

Case Study.  
Cacao commodity.  
Europe.  
Private Equity.

# Strategic insights for private equity investment in the food & beverage sector

## Context

Our client is a London-based mid-cap PE firm focusing on business-to-consumer (B2C) and private label brands.

## Challenge

The firm's portfolio companies are exposed to cacao products and were looking to understand and estimate their exposure to variations in cacao supply affected primarily by climate risk. However, since the acquisition, the cacao commodity landscape has changed significantly due to climate change, resulting in shortages and substantial price increases. These developments present a considerable risk to the firm's investment strategy. The client engaged dss+ to prepare briefing notes and evaluate climate risks to cacao yields over the next 5-10 years and identify adaptation strategies.

## dss+ approach

The briefing notes were developed using three methodologies to provide an objective overview with selective technical details:

- Market scan & key statistics: a comprehensive assessment of the cacao and chocolate market, including key players, industry trends, news, and historical data.
- Climate risk analyses of crop-specific characteristics and climate scenarios to evaluate impacts on cacao yield and explore adaptation strategies.
- Expert interviews with industry experts validated understanding of the risks, approaches and provided practical insights into the application of selected strategies.

The notes informed the PE firm's strategy for future F&B investments, integrating climate risk into their analysis and guiding asset strategies to address commodity challenges.



## Assignment

Assess how climate-related risks could impact cacao yields and identify adaptation strategies to mitigate potential effects on availability and pricing.



## Offering

Energy transition and decarbonisation



## Impact

- Identified potential shortages in the next 5–10 years to inform strategic planning.
- Implemented strategies and insights led to a better safeguarding of the investments.
- Positioned proactive risk management as a key driver for long-term sustainability and competitive advantage.

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