



The sale of CanGro Soup, Inc., a division of CanGro Foods, Inc. and a portfolio company of Sun Capital Partners, Inc., to Baxters Food Group of Scotland.



### Background

- CanGro Foods, Inc. (“CanGro” or the “Company”), headquartered in Toronto, Ontario, is a producer and marketer of canned and other pre-packaged soup, vegetable, fruit and tomato products.
- CanGro’s portfolio consists of well-recognized brands including Del Monte, Primo, and Alymer, which are staples in Canada’s largest grocery, mass merchandising and club stores.
- Sun Capital Partners, Inc. (“Sun Capital”), a private equity firm based in Boca Raton, Florida, acquired CanGro from Kraft Canada (“Kraft”). Sun Capital was approached by various strategic parties about the possible sale of all or parts of the Company.
- In response to the numerous inquiries, CanGro retained Mesirow Financial to advise the Company on a potential sale of CanGro Soup, Inc. (“CanGro Soup”).

SUN CAPITAL PARTNERS, INC.



### Challenge

- CanGro was in a state of transition having recently been acquired by Sun Capital from Kraft.
- CanGro experienced slower growth and nominal profitability under Kraft’s ownership and the Company faced regional competition with lower operational costs.
- The Company’s niche product offering limited potential buyers only to industry participants that could realize significant synergies from a transaction.

### Action

- Mesirow Financial worked closely with the CanGro management team and Sun Capital to create a compelling Offering Memorandum, and developed a comprehensive list of both domestic and international strategic buyers.
- The Company was marketed off of contribution margin to showcase the prospective buyer’s ability to fold the CanGro Soup operations into their existing infrastructure.
- After receiving a number of proposals, CanGro and Sun Capital selected Baxters Food Group (“Baxters”), a Scotland-based diversified food manufacturer with soup operations in Canada, to acquire CanGro Soup.

### Result

- Mesirow Financial successfully led negotiations between Sun Capital and Baxters.
- Baxters valued CanGro Soup off of contribution margin, resulting in a highly strategic valuation for the business.

### **Additional Services offered by Mesirow Financial**

**Investment Management** Institutional money manager in the areas of hedge fund strategies, private equity, currency and commodity management, real estate, U.S. value and international equities and fixed income, as well as investment advisory services for private clients and retirement plan sponsors

**Global Markets** Well-capitalized broker/dealer with expertise in investment banking, sale-leaseback financing and non-discretionary brokerage services

**Insurance Services** Full-service insurance brokerage and consultant specializing in the areas of property and casualty, surety, employee benefits, life and disability and private client insurance, as well as structured settlement services

**Consulting** Financial advisory services including corporate recovery, litigation, investigative and intelligence services, interim management\* and valuation services, as well as real estate consulting and compensation and executive benefit strategies

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Mesirow Financial's Investment Banking group focuses exclusively on middle-market transactions and serves established middle-market companies and large corporations, both public and private, in merger & acquisition advisory, capital markets advisory, restructuring and special situations, fairness and solvency opinions, board of directors advisory and special committee representation. We are a national firm with strategic initiatives in China, Southern Europe and the Middle East. Our practice combines rich industry knowledge and long-standing relationships with expert advisory services in the middle market, and our full range of services allows us to serve clients at any the stage of their business.

### **About Mesirow Financial**

Mesirow Financial is a diversified financial services firm headquartered in Chicago. Founded in 1937, we are an independent employee-owned firm with offices across the country and in London. With expertise in Investment Management, Global Markets, Insurance and Consulting, Mesirow Financial strives to meet the financial needs of institutions, public sector entities, corporations and individuals. For more information about Mesirow Financial, visit our website at [mesirowfinancial.com](http://mesirowfinancial.com).

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