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Ecover cleans up with US acquisition

By Jennifer Thompson



One of the best-known environmentally friendly consumer brands is set to create the world's largest green cleaning products company by sales following the acquisition of a US rival.

Ecover said its purchase of Method, a San Francisco-headquartered manufacturer of household cleaners and detergents, would create a group with combined annual revenues of \$200m.

The Belgium-based manufacturer said the deal, made for an undisclosed sum, would help it ramp up sales in North America, which it describes as the largest and fastest growing market for environmentally friendly household goods.

“This will give us a much larger network and combined skills and . . . huge potential for green innovation,” said Philip Malmberg, chief executive of Ecover, who described the deal as the first “significant” acquisition for the company.

About 10 per cent of Ecover's business is conducted in North America but it is looking to increase its presence there following the expansion of homegrown competitors such as Method and Seventh Generation in the past decade.

Sales at Ecover, which is owned by the Skagen group, a private investment vehicle, have typically risen by about 5 per cent year on year in the past decade while those at Method, founded in 2001, have increased by about 15 per cent.

Mr Malmberg added that Ecover is on the lookout for more deals to boost its presence in the Asian market over the next decade.

“If you look at . . . the coming five to 10 years, Asia is another obvious choice for us,” he said, citing the region’s growing cohort of wealthier consumers prepared to pay more for a green products and an increasing level of environmental awareness.

Both companies will continue trading as separate brands.

Ecover was founded in Belgium in 1979, initially specialising in making phosphate-free washing powder, and now distributes its household cleaning goods and toiletries in 40 countries.

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