



## Economic situation

# IAA 80: the Unigrains indicator of agri-food stocks listed in Europe

### Highlights of the 4<sup>th</sup> quarter of 2017

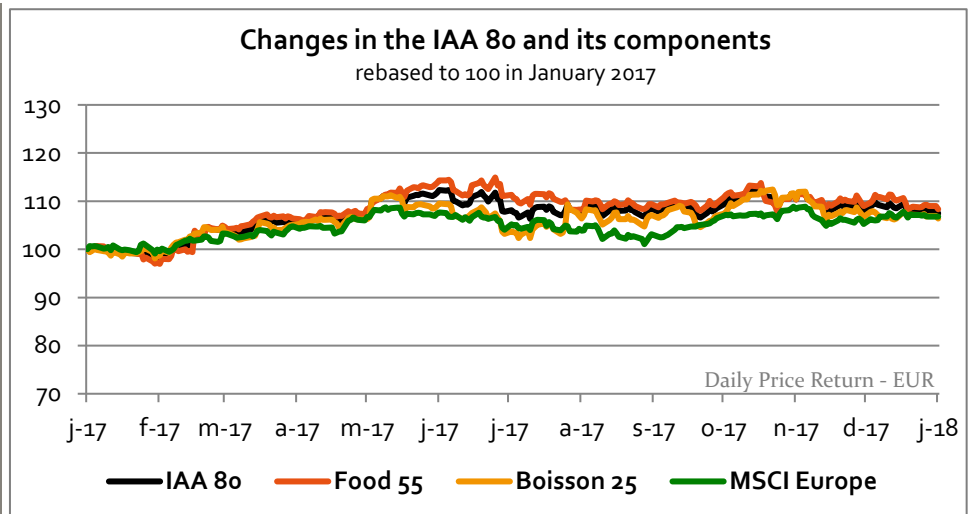
- **The size categories have been updated based on market capitalisation at 01/01/2018.** The composition of the IAA80 has not changed, but some companies have changed sub-index. Bonduelle and Savencia, whose capitalisation passed the €1,000m mark, are now included in Big 29. Dairy Crest and C&C Group have moved to Mid 28, while Fleury Michon, whose capitalisation fell below €200m, is now in Small 12.
- **In the 4<sup>th</sup> quarter of 2017, the IAA 80 lost 1.5%** while the European market fell 0.4%.
- **Big 29 was the only sub-index to post an increase (+1%),** underpinned by the performances of Barry Callebaut and Arytza.
- **The French securities sub-index, FR 14, posted a stellar performance during the quarter with a rise of 7.3%,** reaching 22% in full-year terms, with some stocks recording impressive increases.
- The IAA 80's valuation remained stable at 14.5x EBITDA, while that of the French sub-index rose to 15.1x.



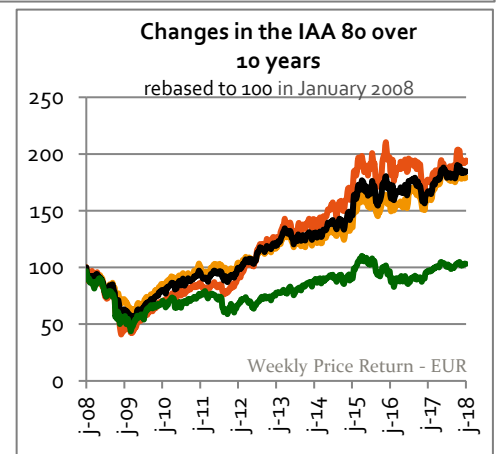
### Methodology

Created by Unigrains, the IAA 80 indicator is an index consisting of 80 listed agri-food stocks in Western Europe. Further details concerning the methodology and composition of the IAA 80 indicator and sub-indices depending on activity (Food/Beverages) or size (Lead/Big/Mid/Small) are presented in appendix.

**1.5% decrease in the IAA 80 in the 4<sup>th</sup> quarter of 2017**



- Over the past three months, the IAA 80 lost 1.5% in a slightly downward global trend, with the European market down 0.4%.
- Over one year, the IAA 80 outperformed the MSCI, with an increase of 8.1% against 6.8%.
- Over 10 years, the average annual growth rate of the IAA 80 stands at 6.3%. The European market remained just about stable at 0.7%.



Author: Lucie Arribard – Tel.: +33 1 44 31 16 35 – [larribard@unigrains.fr](mailto:larribard@unigrains.fr) – Date of Publication: January 2018

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**In the 4<sup>th</sup> quarter, Big 29 was the only sub-index to go up**

IAA 80 stocks are divided into four sub-indices based on their size

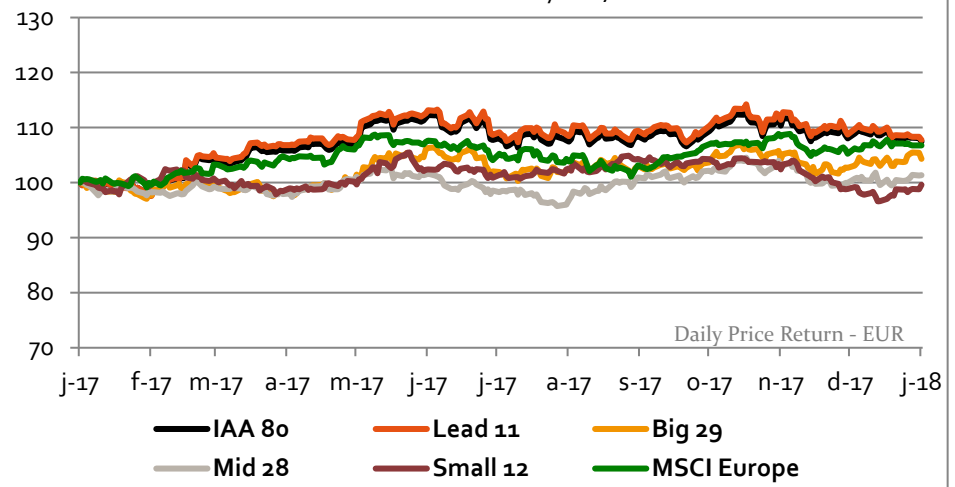
	Market capitalisation of the stocks covered (in €bn)
Lead 11	≥ 10
Big 29	[1 – 10[
Mid 28	[0.2 – 1[
Small 12	< 0.2

The figure in the sub-index's name gives the number of stocks covered

**Lead 11 and Big 29 were the only sub-indices to outperform significantly the European market over ten years**

### Changes in the sub-indices per size category

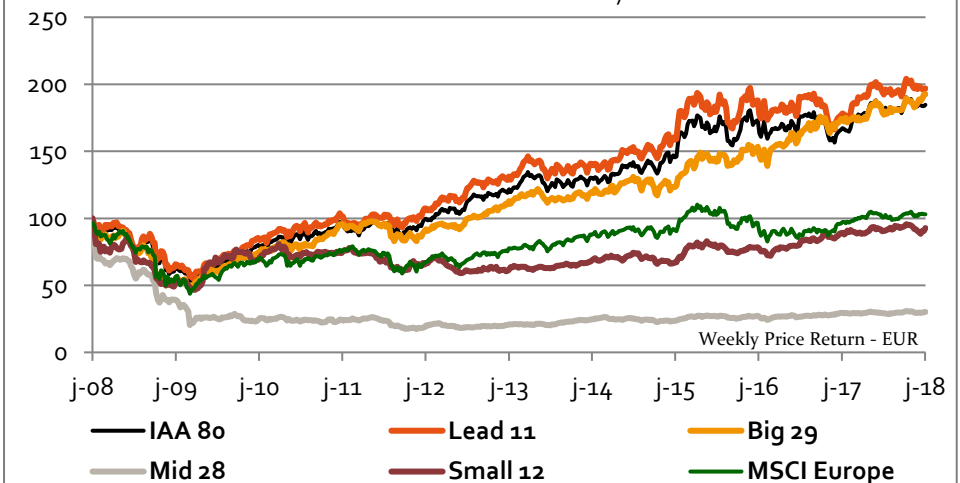
rebased to 100 in January 2017



- **Big 29 was the only sub-index to post an increase during the quarter (+1%),** underpinned notably by the performances of Barry Callebaut (+33%) and Arytza (+29%).
- **Mid 28 was stable at -0.6%,** while **Lead 11 lost 2.1%** due mainly to ABF (-13.9%).
- **Small 12 performed badly, falling 5.1%,** hurt by the declines posted by The Scottish Salmon (-27.5%) and Danish brewery Harboes Bryggeri (-18.9%).
- **Over 12 months,** Lead 11 (+8.3%) was the only index to outperform the European market (+6.8%), followed by Big 29, up 5.4%, Mid 28, up 1.3%, with Small 12 bringing up the rear at -1.2%.

### Changes in the IAA 80 sub-indices per size category

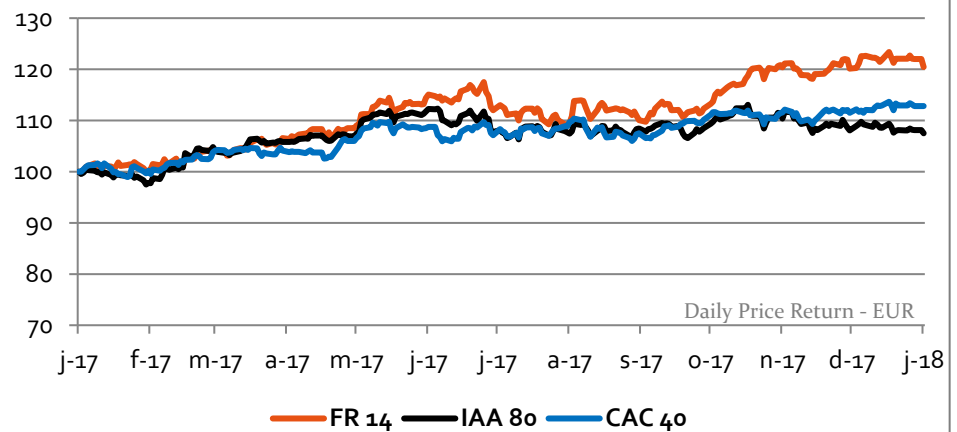
rebased to 100 in January 2008





*The French sub-index significantly outperformed the IAA 80 and the CAC 40 in the 4<sup>th</sup> quarter*

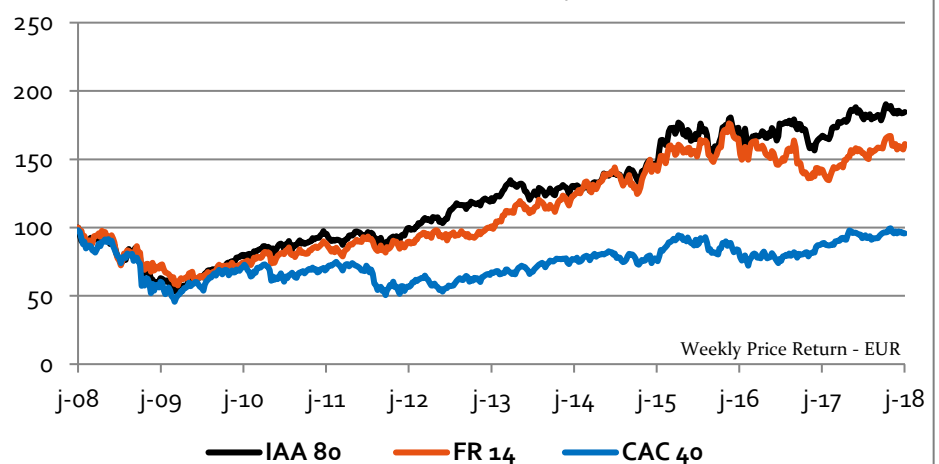
**Changes in the IAA 80 French sub-index**  
rebased to 100 in January 2017



- Over the past 3 months, FR 14 gained 7.3% compared with a slight rise of 1.1% for the CAC 40.
- Marie Brizard (-9.4%) and Fleury Michon (-3.4%) recorded the biggest declines, while Bonduelle (+24.2%) and Eurogerm (+14.4%) were the best performers.
- In the past year, FR 14 posted an impressive rise of 22%, significantly outperforming the IAA 80 and the Paris stock market index, which was up 6.8%. The French sub-index was driven by Bonduelle (+77%) and Rémy Cointreau (+42.5%).

*Over ten years, the French sub-index outperformed the CAC 40 but lagged the IAA 80*

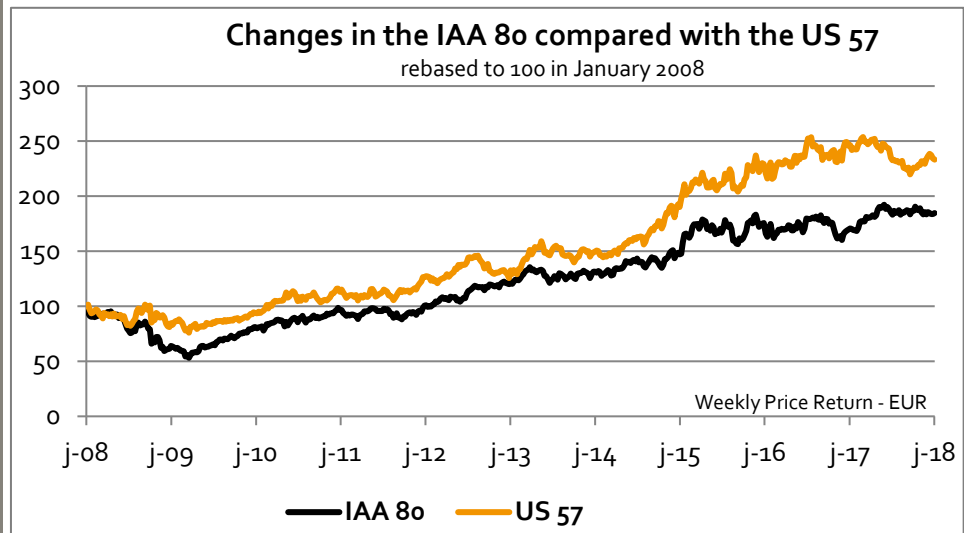
**Changes in the French sub-index over 10 years**  
rebased to 100 in January 2008



## Comparison of changes in European and American agri-food stocks

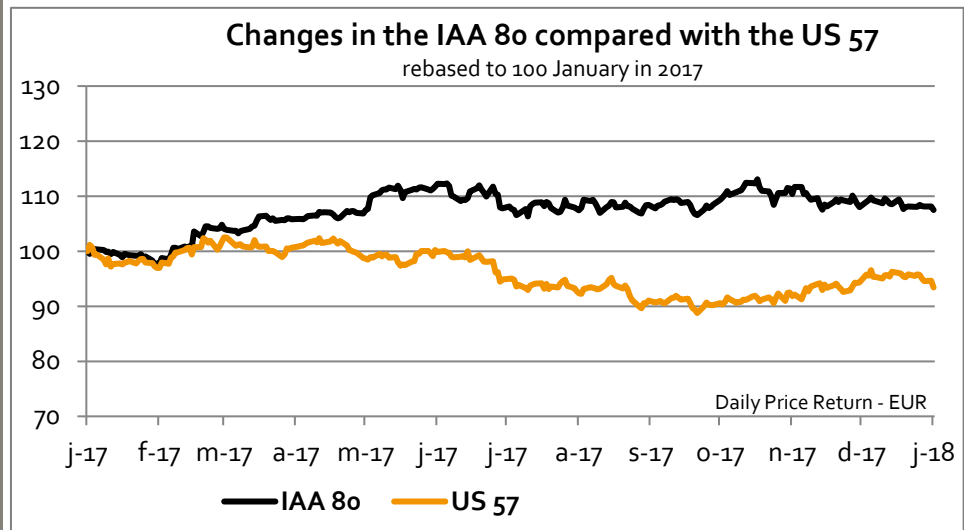
The US 57 is the Unigrains indicator of 57 agri-food stocks listed in the United States. See page 9 for its composition.

*Over 10 years, the US 57 has outperformed the IAA 80*



- The US 57 has grown by an average of 8.9% a year over 10 years. It was less impacted by the financial crisis of 2008 and its price in euro was boosted by the dollar's appreciation from 2014

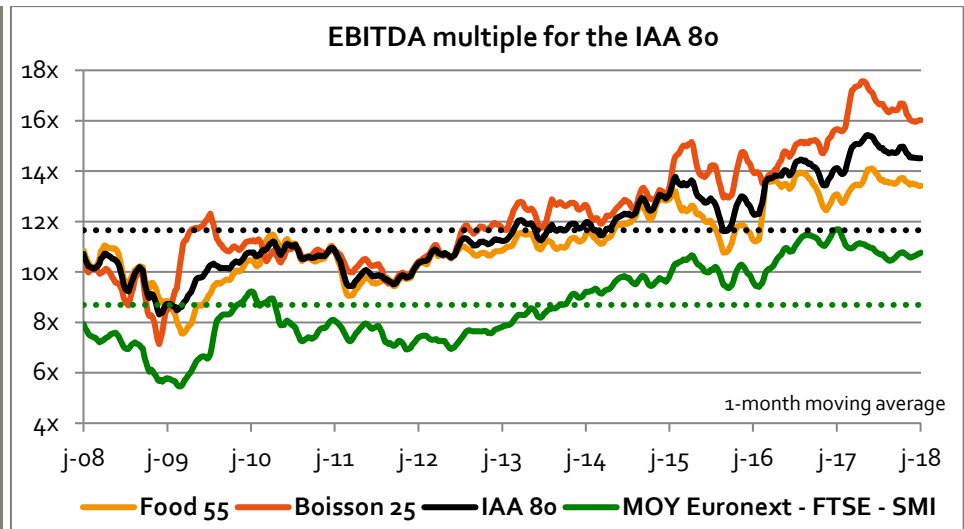
*In the 4<sup>th</sup> quarter of 2017, the IAA 80 kept its lead on the US 57*



- Over the past quarter, the US 57 rose 4.8% but lost 5.4% year-on-year. The IAA 80 lost 1.5% over the quarter but rose 8.1% year-on-year. In the United States, snacking food companies Amplify Snack Brands (+64.8%) and Snyder's Lance (+26.6%) were the best performers in the second half. New Age Beverages Corporation (-35.4%) once again recorded the sharpest decline in the quarter.

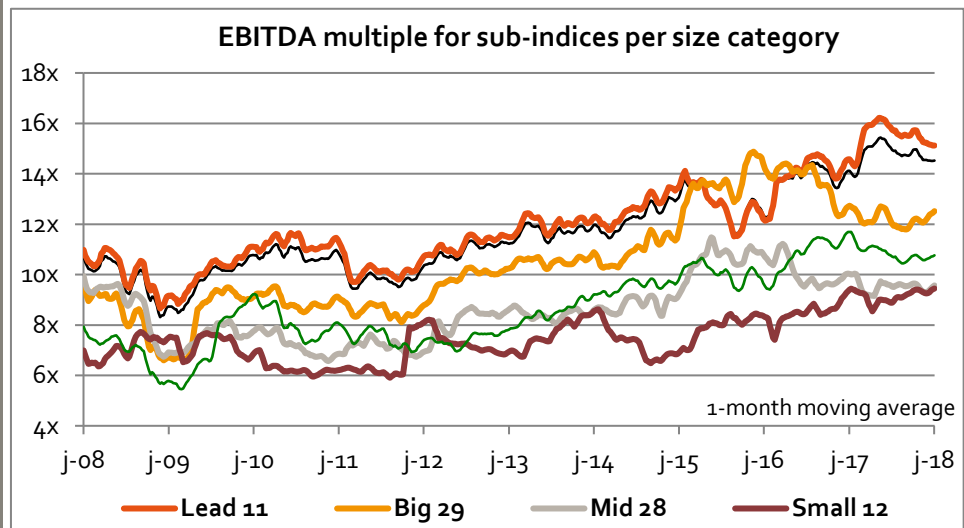


*The valuation of the IAA 80 remained stable in the 4<sup>th</sup> quarter*



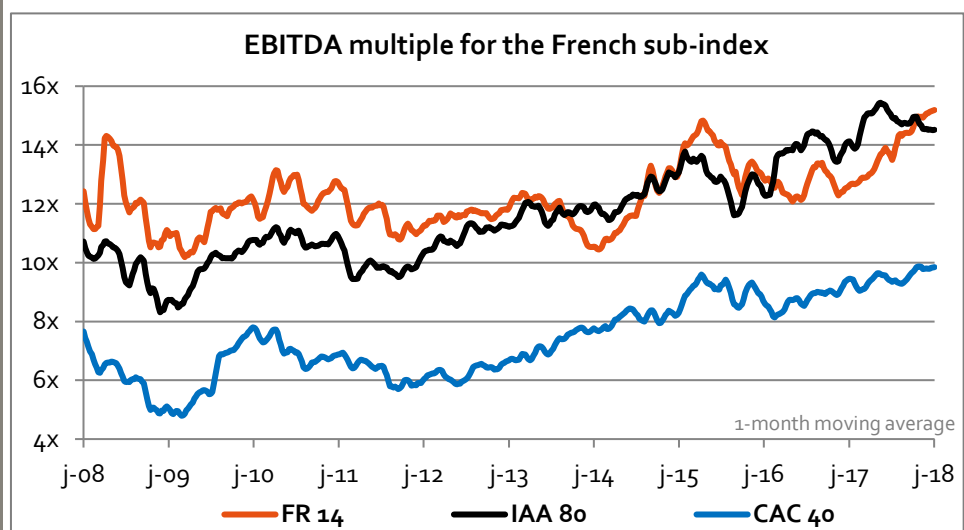
The IAA 80 ended the quarter at 14.5x EBITDA, while the average valuation of the main indices, Euronext 100, FTSE 100 and SMI, remained stable at 10.8x EBITDA.

*The valuations of the size category sub-indices remained relatively stable in the 4<sup>th</sup> quarter of 2017*



Lead 11 ended the quarter at 15.2x EBITDA and Big 29 at 12.5x. Mid 28 and Small 12 ended 2017 at 9.6x and 9.5x EBITDA, respectively.

*FR 14 continued to grow, reaching an average valuation of 15.1x EBITDA at end-December, significantly higher than the CAC 40's average valuation of 9.7x*





## Appendix 1 – Additional figures and definitions

### Stock market performances

#### Performance\* of agri-food indices at 31/12/2017

	Annualised growth						
	1 month	3 months	6 months	1 year	3 years	5 years	10 years
IAA 80	0.1%	(1.5%)	0.4%	8.1%	8.1%	9.1%	6.3%
Food 55	(0.0%)	(2.1%)	(1.5%)	9.0%	9.8%	9.0%	6.0%
Beverages 25	0.2%	(0.7%)	3.3%	6.9%	5.4%	9.3%	6.8%
Lead 11	(0.4%)	(2.1%)	(0.3%)	8.3%	7.3%	8.8%	7.0%
Big 29	2.6%	1.0%	3.7%	5.4%	16.0%	11.8%	6.8%
Mid 28	1.4%	(0.6%)	2.8%	1.3%	8.5%	7.9%	(11.4%)
Small 12	(0.1%)	(5.1%)	(2.7%)	(1.2%)	10.4%	8.3%	(1.0%)
FR 14	1.6%	7.3%	8.3%	22.0%	2.9%	9.6%	4.6%
MSCI Europe	1.4%	(0.4%)	1.8%	6.8%	4.2%	6.5%	0.7%

\*Share price performance throughout the corresponding period, excluding dividends

#### Volatility: average weekly variation (absolute)

	1 year	3 years	5 years	10 years
IAA 80	1.0%	1.5%	1.5%	1.6%
Food 55	1.0%	1.5%	1.4%	1.6%
Beverages 25	1.3%	1.8%	1.8%	2.0%
Lead 11	1.1%	1.6%	1.5%	1.7%
Big 29	1.0%	1.4%	1.3%	1.6%
Mid 28	0.8%	1.1%	1.1%	1.8%
Small 12	0.9%	1.1%	1.0%	1.5%
FR 14	1.2%	1.7%	1.7%	2.0%
MSCI Europe	0.8%	1.6%	1.5%	2.0%

#### Key financial data in 2016

Average	Sales (€m)	EBITDA/Sales	ROCE	Gearing	Leverage
IAA 80	4,600	15%	11%	0.5	2.3
Food 54	4,802	14%	11%	0.4	1.7
Beverages 26	4,154	19%	11%	0.6	3.7
Lead 11	25,194	21%	10%	0.6	2.2
Big 29	2,348	18%	13%	0.4	1.3
Mid 28	639	13%	11%	0.6	3.3
Small 12	404	9%	6%	0.4	2.4
France 14	3,146	12%	7%	0.7	5.2
Euronext 100	20,710	21%	9%	0.1	2.3

#### MSCI Europe: index representing the European stock market

Weighted index consisting of 437 Western European stocks. Average market capitalisation of €15 billion.

#### EBITDA multiple = EV/EBITDA

EV (enterprise value) = market capitalisation + net financial debt + minority interests

ROCE = EBIT \* (1-33%)/(net fixed assets + working capital requirement) avg year n/n-1

Gearing = net financial debt/shareholders' equity

Leverage = net financial debt/EBITDA

Financial figures are derived from the CIQ database, which adjusts them according to its own methodology to produce consistent indicators.

### Financial performances

### Definitions

## Appendix 2 – Methodology

Created by Unigrains, the IAA 80 indicator is an index consisting of 80 listed agri-food stocks based in 13 countries of Western Europe (Belgium, Denmark, Finland, France, Germany, Ireland, Italy, Netherlands, Norway, Spain, Sweden, Switzerland, United Kingdom). It is weighted by the market capitalisation. The selected stocks have a market capitalisation of more than €50m and a minimum free float of 15%. The IAA 80 is divided into several sub-indices based on three criteria:

- Activity: Food 55 and Beverages 25, composed respectively of 55 and 25 stocks.
- Size: Lead 11, Big 29, Mid 28 and Small 12 with a breakdown of businesses based on their market capitalisation at 1 January of the current year; thresholds at €200m, €1,000m and €10,000m.
- Geographic region: France 14, composed of 14 French stocks.

All of the figures in this memorandum come from the S&P Capital IQ database and are calculated in EUR.

IAA 80 stocks

Company	Country	Sector	Sub-sector	Market capitalisation at 01/01/2018 (in €m)	Size category in IAA 80
NESTLÉ	CH	Food	Sweet & savoury groceries	215,526	Lead 11
AB-INBEV	BE	Beverages	Brewing	180,086	Lead 11
UNILEVER	NL	Food	Sweet & savoury groceries	133,303	Lead 11
DIAGEO	UK	Beverages	Wine & spirits	76,869	Lead 11
HEINEKEN	NL	Beverages	Brewing	49,523	Lead 11
DANONE	FR	Food	Sweet & savoury groceries	42,947	Lead 11
PERNOD-RICARD	FR	Beverages	Wine & spirits	34,891	Lead 11
ABF	UK	Food	Sweet & savoury groceries	24,990	Lead 11
KERRY	IE	Food	Agri-food ingredients	16,457	Lead 11
CARLSBERG	DK	Beverages	Brewing	15,260	Lead 11
LINDT & SPRUENGLI	CH	Food	Chocolate, confectionery	14,127	Lead 11
BARRY CALLEBAUT	CH	Food	Chocolate, confectionery	9,521	Big 29
ORKLA	NO	Food	Sweet & savoury groceries	8,979	Big 29
DAVIDE CAMPARI	IT	Beverages	Wine & spirits	7,469	Big 29
MARINE HARVEST	NO	Food	Seafood products	6,349	Big 29
RÉMY COINTREAU	FR	Beverages	Wine & spirits	5,725	Big 29
GLANBIA	IE	Food	Agri-food ingredients	4,398	Big 29
SUDZUCKER	DE	Food	Sugar	3,714	Big 29
TATE & LYLE	UK	Food	Agri-food ingredients	3,668	Big 29
EMMI	CH	Food	Dairy products	3,209	Big 29
AAK	SE	Food	Agri-food ingredients	3,019	Big 29
EBRO FOODS	ES	Food	Sweet & savoury groceries	3,003	Big 29
FEVERTREE	UK	Beverages	Soft drinks	2,950	Big 29
ARYZTA	CH	Food	Sweet & savoury groceries	2,933	Big 29
SALMAR	NO	Food	Seafood products	2,813	Big 29
LERØY SEAFOOD	NO	Food	Seafood products	2,658	Big 29
ROYAL UNIBREW	DK	Beverages	Brewing	2,621	Big 29
NOMAD FOODS	UK	Food	Sweet & savoury groceries	2,566	Big 29
VISCOFAN	ES	Food	Agri-food ingredients	2,564	Big 29
BRITVIC	UK	Beverages	Soft drinks	2,405	Big 29
L.D.C.	FR	Food	Meat	1,922	Big 29
CRANSWICK	UK	Food	Meat	1,887	Big 29
GREENCORE	IE	Food	Sweet & savoury groceries	1,813	Big 29
LOTUS BAKERIES	BE	Food	Sweet & savoury groceries	1,720	Big 29



Company	Country	Sector	Sub-sector	Market capitalisation at 01/01/2018 (in €m)	Size category in IAA 8o
P/F BAKKAFROST	DK	Food	Seafood products	1,715	Big 29
BELL	CH	Food	Meat	1,467	Big 29
AUSTEVOLL SEAFOOD	NO	Food	Seafood products	1,398	Big 29
BONDUELLE	FR	Food	F&V	1,352	Big 29
ROYAL WESSANEN	NL	Food	Sweet & savoury groceries	1,297	Big 29
SAVENCIA	FR	Food	Dairy products	1,131	Big 29
DAIRY CREST	UK	Food	Dairy products	906	Mid 28
GREENYARD FOODS	BE	Food	F&V	892	Mid 28
C&C GROUP	IE	Beverages	Wine & spirits	881	Mid 28
CLOETTA	SE	Food	Chocolate, confectionery	871	Mid 28
A.G.BARR	UK	Beverages	Soft drinks	867	Mid 28
GRIEG SEAFOOD	NO	Food	Seafood products	810	Mid 28
HILTON FOOD	UK	Food	Meat	714	Mid 28
NICHOLS	UK	Beverages	Soft drinks	639	Mid 28
OLVI OYJ	FI	Beverages	Brewing	620	Mid 28
RAISIO	FI	Food	Sweet & savoury groceries	605	Mid 28
NORWAY ROYAL SALMON	NO	Food	Seafood products	593	Mid 28
STOCK SPIRITS	UK	Beverages	Wine & spirits	586	Mid 28
FROSTA	DE	Food	Sweet & savoury groceries	538	Mid 28
LA DORIA	IT	Food	F&V	508	Mid 28
LAURENT-PERRIER	FR	Beverages	Wine & spirits	492	Mid 28
BARON DE LEY	ES	Beverages	Wine & spirits	473	Mid 28
PREMIER FOODS	UK	Food	Sweet & savoury groceries	400	Mid 28
ORIOR	CH	Food	Meat	391	Mid 28
SCANDI STANDARD	SE	Food	Meat	388	Mid 28
MARIE BRIZARD	FR	Beverages	Wine & spirits	354	Mid 28
HOCHDORF	CH	Food	Agri-food ingredients	345	Mid 28
ATRIA	FI	Food	Meat	341	Mid 28
HÜGLI	CH	Food	Sweet & savoury groceries	331	Mid 28
TER BEKE	BE	Food	Meat	299	Mid 28
MASSIMO ZANETTI	IT	Beverages	Coffee	254	Mid 28
LANSON-BCC	FR	Beverages	Wine & spirits	233	Mid 28
VRANKEN POMMERY	FR	Beverages	Wine & spirits	210	Mid 28
DEOLEO	ES	Food	Sweet & savoury groceries	202	Mid 28
FLEURY MICHON	FR	Food	Meat	195	Small 12
HKSCAN	FI	Food	Meat	169	Small 12
SCHLOSS WACHENHEIM	DE	Beverages	Wine & spirits	162	Small 12
THE SCOTTISH SALMON	UK	Food	Seafood products	157	Small 12
FINSBURY FOOD	UK	Food	Sweet & savoury groceries	154	Small 12
MIKO	BE	Food	Sweet & savoury groceries	153	Small 12
EUROGERM	FR	Food	Agri-food ingredients	131	Small 12
ADVINI	FR	Beverages	Wine & spirits	128	Small 12
GROUPE MINOTERIES	CH	Food	Cereal, oilseed & protein crop processing	103	Small 12
APETIT	FI	Food	Sweet & savoury groceries	88	Small 12
TIPIAK	FR	Food	Sweet & savoury groceries	79	Small 12
HARBOES BRYGGERI	DK	Beverages	Brewing	57	Small 12



**US 57 stocks**

The list of stocks in the US 57 is updated each year based on their market capitalisation at 1 January.

At-end 2017, three stocks exited the US 60 (which therefore became the US 57):

- Omega Protein, which was taken over by Cooke
- Inventure Food, which was taken over by UTZ Foods
- Reed's, whose market capitalisation fell back under €50m

Company	Sector	Sub-sector	Market capitalisation at 01/01/2018 (in €m)
THE COCA-COLA COMPANY	Beverages	Soft drinks	163,051
PEPSICO, INC.	Beverages	Soft drinks	142,433
THE KRAFT HEINZ COMPANY	Food	Sweet & savoury groceries	78,930
MONDELEZ INTERNATIONAL, INC.	Food	Sweet & savoury groceries	53,764
CONSTELLATION BRANDS, INC.	Beverages	Wine & spirits	37,252
MONSTER BEVERAGE CORPORATION	Beverages	Soft drinks	29,961
GENERAL MILLS, INC.	Food	Sweet & savoury groceries	28,076
TYSON FOODS, INC.	Food	Meat	24,783
BROWN-FORMAN CORPORATION	Beverages	Wine & spirits	21,986
THE HERSHEY COMPANY	Food	Chocolate, confectionery	20,092
KELLOGG COMPANY	Food	Sweet & savoury groceries	19,549
HORMEL FOODS CORPORATION	Food	Meat	16,004
MOLSON COORS BREWING COMPANY	Beverages	Brewing	14,724
DR PEPPER SNAPPLE GROUP, INC.	Beverages	Soft drinks	14,696
CONAGRA BRANDS, INC.	Food	Sweet & savoury groceries	12,821
CAMPBELL SOUP COMPANY	Food	Sweet & savoury groceries	12,047
THE J. M. SMUCKER COMPANY	Food	Sweet & savoury groceries	11,758
MCCORMICK & COMPANY, INC	Food	Sweet & savoury groceries	11,123
INGREDION INCORPORATED	Food	Ingredients	8,355
LAMB WESTON HOLDINGS, INC.	Food	Sweet & savoury groceries	6,876
PILGRIM'S PRIDE CORPORATION	Food	Meat	6,438
PINNACLE FOODS INC.	Food	Sweet & savoury groceries	5,886
BLUE BUFFALO PET PRODUCTS, INC.	Food	Pet food	5,386
POST HOLDINGS, INC.	Food	Sweet & savoury groceries	4,367
SEABOARD CORPORATION	Food	Meat, agric. commodities, etc.	4,301
SNYDER'S-LANCE, INC.	Food	Sweet & savoury groceries	4,033
NATIONAL BEVERAGE CORP.	Beverages	Soft drinks	3,782
THE HAIN CELESTIAL GROUP, INC.	Food	Sweet & savoury groceries	3,687
FLOWERS FOODS, INC.	Food	Pastry and bakery	3,368
LANCASTER COLONY CORPORATION	Food	Sweet & savoury groceries	2,954
SANDERSON FARMS, INC.	Food	Meat	2,630
DARLING INGREDIENTS INC.	Food	Ingredients	2,487
J&J SNACK FOODS CORP.	Food	Sweet & savoury groceries	2,371



TREEHOUSE FOODS, INC.	Food	Sweet & savoury groceries	2,357
Company	Sector	Sub-sector	Market capitalisation at 01/01/2018 (in €m)
FRESH DEL MONTE PRODUCE INC.	Food	F&V	1,975
B&G FOODS, INC.	Food	Sweet & savoury groceries	1,947
TOOTSIE ROLL INDUSTRIES, INC.	Food	Chocolate, confectionery	1,915
THE BOSTON BEER COMPANY, INC.	Beverages	Brewing	1,852
CAL-MAINE FOODS, INC.	Food	Eggs	1,799
COCA-COLA BOTTLING CO.	Beverages	Soft drinks	1,674
CALAVO GROWERS, INC.	Food	F&V	1,233
HOSTESS BRANDS, INC.	Food	Sweet & savoury groceries	1,229
MGP INGREDIENTS, INC.	Beverages	Wine & spirits	1,071
DEAN FOODS COMPANY	Food	Dairy products	877
AMPLIFY SNACK BRANDS, INC.	Food	Sweet & savoury groceries	752
JOHN B. SANFILIPPO & SON, INC.	Food	F&V	595
SUNOPTA INC.	Food	Ingredients	555
FARMER BROS. CO.	Food	Sweet & savoury groceries	447
PRIMO WATER CORPORATION	Beverages	Soft drinks	314
CRAFT BREW ALLIANCE, INC.	Beverages	Brewing	309
LANDEC CORPORATION	Food	Milk, ingredients	289
SENECA FOODS CORPORATION	Food	F&V	250
CASTLE BRANDS INC.	Beverages	Wine & spirits	167
LIFEWAY FOODS, INC.	Food	Dairy products	107
BRIDGFORD FOODS CORPORATION	Food	Sweet & savoury groceries	95
NEW AGE BEVERAGES CORPORATION	Beverages	Soft drinks	63
ROCKY MOUNTAIN CHOCOLATE FACTORY	Food	Chocolate, confectionery	58