

Monthly Market Update: Food, Beverage & Agribusiness

December recap

Mesirow All-Food Equity Composite **-6.07%** for the month ended 12.31¹

Mesirow All-Grain Commodity Composite **+3.36%** for the month ended 12.31²

S&P 500 **-2.50%** for the month ended 12.31³

NASDAQ Composite **+0.48%** for the month ended 12.31⁴

December ended the year on solid footing for food, beverage and agribusiness M&A, with momentum expected to carry into 2025.

While December's number of announced deals was flat year-over-year, the full year finished on a high note, with total activity up more than 15% from 2023 levels. Looking ahead, 2025 is expected to see a continued focus on strategic add-ons (and divestitures) by public companies and large independents, as these businesses aim to increase their presence in high growth categories, such as specialty foods, snacking, and health and wellness. With global dry powder reaching multi-trillion-dollar levels, private equity firms are expected to remain increasingly active on both sides of the trade, pursuing both platform and strategic tuck-in opportunities as well as exits for well-positioned portfolio companies.

The improving M&A climate reflects evolving strategies as businesses adapt to inflation-fatigued consumers who are increasingly resistant to sustained higher food prices. With fewer opportunities to drive growth through pricing, operators are turning to M&A to drive revenue, improve margins, and address gaps in their portfolios. In December, US M&A activity was led by the alcoholic beverage, packaged food, and restaurant sectors, with specialty foods continuing to show notable strength.



Monthly M&A Market Brief: Food, Beverage & Agribusiness

TABLE 1: NUMBER OF TRANSACTIONS BY STATUS

	November	December
Announced:	85	38
Closed/Effective/Expired:	43	36
Total Number of Transactions:	128	74

TABLE 2: NUMBER OF TRANSACTIONS BY TYPE

	November	December
Private Placement	65	39
Merger/Acquisition	43	29
Public Offering	11	1
Bankruptcy	9	5
Total Number of Transactions:	128	74

TABLE 3: MERGER & ACQUISITION STATISTICS

Valuation Summary	November	December
Total Deal Value (\$mm)	\$2,171.1	\$238.7
Average Deal Value (\$mm)	\$197.4	\$79.6
Average EV/Revenue	0.72x	-
Average EV/EBITDA	8.5x	-
Average Day Prior Premium	1.1%	NA
Average Week Prior Premium	0.1%	NA
Average Month Prior Premium	4.9%	NA

TABLE 4: NUMBER OF DEALS BY TRANSACTION RANGE

Valuation Summary	November	December
Greater than \$1 billion	1	0
\$500 – \$999.9mm	0	0
\$100 – \$499.9mm	2	1
Less than \$100mm	8	2
Undisclosed	32	26

TABLE 5: ACTIVE BUYERS/INVESTORS BY TOTAL TRANSACTION SIZE (FOR MONTH ENDED 12.31)

Company name	Total transaction size (\$mm)
TreeHouse Foods, Inc. (NYSE:THS)	\$205.0
Rooselbelt Resources LP	\$33.2
Dohmen Company Foundation	\$13.5
Nashville Capital Network, Investment Arm	\$13.5
River Cities Capital Fund Management	\$13.5
Threshold Ventures Management Company, LLC	\$3.6
Boost VC Management Company, LLC	\$3.6
Climate Capital	\$3.6
Superorganism	\$3.6

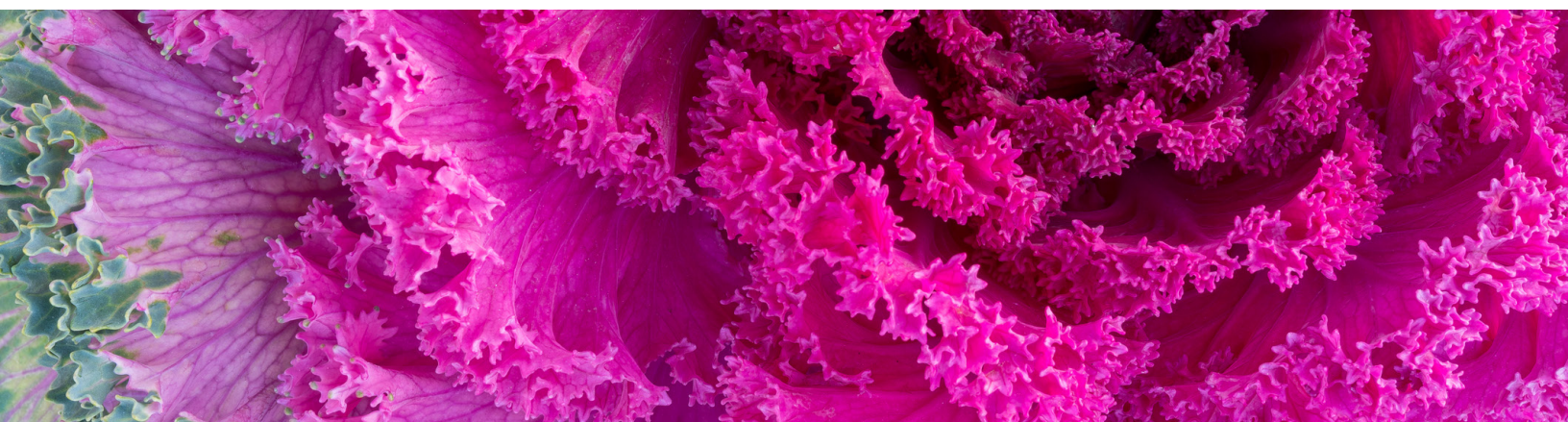


Public sector valuations, margins and growth

Food, beverage and agribusiness

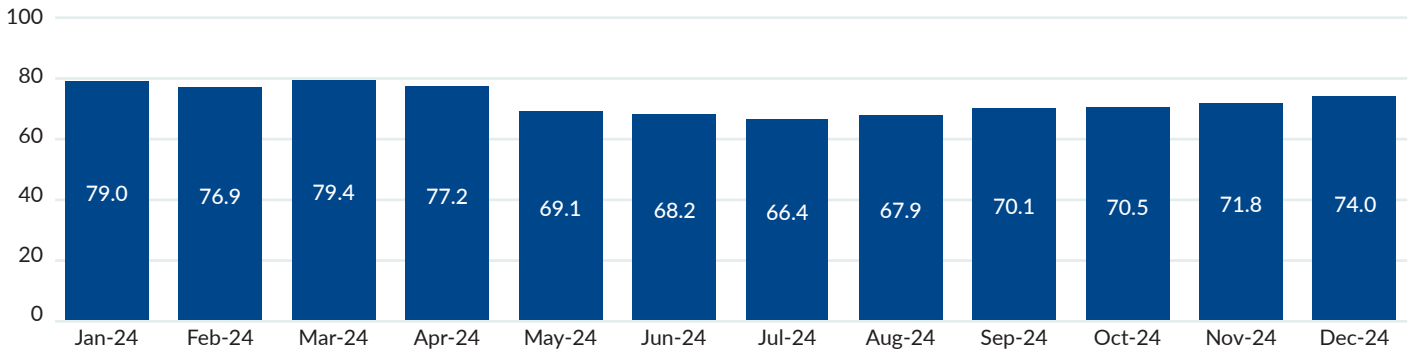
	% of 52 week high	Enterprise value as a multiple of:				LTM gross margin	LTM EBITA margin	LTM - NTM revenue growth	Net debt / LTM EBITDA
		Revenue		EBITDA					
		LTM	NTM	LTM	NTM				
Agribusiness	68.3%	0.47x	0.74x	8.5x	6.8x	9.8%	4.7%	1.3%	1.3x
Baking	75.2%	0.96x	0.95x	8.2x	6.6x	41.0%	10.3%	1.2%	1.9x
Beverages: Non-Alcoholic	85.8%	3.31x	3.20x	16.9x	14.1x	44.3%	18.4%	5.3%	2.0x
Better-for-you	83.3%	1.90x	1.75x	18.0x	14.1x	27.4%	8.9%	9.1%	3.3x
Biofuels	61.0%	0.57x	0.38x	9.8x	7.4x	5.8%	4.5%	1.6%	1.7x
Candy, Nuts and Snacks	79.9%	1.55x	1.91x	16.1x	13.5x	32.3%	10.6%	3.1%	1.5x
Cannabis	33.8%	0.91x	1.03x	28.9x	14.1x	33.5%	(15.7%)	9.6%	2.3x
Dairy	86.7%	1.85x	1.75x	10.5x	10.9x	28.1%	12.2%	(0.7%)	2.2x
Distribution and Wholesale	84.8%	0.32x	0.30x	11.1x	10.0x	15.6%	3.4%	3.5%	3.5x
Food Services and Facilities Management	76.3%	0.85x	0.79x	10.7x	8.7x	17.0%	6.5%	0.4%	2.2x
Fruits and Vegetables	83.6%	0.86x	1.09x	10.0x	11.1x	11.0%	4.7%	1.1%	2.4x
Ingredients	82.1%	2.19x	2.21x	14.7x	12.9x	34.5%	16.6%	3.6%	2.2x
Inputs	72.2%	1.26x	1.33x	7.8x	6.8x	28.8%	17.1%	4.3%	2.4x
Meal / Home Delivery	82.8%	2.89x	2.64x	20.5x	9.9x	48.8%	13.6%	9.5%	1.9x
Packaged Foods	81.1%	2.17x	2.22x	10.7x	9.8x	33.0%	17.4%	0.0%	3.3x
Protein	81.6%	0.80x	0.85x	8.3x	6.6x	19.1%	8.6%	1.3%	2.7x
Restaurants	70.4%	2.35x	2.18x	16.3x	13.1x	28.3%	13.1%	12.0%	4.1x
Retail Grocery	85.9%	0.43x	0.56x	7.8x	9.4x	27.8%	5.3%	(2.8%)	1.8x
3rd Quartile	89.0%	2.49x	2.43x	16.7x	13.9x	37.5%	17.4%	6.8%	4.1x
Median	79.9%	1.37x	1.48x	12.1x	10.4x	28.1%	9.9%	2.4%	2.8x
1st Quartile	65.6%	0.70x	0.78x	8.6x	7.4x	17.2%	4.8%	(0.7%)	1.7x

Source: S&P Capital IQ as of December 31, 2024. | Past performance is not necessarily indicative of future results.



Consumer Sentiment Index

Latest twelve months



Source: Surveys of Consumers (umich.edu).

Market data (1/2)

Last five years and latest twelve months

— LTM — 5 years

CHART 1: CORN (\$ PER BUSHEL)

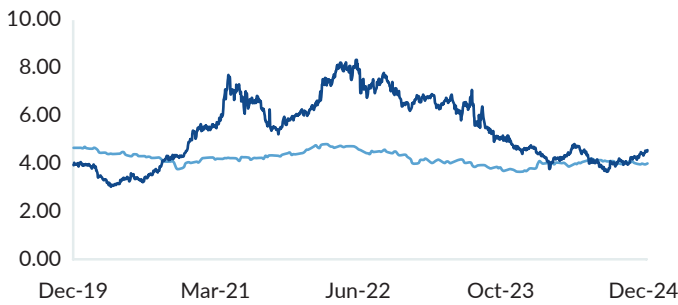


CHART 2: WHEAT (\$ PER BUSHEL)



CHART 3: SOYBEANS (\$ PER BUSHEL)

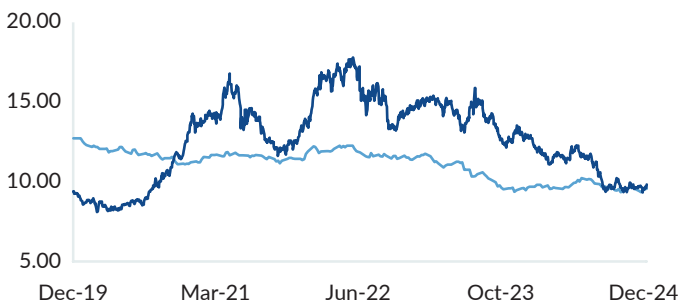


CHART 4: SOYBEAN MEAL (\$ PER TON)

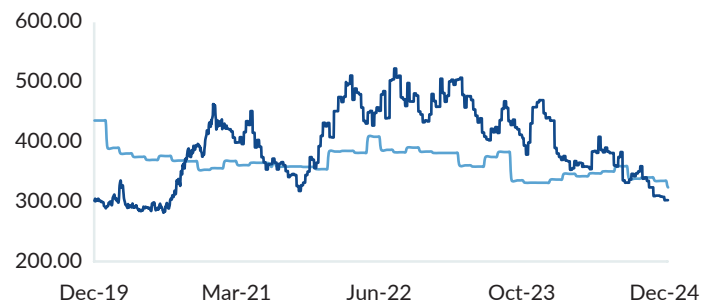


CHART 5: SOYBEAN OIL (\$ PER LB)

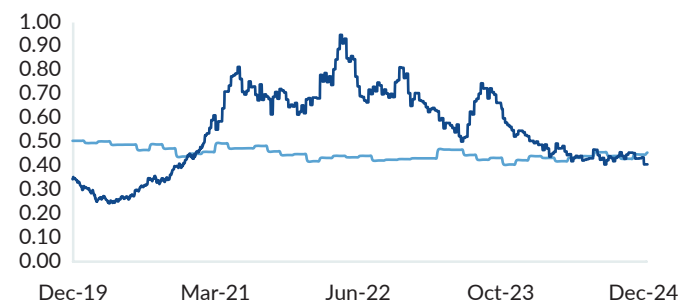


CHART 6: MILK CLASS III (\$ PER LB)



Market data (2/2)

Last five years and latest twelve months

— LTM — 5 years

CHART 7: LIVE CATTLE (\$ PER LB)

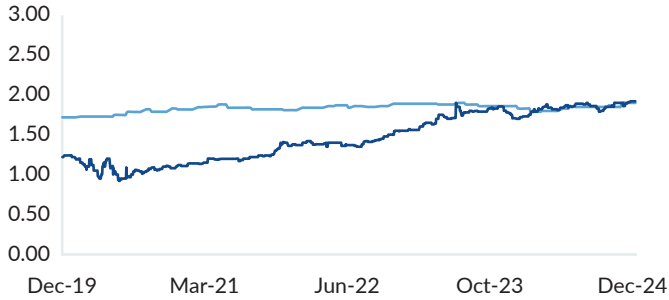


CHART 8: LEAN HOGS (\$ PER LB)

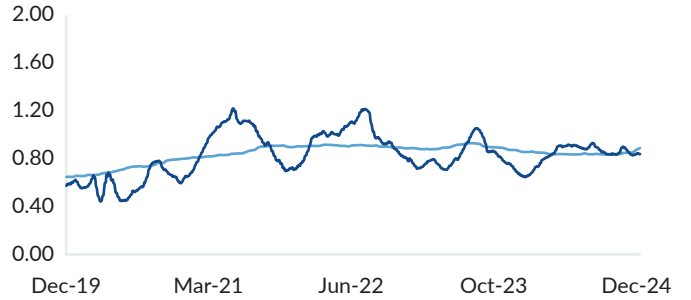


CHART 9: CHICKEN BROILERS (\$ PER LB)

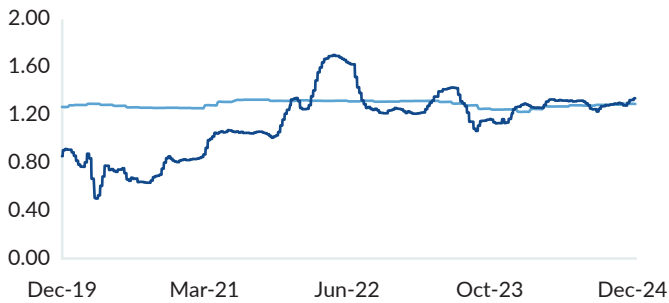


CHART 10: SUGAR (\$ PER LB)

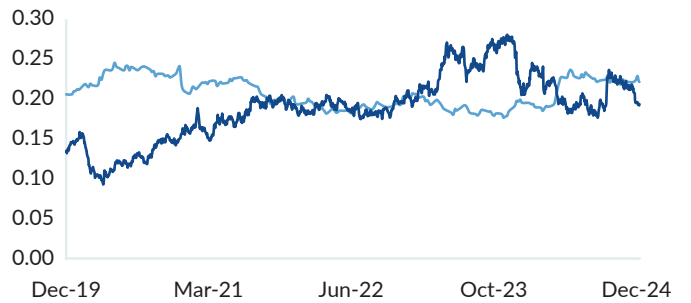


CHART 11: COFFEE (\$ PER LB)

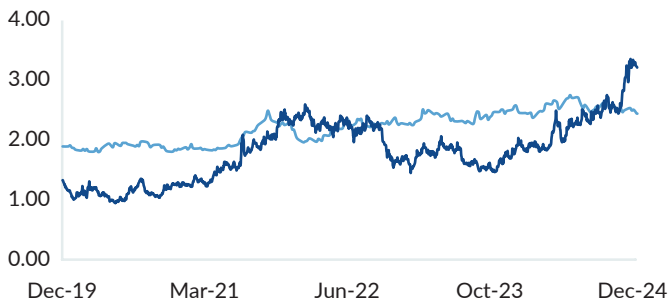
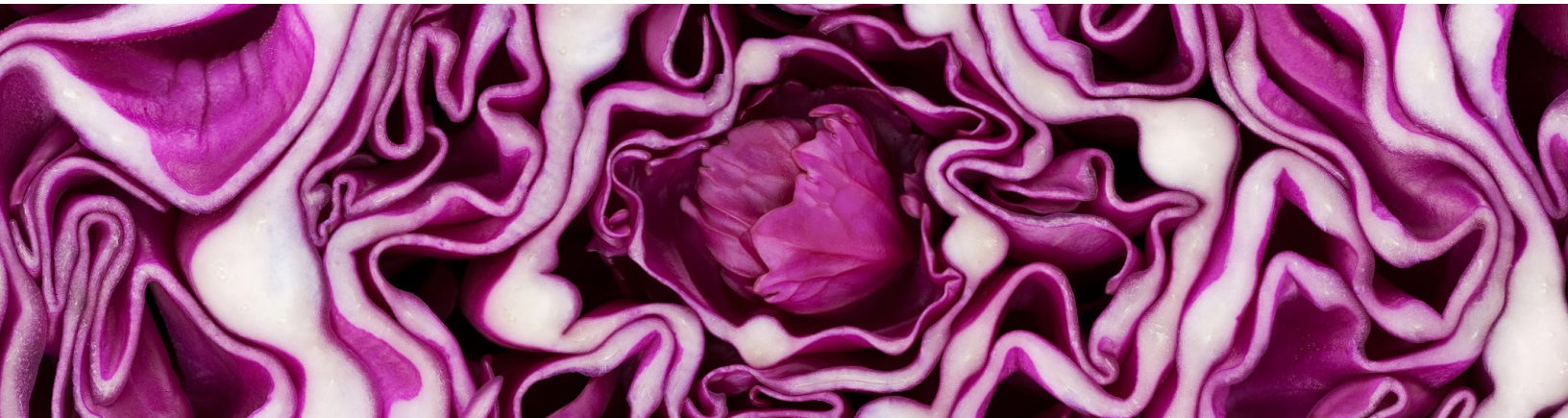
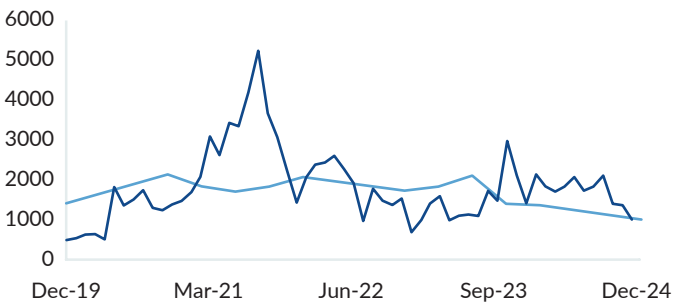


CHART 12: BALTIC DRY INDEX



Mesirow's exclusive focus on the middle market means we understand and relate to entrepreneurial business owners and their management teams. We take a long-term approach to client relationships and combine long-standing relationships with expert advisory services to provide custom solutions for leading food, beverage and agribusiness companies. With years of relevant transaction experience and a global network, our senior bankers devote a high level of attention to every transaction and ensure we meet the unique needs of our clients.

Sector focus

Branded & private label

- Packaged food & beverage
- Emerging brands
- Heritage brands
- Natural and organic
- Prepared foods

Distributors & wholesalers

- Foodservice
- Retail
- Re-distributors

Fruits & vegetables

- Growers
- Packers
- Shippers
- Processors

Ingredients & flavors

- Functional & sensory
- Edible oils
- Inclusions
- Sauces
- Spices & sweeteners
- Upcycled

Inputs & agribusiness

- Agronomy
- Agtech
- Biofuels
- Crop inputs
- Feed & ingredients
- Production
- Storage & distribution

Restaurants & retail grocery

- Independent grocery chains
- Food services management
- Franchisors & franchisees
- Multi-unit concepts
- Multi-concept chains

Specialty beverage

- Coffee, tea & kombucha
- Beer, wine, spirits & zero proof
- Functional beverages
- Craft soda & seltzers
- Bottlers & co-packers

Other industry concentrations

In addition to food, beverage and agribusiness, we are a dedicated advisor to a wide array of middle-market companies and have developed an in-depth expertise in a range of industries, including:

- Aerospace & Defense
- Business Services
- Consumer & eCommerce
- Distribution & Supply Chain
- Healthcare
- Industrials
- Industrial Technology
- Packaging
- Technology & Services

About Mesirow

Mesirow is an independent, employee-owned financial services firm founded in 1937. Headquartered in Chicago, with locations around the world, we serve clients through a personal, custom approach to reaching financial goals and acting as a force for social good. With capabilities spanning Global Investment Management, Capital Markets & Investment Banking, and Advisory Services, we invest in what matters: our clients, our communities and our culture. To learn more, visit mesirow.com and follow us on [LinkedIn](#).

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LATEST INSIGHTS