



Global Bakery Goods Manufacturing

MARKET BRIEFING | 2025

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Introduction to hillstreet advisory partners



M&A Sell-Side
advisory



M&A Buy-Side
advisory



Exit Readiness



Company
valuation

- hillstreet is an exclusive address for M&A buyers and sellers of medium-sized companies and for professional succession consulting
- As an international investment banking boutique, we provide our clients with comprehensive support and personal service from **experienced senior professionals**, from the initial idea to the final closing
- Partnership-managed advisory firm, free from any conflicts of interest, offering **top-tier investment banking-level advisory services**
- Execution team with extensive experience in international mid-cap transactions, based in Frankfurt am Main

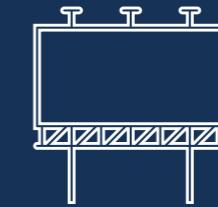
People & Purpose

Our commitment to Social Responsibility

- At hillstreet advisory, we view social responsibility as an integral part of entrepreneurial action
- In the spirit of the holiday season, we are pleased to support several charitable initiatives focused on children and youth support, refugee assistance, social inclusion, and access to essential goods
- As part of our mandate structure, we donate a share of our success fees to nonprofit organizations. The selection of beneficiary initiatives often takes place in close coordination with our clients, ensuring that our shared commitment to positive impact is reflected in every engagement



Industry Coverage



Consumer Products



INDUSTRIAL



BUSINESS SERVICES



HEALTHCARE

Key Facts

2024

inception of
hillstreet advisory
partners

7

Team members

4

advisory board
members with
expertise in
various sectors

+100

successfully
supported projects

2

Founding Partners

M&A Summary: Bakery Goods Manufacturing sector

The sustained increase in deal activity continued in 2025, marking the third consecutive year of growth, with 51 deals successfully completed by November 2025

Compared to 2024 in particular, until November 2025 financial investors showed increased interest¹⁾ in the Bakery Goods Manufacturing sector (+7 pp³⁾)

Drivers such as continued fragmentation, growth in the private label segment, advancing automation, and improved credit availability are resulting in a clear, fundamentally driven upward trend in M&A activity

M&A market overview

- Interest in the M&A bakery goods manufacturing market increased in 2025, with 51 transactions successfully executed by November of that year
- Despite the challenging market environment caused by a shortage of skilled workers, as well as rising wage and energy costs, the volume of deals has increased by 41% from 2022 to November 2025
- The North American region stood out with a total of 11 M&A transactions, followed by Germany with seven
- Side note - European market:** The market is seeing increased activity among investors in the mixed bakery manufacturing sector. Players benefit from both brand portfolio recognition and the growing demand for private-label baked goods

M&A Key Facts



+230

Global M&A transaction volume since 2021



+43%¹⁾

Private Equity participation in 2025



4

M&A transaction with exceeding an Enterprise Value of above €300m in 2025



€1.7bn

dessert chain Crumbl acquired by TSG Consumer Partners in January 2025

M&A outlook

- Following the industry characteristics, leading market players are responding to increasing competitive pressure by consistently implementing active M&A strategies to scale market share and operational strength. It is to be expected, that this trend will continue in 2026
- The aforementioned trend is further supported by increased private equity interest, succession cases, and the continued diversification of the portfolios of major bakery companies, including the acquisition of regional companies to gain market access
- Especially the Asian market is set to see an uptick in mergers and acquisitions, driven by a resurgence in macroeconomic indicators and changing demographics, including urbanization and a shift towards premium products. This trend is further supported by the entry of numerous leading Western manufacturers into the Asian market

Peer Group M&A valuation parameters²⁾

0.96X

TEV/ Revenue
2025E

7.93X

TEV/EBITDA
2025E

12.17%

2025E
EBITDA margin

4.13%

2025E Revenue
growth

A wide-angle photograph of a large industrial bakery conveyor belt. The belt is filled with numerous golden-brown loaves of bread, moving from left to right. Above the bread, a series of blue and silver metal components, likely part of the conveyor or a cooling system, are visible. The background is a dark, out-of-focus industrial interior.

Global bakery goods manufacturing sector

The Global Bakery Goods Manufacturing sector

The Bakery Goods Manufacturing sector includes companies that primarily produce fresh and frozen bread and other baked goods. The product is ultimately sold to supermarkets, convenience stores, food service providers, and others

Despite the perceived maturity of the baked goods industry and the stable underlying demand, the industrial bakers constantly work on product development

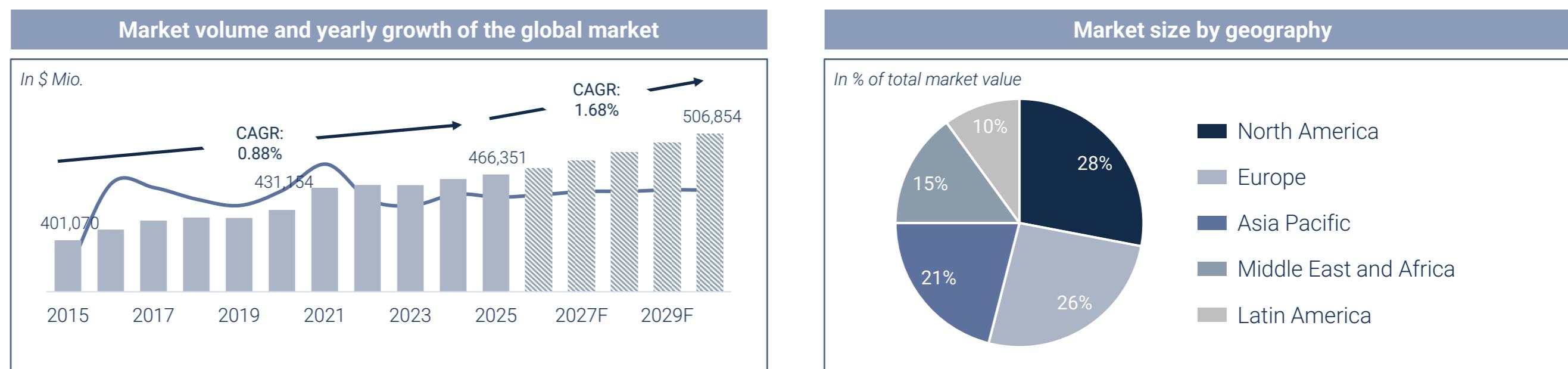
In terms of profitability, branded players achieve a c. 9-12% median EBITDA margin through 2018-2022, compared to their mixed and private-label peers (c. 6-9% median EBITDA margin)

Across most regions, growth is driven by convenience, urbanization and the popularity of packaged bakery goods in retail and foodservice

The Global Bakery Goods Manufacturing sector

The global market for the production of baked goods currently comprises more than 130,000 companies with over 2 million employees, generating a combined market volume of €466bn in 2025. The market is dominated by small to medium-sized players

The global bakery manufacturing sector has stagnated in recent years due to various challenges, particularly rising energy costs. However, over the next five years, the global market is predicted to grow at a CAGR of 1.68%, reaching \$506.9bn by 2030



Industry structure

| Characteristics | Level | Trend |
|-----------------------|----------|--------|
| Concentration | Low | |
| Entry barriers | Low | Steady |
| Regulation and Policy | Moderate | Rising |
| Life cycle | Mature | |
| Revenue volatility | Low | |
| Assistance | Moderate | Steady |
| Competition | High | Rising |
| Innovation | Moderate | |

Largest market participants

| Company | Revenue | Market share |
|-------------|------------|--------------|
| Grupo Bimbo | \$22,600m | 4.8% |
| Mondelez | \$18,700m | 4.0% |
| Others | \$425,100m | 91.2% |

The market leading players account less than 10% of the global revenues within the sector

A snapshot of the market

Over the next five years, the bakery goods manufacturers will strengthen their position, supported by industry growth in emerging markets. As consumers worldwide obtain greater discretionary income, the leading global bread and bakery goods manufacturers will likely expand operations in Asia, the Middle East, Eastern Europe and Africa, driving the industry's growth in these regions

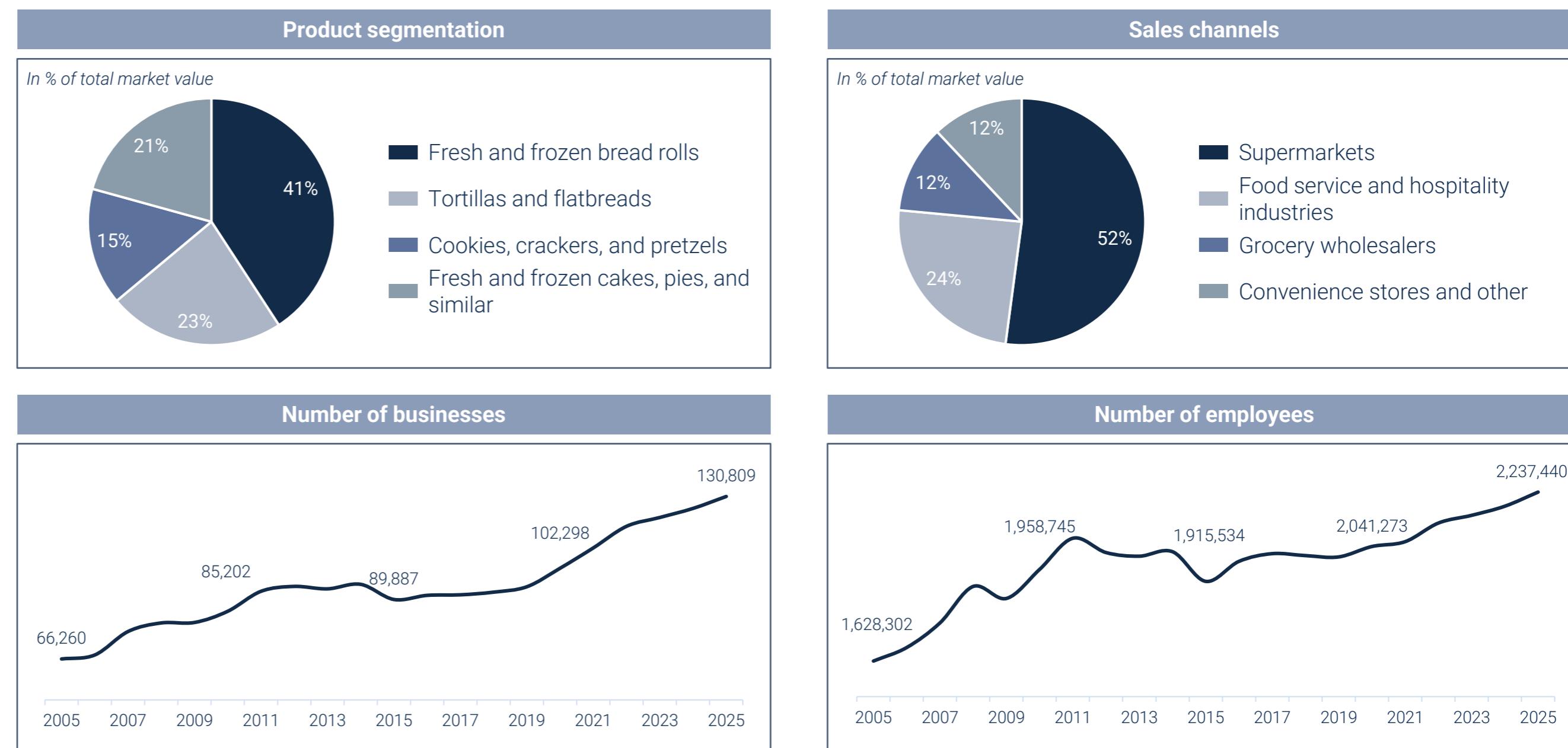
The ongoing premiumization and better-for-you trends drives the demand for healthier versions of baked goods

Market sounds: "Schwarz Produktion is planning a massive investment of over €300m in the Bonback industrial bakery in Halle, Germany, to significantly expand production capacity"

Market snapshot

Countries that traditionally didn't consume bread regularly, such as those in North Asia, are incorporating more bread into their diets. The growing adoption of Western cuisines in North Asia has also driven demand for Western-style bread.

While demand for traditional baked goods is expected to stagnate in mature markets, producers will likely focus on introducing a greater variety of premium products in Western Europe and North America





Market consolidators within the bakery goods manufacturing sector

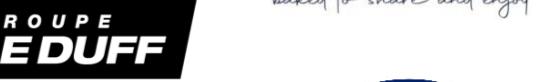
Market consolidators

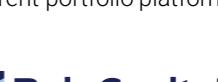
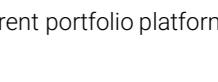
In the turbulent market environment, consolidators, both strategic and financial-driven, are using the current valuation parameters to strengthen their own market position. Despite the capital-intensive nature of the business, some financial investors are also building profitable platforms

Selection of market consolidators

| Name | Country | Ownership | Revenue | Description | Deals in the last 5 years |
|---|-------------|---------------------|----------|--|---------------------------|
|  ARYZTA Passion for good food | Switzerland | Public | €2.195m | <ul style="list-style-type: none"> ARYZTA was formed in 2008 through the merger of IAWS Group plc and Hiestand Holding AG and is headquartered in Switzerland Today, the company is one of the world's leading suppliers in the frozen and convenience baked goods segment with a global presence | 7 |
|  GRUPO BIMBO | Mexico | Public | €19.245m | <ul style="list-style-type: none"> Grupo Bimbo was founded in 1945 and has since grown to become the largest bakery group in the world The company operates hundreds of production sites and is directly active in approximately 39 countries, with sales or partner activities in around 90 countries worldwide | 24 |
|  europasty | Spain | Private (PE-backed) | €1.317m | <ul style="list-style-type: none"> Headquartered in Sant Cugat del Vallès, Spain, and founded in 1987, Europastry has since become a leading global supplier of frozen dough and baked goods The company currently operates around 29 production sites and has sales offices worldwide | 6 |
|  lotus Since 1932 | Belgium | Private | €1.321 | <ul style="list-style-type: none"> Founded in 1932 by brothers Jan, Emiel, and Henri Boone, Lotus Bakeries is now headquartered in Lembeke, Belgium Lotus Bakeries operates globally and distributes its products in around 70 countries on several continents | 8 |
|  Vandemoortele shaping a tasty future | Belgium | Public | €1.983m | <ul style="list-style-type: none"> Headquartered in Belgium, Vandemoortele has been a family-run business since 1899 with over a century of experience in the food and bakery industry Vandemoortele operates numerous production sites in Europe and has an extensive logistics and distribution network | 7 |

Selected further investors

| | |
|-------------------------------------|---|
| Associated British Foods plc |  |
| GROUPE LEDUFF |  |
| Emmi GROUP |  |
| La Lorraine BAKERY GROUP |  |
| Lantmännen |  |

| | | |
|------------------------------------|---|--|
| Private Equity¹⁾ |  3i 1 current portfolio platforms |  argos fund 2 current portfolio platforms |
| |  AUCTUS 2 current portfolio platforms |  Bain Capital 1 current portfolio platforms |
| |  CRÉDIT AGRICOLE 1 current portfolio platforms |  finorpa 2 current portfolio platforms |
| |  UNICRAINS 4 current portfolio platforms | |

Highlight M&A transactions in 2025

„In the market“

 BainCapital in preparation to sell GAIL's

GAIL's, a subsidiary of British Bread Holdings and a portfolio company of Bain Capital, is preparing for a divestment in GAIL, with an expected Enterprise Value of €570m. The transaction is intended to bring new investors on board

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May 2025

 Associated British Foods plc

acquired



Private equity investor Endless sold its stake in Hovis to British company Associated British Foods, which generated revenues of around €570m in 2024. The transaction is expected to increase the combined market share to an estimated 34% and generate significant cost synergies

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March 2025

 Vandemoortele

acquired



The Belgian Vandemoortele Group acquires the French company Délifrance, a manufacturer of frozen baked goods for catering businesses, retailers, and bakeries, which generated sales of €930m in 2024. With this transaction, Vandemoortele strengthens its position in the frozen bakery market

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February 2025

 MARTIN BRAUN GRUPPE

acquired



Martin Braun-Gruppe, a leading European bakery ingredients and premium frozen baked goods provider, acquires Hoff's Bakery in Massachusetts, United States of America, to expand its frozen bakery division and enter the U.S. market through continued growth with existing management in place

[READ MORE](#)

January 2025

 Harry
BÄCKER SEIT 1688

acquired



Harry-Brot, Germany's leading industrial bakery group, acquires REWE Group's Glockenbrot bakery operations and enters into long-term supply and joint-venture agreements with REWE, following regulatory clearance, to secure dedicated production capacity and strengthen its market position

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Excerpt of market participants by region

The global market for the production of baked goods currently comprises more than 130,000 companies with over 2 million employees, generating a combined market volume of €466 bn. The market remains highly fragmented, with the top two players together accounting for less than 10% of total market value





Valuation overview of bakery goods manufacturers

Valuation of comparable publicly traded companies

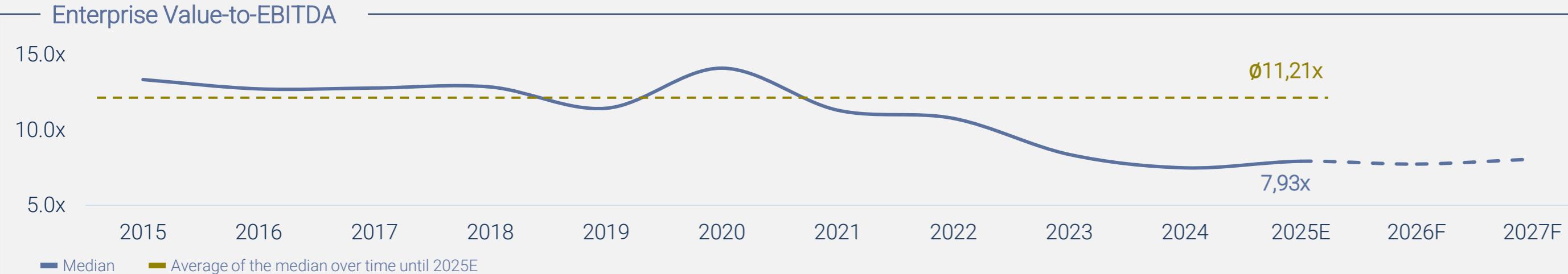
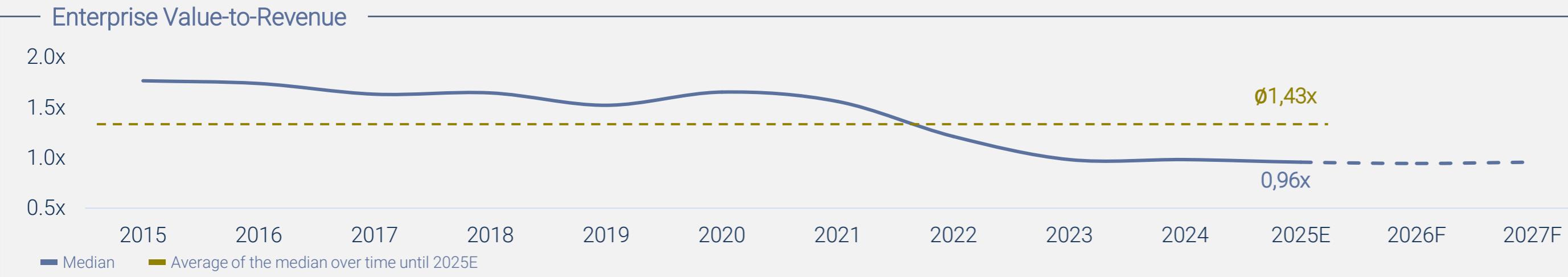
The low valuation environment and the resulting favorable entry prices are attracting both strategic and financial investors to M&A activities, as has been particularly evident since the increase in transaction activity since 2022

The current valuation level of global bakery companies remains significantly below pre-crisis levels, with a median EBITDA multiple of **7.93x**, after average valuation parameters declined from **12.90x** in the period from 2015 to 2020 to around **9.19x** most recently

As a result of the **significant decline in valuation parameters since 2021**, **transaction volume has risen noticeably**, as consolidators and financial investors are specifically using the attractive price level to expand market share and implement inorganic growth strategies

Following the **temporary peak in 2020**, valuations are declining, while forward multiples are expected to remain stable or rise slightly until 2027

Development of annual development



Comparison of valuation parameters¹⁾

0.96x

versus Median EV/Revenue
0.98x in 2024A

7.93x

versus Median EV/EBITDA
7.49x in 2024A

12.17%

versus Median EBITDA margin
13.02% in 2024A

Deal volume in the global bakery market

The global bakery market has seen sustained growth in M&A activity since 2022, driven primarily by market consolidators despite increasing operational challenges, with North America showing the highest transaction density in YTD Nov 2025

Since 2021, more than 35 transactions have been recorded annually in the global bakery market, with a cumulative total of over 233 successfully completed transactions. Despite increasing operational pressures due to a shortage of skilled workers and rising wage and energy costs, transaction volume has increased by 41% from 2022 to YTD Nov 2025

The increasing activity of market consolidators and financial investors is driving up transaction volume, while declining inflation rates, falling interest rates, and the attractive valuation environment are acting as key catalysts for the ongoing M&A momentum

Nov 2025

Transaction details

c. €4 billion

Total disclosed deal value in 2025

4

Deals exceeded an Enterprise Value of >€300m

11

M&A transactions in North America, highest deal count in 2025

7

MA transactions in Germany, 2nd highest deal count in 2025

Global M&A deal volume

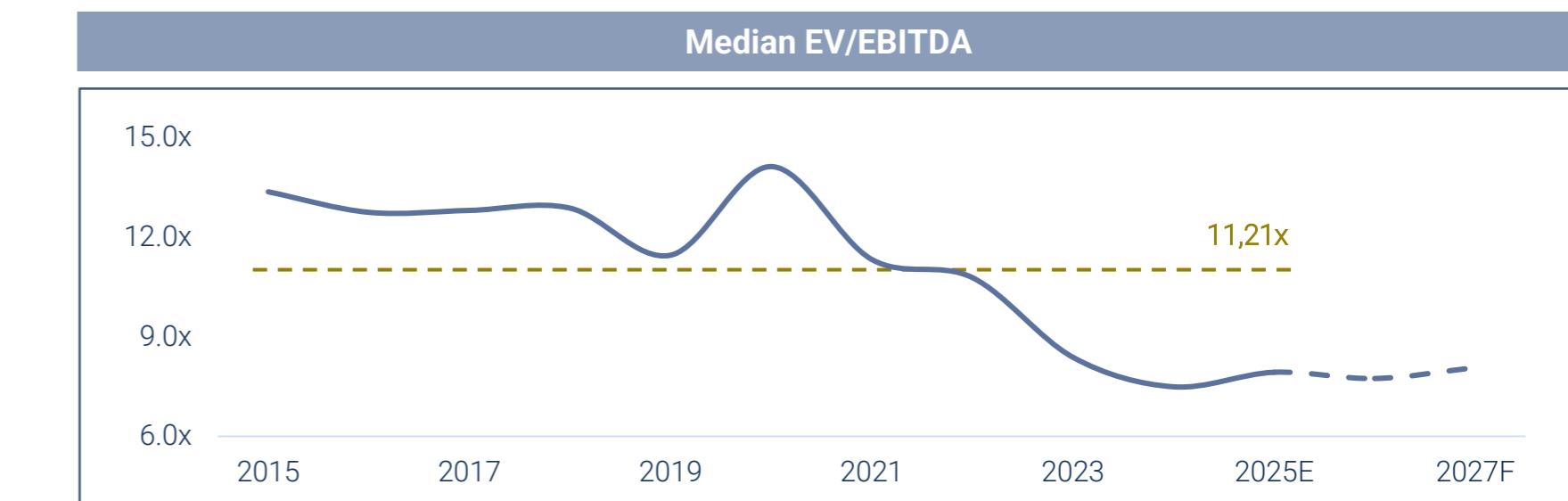
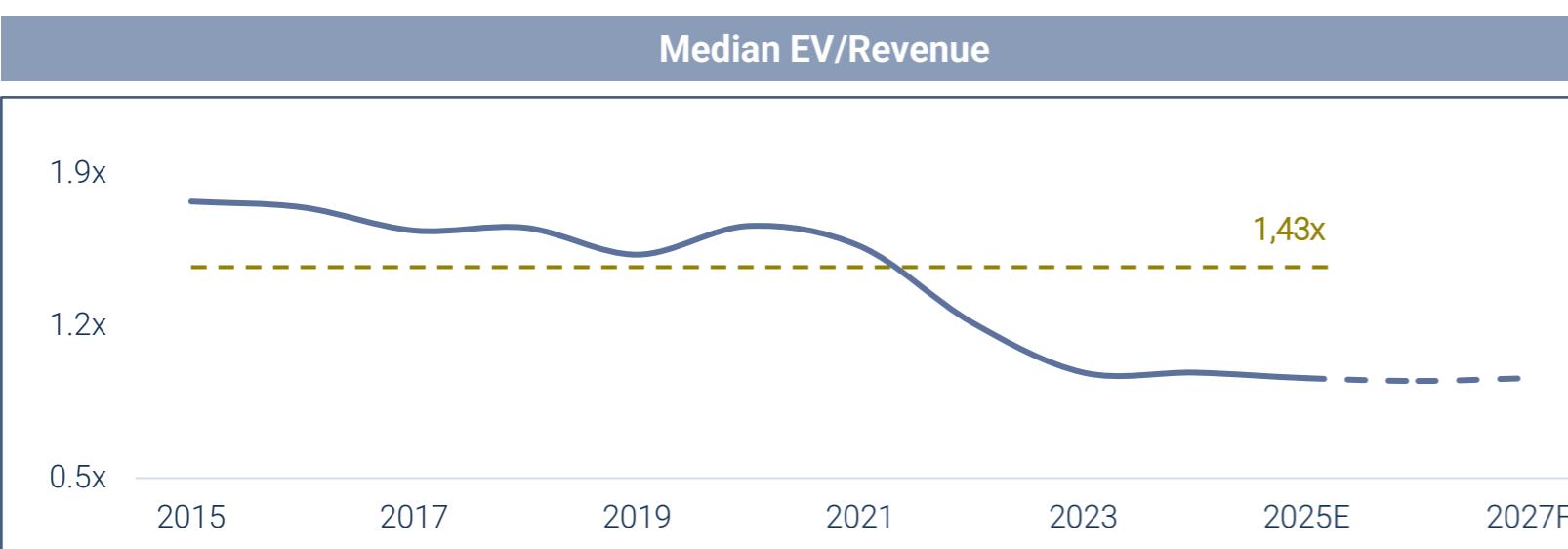
Total:



Valuation of comparable publicly traded companies

| | Company | Country | Ticker | Market Cap (€ Mio.) | EV/Revenue | | EV/EBITDA | | EV/EBIT | 2021-2024 CAGR | | EBITDA margin | |
|---------------|----------------|---------|---------------|------------------------|------------|-------|-----------|--------|---------|----------------|---------------|---------------|--------|
| | | | | | 2025A | 2026E | 2025A | 2026E | | 2026E | Total Revenue | Gross Profit | 2025E |
| Global | ARYZTA | CH | SWX:ARYN | 1,337 | 0.96x | 0.96x | 8.71x | 8.71x | 13.31x | 11.65% | 13.77% | 11.02% | 11.02% |
| | Flowers Food | US | NYSE:FLO | 1,921 | 0.80x | 0.83x | 8.21x | 8.40x | 12.47x | 8.79% | 8.59% | 9.78% | 9.88% |
| | Greggs | GB | LSE:GRG | 1,889 | 0.96x | 0.93x | 7.17x | 5.82x | 10.75x | 18.48% | 17.31% | 13.33% | 15.99% |
| | Grupo Bimbo | MX | BMV:BIMBO | 12,132 | 1.05x | 1.01x | 7.66x | 7.09x | 11.77x | 13.61% | 13.03% | 13.74% | 14.27% |
| | J&J Snack Food | US | NASDAQGS:JJSF | 1,496 | 0.56x | 0.56x | 5.12x | 5.12x | 8.93x | 44.78% | 53.08% | 10.85% | 10.85% |
| | Lotus Bakeries | NL | ENXTBR:LOTB | 6,204 | 4.76x | 4.31x | 24.14x | 21.44x | 25.86x | 17.98% | 16.45% | 19.73% | 20.11% |
| | Mondelez | US | NASDAQGS:MDLZ | 59,990 | 2.28x | 2.37x | 15.27x | 13.84x | 17.59x | 11.52% | 11.46% | 14.92% | 17.11% |
| | Yamazaki | JP | TSE:2212 | 3,528 | 0.43x | 0.45x | 5.46x | 5.65x | 9.73x | -2.14% | -4.40% | 7.94% | 7.94% |
| Median | | | | | 0.96x | 0.95x | 7.93x | 7.74x | 12.12x | 12.63% | 13.40% | 12.17% | 12.64% |
| Mean | | | | | 1.47x | 1.43x | 10.22x | 9.51x | 13.80x | 15.58% | 16.16% | 12.66% | 13.40% |

Long-term multiple development



Selection of relevant M&A transactions

| Date | Target | Country | Buyer | EV ¹⁾ (€Mio.) | EV/Revenue | EV/EBITDA | Category |
|---------------|------------------------|---------|---------------------------------|-----------------------------|------------|-----------|----------------|
| In the market | Nothing Bundt Cakes | US | n/a | 1,700 | n/a | 7.05x | n/a |
| In the market | GAIL | GB | n/a | 570 | n/a | n/a | n/a |
| November 2025 | Banketbakkerij De Maro | NL | Royal Smilde | n/a | n/a | n/a | Strategic |
| November 2025 | Quality Guard Group | BE | Gimv | n/a | n/a | n/a | Private Equity |
| November 2025 | El Fornet | ES | Muzinich & Co., Management Team | n/a | n/a | n/a | Private Equity |
| October 2025 | Cadhi | FR | Sodexo | n/a | n/a | n/a | Strategic |
| October 2025 | pappert | DE | FSN Capital | n/a | n/a | n/a | Private Equity |
| October 2025 | Chocolitaly | IT | Dino Corsini | n/a | n/a | n/a | Strategic |

For more details on M&A transactions, get in touch with us

Selection of relevant M&A transactions

| Date | Target | Country | Buyer | EV ¹⁾ (€Mio.) | EV/Revenue | EV/EBITDA | Category |
|------------|----------------------------------|---------|----------------------------------|-----------------------------|------------|-----------|-----------|
| July 2023 | Flame | DE | Other Buyer | 100 | 10 | 10 | Strategic |
| July 2023 | Technische Universität Darmstadt | DE | Other Buyer | 100 | 10 | 10 | Strategic |
| July 2023 | Wittelsbacher Group | DE | W&P | 100 | 10 | 10 | Strategic |
| July 2023 | Argo Syntactic | DE | Tiger Management | 100 | 10 | 10 | Strategic |
| July 2023 | Flame | DE | Weling Group | 100 | 10 | 10 | Strategic |
| July 2023 | Nett | DE | jet investment | 100 | 10 | 10 | Strategic |
| June 2023 | Reactive Systems | DE | Westwelt Private Equity Partners | 100-17 | 10 | 10 | Strategic |
| June 2023 | High Touch | DE | Other Buyer | 100 | 10 | 10 | Strategic |
| June 2023 | Other Buyer | DE | Westwelt Private Equity Partners | 100-17 | 10 | 10 | Strategic |
| June 2023 | High Touch | DE | Westwelt Private Equity Partners | 100 | 10 | 10 | Strategic |
| June 2023 | Other Buyer | DE | Westwelt Private Equity Partners | 100 | 10 | 10 | Strategic |
| May 2023 | Cloud Systems | DE | Other Buyer | 100 | 10 | 10 | Strategic |
| May 2023 | Other Buyer | DE | Westwelt Private Equity Partners | 100 | 10 | 10 | Strategic |
| May 2023 | Other Buyer | DE | Westwelt Private Equity Partners | 100 | 10 | 10 | Strategic |
| May 2023 | Other Buyer | DE | Westwelt Private Equity Partners | 100 | 10 | 10 | Strategic |
| May 2023 | Other Buyer | DE | Westwelt Private Equity Partners | 100 | 10 | 10 | Strategic |
| May 2023 | Other Buyer | DE | Westwelt Private Equity Partners | 100 | 10 | 10 | Strategic |
| April 2023 | Other Buyer | DE | Westwelt Private Equity Partners | 100 | 10 | 10 | Strategic |
| April 2023 | Other Buyer | DE | Westwelt Private Equity Partners | 100 | 10 | 10 | Strategic |
| March 2023 | Other Buyer | DE | Other Buyer | 100 | 10 | 10 | Strategic |
| March 2023 | Other Buyer | DE | Westwelt Private Equity Partners | 100 | 10 | 10 | Strategic |
| March 2023 | Other Buyer | DE | Westwelt Private Equity Partners | 100 | 10 | 10 | Strategic |
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MARKET BRIEFING