

La Doria

Takeover likely

La Doria has confirmed the shareholders subject to the shareholders' agreement, who hold 63% of the issued share capital, are in negotiations with Investindustrial Holdings, a private equity investor. The proposed agreement would include the transfer of the entire 63% holding to an Investindustrial Group company at a price of €16.50 per share and the subsequent launch of a public tender offer for the rest of La Doria's outstanding shares, also at €16.50 per share. A number of the selling shareholders, including CEO Antonio Ferraioli, will continue to be involved in managing La Doria once the transaction has completed. Investindustrial has been granted a period of exclusivity until 20 October to complete its due diligence.

Year end	Revenue (€m)	PBT* (€m)	EPS* (c)	DPS (c)	P/E (x)	Yield (%)
12/19	717.7	32.7	64.5	18.0	26.4	1.1
12/20	848.1	63.3	185.5	50.0	9.2	2.9
12/21e	814.2	62.7	157.9	41.0	10.8	2.4
12/22e	814.2	66.6	166.6	44.0	10.2	2.6

Note: *PBT and EPS are normalised, excluding amortisation of acquired intangibles, exceptional items and share-based payments.

Given the discussions being held are with shareholders accounting for 63% of the shares in issue, we believe there is a high likelihood the transaction will be successful. We note La Doria's close price of €19.44 on Friday 24 September was 18% above the offer price of €16.50, so the agreement will come as a disappointment to current shareholders as the share price has been consistently above €16.50 since March 2021. A full discussion about our fundamental valuation of €22.00/share can be found in our last [note](#).

Management believes the transaction will provide a great opportunity for La Doria to embark upon a new phase of growth, allowing it to become a platform for consolidation in the sector. For many years La Doria's business strategy has included an ambition to grow the business through M&A, although the last reported acquisition was Pa.fi.al in October 2014. La Doria's new private equity owners may well choose to accelerate this ambition and build the company's scale in the segments in which it operates. Antonio Ferraioli is expected to retain his role as CEO, providing stability for La Doria's employees.

Potential takeover

Food and beverages

28 September 2021

Price €17.02

Market cap €521m

Net debt (€m) at 30 June 2021 82.4

Shares in issue 30.6m

Free float 37%

Code LD

Primary exchange Borsa Italiana (STAR)

Secondary exchange N/A

Share price performance



Business description

La Doria is the leading manufacturer of private-label preserved vegetables and fruit for the Italian (16% of revenues) and international (84% of revenues) markets. It enjoys leading market share positions across its product ranges in the UK, Italy, Germany and Australia.

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