

# After brief lull, acquisitions back on Marico's radar

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Consumer products major Marico is open to making acquisitions in the Southeast Asian and East African regions in a bid to expand its footprint. The move comes as Marico is consolidating gains made in local and international businesses.

For the quarter ended December 2015, the company reported a 24-per cent growth in consolidated net profit at ₹198 crore.

Net sales grew seven per cent to ₹1,556 crore, led by a 10-per cent underlying volume growth, though price-led growth declined three per cent.

Gains came due to a volume uptick in Saffola edible oil and value-added hair oils. The flagship brand, Parachute, which gives Marico 27 per cent of its domestic revenue, however, saw a four-per cent volume growth. Marico



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derives around 75 per cent of its revenue from domestic operations.

On the international front, the business that gives Marico close to 25 per cent of revenue, grew 10 per cent on a like-to-like basis for the December quarter. Marico had last executed a major merger and acquisition

(M&A) transaction about four years ago when it acquired personal care brands of Paras Pharma for ₹750 crore.

The past four years were spent integrating newly-acquired brands, re-staging them, consolidating domestic and international operations and demerging skin solutions division Kaya from

the fast-moving consumer goods (FMCG) business.

"Now that we have improved our capability and foundation in the business, we can look at inorganic opportunities," said Saugata Gupta, managing director and chief executive officer, Marico.

The firm is expected to explore avenues in this regard over the next 18 months. Parallely, Marico will enter market on its own like it recently did in Sri Lanka, Tanzania, Uganda and Kenya.

The ball was set rolling about six months ago, when Marico created two business clusters. One for Southeast Asia and the other for the rest of South Asia, West Asia and Africa.

The first cluster had Vietnam, Myanmar, Malaysia and the second Bangladesh, West Asia, Egypt, North Africa, sub-Saharan and South Africa.