

Eight edition

## Capitalmind Fabulous 40 - Food & Drink

Translation of survey published in the leading Dutch Elsevier Foodmagazine (2017)



Jan Willem Jonkman,  
Managing Partner Capitalmind

## Significant faster growth via acquisitions

Seventeen new entries in the list

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# Fresh and private label dominate list of fastest growers

*Fresh and private label companies dominate Capitalmind's Fabulous 40, an annual ranking of fastest-growing food companies. Group of Butchers leads the ranking for the second year in a row, but further there are significant shifts with as many as seventeen*

This is the eighth edition of the rankings compiled annually by Capitalmind and published in Food Magazine. This edition is based on revenues for the years 2013-2015. Only private companies with a turnover of more than 5 million euros, who file their annual reports on time with the Chamber of Commerce are eligible for the rankings.

Some notable conclusions. Number one is the same as last year, Group of Butchers, which realized a revenue growth of 45.27 percent. Number two, deep-freeze specialist Marfo, is a

newcomer. The average growth of the top 40 amounted this year to 5.39 percent, compared to 6.66 percent a year earlier. Since 2013, growth rates have fallen, although food companies are doing better than other sectors for which Capitalmind compiles similar rankings.

An important factor in the decline in growth rates this year is the smaller number of completed mergers and acquisitions. This year, Capitalmind noted M&A activity for thirteen companies, versus twenty a year earlier. In the top 40, 35 chains showed

positive growth; a year earlier, that was 37. Parties that perform acquisitions do grow much faster (7.16 percent) than the companies in the list who are growing organically (4.54 percent).

The rankings reflect the developments in the food industry. Co-founder Jan Willem Jonkman: 'Many companies are active in fresh and private label. In fresh, bakeries, meat and fresh-produce companies did very well. As a side note, I should add that many of the A brands in groceries are the property of listed companies and thus not eligible for a place in this ranking.'

## Top 10 explained

1

### (1) Group of Butchers (meat) +45.27%

Jonkman and Jansen: 'We know that company well. They are a real category king. They not only sell products, but take over the management for the category and help supermarkets to achieve a higher market share. They are real sales partners for their customers. Their acquisitions are also focused on that. We were involved in the acquisition by Group of Butchers of Voskuilen, who are very strong in meatballs. In 2016, they acquired a smoked sausage manufacturer. Investors help with the growth.'

2

### (-) Marfo (frozen food) +32.18%

'They are new in the list, as private equity holds an interest. They do frozen food for, among others, airlines. They are also in the high segment, catering to the business class, for example. They are winning tenders and therefore need to upscale quickly.'

3

### (7) Hessing (vegetables and fruit) +15.15%

'Hessing implements a steady acquisition strategy. In 2015, they acquired Van Gorp Greenfood and DutchGrowers. They have been listed in the Fabulous 40 for a long time, but are taking a nice leap forward. It is also the type of company that needs to grow for their market position. They are positioned between the growers and the supermarkets. They must create a good position with added value to develop into a category king.'

4

### (-) Hellema (bakery products) +11.04%

'That is an interesting company to look at more closely. In terms of product portfolio they seem to resemble Lotus, which Hellema is sure to be watching. Hellema is still a real family business with a strong product portfolio.'

5

### (4) Van Loon Vlees (meat processing) +10.16%

'Van Loon is a permanent name in the top of the Fabulous 40. They win a lot of tenders and are growing with their most important customer, Lidl. They have now also acquired Jumbo's production company, but that is not yet in this ranking. Next year, they will probably be higher.'

6

### 20) Zwanenberg Food Group (meat processing) +9.12%

'Zwanenberg is a modern supplier to supermarkets with both well-known brands such as Kips, Zwan, Zwanenberg, Linera, ANUR and Wahid (Halal) and private-label packaged meats, snacks and meal components. Brands were primarily incorporated by acquisitions at home and abroad.'

7

### (3) Banketbakkerij Merba (bakery products) +8.27%

'During a company inspection last year, we were hugely impressed by their production facility, almost completely computer controlled. They could track everything quite well on an iPhone: who, what, where and how. Merba is a world leader in chocolate biscuits and succeeds in distributing their long-shelf life cookies profitably as a low cost producer around the world.'

8

### (13) Peka Kroef (potatoes) +6.31%

'Their growth is partly due to an increasing demand and price increase in potatoes, but it is also a real category leader. They have succeeded in making the boring potato from our youth into a branded product in many varieties that are in line with the latest trends. Great company.'

9

### (25) Zandbergen (meat) +5.59%

'Zandbergen succeeds in being successful internationally as well. They control the entire business column, down to their own cattle in South America. They are therefore very strong in traceability. They have enjoyed great success internationally with deep-frozen premium burgers and steaks under the brand The Frozen Butcher. That is a success in many countries.'

10

### (-) Luiten Vleeswaren (meat) +5.40%

'What applies for other meat producers also applies to Luiten. They deliver to supermarkets, but also benefit from the growth in foodservice with delivery to caterers and wholesalers. The history of this company dates back to the thirties. They have a strong position in the Netherlands and are also growing internationally.'

*'Fresh, bakeries, meat and fresh-produce companies did very well'*

### Beverage manufacturers and spice suppliers

Senior associate Anne Jansen adds to this. 'It is also notable that all the beverage manufacturers in the rankings produce alcoholic beverages. People are increasingly concerned with their health and, for example,



Jan Willem Jonkman, Capitalmind

drink less soda, but this trend seems to be less apparent in the alcoholic beverage segment. In the growth of

## Vanished stars

When there are many newcomers, many companies also drop out of the rankings. Some of these companies have been in the Fabulous 40 for at least five years. For example, Refresco was ranked second last year, but now, as a publicly traded company, is no longer eligible for the ranking. DOC Kaas experienced significant negative growth and is now in the total rankings in place 72. That also applies to a lesser extent for Vreugdenhil, Rouveen, Van Drie Groep and GPS Nunspeet. Other companies that vanished from the list are, for example, Sanorice (last year still 8th), Vezet (12th) and Bavaria (34th). None of them have yet published annual reports for 2015 and could thus not be included in the ranking. Lucas Bols (35th) is now listed, and Sonneveld (40th) is now in foreign hands.

## Capitalmind Fabulous 40 - Food

Nr	Rank 2016	Company	Sector	Net turnover 2015 in € x 1000	Net turnover 2014 in € x 1000	Net turnover 2013 in € x 1000	CAGR 2013-2015	M&A activity	Private equity	Private Equity Firm
1	1	Group of Butchers <sup>①</sup>	Meat	106.570,00	67.870,00	50.498,00	45,27%	✓	✓	Nordian
2	-	Marfo	Frozen Food	58.875,00	43.486,00	33.697,00	32,18%		✓	Van Lanschot
3	7	Hessing	Vegetables and fruit	259.778,00	212.941,00	195.918,00	15,15%	✓		
4	-	Hellema	Bakery products	48.978,00	41.827,00	39.722,00	11,04%			
5	4	Van Loon Vlees	Meat processing	368.738,00	325.105,00	303.845,00	10,16%			
6	20	Zwanenberg Food Groep	Meat processing	389.849,00	363.060,00	327.415,00	9,12%	✓		
7	3	Banketbakkerij Merba	Bakery products	109.546,00	110.953,00	93.457,00	8,27%			
8	13	Peka Kroef	Potatoes	131.436,00	128.288,00	116.295,00	6,31%			
9	25	Zandbergen	Meat	390.814,00	365.173,73	350.544,37	5,59%	✓		
10	-	Luiten Vleeswaren	Meat	46.780,00	45.458,00	42.107,00	5,40%			
11	31	Euroma	Herbs/spices/sauces	80.057,00	75.255,00	72.676,00	4,96%			
12	10	Verstegen Spices & Sauces	Herbs/spices/sauces	125.568,00	118.581,00	114.132,00	4,89%			
13	4	De Kuyper	Beverages	73.163,00	75.372,00	66.557,00	4,85%			
14	9	Vika (Mywo)	Dairy (Cheese)	56.846,00	57.081,00	51.793,00	4,76%	✓		
15	-	Gulpener	Beverages	14.311,00	13.218,00	13.114,00	4,46%			
16	24	Concorp	Confectionery (Chocolate)	45.594,00	45.599,00	41.889,00	4,33%			
17	18	Coroos International	Vegetables and fruit	188.785,00	194.920,00	173.928,00	4,18%			
18	-	Aartsenfruit	Vegetables and fruit	151.046,00	131.680,00	140.315,00	3,75%			
19	-	Interovo Egg Group	Egg products	326.270,00	275.958,00	303.242,00	3,73%			
20	33	Alberco / Steensma	Bakery products	71.125,00	67.094,35	66.874,00	3,13%	✓		
21	-	Kaasmakerij Ozgazi	Dairy (Cheese)	41.496,00	42.881,00	39.159,00	2,94%			
22	-	Intertaste	Herbs/spices/sauces	140.863,00	130.093,00	133.372,00	2,77%	✓	✓	Clearwood
23	30	Huuskes	Fresh produce	131.128,00	124.636,21	124.672,00	2,56%			
24	-	Kennemervis Groep	Seafood	145.437,00	142.696,00	138.637,00	2,42%	✓		
25	-	Veco Zuivel	Dairy	59.433,00	60.788,00	56.878,00	2,22%			
26	-	Van Hessen	Meat processing (intestines)	204.226,00	196.157,00	195.667,00	2,16%			
27	-	Buitenfood B.V.	Snacks	64.698,00	56.406,00	62.150,00	2,03%		✓	NPM Capital
28	-	Euro Patisserie	Bakery products	60.055,00	58.704,00	58.108,00	1,66%			
29	38	Royal Smilde Food Group	Bakery products	204.440,00	197.149,00	197.893,00	1,64%	✓		
30	-	De Banketgroep <sup>②</sup>	Bakery products	107.355,00	95.465,00	104.327,00	1,44%		✓	Gilde
31	-	Banken Champignons	Mushroom products	94.925,00	84.400,00	92.307,00	1,41%	✓		
32	-	Ketel 1	Beverages	58.706,00	57.494,00	57.220,00	1,29%	✓		
33	26	Zeelandia	Bakery products	423.724,00	422.806,00	415.515,00	0,98%			
34	28	Plukon Food Group	Meat (Poultry processing)	1.377.548,00	1.315.638,00	1.367.328,00	0,37%	✓	✓	Gilde
35	21	FrieslandCampina	Dairy	11.265.000,00	11.348.000,00	11.218.000,00	0,21%	✓		
36	27	Anova	Seafood	83.268,00	86.214,00	83.426,00	-0,09%			
37	14	Cono Kaasmakers	Dairy (Cheese)	194.365,00	205.678,00	194.811,00	-0,11%			
38	-	Persoon Vleeswarenfabriek	Meat processing	59.462,00	58.135,00	59.637,00	-0,15%			
39	22	Amarant Bakkers	Bakery products	60.748,00	59.770,00	61.618,00	-0,71%			
40	32	Borgesius	Bakery products	124.502,00	125.969,00	126.993,00	-0,99%			

<sup>①</sup> Nordian sold The Group of Butchers in 2016 to Equistone

<sup>②</sup> Gilde sold De Banketgroep to the french Qualium Investissement



*Companies that have the resources to do acquisitions in a less-strong economy or to grow autonomously are the 'blue chips' of the industry'*

different parties involved with spices, you see the trend towards culinary barbecue, the fact that the traveling Dutch consumer has become familiar with new flavours and the fact that in the Netherlands there are increasing numbers of people who eat spicy foods at home.'

Half of the top 10 of the rankings consist of meat processing companies, something that seems to go against the trend that Dutch people are eating less meat for health reasons. 'Consolidation plays a strong role in the Netherlands, much stronger than in Germany, for example. Additionally, exports are also growing. Dutch people are eating less meat, but people abroad are eating more meat processed in our country. Dutch people themselves are also up for more expensive meat where things like traceability are well handled.'

### History lesson

The decline in growth and the number of acquisitions is remarkable considering developments in the economy, but according to Jonkman, it can be explained. 'In part, this list is a history lesson, given that it covers the period up to 2015. For example, we saw many acquisitions in 2013 and 2014, followed

by a period of consolidation. In 2016, there were more acquisitions, but we will not see those in the rankings until next year. As far as the economy is concerned: these are the 'blue chips' of the industry: companies that have the resources through investors or owners to engage in a less-heated economy in takeovers or to grow autonomously.

## Fabulous 40 - Seven Facts

- The average growth in the Fabulous 40 was 5.39 percent, versus 6.66 last year.
- This trend of declining average growth has lasted since 2013.
- Companies that performed acquisitions or mergers grew by 7.16 percent on average. Last year, that group grew by 7.22 percent on average.
- For companies that were not involved in M&A, the average growth was 4.54 percent, versus 6.11 percent one year earlier.
- The list shows negative growth from the 36th position. Last year, it was from place 38.
- The forty fastest-growing companies this year completed considerably fewer mergers and acquisitions during the measured period than in the last edition, thirteen compared to twenty.
- This year, seventeen companies are new in the Fabulous 40. Last year, there were three.



**Bart Jonkman, Capitalmind**

## This is how the list is created

The companies that are included in the Fabulous 40 meet five selection criteria set in advance. The companies must be active in the producing food and drink sector, with headquarters in the Netherlands. The revenues have to amount to at least €5 million in one of the measured years. Annual statements have to be on file with the Chamber of Commerce no later than on 31 March 2016. Companies must not be publically traded and the majority of the shares have to be in the hands of Dutch shareholders or international private equity parties.

Use is made of, among other things, information from the Chamber of Commerce, company information, public information from websites and interviews. The measure of growth chosen is the growth percentage of the revenues over the years 2013, 2014 and 2015, also called the CAGR method (Compound Annual Growth Rate).

Should there be ambiguity about the list or if you have suggestions for improvement or otherwise: Please contact Anne Jansen of Capitalmind. She can be reached by e-mail: [anne.jansen@capitalmind.com](mailto:anne.jansen@capitalmind.com) or tel. +31 73 623 87 74

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TMT

's-Hertogenbosch, The Netherlands  
Reitscheweg 49  
5232 BX 's-Hertogenbosch  
T +31 (0)73 623 87 74

Paris, France  
62, rue La Boétie  
75008 Paris  
T +33 1 48 24 63 00

Frankfurt, Germany  
Sonnenberger Straße 16  
65193 Wiesbaden  
T +49 611 205 480

Amsterdam, The Netherlands  
Vreelandseweg 7  
1216 CG Hilversum  
T +31 (0)73 623 87 74

Copenhagen, Denmark  
Lyngsø Alle 3  
2970 Hørsholm  
T +45 20 433 373

Berlin, Germany  
Schumannstrasse 17  
10117 Berlin  
T +49 611 205 4810