

Saxenhammer

clairfield

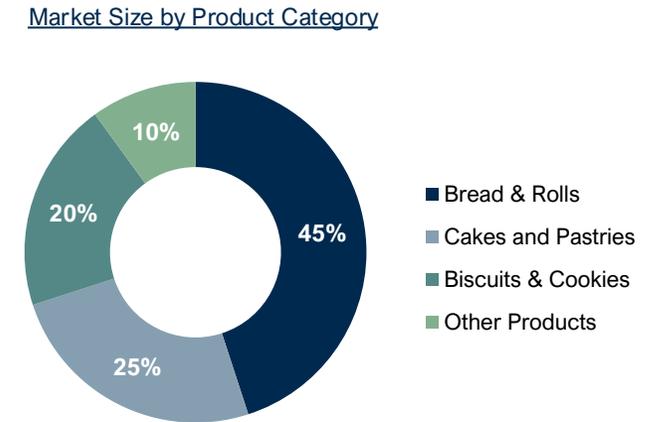
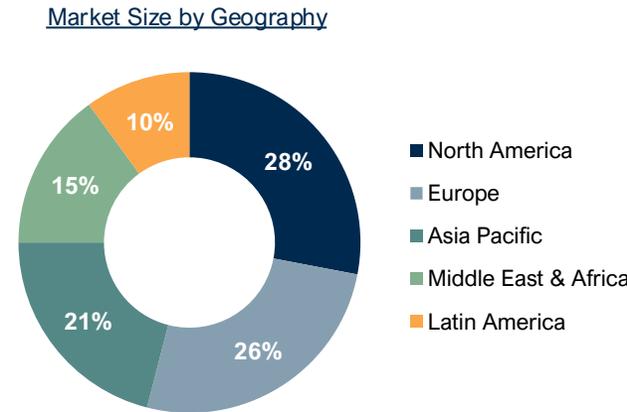
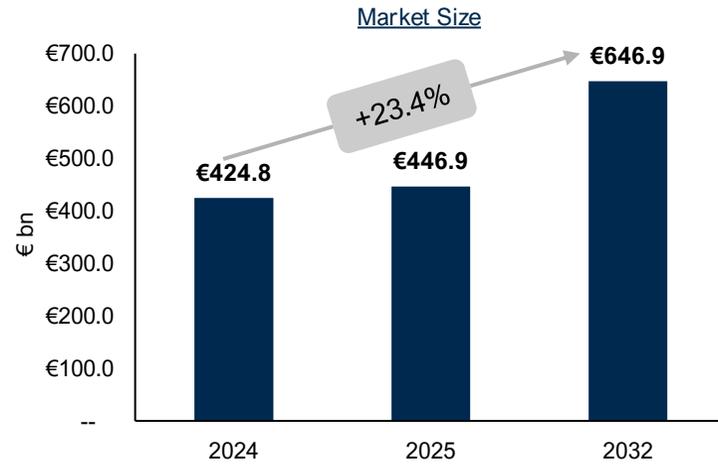
Global Bakery Market Clairfield Report

July 2025



Market Size and Growth Drivers

The global bakery market is forecasting a CAGR of 23% in the period 2024 to 2032 driven by advanced automation, westernisation of diets and a rising demand for convenience. North America and Europe represent the largest global markets whilst breads and rolls represent the largest category with close to 50% of the total market



Advanced Automation & Technology

- Manufacturing automation and technology evolution is enabling higher output, consistent quality and greater cost efficiencies.
- Automation is streamlining labour intensive bakery processes whilst helping to navigate labour shortages, increasing speed and capacity within the industry.
- Technological advancements are driving more digital supply chains and better predictive analytics for demand forecasting and inventory holding.

Westernisation of Diets

- The westernisation of diets and the influence of the snacking and fast-food culture is a major catalyst for growth especially in rapidly urbanising and developing regions.
- Bread, a staple in Western diets, is seeing growing consumption in emerging markets due to its perceived convenience, affordability and nutritional value.
- Western bakery producers are innovating by introducing new flavours and formats that blend Western and local tastes, further driving market penetration.

Rising Demand for Convenience

- As more consumers adopt fast-paced, urban lifestyles, bakery products are ideally positioned to meet the need for convenient, ready-to-eat food options.
- The rise in dual income households and an expanding global workforce including more working women, is increasing the appeal of bakery products as convenient snacks or meal replacements.
- The expansion in distribution channels across retail, foodservice and online is making bakery products more accessible to global consumers.

Expansion of Healthier Options

- The bakery industry has responded to consumer demand for better-for-you products with an increased range of bakery products with reduced sugar, fat and calorie content, in addition to an increased range of vegan and free-from options.
- This shift has helped to attract new customer segments to the bakery market in addition to encouraging more frequent purchasing of perceived healthier products.

Bakery Product Manufacturers – Market Map

Despite continued consolidation, the global bakery market remains relatively fragmented across both sweet and savory categories in addition to fresh and frozen. Key players include large diversified conglomerates with bakery divisions, pure play bakery companies in addition to an increasing number of PE backed businesses

Our analysis relates to companies involved in the manufacture of bakery products

Diversified Conglomerates

Large, diversified conglomerates where bakery forms a part of their overall portfolio



Bakery Focused – Listed & Privately Owned

Businesses with a pure focus on bakery, either savoury, sweet or both



Private Equity Backed Bakery

Bakery businesses (savory and sweet) currently backed by private equity



European Players

North America & ROW

Bakery Market – Key Trends

Consumers are increasingly seeking better-for-you bakery products with cleaner ingredient decks and reduced sugar and calorie content, with health and wellbeing a key focus. Despite this, indulgence remains a key trend, with consumers looking for more premium products in their treat time moments

Health & Wellbeing

Consumers are increasingly seeking products that align with their health objectives without sacrificing on taste and indulgence:

- **Less Processed** - health-conscious consumers are moving away from ultra processed bakery products, instead focussing on products made with a smaller and more natural ingredients list.
- **Better-for-You Innovations** - the use of innovative, healthier cooking methods in addition to product formulations with reduced sugar, fat and calorie content are increasing to meet evolving customer expectations in these areas.
- **Specialty and functional** - there is an increased demand for bakery products with functional ingredients such as added fibre, higher protein, probiotics as well as gluten-free and vegan varieties.



Premiumisation & Indulgence

In their moments of indulgence, consumers are increasingly seeking premium bakery products that deliver on taste and quality:

- **Treat yourself mentality** – consumers are adopting a ‘treat yourself’ mentality, with premium bakery products fulfilling the role of an “affordable luxury” or a “me-time” treat, offering familiarity and comfort in times of uncertainty.
- **Best of both worlds** – the line between indulgence and healthy is blurring, with consumers seeking premium, indulgent products with better-for-you and more nutritionally balanced ingredient decks.
- **Trading up** – consumers are looking to elevate everyday bakery products such as bread and rolls by trading up to more premium or gourmet alternatives to deliver a more elevated experience.



Innovative Flavours

Consumers are embracing flavour experimentation and are increasingly looking for bold and innovative products:

- **Hybrid & Cross-category** – more adventurous consumers are driving demand for new flavour combinations such as sweet and savoury and botanical infusions as well as hybrid, cross-category bakery products.
- **Limited edition** – bakeries are seeking to satisfy consumer interest for new experiences, by using limited edition flavours to delve into more ‘unusual’ global flavours or combinations.
- **Nostalgic twist** – familiar flavours and products remain popular but are being reinvented with new and innovative twists so they can be enjoyed in new ways.



Sustainability

Sustainability remains an important purchasing pillar, particularly amongst younger generations who prioritise environmental values:

- **Plant based** – more consumers are following vegetarian, vegan or flexitarian diets, leading to increased demand for plant-based bakery products that deliver on taste and quality.
- **Sustainable/locally sourced** – bakery products crafted with locally sourced ingredients, embracing local flavours and formats are being viewed as healthier whilst allowing consumers to feel more connected to the food they eat.
- **Recyclable and reusability** – moving towards recyclable packaging will be a key differentiator for a number of operators.



Bakery M&A – Key Drivers & Deal Analysis

The global bakery market has experienced significant M&A activity over the last few years with product diversification, access to new markets and scale/efficiency key drivers for strategic acquirors. Private equity interest in the sectors remains high, accounting for c. 23% of deal volumes since 2022

	<h3>Consolidation for Scale and Efficiency</h3>	<ul style="list-style-type: none"> The bakery market remains highly fragmented, especially in regions like North America and Europe with numerous smaller and regional players as acquisition targets to increase market share. M&A is enabling bakeries to achieve economies of scale, streamline supply chains, expand distribution and invest in automation whilst also leveraging synergies for improved profitability.
	<h3>Private Equity Interest</h3>	<ul style="list-style-type: none"> Private equity interest in the sector has been significant in recent years, attracted by resilient sector demand, opportunities for investment and automation and buy-and-build opportunities. Health trends and premium remain the focus, with private equity targeting companies that best align with key macro trends in consumer behaviour - health and wellness, convenience, premium indulgence, flavour experience.
	<h3>Portfolio Diversification and Innovation</h3>	<ul style="list-style-type: none"> Acquisitions are enabling larger bakery players to access innovative products, exceptional brands and new/on-trend product lines that diversify existing portfolios. The majority of these would be difficult and time consuming for big operators to develop in-house and may not resonate with consumers in the same way.
	<h3>Access to New Markets</h3>	<ul style="list-style-type: none"> Companies are acquiring regional players to enter high-growth markets where rising incomes and urbanisation are driving bakery consumption. Larger players have also utilised M&A to gain access to key established markets such as North America and the UK.



Being part of Méniszez will enable Village Bakery to expand its distribution to new export markets



Since investing in European Bakery Group in 2021, 3i have supported domestic and overseas M&A to add scale and efficiencies



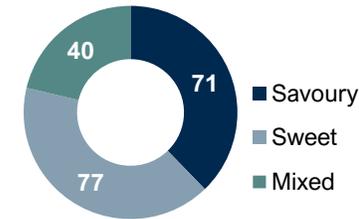
The acquisition of Simply Mills enables Flowers to expand in the better-for-you bakery category



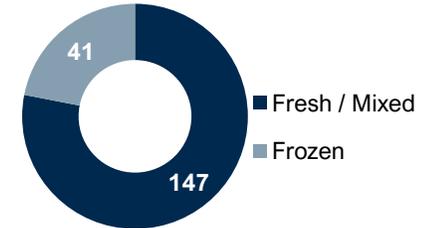
La Lorraine's 50% acquisition of Bakery De France will give it access to the North America market

Global Bakery M&A Since 2022

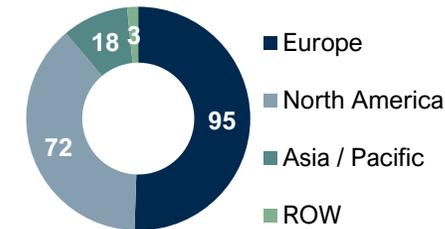
By Target Product Category



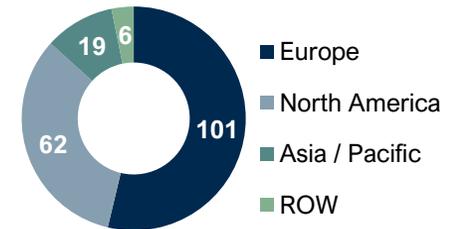
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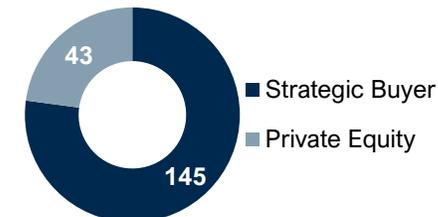
By Buyer Location



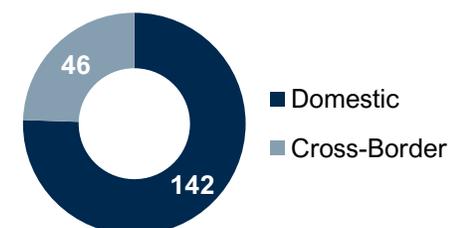
By Target Location



By Buyer Type



By Deal Type



Sources: Capital IQ

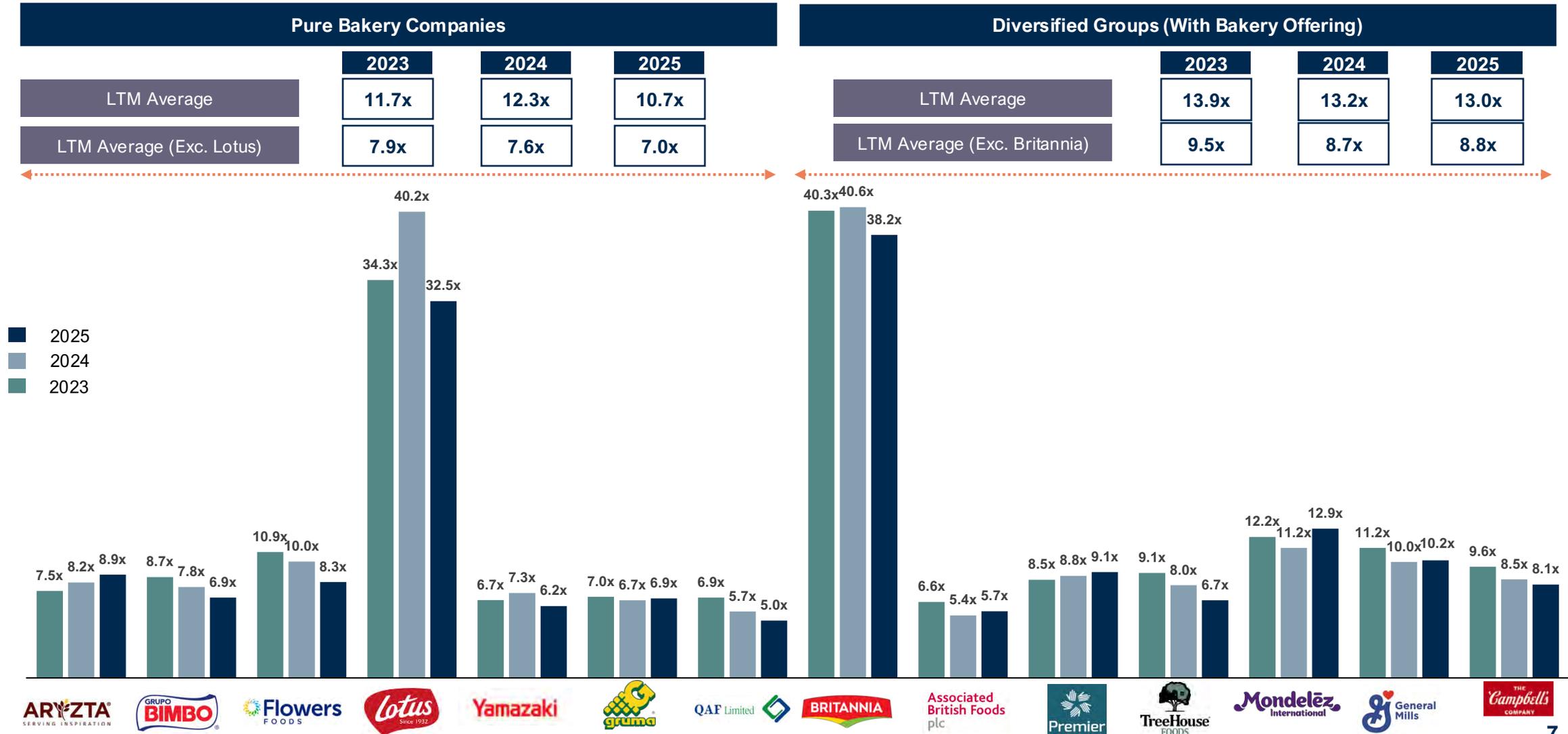
Bakery M&A – Key Consolidators

As the world's largest bakery, Grupo Bimbo, are the most active acquiror with 17 transactions completed across different geographies in the last 5 years. Flowers Foods continue to focus on domestic US acquisitions, whilst European players Vandemoortele and Le Duff/Bridor have both completed a number of cross-border deals

Company	Ownership	HQ	Business Description	No. Acquisitions – Last 5 Yrs	Last 3 Acquisitions
	Listed Mkt Cap - €10,500m		<ul style="list-style-type: none"> Headquartered in Mexico, Grupo Bimbo is a global leader in the bakery industry producing a range of fresh and frozen products including sliced bread, rolls, muffins and bagels Grupo Bimbo operates across 35 countries in the Americas, Europe, Asia, and Africa. 	17	 Slovenian bakery group producing fresh and frozen bread and pastries  Brazilian producer of fresh health focused bread and bakery products  Romanian manufacturer of fresh bread, biscuits and pretzels
	Listed Mkt Cap - €2,777m		<ul style="list-style-type: none"> Headquartered in the USA, Flowers Foods, Inc. is a leading bakery company offering fresh breads, rolls, snack cakes, bagels, and tortillas under brands like Nature's Own and Wonder Flowers Foods operates 47 bakeries across the USA. 	4	 US based producer of Almond flower baking mixes  US producer of fresh baked goods such as bread, bagels and tortillas  US-based producer of paleo-friendly breads, muffins and other snacks
	Private Rev - €1,684m		<ul style="list-style-type: none"> Headquartered in Belgium, Vandemoortele is a leading producer of frozen bakery products, margarines, and culinary oils, serving clients across Europe. Vandemoortele operates across 12 countries in Europe, 2 in Asia as well as the US. 	4	 French producer of frozen and ready to bake pastries and baked goods  Italian producer of frozen baked goods such as pastries and bread  Italian producer of frozen pastry, patisserie, and savoury specialties
 	PE Backed Omnes Capital		<ul style="list-style-type: none"> Headquartered in France, Groupe Le Duff operates restaurants and bakery cafes globally, offers catering services and produce frozen bakery products. Groupe Le Duff operates across 100 countries in Europe, the Middle East and Africa. 	4	 Netherlands based Sourdough bread producer  Portugal based frozen bakery and pastry manufacturer  American producer of premium frozen bakery and pastries

Bakery Trading Multiples

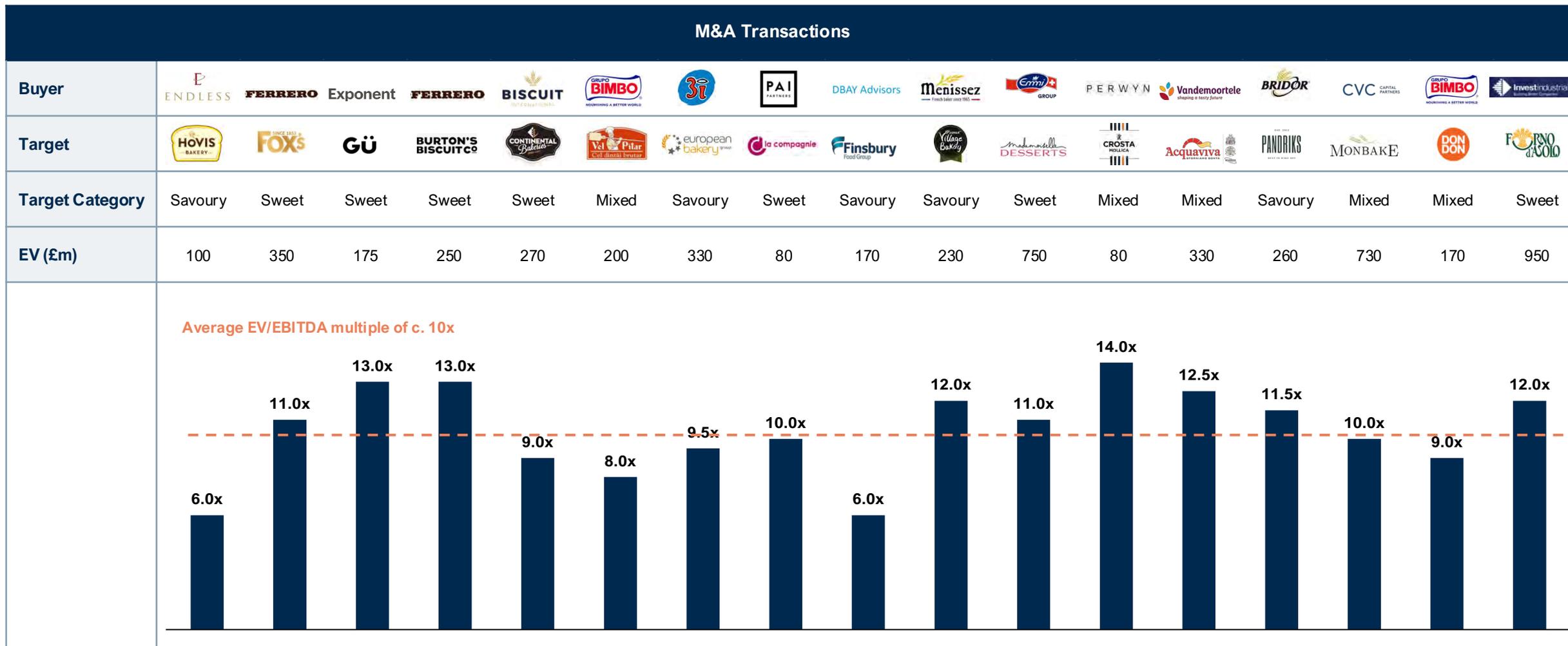
Pure play bakery companies have been trading at an average EV/EBITDA multiple of 10.7x in 2025, reducing to c.7x when outliers are excluded. Diversified groups where bakery forms a significant part of their offering have traded at an average EV/EBITDA multiple of 8.8x in 2025 (excluding outliers)



Sources: Capital IQ. Based on LTM EBITDA

Bakery M&A Transaction Multiples

Selected transactions within global bakery show an average EBITDA multiple of c. 10x with higher multiples seen in larger, cross-border transactions with a strong strategic rationale



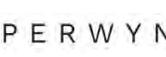
Notable M&A Transactions – Strategic

Recent key strategic transactions have largely been cross-border with the majority of acquired targets focussed on the frozen bakery sector

Date	Target	Target Country	Target – Fresh or Frozen	Target business description	Buyers/Investors	Buyer Country	EV (£m)	Target Sales (£m)
Dec-24			Fresh	Family-owned bakery producing high quality baked goods			Undisclosed	-
Oct-24			Frozen	Mademoiselle Desserts is Europe's leading premium sweet bakery manufacturer			750	420
Sep-24			Frozen	Large-scale producer specialising in high-end frozen cakes and pastries			Undisclosed	-
Jul-24			Both	Bake products for retailers across Europe as well as own Jones' Village Bakery brand			230	100
Jul-24			Fresh	One of the largest premier biscuit manufacturers in the UK			Undisclosed	40
Jun-24			Frozen	Leading par-baked bread supplier			Undisclosed	68
May-24			Frozen	Renowned Italian producer of high-quality bakery products			Undisclosed	10
Apr-24			Fresh	Manufacturer of bread products			Undisclosed	40*
Feb-24			Frozen	Forno d'Asolo S.p.A produces frozen bakery products.			950	500
Dec-23			Frozen	Independent manufacture of artisan handmade cakes			Undisclosed	23
Jul-23			Frozen	Specialty bread manufacturer that produces a range of high quality frozen par-baked breads			Undisclosed	54*
Feb-23			Frozen	Specialised in the production sweet and savory deep-frozen bakery products			Undisclosed	52

Notable M&A Transactions – Private Equity

Private equity interest in the sector has been high in recent years, particularly across Europe and North America with PE attracted by resilient sector demand, investment and automation opportunities and buy and build strategies

Date	Target	Target Country	Target – Fresh or Frozen	Target business description	Buyers/Investors	Buyer Country	EV (£m)	Target Sales (£m)
Nov-24			Fresh	Premium bakery brand creating artisanal baked goods			Undisclosed	46
Oct-24			Both	Bread and bakery supplier to the hospitality and catering industry			Undisclosed	393
Sep-24			Both	Produces and supplies a wide variety of bakery products to retail bakeries and distributors			Undisclosed	859
Aug-24			Fresh	Bakery that specialises in artisan baked goods like muffins, cinnamon rolls and batter products			Undisclosed	97
Apr-24			Fresh	An artisan baking company founded in 1992, known for its high-quality, small-batch crackers			Undisclosed	-
Apr-24			Fresh	Manufacturer of biscuits, crackers, and other baked goods			Undisclosed	51
Mar-24			Frozen	Manufacture and market frozen dough bread, pastry and cake products			Undisclosed	336
Jan-24			Both	Manufacturer, producing a diverse range of cakes, bread and bakery snacks			170	452
Jan-24			Both	A brand specialising in high-quality Italian food products, such as pizzas and other bakery items			80	52
Feb-23			Frozen	Group of several ice cream makers, pastry chefs and bakers			80	89
Aug-22			Frozen	French company that specialises in producing frozen pastries, desserts, and catering products			Undisclosed	200*
Jul-22			Both	Manufacturer of fresh and frozen bakery products			Undisclosed	-

We look forward to speaking with you

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