

FOOD & BEVERAGE
FAST 50



ALANTRA

Foreword

Welcome to this year’s Alantra Food & Beverage Fast 50, a celebration of one of the most dynamic and innovative sectors of the UK economy.



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This ranking identifies the fastest-growing privately-owned food & beverage companies in the UK. Based on their compound annual growth rates over the past two years, it provides a snapshot of the most exciting independent food & beverage businesses trading in the UK today.

This is the twelfth successive year that we have published this ranking – but while these reports have spanned previous periods of difficult trading, including the aftermath of the global financial crisis, it is fair to say that the past 12 months has been without precedent. The Covid-19 pandemic has inevitably had huge impacts on the UK’s food & beverage sector – and the return to more normal times is only just underway for many businesses.

It should be said that the figures in this year’s report do not reflect the full implications of the crisis. The data on each business reflects its most recent full-year financial report, and many companies have yet to publish results that take in more than the beginning of the pandemic period.

However, even without that data, it is clear that this is a sector that has risen to the challenges of Covid-19. Businesses across the sector have showed remarkable resilience and agility, adjusting their business models for the realities of lockdown and continuing to meet customers’ needs despite supply chain uncertainties and other disruptions.

This is no more than we expected. For many years, one hallmark of the businesses in the

Alantra Food & Beverage Fast 50 rankings has been their adaptability. This is an industry in which the ability to innovate has long been a crucial point of competitive differentiation. In order to deliver sustainable growth, food & beverage companies must be ready to adjust to an increasingly fast-moving marketplace, accommodating shifting consumer tastes and embracing transformational change in operating models and distribution.

That said, some of the themes that stand out in this year’s Alantra Food & Beverage Fast 50 will be familiar to regular readers. Demand for healthier food options, including plant-based products, continues to grow. Indulgence – consumers love an affordable treat – is another enduring theme. So too is the success of strong brands that convey authenticity and confidence.

The Covid-19 pandemic has not undermined the importance of such themes, but it has driven a focus on other crucial factors for the sector. In particular, convenience and accessibility are recurring characteristics, from the rising demand for home delivery services to the increasing interest in products such as meal kits.

The bottom line, however, is that this is an industry where dynamic businesses are continuing to thrive. The past year has certainly been exceptionally challenging, but many food & beverage businesses have seized the opportunity to build even stronger relationships with their customers and consumers during the crisis. That will propel them to even greater heights in the years ahead.

The 2021 Alantra Food & Beverage Fast 50 revealed

The UK’s 50 fastest-growing privately-owned food & beverage companies are defying a challenging market environment to deliver sustainable growth.

“The consistency of the businesses in the Alantra Food & Beverage Fast 50 is increasingly striking: 23 of this year’s constituents appeared last year and a dozen are appearing for the third-year running. These businesses are delivering sustainable growth with a determined focus on brand, product and consumer engagement.

CHARLES LANCELEY,
ALANTRA

The UK’s privately-owned food & beverage businesses offer an eye-catching mix of rapid growth and increasing maturity. These young and innovative enterprises have made remarkable progress, with the average business in this year’s Alantra Food & Beverage Fast 50 delivering annualised growth of 25% over their most recent 24 months of trading. But these are not one-hit wonders: almost half the businesses in this year’s ranking also appeared in last year’s report.

This consistency has been achieved against a volatile and challenging market backdrop. Disruption caused by the crisis – to supply chains as well as to consumer spending – has been significant. Timo Boldt, founder of Gousto, the fresh food and recipes delivery company, and the fastest-growing business in this year’s report, recalls: “Our team has certainly felt the pressure: going into the crisis, no-one in the food industry knew what it would mean for them.”

Gousto’s two-year growth rate of 89% may move even higher in next year’s Alantra Food & Beverage Fast 50 given the company’s stellar performance during the pandemic. But this year’s number is an impressive enough reminder of the remarkable potential of the most innovative and well-managed businesses in the food & beverage sector.

Indeed, the top five businesses in this year’s ranking have delivered average annualised growth of 66% over their most recent two years of trading. That is down on the performance of last year’s top five – which averaged growth rates of more than 100% – but ahead of the figures posted by the top performers in previous editions.

In fact, that pattern holds true across the whole of the ranking, with average growth having slipped back from above 30% in 2020. But that decrease goes hand in hand with the increasing size of many of these businesses; the top five delivered average revenues of around £39m in their most recent full year, 2.3 times’ the equivalent figure in last year’s report. In a maturing market, where the best food & beverage businesses are consistently expanding, year after year, exponential growth is more likely to be the exception than the rule.

As for where these businesses are to be found, one intriguing and enduring trend is the interplay of “healthy versus indulgent”. On the one hand, businesses tapping into consumers’ increased appetite for wellness products – plant-based foods and supplements, for example – continue to perform strongly. On the other, those specialising in indulgent products are also excelling, particularly in areas such as snacking and baked goods; alcoholic drinks potentially fall into this category too.

What unites these seemingly divergent businesses is a determination to build stronger and deeper relationships with the consumer, through strong branding, carefully-crafted storytelling and a recognition of the desire of many people for higher-quality ingredients. Huel, a top performer in the ranking with its ready-made nutritious meals-in-one, has a very different proposition to Snaffling Pig, with its modern take on pork scratchings, but both have focused on engaging with consumers through channels such as social media, and on establishing their brands as both accessible and aspirational.

Other themes evident in this year’s Alantra Food & Beverage Fast 50 include convenience – the three fastest-growing businesses are home delivery specialists, for example. In an industry traditionally dominated by huge multi-national brands, the capability of many of these small, privately-owned companies to cut through has been impressive.

The ability to build a relationship with customers has never been more important, given the diminishing opportunities to catch their eye on the shelf.

In some cases, all of these themes come together in a single story. Take Love Corn, whose sales of crunchy corn snacks have increased by an annualised rate of 39% over the past two years. Founded in 2017 by family Jamie, Gavin and Missy McCloskey, who all have media and marketing backgrounds, the business has grown at a remarkable rate; it is now available in 4,500 UK stores including Tesco, Sainsbury’s, Waitrose and Asda, as well as in more than 10,000 US stores including Whole Foods, Kroger and Walgreens.

“We identified a white space on the shelves knowing consumers wanted an alternative to crisps,” recalls Jamie McCloskey. “But we also realised that to build a big business, our brand and product needed mainstream attributes – a delicious product with a great brand at an accessible price point.”

Crucially, Love Corn’s range hits a variety of different consumer demands. Made with simple ingredients, the product is plant-based, gluten-free and has far less fat than alternatives such as crisps. It is popular with parents looking for a healthy snack for children, but also with adults who want a healthy treat that goes with a drink, perhaps, or even as a topping on salads and soups.

McCloskey believes one mistake other growing food companies make is that they fail to exploit the full potential of their product, moving too quickly into adjacent categories to expand. “We are determined to go really deep into our category,” he says. “We’re building something from scratch.” That has meant investment in the company’s brand – featuring bold colours and an irreverent tone of voice – but also in product range, from small packs for children to sharing bags for adults, for example, and a wide variety of flavours.

At Snaffling Pig, founder Nick Coleman also stresses the importance of setting out your stall and focusing on what you are good at.

“We are an indulgent food brand and we are proud of it,” he says of the company’s wide range of snacking products. “We have taken a traditional product, given it a bit of love and wrapped it in a brand that people can relate to.”

That appeal has seen Snaffling Pig’s sales grow quickly in supermarkets and in pubs and bars – at least when they have been allowed to trade – with online also of growing importance to the company following a pandemic-inspired pivot to this channel. “It is about flavour, format and brand,” says Coleman.

Other businesses in this year’s Alantra Food & Beverage Fast 50 have taken a different approach in order to achieve rapid growth rates but nonetheless reflect similar themes.

Take the story of Kendal Nutricare, a business developed and still managed by Ross McMahon, a micro-biologist with decades of experience in the food science business. Kendal is tapping into the growing determination of well-informed and aware parents to source the healthiest and highest-quality foods for their children. From its facility in Kendal, the business produces a range of baby and toddler milks, as well as a number of other early-life nutrition products.

“We’ve brought innovation to a market that has been working to the same recipes since the 1980s,” says McMahon. “We’ve gone back to using animal fats in our milk, rather than the vegetable fat that is standard, and it is a complete disruption in the market.”

A distribution deal with Tesco has proved to be a breakthrough for the company and McMahon stresses the importance of building engaged relationships with parents and other customers. “People told us we wouldn’t succeed because talking about anything other than breast milk was taboo,” he says. “But that reflects the poor quality of traditional products; our alternative has been life-changing for many families.”

The Protein Works is another Alantra Food & Beverage Fast 50 constituent that believes it is changing customers’ lives for the better. Mark Coxhead launched the business in 2012 and oversaw its sale to Walgreen Boots in 2015 before taking back control in an MBO supported by YFM Equity Partners two years ago.

Coxhead believes he can tap into the blurring of the lines between the nutrition and convenience food markets.

“Historically, sports nutrition has been about getting as much protein into the product as possible, but we have focused on taste and texture too because that’s what brings customers back to you,” he says. “We spend a great deal on new product development and 70% of that goes into the experience.”

Benefitting from trends that have boosted other Alantra Food & Beverage Fast 50 businesses – the growth of plant-based food, convenience and affordability, for example – Coxhead believes The Protein Works can continue to grow strongly. The company has recently launched a complete meals product, has plans for a subscription service and is looking at international expansion.

Elsewhere, Bute Island Foods is another good example of a business that has seen its sales accelerate rapidly by innovating in a market previously dismissed by many customers. Its “Sheese” range of dairy-, lactose- and gluten-free vegan cheese products has obvious appeal given the growth of demand for plant-based foods and the increased awareness of food intolerances; but such products have in the past been disappointing, lacking taste and texture. “Our product has everything that a dairy cheese offers; including great taste and melting properties,” says director Mark Crichton. “That means we appeal not only to customers who have to buy ‘free-from’ ranges, but also those making a conscious choice to reduce their dairy intake and replace it with attractive alternatives.”

It is a consistent message. The story of so many of these businesses is that good timing is not enough for success in the food & beverage markets. Certainly, businesses with a focus that plays into on-trend ideas, from the rise of plant-based foods to the demand for indulgence, are in a strong starting position. But to capitalise on that advantage requires high-quality products, an attractive brand and a determination to make a connection with the consumer.



The pandemic has encouraged people to focus on their health and wellbeing, but they also crave indulgence and treats, or want to create that restaurant experience at home. Many of the businesses in the Alantra Food & Beverage Fast 50 have proved remarkably adept at meeting those needs.

SIMON PEACOCK,
ALANTRA



This year's top performers

Sales growth*

GOUSTO
MEAL KITS AND HOME DELIVERY

89%

RANK
01

SMITH & BROCK
GROCERY HOME DELIVERY

72%

02

HUEL
NUTRITIONALLY COMPLETE FOOD

67%

03

STRONG ROOTS
FROZEN PLANT-BASED FOOD

53%

04

BUTE ISLAND FOODS
VEGAN AND ALLERGEN-FREE CHEESE

51%

05

*COMPOUND ANNUAL GROWTH RATE OVER
PAST TWO FINANCIAL YEARS

Gousto boxes clever

Founded in 2012, Gousto's growth has accelerated rapidly, with customers attracted to a winning combination of convenience, healthy eating and a sustainability focus.

The Covid-19 crisis has accelerated these three mega trends, as well as a significant increase in the use of ecommerce, generating a permanent structural shift online with more people towards scratch cooking at home, driving an increase in demand over the past 12 months.

Despite Gousto's remarkable recent performance, "it is still early days for us as a business", says Timo Boldt, the company's founder. "Health, sustainability and convenience are all accelerating trends with much further to run, and we are highly aligned to those ideas."

Gousto sells boxes of precise ingredients with recipes explaining how to easily prepare tasty simple, healthy meals; each week, customers get a choice of more than 50 different recipes, from 10-minute meals and calorie controlled to authentic world cuisines. Choices can be personalised to a customer's unique preferences using Gousto's recommendation engine.

Today 52% of all Gousto orders are made as a result of an artificial intelligence recommendation.

They also save on a trip to the supermarket, with each box Gousto despatched delivering an equivalent carbon emission saving of 7kg, Boldt says. Further sustainability benefits come from the company's dedication to minimising food waste. This is done through finely-calibrated supply chain systems, where algorithms help Gousto to order with precision, cutting food waste to less than 1% as well as through sending pre-measured, precise ingredients for weekly dinners, which means no food waste in the home.

Indeed, Gousto's focus on innovation is reminiscent of the online supermarket Ocado, which has come to be seen as much as a technology company as a grocer. "We think of ourselves as a data company that loves food,"

Boldt adds. "Around 50% of our workforce are focused on our technology operations."

Gousto sold 53 million meals last year, but Boldt points out that this accounted for just 0.2% of Britons' dinners and says they are only scratching the surface of the opportunity ahead.

Boldt commented, "given the shifts we're seeing in the market, we're very optimistic about what lies ahead."

The scale-up process is continuing at pace. The company grew from 500 members of staff at the beginning of 2020 to 1,000 by the end of the year; it expects to reach 2,000 employees by 2022. "As long as we continue to focus on those mega trends, the business will continue to grow," Boldt says.

While the velocity of its growth is a challenge, Gousto has the firepower to support it, not least thanks to its breakthrough into profitability during 2020. The business has been through several rounds of financing, including a fund-raising last autumn that valued it at more than \$1bn. Backers include Perwyn Private Equity, Canaccord Genuity, Unilever Ventures, BGF and MMC Ventures.

Boldt is particularly proud of the way Gousto rose to the challenge as the pandemic arrived in the UK in earnest last March. "We were daunted because no-one in the food sector knew how supply chains would hold up." Gousto's streamlined processes and transformational technology gave it the edge it needed in this regard – the company was able to keep its growing customer numbers happy, while prioritising segments such as NHS workers. The company's association with Joe Wicks, the personal trainer who inspired the UK with online workouts during the pandemic, also won plaudits; Wicks, an investor in the company, creates exclusive recipes for the Gousto menu.



Smith & Brock changes tack

Smith & Brock has proved it can build a successful business once – and is now doing so all over again.

Launched in 2016 to serve the wholesale market – hotels, pubs, restaurants and schools – with fruit, vegetables and other staples, the business grew rapidly. Its second place in this year's Alantra Food & Beverage Fast 50 reflects the impressive traction that the business quickly secured in its core market.

However, this growth was achieved before the Covid-19 pandemic struck. And of all the businesses in this year's report, Smith & Brock has been amongst the most affected. Large parts of its customer base had no choice but to shut up shop in March 2020 and many remained closed for large parts of the following year.

Inevitably, that had a devastating effect on Smith & Brock, which had to furlough staff and focus on recovering debt from customers still to pay their bills. However, the business has survived and is well-placed to benefit from recovery, particularly as competitors have fallen by the wayside.

In the meantime, Smith & Brock's founders, brothers Joe and Nick Fowler, have not been complacent. Last year, they launched Smith & Brock Knock Knock, a home delivery service offering a similar range of products to their wholesale business, but to the consumer market, making drop-offs across South London.

The initiative was originally conceived to ensure the foodstuffs that the business had in its warehouse did not go to waste, but the brothers had already been planning a launch into the consumer sector. The initial success of Knock Knock saw them bring those plans forward and the business has been growing fast – buoyed in the initial stages of the pandemic by the inability of the big supermarkets to service the huge demand for online groceries.

The appeal of its products has continued to win new customers. Smith & Brock's wholesale customers have always demanded high-quality produce that has seen the company build strong relationships with smaller, more artisan producers, sourcing their fruit and vegetables direct. These products have proved hugely popular with the company's new-found consumer audience.

Smith & Brock Knock Knock trades as a separate entity to Smith & Brock itself, so this year's rapid rise will not propel the latest year's growth figures from the original business. In time, however, both companies have the potential to become Alantra Food & Beverage Fast 50 stalwarts.



Huel back on the podium

Huel, the fastest-growing business in last year's Alantra Food & Beverage Fast 50, has not been resting on its laurels.

A string of new product launches, further experimentation with grocery sales to bolster online revenues, and international expansion have ensured the business's continuing growth. Its latest two-year compound annual growth rate of 67% has secured third place in this year's ranking.

Huel sells healthy vegan meals in powder form, as a ready-mixed drink and in bars, with each serving carefully calibrated to ensure it delivers the essential nutrients that the consumer needs. It is a concept that has proved hugely attractive to the brand's loyal followers, who are health- and environment-focused in their consumerism, but also looking for convenience.

Huel claims its products can help tackle societal challenges such as soaring obesity levels and climate change. On the latter, for example, the company argues that a Huel meal is four times better for the planet than eating a burger. It has also launched its first product in the adjacent nutrition category, with Huel Complete Protein.

Covid-19 has been a brake on growth over the past 12 months. The company is conscious that its convenience selling point was undermined to some extent – the products are popular with workers who want a healthy and easy lunch, for example. Still, sales for the most recent period were still up 43% to £72m, and headcount has doubled once more. "A faster paced world post pandemic will see the convenience category play catch-up and we've seen this in our business as we continually grow at an exciting rate," says CEO James McMaster. "We operate in a space in the market that is exactly what consumers are looking for: convenient, healthy, affordable food."

The company remains highly ambitious. Growth to date has largely been dominated by online sales – and the company's brand is widely followed on social media – but products are available in a growing number of stores, including Sainsbury's which has tripled distribution in recent months. Growth in overseas markets is also an ongoing story, with Huel's products now sold in more than 100 countries around the world.



Up and coming brands continue to break through

The Alantra Food & Beverage Fast 50 continues to highlight exciting new brands with the potential to disrupt the sector.

New brands come and go with speed in the food & beverage sector, where competition is tough and consumers can be fickle. But in the 12 years that Alantra has been publishing the Food & Beverage Fast 50, the emergence of new companies into the ranking has often been a signal that they are set to make an enduring impression. Early examples included Ella's Kitchen and Innocent Drinks, little known when we first featured them, but subsequently to become household names.

In this context, there are no fewer than 27 businesses in this year's report that did not appear a year ago (though in certain cases, they may have made previous appearances in the ranking). These include vegan cheese maker Bute Island Foods and pork scratchings specialist Snaffling Pig, both young companies that are already growing at a fast enough pace to make the top 10 in this year's report.

Beyond these 50 companies, moreover, there are others coming up fast on the rails. They may not yet meet all the criteria for inclusion in the Alantra Food & Beverage Fast 50 – lacking a sufficiently long trading record, for example – but they look set to enter in future editions of the report. We feature two examples of ones to watch for the future.



These businesses are not one-hit wonders; their efforts to build a deep-rooted connection with consumers is already paying off, generating sustainable growth that will endure.

SIMON PEACOCK,
ALANTRA



ONE TO WATCH:

Livia's

Six years in a neuroscience degree at University College London, Olivia Wollenberg's life took an unexpected turn.



“In my final year, I was diagnosed with serious food intolerances,” she recalls. “It was a massive deal for me because I’m a real foodie, but when I went shopping, there was very little out there for people like me.”

In response, Wollenberg launched Livia's, which sells a range of sweet treats, from twists on the classic millionaire shortbread ‘Million Squares’ to a duo pack of simple oat cookies to dip into nut butter dip ‘Dunx’. The products are vegan as well as gluten- and dairy-free. That may not be unique today, but seven years ago, when Wollenberg began manufacturing and distributing from her parents’ kitchen, there were almost no such products.

“I saw a huge gap in the market for decadent, indulgent products, and we started from there,” she recalls.

Smart and focused use of social media has helped the brand grow quickly, driving customers to Livia's direct-to-consumer model, but also attracting the attentions of retail buyers. The product was snapped up by Selfridges within 11 weeks of launch, and Wollenberg has since secured distribution deals with retailers ranging from Holland & Barrett to Boots.

While Covid-19 caused some issues last year – Livia's products were popular with office workers buying Boots meal deals, for example – online sales rose strongly and the business has pivoted towards this channel at speed. A £2m fund-raising with Seedrs last year has provided extra financial firepower and further boosted the company's brand. “We have a strong post-Covid recovery plan,” says Wollenberg, who is experimenting with ideas such as multi-pack deals and sharing packets, as well as venturing into new categories through an exciting innovation pipeline. “People's shopping habits may have changed as a result of the pandemic, but there are some products that people will continue to need, and Livia's will be the brand always catering to these needs.”

ONE TO WATCH:

Dash Water

Launched four years ago by Alex Wright and Jack Scott, Dash Water is a product of the two founders’ frustration with food wastage; both from farming backgrounds, they were tired of seeing perfectly good “wonky” fruit and veg thrown away simply because retailers don’t think it looks attractive on their shelves.



They developed what was then a first in the UK market – a flavoured sparkling water with no added sugar or sweetener; the flavour all comes from the fruit with which the product is infused.

“We make a difference,” says Wright. “This year, we’ll sell the equivalent of 300 tonnes of fruit and veg that would have been wasted and we hope to be at 2,500 by 2025, plus we hope we’re inspiring others to address this issue.”

Sales have grown quickly, courtesy of early distribution deals with the likes of Selfridges and Soho House, followed by mass market roll-outs in Sainsbury's, Boots, Ocado, Waitrose and others. Unusually, the company also has a strong direct-to-consumer offering, with online sales accounting for 45% of revenues; much of that comes from subscribers who have ordered regular deliveries.

Dash's retail sales rose by 113% in 2020 to £4.2m and Wright expects to hit £10m plus in 2021 – the equivalent of 11 million cans – which should see the business enter the Alantra Food & Beverage Fast 50 next year.

Looking ahead, Dash Water has multiple growth opportunities. In the UK, it enjoys a commanding market-leading share of 37% sales value in a category that it effectively started but which is now evolving at pace – sales of seltzers grew 176% last year. In other markets, however, the category is well-established; it is worth \$8.6bn a year in the US, for example. Dash Water already exports to 20 countries, adding Australia to the list earlier this year.

New products are also a possibility. In March, Dash Water launched a sugar and sweetener-free mixer, following feedback from online consumers that they were using the original product in this way. “It's a good example of why we've invested in building that direct relationship with consumers,” Wright reflects.

Investors target food & beverage

Trade buyers and private equity investors alike continue to focus on the food & beverage sector’s most attractive businesses.

“The quality bar has been raised as buyers’ perception of risk has evolved through the pandemic, however the best food & beverage assets continue to attract fierce competition.

CHARLES LANCELEY,
ALANTRA

The strong performance of leading businesses in the food & beverage sector inevitably attracts the attention of suitors, including both trade buyers and private equity investors. And the resilience of the sector during the Covid-19 pandemic has only increased that attraction. M&A activity remained strong during 2020, other than in the pandemic-hit second quarter of the year, and has accelerated in the first quarter of 2021, with deal volumes reportedly up by 43% on the same period a year ago.

Trade buyers continue to focus on British food & beverage businesses as they pursue strategic objectives. Nestle’s acquisitions of Mindful Chef and Simply Cook, for example, reflects the Swiss multinational’s ambitions to expand its direct-to-consumer interests. Ferrero’s purchase of Eat Natural underlined its determination to add a healthier proposition to its fast-growing snacking portfolio, which now includes Fox’s and Burton’s Biscuits.

For private equity, meanwhile, the imperative is to deploy record amounts of dry powder. And for funds with a consumer tilt, food & beverage is one of the few attractive markets in the current environment, given the hit taken in retail and leisure from the pandemic. The deal recently announced by Exponent to buy desserts brand Gü is a case in point.

In this context, the strong track record of growth posted by businesses in the Alantra Food & Beverage Fast 50 ranking inevitably puts something of a target on their backs – and several leading lights of last year’s report are now under new ownership.

That includes two of the pet foods businesses we highlighted last year, Lily’s Kitchen and Armitage Pet Care, which were bought by Nestlé and Spectrum Brands respectively. In addition, Pooch & Mutt sold a minority stake in the business to Czech group VAFO. In other areas of the market, Danone bought Harrogate Spring Water, while more recently Mondelez swooped on the nutrition company Grenade, and Canadian dairy giant Saputo bought Bute Island Foods in an effort to grow their plant-based alternatives business.

Not that trade buyers have had the market all to themselves. While strategic suitors have typically been prepared to pay more for food & beverage assets than private equity rivals more focused on shorter-term returns, the determination of the latter to deploy their capital is boosting the competition.

In some cases, sellers have prioritised private equity buyers, on the basis that deals with such buyers may be completed more quickly – important in a volatile market.

The Gü transaction is just one example of a deal where a private equity firm was able to beat off competition from trade buyers. Elsewhere, for example, snack bar manufacturer Halo Foods was sold to Peak Rock Capital amid competition from a number of potential trade buyers.

If volatility now begins to ease in the wake of the Covid-19 pandemic, sellers may once again be prepared to take a more cautious view of timelines, reducing this element of private equity’s advantages.

Similarly, the receding threat of capital gains tax reform, which has seen a number of owner-managed food & beverage companies pursue sale processes over the last year, may also ease the pressure to get deals done quickly.

Nevertheless, private equity are set to remain key players in M&A in the sector for the foreseeable future. With firms under pressure to deploy their funds following the hiatus of the pandemic, and historically benign conditions in the funding market that enable more imaginative deal structures, such bidders will continue to compete with trade buyers.

That backdrop should also provide a supportive environment for food & beverage companies that are looking for growth capital from private equity firms and similar investors. Almost a third of the constituents of this year’s Alantra Food & Beverage Fast 50 ranking have already secured such backing, including three of the five fastest-growing businesses.

In one of the leading examples of recent private equity investments in the ranking, the US firm PowerPlant Partners put \$7m of funding into dairy-free specialists The Coconut Collaborative. The deal highlights the attractions of the UK’s food & beverage sector to international as well as domestic players. PowerPlant’s specialism in consumer wellness companies represented a particularly good fit for the firm.

Elsewhere, Alantra Food & Beverage Fast 50 companies have also looked to crowdfunding platforms for funding. Such deals can be helpful drivers of brand value as well as sources of financing: Snaffling Pig, for example, saw a major uptick in its brand awareness

following a £1.1m funding round on Crowdcube in 2019. Beyond the Fast 50, the vegan protein business THIS has recently raised £3.5m on the Seedrs platform.

Crowdfunding investors are tapping into the same potential as their private equity and trade buyer counterparts. In a sector where the leading businesses continue to post such exciting rates of growth, there is every reason to expect further deal activity in the months ahead.



The fastest-growing food & beverage companies

Gousto

Meal kits and home delivery

TWO-YEAR CAGR

89%

Smith & Brock

Grocery home delivery

TWO-YEAR CAGR

72%

Huel

Nutritionally complete food

TWO-YEAR CAGR

67%



The fastest-growing food & beverage companies

Food & Beverage Fast 50 methodology

The Fast 50 ranks the fastest-growing privately-owned food & beverage businesses in the UK by compound annual growth rate (CAGR) over a two-year period.

Qualification criteria and research approach

To qualify, companies needed to have accounts filed for the financial period ending after 1st August 2019, with sales exceeding £3m in the last available year. Companies needed to have three consecutive years of accounts available with growth in all years and needed to be registered in the UK as independent and unquoted. Abbreviated accounts at Companies House were excluded unless permission was otherwise authorised. Companies that have any shares or other financial instruments listed on a stock exchange, or where their shares are held by any unquoted, quoted UK or overseas company, did not qualify for inclusion.

KEY

- 00 Rank
- % 2-year CAGR
- C Company
- A Activity

The Fast 50

KEY

00	Rank
%	2-year CAGR
C	Company
A	Activity

04	53%	C Strong Roots	A Frozen plant-based food
05	51%	C Bute Island Foods	A Vegan and allergen-free cheese
06	39%	C Lovecorn	A Vegan, gluten-free crunchy corn snacks
07	35%	C Snaffling Pig	A Premium pork scratchings and pork-based snacks
08	34%	C St Pierre	A Baked products sold under the St Pierre, Baker Street and Paul Hollywood brands
09	33%	C Grenade	A Nutritional supplements and snacking brand
10	33%	C Bulk	A D2C nutritional supplements brand
11	31%	C Cawingredients	A Aerated soft drinks supplier
12	29%	C Brothers Drinks Co.	A Cider producer
13	29%	C Kendal Nutricare	A Producer of early life nutritional products and speciality formulas
14	28%	C Geary's Bakeries	A Craft bakers

15	28%	C Veetee Foods	A Producer of a range of microwaveable rice
16	28%	C Lintbells	A Pet health supplements
17	27%	C Underwood Meat	A Provider to the UK catering industry with quality meat products
18	25%	C Brewdog	A Multinational craft brewer
19	25%	C The Sùlaire Fish Co.	A Scottish salmon products
20	23%	C The Coconut Collaborative	A Plant-based yogurts, ice-creams and puddings
21	23%	C Sargents Bakeries	A Bakery supplying fruit pies and tarts to shops and supermarkets
22	23%	C Halewood Artisanal Spirits	A Distiller and distributor of premium artisanal spirits
23	23%	C Castle Dairies	A The manufacture, packing and retailing of butter
24	23%	C The Protein Works	A D2C nutritional supplements and wellness brand
25	22%	C ParkAcre	A Manufacturer of vitamins, minerals and supplements

26	22%	C Regal Food Products	A Ethnic bakery and confectionery products
27	22%	C Evolution Foods	A Retail-packed dried fruit and nuts
28	21%	C Wenzels The Bakers	A The production and retailing of bakery products
29	20%	C Vegetarian Express	A Specialist distributor of vegetarian and vegan products within foodservice
30	20%	C Warner's Distillery	A Super-premium craft gin distiller
31	20%	C Forthglade Foods	A Natural wet and dry grain free dog food
32	20%	C Pet Food UK	A Dog and cat food products sold under multiple brands
33	20%	C Abergavenny Fine Foods	A Specialist food manufacturer with vegan and breaded ranges
34	19%	C Highcrest Retail Brands	A Retailer of snacks and confectionary brands
35	18%	C MPM Brands	A Pet food sold under the Applaws, Encore, Reveal, and Nature's Calling brands
36	18%	C Ian Macleod Distillers	A Premium spirit distiller selling products under a range of brands
37	17%	C K. Hughes & Co.	A Specialty mushrooms, vegan and vegetarian product lines
38	17%	C Fentimans	A Botanically brewed soft drinks and mixers

39	17%	C Jimmy's Iced Coffee	A Iced coffee products
40	17%	C Frozen Brothers	A Frozen drinks brand
41	14%	C Extons Foods	A Supplier of grated, block and continental cheeses
42	13%	C Into Fruits	A Fresh fruits and vegetables distribution company
43	13%	C Gel Systems	A Supplier and developer of premixes, gelling agents and stabilisers to both the pet and food industries
44	13%	C Cornish Farm Dairy	A Cornish dairy products manufacturer
45	12%	C Millers Bespoke	A Producer of bespoke European breads
46	12%	C Wyke Farms	A Producer of cheese and butter
47	12%	C Around Noon Foods	A Manufacturer and distribution of private label sandwiches and cakes
48	11%	C The Welsh Whisky Company	A Single malt whiskies and spirits producer
49	11%	C Heck!	A Premium sausage and burger manufacturer
50	10%	C Mackie's	A Ice-cream and confectionery manufacturer

Alantra’s Food & Beverage sector team

We work closely to bring together strategic trade acquirers and investors with business owners and management teams looking to create and realise value. We have completed c.50 food & beverage transactions over the last five years, with enterprise values ranging from £3.5m to over £600m.

Selected Food & Beverage deals advised by Alantra



SELL-SIDE ADVISORY





BUY-SIDE ADVISORY





SELL-SIDE ADVISORY





BUY-SIDE ADVISORY





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BUY-SIDE ADVISORY





SELL-SIDE ADVISORY



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ALANTRA

Alantra is a global investment banking, alternative asset management and credit portfolio advisory firm focusing on the mid-market with offices across Europe, the US, Latin America and Asia.

FULL ADVISORY SERVICE

Alantra advises business owners, management teams and financial investors on:

- M&A transactions
- Private equity
- Equity capital markets
- Debt capital markets

GLOBAL REACH

Our team of c.300 corporate finance professionals are present in over 20 countries:

- Advised on over +1,100 deals worth more than +€220bn
- Over 50% of our deals are cross-border
- Quoted partnership with over 100 partners leading deals

SECTOR EXPERTISE

Deep coverage of chosen niches:

- Over 400 business sold to strategic trade acquirers
- Cross-border relationships with strategic acquirers and capital providers

CONTACT US

If you would like to discuss the Alantra Food & Beverage Fast 50 or would like to feature in next year’s report, please contact Charles Lanceley (charles.lanceley@alantra.com).

ALANTRA

Possibility is in the ascent

Austria & CEE
Belgium
China
France

Germany
Greece
Ireland
Italy

Latin America
Netherlands
Nordics
Portugal

Spain
Switzerland
United Kingdom
United States