



Quarterly Update: Q1 FY25

This update seeks to provide an overall summary of the operating performance and demand trends witnessed during the quarter ended 30th June, 2024. A detailed Information Update will follow this once the Board approves the financial results for Q1 FY25.

The year started on a positive note as demand trends continued to exhibit gradual improvement on expected lines.

During the quarter, **the domestic business posted a modest uptick in underlying volume growth on a sequential basis.** This volume growth was delivered post adjustments in distributor stock levels to enhance their ROI and a certain degree of wholesale channel destocking to ensure smoother direct reach expansion through Project SETU. In the given context, **Parachute Coconut Oil** posted low single-digit volume growth in this quarter, but is likely to pickup visibly through the rest of the year given the consistently healthy trends in offtake growth. **Saffola Oils** delivered mid-single digit volume growth amidst marked stability in input and consumer pricing. **Value Added Hair Oils** had a soft start to the year due to competitive headwinds persisting in the bottom of the pyramid segment, while the mid and premium segments fared relatively better. We expect the portfolio to revert to growth from the next quarter. **Foods and Digital-first brands** sustained their robust momentum and scaled up well ahead of stated aspirations.

The **International business delivered double-digit constant currency growth**, driven by resilient and broad-based growth across markets.

Consolidated revenue grew in high single digits, despite the residual impact of pricing cuts in the Saffola Oils portfolio and currency headwinds in overseas markets. **We expect consolidated revenue growth to trend upwards during the year, on the back of an improving trajectory in domestic volume growth and higher realizations due to the favourable pricing cycle in key domestic portfolios.**

Among key inputs, copra prices stayed firm in line with forecasts, while edible oil and crude oil derivatives remained rangebound. We expect **gross margin to expand on a year-on-year basis** owing to a favourable portfolio mix. We continued to adequately invest in brand building in line with our strategic intent to continually strengthen the long-term equity of both the core and new franchises. **Operating profit is expected to grow slightly ahead of revenue leading to a marginal inching up of operating margin on a year-on-year basis.**

Earlier this month, **the Company announced that it will collaborate with renowned dermatological solutions provider, Kaya Limited, to advance its play in science-backed personal care.** Under this arrangement, the Company will have exclusive rights to scale up Kaya's range of efficacy-based personal care products outside of its clinics. **This key strategic initiative will be an additional growth driver for Marico's Premium Personal Care led Digital Business and further accelerate the portfolio diversification agenda of the India business.**

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 scale up of new engines of growth.

About Marico:

Marico (BSE: 531642, NSE: "MARICO") is one of India's leading consumer products companies present in global beauty and wellness categories. During FY 2023-24, Marico recorded a turnover of INR 96.5 billion (USD 1.2 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, Hair & Care, Parachute Advansed, Nihar Naturals, Mediker, Pure Sense, Coco Soul, Revive, Set Wet, Livon, Beardo, Just Herbs, True Elements and Plix. The overseas consumer products portfolio contributes to about 26% of the Group's revenue, with brands like Parachute, Parachute Advansed, HairCode, Fiancée, Purité de Prôvence, Ôliv, Caivil, Hercules, Black Chic, Code 10, Ingwe, X-Men, Thuan Phat and Isoplus.

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