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Marico featured among Bombay's Top 50 People Capital Index Companies for 2019

Marico ranked in the Top 5 BSE 100 Indian Companies for exemplary corporate governance

Marico is recognized for Excellence in Corporate Governance by 15th ICSI National Awards

Parachute, Saffola and Hair & Care were featured in 'The Economic Times Brand Equity 100 Most Trusted Brands 2018'

Saffolalife wins 4 awards at EFFIE India 2019 for its 2018 World Heart Day campaign

Marico South Africa brand Caivil wins 2 awards at The African Hair Awards 2018

Marico was recognised with the 'Leader Award' by Frost & Sullivan and The Energy and Resources Institute (TERI) – Sustainability 4.0 Awards 2019

The Food Safety and Standards Authority of India (FSSAI) awarded Marico the 'Eat Right Awards' in the Community Outreach, Professional and Product categories.

Marico was recognized as one of the 'Most Honored Companies' among Small and Mid-cap companies in India in the All-Asia (ex-Japan) Executive Team Rankings 2018 by Institutional Investor

Saugata Gupta, MD & CEO, was recognised as one of India's Most Valuable CEOs in the large companies category by Business World

Marico was presented with the Milestone Merit Award in the leadership and workforce categories by the IMC Ramkrishna Bajaj National Quality Award

Marico CQA team received a Special Recognition at the 6th CII National Excellence Practice Competition 2018 in the Services & Manufacturing Category

Marico's unit at Jalgaon was awarded Champion of the Champions 2018 by CII for consistent improvement initiatives

Marico NER 1 Guwahati Factory was awarded as 'Best Labour Law Compliant Establishment' by the Labour Welfare Society Assam

Marico's India Business has achieved a 'Level 4-TCM Enabled Company' rating by CII

In a pan India consumer survey conducted by Nielsen - Coco Soul, True Roots and Saffola Fittify were voted as Product of the Year in multiple categories.

Marico's Baddi unit was declared as First Runners-Up for its 'Quality Analytics - IOT for Process Improvement' project at the 30th QualTech Prize 2018

Marico Limited – Q2FY20 Results

Healthy Earnings Growth; Further Gains in Market Shares in Core Categories
India records 4% Volume Growth in H1 amidst soft consumer environment
Stable Performance in the International Business

In Q2FY20, Revenue from Operations was nearly flat at INR 1,829 crores (USD 260 million), with an underlying domestic volume growth of 1% and constant currency growth of 9% in the international business. While offtakes in some of the key categories declined during the quarter, Marico offtake growths were ahead of the category growths in these segments, leading to market share gains.

Benign inputs costs in the domestic and Bangladesh businesses led to **gross margin expansion by 561 bps on a year-on-year basis**. However, **EBITDA margin expanded by 270 bps**, as the Company actively invested behind capability and brand building during the quarter. As a result, **EBITDA grew 16%** and **PAT grew 17%**.

In the traditional channel, constrained liquidity ailed both the urban and rural segments leading to correction in trade inventories. Among the alternate channels, **Modern Trade and E-Commerce stayed strong**, while CSD sales grew in mid-single digits.

Maintaining the thrust on the innovation, the Company broadened its play in the Male Grooming segment with the launch of **Set Wet Hair Serums for Men** in two variants - **Soft & Set** and **Shine & Set**. In Skin Care, the Company extended the Kaya Youth O2 range with the launch of **Oxy-Infusion Face Polishing Scrub** and **Oxy-Infusion Face Mask (in two variants - Brightening & Replenishing)**. A new flavor in Saffola Masala Oats, **Madras Sambhar**, was also introduced.

Advertising & Sales Promotion spends, at 10.8% of sales, was up 12% YoY, as the Company continued to support the core portfolio and multitude of new products launched over the last 18 months.

Over the medium term, the Company retains the target of **8-10% volume growth and healthy market share gains in the India business**. The Company aims to build **Healthy Foods, Premium Hair Nourishment and Male Grooming** into growth engines of the future and expects to deliver value growth at 20% plus CAGR in these portfolios. In the **International business**, the Company expects to clock organic broad-based double-digit constant currency growth. Operating margin is expected to be maintained at 18-19%.

Furthering our sustainability agenda, **Kalpavriksha**, Marico's program for coconut farmers enhanced its outreach by benefitting 1,752 farmers, thereby covering 11,499 acres of farmland. The Company adopted the Jalgaon district in Maharashtra under its water stewardship program, **Jalashay**. The project aims to create water conservation capacities to the extent of 10 times of Marico's operational water footprint and would benefit 172 villages. Marico also launched its circular economy initiative, **Upcycle**, which is primarily aimed at sustainable packaging. With this initiative, Marico also declared its commitment to 100% recyclable packaging by 2025.

Other Updates:

- Marico's unit at Pondicherry was bestowed with the **Emerging Leaders award** for Business Excellence in Operations Management by Confederation of Indian Industry (CII).
- Marico's Ameya Foods unit successfully achieved a certification from the **United States Food and Drug Administration (USFDA)**.
- In a pan India consumer survey conducted by Nielsen, **Coco Soul, True Roots and Saffola FITTIFY Gourmet** were voted as **Product of the Year** in multiple categories.

Marico (BSE: 531642, NSE: "MARICO") is one of India's leading consumer products companies, in the global beauty and wellness space. During 2018-19, Marico recorded a turnover of about INR 73.3 billion (USD 1.05 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, Parachute Advansed, Saffola, Saffola FITTIFY Gourmet, Coco Soul, Hair & Care, Nihar Naturals, Livon, Set Wet, Set Wet Studio X, True Roots, Kaya Youth O2, Mediker and Revive. The international consumer products portfolio contributes to about 22% of the Group's revenue, with brands like Parachute, Parachute Advansed, HairCode, Fiancée, Caivil, Hercules, Black Chic, Code 10, Ingwe, X-Men, Sedure, Thuan Phat and Isoplus.

Business Unit-wise details have been given on the next page. More details are available in the Information Update issued today and posted on the Company's website www.marico.com

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Marico's India Business recorded a turnover of **INR 1,398 crore (USD 199 million)**, down 3% on a year-on-year basis. The operating margin was at 20.9% before corporate allocations.

Parachute Rigids (packs in blue bottles) declined by 1% in volume terms, translating to a volume growth of 5% in H1. Healthy offtake growth resulted in volume market share gain of 225 bps during the quarter. The low margin non-focused Coconut Oil brands also stayed afloat. Overall, the volume market share of the Coconut Oil franchise (includes Nihar Naturals and Oil of Malabar) consolidated at 60% (Sep 2019 MAT).

Saffola refined edible oils grew by 1% in volume terms. The healthy momentum in the new-age channels of Modern Trade and E-Commerce keeps us positive, while the sentiment in normal trade normalizes. The renewed communication for the mainstay variant, **Saffola Gold**, appears to have resonated with the consumer and we continue to implement differential packs/pricing/channel strategies in an attempt to revive a healthy growth trajectory for the brand. Consequently, the brand consolidated its volume market share in the super premium refined edible oils segment at ~75% volume market share (Sep 2019 MAT).

Foods grew by 34% in value terms. The value market share of Saffola Masala Oats strengthened to ~79% in the flavoured oats category (Sep 2019 MAT), accompanied by a significant increase in overall penetration, especially in metro cities of Mumbai and New Delhi. The brand also gained significant traction in Modern Trade and E-Commerce.

Value Added Hair Oils was flat in volume terms, marred by correcting channel inventories and weak consumption sentiment, especially in rural. Despite the same, the franchise gained ~100 bps in volume share and ~60 bps in value share on MAT basis. As a result, volume share strengthened to ~35% and value share consolidated at ~27%.

Nihar Naturals Shanti Amla Badam has been the leading hair oil in volume sales among all sub-brands in Value Added Hair Oils category. The brand gained 166 bps in volume share (MAT Sep 2019) in the Amla Hair Oils category. **Parachute Advanced Aloe Vera Enriched Coconut Hair Oil** now scaled up to a pan-India level, continued its accelerated growth trend. The brand garnered sizeable market share in its key markets and we will continue to aggressively invest for growth.

Hair & Care Dry Fruit Oil was extended to a pan-India level as the brand met its action standards in the launch markets.

Premium Hair Nourishment grew by 7% in volume terms, as **Livon Serums** continued its good run. Out of the newer variants, **Livon Shake & Spray Serum** appears to have gained some ground.

The **Male Grooming franchise** declined marginally during the quarter. We expect the franchise to bounce back to growth in the second half, given the healthy trends in hair gels, hair waxes and the Set Wet Studio X range.

The Company ramped up the presence of **Kaya Youth O2** in General Trade in Mumbai, Pune and Delhi, Modern Trade in the top 8 metros and E-commerce. The beauty advisor program, which was initially rolled out to 70 stores, has been scaled up to more high potential outlets in the modern trade and self-service channels.

Marico's International business grew by 9% in constant currency terms in Q2FY20. The operating margin was at 21.6% before corporate allocations.

Bangladesh grew by 15% in constant currency (cc) terms, on the back of a robust performance in the Coconut Oil and non-Coconut Oil businesses. **Vietnam** grew by 1% (in cc terms), due to muted growth in the Home and Personal Care (HPC) segment. **Middle East and North Africa** declined by 3% in constant currency terms. **South Africa** grew by 6% (in cc terms). The **New Country Development & Exports** business grew by 52% in constant currency terms.

Commenting on the performance, Saugata Gupta, MD & CEO said, "The Company delivered healthy margin-led earnings growth, while the topline was affected by the meek consumer and trade sentiment in the domestic market. Government stimulus and a good monsoon should lead to some recovery in category offtakes in the second half of the year. On the other hand, we expect the International business to remain steady through the year. We will continue to exhibit a bias for volume-driven growth and market share gains over the medium term on the back of executional excellence and investment behind capability and brand building."