



Passport

AZUL K SA IN HOME CARE (COLOMBIA)

Euromonitor International

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AZUL K SA

STRATEGIC DIRECTION

- Azul-K SA will look to expand over the forecast period by adapting to changes in consumption patterns as more Colombians own a washing machine thus displacing the use of bar detergents where the company is strongly positioned. As a result, the company has been launching powder detergents, softeners and stain removers and has also continued to innovate in bar detergents, in order to maintain and strengthen its position in the market.

KEY FACTS

Summary 1 Azul K SA: Key Facts

Full name of company:	Azul K SA
Address:	Autopista Sur No. 60-21, Bogotá, Colombia
Tel:	+57 (1) 711 9005
Fax:	+57 (1) 711 9086
www:	www.azulk.com.co
Activities:	Manufacturer of laundry care products, industrial detergents, glycerine and personal care products such as soap and body creams.

Source: Euromonitor International from company reports, company research, trade press, trade sources

Summary 2 Azul K SA: Operational Indicators

	2010	2011	2012
Net sales	Col\$133.0 billion	Col\$146.3 billion	Col\$146.1 billion
Net profit	Col\$3.4 billion	Col\$0.7 billion	Col\$2.3 billion
Number of employees	n/a	n/a	n/a

Source: Euromonitor International from Supersociedades

COMPANY BACKGROUND

- Azul K is a private, family-owned firm established in 1958 in Bogotá, with interests mainly in bath and shower and laundry care products. Azul K also manufactures cleaning products for different industries. Its clients have increased in number in recent years, from 2,042 in 1997 to more than 5,000 in 2010.
- For many years, Azul K assigned 80% of its production capacity to the manufacture of brands for third parties, such as Procter & Gamble and Unilever. When these multinational companies began to produce directly in Colombia, the company was forced to negotiate directly with retailers and consider strengthening its own line of bar soaps and bar detergents.
- Azul K has experienced one of the strongest growth rates in bar detergents over the review period, increasing its share from 5% of sales in 2004 to 10% in 2012.

- Brands of the company are well positioned in Cundinamarca, Boyacá, Tolima, Huila and Meta, but recently the company has opened warehouses in Medellín, Pereira, Cali Bucarmanga and Barranquilla.
- The company launched its Azul Klean line in 2007. These multi-purpose, antibacterial cleaners are available in baby, cinnamon, citrus, cologne, floral, lavender and pine fragrances. In 2010, Azul K launched personal care products, such as its Carey body creams and shower gels.

PRODUCTION

- After modernising its manufacturing facilities and processes, Azul K doubled its production capacity over the 1998-2002 period, from manufacturing 90 different products to more than 130 in 2005.
- The plant was upgraded in September 2006 in order to produce creams. It was then upgraded again in July 2007 to have the capacity to produce liquid products. There were no changes in the company's production infrastructure in 2011.
- The company manufactures its own branded products as well as products for third parties. This is the case with soap that is made for companies such as Corporación Belcorp and private label products for Supertiendas y Droguerías Olímpica, one of the largest Colombian retailers. It also produces laundry products, such as Woolite, for Reckitt Benckiser.
- In 2012 the company enlarged the production plant located in Bogotá and built a warehouse facility, and for that purpose invested US\$15 million.

Summary 3 Azul K SA: Production Statistics 2013

Location	Brand	Annual production
Bogotá	Bar detergents: Super Riel, Blanco Azul-K, Azul-K Extra, Coco Azul-K for delicate clothing. Powder detergents: AK1	n/a
Bogotá	Hand dishwashing: Crema Lavalozza AK	n/a
Bogotá	Bleach: AK1	n/a

Source: Euromonitor International from company reports, company research, trade press, trade sources, trade interviews

COMPETITIVE POSITIONING

- Azul K ranked sixth in laundry care with a value share of 6%. Over the review period, the company has been exhibiting positive growth supported by its wider portfolio that is adapting to the new consumer habits, and is competitively priced within the category. The company has been enlarging its laundry care portfolio with colour-safe laundry bleach and fabric softeners.
- The company has been increasing its presence in home care, and beyond laundry care is present in surface care with multipurpose cleaners under the Azul Klean brand and in dishwashing with AK cream and liquid formats.
- Azul-K is considered a follower in the market. It maintains products only in mature categories where it can maintain a price advantage, targeting the mass market of low- and middle-

income consumers. Though the company releases variations on its products, it is not known for leading market innovation.

Summary 4 Azul K SA: Competitive Position 2013

Product type	Value share	Rank
Laundry Care	5.8%	6
Bar Detergents	10.0%	4
Other Detergents	9.6%	4

Source: Euromonitor International from company reports, company research, trade press, trade sources, trade interviews