

# PE bets on beverages: 5 deals

*Butterfly Equity, Boyne Capital and Gryphon Investors are among the PE firms targeting the segment.*

## Iris Dorbian

With thirst being an innate part of life, it stands to reason that the constant human demand for libation makes it a recession-resistant bet for private equity firms. It's no surprise, then, that since the beginning of this year, there has been a steady deal volume in this segment. Whether it's [Butterfly Equity](#)-backed Generous Brands snapping up kombucha tea beverage brand Health-Ade or [Boyne Capital](#) investing in Blue Monkey Beverages, the investor appetite has been insatiable.

“Within the beverage sector, Butterfly remains very focused on tailwinds in favor of premiumization and functionality,” said Adam Waglay, co-founder and co-CEO of Butterfly, when asked about his firm’s keen interest in the segment. “Consumers are very focused on the product quality and benefits that they get out of the beverages that they consume. Health-Ade is very well positioned in this regard.”

Last year, *PE Hub* covered the brisk deal volume in this sector in [its round-up of five PE-backed deals](#). This year, the trend continues. Starting with the most recent, here are five notable deals in the segment.

### **1. Butterfly-backed Generous Brands to acquire Health-Ade**

In late July, Generous Brands, a portfolio company of Butterfly Equity, announced it was [acquiring Health-Ade](#), a Torrance, California-based beverage company, for an undisclosed sum.

The sellers were First Bev and [Manna Tree](#), both of which will remain as minority shareholders in Generous Brands, a refrigerated beverages platform based in Bakersfield, California.

Health-Ade was founded in 2012.

## **2. Azalea Capital invests in Pickle Juice**

In early June, [Azalea Capital](#) stated it was making an undisclosed [growth investment in Pickle Juice](#), a Mesquite, Texas-based beverage brand.

Pickle Juice's new CEO, Filip Keuppens, hailed the deal for the many benefits it will accrue for the brand.

"This partnership is more than capital — it's a green light to scale with integrity," said Keuppens in a statement.

"Azalea shares our values of trust, culture and long-term growth. Their decision to invest without restructuring the leadership is a testament to the strength of our team and the success we've built together."

Pickle Juice was founded in 2001.

## **3. Brynwood Partners to sell Harvest Hill**

Spring got a boost when [Brynwood Partners](#) said in early April it was [selling portfolio company Harvest Hill](#), a Stamford, Connecticut-based beverage company, to Guatemalan business conglomerate Castillo Hermanos.

In conjunction with the deal, [Centerview Capital](#) is making an investment in Harvest Hill.

Harvest Hill was established in 2014 when Brynwood bought Juicy Juice from Nestlé USA.

Though the purchase price was not disclosed, Henk Hartong III, chairman and CEO of Brynwood, said at the time the exit was announced that the sale "will represent the largest transaction in Brynwood Partners' 40-year history."

## **4. Boyne Capital injects capital into Blue Monkey Beverages**

Late February saw Boyne Capital inking an undisclosed [investment in Blue Monkey Beverages](#), a fruit juice and coconut water products provider based in Vancouver, British Columbia and Long Beach, California.

Boyne Capital teamed up with Fifth Ocean Capital on the deal.

In a statement, Derek McDowell, managing partner at Boyne Capital, expressed excitement for the transaction as Blue Monkey “aligns perfectly with our investment philosophy of supporting and scaling dynamic, high-potential businesses.”

Blue Monkey Beverages was founded in 2009 by the husband-and-wife team of Simon and Mary-Jane Ginsberg.

## **5. Gryphon Investors to acquire Spindrift Beverage Co**

In mid-January came the news that [Gryphon Investors](#) was [acquiring a majority stake in Spindrift Beverage Co](#), a Newton, Massachusetts-based maker of sparkling water with real squeezed fruit. No financial terms were disclosed.

Company founder, Bill Creelman, and the management team will retain a significant equity stake in the company.

According to Gryphon’s managing director, Ryan Fagan, Spindrift’s growth across beverage categories, nearly tripling in size since 2020, was the catalyst for the PE firm to back the business.

“Spindrift has a strong, beloved brand and differentiated product portfolio because it’s made with exceptional thought and care,” said Fagan.

Spindrift was founded in Creelman’s kitchen in 2010.

Excluding certain sectors, such as beverage, the first half of this year was rocky for dealmakers. However, based on continuing interest and demand, *PE Hub* predicts more deals in this space for the rest of the year.