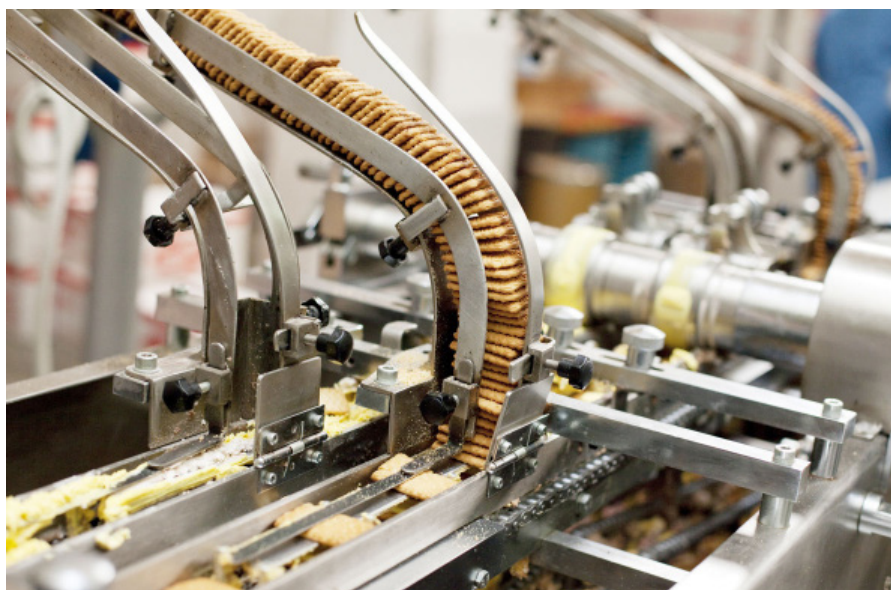


Food Processing Industry in **SLOVAKIA**



Food Processing Industry in Slovakia

The purpose of this publication is to present the opportunities that Slovakia has to offer to potential investors from the food processing industry. It includes facts and figures for all major subcategories of this industrial segment and serves as an introduction to why Slovakia should be a preferred location for your food processing business.

TOTAL AREA 49,035 km²

POPULATION 5.4 million

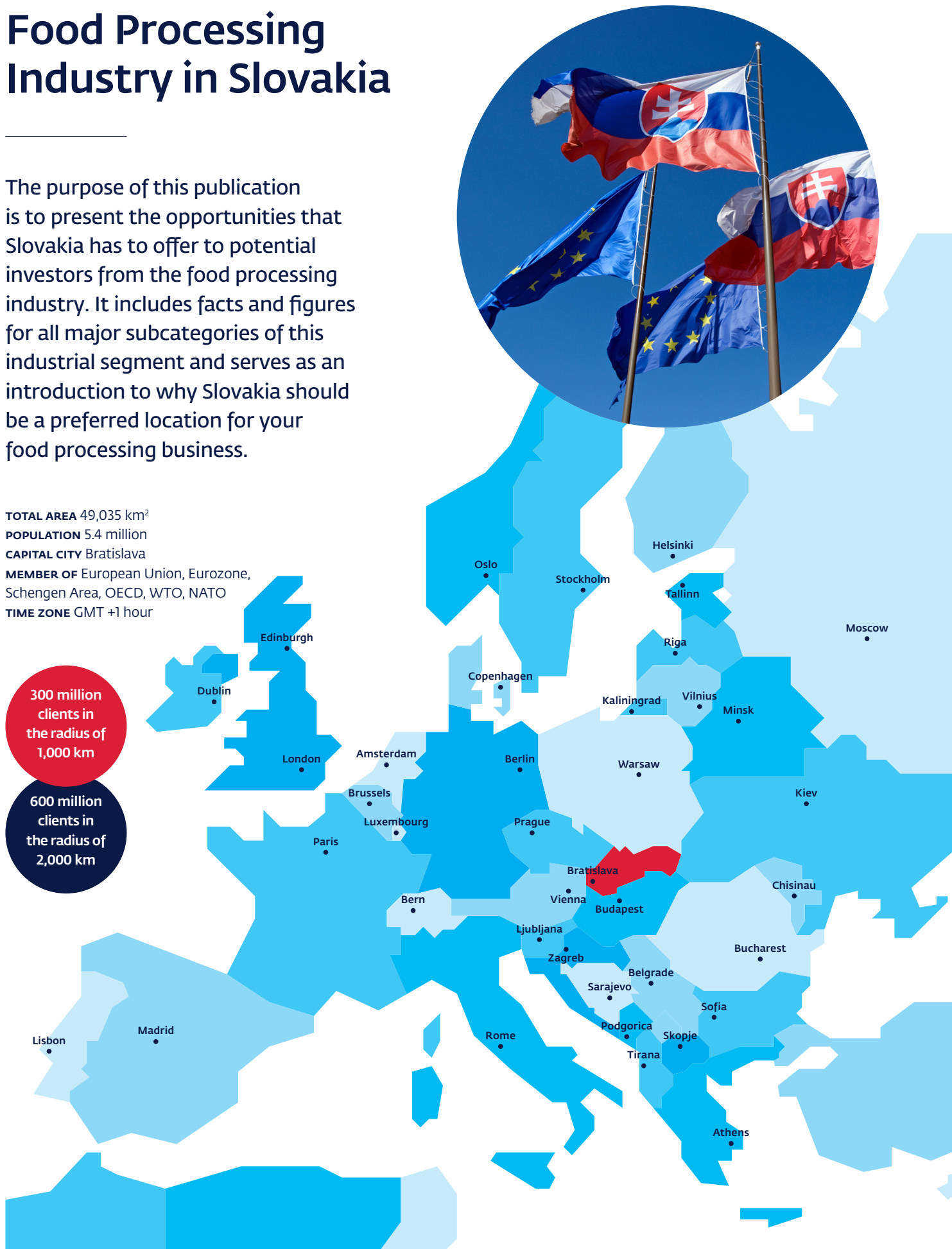
CAPITAL CITY Bratislava

MEMBER OF European Union, Eurozone, Schengen Area, OECD, WTO, NATO

TIME ZONE GMT +1 hour

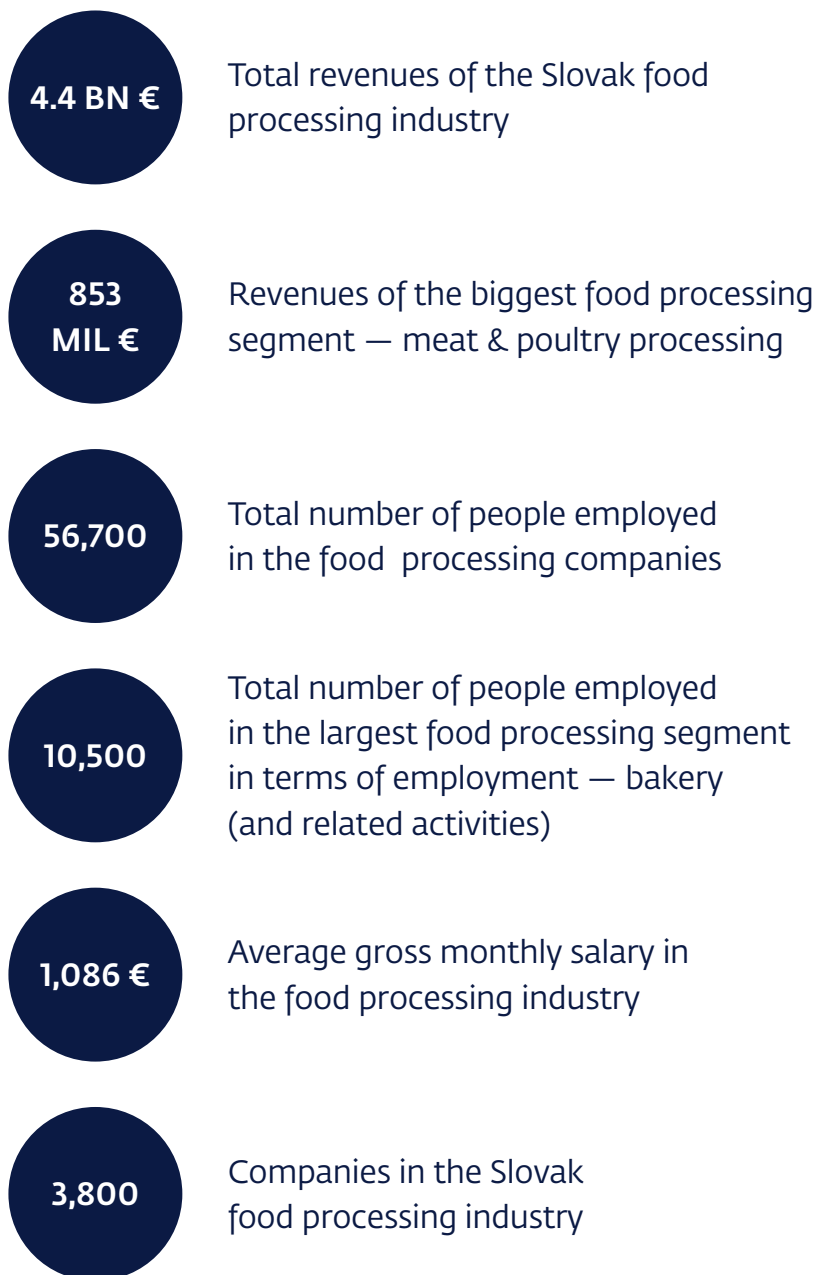
300 million
clients in
the radius of
1,000 km

600 million
clients in
the radius of
2,000 km



Key Figures of Slovak Food Processing Industry

In former Czechoslovakia, a self-sufficient food producing country, Slovakia served as an agricultural and food processing powerhouse. It was caused by a strong local agricultural sector. This strong agricultural base still offers many business opportunities for new investors.



Source: Ministry of Agriculture and Rural Development of the Slovak Republic, Green Report 2020 (data for 2019), Finstat 2021



Top 10 Reasons Why to Invest in Slovakia

- 1 Strategic location in the central Europe with great export potential
- 2 Stable political and economic environment
- 3 Euro currency as one of the few in CEE
- 4 The highest labour productivity in the CEE region
- 5 Cost-effective, skilled & loyal labour force
- 6 Strong local agricultural sector and supplier network
- 7 Steadily growing R&D potential of the Slovak food processing industry and academia
- 8 Attractive investment incentives for industry, including food-processing
- 9 Large selection of industrial properties
- 10 Well-developed transport and utilities infrastructure

List of Top 50 Food Processing Companies in Slovakia (by revenue)

COMPANY	LOCATION	SEGMENT	REVENUE 2020 (THS. EUR)	NUMBER OF EMPLOYEES
• Nestlé Slovensko	Prievidza	other	192,585	787
• Rajo	Bratislava	dairy	178,592	430
• Mecom Group	Humenné	meat	154,515	1,1138
• Plzeňský Prazdroj Slovensko	Veľký Šariš	brewing	124,065	563
• I.D.C. Holding	Bratislava	confectionery	116,285	1,067
• Heineken Slovensko	Hurbanovo	brewing	116,177	441
• Tauris	Rimavská Sobota	meat	107,091	832
• Tate & Lyle Boleraz	Boleráz	starch/sugar	102,242*	235*
• Syrárň Bel Slovensko	Michalovce	dairy	95,118	504
• Hyza	Topoľčany	poultry	94,790	863
• Tatranská mliekareň	Kežmarok	dairy	90,360	295
• Cloetta Slovakia	Levice	confectionery	84,328*	720*
• Považský cukor	Trenčianska Teplá	starch/sugar	81,246	190
• Kofola	Rajecká Lesná	soft drinks	74,398	324
• Agro Tami	Nitra	dairy	72,700	254
• Encinger SK	Bratislava	other	67,185	99
• Savencia Fromage & Dairy SK	Liptovský Mikuláš	dairy	61,375	300
• VVIS	Madunice	other	58,164*	90*
• Penam Slovakia	Nitra	baking	53,168	690
• Slovenské cukrovary	Sereď	sugar	52,606	165
• Istermeat	Dunajská Streda	meat	44,704	102
• JAV – AKC	Vičany	other	43,145	245
• Budiš	Budiš	soft drinks	42,189	239
• EU Poultry	Horné Saliby	poultry	41,075	84
• Heineken Slovensko Sladovne	Hurbanovo	brewing	40,185	44
• Fekollini	Sládkovičovo	baking	39,928	369
• HO&PE Family	Poprad	other	35,410	174
• Milsy	Bánovce n. Bebravou	dairy	32,749	275
• Agro Ostrov	Bardejov	meat	32,061	62
• St. Nicolaus	Liptovský Mikuláš	distilling	31,140	132
• Mondelez SR Production	Bratislava	confectionery	30,767	464
• Mlyn Kolárovo	Kolárovo	other	30,383	70
• Nourus – Mäso	Tešedíkovo	meat	30,112	72
• Podtatranská hydina	Kežmarok	poultry	29,404	327
• Gamota JR	Bratislava	other	29,253	18
• Ryba Košice	Košice	meat	29,188	187
• Dr.Oetker	Bratislava	starch/sugar	28,789	117
• Koliba	Hriňová	dairy	28,750	99
• Zvolenská Mliekareň	Zvolen	dairy	28,410	120
• Mlyn Pohronský Ruskov	Pohronský Ruskov	other	27,896	126
• Mäspoma	Zvolen	other	27,735	200
• Frucona Košice	Košice	other	27,624	99
• Baliarne obchodu	Poprad	other	27,028	212
• Agrofarma	Červený Kameň	dairy	26,019	219
• Mäsokombinát Púchov	Púchov	meat	25,568	41
• P.G.Trade	Komárno	other	25,384	127
• Hubert J.E.	Sereď	wine	24,745	96
• Globaltrading Slovakia	Rozhanovce	meat	24,577	55
• Lycos – Trnavské sladovne	Trnava	brewing	22,100	34
• Vínárske závody Topoľčianky	Topoľčianky	wine	21,720	139

The present list of companies is subject to change and does not represent an exhaustive overview.

Source: Flnstat, 2021 (data as of 2020), official websites of the companies, 2021

Note: Other means seasoning, ready-meals, flour, etc.

*Data for 2019

Notable Slovak Companies



I.D.C. HOLDING

The biggest Slovak entity in the food processing sector. It covers mainly confectionery & biscuit products, selling annually 38,000 tons of products



ST. NICOLAUS

Slovak leader in spirits industry with dozens of products (mostly vodka), which are exported to the whole world



KARLOFF

A family-owned company — one of the most valuable premium alcohol producers in Slovakia



TATRAKON

Major canning industry player producing, among other things, the best-selling spaghetti sauce in Slovakia for 30 years

Top Players of the Slovak Food Processing Industry



Nestlé

The company has taken over an existing Slovak brand and set up a high-capacity production of bouillon cubes, dehydrated soups, and flavoring food mixtures.

Revenue: 193 mil. EUR

Employees: 787

Rajo

One of the biggest companies in the Slovak dairy industry. Part of the Meggle AG Group.

Revenue: 179 mil. EUR

Employees: 430



Heineken Slovensko

A leader in the Slovak beer market for almost 20 years with a stable market share of approximately 42%.

Revenue: 156 mil. EUR*

Employees: 485*

Tate & Lyle

Food ingredients company. In Slovakia, the company produces glucose syrups, isoglucose and other ingredients produced from corn processing.

Revenue: 102 mil. EUR**

Employees: 235**



Hyza

A modern meat processing company with a daily processing capacity of 100,000 chickens. Part of the Agrofert Group.

Revenue: 95 mil. EUR

Employees: 863

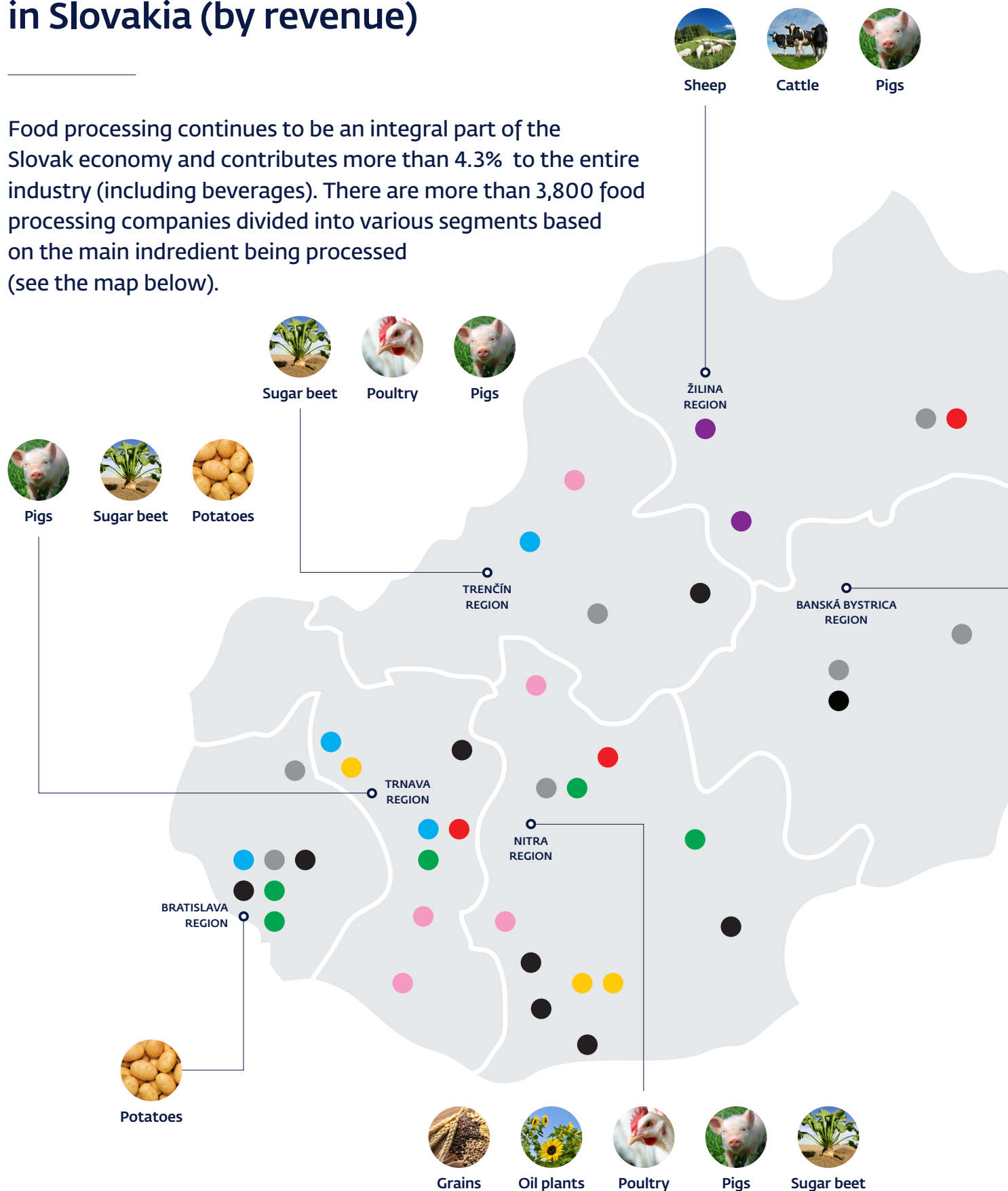
Source: Official websites of the companies, Finstat 2021 (data as of 2020)

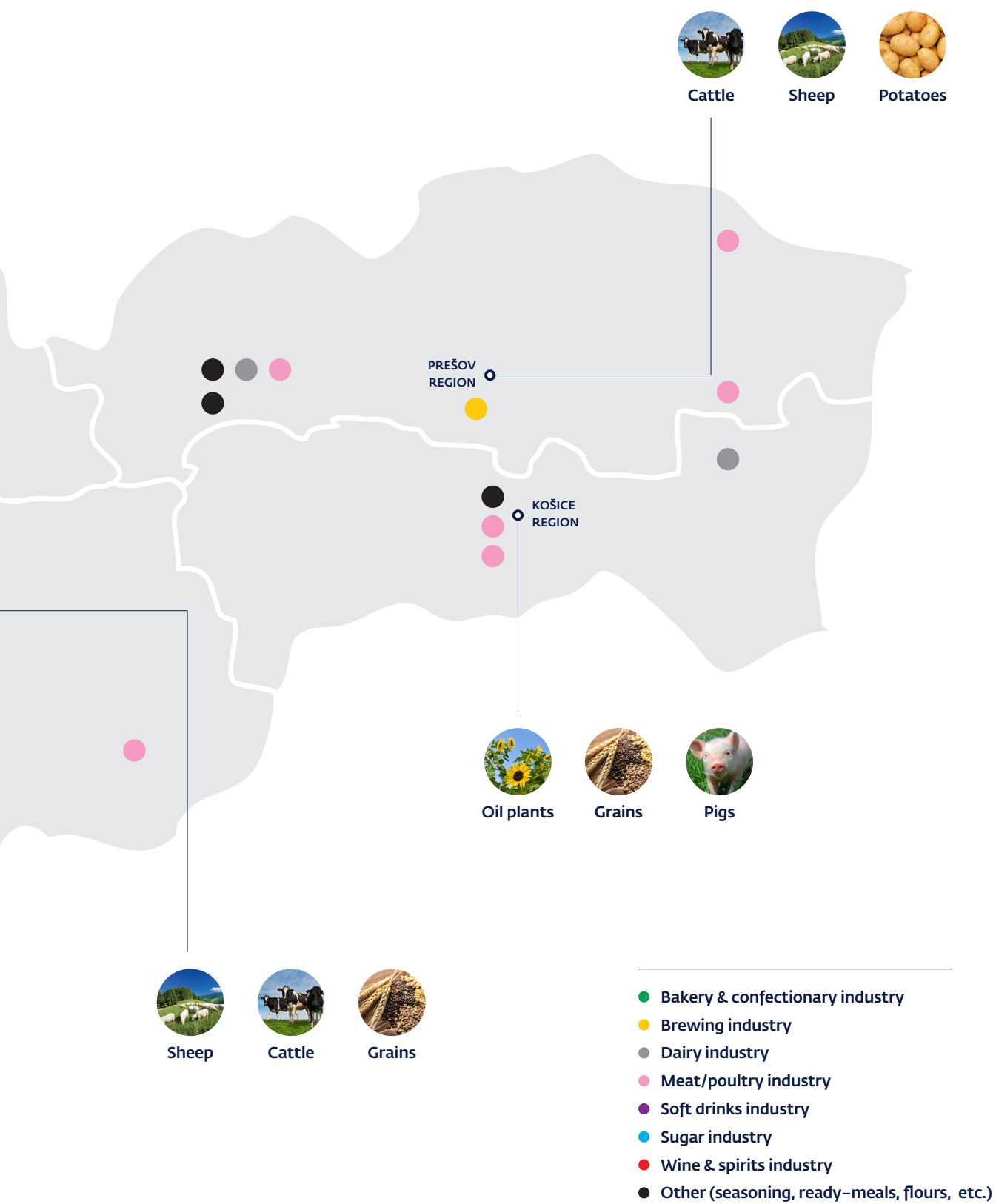
*Note: counted for Heineken Slovensko & Heineken Slovensko Sladovne

**Note: data for 2019

Top 50 Food Processing Companies in Slovakia (by revenue)

Food processing continues to be an integral part of the Slovak economy and contributes more than 4.3% to the entire industry (including beverages). There are more than 3,800 food processing companies divided into various segments based on the main ingredient being processed (see the map below).





Source: Statistical Office of the Slovak Republic; Finstat, 2021

Our Cost-Effective & Skilled Labour Force

Slovakia is praised as one of the most labour productive countries in the CEE region. Combined with cost-effectiveness and a high education level, the Slovak labour force excels in the three areas that often concern investors the most — labor costs, productivity and qualification.

AVERAGE REGIONAL GROSS MONTHLY SALARY (IN EUR)

INDUSTRY	POSITION	BRATISLAVA	WEST	CENTRAL	EAST
DAIRY	Assistant Workers	1,000	950	900	900
	Machine Operators	1,200	1,100	1,000	1,000
	Technologists	1,600	1,500	1,300	1,200
	Production Supervisor	1,800	1,700	1,400	1,400
MEAT	Assistant Workers	1,000	950	900	900
	Machine Operators	1,100	1,100	1,000	1,000
	Technologists	1,600	1,500	1,300	1,200
	Production Supervisor	1,800	1,700	1,400	1,400
BAKING	Assistant Workers	1,000	950	900	900
	Machine Operators	1,100	1,100	1,000	1,000
	Technologists	1,600	1,500	1,300	1,200
	Production Supervisor	1,800	1,700	1,400	1,400
DRINKS & BEVERAGES	Assistant Workers	1,000	950	900	900
	Machine Operators	1,100	1,100	1,000	1,000
	Technologists	1,600	1,500	1,300	1,200
	Production Supervisor	1,800	1,700	1,400	1,400

Note: * Meat industry includes poultry processing, canning and fat processing. Baking industry includes milling, sugar and confectionary production. Drinks & beverages category involves distilled spirits production, wine production, brewing & soft drinks production. ** Employer's contributions (35,2%) are not included.
Source: Lugera Slovakia, 2021; Slovak Centre of Scientific and Technical Information, 2021



7
technical universities

11
food production
oriented faculties

6,140
university students
in food production fields

2,170
university graduates
in food production fields

100+
vocational
secondary schools
related to food
processing

8,320
students in
food production fields

2,890
graduates in
food production fields

Food Production Technology, Innovation and R&D in Slovakia



Given its level of automation, the modern food processing industry requires both strong research orientation as well as affiliation towards natural sciences.

R&D Pioneers in the Food Processing Sector

The AgroBioTech Research Centre (ABT RC)

Established by the Slovak University of Agriculture in 2015, this specialized facility performs concentrated innovative research in the relevant fields aimed at conducting new methods and procedures in applied research, with the express goal of transferring its results into practice. ABT RC's research is consistent with the core needs of the priorities of agrobiological, the processing technology of agricultural products and the agri-food industry, biotechnology, genetic technologies, agroecology, bioenergetics, and bioeconomy.

Faculty of Chemical & Food Technology at The Slovak University of Technology in Bratislava (FCFT)

FCFT is one of the best performing faculties in Slovakia. The Faculty participates in applied research for industry and develops around 280 cooperation projects with many producers and companies. What allows for a swift application of research results to production in the fields such as biologically active substances, functional materials and material technologies, or functional and safe foods.

159
Number
of R&D projects
carried out by National
Agricultural & Food
Centre in 2020

The National Agricultural & Food Centre

The National Agricultural & Food Centre focuses on comprehensive research in the fields of the protection of natural resources, especially soil and water resources for crop production and animal husbandry, quality, safety, innovation and competitiveness of food and non-food products of agricultural origin.



Food Processing Equipment Manufacturers Based in Slovakia

MAREL

Marel is the leading global provider of advanced processing systems and services to the poultry, meat and fish industries.

PSS SVIDNÍK

Notable Slovak player in the field of meat processing machines, brewery equipment, custom manufacturing as well as pressure and non-pressure vessels.

LEKOS

Family company that designs and manufactures special machines and equipment for food industry, focusing especially on confectionery and baked goods.

Source: Faculty of Chemical & Food Technology STU in Bratislava; Slovak University of Agriculture in Nitra; NAFC Annual Activity Report 2020, 2021

Investment Incentives

The primary goal of the investment incentives is to motivate investors to place their new projects in regions with higher unemployment and to attract projects with higher added value.

MAXIMUM REGIONAL INTENSITIES OF INVESTMENT INCENTIVES IN SLOVAKIA (for SMEs additional 10%—20%)

INDUSTRY

Minimum investment amount, number of newly created jobs and share of new technology are subject to the unemployment rate in the selected district and forms of aid required.

If applying for income tax relief, the following criteria have to be met in regards to particular districts category:

- 3 mil. EUR and 60% share of new technology
- 1.5 mil. EUR and 50% share of new technology
- 0.75 mil. EUR and 40% share of new technology
- 0.1 mil. EUR and 30% share of new technology
- Expansion includes minimum increase in the production volume or turnover by at least 5%

Direct forms of aid are also available, different conditions apply.

TECHNOLOGY CENTERS

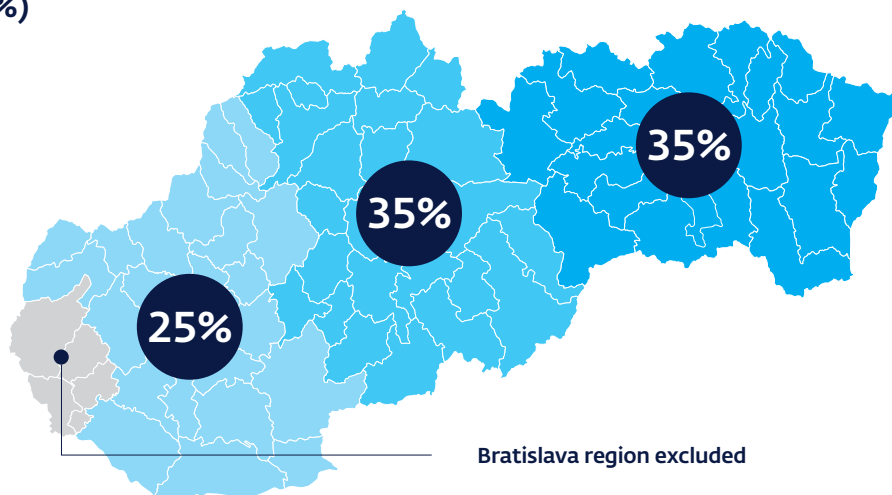
- Minimum investment of 100 ths. EUR on fixed assets in all regions
- Minimum of 10 newly created jobs
- Minimum 1.7 fold of average salary in the district paid to new employees**

SHARED SERVICES CENTERS

- Minimum of 25 newly created jobs
- Min 1.5 fold of average salary in the district paid to new employees**

*Conditions differ for projects from 'Priority areas'. Minimum conditions for SMEs are in principle lowered by half. Please contact us at invest@sario.sk for more information.

**Condition is considered automatically fulfilled for years 2021 and 2022.



ELIGIBLE PROJECTS

The Act on Investment Aid divides the projects which may be supported into four categories:

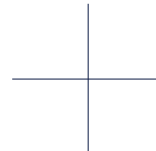
- Industry
- Technology Centers
- Combined Projects of Industrial Production and Technology Center
- Shared Services Centers

ELIGIBLE COSTS

- Costs of land acquisition
 - Costs of buildings acquisition & construction
 - Costs of new technological equipment and machinery acquisition
 - Intangible long-term assets — licences, patents, etc.
 - Rent of new land/building
- or
- Wage costs of new employees for the period of 2 years

FORMS OF INVESTMENT INCENTIVES

- Tax relief
- Cash grant
- Contributions for the newly created jobs
- Rent/Sale of real estate for a discounted price



The positive impact of a new investment shall be proved by job creation, improved chances for the graduates to get a job, as well as by creation of new entrepreneurial opportunities for local companies.





AIM INVESTMENT AWARDS DUBAI 2017

CEE & TURKEY REGION
Best Investment Promotion
Agency in 2016



SARIO Profile

Slovak Investment & Trade Development Agency (SARIO) is a governmental investment and trade promotion agency of the Slovak Republic. The agency was established in 2001 and it operates under the Slovak Ministry of Economy.

01 INVESTMENT SERVICES

FOR POTENTIAL INVESTORS

- investment environment overview
- assistance with investment projects implementation
- starting a business consultancy
- sector and regional analyses
- investment incentives consultancy
- site location & suitable real estate consultancy

FOR ESTABLISHED INVESTORS

- identification of local suppliers, service providers
- assistance with expansion preparation and execution
- assistance with Industry 4.0 solutions and R&D implementation

02 FOREIGN TRADE SERVICES

IF YOU ARE LOOKING FOR

- Slovak supplier or sub-contractor
- information about Slovak export/trade environment
- sourcing opportunities
- forming a joint venture, production cooperation or other forms of partnership with a Slovak partner

SERVICES FOR EXPORTERS

- information on foreign territories
- customized search for foreign partners
- on-line database of business opportunities
- export Training Centre
- subcontracting assistance

03 INNOVATION SERVICES

- supporting business development of Slovak innovative technology companies by connecting them to SARIO's major clients — large investors established in Slovakia in order to innovate their technological processes
- the service is not limited to the borders of Slovakia, it focuses mainly on — industry, product development, service sector
- the service also aims to direct venture funds to Slovak technology companies open to capital investments

04 DIVERSIFICATION SERVICES

- supporting diversification of Slovak companies towards high-tech areas with significant growth potential
- focus on, but not limited to: space industry, aviation industry, greentech, medtech, and innovative mobility
- include consultancy for companies regarding the potential and possibilities of entering the new sectors as well as creation of new business and R&D cooperation opportunities on the national and international level

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**SARIO IS YOUR ONE STOP SHOP FOR INVESTMENT & TRADE IN SLOVAKIA.
TALK TO US TODAY!**

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