

Avendus Capital advises Meeran family and McCormick on the sale of Eastern Condiments to Orkla

September 2020 • Mumbai



DEAL VALUE	Undisclosed
SERVICE	Mergers & Acquisitions
SECTOR	Digital, Technology & Consumer

Orkla, through its wholly owned subsidiary MTR Foods Private Limited (“MTR”), will acquire 41.8% stake from Meeran family and 26% stake from McCormick Ingredients SE Asia PTE (“McCormick”) in Eastern, which will give Orkla 67.8% ownership stake post the transactions. Eastern is valued at INR 2000 crore (100%) on a debt and cash free basis. The agreement to acquire a majority stake in Eastern is subject to the approval of the Competition Commission of India.

Following the completion of these transactions, a merger application will be filed with the intention of merging Eastern into MTR. The merged company will be jointly owned by Orkla and the two brothers, Firoz and Navas Meeran, with an ownership stake of 90.01% and 9.99% respectively.

| Avendus Capital was the exclusive financial advisor to Eastern Condiments, Meeran family and McCormick on the transaction.

Commenting on the deal, **Navas Meeran, Chairman of Eastern** said, “Orkla is known for its strong, local brands and holds leadership positions across multiple FMCG categories in several markets. Orkla has a solid track record of building leading food brands based on a strong organizational culture and company values. Together with MTR, and as part of Orkla, we will have a stronger platform for our successful operations.”

Anshul Agarwal, Executive Director and Co-head of Consumer, FIG & Business Services, Avendus Capital said, “The spices industry has a long runway for growth in India, with a shift from home processed/unorganized to branded spices driven by convenience and hygiene preferences. Eastern and MTR combined, have significant synergy potential in terms of product portfolio and geography. This deal is a testament to the strong interest in branded spices from large F&B players, given the value-added nature of the product and high growth potential of the segment.”

| About Eastern

Eastern was established in 1983 by Mr. M. E. Meeran. Eastern is one of the leading spices company in India. For the last 12 months ending 30 June 2020, the company had a turnover of INR 9.0 billion. About half of the

company's turnover is generated in Kerala, with the remaining revenue stemming equally from across India and exports. Eastern offers a mix of non-vegetarian and vegetarian food products largely in the categories of blended and single spices.

| About MTR

MTR was established in 1924 and has been a part of Orkla since 2007. Since being acquired by Orkla, MTR has been recognized for its excellence in brand management, capable and stable management, a solid financial position, and world class standards in food safety, EHS and productivity enhancements. In addition to having seen strong domestic growth, its presence has been expanded to 32 countries around the world, with North America, Australia and New Zealand being the major markets. MTR, which has a total workforce of 1,018 employees, has two production facilities which are in Bangalore, Karnataka and Pune, Maharashtra. Its headquarters are located in Bangalore.

| About Orkla

Orkla is a leading supplier of branded consumer goods and concept solutions to the consumer, out-of-home and bakery markets in the Nordics, Baltics and selected markets in Central Europe and India. Orkla is listed on the Oslo Stock Exchange and its headquarters is in Oslo. In 2019, the Group had a turnover of NOK 43.6 billion, and approximately 18,350 employees as of 31 December 2019.

| About Avendus

Avendus Group is a leading financial services firm with a presence in the areas of Investment Banking, Institutional Equities, Wealth Management, Credit Solutions and Asset Management. Established in 1999 in Mumbai, India, Avendus is today present in 10 cities across India, US and Singapore. Avendus partners with the Indian entrepreneur ecosystem to provide differentiated solutions that enable clients to meet their strategic aspirations.

Avendus Capital, the investment banking arm, is consistently ranked among the top investment banks in the country on the back of its in-depth domain understanding and a best in the class track record of domestic and cross-border transactions. Avendus' wide range of clients is testimony to its ability to serve its corporates throughout their life cycle – from growth stage funding to large-sized transactions, M&A advisory and access to public markets.

Avendus Capital Inc located in New York is an Avendus Group entity offering M&A and Private Equity syndication services to clients in the US.

For more information, please visit www.avendus.com

Deal Release Contact: Lynette D'souza Tel: +91 9920847823 Email: lynette.dsouza@avendus.com	Avendus Capital Private Limited Regd. Office: 901, Platina, 9th Floor, Plot No. C-59, Bandra Kurla Complex, Bandra (E), Mumbai 400051
--	--