

Emami close to buyout of Egypt firm

Group Looks To Expand Personal Care Product Biz And Push Up Profits

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EMAMI group is close to acquiring an Egyptian personal care product manufacturer. The move is part of the group's corporate strategy to bolster its growth at a rapid pace over the next three years.

Speaking to ET, Emami director-international business Prashant Goenka said: "We are in advanced stage of negotiations with the owners of the company and hope to clinch the deal soon. The company has 1,00,000 square feet of construction area close to Alexandria in Egypt."

Emami is aiming for an accelerated pace of 50-60% compound annual growth rate (CAGR) over the next three years.

"The deal size will be small because we are not buying a brand but a small company. If the talks fructify, we hope to commence operation in the current fiscal itself," Mr Goenka added. The buyout will be funded by a mix of in-



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- **The group, which has seen robust growth in the African continent, is looking to invest in the region to grow its business**
- **The acquired unit will manufacture products targeting the Common Market For Eastern and Southern Africa and the Arab League**

ternal accruals and term loans from lending institutions.

He, however, refused to give any further details including the deal size or the capacity of the manufacturing facility. Incidentally, the group has roped in an Egyptian consultant as

well as a multinational firm to advise them on the deal.

Elaborating on Emami's ambitious growth outlook and rationale behind the move, he said, "The company, which has been witnessing robust growth in the African continent,

mainly in the skin-care range and over-the-counter products, has been seriously looking to invest in the region to enhance its business primarily because of a rising population — predominantly youth — increasing demand for personal health care products and better purchasing power."

The acquired unit will manufacture products targeting the Common Market For Eastern and Southern Africa and the Arab League comprising portions of north, east and central Africa, which provides special duty concessions. The group will also benefit from import duty that it is currently paying as well as save on delivery time.

"We also feel that a regional manufacturing base will help us become a leading player in this market. We already reach out to countries in West Asia, CIS, Europe, North America and Africa, clock a growth of over 50% from these markets and contribute about 20% to Emami's turnover," Mr Goenka, the architect of Emami's successful international foray, said.