EQUITY SNAPSHOT | MARICO BANGLADESH LIMITED

Marico Bangladesh: a cash machine facing a cost squeeze

Bangladesh's leading hair and personal care company has grown earnings at about 16% a year since FY22 and returns almost all of its profit to shareholders. Rising copra and energy costs have now cut profit for two quarters in a row. We look at the business, its track record, the latest results, dividends, valuation and the key risks.

1 Key data

Tk2,642.50 Share price, DSE close, 29 Oct 2026	**Tk8,324 cr** Market capitalisation (31.5m shares)	**Tk198.39** EPS, trailing 12 months*	**13.3x** P/E on trailing EPS*
Tk94.85 NAV per share, 30 Sep 2026	**27.9x** Price to book value*	**6.9%** Dividend yield, last four declarations*	**10%** Free float; Marico Ltd (India) holds 90%

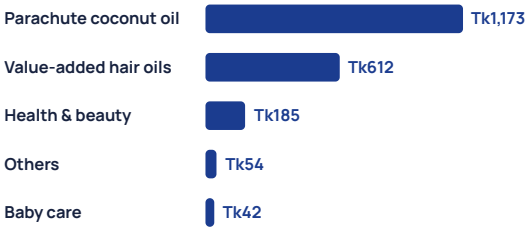
** Mika Securities' calculations. Trailing EPS = FY26 EPS − H1 FY26 EPS + H1 FY27 EPS. Yield uses the four most recent cash dividends declared (Tk47.50, Tk50, Tk50 and Tk35 = Tk182.50). Fiscal year runs April to March.*

2 The business

Company profile

- **Subsidiary of Marico Ltd (India)**, which holds 90% of the shares. Started operations in Bangladesh in 1999–2000 with Parachute coconut oil; listed on the DSE and CSE in 2009.
- **More than 40 brands across about 10 categories**, including Parachute, Parachute Advansed, Livon, Saffola and Set Wet: hair care, skincare, baby care, men's grooming and food.
- **Three factories:** two in Gazipur and one in the National Special Economic Zone at Mirsarai, Chattogram, which began production in 2023 ($26.7m investment).
- **Paid-up capital Tk31.50 crore** (31.5 million shares of Tk10). Exports are small, about 2% of revenue.

Revenue mix, FY26 (Tk crore)



Parachute coconut oil is about 57% of sales and value-added hair oils about 30%. Exports were Tk40.5 crore (included above). Source: BRAC EPL equity note, FY26 figures.

3 Five-year track record

Year	Revenue (Tk cr)	Growth	Gross margin	Op. margin	Net profit (Tk cr)	Net margin	EPS (Tk)	EPS growth
FY22	1,303	–	54.1%	33.8%	355	27.3%	**112.82**	–
FY23	1,414	+8.5%	51.7%	34.5%	387	27.4%	**122.93**	+9.0%
FY24	1,452	+2.7%	57.9%	40.1%	461	31.7%	**146.23**	+19.0%
FY25	1,631	+12.3%	59.6%	41.1%	591	36.2%	**187.49**	+28.2%
FY26	2,071	+27.0%	49.3%	35.0%	649	31.3%	**206.09**	+9.9%
H1 FY27	1,056	+4.5%	50.3%	–	324	30.7%	**102.82**	-7.0%

Fiscal years end 31 March. H1 FY27 = April–September 2026, growth vs H1 FY26. Annual figures from StockAnalysis (company filings); H1 FY27 from company disclosure as reported by TBS and The Financial Express.

EPS (Tk)



Gross margin





EPS grew about 16% a year from FY22 to FY26; revenue about 12%.



Gross margin fell 10 points in FY26 as revenue jumped 27% but gross profit rose only 5%.

- ✓ **Consistent growth:** revenue and EPS rose every year from FY22 to FY26, with net profit up from Tk355 crore to Tk649 crore.
- **FY26 was a turning point for margins:** revenue rose 27% to a record Tk2,071 crore, but gross margin dropped from 59.6% to 49.3%, so EPS growth slowed to 10%.
- **H1 FY27 shows the pressure continuing:** EPS fell 7% even though sales grew 4.5%.

4 Latest results: H1 FY27

Tk crore	Q1 FY27	Q1 FY26	Change	Q2 FY27	Q2 FY26	Change	H1 FY27	H1 FY26	Change
Revenue	531.9	510.3	+4.2%	524.2	500.7	+4.7%	1,056	1,011	+4.5%
Net profit	170.5	194.6	-12.4%	153.4	153.5	-0.1%	323.9	348.1	-7.0%
EPS (Tk)	54.12	61.77	-12.4%	48.70	48.75	-0.1%	102.82	110.52	-7.0%
Op. cash flow / share (Tk)	20.28	66.73	-69.6%	38.23	43.95	-13.0%	58.51	110.68	-47.1%

Q2 figures derived as H1 less Q1 where not disclosed separately. Q2 FY26 profit Tk153.5 crore per The Financial Express.

What hurt

- **Material prices:** cost of sales up 10% to Tk524.8 crore, against 4.5% sales growth; gross margin 50.3% vs 52.8%.
- **Energy and operating costs:** higher general, administrative, marketing and distribution expenses.
- **Lower finance income** in Q1, and much lower other income in Q2.
- **Cash flow:** large payments to suppliers cut operating cash flow per share by 47%.

What held up

- ✓ **Sales growth** continued in both quarters, at 4.2% and 4.7%.
- ✓ **Q2 profit was flat** year on year after a 12% fall in Q1, a sign the squeeze is easing.
- ✓ **Net margin of 30.7%** remains very high for a consumer goods company.
- ✓ **Dividends continued:** 500% for Q1 and 350% for Q2.

5 Dividends and cash returns

Tk384
dividend per share for FY25 (3,840%), about 205% of EPS

Tk207.50
dividend per share for FY26 (2,075%), about 101% of EPS

Tk85
declared so far in FY27 (500% + 350%), about 83% of H1 EPS

24 Nov
record date for the Tk35 interim dividend

- ✓ **Quarterly payer:** Marico declares a cash dividend almost every quarter, plus a final dividend after the March year end.
- ✓ **Payouts above earnings in FY25:** the 3,840% dividend, one of the highest in DSE history, drew on retained reserves; NAV per share fell from about Tk261 (FY24) to about Tk92 (March 2026).
- ✓ **Most of the cash goes to the parent:** with a 90% stake, Marico Ltd in India receives about nine-tenths of every dividend; easier foreign exchange conditions have helped these remittances.
- **Low book value is a result of the payouts,** not losses. It makes return on equity and price-to-book look extreme.

6 Valuation

Multiples at Tk2,642.50

P/E, trailing 12 months	13.3x
P/E, FY26 EPS (Tk206.09)	12.8x
P/E, annualised H1 FY27 EPS	12.9x
Earnings yield (trailing)	7.5%
Dividend yield (last	6.9%

FY27 EPS sensitivity (illustrative)

FY27 EPS (Tk)	Change vs FY26	P/E at Tk2,642.50
190	-7.8%	13.9x
200	-3.0%	13.2x
210	+1.9%	12.6x

Scenarios, not forecasts. H1 FY27 EPS of Tk102.82 annualises to about Tk206.

four declarations)	
Price to book	27.9x

- ✓ **The share price has drifted lower**: Tk2,775.30 on 28 June, Tk2,735.80 on 27 August and Tk2,642.50 on 29 October, as earnings growth stalled.
- ✓ **The market prices Marico mainly on earnings and dividends**, not book value. On those measures it trades on a low-teens P/E with a high single-digit dividend yield.
- ● **Liquidity is thin:** with only 10% free float, average daily volume is a few thousand shares, so large orders can move the price.

7 Investment positives and risks

Positives

- ✓ **Market leader:** Parachute is the leading branded coconut oil, giving Marico strong pricing power.
- ✓ **Strong track record:** EPS compound growth of about 16% a year from FY22 to FY26.
- ✓ **High margins:** net margin above 30% even after the recent cost squeeze.
- ✓ **Reliable cash returns:** quarterly dividends, with payouts close to 100% of earnings.
- ✓ **Diversification:** value-added hair oils, skincare and men's grooming are growing alongside Parachute.
- ✓ **Capacity in place:** the Mirsarai plant supports new categories and exports.

Risks

- ● **Copra prices:** the key raw material is a global commodity; a sustained rise squeezes margins.
- ● **Currency:** a weaker taka raises the cost of imported inputs.
- ● **Concentration:** about 57% of revenue comes from one product line, and the business is almost entirely domestic.
- ● **Energy and utility costs** are rising for manufacturers.
- ● **Dividend sustainability:** payouts depend on cash flow, which fell sharply in H1 FY27.
- ● **Low liquidity** and a dominant parent shareholder limit trading and minority influence.

8 Key takeaways

1 A quality franchise
Marico combines market leadership, 30%+ net margins and near-100% payouts.

2 Growth has paused
After four years of rising EPS, profit fell 7% in H1 FY27 because of input and energy costs.

3 Q2 was steadier
Profit was flat in Q2 after a 12% drop in Q1, so the worst of the squeeze may be passing.

4 Margins are the swing factor
Gross margin fell from 59.6% (FY25) to about 50%; recovery depends on copra prices and price increases.

5 Dividends remain the main attraction
About Tk182.50 declared over the last four payouts, a 6.9% yield at the current price.

6 Watch cash flow
Operating cash flow per share halved in H1; it needs to recover to support today's payout levels.

7 Valuation is undemanding on earnings
About 13x trailing earnings; the high price-to-book reflects the payouts, not overvaluation alone.

8 Liquidity limits
A 10% free float means thin trading and wider price swings.

9 What to watch

Q3 FY27 results
October–December figures, expected early in 2027

Copra prices
Global coconut and copra price trend

Price increases
Any price rises on Parachute and hair oils

Energy tariffs
Gas and electricity costs for manufacturers

Operating cash flow
Whether supplier payments normalise

Dividend size
Q3 interim and the FY27 final dividend

Exchange rate
Taka stability and import costs

New categories
Growth in skincare, baby care and exports

Methodology and sources

Annual financials (FY22–FY26) from StockAnalysis, based on company filings. FY26 results, dividends and company background from The Financial Express and The Business Standard. H1 FY27, Q1 FY27 and share prices from company disclosures to the DSE as reported by The Business Standard, The Financial Express and The Daily Star (29–30 October 2026). Revenue mix and shareholding from the BRAC EPL equity note on Marico Bangladesh. Mirsarai plant details from The Business Standard (September 2023). Derived quarterly figures, margins, growth rates, P/E, P/B, yields and sensitivities are Mika Securities' calculations. Some reports show H1 FY27 EPS of Tk102.52; we use Tk102.82, consistent with reported profit and share count.

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