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# MEDIA RELEASE

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## **BRC Capital takes controlling interest in consumer brands owner and distributor Heat Group**

*- Active investor targets growth with new board and capital investment-*

**MELBOURNE:** Boutique active investment firm **BRC Capital** (BRC) has acquired a controlling interest in leading consumer brands distributor and brand owner **Heat Group** through its Incubator and Accelerator Fund for an undisclosed amount.

BRC is currently completing a review of Heat Group, aligning the business' operational functions to better meet the needs of its customers and position it for growth. BRC is focussed on delivering sustainable job creation and productivity gains across our portfolio, having invested to create six operational businesses over the last two years

Heat Group's board will also be reinvigorated, consisting of both BRC and independent Directors including David Botta, who brings a wealth of retail experience as former Group CEO of the Colorado Group and Retail Director of Nike Europe.

Founded in 2000 by Gillian Franklin, Heat Group owns and distributes consumer brands such as essence, ulta3, billie goat, MUD Makeup Design and OZK.O eyewear.

According to BRC chairman Paul Docherty, while Heat Group has faced some recent challenges, the business had retained strong underlying fundamentals that made it the ideal investment opportunity for the Incubator and Accelerator Fund.

"We are delighted Gillian and the board accepted our offer, and we are proud to welcome Heat Group to the BRC family," he said. "A number of factors in the Heat Group business reinforced its potential to our investment committee, including the quality of the product portfolio, a robust fulfilment and delivery network and a customer base of 7000 retailers including leading independent and corporate retailers David Jones, Target, BIG W, Woolworths, Priceline and an enviable distribution of over 4000 pharmacies."

"With investments across a broad range of retail and technology businesses, BRC brings the knowledge and experience necessary to optimise Heat Group for growth."

"Gillian's relationships and decades of experience will be key, and we welcome her commitment to the strategy for realising Heat Group's full potential," he said. "Further, Heat Group will continue to support Gillian's notable efforts to make a difference for women in the community through contributions to aligned not-for-profit organisations. We are also pleased that Hugh Morgan AC, with his significant experience, will remain

as a director to help ensure Heat Group's success," he concluded. Michael Story has resigned from the Heat Board but remains a strong supporter of the Company.

Gillian Franklin welcomed BRC's investment in Heat Group and its commitment to growing the business.

"It has been an incredible 20 years since I founded Heat Group and I am delighted to have the opportunity to continue that journey working with BRC," she said. "BRC's track record as active investors and strong commitment to growing Heat Group have given me considerable confidence in the future of the business, and I look forward to seeing Heat's vision realised."

**ENDS**

**About BRC Capital:**

BRC is an active investor that builds health and technology businesses. BRC is a true alternative investment vehicle that identifies great ideas with limited access to support, then uses our network to deliver both financial support and expertise to maximise the value of the idea. BRC builds businesses that solve every-day global problems by assembling partnerships with the right people, values and technology that maximise opportunity.

**[www.brc.capital](http://www.brc.capital)**

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