

News monitored for: Emami Group

Emami acquires Dermicool from Reckitt for ₹432 crore

ISHITA AYAN DUTT
Kolkata, 25 March

Fast-moving consumer goods company Emami on Friday announced the acquisition of Dermicool — one of the leading brands in the prickly heat powder and cool talc segment — from Reckitt Benckiser Healthcare (India) for a total consideration of ₹432 crore (excluding taxes and duties).

The acquisition will be funded through internal accruals and is subject to customary closing conditions, the company said in a statement. The Dermicool acquisition will be one of Emami's biggest acquisitions after the Kesh King brand of hair and scalp products in 2015 and Zandu Pharmaceuticals in 2008.

Dermicool has a 20 per cent

EMAMI'S BUYS

2008: Zandu Pharmaceuticals for ₹730 cr

2015: Kesh King for ₹1,651 cr

2019: Creme 21 for an undisclosed amount

market share in the high-growth and low-penetrated category, according to Emami. Combined with Emami's Navratna Cool Talc, Emami will become a leader in this niche category which would also help realise synergetic benefits and optimise costs, the company said.

Emami Director Harsha V Agarwal said the acquisition of Dermicool offers "great" synergy with existing businesses and is a perfect strategic fit. "It will strengthen our presence to

make us #1 in the prickly heat powder and cool talc category. With increasing global warming and soaring summer temperatures, such problem solution niche products are poised for strong growth in the future," Agarwal said.

In the statement, the company said Emami has always been open to growth, the inorganic route. The company considers acquisitions that not only add value and have synergy with its current businesses, but also offer opportunities for the organisation to be present in categories with high growth potential, it said.

The prickly heat powder and cool talc segment is pegged at ₹700-800 crore. Revenues of Dermicool in CY21 was ₹113 crore and Ebitda margin at 35 per cent.