

Benelux ingredients firms combine for EU growth

By Jess Halliday, 08-Jun-2010

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Two Benelux-based food ingredients groups, Sfinc and Jadico, have joined forces in pursuit of Europe-wide external growth.

Both Sfinc and Jadico operate in the same northern European market. Sfinc, which is an acronym of Spices, Functional Ingredients, Nutraceuticals and Coatings, been majority-owned by AXA Private Equity since December 2008. Jadico, for its part, has a 25 year history in supplying spices herbs, sauces and mayonnaise to food manufacturers, food service, snacks and wholesale markets.

The newly formed Sfinc/Jadico entity has combined annual revenues of almost €70m. As well as bringing a bigger product pool to the sales forces, the strategic decision will bring manufacturing and marketing synergies, according to Chris de Wolf, Sfinc's chairman.

Sfinc drew up a roadmap for European growth at the time of the AXA buy-out, and the merger is seen as an important step towards making the plan a reality. AXA remains a majority stakeholder in the enlarged business, and managing director Arnaud Dufer called the merger "*a significant achievement as it doubles the size of the group and gives a major boost to this [the European] growth strategy*".

Senior managers and shareholders of Jadico, Dick and Carol van Eijmeren, are reinvesting some of their shares in the new groups. They have said they "*welcome the merger with Sfinc and are very keen to play a part in building up a group with Europe-wide ambition*".

They said that Jadico, too, has been going through a period of development in recent years, and that combining with Sfinc at this stage "made a lot of sense".

Geert Verhelst, marketing and R & D director at the combined suppliers, said that the current geographic spread of its customers across Europe includes the Benelux countries, representing more than 80 per cent of business, along with Scandinavia and some East European countries.

"Clearly it is our intention to widen our geographical spread. Recently we started up an office in Turkey, with already some promising results," he continued.

Verhelst told FoodNavigator.com that the headquarters of the combined group, which now has 220 employees, will be at the Sfinc plant near Gent in Belgium, while the existing Sfinc and Jadico premises will be retained.

"Moreover the sauce production site in New Vennep (nearby the Schiphol airport) will undergo an extension this summer," he added.

According to the marketing manager, the merger will not result in job losses: "*On the contrary, we foresee a growth in job opportunities considering the new projects we have on our agenda,*" said Verhelst.

He claims that there is synergy potential due to the resulting wider product range, and the extension of distribution channels, including food service markets (via the Apollo brand), snacks, the food processing sector and wholesalers.

Key personnel from the two companies' management teams a staying on board. Chris de Wolf is now chairman of the combined entity, Walter Delmulle is CFO and Geert Verhelst is marketing and R&D manager. Hans van Horssen stays as general manager of the Jadico group.

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