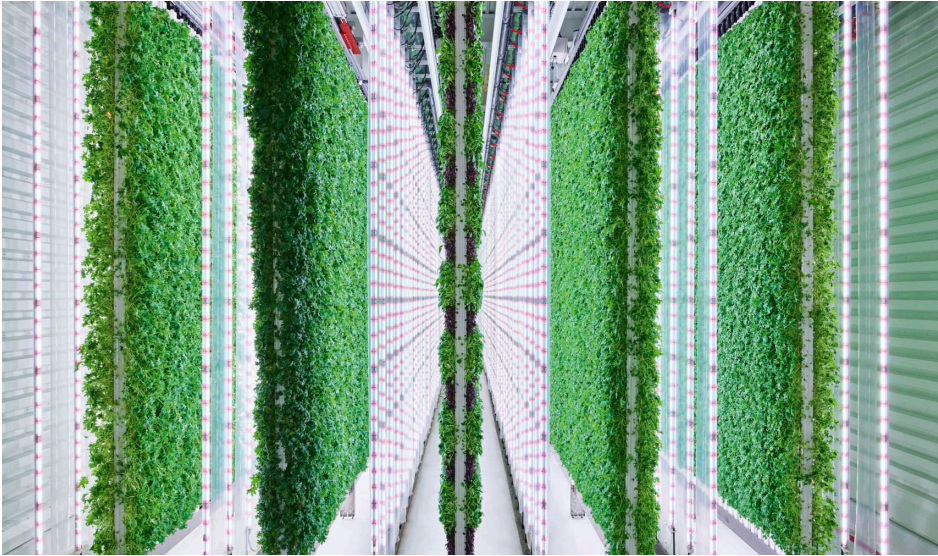


Food & Beverage M&A Update

M&A Activity Remains Resilient, Innovation Drives Trends

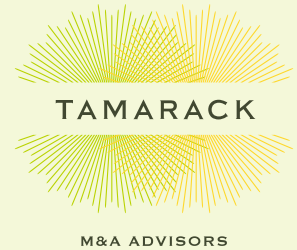


Walmart invests in vertical farming startup Plenty. (Photo: [Plenty](#))

KEY INDUSTRY TRENDS

Tamarack Partners is pleased to share its Food & Beverage M&A Update. The COVID-19 pandemic caused lasting supply chain disruptions around the world, particularly for the Food & Beverage industry. Changes in consumer buying patterns have forced operators to constantly adapt to remain competitive in an ever-changing market. Several key industry trends are included below.

- 1. Delivery** — Food delivery keeps getting hotter, and not just for restaurants. C-stores, in particular, are angling to compete in last-mile distribution: [7-Eleven partnered with GrubHub](#), while [Circle K Venture Fund invested in on-demand grocery startups](#) Food Rocket and Farmstead.
- 2. Labor-Saving Technology** — A shortage of labor has led to increased investment in labor-saving technologies like frictionless checkout and robotic automation. [Walmart's investment in vertical farming startup Plenty](#) signalled mass market appeal for farming technologies that reduce labor needs by using robots to handle harvesting, planting, and logistics.
- 3. Plant Innovation** — Plant-based alternatives are all the buzz due to shifting consumer preferences and intense [investor interest](#). While challenges remain for plant-based food production, food industry giants aren't waiting to get skin in the game: Nepra, Conagra and Hormel launched their own plant-based product lines in Q4 2021 and Nestlé backed alt-meat producer Sundial.



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Contact Our Food & Beverage Experts



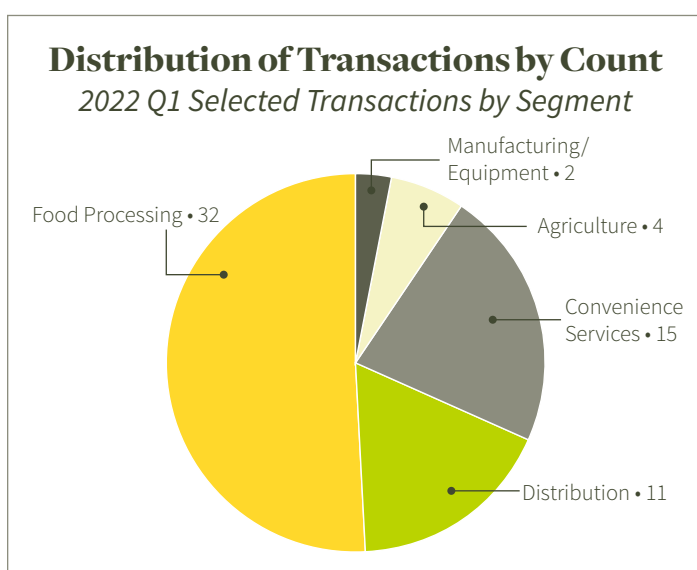
Barry Friends
Industry Partner



Michael Kessler
Founder & President

M&A COMMENTARY

2021 was a historic year for U.S. Food & Beverage M&A, boasting significantly higher than normal M&A levels following the pandemic slowdown. Tamarack Partners tracks U.S. domestic acquisitions across select Food Processing, Distribution, Convenience Services, Agriculture and Manufacturing/Equipment sectors. Deal activity in Q1 2022 was subdued relative to the prior year but remained steady with 64 deals announced or completed.



As shown in the diagram “Distribution of Transactions by Count”, deal activity in the Food Processing, Convenience Services and Distribution sectors continued its strong 2021 pace with a total of 32, 15 and 11 transactions, respectively.

This overall activity was driven by active strategic buyer acquisitions accounting for 45 of the total 64 transactions we tracked. Of interest is the new PE Platform activity which saw, by our estimations, 12 deals in the Food Processing sector. This sector also saw the most PE Strategic add-ons across all sectors.

Sector Activity by Acquirer Group

Q1 2022	Strategic	PE Platform	PE Strategic	TOTAL
Food Processing	20	7	5	32
Distribution	8	2	1	11
Convenience Services	11	3	1	15
Agriculture	4	0	0	4
Manufacturing/Equipment	2	0	0	2
TOTAL	45	12	7	64

Investor Appetite for Premier Specialty Food Distributors

“For most of the late 20th and early 21st centuries, consolidation in foodservice distribution was concentrated among a few “big” players. For years, many observers thought the future of “smalls” was bleak, but that never turned out to be the case. Category and Segment Specialty Distributors abound, and in recent years, have found themselves at the center of investors’ fascination, both from strategics (ex. Sysco) and financials (ex. Kelso, Bane, etc.). Foodservice, as an ever-morphing melting pot of ethnic and nutritionally innovative offerings, commonly outruns the giants (much like the fashion industry), creating demand for nimbler, more flexible suppliers with specific expertise that aligns with their customers’ need to differentiate. Thus, we see a healthy investor appetite for well-managed, smaller, specialized firms that can be stitched together for profitable scalability.”

— Barry Friends, Industry Partner

NOTABLE DEALS



Fortune International acquired D'Artagnan, a leader in the “farm to table” movement and purveyor to top restaurants and retailers, for an undisclosed sum in March. Headquartered in Union, New Jersey, D'Artagnan has approximately 260 employees and over 80 trucks working from five primary operations across five U.S. states.



Stonewall Kitchen, a portfolio company of Audax Private Equity, was acquired by TA Associates for an undisclosed sum in March. Stonewall Kitchen is a leading family of specialty food, home goods and personal care lifestyle brands headquartered in York, Maine.



Rotunda Capital Partners acquired Siegel Egg Co., a leading wholesale distributor of bakery ingredients and other food products, for an undisclosed sum in January. Siegel operates out of a single facility north of Boston, distributing over 2,300 SKUs to its customers throughout the region.



Joy Baking Group, the market leader in retail, foodservice and novelty ice cream cones and other specialty baking items, acquired Novelty Cone Co. for an undisclosed sum in March. Beyond the strategic nature of the acquisition, it demonstrates continued investor interest in the specialty baking industry.



An affiliate of Peak Rock Capital acquired Ziyad Brothers, a leading provider of branded Middle Eastern and Mediterranean foods, for an undisclosed sum in February. Headquartered in Chicago, with additional facilities in New Jersey and California, Ziyad delivers a diverse portfolio of over 800 SKUs to thousands of customers.



Sweet Harvest Foods, a leading natural sweeteners platform and one of the largest honey packers in North America, acquired Nature's Nate Honey Co., the number-one U.S. branded honey company, for an undisclosed sum in January. Nature Nate's will merge with Sweet Harvest as part of the Blue Road Capital portfolio.

LISTED TRANSACTIONS

Date	Target	Acquirer	Target Business Description
03-31-2022	D'Artagnan	Fortune International	Supplier of natural and organic meats
Pending	Friendly Mart Food Stores	Minuteman Food Mart	Convenience store operator
Pending	VenWeb	American Green (OTC: ERBB)	Supplier of vending machines with facial recognition and ID verification
03-28-2022	Bentilia	Global Food and Ingredients	Lentil-based pasta brand
03-23-2022	3D Vending	Capital Provisions	Supplier of vending machines and vending services
03-23-2022	Novelty Cone Co.	Joy Baking Group	Producer of ice cream cones
03-22-2022	Noble Popcorn	Almost Famous Popcorn	Provider of ready-to-eat gourmet popcorn
03-16-2022	Sunfed Produce	GrubMarket	Produce provider
03-15-2022	Pete's	Local Bounti (NYSE: LOCL)	Hydroponically greenhouse-grown vegetables provider
03-14-2022	Stonewall Kitchen	TA Associates	Producer and wholesaler of specialty food products
03-09-2022	MAPCO	Wills Group	Convenience and fuel retailer
03-08-2022	Golden Star Trading	LT Foods	Wholesale distributor of jasmine rice and over 60 SKUs
03-04-2022	Wildbrine/Bubbies Fine Foods	Fermented Food Holdings	Producers of fermented foods
03-03-2022	2 existing franchise locations	TravelCenters of America (NASDAQ: TA)	Convenience and fuel retailer
03-02-2022	Minnesota beer business of J.J. Taylor	Breakthru Beverage	Beer wholesaler
Pending	AVID Cider	Blake's Hard Cider	Craft cider producer
03-01-2022	25 retail sites of Circle K	MAS Capital	Convenience and fuel retailer
03-01-2022	Dripkit	NuZee (NASDAQ: NUZE)	Manufacturer of single serve pour-over coffee formats
02-28-2022	106 retail sites of 7-Eleven	CrossAmerica Partners	Convenience and fuel retailer
Pending	InHarvest	Riviana Foods	Producer of premium specialty rice, quinoa and grains
02-22-2022	Daylight Foods	GrubMarket	Foodservice provider of produce, dairy, specialty items and dry goods
02-22-2022	Stanz Foodservice	Troyer Foods	Foodservice distributor



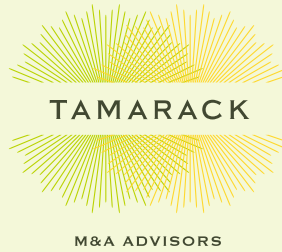
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Date	Target	Acquirer	Target Business Description
02-22-2022	Beanfields	Boosh (CSE: VEGI)	Plant-based snacks maker
02-21-2022	Vital Proteins	Nestle (NESN: SWX)	Manufacturer of collagen-based foods, beverages and supplements
02-16-2022	TechniBlend	ProMach	Supplier of beverage and liquid processing systems
02-16-2022	Traptic	Bowery Farming	3D vision and robotics harvesting startup
02-15-2022	Tickle Water	Golden Grail Technology (OTC: GOGY)	Producer of premium sparkling water initially created for children
02-11-2022	Ziyad Brothers	Peak Rock Capital	Distributor of branded Middle Eastern and Mediterranean Foods
02-09-2022	Larry's All-Natural	WP Strategic Holdings	Manufacturer of salsas and cooking sauces
02-07-2022	Clem Snacks/J&D Snacks	Utz (NYSE: UTZ)	Direct-store delivery (DSD) distributors of Utz's products
02-04-2022	Shaka Tea	King's Hawaiian	Manufacturer of herbal iced teas
02-02-2022	Miller Oil	Global Partners (NYSE: GLP); Sunshine Gasoline Distributors	Convenience and fuel retailer
02-02-2022	Florida Food Service	Ben E. Keith Foods	Foodservice distributor
02-01-2022	4505 Meats	Benestar Brands	Producer of premium pork rinds and other protein-based snacks
02-01-2022	Medlee Foods	Grassland Dairy Products	Producer of savory and sweet seasoned butters
01-31-2022	R.W. Knudsen/TruRoots	Nexus Capital Management	Manufacturer of fruit and vegetable juices
01-28-2022	25 "Wheels" retail sites of Consumers Petroleum	Global Partners (NYSE: GLP)	Convenience and fuel retailer
01-27-2022	31 Pride c-stores	ArLight Capital Partners	Convenience and fuel retailer
01-26-2022	Capay Organic	Creekside Organics	Organic produce farm
01-25-2022	Cultured Decadence	UPSIDE Foods	Cultivated seafood company
01-19-2022	Baldinger Bakery	C.H. Guenther & Son	Manufacturer of specialty bakery items for multinational QSR brands
01-19-2022	Pops Mart business assets of Winnsboro Petroleum	Pops Mart Fuel	Convenience and fuel retailer
01-19-2022	Terra Exports	GrubMarket	Distributor of fresh produce to and from over 65 countries
01-18-2022	KPOP Foods	Wooltari USA	Korean food startup



LISTED TRANSACTIONS

Date	Target	Acquirer	Target Business Description
01-18-2022	Funky Fresh Spring Rolls	Palermo Villa	Frozen spring roll brand
01-17-2022	RightRice business assets of Betterer Foods	Planting Hope (TSXV:MYLK)	Producer of a shelf-stable vegetable grain
01-14-2022	Johnson Oil	Cole Distributing	Convenience and fuel retailer
01-14-2022	Skippers	Harbor Wholesale	Northwest seafood retailer and QSR found in c-stores and grocers
01-13-2022	CANarchy Craft Brewery	Monster (NASDAQ: MNST)	Portfolio of craft beer and hard seltzer brands
01-11-2022	Rawls Distributing	Five Star Food Service	Supplier of vending machines and vending services
01-10-2022	Frontline Food Services	Sodexo (OTC: SDXAY)	Provider of breakroom and refreshment solutions
01-10-2022	Green Flash Brewery/Alpine Beer Co.	Tilray (TSE: TLRY)	California craft beer brands
01-07-2022	Siegel Egg	Rotunda Capital	Wholesale distributor of bakery ingredients
01-07-2022	Ziegenfelder Company	Armstrong Group	Manufacturer of frozen novelties
01-06-2022	ReadyWise	Goode Partners	Provider of ready-to-eat meal and snacking solutions
01-05-2022	Brand Castle	Signature Brands	Producer of branded and private label baking kits and mixes
01-05-2022	Maury Island Farm/Quinn's Pepper Jellies	Alkame Holdings (OTC: ALKM)	Producers of specialty jams and preserves
01-04-2022	Farmers Hen House	Benford Capital	Provider of premium branded and private label specialty eggs
01-04-2022	Casper's Ice Cream	MidOcean Partners	Manufacturer and supplier of branded and co-packed frozen novelty products
01-04-2022	Nature Nate's	Sweet Harvest Foods	Provider of 100% pure, raw & unfiltered honey in the retail segment
01-04-2022	Premium Refreshment Service/Water Event	Primo Water (NYSE: PRMW)	Distributors of Primo's Mountain Valley premium water brand
01-04-2022	ZFS Creston	Benson Hill	Food grade white flake and soy flour manufacturing operation
01-04-2022	DoRan Seafood	Gulf Island Shrimp And Seafood	Gulf shrimp processor
01-03-2022	Steven Charles	Dessert Holdings	Maker of gourmet desserts supplying foodservice and retail customers



ABOUT US

Tamarack Partners is a partnership of senior professionals formed to advise and provide sell-side M&A services to owners of closely-held companies.

What sets us apart is that we serve our clients with a team that includes successful operating executives who have built and sold businesses like yours throughout their careers.

If you are considering an ownership transition, we would be happy to provide you with guidance. Feel free to start a conversation with us today.

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