

Rank and name

PART 2 THE AUTHOR SHOWS THE LARGEST COMPANIES IN THE BAKING INDUSTRY IN REGARD TO THE SALES OF ITS BAKING DIVISIONS IN EUROPE. THE FIRST PART OF THE ARTICLE WITH THE TOP 8 COMPANIES WAS PUBLISHED IN BAKING+BISCUIT INTERNATIONAL, ISSUE 01 2013

+ The listing affects classical industrial operations such as Warburtons who sends its products to the end consumers via intermediaries such as the food retail or chain stores or chain stores such as Greggs or the trading subsidiaries K&U Bäckerei who state the total achieved with end consumers in the market. Some businesses are subsidiaries of upstream suppliers, such as the bakeries in the Limagrain Holding Group, others belong to the retail or restaurant chains such as Groupe Le Duff.

Furthermore, companies with joint ventures abroad such as the Greek operator Chipita are mentioned. Last but not least family businesses, for example, the Neuhauser Group in France and Harry-Brot in Germany still belong to the higher ranking, just like financial investors such as Apax Partners L.P. (London) and Oaktree Capital Management L.P. (Los Angeles).

9 Neuhauser S.A.

Folschviller (France)



Alfred Neuhauser is regarded as the pioneer of the European frozen baked goods industry. The business, which he built up from the family bakery “Le Fournil de Frédéric Neuhauser” (Frédéric Neuhauser Bakery) in Folschviller (department of Moselle), now operates 28 factories in France and one in Portugal. The business, now converted into a holding company of which Alfred Neuhauser holds 71 %, employs a workforce of 2,000 and had a turnover of approx. EUR 430m in 2011. It has also included a second important name in the French frozen baked products market since February 2011, when Neuhauser bought the majority shareholding of BCS S.A. in Tarascon (southern France). The remainder of the BCS capital is owned by the French milling group Soufflet, Nogent sur Seine (Champagne-Ardenne region) and by the private equity company UNIGRAINS, Paris. In 1998 Neuhauser had already taken over their customers, the German chain LE CROBAG GmbH & Co. KG from Hamburg. The latter sells mainly baked goods, imported from France and partly further processed, for immediate consumption at rail stations. Today Le Crobag operates 125 sales branches and had a turnover of around EUR 70m in 2011. Le Crobag is now also expanding in Austria, Switzerland, Poland and Russia, among other places. In November 2012 Neuhauser took over the French fast food chain Pomme de Pain SAS, Paris,

with 117 branches (70 of them self-managed) and annual sales of EUR 65m in 2011. Pomme de Pain is a format which, in addition to sandwiches and salads, also offers hot food such as soups, pizzas, quiches or pasta for immediate consumption or to take away at airports, rail stations, subway stations, motorway service stations and other highly frequented locations. The first branches in Morocco and Egypt are already open.

10 Vandemoortele nv

Ghent (Belgium)



The Belgian Vandemoortele Group made sales of EUR 1.273bn in the financial year 2011, around 18 % more than in the previous year. However, the operating profit in the same period fell from EUR 51m to 15m. About half the turnover is attributable to the Fats & Oils division and the slightly larger proportion originates from the bakery business which, although it delivered record sales in 2011, was under strong margin pressure. In the first half of the financial year 2012 which ended on 30th June 2012, the Bakery division achieved sales of around EUR 313m, as in the previous year, but again suffered falling profitability. The EBITDA in the first half-year dropped by almost 25 % compared to the same period in the previous year. Deliveries to McDonald's in France probably had a positive effect on turnover. The burger grillers, which really specialise in “buns”, launched a Mc-Baguette there for the first time. The Société Panavi in Torcé, department of Ille-et-Vilaine, Brittany, France, with estimated annual sales of EUR 350m, has belonged to Vandemoortele since 2008.

11 Vivescia – NutriXo – Délifrance

Reims (France)



Délifrance SA, Paris, is a subsidiary of the milling group Grands Moulins de Paris, which is in turn part of NutriXo. NutriXo was formed in 2001 from the merger of the milling and bakery operations of Grands Moulins de Paris, Euromill Nord, Grands Moulins Storione and Inter-Farine. These were later joined by France Farine, Meuniers du Littoral, Moulin Fayol and Grande Minoterie de la Méditerranée. The bakery division comprises the frozen products bakers Délifrance, Appétit de France, Krabansky, the British company Le Pain Croustillant and Société Nouvelle Sofrapain, which produces both fresh bread and frozen goods and exports more than 60 % of it to Great Britain. Another member of the Group is Société Nouvelle Farandole Gourmande which, although it manufactures mainly confectionery, also produces speciality French fine pastries (“mini rum babas”, “sweet verrines” and “mini financiers”) in addition to petits fours. The entire NutriXo

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Group made annual sales of around EUR 1.279bn in 2011, of which Délifrance with around 20 production sites brought in EUR 600m, 50 % of which was achieved outside France. In autumn 2012 the cooperatively organised agro-industrial group Vivescia announced that it would acquire 54.39 % of the shares of NutriXo, and was given the OK for this by the European Commission late last year. With a total turnover of EUR 4bn, the Vivescia Group is the biggest group in the French food market.

12 Warburtons Ltd.

Bolton (UK)



Warburtons is Great Britain's biggest "independent baker" and specializes in fresh bread. Although in the 2011 financial year ending on 24th September the family business did not suffer any loss of turnover – which even rose by GBP 3m from GBP 492m to GBP 495m – it probably did experience a reduction in pre-tax profit, namely by more than a third, from GBP 26m to GBP 16.3m. According to Warburtons this was due to the shrinking baked goods market in Great Britain and the price competition in British supermarkets, which was again becoming increasingly tough, with raw material prices increasing at the same time. Therefore Warburtons had already made attempts in 2011 with exports to the Tesco stores in Poland, Hungary, the Czech Republic and Slovakia, but stopped this in late 2012. The freight costs were said to be too high, and Tesco also reported declining sales by its stores in the region. In the summer of 2012 Warburtons agreed in parallel to supply the French retail group Monoprix, and late last year it announced that it wanted to expand further its exports to France and Spain.

13 GIE Pasquier SA

Les Cerqueux (France)



In 1974 the family bakery Pasquier specialized in the manufacture of viennoiseries, which it sold to the food retail under the Brioche Pasquier brand. A quarter of a century later, in five factories spread across the whole of France, it produced sliced brioche breads and small brioche bread rolls, which in France are regarded mainly as products for children. At the end of the last century the group expanded its product range to include donuts, tartlets and confectionery, opened sales subsidiaries in the surrounding countries, and finally also bought a zwieback factory in Spain in the first year of the new millennium. Other zwieback production facilities in France were added in 2005, and a year later a frozen confectionery business in the shape of the Symphonie firm at St. Valery en Caux on the Channel coast. A production unit for croutons and mini-toast was added, again in 2006, and another zwieback factory in 2009. In 2012 Pasquier took over Galaxy Desserts from Richmond, California, USA, a manufacturer of frozen, kosher, all natural and trans-fat-free cakes, croissants, tarts and desserts. Today Pasquier produces brioches on 32 production lines at five sites in France, and fine baked goods ("pâtisserie") on 20 production lines at four locations. The group reported its annual turnover for 2011 as EUR 548m.

14 Le Groupe NORAC

Rennes (France)



The French group NORAC was founded in 1989 by Bruno Caron, previously a manager with the Crédit Agricole du Morbihan. Its operations are located mainly in the north of France in Brittany, Picardy and Burgundy. It owns a total of 13 manufacturing sites at which it produces toast-bread, baguettes and sandwiches, wraps, pitas, bagels, panini, brioches and milk rolls, crêpes, cakes and cookies/biscuits. Norac supplies ready-filled sandwiches, wraps etc. to the retail, including sandwiches that can be heated in a microwave. The product range is rounded off with salads, marinated vegetables, exotic starters, drinks and desserts. According to press reports, the group's turnover in 2011 was around EUR 500m.

15 Grupo Panrico S.A.U

Barcelona (Spain)



The Spanish baked goods manufacturer Panrico owns ten production sites in the parent country together with one each on Grand Canary, Lanzarote and Tenerife. The company traces its origins back to the founding of two businesses in 1962, the Donut Corporation Española SA and the Panificio Rivera Costafreda SA, which produced grissini and breadsticks. Funds managed by Apax Partners LLP, London, UK, a multinational business enterprise for private equity capital, took over 100 % of the capital of Panrico in 2005. According to its own statements, today Panrico is Spain's leading manufacturer in the donuts, cakes and sandwich bread segments, as well as being the second-largest producer of biscuits/cookies (following the takeover of the Artiach brand in 2008), with a turnover of around EUR 70m. Annual turnover in 2010 was EUR 563m. In 2011, after accumulating debts of more than EUR 600m, the Panrico Group was sold to the US-American investment company Oaktree Capital Management L.P. with its headquarters in Los Angeles. Panrico in turn sold the Artiach brand to the Spanish group Nutrexp S.L., Barcelona, in November 2012.

16 JOWA AG

Volketswil (Switzerland)



JOWA AG is a 100 % subsidiary of the cooperative trading group Migros (Migros-Genossenschafts-Bund, Zurich). Jowa (known as the bakery of Migros) operates eight regional bakeries (in eight cantons), 90 in-store bakeries (in Migros branches), two in-store bakeries in France with JOWA France S.à.r.l., one express bakery, one in-store confectioners, one site to produce gluten-free products together with a durum wheat mill, two pasta factories and a mustard production facility. Jowa's turnover in Switzerland in 2011 was CHF 792.8m (approx. EUR 648.3m), and Jowa France reported EUR 1.85m. Total production tonnage in 2011 amounted to 169,953 t. Of this, 23,191 t is attributable to pasta and around 1 t to mustard. That corresponds to slightly less than 14 % of the total tonnage. If a corresponding proportion is subtracted from the total turnover, the remainder equals sales of around CHF 682m in Switzerland, attributable more or less to the baked goods segment. Converted into euro this is equivalent ►

to EUR 551.6m, plus the EUR 1.85m from France, adding up to a total of EUR 553.45m. An interesting aspect of the Jowa presentation of their sales volumes is the proportion of bake-off products. In 2011 this amounted to around 12.5 %, while the share of the fresh bread category was 31.6 % of the total sales volume.

17 Chipita International S.A.

Athens (Greece)



Chipita is known in northern Europe mainly through its bread chips, whereas its reputation in southern and eastern Europe and internationally is based more on its croissants marketed under the 7Days brand, which are offered individually packed and with an extended shelf life on the supermarket shelves, and are regarded as breakfast products. Chipita went on the market under the name Vivartia in 2006 with the milk products specialists Delta Holding, Goody's (fast food) and General Frozen Foods – Barba Stathis S.A. One year later Vivartia was taken over by the Marvin Investment Group. In spring 2010 the investors announced the sale of the Chipita division to a finance group around the former CEO Spyros Theodoropoulos and the Saudi Arabian Olayan Financing Company. The buyers were to pay EUR 730m, of which EUR 327m was accounted for by liabilities that were taken over. In 2007 Chipita had already entered into a joint venture with the Saudi bakery Western Bakeries and the Olayan Financing Company to conquer the Saudi market. One year later Vivartia/Chipita in the USA took over the cake and biscuit/cookie manufacturer Nonni for USD 320m (approx. EUR 247m). In 2011 Chipita sold the parts of Nonni that did not fit into its own product range, not least to reduce its own liabilities from EUR 330m to EUR 250m. In 2011, according to the website ExportLeader.gr, Chipita reported a turnover of EUR 500m. Up to the present time, Chipita manufactures in ten factories in Greece, Russia, Bulgaria, Romania, Poland, the USA and Nigeria, and is a partner in various joint ventures in Egypt, Portugal, Saudi Arabia and Mexico. Last year Chipita announced the construction of additional factories in Iran and in Tunisia, which should go on stream this year. Chipita's share in these is said to be 40 %.

18 Grupo Siro

Venta de Baños (Spain)



Founded in 1991, the Fundación Grupo Siro, Madrid, operates 16 production lines: four in Venta de Baños, two in Aguilar de Campo, one each in El Espinar, Toro, Medina del Campo and Briviesca (all in the province of Castilla y León), two in Paterna and Navarrés (both in the province of Valencia), two in Antequera and Jaen (both in the Autonomous Community of Andalusia), one in Montblanc (Tarragona, Autonomous Community of Catalonia) and one in Agüimes on the Canary Islands, together with a logistics centre in Venta de Baños. The products include biscuits/cookies, pasta, sliced bread, cakes, fine pastries and cereals. The production volume in 2011 was 320,000 t and the turnover was EUR 489m. The Grupo Siro also produces other foods.

19 Groupe HOLDER S.A.S.

Marcq-en Barœul (France)



The HOLDER Group is a classic French family business that developed from a classical bakery into an international business. Its foundation stone was laid by Francis Holder senior in the shape of the bread boutiques with restaurants under the name Paul. Today there are around 450 Paul locations, one in four of which are situated abroad, where they are regarded as ambassadors for French bakery culture. Franchisees are trained at the company's own school in Lille. They learn to rework classical recipes on the spot. Where that fails, the parent company now steps in: with frozen baked goods under the Château Blanc brand, which now constitute the company's second line of business. The Holder Group's third well-known name is Ladurée, a confectioner whose headquarters can be found on the Champs Élysées in Paris. Among other things, Ladurée is regarded as the inventor of the macaroons that have since spread throughout the world, and nowhere is the choice so large and the taste so exquisite as in that same outlet in the heart of the French metropolis. To ensure people living far away also have an opportunity to enjoy the speciality, Holder has now established a semi-industrial production facility for frozen macaroons in southern France. However they come nowhere near the Parisian originals. Group sales in 2008 were EUR 456m, and Maxime Holder, son of the company's founder and now a member of the management, gives the 2010 sales as just under EUR 500m. The turnover volume quoted in the local press at the same time was EUR 488m.

20 La Lorraine Bakery Group

Ninove (Belgium)



The La Lorraine Bakery Group is a subsidiary of Vanobake NV Holding, which is 100 % owned by the Belgian Vanherpe family. As well as the La Lorraine Bakery Group, Vanobake also owns the milling group Paniflower Milling Group. Vanobake's sales in 2011 were EUR 480m, equivalent to a turnover increase of more than 15 % compared to the previous year. La Lorraine is the market leader in its home market of Belgium in the fresh baked goods area, which is fed from five production sites and supplies more than 1,500 supermarkets every day. The group's second important pillar is Central Europe, where La Lorraine has its own factories in Poland, the Czech Republic and Romania. Overall, Central Europe now contributes around one third of the sales of the La Lorraine Group. Central Europe also represents the most important outlet channel for the frozen baked goods which La Lorraine produces to a total value of around EUR 230m. The group also owns the food service chains Panos, The Coffee Club and Deliway with a total of more than 300 locations, chiefly in Belgium and with initial steps in the Netherlands and towards Luxemburg, Poland, the Czech Republic and Slovakia.

21 Bakkersland B.V.

Hedel (the Netherlands)

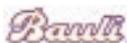


Ten medium-sized bakeries joined forces in 1999 to form a group calling itself Bakkersland B.V. Today, in 18 factories,

they now produce fresh bread and confectioneries together with frozen products under the Panabon brand for baking stations as well as products to bake off at home. The group supplies both the food retail and the catering trade. In its self-profile it mentions an annual turnover of EUR 450m.

22 Bauli S.p.A.

Castel d'Azzano (Italy)



Most of the packs marketed by the Italian Gruppo Bauli are lilac-coloured, and the majority of them contain Christmassy panettone, the Italian Christmas pastry "Pandoro" or the typical Easter cake, the dove-shaped "Colomba". The business traces its origins back to the founding of a bakery for Pandoro in 1922 by Ruggero Bauli. In 1950 he changed over to industrial production processes and began his triumphal march in Italy and in all the Italian communities around the globe. In 2006 Bauli took over FBF in Romanengo (Lombardy region), one of the biggest croissant manufacturers for the Italian market, and shortly thereafter the biscuit/cookie and cracker producer Doria in Orsago (Venetian region). The Bauli Group's turnover in the 2011/2012 financial year was EUR 412m.

23 Vaasan Oy

Espoo (Finland)



In 2011 the Finnish Vaasan Group achieved sales of around EUR 408m, which is at least EUR 16m more than in the previous year. Their operations are divided into three business areas: fresh baked goods (around EUR 220m or 54 % of their turnover), bake-off products (around EUR 145m or 35 % of their turnover) and crispbread (EUR 44m or 11 % of their turnover), the latter including both classical crispbread and the thin flatbread varieties. Vaasan concentrates on Scandinavia and the Baltic, where the subsidiaries AS Leibur in Estonia, A/S Hanzas Maiznicas in Latvia and UAB Vilniaus Duona in Lithuania produce mainly fresh bread and are thus the market leaders. Overall the Baltic countries contribute 16 % of sales.

Vaasan is famous above all for its rye bread competence and the "Ruispalat", well leavened flatbreads made from rye dough, which are now available with numerous added ingredients, e.g. cranberries. Vaasan expanded its bake-off division in 2006 by purchasing the Swedish Nordic Bake Off AB, in 2008 through the purchase of Clinor AS in Norway and in 2009 through the shareholding in the Danish Nordic Bake Off A/S. However they appear nowadays under the name Vaasan in all countries except Denmark. Production now takes place only in Finland and Sweden. The Finns market part-baked pies and cinnamon rolls to end consumers through the food retail under the Kotiuunin brand. Vaasan describes itself as the second biggest manufacturer of crispbread worldwide, and the world's biggest manufacturer of thin flatbread. Its brand is Finn Crisp, available nowadays all over the world in countless variants. Vaasan has been owned by the international private equity group Lion Capital since 2007.

24 Groupe Le Duff

Rennes (France)



The empire of the French Groupe Le Duff includes more than 1,120 restaurants and bakeries on four continents, with external sales amounting to EUR 1.175bn. The company, which also has a presence in Great Britain, the United States and Canada, attributes 70% of its turnover to retail activities and 30% to its industrial operations. This presumably includes the turnovers of both the restaurant chain Brioche Dorée, Bridor Inc. and Le Fournil de Pierre as well as the deliveries of baked goods to its own restaurants. Since Bridor is also marketed in Canada and Brioche Dorée also in Argentina, there is some evidence that at most one third of the sales can be defined as European baked goods turnover.

— Part 3 of this article will be continued in issue 3-2013 of *baking+biscuit international*.

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