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AGRIFOOD & BEVERAGE LARGE PUBLIC COS STOCK PERFORMANCE IN 2023 AND VALUE CREATION

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HOW LARGEST PUBLIC AGRIFOOD & BEVERAGE COMPANIES STOCK PRICES HAVE PERFORMED IN 2023 ?



- As you can see in the next slide, in general they have all underperformed vs the S&P 500 (+23.6%) with 6 of the 10 companies in the analysis losing value vs 2022
- In particular [Bunge](#), [The HEINEKEN Company](#), [Danone](#) and [McDonald's](#) have increased their value, but less than the index
- Main reasons for the relative weakness can be ascribed to the strong stock price increase the sector presented in 2022 vs the index and also to the reduction of food prices in 2023, that in general affects profitability





2023 AGRIFOOD & BEVERAGE LARGE PUBLIC COS STOCK PERFORMANCE



	BUNGE	ADM	HEINEKEN	DANONE	NESTLE	UNILEVER	PER RICARD	KRAFT	DIAGEO	MCDONALD
MRKT CAP \$ B	14,77	38,11	52,8	37,43	367,33	120	40,6	44,6	81	212
STOCK PRICE 2023 %	1,05	-25,5	2,82	16,71	-2,21	-5,89	-13,3	-11,23	-19,1	9,32
OPERATING MRGN %	4,47	4,61	11,42	12,24	16,8	17,34	18,3	21,08	26,7	47,5
EV/EBITDA MULTIPLE	5,1	7,18	11,32	11,33	21,93	10,31	13,99	11,34	15,2	18,94

S&P 500 PERFORMANCE HAS BEEN +23,6% IN 2023 BETTER THAN ANY AGRIFOOD & BEVERAGE CO.





HOW TO CREATE VALUE IN AGRIBUSINESS & FOOD

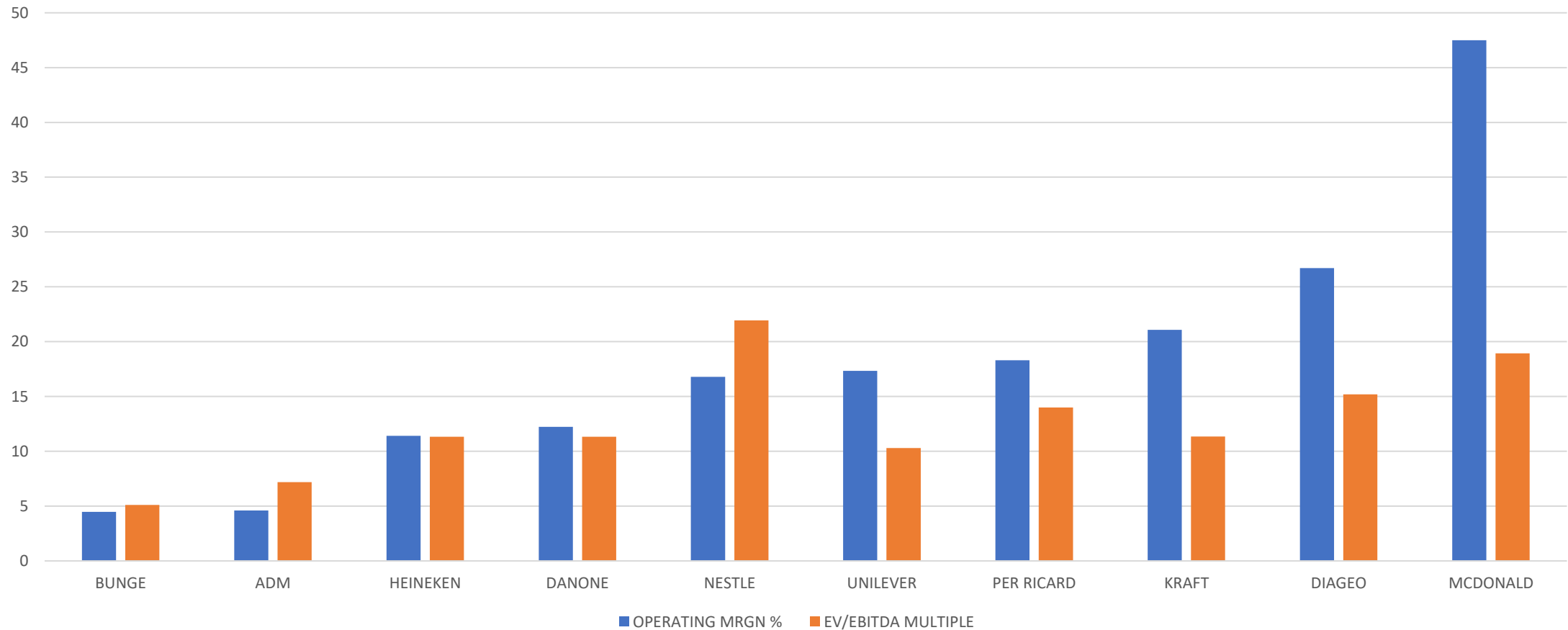


- In the next slide you can observe that the companies that present higher operating margins have generally higher EBITDA multiples.
- Look particularly at [Nestlé](#) [Pernod Ricard](#) [Diageo](#) [McDonald's](#)
- So a strategic take away is to work on increasing operating margins without reducing turnover and that will further boost companies' valuation in two ways: higher value because of higher income and because of higher multiples.
- Higher margins can be achieved either by reducing costs per unit or by increasing revenues, selling products and services at higher prices, or a combination of both, while keeping the cash cycle under control.
- Of course it's not just raising prices, it's key to maintain/increase volumes at the same time. So one needs to make sure to have a unique selling proposition, that products and services have specific characteristics and bring peculiar benefits, so that customers and consumers are willing to pay more, to pay a premium. It's about branding, marketing, innovation, technology, customer loyalty, ESG responsibility, and several other attributes that can be successfully developed and communicated to the market.
- Simpler said than done, but that it is important to know where to focus on.





**AGRI FOOD & BEVERAGE COS EBITDA MULTIPLES ARE HIGHER
WHEN OPERATING MARGINS ARE HIGHER, SO....
WORK HARD ON HOW TO INCREASE MARGINS TO INCREASE
VALUATION!!!...**





Who we are

M&A, CORPORATE FINANCE, PERFORMANCE IMPROVEMENT



- Cropfield Consulting SAS, est 2020
- Nicola Chiaranda, Owner & Managing director
- 30+ years' corporate career in public US, French and Italian multinational groups in Agribusiness & Food (Bunge, Cargill, Cerestar, Eridania Beghin-Say)
- Global CFO, VP Strategy & Business Development, VP Performance Improvement
- Conducted large number of Mergers & Acquisitions (acquisitions and divestitures) and large-scale change management
- Optimization of processes and controls, Implementation of new systems
- Raised capital via debt, equity and IPOs
- Currently Professor of Corporate Finance, University of Venice (Italy)
- Board Member of Public and Private Companies, Investment Committee Member of Investment Funds, Advisory Board Member
- Large network of senior subject matter experts available on demand



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