

Food and Beverage Companies Attract Armistice Capital, Norges Bank and Other Investors

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Institutional investors have targeted businesses that operate in a number of different sectors in recent years — ranging from food-oriented companies to home furniture, furnishings and equipment stores.

Institutional investments in companies that fall within the hotel, rooming house, camp and other lodging places category, for instance, were up nearly 2% in the second quarter of 2024, according to Fintel. The fair market value of institutional investments in the category rose last year — and as of mid-August, remained about 2022's level.

Hedge funds and other [institutional investors](#) have also expressed an interest in food and beverage sector businesses — such as Performance Food Group, which delivers more than 300,000 [EB1] food and other products to customers across the United States and Canada.

The company's services include providing ingredients to foodservice industry members; the distribution of candy, snacks and other items; and supplying fresh food to the convenience store industry.

According to Nasdaq, investors such as Vanguard Group Inc., Capital World Investors and Geode Capital Management have also increased the amount of Performance Food Group shares they hold.

Norges Bank and Armistice Capital also upped their stake in Flowers Foods, which provides fresh and frozen packaged bakery products in the U.S., in the fourth quarter of 2023.

The company's bread, bun, roll, bagel, English muffin, snack item, and tortilla product lines include Nature's Own, Dave's Killer Bread, Wonder, and Canyon Bakehouse.

Norges Bank increased its shares of the food manufacturer by 85%, according to Nasdaq data. Armistice Capital, according to MarketBeat, obtained a new position in Flowers Foods in the fourth quarter of 2023. Per Armistice's Form [13F filing](#) with the Securities and Exchange Commission, the hedge fund purchased 37,274 shares of Flowers Foods stock, with a value of approximately \$839,000.

Other hedge funds [EB2] have also made investments in the company — including Gladius Capital Management LP, which added 488 shares of Flowers Foods in the third quarter of 2023, bringing its total to 1,539, a 46.4% increase; Financial Connections Group Inc., which gained a new stake in Flowers Foods in the fourth quarter, valued at approximately \$30,000; and GAMMA [Investing](#) LLC, which also obtained a stake in the company, valued at approximately \$34,000 in the fourth quarter.

In total, 75.45% of Flowers Foods' stock is owned by hedge funds and other institutional investors, according to MarketBeat.

The quarterly earnings results that Flowers Foods posted on May 16 showed the company experienced a 2.8% increase in revenue for the quarter, compared to the same time period last year, according to MarketBeat.

In May, Deutsche Bank Aktiengesellschaft gave the company a hold rating and boosted its price target from \$22 to \$23; MarketBeat also said market insight provider StockNews.com had upgraded Flowers Foods' stock from hold level to a buy rating status later in the month.

Drink-Dedicated Companies' Growing Appeal

Hedge funds and other [investors](#) have also shown support for beverage-based companies in the past year — including some that target consumers who are 21 and older

Take the Boston Beer Company, for example, a company that offers alcoholic beverages primarily within the United States, where the company is headquartered — which has a \$3.39 billion market cap and stock that several analysts have increased their third quarter estimates for, according to MarketBeat.

Kirk from Roth Capital, for instance, now anticipates Boston Beer will post earnings of \$5.35 per share for the quarter, instead of \$5.33; in a research report released in June, Morgan Stanley also elevated the company's shares from an underweight rating to an equal weight designation — and said its forecasted price target is now \$290.00, MarketBeat said.

Founded in 1984, the company has produced 111 million cases of beer and employs more than 2,500 workers. Its product portfolio includes well-known beers such as Samuel Adams Boston Lager and hard ciders, flavored malt beverages, and hard seltzers that are sold under the Samuel Adams, Twisted Tea, Truly, Angry Orchard, Dogfish Head, Angel City, and Coney Island brand names.

In the fourth quarter of 2023, investors such as Armistice Capital and Norges Bank purchased new positions in the Boston Beer Company, MarketBeat reported in late July; Armistice Capital's position was valued at approximately \$21,499,000, and Norges Bank's position has a value of roughly \$13,879,000.

Other [investors](#) obtained shares of the company in the first quarter of this year. Jane Street Group LLC bought 37,985 more shares of the Boston Beer Company, bringing its total up to 15,876, valued at \$4,833,000,

In the second quarter of 2024, Assenagon Asset Management S.A. increased its position with the purchase of 30,601 shares of the company — a more than 190% increase, according to MarketBeat.