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ETHNIC FOOD INDUSTRY

NOVEMBER
2019
INDUSTRY REPORT

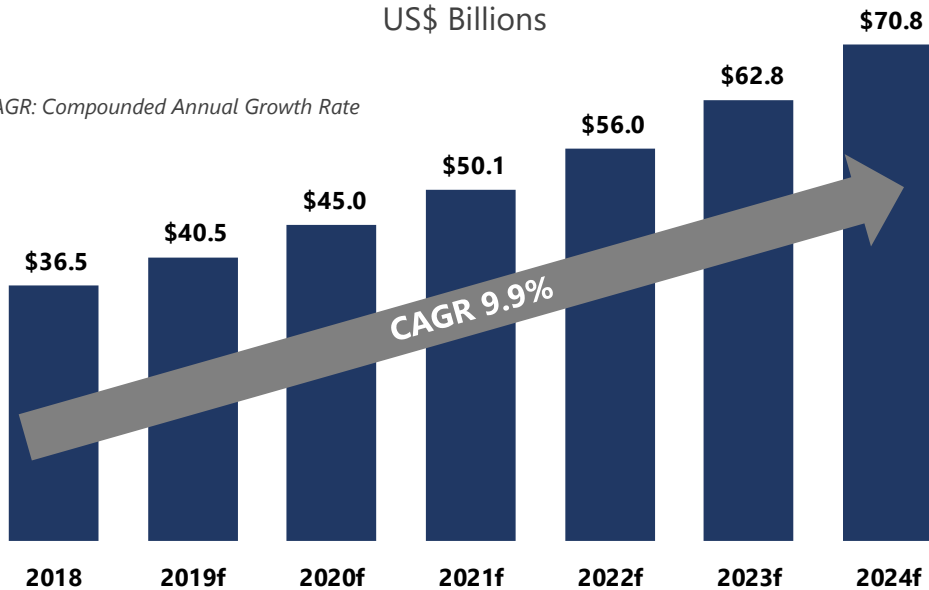
OVERVIEW

Ethnic food is produced by or originated from a group not native from the country it resides

- Growth and development in the industry is mainly driven by a rising number of migrants around the globe as well as young people looking to adopt new flavors and ingredients into their diets, resulting in new gastronomic combinations

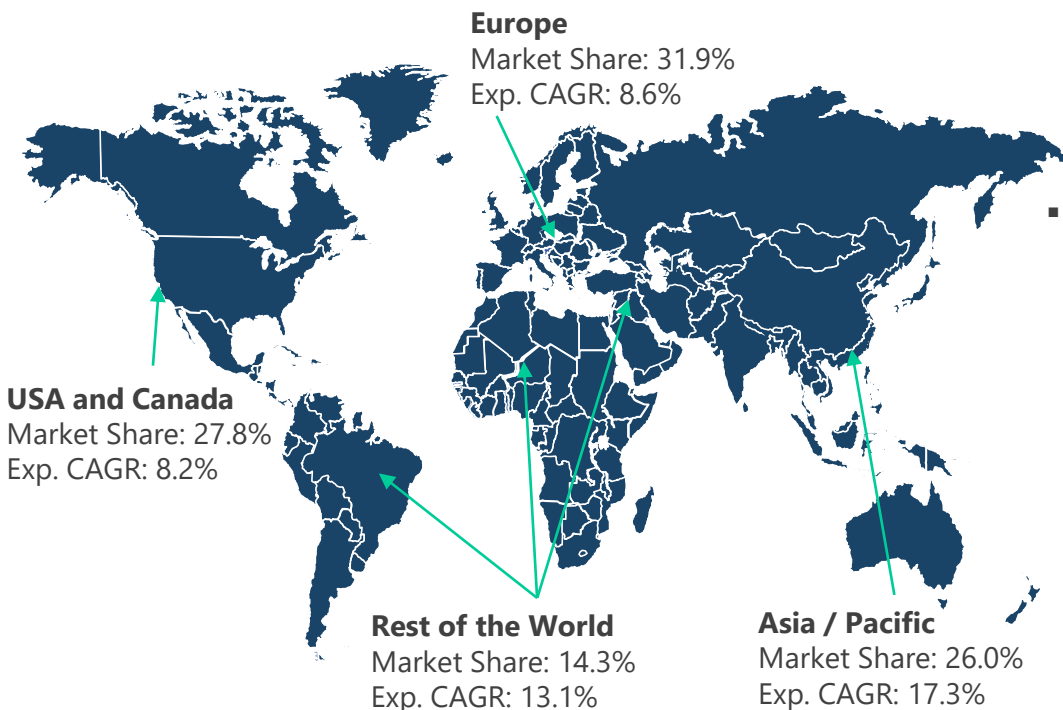
Revenue and Growth of Global Ethnic Foods

US\$ Billions



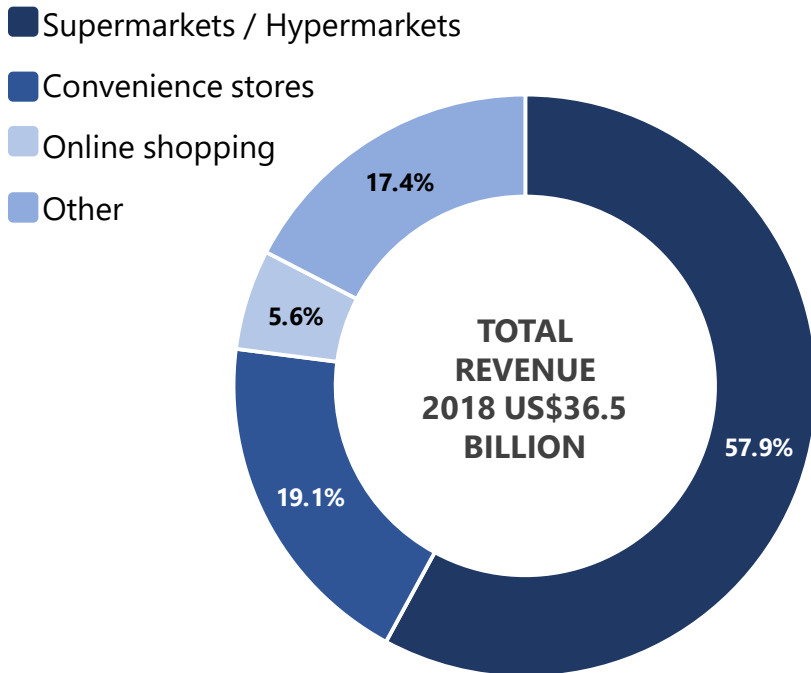
- In the USA, ethnic food growth is being led by a growing interest in Asian cuisines, such as Thai and Japanese
- The increasing number of specialized-food supermarket chains in the US, such as iFresh, H Mart, and Mitsuwa, will further drive consumption
- Competition is expected to intensify due to aggressive M&A from existing companies in the space to enter the market, as well as newer companies founded by migrants
- A key unexplored opportunity in the industry is ethnic beverages; research shows that 70% of consumers think ethnic food operators should offer beverages as well

Market Share and Expected Growth (2019–2024) by Geography



ETHNIC FOOD INDUSTRY

Global Sales by Distribution Channels 2018

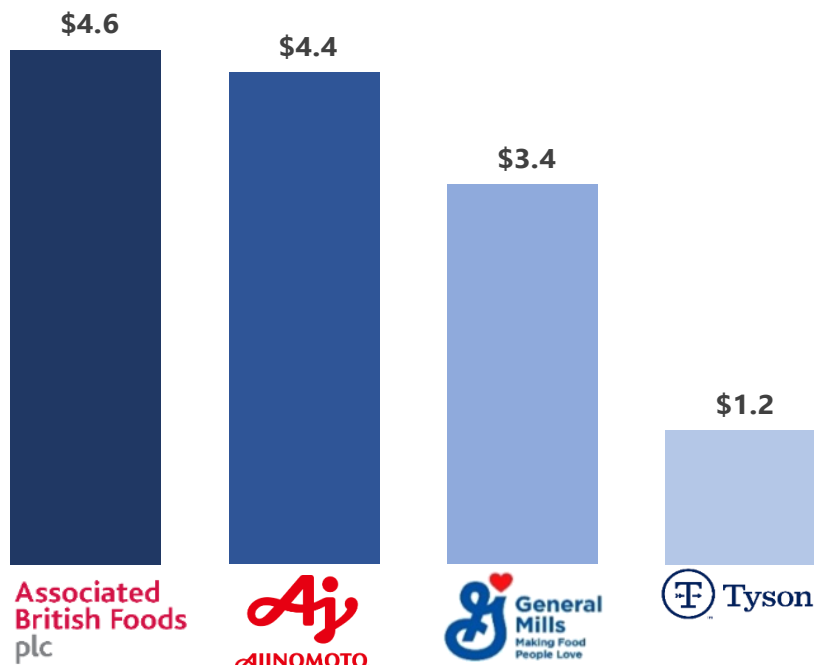


- Online retail channels are expected to boost sales as tech-savvy Millennials' demand for diverse foods and ingredients increase



Main Ethnic Food Players by Total Revenue 2018

US\$ Billions












(Includes non-ethnic food sales)



ETHNIC FOOD INDUSTRY

PUBLIC COMPARABLE COMPANIES

Company	Country	Price 12/18/19	Revenue US\$MM	EBITDA Margin	Market Cap US\$MM	Enterprise Value US\$MM	Annual Average EV / EBITDA			12/18/19	
							2016	2017	2018	EV / EBITDA	EV / Revenue
General Mills, Inc.	 USA	\$52.2	\$16,773.7	21.8%	\$31,531.2	\$46,616.1	13.4x	12.3x	12.0x	12.5x	2.8x
Tyson Foods, Inc.	 USA	\$90.4	\$42,405.0	9.4%	\$33,006.3	\$44,597.3	8.9x	8.4x	8.4x	11.2x	1.1x
Associated British Foods plc	 GBR	\$33.7	\$19,702.7	12.2%	\$26,601.1	\$25,500.3	15.5x	14.2x	10.3x	9.7x	1.2x
Ajinomoto Co., Inc.	 JPN	\$16.6	\$10,358.7	11.6%	\$9,108.2	\$11,538.3	10.4x	11.0x	9.5x	10.1x	1.1x
B&G Foods, Inc.	 USA	\$17.2	\$1,648.3	17.4%	\$1,101.6	\$3,012.5	16.0x	13.0x	12.0x	10.5x	1.8x
The Hain Celestial Group, Inc.	 USA	\$24.9	\$2,266.1	7.2%	\$2,594.8	\$2,987.8	13.8x	15.4x	14.7x	18.4x	1.3x
Carozzi S.A.	 CHL	\$2.2	\$1,156.8	13.2%	\$486.8	\$1,204.0	8.4x	8.9x	8.8x	8.2x	1.1x
Tasty Bite Eatables Limited*	 IND	\$119.0	\$52.3	13.0%	\$305.3	\$308.9	20.9x	34.2x	44.9x	NR	NR
Ginger Beef Corporation*	 CAN	\$0.1	\$5.2	6.4%	\$1.9	\$1.6	11.9x	9.6x	10.7x	4.8x	0.3x

*Pure-play ethnic food companies

NR: Not Relevant


Average **10.7x** **1.3x**

Median **10.3x** **1.2x**



ETHNIC FOOD INDUSTRY









COMPARABLE TRANSACTIONS

Date	Target	Country	Description	Buyer	% Sought	Size of Transaction US\$MM	EV / EBITDA	EV / Revenue
Jul-19	Sushi Ran, B.V.	NLD 	Traditional Japanese food	Bracamonte Convenient Kitchen B.V.	100.0%	NA	-	-
Mar-18	Circle Foods, LLC	USA 	Precooked tortillas	Ajinomoto Foods North America, Inc.	100.0%	NA	-	-
May-17	Japcook SAS	FRA 	Japanese food	Philippe Ortiz (Person)	NA	NA	-	-
Oct-14	Alatoni, Ltd.	GBR 	Mediterranean food and ingredients	Winterbotham Darby & Co Ltd.	100.0%	NA	-	-
Sep-14	Ajinomoto Frozen Foods U.S.A., Inc.	USA 	Frozen ethnic foods	Ajinomoto North America, Inc.	100.0%	\$800.0	-	1.2x
May-14	Creative Foods, Ltd.	GBR 	Frozen ethnic foods	David Wood Baking Ltd.	100.0%	NA	-	-
Feb-14	Berkshire Foods and NC Snacks	GBR 	International foods	Kolak Snack Foods Ltd	100.0%	NA	-	-
Jan-14	CLIC International, Inc.	CAN 	Produces ready-to-eat food	Alliance Grain Traders Inc.	100.0%	\$14.6	-	-
May-11	Capital Foods Pvt., Ltd.	IND 	Thai, Chinese, Italian, Indian and European ingredients	Artal Group S.A.	44.5%	\$29.5	25.3x	2.8x
Jan-07	Circle Foods, LLC	USA 	Precooked tortillas	Tyson Foods, Inc.	100.0%	NA	-	-

NA: Not Available



REPRESENTATIVE ETHNIC FOOD TRANSACTIONS



Deal Summary	Target	Buyer
<p>On July 2nd, 2019 Bracamonte Convenient Kitchen B.V., a Dutch company and subsidiary of BTS cuisine, announced the acquisition of Sushi Ran B.V., a Dutch producer of Japanese food, for an undisclosed amount</p>		
<p>On March 14th, 2018, Ajinomoto Foods North America, Inc., an American producer of frozen ethnic food, entered into an agreement to buy Circle Foods, LLC, an American ethnic bread products manufacturer from Tyson Foods, Inc., for an undisclosed amount</p>		
<p>On October 17th, 2014, Winterbotham Darby & Co., Ltd., a British retailer of international food, agreed to acquire a 100% stake of Alatoni, Ltd., a British producer of Mediterranean food and ingredients, for an undisclosed amount</p>		
<p>On September 10th, 2014 Ajinomoto Foods North America, Inc., a subsidiary of Ajinomoto Co., Inc., announced the acquisition of Windsor Quality Food Company, Ltd., an American ethnic foods company for US\$800.0 million, representing a multiple of 1.2x revenue</p>		





REPRESENTATIVE ENGAGEMENTS

intelectiva
has acquired

KFC Costa Rica
from



ARCACONTINENTAL
has acquired



ARCACONTINENTAL
has acquired



has merged with

a business of


FOQUE
GRUPO FOMENTO QUERETANO
merged its
beverage division
with

FEMSA


merged its
beverage division
with

FEMSA


caffenio
has partnered with

a subsidiary of
FEMSA


caffenio
has partnered with



caffenio
Mergers and
Acquisitions
Advisory
Services


ARCACONTINENTAL
acquired




has been acquired by
FEMSA

ProCitrus
Valuation
Advisory
Services


Mergers and
Acquisitions
Advisory
Services


Mergers and
Acquisitions
Advisory
Services


Valuation
Advisory
Services


Ragasa.
Mergers and
Acquisitions
Advisory
Services


Sale of Parma
Ham business



Corporate
Finance
Advisory
Services


has been acquired by
COLFAX


COSMOCEL
has sold
Cosmoce Química
to

a business unit of
ICL


FORTACERO
Corporate
Finance
Advisory
Services


Corporate
Finance
Advisory
Services


has acquired

dealers of
GRUPO FRBL


Holding company of
sanfer
acquired a majority
stake in



has been acquired by



INMAGUSA
Grupo Galaz, S.A de C.V.
has been acquired by



has acquired
workshop and store in
Mexico City from



Discovery
Americas
has partnered with

Anne Sullivan


Acquisition
Advisory
Services


has sold
its sanitaryware business
ST. THOMAS CREATIONS
BATHROOMS THAT WORK BEAUTIFULLY
and

to


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Please contact us if you would like further information about M&A trends and/or specific transaction multiples for your industry.

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