

# Consumer Quarterly Update

Q3 2022



# Table of contents

DCF’s consumer practice	3
Deloitte thought leadership	4
Notable recent M&A transactions	5
Food and beverage	6
VMS	7
Specialty retail	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



**Lorin DeMordaunt**  
Managing Director  
*Head of Consumer*  
Charlotte, NC  
ldemordaunt@deloitte.com



**Matt Preece**  
Managing Director  
*Head of Consumer*  
Charlotte, NC  
mpreece@deloitte.com



**Garrett Poston**  
Managing Director  
*Consumer, Alcohol Beverage*  
Los Angeles, CA  
gposton@deloitte.com



**Nick Hansell**  
Managing Director  
*Consumer*  
Charlotte, NC  
nhansell@deloitte.com



## Organization Overview

#2

2021 Global M&A  
Advisor by deals  
completed <sup>(1)</sup>.

662

Completed deals  
in 2021.

- 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 middle-market financial advisor** in 2021 according to Mergermarket <sup>(1)</sup>.



## Sector Focus

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

**Footnote(s):** (1) Recognized by Mergermarket as the #2 Global M&A Financial Advisor for 2021. Measured by deal volume.  
Copyright © 2022 Deloitte Development LLC. All rights reserved.

# Deloitte thought leadership

## Deloitte thought leadership

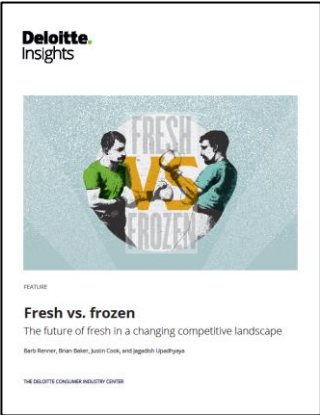
- Deloitte stays abreast of industry trends and makes significant investments in producing cutting-edge thought leadership.
- Deloitte is deeply committed to providing insights that help keep clients on the forefront of critical trends.
- Focused research on industry drivers and trends helps enable Deloitte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

<b>Food and beverage</b> 	<b>IHC Capital Holding's acquisition of Grupo Nutresa</b> <ul style="list-style-type: none"> <li>IHC Capital Holding is an international asset holding company with a strong food and beverage industry vertical.</li> <li>Grupo Nutresa is a food processing company based in Colombia. The Company specializes in cold cuts, biscuits, chocolates, coffee, ice cream, and pasta.</li> <li>The acquisition expands IHC's food and beverage presence into South America.</li> </ul>	<b>Announced Date:</b> September 2022 <b>EV:</b> \$7,604.6M <b>Rev:</b> \$3,306.3M <b>EV/Rev:</b> 2.3x <b>EV/EBITDA:</b> 20.1x
	<b>Delta Corp Holdings Ltd's acquisition of Coffee Holding Co. Inc.</b> <ul style="list-style-type: none"> <li>Delta Corp Holdings owns businesses in the energy logistics, fuel supply, commodities, and asset management spaces.</li> <li>Coffee Holding Co. is a manufacturer, roaster, packager, marketer, and distributor of roasted and blended coffees.</li> <li>The transaction adds distribution capabilities to Delta Corp Holdings' current repertoire.</li> </ul>	<b>Close Date:</b> September 2022 <b>EV:</b> \$39.6M <b>Rev:</b> \$66.0M <b>EV/Rev:</b> 0.6x <b>EV/EBITDA:</b> 38.4x
<b>VMS</b> 	<b>TELUS Health's acquisition of LifeWorks</b> <ul style="list-style-type: none"> <li>TELUS Health is a Canadian health technology company providing global access to health and wellness services.</li> <li>LifeWorks, based in Canada, provides health and wellness services and solutions to individuals and business customers.</li> <li>The acquisition will add to TELUS's existing suite of health and wellness services and expand reach. LifeWorks' domestic and global operations will add onto the TELUS network.</li> </ul>	<b>Close Date:</b> September 2022 <b>EV:</b> \$2,253.9M <b>Rev:</b> \$1,000.0M <b>EV/Rev:</b> 2.3x <b>EV/EBITDA:</b> 11.6x
	<b>Jamieson Wellness's acquisition of Nutrawise Health &amp; Beauty Corporation</b> <ul style="list-style-type: none"> <li>Jamieson Wellness is a Canada-based manufacturer, distributor, and marketer of natural health products.</li> <li>Nutrawise is a leading manufacturer and marketer of premium supplements under the Youtheory brand. It operates in the US and international markets.</li> <li>This acquisition helps Jamieson Wellness reach global markets and leverage synergies for growth.</li> </ul>	<b>Close Date:</b> July 2022 <b>EV:</b> \$210.0M <b>Rev:</b> \$157.0M <b>EV/Rev:</b> 1.3x <b>EV/EBITDA:</b> 7.4x
<b>Specialty retail</b> 	<b>Moonpig Group's acquisition of Buyagift</b> <ul style="list-style-type: none"> <li>Moonpig Group is a leading online retailer of customized greeting cards and gifts that services the global market.</li> <li>Buyagift is a leading provider of gift experiences in the United Kingdom.</li> <li>This acquisition helps push forward Moonpig Group's digital capabilities and accelerates its market share in the gifting market.</li> </ul>	<b>Close Date:</b> July 2022 <b>EV:</b> \$150.5M <b>Rev:</b> \$59.5M <b>EV/Rev:</b> 2.5x <b>EV/EBITDA:</b> 8.1x
	<b>Cencosud's acquisition of The Fresh Market, Inc.</b> <ul style="list-style-type: none"> <li>Cencosud is a leading Latin American retail conglomerate that operates across a variety of segments including supermarkets, departments stores, home improvement stores, and shopping centers.</li> <li>The Fresh Market is a premium specialty grocer offering a variety of high-quality produce and in-store meal offerings.</li> <li>The acquisition helps Cencosud expand its geographic diversification into the United States.</li> </ul>	<b>Close Date:</b> July 2022 <b>EV:</b> \$1,568.0M <b>Rev:</b> \$1,933.0M <b>EV/Rev:</b> 0.5x <b>EV/EBITDA:</b> 8.0x

# Food and beverage

## Sector trends <sup>(1)</sup>

- Inflationary pressure is causing restaurants and supermarkets to compete for price-conscious consumers.
- US grocery sales only rose 6.8% year over year in September as consumers face pressure from current market conditions.
- Increasing labor and ingredient expenses are driving up costs for food and beverage companies and prices for customers.
- According to a Deloitte study, 20% of consumers have recently switched their primary grocery store in order to find better prices.
- To buy cheaper, 38% of shoppers are switching from name brands to private label. This number jumps to 45% in rural areas.

## Select recent M&A activity <sup>(2)</sup>

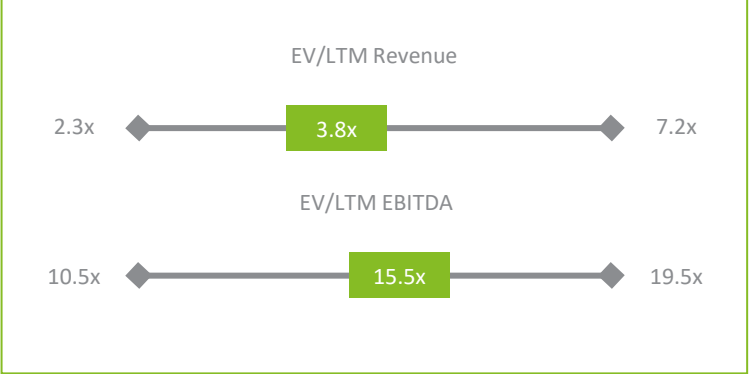
Close Date	Target	Acquiror	Implied EV (MM)
09/2022	Pick n Pay Stores Limited	Public Investment Corporation Limited	\$2,551.3
09/2022	Keystone Natural Holdings LLC	House Foods America Corporation	\$110.0
08/2022	Kitchen Basics Brand Assets of McCormick Broth	Del Monte Foods Inc.	\$99.0
08/2022	Powdered Cheese Sector of The Kraft Heinz Co.	Kerry Group plc	\$107.5
08/2022	Three Dry Pet Food Manufacturing Plants	Colgate-Palmolive Company	\$700.0



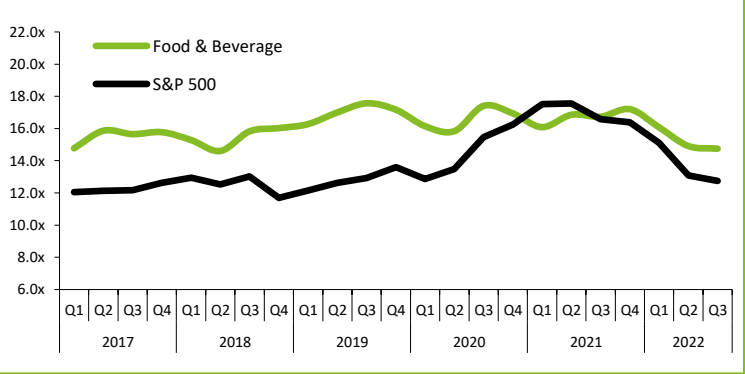
## Select public comparables <sup>(3)</sup>

Company Name	Enterprise Value (MM)
Nestlé S.A.	\$347,021.5
The Coca-Cola Company	\$283,796.9
Mondelez International, Inc.	\$104,709.3
General Mills, Inc.	\$58,054.2
Hormel Foods Corp.	\$27,484.0
Conagra Brands, Inc.	\$26,190.2

## Trading metrics <sup>(4)</sup>



## Historical EV/EBITDA multiples <sup>(5)</sup>



# Vitamins, minerals, and supplements

## Sector trends <sup>(1)</sup>

- Disposable income is a driving factor for vitamin, mineral and supplements (VMS) sales. In Q3 2022, real disposable income increased by 1.7%, compared to a 1.5% increase in Q2. However, there is a projected decrease in disposable income in Q4 of 2022, which may tighten the VMS market.
- Direct-to-consumer (DTC) brands and e-commerce sales are rising in popularity within the vitamins and supplements market. Online sales for VMS are expected to grow 12.7% between 2021-2022, higher than general retail sales growth of 9.4%.
- In Q3 2022, online consumer engagement for vitamins measured by Google Shopping Trends increased by 5.1%. This increase is about double the engagement increase in Q2 (2.3%).
- The US National Health and Nutrition Survey found that more than 50% of the population consumed vitamins and supplements during the pandemic. There is uncertainty on whether this trend will persist.

## Select recent M&A activity <sup>(2)</sup>

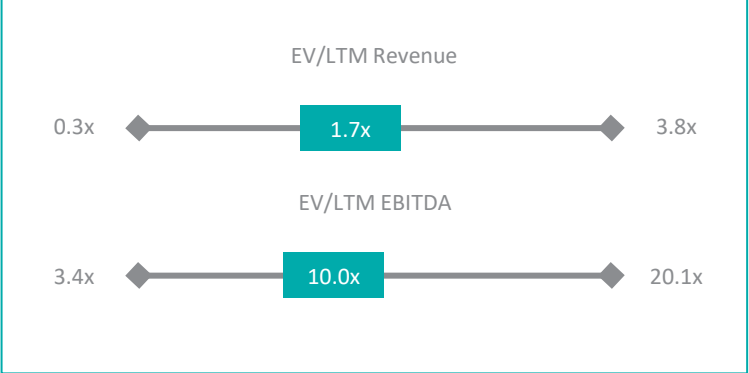
Close Date	Target	Acquiror	Implied EV (MM)
09/2022	Lifeworks	TELUS	\$2,253.9
09/2022	Wellution	SciSparc	\$20.0
07/2022	Ceautamed Worldwide	Smart for Life	\$8.6
07/2022	Nutrimuscle	Bluegem Capital	\$99.0
07/2022	Nutrawise Health & Beauty	Jamieson Wellness	\$210.0



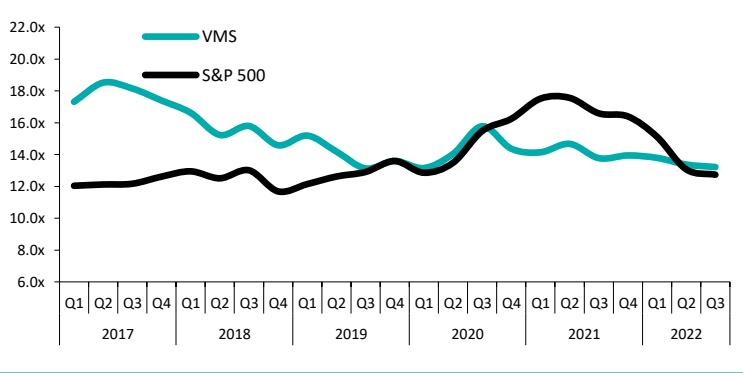
## Select public comparables <sup>(3)</sup>

Company Name	Enterprise Value (MM)
Reckitt Benckiser Group plc	\$55,666.9
Herbalife Nutrition Ltd.	\$3,991.5
Glanbia plc	\$3,772.0
Jamieson Wellness, Inc.	\$1,350.3
Medifast, Inc.	\$1,090.6
Nature's Sunshine Products, Inc.	\$127.0

## Trading metrics <sup>(4)</sup>



## Historical EV/EBITDA multiples <sup>(5)</sup>



# Specialty retail

## Sector trends <sup>(1)</sup>

- The retail sector saw continued expansion in Q3, despite economic concerns surrounding from inflation and recent interest rate hikes.
- From April to May 2022, core retail sales (excluding gasoline, auto vehicles, and food service) increased by 7.2% on a year-over-year basis.
- There has been a shift in spending habits toward fitness and discount retailers as households shift toward increasingly cautious shopping patterns in order to balance their budgets to cope with inflation.
- Retailers remain in growth mode, with nearly 17 million square feet of space absorbed, causing the national retail vacancy rate to decrease 10 basis points.
- As Q3 winds down, retailers are shifting focus to meet increased demands from the holiday retail season, and expect to see a 2% increase in sales for Q4

## Select recent M&A activity <sup>(2)</sup>

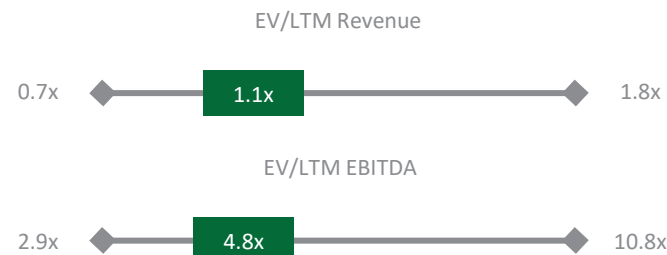
Close Date	Target	Acquiror	Implied EV (MM)
07/2022	Vivo Energy Limited	Vitol Investment Partnership II	\$2,592.8
07/2022	Buyagift	Moonpig Group	\$150.5
07/2022	Teract	2MX Organic	\$1,051.5
07/2022	The Fresh Market	Cencosud	\$1,568.0
07/2022	Deliverr	Shopify	\$2,100.0



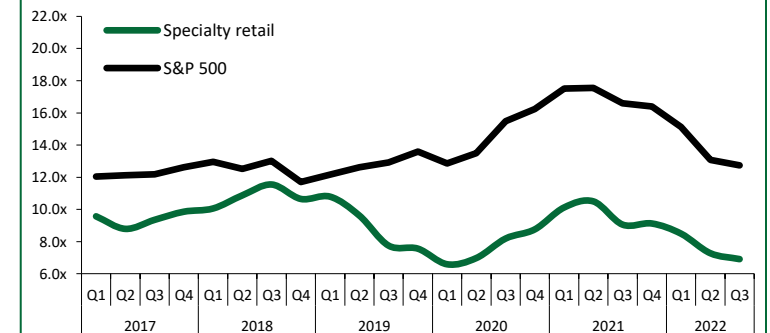
## Select public comparables <sup>(3)</sup>

Company Name	Enterprise Value (MM)
Tractor Supply Company	\$24,036.4
Ralph Lauren Corporation	\$6,790.2
Hanesbrands Inc.	\$6,313.6
Columbia Sportswear Company	\$4,142.2
Guess?, Inc.	\$1,842.0
Oxford Industries, Inc.	\$1,476.1

## Trading metrics <sup>(4)</sup>



## Historical EV/EBITDA multiples <sup>(5)</sup>





# Appendix

## Sources Cited

### Page 2:

1. [Mergermarket](#). Accessed January 19, 2021. Data as of January 19, 2021.

### Page 5:

1. Notable recent M&A transactions (Specific to Consumer) .
  - a. [S&P Capital IQ](#). Accessed November 4, 2022. Data as of September 30, 2022.
  - b. [PitchBook](#). Accessed November 4, 2022. Data as of September 30, 2022.
  - c. [YahooFinance](#). Accessed November 4, 2022. Data as of October 4, 2022.

### Page 6:

1. Sector Trends.
  - a) [Census Bureau](#). *US Grocery Store Sales*. Accessed November 4, 2022.
  - b) [Deloitte](#). *Fresh Food as Medicine for the Heartburn of High Prices*. Accessed November 4, 2022.
  - c) [Wall Street Journal](#). *Food Prices to Keep Going Up, as Costs Surge*. Accessed November 4, 2022.
2. Relevant transactions closed in Q3 2022.
  - a) [S&P Capital IQ](#). Accessed November 4, 2022. Data as of September 30, 2022.
  - b) [Kroll](#). Accessed November 4, 2022.
3. Select public comparables set in Q3 2022.
  - a) [S&P Capital IQ](#). Accessed November 4, 2022. Data as of September 30, 2022.
4. Expanded public comparables set in Q2 2022.
  - a. [S&P Capital IQ](#). Accessed November 4, 2022. Data as of September 30, 2022.
5. Historical EV/EBITDA multiples.
  - a. [S&P Capital IQ](#). Accessed November 4, 2022. Data as of September 30, 2022.

### Page 7:

1. Sector Trends.
  - a. [IBIS World](#). *Vitamin & Supplement Manufacturing in the US*. Accessed November 4, 2022.
  - b. [IBIS World](#). *Online Vitamin & Supplement Sales in the US*. Accessed November 4, 2022.
  - c. [Global Newswire](#). *Vitamins and Supplements Market to Reach USD 196.56 Billion by 2028*. Accessed November 4, 2022.
  - d. [GoogleTrends](#). *2022 Shopping Trends – Vitamin (Worldwide)*. Accessed November 4, 2022.
  - e. [Bureau of Economics](#). *Gross Domestic Product, Third Quarter 2022*. Accessed November 4, 2022.
  - f. [CDC](#). *Dietary Supplement Use Among Adults*. Accessed November 4, 2022.
2. Relevant M&A Transactions closed in Q3 2022.
  - a. [S&P Capital IQ](#). Accessed November 4, 2022.
  - b. [PitchBook](#). Accessed November 4, 2022.
3. Select public comparables set in Q3 2022.
  - a. [S&P Capital IQ](#). Accessed November 4, 2022. Data as of September 30, 2022.
4. Expanded public comparables set in Q2 2022.
  - a. [S&P Capital IQ](#). Accessed November 4, 2022. Data as of September 30, 2022.
5. Historical EV/EBITDA multiples.
  - a. [S&P Capital IQ](#). Accessed November 4, 2022. Data as of September 30, 2022.

### Page 8:

1. Sector Trends.
  - a. [Colliers Knowledge Leader](#). *Retail Sales Improve as Consumer Behavior Continues to Shift | U.S. Retail Q3 2022*. Accessed November 4, 2022.
  - b. [Wall Street Journal](#). *Holiday Sales Growth Expected to Slow This Year*. Accessed November 4, 2022.
2. Relevant transactions announced in Q3 2022.
  - a. [S&P Capital IQ](#). Accessed November 4, 2022. Data as of September 30, 2022.
  - b. [PitchBook](#). Accessed November 4, 2022. Data as of September 30, 2022.
3. Select public comparables set in Q3 2022.
  - a. [S&P Capital IQ](#). Accessed November 4, 2022. Data as of September 30, 2022.
4. Expanded public comparables set in Q3 2022.
  - a. [S&P Capital IQ](#). Accessed November 4, 2022. Data as of September 30, 2022.
5. Historical EV/EBITDA multiples.
  - a. [S&P Capital IQ](#). Accessed November 4, 2022. Data as of September 30, 2022.



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](http://www.investmentbanking.deloitte.com). Please see [www.deloitte.com/us/about](http://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](http://www.deloitte.com/about) to learn more about our global network of member firms.