

# Unilever to buy GSK's Horlicks unit for \$3.8bn

Unilever will acquire the Health Food Drinks portfolio (GSK HFD) of GlaxoSmithKline (GSK) in India, Bangladesh and 20 other predominantly Asian markets for \$3.8billion. GSK HFD is a leader in the Health Food Drinks category in India, with popular brands such as Horlicks and Boost.



In 2018, the GSK HFD portfolio delivered total turnover of approx. \$625 million, primarily through the malt-based Horlicks and Boost brands. Almost 90% of the turnover is in India.

The deal, announced on Monday, is expected to significantly boost Unilever's position in India through the addition of the Horlicks brand.

GSK HFD's product portfolio has a long history in India with Horlicks having originally been introduced in the 1930s. Horlicks products have been an everyday staple in South Asian households across generations. Over the last 15 years, the portfolio (and category) has grown at a double-digit rate. Despite this, the category still remains under-penetrated in India. Unilever stated that it's well positioned to further develop the market given the extent of its reach and capabilities.

The transaction is aligned with Unilever's stated strategy of increasing its presence in health-food categories and in high-growth emerging markets.

Nitin Paranjpe, president, Food & Refreshment, Unilever, said: "We are delighted to be acquiring the GSK Health Food Drinks portfolio. The iconic Horlicks brand has a deep heritage, credibility and resonance around the world. The acquisition is transformative for our Foods and Refreshment business allowing us to enter the Health Foods Drinks category, further strengthening our position in health and wellness.

"It is rare to be able to acquire brands with such leading market positions and fantastic consumer equity in one of the world's most exciting and fast-growing markets. Improving the health and wellbeing of 1 billion people by 2020 is a key pillar in our Unilever Sustainable Living Plan."

The transaction is subject to customary regulatory and shareholder approvals, with expected completion in 12 months.

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