



Saugata Gupta
MD & CEO
Marico
Category: Large
(revenue between Rs 2,500
crore and Rs 7,500 crore)

THE WINNING STRATEGIST

Even in an era of inflationary environment, Marico's Saugata Gupta has maintained focus on the company's targets
By Monica Behura

MARICO HAS EVOLVED into one of the leading Indian FMCG companies from manufacturing its iconic brand Parachute Hair Oil to Saffola Oil. It has positioned itself on the beauty and wellness

platform and caters to hair care, healthcare and skin care. Saugata Gupta, MD & CEO of Marico, winner of *BW Businessworld's* Most Valuable Chief Executive in the Large companies category is believed by analysts as the man who "makes the right moves".

Under Gupta's leadership, the company has been at the forefront of launching innovative products and services such as Saffola Savoury and Sweet Oats, to provide Indian consumers premium personal care products. Marico has captured inorganic growth opportunities with acquisition of two hair care brands in Egypt, Fiancee and Haircode, which give it control of 50 per cent of the hair care market in the country.

Edelweiss Broking, in its report analysing the Q3 results, forecasted that Marico could clock 8-10 per cent volume growth under Gupta, translating into 13-15 per cent revenue growth in Q4FY18. Marico reported strong set of numbers for Q3FY18, in-line with consensus estimates. Revenue (net of excise duty for the base quarter) grew

by 15.1 per centy-o-y to Rs 1,624.3 crore. Ebitda grew by 10.7 per centy-o-y to Rs 302.1 crore.

Post GST, Gupta announced price rise of certain products like Parachute, but it sustained growth despite the price hikes. Gupta's strategy of focusing on improving volumes and market share gains has been amply displayed over the last few years under his leadership. Even in an era of inflationary environment, Marico has displayed strength in maintaining margins as well as improved market share.

Analysts have praised Gupta's incubating ideas (preferred over inorganic growth) and expanding rural by 25 per cent to 53,000 villages during FY14-17) and urban distribution. Marico remains one of the key beneficiaries of revival in urban demand (urban is 65-70% of sales). Recovery in rural growth will further help Marico, as it has initiated steps to enhance penetration in rural areas through the launch of price-point packs in various product segments.

Marico will miss its target of achieving Rs 10,000 crore in sales by 2020 due to slow volume growth, costlier raw materials and the roll-out of the GST, analysts feel. Marico, which had set that target in 2016, will take 1-2 years to reach that figure, Gupta said. In 2016-17, the company had clocked sales of Rs 5,935.92 crore.

"We had one-and-a-half years of deflation and low volume growth, especially with GST and other things.... we will fall short (of our revenue target) by one or two years," Gupta said in an interview to a financial daily.

However, Marico is hoping to grow volumes by 8-10 per cent in India and increase revenue contribution from rural areas, while pursuing new avenues of growth. ■

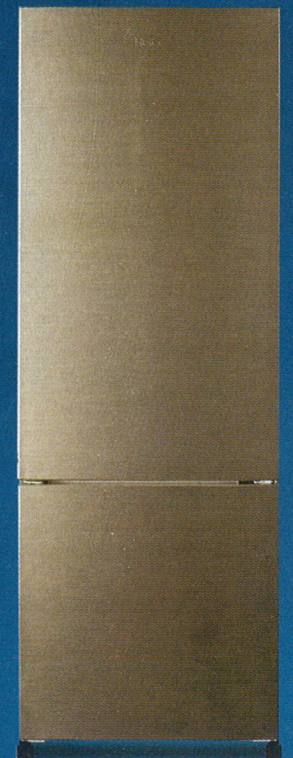
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*Source Euromonitor International Limited.
retail volume sales in unit based on 2017 data.