

## **Marel agrees to acquire MPS meat processing systems** **-Favorable long term financing secured**

Marel has agreed to acquire MPS meat processing systems for €382 million on a debt and cash-free basis. Parallel to the acquisition Marel has entered into an agreement of long term financing for the total Marel group for the amount of close to €670 million at favorable terms and conditions.

MPS is a global leader in primary processing solutions for the meat industry. The two companies have a great strategic and cultural fit with highly complementary product portfolios and geographic presence, creating a strong platform to enhance further growth.

The acquisition enhances Marel's position as the leading global provider of advanced equipment and solutions to the poultry, meat and fish industries and is fully in line with the company's previously announced growth strategy. This step will support Marel's full line offering in the meat processing industry and contribute to more balanced revenue split between industry segments and geographies. On a pro-forma basis Marel's meat segment will contribute to around 30% of revenue and EBITDA of Marel following the acquisition.

### **MPS meat processing systems**

MPS is a leader in primary processing solutions for the pork and beef industry as well as in innovative solutions in water treatment and food logistics. Under the leadership of MPS's management MPS has shown solid growth and profitability in recent periods and it is estimated that 2015 revenue will be close to €150 million and EBITDA close to €40 million. MPS has one of the largest installed bases in the industry and a large global base of customers. MPS is headquartered in the Netherlands and has around 670 employees. The main production sites of MPS are in the Netherlands and in China and it has a strong sales and service network around the globe.

### **Arni Oddur Thordarson CEO of Marel:**

*"MPS is a great complementary fit with Marel. We know each other well as we have been partners in several projects in the meat industry around the globe, where MPS has been delivering innovative and automated primary processing solutions and Marel has been delivering the secondary processing solutions with overarching software solutions. Together the companies are stronger and in the position to deliver full line solutions to Meat processors around the world."*

*"The acquisition is fully in line with Marel's strategy to be at the forefront of delivering full line solutions to the Poultry, Meat and Fish industries globally. The combination of MPS and Marel is in many ways similar to the combination of Stork Food Systems and Marel, 8 years ago that has stimulated organic growth and resulted in great solutions and value to Marel's customers and shareholders"*

### **Remko Rosman CEO of MPS meat processing system:**

*"We are excited to become a part of Marel and find a long-term home for MPS and its employees. The complementary nature of our products and footprint and the strength of our combined brands enhance scale and full line offering. Marel and MPS have played an important role in defining the food processing industry and together we will be better positioned to invest in growth and innovation to add value to our current and future customers."*

### **Completion of the acquisition**

The completion of the acquisition is subject to anti-trust approvals and closing is expected to take place in the first quarter of 2016. Both Remko Rosman, CEO of MPS and David Wilson, Managing Director, Marel meat are instrumental for the future of Marel.

Existing MPS shareholders, including MPS management will invest around €16 million of their proceeds in Marel shares with a lock-up period of 18 months from the date of closing. The number of shares they will buy is 10.8 million for the price of 213 ISK per share.

**Long term financing for Marel secured**

Parallel to the acquisition Marel has secured long-term senior financing arranged by Rabobank. The approximately €670 million senior loan facilities has maturity in November 2020 and its terms and structure in line with current market conditions.

The financing provides Marel with strategic and operational flexibility to support growth and value creation going forward.

The financial position of Marel will remain strong and leverage (Net debt/EBITDA) ratio is estimated to be in line with the targeted capital structure of the company.

**Investor meeting:**

Marel will hold a meeting for analysts, media and investors on Monday, November 23, at 16:00 pm (GMT).

**For further information, contact:**

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**About Marel**

Marel is the leading global provider of advanced equipment, systems and services to the fish, meat and poultry industries. With offices and subsidiaries in more than 30 countries and a global network of more than 100 agents and distributors, we work side-by-side with our customers to extend the boundaries of food processing performance. Advance with Marel for all your processing needs.