

Turkish Coca-Cola to acquire Coca-Cola Bangladesh Beverages

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Turkish beverage company Coca-Cola Icecek (CCI) has recently signed an agreement to acquire Coca-Cola Bangladesh Beverages Ltd (CCBB) for \$130 million. CCBB is one of the two Coca-Cola bottlers in Bangladesh that is involved in the production, sale, and distribution of Coke brands in the country.

According to a statement posted on CCI's website, the acquisition will involve CCI acquiring all CCBB shares at a net value of \$130 million, or over Tk 1,400 crore, after subtracting the estimated net financial debt of CCBB. However, the equity value will be subject to a post-closing price adjustment mechanism following the completion of a closing audit to determine the exact net financial debt amount of CCBB as of the closing date.

CCI International Holland BV (CCIHBV) will finance the acquisition, which will have a modest impact on CCI's net leverage. CCIHBV will be the main direct shareholder and a subsidiary of The Coca-Cola Company will also be involved in the deal.

The acquisition is expected to be completed after regulatory approval in Dhaka. The non-alcoholic ready-to-drink market in Bangladesh is estimated to be around Tk 4,000 crore-Tk 6,000 crore, and it is catered by two US-based soft drink makers Coca-Cola and Pepsico, along with several local beverage makers such as Pran, Akij, and Partex.

CCI manufactures, distributes, and sells brands of Coca-Cola, and it has operations in 11 Muslim-majority countries, including Azerbaijan, Iraq, Jordan, Kazakhstan, Kyrgyzstan, Pakistan, Syria, Tajikistan, Turkey, Turkmenistan, and Uzbekistan.