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Corporate Finance

# M&A Update

Food & Beverage

# Q3 22

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## Food & Beverage Industry - Q3 2022

This report summarises the M&A (“mergers and acquisition”) trends in the Food & Beverage sector across Australia, New Zealand and the US for the 12 months between Q3-2021 to Q3-2022.<sup>1</sup>

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

### Deal Summary | Q3-2021 compared to Q3-2022:

During Q3-2021, a record **90 M&A deals** were recorded across the ANZ + US Food & Beverage sector reaching a total of \$NZ33 billion as sellers took advantage of healthier valuations, low interest rates and hungry buyers. However, total **M&A deals dropped to 47** for the same period in 2022. This slump in market sentiment means buyers can pick up bargains in both the public and private markets.

### Driving Factors:

The Food & Beverage sector has struggled to recover from the flow-on effects of the Covid-19 pandemic. Since few of the below systemic impacts have been solved, weaker market conditions are likely to persist into 2023 meaning valuation multiples will remain subdued relative to 2021.

The following factors plagued the Food & Beverage sector between Q3-2021 and Q3-2022:

- **Inflation** – Rising input costs due to inflation (a result of profligate global monetary policies) shrunk the margins of many Food & Beverage producers, lowering their appeal as acquisition targets. Producers that managed to pass on these costs to consumers were still hurt by inflation as equity investment also dried up.
- **Rising input costs** – The Russia-Ukraine war has delayed or blocked a significant amount of raw material from reaching producers, pushing input costs higher and resulting in lower operating margins and valuations. Higher energy prices also constrained margins.
- **Supply chain disruptions** - Supply chain disruptions had an outweighed impact on companies that lacked strong pricing power or automated production lines.
- **Food security** – The US has boosted its domestic agriculture and horticulture while securing farmland to improve its self-sufficiency.
- **Labour scarcity** – Food & Beverage inputs depend on skilled seasonal labour which is fiercely competitive. Small legislative changes to immigration policies can significantly impact labour costs making it tougher for producers to attract workers.
- **Financing costs** – Tighter bank lending rates and stricter terms complicate the job of private equity to fund acquisitions.<sup>2</sup>

### Takeaway:

Investing in sustainable farming practices will be a key driver for Food & Beverage companies hoping to remain competitive during this period of broad economic and political volatility.

1. Q3 is defined as the end of the third calendar quarter, 30 Sept.

## Executive Summary

### ANZ compared to US:

The Food & Beverage sector will be impacted if the US economy slips into recession next year<sup>1</sup>. However, Goldman Sachs expects Australia and New Zealand should dodge similar recessionary pain<sup>2</sup> due to the relative buoyancy of their weaker currencies which improve the export margins for producers. A tight labour market and elevated household savings rates in the ANZ markets are also cushioning the rapidly increasing costs of borrowing.<sup>3</sup> Nevertheless, the medium-term outlook for the sector is showing signs of caution:

- Shareholder sentiment will continue to trend negative;
- Government intervention will put pressure on farmers and supply chain disruptions will lift input costs;
- Due to rising inflation and Covid wariness, consumers will buy more staples and fewer consumables.

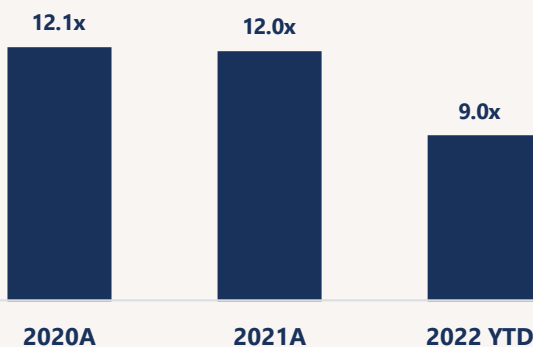
### Transaction Multiples (US)



### Trading Multiples

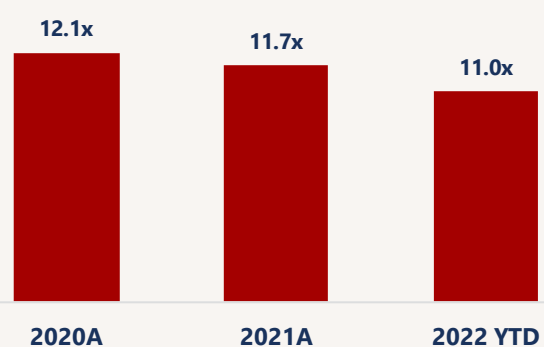
#### ANZ Companies

EV / EBITDA (x)



#### US Companies

EV / EBITDA (x)



1. "US recession forecast hits 100% as inflation rages, midterms loom," *Bloomberg*, October 2022

2. "Goldman sees 25% Australia recession odds, 20-25% in New Zealand." *Bloomberg*, August 2022

3. "Australia tipped to dodge recession even as China slows, US teeters," *The Sydney Morning Herald*, September 2022

## Executive Summary

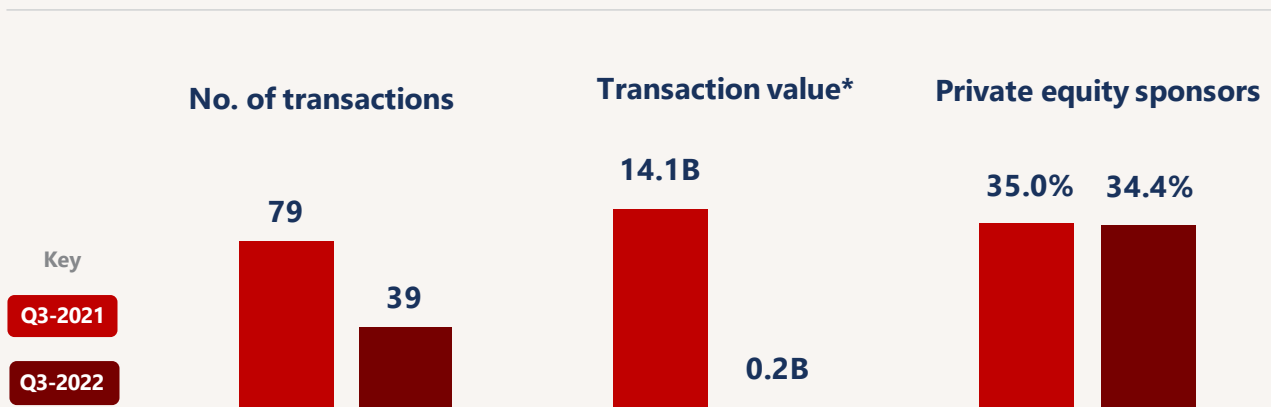
### Public Market Takeaways:

The Covid-19 pandemic compelled many governments to support financial markets by printing money. As a result, equities of the top ten firms in the AU and MSCI indices experienced stable growth, slower inflation and few major closures. While the Russian-Ukraine war and hawkish central bank policies have increased food and energy prices, producers in both the AU and US markets have adapted and shareholders are showing some renewed positivity.

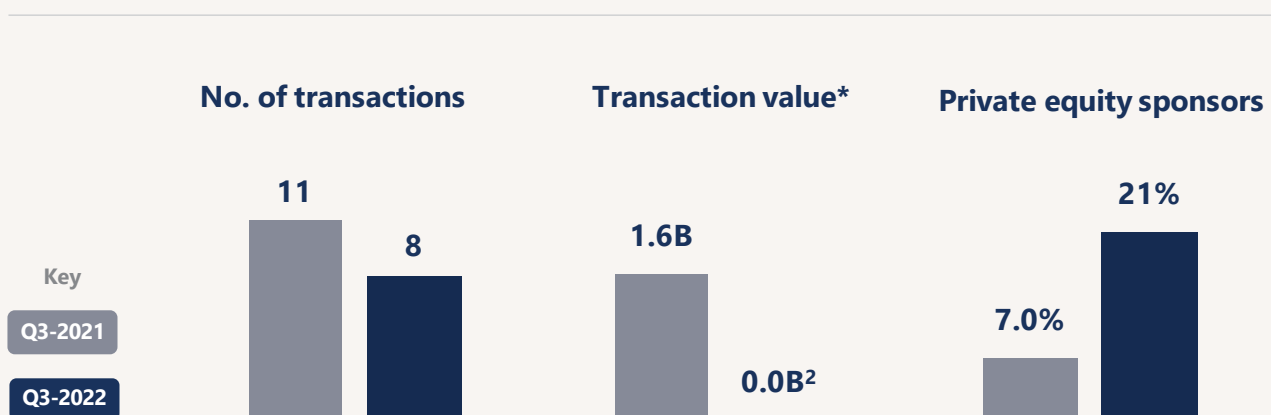
New Zealand's top ten Food & Beverage firms also experienced an average drop of 19.1% in share price over the three years of the pandemic, but also due to the difficult trading conditions set by the government. For example, new emissions taxes applied to farmers and tougher immigration policies have both ballooned operating costs for producers and weakened shareholder sentiment.<sup>1</sup>

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

#### US



#### ANZ



1. Stuff NZ: NZ farmers set to pay for emissions by 2025 in world-first climate plan, October 2022  
2. Equivalent to \$2.1m

## Executive Summary

### Selected Transaction Highlights



#### Ste. Michelle Wine Estates acquires A to Z Wineworks

(Undisclosed)

Ste. Michelle Wine Estates, a portfolio company of Sycamore Partners, acquired A to Z Wineworks, a top producer of high-quality Pinot Noir, for an undisclosed sum. The deal was a pivotal moment in the growth of Pacific Northwest wines on international markets.



**07.09.2022**



#### Cooke acquires Tassal

(\$US 1.1bn )

Cooke Seafood acquired Tasmanian salmon farming company Tassal for an undisclosed sum. Tassal produces high-quality Atlantic salmon for both the Australian and international markets. The deal expands Cooke's reach across its Australian seafood channels and strengthens its supply chain and operational relationships.



**16.08.2022**



#### Incitec Pivot Fertilisers (IPF) acquires Yara Nipro

(\$AU 20m )

IPF announced a definitive agreement with Yara Australia under which IPF will acquire Yara Nirpo liquid fertilisers. The fertiliser provides farmers with convenient on-farm storage options to reduce the need for manual handling, leading to more cost-effective and sustainable plant nutrition solutions.



**24.08.2022**



#### Foley Family Wines acquires Silverado Vineyards


(\$AU 240m)

Ste. Michelle Wine Estates acquired Silverado Vineyards. Silverado produces and bottles single-vineyard Cabernet Sauvignon, Sauvignon Blanc, Merlot, Chardonnay and Sangiovese, along with other small production wines. The deal expands Foley Family Wines' vineyard and winery footprint across California.



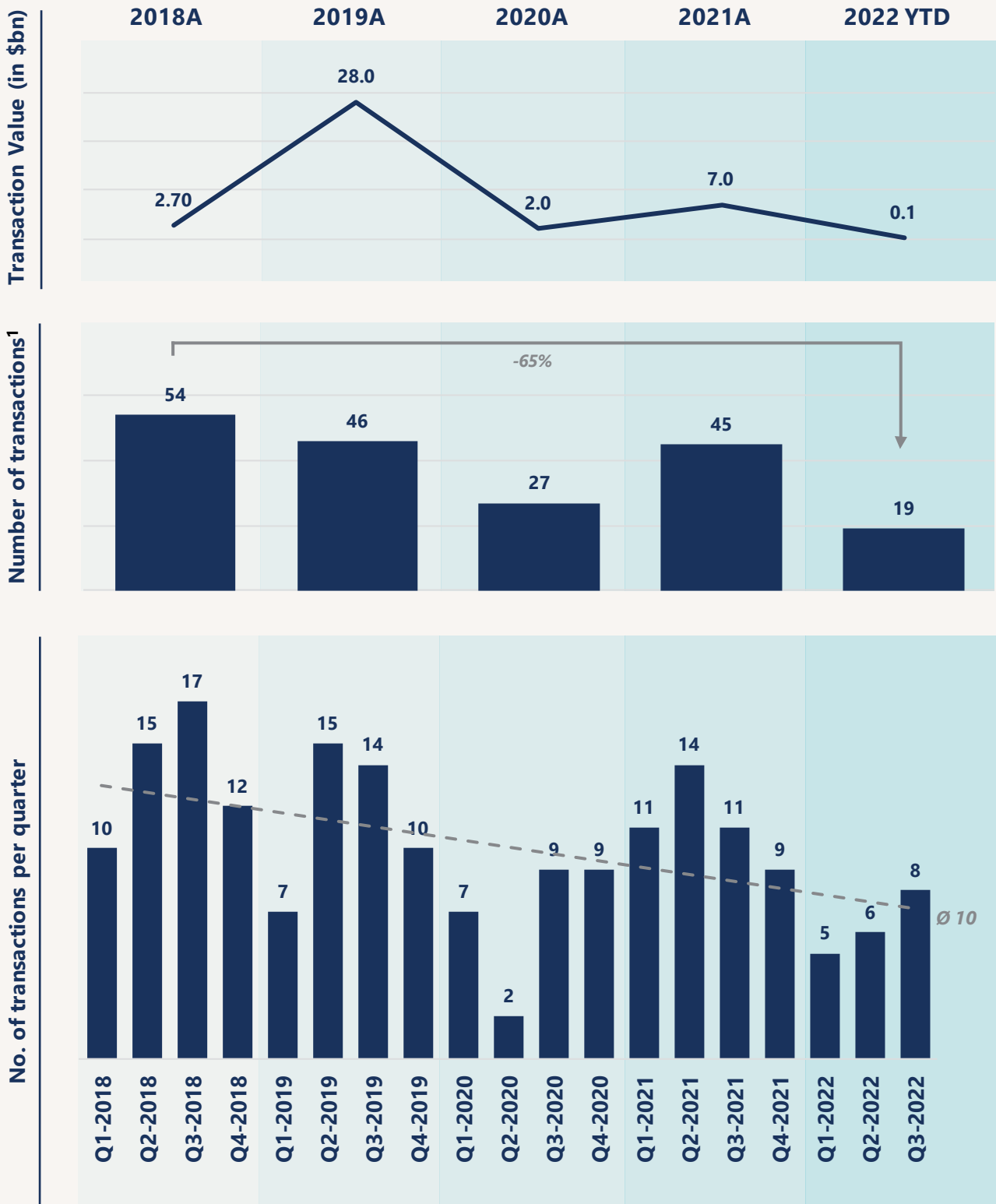
**18.07.2022**

## M&A Transactions Q3-2022 (selection)

Date	Buyer	Target	Target company description	TX-Vol. (\$NZ m)
Sept 2022	 	 	Produces crustaceans and aquaculture genetics	n.a.
Sept 2022	 	 	Wholesale fruits & vegetables to South America and Asia	n.a.
Sept 2022	 	 	Manufactures spices, seasonings, herbs, seeds and blends for retail, food processing and speciality distribution in the tea and beverage industries	n.a.
Sept 2022	 <b>Ocotillo Holdings, LLC</b>	 	Classic Southern California company that wholesales beverages	n.a.
Sept 2022	 	 	Produces value-for-money varietal wines	n.a.
Sept 2022	 	 	Manufactures dairy products	1.91
Aug 2022	 	 	Provides liquid fertilisers to farmers	24.19
Aug 2022	 	 	Produces wine (acquisition increases supply chain control)	n.a.
Aug 2022	 	 <b>Mill Creek Cheese LLC</b>	Manufactures lines of cheese products	n.a.
Aug 2022	 	 	Produces wine (acquisition adds the Marlborough fruit variety)	n.a.
Aug 2022	 <b>Odyssey Inns Ltd</b>	 	Two portfolio brands producing malt beverages	n.a.
Aug 2022	 	 	Delivers high-quality, affordable and locally-raised beef	n.a.
Aug 2022	 <b>Moët Hennessy</b>	 	Produces wine	n.a.
Aug 2022	 	 	Grows, processes and sells salmon and seafood	2003.97
Jul 2022	 	 	Produces and sells wine online	261.16

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

While Q3-2022 noted **19** transactions in ANZ, M&A activity decreased by 65% year-on-year

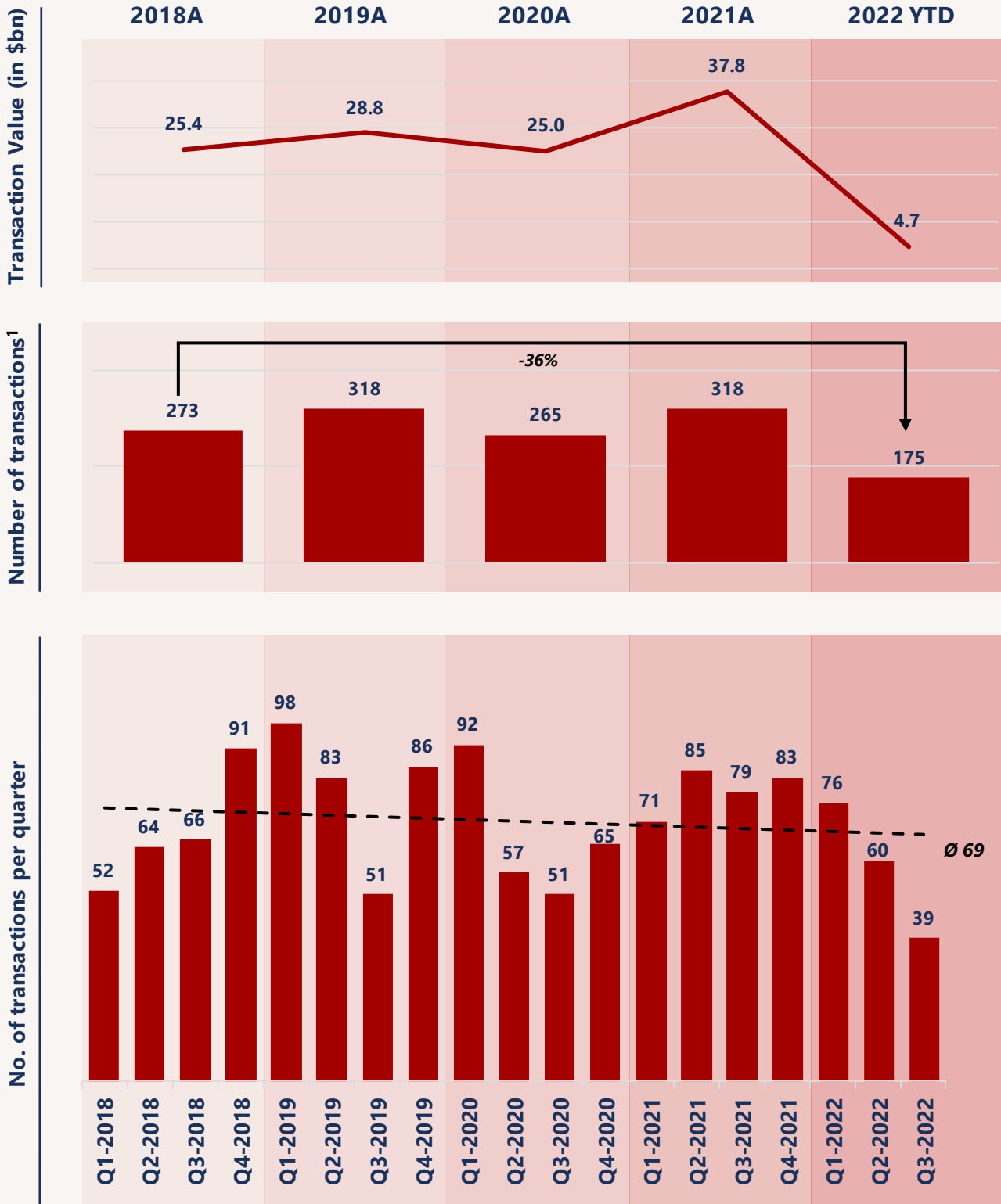


Sources: FactSet, EverEdge Research  
1. 2022 data is calculated YTD 30/09/2022



## US M&A Activity (based on announced deals)

While Q3-2022 noted **175** transactions in the US, M&A activity decreased by 36% year-on-year

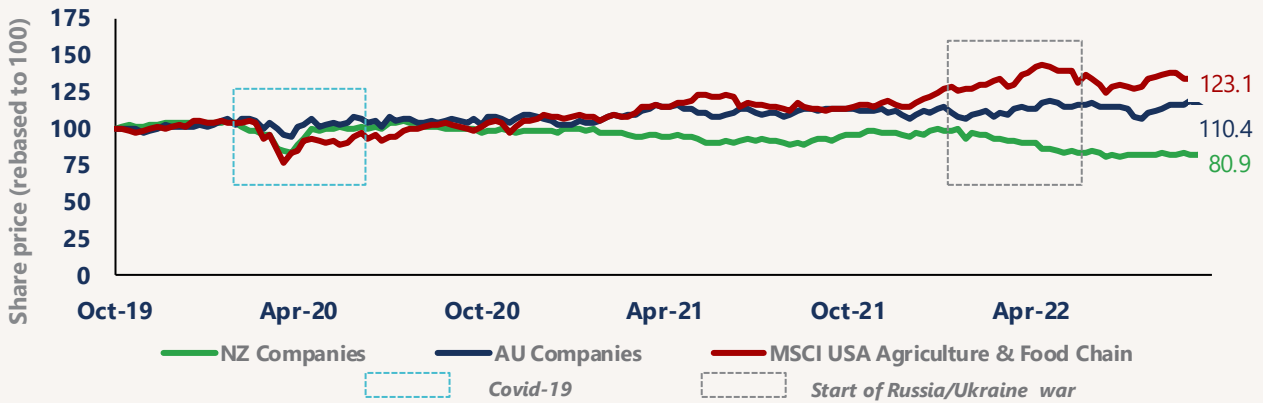


Sources: FactSet, EverEdge Research  
1. 2022 data is calculated YTD 30/09/2022

## Peer Group Share Price Performance

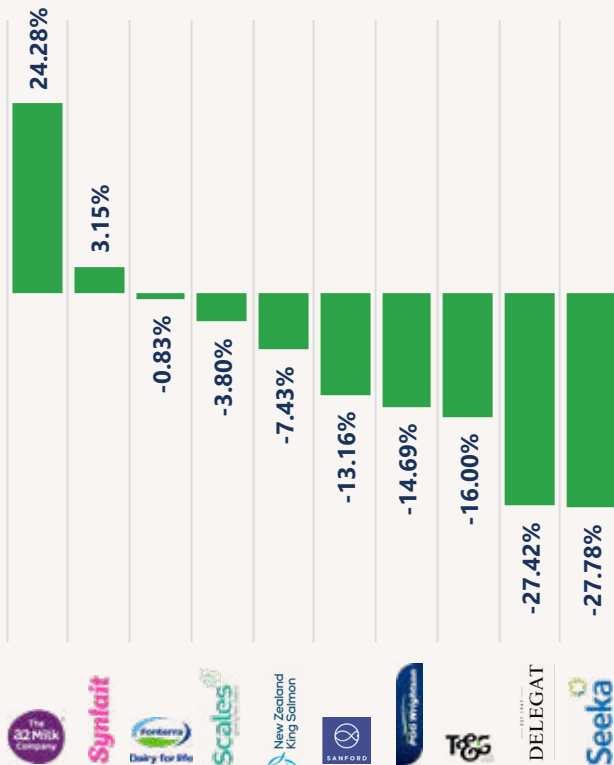
While the New Zealand Food & Beverage sector has struggled to recover after the Covid-19 pandemic, the AU sector has been more resilient while the US sector has held steady.

Change (%)	NZ Companies	AU Companies	MSCI US Agriculture & Food Chain
3-Year	(19.1%)	10.4%	23.1%
1-Year	(15.2%)	(2.3%)	7.1%

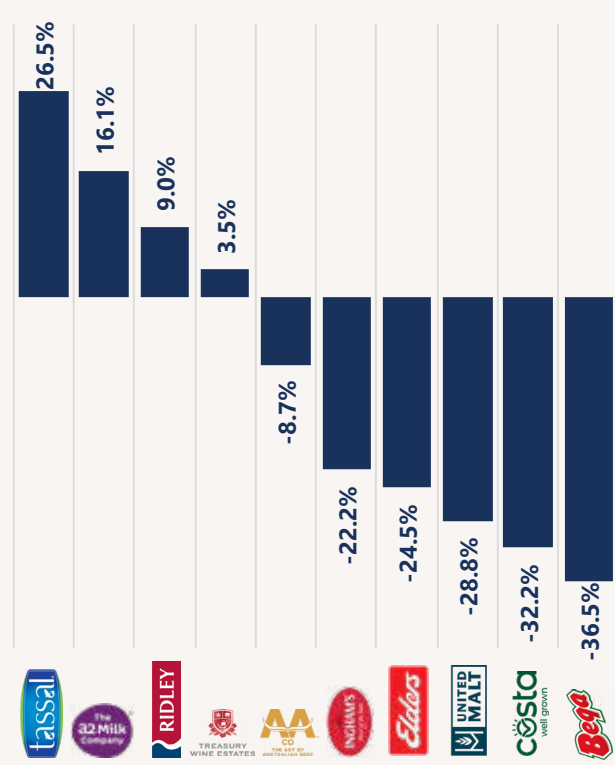


## Last Six Months (L6M) Share Price Performance (%)

### Top 10 NZ Agriculture Companies



### Top 10 AU Agriculture Companies



## 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)		
			2022E	2023E	2024E	2022E	2023E	2024E	2022E	2023E	2024E	2022E	2023E	2024E	2022E	2023E	2024E
New Zealand King Salmon Investments Ltd.	201	185	0.5x	0.4x	0.4x	-	4.5x	4.0x	-	8.3x	6.7x	-	15.5x	12.6x	-6.3x	11.3x	9.0x
Marlborough Wine Estates Group Ltd.	58	64	-	-	-	-	-	-	-	-	-	-	-	-	0.0x	0.0x	0.0x
Scales Corp. Ltd.	706	769	1.4x	1.3x	1.3x	10.5x	9.7x	8.8x	14.0x	12.8x	11.5x	25.4x	21.7x	18.9x	10.4x	7.3x	6.5x
Synlait Milk Ltd.	776	1,145	0.6x	0.7x	0.6x	9.1x	7.7x	6.3x	17.2x	12.5x	9.3x	18.2x	15.8x	10.6x	17.2x	7.5x	5.4x
Foley Wines Ltd.	97	164	-	-	-	-	-	-	-	-	-	-	-	-	0.0x	0.0x	0.0x
Delegat Group Limited	1032	1405	4.4x	3.9x	3.6x	12.7x	11.3x	10.3x	16.0x	14.3x	13.0x	18.1x	16.7x	14.9x	10.5x	13.5x	8.7x
T&G Global Limited	324	623	-	-	-	-	-	-	-	-	-	-	-	-	0.0x	0.0x	0.0x
a2 Milk Company Ltd.	4551	3787	2.0x	2.4x	2.2x	14.9x	16.7x	13.8x	16.5x	18.6x	15.1x	29.9x	30.4x	24.5x	11.2x	10.5x	9.3x
AFC Group Holdings Limited	4	3	-	-	-	-	-	-	-	-	-	-	-	-	0.0x	0.0x	0.0x
Seeka Limited	170	394	1.0x	0.9x	0.9x	8.0x	6.2x	5.8x	18.7x	11.4x	10.1x	24.5x	10.4x	8.5x	13.8x	5.8x	4.6x
Sanford Limited	391	595	1.1x	1.1x	1.0x	9.0x	7.3x	6.1x	11.5x	12.7x	9.9x	19.4x	14.0x	10.7x	17.4x	27.9x	24.3x
Fonterra Shareholders Fund Units	327	327	0.0x	0.0x	0.0x	0.2x	0.2x	0.2x	0.3x	0.3x	0.3x	8.6x	5.9x	6.7x	0.2x	0.2x	0.2x
PGG Wrightson Limited	331	459	0.5x	0.5x	0.5x	6.8x	6.8x	6.7x	11.7x	11.9x	11.6x	12.8x	13.7x	13.4x	4.4x	5.5x	4.4x
Allied Farmers Limited	20	20	-	-	-	-	-	-	-	-	-	-	-	-	0.0x	0.0x	0.0x
		<b>Median</b>	<b>1.0x</b>	<b>0.9x</b>	<b>0.9x</b>	<b>9.1x</b>	<b>7.1x</b>	<b>6.0x</b>	<b>14.4x</b>	<b>11.7x</b>	<b>10.0x</b>	<b>18.8x</b>	<b>13.9x</b>	<b>12.2x</b>	<b>2.2x</b>	<b>5.4x</b>	<b>4.3x</b>
		<b>Average</b>	<b>1.3x</b>	<b>1.2x</b>	<b>1.1x</b>	<b>8.8x</b>	<b>7.6x</b>	<b>6.7x</b>	<b>13.0x</b>	<b>11.3x</b>	<b>9.4x</b>	<b>19.1x</b>	<b>15.7x</b>	<b>12.9x</b>	<b>5.4x</b>	<b>6.3x</b>	<b>5.1x</b>

Source: FactSet  
Note: Financials reflect most recent company report. Market data as at 30 Sept 2022. "-" = data not available

## NZ: Sales Growth Rates & Operating Margins

NZ Food & Beverage Companies																
Company	Sales Growth			EBITDA Margin			EBIT Margin			Net Income Margin			CAGR 22E-24E			
	2022E	2023E	2024E	2022E	2023E	2024E	2022E	2023E	2024E	2022E	2023E	2024E	Sales	EBITDA	EBIT	N.I.
New Zealand King Salmon Investments Ltd.	-	-	-	-5.2%	9.3%	10.1%	-9.9%	5.1%	6.1%	-10.6%	4.2%	4.9%	8.1%	na	na	na
Marlborough Wine Estates Group Ltd.	-	-	-	-	-	-	-	-	-	-	-	-	na	na	na	na
Scales Corp. Ltd.	-	-	-	13.3%	13.8%	14.5%	10.0%	10.4%	11.1%	5.8%	6.4%	7.0%	4.7%	9.1%	10.5%	14.9%
Synlait Milk Ltd.	-	-	-	7.0%	8.7%	10.0%	3.8%	5.3%	6.8%	2.3%	2.9%	4.1%	5.1%	25.0%	40.7%	39.2%
Foley Wines Ltd.	-	-	-	-	-	-	-	-	-	-	-	-	na	na	na	na
Delegat Group Limited	-	-	-	34.5%	34.4%	34.9%	27.3%	27.1%	27.7%	19.3%	17.1%	17.7%	9.6%	10.2%	10.5%	4.8%
T&G Global Limited	-	-	-	-	-	-	-	-	-	-	-	-	na	na	na	na
a2 Milk Company Ltd.	-	-	-	13.6%	14.1%	15.6%	12.3%	12.6%	14.3%	8.5%	9.2%	10.4%	10.7%	18.8%	19.5%	22.7%
AFC Group Holdings Limited	-	-	-	-	-	-	-	-	-	-	-	-	na	na	na	na
Seeka Limited	-	-	-	13.0%	14.2%	15.0%	5.6%	7.1%	8.5%	1.9%	3.0%	4.3%	9.2%	17.0%	35.0%	66.5%
Sanford Limited	-	-	-	11.6%	13.9%	15.2%	6.5%	8.3%	9.2%	8.9%	4.2%	5.3%	7.0%	22.3%	27.1%	-17.2%
Fonterra Shareholders Fund Units	-	-	-	7.0%	8.2%	8.1%	4.5%	5.3%	5.0%	2.5%	3.5%	3.3%	-2.5%	5.2%	3.0%	11.2%
PGG Wrightson Limited	-	-	-	7.1%	7.0%	7.0%	4.1%	4.0%	4.0%	2.6%	2.5%	2.5%	1.7%	1.1%	0.5%	0.8%
Allied Farmers Limited	-	-	-	-	-	-	-	-	-	-	-	-	na	na	na	na
<b>Median</b>	-	-	-	<b>11.6%</b>	<b>13.8%</b>	<b>14.5%</b>	<b>5.6%</b>	<b>7.1%</b>	<b>8.5%</b>	<b>2.6%</b>	<b>4.2%</b>	<b>4.9%</b>	<b>7.0%</b>	<b>13.6%</b>	<b>15.0%</b>	<b>13.0%</b>
<b>Average</b>	-	-	-	<b>11.3%</b>	<b>13.7%</b>	<b>14.5%</b>	<b>7.1%</b>	<b>9.5%</b>	<b>10.3%</b>	<b>4.6%</b>	<b>5.9%</b>	<b>6.6%</b>	<b>6.0%</b>	<b>13.6%</b>	<b>18.4%</b>	<b>17.9%</b>

Source: FactSet  
Note: Financials reflect most recent company report. Market data as at 30 Sept 2022. "-" = data not available

## 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)			
			2022E	2023E	2024E	2022E	2023E	2024E	2022E	2023E	2024E	2022E	2023E	2024E	2022E	2023E	2024E	
Tassal Group Limited	2232	2903	2.0x	2.1x	2.0x	8.96x	8.6x	8.3x	15.3x	14.3x	13.6x	16.1x	15.8x	15.0x	16.8x	12.0x	11.7x	
United Malt Group Ltd.	1882	2411	1.0x	0.9x	0.9x	14.9x	9.7x	7.7x	47.8x	18.6x	12.4x	85.9x	21.9x	13.5x	-94.2x	15.5x	10.9x	
a2 Milk Company Ltd.	8046	5858	2.0x	2.4x	2.2x	14.8x	16.6x	13.7x	16.4x	18.6x	15.0x	29.8x	30.5x	24.5x	19.4x	17.6x	15.6x	
Select Harvests Limited	1278	1777	5.0x	4.3x	3.7x	26.2x	15.1x	9.4x	59.1x	24.4x	12.4x	65.9x	26.5x	12.1x	195.7x	32.6x	14.0x	
Ridley Corporation Limited	1310	1214	0.6x	0.7x	0.7x	7.8x	8.2x	7.5x	11.6x	11.8x	10.7x	16.4x	16.3x	14.6x	12.8x	13.4x	11.3x	
Ricegrowers Ltd. Class B	828	1112	0.4x	0.4x	0.4x	6.4x	5.8x	5.5x	9.2x	8.4x	-	9.6x	9.0x	7.9x	0.0x	0.0x	0.0x	
Cobram Estate Olives Ltd.	1249	1348	4.4x	3.1x	3.3x	29.0x	9.1x	18.8x	98.4x	12.0x	37.5x	-	15.3x	63.2x	-65.7x	15.1x	49.0x	
Lynch Group Holding Ltd	630	646	0.8x	0.9x	0.9x	6.1x	6.2x	5.2x	10.5x	10.7x	8.1x	9.8x	11.6x	9.0x	20.1x	8.9x	7.2x	
Bubs Australia Ltd.	757	646	4.0x	2.0x	1.8x	74.9x	23.4x	19.5x	-	29.6x	23.9x	-	55.4x	43.9x	119.7x	-492.8x	80.7x	
Costa Group Holdings Ltd.	2091	3515	1.5x	1.3x	1.3x	7.9x	6.8x	6.4x	16.1x	12.6x	11.6x	16.5x	12.2x	11.2x	17.0x	12.2x	11.0x	
Bega Cheese Limited	2113	2527	0.5x	0.5x	0.4x	8.5x	8.2x	6.8x	20.1x	20.4x	13.5x	25.1x	25.1x	15.6x	12.5x	15.8x	11.5x	
Elders Limited	3726	3963	0.7x	0.7x	0.7x	8.4x	8.5x	8.7x	9.7x	10.0x	10.2x	11.3x	11.6x	12.2x	9.6x	9.1x	9.1x	
Inghams Group Ltd.	1778	4,768	1.0x	0.9x	0.9x	7.3x	6.4x	6.0x	25.2x	19.9x	16.3x	22.7x	14.0x	10.6x	8.5x	8.0x	7.3x	
Treasury Wine Estates Limited	18,233	18,356	4.0x	3.4x	3.6x	15.0x	13.0x	14.4x	17.9x	18.4x	18.3x	25.7x	23.9x	27.2x	17.1x	19.0x	19.2x	
Lark Distilling Co. Ltd.	322	267	11.6x	7.0x	16.0x	-	-	125.4x	-	-	142.7x	-	-	60.5x	0.0x	0.0x	177.6x	
Australian Agricultural Company Limited	2077	2505	4.8x	4.3x	4.0x	27.3x	27.9x	27.1x	44.7x	46.9x	45.3x	95.3x	131.9x	142.9x	0.0x	0.0x	0.0x	
			<b>Median</b>	<b>1.7x</b>	<b>1.7x</b>	<b>1.5x</b>	<b>11.6x</b>	<b>8.9x</b>	<b>8.5x</b>	<b>18.2x</b>	<b>17.6x</b>	<b>13.6x</b>	<b>22.7x</b>	<b>19.1x</b>	<b>14.8x</b>	<b>12.6x</b>	<b>12.1x</b>	<b>11.2x</b>
			<b>Average</b>	<b>2.5x</b>	<b>2.0x</b>	<b>1.9x</b>	<b>24.7x</b>	<b>12.8x</b>	<b>11.2x</b>	<b>40.3x</b>	<b>20.0x</b>	<b>17.8x</b>	<b>33.1x</b>	<b>30.7x</b>	<b>28.1x</b>	<b>5.8x</b>	<b>-28.2x</b>	<b>10.0x</b>

Source: FactSet | Note: Financials reflect most recent company report. Market data as at 30 Sept 2022. "-" = data not available

## AU: Sales Growth Rates & Operating Margins

AU Food & Beverage Companies																
Company	Sales growth			EBITDA margin			EBIT margin			Net income margin			CAGR 22E-24E			
	2022E	2023E	2024E	2022E	2023E	2024E	2022E	2023E	2024E	2022E	2023E	2024E	Sales	EBITDA	EBIT	N.I.
Tassal Group Limited	-	-	-	22.5%	23.8%	24.1%	13.2%	14.4%	14.7%	8.2%	8.8%	9.0%	3.1%	6.6%	8.9%	7.8%
United Malt Group Ltd.	-	-	-	6.8%	9.7%	12.3%	2.1%	5.1%	7.6%	0.9%	3.0%	4.8%	3.4%	39.3%	96.6%	141.6%
a2 Milk Company Ltd.	-	-	-	13.6%	14.1%	15.7%	12.3%	12.7%	14.4%	8.5%	9.2%	10.5%	12.0%	20.5%	21.2%	24.3%
Select Harvests Limited	-	-	-	19.1%	28.5%	39.1%	8.4%	17.7%	29.7%	4.6%	10.1%	19.3%	16.5%	66.9%	118.5%	138.7%
Ridley Corporation Limited	-	-	-	7.6%	8.1%	8.7%	5.2%	5.6%	6.2%	4.0%	3.7%	4.1%	1.7%	8.8%	11.5%	2.8%
Ricegrowers Ltd. Class B	-	-	-	-	-	-	-	-	-	-	-	-	na	na	na	na
Cobram Estate Olives Ltd.	-	-	-	15.2%	33.8%	17.7%	4.5%	25.6%	8.9%	-0.4%	17.2%	4.3%	16.2%	25.6%	63.7%	na
Lynch Group Holding Ltd	-	-	-	13.2%	14.8%	16.6%	7.7%	8.5%	10.7%	6.7%	6.8%	8.2%	7.3%	20.7%	26.3%	18.5%
Bubs Australia Ltd.	-	-	-	4.1%	4.6%	7.4%	-1.2%	0.5%	4.5%	-12.8%	0.2%	3.0%	28.9%	73.8%	na	na
Costa Group Holdings Ltd.	-	-	-	16.7%	19.2%	19.7%	6.9%	9.9%	10.6%	3.0%	5.1%	5.6%	6.8%	15.8%	31.7%	46.4%
Bega Cheese Limited	-	-	-	6.0%	5.5%	6.5%	2.5%	2.2%	3.2%	1.5%	1.3%	1.9%	3.4%	7.5%	15.4%	15.2%
Elders Limited	-	-	-	8.5%	8.6%	8.5%	7.3%	7.4%	7.3%	5.3%	5.4%	5.1%	-1.2%	-1.0%	-1.2%	-3.3%
Inghams Group Ltd.	-	-	-	14.0%	14.4%	14.9%	4.1%	4.7%	5.5%	2.1%	2.1%	2.7%	5.7%	9.1%	23.5%	19.6%
Treasury Wine Estates Limited	-	-	-	26.5%	28.4%	29.8%	20.7%	22.8%	24.4%	12.7%	14.3%	15.6%	7.3%	13.7%	16.5%	18.8%
Lark Distilling Co. Ltd.	-	-	-	5.8%	11.9%	17.2%	3.8%	6.5%	10.8%	-1.9%	6.4%	9.6%	34.9%	133.3%	128.2%	na
Australian Agricultural Company Limited	-	-	-	-	-	-	-	-	-	-	-	-	na	na	na	na
<b>Median</b>	-	-	-	<b>13.4%</b>	<b>14.3%</b>	<b>16.2%</b>	<b>6.1%</b>	<b>8.0%</b>	<b>9.7%</b>	<b>3.5%</b>	<b>5.9%</b>	<b>5.3%</b>	<b>7.0%</b>	<b>18.2%</b>	<b>23.5%</b>	<b>18.8%</b>
<b>Average</b>	-	-	-	<b>12.8%</b>	<b>16.1%</b>	<b>17.0%</b>	<b>7.0%</b>	<b>10.3%</b>	<b>11.3%</b>	<b>3.0%</b>	<b>6.7%</b>	<b>7.4%</b>	<b>10.4%</b>	<b>31.5%</b>	<b>43.1%</b>	<b>39.1%</b>

Source: FactSet | Note: Financials reflect most recent company report. Market data as at 30 Sept 2022. "-" = data not available

## 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)		
			2022E	2023E	2024E	2022E	2023E	2024E	2022E	2023E	2024E	2022E	2023E	2024E	2022E	2023E	2024E
Mondelez International, Inc. Class A	224,928	174,018	3.9x	3.7x	3.6x	18.99x	18.0x	17.1x	23.1x	21.6x	20.5x	22.4x	20.6x	19.0x	22.4x	21.2x	20.0x
Archer-Daniels-Midland Company	64,493	56,063	0.5x	0.5x	0.5x	10.2x	8.8x	8.4x	19.0x	15.1x	11.9x	14.7x	11.6x	10.5x	14.6x	12.5x	8.8x
General Mills, Inc.	93,925	85,535	2.8x	2.8x	2.8x	13.5x	13.4x	13.3x	16.5x	16.3x	16.1x	16.5x	16.1x	15.6x	15.2x	15.0x	15.0x
Corteva Inc	59,119	40,590	1.7x	1.6x	1.5x	11.6x	9.7x	8.7x	19.9x	15.1x	13	23.5x	17.9x	14.7x	17.2x	14.1x	11.5x
Sysco Corporation	114,878	87,481	0.7x	0.8x	0.8x	12.8x	13.5x	12.7x	16.4x	17.2x	16.2x	19.9x	20.9x	19.2x	17.6x	27.5x	29.0x
Hershey Company	65,094	65,184	4.7x	4.6x	4.5x	18.5x	17.7x	17.1x	21.8x	20.7x	19.9x	26.9x	25.1x	23.7x	22.1x	21.7x	19.7x
Kraft Heinz Company	96,085	111,761	2.5x	2.5x	2.5x	10.6x	10.8x	10.7x	12.9x	13.1x	12.9x	10.7x	10.8x	10.6x	11.9x	10.4x	11.6x
CF Industries Holdings, Inc.	30,284	30,709	3.7x	3.6x	3.6x	10.1x	9.4x	9.3x	16.9x	15.2x	15.8x	20.9x	17.1x	15.5x	14.4x	16.7x	7.9x
Tyson Foods, Inc. Class A	71,565	75,162	1.0x	0.9x	0.9x	10.2x	8.8x	8.1x	13.9x	11.5x	10.5x	15.4x	12.6x	11.3x	15.1x	13.6x	9.9x
McCormick & Company, Incorporated	58,428	44,673	4.7x	4.6x	4.4x	22.0x	20.8x	19.7x	25.7x	24.0x	22.6x	29.7x	27.6x	25.5x	26.2x	26.3x	25.0x
<b>Median</b>			<b>2.7x</b>	<b>2.7x</b>	<b>2.7x</b>	<b>12.2x</b>	<b>12.1x</b>	<b>11.7x</b>	<b>18.0x</b>	<b>15.8x</b>	<b>15.9x</b>	<b>20.4x</b>	<b>17.5x</b>	<b>15.5x</b>	<b>16.2x</b>	<b>15.8x</b>	<b>13.3x</b>
<b>Average</b>			<b>2.6x</b>	<b>2.6x</b>	<b>2.5x</b>	<b>13.9x</b>	<b>13.1x</b>	<b>12.5x</b>	<b>18.6x</b>	<b>17.0x</b>	<b>16.0x</b>	<b>20.1x</b>	<b>18.0x</b>	<b>16.6x</b>	<b>17.7x</b>	<b>17.9x</b>	<b>15.8x</b>

Source: FactSet | Note: Financials reflect most recent company report. Market data as at 30 Sept 2022. "-" = data not available

## US: Sales Growth Rates & Operating Margins

US Food & Beverage Companies																
Company	Sales Growth			EBITDA Margin			EBIT Margin			Net Income Margin			CAGR 22E-24E			
	2022E	2023E	2024E	2022E	2023E	2024E	2022E	2023E	2024E	2022E	2023E	2024E	Sales	EBITDA	EBIT	N.I.
Mondelez International, Inc. Class A	9.1%	5.9%	3.8%	19.6%	19.7%	20.1%	15.9%	16.0%	16.5%	13.0%	12.9%	13.3%	3.5%	4.9%	5.4%	4.7%
Archer-Daniels-Midland Company	-	-	-	6.5%	5.8%	5.5%	4.4%	4.1%	4.1%	4.2%	3.6%	3.3%	-2.8%	-10.3%	-5.9%	-13.4%
General Mills, Inc.	7.0%	1.3%	1.5%	19.9%	20.2%	20.4%	16.9%	17.2%	17.4%	12.6%	12.9%	13.1%	1.8%	3.0%	3.4%	3.7%
Corteva Inc	13.0%	4.3%	2.5%	17.7%	18.8%	19.9%	14.4%	16.0%	17.4%	10.7%	12.1%	13.1%	5.3%	11.7%	15.9%	16.5%
Sysco Corporation	-	-	-	5.0%	5.3%	5.6%	3.8%	4.3%	4.5%	2.5%	2.8%	3.0%	7.6%	13.8%	16.7%	18.0%
Hershey Company	14.9%	5.4%	-	26.1%	26.3%	26.7%	22.5%	22.7%	23.0%	16.5%	16.7%	17.1%	4.8%	6.0%	6.0%	6.8%
Kraft Heinz Company	8.2%	1.9%	1.1%	22.5%	23.0%	23.4%	18.5%	18.9%	19.4%	12.7%	12.8%	13.3%	0.8%	2.8%	3.0%	3.0%
CF Industries Holdings, Inc.	-	-	-	52.9%	50.7%	42.6%	49.0%	45.9%	34.1%	31.0%	30.6%	22.3%	-19.2%	-27.5%	-32.5%	-31.4%
Tyson Foods, Inc. Class A	-	-	-	10.8%	9.3%	9.1%	8.4%	6.8%	6.6%	6.1%	4.8%	4.7%	1.6%	-6.4%	-9.8%	-10.5%
McCormick & Company, Incorporated	-	-	-	18.6%	19.8%	20.3%	15.3%	16.5%	17.2%	11.4%	12.0%	12.8%	2.7%	7.1%	9.1%	8.8%
<b>Median</b>	<b>9.1%</b>	<b>4.3%</b>	<b>2.0%</b>	<b>19.1%</b>	<b>19.7%</b>	<b>20.2%</b>	<b>15.6%</b>	<b>16.3%</b>	<b>17.3%</b>	<b>12.0%</b>	<b>12.4%</b>	<b>13.1%</b>	<b>2.2%</b>	<b>4.0%</b>	<b>4.4%</b>	<b>4.2%</b>
<b>Average</b>	<b>10.4%</b>	<b>3.8%</b>	<b>2.2%</b>	<b>20.0%</b>	<b>19.9%</b>	<b>19.4%</b>	<b>16.9%</b>	<b>16.8%</b>	<b>16.0%</b>	<b>12.1%</b>	<b>12.1%</b>	<b>11.6%</b>	<b>0.6%</b>	<b>0.5%</b>	<b>1.1%</b>	<b>0.6%</b>

Source: FactSet  
Note: Financials reflect most recent company report. Market data as of 30 Sept 2022. "-" = 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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