

# GROWERTALKS

## GT in Brief

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## H2 Sells its Stake in Dümmer Orange

*Chris Beytes*

Amsterdam-based H2 Equity Partners is selling its share of breeding company Dümmer Orange to another private equity firm, BC Partners, which has offices in London, Paris, Hamburg and New York.

In the process, the Dümmer family has sold its share of the business, giving BC Partners roughly 80% ownership and leaving management with about 20% of the business. The deal, as reported by Reuters, is said to be worth around 500 million euros (\$567 million), a multiple of about 11 times EBITDA.

H2 entered the industry in 2010 when they bought Kirin Agribio from Japan's Kirin Holdings and became the majority owner of Dümmer in 2013 when Dümmer and Agribio merged.

*GrowerTalks* caught up with Dümmer's Perry Wismans, who is part of the management team and a shareholder in the company, shortly after he'd left the signing meeting in Rotterdam in October.

Perry said that H2 planned to sell its ownership by 2016, but the process of looking for a buyer began earlier this year. There was a lot of interest from both inside the industry and among private equity firms.

"It's nice, eh?" Perry said as an aside. "I won't say it was unexpected, but there was more interest than we expected. That means that we, as an industry, do something right."

After the usual round of meetings and negotiations, BC Partners got the nod.

What's their plan with Dümmer Orange? Perry expects that they'll stay hands off and let management run the company as they have been.

"They like what we've done the last couple of years, the model we've developed," he says. The existing management team remains, as does the operational structure. "There is no change in the business. Everything is the same today as it was yesterday, except we have a different shareholder. We have the same board members, we have the same management, nothing changes operationally. Nothing."

Even the Dümmer family remains, in spite of selling their shares. Tobias Dümmer has been doing special projects in the supply chain. His wife, Sonja, does marketing in Germany. Tobias's sister, Iris, serves as

Perry's personal assistant.

The next acquisition?

Perry mentioned that part of BC Partners' plan was to continue the growth of Dümmen Orange. Might that include Syngenta Flowers, which we all know is on the market? There have been rumors that they might wind up under the Dümmen Orange umbrella, giving Dümmen a category they aren't yet in: seed annuals. We posed that question to Perry.

"Syngenta is an interesting company," Perry admitted, "But since the announcement from Syngenta that they are for sale, it's pretty much silence out of Basal. We are currently not in the process, there are no negotiations." He added that he's not sure if Syngenta has started talking with potential suitors.

What about BC Partners? Might they also be looking at Syngenta?

"That I don't know," Perry said.

As far as we can tell, this is BC Partners' first foray into horticulture. Their website lists 15 holdings, including PetSmart, the only brand we'd heard of. The others are a mixed bag, including cable TV providers in Sweden and the U.S., a Turkish food retailer and a manufacturer of specialty pumps and compressors.

At one point in the conversation, Perry drifted onto the topic of industry consolidation in general. Perhaps he was thinking about the optics of the BC Partners news.

Said Perry, "I think that consolidation has just started. Some people don't like it, or are threatened by it, others see opportunity. But I really think it's the reality of today's life. We [Dümmen Orange] do it with the help of private equity. Anna [Ball] has enough family capital to do so. But it has happened everywhere and now is happening in our industry. There are many small, attractive independent breeders and producers out there who are looking for an opportunity to sell. This will drive the consolidation." **GT**