

Inghams Group to acquire Bostock Brothers for NZ\$35Mn

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In a strategic move to bolster its market position, Inghams Group Limited (ASX: ING) has announced plans to acquire Bostock Brothers, New Zealand's sole organic poultry producer, for NZ\$35.3 million.

The deal includes the purchase of 100 per cent of Bostock Brothers Limited shares, the Bostock brand for poultry products, three farming properties, and a primary processing plant, with completion anticipated by September 2024.

Andrew Reeves, Inghams CEO, highlighted the acquisition as an opportunity to enhance the company's capabilities and extend its product range. Edward Alexander, Inghams Chief Executive in New Zealand, echoed this sentiment, noting the alignment with Ingham's goal to become the leading premium operator in the market.

Founded in 2014, Bostock Brothers is expected to contribute an EBITDA of NZ\$3.5 to 4.0 million for FY24. The acquisition is predicted to be immediately accretive to Ingham's FY25 earnings and generate a return on invested capital well above the company's benchmark.

The acquisition aligns with Ingham's strategy by adding a strong brand with exclusive market positioning, enhancing operational resilience through a vertically integrated supply chain, and providing access to new markets via high-value export channels.

The purchase will be financed through existing debt facilities and is subject to regulatory approvals. The completion of the transaction is expected by the end of September 2024.