

Consumer Quarterly Update

Q2 2023



Table of contents

DCF’s consumer practice	3
Deloitte thought leadership	4
Notable recent M&A transactions	5
Food and beverage	6
Vitamins, minerals, and supplements	7
Multi-unit and consumer services	8



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



Matt Preece
Managing Director
Head of Consumer
Charlotte, NC
mpreece@deloitte.com
Deloitte Corporate Finance LLC



Nick Hansell
Managing Director
Consumer
Charlotte, NC
nhansell@deloitte.com
Deloitte Corporate Finance LLC



Organization Overview

#1

2022 Global M&A
Advisor by deals
completed ⁽¹⁾.

704

Completed deals
in 2022.

- 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 M&A advisor by deals completed** in 2022, according to Mergermarket ⁽¹⁾.



Sector Focus

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

Footnote(s): (1) Recognized by Mergermarket as the #1 Global M&A Financial Advisor for 2022. Measured by deal volume.

Deloitte thought leadership

Deloitte thought leadership

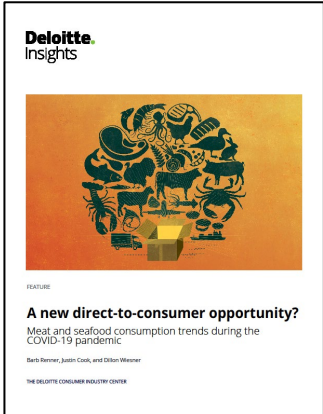
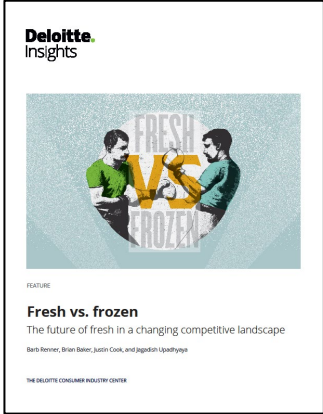
- Deloitte stays abreast of industry trends and makes significant investments in producing cutting-edge thought leadership.
- Deloitte is deeply committed to providing insights that help keep clients on the forefront of critical trends.
- Focused research on industry drivers and trends helps enable Deloitte to demonstrate eminence in the consumer and retail 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

Food and beverage 	Sababa Holdings FREE, LLC's acquisition of Whole Earth Brands <ul style="list-style-type: none"> Whole Earth Brands is based in the United States and manages a portfolio of consumer-facing brands focused on plant-based sweeteners and low-calorie sugar alternatives, including Pure Via, Wholesome, Swerve, Equal, and Canderel. Sababa Holdings is an affiliate of the Franklin family office, Mariposa Capital, headquartered in Miami, FL. The acquisition makes Sababa Holdings the largest individual holder of Whole Earth Brands. 	Announced Date: June 2023 EV: \$603.1M Rev: \$540.1M EV/Rev: 1.1x EV/EBITDA: 12.2x
	Namsen Limited's acquisition of Kernel Holding S.A. <ul style="list-style-type: none"> Kernel Holdings is a global leader in farming and exporting grains and sunflower oil. Based in Ukraine, Kernel Holdings delivers oilseed and grain products to over 80 countries and markets its products under the following portfolio brands: Domashnya, Stozhar, Schedry Dar, and Zolota. The investment aims to increase operations, scale, and sustainability efforts utilized in Kernel Holdings' business model. 	Announced Date: May 2023 EV: \$1,179.1M Rev: \$3,131.0M EV/Rev: 0.4x EV/EBITDA: 2.4x
VMS 	Symrise AG's acquisition of Swedencare AB <ul style="list-style-type: none"> Swedencare AB develops, manufactures, markets, and sells pet health products, including animal nutritional supplements and vitamins. Symrise AG is a global supplier of fragrances, flavors, food, nutrition, and cosmetic ingredients. The investment should strengthen Symrise AG's pet health segment. 	Announced Date: June 2023 EV: \$700.7M Rev: \$184.4M EV/Rev: 3.8x EV/EBITDA: 20.0x
	Kirin Holdings Company, Ltd.'s acquisition of Blackmores Ltd. <ul style="list-style-type: none"> Blackmores Ltd. is an Australia-based company offering vitamins and nutritional supplements. Based in Japan, Kirin Holdings Company operates food and beverage, pharmaceuticals, and life science businesses globally. This acquisition allows Kirin Holdings Company to expand its vitamin and nutrition holdings and diversify from its alcohol businesses. 	Announced Date: April 2023 EV: \$1,218.5M Rev: \$420.2M EV/Rev: 2.9x EV/EBITDA: 23.0x
Multi-unit 	Global Auto Holdings, Ltd.'s acquisition of Lookers Plc. <ul style="list-style-type: none"> Lookers Plc. is a UK-based provider of new and used cars along with after-market auto services. Global Auto Holdings focuses on the consolidation and operation of car dealerships on a global scale. This acquisition helps enables Global Auto Holdings to enter the UK market, expanding its international presence. 	Announced Date: June 2023 EV: \$1,212.6M Rev: \$5,491.4M EV/Rev: 0.2x EV/EBITDA: 6.1x
	Tempur Sealy International, Inc.'s acquisition of Mattress Firm Group Inc. <ul style="list-style-type: none"> Mattress Firm is a leading retailer of mattresses with 2,300 brick and mortar locations and an integrated e-commerce platform. Tempur Sealy develops, manufactures, markets, and distributes bedding products. The investment will likely further expand Tempur Sealy's touch points with customers, which should enable it to better capture customers' preferences and improve the shopping experience. 	Announced Date: May 2023 EV: \$4,000.0M Rev: \$4,200.0M EV/Rev: 1.0x EV/EBITDA: 9.3x

Food and beverage

Sector trends ⁽¹⁾

- Food & beverage companies have offset recent declines in sales volume by increasing prices.
- The Consumer Price Index (CPI) US city average for food and beverages has steadily risen since July 2020. The metric has increased 3.1% between Q2 2022 and Q2 2023.
- Food price increases slowed through Q2 2023, but remain above historical averages. The CPI for all food in June 2023 was 5.7% higher than in June 2022. As food costs continue to increase, restaurants (food away from home) have experienced higher price spikes than grocery stores (food at home).
- Through the first two quarters of the fiscal year 2023, grocery stores have decreased inventory, leading to decreased top-line sales for major ambient product providers.

Select recent M&A activity ⁽²⁾

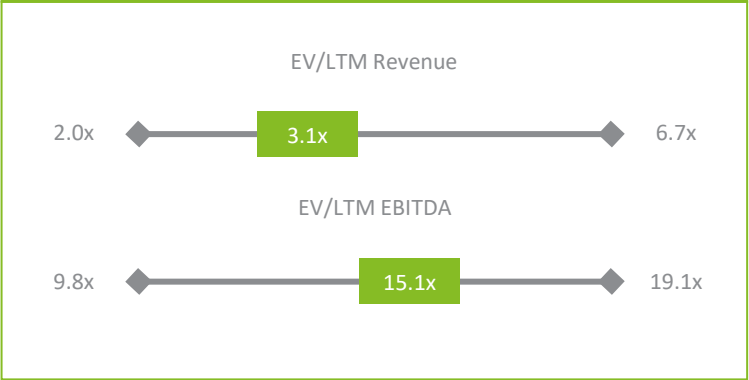
Close Date	Target	Acquiror	Implied EV (MM)
06/2023	Hortifrut S.A.	Public Sector Pension Investment Board	\$1,776.4
06/2023	Penelope Bourbon LLC	Luxco, Inc.	\$215.8
05/2023	Emerald Nuts	Flagstone Foods, Inc.	\$40.0
04/2023	Bodegas Williams & Humbert	The Keepers Holdings	\$177.8
04/2023	Devro plc	SARIA SE & Co. KG	\$759.4



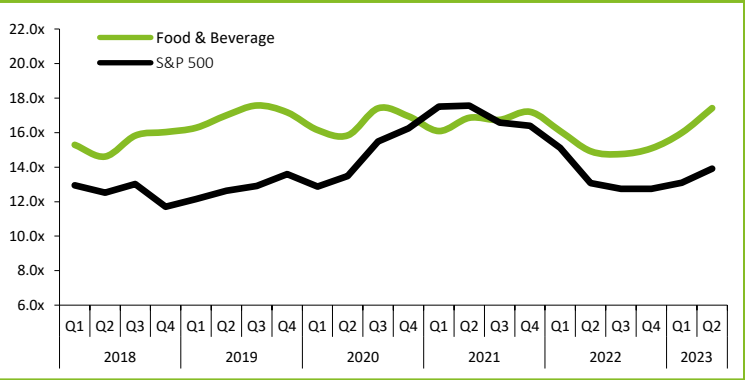
Select public comparables ⁽³⁾

Company Name	Enterprise Value (MM)
Nestlé S.A.	\$381,518.8
The Coca-Cola Company	\$293,162.7
Mondelez International, Inc.	\$117,299.6
General Mills, Inc.	\$55,097.4
Hormel Foods Corp.	\$24,195.2
Conagra Brands, Inc.	\$24,800.8

Median trading metrics ⁽⁴⁾



Average historical EV/EBITDA multiples ⁽⁵⁾



Vitamins, minerals, and supplements

Sector trends ⁽¹⁾

- Consumer willingness to spend on vitamins, minerals, and supplements (VMS) is driven by disposable income. Real disposable personal income was 4.1% higher in Q2 2023 compared to Q2 2022, allowing for increased spending in the VMS segment.
- Direct-to-consumer brands and e-commerce sales drove VMS market growth through Q2 2023. As of April 2023, e-commerce sales account for 33.6% of the market.
- According to research, online consumer engagement for vitamins increased by 4.9% in Q2 2023, which is lower than the engagement increase in the prior quarter of 12.2%.
- The healthy eating index fell during COVID-19 and recovered slightly in 2022. In the first two quarters of the fiscal year 2023, the healthy eating index has increased by 0.7% and is expected to continue improving.

Select recent M&A activity ⁽²⁾

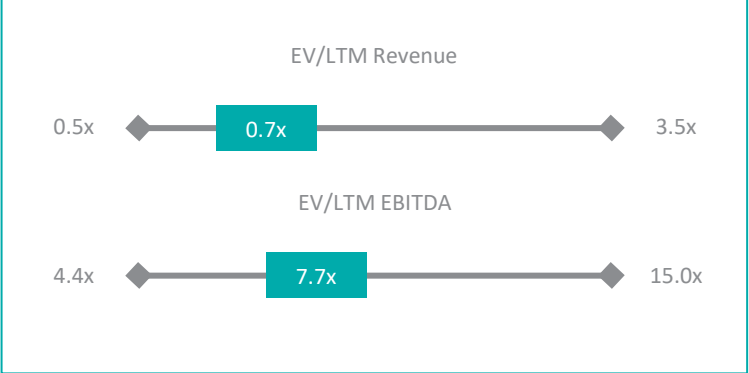
Close Date	Target	Acquiror	Implied EV (MM)
06/2023	Vita Actives Limited	Dairygold	N/A
05/2023	KIANO Life, AB	Nicoya, AB	N/A
04/2023	Everly Wellness	Gruum	N/A
04/2023	Country Life, LLC	Lion Equity Partners	N/A
04/2023	Amino Mints, Inc.	Marque Group	N/A



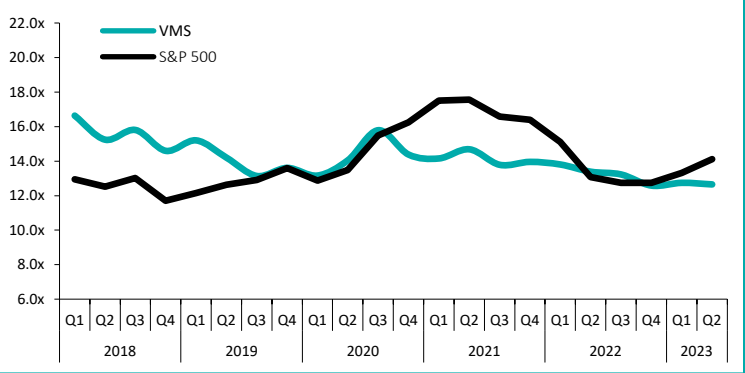
Select public comparables ⁽³⁾

Company Name	Enterprise Value (MM)
Reckitt Benckiser Group plc	\$64,693.2
Glanbia plc	\$4,729.3
Herbalife Ltd.	\$3,708.1
Jamieson Wellness, Inc.	\$1,239.5
Medifast, Inc.	\$894.3
Nature's Sunshine Products, Inc.	\$217.8

Median trading metrics ⁽⁴⁾



Average historical EV/EBITDA multiples ⁽⁵⁾



Multi-unit and consumer services

Sector trends ⁽¹⁾

- Between June 2022 and June 2023, consumer spending at restaurants grew by 8.4%, compared to a 0.5% increase in non-restaurant retail. Sales from fast-food franchises make up roughly 70% of all fast-food sales in the US.
- Inflation adjusted average hourly wages rose by 1.4% year-over-year in June, the greatest increase in the last two years. Rising labor costs remain a pressure point for service-oriented businesses.
- Key multi-unit companies saw significant sales growth in Q2 2023.
- Consumer sentiment in July 2023 increased by 11.2% month-over-month, and 39.0% year-over-year. Despite an overall increase, the retail sector has not benefited from increased consumer optimism.

Select recent M&A activity ⁽²⁾

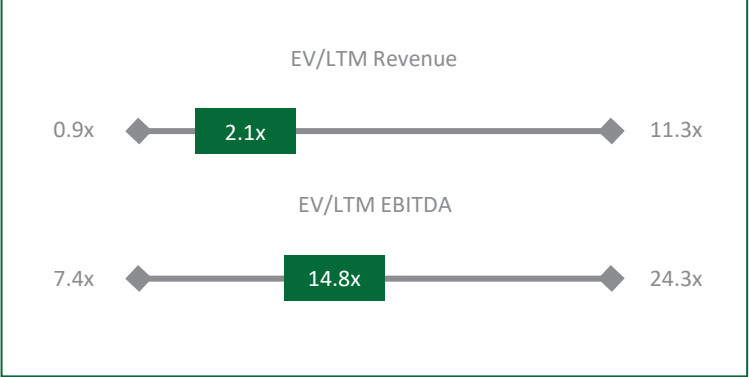
Close Date	Target	Acquiror	Implied EV (MM)
06/2023	Three Franchised Dealerships	Sonic Automotive, Inc.	\$52.3
06/2023	Ruth’s Hospitality Group, Inc.	Darden Restaurants, Inc.	\$950.0
05/2023	National Corporation for Tourism and Hotels	Alpha Dhabi Holding PJSC	\$549.6
04/2023	Four Franchises in FL	Planet Fitness, Inc.	\$26.3
04/2023	Seraphine Group PLC	Mayfair Equity Partners LLP	\$28.8



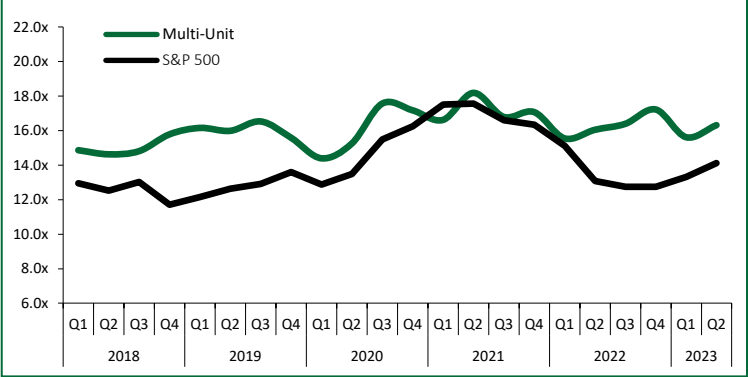
Select public comparables ⁽³⁾

Company Name	Enterprise Value (MM)
McDonald’s Corporation	\$264,158.9
Dollar General Corporation	\$54,917.0
Planet Fitness, Inc.	\$7,628.6
Papa Johns International, Inc.	\$3,398.0
Carrols Restaurant Group, Inc.	\$1,548.5
Regis Corporation	\$621.8

Median trading metrics ⁽⁴⁾



Average historical EV/EBITDA multiples ⁽⁵⁾



Appendix

Sources cited

Page 3:

1. [Mergermarket](#). Accessed January 19, 2023. Data as of January 19, 2023.

Page 5:

1. Notable recent M&A transactions (Specific to Consumer) .
 - a. [S&P Capital IQ](#). Accessed July 19, 2023. Data as of June 30, 2023.
 - b. [PitchBook](#). Accessed July 19, 2023. Data as of June 30, 2023.
 - c. [Mergermarket](#). Accessed July 19, 2023. Data as of June 30, 2023.

Page 6:

1. Sector Trends.
 - a. [FRED](#). *Consumer Price Index for All Urban Consumers: Food and Beverages in U.S. City Average*. Accessed July 19, 2023.
 - b. [USDA](#). *Food Price Outlook, 2023*. Accessed July 19, 2023.
 - c. [The New York Times](#). *Higher Food Prices Bring Bigger Profits, but Consumers Start to Resist*. Accessed July 19, 2023.
 - d. [The Wall Street Journal](#). *The Supermarket Aisle Where Price Are Still Soaring*. Accessed July 19, 2023.
 - e. [Deloitte](#). *US MARS Market Sensing and Intelligence*. Accessed April 11, 2023.
2. Relevant transactions closed in Q2 2023.
 - a. [S&P Capital IQ](#). Accessed July 27, 2023. Data as of June 30, 2023.
3. Select public comparables set in Q2 2023.
 - a. [S&P Capital IQ](#). Accessed July 19, 2023. Data as of June 30, 2023.
4. Expanded public comparables set in Q2 2023.
 - a. [S&P Capital IQ](#). Accessed July 19, 2023. Data as of June 30, 2023.
5. Historical EV/EBITDA multiples.
 - a. [S&P Capital IQ](#). Accessed July 19, 2023. Data as of June 30, 2023.

Page 7:

1. Sector Trends.
 - a. [FRED](#). *Real Disposable Personal Income*. Accessed July 19, 2023.
 - b. [IBIS World](#). *Vitamin & Supplement Manufacturing in the US*. Accessed July 19, 2023.
 - c. [IBIS World](#). *Online Vitamin & Supplement Sales in the US*. Accessed July 19, 2023.
 - d. [IBIS World](#). *Healthy Eating Index*. Accessed July 19, 2023.
 - e. [GoogleTrends](#). *2022 Shopping Trends – Vitamin (Worldwide)*. Accessed July 19, 2023.

Page 7 (cont.):

2. Relevant M&A Transactions closed in Q2 2023.
 - a. [S&P Capital IQ](#). Accessed July 27, 2023. Data as of June 30, 2023.
 - b. [PitchBook](#). Accessed July 19, 2023. Data as of June 30, 2023.
3. Select public comparables set in Q2 2023.
 - a. [S&P Capital IQ](#). Accessed July 19, 2023. Data as of June 30, 2023.
4. Expanded public comparables set in Q2 2023.
 - a. [S&P Capital IQ](#). Accessed July 19, 2023. Data as of June 30, 2023.
5. Historical EV/EBITDA multiples.
 - a. [S&P Capital IQ](#). July 19, 2023. Data as of June 30, 2023.

Page 8:

1. Sector Trends.
 - a. [National Restaurant Association](#). *Total Restaurant Industry Sales*. Accessed August 8, 2023.
 - b. [United States Census Bureau](#). *Economic Census shows Franchising Key to Many Industries*. Accessed August 8, 2023.
 - c. [The Wall Street Journal](#). *Pay Raises Are Finally Beating Inflation After Two Years of Falling Behind*. Accessed July 20, 2023.
 - d. [McDonald's](#). *McDonald's Reports Second-Quarter Results*. Accessed August 8, 2023.
 - e. [Yum! Brands](#). *Yum! Brands Reports Second-Quarter Results*. Accessed August 8, 2023.
 - f. [University of Michigan](#). *Surveys of Consumers*. Accessed July 28, 2023.
2. Relevant transactions announced in Q2 2023.
 - a. [S&P Capital IQ](#). Accessed July 27, 2023. Data as of June 30, 2023.
3. Select public comparables set in Q2 2023.
 - a. [S&P Capital IQ](#). Accessed July 19, 2023. Data as of June 30, 2023.
4. Expanded public comparables set in Q2 2023.
 - a. [S&P Capital IQ](#). Accessed July 19, 2023. Data as of June 30, 2023.
5. Historical EV/EBITDA multiples.
 - a. [S&P Capital IQ](#). Accessed July 19, 2023. Data as of June 30, 2023.



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. Please see 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 to learn more about our global network of member firms.