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## **Fazer Group has agreed to sell Fazer Food Services to Compass Group PLC**

**Fazer Group focuses on its fast-moving consumer goods and direct-to-consumer businesses and has agreed to sell Fazer Food Services to Compass Group PLC, subject to EU Commission competition approval. Fazer Food Services is a premier food service provider in the Nordics. Following the proposed acquisition, Fazer Food Services will be able to invest in its business opportunities and better leverage its full potential. Compass Group PLC is a leading global food service provider operating in around 45 countries. Fazer Group will focus on executing its strategy and invest in growth, both organic and through M&A.**

Fazer Group is today a multi-faceted group with limited synergies between the fast-moving consumer goods and food service businesses.

“We see interesting growth opportunities in all of Fazer Group’s businesses – each with their specific investment requirements – and, therefore, we have decided to streamline the business portfolio to enable focus in capturing these opportunities. We are extremely pleased to have Compass Group PLC as a potential new owner for Fazer Food Services. Fazer Food Services can start a new phase in its journey with even stronger support to grow and further improve its business. Fazer Group will use the funds from the sale of Fazer Food Services to invest in Fazer Group’s growth strategy,” says Christoph Vitzthum, President & CEO of Fazer Group.

The transaction has been agreed for an enterprise value of approximately 475 M€, excluding closing balance sheet adjustments and earn-out upside potential.

“Fazer Group is committed to supporting Compass Group PLC and Fazer Food Services in enabling a smooth transition. In particular, to support Fazer Food Services Finland’s continued success under Compass Group PLC’s leadership, we have agreed to license the Fazer Food & Co brand and concept in Finland for 3 years. The licensing agreement will form part of the wider Finnish earn-out. There will be joint financial interest in the continued success of Fazer Food Services’ and Compass Group PLC’s businesses in Finland after the closing of the transaction,” continues Christoph Vitzthum, Fazer Group’s President & CEO.



Dominic Blakemore, CEO of Compass Group, said: "Fazer Food Services is a highly regarded food service business in the Nordic region, and like Compass Group PLC, is focused on high-quality food, culinary innovation, sustainability and great customer service. I am excited that, together with our existing colleagues in the region, we will be able to further enhance our customer proposition in the Nordic market."

Compass Group PLC is a leading global food service provider with revenues of around 26 billion euros. It operates in around 45 countries, employs 600,000 people and serves over 5.5 billion meals a year. The company specialises in providing food services across the core sectors of Business & Industry, Healthcare & Seniors, Education, Sports & Leisure and Defence, Offshore & Remote, with an established brand portfolio.

Fazer Food Services has over the last couple of years built a strong foundation for the business and, with the potential new owner, and subject to competition clearance, it is now ready to take the next steps in furthering the development of the Nordic food service market.

### **Fazer Group is speeding up its transformation**

Fazer Group is speeding up its transformation into a modern sustainable food company with a joint direction by executing its strategy focusing on the FMCG and direct-to-consumer businesses. Fazer Group's objective is to grow in Northern Europe and beyond with desirable, meaningful branded food experiences in growing categories. The growth is built on a group-wide consumer centric approach, innovations and close customer cooperation across Fazer Group's businesses fuelled by investments in growth, both organic and through M&A.

"This is a great opportunity for both Fazer Group and Fazer Food Services and we will miss our colleagues. The future will offer interesting and inspiring opportunities for the personnel in both companies," says Christoph Vitzthum.

Fazer Food Services' entire personnel, approximately 7,000 people, will be part of the transaction. Fazer Food Services has a total of approximately 1,000 restaurants of which 500 are located in Finland, 230 in Sweden, 150 in Denmark and 120 in Norway. In addition, it has a production kitchen in Estonia.

The transaction is subject to the EU Commission competition approval



### **Fazer Food Services in brief**

- 1,000 restaurants approximately
  - 500 in Finland
  - 230 in Sweden
  - 150 in Denmark
  - 120 in Norway
  - production kitchen in Estonia
- Revenues 600 M€ in 2018
- Number of employees approximately 7,000
  - 3,900 in Finland
  - 1,400 in Sweden
  - 1,000 in Denmark
  - 600 in Norway
  - 70 in Estonia

### **Compass Group PLC**

- Revenues c. 26 billion euros
- 45 countries
- 55,000 client locations
- 600,000 employees

### **Fazer Group**

In 1891, the young Karl Fazer opened his first café with a mission to make food with a purpose – and a passion to create moments of joy for all the people around him. It became Northern Magic. Made Real. Today, Fazer is an international family-owned company offering quality bakery, confectionery, biscuit and grain products, plant-based meals, non-dairy products, on-the-go food & drinks as well as food and café services. The Group operates in nine countries and exports to around 40 countries. The success of Fazer has been built on Karl Fazer's vision, values and fearless creativity: the best product and service quality, beloved brands, the passion of skilful people and responsible ways of working. In 2018, Fazer Group had net sales of 1.6 billion euros and more than 15,000 employees. Fazer's operations comply with ethical principles that are based on the Group's values and the UN Global Compact.

Northern Magic. Made Real