



FOOD & BEVERAGE

Deal flash, October 2017

PREMIUM SCOTTISH SMOKED SALMON PRODUCER ACQUIRED BY ESTONIAN FISH PROCESSOR AND RETAILER

Deal snapshot

- The shareholders of John Ross Jr. [Aberdeen] Limited (John Ross) and Coln Valley Smokery Limited (Coln Valley), jointly known as JRJ Group, an award-winning, luxury branded smoked salmon producer, have sold the company to AS PRFoods.
- Founded by Andrew Leigh in 1987, John Ross is a prestigious producer of premium traditional smoked salmon and fine food products. Its reputation for product excellence, passion and innovation has been recognised by its Royal Warrant accreditation, which it has held for over 20 years. The business, which is based in Aberdeen, produces smoked salmon using traditional brick kilns, making it one of the last remaining commercial producers to use this artisanal technique. Its products are sold in over 30 countries worldwide and it has an extensive and growing customer base, including leading retailers such as Waitrose, Tesco and Sainsbury's, independent retailers, food service markets and international wholesale customers. It is also a favourite with some of the world's most renowned chefs. Coln Valley, an award-winning smoked salmon business based in the English Cotswolds, was acquired by the JRJ Group in 2009. JRJ Group has enjoyed exceptional growth in recent years both through new customer acquisition and existing customer growth. It continually looks to innovate and introduce new products to complement its existing range, which has been extremely popular among its customers. JRJ Group was recognised by the Queen's Award for International Trade in 2016 and also in 2013.
- PRFoods is an Estonian-based group engaged in food processing and sales. The company has been listed on the NASDAQ OMX Tallinn Stock Exchange since May 2010. PRFoods is the largest manufacturer of fish in Estonia and also one of the largest fish production brands in Finland.



What our client said



Andrew Leigh, Founder and Shareholder, John Ross Jr. [Aberdeen] Limited, UK

"We have greatly enjoyed working with the Oaklins member firm Cavendish over the past few years. As a family-owned business, we definitely needed good advice and we felt very well supported by the team. I never imagined we would end up with an Estonian buyer, but it is clear that there is an excellent fit with PRFoods, which will be good for the business, our customers and suppliers, and for Chris and Vicky who remain as shareholders."



Our role in the transaction

Cavendish, an Oaklins member firm in the UK, acted as the exclusive sell-side advisor to the shareholders of John Ross and Coln Valley. With the support of Oaklins' teams across the world, a number of strategic and financial buyers were approached.

Market trends and deal drivers

- The UK seafood market has grown significantly over the past 10 years with salmon growing in popularity over the period. It is estimated that four out of five UK households consume seafood at least once a month and this trend is expected to continue. The key drivers in the seafood market are:
 - Increased awareness of and the ongoing trend towards healthy eating and lighter foods
 - An ageing population; over 45s are tending to eat more fish as they recognise the health benefits
 - The growing popularity of seafood used in cooking both at home and in restaurants
- With consumers becoming more demanding regarding the traceability of food and the quality of the products they consume, John Ross' premium offering benefits significantly from this trend.

M&A valuation aspects

The process was competitive, with a number of interested buyers, both strategic and financial. This ensured that a strategic multiple was achieved for a premium business.

Oaklins industry specialist



 **Jonathan Buxton** Practice Leader Consumer & Retail, Cavendish, an Oaklins member firm in the UK

Jonathan has over 25 years' experience in mergers and acquisitions. He is a food & beverage specialist and the global head of Oaklins' Consumer & Retail Group, which focuses on branded businesses in the retail and consumer goods sectors. Jonathan has advised on a wide range of food and beverage business, including: seafoods processor Seafood Holdings, luxury meat brand Donald Russell, salads producer Vitacress, wine supplier Naked Wines, tea and coffee operator Whittard of Chelsea, confectionery specialists Hancocks Confectionery, and luxury desserts brand Gu.

OAKLINS HAS CLOSED 91 DEALS IN FOOD & BEVERAGE IN THE LAST FIVE YEARS

Oaklins is the world's most experienced mid-market M&A advisor, with 700 professionals globally and dedicated industry teams in 40 countries worldwide. We have closed over 1,500 transactions in the past five years.