

# COMPOUND ANIMAL FEED, ADDITIVES AND PREMIX DUE DILIGENCE

STRATEGIES TO GROW YOUR BUSINESS

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*In this case study, CPL assisted conducted commercial and technical due diligence on an animal feed additives, premix and compound feed company, resulting in a successful acquisition.*

## **OBJECTIVE**

The objective of this study was to assist our client in its due diligence of a potential acquisition target in animal feed, particularly to help in reviewing the information memorandum and other company data to appraise the prospects of the company. The company produces feed additives and premixes, serving customers in its home country and neighbouring countries in the Balkans.

CPL visited the target company to view its operations and interview its management, allowing it to assess its strengths and capabilities. CPL surveyed 100 farmers to assess their views of the reputations of the target company and its competitors and how they position themselves. We used public databases to support our findings during the due diligence process, reporting on the size and growth of the animal feed and animal production industries in the Balkans, and company websites and contacts to inform our client of the target company's competitive landscape.

Following completion of this project, CPL's client invested in the target company.

## **COMPOUND ANIMAL FEED, ADDITIVES AND PREMIX DUE DILIGENCE**

### **Market Drivers**

- Regional Drivers for Feed
- Animal Protein Consumption
- Regional Farming Structure

### **Market for Compound Feed**

- Europe and Regional Compound Feed Market Estimates

### **Raw Material Supply**

- Supply Sufficiency
- Raw Material price Volatility
- Raw Material and Feed Prices

### **Market for Premixes and Additives**

- Technical Introduction and Definitions
- Market Drivers
- Europe and Regional Premix and Additives Market Estimates
- Importance of IP
- Target Company's Strengths and Weaknesses
- Potential to Target New Markets

## Competitive Environment for Feed, Premixes and Additives

- Portfolios
- Profiles
- Compound Feed Capacity
- Performance
- Benchmarking
- Survey Findings

## Assessment of Products and Capabilities

- Product Portfolio
  - Feed Premixes
  - Supplemental Mixtures
  - Complete Compound Feed
  - Feed Additives
- Client Base
- Risk of Dependency on Key Clients
- Process Strengths and Capabilities
- Pricing Strategy
- Margin Dynamics
- SWOT Analysis
- S&D and New Product Development
  - R&D
  - Patents

## Business Plan Review

- Business Plan Development
- Revenue Forecast
- Gross Margin Forecast
- EBITDA Forecast
- CPL's View of the Business Plan

## Opportunities and Threats

- Opportunities
- Risk Factors

## Appendices

### Home Country Competitors

- 15 Company Profiles

### Regional Competitors

- 8 Company Profiles

### Farmer Survey Respondents

*CPL has worked on many projects as experts in animal feed including, for example, on the competitive landscape in Serbia. Have a look at our PowerPoint Introduction and Brochure describing deliverables, differentiators and case studies. You can also review eight case studies.*