



ADM sells global cocoa business to Olam

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Global agricultural processor and food ingredient provider Archer Daniels Midland Company is selling its global cocoa business to Singapore-based Olam International Limited for \$1.3 billion (€1.22 billion), subject to customary adjustments

According to ADM, the transaction will enable it to redeploy capital to investments that offer improved returns potential and less volatility than the cocoa business.

The sale encompasses ADM's entire global cocoa business, including processing facilities in Mississauga, Canada; Koog aan de Zaan and Wormer, Netherlands; Mannheim, Germany; Ilhéus, Brazil; Abidjan, Côte d'Ivoire; Kumasi, Ghana; and Singapore. Also included are ADM's buying stations in Brazil, Cameroon, Côte d'Ivoire, and Indonesia, as well as the company's deZaan and UNICAO brands.

The majority of the approximately 1,550 colleagues in ADM's cocoa business will transfer to Olam with the sale.

US-based law firm Jenner & Block represented ADM in the transaction. According to Joe Gromacki, Chair, Corporate Practice and Transactional Department, Jenner & Block; and Mercedes Hill, Partner, Corporate Practice, Jenner & Block, some of the challenges associated with the deal included identifying with precision the specific assets and liabilities of the business to be carved out and sold; managing input from the business people across various regions and time zones, and ensuring proper legal and other input was obtained from all jurisdictions on various matters; and understanding the differences in the laws in the various jurisdictions and how these differences affected the deal terms and business decisions.

"This was a true carve-out transaction with the complexities of properly carving a business unit out of a broader business. As such, one of the challenges was understanding all of the touch points between the cocoa business and the rest of ADM's business that would not be transferring to Olam," explained Mr. Gromacki.

Other challenges included managing communications across the deal team to ensure the entire team (both advisors and business people) was communicating effectively, both within ADM and externally.

Jenner & Block also represented ADM in the previously announced \$440 million sale of its global chocolate business to Cargill.

"We were extremely honoured to have the opportunity to represent ADM in these

transactions. We worked closely with the in-house lead M&A attorney at ADM, Ms. Thuy Vo, who did an extraordinary job in managing and executing these transactions," Mr. Gromacki remarked.

"Both deals had very similar components. For example, both were global transactions involving the complexities of managing a transaction that spreads across multiple foreign jurisdictions and both were true carve-out transactions with all the complexities that come with carving out a business unit from a broader business," explained Ms Hill.

"The real area where the two deals differed was with respect to the products being sold by the businesses – chocolate selling more finished goods and cocoa selling more raw materials. As such, some of the legal and business considerations for the two deals were viewed differently because of this distinction," she added.

About the Dealmakers

Joe Gromacki, Chair of the firm's Corporate Practice and Transactional Department, is a highly experienced corporate attorney with a focus on complex M&A and securities transactions. Companies and their boards seek his assistance with structuring and negotiating public and private mergers, acquisitions, divestitures, public securities offerings and other highly complex corporate transactions. Mr. Gromacki also regularly counsels clients on corporate governance, fiduciary and disclosure matters.

Mercedes Hill, a Partner in the firm's Corporate Practice, has a practice focused on mergers and acquisitions, and private equity investments. She also regularly counsels clients regarding corporate governance, corporate restructurings and other general corporate and commercial matters.

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