

Clairfield industry snapshot

# Food & Beverage M&A

September 2024

clairfield

# Sector Snapshot – H1 2024

Food & Beverage M&A



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## Deal Volumes

- Deal volumes in H1 2024 amounted to 61, with the majority of transactions falling in the Alcoholic Beverages subsector. Deal volumes were at similar levels to the comparative period last year, although slightly down on H2 2023.
- Total disclosed deal value amounted to £1.8bn, the majority of which was attributable to Newlat Foods' announced acquisition of Princes Group from Mitsubishi Corporation in an agreement valued at £700m. Newlat Foods was advised by a cross border Clairfield team across Italy, Japan and the UK.

## International and Private Equity Transactions

- Deal volumes involving international acquirers were low, with just 8% of deals involving an overseas buyer, highlighting their risk adverse approach during times of economic and geopolitical uncertainty. Despite this, the level of UK acquirers demonstrates that dealmaking in the F&B sector is still a priority for UK corporates looking to grow and widen their portfolios.
- Standalone PE investments were at their lowest levels for several years with PE largely focussed on bolt-ons for existing platform businesses and exiting current investments. The bar for new PE investment into the sector remains high but new activity is likely to increase as interest rates and inflation levels continue to fall.

## Market Outlook

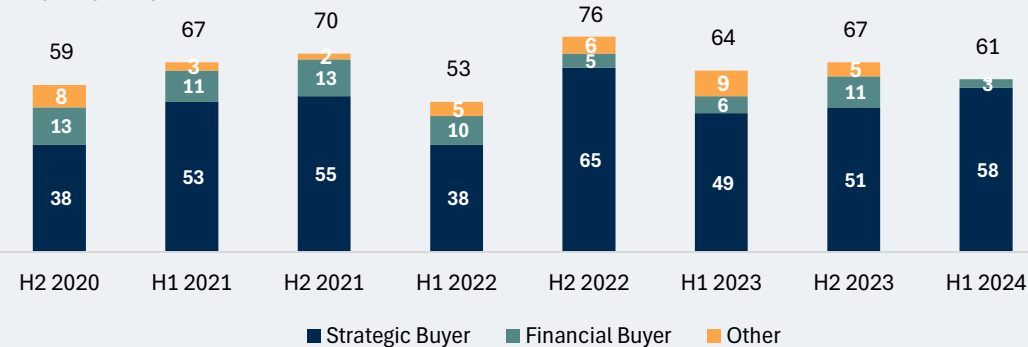
- Whilst acquisition strategies have been focussed on complementing core business areas, Waitrose's acquisition of premium meal kit brand, Dishpatch, demonstrates that corporates are willing to expand into new subsectors and revenue streams for the right opportunities.
- We continue to see consolidation across the foodservice supply chain with national foodservice distributors such as Kitwave acquiring regional players to strengthen their presence in certain geographies.

## H1 2024 At A Glance

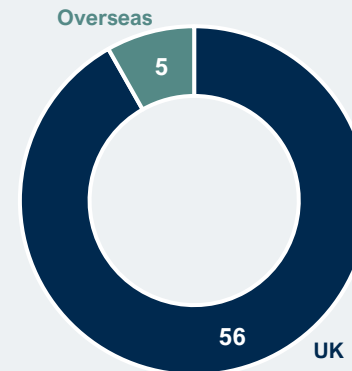


## UK M&A Transaction Volumes

### By Buyer Type



Source: S&P Capital IQ



# Key Transactions – H1 2024

## Key Trade and Private Equity Transactions

### Newlat Food S.p.A to acquire Princes Group from Mitsubishi Corporation | EV £700m

- Creates a leading player in the European food industry with combined revenues of c.€2.8 billion leveraging the commercial networks and know-how of the group. Management are optimistic of increasing the groups turnover to €5 billion by 2030. Newlat Foods was advised by a cross border Clairfield team across Italy, Japan and the UK.

### Mars acquires one of the UK's leading premium chocolate brands, Hotel Chocolat in a take private deal | EV £534m

- Mars will support Hotel Chocolat's next growth phase and provide the brand with an enhanced platform for growth, in the UK and in new geographies.

### Müller UK & Ireland to acquire Yew Tree Dairy, a family-owned dairy company producing fresh milk and cream | EV undisc.

- Müller to invest heavily in the capacity and capabilities of the site. The acquisition will benefit customers, consumers, suppliers and employees of both businesses, while offering supplying farmers enhanced opportunities and security.
- Completion of the deal is expected later this year subject to approval from the Competition and Markets Authority.

### Bakkavor acquires Moorish, one of the UK's most recognisable humous brands | EV undisc.

- Moorish will join the portfolio of brands that Bakkavor is working with, which includes Pizza Express, The Pizza Company, The Delicious Dessert Company, and Pinch.

### Waitrose acquires premium meal-kit delivery service, Dishpatch | EV undisc.

- This acquisition shows Waitrose's desire to re-enter the market since it ended a co-branded trial with Mindful Chef in 2022. Its immediate focus will be helping Dishpatch grow its core meal kit business and to bring new and exciting food experiences to Waitrose customers.

### Compass Group acquires dynamic catering company, CH&CO in landmark acquisition | EV £475m

- The acquisition allows both businesses to capitalise on their mutual strengths, which includes a client-centred approach and commitments to sustainability.
- The group will seek to accelerate innovation, further improve customer experiences and increase its supply chain security.

### Samworth Brothers acquires premium sandwich supplier, The Real Wrap Co | EV undisc.

- Acquisition follows the purchase of a minority stake in the business last year. The scale and capability of Samworth Brothers will help support further development for The Real Wrap Co whilst growing Samworth Brothers' convenience foods area of operations.

<b>Food Manufacture</b>  Is to acquire 	<b>Bakery &amp; Confectionary</b>  Has acquired 	<b>Dairy</b>  Is to acquire 
<b>Soft Beverages</b>  Has acquired 	<b>Other</b>  Has acquired 	<b>Foodservice</b>  Has acquired 
<b>Food Manufacture</b>  Has acquired 	<b>Pet Food</b>  Has acquired 	<b>Foodservice</b>  Has acquired 

## Clairfield UK In The Sector In H1 2024

### Clairfield advised the Unsworth Family on its purchase of Aimia Foods H1 2024

- Aimia Foods is a leading food and drinks manufacturer which is behind established brands such as Horlicks, Drink me Chai, Bubbleology and Mars drinks.
- The transaction returns the Unsworth Family to ownership of the company, which they originally founded in 1981, in order to take Aimia Foods onto the next stage of its growth.

Food Manufacture

THE UNSWORTH FAMILY acquired

“ I have an established and trusted relationship with the Clairfield team and value their expertise and insight into both the M&A process and the food & beverage sector ”

Rob Unsworth, The Unsworth Family

# Listed Valuation Multiples

“Listed multiples have remained relatively static over the last six months reflecting a more stable F&B environment”

Alcohol and Soft Beverages			
Company	Type	EV/EBITDA Multiple	EV/Rev Multiple
<b>DIAGEO</b>	Alcohol	13.1x	4.8x
<b>naked</b> WINES	Alcohol	4.5x	0.1x
<b>Virgin</b> WINES	Alcohol	6.4x	0.2x
<b>FEVER-TREE</b>	Beverage	49.0x	3.4x
<b>BRITVIC</b>	Beverage	11.3x	1.6x

Food Manufacturing			
Company	Type	EV/EBITDA Multiple	EV/Rev Multiple
<b>BAKKAVOR</b>	Food Manufacture	6.4x	0.5x
<b>Associated British Foods plc</b>	Food Manufacture	8.3x	1.1x
<b>HILTON</b> Food Group plc	Meat	7.2x	0.3x
<b>CRANSWICK</b> plc <i>Great British Taste</i>	Meat	10.0x	1.0x

Food Retail			
Company	Type	EV/EBITDA Multiple	EV/Rev Multiple
<b>ocado</b>	Grocery Retail	n.a	2.0x
<b>Sainsbury's</b>	Grocery Retail	5.3x	0.4x
<b>TESCO</b>	Grocery Retail	7.0x	0.5x
<b>GREGGS</b>	Other Food Retail	10.0x	1.7x

Other			
Company	Type	EV/EBITDA Multiple	EV/Rev Multiple
<b>Domino's</b>	Food Delivery	14.1x	2.6x
<b>KITWAVE</b> Wholesale group	Wholesale	8.2x	0.5x
<b>TATE &amp; LYLE</b>	Food Ingredients	8.4x	1.6x

# Transaction Experience – Food & Beverage

A complete range of M&A services providing a wealth of experience to our clients

Mergers & Acquisitions Advisory

Strategic Advisory

Capital Solutions

300+ Professionals  
35+ Offices globally  
80% International mandates  
140+ Transactions per year



<p><b>Food Manufacture</b> </p> <p>THE UNSWORTH FAMILY acquired</p> <p><b>AIMIA FOODS</b></p>	<p><b>Food Distribution</b> </p> <p>TOWN &amp; COUNTRY FINE FOODS sold to</p> <p><i>Musgrave</i></p>	<p><b>Petfood</b> </p> <p>Little <b>BigPaw</b> sold to</p> <p><b>PBG</b></p>	<p><b>Fresh Produce</b> </p> <p>wellocks the perfect ingredient sold to</p> <p><b>WILLIAM JACKSON FOOD GROUP</b></p>	<p><b>Bakery</b> </p> <p>THE UNSWORTH FAMILY acquired</p> <p><b>GEARY'S</b> craft bakers</p>
<p><b>Bakery</b> </p> <p><i>Bramble</i> FOODS Sold a minority stake to</p> <p><b>LDC</b> BACKING AMBITION FOR 40 YEARS</p>	<p><b>Food Manufacture</b> </p> <p><b>Newlat FOOD SpA</b> acquired</p> <p><b>PRINCES GROUP</b></p>	<p><b>Petfood</b> </p> <p>de haan petfood backed by VALUE ENHANCEMENT PARTNERS sold to</p> <p><b>UNITED PETFOOD</b> backed by WATERLAND PRIVATE EQUITY INVESTMENT</p>	<p><b>Organic Foods</b> </p> <p>COMPAGNIE LÉA NATURE acquired a 40% stake in</p> <p><i>Bernard Jannoux</i> CÉLÉRIE</p>	<p><b>Beverage</b> </p> <p>GLESSIDRA Private Equity SGR acquired</p> <p><b>EVERTON</b> Tea House</p> <p>Taste of Nature from <b>CCP</b> Cronos Capital Partners and others</p>
<p><b>Fresh Produce</b> </p> <p><b>NORTH AMERICAN PRODUCE BUYERS LTD</b> sold to</p> <p><b>Ironbridge</b> EQUITY PARTNERS</p>	<p><b>Food Wholesale</b> </p> <p><b>TRANSGOURMET</b> acquired</p> <p><b>GM FOOD IBERICA</b> GENERAL MARKETS FOOD IBERICA</p> <p>2023</p>	<p><b>Beverages</b> </p> <p>Existing management of <b>Valensina Gruppe</b> acquired shares from</p> <p><b>SINGHA CORPORATION</b></p> <p>2023</p>	<p><b>Meat</b> </p> <p><b>HKSCAN</b> Baltic business unit sold to</p> <p><b>MAAS GRUPP</b></p>	<p><b>Foodservice</b> </p> <p><b>Bidcorp</b> acquired</p> <p><b>PIER 7</b> FOOD GROUP</p> <p>2023</p>



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