



## Press release

Lochem, 1 July 2022

### **ForFarmers and 2Agriculture join forces in the United Kingdom**

*Joint venture well positioned to meet changing demands in agri and food sector*

**ForFarmers United Kingdom (ForFarmers UK) and 2Agriculture have come to an agreement to merge their businesses into a joint venture to serve a wider customer base. The joint venture will have a balanced feed portfolio across species, with an expected combined sales volume of more than 3 million tonnes of compound feed per year. At the same time the joint venture makes for a robust business, with improved expertise and presence across species, to successfully meet the changing demands from the entire value chain.**

The mutual agreement to enter into a joint venture meets the strategic objectives of both partners. ForFarmers UK strengthens its position in its home country in the promising poultry sector and at the same time creates possibilities to make the organisation more efficient. 2Agriculture benefits from shared investment opportunities across a larger volume, an increased geographic spread of manufacturing sites and exposure to other species markets.

The deal will be subject to approval from the UK competition authority.

#### **Profiles of Partners in the joint venture**

ForFarmers UK, a subsidiary of the Dutch-based ForFarmers N.V., is a feed company in the United Kingdom selling approximately 2 million tonnes of compound feed volumes annually (i.e. excluding volumes of straights and co-products) across species, produced in 14 mills. The majority of feed produced by ForFarmers is for ruminants and pigs, with smaller volumes being produced for poultry. The company has approximately 900 employees.

2Agriculture is a UK company that supplies approximately 1.2 million tonnes of feed annually to poultry farmers mostly into the integrated market, but also to independent customers. The company employs 250 employees and operates 5 mills located in Scotland, East Anglia and North Wales and has an extrusion plant in Cambridgeshire.

#### **Strategic Rationale**

The joint venture will bring together 2Agriculture's expertise in the promising poultry feed sector with ForFarmers' capabilities in research and development as well as in formulation, particularly in ruminant and pig feeds. In addition, the combined broad geographic coverage will provide synergy opportunities, particularly in production and logistics. Similarly, the joint venture will generate further benefits for its customers by being able to combine the sourcing of raw materials. Finally, the joint venture will invest in expansion of the supply chain, enabling improved transparency around sustainability and the origin and quality of food.

Steven Read, Managing Director of ForFarmers UK and nominated Managing Director of the intended joint venture: "We are excited to announce the merger with 2Agriculture, which will bring benefits to customers and supply chains in all sectors. Together, we can meet the changing requirements from customers and society through our strength in innovation and feed concepts. At the same time, we have the opportunity to create further value for our customers across all species by constantly driving improvements and optimising our service in the most efficient manner. We look forward to working



with the colleagues at 2Agriculture to make this happen”.

Kevin Sketcher, Managing Director of 2Agriculture and nominated Board member of the intended joint venture: “We look forward to joining forces with ForFarmers, a company that is also very focused on delivering quality feed and good advice to customers to enable them to realise sustainable and enhanced returns on farm. We see the anticipated joint venture as a good strategic step forward for both parties. We will be able to give our combined customer base across all species value for money by providing them with sustainable high quality feed. Moreover, we will be well positioned to support the agricultural sector offering food security to UK consumers. ”

### **Market characteristics**

The total feed market in the United Kingdom is estimated at approximately 17.5 million tonnes. Expectations per species vary, with the expectations for the poultry sector at present being the most positive. The majority of poultry feed produced in the United Kingdom is manufactured in-house by poultry processors for integrated use in their supply chains. The United Kingdom is not fully self-sufficient with respect to production of fresh chicken (95%) nor of pig meat (60%). Although the pig market is expected to grow in the mid to longer term, the short-term outlook is that the market will remain stable due to the destabilised European pig market as a result of various outbreaks of African swine fever. The dairy market is self-sufficient and the ruminant sector in general is expected to grow minimally.

### **Deal structure**

The merger agreement is a non-cash transaction. The share split will be 50.1% for ForFarmers UK and 49.9% for 2Agriculture. This is based on the current enterprise value of both joint venture partners, and takes into account the respective expectations for 2022 and beyond. The share split also reflects the fact that 2Agriculture is fully focused on the promising poultry sector and has existing supply arrangements in the integrated market. ForFarmers will consolidate 2Agriculture fully into its financial results.

*This press release contains information that qualifies as inside information in the sense of Article 7 paragraph 1 of the EU Market Abuse Regulation.*

### **Note to the editor / For additional information:**

Caroline Vogelzang, Director Investor Relations  
M: 0031 6 10 94 91 61  
E: [caroline.vogelzang@forfarmers.eu](mailto:caroline.vogelzang@forfarmers.eu)

Kevin Sketcher, Managing Director 2Agriculture  
E: [kevin.sketcher@2agriculture.com](mailto:kevin.sketcher@2agriculture.com)

### **About ForFarmers N.V.**

ForFarmers N.V. is an international organisation that provides complete innovative feed solutions to the (organic) livestock farming industry. With its ‘**For the Future of Farming**’ mission ForFarmers is committed to the continuity of farming and to a further increasing the sustainability of the agricultural sector.

ForFarmers is the market leader in Europe with annual sales of around 10 million tonnes of animal feed. The company is active in the Netherlands, Belgium, Germany, Poland and the United Kingdom. ForFarmers has approximately 2,500 employees. In 2021 revenue amounted to approximately €2.7 billion. ForFarmers N.V. is listed on Euronext Amsterdam.



ForFarmers N.V., P.O. Box 91, 7240 AB Lochem, T: +31 (0)573 28 88 00, F: +31 (0)573 28 88 99,  
[info@forfarmers.eu](mailto:info@forfarmers.eu), [www.forfarmersgroup.eu](http://www.forfarmersgroup.eu)

### **About 2Agriculture**

2Agriculture is a UK milling business which has been supplying feed to the poultry industry for the past 50 years. Over 250 employees work across six sites across the UK in Scotland, East Anglia, North Wales and Cambridgeshire. 2Agriculture formulates diets to deliver results working in partnership with poultry farmers and managers to help meet the production targets for each crop. 2Agriculture aims to be the UK's most efficient producer of consistent, high quality feed and to support its farming partners achieve best cost production.

### **FORWARD-LOOKING STATEMENTS**

This press release contains forward-looking statements, including those relating to ForFarmers legal obligations in terms of capital and liquidity positions in certain specified scenarios. In addition, forward-looking statements, without limitation, may include such phrases as "intends to", "expects", "takes into account", "is aimed at", "plans to", "estimated" and words with a similar meaning. These statements pertain to or may affect matters in the future, such as ForFarmers future financial results, business plans and current strategies. Forward-looking statements are subject to a number of risks and uncertainties, which may mean that there could be material differences between actual results and performance and expected future results or performances that are implicitly or explicitly included in the forward-looking statements. Factors that may result in variations on the current expectations or may contribute to the same include but are not limited to: developments in legislation, technology, jurisprudence and regulations, share price fluctuations, legal procedures, investigations by regulatory bodies, the competitive landscape and general economic conditions. These and other factors, risks and uncertainties that may affect any forward-looking statements or the actual results of ForFarmers, are discussed in the last published annual report. The forward-looking statements in this press release are only statements as of the date of this document and ForFarmers accepts no obligation or responsibility with respect to any changes made to the forward-looking statements contained in this document, regardless of whether these pertain to new information, future events or otherwise, unless ForFarmers is legally obliged to do so.