

# SECTOR SNAPSHOT – H1 2022

## UK FOOD & BEVERAGE M&A

- M&A deal volumes decreased by 4% in H1 2022, with 74 deals completed involving UK target companies compared to 77 in H2 2022.
- Despite this small decrease, deal volumes remain at a high-level demonstrating a healthy appetite amongst both trade and private equity investors for food & beverage M&A.
- Disclosed deal volumes were at a lower level than seen historically, with big ticket M&A perhaps more impacted by the wider macro-economic issues as investors demonstrate a degree of caution.
- The largest disclosed deal of H1 saw British supermarket group Morrisons acquire the assets of distressed convenience store chain McColl's in a deal worth c. £160m. This acquisition enables Morrisons to break into the convenience store market.
- Despite the challenges of the last 12 months, overseas interest in the F&B sector continues to remain strong with 14 transactions involving overseas buyers from Europe and North America. One of the most notable overseas acquisitions of H2 saw Italian confectionery group Ferrero acquire protein bar company FULFIL Nutrition as they look to expand their presence in the better-for-you segment.
- H1 saw 13 acquisitions completed by private equity. Private equity continues to invest in food brands and businesses with significant growth opportunities, whether that be through consolidation of fragmented markets or through leveraging the brand into new markets and territories. One such example saw LDC acquire a minority stake in Bramble Foods to pursue a buy and build strategy within the fine foods sector.
- Trade buyer activity continues to be driven by a variety of factors including consolidation within their respective markets (including distressed acquisitions), diversification into new or adjacent markets or through adding quality brands to existing product portfolios.
- Long-term trends in the sector continue to see a focus on premiumisation across all sub-sectors and a shift towards better-for-you products whether that be plant-based, free from or products with 'clean' ingredient decks free from additives and preservatives.



**Gary Ecob**  
Partner

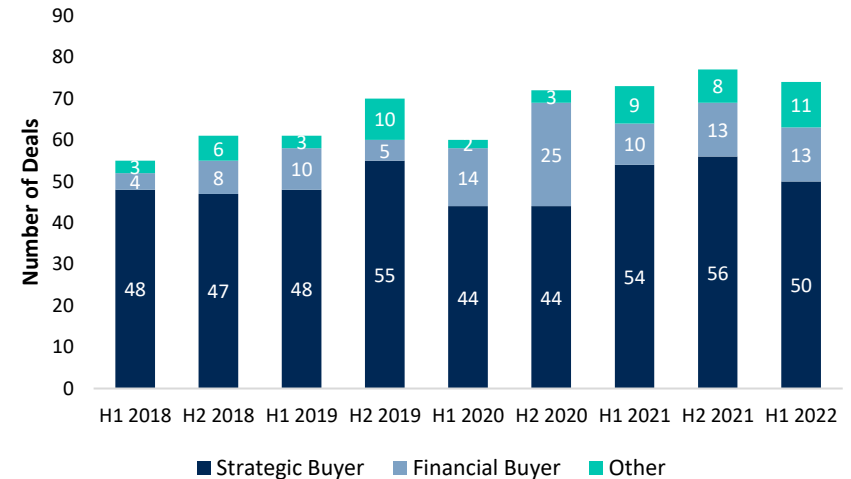


**Steve Nock**  
Director

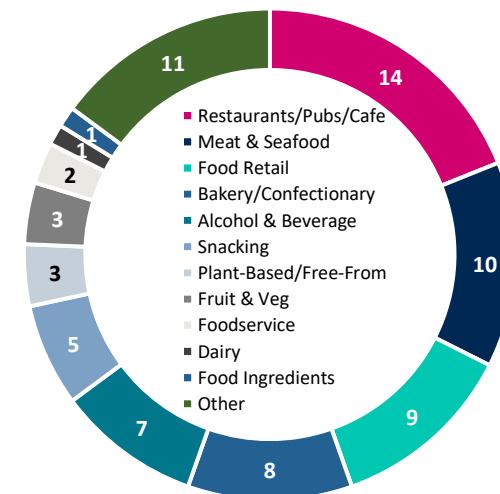


CLAIRFIELD  
INTERNATIONAL

### M&A VOLUMES BY TYPE



### H1 2022 M&A BY SUBSECTOR



# KEY TRANSACTIONS – H1 2022

## DOMESTIC TRADE & PE BUYERS

### TRADE

**CRANSWICK**  
Great British Taste  
Have acquired

**GROVE**  
PET FOODS

For undisclosed value  
Sector:  
Pet Food

**BURTON'S BISCUIT CO**  
Have merged

**FOX'S**

For undisclosed value  
Sector:  
Snacking

**Weetabix**

Have acquired

**Lacka Foods**

For undisclosed value  
Sector:  
Health

**TUBER PRODUCE**  
Have acquired

**My Fresh**

For undisclosed value  
Sector:  
Fruit & Veg

**VENTURES**  
Have acquired

**Livias**

For undisclosed value  
Sector:  
Plant-Based

**KITWAVE**  
Wholesale group  
Have acquired

**M.J. Baker**  
FOODSERVICE LTD

For undisclosed value  
Sector:  
Food Distribution

### PRIVATE EQUITY

**LDC**  
Have acquired

**Bramble**  
FOODS

For undisclosed value  
Sector:  
Food Distribution

**Inverleith LLP**  
Have acquired

**FARMISON & CO**  
cat better meat

For undisclosed value  
Sector:  
Meat

**ENDLESS**  
Have acquired

**YORKSHIRE**  
PREMIER MEAT  
good food partners

For undisclosed value  
Sector:  
Meat

**CATTERTON**  
Have acquired

**little MOONS**

For undisclosed value  
Sector:  
Snacking

**ALCHEMY**  
Have acquired

**BRASSERIE BAR CO**

For undisclosed value  
Sector:  
Alcohol & Beverage

**ENDLESS**  
Have acquired

**KTC**

For undisclosed value  
Sector:  
Food Ingredients

### “Large trade acquirors continue to consolidate fragmented markets and explore diversification into adjacent markets”

Notable trade deals with a domestic acquiror in H1 2022 include:

- Leading UK meat processor Cranswick acquired pet food manufacturer Grove, as the business continues to diversify its protein portfolio. Cranswick already supply protein products into the pet food sector so this acquisition will provide scope to maintain margin within the group.
- Burton’s Biscuit Company announced that it will merge with Fox’s Biscuits to create the third-largest biscuit manufacturer in the UK. This acquisition follows the £300m acquisition of Burtons by Ferrero in 2021.
- Weetabix completed the acquisition of Lacka Foods, manufacturers of leading ready-to-drink high protein shake brand Ufit. The all-cash transaction will enable growth opportunities for Lacka Foods both in the UK and overseas.

### “Private equity continues to look for businesses with growth opportunities, whether that be through leveraging the brand into new markets or employing buy and build strategies in fragmented markets”

Notable PE deals in H1 2022 include:

- In a deal advised by Orbis, Bramble Foods, a successful manufacturer and distributor of fine foods to garden centers, farm shops and the independent retail trade received a significant minority investment from leading mid-market private equity firm LDC to accelerate its growth strategy.
- Inverleith LLP, an Edinburgh-based leading consumer brand investor acquired a majority stake in specialist UK online butcher, Farmison & Co.
- Endless LLP acquired one of the UK’s specialist B2B processors and suppliers of meat ingredients, Yorkshire Premier Meat Ltd. This is the latest transaction by Endless in the F&B sector following their prior investment into Hovis, Bright Blue Foods and Karro.

# KEY TRANSACTIONS – H1 2022

## INTERNATIONAL BUYERS

“ H1 saw high-levels of overseas interest for quality UK brands across various sub-sectors with 14 transactions completed. European buyers accounted for the vast majority of overseas acquirors in the period ”



Pfeifer & Langen  
Have acquired  
**V**  
Bites  
For undisclosed value  
Sector:  
Plant-Based



humble group.  
Have acquired  
**GO**  
superfood  
For undisclosed value  
Sector:  
Plant-Based

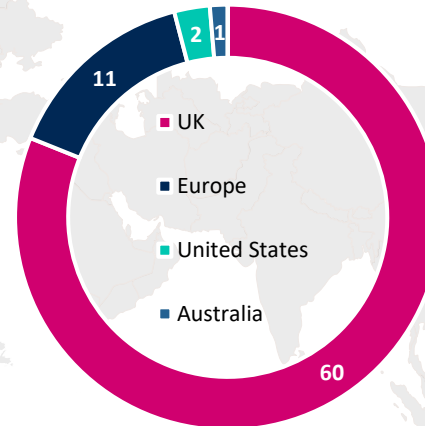


**FERRERO**  
Have acquired  
**FULFIL**  
VITAMIN & PROTEIN BAR  
For undisclosed value  
Sector:  
Snacking



**SOLINA**  
Have acquired  
**zafron foods**  
Chief Supplier. Quality Assured.  
For undisclosed value  
Sector:  
Food Ingredients

H1 2022 -  
Buyers by Geography



**Katjes**  
Have acquired  
**genius**  
Gut Lovin' Greatness  
For undisclosed value  
Sector:  
Free-from



**Lotus**  
Since 1921  
Have acquired  
**PETER'S YARD**  
For undisclosed value  
Sector:  
Bakery



**CALDIC**  
Have acquired  
**fit** Food Industry Technology  
For undisclosed value  
Sector:  
Food Ingredients



**PRESTAT**  
LONDON ESTABLISHED 1962  
Have acquired  
**ROCOCO**  
Chocolates  
LONDON LISTED BY ESTD 1962  
For undisclosed value  
Sector:  
Confectionery

# LISTED VALUATION MULTIPLES

## FOOD & BEVERAGE SUBSECTORS

“Revenue multiples are performing strongly across the alcohol and beverage sector with multiples for online based businesses ranging from 4x to 16x EBITDA ”

### ALCOHOL & BEVERAGE

Company	Subsector	Online Based	EV / EBITDA MULTIPLE	EV / REV MULTIPLE
DIAGEO	Alcohol		19.7x	7.2x
naked WINES	Alcohol	✓	16.3x	0.2x
Virgin Wines	Alcohol	✓	4.3x	0.3x
FEVER-TREE	Beverage		18.1x	3.5x
BRITVIC	Beverage		12.5x	1.9x

### FOOD RETAIL

Company	Subsector	Online Based	EV / EBITDA MULTIPLE	EV / REV MULTIPLE
ocado	Grocery Retail	✓	NM	3.0x
Sainsbury's	Grocery Retail		5.7x	0.4x
TESCO	Grocery Retail		6.9x	0.5x
GREGGS	Other Retail		8.1x	1.7x
HOTEL Chocolat.	Other Retail		5.0x	0.8x

### FOOD MANUFACTURE

Company	Subsector	Online Based	EV / EBITDA MULTIPLE	EV / REV MULTIPLE
BAKKAVÖR	Alcohol		5.6x	0.5x
Associated British Foods	Alcohol		7.0x	1.0x
HILTON	Alcohol		9.6x	0.4x
CRANSWICK	Beverage		9.4x	0.9x
Finsbury	Beverage		4.6x	0.4x

### OTHER/MIXED

Company	Subsector	Online Based	EV / EBITDA MULTIPLE	EV / REV MULTIPLE
Domino's	Food Delivery	✓	12.7x	2.9x
KITWAVE	Wholesale		8.8x	0.4x
The Restaurant Group plc	Restaurants		8.4x	1.5x
THE FULHAM SHORE PLC	Restaurants		9.3x	1.9x
TATE & LYLE	Food Ingredients		6.0x	NM

Orbis is an independent corporate finance advisory firm, working with business owners, management teams and investors to advise them through every aspect of corporate finance.

The partners have over 100 years of deal-making experience and combine their broad network of global relationships with deep sector knowledge and investor skills to deliver a specialist M&A experience.

Orbis is the UK partner for Clairfield International, a global investment bank, offering clients access to over 400 corporate finance professionals situated in over 20 countries across the globe.

## ORBIS PARTNERS: SERVICES

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

- Company Sales**
- Extensive mid market M&A expertise and experience across the team.
  - International reach – over 20 countries and growing.
  - Over 90% of all sale mandates involve an overseas party.

- Acquisition Support**
- Research and origination - internal research team and tools.
  - Strategic and financial assessment.
  - Deal management.

- Due Diligence**
- Experienced and informed advice.
  - Extensive experience within the UK and of international transactions.
  - Partner Led.

- Management Buy Out**
- Deal leadership and fund raising.
  - Align interests with management team.
  - Co-investors on 15 deals.

- Capital Raising**
- Supporting existing business to fund development.
  - Supportive investor bringing focus on value creation.
  - Co-investors on 3 deals.

- Business Improvement**
- Independent advice and planning strategy led by sector insights.
  - Turnaround and profit improvement credentials.
  - Leading the team through uncertainty whilst developing a game plan.

## ORBIS / CLAIRFIELD: FOOD & BEVERAGE CREDENTIALS

<p>Have acquired a minority stake in</p> <p>Sector: Food Distribution</p>	<p>The Unsworth Family</p> <p>Have acquired a majority stake in</p> <p>Sector: Bakery</p>	<p>Sold to</p> <p>Sector: Food Distribution</p>	<p>Sold to</p> <p>Sector: Food Distribution</p>
<p>Acquired</p> <p>Cool Fresh International</p> <p>For undisclosed value</p> <p>Sector: Fruit &amp; Veg</p>	<p>Sold to</p> <p>For undisclosed value</p> <p>Sector: Dairy</p>	<p>Series D Fundraising</p> <p>For undisclosed value</p> <p>Sector: Alcohol</p>	<p>Sold to</p> <p>For undisclosed value</p> <p>Sector: Sauces/Condiments</p>



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