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KERRY GROUP

Kerry reaches agreement for the sale of its Consumer Foods' Meats and Meals business to Pilgrim's Pride Corporation for €819m.

Kerry Group plc today announces that it has reached agreement to sell its Consumer Foods' Meats and Meals business in the UK and Ireland to Pilgrim's Pride Corporation for a cash consideration of €819m (£704m¹) subject to routine closing adjustments. The Meats and Meals business is a best-in-class provider of convenience food solutions, with leading brands and longstanding relationships with major retailers. The financial results for the year ended 31 December 2020 attributable to the business were revenue of €828m, EBITDA of €86m, profit before tax of €63m, and gross assets of €521m².

The Meats business is a leading manufacturer of branded and private label meats, meat snacks, food-to-go and meat-free products in the UK and Ireland. Its brands include Richmond, Denny, Galtee, Fridge Raiders and Rollover. The Meals business primarily serves the UK market and specialises in authentic ethnic chilled and frozen ready meals, multi-cuisine ready to cook ranges, and home delivery meals under the Oakhouse brand.

Edmond Scanlon, CEO of Kerry, commented "Kerry's strategy for the past 30 years has been to continuously evolve our portfolio, as we progressed on our journey to becoming a market-leading Taste & Nutrition company. This transaction further enhances Kerry's focus as a leading business to business ingredient solutions provider for the food, beverage and pharmaceutical markets. Pilgrim's is a global provider of high-quality food products and I am convinced they will make an excellent future owner of the Meats and Meals business. I wish to thank the 4,500 employees of the business for their contribution to Kerry over many years."

Fabio Sandri, CEO of Pilgrim's, commented "We are pleased to have the opportunity to position Pilgrim's as a leading prepared foods and branded products player through this acquisition. We look forward to welcoming Kerry Consumer Foods' Meats and Meals business' talented management team and other team members, led by Nick Robinson, to the Pilgrim's family, and we look forward to working together to drive growth and deliver value for all of our stakeholders."

Nick Robinson, CEO of Kerry Consumer Foods, added "Our companies share a rich heritage in food production with aligned values that put people and customers at the heart of all we do. We look forward to working with our new colleagues to build upon the fantastic progress of these businesses and realise our combined growth opportunities as we enter an exciting new phase."

The proceeds from the sale will be used for general corporate purposes and the continued strategic development of the Taste & Nutrition business. The transaction is expected to close in the final quarter subject to customary closing conditions and regulatory approvals. Following today's announcement, we will separate and realign the remaining dairy-related activities within the Consumer Foods Business. The strategic review of the dairy business has been completed and there will be no disposal of the dairy business at this time.

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.

About Pilgrim's

As a global food company with more than 58,000 team members, Pilgrim's processes, prepares, packages and delivers fresh, frozen and value-added food products for customers in more than 100 countries. For more information, please visit www.pilgrims.com.

Note: The sale constitutes a Class 2 transaction for the purposes of the Euronext Dublin Listing Rules and the UK Financial Conduct Authority's Listing Rules.

¹ £704m comprises an enterprise value of £680m and working capital and net debt adjustments of approximately £24m. The cash consideration of €819m is based on the prevailing exchange rate of £0.86: €1 on 17 June 2021.

² Represents gross assets the subject of the transaction of €185m plus attributable goodwill and intangibles of €336m.

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