



marico
make a difference

Adapting to Change

What separates the *BEST* from the *REST*!

Virtual Session with
Mr. Saugata Gupta, MD and CEO, Marico Limited

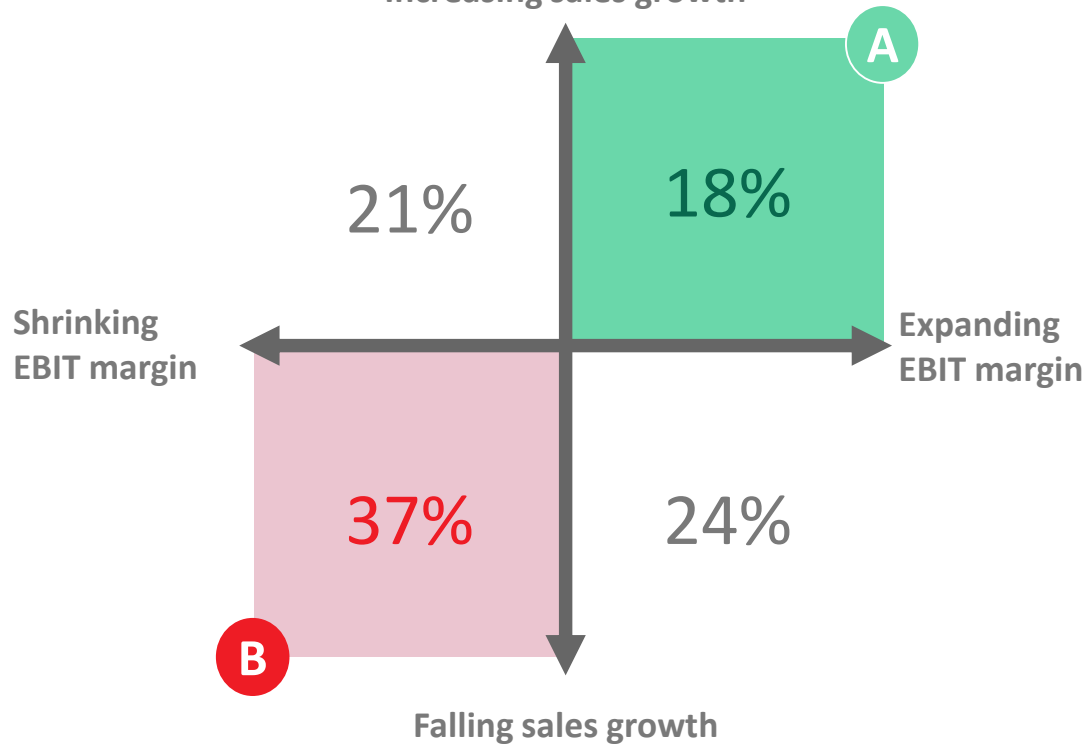
COVID has accelerated several trends and also led to some permanent resets in consumer behaviour as well as business landscape



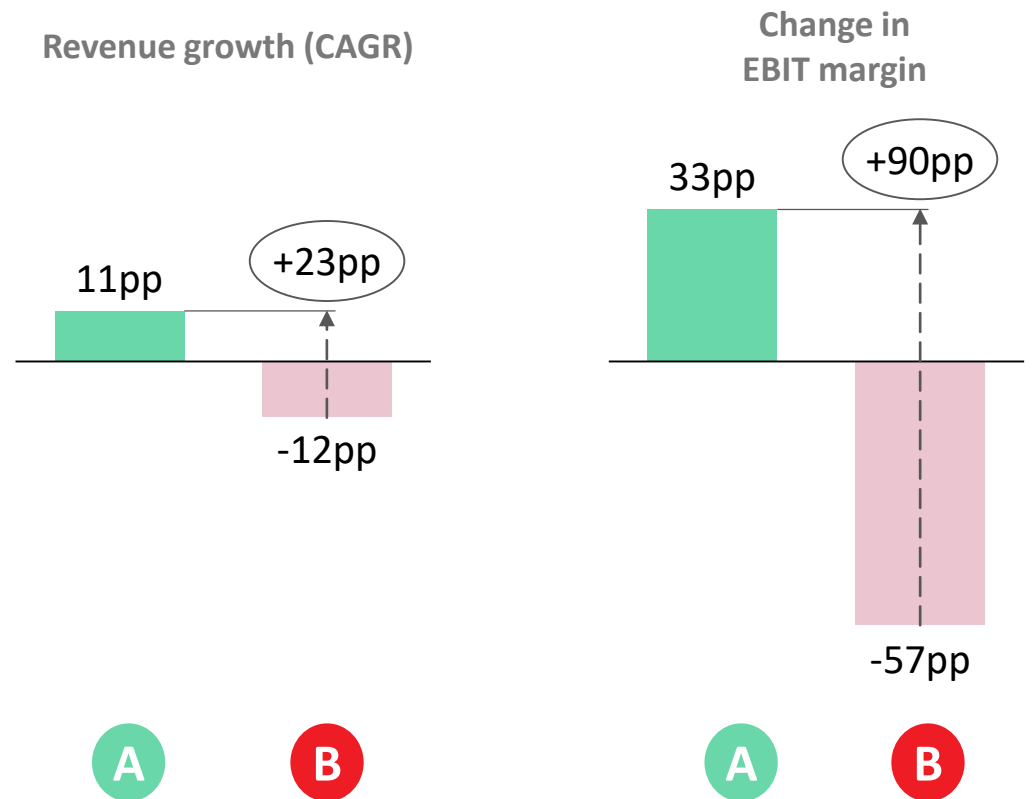
Downturns rearrange the board – Strong get stronger, while weak get stalled

Example: Top 1000 public companies in India during the 2008-09 Global Financial Crisis

18% of companies¹ improved growth and margin, while
37% declined in both...
Increasing sales growth



...and the performance gap between them is substantial



1. Indian public companies with Market Cap > \$10M, excluding Banks, Insurance, Asset Management companies

Note: Based on revenue growth & EBIT Margin growth (from FY'09 to FY'12) compared to three-year pre-downturn baseline (from FY'06 to FY'09)

Source: S&P Capital IQ Financial Statements, BCG analysis

Innovation loves a crisis!

2002-04

SARS Outbreak

Anxiety around travel and human contact



2008

Financial Crises

Lower incomes fuelling growth of sharing economies



2020

COVID Pandemic

Contactless Delivery

Distance Learning

Telehealth

.....& so many

'Never let a crisis go waste!'

How *Winning Companies* behave differently from rest of the lot



COVID has impacted many industries; significant downtrading seen in discretionary categories

Top Winners



Daily Essentials

Personal & Household Care



At-Home Entertainment

Savings & Insurance



Health & Wellness

Education



Top Losers



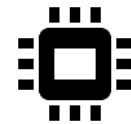
Travel & Transport

Out-of-Home Entertainment



Discretionary Spends

Electronic Durables



Home Improvement

Automobiles



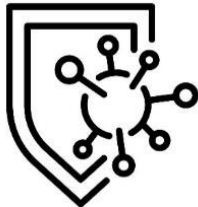
Several changes in consumer behavior and on-ground challenges impacting the FMCG industry

Consumer Trends



**ONLINE RETAIL
ADOPTION**

**NEED TO BOOST
IMMUNITY**



**INCREASED HEALTH
CONSCIOUSNESS**



**HYGIENE
CONSCIOUSNESS**



**RESURGENCE OF
AT-HOME COOKING**

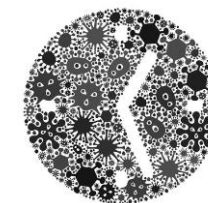


Operational Challenges



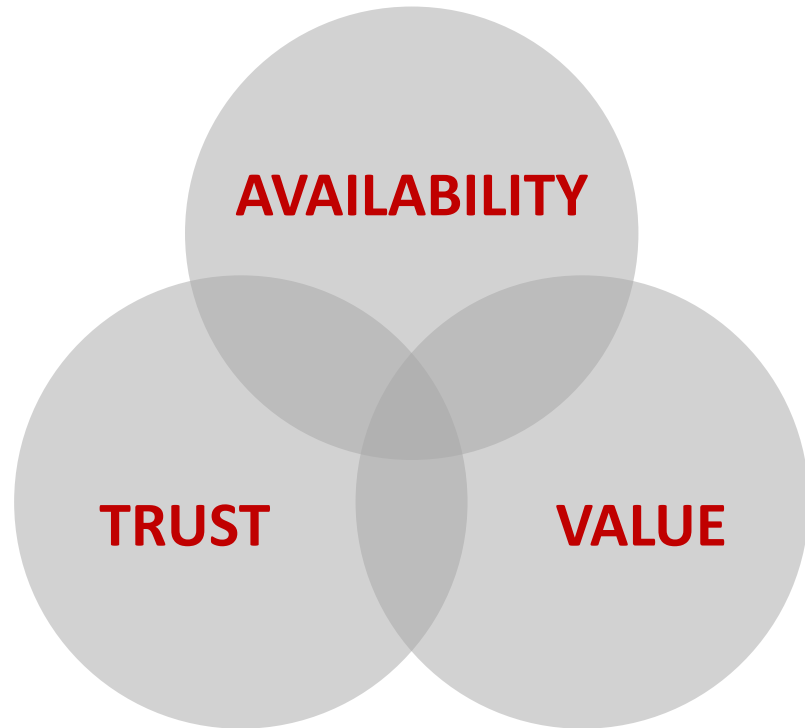
**SUPPLY CHAIN
DISRUPTIONS**

**GEOGRAPHICAL
DEMAND SHIFTS**



**MEMBERS'
HEALTH & SAFETY**

The changing and challenging environment presents an opportunity for the top FMCG players to outperform the market



- **AVAILABILITY** = market share
- **TRUSTED** brands are gaining preference
- Pass on **VALUE** to the consumer to ensure downtrading within the brand

Top performing FMCG companies are leveraging the down-time for investing into future offerings and capabilities



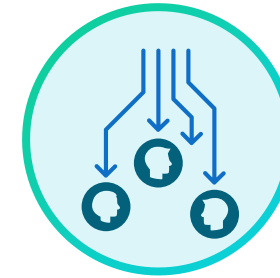
New offerings to address changing consumer needs



Contactless selling and digitization of sales process



Enhancing direct-to-consumer outreach



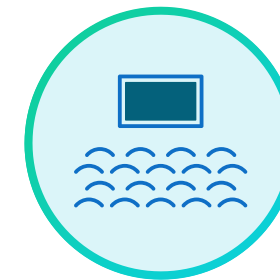
Rethinking GTM & SCM models



Managing cash flow and costs aggressively



Supporting channel partners & broader ecosystem



Building capabilities for future

New offerings to address changing consumer needs: several new launches in the hygiene and immunity space in the sector

Hand Sanitizers



Vegetable/Fruit Cleaners



Surface Disinfectants



Natural / Ayurveda Supplements



Immunity Milk



Immunity Blend Tea

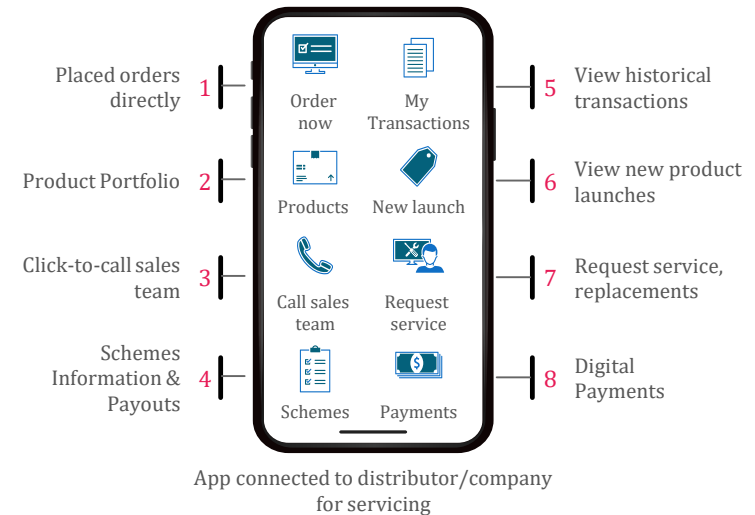


Contactless selling and digitization of sales process: experimenting with new models for capturing demand



Centralized telecalling operations to directly capture demand from retailers

Potential channel to service the tail outlets & fill-in for absenteeism



Retailer App to empower the retailers with direct company connect

Enhancing direct-to-consumer outreach:

Increasing presence across ecommerce and direct to consumer platforms



Ensuring availability across width of e-com platforms



Creating DTC platforms to reach consumers directly

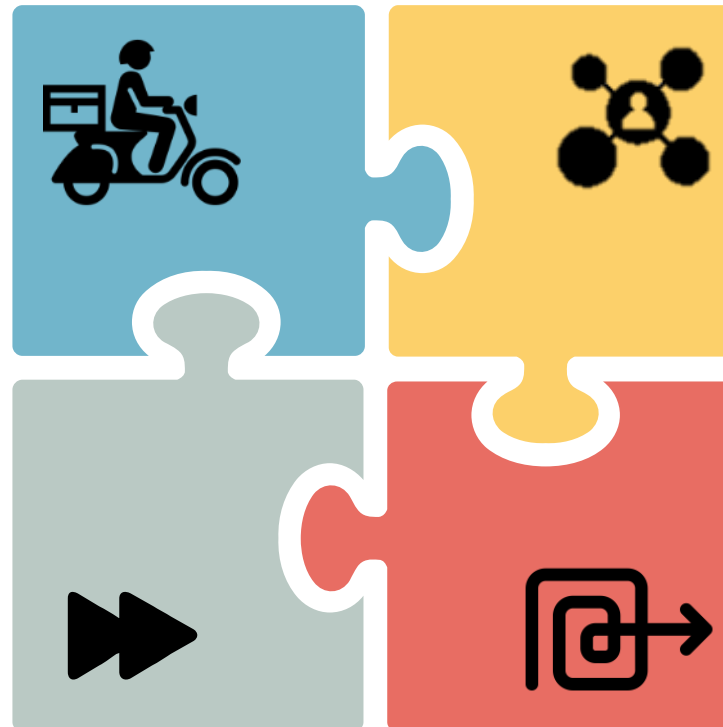


Ecom specific larger SKUs / value packs

Rethinking GTM & SCM models: ensuring availability in an unpredictable environment

Last Mile Delivery Partners

Innovative partnerships to increase penetration e.g. Swiggy, Zomato, Dunzo, etc.



Alternate Distribution Models

Collaboration with new age logistic providers for last mile delivery; Direct supply from Depot to Retailer

Higher Agility & Responsiveness

Dynamic demand & supply planning, flexible production capacities, shorter supply chains

Simplification

SKU rationalization to improve productivity; RM/PM standardization

Managing cash flow and costs aggressively:

ensuring financial sustainability and investing into future growth engines



Channel
Liquidity



Fixed / Establishment
costs

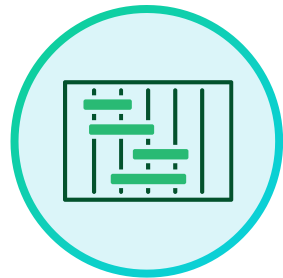


Supplier
Costs



People
Costs

Supporting channel partners & broader ecosystem: extending support to ensure safety and financial sustainability



Adjusting schemes/
target to ensure payouts,
provide liquidity



Supporting local
communities with PPEs,
food supplies



Providing health
insurance, protective
equipment to extended
ecosystem

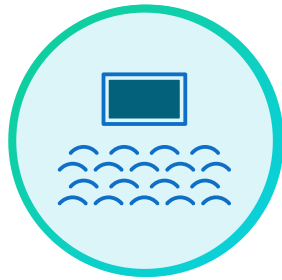


Extending credit on
selective basis to
support channel
partners

Building capabilities for future: preparing for winning in the new normal



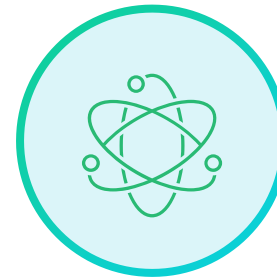
Creating new
digital solutions



Upskilling sales
team



Building analytics
capability



Contactless
customer
engagement



New ways of
working

Marico has leveraged COVID crisis to accelerate transformation agenda across the organization



Realigning the portfolio - several new launches in health & hygiene segment



Aggressive cost management agenda being driven by Super MarVal program



Tie-ups with Swiggy, Zomato, Dunzo, etc. across 30+ cities in India



Centralized telecalling operations and mobile app for retailers to directly place orders



Collaboration with new age logistic providers; Direct supply from Depot to Retailer



Offline-to-Online: Exclusive brand websites and presence across marketplaces

We have been committed in the fight against COVID and supporting those who have been affected or are at risk



2.3+ lac cooked meals served



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31+k liters of oil distributed



15+ lac mini meals served



~1.5 lac Dry ration delivered



~7.5 lac Hair oil bottles distributed



1.35+ lac grooming products delivered



1.7+ lac masks delivered



358 liters of Handwash delivered



555 liters of hand sanitizer delivered



~24k Hand gloves delivered



3900 surgical caps delivered



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100 medical suits delivered

...will continue to invest

New Normal will need New 'Ways of Working':

Our people priorities have been strengthened by COVID-19 crisis



Smart Work

(more remote, lower cost)



New Paradigm for Skills & Talent

Physical & Mental Health



Leadership with Empathy & Trust

Flexible Workforce



Purpose-driven Culture



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THANK YOU

