

News monitored for: Emami Group

Emami Acquires German Personal Care Brand Creme 21

Deal likely to have been signed at less than 1.5 times the co's sales of €8 m

Our Bureau

Kolkata: Emami Ltd on Friday announced the acquisition of German personal care brand Creme 21 to expand its focus on international markets.

While the Kolkata-headquartered Emami did not reveal the deal value, it said that it has been signed at less than 1.5 times of Creme 21's sales of €8 million (about Rs 64.5 crore) and has been funded from internal accruals.

Creme 21 is present in the skin and body care segment such as creams and lotions, shower gels, sun care range and men's portfolio. Over 80% of the brand's business comes from the Middle East and North Africa (MENA) region and the rest from Germany and other countries.

Emami Ltd director Harsha V Agarwal said the acquisition of Creme 21 has a strong business fit as it operates in Emami's focus markets and chosen categories. The company said this international acquisition is in line with

the company's strategy of pursuing growth through inorganic route.

"We plan to leverage our existing network of distribution and infrastructure to grow the brand. Creme 21 is an iconic German brand that has a high brand recall. With this acquisition, the company would be able to enjoy economies of scale due to additional business base," he said.

With a gross margin of over 50%, Emami expects to take this brand on an aggressive growth trajectory. The products are manufactured by a third party in Germany under an asset lean model, it said. Creme 21 was acquired by Antje J Willems Stickel in 2003 from Henkel.

Edelweiss Securities senior vice president Abneesh Roy said the products are available in ecommerce sites like Amazon and Flipkart in the country. "Since the current sale is at over Euro 8 million, the acquisition cost will be less than Euro 12 million," he said.

Emami, of late, has been making small acquisitions. In 2017 and 2018, it had acquired stake in two FMCG starts-ups - 30% in Helios Lifestyle which owns the male grooming brand 'The Man Company', and 26% in Brillare Science which has premium hair and skin care products for use in salons.