

Marico to complete acquisition of Beardo by this fiscal-end

ABHISHEK LAW

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Home-grown FMCG company Marico hopes to complete the acquisition of male grooming brand, Beardo, by the end of this fiscal. Post acquisition, Beardo will be a wholly-owned subsidiary.

Mumbai-based Marico, had in March 2017, made a strategic investment in the start-up Zed Lifestyle (owners of the brand, Beardo) for an undisclosed consideration.

According to Vivek Karve, CFO, Marico Ltd, there is a plan to integrate the Beardo business “within the next 12 months”. Beardo, which is a profitable brand, plays in the mass-premium-to-premium men grooming category.

“While we may continue to run the business through a separate entity, we will own that business (Beardo) 100 per cent, eventually,” Karve told *BusinessLine*.

Sources say the acquisition



Vivek Karve, CFO, Marico Ltd

may happen through primary infusion and secondary buyouts.

As per the company's latest annual report, Marico has a 42.88 per cent stake in Zed Lifestyle and the latter is categorised as an “associate company”. An associate company is one where the parent (in this case Marico) has a minority stake.

Karve added that Beardo is run as a “separate company”, with a separate management team. However, the start-up will continue as a “subsidiary of Marico”. Asked if there will be any re-branding post integ-

ration, the CFO said: “They are known for the brand that they have created. Marico will provide the necessary support from time to time.”

Male-grooming

Start-ups like Beardo have been able to make inroads in the still niche male grooming category in India, which is pegged at ₹3,600 crore and has a double-digit CAGR.

Marico, incidentally, has been focusing on the men's grooming category for a while now. In the first three months of this fiscal (April to June), the male grooming franchise had a flat quarter (year-on-year growth) due to a weak performance in deodorants.

It, however, does not expect any medium term concern given the healthy traction in hair gels, hair wax and the on-line only portfolio of premium face-wash and body-wash categories.