

M&A INDUSTRY REPORT

Food & Beverage

FOCUS is a leading national M&A brand for the lower middle market. With over 40 years of experience, a global footprint, and hundreds of successful deals across myriad industries, FOCUS continues its mission to redefine the banker/client relationship.

Q1 2025



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M&A INDUSTRY OVERVIEW

In the first quarter of 2025, mergers and acquisition (M&A) activity showed a mixed picture.

Food and beverage dealmaking slipped in Q1 compared to the previous quarter, down 11% with a total of 93 deals announced or closed. Industry activity mirrored the broader M&A market, which has experienced a cautious start due to a mix of economic, policy, and market factors. Yet demand in the food and beverage sector remains stable thanks to limited tariff issues and stability amidst economic uncertainty. Deal activity in Q1 reflected this sentiment as food and beverage M&A maintained momentum from late 2024.

Several major deals closed or were announced in Q1, spanning various segments of the food and beverage industry. PepsiCo announced its purchase of prebiotic soda brand Poppi for nearly \$2 billion, while Celsius acquired female-focused energy drink brand Alani Nutrition for \$1.8 billion. The Q1 megadeals weren't limited to better-for-you beverages either, with private equity firm Roark Capital inking a deal with franchise operator Dave'sHot Chicken for roughly \$1 billion.

The first quarter reinforced private equity's interest in food and beverage, and strategic buyers continued to account for a consistent source of deal activity. However, trade and tariff policies have created a growing level of uncertainty for both business operators and investors. Some companies are slowing down M&A activity as they realign their operations, while investors are focusing on deal structures that provide greater flexibility and risk mitigation. Still, despite these headwinds, companies remain focused on acquisitions to fuel growth, improve operations, broaden product offerings, and expand into new markets. In the near term, economic and policy uncertainties will continue to shape deal dynamics, but fundamentals in food and beverage still support active M&A interest.



M&A INDUSTRY OVERVIEW

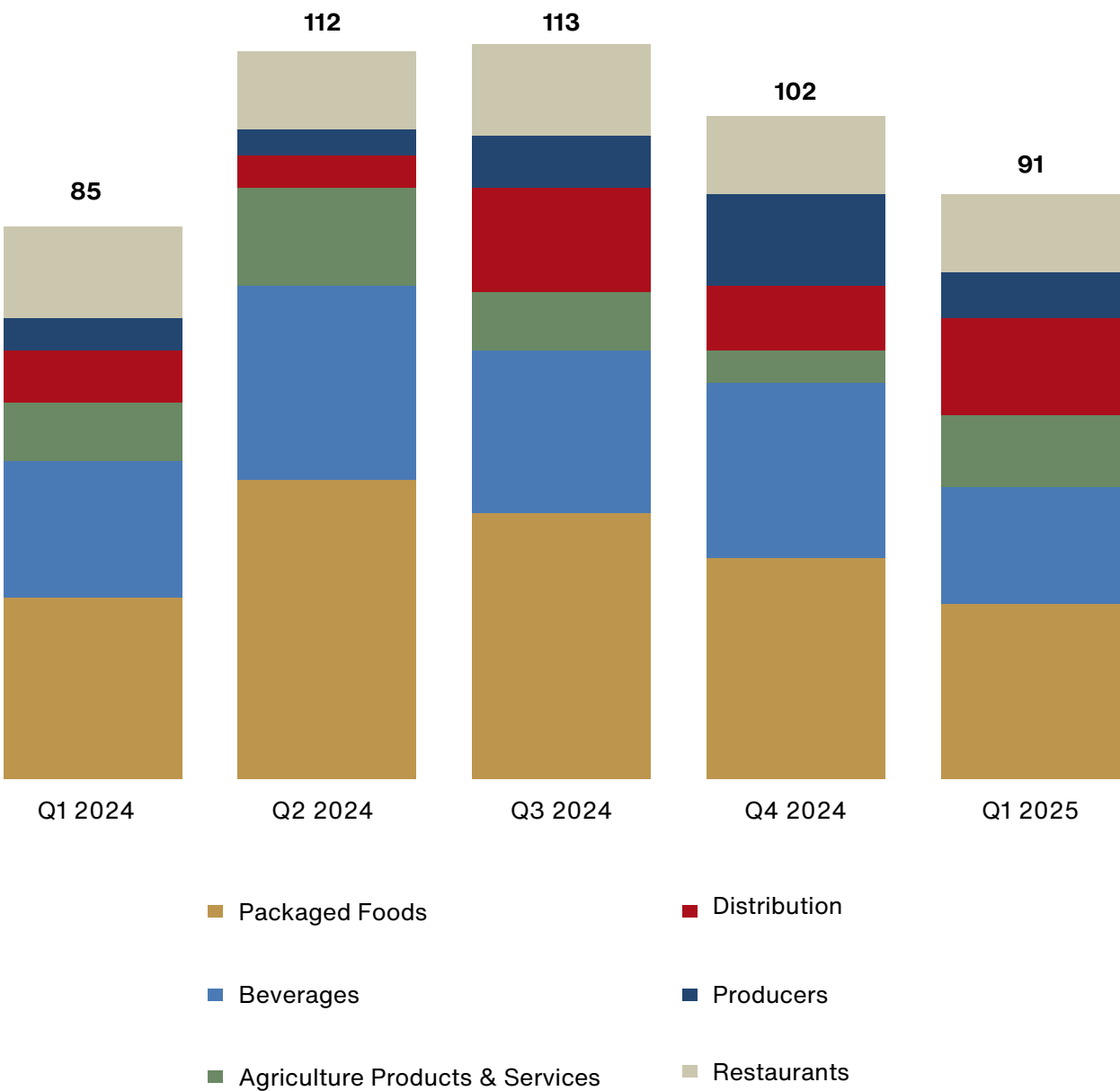
Drivers of deal activity in Q1 2025 include:

- **Continued focus on health & wellness:** Consumers are increasingly prioritizing healthy and sustainable foods, prompting major corporations to pursue acquisitions of brands meeting this demand. Kraft Heinz, Hershey, and Molson Coors are just a few of the food giants prioritizing M&A to enter or expand into fast growing health & wellness categories. PE firms are also capitalizing on the trend. Earlier this year, Dutch Gold Honey, a family-owned business that produces ethically sourced honey products, was acquired by an affiliate of lower middle market private equity firm New Water Capital.
- **More cheese, please:** US cheese producers are drawing heightened acquisition interest thanks to growing consumer demand for specialty cheese products. Adding to the segment's M&A appeal is that producers are relatively well insulated from tariff risk. These dynamics have spurred a wave of M&A activity, with a swathe of specialty cheese companies coming to market in recent months.
- **Private equity's appetite for bakery:** Recent years have seen private equity firms increasingly targeting the bakery segment for roll-up strategies. Bakery companies remain in high demand, from makers of specialty products to manufacturers of fresh bread and other staples, and competition among buyers has driven attractive valuation multiples for sellers. In Q1, middle market PE firm One Equity Partners announced its acquisition of CraftMark Bakery, a frozen bakery manufacturer that supplies restaurants and in-store retail bakeries. CraftMark's attributes made it an attractive acquisition: high volume B2B provider with reliable revenue streams and room for bolt-on growth.
- **Convenience still rules:** M&A activity in the fresh-cut produce segment has grown steadily in recent years as buyers, both strategic and private equity, seek to capitalize on strong consumer demand for healthy, convenient, and minimally processed foods. In Q1, Red Arts Capital, a middle market PE firm specializing in supply-chain related and logistics businesses, announced its acquisition of Freshway Foods. Freshway Foods is a supplier of fresh-cut processing, repacking, transportation, and logistics services, serving retail and foodservice customers.

SECTOR HIGHLIGHTS

- Food and beverage manufacturers, which include branded and private label/co-manufacturing, accounted for majority of deals in Q1 2025, with a total of 27 transactions and 18 transactions, respectively. In addition to the megadeals that dominated the beverage space (see page 1), other notable deals included Flowers Foods’s acquisition of better-for-you brand Simple Mills for \$795 million.
- The distribution segment saw a noticeable uptick in M&A activity with a total of 15 deals, up 50% versus the prior quarter. As food prices climb in the current environment, distributors may gain more pricing power, boosting both revenue and M&A interest in the sector.
- The restaurant segment produced 13 deals in Q1, with buyers favoring restaurant franchise operators for their steady royalty revenue and relatively low operating costs. Deals included investment firm Maple Park Capital making a majority growth investment in Rita’s Italian Ice & Frozen Custard, an Italian Ice concept with a franchise network spanning over 575 locations across 30 states.

Food, Beverage, and Agribusiness M&A Activity



Source: S&P Capital IQ and FOCUS research (March 2025)

FEATURED M&A TRANSACTIONS

US Foods Acquires Jake's Finer Foods

- Foodservice distributor US Foods acquired Jake's Finer Foods for \$92 million, representing a 0.6x EV/Revenue multiple.
- Jake's provides foodservice distribution and restaurant supply services in south Texas, generating more than \$160 million in annual revenue.
- US Foods is expected to continue pursuing tuck-in acquisitions as part of its growth strategy; the company prioritizes businesses that increase density in a geography, add capacity for growth, or have an attractive customer mix.



Nonantum Capital Partners Acquires MSI Express

- Private equity firm Nonantum Capital acquired MSI Express, a contract manufacturing and packaging partner for food and beverage companies. Deal terms were not disclosed.
- MSI Express was previously backed by lower middle market PE firm HCI Equity (HCI); in partnership with HCI, MSI Express completed three add-on acquisitions and grew its footprint from 450k sq. ft. to a national footprint of over 2.5 million sq. ft.



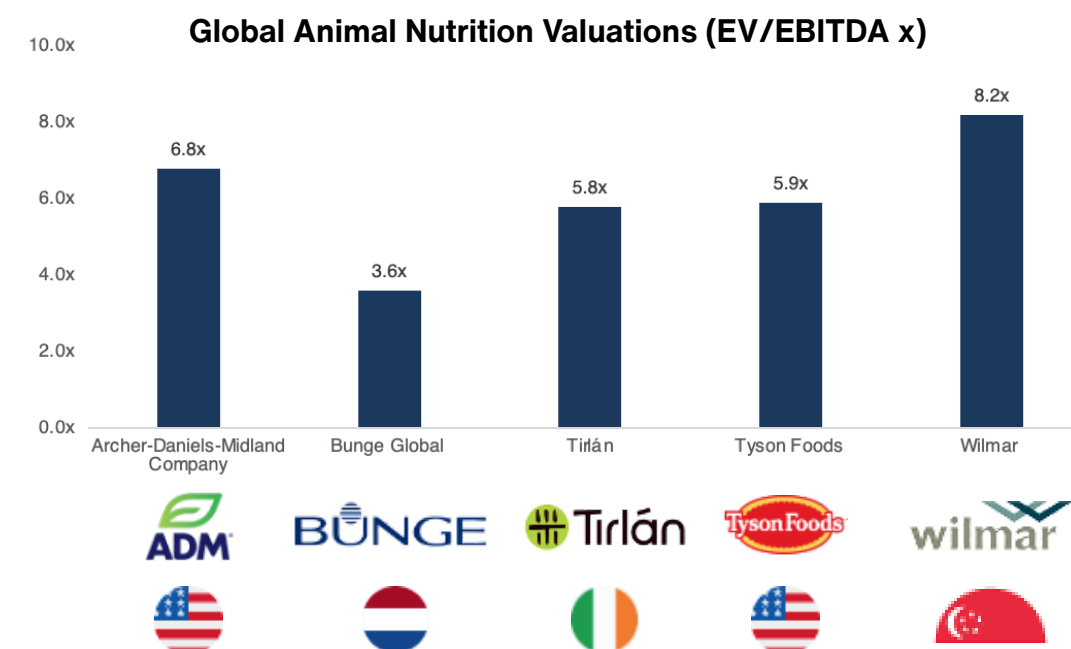
Ferrero Group Acquires Power Crunch

- Packaged food company Ferrero Group announced its acquisition of protein snack company Power Crunch. Deal terms were not disclosed.
- The acquisition aligns with Ferrero's strategy to diversify into the better-for-you snack segment and helps expand its footprint in the US.
- Ferrero has made several acquisitions in the better-for-you segment in Europe, including Fulfil Nutrition and Eat Natural.



SECTOR SPOTLIGHT - AGRICULTURE: ANIMAL NUTRITION

- The global animal nutrition market was valued at \$24.9 billion in 2024 and is expected to reach \$41.4 billion by 2033, growing at a CAGR of 5.9% over this period.
- The sector is heavily influenced by fluctuations in the prices of key feed ingredients—grain, wheat, barley, and maize—which have remained volatile in recent years due to the pandemic and supply chain disruptions. The interconnected nature of grain markets and animal nutrition means that any disruption in grain production, trade, or pricing directly affects feed costs.
- Sustainability is becoming a key focus, with a growing shift toward organic and plant-based feed ingredients.
- Precision feeding technologies, such as automated monitoring systems, are gaining traction, helping farmers optimize livestock nutrition and productivity.
- The newly introduced US tariffs are expected to create several challenges for the animal feed market. Many feed producers rely on imported essential components, and tariffs are likely to drive up costs for vitamins, amino acids, and other additives, making animal nutrition more expensive worldwide.
- In Q1 2025, no significant animal nutrition transactions have taken place, as industry players continue to assess the impact of the current economic climate. However, global M&A activity in the sector saw strong momentum in 2024. A number of transactions among pet food and livestock feed producers were driven by rising global demand and supply needs for meat.



FOCUS DEAL SPOTLIGHT



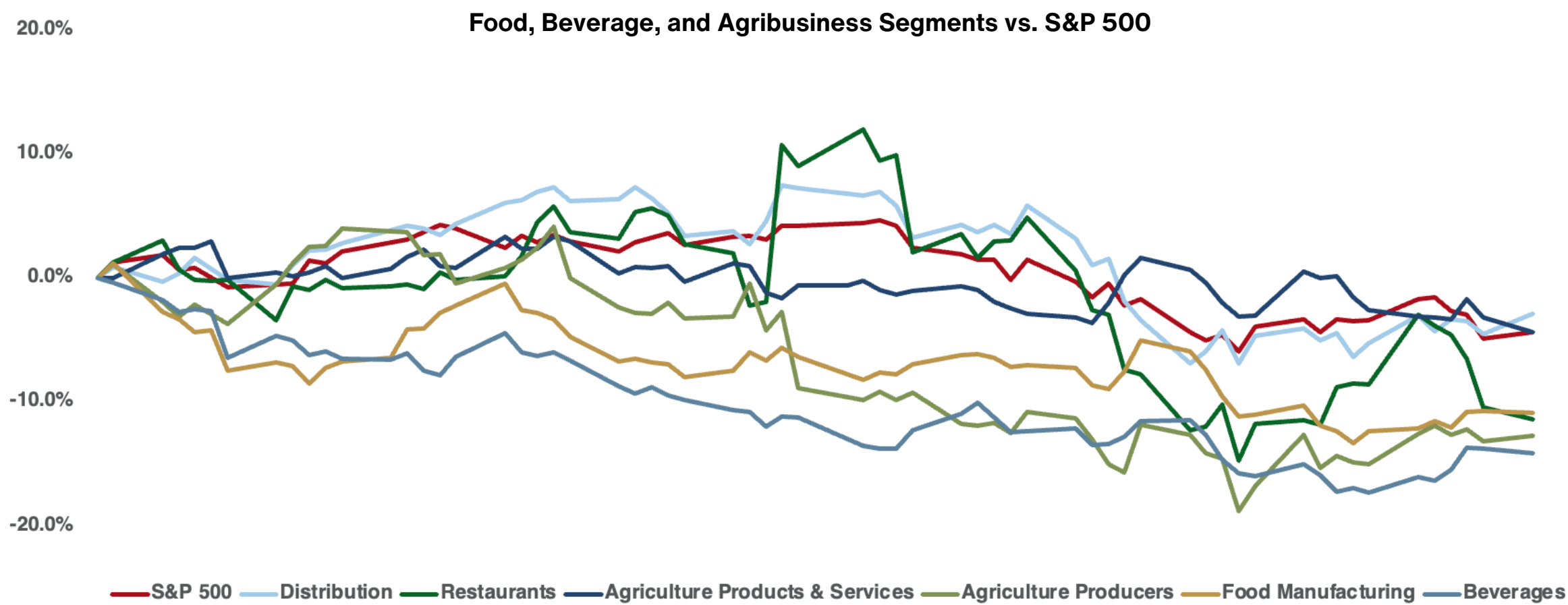
In March 2024, Devenish Nutrition Group, a leading provider of integrated environmental, animal and human health solutions, announced the sale of its North America division and related assets to EASY BIO, Inc. of South Korea. FOCUS represented Devenish throughout the transaction process.

Devenish, founded in 1952 in Belfast, Northern Ireland, provides products and services to the global agricultural industry. Today, 90% of Devenish sales are derived from its own manufactured products. Devenish North America comprises five manufacturing facilities, four of which are located in the US and one in Mexico. Additionally, the company operates a further 10 research facilities in partnership with key US customers.

EASY BIO, founded in 1988 and headquartered in South Korea, is a global leader in the animal nutrition business and has operations throughout Asia and North America. The company is committed to providing healthy food for animals and continues its push to be a global leader in the future of the sustainable animal industry.

Devenish Nutrition and EASY BIO will work together on an ongoing basis, as the business will continue to operate under the Devenish name and sell a range of the Group's products under license. Devenish intends to apply the proceeds of the sale to redeem debt and to invest in its core activities in northwest Europe and other international markets.

PUBLIC COMPS



PUBLIC COMPS

Agriculture Products and Services

(\$US in millions)								
Company Name	Market Cap	EV	LTM		EV/LTM		LTM EBITDA Margin %	LTM Revenue Growth %
			Revenue	EBITDA	Revenue	EBITDA		
Phibro Animal Health Corporation (NasdaqGM:PAHC)	\$865	\$1,582	\$1,106	\$139	1.4x	10.5x	13%	13%
Neogen Corporation (NasdaqGS:NEOG)	\$1,881	\$2,634	\$906	\$159	2.9x	15.9x	18%	(3%)
ForFarmers N.V. (ENXTAM:FFARM)	\$449	\$584	\$3,119	\$94	0.2x	5.3x	3%	(8%)
Origin Enterprises plc (ISE:OIZ)	\$378	\$760	\$2,297	\$103	0.3x	5.5x	5%	(5%)
Elders Limited (ASX:ELD)	\$806	\$1,245	\$1,978	\$82	0.6x	9.9x	4%	(6%)
KWS SAAT SE & Co. KGaA (XTRA:KWS)	\$2,092	\$2,537	\$1,930	\$432	1.3x	6.0x	22%	11%
Bioceres Crop Solutions Corp. (NasdaqGS:BIOX)	\$286	\$578	\$408	\$51	1.4x	10.5x	13%	(10%)
Virbac SA (ENXTPA:VIRP)	\$2,801	\$2,982	\$1,587	\$309	1.9x	9.2x	20%	12%
Três Tentos Agroindustrial S/A (BOVESPA:TEN3)	\$1,232	\$1,219	\$2,189	\$228	0.6x	5.3x	10%	43%
The Andersons, Inc. (NasdaqGS:ANDE)	\$1,457	\$2,024	\$11,258	\$321	0.2x	5.7x	3%	(24%)
Average	\$1,225	\$1,615	\$2,678	\$192	1.1x	8.4x	11%	2%
Median	\$1,049	\$1,414	\$1,954	\$149	1.0x	7.6x	11%	(4%)

PUBLIC COMPS

Agriculture Producers

(\$US in millions)								
Company Name	Market Cap	EV	LTM		EV/LTM		LTM EBITDA Margin %	LTM Revenue Growth %
			Revenue	EBITDA	Revenue	EBITDA		
Cal-Maine Foods, Inc. (NasdaqGS:CALM)	\$4,458	\$3,667	\$3,799	\$1,335	1.2x	4.3x	35%	60%
Fresh Del Monte Produce Inc. (NYSE:FDP)	\$1,478	\$1,873	\$4,271	\$248	0.4x	5.9x	6%	(1%)
Calavo Growers, Inc. (NasdaqGS:CVGW)	\$428	\$406	\$688	\$33	0.6x	10.5x	5%	17%
Mission Produce, Inc. (NasdaqGS:AVO)	\$745	\$953	\$1,310	\$101	0.7x	7.2x	8%	31%
Vital Farms, Inc. (NasdaqGM:VITL)	\$1,349	\$1,207	\$606	\$77	2.0x	3.8x	13%	28%
Limoneira Company (NasdaqGS:LMNR)	\$320	\$401	\$186	\$5	2.2x	15.7x	2%	2%
Adecoagro S.A. (NYSE:AGRO)	\$1,117	\$2,066	\$1,519	\$426	1.4x	4.1x	28%	17%
Average	\$1,413	\$1,510	\$1,769	\$318	1.2x	7.4x	14%	22%
Median	\$1,117	\$1,207	\$1,310	\$101	1.2x	5.9x	8%	17%

PUBLIC COMPS

Beverages

(\$US in millions)								
Company Name	Market Cap	EV	LTM		EV/LTM		LTM EBITDA Margin %	LTM Revenue Growth %
			Revenue	EBITDA	Revenue	EBITDA		
MGP Ingredients, Inc. (NasdaqGS:MGPI)	\$625	\$938	\$704	\$187	1.3x	4.9x	27%	(16%)
SunOpta Inc. (NasdaqGS:STKL)	\$570	\$976	\$724	\$77	1.3x	10.2x	11%	15%
National Beverage Corp. (NasdaqGS:FIZZ)	\$3,889	\$3,790	\$1,185	\$251	3.2x	14.1x	21%	0%
The Boston Beer Company, Inc. (NYSE:SAM)	\$2,646	\$2,473	\$2,041	\$263	1.2x	9.7x	13%	1%
The Hain Celestial Group, Inc. (NasdaqGS:HAIN)	\$375	\$1,118	\$1,663	\$127	0.7x	7.8x	8%	(7%)
Lassonde Industries Inc. (TSX:LAS.A)	\$1,039	\$1,433	\$1,878	\$188	0.8x	7.5x	10%	12%
Andrew Peller Limited (TSX:ADW.A)	\$156	\$296	\$288	\$29	1.0x	9.0x	10%	5%
TreeHouse Foods, Inc. (NYSE:THS)	\$1,360	\$2,637	\$3,354	\$307	0.8x	7.2x	9%	(2%)
Average	\$1,332	\$1,708	\$1,480	\$179	1.3x	8.8x	14%	1%
Median	\$832	\$1,275	\$1,424	\$187	1.1x	8.4x	10%	1%

PUBLIC COMPS

Distributors

(\$US in millions)								
Company Name	Market Cap	EV	LTM		EV/LTM		LTM EBITDA Margin %	LTM Revenue Growth %
			Revenue	EBITDA	Revenue	EBITDA		
SpartanNash Company (NasdaqGS:SPTN)	\$684	\$1,770	\$9,549	\$235	0.2x	6.0x	3%	(2%)
United Natural Foods, Inc. (NYSE:UNFI)	\$1,658	\$5,329	\$31,682	\$507	0.2x	5.8x	2%	5%
Performance Food Group Company (NYSE:PFGC)	\$12,283	\$20,134	\$56,501	\$1,430	0.4x	12.2x	3%	5%
US Foods Holding Corp. (NYSE:USFD)	\$15,081	\$20,456	\$37,877	\$1,562	0.5x	12.5x	4%	6%
HF Foods Group Inc. (NasdaqCM:HFFG)	\$258	\$450	\$1,202	\$34	0.4x	11.4x	3%	5%
The Chefs' Warehouse, Inc. (NasdaqGS:CHEF)	\$2,232	\$3,033	\$3,794	\$187	0.8x	11.8x	5%	11%
Average	\$5,366	\$8,529	\$23,434	\$659	0.4x	10.0x	3%	5%
Median	\$1,945	\$4,181	\$20,616	\$371	0.4x	11.6x	3%	5%

PUBLIC COMPS

Food Manufacturing

(\$US in millions)								
Company Name	Market Cap	EV	LTM		EV/LTM		LTM EBITDA Margin %	LTM Revenue Growth %
			Revenue	EBITDA	Revenue	EBITDA		
John B. Sanfilippo & Son, Inc. (NasdaqGS:JBSS)	\$825	\$913	\$1,108	\$103	0.8x	9.2x	9%	7%
The Hain Celestial Group, Inc. (NasdaqGS:HAIR)	\$375	\$1,118	\$1,663	\$127	0.7x	7.8x	8%	(7%)
Premium Brands Holdings Corporation (TSX:PBH)	\$2,508	\$4,769	\$4,689	\$312	1.0x	14.3x	7%	3%
TreeHouse Foods, Inc. (NYSE:THS)	\$1,360	\$2,637	\$3,354	\$307	0.8x	7.2x	9%	(2%)
Seneca Foods Corporation (NasdaqGS:SENE.A)	\$615	\$1,049	\$1,541	\$129	0.7x	7.3x	8%	4%
High Liner Foods Incorporated (TSX:HLF)	\$366	\$589	\$959	\$90	0.6x	6.0x	9%	(11%)
B&G Foods, Inc. (NYSE:BGS)	\$544	\$2,570	\$1,933	\$287	1.3x	8.4x	15%	(6%)
The Simply Good Foods Company (NasdaqCM:SMPL)	\$3,485	\$3,750	\$1,411	\$267	2.7x	13.8x	19%	11%
Average	\$1,260	\$2,174	\$2,082	\$203	1.1x	9.3x	11%	(0%)
Median	\$720	\$1,844	\$1,602	\$198	0.8x	8.1x	9%	1%

PUBLIC COMPS

Restaurants


(\$US in millions)								
Company Name	Market Cap	EV	LTM		EV/LTM		LTM EBITDA Margin %	LTM Revenue Growth %
			Revenue	EBITDA	Revenue	EBITDA		
Dine Brands Global, Inc. (NYSE:DIN)	\$364	\$1,804	\$812	\$206	2.2x	8.7x	27%	(2%)
BJ's Restaurants, Inc. (NasdaqGS:BJRI)	\$778	\$1,253	\$1,357	\$105	0.9x	7.5x	8%	(1%)
MTY Food Group Inc. (TSX:MTY)	\$685	\$1,529	\$842	\$156	1.8x	8.0x	17%	2%
Sweetgreen, Inc. (NYSE:SG)	\$2,935	\$3,051	\$677	(\$35)	4.5x	NaN	(5%)	22%
Shake Shack Inc. (NYSE:SHAK)	\$3,534	\$4,047	\$1,253	\$138	3.2x	17.0x	11%	16%
Portillo's Inc. (NasdaqGS:PTLO)	\$759	\$1,422	\$711	\$85	2.0x	11.5x	12%	11%
Dutch Bros Inc. (NYSE:BROS)	\$7,728	\$8,603	\$1,281	\$217	6.7x	NaN	16%	31%
First Watch Restaurant Group, Inc. (NasdaqGS:FWRG)	\$1,011	\$1,787	\$1,016	\$102	1.8x	9.4x	10%	20%
Average	\$2,224	\$2,937	\$994	\$122	1.7x	9.0x	12%	12%
Median	\$895	\$1,795	\$929	\$122	1.8x	8.7x	11%	14%

Excludes Sweetgreen, Shake Shack, and Dutch Bros revenue and EBITDA multiples (outliers)


DEALS

Recent Transactions


This announcement appears as a matter of record only




has been acquired by




The undersigned initiated this transaction, assisted in the negotiations, and acted as financial advisor to Devenish Nutrition Group.




This announcement appears as a matter of record only




has acquired



The undersigned initiated this transaction, assisted in the negotiations, and acted as M&A lead advisor to Tesco.




This announcement appears as a matter of record only




Secures Growth Investment


The undersigned initiated this transaction, assisted in the negotiations, and acted as financial advisor to Blanco Nino.




This announcement appears as a matter of record only



has acquired



The undersigned initiated this transaction, assisted in the negotiations, and acted as M&A lead advisor to Nutritics.



This announcement appears as a matter of record only




has been acquired by




A FOCUS Managing Director represented Another Broken Egg Cafe and completed this transaction while working at a prior firm.

This announcement appears as a matter of record only



a leading franchise of
 and 

has been acquired by



A FOCUS Managing Director represented Bravo Foods and completed this transaction while working at a prior firm.


This announcement appears as a matter of record only


“on the net and in the neighborhood”

has been acquired by

Undisclosed Buyer

The undersigned initiated this transaction, assisted in the negotiations, and acted as financial advisor to Finewine.com.



This announcement appears as a matter of record only



www.littlebigburger.com

has been acquired by



A FOCUS Managing Director represented Little Big Burger and introduced this transaction while working at a prior firm.

This announcement appears as a matter of record only



Going Private Transaction

A FOCUS Managing Director represented Domino's and introduced this transaction while working at a prior firm.

This announcement appears as a matter of record only



Initial Public Offering

A FOCUS Managing Director represented Krispy Kreme Doughnuts and introduced this transaction while working at a prior firm.

INSIGHTS: SPOTLIGHT ON DAIRY



Grass-Fed Dairy: Ireland's Tradition Meets Market Demand in the US

Dairy, one of the largest categories in retail, continues to be shaped by consumers' changing tastes and preferences. More and more, the modern consumer demands transparency and a real connection to their food – a shift that has given rise to Irish dairy in the US.

[Click here to read](#)



Why Private Label Foods Are Attracting Investors

Consumers aren't just trying private label goods, they're flocking to them...and staying. Once considered a low-price and substandard option, today's private label products are viewed as high-quality and on par with name brands, if not better. The shift is pushing retailers to expand their private label offerings and increasingly look to third-party manufacturers for production capacity and innovation.

[Click here to read](#)



Clean Label Foods

Consumers are increasingly focusing on not only what goes into their food, but also how it's produced. Underpinning this is the rise of the clean label movement, which emphasizes foods made with simplicity, transparency, and natural origins.

[Click here to read](#)

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Who We Are



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ABOUT FOCUS INVESTMENT BANKING

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