

Short and sweet: E2P sold Furlani Foods to Arbor Investments after a three-year hold

E2P's Ryan Schweet: 'There wasn't a rigid timeline. We hit our operational goals faster than we planned.'

Iris Dorbian

Some exits are fraught with obstacles and complications, while others are nearly effortless and hassle-free. [Entrepreneurial Equity Partners](#) (E2P) says its recent [sale of Furlani Foods](#), a Canadian maker of garlic breads and breadsticks, to [Arbor Investments](#) fits neatly into the latter category. The exit, which closed in early February, also followed a short investment hold – less than three years.

“There wasn’t a rigid timeline,” E2P partner Ryan Schweet told *PE Hub*. “We hit our operational goals faster than we planned. It made strategic sense to hand over the reins to Arbor.”

E2P originally looked at Furlani in the summer of 2022, according to Schweet. Considering the Chicago-based PE firm is focused exclusively on the food and beverage sector, its interest in Furlani made eminent sense.



Ryan Schweet, Entrepreneurial Equity

Partners

“We constantly monitor the specialty bakery category,” explained Schweet, who served as E2P’s team lead on Furlani for the entire investment cycle. “Furlani had created a reputation for homemade-tasting garlic breads. It was clear they were an advantaged manufacturer and brand.”

The buyout shop was also impressed by CEO Jonathan Kawaja and his family, who owned Furlani.

Talks began and in May 2023, E2P invested in the business alongside the Kawaja family. Founded in 1984 and headquartered in Mississauga, Ontario, Furlani currently operates four production facilities in Canada and the US.

As Schweet noted, it was important to help the Kawaja family execute its long-term vision for the business. “We had one main goal. We realized the business needed rapid capacity expansion.”

The January 2025 [add-on acquisition of Cole’s Quality Foods](#), a provider of frozen garlic bread products based in Muskegon, Michigan, was a boon, as it furthered E2P’s strategy for Furlani.

“It expanded our footprint and deepened our customer relationships,” said Schweet. “It broadened our reach in the custom garlic bread category.”

Yet, as idyllic as this investment may seem, challenges still arose. They included keeping up with the demand. Fortunately, automation and the addition of a new production facility via the Cole’s acquisition were critical in processing customer orders.

“It sharpened their tech edge,” added Schweet.

How did the company handle pressures of inflation?

“There are two ways to do that – price appropriately and find a way to cut costs,” said Schweet. “We focused on improving our operations to mitigate inflationary costs.”

No investment bankers or advisers were hired to run an auction or scope out the investor community for buyers. Instead, E2P found out about Arbor Investments’ interest in Furlani in an offhanded manner. The two firms were at a meeting discussing other subjects when Arbor mentioned it had long admired Furlani and was impressed with the company’s success. This was a light bulb moment for E2P.

“The food and beverage community is close knit,” said Schweet. “We maintained a close relationship with Arbor Investments. They had been keeping an eye on our progress with Furlani. There was no overt overture on either side. When we were hitting our targets earlier than expected, we engaged with Arbor.”

In the fall of 2025, E2P and Arbor hit the negotiating table, culminating in last month’s exit.

Asked if there were any hurdles to the sale, Schweet cited the timing. It had been over a year since the Cole’s add-on. The ink was still wet on that deal.

“It was complex and takes a lot of work,” he said. “We wanted to make sure most of the heavy lifting was behind us. Fortunately, both us and Arbor recognized the strength of the combined enterprise and that spoke for itself.”

Although the transaction resulted in a complete exit for E2P, Kawaja will continue as CEO, and the leadership team will remain.

“We are proud of what we built together,” said Schweet.