TreeHouse Foods Buys Protenergy for $150M

OAK BROOK, Ill. (AP) — TreeHouse Foods is buying private label food and beverage company Protenergy Natural Foods for 170 million Canadian dollars (about $150 million).

Canada's Protenergy is mostly known for its private label broth, soups and gravies. Its 2013 sales amounted to 130 million Canadian dollars.

TreeHouse makes various products including non-dairy powdered creamers, private-label canned soups and salad dressings.

"The acquisition of Protenergy is expected to expand our existing packaging capabilities and enables us to offer customers a full range of soup products, both wet and dry. The addition of Protenergy is also expected to leverage our research and development capabilities in the evolution of shelf stable liquids from cans to cartons," TreeHouse Chairman, President and CEO Sam Reed said in a statement on Monday.

TreeHouse Foods Inc. is buying Protenergy from Whitecastle Investments Ltd., Whitecap Venture Partners and others.

Protenergy has about 300 employees with headquarters in Richmond Hill, Ontario, Canada, and operates a second production facility in Cambridge, Md.

The acquisition will impact TreeHouse's 2014 earnings by about 5 cents to 7 cents per share and add about 11 cents to 14 cents to earnings per share in 2015.

The transaction is targeted to close late in the second quarter.

TreeHouse also confirmed that it expects first-quarter adjusted earnings between 77 cents and 80 cents per share. Sales for the period were better than expected, up about 15 percent to approximately $619 million.

The Oak Brook, Ill., company reaffirmed its forecast for 2014 earnings of $3.50 to $3.60 per share. The guidance doesn't account for the additional earnings anticipated from the Protenergy deal.

Analysts polled by FactSet predict first-quarter earnings of 79 cents per share on revenue of $612.3 million. Full-year earnings are expected to be $3.57 per share.

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