






Overview

This Tech Insights report looks at Fonterra's recently announced divestment of its consumer and associated brands to Lactalis – a leading French dairy group. Fonterra will continue supplying raw milk and ingredients to its divested consumer business under a long-term agreement. The divestment, subject to farmer shareholder approval, aligns with Fonterra's strategy to focus on its ingredients and foodservice businesses as a B2B dairy provider.

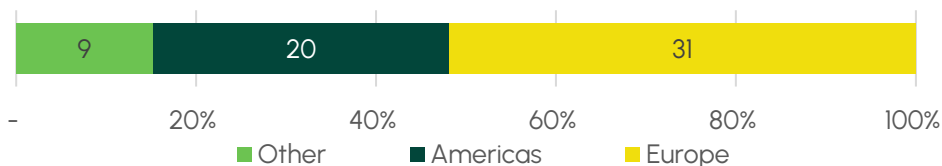
Consumer business divestment overview

Divested business	Fonterra's global consumer and associated businesses (excl. Greater China)		
Acquirer			
Enterprise value (EV)	\$4.22bn	FY24 revenue	\$3.7bn
FY24 EBIT	\$199m	EV / FY24 EBIT	21x
Employees	4,300	Global offices	16
Manufacturing sites	3 NZ, 13 offshore		

Lactalis snapshot (FY24)

Notable brands	   
Number of employees	85,500
Litres of milk collected	22.8 billion (43% more than Fonterra)

Revenue by geography (NZD \$bn):



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Fonterra's 20+ consumer brands included in divestment



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Fonterra's consumer business

Description

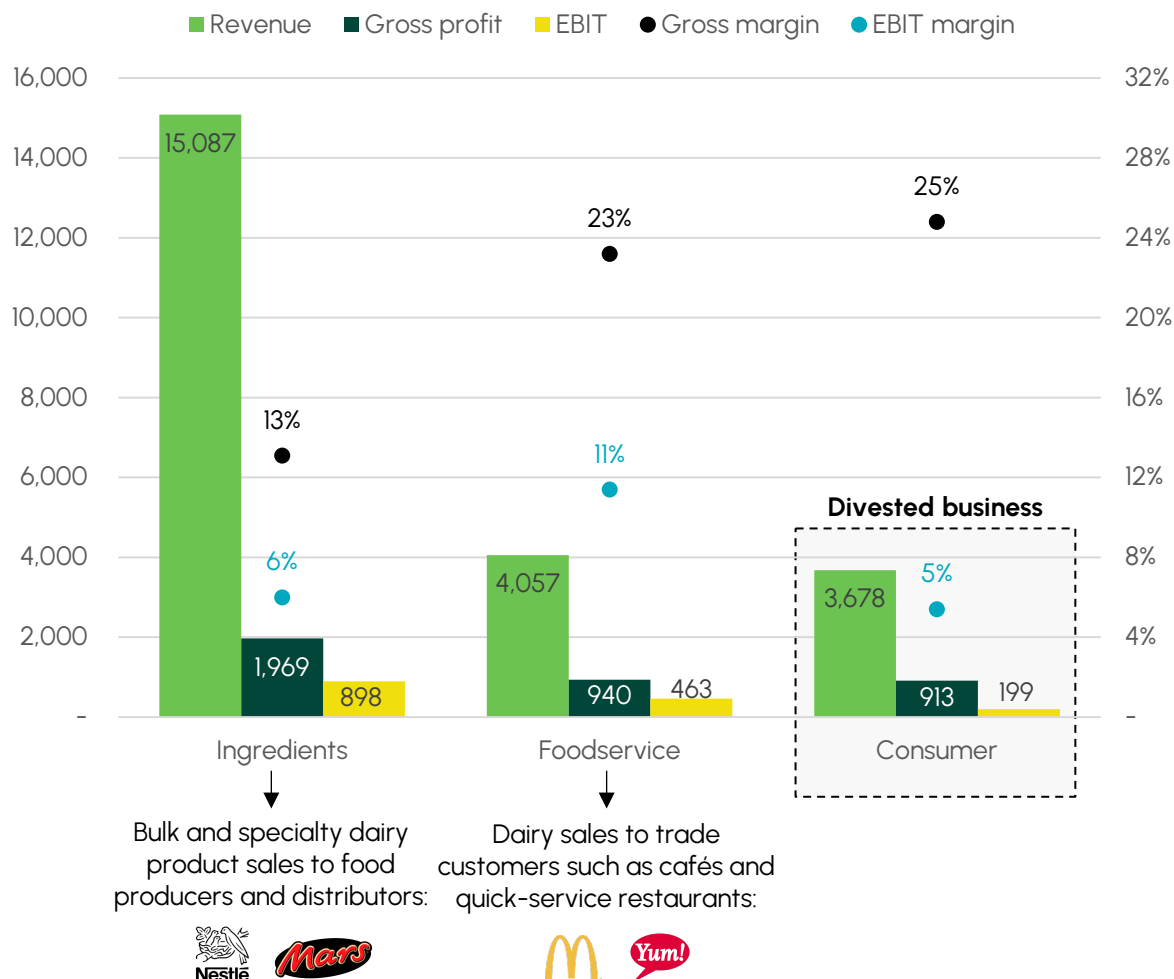
Branded consumer products that the co-op makes, packages, and distributes to supermarket chains and convenience stores.

Customer examples

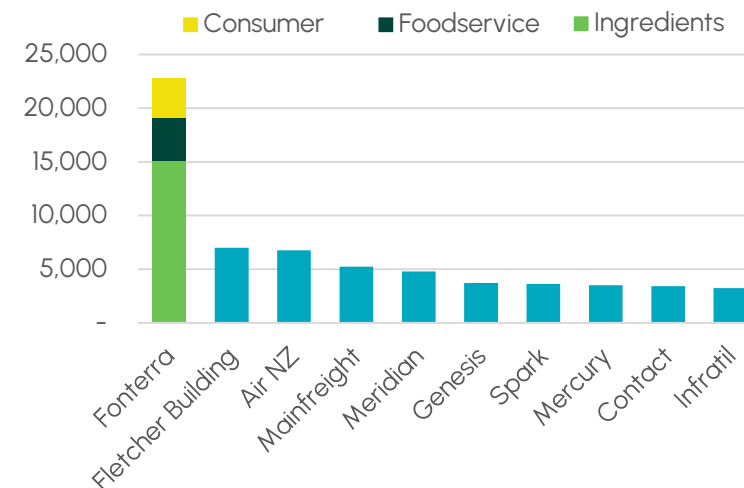


FY24 metrics (NZD \$m) and margins (%) for Fonterra's business channels

The consumer business is smaller relative to Fonterra's other channels, constituting 16% of FY24 revenue and 13% of EBIT.



LTM Fonterra revenue vs NZX companies (NZD \$m)



Weekly FCG* share price (NZD)



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