

## Press Release

Schouw & Co.  
Aarhus, August 29, 2013

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# Wholesaler merger: Grene and Kramp join forces to become Europe's largest agro-wholesaler

***Successful Danish agro-wholesaler Grene and its Dutch peer Kramp have announced their merger. As Europe's largest supplier and distributor to the agricultural sector, the combined group will have revenue of close to DKK 5 billion and operations in 22 European countries. Grene's owners since 1988, Danish industrial conglomerate Schouw & Co., will retain an ownership interest in order to help develop the combined business.***

“An obvious merger with obvious benefits.” That is how Schouw & Co. President Jens Bjerg Sørensen characterises the merger of Denmark's Grene and its Dutch peer Kramp, announced this morning on the Nasdaq OMX Copenhagen stock exchange. Currently just two years shy of its 100<sup>th</sup> anniversary, Grene has evolved over the past 25 years from a small-scale Danish agro-wholesaler to a market leader in the Nordic region, Poland, the Baltic countries and Russia. In 2012, Grene generated revenue of DKK 1.35 billion and EBITDA of DKK 130 million for its owners.

Generating revenue of DKK 3 billion, Dutch-based Kramp is the bigger of the two. Kramp operates in 16 European countries and only overlaps with Grene in Russia and Poland.

“Grene and Kramp are quite simply a perfect match. The two companies complement each other particularly well, so we have set a very ambitious 2017 target of lifting our sales to EUR 1 billion with an EBITDA margin of 13%,” Jens Bjerg Sørensen said.

Schouw & Co. will stay on as an owner with a 20% shareholding interest and will appoint one of the new company's four board members. Schouw & Co.'s fellow shareholders will be the Dutch private equity fund NPM Capital (32%) and Kramp's management (48%). At Schouw & Co., Jens Bjerg Sørensen is very pleased with the ownership interest and the future constellation:

“Our role is to be industry architects and long-term investors. We have a clear mission of developing our portfolio businesses and remaining owners only as long as we are able to provide optimum support for each business,” he explained. “In the spring, we divested Martin Professional because US-based Harman had the potential to develop the company better than we did. The same principle applies in this case. The Kramp/Grene constellation will certainly provide benefits to Grene, but the difference is that we are retaining an ownership interest, because we believe we can still contribute to value creation in collaboration with Kramp.”

Jens Bjerg Sørensen also emphasises that the merger will produce significant synergies for the new company in procurement, best practices and the potential to extend its market leadership in both current and new markets. The overall European market that Grene and Kramp operate in is estimated to be worth close to DKK 50 billion, and the new company will initially have a pan-European market share of about 10%.

The goal is to retain the market leadership in the Nordic region, Germany, the Netherlands, Belgium, Poland and the Baltics and to be in the Top 3 in other markets.

Grene and Kramp will continue under their current names in all European markets with the exception of Poland where the two are currently competitors. Kramp's Poland team will be merged with Grene's, as Grene's 90 outlets makes it the market leader and the bigger of the two in Poland. The two companies are already working together in Russia in a 50/50 joint venture founded in 2010 that they now both consider to be their operations in Russia.

The new company will be headed up by its current executive management: CEO Eddie Perdok and CFO Hans Scholten. In addition to his current field of responsibility, Grene's CEO Carsten Thygesen will also lead a very important synergy team that will operate across the 22 countries.

“It is important to emphasise that the merger is an active choice we're making and not the result of any challenges or difficulties. Both Grene and Kramp are successful and profitable operations, and they could have continued on their own for many years to come. However, this has been an opportunity for us, Schouw & Co. and Kramp to create something bigger and even more powerful, and I'm truly looking forward to seeing our plans and ideas materialise, said Carsten Thygesen. “It's also important to point out that that the merger will not lead to redundancies. In fact, we expect to take on new staff in a number of selected markets.”

After the merger, Grene and Kramp will have more than 700,000 product items and a daily flow of nearly 13,000 orders delivered to more than 82,000 customers in 22 countries in Europe.

**For further information, please contact:**

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- Jens Bjerg Sørensen, President and CEO, Schouw & Co., tel. +45 86 11 22 22