

Ambienta, the largest European sustainability focussed fund, enters the food industry with AromataGroup

Milan, November 21, 2018 - Ambienta SGR, Europe's largest sustainability focussed Private Equity investor, announces the acquisition of AromataGroup, a leading manufacturer of natural flavours and colours for applications in the food and beverage, pharma, nutraceutical and cosmetics industries.

Ambienta recognises the sector's potential for growth due to an increasing demand for natural flavours and colours driven by growing concerns around synthetic ingredients, coupled with increased regulation in the EU and US. The colourant and flavours market is growing rapidly. The market is worth over €12 billion and is forecasted to grow by 3-4% CAGR over the next five years, underpinned by long-term sustainable growth drivers.

Founded in 2011, AromataGroup – which comprises the former companies Variati Aromi, Select Alimenta, Emans Derivati Aromatici and Florio Colori – provides a market leading product range alongside the flexibility and customer service orientation typical of a small-medium enterprise. AromataGroup owns three production plants in Northern Italy with a total of 120 employees, providing products for 1,200 customers across 50 countries. In 2018 the group expects to record a total of €30 million revenues and €5 million EBITDA.

This acquisition marks the commencement of the investment strategy of Ambienta Fund 3, which had a first and final closing in May at €635m.

Natural flavours and colours account for more than 60% of Aromata's sales enjoying a steady growth in sales higher than 10% year-on-year since 2016. AromataGroup is well positioned to capture this growing demand for more sustainable food flavours and colours. The group continues to invest significantly to expand its range of offerings and intends to leverage the current market opportunity to diversify into adjacent markets such as savoury ingredients, as well as expanding internationally, primarily through acquisitions.

Hans Udo Wenzel, President of AromataGroup, commented: “Our industry is still fragmented, with an array of small, regional players leaving space for further consolidation. Within such environment, thanks to Ambienta, AromataGroup intends to continue its growth trajectory, with an ambition to become an international player offering a market-leading portfolio of natural flavours, colours and specialty ingredients. The current management will continue to run the operations and will remain significant shareholders of the Group”

Mauro Roversi, Partner & Chief Investment Officer at Ambienta, commented: “The acquisition of AromataGroup marks Ambienta's first entry into the food industry, demonstrating that sustainability-driven investment approaches add value to a broad range of sectors and industries. The food and beverage industry is being radically transformed by increasing consumer awareness towards food sustainability and health. Our objective is to further accelerate the transition towards more sustainable products to position AromataGroup as a market leader. In this sense, new acquisitions are a fundamental part of our strategy.”

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About Ambienta

Ambienta is a leading European Private Equity fund operating out of Milan, Düsseldorf and London, focused on industrial growth investing in companies driven by environmental trends. With funds under management of over €1 billion, the world's largest capital pool for this strategy, Ambienta has completed twenty-eight investments to date throughout Europe in the areas of resource efficiency and pollution control. Ambienta contributes actively to the development of its portfolio companies, offering industrial and managerial expertise and global connectivity. For further information please visit www.ambientasgr.com

About AromataGroup

AromataGroup, headquartered in Bresso - Italy, is a leading manufacturer of natural flavours and colours for applications in the food and beverage, pharmaceutical, nutraceutical and cosmetics industries. The company is the result of a buy-and-build project launched in 2011 by Hans Udo Wenzel and Tonio Grassmann, which includes the acquisition and integration of 4 companies for a total of €30 million in revenue in 2018. The company currently operates three plants in Northern Italy, serves 1,200 customers across 50 countries with more than 5,500 SKUs and employs c.120 people. For further information please visit <https://www.aromatagroup.net/en/>.

Media Contacts

For Ambienta:

Alice Neave

Finsbury

Phone: +44(0)20 7251 3801

Email: alice.neave@finsbury.com