

Midsona acquires Danish plant-based foods company with sales of SEK 562 million

Midsona AB (publ) today announced that it has acquired System Frugt A/S, a leading Nordic provider of plant-based foods with its premium brand Earth Control. The acquisition strengthens Midsona's position within dried fruit and nuts. In 2020 System Frugt is expected to achieve sales of SEK 562 million and adjusted EBITDA of SEK 38 million. The total purchase price is SEK 298 million on a debt-free/cash-free basis and was financed with existing cash resources and credit facilities. Midsona expects annual synergies of SEK 34 million, with full effect from the end of 2022. Pro forma, the acquisition increases Midsona's 2019 sales by 18 percent.

System Frugt, a private company based in Tilst, Denmark, is a leading supplier of dried fruit and nuts to customers within the retail grocery industry. The company's market presence and product portfolio complement and strengthen Midsona's position in the healthy snacks and plant-based foods categories. Earth Control, a leading brand within dried fruit and nuts, will be a prioritized brand for Midsona becoming the group's third largest following the acquisition.

"System Frugt is an ideal complement to Midsona, a platform for healthy, dry plant-based foods. System Frugt's Earth Control brand has a uniquely strong position in Denmark and is growing steadily in the rest of the Nordic region. By leveraging our existing platform, we see opportunities to grow System Frugt's business outside its home market. At the same time, we also see great opportunities in Denmark, where our combined portfolios will result in us becoming one of the leading players in the healthy, dry foods segment. In addition, the acquisition provides us with greater production capacity, including roasting and new packaging capabilities, and we also see significant synergies", said Peter Åsberg, CEO of Midsona.

About System Frugt

Founded in Denmark in 1991, System Frugt is a leading supplier of dried fruit and nuts to customers within the retail grocery industry. The company offers products under its own brands, Earth Control and Delicata, as well private label products. The Earth Control brand, which has achieved double digit growth per annum over several years, has become the category leader in Denmark with increasing positions across the Nordic markets. The company's portfolio includes a range of products and mixes, with and without seasoning, offering customers healthy, convenient choices for snacking, salad topping and cooking.

The company has 128 employees, the majority of which are located at its production facility and head office in Tilst, Denmark. System Frugt also has sales organizations in Denmark, Sweden, Norway and Finland.



About Midsona

Midsona develops and markets strong brands within health and well-being, with products that help people live a healthier and more sustainable life, with an increased understanding of the origin of the raw materials and with transparency as to the contents. The Midsona share is listed on NASDAQ OMX Stockholm, Mid Cap. For more information www.midsona.com/en

In 2019, System Frugt had net sales of DKK 399 million (~SEK 567 million) and adjusted EBITDA of approximately DKK 25 million (~SEK 36 million).

Financial effects

The total purchase price of approximately SEK 298 million (DKK 210 million), on a debt-free/cash-free basis, was paid in cash on closing. In 2020, Midsona expects System Frugt to achieve net sales of approximately SEK 562 million (~DKK 396 million) and adjusted EBITDA of approximately SEK 38 million (~DKK 27 million). The purchase price represents a current year enterprise value multiple of approximately 7.8x EBITDA and a multiple of 4.1x EBITDA including synergies. Synergies are expected to have an annual impact on EBITDA of approximately 34 million (~DKK 25 million), with full effect from the end of 2022. The acquisition has been financed with existing cash resources and credit facilities.

Advisors

Strata Advisory AB is acting as exclusive financial advisor to Midsona. Fredersen Advokatbyrå AB and DANDERS & MORE are legal advisers to Midsona

This is information that Midsona AB is obligated to make public in accordance with the EU Market Abuse Regulation and the Securities Market Act. The information was submitted for publication through the agency of Peter Åsberg on 7 October 2020 at 12:20 am CET.

For more information, please contact MD and CEO Peter Åsberg, telephone +46 (0)730 26 16 32, or Division Director Nordics Ulrika Palm, +46 (0)705 83 57 35.



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