



FOOD & BEVERAGE INDUSTRY

REVIEW OF CORPORATE ACTIVITY

Mergers & Acquisitions Q2 2022

Welcome to the Comet Line quarterly newsletter, where we review corporate activity in the second quarter of 2022.

Following a strong start to the year, corporate activity in the food and beverage industry slowed down during the second quarter of 2022. Investor confidence in the quarter was impacted by soaring inflation, increased input prices, labour shortages and the prospect of interest rate increases.

Eleven transactions were announced in the quarter. The standout categories in the quarter were roast and ground coffee and plant-based foods which attracted investment interest with two transactions completed in both categories. Within the coffee category, Padre Coffee was acquired by Liverpool Partners. The acquisition of Padre Coffee expands the coffee portfolio of Liverpool Partners, following the acquisition of Seven Miles Roasters in September 2021. In New Zealand, specialty coffee roaster, Coffee Supreme, was acquired by Pioneer Capital.

The plant-based food category also attracted acquisition interest, with the sale of two plant-based manufacturers in New Zealand. Pioneer Capital acquired a 75% shareholding in Raglan Food Co. Life Health Foods acquired Chalmers Organics, a plant-based food manufacturer based in Auckland.

The outlook for corporate activity in the food and beverage industry over the next quarter is considered uncertain. The economic outlook is clouded by a series of interest rate increases by the RBA in Australia. The negative impact of the interest rate increases on consumer demand together with increasing input costs and labour shortages will make deal making across the industry challenging over the short term.



Acquisitions announced

| Date | Target Name | Acquirer | Sector |
|---------------|---------------------------------|--------------------------|----------------------------|
| 29 March 2022 | Raglan Food Co (75%) | Pioneer Capital | Plant-based foods |
| 8 April 2022 | Padre Coffee | Liverpool Partners | Coffee |
| 11 April 2022 | People for Pets | Real Pet Food Company | Pet food |
| 12 April 2022 | MD Provodores | In2Food | Fruit and veg distribution |
| 13 April 2022 | Bayview Seafoods | Bidfood | Food processing |
| 20 April 2022 | Slim Secrets | Winners Sports Nutrition | Healthy snacks |
| 26 April 2022 | Nutrano's banana assets | LaManna Premium Group | Fruit and vegetables |
| 9 May 2022 | 28 by Sam Wood | myDNA | Nutrition |
| 19 May 2022 | Coffee Supreme | Pioneer Capital | Coffee |
| 27 May 2022 | Chalmers Organics | Life Health Foods | Plant-based foods |
| 10 June 2022 | Oyster Cloud's agri-tech assets | East 33 | Seafood |
| 29 June 2022 | The Better Health Company | Nestle Health Science | Vitamins & supplements |

Pioneer Capital acquired a 75% stake in Raglan Food Co. Raglan Food Co is a plant-based food manufacturer based in Raglan (NZ) that was established in 2014. Around 90% of Raglan Food's revenue is generated from sales to the New Zealand grocery channel. Under the guidance of Pioneer Capital, the company will target exports to the USA as a foundation for future growth.

Liverpool Partners acquired specialty coffee roaster and wholesaler, Padre Coffee. Padre Coffee will join forces with Seven Miles Coffee Roasters which was acquired by Liverpool Partners in September 2021. The two businesses will operate as separate brands within the Liverpool Partners coffee portfolio.

Real Petfood Company acquired pet supplement start-up, People for Pets, and invested alongside Gabriel Perera, the founder of the business. People for Pets is the owner of the plant-based "medicinal" water treat brand, Nectar of the Dogs.

In2Food acquired Sydney-based fruit and vegetable distributor, MD Provodores for approximately \$8 million. MD Provodores was started in 2004 and supplies more than 550 venues across Sydney with fresh, pre-cut fruit and vegetables.

Bidfood Australia acquired the Bayview Seafoods business from the external administrator.

Snack food business, Slim Secrets, was sold to Winners Sports Nutrition. The Slim Secrets business was founded by Sharon Turin in 2005 and distributes a range of healthy snacking products including protein bars.

LaManna Premier Group acquired Nutrano Produce Group's banana assets in New South Wales and Victoria. The sale included Nutrano's Sydney and Melbourne banana operations including the banana ripening facility and stands at the Sydney Markets and a Melbourne warehouse.



Exercise and nutrition program, 28 by Sam Wood, was acquired by myDNA for \$71.2 million. The transaction was settled through a combination of cash and scrip. 28 by Sam Wood is an online exercise and nutrition program which has grown to approximately 400,000 users since the program was launched in 2006.

Pioneer Capital followed up the Raglan Food Co acquisition with the acquisition of Coffee Supreme. Coffee Supreme is a leading specialist roast and ground coffee brand with operations in New Zealand, Australia and Japan.

Chalmers Organics, a plant-based food manufacturer based in Auckland, was acquired by Life Health Foods. Life Health Foods is a sister company of Sanitarium Health Food Company. Chalmers Organics manufactures a range of meat alternative products under the Tonzu and Zenzo brands. It also manufactures a range of plant-based dairy alternative products.

ASX listed oyster farmer and distributor, East 33, has acquired the agri-tech assets of Oyster Cloud for \$475,000.

Nestlé Health Science acquired NZ-based The Better Health Company. The deal includes the manuka honey brand Egmont, the Go Healthy supplement brand and a manufacturing facility in Auckland that produces vitamins, minerals and supplements.

Listings on the ASX

There were no listings of food and beverages companies on the ASX during the second quarter of 2022.

Comet Line Consulting is a strategic advisory business that specialises in acquisitions and divestments within the Australian and New Zealand food & beverage industry. Deep industry knowledge and strong relationships with business owners, trade investors and financial investors are defining features of the Comet Line Consulting business.



David Baveystock has worked in the Australian food and beverage industry for over 25 years including senior roles with Nestle Australia and Manassen Foods. David is recognized as a leading executive in the food and beverage industry and consults to senior management and business executives.







Ben van der Westhuizen has 25 years corporate advisory experience and has advised on a variety of transactions with a collective value in excess of \$2 billion. Ben has advised on acquisitions, disposals and capital raisings in both Australia and South Africa. Ben has held senior corporate advisory roles with KPMG Corporate Finance, Challenger and PSG Group where he advised on several high-profile transactions.



Lindsay Cunningham has worked in the Australian and international food industry for over 35 years, with executive roles at Givaudan, Arnott's, Uni Chef and I&J Foods. After a corporate career, Lindsay has directly provided strategic consulting services to a range of clients including Allied Mills, Arnott's, Nestle, Fonterra, Goodman Fielder International, Lindt and the Sydney Fish Market.

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