



Food, Beverage & Agriculture:
Bakery Sector Insights
August 2025

Los Angeles
San Francisco
Chicago
Charlotte
New York

intrepidib.com
310.478.9000

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Food, Beverage & Agriculture Group Overview

Team Track Record


















32 Deals Closed since 2020*

9 Deals Closed in 2024*

Nationwide Practice with Over 50% of Closed Deals Headquartered Outside California

Growing Average Deal Size with Notable Recent Closed and In-Market Deals

Select Transaction Experience

 has been acquired by  Advisor to Rockenwagner	 has been recapitalized by  Advisor to Lewis*	 has been recapitalized by  Advisor to Costanzo's*	 a portfolio company of  has been recapitalized by  Advisor to JJ's Bakery*
 has been acquired by  a portfolio company of  Advisor to Oak State*	 Pizza Snacks Division has been acquired by  Advisor to The Father's Table*	 has received an investment from  Advisor to Snak King	 Advisor to Project Golden



Brian Levin
HEAD OF FOOD,
BEVERAGE & AGRICULTURE



Gavin Daniels
MANAGING DIRECTOR



Rory Dineen
MANAGING DIRECTOR



Stuart Jones
VICE PRESIDENT



Tess Wilen
VICE PRESIDENT



Ana Alvarenga
VICE PRESIDENT



Gavin Cutrino
ASSOCIATE



Will Tucker
ANALYST



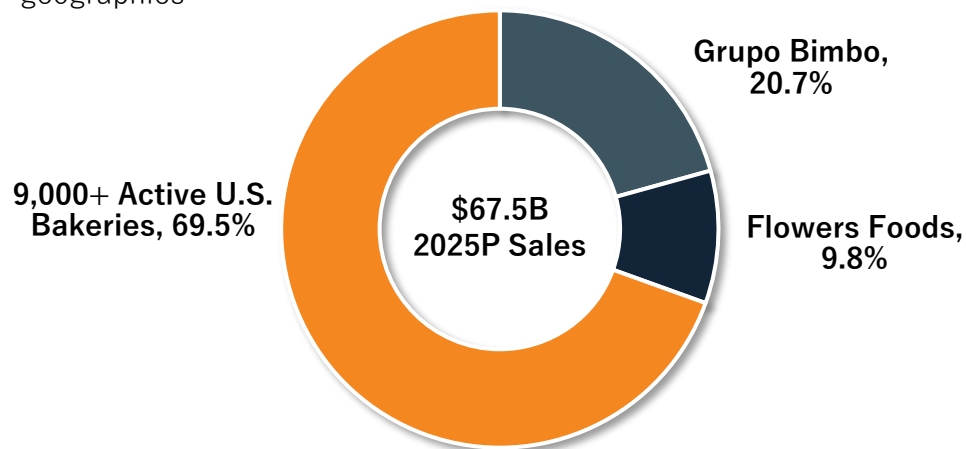
Brinton Thomas
ANALYST

Baked Goods Market Backdrop

Amid changing economic conditions, consumers are becoming increasingly cost sensitive, leaning toward products with smaller portions and a lower price tag, and seeking healthy alternatives to traditional baked goods products

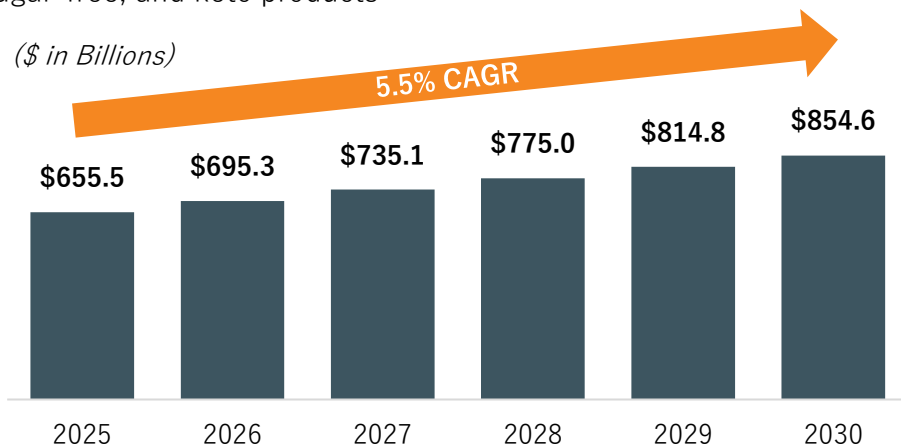
U.S. Baked Goods Market Fragmentation

The U.S. Baked Goods market is highly fragmented, with regional companies and brands competing for market share in their respective geographies

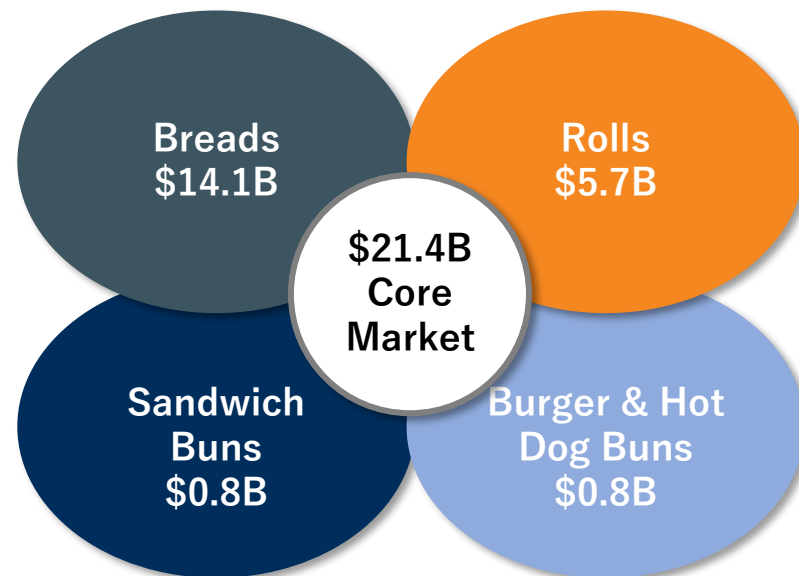


Stable Growth in the Global Baked Goods Market

The global baked goods market is expected to grow at a 5.5% CAGR through 2030 as a result of widely available alternatives to conventional products driving significant growth, including low-calorie, sugar-free, and keto products



U.S. Center-Aisle Baked Goods Market



Current U.S. Bakery Demand Dynamics

Baked Goods Trends

- Approximately 75% of millennials, the largest age demographic, are “bothered” by bread waste
- Approximately 41% of Americans actively seek products with clean labels with some regularity, and almost half of those purchasers are millennials under the age of 35

Intrepid Positioning

- Rising health-consciousness and clean label demand will continue to drive growth for innovative, better-for-you baked goods
- Highly fragmented bakery landscape presents meaningful whitespace for differentiated brands to gain market share

Significant Manufacturing Capacity Has Left the Market in Recent Decades

An industry-wide decrease in manufacturing capacity has created a favorable market for well-positioned bakeries to scale production and capture market share

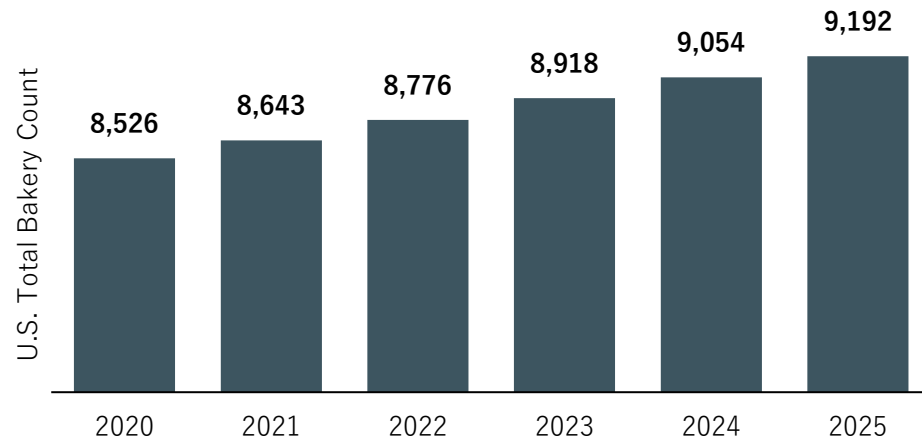
The Hostess “Void”

- In 2012, Hostess ceased operations and declared bankruptcy
- Hostess was forced to close 33 bakeries, 565 distribution centers nationwide, and 570 outlet stores, removing 15% of the overall industry capacity
- Well-recognized bread brands, Wonder Bread, Nature's Pride, and Butternut, had at one point, made Hostess the 2nd largest bakery in the country



Growth in United States Bakery Industry

Recovering from the COVID downturn in demand, the United States total bakery count has grown 1.5% per year from 2020 to 2025



Diminished Baking Capacity – Illustrative Closures

Closure Date	Company	Facility Size (sq. ft.)
Nov-12	Hostess BRANDS	3,000,000
Apr-16	SAFEWAY	125,500
Nov-18	Flowers FOODS	70,000
Feb-19	Kroger	190,000
Sep-19	BIMBO Bakeries USA	1,000,000
Feb-21	Mondelez International SNACKING MADE RIGHT	650,000
Mar-21	Loves	92,400
Apr-21	VERMONT BREAD LIBERTY	50,000
Feb-22	Lancaster Colony	~200,000
Aug-22	Flowers FOODS	150,000
May-23	Krispy Kreme DOUGHNUTS	~100,000
Apr-24	Mondelez International SNACKING MADE RIGHT	200,000
Jan-25	BIMBO Bakeries USA	160,000

Current Bakery Sector Trends



Frozen Baked Goods

- Rising demand for frozen and convenience bakery items driven by shifting consumer preferences for time savings and minimal preparation
- E-commerce channels have expanded frozen bakery reach, with online grocery sales increasing ~170% since 2020



Health-Conscious Consumers

- Clean-label offerings are commanding a premium as ingredient transparency and nutritional value are increasingly becoming key purchase drivers in specialty bakery segments
- Low-carb, gluten-free and keto have gained momentum alongside consumer preferences for healthier choices



Ready-To-Eat Products

- Strong tailwinds for ready-to-eat baked goods as consumers increasingly favor single-serve, portable options that offer convenience and freshness
- Snacking behaviors and fast-paced lifestyles are driving growth in grab-and-go and individually packaged SKUs



Total Spend

- Population growth and greater household formation are lifting overall spending on baked goods
- While GLP-1 adoption is softening demand for traditional bakery and snack items, spend in premium and better-for-you lines is proving resilient



Consolidation

- Private equity firms are consolidating a landscape that is dotted with closely-held, multi-generational family businesses
- Despite this activity by private equity firms, large strategics like Flowers and Bimbo have preferred to selectively make big M&A bets such as Flowers' recent acquisition of Simple Mills

Robust Private Equity Activity in the Bakery Industry Persists

Private Equity Platform Investments

- Throughout the last decade, private equity has meaningfully expanded its presence in the bakery sector, capitalizing on its fragmented nature with a thesis of product-centric and region-specific buy-and-build strategies
- An increasing number of large platforms have traded hands between sponsors, reinforcing sustained investor conviction and the ability to scale under institutional leadership within the bakery sector. For example:
 - Rise Baking Company, initially acquired by Olympus Partners in 2018, scaled through a series of strategic add-ons and operational investment before being acquired by Platinum Equity and Butterfly Equity in 2024
 - BakeMark, acquired by Clearlake Capital in 2021, has significantly expanded its market position and customer reach since Pamplona Capital's initial acquisition in 2017

Representative Private Equity Bakery Activity

Financial Sponsor



TRIVE CAPITAL



Platform Investment



Jun. 2021



(Combination of Main St. Gourmet, Biscotti Brothers, and Meurer Brothers) Sep. 2022



Apr. 2020



Feb. 2020



Sep. 2019

Add-Ons



Jan. 2023



Jan. 2025



May 2024



Jul. 2021



Jun. 2024



Jan. 2023

Project Crescent Case Study

Intrepid Professionals served as exclusive advisor to Lewis Bakeries Inc. (“Lewis”, “Project Crescent”, or the “Company”) in its recapitalization with One Rock Capital Partners (“One Rock”)

Deal Overview



- **Target:** Lewis Bakeries
- **Acquiror:** One Rock Capital Partners
- **Deal Team Lead:**
 - Rory Dineen



About the Company

- **Founded:** 1925
- **Headquartered:** Evansville, IL
- Lewis is a leading manufacturer of branded and private label baked goods in the Midwestern and Southeastern U.S.
- Lewis’ product mix includes 200+ unique SKUs across three owned brands, four franchised brands, and nearly 100 private label SKUs

Investment Highlights

- ✓ Leading Market Position in Core Geographies
- ✓ Broad Portfolio of Leading Brands with Nearly 100 Years of Brand Equity
- ✓ Consistent Long-Term Performance Throughout Economic Cycle
- ✓ Skillful Execution of Value-Added Distribution Drives Sticky Relationships
- ✓ Innovation Engine Stays in Front of Consumer Trends
- ✓ Defined & Achievable Growth Roadmap

Transaction Highlights

- Intrepid Professionals targeted and pre-screened a select group of consumer-focused PE firms experienced in baked goods to determine investment fit particularly given the Company’s customer concentration and unionized employee base / participation in MEPPs
- Due to client sensitivity, Lewis did not allow factory tours until LOI submission
- Intrepid Professionals provided a hands-on approach with confirmatory diligence, providing ongoing support to the executive team including extra arms & legs on-site to supplement a lean Company executive team



Intrepid Overview

If you would like to schedule a call or meeting with the Intrepid team, please reach out to any of our professionals

Food, Beverage & Agriculture Team



Brian Levin
Managing Director,
Head of Food, Beverage & Agriculture
BLevin@IntrepidIB.com



Gavin Daniels
Managing Director
GDaniels@intrepidib.com



Rory Dineen
Managing Director
RDineen@intrepidib.com



Stuart Jones
Vice President
SJones@intrepidib.com



Tess Wilen
Vice President
TWilen@intrepidib.com



Ana Alvarenga
Vice President
AAlvarenga@IntrepidIB.com



Gavin Cutrino
Associate
GCutrino@IntrepidIB.com



Will Tucker
Analyst
WTucker@intrepidib.com



Brinton Thomas
Analyst
BThomas@intrepidib.com

About the Firm



- ✓ One of the leading middle-market M&A advisors in the U.S. with a dedicated food, beverage and agriculture group
- ✓ Exclusive focus on advisory to middle-market companies
- ✓ Strong relationships in the protein sector, providing C-Suite access to key buyers across the globe
- ✓ Partnership with MUFG provides access to the global infrastructure, capabilities and deep relationships of the sixth largest bank in the world.



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