

Supporting a US mid-market PE firm with its buy-and-build strategy in the organic food space



- **Target Identification**
- **Investment Opportunity assessment**
- **Buy and build strategy**



Image by: Mark Stebnicki Source: Pexels

Business need

- A US-based lower mid market buyout firm was looking to form a platform company combining organic food businesses along with a similarly positioned media brand.
- They were specifically interested in organic food companies that also had media and branding subsidiaries to promote the products.
- It engaged RocSearch to identify potential target companies that met its investment criteria and had at least \$10mn in revenue with over 100 employees.

To identify niche organic food companies that have media and branding subsidiaries to promote the products.

The client outlined three key reasons for selecting RocSearch:

- Our proven investment research and advisory capabilities.
- Our unique RocEye target identification approach with a proven track record of identifying qualified targets for niche opportunities.

Approach & Methodology

- Our investment advisory team identified a universe of 500+ companies operating in the organic food space in the United States comprising a mix of public companies, subsidiaries, privately held as well as private equity owned companies which had media and branding subsidiaries.

We screened over 500 organic food companies having an internal media agency that promoted the segment and shortlisted 20 high potential targets using our comprehensive RocEye target identification approach.



Image By: Any Lane Source: Pexels

- We deployed our comprehensive RocEye approach to screen the universe and identify organic food companies that owned a media agency, operating as either a subsidiary or a business division, which published content promoting the sector and the parent business.
- We shortlisted 20 such organic food companies that met the criteria and created detailed profiles on them capturing details including their size, ownership of the parent business and media and branding subsidiaries.

Business outcomes

- The study provided a pipeline of actionable platform target opportunities in the organic foods segment mapping with the client's wish-list, saving the client over 150 hours of internal bandwidth
- The client used the extent of activity by the internal media brands to assess their relevance and suitability for its platform acquisition goals and decided to pursue five out of the 20 shortlisted companies.
- In line with its strategy, the PE firm subsequently mandated RocSearch to conduct an in-depth due diligence of the overall consumer durables sectors in the US and the strategic role of media and branding subsidiaries.

The study saved the client 150 analyst hours and subsequently engaged us for in-depth due diligence of the overall consumer durables sectors in the US.

About RocSearch

Founded in 1999, RocSearch has been a pioneer in empowering our clients to overcome challenges and realize their goals. Our strength is delivering research and advisory solutions through managed and dedicated teams that produce the expert intelligence our clients require to gain a true competitive advantage.

We draw on proven expertise to deliver consistent value across all types of business requirements: ranging from digitization and analysis of business, financial, or customer data to the provision of 'act-on' insights for the most challenging business problems.

Our longstanding client relationships bear testament to the enduring value we create, alongside our consistent reliability and absolute discretion. We take great pride that many of the brightest global companies rely on us to help them achieve top-line growth, operational efficiency and increased profitability.

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Feel free to reach out to us:

Business enquiry: enquiry@rocsearch.com

General enquiry: info@rocsearch.com

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