

ISIN CODE: INE196A01026

BSE: 531642

NSE: MARICO

CMP: 532.85

Thur, 02nd Dec '21

OVERVIEW

- Marico Ltd is an Indian beauty and wellness products company.
- The company is present in emerging markets across Asia and Africa.
- The cosmetic product categories are hair care, male grooming, skin care, edible oils, health foods, and fabric care.
- Locally, Marico sells under brands such as Parachute, Parachute Advanced, Nihar, Nihar Naturals, Saffola, Hair & Care, Livon, Set Wet, Mediker, and Revive.
- Internationally, the company offers the following brands: Parachute, HairCode, Hercules, Black Chic, Code 10, Fiancee, Caivil, Ingwe, X-Men, and Thuan Phat.

KEY STRENGTH

- 23% Share of International FMCG Business
- Company ranked 6th among India's Most Sustainable Companies with an A+ rating
- Marico was also amongst India's Top 30 Best Workplaces in Manufacturing 2021 and amongst India's 50 Best Workplaces for Women - 2020 by the Great Place to Work® Institute (India).
- market leader in more than 90% of our portfolio

BUSINESS STRATEGY

- **Business and Go-to-Market Models:** will focus on improving the width and depth of its distribution.
- **Product Innovation:** continuously upgrading innovation process and capabilities to enable agile innovations in a fast-changing and uncertain environment.
- **Digital and Technology:** focusing on digital in a big way to improve consumer engagement, drive sales through E-Commerce .
- **Cost Management:** focus on driving cost efficiencies and avoiding wastages in the coming year to enable management of inflationary cost pressures.
- **Mainstreaming Sustainability**

ACHIEVEMENTS

- More than 126 Million households reached
- 5.3 Million number of retail outlets reached
- 700+ value chain partners associated in India
- Rs. 300 Crores Revenue mark crossed in the Foods segment in FY21

FUTURE OUTLOOKS

- Will continue to innovate and broaden play in saffola brand category with the aim of reaching the Rs.450-500 Crores mark in FY22, it has materially scaled up of their Foods portfolio to Rs. 5,000 Crores and are targeting a topline of Rs. 850-1,000 Crores in this franchise by FY24.
- Direct reach in rural serves as a competitive advantage and aim to expand stockist network by another 25% over the next 2 years.
- Beardo should touch a run rate of about Rs. 100 Crores in FY22.
- Aim to adding two to three more digital brands, either organically or inorganically, over the next three years.

FINANCIAL HIGHLIGHTS

- Revenue from Operation has increased to Rs. 8,048 Cr in FY21, Compared to Rs. 7,315 Cr. in FY20. (Change of 10%)
- EBITDA also increased from Rs. 1,591 Cr in FY20 to Rs. 1,469 Cr in FY21.
- However EBITDA margin has decreased to 19.8% in FY21, against 20.1% in FY20.(change of -30bps)
- Net Profit increased to Rs. 1,162 Cr. in FY21 as compared to Rs. 1,043 Cr. in FY20.(change of 11%)
- EPS also increased from Rs. 8.1 in FY20 to Rs. 9.0 in FY21. (change of 11%)

Disclaimer: The analysis is only for information purposes only. Please consult your financial advisor, agent and broker before acting on any information. We may or may not have positions in the stock. We would not be responsible for the profit/loss resulting from this analysis.

Growth Rates % (Compound Annual)	1 Yr	3 Yr	5 Yr	10yr
Revenue	10.2	8.3	5.9	9.8
Operating Income	9.2	11.4	7.3	15.3
Earnings/Share	14.8	12.9	10.4	14.6
Dividends	11.1	20.8	17.3	36.7
Book Value/Share	7.1	8.7	9.9	12.9
Stock Total Return	42.5	15.7	17.1	22.7
Market +/-	19.6	1.3	7.2	13.9

Valuation Ratio	Current	5Yr Avg	Ind	Mkt.
Price/Earnings	57.7	46.7	59.2	15.1
Forward P/E	45.5	-	-	-
Price/Cash Flow	43.4	55.1	-	10.0
Price/Free Cash Flow	48.7	65.8	-	-
Dividend Yield %	1.4	1.2	1.3	2.7
Price/Book	17.4	15.0	12.5	2.1
Price/Sales	7.6	6.3	9.5	-

Profitability Ratio	Current	5Yr Avg	Ind.	Mkt.
Return on Equity	31.3	36.5	21.3	16.4
Return on Asset	19.4	22.2	14.0	6.3
Gross Margin	40.3	44.7	50.6	-
Operating Margin	16.7	17.7	21.3	-
Net Margin	13.2	14.1	16.1	23.4
Inventory Turns	4.1	2.9	4.8	-
Fixed Asset Turns	11.4	9.8	6.8	-

Financial Position (INR)	03-20(Mil.)	03-21 (Mil.)
Cash	1,080	1,950
Inventories	11,260	14,130
Receivables	—	—
Current Assets	33,360	41,690
Fixed Assets	7,750	7,830
Intangibles	8,430	9,510
Total Assets	55,100	65,350
Payables	12,940	15,920
Short-Term Debt	3,420	3,160
Current Liabilities	20,130	22,780
Long-Term Debt	80	70
Total Liabilities	22,520	25,370
Total Equity	32,400	39,430

Source: Company filings & Analyst Research