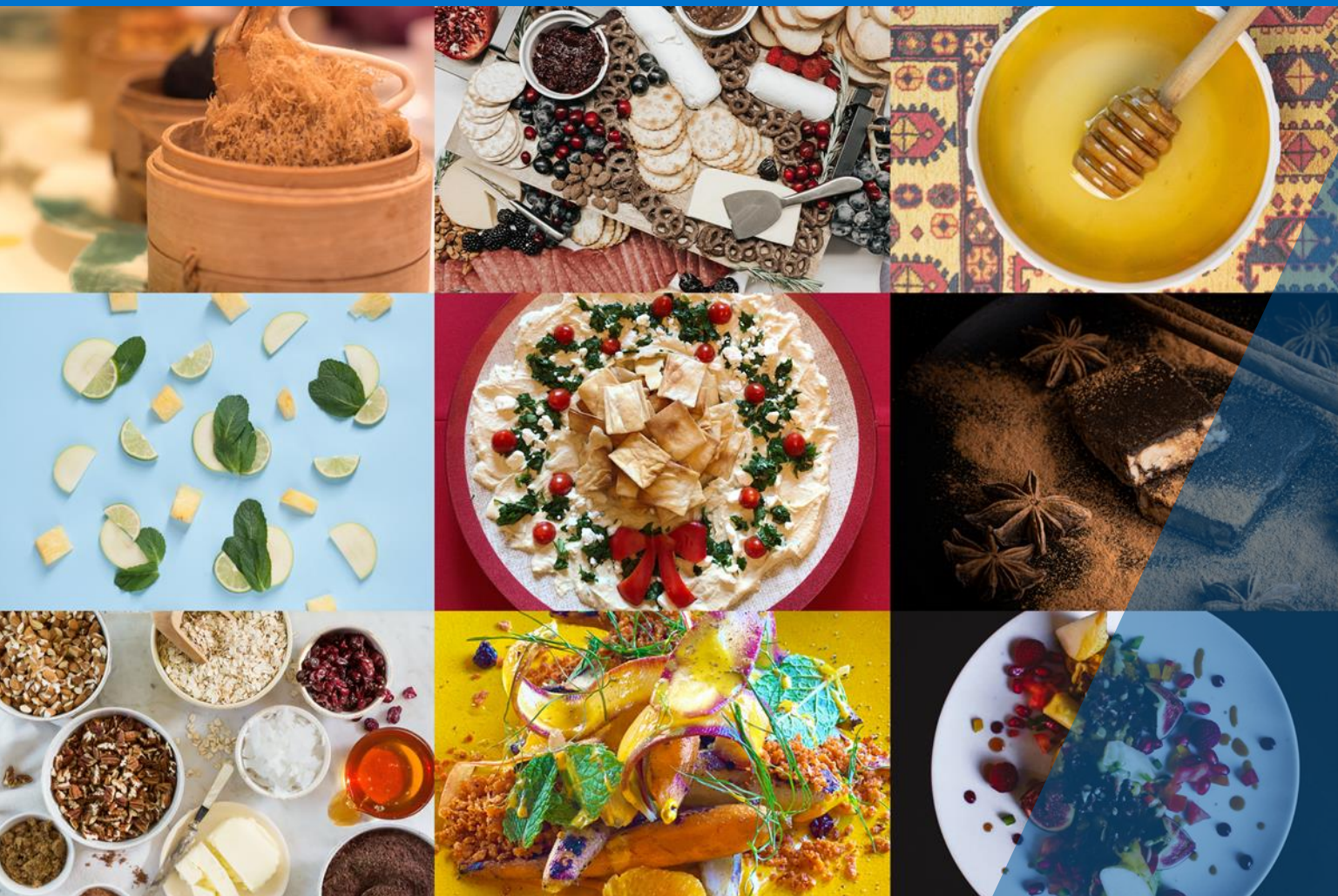


INSIDER Food Ingredients

September 2021

A Growing Emphasis on the Supply Chain



RIÓN MERGERS AND
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The Food Ingredients industry witnessed various shifts in consumer demand and behavior both before and after the COVID-19 pandemic. The Direct to Consumer (“DtC”) and Food Retail Ingredients markets are demonstrating significant growth post-COVID-19 as more homebound consumers engage in leisure cooking and seek out unique and ethnic flavor profiles. Furthermore, industry participants are reevaluating growth/expansion strategies, reviewing supply chains, increasing R&D, and adopting sustainable approaches to tackle the challenges of the aftermath of COVID-19 and ever-evolving consumer preferences.

Our Global Food and Beverage Team provides extensive sector-specific expertise, having advised on several ingredients deals in the last twelve months. In addition, we maintain close relationships with global buyers and sellers as many of our advisory transactions are cross-border.



Key Insights

1



The Food Ingredients industry, a critical component of the Food & Beverage supply chain, has experienced significant disruption and change due to shifting consumer behavior and changes stemming from COVID-19. In addition to the traditional applications such as taste, texture, appearance, nutritional content, and shelf-life, providing supplementary health advantages and offering comfort amid the uncertainty have been at the center of the industry's demand drivers.

As companies continue to navigate the impacts of supply chain disruption coming out of COVID-19, we anticipate that the following key patterns will continue in the "new normal":

- **Favorable Sector-Specific Trends:** Homebound consumers demonstrated an appetite for global and exotic flavors to compensate for the lack of thrill, travel, and adventure from their pre-COVID-19 lifestyles. Themes such as clean-eating, mental well-being, and fortified foods became increasingly prominent. Ingredients boosting 'health and wellness' and 'immunity' advertised foods gained traction and are expected to outpace the overall ingredients industry growth. In particular, specialty herbs, botanicals, and broader plant-based ingredients will continue to grow as companies expand into new end markets.
- **Food & Beverage Long-Term Outlook:** Broader macro-economic and environmental drivers, such as an increase in government initiatives, continue to drive market growth. Government initiatives are on the rise, including sugar taxes and guidelines to reduce meat and dairy consumption. In addition, rising consumer disposable incomes along with the willingness to pay a higher price for premium products adds to growth. Consistent R&D efforts and technological advancements that support the demand for lab-based or plant-based protein and other ingredients have further enabled companies to stay relevant to consumers.

Food ingredient companies are challenged to address the growing demand for the specialization of food products, while staying on top of overall changing consumer preferences. The most successful companies are those taking a proactive approach in undertaking the necessary measures to address evolving consumer habits, including:

- Adapting product portfolios to new consumer trends and local regulations which demand more value-added and nutritive ingredients (versus traditional synthetic ingredients)
- Increasing omni-channel presence and engaging with customers to better understand them
- Attracting a skilled workforce, retaining existing talent, and automating production lines
- Anticipating consumer needs concerning food properties, safety, traceability, and sustainability



Introduction to Ingredients

2



Food ingredients provide a wide range of applications. Ingredients not only include substances added to food to achieve a desired effect, but they also include food additives which serve specific technical or functional purposes during processing, storage, and packaging.

Food ingredients are derived from natural or chemical sources. Natural sources include minerals; plants such as seaweed and kelp; microbiological substances (e.g., probiotics); and crops or food items that would otherwise be discarded, such as corn and citrus fruit rinds. Artificial ingredients are derived from organic chemicals such as hydrocarbons.

Uses

Food ingredients allow manufacturers to produce a wide variety of foods that are enticing, tasty, nutritious, consistent, and safe. Though used in small quantities, ingredients provide a major contribution to the vast and varied food supply chain, ensuring that foods look and taste the way consumers demand. Major uses for food ingredients include:



To support nutrition delivery



To prevent spoilage during transport, storage, and sale



To extend shelf-life and prevent food waste



To make some foods more affordable



To maintain product quality and freshness



To aid in the processing and preparation of foods



To make foods more appealing and ensure that familiar foods have consistent qualities



Types of Food Ingredients

Appearance, freshness, taste, and texture are a few of the primary contributions made by food ingredients. They help to maintain certain desirable qualities associated with various foods by aiding in processing and preparation. Based on the functions they serve in food processing, food ingredients are classified in the following key categories by the International Food Additives Council (IFAC):

Acid Regulators

Acid regulators are used to control and alter the level of acidity or alkalinity for food processing, taste, and safety. They can also be used as thickening and flavoring agents. Adequate control of pH levels is important to inhibit growth of hazardous bacteria and ensure a longer shelf-life of food products.

Regulators can be organic, mineral acids, bases, neutralizing agents, or buffering agents. Common examples include citric, acetic, ascorbic, lactic, propionic, and sorbic acids.

Usage: Bread, fruit drinks, pie filling, meat and poultry, wine, jams and jellies, processed dairy foods.



The **Acidity Regulators Market** was worth **\$5.4 billion** in 2020 and is expected to reach **\$8.4 billion** in 2027, growing at **6.5% CAGR**, resulting from an increasing application in beverages, condiments & dressings, sauces, bakery & confectionery, and processed foods.¹

Alginates



Alginates are used to coat fruits and vegetables, as a microbial and viral protection product, and as a gelling, thickening, stabilizing, or emulsifying agent.

Growing demand for exotic flavors and bakery foods will see increased use of such carriers. Common food carriers include sugar, salt, agar, alginic acid, carrageenan, and gum acacia.

Usage: Dairy products, baked goods, soups.

The **Alginate Market** is estimated to be **\$0.8 billion** in 2021, and is expected to reach **\$1.1 billion** in 2028, growing at a **CAGR of 5.0%**.²



Antioxidants

Antioxidants help prevent food from deteriorating from the interaction of oxygen, thus increasing the shelf-life.

Commonly used antioxidants include citric acid, which is extracted from citric fruits, and vitamin E and vitamin C, which are commonly found in fruits, vegetables, and chocolates.

Usage: Soft drinks, juices, canned food, flavoring powders, frozen desserts.



The **Antioxidants Market** was worth **\$6.6 billion** in 2020, and is expected to reach **\$9.0 billion** in 2026, growing at a **CAGR of 5.3%**.¹

Anti-Caking Agents



Powdered foods often clump together and change texture after absorbing water. Anti-caking agents help prevent this from taking place by keeping solid food in its free-flowing form.

Many anti-caking agents are derived from natural sources, such as silicates, which are abundant minerals found all over the world. Calcium silicate is a common anti-caking agent found in table salt, which helps absorb both oil and water to reduce salt particles from clumping together. Other agents include the multi-functional mannitol (also a humectant, sweetener, and texturizer) and microcrystalline cellulose (also a binder, stabilizer, and bulking agent).

Usage: Table salt, flour, sugar products, powdered milk, grated cheese, cake mixes, egg mixes.

The **Food Anti-Caking Agents Market** was worth **\$0.8 billion** in 2020 and is expected to reach **\$1.1 billion** by 2025, experiencing a **CAGR of 5.5%**.²



Emulsifiers / Stabilizers / Thickeners / Gelling Agents

Emulsifiers allow water and oils to remain mixed together in an emulsion. Stabilizers, thickeners, and other gelling agents give foods a firmer texture. While the latter are not true emulsifiers, they help to stabilize emulsions. Thickeners enhance the texture of foods while giving low-fat, low-calorie foods the texture of full-fat, full-calorie options. These ingredients help to maintain the appearance of foods and preserve freshness and quality.

Common examples of emulsifiers include sodium alginate, agar agar, pectin, carrageenan, cellulose gum, gellan gum, tragacanth, and xanthan gum.

Usage: Margarine, ice cream, bread, chocolate, processed meats.



The **Food Emulsifiers Market** is estimated to grow from **\$3.6 billion** in 2020 to **\$4.8 billion** by 2025, experiencing a **CAGR of 6.1%**, mainly driven by the growing consumption of functional foods.³

Flavors/Flavor Enhancers

Flavors improve the taste of food and are broken into two categories: 1) natural flavors and 2) artificial flavors.

The most widely-known flavor enhancer is monosodium glutamate (MSG), which is commonly used in Asian foods. Other examples include glutamic acid, guanylic acid, mono-ammonium glutamate, disodium inosinate, ethyl maltol, glycine, and sodium salt.

Usage: Candy, soft drinks, sauces, salad dressings, nutritional and dietary foods, cereals.



The **Flavor Enhancers Market** is estimated to be **\$9.4 billion** in 2021, and projected to reach **\$13.5 billion** by 2027, growing at a **CAGR of over 6.2%**.¹

Foaming / Anti-Foaming Agents



Foaming Agents help to produce foams in foods by reducing surface tension. They are commonly made from naturally-occurring materials such as licorice root and tree bark (e.g., quillaia extract). Anti-Foaming Agents reduce the formation of foam in liquids and are produced from readily available materials like silicates and minerals.

Usage of Foaming Agents: Beverages, flavored waters.

Usage of Anti-Foaming Agents: Oils, jams and jellies, juice, sauces, liquid eggs.

The **Anti-Foaming Agents Market**, estimated at **\$6.0 billion** in 2020, is projected to reach **\$8.0 billion** by 2027, growing at a **CAGR of 4.1%**.²



Food Colors

Colors are used to balance and enhance naturally-occurring colors in foods. In addition, they are often used to give life to colorless food, making it more appealing and exciting for consumers.

Two major types of food colors include 1) natural colors, which are often exempt from certification as they are naturally sourced from vegetables or minerals, and 2) synthetic colors, which require approval from food safety authorities. Some of the most used colors include anthocyanin, carotenoids, chlorophyll, and turmeric.

Usage: Candy, margarine, beverages, cheese, jellies, yogurt, baked goods.



The **Food Colors Market** is estimated to be **\$4.3 billion** in 2021 and is projected to reach **\$5.4 billion** by 2026, growing at a **CAGR of 4.7%**.³

Food Cultures

Food cultures are live bacteria, yeasts, or molds used in food production and a multitude of food ingredients. They are safe to consume and either occur naturally in foods or are added to provide acidification, texture, and flavor. They also provide nutritional benefits while helping to extend shelf-life. Fermentation and inhibition of unwanted micro-organisms (protective) are key functions of food cultures.

Microbial food cultures include bacterial food cultures, fungi, and yeasts which can broadly be divided into probiotics and starter cultures.

Usage: Dairy, meat, fish, bread, juice, fermented foods.



Protective Cultures are an integral part of food cultures. The market is projected to grow from **\$154.5 million** in 2020 to **\$681.0 million** by 2027, representing a **CAGR of 23.6%**.¹

Glazing / Firming Agents



Glazing agents work by forming protective outer coatings for food, extending their shelf lives, isolating them from bacteria, and preventing water loss from surface.

They often provide a thin glossy layer to the food. Due to their ability to increase shelf-life, they are extensively used in processed foods. Examples of food glazing agents include carrageenan, cellulose gum, gum acacia, and pectin.

Usage: Confectionery, dried fruit, cereal, beverages, frozen food, baked foods.



The **Glazing Agents Market** is projected to increase from **\$3.6 billion** in 2020 to **\$6.8 billion** in 2028, growing at a CAGR of **8.2%**, driven by increasing demand for processed and bakery foods.²

Humectants

Humectants help to retain or prevent the loss of moisture in foods by controlling water activity. They also aid in increasing shelf life by lowering microbial activity. Demand is strong for humectants for their application of extending product shelf-life.

Sorbitol is a humectant derived from natural sugars in certain fruits, vegetables, and seaweed, which has moisture-stabilizing properties. Glycerin is commonly used to control the moisture levels in foods that contain a mixture of oil and water. Other well-known humectants include honey, sugar alcohols, glucose syrup, egg yolk, egg white, molasses, and alpha hydroxy acids (such as lactic acid).

Usage: Dairy, fruits and vegetables, confections, baked goods.



The **Humectants Market** is estimated to be **\$22.3 billion** in 2021, and is expected to reach **\$32.0 billion** in 2026, growing at a **CAGR of 7.5%**.³

Preservatives / Sequestrants

Preservatives are used to prevent spoilage and maintain the appearance, taste, and texture of food. They are available in natural, artificial, and chemical forms.

Examples of natural food preservatives include sugars, salts, and vinegars which are used to delay bacteria growth in foods.

Examples of chemical preservatives include benzoates, nitrites, sulphites, phosphoric acid, and sorbates.

Usage: Jellies, cured meat, dried fruit, oils, cereal, dressings, fruits and vegetables, baked goods.



The **Food Preservatives Market**, estimated to be worth **\$2.7 billion** in 2021, is projected to reach **\$3.2 billion** by 2026, growing at a **CAGR of 3.7%**, driven by demand for food products with extended shelf-life, higher safety, and higher quality standards.¹

Raising Agents



Raising agents are additives that add a desired airy and light texture to food. They produce carbon dioxide by reacting with acidic ingredients, which fill-up the dough or batter, giving it a larger size and airy texture.

Baking powder, the most commonly used raising agent, consists of two active ingredients, bicarbonate of soda and cream of tartar. Other examples include carbonates and sulphates.

Usage: Baked goods, confectionery products.



The **Raising Agents Market**, consisting of the ingredients bicarbonate of soda and cream of tartar markets, was valued at **\$32.0 million** in 2020 and is projected to grow to **\$36.3 million** in 2026, representing a **CAGR of 2.1%**.²

Sweeteners

Sweeteners are a low-to-no-calorie sugar substitute. They are used in small quantities to intensify or achieve the same level of sweetness as natural sugars.

Sweeteners are derived from a variety of sources such as plants (e.g., stevia) and artificial chemicals. Polyols or low-calorie sugar substitutes are gaining popularity, primarily driven by growing demand from health-conscious consumers. Examples include erythritol, hydrogenated starch hydrolysates, isomalt, lactitol, maltitol, mannitol, sorbitol, and xylitol.

Usage: Soft drinks, canned foods, jellies and jams, baked goods, candy, dairy products.



The **Polyol Sweeteners Market**, estimated to be worth **\$2.9 billion** in 2021, is projected to reach **\$3.6 billion** by 2026, growing at a **CAGR of 4.6%**.³

Key Market Dynamics

3



Market Drivers and Challenges

Drivers

Urbanization and Rising Disposable Income



- 60% of the world population is expected to be living in urban areas by 2030, and urbanization will further propel the demand for foods with a wide range of ingredients
- Rising disposable income has led to an increased consumption of processed food and the consumers' willingness to pay higher prices for high-quality, premium products

Rising Demand for Fortified Food



- A growing base of health-conscious millennial consumers, persistent chronic disease, and increasing obesity rates drive the demand for fortified foods
- Vitamins, antioxidants, and prebiotics are among the trending functional ingredients associated with well-being

Innovation & Technology



- Product innovation and technological advancements are expected to drive market growth
- Companies are incurring higher R&D and capital expenditures, ranging from 3-8% of total sales

Government Initiatives & Sugar Taxes



- With rising cases of diabetes, 50 countries and jurisdictions have introduced taxes on sugary drinks as a way to discourage consumption
- Governments are actively pursuing initiatives, such as sugar taxes, to tackle unhealthy ingredient consumption

Challenges

Regulatory Issues



- Regulatory agencies enforce stringent and lengthy approval processes to allow commercial use of food ingredients
- Accredited agencies, such as the FDA and FAO of the UN, continuously monitor use of food additives, particularly in new markets

High Barriers to Entry



- R&D costs and the procurement and processing of ingredients make it a capital-intensive business
- Obstacles include increasing research and development requirements and intensifying competition

Supply Chain Disruptions



- The pandemic has exposed the fragility of the industry's supply chain and emphasized the need for further automation, optimization, and diversification
- A supply-demand imbalance with shipping and logistics has caused significant time delays and higher costs

Industry, Academia, and Skill Gap



- Lack of internal experts, technology, and skilled professionals who could aid research and innovation
- Poses challenges with new opportunities and risks related to global quality standards and regulations

Trends

The Food Ingredients market is expected to be shaped by the following consumer trends, heavily influenced by pandemic-induced lifestyles:



Global Cuisines & Flavors

- As consumers engage in leisure cooking, they seek unique, full-flavor ingredients to fulfill their fascination with ethnic foods
- Companies are exploring little-known or exotic flavor arenas such as Caribbean and Sub-Saharan African cuisines



Natural / Better-For-You

- All-natural and organic ingredients are seeing strong growth as consumers actively look to improve their health and lifestyles
- Plant-based, non-GMO, and better-for-you continue to be top of mind when selecting food products for an increasing number of consumers



Clean & Sustainable Eating

- Consumers have identified a persistent need to eat clean label food and seek transparency to better understand ingredients
- Non-dairy milk and the replacement of meat protein with plant-based alternatives are trending substitutes to satisfy protein intake



Premiumization

- The flavor, color, and exoticism of ingredients increases the premiumization of food products in the eyes of the consumer
- By catering to this aspect of consumers, ingredient manufacturers can command higher pricing for their perceived premium quality offerings



Mental / Well-being Ingredients

- As consumers look for holistic well-being through food and nutrition, they look for ingredients that provide mental agility and help combat stress
- Consumers seek "mood food" and customized nutritional solutions to support mental and emotional wellness



Comfort Food & Modern

- Due to the uncertainty induced by the COVID-19 pandemic, the demand for soothing and comfort food has increased as consumers cope with stress
- 71% of consumers stated that they enjoyed consuming foods that remind them of their childhoods, leading the way for 'nostalgia' and 'childhood' flavors such as cake and s'mores to regain popularity

M&A Overview

4



Overview

The Ingredients industry is highly fragmented and comprised of a significant number of privately-held, owner-operator businesses. While the pandemic slowed M&A activity in the third and fourth quarters of 2020, deal flow has recovered swiftly and significantly. The aftermath of COVID-19 has accelerated business owners' thoughts around succession planning, driving the desire for liquidity and leading to a robust M&A environment.

M&A interest has come from both private equity ("PE") firms and corporate buyers. This heightened activity is expected to continue into 2022 as buyers seek bolt-on acquisitions for existing platforms. Over the last twelve months, the Ingredients market has witnessed several notable deals, including Olam's acquisition of Olde Thompson (\$950 million) and McCormick's acquisition of FONA International (\$708 million).

After the decrease in market values in March 2020, multiples of publicly listed food ingredients players recovered strongly and reached new highs. In 2020 alone, there were more than 110 M&A transactions within the food ingredients sector.

As the containment of COVID-19 progresses and negative impacts on economic activity subside, the broad expectation is that the pace of overall M&A activity will continue to increase. Several market forces have led to an accommodating M&A environment over the past few years, including record-low interest rates, significant dry powder held by buyers, heightened focus on supply chain businesses, and compelling operating margins of food ingredients businesses.

"The first half of 2021 was characterized by continued resilience within the food, beverage and agribusiness (FB&A) industry, following a period of uncertainty through much of 2020. With more visibility on health and safety policies, changing consumer purchasing preferences and areas of sustainable growth, buyers and sellers have been adept at implementing strategic decisions to support their long-term growth plans."

- Food Ingredients Specialist, The Food Institute



Major Deal Drivers



Consolidation: The Food Ingredients sector remains highly fragmented and is consolidating as companies accelerate acquisition strategies to increase market share, leverage cross-selling opportunities, and expand capacity and capabilities. Even in a difficult year like 2020, key players in the sector continued their consolidation strategies.

Frutarom has been implementing an aggressive external growth strategy in the past few years. Ori Yehudai, former CEO of Frutarom, stated, "During the past five years, our many acquisitions have given us around 10,000 new customers who are now buying many solutions that we could not offer them in the past."

Shift Towards Higher Value-Add Products: Commodity ingredients companies are looking to expand into niche, specialty ingredients segments to increase returns and reduce volatility. This move is illustrated by One Rock Capital Partners' acquisition of Innophos Holdings, Inc. for \$932 million.

Natural, organic, and plant-based ingredients companies are targets, underscored by Astier Demarest's acquisition by Robertet in 2021, and in 2020, Biovegan's acquisition by FINEXX and Marroquin Organic International's acquisition by AGRANA.



Increased Private Equity and Venture Capital Investment: Private equity and venture capital funds have been active investors in middle-market food ingredients companies given the sector's attractive organic growth, high margins, and consolidation opportunities. Starting in 2020, private equity funds in Europe have shown growing interest towards the Food Ingredients sector. This was exhibited by MCH Private Equity's acquisition of Prosur SA, Ambienta's acquisition of Nactis Flavours, and EQT's acquisition of the Natural Colors division of Chr. Hansen.

Accessing New Markets: Long-term success in the Food Ingredients market is often obtained through building a global presence. For this reason, companies often seek geographic expansion to not only increase their customer base, but also to broaden the scope of product innovation to address different consumer preferences across markets.

In 2020, Symrise acquired the Fragrance business from Sensient Technologies to expand its presence in the EMEA and Latin American regions. In April 2020, Kerry Group acquired Tecnispice, Sociedad Anónima to increase its manufacturing capacity and geographic reach.



Clean Solutions: Many large flavor companies had maintained businesses that were developed in an era where synthetics were acceptable to consumers. However, consumers have grown tired of "franken-foods" with chemicals and are demanding foods that meet their health and wellness needs. Companies such as Givaudan, Fermentich, International Flavors and Fragrances, and ADM are continuously striving to offer clean solutions to their customer base by acquiring small- to mid-sized ingredients companies to accelerate their goals. ADM acquired Wild Flavors, IFF acquired Frutarom, and Givaudan acquired Naturex to deliver clean label portfolios to their customers.

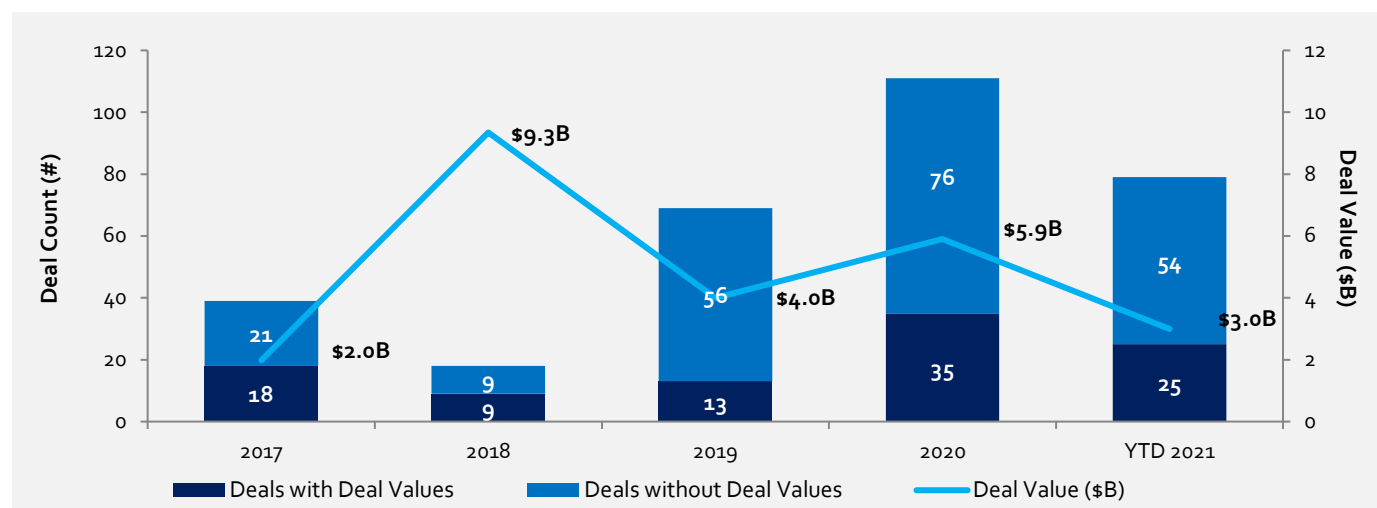
Access to New Technology: As innovation in the Ingredients industry is a key driver of growth, small companies with proven track records in innovation are targeted by large corporations, such as Lesaffre taking a majority stake in U.S. bioscience company Enverra.

"Our acquisition of Ganeden strengthens our position in the nutritional actives market and enables us to use additional technologies to build our immune health and gut health market platforms," said Frank Hayes, director of corporate affairs for Kerry Group, referring to their acquisition from October 2017.



M&A Activity Overview

M&A activity within the Food Ingredients sector picked up steam in 2019 as buyers turned their attention to the supply chain. This strength continued into early 2020, after which COVID halted nearly all M&A activity due to economic uncertainty. The Food Ingredients market responded well and quickly adapted. Companies maintained healthy levels of profitability and overall valuations rose. PE firms and corporates remained interested in the Ingredients industry, and M&A activity has started to gain momentum in the recent post-pandemic times.



Some of the largest flavor houses, such as Givaudan, Firmenich, International Flavors and Fragrances, and ADM have continued to look for clean solutions to offer their customer base. It has become clear over the past decade that acquisitions of small- to mid-sized ingredients companies would accelerate their goals. Similar trends are anticipated to boost overall M&A activity in the Ingredients space.

Select M&A Transactions: Strategic

Select Strategic M&A Transactions (2020-2021YTD)

Ann. Date	Target Company	Target Description	Country	Bidder Company	Country	EV (\$M)
14-Sep-21	The Ingredient House, LLC	The company offers high-intensity sweeteners, polyols, hydrocolloids, soluble and insoluble fibers, and cultures	USA	Prinova Group, LLC	USA	-
3-Sep-21	First Choice Ingredients, Inc.	Manufactures dairy-based concentrates and savory flavorings	USA	Koninklijke DSM N.V.	Netherlands	453.0
25-Aug-21	Goal Forward Holdings Limited (SEHK:1854)	Sources, processes, and supplies food ingredients to food service operators in Hong Kong	Hong Kong	Undisclosed	-	10.0
17-Aug-21	Pastifício Santa Amália S.A.	Producer of cocoa products, pastas, sauces and condiments, cakes and desserts, juices, chocolates, and cheese	Brazil	Camil Alimentos S.A. (BOVESPA:CAML3)	Brazil	78.1
11-Aug-21	&ever GmbH	Grows, harvests, produces, and sells baby leaf products and herbs	Germany	Kalera AS (OB:KAL)	Norway	125.3
11-Aug-21	Arawana Jinchu (Guangdong) Condiments Co., Ltd	Engages in the production of condiments	China	Yihai Kerry Arawana Holdings Co., Ltd (SZSE:300999)	China	69.3
6-Aug-21	Mediterranean Foods S.A.	Produces and sells condiments that include mustard, ketchup, mayonnaise, and sauce products in Greece	Greece	MINERVA S.A.	Greece	-

Select Strategic M&A Transactions (Sep 2021 LTM)

Ann. Date	Target Company	Target Description	Country	Bidder Company	Country	EV (\$M)
4-Aug-21	Centerchem, Inc.	Markets and supplies functional specialty ingredients for use in biochemical and diagnostic, cosmetic, food, pharmaceutical ingredients, flavors, and fine chemical industries	USA	LeBaronBrown Specialities LLC	USA	-
2-Aug-21	Furst-McNess Company	Produces customized vitamin and mineral premixes, commodity blends, and feed ingredients to the beef, dairy, poultry, and swine industry	USA	Easy USA Holdings Inc.	USA	-
29-Jul-21	Hunan Hong Ying Biotech Co., Ltd.	Manufactures biological enzymes to textile, food, feed, brewing, washing, pharmaceutical, sugar, paper, and renewable energy production companies	China	Guangdong VTR Bio-Tech Co., Ltd. (SZSE:300381)	China	3.0
28-Jul-21	The Flavourworks Group Limited	Manufactures and supplies flavored butters and related food ingredients	United Kingdom	Griffith Foods Worldwide	USA	-
26-Jul-21	Sojaprotein a.d.	Engages in processing soybean products in Europe	Serbia	Archer-Daniels-Midland Company	Serbia	-
20-Jul-21	Quimdis S.A	Distributes raw materials and ingredients for the pharmaceutical, nutraceutical, food, cosmetic, and aromatic products	France	Azelis France SAS	France	-
19-Jul-21	Assets of Flavor Solutions Inc.	Comprises flavors and other specialty ingredients producing facility	USA	Sensient Technologies Corporation (NYSE:SXT)	USA	-
15-Jul-21	Substantially All Assets of SaltSpring Harvest Ltd.	Comprises business of vege-pate, as well as seed-based spreadable dips, dairy products, organic sunflower seeds, vegetables, and other whole-food ingredients	United Kingdom	Boosh Plant-Based Brands Inc. (CNSX:VEGI)	Canada	0.2
13-Jul-21	Hans Kaspar AG	Operates as a nut processor and producer of semi-finished bakery products	Switzerland	Orkla Food Ingredients AS	Norway	-
11-Jul-21	Bayara Holding Limited	Manufacturer and distributor of healthy snacks and cooking ingredients	United Arab Emirates	Savola Foods Company	Saudi Arabia	259.9
9-Jul-21	North Star Processing, LLC	Manufactures food ingredients	USA	Welcome Dairy Holdings, LLC	USA	-
1-Jul-21	MH CO., LTD.	Distributes food ingredients	South Korea	SammiChem Co., Ltd.	South Korea	-
30-Jun-21	Verisem BV	Produces seed of vegetables and herbs	Netherlands	Syngenta Seeds, Inc.	USA	-
30-Jun-21	Pestell Minerals & Ingredients Inc.	Distributes minerals, feed ingredients, additives, fertilizers, nutrients, and salts for the animal feed and agricultural industry	Canada	Barentz International BV	Netherlands	-
28-Jun-21	Baotou Dongbao Bio-Tech Co.,Ltd (SZSE:300239)	Engages in production gelatin and collagen product, food additive and pharmaceutical gelatin, as well as collagen peptide	China	Qingdao Gon Technology Co., Ltd. (SZSE:002768)	China	55.8
25-Jun-21	Euroma Holding B.V.	Manufactures spices, seasonings, and texture modifiers	Netherlands	Marubeni Corporation (TSE:8002)	Japan	-
23-Jun-21	JM Swank, LLC	Distributes food ingredients in the United States	USA	Brenntag SE (XTRA:BNR)	Germany	304.0
17-Jun-21	Coloring Business of Diana Food SAS	Comprises natural food coloring business	France	Chr. Hansen Natural Colors A/S	Denmark	-
26-May-21	Ecom Food Industries Corporation	Produces and supplies extracts, flavors, natural antioxidants, and flavor enhancers to multinational food, beverage, and flavor companies worldwide	Canada	Robertet SA (ENXTPA:RBT)	France	-
19-May-21	Aqurate Ingredients Intl (M) Sdn Bhd	Supplies functional health ingredients to food and beverage, nutraceutical, pharmaceutical, and cosmeceutical industries	Malaysia	LYC Nutrihealth Sdn Bhd	Malaysia	8.8
17-May-21	Dion Herbs & Spices inc.	Produces and sells herbs and spices	Canada	Champlain Financial Corporation, Investment Banking Arm	Canada	-
12-May-21	Biocatalysts Limited	Develops and manufactures specialty enzymes for use in cheese processing, botanical extractions, cosmetics, and other applications	United Kingdom	BRAIN Biotech AG (XTRA:BNN)	Germany	5.5
10-May-21	Fruit Preparation Business of International Flavors & Fragrances Inc.	Comprises cosmetic active and natural health ingredients manufacturing business facility	USA	Frufact S.A.	Portugal	-
7-May-21	Eurogerm SA	Engages in the research, development, manufacture, and marketing of milling correctors, breadmaking improvers, ingredients, and technological auxiliaries for the milling and bread making sectors in France. Acquired the remaining 36.2% shares outstanding	France	Novagerm	France	90.8

Source(s): S&P CapIQ

Select Strategic M&A Transactions (Sep 2021 LTM)

Ann. Date	Target Company	Target Description	Country	Bidder Company	Country	EV (\$M)
6-May-21	Innova Flavors	Innova Flavors produces and sells customized meat and savory flavors	USA	Synergy Flavors, Inc.	USA	-
5-May-21	Leman Decoration Group	Production and distribution of cake decorations in chocolate, sugar and, marzipan to the bakery sector, including the artisanal, small industrial and home-baking segments, and food service	Netherlands	Cargill, Incorporated	USA	-
5-May-21	Wouters NV	Produces and sells bakery ingredients, oils, and fats	Belgium	Koninklijke Zeelandia Groep b.v.	Netherlands	-
3-May-21	Etablissements J. Soufflet SA	Engaged in agriculture, vineyard, trading, milling, ingredients, malhouses, bakery/neuhauser, fast food catering, rice and dried vegetables, and biotechnologies businesses	France	Union InVivo - Union de Coopératives Agricoles	France	-
30-Apr-21	Eurogerm SA	Engages in the research, development, manufacture, and marketing of milling correctors, breadmaking improvers, ingredients, and technological auxiliaries for the milling and bread making sectors in France. Acquired 63.8% of outstanding shares	France	Novagerm	France	176.7
29-Apr-21	Sosa Ingredients, S.L.	Manufactures and distributes ingredients for gastronomy and pastry applications in Spain and internationally	Spain	Savencia Gourmet SAS	France	-
28-Apr-21	Olde Thompson Inc.	Produces and sells salt and pepper mill products to customers in the United States and internationally.	USA	Olam Holdings B.V	Singapore	950.0
27-Apr-21	Secna Natural Ingredients Group SL	Manufactures natural food colors from natural resources	Spain	Chr. Hansen Natural Colors A/S	Denmark	-
15-Apr-21	Flow Scientific Ltd.	Produces scents and flavors using natural plant terpenes	Canada	BC Hop Company Ltd.	Canada	-
15-Apr-21	Kryddhuset I Ljung Ab	Produces and sells spices, salt, and other food products	Sweden	Humble Group AB (publ) (OM:HUMBLE)	Sweden	-
13-Apr-21	Proti-Farm Holding NV	Produces nutritious and functional ingredients for bakery, sports nutrition, pasta, meat alternatives, and other products	Netherlands	SAS Ynsect	France	-
13-Apr-21	TasteConnection Ltd	Manufactures seasonings and flavors	United Kingdom	Aromatagroup Srl	Italy	-
10-Apr-21	Milk assets in Brazil of Cooperativa Agroindustrial De Londrina - Cativa	Comprises business of production of milk, cream, butter, cheese, and dairy ingredients	Brazil	Groupe Lactalis S.A.	France	-
8-Apr-21	Food Side Business of Fudco Limited	Comprises nuts and spices business	United Kingdom	Vibrant Foods	United Kingdom	-
6-Apr-21	Acenzia Inc.	Manufactures supplements and natural health products, including powders, sports drinks, functional food, probiotics, and other therapeutics	Canada	Novo Healthnet Limited	Canada	14.9
5-Apr-21	Proteus Industries Inc.	Operates as a food ingredient manufacturing company that offers fish protein products	USA	Kemin Industries, Inc.	USA	-
1-Apr-21	KaTech Katharina Hahn + Partner GmbH	Supplies food ingredient solutions	Germany	Ingredion Incorporated (NYSE:INGR)	USA	-
31-Mar-21	Flavor And Fragrance Bio-Based Intermediates Business Of Amyris, Inc.	Comprises flavor and fragrance bio-based intermediates business	USA	Koninklijke DSM N.V. (ENXTAM:DSM)	Netherlands	300.0
30-Mar-21	Paradigm Industry Sdn Bhd	Manufactures and sells stevia-based sweetener	Malaysia	Pharmaniaga Pristine Sdn Bhd	Malaysia	0.0
29-Mar-21	Fruit Preparations Business of Taiyo Kagaku Co. Ltd	Fruit preparations manufacturing and related operations	Japan	AGRANA Fruit Japan Ltd.	Japan	-
25-Mar-21	Zen & Kosum Inter Foods Co., Ltd.	Produces and distributes seasoning products	Thailand	Zen & Spicy Company Limited	Thailand	1.6
15-Mar-21	In2food, Inc.	Imports and distributes pastry and chocolate ingredients in the United States	USA	Dobla USA Manufacturing, LLC	USA	-
8-Mar-21	Favourit Foods Ltd	Operates as a supplier of herbs, spices, and food ingredients	United Kingdom	GM Marketing (Ireland) Ltd.	United Kingdom	-
5-Mar-21	WRS Bioproducts Pty Ltd.	Engaged in algae harvest, extract and purify ingredients for sale to dietary supplements, food, cosmetic, and animal nutrition markets	Australia	Sun Pharmaceutical Industries Limited (NSEI:SUNPHARMA)	India	1.5
4-Mar-21	Urban Accents, Inc.	Produces and sells seasonings and spice blends	USA	Stonewall Kitchen, LLC	USA	-

Select Strategic M&A Transactions (Sep 2021 LTM)

Ann. Date	Target Company	Target Description	Country	Bidder Company	Country	EV (\$M)
1-Mar-21	Lancaster Fine Foods, Inc.	Produces custom sauces, dressings, and condiments for retail, industrial and foodservice customers	USA	STIR Foods, LLC	USA	-
1-Mar-21	Indukern, S.A.	Distributes and sells fine chemicals and also produces, and markets functional food ingredients and food solutions	Spain	Ravago S.A.	Belgium	-
23-Feb-21	SimplyCook Ltd.	Provides subscription-based cooking recipes and ingredient kits online	United Kingdom	Nestlé UK Ltd.	United Kingdom	-
17-Feb-21	Fipros Ab	Manufactures food ingredients	Sweden	Skånemejerier	Sweden	-
17-Feb-21	Candoe Limited	Imports and supplies dehydrated raw materials for the food industry	United Kingdom	Terry Foods Ltd	United Kingdom	-
17-Feb-21	Elementaree	distributes ingredients and recipe books for food preparations	Russia	Undisclosed	-	-
15-Feb-21	Biosearch, S.A.	Offers various ingredients under the Eupoly-3 name, which consists of oils, emulsions, and micro-encapsulated powder for functional foods, primarily dairy products, baby foods, medical foods, and food supplements	Spain	Vendin S.L.	Spain	158.0
14-Feb-21	Emerald Kalama Chemical, LLC	Manufactures chemicals used in flavors, fragrances, foods, cosmetics, and other consumer products	USA	LANXESS Aktiengesellschaft	Germany	1075.0
2-Feb-21	Drafft Root Beer, Inc.	Produces beverage concentrates and flavors, such as sno cone, smoothie, jet spray, granita, bar mix, and juices	USA	Rockport Investment Partners LLC	USA	-
1-Feb-21	Tennants Fine Chemicals Ltd.	Offers aroma chemicals that include fragrance and flavor products	United Kingdom	Eternis UK Limited	United Kingdom	-
28-Jan-21	Zhongbai Xingye Food Technology (Beijing) Co., Ltd	Engages in the distribution of specialty food ingredients, including dairy products and proteins	China	Brenntag SE (XTRA:BNR)	Germany	109.1
28-Jan-21	Baolingbao Biology Co.,Ltd. (SZSE:002286)	Manufactures corn-based health and food ingredients in China and internationally	China	Undisclosed	-	31.9
26-Jan-21	Ingredient Innovations International Company	Develops and produces nutritional ingredients for consumer markets	USA	Nu Skin Enterprises, Inc. (NYSE:NUS)	USA	25.6
21-Jan-21	Yenher Biotech Sdn Bhd	Engages in research and manufacturing of animal feed ingredients and agricultural products using biotechnology	Malaysia	Yenher Holdings Berhad (KLSE:YENHER)	Malaysia	0.1
13-Jan-21	Ingredients Business of Wesihardt	Comprises manufacturing of pig and fish skin gelatine, fish collagen peptides and texturizing systems	France	France Culinaire Developpement SAS	France	-
7-Jan-21	Biosun Biochemicals, Inc.	Manufactures and distributes flavor and food ingredient products	USA	BRAIN Biotech AG (XTRA:BNN)	Germany	-
7-Jan-21	Custom Chemical Services, Inc.	Distributes specialty chemical and ingredients	USA	LeBaronBrown Specialities LLC	USA	-
4-Jan-21	Megazyme u.c.	Manufactures and supplies analytical reagents, enzymes, and assay kits for the food, feed, dairy, and wine industries	Ireland	Neogen Corporation (NasdaqGS:NEOG)	USA	55.8
30-Dec-20	FONA International Inc.	Develops and produces flavors for food, beverage, and nutritional companies worldwide	USA	McCormick & Company, Incorporated (NYSE:MCK)	USA	708.2
29-Dec-20	Claremont Ingredients Limited/David Berryman Limited	Manufacture a complete range of liquid and powder flavourings/ Distributes wine, beer, and spirits	United Kingdom	THG Plc (LSE:THG)	United Kingdom	80.4
29-Dec-20	CBUSO's grape concentrate and high-color concentrate business	Grape concentrate	USA	Vie-Del Company	USA	-
28-Dec-20	Flavor Masters brand products of Origination, LLC	Comprises a line of flavors for food products	USA	QualiTech, Inc.	USA	-
28-Dec-20	Fattorie Giacobazzi S.r.l.	Manufactures balsamic vinegar, condiments, salad dressings, and sauses	Italy	Monari Federzoni SpA	Italy	-
24-Dec-20	Claus Nitsche & Sohn GmbH	Manufactures essential oils, natural flavors, and fragrances ingredients	Germany	OEEMA AG	Germany	-
22-Dec-20	Mission Flavors & Fragrances, Inc.	Develops custom flavors and fragrance for food beverage companies	USA	T. Hasegawa U.S.A. Inc.	USA	0.1
21-Dec-20	US Based Chile Pepper Business of Mizkan America, Inc	Engaged in manufacturing operations of condiments and sauces	USA	Olam Americas, Inc.	USA	108.5
17-Dec-20	Wholesome Sweeteners, Inc.	Produces sweeteners and honey	USA	Whole Earth Brands, Inc. (NasdaqCM:FREE)	USA	240.5
15-Dec-20	Essences Bonnie & Don Flavours ULC	Manufactures natural flavors, extracts, essential oils, and emulsion systems	Canada	National Flavors, Inc.	USA	-

Source(s): S&P CapIQ

Select Strategic M&A Transactions (Sep 2021 LTM)

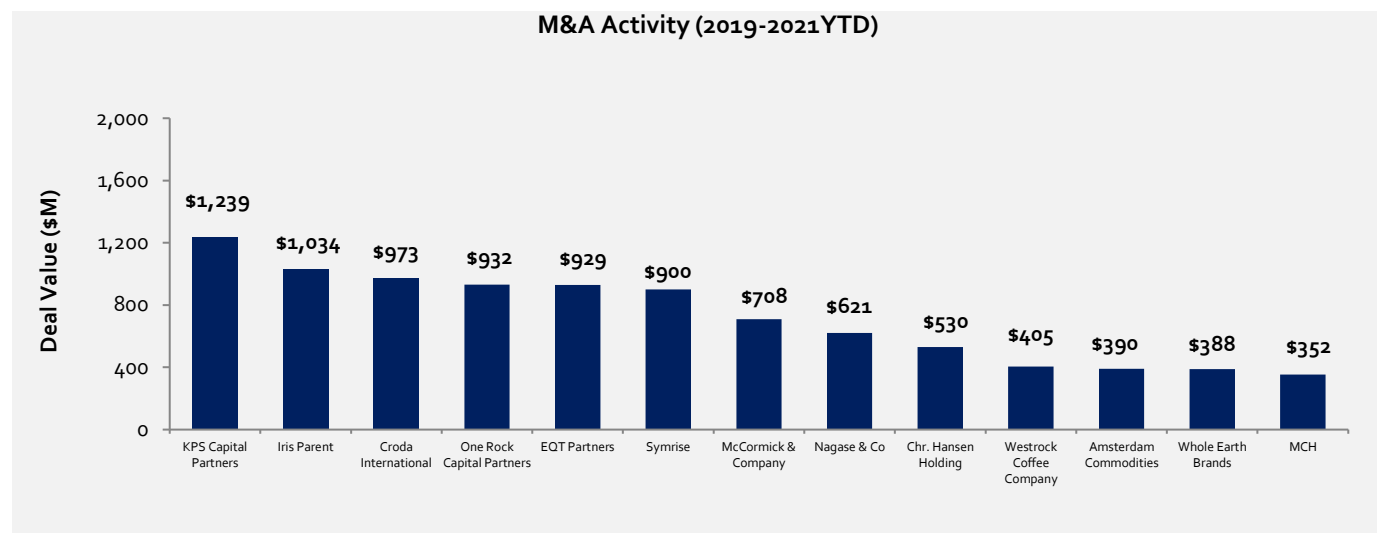
Ann. Date	Target Company	Target Description	Country	Bidder Company	Country	EV (\$M)
9-Dec-20	Fresh Organic Choice B.V.	Operates as a trading company that offers organic herbs	Netherlands	Organto Foods Inc. (TSXV:OGO)	Canada	0.4
4-Dec-20	Millikan S.A. de C.V./Banner Química S.A. de C.V.	Distributes ingredients and additives for the manufacture of food products and pharmaceuticals	Mexico	IMCD N.V. (ENXTAM:IMCD)	Netherlands	-
3-Dec-20	AGD Nutrition, LLC	Produces and markets nutritional ingredients	USA	Fermenta Biotech USA, LLC	USA	1.3
1-Dec-20	Sweet Green Fields Co., Ltd.	Produces stevia	USA	Tate & Lyle plc (LSE:TATE)	United Kingdom	-
1-Dec-20	Gortrush Trading Ltd	Distributes ice cream ingredients and accessories to wholesalers, ice cream retail outlets, and distributors in Ireland, Northern Ireland, and the United Kingdom	United Kingdom	NIC Enterprises Limited	United Kingdom	-
1-Dec-20	Seljel Jelatin Sanayi ve Ticaret A.S.	Produces glue/technical gelatine from bovine hides	Turkey	GELITA AG	Germany	-
25-Nov-20	Laurus Bio Private Limited	Offers AOF recombinant proteins, health and nutrition products, and enzyme technologies, including SULPHREE PRO and RICHCOSOL RC. It serves food, water, energy, and biopharmaceutical industries	India	Laurus Labs Limited (BSE:540222)	India	33.4
23-Nov-20	Fragrance Business of Sensient Technologies Corporation	Global manufacturer and marketer of colors, flavors, and fragrances	USA	Symrise AG (XTRA:SY1)	Germany	-
19-Nov-20	Hwail Pharmaceutical Co.,Ltd. (KOSDAQ:A061250)	Provides finished formulation products; and food raw materials and functional health food ingredients	South Korea	Topazio New Technology; Anello New Technology; Bledor New Technology Association No. 24; IASYS New Technology Association No. 25	South Korea	29.1
18-Nov-20	The Organic Candy Factory	Produces candies contained dyes, chemicals, GMOs, toxins, and gelatin (made from animal by-products)	USA	Vertical Wellness, Inc.	USA	-
18-Nov-20	Iberchem S.A.	Manufactures and sells fragrances and flavors	Spain	Croda International Plc (LSE:CRDA)	United Kingdom	973.3
12-Nov-20	Olmix Société Anonyme	Develops algae-based natural ingredients for the food, nutraceutical, and human health industries, as well as offers natural organoleptic solutions	France	Bioalg Holding SASU	France	2.8
10-Nov-20	Swerve, L.L.C./Swerve IP, L.L.C	Manufactures and markets zero sugar, keto-friendly, and plant-based sweeteners and baking mixes	USA	Whole Earth Brands, Inc.	USA	80.0
10-Nov-20	The Organic Corporation B.V./Tradin Organics USA LLC	Sources and supplies organic raw ingredients to the international food industry in Switzerland, Austria, and Germany/Supplies food, beverage products, and organic raw ingredients	USA	Amsterdam Commodities N.V. (ENXTAM:ACOMO)	Netherlands	389.8
10-Nov-20	Venezuelan Operations Of Cargill	Develops and supplies animal nutrition and feed ingredient solutions for feed manufacturers, retailers, and livestock producers; originates, processes, and distributes grains	Venezuela	Undisclosed	-	-
5-Nov-20	Comprital Group S.R.L.	Produces ice cream bases, pastes, creams, glazes, coatings and grains, toppings, and frozen yoghurt	Italy	Italcanditi S.p.A.	Italy	-
4-Nov-20	Bio-K Plus International Probiotics Business in Canada	Comprises probiotics producing business	Canada	Kerry Group plc (ISE:KRZ)	Ireland	-
4-Nov-20	Jining Nature Group	Produces savory flavors, seasonings, and prepared food products	China	Kerry Group plc (ISE:KRZ)	Ireland	-
3-Nov-20	Higgins & White Inc	Provides fruit, nut, and specialty ingredient brokerage services	USA	Skidmore Sales & Distributing Company, Inc.	USA	-
28-Oct-20	Chaodee Modified Starch Co.,Ltd.	Produces tapioca modified food starch in Thailand	Thailand	Tate & Lyle plc	United Kingdom	-
27-Oct-20	BDS Natural Products, Inc.	Manufactures botanicals and spices	USA	Ramón Sabater, S.A.U.	Spain	-
26-Oct-20	Barley Business and Related Production Assets of Dakota Dry Bean, Inc.	Comprises business of pearling and milling barley into ingredients for use in food and pet food markets	USA	Anchor Ingredients Co., LLC	USA	-
23-Oct-20	Ruskhle Research LLC	Offers food ingredients to the bakery and confectionery industry	Russia	Puratos NV; Puratos Group NV	Belgium	-

Select Strategic M&A Transactions (Sep 2021 LTM)

Ann. Date	Target Company	Target Description	Country	Bidder Company	Country	EV (\$M)
22-Oct-20	Nardev Chemie Pte Ltd.	Distributes specialty chemicals, offers cosmetic ingredients, and also offers food and nutraceuticals products. These products include cheese powders, flavorings, fruit extracts, and nutritional actives	Singapore	Barentz BV	Netherlands	-
14-Oct-20	Maroon Group LLC	Supplies functional and specialty ingredients for bakery, beverage, confectionery, dairy and dairy alternatives, meat and meat alternatives, and prepared food products	USA	Barentz International BV	Netherlands	-
8-Oct-20	Above Food Inc.	Develops and distributes plant-based meat and dairy products	Canada	Purewest Commodities Inc.	Canada	-
7-Oct-20	Sungwon Pharmacopia Co. Ltd.	Manufactures pharmaceuticals, healthy food ingredients, and electric materials	South Korea	MAXROTEC Co., Ltd. (KOSDAQ:A141070)	South Korea	3.7
6-Oct-20	CSM Ingredients	Produces and distributes ingredients for bakery primarily for the traditional artisan trade (pastry and bakery) and for industrial channels	Italy	Global Foods Solutions SAS	France	-
1-Oct-20	Bowmans Milling Limited	Bowmans Milling Limited manufactures and markets food coating products and flour for food processing industries in South Africa, Australia and Thailand	United Kingdom	Solina Group SAS	France	-

Top Buyers by Deal Value (2020-2021YTD)

- EQT Partners AB's transaction includes the \$929.5 million acquisition of Chr. Hansen Natural Colors A/S
- MCH Private Equity transaction includes the acquisition of Prosur SA for \$352.4 million



Private equity and venture capital investors are attracted to the growth and margin profiles of food ingredients companies, and with the high level of industry fragmentation, see significant opportunity to fund organic growth and buy-and-build strategies. This trend is further indicated by robust transaction volume, strong valuation multiples, and substantial growth of smaller companies. This is portrayed by EQT Partners AB's \$929.5 million acquisition of Chr. Hansen Natural Colors A/S in Denmark.

Select M&A Transactions: Financial

Select Financial M&A Transactions (2020-2021YTD)

Ann. Date	Target Company	Target Description	Country	Bidder Company	Country	EV (\$M)
21-Sep-21	Florida Food Products	Manufactures flavors and extracts	USA	Ardian	USA	-
17-Aug-21	Whittle and Mutch, Inc	Manufactures flavors and extracts	USA	FlavorSum (Riverside Companies)	USA	-
12-Aug-21	Muenster Milling	Pet food and ingredient manufacturer	USA	Kainos Capital	USA	-
12-Aug-21	Icelandirect	Leading contract manufacturer and value-add wholesale distributor of ingredients, offering a wide variety of marine oils, nutrients, and other liquid products for both branded human and pet consumer packaged goods	USA	New Heritage capital	USA	-
20-Jul-21	BakeMark USA LLC	Produces and sells bakery supplies and food ingredients	USA	Clearlake Capital Group, L.P.	USA	-
8-Jul-21	Primary Products business of Tate & Lyle plc	Provides ingredients and solutions to the food and beverage industries	United Kingdom	KPS Capital Partners, LP	USA	1238.8
1-Jul-21	Axence Aromatic GmbH	Offers natural ingredients for the flavor and fragrance compounding industry	Germany	capiton AG	Germany	-
29-Jun-21	T-Bev, Inc.	Manufacturer and sells natural and organic caffeine and functional botanical extracts	USA	Swander Pace Capital	USA	-
24-Jun-21	Alibra Ingredientes Ltda.	Develops and produces dairy solutions, food mixes, and other products	Brazil	Fornax Assessoria Ltda.	Brazil	-
3-Jun-21	Starwest Botanicals, Inc.	Manufacturer of botanicals, herbs, spices, and dietary supplements	USA	Incline Management, L.P.	USA	-

Select Financial M&A Transactions (2020-2021YTD)

Ann. Date	Target Company	Target Description	Country	Bidder Company	Country	EV (\$M)
11-May-21	Nutriscience Innovations, LLC	Supplies nutritional and functional food ingredients	USA	Tilia Holdings, LLC	USA	-
4-May-21	Solina Group SAS	Develops, creates, and supplies taste and visual, functional, and nutritional solutions	France	Astorg Partners	France	-
29-Apr-21	Wholesale Supplies Plus, Inc.	Operates as an online soapmaking supplies	USA	Avance Investment Management, LLC; Two Sigma Impact	USA	-
21-Apr-21	CSM Bakery Solutions	Supplies bakery fats, pastry and bread ingredients as well as food solutions for multiple industrial applications in bakery, dairy, nondairy and the ice cream industry	Luxembourg	Investindustrial	Luxembourg	-
18-Mar-21	Alvinesa Natural Ingredients SA	Produces natural tartaric acid, food alcohols, grapeseed oil and natural colourings from the grape	Spain	Intermediate Capital Group plc (LSE:ICP)	United Kingdom	-
15-Mar-21	Ulrick & Short Limited	Offers label ingredients for food manufacturers	United Kingdom	Novax AB	Sweden	-
4-Mar-21	Urban Accents	Marketer of branded spices, seasonings, and sauces	USA	Stonewall Kitchen (Audax Group)	USA	-
13-Jan-21	Orchard House Foods Ltd.	Poduces jams, marmalades, jellies, honey, mincemeat, fruit fillings, and fruit ingredients, as well as pure and blended maple syrups and natural sweeteners	United Kingdom	Elaghmore Partners	United Kingdom	30.3
11-Jan-21	OmniActive Health Technologies Limited	Manufactures and distributes nutritional and active natural ingredients to healthcare, and food and personal care industries	India	TA Associates Management, L.P.	USA	-
11-Jan-21	Monterey Bay Spice Co.	Processor and distributor of botanicals, herbs, teas, essential oils, seasonings, and spices	USA	Frontenac	USA	-
15-Dec-20	Bonnie & Don Flavours	Canadian-based manufacturer of natural and organic flavors and extracts	Canada	The Riverside Company	USA	-
11-Dec-20	Brinkhoff & Monoson, Inc.	Manufactures and delivers its own and private label organic spices and all-natural seasonings	USA	Norwest Equity Partners	USA	-
11-Dec-20	Red Monkey	Provider of private label organic spices, seasonings, and gourmet salts. In addition, the company manages two salt brands, San Francisco Salt Company and Epsoak	USA	Norwest Equity Partners	USA	-
4-Dec-20	ADF Foods Limited (BSE:519183)	Offers a range of products, including ready-to-eat food, ready-to-cook food, frozen food, frozen vegetables, and meal accomplishments, such as pickles, chutneys, sauces, cooking pastes, spices, etc	India	Convergent Finance LLP	India	13.6
19-Nov-20	Old World Spices & Seasonings, Inc.	Produces and distributes dry food products and seasonings	USA	Shore Capital Partners, LLC	USA	-
2-Nov-20	BDS Natural Products	Manufacturer of botanicals and spices serving the nutraceutical, food, and tea industries	USA	Sabater Spices (Portobello Capital)	USA	-
22-Oct-20	J&K Ingredients, Inc.	Manufactures bakery ingredients for the baking industry	USA	CORE Industrial Partners, LLC	USA	-
22-Oct-20	Biovegan GmbH	Produces and retails organic products for baking and cooking ingredients	Germany	FINEXX GmbH Unternehmensbeteiligunge n	Germany	-
4-Oct-20	SPC Ardmona Limited	Offers fruits, pastas, rice, tomatoes, jams, fruit sauces, toppings, bakery fillings, fruit preparations, marinades, fruit snacks, spaghetti, pie fruits, purees, marinates, juices, and soups	Australia	Perpetuity Capital Pty Limited; The Eights Group Pty Ltd	Australia	-
25-Sep-20	Chr. Hansen Natural Colors A/S	Develops and manufactures natural coloring ingredients for the food and beverages industry	Denmark	EQT Partners AB	Sweden	929.5
16-Sep-20	Libstar Holdings Limited (JSE:LBR)	Provides chutneys, table sauces, vinegars, tomato pastes, salad dressings, mayonnaise and marinades, salt, pepper, herbs and spices, and curry powders and seasoning mixes	South Africa	Kagiso Asset Management (Pty) Limited	South Africa	-
1-Sep-20	Char Crust	Maker of dry-rub seasonings using premium, clean label, certified	USA	Private	USA	-
7-Aug-20	Ankerkraut GmbH	Produces spices, sauces, and seasonings	Germany	EMZ Partners	France	-

Source(s): S&P CapIQ

Select Financial M&A Transactions (2020-2021YTD)

Ann. Date	Target Company	Target Description	Country	Bidder Company	Country	EV (\$M)
5-Aug-20	Great Lakes Gelatin Company	Produces collagen-based health products	USA	WM Partners, LP	USA	-
4-Aug-20	Cascade Coffee, Inc.	Offers coffee grinding, flavoring, and labeling services	USA	Westward Partners, LLC	USA	-
3-Aug-20	Prosur, S.A.	Manufactures food ingredients, such as antioxidants, flavors, and colors	Spain	MCH	Spain	352.4
29-Jul-20	GSB & Associates, Inc	Specializing in custom flavor development, GSB has a diverse portfolio of liquid and powdered flavors, as well as complementary products such as masking agents and flavor enhancers	USA	The Riverside Company	USA	-
21-Jul-20	Gel Spice Co.	Manufactures spices, seeds, and baking ingredients	USA	Olde Thompson (kainos Capital)	USA	-
9-Jul-20	Symprove Limited	Symprove Limited develops a water-based probiotic supplement drink	United Kingdom	bd-capital	USA	-
19-May-20	Citrus Extracts, Inc.	Engages in processing raw citrus peel to dehydrated food grade citrus ingredient products	USA	The Firmament Group, LLC; Sweat Equities, LLC; McLean Family Farms, Inc.	USA	-
30-Apr-20	Chicago Custom Foods	Maker of Kernel Season's popcorn seasoning, as well as oatmeal mix-ins and vegetable seasonings	-	Sauer's (Falfurrias Capital Partners)	USA	-
11-Mar-20	National Flavors, Inc.	Engages in processing and manufacturing flavoring materials for baking, ice cream and frozen dessert, confectionery, and allied food industries	USA	The Riverside Company	USA	-
10-Feb-20	Innophos Holdings, Inc	International ingredients producer	USA	One Rock Capital	USA	932.0
16-Jan-20	Frulact S.A.	Produces fruit preparations for the food industry	Portugal	Ardian	France	-
6-Jan-20	Wholesome Sweeteners, Inc.	Kosher ingredients	USA	OnexFalcon Investment Advisors, LLC; PNC Bank, National Association	USA	-

Peer Trading Analysis

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The overall Food Ingredients market is trading at an average EBITDA multiple of 17.9x, which is significantly influenced by higher multiples in the specialty-driven Ingredients markets. Specialty-driven ingredients registered an EV/EBITDA multiple of 21.6x compared to 12.8x for commodity-driven ingredients.

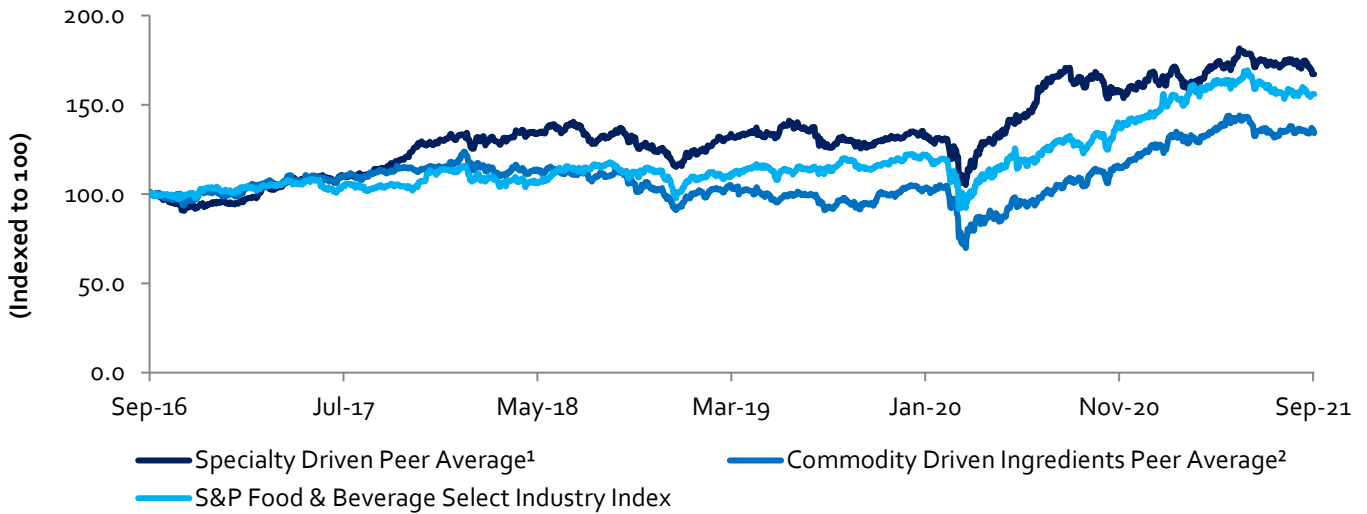
Company Name	Market Cap (\$M)	EV (\$M)	Margin (%)		EV/		
			EBITDA LTM	EBIT LTM	Sales (x) LTM	EBITDA (x) LTM	EBIT (x) LTM
Specialty Driven Ingredients							
Givaudan SA	44,405	49,511	21.5%	16.8%	7.1x	32.8x	42.0x
International Flavors & Fragrances Inc.	33,616	45,588	21.7%	12.7%	5.6x	25.9x	44.3x
McCormick & Company, Incorporated	22,892	28,101	20.8%	18.1%	4.7x	22.4x	25.7x
Kerry Group plc	25,277	27,646	13.6%	10.6%	3.3x	24.1x	30.8x
Otsuka Holdings Co., Ltd.	24,233	22,344	20.0%	14.4%	1.7x	8.6x	11.9x
Symrise AG	20,314	22,102	20.8%	13.9%	5.2x	24.8x	37.1x
Chr. Hansen Holding A/S	11,427	12,542	39.3%	30.3%	9.9x	25.1x	32.6x
AAK AB (publ.)	5,771	6,200	9.4%	6.7%	1.8x	18.8x	26.2x
Angel Yeast Co., Ltd	5,540	5,973	20.6%	15.4%	3.9x	19.1x	25.5x
Sensient Technologies Corporation	3,799	4,250	15.9%	12.1%	3.1x	19.8x	25.9x
MGP Ingredients, Inc.	1,388	1,627	20.4%	17.3%	3.3x	16.4x	19.3x
		Mean	20.4%	15.3%	4.5x	21.6x	29.2x
		Median	20.6%	14.4%	3.9x	22.4x	26.2x
Commodity Driven Ingredients							
Archer-Daniels-Midland Company	47,912	43,777	4.8%	3.5%	0.6x	12.0x	16.5x
DuPont de Nemours, Inc.	37,964	43,199	25.0%	10.8%	2.0x	8.0x	18.6x
Koninklijke DSM N.V.	30,360	38,381	16.1%	9.5%	3.8x	23.6x	40.2x
Associated British Foods plc	1,849	24,030	9.8%	4.6%	1.4x	14.0x	29.7x
Bunge Limited	13,991	19,345	4.8%	3.9%	0.4x	7.9x	9.6x
Ingredion Incorporated	201,846	7,756	15.2%	12.0%	1.2x	7.9x	10.0x
Tate & Lyle plc	553	4,909	17.0%	11.8%	1.3x	7.5x	10.7x
Corbion N.V.	24,432	3,494	13.6%	9.2%	2.9x	21.4x	31.8x
		Mean	13.3%	8.2%	1.7x	12.8x	20.9x
		Median	14.4%	9.3%	1.3x	10.0x	17.5x
		Overall Mean	17.4%	12.3%	3.3x	17.9x	25.7x
		Overall Median	17.0%	12.0%	3.1x	19.4x	26.2x

Peer Average vs. S&P Food & Beverage Index

- The Food Ingredients market has outperformed the broader Food & Beverage industry with year-over-year growth of 23.5%, above the S&P Food & Beverage Select Industry Index (equities classified in the GICS Food & Beverage sub-industry of the S&P Total Market Index) which grew by 22.4% year-over-year
- Angel Yeast Co., Ltd saw its stock price appreciate 169.1% during the last five years, increasing from \$2.5 in Sep 2016 to \$6.7 in Sep 2021. However, the company has seen a fall of 22.0% in share price in the last year, this was due the lingering effects of the COVID-19 pandemic and the challenge of increasing costs
- Givaudan SA, which specializes in manufacturing of flavors, fragrances and active cosmetic ingredients witnessed a 135.6% increase in share price during the last five years, primarily attributed to a wide economic moat of the company and high acquisitive growth (16 acquisitions between 2014-2020)
- Specialty-driven ingredients have shown higher share price growth compared to their commodity-driven ingredients peers. In addition, the specialty food ingredients sector has outperformed the broader F&B industry, driven by continued innovation, new market entrants, increased consolidation, and growing private equity and venture capital investment

(% change)	5Y	3Y	1Y	6m
Specialty Driven Ingredients				
AAK AB (publ.)	80.3%	31.9%	17.4%	(0.4%)
Angel Yeast Co., Ltd	169.1%	70.0%	(22.0%)	(16.4%)
Chr. Hansen Holding A/S	45.1%	(14.3%)	(23.8%)	(2.5%)
Givaudan SA	135.6%	93.7%	7.4%	27.3%
International Flavors & Fragrances Inc.	(4.3%)	(3.5%)	10.1%	(1.7%)
Kerry Group plc	71.2%	28.5%	6.2%	16.5%
McCormick & Company, Incorporated	77.6%	31.7%	(9.8%)	(1.0%)
MGP Ingredients, Inc.	59.4%	(19.8%)	59.1%	(0.4%)
Otsuka Holdings Co., Ltd.	(4.5%)	(7.2%)	4.1%	1.0%
Sensient Technologies Corporation	19.4%	16.4%	52.6%	15.2%
Symrise AG	90.4%	49.4%	(2.5%)	16.0%
Commodity Driven Ingredients				
Archer-Daniels-Midland Company	41.4%	20.2%	27.0%	6.5%
Associated British Foods plc	(26.3%)	(15.4%)	2.9%	(23.6%)
Bunge Limited	27.8%	16.5%	62.0%	(1.4%)
Corbion N.V.	94.1%	57.7%	19.7%	1.7%
DuPont de Nemours, Inc.	(57.1%)	(67.7%)	14.6%	(11.9%)
Ingredion Incorporated	(33.3%)	(17.1%)	6.7%	(3.5%)
Koninklijke DSM N.V.	227.6%	98.4%	31.4%	26.9%
Tate & Lyle plc	(0.1%)	9.6%	3.6%	(9.9%)
Peer Average	34.3%	18.4%	23.5%	3.6%
S&P Food and Beverage	56.1%	34.5%	22.4%	(1.6%)

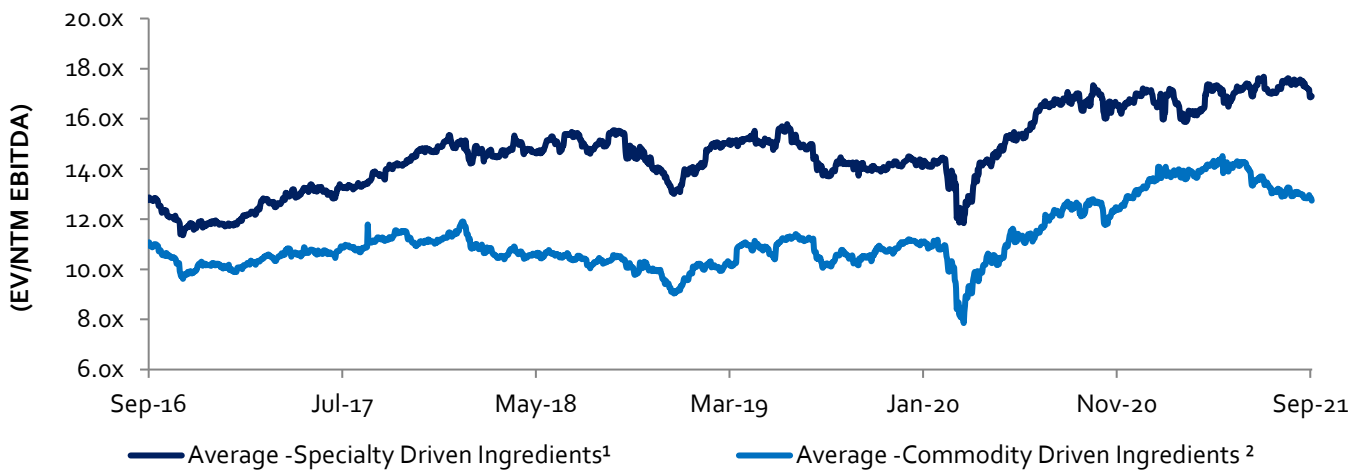
Peer Average vs. S&P Food & Beverage



Note 1: Specialty-Driven Ingredients: AAK, Angel Yeast, Kerry Group, McCormick & Company, Chr. Hansen Holding, International Flavors & Fragrances, MGP Ingredients, Givaudan, Sensient Technologies, Symrise, and Otsuka

Note 2: Commodity-Driven Ingredients: Associated British Foods, Archer Daniels Midland, Ingredion, Tate & Lyle, Corbion, Dow DuPont, Bunge, and Koninklijke DSM NV

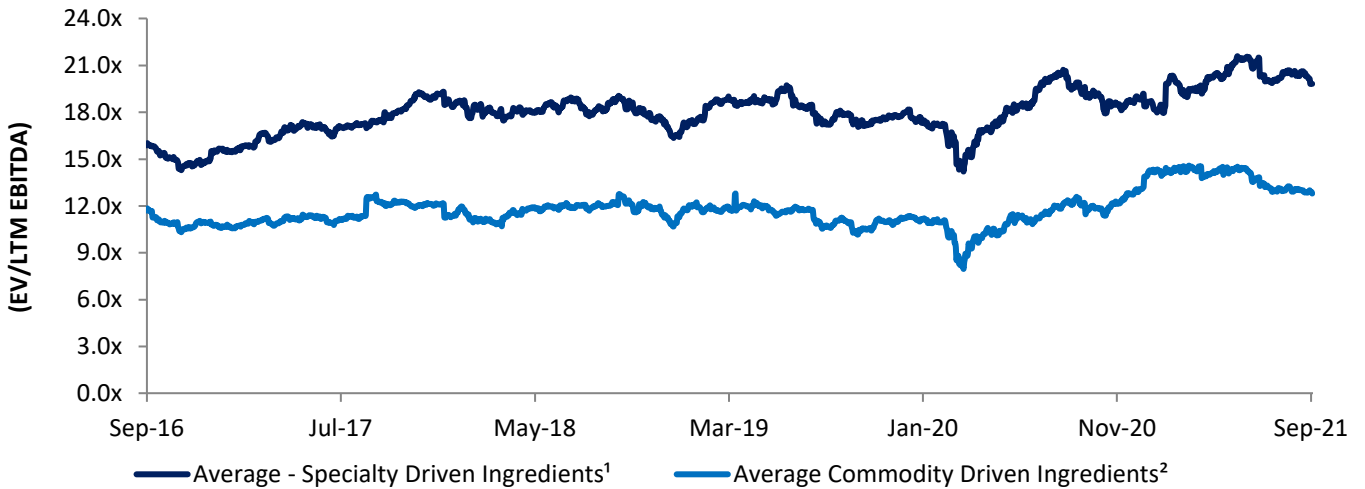
Historical EV/NTM EBITDA Analysis



Note 1: Specialty-Driven Ingredients: AAK, Angel Yeast, Kerry Group, McCormick & Company, Chr. Hansen Holding, International Flavors & Fragrances, MGP Ingredients, Givaudan, Sensient Technologies, Symrise, and Otsuka

Note 2: Commodity-Driven Ingredients: Associated British Foods, Archer Daniels Midland, Ingredion, Tate & Lyle, Corbion, Dow DuPont, Bunge, and Koninklijke DSM NV

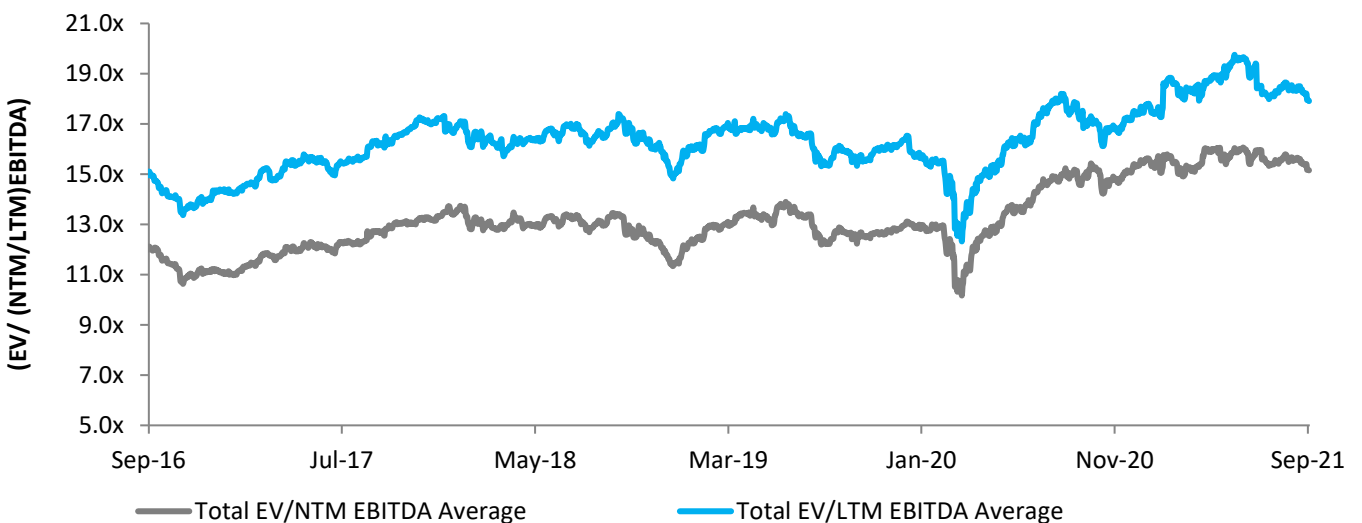
Historical EV/LTM EBITDA Analysis



Note 1: Specialty-Driven Ingredients: AAK, Angel Yeast, Kerry Group, McCormick & Company, Chr. Hansen Holding, International Flavors & Fragrances, MGP Ingredients, Givaudan, Sensient Technologies, Symrise, and Otsuka

Note 2: Commodity-Driven Ingredients: Associated British Foods, Archer Daniels Midland, Ingredion, Tate & Lyle, Corbion, Dow DuPont, Bunge, and Koninklijke DSM NV

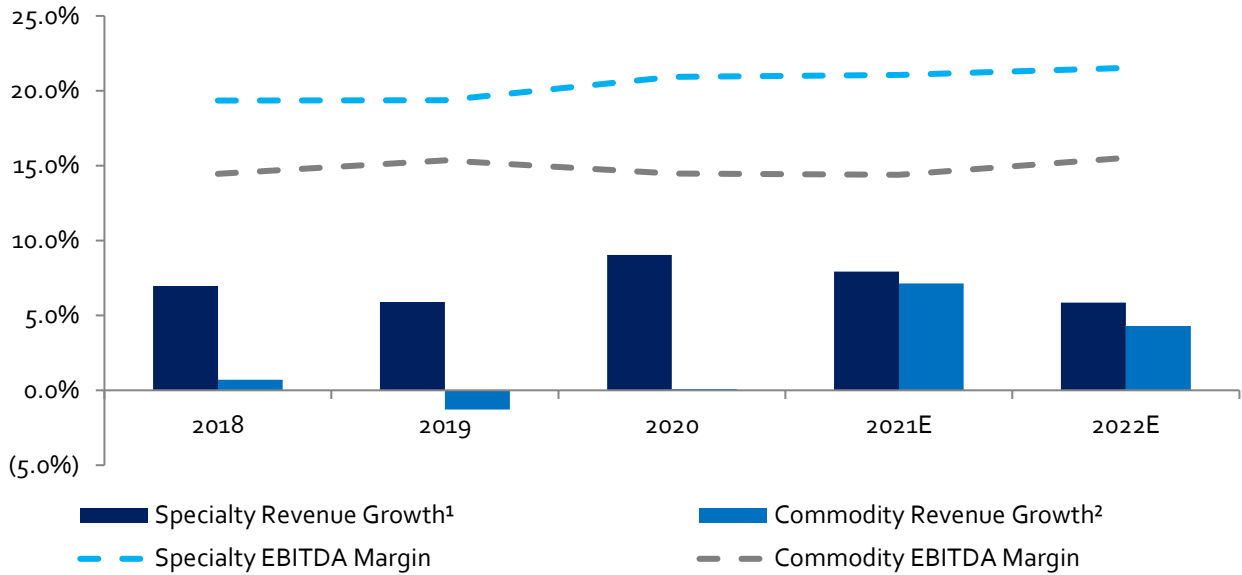
Total EV/NTM EBITDA vs. EV/LTM EBITDA Comparison



Note 1: Specialty-Driven Ingredients: AAK, Angel Yeast, Kerry Group, McCormick & Company, Chr. Hansen Holding, International Flavors & Fragrances, MGP Ingredients, Givaudan, Sensient Technologies, Symrise, and Otsuka

Note 2: Commodity-Driven Ingredients: Associated British Foods, Archer Daniels Midland, Ingredion, Tate & Lyle, Corbion, Dow DuPont, Bunge, and Koninklijke DSM NV

Historical EV/LTM EBITDA Analysis



Note 1: Specialty-Driven Ingredients: AAK, Angel Yeast, Kerry Group, McCormick & Company, Chr. Hansen Holding, International Flavors & Fragrances, MGP Ingredients, Givaudan, Sensient Technologies, Symrise, and Otsuka

Note 2: Commodity-Driven Ingredients: Associated British Foods, Archer Daniels Midland, Ingredion, Tate & Lyle, Corbion, Dow DuPont, Bunge, and Koninklijke DSM NV

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Global M&A Partners Select Transactions

Food Ingredients and Agricultural Products

<p>Icelandirect acquired by New Heritage Capital</p> <p>Brown Gibbons Lang & Company Advisor to the seller</p>	<p>Sale of a leading specialist for ingredients for chocolate and ice cream</p> <p>Norway Switzerland Zetra International</p>	<p>Vertically integrated, value-add processor and supplier of organic botanicals, herbs, and spices</p> <p>Brown Gibbons Lang & Company Advisor to the seller</p>	<p>AAK AB acquires Fanagra, a Colombian company in the oil and fats industry.</p> <p>Advisor to the buyer</p>	<p>Frutarom acquired Rieber & Son, a leading supplier of industrial ingredients to the Norwegian food industry</p> <p>Israel Norway Saga Corporate Finance & Value Base M&A Advisor to the seller</p>
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Food Processing, Food Manufacturing

<p>Private Investors</p> <p>Sweet and salty wafers and biscuits producer Urban Group was sold to Hungarian private investors</p> <p>Invescom Corporate Finance Advisor to the seller</p>	<p>Warnock Food Products, Inc. has been acquired by Calbee, Inc. (TSE:2229)</p> <p>Japan USA Brown Gibbons Lang & Company Advisor to the seller</p>	<p>DIVESTITURE of Mediterranean antipasti manufacturer Ceposa AG (CH) to an investor group led by Verium AG (CH)</p> <p>Zetra International Advisor to the seller</p>	<p>Gimv made a significant investment in Snack Connection</p> <p>Belgium Luxembourg Netherlands JBR Advisor to the seller</p>	<p>Merger of the two largest Latvian dairy products manufacturers JSC "Rigas piena kombina?ts" and JSC "Valmieras Piens"</p> <p>Russia Baltics Prudentia</p>
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Food Distribution, Food Retail, Restaurants

<p>Advisory to Alsea on the sale of a majority stake in the master franchisee of P.F. Chang's in Brazil</p> <p>Brazil Mexico Condere & Ri6N Advisor to the seller</p>	<p>YO! Sushi owns, operates, and franchises conveyor belt sushi restaurants, principally in the UK and the US</p> <p>United Kingdom USA Zeus Capital Advisor to the buyer</p>	<p>Grupo Premier, the master franchisee of Carl's Jr. for the Mexico City region, has been acquired by Taco Holding.</p> <p>Ri6N Advisor to the seller</p>	<p>Acquisition of Massey Fair, a U.S. ingredient broker/distributor by Batory Foods</p> <p>Brown Gibbons Lang & Company Advisor to the buyer</p>	<p>Sale of 80% of the shares of the leading French distributor of Japanese food products for hotels and restaurants</p> <p>Japan France Financiere de Courcelles Advisor to the seller</p>
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About Us

Established in 1999, Global M&A Partners is a leading international partnership of investment bankers specializing in mid-market transactions. We provide sector expertise, international scope, and deep local market knowledge and execution capabilities for our clients. We operate with local offices across 4 continents and have completed over 1,500 transactions during the last ten years, typically ranging from €50 to €500 million.