

October 3, 2022

The Secretary,
Listing Department,
BSE Limited,
1st Floor, Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai – 400001
Scrip Code: 531642

The Manager,
Listing Department,
The National Stock Exchange of India Limited,
Exchange Plaza, C-1 Block G,
Bandra Kurla Complex, Bandra (East),
Mumbai – 400051
Scrip Symbol: MARICO

Sub: Quarterly Update – Q2 FY2022-23

Dear Sir/Madam,

Please find enclosed an update on the operating performance and demand trends witnessed during the quarter ended September 30, 2022. The same will also be made available on the website of the Company shortly.

This will be followed by a detailed Information Update once the Board of Directors of the Company approves the un-audited consolidated and standalone financial results for the quarter and half year ended September 30, 2022.

Thank you.

Yours faithfully,

For **Marico Limited**

Vinay M A
Company Secretary & Compliance Officer

Encl.: As above



Quarterly Update: Q2 FY23

This update seeks to provide an overall summary of the operating performance and demand trends witnessed during the quarter ended 30th September, 2022. A detailed Information Update will follow this once the Board approves the financial results for Q2 FY23.

In India, demand sentiment trended on similar lines as the preceding quarter during most of the quarter, with some signs of positivity in the last month. With retail inflation holding firm, downtrading in rural was still prevalent during the quarter. Urban and premium discretionary segments continued to fare better. Consumption trends should improve in the second half of the fiscal given retail inflation is expected to cool off as a result of government interventions, moderating commodity inflation pressures and reasonably healthy spatial distribution of monsoons. Higher crop realisations and the upcoming festive season should also provide a fillip to overall sentiment.

In the given context, the **India business posted low single-digit volume growth with the 3-year CAGR in high single digits. Parachute Coconut Oil** recorded low single digit volume decline, although staying close to the medium term growth aspiration on a 3 year CAGR basis. The brand witnessed improving trends towards the end of the quarter aided by the enhanced value proposition in the prevailing soft copra price environment. However, as copra prices continued to slide down further during the quarter, consumer pricing is likely to settle down in Q3 and translate into healthy volume growth. **Value Added Hair Oils** grew in low single digits in value terms, mainly dragged by the subdued rural sentiment. **Saffola Oils** recovered smartly with high single digit volume growth on a normalised base and following a cut in retail prices in keeping with the correction and reduced volatility in vegetable oil prices. **Foods** also grew in the mid-twenties with a broad based performance across the portfolio. **Premium Personal Care** maintained its positive momentum. **Digital-first brands** scaled up in line with internal aspirations.

The International business maintained its strong run, delivering double-digit constant currency growth. Each of the markets contributed positively, despite global macro and geo-political uncertainties.

Consolidated revenue in the quarter grew in low single digits on a year-on-year basis.

Among key inputs, copra prices were softer than expected during the quarter, while edible and crude oil prices also corrected sequentially. Edible oil prices are likely to trend lower over the next few months. The Company passed on the benefit of falling input prices to protect volumes and market share, even while consuming relatively higher cost inventory during the quarter. Some of the geographies witnessed sharp currency depreciation, which is also expected to have some bearing on profitability. As a result, gross margin is expected to contract sequentially, but should end up higher on a year-on-year basis. A&P spends grew in double-digits on a year-on-year basis, as the Company maintained investments towards strategic brand building of core and new franchises. Therefore, operating margin is expected to near the levels of the corresponding quarter last year. Net profit will be further impacted by higher ETR as explained in the last update.

The Company maintains its aspiration of delivering sustainable and profitable volume-led growth over the medium term, enabled by the strengthening brand equity of its core franchises and scaling up new engines of growth.

About Marico:

Marico (BSE: 531642, NSE: "MARICO") is one of India's leading consumer products companies in the global beauty and wellness space. During FY 2021-22, Marico recorded a turnover of about INR 95 billion (USD 1.3 billion) through its products sold in India and chosen markets in Asia and Africa.

Marico touches the lives of 1 out of every 3 Indians, through its portfolio of brands such as Parachute, Saffola, Saffola FITTIFY Gourmet, Saffola ImmuniVeda, Saffola Mealmaker, Hair & Care, Parachute Advansed, Nihar Naturals, Mediker, Pure Sense, Coco Soul, Revive, Set Wet, Livon, Just Herbs, True Elements and Beardo. The international consumer products portfolio contributes to about 23% of the Group's revenue, with brands like Parachute, Parachute Advansed, HairCode, Fiancée, Caivil, Hercules, Black Chic, Code 10, Ingwe, X-Men, Thuan Phat and Isoplus.

Marico Limited

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