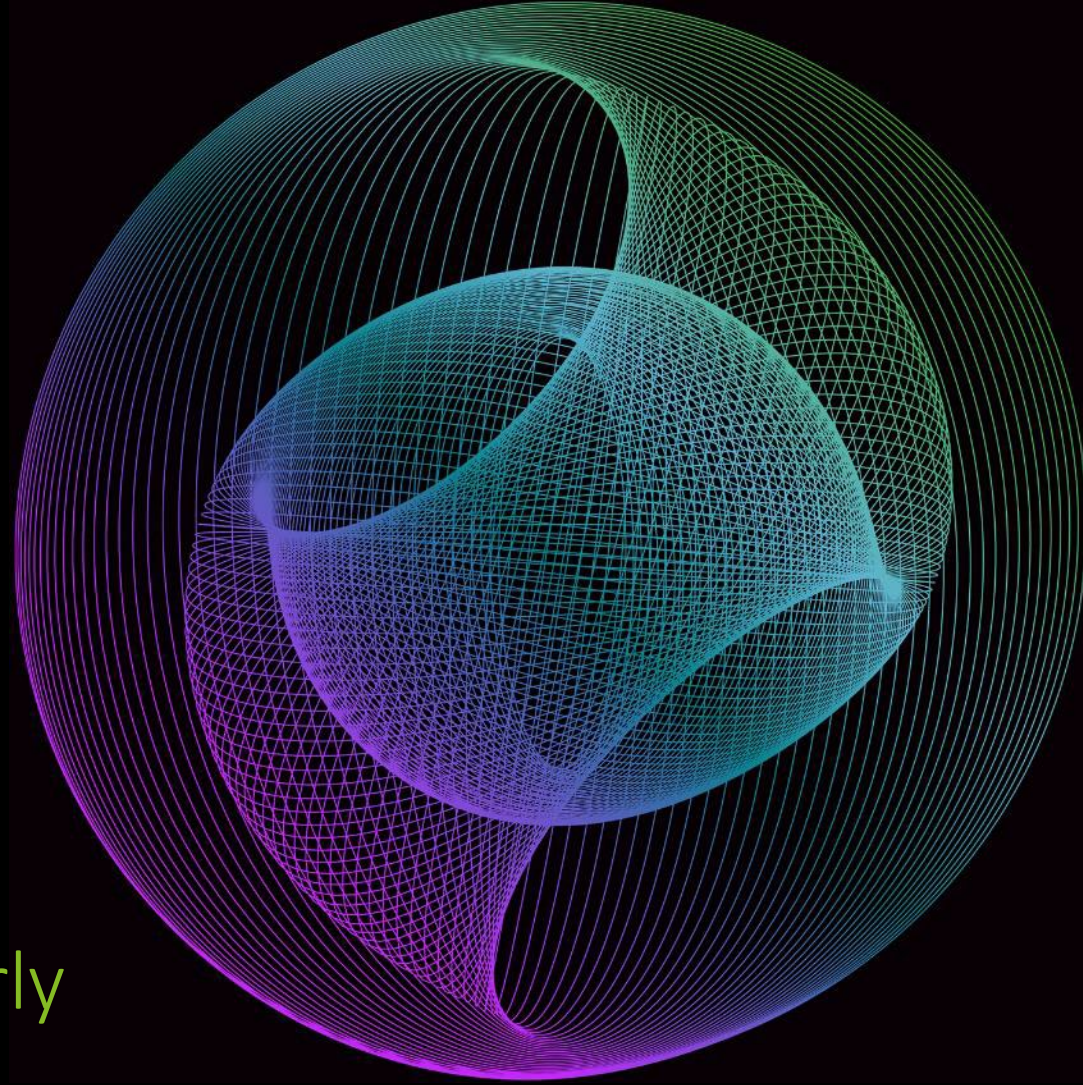


Deloitte.



Consumer Quarterly Update

Q3 2024



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DCF's consumer practice

Deloitte Corporate Finance LLC (DCF) is a leading global middle-market M&A adviser. Our professionals have extensive transaction experience in the Consumer & Retail industry, having helped hundreds of clients achieve successful outcomes.



Consumer leadership



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Organization overview

#2 2023 Global M&A
Advisor by deals
completed. ⁽¹⁾

542 Completed deals
in 2023.

- Deep relationships in place to gain **critical strategic intelligence** and effectively market businesses.
- Worldwide, DCF has access to **2,400 Corporate Finance professionals** throughout the Deloitte Touche Tohmatsu Limited network of member firms in 60 countries that complement the North American team.
- **Second ranked global M&A advisor by deals completed** in 2023, according to Mergermarket. ⁽¹⁾



Sector focus

- Food and beverage production, processing, and distribution
- Health and personal care
- Multi-unit and consumer services
- Food supply chain and ingredients
- Pet products and services

Footnote(s): (1) Recognized by Mergermarket as the #2 Global M&A Financial Advisor for 2023. Measured by deal volume.

Deloitte thought leadership

Deloitte thought leadership

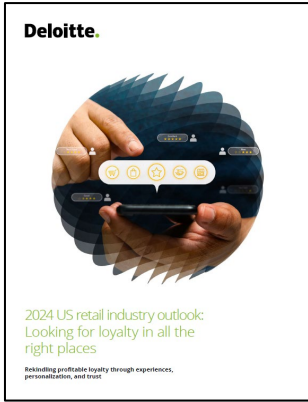
- Deloitte stays abreast of industry trends and makes significant investments in producing cutting-edge thought leadership.
- Deloitte is deeply committed to providing insights that help keep clients on the forefront of critical trends.
- Focused research on industry drivers and trends helps enable Deloitte 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 help drive results and provide differentiated insights for our clients.



Recent insights



Deloitte Corporate Finance LLC (DCF) advised Gemsa on its sale to Marubeni



gemsa
Gemsa Enterprises, LLC

has been acquired by

Marubeni

The undersigned acted as financial advisor
to Gemsa Enterprises, LLC

Deloitte.
Deloitte Corporate Finance LLC

Client Overview

- Founded in 1993 and headquartered in La Mirada, CA, Gemsa Enterprises, LLC (Gemsa or the Company) is a family-owned leading blender and packer of edible fats and oils imported from around the world with facilities on the East Coast and West Coast.
- Gemsa has differentiated itself through strong sourcing relationships in Europe and South America, utilizing a grassroots business development strategy.
- Through its unique customer service and sourcing capabilities, Gemsa has acquired and retained a blue-chip customer base, being the sole provider of specialty products to some of the largest food manufacturers and restaurants in the U.S.

Marubeni Corporation

- Headquartered in Tokyo, Japan, Marubeni Corporation (Marubeni) is one of Japan’s largest international trading companies, specializing in food ingredients, meat products, grains and pulses, and fats and oils.
- Marubeni acquired Gemsa through Marubeni American Corporation, its U.S. entity, which holds many household brands.




DCF Role

- DCF worked closely with the Gemsa team to explore strategic alternatives for the Company and find the right partner to preserve customer relationships and help accelerate growth for Gemsa, while maximizing proceeds.
- DCF added significant value by:
 - Assisting the Client with developing detailed marketing materials to clearly highlight Gemsa’s primary investment merits and growth opportunities.
 - Running a competitive marketing process, leveraging DCF’s experience in food and beverage manufacturing and food distribution to contact highly relevant strategic acquirors and financial sponsors.
 - Working alongside the Company’s management team to complete a thorough diligence process covering international trade regulation.
 - Assisting in negotiations of deal terms and proposing creative and flexible deal structures.



Prior engagement performance is no guarantee of future performance and may not be representative of the experience of other clients. This communication is for informational purposes only and is not intended as an offer or solicitation for the purchase or sale of a security.

Notable recent M&A transactions ⁽¹⁾⁽²⁾⁽³⁾

<p>Food & beverage</p> 	<p>Mars, Inc.’s acquisition of Kellanova⁽⁵⁾</p> <ul style="list-style-type: none"> Based in Chicago, IL, Kellanova manufactures and markets snacks and convenience foods internationally. Mars, Inc. engages in the production and sale of confectionery, pet food, and other food products. Mars seeks to expand its portfolio of growing global brands to more effectively meet consumer needs and drive profitable business growth. <p>Ozark Holdings, LLC acquisition of Whole Earth Brands, Inc.⁽⁴⁾</p> <ul style="list-style-type: none"> Whole Earth Brands, Inc. is a global food company that manufactures plant-based sweeteners and low-calorie foods to support healthier lifestyles. Ozark Holdings, LLC is a holdings company with two primary portfolio companies: Royal Oak and Whole Earth Brands. Ozark Holdings’ acquisition seeks to maximize value and offer immediate liquidity at a significant premium. 	<p>Announced Date: August 2024 EV: \$35,900.0MM Rev: \$11,580.6MM EV/Rev: 3.1x EV/EBITDA: 22.8x</p> <p>Announced Date: August 2024 EV: \$629.0MM Rev: \$524.1MM EV/Rev: 1.2x EV/EBITDA: 10.1x</p>
<p>Health & personal care</p> 	<p>Kirin Holdings Company, Ltd.’s (TSE:2503) acquisition of FANCL Corporation (“FANCL”) (TSE:4921)</p> <ul style="list-style-type: none"> FANCL is a Japan-based manufacturer and seller of cosmetics, nutraceutical, and health related products with a focus in skin care and health foods. Kirin Holdings Company is a strategic investor with a focus on brands in the health science and food sectors. By acquiring FANCL, Kirin Holdings Company seeks to improve the profitability of its health sciences division. <p>Soleil Collective’s acquisition of Supernova Pte Ltd. (“Coco & Eve”)⁽⁶⁾</p> <ul style="list-style-type: none"> Coco & Eve is cruelty-free and vegan manufacturer of beauty and personal care products for men and women with a focus in hair care and skin care products. Soleil Collective, a platform company of Gauge Capital, is a group of beauty brands specializing in sun care and body care products. 	<p>Announced Date: September 2024 EV: \$2,056.6MM Rev: \$734.5MM EV/Rev: 2.8x EV/EBITDA: N/A</p> <p>Announced Date: July 2024 EV: \$100.0MM Rev: \$60.0MM EV/Rev: 1.7x EV/EBITDA: N/A</p>
<p>Multi-unit</p> 	<p>L. Catterton’s acquisition of Solidcore Holdings, LLC.⁽⁴⁾</p> <ul style="list-style-type: none"> Solidcore Holdings, LLC. operates a chain of boutique fitness studios offering high-intensity, low-impact workout classes, through its over 100 locations across more than 25 states, aimed at building strength and endurance. L. Catterton, a global consumer-focused investment firm, specializes in building brands through strategic partnerships. L. Catterton’s acquisition aims to further build its personal fitness portfolio and leverage its extensive prior experience in the boutique fitness space, including ClassPass, CorePower Yoga, and Peloton. <p>Darden Restaurants, Inc.’s acquisition of Chuy’s Holdings, Inc.⁽⁷⁾</p> <ul style="list-style-type: none"> Chuy’s Holdings, Inc. is a casual dining Tex-Mex restaurant chain with over 100 locations across the U.S. Darden Restaurants, Inc. holds a portfolio of casual and fine dining restaurant brands. With 1,900 restaurants across the U.S., Darden Restaurants, Inc. believes the acquisition will enhance its market presence, diversify its brand portfolio, and drive long-term growth through the strategic integration of Chuy’s unique Tex-Mex offerings. 	<p>Announced Date: September 2024 EV: \$750.0MM Rev: \$150.0MM EV/Rev: 5.0x EV/EBITDA: 15.0x</p> <p>Announced Date: July 2024 EV: \$605.0MM Rev: \$450.0MM EV/Rev: 1.7x EV/EBITDA: 9.7x</p>

Footnote(s): Refer to slide 10 for sources.

Food & beverage

Sector trends ⁽¹⁾⁽²⁾⁽³⁾⁽⁴⁾⁽⁵⁾

- The Producer Price Index for food & beverage retailers decreased slightly from 266.0 to 265.7 between July 2024 and August 2024.
- The Consumer Price Index (CPI) U.S. city average for food & beverages has increased by 2.1% from August 2023 to August 2024.
- In Q3 2024, the food & beverage industry experienced 213 M&A transactions. The median implied EV/EBITDA ratio saw a significant increase driven by strategic acquisitions, rising from 5.1x to 10.3x.
- Consumer discretionary spending is expected to rise as rate cuts and improved economic sentiment take effect. According to an RSM survey of middle market firms, 57% of participants anticipate economic improvement in Q4 2024.

Select recent M&A activity ⁽³⁾⁽⁵⁾

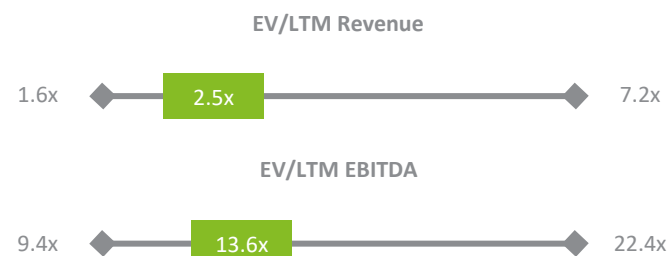
Close Date	Target	Acquiror	Implied EV (MM)
9/2024	Saputo Inc. (TSX:SAP)	Caisse de depot	\$279.4
8/2024	The Zidian Group	Lassonde Industries Inc.	\$280.0
8/2024	Renaissance Food Group, LLC	F&S Fresh Foods	\$83.0
7/2024	Nagatanien Holdings Co., Ltd.	Marunouchi Capital	\$298.6
7/2024	Agro Tech Foods Limited	Infinity Investment Management	\$171.4



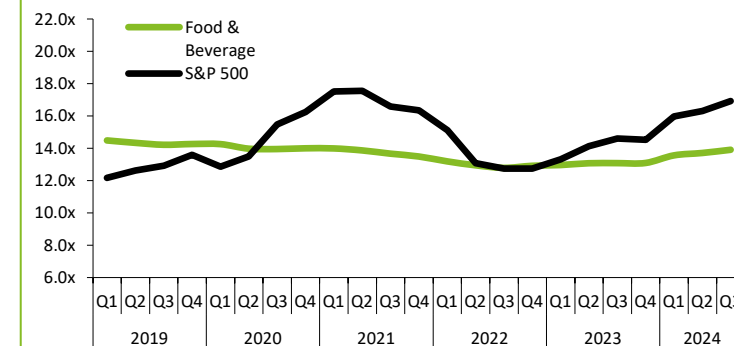
Select public comparables ⁽⁵⁾

Company name	Enterprise value (MM)
The Coca-Cola Company	\$333,664.7
Mondelez International, Inc.	\$115,417.1
The Kraft Heinz Company	\$60,726.0
General Mills, Inc.	\$53,796.4
Conagra Brands, Inc.	\$23,053.3
Hormel Foods Corp.	\$19,603.4

Median trading metrics ⁽⁵⁾



Average historical EV/EBITDA multiples ⁽⁵⁾



Footnote(s): Refer to slide 10 for sources.

Health & personal care

Sector trends ⁽¹⁾⁽²⁾⁽³⁾⁽⁴⁾

- Real disposable personal income was 3.1% higher in August 2024 compared to August 2023, meaning consumers have more discretionary income to spend on VMS products.
- Many consumers are increasingly seeking natural and organic cosmetic and beauty products, specifically in the skincare products sector. This shift in consumer preference is reflected by the global natural and organic cosmetics market growth, which is projected to rise to \$15.7 billion dollars by 2025.
- Broader environmental consciousness changes are reflected in sustainable product revenue growth as consumers increasingly opt for sustainable beauty and personal care products.
- Many Consumers are demanding products that support mental well-being, such as daily vitamins and supplements.

Select recent M&A activity ⁽⁵⁾⁽⁶⁾

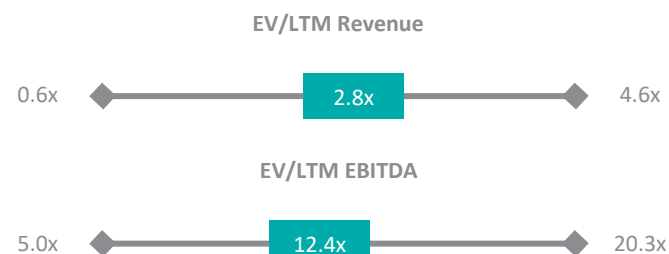
Close Date	Target	Acquiror	Implied EV (MM)
8/2024	Farmax S.A.	Lazuli Partners Asset Management Ltda., Vidya Capital Pte. Ltd.	\$178.4
8/2024	Premier Centre Group Sdn. Bhd.	Toyo Seikan Group Holdings, Ltd.	\$75.0
7/2024	Personal Protective Equipment business of Kimberly-Clark Corporation	Ansell Ltd.	\$640.0
7/2024	Famar A.B.E.	MidEuropa Partners LLP	\$538.1
7/2024	Nexeye B.V.	Kohlberg Kravis Roberts & Co. LP.	\$493.6



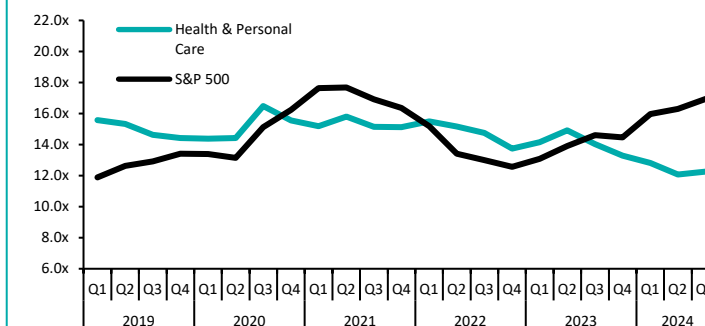
Select public comparables ⁽⁵⁾

Company name	Enterprise value (MM)
Reckitt Benckiser Group plc	\$52,235.0
Church & Dwight Co., Inc.	\$27,565.1
Glanbia plc	\$5,270.9
Simply Good Foods Company	\$3,494.9
Herbalife Ltd.	\$2,903.5
Jamieson Wellness, Inc.	\$1,423.9

Median trading metrics ⁽⁵⁾



Average historical EV/EBITDA multiples ⁽⁵⁾



Footnote(s): Refer to slide 10 for sources.

Multi-unit and consumer services

Sector trends ⁽¹⁾⁽²⁾⁽³⁾⁽⁴⁾⁽⁵⁾⁽⁶⁾⁽⁷⁾

- American consumer spending in the retail and food services sectors rose 2.1% year-over-year from August 2023 to August 2024.
- Parental spending on education is helping drive the growth of youth enrichment franchises, fueled by the National Assessment of Educational Progress Report showing an average 13-point decline in student test scores since the pandemic.
- Increased emphasis on health and wellness is helping drive the expansion of boutique fitness franchises, capitalizing on nearly 70.0M active gym memberships in the U.S.
- Restaurant franchises are struggling in comparison to the broader multi-unit industry due to increased labor costs, which rose 3.9% for the 12-month period ending in September 2024.

Select recent M&A activity ⁽⁸⁾⁽⁹⁾

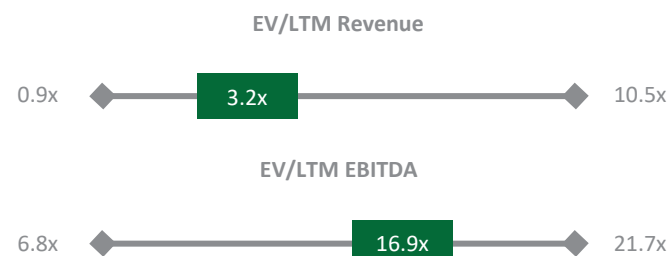
Close Date	Target	Acquiror	Implied EV (MM)
9/2024	G6 Hospitality LLC	Oravel Stays Limited	\$525.0
8/2024	Tacala, LLC	Adams Street Partners, LLC and Altamont Capital Partners, LP	\$512.5
7/2024	Sh Group Operations, LLC	Host Hotels & Resorts, Inc. (NasdaqGS: HST)	\$265.0
7/2024	Standard General L.P.	Bally's Corporation	\$5,820.0
7/2024	Insomnia Cookies	Mistral Equity Partners LLC and Verlinvest S.A.	\$344.6



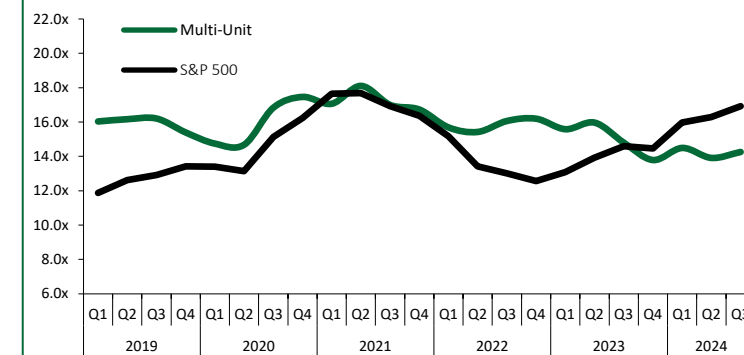
Select public comparables ⁽⁸⁾

Company name	Enterprise value (MM)
McDonald's Corporation	\$269,703.2
Dollar General Corporation	\$35,589.5
Texas Roadhouse, Inc.	\$12,400.5
Planet Fitness, Inc.	\$9,077.4
Shake Shack, Inc.	\$4,645.8
Papa Johns International, Inc.	\$2,710.3

Median trading metrics ⁽⁸⁾



Average historical EV/EBITDA multiples ⁽⁸⁾



Source(s): (1) The US Census Bureau, (2) PR Newswire, (3) The Nation's Report Card, (4) Forbes, (5) IBISWorld, (6) FranchiseWire, (7) U.S. Bureau of Labor Statistics, (8) Pitchbook, (9) S&P Capital IQ.

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