

WilMar to Merge With Randall Foods

FOOD: Protein powerhouse created in meat-maker merger.

By DESTINY TORRES *Staff Reporter*

Highview Capital, a Brentwood-based private equity firm, announced last week it had acquired Jobbers Meat Packing Co., known as WilMar, a processor specializing in ground beef, and that it will merge with another Highview portfolio company, Randall Foods, which focuses on chicken products. Both companies are based in Vernon.

The combination creates a protein powerhouse that will be a big supplier of hamburger and chicken to grocery stores and restaurants in the Northwest and Southwest regions. Lloyd Greif, president and chief executive of the Los Angeles-based investment bank Greif & Co., which represented WilMar in the transaction, said the merger makes strategic sense.

“It appears we may be headed into a recession, if we’re not there already, and these two companies are focused on affordable protein. In the case of Randall Foods, the majority of their revenues comes from the sale of chicken or poultry, which is a relatively inexpensive protein...And in the case of WilMar, the majority of their revenues come from the sale of ground beef...That’s a lot cheaper than steaks or

chops,” Greif said. “So, when you put these two companies together, I think they are in a perfect position to weather the storm of the incoming recession in grand style.”

Greif added that it was a strategically clever move to put the two entities together and that the companies combined would be a clear leader in Southern California from a size standpoint.

Following the close of the transaction, Marty Evanson, WilMar’s founder and chief executive, plans to retire. All other members of the WilMar management team will be continuing with the company in their current roles.

“I founded WilMar as a local meat provider to fill an unmet need in the market. I’m proud of our team’s hard work and dedication as we’ve grown into one of the region’s leading protein providers and become a primary partner of choice for customers looking for great service and quality in their ground beef,” Evanson said in a news release. “Our team is extremely excited about the merger and pleased that Randall Foods has the same business ethics and focus on putting our customers and employees first.”

Besides Evanson’s exit, Greif said there would be no staffing cuts at either company. Greif said WilMar was capacity-restrained, meaning the company had tapped out on the amount of revenue and tonnage it could put through its facility.

“WilMar will immediately suck up the excess production capacity that Randall has,” Greif explained. “They will definitely continue operating in all three facilities and some of WilMar’s production will shift over to one of the Randall facilities where they have room to grow. That will facilitate WilMar growing much more rapidly than otherwise would have been the case.”

He added that the merger made a lot of sense because the two companies complemented one another, not only because of the type of proteins they work with, but also because of their manufacturing footprint.

“The combination of WilMar and Randall is a clear strategic fit, establishing the combined company as a one-stop-shop for customers’ protein needs,” said Steve Russell, senior portfolio manager of Highview Capital, in a statement. “The new entity will benefit from an enhanced product mix



A truck at WilMar's facility in Vernon. The firm has merged with Randall Foods.

as well as increased operational capacity, which will allow the company to continue to expand and offer exceptional customer service.”

Randall Foods partners with grocery customers, such as Ralph's, to provide all types of processed and ready-to-cook meats. Highview acquired Randall in February 2021 and has since expanded its management team and renewed investment in capital expenditures.

WilMar is a leading processor and packager of premium meat products, including ground beef. Founded in 1978, the company's customers include grocery retailers, food-service providers and wholesale distributors. WilMar's supermarket customers include Albertsons, Safeway and Smart & Final, and restaurant clients include Chili's, Del Taco and Maggiano's.

The two companies' customers, whether they be grocery stores or restaurants, can now go through one company for both ground meat and poultry, an option that was not available to them before. “WilMar had its group of customers in the supermarket and restaurant space, and Randall had its group of customers. Now, Randall, who was selling poultry to its customers, can sell ground beef courtesy of WilMar, and WilMar, who's selling beef to its customers, can now sell poultry,” Greif continued. “WilMar was selling raw goods...whereas Ran-

dall had some of their proteins prepared. Now, (WilMar) will be able to do that.”

Greif & Co. was referred to the owners of WilMar by a past client when Evanson began considering selling the company in order to facilitate his retirement.

“We acted as exclusive financial advisor to WilMar, put together a marketing and information package on the company, went to market and held discussions with a variety of interested parties, both strategic and financial” Greif said. “Randall Foods came away with the brass ring, but that's because they reached for it. They were the best fit for the employees and the customers of WilMar, and they also put an attractive price on the table.”

Investment bankers, of course, strive to get the best deal for all constituents of a company, not only the shareholders, but the employees and customers, too, Greif said.

“I think we did that with Randall, and I think the two companies will prosper together and grow in this market,” Greif continued. “It wouldn't surprise me to see them expand their geographic footprint beyond the Western region.”

GREIF & CO.
HEADQUARTERS: Downtown
YEAR FOUNDED: 1992
BUSINESS: Investment banking
CEO: Lloyd Greif
EMPLOYEES: 20

JOBBERS MEAT CO.
dba WILMAR MEAT CO.
HEADQUARTERS: Vernon
YEAR FOUNDED: 1978
BUSINESS: Food
CEO: Marty Evanson