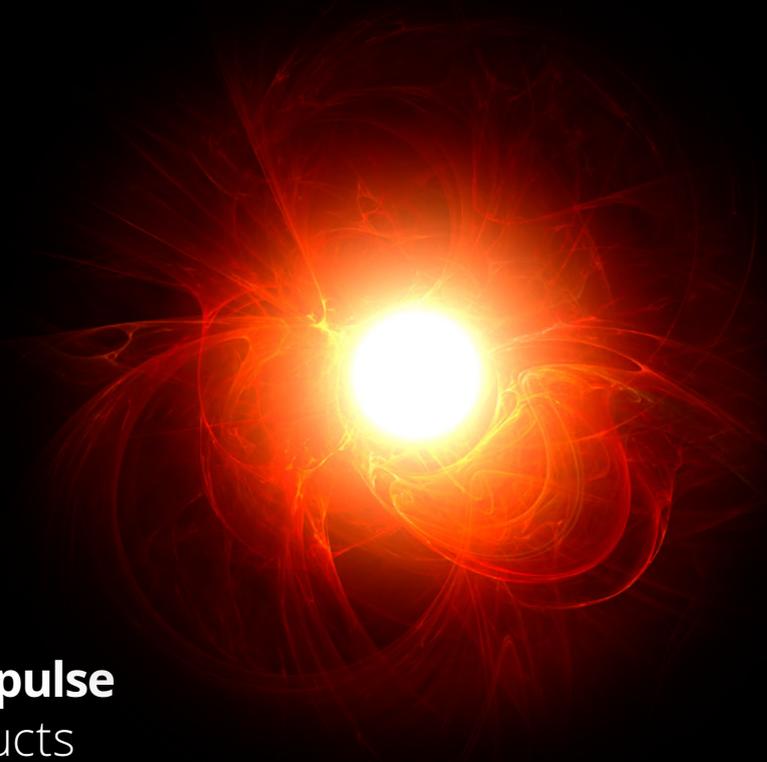


**Deloitte.**



## **Measuring the pulse**

Consumer Products

M&A Insights

Winter 2017

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# Foreword

In this, our latest Consumer Products M&A Insights review, we look back on 2016 as a year of continuing strong levels of European deal activity against a backdrop of significant geopolitical events: the UK's vote to exit the EU; the election of Donald Trump as the US president; and the defeat of a major constitutional referendum in Italy, all of which contributed to higher economic uncertainty and swings in consumer confidence levels.

From a UK economic perspective, consumer confidence declined during the year, falling into negative territory in the wake of the UK's decision to leave the EU and remaining there since. That said, the UK economy has continued to hold up and perform ahead of previous expectations with unemployment levels continuing to decline and business confidence returning, albeit there is lingering uncertainty over the potential impact of a hard Brexit.

The recent upward revision to the UK's growth forecast by the IMF and the Bank of England, coupled with better than expected like for like sales reported by the British Retail Consortium, highlight once again the robustness of the UK consumer as well as the beneficial impact of overseas visitors taking advantage of sterling's present weakness.

A swell of positive business sentiment in the early part of 2016 translated into the high levels of European M&A activity during the year. The number of large Consumer Product European deals (in excess of €200m) announced and/or completed in the 12 months to Sep-16 topped €200 billion of combined deal value (43 deals), compared to an equivalent €143 billion (36 deals) in 2015. This momentum seems to have carried on in the four months to Jan-17 with the BAT-Reynolds €57 billion tie-up, Essilor's €24 billion bid for Luxottica and L'Oreal's €1.2 billion bid for a number of Valeant skincare brands as prime examples.



**Conor Cahill**  
Partner, Financial Advisory

A significant highlight in the last 12 months was the €92 billion megadeal between ABInBev and SABMiller which, representative of many large deals, triggered further M&A activity with follow-on divestments (namely the disposal of SABMiller's share in the Molson Coors JV, the disposal of its China Resources Snow investment, the sale of its European Peroni, Grolsch and Meantime brewing assets and the sale of its Central and Eastern European brewing operations).

Another notable deal announced during the year was the €56.5 billion takeover offer of US based seeds business Monsanto Company by German Bayer AG. The completion of the deal, which is expected to create a company commanding more than a quarter of the combined world market for seeds and pesticides in the fast-consolidating farm supplies industry, remains subject to regulatory approval.

The United States emerged as the top "target" country for large deal activity by European buyers, with 11 of the 43 large deals (+€200m) involving the acquisition of US businesses, while the UK was the top acquirer country (9 deals). From a sector perspective, the Food and Beverage sectors continued to be the most active segments in the Consumer Products space, accounting for about 60% of large European deal activity, both in terms of deal volumes and values.

Looking at the rationale behind the large European deals that have taken place, there are a number of clear emerging themes:

- ongoing sector consolidation as existing market players face increasing competition; increased uncertainty about global growth prospects; and ongoing pricing pressures from both commodity price and wage increases, all of which

need to be passed through to "just about managing" consumers. Both the SABMiller-ABInBev and Bayer-Monsanto deals are good examples of such merger-consolidation plays;

- the continuing attractiveness of businesses that offer access to new markets, specialist products or distribution channels. Examples include Nestlé's strategic investment in Israel based food business Osem Investments (€763m); Cott Corporation's €470m acquisition of European home and office water delivery company Eden Springs; and JAB Holdings €13.1 billion acquisition of beverage dispensing technology company Keurig Green Mountain, to create a global coffee platform to complement its existing coffee brands; and

- strong demand for businesses that have products in the health and wellness categories or have a differentiated operating platform (product, technology or distribution) that complement existing businesses and allow businesses to respond quicker to shifting consumer behaviour and trends. Danone's €11.2 billion acquisition of milk substitutes producer WhiteWave Foods and L'Oreal's acquisition of US based IT Cosmetics, a specialist skincare company for €1.1 billion are some primary examples.

In terms of the outlook for deal activity in 2017, continued political and economic uncertainty could be considered the "new norm". Our Q4 2016 CFO Survey results highlight the heightened uncertainty that CFOs feel their businesses face and as a result, have chosen to adopt a more defensive positioning of their businesses.

However, we believe there a number of more positive reasons why the momentum in deal activity is likely to continue:

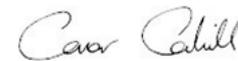
- the resilience of the UK economy following the result of the UK's referendum on EU membership and the continuing weakness in sterling against other major global currencies continues to make the UK an attractive target for M&A activity;
- the significant war chests held by overseas investors, particularly US, Japanese and other Asian corporates for acquisitions, as well as private equity investors with significant funds to deploy; and

- the continued demand for assets which have attractive sustainable growth potential, either because of strong brand equity or a strong market position, offering incremental growth levels ahead of lower growth home markets (e.g. Japan).

Taking all this into account, we expect 2017 to be another active year for M&A in the Consumer Products sector, with continued investor interest, particularly through the American and Asian corridors into the European market.

Over the course of 2017, we will also be looking in depth at the Beauty market, the Dairy sector and Spirits distribution in forthcoming articles.

Kind regards,



**Conor Cahill**

Partner, Financial Advisory

# Economic outlook – UK

- The UK economy appeared to have shrugged off much of the uncertainty generated during 2016 and put in a robust performance with GDP growth of 0.6% in the final quarter of the year. Pre-referendum fears of a recession have currently receded with steady growth in 2016 and continued growth forecast for 2017.
- The pattern of near term economic growth has been less affected than originally envisaged by the referendum result, with GDP growth of 2.0% for FY16, driven by a strong performance from the services sector (+2.8%) offset by declines in other industry groups.
- UK consumer confidence, as measured by the UK GfK Consumer Confidence Index, initially fell dramatically in the aftermath of the surprise Brexit result, recovered to pre-Brexit levels by Sep-16, before returning to negative territory at the end of the year.
- Unemployment remained at or near a ten-year low for much of 2016. Growth in earnings has remained above inflation which allowed some release of pressure on consumer spending, although the gap between earnings growth and inflation has started to close. The consensus forecast is for inflation to rise during 2017, with NIESR forecasting that it will reach 4% by the end of 2017.
- Borrowing costs fell further in 2016 and remained at historically low levels; consumers have taken advantage of this situation with an associated rise in unsecured lending to individuals.
- The outlook for 2017 is clouded in uncertainty. For now the fundamentals of the consumer economy appear strong, with low unemployment, low cost of borrowing and low inflation. However, depreciation of sterling is expected to start to impact inflation and the cost of goods in 2017, as already witnessed in Q4 2016. Many companies will see previous hedges unwind and will be faced with the choice of trying to absorb the increasing cost of goods or pass it on to consumers.

- With the savings ratio at a low level, the question remains as to whether consumers will be able to pay more for the goods and services they consume or whether they will be forced to change their behaviour and adopt a more defensive mind set.
- The UK consumer faces the prospect of higher inflation and the uncertainty surrounding the start of the Brexit process in 2017 – two events that pose challenges to consumer spending power and sentiment.

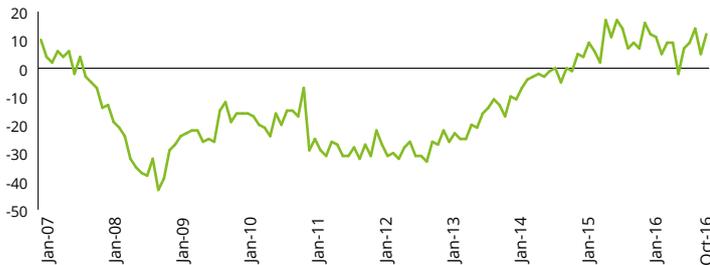
# Economic outlook – UK

**Chart 1. GfK Consumer Confidence**



Source: GfK

**Chart 2. Climate for major purchases – Is this the right time?**



Source: GfK

The 'UK GfK Consumer Confidence Index' started on a positive note in 2016, although consumer sentiment turned sharply negative in the aftermath of the UK's vote to exit the EU in late Jun-16, with the index continuing in negative territory since. Whilst the UK economy has continued to perform above expectations, continuing uncertainty about the state of the economy is likely to play on consumers' minds over the next 12 months.

Following the UK referendum vote, the 'UK GfK Major Purchases Index' fell to -2 in Jul-16, a 11 point decline from Jun-16, but has since bounced back into positive territory as higher than inflation wage growth, rising employment and low interest rates appeared to buoy consumer spending among British consumers.

Improvements in real earnings (adjusted for tax and inflation) continued with the provisional estimate of median household disposable income for fiscal year 2015/16 of £26,400, an estimated increase of £700 from 2014/15; however, the creeping growth of inflation has subsequently eroded improvements in wage growth.

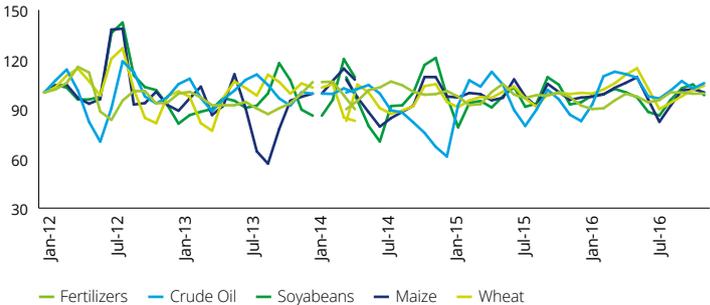
**Chart 3. Real growth in earnings after taxes (%)**



Source: ONS

Crude oil prices have seen significant recovery over the course of 2016 (close to 50% increase in prices since Dec-15) while agricultural commodity prices continued to remain largely range bound over the course of the year, which favourably impacted consumer spending in the period. General price declines across many commodities witnessed in prior years have started to reverse in recent months and this is expected to start feeding through into industry and consumer spending as previously hedged positions expire.

**Chart 4. Selected commodities**

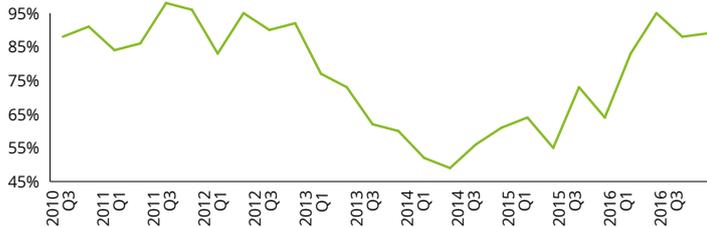


Source: World Bank, (Indexed to January 2010 = 100)

# Corporate risk appetite

**Chart 5. Uncertainty**

% of CFOs who rate the level of external financial and economic uncertainty facing their business as above normal, high or very high



Source: Deloitte CFO Survey

**Chart 6. Risk appetite**

% of CFOs who think this is a good time to take greater risk onto their balance sheets



Source: Deloitte CFO Survey

The Deloitte CFO Survey is the only survey of major corporate users of capital that gauges attitudes to valuations, risk and financing. The following charts are from the Q4 2016 survey.

CFO perceptions on uncertainty remain elevated in Q4 2016 as 88% of CFOs rated the level of external economic and financial uncertainty facing their business as above normal. Perceptions of uncertainty remained at levels last seen in 2012 as Brexit and the long-term effects of Brexit on the UK economy appear to loom large in corporate minds.

Business confidence has rebounded strongly from its post EU-referendum lows, with the risk appetite of CFOs improving in Q3 and Q4 2016, following the string of positive economic data that has led to improved business sentiment. However overall CFO confidence and corporate risk appetite remain subdued.

The trend in CFO attitudes indicates some retrenchment to more defensive strategies, cutting discretionary spending and hiring, as well as a reduction in appetite for capital expenditure and mergers and acquisitions.

While reducing costs and increasing cash flows remain the top priorities for CFOs in the next 12 months, M&A activity through acquisitions (18%) and disposal of assets (10%) continues to maintain its place on the agenda of CFOs.

**Chart 7. Effect of Brexit on own spending and hiring decisions**

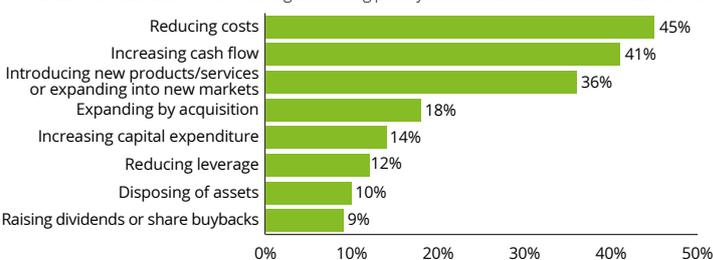
% of CFOs who expect M&A activity, capital expenditure, hiring and discretionary spending by their business to decrease over the next three years as a consequence of Brexit



Source: Deloitte CFO Survey

**Chart 8. Corporate priorities in the next 12 months**

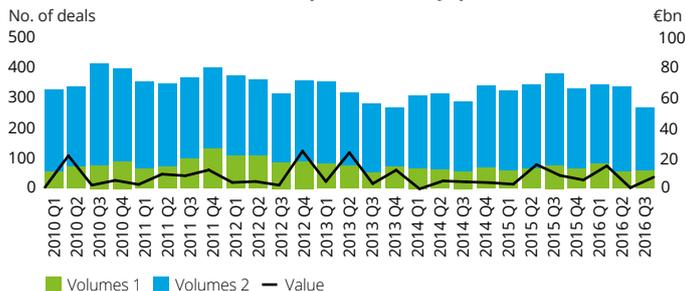
% of CFOs who rated each of the following as a strong priority for their business in the next 12 months



Source: Deloitte CFO Survey

# Consumer products M&A market trend analysis

**Chart 9. Consumer Products completed deals by quarter**



Source: Thomson Reuters, Deloitte Analysis  
 Note: The €92 billion value of the SABMiller – ABInBev deal has been excluded from Q316 in the graph above

**Chart 10. Consumer Products completed deals – rolling last four quarters**



Source: Thomson Reuters, Deloitte Analysis  
 Note: The €92 billion value of the SABMiller – ABInBev deal has been excluded from Q316 in the graph above

As has been highlighted in previous surveys, reported completed deal activity tends to lag actual activity due to a six to nine month delay in deals being reported.

On a rolling LTM basis, completed deal volumes and values in the twelve months to Sep-16 have continued to remain relatively stable, albeit the quarterly completed deals data shows lower levels of deal volumes compared to the previous period, which is also in line with declines seen in global M&A activity levels during 2016. Deal values in Q3 2016 have been significantly skewed by the completion of the €92.1 billion mega tie-up between ABInBev and SABMiller and we have therefore excluded the impact of this deal in the graphs opposite.

Food and Personal & Home Care sectors accounted for c.35% of total completed deal activity in the year in terms of deal volumes; in contrast, the Beverage sector accounted for 82% of completed deal values due to the SABMiller – ABInBev merger. Adjusting for this deal, Beverages still accounted for 40% of the completed deal values (13% of deal volumes) due to the €13.1 billion JAB Holding – Keurig Green Mountain acquisition which completed in Q1 2016, a deal that combined various coffee brands already owned by JAB together with Keurig’s beverage dispensing technologies.

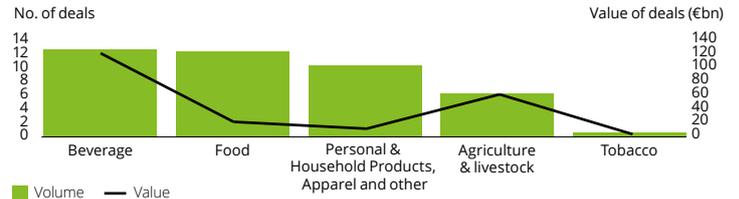
Tobacco was the smallest sector in terms of completed deal volumes up to Q3 2016, with British American Tobacco being the top acquirer, with acquisitions in Brazil and Central and Eastern Europe. However, BAT's €45 billion bid for Reynolds in Q1 2017 has reignited further consolidation expectations in this sector.

There were 43 announced and completed European deals over €200m in value in the last 12 months with a combined deal value of €212 billion, ahead of the 36 deals and €144 billion value in 2015. Of the 43 deals, 13 deals were over €1bn (deal value €199 billion) including the €92.1 billion mega tie-up between ABInBev and SABMiller and the €56.5 billion Bayer – Monsanto deal (the completion of which is subject to regulatory approval). 24 of the 43 deals were in excess of €500m (deal value €206 billion).

Large deal activity in the Food sector was characterised mainly by opportunistic acquisitions to build global presence, such as the acquisition of milk substitutes group WhiteWave Foods by French yoghurt maker Danone. The sector accounted for 12 deals over €200m.

The European Beverage sector recorded the highest activity by deal value, courtesy of the €92.1bn ABInBev - SABMiller merger and ensuing three disposals for a combined €15.2 billion as well as the €13.1 billion acquisition of Keurig Green Mountain by JAB Holdings. Other large deal activity cut across various segments including liquor (beer, spirits, etc.), coffee and soft drinks.

**Chart 11. Announced & completed deals > €200m in the 12 months ended 30 September 2016**



Source: Thomson Reuters, Deloitte analysis

The Personal & Homecare sector continued to reflect high levels of deal activity, with transactions in household products and personal care dominating the large deal activity in the sector. The largest deal in the sector was the acquisition by Henkel AG of US laundry detergents maker Sun Products Corp for €3.2 billion, a deal which elevates Henkel to the No.2 position in the US laundry care market behind Proctor & Gamble.

Deal values and volumes were lowest in the Tobacco sector, with British American Tobacco being the lead acquirer, with its buy-out of the minorities interest in Brazilian tobacco company Souza Cruz.

Large deals in the Agriculture & Livestock sector primarily focussed on seeds and agricultural produce, including the Bayer-Monsanto transaction and the acquisition of floricultural breeding player Dummen Orange by BC Partners for just over €500m.

**Announced and completed deals over €200m from 1st October 2015 to 30th September 2016**

Announced date	Effective date	Target name	Target nation	Acquirer name	Acquirer nation	Enterprise (€m)
Nov-15	Sep-16	SABMiller plc	United Kingdom	Anheuser-Busch InBev	Belgium	105,506
Sep-16	-	Monsanto Company	United States	Bayer AG	Germany	56,454
Dec-15	Mar-16	Keurig Green Mountain Inc.	United States	JAB Holding	Netherlands	13,113
Nov-15	-	Miller Coors LLC, subsidiary of SABMiller plc	United Kingdom	Molson Coors Brewing Company	United States	19,282
Jul-16	-	The WhiteWave Foods Co	United States	Danone SA	France	10,880
Jun-16	Sep-16	Sun Products Corp	United States	Henkel AG	Germany	3,232
Feb-16	Oct-16	Birra Peroni S.R.L Meantime Brewing Company Limited and Royal Grolsch N.V	Italy, United Kingdom, Netherlands	Asahi Group Holdings Ltd	Japan	2,550
Feb-15	Dec-15	Souza Cruz SA (25% stake)	Brazil	British American Tobacco plc	United Kingdom	9,207
May-16	-	WMF Group GmbH	Germany	Groupe SEB SA	France	1,585
Mar-16	Oct-16	China Resources Snow Breweries Limited, subsidiary of SABMiller plc	United Kingdom	China Resources Beer (Holdings) Company	China	1,472
Aug-15	Oct-15	Ewos AS	Norway	Cargill Inc.	United States	1,350
Apr-16	Jun-16	Artsana SpA	Italy	Investindustrial SpA	Italy	1,200
Jul 16	Aug 16	IT Cosmetics, LLC	United States	L'Oreal SA	France	1,090
Jul 16	Aug 16	Dollar Shave Club LLC	United States	Unilever Plc	Netherlands	908
Feb-16	Apr-16	Osem Investments Ltd	Israel	Nestle SA	Switzerland	1,999
Sep-15	Oct-15	Marlow Foods Ltd	United Kingdom	Monde Nissin Corp	Philippines	742
Jul-15	Feb-16	Koninklijke Ten Cate NV	Netherlands	Tennessee Acquisition BV	Netherlands	897
Aug-15	Nov-15	Findus Sverige AB	Sweden	Nomad Foods Ltd	British Virgin Islands	701
Mar-16	Jul-16	Société des Produits Marnier Lapostolle S.A	France	Davide Campari-Milano SpA	Italy	652

Deal size (€m)	Revenue (€m)	EBITDA (€m)	Revenue multiple	EBITDA multiple	Deal rationale
92,065	13,938	5,112	7.6	20.6	Creation of a truly global beer company
56,454	12,095	2,779	4.7	20.3	Consolidation of leading global players to create a one-stop shop for seeds, crop chemicals and computer-aided services to farmers
13,113	4,031	924	3.3	14.2	Creation of a global coffee platform, bringing together coffee brands and beverage dispensing technologies
11,184	7,961	1,677	2.4	11.5	Expand business scale and market competitiveness, and achieve substantial operational synergies
10,880	3,539	414	3.1	26.3	Diversification of portfolio and geographical expansion
3,232	1,450	231	2.2	14.0	Building scale in the North American laundry care market
2,550	n/a	n/a	n/a	n/a	Expansion of footprint in Europe
2,330	1,943	821	4.7	11.2	Buyout of remaining 25% of minorities in leading Brazilian cigarette company
1,585	1,100	118	1.4	13.4	Reinforcing SEB's position in small domestic equipment in Germany through addition of strong brands to its portfolio
1,472	n/a	n/a	n/a	n/a	Full ownership of the business, allowing 100% control over performance
1,350	1,285	73	1.1	18.4	Strengthening of position in the growing salmon feed industry
1,200	1,420	126	0.8	9.5	Portfolio investment, to drive international expansion plans
1,090	164	n/a	6.6	n/a	Portfolio expansion to meet the increasing demand for make-up as well as hybrid skincare
908	139	n/a	6.5	n/a	To bring unique male grooming perspective to Unilever's personal care category
763	984	155	2.0	12.9	Strategic acquisition as part of geographic expansion
742	194	39	3.8	19.0	Expansion into European health and wellness sectors by acquiring Quorn and Cauldron brands
704	n/a	n/a	n/a	n/a	Portfolio investment, to drive expansion plans of target through a buy and build strategy
701	600	66	1.2	10.6	Nomad continues consolidation of European frozen food sector
652	152	31	4.3	21.1	Expansion of drinks portfolio by addition of high-end spirits (stake acquired in two tranches)

**Announced and completed deals over €200m from 1st October 2015 to 30th September 2016**

Announced date	Effective date	Target name	Target nation	Acquirer name	Acquirer nation	Enterprise (€m)
Oct-15	Nov-15	Island Oasis, Inc, Red Arrow Products Company LLC, Wellmune business of Biothera, Inc.	United States	Kerry Group plc	Ireland	644
Sep-16	-	Seventh Generation Inc.	United States	Unilever plc	United Kingdom	600
Oct-15	Oct-15	Desnoes & Geddes Ltd	Jamaica	Heineken NV	Netherlands	638
Jun-16	-	AdeS soy-based beverage business of Unilever	United Kingdom	Coca-Cola Company	United States	516
Oct-15	Nov-15	Dummen Orange BV	Netherlands	BC Partners Ltd	United Kingdom	503
Jun-16	Aug-16	Eden Springs International SA	Switzerland	Cott Corp	United States	470
Jul-16	-	Engro Foods Ltd	Pakistan	Friesland Campina Investments	Netherlands	850
Jun-16	Aug-16	HAVFISK ASA	Norway	Leroy Seafood Group ASA	Norway	440
Nov-15	Mar-16	Productos Internacionales Mabe	Mexico	Ontex Group NV	Belgium	407
Apr-16	Jun-16	BenRiach Distillery Co Ltd	United Kingdom	Brown-Forman Corp	United States	367
Aug-16	Sep-16	Crisps Topco Ltd	United Kingdom	Amplify Snacks Inc.	United Kingdom	354
Sep-16	Nov-16	ACH Food Companies, Inc. (US subsidiary of Associated British Foods plc)	United Kingdom	B&G Foods	United States	327
Nov-15	Jan-16	Turning Point Brewery Company Mark Anthony Group-Brands	Canada	Ambev SA	Belgium	325
Feb-16	Jun-16	Illovo Sugar Ltd	South Africa	Associated British Foods plc	United Kingdom	938
Oct-15	Feb-16	Inve Aquaculture Holding BV	Netherlands	Benchmark Holdings plc	United Kingdom	311
Feb-16	-	Ainsworth Game Technology Ltd	Australia	Novomatic AG	Austria	575
May-16	Jul-16	ConAgra Foods-SpiceTec Flavors and Seasonings	United States	Givaudan SA	Switzerland	303
Nov-15	Mar-16	Beam Suntory Inc.- Brandy, Sherry	Spain	Grupo Emperador Spain SL	Philippines	275
Apr-15	Nov-15	Eaststarch CV-Wet Corn Mills	Turkey	Listed US corporate	United States	240

Deal size (€m)	Revenue (€m)	EBITDA (€m)	Revenue multiple	EBITDA multiple	Deal rationale
644	249	49	2.6	13.2	Expansion of taste and nutrition portfolio
600	183	n/a	3.3	n/a	To strengthen Unilever's position in the US and accelerate growth
538	103	30	6.2	21.2	Acquisition of Red Stripe and Dragon brands to provide access to the Caribbean and South Asian markets
516	260	n/a	2.0	n/a	To enhance Coca-Cola's nutritious beverage offerings, and expands its portfolio of non-carbonated beverages
503	165	45	3.0	11.1	Acquisition of a major global player in the flower breeding industry
470	n/a	63	n/a	7.4	Geographical expansion and product diversification
458	443	44	1.9	19.5	Building key position in Central Asia
424	118	42	3.7	10.5	Strategic majority acquisition within the seafood sector
407	391	n/a	1.0	n/a	Acquisition to drive growth in the US and South American sanitary products market
367	56	19	6.6	19.7	Re-entry of Brown-Forman into one of the industry's consistent growth segments, Single Malt Scotch Whisky.
354	n/a	n/a	n/a	n/a	Geographic expansion and broadening of reach in existing markets
327	n/a	n/a	n/a	n/a	To broaden B&G's position in the spices and seasoning category
325	n/a	n/a	n/a	n/a	Expansion of product portfolio
325	785	106	1.2	8.9	Acquisition of remaining 48.65% stake in African sugar producer and manufacturer of downstream products
311	74	21	4.2	14.8	Strengthening position in the aquaculture nutrition market
307	165	56	3.5	10.2	Increasing potential in the worldwide gaming market
303	n/a	n/a	n/a	n/a	Expansion of product offering
275	n/a	n/a	n/a	n/a	Strengthening investment in Spain and diversification of brandy business in global markets
240	n/a	n/a	n/a	n/a	Geographical expansion and product diversification along with strengthening its speciality in food ingredients business

### Announced and completed deals over €200m from 1st October 2015 to 30th September 2016

Announced date	Effective date	Target name	Target nation	Acquirer name	Acquirer nation	Enterprise (€m)
Mar-16	Jul-16	Newell Rubbermaid Inc. – Décor business	United States	Hunter Douglas NV	Netherlands	240
Jan-16	Jan-16	Bakkavor Group Ltd	United Kingdom	Bakk AL Holdings Ltd	United Kingdom	431
Nov-15	Jan-16	Tods SpA	Italy	Gousson Consultadoria e Mktg	Italy	2,425
Nov-14	Jul-16	Coca-Cola Beverages Africa - Bottling Operations	South Africa	SABMiller plc (Bottling Operations)	United Kingdom	207
Nov-15	Dec-15	thinkThin LLC	United States	Glanbia plc	Ireland	203

Deal size (€m)	Revenue (€m)	EBITDA (€m)	Revenue multiple	EBITDA multiple	Deal rationale
240	276	n/a	0.9	n/a	Strengthening market position in the North American specialty dealer and home centre channels
215	n/a	n/a	n/a	n/a	Controlling stake acquisition by founders and long term investors
208	n/a	n/a	n/a	n/a	Investment following purchase by Tod's of the Roger Vivier trademark, licensed to Tod's by Gousson
207	n/a	n/a	n/a	n/a	57% stake acquisition in merged business, formed to better serve consumers in Africa
203	75	n/a	2.7	n/a	Acquisition of premium nutrition brand business to expand presence in the nutrition bar category

### Announced deals over €200m from 1st October 2016 to 31st January 2017

Announced date	Effective date	Target name	Target nation	Acquirer name	Acquirer nation	Enterprise (€m)
Jan-17	-	Reynolds American Inc. (57.83% stake)	United States	British American Tobacco plc	United Kingdom	90,816
Jan-17	-	Luxottica Group SpA	Italy	Essilor International SA	France	23,915
Dec-16	-	Anheuser-Busch InBev NV (Central and East European Beer Business)	Czech Republic (majority business)	Asahi Group Holdings Ltd	Japan	7,300
Jan-17	-	Valeant Pharmaceuticals International, Inc. (CeraVe, AcneFree and Ambi Skincare Brands)	United States	L'Oreal SA	France	1,228
Dec-16	-	Fyffes plc	Ireland	Sumitomo Corporation	Japan	850
Nov-16	Dec-16	Peacock Foods LLC	United States	Greencore Group plc	Ireland	694
Dec-16	-	Parmalat SpA	Italy	Groupe Lactalis	France	5,362
Oct-16	-	ghd Hair	United Kingdom	Coty Inc.	United States	467
Dec-16	-	Ulker Biskuvi Sanayi AS	Turkey	Pladis Foods Ltd	Turkey	2,016

Deal size (€m)	Revenue (€m)	EBITDA (€m)	Revenue multiple	EBITDA multiple	Deal rationale
56,979	n/a	n/a	n/a	n/a	Direct access to the US market, underpinning the opportunity for long-term profitable growth and margin enhancement
23,915	n/a	n/a	n/a	n/a	Consolidation of global players
7,300	n/a	n/a	n/a	n/a	Strengthening position in the comprehensive beverage business globally and increased focus in the European market
1,228	159	n/a	7.7	n/a	Complements L'Oreal's brand portfolio and strengthens its position in the North American region
850	1,223	43	0.7	19.8	Product diversification and geographical expansion
694	818	52	0.8	13.1	Geographic and portfolio (product and customer) expansion
637	6,459	445	0.8	12.1	Buyout of minority interests to implement new strategy for the business
467	n/a	n/a	n/a	n/a	Strengthen global position in the professional hair category
383	n/a	n/a	n/a	n/a	Consolidation of the confectionary business of the group

# Consumer products M&A market – food sector

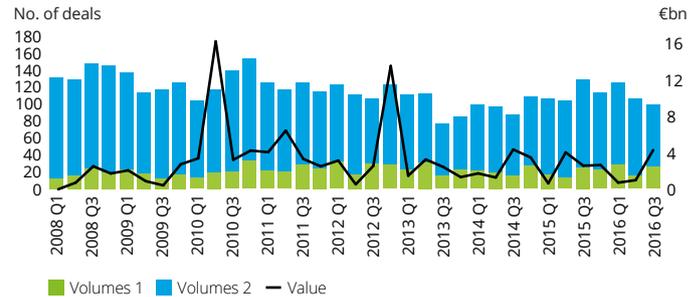
Transactions in the food sector over the last 12 months were broadly in line with previous year activity levels, with three US corporate buyers and two UK targets within the top 10 completed deals during the period.

The key drivers of M&A activity in the food space over 2016 were:

- geographic and portfolio expansion/diversification;
- consolidation of market players; and
- capturing the shift in consumer preference towards the health and nutrition segment, the most evident example of which was the announced €10.9 billion takeover by French yoghurt maker Danone of WhiteWave Foods to create a global leader in providing healthy eating and milk substitute options.

These trends are expected to continue to drive M&A activity in the sector in 2017 as well, with corporate buyers particularly focussing on attractive opportunities to supplement slower organic growth prospects and reacting to changing consumer preferences and trends.

Chart 12. Food



Source: Thomson Reuters, Deloitte Analysis

Note: Volumes (1) denotes volumes of deals where value is disclosed. Volumes (2) denotes volumes where deal values are not disclosed.

The largest deal to complete in the sector was the strategic acquisition by Nestlé of the 36.3% stake it already did not own in Osem Investments, Israel’s largest publicly traded food-maker for €763m. The deal marked Nestlé’s return to the acquisitions trail in the industry after a series of divestments.

Notable deals in the health and nutrition space were the acquisition of UK-based Marlow Foods (owner of Quorn and Cauldron brands) by Monde Nissin of the Philippines for €742m and the acquisition of US-based premium nutrition brand business thinkThin by Glanbia for just over €200m.

Deal activity levels also continued at similar levels in the ingredients space, including the completed acquisitions of Red Arrow Products, Island Oasis and Wellmune businesses by Kerry Group for €644m and Con Agra's Spicetec Flavors and Fragrances business by Swiss-based Givaudan for €303m targeted at expanding product portfolios. Other more recent ingredients deals announced include the acquisition of North American herbs and spices business of ACH Food Companies, Inc., a subsidiary of Associated British Foods, by B&G Foods for €327m (late 2016 completion) and the more recently announced €122m acquisition of UK based Chaucer Foods by Japanese instant food maker, Nagatanien Co., Ltd.

In our view, M&A activity in the food sector will continue in FY17 with consolidation, growth plays (including innovation) and addressing changing consumer preferences, with health and wellness being the major draws.

## Top 10 completed Food deals in 12 months to September 2016

Date	Target	Target nation	Value (€m)	Acquirer	Acquirer nation	Deal rationale
Apr-16	Osem Investments Ltd	Israel	763	Nestlé SA	Switzerland	Strategic acquisition as part of geographic expansion
Oct-15	Marlow Foods Ltd	United Kingdom	742	Monde Nissin Corp	Philippines	Expansion into European health and wellness sectors by acquiring Quorn and Cauldron brands
Nov-15	Findus Sverige AB	Sweden	701	Nomad Foods Ltd	British Virgin Islands	Nomad continues consolidation of European frozen food sector
Nov-15	Island Oasis, Inc. Red Arrow Products Company LLC, Wellmune business of Biothera, Inc.	United States	644	Kerry Group plc	Ireland	Expansion of taste and nutrition portfolio
Sep-16	Crisps Topco Ltd (Tyrrells)	United Kingdom	354	Amplify Snacks Inc.	United States	Geographic expansion and broadening of reach in existing markets
Jul-16	ConAgra Foods-SpiceTec Flavors & Seasonings	United States	303	Givaudan SA	Switzerland	Expansion of product offering
Nov-15	Eaststarch CV-Wet Corn Mills	Turkey	240	Listed US Corporate	United States	Geographical expansion and product diversification along with strengthening its speciality in food ingredients business
Jan-16	Bakkavor Group Ltd	United Kingdom	215	Bakk AL Holdings Ltd	United Kingdom	Controlling stake acquisition by founders and long term investors
Dec-15	thinkThin LLC	United States	203	Glanbia plc	Ireland	Acquisition of premium nutrition brand business to expand presence in the nutrition bar category
Oct-15	Panrico SAU	Spain	190	Grupo Bimbo SAB de CV	Mexico	Expansion into sweet bakery segment in Spain and Portugal
<b>Total value</b>			<b>4,355</b>			

# M&A market – beverage sector

The completion of the €92 billion “mega-brew” transaction between ABInBev and SABMiller occurred with final shareholder approval obtained on 28 September 2016. This marked the largest beverage transaction since we started our insights review back in April 2013. On a rolling twelve month basis, the activity levels recorded over 50 deals and €20 billion value for the first two quarters of 2016. This marked the highest level of transaction activity (for deals with a disclosed value) since the second quarter of 2012.

The mega merger triggered a number of knock on SABMiller divestments namely:

- its 58% stake in MillersCoors LLC to Molson Coors Brewing Company for €11.2 billion, announced in Nov-15 (yet to complete);
- its 49% stake in China Resources Snow Breweries Limited to China Resources Beer (Holdings) Company for €1.5 billion which completed in Oct-16;
- SABMiller’s Western European brewing assets namely: Peroni (Italy); Grolsch (Netherlands); and Meantime (craft beer business in the UK) to Asahi for €2.6 billion which completed in Oct-16 (at a reported 14 times EBITDA); and
- The recently announced divestment of SABMiller’s Central European business (Poland, Czech Republic, Slovakia, Hungary and Romania) to Asahi at a price tag of €7.3 billion.

**Chart 13. Beverage**



Source: Thomson Reuters, Deloitte Analysis

Note: Volumes (1) denotes volumes of deals where value is disclosed. Volumes (2) denotes volumes where deal values are not disclosed.

ABInBev’s acquisition highlights the increasing polarity within the brewing sector between the large scale producers and the burgeoning number of high growth smaller craft breweries. The craft brewing sector is already attracting attention from suitors in a beer sector looking to tap into new sources of higher growth.

Heineken has also been on the acquisition trail acquiring Pivovarna Lasko, the leading brewer in Slovenia and a major stake in Desnoes & Geddes, owner of Red Stripe and Dragon brands from Diageo, partly in exchange for its 20% stake in Guinness Ghana breweries.

Further acquisitions are likely to follow as Heineken looks to adapt to life with ABInBev's new found scale, with current ongoing speculation of Heineken's interest in the Brazilian business of Kirin (the Schincariol business that Kirin acquired in 2011).

Elsewhere, JAB Holding (the parent company of DE MasterBlenders) has continued to consolidate the tea and coffee sector acquiring Keurig Green Mountain for c.€13 billion to further secure its position as a major coffee player.

Global beverage companies have also looked to build their premium spirits portfolios with Campari's completion of the public tender for Grand Marnier's parent company.

Brown Forman looked to supplement its existing American, Irish and Canadian whisky portfolio with the Ben Riach business with three distilleries and their respective single malts.

Grupo Emperador's acquisition of Beam's Bodgeas Fundador places it in the position of becoming one of the world's largest brandy producers, whilst Beam's acquisition of UK based craft gin producer Sipsmiths highlights ongoing interest in the high growth craft market.

The soft drinks beverage sector has also been active with Cott, the North American beverage producer, looking to diversify its carbonates soft drinks portfolio with the addition of Eden Springs water and

coffee business. Most recently, Britvic announced its second Brazilian acquisition (Bela Ischia) as it looks to expand its footprint in the world's largest concentrates market.

The consolidation of bottlers also continued with the three-way merger of Coca Cola bottlers spanning twelve southern African countries, between its shareholders, namely: SABMiller (57%); Coca Cola Beverages Africa (11%) and Gutsche (32%).

Looking forward, in our view, the key themes that are likely to drive deal activity are as follows:

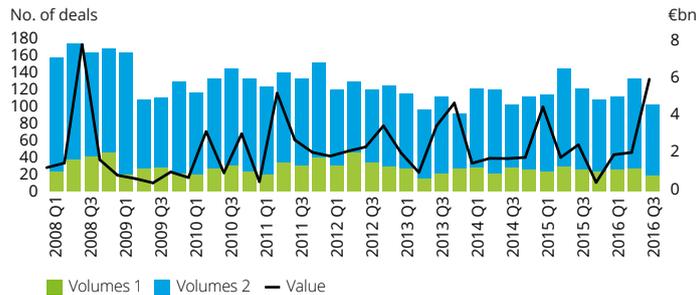
- ongoing acquisitions of premium brands in the spirits sector with the potential for the larger consolidation of the sector as a whole, as well as potential for asset swaps between major players as they look to realign their portfolios;
- soft drinks producers will continue to look for alternative health and wellness offerings to offset potential pressures on sugar content and ongoing challenges in the carbonated soft drinks sector as evidenced by Coca-Cola FEMSA's €516m acquisition of the Argentina-based AdeS soy-based beverage business of Unilever, which allows it to expand its portfolio of non-carbonated beverages; and
- brewers continuing to look for market leading positions in territories or smaller high growth craft beer acquisitions.

## Top 10 completed Beverage deals in 12 months to September 2016

Date	Target	Target nation	Value (€m)	Acquirer	Acquirer nation	Deal rationale
Sep-16	SABMiller plc	United Kingdom	92,065	Anheuser-Busch InBev	Belgium	Creation of a truly global beer company
Mar-16	Keurig Green Mountain Inc.	United States	13,113	JAB Holding Co	Netherlands	Creation of a global coffee platform, bringing together coffee brands and beverage dispensing technologies
Jun-16	Société des Produits Marnier Lapostolle S.A	France	652	Davide Campari-Milano SpA	Italy	Expansion of drinks portfolio by addition of high-end spirits (stake acquired in two tranches)
Oct-15	Desnoes & Geddes Ltd	Jamaica	538	Heineken NV	Netherlands	Acquisition of Red Stripe and Dragon brands to provide access to the Caribbean and South Asian markets
Aug-16	Eden Springs International SA	Switzerland	470	Cott Corp	United States	Geographical expansion and product diversification
Jun-16	BenRiach Distillery Co Ltd	United Kingdom	367	Brown-Forman Corp	United States	Re-entry of Brown-Forman into one of the industry's consistent growth segments, Single Malt Scotch Whisky
Mar-16	Beam Suntory Inc. - Brandy, Sherry	Spain	275	Grupo Emperador Spain SL	Philippines	Strengthening investment in Spain and diversification of brandy business in global markets
Jul-16	Coca-Cola Beverages Africa – Bottling Operations	South Africa	207	SABMiller plc (Bottling Operations)	United Kingdom	57% stake acquisition in merged business, formed to better serve consumers in Africa
Oct-15	Pivovarna Lasko dd	Slovakia	120	Heineken NV	Netherlands	Market leadership/consolidation play
Feb-16	Della Gida Sanayi ve Ticaret; Bahar Su Sanayi ve Ticaret; İlk Mevsim Meyve Sulari Pazarlama AS	Turkey	100	DyDo DRINCO INC	Japan	Acquisition of existing market player providing easier access to the Turkish market for carbonated soft drinks and mineral water
<b>Total value</b>			<b>107,907</b>			

# M&A market – personal & household products, apparel and other sectors

**Chart 14. Personal & Household Products, Apparel and Other**



Source: Thomson Reuters, Deloitte Analysis

Note: Volumes (1) denotes volumes of deals where value is disclosed. Volumes (2) denotes volumes where deal values are not disclosed.

M&A deal activity in the personal, apparel and homecare space continued its positive trajectory in 2016. Corporate acquirers led the acquisition march in the sector as they sought to realign their business models to both adapt to more discerning customers as well as improve competitiveness. The United States emerged as the top target market in terms of completed acquisitions over the year.

Unilever continued its targeted investments in the personal care and digital space with a number of acquisitions including the significant US acquisitions of the Dollar Shave Club (c.€900m), Seventh Generation Inc., a maker of plant-based detergents and household cleaners (rumoured at c.€600m) and Living Proof Inc. (premium haircare), the latter two being deals yet to complete. The acquisition of Seventh Generation is expected to give Unilever a foothold in the U.S. market for diapers and feminine hygiene products in addition to detergents and hand soap, as it tries to make significant moves into Procter & Gamble's traditional hold on the North American market.

Giving further competition to Procter & Gamble in the US detergents market, Henkel AG completed its biggest US acquisition with the purchase of Snuggle fabric softener maker Sun Products Corp. for €3.2 billion in Sep-16.

Personal care was the most active segment in terms of deal activity with deals such as the €1.2 billion private equity buy-out of Artsana (Italy-based producer of baby products, health, cosmetics and beauty care products, from the Catelli family), L'Oreal's €1.1 billion acquisition of US-based IT Cosmetics, Unilever's acquisition of Dollar Shave Club to support its personal care category and Ontex's c.€400m acquisition of Grupo P. I. Mabe, the Mexican manufacturer of disposable hygienic products.

From a UK perspective, sector deal activity continued to be resilient post the UK's referendum result to leave the EU, with some large deals announced in the last quarter of 2016 including the hotly contested auction of Lion Capital's GHD Hair, which was sold to Coty Inc. for €467m and Japan-based Sumitomo Rubber Industries' acquisition of the trademark rights, brand overseas and the sporting goods and licensing businesses of the Dunlop brand of Sports Direct for €132m, signalling the continued attractiveness of UK businesses to overseas investors.

In our view, deal activity in 2017 is likely to be underpinned by:

- consolidation in personal care, both geographically and in the beauty and skincare segments (premium and mass appeal products); and
- a shake-out in luxury portfolios due to the cyclical shift in the way the consumer's preference is changing from buying product to experiences.

**Top 10 completed Personal & Household Products, Apparel and other deals in 12 months to September 2016**

Date	Target	Target nation	Value (€m)	Acquirer	Acquirer nation	Deal rationale
Sep-16	Sun Products Corp	United States	3,232	Henkel AG	Germany	Building scale in the North American laundry care market
Jun-16	Artsana SpA	Italy	1,200	InvestIndustrial SpA	Italy	Portfolio investment, supporting international expansion plans
Aug-16	IT Cosmetics LLC	United States	1,090	L'Oreal SA	France	Portfolio expansion to meet the increasing demand for make-up as well as hybrid skincare
Aug-16	Dollar Shave Club	United States	908	Unilever plc	United Kingdom	Addition of unique male grooming perspective to Unilever's personal care category
Feb-16	Koninklijke Ten Cate NV	Netherlands	704	Tennessee Acquisition B.V. (acquisition vehicle of Dutch investor consortium led by Gilde Buy Out Partners)	Netherlands	Portfolio investment, supporting expansion plans through a buy and build strategy
Mar-16	Productos Internacionales Mabe	Mexico	407	Ontex Group NV	Belgium	Acquisition to drive growth in the US and South American sanitary products market
Jul-16	Newell Rubbermaid Inc. – Décor business	United States	240	Hunter Douglas Inc.*	Netherlands	Strengthening market position in the North American specialty dealer and home centre channels
Jan-16	Tods SpA	Italy	208	Gousson Consultadoria e Marketing S.r.l	Italy	Investment following purchase by Tod's of the Roger Vivier trademark, licensed to Tod's by Gousson
Aug-16	BoConcept Holding A/S	Denmark	195	3i Group plc	United Kingdom	Portfolio investment, supporting international expansion plans of target
Dec-15	Industria de Embalagens Santana S.A.	Brazil	186	Smurfit Kappa Group plc	Ireland	Consolidation of Brazilian market position
<b>Total value</b>			<b>8,370</b>			

\* US parent acquisition through a Dutch subsidiary

# M&A market – tobacco sector

BAT recently announced its proposed €57 billion acquisition of the remaining 57.8% stake in Reynolds to create the largest listed tobacco company in the world by sales. This is likely to trigger further consolidation in a sector already reacting to the subsiding threat of multi-billion dollar US-based litigation claims and the growing popularity of e-cigarettes.

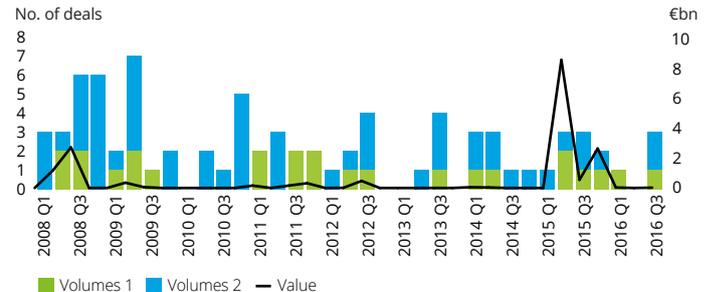
In the combustibles market, BAT also acquired the publically held minority interest that it did not own in the listed Brazilian company Souza Cruz SA in Q4 2015.

The non-combustibles & e-cigarette space continues to be a key strategic focus area. BAT again has been the most active, completing two acquisitions, the first being the acquisition of the Polish business CHIC (providing expanded market and product reach in Europe) and Ten Motives (a UK based e-cigarette business), which provides additional channel access in the UK.

In our view, ongoing deal activity in 2017 is likely to centre around companies that:

- provide a platform for growth in new geographical markets;
- have a multi-channel distribution model; and
- have a portfolio of products covering the disposable and rechargeable e-cigarette categories, together with refills and accessories.

**Chart 15. Tobacco**



Source: Thomson Reuters, Deloitte Analysis

Note: Volumes (1) denotes volumes of deals where value is disclosed. Volumes (2) denotes volumes where deal values are not disclosed.

## Top 6 completed Tobacco deals in 12 months to September 2016

Date	Target	Target nation	Value (€m)	Acquirer	Acquirer nation	Deal rationale
Dec-15	Souza Cruz SA	Brazil	2,330	British American Tobacco plc	United Kingdom	Buyout of remaining 25% of minorities in leading Brazilian cigarette company
Jul-16	Oliva Cigar Co	United States	90	J Cortes Cigars	Belgium	Geographical expansion (American markets) and strengthening of business strategy
Mar-16	Bulgartabac Holding AD	Bulgaria	30	TGI Middle East FZE	United Arab Emirates	12% investment
Sep-16	Fabrika duhana Sarajevo d.d (40% stake)	Bosnia	22	CID Adriatic Investments (funded by British American Tobacco plc)	United Kingdom	Acquisition of market leading business in Bosnia
Dec-15	CHIC Group	Poland	n/a	British American Tobacco plc	United Kingdom	European expansion
Apr-16	Ten Motives	United Kingdom	n/a	British American Tobacco plc	United Kingdom	Complementary product portfolio and access to new market channels
<b>Total value</b>			<b>2,472</b>			

# M&A market – agriculture and livestock sector

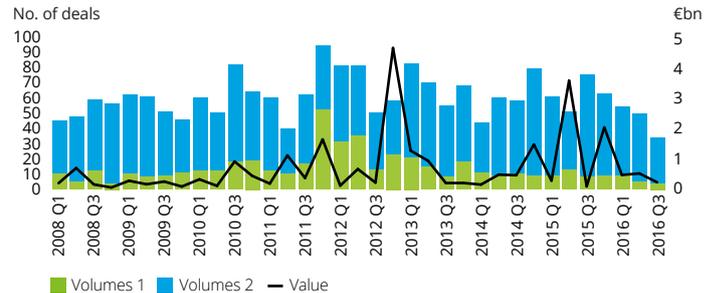
Whilst disclosed deal values are down on the prior year, the sector remains active from a M&A perspective, with a number of important transactions completing.

As we suggested last year, the long term importance of agricultural land and food (including livestock) production remains robust, as evidenced by the German conglomerate Bayer's €56.5 billion signature deal for US seeds rival Monsanto, in line with the consolidation trend in the agribusiness sector in recent years. The completion of the deal remains subject to regulatory approval.

Another notable deal announced in December 2016 was the €850m offer by Sumitomo Corporation for Irish fresh foods and vegetables producer and distributor, Fyffes plc. The enlarged entity is expected to combine complementary operations across multiple produce lines, expand product offering and geographic reach.

Commodity price movements have been an important factor in the industry over the past year, as prices continued to increase over the year. We anticipate that the full effect of commodity price increases will start to be felt by the middle of 2017 as previously forward-sold positions expire.

**Chart 16. Agriculture and livestock**



Source: Thomson Reuters, Deloitte Analysis

Note: Volumes (1) denotes volumes of deals where value is disclosed. Volumes (2) denotes volumes where deal values are not disclosed.

Whilst not necessarily acting as a barrier to M&A activity, in our experience, buyers have become increasingly focused on commodity price volatility when evaluating deals. In particular, we have witnessed an increasing focus by buyers to stress test and assess how sensitive economic models are in this regard, as well as the commercial ability of target companies to flex pricing and manage margins.

The largest completed deal in the sector was the €1.4bn acquisition by US-based Cargill, Inc. of Altor Equity Partners' and Bain Capital's portfolio company Ewos AS, based in Norway and operating as a supplier of feed and nutrition to the aquaculture industry.

The fishing and aquaculture related sectors were the most active in terms of completed disclosed deals during the last 12 months. In addition to the Ewos transaction highlighted above, major deals included the acquisition of HAVFISK ASA by the Leroy Seafood Group for €424m, the acquisition of Dutch aquaculture nutrition business Inve Aquaculture Holding BV by Benchmark Holdings for €311m, as well as the acquisitions of Fjordlaks Aqua and Karelskiye.

The €503m buy out of Dutch flower breeder Dummen Orange by BC Partners represented an exit for H2 Equity Partners. Dummen Orange is a major global player in the sector, one which is anticipated to witness further consolidation in the near term.

The dairy industry continued to consolidate, with Muller's acquisition of Dairy Crest's dairy operations significantly boosting Muller's scale in the UK. Also of note, although on an undisclosed basis, was the significant investment made by US private equity firm Paine & Partners into major UK dairy processor, Meadow Foods.

In our view, over the course of 2017:

- consolidation in the dairy sector will continue;
- rising commodity prices will result in cost increases and margin squeezes; and
- volume growth and new markets will be key, prompting consolidation across the sector.

## Top 10 completed Agriculture and Livestock deals in 12 months to September 2016

Date	Target	Target nation	Value (€m)	Acquirer	Acquirer nation	Deal rationale
Oct-15	Ewos AS	Norway	1,350	Cargill, Inc.	United States	Strengthening of position in the growing salmon feed industry
Nov-15	Dummen Orange BV	Netherlands	503	BC Partners Ltd	United Kingdom	Acquisition of a major global player in the flower breeding industry
Aug-16	HAVFISK ASA	Norway	424	Leroy Seafood Group ASA	Norway	Strategic majority acquisition within the seafood sector
Jun-16	Illovo Sugar Limited	South Africa	325	Associated British Foods	United Kingdom	Acquisition of remaining 48.65% stake in African sugar producer and manufacturer of downstream products
Feb-16	Inve Aquaculture Holding BV	Netherlands	311	Benchmark Holdings plc	United Kingdom	Strengthening position in the aquaculture nutrition market
Jul-16	Fjordlaks Aqua AS	Norway	106	Yokorei Co., Ltd,	Japan	Expansion of sales network for fish to Europe and North America
Dec-15	Dairies division of Dairy Crest Group plc	United Kingdom	102	Muller UK & Ireland Group LLP	Germany	Delivering economies of scale and cost efficiencies
Apr-16	Highline Produce Ltd	Canada	98	Fyffes plc	Ireland	Expansion of existing product line
Jul-16	OAD Karel'skiye Moreprodukty	Russia	59	Murmansk Trawl Fleet Public Joint-Stock Company	Russia	Market consolidation in the Russian fishing industry
Dec-15	Pik Becej Poljoprivreda AD	Serbia	46	MK Group	Serbia	Modernisation and development of the PIK Becej business (crop and livestock production and processing)
<b>Total value</b>			<b>3,324</b>			

# Post Brexit world – our view

## Brexit and uncertainty

- The most telling and immediate impact of the EU referendum vote has been the dramatic rise in UK economic policy uncertainty. Such uncertainty is likely to be one of the biggest drags on M&A activity and historically, there has been a high level of correlation between heightened policy uncertainty and waning M&A appetite. M&A deal flow in the second half of 2016 was at the lowest level since the same period in 2009.
- Since the Brexit vote in June 2016, the corporate sector and deal makers have sought clarity and guidance on its likely impact on UK's new economic and trading environment. There is however, strong historic evidence that M&A markets tend to recover quickly once uncertainty subsides.

## PE vs. Corporate

- The drop in confidence has impacted both the corporate and private equity sectors. In recent years, the private equity sector has been one of the key drivers of M&A growth in the UK; however, volumes have declined sharply post the referendum result. The corporate sector meanwhile remains resilient in certain segments of the market - particularly the domestic mid-market (\$250m to \$1 billion size deals).

## FTSE 100 / 250 M&A impact

- In the hours and days following the Brexit vote, the two most obvious impacts were the significant drop in the FTSE 100 and 250 index, as well as the steep depreciation of sterling, which suffered its largest two day fall against the dollar since the floating exchange was introduced. Within the FTSE 100 and 250, the hardest hit sectors were financial services, real estate and travel. However, in the following weeks, the FTSE rallied strongly and the FTSE 100 surpassed its pre-Brexit position. The FTSE 250 took a while to recover, however, it also has bounced back strongly. This, in large part, was down to the fact that a good proportion of these companies generate their earnings abroad which boosted their share price.

## Deal corridors

- Europe has continued to attract significant inbound investments throughout 2016 – in fact for the first time ever, Chinese inbound investments into Europe have outpaced that of the US. The other significant investor has been Japan, with a sharp rise in Japanese interest in European assets.
- European companies have also been successfully pursuing cross-border deals and the overwhelmingly key market for them remains the US which accounted for the lion's share of the M&A investment.

# Our consumer products M&A specialists

Our team of M&A experts across the firm have extensive experience in providing innovative industry specific solutions to the Consumer Products industry. If you would like to discuss any of the findings in this survey or find out more about our services to the Consumer Products industry, please contact one of the specialists listed below:

## Authors



### **Conor Cahill**

UK M&A Consumer Products Leader  
+44 20 7007 4379  
conorcahill@deloitte.co.uk

Conor is a UK Partner based in our Transaction Services practice with over 16 years of transaction experience with both corporate and private equity clients. Conor specialises in the Consumer Products industry and has extensive experience in delivering complex cross border acquisitions and disposals for many of the FTSE 100 and 250 companies across the food and beverage sector.



### **Sandeep Gill**

EMEA M&A Consumer Products Leader  
+44 20 7303 3325  
sandeepgill@deloitte.co.uk

Sandeep is a UK Partner who specialises in the Consumer Products industry and has extensive experience leading cross-border transactions for both corporate and private equity investors in India, Africa, Europe, Asia, South America and the United States. Sandeep also has extensive experience in advising clients on growth market strategy and ME/A execution.



**Richard Hooper**

Director, Financial Advisory  
+44 20 7007 0440  
rihooper@deloitte.co.uk

Richard is a Director based in our London Transaction Services group with extensive transaction experience with corporate and private equity clients, and working in both buy-side and sell-side roles. He has worked with many of the FTSE 100 and 250 Consumer Products companies across the tobacco, food and beverage sectors.



**Nitika Mehra**

Director, Financial Advisory  
+44 20 7007 0146  
nitmehra@deloitte.co.uk

Nitika is a Director based in our London Transaction Services team, with significant experience across buy-side, sell-side and capital markets transactions with corporate and private equity clients. She focusses primarily on Consumer Products and Retail clients in the Consumer Business sector.



**Phillip Lane**

Partner, Financial Advisory  
+44 117 984 2931  
plane@deloitte.co.uk

Phil is a UK Partner based in our M&A Advisory business specialising in the Consumer Business sector, with a particular focus on FMCG including the Food & Beverage space. He has 16 years of M&A experience, and leads our relationships with a number of major listed and private consumer businesses.



**Ruairi Ó Dochartaigh**

Director, Financial Advisory  
+44 117 984 2934  
rodochartaigh@deloitte.co.uk

Ruairi is a Director within our M&A Advisory team, specialising in the Food & Beverage sector. He has over 13 years of corporate finance experience within the sector, having advised numerous clients on acquisitions, disposals and restructurings. Ruairi has worked with companies across the Food & Beverage spectrum, including listed and private corporates, private equity and co-operative businesses.

## Leadership



### **Conor Cahill**

UK M&A Consumer Products Leader  
+44 20 7007 4379  
conorcahill@deloitte.co.uk



### **Sandeep Gill**

EMEA M&A Consumer Products Leader  
+44 20 7303 3325  
sandeepgill@deloitte.co.uk



### **Nigel Wixcey**

UK Consumer & Industrial Products Leader  
+44 20 7303 5007  
nigelwixcey@deloitte.co.uk



### **Howard da Silva**

Head, Global M&A Consumer & Industrial Products  
+41 58 279 62 05  
hdasilva@deloitte.ch



### **Ben Perkins**

UK Head of Insight Consumer & Industrial Products  
+44 20 7007 2207  
beperkins@deloitte.co.uk



### **Mark Pacitti**

Global Leader for Corporate Finance Advisory  
+44 20 7303 5871  
mpacitti@deloitte.co.uk



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Fax: +44 (0) 20 7583 1198.

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