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HUL Enters Wellness Space with Oziva, Wellbeing Nutrition Deals

Firm to pay Oziva parent Zywie in two tranches, will get 19.8% in Wellbeing Nutrition for ₹70 crore

Our Bureau

Mumbai: Hindustan Unilever Limited (HUL) said it is investing in Zywie Ventures, which sells plant-based supplement brand Oziva, and Nutritionalab, which owns nutritional products under Wellbeing, to enter the health and wellness market worth ₹30,000 crore.

HUL said it will invest ₹264 crore in its first tranche for a 51% equity stake in Oziva while the balance 49% will be acquired at the end of three-year period based on pre-agreed valuation, which it did not specify. In addition, HUL will buy 19.8% equity stake in Wellbeing Nutrition for about ₹70 crore.

"These strategic investments give us an entry into the fast-growing health and well-being category. They align strongly with our mission to improve the health and well-being of consumers and empower people to take charge of their health through solutions that they can trust," said HUL CEO Sanjiv Mehta. ET first reported on December 8 that HUL was in talks to buy Oziva.

Both these transactions are expected to be completed in the next one to three months, subject to customary closing conditions, said HUL.

Deal Details

HUL to invest ₹264 crore in its first tranche for a 51% equity stake in Oziva

Rest of 49% will be acquired at the end of three-year period

HUL will buy 19.8% equity stake in Wellbeing

First in ET



ET first reported on Dec 8 that HUL is in talks to buy plant-based supplements firm Oziva



The current team of both the brands will continue to operate all functions of the business, while HUL will be represented on the board. Oziva reported sales of ₹124 crore for 2021-22, while Wellbeing Nutrition posted sales of ₹20 crore. The deals signal the start of what could trigger a wave of consolidation in the direct-to-consumer (D2C) brand market, said industry executives. "We like HUL's strategy of acquiring small companies in spaces where it doesn't have a presence. HUL ramped up Indulekha, V Wash sharply post acquisition. HUL has been making multiple efforts to become more relevant in naturals," said Abneesh Roy, executive director, Nuvama Institutional Equities, adding that HUL can ramp up sharply given its strong distribution and advertising capabilities. Marico, ITC and HUL have been investing in D2C brands that gained huge mo-

mentum during the Covid-19 pandemic, when online shopping saw a major uptick.

In May, Marico picked up a 54% stake in HW Wellness Solutions, which owns healthy breakfast and snacks brand True Elements. Last year, Tata Consumer acquired a 100% stake in Kottaram Agro Foods, the maker of Souffull brand of breakfast cereals and millet-based snacks. According to market research firm Euromonitor, the Indian nutraceuticals market is currently worth ₹47,000 crore, with half the segment dominated by fortified and functional food products, followed by dietary supplements, which account for a quarter of the segment.

