

Atlantic Group signed a purchase contract with Nelt Group for the Bebi brand

Belgrade, September 1, 2020 - Atlantic Group and Nelt Group, both based in Belgrade, have signed a Sale and Purchase Agreement for the baby food brand - Bebi. A wide portfolio of products for infants and children is primarily intended for the markets of Russia and the rest of the CIS (Commonwealth of Independent States), where Bebi has been present for more than 35 years. In Russia, Bebi is a symbol of European quality and origin in the segment of children's cereals. They generated EUR 11 million in sales revenue in 2019.

Given that Nelt Group has the capacity and expertise for baby food production, the existing production location for the Bebi brand located in Mirna, Slovenia, is not part of the contract. The factory and employees from Mirna will remain within the Atlantic Group system. While the Bebi range will continue to be manufactured at this plant, after disinvesting the basic brand and the transition period production capacities and professional competencies at this location will be exploited according to an appropriate alternative range of products.

The sale of the Bebi brand is a continuation of the process of disinvesting in small and non-core activities, in accordance with Atlantic Group's corporate strategy. The process began two and a half years ago with their withdrawal from sports and active nutrition and continued with the sale of the cosmetics and food supplement segments, and the distribution of water in gallon containers. At the same time, the company is putting a strong focus on areas that are key growth generators (food, beverages and pharmacy) and the foundation of future transformation. This includes targeted internationalization with brands that have a proven international potential (Argeta, Donat Mg), and the development of distribution as important levers of business growth as well as mergers and acquisitions.

Nelt Group has 4,000 employees within 11 markets in Europe and Africa, primarily in distribution and logistics services, food production and other manufacturing and service activities. With the acquisition of the Bebi brand, having a long tradition and established position on the Russian market, the company is confirming its strategic commitment to development and international expansion.