

Q1 FY23 Results

AUGUST 2022



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Operating Environment stayed challenging

Retail Inflation & Currency Depreciation



Retail price inflation well above the RBI's upper tolerance limit of 6%

Sharpest depreciation in the Indian Rupee in four years

Demand Slowdown



FMCG sector witnessed volume decline for the third quarter in a row

Rural lagging urban | HPC weaker than Foods

Risk of external disruptions



World Uncertainty Index on the rise again after easing towards end of 2021

Soft quarter for the domestic business | Stellar performance in International business

Q1 FY23 (YoY)



20.6%

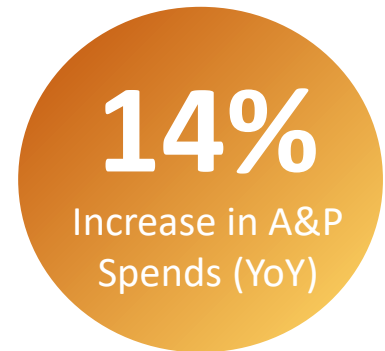
Consolidated
EBITDA Margin

10%

Consolidated
EBITDA Growth

4%

Consolidated
PAT Growth



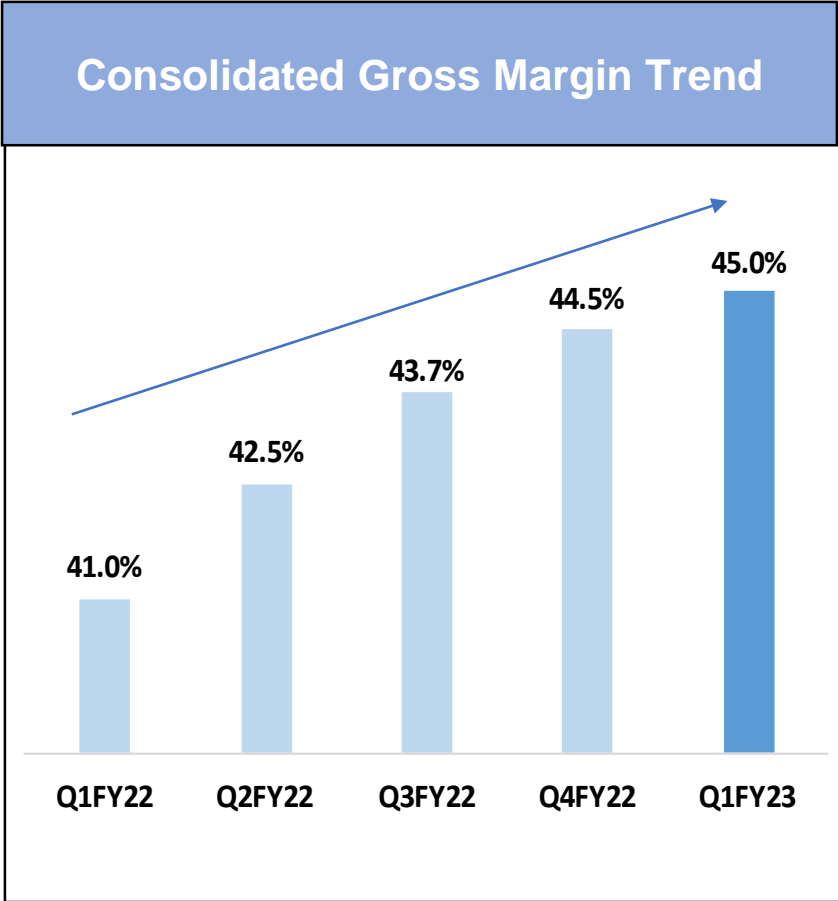
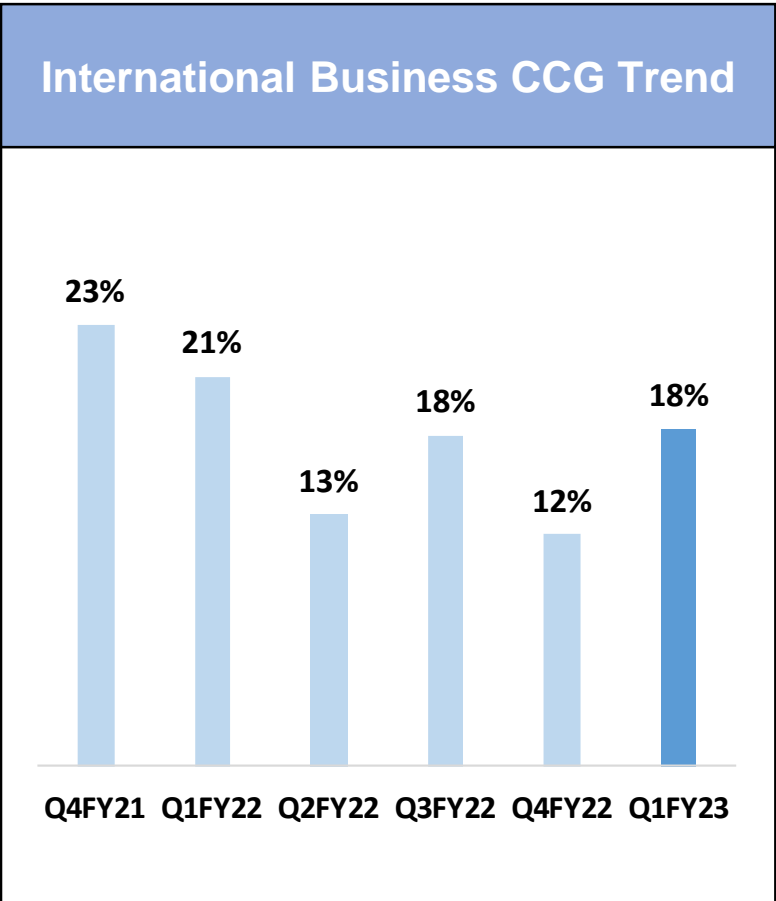
Domestic volumes declined by 6%, dragged by significant headwinds in Saffola Oils.
Ex-Saffola Oils, domestic volumes grew by 1%.

Exhibiting Strong Resilience

Strengthening Competitive Position in India

96% portfolio gained market Share

93% portfolio sustained Penetration



Parachute: Market Share Solidifies | Gradual pickup in volumes expected from Q2



Q1FY23

(2%)

Volume Growth

(9%)

Value Growth

90 bps

Volume MS gain
in rigid packs
(MAT Jun'22)

170 bps

Value MS gain
in rigid packs
(MAT Jun'22)

**Copra prices
to remain range-
bound**

5-7%

Medium-term volume
growth Aspiration

VAHO: Steady performance | Value Market Share Strengthens Further

Broad-based growth across the portfolio amidst challenging consumption environment



5%

Q1 Value Growth

Volume flattish
in Q1 after price hikes
and pack size reductions

60bps

Value MS Gain
(MAT Jun'22)

Expect to deliver double
digit growth in
rest of the year

Saffola: Category headwinds weigh on Edible Oils | Foods holds steady despite sharp base effect



Franchise posts low teen revenue decline in Q1

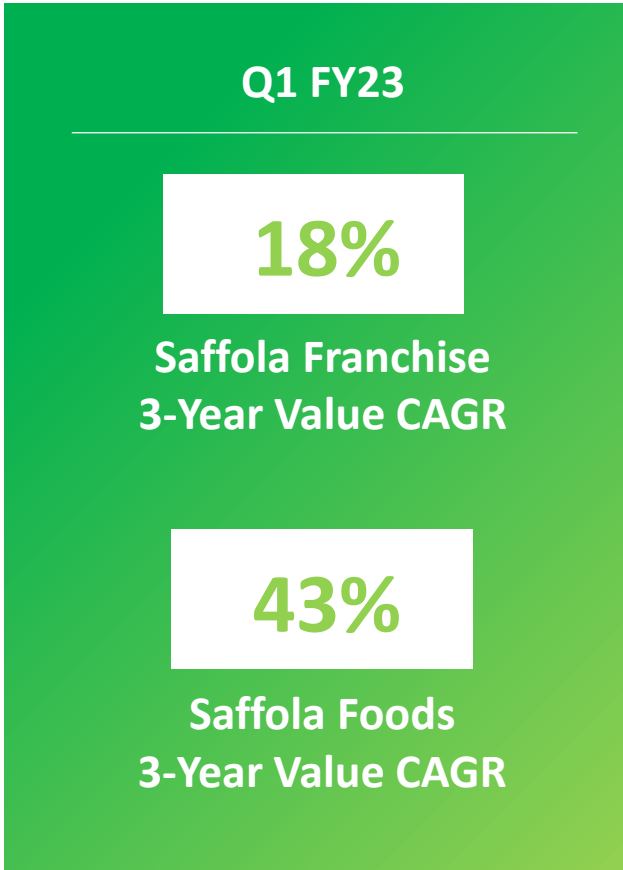
GROWING RELEVANCE OF HEALTHY LIVING

INCREASED PENETRATION

Saffola Oats franchise

420 bps

Gain in Value MS (MAT Jun'22)



Foods posted single digit value growth

Premium Personal Care: Building momentum



Livon Serums continues to clock double digit growth YoY



Set Wet portfolio nearing pre-COVID levels



- Leverage leadership position of our brands and low penetration of categories
- Beardo and Just Herbs in line with expectations
- Digital-first brands at circa INR 200 cr. ARR

Strategic Investment in True Elements: FOOD that does NOT LIE to YOU



- ~54% stake acquired in India's only food brand to be recognized as both 'Clean Label' & '100% Wholegrain'
- Promises 0% preservatives, 0% chemicals & 0% added sugar
- 70+ products spanning across categories of Western breakfast (oats, quinoa, muesli, granola, flakes), Indian breakfast (poha, upma, dosa), Snacks (roasted seeds, seed mixes, raw seeds) , among others

Robust 18% CCG in the International Business | NPD launches continue to invigorate



Bangladesh



10%
Q1 CCG

New portfolios
scaling up



South East Asia



34%
Q1 CCG

HPC segment in
Vietnam picks up



South Africa



23%
Q1 CCG

Broad-based
growth
momentum



MENA



27%
Q1 CCG

Strong growth in
the Gulf region
and Egypt

International Business delivers double-digit CCG for the sixth quarter in a row

Recent Launches – International (1/2)



Bangladesh



Parachute Advanced
Onion Hair Growth Oil



Glo On
Skin Cream



South East Asia - Vietnam



X-Men For Boss
Male Keratin Shampoo Range



X-Men
Face Wash Range

Recent Launches – International (2/2)



South East Asia - Vietnam



Lashe
Hair Care and Shower Gel Range

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Near Term Outlook



External Stimulus

- Retail Inflation and weakening INR subdue macro context
- Early signs of commodity inflation cooling off
- Improving rainfall forecast in the heartlands encouraging
- Rural sentiment remains key to recovery in FMCG growth



Business and Competitive Position

- Domestic business to grow ahead of market
- Maintain Market Share Gain Momentum
- Sustain growth momentum in the International Business



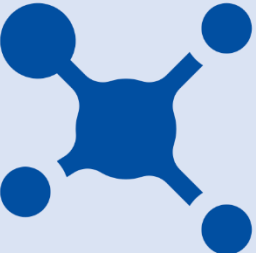
Margins

- Aim to deliver 18-19% operating margin in FY23
- Maintain Investments in Brand Building
- Sustained Focus on Cost Rationalization

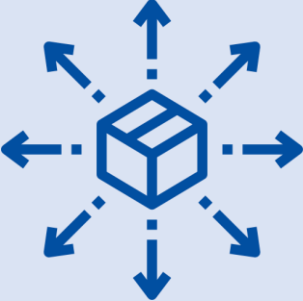
Driving 4Ds to Make Marico Future-Ready

Unlock the next leg of growth through...

Diversification



Distribution



Digital



Diversity



.....and continue to maintain focus on

Grow the Core

Cost Management

ESG Commitments

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Consolidated Profit & Loss Statement

(in ₹ cr.)

Particulars	Q1FY23	Q1FY22	Change (%)
Revenue from Operations	2,558	2,525	1%
Material Cost	1,406	1,489	-6%
ASP	199	175	14%
Employee Cost	156	150	4%
Other Expenses	269	230	17%
EBITDA	528	481	10%
EBITDA Margin	20.6%	19.0%	159 bps
PBT	499	467	7%
PAT	371	356	4%

Note: Effective tax rate (ETR) was higher in Q1FY23 after the expiration of fiscal benefits in one of the manufacturing units.

Working Capital

Particulars	Q4FY22	Q1FY23
Debtors Turnover (Days)	29	27
Inventory Turnover (Days)	58	49
Net Working Capital (Days)	21	20

Note: The Company has maintained healthy working capital ratios through the year.

Annexure 1: Operating Margin Structure for Marico Limited (Consolidated)

Particulars (% of Revenues)	Q1FY23	Q4FY22	Q1FY22	FY22	FY21
Material Cost (Raw + Packaging)	55.0%	55.5%	59.0%	57.1%	53.1%
Advertising & Sales Promotion (ASP)	7.8%	9.4%	6.9%	8.4%	8.7%
Personnel Costs	6.1%	6.4%	5.9%	6.2%	7.1%
Other Expenses	10.5%	12.2%	9.1%	10.6%	11.4%
PBDIT margins	20.6%	16.4%	19.0%	17.8%	19.8%
PBDIT before ASP	28.4%	25.8%	26.0%	26.1%	28.4%

Annexure 2: Market Shares in Key Categories in the India Business - MAT Jun'22

Franchise	~MS%	Rank
^ Coconut Oil Franchise	62%	1 st
^ Parachute Rigids within Coconut Oils	53%	1 st
* Saffola Oats	43%	1 st
^ Value Added Hair Oils	37%	1 st
^ Post wash Leave-on Serums	63%	1 st
* Hair Gels/Waxes/Creams	55%	1 st

^ Volume Market Share * Value Market Share

Annexure 3: ESG Performance Snapshot (till Q1 FY23)

Marico launched its [ESG 2.0 framework](#) on June 5, 2022 commemorating the 50th anniversary of World Environment Day



Emissions & Energy

- **76.4%** reduction in GHG emission intensity (Scope 1+2)
- **66.2%** energy sourced from renewables



Water Stewardship

- **100% replenishment** of water consumed in operations
- **2,680 mn litres** of water capacity created till date



Circular Economy

- **96%** recyclable packaging by weight
- **537 tco2e** reduction in GHG emissions and **206MT** material savings from sustainable packaging projects.
- Successful prototype created for usage of **recycled plastic in primary packaging** of the non-edible products' portfolio



Sustainable Coconut

- **0.274 mn** acreage enrolled covering **68,490 farmers** till date
- **15%** improvement in productivity in farms that have completed more than a year under the program



Social Value Creation

- **0.3 mn+ teachers and 0.4 mn+** students impacted from Nihar Shanti Pathshala Funwala's Whatsapp-based English literacy program.
- **16,129 trees** planted till date as per of Marico's Afforestation Program generating carbon sequestration potential of **18,000 tco2e** over the lifespan of the trees.

Marico has committed to Net Zero emissions in its domestic operations by 2030 and global operations by 2040

Annexure 4: Awards and Recognitions



Marico was ranked among the top 3 Most Sustainable Companies in India by BW Businessworld IMSC 2021-22



Marico was recognized as the 'Masters of Risk' in the ESG category in the 8th edition of the India Risk Management Awards 2022 by CNBC-TV18 & ICICI Lombard



Marico was the only FMCG company to be placed in the 'Leadership category' as per CRISIL's ESG ratings published in Yearbook 2022



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Thank You