

Avendus Advises Zydus Wellness on Acquisition of Heinz India

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DEAL VALUE	USD 618 mn
SERVICE	Mergers & Acquisitions
SECTOR	Healthcare

Zydus Wellness Ltd. ("ZWL" or "the Company") one of the reputed players in the fast-growing consumer healthcare market, announced that it has entered into a definitive agreement to acquire the subsidiary of Kraft Heinz, Heinz India Private Limited ("Heinz India"), jointly with Cadila Healthcare Ltd., at a valuation of INR 4595 crore. This valuation includes net working capital of INR 40 crore, cash of INR 15 crore and assumes no debt. The transaction is expected to close in Q4 FY 19, subject to regulatory approvals.

| Avendus Capital is the exclusive financial advisor to Zydus Wellness.

Heinz India's business comprises the brands Complian, Glucon-D, Nycil and Sampriti Ghee, two large manufacturing facilities in Aligarh and Sitarganj and teams devoted to operations, research, sales, marketing and support. Heinz India also has a strong distribution network of over 800 distributors and more than 20,000 wholesalers covering 29 states. For the four brands, Heinz India recorded revenues of about INR 1150 crore and EBIDTA of about INR 225 crore for the 12 months ending 30th June 2018. Following this acquisition, Zydus Wellness will have consolidated revenues of about INR 1700 crore.

The transaction is proposed to be financed by a mix of equity and debt. Select leading private equity firms have committed to partnering the transaction by the way of equity support. The transaction is expected to be EPS accretive.

Speaking on the development, **Dr Sharvil Patel, Chairman, Zydus Wellness Ltd.**, said, "This is an exciting time. This development offers immense opportunity to broaden our portfolio and invest in brands and products that we believe are most relevant to health-conscious customers. It leverages our Group heritage, innovation track record, combined brand offerings and capabilities to meet and exceed our consumers' evolving health and wellness needs. This acquisition will be an ideal addition to Zydus Wellness, supporting our aspirations to grow in the consumer wellness space by providing multiple choices to consumers. We also look forward to welcoming the employees, customers, partners and all stakeholders of Heinz India to the Zydus family."

“For our parent company and Zydus Wellness, science and innovation have always been a strength and we strongly believe that we will further enhance value to all these marquee brands. Our ability to merge the consumer and ethical pharma offerings to create a seamless world of wellness will unlock value for these brands.” Dr Patel added.

Chintan Kothari, Head of Healthcare Investment Banking at Aventus Capital said, “This is a rare opportunity for the company to acquire a high-quality, scaled consumer wellness business. Zydus Wellness’ vision of building a leadership position in the consumer wellness segment will get a shot in the arm with this transaction.”

Anshul Agarwal, Co-head of Consumer, FIG and Business Services Investment Banking at Aventus Capital said, “This is transformational for Zydus Wellness as it emerges as a leading consumer wellness player in the country. With this iconic portfolio, Zydus Wellness has all the diverse product offerings to capture a larger pie of the fast-growing health conscious Indian consumer market.”

| About Aventus

The **Aventus Group (Aventus)** is a leading provider of financial services with an emphasis on customized solutions in the areas of Investment Banking, Wealth Management, Structured Credit Solutions and Alternative Assets Management. Aventus relies on its extensive experience, in-depth domain understanding and knowledge of the regulatory environment, to offer customized solutions that enable clients to meet their strategic aspirations. Aventus Capital has consistently been ranked among the top financial advisors. It has a strong track record of cross-border transactions and has helped multiple clients benefit from opportunities across geographies.

Aventus’s wide range of clients is testimony to its ability to serve its corporate clients throughout their life cycle – from growth stage funding to complex, large sized transactions later in the cycle.

Aventus Capital Inc. and **Aventus Capital (UK) Pvt. Ltd.** located in New York and London respectively are wholly owned subsidiaries offering M&A and Private Equity syndication services to clients in the respective regions.

For more information, please visit www.ventus.com

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