



February 2014

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Marico FMCG : Snapshot



■ Beauty & Wellness Solutions

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

■ A leading Indian MNC Group

	INR	USD
■ Market Capitalization*	14,000 Cr +	2.3 Billion
■ Turnover FY 13	4,260 Cr	710 Million
■ Profit FY 13	402 Cr	67 Million
■ Turnover from overseas	24%	

■ Sustained Profitable Growth

■ Turnover	18%	Profits	20%	(4 yr CAGR)
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* Market Capitalization will continue to include Kaya till its listing
Kaya business has been demerged into a separate company outside Marico Group, effective April 1, 2013

Portfolio : Beauty & Wellness



■ Hair Care

- Hair Oils : Pre/Post Wash
- Hair Colour



■ Healthcare

- Healthy refined edible oils
- Functional Foods



■ Male grooming/ styling

- Deodorants
- Hair Creams/Gels/Wax



■ Skincare

- Body Lotion
- Cosmetics



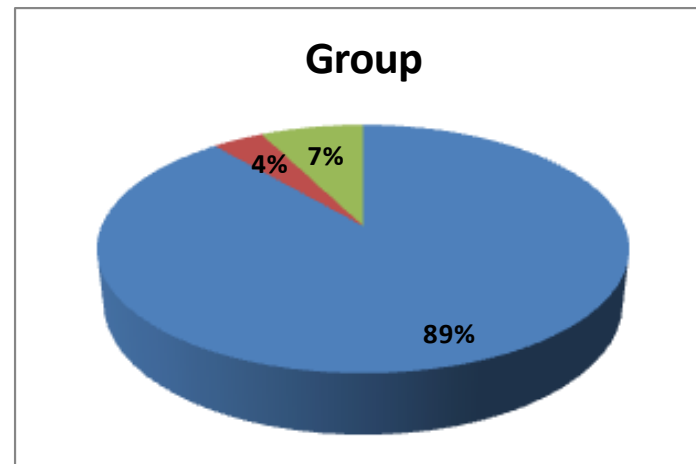
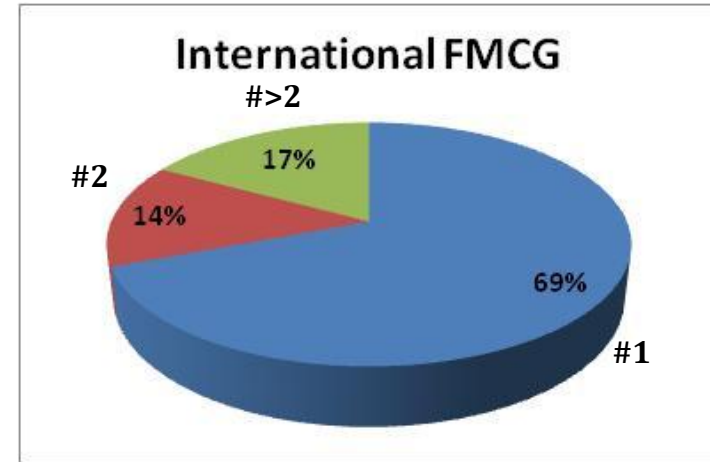
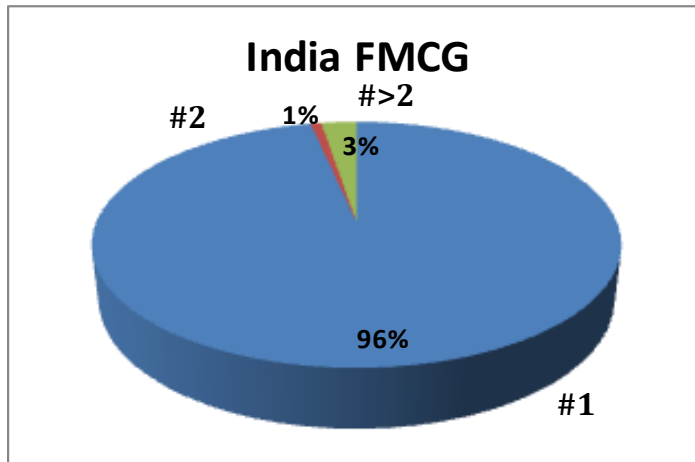
Market Leadership: Key to Category Choice



Brand	Category	Indicative Market Share (%) #	Rank	Penetration Level
Parachute/Nihar	Coconut Oil (India)	~ 56%	1	High
Parachute	Coconut Oil (Bangladesh)	~ 82%	1	High
Saffola	Super Premium Refined Edible Oils	~ 57%	1	Low
Saffola	Oats	~ 13%	2	Low
Parachute Jasmine, Nihar Shanti Amla, Hair & Care, Nihar Naturals	Hair Oils	~ 28%	1	High
X-Men	Male Shampoo (Vietnam)	~ 41%	1	Low
Fiancée / Hair Code	Hair Styling (Egypt)	~ 51%	1	Medium
Set Wet / Parachute Advansed	Hair Gels & Creams (India)	~ 44%	1	Low
Livon / Silk & Shine	Post Wash Conditioner	~81%	1	Low
Set Wet / Zatak	Deodorants	5%	5	Low

Dec'13 rolling 12 month market share data sourced from AC Nielsen/Company Estimates

Leaders across Categories & Geographies



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

Coconut Oil

The only Company with a national presence in INR 28 bn (~USD 518 mio) branded CNO market

Volume Market Share

Parachute	45%
Nihar	9%
Oil of Malabar	2%
Total	56%



Market Size

Branded ~ INR 28 bn (~USD 518 mio)

Loose ~ INR 8 bn (~USD 145 mio)

**30-35% market (by volume)
estimated to be in loose form**

5 yr volume CAGR in rigid packs ~10%

Headroom for growth

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



Likely medium term volume growth : 7-8%

Hair Oils



Category Play : Significant participation in most key sub-segments

- Marico's Volume Market Share in Hair Oil Market ~ 28%, up from 17-18% about 5-6 years ago

Likely Medium term Volume Growth ~ 15-17%

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



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

Riding a health care tailwind in India : **5 yr volume CAGR ~12%**

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

Entry into **breakfast cereals market** in 2010 (Saffola oats, savory oats and muesli)

22 million addressable households : Out of which Saffola reaches 3 million

Aim to expand the **non-oil portfolio to 25%** of Saffola Masterbrand in 3 years

Likely medium term volume growth: **~13-15%**

- 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

Male Grooming : Competitive Advantage



- Marico acquired Youth Brands (SetWet, Zatak, Livon) in May 2012
- Tail wind categories with low penetration
- Synergies with existing business
 - Leverage widespread Distribution network
 - Gain access to cosmetic/chemist outlets
 - Buying synergies (hair gels & post wash conditioners)
 - Raw Material, Packaging Material & Media



Hair Gels/Creams
Rs.175 Cr Market
Growing at 20-25%

- Deo market expected to consolidate in the next 4-5 years
- Access to global portfolio providing a ready innovation pipeline
- Modern Trade Channel : Future opportunity



Deodorants
Rs.1500 Cr Market
Growing at 30-35%



Recent Launches

Body Lotion

- Market Size : INR 550 cr
- Market Growth Rate : ~15%
- Marico Market Share : ~7%
- No. 3 position



Breakfast Cereals

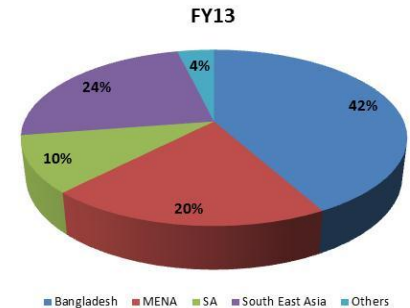
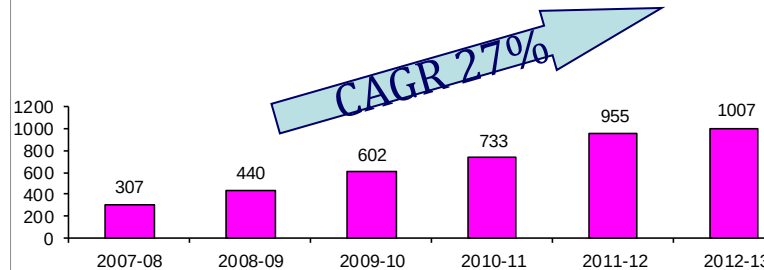
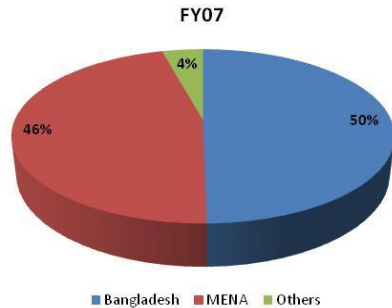
- Market Size : INR 600 cr
- Market Growth Rate : ~25%
- Marico Market Share : ~13% in Oats and 9% in Muesli
- No. 2 player in Oats and No.3 in Muesli

Livon Conditioning Cream Colour

- Market Size : INR 2500 cr
- Creams form 25% of the market, growing at the fastest pace
- Packed with features that no other brand of hair colour offers



International Business Group



- Focus on emerging markets of Asia & Africa
- Operates in Geographic hubs leading to supply chain and media synergies
- Opportunities for expanding footprint
 - Current: Bangladesh, Malaysia, Vietnam
 - Expansion: Rest of South East Asia
 - Current: GCC, Egypt
 - Expansion: Levant, NA Rim
 - Current: South Africa
 - Expansion: Sub Saharan Africa
- Brands with regional identity & expression
 - Customization based on local market insights
- Likely medium term organic growth : ~20%
 - Improve Operating Margin from ~11% to ~13%

International Geographies

Bangladesh



Categories :
Coconut Oil, Value
Added Hair Oils,
Powdered Hair
Dyes

Brands : Parachute,
Parachute
Advanced, Hair
Code

Middle East



Categories : Hair
Oils, Hair
Creams/Gels

Brands:
Parachute Secrets,
Parachute Gold

Egypt



Categories :
Hair
Creams/Gels

Brands:
Hair Code &
Fiancee

Vietnam



Categories:
Male
Grooming,
Skin Care &
Foods

Brands : X-
Men, L'Ovite,
Thuan Phat

South Africa



Categories :
Ethnic Hair Care,
Kids Hair Care,
Foods

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



Synergies of One FMCG Business

Strategic Unity

Shared Vision & Common Choice Making Framework

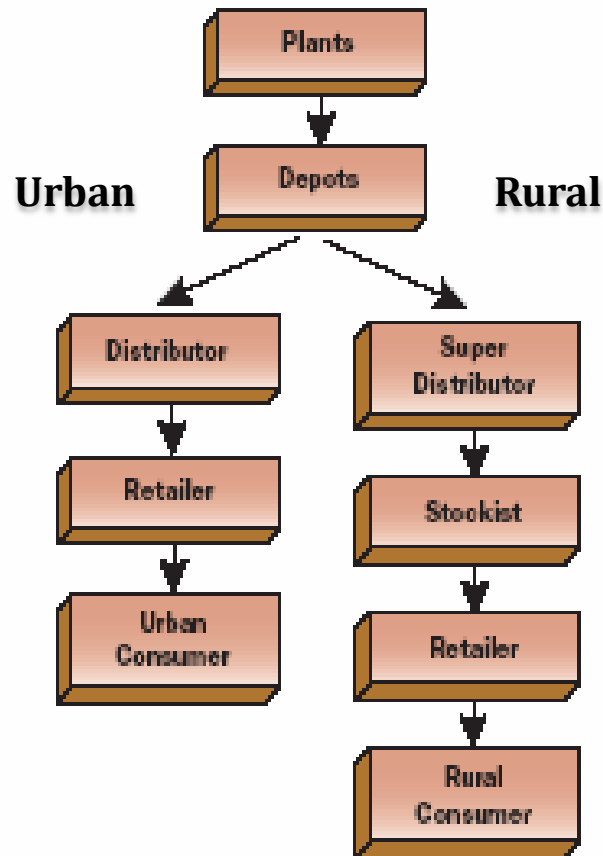
Common approach in Glocal Portfolio Management

Fungible International Talent Pool

Standardisation of Processes & Systems

Synergies in Cost Structure

Strong Distribution Network (India)



- Direct Reach: **Over 900,000 outlets**
- Indirect Reach: **~ 4 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**

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)

- Targeted sales force through bifurcation of portfolio

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
 - Post Wash Conditioners in India
- **Increase Share in other categories**
 - Hair Oils in India & Bangladesh
 - Hair creams & gels in the Middle East
 - Male Deodorants in India & Vietnam
 - Male Shampoo in Vietnam
- **Introduce new products – larger size than in the past**
 - Saffola Oats and Parachute Advanced Body Lotion (for example)
 - Broader play of our product platforms across key markets
- **Geographic Expansion**
 - South East Asia, Sub-Saharan Africa
- **Inorganic Growth**

Category Choice Making Framework

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

- **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 10% to 12%
- **Inorganic Growth to supplement Organic 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**
- **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**

Dividend Distribution & Cash Deployment



- Focus on maximization of shareholder value
- Marico has followed a conservation dividend policy over past few years
 - Deployed internal accruals to fuel organic & inorganic growth
- With higher cash generation, increased dividend in FY14 to 175% (Rs.1.75 per share)
- Could increase payout further if there are no M&A opportunities

Talent Management & Succession Planning



- Professionally managed organization
- Believes '**Culture drives business**'
- Fosters entrepreneurial spirit and sense of ownership in all members
- **Strategic Business Planning (SBP)** articulates Marico's future imperatives and capability needs
 - Translated to individual actions through Management By Results (MBR)
- Short term incentive plan is linked to MBR
- **Personal Development Planning(PDP)** to assess and nurture a members Potential and is distinct from Performance
- Long term incentive plan, **ESOPs** drives long term performance behavior.

Financial Highlights



Particulars (INR Crores)	FY09	FY10	FY11	FY12	FY13	CAGR %
Revenue from Operations	2388	2661	3128	3980	4596	19%
Profit Before Tax	230	298	376	400	552	22%
Profit After Tax	189	232	286	317	396	19%
EPS: Annualized (INR)	3.1	3.8	4.7	5.2	6.1	17%
Book Value per Share (INR)	7.40	10.70	14.90	18.59	30.77	
Capital Employed	829	1112	1712	1953	2889	34%
Net Worth	453	654	915	1143	1982	42%
EBITDA %	12.7%	14.1%	13.3%	12.1%	13.6%	
ROCE %	35	34	27	26	24	

Note: Previous year financials include Kaya

List of Acquisitions



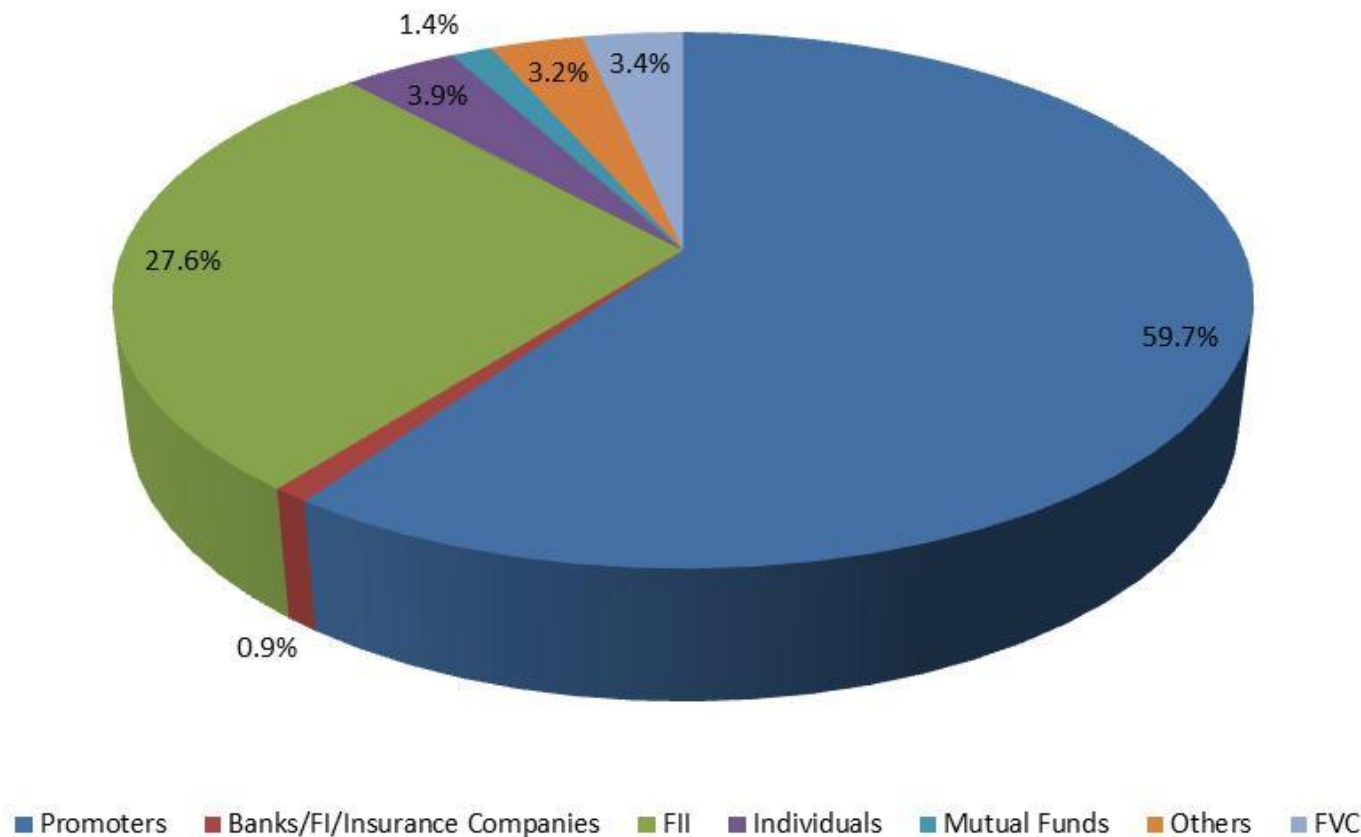
Company/Brand	Year of Acquisition	Country of Acquisition	Key Category
Nihar	2006	India	Coconut Oil
Manjal	2006	India	Soap
Haircode & Fiancee	2006	Egypt	Male Grooming
Enaleni (Consumer Division)	2007	South Africa	Hair Care
Code 10	2010	Malaysia	Male Grooming
Ingwe	2010	South Africa	OTC Health Care
ICP (85%)	2011	Vietnam	Male Grooming
Halite (Paras)	2012	India	Male Grooming

The Most Awarded FMCG



- Featured amongst eight Indian companies in **Standards & Poor's list of Global Challengers**
- Super brands voted **Parachute a Super Brand** in UAE & Bangladesh
- Marico won the **Annual Supplier Award by Bharti Walmart** and **Joint Business Planning – Best Debutant for 2012**
- **Innovator of the year-Supply Chain** for Agro Products” Award by Supply Chain Leadership Council in 2012
- **Gold for Saffola Oats** and a **Silver for Parachute Advanced Ayurvedic** at The APPIES 2012 for innovations in marketing communications across Asia
- **Saffola** won a Gold at the Inaugural **Mobile Marketing Association Awards 2012** in India
- Parachute Coconut Oil declared the **Overall #1 Brand in Bangladesh** by the Bangladesh Brand Forum 2012
- Marico won **the CIO 100 Award** for the fourth time in a row. Entered **the Hall Of Fame of the CIO 100** winners.
- **Hair Code** in Egypt won an **Effies MENA**
- **Marico Pondicherry** won the **IMC Ramkrishna Bajaj National Quality Award (RBNQA) 2012** (Certificate of Commendation), in the manufacturing category
- Marico ranked **2nd for Best Investors Relations** in the Consumer Sector across Asia in the 2012 Asia Investor Relations Perception Study
- Marico **ranked No.1** in the **Euro Money Asia's Best Managed Companies ratings 2013** in the Consumer Good category

Shareholding Pattern as on December'13



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-quartely-updates.php>

- **Investor Relations App**

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