

Axcel creates global market leader in high-tech equipment for the global slaughter industry

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Copenhagen, 12 July 2016

Axcel is to invest in SFK LEBLANC, Attec, ITEC and Carometec, merging the four companies into an effective leading global player in the rapidly growing market for high-tech slaughter equipment. The merged company will have total revenue of around DKK 1.1 billion and 740 employees.

SFK LEBLANC, the largest of the four companies, was founded in 1931 as SFK, a subsidiary of Danish Crown with the purpose of supplying meat processing equipment. SFK was sold to Maj Invest in 2006 and has since been transformed from essentially an internal supplier of Danish Crown into a global player in high-tech slaughter equipment. This was made possible by sizeable investments in product development and the acquisition of North American market leader G.E. Leblanc and Dutch market-leading cattle specialist NAWI.

The other three companies – Attec, ITEC and Carometec – are all privately owned and have also, through focus on product development and global customers, carved out interesting positions in the market for high-tech slaughter equipment, with some of the products and solutions being completely unique.

The company acquisitions were negotiated separately and are not interdependent.

"Basically, the companies are operating in a growing market driven by increasing global meat consumption, especially in a number of the world's fastest growing economies," says Axcel Director Christoffer Müller. "The merger will create a global market leader with a solid basis for growth as a consequence of a stronger product programme and a stronger geographical presence. Furthermore, the merged group will have the resources to invest more offensively in product development and new sales offices in a number of markets, which should further accelerate the growth. That makes this a very exciting investment that we're looking forward to working on."

The sellers of SFK LEBLANC – Maj Invest and Nimbus – are delighted with how the company has developed:

"When we bought SFK in 2006, we knew that a major transformation process lay ahead. It's been a big challenge remaining competitive for other customers, but thanks to a skilful management, which has implemented our strategy to the letter, we've succeeded in turning the company into a market-leading player in the industry," says Maj Invest partner Per Høholt. William Blair International has acted as the exclusive financial adviser to Maj Invest and SFK LEBLANC.

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SFK LEBLANC is similarly delighted that the merger has now been finalised:

"Attec, ITEC and Carometec are very strong niche companies in our industry with whom we've enjoyed a good relationship for a long time. This is a natural merger that will allow us to offer customers an even better product programme and solutions, so we're really excited about the partnership," says Ib Sand Nykjær, SFK LEBLANC's CEO.

Attec and ITEC also have big expectations of the new set-up:

"We believe this merger will strengthen SFK LEBLANC as well as Attec and ITEC, and the fact that we've now succeeded in creating a major player in the slaughter industry with strong Danish roots is obviously very satisfying," says Andreas Iskov Jensen, managing director and owner of Attec.

Carometec is also looking forward to the merger:

"This merger with SFK LEBLANC, Attec and ITEC will create a solid platform for integrating Carometec's unique technologies directly into future automation solutions throughout the slaughter process," says CEO Henrik Andersen.

"The investment in SFK LEBLANC, Attec, ITEC and Carometec will be the eleventh carried out in Axcel IV, and we've now carried out a total of 45 investments across our funds as well as 36 exits," says Christian Frigast, Managing Partner at Axcel. *"With the latest successful exits and with our new organisation in place, we're ready to prepare the work of raising Axcel V during the autumn of 2016."*

"We were attracted by the possibility of being able to help create a leading global player in the market for high-tech slaughter equipment," says Torben Vangstrup, managing partner at ATP Private Equity Partners. *"The market is expected to experience growth as a result of consolidations and automation in the slaughter industry as well as a general increase in food consumption worldwide. The conditions are therefore in place for the investment to generate good returns for ATP's members in the long term."*

The transaction is expected to be completed in August 2016.

About SFK LEBLANC

SFK LEBLANC is a leading global supplier of high-tech production equipment. SFK LEBLANC supplies advanced automatic pig and cattle slaughter lines to

major manufacturers such as Smithfield Foods, Inc., Tyson Foods, Triumph Foods and Danish Crown. SFK LEBLANC has activities in Denmark, the Netherlands, Canada, the USA, China and Russia.

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About Attec

Attec was established in 1987 in Denmark and is now a leading global manufacturer of automated cutting, deboning and storage systems as well as packing machinery for pig, cattle and lamb slaughterhouses. Attec, which has around 150 employees, specialises in individual customised solutions within internal transport and automation for slaughterhouses, meat-processing companies and other food companies.

About Carometec

Carometec, which has roots in SFK, is a high-tech company that develops, manufactures and markets measuring equipment based on advanced ultrasound scanning, NIR spectroscopy and vision technology for slaughterhouses around the world, and today has more than 1,000 installations in more than 30 countries. The equipment helps meat processors to accurately and automatically qualify the value of the product early in the production process. Carometec has around 35 employees.

About ITEC

ITEC, which has around 85 employees, is a German company established in 1990 that develops, produces and markets machinery for the food industry, including hygiene systems. ITEC and Attec collaborate closely, with ITEC acting as Attec's distributor in Germany.

About Maj Invest

Maj Invest Equity benefits from many years of experience, knowledge and a wide network of business executives from advising on investments in small and medium-sized unlisted Danish companies. Maj Invest Equity's funds have total committed capital of approx. DKK 7.5 billion from a number of investors, making it Denmark's largest private equity investor in small and medium-sized companies. Since 2005, the funds have advised on investments in more than 60 companies, and in that same period more than 40 companies have been exited. The funds' current portfolio consists of 17 companies.

About Axcel

Founded in 1994 by a group of investors from Denmark's largest financial and industrial institutions, Axcel is a Nordic private equity firm focusing on mid-market companies and has a broad base of both Danish and international investors. It has raised four funds with total committed capital of around DKK 10 billion and has made 45 investments along with 80+ significant bolt-on acquisitions. So far, 36 companies have been sold or floated. Axcel's investments currently include 8 portfolio companies, representing combined revenue of just under DKK 6.6 billion and around 4,200 employees.

About ATP Private Equity Partners (ATP PEP)

ATP PEP handles private equity investments on behalf of ATP. ATP is one of Europe's largest pension investors. ATP PEP was formed in 2001 and has since focused on investments in private equity funds as well as co-investments with such funds. ATP Private Equity Partners is among the largest European investors in the global private equity market with an annual investment programme of approx. DKK 3 billion. Investment commitments include commitments to the Axcel I, II, III and IV funds.

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