

CONSUMER & RETAIL

Q4 2024 MARKET UPDATE

Beyond the Aisles: Key Growth Drivers in Consumer Food and Retail

Unlocking M&A Potential in Ethnic Foods, Plant-Based, and More

Whole Foods' annual trend reports have become industry benchmarks, revealing shifts in consumer preferences and uncovering market opportunities for growth and innovation. The 2025 report is no exception, highlighting four key trends—ethnic foods, plant-based products, sustainability, and snacking. These trends highlight where growth, innovation, and consolidation are likely to occur, offering critical insights for investors and business owners navigating M&A strategies.

At G2 Capital Advisors, we recognize the power of these shifts to drive meaningful investment opportunities. By understanding these trends and identifying resilient companies, investors can unlock value and align with the evolving demands of today's consumers.

1. Ethnic Foods: A Rising Opportunity

As evolving U.S. demographics reshape consumer preferences, ethnic cuisines are rapidly transitioning from niche offerings to mainstream staples. Asian and Latin American foods, in particular, are seeing heightened demand, driven by products like Korean chili paste, ramen kits, frozen empanadas, and fusion items such as Asian-inspired BBQ sauces. This trend is being bolstered by younger generations, known for their adventurous palates, who are seeking authentic flavors and convenient formats.

This trend has catalyzed increased M&A activity, including consolidations and roll-ups aimed at scaling operations to meet growing demand. Retailers are also leveraging private-label ethnic offerings to diversify their shelves and appeal to a broader audience. **Investors should prioritize brands that deliver authenticity and have scalable operations to tap into this dynamic and rapidly growing sector.**

2. Protein-Rich Foods: Plant-Based and Beyond

The protein-rich sector continues to grow as consumers seek diverse sources, blending plant-based innovations with traditional animal proteins. While plant-based products face challenges like market saturation and high production costs, the category still drives growth, with the plant-based protein market valued at \$12 billion in 2023 and projected to grow at a CAGR of 6.4% by 2030. Non-dairy milk remains a strong performer, purchased by 41% of U.S. households, 79% of which repeat their purchases.

Beyond plant-based, consumers are increasingly prioritizing protein at mealtimes and through "whole food" snacking. This shift is evident in the rise of nutrient-rich options such as cottage cheese, hybrid meat blends combining traditional cuts with organ meats, and other high-protein offerings highlighted in the Whole Foods 2025 trend report. **Resilient brands that innovate while addressing cost and scalability are poised to thrive, meeting the evolving demand for protein-rich, functional foods as the market diversifies and matures.**

3. Sustainability and "Better for You" Products

Consumers are increasingly prioritizing products that align with environmental and personal health values. Sustainable packaging, chemical-free goods, and clean-label ingredients are top priorities, while regulatory incentives and evolving technologies are supporting growth in this segment. Consumers are also becoming more open to novel processing methods; 35% of consumers globally reported they would accept such technologies if they enhanced taste, nutrition, or sustainability.

Brands delivering integrated lifestyle solutions that align sustainability with health-consciousness are poised for success. **Watch for advancements in sustainable packaging technologies, which are poised to disrupt the market and offer growth opportunities.**

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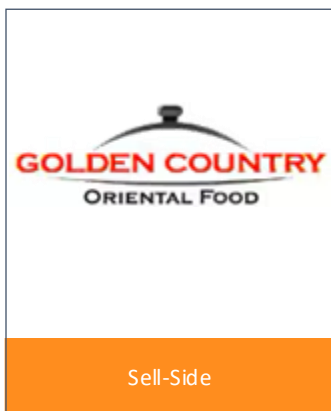
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4. Crunch: Non-Traditional Snacking Innovations

The snacking landscape continues to evolve, driven by consumer demand for innovation in textures and flavors. Crunch has emerged as a sought-after sensory experience, with snack aisles reflecting broader trends like health-conscious eating, ethnic influences, and convenience. The “snackification” trend—where snacks replace traditional meals—continues to grow, with nearly 37% of main meals now including snack items. Products that combine unique textures, flavors, and health-conscious attributes are leading this evolution.

This category offers significant potential for brands that can deliver creative, scalable snacking experiences. **Investors should prioritize snack companies that can scale innovative offerings with clear differentiation in both texture and functionality to meet consumer demand for unique, health-conscious snacking experiences.**

Ethnic Food Importer



About the Mandate:

G2 advised Golden Country in securing an investment from HKW to support the Lee family’s vision of scaling operations and recapitalizing the business for its next phase of growth.

Protein Importer & Distributor



About the Mandate:

G2 facilitated Slade Gorton’s transaction with Cooke Seafood, unlocking opportunities to leverage the company’s world-class supply chain, expand relationships, and drive sustainable growth.

Sustainable Food Wraps



About the Mandate:

G2 guided Bee’s Wrap through a transaction with Champlain, securing a partner to leverage the company’s growth, expand established channels, and build on its first-mover advantage.

Healthy Snack Manufacturer



About the Mandate:

G2 partnered with Whisps to facilitate its sale to The Farmer Companies. This transaction provides Whisps with manufacturing partnerships and distribution networks, unlocking new opportunities in the better-for-you snacking category.

Whole Foods’ 2025 trends highlight authenticity, health, and innovation as key drivers in the food and retail market. These insights translate into actionable opportunities for strategic M&A activity, empowering investors to create significant value. For investors, these trends offer actionable insights into high-growth segments where strategic M&A can create significant value.

G2 Capital Advisors is ready to guide clients in navigating these opportunities, leveraging deep expertise to drive success in a rapidly evolving industry.

FEATURED ONGOING G2 PROJECTS

Food Distributor

**PROJECT
LAMAI**

Sell-Side

About the Mandate:

G2 is currently serving as exclusive sell-side advisor to a leading Asian food distributor.

Fitness Franchisee

**PROJECT
CARDIO**

Sell-Side

About the Mandate:

G2 is currently serving as the exclusive sell-side advisor to a fitness franchise business.

Fitness Franchisee

**PROJECT
FIT**

Restructuring

About the Mandate:

G2 is serving as Chief Restructuring Officer for a large fitness franchise. The scope of the mandate includes liquidity management and negotiating a broader restructuring transaction.

Fast-Food Franchisee

**PROJECT
NAPOLI**

Restructuring

About the Mandate:

G2 is currently serving as the exclusive restructuring advisor to a 150+ location fast-food franchise business.

Ethnic Spice Distribution

**PROJECT
MAVERICK**

Buy-Side

About the Mandate:

G2 is serving as the exclusive buy-side advisor to a producer and distributor of Hispanic specialty food items.

Produce Distribution

**PROJECT
FRUIT**

Buy-Side

About the Mandate:

G2 is currently serving as the exclusive buy-side advisor to a produce distributor.

KEY C&R TRADING STATISTICS

Sector	Number of Companies	Median Enterprise Value (\$MM)	LTM ⁽¹⁾			
			Median Revenue Growth	Median EBITDA Growth	Median EV / Revenue	Median EV / EBITDA
Multi-Unit Consumer	23	\$5,649	4.4%	7.6%	2.5x	15.5x
Food & Beverage	28	\$20,326	1.8%	9.5%	1.6x	13.5x
Health & Wellness	21	\$4,310	0.1%	2.6%	1.7x	15.4x
Consumer Goods	25	\$8,834	0.8%	2.6%	1.5x	14.8x

Publicly traded companies reflected above include the following:

- *Multi-Unit Consumer: McDonald's, Starbucks, Yum! Brands, Restaurant Brands International, Domino's Pizza, ULTA Beauty, Dick's Sporting Goods, Texas Roadhouse, Life Time Group Holdings, Planet Fitness, Wendy's International, Dave & Busters, Jack in the Box, Mister Car Wash, Urban Outfitters, Papa John's International, Cracker Barrel Old Country Store, First Watch Restaurant Group, Portillo Restaurant, Xponential Fitness, European Wax Center, El Pollo Loco Holdings, Red Robin Gourmet Burgers*
- *Food & Beverage: Coca-Cola, Anheuser-Busch, Nestle, Pepsico, Mondelez Global, Kraft Heinz, General Mills, Sysco, The Hershey Company, Tyson Foods, Associated British Foods, McCormick & Company, Conagra Brands, The Campbells, The J.M. Smucker, Hormel Foods, US Food Holdings, Performance Food Group, Post Holdings, Premium Brands Holding, Maple Leaf Foods, B&G Foods, Dole, The Chefs' Warehouse, Fresh Del Monte Produce, SunOpta, Mission Produce, HF Foods Group*
- *Health & Wellness: Nike, Danone, Tate & Lyle, Givaudan, Lululemon Athletica, Garmin, Symrise, Darling Ingredients, BellRing Brands, Emmi, Glanbia, United Natural Foods, Under Armour, Simply Good Foods, Edgewell Personal Care, Herbalife Nutrition, The Hain Celestial Group, SunOpta, Nu Skin Enterprises, USANA Health Sciences, Nature's Sunshine Products*
- *Consumer Goods: Apple, Unilever, Procter & Gamble, Johnson & Johnson, Nestle, Nike, Colgate-Palmolive, SharkNinja, VF, Ralph Lauren, Bath & Body Works, Gap, PVH, Hanesbrands, Boot Barn Holdings, Columbia Sportswear, Under Armour, Petco Health & Wellness Company, Guess, Helen of Troy, Canda Goose Holdings, Oxford Industries, G-III Apparel Group, Lands' End, Solo Brands*

1) LTM December 31, 2024
Source: Pitchbook

SELECT Q4 2024 M&A TRANSACTIONS

DATE	ACQUIRER	TARGET	DESCRIPTION
12-24-24	Butterfly Equity	The Duckhorn Portfolio	Produces luxury and ultra-luxury wine across a portfolio of winery brands
12-23-24	Hudson's Bay Company	Nieman Marcus Group	Operator of a fashion retail company intended for men and women
12-20-24	Ziyad Brothers Peak Rock Capital	Indo-European Foods	Value-added distributor of ethnic, specialty food products
12-16-24	Avance AUA Private Equity	Tropical Cheese Industries	Producer of Hispanic cheese, meat, and other food products located in Perth Amboy, New Jersey
12-16-24	Helen of Troy	Olive & June	Innovative, omni-channel nail care brand across all nail care categories: polish, artificial, tools, treatment, and care
12-13-24	Mrs. Gerry's Kitchen Siguler Guff	Dawn Foods	Producer and distributor of refrigerated food products based in Portage, Wisconsin
12-13-24	Veritiv Clayton, Dubilier & Rice	Arjay Company	Distributor of packaging products catering to clients across Long Island and the Greater Metropolitan New York area
12-11-24	Kelton Enterprises	Double Rajay	Tim Hortons franchisee located in Western NY
12-10-24	Kelly Companies	Chophouse Brewery	Operator of a restaurant chain based in Chattanooga, Tennessee
12-10-24	TruArc Partners	DMI Personal Care	Provider of contract manufacturing services for health and beauty products
12-06-24	Unified Commerce Group	Bohme	Retailer of women's fashion apparel intended for contemporary women's wear
12-04-24	Lindsay Goldberg	Golden State Foods	Producer of food products intended for food service and retail industries
12-02-24	Florida Burger Inc.	Anthony's Coal Fired Pizza	Operator of a chain of pizza restaurants
12-02-24	Goode Partners	Wings 'N More Restaurants	Operator of a restaurant chain based in Texas

Source: Pitchbook

SELECT Q4 2024 M&A TRANSACTIONS

DATE	ACQUIRER	TARGET	DESCRIPTION
12-01-24	Bochi Investments	Hawaii Coffee Company	Producer of tea and coffee products catering to hotels, restaurants, and retail stores
11-26-24	Paine Schwartz Partners	Promix	Producer of quality protein supplements and snacks
11-21-24	Innovative Food Holdings	Golden Organics	Distributor of organic food materials intended for restaurants, food manufacturers, and food retailers
11-19-24	Morgan Stanley Investment Management	FoodScience	Manufacturer and marketer of nutritional supplements intended for pets
11-18-24	Anderson Media Natural Healthy Concepts	Phat Fudge	Producer of performance food intended to offer high-fat, organic, focused ketogenic performance fudge
11-18-24	Craveworthy Brands	Fresh Brothers	Operator of a chain of restaurants across Los Angeles, Orange County and San Deigo
11-13-24	Lolli & Pops Terramar Capital	Hammond's Candies	Manufacturer of candies and chocolates
11-13-24	PureGym, Leonard Green & Partnersm KKR	Blink Fitness	Operator of fitness gym chain
11-06-24	Jones Lake Management Fort Point Capital	Ponds Beautiful	Provider of pond and lake management services
11-04-24	Butterfly Equity Platinum Equity	Rise Baking Company	Manufacturer and distributor of bread and rolls
11-01-24	Salt Creek Capital	Carrie Amber Intimates	Manufacturer of innerwear such as intimate, lingerie and activewear
10-28-24	FairWave Specialty Coffee Great Range Capital	Ceremony Coffee Roasters	Provider of a premium coffee brand
10-28-24	Encore Consumer Capital	Delorio's Foods	Producer of frozen dough and bakery products
10-25-24	Bansk Group	PetIQ	Manufacturer and distributor of health and wellness products for dogs and cats

Source: Pitchbook

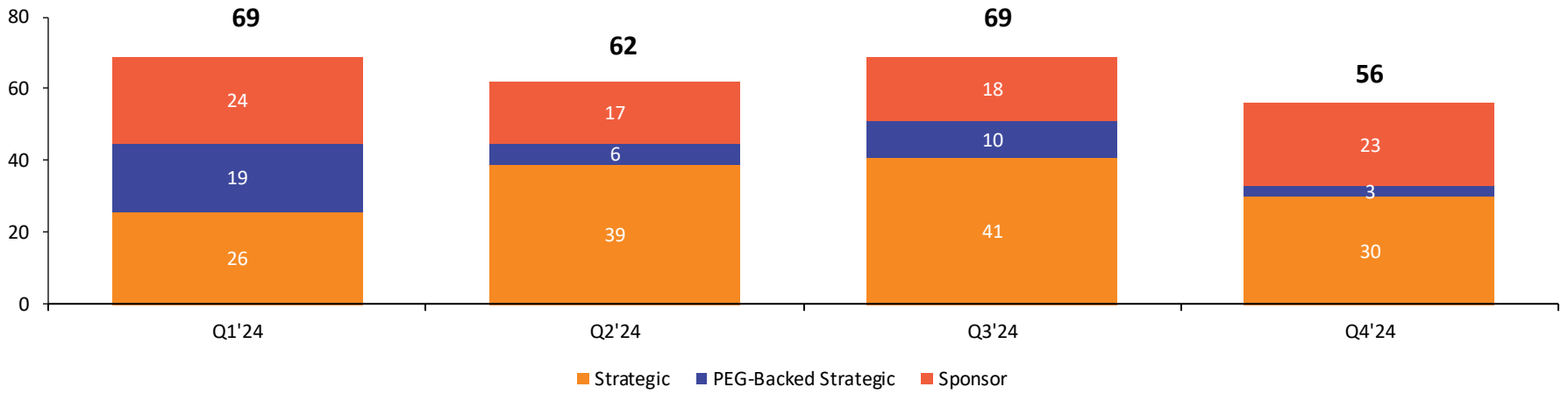
SELECT Q4 2024 M&A TRANSACTIONS

DATE	ACQUIRER	TARGET	DESCRIPTION
10-24-24	Keurig Dr Pepper	Ghost	Producer of nutrition-based food products and supplements
10-23-24	DVFlora Staple Street Capital	Zieger & Sons	Distributor of flowers intended to serve retail florists, event planners, and garden centers
10-22-24	Blue Marlin Partners Trive Capital	Mo' Bettahs Hawaiian Style	Operator of a restaurant chain in Utah
10-17-24	The Anderson Group	Double B Foods	Producer of frozen food products for food service and retail industries
10-17-24	Integrated Beverage Group Juggernaut Capital Partners	Firesteed Cellars	Wine producer based in Oregon
10-14-24	Armory Capital Illinois Foundation Seeds	Del Monte Foods	Operator of sweet corn genetics
10-09-24	Ferraro Foods Kelso & Company	Botticelli Food Service	Family-owned importer of high-quality Italian ingredients
10-08-24	Stone Canyon Industries	Morton Salt	Manufacturer of salt products
10-07-24	Go Global Retail	HATCH	E-commerce platform designed for pregnant women
10-02-24	NewSpring Capital	Great Harvest Franchising	Operator of a chain of bread stores and bakery cafes based in Dillon, Montana
10-01-24	S&S Active Wear Clayton, Dubilier & Rice	Alphabroder	Retailer of apparel and accessories
10-01-24	Azalea Capital	The Virginia Food Group	Producer of peanuts and snack mixes
10-01-24	Graham Partners	Tulkoff Food Products	Producer of condiments, sauces, and ingredients
10-01-24	Fairfax Financial Holdings	Bauer Hockey	Manufacturer and designer of ice hockey equipment

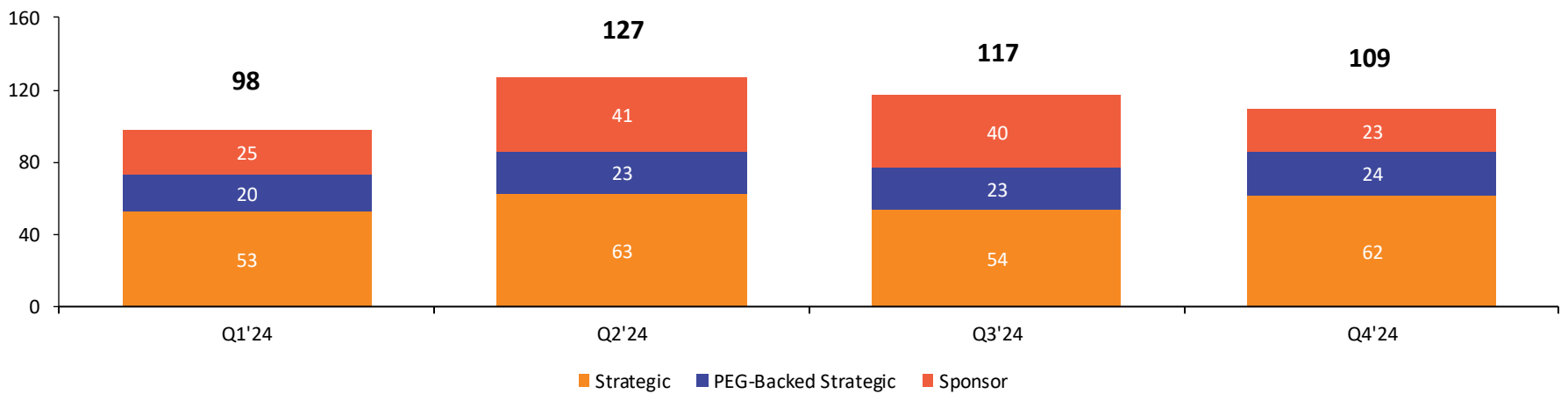
Source: Pitchbook

M&A ACTIVITY

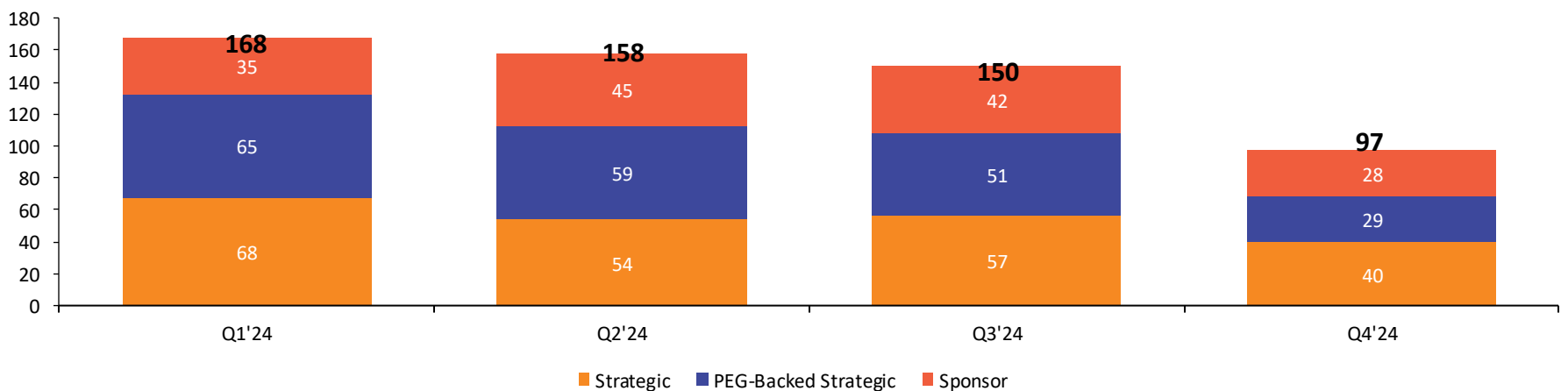
Multi-Unit Consumer Number of M&A Transactions



Food & Beverage Number of M&A Transactions



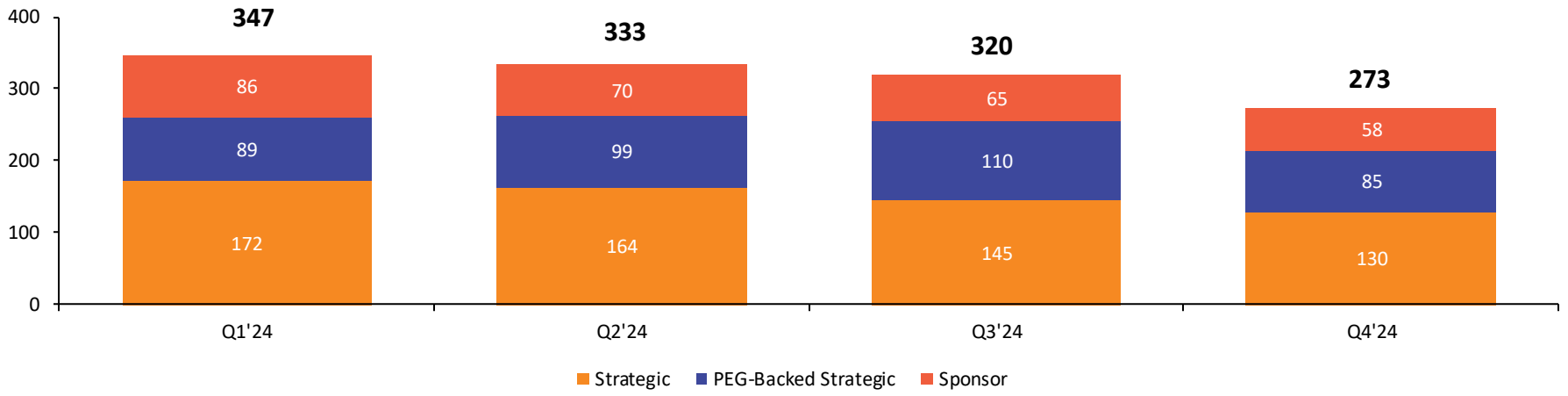
Health & Wellness Number of M&A Transactions



Source: Pitchbook

M&A ACTIVITY

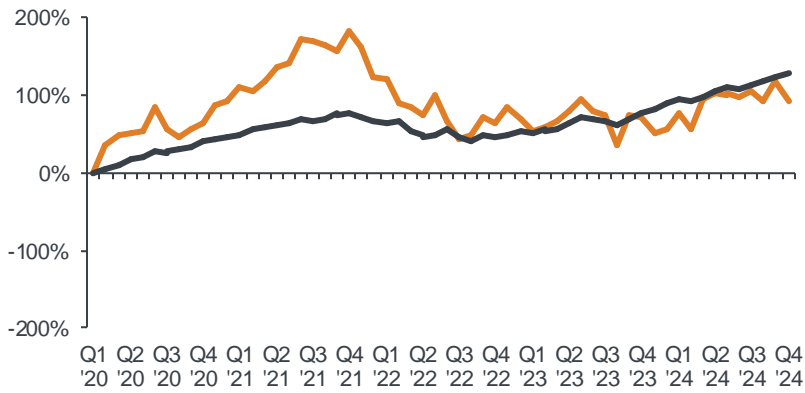
Consumer Goods Number of M&A Transactions



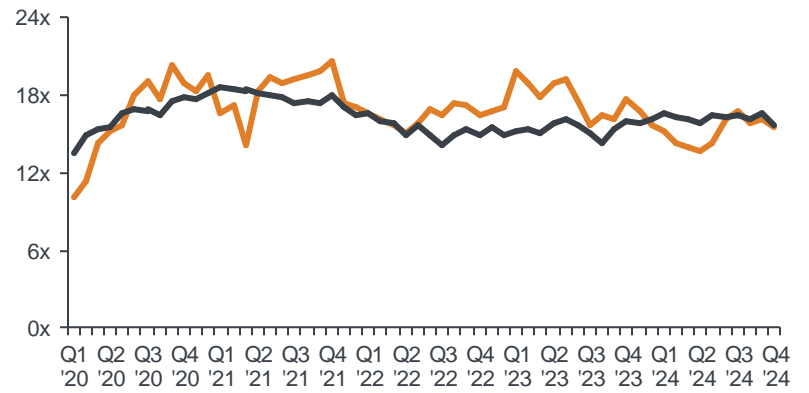
Source: Pitchbook

MARKET INDICATORS

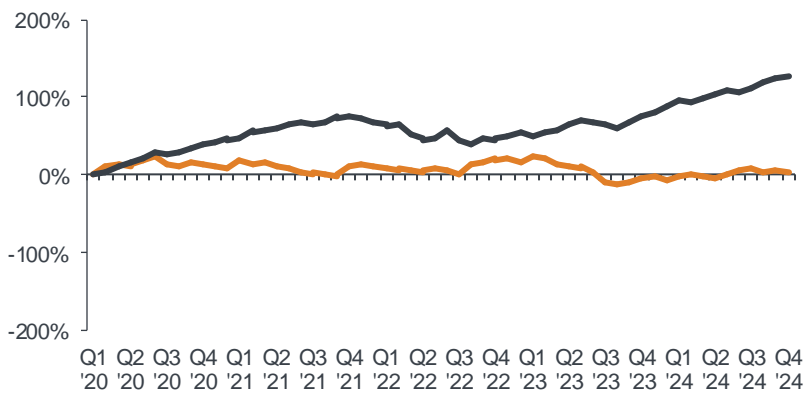
Multi-Unit Consumer Market Cap



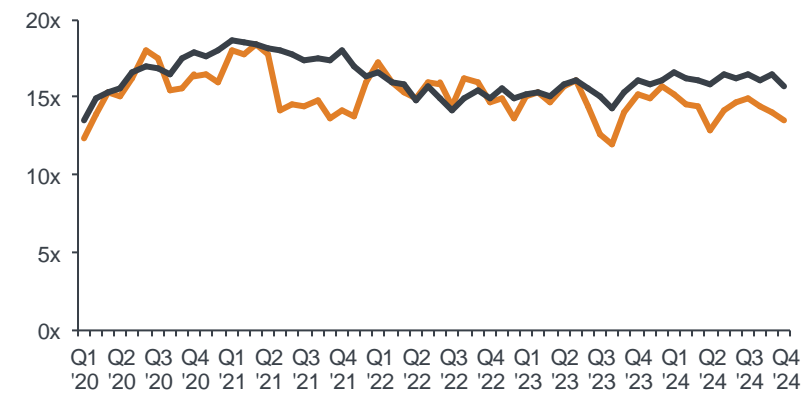
Multi-Unit Consumer EV / EBITDA



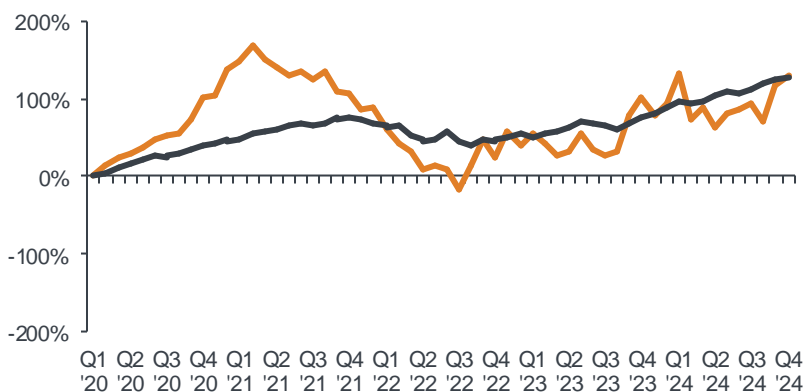
Food & Beverage Market Cap



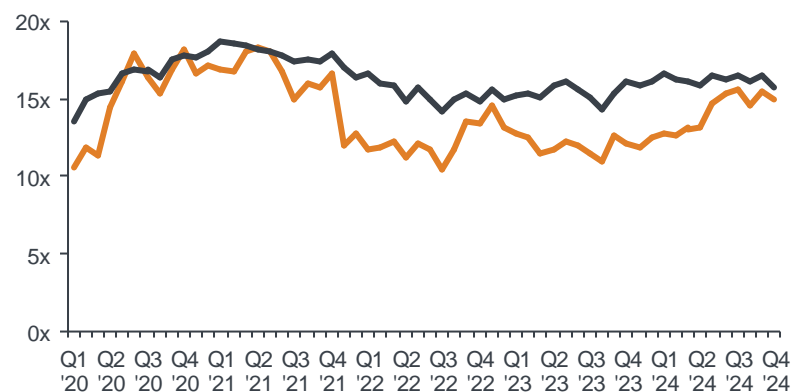
Food & Beverage EV / EBITDA



Health & Wellness Market Cap



Health & Wellness EV / EBITDA

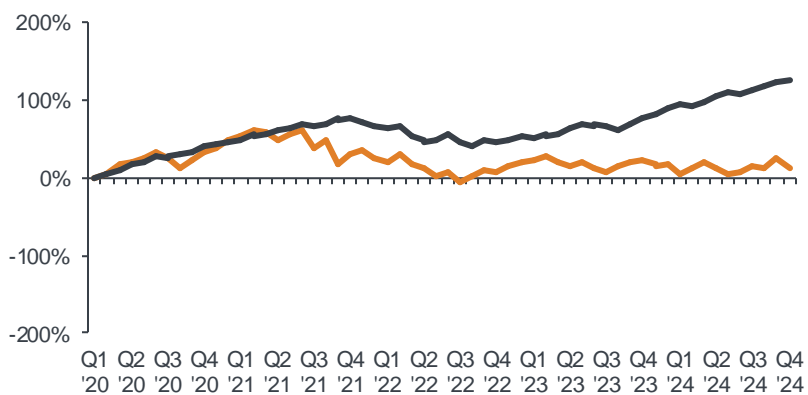


C&R Sector S&P 500

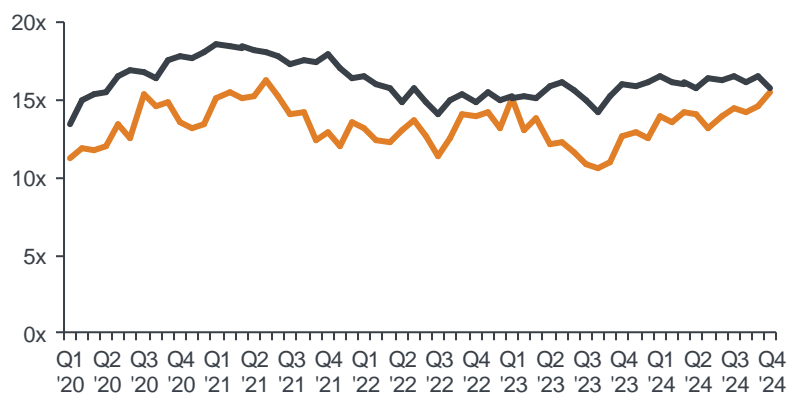
Source: Pitchbook
S&P 500 average EBITDA multiples represents the current 500 companies' historical averages

MARKET INDICATORS

Consumer Goods Market Cap



Consumer Goods EV / EBITDA



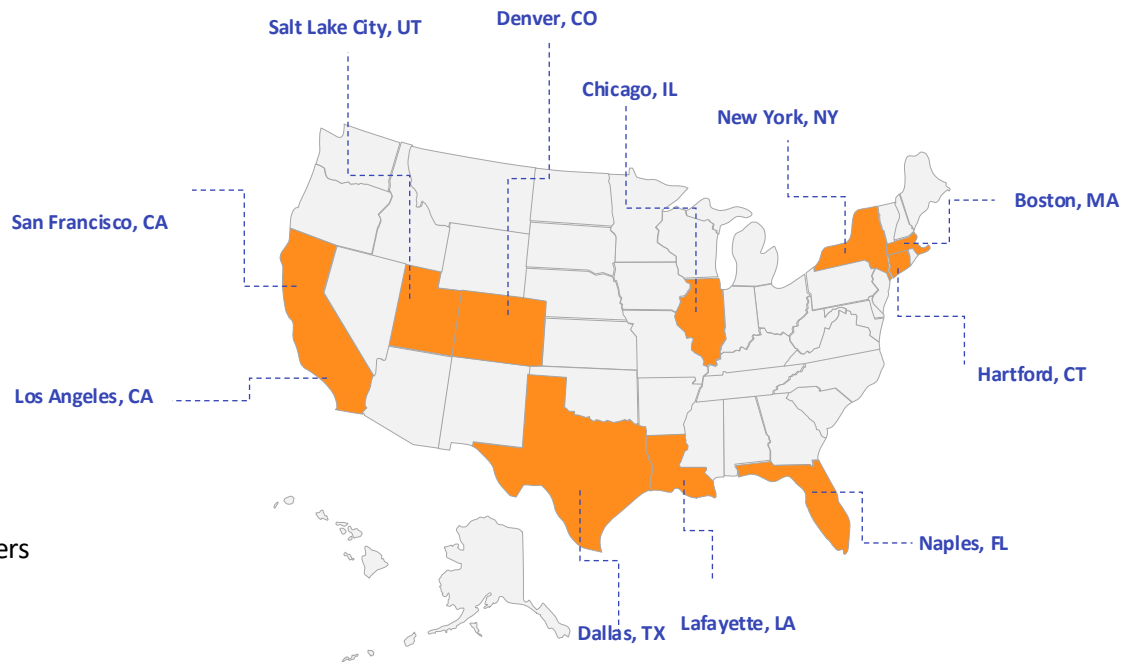
C&R Sector S&P 500

Source: Pitchbook
S&P 500 average EBITDA multiples represents the current 500 companies' historical averages

G2 FIRM OVERVIEW

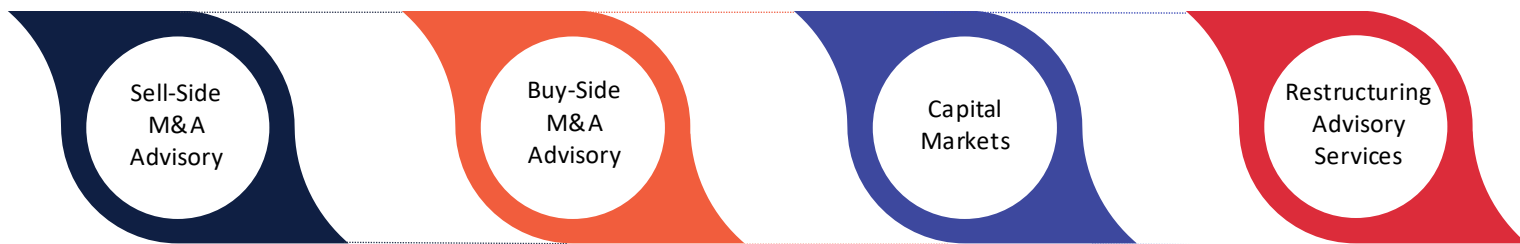
Overview:

- 500 mandates in 13 years
- \$5B+ total executed transaction value
- Extensive industry experience
- Robust strategic and sponsor relationships
- Active touchpoints with logical sellers and buyers



A Multi-faceted Platform:

Focused on crafting bespoke operational and financial advisory solutions for our corporate and investor clients. G2 works with clients across a range of situations.



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Multi-Unit Consumer	Food & Beverage	Health & Wellness	Consumer Goods
<ul style="list-style-type: none"> Restaurants Fitness Salon / Med Spa Car Wash 	<ul style="list-style-type: none"> Food Distribution Branded Products Private Label Better-for-You 	<ul style="list-style-type: none"> Supplements Personal Care Nutrition Sustainability 	<ul style="list-style-type: none"> Pet Household Lifestyle Branded Apparel

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