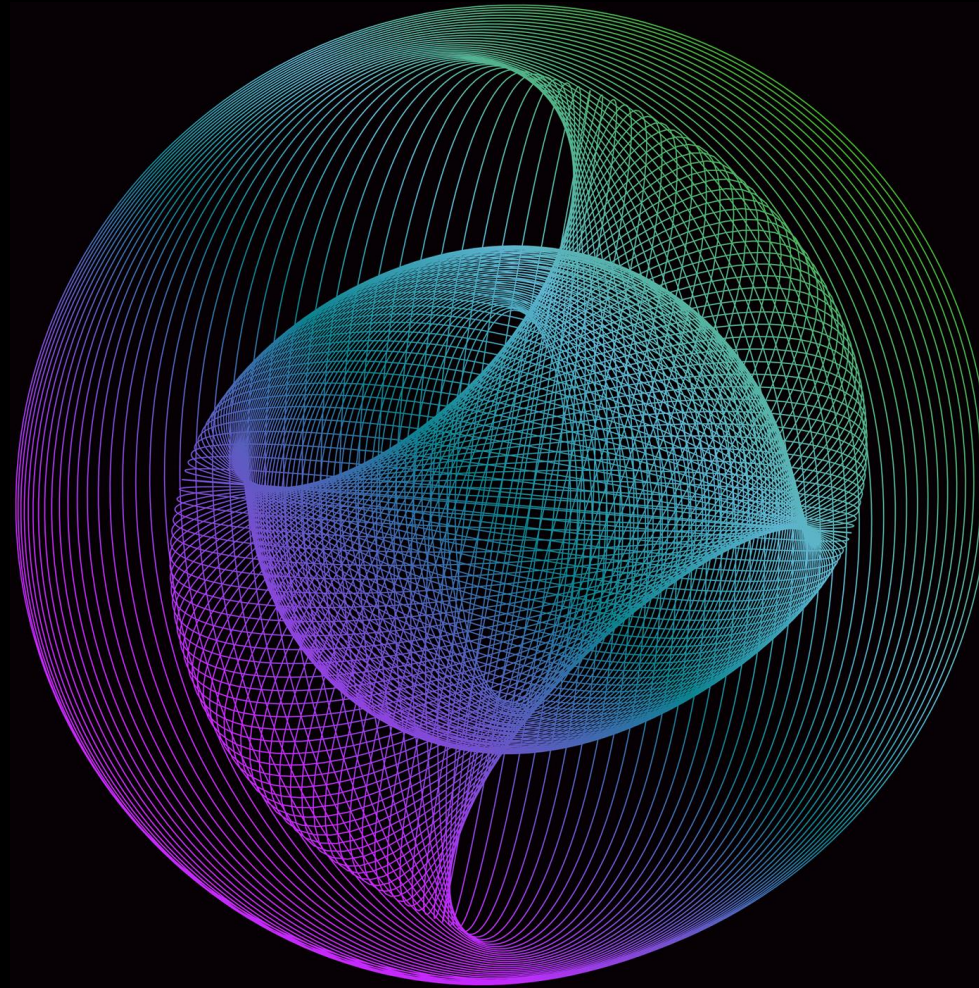


**Deloitte.**



# Consumer Quarterly Update

Q1 2022



# DCF's Consumer Practice

Deloitte Corporate Finance LLC (DCF) is a leading global middle-market M&A adviser. Our professionals have extensive knowledge in the Consumer & Retail industry and use their experience to help clients enhance value.



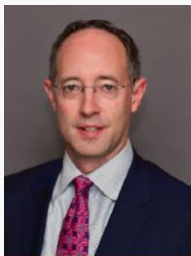
## Consumer Leadership



**Lorin DeMordaunt**  
Managing Director  
*Head of Consumer*  
Charlotte, NC  
ldemordaunt@deloitte.com



**Matt Preece**  
Managing Director  
*Head of Consumer*  
Charlotte, NC  
mpreece@deloitte.com



**Garret Poston**  
Managing Director  
*Consumer, Alcohol Beverage*  
Los Angeles, CA  
gposton@deloitte.com



**Nick Hansell**  
Managing Director  
*Consumer*  
Charlotte, NC  
nhansell@deloitte.com



## Organization Overview

**#2** 2021 Global M&A  
Advisor by deals  
completed <sup>(1)</sup>.

**662** Completed deals  
in 2021.

- Deep relationships in place to gain **critical strategic intelligence** and effectively market businesses.
- Worldwide, DCF has **2,400 Corporate Finance professionals** throughout the Deloitte Touche Tohmatsu Limited network of member firms in 60 countries that complement the North American team.
- **Top global middle-market financial advisor** in 2020 according to Mergermarket <sup>(1)</sup>.



## Sector Focus

- Food and beverage
- Vitamins, minerals, and supplements (or VMS)
- Multi-unit and franchised concepts and services
- Supply chain and ingredients

**Footnote(s):** (1) Recognized by Mergermarket as the #2 Global M&A Financial Advisor for 2021. Measured by deal volume.  
Copyright © 2022 Deloitte Development LLC. All rights reserved.

# Table of contents

Deloitte thought leadership	4
Notable recent M&A transactions	5
Food and beverage	6
VMS	7
Multi-unit	8



# Deloitte thought leadership

## Deloitte thought leadership

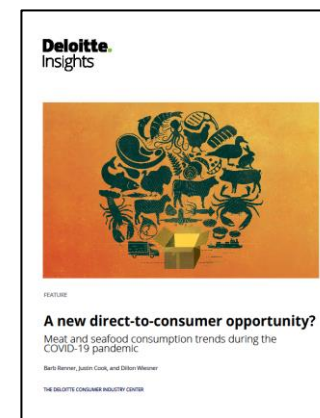
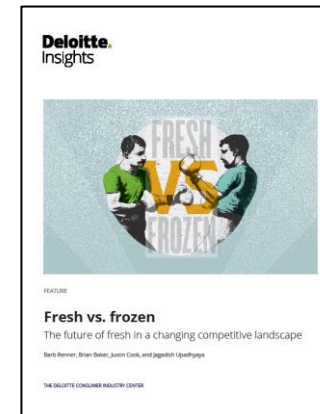
- Deloitte stays abreast of industry trends and makes significant investments in producing cutting-edge thought leadership.
- Deloitte is deeply committed to providing insights that help keep clients on the forefront of critical trends
- Focused research on industry drivers and trends helps enable Deloitte to demonstrate eminence in the business services market by redefining the lens through which industry leaders operate.

## Extensive knowledge network




DCF leverages its expansive cross-business knowledge network, extensive consulting reports, and in-depth industry research to drive results and provide differentiated insights for our clients.



## Recent insights



# Notable recent M&A transactions

<b>Food and beverage</b> 	<b>Groupe Le Duff's acquisition of Frial</b> <ul style="list-style-type: none"> <li>Frial SA is a manufacturer of premium frozen food products.</li> <li>Le Duff SA is a French restaurant and bakery firm.</li> <li>The acquisition strengthens Le Duff's position in the frozen ready meals category.</li> </ul>	<b>Close Date:</b> January 2022 <b>EV:</b> \$531.0M <b>Rev:</b> - <b>EV/Rev:</b> - <b>EV/EBITDA:</b> -
	<b>Benson Hill's acquisition of ZFS Creston</b> <ul style="list-style-type: none"> <li>ZFS Creston, LLC is a US-based soy processing facility.</li> <li>Benson Hill, Inc is a US-based agricultural technology company that uses cloud biology to drive crop performance improvements.</li> <li>The transaction helps enable Benson Hill to take advantage of further growth opportunities in the soybean space.</li> </ul>	<b>Close Date:</b> January 2022 <b>EV:</b> \$102.0M <b>Rev:</b> - <b>EV/Rev:</b> - <b>EV/EBITDA:</b> -
<b>VMS</b> 	<b>Orkla Health's acquisition of Healthspan Group</b> <ul style="list-style-type: none"> <li>Healthspan Group Limited manufactures and markets vitamins, minerals, and health supplements.</li> <li>Orkla Health AS is the leading supplier of food supplements in the Nordic Region.</li> <li>The acquisition will provide Orkla Health with a presence in the UK market.</li> </ul>	<b>Close Date:</b> February 2022 <b>EV:</b> \$113.5M <b>Rev:</b> - <b>EV/Rev:</b> - <b>EV/EBITDA:</b> -
	<b>Nestlé Health Science's acquisition of Vital Proteins</b> <ul style="list-style-type: none"> <li>Vital Proteins LLC manufactures and sells whole food-based nutrition containing collagen.</li> <li>Nestlé Health Science SA, a leader in the science of nutrition, is a globally managed business unit of Nestlé.</li> <li>The acquisition strengthens Nestlé's position in the supplements market.</li> </ul>	<b>Close Date:</b> February 2022 <b>EV:</b> - <b>Rev:</b> - <b>EV/Rev:</b> - <b>EV/EBITDA:</b> -
<b>Specialty retail</b> 	<b>The Foschini Group's acquisition of the Coricraft Group</b> <ul style="list-style-type: none"> <li>The Coricraft Group is a manufacturer of home furnishing products based in Cape Town, South Africa.</li> <li>The Foschini Group is a South African retail clothing group, which trades under various brands and has more than 3,000 stores within its portfolio.</li> <li>The transaction provides The Foschini Group with expansion opportunities into the furniture and bedding market.</li> </ul>	<b>Close Date:</b> March 2022 <b>EV:</b> \$154.0M <b>Rev:</b> - <b>EV/Rev:</b> - <b>EV/EBITDA:</b> -
	<b>Komplett's acquisition of NetOnNet</b> <ul style="list-style-type: none"> <li>NetOnNet AB is a retailer and supplier of consumer electronics based in Sweden.</li> <li>Komplett AS operates e-commerce websites marketing consumer electronics, mobile phones, televisions, digital cameras, and other home and leisure products in Norway.</li> <li>The transaction strengthens Komplett's position as a leading consumer electronics platform in the Nordic area.</li> </ul>	<b>Close Date:</b> February 2022 <b>EV:</b> \$417.5M <b>Rev:</b> - <b>EV/Rev:</b> - <b>EV/EBITDA:</b> -

# Food and beverage

## Sector trends <sup>(1)</sup>

- US food and beverage supply chains remain strained by the Omicron variant's effect on labor supply, with in stock levels of food products hitting 86% in January, down from above 90% in June.
- Polled consumers reported feeling the effect of these shortages in online grocery shopping, with 58% responding that a preferred item is unavailable frequently or at every visit to their online grocer.
- Large industry operators like Conagra predict higher demand for in-home food, along with heightened inflation expectations for 2022, above the 6.8% YoY growth in consumer prices in November 2021.
- Key global agricultural commodities experienced supply shocks and subsequent price increases as a result of the geopolitical conflict in Ukraine, with the country supplying 30% of the world's sunflower oil.

## Select recent M&A activity <sup>(2)</sup>

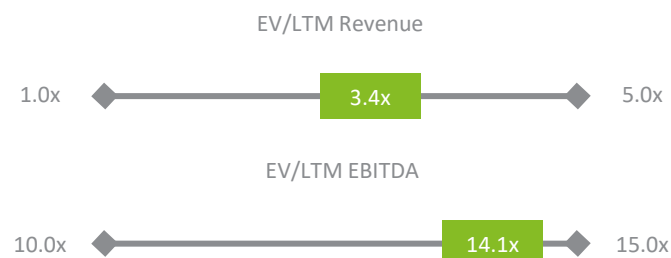
Close Date	Target	Acquiror
03/2022	Herve Edibles Ltd.	Simply Better Brands Corp. (TSXV: SBBC)
02/2022	Stable Foods Co.	Blackhawk Growth Corp. (CNSX: BLR)
02/2022	Beanfields, PBC	Boosh Plant-Based Brands
01/2022	Meirer's Wine Cellars	Vintage Wine Estates, Inc. (NasdaqGM: VWE)
01/2022	Partida Tequila	Lucas Bols N. V. (ENXTAM: BOLS)



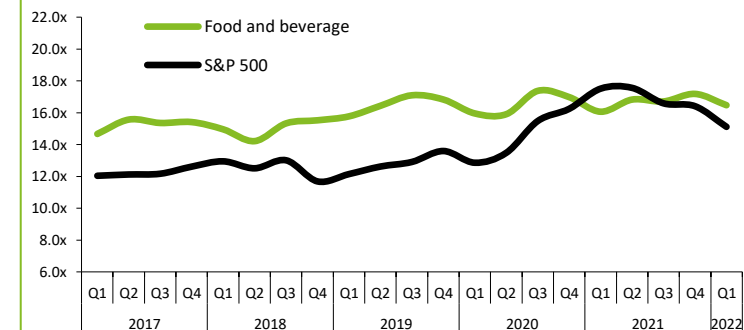
## Select public comparables <sup>(3)</sup>

Company Name	Enterprise Value (MM)
The Coca-Cola Company	\$273,453.6
Conagra Brands, Inc.	\$16,723.7
General Mills, Inc.	\$41,944.1
Hormel Foods Corp.	\$28,154.6
Mondelez International, Inc.	\$112,507.3
Nestlé S.A.	\$345,776.9

## Trading metrics <sup>(4)</sup>



## Historical EV/EBITDA multiples <sup>(5)</sup>



# Vitamins, minerals, and supplements

## Sector trends <sup>(1)</sup>

- The most common reason US consumers use vitamins, minerals or supplements is to support overall health. However, specific subsectors are expected to drive category growth.
- Immunity products grew 70% last year, leading the supplement category in growth.
- Sales in supplements for mental health grew nearly 30% last year, utilizing a wide range of ingredients from vitamins and minerals to adaptogens to CBD oil.
- While health benefits may motivate consumers supplement choice, non-pill formats can influence specific product choice and are expected to see continued growth.
- Consumer demand for personalized health and wellness products continues to evolve.

## Select recent M&A activity <sup>(2)</sup>

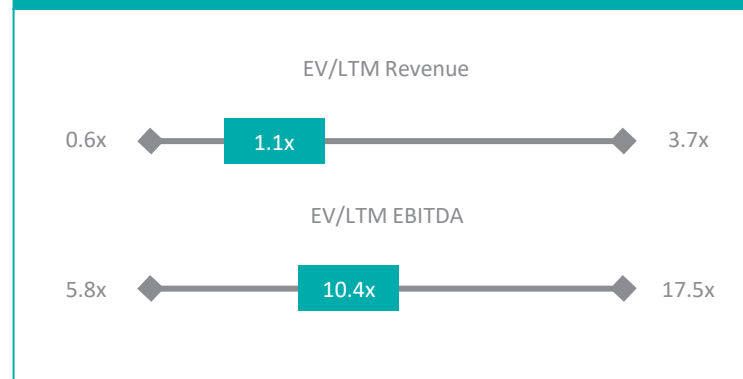
Close Date	Target	Acquiror
03/2022	TTFM Products LLC	Pure for Men, LLC
02/2022	Trace Minerals Research	Rosewood Private Investments
01/2022	BioTrust Nutrition, LLC	WellBeam Consumer Health LLC
01/2022	Stratum Nutrition	Maxim Corporate Partners, LLC
01/2022	R-Kane Nutritionals, LLC	Solace Nutrition, LLC



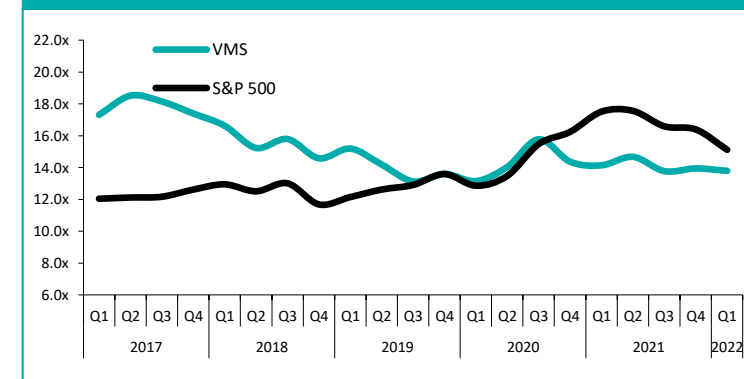
## Select public comparables <sup>(3)</sup>

Company Name	Enterprise Value (MM)
Glanbia plc	\$4,075.7
Herbalife Nutrition Ltd.	\$5,436.3
Jamieson Wellness Inc.	\$1,258.7
Medifast, Inc.	\$1,886.9
Nature's Sunshine Products, Inc.	\$263.9
Reckitt Benckiser Group plc	\$66,137.9

## Trading metrics <sup>(4)</sup>



## Historical EV/EBITDA multiples <sup>(4)</sup>



# Specialty retail

## Sector trends <sup>(1)</sup>

- Growth in consumer confidence has resulted in an increase in consumer spending throughout different retail markets.
- As consumer spending grows, GDP is expected to rise by 3.2% in 2022, while durables are expected to decline.
- 58% of retail executives saw inflation as an opportunity to raise prices and boost margins.
- Employee shortages and supply chain disruptions impacted growth in 2021 and are expected to continue to hinder retail growth in 2022, leading to many executives planning to invest in digital and supply chain.
- The 2022 consumer is expected to increase focus on retailers with strong ESG initiatives.

## Select recent M&A activity <sup>(2)</sup>

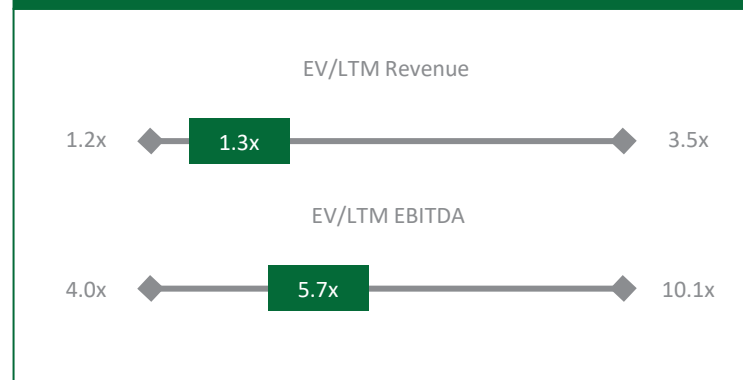
Close Date	Target	Acquiror
03/2022	Chuck's Vintage, Inc.	Green Stream Holdings Inc. (OTCPK:GSFI)
03/2022	Frankies Bikinis, LLC	Victoria's Secret & Co. (NYSE:VSCO)
02/2022	Violet Grey Inc	Farfetch Limited (NYSE:FTCH)
01/2022	Robbins Brothers Jewelry, Inc.	Main Street Capital Corporation (NYSE:MAIN)
01/2022	Lightopia, LLC	Rugs-Direct Inc.
01/2022	Flyers Energy, LLC	World Fuel Services, Inc.



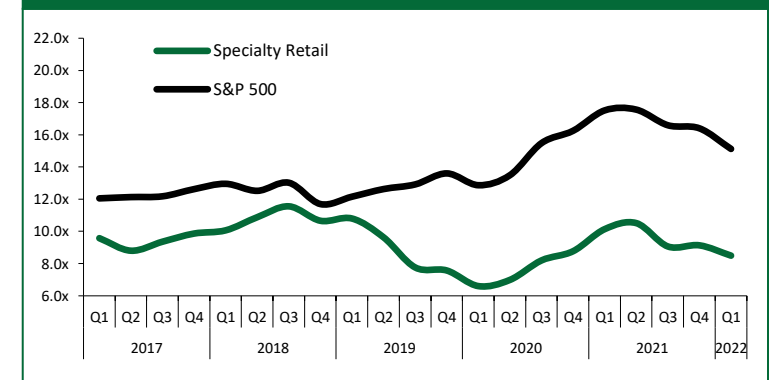
## Select public comparables <sup>(3)</sup>

Company Name	Enterprise Value (MM)
Columbia Sportswear Company	\$4,576.6
Guess?, Inc.	\$2,079.6
Hanesbrands Inc.	\$7,885.4
Oxford Industries, Inc.	\$1,451.5
Ralph Lauren Corporation	\$7,464.5
Tractor Supply Company	\$26,174.3

## Trading metrics <sup>(3)</sup>



## Historical EV/EBITDA multiples <sup>(3)</sup>





# Appendix

## Sources Cited

### Page 2:

1. [Mergermarket](#). Accessed January 19, 2021. Data as of January 19, 2021.

### Page 5:

1. Notable recent M&A transactions (Specific to Consumer).
  - a. [S&P Capital IQ](#). Accessed May 5, 2022. Data as of March 31, 2021.
  - b. [Mergermarket](#). Accessed May 5, 2022. Data as of March 31, 2021.
  - c. [Pitchbook](#). Accessed May 5, 2022. Data as of March 31, 2021.

### Page 6:

1. Sector Trends.
  - a. [Wall Street Journal](#). *U.S. Food Supply Is Under Pressure, From Plants to Store Shelves*. Accessed May 4, 2022.
  - b. [Supermarket News](#). *Online consumers want assistance with grocery out-of-stocks*. Accessed May 4, 2022.
  - c. [Financial Times](#). *How Russia's War in Ukraine upended the breadbasket of Europe*. Accessed May 4, 2022.
  - d. [The Food Institute](#). *Inflation Outweighs Pandemic Concerns, Consumer Survey Shows*. Accessed May 4, 2022.
2. Relevant M&A Transactions closed in Q4 2021.
  - a. [S&P Capital IQ](#). Accessed May 4, 2022. Data as of March 31, 2022.
3. Select public comparables set in Q1 2022.
  - a. [S&P Capital IQ](#). Accessed May 4, 2022. Data as of March 31, 2022.
4. Expanded public comparables set in Q1 2022.
  - a. [S&P Capital IQ](#). Accessed May 4, 2022. Data as of March 31, 2022.
5. Historical EV/EBITDA multiples.
  - a. [S&P Capital IQ](#). Accessed May 4, 2022. Data as of March 31, 2022.

### Page 7:

1. Sector Trends
  - a. [Glanbia](#). *Top trends in US supplement for 2022*. Accessed May 2, 2022.
2. Relevant transactions closed in Q1, 2022.
  - a. [S&P Capital IQ](#). Accessed May 2, 2022. Data as of March 31, 2022.
  - b. [Mergermarket](#). Accessed May 2, 2022. Data as of March 31, 2022.
3. Select public comparables set in Q1, 2022.
  - a. [S&P Capital IQ](#). Accessed May 2, 2022. Data as of March 31, 2022.
4. Expanded public comparables set in Q1, 2022.
  - a. [S&P Capital IQ](#). Accessed May 2, 2022. Data as of March 31, 2022.

### Page 8:

1. Sector Trends.
  - a. [Deloitte 2022 retail industry outlook](#). Accessed May 9, 2022.
2. Relevant transactions announced in Q4, 2021.
  - a. [S&P Capital IQ](#). Accessed May 9, 2022. Data as of March 31, 2022.
  - b. [Mergermarket](#). Accessed May 9, 2022. Data as of March 31, 2022.
3. Select public comparables set in Q1, 2022.
  - a. [S&P Capital IQ](#). May 9, 2022. Data as of March 31, 2022.



This newsletter is a periodic compilation of certain completed and announced merger and acquisition activity. Information contained in this newsletter should not be construed as a recommendation to sell or a recommendation to buy any security. Any reference to or omission of any reference to any company in this newsletter shall not be construed as a recommendation to sell, buy or take any other action with respect to any security of any such company. We are not soliciting any action with respect to any security or company based on this newsletter. This newsletter is published solely for the general information of clients and friends of Deloitte Corporate Finance LLC. It does not take into account the particular investment objectives, financial situation, or needs of individual recipients. Certain transactions, including those involving early-stage companies, give rise to substantial risk and are not suitable for all investors. This newsletter is based on information that we consider reliable, but we do not represent that it is accurate or complete, and it should not be relied upon as such. Prediction of future events is inherently subject to both known risks, uncertainties and other factors that may cause actual results to vary materially. We are under no obligation to update the information contained in this newsletter. We and our affiliates and related entities, partners, principals, directors, and employees, including persons involved in the preparation or issuance of this newsletter, may from time to time have “long” and “short” positions in, and buy or sell, the securities, or derivatives (including options) thereof, of companies mentioned herein. The companies mentioned in this newsletter may be: (i) investment banking clients of Deloitte Corporate Finance LLC; or (ii) clients of Deloitte Financial Advisory Services LLP and its related entities. The decision to include any company for mention or discussion in this newsletter is wholly unrelated to any audit or other services that Deloitte Corporate Finance LLC may provide or to any audit services or any services that any of its affiliates or related entities may provide to such company. No part of this newsletter may be copied or duplicated in any form by any means or redistributed without the prior written consent of Deloitte Corporate Finance LLC.

#### **About Deloitte Corporate Finance**

Deloitte Corporate Finance LLC (DCF), a broker-dealer registered with the U.S. Securities and Exchange Commission (SEC) and member of the Financial Industry Regulatory Authority ([FINRA](#)) and the Securities Investor Protection Corporation ([SIPC](#)), is an indirect wholly-owned subsidiary of Deloitte Financial Advisory Services LLP and affiliate of Deloitte Transactions and Business Analytics LLP. Investment banking or other services that would require registration as a broker-dealer with the SEC and membership in FINRA would be provided exclusively by DCF. For more information, visit [www.investmentbanking.deloitte.com](http://www.investmentbanking.deloitte.com). Please see [www.deloitte.com/us/about](http://www.deloitte.com/us/about) for a detailed description of the legal structure of Deloitte LLP and its subsidiaries.

#### **About Deloitte**

Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited, a UK private company limited by guarantee (DTTL), its network of member firms, and their related entities. DTTL and each of its member firms are legally separate and independent entities. DTTL (also referred to as Deloitte Global) does not provide services to clients. In the United States, Deloitte refers to one or more of the US member firms of DTTL, their related entities that operate using the “Deloitte” name in the United States and their respective affiliates. Certain services may not be available to attest clients under the rules and regulations of public accounting. Please see [www.deloitte.com/about](http://www.deloitte.com/about) to learn more about our global network of member firms.