

# FINANCIAL REVIEW

SE Companies and Markets  
HD **Vitaco looks for healthy share of UK**  
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WC 535 words  
PD 15 December 2014  
SN The Australian Financial Review  
SC AFNR  
ED First  
PG 15  
LA English  
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Private **equity**-backed healthy snack maker Vitaco is in talks to begin selling its Aussie Bodies **brand** in English retail chains Boots and Tesco .

The Next Capital-owned **company**, which also manufactures nutritional supplements, teas and weight-loss products under a range of brands, hopes to begin selling its sugar-free and low-carbohydrate snacks in Britain by mid-2015.

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Chief executive Ryan d'Almeida said the Aussie Bodies range targets consumers who are health-conscious, but eschew both weight-loss products and the protein-heavy regimes favoured by gym junkies.

"People don't want to consume shakes and pills any more," he said, adding the middle ground targeted by Aussie Bodies was "chronically underdeveloped in the UK".

"That's why the retailers are putting the time in to talk to us."

Mr d'Almeida said Vitaco had not taken orders from either of the retail giants, but talks were "advanced".

Vitaco was created in 2007 by the merger of supplement maker Nutra-Life and Healtheries, a Kiwi household name that sells snacks and a range of grocery items. The **company** has grown from revenue then of about \$NZ170 **million** (\$160 **million**) to about \$NZ220 **million** in 2013-14.

Next invested at that time and has been patient as the **company** integrated two New Zealand factories into one and then bulked up its manufacturing capabilities.

Mr d'Almeida said Vitaco's plant, just outside of Auckland, gave the **company** a big advantage over competitors that outsource to contract manufacturers.

"It allows us to drive innovation faster," he said. Revenue mix

The Kiwi base means Vitaco's 250 manufacturing workers come at "almost half" the labour cost of a similar-sized team in Australia, he said.

Next gave investment bank UBS a mandate to drum up **sale** options in September, 2013. The **firm** raised \$200 **million** for its third fund in November and immediately invested in bus **group** Forest Coach Lines. The **firm** has some assets in its portfolio that are pushing the traditional investment time frame for private **equity**, including hire firms Hirepool and Onsite Rental **Group**. Mr d'Almeida declined to discuss exit strategies.

The keen ocean swimmer joined Vitaco six years ago and was made chief executive in November. He has spent 20 years in the food retail and wholesale industry, first with Retail Food **Group** in Australia

and the UK and then eight years with Weight Watchers International . Prior to joining Vitaco, he briefly led Christmas hamper club Chrisco.

Outside of Britain, Vitaco's other overseas focus is **China**, where its Australasian heritage is attractive. Its most popular products in **China** are **dairy**-based products, such as **milk** powders, as well as herbal and nutritional supplements. Vitaco has predominantly focused on direct-to-consumer e-commerce channels.

Mr d'Almeida said Alibaba's Tmall website was "very appealing" because it had great reach but also allowed the **company** to protect its brands by having its own merchant profiles.

"The **Chinese** have been traders for thousands of years and they're very good at it, so you have to tap into that and work with them," he said.

<b>CO</b>	ausbod : AUSSIE BODIES   abodip : Vitaco Health Australia Pty Limited   nxcp : Next Capital
<b>IN</b>	i41 : Food/Beverages/Tobacco   i428 : Soft Drinks   ibevrge : Beverages/Drinks   icnp : Consumer Goods   ifood : Food Products   ifunfod : Functional Foods   inonal : Non-alcoholic Beverages/Drinks
<b>NS</b>	gnutr : Nutrition   ccat : Corporate/Industrial News   gcat : Political/General News   gfod : Food/Drink   ghea : Health   glife : Living/Lifestyle
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<b>AN</b>	Document AFNR000020141214eacf00001