



Date: 21 June 2021

LEI: 635400TLVVBXLFHWC59

This announcement contains inside information

KERRY GROUP

Kerry reaches agreement to acquire Niacet for €853m

Kerry Group plc ("Kerry"), the global taste & nutrition company, today announces that it has reached agreement to acquire Hare Topco, Inc. trading as Niacet Corp. ("Niacet") from an affiliate of funds advised by SK Capital Partners, LP ("SK Capital") and other shareholders for €853m (\$1,015m¹) on a cash-free, debt-free basis, subject to customary closing adjustments.

Niacet is a global market leader in technologies for preservation. It has clear leadership positions in Bakery and Pharma, and cost-effective low-sodium preservation systems for Meat and plant based food across both conventional and clean label solutions. Niacet is differentiated by its proprietary drying and granulation process technologies in its key market categories of Bakery, Meat and Pharma. The business has customers in over 75 countries and key manufacturing sites in Niagara Falls (USA) and Tiel (The Netherlands).

Niacet has an attractive financial profile. For the year ended 31 December 2021 Niacet is expected to have pro forma annualised revenue of c.\$220m and EBITDA of c.\$66m, representing an EBITDA margin of c.30%. The transaction value of \$1,015m represents an implied EV/EBITDA multiple of 15.4x excluding synergies.

Following the acquisition, Niacet will be integrated into Kerry's global food protection and preservation platform.

The addition of Niacet's complementary capabilities will enhance Kerry's food protection and preservation strategy to offer new products and technologies in a broader market. The resulting revenue synergies are expected to enable the Niacet business to significantly outperform the market and deliver at least mid-to-high single digit volume growth. The transaction will be growth and margin enhancing to Kerry and is expected to be accretive to adjusted earnings per share in year one.

Edmond Scanlon, CEO of Kerry, commented "The acquisition of Niacet's complementary product portfolio enhances our leadership position in the fast growing food protection and preservation market and significantly advances our sustainable nutrition ambition. Niacet is a business with market leading positions, differentiated technologies and a strong and highly experienced management team. We are pleased to welcome the Niacet team to Kerry and we are excited at the potential the combination of our two businesses offers to outperform in this important and attractive market."

Kelly Brannen, CEO and significant minority owner of Niacet, commented "We are proud of the rich heritage we have built in Niacet, dating back to when my family purchased Niacet in 1978. This transaction affirms the reputation we have developed as a trusted industry leader with a long-dated track record of making the highest quality products in the market. Our constant focus on innovation has been key to the development and success of our new clean label products. I'd like to thank our employees for their dedication and commitment and SK Capital for its support throughout its ownership period. In partnership, we have strengthened and grown the company substantially, while establishing the next phase of Niacet's growth. We view the sale to Kerry as a perfect fit. It will allow Niacet to grow at a much faster rate and sell in new markets around the world. We are very pleased to become part of the Kerry family."

Strategic Rationale

- **Niacet is a global market leader in technologies for preservation**
 - Over 80 years' experience in organic acids
 - Global leadership in Bakery and Pharma
 - Highly cost-effective portfolio of conventional and clean label low-sodium preservation systems for Meat and plant-based foods
- **Strongly aligned with Kerry's food protection and preservation strategy**
 - Niacet's leadership in conventional organic acids complements Kerry's focus on clean label
 - Enhanced portfolio to address customer needs across clean label, conventional and combined solutions
 - Significant revenue synergy opportunities through combining products and process technologies to enable above-market growth in preservation

- **Significant consumer and market demand for preservation**
 - Increasing consumer focus on food safety and the environmental impact of food waste
 - Market for food protection and preservation solutions projected to grow at mid-single-digit rate
 - Growing demand for plant-based foods requiring new food safety and shelf life solutions
- **Extends and accelerates Kerry's sustainable nutrition impact**
 - Broadens Kerry's portfolio of preservation technologies enabling greater reach and solution delivery across key food waste categories
 - Partner of choice for food safety and shelf life extension across clean label and conventional preservation

Transaction Details

The transaction is expected to close by the end of the third quarter of 2021 subject to customary closing conditions and regulatory approvals. The transaction will be funded via a combination of existing liquidity and a dedicated bridge facility. The bridge facility will be repaid out of proceeds from the sale of Kerry Consumer Foods' Meats and Meals business for approximately €819m per the announcement on 17 June 2021, which is expected to complete in the fourth quarter of 2021. The net impact of the two transactions on Kerry's net debt to EBITDA ratio for the year ended 31 December 2021 will be minimal.

About Kerry Group

Kerry is the world's leading taste and nutrition partner for the food, beverage and pharmaceutical industries. We innovate with our customers to create great tasting products, with improved nutrition and functionality, while ensuring better impact for the planet. Our leading consumer insights, global RD&A team of 1,000+ food scientists and local manufacturing footprint in 31 countries enable us to co-create with our customers across over 150 countries. At Kerry, we are driven to be our customers' most valued partner, creating a world of sustainable nutrition, and will reach over 2 billion consumers with sustainable nutrition solutions by 2030. For more information, visit www.kerrygroup.com.

Disclaimer: Forward Looking Statements

This Announcement contains forward looking statements which reflect management expectations based on currently available data. However actual results may differ materially from those expressed or implied by these forward looking statements. These forward looking statements speak only as of the date they were made, and the Company undertakes no obligation to publicly update any forward looking statement, whether as a result of new information, future events or otherwise. No representation or warranty is given as to the achievement or reasonableness of, and no reliance should be placed, on any such forward looking statement contained in this Announcement. No statement in this Announcement is intended as a profit forecast or a profit estimate. No such statement should be construed or interpreted to mean that earnings or earnings per share of Kerry will necessarily be greater or lesser than those for the relevant preceding financial periods for Kerry.

This announcement contains inside information for the purposes of Article 7 of the Market Abuse Regulation (EU) No 596/2014. The person responsible for making this announcement is Ronan Deasy, Group Company Secretary of Kerry Group plc.

¹ The cash consideration of €853m is based on a prevailing exchange rate of \$1.19: €1.

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