

BLOK Management GmbH

Bakery Market – current developments

M&A OVERVIEW

October 2026

BLOK's FMCG group at a glance



>70
Closed deals¹⁾



60%
Sell-side



>EURbn 1
Total deal value



50%
Cross-Border



~EURm 5-200
Average deal size



50%
Private Equity Involvement

BLOK
Management

Specialized team for the FMCG sector

BLOK follows a clear sector focus to bring the best possible advisory services to the respective clients

- BLOK's FMCG sector team has been active in FMCG markets for years supporting its clients in M&A sell-side, M&A buy-side, funding as well as other corporate finance services
- We have excellent relationships with key players in the industry
- Our independency give us the opportunity to advise our clients without conflicts of interest
- Our global reach as well as our personal advisory on partner level deliver high-quality results for all stakeholders involved



Oliver Marquardt
Partner
+49 178 5334565
omarquardt@blok-management.de



Dennis Schober
Vice President
+49 170 3816126
dschober@blok-management.de



Kubilay Örsçüoğlu
Analyst
+49 151 67978685
koerscueoglu@blok-management.de

¹⁾ Includes previous deals by BLOK team members; More credentials upon request

Key drivers for ongoing market consolidation thrive for attractive pipeline of acquisitions



Fragmentation



Local markets



Scalability



Economies of scale



Competitive environment



Succession needs

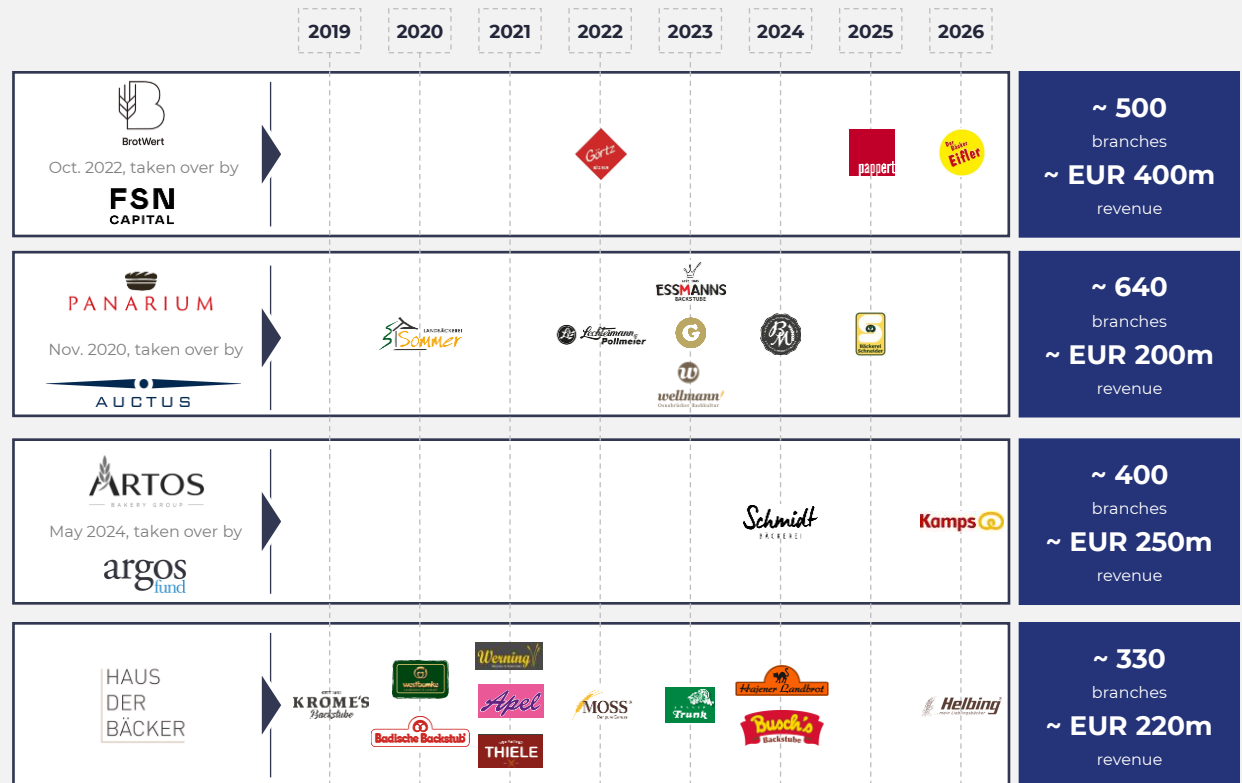


Consumer behavior

Key market consolidators in the German bakery market

The next phase of consolidation will be driven by strategic fit and integration potential rather than revenue aggregation alone: leading platforms combine regional brands, expand into adjacent geographies and leverage scale in operations, procurement, logistics and digitalization

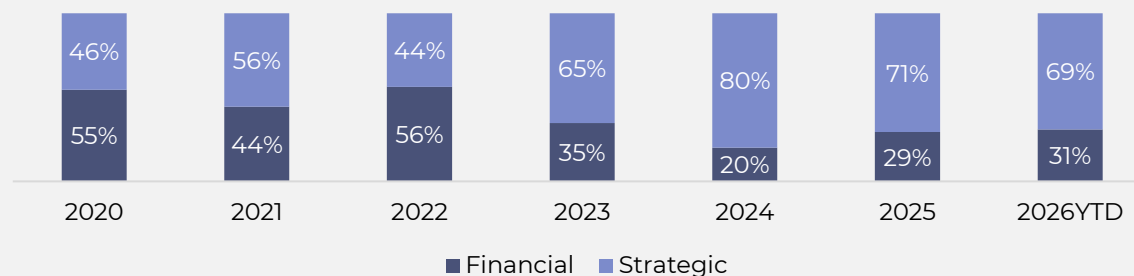
Selected add-on acquisitions in the last 7 years in Germany



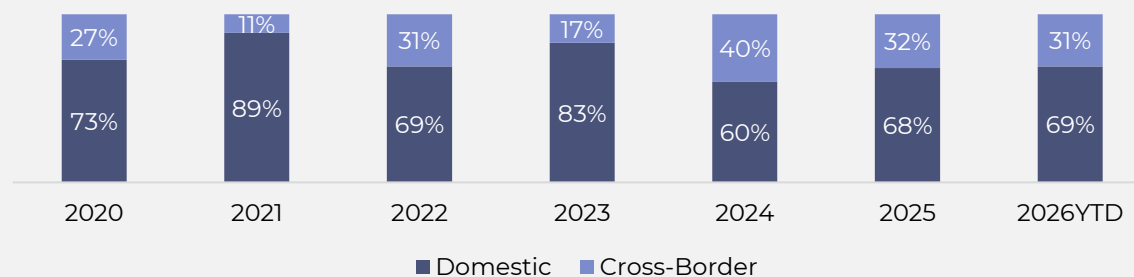
M&A activity

- The analysis is based on roughly 200 completed transactions in the relevant peer group between 2020 and 2026YTD
- Transaction activity has increasingly been dominated by strategic acquirers, (69% in 2026YTD), driven by ongoing industry consolidation, portfolio and geographic expansion, as well as the potential to realize scale benefits across procurement, production and distribution
- Financial sponsors account for 31% of transactions in 2026YTD, primarily pursuing platform investments and buy-and-build strategies
- Domestic transactions remain the predominant form of deal activity, accounting for 69% of transactions in 2026YTD, driven by the fragmented and locally anchored market structure, opportunities to consolidate regional players and the benefits of expanding existing production, distribution and retailer networks
- Valuation levels show a relatively broad dispersion, with EV/EBITDA multiples ranging from 6.5x to 29.6x (mean: 10.0x), while EV/Sales multiples range between 0.5x and 2.4x (mean: 1.4x)

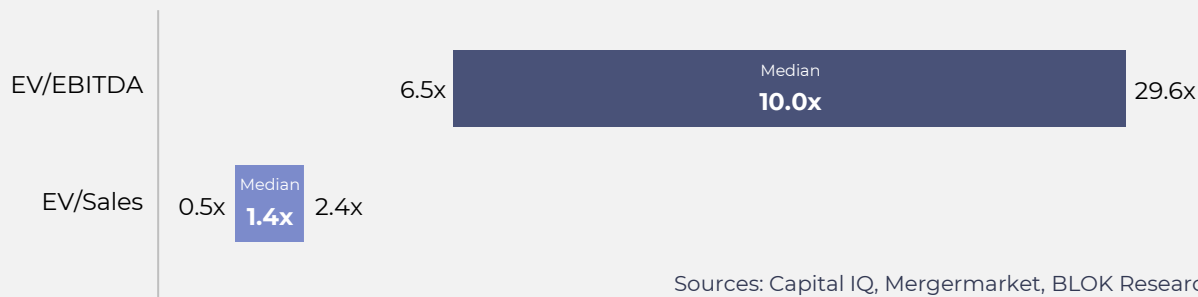
Financial vs. Strategic buyers in Europe



Domestic vs. Cross-border transactions in Europe



Transaction multiples (2020 – 2026YTD)



Sources: Capital IQ, Mergermarket, BLOK Research

Selected recent transactions

Date	Target	HQ	Description	Buyer	HQ
Jul. 2026			Operator of a local bakery chain		
Jul. 2026			Operator of a local bakery		
Jul. 2026			Operator of a local bakery chain		
May 2026			Operator of an artisanal bakery chain		
May 2026	 (2 branches)		Operator of a local bakery chain		
Mar. 2026			Manufacturer of bakery products and operator of local bakery chain		
Feb. 2026			Operator of a local bakery chain		
Aug. 2025			Operator of a local bakery chain		

Case Study – BrotWert Group

Investor

FSN Capital

Platform

BrotWert Group

Headquarters

Ludwigshafen, Germany

Platform started in

October 2022

FSN Ownership

72%

Overview BrotWert Group



BrotWert

Previously known as Bäcker Görtz, BrotWert Group is a German regional bakery platform with a clear path to scale through organic growth, add-on acquisitions and operational excellence

~ 500

branches

~ EUR 400m

sales (2026)

2

add-on's

4

federal states

Initial platform invest



October 2022

Add-on investments



September 2025



July 2026

Investment thesis

Build a leading, scaled bakery platform in Germany by consolidating attractive regional family-owned businesses and leveraging long-term demand for out-of-home consumption

Transformation Agenda

Continue the buy-and-build strategy, integrate acquired bakery chains and enhance operational efficiency to grow EBITDA from approx. EUR 65m in 2026 toward EUR 75m ahead of a potential exit

Outlook

FSN Capital is evaluating strategic exit options for BrotWert Group, including a potential sale or IPO, with a formal process not expected to launch before 2027

Conclusion

Market trends



Discount bakery chains continue to gain market share, increasing pressure on traditional bakeries

Ongoing consolidation is reshaping the fragmented market

Health-conscious demand supports growth in whole-grain, protein-rich and functional products

Valuation levels remain robust, with median multiples of 10.0x EV / EBITDA and 1.4x EV / Sales

Ongoing consolidation continues to drive M&A activity, particularly among strategic buyers

Financial sponsors remain active, primarily through platform investments and buy-and-build strategies

M&A & valuation



Outlook



Small independent bakeries are expected to decline further, driven by succession and cost pressures

Specialized concept bakeries continue to gain relevance, driven by differentiated offerings and changing consumer preferences

Market consolidation is expected to accelerate, supporting further M&A activity

Selected FMCG publications by BLOK



BLOK at a glance



>100
Closed
deals¹⁾



70%
Sell-side



>EURbn 5
Total deal
value



50%
Cross-
Border

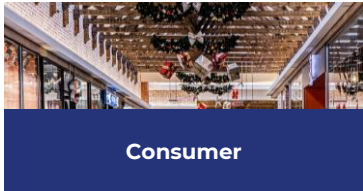
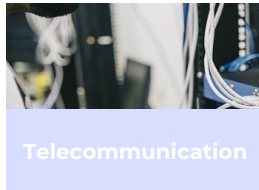


~ EURm 65
Average deal
value



45%
Private
Equity
Involvement

Sector focus



Our services

M&A sell-side advisory

- Exit readiness
- Corporate carve-out / spin-off
- Private equity sell-side
- Corporate succession

M&A buy-side advisory

- Add-on acquisitions
- Private equity buy-side

Corporate finance advisory

- Sell-side lender education
- Acquisition financing / LBO
- Refinancing
- Real estate financing
- Working capital financing
- Growth financing (CAPEX / add-ons)
- Valuations
- Venture capital

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