



Quarterly Update: Q4 FY22

This update seeks to provide an overall summary of the operating performance and demand trends witnessed during the quarter ended 31st March, 2022. A detailed Information Update will follow this once the Board approves the financial results for Q4 FY22.

During the quarter, consumption trends remained subdued amidst weak rural sentiment and inflation in global commodities aggravating due to geo-political tensions. While companies effected price hikes across FMCG categories to cope with the cost-push, persistent inflation continued to hurt consumer wallets across rural and urban. As a result, FMCG volumes declined in the Jan-Feb'22 period on a year-on-year basis (per Nielsen).

Despite the challenging macro context, the India business stayed relatively firm, riding on focused execution and market share gains. Revenue growth in the quarter was in low single digits, while volumes were marginally positive on an exceptionally high base (25%), leading to a double-digit volume growth on a 2-year CAGR basis. Parachute Coconut Oil volumes were marginally lower year-on-year, mainly due to a daunting base (29%). Value Added Hair Oils grew in low single digits in value terms and continued to deliver as per medium term aspirations over a 2-year time frame. The Saffola franchise grew in high teens in value terms, with Foods growing healthily. Premium Personal Care posted broad-based double-digit growth. Digital-first brands, Beardo and Just Herbs, also performed in line with expectations.

The International business delivered double-digit constant currency growth on a strong base, with all markets faring well. The business has registered a stellar mid-teen constant currency growth in FY22.

Consolidated revenue growth in the quarter touched high single digits.

Among key inputs, copra prices remained soft, however edible and crude oil prices spiked due to geo-political tensions. In response, the Company also took calibrated price increases in the Value Added Hair Oils and Saffola Edible Oils portfolios during the quarter. Consequently, gross margin is expected to be at similar levels as the same quarter last year. A&P spends were higher on a year-on-year basis, as we maintained investments towards strategic brand building of core and new franchises. In view of the above, we expect marginal growth in profits in the quarter.

In its pursuit of INR 850-1000 cr. Foods portfolio in FY24, the Company further expanded the total addressable market of the brand 'Saffola', through the launch of **Saffola Peanut Butter (made with jaggery and no refined sugar)** and **Saffola Mayonnaise (eggless and with milk cream)**. Both offerings are available online and will be soon be present in offline channels as well.

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 new engines of growth reaching critical mass.

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 2020-21, Marico recorded a turnover of about INR 80.5 billion (USD 1.1 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, Coco Soul, Revive, Set Wet, Livon 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, Mediker SafeLife, Thuan Phat and Isoplus.

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