



Economic situation

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

Highlights of the 1st quarter of 2017

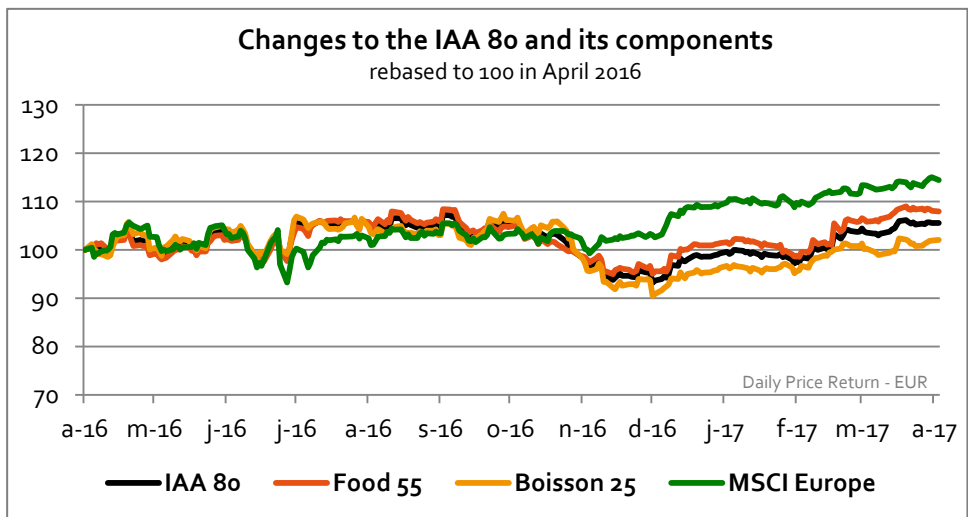
- The IAA 80 again outperformed the market, up 6.0% over three months compared with 4.8% for the MSCI Europe. The indicator was supported by positive earnings releases by its stocks for 2016, in an encouraging economic environment.
- Lead 11 recorded the best performance, up 7.0%, while the other sub-indices did not fare so well, with Mid 29 inching up 1.2% and Big 29 and Small 11 losing 1.6%.
- The French stock sub-index outperformed both the IAA 80 and the CAC 40, up 6.5% while the Paris stock market index gained 4.9%.
- The IAA 80's valuation went back on the rise, reaching 15x EBITDA at end-March, driven by the beverages segment.



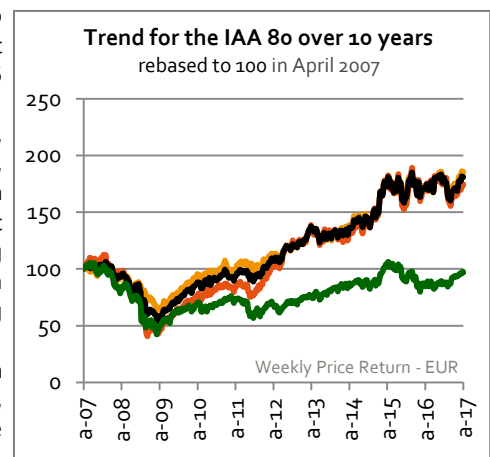
Methodology

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.

6.0% rise in the IAA 80 in the 1st quarter



- Over the past three months, the IAA 80 rose 6.0%, recouping the losses of the last quarter of 2016 thanks to positive 2016 earnings releases by its core stocks.
- Over one year, the IAA 80 gained 5.5%, hurt by Donald Trump's election in Q4 2016, while the MSCI was up 15.0% against an encouraging economic backdrop in recent months (Trump programme benefiting businesses, upbeat economic indicators in Europe, the United States and emerging markets).
- Over ten years, the average annual growth rate of the IAA 80 came in at 6.1%, compared with a decline of 0.3% for the European market.



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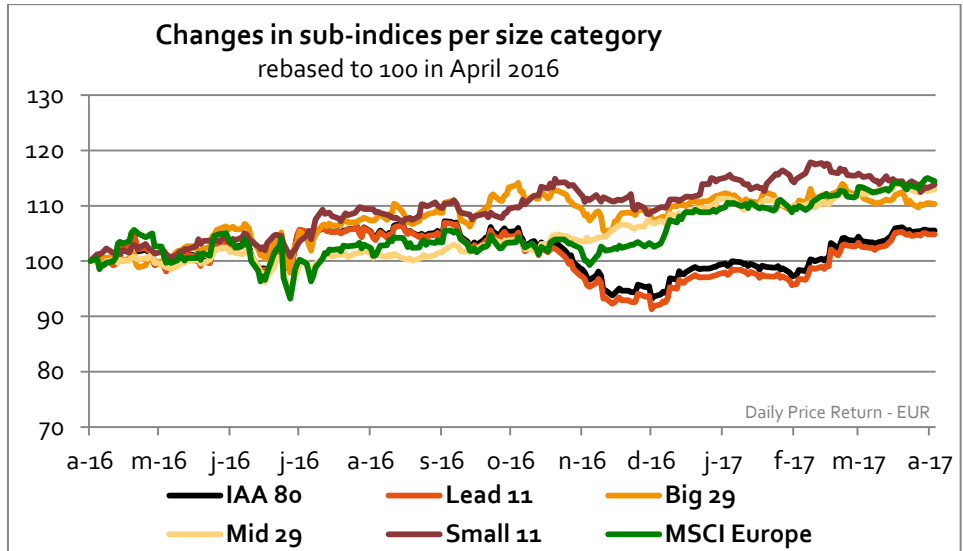
In the 1st quarter of 2017, Lead 11 outperformed the other sub-indices, without however making up for the losses recorded in the previous half-year

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

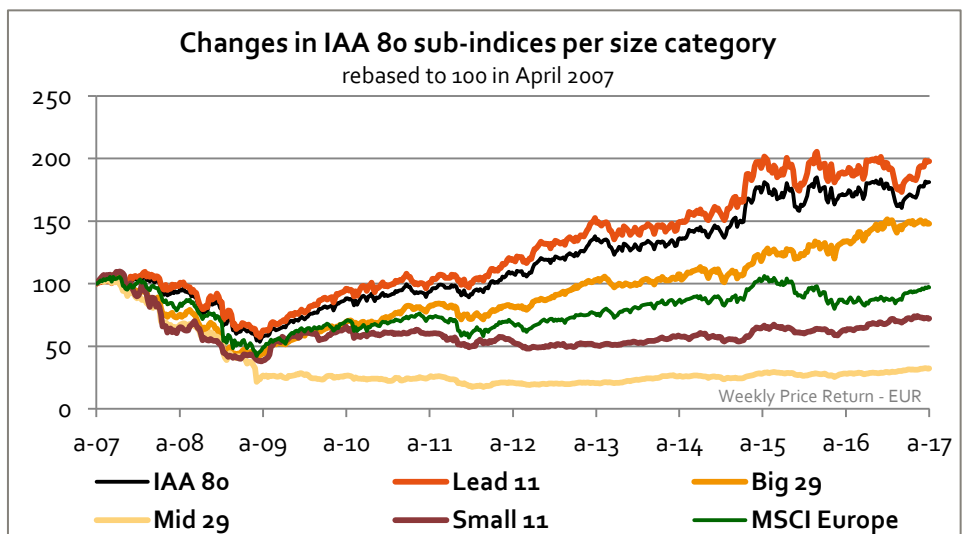
	Market capitalisation of the stocks covered (in €bn)
Lead 11	≥ 10
Big 29	[1 – 10[
Mid 29	[0.2 – 1[
Small 11	< 0.2

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

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

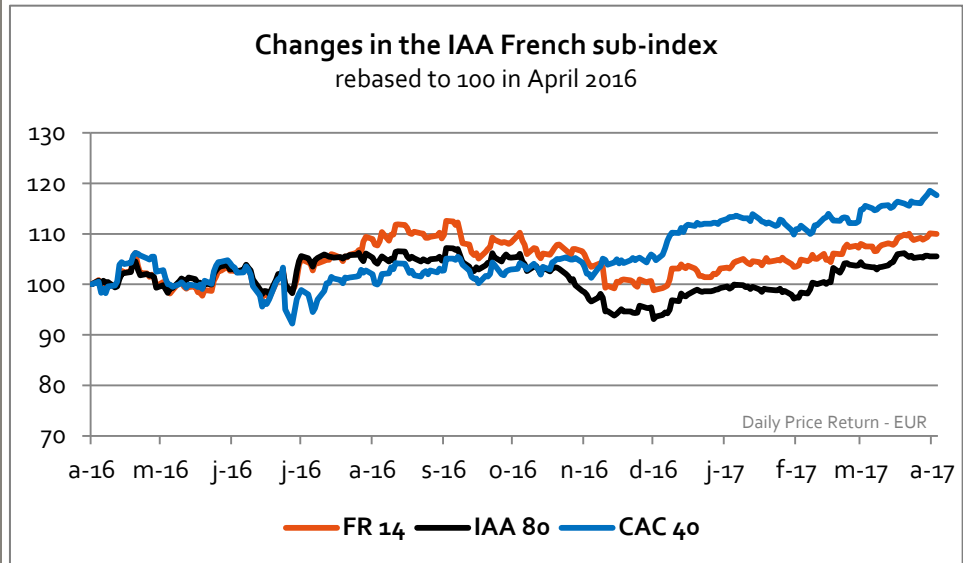


- **Lead 11 outperformed all the indices with an increase of 7.0% in the 1st quarter.** Most of its stocks posted stellar performances, underpinned by positive earnings in 2016. **Unilever** posted the sharpest increase, up 18.6%, boosted by the attempted takeover bid from US company Kraft Heinz. **Heineken** was up nearly 12%, its 2016 results having exceeded expectations and its acquisition of Kirin's Brazilian subsidiary being seen as positive in the long term, despite an initially negative impact (negative operating result, recession in Brazil).
- **Mid 29 inched up 1.2%.** Half of its stocks went down, notably seafood, hurt by the drop in Norwegian salmon prices, and French beverages (see next page for more details). There was a number of sharp increases, however: **Cloetta** soared 24.5% on announcing the Candyking acquisition; **Greenyard Foods** gained 21.6%, driven by good results and a refinancing plan including a share buyback, and **Bonduelle** was up 18.5% following the announcement of the Ready Pac Foods acquisition (see next page).
- **Big 29 lost 1.6%** over three months. The five seafood stocks shed more than 20%, with the exception of **Marine Harvest**, down 17.5%, and **Aryzta**, which slumped 28.2% after issuing a profit warning on its annual results that was described as "violent" by analysts. **Fevertree** was up 31.9%, further accelerating its rise to new heights, following the announcement of a strong increase in its 2016 results (the stock is valued at 44x estimated EBITDA at 31/12/17).
- **Small 11 also lost 1.6%.** The sub-index was pulled down by its seafood stock, The Scottish Salmon, which shed 15.5%, and by pastry and bakery company **Finsbury Food**, down 12.2% in a difficult environment for grocery products in the UK (price war being waged against surge in the cost of inputs following the pound's devaluation).
- **Over 12 months**, despite double-digit increases for Big 29, Mid 29 and Small 11, all sub-indices underperformed the market, Lead 11 bringing up the rear with a gain of 4.8%.



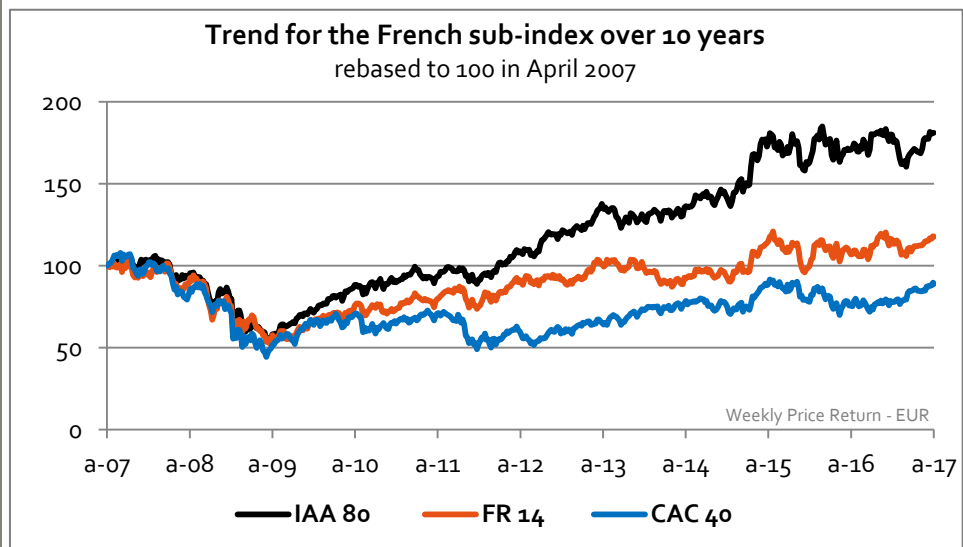


The French sub-index outperformed the IAA 80 and the CAC 40 in the 1st quarter



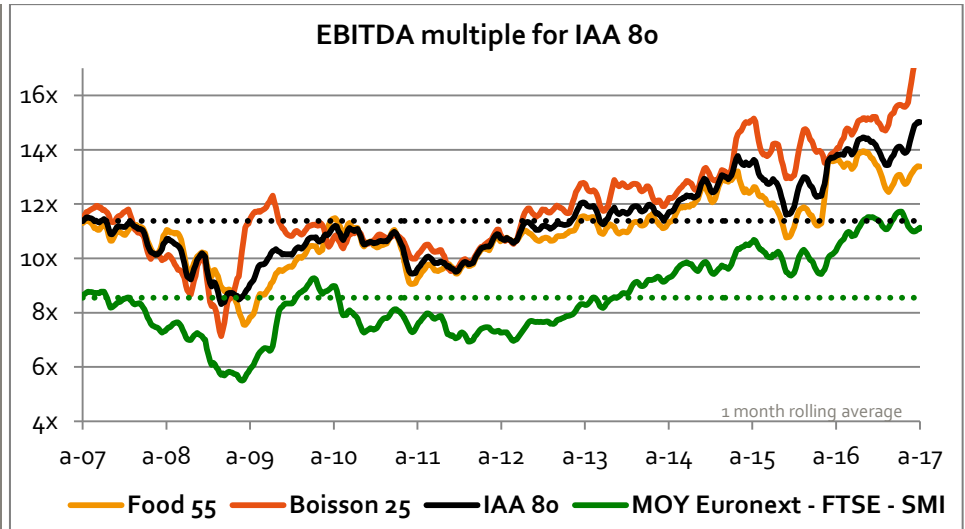
- Over the past 3 months, **FR 14** gained 6.5%, compared with a rise of 4.9% for the CAC 40, outperforming most of the sub-indices (with the exception of Lead 11). In the past year, FR 14 rose 10.1%, outperforming the IAA 80 but underperforming the Paris stock market index, which was up 18.5%.
- **Bonduelle** posted the best performance, up 18.5%, bolstered by its acquisition of Ready Pac Foods, the US leader in salads and snack packs. With this acquisition, the biggest in the company's history, the United States became Bonduelle's first market ahead of France. The company also buttressed its positions in the prepared fresh vegetable market, a fast-growing segment in the United States. **Savencia** continued its ascent with a gain of 14.1%. Despite an 0.5% fall in 2016 sales due to a negative currency effect and an uncertain outlook for 2017 (volatile dairy industry in producing countries and uncertainty about global currency trends), investors are attracted by the significant improvement in the company's profitability through the consolidation of its international positions and the volume growth of its flagship brands, as well as the resulting rise in dividends.
- **Marie Brizard** recorded the sharpest drop, down 11.2%, penalised following the announcement of a 1.8% fall in 2016 sales and a downward revision of its 2017 EBITDA forecast to €17m from €20m reaffirmed back in December. Champagne stocks struggled, with **Lanson** down 9.9% while **Laurent Perrier** and **Vranken** fell by 4.0% and 3.3%, respectively. Their UK activities were hurt by the pound's fall, while in France the decrease in Parisian restaurant patronage continued to be felt.

Over ten years, the French sub-index lagged the IAA 80 significantly



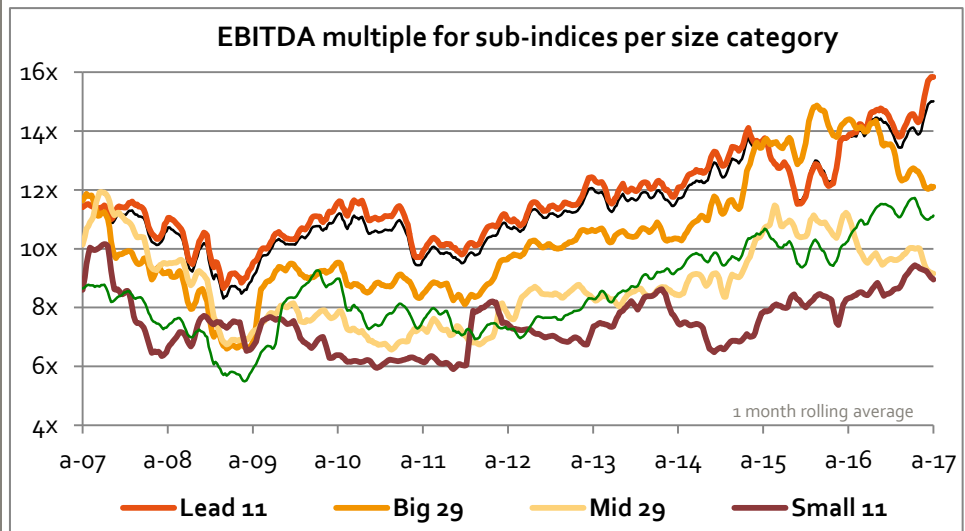


The valuation of the IAA 80 went back on the rise in the 1st quarter

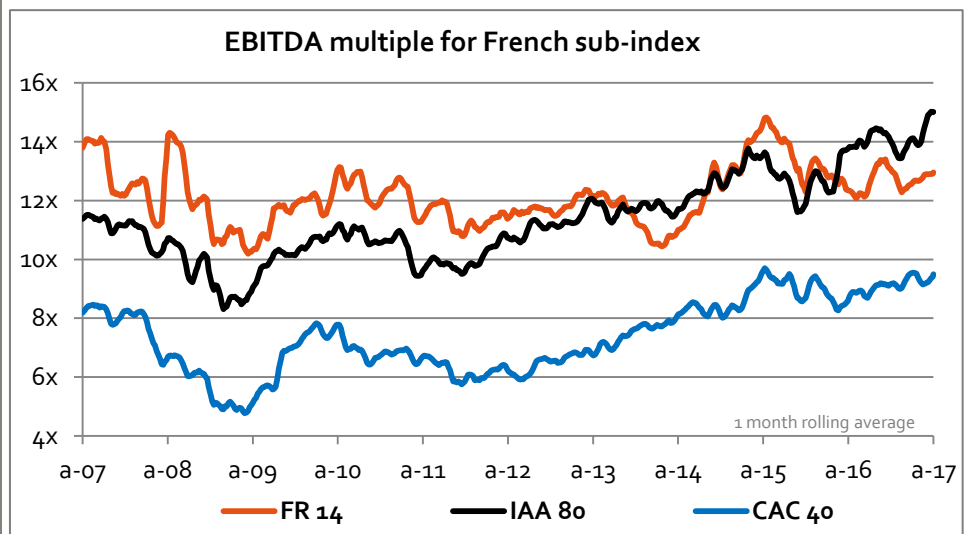


The IAA 80 ended the year at 15.0x EBITDA, having gained 1 valuation point over three months; the average valuation of the main indices, Euronext 100, FTSE 100 and SMI, fell to 11.1x EBITDA.

Lead 11 was the only segment whose valuation increased in the last three months



FR 14's valuation reached 13.0x EBITDA at end-March





Appendix 1 - Additional figures and definitions

Stock market performances

Performance* of agri-food indicators as at 31/03/2017

	Annualised growth						
	1 month	3 months	6 months	1 year	3 years	5 years	10 years
IAA 80	1.1%	6.0%	0.1%	5.5%	9.9%	10.9%	6.1%
Food 55	1.4%	6.4%	2.9%	8.1%	10.1%	10.6%	6.4%
Beverages 25	0.5%	5.4%	(3.9%)	1.9%	9.5%	11.4%	5.7%
Lead 11	1.5%	7.0%	0.3%	4.8%	9.8%	10.7%	7.1%
Big 29	(2.0%)	(1.6%)	(2.8%)	10.5%	11.2%	12.7%	4.0%
Mid 29	0.4%	1.2%	8.4%	12.6%	7.1%	9.1%	(10.7%)
Small 11	(2.3%)	(1.6%)	3.1%	13.2%	7.7%	6.4%	(3.2%)
France 14	2.0%	6.5%	0.4%	10.1%	8.5%	5.5%	1.7%
MSCI Europe	1.4%	4.8%	11.2%	15.0%	3.6%	7.5%	(0.3%)

*Share price performance throughout the corresponding period, excluding dividends

Volatility: average weekly variation (absolute)

	1 year	3 years	5 years	10 years
IAA 80	1.3%	1.6%	1.5%	1.7%
Food 55	1.3%	1.5%	1.4%	1.6%
Beverages 25	1.7%	2.0%	1.9%	2.2%
Lead 11	1.4%	1.7%	1.6%	1.7%
Big 29	1.4%	1.6%	1.4%	1.7%
Mid 29	0.9%	1.1%	1.1%	1.7%
Small 11	0.9%	1.1%	1.1%	1.6%
France 14	1.5%	1.7%	1.7%	2.0%
MSCI Europe	1.4%	1.7%	1.6%	2.0%

Key financial data in 2015

Average	Sales (€m)	EBITDA/SALES	ROCE	Gearing	Leverage
IAA 80	4,517	14%	9%	0.5	2.5
Food 55	4,689	11%	9%	0.4	2.4
Beverages 25	4,137	19%	11%	0.6	2.8
Lead 11	25,226	21%	10%	0.6	2.0
Big 29	2,019	15%	11%	0.4	1.7
Mid 29	731	11%	9%	0.5	3.5
Small 11	373	8%	5%	0.4	2.4
France 14	3,137	12%	7%	0.7	3.9
Euronext 100	21,485	22%	12%	0.6	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

Lever = net financial debt/EBITDA

Financial figures are derived from the CIQ database, which adjusts them according to its own methodology, providing 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, France, Finland, 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 float of 15%. The IAA 80 is divided into several sub-indices based on three criteria:

- Activity: Food 55 and Beverages 25, comprised respectively of 55 and 25 stocks.
- Size: Lead 11, Big 29, Mid 29 and Small 11 with a breakdown of businesses based on their market capitalisation; thresholds at €200m, €1,000m and €10,000m.
- Geographic region: France 14, comprised 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 03/01/17 (in €m)	Size category in IAA 80
NESTLÉ	CH	Food	Sweet and savoury groceries	204,936	Lead 11
AB-INBEV	BE	Beverages	Brewing	195,497	Lead 11
UNILEVER	NL	Food	Sweet and savoury groceries	111,429	Lead 11
DIAGEO	UK	Beverages	Wine & spirits	61,924	Lead 11
HEINEKEN	NL	Beverages	Brewing	40,618	Lead 11
DANONE	FR	Food	Sweet and savoury groceries	36,831	Lead 11
PERNOD-RICARD	FR	Beverages	Wine & spirits	27,328	Lead 11
ABF	UK	Food	Sweet and savoury groceries	25,307	Lead 11
LINDT & SPRUENGLI	CH	Food	Chocolate, confectionery	12,671	Lead 11
CARLSBERG	DK	Beverages	Brewing	12,584	Lead 11
KERRY	IE	Food	Agri-food ingredients	11,951	Lead 11
ORKLA	NO	Food	Sweet and savoury groceries	8,848	Big 29
MARINE HARVEST	NO	Food	Seafood products	7,781	Big 29
BARRY CALLEBAUT	CH	Food	Chocolate, confectionery	6,365	Big 29
DAVIDE CAMPARI	IT	Beverages	Wine & spirits	5,424	Big 29
GLANBIA	IE	Food	Agri-food ingredients	4,658	Big 29
SUDZUCKER	DE	Food	Sugar	4,624	Big 29
RÉMY COINTREAU	FR	Beverages	Wine & spirits	4,018	Big 29
TATE & LYLE	UK	Food	Agri-food ingredients	3,841	Big 29
ARYZTA	CH	Food	Sweet and savoury groceries	3,712	Big 29
SALMAR	NO	Food	Seafood products	3,199	Big 29
LERØY SEAFOOD	NO	Food	Seafood products	3,153	Big 29
EMMI	CH	Food	Dairy products	3,076	Big 29
EBRO FOODS	ES	Food	Sweet and savoury groceries	3,054	Big 29
AAK	SE	Food	Agri-food ingredients	2,683	Big 29
VISCOFAN	ES	Food	Agri-food ingredients	2,215	Big 29
GREENCORE	IE	Food	Sweet and savoury groceries	2,024	Big 29
LOTUS BAKERIES	BE	Food	Sweet and savoury groceries	1,998	Big 29



Company	Country	Sector	Sub-sector	Market capitalisation at 03/01/17 (in €m)	Size category in IAA 8o
ROYAL UNIBREW	DK	Beverages	Brewing	1,953	Big 29
AUSTEVOLL SEAFOOD	NO	Food	Seafood products	1,879	Big 29
P/F BAKKAFROST	DK	Food	Seafood products	1,838	Big 29
BRITVIC	UK	Beverages	Soft Drinks	1,740	Big 29
BELL	CH	Food	Meat	1,635	Big 29
NOMAD FOODS	UK	Food	Sweet and savoury groceries	1,618	Big 29
L.D.C.	FR	Food	Meat	1,589	Big 29
FEVERTREE	UK	Beverages	Soft Drinks	1,535	Big 29
CRANSWICK	UK	Food	Meat	1,379	Big 29
C&C GROUP	IE	Beverages	Wine & spirits	1,190	Big 29
DAIRY CREST	UK	Food	Dairy products	1,019	Big 29
ROYAL WESSANEN	NL	Food	Sweet and savoury groceries	1,015	Big 29
NORWAY ROYAL SALMON	NO	Food	Seafood products	973	Mid 29
GRIEG SEAFOOD	NO	Food	Seafood products	966	Mid 29
SAVENCIA	FR	Food	Dairy products	958	Mid 29
CLOETTA	SE	Food	Chocolate, confectionery	861	Mid 29
BONDUELLE	FR	Food	F&V	764	Mid 29
NICHOLS	UK	Beverages	Soft Drinks	712	Mid 29
A.G.BARR	UK	Beverages	Soft Drinks	679	Mid 29
GREENYARD FOODS	BE	Food	F&V	653	Mid 29
OLVI OYJ	FI	Beverages	Brewing	591	Mid 29
RAISIO	FI	Food	Sweet and savoury groceries	575	Mid 29
HILTON FOOD	UK	Food	Meat	534	Mid 29
BARON DE LEY	ES	Beverages	Wine & spirits	514	Mid 29
MARIE BRIZARD	FR	Beverages	Wine & spirits	501	Mid 29
PREMIER FOODS	UK	Food	Sweet and savoury groceries	455	Mid 29
LAURENT-PERRIER	FR	Beverages	Wine & spirits	425	Mid 29
ORIOR	CH	Food	Meat	413	Mid 29
STOCK SPIRITS	UK	Beverages	Wine & spirits	410	Mid 29
HOCHDORF	CH	Food	Agri-food ingredients	408	Mid 29
FROSTA	DE	Food	Sweet and savoury groceries	377	Mid 29
SCANDI STANDARD	SE	Food	Meat	361	Mid 29
HÜGLI	CH	Food	Sweet and savoury groceries	344	Mid 29
ATRIA	FI	Food	Meat	332	Mid 29
LA DORIA	IT	Food	F&V	283	Mid 29
DEOLEO	ES	Food	Sweet and savoury groceries	271	Mid 29
FLEURY MICHON	FR	Food	Meat	270	Mid 29
TER BEKE	BE	Food	Meat	248	Mid 29
MASSIMO ZANETTI	IT	Beverages	Coffee	239	Mid 29
LANSON-BCC	FR	Beverages	Wine & spirits	237	Mid 29
VRANKEN POMMERY	FR	Beverages	Wine & spirits	201	Mid 29
THE SCOTTISH SALMON	UK	Food	Seafood products	199	Small 11
HKSCAN	FI	Food	Meat	179	Small 11



Company	Country	Sector	Sub-sector	Market capitalisation at 03/01/17 (in €m)	Size category in IAA 80
FINSBURY FOOD	UK	Food	Sweet and savoury groceries	178	Small 11
MIKO	BE	Food	Sweet and savoury groceries	137	Small 11
ADVINI	FR	Beverages	Wine & spirits	131	Small 11
SCHLOSS WACHENHEIM	DE	Beverages	Wine & spirits	121	Small 11
EUROGERM	FR	Food	Agri-food ingredients	111	Small 11
GROUPE MINOTERIES	CH	Food	Cereal, oilseed & protein crop processing	105	Small 11
HARBOES BRYGGERI	DK	Beverages	Brewing	85	Small 11
APETIT	FI	Food	Sweet and savoury groceries	78	Small 11
TIPIAK	FR	Food	Sweet and savoury groceries	68	Small 11