

Monthly Market Update: Food, Beverage & Agribusiness

Mesriow All-Food Equity Composite¹ **-0.11%**

S&P 500³ **-0.05%**

Mesriow All-Grain Commodity Composite² **-4.91%**

NASDAQ Composite⁴ **-0.53%**

December marked the close of a transitional year for middle market Food, Beverage & Agribusiness M&A. Activity slowed sequentially, as expected, but not from lack of interest. Instead, sellers and buyers largely chose discipline over velocity, deferring launches and final decisions until early 2026 amid improving, but still uneven market signals.

Transaction Volume remained concentrated in processes that were already well advanced entering Q4. New mandates were selectively deferred as sponsors, strategics and lenders focused on clearing internal approvals, finalizing budgets and resetting underwriting frameworks for the year ahead. Notably, buyer engagement remained strong beneath the surface, particularly in categories with defensible demand, pricing power and tangible asset support.

Valuation Expectations continued to normalize. While headline multiples compressed modestly versus prior peaks, well-positioned assets with clear growth vectors, strong management teams and resilient margins continued to command competitive interest. In many cases, the bid-ask gap narrowed through structure rather than price, with earn-outs, seller notes, minority rollovers and contingent value mechanisms playing a greater role in bridging differing views on near-term growth and margin sustainability.

Financing Conditions improved incrementally through the year, with senior lenders showing increased comfort underwriting stable businesses, particularly in food manufacturing, ingredients, distribution and asset-rich agribusiness companies. That said, leverage remained

conservative, and buyers continued to emphasize downside protection and covenant flexibility. Equity checks, as a result, stayed elevated, reinforcing the importance of sponsor conviction and operational value creation.

Sub-sector Perspective: Interest remained strongest in businesses aligned with everyday consumption and essential supply chains, including value-added food manufacturing, specialty ingredients, dairy and refrigerated distribution, animal nutrition and ag services tied to recurring demand. Conversely, assets with higher discretionary exposure or near-term margin volatility continued to face extended diligence and more measured buyer pacing.

As we enter 2026, momentum is building. Boards and investment committees are returning with clearer cost-of-capital assumptions and renewed appetite to transact. The early-year pipeline suggests a constructive backdrop for well-prepared sellers, particularly those who engage early, run thoughtful processes and position their stories around resilience, not just growth.

In short, December closed the book on a year of recalibration, but it also set the stage for a more active and decisive M&A environment ahead. Happy New Year!

M&A Market Data

TABLE 1: NUMBER OF TRANSACTIONS BY STATUS

	November	December
Announced	52	30
Closed/Effective/Expired	48	43
Total Number of Transactions	100	73

TABLE 2: NUMBER OF TRANSACTIONS BY TYPE

	November	December
Private Placement	53	37
Merger/Acquisition	37	33
Public Offering	7	3
Bankruptcy	3	0
Total Number of Transactions	100	73

TABLE 3: M&A STATS

Valuation Summary	November	December
Total Deal Value (\$mm)	\$4,615.4	\$1,524.3
Average Deal Value (\$mm)	\$659.3	\$217.8
Average EV/Revenue	1.25x	1.06x
Average EV/EBITDA	8.7x	-
Average Day Prior Premium	39.0%	-
Average Week Prior Premium	23.4%	-
Average Month Prior Premium	16.2%	-

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

Valuation Summary	November	December
Greater than \$1 billion	1	0
\$500 – \$999.9mm	2	1
\$100 – \$499.9mm	1	2
Less than \$100mm	3	4
Undisclosed	30	26

TABLE 5: ACTIVE BUYERS/INVESTORS BY TOTAL TRANSACTION SIZE (FOR MONTH ENDED 12.31.2025)

Company name	Total transaction size (\$mm)
Agronomics Limited (AIM:ANIC)	\$776
Allen Company, Inc.	\$490
Anheuser-Busch Companies, LLC	\$174
ARM-D Rocky Mountain Chocolate Holdings LLC	\$39
Asahi Kogyosha Co., Ltd. (TSE:1975)	\$25
Braemont Capital Management LLC	\$19
Brothers International Food Corporation	\$15
Castle Rock Brewery Ltd.	\$10
CenSea, Inc.	\$10
Cobram Estate Olives Limited (ASX:CBO)	\$8



M&A Multiples by Sub-sector

Latest five years



Source: S&P Capital IQ as of December 31, 2025. M&A deals with disclosed multiples over the latest five years. Median, 1st and 3rd quartiles exclude Cannabis and Retail Grocery. Past performance is not indicative of future results.

Public Sector Valuations, Margins and Growth

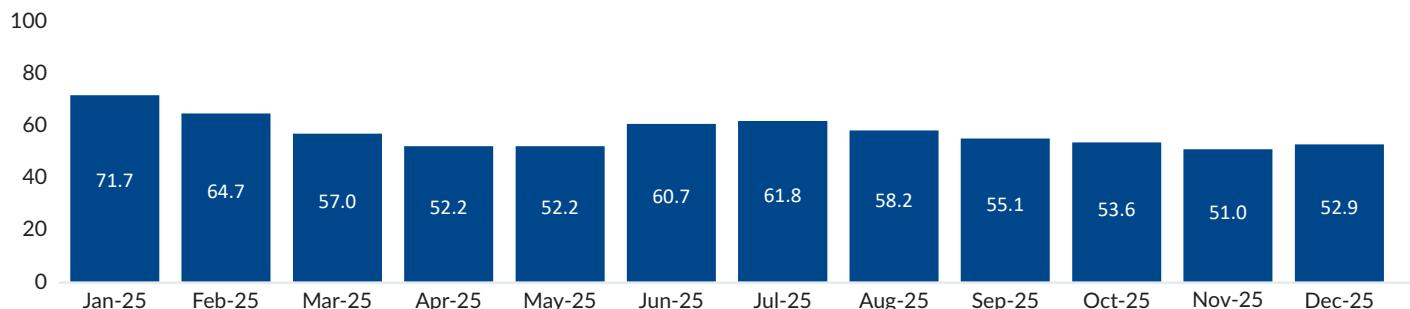
Food, beverage and agribusiness

	% 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	85.4%	0.56x	0.74x	8.2x	7.7x	8.3%	5.3%	5.2%	2.6x				
Baking	70.7%	0.94x	0.93x	8.5x	7.1x	39.0%	11.2%	3.0%	2.7x				
Beverages: Non-Alcoholic	89.3%	2.61x	2.37x	17.4x	13.3x	48.4%	18.4%	5.7%	3.8x				
Better-for-you	46.2%	1.44x	1.47x	9.6x	9.7x	28.4%	7.5%	4.9%	3.1x				
Biofuels	87.7%	0.50x	0.47x	14.3x	9.9x	4.7%	1.7%	1.1%	2.3x				
Candy, Nuts and Snacks	77.4%	1.54x	1.60x	14.2x	10.4x	31.7%	12.2%	3.0%	1.1x				
Cannabis	48.6%	1.48x	1.12x	19.4x	8.4x	41.5%	(5.2%)	4.5%	1.8x				
Dairy	95.8%	1.70x	1.47x	13.2x	11.0x	28.4%	8.3%	3.3%	2.0x				
Distribution and Wholesale	85.4%	0.32x	0.33x	11.4x	10.5x	15.2%	3.5%	4.0%	3.3x				
Food Services and Facilities Management	82.9%	0.80x	0.75x	9.1x	6.2x	16.6%	7.2%	5.5%	2.1x				
Fruits and Vegetables	82.9%	0.68x	0.81x	8.2x	8.7x	10.2%	5.0%	(2.9%)	1.8x				
Ingredients	75.2%	1.55x	1.84x	11.7x	11.1x	35.8%	17.7%	0.9%	2.0x				
Inputs	67.0%	1.47x	1.58x	7.0x	6.7x	28.5%	19.8%	6.0%	2.1x				
Meal / Home Delivery	81.7%	3.24x	2.93x	16.3x	10.8x	56.8%	16.3%	10.6%	1.2x				
Packaged Foods	73.0%	2.02x	1.99x	10.0x	9.1x	30.3%	16.9%	0.3%	3.5x				
Protein	77.6%	0.65x	0.77x	7.6x	6.7x	17.1%	8.4%	2.0%	2.6x				
Restaurants	66.4%	1.70x	1.71x	13.4x	13.2x	28.6%	12.1%	4.4%	4.2x				
Retail Grocery	77.2%	0.46x	0.56x	8.1x	8.3x	27.4%	5.2%	2.0%	2.0x				
3rd Quartile	86.7%	2.26x	2.26x	15.2x	13.2x	38.2%	17.2%	7.0%	4.4x				
Median	74.5%	1.32x	1.31x	11.0x	9.6x	28.4%	10.4%	3.3%	2.8x				
1st Quartile	56.6%	0.60x	0.70x	8.0x	7.4x	17.3%	5.3%	0.3%	1.8x				

Source: S&P Capital IQ as of December 31, 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)



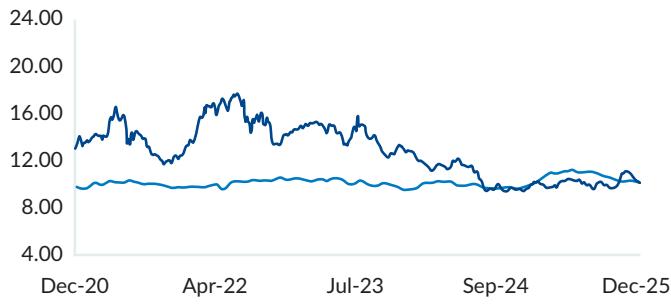
Source: S&P Capital IQ as of December 31, 2025. Past performance is not indicative of future results.

CHART 2: WHEAT (\$ PER BUSHEL)



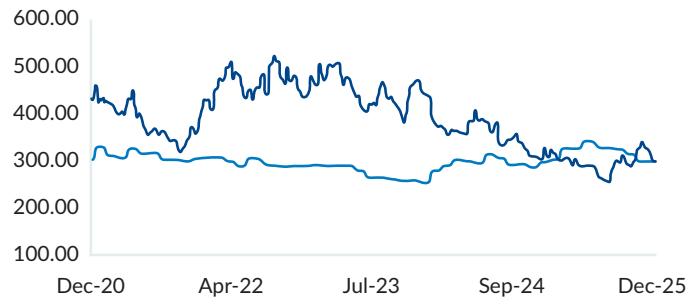
Source: S&P Capital IQ as of December 31, 2025. Past performance is not indicative of future results.

CHART 3: SOYBEANS (\$ PER BUSHEL)



Source: S&P Capital IQ as of December 31, 2025. Past performance is not indicative of future results.

CHART 4: SOYBEAN MEAL (\$ PER TON)



Source: S&P Capital IQ as of December 31, 2025. Past performance is not indicative of future results.

CHART 5: SOYBEAN OIL (\$ PER LB)



Source: S&P Capital IQ as of December 31, 2025. Past performance is not indicative of future results.

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



Source: S&P Capital IQ as of December 31, 2025. Past performance is not indicative of future results.

Market Performance (2/2)

Last five years and latest twelve months

CHART 7: LIVE CATTLE (\$ PER LB)



Source: S&P Capital IQ as of December 31, 2025. Past performance is not indicative of future results.

CHART 9: CHICKEN BROILERS (\$ PER LB)



Source: S&P Capital IQ as of December 31, 2025. Past performance is not indicative of future results.

CHART 11: COFFEE (\$ PER LB)



Source: S&P Capital IQ as of December 31, 2025. Past performance is not indicative of future results.

CHART 8: LEAN HOGS (\$ PER LB)



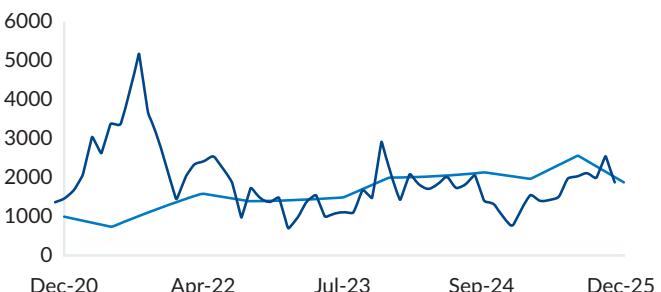
Source: S&P Capital IQ as of December 31, 2025. Past performance is not indicative of future results.

CHART 10: SUGAR (\$ PER LB)



Source: S&P Capital IQ as of December 31, 2025. Past performance is not indicative of future results.

CHART 12: BALTIC DRY INDEX



Source: S&P Capital IQ as of December 31, 2025. Past performance is not indicative of future results.



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 mesirow.com, follow us on [LinkedIn](https://www.linkedin.com/company/mesirow/) and subscribe to [Spark](https://mesirow.com/Spark), our quarterly newsletter.

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LATEST INSIGHTS