



**FOOD & BEVERAGE**  
**SECTOR UPDATE AND M&A TRENDS**  
Q1 2022

**ALMA.**advisors

# Deteriorating macroeconomic outlook is unlikely to weigh heavily on the F&B sector

## Sector overview

### Macroeconomic developments

- Elevated inflationary pressures are forcing central banks across the globe to tighten their monetary policies, spreading fear that this might **derail economic growth**
- The ongoing **Russian invasion of Ukraine** has suppressed exports from the Black Sea – the world's third largest grain and oilseed exporting region – which could cripple global supply, adding further on the already high inflationary pressures
- The non-cyclical side of the F&B sector such as dairy and food (consumer staples) have proven **resilient in the economic downturns** of the past
- Looking ahead, the consumer staples sector is set to **outperform** should the situation in global markets deteriorate

### Consumer trends

#### Covid-19 impact

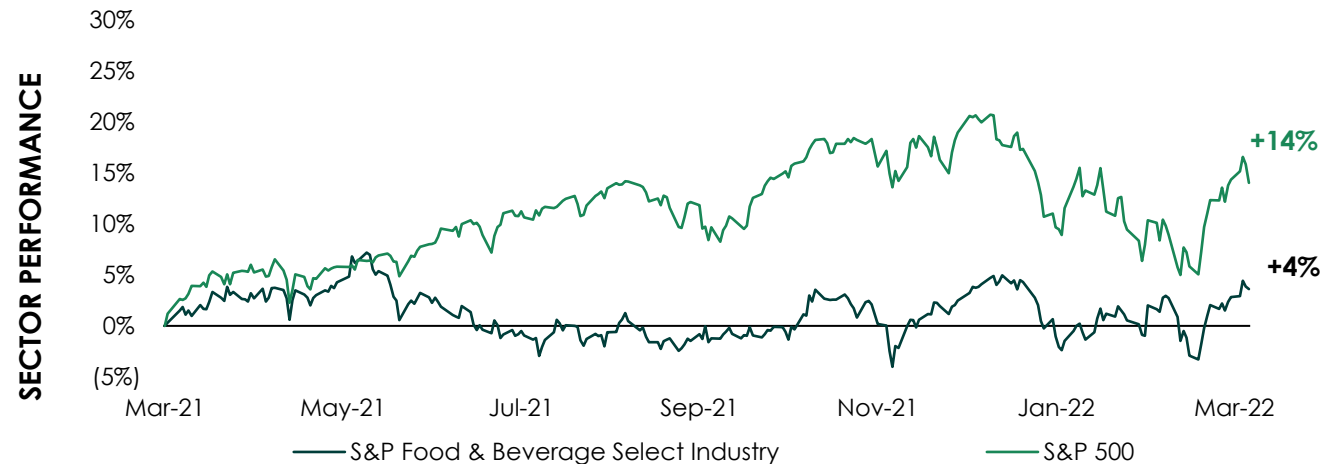
- Covid-19 had a **major impact on the food retail sector**, which in turn **kept the industry index well below the broader market**

#### Normalization

- Return to somewhat normal life supported the F&B market on its road to recovery
- **Ready meal products** have increased their popularity amongst consumers

#### New reality

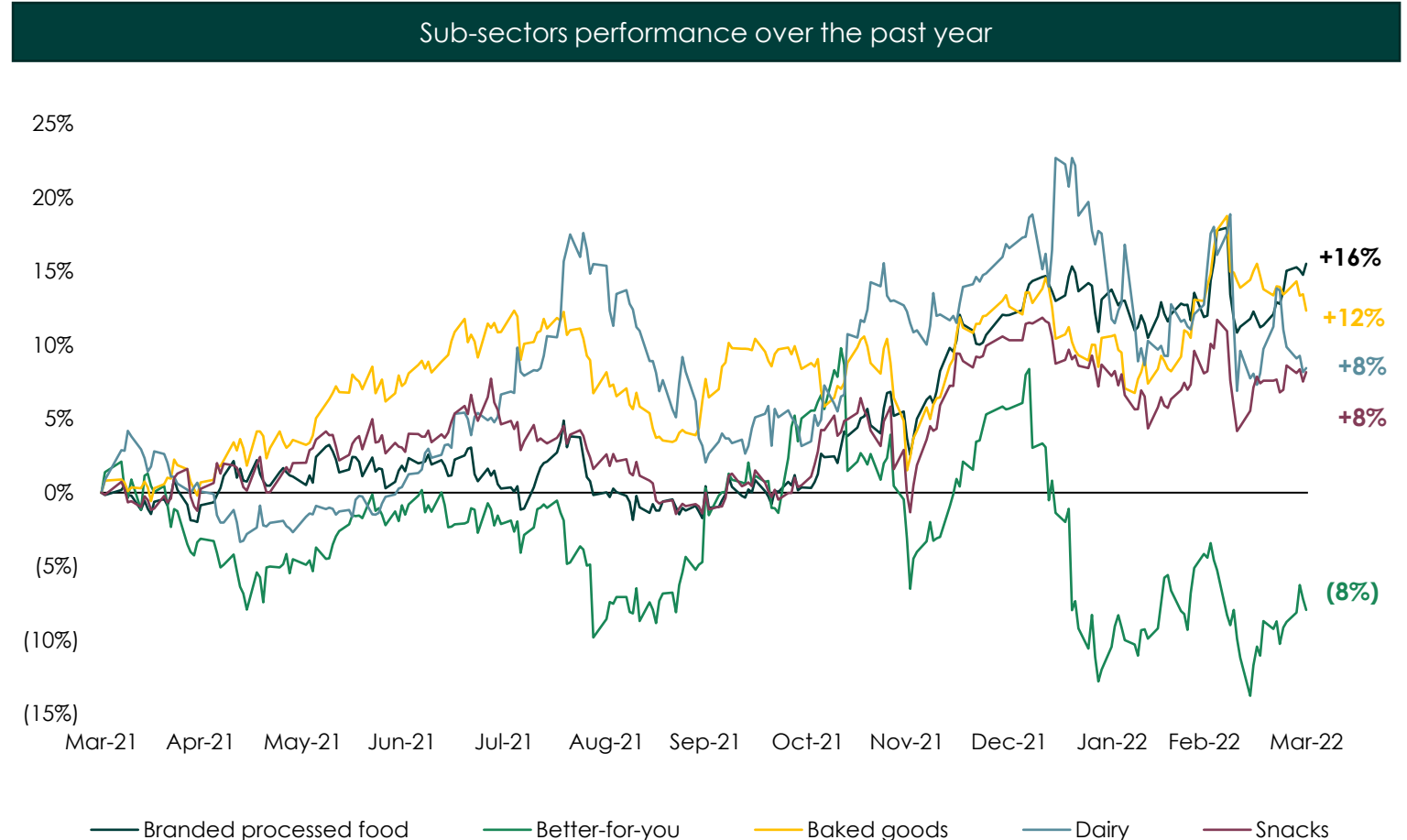
- Market is expected to **favour brands with:**
  - strong consumer connectivity
  - health and wellness benefits
  - convenient products



# Branded processed food segment was the undisputed winner of the F&B industry; better-for-you products lagged

## Publicly traded companies overview per sub-sector

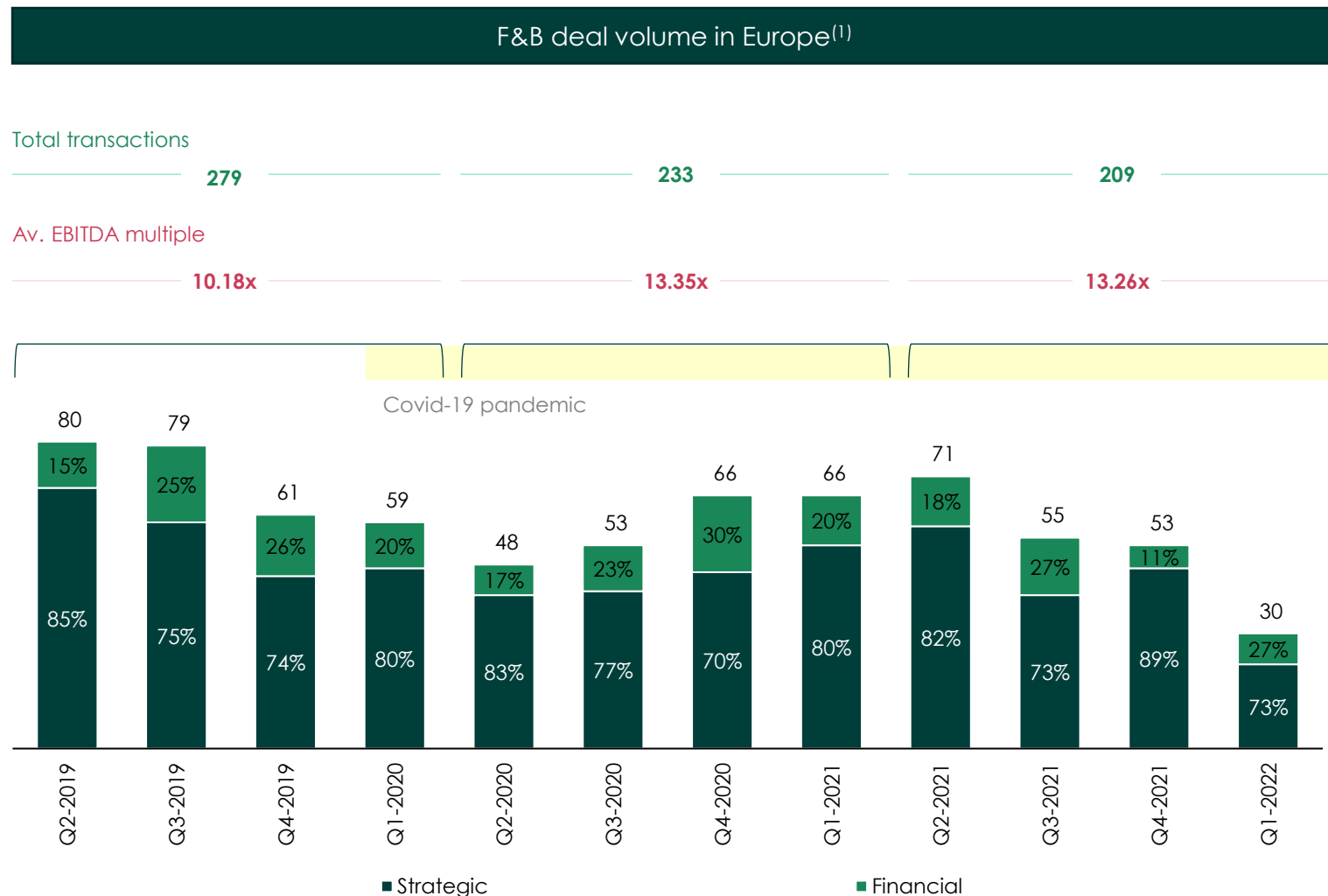
- *Branded processed food sub-sector picked up in October, leading the race between the rest of the F&B segments, recording returns of 16% (March 21 – March 22)*
- *Better-for-you publicly traded companies witnessed significant volatility over the same period, with their returns currently lagging the rest of the sector*



# M&A activity has proven resilient; EBITDA multiples above their pre-pandemic levels

## Europe M&A update

- Despite the drop in F&B M&A transactions during the pandemic, deal count remained resilient
- Strategic buyers have consistently accounted for over 70% of the deal count over the last 3 years
- This is expected to continue in the future as strategic acquirers look to enhance their product portfolio and expand to new verticals and geographies
- Valuations appear to have increased as per the EBITDA multiples available, reflecting competition amongst buyers for branded goods and local leaders



Data as of 31/03/2022

Notes: (1) Excl. retail and distribution transactions

Sources: FactSet

# European F&B M&A transactions<sup>(1)</sup>

Q1 2022



<i>(Figures in €m)</i>						
Date	Target	Buyer	EV	EV/Revenue	EV/EBITDA	
Mar-2022	Esro Food Group	Rabo Private Equity	-	-	-	
Mar-2022	Norvik	Meatex Trading	-	-	-	
Mar-2022	Russian Fishery	Russian Fishery / Management	-	-	-	
Mar-2022	Burton's Foods	Barvo FB	-	-	-	
Mar-2022	ION	ION / S. Theodoropoulos	-	-	-	
Mar-2022	Mark Toney & Co.	Mark Toney & Co / Raynes	-	-	-	
Mar-2022	Blueberry Food Studios	Gruner + Jahr Deutschland	-	-	-	
Feb-2022	Pistacchio	Redfish Longterm Capital	80.0	-	-	
Feb-2022	Hi-Food	Investindustrial Advisors; CSM Ingredients	-	-	-	
Feb-2022	GDR Food Technology	Dr. Schär UK	-	-	-	
Feb-2022	Livia's Health Foods	S-Ventures	-	-	-	
Feb-2022	Maced Sp zoo	Harwood Private Equity; Assisi Pet Care	-	-	-	
Feb-2022	Radeberger Fleisch- und Wurstwaren Korch	Rieker Investment	-	-	-	
Feb-2022	Menken Salades & Sauzen	DGS Group	-	-	-	
Jan-2022	Grove Pet Foods	Cranswick	-	-	-	
Jan-2022	Roelandt	Colruyt	-	-	-	
Jan-2022	Bourgogne Escargot	Bourgogne Escargot / Quenardel	-	-	-	
Jan-2022	A & K Die frische Küche	Storskogen Group	-	-	-	
Jan-2022	Country Farm Factory	Bannate	-	-	-	
Jan-2022	Liven	Paulig Ab	-	-	-	
Jan-2022	Société d'Exploitation de la Laiterie du Col Bayard	P. Jacquin et Fils	-	-	-	
Jan-2022	Harborough Foods	Lloyds Development Capital; Bramble Foods	-	-	-	
Jan-2022	Vesteralen Marine Olje	Orkla Health	-	-	-	
Jan-2022	Sigma Alimentos SA de CV / 2 Production Sites	Cooperl Arc Atlantique	-	-	-	
Jan-2022	Salumificio San Paolo	Salumificio F.lli Coati	-	-	-	
Jan-2022	Lechtermann-Pollmeier Bäckereien	AUCTUS Capital Partners	-	-	-	
Jan-2022	Proconi doo	ETA Kamnik doo	-	-	-	
Jan-2022	Munkebo Seafood	Bakkafrost; Munkebo Seafood	-	-	-	
Jan-2022	Soreal-Ilou	Ydeo SAS (Etrelles)	-	-	-	

Notes: (1) Excl. retail and distribution transactions; transactions not only limited to EU countries

Sources: FactSet

# Notable F&B M&A transactions in Greece<sup>(1)</sup>

From Q1 2020 to Q1 2022



*(Figures in €m)*

Date	Target	Buyer	EV	EV/Revenue	EV/EBITDA
Mar-2022	ION	ION / S. Theodoropoulos	-	-	-
Mar-2022	Cephalonian Fisheries	Grupo Profand	-	-	-
Feb-2022	Edesma & Amvrosia	S. Theodoropoulos	-	-	-
Feb-2022	Hellenic Juices	EOS Capital Partners / S. Theodoropoulos	-	-	-
Dec-2021	Terra Creta	Melissa Kikizas	-	-	-
Nov-2021	Gattegno	DELTA	-	-	-
Nov-2021	Dirfys Water	Loux	-	-	-
Sep-2021	Arabatzis Hellenic Dough	Vivartia	-	-	-
Jul-2021	Mevgal	Mevgal / Hatzakou	-	-	-
Jul-2021	Koulourades Holding	SwitzGroup	-	-	-
Jul-2021	Mediterranean Foods	Minerva	-	-	-
May-2021	Chipita	Mondelez International	1,633.4	3.5x	20.0x
May-2021	Zireia Bottled Water	CHITOS	-	-	-
Apr-2021	Dodoni	CVC Capital Partners	-	-	-
Feb-2021	Eurocatering	EOS Capital Partners / Elikonos 2	-	-	-
Dec-2020	Vivartia	CVC Capital Partners	630.0	1.1x	11.7x
Oct-2020	Agrifreda	EOS Hellenic Renaissance Fund	75.0	2.0x	11.1x
Sep-2020	Creta Farms	Bella Bulgaria	-	-	-
Jun-2020	Nireus Fish Farms	Andromeda Group	67.7	0.4x	3.4x
Jun-2020	Selonda Aquaculture	Andromeda Group	5.0	-	-
Jun-2020	Kliafas	Hellenic Dairies	1.5	0.8x	2.6x
May-2020	Cretan Ice-creams	Kayak	-	-	-
May-2020	Chillbox Global	Kayak	-	-	-
Jan-2020	Three Cents	Virtus International Partners	-	-	-
Jan-2020	Arivia	Upfield Holdings	500.0	4.8x	12.6x
Jan-2020	Hellenic Brewery Atalanti	DECA Investments	-	-	-

Notes: (1) Excl. retail and distribution transactions  
Sources: FactSet; companies' financial statements



# Trading comps (1/2)

## DAIRY

Company <i>(figures in €m)</i>	Market cap.	EV	Sales 2022E	EBITDA 2022E	EV / Sales			EV / EBITDA		
					2021	2022E	2023E	2021	2022E	2023E
Danone SA	34,405	42,755	26,039	4,330	1.8x	1.7x	1.6x	9.7x	9.9x	9.3x
Emmi AG	5,282	5,767	3,978	399	1.5x	1.4x	1.4x	15.0x	14.5x	13.7x
Glanbia Plc	2,935	3,694	4,651	361	0.9x	0.8x	0.7x	11.0x	10.2x	9.5x
Saputo Inc.	8,846	11,690	11,577	1,096	1.1x	1.0x	1.0x	13.6x	11.0x	9.3x
<b>Average</b>					<b>1.3x</b>	<b>1.2x</b>	<b>1.2x</b>	<b>12.3x</b>	<b>11.4x</b>	<b>10.4x</b>
<b>Median</b>					<b>1.3x</b>	<b>1.2x</b>	<b>1.2x</b>	<b>12.3x</b>	<b>10.6x</b>	<b>9.4x</b>

## BAKED GOODS

Company <i>(figures in €m)</i>	Market cap.	EV	Sales 2022E	EBITDA 2022E	EV / Sales			EV / EBITDA		
					2021	2022E	2023E	2021	2022E	2023E
Aryzta AG	921	1,940	1,651	203	1.2x	1.2x	1.1x	10.8x	9.7x	8.7x
Flowers Foods, Inc.	4,888	5,787	4,343	479	1.5x	1.4x	1.4x	13.2x	12.6x	12.0x
George Weston Limited	16,268	32,020	40,594	4,605	0.8x	0.8x	0.8x	7.5x	7.2x	6.9x
Grupo Bimbo SAB de CV Clc	12,113	17,259	17,249	2,376	1.1x	1.0x	1.0x	7.9x	7.4x	7.3x
Hostess Brands, Inc. Class A	2,732	3,493	1,144	270	3.4x	3.2x	3.0x	14.5x	13.7x	12.9x
Lancaster Colony Corporati	3,691	3,605	1,507	199	2.7x	2.5x	2.4x	17.7x	18.6x	15.5x
<b>Average</b>					<b>1.8x</b>	<b>1.7x</b>	<b>1.6x</b>	<b>11.9x</b>	<b>11.5x</b>	<b>10.5x</b>
<b>Median</b>					<b>1.4x</b>	<b>1.3x</b>	<b>1.2x</b>	<b>12.0x</b>	<b>11.2x</b>	<b>10.4x</b>

## BETTER-FOR-YOU

Company <i>(figures in €m)</i>	Market cap.	EV	Sales 2022E	EBITDA 2022E	EV / Sales			EV / EBITDA		
					2021	2022E	2023E	2021	2022E	2023E
Hain Celestial Group, Inc.	2,824	3,491	1,820	240	2.0x	2.0x	1.9x	15.1x	15.1x	13.2x
SunOpta Inc.	485	751	842	65	1.0x	0.9x	0.8x	13.9x	12.1x	9.0x
Simply Good Foods Co	3,279	3,805	1,074	218	4.2x	3.7x	3.5x	20.4x	18.5x	16.7x
<b>Average</b>					<b>2.4x</b>	<b>2.2x</b>	<b>2.1x</b>	<b>16.5x</b>	<b>15.2x</b>	<b>12.9x</b>
<b>Median</b>					<b>2.0x</b>	<b>2.0x</b>	<b>1.9x</b>	<b>15.1x</b>	<b>15.1x</b>	<b>13.2x</b>

Data as of 31/03/2022

# Trading comps (2/2)

## BRANDED PROCESSED FOODS

Company <i>(figures in €m)</i>	Market cap.	EV	Sales 2022E	EBITDA 2022E	EV / Sales			EV / EBITDA		
					2021	2022E	2023E	2021	2022E	2023E
Associated British Foods	15,570	17,246	19,476	2,848	1.1x	0.9x	0.9x	7.8x	6.1x	5.8x
B&G Foods	1,662	3,686	1,958	333	2.0x	2.0x	2.0x	12.0x	11.6x	11.3x
Campbell Soup	12,085	16,461	7,853	1,499	2.2x	2.2x	2.1x	N.M.	10.7x	11.1x
Conagra Brands	14,473	22,631	11,083	2,103	2.2x	2.2x	2.1x	12.7x	11.7x	10.8x
General Mills	36,653	47,059	17,818	3,542	2.8x	2.7x	2.7x	15.6x	14.2x	13.6x
Hershey Company	39,960	44,567	9,128	2,376	5.5x	5.1x	4.9x	21.9x	21.0x	18.6x
Hormel Foods	25,245	27,455	11,526	1,517	2.7x	2.5x	2.4x	21.7x	22.2x	17.8x
J.M. Smucker	13,199	16,988	7,493	1,568	2.4x	2.4x	2.3x	12.1x	11.6x	11.2x
Kellogg Company	19,674	26,654	13,445	2,131	2.1x	2.1x	2.0x	13.6x	13.1x	12.6x
McCormick & Company, Inc	24,049	28,542	6,189	1,288	5.0x	4.8x	4.6x	25.4x	24.7x	21.7x
Nestle S.A.	330,460	355,965	90,576	18,986	4.2x	4.0x	3.8x	19.7x	19.7x	17.8x
Post Holdings, Inc.	3,851	9,668	5,216	855	1.8x	2.0x	1.9x	10.8x	9.7x	11.0x
Sovos Brands, Inc.	1,286	1,669	757	110	2.6x	2.3x	2.2x	18.2x	16.2x	13.7x
<b>Average</b>					<b>2.8x</b>	<b>2.7x</b>	<b>2.6x</b>	<b>16.0x</b>	<b>14.8x</b>	<b>13.6x</b>
<b>Median</b>					<b>2.4x</b>	<b>2.3x</b>	<b>2.2x</b>	<b>14.6x</b>	<b>13.1x</b>	<b>12.6x</b>

## SNACKS

Company <i>(figures in €m)</i>	Market cap.	EV	Sales 2022E	EBITDA 2022E	EV / Sales			EV / EBITDA		
					2021	2022E	2023E	2021	2022E	2023E
J & J Snack Foods Corp.	2,664	2,476	1,238	143	2.4x	2.1x	2.0x	22.2x	18.2x	14.9x
John B. Sanfilippo & Son, Inc	864	910	845	n.a	1.2x	1.1x	1.1x	N.M.	N.M.	N.M.
Mondelez International, Inc.	78,335	93,159	27,765	5,740	3.6x	3.5x	3.4x	17.7x	16.9x	15.9x
PepsiCo, Inc.	208,087	240,182	75,916	14,072	3.4x	3.3x	3.2x	19.0x	17.9x	16.6x
UTZ Brands Inc Class A	1,804	2,458	1,203	146	2.3x	2.2x	2.1x	17.7x	17.5x	16.2x
<b>Average</b>					<b>2.6x</b>	<b>2.4x</b>	<b>2.3x</b>	<b>19.1x</b>	<b>17.6x</b>	<b>15.9x</b>
<b>Median</b>					<b>2.4x</b>	<b>2.2x</b>	<b>2.1x</b>	<b>18.4x</b>	<b>17.7x</b>	<b>16.0x</b>



# Tailored corporate finance services for the European mid-market

## Our firm

Alma Advisors is an independent financial services firm serving the European mid-market. We offer corporate finance solutions to corporates, family businesses and entrepreneurs.



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