

Flavour Creations looking to enter the UK, US and Canada – CEO Story



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Flavour Creations, a private Australian food for special medical Purposes (FSMP) manufacturer, is actively looking to enter the UK, US, and Canada in the next 12 months, sole owner Bernadette Eriksen said.

The Brisbane, Australia-based company is keen to hear from potential partners or advisors working on their behalf, to discuss potential partnership terms, Eriksen said. It is considering commercial partnerships as well as joint ventures (JVs), she said, adding that the structure of any partnership is negotiable.

Ideal partners would be players with a sales force in the FSMP space, Eriksen said.

Flavour Creations specializes in Dysphagia range products. It expects to generate AUD 30m (USD 21.9m) for the current financial year, she said.

The aforementioned countries are particularly attractive as they are developed markets and understand the condition of dysphagia better than Asian markets, Eriksen said.

Dysphagia is the medical term for the symptom of difficulty in swallowing. Flavour Creations has launched a special cup for people with the condition, which reduces neck extension and allows the patient to drink independently, she said. Research and development of the cup cost more than AUD 6m over three years, according to media reports.

The company is in the position to expand globally and has supply capacity to this end, Eriksen said.

Flavour Creations currently sells in Australia, New Zealand, Taiwan and China, she said, adding that it is also currently assessing options to enter India.

In the past, Flavour Creations received unsolicited takeover approaches from national and international players in the food and beverage, FSMP, and pharmaceutical industries, as well as private equity (PE) firms, she said. The owner is not considering a partial or a full sale, as it is enjoying its current ownership model, independence, and does not want to be corporatized, Eriksen said.

Down the line, the company may assess international acquisitions, she said. It looked at opportunities to acquire companies in the US and India, but decided that a partnership model is the best option for the time-being, she said.

While some global players such as Nestle [VTX:NESN] sells dysphagia products, Eriksen believes Flavour Creations has one of the largest product offerings globally.

Flavour Creations is using mid-tier legal and accountancy firms, Eriksen said, adding that they will be first point of contact to help enter offshore markets.

The company was started in 1997 by Eriksen. Its products include hydrating drinks, formulated meal replacements, and nutrition powders.

by Gabriele Rutkauskaite in Sydney