

'Flemish diaper king' has a record turnover of half a billion

July 22, 2020



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Today at

05:05

Drylock, the diaper group of Bart Van Malderen, recorded a record turnover of 514 million euros last year. This year the milestone of 600 million is to be reached. The corona crisis does not weigh on the figures for the time being.

Bart Van Malderen is considered to be the 'Flemish diaper king'. His family founded the diaper manufacturer Ontex in the 1970s, which grew into Europe's largest producer of diapers under the private label of distributors – 'private label' – and changed ownership several times since 2001. The company is listed again on the Brussels stock exchange.

Van Malderen left the company in 2007. After several years of non-competition clause, he again threw himself into the diaper sector with the establishment of Drylock. His innovation: wafer-thin diapers without pulp – the basic raw material for diapers, also known as cellulose or wood pulp. With that he attacked the brand giants, Procter & Gamble and Kimberly-Clark, and his ex-family business.

The strategy did not harm Drylock. In eight years' time, Van Malderen's company grew – on its own strength but also through acquisitions in the US and South America – into a solid medium-sized player that, in its nine factories, both baby diapers (under its own brands, but also under own brands of retailers), incontinence and feminine hygiene products. Worldwide, Drylock has large supermarket chains such as Walmart, Lidl, Carrefour and Ahold Delhaize as customers.

Tipping year

Last year, the diaper company posted sales of 514 million. That is a record and about a hundred million more than in 2018. Drylock achieved that turnover growth without acquisitions. "We have

brought in new customers,” explains Bart Van Malderen, without mentioning names or going into details.

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Bart Van Malderen

CEO and main shareholder Drylock

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He describes 2019 as ‘a turning point’. ‘We have bought machines and invested heavily in recent years. That start-up phase is over and we are reaching cruising speed.’ The turnover growth is accompanied by high profitability, Van Malderen assures. “We set very solid, two-digit profit margins (EBITDA).”

Echo

Eight years after its foundation, Drylock has become ‘the biggest of the small players’. “We have reached a critical mass,” says Van Malderen, who made a remarkably similar statement in the early 2000s. Then, as CEO and owner of the diaper manufacturer, he declared that Ontex “has become the smallest of the major players.”

Drylock key figures

Turnover (2019): 514 million euros

Number of factories: 9

Number of employees: 3.150

Shareholders: Bart Van Malderen (74.36%), Sofina (25.64%)

Drylock is also steaming forward this year. Van Malderen assumes a turnover of more than 600 million euros. Does the diaper company not experience any problems due to the corona crisis? “At certain times we sold less, but there were also peaks. In general, private label continues to rise,” he says. Three quarters of Drylock’s turnover (75%) comes from private label, the rest (25%) from branded products. Although there are major differences: in Europe, the private brands of retailers account for 90 percent of the revenue, in countries such as Russia and Brazil, local brands do better.

Van Malderen expects a turnover of more than 700 million for next year. The symbolic cape of the billion is approaching. Drylock may reach this ‘in four or five years’. “It is difficult to predict,” says Van Malderen. In any case, we have installed sufficient capacity and are also expanding existing factories. ”

Sofina

To support his growth, Van Malderen obtained Sofina last summer

on-board. The listed holding company of the Boël family acquired an interest of approximately a quarter in Drylock. She put 150 million euros on the table for this and now owns just over a quarter of the shares (25.64%).

600 million

REVENUE

Van Malderen assumes a turnover of more than 600 million euros for this year.

“We have grown on our own. But at some point you will come to a point where you have to attract a good, stable partner, `said Van Malderen when Sofina got in. Given the size of their investment, the Boël family seems to plan to stay on board for the long term. Besides Bart Van Malderen, she became a shareholder in Lillydoo, a German online diaper seller through subscription packages. The `Flemish diaper king` owns almost a fifth of Lillydoo’s shares, Sofina owns 6.65 percent of the German start-up.

A flotation for Drylock – a quarter of a century after that of Ontex – does not exclude Van Malderen. But such an operation is certainly not on the agenda today, he says.

BIO Bart Van Malderen

MBA at the European University Montreux, Switzerland.

1986: starts at the family diaper company Ontex.

1996: Van Malderen becomes top man of the family Ontex.

1998: Ontex goes public.

2002: Candover buys Ontex. Van Malderen remains at the helm.

2007: Debt rescheduling at Ontex. Van Malderen leaves the company.

2007-2011: invests in the real estate group VGP, the investment group Cobepa and the fund Gimv XL.

2012: Van Malderen is once again active in the personal hygiene sector, this time with Drylock.

Source link

<https://www.tijd.be/ondernemen/consumentengoederen/vlaamse-luierkoning-draait-recordomzet-van-half-miljard/10240216.html>
