

Lamb Weston Holdings Announces Agreement to Acquire Remaining Interests in European Joint Venture Lamb-Weston/Meijer

October 20, 2022

EAGLE, Idaho--(BUSINESS WIRE)-- Lamb Weston Holdings, Inc. (NYSE: LW) ("Lamb Weston" or the "Company") announced today it has entered into an agreement (the "Purchase Agreement") to purchase the remaining equity interests in its European joint venture with Meijer Frozen Foods B.V. for €700 million in cash and common stock of Lamb Weston.

"Lamb-Weston/Meijer was built over the last 28 years, and we're grateful to Meijer Frozen Foods for their longstanding partnership," said Tom Werner, President and CEO of Lamb Weston. "The joint venture has served as a strong platform to drive growth in Europe and the Middle East, as well as to support our global customer base across our key international markets. This transaction firmly aligns with Lamb Weston's long-term capital allocation and acquisition framework, and we believe it will strengthen our manufacturing footprint by leveraging a truly global supply chain to better serve our customers and position us to take advantage of growth opportunities in Europe, the Middle East and Africa."

"We're proud of the business we've built together to create a r Meijer Frozen Foods. "We remain confident in the long-term o category. By holding an investment in common stock of Lamb strong belief in a bright future for the business."

Upon completion of the transaction, Lamb Weston will own 10 Weston/Meijer"), formerly operated as a 50/50 joint venture be and Meijer Frozen Foods. Lamb Weston will pay transaction c million in cash and €175 million of Lamb Weston's common st transaction in the second half of fiscal 2023, subject to regulat cash portion of the acquisition with new borrowings and cash leverage range¹ of 3.5x to 4.0x remains unchanged.

Lamb-Weston/Meijer is one of the leading suppliers of frozen p Africa, with approximately €954 million in net sales in fiscal 20 joint venture in Russia). The transaction will give the Company facilities worldwide, including four facilities in the Netherlands manufacturing facility through a 75% interest in a joint venture pounds (910,000 MT) of finished frozen products annually. In a former joint venture's approximately 1,500 employees will bec

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As a 50% owner of Lamb-Weston/Meijer, the Company records Investment Earnings in its financial statements. As of the transaction, the Company owned subsidiary of the Company, and the Company will fully record its financial statements.

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Goldman Sachs is acting as financial advisor to Lamb Weston in connection with this transaction.

Webcast and Conference Call Information

Lamb Weston will hold a conference call to review the proposed transaction at 10:00 a.m. EDT today, October 20, 2022. Participants in the U.S. and Canada may access the conference call by dialing 888-204-4368 and participants outside the U.S. and Canada should dial +1-323-994-2082. The confirmation code is 8173889. The conference call and presentation also may be accessed live on the internet. Participants can register for the event at: https://globalmeet.webcasts.com/starthere.jsp?ei=1578075&tp_key=f810adb575.

A rebroadcast of the conference call will be available beginning on Friday, October 21, 2022 after 2:00 p.m. ET at <https://investors.lambweston.com/events-and-presentations>.

About Lamb Weston

Lamb Weston is a leading supplier of frozen potato, sweet potato, appetizer and vegetable products to restaurants and retailers around the world. For more than 70 years, Lamb Weston has led the industry in innovation, introducing inventive products that simplify back-of-house management for its customers and make things more delicious for their customers. From the fields where Lamb Weston potatoes are grown to proactive customer partnerships, Lamb Weston always strives for more and never settles. Because, when we look at a potato, we see possibilities. Learn more about us at lambweston.com.

Forward-Looking Statements

This press release contains forward-looking statements within the meaning of the federal securities laws. Words such as "believe," "will," "anticipate," "expect," "create," and variations of such words and similar expressions are intended to identify forward-looking statements. Examples of forward-looking statements include, but are not limited to, statements regarding the Company's acquisition of Lamb-Weston/Meijer v.o.f., including the anticipated benefits of the transaction, the expected timing of the completion of the transaction, related financing and the ability of the parties to complete the transaction, as well as statements regarding the Company's business outlook and prospects. These forward-looking statements are based on management's current expectations and are subject to uncertainties and changes in circumstances. Readers should not rely on these forward-looking statements. Forward-looking statements are not guarantees of performance or results. Many factors could cause actual results to differ from statements and the Company's actual financial results and cash flows may differ from those contained in the forward-looking statements, including those discussed above. Uncertainties include, among other things: the occurrence of a global health crisis that could give rise to the termination of the Company's agreement to acquire Lamb Weston/Meijer joint venture; the risk that the necessary regulatory approvals may not be obtained or may be obtained subject to conditions that are not acceptable; risks that any of the transactions may not be consummated in a timely manner or at all; risks that any of the transactions may not be satisfied or may not be satisfied in a timely manner; risks relating to the Company's business operations due to the transaction; failure to realize the full effect of the announcement of the transaction on the Company's stock price; the ability of the Company's personnel, maintain relationships with suppliers and on its operations; the availability and prices of raw materials; labor shortages and other factors; the economy caused by the war in Ukraine and the possible related impacts on the Company's business due to health pandemics, including the 19 pandemic, including impacts on demand for its products, including the 19 pandemic, including constraints in the availability of key commodities and other needs; the impact of health authorities or governments; levels of pension, labor and other costs; the ability to successfully execute its long-term value creation strategies; the impact of the projects, including construction of new production lines or facilities; the impact of the conditions in the markets in which the Company and its joint ventures operate; and the impact of the countries in which the Company and its joint ventures operate.

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international operations; disruption of the Company's access to capital markets; changes in the Company's ability to complete acquisitions; changes in the Company's relationships with its growth capital providers; changes in the Company's relationships with its joint ventures; actions of governments and regulatory factors affecting the Company's businesses or joint ventures; the ultimate outcome of litigation or any product recalls; the Company's ability to pay regular quarterly cash dividends and the amounts and timing of any future dividends; and other risks described in the Company's reports filed from time to time with the Securities and Exchange Commission. The Company cautions readers not to place undue reliance on any forward-looking statements included in this press release, which speak only as of the date of this press release. The Company undertakes no responsibility for updating these statements, except as required by law.

¹The Company defines net leverage as the ratio of net debt to Adjusted EBITDA including unconsolidated joint ventures. Net debt, Adjusted EBITDA including unconsolidated joint ventures and the related net leverage ratio are non-GAAP financial measures. Please see the discussion of non-GAAP financial measures and the associated reconciliations of historical non-GAAP financial measures included in the investor presentation furnished with the Company's Current Report on Form 8-K on October 20, 2022 for more information. In addition, forward-looking non-GAAP measures related to the Company's acquisition of Lamb-Weston/Meijer, including net leverage ratio, are unable to be reconciled to relevant GAAP measures without unreasonable efforts because of items that may impact comparability, which may include, but are not limited to, items such as purchase accounting adjustments, integration costs, and the impact of commodity derivatives.

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