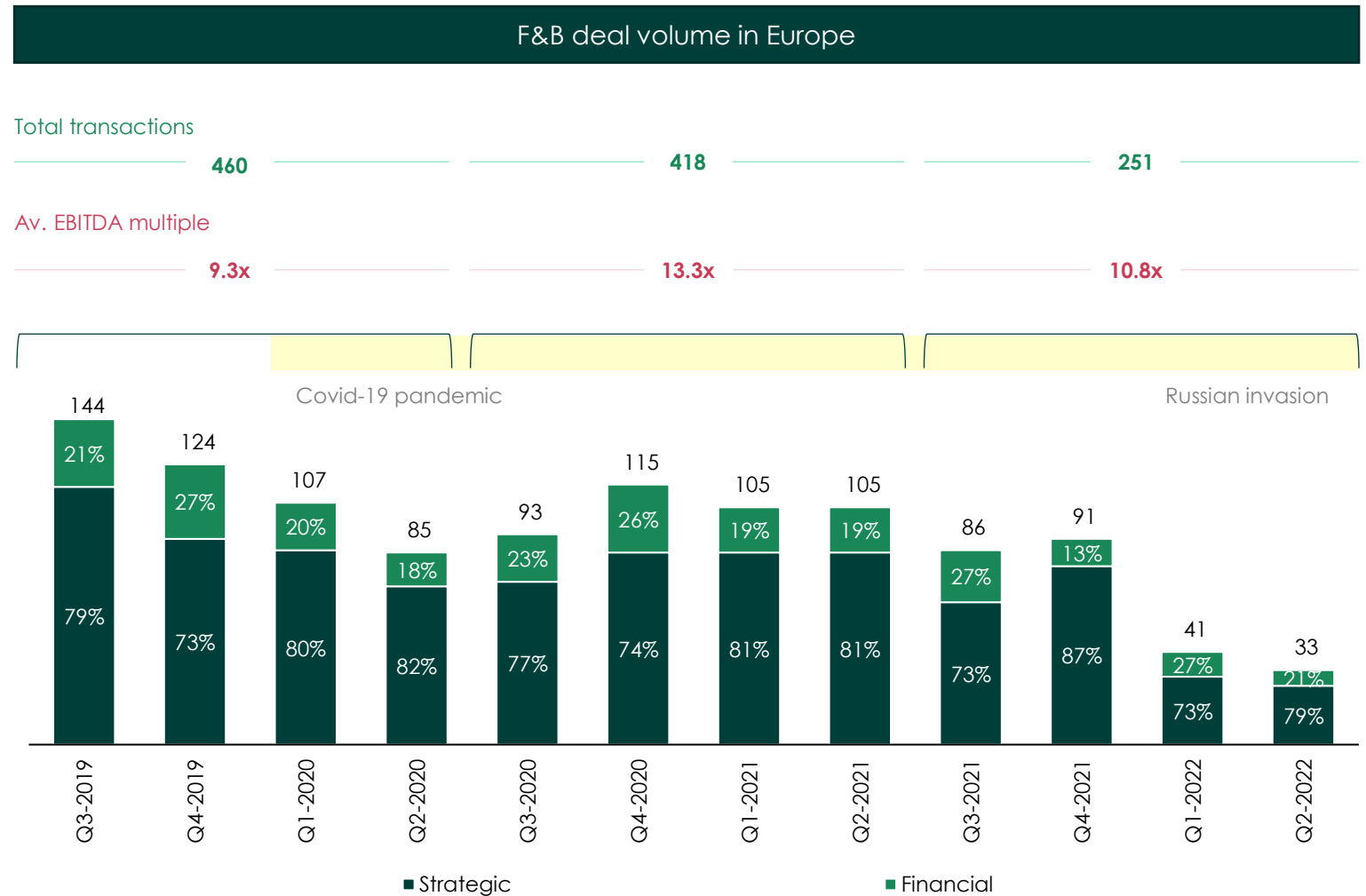
- *Branded processed foods, snacks and non-alcoholic beverages multiples were the only ones within the sector that have witnessed an increase YoY*
- *Better-for-you and multiples have witnessed the steepest drop however, their multiples remain high compared to the rest of the F&B sector*



# M&A activity and EBITDA multiples have decreased as the macroeconomic environment in Europe deteriorates

## Europe M&A update

- Industry's M&A transactions have reached their worst point over the last twelve quarters as buyers and sellers postpone transactions amid the deteriorating macroeconomic environment
- Strategic buyers have consistently accounted for over 70% of the deal count over the last 3 years
- This is expected to continue in the future as strategic acquirers look to enhance their product portfolio and expand to new verticals and geographies



# European F&B M&A transactions<sup>(1)</sup>

Q2 2022



(Figures in €m)

Date	Target	Buyer	EV	EV/Revenue	EV/EBITDA
Jun-2022	Globus Wine	Anora Group	80.2	1.1x	9.0x
Jun-2022	Danforel	Aller Aqua	-	-	-
Jun-2022	Genius Foods	Katjesgreenfood	-	-	-
Jun-2022	Bektemir-Spirt Eksperimental Zavodi	Tashkentvino	-	-	-
Jun-2022	Vinzav od Tolyattinskiy	Vinzav od Toyattinskiy	-	-	-
May-2022	K.T.C.	Endless	-	-	-
May-2022	Arhiz Original	Sistema Telekom Aktivy	7.4	-	-
May-2022	Reggiana Gourmet	Bertoncello	-	-	-
May-2022	Meatless	BENEO	-	-	-
May-2022	Jules Vrancken En Zonen	Bakeplus Holding	-	-	-
May-2022	Agri 4+	VAEX Group	-	-	-
May-2022	Auara Empresa Social	Hijos de Rivera	-	-	-
May-2022	White & Seeds	Granarolo	-	-	-
May-2022	WAL-COR CORSANINI di Carlo Santini	JPMorgan Investment Management; Invitalia	-	-	-
May-2022	MBMA	Bel	-	-	-
Apr-2022	Raisio Nyutrishen	Copacker Agro	1.5	-	-
Apr-2022	Ingredient Solutions	Rupp	-	-	-
Apr-2022	Noragra Uab	Litagra Group	-	-	-
Apr-2022	Compass Box Whisky	Caelum Capital	-	-	-
Apr-2022	Olympia	Koninklijke A-ware Food Group	-	-	-
Apr-2022	Machandel	Windmill Organics	-	-	-
Apr-2022	Duynie Feed /Food Processing Business	SugaRich	-	-	-
Apr-2022	Lacka Foods	Weetabix	-	-	-

Notes: (1) Excl. retail and distribution transactions; transactions not only limited to EU countries  
Sources: FactSet

# Notable F&B M&A transactions in Greece (1/2)<sup>(1)</sup>

From Q1 2020 to Q2 2022



<i>(Figures in €m)</i>						
Date	Target	Buyer	EV	EV/Revenue	EV/EBITDA	
Mar-2022	AGNO	Hellenic Dairies	-	-	-	
Mar-2022	ION	ION / S. Theodoropoulos	-	-	-	
Mar-2022	Cephalonian Fisheries	Grupo Profand	-	-	-	
Feb-2022	Edesma & Amvrosia	S. Theodoropoulos	-	-	-	
Feb-2022	Hellenic Juices	EOS Capital Partners / S. Theodoropoulos	-	-	-	
Jan-2022	Nikas	Cryred Investments	100.9	1.7x	24.3x	
Dec-2021	E. Malamatinas & Sons	Mantis Group	-	-	-	
Dec-2021	Terra Creta	Melissa Kikizas	-	-	-	
Nov-2021	Gattegno	DELTA	-	-	-	
Nov-2021	Dirfys Water	Loux	-	-	-	
Sep-2021	Arabatzi Hellenic Dough	Vivartia	-	-	-	
Jul-2021	Mevgal	Mevgal / Hatzakou	-	-	-	
Jul-2021	Koulourades Holding	SwitzGroup	-	-	-	
Jul-2021	Mediterranean Foods	Minerva	-	-	-	
May-2021	Chipita	Mondelez International	1633.4	3.5x	20.0x	
May-2021	Zireia Bottled Water	CHITOS	-	-	-	
Apr-2021	Dodoni	CVC Capital Partners	-	-	-	
Mar-2021	Eteo	Papadopoulos Group	-	-	-	
Mar-2021	Elais-Unilever (Tomato business)	Minerva	-	-	-	
Feb-2021	Eurocatering	EOS Capital Partners / Elikonos 2	-	-	-	
Dec-2020	Vivartia	CVC Capital Partners	630.0	1.1x	11.7x	
Oct-2020	Agrifreda	EOS Hellenic Renaissance Fund	75.0	2.0x	11.1x	
Sep-2020	Creta Farms	Bella Bulgaria	-	-	-	

Notes: (1) Excl. retail and distribution transactions  
Sources: FactSet; companies' financial statements



# Notable F&B M&A transactions in Greece (2/2)<sup>(1)</sup>

From Q1 2020 to Q2 2022



*(Figures in €m)*

Date	Target	Buyer	EV	EV/Revenue	EV/EBITDA
Jun-2020	Nireus Fish Farms	Andromeda Group	218.4	1.1x	101.6x
Jun-2020	Selonda Aquaculture	Andromeda Group	-	-	-
Jun-2020	Kliafas	Hellenic Dairies	1.5	0.8x	2.6x
May-2020	Cretan Ice-creams	Kayak	-	-	-
May-2020	Chillbox Global	Kayak	-	-	-
Jan-2020	Three Cents	Virtus International Partners	-	-	-
Jan-2020	Arivia	Upfield Holdings	500.0	4.8x	12.6x
Jan-2020	Hellenic Brewery Atalanti	DECA Investments	-	-	-

# Trading comps (1/3)

## DAIRY

Company <i>(figures in €m)</i>	Market cap.	EV	Sales 2022E	EBITDA 2022E	EV / Sales			EV / EBITDA		
					LTM	2022E	2023E	LTM	2022E	2023E
Danone	35,992	44,182	26,462	4,359	1.8x	1.7x	1.6x	9.6x	10.1x	9.5x
Emmi	4,971	5,456	4,163	411	1.4x	1.3x	1.3x	13.7x	13.5x	12.5x
Glanbia	2,855	3,692	5,065	378	0.9x	0.7x	0.7x	10.9x	9.9x	9.1x
Saputo	8,677	11,610	12,725	1,097	1.0x	0.9x	0.9x	13.5x	11.0x	9.1x
<b>Average</b>					<b>1.3x</b>	<b>1.2x</b>	<b>1.1x</b>	<b>11.9x</b>	<b>11.1x</b>	<b>10.0x</b>
<b>Median</b>					<b>1.2x</b>	<b>1.1x</b>	<b>1.1x</b>	<b>12.2x</b>	<b>10.5x</b>	<b>9.3x</b>

## BAKED GOODS

Company <i>(figures in €m)</i>	Market cap.	EV	Sales 2022E	EBITDA 2022E	EV / Sales			EV / EBITDA		
					LTM	2022E	2023E	LTM	2022E	2023E
Aryzta	1,053	2,071	1,709	205	1.2x	1.2x	1.2x	9.9x	10.2x	9.1x
Flowers Foods	5,338	6,288	4,664	487	1.5x	1.4x	1.3x	12.7x	13.2x	12.5x
George Weston	16,195	32,795	42,133	4,835	0.8x	0.8x	0.8x	6.5x	7.0x	6.8x
Grupo Bimbo	13,744	19,512	18,511	2,480	1.1x	1.1x	1.0x	7.6x	7.8x	7.7x
Hostess Brands	2,806	3,590	1,270	281	3.1x	2.9x	2.8x	14.1x	13.2x	12.1x
Lancaster Colony	3,390	3,351	1,600	185	2.2x	2.1x	2.0x	18.6x	17.5x	16.3x
<b>Average</b>					<b>1.7x</b>	<b>1.6x</b>	<b>1.5x</b>	<b>11.6x</b>	<b>11.5x</b>	<b>10.7x</b>
<b>Median</b>					<b>1.3x</b>	<b>1.3x</b>	<b>1.3x</b>	<b>11.3x</b>	<b>11.7x</b>	<b>10.6x</b>

## BETTER-FOR-YOU

Company <i>(figures in €m)</i>	Market cap.	EV	Sales 2022E	EBITDA 2022E	EV / Sales			EV / EBITDA		
					LTM	2022E	2023E	LTM	2022E	2023E
Hain Celestial Group	2,039	2,823	1,875	226	1.6x	1.6x	1.5x	13.8x	13.1x	11.3x
SunOpta	801	1,092	897	71	1.4x	1.3x	1.1x	23.9x	16.4x	11.8x
Simply Good Foods	3,626	4,000	1,131	228	3.6x	3.6x	3.4x	17.2x	18.0x	16.2x
<b>Average</b>					<b>2.2x</b>	<b>2.2x</b>	<b>2.0x</b>	<b>18.3x</b>	<b>15.8x</b>	<b>13.1x</b>
<b>Median</b>					<b>1.6x</b>	<b>1.6x</b>	<b>1.5x</b>	<b>17.2x</b>	<b>16.4x</b>	<b>11.8x</b>

Data as of 30/06/2022

# Trading comps (2/3)

## BRANDED PROCESSED FOODS

Company <i>(figures in €m)</i>	Market cap.	EV	Sales 2022E	EBITDA 2022E	EV / Sales			EV / EBITDA		
					LTM	2022E	2023E	LTM	2022E	2023E
Associated British Foods	14,512	16,577	19,627	2,743	0.9x	0.9x	0.8x	6.8x	6.1x	5.9x
B&G Foods	1,567	3,639	2,089	341	1.9x	1.8x	1.8x	1.8x	11.0x	11.0x
Campbell Soup	13,815	18,364	8,355	1,596	2.3x	2.3x	2.2x	2.2x	11.2x	11.6x
Conagra Brands	15,717	24,341	11,770	2,196	2.2x	2.2x	2.1x	2.1x	12.3x	11.3x
General Mills	43,462	53,839	19,022	3,721	3.0x	2.9x	2.9x	2.9x	14.9x	14.4x
Hershey Company	42,315	46,787	9,814	2,542	5.3x	4.9x	4.8x	4.8x	20.8x	18.2x
Hormel Foods	24,737	27,034	12,137	1,552	2.3x	2.3x	2.2x	2.2x	20.6x	16.4x
J.M. Smucker	13,035	17,245	8,067	1,530	2.3x	2.2x	2.1x	2.1x	10.8x	10.6x
Kellogg Company	23,056	30,373	14,228	2,241	2.3x	2.2x	2.2x	2.2x	14.2x	13.6x
McCormick & Company	21,343	26,078	6,409	1,296	4.3x	4.2x	4.0x	4.0x	21.3x	18.9x
Nestle	306,196	332,036	95,094	19,854	3.8x	3.6x	3.4x	3.4x	18.0x	16.1x
Post Holdings	4,785	9,713	5,471	912	1.7x	1.9x	1.8x	1.8x	9.3x	10.3x
Sovos Brands	1,532	1,919	796	111	2.7x	2.5x	2.3x	2.3x	17.7x	14.9x
<b>Average</b>					<b>2.7x</b>	<b>2.6x</b>	<b>2.5x</b>	<b>3.0x</b>	<b>14.5x</b>	<b>13.3x</b>
<b>Median</b>					<b>2.3x</b>	<b>2.3x</b>	<b>2.2x</b>	<b>2.2x</b>	<b>14.2x</b>	<b>13.6x</b>

## SNACKS

Company <i>(figures in €m)</i>	Market cap.	EV	Sales 2022E	EBITDA 2022E	EV / Sales			EV / EBITDA		
					LTM	2022E	2023E	LTM	2022E	2023E
J & J Snack Foods	2,562	2,412	1,283	121	2.01x	1.9x	1.8x	18.5x	21.3x	14.4x
John B. Sanfilippo & Son	799	872	886	n.a	1.01x	1.0x	N.M.	9.5x	N.M.	N.M.
Mondelez International	82,192	98,652	29,177	5,872	3.56x	3.5x	3.3x	18.8x	17.3x	16.3x
PepsiCo	220,420	252,394	81,721	14,492	3.22x	3.2x	3.1x	18.7x	17.7x	16.4x
UTZ Brands	1,852	2,549	1,310	154	2.21x	2.1x	2.0x	19.7x	17.5x	15.9x
<b>Average</b>					<b>2.4x</b>	<b>2.3x</b>	<b>2.5x</b>	<b>17.0x</b>	<b>18.4x</b>	<b>15.8x</b>
<b>Median</b>					<b>2.2x</b>	<b>2.1x</b>	<b>2.5x</b>	<b>18.7x</b>	<b>17.6x</b>	<b>16.1x</b>

# Trading comps (3/3)

## ALCOHOLIC BEVERAGES

Company <i>(figures in €m)</i>	Market cap.	EV	Sales 2022E	EBITDA 2022E	EV / Sales			EV / EBITDA		
					LTM	2022E	2023E	LTM	2022E	2023E
Anheuser-Busch	103,711	178,278	57,212	19,607	3.9x	3.2x	3.0x	11.3x	9.2x	8.7x
Carlsberg	17,598	20,249	9,151	1,995	2.3x	2.2x	2.1x	10.0x	10.1x	9.5x
Constellation Brands	42,486	51,989	9,259	3,395	6.0x	5.8x	5.4x	15.7x	15.8x	14.2x
Diageo	93,545	111,743	17,472	5,989	6.9x	6.5x	5.9x	20.5x	19.1x	17.1x
Heineken	50,112	66,046	26,713	6,048	3.0x	2.5x	2.3x	12.8x	10.9x	10.0x
Pernod Ricard	45,907	53,724	10,540	3,360	5.5x	5.1x	4.7x	16.8x	16.0x	14.6x
Sapporo Holdings	1,670	3,207	3,348	231	1.0x	1.0x	0.9x	14.5x	14.1x	12.2x
<b>Average</b>					<b>4.1x</b>	<b>3.7x</b>	<b>3.5x</b>	<b>14.5x</b>	<b>13.6x</b>	<b>12.3x</b>
<b>Median</b>					<b>3.9x</b>	<b>3.2x</b>	<b>3.0x</b>	<b>14.5x</b>	<b>14.1x</b>	<b>12.2x</b>

## NON-ALCOHOLIC BEVERAGES

Company <i>(figures in €m)</i>	Market cap.	EV	Sales 2022E	EBITDA 2022E	EV / Sales			EV / EBITDA		
					LTM	2022E	2023E	LTM	2022E	2023E
A.G. BARR	673	595	332	65	1.9x	1.8x	1.8x	9.7x	9.3x	8.9x
Coca-Cola	260,861	290,826	40,896	13,195	7.6x	7.3x	6.9x	22.3x	22.6x	21.1x
Primo Water	2,054	3,518	2,137	409	1.8x	1.7x	1.6x	10.2x	8.9x	8.2x
Lassonde Industries	608	809	1,522	135	0.6x	0.5x	0.5x	6.5x	6.2x	5.4x
Monster Beverage	46,966	44,550	6,260	1,914	8.0x	7.3x	6.6x	25.5x	23.9x	20.4x
National Beverage	4,369	4,377	1,174	236	4.0x	3.8x	3.6x	19.8x	19.0x	18.0x
PepsiCo	220,420	252,394	81,721	14,492	3.2x	3.2x	3.1x	18.7x	17.7x	16.4x
<b>Average</b>					<b>3.9x</b>	<b>3.7x</b>	<b>3.4x</b>	<b>16.1x</b>	<b>15.4x</b>	<b>14.0x</b>
<b>Median</b>					<b>3.2x</b>	<b>3.2x</b>	<b>3.1x</b>	<b>18.7x</b>	<b>17.7x</b>	<b>16.4x</b>

# Tailored corporate finance services for the European mid-market

## Our firm

Alma Advisors is an independent financial services firm serving the European mid-market. We offer corporate finance solutions to corporates, family businesses and entrepreneurs.



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**Capital raising**

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**Undisclosed**

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**Undisclosed**

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**Undisclosed**

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**Capital raising**

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