


Food & Beverage Q2 2018 Insights



Martin Delépine, Senior Manager, F&B expert @ Allyum

“Indeed, the evolving mindset of consumers drives business demand, indirectly driving strategic focus and M&A transactions. The F&B industry offers a great example of how M&A can support strategy and shows that many trends are developing, which represents many opportunities for F&B players.”







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WHY CONSIDER M&A ?

The F&B sector remains one of the largest global industries. Our analysis of Q2 2018 on the F&B industry shows that strategic acquisitions allow companies to diversify by entering quickly and efficiently into a market where the company is not yet active. As F&B companies aim to maintain their market share in a very competitive market, many look to M&A as the most efficient manner to proceed. Understanding the industry's long term trends, the mindset of its end customers and the changes to the way products and services are being delivered, is a key step in the development of an M&A strategy.

Source: Allyum

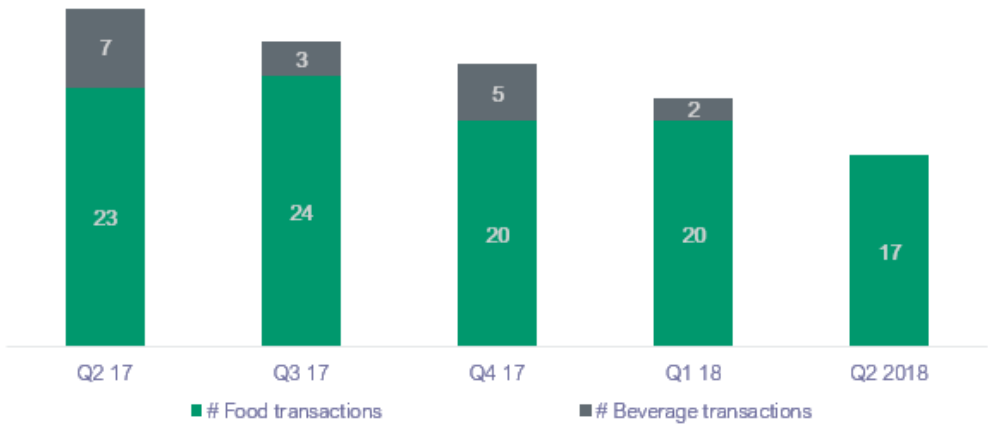
PROMINENT TRANSACTIONS OF THE LAST 90 DAYS

 Has Acquired → 	<p>Fleury Michon SA, the listed France-based company engaged in agri-food business, has acquired SARL PASO, the France-based producer of appetizers, for an undisclosed consideration.</p>
 Has Acquired → 	<p>Miko NV, a listed Belgium-based company engaged in production and distribution of coffee and accessories, has acquired 75% stake in Maas, a Denmark-based provider of coffee concepts, for an undisclosed consideration.</p>
 Has Acquired → 	<p>PepsiCo, Inc., a listed US-based consumer products company engaged in providing convenience foods and beverages, has agreed to acquire Bare Foods Co. (trading as Bare Snacks), the US-based producer and distributor of baked fruit and vegetable snacks, from NGEN partners, LLC and VMG Partners, the US-based private equity firms, and Avrio Capital Management Corporation, a Canada-based venture capital firm, for an undisclosed consideration.</p>

 Has Acquired → 	<p>Tulip Food Company A/S, the Denmark-based producer and supplier of processed meat products and a subsidiary of Danish Crown AmbA, a Denmark-based company that produces and markets pork and beef, processed food products, has agreed to acquire Zandbergen vleeswaren BV, the Netherlands-based producer and supplier of processed bacon, from Mr. Erik Zandbergen and Mr. Robert Zandbergen, the Netherlands-based private investors, for an undisclosed consideration.</p>
 Has Acquired → 	<p>Biscuit International SAS, the France-based sweet biscuit market manufacturer, has acquired Northumbrian Fine Foods Limited (NFF), the UK-based gluten and milk-free biscuit manufacturer, from CriSeren Foods Ltd, the UK-based holding company of private equity firm CriSeren Group, for an undisclosed consideration.</p>
 Has Acquired → 	<p>Ferrero SpA, the Italy-based manufacturer and distributor of chocolates and chocolate products, bakery products, snacks, spreads, mints and drinks, has agreed to acquire 51.1% stake in Stelliferi & Itavex S. P. A., the Italy-based producer and seller of hazelnuts, from IF-Mariano Stelliferi S.P.A, the Italy-based investment holding company for an undisclosed consideration.</p>
 Has Acquired → 	<p>YO! Sushi Limited, the UK-based iconic Japanese restaurant group, and a portfolio company of Mayfair Equity Partners LLP, the UK-based private equity firm, has acquired Taiko Foods Limited, the UK-based supplier of sushi products to the supermarket sector, for an undisclosed consideration.</p>

Source: Merger Market

EVOLUTION OF M&A TRANSACTIONS FOR BENELUX & FRANCE



The Food & Beverage market in Benelux and France is characterized by strong and permanent M&A activities. Deal volume within the F&B industry rises up to 17 deals during the second quarter of 2018, which is slightly lower than historical quarterly trends. With around 25 transactions per quarter over the last year, the active trend of making acquisitions remains sustainable over time, showing the F&B sector maintains a focus on external growth and consolidation.

*Source: Merger Market, Allyum
Geographic scope: Benelux & France*

HOW TO VALUE YOUR COMPANY ?



Source: CapitalIQ, Allyum (July, 2018)

The observed sales multiples from major European F&B companies are quite high and derive from the attraction and the sustainability of this market. Again, we can note that all the sales multiples for the Beverage segment are higher than those observed on the Food segment. We notice significant gaps between F&B market segments from animal products valued at 0.6x to Wine & Spirits presenting a multiple of 2.8x, with a global average around 1.4x. *

**All multiples are based on the last twelve months performance of major quoted groups and don't include any illiquidity/size discounts*