





Global Bakery Goods Manufacturing

MARKET BRIEFING | 2025

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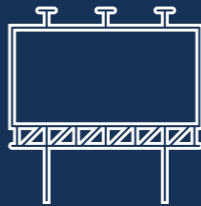
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Introduction to hillstreet advisory partners

-  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

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

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



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

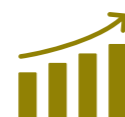
M&A Key Facts



+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



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 achieves 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

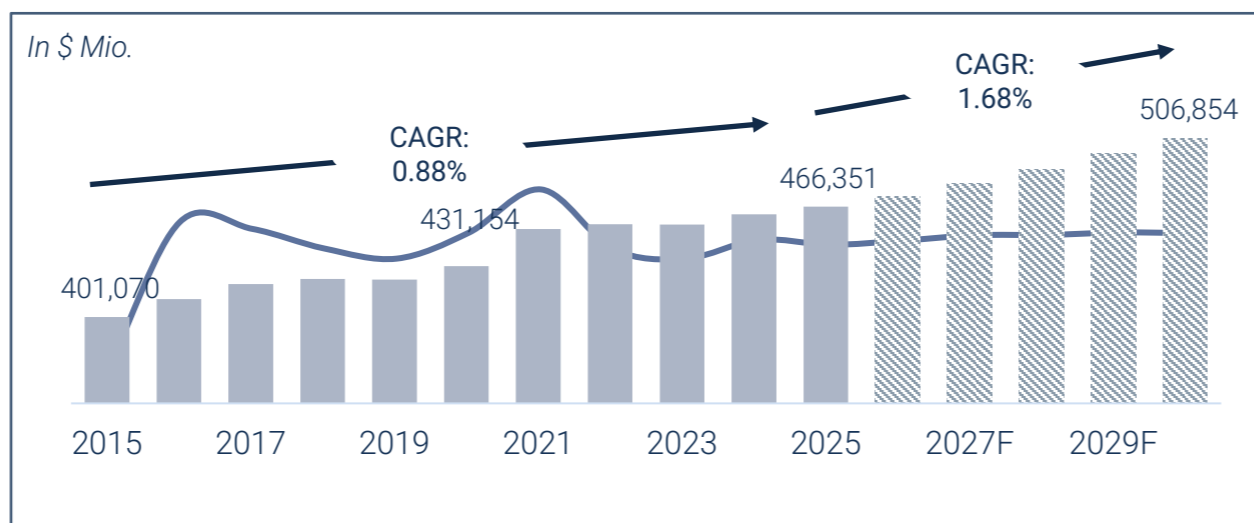
Source(s): hillstreet advisory, IBIS World, Gain.Pro

The Global Bakery Goods Manufacturing sector

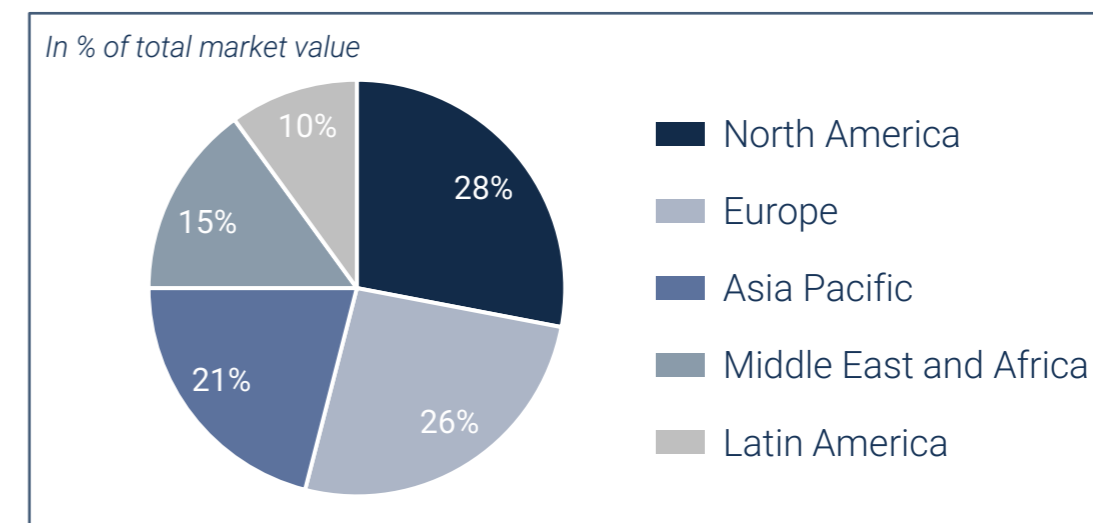
The global market for the production of baked goods currently comprises more than 130,000 companies with over 2 million employees, generating a combined market volume of €466bn in 2025. The market is dominated by small to medium-sized players

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

Market volume and yearly growth of the global market



Market size by geography



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	

- Due to low sales volatility, the bakery goods manufacturing sector is considered to be attractive, as high earnings stability ensures reliable planning and cash flow security
- 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

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

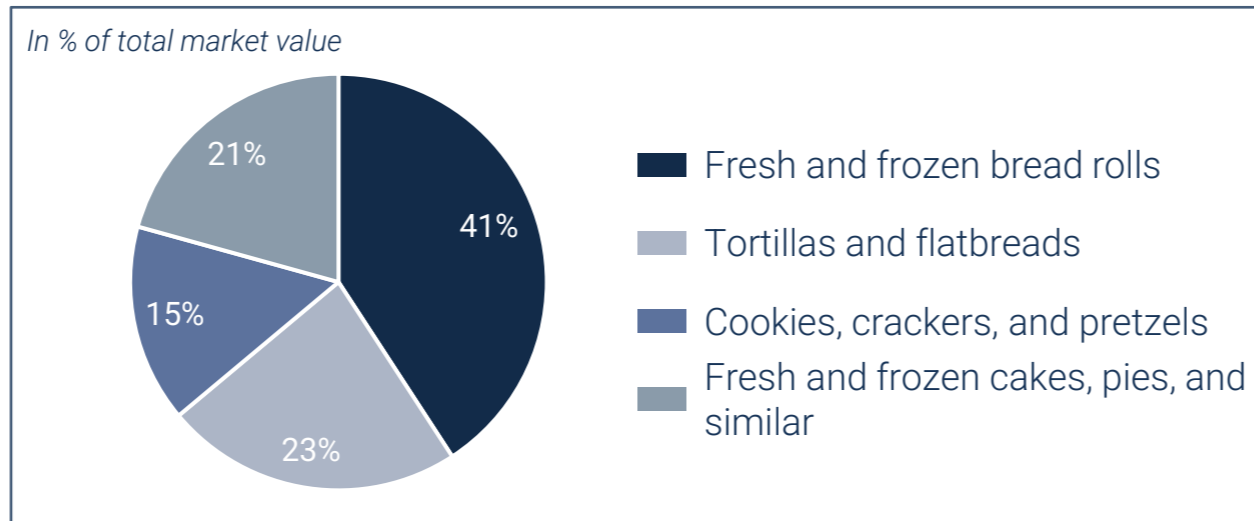
Market sounds: "Schwarz Produktion is planning a massive investment of over €300m in the Bonback industrial bakery in Halle, Germany, to significantly expand production capacity"

Market snapshot

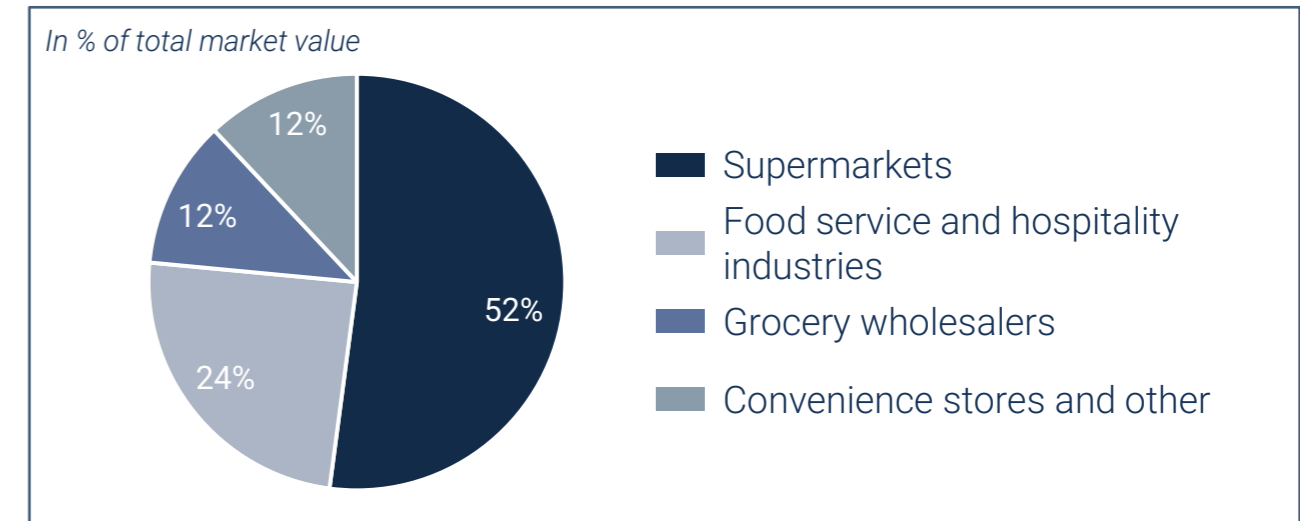
Countries that traditionally didn't consume bread regularly, such as those in North Asia, are incorporating more bread into their diets. The growing adoption of Western cuisines in North Asia has also driven demand for Western-style bread.

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

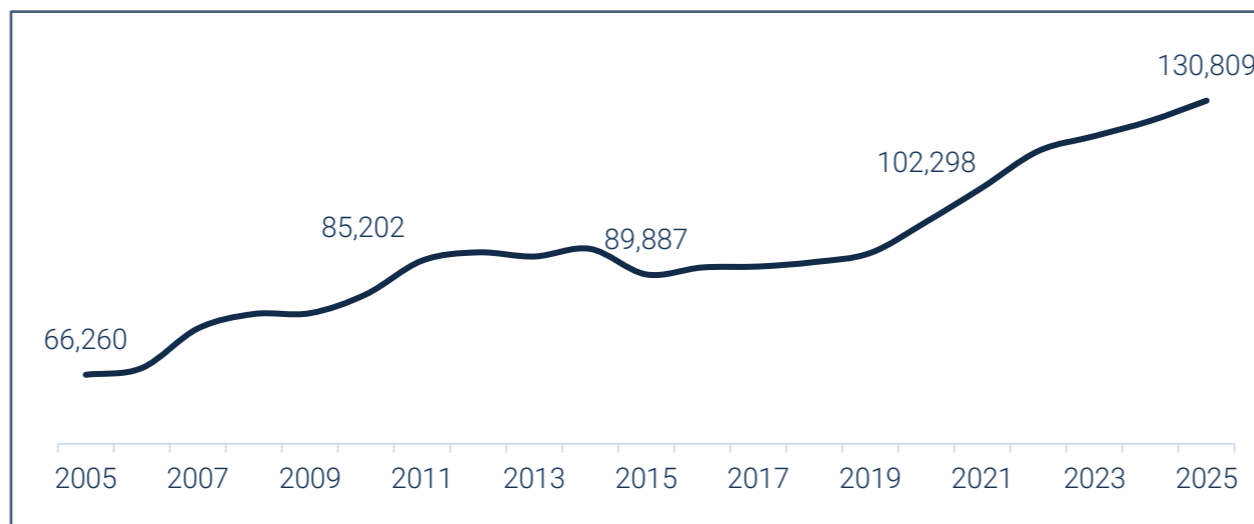
Product segmentation



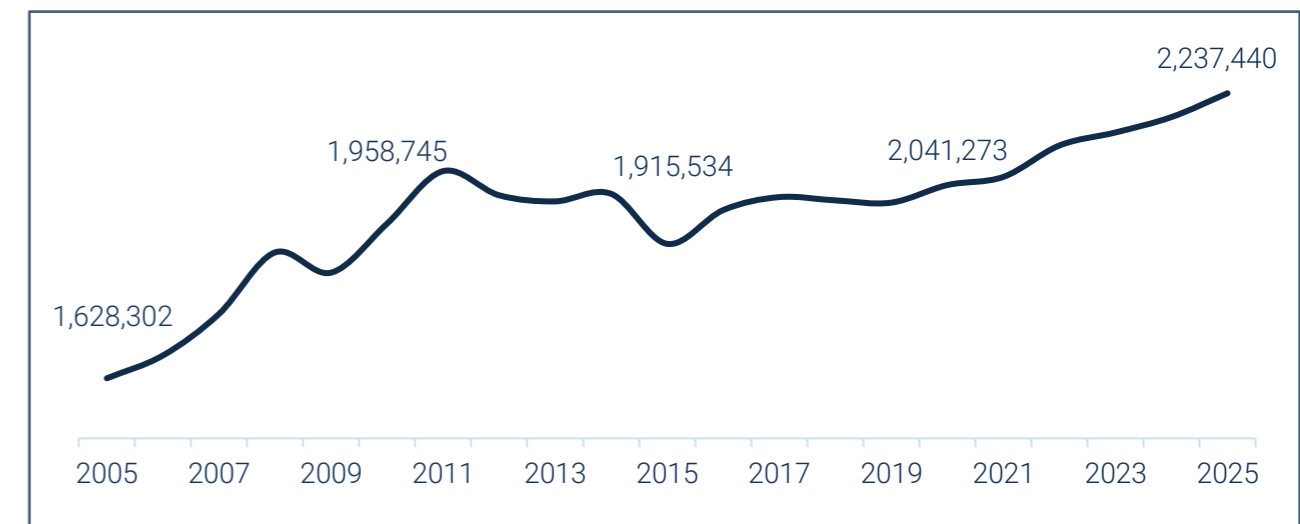
Sales channels




Number of businesses



Number of employees





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 <i>Passion for good food</i>	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
 europastry	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 <i>Since 1932</i>	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 <i>shaping a tasty future</i>	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

Investor Type	Investor	Current Portfolio Platforms
Strategic Investors	 Associated British Foods plc	1
	 BISCUIT INTERNATIONAL <i>baked to share and enjoy</i>	1
	 GROUPE LEDUFF	1
	 Emmi GROUP	1
	 La Lorraine BAKERY GROUP	1
Private Equity ¹⁾	 Lantmännen	1
	 3i	1 current portfolio platforms
	 argos fund	2 current portfolio platforms
	 AUCTUS	2 current portfolio platforms
	 BainCapital	1 current portfolio platforms
Private Equity ¹⁾	 CRÉDIT AGRICOLE	1 current portfolio platforms
	 finorpa	1 current portfolio platforms
	 UNIGRAINS	4 current portfolio platforms

Source(s): hillstreet advisory; Gain.Pro; S&P Capital IQ
Note(s): 1) Also includes bakery chains and similar

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 [READ MORE](#)

May 2025

 **Associated British Foods plc** acquired  **Hovis Bakery** 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 [READ MORE](#)

March 2025

 **Vandemoortele** acquired  **Délifrance** 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 [READ MORE](#)

February 2025

 **Martin Braun Gruppe** acquired  **Hoff's Bakery** **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** acquired  **Glocken Bäckerei** **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 [READ MORE](#)

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

Europe

North- and Latinamerica

Asia Pacific

Middle East and Africa



Valuation overview of bakery goods manufacturers

Valuation of comparable publicly traded companies

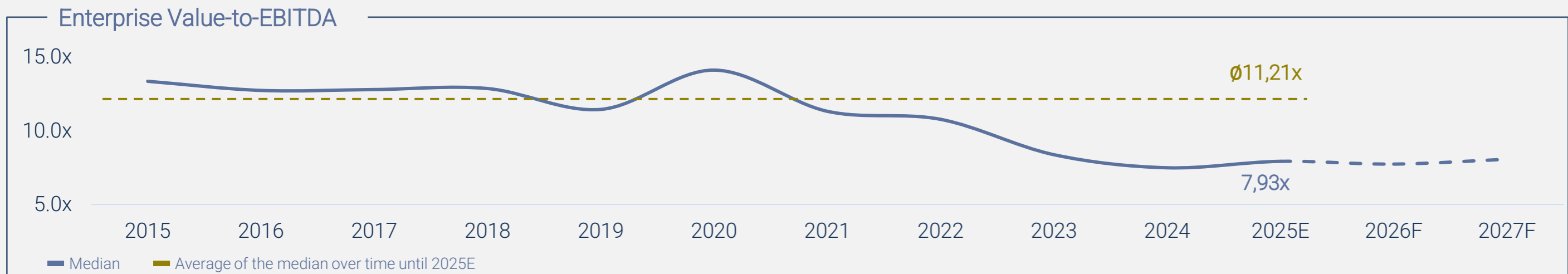
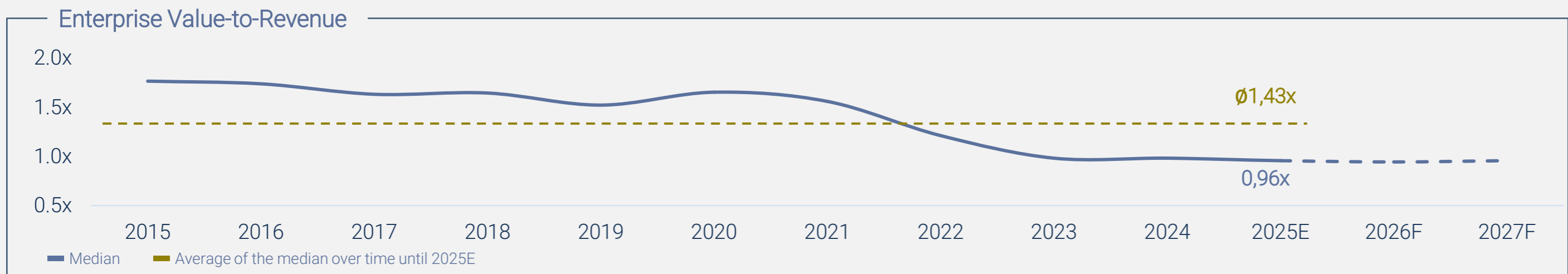
The low valuation environment and the resulting favorable entry prices are attracting both strategic and financial investors to M&A activities, as has been particularly evident since the increase in transaction activity since 2022

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

Source(s): hillstreet advisory; StrategyBridge; S&P Capital IQ; Pitchbook; Dealsuite M&A Monitor August 2025
Anmerkung 1: As of November 2025

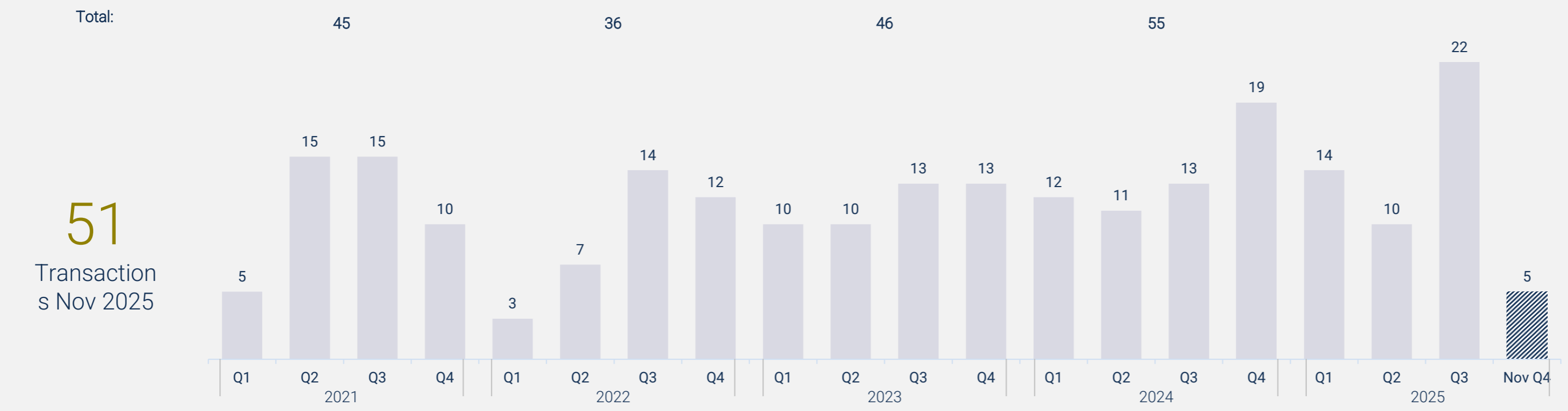
Deal volume in the global bakery market

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

Global M&A deal volume



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

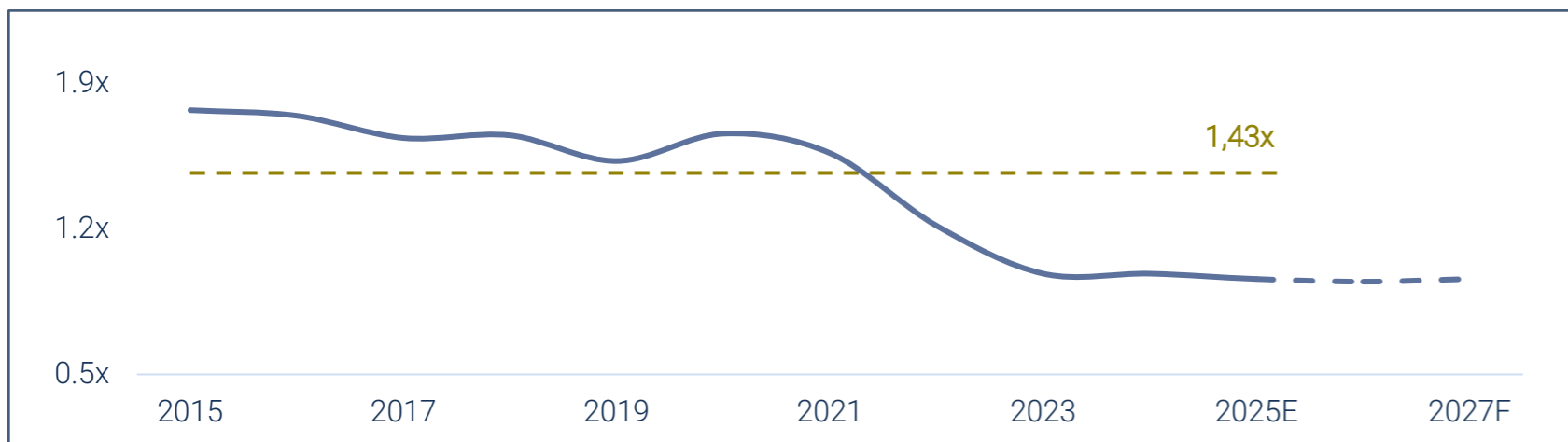
Source(s): hillstreet advisory; Gain.Pro

Valuation of comparable publicly traded companies

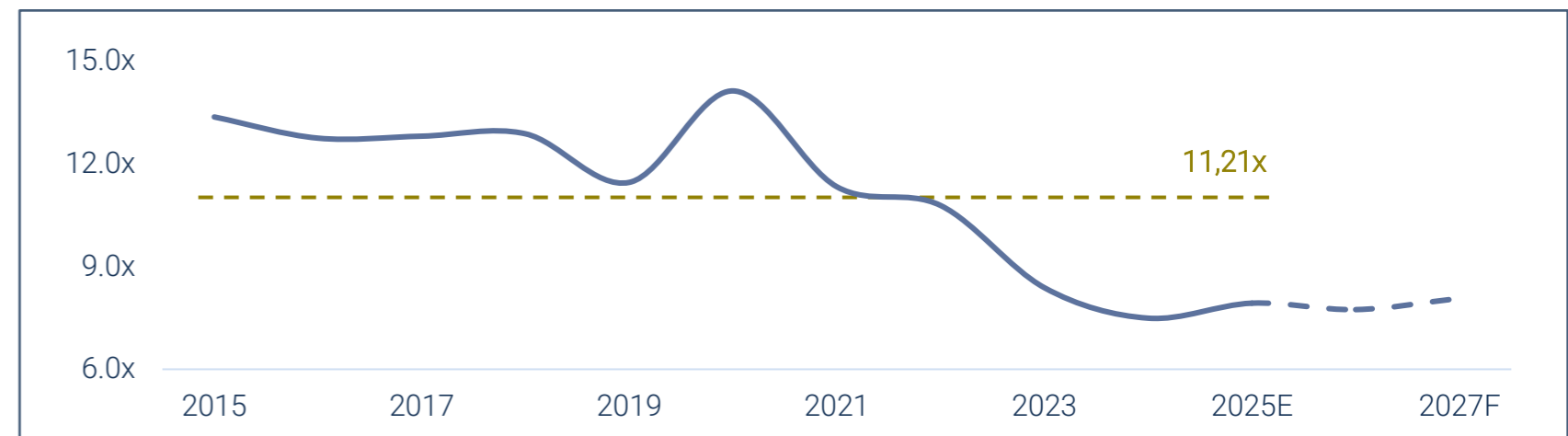
	Company	Country	Ticker	Market Cap (€ Mio.)	EV/Revenue		EV/EBITDA		EV/EBIT	2021-2024 CAGR		EBITDA margin	
					2025A	2026E	2025A	2026E	2026E	Total Revenue	Gross Profit	2025E	2026E
Global	ARYZTA	CH	SWX:ARYN	1,337	0.96x	0.96x	8.71x	8.71x	13.31x	11.65%	13.77%	11.02%	11.02%
	Flowers Food	US	NYSE:FLO	1,921	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

Median EV/Revenue



Median EV/EBITDA



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
September 2025	Wahli	NL	Lactalis	n/a	n/a	n/a	Strategic
September 2025	Musubi	FR	Carrefour	n/a	n/a	n/a	Strategic
September 2025	Wahli Group	DE	Wahli Group	n/a	n/a	n/a	Strategic
September 2025	Wahli	DE	Wahli Group	n/a	n/a	n/a	Strategic
September 2025	Orange			n/a	n/a	n/a	Strategic
August 2025	El Forno del Casale			n/a	n/a	n/a	Strategic
August 2025	Pop Culture Group	US	Highland	n/a	n/a	n/a	Strategic
August 2025	Hedberg Kaffe Kona	US	Hedberg Group	n/a	n/a	n/a	Strategic
August 2025	Louis Capellen	US	Freemont Food Group	n/a	n/a	n/a	Strategic
August 2025	Laport	FR	Lactalis	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 2025	Provia	US	Worleyparsons	150	1.0	1.0	Strategic
July 2025	THE COMMON FUND PRIVATE LIMITED	US	Onyx Capital	150	1.0	1.0	Private Equity
July 2025	Wendover Group	US	W&P	150	1.0	1.0	Strategic
July 2025	Jung De Maier	US	Egna Management	150	1.0	1.0	Private Equity
July 2025	Fluoride	US	WorleyParsons	150	1.0	1.0	Private Equity
July 2025	W&P Group	US	W&P Investment	150	1.0	1.0	Private Equity
June 2025	Investment Capital	US	Wellness Mutual Equity Partners	150/17	1.0	1.0	Private Equity
June 2025	W&P Group	US	Public Private Equity, Sovereign Wealth Capital, Partners Capital, W&P Investment	150	1.0	1.0	Private Equity
June 2025	W&P Group	US	W&P Investment	150	1.0	1.0	Strategic
May 2025	W&P Group	US	W&P Investment	150	1.0	1.0	Strategic
May 2025	W&P	US	Associated British Foods	150/10	1.0	1.0	Strategic
May 2025	Investment Capital	US	Onyx Capital Partners	150	1.0	1.0	Private Equity
May 2025	W&P Group	US	W&P Group	150	1.0	1.0	Strategic
April 2025	Little Bear's	US	William Jackson Food Group	150	1.0	1.0	Strategic
April 2025	W&P Group	US	Credit Mutual Asset Services	150	1.0	1.0	Private Equity
March 2025	W&P Group	US	W&P Capital	150	1.0	1.0	Private Equity
March 2025	Craftsman Bakery	US	Onyx Capital Partners	150	1.0	1.0	Private Equity
March 2025	W&P Group	US	W&P Partners	150	1.0	1.0	Private Equity

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

Source(s): hillstreet advisory; StrategyBridge; S&P Capital IQ; Company information

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