

Opportunities to grow

Industry:

Food & Beverage

Client challenge:

Entering into Australia's highly competitive market, and then expanding and diversifying product offering.

Grant Thornton services:

M&A, strategic growth and planning advice, as well as ongoing Audit and Tax support.



“Having a deep understanding of our clients business allowed us to join the dots with new opportunities that aligned with their growth strategy.”

Peter Woodley, Partner & Industry Lead, Grant Thornton

In 2015 a major South African food company looked to Australia, and Grant Thornton, to continue to expand its business internationally. Specialising in ready-to eat meals and meal components, packaged fruit and vegetables, bakery items, juices and drinks, and a range of different snack products, the highly competitive Australian market came with a number of challenges for this food and beverage manufacturer.

Client challenge:

The entrance into the Australian market was boosted by a deep relationship with a leading retailer. After finding a footprint in the Australian market, it was soon realised that the company's growth in Australia was dependent on this one customer and limited local networks. The Australian operations were not only losing money but its future was substantially controlled by another organisation's growth plans.

The company decided that to sustain its Australian business, and for it to be a long-term profitable operation, it needed to expand and diversify, and revisit its strategic growth plan.

The solution

Leveraging Grant Thornton's relationships in South Africa, we were able to support our client through the entire process - from initial entry into the Australian market through to scoping expansion plans and advising on the acquisition of new businesses.

We provided our client with introductions to their Australian business partner, local banks, a locally-based legal adviser, as well as advice on tax structuring for the Australian business and its owners.

We also were able to lead advice on two critical acquisitions — a large agricultural business and a food processing facility. We were then retained to undertake the company's audit and tax affairs moving forward and continue to advise the company as it executes its growth strategy.

The outcome

The recent acquisitions have given our client a significant footprint on Australia's east coast and made them sustainable in their own right. Freed from dependence on its major customer, the company is now expanding its customer base, while still leveraging the opportunities provided by its largest buyer.

Building on the strong platform laid with the company's recent acquisitions, Grant Thornton is now advising on the identification of future factory sites and acquisition targets.