



Press release

9 December 2013

Cloetta to acquire Nutisal – a leading company within dry roasted nuts

Cloetta has signed an agreement to acquire Alrifai Nutisal AB, a leading Swedish company within dry roasted nuts. The acquisition is in line with Cloettas's strategy to broaden its product portfolio within Munchy Moments.

“I am very happy to announce a significant step in to a new category in our home markets with the acquisition of Nutisal. Cloetta will now be able to offer consumers a new Munchy Moment with an established brand in the growing nuts segment. Cloetta's strong route to market combined with the market growth in the category should facilitate significant growth going forward”, says Bengt Baron, CEO of Cloetta.

“I am excited about the future of Nutisal. I am confident that we have placed the business and the brand in safe hands. This is a fantastic opportunity, and I am convinced that Cloetta will ensure the continued growth of Nutisal in Sweden and beyond”, says Mohamed Rifai, CEO of Alrifai International Holding Ltd.

The acquisition will support profitable growth by expanding Cloetta into adjacent categories, but will generate only limited synergies within existing sales, administration and logistics.

The acquisition is expected to generate an additional growth in sales of approximately 1 per cent on a Group level in the next few years. It will require exceptional restructuring cost of approximately SEK 10m in 2014. The acquisition will, in 2014, have a very limited effect on Cloetta's operating profit as the company is in a growth phase. However, the acquisition is expected to be EPS accretive in 2015.

The upfront purchase price is SEK 110m in cash with a potential earn-out based on certain targets related to the results of Nutisal for 2016. The earn out is maximum SEK 300m in cash. The acquisition will be financed through Cloetta's existing credit facilities.

Alrifai Nutisal AB produces and sells dry roasted nuts under the brand Nutisal, primarily in the branded bags segment. It was established in Sweden in 2007 and has yearly sales of about SEK 200m, with about 60 employees. Today, Sweden accounts for about half of the sales, but Nutisal is also sold in Denmark, Norway, Germany, UK and the Benelux countries. Nutisal holds a number two position in the branded nuts market in Sweden. Nutisal is currently distributed through an own sales force in Sweden and through distributors on the other markets.

Nutisal nuts are dry roasted, using unique knowledge and technology. The dry roasting enhances the 'real' taste of nuts and offers a unique 'crisp' to the products. All products are produced in a new (established in 2007) factory in Helsingborg, Sweden.

The seller is Arval Holding Ltd, a company controlled by the Al Rifai Group, a leading Lebanese nuts company dating back to 1948. Al Rifai Group is by 35% owned by Qatar First Bank. The acquisition is due to be completed by early January 2014.

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About Cloetta

Cloetta, founded in 1862, is a leading confectionary company in the Nordic region, the Netherlands, and Italy. In total, Cloetta products are sold in more than 50 countries worldwide. Cloetta owns some of the strongest brands on the market, such as Läkerol, Cloetta, Jenkki, Kexchoklad, Malaco, Sportlife, Saila, Red Band and Sperlari. Cloetta has 10 production units in five countries. Cloetta's class B-shares are traded on NASDAQ OMX Stockholm. More information about Cloetta is available on www.cloetta.com

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