



THREESIXTYSEVEN
ADVISORS

INDUSTRY REPORT

Sales, Distribution & Retail Services

A market overview of food & beverage brokerage, regulated wholesale distribution, retail merchandising, and government & military resale channels

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Market size, growth, and structure across four target service areas

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Buy-side, sell-side, and corporate debt advisory capabilities

A fragmented, durable, and consolidating set of services

The U.S. sales, distribution, and retail services ecosystem is dominated by lower-middle market and middle market operators — typically family-owned, founder-led, or independent businesses with \$1M–\$30M of EBITDA. While headline consolidators like Acosta and McLane define the platform tier, the vast majority of operating companies in the space sit below them, fragmented by category and geography. This is the segment where 367 transacts — and where active buy-side and sell-side processes are concentrated.

Key takeaways

- Fragmentation persists below the platform tier: hundreds of independent sales agencies, regional brokerages, and merchandising firms with \$1M–\$30M of EBITDA serve as both targets and acquirers.
- Lower-middle market multiples scale with size: ~5–7x EBITDA at \$1–5M, 7–9x at \$5–10M, 9–11x at \$10–20M, and 11–14x for scaled platforms above \$20M EBITDA.
- Add-ons command a premium over platforms in this market — driven by debt availability and sponsor preference for tucking small targets into existing platforms.
- Owner succession is driving deal flow — many operators founded in the 1960s–80s are reaching transition events, creating a steady pipeline of LMM exits.
- Sub-scale operators face mounting tech, compliance, and channel coverage costs — making rollups attractive on both sides of the table.

\$2.85T

U.S. F&B output by 2030

5.9%

Global F&B CAGR (2025–30)

\$18–20B

U.S. military resale system

31M

Eligible resale shoppers

\$169.9B

U.S. tobacco wholesaling (2025)

5–14x

Sales agency EBITDA multiples

02

SECTION

Industry Landscape & Sizing

Four interconnected service categories — large, fragmented, and durable

What the acquisition program covers

Food & Beverage Brokerages

Headquarter sales agency representation across government, military, convenience, and grocery channels.

\$2.85T

U.S. F&B output by 2030

Retail Services & Merchandising

In-store execution, resets, planogram compliance, and field support for convenience and grocery operators.

\$805M

Visual merchandising svcs (2025)

Wholesale Distribution

Regulated category distribution — tobacco, alcohol — into convenience and grocery formats with public-sector exposure.

\$170B

U.S. tobacco wholesaling

Government & Military Retail Sales

Sales & distribution platforms operating inside DeCA commissaries, AAFES / NEX / MCX / CGX exchanges, and VA canteens.

\$18-20B

U.S. military resale system

A \$7T+ global industry on a 5%+ growth trajectory

Global food & beverage market size — USD trillions



Source: Mordor Intelligence, Precedence Research, The Business Research Company (2025–26)

PROJECTED CAGR

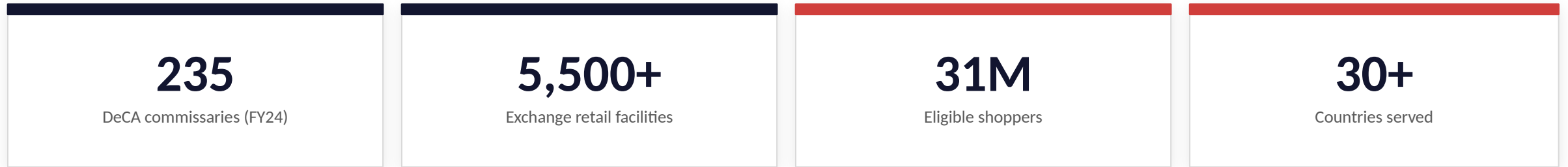
5.9%

Global F&B market, 2025 → 2030

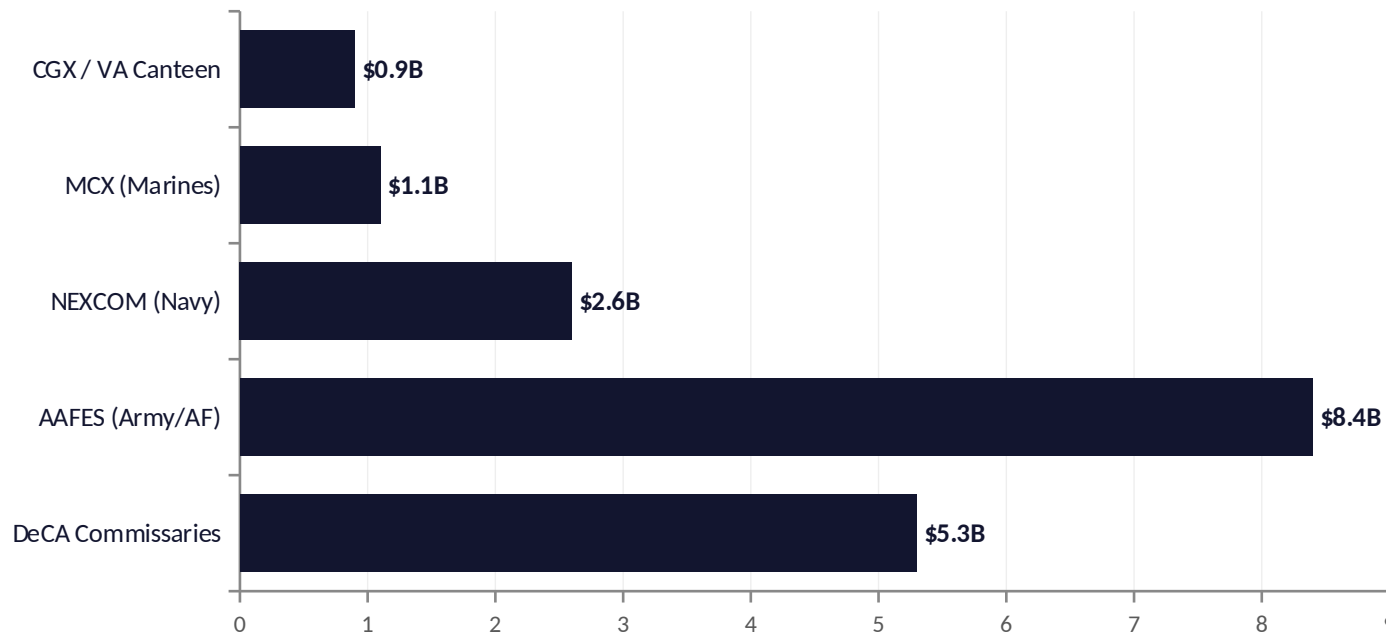
KEY DEMAND DRIVERS

- Persistent population & disposable income growth
- Premiumization, functional / better-for-you categories
- Channel proliferation (c-store, club, dollar, e-comm)
- Private label & emerging brand share gains
- Ongoing demand for outsourced sales & merchandising

A specialized, hard-to-access \$18–20B channel



Estimated annual sales by resale channel — USD billions



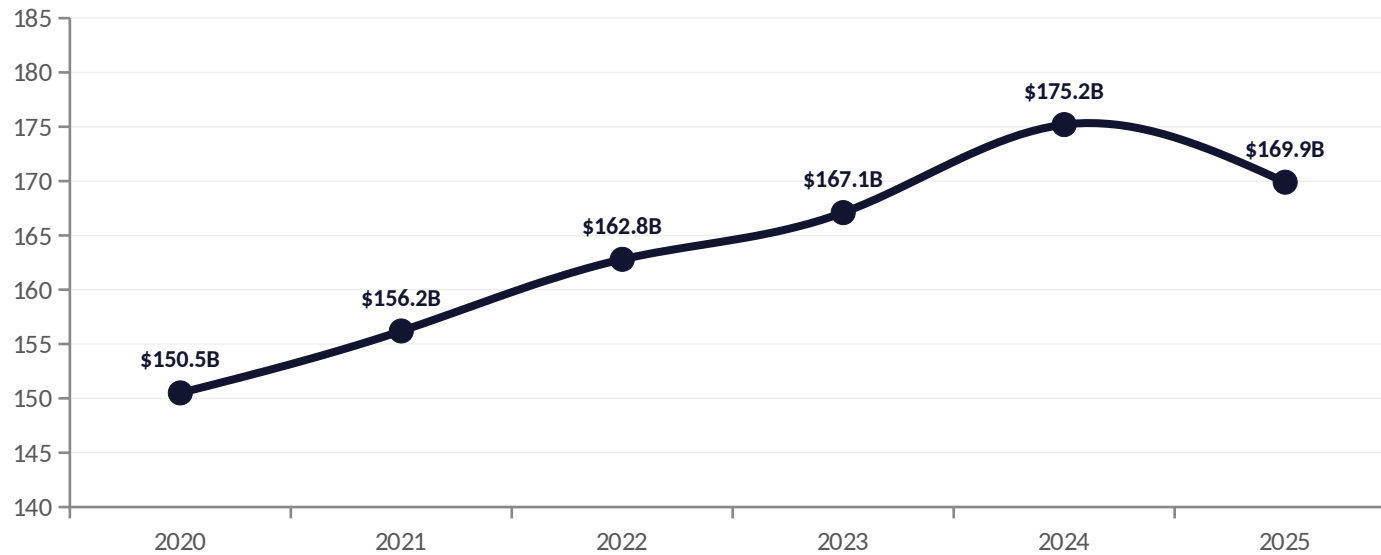
CHANNEL CHARACTERISTICS

- Average savings of ~25% vs. commercial grocery — durable patron benefit
- DeCA, AAFES, NEXCOM, MCX & CGX coordinate via Joint Buying Alliance
- MAP exemptions, NAF rules and worldwide footprint create high entry barriers
- Eligibility expansions (veterans w/ service-connected disabilities, caregivers) growing the addressable shopper base
- Specialized channel brokers provide sole avenue for many CPG manufacturers to access this market

Source: DeCA FY24 Annual Report; AAFES; CRS Report IF11089; American Logistics Association

A \$170B U.S. industry with high barriers and concentrated structure

U.S. cigarette & tobacco product wholesaling revenue — USD billions



U.S. C-STORE DISTRIBUTION

Channel concentrated among a small set of national distributors

- McLane — 80+ DCs, 110K+ delivery points (Berkshire Hathaway)
- Core-Mark — division of Performance Food Group
- Eby-Brown — c-store foodservice & DSD specialist
- Regional broadliners & candy/tobacco distributors

INDUSTRY DYNAMICS

Volume pressure, value resilience

Combustible volumes are declining, but pricing actions and next-gen products (e-cig, oral nicotine, heated tobacco) sustain category dollars.

Convenience channel critical

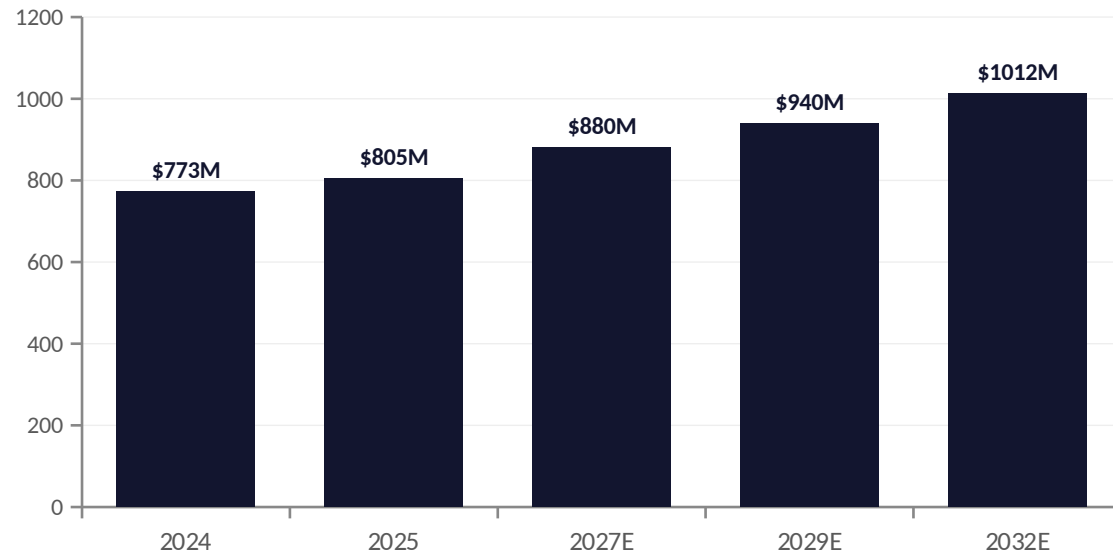
Convenience stores account for ~28% of tobacco volume; supermarkets/hypermarkets remain dominant at ~50%+.

Regulatory complexity = moat

Excise tax compliance, age verification (TruAge), state licensing, and PMTA workflows raise barriers for sub-scale players.

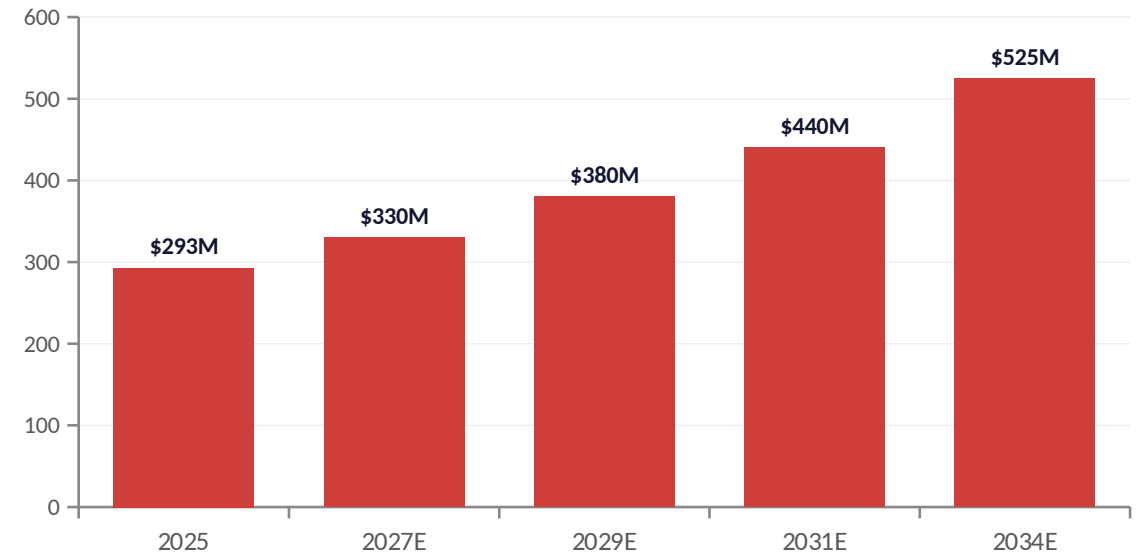
Outsourced execution is a structurally growing service category

Global retail visual merchandising services — USD millions



CAGR: 4.4% through 2032

Retail execution software market — USD millions



CAGR: 6.7% through 2034

WHY THE CATEGORY IS GROWING

- Retailers continue outsourcing in-store execution to capture labor flexibility — 7 in 10 retail executives plan increased outsourcing in 2025–26.
- Brand owners need third-party feet on the street to maintain planogram compliance, drive new-item velocity, and execute promotional resets.
- Tech-enabled platforms (image recognition, mobile execution, retail analytics) are creating differentiation and pricing power for sub-scale agencies that adopt them.

03

SECTION

Key Trends Shaping the Market

What's actually moving the needle for operators and acquirers

Six forces shaping sales, distribution & retail services

01

Sales agency consolidation

Acosta Group has rolled up CROSSMARK, Premium Retail, Product Connections, Impact Group, CORE Foodservice and others — establishing a 60K+ associate platform. Advantage Solutions and others continue active programs.

02

Channel bifurcation

Value (Aldi, dollar stores) and premium are both gaining at the expense of mid-tier traditional grocers — reshaping where brands need to compete and how they staff field execution.

03

Defense resale modernization

DeCA price-cut investment (3–5% on staples), Joint Buying Alliance (\$75M+ saved), Patronage Expansion Act broadening eligibility, and Click2Go online ordering reshape merchandising priorities.

04

Regulated category transition

Combustible tobacco volumes contracting; next-gen products (oral nicotine, e-cig, heated tobacco) growing fastest. Wholesalers must build dual-track capabilities to follow consumer migration.

05

Tech-enabled execution

Mobile field apps, image recognition, retail execution software (\$293M → \$525M) and AI-driven analytics are the new table stakes — and a meaningful margin lever for scaled platforms.

06

Tariff & supply chain volatility

2025 U.S. tariff actions disrupted F&B M&A in early 2025 and continue to influence sourcing decisions. Channel partners with regulatory & customs expertise are increasingly valuable.

04

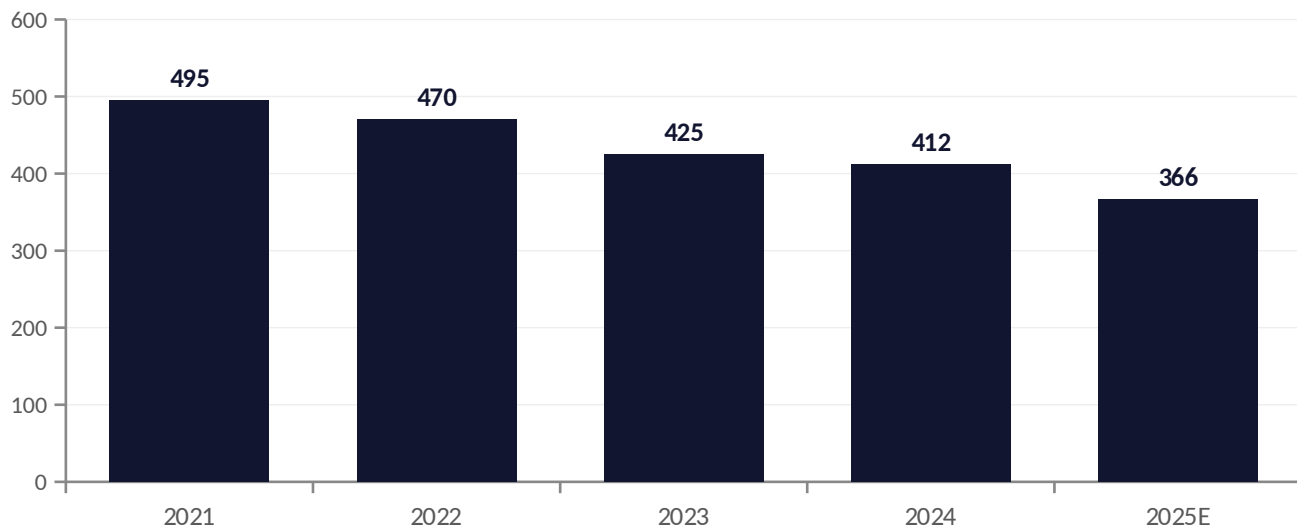
SECTION

M&A Activity & Transaction Trends

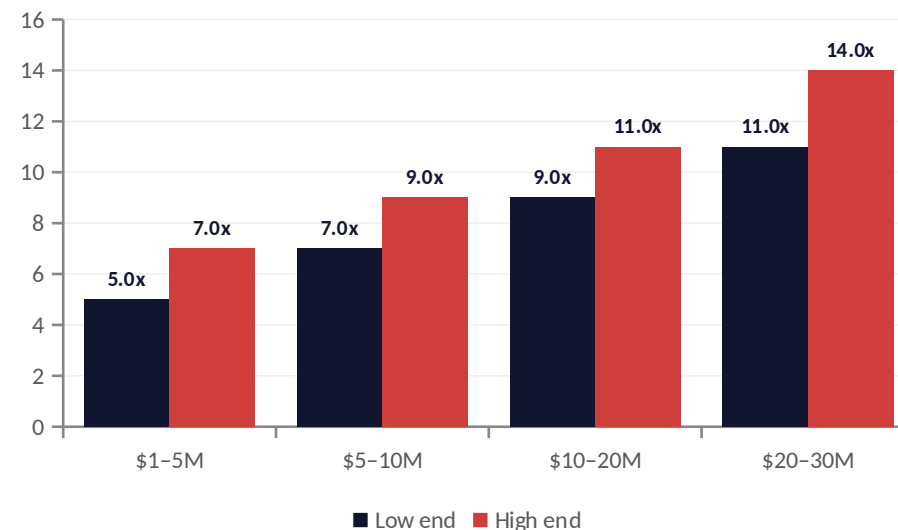
Deal flow, valuation multiples, and notable transactions

Valuation framework for sales agency, merchandising & distribution assets

Reported U.S. food & beverage M&A transactions



Sales agency / merchandising — EBITDA multiples by size



5-9x

Typical sales / merchandising agency EBITDA multiples in the \$1-10M EBITDA range

9-14x

Scaled platforms (\$10M+ EBITDA) with retainer-heavy revenue & low concentration

\$80B+

PE dry powder available for U.S. consumer & business-services deployments

Sources: GF Data, IBBA Market Pulse, Capital A, TobinLeff, Capstone Partners (2024-26). Lower-middle market sales / merchandising agencies; ranges illustrative.

Selected M&A activity in sales agency, merchandising & distribution

Date	Acquirer	Target	Category	Strategic Rationale
May 2024	Acosta Group	CROSSMARK + Product Connections	Sales agency / merchandising	Combined platform: 60K+ associates; expanded grocery, club, c-store, drug & demo coverage
Sep 2024	Acosta Europe	Dee Set Group (UK)	Retail & field marketing services	International expansion of merchandising platform
2024	Acosta Group	Impact Group	Natural products sales agency	Adds dedicated natural / specialty channel capability to platform
Nov 2024	Casey's General Stores	Fikes Wholesale (CEFCO)	C-store retail / fuel distribution	\$1.145B; 198 c-stores; strategic Texas/Southeast entry
2025	CORE Foodservice (Acosta)	The Culinary Edge	Foodservice menu/concept agency	Strengthens foodservice platform with R&D and concept services
Aug 2025	Onvo	Core-Mark partnership	C-store distribution	~40 NY/PA travel center supply agreement
Sep 2025	C&S Wholesale Grocers	SpartanNash	Grocery wholesale distribution	~60 DCs combined; ~10,000 independent retail customers
Sep 2025	Love's Travel Stops	Core-Mark expansion	C-store distribution	Expanded from ~100 to all 640+ Love's locations under Core-Mark
2025	Couche-Tard / Circle K	McLane (3PL agreement)	C-store supply chain	Multi-DC distribution agreement; new DCs in MN, MO, OH

Sources: Acosta Group press releases, Capstone Partners, CSP Daily News, C-Store Dive, Supply Chain Dive (2024-26). Selection illustrative; not exhaustive.

05

SECTION

Buyer Universe & Competitive Set

Who is consolidating — and what they're paying for

Three distinct pools of capital active in the space

STRATEGIC ACQUIRERS

Operating platforms with consolidation playbooks

REPRESENTATIVE PLAYERS

- **S & K Sales Co.**
(active mandate)
- Acosta Group
- Advantage Solutions
- Daymon Worldwide
- Hauser & Associates
- McLane Company
- Performance Food Group / Core-Mark
- C&S Wholesale Grocers

Pursuing add-ons that bring channel coverage (military, c-store, grocery), category specialization, and field execution capacity.

PRIVATE EQUITY PLATFORMS

Sponsor-backed roll-ups in adjacent verticals

REPRESENTATIVE PLAYERS

- Carlyle Group (Acosta history)
- Centerbridge Partners
- Trive Capital
- Blue Marlin Partners
- Blackstone (restaurant / consumer)
- Platinum Equity (Horizon Organic)
- Butterfly Equity (Duckhorn)

Looking for fragmented services markets with \$1M–\$30M EBITDA add-ons that fit existing platforms or seed new ones.

INDEPENDENT SPONSORS / FAMILY OFFICES

Often the right home for legacy operators

REPRESENTATIVE PLAYERS

- Operator-led independent sponsors
- Multi-generational family offices
- Search funds with consumer mandates
- ETA / SBIC-backed buyers

Frequently more flexible on structure (rollover equity, seller notes, earn-outs), longer hold horizons, and lighter-touch governance.

06

SECTION

Outlook

Where the puck is heading across sales, distribution & retail services

Five themes shaping the next 18–36 months

Outsourcing tailwind continues

Demand for outsourced sales & merchandising remains structurally durable as retailers continue pushing field execution to specialists. ~70% of retail executives plan increased outsourcing in 2025–26.

Defense resale modernization

Military resale system continues investing in patron value (3–5% price cuts on staples, eligibility expansion, Click2Go digital ordering), reinforcing the strategic importance of channel-specialist partners.

Regulated wholesale consolidation

Tobacco & regulated category wholesaling will keep consolidating around scale, technology, and regulatory expertise. Sub-scale operators face mounting pressure from PMTA workflows, age-verification, and excise compliance.

Sequential M&A recovery

F&B brokerage M&A activity is rebounding sequentially (Q3 2025 +20% QoQ vs. Q2). Valuation discipline rewards well-run, channel-specialized businesses with retainer-heavy revenue and low concentration.

Tech & tariff pressure favor scale

Tariff uncertainty, labor cost pressure, and the need to invest in retail execution software (a \$293M → \$525M market) all favor scaled platforms able to absorb compliance and technology investments.

07

SECTION

Buy-Side Client Spotlight: S & K Sales

An active acquisition mandate in the space

S & K Sales Co. — active acquisition mandate

ABOUT S & K SALES

S & K Sales Co. is a long-standing sales and distribution services firm founded in 1934, with a specialized focus on complex and hard-to-access retail channels. The company is regarded as one of the most experienced providers in the worldwide military resale market, supporting branded consumer product manufacturers across commissaries, exchanges, ships, and veterans' canteens worldwide. S & K also operates a dedicated platform serving Hawaii and Pacific Island civilian markets.

CORE CAPABILITIES

- Account management & headquarter sales
- Category analytics & merchandising
- Field execution & in-store support
- Government & military contract support — domestic & international

INVESTMENT CRITERIA

What S & K is looking to acquire

\$1M+

EBITDA

5%+

EBITDA margins

USA

Geography

TARGET SERVICE CATEGORIES

- Food & beverage brokerages (gov, military, c-store, grocery)
- Wholesale distribution (tobacco, alcohol, regulated)
- Retail services & merchandising (c-store, grocery)
- Government & military retail sales platforms

Buyout — with flexibility on structure & management rollover

INTERESTED IN DISCUSSING THIS MANDATE OR EXPLORING A FIT?

Reach out to Ryan Penna, Vice President · rpenna@threesixtyseven.com · (516) 582-1046

08

SECTION

About Three Sixty Seven Advisors

Buy-side, sell-side, and corporate debt advisory

A focused M&A advisor for the lower-middle market

Three Sixty Seven Advisors (367) is an M&A advisory firm supporting buyers and sellers in focused industries. Having advised over **\$1B+** of add-on revenue, placed executives and board members, and represented sellers in full marketing processes, 367 has established itself as a leader in lower-middle market M&A advisory.

BUY-SIDE ADVISORY

For acquirers building platforms

- Acquisition strategy & target landscaping
- Proprietary deal sourcing & outreach
- Origination of off-market opportunities
- Due diligence coordination & negotiation support
- Integration & 100-day planning

SELL-SIDE ADVISORY

For owners pursuing a liquidity event

- Pre-sale readiness & valuation positioning
- Confidential marketing materials & data room
- Curated buyer outreach (strategic + financial)
- Bid management, negotiation & structuring
- Closing & transition support

CORPORATE DEBT ADVISORY

Capital structure that supports growth

- Acquisition & growth financing
- Refinancing & recapitalization
- Senior, unitranche, and mezzanine sourcing
- Lender selection & terms negotiation
- Sponsor & non-sponsor situations

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