

ZyduS to buy iconic Heinz brands for ₹4,595 cr

Acquisition of ComplAn, GluconD, Sampriti, Nycil to help FMCG major expand portfolio

OUR BUREAUS

Ahmedabad/New Delhi, October 24

ZyduS Cadila’s wellness arm, ZyduS Wellness, said on Wednesday it will acquire part of Heinz India Pvt Ltd’s business for ₹4,595 crore.

Included in the deal are Heinz’s iconic consumer brands ComplAn, GluconD, Nycil and Sampriti Ghee.

These add to ZyduS Wellness’ personal care and wellness products such as Sugar Free, EverYuth and Nutralite. The four acquired Heinz brands saw a turnover of ₹1,150 crore and EBITDA of ₹225 crore for the 12 months ended June 30, 2018.

Post acquisition, ZyduS Well-

ness’ turnover will be around ₹1,700 crore, making it one of the strongest players in the domestic FMCG market.

Portfolio synergies

Speaking to *BusinessLine*, Sharvil Patel, Chairman of ZyduS Wellness, said: “The segment that ZyduS Wellness operates in is well-aligned with the four brands of Heinz. We had very little conflict, and see a great amount of synergy in terms of product positioning and proposition. We were able to provide a clean and fast executable structure to Heinz, which was important for them.”

Aventus Capital and Khaitan

ZyduS Wellness’ existing portfolio



Everyuth
Skincare products

Sugar Free
Sugar substitute

Nutralite
Premium table spread

Actilife
Nutritional drink for adults

What it’s picking up from Heinz India



ComplAn
Health food drink

GluconD
Instant energy drink

Nycil
Talcum powder

Sampriti
Desi ghee

& Co were the financial and legal advisers, respectively, of ZyduS.

ZyduS sees the acquisition enriching its health food and nutrition portfolio, which contributes more than 80 per cent to its business. Joining the company’s

fold are two large manufacturing facilities, in Aligarh (UP) and Sitarganj (Uttarakhand), and Heinz teams engaged in operations, research, sales, marketing and support.

ZyduS said it now has the combined strength of five man-

ufacturing facilities, 1,800 distributors and nearly two million sales points.

Retained brands

Heinz India had registered a turnover of ₹1,185 crore for FY18. The company’s brands that have not been sold to ZyduS – such as ketchup, tomato sauce and mayonnaise – will be carved into a separate business before the transaction is closed.

Kraft Heinz CEO Bernardo Hees said in a statement: “The sale of this niche business fits into our overall global growth strategy and our focus on investing in and growing brands within our core categories. India continues to be a key market for Kraft Heinz, and in fact, we’re strengthening our commitment to expand and grow

our Heinz sauces and Kraft business in India.”

Funding the deal

The deal is subject to regulatory approvals. It is likely to be completed in the fourth quarter of this fiscal and will be funded through a mix of debt and equity.

For the equity portion, ZyduS has received commitment from select private equity firms along with some support coming in from parent Cadila Healthcare.

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- Analysis: A ‘sweet’ deal for ZyduS Wellness
- Interview with Sharvil Patel, ZyduS Wellness Chairman
- Insight: ComplAn, Horlicks in the era of health activism