

# ProventisPartners.

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## M&A Facts Quarterly Q3 – 2023

FOOD & BEVERAGE





**Food & Beverage Sector – M&A-Highlights and Market Insights**

Data source: S&P Capital IQ. Analysis by Proventis Partners.

- ▶ As the **Food & Beverage Sector** covers a broad range of different business lines and products, the 2023 Q3 Food & Beverage M&A Facts cover the subsectors Agriculture and Food, which is divided in Packaged Food, Dairy Products and Eggs, Frozen Food, Meat, and Seafood.
- ▶ **Back-to-normal** – Heating oil, gas, and power prices as well as fertilizer prices are among pre-crisis levels and showed a more stable trend than in previous quarters. Decreasing inflation rates to levels as low as 2022 Q1 provide further easing and increased planning security.
- ▶ **Valuation multiples** of public-listed Agriculture companies as well as of public-listed Food companies display a steady trend and are valued at or around the same level as the previous quarters.
- ▶ The **number of deals** in the third quarter of 2023 was 75, the lowest in the period under review (Q3 2022 115 transactions).
- ▶ **Regional focus** – As Europe is one of the biggest Food and Agriculture markets, the region drives M&A transactions with a share of 35% on total M&A deals in Q3 2023. With a median EBITDA Multiple of 11.3x the Asian / Pacific market displays the highest valuations.
- ▶ **Investor focus** – Strategic buyers continue to drive deal activity with a share of 72% on total M&A transactions in 2023 Q3 vs. 15% of financial sponsor-led deals. However, financial sponsors tend to pay higher valuations than strategic investors, with a median EBITDA multiple of 9.7x and 8.3x., respectively.

**Covered sub-sectors:**

**Food**

**Agriculture**

- Packaged Food
- Dairy Products and Eggs
- Frozen Food
- Meat
- Seafood

**Market trends:**

**Agriculture**

- ▶ **Adverse weather conditions** – About 50% of Europe suffer from drought of which Southern Europe is particularly affected. Northern Europe, on the other hand, was affected by persistent rainfall this summer, which made harvesting difficult and increased vulnerability to fungal diseases.
- ▶ **Wine - high production but low demand** – EU vinified production is expected to increase to 159 million hl (+ 6 million hl year-on-year). Wine sales are decreasing both on the domestic market and key export markets as inflationary pressure eroded the purchasing power of consumers.
- ▶ **Meat production struggles** – Lower demand for meat, especially pork, in the EU and a large supply of meat from other EU countries cause prices to fall.

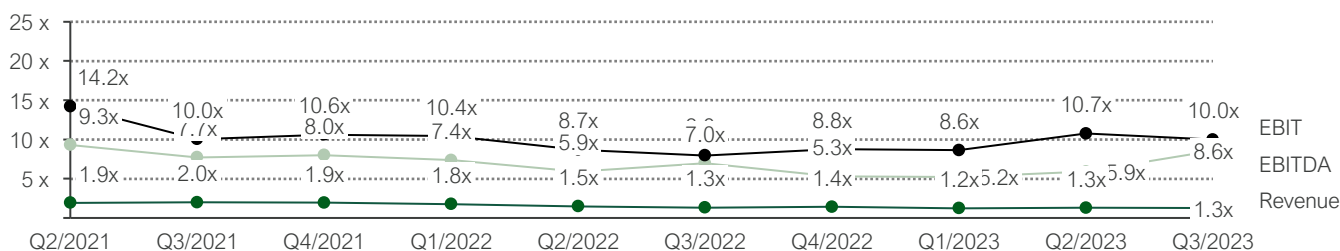
**Food**

- ▶ **Frozen food on the rise** – Frozen food was already before the pandemic highly demanded. Shifts in buying habits and preferences partly explain the popularity of frozen food. Further customers are opting for frozen food such as pizza instead of restaurant pizza due to high costs.
- ▶ **Seafood as a clean eating option** – Pescetarian diets will continue to increase as it is for many consumers a more appealing option than vegetarianism or veganism. Seaweed is the fastest-growing aquaculture sector, has environmental as well as health benefits and is considered a sustainable crop.
- ▶ **Vegan egg** – After milk and meat, the vegan egg is the next plant-based alternative. As a result, the first vegan liquid egg alternatives hit the supermarkets in 2022. This year, the first vegan egg with a shell made of bioplastic was developed.

### Global Agriculture Sector Peer Group

Note: TEV = Total Enterprise Value. LTM = Last Twelve Months. Data source: S&P Capital IQ. Financials in EURm

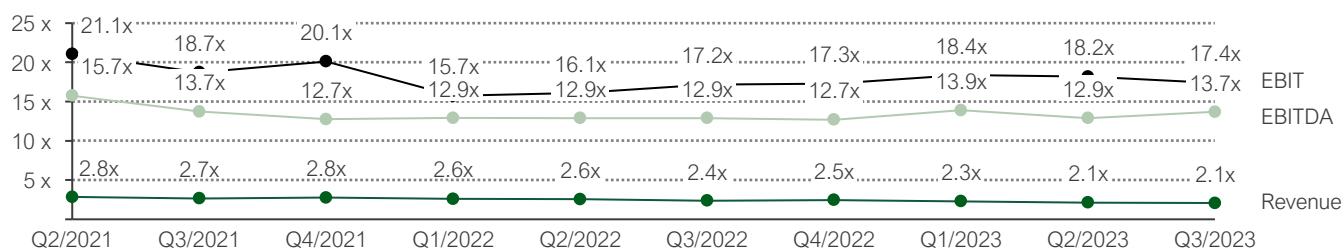
Company Name	Country	Market Cap	TEV	Total Revenue LTM	EBITDA LTM	TEV/EBITDA LTM	TEV/EBITDA prev. quarter
Archer-Daniels-Midland Company	United States	38,201	46,458	91,494	4,661	10.0x	10.6x
Bunge Limited	United States	15,407	20,350	58,437	3,163	6.4x	4.6x
Ingredion Incorporated	United States	6,149	8,274	7,526	1,004	8.2x	8.6x
KWS SAAT SE & Co. KGaA	Germany	1,835	2,383	1,820	333	7.2x	10.1x
Sipef NV	Belgium	547	574	455	159	3.6x	4.7x
M.P. Evans Group PLC	United Kingdom	461	475	267	80	6.0x	5.4x
Kernel Holding S.A.	Ukraine	443	1,190	2,882	419	2.8x	2.2x
Alico, Inc.	United States	179	299	37	9	32.6x	24.2x
IMC S.A.	Luxembourg	88	205	130	11	18.2x	3.0x
Auga Group AB	Lithuania	78	198	87	8	26.3x	21.9x
Donegal Investment Group plc	Ireland	27	30	28	2	12.7x	18.4x
Don Agro International Limited	Singapore	28	26	26	1	36.7x	2.1x
Tonkens Agrar AG	Germany	12	27	20	3	8.6x	7.6x
KSG Agro S.A.	Luxembourg	6	37	16	0	138.4x	2.9x
Agroliga Group Plc	Cyprus	7	22	45	6	3.9x	5.9x
<b>Median</b>						<b>8.6x</b>	<b>5.9x</b>



### Global Packaged Food Sector Peer Group

Note: TEV = Total Enterprise Value. LTM = Last Twelve Months. Data source: S&P Capital IQ. Financials in EURm

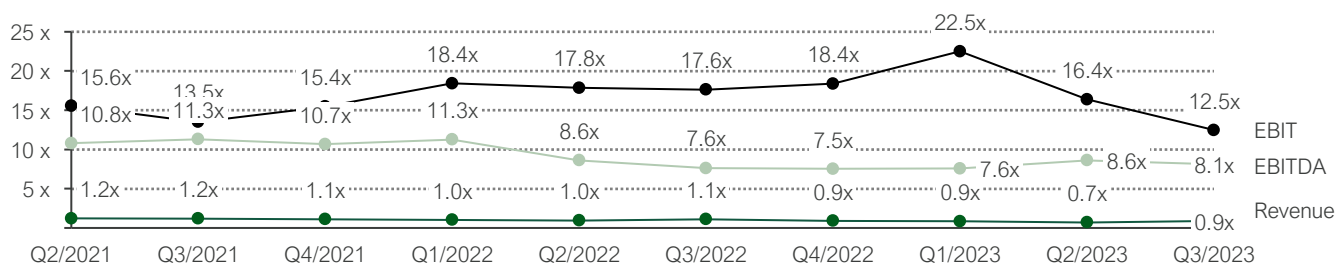
Company Name	Country	Market Cap	TEV	Total Revenue LTM	EBITDA LTM	TEV/EBITDA LTM	TEV/EBITDA prev. quarter
Nestlé S.A.	Switzerland	285,967	343,759	97,384	18,927	18.2x	12.9x
Mondelez International, Inc.	United States	89,201	107,685	31,264	6,221	17.3x	14.2x
The Hershey Company	United States	38,652	43,217	9,946	2,574	16.8x	19.0x
General Mills, Inc.	United States	35,143	46,522	18,825	3,682	12.6x	13.3x
The Kraft Heinz Company	United States	39,039	57,276	24,820	5,641	10.2x	8.8x
Chocoladefabriken Lindt & Sprüngli AG	Switzerland	24,325	25,295	5,184	1,016	24.9x	26.5x
Kellanova	United States	19,248	26,223	14,540	1,806	14.5x	12.0x
Tyson Foods, Inc.	United States	16,961	25,132	48,795	2,476	10.2x	4.9x
Associated British Foods plc	United Kingdom	18,230	21,344	21,309	2,114	10.1x	6.6x
Kerry Group plc	Ireland	14,024	15,815	8,836	1,156	13.7x	17.8x
Campbell Soup Company	United States	11,564	16,080	8,486	1,630	9.9x	9.2x
JDE Peet's N.V.	Netherlands	12,878	17,122	8,243	1,074	15.9x	12.2x
Barry Callebaut AG	Switzerland	8,252	9,888	8,291	830	11.9x	16.4x
Lotus Bakeries NV	Belgium	6,241	6,463	962	173	37.3x	29.8x
ARYZTA AG	Switzerland	1,607	1,858	2,123	225	8.2x	8.7x
<b>Median</b>						<b>13.7x</b>	<b>12.9x</b>



### Global Dairy Products and Eggs Sector Peer Group

Note: TEV = Total Enterprise Value. LTM = Last Twelve Months. Data source: S&P Capital IQ. Financials in EURm

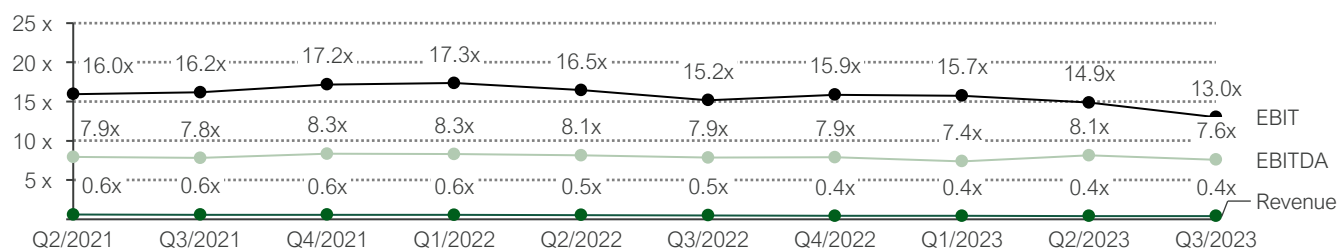
Company Name	Country	Market Cap	TEV	Total Revenue LTM	EBITDA LTM	TEV/EBITDA LTM	TEV/EBITDA prev. quarter
Danone S.A.	France	33,527	44,809	28,503	4,264	10.5x	8.6x
Saputo Inc.	Canada	8,398	10,981	12,260	993	11.1x	14.3x
Emmi AG	Switzerland	4,775	5,387	4,419	415	13.0x	14.0x
Cal-Maine Foods, Inc.	United States	2,241	1,629	2,730	804	2.0x	41.0x
Savencia SA	France	730	1,670	6,904	378	4.4x	3.5x
SunOpta Inc.	United States	376	800	809	61	13.2x	17.6x
Adecoagro S.A.	Luxembourg	1,185	2,407	1,289	387	6.2x	4.6x
Vital Farms, Inc.	United States	451	371	393	29	12.9x	2.2x
Kri-Kri Milk Industry S.A.	Greece	275	271	201	30	9.1x	10.0x
Newlat Food S.p.A.	Italy	251	358	819	49	7.3x	6.3x
Rokiskio Suris AB	Lithuania	102	140	339	17	8.1x	14.7x
Lifeway Foods, Inc.	United States	143	142	138	11	12.5x	8.0x
Ovostar Union Public Company Limited	Ukraine	80	39	154	71	.5x	6.1x
Centrale del Latte d'Italia S.p.A.	Italy	41	85	334	11	7.5x	5.5x
Evrofarma SA	Greece	13	34	49	6	5.6x	18.0x
<b>Median</b>						<b>8.1x</b>	<b>8.6x</b>



### Global Frozen Food Sector Peer Group

Note: TEV = Total Enterprise Value. LTM = Last Twelve Months. Data source: S&P Capital IQ. Financials in EURm

Company Name	Country	Market Cap	TEV	Total Revenue LTM	EBITDA LTM	TEV/EBITDA LTM	TEV/EBITDA prev. quarter
Lamb Weston Holdings, Inc.	United States	12,736	15,867	5,467	1,182	13.4x	18.2x
Nomad Foods Limited	United Kingdom	2,462	4,405	3,030	491	9.0x	11.2x
Sanquan Food Co., Ltd.	China	1,677	1,478	937	119	12.4x	15.8x
Greencore Group plc	Ireland	421	729	2,157	115	6.3x	7.7x
FRoSTA Aktiengesellschaft	Germany	428	432	620	63	6.9x	8.9x
Bonduelle SCA	France	339	980	2,406	130	7.6x	7.7x
Kerevitas Gida Sanayi ve Ticaret A.S.	Turkey	287	388	470	49	7.9x	5.9x
Greenyard NV	Belgium	303	813	4,690	107	7.6x	6.2x
Scandi Standard AB (publ)	Sweden	295	468	1,101	59	7.9x	8.1x
Kawan Food Berhad	Malaysia	131	107	57	8	12.8x	9.7x
Dairei Co.,Ltd.	Japan	73	63	177	10	6.5x	7.9x
Apetit Oyj	Finland	75	60	185	12	5.0x	9.0x
Tipiak Soci�t� Anonyme	France	60	120	239	17	7.0x	7.0x
Seko S.A.	Poland	13	13	43	1	11.9x	13.1x
Zagrebacke Pekarne Klara d.d.	Croatia	6	13	58	2	6.1x	3.1x
<b>Median</b>						<b>7.6x</b>	<b>8.1x</b>

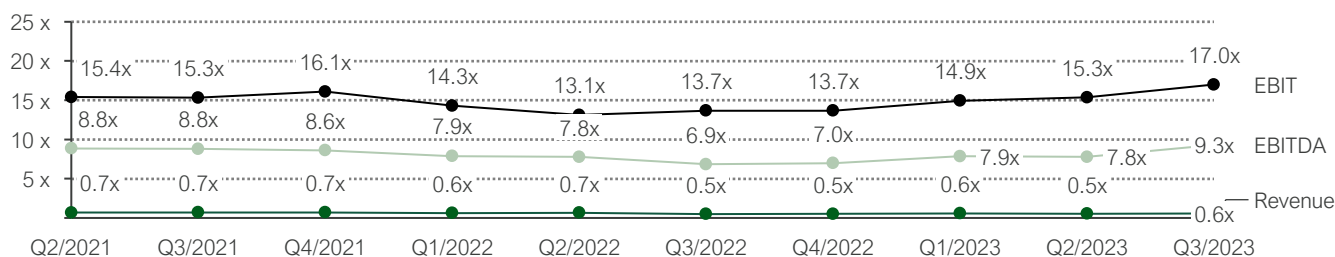




### Global Meat Sector Peer Group

Note: TEV = Total Enterprise Value. LTM = Last Twelve Months. Data source: S&P Capital IQ. Financials in EURm

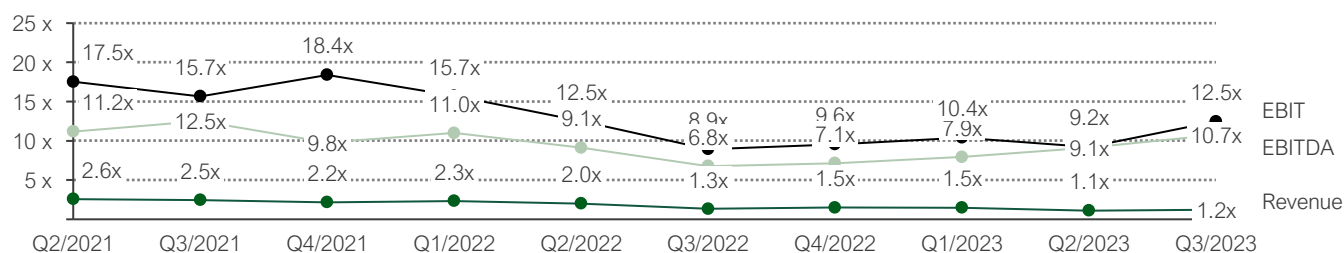
Company Name	Country	Market Cap	TEV	Total Revenue LTM	EBITDA LTM	TEV/EBITDA LTM	TEV/EBITDA prev. quarter
Hormel Foods Corporation	United States	19,635	22,116	11,060	1,276	17.3x	13.5x
Pilgrim's Pride Corporation	United States	5,108	8,197	15,686	805	10.2x	6.2x
Premium Brands Holdings Corporation	Canada	2,950	4,823	4,372	264	18.3x	16.8x
L.D.C. S.A.	France	2,029	1,655	5,846	553	3.0x	3.7x
Maple Leaf Foods Inc.	Canada	2,213	3,598	3,363	87	41.5x	14.2x
Cranswick plc	United Kingdom	2,206	2,323	2,640	217	10.7x	8.6x
Bell Food Group AG	Switzerland	1,770	2,648	4,535	327	8.1x	7.0x
Hilton Food Group plc	United Kingdom	741	1,262	4,613	144	8.8x	9.2x
Podravka d.d.	Croatia	1,026	1,046	678	73	14.3x	7.8x
Gradus AD	Bulgaria	174	178	72	8	23.1x	18.3x
Bridgford Foods Corporation	United States	95	91	232	10	9.3x	52.5x
Tarczyński S.A.	Poland	115	244	399	44	5.5x	5.7x
Fleury Michon SA	France	76	177	843	105	1.7x	3.3x
HKScan Oyj	Finland	76	458	1,913	72	6.3x	6.8x
Sláturfélags Suðurlands svf.	Iceland	12	30	111	10	2.8x	4.0x
<b>Median</b>						<b>9.3x</b>	<b>7.8x</b>



### Global Seafood Sector Peer Group

Note: TEV = Total Enterprise Value. LTM = Last Twelve Months. Data source: S&P Capital IQ. Financials in EURm

Company Name	Country	Market Cap	TEV	Total Revenue LTM	EBITDA LTM	TEV/EBITDA LTM	TEV/EBITDA prev. quarter
Mowi ASA	Norway	8,684	11,015	5,303	1,073	10.3x	12.6x
SallMar ASA	Norway	6,327	8,735	2,033	590	14.8x	16.8x
P/F Bakkafrøst	Denmark	2,872	3,341	1,011	143	23.3x	18.2x
Lerøy Seafood Group ASA	Norway	2,368	3,163	2,495	386	8.2x	9.1x
Austevoll Seafood ASA	Norway	1,345	3,219	2,838	300	10.7x	6.5x
Austevoll Seafood ASA	Norway	1,345	3,219	2,838	300	10.7x	6.5x
Brim hf.	Iceland	975	1,330	431	95	14.0x	12.3x
Grieg Seafood ASA	Norway	776	988	621	67	14.9x	8.7x
Public Joint Stock Company Inarctica	Russia	432	0	113	72	.0x	7.9x
High Liner Foods Incorporated	Canada	256	570	1,012	86	6.7x	7.2x
Kyokuyo Co., Ltd.	Japan	267	637	1,706	67	9.6x	10.7x
Arctic Fish Holding AS	Iceland	258	352	55	22	16.0x	28.3x
Sempio Company	South Korea	70	155	263	17	9.0x	5.7x
Blue Island Plc	Cyprus	14	14	31	3	4.2x	6.4x
Seko S.A.	Poland	13	13	43	1	11.9x	13.1x
<b>Median</b>						<b>10.7x</b>	<b>9.1x</b>



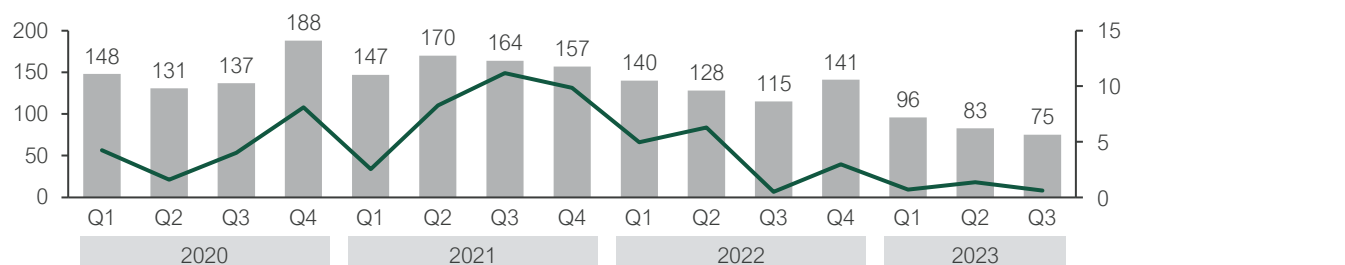
### Recent Food and Agriculture M&A Transactions

Note: TEV = Total Enterprise Value. Total Transaction Value in €m. Data source: S&P Capital IQ.  
Selection of transactions by Proventis Partners.

Announced Date	Target	Target Country	Acquirer	Acquirer Country	Acquired Stake (in %)	Total Transaction Value	Implied EV/ EBITDA
28.09.2023	Cold Stone Creamery, Inc.	US	Spirit Halloween Superstores LLC	US	100	n/a	n/a
15.09.2023	Crackerjack Foods (Aust) Pty Ltd	AU	Lamb Weston, Inc.	US	100	n/a	n/a
30.08.2023	Schoko Winterscheidt GmbH	DE	Katjes Fassin GmbH + Co.KG	DE	50	n/a	n/a
25.08.2023	Romer's Hausbackerei AG	CH	IDAK Food Group AG	CH	-	n/a	n/a
03.08.2023	Naked Foods Limited	UK	Meadow Foods Limited	UK	100	n/a	n/a
02.08.2023	Nona Lim, LLC	US	Grand Leader Technology Limited	HK	100	n/a	n/a
01.08.2023	Marie Morin Canada	CA	Lactalis Canada Inc.	CA	100	n/a	n/a
07.07.2023	Morixe Hermanos S.A.C.I. (BASE:MORI)	US	Sociedad Comercial del Plata S.A. (BASE:COME)	AR	78	35	5.6
06.07.2023	GIASerne Molkerei GmbH	DE	Mutares SE & Co. KGaA (XTRA:MUX)	DE	100	n/a	n/a
05.07.2023	CalChef Foods, LLC	UK	Mars, Incorporated	US	100	n/a	n/a

### Global Food and Agriculture M&A Deal Count, Recorded Transaction Volume 2020-2023

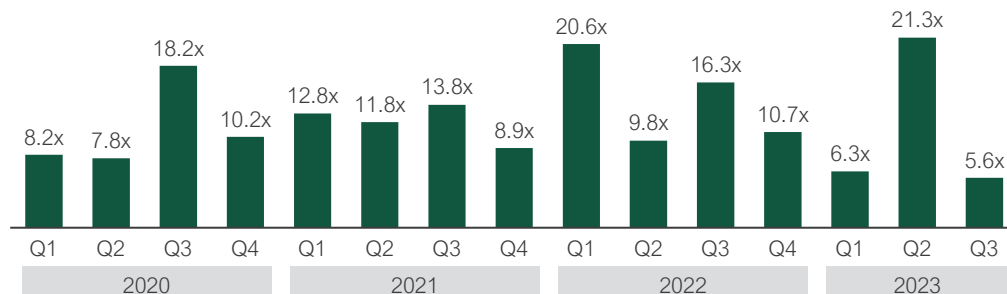
Data Source: S&P Capital IQ.



<sup>1</sup>: The transaction value is not representative due to a lack of deal value being published.

### Global Food and Agriculture M&A Transaction Multiples 2020-2023

Implied Transaction Enterprise Value / EBITDA of announced transactions with disclosed multiple.  
Data Source: S&P Capital IQ.



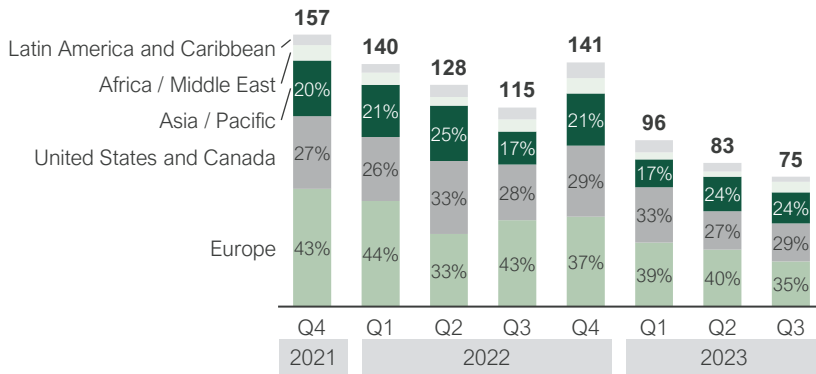
The transaction multiple for Q3 2023 is not representative due to a lack of deal value being published.

### Global Food and Agriculture M&A Deal Analysis

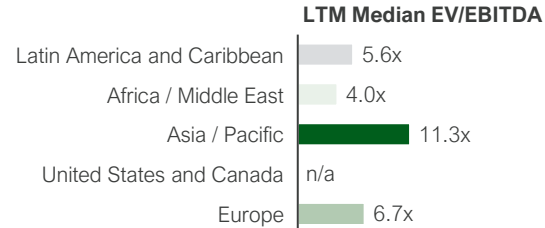
Announced transactions. Implied M&A Enterprise Value / LTM EBITDA of announced transactions with disclosed multiple.

Data Source: S&P Capital IQ

#### Deal count by Target Region

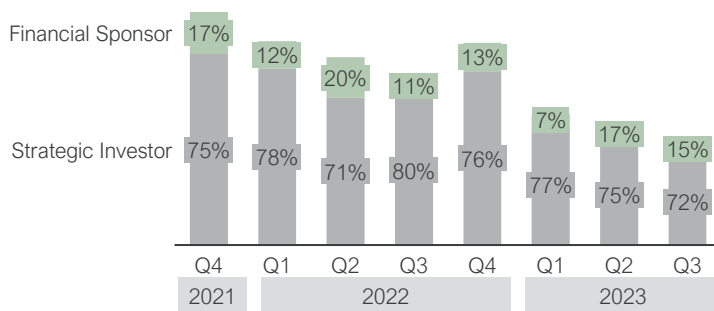


#### EBITDA Multiple by Target Region

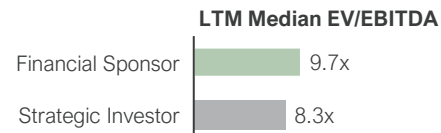


#### Deal count by Investor Type

Announced transaction with identified investors.

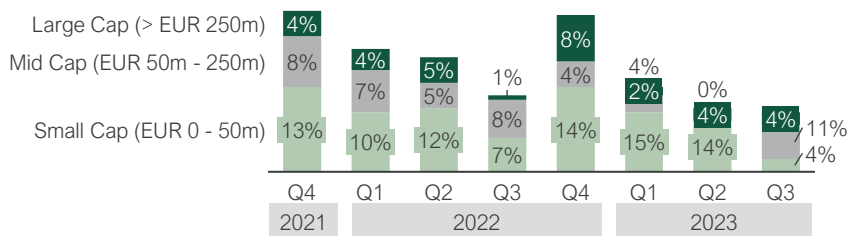


#### EBITDA Multiple by Investor Type

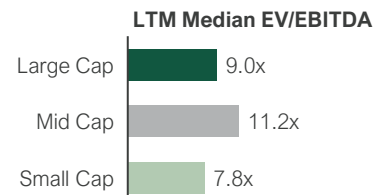


#### Deal count by Company Size

Announced transactions with disclosed annual pre-transaction revenues (Inconsistency of data due to lack of revenue figures being published)



#### EBITDA Multiple by Company Size



### Notes

The analysis considers announced transactions only. Recent Transactions and Quarterly Multiples only include transactions with available Enterprise Values (EV). As Capital IQ constantly updates its database, the values might differ from previous M&A Facts.

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