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Marico : Snapshot



■ Beauty & Wellness Solutions

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

■ A leading Indian MNC Group

	INR	USD
■ Market Capitalization	14,000 Cr	2.4 Billion
■ Turnover FY 14	4,687 Cr	781 Million
■ Profit FY 14	485 Cr	81 Million
■ Turnover from overseas	25%	

■ Sustained Profitable Growth

- Turnover 16% Profits 21% **(5 yr CAGR)**

\$1 = Rs.60

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



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 10% to 12%
- **Inorganic Growth 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)	~ 56%	1	High
Parachute	Coconut Oil (Bangladesh)	~ 84%	1	High
Saffola	Super Premium Refined Edible Oils	~ 55%	1	Low
Saffola	Oats	~ 14%	2	Low
Parachute Jasmine, Nihar Shanti Amla, Hair & Care, Nihar Naturals	Hair Oils	~ 28%	1	High
X-Men	Male Shampoo (Vietnam)	~ 39%	1	Low
Fiancée / Hair Code	Hair Styling (Egypt)	~ 52%	1	Medium
Set Wet / Parachute Advansed	Hair Gels & Creams (India)	~ 33%	1	Low
Livon / Silk & Shine	Post Wash Hair Serum	~82%	1	Low
Set Wet / Zatak	Male Deodorants	5%	5	Low

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 467 mio) branded CNO market

Volume Market Share	
Parachute	45%
Nihar	9%
Oil of Malabar	2%
Total	56%



Market Size

Branded ~ INR 28 bn (~USD 467 mio)
Loose ~ INR 8 bn (~USD 133 mio)

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

5 yr volume CAGR in 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
31%

Hair Oils



Category Play : Significant participation in most key sub-segments

- Marico's Volume Market Share in Hair Oil Market ~ 28%

Likely Medium term Volume Growth ~ 15-17%

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

Portfolio Share
18%

Hair Oiling Category



- **Likely to see sustained growth**
 - Category growth rate in last 5 years : 17-18%
- **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**

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 35 mn)



- Deo market expected to consolidate in the next 4-5 years
- Modern Trade Channel : Future opportunity
- Achieved market leadership in Gels/Creams with 33% market share
- Growth in Male Grooming in FY14: 16%



Deodorants
Rs.1800 Cr (USD 300 mn) Market





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

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

Leadership position in **super premium refined edible oil** segment (55% Volume Market Share)

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

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

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

Portfolio Share
15%

Recent Launches



Body Lotion (FY12)

- Market Size : INR 800 cr (USD 130 mn)
- Market Growth Rate : ~15%
- Marico Market Share : ~6%
- No. 3 position



Oats (FY13)

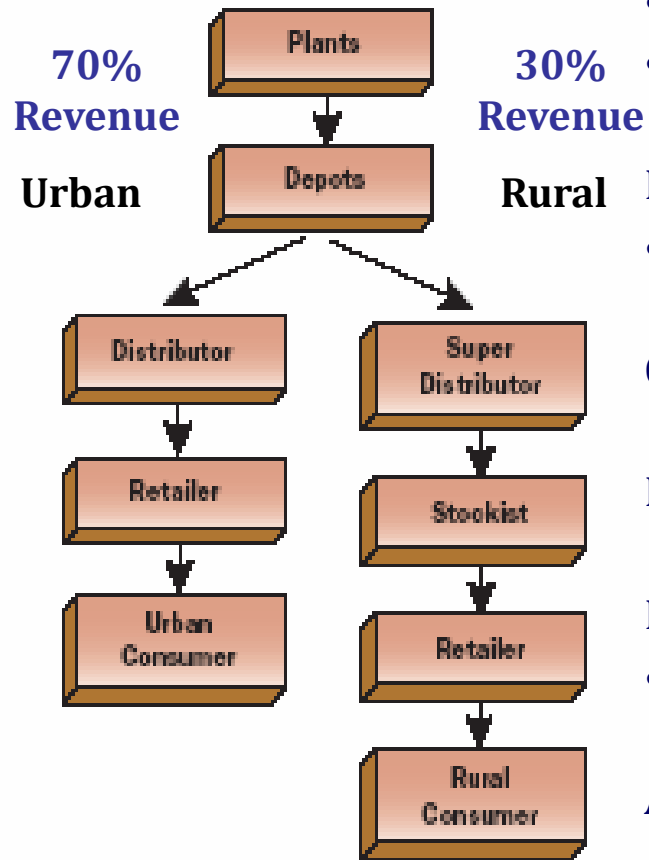
- Market Size : INR 250 cr (USD 40 mn)
- Market Growth Rate : ~15%
- Marico Market Share : ~14%
- No. 2 position

Livon Conditioning Cream Colour (FY14)

- Market Size : INR 2500 cr (USD 420 mn)
- Creams form 25% of the market, growing at the fastest pace
- Cream format at affordable price points



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**

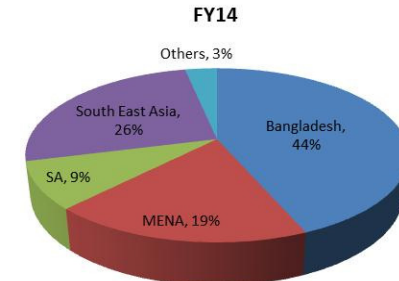
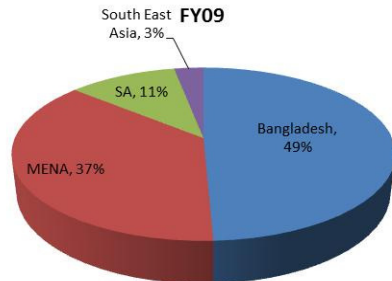
- Rural sales up from 25% in FY10 to 31% in FY14

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

Marico International



- **Focus on :**
 - Emerging markets of Asia & Africa
 - Hair & Skin Nourishment and Male 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 Levant, NA Rim
 - From South Africa to Sub Saharan Africa
- **Brands with regional identity & expression**
 - Customization based on local market insights
- **Likely medium term organic growth : ~20%**
 - Maintain Operating Margin at ~14%

Portfolio Share
25%

International Portfolio



Bangladesh
44%



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

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

Middle East
6%



Categories : Hair Oils, Hair Creams/Gels

Brands: Parachute Secrets, Parachute Gold

Egypt
13%



Categories : Hair Creams/Gels

Brands: Hair Code & Fiancee

Vietnam
25%



Categories: Male Grooming, Skin Care & Foods

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

South Africa
9%



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

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



International Strategy



Bangladesh
44%



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

Middle East
6%



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

Egypt
13%



- * Grow Creams/Gels market
- * Establish Value Added Hair Oils
- * Expand into North Africa/Levant

Vietnam
25%



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

South Africa
9%



- * Build Scale in SA
- * Expand in Sub-Saharan 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
 - Post Wash Conditioner/Hair Serums 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, Parachute Advanced Body Lotion, Livon Hair Colours
 - Broader play of our product platforms across key markets
- **Geographic Expansion**
 - South East Asia, Sub-Saharan Africa
- **Inorganic Growth to supplement organic growth**

Dividend Distribution & Cash Deployment



- Focus on maximization of shareholder value
- Marico has followed a conservative dividend policy over past few years
 - Deployed internal accruals to fuel organic & inorganic growth
- With higher cash generation, increased dividend in FY14 to 350% (Rs.3.50 per share)
 - Payout : 47%
 - Payout excluding the one-time Silver Jubilee dividend : 24%
- 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)	FY10	FY11	FY12	FY13	FY14
Revenue from Operations	2661	3128	3980	4596	4687
Profit Before Tax	298	376	400	552	695
Profit After Tax	232	286	317	396	485
EPS: Annualized (INR)	3.8	4.7	5.2	6.1	7.5
Book Value per Share (INR)	10.70	14.90	18.59	30.77	21.1
Capital Employed	1112	1712	1953	2889	2076
Net Worth	654	915	1143	1982	1361
EBITDA %	14.1%	13.3%	12.1%	13.6%	16.0%
ROCE %	34%	27%	26%	24%	25%

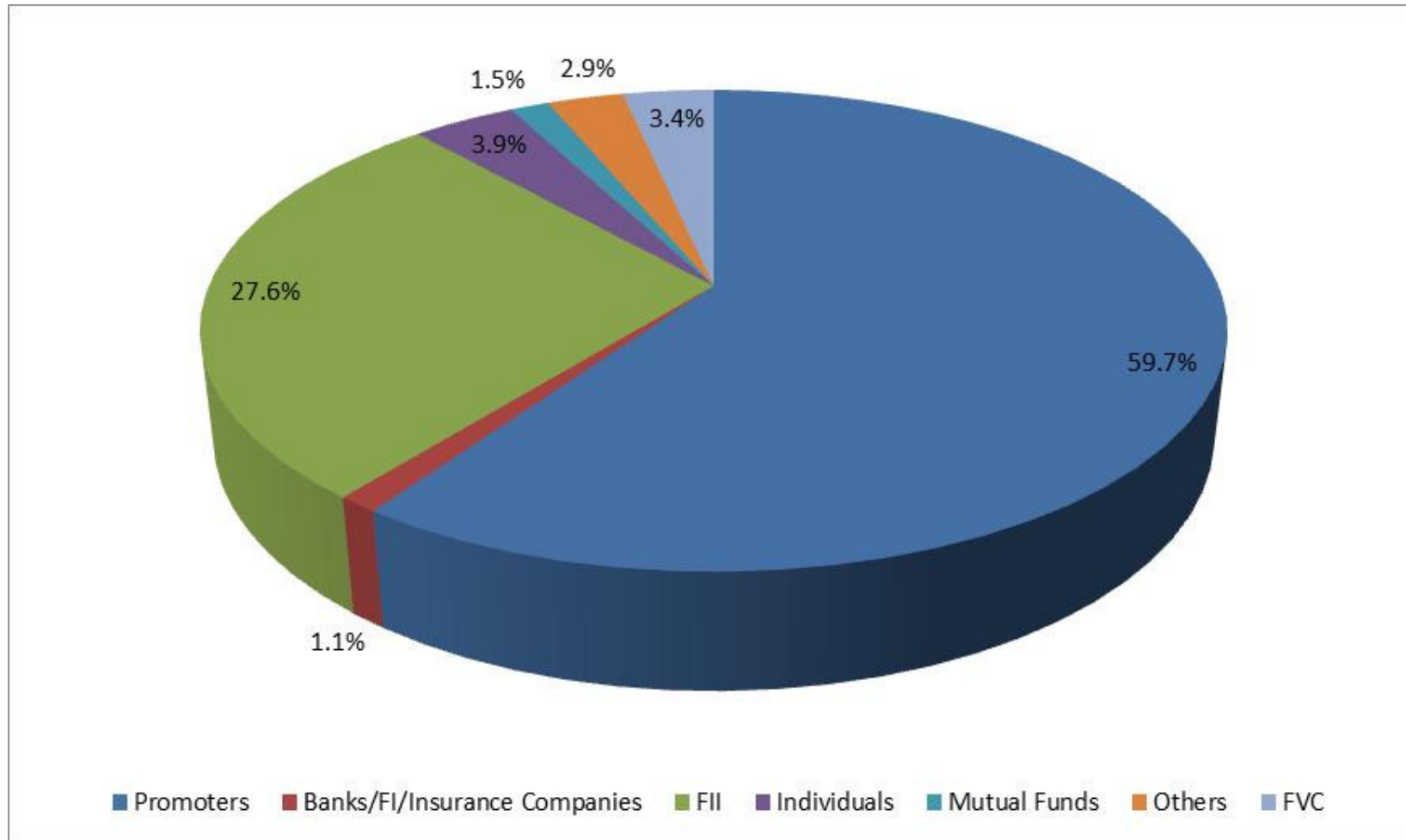
Note: FY14 financials do not include Kaya

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 March'14



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
- To download the App, click www.maricoinvestorapp.com





Thank You