Tican and Danish Crown to merge

Denmark’s two cooperative slaughterhouse companies have agreed to combine their activities in a joint company. Tican has been looking to find an economic business partner for some time, and that is the background to the decision.

- With this solution, we have found a model that not only secures a future for Tican, but which also ensures that our owners – Danish farmers – can continue to contribute to value creation in the Danish food cluster, says Jens Jørgen Henriksen, Chairman of Tican’s Board of Directors, and continues:
- Originally, we never expected Danish Crown to be a potential partner, but this merger is undoubtedly the preferred solution for Tican’s cooperative members.

At Danish Crown, the decision was reached after consulting with both Danish and foreign competition experts.

- Danish Crown is the result of mergers and acquisitions over the decades. Common to them all is that they have been very important for Danish Crown’s strategic position in the international slaughterhouse industry, which has seen extensive consolidation. However, that is not the case with this merger. We therefore needed to ascertain whether the competition aspects would actually make a merger possible. And now we have received a clear indication that it is possible, says Erik Bredholt, Chairman of Danish Crown’s Board of Directors.

Both Tican and Danish Crown are international businesses generating most of their revenue outside Denmark, and a significant part outside the EU. Even following the Danish merger, the merged business is still a small player on the European market.

- Danish Crown is a strong company, even without the merger with Tican, but sensible synergies can be realised through joining forces, says Danish Crown’s Group CEO Kjeld Johannesen.

Tican makes no secret of the fact that this solution was not what they had in mind when the ownership project was broached more than a year ago, but CEO Ove Thejls emphasises that the agreement with Danish Crown is far more preferable.

- It will be months before the competition authorities give their approval, and during this period nothing will obviously change. Neither for our employees nor for our members. We will spend the next few months getting to know each other’s companies through in-depth analyses to ensure the best possible outcome of a merger, explains Tican’s CEO Ove Thejls.
Assuming the merger is approved, Tican’s cooperative members will join the new company on an equal footing with Danish Crown’s members. During the first two years, differences in equity and earnings between the two companies will then be evened out.

The merger of the two companies is conditional upon approval by an extraordinary general meeting in Tican and by an extraordinary meeting of the Board of Representatives in Danish Crown at the end of March. The decision is also conditional upon approval by the relevant competition authorities.
FACTS

Tican – facts
Revenue 2013/14: DKK 5.2 billion
No. of employees: 2,200
Members: 277
No. of pig slaughterings 2013/14: 1.9 million

History
Tican was founded in 1931 and is domiciled in Thisted in north-west Jutland. The company’s products include fresh and frozen pork, bacon, ready meals as well as a number of other processed meat products. Tican is a limited company (Tican A/S), which is wholly owned by the cooperative company Tican a.m.b.a.

About the company
Tican engages in pig slaughtering and pork processing activities. In addition to its slaughterhouse in Thisted, Tican owns processing companies in Denmark, the UK and Poland.

Danish Crown – facts
Revenue 2013/14: DKK 58 billion
No. of employees: 26,000
Members: 8,278
No. of pig slaughterings 2013/14*: 22 million
*At slaughterhouses in Denmark, Germany, Sweden, the UK and Poland

History
Danish Crown can trace its roots back to 1887, and the company has grown as a result of numerous mergers and acquisitions over the years. In addition to slaughtering and processing in Denmark, Danish Crown owns a number of foreign companies which slaughter, process and sell meat products worldwide. Danish Crown is made up of the limited company Danish Crown A/S, which is wholly owned by the cooperative company Danish Crown a.m.b.a.

About the company
Danish Crown engages in pig and cattle slaughtering as well as meat processing all over the world. The group is the biggest of its kind in Europe within pig slaughtering and pork production; it has a number of subsidiaries worldwide engaged in activities within processing, trading and by-products.

Companies owned jointly by Danish Crown and Tican
DAT-Schaub
SPF Danmark