



May 2015

Marico : Snapshot



■ Beauty & Wellness Solutions

- Hair Care, Health Care, Skin Care, Male Grooming

■ A leading Indian MNC Group

- Market Capitalization
- Turnover FY 15
- Profit FY 15
- Turnover from overseas : 22%

INR

USD

25,000 Cr

4.1 Billion

5,733 Cr

940 Million

573 Cr

94 Million

■ Sustained Profitable Growth

- Turnover 18% Profits 15%

(5 yr CAGR)

\$1 = Rs.61

Portfolio : Beauty & Wellness



■ Hair Care

- Hair Nourishment
- Hair Colour



■ Healthcare

- Healthy refined edible oils
- Functional Foods



■ Male grooming/ styling

- Deodorants
- Hair Creams/Gels/Wax



■ Skincare

- Body Lotion



Category Choice Making Framework



- **Enter Categories/Segments with 'Right to Win'**
 - Strong Brand, shared channel, shared consumer and shared supply chain
- **Developing & Emerging markets of Asia and Africa**
- **Underpenetrated categories with potential to grow**
 - Changing consumer habits or affluence
- **Will not enter categories having hyper competition**
- **Increase share of higher value added categories**

Focus on Growth



- **Prioritize volume growth (consumer franchise expansion) over short term profit**
 - Emerging markets with low/moderate penetration
 - Maintain unit gross margin within a band
- **Re-invest profits to reinforce established brands and build new growth engines for the future**
 - Prototyping : maintain innovation pipeline
 - Strategic Funding (% of profits each year)
 - ASP range of 11% to 12%
- **Focus on Organic Growth**
 - Inorganic Growth (in both India and International business) to supplement Organic Growth

Inorganic Growth



- **Focused on hair care, skin care and health care in India**
 - International : primarily hair care, skin care and male grooming
- **Internationally focused on developing markets in Asia and Africa**
- **Provides opportunity to enter a new market**
 - New category in a core market
 - Achieve scale in an existing category
- **Establish potential to become No.1 or No.2**
- **Establish potential to add value in branding and distribution**
- **Enhance depth of category knowledge in hair care / skin care**
 - Leverage across all Marico geographies
- **Keep track of ROCE benchmark over the medium term**

Market Leadership: Key to Category Choice



Brand	Category	Indicative Market Share (%) #	Rank	Penetration Level
Parachute/Nihar	Coconut Oil (India)	~ 57%	1	High
Parachute	Coconut Oil (Bangladesh)	~ 81%	1	High
Saffola	Super Premium Refined Edible Oils (India)	~ 58%	1	Low
Saffola	Oats (India)	~ 21%*	2	Low
Parachute Advansed, Nihar Naturals, Hair & Care	Hair Oils (India)	~ 29%	1	High
X-Men	Male Shampoo (Vietnam)	~ 39%*	1	Low
Fiancée / Hair Code	Hair Styling (Egypt)	~ 59%*	1	Medium
Set Wet / Parachute Advansed	Hair Gels & Creams (India)	~ 44%*	1	Low
Livon / Silk & Shine	Post Wash Hair Serum (India)	~82%	1	Low
Parachute Advansed Body Lotion	Body Lotion (India)	6%	3	Low

Marico brands have a no 1 position in their respective segments over around 90% of its turnover

Mar'15 rolling 12 month volume market share data sourced from AC Nielsen

* Value Market Share

Coconut Oil



The only Company with a national presence in INR 45 bn (~USD 738 mio) branded CNO market

Volume Market Share

Parachute	47%
Nihar	8%
Oil of Malabar	2%
Total	57%



**35-40% market (by volume)
estimated to be in loose form**

5 yr volume CAGR in Parachute rigid packs ~8%

Headroom for growth

- ✓ Conversion from loose to branded
- ✓ Market share gain in rural



Likely medium term volume growth : 6-8%

Portfolio Share
35%

Hair Oils



Category Play : Significant participation in most key sub-segments

- **Marico's Volume Market Share in Hair Oil Market ~ 29%**
- **Future focus on premiumization of the portfolio**

Likely Medium term Volume Growth ~ 13-15%

- Specific Benefits – creating more occasions of use
- Promote Dual Usage
- Expanding rural reach

Portfolio Share
19%

Hair Oiling Category



- **Likely to see sustained growth**
 - Category growth one of the fastest amongst all large entrenched categories in India
- **Belief in benefits of leave-in conditioner (oil) versus rinse off**
- **Research to support benefits of hair oiling**
 - Reduces breakage
 - Stress management
 - Reduces protein loss
 - Softens hair
 - Improves thickness, strength and length
- **Improvement sought in format/sensorials**



Evolution from an edible oil brand to a leading healthy lifestyle brand

Riding a health care tailwind in India : **Saffola 5 yr volume CAGR ~10%**

Leadership position in **super premium refined edible oil** segment (58% Volume Market Share)

Entry into **breakfast cereals market** in 2010 (Plain oats and Value Added oats)

Market Leadership in Value Added Oats with 61% value share

Likely medium term volume growth: **~8-10%**

- Increasing trend of cardiovascular diseases, diabetes & hypertension in India
- Rising incomes and higher level of heart health awareness
- Increase in the number of nuclear families and working women

ROCP
Portfolio Share
14%

Male Grooming



- Marico acquired SetWet & Zatak in May 2012
- Tail wind categories with low penetration
- Synergies with existing business
 - Leverage widespread Distribution network
 - Gain access to cosmetic/chemist outlets



Hair Gels/Creams
Rs.200 Cr (USD 33 mn)



- Achieved market leadership in Gels/Creams with 44% value share
 - Will focus on growing the market
- Modern Trade Channel : Future opportunity
- Deo market expected to consolidate in the next 4-5 years

Deodorants

Rs.2200 Cr (USD 360 mn) Market



Recent Launches



Body Lotion (FY12)

- Market Size : INR 1000 cr (USD 164 mn)
- Market Growth Rate : ~10%
- Marico Market Share : ~6%
- No. 3 position



Oats (FY13)

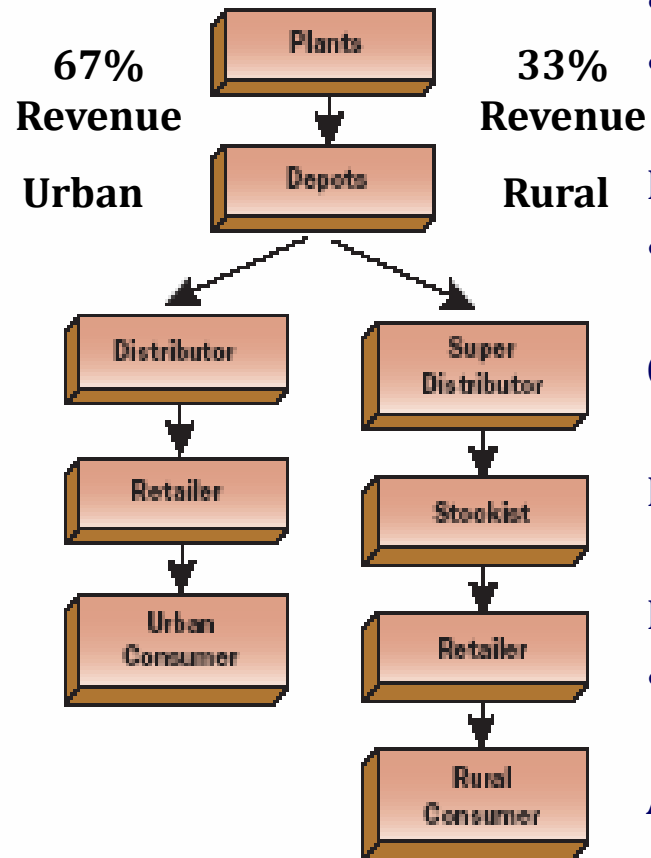
- Market Size : INR 250 cr (USD 40 mn)
- Market Growth Rate : ~15%
- Marico Market Share : ~21%
- No. 2 position

Livon Moroccan Silk Serum (FY14)

- Market Size : INR 100 cr (USD 16 mn)
- Goodness of Argan oil, suited for Indian hair
- Launched in 2 SKUs
- Available in the top 20 cities



Strong Distribution Network (India)



- Direct Reach: **Over 850,000 outlets**
- Indirect Reach: **~ 3.6 million outlets**

Leveraged **Modern Trade** Channel to drive urban growth

- 7% of India sales comes from modern trade

GTM Transformation initiatives planned

Leveraged **technology** to drive impact

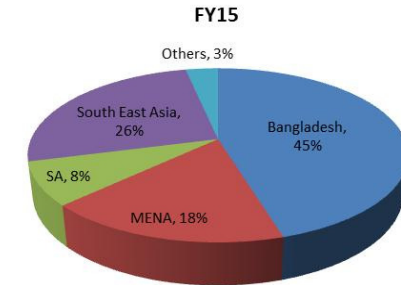
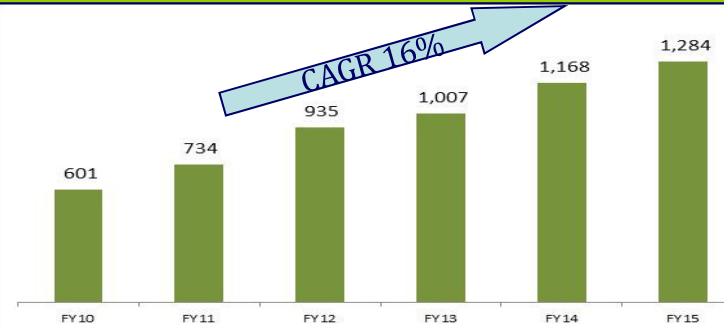
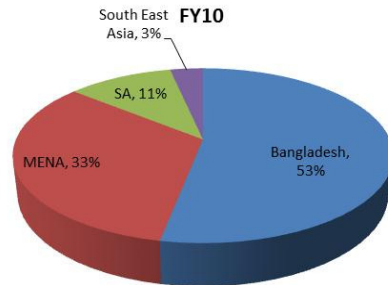
Enhancing quality of **rural reach**

- Rural sales up from 25% in FY10 to 33% in FY15

Access to **chemist and cosmetic outlets** through Youth brand acquisition & Distribution of Bio Oil

Focus on each General Trade Channel
(Chemist/Cosmetics/Mom&Pop/Key)

Marico International



- **Focus on :**
 - Emerging markets of Asia & Africa
 - Nourishment and Grooming
- **Operates in Geographic hubs leading to supply chain and media synergies**
- **Opportunities for expanding footprint**
 - From Bangladesh, Malaysia, Vietnam to Rest of South East Asia
 - From GCC, Egypt to NA Rim
 - From South Africa to East Africa
- **Brands with regional identity & expression**
 - Customization based on local market insights
- **Likely medium term organic growth : ~15% (constant currency)**
 - Maintain Operating Margin at ~16-17%

Portfolio Share
22%

International Portfolio



Bangladesh
45%



Categories :

Coconut Oil, Value Added Hair Oils, Hair Dyes, Deodorants, Edible Oils, Serums

Brands : Parachute, Parachute Advansed, Hair Code, Set Wet, Saffola, Livon

Middle East
9%



Categories :
Coconut Oil, Hair Oils, Hair Creams/Gels

Brands:
Parachute, Parachute Secrets, Parachute Gold

Egypt
8%



Categories :
Hair Creams/Gels

Brands:
Hair Code & Fiancee

Vietnam
23%



Categories:
Male Grooming, Foods

Brands : X-Men, Thuan Phat

South Africa
8%



Categories :
Ethnic Hair Care, Kids Hair Care, OTC Health Care

Brands : Caivil, Black Chic, Just for Kids, Hercules

Emerging Markets of Asia & Africa

International Strategy



Bangladesh
45%



- * Leverage distribution network
- * Grow Value Added Hair Oils
- * Introduce products from India portfolio

Middle East
9%



- * Gain back lost share in hair oils, creams/gels
- * Return to profitability

Egypt
8%



- * Grow core market
- * Establish Value Added Hair Oils
- * Expand into North Africa
- * Improve Direct Reach

Vietnam
23%



- * Grow market in male shampoo/shower gels
- * Gain share in male deos
- * Extend into other SEA countries

South Africa
8%



- * Build Scale in SA
- * Expand in East Africa

Gain scale by leveraging common product platforms

Future Growth Strategy



- **Expand Markets where we have significant leadership**
 - Parachute coconut oil in India and Bangladesh
 - Saffola – Premium healthy refined edible oil
 - Hair Code/Fiancee – hair gels/creams in Egypt
 - Livon Serum in India
- **Increase Share in other categories**
 - Hair Oils in India & Bangladesh
 - Hair creams & gels in the Middle East
 - Male Deodorants and shampoo in Vietnam
- **Introduce new products – larger size than in the past**
 - Saffola Oats, Parachute Advanced Body Lotion
 - New variants in value added hair oils in India and Bangladesh
 - Broader play of our product platforms across key markets
- **Geographic Expansion**
 - South East Asia, East Africa, North Africa
- **Inorganic Growth to supplement organic growth**

Dividend Distribution & Cash Deployment



- Focus on maximization of shareholder value
- Marico has been increasing its payout over the last couple of years
- With higher cash generation, increased dividend in FY15 to 250% (Rs.2.50 per share)
 - Payout : 30%
- Could increase payout further if there are no M&A opportunities

Financial Highlights



Particulars (INR Crores)	FY11	FY12	FY13	FY14	FY15
Revenue from Operations	3128	3980	4596	4,687	5,733
Profit Before Tax	376	400	552	695	822
Profit After Tax	286	317	396	485	573
EPS: (INR)	4.7	5.2	6.1	7.5	8.9
Book Value per Share (INR)	14.90	18.59	30.77	21.1	28.3
Net Worth	915	1,143	1,982	1,361	1,825
EBITDA %	13.3%	12.1%	13.6%	16.0%	15.2%
ROCE %	27%	26%	24%	32%	47%

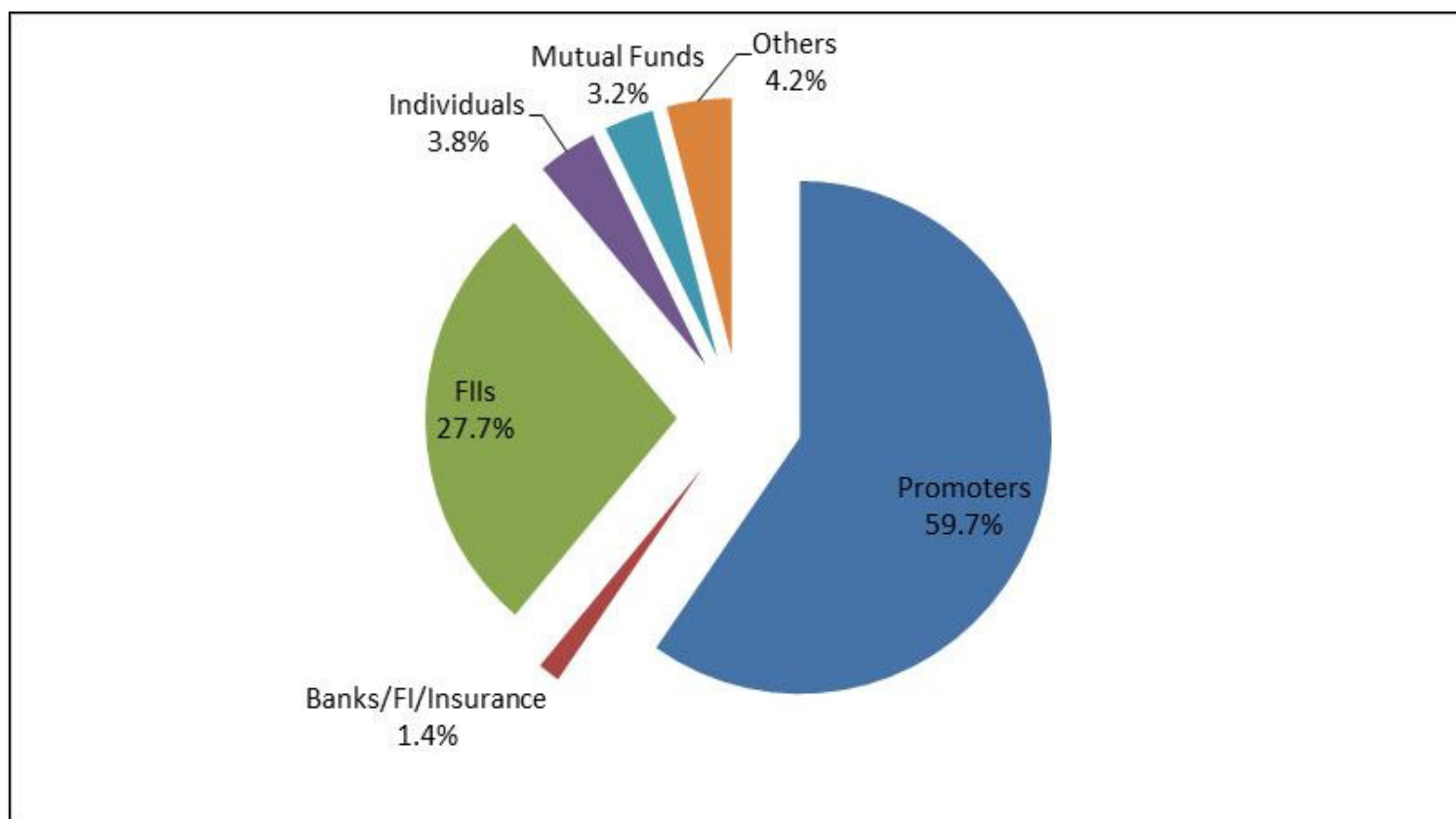
Note: FY14 & FY15 financials do not include Kaya

The Most Awarded FMCG



- Marico ranked 4th in the Economic Times and Aon Hewitt **Top Companies for Leaders** India Study
- Marico was featured in the list of '**India's Best Boards 2014**' by Economic Times & Hay Group
- Marico Bangladesh received **Best Corporate Award 2014** under Multinational Category by Institute of Cost and Management Accountants of Bangladesh (ICMAB)
- The Asian Centre for Corporate Governance & Sustainability presented Marico with the '**Best Governed Company**' of the year award 2014.
- Marico ICP-Vietnam featured in the list of Vietnam's **100 Best Places to Work** by Anphabe and Nielsen.
- Parachute Advanced Body Lotion featured in the list of **23 Breakthrough Innovations in FMCG** by Nielsen
- Marico was ranked No.53 in the world in the prestigious **Forbes 100 Most Innovative Growth Companies** List
- Harsh Mariwala, Chairman Marico Ltd. recognized as a "**Wealth Creator-FMCG**" at the Zee Business India's Best Market Analyst Awards 2014
- **Saffola** has been featured in the Millward Brown and WPP's '**50 most valuable Indian Brands**'
- Marico features in the list of '**Best Investor Relations Program in South Asia**' in the Institutional Investors Awards 2014
- Marico won the '**Compliance Team 2014**' award at the Legasis Compliance Awards 2014

Shareholding Pattern as on March'15



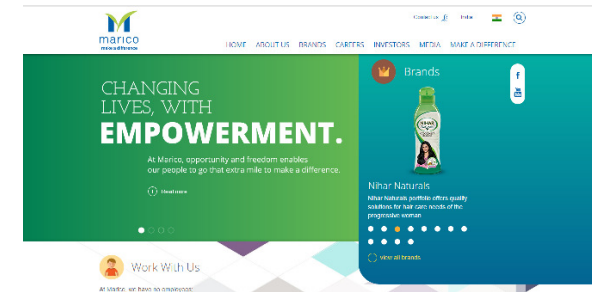
Investor Relations Communications



- One on one meetings with the Buy side and Sell side

- **Marico Website**

- Annual Report
- Latest Quarterly Updates
- AGM Notice
- Shareholding Pattern
- <http://www.marico.com/html/investor/overview.php>



- **Quarterly Results**

- Information Update
- Media Release
- Earnings Call with the management team
- For all the quarterly documents, visit the website
<http://www.marico.com/html/investor/latest-quarterly-updates.php>

- **Investor Relations App**

- Annual Report
- News & Updates
- Quarterly Results
- Available on Apple and Android



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