



Marico Limited
Investor Presentation

November 2017

Portfolio : Beauty & Wellness

COCONUT OILS



HAIR OILS



HEALTHY FOODS



MALE GROOMING

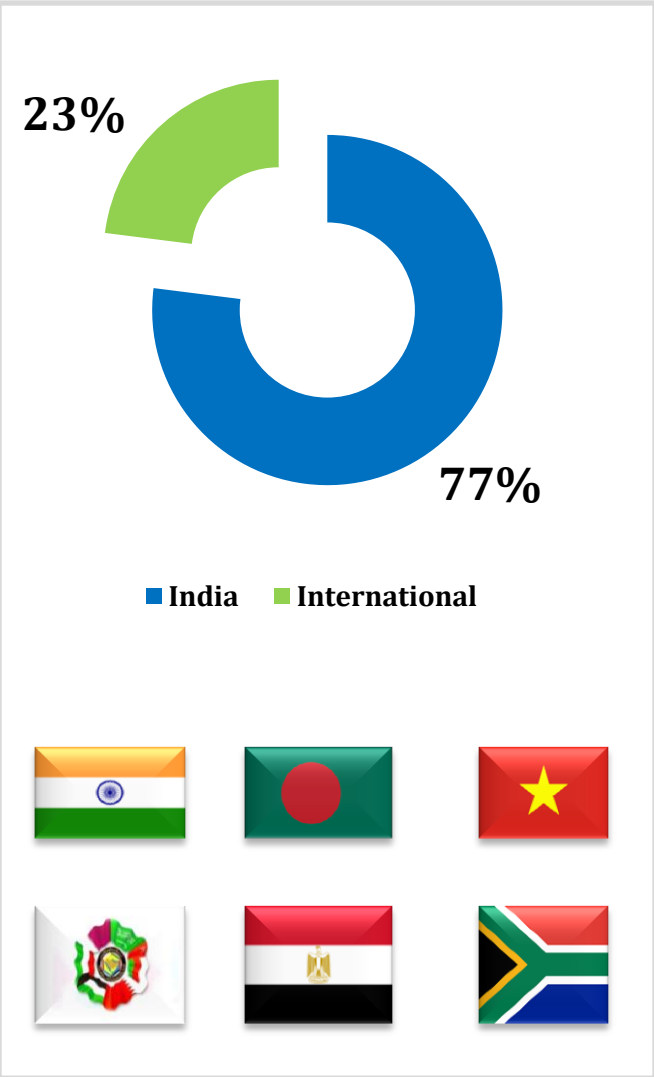


Market Leadership in Key Segments



Presence in growing emerging markets

Market Leader in 90% of the segments in our portfolio



Core Portfolio	Emerging Portfolio
Coconut Oil	Hair Styling (India)
Hair Oils	Serums (India)
Premium Refined Edible Oils (India)	Hair Styling (Egypt)
Male Shampoo (Vietnam)	Ethnic Styling (South Africa)
Oats (India)	Roll-on Deodorants (Vietnam)

RANK
1

RANK
2

Geography Choice Making Framework

Per Capita Income

Emerging economies with lower but fast growing Per Capita income

Population

Large young population – Demographic dividend



Maturity

Low penetration in our chosen categories
Lower intensity of competition from MNCs

Retail

High proportion of Traditional retail



**India Business (77%
of FY17 Revenues)**

Coconut Oil

The only Company with a national presence in ~USD 669 mn branded CNO market

Volume Market Share

Parachute	50%
Nihar	8%
Oil of Malabar	1%
Total	59%



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

5 yr volume CAGR in Parachute rigid packs ~6%

Headroom for growth

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



Likely near and medium term volume growth : 5-7%

Portfolio Share
30%

Value - Added Hair Oils



Category Play : Significant participation in most key sub-segments

Marico's Volume Market Share in Hair Oil Market ~ 34%

- Future focus on premiumization of the portfolio
- 5 yr volume CAGR in VAHO ~ 13%

Likely Medium term Volume Growth – Double digit

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

Portfolio Share
21%

Hair Oiling Category

- **Likely to see sustained growth**
 - One of the fastest growing 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
 - Reduces protein loss
 - Softens hair
 - Improves shine
 - Improves thickness, strength and length
- **Over the years, with economic growth, consumers have been up-trading**
 - Base oils → value added oils → specificity of benefit

Saffola



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

Riding a health care tailwind in India : **Saffola 5 yr volume CAGR ~8%**

Leadership position in **super premium refined edible oil** segment (67% Volume Market Share)

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

Market Leadership in Value Added Oats with 69% value share

Likely medium term volume growth in Saffola Oils: **Double digit**

- 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
16%

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

Market: ~USD 36 mn

- Achieved market leadership in Gels/Creams with 62% value share
- Modern Trade Channel : Future opportunity
- Deo market expected to consolidate in the next 4-5 years



Deodorants

Market: ~USD 310 mn

Strong Distribution Network (India)

- Indirect Reach: **4.7 million outlets** out of 9.9 million outlets – Huge Headroom for growth
- Direct Reach: **Over 853,000 outlets** - Initiatives in place to increase the reach
 - **Project ONE** – Targeting direct coverage increase in top 20 towns
 - Leveraged **technology** coupled with **robust IT Infrastructure** to drive impact
- Channel Split : **Modern Trade** has outpaced the other channels. **E-commerce** is still small with a strong growth potential.

Channel	Share of Business
General Trade	83%
Modern Trade	10%
CSD	7%

- Urban – Rural Split : **Rural sales up from 26% in FY10 to 31% in FY17**

	Share of Business
Urban	69%
Rural	31%

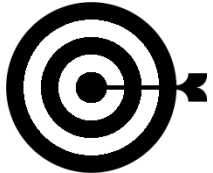
India Strategy – 5 Key Pillars



Grow the Core



Drive Premiumization



Focus on the Bottom of Pyramid



Drive E-commerce and Digital

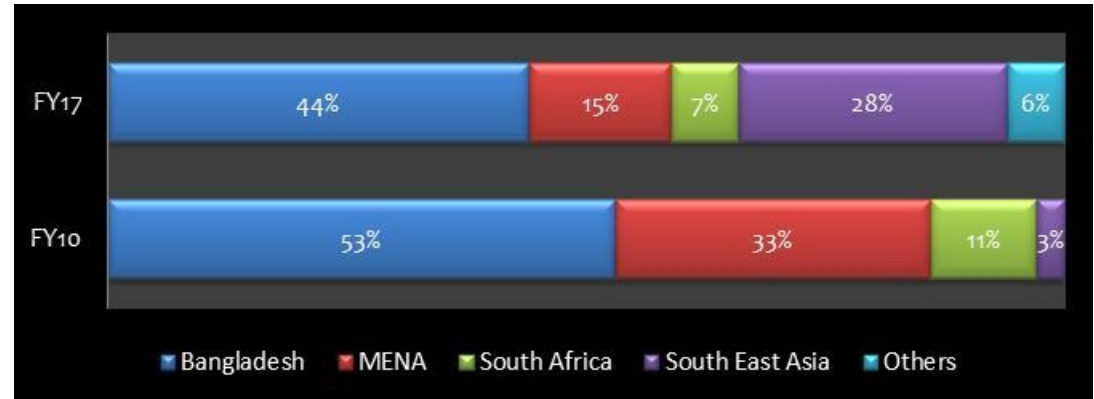
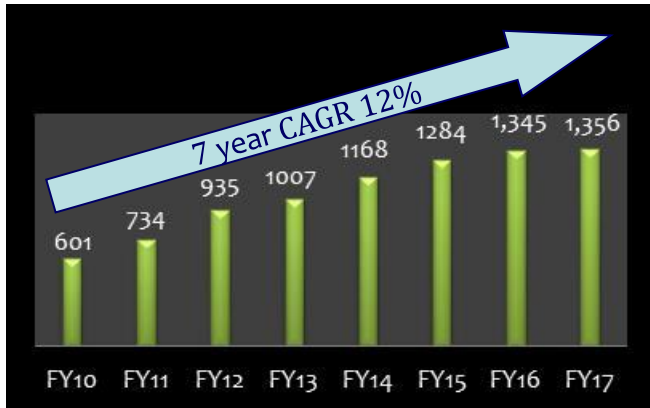


Build New Engines of Growth



International Business (23% of FY17 Revenues)

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 North Africa countries
 - From South Africa to East Africa and Sub Saharan Africa
- **Brands with regional identity & expression**
 - Customization based on local market insights
- **Likely medium term organic growth : ~12-15% (constant currency)**
 - Maintain Operating Margin at ~16-17%

International Portfolio

Bangladesh
44%



Categories :

Coconut Oil, Hair Nourishment, Colours, Male Grooming

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

Middle East
10%



Categories :

Coconut Oil, Hair Nourishment

Brands:

Parachute, Parachute Secrets, Parachute Gold

Egypt
6%



Categories :
Male Styling

Brands: Hair Code & Fiancee

Vietnam
25%



Categories:

Male Grooming, Foods

Brands : X-Men, Thuan Phat

South Africa
7%



Categories :

Ethnic Hair Care, OTC Health Care

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

Emerging Markets of Asia & Africa

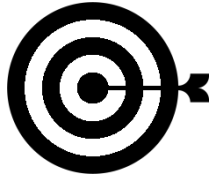
International Strategy – 5 Key Pillars



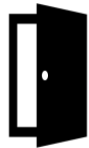
Scale Up Male Grooming and Nourishment Platforms



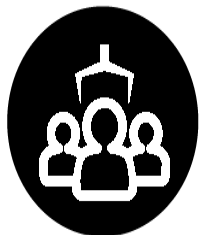
Drive “One Marico” Synergies



Existing Core Markets: Drive to Full Potential

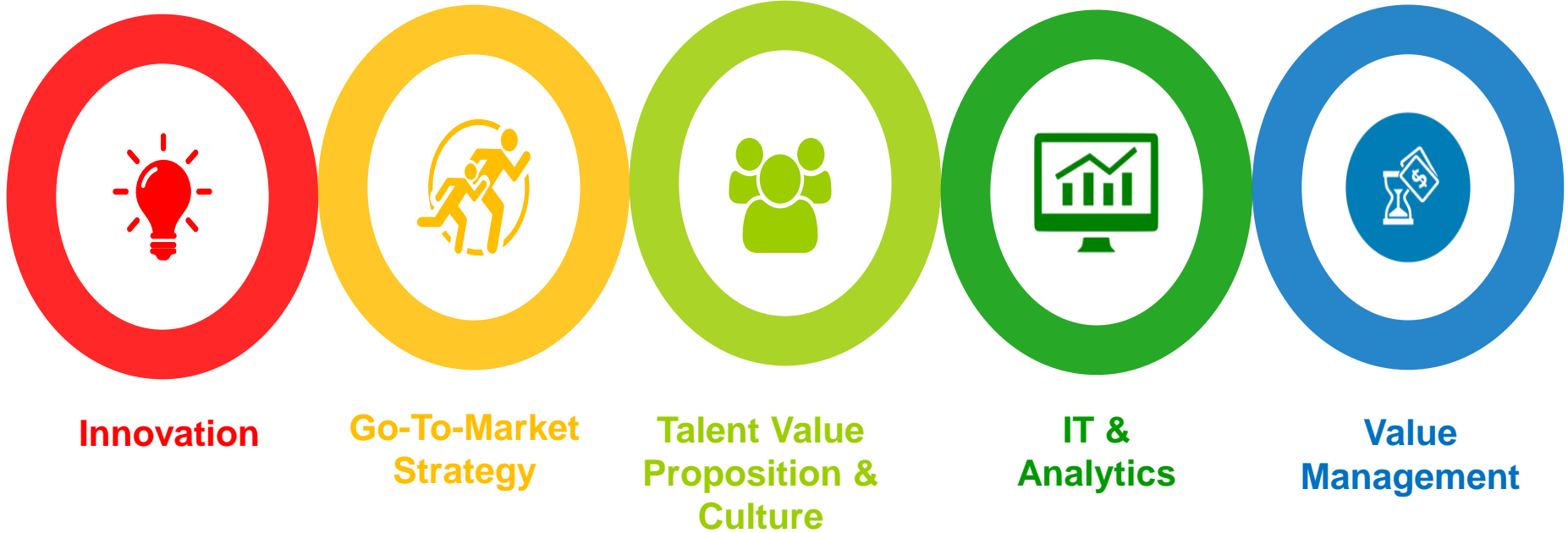


Strategic Entry in New Markets in Africa and Asia



Build Global Capability and Centres of Excellence

Key Areas of Transformation



Go-To-Market - Building Future-Ready Distribution



**WINNING
THROUGH
GO TO MARKET**

**LEVERAGE
IT &
ANALYTICS**

**OPTIMIZATION
OF SPENDS**

**NURTURE NEW
PRODUCT
DEVELOPMENT**

**SPECIALTY
CHANNELS**

Talent Value Proposition & Culture



Building Talent for Future



Learning



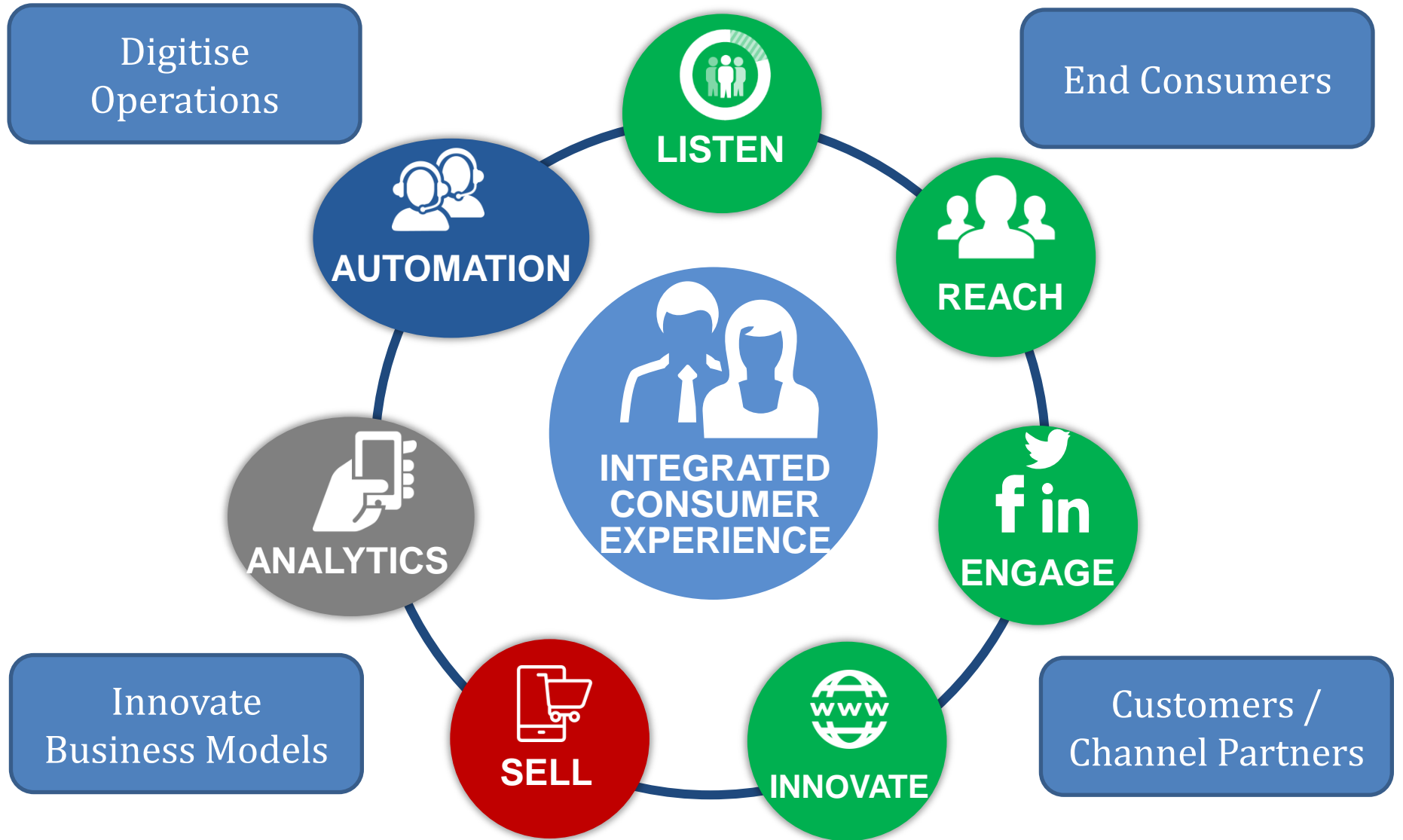
Creating Workplace for Future



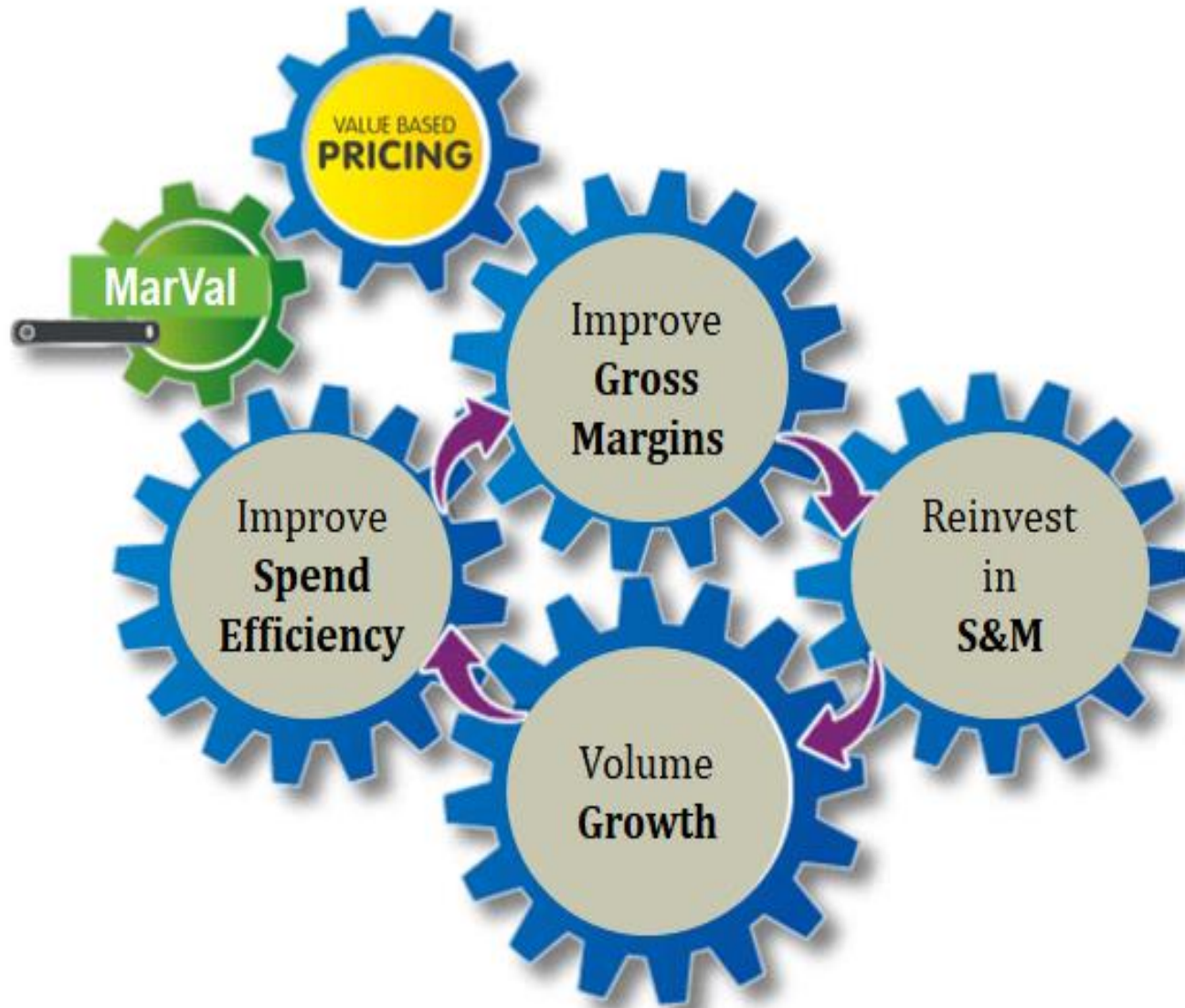
Driving Internal Communication to
#GetConnected



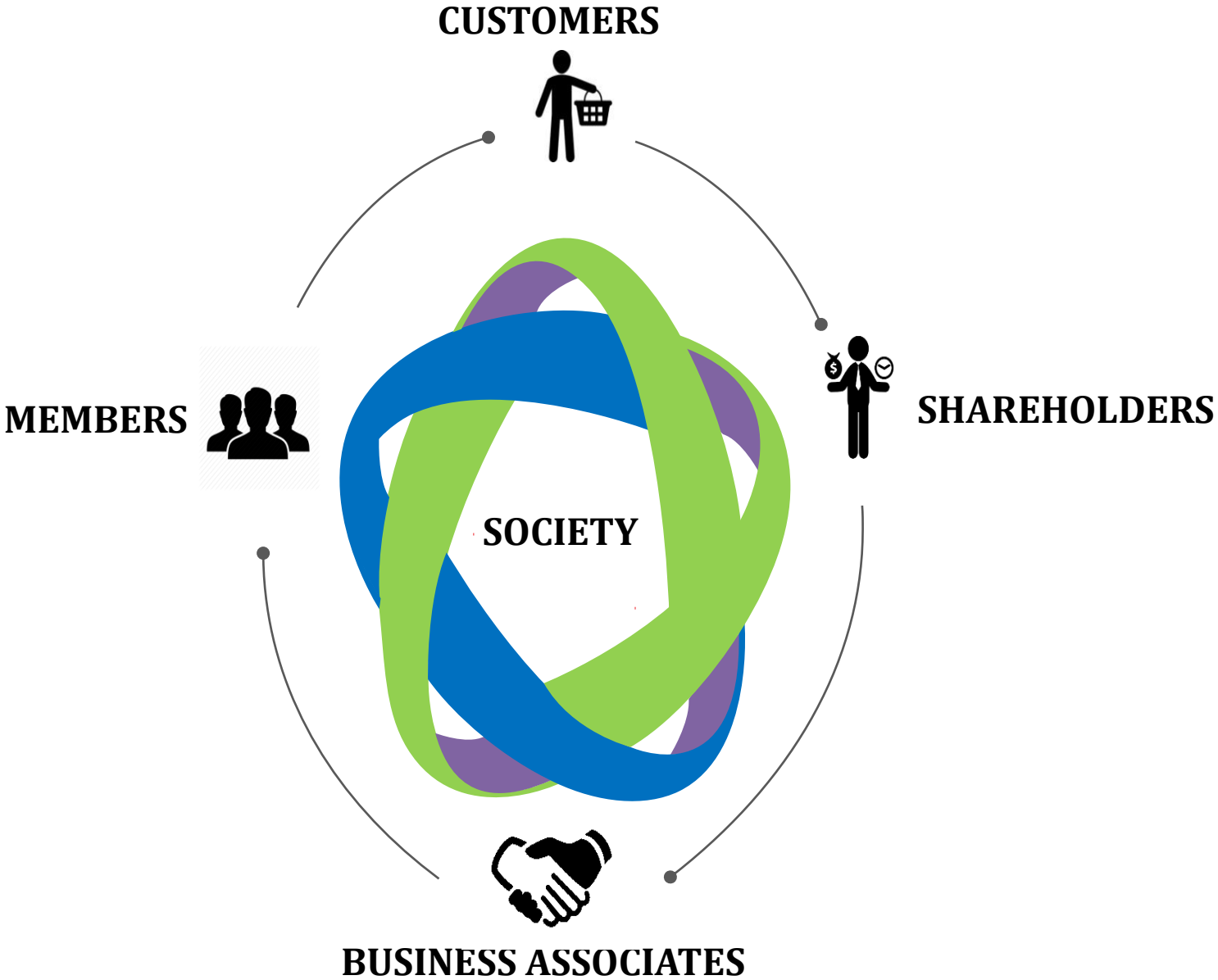
Strengthening Employer Branding



Value Management - A Virtuous Cycle



Living Marico's Purpose



Commitment Towards Sustainability



**Renewable
Energy**



**Becoming Water
Positive**



**Sustainable
Procurement**



**Responsible
Corporate
Citizenship**

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

	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
Dividend Payout Ratio	19%	24%	30%	69%	64%

- In the absence of M&A, dividend pay-out shall remain in 60-65% range in the medium term.

Note: The Company declared a one-time Silver Jubilee Third Interim Dividend of 175% and a total dividend of 350% in FY14. The dividend payout ratio increased to 47% in FY14 as compared to 19% in FY13. Excluding the one-time dividend, the payout ratio for FY14 is 24% which is reflected in the table above.

Exhibit 1 : Last 5 Years Financial Highlights



Particulars (USD mn)	FY13	FY14	FY15	FY16	FY17
Revenue from Operations	4,596	4,687	5,733	6,024	5,936
Profit Before Tax	552	695	822	1,029	1,150
Profit After Tax	396	485	573	711	799
Earnings per Share (INR)	6.1	7.5	8.9	5.5*	6.2*
Book Value per Share (INR)	30.7	21.1	28.3	15.6*	18.0*
Net Worth	1,982	1,361	1,825	2,017	2,326
EBITDA%	13.6%	16.0%	15.2%	17.5%	19.5%
ROCE %	24%	32%	39%	45%	47%

Note: FY13 includes Kaya. FY16 and FY17 financials are as per IND – AS and hence not comparable with earlier years.

*EPS and Book Value per Share for FY16 and FY17 has been calculated on the post bonus number of shares.

Exhibit 2 : Awards & Accolades



Forbes

INDIA'S
Super
50
COMPANIES

2016

**India's Super 50
Companies 2016**



ET

**Featured in the list of
India's Best Boards
2014**



**Institutional
Investor**

**Featured in the list of Best
Investor Relations
Programs 2016**



**THE INSTITUTE OF
Company Secretaries of India**
IN PURSUIT OF PROFESSIONAL EXCELLENCE
Statutory body under an Act of Parliament.

**Excellence in Corporate
Governance**



**WORKING
MOTHER
100 BEST
COMPANIES**

**Among Top 100 Cos. for
Working Mothers**

**MARICO IS
AMONG INDIA'S BEST
50 COMPANIES
TO WORK FOR 2017**

THE ECONOMIC TIMES 

**Rated 2nd among FMCG
Companies**

Exhibit 3 : Shareholding Pattern - September 2017

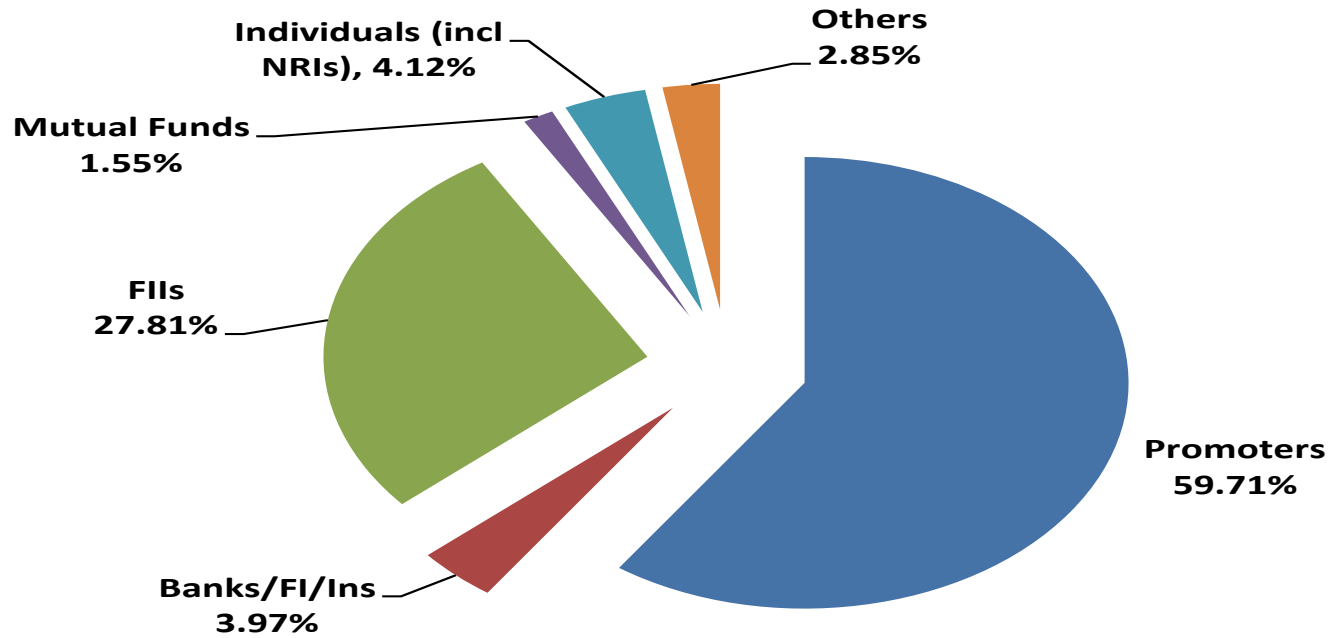
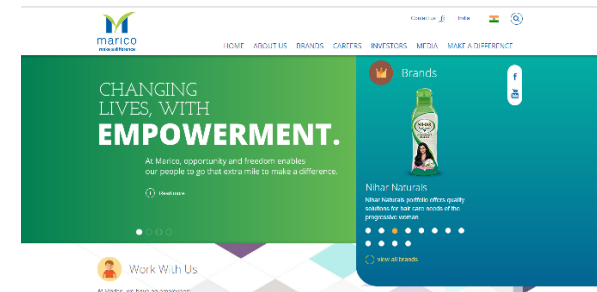


Exhibit 4 : Communication Protocol

- One on one meetings with the Buy side and Sell side
- Conferences and Non-Deal Roadshows
- **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





Thank You

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