



FOOD & BEVERAGE

Deal flash, June 2017

SALE OF CONTROLLING STAKE IN HEALTH FOOD RETAILER

Deal snapshot

- Eu Yan Sang International (EYS) has sold a controlling stake in Healthy Life Group (Healthy Life) to Allegro Funds.
- Established in 1968, Healthy Life is Australia's leading health food retailer with 63 stores and a dedicated focus on providing quality health food products and superior wellness advice. Healthy Life also owns a health products wholesaling business.
- EYS is a prominent integrative and wellness company with a unique heritage in Chinese medicine and one of the largest Chinese medicine groups in South East Asia. It is owned by Richard Eu, Tower Capital and Blanca Investments (part of Temasek).
- Allegro Funds was founded in 2004 and is an Australian private equity fund specializing in transformational capital.



Transaction rationale

EYS was formerly listed on the Singapore Exchange (SGX) and was subject to a privatization bid by a family member, Richard Eu, and a private equity syndicate. Healthy Life was the only business in Australia owned by EYS and, in addition, it was not part of EYS' core operations.

Our role in the transaction

Oaklins' team in Australia acted as advisor to Healthy Life to find a partner for EYS who could take the business forward. The team identified and executed the transaction with Allegro Funds, who provided capital to take a controlling stake and also introduced a new management team.



Market trends and deal drivers

- The healthy food sector in Australia is growing at above-average rates.
- There are limited opportunities to acquire a base in the sector with scale.
- This transaction allowed EYS to retain a stake in Healthy Life. This caters for possible future cooperation opportunities while also enabling EYS to focus on its core geographical operations.

M&A valuation aspects

- Financial terms of the transaction have not been disclosed.
- The transaction parameters reflected the specifics of the deal in which EYS retained an interest but also relinquished responsibility for the management of the business.

Oaklins industry specialists



✉ **Paul Young**, Director, Oaklins, Australia

“This is a perfectly timed transaction, with an increasing trend towards healthy foods and wellness coupled with the opportunity provided by the sell-down of a non-core business operation. We brought together two parties who, with complementary skills and resources, are now able to develop the opportunity for mutual benefit.”



✉ **Marco A. Vismara**, Partner, Food & Beverage Specialist, Oaklins, Italy

Marco has extensive experience in the food & beverage industry, having been involved in the sector since 1990. He has advised Sanpellegrino on the sale of its Recoaro and SanBernardo mineral water brands, businesses and assets to Refresco, the listed Dutch beverage group, and Gruppo Montecristo, a fast-growing Italian mineral water and soft drinks player, respectively. He also advised on the sale of Preziosi Food, a savory and sweet snacks producer, to the Italian private equity firms Vertis and Hat via a leveraged management buy-out. Marco has served on the board of directors of several Italian food companies.

OAKLINS HAS CLOSED 82 DEALS IN FOOD & BEVERAGE IN THE LAST FIVE YEARS

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