

Black Sheep Brewery explores possible sale amid funding crunch

Independent beer maker Black Sheep Brewery is considering a sale or merger of its business as part of a newly-launched strategic review.

The North Yorkshire-based firm, which produces beers sold in pubs and shops across the country, told investors that funding constraints caused by the “prevailing economic conditions” had spurred it to appoint financial advisors to look at its options. In an update to the London Stock Exchange, Black Sheep said it had ambitious plans to take the business forward but that it was open to offers from potential suitors.

In the wake of Easter bank holiday weekend, the Masham-based firm said it was experiencing strong sales volumes but pointed to the health of the hospitality market post-Covid and consumer spending impacting on funding options. In its most recent accounts to the end of March 2022, Black Sheep said that while pub groups were seeing recovery after pandemic restrictions, the impact on breweries was lingering.

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Charlene Lyons, chair and CEO said: “We are pleased to have seen so many customers enjoying Black Sheep beers over the Easter bank holiday weekend, one of our busiest trading periods of the year. However, we believe that now is the right time to conduct this strategic review to secure the best outcome for our valued shareholders and other stakeholders.

“The brewery has exciting and ambitious plans for the future and interesting projects in the pipeline. Forward funding is

an issue for many businesses in the tight market brought about by the after-effects of Covid-19 on the hospitality sector and this is exacerbated by the cost-of-living issues affecting consumer spending. We are confident that the wider investment market will see the opportunities presented by this well-established and highly regarded brand.”

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