

SE Business  
HD **Menora Foods chews over a possible float**  
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MARKETS: One of the nation's biggest privately owned food marketing and distribution businesses, Menora Foods, could be floated on the sharemarket as one of the options flowing from a strategic review of the **company** prompted by offers in recent months from local and international suitors.

Menora chief executive Sam Schachna said yesterday that "all options were on the table" in the review, which is being conducted by investment banks CIMB and Moelis & **Company**.

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"At this point in time we will review all the options," Mr Schachna said. "This process is just beginning. We want this process to identify the best long term outcomes for the business." The float option could be bolstered by the recent success of the public offer raising for Tasmanian organic baby foods producer Bellamy's Organic, which will list on the ASX later this month after attracting significant interest from big name investors.

Bellamy's \$100 **million** float has been backed by the Ashok Jacob-led and James Packer-backed Ellerston Capital, Paradise Investment Management, Wilson Asset Management, Alex Waislitz's Thorney Group, Karara Capital and Schroders.

The ASX-listed Freedom Foods, which is backed by the Perich Family and makes allergen-free breakfast cereals and bars, has also had a stellar run on the sharemarket.

Multinational food groups such as Bright Foods from **China** and the Israeli food group Strauss are also looking to expand in the Australian market.

Filipino food powerhouse Monde Nissin Corporation made its first foray into the Australian food manufacturing market with the **acquisition** of dip producer Black Swan last month for a reported \$115m.

Mr Schachna said the Menora board had decided to go public on the strategic review process for the sake of the **company**'s 300 employees after receiving the approaches to acquire 100 per cent of the business.

"From our family's and Menora's perspective, it is important we are open and transparent with all our employees," he said.

Menora markets more than 1500 products and generates 50 per cent of its revenues from supplying the independent grocery sector, distributing brands such as Peckish rice snacks, Cobram Estate olive **oil**, Wattle Valley cheeses and dips, and Maille mustard. It has also moved into chilled meals and the beverage market through a deal with Saxby's soft drinks.

It disclosed some of its financials for the first time yesterday, revealing that current year revenue is forecast to be \$170m and EBIT is expected to be about \$8m.

Menora was established in Melbourne in 1967 as Menora Gourmet Products and the business was bought by Mr Schachna's father, Ely, 10 years later. He retired from the business in 2012, handing

over the reins to his son. One of the founders, Daniel Gluck, remains a 25 per cent shareholder. Mr Schachna would not rule out the family exiting the business following the review process.

“It is important for the family business to put the business before the family,” he said, but declined to give further details of the ownership structure. The review is expected to be completed within four to five months.

He said more international distribution deals were on the horizon on the US and South Africa after Menora struck a deal with the largest food manufacturer in Britain to distribute one of its leading brands throughout the country. It already has a strong footprint in New Zealand.

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