

Baked Goods

Q3 2026

The category is re-sorting toward better-for-you claims, premium and smaller formats, and the brands that own them. In our view, buyers are paying for those attributes.



\$129.7bn

2031E US BAKERY MARKET
+4.1% CAGR from 2025

-4.7%

US BAKERY UNITS, LATEST 4 WEEKS
vs +1.3% for total food

+5.7%

WHEAT FLOUR PPI, YEAR OVER YEAR
Still 18% below the 2022 peak

9.6x

COMP-SET MEDIAN
EV / LTM EBITDA

AT A GLANCE

01 Shoppers are buying on health and value.

Better-for-you claims, new formats and smaller packs are gaining share.

02 Costs are rising, but prices aren't.

Brands lean on selective pricing and pack-size resets to hold price points, so margins absorb the rest and pruning feeds M&A.

03 Valuation follows growth and brand.

In our experience, buyers weight category growth, brand strength and hard-to-replicate distribution more heavily than margin alone.

Source: Circana multi-outlet data via 210 Analytics and the March 2026 ABA Bakery Playbook; Ken Research, USA Bakery Market (July 2026); US BLS Producer Price Index (wheat flour, Aug. 2026); CapIQ-standardized trading data as of Sept. 17, 2026.

Shoppers are buying on health, format and value

Protein and fiber are the new premium.

Nature's Own Life Wheat+Protein carries 22g of protein and 9g of fiber per two slices; Thomas' High Protein Bagels carry 20g each. No-sugar, no-net-carb and protein are among the fastest-growing claims in packaged bread.

Clean label is now a purchase filter.

Shoppers are avoiding ultra-processed food, artificial colors, flavors and sweeteners, preservatives and GMOs. The average store carries roughly 10 more no-, low- or less-sugar bread items than a year ago.

GLP-1 impact is measurable; the pill softens it.

In a July survey, 76% of GLP-1 pill users were eating fewer baked goods, versus 82% of injectable users. Grupo Bimbo has detected behavior changes among users and is adding fiber and protein.

Format migration is generational.

Younger shoppers favor tortillas, wraps and flatbreads over the sandwich loaf. Tortilla and wrap dollar sales rose ~15% in March while bagels fell more than 15%.

Portion economics sell.

Sara Lee half loaves are 12 oz at \$2.49; Pepperidge Farm Thin-Sliced offers a 70-calorie slice. Smaller packs deliver a lower price point without discounting the brand.

The shopper is K-shaped.

Higher-income households trade up to artisan and organic; pressured households move to private label and smaller packs. Nine in 10 are adjusting spending.

EXHIBIT 1

Premium and specialty grow; the mainstream loaf shrinks

US center-store bread, 52 weeks ended Feb. 22, 2026; change vs prior year

\$11.5bn

Total category
-2.4% \$
-3.6% units

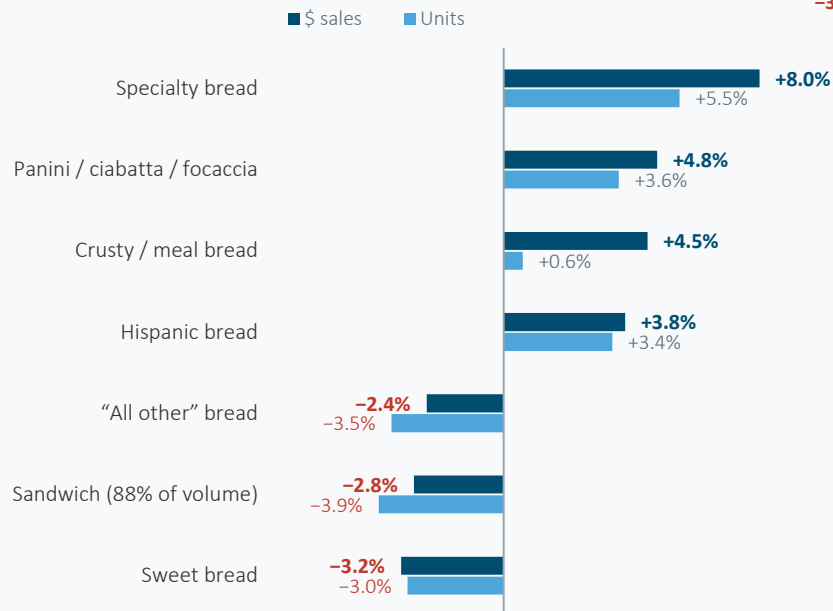
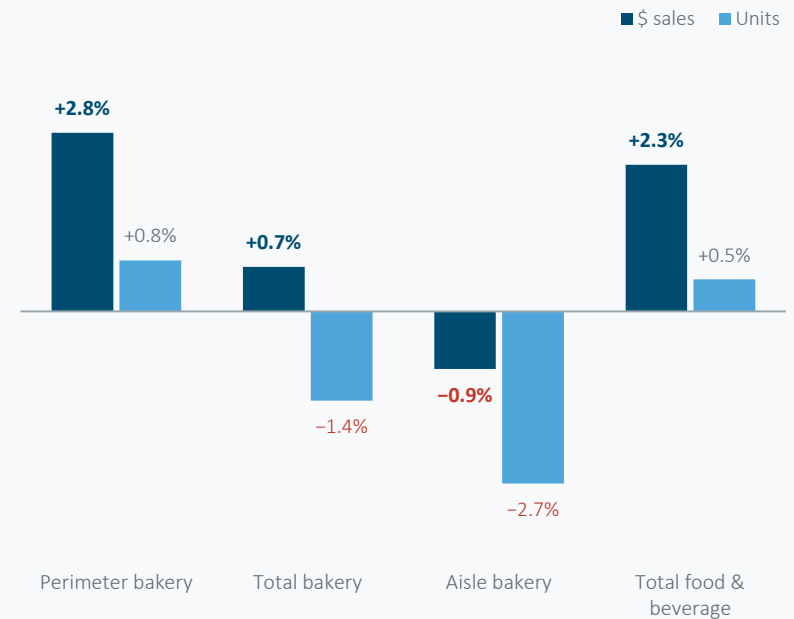


EXHIBIT 2

Fresh perimeter is taking share from the aisle

US bakery, 52 weeks through Mar. 29, 2026; change vs prior year



Source: Circana multi-outlet data via 210 Analytics and the March 2026 ABA Bakery Playbook; company announcements and earnings calls; Bloomberg Intelligence GLP-1 survey (reported Sept. 17, 2026); Circana consumer survey, as reported in Bake Magazine (Apr. 2026). Exhibit periods differ and are shown separately.

Dynamic input costs are shaping margins and M&A

EXHIBIT 3

Flour costs are rising again but well below the peak

US PPI, wheat flour (index Jun-1983 = 100), monthly, Jan-19 to Aug-26

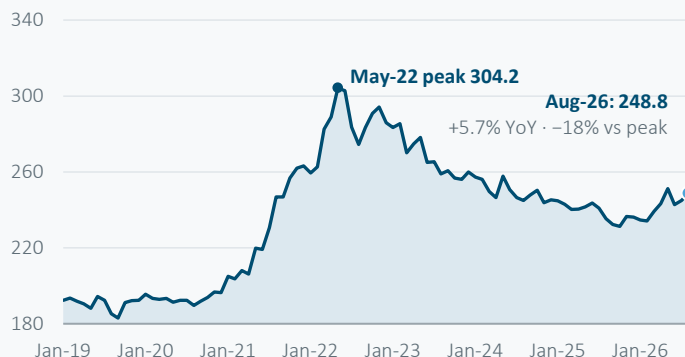


EXHIBIT 4

Where the cost pressure sits

Direction and commentary, 2026

Input	Direction	Read
Wheat flour	▲ +5.7% YoY	Up ~6% since February but 18% below the May-22 peak; 2026 largely hedged at scale.
Diesel and freight	▲ Unhedged	Oil-driven; Flowers Foods sizes oil at ~\$0.02–0.03 of second-half EPS headwind.
Packaging resin	▲ New pressure	Flowers Foods: resin “significantly impacted our packaging costs” this year.
Vegetable oils	▲ Highest risk	Rabobank’s clearest upside risk, via energy and biofuel demand.
Food inflation	4%–6%	Rabobank’s year-end 2026 US forecast; 3%–5% in 2027.

Pricing power has run out.

Promotions are rising and some shoppers are trading down to private label. Many companies are moving away from price as the only lever.

Margins absorb the cost, not the shopper.

Unlike 2021–22, this cost-push cycle has no excess-savings cushion, so more of it lands on margins and mix. Campbell’s expects pressure on fiscal 2027 margins.

Price-pack architecture replaces list price.

Half loaves, thin slices and pack-size resets protect price points. Campbell’s pairs selective pricing with targeted price investments and a tighter assortment.

Portfolio pruning is feeding M&A.

Sector deals hit a five-year high of 190 in 2025, with 117 year to date in 2026. We see the likeliest supply as portfolio rebasing at Campbell’s, Smucker and General Mills, and 2021–22 sponsor exits.

EXHIBIT 5

The private buyer and competitor set

Selected private and sponsor-backed platforms; estimated revenue

\$5.8bn



Rich Products
Family-owned

\$1.8bn



Europastry
Ares minority, Mar-26

\$1.3bn

crumbl.

Crumbl
TSG minority, May-25

\$1.0bn



Nothing Bundt Cakes
Roark; KKR agreed Mar-26

\$0.9bn

King's Hawaiian

King's Hawaiian
Family-held

\$230MM



Insomnia Cookies
\$75MM PE raise, Jun-25

WHAT THIS MEANS FOR OWNERS

In Forbes Partners’ view, 2027 plans will lean on productivity, pack architecture and mix rather than list price. Buyers will diligence gross margin through the cycle: what was hedged, what was passed through, and what the brand held on units. An asset that shows all three earns the premium; one that grew on price alone will be marked down.



Source: US BLS via FRED (PPI wheat flour WPU02120301; retail flour APU0000701111), Aug. 2026; Flowers Foods Q1–Q2 2026 and Campbell’s Q4 FY2026 (Sept. 3, 2026) earnings calls; RaboResearch, “Energy Shock Waves” (May 2026); Rogo transaction screening (CapIQ) and Forbes Partners’ sector screen; private-company data per PitchBook (estimates, not company-confirmed).

In our view, growth, brand and mix drive where an asset prices

EXHIBIT 6

Recent transactions across the bakery shelf

Enterprise value in \$MM; EV / LTM EBITDA unless noted

Target	Acquirer	Ann.	EV	Multiple
Utz Brands [†]	Intersnack	Jul-26	2,900	n.a.
TreeHouse Foods	Investindustrial	Nov-25	2,800	7.8x
WK Kellogg Co	Ferrero	Jul-25	2,661	6.4x
Nothing Bundt Cakes [†]	KKR	Mar-26	2,000	~2.0x rev.
Bakkavor Group	Greencore	Apr-25	1,788	8.2x
Simple Mills	Flowers Foods	Jan-25	795	~3.7x rev.
LesserEvil	Hershey	Apr-25	750	n.a.
Voortman Cookies	Second Nature Brands	Oct-24	305	n.a.

EXHIBIT 7

Trading comparables

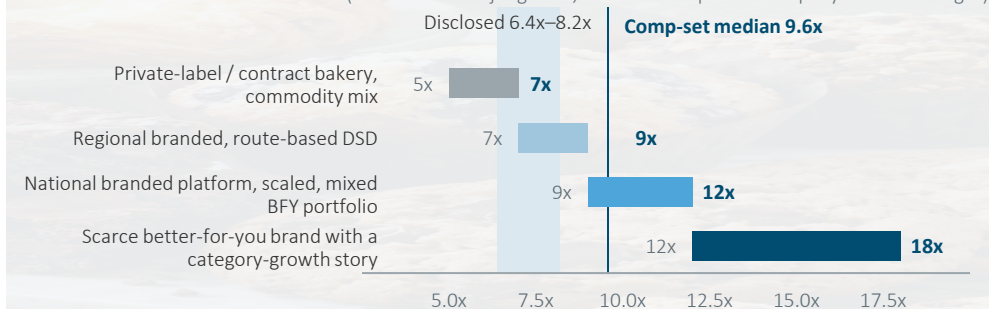
EV / LTM EBITDA, LTM EBITDA margin and net leverage, as of Sept. 17, 2026

Company	EV / EBITDA	Margin	Net lev.
BAKERY AND BAKED-SNACK PURE PLAYS			
Lotus Bakeries LOTB	34.0x	20.1%	0.5x
Greencore Group GNC	14.7x	8.5%	4.4x
J&J Snack Foods JJSF	10.5x	10.2%	0.7x
ARYZTA ARYN	8.1x	9.8%	3.1x
Grupo Bimbo BIMBO A	7.2x	14.1%	2.7x
Flowers Foods FLO	6.4x	9.7%	3.1x
DIVERSIFIED SNACKING OWNERS			
Mondelēz MDLZ	16.4x	15.3%	2.9x
Hershey HSY	14.5x	22.4%	1.8x
General Mills GIS	9.6x	18.7%	3.7x
J.M. Smucker SJM	8.9x	24.7%	2.9x
Campbell's CPB	8.3x	16.7%	4.2x
MEDIAN	9.6x	15.3%	2.9x

EXHIBIT 8

What a turn of EBITDA is buying

Illustrative valuation considerations (Forbes Partners judgment; not observed private company valuation ranges).



Margin does not explain the spread. Flowers Foods (9.7% margin) trades at 6.4x, ARYZTA (9.8%) at 8.1x and Greencore (8.5%) at 14.7x. In our view, unit trajectory, brand pricing power and platform combinations do. Archetype ranges are Forbes Partners' judgment; the band and median are observed.

EXHIBIT 9

Five factors buyers diligence

Five illustrative diligence factors. Relative emphasis by buyer type reflects Forbes Partners' judgment, not measured buyer preferences or a quantified valuation premium.

Factor	Strategic	Sponsor
1 Category growth Simple Mills, LesserEvil, Siete: growth, not scale.	HIGH	HIGH
2 Brand equity and pricing power In our experience, often the largest driver of dispersion; Flowers Foods' 2026 price rise went unmatched.	VERY HIGH	HIGH
3 Margin and cash conversion At ~2.9x median leverage, margin sets the debt quantum.	MODERATE	VERY HIGH
4 Differentiated distribution DSD, foodservice, club and c-store are hardest to replicate.	VERY HIGH	MODERATE
5 Bankable synergies A synergy case a board can defend, plus room to bolt on.	HIGH	HIGH

WHAT IT MEANS FOR SELLERS

We expect deal count at or above 2025 levels at a lower average size: more carve-outs and founder-led better-for-you assets, fewer scale platforms. Build the equity story around the five factors. The selected trading and transaction observations do not establish a stand-alone valuation premium for scale; company-specific fundamentals and transaction context matter.



Source: Rogo screening of CapIQ-standardized data as of Sept. 17, 2026; transaction multiples per Forbes Partners' Sept. 2026 sector screen; private-company revenue and ownership per PitchBook (estimates, not company-confirmed); revenue multiples implied from announced EV and PitchBook revenue. Metrics may differ from company-defined adjusted EBITDA; non-US figures USD-converted. Nestlé and PepsiCo excluded as too diversified; Utz, TreeHouse and Bakkavor excluded as agreed transactions. † Subject to customary approvals. Leverage above 4.0x in red.

OUR TAKE

HOW WE CAN HELP

In our view, bakery buyers are paying for better-for-you claims, premium and smaller formats, and brands that hold price through a cost cycle. Forbes Partners helps bakery and packaged food companies show those attributes to strategic and sponsor buyers.

Whether you're looking to sell, acquire, or raise capital, we can guide you through each step, from preparing the numbers buyers will diligence to running a competitive process.

With costs shifting to energy-linked inputs and portfolio pruning feeding the deal pipeline, plan well ahead of an exit to build the record buyers look for: hedged costs and margin through the cycle.

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