



Food & Beverage Sector Valuation Update

Opportunities in the
New Reality of COVID-19

2nd Quarter 2020 Newsletter

COVID-19's impact on the food & beverage sector

Overview

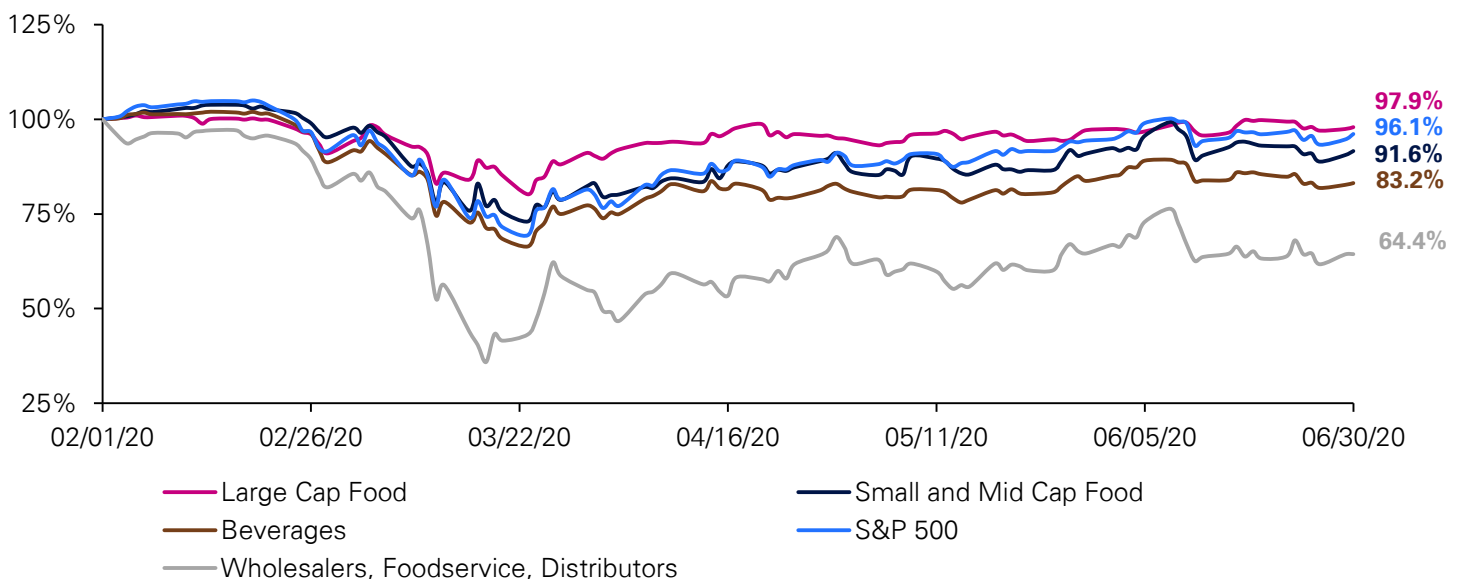
COVID-19 has had a dramatic effect on the food & beverage industry beginning in early March 2020 and continuing to date as food and beverage manufacturers have had to deal with customer disruptions, supply chain and logistical issues, and employee health & safety challenges all within the “stay-at-home” environment. This has led to a dramatic revenue shift away from foodservice to retail grocery as consumers moved from “dining out” to “dining in” and dramatically increased their purchases from retail grocery stores. Initially, there was significant “pantry loading” driven by consumer concerns about the availability of critical food supplies which has now resulted in a higher overall level of retail purchases that is expected to continue through 2020

Valuation trends benefit retail grocery focused food & beverage companies

As we begin to understand the impact of COVID-19, it is clear that many “essential” businesses in the food value chain have performed better than expected over the past several months. The key differentiator is the percentage of revenues that are generated from the retail grocery channel versus the foodservice channel

The public equity markets have recognized this and have rewarded retail grocery focused companies with strong stock price performance. The public equity markets provide a proxy for the valuation of privately held manufacturers focused on this segment of the food & beverage space. The stock price chart below shows that large cap as well as mid- and small-cap food & beverage companies have performed relatively well since February 1, 2020. Conversely, the universe of publicly-traded foodservice distributors has underperformed significantly due to the impact of COVID-19 on restaurants, institutions, and hospitality

Equity market trends — food & beverage



Notes: See pages 14, 16, and 17 for stock chart components. Beverages represent the Alcoholic and Non-Alcoholic Beverage categories
Source: Capital IQ as of June 30th, 2020

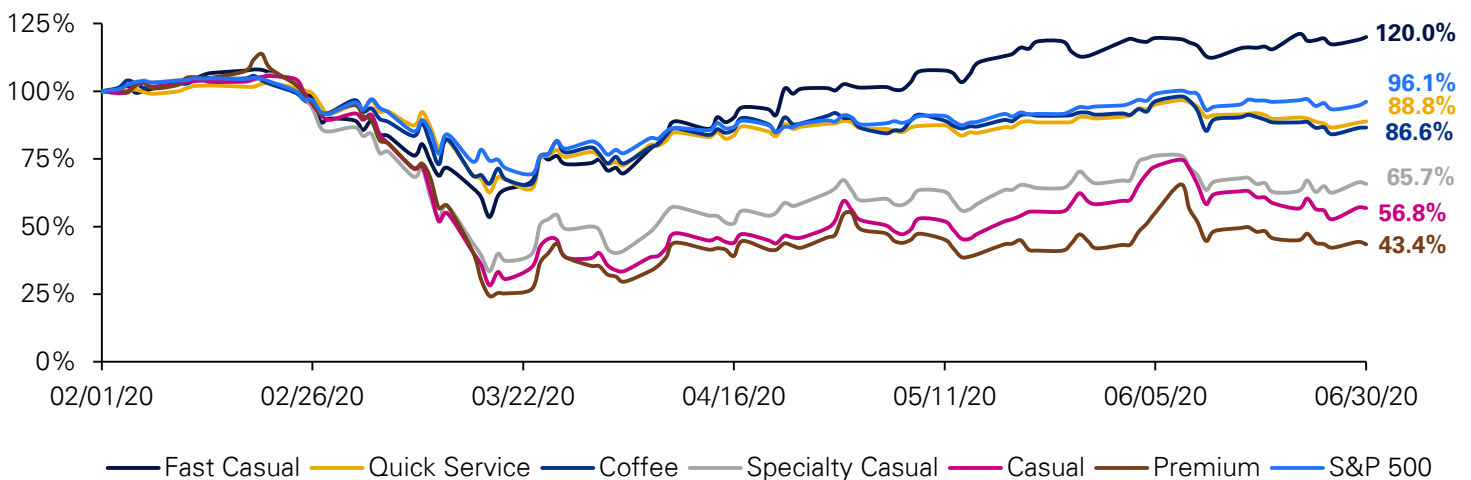
COVID-19's impact on the food & beverage sector (cont'd)

Impact of COVID-19 on foodservice — convenience wins

The “stay-at-home” environment around the country has negatively impacted the restaurant sector. Similar to publicly-traded food & beverage companies, there are definite winners and losers among publicly-traded restaurant companies

As shown in the graph below, “convenience” focused concepts in the Quick Service, Fast Casual and Coffee sectors which have significant delivery and drive thru sales have outperformed concepts that are “experience” focused such as Premium, Casual, and Specialty Casual which emphasize a unique dine-in experience

Equity market trends — Restaurant



Notes: See pages 18 and 19 for stock chart components.
Source: Capital IQ as of June 30th, 2020

COVID-19's Impact on the Food & Beverage Sector



Retail grocery stores have benefited from consumers “dining in”



Food manufacturers with high retail grocery exposure have performed well



Foodservice suppliers have experienced unprecedented customer disruptions



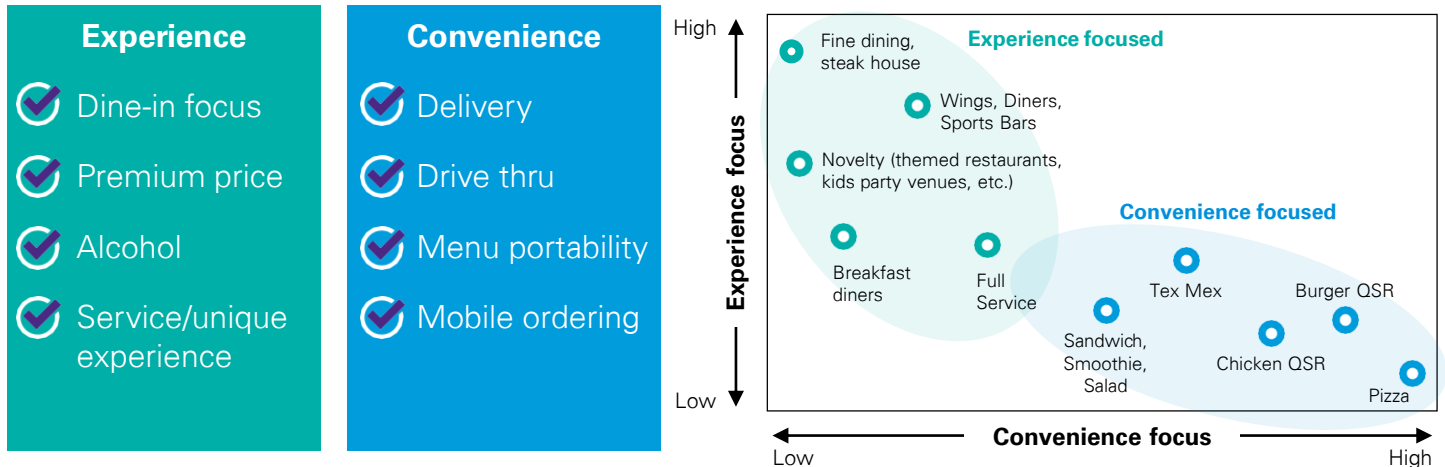
Restaurant chains have had to pivot to more “Convenience” focused concepts to limit losses



Beverage companies have seen mainstream brands return to growth

Future success drivers for restaurants

To assess the performance in the new reality of COVID-19, restaurants can be categorized into two key sectors: "Experience" focused and "Convenience" focused



The impact of COVID-19 has and will be unique to each segment. We believe there will be common themes to the "winning" go-forward strategy

	Experience focused	Convenience focused
Tailwinds	<ul style="list-style-type: none"> — Pent up demand for out of home dining and the restaurant experience — Consumer perception that premium players are more hygienic — More premium players may have better dining room density prior to COVID-19 than value players — Consumers are willing to "trade up" to a more premium experience, in lieu of the frequency of dining-out 	<ul style="list-style-type: none"> — Consumer demand for convenience will recover as people get back to work and become "time poor" — Consumers trade down to convenience concepts due to financial constraint and distancing benefits (drive thru, delivery, etc.) — Reduced competition as competitors rationalize stores, franchisees close, entire logos disappear — Labor market availability, reduced wage pressure and soft real estate market — Potential value to acquire franchisee assets from bankruptcy
Headwinds	<ul style="list-style-type: none"> — Consumer medium/long term social distancing concerns unclear — Alcohol margin at risk as revenue skews away from dine-in — Restaurants with dining areas at the bar and bar staging areas as patrons wait for tables will be difficult to execute 	<ul style="list-style-type: none"> — Addressable market reduction with 25m+ new unemployed — Dine-in recovery risk due to social distancing concerns — Investments required to lean-in to convenience
Winning strategies	<p>"Adapt the experience"</p> <ul style="list-style-type: none"> — Hygiene protocols including table separation and partitions — Digital ordering, payment at tables and contactless payments (PayWave, Apple Pay, etc.) — Engage customers on revamped experience <p>"Expand into convenience"</p> <ul style="list-style-type: none"> — Expand channel into delivery and take-out — Introduce "grab and go" kiosk options — Rationalize menu complexity and drive kitchen focus 	<p>"Double down on convenience"</p> <ul style="list-style-type: none"> — Drive-thru focus: New builds and retrofits — Smaller real-estate footprints given the move away from dine-in — Mobile ordering functionality with loyalty program — Expand menu portability (i.e. food in one hand, steering wheel in the other) — Travel packaging to enhance delivery food quality and safety — Rationalize footprint – marginal stores may not recover

Identifying the future winners

The best opportunities will involve a brand “pivot” in the new reality of COVID-19. KPMG believes higher returns will be driven by concepts that successfully address their “convenience gap”

The textbook “pivot” - Dunkin' Donuts

Pivoting from donut focus to embrace its brand competency and shift marketing direction towards coffee

- From 2005 – 2012, Dunkin’ Donuts underwent a transformation shifting its focus to beverages in order to capitalize on and further drive customer loyalty, but also moved into lunches and built out its healthy snack offering to address underpenetrated, growing market segments
- This period of rapid expansion saw a 70% rise in EBITDA and a 40% rise in store count in what is still one of the most successful PE restaurant investments of all time⁽¹⁾

Emerging pivots - Chipotle Mexican Grill

Transform a category’s perception from “counter only” ordering to digital ordering and delivery

- Digital sales more than doubled YoY in the month of March
- Order-ahead daily sales have more than doubled and delivery is up nearly 150% compared to last year
- 65% of newly enrolled rewards members are newcomers to the Chipotle brand vs. 51% pre COVID-19⁽²⁾
- Share price increased 15% on Q1 2020 earnings announcement despite the country being in lockdown

The next set of winners

Identify concepts with a “convenience upside”. That is, value plays that have been meaningfully affected by COVID-19, but have significant room to pivot relative to their peers

- Opportunities to address may include:
 - Safety perception gap
 - Limited delivery
 - Lack of drive thru
 - Overly-complex menu
 - Menu with low portability
 - Nascent digital presence (e.g. social)
 - Store consolidation potential
 - Strong underlying brand affinity fundamentals

Source: (1) The Washington Post, Thomas Heath (August 18, 2012); (2) Chipotle Mexican Grill Earnings Call Q1 2020

Food & beverage in COVID-19 — outlook

Retail focused food and ingredient companies are well positioned to unlock value

There is significant capital available in the market for business owners looking to monetize all or a portion of their ownership in order to generate liquidity and de-risk their net worth. The strength of that interest from both corporate and private equity buyers is dependent on how their business performed during COVID-19, as summarized below

Challenged



Restaurants

- Significant negative impact to “experience” focused categories due to quarantines and future risk of reoccurrence
- Likely that many small concepts and independents will not survive due to weak capitalization
- Key driver to future value will be the ability to pivot brand and show a quick recovery to pre COVID-19 volumes

Neutral



Reliance on foodservice

- Companies with material exposure to the foodservice space will see depressed valuations for the next 12 to 18 months
 - Decreased EBITDA
 - Contraction in valuation multiples
- Will need to show how company reacted to COVID-19 and steps being taken to lessen risk in the future

Positive



Ingredients

- Diversification of end user base mitigates risk
- Foodservice exposure is typically limited
- Natural flavors, colors, and fragrances will continue to see strong interest
- Increased demand for functional benefits such as added protein, probiotics, fiber, etc.

Retail grocery focused

- Includes branded, private label and contract manufacturing
- Snack foods
- Protein—branded and value added
- Organic
- “Center-of-store” products benefited from increased “at-home” cooking

Strong values for food & beverage companies will continue

Many privately-held food & beverage companies have maintained value through COVID-19

In line with publicly-traded companies, privately-held ingredient suppliers, retail focused co-manufacturers and private-label manufacturers as well as retail focused brands have performed well through COVID-19. For these companies, valuations remain strong as EBITDA has held up (net of COVID-19 related costs) and multiples remain robust. These companies will find significant interest from potential strategic and private equity buyers

For food & beverage companies with significant sales to the foodservice channel, the key to unlocking value will be an understanding of how the company reacted to COVID-19, the mix of its customers between “convenience” and “experience” restaurants (as detailed in the previous section) and the opportunity to diversify their customer base in the future

Food & beverage business owners have opportunities to unlock value

Many business owners have experienced two major economic crises during the past 12 years, the Financial Crisis of 2007-2008 and COVID-19. The opportunity to unlock the value in their businesses and diversify net worth may be more relevant now than it was 12 years ago. While it took a number of years for companies to regain their previous robust financial levels and valuation multiples after the Financial Crisis of 2007-2008, we believe that food & beverage companies focused on the retail grocery sector will maintain their values as a result of being viewed as “pandemic resistant”. This creates a unique opportunity for owners to consider unlocking the value in their businesses through a sale of all or a portion of the business to strategic and private equity buyers

For foodservice focused companies, there is currently a gap between the value of the business prior to COVID-19 and its value today. EBITDA is likely to be lower due to the loss of revenues/profits from their core foodservice customer base and valuation multiples will be lower as potential buyers build in a view as to future pandemic risk. Opportunities to unlock value are available, however, where the gap in value is addressed either through earn-outs or similar performance-based payouts

While valuations fell sharply during the 2007-2008 Financial Crisis, the food & beverage industry is better positioned for value in the new reality of COVID-19



Private equity funds have a **record \$2.5 trillion in capital** that needs to be deployed



Strategic buyers will need to continue to **grow revenue**



Valuation multiples are strong as retail grocery focused / ingredient suppliers are viewed as “pandemic resistant”



Capital is available to assist foodservice in diversifying customers and channels and reduce pandemic risk

Unlocking value through a sale of the business

Private equity vs. strategic sale considerations

Today's business owners are faced with a myriad of factors when evaluating a potential strategic sale of their company in order to generate liquidity while de-risking their net worth. Changes in the capital gains tax, regulatory and fiscal policies (both federal and local) and family estate-planning matters are just a few of these considerations

A sale to a corporate buyer is often the route for sellers looking to sell 100% of their ownership at a value that may incorporate revenue synergies and cost-reduction opportunities. For other

sellers, the opportunity to unlock value in their business through the sale of less than 100% of their ownership and continuing to share in the future upside through a minority stake for a period of 3 to 5 years may be an attractive option to consider. This is the typical strategy of private equity firms. The potential upside to the business owner for their remaining equity ownership can often be as much or even more than the proceeds received from the original sale, depending on the original amount rolled over

The following chart summarizes the differences between private equity and strategic buyers:

	Exiting shareholders	Other key management	Role	Value	Funding	Process
Private equity	Option to retain a stake and/or benefit from future upside, while also realizing value now	Allows incentivisation for key management through equity	Ongoing management will be required to invest and remain in the business for a period of time	Will pay premium for businesses with a strong market position and a defined and demonstrable growth story Existing portfolio company will drive strategic value	Acquisition will likely be funded by a combination of private equity and debt	Highly experienced professional investors, can outperform trade in processes Thorough due diligence process typically includes commercial due diligence as well as financial due diligence
Strategic	Shareholders typically have no share in the future upside	Unlikely that equity incentivisation is available for existing management	Greater flexibility – may be employment roles in larger business	Ability to pay a strategic premium and/or realize synergies May apply an earn-out structure	Typically funded with the balance sheet of the buyer but may require funds to be raised	Can be slow to respond Less likely to require commercial due diligence and some other due diligence workstreams

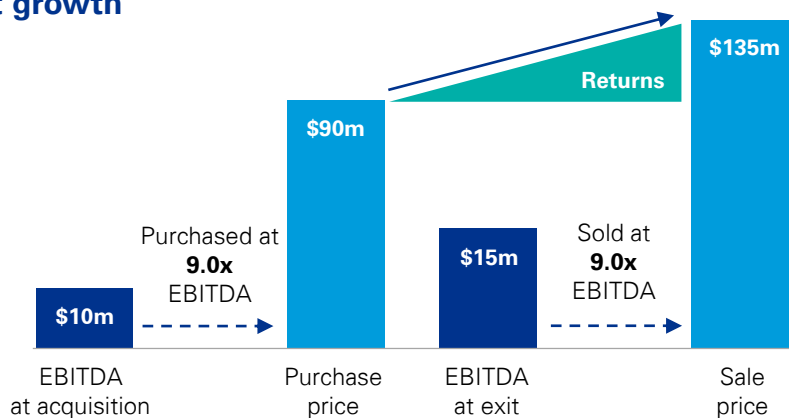
Private equity's approach to acquisitions

Successful private equity investments often achieve higher valuation multiples

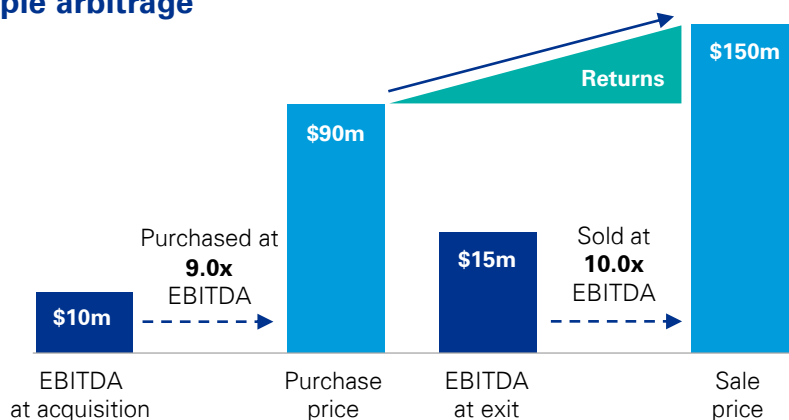
When evaluating potential acquisitions, private equity firms look at the characteristics of a business including its management team, core business, competitive advantages, and growth opportunities. Private equity firms have a variety of levers at their disposal to fuel growth and boost returns over a 3 to 5 year period, including backing the current management team with financial and operational resources and/or enhancing the team to drive the success of the business

Private equity firms look to increase the value of their holdings by introducing operational efficiencies and growing the profitability of the business. The projected returns are often modeled by utilizing the acquisition EBITDA multiple for the ultimate exit. More often than not, private equity firms improve the operations of the business and its growth prospects such that the business is sold at a higher multiple compared to the initial multiple paid when acquiring the company

Profit growth



Multiple arbitrage



Key Private Equity Considerations

Quality of the management team

1

Historical financial performance

2

Strength of product offering / customer mix

3

Business plan (3–5 year) and achievability of forecasts

4

Need for future investments

5

Competitive position in the market

6

Seller price expectations

7

Future exit opportunities

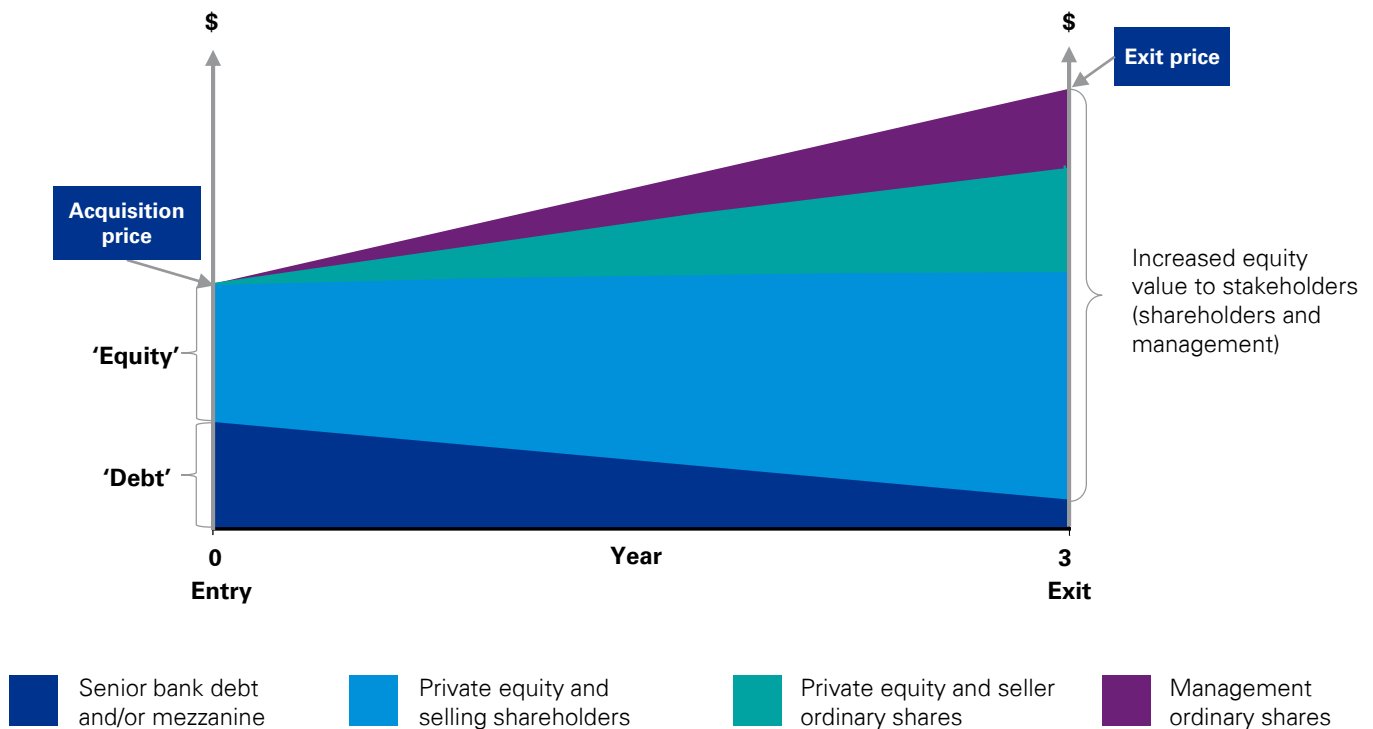
8

Private equity value creation

Improving operations and deleveraging benefit all shareholders

The increasing value of the business and repayment of debt incurred as part of the acquisition results in the growth in the equity value of the business during the ownership period. Selling shareholders that rollover equity into the new deal benefit from this increased value. In addition, private equity firms typically grant warrants or “phantom” shares to the existing management team to incentivize them and drive the continuing success of the business

Deleveraging Drives Growth in Equity Value



“Private equity has proven to be robust in dealing with trying times and its ability to outperform public markets and other asset classes over the full economic cycle is well known and understood by its stakeholders.”

**— Robert Ohrenstein, Partner KPMG UK
and Global Head of Private Equity**

Key trends to focus on



The new reality of COVID-19 will require owners of food & beverage companies to understand and react to the new demands being placed on the industry. KPMG has identified the following industry trends that will require focus and investment by food & beverage companies. The right strategic or financial partner can provide the capital and expertise to meet these trends and support the continued success of the business

Investment considerations driven by COVID-19

Trend	Details	Impacted segments
Increase in F&B online shopping	Accelerated migration of food and beverage shopping including greater demand for frozen and perishable items through e-commerce during COVID-19 will have a long-term impact on consumer behavior and require increased cold storage and shipping capacity	e-Commerce Cold storage & shipping
Emphasis on food safety	Greater emphasis on food safety and traceability due to COVID-19 will reshape food and beverage supply chains	Food safety & testing
Increase in price consciousness	Greater price-consciousness due to tough economic conditions has historically increased demand of value brands & private labels	Value brands/ Private label
Shift to food-at-home (vs. eating out)	The shift to food consumption at home during COVID-19 is leading to demand growth for Meal Kits	Meal kits
Concerns about imported food	Greater public concerns around food safety during COVID-19 is driving some consumers to shift demand toward locally-sourced foods	Local sourcing
Social distancing of workforce	Focus on social distancing during COVID-19 has increased interest in the automation of food production	Food Production Automation

KPMG Corporate Finance food & beverage team

The KPMG Corporate Finance team has a well-established track record of delivering value to business owners by leveraging its deep knowledge of the food & beverage sector, significant transaction experience, and a relationship driven approach. To further discuss how the changing market affects your company, please contact a member of the KPMG Corporate Finance team

KPMG Corporate Finance – food & beverage investment banking		Robert Glowniak Managing Director Chicago T: 312-665-2614 E: rglowniak@kpmg.com		Ross Colbert Managing Director New York T: 212-997-0500 E: rcolbert@kpmg.com
--	---	---	--	--

KPMG Corporate Finance LLC

KPMG Corporate Finance LLC (KPMG CF) provides a broad range of investment banking and advisory services to its domestic and international clients. Our professionals have the experience and depth of knowledge in global M&A and project finance to advise clients on mergers and acquisitions, sales and divestitures, buyouts, financings, debt restructurings, equity recapitalizations, capital advisory, real estate, portfolio solutions, and other advisory initiatives. For more information on KPMG CF, please visit www.kpmgcorporatefinance.com

Global coverage. Industry knowledge. Middle-market focus

The Corporate Finance practices of KPMG International’s network of independent member firms (KPMG) have been ranked collectively as the number one investment bank according to Refinitiv’s global M&A transaction volume league tables. KPMG firms operate in 155 countries with more than 2,600 professionals who are able to meet the needs of clients across the globe

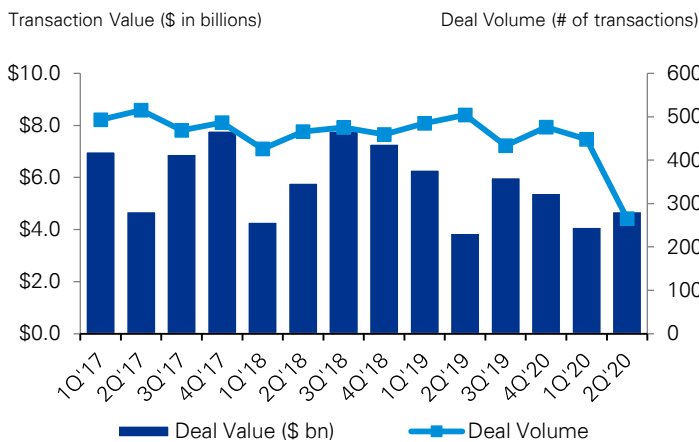


Special update: COVID-19 impact on M&A

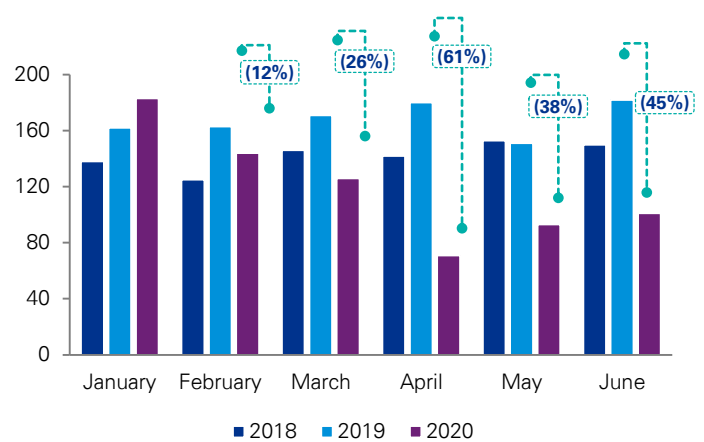
- Announced M&A volume during Q1'20 fell 6% on a quarter-over-quarter basis, while transaction value fell 23% during the same period
- While the year started on a strong note, activity slowed down significantly in Q2'20 as COVID-19 spread across the world, increasing uncertainties and driving down valuations

Global Food & Beverage Industry Trends

Quarterly M&A Trend: Q1'17 – Q2'20



Monthly Announced Deal Volume (Jan–Jun)

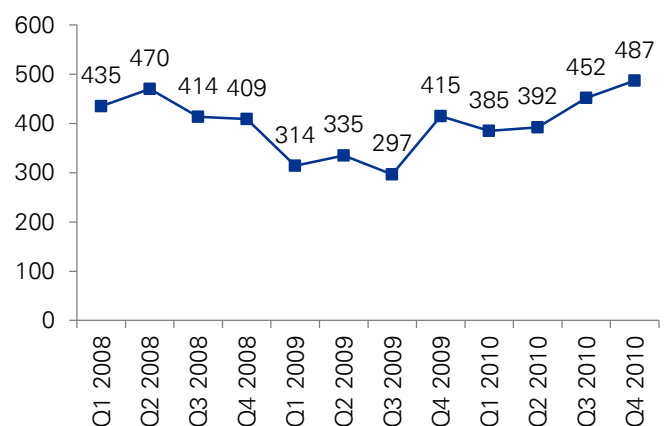


- As a result of COVID-19, both financial and strategic players have shifted their focus on protecting existing businesses with M&A deals getting delayed

Outlook for Food & Beverage

- KPMG Corporate Finance expects food & beverage deal activity to recover quickly in the coming months
- For reference, the food & beverage sector performed relatively well during the Financial Crisis of 2007 – 2008
- Specifically, retail focused food & beverage companies are better positioned in the new reality of COVID-19 and will see strong valuations

Quarterly Food & Beverage M&A Volume (2008 – 2010)



Source: Capital IQ, Mergermarket, press releases

Notes: (1) M&A analysis based on deals announced during the respective periods. Deal value represents aggregate deal value for disclosed transactions for the time periods noted on the above graph. (2) Q2'20 deal value includes the \$2.99 billion acquisition of Pinehill Company Limited by PT Indofood CBP Sukses Makmur Tbk (IDX:ICBP)

Select food & beverage transactions for Q2 2020

In spite of COVID-19, a number of food & beverage transactions were completed in the 2nd quarter of 2020

Date	Target	Buyers	Target Description	Enterprise Value (\$mm)	EV / LTM Revenue
07/02/20	Henningesen Foods	Michael Foods of Delaware	Provides specialty egg, meat, and poultry products to the food processing industry	-	-
06/28/20	Keurig Dr Pepper	RC Evansville	Acquired production and distribution rights for the brands RC Cola, A&W Root Beer, Sunkist, 7Up, Snapple, and Big Red	-	-
06/16/20	Reyes Holdings	Elyxir Distributing (assets in Monterey Bay Area)	Distributes key alcohol brands including Molson Coors, Heineken USA, Mike's, Boston Beer, New Belgium and Lagunitas	-	-
06/10/20	Pennsylvania Dutch Candies	Nassau Candy	Manufactures refrigerated pastas, sauces, and cheese products	-	-
06/10/20	PV Brewing Partners	Kona Brewing (assets in Hawaii)	Assets comprise a brewery and two brewpubs	\$16.0	-
06/09/20	Nestle's North American Buitoni business	Brynwood Partners	Manufactures refrigerated pastas, sauces, and cheese products	\$115.0	\$0.88
06/04/20	Mazurek's Bakery	Baker Victory Services	Produces baking products such as cakes, cookies, breads, and doughnuts	-	-
06/02/20	Hung San Foods	GrubMarket	Supplies quality produce and specialty foods serving grocery stores and restaurants in the Seattle area	-	-
05/29/20	Ocean Beauty Seafoods	Icicle Seafoods	Processes, produces, and sells seafood products to the retail and foodservice channel	-	-
05/27/20	Willie Bird Turkeys	Diestel Turkey Ranch	Family farm known for its high-quality poultry such as fresh free-range natural and organic turkeys	-	-
05/22/20	Prime Pork	HyLife	Produces and processes pork with hog farming operations throughout Minnesota	-	-
05/20/20	Maines Paper & Food Service	Lineage Logistics (Bay Grove Capital)	Foodservice distributor primarily supporting Burger King, Tim Hortons, and Darden Restaurants	-	-
05/11/20	Butts Foods	Quirch Foods (Palladium Equity Partners)	Distributes fresh protein to national and independent grocery stores and regional distributors in the Southeast and Midwest	-	-
05/08/20	Assets of Pierless Fish	Baldor Specialty Foods	Supplies seafood to New York City's chefs and restaurants	-	-
05/07/20	Rudi's Organic Bakery	Promise Gluten Free (Mayfair Equity Partners)	Manufactures organic and gluten-free grain-based foods	-	-
05/07/20	Ingredients Inc	Barentz International	Develops and supplies high-quality ingredients to food and beverage, pet food, and nutraceutical manufacturers	-	-
05/07/20	Benchmark Beverage Company	LKI Investments	Distributes over 800 different liquor products in Michigan to more than 6,000 retail outlet	-	-
05/05/20	Chicago Custom Foods (Highlander Partners)	Sauer Brands (Falfurrias Capital Partners)	Manufactures branded popcorn seasonings with over 20 popcorn flavors selling to movie theaters and retailers	-	-
05/04/20	Krave Pure Foods	Sonoma Brands	Produces gourmet meat, poultry, and plant-based protein snacks	-	-
04/30/20	A. Zerega's Sons	Philadelphia Macaroni Company	Manufactures dry pasta for the foodservice, industrial ingredient, and retail channels with facilities in Fair Lawn, NJ, and Lee's Summit, MO	-	-
04/29/20	Boston Market (Sun Capital)	Engage Brands	Rotisserie chicken chain with 376 units in the U.S.	-	-
04/27/20	Wildtree	Altair Acquisitions	Manufactures organic and allergen-sensitive spices, oils, mixes, sauces, and meal replacement products	-	-
04/09/20	Vanguard Seed	Sakata Seed America	Lettuce seed company based in California's Salinas Valley	-	-
04/07/20	Kronos Foods (Entrepreneurial Equity Partner)	Grecian Delight Foods	Supplies Mediterranean products to chain restaurants, schools, and foodservice providers as well as grocery stores	-	-

Source: Capital IQ as of July 8th 2020



©2020 KPMG Corporate Finance LLC, a Delaware limited liability company. Member FINRA/SIPC. KPMG Corporate Finance LLC is a subsidiary of KPMG LLP, a Delaware limited liability partnership and the U.S. member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity. All rights reserved.

Select public food companies (1/3)

Sorted by % of 52 Week High

Public Comparable Analysis (all values in USD million, except share price)												
Company	HQ Country	Market Data				LTM Financials				Valuation Multiples Enterprise Value To:		
		Share Price ⁽²⁾	% 52 Wk High	Market Cap (\$mm) ⁽¹⁾⁽²⁾	Enterprise Value (\$mm) ⁽³⁾	Revenue	Revenue Growth	Gross Margin %	EBITDA %	LTM EBITDA	CY 2020 Revenue	CY 2020 EBITDA
Large Cap Food												
Conagra Brands, Inc.	US	\$35.17	98.3%	\$17,130	\$26,325	\$11,054	15.9%	28.1%	20.1%	11.9x	2.3x	10.9x
McCormick & Company, Incorporated	US	179.41	98.1%	23,885	28,142	5,427	2.0%	40.9%	21.8%	23.8x	5.1x	22.9x
General Mills, Inc.	US	61.65	95.9%	37,368	51,624	17,627	4.5%	34.9%	21.1%	13.9x	2.9x	13.6x
The Kraft Heinz Company	US	31.89	93.8%	38,964	66,455	25,175	(2.9%)	31.9%	25.0%	10.5x	2.7x	11.3x
Hormel Foods Corporation	US	48.27	93.7%	26,015	25,773	9,599	0.1%	19.5%	13.4%	20.0x	2.6x	19.1x
Grupo Bimbo, S.A.B. de C.V.	MX	1.67	93.2%	7,563	13,163	12,686	2.3%	52.9%	12.7%	8.2x	0.9x	7.5x
Kellogg Company	US	66.06	93.0%	22,637	31,267	13,468	(1.5%)	33.1%	16.4%	14.2x	2.3x	14.2x
Nestlé S.A.	CH	110.59	92.5%	318,519	348,046	95,886	1.2%	49.8%	20.1%	18.0x	3.8x	17.2x
Campbell Soup Company	US	49.63	86.3%	14,996	20,708	8,363	16.2%	34.2%	17.9%	13.9x	2.4x	11.4x
Mondelez International, Inc.	US	51.13	85.3%	72,986	91,302	26,037	1.3%	39.2%	19.7%	17.8x	3.5x	17.3x
The J. M. Smucker Company	US	105.81	84.2%	12,067	17,459	7,801	(0.5%)	38.5%	22.3%	10.0x	2.2x	10.3x
The Unilever Group	NL	53.92	81.7%	139,822	166,460	58,332	2.0%	44.0%	21.4%	13.3x	2.9x	12.8x
The Hershey Company	US	129.62	79.9%	26,962	31,162	8,007	2.2%	44.9%	24.2%	16.1x	3.9x	15.8x
Saputo Inc.	CA	23.80	75.6%	9,726	12,789	10,543	10.7%	9.8%	9.3%	13.1x	1.2x	11.9x
Danone S.A.	FR	69.28	74.7%	44,952	59,855	28,377	2.6%	49.1%	20.6%	10.2x	2.1x	11.4x
Large Cap Food Mean			88.4%				3.7%	36.7%	19.1%	14.3x	2.7x	13.8x
Large Cap Food Median			92.5%				2.0%	38.5%	20.1%	13.9x	2.6x	12.8x
Small and Mid Cap Food												
The Hain Celestial Group, Inc.	US	\$31.51	95.8%	\$3,213	\$3,625	\$2,245	1.2%	21.8%	8.4%	19.3x	1.8x	16.6x
Freshpet, Inc.	US	83.66	93.9%	3,369	3,208	261	27.5%	46.1%	6.5%	NM	NM	NM
B&G Foods, Inc.	US	24.38	92.4%	1,563	3,457	1,697	0.9%	24.2%	18.0%	11.3x	1.8x	10.2x
Lancaster Colony Corporation	US	154.99	92.1%	4,265	4,115	1,337	3.5%	26.0%	15.9%	19.4x	3.1x	18.9x
Flowers Foods, Inc.	US	22.36	89.2%	4,731	5,954	4,210	5.0%	48.3%	10.2%	13.8x	1.4x	12.9x
BellRing Brands, Inc.	US	19.94	83.0%	786	3,177	954	0.0%	36.4%	21.4%	15.6x	3.1x	15.7x
Seneca Foods Corporation	US	33.81	80.7%	308	626	1,336	11.4%	10.6%	6.8%	6.9x	NM	NM
John B. Sanfilippo & Son, Inc.	US	85.33	79.1%	984	1,050	893	2.5%	20.0%	10.5%	11.2x	1.1x	NM
Post Holdings, Inc.	US	87.62	77.6%	5,974	12,649	5,833	(3.4%)	31.3%	18.8%	11.6x	2.2x	10.7x
TreeHouse Foods, Inc.	US	43.80	72.5%	2,472	4,605	4,307	3.2%	18.5%	10.5%	10.1x	1.1x	9.2x
Lamb Weston Holdings, Inc.	US	63.93	66.4%	9,336	11,734	3,949	7.6%	26.2%	21.6%	13.7x	3.3x	17.3x
J & J Snack Foods Corp.	US	127.13	64.6%	2,401	2,257	1,194	3.3%	28.6%	12.9%	14.6x	2.3x	25.7x
Fresh Del Monte Produce Inc.	KY	24.62	63.5%	1,175	2,032	4,453	(2.0%)	6.3%	4.0%	11.5x	0.5x	11.3x
The Simply Good Foods Company	US	18.58	59.3%	1,772	2,378	734	49.0%	40.3%	15.6%	20.8x	2.7x	14.7x
Small and Mid Cap Food Mean			79.3%				7.8%	27.5%	12.9%	13.8x	2.0x	14.8x
Small and Mid Cap Food Median			79.9%				3.3%	26.1%	11.7%	13.7x	2.0x	14.7x
Grain Handling & Processing												
Archer-Daniels-Midland Company	US	\$39.90	84.5%	\$22,164	\$31,015	\$64,322	0.3%	6.5%	4.1%	11.9x	0.5x	10.1x
Ingredion Incorporated	US	83.00	83.4%	5,559	7,407	6,216	(2.2%)	21.2%	14.7%	8.1x	1.2x	8.4x
Darling Ingredients Inc.	US	24.62	83.3%	3,985	5,853	3,382	1.0%	23.6%	12.4%	14.0x	1.7x	13.2x
Olam International Limited	SG	1.00	69.5%	3,186	9,961	24,570	8.2%	9.1%	4.1%	9.9x	NM	NM
Bunge Limited	US	41.13	69.0%	5,847	12,273	40,375	(10.4%)	4.9%	3.0%	10.2x	0.3x	9.7x
Landec Corporation	US	7.96	63.9%	232	436	587	7.5%	12.6%	1.9%	NM	0.7x	14.1x
The Andersons, Inc.	US	13.76	47.7%	443	2,162	8,047	83.4%	5.9%	2.5%	10.7x	0.3x	10.4x
Grain Handling & Processing Mean			71.6%				12.6%	12.0%	6.1%	10.8x	0.8x	11.0x
Grain Handling & Processing Median			69.5%				1.0%	9.1%	4.1%	10.4x	0.6x	10.2x

Source: Capital IQ as of June 30th 2020



©2020 KPMG Corporate Finance LLC, a Delaware limited liability company. Member FINRA/SIPC. KPMG Corporate Finance LLC is a subsidiary of KPMG LLP, a Delaware limited liability partnership and the U.S. member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity. All rights reserved.

Select public food companies (2/3)

Sorted by % of 52 Week High

Public Comparable Analysis (all values in USD million, except share price)												
Company	HQ Country	Market Data				LTM Financials				Valuation Multiples Enterprise Value To:		
		Share Price ⁽²⁾	% 52 Wk High	Market Cap (\$mm) ⁽¹⁾⁽²⁾	Enterprise Value (\$mm) ⁽³⁾	Revenue	Revenue Growth	Gross Margin %	EBITDA %	LTM EBITDA	CY 2020 Revenue	CY 2020 EBITDA
Ingredients												
Givaudan SA	CH	\$3,725.21	99.4%	\$34,339	\$38,240	\$6,405	12.2%	40.8%	19.4%	NM	5.6x	26.0x
Koninklijke DSM N.V.	NL	138.65	99.1%	23,538	25,150	9,902	(1.2%)	33.9%	15.4%	16.5x	2.5x	13.3x
Symrise AG	DE	116.48	99.0%	15,774	17,644	3,824	8.0%	40.1%	20.4%	22.6x	4.3x	20.4x
Kerry Group plc	IE	124.13	87.2%	21,929	24,242	8,126	9.6%	46.6%	14.7%	20.3x	3.0x	20.8x
Ajinomoto Co., Inc.	JP	16.62	85.8%	9,112	11,601	10,223	(2.4%)	36.7%	13.7%	8.3x	1.2x	8.7x
Balchem Corporation	US	94.86	83.3%	3,066	3,252	661	3.4%	32.9%	23.1%	21.3x	4.8x	21.1x
International Flavors & Fragrances Inc	US	122.46	83.2%	13,085	17,100	5,190	19.5%	41.4%	21.7%	15.2x	3.3x	15.8x
Tate & Lyle plc	GB	8.27	82.3%	3,830	4,388	3,588	4.6%	43.5%	17.2%	7.1x	1.3x	7.9x
Barry Callebaut AG	CH	1,908.01	80.7%	10,451	12,553	7,643	4.6%	16.3%	10.6%	15.4x	1.6x	16.7x
Sensient Technologies Corporation	US	52.16	70.2%	2,209	2,796	1,326	(3.8%)	31.0%	15.5%	13.6x	2.2x	13.8x
Glanbia plc	IE	11.34	67.7%	3,349	4,043	4,330	22.2%	20.1%	7.8%	11.9x	0.9x	11.4x
Universal Corporation	US	42.51	67.3%	1,041	1,496	1,910	(14.2%)	19.4%	9.4%	8.3x	NM	NM
National Instruments Corp.	US	36.71	52.5%	620	676	373	(1.2%)	22.3%	17.3%	10.5x	1.8x	10.3x
Ingredients Mean			81.4%				4.7%	32.7%	15.9%	14.3x	2.7x	15.5x
Ingredients Median			83.2%				4.6%	33.9%	15.5%	14.4x	2.4x	14.8x
Baked Goods												
Grupo Bimbo, S.A.B. de C.V.	MX	\$1.67	93.2%	\$7,563	\$13,163	\$12,686	2.3%	52.9%	12.7%	8.2x	0.9x	7.5x
Flowers Foods, Inc.	US	22.36	89.2%	4,731	5,954	4,210	5.0%	48.3%	10.2%	13.8x	1.4x	12.9x
George Weston Limited	CA	73.11	87.3%	11,216	29,380	35,621	4.6%	31.8%	8.6%	9.5x	0.7x	7.3x
Hostess Brands, Inc.	US	12.22	82.2%	1,506	2,630	928	7.4%	32.9%	18.1%	15.7x	2.6x	12.0x
Yamazaki Baking Co., Ltd.	JP	17.22	78.0%	3,743	3,617	9,858	0.4%	35.3%	6.0%	6.2x	0.4x	6.4x
Finsbury Food Group Plc	GB	0.73	56.3%	93	152	422	8.1%	30.7%	8.1%	4.5x	0.4x	4.3x
ARYZTA AG	CH	0.45	35.1%	445	1,371	3,691	(0.9%)	15.4%	8.6%	4.3x	0.4x	4.4x
Baked Goods Mean			74.5%				3.9%	35.3%	10.3%	8.9x	1.0x	7.8x
Baked Goods Median			82.2%				4.6%	32.9%	8.6%	8.2x	0.7x	7.3x
Dairy Products												
The a2 Milk Company Limited	NZ	\$13.04	94.6%	\$9,644	\$9,249	\$1,011	36.4%	55.7%	30.7%	29.8x	7.5x	23.9x
AB Zemaityjos pienas	LT	2.00	94.2%	90	98	208	4.3%	22.2%	8.7%	5.4x	NM	NM
Centrale del Latte d'Italia S.p.A.	IT	2.91	92.5%	41	127	197	0.3%	19.5%	4.6%	14.0x	0.6x	11.3x
Pieno Zvaigzdes, AB	LT	1.08	92.3%	49	77	190	3.6%	20.4%	6.3%	6.4x	NM	NM
Rokiskio Suris AB	LT	2.86	92.0%	100	114	234	2.3%	9.7%	6.5%	7.5x	NM	NM
Fonterra Co-operative Group Limited	NZ	2.41	87.0%	3,893	7,946	13,428	3.6%	15.2%	7.2%	8.2x	NM	NM
Emmi AG	CH	873.23	86.3%	4,672	4,877	3,608	1.1%	36.3%	9.9%	13.7x	1.3x	13.2x
Bega Cheese Limited	AU	3.07	80.9%	659	868	1,055	17.4%	19.5%	5.8%	14.1x	0.8x	11.5x
Savencia SA	FR	60.77	79.2%	838	1,739	5,619	3.0%	35.3%	6.5%	4.8x	0.3x	4.3x
Saputo Inc.	CA	23.80	75.6%	9,726	12,789	10,543	10.7%	9.8%	9.3%	13.1x	1.2x	11.9x
Danone S.A.	FR	69.28	74.7%	44,952	59,855	28,377	2.6%	49.1%	20.6%	10.2x	2.1x	11.4x
AB Vilkyškiu pienine	LT	2.13	73.3%	25	55	128	6.1%	7.3%	4.7%	9.1x	NM	NM
Synlait Milk Limited	NZ	4.58	70.3%	822	1,116	720	22.2%	16.5%	13.1%	11.8x	1.5x	9.0x
Lifeway Foods, Inc.	US	2.28	60.8%	35	37	94	(4.8%)	26.5%	2.2%	18.2x	NM	NM
Grupo Lala, S.A.B. de C.V.	MX	0.53	48.7%	1,304	2,521	3,269	0.8%	34.5%	9.3%	8.3x	0.7x	7.3x
Fromageries Bel SA	FR	0.00	0.0%	2,185	3,088	3,819	2.8%	28.5%	10.2%	7.9x	NM	NM
Dairy Products Mean			75.1%				7.0%	25.4%	9.7%	11.4x	1.8x	11.5x
Dairy Products Median			80.0%				3.3%	21.3%	8.0%	9.7x	1.2x	11.4x

Source: Capital IQ as of June 30th 2020



©2020 KPMG Corporate Finance LLC, a Delaware limited liability company. Member FINRA/SIPC. KPMG Corporate Finance LLC is a subsidiary of KPMG LLP, a Delaware limited liability partnership and the U.S. member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity. All rights reserved.

Select public food companies (3/3)

Sorted by % of 52 Week High

Public Comparable Analysis (all values in USD million, except share price)												
Company	HQ Country	Market Data				LTM Financials				Valuation Multiples Enterprise Value To:		
		Share Price ⁽²⁾	% 52 Wk High	Market Cap (\$mm) ⁽¹⁾⁽²⁾	Enterprise Value (\$mm) ⁽³⁾	Revenue	Revenue Growth	Gross Margin %	EBITDA %	LTM EBITDA	CY 2020 Revenue	CY 2020 EBITDA
Protein												
Cal-Maine Foods, Inc.	US	\$44.48	95.3%	\$2,169	\$2,025	\$1,179	(22.6%)	6.3%	(3.6%)	NM	1.4x	12.0x
Hormel Foods Corporation	US	48.27	93.7%	26,015	25,773	9,599	0.1%	19.5%	13.4%	20.0x	2.6x	19.1x
Marfrig Global Foods S.A.	BR	2.30	84.5%	1,600	5,682	10,079	42.1%	13.7%	9.5%	5.9x	0.5x	4.8x
Premium Brands Holdings Corporation	CA	63.66	84.3%	2,382	3,476	2,706	18.3%	19.6%	7.2%	17.9x	1.2x	16.7x
Minerva S.A.	BR	2.40	83.6%	1,160	2,156	3,392	7.0%	19.3%	10.1%	6.3x	0.6x	5.4x
Maple Leaf Foods Inc.	CA	20.96	79.6%	2,577	3,256	2,862	13.2%	13.3%	4.4%	26.1x	1.0x	12.0x
Seaboard Corporation	US	2,933.82	65.9%	3,406	3,865	6,980	6.6%	7.5%	4.8%	11.6x	NM	NM
Sanderson Farms, Inc.	US	115.89	64.6%	2,577	2,762	3,519	8.7%	4.3%	2.6%	NM	0.8x	14.4x
Tyson Foods, Inc.	US	59.71	63.4%	21,754	34,121	43,472	6.8%	11.6%	9.4%	8.3x	0.8x	9.3x
JBS S.A.	BR	3.86	61.8%	10,290	22,662	41,842	16.3%	15.4%	8.7%	6.3x	0.5x	5.2x
Industrias Bachoco, S.A.B. de C.V.	MX	35.17	61.7%	1,758	1,098	2,696	5.0%	16.6%	9.0%	4.5x	0.4x	4.4x
Beyond Meat, Inc.	US	133.98	55.9%	8,338	8,136	355	207.5%	35.7%	6.3%	NM	NM	NM
BRF S.A.	BR	3.88	51.8%	3,150	6,816	6,767	14.8%	25.2%	12.5%	8.1x	1.0x	7.7x
Pilgrim's Pride Corporation	US	16.89	50.2%	4,167	6,598	11,759	7.7%	8.7%	8.0%	7.0x	0.5x	7.2x
Protein Mean			71.2%				23.7%	15.5%	7.3%	11.1x	0.9x	9.8x
Protein Median			65.3%				8.2%	14.5%	8.3%	8.1x	0.8x	8.5x
Fruits and Vegetables												
Seneca Foods Corporation	US	\$33.81	80.7%	\$308	\$626	\$1,336	11.4%	10.6%	6.8%	6.9x	NM	NM
Total Produce plc	IE	1.28	72.7%	498	991	4,185	0.0%	13.9%	2.1%	11.3x	0.2x	11.5x
Fresh Del Monte Produce Inc.	KY	24.62	63.5%	1,175	2,032	4,453	(2.0%)	6.3%	4.0%	11.5x	0.5x	11.3x
Calavo Growers, Inc.	US	62.91	63.1%	1,110	1,227	1,206	7.6%	8.1%	4.5%	22.6x	1.0x	15.7x
Fruits and Vegetables Mean			70.0%				4.3%	9.7%	4.3%	13.1x	0.6x	12.9x
Fruits and Vegetables Median			68.1%				3.8%	9.4%	4.2%	11.4x	0.5x	11.5x
Retail Grocery												
Koninklijke Ahold Delhaize N.V.	NL	\$27.30	99.0%	\$29,056	\$40,983	\$76,051	7.6%	27.3%	6.7%	8.0x	0.5x	6.2x
Dollar General Corporation	US	190.51	97.8%	47,956	58,197	29,579	13.2%	30.7%	10.9%	18.1x	1.8x	16.3x
BJ's Wholesale Club Holdings, Inc.	US	37.27	97.2%	5,166	8,585	13,845	5.8%	18.7%	4.3%	14.3x	0.6x	12.5x
Village Super Market, Inc.	US	27.72	96.6%	403	451	1,721	5.0%	27.7%	3.4%	7.7x	NM	NM
Sprouts Farmers Market, Inc.	US	25.59	95.4%	3,014	4,428	5,867	10.0%	34.3%	6.7%	11.3x	0.7x	10.7x
Costco Wholesale Corporation	US	303.21	93.2%	133,874	135,012	160,876	7.5%	13.1%	4.2%	19.8x	0.8x	18.7x
SpartanNash Company	US	21.25	93.2%	758	1,642	8,850	7.6%	14.6%	1.9%	10.0x	0.2x	7.4x
Target Corporation	US	119.93	92.1%	59,967	72,082	80,100	5.1%	29.0%	8.6%	10.4x	0.9x	11.9x
The Kroger Co.	US	33.85	91.9%	26,333	44,222	126,584	4.3%	23.4%	4.7%	7.4x	0.3x	7.1x
Walmart Inc.	US	119.78	89.8%	339,211	406,738	534,661	3.7%	24.5%	6.4%	11.9x	0.7x	12.4x
Ingles Markets, Incorporated	US	43.07	87.6%	873	1,612	4,362	4.9%	24.5%	6.7%	5.5x	NM	NM
Weis Markets, Inc.	US	50.12	84.4%	1,348	1,344	3,652	4.1%	28.8%	5.4%	6.9x	NM	NM
Dollar Tree, Inc.	US	92.68	77.4%	21,987	30,655	24,089	4.4%	37.4%	9.5%	13.4x	1.2x	12.8x
Retail Grocery Mean			92.0%				6.4%	25.7%	6.1%	11.1x	0.8x	11.6x
Retail Grocery Median			93.2%				5.1%	27.3%	6.4%	10.4x	0.7x	12.2x
Wholesalers, Foodservice, Distributors												
United Natural Foods, Inc.	US	\$18.21	77.9%	\$996	\$4,815	\$25,232	43.6%	12.7%	1.9%	10.0x	0.2x	7.1x
Sysco Corporation	US	54.66	63.6%	27,746	37,025	59,502	(0.8%)	19.0%	5.1%	12.2x	0.8x	22.7x
Core-Mark Holding Company, Inc.	US	24.96	60.9%	1,125	1,717	13,513	4.8%	6.9%	1.2%	10.9x	0.1x	9.9x
AMCON Distributing Company	US	56.34	56.3%	32	98	1,059	6.5%	8.0%	0.9%	9.7x	NM	NM
Performance Food Group Company	US	29.14	53.5%	3,861	7,329	25,211	36.7%	11.6%	1.9%	15.5x	0.3x	20.4x
US Foods Holding Corp.	US	19.72	45.8%	4,344	9,351	26,247	7.6%	17.5%	4.1%	8.7x	0.4x	14.4x
The Chefs' Warehouse, Inc.	US	13.58	32.3%	500	944	1,610	8.6%	25.5%	4.4%	13.4x	0.8x	NM
Wholesalers, Foodservice, Distributors Mean			55.8%				15.3%	14.5%	2.8%	11.5x	0.4x	14.9x
Wholesalers, Foodservice, Distributors Median			56.3%				7.6%	12.7%	1.9%	10.9x	0.4x	14.4x

Source: Capital IQ as of June 30th 2020



©2020 KPMG Corporate Finance LLC, a Delaware limited liability company. Member FINRA/SIPC. KPMG Corporate Finance LLC is a subsidiary of KPMG LLP, a Delaware limited liability partnership and the U.S. member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity. All rights reserved.

Select public beverage companies

Sorted by % of 52 Week High

Public Comparable Analysis (all values in USD million, except share price)												
Company	HQ Country	Market Data				LTM Financials				Valuation Multiples Enterprise Value To:		
		Share Price ⁽²⁾	% 52 Wk High	Market Cap (\$mm) ⁽¹⁾⁽²⁾	Enterprise Value (\$mm) ⁽³⁾	Revenue	Revenue Growth	Gross Margin %	EBITDA %	LTM EBITDA	CY 2020 Revenue	CY 2020 EBITDA
Alcoholic Beverage												
The Boston Beer Company, Inc.	US	\$536.65	91.3%	\$6,460	\$6,502	\$1,329	25.7%	48.2%	15.7%	NM	4.2x	27.9x
Brown-Forman Corporation	US	63.66	87.4%	29,426	31,406	3,363	1.2%	63.2%	35.3%	26.5x	9.8x	28.1x
Rémy Cointreau SA	FR	136.39	84.8%	6,799	7,308	1,126	(9.0%)	66.1%	23.6%	27.5x	6.7x	27.9x
Constellation Brands, Inc.	US	174.95	82.5%	33,313	46,320	8,210	0.5%	51.5%	36.6%	15.4x	5.8x	16.2x
Viña Concha y Toro S.A.	CL	1.56	82.4%	1,162	1,638	798	9.2%	37.9%	16.5%	12.4x	1.9x	10.5x
Carlsberg A/S	DK	132.31	82.3%	19,522	22,896	9,897	5.4%	49.5%	21.5%	10.8x	2.5x	11.5x
Davide Campari-Milano N.V.	IT	8.44	82.2%	9,626	10,513	2,068	7.6%	60.9%	24.4%	20.8x	5.6x	24.6x
Heineken N.V.	NL	92.35	78.2%	53,128	71,579	26,898	6.6%	39.9%	21.8%	12.2x	3.0x	13.8x
Pernod Ricard SA	FR	157.61	78.0%	41,421	50,939	10,628	5.6%	61.5%	31.8%	15.1x	5.9x	18.1x
Diageo plc	GB	33.20	73.8%	77,504	95,724	17,428	4.9%	61.5%	34.1%	16.1x	6.4x	19.1x
Asahi Group Holdings, Ltd.	JP	35.03	67.7%	16,045	24,746	19,226	(1.8%)	37.5%	14.9%	8.6x	1.3x	9.4x
Molson Coors Beverage Company	US	34.36	55.5%	7,499	17,023	10,379	(3.4%)	37.9%	20.5%	8.0x	1.8x	9.1x
Treasury Wine Estates Limited	AU	7.24	53.8%	5,207	6,214	2,035	7.4%	43.4%	26.3%	11.6x	3.3x	11.9x
Anheuser-Busch InBev SA/NV	BE	49.36	47.3%	96,723	203,784	51,108	(5.6%)	60.6%	37.2%	10.7x	4.6x	12.6x
Alcoholic Beverage Mean			74.8%				3.9%	51.4%	25.7%	15.1x	4.5x	17.2x
Alcoholic Beverage Median			80.2%				5.2%	50.5%	24.0%	12.4x	4.4x	15.0x
Non-Alcoholic Beverage												
Monster Beverage Corporation	US	\$69.32	94.4%	\$36,501	\$35,596	\$4,317	10.6%	59.8%	35.4%	23.3x	8.3x	23.5x
National Beverage Corp.	US	61.02	93.2%	2,845	2,625	1,000	(1.4%)	37.0%	18.3%	14.3x	2.6x	14.3x
PepsiCo, Inc.	US	132.26	89.9%	183,511	213,601	68,158	4.9%	55.4%	18.4%	17.0x	3.2x	16.5x
Primo Water Corporation	US	13.70	87.7%	2,258	3,793	2,441	9.0%	51.5%	13.3%	11.7x	2.0x	11.6x
Lassonde Industries Inc.	CA	113.96	77.8%	790	1,126	1,241	6.5%	26.7%	9.4%	9.6x	0.8x	8.1x
The Coca-Cola Company	US	44.68	74.3%	191,896	226,310	37,173	7.1%	60.7%	32.6%	18.7x	6.8x	21.1x
Britvic plc	GB	9.53	71.4%	2,539	3,511	1,836	(4.2%)	52.4%	13.6%	14.1x	2.1x	12.4x
Non-Alcoholic Beverage Mean			84.1%				4.7%	49.1%	20.1%	15.5x	3.7x	15.4x
Non-Alcoholic Beverage Median			87.7%				6.5%	52.4%	18.3%	14.3x	2.6x	14.3x
Coffee & Tea												
Tata Consumer Products Limited	IN	\$5.13	95.0%	\$4,727	\$4,760	\$1,280	32.9%	43.1%	12.6%	29.6x	3.6x	26.0x
Key Coffee Inc.	JP	21.24	93.2%	455	387	582	(1.5%)	26.5%	2.6%	25.1x	NM	NM
Ito En, Ltd.	JP	56.40	93.0%	5,622	5,642	4,517	(4.1%)	48.2%	7.2%	17.3x	1.3x	18.8x
Keurig Dr Pepper Inc.	US	28.40	88.8%	39,963	55,039	11,229	24.8%	57.0%	29.5%	16.6x	4.8x	15.0x
Massimo Zanetti Beverage Group S.p.	IT	5.23	75.2%	179	513	1,010	2.4%	31.0%	7.6%	6.7x	0.5x	7.0x
Food Empire Holdings Limited	SG	0.38	67.9%	204	204	289	1.5%	38.7%	12.7%	5.6x	0.7x	5.9x
Coffee Holding Co., Inc.	US	3.00	57.7%	17	23	81	(10.2%)	18.7%	1.3%	22.5x	NM	NM
Farmer Bros. Co.	US	7.34	41.5%	127	207	562	(6.8%)	28.5%	2.7%	13.6x	0.5x	9.5x
Coffee & Tea Mean			76.5%				4.9%	36.5%	9.5%	17.1x	1.9x	13.7x
Coffee & Tea Median			82.0%				0.0%	34.8%	7.4%	17.0x	1.0x	12.3x

Source: Capital IQ as of June 30th 2020



©2020 KPMG Corporate Finance LLC, a Delaware limited liability company. Member FINRA/SIPC. KPMG Corporate Finance LLC is a subsidiary of KPMG LLP, a Delaware limited liability partnership and the U.S. member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity. All rights reserved.

Select public restaurant chains (1/2)

Sorted by % of 52 Week High

Public Comparable Analysis (all values in USD million, except share price)													
Company	HQ Country	Market Data				LTM Financials				Valuation Multiples Enterprise Value To:			% of Units Franchised (Latest)
		Share Price ⁽²⁾	% 52 Wk High	Market Cap (\$mm) ⁽¹⁾⁽²⁾	Value (\$mm) ⁽³⁾	Revenue	Revenue Growth	Gross Margin %	EBITDA %	LTM EBITDA	CY 2020 Revenue	CY 2020 EBITDA	
Restaurants: Casual													
Cracker Barrel Old Country Store, Inc.	US	\$110.91	61.3%	\$2,628	\$3,732	\$2,815	(9.1%)	33.6%	10.1%	13.2x	1.6x	NM	n/a
BBQ Holdings, Inc.	US	3.30	57.6%	31	113	92	62.8%	13.6%	1.1%	NM	1.1x	NM	75.0%
FAT Brands Inc.	US	3.45	55.6%	41	96	22	15.3%	81.6%	28.8%	15.2x	5.8x	NM	100.0%
Biglari Holdings Inc.	US	68.98	55.2%	212	405	623	(21.1%)	23.8%	10.9%	6.0x	NM	NM	46.6%
Luby's, Inc.	US	1.45	54.7%	44	117	310	(10.8%)	25.7%	(0.5%)	NM	NM	NM	82.3%
Brinker International, Inc.	US	24.00	50.5%	1,079	3,629	3,349	4.6%	15.3%	11.3%	9.6x	1.2x	17.8x	33.3%
Bloomin' Brands, Inc.	US	10.66	43.9%	920	3,450	4,020	(2.9%)	15.1%	7.8%	11.0x	1.1x	NM	20.3%
Denny's Corporation	US	10.10	42.3%	563	1,107	487	(22.3%)	38.1%	19.7%	11.5x	3.4x	25.2x	95.5%
Dine Brands Global, Inc.	US	42.10	40.3%	691	2,404	880	6.0%	41.6%	27.1%	10.1x	3.7x	15.1x	93.7%
MTY Food Group Inc.	CA	17.89	35.5%	442	1,257	443	33.8%	81.8%	26.4%	10.7x	3.7x	17.4x	98.9%
Red Robin Gourmet Burgers, Inc.	US	10.20	27.4%	132	837	1,211	(8.7%)	16.9%	4.1%	16.8x	0.9x	NM	16.0%
Restaurants: Casual Mean			47.6%				4.3%	35.2%	13.3%	11.6x	2.5x	18.9x	66.2%
Restaurants: Casual Median			50.5%				(2.9%)	25.7%	10.9%	11.0x	1.6x	17.6x	78.6%
Restaurants: Specialty Casual													
Texas Roadhouse, Inc.	US	\$52.57	72.5%	\$3,644	\$4,191	\$2,718	7.8%	17.3%	10.4%	14.8x	1.8x	NM	15.9%
Darden Restaurants, Inc.	US	75.77	59.0%	9,841	14,553	7,807	(8.3%)	18.0%	10.2%	18.3x	2.1x	29.0x	3.6%
The Cheesecake Factory Incorporated	US	22.92	50.7%	1,042	2,682	2,498	6.4%	40.5%	7.4%	14.4x	1.3x	NM	n/a
Chuy's Holdings, Inc.	US	14.88	50.5%	293	511	419	3.0%	16.2%	8.7%	14.1x	1.6x	NM	n/a
BJ's Restaurants, Inc.	US	20.94	46.7%	466	1,098	1,125	(0.3%)	14.3%	8.9%	10.9x	1.3x	NM	n/a
Dave & Buster's Entertainment, Inc.	US	13.33	27.3%	633	2,563	1,151	(11.2%)	22.6%	15.4%	14.4x	3.8x	NM	n/a
Restaurants: Specialty Casual Mean			51.1%				(0.4%)	21.5%	10.2%	14.5x	2.0x	29.0x	9.8%
Restaurants: Specialty Casual Median			50.6%				1.4%	17.7%	9.6%	14.4x	1.7x	29.0x	9.8%
Restaurants: Premium													
Ark Restaurants Corp.	US	\$12.35	52.3%	\$43	\$124	\$164	1.7%	27.2%	7.1%	10.7x	NM	NM	n/a
J. Alexander's Holdings, Inc.	US	4.92	41.0%	74	161	240	(2.3%)	35.3%	6.9%	9.8x	NM	NM	n/a
Ruth's Hospitality Group, Inc.	US	8.16	31.7%	271	586	457	0.3%	24.9%	13.8%	9.3x	2.1x	NM	46.5%
Restaurants: Premium Mean			41.7%				(0.1%)	29.1%	9.3%	9.9x	2.1x	NA	46.5%
Restaurants: Premium Median			41.0%				0.3%	27.2%	7.1%	9.8x	2.1x	NA	46.5%
Restaurants: Quick Service													
Domino's Pizza, Inc.	US	\$369.44	93.5%	\$14,452	\$18,592	\$3,656	5.0%	28.0%	18.6%	27.3x	4.7x	24.6x	98.0%
Papa John's International, Inc.	US	79.41	93.4%	\$2,578	3,333	1,631	1.2%	29.1%	6.6%	NM	1.9x	22.9x	88.4%
The Wendy's Company	US	21.78	90.6%	4,850	8,374	1,368	6.0%	43.6%	28.7%	21.3x	4.9x	20.7x	94.7%
McDonald's Corporation	US	184.47	83.1%	137,164	184,096	20,767	(0.7%)	52.5%	49.3%	18.0x	10.0x	21.7x	93.1%
Jack in the Box Inc.	US	74.09	79.6%	1,680	3,875	967	10.9%	30.3%	21.1%	19.0x	3.8x	15.6x	93.9%
Yum! Brands, Inc.	US	86.91	72.6%	26,159	36,654	5,606	0.6%	49.7%	35.8%	18.3x	6.7x	20.8x	98.2%
Restaurant Brands International Inc.	CA	54.63	68.8%	16,398	30,295	5,562	3.6%	57.9%	38.9%	14.0x	6.1x	16.1x	99.9%
Carrols Restaurant Group, Inc.	US	4.84	49.6%	255	1,596	1,523	27.1%	13.6%	4.2%	25.2x	1.0x	16.6x	100.0%
Del Taco Restaurants, Inc.	US	5.93	43.9%	220	639	509	0.3%	19.3%	10.2%	12.3x	1.3x	15.5x	46.8%
Restaurants: Quick Service Mean			75.0%				6.0%	36.0%	23.7%	19.4x	4.5x	19.4x	90.3%
Restaurants: Quick Service Median			79.6%				3.6%	30.3%	21.1%	18.6x	4.7x	20.7x	94.7%

Source: Capital IQ as of June 30th 2020



©2020 KPMG Corporate Finance LLC, a Delaware limited liability company. Member FINRA/SIPC. KPMG Corporate Finance LLC is a subsidiary of KPMG LLP, a Delaware limited liability partnership and the U.S. member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity. All rights reserved.

Select public restaurant chains (2/2)

Sorted by % of 52 Week High

Public Comparable Analysis (all values in USD million, except share price)


Company	HQ Country	Market Data				LTM Financials				Valuation Multiples Enterprise Value To:			% of Units Franchised (Latest)
		Share Price ⁽²⁾	% 52 Wk High	Market Cap (\$mm) ⁽¹⁾⁽²⁾	Value (\$mm) ⁽³⁾	Revenue	Revenue Growth	Gross Margin %	EBITDA %	LTM EBITDA	CY 2020 Revenue	CY 2020 EBITDA	
Restaurants: Fast Casual													
Wingstop Inc.	US	\$138.97	99.3%	\$4,111	\$4,414	\$207	26.4%	52.8%	24.6%	NM	NM	NM	97.8%
Chipotle Mexican Grill, Inc.	US	1,052.36	96.8%	\$29,351	31,413	5,689	13.2%	33.6%	11.7%	NM	5.5x	NM	n/a
El Pollo Loco Holdings, Inc.	US	14.76	88.6%	518	827	439	(0.1%)	21.8%	13.4%	14.1x	2.0x	18.4x	58.6%
Noodles & Company	US	6.05	66.8%	268	557	453	(1.0%)	16.9%	7.1%	17.4x	1.5x	NM	14.6%
Shake Shack Inc.	US	52.98	50.1%	2,022	2,361	605	22.8%	36.3%	11.3%	NM	4.4x	NM	n/a
Fiesta Restaurant Group, Inc.	US	6.38	48.2%	163	517	642	(6.3%)	19.5%	6.3%	12.8x	0.9x	21.3x	11.3%
Freshii Inc.	CA	0.99	42.5%	31	7	22	(1.1%)	90.3%	4.4%	7.5x	0.5x	NM	99.4%
Potbelly Corporation	US	2.28	38.0%	54	281	399	(4.5%)	26.6%	3.5%	19.9x	0.9x	NM	9.5%
Restaurants: Fast Casual Mean			66.3%				6.2%	37.2%	10.3%	14.3x	2.2x	19.9x	48.5%
Restaurants: Fast Casual Median			58.4%				(0.6%)	30.1%	9.2%	14.1x	1.5x	19.9x	36.6%
Restaurants: Coffee													
Dunkin' Brands Group, Inc.	US	\$65.23	77.0%	\$5,356	\$8,317	\$1,374	2.6%	51.7%	34.6%	17.5x	6.6x	19.4x	100.0%
Starbucks Corporation	US	73.59	73.8%	85,960	106,319	26,663	4.3%	27.0%	19.2%	20.7x	4.6x	NM	n/a
Restaurants: Coffee Mean			75.4%				3.5%	39.4%	26.9%	19.1x	5.6x	19.4x	100.0%
Restaurants: Coffee Median			75.4%				3.5%	39.4%	26.9%	19.1x	5.6x	19.4x	100.0%
Restaurant Chains Mean			59.3%				4.0%	33.4%	15.0%	14.7x	3.0x	19.9x	66.6%
Restaurant Chains Median			54.7%				1.2%	27.2%	10.9%	14.1x	2.0x	19.4x	88.4%


Source: Capital IQ as of June 30th 2020



©2020 KPMG Corporate Finance LLC, a Delaware limited liability company. Member FINRA/SIPC. KPMG Corporate Finance LLC is a subsidiary of KPMG LLP, a Delaware limited liability partnership and the U.S. member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity. All rights reserved.


KPMG Corporate Finance* — Longstanding expertise in F&B


KPMG 



Project High Yield


advisor to an agritech company developing high-quality biologicals and micronutrients that allow farmers to reduce fertilizer inputs while increasing yields


KPMG 



Project Cardinals

advisor to a plant nutrient company focused on providing technologically-advanced fertilizer management aids and agronomically superior plant nutrition products

KPMG 



Project Cove

financial advisor to a leading New England craft brewer on the sale of the company

KPMG 



Farmers Fresh Mushrooms

provided buyside advisory services to Farmers Fresh Mushrooms on the acquisition of the assets of Premier Mushrooms

KPMG 



Islands West Manufacturing

acted as financial advisor to Islands West Manufacturing on its sale to Fresh Direct Produce

KPMG  



Greencore Group



acted as financial advisor to Greencore Group on the acquisition of Freshtime UK


KPMG 



Vermont Village

acted as financial advisor to Vermont Village on its sale to Stonewall Kitchen

KPMG  



Petcurean Group

acted as financial advisor to the shareholders of the Petcurean Group of Companies in the sale of their majority interests in the Company to TA Associates

KPMG 



Sanders Fine Chocolatiers®

acted as financial advisor to Morley Candy Makers, LLC d/b/a Sanders Fine Chocolatiers® on the sale of the company to Kar's Nuts, a portfolio company of Palladium Equity Partners, LLC

KPMG 



Magic Rock Brewing

acted as lead financial advisor to the shareholders of Magic Rock Brewing on the sale to Australia based Lion Pty Ltd

KPMG 



Yorkshire Valley Farms


acted as financial advisor to Yorkshire Valley Farms in connection with its sale to Premium Brands


KPMG  



Mondelēz International

acted as financial advisor to Mondelēz International in connection with its sale of its XyliCrystal business to Kasugai Seika

KPMG 



Razzoo's, Inc.

acted as financial advisor to Razzoo's, Inc. in connection with a capital raise to fund new store growth and a shareholder dividend

KPMG 



Northumbrian Fine Foods

acted as lead advisor to Northumbrian Fine Foods on its sale to Biscuit International

KPMG 



Fourpure Brewing

acted as lead financial advisor to the shareholders of Fourpure Brewing Co. on the sale to Australia based Lion Pty Ltd

Important disclosures

The information contained in this newsletter is of a general nature and is not intended to address the circumstances of any particular individual or entity including their investment objectives or financial needs. In preparing this newsletter, we have relied upon and assumed, without independent verification, the accuracy and completeness of all information available from public sources. Although we endeavor to provide accurate and timely information, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. No one should act or rely on the information in this newsletter without appropriate professional advice after a thorough examination of the particular situation. The information contained in this newsletter does not constitute a recommendation, offer, or solicitation to buy, sell or hold any security of any issuer. Past performance does not guarantee future results.

Some or all of the services described herein may not be permissible for KPMG audit clients and their affiliates or related entities.

kpmg.com/socialmedia

