

7th October 2020

2 Sisters Food Group sells part of Fox's Biscuits to a Ferrero-related company

2 Sisters Food Group can confirm it has entered into an agreement to sell part of its Fox's Biscuits business to a Ferrero-related Company for £246m.

The Ferrero-related Company will acquire Fox's biscuit manufacturing sites at Batley and Kirkham, the sites which primarily produce biscuits sold under the Fox's brand. 2 Sisters will retain the third site at Uttoxeter which produces own-label biscuits for major retailers.

Fox's Biscuits is one of Britain's best loved heritage biscuit brands and a major player in the biscuit sectors in which it operates. It makes household names such as Rocky Bars, Party Rings, Crunch Creams, Crinkle Creams, Chocolatey and Viennese, as well as making own-label biscuits and selection boxes for major retail outlets.

Ferrero Group is the world's third largest chocolate and confectionery business which has diversified into new sectors as it expands its global portfolio, while Ferrero and its related Company represents now the second player in worldwide sweet biscuits market.

The purchase of Fox's will be the second European biscuit acquisition within 12 months by a Ferrero-related Company.

Ranjit Singh, President of Boparan Holdings Ltd, said: "Fox's Biscuits has always been an attractive brand and as one of only two major independent biscuit makers in the UK, it is a prized asset in this market.

"We have listened to many interested parties over the years, but we have always been clear that Fox's would only be sold to the right new home, at the right time and for the right value. This sale represents another significant deal for us, underlining our commitment to our business turnaround.

"It strengthens our balance sheet even further and shows we are following through with our promises to focus on our key strengths. I wish all colleagues at the two Fox's Biscuits sites every future success with an ambitious new owner."

Ronald Kers, CEO of Boparan Holdings Ltd, said: "This sale is in line with our strategy and is further good news as we build on two years of strong turnaround momentum and continue to focus on our core business. It strengthens our liquidity position and reduces our leverage ahead of our planned refinance of the business.

"We believe the sale to Ferrero is not only beneficial for 2 Sisters Food Group, but it means a positive future for the Fox's brand with an owner who has a compatible culture and a global reputation for high-quality branded chocolate and biscuit products."

The formal completion of the sale is expected on 31st October 2020.

Rothschild & Co acted as sole financial adviser to 2 Sisters on the disposal.

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