



Newlat acquires EM Foods

A Leading French Producer of Baking & Dessert Mixes

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A historical home baking and dessert mix producer based in Ludres



EM Foods is a company founded in 2021 in order to include all the assets of the Alsa production plant based in Ludres, France, which has been the main Alsa plant since 1972. Alsa is a long-standing producer of baking goods and cake mixes founded in 1897 and sold by Unilever to Dr. Oetker in 2018.



The site is located in a business park at 15min from the city center of Nancy and is covering:

- A landhold of 6.6 hectares comprising a set of several building;
- A production building of 14,000 sq.m, a storage building of 4,600sq.m and an office building of 900 sq.m.

All the property assets are directly owned by EM Foods and are part of the transaction.

An important industrial know-how



EM Foods is specialized in the manufacture and bagging of powdered food products like powder mixes for baking and dessert, yeasts, tea and soups. It counts ca. 370 different products and an annual production capacity of 24,000 tons



Unilever
Acquires Alsa
in 2000

Dr. Oetker
acquired Alsa
in 2018



Symington's
has a market
share of 75%
in the UK
private label
market

Supported by combined experiences of over 160 years in which the company developed and produced products behind the most famous brands in the sector, the team continues to be focused on the development of new recipes for brands and food service, quality improvement, reformulation and material simplification. Additional synergies could be created combining EM Foods and Symington's expertise in this specific sector.

Newlat Food's acquisition of EM Foods

In accordance with French law, Newlat Food signed today a put option pertaining to 100% of the ordinary shares and voting rights of EM Foods. Before closing can occur, the works council information and consultation process on the level of EM Foods has to be completed. The closing of the deal is expected by beginning of January 2023. The key terms of the transaction are summarized forth below:

- 1 Newlat Food is going to invest in EM Foods a full amount of € 20 million including the purchase price, efficiency and reorganization investments together with the investment for the construction of a new automatic warehouse.
- 2 At closing, EM Foods won't have neither financial debt nor other unfunded debt or debt-like obligations, including pensions.
- 3 Newlat expects EM Foods to generate revenues of € 50 million in 2024, as a combination of the LTSA signed with a multinational corporation and the new business which will derive from the development of the Newlat own brands. EBITDA is expected at Euro 5 million in the same year.

On this basis, the implicit transaction multiple is 4x EV/EBITDA.

Strategic focus and Business Development

1

Signing of a commercial agreement (LTSA) with a multinational corporation for the production of its branded home baking products

2

Development of Newlat's own brands (e.g. Minuto) in Italy, Germany, France and further export to the existing UK market

3

Development of new products for the UK market (pancake mix, other cake mixes)

Some existing PL home baking products (Symington's)



Example of new own brand (Minuto) range that will be produced in Ludres





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