AURELIUS Corporate Presentation

Briar Chemicals

Case Study

THE SITUATION AT ACQUISITION IN 2012

The company was acquired as a carve-out of a single plant from Bayer AG and prior to acquisition operated as a cost centre within a multinational corporate

Briar in 2012/13

Location: Norwich, UK

Revenues: £45m

Volumes produced: c.4,500 tonnes

Bayer's reasons for divesting

- Bayer wanted to dispose of its agrochemical plant as part of outsourcing strategy as:
  - The plant did not meet minimum size and capacity utilization criteria
  - Its products (herbicides) were deemed non core
- However, it was essential to Bayer that it secure future product supply from the plant

Carve-out
Complex carve-out required in rapid timeframe with long term supply agreements

Lack of infrastructure
The company started with no business infrastructure as all non-production tasks had been performed by Bayer central teams

Customer concentration
The business started with just a single customer (Bayer)

Incomplete management
As the business was previously a small single site within a large corporate the management team was incomplete for a standalone company

Pension
The employees were part of a Bayer defined benefit pension plan that shad to be separated

WHAT AURELIUS BROUGHT TO THE TABLE

AURELIUS was uniquely placed to partner with Bayer in order to help achieve its goal and address key issues

The differentiators that set AURELIUS apart

- Long term investment horizon
- In-house due diligence capability
- Operational expertise & support capacity
- Focus on corporate carve-outs
- Transaction security

How AURELIUS was well position to address each key issue

Carve-out	AURELIUS' operational task force had substantial experience delivering smooth and swift corporate carve-outs
Lack of infrastructure	AURELIUS was able to take over responsibilities for non-production staff in the short term and established standalone structures in the medium term
Customer concentration	AURELIUS committed to securing Bayer's long-term supply of herbicides while also winning new customers and reducing the business' reliance on any one customer
Incomplete management	Provided training and support to all key employees while bringing in experienced operators to help drive growth and fill in missing capabilities
Pension	Ability to operate flexibly and work with Briar to ensure a risk free separation thanks to AURELIUS' long- term investment horizon

BRIAR'S JOURNEY UNDER AURELIUS' OWNERSHIP

AURELIUS changed the mind-set at the company and transformed the business from a cost centre to a sustainable and growing standalone, for-profit business

2012

Carve-out

- Separated IT structure and established new IT system
- Established overhead functions
- Launched the new brand

2013

Building of operations

- Financed working capital build-up
- Invested in extraordinary capex to build up capabilities

2014 - 2022

Investment, operational improvements and growth initiatives

- Streamlined production infrastructure to build position as competitive third-party producer
- Execution of a wide range of efficiency improvement projects
- Invested in new products to win customers and reduce customer concentration
- Continuously invested in plant infrastructure to strengthen market position

2012

Purchase from Bayer

2022

Exit to Safex

2012 - 2022

Continual improvement

- Developed the Briar brand and established it as a recognised player in the market
- Transformed the Bayer contract from an off-market agreement to a market standard contract

THE SITUATION AT EXIT IN 2022

At exit Briar was a leading agrochemical contract development and manufacturing organisation in the UK

Briar in 2022

Revenues: £65m+

EBITDA margin: 15%+

Volumes produced: over 8,000 tonnes

Sale to Safex

Aurelius Equity Opportunities
sells

briar chemicals

to

Safex

For a consideration of EUR 83m

Advisors to AURELIUS

M&A	DC advisory
Financial	Deloitte.
Legal	TRAVERS SMITH
Tax	EY
Commercial	NexantECA

About Safex

Founded in 1991, Safex Chemicals is a leading player engaged in manufacture and sale of crop protection products across India. Starting from the two northern states of Punjab and Haryana in 2010, the Company has successfully expanded into 17 states with a pan-India distribution network of more than 10,000 dealers and services more than 20 lakh farmers. Safex has a unique marketing strategy with comprehensive product portfolio of over 100 products across insecticides, herbicides, fungicides, micronutrients, pesticides and plant growth regulators. It has been amongst the fastest growing agrochemical players in India.