

Monthly Market Update: Food, Beverage & Agribusiness

Mesirow All-Food Equity Composite¹ **-3.01%**

S&P 500³ **3.53%**

Mesirow All-Grain Commodity Composite² **-3.61%**

NASDAQ Composite⁴ **5.61%**

Deal Activity Eases, Strategic Momentum Persists

There were 28 announced transactions (US targets) in September, down 9% from August, marking a modest pullback following several active months. Strategic buyers accounted for roughly 80% of activity, underscoring ongoing corporate appetite for consolidation, category adjacency and channel diversification. Financial sponsors remained active through add-on investments in value-added ingredients, functional food, and specialty distribution, where scale, formulation expertise and customer stickiness continue to support premium valuations. Sectors leading the way included packaged foods (36%) and restaurants (25%), both supported by durable consumer demand for convenience and every day offerings.

Headline Transaction: RaceTrac and Potbelly



Transaction Value | \$689 million (18.5x NTM EBITDA; 1.42x NTM revenue)

Structure | All-cash offer of \$17.12 per share, a 47% premium to Potbelly's 90-day volume weighted average price

Strategic Rationale:

- Expands RaceTrac's foodservice and fast-casual reach across 800+ stores in 14 states
- Provides Potbelly with scale and capital to accelerate its 2,000-unit growth plan

Market Implication | Highlights the growing intersection of convenience retail and fast casual dining, as operators seek to capture share of the "on-the-go" consumer occasion

Macro & Policy Developments

Consumer sentiment fell to 55.1, according to the University of Michigan, remaining near multi-year lows amid ongoing cost-of-living pressures, wage inflation and tariff uncertainty.

Policy & Regulation | On September 9, the MAHA Commission released its Make Our Children Healthy Again report outlining recommendations to modernize US food and nutrition policy. Key proposals include:

- Phasing out petroleum-based dyes and closing the GRAS loophole for chemical additives
- Updating infant formula and contaminant testing standards
- Revising the Dietary Guidelines for Americans to emphasize whole and minimally processed foods
- Restoring whole milk and full-fat dairy in schools
- Defining ultra-processed food and expanding front-of-pack labeling requirements

If enacted, these changes could reshape formulation, sourcing and labeling standards across the packaged and functional food sectors, particularly among manufacturers reliant on synthetic ingredients or processing aids.

Looking Ahead

Pre-market deal activity is accelerating as sellers that waited for stronger market footing now move to launch. Strategics remain engaged but focused, pursuing opportunities where category adjacencies, route-to-market expansion, or manufacturing capability create clear synergies. Sponsors are showing renewed urgency as financing conditions stabilize and valuation expectations recalibrate, particularly around

ingredients, functional nutrition and co-manufacturing platforms with credible growth and defensibility. The market is more rational than soft, with buyers leaning in where earnings quality and forward visibility are clearest. We expect Q4 to be more active, driven by improved financing conditions, a broader slate of actionable mandates and continued buyer focus on profitable, resilient platforms.

M&A Market Data

TABLE 1: NUMBER OF TRANSACTIONS BY STATUS

	August	September
Announced	39	34
Closed/Effective/Expired	44	35
Total Number of Transactions	83	69

TABLE 2: NUMBER OF TRANSACTIONS BY TYPE

	August	September
Private Placement	40	32
Merger/Acquisition	31	28
Public Offering	9	6
Bankruptcy	3	3
Total Number of Transactions	83	69

TABLE 3: M&A STATS

Valuation Summary	August	September
Total Deal Value (\$mm)	\$145.5	\$732.7
Average Deal Value (\$mm)	\$72.8	\$146.5
Average EV/Revenue	-	1.5x
Average EV/EBITDA	-	8.6x
Average Day Prior Premium	-	32.4%
Average Week Prior Premium	-	38.4%
Average Month Prior Premium	-	35.9%

TABLE 4: NUMBER OF M&A DEALS BY RANGE OF VALUE

Valuation Summary	August	September
Greater than \$1 billion	0	0
\$500 – \$999.9mm	0	1
\$100 – \$499.9mm	1	0
Less than \$100mm	1	4
Undisclosed	29	23

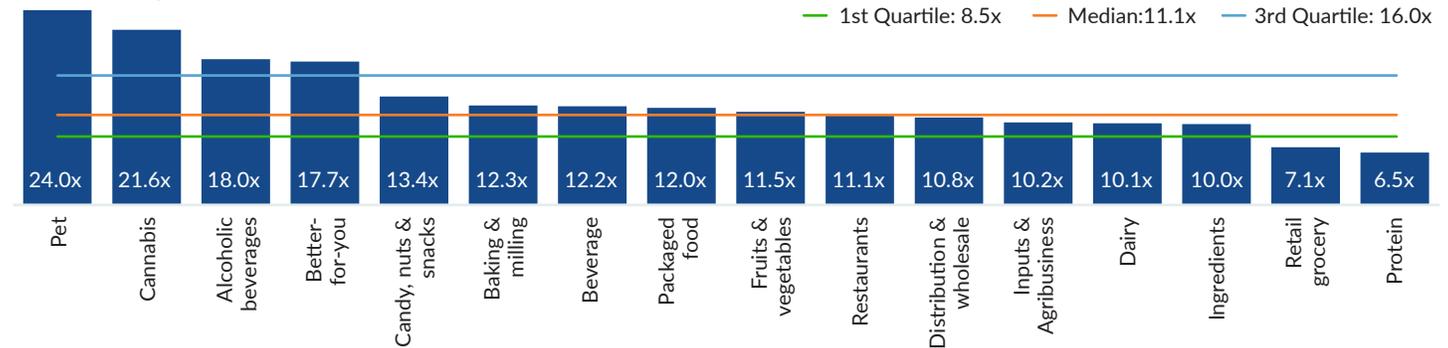
TABLE 5: ACTIVE BUYERS/INVESTORS BY TOTAL TRANSACTION SIZE (FOR MONTH ENDED 9.30.2025)

Company name	Total transaction size (\$mm)
RaceTrac, Inc.	\$705
Crocket Bowie & Travis, LLC	\$26



M&A Multiples by Sub-sector

Latest ten years



M&A deals with disclosed multiples over the latest ten years. Source: S&P Capital IQ as of September 30, 2025.

Public Sector Valuations, Margins and Growth

Food, beverage and agribusiness

	% of 52 week high	Enterprise value as a multiple of:				LTM gross margin	LTM EBITDA margin	LTM - NTM revenue growth	Net debt / LTM EBITDA
		Revenue		EBITDA					
		LTM	NTM	LTM	NTM				
Agribusiness	78.6%	0.47x	0.80x	7.8x	7.0x	8.3%	4.7%	7.8%	1.6x
Baking	74.1%	1.10x	1.06x	9.3x	7.7x	39.0%	11.2%	4.2%	2.8x
Beverages: Non-Alcoholic	79.1%	2.72x	2.59x	16.6x	12.7x	49.2%	12.5%	5.8%	4.1x
Better-for-you	58.8%	1.46x	1.79x	13.2x	11.3x	27.6%	7.4%	10.6%	3.2x
Biofuels	62.6%	0.53x	0.50x	12.2x	11.5x	5.1%	1.1%	(1.8%)	5.2x
Candy, Nuts and Snacks	72.4%	1.40x	1.57x	13.5x	11.0x	33.9%	11.3%	2.4%	1.4x
Cannabis	81.1%	1.85x	1.67x	37.3x	11.0x	42.2%	(5.2%)	5.1%	2.4x
Dairy	96.1%	2.08x	1.79x	12.6x	11.7x	27.6%	8.3%	1.8%	2.0x
Distribution and Wholesale	87.3%	0.35x	0.36x	12.1x	11.0x	15.2%	3.5%	3.6%	3.4x
Food Services and Facilities Management	86.3%	0.91x	0.82x	10.0x	7.3x	17.0%	6.9%	9.8%	2.7x
Fruits and Vegetables	81.2%	0.71x	0.81x	9.0x	9.9x	9.7%	5.2%	1.6%	2.2x
Ingredients	69.0%	1.77x	1.86x	12.3x	11.0x	35.8%	17.3%	1.8%	1.9x
Inputs	85.9%	1.50x	1.53x	8.4x	7.1x	27.9%	18.6%	5.3%	2.0x
Meal / Home Delivery	90.5%	2.34x	2.13x	14.8x	11.9x	51.0%	19.7%	9.9%	1.3x
Packaged Foods	78.6%	2.18x	2.16x	10.6x	10.7x	31.6%	17.4%	1.2%	3.3x
Protein	82.5%	0.74x	0.85x	7.4x	7.4x	18.1%	8.6%	2.2%	2.7x
Restaurants	65.4%	1.71x	1.77x	14.8x	13.7x	28.8%	11.6%	5.5%	3.8x
Retail Grocery	84.3%	0.48x	0.59x	8.4x	9.7x	27.7%	5.3%	2.2%	2.1x
3rd Quartile	88.6%	2.44x	2.37x	16.2x	13.9x	37.6%	17.4%	8.7%	4.3x
Median	78.3%	1.44x	1.37x	11.8x	10.7x	28.9%	10.3%	3.9%	2.7x
1st Quartile	59.2%	0.70x	0.77x	8.6x	7.7x	18.3%	5.1%	1.3%	1.7x

Source: S&P Capital IQ as of September 30, 2025.

Consumer Sentiment Index

Latest twelve months



Source: Surveys of Consumers (umich.edu).

Market Performance (1/2)

Last five years and latest twelve months

— LTM — 5 years

CHART 1: CORN (\$ PER BUSHEL)

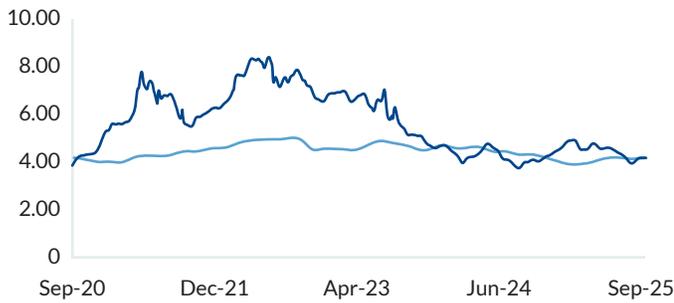


CHART 2: WHEAT (\$ PER BUSHEL)



CHART 3: SOYBEANS (\$ PER BUSHEL)

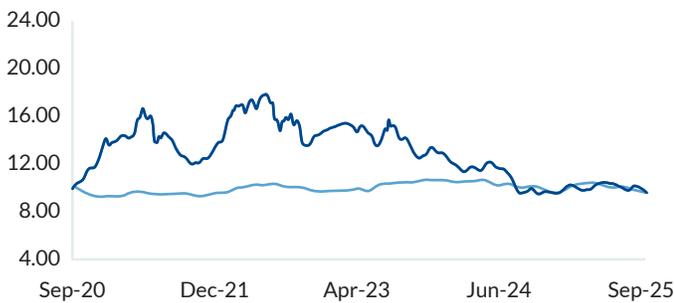


CHART 4: SOYBEAN MEAL (\$ PER TON)

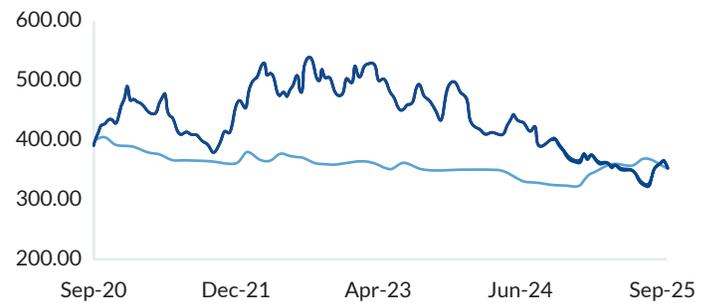


CHART 5: SOYBEAN OIL (\$ PER LB)



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



Market Performance (2/2)

Last five years and latest twelve months

— LTM — 5 years

CHART 7: LIVE CATTLE (\$ PER LB)

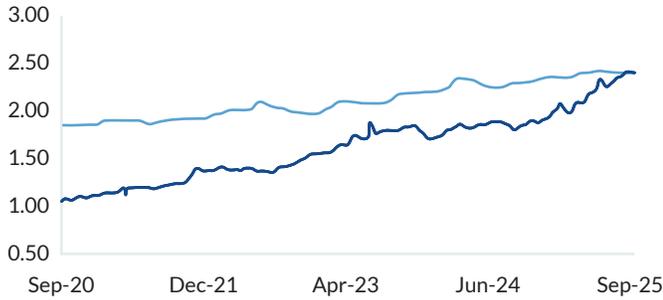


CHART 8: LEAN HOGS (\$ PER LB)



CHART 9: CHICKEN BROILERS (\$ PER LB)



CHART 10: SUGAR (\$ PER LB)

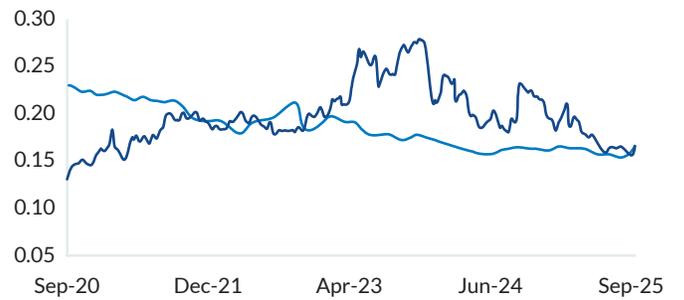


CHART 11: COFFEE (\$ PER LB)

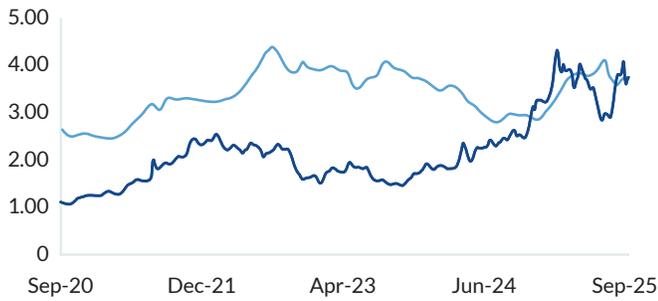
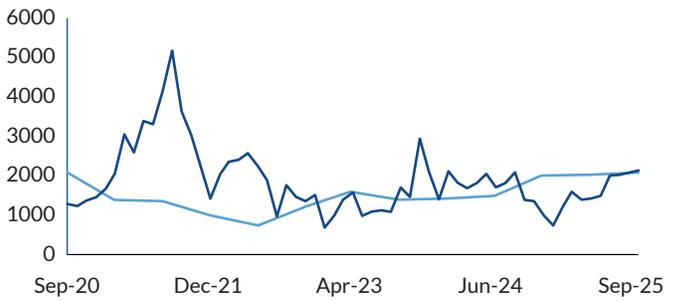


CHART 12: BALTIC DRY INDEX



Mesirow is committed to delivering an exceptional client experience through every engagement. With deep sector expertise across the food value chain and long-standing industry relationships, we offer a nuanced understanding of evolving consumer trends and category dynamics. Our exclusive focus on the middle market gives us insight into the priorities of entrepreneurial owners and private equity sponsors. Backed by decades of relevant transaction experience and a global network, our senior bankers provide tailored, hands-on advisory to enable food, beverage, and agribusiness companies achieve their strategic and financial goals.

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

Multi-unit

- 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 offices 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 Private Capital & Currency, Capital Markets & Investment Banking, and Advisory Services, we invest in what matters: our clients, our communities and our culture. To learn more, visit mesiro.com, follow us on [LinkedIn](#) and subscribe to [Spark](#), our quarterly newsletter.

Contact us

Paul Mariani

Managing Director,
Head of Food, Beverage & Agribusiness
312.595.7820
paul.mariani@mesiro.com

Sam Hershman

Director
312.595.7886
sam.hershman@mesiro.com

Eric Markin

Director
312.595.7887
eric.markin@mesiro.com

Joe Perozzi

Vice President
312.595.2243
joe.perozzi@mesiro.com



LATEST INSIGHTS