



Unilever is said to kick off sale of large part of tea business

Unilever is also considering an initial public offering of the tea business

1 min read · 04 Aug 2021 Bloomberg

Unilever Plc has kicked-off the sale of large parts of its tea business, which could be valued at about 4 billion pounds (\$5.6 billion), according to people familiar with the matter.

The U.K.-listed consumer group has reached out to potential suitors and is expecting first-round bids in September, the people said, asking not to be identified discussing confidential information.

Deliberations are ongoing and there's no certainty it'll decide to proceed with a sale, the people said. Unilever is also considering an initial public offering of the tea business, or a partnership, the company said in a first-half results statement in July.

The sale does not include Unilever's tea units in India and Indonesia or its partnerships in the ready-to-drink tea market. The rest of the business could draw offers from private equity firms, the people said, asking not to be identified discussing confidential.

A representative for Unilever declined to comment.

Unilever said in January 2020 that it was starting a strategic review of its tea business that could result in a partial or full sale. Tea demand has suffered in recent years amid a shift to artisan coffee, and Unilever has been seeking to reshape its portfolio as consumers' tastes change.

The company later moved to scale back the scope of the tea sale and retain operations in emerging markets. The tea business has drawn the interest in the past from buyout firms including Advent International, Bain Capital, Blackstone Group Inc., Cinven and KKR & Co., Bloomberg News reported previously.

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