



M & A  
WORLDWIDE

# Table Stakes: M&A in Food, Beverage and Food Retail Agriculture, Food and Beverage Sector

INDUSTRY REPORT - Q2 2024

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## 1. Executive summary

Despite a tougher dealmaking environment, the food and beverage sectors showed remarkable resilience, bolstered by steady participation from strategics and financials alike, while food retailers also leveraged M&A to navigate a delicate macroeconomic background.

The **food sector** saw steady M&A values in 2023, with companies focused on **vertical integration, non-core disposals and sustainability**. As part of their **portfolio optimization**, incumbents are also increasingly pursuing niche, high-growth brands as they look to lock in their captive customer bases.

The **beverage sector** defied expectations as M&A value grew in 2023, with dealmaking bolstered by the **consolidation** in vintners and an increasing consumer preference for **premium brands and ready-to-drink beverages**. The broader consumer shift towards **health-conscious living** has also giving a rise to activity in the **better-for-you and no/low-alcohol beverages**.

The **food retail sector moderated** in line with the broader M&A slowdown. However, there was a noticeable shift towards deals focused on **consolidation** over the past couple of years as companies looked to achieve scale to manage costs and improve efficiencies amid rising inflation and competitive pressures. This shift was most noticeable in the **grocery and convenience stores** subsector.

The combination of **steady public and private valuations, robust sponsor interest and a bubbling lower mid-market** along with significant tailwind from the interest rate cuts on the horizon bode well for dealmaking in 2024 and beyond.



**Food M&A**  
increasingly focused  
on expanding  
**scope** of offerings



**Beverage M&A**  
increased in **value**  
in 2023, defying  
expectations



**Food retail M&A**  
has focused on  
**scale** deals to  
control costs



**Consistent PE**  
involvement  
underscores  
sector's robustness



**Steady public and**  
**private valuations**  
provide fertile  
ground for deals



**Lower mid-**  
**market<sup>1</sup>** continues  
to **dominate M&A**  
**volume**

1. Lower mid-market: deal size < €250M

## 2. M&A trends

This report explores the M&A across food and beverage manufacturers and brands and food retailers in North America, Europe and South America from 2019 to 2023.

While the food and beverage companies have capitalized on M&A for growth and resilience, the retail sector has employed strategic M&A as a crucial tool to adapt and realign in a rapidly changing marketplace. Sponsors have also maintained faith in the sector despite a tighter financing environment due to steady valuations and a positive outlook.



~6.5%

Expected CAGR of the food sector (2024-28)



~10.0%

Expected CAGR of the beverage sector (2024-29)

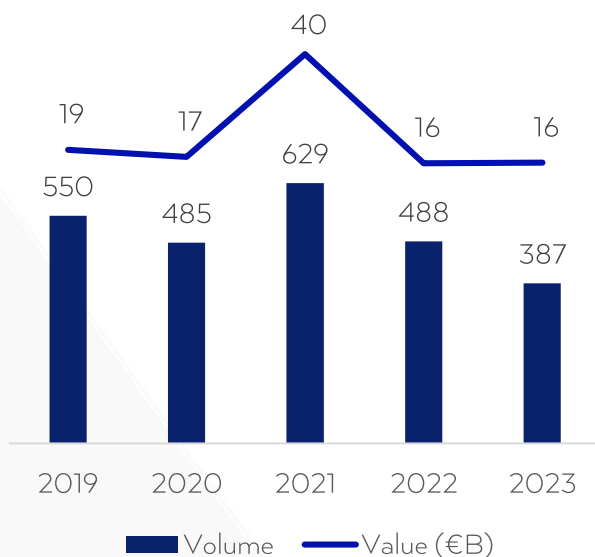


€11.2T

Size of global food retail sector (2023)

### 2.1. Deal value shows resilience

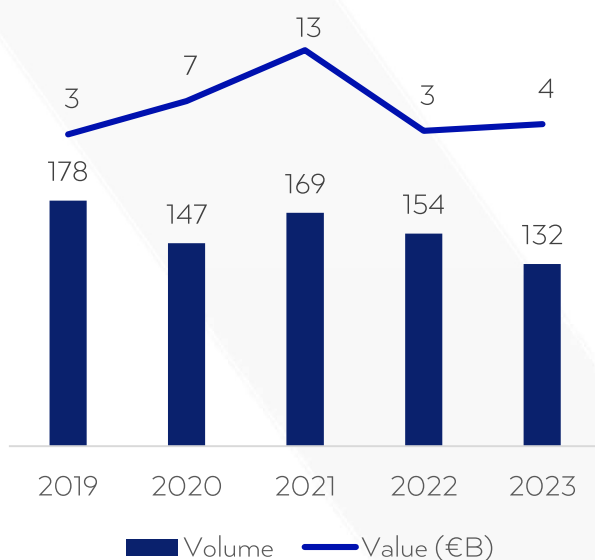
#### 2.1.1. Food: Deal value holds steady in 2023



Deal value remained resilient owing to M&A targeted at:

- **Vertical integration:**
  - Tyson Foods acquired Williams Sausage for €203M
  - Hershey acquired two plants from Weaver Popcorn Manufacturing for €150M
- **Non-core disposals by incumbents:**
  - Kerry sold its Sweet Ingredients Portfolio to IRCA for €500M
  - Marfrig sold its cattle and lamb processing plants to Minerva for \$1.5B
- **Sustainability:**
  - Mars acquired Kevin's Natural Foods for \$800M
  - Morinaga Nutritional Foods acquired Tofurky and Moocho for \$12M

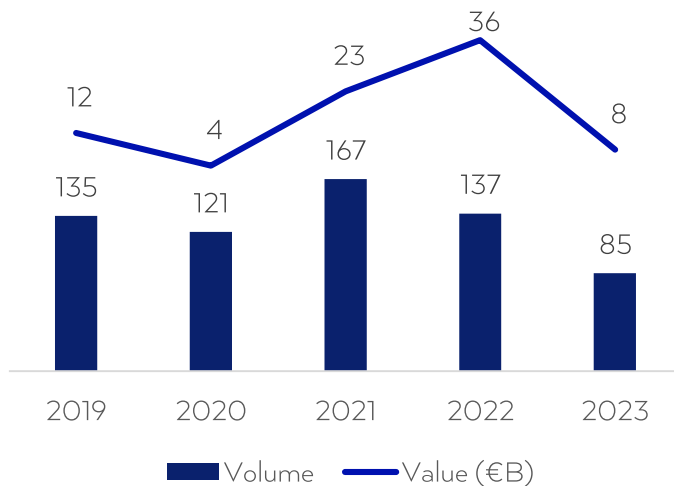
#### 2.1.2. Beverage: Deal value increases in 2023



Deal value increased owing to M&A targeted at:

- **Wine consolidation:**
  - Treasury Wine Estates acquired Daou Vineyards for €919M
  - Berry Bros & Rudd and Symington Family acquired Hambledon Vineyard for €27M
- **Premiumization:**
  - Bacardi acquired D'USSÉ Cognac for €686M
  - MGP Ingredients acquired Penelope Bourbon for €202M
- **Ready-to-drink beverages:**
  - Chobani acquired La Colombe for \$900M
  - Nolet's acquisition of Lucas Bols for €256M

### 2.1.3. Food retail: Deal volume and value continue to moderate



Despite the slowdown, **groceries and convenience stores** emerged as a M&A hotspot as companies looked for **economies of scale** to grapple with inflationary pressures:

- ASDA Group acquired EG Group’s UK and Ireland business for €2,283M
- C&S Wholesale Grocers acquired 413 stores from Kroger-Albertsons €1,776M
- Carrefour acquired Cora and Match assets from Louis Delhaize for €1,050M
- Auchan acquired 489 Minipreço stores from Dia Group for €160M
- Carrefour acquired 47 SuperCor stores from El Corte Inglés for €60M

## 2.2. Steady public and private valuations

Our analysis reveals that both public and private valuations are reasonably close to each other for all three categories, with **food companies at 13-15x**, **beverage companies at 14-16x** and **food retailers at 8-11x** EBITDA.

### 2.2.1. Public valuations

Figures as of May 6, 2024, in EUR millions, unless noted otherwise

	Country	Ticker	Market Capitalization (€M)	Enterprise Value (€M)	EV / EBITDA				
					2023A	LTM	2024E	2025E	2026E
<b>Food</b>									
Nestlé S.A.	CH	SWX:NESN	245,467.8	296,753.3	15.2x	15.2x	14.4x	13.6x	12.9x
Mondelez International, Inc.	US	NASDAQGS:MDLZ	87,056.9	103,970.6	16.0x	13.3x	15.0x	14.3x	13.4x
The Kraft Heinz Company	US	NASDAQGS:KHC	40,278.6	57,991.4	10.1x	9.7x	9.7x	9.3x	9.1x
Danone S.A.	FR	ENXTPA:BN	37,292.8	47,610.8	10.9x	10.9x	10.2x	9.7x	9.2x
The Hershey Company	US	NYSE:HSY	36,879.0	41,683.1	15.6x	13.9x	14.6x	14.3x	13.6x
General Mills, Inc.	US	NYSE:GIS	36,226.4	47,530.6	12.7x	12.0x	12.2x	12.0x	11.5x
Chocoladefabriken Lindt & Sprüngli AG	CH	SWX:LISN	25,058.5	26,025.4	24.2x	24.2x	22.1x	20.5x	19.0x
Kellanova	US	NYSE:K	19,050.8	25,130.8	15.3x	14.7x	12.1x	11.6x	11.0x
McCormick & Company, Incorporated	US	NYSE:MKC	18,699.9	22,742.6	20.4x	20.1x	19.3x	18.2x	17.2x
Grupo Bimbo, S.A.B. de C.V.	MX	BMV:BIMBO A	16,778.2	24,517.8	8.4x	8.4x	7.9x	7.2x	7.1x
Average					14.9x	14.2x	13.7x	13.1x	12.4x
Median					15.2x	13.6x	13.3x	12.8x	12.2x
<b>Beverage</b>									
The Coca-Cola Company	US	NYSE:KO	249,288.6	275,614.2	21.1x	20.3x	19.7x	18.4x	17.3x
PepsiCo, Inc.	US	NASDAQGS:PEP	224,335.6	259,288.7	17.6x	17.1x	15.6x	14.5x	13.6x
Anheuser-Busch InBev SA/NV	BE	ENXTBR:ABI	110,005.4	181,268.6	11.0x	11.0x	9.1x	8.6x	8.1x
Diageo plc	GB	LSE:DGE	70,685.5	91,392.5	14.5x	14.5x	14.2x	13.6x	13.3x
Monster Beverage Corporation	US	NASDAQGS:MNST	52,421.3	49,116.6	26.1x	24.8x	22.2x	19.6x	17.5x
Heineken N.V.	NL	ENXTAM:HEIA	50,639.6	69,233.6	12.1x	12.1x	10.2x	9.4x	8.9x
Constellation Brands, Inc.	US	NYSE:STZ	43,690.8	55,502.5	17.1x	16.6x	15.2x	14.1x	12.9x
Keurig Dr Pepper Inc.	US	NASDAQGS:KDP	42,222.1	57,473.6	16.1x	15.1x	13.7x	13.1x	12.7x
Ambev S.A.	BR	BOVESPA:ABEV3	35,888.4	33,754.0	7.7x	7.7x	6.6x	6.2x	6.0x
Pernod Ricard SA	FR	ENXTPA:RI	35,651.7	48,057.7	15.0x	15.0x	13.1x	12.4x	11.6x
Average					15.8x	15.4x	14.0x	13.0x	12.2x
Median					15.6x	15.1x	13.9x	13.3x	12.8x
<b>Food retail</b>									
Alimentation Couche-Tard Inc.	CA	TSX:ATD	49,175.1	61,289.3	12.7x	12.7x	10.9x	10.1x	9.6x
The Kroger Co.	US	NYSE:KR	36,999.7	53,212.6	7.0x	7.0x	7.3x	7.2x	7.0x
Loblaw Companies Limited	CA	TSX:L	32,270.1	43,547.0	12.7x	12.7x	9.1x	8.8x	9.1x
Koninklijke Ahold Delhaize N.V.	NL	ENXTAM:AD	26,742.4	41,044.4	8.0x	8.0x	5.8x	5.6x	5.4x
Jerónimo Martins, SGPS, S.A.	PT	ENXTLS:JMT	11,129.3	14,145.2	8.7x	8.5x	6.6x	6.1x	5.7x
Metro Inc.	CA	TSX:MRU	12,436.7	15,220.7	11.5x	11.7x	10.3x	9.8x	9.4x
Casey's General Stores, Inc.	US	NASDAQGS:CASY	11,103.7	12,457.8	13.4x	13.4x	12.3x	11.3x	10.3x
Albertsons Companies, Inc.	US	NYSE:ACI	11,050.1	24,068.9	6.5x	6.4x	6.3x	6.2x	6.0x
Dino Polska S.A.	PL	WSE:DNP	9,015.3	9,237.0	18.1x	18.1x	14.6x	12.1x	10.3x
Grupo Comercial Chedraui, S.A.B. de C.V.	MX	BMV:CHDRAUI B	6,556.0	8,943.4	8.3x	7.8x	6.6x	6.2x	5.8x
Average					10.7x	10.6x	9.0x	8.3x	7.9x
Median					10.1x	10.1x	8.2x	8.0x	8.0x

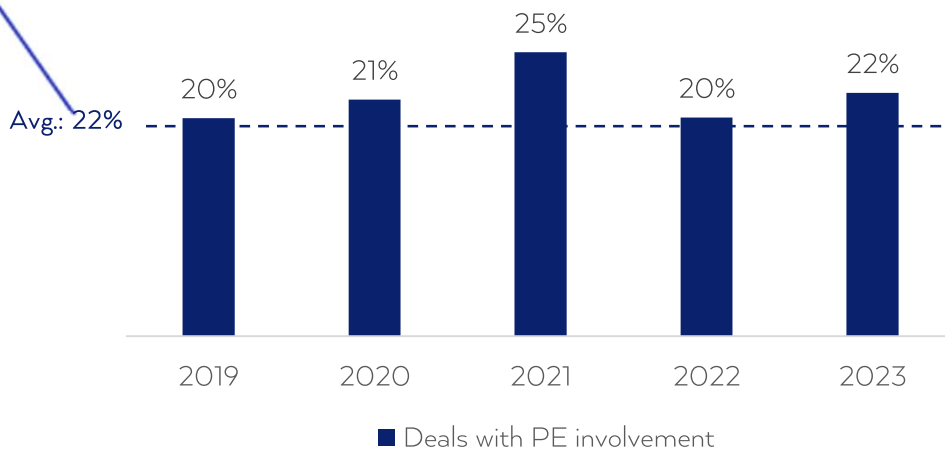
## 2.2.2. Private valuations – For the biggest deals as well as the entire dataset – 2021-23

Date	Target	Country	Buyer (PE)	Rationale	Deal value (€M)	EV/EB ITDA
<b>Food</b>						
Sep-23	Hostess Brands, Inc.	US	The J. M. Smucker Company (NYSE:SJM)	Growth	5,014	18.2
Feb-21	Nuts Business of The Kraft Heinz Co.	US	Hormel Foods Corporation (NYSE:HRL)	Non-core disposal	2,753	12.5
Aug-23	Sovos Brands, Inc.	US	Campbell Soup Company (NYSE:CPB)	Growth	2,494	15.7
May-21	Valeo Foods Group Limited	IE	Bain Capital LP	Consolidation	1,700	10.0
May-21	Solina Group Holding SAS	FR	Astorg Partners SA	Consolidation	1,700	17.0
<b>Average</b>						14.7
<b>Average (dataset)</b>						14.8
<b>Beverage</b>						
Aug-21	Stock Spirits Group PLC	UK	CVC Capital Partners Limited	Premiumization	927	13.3
Oct-23	Daou Vineyards, LLC	US	Treasury Wine Estates Limited (ASX:TWE)	Wine consolidation	919	20.9
Jan-21	Luxco, Inc.	US	MGP Ingredients, Inc. (NASDAQGS:MGPI)	Premiumization	455	18.0
Jul-23	Vrumona BV	NL	Royal Unibrew A/S (CPSE:RBREW)	Growth	300	12.0
Nov-21	Frank Family Vineyards, LLC	US	Treasury Wine Estates Limited (ASX:TWE)	Wine consolidation	279	13.2
<b>Average</b>						15.5
<b>Average (dataset)</b>						13.8
<b>Food retail</b>						
Jun-21	Wm Morrison Supermarkets PLC	UK	Clayton, Dubilier & Rice, LLC	Growth	12,023	12.7
Jul-22	Valora Holding AG	CH	Fomento Economico Mexicano SAB de CV (BMV:FEMSA UBD)	Growth	2,444	10.2
Mar-21	Grupo Big Brasil S.A.	BR	Atacadão S.A. (BOVESPA:CRFB3)	Consolidation	2,057	7.3
Nov-21	Hortigil Hortifruti S.A.	BR	If Capital Ltda	Growth	420	15.1
Feb-22	M&M Food Market	CA	Parkland Corporation (TSX:PKI)	Consolidation	229	8.5
<b>Average</b>						10.8
<b>Average (dataset)</b>						8.4

### 2.3. Most active buyers

Company	Country	Subsector	No. of acquisitions	Cross-border deals?	Most targeted subsector
<b>Food</b>					
Premium Brands Holdings Corporation (TSX:PBH)	CA	Specialty Foods	11	No	Meat and Seafood
Solina Group SAS	FR	Food Ingredients	10	Yes	Spices
Groupe Lactalis S.A.	FR	Dairy Products	9	Yes	Yogurt and Cheese
Humble Group AB (publ) (OM:HUMBLE)	SE	FMCG	9	Yes	Health Food
United Petfood Producers N.V.	BE	Animal Feed	8	Yes	Wet Food
<b>Beverage</b>					
Arctic Glacier, LLC	US	Manufactured Ice	9	Yes	Packaged Ice
E. & J. Gallo Winery, Inc.	US	Spirits and Liquors	8	No	White Wine
Pernod Ricard SA (ENXTPA:RI)	FR	Spirits and Liquors	8	Yes	Wine and Gin
Vintage Wine Estates, Inc. (NASDAQCM:VWE)	US	Spirits and Liquors	7	No	Wine and Ciders
Royal Unibrew A/S (CPSE:RBREW)	DK	Beer, Ale and Malt Beverages	7	No	Craft Beer
<b>Food retail</b>					
Studenac, D.O.O.	HR	Grocery Stores	8	No	Grocery Stores
Five Star Food Service, Inc.	US	Automatic Food Vending Machine Retail	7	No	Beverage Vending
Supermarket Income REIT plc (LSE:SUPR)	UK	Retail REITs	6	No	Supermarkets
GrubMarket, Inc.	US	B2B Food eCommerce	5	No	Fresh Fruits and Vegetables
Casey's General Stores, Inc. (NASDAQGS:CASY)	US	Convenience Stores	5	No	Convenience Stores

## 2.4. Sponsor interest holds firm



Despite interest rates being at decadal highs, sponsors have shown remarkable resilience and have continued to invest in food, beverage and food retail companies. Their participation in 2023 was in line with their long-term average.

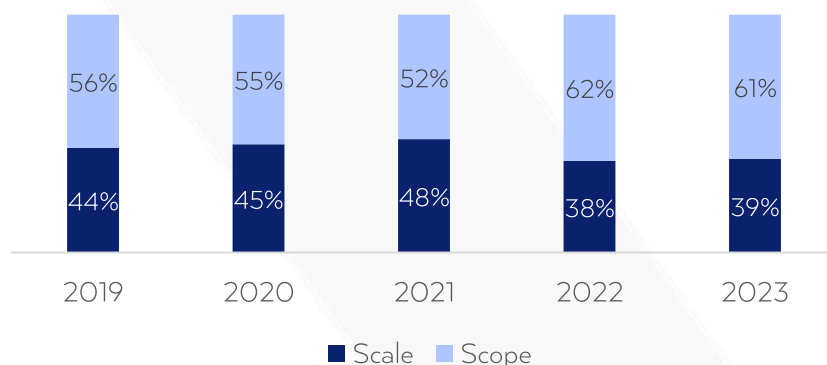
Some of the most active investors include:

PE firm	Country	No. of acquisitions	Cross-border deals?	Most targeted subsector
S-Ventures	UK	6	Yes	Packaged Food
CapVest Partners	UK	4	Yes	Packaged Food
Champlain Financial Corp.	CA	4	No	Packaged Food
SPC Management	US	3	No	Packaged Food
MidOcean Partners	US	3	No	Packaged Food
Tilia Holdings	US	3	No	Packaged Food
Ardian	FR	3	Yes	Food Ingredients
BREAL Group	UK	3	No	Beer

## 2.5. Scale vs. scope analysis

Investigating the proportion of scale deals (consolidation, i.e., buying companies with similar offerings to boost the bottom line) and scope deals (diversification, i.e., buying companies with dissimilar offerings to boost the top line).

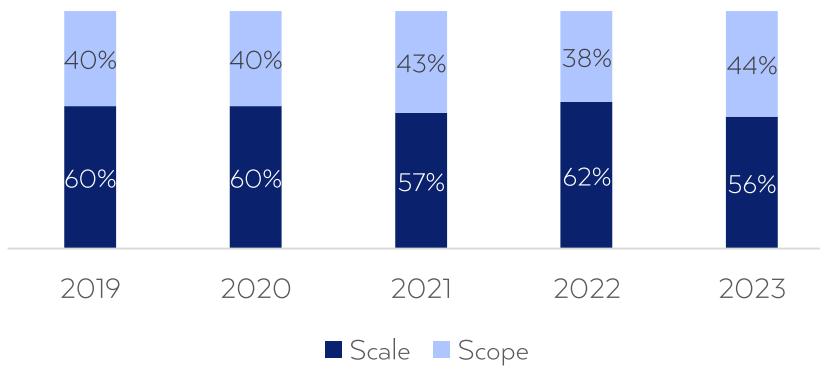
### 2.5.1. Food: Incumbents shift focus to emerging brands to diversify and boost growth



The food manufacturing space is fairly consolidated. Thus, the incumbents have, over the past few years, been shifting their focus to acquiring emerging brands that cater to high-growth niches. This helps them diversify their offerings and lock in potentially lucrative customer bases that might present interesting cross-selling opportunities going forward.



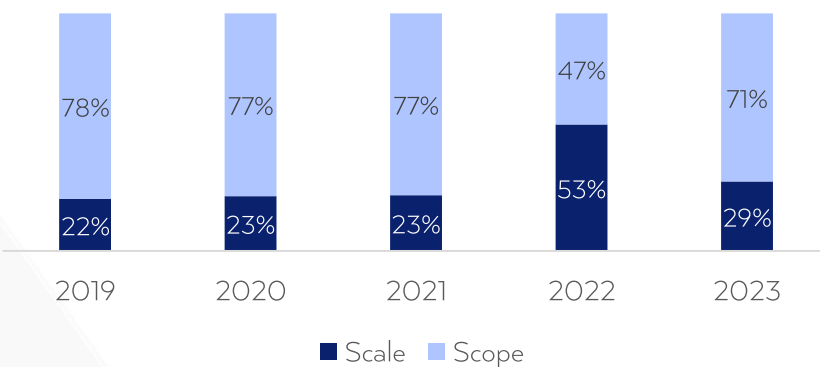
### 2.5.2. Beverages: Companies try to balance efficiencies of scale and finding new growth engines



While the industry is increasingly aware of the need to tap into new markets, some subsectors still display distinct dynamics:

- Brewers and vintners continue to prefer scale deals
- Distillers and soft drinks companies, however, are focusing more on scope deals targeting trends such as RTD, better-for-you and premiumization

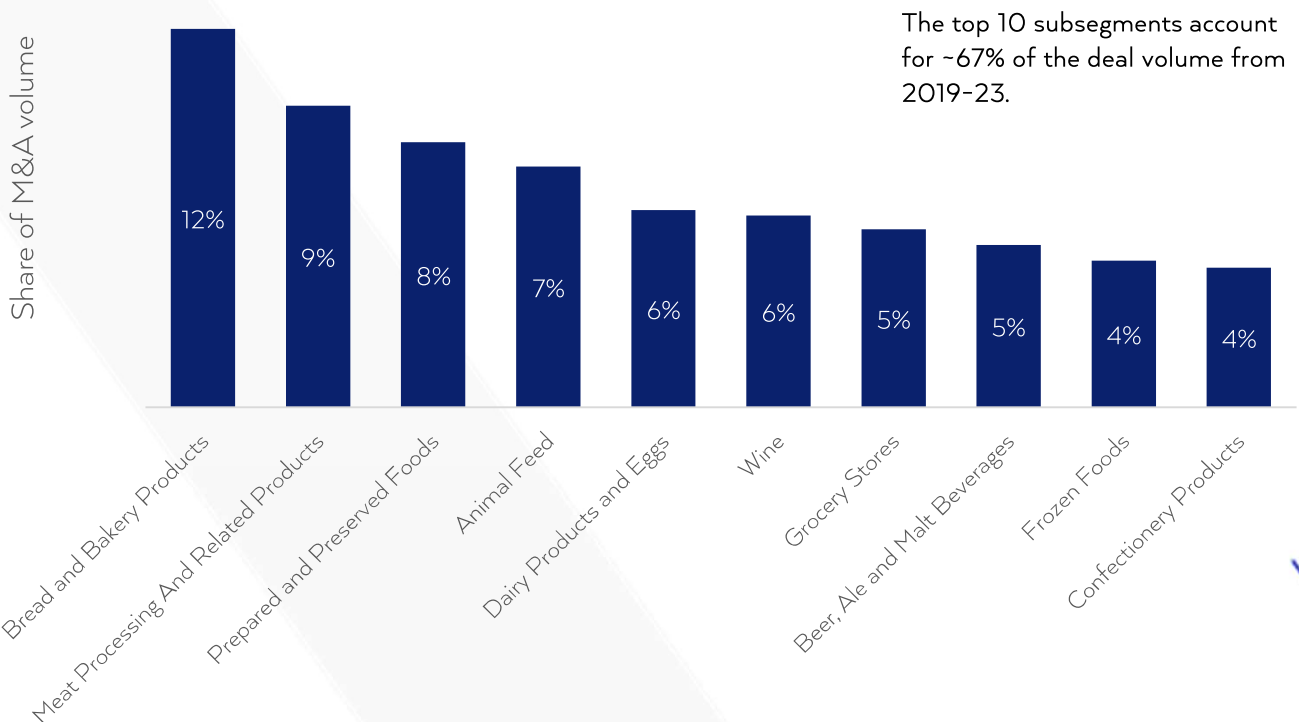
### 2.5.3. Food retail: Inflationary forces urge retailers towards scale



Food retail has historically been dominated by scope deals as incumbents continue to prioritize new revenue streams and food and beverage manufacturers try to vertically integrate.

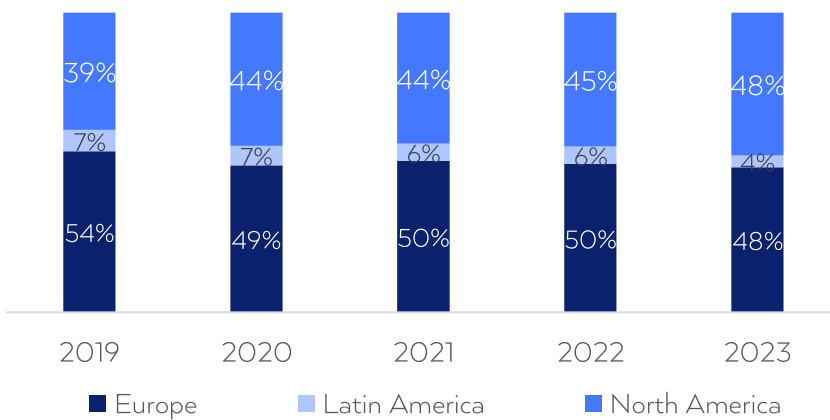
However, 2022 and 2023 saw a marked increase in scale deals as companies tried to find ways to alleviate margin pressures stemming from persistent inflation.

## 2.6. Top 10 most popular subsegments



The top 10 subsegments account for ~67% of the deal volume from 2019-23.

## 2.7. North American deal volume gains ground

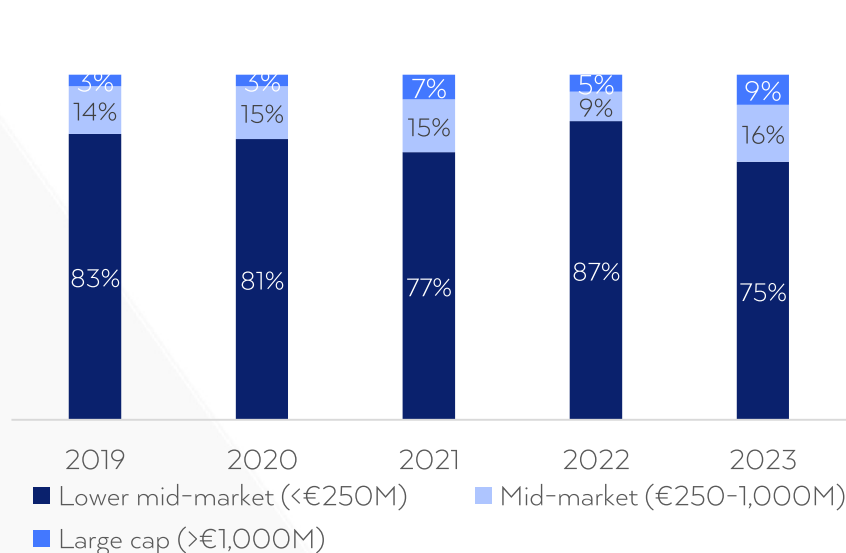


The share of North America in M&A volume has gone up from 39% in 2019 to 48% in 2023, now level with the European market.

This was primarily driven by its stronger post-pandemic economic recovery compared to Europe and Latin America.

North American capital markets have also fared better than their European and Latin American counterparts, further boosting M&A appetite.

## 2.8. Lower mid-market continues to drive deal volumes



The lower mid-market continues to be the bellwether of the industry, with an average share of 80% of the total deal volume from 2019-23.

However, there has been a slight shift towards large cap and mid-market deals over our analysis period.

This likely stems from companies intensifying their search for marquee, transformational deals to capitalize on the broader macroeconomic uncertainty and suitably position themselves for when the tide turns.

## 3. Other emerging areas

While the food sector is mature, there are emerging pockets of growth that will be increasingly important going forward. Below, we've highlighted some of the subsectors that have seen increased investor interest since 2021 and are likely to play a pivotal role in shaping how our food.

### 3.1. AgriTech

#### 3.1.1. Precision agriculture

- On June 26, 2023, **Nordson Corporation (Nasdaq: NDSN)**, a US-based precision technology company, announced that it has entered into a definitive agreement to acquire **ARAG Group**, an Italy-based developer, producer and supplier of precision control systems and smart fluid components for agricultural spraying, for €960 million.
- On April 27, 2022, **Linamar Corporation (TSX:LNR)**, a Canada-based advanced manufacturing company, announced that it has entered into an agreement to acquire **Salford Group**, a UK-based leader in manufacturing tillage and precision application equipment, for €192 million.
- On June 21, 2021, **CNH Industrial (NYSE: CNHI)**, a global capital goods company specializing in equipment and services for agriculture and construction, announced that it has entered into an agreement to acquire **Raven Industries, Inc. (NASDAQ: RAVN)**, a US-based leader in precision agriculture technology, for US\$2.1 billion.

#### 3.1.2. Automation

- On May 9, 2023, **Ecorobotix**, the Swiss manufacturer of ARA, an AI powered plant-by-plant recognition and ultra-high precision smart spraying system, announced the completion of a US\$52 million (CHF 46 million) funding round, jointly led by **AQTON Private Equity GmbH** and **Cibus Capital LLP**, with additional investments from **Swisscanto Invest**, **Yara Growth Ventures**, **Flexstone Partners**, and from existing investors including **Swisscom Ventures**, **BASF Venture Capital**, **4FOX Ventures**, and **Verve Ventures**.
- On April 11, 2023, **Carbon Robotics**, a US-based leader in AI-powered robotics for agriculture, announced that it has closed US\$30 million in Series C financing from new lead investor **Sozo Ventures** along with existing investors **Anthos Capital**, **Fuse Venture Capital**, **Ignition Partners**, **Liquid2** and **Voyager Capital**.
- On August 5, 2021, **Deere & Company (NYSE: DE)**, a world leader in providing advanced products, technology and services for customers whose work is revolutionizing agriculture and construction, announced that it has signed a definitive agreement to acquire **Bear Flag Robotics**, a US-based developer of autonomous driving technology for agricultural tractors, for €188 million.

#### 3.1.3. Sustainability

- On September 15, 2023, **Indigo Ag**, the premier sustainability partner of the agriculture industry, announced that it has raised over US\$250 million, in a round led by **Flagship Pioneering**, and new investors, including the **State of Michigan Retirement System**, **Lingotto Investment Management**.
- On November 22, 2022, **AgroFresh Solutions, Inc. (NASDAQ: AGFS)**, a US-based company that supports growers, packers, and retailers with solutions across the food supply chain to enhance the quality and extend the shelf life of fresh produce, announced that it has entered into a definitive agreement to be acquired by **Paine Schwartz Partners**, a global leader in sustainable food chain investing, for US\$573 million, including debt.
- On January 25, 2022, **Plenty Unlimited Inc.**, a US-based indoor, vertical farming technology company, announced that it has secured US\$400 million in a Series E financing round, led by new investors **One Madison Group** and **JS Capital**, includes participation from strategic partner **Walmart** and existing investor **SoftBank Vision Fund 1**.
- On July 19, 2021, **Pivot Bio**, a US-based sustainable agriculture company delivering crop nutrition technologies, announced the close of a US\$430 million Series D funding led by **DCVC** and **Temasek**.

### 3.2. Genetic engineering/Biotechnology

- On January 30, 2024, **Inari**, the SEEDesign™ company that develops seeds through a combination of AI-powered predictive design and a pioneered multiplex gene editing toolbox, announced the completion of a US\$103 million fundraise, in a round that received strong support from existing investors, including **Hanwha Impact**, **Canada Pension Plan Investment Board**, **Rivas Capital**, **NGS Super**, **State of Michigan Retirement System** and company founder **Flagship Pioneering** while also welcoming new investors **RCM Private Markets**.
- On January 25, 2024, **Infinite Roots (formerly Mushlabs)**, a Germany-based biotechnology company focusing on growing and harvesting mycelium as an ingredient for plant-based foods, announced that it has raised US\$58 million in its Series B round, which saw participation from **Dr. Hans Riegel Holding (HRH)** with support from the **European Innovation Council (EIC) Fund**, German retail giant **REWE Group**, and **Betagro Ventures**, the venture arm of Thai agrifood giant **Betrago**.
- On July 11, 2023, **Aphea.Bio**, a Belgium-based agricultural biotechnology company, announced the successful closing of its Series C Funding round, securing €70 million. The round was led by **Innovation Industries**, joined by **Korys Investments** and supported by **Bill & Melinda Gates Foundation**, **SFPIM**, **BNP Paribas Fortis** and received strong support from returning investors **ECBF**, **Astanor**, **AIF** as well as other existing shareholders.
- On January 31, 2023, **Enko**, a US-base crop health company developing leading molecules across all categories of crop protection through its ENKOMPASS™ technology platform, which combines DNA-encoded library screening with machine learning and structure-based design, announced that it has completed its US\$80M Series C, in a round that saw participation from **Nufarm**, **Anterra Capital**, **Taher Gozal**, the **Bill & Melinda Gates Foundation**, **Eight Roads Ventures**, **Finistere Ventures**, **Novalis LifeSciences**, **Germin8 Ventures**, **TO Ventures Food**, **Endeavor8**, **Alumni Ventures Group** and **Rabo Food & Agri Innovation Fund**.

### 3.3. Plant-based and organic foods

- On April 15, 2024, **Glanbia plc (ISE:GL9)**, an Ireland-based global nutrition company, announced that it has entered into an agreement to acquire **Flavor Producers LLC**, a leading platform in the US providing flavors and extracts to the food and beverage industries, with a focus on organic and natural ingredients, for \$355 million, at an **EV/EBITDA multiple of 18.0**. Flavor Producers significantly expands Glanbia's flavors offering, bringing new capabilities in the attractive and growing natural and organic flavors market.
- On February 13, 2024, **Whole Earth Brands, Inc. (Nasdaq: FREE)**, a global food company enabling healthier lifestyles through premium plant-based sweeteners, flavor enhancers and other foods, announced that it has entered into a definitive agreement to be acquired by **Sweet Oak**, which is backed by **Rhône Capital**, a US-based PE firm, for \$598 million, including debt, at an **EV/EBITDA multiple of 10.1**. The sale was greenlit after a comprehensive overview of strategic alternatives for Whole Earth Brands.
- On September 16, 2022, **House Foods Group Inc.**, a Japanese foodservice company headquartered in Tokyo and Osaka, announced that it has signed a definitive agreement to acquire **Keystone Natural Holdings, LLC**, a leading manufacturer of tofu and plant-based foods in North America, for \$88.6 million, at an **EV/EBITDA multiple of 39.6**. Through this acquisition, House Foods will expand its portfolio of value-added tofu and plant-based food products and accelerate its US market expansion plans, with the combined company having eight manufacturing facilities across North America.

## 4. Outlook remains positive

The resilience demonstrated by the food, beverage, and retail sectors over the past few years sets a healthy foundation for their future. The landscape ahead looks promising, with steady valuations and consistent growth rates signaling a stable market while evolving consumer preferences, especially towards sustainability and health consciousness, open new avenues for growth through accretive M&A by discerning buyers and sellers.

The tighter macroeconomic background also presents compelling opportunities to pursue M&A for scale and gain a vital edge in the ever-evolving marketplace.

The sustained interest shown by the private equity firms is a testament to the value created by this sector and the continuous promise it holds. Emerging fields like agritech and biotechnology have the potential to further open up the market to new players and provide astute incumbents with new avenues for growth and profitability.

Most importantly, with the fight against inflation almost won across North America and Europe, the widely expected rate cuts in the second half of 2024 should provide a significant stimulus to the markets. Any such developments would materially increase the upside from marquee transactions aimed at long-term value creation.

To conclude, M&A remains a great option to boost the top and bottom line in this mature yet dynamic industry and companies would be well advised to have an inorganic growth plan in place to complement their organic strategy to maximize their chances of staying competitive.

## 5. About M&A Worldwide

### 5.1. Transactions in the Sector

- Armillary proudly facilitated the sale of Independent Fisheries Limited to Sealord Group Limited, a joint venture between New Zealand-based, Aotearoa Fisheries Limited (100% iwi owned) and Japanese domiciled, Nissui Corporation.
- This landmark transaction marks a significant moment in New Zealand's fishing industry and solidifies Sealord as the country's largest fishing company and one of the largest in the Southern Hemisphere.
- Led by Peter Bosworth and David Wallace, the Armillary team played a pivotal role in the success of this transaction, including Jono Sloan, and Jai Goradia.
- Independent Fisheries, with a history of 63 years, originated as a fish and chip shop in Christchurch's Linwood suburb run by Howard Shadbolt. Since that time and under the management of the late Charles Shadbolt and Mark Allison, it evolved into the second largest privately-owned deep-sea fishing company operating in New Zealand, vertically integrated from harvest to consumer. It had a reputation for delivering a high standard of product and market outlier for profitability, exporting to major markets in China, Japan, South Africa, and Eastern Europe.
- The transaction encompassed the fourth largest quota package in New Zealand with 46,000 metric tons of quota, one chartered and two owned deep sea factory fishing vessels, over 500 crew, and a cold storage factory based in Christchurch, South Island, New Zealand.



- Armillary worked closely with highly regarded firms Grant Thornton (Accounting) and Chapman Tripp (Legal), showcasing the strength of collaboration in achieving a seamless and successful transaction after receiving offers from multiple domestic and international counterparties. As one of the major stakeholders involved in the acquisition of Independent Fisheries was offshore, approval from New Zealand's Overseas Investment Office was required. Furthermore, due to the size of the quota package, the New Zealand Commerce Commission also had to grant approval following an assessment of the impact on competition in the market.
- This strategic acquisition not only strengthens Sealord's position but also marks a testament to the expertise, collaboration, and industry insight brought together by Armillary, Grant Thornton, and Chapman Tripp.


### 5.1.1 Transactions in the Sector

- FOCUS Investment Banking and FOCUS Capital Partners were jointly mandated to sell the Devenish North America business for Devenish Nutrition.
- Devenish Nutrition ("Devenish"), founded in 1952 in Belfast, Northern Ireland, provides products and services to the global agricultural industry. Devenish manages an extensive portfolio of animal nutrition products with over 70 trademarked and branded products servicing over 7,500 customers across the Pig, Ruminant, Poultry and Companion animal nutrition market segments. Devenish have a heavy focus on R&D, innovation and sustainability, with operations in Ireland, the UK, Turkey, the Middle East, the U.S., and Mexico. Today, 90% of Devenish sales are derived from manufactured products. Initially, FOCUS Capital Partners was engaged to raise growth capital for the company; however, the decision was made to sell its U.S. subsidiary Devenish North America which is comprised of four manufacturing facilities, three of which are located in the U.S. and one in Mexico.

Ireland
03/2024



has acquired



Sell-side

- Rick Thomas, CEO of FOCUS Investment Banking, explained that this was truly a global deal for entire deal team - the client was based in Northern Ireland, the business for sale was based in North America, the ultimate buyer was from Asia, with corporate finance, financial, tax and legal teams based in the U.S. and Ireland. Intercultural sensitivity also played a key part as there were multiple cultures and languages involved in the deal, as Easy Bio is a South Korean firm. These aspects were successfully managed by the Irish and American corporate finance teams respectively. The fact that FOCUS Capital Partners and FOCUS Investment Banking knew each other well helped tremendously and they had each other's support throughout the entire sales process.
- The deal comprised the Devenish teams in Northern Ireland and the U.S., including the CEO, and the legal advisers to both teams in the U.S. and Ireland who worked tirelessly together to make the deal happen. Trust between the team members ensured that any challenges were overcome and that both corporate finance teams' proven track records ensured a successful outcome. FOCUS Capital Partners and FOCUS Investment Banking readily admit that they could not have handled the deal without each other and both parties played an equally important role.

5.1.2 Other transactions in the sector – M&A Worldwide

<p>IRELAND / USA Mar. 2024</p>  <p>North American division of a animal nutrition specialist.</p>  <p>Sell-side</p>	<p>NEW ZEALAND Jan.. 2024</p>  <p>Food Industry</p>  <p>Sell-side</p>	<p>NEW ZEALAND May 2023</p>  <p>Seed company specialized in breeding, multiplying and selling unique and common pasture and crop seed varieties.</p>  <p>Sell-side</p>
<p>GREECE May 2023</p>  <p>Leading coffee roasting and distribution company</p>  <p>Buy-side</p>	<p>FRANCE Mar. 2023</p>  <p>Production of wines and spirits</p>  <p>Vigneron - Distillateur Basque</p> <p>Sell-side</p>	<p>NL Jan. 2023</p>  <p>MANAGEMENT BUY IN</p> <p>Chocolatier</p>  <p>Sell-side</p>
<p>CHINA Dec.. 2022</p>  <p>Oilseeds manufacturer processor and seller</p>  <p>Sell-side</p>	<p>NL Dec. 2022</p>  <p>Research makes the difference!</p> <p>Hygiene in poultry farming and poultry specialised veterinary practice</p>  <p>experts in diergezondheid</p> <p>Sell-side</p>	<p>PORTUGAL Oct. 2022</p>  <p>Production of Animal Meat</p>  <p>Sell-side</p>



## 5.2 Experts Team



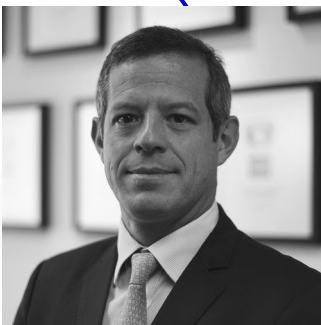
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