

**M&A-Spotlight**

*The Future of Food*

**Plant-Based  
Market Insights  
2021**



**Market Overview**

**Trends and Drivers**

**Major M&A Deals**



## “Animal-meat is water under the bridge”

Hubert Stücker, former head of business development Nestlé and member of the advisory board Taurus Advisory GmbH

The trend toward vegetarian and vegan meat alternatives is unbroken and much more than just a hype. The Corona pandemic is also acting as a catalyst. An end to this upward trend is not in sight - on the contrary. Above all, it is the reflection of a profound change in society as a whole.

In industrialized countries, there is already a rapidly growing social awareness of the ecological consequences and ethical aspects of meat consumption; in Germany, 70% of the population already feel the need to behave sustainably. The number of vegan and vegetarian people has grown significantly in just a few years. This group is mostly young and well educated. Especially the consumers and decision makers of tomorrow have a high sensitivity towards vegetarian food innovations.

Plant-based alternatives can now be found in every supermarket. Sales of vegetarian products in German food retail grew by almost 65% during the Corona pandemic. The clear market leader here in Germany is Rügenwalder, but the major food companies, such as Nestlé with Garden Gourmet, and many retail brands are also focusing on the young target groups.

This development of factors has led to increased interest, especially on the investor side. There is more than enough liquidity - best conditions for a lively M&A market. On the one hand, the large food companies are actively searching for suitable targets for inorganic growth. On the other hand, there are start-ups that identify and set trends early. They, too, are dependent on investors in order to be able to continuously set innovative impulses in the food industry. Reason enough to take a close look at trends and developments in the M&A market for plant-based food alternatives in this report.

Sincerely yours

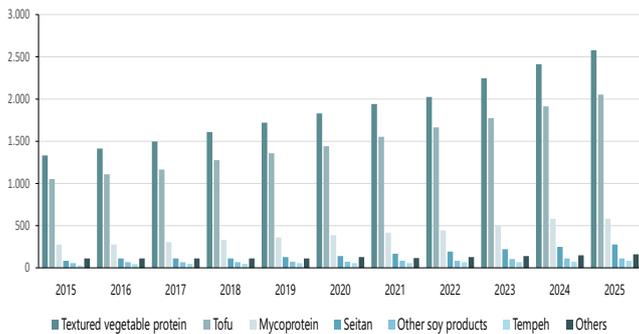
Hubert Stücker

# Facts and Figures

## Plant-based food market in Europe

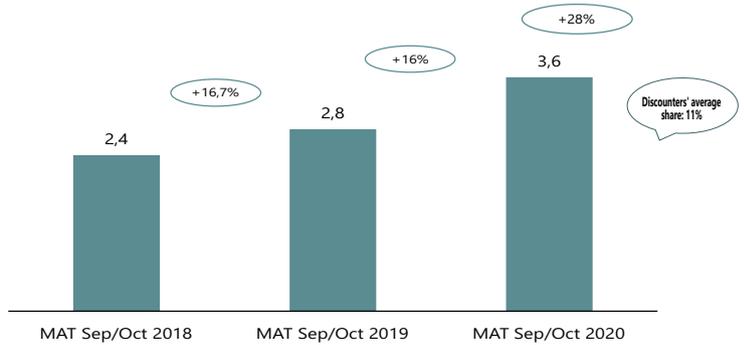
### European market for plant-based food

**European meat substitutes market estimates & forecasts by product**  
2015 - 2025 (USD Million)



Source: Mordor intelligence

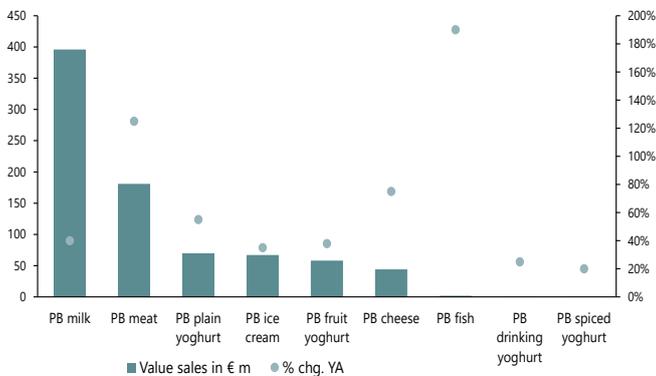
**European sales value increased by 49% over the past two periods**  
Sales value of plant-based food in Europe (in € bn)



Source: ProVeg Consumer Survey 2021

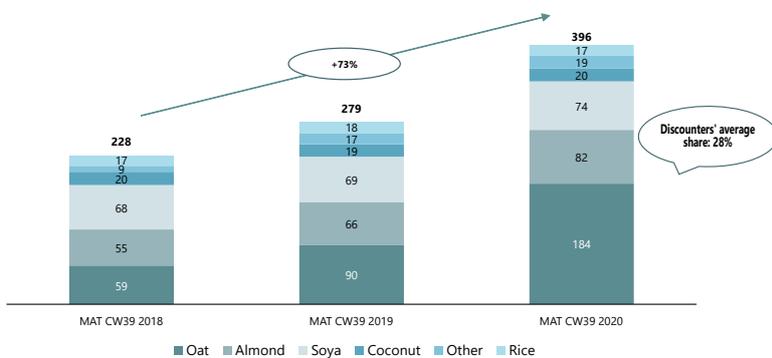
### German market for plant-based food

**Plant based milk has the highest sales value, followed by plant-based meat. All categories experienced huge growth:**  
Sales value of plant-based food in Germany (grocery and drug incl. discounters) by category, in € m, for MAT CW39 2020



Source: ProVeg Consumer Survey 2021

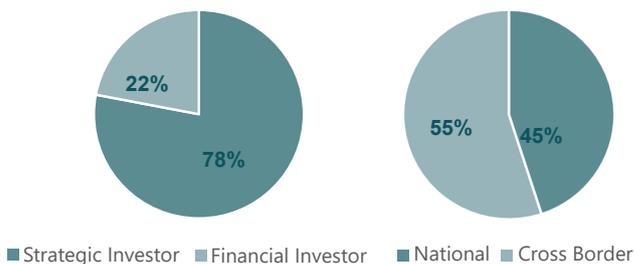
**Sales value of plant-based milk in Germany (grocery and drug incl. Discounters)**  
In € m, for MAT CW39 2018 vs. 2019 vs. 2020



Source: ProVeg Consumer Survey 2021

### M&A and VC market

#### M&A transactions in the last 3 years



Source: S&P Global Market Intelligence

#### Venture Capital Investments in alternatives for animal-based product

(in EUR m)



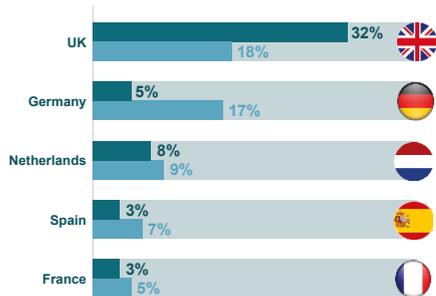
Source: Mordor intelligence



# MARKET DEVELOPMENT PLANT-BASED FOOD

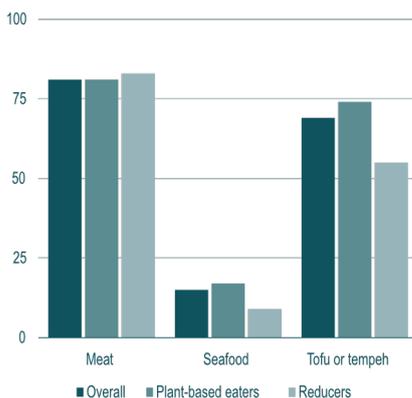
# Market Development plant-based Food

% of launches with a vegetarian or vegan claim versus all food & beverage launches  
Top 5 European countries - 2019



80% of consumers had recently bought PB meat alternatives. PB seafood with big growth potential

Consumption rates of meat alternatives/plant-based seafood /tofu and tempeh



Source: European Consumer Survey 2020, ProVeg

## Market Outlook

- **Big consumer packed goods (CPG)** companies, grocers and food service providers enter the vegan market. **Agile start-ups** were first movers in the competition for “plant-based consumers”. Within recent years, however, almost every **large food manufacturer** is also represented in the market and, thanks to its **know-how and capital**, tends to have an advantage over smaller start-ups. Thus, it is becoming increasingly difficult to find and keep a place on the shelves. The market remains **highly fragmented**.
- The global vegan market size grew by 2.1% to a total of \$15.1 billion in 2020. The vegan market is expected to grow and **reach \$20 billion in 2023** at CAGR of 9.8%.
- The European plant-based alternatives market leads the way in terms of **market size**: sales value **increased by 49%** since 2018 reaching \$3.6 billion. The market is highly innovative: the number of European food and beverage products making vegan claims **increased fivefold** between 2014 and 2019.
- But it will be a long time before sales of plant-based meat exceed those of regular meat. If the plant-based and meat alternative market will grow **by 10% per year**, it would take until the mid-2050's before sales of plant-based meat and dairy could surpasses sales of regular meat and dairy.
- The Covid-19 pandemic gave an **enormous boost** to retail sales of meat and dairy alternatives. Sales of **plant-based meat spiked 264%** during first lockdown in March 2020. It is obvious that Covid accelerated the shift of capital toward more sustainable investments.

# Snapshot

## Market in Germany

- Germany is the **leading global market for new launches** in the vegan food/beverage sector (2nd GB, 3rd USA). The **sales-value** of plant-based food **grew by 97%** (817m EUR) since 2018. Discounters experienced an even stronger growth over the last two years (114%). While the two leading categories in the plant-based sector are **milk** (396m EUR) and **meat** (181m EUR). Plant-based meat showed **triple-digit growth** in sales value in 2020. Plant-based fish – although established only recently - skyrocketed with an increase of 623% in sales value within the last two years.
- The **daily meat consumption** in Germany **declined significantly** within recent years. In 2015 more than every third person consumed meat on a daily basis, in 2020 it was only every fourth (26 Percent).
- 6.5 million people** follow a **vegetarian diet**. Thus **nearly 10% of the German population** stick to a vegetarian diet – one of the highest rates in Europe. 55 Percent of the German population consider themselves as flexitarians.
- The number of vegan restaurants in Germany is steadily increasing. In 2020 Lieferando - the largest delivery service for food in Germany - announced an increase in **vegan orders by 166%**.



### Vegetarian or vegan meat products

Production in Germany

1. Quarter 2019

14 700 t

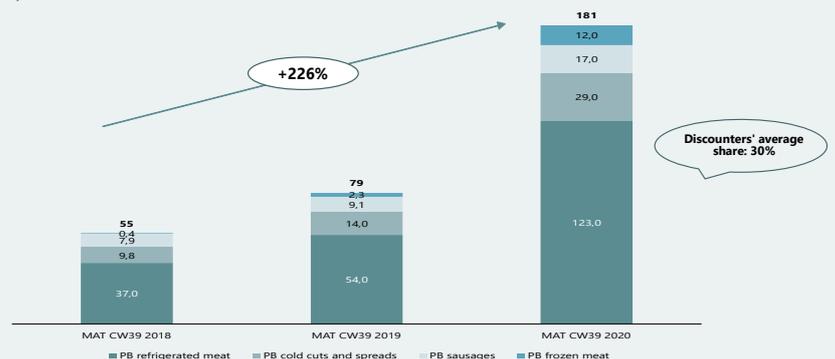
+ 37%

1. Quarter 2020

20 000 t

### Sales value of plant-based meat in Germany (grocery and drug incl. discounters)

in € m, for MAT CW39 2018 vs. 2019 vs. 2020



# Trends and Drivers



Plant-based proteins are considered to be the healthier alternative compared to animal products



30% of millennials are trying to eat more plant-based foods; 79% already eat plant-based meat



Fulfilling customer requirements to achieve better taste and texture



Combining food with hightech

## Consumer focus on health and wellness

The trend toward healthier eating has had the greatest impact on the increasing move away from factory farmed meat products. Consumers consider excessive meat consumption to be a health hazard, e.g. due to the use of hormones and antibiotics in meat and dairy products. Thus, there is a greater appreciation of plant proteins, since they provide more nutritional value from fiber, healthy fats, vitamins and minerals.

## Growing concern for animal welfare and environmental issues

Consumers increasingly require food that is not only good for their health, but also for the environment. More consumers have become sensitive to the conditions in which animals are raised and harvested, particularly Gen Z and Millennials. These consumers make up more than half of the population, creating enormous market potential for plant-based food.

## Wide range of choices

While plant-based food has been a niche market in the past, a full choice of plant-based products can be found in any store today. Taste differences between animal meat and plant-based meat are being reduced more and more. This will make products even more compatible with the mass market – since taste remains the most important criterion for the purchasing decision.

## Personalized diet - food and hightech

There is a growing demand for individualized nutrition solutions because of more health-conscious consumers about unbalanced diets. This trend allows science and technology to evaluate what food is right for us, not only to manage weight, but our overall health and wellness. This requires a deep interconnection between food manufacturers with other disciplines like medical technology and tech companies.

Meat that tastes and feels just like what we are used to, without animals being raised or slaughtered for it - what was still a distant utopia just a few years ago is becoming increasingly concrete. Laboratory meat is soon to be launched on the market.



## Interview with Ralf Frenzel

Ralf Frenzel, 58, is managing partner of the Wiesbaden-based Tre Torri Verlag, Tree Torri Digital, and owner of a communications and project agency specializing in food topics. He is also publisher and editor of the wine magazine FINE.

**“In principle, everyone who is concerned with their diet and open to new things is a potential consumer”**

**Hello Mr. Frenzel,**

**people are talking about more responsible and sustainable consumption in the media and society today, is that the main reason for the new veggie trend in the food industry?**

- One must not forget that for a long time the wrong attitude e.g. factory farming or poor product quality was tolerated. The strong empathy on the subject of “vegan” is certainly a trend, but it reaches a whole other dimension due to the general environmental discussion. Thus the topic arrived also in the center of the society and also consumers, who do not call themselves pure Vegan/ Vegetarian, question their meat consumption likewise. There is no longer only the question of a healthy diet, but primarily also of a consumer conscience.

**Which consumers and products are we talking about here exactly?**

- Exact target groups will still be defined in the future, and it currently appears difficult to classify them. In principle, everyone who is concerned with their diet and open to new things is a potential consumer.

**What is the role of brands in this environment?**

- The weight of a brand is always an issue. It is interesting to see that the most important competitors are also large market players such as Rügenwalder and Nestlé that have sufficient resources and market penetration. However, interesting or regional start-ups can also exist here, provided you have a credible concept and sustainably enforce it.



## Interview with Ralf Frenzel

### **Does the consumer price play a significant role in this context?**

- Price-performance is always an important factor. However, the decisive factor, especially in this segment, is empathy for good products – this also tolerates higher prices.

### **On the manufacture side, who are the big players in the market?**

- Here, too, the big companies such as Nestlé, Rügenwalder or Quorn are worth mentioning. These share the market with start-ups. Overall, however, the market is still quite fragmented both in DACH and in Europe. I am glad that we, with our communications and project agency CPA! But also on the part of the publisher, recognized the potential of the veggie trend very early and acquired an excellent overview of the players.

### **The organic growth is currently still gigantic, will it continue like this on the supplier side or is inorganic growth through M&A also to be expected in the future?**

- The organic growth, especially of the large companies, will continue to be gigantic in the future, and many wrong decisions will certainly be made, which is normal. However, the topic is also an opportunity for local and regional suppliers in particular. Inorganic growth can also be expected through M&A deals, as with Nestlé and Unilever.

# Competitive Landscape

European plant-based food and beverages market is a fragmented market with dominance of big players such as Nestle SA, Hain Celestial, Conagra Brands, Danone SA and Unilever. Other players are both medium sized companies and domestic start-ups, which are using the latest innovation to have a strong hold in the market.



Competitors can be segmented into **four different types** of companies. Brands such as Beyond Meat or Impossible Food can be segmented as **pure play companies** – launching innovative meat substitute products over the last few years. On the other hand there are **branded food companies** like Nestlé or Danone which historically dominated the market.

Companies like Maple Leaf, Tyson or Rügenwalder Mühle are labeled as **animal protein companies**. They invest significantly in the space across categories including cellular meat and meat imitation. Last but not least there are **private label companies** such as Aldi, Lidl and Tesco. Especially in the European Union, private label sales of alternative proteins have been growing fast due to high investments in plant-based lines.



# M&A Trends



European “Next Gen” gains momentum: €5.3B invested in the past 5 years

Investment in European “Next Generation” Food Tech companies grew by 36% CAGR since 2013

Source: five seasons ventures, The state of European Food Tech 2019

- Especially **Venture Capital** is a decisive factor. Due to the vast amount of small but agile start-up companies requiring investment from **individuals, financial or corporate investors** to accelerate their growth potential. And that potential cannot be overseen by established food and drink companies and financial investors. These players consistently gaining access into the fast-growing plant-based alternatives market. With certain consequences: Investments of large industry players in start-ups will enable small plant-based brands to **profit from distribution networks and production infrastructure** of the big food industry players – and will lead to consolidation within the sector since buyers often seek to drive synergies from expanded portfolios.

Most founders of start-ups in plant-based industry seek to sell their shares to big established food companies rather than exit via an IPO. And finally there is a trend to be identified: **Joint Ventures**. In order to accelerate the pace of innovations companies like Pepsi and Beyond Meat put their strengths together to innovate snacks and beverage products made from plant-based protein – a win-win situation.

## Recent M&A Activity in the Sector

- For this report we analyzed M&A transactions over the last 3 years, which took place in the areas of vegetarian, vegan and plant-based food. The vast majority of M&A transactions (78%) **involve a strategic buyer**.

Consolidators with the most impact are companies like The Livekindly Company, Nestlé or Danone and Unilever. Since these giants keep on conquering the plant-based market, we observe an increase in larger **cross-border deals**, whereas the smaller deals usually take place on a national basis.

# Venture Capital Activity

## Recent Venture Capital Activity / Funding Rounds in the Sector

Within the last five years the plant-based food industry attracted a large influx of investments pouring in from **different type of investors** – mainly multinational food conglomerates, accelerators, tech entrepreneurs and even celebrities like Oprah Winfrey, Serena Williams or Bill Gates. In 2020 there have been **2.6 bn EUR invested** in the market. An enormous uprise from 1.4 bn investments in 2019 and thus it creates a new venture capital backed generation of **plant-based start-ups**. With considerable consequences as they fragment and disrupt the food sector.

Although there is plenty of liquidity in the market still funding is a major challenge to face. Majority of **Venture Capital fundings** aiming at supporting the scale-up of production capacity. Nowadays there is a certain line a start-up in the plant-based industry is going: it lives on its own between 3-7 years, and then either strives for an IPO or is acquired by one of the big industry players. Overall, one could clearly state that **investor interest keeps on growing** and being a decisive factor in the future of the sector.

On the bottom-line investors and plant-based companies alike are aligned on what they want to see in the sector: **sustainable growth, more accessible, affordable, healthy and tasty** plant-based food.

% of VC rounds in Food Tech

	2013-2016	2017-2019
United Kingdom	23%	22%
France	13%	15%
Germany	13%	10%
Italy	9%	8%
Spain	7%	6%
Netherlands	3%	5%
Sweden	4%	4%
Ireland	4%	4%
Switzerland	3%	4%
Finland	2%	3%
Danmark	1%	2%
Norway	1%	2%

## Notable IPOs in the Sector

- An important example of a recent IPO is BeyondMeat in March 2019. Many IPOs in the sector have been **very successful**, including the example of Canada-based The Very Good Food Company, who achieved a **2692% increase** in share price since its IPO in June 2020

	Date	Company	IPO price	Price today*	Stock exchange	Change to output price
1	11/11/2020	 NATURAL ORDER <small>ACQUISITION CORP.</small>	10,00 (USD)	13,14 (USD)	NASDAQ	↑ +30%
2	01/07/2020	 MODERN -MEAT-	2,09 (CAD)	3,62 (CAD)	CSE	↑ +73%
3	16/06/2020	 VERY GOOD BUTCHERS <small>PLANT-BASED BUTCHERY</small>	0,25 (CAD)	6,73 (CAD)	CSE	↑ +2,692%
4	02/05/2019	 BEYOND MEAT	25,00 (USD)	173,04 (USD)	NASDAQ	↑ +692%

\*21.02.2021 Quelle: Onvista, finanzen.net

- Generally, plant-based food stocks significantly **outperform the market**
- Swedish producer of dairy products “Oatly” has submitted plans for a \$10bn IPO on February 23rd, 2021

# VC Investments plant-based food

VC funding rounds in the last 12 months

	Company	Amount raised	Main investors
March 2020	<b>IMPOSSIBLE</b>	USD 500m (Series F)	Celebrities, such as Jay-Z, Katy Perry or Serena Williams Horizons ventures TEMASEK khosla ventures
April 2020	<b>rebellyous</b> FOODS	USD 6m (Series A)	CLEAR CURRENT CAPITAL 50 CPT CAPITAL L2 VENTURES
May 2020	<b>GOOD CATCH</b> PLANT-BASED SEAFOOD	N.a. (top-up to the Series B funding)	Celebrities, such as Woody Harrelson, Shailene Woodley, Paris Hilton and Lance Bass
June 2020	<b>MYCO</b> TECHNOLOGY	USD 39m (Series D)	g TYSON VENTURES eighteen94 capital
September 2020	<b>THE MEATLESS FARM CO</b> "LOVINGLY MADE FROM PLANTS"	USD 42m	CHANNEL 4 VENTURES
November 2020	<b>MEATI</b> FOODS	USD 28m (Series A)	ACRE CONGRUENT VENTURES tao Prelude VENTURES
January 2021	<b>AIR PROTEIN</b>	USD 32m (Series A)	#adm VENTURES BARCLAYS G/
January 2021	<b>Sproud</b>	USD 6m	VGC PARTNERS
February 2021	<b>JACK &amp; JERRY</b>	USD 1.8m (Seed funding)	KM CAPITAL Rubix VENTURES SFC

# Recent plant-based transactions

	Completion Date	Target	Target description	Buyer	Deal value (€m)	Rationale
1	18/02/2021 (announced)	Follow your Heart (US)	US-based maker of vegan and plant-based dairy foods	Danone SA (FR)	n.a.	The acquisition will enable Danone to strengthen its plant-based business. It will also help Follow Your Heart to expand its brand nationally and internationally.
2	08/12/2020	Laboratorios Almond S.L. (ES)	Producer of organic and vegan food and drinks	Nazca Capital S.G.E.I.C., S.A. (ES)	n.a.	Nazca intends to support Laboratorios Almond in consolidating its market position and further boosting its expansion across Spain and the rest of Europe.
3	22/10/2020	BIOVEGAN GmbH (DE)	Provider of organic, vegan and gluten-free baking products and food ingredients	Finexx GmbH (DE)	1,34	The investment by Finexx is aimed at ensuring successful company succession in the long term. Finexx intends to make add-ons acquisition for BIOVEGAN in future.
4	23/09/2020	LikeMeat GmbH (DE)	Producer of vegan meat alternatives, products such as plant-based bratwurst, schnitzel and gyros strips	The Livekindly Company Inc. (US)	n.a.	The transaction (49%) will accelerate LikeMeat and Livekindly's growth and expansion opportunity; Livekindly will hold 100% of LikeMeat's operations
5	30/06/2020	Oumph! (SE)	Producer of plant-based food made from beans	The Livekindly Company Inc. (US)	n.a.	The acquisition will enable Livekindly to accelerate its mission of plant-based eating
6	18/06/2020	All in Foods (FR)	Producer of plant-based alternatives to cheese and sauces	Groupe Bel (FR)	n.a.	The 80% acquisition is in line with the Bel's strategy of differentiating its product line and expanding its healthy snack market business
7	20/05/2020	Bobeldijk Food Group B.V. (NL)	Manufacturer of meat alternative products like plant-based alternatives to meatballs, steaks, nuggets	B.V. Kennemervis Group (NL)	n.a.	Both companies are complementary in their sales channels, and with activities in both fish and plant-based products Kennemervis will be in two growth markets
8	17/02/2020	LikeMeat GmbH (DE)	Producer of vegan meat alternatives, products such as plant-based bratwurst, schnitzel and gyros strips	The Livekindly Company Inc. (US)	n.a.	The transaction (51%) will accelerate LikeMeat and Livekindly's growth and expansion opportunity
9	22/01/2020	Memphis Meats, Inc. (US)	Food technology company aiming to grow sustainable cultured meat	Group of investors led by SoftBank Group Corp.	145,24	The transaction is in line with the growth strategy of Memphis Meats
10	08/08/2019	Strong Roots (IE)	Producer of plant-based products	Goode Partners LLC (US)	n.a.	The US-based private equity firm has acquired an undisclosed stake in Strong Roots
11	13/06/2019	SoFine Foods BV (NL)	Producer of vegetarian products, ready-to-eat products, meat variations, tofu products and fish variations	Groupe ELSA Mifroma (CH)	n.a.	The transaction will allow the combined company to scale more efficiently and to further expand the range of meat alternatives
12	10/06/2019	Jones Food Company Ltd (UK)	Vertical farming company	Ocado Group Plc (UK)	n.a.	Through the 58 % acquisition, Ocado will address customers concerns on sustainability and will build on new technologies that will transform customer experience of fresh products
13	27/05/2019	Enkco FoodGroup B.V. (meat business) (NL)	Producer and distributor of chilled and frozen meat and meat substitute products	Van Loop Group (NL)	n.a.	The transaction will provide more growth opportunities to Enkco in the non-domestic market
14	15/03/2019	AMIDORI Food Company GmbH & Co. KG (DE)	Manufacturer of vegetable-based meat substitutes	Pfeifer & Langen GmbH & Co. KG (DE)	n.a.	With the 60% acquisition Amidori will get support for its growth and development and it marks the entry of Pfeifer into a strategic new food segment
15	05/03/2019	Verso Food OY (FI)	Producer of vegetarian food from Finnish fava beans	Kavli Oy (FI)	n.a.	Kavli will be able to expand into the plant-based food category and Kavli's resources will enable Verso Food to expand
16	09/02/2018	Terrafertil S.A. (EC)	Producer and exporter of natural, organic, plant-based foods and snacks	Nestle S.A. (CH)	n.a.	The 60% acquisition enables Nestle to expand its operations in Latin America, the US and the UK
17	31/01/2019	Dalco Food BV (NL)	Specialist in vegetarian and vegan products	Hilton Food Group Plc (UK)	n.a.	The 50% acquisition will allow Hilton to significantly increase their offering in the fast-growing vegetarian market
18	31/12/2018	The Vegetarian Butcher (NL)	Meat substitute products manufacturer	Unilever NV (NL)	n.a.	The acquisition is in line with Unilever's strategy of expanding its portfolio of vegetarian snacks
19	10/09/2018	Abbot Kinney's BV (NL)	Specialist in organic almond and coconut based yoghurt alternatives and ice-cream	Royal Wessanen nv (NL)	7,9	The acquisition is driving growth in plant-based food products category of Wessanen and will help Abbot to enhance its business in Europe
20	02/07/2018	Upfield Holdings BV (NL)	Manufacturer of cheese spreads and other plant-based products	KKR (US) Group Bruxelles Lambert SA (BE)	7,705	The seller Unilever Plc wants to accelerate its value creation and KKR will provide its operational expertise to support the business' growth plans

## Our Food- and Beverage Experts



**Oliver Kolb**  
Director

kolb@taurusadvisory.de  
Tel.: +49 6196 64009 60



**Dr. Klaus Schmitte**  
Managing Director

schmitte@taurusadvisory.de  
Tel.: +49 6196 64009 55



**Hubert Stücker**  
Taurus Industry Advisor Food & Beverage

stuecke@taurusadvisory.de  
Tel.: +49 6196 64009 50

## About Taurus Advisory

Taurus Advisory is an owner-led, independent company and solely committed to the interests of its clients. Accordingly, our services are characterized by a very personal approach, honest partnership and open dialogue in all phases of the advisory process.

For more than 15 years we have been successfully advising and leading company transactions. Our clients range from owner-led companies to listed, large international corporations interested in acquisitions. We provide highly professional solutions for the exit or buy-and-build strategies of financial investors.

We operate exclusively according to our Best Advice approach. We are convinced that respectable transaction advice must measure up to the sustained success of the client company, while communication with clients is forthcoming, committed and goal-oriented at all times.

## Learn more



[www.taurusadvisory.de](http://www.taurusadvisory.de)



[/taurus-advisory](https://www.linkedin.com/company/taurus-advisory)



[info@taurusadvisory.de](mailto:info@taurusadvisory.de)



[/taurusadvisorygmbh](https://www.x.com/taurusadvisorygmbh)



## Disclaimer

This document was created by Taurus Advisory GmbH ("Taurus") solely for information purposes. All information provided remains the intellectual property of Taurus. Neither this document nor any statement made in connection with this publication constitutes an offer, a solicitation or a recommendation to enter into any transaction, nor can claims of any kind with respect to Taurus be derived from this publication.

Taurus reserves the right to adjust the indicative conditions contained in this document to changed market conditions and new information. This presentation contains no promise or representation with respect to future developments and future performance. Taurus and its shareholders, management, officers or employees accept no liability whatsoever for any expense, loss or damages arising directly or indirectly in any way connected with the use of all or any part of this document. No part of this publication may be altered or distributed in any way without the prior written permission of Taurus.

The compilation of information was carried out with due care. Nevertheless, Taurus assumes no liability, for whatever legal reason whatsoever, for the accuracy, timeliness and completeness of the information provided. Any existing or future legal relationships are only subject to German law and German courts. By accepting this document, the recipient accepts the binding nature of the forgoing limitations.



[info@taurusadvisory.de](mailto:info@taurusadvisory.de)  
[www.taurusadvisory.de](http://www.taurusadvisory.de)

Taurus Advisory GmbH  
Alleestraße 6  
65812 Bad Soden am Taunus

Tel.: +49 6196 64009 50  
Fax: +49 6196 64009 47