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Corporate Finance

M&A Update

Food & Beverage

Q1 23

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Food & Beverage Industry - Q1-2023

This report summarises the M&A (mergers and acquisitions) trends in the food & beverage sector across Australia, New Zealand and the US for the 12 months between Q1-2022 and Q1-2023.¹

The food & beverage sector includes the following industry subcategories: distribution, agricultural products, horticultural products, fertilisers and chemicals, wine production, and dairy production.

Deal Summary | Q1-2022 compared to Q1-2023:

As the US enters a "mild" recession, merger and acquisition (M&A) activity remains mixed as private businesses pursue liquidity while investors delay their exit from investments. Strategic buyers are increasingly cautious in their M&A pursuits, focusing on acquiring profitable companies that could provide immediate operational synergies.

Following a year of economic uncertainty, elevated inflation and rising interest rates, middle market M&A activity is subdued in Q1 2023 as both buyers and sellers choose caution over courage.

Other factors such as international conflict, antitrust scrutiny and interest rate hikes were also impacting dealmaking in Q1 2023. Another trend was that while private equity activity has slowed from its record pace in 2021, bolt-on acquisitions are still proving to be a key tool for sponsors.

Another dynamic to watch is that most Baby Boomers are about to reach retirement age and will look to liquidate their assets to prepare for exit or succession. According to the UN, the number of people aged 60+ will more than double from 841 million (11.7% of the world's population) in 2013 to 2 billion (21.1%) by 2050.² These older consumers have both a strong desire to stay healthy and plenty of disposable income. We expect this demographic change will lead to a steady increase in exit opportunities and a significant lift in transaction volume.

Many prospective sellers and dealmakers sat on the sidelines in Q1 2023, waiting for further market visibility before launching an M&A process.

So, as the above trends gain momentum this year, we expect acquisitions of quality companies to pick up in the second half of 2023, matching or exceeding the cadence of pre-Covid years.

Takeaway:

M&A activity in the Food & Beverage in the US plummeted in Q1 2023 by 37% year-on-year. Heightened geopolitical risk exacerbated by a stressed global banking system working to constrain funding sources while forcing investors to prioritise value companies over growth companies.

1. Q1 is defined as the end of the first calendar quarter, 31 March.
2. Octet: Future focus: 10 key trends in Australia's food and beverage industry. (January 2023)

Executive Summary

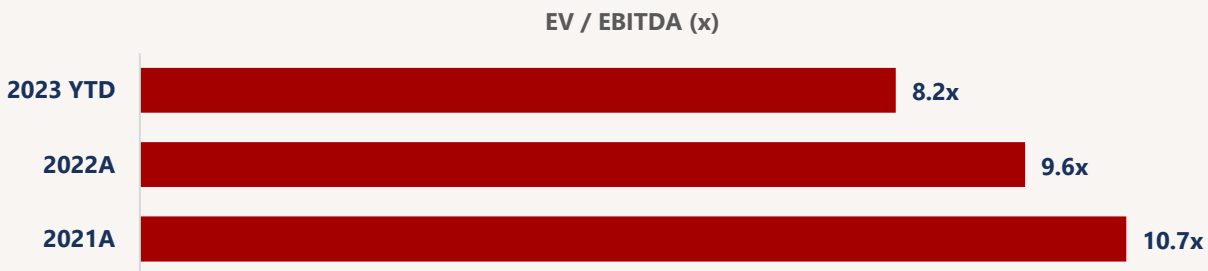
ANZ compared to US:

In Q1 2023, M&A volumes in the US slumped 37% to \$US575 billion in the food and beverage sector compared to Q1 2022. The third-lowest global quarterly deal volume in the last 10 years.¹ Aggressive interest rate fluctuations from both the US Federal Reserve and the Australian Reserve Bank continue to negatively impact private equity investors on a global scale and may make M&A more expensive. As inflation cuts into the ROI on some deals, processes are likely to take longer during 2023.

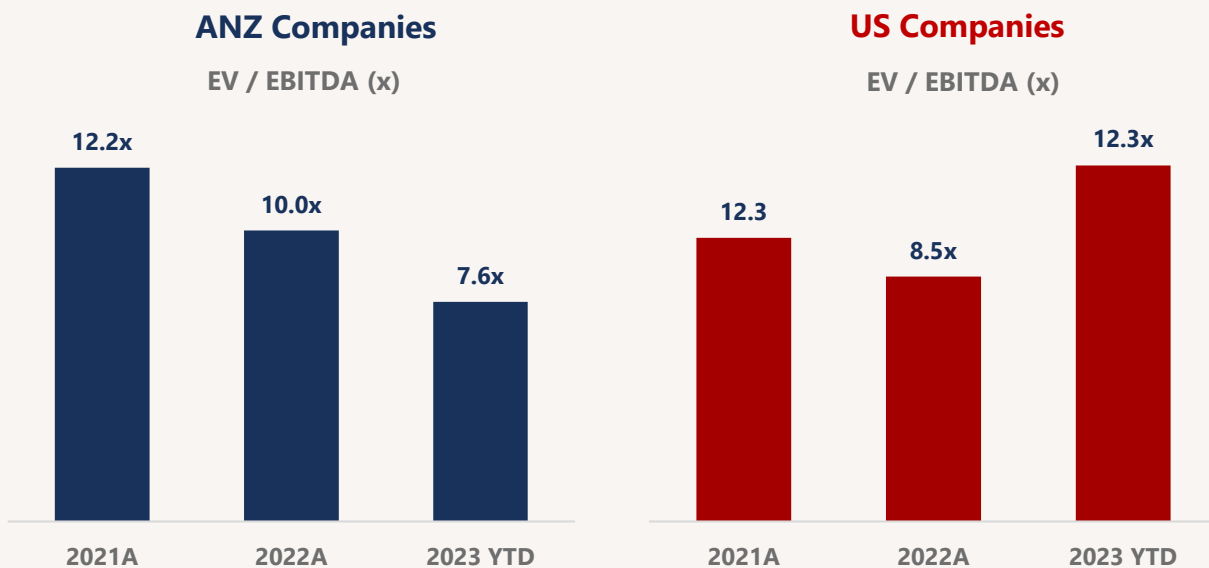
Deal flow is likely to remain high as dealmakers depend on their Australian investments to weather economic and geopolitical tensions. Economic uncertainty hurts the ability of private investors to accurately value assets.

As consumers feel the pinch of inflation, they are turning to private labels (products with the greatest price elasticity), reversing a pandemic-era trend for brand names. The activity in Q1 2023 resulted most consumers choosing cheaper options.²

Transaction Multiples (US)



Trading Multiples



1. Global dealmaking sinks to lowest level in over a decade, Reuters, (April, 2023)
 2. Private label food brands recover momentum lost during pandemic, Food Navigator USA, (February 2023)

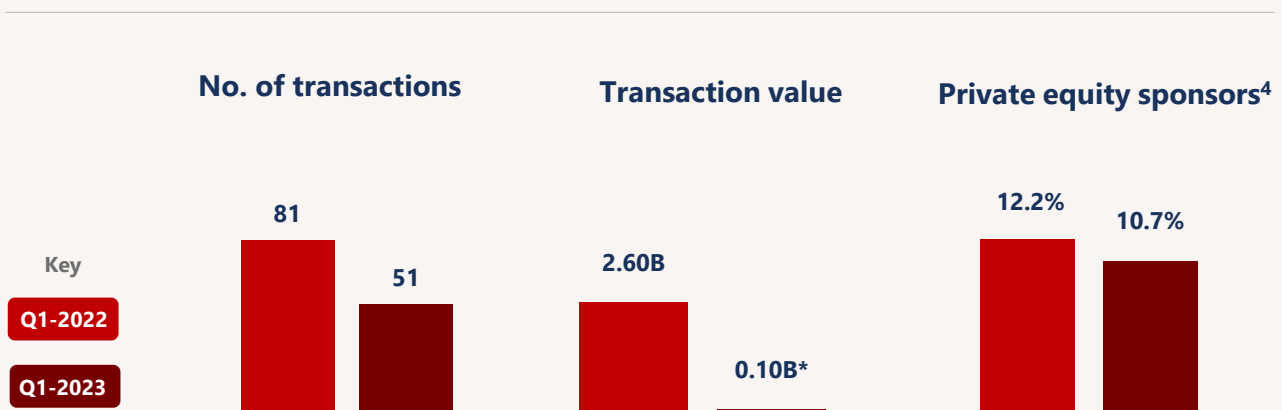
Executive Summary

Public Market Takeaways:

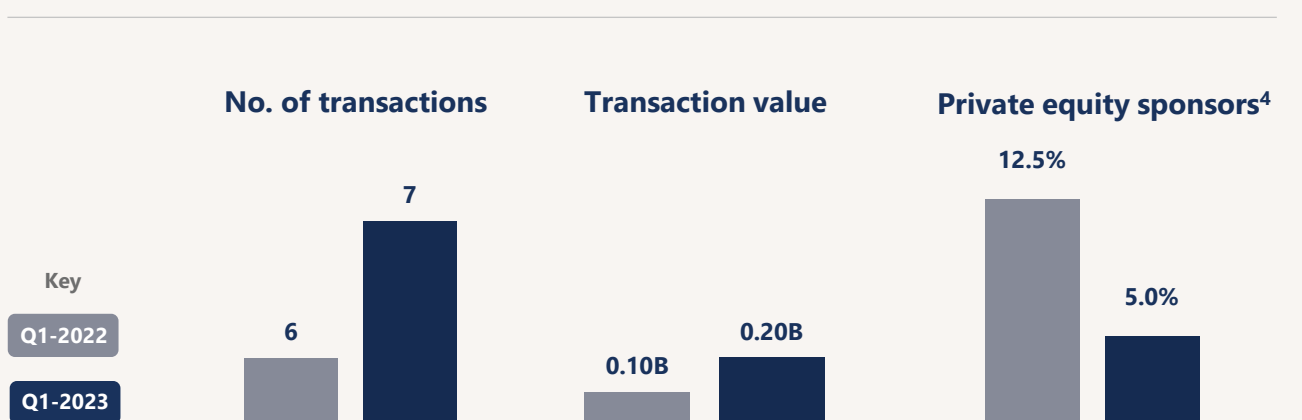
The middle market public and private transaction deal volume for Australia & New Zealand in Q1 2023 increased by 16.7% compared to Q1 2022. The M&A market is expected to see a decline in volume during 2022/23 after a strong 2021 as it felt the effects of rising interest rates and economic uncertainty. The compression of profit margins is creating higher borrowing costs for PE and mid-market operators, leading to one of the lowest levels of dealmaking in a decade.¹ However, opportunities still exist for cash-rich companies hunting for deals that are looking to diversify their existing asset portfolio.² For the remainder of 2023, the higher inflationary pressure suggests that food and beverage brands will look for ways to lift prices to mitigate supply chain disruption and other input cost pressures.³

The Big Picture – M&A Sentiment (\$NZ):

US



ANZ



1. Reuters: Global Dealmaking sinks to lowest level in over a decade. (April, 2023)
 2. The Shout: Inflation a key concern for the beverage industry in 2023. (April, 2023)
 3. Cash-rich US oil producers hunt for deals after long M&A dry spell. (February, 2023)
 4. Crunchbase, EverEdge Research
 * Data Not Available

Executive Summary

Selected Transaction Highlights

TORtec Group Corp. acquired Mid-Cal Ag Aviation

(\$AU1m)



TORtec Group Corp. acquired California-based Mid-Cal Ag Aviation. The company specialises in crop dusting solutions, pesticide regulations and aircraft safety for farmers.

Mid-Cal AG Aviation

22.03.2023

Balco Australia Pty Ltd. acquired Wingara Ag Ltd. Raywood Facility & JC Tanloden

(\$AU15m)



Balco Australia acquired Wingar Raywood Facility & JC Tanloden for \$AU15m. The deal enables Balco to expand into Victoria for greater geographic diversity in its processing.



20.02.2023

Argyle Capital Partners acquired Pacific Century Production

(\$AU70m)



Argyle Capital Partners acquired Pacific Century Production, a company headquartered in Bundall, Australia, which produces grapes and lychees. This acquisition expands its reach in Australia's agricultural sector.



12.02.2023

Epsom USA, Inc. acquired a minority stake in Jankara Winery

(\$AU400m)



































Epsom USA acquired a minority stake in Jankara Winery to expand its diversification of products within the company. The deal improves Epsom's ability to diversify, innovate, and invest in the potential of Italian wineries.

































10.02.2023

M&A Transactions Q1 2023 (selection)

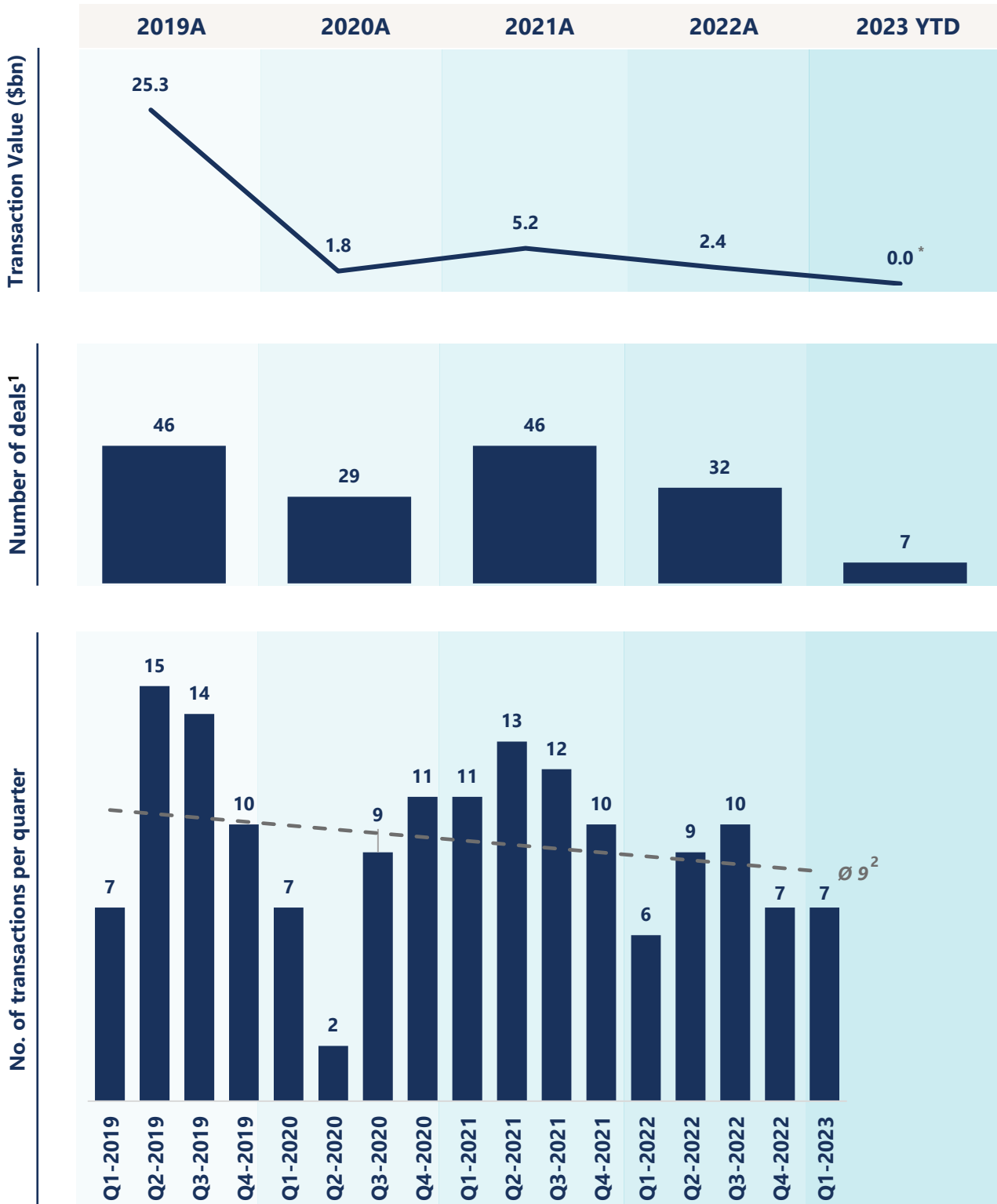
Date	Buyer	Target	Target company description	TX-Val. (\$NZm)
Mar 2023	 	 	Western's Smokehouse manufactures and sells meat products online. The firm's services include R&D along with tolling and turnkey manufacturing.	n.a.
Mar 2023	 	 	Native Seed Group produces seeds and erosion control products for use in land reclamation and conservation.	n.a.
Mar 2023	 	 	Societa' Agricola Jankara Srl di Famiglie Spanu Ed Elia is an Italian company that makes and distributes wine.	n.a.
Mar 2023	 	 	Vintage Food wholesales and distributes specialty food products including cookies, coffee, tea, oil, dairy, dried fruits, nuts, olives, beverages, pasta, pickles, preserves, sweets, and bakery and pastry products.	n.a.
Mar 2023	 	 	TYKU Sake, a subsidiary of Glazer's (US), is an American company, located in New York, which produces and sells spirits.	n.a.
Mar 2023	 	 	Caito Fisheries, part of Southwind Foods, is a US company, located in California, which processes seafood.	n.a.
Mar 2023	 	 	Luke's Ice Cream, part of College Circle Creamery, is based in Florida and produces ice cream and non-dairy frozen desserts.	n.a.
Feb 2023	 	 	Country Charm Egg Distributors, part of MPS Egg Farms, is a US firm, based in Georgia, which produces and distributes egg products.	n.a.

M&A Transactions Q1 2023 (selection)

Date	Buyer	Target	Target company description	TX-Val. (\$NZm)
Feb 2023	 	 Raywood Facility & Jc Tanloden, part of Wingara Ag Ltd.	Raywood Facility & JC Tanloden, part of Wingara Ag Ltd., is an Australian company involved in field crops, except cash grains.	16.43
Feb 2023	 	 	Part of Drake's Brewing, Bear Republic Brewing is based in California and manufactures alcoholic beverages.	n.a.
Feb 2023	 	 Pacific Century Production Pty Ltd.	Pacific Century Production is based in Bundall, Australia, producing grapes and lychees.	77.45
Feb 2023	 	 	Ybp Holdings is based in California and engages in the growing, packing and shipping of sweet potatoes.	n.a.
Feb 2023	 	 	Mister Snacks is a food and beverage company that provides customers with a variety of tasty, healthy alternative snacks.	n.a.
Feb 2023	 	 	Frieda's distributes fruits and vegetables online including fruits and vegetables, kiwifruit, spaghetti squash, mangos, shallots and alfalfa sprouts and vegetarian specialties.	n.a.
Feb 2023	 	 	Bandwagon Brokerage is a specialty produce company, serving foodservice distributors and other wholesalers throughout the US, the Caribbean, Canada and beyond. It offers a multitude of specialty fruit, vegetables and herbs.	n.a.
Feb 2023	 	 	Silver Bay Seafoods is an integrated processor of seafood products with strengths in state-of-the-art processing plants and favourable logistics;	n.a.

ANZ M&A Activity (based on announced deals, ANZ targets)

Q1 2023 noted 7 deals in ANZ. Overall M&A activity increased by **16%** year-on-year.



Sources: FactSet, EverEdge Research

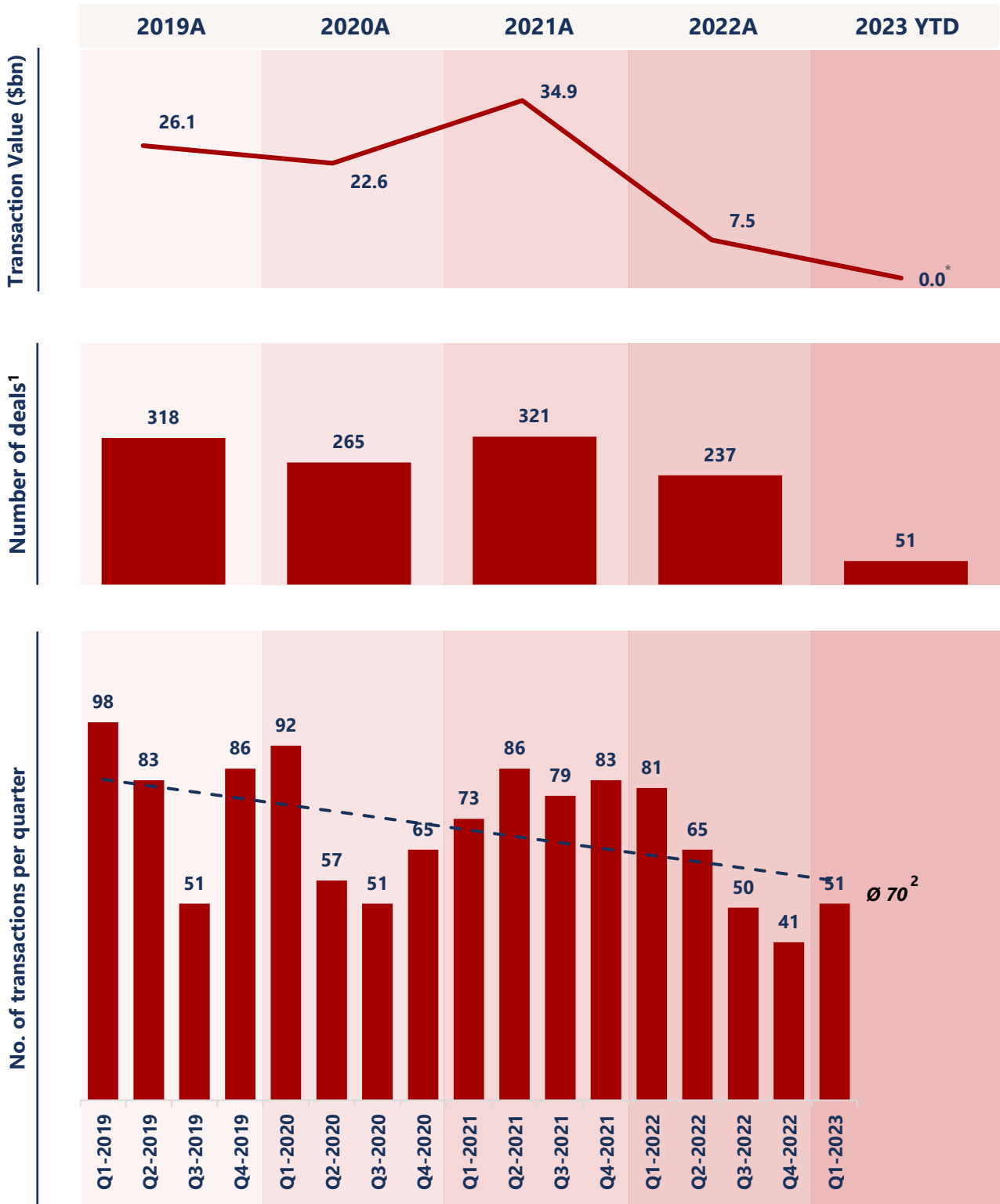
1. 2023 data is calculated YTD 31/03/2023

2. 0 refers to the average value for number of transactions per quarter

* Data Not Available

US M&A Activity (based on announced deals)

Q1 2023 noted **34** deals in the US. However, overall M&A activity decreased by **37%** year-on-year.



Sources: FactSet, EverEdge Research

1. 2023 data is calculated YTD 31/03/2023

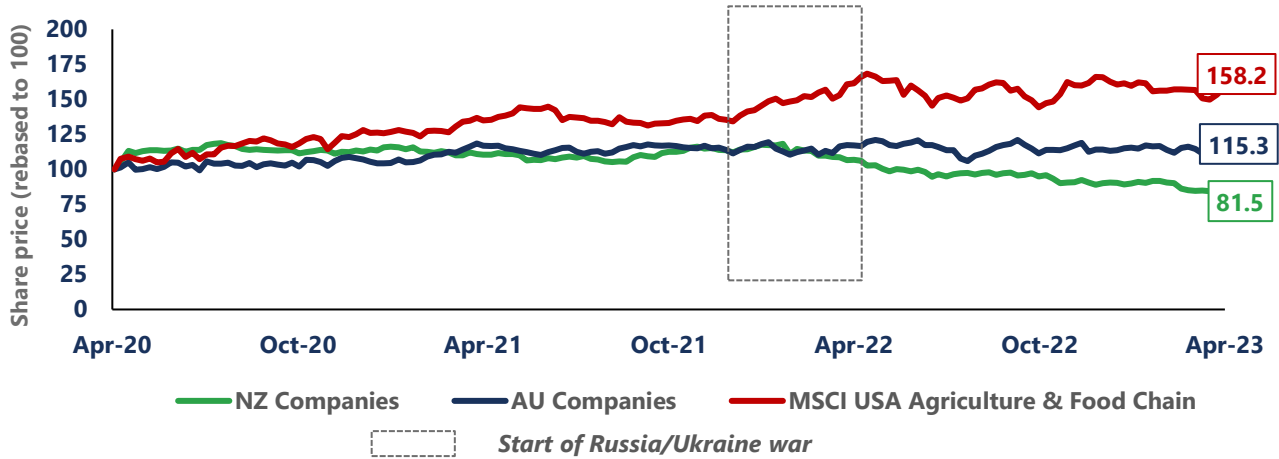
2. Ø refers to the average value for number of transactions per quarter

* Data Not Available

Peer Group Share Price Performance

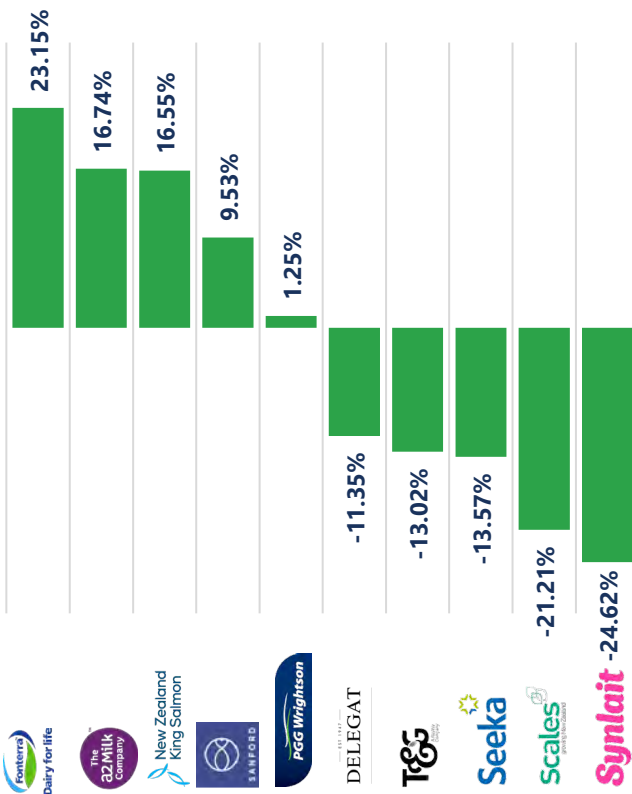
The food and beverage industry in New Zealand struggled to recover after Covid-19. Comparatively, the Australian food & beverage industry showed greater resilience compared to the US sector has remained relatively stable.

Change (%)	NZ Companies	AU Companies	MSCI US Agriculture & Food Chain
3-Year	(18.5%)	15.3%	58.2%
1-Year	(23.2%)	(1.1%)	(4.7%)

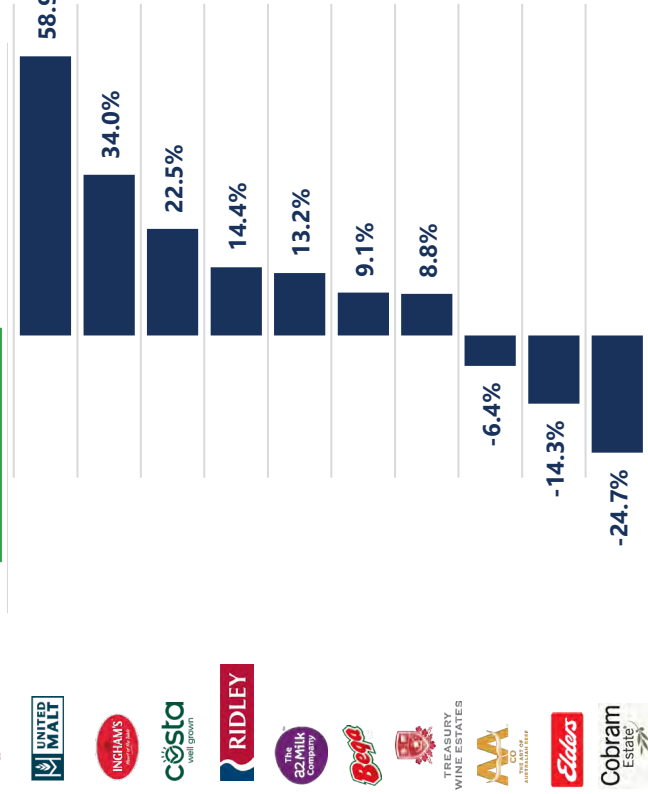


Last Six Months (L6M) Share Price Performance (%)

Top 10 NZ Agriculture Companies



Top 10 AU Agriculture Companies



Sources: FactSet
Note: Sector share performance reflects top ten firms over time in NZ and AUS.
Market data as of 31 March 2023. Top 10 ranking based on market capitalisation.

NZ: Implied Multiples

NZ Food & Beverage Companies																		
Company	Market Cap (NZD'm)	EV (NZD'm)	EV / Sales			EV / EBITDA			EV / EBIT			P / E			EV / (EBITDA-Capex)			
			2023E	2024E	2025E	2023E	2024E	2025E	2023E	2024E	2025E	2023E	2024E	2025E	2023E	2024E	2025E	
New Zealand King Salmon Investments Ltd.	177	160	0.4x	0.4x	0.4x	3.52x	3.7x	3.5x	5.5x	6.0x	5.7x	10.8x	11.7x	10.8x	6.7x	7.3x	6.9x	
Marlborough Wine Estates Group Ltd.	51	56	-	-	-	-	-	-	-	-	-	-	-	-	0.0x	0.0x	0.0x	
Scales Corp. Ltd.	462	494	0.9x	0.8x	0.8x	8.2x	6.3x	5.7x	11.7x	8.3x	7.3x	28.7x	16.0x	12.9x	7.7x	5.3x	4.6x	
Synlait Milk Ltd.	466	1,010	0.6x	0.6x	0.5x	8.8x	6.9x	5.8x	17.6x	11.5x	8.8x	23.4x	11.3x	7.1x	12.6x	7.8x	4.8x	
Foley Wines Ltd.	87	156	-	-	-	-	-	-	-	-	-	-	-	-	0.0x	0.0x	0.0x	
Delegat Group Limited	837	1,237	3.3x	3.1x	3.0x	10.2x	9.5x	8.9x	12.8x	11.6x	10.8x	13.8x	12.5x	11.4x	18.4x	14.8x	8.4x	
T&G Global Limited	257	521	-	-	-	-	-	-	-	-	-	-	-	-	0.0x	0.0x	0.0x	
a2 Milk Company Ltd.	4,505	3,859	2.5x	2.3x	2.1x	18.0x	15.0x	12.7x	19.7x	16.2x	13.6x	30.5x	24.9x	20.6x	12.1x	9.8x	8.9x	
AFC Group Holdings Limited	4	3	-	-	-	-	-	-	-	-	-	-	-	-	0.0x	0.0x	0.0x	
Seeka Limited	126	342	1.0x	0.8x	0.8x	6.6x	5.2x	5.0x	14.4x	9.2x	8.6x	18.7x	7.5x	6.2x	6.1x	4.4x	4.2x	
Sanford Limited	383	568	1.0x	0.9x	0.8x	7.2x	6.1x	5.3x	11.8x	9.8x	8.4x	13.9x	11.9x	9.9x	24.2x	12.4x	8.5x	
Fonterra Shareholders Fund Units	363	363	0.0x	0.0x	0.0x	0.2x	0.2x	0.2x	0.2x	0.3x	0.4x	5.0x	7.6x	8.0x	0.2x	0.3x	0.2x	
PGG Wrightson Limited	325	512	0.5x	0.5x	0.5x	9.0x	8.8x	7.9x	18.1x	17.7x	14.6x	21.8x	21.8x	15.8x	6.8x	6.7x	5.8x	
Allied Farmers Limited	20	24	-	-	-	-	-	-	-	-	-	-	-	-	0.0x	0.0x	0.0x	
		Median	0.9x	0.8x	0.8x	8.2x	6.3x	5.7x	12.8x	9.8x	8.6x	18.7x	11.9x	10.8x	6.4x	4.7x	4.3x	
		Average	1.1x	1.0x	1.0x	8.0x	6.9x	6.1x	12.4x	10.1x	8.7x	18.5x	13.9x	11.4x	6.7x	4.9x	3.7x	

Source: FactSet
Note: Financials reflect most recent company report. Market data as at 31 Mar 2023. "-" = data not available

NZ: Sales Growth Rates & Operating Margins

NZ Food & Beverage Companies																
Company	Sales Growth			EBITDA Margin			EBIT Margin			Net Income Margin			CAGR 23E-25E			
	2023E	2024E	2025E	2023E	2024E	2025E	2023E	2024E	2025E	2023E	2024E	2025E	Sales	EBITDA	EBIT	N.I.
New Zealand King Salmon Investments Ltd.	-	-	-	11.1%	10.3%	10.3%	-5.5%	6.9%	6.1%	1.0%	5.1%	4.5%	3.4%	-0.3%	na	124.2%
Marlborough Wine Estates Group Ltd.	-	-	-	-	-	-	-	-	-	-	-	-	na	na	na	na
Scales Corp. Ltd.	-	-	-	10.8%	12.7%	13.6%	10.2%	6.8%	9.2%	3.4%	3.2%	5.4%	7.9%	21.0%	2.3%	35.7%
Synlait Milk Ltd.	-	-	-	7.2%	8.4%	9.4%	3.9%	3.3%	4.8%	2.4%	1.0%	2.3%	7.3%	22.6%	18.5%	4.4%
Foley Wines Ltd.	-	-	-	-	-	-	-	-	-	-	-	-	na	na	na	na
Delegat Group Limited	-	-	-	32.7%	33.2%	34.0%	24.0%	24.6%	25.9%	17.1%	15.4%	16.3%	5.5%	7.5%	9.5%	2.9%
T&G Global Limited	-	-	-	-	-	-	-	-	-	-	-	-	na	na	na	na
a2 Milk Company Ltd.	-	-	-	13.8%	15.1%	16.3%	11.0%	11.5%	12.7%	7.6%	8.5%	9.4%	9.6%	19.3%	18.0%	22.1%
AFC Group Holdings Limited	-	-	-	-	-	-	-	-	-	-	-	-	na	na	na	na
Seeka Limited	-	-	-	14.8%	15.6%	15.5%	5.6%	5.7%	8.4%	1.9%	1.6%	3.8%	12.4%	15.0%	37.0%	60.8%
Sanford Limited	-	-	-	13.3%	14.6%	15.9%	6.8%	7.6%	8.6%	9.5%	3.2%	4.8%	6.6%	16.4%	19.8%	-24.0%
Fonterra Shareholders Fund Units	-	-	-	9.2%	7.8%	7.9%	4.3%	7.3%	4.9%	2.4%	5.3%	3.3%	-5.9%	-12.8%	0.8%	9.4%
PGG Wrightson Limited	-	-	-	5.9%	5.9%	6.4%	4.0%	2.9%	2.9%	2.5%	1.5%	1.5%	na	na	na	na
Allied Farmers Limited	-	-	-	-	-	-	-	-	-	-	-	-	na	na	na	na
Median	-	-	-	11.1%	12.7%	13.6%	5.6%	6.9%	8.4%	2.5%	3.2%	4.5%	7.0%	15.7%	18.0%	15.7%
Average	-	-	-	13.2%	13.7%	14.4%	7.2%	8.5%	9.3%	5.3%	5.0%	5.7%	5.8%	11.1%	15.1%	29.4%

AU: Implied Multiples

AU Food & Beverage Companies																		
Company	Market Cap (NZD'm)	EV (NZD'm)	EV / Sales			EV / EBITDA			EV / EBIT			P / E			EV / (EBITDA-Capex)			
			2023E	2024E	2025E	2023E	2024E	2025E	2023E	2024E	2025E	2023E	2024E	2025E	2023E	2024E	2025E	
Tassal Group Limited	227	424	1.0x	1.0x	0.9x	8.99x	6.5x	5.5x	22.6x	11.3x	8.7x	21.3x	10.2x	8.0x	14.6x	8.8x	7.0x	
United Malt Group Ltd.	2,432	2,996	1.3x	1.3x	1.2x	13.0x	10.3x	10.0x	25.2x	16.9x	16.0x	43.7x	23.6x	21.3x	35.2x	15.4x	14.2x	
a2 Milk Company Ltd.	7,201	5,764	2.5x	2.2x	2.1x	17.9x	14.8x	12.5x	19.6x	16.1x	13.5x	30.3x	24.7x	20.5x	17.9x	15.9x	14.3x	
Select Harvests Limited	858	1,403	5.5x	3.7x	3.4x	-	10.8x	8.8x	-	18.5x	13.5x	-	19.1x	12.9x	-18.0x	16.7x	12.5x	
Ridley Corporation Limited	1,208	1,170	0.6x	0.6x	0.6x	8.5x	7.8x	7.4x	12.0x	11.0x	10.3x	18.2x	16.8x	14.2x	11.7x	11.7x	10.7x	
Ricegrowers Ltd. Class B	694	995	-	-	-	-	-	-	-	-	-	6.2x	5.8x	-	0.0x	0.0x	0.0x	
Cobram Estate Olives Ltd.	928	1,149	3.2x	3.4x	2.4x	10.2x	19.8x	7.1x	13.4x	43.6x	8.9x	16.9x	82.9x	10.6x	21.2x	-289.4x	9.2x	
Lynch Group Holding Ltd	352	468	0.7x	0.7x	0.6x	8.0x	4.8x	4.3x	24.7x	8.9x	7.5x	26.3x	8.2x	6.7x	44.8x	6.9x	5.1x	
Bubs Australia Ltd.	296	202	1.4x	0.9x	0.8x	-	-	112.4x	-	-	-	-	-	-	-4.4x	-15.4x	-48.8x	
Costa Group Holdings Ltd.	2,051	3,467	1.5x	1.4x	1.3x	7.9x	7.4x	6.9x	15.7x	14.3x	12.6x	18.9x	16.5x	13.5x	10.5x	11.9x	10.9x	
Bega Cheese Limited	1,884	2,448	0.5x	0.4x	0.4x	9.5x	8.0x	7.4x	26.8x	17.7x	15.3x	39.5x	22.5x	18.3x	15.9x	12.5x	11.6x	
Elders Limited	2,311	2,623	0.5x	0.5x	0.5x	6.8x	7.1x	7.0x	8.2x	8.8x	9.0x	10.5x	11.4x	11.7x	7.2x	8.2x	7.3x	
Inghams Group Ltd.	1,984	4,713	1.0x	0.9x	0.9x	6.8x	6.4x	6.1x	19.5x	16.5x	14.9x	17.2x	13.6x	11.9x	8.0x	7.5x	7.2x	
Treasury Wine Estates Limited	16,143	17,071	4.1x	3.9x	3.7x	14.2x	12.8x	11.8x	17.9x	15.6x	14.3x	25.5x	21.9x	19.7x	16.6x	15.3x	13.4x	
Lark Distilling Co. Ltd.	208	182	5.3x	4.1x	3.2x	-	78.4x	26.1x	-	189.4x	33.4x	-	5.5x	2.8x	-43.5x	-227.5x	-13.0x	
Australian Agricultural Company Limited	1,588	2,146	-	-	-	-	-	-	-	-	-	-	-	-	0.0x	0.0x	0.0x	
			Median	1.3x	1.1x	1.1x	9.0x	8.0x	7.4x	19.5x	16.1x	13.5x	20.1x	16.7x	12.9x	11.1x	8.5x	8.3x
			Average	2.1x	1.8x	1.6x	10.2x	15.0x	16.7x	18.7x	29.9x	13.7x	22.9x	20.2x	13.2x	8.6x	-25.1x	3.9x

Source: FactSet | Note: Financials reflect most recent company report. Market data as at 31 Mar 2023. "-" = data not available

AU: Sales Growth Rates & Operating Margins

AU Food & Beverage Companies																
	Sales Growth			EBITDA Margin			EBIT Margin			Net Income Margin			CAGR 23E-25E			
	2023E	2024E	2025E	2023E	2024E	2025E	2023E	2024E	2025E	2023E	2024E	2025E	Sales	EBITDA	EBIT	N.I.
Tassal Group Limited	-	-	-	11.0%	14.7%	16.8%	12.1%	4.2%	8.2%	7.6%	3.0%	5.4%	na	na	na	na
United Malt Group Ltd.	-	-	-	9.6%	12.2%	12.3%	2.0%	5.0%	7.3%	0.8%	2.2%	3.9%	0.9%	14.2%	90.8%	127.7%
a2 Milk Company Ltd.	-	-	-	13.8%	15.1%	16.3%	10.6%	11.5%	12.7%	7.3%	8.5%	9.4%	9.7%	19.5%	20.2%	24.3%
Select Harvests Limited	-	-	-	-8.2%	34.7%	38.5%	7.6%	-19.5%	18.4%	3.9%	-16.6%	10.3%	27.7%	na	98.8%	107.2%
Ridley Corporation Limited	-	-	-	7.1%	7.7%	7.9%	4.3%	5.0%	5.3%	3.4%	3.3%	3.5%	1.0%	6.9%	12.3%	2.9%
Ricegrowers Ltd. Class B	-	-	-	7.2%	7.2%	-	4.8%	5.3%	-	3.2%	3.6%	-	na	na	10.5%	14.5%
Cobram Estate Olives Ltd.	-	-	-	31.1%	17.2%	34.5%	3.3%	25.3%	5.6%	-0.3%	15.4%	2.3%	14.1%	20.1%	49.1%	na
Lynch Group Holding Ltd	-	-	-	9.3%	14.0%	14.9%	7.1%	2.7%	7.1%	6.3%	1.8%	5.5%	8.2%	37.1%	7.8%	1.0%
Bubs Australia Ltd.	-	-	-	-35.6%	-4.0%	0.7%	-2.2%	-27.1%	-5.5%	-14.4%	-33.0%	-5.6%	31.6%	na	109.2%	-18.1%
Costa Group Holdings Ltd.	-	-	-	18.6%	19.1%	19.6%	6.4%	9.1%	9.4%	2.6%	4.2%	4.5%	4.5%	7.2%	27.0%	36.6%
Bega Cheese Limited	-	-	-	4.8%	5.6%	5.9%	2.3%	1.7%	2.5%	1.4%	0.8%	1.4%	2.3%	13.0%	7.1%	3.9%
Elders Limited	-	-	-	7.6%	7.5%	7.8%	7.2%	6.3%	6.0%	4.7%	4.3%	3.8%	-0.2%	0.9%	-9.1%	-10.1%
Inghams Group Ltd.	-	-	-	14.3%	14.7%	15.1%	3.6%	4.8%	5.5%	1.9%	2.1%	2.6%	3.6%	6.2%	27.4%	21.6%
Treasury Wine Estates Limited	-	-	-	29.1%	30.4%	31.0%	20.2%	21.7%	23.3%	12.4%	13.4%	14.7%	6.4%	9.8%	14.4%	15.9%
Lark Distilling Co. Ltd.	-	-	-	-2.1%	5.3%	12.4%	4.3%	-4.4%	1.7%	-2.2%	-4.9%	-1.4%	28.3%	na	-19.1%	3.1%
Australian Agricultural Company Limited	-	-	-	-	-	-	-	-	-	-	-	-	na	na	na	na
Median	-	-	-	9.3%	14.0%	15.0%	4.8%	5.0%	6.5%	3.2%	3.0%	3.9%	6.4%	11.4%	17.3%	14.5%
Average	-	-	-	7.8%	13.4%	16.7%	6.2%	3.4%	7.7%	2.6%	0.5%	4.3%	10.6%	13.5%	31.9%	25.4%

US: Implied Multiples

US Food & Beverage Companies																	
Company	Market Cap (NZD'm)	EV (NZD'm)	EV / Sales			EV / EBITDA			EV / EBIT			P / E			EV / (EBITDA-Capex)		
			2023E	2024E	2025E	2023E	2024E	2025E	2023E	2024E	2025E	2023E	2024E	2025E	2023E	2024E	2025E
Mondelez International, Inc. Class A	242,822	186,609	3.5x	3.3x	3.2x	17.83x	16.9x	16.0x	21.8x	20.6x	19.4x	22.0x	20.3x	19.0x	20.3x	20.2x	19.1x
Archer-Daniels-Midland Company	111,523	85,091	0.5x	0.5x	0.5x	9.2x	9.5x	9.7x	12.1x	12.3x	12.7x	11.6x	11.8x	11.4x	11.7x	12.0x	12.0x
General Mills, Inc.	128,233	98,159	3.0x	3.0x	2.8x	14.9x	14.5x	13.7x	17.4x	16.9x	16.1x	19.1x	18.0x	16.6x	17.1x	17.2x	16.0x
Corteva Inc	109,793	65,901	2.3x	2.2x	2.1x	11.8x	10.7x	9.8x	14.0x	12.5x	12.4x	21.0x	17.5x	15.4x	14.0x	12.5x	11.3x
Sysco Corporation	100,149	80,756	0.7x	0.6x	0.6x	12.8x	11.6x	10.8x	15.7x	14.3x	13.1x	19.1x	16.8x	15.4x	15.1x	14.1x	13.3x
Hershey Company	95,490	90,813	5.1x	4.9x	4.7x	18.8x	17.9x	16.9x	21.9x	20.7x	19.7x	27.0x	25.2x	23.3x	22.5x	24.2x	21.0x
Kraft Heinz Company	121,018	107,573	2.5x	2.5x	2.4x	11.0x	10.6x	10.4x	13.3x	12.9x	12.5x	14.2x	13.5x	12.7x	12.9x	12.6x	12.3x
CF Industries Holdings, Inc.	36,254	28,603	2.3x	2.6x	2.9x	4.9x	6.1x	7.2x	5.8x	8.1x	10.0x	6.5x	8.6x	9.5x	5.9x	7.6x	9.8x
Tyson Foods, Inc. Class A	43,283	45,597	0.5x	0.5x	0.5x	8.2x	7.0x	5.9x	13.0x	10.4x	8.8x	13.8x	10.8x	9.4x	17.3x	17.6x	10.1x
McCormick & Company, Incorporated	56,992	43,453	4.1x	3.9x	3.8x	21.9x	20.4x	19.4x	26.7x	24.5x	23.0x	31.7x	28.6x	26.3x	27.6x	25.4x	23.8x
Median			2.4x	2.5x	2.6x	12.3x	11.2x	10.6x	14.9x	13.6x	12.9x	19.1x	17.2x	15.4x	16.1x	15.6x	12.8x
Average			2.4x	2.4x	2.4x	13.1x	12.5x	12.0x	16.2x	15.3x	14.8x	18.6x	17.1x	15.9x	16.5x	16.3x	14.9x

US: Sales Growth Rates & Operating Margins

US Food & Beverage Companies

	Sales Growth			EBITDA Margin			EBIT Margin			Net Income Margin			CAGR 23E-25E			
	2023E	2024E	2025E	2023E	2024E	2025E	2023E	2024E	2025E	2023E	2024E	2025E	Sales	EBITDA	EBIT	N.I.
Mondelez International, Inc. Class A	6.7%	4.1%	3.7%	19.5%	19.8%	20.1%	14.7%	15.3%	15.7%	12.0%	12.1%	12.4%	3.9%	5.7%	7.1%	5.8%
Archer-Daniels-Midland Company	-	-	-	5.8%	5.6%	5.7%	5.7%	4.4%	4.3%	4.4%	3.7%	3.6%	-0.2%	-1.4%	-14.0%	-9.1%
General Mills, Inc.	2.7%	2.3%	-	20.3%	20.4%	20.4%	16.5%	17.1%	16.5%	12.2%	12.5%	12.2%	3.9%	4.0%	3.9%	3.8%
Corteva Inc	-	-	-	19.3%	20.4%	21.5%	14.7%	15.5%	16.8%	10.5%	10.7%	12.3%	4.3%	10.2%	11.8%	12.7%
Sysco Corporation	-	-	-	5.2%	5.5%	5.7%	3.5%	4.1%	4.3%	2.2%	2.6%	2.8%	3.9%	8.7%	16.3%	16.4%
Hershey Company	7.6%	3.7%	3.3%	27.1%	27.5%	28.1%	21.4%	22.5%	23.0%	15.7%	16.5%	17.1%	3.6%	5.7%	7.3%	8.2%
Kraft Heinz Company	4.8%	1.1%	1.6%	22.7%	23.1%	23.2%	18.4%	18.4%	18.8%	12.7%	12.2%	12.7%	1.6%	2.8%	2.8%	1.7%
CF Industries Holdings, Inc.	-	-	-	46.9%	43.1%	39.6%	74.3%	44.7%	36.1%	45.3%	28.8%	24.4%	-8.2%	-15.7%	-36.0%	-32.7%
Tyson Foods, Inc. Class A	2.2%	1.9%	-	6.4%	7.3%	8.4%	8.0%	4.0%	4.8%	5.9%	2.6%	3.3%	2.1%	17.2%	-21.0%	-23.9%
McCormick & Company, Incorporated	7.5%	2.9%	2.9%	18.5%	19.2%	19.6%	13.6%	14.7%	15.5%	10.1%	10.1%	10.9%	3.2%	6.4%	10.2%	6.9%
Median	5.7%	2.6%	3.1%	19.4%	20.1%	20.3%	14.7%	15.4%	16.1%	11.2%	11.4%	12.2%	3.4%	5.7%	5.5%	4.8%
Average	5.2%	2.7%	2.9%	19.2%	19.2%	19.2%	19.1%	16.1%	15.6%	13.1%	11.2%	11.2%	1.8%	4.3%	-1.2%	-1.0%

Source: FactSet

Note: Financials reflect most recent company report. Market data as of 31 Mar 2023. "-" = data not available

The selected US Agriculture companies are based on the top 10 in the MSCI US Agriculture & Food Chain Index

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