

EAT.

Platform focus

EAT. The Real Food Company is a leading brand in the £3billion specialist food and coffee 'to go' market.

It sells a wide range of soups, salads, sushi, panini, sandwiches, baked goods and coffee, which are freshly prepared in-house by EAT. each day.



Deal:

Sector:

Food and drink

Investment Date:

March 2011

Fund Investment:

£38million

Rationale:

The business boasts a strongly differentiated, quality-led brand and proposition and demonstrates its underlying strength through the loyalty of its customers.

Business:

Founded in 1996 by Niall and Faith MacArthur, EAT. had sales in the last 12 months of £85million, up from £68 million in 2008. The business trades from over 110 outlets in the UK.

The product range is made using EAT.'s own unique recipes and fresh ingredients, and includes many healthy eating alternatives including vegetarian and wheat-free products, no-mayo and low fat options, as well as seasonal salads and sushi. EAT. also provides a range of breakfast items including porridge, bircher muesli and fresh fruit salads. All milk is organic and coffee is fair trade.

Market:

The sub-£10 meal category of the food and drink sector has proven resilient throughout the downturn. The market overall is seeing a gradual recovery in consumer confidence and a continuing shift to branded eating out and food-to-go.

Strategy:

Lyceum Capital has invested alongside the founders and management to implement a growth strategy that includes:

- Accelerating the store roll-out programme which could support over 300 branches
- Further developing the business and brand in the UK by investing in its leading product ranges, people and a brand development programme
- Continuing to provide consumers with high quality products, exceptional service and great value to further build on its loyal customer base
- Creating 1,500 jobs in the next few years as the company aims to double in size



Team:



Niall MacArthur,
Managing
Director

Niall founded EAT. in 1996 along with his wife, Faith. He is responsible for the overall business and the selection and acquisition of new sites. Prior to this, Niall worked for 13 years in investment banking in London, the USA and Europe.



Faith MacArthur,
Brand Director

Faith co-founded EAT. and is responsible for the development of the brand, including food, design and marketing. She has previously worked in restaurants in Toronto and Los Angeles, and in fashion businesses in Milan and Paris.

Founders Faith and Niall MacArthur will retain a substantial shareholding along with other management. Lyceum Capital's Phillip Buscombe and Simon Hitchcock will join the board of EAT.

