



Quarterly Update: Q4 FY19

This update seeks to provide an overall summary of the operating performance and demand trends witnessed in the quarter ended 31st March 2019. This will be followed by a detailed Information Update once the Board approves the financial results for Q4 FY19.

During the quarter, we witnessed stable demand conditions and healthy offtake growth on the back of the competitive strength of our franchises. While rural grew ahead of urban in the traditional channel, we believe consumption trends should be closely monitored in light of some sluggishness in wholesale in March. Robust growth in Modern Trade and E-Commerce throughout the year has propelled the share of business from these channels to its highest ever level. Headwinds in CSD sales also seem to have passed.

Parachute Rigids continued to meet expectations. **Saffola Edible Oils** has responded very well to focused marketing initiatives during the quarter, however we stay cautiously optimistic in the near term. **Value Added Hair Oils**, on the other hand, had a weak quarter. Overall, the domestic business delivered volume growth in line with the near term outlook.

The International business had a reasonable quarter with the key markets of **Bangladesh** and **Vietnam** faring well, while other markets were a bit subdued.

Operating margin is expected to improve moderately during the quarter as pressure from input costs eased and operating leverage benefits also kicked in.

Q4 continued to be a busy quarter for new products launches. Keeping up the velocity of innovation, the Company launched a new range of skin-care products under the aegis of a new brand, **Kaya Youth O₂**, with a promise of youthful skin. The range comprises a face cream, face wash, micellar water and face wipes.

The Company also expanded its range of gourmet food offerings under **Saffola FITTIFY Gourmet** with the launch of a power breakfast range comprising ready-to-cook Poha and Upma, made healthier through the inclusion of superfoods such as millets and quinoa.

In addition to Cold-Pressed Virgin Coconut Oil, the Company has launched coconut based organic food offerings under the **Coco Soul** brand - Coconut Sugar, Coconut Chips, Coconut Peanut Butter and Coconut Almond Butter.

The Company also introduced a new **Charcoal** range of male grooming products under the **Set Wet Studio X** brand, which offers natural detox and enhanced cleansing properties.

The Company will continue to drive sustained profitable volume-led growth over the medium term, through its focus on strengthening the franchise in the core categories and driving the new engines of growth towards gaining critical mass.

About Marico:

Marico (BSE: 531642, NSE: "MARICO") is one of India's leading Consumer Products Group, in the global beauty and wellness space. During 2017-18, Marico recorded a turnover of INR 63 billion (USD 982 Million) 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 business 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, Thuan Phat, Sedure and Isoplus.

Marico's focus on delivering sustainable business and earnings growth has so far resulted in a healthy shareholder return of 26% CAGR since listing in 1996.

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