

Q4 FY23 Results

MAY 2023

NEW

Saffola Honey GOLD

WITH
KASHMIR HONEY



Safe Harbour Statement

This Release / Communication, except for the historical information, may contain statements, including the words or phrases such as 'expects, anticipates, intends, will, would, undertakes, aims, estimates, contemplates, seeks to, objective, goal, projects, should' and similar expressions or variations of these expressions or negatives of these terms indicating future performance or results, financial or otherwise, which are forward looking statements. These forward looking statements are based on certain expectations, assumptions, anticipated developments and other factors which are not limited to, risk and uncertainties regarding fluctuations in earnings, market growth, intense competition and the pricing environment in the market, consumption level, ability to maintain and manage key customer relationship and supply chain sources and those factors which may affect our ability to implement business strategies successfully, namely changes in regulatory environments, political instability, change in international oil prices and input costs and new or changed priorities of the trade. The Company, therefore, cannot guarantee that the forward-looking statements made herein shall be realized. The Company, based on changes as stated above, may alter, amend, modify or make necessary corrective changes in any manner to any such forward looking statement contained herein or make written or oral forward looking statements as may be required from time to time on the basis of subsequent developments and events. The Company does not undertake any obligation to update forward looking statements that may be made from time to time by or on behalf of the Company to reflect the events or circumstances after the date hereof.

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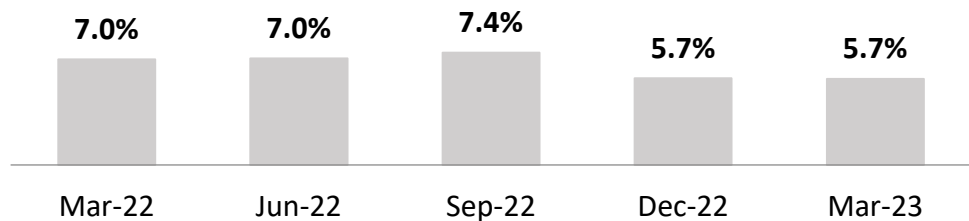
Financials

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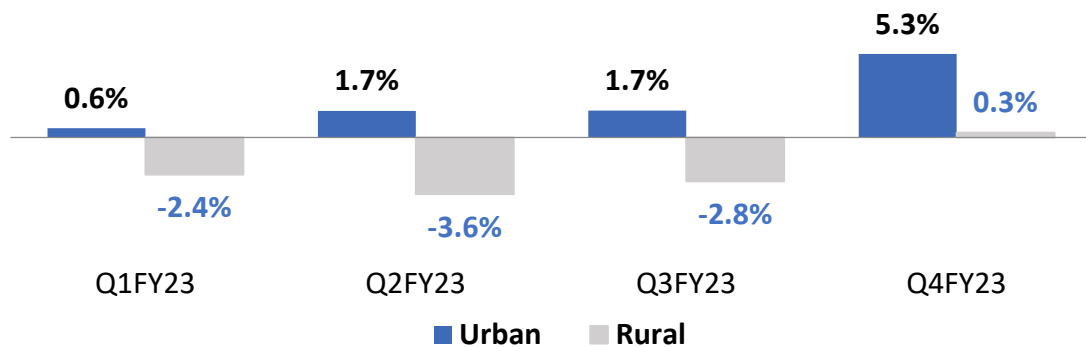


Operating Environment: Growth prospects continue to improve

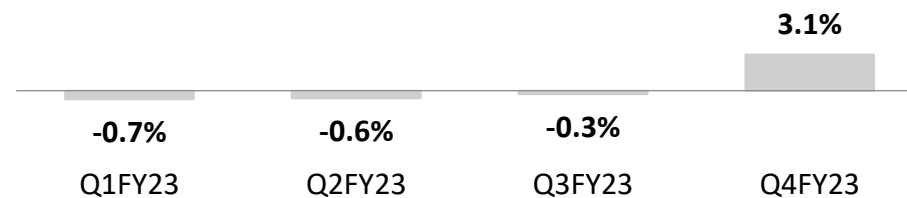
CPI Inflation (%)



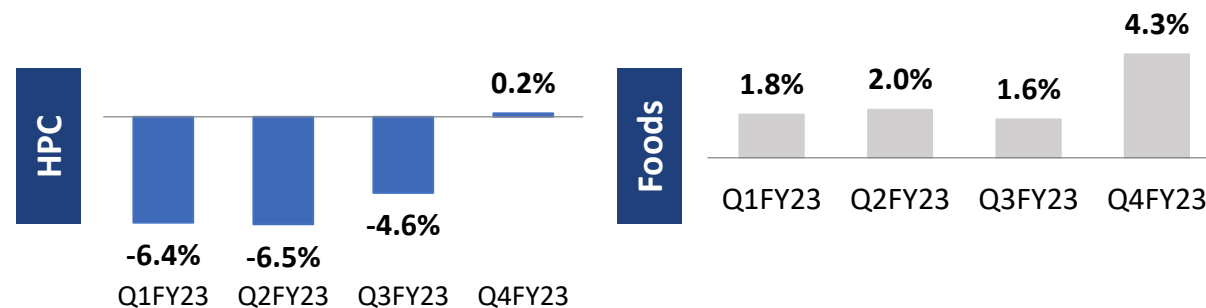
Nielsen FMCG Vol. Gr (%) – Urban and Rural



Nielsen FMCG Vol. Gr (%) – All India (U+R)



Nielsen FMCG Vol. Gr (%) – HPC and Foods



Retail inflation on a moderating path – aided by lower food inflation

Overall FMCG volume growth in positive territory after 5 quarters; declining trend in rural also arrested

Foods continues to drive growth, while HPC remains muted

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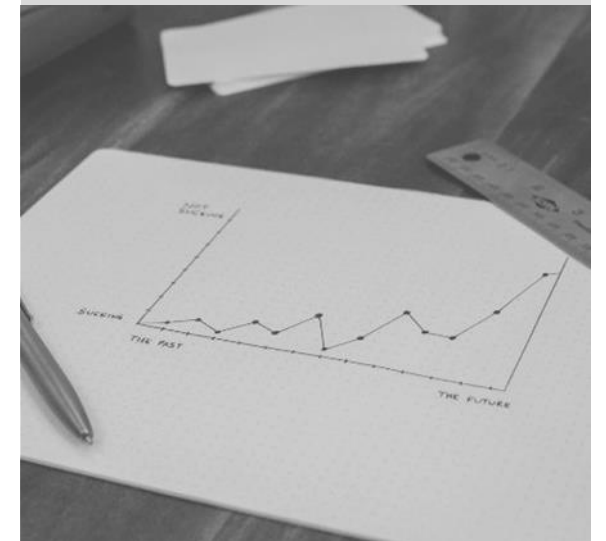
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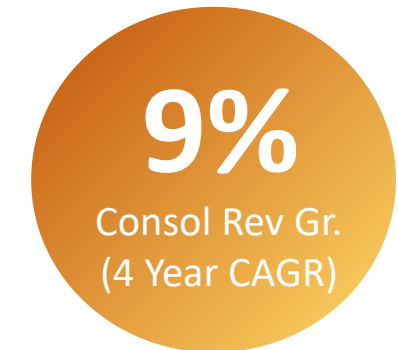
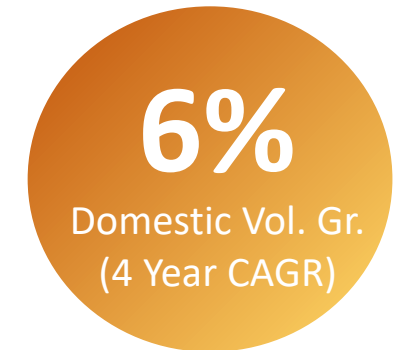
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Domestic business continues upward trajectory | International business powers ahead

Q4 FY23 (YoY)



17.5%

Consolidated
EBITDA Margin

14%

Consolidated
EBITDA Growth

12%

Consolidated PAT
Growth (excl. one-offs)

85-90% of the portfolio either gains or sustains market share and penetration on MAT basis
Gross margin expanded by 294 bps YoY and 247 bps sequentially
A&P spends at 9.4% of sales; up 8% on a 4-year CAGR basis

Core franchises steady; Parachute and Saffola meet medium term aspirations on 4-year CAGR basis

Parachute Coconut Oil



9%

Vol Gr.

3%

Val Gr.

4-year
volume CAGR
at 6%

Saffola Franchise (Edible Oils + Foods)



Edible Oils: 4-year
volume CAGR
in high single digits

(9%)

Value Growth

Value Added Hair Oils



~60 bps

Gain in Value MS

13%

Value Growth

Foods: Healthy scale-up continues; closes near INR 600 cr. in FY23

Key Campaigns/Launches Across Foods



43% Value MS

Saffola Oats maintains leadership position

18%

Foods Value Growth

Premium Personal Care: Strong growth momentum; well-ahead of pre-COVID levels



Livon Serums continues its double-digit growth momentum



Set Wet portfolio on an improving trend

~INR 350 cr.

FY23 Revenue

40%+

FY23 Value Growth

Digital First Portfolio: Largely in-line



~INR 400 cr.

Expected FY24 exit ARR of current portfolio



International Business maintains robust momentum | Delivers 16% CCG in Q4



Bangladesh



9%
Q4 CCG

New portfolios lead growth



Vietnam



16%
Q4 CCG

HPC & Foods exhibit strength



South Africa



21%
Q4 CCG

Broad-based performance



MENA



37%
Q4 CCG

Double-digit growth in Gulf region and Egypt

International business records stellar 13% CCG in FY23 with double-digit growth across markets

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External Stimulus

- Key commodities on moderating trend; crude may remain firm
- Gradual recovery in FMCG sector volume growth to continue
- Normal monsoons critical for rural sentiment to pick up



Business and Competitive Position

- Improving domestic volume and revenue growth trajectory
- Strengthen market shares across categories
- Sustain growth momentum in the International Business

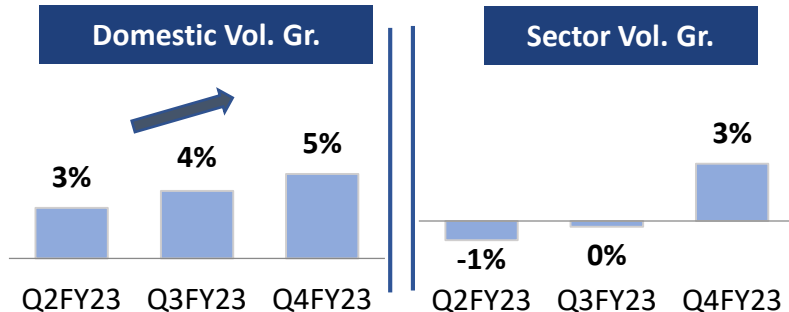


Margins

- Gross Margin expected to move up by 200-250 bps
- Maintain Investments in Brand Building | Cost Rationalization
- Operating margin expected to expand by more than 100 bps

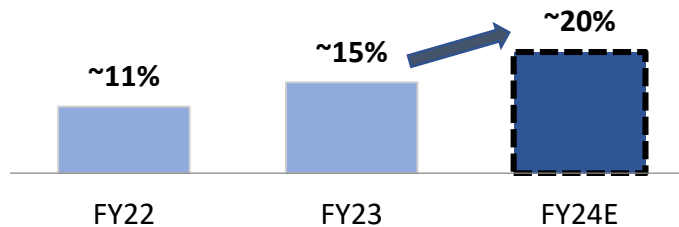
Summing up : All-round improvement across key parameters

India Volume Growth – well ahead of sector



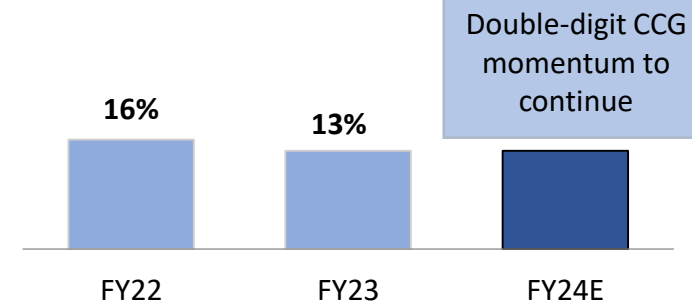
Revenue growth to inch up as pricing comes into the base from H2FY24 onwards

India – Diversification Journey



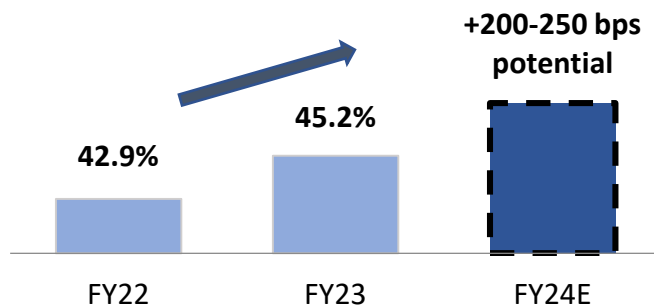
Consistent uptick in revenue share of Foods, Premium Personal Care and Digital-first brands

International Business (CCG) - Going Strong



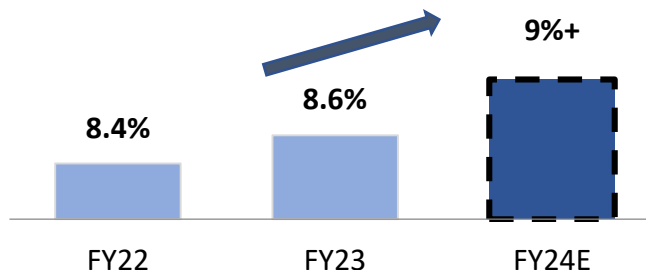
Maintain double-digit CCG momentum with all markets performing

Gross Margin Trending Up



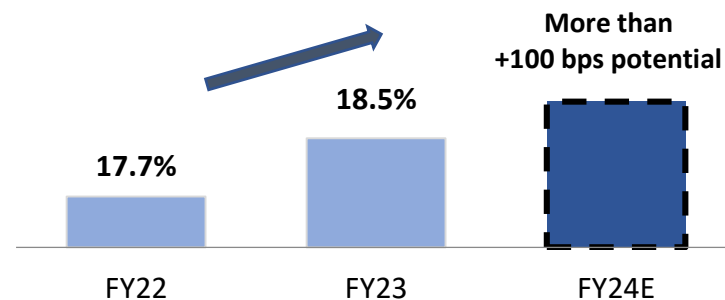
GM uptrend to continue with RM moderating and improving portfolio mix

A&P as a % of sales – Key Thrust for Growth



A&P spends to continue as long term growth driver

Operating Margin Expansion Likely



EBITDA margin expected to expand by more than 100 bps

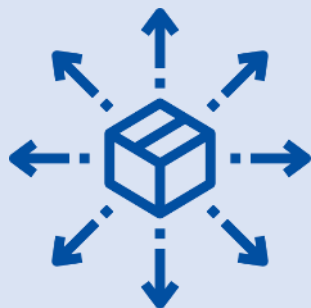
Staying True to the 4Ds

Unlock the next leg of growth through...

Diversification



Distribution



Digital



Diversity



.....and continue to maintain focus on

Grow the Core

Cost Management

ESG Commitments

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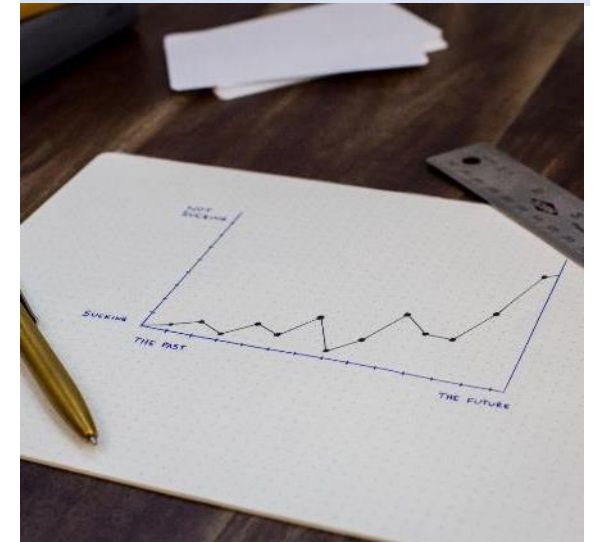
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Consolidated Profit & Loss Statement

(in ₹ cr.)

Particulars	Q4FY23	Q4FY22	Change (%)	FY23	FY22	Change (%)
Revenue from Operations	2,240	2,161	4%	9,764	9,512	3%
Material Cost	1,178	1,200	(2%)	5,351	5,436	(2%)
ASP	210	204	3%	842	796	6%
Employee Cost	171	139	23%	653	586	11%
Other Expenses	288	272	6%	1,108	1,013	9%
EBITDA	393	346	14%	1,810	1,681	8%
EBITDA Margin	17.5%	16.0%	153 bps	18.5%	17.7%	87 bps
PBT	401	322	25%	1,743	1,601	9%
PAT	302	251	20%	1,302	1,225	6%
Recurring PAT	280	251	12%	1,280	1,225	4%

Annexure 1: Operating Margin Structure for Marico Limited (Consolidated)

Particulars (% of Revenues)	Q4FY23	Q3FY23	Q4FY22	FY23	FY22
Material Cost (Raw + Packaging)	52.6%	55.1%	55.5%	54.8%	57.1%
Advertising & Sales Promotion (ASP)	9.4%	8.9%	9.4%	8.6%	8.4%
Personnel Costs	7.6%	6.5%	6.4%	6.7%	6.2%
Other Expenses	12.9%	11.1%	12.6%	11.3%	10.6%
PBDIT margins	17.5%	18.5%	16.0%	18.5%	17.7%
PBDIT before ASP	26.9%	27.4%	25.5%	27.2%	26.0%

Annexure 2: Working Capital

Particulars	Q3FY23	Q4FY23
Debtors Turnover (Days)	38	41
Inventory Turnover (Days)	48	48
Net Working Capital (Days)	26	25

Note: The Company has maintained healthy working capital ratios through the year.

Annexure 3: Market Shares in Key Categories in the India Business - MAT Mar'23

Franchise	~MS%	Rank
^ Coconut Oil Franchise	62%	1 st
^ Parachute Rigids within Coconut Oils	53%	1 st
* Saffola Oats	43%	1 st
* Value Added Hair Oils	28%	1 st
^ Post wash Leave-on Serums	60%	1 st
* Hair Gels/Waxes/Creams	53%	1 st

^ Volume Market Share * Value Market Share

Annexure 4: ESG Performance Snapshot (Q4 FY23)

Marico launched its [ESG 2.0 framework](#) on June 5, 2022, commemorating the 50th anniversary of World Environment Day



Emissions & Energy

- **77.75%** reduction in GHG emission intensity (Scope 1+2)
- **66.5%** energy sourced from renewables



Water Stewardship

- **100% replenishment** of water consumed in operations
- **119** farm ponds constructed; **292.92 crore liters** of water conservation potential created till date



Circular Economy

- **95%** recyclable packaging by weight
- **20%** recycled PET in Nihar shanti amla bottles
- Fulfilment of EPR targets



Sustainable Coconut

- **0.311 Mn** acreage enrolled covering **81,000 farmers** till date
- **16%** improvement in productivity in farms that have completed more than a year under the program



Social Value Creation

- **2.41lakhs+ teachers and 10.81 lakhs** students impacted from Nihar Shanti Pathshala Funwala's WhatsApp-based English literacy program
- **Marico Innovation Foundation (MIF)** awarded 7 individuals & companies across technology, healthcare and social impact category in its 9th edition

The eight focus areas of ESG 2.0 are achievement of Climate change, Water stewardship, Circular economy, Responsible sourcing, Brands with purpose, Inclusion and diversity, Sustainable agriculture and Corporate governance.

Annexure 4: Awards and Recognitions



Marico has been recognized in the **Leadership** category in **Indian Corporate Governance Scorecard** for 2022 by **Institutional Investor Advisory Services (IIAS)**



Marico was awarded the **Corporate Citizen of the Year 2023** by **Economic Times**



Marico has been recognised as **the Best Employer of India - 2023**, by **Kincentric and Forbes**



Marico has been awarded for **Excellence in Corporate Governance** conducted by **The Institute of Company Secretaries of India.**



Marico is recognized by **FSSAI, Food License Registration Services India** for its **Capacity Development & Training in area of Food Safety.**



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Thank You

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