















Situation Overview

Produce distribution dynamics have paved the way for considerable M&A activity over the last five years, with a handful of particularly active acquirors...

- Broadline distributors seeking new avenues for growth through specialty categories
- Customer desire for convenience, fresh & local balancing traditional challenges of managing perishable inventory
- Fragmented category within food distribution provides opportunity for consolidation
- Advancements in technology and ecommerce create novel supply chain and purchasing solutions

Active Acquirors / Platforms

| | | |
|--|---|--|
|   HQ: Indianapolis, IN 13 transactions* |    HQ: Houston, TX 4 transactions* |   HQ: Los Angeles, CA 3 transactions* |
|  VC/PE-Backed HQ: San Francisco, CA 19 transactions* |   HQ: Miami, FL 3 transactions* |   HQ: Minneapolis, MN 3 transactions* |

* Produce distribution M&A transactions since 2020

M&A Strategy Commentary

FreshEdge®



- Building a network of value-added produce distributors covering the Midwest and Southeast regions
- Leveraging the benefits of super-regional scale and fresh cut processing capability to enhance service and product assortment

Sysco™



- With a leading market share nationally among broadliners, Sysco turning M&A focus to specialty categories, including national expansion of FreshPoint produce distribution business
- Acquisitions of The Coastal Companies (2022) and Bix (2023) expand reach in Mid-Atlantic and Midwest, respectively



- Building a super-regional leader in California and Nevada
- Growing portfolio of fresh cut and non-produce offerings to grow within existing customer base



- eCommerce/SaaS-based platform founded in 2014 to provide fresh and healthy foods to business customers as well as end consumers
- Has demonstrated an M&A focus on growing produce assortment and geographic coverage, building a national platform



- Building a super-regional leader in Florida and Texas
- Growing portfolio of specialty produce and food offerings, such as exotic fruits, microgreens and charcuterie



WHOLESALE PRODUCE
SUPPLY COMPANY



- Broadening value-added capabilities in ripening, grading, fresh-cut, washing, sorting and packaging, as well as flexible delivery options to minimize customers' spoilage
- Expanded from super-regional in Midwest and Central Canada to national footprint with Bandwagon Brokerage acquisition

Active acquirors see an opportunity to create value in their produce distribution platforms with scale and enhancing margin profile through value-added product assortment – fresh cut & grab-and-go convenience and fresh & healthy foods

M&A Transactions

| Date | Target | Acquiror | Platform |
|------------|---|--------------------------|--|
| 7/18/2024 | Western Sky Produce | FreshEdge, LLC |  |
| 12/14/2023 | Kimball & Thompson Produce Company | FreshEdge, LLC | |
| 11/2/2023 | Greenberg Fruit Company | FreshEdge, LLC | |
| 7/25/2023 | Sirna & Sons, Inc. (nka:STV Holdings, Inc.) | FreshEdge, LLC | |
| 5/23/2023 | Panama Banana Distributing Company | FreshEdge, LLC | |
| 5/2/2023 | Testa Produce, Inc. | FreshEdge, LLC | |
| 10/4/2022 | FreshEdge, LLC | Wind Point Advisors, LLC | |
| 5/11/2022 | City Produce Of Fort Walton Beach, Inc. | FreshEdge, LLC | |
| 12/3/2021 | Monteverdes Inc. | FreshEdge, LLC | |
| 10/12/2021 | Vine Line Produce Distribution | FreshEdge, LLC | |
| 7/1/2021 | Valley Produce | FreshEdge, LLC |   |
| 1/5/2021 | Leonardo'S Produce LLC | FreshEdge, LLC | |
| 11/19/2020 | McCartney Produce Co., Inc. | FreshEdge, LLC | |
| 6/26/2023 | Bix Produce Company, LLC | FreshPoint, Inc. | |
| 12/6/2021 | The Coastal Companies | Sysco Corporation | |
| 10/19/2021 | Paragon Wholesale Foods Corp. | FreshPoint, Inc. | |
| 2/18/2020 | Lancaster Foods, LLC | The Coastal Companies | |
| 10/26/2022 | Left Coast Food Co. | Green Farms, Inc. | |
| 6/15/2022 | Valley Food Services, Inc. | Green Farms, Inc. | |
| 4/26/2022 | Chef's Choice Produce Co. | Green Farms, Inc. | |
| 7/8/2024 | Brothers Produce LLC | GrubMarket, Inc. |   |
| 3/11/2024 | Performance Produce | GrubMarket, Inc. | |
| 1/16/2024 | J.C. Cheyne & Co. | GrubMarket, Inc. | |
| 12/20/2023 | A&B Tropical Produce, LLC | GrubMarket, Inc. | |
| 10/24/2023 | PA China Farm | GrubMarket, Inc. | |
| 8/3/2023 | London Fruit, Inc. | GrubMarket, Inc. | |
| 3/8/2023 | Custom Produce Sales, Inc. | GrubMarket, Inc. | |
| 9/20/2022 | JC Produce LLC | GrubMarket, Inc. | |
| 5/24/2022 | Produce Connection and Spring Valley | GrubMarket, Inc. | |
| 5/10/2022 | Vega Produce LLC | GrubMarket, Inc. | |
| 4/25/2022 | Salix Fruits LLC | GrubMarket, Inc. | |
| 4/7/2022 | Regatta Tropicals Ltd. | GrubMarket, Inc. | |
| 3/16/2022 | Sunfed Produce, L.L.C. | GrubMarket, Inc. | |
| 2/22/2022 | Daylight Foods Inc. | GrubMarket, Inc. | |
| 1/19/2022 | Terra Exports LLC | GrubMarket, Inc. | |
| 7/21/2021 | Terminal Produce Corp. | GrubMarket, Inc. | |
| 5/4/2021 | Vaccaro & Sons Produce, Inc. | GrubMarket, Inc. | |
| 3/16/2021 | RJ Produce, Inc. | GrubMarket, Inc. | |
| 10/22/2020 | Best Fresh Produce Inc. | GrubMarket, Inc. | |

Source: S&P Capital IQ

M&A Transactions (cont'd)

| Date | Target | Acquiror | Platform |
|------------|------------------------------------|-------------------------------------|---|
| 5/2/2023 | Florida Veg Investments, LLC | Sterling Investment Partners |  |
| 2/10/2020 | Cawoods Produce, Inc. | Florida Veg Investments, LLC | |
| 1/9/2020 | Florida Veg Investments, LLC | Shoreline Equity Partners, LLC |  |
| 2/1/2024 | Assets of G.O. Corporation | Wholesale Produce Supply, LLC | |
| 1/4/2023 | Bandwagon Brokerage, Inc. | Wholesale Produce Supply, LLC | |
| 10/29/2021 | Wholesale Produce Supply, LLC | Cross Rapids Capital L.P. | |
| 9/1/2023 | Nagatoshi Produce USA, LLC | Kamei North America Co. Ltd | |
| 1/10/2023 | Carlo Masi Produce | Management | |
| 9/9/2021 | C & C Produce, LLC | GS Foods Group, Inc. | |
| 5/10/2021 | Pacific Coast Produce, Inc. | Perfection Fresh Australia Pty Ltd. | |
| 3/12/2021 | Conner Produce Co. Inc. | Crook Brothers, Inc. | |
| 3/4/2021 | Assets of Pocono Produce Co., Inc. | Metropolitan Foods Inc. | |
| 2/1/2021 | Awesome Vibes Inc. | Pacific Coast Fruit Company, Inc. | |
| 1/19/2021 | Fresno Produce, Inc. | GS Foods Group, Inc. | |

Source: S&P Capital IQ

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