U.S. Food & Beverage M&A Industry Update – Summer 2026

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M&A activity in the food & beverage sector was lackluster in 2025, primarily due to a backlog of sponsor-owned portfolio companies awaiting exit, persistent gaps in valuation expectations and broader macroeconomic and geopolitical uncertainty impacting the timing and structure of deal activity. Deal volume has continued to recover through June 2026.

While the observed rebound in food & beverage deal activity is certainly encouraging, transaction appetite in this sector remains highly selective, in line with the broader M&A landscape. Investors are increasingly witnessing a bifurcated M&A market, in which high-quality assets continue to attract strong interest, while a meaningful portion of mid-tier businesses remain on the sidelines.

Similarly, food & beverage companies with strong brands, attractive margins and differentiated product attributes continue to attract the greatest interest from both strategic and private equity buyers. Conversely, challenged businesses facing ongoing pressure due to manufacturing constraints as well as inconsistent volume and margin trends are exploring alternative and creative ways to achieve liquidity, including minority recapitalizations and strategic combinations.

Overall, buyers are prioritizing businesses with resilient demand profiles, differentiated brands, pricing power and clear avenues for organic growth, while remaining disciplined on valuation and diligence.

Key Food & Beverage Industry Highlights: Segments Witnessing Growth

- **Functional products** – Consumers increasingly seek products delivering clinically supported health benefits beyond basic nutrition, including digestive health, immune support, cognitive function, metabolic health, hydration and healthy aging. As a result, brands with differentiated formulations, proprietary ingredients or scientifically validated claims are attracting significant strategic and private equity interest.

- **Ingredients** – Ingredient businesses have arguably been among the most sought-after assets in the sector over the past several years due to their recurring customer relationships, attractive margins and exposure to long-term health and wellness trends. Functional ingredients, flavors, natural colors, proteins, fibers, cultures, enzymes and specialty food ingredients remain particularly attractive.

- **Better-for-you beverages** – End user demand continues to shift toward beverages offering functional benefits, clean-label ingredients, reduced sugar, hydration, energy, digestive health and alcohol-free alternatives, making the category one of the most active areas for investment.

- **Proteins** – Protein consumption is expanding well beyond sports nutrition into mainstream diets, driving growth across ready-to-drink beverages, snacks, dairy, meal replacements and functional foods. Consumers increasingly view protein-rich diets as part of a proactive approach to health and wellness, supporting continued investment across both branded products and ingredient suppliers.

- **Nutrient-rich foods** – Consumers are favoring minimally processed, nutrient-dense foods featuring healthy fats, whole ingredients and recognizable labels. Categories such as olive oil, avocado oil, nuts, seeds and functional grains continue to benefit from this shift.

- **Premium and fresh foods** – Rising demand for premium and fresh food items is motivating many grocery retailers to reassess historically stable categories and find new brands or expand their own private-label offerings, particularly within refrigerated, prepared and fresh perimeter categories.

- **Fermented specialties** – Fermented specialty foods and beverages are gaining consumer acceptance as shoppers increasingly associate them with digestive health, natural ingredients and minimally processed nutrition. Categories including yogurt, kimchi, kefir, pickled vegetables, fermented sauces and cultured dairy continue to attract innovation and investment.

- **Sustainability-focused brands** – While consumer purchasing decisions remain primarily driven by value and health, sustainability is influencing product development and capital allocation through environmentally friendly packaging, waste reduction initiatives, regenerative agriculture and responsibly sourced ingredients.

Observations on M&A Activity and Related Drivers

- Strategic acquirers have dominated the food & beverage M&A market. Such players have been pursuing accretive acquisitions as they seek tangible synergies, economies of scale, increased negotiation power with suppliers and additional revenue opportunities – often willing to pay premium valuations for highly-synergistic assets.

- Less-acquisitive North American strategics have revamped their M&A playbook in recent periods to address clear gaps in their product offering. Additionally, international strategics are displaying renewed interest in acquiring North American-based food & beverage assets of critical size in order to gain access to the vast local market and mitigate supply chain risks around export strategies.

- Large strategic players and emerging brands are investing in self-manufacturing capabilities via M&A to secure production capacity, improve quality control, monitor input costs and enhance supply-chain resilience.

- Large strategics are shedding off non-core assets in their portfolios and cautiously expanding their presence within attractive, high-velocity categories (e.g., pet, indulgent snacking, BFY sauces, etc.) while redeploying capital toward faster-growing, higher-margin categories.

- The private label segment is gaining foothold across multiple food & beverage categories in the current economic environment as inflationary pressures remain.

- The branded subsector continues to represent the most active area of strategic M&A as strategics have been on the lookout for strong brands and product categories.

M&A Landscape – Selected Strategic Inorganic Growth Perspectives

Selected highlights related to recent M&A activity:

- **Seneca Foods acquires the Green Giant U.S. Frozen Business** – *"This acquisition significantly enhances our frozen capabilities and expands our reach in the frozen category. With this acquisition, the iconic Green Giant shelf-stable and frozen businesses are back together. We also very much look forward to growing the frozen franchise in a category that continues to expand and building on the positive momentum we've experienced in Green Giant shelf-stable business."* Paul Palmby, President and Chief Executive Officer of Seneca Foods Corporation

- **McCormick to combine with Unilever's Foods Business** – *"This transformative combination accelerates McCormick's strategy and reinforces our continued focus on flavor. This combination will create a diversified flavor leader with a robust growth profile that remains differentiated by its focus on flavoring calories while others compete for them."* Brendan Foley, Chairman, President and Chief Executive Officer of McCormick

- **Rich Products acquires Great Kitchens** – *"As a major player in the food industry for more than 80 years, pizza has been an integral part of our business for over four decades. When you combine Great Kitchens' leadership in fully topped pizzas with our strength in crust and dough, you get a one-stop pizza partner with an unmatched breadth of expertise that will allow us to accelerate growth, drive greater innovation and deliver unique and distinct value to our customers."* Kevin Spratt, President, U.S.-Canada Region, Rich Products

Selected Recent Food & Beverage M&A Transactions (YTD June 30, 2026)

Ann. Date	Target	Acquirer	Target Description	Deal Value ($M)	EV / Revenue	EV / EBITDA
Jun-26 *pending*	Tate & Lyle	Ingredion	Mouthfeel, sweetening and fortification products	$5,000	--	8.8x
May-26	La Regina (49%-stake)	Campbell's	Italian producer of premium tomato-based pasta sauces	286	--	--
May-26	Ingenuity Foods (Brainiac brand)	Bel Group	Producer of BFY, brain-health snacks for kids	--	--	--
May-26	Calavo Growers	Mission Produce	Provider of fresh avocados, tomatoes, papayas, etc.	430	0.7x	16.0x
Apr-26	JDE Peets	Keurig Dr Pepper	Pure-play coffee company	23,000	--	12.9x
Apr-26	Four Roses	E. & J. GALLO Winery	Premium Kentucky straight bourbon whiskeys	775	--	--
Apr-26	HOPWTR (remaining stake)	Constellation Brands	Non-alcoholic hop water	--	--	--
Mar-26	Keystone Food Products	CK Snacks	Baked and fried tortilla chips, corn chips, etc.	--	--	--
Mar-26	My/Mochi Ice Cream	Morinaga	Premium ice cream wrapped in rice dough	130	2.2x	--
Mar-26	Unilever Foods	McCormick & Co.	Flavoring and cooking aids, condiments, sauces, etc.	44,800	3.6x	13.8x
Mar-26	Jetro Restaurant	Sysco Corporation	Cash-and-carry wholesaler of food products	29,085	1.8x	13.9x
Mar-26	Assets of B&G Foods	Seneca Foods	Green Giant U.S. frozen business	--	--	--
Mar-26	Creighton Brothers	Cal-Maine Foods	Egg producer	130	--	--
Feb-26	Splendor Garden	Cedar Valley Group	Herbs and spices, plant-based soup mixes, oats, etc.	--	--	--
Feb-26	Assets of Hormel Foods	Life-Science Innovations	Whole-bird turkey business of Hormel Foods	--	--	--
Feb-26	Furlani Foods	Arbor Investments	Bread products such as toast and dinner rolls	--	--	--
Feb-26	Eastern Fish	Highwood Harbor	Seafood distributor	--	--	--
Feb-26	SunOpta	Refresco	Plant and fruit-based food & beverage products	1,220	1.5x	11.6x
Feb-26	Bachan's	Marzetti	Japanese-style barbecue and dipping sauces	400	4.6x	--
Feb-26	Gluten Free Nation	Eshbal Functional Food	Retails sweet and savory gluten-free baked goods	--	--	--
Feb-26	Native Maine Operations	Premier Produce One	Wholesale food distributor	--	--	--
Feb-26	Assets of Hain Celestial	Snackruptors	North American snacks business of The Hain Group	115	--	--
Feb-26	BL Sour Cream	Turner Dairy Farms	Dairy products	--	--	--
Feb-26	TreeHouse Foods	Investindustrial	Private brands snacking and beverage manufacturer	2,900	--	--
Feb-26	Chiyo	Epicured	Women's health nutrition	--	--	--
Feb-26	Trubar	Eti Group	Snacking business focused on plant-based proteins	145	--	--
Jan-26	Assets of General Mills	Amphora Equity / Violet Foods	Includes the Muir Glen brand of General Mills	--	--	--
Jan-26	Great Kitchens	Rich Products	Frozen pizzas, appetizers, and assorted sandwiches	--	--	--
Jan-26	Tapatio Foods	Highlander Partners	Mexican-style hot sauces	--	--	--
Jan-26	Fieldless Farms	Elevate Farms	Leafy vegetables and mushrooms	--	--	--

Source: PitchBook, PKF Investment Banking
Note: Dollars in U.S. millions

Selected Public Company Data (as of June 30, 2026) – Median Values

Company	Market Cap ($M)	Enterprise Value ($M)	LTM* Revenue ($M)	LTM EBITDA ($M)	EV* / LTM Revenue	EV / LTM EBITDA
Fast Casual	$2,260.5	$2,912.9	$709.5	$170.3	1.95x	17.1x
Quick Service	25,159.8	41,372.8	8,486.0	2,870.0	4.31x	14.4x
Casual Dining	1,276.5	3,941.9	3,803.4	338.8	1.55x	12.0x
Family Dining	823.4	2,140.8	2,113.5	152.1	1.45x	14.9x
Branded Foods	16,049.6	20,880.8	15,321.5	2,446.1	1.55x	9.1x
Private Label	3,557.9	5,663.2	4,136.0	652.4	1.17x	8.0x
Baked Goods	2,427.1	3,331.0	3,942.1	405.5	0.97x	7.8x
Snacks	18,483.2	21,333.6	6,772.2	1,215.9	1.96x	14.9x
Non-Alcoholic	44,531.1	80,863.1	8,793.1	2,822.3	2.30x	11.4x
Wine, Beer, Spirits	13,023.1	17,625.0	10,122.3	2,336.1	1.91x	10.0x
Agribusiness	6,735.2	12,979.7	7,409.0	1,275.0	1.32x	10.2x
Nutrition	680.7	1,025.6	1,042.3	174.1	1.11x	7.9x
Protein Processing	4,275.9	5,032.9	9,830.0	620.0	0.51x	8.1x
Dairy	5,833.1	7,125.5	8,167.8	611.9	1.19x	11.6x
Ingredients/Flavors	5,972.3	6,901.3	5,787.6	864.0	2.43x	13.9x
Grocery & Retail	8,634.3	13,434.1	27,091.5	1,462.5	0.38x	8.0x
Food Distribution	10,739.9	15,634.5	35,444.5	1,101.2	0.52x	13.7x
Produce	1,153.7	1,401.2	1,659.7	200.5	0.65x	7.7x
Food E-Commerce	7,236.3	9,455.3	11,110.8	489.6	0.94x	4.7x

Source: CapIQ, PitchBook, PKF Investment Banking
Note: Dollars in U.S. millions; *EV = Enterprise Value; LTM = Last Twelve Months

Contact Us

The PKF Investment Banking team is available to discuss current M&A dynamics across the food & beverage sector and determine which opportunities may exist for your business. For more information, please contact:

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