



Acquisition of Fyffes



March 13th, 2017
Media, ICT, Lifestyle Related Goods &
Service Business Unit,
Food & Agriculture Business Division

 **Sumitomo Corporation**

Overview of Fyffes

- Wholesale business operator having a large-scale business foundation in Europe and the U.S.

Business type : Wholesale business operator in Europe and the U.S.

Establishment : 1888

Main Products : Bananas, Pineapples, Melons, Mushrooms

Head-office : Dublin, Ireland

Number of
Employees : 2,769 (exc. temporary hire)

Revenues : EUR 985mil

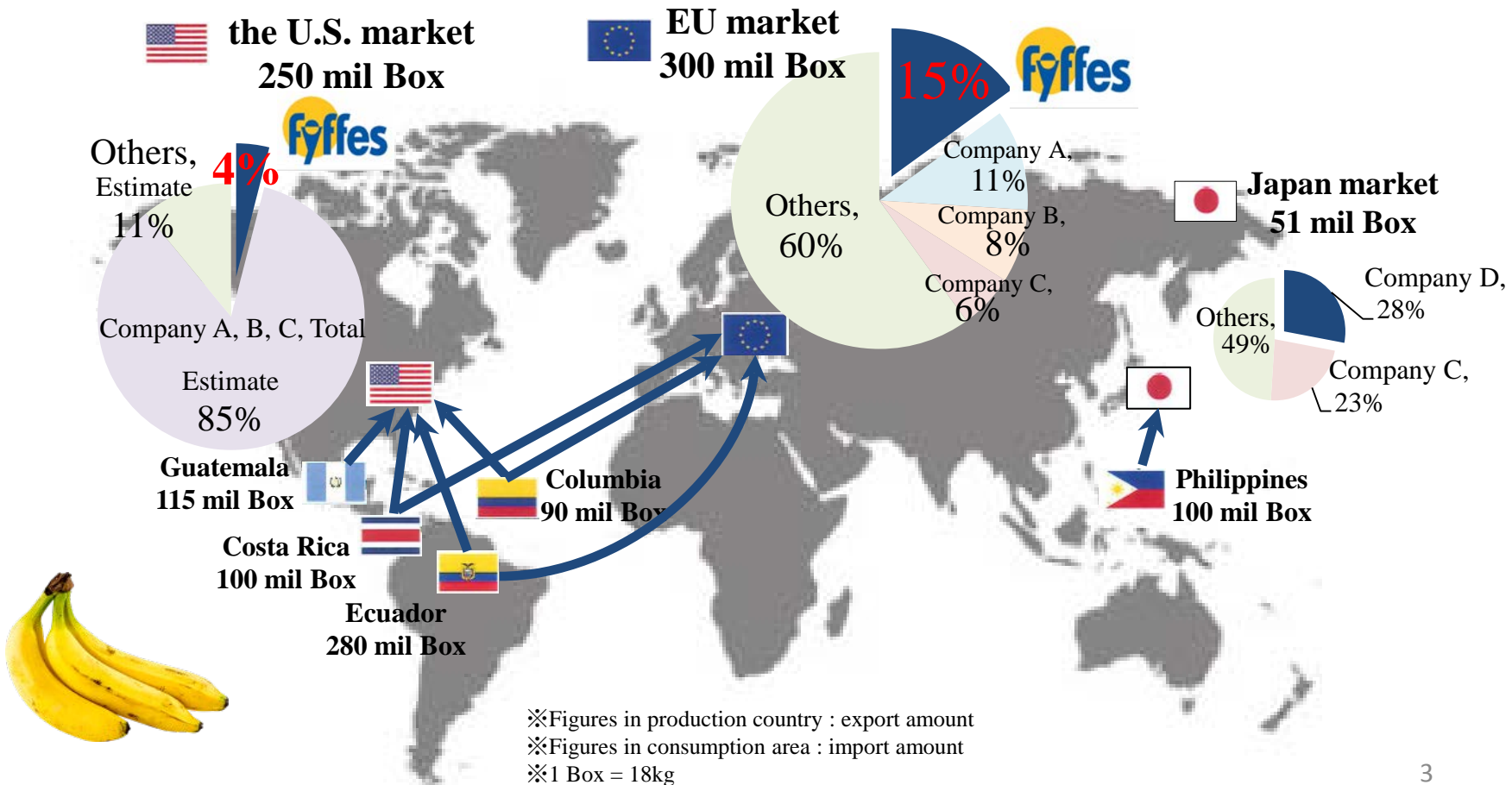
EBITDA : EUR 56mil

Total Asset : EUR 444mil

【Result 2015】





Strengths of Fyffes ①

- Presence in Europe banana market
 ⇒ Europe and the U.S. are main battle field of banana market.
 Fyffes has No.1 share in Europe.
 (Competitive logistics cost / Ripening centers in U.K. and Germany etc.)

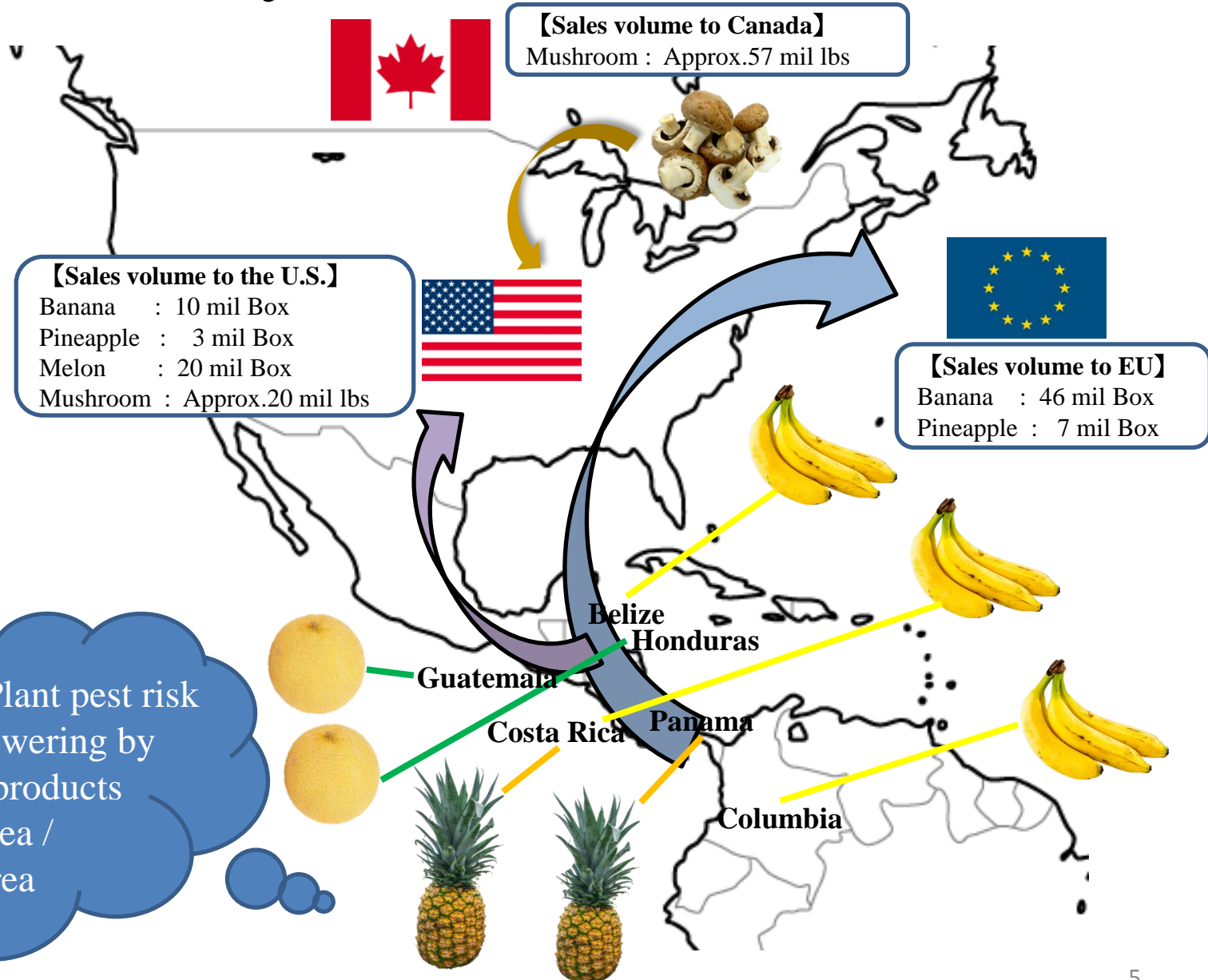


Strengths of Fyffes ②

- Products in leading position in addition to banana

		Banana	Pineapple	Melon	Mushroom	
						
EU	Market size	300 mil Box	75 mil Box	—	—	
	Handling volume	46 mil Box	7 mil Box	—	—	
	Share	No.1 (15%)	No.3 (9%)	—	—	
the U.S.	Market size	250 mil Box	80 mil Box	50 mil Box	1,100 mil lbs	
	Handling volume	10 mil Box	3 mil Box	20 mil Box	77 mil lbs	
	Share	No.4 (4%)	No.3 (4%)	No.1 (40%)	No.4 (7%)	⇒ No.1 share in Canada (Approx.30%)

Strengths of Fyffes ③



Growth strategies of Fyffes ①

- Further utilization of Fyffes' customer base and distribution network.
 - ⇒ Initiation of new products (marketable, growing)

■ Outlook for fruits and vegetables markets in Europe and the U.S.

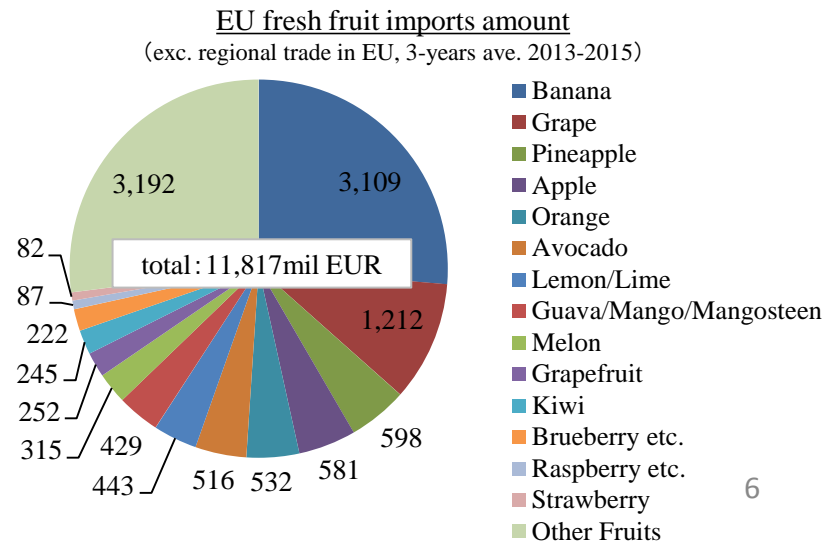
- the U.S. : Growth by 4% a year till 2019
- EU : Consumption amount will increase in all generation
 - ⇒ Background : Expansion of consumption of Responsible Food (※) by
 - Health-minded, Pursuit of "ease", High-conscious of environment/social**
 - (※) Food certified of organic / fair trade

■ Growth strategies of Fyffes

- ① Increasing Responsible Food which has high value added
 - ⇒ Fyffes is already No.1 player for fair trade banana to EU market



- ② Developing new products addition to existing products



Growth strategies of Fyffes ②

- Strengthening the value integration by formulating effective Supply Chain
⇒ Expansion of owned farms, further efficient logistics,
Lowering loss rate through packing in production areas

【Production】



【Logistics】



【Ripening/Sales】



Result / Prospects

- Constant earning power growth by expanding Pineapples/Melons farms and acquiring mushrooms business
- Target : Revenues €1,400mil~ €1,700mil, EBITDA €100mil

		(€ mil)				3 year CAGR	2016 prospect
		2012	2013	2014	2015		
consolidated BS	Total Assets	315.1	317.2	371.0	443.7	12.1%	-
	Equity	136.5	148.9	184.2	215.6	16.5%	-
consolidated PL	Revenues	783.7	835.8	852.6	985.3	7.9%	-
	EBITDA	40.0	40.0	48.2	56.1	11.9%	63~69
	EBITDA rate	5.1%	4.8%	5.7%	5.7%	-	-
	Operating profit	25.8	28.7	35.4	43.8	19.3%	-
	Net profit	23.8	25.6	33.9	27.4	4.9%	-
ROA		7.8%	8.1%	9.9%	6.7%		
ROE		17.4%	18.0%	20.4%	13.7%		

Including ▲€1mil cost of termination of pension obligation

