



Media Release

Essel Propack to acquire 100% stake in Essel Deutschland Germany

Following this deal Essel Propack's consolidated revenue will propel by 11%

Mumbai, 21st September, 2016: Essel Propack Limited (NSE: ESSELPACK, BSE: 500135), a global leader in laminated plastic tubes catering to the FMCG & Pharma space, today announced a complete buyout of Essel Deutschland Germany (EDG). Following this transaction, EDG will be a 100% subsidiary of Essel Propack. Until now, Essel has been a JV partner with 24.9% share in EDG. The enterprise value of EDG stands at US\$ 32 million.

The acquisition will help Essel unlock synergies such as enhanced cross selling opportunity in the German markets, sourcing flexibility and better capacity utilization at all of its Europe plants.

Essel now can deploy its proven capability to offer high decoration laminated tube solutions for the premium non oral care brands across Europe, including Germany. Essel will also have the benefit of a long term supply agreement which EDG has recently signed with a local oral care Company.

The EDG revenue of approximately US \$40 Mn will now be consolidated in Essel's global revenue and will boost consolidated revenue by 11%.

In FY16, Essel Propack's consolidated revenue stood at Rs.2,184 crore.

Speaking on the acquisition, **Mr. Ashok Goel, Vice-Chairman & the Managing Director of Essel Propack** said, "The acquisition of EDG will further enhance our position in the non-oral care category. This move



is in keeping with our overall plans for achieving revenue growth of 15% and PAT growth of 20% and achieving our Mission 20:20:20.”

The company has embarked on a mission 20:20:20 – EBITDA margin of 20%, Return on Equity (ROE) at 20% and Return on Capital Employed (ROCE) at 20% within next 2 yrs.

Mr. Ram Ramasamy, Global COO, Essel Propack, said, “The complete buyout will enable us to step up productivity and efficiencies to those of other Essel Propack plants and improve overall profits.”

Mr. Alan Conner, European Business Vice-President of Essel Propack, said, “This move will help us to creating a strong platform for growth in Europe especially in the non-oral care category. As we have a ready customer base, this will help improve our revenue growth through synergies. The acquisition will add 63% to our Europe revenue on an annualized basis.”

About Essel Propack:

Essel Propack, part of the USD 2.4 billion Essel Group, with FY16 turnover of over USD 322 million, is the largest specialty packaging global company, manufacturing laminated plastic tubes catering to the FMCG and Pharma space. Employing over 2852 people representing 25 different nationalities, Essel Propack functions through 21 state of the art facilities and in eleven countries, selling more than 6 billion tubes and continuing to grow every year.

Holding Oral Care market share of 36% in volume terms globally, Essel Propack is the world’s largest manufacturer with units operating across countries such as USA, Mexico, Colombia, Poland, Germany, Egypt, Russia, China, Philippines and India. These facilities cater to diverse categories that include brands in Beauty & Cosmetics, Pharma & Health, Food, Oral and Home, offering customized solutions through continuously pioneering first-in-class innovations in materials, technology and processes.



For media queries, please contact:

Snehal Vaidya Adfactors PR 9820167242 Email: snehal.vaidya@adfactorspr.com	Divya Sheth Adfactors PR 9619105533 Email: divya.sheth@adfactorspr.com
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