



AGRICULTURE
Deal flash, September 2018

A BLOSSOMING COMBINATION

Deal snapshot

- The private shareholders of Icepage Limited (Floranova) have sold the company to Syngenta International AG (Syngenta).
- Floranova is an established specialist breeder and supplier of flower and home garden vegetable seeds with a broad portfolio and customers in over 50 countries. The company uses traditional breeding methods to develop niche, high-margin products serving end users in the professional bedding, pot plant and ornamental sectors.
- Headquartered in Switzerland, Syngenta is a world leading agribusiness committed to sustainable agriculture through innovative research and technology. The company, with more than 2,300 employees in the flowers business, has acquired Floranova to help support its continued growth and enhance its fast-growing Asian markets, such as China and India.



What our client said



Jeff Colegrave, Chairman, Floranova, UK

"It was a complex transaction that would not have been possible without the deep sub-sector expertise provided by Oaklins' team in the Netherlands together with the invaluable advice of Brian and the team at Oaklins Smith & Williamson. Oaklins' joined-up approach of international reach and local execution helped deliver a uniquely competitive sale process and was instrumental in the success of this deal. Oaklins added value at every stage and clearly understood our company and the industry. I don't think we could possibly have been in better hands."

Our role in the transaction

Oaklins Smith & Williamson, based in the UK, acted as lead advisor to Floranova's selling shareholders, with Oaklins' team in the Netherlands providing strong sector expertise.



Market trends and deal drivers

- In recent years, big box retailers have entered the green goods market to compete with traditional garden centers, resulting in an increased demand for plants. This has provoked rising pressure on growers to supply at an increased volume and a larger product range, which has led to consolidation in the market at the grower level and subsequently a squeeze on the prices which can be demanded by distributors and seed breeders.
- Technology has become increasingly important at the breeder level as companies are shifting from traditional breeding towards IP-driven predictive breeding. Furthermore, we are seeing the introduction of technologies, which have been proven in vegetables, to accelerate flower seed breeding.
- China is one of the fastest growing markets for flower seed as there is increasing use of flowers for city and town beautification projects and there are significant growth opportunities available as the market, particularly the young plants market, remains in its infancy.

M&A valuation aspects

- Typically, global reach can be a significant driver of value, especially access to the growing Chinese market. Floranova, through its Chinese distribution joint venture, has a strong market position at the distribution level with key relationships in the distribution network. This was a key investment consideration for potential buyers.
- Flower seed breeding companies with a market leading position in particular varieties can demand a higher valuation due to the importance of access to in-demand genetics.
- Companies with a broad product portfolio may achieve larger multiples than those with a small, focused range, given concentration risks.

Oaklins industry specialists



✉ **Brian Livingston**, Partner, Oaklins Smith & Williamson, UK

“Oaklins has a strong track record of leveraging local execution with deep global sub-sector expertise and we were pleased to be able to work with a business like Floranova, which has such a strong and fast-growing international reach.”



✉ **Frank de Hek**, Partner, Horticulture Specialist, Oaklins, Netherlands

As part of his horticultural sector focus, Frank continuously follows developments, visits major events and maintains regular contact with key players. He has a keen understanding of the market dynamics and value drivers in the sectors of breeding, growing, distribution, retail, machinery and equipment as well as consumables. Frank has completed transactions with companies such as Dümme Orange and Olij Rozen.

OAKLINS HAS CLOSED 92 DEALS IN AGRICULTURE

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.