

Unlocking Opportunity in F&B

Strategic Capital | M&A

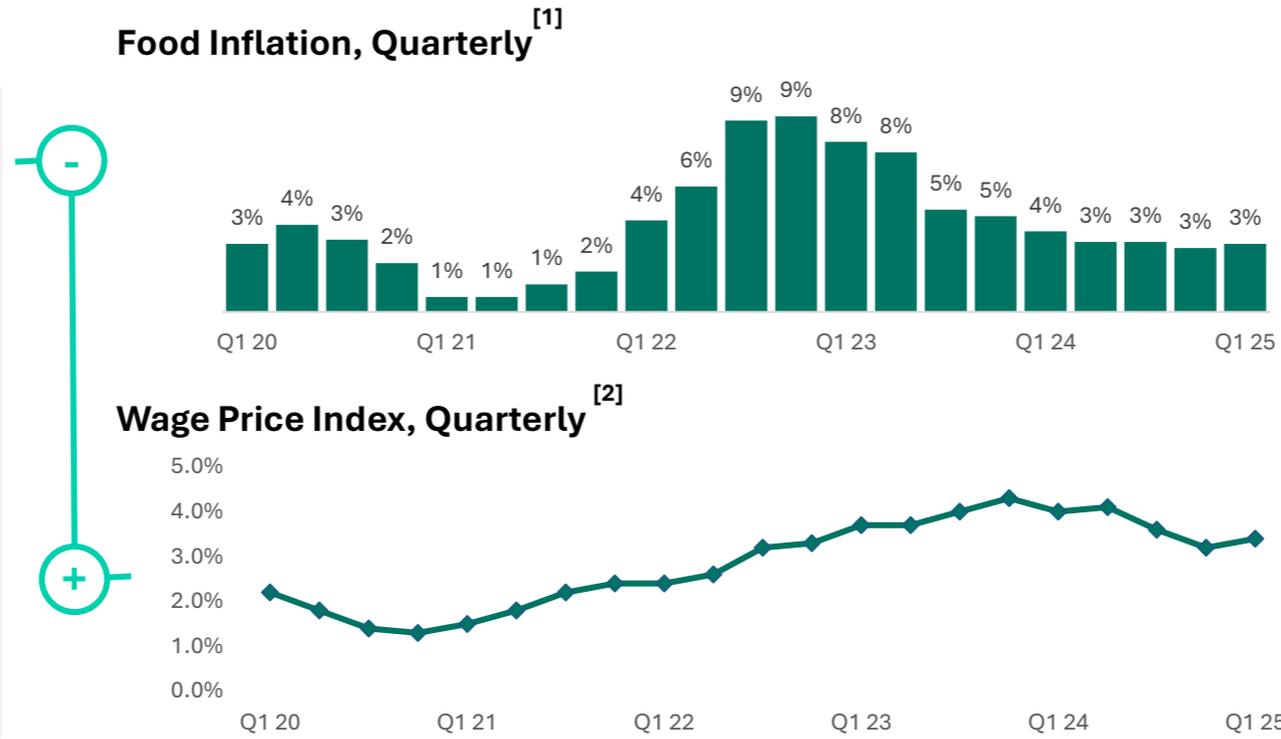


Why Mid-Market Food & Bev Operators are Exploring M&A in 2025

Many Food and Beverage (F&B) operators are turning to external growth strategies (integration, roll ups and strategic capital) to provide relief from inflationary pressures and organic growth challenges.

MACROECONOMIC TRENDS

- Rising input costs are squeezing margins across F&B, from **wages and packaging to raw materials**, as food price growth begins to plateau
- Operators relying on traditional models are feeling the strain, with those **leveraging tech and e-commerce** are gaining ground
- Brands with digital reach and operational efficiency, like My Muscle Chef, are increasingly sought after by investors and strategics



IMPLICATIONS

- Cost shocks are driving F&B businesses **toward integration or consolidation to gain scale**, input security and resilience
- SME's are increasingly constrained by working capital needs as inventory and logistics costs rise, limiting investment in growth and technology
- Many turn to larger players who **can absorb cost pressures and deliver scale benefits**
- Ability to pass through input costs varies by supply chain position – a key strategic consideration



[1] <https://tradingeconomics.com/australia/food-inflation>

[2] <https://www.abs.gov.au/statistics/economy/price-indexes-and-inflation/wage-price-index-australia/latest-release#key-statistics>

High Multiples, Lower Deal Volume: The Flight to Quality

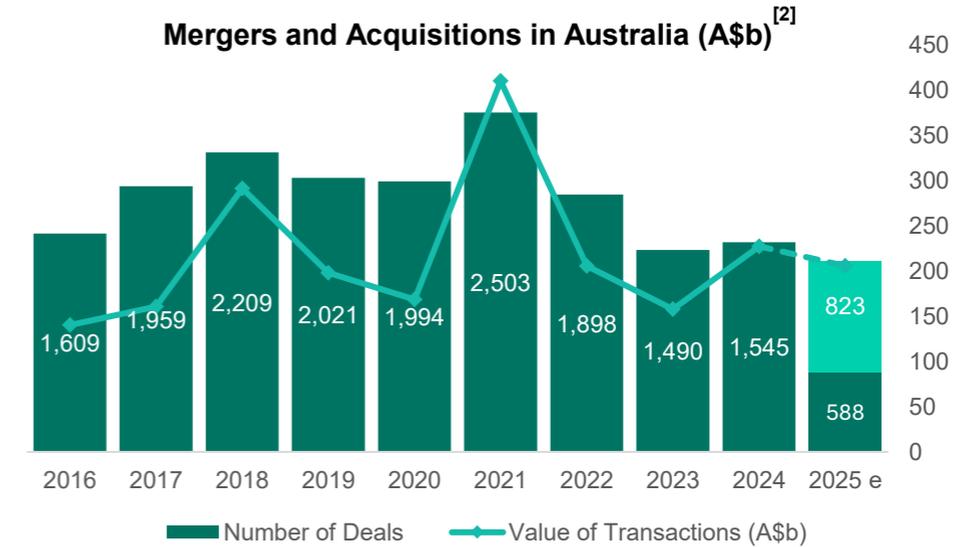
Operators facing rising costs and slowing growth are turning to M&A - and those best positioned are capturing premium outcomes.

TRANSACTION TRENDS

Rising Costs & Integration	Sustainability Focus	Mid-Market Shift
<ul style="list-style-type: none"> Business are prioritising debt capital (bank & private) to fund growth and acquisitions given its non-dilutive flexible nature, which appeals to founder led high growth businesses 	<ul style="list-style-type: none"> Buyers are prioritising targets with strong ESG practices, viewing them as future-proof ESG is a direct driver of higher business valuations 	<ul style="list-style-type: none"> Shifting towards smaller deals, concentrating on high-quality, stable mid-sized F&B businesses Secure benefits of horizontal integration due to lower organic growth

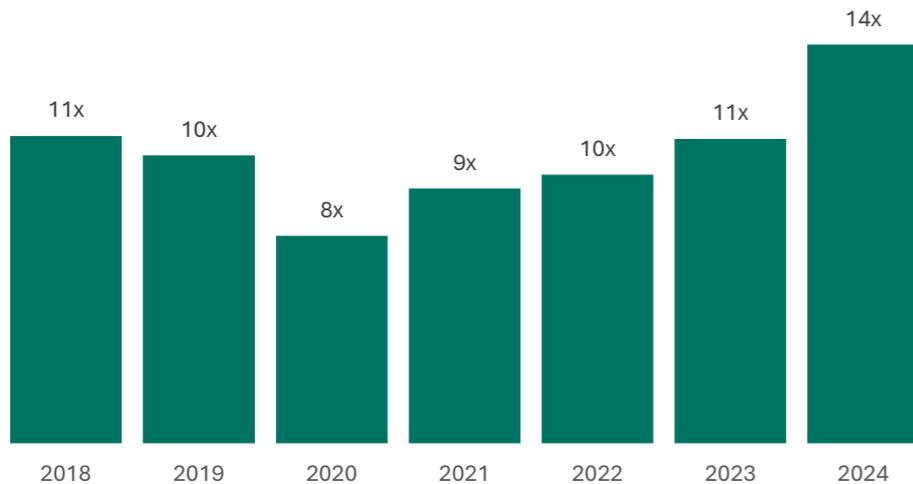
 92% of recent Australian Agri/F&B deals were valued under \$50m, up from 69% in FY24.

 Globally, Australia recorded 49 F&B deals in FY24, ranking 6th in deal volume^[1].



[2] <https://imaa-institute.org/mergers-and-acquisitions-statistics/ma-statistics-by-countries/> 2025 e based on 558 transactions to May, annualised.

Agri/F&B Median Transaction EV/EBITDA Multiple^[1]



 In FY24, the F&B industry's median transaction **EV/EBITDA multiple peaked at 14x.**

 Despite fewer deals, total transaction value **increased by 13%**^[1], reflecting strong pricing for premium assets

Deal	Rationale	Description
 	Consolidation	National Pies was acquired by Patties Food Group in Feb 2025 to expand their portfolio of iconic Australian brands
 	Innovation	MyCo (Paule Family Trust) acquired Australian Plant Proteins (APP) to develop a plant protein isolate powder
 	Diversification	Colgate acquired pet food brand Prime100 to broaden existing pet food offerings

[1] <https://www.grantthornton.com.au/news-centre/grant-thorntons-agribusiness-food-and-beverage-dealtracker/> and Agribusiness, Food & Beverage Dealtracker 2023 | Grant Thornton Australia

What Drives M&A Value and What Destroys it

Successful M&A starts with clarity on your business profile, growth levers and potential - the right deal structure and strategic capital can unlock scale, resilience and premium valuation.

Capital



- High margin or premium brands attract **growth equity or buyouts** and have an ability to support investment and leverage
- Low margin, high volume businesses are better suited for **debt or strategic partnerships that preserve control** and manage cashflow
- Stable businesses may suit either equity or debt solutions depending on growth goals and capital needs
- Strategic corporate capital is often utilised to benefit from vertical integration or synergistic plays

Partners



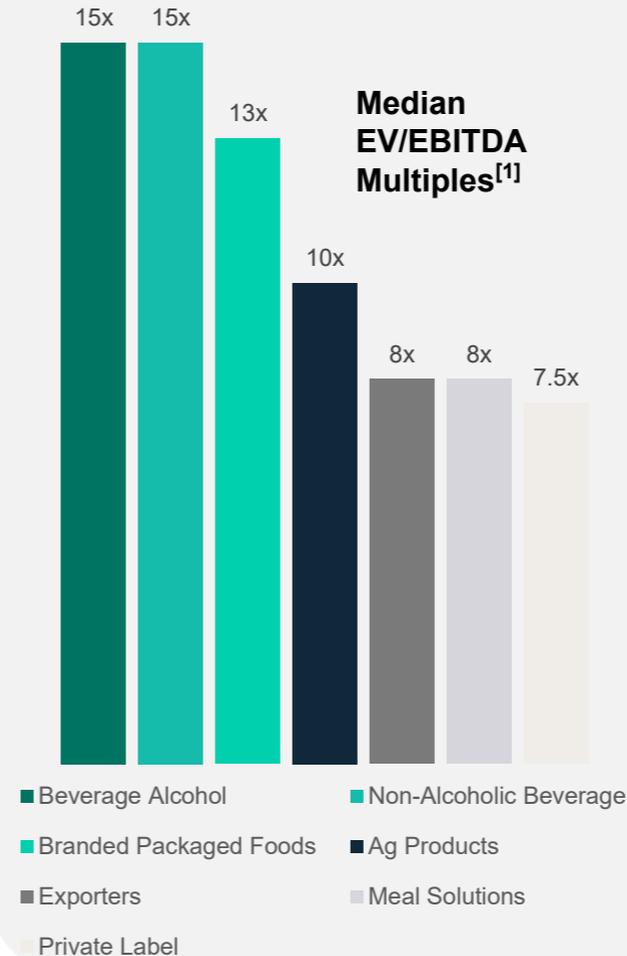
- Private equity often pursue founder-led businesses with strong non-correlated return profiles
- Strategics create value via multiples arbitrage and bolt-ons, generating EV uplift via integration
- Private credit typically targets steady, cash generative businesses for flexible capital deployment

Geography



- Offshore investment is strong from US, Canada and Europe with interest in vertically integrated businesses
- In contrast, trade investors from Asia-Pacific are more strategically focused (offtakes, supply contracts)

Valuation



Drivers



- High margin, scalable EBITDA with recurring or sticky revenue
- Tech implementation, IP differentiation brand recognition, exports, diversified customer base
- ESG considerations and natural capital enterprises

Detractors



- Commodity exposure or high input volatility
- High customer concentration (>40% to a single customer)
- Low margins and operational issues (management, working capital etc.)
- Capital intensive operations

[1] [Food and Beverage M&A Overview - Morgan & Westfield](#) and <https://www.grantthornton.com.au/news-centre/grant-thorntons-agribusiness-food-and-beverage-dealtracker/>

Oxley Capital Partners

We combine deep Food and Agribusiness expertise, trusted investor access and disciplined execution to maximise outcomes across capital raises (debt + equity) and sell and buy side mandates.

Sector focused experienced deal team



- Senior led deal team with a track record in F&B and agribusiness transactions
- Extensive experience in multi stakeholder processes
- Proactive guidance during pre-transaction run-up period to ensure market readiness
- Structured execution to maintain momentum and protect value

Trusted investor access (local + offshore)



- Deep bench of active PE, family office and strategic buyers
- Tailored investor engagement based on value alignment
- Equity story positioning to drive competitive tension and premium pricing
- Ability to secure strong terms and structures
- Deliver successful raises and exits across F&B

Oxley Capital Partners



- We look forward to sharing market insights and discussing your business and growth opportunities

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CURRENT MANDATES



Capital Raise - Horticulture

Advising a family owned horticulture enterprise on a construct-leaseback glasshouse expansion to unlock growth and future proof supply chain



Sell Side Advisor - Produce

Advising a large scale vertically integrated horticulture enterprise seeking a growth capital partner to fund succession and enterprise growth



Capital Raise – Food Manufacturer

Capital raise for a healthcare aligned food manufacturer, focused on control retention & expanding export markets



Sell Side Advisor – Red Meat

Advising a high value integrated red meat enterprise with ~3,000 full blood Wagyu and high value genetics, seeking a growth equity partner or outright exit

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