

Marico Bangladesh Limited; Q4FY13 Information Update

Business Performance

During the quarter Marico has posted a strong performance by recording a growth of 23% in turnover and about 430% growth in the Profits after Tax. The growth in profits also included a one-time income resulting from sale of fixed assets relating to its soap business as well as divestment of the brands “Aromatic” and “Camelia”. The growth in profits excluding this one-time item is 288%.

This growth came in an environment which witnessed disruption in the business environment due to political unrest and “hartals”.

The business posted a broad based growth well supported by healthy performances across all its product categories viz. Coconut Oil, Value Added Hair Oil (VAHO) and Powdered Hair Dye.

On a full year basis during FY13, the Company registered a marginal growth of about 1.4% in terms of Top Line and 62% in Profit after Tax as compared to FY12.

The cost structure for the quarter and ended March 31, 2013 as compare to FY12 is given below (before including one off item)

Particulars	Q4FY13	Q4FY12	FY13	FY12
Cost of Goods Sold	66%	78%	64%	76%
Sales & Distribution expenses	11%	24%	12%	9%
Other expenses	10%	9%	8%	6%
Operating Margins	13%	-11%	15%	9%
PBT	19%	-11%	18%	11%
PAT	14%	-9%	13%	9%

“Parachute” coconut oil, the flagship brand for the Company has reported a volume growth of 6.8% in Q4FY13 as compared to Q4FY12. It has now further improved upon its market share in the branded coconut oil segment by another 200 basis points, the highest ever in Marico Bangladesh history. This reinforces our belief in our existing market strategy and campaigning of promoting “Parachute” purity and quality. Volume growth in VAHO category was 11.2% in Q4FY13 as compared to Q4FY12. In the Value Added Hair Oil (VAHO) space, the bullish run continued throughout the Quarter and the performance was as per expectations. The activation initiatives embarked upon during Q4FY13 on the range of “Nihar Naturals” Hair Oil range has been encouraging and we expect this to further aid our VAHO growth aspirations in the next Financial Year.

FY12-13 11-12

Topline	612	604
PBT	117	70

(all in Tk./cr.)

1 out of every 2 Bangladeshi is a Marico consumer

Parachute brand voted the “Best Brand” award for FY’11-12 across all categories by Nielsen Bangladesh & Bangladesh Brand Forum

The Gazipur factory is ISO9001, ISO 14001 & 18001 certified

ICMAB awards Marico Bangladesh the 2nd best Multinational in the areas of Cost & Management Accounting

Super Brands voted Parachute a Super brand in Bangladesh

Marico distribution network covers over 7 Lakhs outlets

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Hair Code brand (powdered Hair Dye business) which was earlier marred by supply led constraints is now behind us ending the year with an 8% value growth. During the Quarter a new “Hair Code Active” variant has been introduced with the aim to address untapped market segments in 3 different shades. In a short period since its launch it has gained a percentage market share in this segment. The “Hair Code” brand is the number one player in this category.

Over the last three years, as part of our “long-term” business strategy, we have been making concerted efforts to reduce the contribution of Parachute Coconut Oil (PCNO) to our overall business portfolio. This has started yielding dividends and for the financial period ended 31st March 2013 (FY13), PCNO contribution to the overall business achievement stood at 87%. Three years back (FY11), it was at 92% while during the previous financial period (FY12) it was 89%. The journey is expected to further enhance over the years with the inclusion of newer product categories and brands

The production of the new copra crushing plant at “Shirirchala” which commenced in Q3FY13 is fully stabilized and we now service all our requirements through this factory thereby ensuring 100% in-house supply assurance for our crushing operations.

During the last Quarter, the Company received accolades from the Institute of Cost and Management Accountants of Bangladesh (ICMAB), a statutory organization constituted by the Government of Bangladesh for our efforts in the areas of Cost & Management Accounting. We were awarded the 2nd best Multinational in Bangladesh. BRAC EPL Stock Brokerage Limited one of leading stock brokers of the country awarded the Company the best “Investor Relations Award” for Yr’12.

Outlook

The country is currently witnessing certain degree of political turmoil and uncertainties which could continue in the coming Quarters of the next Financial Year. This may have a bearing on the overall trade sentiments and consumer spending thereby impacting the short term performance of the sector. The Company is however cautiously optimistic given the healthy performance in Q4FY13. We also believe that the building blocks are in place to capture the long term potential consumer sector in Bangladesh.