Beverage Industry Trends & M&A Landscape

June 2026

TULLY & HOLLAND
Investment Banking for Consumer and Healthcare

EXECUTIVE SUMMARY

Companies within the beverage sector are accelerating consolidation, with differentiated brands selling at premium valuations amid preference for fast, strategic scale over organic brand building. After a multi-year buildout of up-and-coming brands, the vertical is an opportunity for strategics, shown in a wave of acquisitions that have carried into 2026. Hallmark transactions include PepsiCo's $1.95 billion purchase of Poppi, and Keurig Dr Pepper's acquisition of JDE Peet's, which closed in April 2026. Large beverage strategics have moved to own the fastest growing, differentiated sub-segments. Capital remains selective, with acquirers concentrating on brands that combine base velocity consistency, distribution scale and strength, and decent margin profiles.

As of June 2026, four sub-segments within beverages are continuing to attract strategic interest:

- **Energy**: Strong velocities and TDPs, which are evolving with zero-sugar, botanical energy, and alternative caffeine products.
- **Refreshing Hydration**: Premium hydration – with products ranging from invigorating juices to elevated coconut drinks – is winning retail distribution.
- **Modern Sodas**: Prebiotic and better-for-you sodas are becoming mainstream, particularly in QSRs.
- **"Anti-Energy" and Mindful Beverages**: Calming, nootropic, and functional formats spanning stress relief, cognition, and mood are winning accounts in the "anti-energy" segment.

Looking ahead, we expect continued divergence within the industry. High-growth distinguished brands are likely to command premium multiples, while undifferentiated brands face mounting pressure from private-label entrants.

In the first half of 2026, driven by the expansion of beverage category segments, product package formats, and consumer occasions, we have also witnessed increased M&A in "upstream" stages of the supply chain. One example was Refresco's roughly $1.1 billion purchase of SunOpta, which closed in May 2026, and folded a leading aseptic and plant-based co-manufacturer into the largest independent beverage filler in North America. As brand upstarts more rapidly develop, and established companies face production challenges related to specialty formats, we expect these upstream investments to continue in the foreseeable future.

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About Tully & Holland

Tully & Holland is a leading Boston-based investment banking advisory firm offering highly customized M&A and corporate advisory to consumer and healthcare product companies in the US and abroad. Founded in 1992, our seasoned team brings decades of extensive industry and investment banking expertise and the proven ability to successfully complete deals on behalf of our clients.

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INDUSTRY TRENDS

Energy

Caffeine continues to command high strategic interest amid elevated commodity coffee bean prices, evidenced by Keurig Dr Pepper's transformational acquisition of JDE Peet's and its planned separation into independent coffee and refreshment companies. In energy drinks, "natural" and "organic" beverages are gaining distribution. Guru Organic Energy, Canada's leading organic energy drink, gained distribution in Sprouts as of June 2026. The tea category is also gaining distribution seen in RYL Tea's $20M capital raise. Similarly, Just Iced Tea raised a $9M Series B in February 2026 to fund national retail expansion.

Refreshing Hydration

Authentically clean, uncompromising hydration is proving to be a sub-segment that has lasting velocity and distribution stamina. Products like Coaqua's viral coconut water (which has been expanding distribution, most recently into Hannaford), or Tractor's *Haymaker* "farmers tonic" (which launched in Q1 in Sprouts and has been outpacing incumbents) are proving that consumers desire hydration, with limited, high-quality ingredients. Investor appetite for the clean-functional space is following — Suja's wellness shots came off a ~$187M Nasdaq IPO in May 2026 — and with incumbents extending their own electrolyte lines (BODYARMOR Lyte, Vita Coco Electrolytes), hydration is shaping up as a durable, acquirable platform.

Modern Sodas

Prebiotic and gut-health sodas moved firmly into the mainstream, led by Poppi and Olipop, and now chased by a widening field including Culture Pop, Cove, and Bloom Pop. Incumbents responded with internal challengers (Coca-Cola's Simply Pop), signaling strategic position in functional, low-sugar refreshment. Aguas frescas, lemonades, and clean-label refreshers continued their shift from niche to national, increasingly seen in QSRs such as McDonald's, Cava, and Taco Bell.

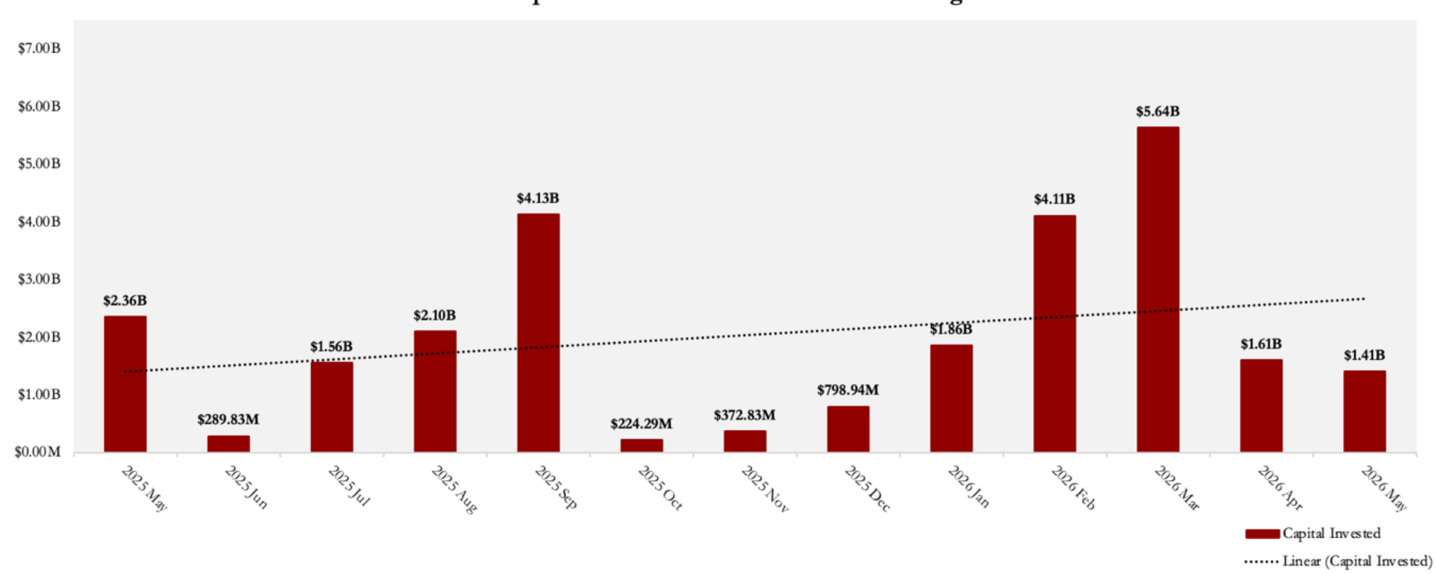
Anti-Energy & Mindful Beverages

The "anti-energy" segment is gaining strategic interest. Wellness beverages are evolving beyond natural ingredients toward functional benefits, cognitive performance, mood support, stress relief, and digestive health, creating a new consumption occasion distinct from traditional energy and sports drinks. Strategic interest is following, with brands like Hiyo pairing stress relief, cognitive enhancement, and digestive support in a non-alcoholic RTD, and Recess continuing to build the calm/anti-anxiety side of the emerging space.

RECENT DEAL ACTIVITY

Target	Acquirer	Analysis
Peet's Coffee	KDP	Keurig Dr Pepper completed its acquisition of JDE Peet's in early April 2026, with the shares delisted from Euronext Amsterdam. Financed through roughly **$9 billion** debt, **$8.5 billion** of equity, and ~**$5 billion** of assumed bonds, it ranks among the largest beverage transactions on record. KDP plans to separate into two public companies, a North American refreshment player and a global pure-play coffee leader, by year-end 2026.
BLUE BOTTLE COFFEE	CENTURIUM CAPITAL 大 钲 资 本	Nestlé agreed to sell Blue Bottle Coffee to Centurium Capital, the backer of China's Luckin Coffee, with the deal expected to close in the first half of 2026. The transaction values the roaster and café platform (~**140** locations) at approximately **$400 million**, with Nestlé retaining rights to Blue Bottle's packaged and single-serve products.
SunOpta	Refresco	Refresco completed its acquisition of SunOpta on May 1, 2026, paying **$6.50** per share in cash, an enterprise value of roughly **$1.1 billion** (~**1.4x** revenue). SunOpta is a leading North American producer of plant-based and dairy-alternative beverages, significantly broadening Refresco's position in the fast-growing category.
hiyo	Constellation Brands	Constellation Brands acquired a minority stake in Hiyo, a non-alcoholic functional RTD positioned around stress relief, cognitive enhancement, and digestive health. The investment gives Constellation exposure to the fast-emerging "anti-energy"/wellness occasion. (No deal value disclosed.)
suja ORGANIC		Suja Life completed its Nasdaq IPO in May 2026, raising approximately **$187 million** at **$21.00** per share under the ticker "SUJA." The Paine Schwartz-backed platform, spanning Suja Organic juices, Vive Organic shots, and Slice sodas, generated roughly **$327 million** in net sales, signaling a selective reopening of the public market for better-for-you brands.

Capital Invested in North American Beverage



Source(s): PitchBook, Tully & Holland Research.

Note: Quoted capital invested represents completed transaction volume in the Beverage industry across the US and Canada, on a trailing twelve months (TTM) basis.

PUBLIC COMPANIES

Company	Share Price	P/E	Market Cap	Enterprise Value	Revenue	Revenue Growth %	EBITDA	EBITDA Margin %	EV / Revenue	EV / EBITDA
Coca-Cola	$79	24.2	$341,961	$374,132	$49,284	5.0%	$18,413	37.0%	7.6x	20.3x
Pepsi	$142	22.3	$193,972	$236,025	$95,449	4.0%	$16,283	17.0%	2.5x	14.5x
Starbucks	$95	71.9	$108,602	$131,301	$38,472	6.0%	$4,658	12.0%	3.4x	28.2x
Monster Energy	$90	42.8	$87,581	$84,596	$8,793	18.0%	$2,694	31.0%	9.6x	31.4x
Keurig DrPepper	$31	22.3	$41,538	$74,686	$16,944	9.0%	$4,046	24.0%	4.4x	18.5x
Celsius	$28	66.1	$7,191	$9,071	$2,969	123.0%	$282	10.0%	3.1x	32.2x
National Beverage	$37	17.4	$3,419	$3,167	$1,197	1.0%	$259	22.0%	2.6x	12.2x

Source(s): PitchBook, Tully & Holland Research.
Note: All figures in $M, except share price. Revenue and EBITDA figures on TTM basis. Data as of 6/7/2026. P/E multiples as of 6/4/2026.

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Our Focus

Food & Beverage
- Food Manufacturing & Distribution
- Functional Food & Beverage
- Specialty Foods
- Frozen Foods
- Beverages Manufacturers

Retail & E-Commerce
- E-commerce
- Multi-Channel Merchants
- Catalogers
- Specialty Retailers
- Direct Marketers

Consumer Discretionary
- Home Décor
- Sports & Leisure
- Toys, Gifts & Collectibles
- Fitness & Recovery
- Arts & Crafts

Consumer Health & Diagnostics
- Life Sciences
- Clinical Diagnostics
- Consumer Diagnostics & At-Home Testing
- Medtech & Connected Devices
- Healthcare Communications & Consulting

Wellness & Lifestyle
- Mental Health & Emotional Wellness Products
- Clean Beauty
- Personalized Nutrition & Supplements
- Sexual Wellness Products
- Aging & Longevity Consumer Products

Pet Care
- Food & Supplements
- Preventative Health
- Diagnostics & Tech
- Vet Clinics & Hospitals
- Pet Insurance

Past Clients & Buyers

INDIE LEE
STONEWALL KITCHEN FAMILY of BRANDS
VeggieLand
HEINEKEN
Grupo nutresa
GameStop
LinenSource
Cooke
KaBloom The power of fresh flowers.
LAND O LAKES
Chiquita
HARPOON
VICTORIAN TRADING CO
MAGIC HAT BREWING COMPANY
HSN
1-800 flowers.com
Brigham's ICE CREAM
TOURTELLOT FINE PRODUCE
VERMONT COFFEE COMPANY
C&S wholesale grocers
CAINS
ROCKETBOOK
Hormel Foods
CYGNUS MEDICAL
SEAJOY

Service Capabilities

Sales & Divestitures	Acquisition Advisory	Financings	Valuations
• Sales • Mergers • Recapitalizations • Divestitures	• Strategic Planning • Prospect Search • Valuation • Negotiation	• Equity Growth Capital • Senior Debt Financing • Bridge Financing • Mezzanine Financing	• Business Valuation • Strategic Consulting • Related to Growth and Capital Planning