

# Industry Snapshot: FoodTech

## Second Course – M&A Takeaways

Hamburg, December 2022





- Growing focus on **new nutrition patterns** as the importance of food for health is increasingly understood.
- Alternative protein startups attract more and more investors in Europe.



- The food industry is one of the biggest contributors to food waste. It is estimated that in Europe between 280 billion euros and 470 billion euros can be saved annual through adoption of more **sustainable value chain** processes.



- **Digitalization** is still a main dish. Nowadays, it is possible to order food in restaurants through a computer or smartphone.
- Worldwide smart kitchen appliances industry estimated at 13.18 billion USD and expected to grow with a CAGR of 18.6% until 2028.



- More and more people prefer **vegetarian food** for health reasons, but also due to a growing awareness of the sustainability.
- Next to this, about 1 percent of the population suffers from celiac disease providing the opportunity for new gluten free or vegan products.



- Customization of products another trend in which customers demand the product to be manufactured to their exact **personal requirements**.
- Customizing also requires the delivery of products and services within much shorter periods.



- **New forms of food production** such as vertical farming, urban gardening, aquafarming or the production of artificial meat can be a promising building block in securing future food supply of an increasing world population.

# Next trends in FoodTech - Key takeaways

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Facing uncertainty about the near future, consumer priorities in making consumption decisions have changed.

# FoodTech is still on the menu of German investors

2020 until 2022 will go down in history as a time period full of crises. Despite the pandemic and the war in Ukraine, many food startups have managed to convince with their ideas and win investors. But to which startups did the money go to? And who decided to sell or exit the business even during a pandemic and war times? We will give again an overview of selected transactions and some of the funding rounds that took place in the last months.

## Germany's FoodTech entrepreneurs convince investors the most

**FoodTech is still a good investment:** The enterprise value by valuation of FoodTech companies increased from 1.2 tn. USD 2021 to 1.5 tn. USD in 2022.

**Growing demand:** Increasing awareness among the population is driving the demand for healthier food. Technology being one of the major drivers for innovation, is on the rise.

**Germany - hungry for FoodTech:** In the first nine months of 2022, 344 mEUR were invested in German FoodTech companies. This shows that Germany is a good address in terms of money invested in startups of the FoodTech industry.

## More and more people in Germany are eating a vegetarian diet



### Vegetarians

The number of vegetarians and vegans in Germany is increasing. According to a survey, lead by the IfD Allensbach, 7.9 million people classify themselves as vegetarians in 2022 (+1.6 million more than in 2018 or +25%).

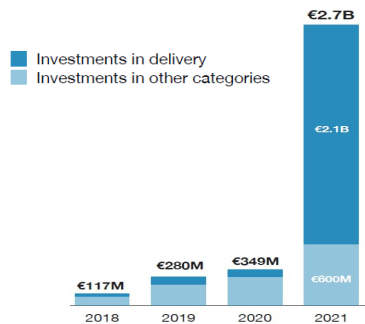


### Vegans

The increase in absolute of vegans is lower than those of vegetarians. 1.6 millions avoided to eat any animal products in 2022 (representing +600,000 compared to 2018 or +65%)

Source: IfD Allensbach

## Delivery leads the German FoodTech ecosystem



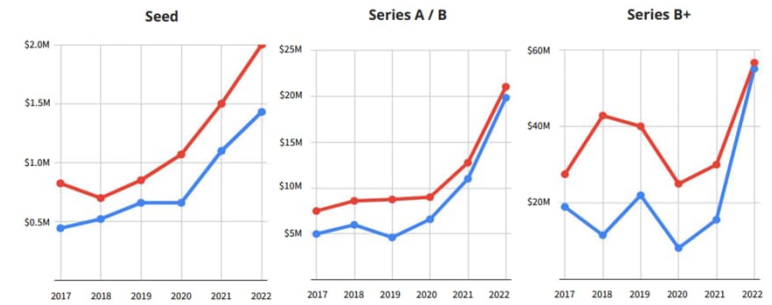
Source: DigitalFoodLab

- Germany is home of more than 225 FoodTech startups.
- Berlin is not only the capital city of Germany but also of the German FoodTech ecosystem.
- More than 90% of the investments are made in Berlin-based startups.
- In terms of funding, delivery is leading Germany's FoodTech by a wide margin in 2021. In 2022 delivery is still leading Germany's FoodTech but no longer with a wide margin.

## A good barometer of the ecosystem

Median round sizes across all stages have not decreased and in Europe, median round sizes are on par with deals in the USA.

**Europe:** Blue  
**USA:** Red



Source: Dealroom

# German FoodTech order several rounds of funding (1/2)

## Selected financing rounds of German FoodTech startups

Date	Financing round	Financing volume	Start-up	Headquarter	Description	Investors	Category
Jul-22	Series A	5 mEUR	Bringoo GmbH	Hamburg	Grocery delivery from supermarkets to home within 45 minutes.	20 Scoops	Delivery
Apr-22	Series B	102 mEUR	Choco Communications GmbH	Berlin	The app offers a messenger service to restaurateurs, supermarkets and canteens to communicate with their suppliers, order food and request invoices.	G Squared, Insight Partners	Delivery
Dec-21	Series B	750 mUSD	Flink Food	Berlin	Flink Food, which means "quick" in German, claims to deliver groceries from its own network of fulfilment centers in less than 10 minutes.	DoorDash, Mubadala Capital Ventures	Delivery
Oct-21	Series C	1000 mUSD	Gorillas Technologies	Berlin	Delivery of everyday products to customers' doorsteps within ten minutes.	Lead investor Delivery Hero	Delivery
Jun-22	Series A	11 mUSD	crop.zone GmbH	Aachen	crop.zone GmbH provides farmers with chemistry-free tools for weed control and harvest preparation.	Nufarm Australia Limited, MADAUS Capital Partners GmbH, Demeter Partners	AgTech
Dec-21	Series A	20 mUSD	Stenon GmbH	Potsdam	Stenon GmbH designs and manufactures sensor technology equipment with supporting software, which offers real-time soil analysis solutions for the agriculture industry.	Atlantic Labs Manager, Cherry Ventures Management, Founders Fund, The Production Board	AgTech
Dec-21	Series D	200 mUSD	InFarm - Indoor Urban Farming GmbH	Berlin	On-demand farming services provider that manufactures devices that grow fresh vegetables and herbs in supermarket and restaurants.	Qatar Investment Authority, Partners in Equity, Lightrock, Hanaco Venture Capital, Bonnier Ventures, Atomico, AENU	AgTech
Oct-21	Angel	< 1 mUSD	Declareme GmbH	Karlsruhe	Declareme GmbH designs and develops HealthMe App, a digital shopping assistant that recommends alternative food products for people with allergies and intolerances.	Carsten Maschmeyer and Nils Glagau	Consumer Tech

Source: crunchbase.com, GT research

### Delivery:

*Startups developing services to order and deliver groceries and meals*

- After a strong boom in times of corona, the demand for delivery services has decreased. Meanwhile, the delivery industry is also feeling impacts of the end of corona restrictions, high inflation and the war in Ukraine.
- Accordingly, investors were significantly more cautious than in the previous year. Hence investment volumes in FoodTech companies are decreasing.

### AgTech:

*Startups developing technology solutions to improve farming output and quality*

- Urban farming startups have been reinforced by the growing desire for more sustainable and local foods.
- Infarm's latest funding of 200 mUSD will be used to deepen the regional and local penetration of its global farming network and complete development of its new generation of vertical cloud-connected farms.

### Consumer Tech:

*Startups developing services to help the consumer cook and identify the best foods for him*

- Investments are driven by a renewed focus on helping consumers adopt healthier food habits.

# German FoodTech order several rounds of funding (2/2)

## Selected financing rounds of German FoodTech startups

Date	Financing round	Financing volume	Start-up	Headquarter	Description	Investors	Category
Oct-22	Angel	100 kEUR	TASTE LIKE The taste I like GmbH	Süderlügum, Schleswig-Holstein	Taste Like produces animal-free meat, egg, and dairy products.	Dagmar Wöhrl	Food Science
Sep-22	Seed	5 mEUR	Neggst Foods GmbH	Berlin	Naggst develops plant-based whole egg alternative that consists of a white, yolk, and a biodegradable shell.	Green Generation Fund, BayWa, Corecam Capital Partners	Food Science
Sep-22	Unknown	3 mEUR	BlueFarm	Berlin	Blue Farm offers vegan dairy alternatives for maximum freshness and minimal waste.	Zintinus, HGDF, Übermorgen Ventures	Food Science
Mar-22	Series B	50mEUR	KoRo Handels GmbH	Berlin	KoRo primarily sells vegetarian and vegan long-life, natural and processed foods through its own online shops and through listings with retail partners.	Partech, HV Capital, Five Seasons Ventures	Food Science
Sep-21	Financing Round	40 mEUR	air up GmbH	Munich	Manufacturer of drinking bottle. Their bottle system is equipped with ring-shaped scented pod which gives water a scent flavor.	Five Seasons Ventures, PepsiCo	Food Science
Sep-21	Series A	50 mUSD	Legen Dairy Foods GmbH	Berlin	Artificially cultivating the milk protein casein and whey proteins as a basis for dairy products.	Agronomics Limited, Elevat3 Capital, EQT Ventures, Good Seed Ventures, Grazia Equity, Happiness Capital, Lionheart Ventures, Lowercarbon Capital, Merck Ventures	Food Science
Mar-22	Seed	2,5 mEUR	GoodBytz GmbH	Hamburg	GoodBytz GmbH develops robotic kitchen assistants enable for chefs to amplify and reproduce their capabilities.	Oyster Bay Venture Capital	Food Service
Apr-22	Seed	1,7 mEUR	Freshflow GmbH	Berlin	Freshflow GmbH develops and offers an artificial intelligence-based platform for food supply chain management.	Capnamic Ventures Management, WF World Fund Management	Supply Chain

Source: crunchbase.com, GT research

### Food Science:

*Startups developing new ingredient and food products*

- COVID-19 has boosted the already growing demand for fresh, healthy, additive-free food with traceable origins as people are becoming more health-conscious.
- One can expect more funding in the field of Food Science compared to Food Delivery companies like Flink or Gorillas due to the huge investment in the infrastructure.

### Food Service:

*Startups with focus on services for restaurants trying to digitize this sector*

- Biggest investments are made in startups that offer foodservice robotics and foodservice management.
- Choco raised 58 mEUR to grow its wholesale digital platform for digitizing the relationship between restaurants and their supplier.

























### Supply Chain:

*Startups developing solutions for the food supply chain and food retail industry*

- Rising investments in startups that are focusing on food waste management by using data to avoid food waste.
- FreshFlow raised 1,7 mEUR to grow its AI- based platform for optimizing supermarket orders to increase efficiency and to avoid food waste.

# M&A activities in FoodTech are on the rise

## Selected transactions of German FoodTech startups

Date	Acquirer	Type	Target	Transaction volume	Target description	Category
Sep-22		Food company		n.a.	The company engages in processing of fruits and vegetables. The company also offers snacks, soups, chocolates, and soft drinks.	Food Science
Jul-22		Food company		\$ 150 m	The company operates as a food distributors company. It operates as a distributor of coffee, tea, cocoa, and spices.	Food Science
Jun-22		Software company		222 mEUR	Provider of digital infrastructure, online ordering systems, and Point of Sale (PoS) solutions for the takeaway and restaurant industries.	Food Service
May-22		Software company		\$ 93 m	Cajoo Technology provides grocery delivery services online.	Food Delivery
May-22		Technology company		100 mEUR	The company provides Software-as-a-Service based iPad point of sale (POS) system for the hospitality industry. The company's POS system allows service staff to send orders wirelessly to the kitchen or bar and stay in sync with one another.	Food Service
Apr-22		Food company		n.a.	Distributor of premium spices	Food Science
Feb-22		Health company		n.a.	The company develops a fitness application that provides its users with workouts and meal plans to get in shape from home.	Consumer Tech
Feb-22		Software company		n.a.	Developer of a software which allows to order food and drinks with smartphones or tablets or make a pre-order from smartphones.	Food Service
Dec-21		Food company		214 mEUR	Just Spices GmbH manufactures and retails spices for consumers and businesses.	Food Science
Dec-21		Venture Capital		n.a.	Manufacturer of organic sauces	Food Science
Aug-21		Food company		39 mEUR	The company manufactures and sells nutrition products for gamer.	Food Science
Aug-21		Vertical farming company		107 mEUR	&ever GmbH operates as a vertical farming company that grows, harvests, produces, and sells baby leaf products and herbs.	AgTech

Source: S&P Capital IQ, GT research

- We analyzed 12 transaction that occurred between October 2022 and August 2021, involving German FoodTech companies.
- The majority of these transactions involved companies in the food science space, but the largest one was the acquisition of app smart GmbH from OrderYOYO A/S with a transaction value of 222 mEUR. The OrderYOYO and app smart combination creates a leading European restaurant liberator servicing more than 9,000 Restaurant Partners. The merger is the first step towards the combined company's overall goal of liberating more than 25,000 Restaurant Partners by end of 2025.
- In line with the decreasing demand for food delivery, there was just one significant transaction in this space.
- Another big deal is the acquisition of Just Spices GmbH by The Kraft Heinz Company for 214 mEUR. Launched in 2014, Just Spices generated around 60 mEUR of sales in 2021 with its 170-plus product portfolio of spice blends, salad dressings, easy-to-prepare "In Minutes" blends, and organic offerings. The Kraft Heinz Company is said to have been attracted by Just Spices' many Tik-Tok-Followers and sees the opportunity to identify new trends among younger consumers at an early stage.
- One more transaction that attracted attention is Nestlé's acquisition of a majority stake in spices maker Ankerkraut. The move will help Ankerkraut build on its ten-year journey by leveraging Nestlé's expertise and sales network whereas Nestlé will benefit from Ankerkraut's agility, entrepreneurial spirit and omnichannel presence.

# Grant Thornton - Deal Advisory



# Our international network with global M&A capacity

Our established captive and affiliate network as set out below, gives us the ability to open doors, initiate conversations and introduce international opportunities.

<p><b>Grant Thornton M&amp;A Network Partners</b></p>	 <p><b>Sumeet Abrol – India</b> Partner, M&amp;A</p>	 <p><b>Devin Wagner – Canada</b> Partner, Corporate Finance</p>	 <p><b>Michael Neary – Ireland</b> Partner, Corporate Finance</p>	 <p><b>Gilles Coudon – France</b> Partner, Adviso Partners</p>	 <p><b>Jesper Vestergaard – Denmark</b> Partner, M&amp;A</p>	 <p><b>Hanno Hepke – Germany</b> Partner, M&amp;A</p>		
 <p>Development Bank of Japan ('DBJ') is owned by the Japanese Government and provides integrated investment and loan services to domestic and international clients. DBJ has over \$15 billion of capital and \$154 billion in total assets. We have worked with DBJ on a number of successful transactions.</p>						 <p><b>Mats Öberg – Sweden</b> Partner, M&amp;A</p>		
 <p>Adviso Partners is a French based corporate finance advisory firm, that provides advice to shareholders, private equity firms, listed groups and investment funds. Adviso Partners has a mid market focus on €10-200m deals.</p>						 <p><b>William Tyson – USA</b> Co-head, Fifth Third Capital Markets</p>	 <p><b>Andrew Morgan – UK</b> Managing Partner, M&amp;A</p>	 <p><b>Vincenzo Briotta – Switzerland</b> Partner - Advisory</p>
 <p>Fifth Third excels in both M&amp;A strategy and execution, and has uniquely aligned its services to the needs of middle market and mid-cap companies.</p>						 <p><b>Toshiki Iino – Japan</b> Director, DBJ</p>	 <p><b>Fernando Beltran – Spain</b> Partner, Corporate Finance</p>	 <p><b>Sante Majolica – Italy</b> Partner, M&amp;A</p>



# We support you until the transaction is brought to a successful end

Markets and competitive conditions are evolving rapidly. Established business models are suddenly outdated. In this context, transactions play an important role in the continued development of companies. We are up to date with the new developments and are here to support you achieve your transactional goals.

## Sell-side M&A

- To bring your transaction to a successful end, we support you with a comprehensive range of advisory services. We understand the value drivers and sector in which you operate.
- We support you in identifying your key business and strategy drivers and build a consistent and value driving equity story.
- We take care of the entire coordination of the transaction process: beginning with building the equity story and the indicative valuation, to developing the go-to-market documents, the identification and approach of potential investors, up to the negotiations and successful closing.

## Finance raising

- Optimized financing structures are decisive for the success of a company.
- We have extensive experience with the preparation of business plans and company valuations as well as with the preparation and coordination of the strategy and go-to-market documents. Moreover, we have both strong local and international knowledge and relationships with strategic and financial investors. This makes us the best partner to support you in your journey to find the best possible financing for your growth.

## Buy-side M&A

- To support you in reaching your growth ambitions, we identify potential strategic and financial investors based on pre-defined specific criteria.
- Together, we develop a search profile for your target company, followed by a thorough profiling of selected companies and the approach of suitable candidates directly by our team or via our international contact network.
- A tight and result-oriented project management as well as a coordinated and customized approach guarantee the success of your project.

## Transaction support

- We offer integrated due diligence services and transaction related advice. With our financial, tax, legal, commercial and IT experts, we are able to provide the basis for your decision from a single source.
- We build up on the findings from the tax due diligence and advise you on tax structuring matters of the acquisition.
- Additionally, we support you during the sell-side process by creating fact books or conducting a vendor due diligence. We anticipate information needs of potential buyers and proactively identify red flags in order to optimize the transaction price.

# Your international M&A experts focused on the FoodTech market



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Dear Sir or Madam,

We would like to introduce you to Grant Thornton and would be pleased if you would consider our transaction services for your future investments. Of course, we are available for an introductory talk and welcome the opportunity to accompany you in your next investment case.

Our approach is pragmatic and business oriented. A comprehensive understanding of the targeted strategy and the needs you have as a potential entrepreneur or investor, serve as a basis of our approach. This is complemented by:

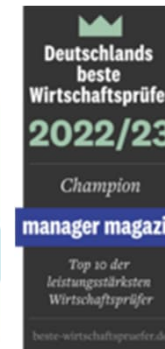
- profound expertise in the FoodTech market,
- fundamental experience in M&A transactions and finance raisings,
- a partner-led approach that enables us to meet your expectations,
- a special focus that enables us to deliver precise and timely results.

We have gained strong know-how through executing many transactions and supported owner managed businesses in M&A and finance raising processes over the years. Moreover, we understand the value drivers and sector in which you operate and customize our services to your needs.

We look forward to hearing from you.

Kind regards,

Your M&A team



# Selected References – Food Credentials (1/2)

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## Confection by Design



Adviser to Confection By Design on their sale to NIC Enterprises

Consumer Markets

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## Watch House Coffee Holdings Ltd



Adviser to Watch House Coffee Holdings on their equity fundraise

Food & Beverage

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## Sayers the Bakers Limited



Adviser to Sayers The Bakers Limited on their sale to Karen Wood

Food & Beverage

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## Giles Foods Limited



Adviser to Giles Foods on their sale to Country Style Foods

Consumer Markets

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## Carrs Foods Limited



Adviser to Carrs Foods on their sale to BGF, the UK's most active investment company, providing patient capital for small and medium-sized enterprises.

Food & Beverage

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## Orienta Partners



Adviser to Sodexo on their sale of Tillery Valley Foods to Joubere Food Group

Food & Beverage

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## Five Seasons Ventures



Adviser to the French investor Five Seasons Ventures on the Series A financing round of vly, a Berlin-based food tech

FoodTech

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## K.M. Packaging Services Limited



Adviser to K.M. Packaging Services Limited on their sale to an Employee Ownership Trust

Supplier of flexible packaging

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# Selected References – Food Credentials (2/2)

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## REWE DORTMUND Großhandel eG



Company Valuation, Extensive Tax  
Transaction Consultancy Services

Wholesale

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## VALENSINA GmbH



Tax Consultancy Services (Declaration,  
Consulting regarding special questions),  
Audit of annual financial statements

Food & Beverage

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## Aqua Vital



Transaction advisory services related  
to the acquisition of GSB Group by  
Dalmia Refractory Group

Food & Beverage

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## VR Equitypartner GmbH



Financial, Legal and Tax Due Diligence  
for the provision of mezzanine capital  
for the Wingert Food GmbH

Food

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## ArkoStiftung



Disposal of shares to Waldersee  
Treuhand- und Vermögensverwaltungs-  
gesellschaft mbH & Co. KG

Coffee and confectionery

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## Goldeck Süßwaren GmbH



Corporate finance advisory services

Food

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## Five Seasons Ventures



Transaction advisory services related  
to the financing rounds of air up

FoodTech

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## Wholey



Corporate finance advisory services

Food & Beverage

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