



D | A | **DAVIDSON**

JUNE 2025
BAKERY SNAPSHOT



THE **1935** OF ADVICE



D.A. Davidson's food & beverage bankers were in the Big Easy last week for the IDDBA (International Dairy Deli Bakery Association) trade show. Between sampling every type of carb imaginable plus cheese and charcuterie at the show and then amazing dinners in the city, our arteries are just now beginning to recover! Besides the just the food, the show was bustling with activity as companies generally reported strong 2024 results and optimism about where things are heading in 2025. Below are some of our key takeaways from the show:

Growth Remains Robust. The perimeter of the grocery store remains the fastest growing department with perimeter bakery, deli and dairy categories collectively growing twice as fast as overall grocery (8.2% vs. 4.1% year-over-year through May). This growth is being driven by consumers looking for meals and products that are fresher and healthier than those found in the center aisles and less expensive than eating out. In addition, grocers are devoting more square footage to the perimeter while also looking to reduce in-store labor, creating significant opportunities for suppliers into these categories

Bakery, Elevated. Consumers are clearly looking for more out of their bread than your parents' white or wheat sliced loaves and exhibitors are delivering on this. Truly artisan bread, including sprouted, long-fermentation sourdough, and European-style batards and boules were on display: both delivered fresh and increasingly frozen as well. Authentic Ethnic Flavors. Like many other food-focused trade shows, there was no shortage of delicious ethnic foods at IDDBA. Some of our favorites included [Magnolia Foods](#) birria tacos featuring their [El Comal](#) tortillas, [Café Spice](#) s new Cantina Latina ready-to-eat burrito bowls and [SUMMI](#) s delicious spring rolls. We also loved [Anne's Toum](#) (although we're not sure if our subsequent meetings appreciated our garlic breath!)

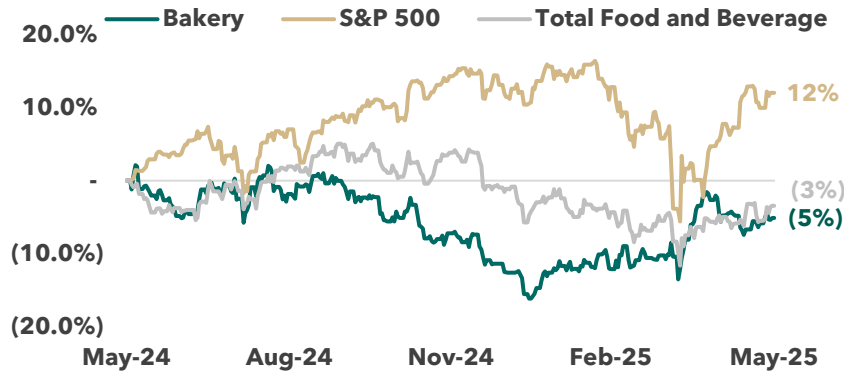
Clean Ingredients. Food brands across the landscape are increasingly looking to clean up their ingredient decks and produce healthier products. Although no one will confuse IDDBA for Expo West, brands at this show were no exception. Products like [Izzio's](#) sourdough (ingredients: organic wheat flour, organic sourdough culture, sea salt, enzymes) or [Olli Salumeria's](#) new preservative-free salami (I thought that was an oxymoron!) are delicious and very much on trend

Active M&A Market. The M&A market for brands sold through the perimeter of the store has been one of the bright spots within the consumer landscape for the past several years and is showing no signs of slowing down. Within bakery, Swander Pace Capital announced its [acquisition](#) of Maple Donuts at the show and we know of several other bakery businesses either in market or coming to market soon. There are also several cheese businesses in market, coming on the heels of Gellert Global's recent [acquisition](#) of Heartisan Foods. Lastly, private label manufacturers continues to be a major focus for acquirers, particularly private equity firms, who are looking to take advantage of the secular growth of the category, in particular during times of macroeconomic uncertainty

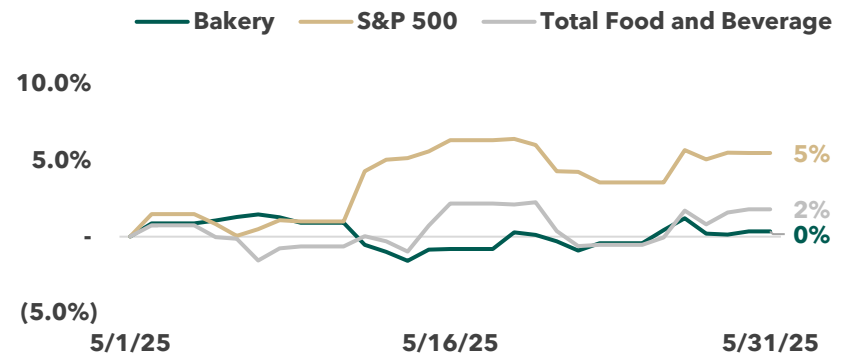
Up next for us is the Summer Fancy Foods Show in New York June 29th - July 1st. Please let us know if you'll be there or if you'd like to discuss our perspectives on the market

Recent Industry Performance and News

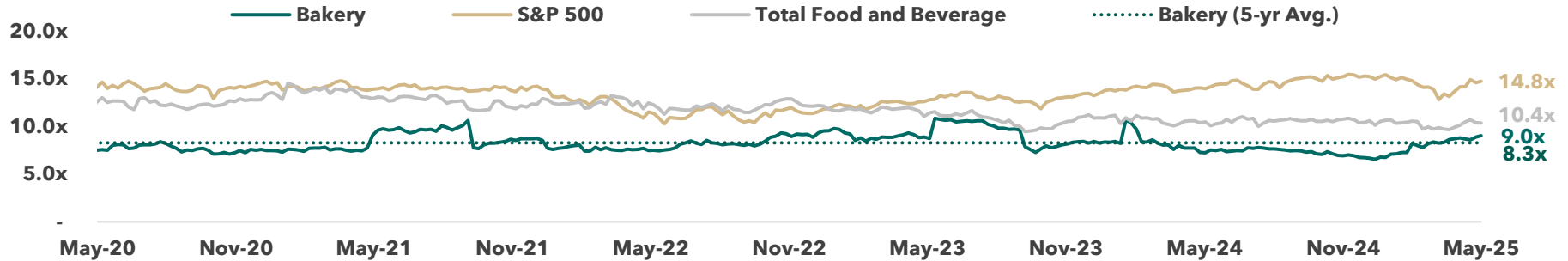
Indexed Stock Performance (L12M)



Indexed Stock Performance (L1M)



EV / NTM EBITDA Multiple



Recent Industry News and Announcements

- [General Mills Acquires Taco Shell Maker](#)
- [Swander Pace Capital Acquires Maple Donuts](#)
- [Lallemand to Acquire French Baking Ingredient Companies, AIT Ingredients and Solyve](#)
- [Rademaker Strengthens its Bakery Equipment Innovation Capabilities with the Acquisition of Form & Frys](#)

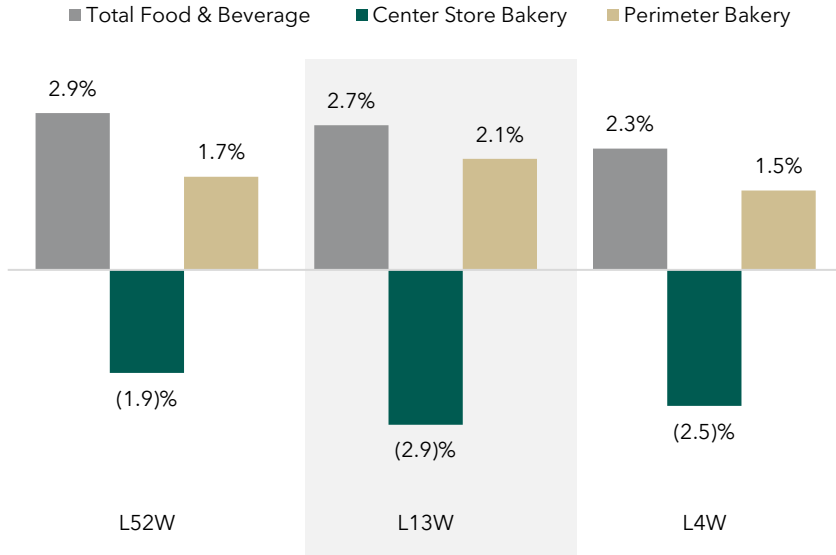
Source: S&P Capital IQ 5/31/25

Note: Bakery includes tickers: FLO, BMV: BIMBO A, ENXTBR: LOTB, BMV: GRUMA B, SVW: ARYN, TSE: 2212, LANC

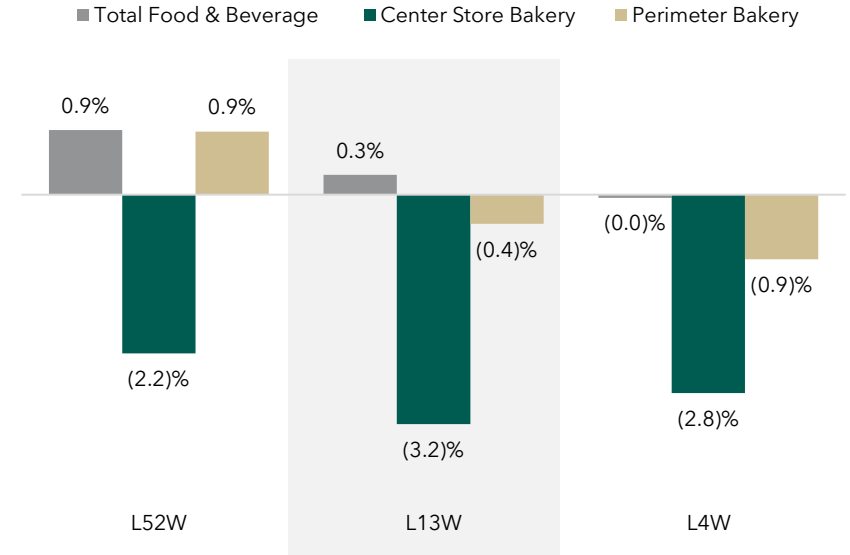
Total Food and Beverage includes tickers: FRPT, BRBR, SMPL, UTZ, HSY, HAIN, MDLZ, MAMA, BGS, POST, CPB, SJM, K, CAG, CELH, FLOW, COCO, OTLY, KDP, KO, MNST, FIZZ, BUD, BF:B, NAPA, TAP, ABEV, SAM, BCPC, INGR, MGPI, IFF, ANDE, ADM, BG, DAR, NTR, FMC, BOVESPA: JBSS3, TSX: PBH, TSN, HRL, BYND, CALM, VITL, DOLE, LMNR, FDP, CVGW, AVO, CHEF, SYY, HFFG, PFGC, KRT, SPTN, USFD, UNFI, STKL, THS, SENE: A, WN, FLO, BMV: BIMBO A, ENXTBR: LOTB, BMV: GRUMA B, SVW: ARYN, TSE: 2212, LANC.

Bakery Retail Sales Update

Total YoY % Change in Retail Dollar Sales



Total YoY % Change in Retail Unit Sales



Bakery Category Totals (L4W)

Category	\$	\$ % Chg YA	Units	Units % Chg YA	Avg Unit Price	Avg Unit Price % Chg YA	% Units Any Promo	% Units Any Promo Chg YA
<i>(\$ and units in millions except unit prices)</i>								
Center Store	\$2,848	(2.5)%	815	(2.8)%	\$3.49	0.2%	36.6%	0.4%
Perimeter	\$1,601	1.5%	377	(0.9)%	\$4.25	2.4%	22.8%	(0.5)%
Total Bakery	\$4,449	(1.1)%	1,192	(2.2)%	\$3.73	1.1%	32.2%	0.1%

Bakery Retail Sales Update – Sub-Category Details

Center Store Sub-Category Details (L4W)

Category	\$	\$ % Chg YA	Units	Units % Chg YA	Avg Unit Price	Avg Unit Price % Chg YA	% Units Any Promo	% Units Any Promo Chg YA
<i>(\$ and units in millions except unit prices)</i>								
Bread	\$750	(5.3)%	223	(5.1)%	\$3.37	(0.1)%	25.8%	0.6%
Cookies	\$579	3.0%	154	2.2%	\$3.76	0.8%	38.9%	(1.0)%
Crackers	\$540	(2.4)%	143	(1.5)%	\$3.79	(0.9)%	46.4%	2.4%
Rolls and Buns	\$456	(4.6)%	148	(5.4)%	\$3.07	0.9%	44.6%	1.5%
Wraps and Tortilla Shells	\$290	(1.3)%	89	(1.1)%	\$3.26	(0.2)%	30.1%	1.3%
Bagels	\$106	(2.5)%	25	(3.4)%	\$4.20	0.9%	35.4%	(9.9)%
Toaster Pastries	\$67	(7.4)%	20	(7.3)%	\$3.42	(0.2)%	46.9%	(3.6)%
Sweet Goods	\$38	(3.4)%	9	(1.2)%	\$4.35	(2.3)%	27.2%	(5.5)%
Pizza	\$10	(8.8)%	2	(11.5)%	\$4.93	3.0%	15.9%	(1.5)%
Desserts	\$12	5.0%	3	3.7%	\$3.78	1.2%	22.8%	(7.7)%
Total	\$2,848	(2.5)%	815	(2.8)%	\$3.49	0.2%	36.6%	0.4%

Perimeter Sub-Category Details (L4W)

Category	\$	\$ % Chg YA	Units	Units % Chg YA	Avg Unit Price	Avg Unit Price % Chg YA	% Units Any Promo	% Units Any Promo Chg YA
<i>(\$ and units in millions except unit prices)</i>								
Desserts	\$623	0.4%	87	(1.2)%	\$7.21	1.6%	24.5%	0.2%
Cookies	\$210	(3.7)%	38	(10.5)%	\$5.49	7.6%	28.0%	(4.0)%
Bread	\$195	0.3%	68	(2.5)%	\$2.88	2.9%	22.9%	(2.7)%
Rolls and Buns	\$172	6.4%	61	3.1%	\$2.83	3.2%	23.6%	3.4%
Sweet Goods	\$127	2.7%	34	0.7%	\$3.75	1.9%	17.4%	(1.5)%
Donuts	\$122	3.0%	48	0.5%	\$2.54	2.5%	20.3%	(0.7)%
Muffins	\$109	8.0%	24	5.5%	\$4.49	2.4%	28.1%	2.4%
Bagels	\$29	6.1%	14	0.4%	\$2.10	5.7%	8.4%	(1.6)%
Wraps and Tortilla Shells	\$8	4.7%	3	0.9%	\$2.82	3.8%	16.1%	10.2%
Crackers	\$6	15.0%	1	17.2%	\$6.28	(1.9)%	22.5%	(11.0)%
Total	\$1,601	1.5%	377	(0.9)%	\$4.25	2.4%	22.8%	(0.5)%

Public Company Analysis – Key Metrics

Operating Statistics

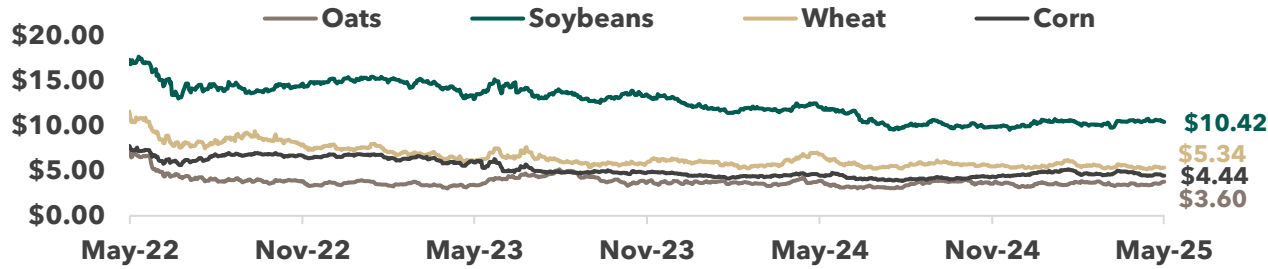
\$USD in Millions	LTM	LTM Gross	LTM EBITDA	Debt / LTM	Revenue			EBITDA			EPS	
	Revenue	Margin	Margin	EBITDA	CY 2025	2026E	% Growth	CY 2025	2026E	% Growth	CY 2025	2026E
Grupo Bimbo, S.A.B. de C.V.	\$ 20,472	53.0 %	14.0 %	3.4x	\$ 23,096	\$ 24,188	4.7 %	\$ 3,143	\$ 3,368	7.2 %	\$ 0.16	\$ 0.19
Lotus Bakeries NV	\$ 1,275	39.0 %	19.2 %	1.2x	\$ 1,548	\$ 1,717	10.9 %	\$ 307	\$ 343	11.8 %	\$ 238.74	\$ 267.10
Gruma, S.A.B. de C.V.	\$ 6,388	39.1 %	17.9 %	1.6x	\$ 6,640	\$ 6,957	4.8 %	\$ 1,177	\$ 1,207	2.6 %	\$ 1.54	\$ 1.58
Flowers Foods, Inc.	\$ 5,081	49.7 %	10.9 %	3.8x	\$ 5,319	\$ 5,354	0.7 %	\$ 548	\$ 565	3.1 %	\$ 1.10	\$ 1.16
Lancaster Colony Corporation	\$ 1,887	23.7 %	15.7 %	0.1x	\$ 1,910	\$ 1,971	3.2 %	\$ 295	\$ 310	5.0 %	\$ 6.76	\$ 7.14
Yamazaki Baking Co., Ltd.	\$ 8,391	32.5 %	NA	NA	\$ 8,910	\$ 9,052	1.6 %	\$ 708	\$ 730	3.1 %	\$ 1.38	\$ 1.42
ARYZTA AG	\$ 2,272	21.4 %	12.7 %	2.9x	\$ 2,562	\$ 2,640	3.0 %	\$ 378	\$ 394	4.1 %	\$ 5.20	\$ 6.16
Mean	\$ 6,538	36.9 %	15.1 %	2.2x	\$ 7,141	\$ 7,411	4.1 %	\$ 936	\$ 988	5.3 %	\$ 36.41	\$ 40.68
Median	\$ 5,081	39.0 %	14.9 %	2.2x	\$ 5,319	\$ 5,354	3.2 %	\$ 548	\$ 565	4.1 %	\$ 1.54	\$ 1.58

Valuation Statistics

\$USD in Millions	5/31/2025	52-Week	Market	EV / Revenue			EV / EBITDA			P / E		
	Share Price	% of High	Cap.	EV	LTM	CY 2025	2026E	LTM	CY 2025	2026E	CY 2025	2026E
Grupo Bimbo, S.A.B. de C.V.	\$2.80	74.8 %	\$ 12,052	\$ 21,460	1.05x	0.93x	0.89x	7.5x	6.8x	6.4x	17.8x	15.1x
Lotus Bakeries NV	\$10,337.00	72.4 %	\$ 8,411	\$ 8,606	6.75x	5.56x	5.01x	35.1x	28.1x	25.1x	43.3x	38.7x
Gruma, S.A.B. de C.V.	\$18.85	91.9 %	\$ 6,685	\$ 8,161	1.28x	1.23x	1.17x	7.1x	6.9x	6.8x	12.3x	11.9x
Flowers Foods, Inc.	\$16.90	70.8 %	\$ 3,568	\$ 5,693	1.12x	1.07x	1.06x	10.3x	10.4x	10.1x	15.3x	14.6x
Lancaster Colony Corporation	\$167.40	82.6 %	\$ 4,615	\$ 4,532	2.40x	2.37x	2.30x	15.3x	15.4x	14.6x	24.8x	23.4x
Yamazaki Baking Co., Ltd.	\$22.57	87.3 %	\$ 4,459	\$ 4,388	0.52x	0.49x	0.48x	NA	6.2x	6.0x	16.4x	15.9x
ARYZTA AG	\$103.13	99.0 %	\$ 2,551	\$ 3,399	1.50x	1.33x	1.29x	11.7x	9.0x	8.6x	19.8x	16.7x
Mean	\$1,524.09	82.7 %	\$ 6,049	\$ 8,034	2.09x	1.85x	1.74x	14.5x	11.8x	11.1x	21.4x	19.5x
Median	\$22.57	82.6 %	\$ 4,615	\$ 5,693	1.28x	1.23x	1.17x	11.0x	9.0x	8.6x	17.8x	15.9x

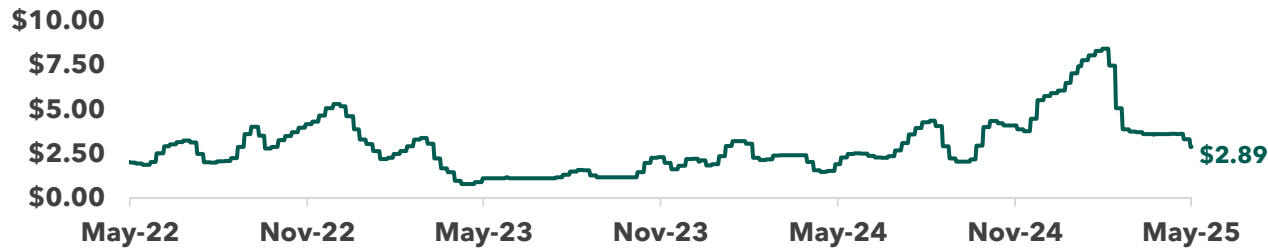
Selected Bakery Input Pricing

Commodity Price Index (\$ Per Bushel)



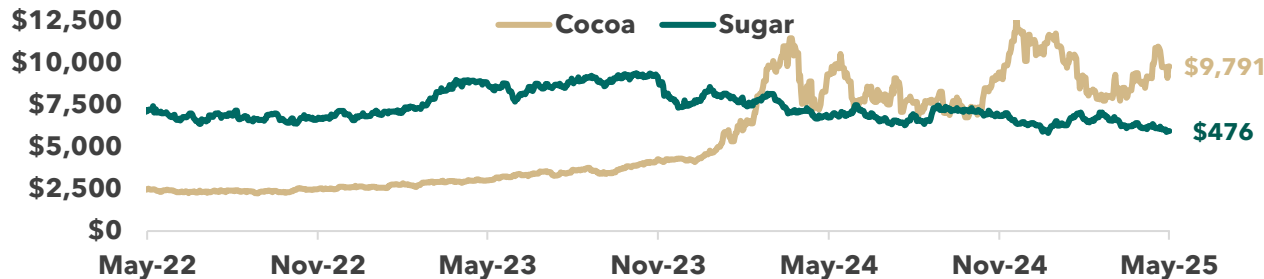
	Price % Change			
	1mo	1yr	2yr	3yr
Oats	6%	-2%	12%	-43%
Soybeans	0%	-14%	-20%	-38%
Wheat	1%	-21%	-10%	-51%
Corn	-7%	-1%	-25%	-41%

Egg Price Index (\$ Per Dozen)



	Price % Change			
	1mo	1yr	2yr	3yr
Eggs	-20%	51%	159%	45%

Sugar & Cocoa Index (\$ Per MT)



	Price % Change			
	1mo	1yr	2yr	3yr
Cocoa	10%	-12%	226%	292%
Sugar	-3%	-12%	-32%	-17%

Source: S&P Capital IQ 5/31/25

D.A. Davidson Consumer Investment Banking

Services Offered

Sell-Side
M&A

Buy-Side
Advisory

Debt Capital
Solutions

Equity Capital
Solutions

IPOs

Follow Ons

Selected Recent Consumer Transactions

NK
a portfolio company of
CLEARVIEW CAPITAL
has been acquired by
GLAISTONE INVESTMENT
SELL-SIDE ADVISOR

Allivet[™]
a portfolio company of
PENINSULA CAPITAL PARTNERS
has been acquired by
TRACTOR SUPPLY CO
SELL-SIDE ADVISOR

EverLine
Company of Service
has received a strategic investment from
RED IRON GROUP
SELL-SIDE ADVISOR

PLATINUM DENTAL SERVICES
has been acquired by
MAIN POST PARTNERS
BUY-SIDE ADVISOR

UNITY
has been acquired by
UNDISCLOSED
SELL-SIDE ADVISOR

OPTIVATIONS
has been acquired by
Skylark PRIVATE EQUITY PARTNERS
SELL-SIDE ADVISOR

CrownCrafts
has acquired
babyboom
from
THE BETESH GROUP
BUY-SIDE ADVISOR

UPPAbaby
a partner company of
Seidler Equity Partners
has acquired
4moms
BUY-SIDE ADVISOR

j.skinner
has been acquired by
stellex CAPITAL MANAGEMENT
SELL-SIDE ADVISOR

bcp
has received a debt investment from
JPMORGAN CHASE & CO.
FINANCIAL ADVISOR

A-MARK PRECIOUS METALS, INC.
A Leader In Precious Metals Since 1963
has acquired
LPM
a subsidiary of
AMS
BUY-SIDE ADVISOR

head rush technologies
a portfolio company of
5E PINE STREET
has been acquired by
TZP
SELL-SIDE ADVISOR

COMC
has received a growth investment from
ebay
SELL-SIDE ADVISOR

CAMILLUS
brand names of
ab
have been acquired by
GSM OUTDOORS
SELL-SIDE ADVISOR

flutterhabit
has been acquired by
GAUGE CAPITAL
SELL-SIDE ADVISOR



FOOD & BEVERAGE



CONSUMER PRODUCTS



CONSUMER SERVICES

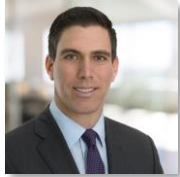


ECOMMERCE & MARKETPLACES



D.A. Davidson's Food & Beverage Investment Banking Team

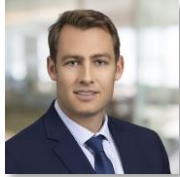
Dedicated Team



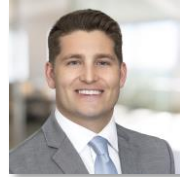
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Sector Focus

Beverage	Coman / Private Label	Dairy / Plant Based Alternatives
Deli / Fresh Perimeter	Ethnic	Frozen
Protein Nutrition	Snacking & Confectionery	Specialty Distribution

Food & Beverage-Focused Equity Research



Brian Holland
 Senior Research
 Analyst



Select Transactions

 has been acquired by stellex SELL-SIDE ADVISOR	 has merged with TETON a portfolio company of SUNRISE FINANCIAL ADVISOR	 has sold its Sunflower & Roasted Snacks Division to PACIFIC AVENUE CAPITAL SELL-SIDE ADVISOR	 has been acquired by TITAN MACHINERY SELL-SIDE ADVISOR	 has merged with SilverBox Engaged Merger Corp I FINANCIAL ADVISOR
BETTER CHOICE COMPANY has completed a follow-on offering of common stock \$40,000,000 SOLE BOOKRUNNER	 has been acquired by HEARTH-SIDE \$815,000,000 DEBT FINANCING JOINT BOOKRUNNER	 has been acquired by PARTNERS GROUP Charlesbank II \$1,700,000,000 DEBT FINANCING JOINT BOOKRUNNER	 has been acquired by BOULDER BRANDS SELL-SIDE ADVISOR	 has acquired ARYZTA BUY-SIDE ADVISOR

* Note: Transactions completed by current D.A. Davidson professionals prior to joining the firm



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