



Seale & Associates

ALCOHOLIC BEVERAGES
INDUSTRY
Q2 2024
VALUATION UPDATE

25 years

Introduction

We are pleased to share our Alcoholic Beverages Industry Multiples Valuation Update for Q2 2024.

At Seale & Associates, we are committed to providing process-driven solutions designed to optimize value and achieve our client's strategic objectives in a range of transactions, including **Mergers, Acquisitions, Divestitures and Carve-Outs, Business Sales, Recapitalizations, and Joint Ventures**, among other corporate finance and strategy consulting services.

Over the course of 25+ years, we have successfully served clients all over the world, and we are delighted to continue providing investment banking advisory services to our clients who are looking to grow through acquisitions or optimize their portfolios through strategic divestitures.

Seale has extensive experience advising leading multinational companies, private equity firms, and family-owned businesses across a wide range of industries.



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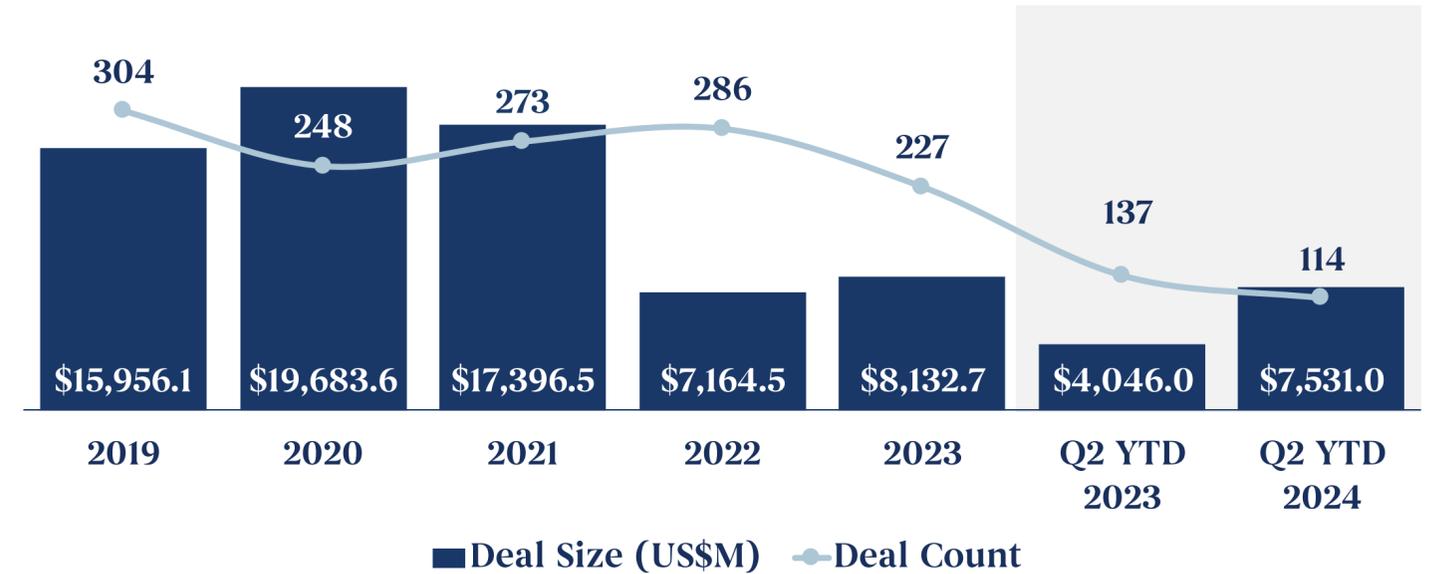
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Alcoholic Beverage's Industry Overview, M&A Trends and Market Intelligence

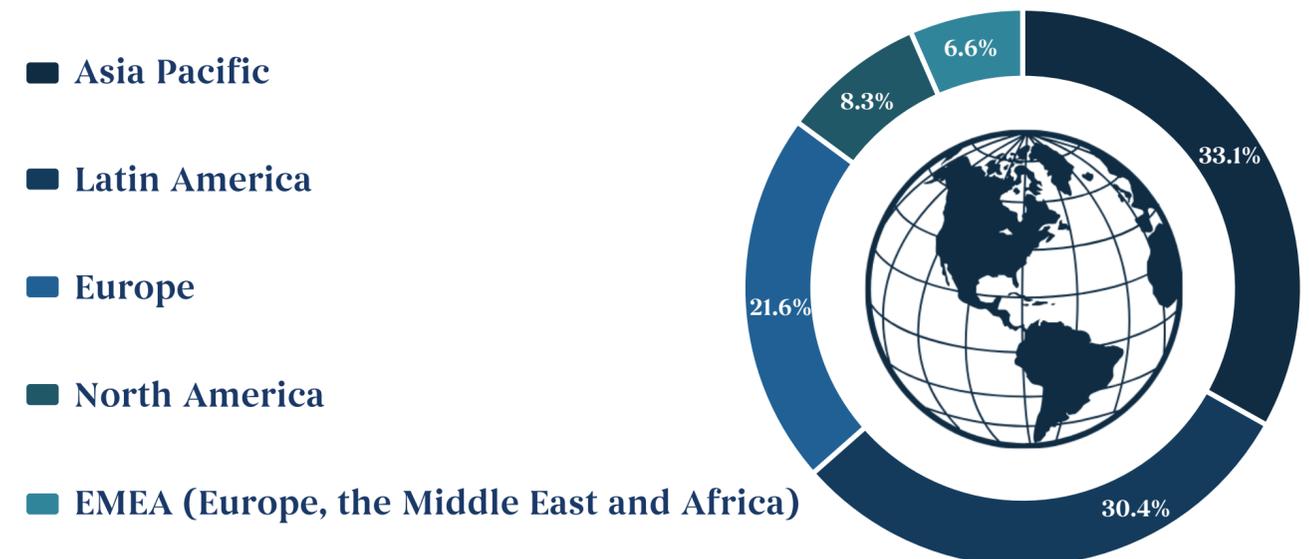
Alcoholic Beverage's Industry Overview

- The alcoholic beverages market is **projected to grow** from **US\$2,527.0 billion in 2024** to **US\$5,716.2 billion by 2032**, reflecting a strong **CAGR of 10.7%** during this period
- In **Q2 2024**, the alcoholic beverages industry saw **strong growth**, particularly in **North America**, where it led the Food and Beverages sector in M&A activity. This expansion was **driven by** a consumer **shift towards premium products, ready-to-drink (RTD) beverages**, and **innovative offerings**
- The **M&A landscape** within the industry has been notably **active**, with **spirits dominating** the industry. While the **wine and beer** categories were less active, **they still accounted for notable deals** such as the acquisition of Sea Smoke made by Constellation Brands
- E-commerce** has emerged as a **critical driver**, with **Q2 2024** seeing a staggering **391.0% increase** in e-commerce-related **deal activity compared to the previous quarter**
- Companies** are increasingly **optimizing their portfolios** to **navigate economic challenges** and **capitalize on high-growth segments** like **premium spirits and RTD beverages**. **ESG concerns**, particularly in Europe, are also **influencing M&A strategies** particularly in the **wine industry which faces high pressure to meet stringent environmental regulations**
- The **shift** towards **health-conscious and premium products** continues to **drive M&A**, as **companies seek to acquire brands that resonate with younger, health-aware consumers**
- Looking ahead**, the industry is expected to **sustain a steady pace of M&A activity**, with strategic **acquisitions focusing on expanding product portfolios, entering new markets, and integrating sustainable practices**. **Private equity** remains **opportunistic**, with a cautious approach to **buy-side strategies**, particularly in **regions like Brazil**, where market conditions offer **discounted entry points**
- A **growing trend** of **celebrities acquiring or launching** their own **brands** is further shaping the market, leveraging their extensive reach and personal branding to quickly elevate brand visibility and success
- Despite** challenges like **inflation and cost-of-living pressures**, the **industry** has **demonstrated resilience**, supported by significant **consolidation and strategic investments**, suggesting a **positive outlook for M&A activity** in the **latter half of 2024**

Beverage's Industry M&A Deal Size and Volume



Alcoholic Beverages Market Share by Region



Beer Global Comparable Public Companies (1/2)

Company	Country	Market Cap. US\$M	Enterprise Value US\$M	Revenue US\$M	EBITDA Margin	Annual Average EV/EBITDA		Second Quarter Jun. 30, 2024 EV/	
						2022	2023	EBITDA	Revenue
Ambev S.A.	 BRA	\$32,321	\$30,642	\$14,523	30.1%	10.0x	9.1x	7.0x	2.1x
Anheuser-Busch InBev SA/NV	 BEL	\$117,774	\$196,004	\$59,927	32.5%	10.9x	10.5x	10.1x	3.3x
Asahi Group Holdings, Ltd.	 JPN	\$17,874	\$27,350	\$17,997	14.0%	12.3x	11.1x	10.9x	1.5x
Beijing Yanjing Brewery Co.,Ltd.	 CHN	\$3,425	\$2,539	\$2,014	9.6%	17.9x	21.2x	13.1x	1.3x
Carlsberg A/S	 DNK	\$16,910	\$20,645	\$10,713	20.0%	10.3x	10.9x	9.6x	1.9x
Compañía Cervecerías Unidas S.A.	 CHL	\$2,111	\$2,972	\$2,684	13.1%	6.1x	9.3x	8.4x	1.1x
Constellation Brands, Inc.	 USA	\$46,916	\$59,643	\$10,109	33.6%	27.0x	35.3x	17.6x	5.9x
Heineken N.V.	 NLD	\$54,516	\$74,438	\$32,853	20.3%	13.2x	12.0x	11.2x	2.3x
Kirin Holdings Company, Limited	 JPN	\$10,436	\$15,983	\$14,049	14.4%	8.9x	9.1x	7.9x	1.1x
Molson Coors Beverage Company	 USA	\$10,790	\$17,006	\$11,938	21.2%	8.6x	9.8x	6.7x	1.4x

Beer Global Comparable Public Companies (2/2)

Company	Country	Market Cap. US\$M	Enterprise Value US\$M	Revenue US\$M	EBITDA Margin	Annual Average EV/EBITDA		Second Quarter Jun. 30, 2024		
						2022	2023	EV/EBITDA	EV/Revenue	
Olvi Oyj	 FIN	\$706	\$696	\$676	14.7%	8.3x	5.6x	7.0x	1.0x	
Royal Unibrew A/S	 DNK	\$3,970	\$4,962	\$1,950	16.7%	16.2x	16.0x	15.2x	2.5x	
Sapporo Holdings Limited	 JPN	\$2,732	\$4,210	\$3,281	7.2%	28.8x	22.2x	17.8x	1.3x	
The Boston Beer Company, Inc.	 USA	\$3,598	\$3,435	\$2,000	12.5%	45.8x	19.5x	13.8x	1.7x	
Unión de Cervecerías Peruanas Backus y Johnston S.A.A.	 PER	\$7,240	\$7,128	\$1,926	46.9%	10.0x	8.9x	7.9x	3.7x	
■ Excluded from mean and median						Mean	11.0x	11.8x	9.5x	1.9x
						Median	10.9x	10.9x	10.1x	1.7x

Spirits Global Comparable Public Companies

Company	Country	Market Cap. US\$M	Enterprise Value US\$M	Revenue US\$M	EBITDA Margin	Annual Average EV/EBITDA		Second Quarter Jun. 30, 2024		
						2022	2023	EV/EBITDA	EV/Revenue	
Beck's, S.A.B. de C.V.	 MEX	\$6,501	\$7,547	\$2,399	16.5%	20.8x	18.8x	19.0x	3.1x	
Brown-Forman Corporation	 USA	\$20,573	\$23,324	\$4,178	30.7%	26.0x	25.0x	18.2x	5.6x	
Davide Campari-Milano N.V.	 ITA	\$11,362	\$13,368	\$3,197	23.0%	24.0x	22.3x	18.2x	4.2x	
Diageo plc	 GBR	\$69,845	\$92,416	\$20,269	37.5%	19.2x	15.0x	12.1x	4.6x	
HITEJINRO Co., Ltd.	 KOR	\$1,072	\$1,632	\$1,859	11.1%	8.1x	7.0x	7.9x	0.9x	
Jiangsu Yanghe Distillery Co., Ltd.	 CHN	\$16,738	\$11,799	\$4,725	39.0%	18.9x	14.0x	6.4x	2.5x	
MGP Ingredients, Inc.	 USA	\$1,638	\$1,927	\$788	24.8%	17.2x	14.8x	9.9x	2.4x	
Pernod Ricard SA	 FRA	\$33,940	\$47,233	\$12,441	30.0%	17.7x	15.7x	12.7x	3.8x	
Rémy Cointreau SA	 FRA	\$4,252	\$4,949	\$1,279	29.3%	24.3x	16.8x	13.2x	3.9x	
Takara Holdings Inc.	 JPN	\$1,324	\$1,352	\$2,110	9.8%	4.6x	4.9x	6.5x	0.6x	
■ Excluded from mean and median						Mean	17.2x	16.6x	9.8x	2.9x
						Median	19.0x	15.3x	12.4x	3.5x

Wine Global Comparable Public Companies

Company	Country	Market Cap. US\$M	Enterprise Value US\$M	Revenue US\$M	EBITDA Margin	Annual Average EV/EBITDA		Second Quarter Jun. 30, 2024		
						2022	2023	EV/EBITDA	EV/Revenue	
Delegat Group Limited	 NZL	\$324	\$597	\$229	32.2%	13.3x	10.2x	8.1x	2.6x	
Italian Wine Brands S.p.A.	 ITA	\$221	\$345	\$460	9.5%	12.3x	11.8x	7.9x	0.8x	
Laurent-Perrier S.A.	 FRA	\$717	\$922	\$335	32.5%	11.1x	9.7x	8.5x	2.8x	
Purcari Wineries Public Company Limited	 CYP	\$138	\$176	\$81	25.5%	6.8x	6.9x	8.5x	2.2x	
Sociedad Anónima Viña Santa Rita	 CHL	\$165	\$279	\$176	7.2%	13.4x	15.9x	21.9x	1.6x	
Treasury Wine Estates Limited	 AUS	\$6,735	\$7,878	\$1,874	22.6%	15.8x	14.8x	18.6x	4.2x	
Viña Concha y Toro S.A.	 CHL	\$862	\$1,427	\$972	13.8%	7.8x	9.6x	10.6x	1.5x	
Viña San Pedro Tarapacá S.A.	 CHL	\$190	\$257	\$283	15.2%	5.9x	7.1x	6.0x	0.9x	
Yantai Changyu Pioneer Wine Company Limited	 CHN	\$1,632	\$1,441	\$559	22.5%	15.4x	15.8x	11.5x	2.6x	
■ Excluded from mean and median						Mean	11.3x	11.3x	10.0x	1.9x
						Median	12.3x	10.2x	8.5x	2.2x

Alcoholic Beverages Industry – Q2 Global Transactions (1/2)

Date	Target	Country	Description	Buyer	Seller	% Acquired	Size US\$M	EV/ EBITDA	EV/ Revenue
Jun-24		USA	Produces and markets craft beer	Jason and Travis Kelce	-	>50.0%	-	-	-
Jun-24		AUS	Produces handcrafted cider from Batlow apples		-	100.0%	-	-	-
Jun-24		DEU	Produces traditional Franconian beers		-	100.0%	-	-	-
Jun-24		USA	Produces and markets ultra-premium Cabernet Sauvignon			50.0%	-	-	-
May-24		USA	Produces light, sessionable lager beer	GALLO	-	100.0%	-	-	-
May-24		USA	Produces traditional beer using locally sourced ingredients	Chobani's founder and CEO	-	100.0%	-	-	-
May-24*		USA	Produces organic spirits and handcrafted cocktails using sustainable and eco-friendly practices		-	100.0%	-	-	-
May-24		AUS	Produces craft beer			100.0%	-	-	-
May-24		USA	Produces premium wines		-	100.0%	-	-	-

Alcoholic Beverages Industry – Q2 Global Transactions (2/2)

Date	Target	Country	Description	Buyer	Seller	% Acquired	Size US\$M	EV/ EBITDA	EV/ Revenue
May-24		USA	Produces limited-production Pinot Noir wines		-	100.0%	\$170.0	-	-
May-24		USA	Produces and markets RTD cocktails		-	100.0%	-	-	-
May-24		AUS	Produces and markets award-winning gin and spirits		-	100.0%	-	-	-
Apr-24		ESP	Produces traditional Rioja wines		-	100.0%	\$4.1	-	-
Apr-24		GBR	Produces and distributes vodka distilled eight times using water from the spring fountains in Machachi, Ecuador		-	100.0%	\$87.9	-	-
Apr-24		USA	Produces ready-to-drink canned cocktail drinks		-	100.0%	-	-	-
Apr-24*		CAN	Produces ready-to-drink beverages with a focus on natural ingredients and low-calorie options		MXM Beverages	100.0%	\$8.0	-	-
Apr-24		USA	Produces premium Washington wines		GALLO	100.0%	-	-	-
Apr-24*		USA	Produces bourbon and rye whiskey		EDRINGTON	100.0%	-	-	-

ND: Not Disclosed

* Announced transactions pending approval and other closing conditions

Private Equity Transactions

INDUSTRY CLASIFICATION	PERIOD	AVERAGE ENTERPRISE VALUE (IN USD)	REVENUE (IN USD)	TTM REVENUE GROWTH	ENTERPRISE VALUE / REVENUE	EBITDA MARGIN	ENTERPRISE VALUE /EBITDA	NUMBER OF TRANSACTIONS
 Beverage Manufacturing <i>NAICS 3121 – Beverage Manufacturing</i>	 2019-2024	 \$72.9M	 \$82.7M	 15.7%	 1.6x	 19.7%	 7.8x	 6
Beer, Wine, and Distilled Alcoholic Beverage Merchant Wholesalers <i>NAICS 4248 – Beer, Wine, and Distilled Alcoholic Beverage Merchant Wholesalers</i>	2008-2021	\$27.1M	\$38.1M	-1.9%	0.8x	12.9%	8.2x	4

Notes:

- Data obtained via GF Data, a subscription-based information platform, offering detailed information and metrics about the transactions of Private Equity funds in the U.S.
- The data is provided under a blind confidential format. Users of the data are unable to identify the exact company and transaction corresponding to the transaction details. Given this blind approach, the data submitted is less likely to be biased or manipulated.

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<p>Standex</p> <p>has sold</p> <p>Enginetics</p> <p>to</p>  <p>Enjet AERO</p>	<p>ITT</p> <p>has sold</p> <p>BURNY KALIBURN IMPROVEMENTS IN SHAPE CUTTING PLASMA CUTTING INNOVATION</p> <p>and</p> <p>CNC Cleveland Motion Controls</p> <p>to</p>  <p>LINCOLN ELECTRIC</p>	<p>Honeywell</p> <p>has sold</p> <p>TENSOR</p> <p>to</p>  <p>GE Power Systems</p>	<p>TRIUMPH™</p> <p>has sold</p> <p>Triumph Processing - Embee Division</p> <p>to</p>  <p>AMP ALL METALS PROCESSING</p>	<p>TRIUMPH™</p> <p>has sold</p> <p>Triumph Air Repair, the APU Overhaul Operations of Triumph Aviation Services - Asia, and Triumph Engines businesses</p> <p>to</p>  <p>TGG THE GORES GROUP</p>	<p>Rheem</p> <p>has acquired</p>  <p>HTPG</p>	<p>GRACE</p> <p>has sold its GRACE Membranes business</p> <p>Uop a subsidiary of</p> <p>Honeywell</p>
<p>convatec - forever caring -</p> <p>has sold</p> <p>SENSI CARE</p> <p>and</p> <p>ALOE VESTA™</p> <p>to</p>  <p>MEDLINE</p>	<p>United Technologies</p> <p>has sold</p> <p>MobileView</p> <p>to</p> <p>SAFE FLEET Driving Safety Forward™</p>	<p>United Technologies</p> <p>has sold</p> <p>HTPG A division of Carrier Commercial Refrigeration, Inc.</p> <p>to</p> <p>MONOMOY CAPITAL PARTNERS and Starboard Capital Partners</p>	<p>LOCKHEED MARTIN</p> <p>has sold</p> <p>Commercial Flight Training Business</p> <p>to</p> <p>ALTEON A BOEING COMPANY</p>	<p>FLOWSERVE</p> <p>has sold</p> <p>D&B</p> <p>to</p> <p>DB DaviesBaird</p>	<p>KBR</p> <p>has acquired</p> <p>Wabi Wabi Development Corporation</p>	<p>H I G HARRISON GYPSUM, LLC</p> <p>has been recapitalized by</p> <p>H. I. G. PRIVATE EQUITY</p>



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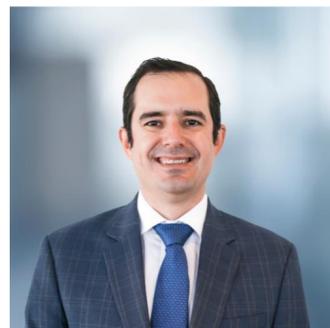


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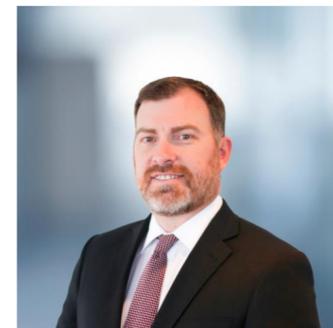


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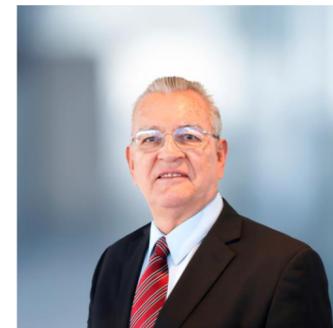


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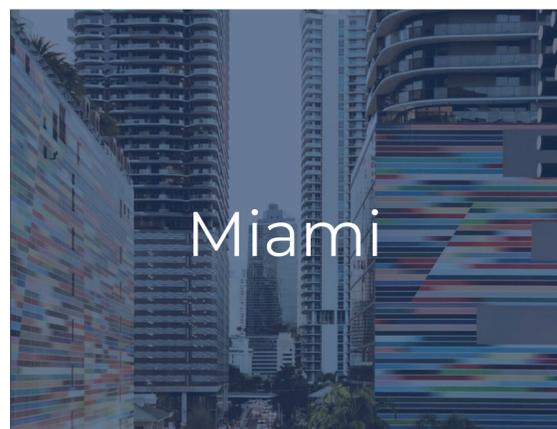
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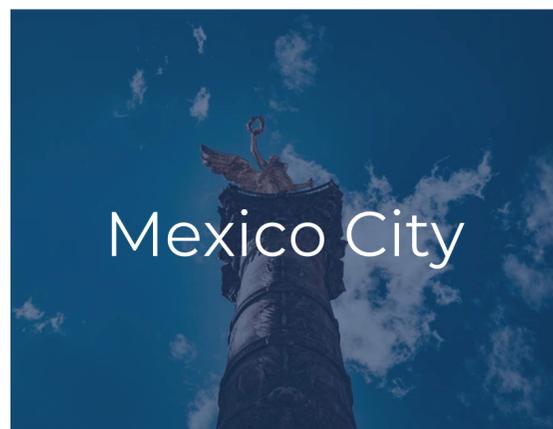
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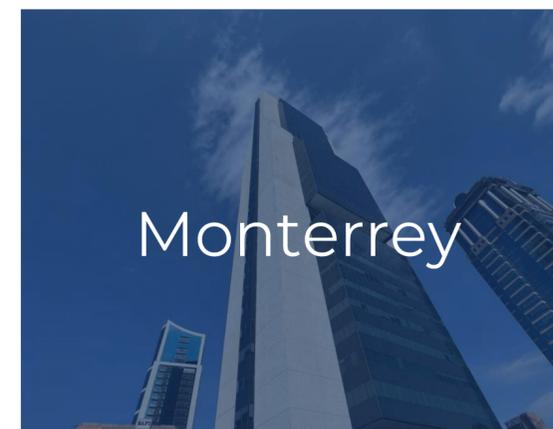
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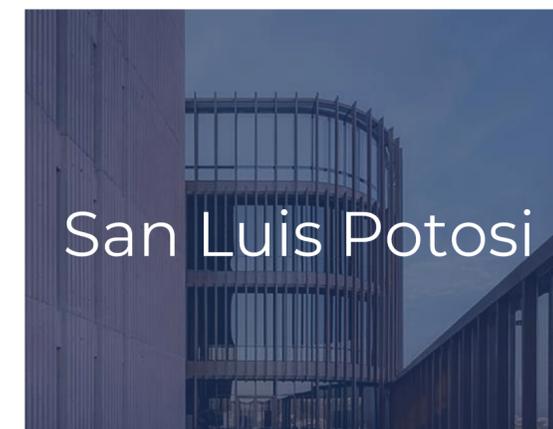
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