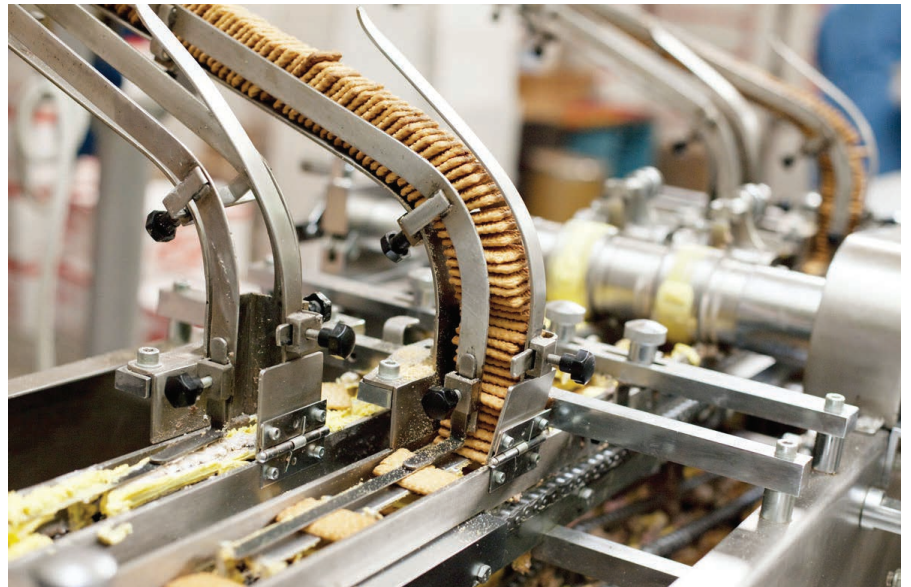


Food Processing Industry in **SLOVAKIA**



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.



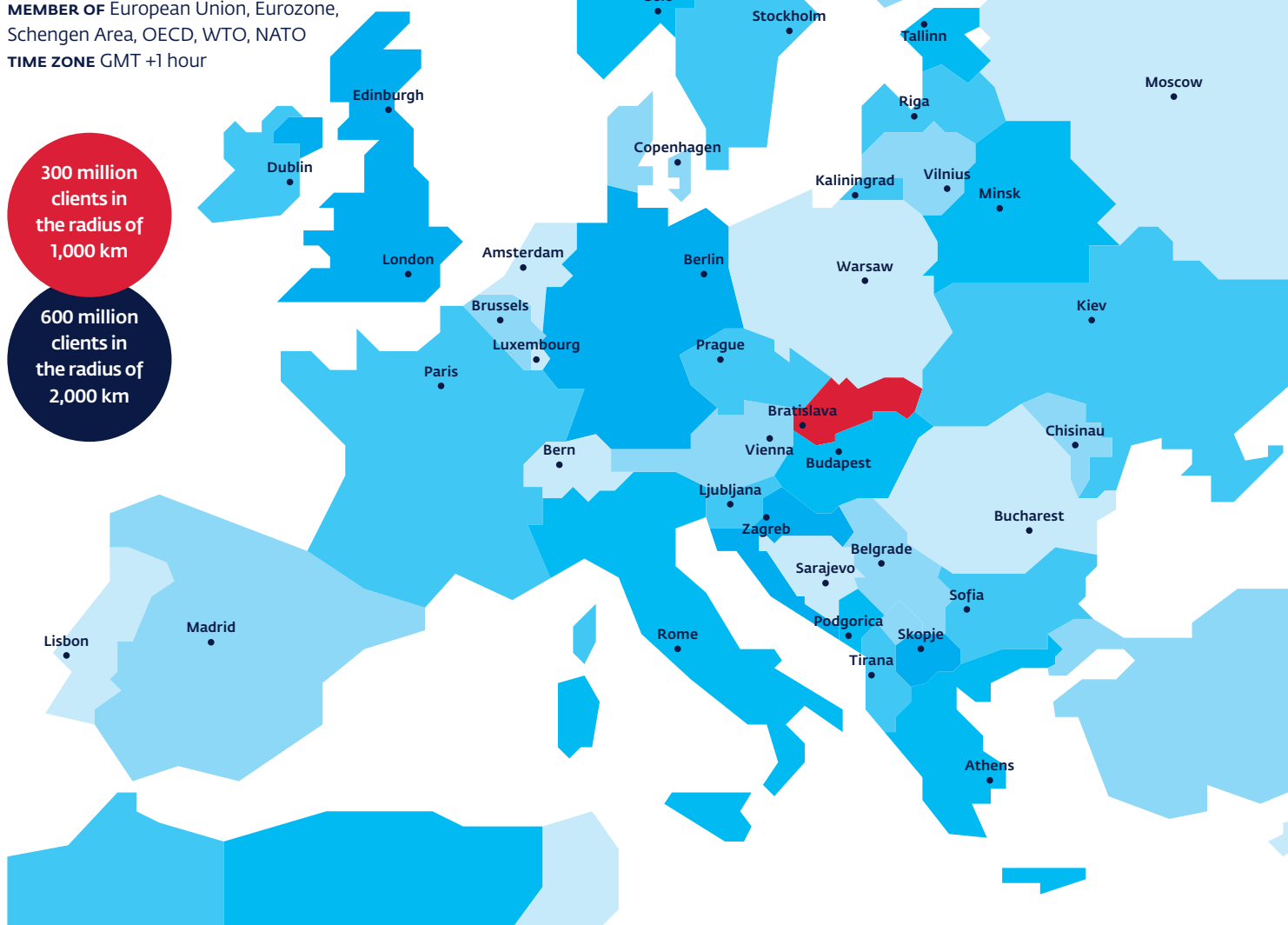
TOTAL AREA 49,035 km²

POPULATION 5.4 million

CAPITAL CITY Bratislava

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

TIME ZONE GMT +1 hour



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 2021 (data for 2020), Finstat 2022



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 2021 (THS. EUR)	NUMBER OF EMPLOYEES
• Nestlé Slovensko	Prievidza	other	216,567	812
• Rajo	Bratislava	dairy	186,524	421
• Mecom Group	Humenné	meat	136,618	1,140
• Tate & Lyle Boleraz	Boleráz	starch/sugar	134,685	239
• Plzeňský Prazdroj Slovensko	Velký Šariš	brewing	126,331	563
• I.D.C. Holding	Bratislava	confectionery	114,428	1,011
• Tauris	Rímovská Sobota	meat	110,659	1,447
• Heineken Slovensko	Hurbanovo	brewing	102,867	418
• Považský cukor	Trenčianska Teplá	starch/sugar	102,805	187
• Hyza	Topoľčany	meat	99,011	867
• Syrárň Bel Slovensko	Michalovce	dairy	97,153	501
• Tatranská mliekareň	Kežmarok	dairy	90,567	—
• Cloetta Slovakia	Levice	confectionery	81,418	756
• Kofola	Rajecká Lesná	soft drinks	80,622	329
• Agro Tami	Nitra	dairy	73,597	262
• Encinger SK	Bratislava	other	72,775	99
• Savencia Fromage & Dairy SK	Liptovský Mikuláš	dairy	67,235	300
• Fekollini	Sládkovičovo	baking	59,204	429
• Penam Slovakia	Nitra	baking	56,511	654
• JAV — AKC	Vičany	other	56,204	224
• Slovenské cukrovary	Sereď	starch/sugar	53,953	152
• Istermeat	Dunajská Streda	meat	49,152	104
• EU Poultry	Bratislava	poultry	48,925	57
• Budiš	Dubové	soft drinks	45,343	233
• Hossa Family	Poprad	other	39,405	174
• Heineken Slovensko Sladovne	Hurbanovo	brewing	39,264	45
• VVISS	Maďunice	other	37,742	89
• St. Nicolaus	Liptovský Mikuláš	distilling	36,327	132
• Milsy	Bánovce n. Bebravou	dairy	35,374	281
• Mlyn Kolárovo	Kolárovo	other	33,097	74
• Mondelez SR Production	Bratislava	confectionery	31,205	447
• Mäspoma	Zvolen	meat	29,754	210
• Koliba	Hriňová	dairy	29,222	105
• Agrofarma	Červený Kameň	dairy	29,031	220
• Dr. Oetker	Bratislava	starch/sugar	28,886	115
• Baliarne obchodu	Poprad	other	27,366	220
• Nourus – Mäso	Tešedíkovo	meat	27,050	75
• Frucona Košice	Košice	other	26,739	99
• Zvolenská mliekareň	Zvolen	dairy	26,720	120
• MINIT Slovakia	Dunajská Streda	baking	26,655	280
• HUBERT J. E.	Sereď	wine	25,626	99
• P. G. Trade	Komárno	other	25,530	125
• Globaltrading Slovakia	Bratislava	meat	24,577	45
• FROST	Prešov	baking	23,920	258
• Mäsokombinát Púchov	Púchov	meat	23,219	64
• Mlyn Pohronský Ruskov	Pohronský Ruskov	other	22,646	85
• Podtatranská hydina	Kežmarok	poultry	21,916	313
• Alfa Bio	Banská Bystrica	other	21,916	237
• Syrárň Havran	Senica	dairy	21,738	184
• LYCOS — Trnavské sladovne	Trnava	brewing	21,449	34

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

Source: Flnstat, 2022 (data as of 2021), official websites of the companies, 2021

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

*Data for 2020

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: 217 mil. EUR

Employees: 812

Rajo

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

Revenue: 187 mil. EUR

Employees: 421



Heineken Slovensko

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

Revenue: 142 mil. EUR*

Employees: 463*

Tate & Lyle

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

Revenue: 135 mil. EUR

Employees: 239



Hyza

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

Revenue: 99 mil. EUR

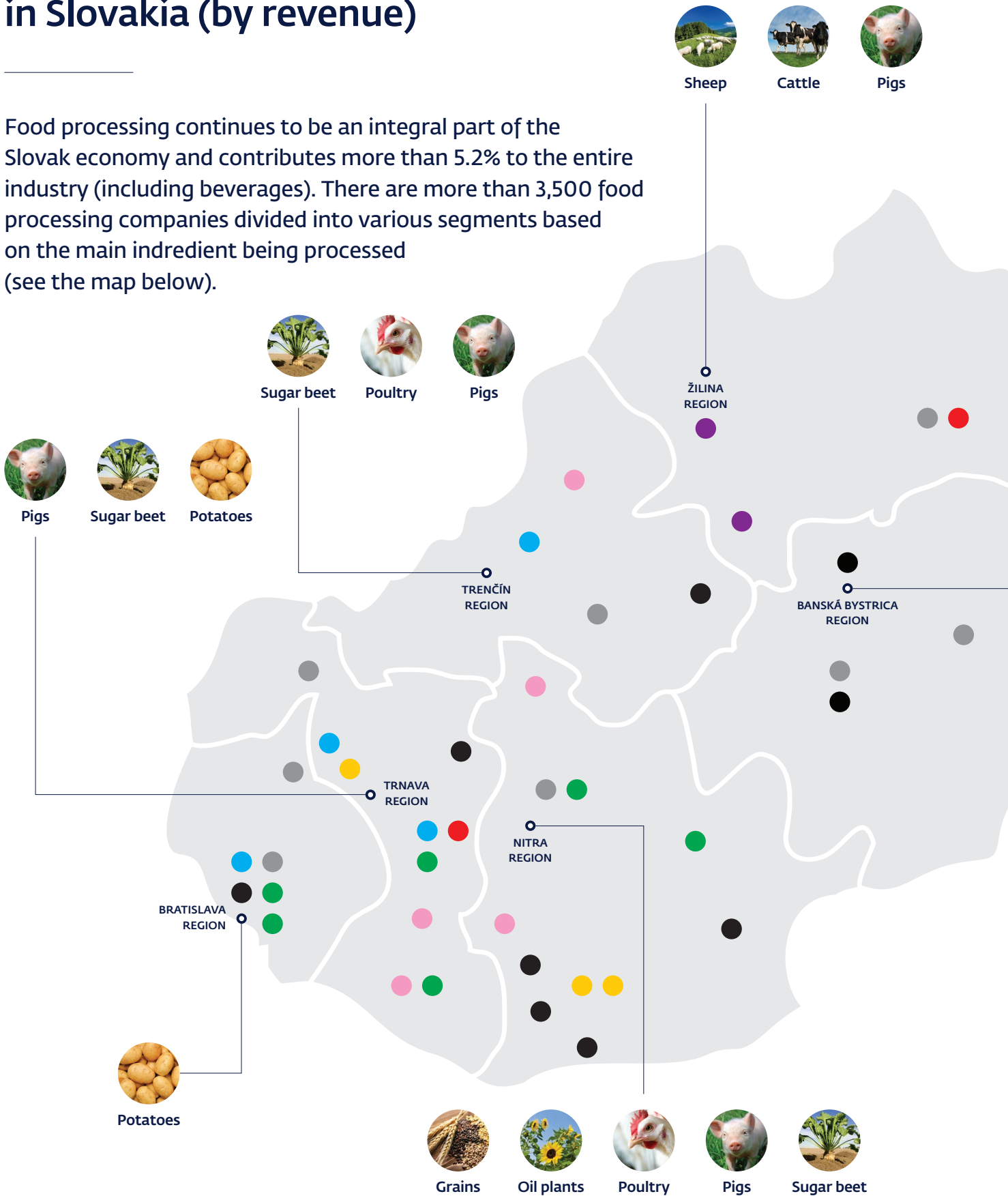
Employees: 867

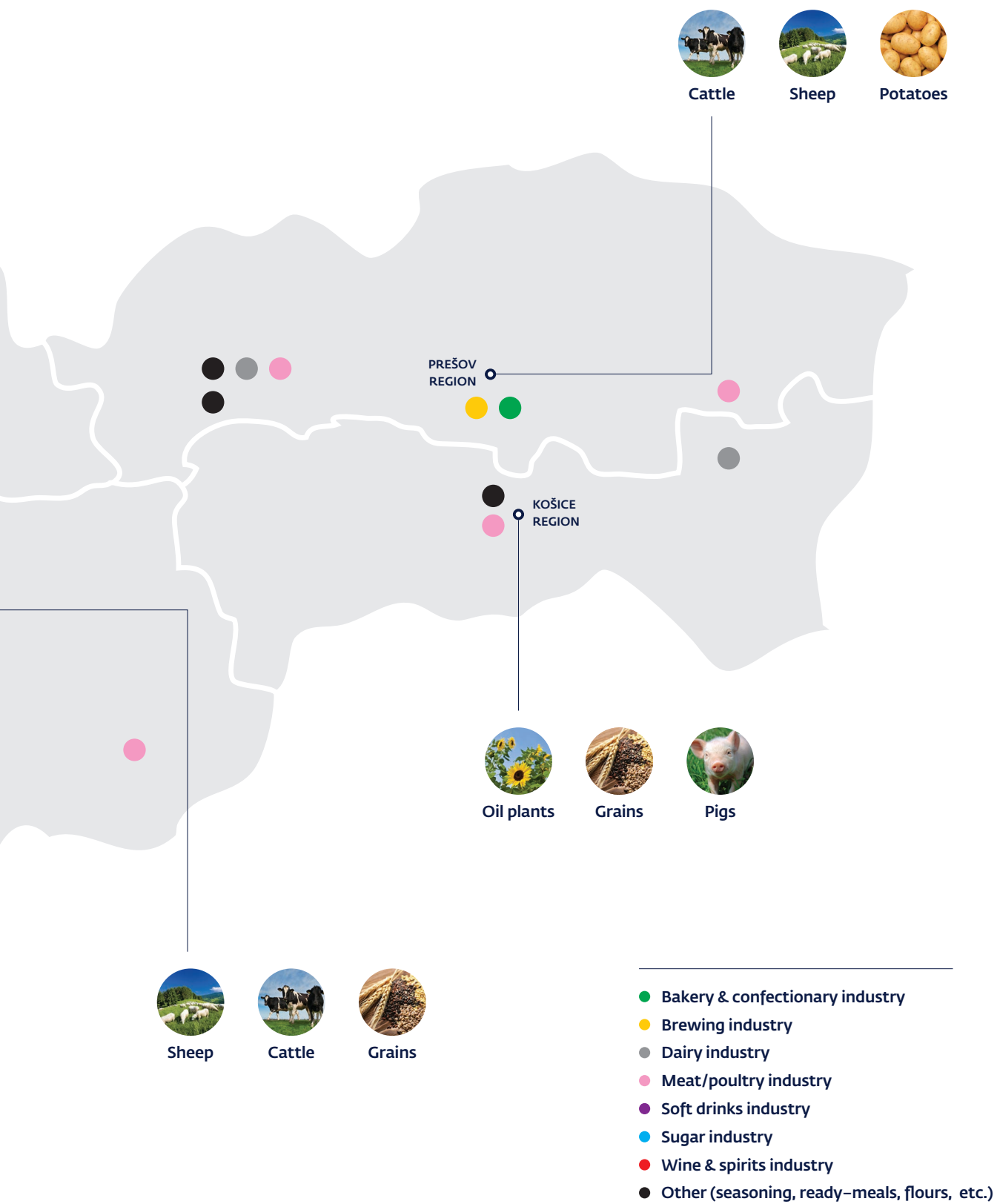
Source: Official websites of the companies, Finstat 2022 (data as of 2021)

*Note: counted for Heineken Slovensko & Heineken Slovensko Sladovne, data for 2021

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 5.2% to the entire industry (including beverages). There are more than 3,500 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, 2022

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	1,200	950	1,000	900
	Machine Operators	1,400	1,300	1,100	1,000
	Technologists	1,700	1,600	1,400	1,200
	Production Supervisor	2,000	1,800	1,600	1,500
MEAT	Assistant Workers	1,200	1,100	900	900
	Machine Operators	1,400	1,300	1,100	1,000
	Technologists	1,600	1,500	1,300	1,200
	Production Supervisor	2,000	1,800	1,500	1,500
BAKING	Assistant Workers	1,200	1,100	1,000	900
	Machine Operators	1,400	1,300	1,100	1,100
	Technologists	1,800	1,500	1,500	1,300
	Production Supervisor	2,000	1,800	1,600	1,500
DRINKS & BEVERAGES	Assistant Workers	1,100	1,050	1,000	900
	Machine Operators	1,300	1,200	1,200	1,000
	Technologists	1,600	1,500	1,400	1,200
	Production Supervisor	1,900	1,700	1,600	1,500

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: Grafton, 2022; Slovak Centre of Scientific and Technical Information, 2022



7
technical universities

9
food production oriented faculties

3,560
university students in food production fields

1,700
university graduates in food production fields

100+
vocational secondary schools related to food processing

4,430
students in food production fields

1,230
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.

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.

136

Number
of R&D projects
carried out by National
Agricultural & Food
Centre in 2021



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 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

- additional 10% for medium-sized enterprises
- additional 20% for small and micro-sized enterprises
- additional 10% for investment projects carried out in regions included in Just Transition Plan

INDUSTRIAL PRODUCTION

Minimum conditions (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.

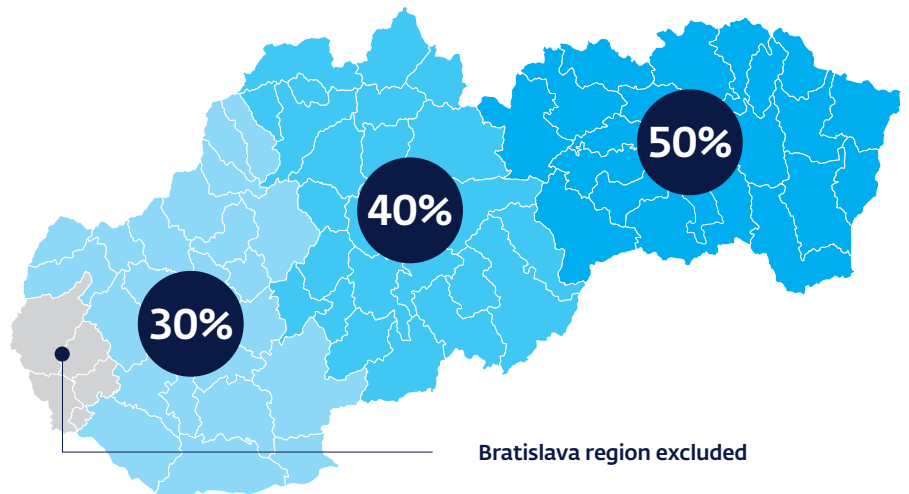
TECHNOLOGY CENTERS

- 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

*In case of Technology centers or Shared Services Centers, 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.



ELIGIBLE PROJECTS

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

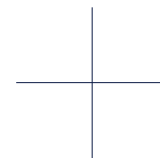
- Industrial production
- Technology Centers
- Combined Projects of Industrial Production and Technology Center
- Shared Services Centers

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**
- Total wage costs of all new employees calculated over a period of 2 years

FORMS OF INVESTMENT INCENTIVES

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



Positive regional contribution of a new investment projects shall be concluded based on these categories — investment location, number of jobs created, average gross monthly salary of new employees, expected added value and possible qualification of a project respecting definition of a priority area.





AIM INVESTMENT AWARDS DUBAI 2022

CEE & TURKEY REGION
Best Investment Promotion Agency in 2022



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 SOURCING

- matching local tech companies with the operations of large companies that plan to implement innovative solutions to streamline and optimize their processes
- focused mostly on Industry 4.0 solutions such as digitalization, intelligent automation, and robotics as well as advanced and complex IT solutions for various industries
- based on a database of more than 300 local tech companies which is constantly updated and expanded

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

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