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2019

# Seafood's Top Dealmakers Q1

*Flying start for M&A set to continue  
throughout year*

Our first quarterly M&A report shows 37 deals closed in Q1, up 42% year-on-year, with many others in motion and due to be finalized later in the year.

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RESPECT AND APPRECIATE OUR OCEANS  
AND THE ABUNDANT RESOURCES THEY PROVIDE

AQUACHILE

**undercurrentnews**  
seafood business news from beneath the surface

**Report editor****Tom Seaman****EDITOR AND CO-FOUNDER, UNDERCURRENT NEWS**

Tom is the editor of *Undercurrent News*, which he co-founded in 2012. He has been reporting on the seafood industry since 2005, including as assistant editor of *Fishing News International*, and online editor at *Intrafish Media*.

**Report author****Dan Gibson****EDITORIAL ASSISTANT, UNDERCURRENT NEWS**

Dan joined the *Undercurrent News* team in October 2018, after graduating with a postgraduate diploma in journalism from Brunel University. Prior to this, Dan did a masters degree in biological earth sciences at Durham University where he got a first. He updated the *Undercurrent M&A* database as well as providing coverage of the global seafood sector.

**Report data****Eva Tarkenton****CO-FOUNDER, UNDERCURRENT NEWS**

As a former web programmer, Eva has worked in business development and sales since 2006 and covered the seafood sector since 2010.

**PROOFREADING BY:**

Tom Seaman

**DESIGN BY:**

Miriam Okarimia

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UNDERCURRENT NEWS  
UNDERSTANDING SEAFOOD M&A

# Introduction

Flying start for M&A set to continue throughout year

Over the past two years, *Undercurrent News* has aimed to document and profile every deal that takes place in the seafood sector, from major fishing conglomerates to specialized canners, and from multinational private equities with billions of dollars in assets to small-scale, regional funds.

2018 saw an unprecedented volume of cross-border and cross-sector seafood mergers and acquisitions (M&A), a trend that

has continued into the first quarter of this year. *Undercurrent* reported on no fewer than 37 closed deals in Q1, a 42% year-on-year, with many others put into motion that are to be finalized later in 2019. The number of 37 is the highest Q1 level seen going back to 2015. *Undercurrent* started tracking M&A in 2015. The year's also seen a high seen in any quarter in the period, exceeding 2018's 43 in Q4 of 2018.

Table 1. Seafood deals by quarter 2015-2019, Q1

Seafood deals by quarter 2015-2019, Q1					
	Q1	Q2	Q3	Q4	Total
<b>2015</b>	24	21	20	28	<b>94</b>
<b>2016</b>	22	29	29	23	<b>102</b>
<b>2017</b>	24	27	32	34	<b>119</b>
<b>2018</b>	26	28	35	43	<b>132</b>
<b>2019</b>	37	-	-	-	<b>37</b>

Figure 1. Seafood deals by quarter 2015-2019, Q1

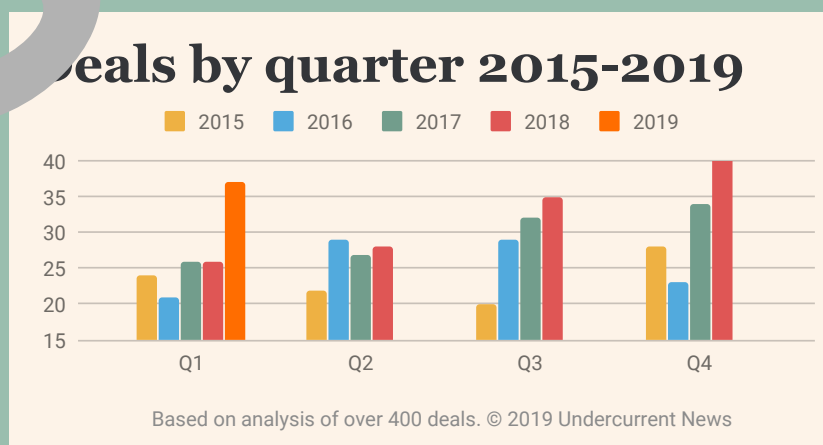




Table 3. Cross sector deals by quarter 2015-2019, Q1

Cross sector deals by quarter 2015-2019, Q1					
	Q1	Q2	Q3	Q4	Total
2015	9	7	9	10	35
2016	6	8	8		30
2017	3	9	13	14	39
2018	14	7	15	3	39

Excludes deals by financial actors, as these are necessarily cross-sector

Chart 4: Cross sector deals by quarter 2015-2019, Q1

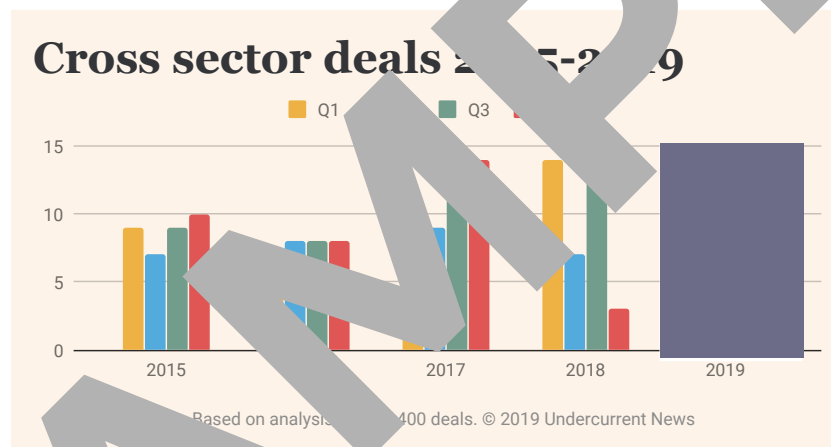


Table 4. Cross sector deals 2015-2018

Cross sector deals 2015-2018					
	2015	2016	2017	2018	Total
Total deals by non-financial players	94	82	98	102	356
Of which cross sector	35	30	39	39	143
	<b>47%</b>	<b>37%</b>	<b>40%</b>	<b>38%</b>	<b>40%</b>
Total deals	94	102	119	132	447
Of which cross sector	48	48	54	65	215
	<b>51%</b>	<b>47%</b>	<b>45%</b>	<b>49%</b>	<b>48%</b>

## TOP ADVISORS

## Deloitte

Deloitte, one of the largest professional service networks in the world, cropped up again in the *Undercurrent News* database in March 2019, as the financial advisor to Cooke when it acquired the Nicaraguan shrimp farmer Farallon Aquaculture.

COUNTRY  
USA

ADDRESS  
30 Rockefeller Plaza,  
New York City, New York

TELEPHONE  
+44 20 7000 7000

KEY EXECUTIVE  
Iain Macmillan, managing partner  
and global leader for M&A

EMAIL  
imacmillan@deloitte.com

DEALS IN Q1, 2019  
Cooke buys Farallon Aquaculture de Nicaragua, March 2019, buy side

PREVIOUS SEAFOOD DEALS:  
Steinasalir buys Icelandic Gadus, June 2017,

Farallon, which is a vertically-integrated producer of frozen shrimp to Asia, Europe and the US, is the second Central American shrimp farmer acquired by Cooke in a matter of months after it bought Honduran shrimp firm Seajoy in February.

Shortly after the Farallon deal, Cooke's Iain Macmillan told *Undercurrent* that the firm plans to become one of the world's largest shrimp producers – the company has already been making moves to expand its shrimp fishery after buying a fresh-water fish farm in the region. Cooke also already has a stake in Newfoundland Resource, a east coast Canadian company catching coldwater salmon.

Along with Lazard, Deloitte also acted as the advisor to the US investment firm Platinum Equity on its deal for Grupo Iberica

de Congelados (Iberconsa). Spanish publication *El Economista* reported the Iberconsa deal was done at a valuation of €550 million.

With global headquarters in New York's Rockefeller Plaza, Deloitte has offices in more than 100 countries around the world. The firm offers a wide range of financial advisory services, for mergers and acquisitions, financial restructuring and financial forensics.

Deloitte has worked on one previous deal in seafood, when it acted as buy-side advisor to the Icelandic industrial group Steinasalir on its acquisition of Icelandic Gadus from the investment fund Framtakssjodur Islands in July 2017.

## TOP INDUSTRIAL CONSOLIDATORS

## FISK-Seafood

FISK-Seafood was the only major Icelandic fishing company making acquisitions in the first quarter of 2019 during a relatively quiet period for the sector.

OWNERSHIP Private	TELEPHONE +354 455 4400	ACTIVITIES: fishing   process. distribution
KEY EXECUTIVE Fridbjorn Asbjornsson, managing director	EMAIL fa@fisk.is	KEY SPECIES: cod   haddock   herring
ACQUISITIONS IN Q1, 2019 Two Gjogur vessels and 660t of quota, January	COUNTRY Iceland	KEY SUBSIDIARIES: Solo Seafood (part-owned) Soffanias Cecilsson
ACQUISITIONS IN 2018 N/A	ADDRESS Hafnarstr. 10, 101, Reykjavik, Iceland	

In early January, Fisk announced the acquisition of two large trawlers and 660 metric tons of quota from a firm named Gjogur, based in Grindavik, north Iceland.

The two vessels -- Vordur and Askell -- brought a total quota for the 2018/2019 fishing year of almost 23,000t (or around 6% of the country's total), the company said at the time.

The vessels were ordered at the end of July 2019, when Gjogur will themselves receive two new ships. Besides the two which are moving, Fisk also owns the 70-meter vessel Hakon.

The value of Fisk's deal was revealed to be just under ISK 1.7 billion (\$14.4 million).

Vordur was built in 2007 at Nordship in Poland. The vessel is almost 29 meters long, over 10m wide, 285 cubic meters and

285 gross metric tons. Meanwhile, Askell is a steel ship that was built at the shipyard Ching Fu in Taiwan in 2009; it is almost 29m long, over 9m wide and 362t.

The vessels were actually sold without their quota, but in a special trade, Fisk also purchased almost 350t of saithe quota and 245t of redfish, as well as smaller quotas in ling, monkfish, and sole.

"The [deal] is part of the renewal and restructuring of the Fisk... fleet," the company said in January. "With new ships in place of the older, safety on board increases and equipment improves significantly."

"Renovation is also intended to increase the efficiency of the operation, increase the number of suitable fishing grounds with the associated diversity of fishing, improve the handling of the catch, and at the same time increase its value."

TOP FINANCIAL CONSOLIDATORS

# Platinum Equity

Founded by billionaire CEO Tom Gores in 1995, Los Angeles, US-based private equity giant Platinum just made an entry into the seafood sector in the second quarter of 2019, as this report went to press.

Private	PHONE NUMBER	+1 310 712 1850	RECENT INVESTMENTS
KEY EXECUTIVE	EMAIL	info@platinumequity.com MBarnhill@platinumequity.com	INVESTMENTS RECENTLY CONFIRMED
Mark Barnhill, partner			Grupo Iberico de Congelados
ACQUISITIONS IN Q1, 2019	COUNTRY	USA	
N/A	ADDRESS	360 North Century Blvd Beverly Hills, California	PREVIOUS INVESTMENTS
ASSETS UNDER MANAGEMENT			N/A
\$13bn			

The huge private equity deal for Spanish fishing conglomerate Grupo Iberico de Congelados (Iberconsa) in March, which closed at the start of June. Iberconsa was half owned – by the Spanish private equity firm Portobello Capital.

Portobello also reported that the Iberconsa management team will be minority investor alongside Platinum, which is also the backer of the Dallas Mavericks basketball team. At the time of writing, Platinum has \$13 billion of assets under management and a portfolio of approximately 40 operating companies.

Financial terms of the deal were not disclosed, and neither was the stake Platinum is buying. However, Spanish publication *El Economista* reported the deal was done at a valuation of €550 million. One *Undercurrent News* source who was involved in the

process was skeptical of this level, however. "I'd have thought the valuation was closer to €500m," he said at the time.

Iberconsa's earnings before interest, taxes, depreciation and amortization (EBITDA) for 2018 were €70m, according to *El Economista*, meaning the deal was done at a multiple of between 7.1-7.8 EBITDA. *El Economista* also reported Portobello will re-invest in Iberconsa with its fourth fund and take 27.5%. Portobello entered Iberconsa at the end of 2015 with its third fund, taking 55%.

*Undercurrent* reported Platinum was in the box seat to buy Iberconsa after Pamplona Capital Management dropped out of the process last year.

Headquartered in Vigo, Spain, Iberconsa is focused on hake, Argentine red shrimp and squid. The company is vertically



## DEALS TIMELINE

## February 2019

**1** FEBRUARY 1, 2019**Blumar's \$50.4m deal for Ice Val closes**

Chilean salmon farmer and fishing firm Blumar completed its \$50.4 million deal for all of coho producer Salmenes Ice Val, according to a notice filed to the Chilean stock exchange.

**3** FEBRUARY 1, 2019**ADM completes \$1.8bn deal for Neovia, gains girth in aquafeed space**

Archer Daniels Midland Company announced the completion of its acquisition of animal and aquaculture feed maker Neovia, which created one of the world's largest animal nutrition businesses with estimated sales of \$3.5 billion while simultaneously making itself a more serious player in the aquaculture feed space.

**5** FEBRUARY 4, 2019**InnovaSea acquires WMT, adding RAS technology, hatchery solutions**

InnovaSea Systems, a Massachusetts-based US company specializing in the design and manufacture of open ocean aquaculture systems, acquired Water Management Technologies (WMT) in Baton Rouge, Louisiana-based open ocean recirculating aquaculture system (RAS) technology for an undisclosed price.

**7** FEBRUARY 7, 2019**US, Abu Dhabi investors pitch 10,000t farm sale to get Med mega-merger through**

The US and Abu Dhabi investors aiming to create a Mediterranean seabass and sea bream giant proposed the sale of 10,000 metric tons of farms and other assets in order to get approval from the European Commission's (EC) competition authority.

**2** FEBRUARY 1, 2019**Broodstock Capital invests in Norwegian marine health firm**

Seafood investor Broodstock Capital bought into Norwegian marine health player Akerbla, the Nordic investment fund announced.

**4** FEBRUARY 1, 2019**Cooke continues building 'powerhouse', completes deal for Seajoy**

Cooke, at last, completed its acquisition of the Seajoy Group, a fully integrated Latin American salmon producer, a deal which gave the Canadian seafood giant a strong presence in yet another part of the seafood industry.

**6** FEBRUARY 4, 2019**South Africa's Sea Harvest makes offer to buy all of Australia's Mareterram**

South Africa's Sea Harvest Group made an all-cash offer to buy the 43% stake in Mareterram it didn't already own amid a challenging time for the Western Australian shrimp fishing and seafood distribution firm.

**8** FEBRUARY 7, 2019**UK's Marr eyes deal for Grimsby primary processor**

Andrew Marr International, the UK's largest seafood company by turnover, was working on a deal to acquire a primary processor in Grimsby, sources told *Undercurrent News*.

**1. Blumar's \$50.4m deal for Ice Val closes**

The deal added five concessions located in the Aysen region, where three farming centers already operate, with an annual production of approximately 7,000 metric tons of coho salmon.

Late in 2018, *Undercurrent News* reported Ice Val had started a sale process after hiring advisory firm Tyndall Group.

**2. Broodstock Capital invests in Norwegian marine health firm**

"The objective is to strengthen the service offering and increase customer benefit through further investments in knowledge, expertise and increased R&D focus, as well as ramping up Akerbla's international efforts," said Broodstock, in a statement.

Simen Landmark, partner at Broodstock, said Akerbla had a "highly competent team that has succeeded with its strategy of establishing a local presence close to its customers".

**3. ADM completes \$1.8bn deal for Neovia, gains girth in aquafeed space**

The announcement came nearly eight months after the Chicago, Illinois-based grain giant first revealed its plans to acquire Saint-Nollf, France-based Neovia for €1.5 billion (\$1.8bn). Based on details reported earlier, ADM paid cash and, with Neovia, gained 72 production facilities in 25 countries, a concentration of which are in Western Europe, South and Central America, and Southeast Asia.

The merger "instantly creates a premier global leader in animal nutrition, while simultaneously providing a strong platform for future growth. It meets our returns objectives, expands our geographic reach, and helps us

continue to expand our portfolio and better serve our customers," ADM chairman and CEO Juan Luciano said in a statement at the time.

**4. Cooke continues building 'powerhouse', completes deal for Seajoy**

The deal was first reported by *Undercurrent News* in June 2018 but took more than half a year to reach the finish line.

By leaving Seajoy from Peder Jacobson, who founded the company in Ecuador's Gulf of Guayaquil, in 1979, Cooke gained Pacific white shrimp (*Litopenaeus vannamei*) farms spread across Honduras and Nicaragua with almost 3,500 hectares (8,650 acres) as well as a 6,000-square-meter processing plant in Choluteca, Honduras, capable of producing 100,000 pounds of finished product daily.

**5. InnovaSea acquires WMT, adding RAS technology, hatchery solutions**

The move added hatchery-related solutions to Cuna Del Mar-backed InnovaSea's existing open ocean grow-out offerings, according to a press release that announced the deal.

WMT has, for 25 years, designed and supplied intake, effluent and other RAS technology to commercial fish farms, aquaculture research entities and government hatcheries worldwide, according to the release.

**6. South Africa's Sea Harvest makes offer to buy all of Australia's Mareterram**

Mareterram had previously seen its profits dive 78% for the 12 months ended Dec. 31, 2018, due to a tough fishing picture.

According to a press release from the time, pelagics catcher Sea Harvest said it would

offer AUD 0.25 (\$0.18) for Mareterram's shares, which represented a 22% premium on the company's last closing price and a 31% premium on its 30-day average price.

**7. US, Abu Dhabi investors pitch 10,000t farm sale to get Med mega-merger through**

New York-based AMERRA Capital Management and MDC Industry Holding Company, the entity being used by Abu Dhabi-based Mubadala Investment Company in the deal, hoped an asset sale would lead to commission approval for their plans to unite Greece's two largest farmers, Nireus Aquaculture and Selonda Aquaculture, with Andromeda Seafood, the third largest.

Amerra acquired Andromeda in 2016, then the US fund and Mubadala won out in the sale process of debt-strapped Nireus and Selonda that ran from 2017-18.

**8. UK's Marr eyes deal for Grimsby primary processor**

Marr had entered talks to acquire Cook & Lucas Frozen (UK), a UK-based importer and processor seafood hub that also operates a smokehouse and shop, multiple sources said. *Undercurrent* first reported Cook & Lucas was for sale last year.

It was thought the rationale for the deal was to use Cook & Lucas -- which supplies into several processors selling to retail, such as Caistor Seafoods -- as a chilled production arm in a drive to expand its fish business in the UK.