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THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION AS STIPULATED UNDER THE MARKET ABUSE REGULATION (EU NO. 596/2014).



Hilton Food Group plc

Hilton completes the purchase of 50% shareholding in leading vegetarian manufacturer, Dalco Food B.V.

On 18 October 2018, Hilton announced an agreement to purchase a 50% shareholding in Dalco Food B.V. ("**Dalco**"), a leading vegetarian product manufacturer based in Oss, the Netherlands subject to clearance from the Dutch competition authority. Hilton also agreed to enter into a joint venture agreement with Dalco's shareholders, which includes an option for the remaining 50% of Dalco's shares in 2024. Following approval by the Dutch competition authority, this transaction completed on 31 January 2019.

This agreement with Dalco enables Hilton to significantly expand its product offering in the fast-growing vegetarian market. Hilton will provide its manufacturing expertise and capital resources to enable Dalco to expand its range into the next generation of vegetarian products servicing not only Dalco's existing customers but also Hilton's customer base.

Hilton agrees to acquire sous vide manufacturer, HFR Food Solutions Limited

Hilton Food Group plc ("**Hilton**"), the leading specialist international food packing business supplying major food retailers in Europe and Australia, is pleased to announce that Hilton Foods Limited (a wholly owned subsidiary of Hilton) ("**HFL**") has agreed to acquire the entire issued share capital of HFR Food Solutions Limited ("**HFR**"), a sous vide manufacturer based in Wednesbury, West Midlands, UK. The transaction is scheduled to complete on 28 February 2019.

This acquisition enables Hilton to enter the fast-growing sous vide market and leverage its expertise in procurement and manufacturing of meat products in a new segment with major retailers and food service customers. The acquisition also diversifies the proteins supplied by Hilton in the UK as

pork and poultry represent a significant proportion of HFR's output.

As a director and owner of a 30% shareholding in HFR prior to the acquisition by Hilton, and as a director of Hilton and HFL, Philip Heffer is a related party under Listing Rule 11.1.4(2). In their capacity as directors of HFR and each being owners of a respective 30% shareholding in HFR prior to the acquisition by Hilton, and as directors of Hilton Food Solutions Limited (being an indirect subsidiary of Hilton), Graham Heffer and Robert Heffer are each a related party under Listing Rule 11.1.4(2). The acquisition of HFR qualifies as a smaller related party transaction under Listing Rule 11.1.10 R.

The purchase price for the acquisition of HFR is structured such that £100 is paid on completion with the remainder payable three years after completion. The deferred consideration will be calculated by subtracting the net debt of HFR from the enterprise value of HFR, each metric calculated as at 28 February 2022. The enterprise value of HFR will be calculated by applying a multiple to average EBITDA over the three year period up to and including 28 February 2022. It is estimated that the actual deferred consideration payable by HFL will be approximately £3.3 million but the final amount will depend on the performance of the HFR business. Hilton will provide a secured loan of £2.75 million to HFR on completion to finance the company.

Commenting on the agreement, Hilton Executive Chairman Robert Watson OBE, said:

"This acquisition represents an exciting opportunity for Hilton to broaden its offering in a fast-growing segment of the market and meet our customers' demands for Hilton to supply them with a range of innovative, high quality sous vide products."

HFR director Graham Heffer added:

"We are pleased with Hilton's acquisition of HFR as it will enable the business to benefit from Hilton's expertise, improve its operations and continue to focus on giving our customers the right products at competitive prices."

Notes to editors

About Hilton:

Hilton Food Group plc is Europe's leading specialist international food packing company supplying major retailers including Tesco, Ahold, Coop Danmark, ICA and Sonae in Europe and Woolworths in Australia. Hilton had sales of £1.4 billion in the 52 weeks to 31 December 2017, and £864 million in the 28 weeks to 15 July 2018. Hilton employs around 4,300 people across its sites.

About HFR:

HFR has operated the Wednesbury site in collaboration with another food manufacturer since 2014. In the year to 30th September 2018, the business generated turnover of £24 million manufacturing sous vide products for major retail, wholesale and food service customers in the UK.

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