FOOD & BEVERAGE INSIGHTS

FEBRUARY 2026

Citizens

FOOD FOR THOUGHT

We are pleased to present the Citizens February 2026 Food & Beverage Update. In this report, we discuss current trends across the Food & Beverage landscape, including issues facing operators and consumers, our outlook for the months ahead, M&A activity and notable transactions, public equity performance and select macroeconomic and commodities trends.

We look forward to discussing these points and how Citizens can help you achieve your corporate finance goals in 2026 and beyond.

IN THIS ISSUE

2025 DYNAMICS AND A LOOK AHEAD TO 2026

- Inflation moderates further into 2026 with overall food prices projected to rise ~2.7%, yet persistent tariff threats and sticky service costs continue to soften consumer spending
- Manufacturers grapple with higher input and freight expenses that force portfolios to adopt cost-efficient strategies while keeping up with rapidly changing consumption trends

- Consumer spending turns increasingly selective amid health crazes and wallet pressures that push consumers towards value-oriented private label options
- Private label spending has soared and is forecast to account for more than 20% of food and grocery sales

- Retail volumes remain flat as grocery sales climbed 0.44% in Q3, with price gains accounting for growth
- Retailers are pushing for price reductions from manufacturers, with consultants estimating 15% - 25% price givebacks in an effort to claw back prior input-cost inflation

- Food-away-from-home spending decreased ~5% through Q3 amid economic volatility, with operators across dining segments rolling out value menus and promotions (combos deals, daily specials, discounted bundles) to boost traffic and revitalize volume levels

- GLP-1 popularity surged in 2025, with ~23% of U.S. households now having at least 1 GLP-1 user
- Motivated by weight loss and healthy habits, consumers are demanding nutrient-dense (high protein, high fiber), portion-controlled foods

- Manufacturers face operational challenges associated with demand shifts, driving investments in automation to stay nimble in the competitive landscape while improving the labor force to streamline production and procurement that translates to lower costs for companies and their customers

- AI is revolutionizing broader retail marketing via personalized suggestions and dynamic pricing with a focus on enhancing the consumer experience
- Food manufacturers have begun to embrace AI to further optimize supply chains, with its potential to improve production tracking, assembly and packing processes, spoilage rates and product R&D

- Deal volumes declined 14.2% in 2025 amid a challenging economic backdrop (tariffs and inflationary pressure, consumer spending, valuation expectations, etc.), despite significant pent-up demand and capital to deploy
- Core dynamics for a healthy M&A market continue to improve into 2026 with more potential acquirers expressing optimism for a stronger market in coming quarters

Source(s): Deloitte, McKinsey & Company, Forbes, Circana, IFT, U.S. Bureau of Labor Statistics, Federal Reserve, Citizens 2026 M&A Outlook survey data

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WHAT WE ARE HEARING ON THE STREET

NOTABLE RECENT COMMENTARY FROM FOOD & BEVERAGE EXECUTIVES

Kroger

December 4, 2025

"Macroeconomic uncertainty continues to influence customer behavior and we're seeing a split across income groups. Spending from higher-income households continue strong, while middle-income customers are feeling increased pressure, similar to what we've seen from lower-income households over the past several quarters. They're making smaller, more frequent trips to manage budgets, and they are cutting back on discretionary purchases."

— Ronald L. Sargent, Interim Chief Executive Officer

Coca-Cola

October 21, 2025

"…One can see the full change in the diet makeup [related to GLP-1s]…[consumers] tend to drink less full sugar soft drinks, but they tend to drink more diet soft drinks, also hydration, more coffee and, as you say, a big shift towards protein drinks… we've got Fairlife and Core Power, which have been standout successes for the last number of years and continued to grow in the third quarter."

— James Robert Quincey, Chief Executive Officer

KraftHeinz

October 29, 2025

"...What we are looking to do…is to make sure we continue to invest behind our brands to drive superiority from a consumer experience perspective… it's important that as we get out of this particular era…we come out of it with a much stronger portfolio with stronger brands. "

— Carlos Abrams-Rivera, Chief Executive Officer

Mama's CREATIONS™

December 8, 2025

"The grocery deli is becoming one of the most important battlegrounds in modern food service. Consumers aren't choosing between brands inside the restaurant channel. They're choosing between the restaurant channel and the grocery prepared food set. Even major restaurant operators like Chipotle noted on their most recent earnings calls that they're not losing guests to other chains. They're losing trips to grocery and food at-home occasions."

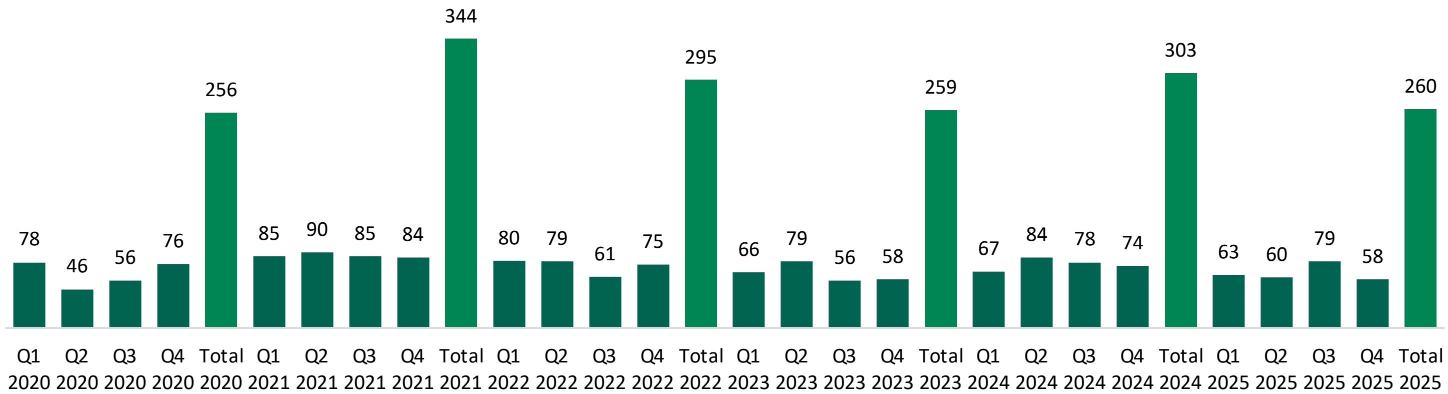
— Adam L. Michaels, Chief Executive Officer

Source(s): Company transcripts and filings

NORTH AMERICAN FOOD & BEVERAGE M&A ACTIVITY

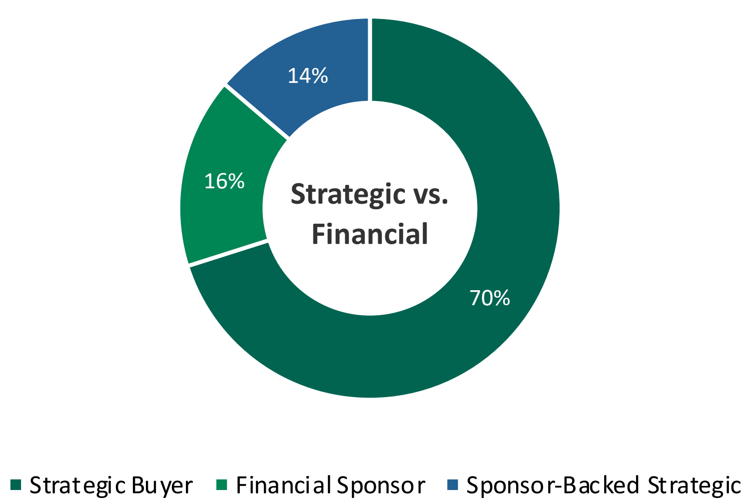
FOOD & BEVERAGE M&A DEAL VOLUME

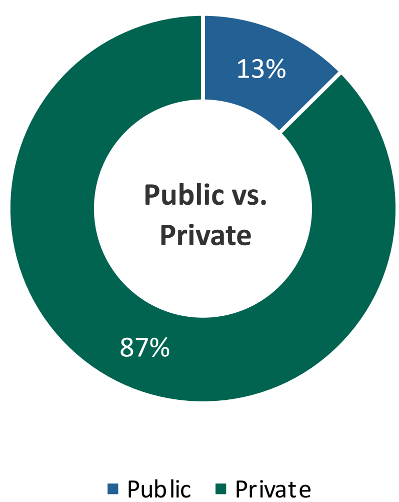
(Aggregate deal count)



YoY Change(1)	*34.4%*	*(14.2)%*	*(12.2)%*	*17.0%*	*(14.2%)*

FY 2025 FOOD & BEVERAGE M&A ACTIVITY BY BUYER TYPE(2)





Source(s): S&P Capital IQ, MergerMarket (as of January 1, 2026)
1) Represents year-over-year change in aggregate deal count
2) M&A activity by buyer type statistics are based on deal count

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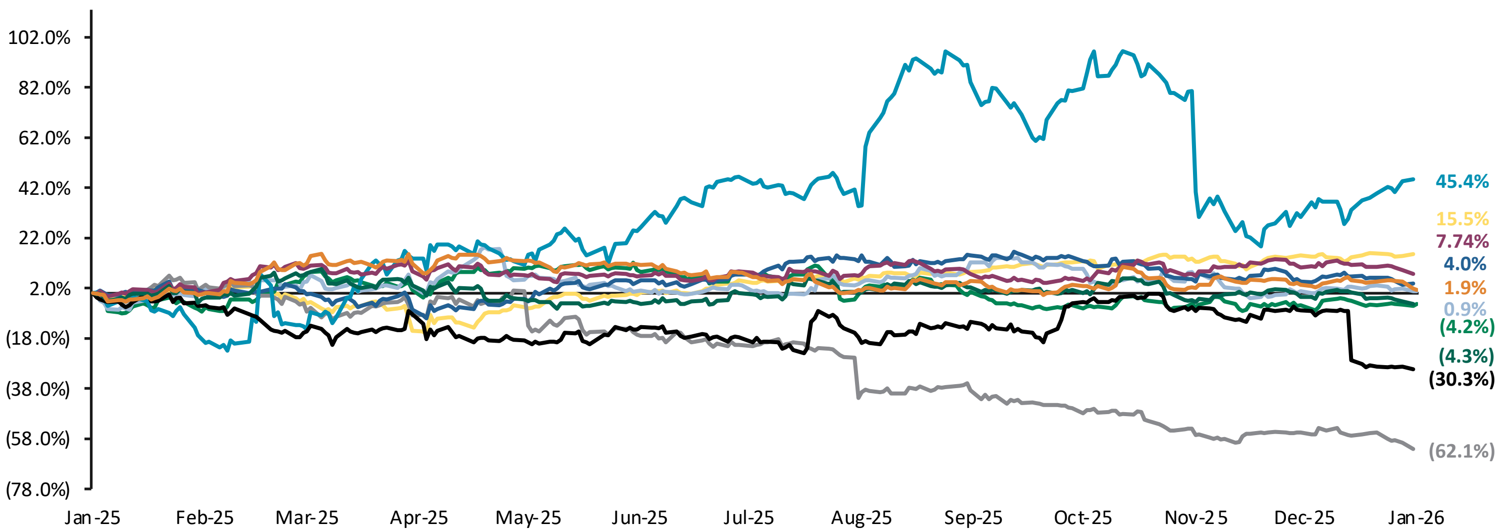
SELECT M&A TRANSACTIONS

ANN. DATE	CLOSE DATE	TARGET(S)	ACQUIRER(S)	ENTERPRISE VALUE ($MM)
Dec. 2025	Dec. 2025	Ste. Michelle Wine Estates (Sycamore)	The Wyckoff Family	ND
Dec. 2025	Jan. 2026	Stampede Foods (Wynnchurch)	Premium Brands Holding Corp (TSX: PBH)	$662.5
Dec. 2025	Dec. 2025	Country Pure Foods (Blue Point)	Peterson Farms (Mubadala Capital)	ND
Nov. 2025	Nov. 2025	TRUBAR (TSX:TRBR)	ETI Gida	$131.4
Dec. 2025	Dec. 2025	Companion Baking	Shore Capital	ND
Dec. 2025	Dec. 2025	Old World Provisions	S Food (Pacific General)	ND
Dec. 2025	Dec. 2025	Royal Cup Coffee & Tea	Braemont Capital	ND
Dec. 2025	Dec. 2025	Maple Hill Creamery	Horizon Family Brands (Platinum Equity)	ND
Dec. 2025	Dec. 2025	Target Flavors	Graham Partners	ND
Nov. 2025	Nov. 2025	Hickman's Egg Ranch	Mantiqueira USA	ND
Nov. 2025	Nov. 2025	Penobscot McCrum	McCain Foods	ND
Nov. 2025	Nov. 2025	TreeHouse Foods (NYSE:THS)	Investindustrial	$2,900.0
Nov. 2025	Nov. 2025	Nature Way Foods	Taylor Farms	ND
Oct. 2025	Oct. 2025	Clarebout Potatoes	Simplot	ND
Oct. 2025	Oct. 2025	Ne-Mo's Bakery	Cotton Creek	ND
Oct. 2025	Oct. 2025	Green Giant, Le Sieur (B&G Foods)	Nortera Foods	ND
Oct. 2025	Oct. 2025	International Spices	Woodland Gourmet (Graham Partners)	ND
Oct. 2025	Oct. 2025	Ice Cream Factory	PNC Brands Group	ND
Oct. 2025	Oct. 2025	Fresh Del Monte (Mann Packing Assets)	Church Brothers	ND
Oct. 2025	Oct. 2025	Caro Nut	Certified Origins	ND
Oct. 2025	Oct. 2025	Forestwood Farm	Red Arts Capital	ND
Oct. 2025	Oct. 2025	Cenavera Nutrition	Nautic Partners	ND
Oct. 2025	Oct. 2025	Western Son Vodka and Distillery	Sazerac	ND
Sep. 2025	Sep. 2025	SlimFast (Glanbia)	Heartland Food Products	ND
Sep. 2025	Sep. 2025	Six Degrees Coffee	Odeko	ND
Sep. 2025	Jun. 2025	Sweets From the Earth	Fengate Private Equity	ND
Sep. 2025	Sep. 2025	Bosco & Roxy's	Treat Planet (Inverness Graham)	ND
Sep. 2025	Sep. 2025	Alpha Foods	MBC Companies (Entrepreneurial Equity Partners)	ND
Sep. 2025	Sep. 2025	Blue Pacific Flavors	Capol	ND
Sep. 2025	Sep. 2025	Rockstar Energy (U.S. & Canada)	Celsius Holdings (NasdaqCM:CELH)	ND
Sep. 2025	Sep. 2025	8th Avenue Food & Provisions (Pasta Business)	Richardson Holdings Limited	$375.0
Sep. 2025	Sep. 2025	Crown I Enterprises Inc.	Mama's Creations (NasdaqCM:MAMA)	$17.5
Sep. 2025	Sep. 2025	Cain Foods	Apheon	ND
Aug. 2025	Aug. 2025	Wilbur-Ellis Nutrition	Balmoral Funds	ND
Aug. 2025	-	JDE Peet's	Keurig Dr. Pepper (NasdaqGS:KDP)	$23,000.0
Aug. 2025	Aug. 2025	Atlanta Coffee Supply Group	Odeko	ND
Aug. 2025	Aug. 2025	Loma Linda	Century Pacific Food	ND
Aug. 2025	Aug. 2025	Gourmet Specialty Foods	Audax Private Equity	ND
Aug. 2025	Aug. 2025	Daring Foods	V2food	ND
Aug. 2025	-	Irwin Naturals	FitLife Brands (OTCBB:FTLF)	$42.5
Aug. 2025	Aug. 2025	Dole Fresh Vegetables Division	Arable Capital	$140.0
Aug. 2025	Aug. 2025	Copper & Kings	Bourdon Spirits	ND
Aug. 2025	Aug. 2025	Le Sueur (B&G Foods)	McCall Farms	ND
Aug. 2025	Aug. 2025	Amylu Foods	TowerBrook Capital Partners	ND
Jul. 2025	Jul. 2025	Joseph's Gourmet Pasta Company	Turri's Italian Foods (Benford Capital Partners)	ND
Jul. 2025	Jul. 2025	Harrison Poultry	Wayne-Sanderson Farms	ND
Jul. 2025	Jul. 2025	FlavorSum	Warburg Pincus	ND
Jul. 2025	Jul. 2025	Dyla Brands	Keurig Dr. Pepper (NasdaqGS:KDP)	$98.0
Jul. 2025	Jul. 2025	Tia Lupita Foods	Vilore Foods	ND
Jul. 2025	Jul. 2025	Health-Ade	Generpus Brands	ND
Jul. 2025	Jul. 2025	Willamette Valley Pie	Dessert Holdings (Bain Capital)	ND
Jul. 2025	Jul. 2025	Zing Zang	Mizkan America	ND
Jul. 2025	-	Kraft Heinz (Italian Infant & Specialty Food)	NewPrinces Group	ND
Jul. 2025	Sep. 2025	WK Kellogg (NYSE:KLG)	Ferrero Group	$3,100.0
Jul. 2025	Jul. 2025	Western Smokehouse	Monogram Capital Partners	ND
Jul. 2025	Jul. 2025	Caputo Cheese	Tilia Holdings	ND
Jul. 2025	Jul. 2025	AIT Ingredients	Lallemand	ND

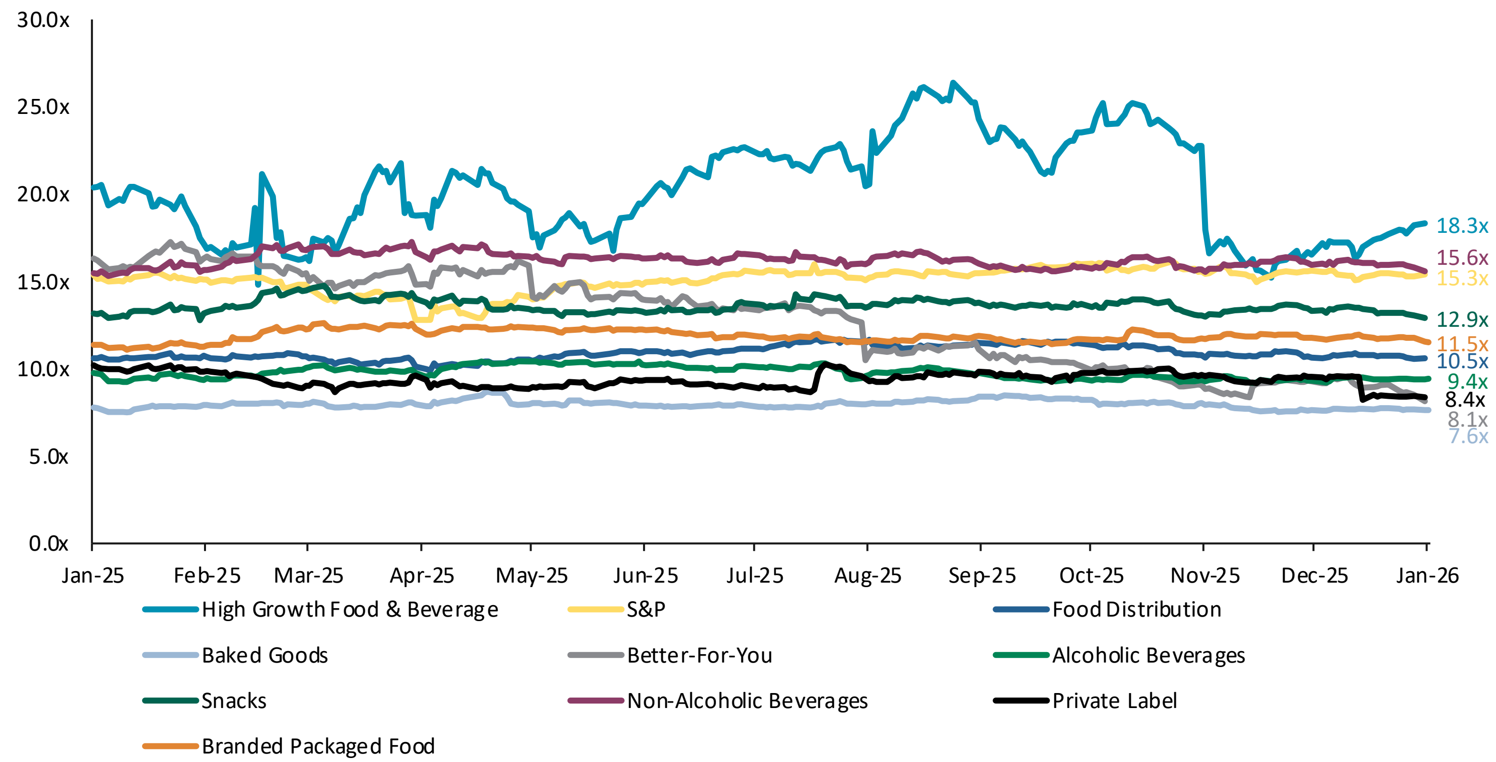
Source(s): MergerMarket; S&P Capital IQ; company filings, presentations and press releases

PUBLIC MARKETS PERFORMANCE

2025 FOOD & BEVERAGE STOCK PERFORMANCE



1-YEAR FORWARD EV / EBITDA MULTIPLES



Source(s): S&P Capital IQ (as of January 5, 2026)
Note: Indices represent Market Capitalization-weighted average Enterprise Value / NTM EBITDA
Alcoholic Beverages includes ABI, BF.B, CARL B, STZ, CPR, LSE:DGE, HEIA, MGPI, TAP, RI, RCO, SAM, NAPA, TWE
Baked Goods includes SWX:ARYN, FLO, BMV:BIMBO A, LANC
Better-For-You includes BRBR, HAIN, SMPL, STKL
Branded Packaged Food includes LSE:ABF, BGS, CPB, CAG, GIS, HRL, KLG, K, MKC, KHC, SWX:NESN, POST, HSY, SJM, TSN
Food Distribution includes CHEF, PFGC, SPTN, SYY, UNFI, USFD
High Growth Food & Beverage includes BRCC, CELH, VITL
Non-Alcoholic Beverages includes BRCC, CELH, KDP, MNST, FIZZ, PEP, PRMW, KO, COCO, WEST
Private Label Food & Beverage includes LW, PRMW, SENE.A, THS
Snacks includes JJSF, JBSS, MDLZ, PEP, HSY, UTZ

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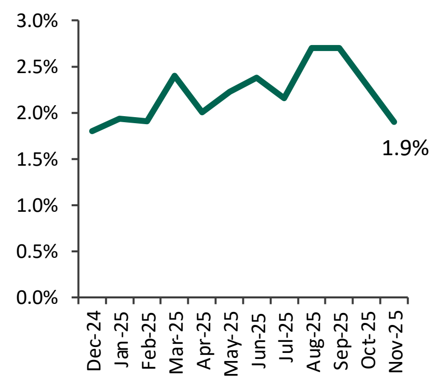
FEBRUARY 2026

SELECT MACROECONOMIC AND COMMODITIES TRENDS

SELECT MACROECONOMIC DATA TRENDS

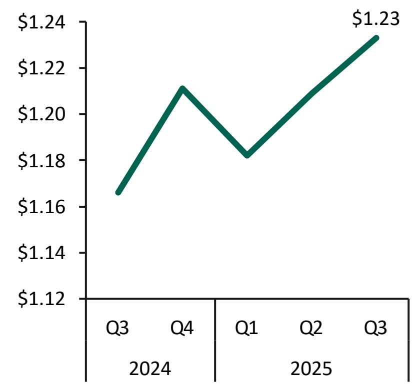
FOOD-AT-HOME CPI

(% YoY change)



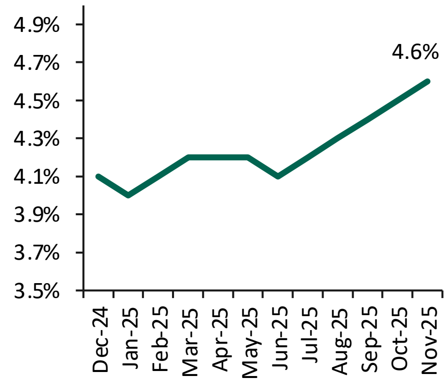
U.S. CREDIT CARD BALANCES

($ trillions)



U.S. UNEMPLOYMENT RATE

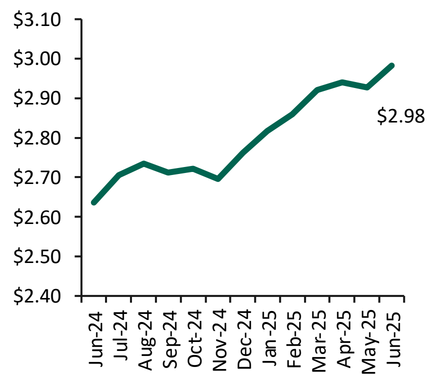
(%)



SELECT COMMODITY PRICE TRENDS

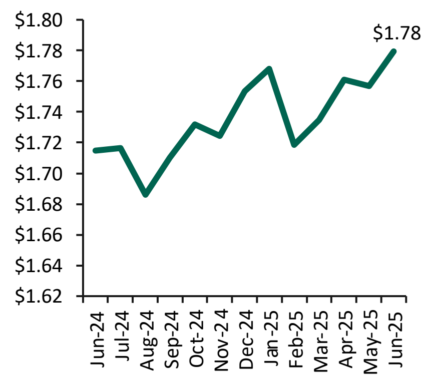
BEEF

($ per pound)



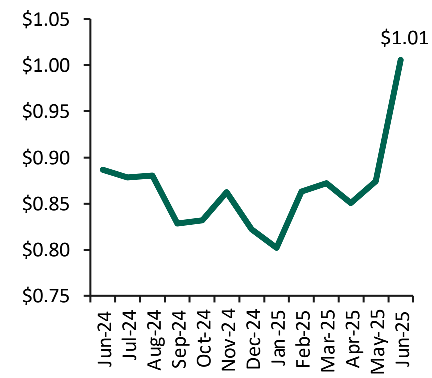
CHICKEN

($ per pound)



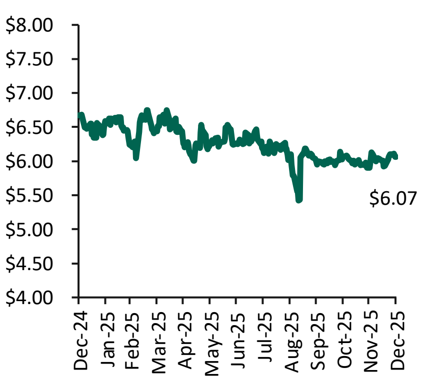
PORK

($ per pound)



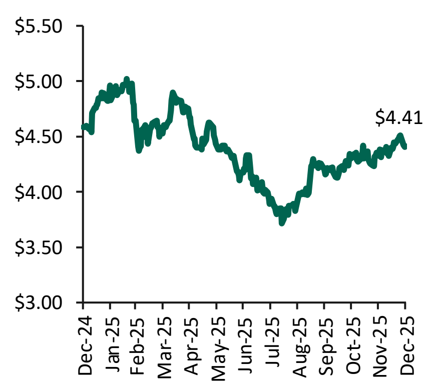
WHEAT

($ per bushel)



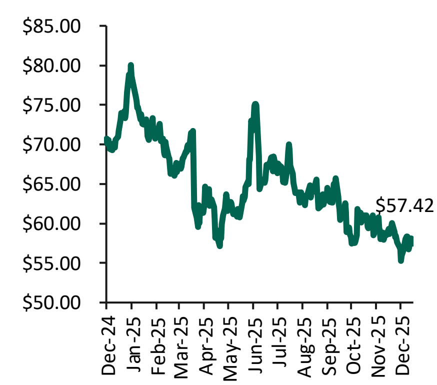
CORN

($ per bushel)



CRUDE OIL

($ per barrel)



Source(s): Federal Reserve Bank of St. Louis, Federal Reserve Bank of New York, Bureau of Labor Statistics, Macrotrends, Trading Economics, Market Watch
Note: Reflects latest available data

CITIZENS DEDICATED FOOD & BEVERAGE INVESTMENT BANKING PLATFORM

WHO WE ARE

The **Citizens Food & Beverage** team provides deep industry knowledge and customized solutions to meet the financial and strategic needs of clients. The team's experienced bankers understand the complex needs of companies operating across the industry. As a full-service banking partner, we provide clients a full suite of financing solutions and investment banking services.

COMPREHENSIVE SECTOR COVERAGE

- Food & Beverage Manufacturing
- Food & Beverage Distribution
- Food Retail & Convenience Stores
- Food Service & Foodservice Distribution
- Restaurants
- Food Technology

FULL-SERVICE CAPITAL MARKETS SOLUTIONS

- Debt Capital Markets
- M&A Advisory
- Equity Capital Markets
- Financial Sponsor Coverage
- Corporate Banking

SELECT RECENT CITIZENS FOOD & BEVERAGE TRANSACTIONS

Aspire Bakeries – A PORTFOLIO COMPANY OF LIC
$1,221,061,250
SENIOR CREDIT FACILITIES
Joint Lead Arranger, Joint Bookrunner and Co-Syndication Agent
JANUARY 2026

PipingRock Health Products
$475,000,000
SENIOR CREDIT FACILITIES
Joint Lead Arranger and Joint Bookrunner
DECEMBER 2025

Hot North Chicken LLC – A FRANCHISEE OF Dave's Hot Chicken
HAS BEEN ACQUIRED BY
A Confidential Party
Financial Advisor to the Seller
DECEMBER 2025

gsf golden state foods – A PORTFOLIO COMPANY OF LIC
$1,247,000,000
SENIOR CREDIT FACILITIES
Joint Lead Arranger and Joint Bookrunner
OCTOBER 2025

Shearer's – A PORTFOLIO COMPANY OF CD&R
$1,507,822,875
SENIOR CREDIT FACILITY
Joint Lead Arranger and Joint Bookrunner
AUGUST 2025

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