

Marico Bangladesh Limited; Q1FY14 Information Update

Business Performance

Marico has completed its first quarter (Q1) for the financial year FY'14 with a robust performance registering 16% growth in turnover and 141% growth at PAT level.

This growth came in an environment which witnessed slowdown of country's overall business due to political unrest & "hartals" and other macro-economic factors.

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.

The cost structure for the quarter ended June 30, 2013 (Q1FY14) as compare to Q1FY13 is given below:

Particulars	Q1FY14	Q1FY13	FY13	FY12
Cost of Sales	52%	69%	64%	76%
Sales & Distribution expenses	8%	7%	12%	9%
Other expenses	14%	11%	8%	6%
Operating Margins	26%	13%	15%	9%
PBT	30%	15%	18%	11%
PAT	22%	11%	13%	9%

"Parachute" coconut oil, the flagship brand for the company witnessed a growth of 9% in Q1FY14. This has been the second consecutive Quarter growth after a gap of more than a year. With our market share intact and steady volume growths, performance in this category is expected to remain healthy during the balance part of the Financial Year (FY14).

VAHO continued its growth momentum with the highest ever Quarter sales in Q1FY14. Growth of 18% on a Q n Q basis was primarily driven by "Beliphool" and "Advansed" which witnessed impressive growths of 30% and 81% respectively. Brand "Nihar" experienced negative growth versus the Last Year same Quarter as it failed to grow over its initial placement volume. However, the brand within a year of launch is experiencing positive tractions over the last few months and with volumes now stabilizing, we anticipate an energizing road ahead in this segment.

"Hair Code" powdered hair dye along with its new variant has performed well and is back on the growth track with a 17% value growth over same period.

FY 12-13 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
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Marico distribution
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The company has launched its post wash serum “Livon Silky Potion” which the parent company, Marico Limited had acquired from Paras Pharma in India. This handy and easy to use post wash serum instantly smoothens and softens the hair with its unique Cutisoft formula by forming a coat on the hair strand. The initial response is extremely positive and we expect this brand to contribute favourably to our long term growth strategy. The product is manufactured locally in Bangladesh.

Other update:

During the Quarter, two of our depots i.e. Dhaka & Jessore have been awarded as Best VAT Payer in trading category by National Board of Revenue.

Outlook

The country continues to witness varying degrees of political turmoil and uncertainties which would continue in the coming Quarters of the current Financial Year. This may have a bearing on the overall trade sentiments and consumer spending thereby impacting the short term performance of the sector. But with a strong Quarter 1 performance, the Company is well poised and confident to deliver a healthy performance in Q2Fy14 and the balance part of the year. We believe that the building blocks are in place to capture the long term potential consumer sector in Bangladesh.