

Emami to buy Egyptian company in 3-4 weeks

Firm planning 3 manufacturing facilities in Africa in the next 3 years

Nandita Bose. Mumbai

Diversified Emami Group, which makes personal care and consumer care brands under Emami Ltd, plans to acquire an Egyptian personal care products maker in the next 3-4 weeks, a top official said on Tuesday. "It's a personal care company in Egypt whose manufacturing facilities we are acquiring. Most of Emami's skincare products will be manufactured there," Prashant Goenka, director, international business said. "We will take about a month

to finalise it...in the next 3-4 weeks," he said.

The deal will be funded by a mix of internal accruals and term loans from lending institutions, Goenka said.

The company plans to have at least three manufacturing units in Africa in the next three years.

It also plans to begin manufacturing its products in Egypt by the end of the current fiscal, Goenka said.

"A regional manufacturing base will help us become a leading player in that market," he said. Emami is also looking at Nigeria and South Africa next to acquire assets, in a bid to boost its presence in the African continent, he said. The firm may also look at various fundraising options going forward for its expansion plans, he said.



At present, Emami sources products from India as well as from its facilities in other countries to sell in African markets.

"Having a facility in Egypt will be economical and help reduce our cost by 32-40%," he said. In southern and western Africa, Emami may opt for either acquisition or setting up facilities on its own, he said without divulging fur-

ther details.

The African market contributes about 33% to the company's international business. In the next four years, Emami expects to increase the contribution from Africa to over 60% of its overseas business.

"Africa is one of the fastest growing markets. Last year, it grew over 100%. Our expectation is that the region can contribute around 60-70% to our overall overseas business in the next four years," he said. International business accounts around 20% of the company's turnover. Emami had sales of around Rs 800 crore in the last fiscal. At present, Emami sells personal care and over-the-counter products besides other localised skincare items in the African region. With PTI