

Food and Beverage Sector Quarterly Update



Industry Insights & Market Data

RECENT CMG EVENTS

- [CMG's Ross Colbert Discusses Key Changes in Food and Beverage M&A on ShareVault's 'This is M&A' Podcast](#)
- [Carter Morse & Goodrich Serves as Exclusive M&A Advisor to National Integrated Industries](#)
- [CMG's Ramsey Goodrich Speaks at the M&A Advisor's 2025 Future of Dealmaking Summit in New York, NY](#)

FOOD AND BEVERAGE Q4 '25 HIGHLIGHTS

- Food and Beverage M&A in 2025
- Strategic Buyers Lead Activity
- Food & Beverage Valuation Multiples
- Leadership Spotlight: Q&A with PepsiCo Beverages CEO

The Year of The Horse is here!

- Middle market dealmakers had little to celebrate in Q4 '25 as macroeconomic uncertainty continued to dampen M&A activity. The Year of The Horse has arrived, bringing renewed optimism for economic growth and increasing consumer confidence.
- U.S. consumer sentiment weakened in the Dec-Jan period as concerns about higher foods prices and the labor market still linger.
- Meanwhile incumbent CPG companies are expected to continue their recent trend of acquiring premium food brands to help stimulate further growth.

Explore our latest insights on consumer trends, sentiment, and emerging M&A opportunities in 2026!



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Food & Beverage M&A in 2025 Reflects a Slow Recovery



Overall M&A Activity & Value Dropped in 2025

As reported by Pitchbook, 2025 logged **1,053** global Food & Beverage buyout and corporate deals, totaling **\$92.4B**, a normalization from 2024's peak (-27% by count; -4.7% by value). Despite the pullback, deal flow remained resilient as portfolio optimization, improving financing, and returning sponsor interest supported activity.

Strategic Buyers Represented 63% of Deal Volume

Corporate/strategic acquirers represented the majority of volume, while **PE** accounted for **~27% of deals** and **~35.6% of value**, reflecting larger average check sizes but fewer deals.

Several Large F&B Deals Made the Headlines

Four **\$1.5B+** megadeals across coffee, snacking, and functional beverages reshaped category structure and highlighted a bifurcation between diversified "megaplayers" and an innovation-led challenger set in health & wellness

Health & wellness drives record 25.9% of deal volume:

"**Better-for-you**" acquisitions reached an all-time high share in 2025, fueled by protein snacks/beverages.

Major 2025 Transactions — Deals Led by Strategic Buyers

Deals	Transaction Details
Jan '26 BAKKAVOR acquired by Greencore	Deal Value: \$1.6B Formed a national convenience food chain by blending Greencore's food-to-go with Bakkavor's prepared meals
Nov '25 LesserEvil acquired by HERSHEY THE HERSHEY COMPANY	Deal Value: \$750.0M Addition of a high-growth brand to Hershey's existing portfolio and expands manufacturing capacity
Aug '25 Alani acquired by CELSIUS	Deal Value: \$1.8B Mix of Cash, Stock, and Earnout to combine two growing, scaled energy brands with clear category tailwind
May '25 poppi acquired by pepsico	Deal Value: \$2.0B Premium multiple reflecting fast growth in prebiotic sodas; ~\$300M tax optimization benefit
May '25 Hillendale Farms acquired by Granja Faria	Deal Value: \$1.1B Doubles Global Eggs' production (controlled by Faria) reshaping the global egg supply chain
Apr '25 JDE Peet's announced merger with Keurig Dr Pepper	Deal Value: \$18.0B , All Cash; Created the world's largest pure-play coffee platform with a subsequent plan to separate into "Global Coffee Co." and "Beverage Co."
Apr '25 HARVEST HILL acquired by castillo	Deal Value: \$1.5B Facilitates the expansion of Castillo Hermanos brands and access to the American market
Feb '25 Simple Mills acquired by Flowers Foods	Deal Value: \$848.5M Expansion of Flowers Foods portfolio in the better-for-you and snacking categories

Food & Beverage: Valuation Multiples

Valuation Multiples Have Shown Considerable Volatility Over the Past Five Years



The implied median EV/EBITDA multiple has compressed to 11.3x in 2025 (as of December 2025), down from 14.6x in 2019, reflecting some multiple contraction even as fundamentals for category leaders remain solid.

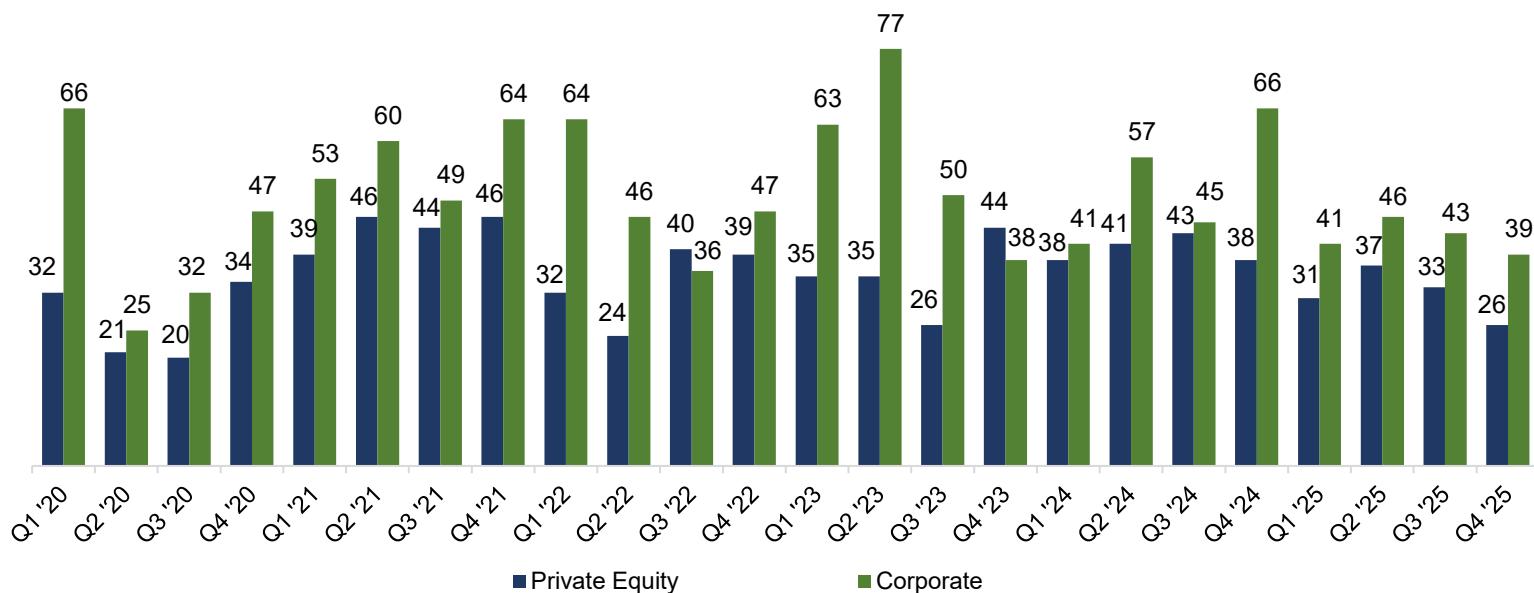


Conversely, implied EV/revenue multiples have remained relatively stable, landing at 1.54x in 2025, versus 1.57x in 2019, suggesting investors are still willing to pay similar revenue-based premiums for durable growth stories.



Most transaction enterprise values clustered between \$6M and \$120M, with revenue multiples ranging from 0.6x to 2.7x. However, premium brands with unique market positions commanded significantly higher multiples, with some outliers reaching 39x EBITDA.

US Food and Beverage M&A Deal Volume (2020 – 2025)



7 Key Food & Beverage M&A Trends for 2026

1. Premiumization Accelerates Strategic Deal-Making

Consumers continue shifting toward cleaner, higher-quality, functionally enriched products. Premium brands drive disproportionate category growth, forcing legacy CPGs to acquire insurgents to stay relevant.

2. Stalled Organic Growth Pushes Legacy CPGs Toward M&A

Large food companies face flat volumes and channel pressure from both private label and premium insurgents. M&A becomes the fastest route to rekindle growth.

3. Insurgent Brands Capture Outsize Growth and Become Top Targets

Brands with transparency, quality ingredients, and cultural relevance (especially in functional beverages) deliver category-leading growth, driving strategic acquirers to pursue them aggressively.

4. Wellness & GLP-1 Trends Redefine Category Demand

Protein and fiber surge as GLP-1 drugs reshape consumption patterns toward satiety and metabolic support. Expect heavy consolidation in protein drinks, bars, and functional snacks.



5. Consumer Bifurcation Reshapes Portfolio Strategies

The market splits between premium trade-ups and value-driven private label trade-downs—eroding the mid-tier. Companies respond through portfolio trimming and targeted acquisitions of premium or value-aligned brands.

6. Middle-Market Transactions Slow Under Deeper Diligence

Deals under \$250M face slower timelines, more rigorous diligence, and higher earn-out usage. Buyers prioritize margin strength, scalability, and clear differentiation.

7. Improving Macroeconomic Conditions Support More Deal-Making

Lower interest rates, significant PE dry powder, and supply-chain reshoring strengthen the 2026 deal environment, even as tariff uncertainty



Food and Beverage M&A Heat Map: Growth Potential vs. Buyer Appetite

High Growth Potential × High Buyer Appetite (Most Attractive)

- Protein-Centric Categories: Large-scale consolidation is anticipated as brands pivot to meet the surge in demand fueled by GLP-1 weight-loss trends.
- Gut Health & Functional Products: A dual-track boom in functional beverages and fiber supplements is driving high-velocity interest.
- Better-For-You Packaged Foods: Expected to dominate 2026 deal volume, spurred by tightening regulations and a shift in consumer preference toward "clean" labels.
- Alternative Wellness Beverages: Massive growth in "wellness platforms," including prebiotic sodas and non-alcoholic spirit alternatives.

High Growth Potential × Medium Buyer Appetite (Selective but Attractive)

- Global & Ethnic Flavors: Driven primarily by Gen Z's appetite for authentic international profiles.
- Next-Gen Plant-Based / Alternative Proteins: While the broader category remains mixed, buyers are focused on high-protein, clean-label meat alternatives.

Medium Growth Potential × Medium-High Buyer Appetite

- Indulgence Categories – Confectionery, snacks and premium ice cream remain staples, maintaining steady volumes as consumers seek affordable luxuries.

Low Growth Potential × Low Buyer Appetite (Challenged)

- Private Label Manufacturing – Low valuation multiples and the inherent risk of high client concentration
- Traditional Processed Foods – Sustained downturn. Strategic players are looking to divest these assets over new acquisitions.

Source: Circana

Meet CMG's Food & Beverage Team at Key Upcoming Industry Events



Food and Beverage News: Berkshire Hathaway's Exit from Kraft Heinz

Berkshire Hathaway has filed with the SEC to enable a full **divestiture of its Kraft Heinz stake**, clearing the way to sell **up to 325 million shares**, roughly **27% of the company**.

This would end its role as Kraft Heinz's largest and most stable long-term shareholder.

The move comes shortly after Kraft Heinz announced it will **split into two separate companies**, and as Greg Abel takes over as CEO of Berkshire Hathaway. Exiting the position would free up significant capital for Berkshire and reduce its exposure to a packaged-food giant that has already produced a **\$3.76bn write-down**.



Markets reacted immediately - **JP Morgan, Morgan Stanley, and UBS** all lowered their price targets, citing heightened uncertainty and the selling pressure that a shareholder of Berkshire's size can trigger.

Beyond the financial impact, the exit is widely seen as a **symbolic turning point for Big Food**. Kraft Heinz had long been the poster child for the 2010s strategy of consolidation and aggressive cost-cutting. Berkshire's withdrawal signals that this model is losing relevance as consumer demand shifts toward **premium, health-forward, and fast-growing niche brands**.

The upcoming demerger reinforces the sense that large, diversified food conglomerates may no longer be the optimal structure in a market that rewards agility and focus. Whether the divestiture ultimately helps Kraft Heinz reinvent itself or leaves it more vulnerable remains uncertain, but the industry is treating this as a **major strategic inflection point**.

In Conversation with PepsiCo Beverages CEO Ram Krishnan

Highlights from Beverage Digest's Future Smarts Conference

CMG's Ross Colbert was recently in attendance at the [2025 Future Smarts by Beverage Digest](#) held in New York City on December 15, 2025. During one of the sessions, Beverage Digest's Duane Stanford sat down with PepsiCo Beverages U.S. CEO Ram Krishnan and discussed the product, consumer, retail, and economic changes that are shaping PepsiCo's beverage business.

From the front row seat in the audience, the conversation felt like a rare, unusually candid look inside a massive business trying to reinvent itself. Ram Krishnan came across as direct, analytical, and surprisingly self-aware for someone stepping into one of the biggest roles in North American CPG.

The session felt less like corporate spin and more like a leader walking the audience through a multi-year diagnosis and rebuild. Krishnan repeatedly emphasized discipline, clarity, and science over hype. The tone was confident but not flashy — more “we’ve done the homework” than “trust us.”

Key Talking Points

The “Challenger Mindset” Was the Emotional Centerpiece

Krishnan kept returning to the idea that Pepsi performs best when it behaves like an underdog. As an audience member, this felt like a cultural rallying cry — a way to reset the organization’s identity after years of mixed performance.



Brutal Honesty About Portfolio Problems

He didn’t sugarcoat the issues. Krishnan described 15 years of inconsistent performance, overlapping brands, and unclear roles. The level of granularity he referenced made it feel like the team actually dug deep rather than relying on generic consulting frameworks.

Refranchising? A Hard No

When asked about activist pressure to rebrand bottling, Krishnan’s answer was blunt:

- No meaningful value for shareholders
- Too distracting
- Not worth the complexity (as an audience member, it felt like he was shutting the door firmly — at least for now).

Major Go-to-Market and Supply Chain Surgery

This part felt like the most operationally heavy but also the most impactful. Krishnan described:

- Freeing up frontline sellers to spend dramatically more time actually selling
- Consolidating a messy network of plants and warehouses
- Eliminating “unrewarded complexity” It came across as a leader who sees execution — not just marketing — as the real differentiator.

Bubly Moves Out, Poppi Moves In

This was one of the more surprising moments. Krishnan explained that Bubly is shifting to warehouse delivery to free up a coveted DSD slot for Poppi — which he clearly sees as a rocket ship. As a listener, it felt like a signal that PepsiCo is willing to make bold tradeoffs to chase growth.

In Conversation with PepsiCo Beverages CEO Ram Krishnan

(Continued from Page 7)

Core Brands Still Rule the House

He made it clear: Pepsi, Pepsi Zero, Mountain Dew, and Gatorade are still the center of gravity. But he also highlighted:

- Pepsi Zero's outsized growth
- Baja Blast becoming a billion-dollar franchise
- New innovations like Dirty Mountain Dew and Pepsi Prebiotic

The message: the core is strong, but innovation must be smarter and more targeted.



Gatorade's Reset Felt Like a Big Deal

Krishnan diagnosed the sports drink category with unusual clarity:

- Confusing claims
- Poor value perception
- Younger consumers who don't know the brand's heritage

He laid out a plan that felt almost like a re-founding of Gatorade — new packaging, clearer functional roles, and a 75% reduced-sugar formula.

Energy Strategy = Portfolio Chess

The Celsius partnership was framed as a structural shift, not just a distribution deal. The three-brand architecture (Rockstar, Celsius, Alani Nu) felt intentional and non-overlapping. As a listener, it sounded like PepsiCo finally has a coherent energy strategy.

Science-Driven Innovation Was the Most Forward-Looking Theme

This was arguably the most compelling part of the talk. Krishnan described a shift from marketing-led ideas to R&D-led product development — almost like a consumer-health model. His protein example (timing and type matter more than total grams) made the audience lean in. It felt like PepsiCo is trying to build beverages with real physiological credibility.

Protein Is About to Become a Major Pillar

Three new offerings — Muscle Milk reformulation, Propel Clear Protein, and a Starbucks protein coffee — signaled a serious push into functional nutrition.

CMG's Takeaway from the Front Row

Krishnan's strategy felt like a blend of humility and ambition:

- Admit what's broken
- Fix the fundamentals
- Rebuild the culture
- Use science to drive the next wave of growth

It didn't feel like a quick turnaround story. It felt like a multi-year reset grounded in data, discipline, and a willingness to rethink sacred cows.

Select Food & Beverages M&A Transactions

Date	Acquirer	Target	Target Description
Food Products			
Dec-25			Distributor of specialty snack options from various brands
Dec-25			Producer of wide range of plant-based meats
Dec-25			Producer of vegan cheese
Dec-25			Producer of meat and specialty food products serving retailers, foodservice operators and wholesale buyers
Dec-25			Producer of grass-fed dairy products
Dec-25			Producer of wide range of dry pasta products
Nov-25			Manufacturer of flavors and related specialties
Nov-25			Producer of organic and sustainable snacks
Nov-25			Producer of vegan cheese and butter products
Nov-25			Manufactures a range of frozen potato products
Nov-25			Manufacturer and distributor of private label packaged foods and beverages
Nov-25			Producer of shelf-stable snacks and baked goods
Nov-25			Producer of gluten-free, better-for-you, cauliflower-based food products
Oct-25			Producer of fresh bakery and confectionery products
Oct-25			Producer of handcrafted, small-batch ice cream with unique flavors

Select Food & Beverages M&A Transactions

Date	Acquirer	Target	Target Description
Alcoholic Beverages			
Dec-25			Producer of fruit-forward, full bodied wines
Nov-25			Specializes in the production and distribution of uniquely flavored, party-ready wine-based cocktails
Nov-25			Develops and markets premium spirits and Ready-To-Drink beverages
Nov-25			Producer of ready-to-drink alcoholic beverages
Nov-25			Producer of shelf stable ready to pour cocktails
Oct-25			Producer of craft lager products
Non-Alcoholic Beverages			
Dec-25			Producer of juices, lemonades, and plant-based beverages
Nov-25			Producer of all natural, low sugar and low-calorie liquor mixer

Select Public Company Data

Food, Beverage, and Pet Care Products

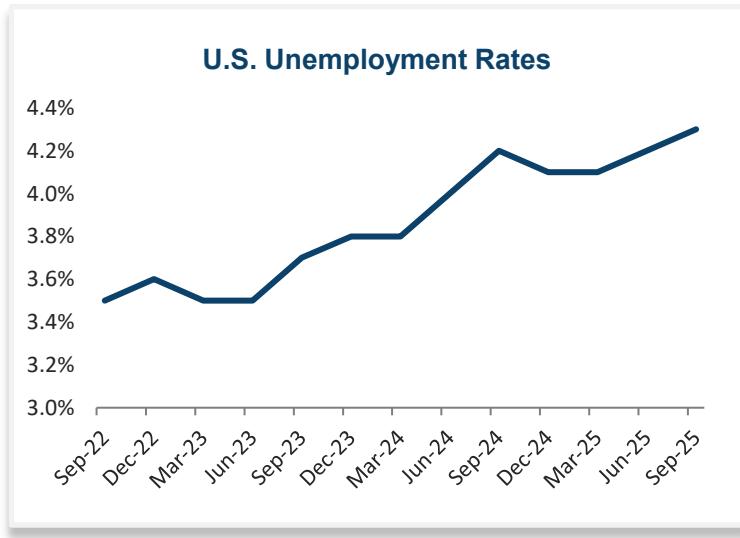
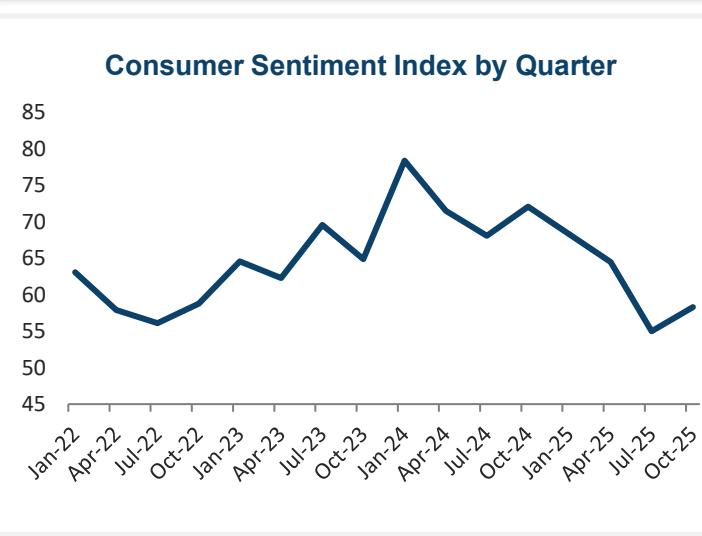
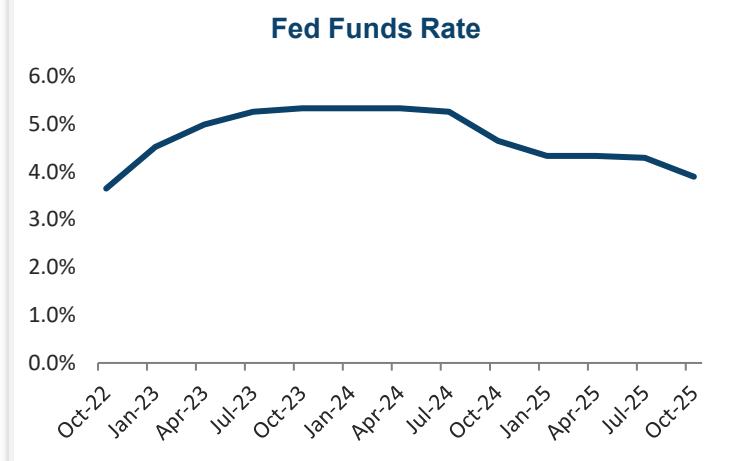
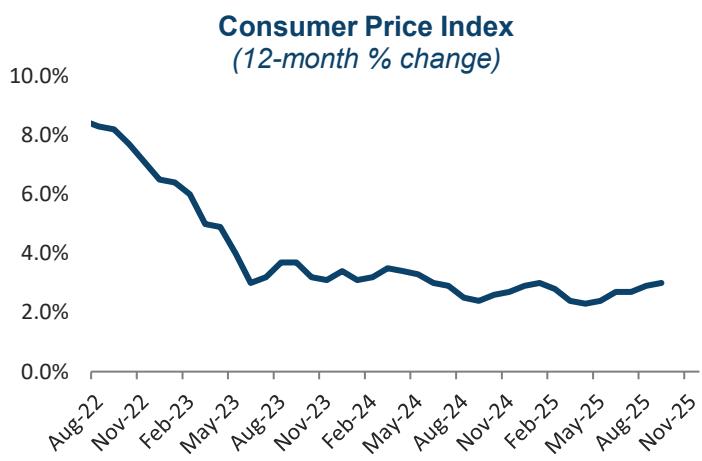
Company	Market Information		LTM Financials		Operating Metrics		TEV to LTM	
	\$ / Share	TEV	Revenue	EBITDA	Growth	EBITDA%	Revenue	EBITDA
Food								
Conagra Brands, Inc.	17.31	15,858	\$11,235	\$1,812	-5.8%	16.1%	1.4x	7.8x
General Mills, Inc.	\$46.50	\$37,875	\$18,777	\$3,544	-5.7%	18.9%	2.0x	10.3x
Mondelez International, Inc.	53.83	90,078	\$37,645	\$5,617	4.1%	14.9%	2.4x	13.9x
Post Holdings, Inc.	99.05	12,650	\$8,158	\$1,376	3.0%	16.9%	1.6x	8.6x
The Campbell's Company	27.87	15,450	\$10,158	\$1,834	2.7%	18.1%	1.5x	6.8x
The Hain Celestial Group, Inc.	1.07	827	\$1,533	\$104	-10.1%	6.8%	0.5x	7.1x
The Kraft Heinz Company	24.25	46,891	\$25,164	\$6,006	-3.7%	23.9%	1.9x	7.2x
Tyson Foods, Inc.	58.62	29,187	\$54,441	\$2,828	2.1%	5.2%	0.5x	7.9x
Mean	\$41.06	\$31,102	\$20,889	\$2,890	-1.7%	15.1%	1.5x	8.7x
Median	\$37.19	\$22,523	\$15,006	\$2,331	-0.8%	16.5%	1.5x	7.8x
Alcoholic Beverages								
Anheuser-Busch InBev SA/NV	64.04	205,130	\$58,605	\$18,901	-1.3%	32.3%	3.5x	10.2x
Brown-Forman Corporation	26.06	14,399	\$3,889	\$1,174	-4.7%	30.2%	3.7x	11.1x
Constellation Brands, Inc.	137.96	34,769	\$9,624	\$3,623	-5.6%	37.6%	3.6x	11.5x
Diageo plc	86.27	71,613	\$20,245	\$6,274	-0.1%	31.0%	3.6x	11.1x
Heineken N.V.	81.88	66,527	\$34,265	\$6,524	-4.8%	19.0%	1.9x	9.4x
Molson Coors Beverage Company	46.68	15,058	\$11,214	\$2,411	-4.0%	21.5%	1.3x	6.0x
The Boston Beer Company, Inc.	195.13	1,825	\$1,982	\$249	-1.1%	12.5%	0.9x	7.1x
Mean	\$91.15	\$58,475	\$19,975	\$5,594	-3.1%	26.3%	2.7x	9.5x
Median	\$81.88	\$34,769	\$11,214	\$3,623	-4.0%	30.2%	3.5x	10.2x
Non-Alcoholic Beverages								
Celsius Holdings, Inc.	\$45.74	\$13,640	\$2,126	\$442	55.1%	20.8%	6.4x	nmf
Keurig Dr Pepper Inc.	28.01	56,168	\$16,174	\$4,299	6.8%	26.6%	3.5x	12.3x
Monster Beverage Corporation	76.67	72,389	\$7,975	\$2,488	7.6%	31.2%	9.1x	nmf
National Beverage Corp.	31.89	2,778	\$1,200	\$258	1.0%	21.5%	2.3x	10.1x
PepsiCo, Inc.	143.52	240,856	\$92,366	\$17,016	0.5%	18.4%	2.6x	13.0x
Primo Brands Corporation	16.35	11,255	\$6,507	\$1,240	34.4%	19.0%	1.7x	8.2x
The Coca-Cola Company	69.91	335,125	\$47,663	\$16,307	2.8%	34.2%	7.0x	18.1x
The Vita Coco Company, Inc.	53.01	2,830	\$609	\$77	23.1%	12.7%	4.6x	nmf
Zevia PBC	2.32	116	\$163	-\$12	6.2%	-7.6%	0.7x	nmf
Mean	\$51.94	\$81,684	\$19,420	\$4,679	15.3%	19.7%	4.2x	12.3x
Median	\$45.74	\$13,640	\$6,507	\$1,240	6.8%	20.8%	3.5x	12.3x
Mean - All	\$59.75	\$58,054	\$20,072	\$4,350	4.3%	20.1%	2.9x	9.9x
Median - All	\$46.68	\$15,858	\$10,158	\$2,411	0.5%	19.0%	2.0x	9.4x

All data as of 12/31/25, \$ in millions, TEV - Total Enterprise Value; LTM - Last Twelve Months

Source: Capital IQ

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Key Economic Indicators



Sources: U.S. Bureau of Labor Statistics, Federal Reserve Economic Data, US Census Bureau and Trading Economics

M&A Expertise For Founders & Families



Founded in 1987, Carter Morse & Goodrich is a boutique M&A advisory firm that specializes in representing founder-led and family-held businesses that are leaders in niche markets. We fully understand and appreciate the unique dynamics of these companies and the importance of owner legacies, which has enabled us to become a trusted advisor to hundreds of founders and families.

CMG Industry Groups



Manufacturing

- Aerospace & Defense
- Tools & Equipment
- Diversified Industrial
- Niche Manufacturing



Services

- Diversified Services
- Facilities & Residential
- Industrial Services
- Distribution & Logistics



HVAC

- Manufacturing
- Distribution
- HVAC Services
- Building Automation



Consumer

- Pet Products
- Infant & Juvenile Products
- Sporting Goods
- Apparel & Accessories
- Household Goods



Food & Beverage

- Food
- Alcoholic Beverages
- Non-Alcoholic Beverages

1987
Founded

\$5 Billion
Aggregate Transaction
Values

450+
Client Engagements

1 Objective
Successful Client Outcomes

Select Food & Beverage Transactions


Beverage production assets have been acquired by




has signed a master distribution with




has been acquired by




has been acquired by




has been acquired by





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