

Oreo maker Mondelez in talks to buy SA's Bakers biscuit owner AVI

By Nqobile Dlodla

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South African food producer and fashion retailer AVI Ltd said on Wednesday it is in talks with Oreo cookie maker Mondelez International regarding a potential sale of its snacks and biscuits business.



Source: Reuters/Dado Ruvic

The Choice Assorted biscuits maker had been hinting since September that it had entered into negotiations, without providing a name of the other party or any details.

"The company advises shareholders that it has progressed discussions with Mondelez International regarding the potential acquisition of AVI's Snackworks division," it said in a brief statement.



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AVI's Snackworks division houses biscuit maker Bakers and chip brands Willards and Baker Street Snacks, which make cheese curls chips, Jumpin Jack flavoured popcorn and Tennis biscuits.

That division brought in revenue of R4.3bn in the year ended 30 June and contributes about 32% to group revenue.



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Packaged food makers have been spending billions of dollars to boost their snacking portfolios and keep sales growth levels high, after the Covid-19 pandemic helped them book outsized gains last year from people mainly staying at home.

Chicago, Illinois-based Mondelez has been doubling down on the snacking category, saying in May it would buy Greece-based snacks maker Chipita S.A., which houses croissant and baked snack brands, including 7Days, Chipicao and Fineti, for about \$2bn.

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