



WOOD WARREN
INVESTMENT BANKING

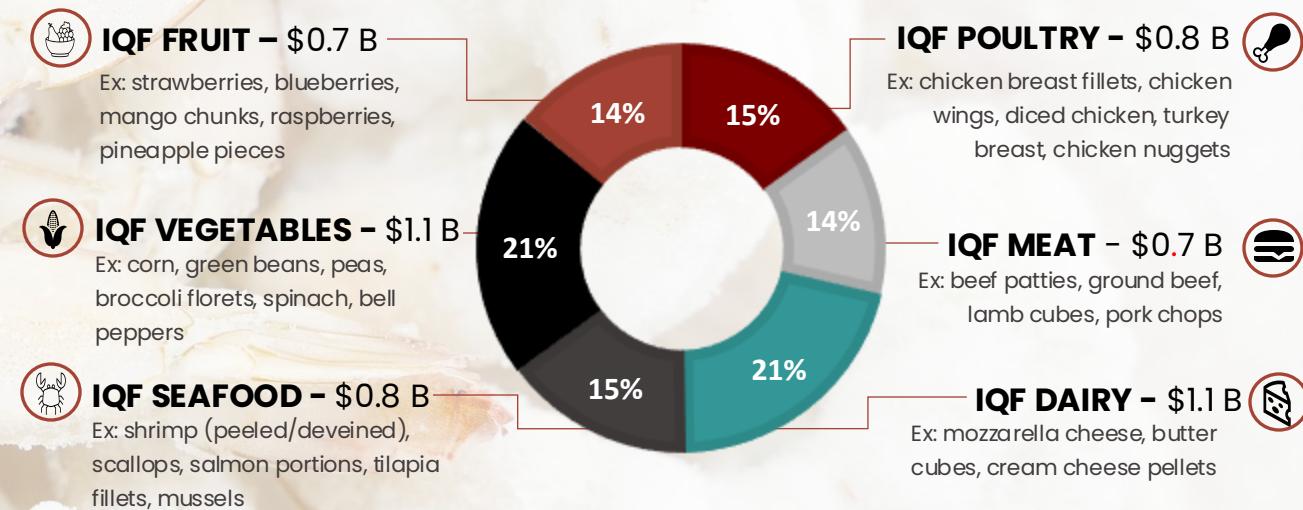
IQF INDUSTRY REPORT

Summer 2025

INVESTORS CAN CAPITALIZE ON GROWING DEMAND VIA THE IQF SECTOR

- Individual quick freezing ("IQF") is a food industry manufacturing process where individual pieces of food are frozen separately and quickly
- IQF is used throughout the food industry and includes fruit, vegetables, seafood, poultry, meat, and dairy
- There are many benefits as IQF maintains the original texture, flavor, and nutritional value of the food. The rapid freezing process prevents the formation of large ice crystals inside the cells
- IQF increases convenience and efficiency and reduces food waste as individually frozen pieces can be used in smaller portions and over time
- In 2024, the US IQF market totaled \$5.2 B and is projected to grow at a CAGR of 5.4% to \$9.3 B in 2034
- Industry participants include Conagra, Nestle, Spartan Nash, Campbells, Titan, and UNFI
- More than 71 IQF M&A and Buyout Deals have been completed by strategics and private equity firms in the last 2 years
- Many private equity firms and strategics are seeking to acquire companies throughout the IQF supply chain

US IQF MARKET BREAKDOWN BY PRODUCT CATEGORY 2024



2024 U.S. IQF MARKET: \$5.2 B

EMERGING TRENDS

Recent Industry Developments

- The SHOPP Act has been introduced to the House and the Senate. Its aim is to include frozen fruits and vegetables in addition to fresh produce when providing nutrition incentives to SNAP recipients. The bill has gained bipartisan support.
- AI integration has improved production efficiency and quality control, optimizing freezing temperatures and reducing human error in sorting and packaging.
- Eco-friendly packaging and sustainability practices, including energy-efficient freezing methods and reduced food waste, are increasingly adopted.

Industry Opportunities

- Possible expansion of SNAP/GusNIP programs to include frozen produce will create increased accessibility for budget-conscious consumers
- The growing demand for organic and plant-based frozen foods aligns with the rising trend of health-conscious consumers seeking nutritious, convenient Ready-to-Eat (RTE) meal solutions.
- Product differentiation, focus on non-seasonal and exotic fruit demand with a projected growth rate 6.3% CAGR (2024 to 2034).



AI Integrated Optical Sorter

INVEST IN ADVANCED FREEZING TECHNOLOGY AND DEVELOP TARGETED MARKETING STRATEGIES FOR HEALTH-CONSCIOUS CONSUMERS BY EMPHASIZING SUSTAINABILITY AND PLANT-BASED FROZEN OFFERINGS

Sources: (1) Precedence Research

IMPORTANT ATTRIBUTES FOR INVESTORS

STRATEGICS

- Supply Chain Integration
- Reliable Sourcing & Strong Supplier Networks
- Operational Efficiency, Strong Logistics, Minimal Waste
- Advanced IQF Technology
- Market Access & Distribution
- Established Retailer, Foodservice, Or Export Contracts
- Brand Strength Or Private Label Capability
- Product Differentiation (e.g., Organic, Specialty, Ethnic)
- Energy-efficient Freezing, Reduced Waste, Eco-packaging
- Strong Safety Record, USDA/FDA Certifications, Traceability
- Geographic Synergy Into Strategic Regions

FINANCIAL

- High Growth Potential
- Strong Year-over-Year Revenue Growth
- Category Momentum (e.g., Organic or Plant-Based IQF)
- Capacity To Expand Especially In Underpenetrated Regions
- Margin Opportunity Via Efficiencies, Pricing, Or Mix Optimization
- Agile Leadership With a Track Record of Execution and Innovation
- Clear Exit Paths to Strategic Sale or IPO
- Proprietary Freezing Tech, Processing Efficiencies
- Exclusive Supply Contracts
- Strong Traction In Health, Convenience, or Clean-Label Trends
- Capital Efficient With Lean Infrastructure or Non-Intensive Capex

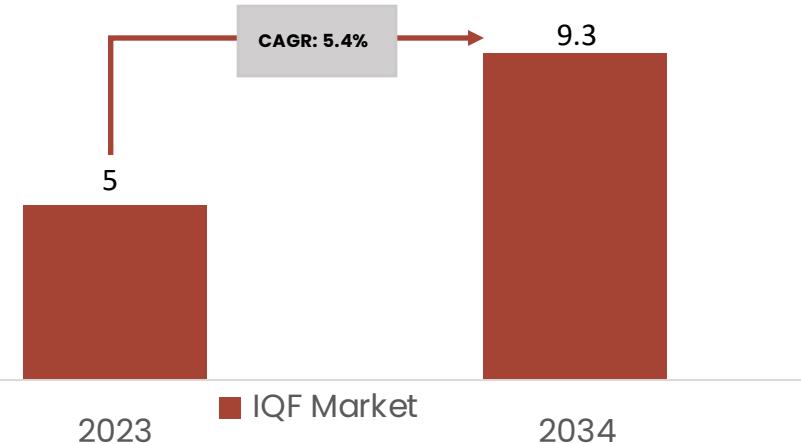
DRIVERS FOR IQF GROWTH IN THE U.S.

Differentiators in a Growing Market

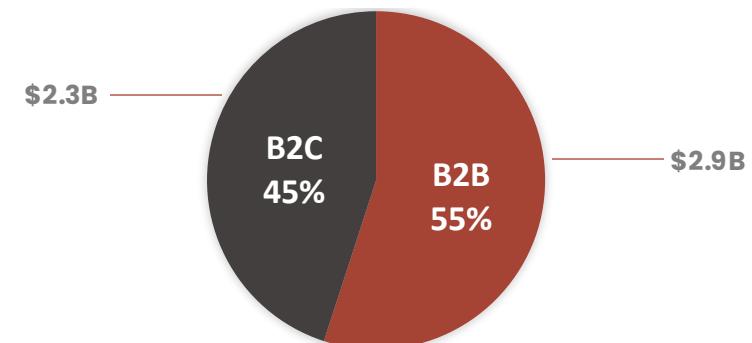


Sources: (1) Precedence Research (2) Wise Guy Reports (3) Global Growth Insights (4) Future Market Insights

US IQF MARKET SIZE, 2023 to 2034, \$B

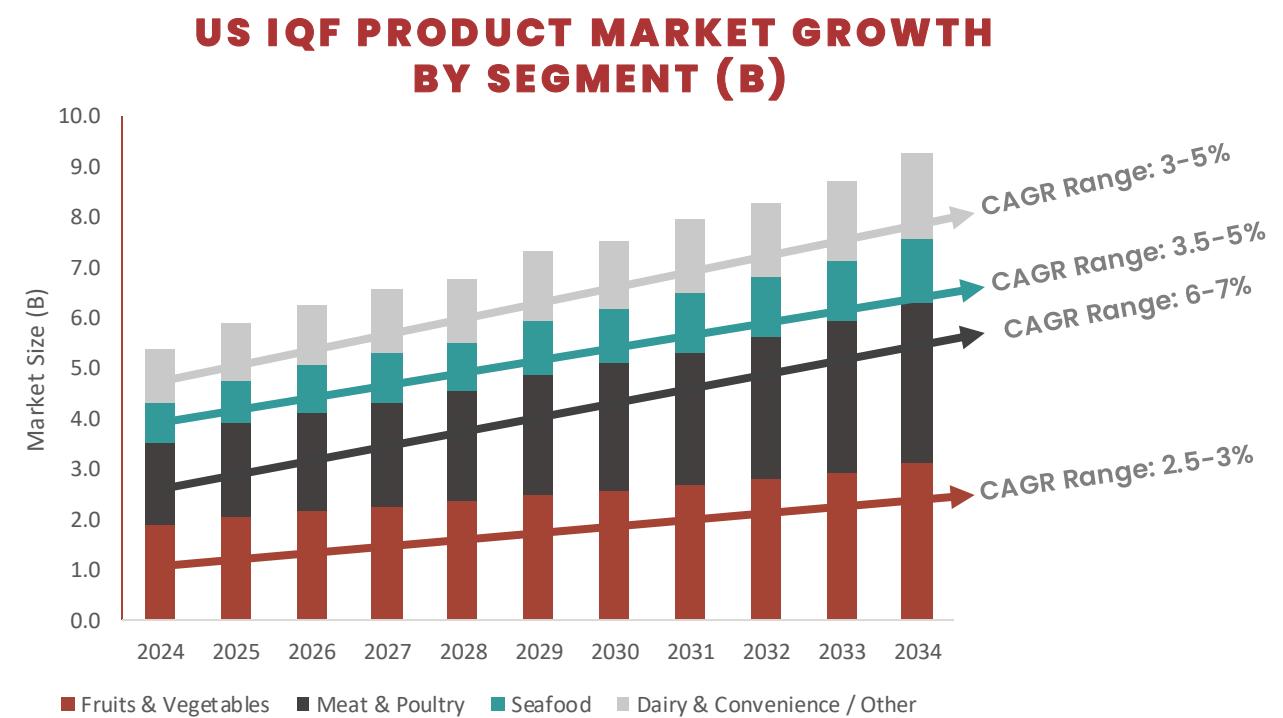
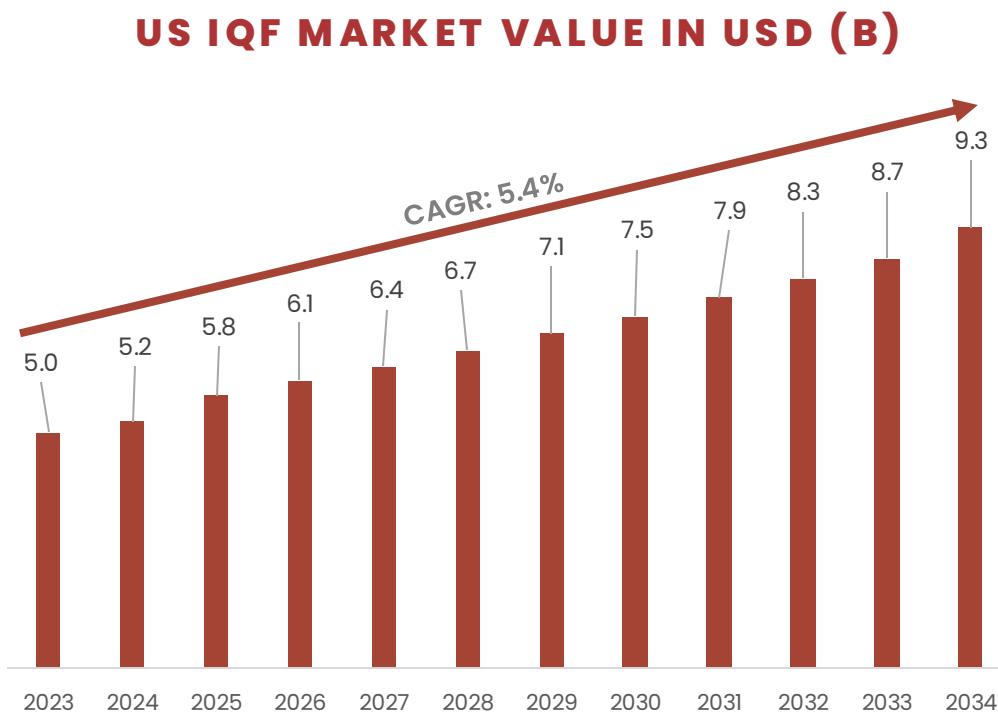


2024 US IQF MARKET BY SEGMENT, \$B



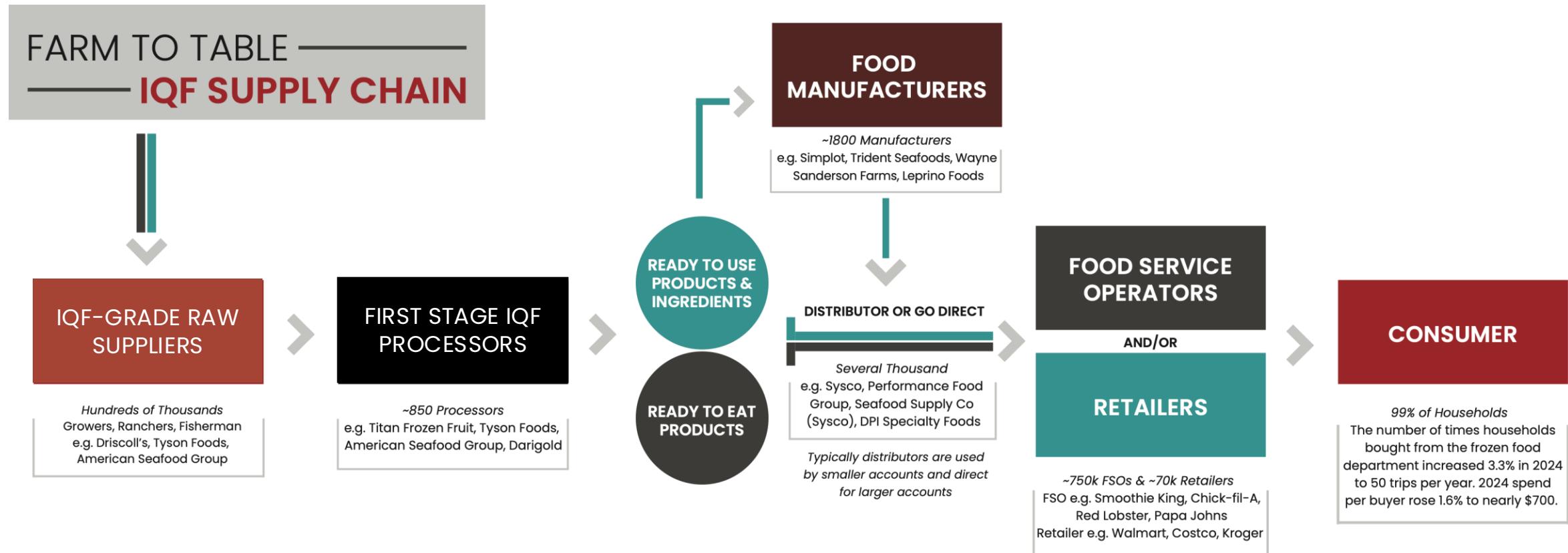
THE IQF MARKET IS POISED FOR CONTINUED, STEADY GROWTH

IQF segment growth is supported by technological innovations, expanding applications across various food segments, and evolving consumer lifestyles that favor convenience without compromising on quality



Sources: (1) Precedence Research (2) Credence Research (3) Expert Market Research (4) futuremarketinsights.com

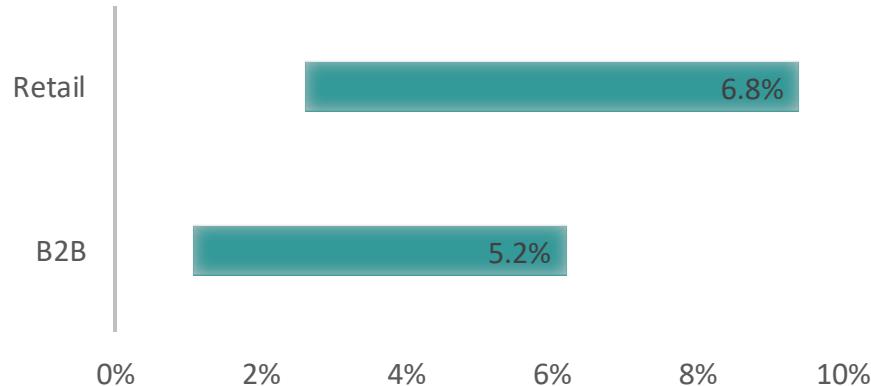
THE IQF SUPPLY CHAIN IS COMPLEX CREATING CHALLENGES AND OPPORTUNITIES



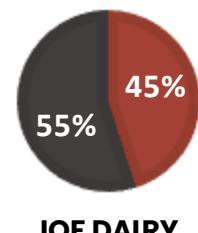
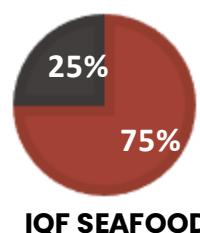
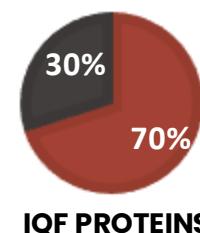
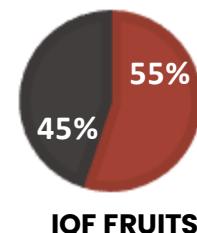
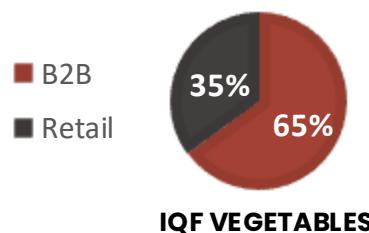
THE NUMBER OF IQF-EQUIPPED PROCESSORS HIGHLIGHTS A STRONG INFRASTRUCTURE IN THE U.S. WITH ADVANCED FREEZING CAPABILITIES AND DISTRIBUTION NETWORKS FOR IQF PRODUCTS

RETAIL IQF DEMAND IS PROJECTED TO OUTPACE B2B DEMAND

% MARKET GROWTH RANGE THRU 2031



% IQF SEGMENT SHARE 2024



(1) <https://www.linkedin.com/pulse/individual-quick-frozen-food-market-key-challenges-73zzf> (2) <https://www.linkedin.com/pulse/quick-frozen-food-market-key-challenges-73zzf>
(3) <https://www.businessresearchinsights.com/market-reports/quick-frozen-food-market-113184> (4) https://www.globenewswire.com/en/news-release/2022/11/09/2552269/0/en/Global-IQF-Fruits-Market-to-Reach-11-8-Billion-by-2031-Allied-Market-Research.html?utm_source=chatgpt.com

RETAIL CONSUMERS LEAD IQF SECTOR GROWTH

Retail IQF Purchase Drivers

Growing Demand

- Increasing preference for convenience foods is driving demand for IQF produce with longer shelf life and easy preparation.

Health Trends

- Rising health consciousness boosts demand for nutritious IQF protein, fruits and vegetables.

Taste Preservation

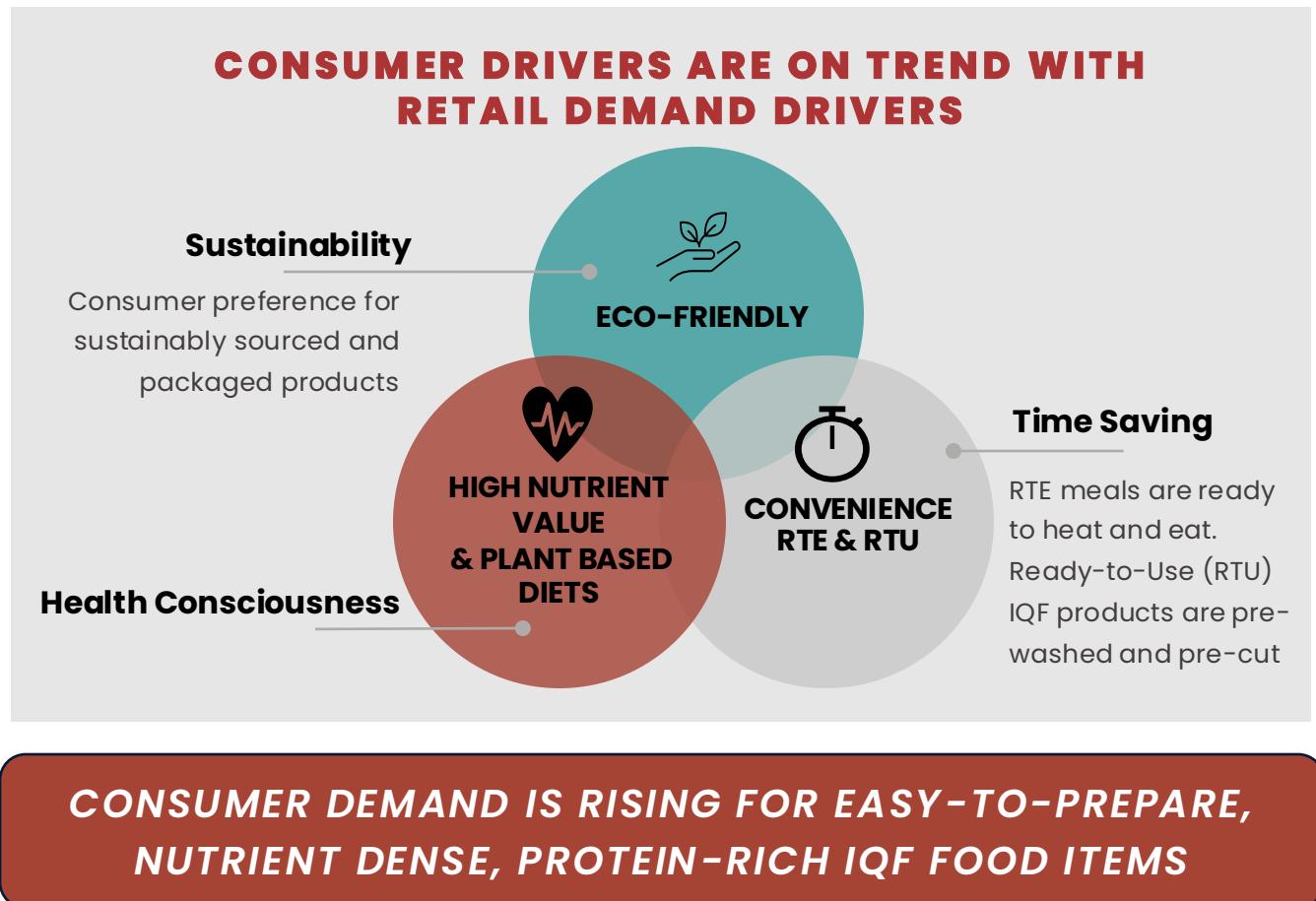
- There is a high demand for products that retain original taste and texture.

Technological Advancements

- Advances in freezing techniques enhance quality and nutrition retention, driving increasing demands for IQF products.

Sustainability Focus

- Growing emphasis on reducing food waste drives interest in IQF, which preserves produce with minimal waste.



(1) <https://www.linkedin.com/pulse/individual-quick-frozen-food-market-key-challenges-73zzf>

(2) <https://www.linkedin.com/pulse/iqf-vegetable-market-application-houghton-mifflin-harcourt-research-vjczf>

(3) <https://www.businessresearchinsights.com/Market-reports/iqf-food-market-113184>

(4) https://www.globenewswire.com/en/news-release/2022/11/09/2552269/0/en/Global-IQF-Fruits-Market-to-Reach-11-8-Billion-by-2031-Allied-Market-Research.html?utm_source=chatgpt.com

B2B REMAINS THE DOMINANT FORCE, DRIVEN BY PRODUCT QUALITY AND OPERATIONAL EFFICIENCY

B2B IQF Purchase Drivers

Foodservice and Hospitality

- Restaurants, cafeterias, and catering services rely on IQF for consistent quality and portion control.
- IQF reduces prep time and labor costs.

Food Manufacturers

- IQF ingredients (e.g., berries, corn, or diced meats) are used in soups, ready meals, sauces, and baked goods.
- Allows precise formulation and streamlined handling in production lines.

Supply Chain Efficiency

- Long shelf life and ease of storage reduce inventory risks.
- IQF products are easy to transport and stockpile without loss of quality.

Customization and Scalability

- B2B buyers can request specific cuts, sizes, or blends tailored to their needs.

Cost Predictability

- Prices are more stable than fresh alternatives, offering budget control for large-volume buyers.

Key B2B Applications

IQF VEGETABLES

Foodservice (restaurants, catering), food processing

IQF FRUITS

Smoothie chains, bakeries, dessert manufacturers

IQF PROTEINS

Ready meal producers, institutional foodservice

IQF SEAFOOD

Hotels, cruise lines, seafood processors

IQF DAIRY

Pizza chains, snack manufacturers

(1) <https://www.alliedmarketresearch.com/press-release/iqf-vegetable-market.html>

GROWING BENEFITS FOR B2B CONSUMERS



Labor Cost

IQF products streamline labor along the entire supply chain



Waste Minimization

Precise portioning and extended shelf life reduce food waste



Inventory Efficiency

Long shelf life allows for bulk purchasing, reduced spoilage and storage efficiency

IQF IS A STRATEGIC GROWTH LEVER FOR LARGE INDUSTRY PLAYERS

| Company | Recent Commentary (Q2 2025) | Company | Recent Commentary (Q2 2025) |
|--|---|--|---|
|  | <p>Focus on Quality and Safety: Wawona Frozen Foods emphasizes high-quality standards and food safety, ensuring products retain their natural sweetness, taste, and texture for consumer satisfaction.</p> <p>Sustainability Commitment: The company aligns with rising consumer preferences for organic and sustainably sourced products, adapting farming practices and packaging for environmental responsibility.</p> <p>Advancements in Technology: Embracing IQF technology, Wawona enhances fruit quality by freezing items individually, preserving their shape and texture for versatile culinary applications.</p> |  | <p>Major Acquisition: Campbell Soup acquired Sovos Brands for \$2.899 billion in March 2024, enhancing its portfolio, particularly in the healthy and premium food segments.</p> <p>Focus on Innovation: The company is investing in its Snacks division and expanding capacity, aligning with CPG trends that prioritize innovation and healthier product offerings.</p> <p>Expansion into Ethnic Foods: Campbell's strategy includes expanding its presence in the Italian sauce market with Rao's, tapping into the growing consumer interest in specialty ethnic foods.</p> |
|  | <p>Aftermarket Business Expansion: Titan's aftermarket business constitutes 45% of total sales, highlighting its strategic shift to serve broader customer needs and reduce cyclicalities.</p> <p>Commitment to Innovation: The company's focus on innovative solutions and efficient operations enables Titan to maintain gross margins even amid production challenges.</p> <p>Optimistic Market Outlook: Despite mixed financial performance, Titan remains optimistic about agricultural market recovery and its position for future growth in the IQF sector.</p> |  | <p>Focus on Higher-Margin Products: UNFI's three-year recovery plan emphasizes rapid growth in its natural and higher-margin business, particularly in the IQF Produce sector, reflecting market trends.</p> <p>Strategic Acquisitions: UNFI's acquisition of three distributors, including Nor-Cal Produce, Inc., enhances its product offerings and expands its footprint in the IQF Produce market.</p> <p>Sales Growth Reversal: UNFI reported a 10% increase in net sales, driven by customer growth and efficiency initiatives, highlighting a positive shift in the IQF Produce sector.</p> |

IQF IS A STRATEGIC GROWTH LEVER FOR LARGE INDUSTRY PLAYERS

| Company | Recent Commentary (Q2 2025) | Company | Recent Commentary (Q2 2025) |
|--|---|--|--|
|  SpartanNash | <p>Strategic Acquisitions: SpartanNash's acquisitions, including Fresh Encounter and Markham Enterprises, fueled a 7.7% growth in retail sales, showcasing the demand for IQF produce.</p> <p>Expansion: SpartanNash's acquisition by C&S Wholesale Grocers for \$1.77 billion showcases trend consolidation in food distribution, influencing the IQF market landscape.</p> <p>Focus on Efficiency and Cost Reduction: SpartanNash's negative net margin underscores a need for improved efficiency, pressuring IQF producers to optimize operations amidst industry challenges.</p> |  Simplot | <p>Major Acquisition: J.R. Simplot's €2.5 billion acquisition of Clarebout Potatoes signals consolidation in the IQF sector, emphasizing global reach and production capabilities.</p> <p>Operational Efficiency Focus: The merger enhances Simplot's operational efficiency and sustainability efforts, crucial in navigating the volatile agricultural landscape impacting the IQF industry.</p> <p>Strengthened European Presence: By acquiring Clarebout, Simplot significantly strengthens its presence in Europe, catering to a broader customer base through expanded production facilities.</p> |
|  Nestlé | <p>Demand Resilience: Nestlé's Q2 2025 results indicate strong domestic demand, reflecting a steady interest in IQF products amidst broader economic challenges in the food sector.</p> <p>Strategic Pricing Adjustments: To counter rising input costs, Nestlé is employing varied pricing strategies, highlighting the flexibility needed in the IQF sector based on consumer demand elasticity.</p> <p>Focus on Innovation: Nestlé is investing in marketing and operational efficiency, emphasizing innovation as a key driver, suggesting a trend vital for growth in the IQF sector.</p> |  CONAGRA BRANDS | <p>Management Change: Conagra's CEO Sean Connolly acknowledges a challenging consumer environment impacting the company's performance, reflecting leadership's adaptation to market trends.</p> <p>Investment in Frozen Categories: Recent investments have improved volume in Conagra's Domestic Retail, especially in Frozen and Snacks, highlighting a commitment to the Individually Quick Frozen Produce sector.</p> <p>Cautious Outlook Ahead: Despite a focus on frozen food, Conagra's guidance for fiscal 2025 remains cautious, indicating potential challenges for the Individually Quick Frozen Produce market.</p> |

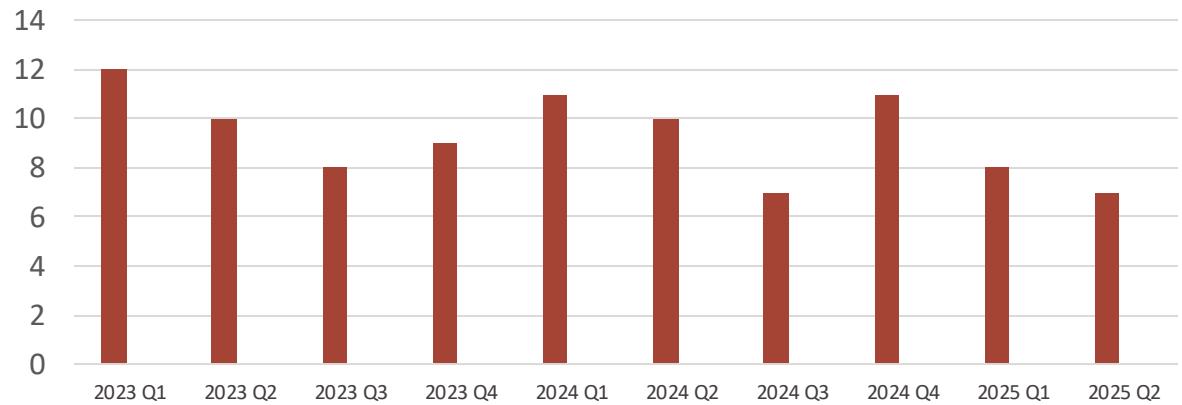
M&A ACTIVITY HAS SLOWED, BUT STRATEGIC DEALS REMAIN KEY

M&A Commentary

- Up through Q2 2025, acquisitions in the IQF sector have been steady driven by rising consumer demand and preferences
- Though activity has moderated, strategic deals are a critical tool for adapting to consumer trends, tech advances, and global growth
- Increased investments from private equity showcase confidence in the long-term viability of IQF players. For instance, funds have targeted middle-market businesses to enhance operational efficiencies and scalability
- Macro trends favor frozen foods, with supply chain resilience boosting overall IQF market attractiveness
- Recent deal volumes indicate a trend toward consolidation among leading players in the market

Source: Pitchbook, Crunchbase, other public sources

IQF M&A AND BUYOUT DEAL VOLUME



US TRANSACTIONS ANALYSIS

| Ann. Date | Target | Acquirer | Target Description |
|------------|---|--|--|
| 04/22/2025 |  | FEAST & FETTLE | Ipsa Provisions creates and delivers premium frozen meals, including soups, pizzas, sandwiches, baked goods, sweets. |
| 04/11/2025 |  |  | Food With Care delivers premium, nutritious frozen meals, addressing critical home-based dietary support needs efficiently. |
| 03/03/2025 |  |  | The Danielsen Company specializes in distributing frozen and fresh foods, offering tailored solutions for client needs. |
| 02/18/2025 |  |  | Bay Cities Produce is a premier distributor supplying high-quality fresh produce to food service industries. |
| 01/03/2025 |  |  Day-Lee Foods, Inc. | B and D Foods produces premium, fully cooked frozen meat and poultry solutions for private-label and industrial markets. |
| 07/18/2024 |  |  | Western Sky Produce, LLC delivers organic and conventional produce with unmatched flexibility, integrity, and dependability. |
| 05/29/2024 |  |  | St. Clair Foods specializes in producing premium refrigerated and frozen culinary products, enhancing global food experiences. |
| 02/23/2024 |  |  | Smith Frozen Foods specializes in processing and packaging high-quality frozen vegetables, including peas, corn, beans, carrots. |
| 09/05/2023 |  |  | Superior Foods delivers premium frozen fruits, vegetables, and grains to retail, industrial, club, and foodservice sectors. |
| 06/01/2023 |  |  | Orrell's Food Service supplies processed meats, canned goods, fresh produce, and paper supplies to various markets. |

ABOUT WOOD WARREN



Wood Warren is a boutique investment banking firm founded in 1991 to bring Wall Street experience to middle market companies



Focused on serving companies throughout the supply chains in the Food, Beverage, and Agriculture industries

- Farm to Table



Provides mergers and acquisitions (*buy and sell side*), capital raising (*debt, equity*) and corporate finance advisory services.



Most of our clients are family-owned businesses – 1st, 2nd, 3rd generation. We understand family dynamics.

Companies with sales from \$10 MM to \$1.0 B



Team includes highly experienced bankers with major Wall Street, consulting, and operating experience

- Bring a unique perspective to clients



Closed 29 transactions in the food, beverage and agriculture sectors; 100 in total including other industries



100+ COMPLETED DEALS

| | | | | | | | |
|--|--|--|--|--|--|--|--|
|  <p>DUMOL</p> <p>Wood Warren <small>STRATEGIC ADVISORY</small></p> |  <p>BELL-CARTER FOODS, LLC</p> <p>agolives ACEITUNAS GUADALQUIVIR</p> <p>Wood Warren <small>SELL-SIDE ADVISORY</small></p> |  <p>GROCERY OUTLET bargain market</p> <p>Berkshire Partners</p> <p>Wood Warren <small>SELL-SIDE ADVISORY</small></p> |  <p>TCHO CHOCOLATE</p> <p>Wood Warren <small>STRATEGIC ADVISORY</small></p> |  <p>THOMAS MOORE FEED™</p> <p>KALMBACH FEEDS <small>EST. 1963</small></p> <p>Wood Warren <small>CAPITAL RAISE/EQUITY SALE</small></p> |  <p>pasta pomodoro</p> <p>DORSET Capital Partners</p> <p>Wood Warren <small>PRIVATE PLACEMENT</small></p> |  <p>Chalet DESSERTS</p> <p>ENCORE</p> <p>Wood Warren <small>SELL-SIDE ADVISORY</small></p> |  <p>DEGRAFFENREID'S PICKLE PRODUCTS SINCE 1941</p> <p>TreeHouse</p> <p>Wood Warren <small>SELL-SIDE ADVISORY</small></p> |
|  <p>CHALK HILL</p> <p>Foley Family Wines</p> <p>Wood Warren <small>SELL-SIDE ADVISORY</small></p> |  <p>FRESH ORIGINS MicroGreens</p> <p>LaSalle Capital <input checked="" type="checkbox"/></p> <p>Wood Warren <small>PRIVATE PLACEMENT</small></p> |  <p>NOAH'S BAGELS • BREADS • LUNCH • COFFEE</p> <p>Wood Warren <small>STRATEGIC ADVISORY</small></p> |  <p>MENDOCINO MINERAL WATER</p> <p>Meylan Enterprises, Inc.</p> <p>Wood Warren <small>SELL-SIDE ADVISORY</small></p> |  <p>WINE DIRECT</p> <p>WTN Series The Wine Tasting Network assets of 1-800-flowers.com</p> <p>Wood Warren <small>BUY-SIDE ADVISORY</small></p> |  <p>ANDERSON VALLEY BREWERY</p> <p>MainSheet Capital McGee Family</p> <p>Wood Warren <small>SELL-SIDE ADVISORY</small></p> |  <p>BELL-CARTER Distributing</p> <p>A-1 International Foods</p> <p>Wood Warren <small>SELL-SIDE ADVISORY</small></p> |  <p>MAVERICK BRANDS, LLC</p> <p>BELL-CARTER FOODS, LLC</p> <p>Wood Warren <small>DEBT FINANCING</small></p> |
|  <p>GRACE BAKING AUTHENTIC • ARTISAN • ALWAYS</p> <p>Maple Leaf</p> <p>Wood Warren <small>SELL-SIDE ADVISORY</small></p> |  <p>Patterson VEGETABLE COMPANY</p> <p>Wood Warren <small>STRATEGIC ADVISORY</small></p> |  <p>BACCHUS FULFILLMENT</p> <p>wineshipping SOLUTIONS BEYOND THE BOX</p> <p>Wood Warren <small>SELL-SIDE ADVISORY</small></p> | <p>Angell Distributing of Lake & Mendocino, Inc.</p> <p>dbi DBI Beverage</p> <p>Wood Warren <small>SELL-SIDE ADVISORY</small></p> |  <p>VINTAGE NURSERIES</p> <p>ROLLglobal</p> <p>Wood Warren <small>SELL-SIDE ADVISORY</small></p> |  <p>CPFD</p> <p>Wood Warren <small>STRATEGIC ADVISORY</small></p> |  <p>BELL-CARTER FOODS, LLC</p> <p>DeGraffenreid's Pickle Products SINCE 1941</p> <p>Wood Warren <small>BUY-SIDE ADVISORY</small></p> |  <p>WOOL FARMING</p> <p>Wood Warren <small>STRATEGIC ADVISORY</small></p> |

SELECTED TRANSACTIONS

OUR TEAM



BRIAN KERESTER

Partner

bkerester@woodwarren.com

(415)-292-4322

- 40+ years of experience in investment banking, corporate finance, operations
- First Boston, Bankers Trust
- CFO of two private companies owned by private equity and venture capital firms
- Served on the board of directors of multiple private and public companies
- BS in Economics from The Wharton School of the University of Pennsylvania and MBA from Columbia Business School



J. ROGER WOOD

Managing Partner

rwood@woodwarren.com

(925)-368-445

- Co-founder of Wood Warren & Co
- 40+ years of experience in investment banking and corporate finance
- Lehman Brothers, Kidder Peabody, Dean Witter
- Served on the board of directors of multiple private and family-owned companies
- Served as an aviation officer in the U.S. Navy
- BA from the University of Utah and MBA from New York University



VICKY KELLER

Partner

vkeller@woodwarren.com

(707) 512-0160

- 15+ food and beverage operating experience
- Cofounder/CFO of Keller Crafted Meats
- Controller of Boisset Collection (wine)
- CFO of Tom Duffy
- Accenture - management consultant
- BS degree in Business Administration from Georgetown University

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INVESTMENT BANKING

Bringing wall street experience to middle market companies



FOOD



BEVERAGE



AGRICULTURE