

**Case Study**

**Investment Target Identification in the Agriculture Sector**



# Case Study

## Investment Target Identification in the Agriculture Sector



### About the Client



- A European PE firm, specialising in mid-market buyouts across sectors

### Client Objectives / Goals



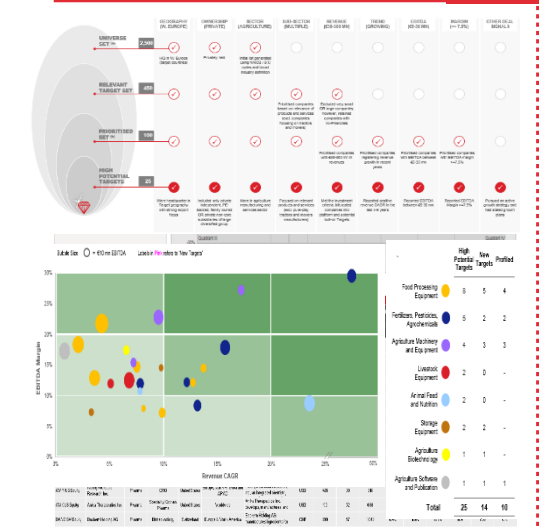
- Identify high growth, high margin acquisition targets
- Sector: Manufacturing and Services related to Agriculture
- Firm type: Private
- Target size: EBITDA range: €10-30 mn | EBITDA margin  $\geq$  10%
- Geographic focus: UK, France, Germany, Ireland, Austria, Switzerland, Benelux and Nordics
- **Ownership:**
  - Not a subsidiary of a larger player
  - If a subsidiary, then not aligned with the parent company's core business

### Approach and Methodology



- Implemented our proprietary RocEye Growth™ funnel-based deal origination approach to identify hidden gems
- Generated a 'Universe Set' of 2,500 private companies in that sector by leveraging managed databases, industry associations, online directories, third party listings, nominees for industry renowned awards, conferences, etc.
- Shortlisted about 450 companies to create the 'Relevant Set' based on the type of products and services offered and financial investment criteria
- Gathered the historical financial and ownership details of 250 companies from company registrars, websites, Amadeus, CapitalIQ, etc. From these, prioritised 100 companies that met the target revenue, EBITDA and growth, and ownership requirements (independent, family owned, aging portfolio of an investment firm or non-core business of a larger entity)
- Further, ranked 25 companies based on qualitative deal indicators such as market position, stated expansion plans, partnership, focus on innovation, M&A and management change, etc.

### Sample Output



### Results / Value-add



800+ analyst hours saved in deal origination

25 hidden gems identified from a list of 2,500+ companies

70% of the hidden gems were new finds for the PE firm