

**KROLL**

# Food and Beverage

INDUSTRY INSIGHTS

KROLL INVESTMENT BANKING

FALL 2024

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Executive Summary

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288 food and beverage deals were announced in the trailing 12 months (TTM) period ending September 2024

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89% were completed by privately owned buyers

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77% were strategic transactions

# M&A Market Overview

## Overview

In Q3 2024, 74 transactions were announced in the food and beverage space, which marks a 10% decline in deal volume when compared to the previous quarter. However, despite a decline in quarter-over-quarter deal activity, Q3 2024 increased by 28% compared to Q3 2023. For the TTM period ending September 30, 2024, 288 deals were announced in the space, representing a 2% increase from the prior TTM period. This marks the first sign of positive TTM year-over-year growth since TTM March 2022.

Q3 2024 saw several notable North American transactions within the confectionery/snacks and dairy spaces. Significant transactions announced within these areas include Mars Incorporated's pending acquisition of Kellanova and Groupe Lactalis SA/Sodiaal International SA's pending acquisition of General Mills Inc.'s North American yogurt business. The alcoholic beverages, confectionery/snacks, general and nonalcoholic beverages categories were the most active in terms of deal volume, representing 58% of the total transaction count this quarter.

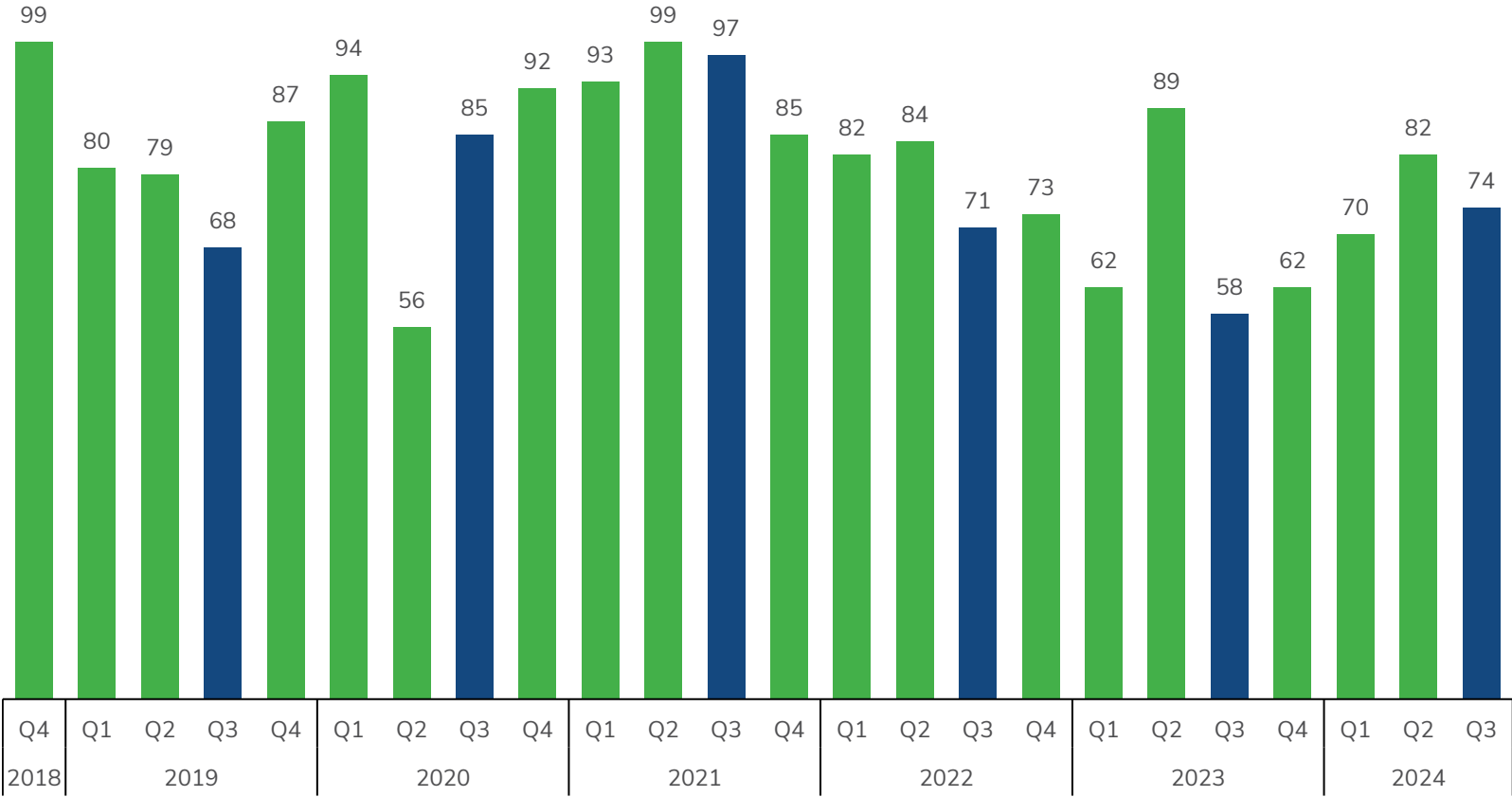
Food and beverage M&A activity over the TTM period ending September 2024 remained predominantly driven by strategic buyers (including companies primarily owned by private equity investors), with strategic transactions representing 77% of the total deal volume. Of the 288 deals announced over the TTM period, 256 (89%) were completed by privately owned buyers.

The decline in Q3 2024 food and beverage M&A activity represents the first quarterly decrease since Q3 2023, which can likely be ascribed to the recently elevated economic uncertainty stemming from the upcoming U.S. election and escalating geopolitical conflicts. Historically, these factors have temporarily caused hesitancy amongst both financial and strategic buyers to execute on transactions. However, the lagging impact of recent rate cuts has yet to make a meaningful impact on M&A activity, with the rate of private equity exits remaining at all-time lows.

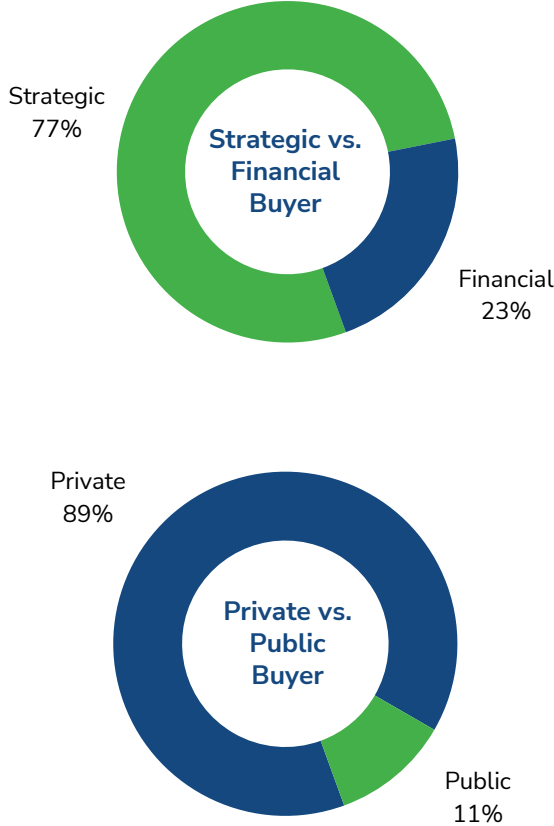
As inflation continues to approach the long-term target level of 2%, it is expected that the Bank of Canada and the Federal Reserve will make additional rate cuts, which will help foster a healthier M&A environment in the coming months. The resulting decreases in financing costs, paired with the upward momentum seen in year-over-year TTM deal volume growth, provide us with a sense of optimism that the food and beverage industry is well positioned to take advantage of this headwind moving forward.

# M&A Market Overview—Cont'd

Number of Announced Deals (as of September 30, 2024)



By Number of Announced Deals (TTM as of September 30, 2024)



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

# Select Recent Transactions<sup>1</sup>

## Mars Incorporated Agreed to Acquire Kellanova



On August 14, 2024, Mars and Kellanova (NYSE:K) announced that they have entered into a definitive agreement under which Mars has agreed to acquire Kellanova, a global leader in snacking with highly recognizable brands, for **\$35.8 billion**. “Our complementary portfolios, routes-to-market and R&D capabilities will unleash enhanced consumer-centric innovation to shape the future of responsible snacking,” said Andrew Clarke, Global President of Mars Snacking.

## Danone North America PBC Submitted a Proposal to Acquire Lifeway Foods Inc.



On September 23, 2024, Danone North America submitted an unsolicited, nonbinding proposal to acquire all outstanding shares of Lifeway Foods not already owned by Danone for \$25 per share in cash, implying an enterprise value of **\$363 million**. “We believe that Danone is in the ideal position to deliver meaningful value creation to all shareholders and other stakeholders and to drive Lifeway’s continued development,” said Shane Grant, President and CEO of Danone North America.

## Our Home Acquired the Pop Secret Business of Campbell Soup Company



On August 26, 2024, Our Home acquired Pop Secret, a well-known, high-quality flavored microwavable popcorn brand, from Campbell Soup Company (NasdaqGS:CPB) for **\$75 million**. Aaron Greenwald, Founder and CEO of Our Home, said the Pop Secret brand’s “widespread household recognition, combined with our extensive manufacturing capabilities, create a unique platform for growth and innovation in the market”.

## Groupe Lactalis SA and Sodiaal International SA Agreed to Acquire General Mills Inc.’s North American Yogurt Business



On September 12, 2024, General Mills (NYSE:GIS) announced it entered into a definitive agreement to sell its US and Canadian yogurt businesses independently to Lactalis and Sodiaal, respectively, for **\$2.1 billion** in total. “We believe we’ve found the right homes for these businesses, with dairy-focused owners who are well equipped to drive success for our people and growth for these brands into the future,” said Jeff Harmening, CEO and Chairman of General Mills.

## T. Hasegawa USA Inc. Acquired Abelei Inc.



On August 23, 2024, T. Hasegawa USA Inc. acquired Abelei Inc., a producer of top-note flavors for a wide variety of food and beverage applications, for **\$48 million**. Tom Damiano, CEO of T. Hasegawa USA, noted that the acquisition of Abelei “expands our geographical footprint, technical capabilities and overall flavor portfolio so we can better serve our customers. We welcome their entire team, which is well known for their customer service excellence and aligns with our customer-centric focus”.

## SacoFoods Inc. Acquired Quinoa Corporation from Encore Consumer Capital LP



On August 21, 2024, SacoFoods Inc., a portfolio company of Fengeate Private Equity and Weathervane Investment Corp., acquired Quinoa Corporation, a producer of plant-based pastas and grains in addition to gluten-free baking mixes under its Ancient Harvest and Pamela’s brand names. “Broadening our offering with their quality products complements our existing portfolio and leverages our shared service platform to improve service and reinvest in innovation to drive the organic growth of these great legacy brands,” said Tom Walzer, CEO of SacoFoods.

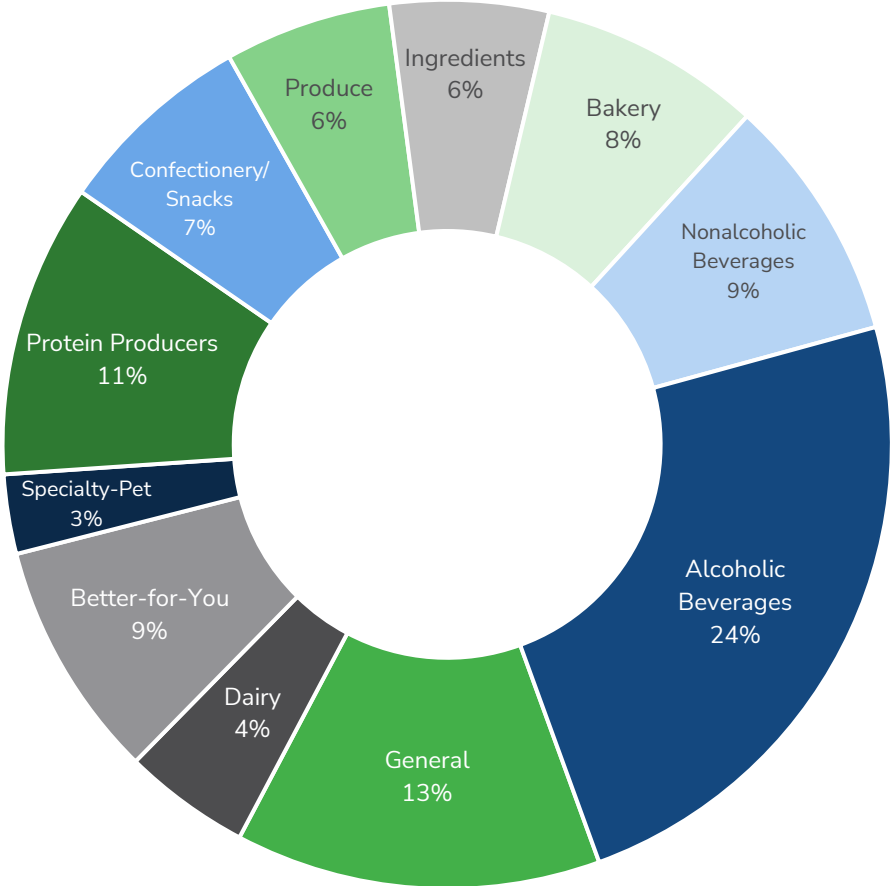
<sup>1</sup> Deals in the U.S. and Canada, closed or announced over Q3 2024, selected subjectively based on being representative of recent market activity. All figures are denoted in US\$. Sources: S&P Capital IQ, Mergermarket, company press releases and various news sources (e.g., PR Newswire). Note: 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 September 30, 2024)



TTM = Trailing 12 months.

# Select Kroll Investment Banking Food and Beverage Experience

<p>SELL-SIDE ADVISOR </p>  <p>has been acquired by</p> 	<p>SELL-SIDE ADVISOR </p>  <p>Gum Products International</p> <p>has been acquired by</p> 	<p>SELL-SIDE ADVISOR </p>  <p>has been acquired by</p>  <p>a portfolio company of</p> 	<p>FINANCIAL ADVISOR </p>  <p>has secured senior debt financing from a consortium of lenders</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 acquired certain assets 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>BUY-SIDE ADVISOR </p>  <p>has acquired</p> 	<p>SELL-SIDE ADVISOR </p>  <p>has been acquired by</p> 	<p>BUY-SIDE ADVISOR </p>  <p>has acquired</p> 
<p>SELL-SIDE ADVISOR </p>  <p>has been acquired by</p> 	<p>SELL-SIDE ADVISOR </p>  <p>a division of</p> <p>BEVERAGE INNOVATIONS</p> <p>has been acquired by</p> 	<p>SELL-SIDE ADVISOR </p> <p>NEOCELL</p> <p>has been acquired by</p> 	<p>SELL-SIDE ADVISOR </p>  <p>has been acquired by</p> 	<p>SELL-SIDE ADVISOR </p>  <p>a portfolio company of</p>  <p>have been acquired by</p> 	<p>SELL-SIDE ADVISOR </p>  <p>a portfolio company of</p>  <p>has been acquired by</p> 

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# Select Kroll Investment Banking Food and Beverage Experience

<p>SELL-SIDE ADVISOR </p> <p><b>DSD</b> Manufacturers Inc.</p> <p>has been acquired by</p> <p></p> <p>a portfolio company of</p> <p><b>GAUGE</b> CAPITAL</p>	<p>SELL-SIDE ADVISOR </p> <p></p> <p>has been acquired by</p> <p></p>	<p>FINANCIAL ADVISOR </p> <p><b>CICPARTNERS</b></p> <p>has acquired</p> <p></p>	<p>SELL-SIDE ADVISOR </p> <p></p> <p>has been acquired by</p> <p><b>WILLIS STEIN &amp; PARTNERS</b></p>	<p>SELL-SIDE ADVISOR </p> <p><small>ROBIN GENTRY MCGEE'S</small> <b>functional formularies</b></p> <p>has been acquired by</p> <p><b>SPC</b> SWANDER PACE CAPITAL</p>	<p>FINANCIAL ADVISOR </p> <p></p> <p>has been acquired by</p> <p></p>
<p>SELL-SIDE ADVISOR </p> <p><i>Mariner Seafood</i></p> <p>has been acquired by</p> <p></p>	<p>SELL-SIDE ADVISOR </p> <p></p> <p>has been acquired by</p> <p><b>Nutrisystem</b></p>	<p>SELL-SIDE ADVISOR </p> <p></p> <p>has been acquired by</p> <p><b>Sysco</b></p>	<p>SELL-SIDE ADVISOR </p> <p><i>Breyers</i></p> <p>has acquired</p> <p></p> <p>a portfolio company of</p> <p><b>CATTERTON partners</b></p>	<p>BUY-SIDE ADVISOR </p> <p></p> <p>has acquired</p> <p><b>OREGON</b> CHERRY GROWERS INC.</p>	<p>SELL-SIDE ADVISOR </p> <p></p> <p>has been acquired by</p> <p></p>
<p>BUY-SIDE ADVISOR </p> <p></p> <p>has acquired</p> <p></p>	<p>SELL-SIDE ADVISOR </p> <p><b>freshdirect</b></p> <p>has merged with</p> <p></p> <p>a portfolio company of</p> <p><b>BainCapital</b></p>	<p>SELL-SIDE ADVISOR </p> <p></p> <p>has been acquired by</p> <p><b>US FOODS</b></p>	<p>SELL-SIDE ADVISOR </p> <p></p> <p>has been acquired by</p> <p></p>	<p>SELL-SIDE ADVISOR </p> <p><b>VeggieLand</b></p> <p>has been acquired by</p> <p></p>	<p>BUY-SIDE ADVISOR </p> <p></p> <p>has acquired</p> <p><b>SweetWorks</b></p>

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# Select Kroll Investment Banking Food and Beverage Experience

<p>SELL-SIDE ADVISOR </p>  <p>has been acquired by</p> 	<p>SELL-SIDE ADVISOR </p>  <p>has sold certain assets to</p> 	<p>FINANCIAL 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>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 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>SOLVENCY OPINION </p>  <p>has completed the spinoff 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>ESOP ADVISORY </p> <p>Cargill, Incorporated</p>  <p>Financial advisor to the trustees of Cargill, Incorporated Employee Stock Ownership Plan (ESOP)</p>
<p>SOLVENCY OPINION </p>  <p>has completed the sale of</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>FAIRNESS OPINION </p>  <p>has been acquired by</p>  <p>Financial advisor to the board of managers of The Bardstown Bourbon Company LLC</p>	<p>SOLVENCY OPINION </p>  <p>Food Technology and Design, LLC (dba FoodPharma) has completed a recapitalization transaction</p>	<p>TRANSACTION ADVISORY </p>  <p>has been acquired by</p>  <p>Performed financial and tax due diligence on behalf of the Buyer</p>

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