

DEAL ANNOUNCEMENT



Acquisition by



Home Decor

Exclusive Financial Advisor

March 2018



IndusInd Bank

IndusInd Bank Investment Banking (IB) Advisory vertical is pleased to announce the closing of our most recent transaction:

THE CLIENT

Founded in 1982 in Tuticorin by Mahendra Raj Singhwi, Ramesh Flowers Private Limited ("RFPL") supplies to international retail chains in Europe and the US. Ramesh Flowers employs a total of c.3,000 workers in its production sites in India and in Temecula (California, USA), which are all BSCI-, SMEPA- and SEDEX-certified. It's range of products includes scented potpourris, dried flowers as well as essential oils and scented/unscented candles.

THE TRANSACTION

The shareholders of Ramesh Flowers Private Limited ("RFPL"), have successfully sold majority stake in RFPL to GALA Kerzen ("GALA"), a leading manufacturer of candles headquartered in Germany and an Equistone Partners Europe (Equistone) investee company. The deal represents the first purchase for the Bavarian candle manufacturer since its acquisition by funds managed by Equistone Partners Europe. Strategic tie-up of RFPL with GALA will provide GALA access to low cost botanicals and competitive workforce in India generating better margins and develop a strong geographical base across USA, UK and Europe.

THE INVESTORS

GALA Kerzen ("GALA") is one of Europe's largest candle manufacturers with a vast product range such as scented and unscented candles, tea lights, pillars, etc under the brand names "Gala". Equistone (€10bn+ fund) is a leading mid-market private equity firm based out of Europe. It has a strong focus on change of ownership deals and aims to invest between €25mn and €125mn of equity in businesses with enterprises values of between €50mn and €500mn.

HOW WE HELPED

The Company is owned by Mahendra Raj Singhwi and family. Ramesh Flowers is a strong player in home décor, home fragrances and candle exports with strong team in R&D and product development ensuring constant innovation within product segments and categories. Promoters of Ramesh Flowers were looking to induct a Strategic Partner to grow the business to a significant level before planning an exit from the business in future. Reflective of their confidence in the business combination, Ramesh Flowers' Promoters are committed to remain with the organization post-closing.

We ran a disciplined process in which we developed offering materials including the Information Memorandum and Financial model, contacted and presented Ramesh Flowers to strategic and financial buyers, worldwide; managed the due diligence process including site visits, management presentations and the data room; and, participated extensively in the negotiation of the transaction terms.

IndusInd Bank's IB Advisory vertical is dedicated to providing independent advice in the areas of mergers & acquisitions and the raising of capital with a focus on privately held companies as well as Equity Capital Markets. Our role is to create customized solutions for business owners, shareholders and/or management teams to both maximize value and achieve personal and corporate goals.

For further information regarding IndusInd Bank Advisory, please visit:

https://www.indusind.com/corporate-banking/products/investment_banking/investment_banking.html