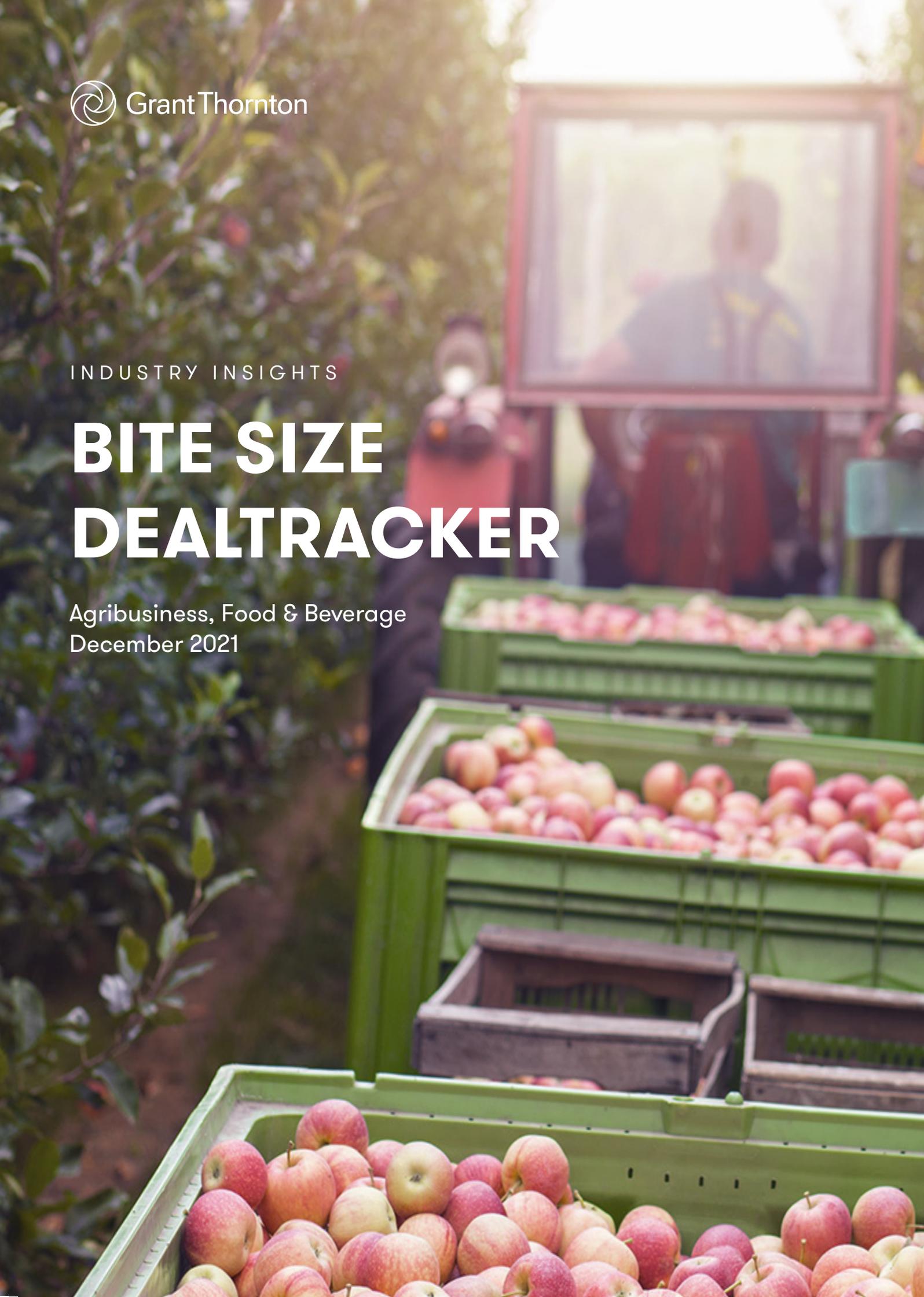


INDUSTRY INSIGHTS

# BITE SIZE DEALTRACKER

Agribusiness, Food & Beverage  
December 2021





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This Bite Size edition of the Dealtracker is an Executive Summary style report that focuses on merger and acquisition (M&A) and equity market activity in the food, beverage and agribusiness industry during the 12 month period to 30 June 2021 (Current Period).

Our previous Dealtracker editions have collectively covered the 9 and a half year period from 1 January 2011 to 30 June 2020 (Historical Period).

The data in this report was compiled from several sources including S&P Capital IQ, the Australian Securities Exchange, Mergermarket, IBISWorld, company announcements and other publicly available information. We consider this consolidated multi-source analysis – supplemented with our own proprietary sources – to provide a comprehensive insight into recent food, beverage and agribusiness deal activity.



We have considered transactions where the target company's primary Subsector was classified as one of the following as per S&P Capital IQ:



#### Packaged Food and Meats

Producers of packaged foods including dairy products, fruit juices, meats, poultry, fish and pet foods



#### Agricultural products

Producers of agricultural products. Includes crop growers, owners of plantations and companies that produce and process foods. Excludes companies classified in the Forest Products Subsector and those that package and market the food products classified in the Packaged Foods & Meats Subsector



#### Brewers

Producers of beer and malt liquors. Includes breweries not classified in the Restaurants Subsector



#### Distillers & Vintners

Distillers, vintners and producers of alcoholic beverages not classified in the Brewers Subsector



#### Soft Drinks

Producers of non-alcoholic beverages including mineral waters. Excludes producers of milk classified in the Packaged Foods Subsector

Where S&P Capital IQ indicated that the acquirer/vendor of a transaction included an investment manager (IM), the following has been used throughout the report to identify transactions that involved IMs.



#### Investment Manager (IM) Entry

Acquisition of a business / stake in a business by an IM



#### Investment Manager (IM) Sale

Sale of a business / stake in a business by an IM

*"Increased innovation and productivity in the Agribusiness, Food & Beverage markets continues to create positivity in the industry and attract significant interest from Foreign and Domestic investors, particularly IMs, shown by a continued large increase the number of IM deals in the sector since the COVID impact on H1 2020.*

*This year's Dealtracker insights clearly showed that the Australian sector experienced a significant rebound in transaction volumes and values since the impact of COVID-19 on the market in the first half of 2020. The recovery of the market has been very strong, with the median trading multiple for the sector increasing from 11.2x at 31 December 2020 to 12.8x at 30 June 2021."*

**Cameron Bacon, Partner and Victorian Head of Agribusiness, Food & Beverage**



# Spotlight on Global and Australian Agribusiness, Food & Beverage industry activity

1,014

Global M&A deals captured in the current 12 month period to June 2021, an increase from the previous 12 month period (911 deals).

9.6%

of the global IPOs occurred in Australia (6 Australian IPOs captured in the sector for the period).

62

Global IPOs were recorded in the current period, more than any previous calendar year since Dealtracker began.

\$341m

of IPO proceeds in Australia from 6 IPOs in the current period.



Australia had the largest global deal for the period: the \$9.655 billion sale of Cola-Cola Amatil Limited to Coca-Cola Europacific Partners. This follows the \$16 billion Australian sale of CUB Pty Ltd in January 2020, which was the largest global deal for the previous 12 month period.



The sector experienced a decrease in deal volumes and transaction multiples for the period which was significantly driven by the impact of COVID-19. However, a strong recovery has been seen since H2 2020, demonstrated by significant increases in half-year period on period deal volumes and an increase in trading multiples.



Trading multiples across the sector increased in line with many global markets including the ASX and Nasdaq.



Increasing yields and prices of Australian produce is a strong factor for continued investment from Domestic and Global Investors.



Australia ranks 5th in the world by deal volume, with 50 deals in the period. This ranking is consistent with historical periods.



# Global & Australian M&A Insights

## Global



Investors see the sector as an attractive long-term investment.



Increased productivity will be driven by AgTech innovation.



Agriculture's carbon footprint continues to be the driver of innovation & investment from governments, investors and sustainably aligned businesses.



Equity purchases continue to be the main type of global deals (75%), whilst Asset Sales contributed to 23% and 'Other' type of deals remained around 2% which consist mostly of business division acquisitions.

## Australia



Small to mid-sized businesses accounted for 75% of Australian deals (less than \$100m). This was a decrease from the historical average of 80%, indicating that slightly more Australian deals are exceeding \$100m.



52% of the Australian deals were asset sales, an increase from the historical average of 45%, and well above the global historical average of 26%.

This trend is expected to continue as foreign and domestic investors continue to be attracted to Australian land and agriculture related assets, with a higher proportion of Australian sales being land.



#### Australian Deals by Sale Type

Sales Type	Current Period	Historical Period	Current Period %	Historical Period %
Asset	26	245	52	45
Equity	24	282	48	52
Other	-	12	0	2
<b>Total</b>	<b>50</b>	<b>539</b>	<b>100</b>	<b>100</b>

#### Global Deals by Sale Type

Sales Type	Current Period	Historical Period	Current Period %	Historical Period %
Asset	233	2,781	23	26
Equity	758	7,526	75	71
Other	23	248	2	2
<b>Total</b>	<b>1,014</b>	<b>10,555</b>	<b>100</b>	<b>100</b>

Australia Transaction Value Range	Current Period	Historical Period	Current Period %	Historical Period %
<b>Small to Mid Size Business Deals (&lt; \$100 million)</b>				
Less than \$20 million	11	154	46	53
Between \$20 million to \$50 million	6	46	25	16
Between \$50 million to \$100 million	1	30	4	10
<b>Total Small to Mid Size Business Deals</b>	<b>18</b>	<b>230</b>	<b>75</b>	<b>80</b>
<b>Mid to Large Business Deals (&gt; \$100 Million)</b>				
Between \$100 million to \$200 million	2	22	8	8
Between \$200 million to \$500 million	1	23	4	8
Between \$500 million to \$1 billion	2	5	8	2
Over \$1 billion	1	8	4	3
<b>Total Mid to Large Business Deals</b>	<b>6</b>	<b>58</b>	<b>25</b>	<b>20</b>
<b>Total Disclosed Deals</b>	<b>24</b>	<b>288</b>	<b>100</b>	<b>100</b>
Undisclosed	26	251		
<b>Total (Incl. Undisclosed)</b>	<b>50</b>	<b>539</b>		

# Deal activity trends



1,014 M&A transactions occurred in the period (c.10% below long-term average of 1,111)  
The market has rebounded quickly since the initial COVID-19 decline, with progressive increases in transaction volumes for each of the last 3 half-year periods due to a resurgence in investor confidence.



Australia ranked 5th and accounted for 4.9% of the global M&A deal activity in the current period.  
This is relatively consistent with the historical period average of 5.1% of global deals (4th most deals of any country since 2011).



Considering Australia's isolation during the COVID-19 pandemic, the number of deals reflects the resilience of the Australian sector.

- Global deal volumes in H1 2020 were 27% below average and increased to be only 5% below average for H1 2021.

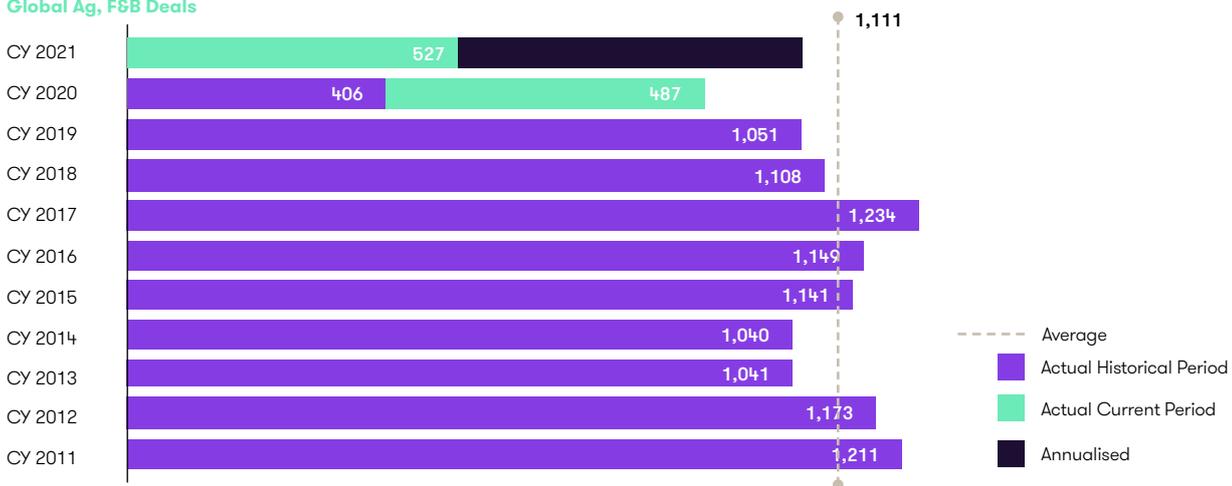


Packaged Food and Meat businesses continued to account for the majority of Deals in period for all buyers, including:

- 77% of Global Investment Manager Deals (133 Deals);
- 64% of Global Deals (648 Deals);
- 62% of USA Acquisition Deals (189 Deals);
- 50% of Australian Deals (25 Deals).



### Global Ag, F&B Deals



### Current Period Global M&A Activity (1 July 2020 - 30 June 2021)

Country	Current Period	Period Ranking	% of Deal	Historical Period	Period Ranking	% of Deal
United States	336	1	33.1	2,639	1	25.0
United Kingdom	66	2	6.5	730	2	6.9
France	56	3	5.5	676	3	6.4
Canada	52	4	5.1	367	7	3.5
Australia	50	5	4.9	539	4	5.1
Italy	44	6	4.3	248	11	2.3
Spain	38	7	3.7	429	5	4.1
China	29	8	2.9	291	9	2.8
Netherlands	25	9	2.5	228	12	2.2
Russia	24	10	2.4	413	6	3.9
<b>Top 10</b>	<b>720</b>		<b>71.0</b>	<b>6,560</b>		<b>62.2</b>
Other countries	294		29.0	3,994		37.8
<b>Total</b>	<b>1,014</b>		<b>100</b>	<b>10,554</b>		<b>100</b>
Average annual deals	1,014			1,111		



# Global valuation multiples: transactions

**The median EV/EBITDA multiple (transaction multiple) has decreased to 9.3x in the current period from the historical observed average of 10.0x.**

Transaction Subsector composition has remained consistent against the historical average, with all compositions in the current period being within 2% of the historical averages. Packaged Foods and Meats continue to have the largest range of multiples due to the variety and innovation in the sector. Plant-based meats and foods have experienced a significant increase in investor interest, as the demand for vegan products and ways to reduce methane emissions from livestock has created a whole new market in the meat sector which has the potential for significant growth.



Packaged Foods and Meats remained the predominant Subsector by total deal volumes (64%).



The lower median EBITDA multiple overall and particularly for Packaged Foods and Meats is likely a result of COVID lockdowns impacting investor confidence in some parts of the subsector.



Brewers made up 5% on the deals, higher than the historical average of 4%. We expect the number of Brewer deals to grow significantly in Australia as we are aware of a number of potential Craft Brewery transactions.



Median EBITDA multiple for Brewers has increased reflecting the interest in the sector as outlined above.



Distillers & Vintners deals continue to grow, increasing from 8% of global deals in 2018 to 12% in the current period.



The one disclosed soft drink deal was the sale of Coca-Cola Amatil (see page 12).

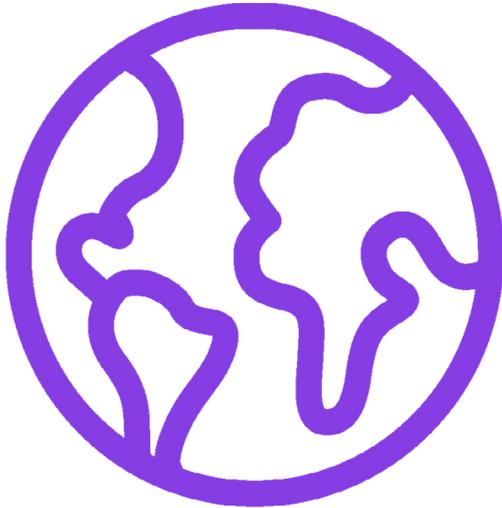


Median EBITDA multiple for Agricultural Products was down partly due to an extended drought in parts of North America and Europe.

Subsector	Current Period					Historical Period				
	No. of deals	Deals with multiples disclosed	Subsector deal composition %	Median EBITDA multiple	Range	No. of deals	Deals with multiples disclosed	Subsector deal composition %	Median EBITDA multiple	Range
Agricultural Products	159	3	16	5.7x	4.7x-9.4x	1,532	41	15	8.6	0.30x-104.3x
Brewers	49	2	5	29.8x	16.1x-43.6x	413	20	4	11.0	5.6x-33.3x
Distillers & Vintners	118	2	12	10.3x	10.3x-30.1x	1,146	11	11	14.5	7.9x-61.1x
Packaged Foods and Meats	648	16	64	9.1x	5.7x-43.6x	6,964	261	66	10.0	0.02x-142x
Soft Drinks	40	1	4	13.5x	13.5x	499	25	5	9.6	0.09x-27.1x
<b>Median (overall)</b>				<b>9.3x</b>					<b>10x</b>	
<b>Total</b>	<b>1,101<sup>4</sup></b>	<b>2<sup>4</sup></b>	<b>100</b>			<b>10,55<sup>4</sup></b>	<b>358</b>	<b>100</b>		

# Top 10 Global Deals

- Packaged food and meat businesses accounted for 70% of the top 10 deals, consistent with total deals
- USA accounted for 60% of both the Top 10 Targets and Acquirers
- 30% of the Top 10 Global Acquirers were Investment Manager Investors



**1**  
  


<b>Target:</b>	Coca-Cola Amatil Limited
<b>Target Industry:</b>	Soft Drinks
<b>Target Country:</b>	Australia
<b>Acquirer:</b>	Coca-Cola Europacific Partners PLC
<b>Acquirer Country:</b>	United Kingdom
<b>Deal Value (A\$m):</b>	9,655
<b>Closed Date:</b>	10/05/2021
<b>EV/EBITDA:</b>	13.5

**2**  
  


<b>Target:</b>	Nestlé Waters North America Inc. (nka:BlueTriton Brands, Inc.)
<b>Target Industry:</b>	Soft Drinks
<b>Target Country:</b>	United States
<b>Acquirer:</b>	One Rock Capital Partners, LLC
<b>Acquirer Country:</b>	United States
<b>Deal Value (A\$m):</b>	5,539
<b>Closed Date:</b>	31/03/2021
<b>EV/EBITDA:</b>	10.5

**3**  
  


<b>Target:</b>	Pinehill Company Limited
<b>Target Industry:</b>	Packaged Foods and Meats
<b>Target Country:</b>	British Virgin Islands
<b>Acquirer:</b>	PT Indofood CBP Sukses Makmur Tbk
<b>Acquirer Country:</b>	Indonesia
<b>Deal Value (A\$m):</b>	4,594
<b>Closed Date:</b>	27/08/2020
<b>EV/EBITDA:</b>	Not disclosed

**4**  


<b>Target:</b>	Nuts Business of The Kraft Heinz Company
<b>Target Industry:</b>	Packaged Foods and Meats
<b>Target Country:</b>	United States
<b>Acquirer:</b>	Hormel Foods Corporation
<b>Acquirer Country:</b>	United States
<b>Deal Value (A\$m):</b>	4,317
<b>Closed Date:</b>	7/06/2021
<b>EV/EBITDA:</b>	12.5

**5**  
  


<b>Target:</b>	Freshly Inc.
<b>Target Industry:</b>	Packaged Foods and Meats
<b>Target Country:</b>	United States
<b>Acquirer:</b>	Nestlé USA, Inc.
<b>Acquirer Country:</b>	United States
<b>Deal Value (A\$m):</b>	2,131
<b>Closed Date:</b>	30/10/2020
<b>EV/EBITDA:</b>	Not disclosed

**6**  
  


<b>Target:</b>	Chr. Hansen Natural Colors A/S
<b>Target Industry:</b>	Packaged Foods and Meats
<b>Target Country:</b>	Denmark
<b>Acquirer:</b>	EQT Partners AB
<b>Acquirer Country:</b>	Sweden
<b>Deal Value (A\$m):</b>	1,325
<b>Closed Date:</b>	31/03/2021
<b>EV/EBITDA:</b>	Not disclosed

**7**  
  


<b>Target:</b>	Olde Thompson Inc.
<b>Target Industry:</b>	Packaged Foods and Meats
<b>Target Country:</b>	United States
<b>Acquirer:</b>	Olam Holdings B.V
<b>Acquirer Country:</b>	Netherlands
<b>Deal Value (A\$m):</b>	1,223
<b>Closed Date:</b>	17/05/2021
<b>EV/EBITDA:</b>	8.5

**8**  


<b>Target:</b>	Wine And Spirits Portfolio Of Constellation Brands, Inc.
<b>Target Industry:</b>	Distillers and Vintners
<b>Target Country:</b>	United States
<b>Acquirer:</b>	E. & J. Gallo Winery, Inc.
<b>Acquirer Country:</b>	United States
<b>Deal Value (A\$m):</b>	1,217
<b>Closed Date:</b>	5/01/2021
<b>EV/EBITDA:</b>	Not disclosed

**9**  
  
**T**

<b>Target:</b>	ARYZIA LLC (nka:Aspire Bakeries)
<b>Target Industry:</b>	Packaged Foods and Meats
<b>Target Country:</b>	United States
<b>Acquirer:</b>	Lindsay Goldberg LLC
<b>Acquirer Country:</b>	United States
<b>Deal Value (A\$m):</b>	1,096
<b>Closed Date:</b>	4/05/2021
<b>EV/EBITDA:</b>	10.3

**10**  
  


<b>Target:</b>	The Cholula Food Company Inc.
<b>Target Industry:</b>	Packaged Foods and Meats
<b>Target Country:</b>	United States
<b>Acquirer:</b>	McCormick & Company, Incorporated
<b>Acquirer Country:</b>	United States
<b>Deal Value (A\$m):</b>	1,090
<b>Closed Date:</b>	30/11/2020
<b>EV/EBITDA:</b>	18.0

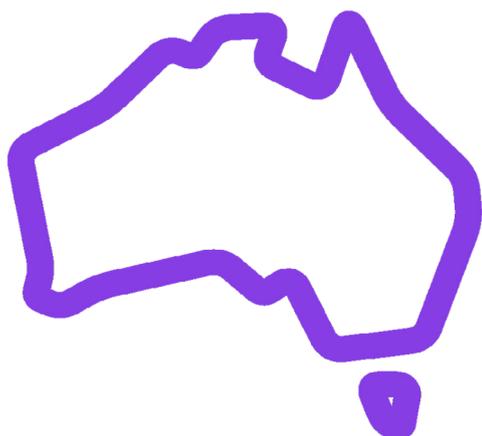
# Top 10 Australian Deals

Australia continues to have a higher proportion of pre-Farm gate deals in comparison the Global deals, which is shown by the presence of Cattle, Dairy, Orchard and Pastoral company deals in the Top 10 Australian deals.

- Agricultural products accounted for 30% of the Australian Top 10 Deals and 0% of the Global Top 10 Deals

There have been a number of large transactions completed between 30 June 2021 and the release of this report, including:

- 600m sale of Macquarie's Lawson Grains to AIMCo/New Forests (subject to FIRB approval)
- \$425m sale of Huon Aquaculture to JBS Australia Pty Ltd
- \$200m sale of 2PH Farms Pty Ltd to Costa Group Holdings
- \$130m sale of Youfoodz Holdings Limited to Cook E Services Australia Pty Ltd (HelloFresh)



1 	<b>Target:</b>	Coca-Cola Amatil Limited
	<b>Target Industry:</b>	Soft Drinks
	<b>Target Country:</b>	Australia
	<b>Acquirer:</b>	Coca-Cola Europacific Partners PLC
	<b>Acquirer Country:</b>	United Kingdom
	<b>Deal Value (A\$m):</b>	9,655
	<b>Closed Date:</b>	10/05/2021
	<b>EV/EBITDA:</b>	13.5

2   	<b>Target:</b>	Consolidated Pastoral Company Pty Limited
	<b>Target Industry:</b>	Packaged Foods and Meats
	<b>Target Country:</b>	Australia
	<b>Acquirer:</b>	A consortium - led by Guy Hands
	<b>Acquirer Country:</b>	United Kingdom
	<b>Deal Value (A\$m):</b>	710
	<b>Closed Date:</b>	31/10/2020
	<b>EV/EBITDA:</b>	Not disclosed

3 	<b>Target:</b>	Lion-Dairy & Drinks Pty Ltd
	<b>Target Industry:</b>	Packaged Foods and Meats
	<b>Target Country:</b>	Australia
	<b>Acquirer:</b>	Bega Cheese Limited
	<b>Acquirer Country:</b>	Australia
	<b>Deal Value (A\$m):</b>	534
	<b>Closed Date:</b>	25/01/2021
<b>EV/EBITDA:</b>	10.9	

4  	<b>Target:</b>	Gourmet Food Holdings Pty Ltd
	<b>Target Industry:</b>	Packaged Foods and Meats
	<b>Target Country:</b>	Australia
	<b>Acquirer:</b>	Mondelez International, Inc.
	<b>Acquirer Country:</b>	United States
	<b>Deal Value (A\$m):</b>	450
	<b>Closed Date:</b>	1/04/2021
	<b>EV/EBITDA:</b>	Not disclosed

5 	<b>Target:</b>	Piangil Almond Orchard
	<b>Target Industry:</b>	Agricultural Products
	<b>Target Country:</b>	Australia
	<b>Acquirer:</b>	Select Harvests Limited
	<b>Acquirer Country:</b>	Australia
	<b>Deal Value (A\$m):</b>	129
	<b>Closed Date:</b>	18/12/2020
<b>EV/EBITDA:</b>	Not disclosed	

6 	<b>Target:</b>	Northern Territory Wave Hill & Cattle Creek Stations
	<b>Target Industry:</b>	Packaged Foods and Meats
	<b>Target Country:</b>	Australia
	<b>Acquirer:</b>	Jumbuck Pastoral
	<b>Acquirer Country:</b>	Australia
	<b>Deal Value (A\$m):</b>	104
	<b>Closed Date:</b>	18/02/2021
<b>EV/EBITDA:</b>	Not disclosed	

7  	<b>Target:</b>	11 Tasmanian Dairy Farms of Van Dairy Group
	<b>Target Industry:</b>	Packaged Foods and Meats
	<b>Target Country:</b>	Australia
	<b>Acquirer:</b>	Prime Value Asset Management Ltd.
	<b>Acquirer Country:</b>	Australia
	<b>Deal Value (A\$m):</b>	63
	<b>Closed Date:</b>	31/05/2021
	<b>EV/EBITDA:</b>	Not disclosed

8 	<b>Target:</b>	Beston Dairy Farms in Mount Gambier
	<b>Target Industry:</b>	Packaged Foods and Meats
	<b>Target Country:</b>	Australia
	<b>Acquirer:</b>	Aurora Dairies Pty Ltd
	<b>Acquirer Country:</b>	Australia
	<b>Deal Value (A\$m):</b>	40
	<b>Closed Date:</b>	31/08/2020
<b>EV/EBITDA:</b>	Not disclosed	

9 	<b>Target:</b>	Farming Operations of KW Orchards Citrus Farm
	<b>Target Industry:</b>	Agricultural Products
	<b>Target Country:</b>	Australia
	<b>Acquirer:</b>	Costa Group Holdings Limited
	<b>Acquirer Country:</b>	Australia
	<b>Deal Value (A\$m):</b>	40
	<b>Closed Date:</b>	19/04/2021
<b>EV/EBITDA:</b>	Not disclosed	

10  	<b>Target:</b>	Two Iconic Kimberley Cattle Stations
	<b>Target Industry:</b>	Agricultural Products
	<b>Target Country:</b>	Australia
	<b>Acquirer:</b>	Harvest Road Group
	<b>Acquirer Country:</b>	Australia
	<b>Deal Value (A\$m):</b>	35
	<b>Closed Date:</b>	9/07/2020
	<b>EV/EBITDA:</b>	Not disclosed



# Australian Subsector deal composition

## Agricultural products

Despite the composition of deals for the Subsector staying consistent with the historical period, the size of Agricultural Product deals has seen an increase due to the push for innovation in the Subsector to reduce costs, increase yields and reduce emissions.

## Distillers & Vintners

Despite China effectively closing off Wine imports from Australia due to imposing significant tariffs, the Australian wine industry has grown significantly over the period in value and yields. The Subsector has seen an increase in deal volume for the industry making up 22% of deals for the period, up 4% from the historical period.

Subsector	Current Period	Historical Period	Current Period %	Historical Period %
Agricultural Products	11	126	22	23
Brewers	2	19	4	4
Distillers and Vintners	11	99	22	18
Packaged Foods and Meats	25	281	50	52
Soft Drinks	1	14	2	3
<b>Total</b>	<b>50</b>	<b>539</b>	<b>100</b>	<b>100</b>



# Inbound M&A activity in period versus the historical average



International acquisitions of Australian businesses were hindered by travel restrictions in the current period as a result of the pandemic.



12% [6 transactions] of Australian deals requiring FIRB approval in the period compared to the historical average of 7%.



As the Australian sector continues to be attractive, inbound M&A activity is expected to increase in future periods.

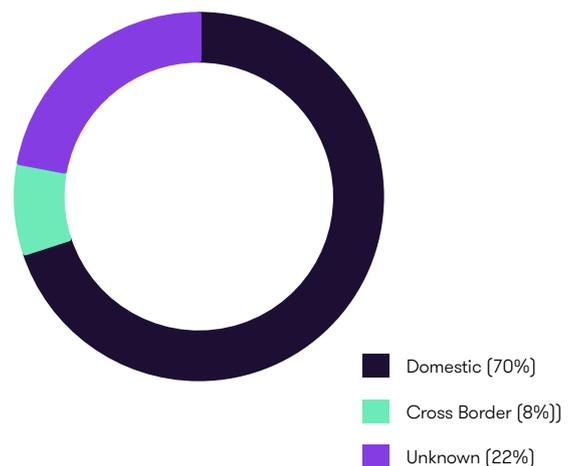


The industry experienced tighter FIRB requirements at the start of the pandemic, however they have somewhat relaxed more recently.



Foreign Investment Review Board (FIRB) approval for acquisitions of Australian targets continues to increase.

Region	Current Period		Historical Period	
	No. of Deals	% of Deals	No. of Deals	% of Deals
Africa / Middle East			2	0.4
Asia / Pacific			45	8
Europe	2	4	23	4
Latin America and Caribbean			1	0.2
United States and Canada	2	4	26	5
<b>Total (Ex Australia)</b>	<b>4</b>	<b>8</b>	<b>97</b>	<b>18</b>
<b>Australia</b>	<b>35</b>	<b>70</b>	<b>376</b>	<b>70</b>
Undisclosed Buyer Regions	11	22	66	12
<b>Total</b>	<b>50</b>	<b>100</b>	<b>539</b>	<b>100</b>





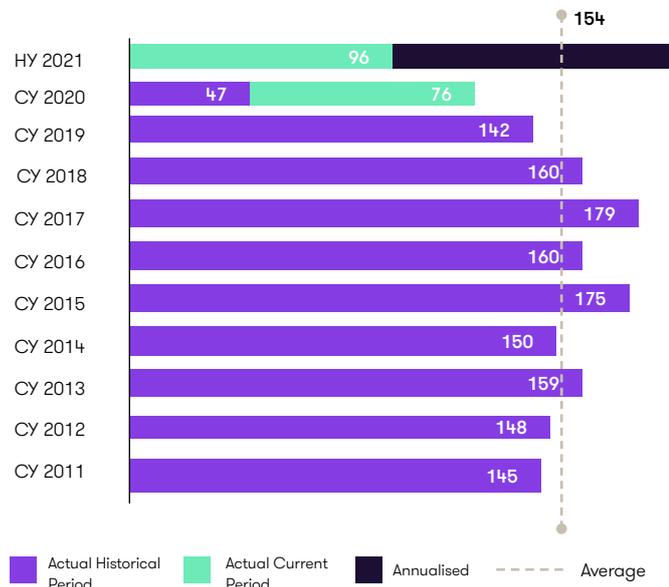
# Global Investment Manager activity during the period

The appetite of Global Investment Manager (IM) investors in the sector had a very strong rebound from the COVID-19 pandemic's impact in H1 2020, when only 47 deals were captured. Increased market confidence resulted in 76 deals in H2 2020 and 96 captured IM deals in H1 2021, building the trajectory for a potential record number of IM deals in CY2021.



IMs continue to be particularly interested in the Packaged Foods and Meats Subsector, making up 77% of the IM deals for the period. The Subsector continues to provide strong growth opportunities through global distribution channel development and leveraging on Intellectual Property such as premium brands.

## Global IM Deals



An increase in the value of ESG (Environmental, Social & Governance) investing continues to make the sector more attractive to IMs, as there is a strong push for businesses in the sector to make operations sustainable, alongside substantial investment and grant opportunities from the government.



Geographically, over 80% of the Global IM deals remain in Europe and North America, whilst the Asia Pacific region made up 11% of the global IM deals for the period.



Australia had 6 IM deals for the period, which accounted for 32% of the total Asia Pacific IM deals, a decrease from the historical average of 41% as a result of COVID-19 travel restrictions.



# Global market insights

All equity markets experienced an increase in trading multiples across the globe for the period. Key contributors to the increased market confidence include the fundamental essentiality of the sector, which was demonstrated by the minimal impact of the pandemic on the industry in comparison to other sectors.

Some sectors in the industry flourished during the pandemic as a result of elevated household demand for food and beverage products pushing up prices, however other sectors suffered as a result of labour shortages and a decreased demand for high-end products from restaurants, which moderated the increase in trading multiples in some regions.



The median EBITDA multiple for trading companies increased from a range of 11.2x – 11.9x over the previous 18 months to 12.8x at 30 June 2021.



USA remains as the major country for listed entities in the sector.



# Global IPO activity

62

Global IPOs captured in the period.

78%

of IPOs in the period occurred in the Asia Pacific region.

6

IPOs in Australia for the period.

55%

of the Global IPOs were below A\$100m fin offer size, whilst the other 28 IPOs were A\$100m.

\$

The proceeds of IPO activities in the period totalled \$14.29 billion, of which \$341 million was derived from 6 Australian IPOs.



50 of the 62 IPOs reported in the period were in the Packaged Foods & Meats Subsectors followed by 7 IPOs in Agricultural Products.



Of the 6 Australian IPOs, 4 were in the Packaged Foods & Meats Subsector, whilst the largest Australian IPO was in the Agricultural Products Subsector. This IPO was for Lynch Group Holdings, a flower producer, wholesaler, retailer and importer. The offer size was A\$206.1 million, the 17th largest global IPO for the period.

Global IPO Annual Volumes



# Top 10 Global IPOs



Plant based-foods are becoming more popular, which is demonstrated by the second largest IPO being an Oatmilk company (Oatly Group AB).

1 	Issuer	Yihai Kerry Arawana Holdings Co., Ltd (SZSE:300999)
	Country	China
	Industry	Packaged Foods and Meats
	Offer Date	28/09/2020
	Offer Size (A\$m)	\$2,898.72
	IPO Price (A\$)	5.35
	Price Change at 30 June 2021 (AA)	17.55
	Price Change	228%
	Description	Yihai Kerry Arawana Holdings Co., Ltd engages in the agribusiness and food processing activities in the People's Republic of China.

2  	Issuer	Oatly Group AB (NasdaqGS:OTLY)
	Country	Sweden
	Industry	Packaged Foods and Meats
	Offer Date	19/05/2021
	Offer Size (A\$m)	\$1,851.08
	IPO Price (A\$)	21.94
	Price Change at 30 June 2021 (AA)	32.62
	Price Change	49%
	Description	Oatly Group AB, an oatmilk company, provides a range of plant-based dairy products made from oats in Sweden.

3 	Issuer	Nongfu Spring Co., Ltd. (SEHK:9633)
	Country	China
	Industry	Soft Drinks
	Offer Date	7/09/2020
	Offer Size (A\$m)	\$1,479.11
	IPO Price (A\$)	3.81
	Price Change at 30 June 2021 (AA)	6.69
	Price Change	76%
	Description	Nongfu Spring Co., Ltd. produces and markets packaged drinking water and beverage products primarily in Mainland China.

4 	<b>Issuer</b>	China Youran Dairy Group Limited (SEHK:9858)
	<b>Country</b>	China
	<b>Industry</b>	Packaged Foods and Meats
	<b>Offer Date</b>	11/06/2021
	<b>Offer Size (A\$m)</b>	\$836.27
	<b>IPO Price (A\$)</b>	1.17
	<b>Price Change at 30 June 2021 (AA)</b>	1.06
	<b>Price Change</b>	-9%
	<b>Description</b>	Provider of products and services in the upstream dairy industry in the People's Republic of China.

5  ↓	<b>Issuer</b>	Yukiguni Maitake Co., Ltd. (TSE:1375)
	<b>Country</b>	Japan
	<b>Industry</b>	Packaged Foods and Meats
	<b>Offer Date</b>	17/09/2020
	<b>Offer Size (A\$m)</b>	\$508.38
	<b>IPO Price (A\$)</b>	28.77
	<b>Price Change at 30 June 2021 (AA)</b>	20.30
	<b>Price Change</b>	-29%
	<b>Description</b>	Yukiguni Maitake Co. Ltd., together with its subsidiaries, manufactures and sells mushrooms and processed food in Japan.

6 	<b>Issuer</b>	Yunnan Shennong Agricultural Industry Group Co.,LTD. (SHSE:605296)
	<b>Country</b>	China
	<b>Industry</b>	Packaged Foods and Meats
	<b>Offer Date</b>	25/05/2021
	<b>Offer Size (A\$m)</b>	\$452.35
	<b>IPO Price (A\$)</b>	11.30
	<b>Price Change at 30 June 2021 (AA)</b>	9.75
	<b>Price Change</b>	-14%
	<b>Description</b>	Engages in the feed production, pig farming, and food processing businesses in China.

7 	<b>Issuer</b>	Dongrui Food Group Co., Ltd. (SZSE:001201)
	<b>Country</b>	China
	<b>Industry</b>	Packaged Foods and Meats
	<b>Offer Date</b>	20/04/2021
	<b>Offer Size (A\$m)</b>	\$399.18
	<b>IPO Price (A\$)</b>	12.60
	<b>Price Change at 30 June 2021 (AA)</b>	8.46
	<b>Price Change</b>	-33%
	<b>Description</b>	Dongrui Food Group Co., Ltd. operates a pig breeding farm. It offers breeding and export pigs, as well as feed.

8 	<b>Issuer</b>	The Duckhorn Portfolio, Inc. (NYSE:NAPA)
	<b>Country</b>	United States
	<b>Industry</b>	Distillers and Vintners
	<b>Offer Date</b>	17/03/2021
	<b>Offer Size (A\$m)</b>	\$389.58
	<b>IPO Price (A\$)</b>	19.48
	<b>Price Change at 30 June 2021 (AA)</b>	29.42
	<b>Price Change</b>	51%
	<b>Description</b>	The Duckhorn Portfolio, Inc. produces and sells wines in North America.

9 	<b>Issuer</b>	Eastroc Beverage (Group) Co.,Ltd. (SHSE:605499)
	<b>Country</b>	China
	<b>Industry</b>	Soft Drinks
	<b>Offer Date</b>	21/05/2021
	<b>Offer Size (A\$m)</b>	\$371.97
	<b>IPO Price (A\$)</b>	9.30
	<b>Price Change at 30 June 2021 (AA)</b>	51.81
	<b>Price Change</b>	457%
	<b>Description</b>	Eastroc Beverage (Group) Co.,Ltd. manufactures beverages in China.

10 	<b>Issuer</b>	Zhejiang Huakang Pharmaceutical Co., Ltd. (SHSE:605077)
	<b>Country</b>	China
	<b>Industry</b>	Packaged Foods and Meats
	<b>Offer Date</b>	3/02/2021
	<b>Offer Size (A\$m)</b>	\$305.73
	<b>IPO Price (A\$)</b>	10.49
	<b>Price Change at 30 June 2021 (AA)</b>	9.42
	<b>Price Change</b>	-10%
	<b>Description</b>	Zhejiang Huakang Pharmaceutical Co., Ltd. engages in the research, production, and sale of polyols worldwide.

# Top 5 Australian IPOs



The majority of Australian IPOs were Packaged Foods and Meats companies, highlighting the positive impacts of the Pandemic on their sales through expansion. Australian IPOs also demonstrate the increased focus on health food trends resulting in the public listing of companies such as Youfoodz.



Youfoodz experienced difficulties after listing in implementing their B2B strategy as well as a few production issues caused by COVID, which was reflected in the -75% price change as at 30 June 2021. As mentioned on page 9 the company was sold post 30 June 2021, less than 12 months after their IPO.



Top Shelf International Holdings is an indicator that the boutique beverages and craft beer industry is continuing to grow (as outlined on [page 9](#)), particularly in Australia.



Aquaculture continues to grow in Australia and globally, demonstrated by the recent sale of Huon Aquaculture (outlined on [page 13](#)) and increasing investment from IMs and private investors.

**1**



<b>Issuer</b>	Lynch Group Holdings Limited (ASX:LGL)
<b>Country</b>	Australia
<b>Industry</b>	Agricultural Products
<b>Offer Date</b>	1/04/2021
<b>Offer Size (A\$m)</b>	206.1
<b>IPO Price (A\$)</b>	3.60
<b>Price Change at 30 June 2021 (AA)</b>	3.64
<b>Price Change</b>	1%
<b>Description</b>	Operates as a grower, wholesaler, retailer, and importer of flowers and potted plants in Australia and China.

**2**



<b>Issuer</b>	Top Shelf International Holdings Ltd (ASX:TSI)
<b>Country</b>	Australia
<b>Industry</b>	Distillers and Vintners
<b>Offer Date</b>	9/12/2020
<b>Offer Size (A\$m)</b>	47.2
<b>IPO Price (A\$)</b>	2.21
<b>Price Change at 30 June 2021 (AA)</b>	1.76
<b>Price Change</b>	-20%
<b>Description</b>	Engages in the production and marketing of NED Australian Whisky and Grainshaker Hand Made Vodka beverages in Australia.

**3**



<b>Issuer</b>	Youfoodz Holdings Limited (ASX:YFZ)
<b>Country</b>	Australia
<b>Industry</b>	Packaged Foods and Meats
<b>Offer Date</b>	7/12/2020
<b>Offer Size (A\$m)</b>	70
<b>IPO Price (A\$)</b>	1.91
<b>Price Change at 30 June 2021 (AA)</b>	0.49
<b>Price Change</b>	-75%
<b>Description</b>	Engages in the production and distribution of ready-made meals, protein-packed snacks, cold-pressed juices, and gift cards in Australia.

**4**



<b>Issuer</b>	West Coast Aquaculture Group Ltd
<b>Country</b>	Australia
<b>Industry</b>	Packaged Foods and Meats
<b>Offer Date</b>	24/11/2020
<b>Offer Size (A\$m)</b>	7
<b>IPO Price (A\$)</b>	0.50
<b>Price Change at 30 June 2021 (AA)</b>	-
<b>Price Change</b>	N/A
<b>Description</b>	Engages in the marine farming business. Its fish products include pearl, tiger, beauty, giant, and green grouper; red snapper; barramundi, and others.

**5**



<b>Issuer</b>	Forbidden Foods Limited (ASX:FFF)
<b>Country</b>	Australia
<b>Industry</b>	Packaged Foods and Meats
<b>Offer Date</b>	28/08/2020
<b>Offer Size (A\$m)</b>	6
<b>IPO Price (A\$)</b>	0.20
<b>Price Change at 30 June 2021 (AA)</b>	0.24
<b>Price Change</b>	18%
<b>Description</b>	Forbidden Foods Limited supplies organic rice, conventional rice, rice flour, and rice food solutions in Australia and New Zealand.



# Global valuation multiples: trading by Subsector

The industry experienced an increase in trading multiples across all Subsectors to their highest levels since 31 December 2017

- The decrease between 2018 to 2020 was attributable to several global events, including the US/China trade war, Brexit and more recently the COVID-19 pandemic;
- The recent resurgence in trading multiples is partly a result of more widespread government support, and in some regions a decrease in interest rates to record lows.

Subsectors with the largest change in trading multiples included:

- Agricultural products, which had a c.22% increase in the median multiple over the last 6 months to 30 June 2021;
- Median multiple for Distillers & Vintners increased by c.81% from 13.1x at 31 December 2018 to 23.8x at 30 June 2021;
- Brewers experienced a large increase over the 12 month period, and a record high of 18.2x at 31 December 2020, which was c.24% higher than 31 December 2017.



#### Median EV/EBITDA Multiples

Subsector	No. of Companies	Median Revenue 30 June 2021 (A\$Million)	Median EV/EBITDA Multiples				
			30/06/2021	31/12/2020	31/12/2019	31/12/2018	31/12/2017
Packaged Food and Meats	698	424	11.5×	10.4×	11.0×	11.3×	12.4×
Agricultural Products	146	217	13.1×	10.7×	12.7×	12.4×	13.7×
Distillers and Vintners	75	411	23.8×	22.3×	15.9×	13.1×	18.2×
Brewers	35	1,702	15.9×	18.2×	13.8×	12.2×	14.6×
Soft Drinks	40	1,113	16.2×	14.3×	12.6×	13.1×	14.4×
Median (Overall)		411	12.8×	11.2×	11.9×	11.6×	13.1×
Total	994						



# Global valuation multiples: trading by region



Bullish global equity markets resulted in an increase in trading multiples across the globe for all regions. This is partly attributable to a rebound from the market decline in 2020 as a result of the COVID-19 pandemic.

- The overall number of profitable listed companies has grown significantly from 778 at the end of 2018 to 994 as at 30 June 2021;
- Over the past 3.5 years the USA and Canada trading multiples have increased significantly from 13.8x to 17.5x, whilst other regions have remained relatively consistent;
- The Asia Pacific region, which makes up 76% of the listed companies in the sector, experienced an increase in trading multiples over the six month period to 30 June 2021, from 10.9x to 12.7x;
- This is consistent with consumer and investment confidence, particularly in Australia over the period.



AgTech has had a significant influence on the change in trading multiples by region:

- Demonstrated by the increase in the median EV/EBITDA multiple in North America;
- Innovations such as Precision Agriculture, more accurate data and indoor vertical farming are significantly increasing productivity and trading multiples in developed regions.



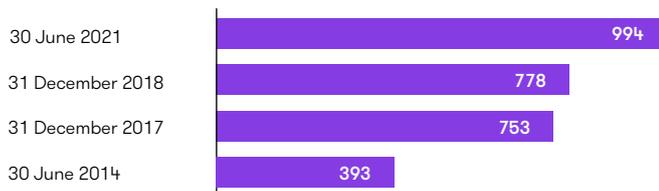
North America continues to have the highest trading multiples and median revenue, with many of the largest agricultural companies in the world being based in USA or Canada.



#### Median EV/EBITDA Multiples

Region	No. of Companies	Median Revenue 30 June 2021 (A\$Million)	30/06/2021	31/12/2020	31/12/2019	31/12/2018	31/12/2017
Asia / Pacific	758	311	12.7×	10.9×	11.5×	11.8×	13.5×
Europe	120	603	12.4×	11.8×	11.5×	10.4×	11.7×
United States and Canada	78	2,012	17.5×	13.8×	15.6×	13.8×	13.9×
Latin America and Caribbean	38	847	10.0×	9.0×	10.5×	11.2×	10.5×
Median (Overall)		411	12.8×	11.2×	11.9×	11.6×	13.1×
Total	994						

#### Number of profitable listed companies





# About Grant Thornton



**\$257m**

National Turnover (FY2020)



**\$5.76bn**

(US 2020 global revenue)



**6**

Offices Nationwide



**700+**

Offices Globally



**155**

Partners Nationally



**56,000+**

People Globally



**1,200+**

Staff Nationally



**140+**

Countries



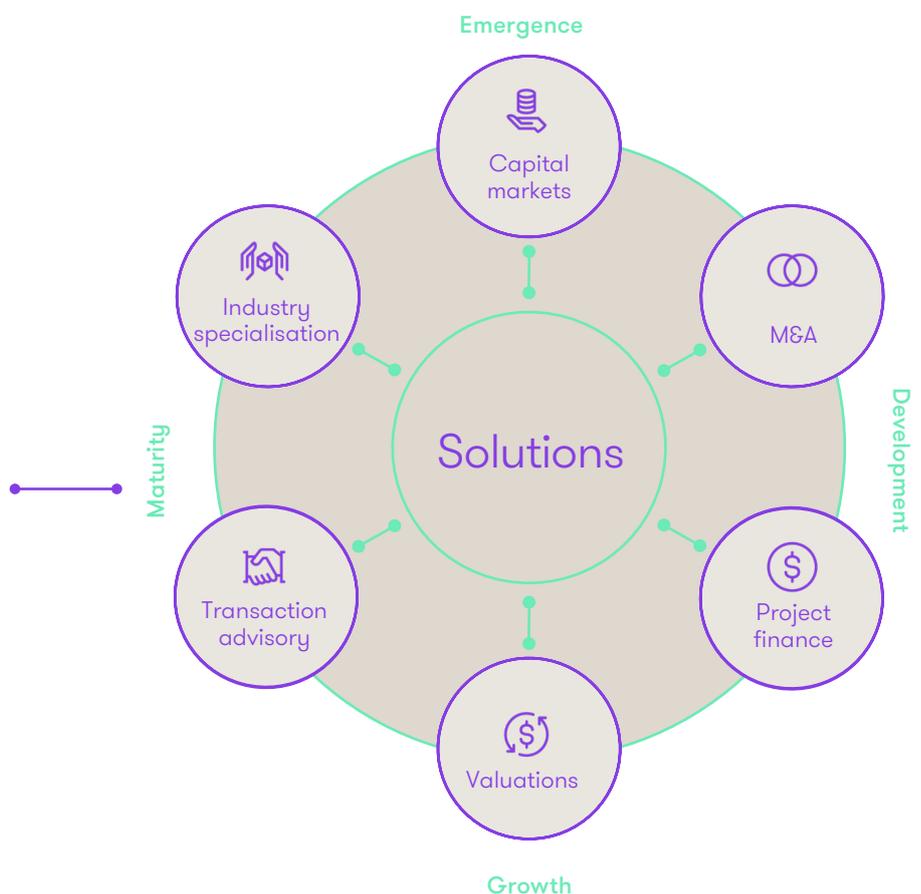
# Global market insights

## Grant Thornton Corporate Finance Capabilities

Grant Thornton have vast expertise in the Agribusiness, Food & Beverage Sector across our service lines.

The following services work hand in hand with our Corporate Finance Team to support our clients:

- Government Grants Advisory;
- R&D Tax Advisory;
- GST and Indirect Tax Advisory;
- Tax planning;
- Financial modelling;
- Forensic Accounting Advisory;
- Restructuring Advisory;
- Audit and Assurance;
- Technology Advisory;
- Performance improvement;
- Specific Japan, India and China domestic practices.





# Industry Expertise

The future of the agribusiness, food & beverage sector in Australia has great potential. We suggest that continued investment focus is needed to support growth and take the 'Australian Made' label to new parts of the world. Our experts work with some of the nation's most innovative and exciting brands from across the wide array of the agribusiness, food & beverage sector to take advantage of opportunities and respond to change.

Grant Thornton's Agribusiness, Food and Beverage industry team understands the opportunities and issues affecting the industry. We advise at all stages of the food and beverage lifecycle - from production through to processing, packaging, distribution, export and beyond – and understand the pressures of running your business and the steps to reaching your strategic goals. We can help position your business to capitalise on the latest industry trends and innovations and provide expert advice on exports, international trade, mergers and acquisitions, supply chain management, financing, tax, audit, and more. By working with Grant Thornton, our clients gain access to global expertise and relationships throughout the world.



# Glossary

This Grant Thornton Agribusiness, Food & Beverage Dealtracker Update provides a brief overview of the industry and deal activity including Mergers & Acquisitions (M&A), Investment Manager (IM) and Initial Public Offering (IPO) transactions.

S&P Capital IQ was the primary source for the data in the 2021 report as well as the comparative data alongside a number of other sources. The underlying data upon which this update is derived was extracted at a point in time. Therefore subsequent updates and changes pertaining to deal activity for the updated period, 2021, may not be included at the time of publishing of this report.

Grant Thornton have been producing Dealtracker reports since 2014 covering the periods 1 January 2011 to 31 June 2021.

We prepare a detailed Dealtracker Report every two years along with Bite Size Dealtracker Reports in the other years.

## **Current Period (CP):**

Deal activity from 1 July 2020 to 30 June 2021

## **Historical Period (HP):**

Deal activity from 1 January 2011 to 30 June 2020

## **Calendar Year (CY):**

Deal activity from 1 January to 31 December of the mentioned year

## **Investment Manager (IM):**

Encompasses Institutional and Financial Investors Including Private Equity and Agri funds



**IM Entry / Acquisition**



**IM Exit / Sale**



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# Grant Thornton

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