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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 – Q3FY20 Results

Amidst tough macros, oftakes grow ahead of category in India
Healthy operating margin leads to 11% PAT growth
International Business delivers 10% constant currency growth

In Q3FY20, Revenue from Operations was at INR 1,824 crores (USD 256 million). Benign input costs in the domestic and Bangladesh businesses led to gross margin expansion of 286 bps on a year-on-year basis. **EBITDA margin expanded by 116 bps to 20.4%**, as A&P spends (at 10.1% of sales) was up 12%. **PAT grew 11%**.

The India business recorded a volume decline of 1%. While overall category growth rates were muted during the quarter, Marico brands' offtake grew ahead of the category, resulting in market shares gains across most segments. The stress in consumption was particularly visible in personal care categories, while foods and allied categories showed resilience.

The consumption slowdown was most pronounced in the traditional channel. The new age channels of Modern Trade and E-Commerce also slowed down considerably during the quarter.

On the macro front, we stay optimistic of a gradual recovery, given the Government stimulus in play and expectations of further impetus to consumption from the upcoming Union Budget, especially against the backdrop of normal monsoons last year.

The Company will continue to drive premiumisation across its portfolio in an endeavor to build franchises that deliver sustainable and profitable growth. As we revive growth in the core portfolios over the medium term, we expect an upward shift in new product contribution to top up this growth, especially with the rising salience of Modern Trade and E-Commerce.

The International business made another positive stride, delivering 10% constant currency growth, led by strengthening momentum in Bangladesh and healthy growth in exports to diaspora and other markets.

Taking forward our sustainability focus on climate action, one of our manufacturing units in Southern India has achieved a 'carbon neutral' status. Our vision is to achieve carbon neutrality for our entire operations in the country in the coming years. Given its responsibility to provide safe products to our consumers and strengthen our product sustainability profile, the Company has implemented the GaBi life cycle assessment tool for raw materials and packaging materials used. Our farmer outreach program, 'Kalpavriksha' has enrolled 1,752 farmers this year (cumulative number stands at 13,631) covering close to 11,500 acres of agriculture land. Further under the 'Jalashay' program, we have completed the de-silting activity at 77 water bodies in Jalgaon district in Maharashtra, thereby creating ~52 crore litres of water storage capacity in the region, benefitting farmers spread across 172 villages.

At its meeting held on January 30, 2020, the Board of Directors of the Company has declared an interim dividend of 325% (INR 3.25 per share) on its paid up equity share capital of INR 129.09 crores, up from 275% last year.

Other Updates:

- CEO Saugata Gupta was honoured with the Best CEO - Private Sector award at Forbes India Leadership Awards 2019.
- The Company's new plant situated in Sanand (Gujarat) to manufacture personal care products has successfully commenced its commercial production on January 28, 2020. This is the first plant of the Company in Gujarat which is now operational.

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

Media Release



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Marico's India Business recorded a turnover of **INR 1,380 crore (USD 194 million)**, down 5% on a year-on-year basis. The operating margin was at 23.2% before corporate allocations.

Parachute Rigids (packs in blue bottles) declined by 2% in volume terms. Growth was partially affected by pricing corrections hitting the retail shelves only in the late stages of Q3, due to clearing of the older inventory in the channel. Notwithstanding the same, healthy offtake growth resulted in a volume market share gain of 314 bps during the quarter. Overall, the volume market share of the Coconut Oil franchise expanded to 61% (Dec 2019 MAT).

Saffola refined edible oils grew by 11% in volume terms. While new age channels of Modern Trade & Ecommerce led the growth, the brand also managed to arrest the declining trend over last few quarters in general trade and ended on a positive note. The growth was further backed by significant media investments and in-store promoter programs. Consequently, the brand consolidated its volume market share in the super premium refined edible oils segment at ~76% (Dec 2019 MAT).

Foods grew by 37% in value terms. The value market share of Saffola Masala Oats strengthened to ~83% in the flavoured oats category (Dec 2019 MAT), driven by consistent communication coupled with periodic expansion in distribution. The brand continued to gain traction in Modern Trade and E-Commerce. The Company continued the prototype of **Saffola Perfect Nashta** in Modern Trade and select General Trade channels in Delhi. With initial positive signs, the prototype has been extended to the NCR region and will be launched in Mumbai in Q4.

Value Added Hair Oils was down 7% in volume terms, as category offtakes declined amidst a challenging consumption sentiment, especially in rural. Underperformance in franchises operating in the mid and premium segments of the category also impacted growth. Despite the same, the franchise gained ~105 bps in volume share and ~60 bps in value market share on MAT basis. As a result, volume and value share further consolidated at 35% and ~27% respectively.

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 106 bps in volume share (MAT Dec 2019) in the Amla Hair Oils category. **Parachute Advanced Aloe Vera Enriched Coconut Hair Oil** now scaled up to a pan-India level, continued to post healthy growth. The brand garnered sizeable market share in its key markets and we will continue to aggressively invest for growth. **Hair & Care** launched a new advertising campaign (**#KhuleBaalBefikar**) that celebrates the joy of 'Khule Baal' or 'hair let loose' with a 360-degree integrated marketing communications approach. **Hair & Care Dry Fruit Oil**, now available at a pan-India level, continued to show promise.

While **Livon Serums** logged high single digit growth, Premium Hair Nourishment declined by 5% in volume terms, on a higher base, which was attributable to new launches in the corresponding quarter last year. The Company also launched **Livon Cream for Curly Hair** for women to a positive initial response. **The product has been launched on Ecommerce in 100 ml packs at MRP 250.**

The **Male Grooming franchise** declined marginally, owing to the overall slowdown in discretionary categories and a soft quarter for deodorants.

Kaya Youth O2 now has a presence in General Trade in Mumbai, Pune and Delhi, Modern Trade in the top 8 metros and E-commerce. The Company will continue to extend this range to build a larger portfolio play.

Marico's International business grew by 10% in constant currency terms in Q3FY20. The operating margin was at 20.5% before corporate allocations.

Bangladesh grew by 15% in constant currency (cc) terms, with healthy growth in the Coconut Oil and non-Coconut Oil businesses. **Vietnam** grew by 4% (in cc terms), as growth in the Home and Personal Care (HPC) segment moderated. **Middle East and North Africa** declined by 4% in constant currency terms. **South Africa** grew by 3% (in cc terms). The **New Country Development & Exports** business grew by 69% in constant currency terms.

Commenting on the performance, Saugata Gupta, MD & CEO said, "The Company witnessed a muted quarter in the India business as channel partners grappled with liquidity constraints and consumption trends failed to bring any cheer. However, relative offtake growth trends and market share gains in our key portfolios was reassuring. The International business continued to pitch in with a strong performance. Despite the macro overhang in the domestic business, the Company remains steadfast in its aspiration to deliver sustained volume-driven growth and franchise expansion over the medium term through specific consumer-focused initiatives and driving excellence in execution."