

Broo beer hits 12 month high on China deal

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Shares in Aussie beer maker Broo have soared to their highest in a year on the back of a Chinese distribution deal.

Broo shares jumped more than 30 per cent on Monday after the Victorian brewer said Jihua had agreed to pay for 1.5 billion litres of Broo Premium Lager over the next seven years.

Broo forecasts \$120 million in revenue from the deal but won't start to receive the cash until 2020.

Nonetheless, its shares were up 30.5 per cent at 38.5 cents by 1410 AEDT.

With Jihua set to market and distribute to supermarkets, retail chains and the hospitality industry, Broo founder and chief executive Kent Grogan said his beer was set to become a major brand in China over the coming years.

"I am delighted to have reached agreement with such a high-calibre Chinese distribution partner," Mr Grogan said.

Broo's Mildura brewery has been operating at full capacity since early October.

The brewery will focus on production of kegs and bottle products of Broo Premium Lager, Australia Draught, Kakadu and Mildura Brewery brands.

<http://www.theaustralian.com.au/news/latest-news/china-beer-deal-puts-broo-on-year-high/news-story/b1c3d06e05e9e589552790d65004447a>