

Neovia has entered into exclusive negotiations to become Sanpo's majority shareholder and establish itself on the high potential pet food market in China

Neovia is one of the major pet food players with strong positions in Brazil and Mexico. The company is also present in France, on the export market (more than 50 countries) and, since 2014, has developed a pet food activity in Asia (Vietnam and Philippines in particular). The project to take a majority shareholding in Sanpo, the fifth largest player in the Chinese pet food market, responds to a desire for rapid growth in one of the key markets of the future.

The world pet food market has experienced a sharp increase in demand in emerging countries: Brazil, Mexico, Russia, China

Globally the pet food market is worth \$73 billion and has been growing steadily for several years. It is characterized by a combination of large, slow growing, highly segmented and extremely competitive mature markets (United States, United Kingdom, France, etc.) and by the rapidly growing demand in the major emerging countries (Brazil, Mexico, Russia, China).

Market growth is now driven by a change in lifestyles and increased purchasing power: the "humanization" of pets and "premiumization" of needs (quality required, increase in the average basket).

China now has nearly 28 million dogs and 12 million cats. It has one of the highest potentials in the sector, with a national market of almost 132,000 tonnes (over 2 million tonnes in Brazil) and according to Eurostat an expected increase of almost 65% between 2015 and 2020.

The acquisition project of 60% of Sanpo shares will make Neovia the fifth largest player on the Chinese pet food market

Established in 1991, Sanpo is a family owned company that ranks among the top 5 pet food producers in China. The company employs about 270 people, has a production plant in Tianjin and sales offices in the country's top 10 cities.

It is characterized by its strong investment in R&D and high quality and product traceability: ISO 9001 and ISO 22000 (HACCP principles) quality management and food safety certifications. It also has an analysis laboratory equipped with state-of-the-art technologies (NIR equipment) and an innovative kennel (dogs and cats).

Sanpo has a strong brand image on the Chinese market and has developed recognized expertise in marketing and distribution. It relies in particular on a portfolio of products that covers all market segments (standard to premium) and an extensive and diversified distribution network: 14,000 points of sale (pet stores, shops, own e-commerce platform) in 31 Provinces.

"The expected entry of Neovia into Sanpo's capital means our company will be able to accelerate its investment in China, with a cutting edge dry and wet new plant of over 60,000 tonnes capacity, to accompany the growth of the market and will allow it to benefit from the key expertise of a major player in the pet food and animal nutrition sector," said Jiang Chao, Managing Director of Sanpo.

Neovia is gradually building a global pet food player with strong potential for synergies and innovation

Neovia has significant pet food positions in France, Mexico, Brazil, and more recently in Vietnam and the Philippines. The company also relies on its outstanding expertise in formulation, R & D, production and marketing, and has a major export activity covering more than 50 countries.

Neovia is also characterized by its strong investment in innovation (connected objects, social networks with a strong presence on Facebook, the human-animal relationship) and a potential for significant synergies between its local entities and pet food brands worldwide.

Hubert de Roquefeuil, CEO of Neovia, said: *"The acquisition project of a majority shareholding is in line with our twofold desire to strengthen our pet food sector (over 15% of Neovia's turnover) and accelerate our development in Asia. Sanpo will be able to conduct its growth projects (new plant), to benefit from strong synergies with our other activities and to rely on our massive investment in innovation, with a specific focus on the "interactive pet line", a pet approach that includes the extensive use of new technologies and connectivity to improve interaction between owners and their pets."*

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About Neovia (ex InVivo NSA): the company has a turnover of 1.6 billion Euros and operates in seven business lines: complete feed, aquaculture, pet care, premix/firm services, additives & ingredients, animal health, and analysis laboratories. It has 72 production sites and 7,700 employees in 28 countries (as of 30 June 2016).

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