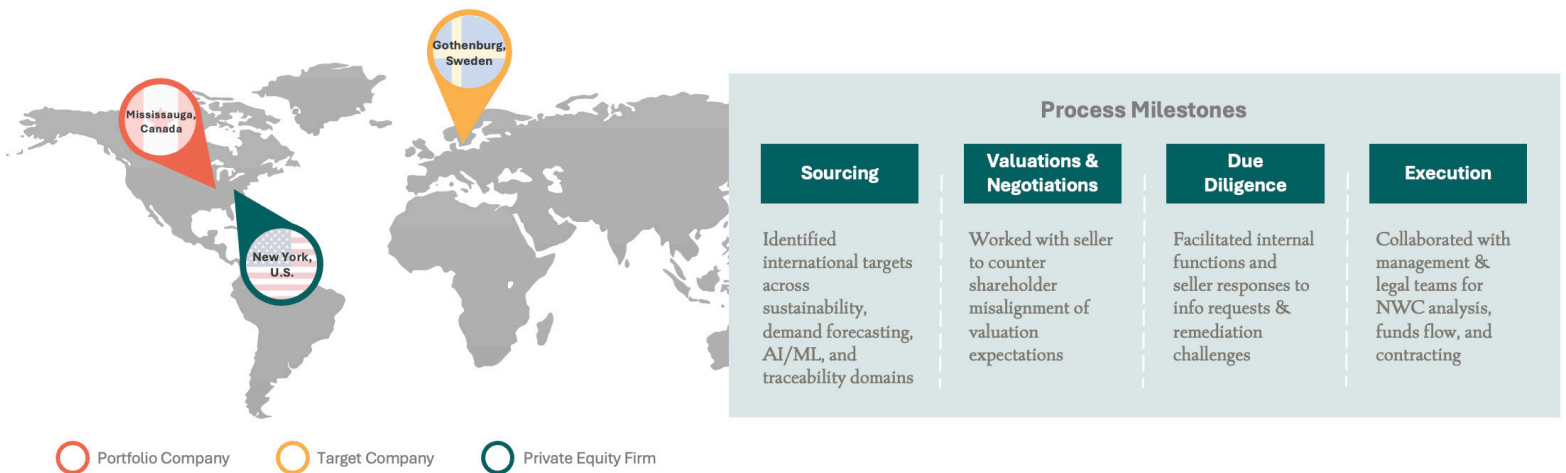


International M&A Dynamics - Complex Multinational GroceryTech Add-On Acquisition Case Study

SITUATION: Our Private Equity client wanted to expand their portfolio company’s offerings and geographic market presence with a growth-through-acquisition strategy, although they lacked the bandwidth to source and diligence targets. Moreover, the portfolio company’s leadership was skeptical that any new, viable targets could be found in this specialized niche market – particularly outside of North America.

CHALLENGE: The global grocery technology market was new to the Harbor View team. We needed to collaborate with our client’s team to narrow our funnel, engage with actionable targets and move expeditiously to acquisition proposals. Additionally, our client’s team had limited bandwidth for M&A. Harbor View needed to play a more active role in diligence: managing third parties, organizing internal functions, and providing perspective to negotiations where appropriate.

OUTCOME: We were able to leverage Harbor View’s Industrial, Consumer, and technology expertise to quickly understand the industry landscape and identify potential targets. We engaged a uniquely qualified European target, based in Sweden. While the target’s founders were engaged in the combination’s potential, their investors were reluctant and initially held out for a well-above-market premium valuation. As expected, our client’s CEO/CFO took the lead in negotiating with Harbor View playing a facilitator and consular/challenger role in the discussions. Due to client bandwidth constraints, our role expanded from simply sourcing to full execution support through transaction negotiation, structuring, diligence, and closing. Despite the target Board’s reluctance and push for a formal sell-side process – the target’s leadership was convinced that the power of this combination outweighed the alternatives. Together, the team overcame the challenges of a three-country transaction to get a successful transaction completed, within valuation expectations, to terms and timing that met expectations.



IN SUMMARY: Harbor View was retained by a U.S.-based Private Equity client to help execute a growth through acquisition strategy for their Canadian portfolio company that operates in the GroceryTech/fresh food inventory management & sustainability space. Food waste management is an emerging and highly fragmented industry undergoing unpredictable regulatory shifts & innovations.

Our client’s portfolio company aimed to expand their product offerings and total addressable market (TAM) through acquisitions in the U.S. or Europe. In Europe, ESG initiatives and food waste management regulations are estimated to be more advanced.

A uniquely positioned Swedish target was identified for the potential synergies and cultural fit. The Harbor View team worked persistently with all parties to develop a compelling business case to overcome the target’s initial reluctance. The combination provided a path for more rapid expansion for both entities. The turning point in the transaction was when the target’s founders were successful (with our influence) in rejecting their investor’s insistence to conduct a sell-side process and/or raise additional capital and accepted a more reasonable valuation and terms.

Our team at Harbor View lead our client and their first add-on acquisition to a successful outcome. As a result of our collaboration in engaging, negotiating and due diligence, our client completed a coveted transaction, at a market multiple well below the target investor’s starting point. Post-close, the combination is off to a rapid start.



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