

Behind the merger: Sysco acquires J. Kings

By ADINA GENN

Executing the sale of a family-owned company to a giant corporation requires the skills and patience of seasoned strategic advisors.

Too much can go wrong. This is especially true if after performing its due diligence, the buyer determines that the seller isn't quite the right fit. Maybe the seller doesn't have a strong enough team in place. Maybe the technology isn't up to speed. Or maybe the annual sales don't align with expectations.

There can be a myriad of reasons why a deal could fall apart.

Knowing this, John King turned to Bruderman Brothers, a New York-based firm that provides advisory and investment banking services to founder and family owned middle market companies, when he sold J. Kings Food Service Professionals, a Holtville-based food distributor.

"Once I decided to consider a succession plan for my company, with my staff and family as priorities, I brought in Matt Bruderman and [the firm's] entire team," King, the company's chief customer officer, told LIBN. King was referring to Matthew Bruderman, the company's chairman and CEO.

"Together we shaped our story and they took it from there," King said. "Always with our input and approval, their team was incredible and they got us the best outcome possible."

The financial details of the sale were not disclosed, but King and his team will continue to run the business.

The sale comes at a time when first and second generation companies on Long Island, whose economy is larger than many states, may increasingly garner the attention of the larger players, Rob von Furth, the managing director at Bruderman, told LIBN.

Long Island is "more on more on buyers' radar screens," von Furth said.

King started J. Kings, the food distributor based in Holtville nearly 45 years ago. Today it boasts approximately \$150 million in annual sales. Last week Sysco, the food service distribution giant with, according to



its website, more than \$60 billion in sales, announced it had purchased J. Kings.

For King, the decision to work with Bruderman was an easy one. He already knew Matthew Bruderman, whose firm has offices in Locust Valley.

The sale to Sysco stemmed from "conversations over time," von Furth said.

There are a "handful of large distributors with differing strategies," von Furth said, but Sysco's and Kings "simply aligned."

Kings "is a well-respected, New York area broadline distributor, and we are happy to welcome them into the Sysco family of businesses," Greg Bertrand, Sysco's executive vice president of the company's U.S. food-service operations, said in a statement about the acquisition.

Sysco, which is headquartered in Houston, operates 330 distribution facilities and has a location in Central Islip. From its Texas offices, the company announced the purchases of a number of food distribution firms this year, including J & M Wholesale Meats and Imperio Foods in California, and Waugh Foods in Illinois.

The purchase of J. Kings seems to complement Sysco's overall plan for growth, and the companies it is acquiring have been cited for having a recognized, local presence.

"As Sysco continues to focus on M & A as part of our strategic growth plan, we believe J. Kings, with its strong local presence, com-

bined with Sysco's scale and depth, will provide our customers with even more of what they need to be successful in the competitive New York area market," Bertrand said.

King built the business by serving customers – many of them independent restaurants – in New York, Connecticut and New Jersey, according to a news release about the merger. The company also serves institutional, retail and other organizations.

Over time, King became "a very well-known independent player," and was "highly regarded" for "his relationships across the industry," von Furth said.

The company made continuous upgrades to its facility, including, in 2018, a 771-kilowatt rooftop solar system at its headquarters.

King "has enjoyed a solid team that is valuable to him personally and professionally," von Furth said, and was prepared to handle Sysco's due-diligence process prior to the sale.

Typically that process is "quite intense," von Furth said, pointing out that buyers now are "more cautious."

The successful transaction, Andrew Klein, president of Bruderman Brothers Investment Banking, is a source of satisfaction for the firm.

"J. Kings has been a pillar of the Long Island community for almost 50 years, and we are proud to be associated with its history," he said.