

Permira funds announces investment in Grobest Group, one of Asia's leading producers of aquatic feed

Taiwan, 12 November 2018 – Global investment firm Permira (“Permira”) and Ye Cherng Industrial Products Co., Ltd (“Grobest”), one of the largest independent and most advanced producers of aquatic feed in Asia, today announced that a company backed by the Permira funds, will acquire 50% of the shares of Grobest, through a new joint venture company that will become the sole corporate shareholder of Grobest after closing. A shareholder group led by Grobest CEO Ko Chi-kang and Chairman Chen Chun-ping, will also retain a 50% stake in Grobest.

Founded in 1974 and headquartered in Taiwan, Grobest has operations in Taiwan, Vietnam, Thailand, China, India, Indonesia, Philippines, and Malaysia. In addition to this broad presence across Asia, the world's largest aquaculture market, Grobest is also a pioneer and technological leader in an array of innovative and differentiated functional feed products, focused on preventing and combating diseases as well as increasing yields. Furthermore, the company provides a full range of services and technical assistance to farmers throughout Asia, including pond maintenance, water treatment, and soil and disease testing.

The Permira funds identify long-term macro trends to back market-leading businesses and management teams with strong growth potential to become global leaders. Aquaculture is the fastest growing source of protein to feed a growing population and is dependent on the advancement of sophisticated products and services as the sector continues to industrialise. The investment in Grobest is the result of Permira's continued thematic focus, since 2007, on the food value chain and specifically on aquaculture. This is the fund's third investment in aquaculture, with Pharmaq, a Nordics-based world-leading aquatic health company, and Provimi, a leading animal feed company across species including aquaculture, and its sixth investment in the food value chain (Arysta LifeSciences, Netafim and CABB).

Grobest was identified by Permira as a highly attractive investment opportunity based on its strong technical capabilities and R&D leadership across warm water species, wide regional presence, and its vision for expanding the business further across Asia and globally. The Founding families, represented by Mr. Ko and Mr. Chen, will continue to play an important role in the development of Grobest.

Mr. Ko commented: “We are delighted to partner with Permira as we pursue our plans for further growth in the region and expansion into new markets. Permira's expertise in backing businesses to become global leaders will help accelerate the next stage of Grobest's development, after more than four decades of innovation and success.”

Mr. Chen added: “I would like to thank our team for all of their hard work, which has been critical to our success to-date and will be even more important going forward. I am also very pleased to welcome Permira as our new partner, with their expertise in aquaculture and knowledge of how to build and strengthen our business for the next exciting stage of our journey.”

Ola Nordquist, Head of Permira Nordic, said: “We are very pleased to partner with the pioneering team at Grobest, a real R&D leader in advanced aquatic functional feed and health products in Asia, and work closely with them to unlock the company's full potential on the global journey ahead. Farmed fish and shrimp are some of the most efficient and fastest growing sources of protein for a growing population. The global aquaculture market is still in its infancy, and feed and health products are critical components and an attractive part of the value chain to build a sustainable industry. The value of the global aquaculture market is estimated to be approximately US\$175bn and Asia makes up around 90% of the

aquaculture volume globally and is one of the most rapidly growing regions. We see significant potential for Grobest to continue to grow and support the aquaculture industry with innovative products, both in Asia and around the world.”

Jim Tsao, Head of Permira China, continued: “Grobest is a true innovator in aquaculture that started with the vision to build a sustainable aquaculture industry in Taiwan over 40 years ago. Under the leadership of the Founding families, the company has built an impressive position across the most important markets in Asia. The Grobest story is a real testament on how to build successful international companies from Taiwan. Permira is very excited to be part of the next chapter of Grobest’s story and support the further internationalisation of the company.”

Alex Emery, Head of Permira Asia, added: “As we continue to expand and deepen our footprint across Asia Pacific, we are delighted to announce the Permira funds’ first investment in Taiwan. We look forward to working with the Grobest team and contributing our significant aquaculture and animal health experience, to fuel the company’s future growth.”

The transaction is expected to close in December 2018 subject to customary closing conditions.

Media contacts

Newgate Communications

Richard Barton
+852 37582686
richard.barton@newgate.asia

Jet-Go Consulting Group

Eric Moon
+886-2-2370-8000, ext. 5401
Eric_moon@jetgo.com.tw

Permira

Denise Gallagher
+44 207 632 1137
Denise.gallagher@permira.com

About Permira

Permira is a global investment firm that finds and backs successful businesses with growth ambition. Founded in Europe in 1985, the firm advises funds with a total committed capital of approximately US\$38 billion (€33 billion). The Permira funds make long-term control buyout investments and strategic minority investments in companies with the ambition of transforming their performance and driving sustainable growth. Over more than three decades, the Permira funds have made over 250 private equity investments in five key sectors: Consumer, Financial Services, Healthcare, Industrials and Technology. The Permira funds have been operating in Asia for more than a decade with offices in Tokyo, Hong Kong, Seoul and Shanghai. During that period, over US\$3.6 billion (€3.1 billion) of capital has been deployed into major investments in the region including ABS, Arysta LifeScience, Galaxy Entertainment, Grobest, John Masters Organics, Sushiro and Tricor. For more information visit www.permira.com.