

October 29, 2024

The Secretary,
Listing Department,
BSE Limited,
1st Floor, Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai – 400 001
Scrip Code: 531642

The Manager,
Listing Department,
National Stock Exchange of India Limited,
Exchange Plaza, C-1 Block G,
Bandra Kurla Complex, Bandra (East),
Mumbai – 400 051
Scrip Symbol: MARICO

Dear Sir/Madam,

Sub.: Information Update for the quarter and half year ended September 30, 2024

Please find enclosed the Information Update along with an earnings presentation on the un-audited consolidated financial results of the Company (i.e. Marico Limited and its Subsidiaries) for the quarter and half year ended September 30, 2024.

The same is being made available on the website of the Company at:
<http://marico.com/india/investors/documentation/quarterly-updates>

This is for your information and records.

Thank you.

For **Marico Limited**

Vinay M A
Company Secretary & Compliance Officer

Encl.: As above

Q2 FY25 Results

OCTOBER 2024



Safe Harbour Statement

This Release / Communication, except for the historical information, may contain statements, including the words or phrases such as 'expects, anticipates, intends, will, would, undertakes, aims, estimates, contemplates, seeks to, objective, goal, projects, should' and similar expressions or variations of these expressions or negatives of these terms indicating future performance or results, financial or otherwise, which are forward looking statements. These forward looking statements are based on certain expectations, assumptions, anticipated developments and other factors which are not limited to, risk and uncertainties regarding fluctuations in earnings, market growth, intense competition and the pricing environment in the market, consumption level, ability to maintain and manage key customer relationship and supply chain sources and those factors which may affect our ability to implement business strategies successfully, namely changes in regulatory environments, political instability, change in international oil prices and input costs and new or changed priorities of the trade. The Company, therefore, cannot guarantee that the forward-looking statements made herein shall be realized. The Company, based on changes as stated above, may alter, amend, modify or make necessary corrective changes in any manner to any such forward looking statement contained herein or make written or oral forward-looking statements as may be required from time to time on the basis of subsequent developments and events. The Company does not undertake any obligation to update forward looking statements that may be made from time to time by or on behalf of the Company to reflect the events or circumstances after the date hereof.

Macro Overview

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Performance Highlights

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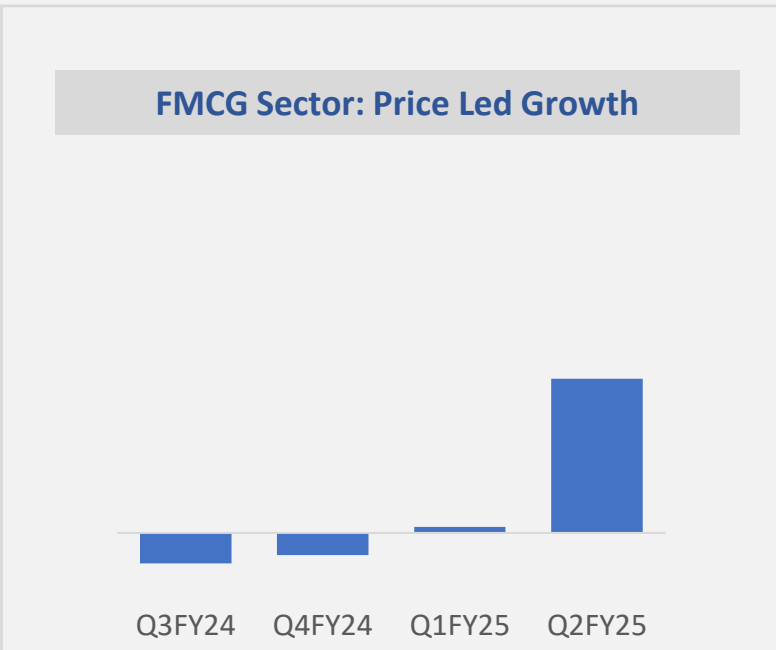
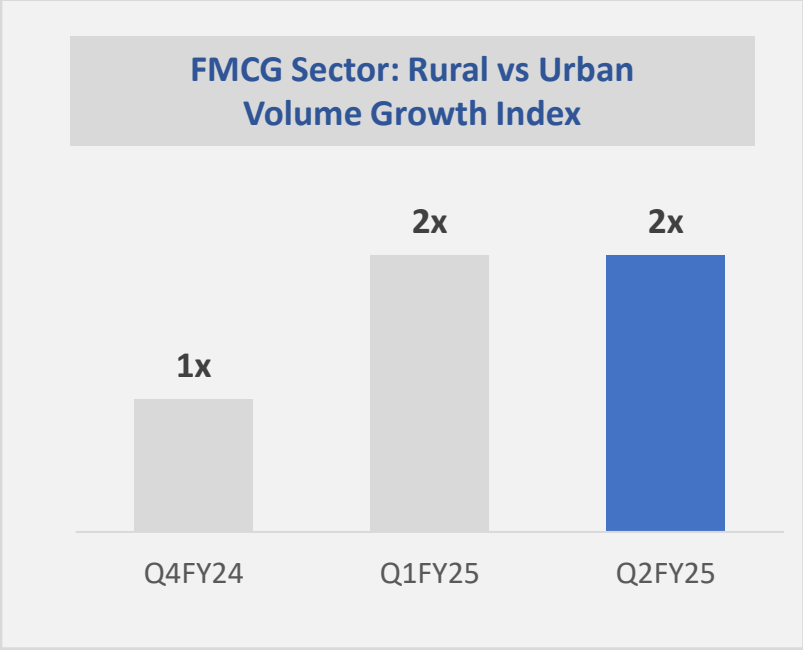


Financials

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Rural sustains lead over urban | Pricing growth trending up as commodity prices rise



Urban trajectory stable; rural outperformance continues
Stable trends witnessed across HPC and Foods

Food and retail inflation spike in September; trend to be monitored in the near term

Above-normal rainfall in most regions in the monsoon season this year

Continued government spending and festive season likely to aid growth in the near term

*Index signifies rural volume growth as a multiple of urban volume growth

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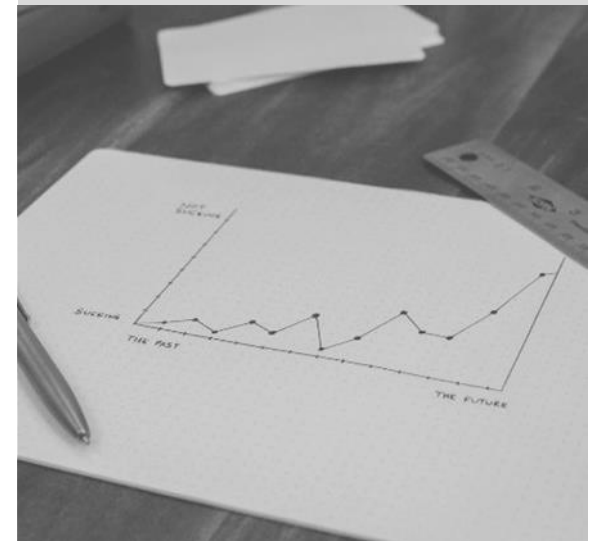
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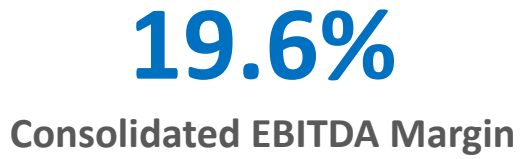
Financials

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Sequential uptick in growth in the domestic business | International business continues robust show

Q2 FY25 (YoY)



Domestic Revenue up 8% YoY both in Q2 and H1
Consolidated revenue growth expected to move into double digits in H2
More than 80% of the domestic business either gained or sustained market share and penetration on MAT basis.

Double-digit growth in PCNO | Saffola Oils back in positive terrain | VAHO bottoming out

Parachute Coconut Oil (33% of Domestic Revenues)



4%

Volume Growth

10%

Value Growth

Saffola Edible Oils (18% of Domestic Revenues)



Flat volumes YoY |
Pricing growth positive
after 8 quarters

2%

Value Growth

Value Added Hair Oils (20% of Domestic Revenues)



110bps

Value MS gain in Q2

(8%)

Value Growth

Strong scale-up in Foods continues | Annualized run rate in Q2 crosses ~₹ 1000 cr.



Click on the image above to watch the campaign



Premium Personal Care: Trending ahead of aspirations

Serums | Male Grooming | Skin Care



Digital-First Brands



~₹300 cr.

H1 ARR

>₹525 cr.

Q2 Exit ARR

Parachute Coconut Oil: Namma Soil, Namma Coconuts, Namma Parachute



[Watch the journey of Parachute](#) as it travels from the roots of Tamil Nadu to our homes, bringing with it the essence of our beloved coconuts. Embodying the purity and spirit of our land, Parachute is truly one of our own, crafted with care and love from the heart of Tamil Nadu.

Saffola Step-Up For Your Heart: World Heart Day 2024 | Saffola Oats celebrates Onam



Click on the image above to watch the campaign

Visible brand building investments in VAHO towards reinvigorating growth



Click on the image above to watch the campaign

Project SETU: Strong governance ensuring sustainable expansion

10

*No. of states
kicked off in H1*

Execution at state level on track | Leveraging technology to identify white spaces for outlet expansion

Leading to strengthening of the core portfolios and distribution gains in opportunity portfolios

Demand generation through visibility led distribution

Improved Salesforce tracking leading to higher productivity & assortment

Resounding resilience in Bangladesh amidst challenging conditions | MENA and SA on strong footing



Bangladesh



8% Healthy growth in core and new franchises
Q2 CCG



Vietnam



7% HPC demand recovery underway
Q2 CCG



MENA



43% Robust growth in Gulf and Egypt
Q2 CCG



South Africa



20% All-round growth in Hair care and Health Care
Q2 CCG

International business records 13% CCG in Q2

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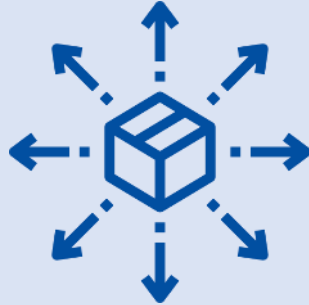
Staying True to the 4Ds

Unlock the next leg of growth through...

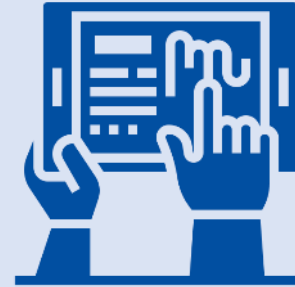
Diversification



Distribution



Digital



Diversity



.....and continue to maintain focus on

Grow the Core

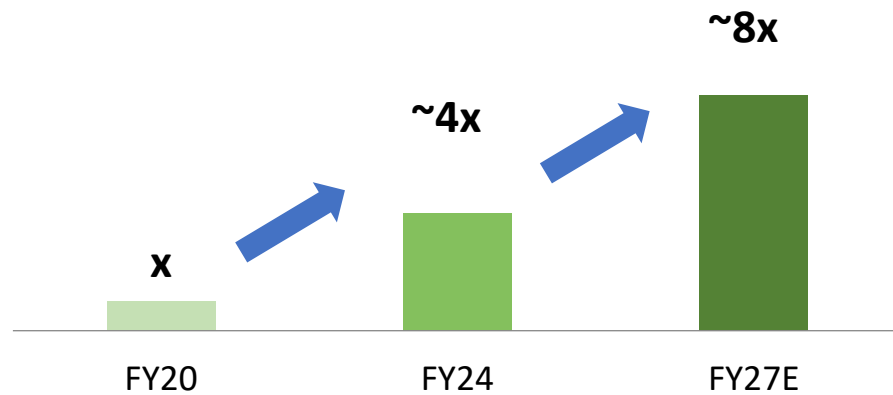
Cost Management

ESG Commitments

Diversification remains a key priority: Profitable Scale up in Foods to continue

*Foods portfolio to be
2x of FY24 scale in FY27*

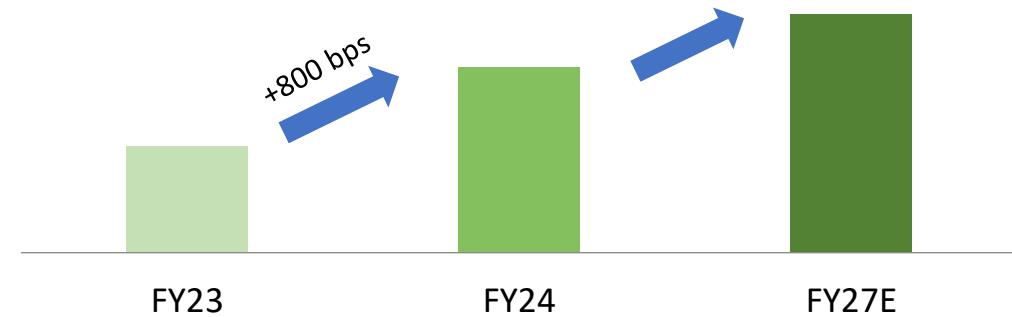
Foods Revenues (in ₹ cr.)



*Foods poised for 20%+ CAGR
after successful initiatives towards refinements in
supply chain and GTM during FY24*

*Aim to drive consistent improvements in profitability
as constituent franchises attain critical mass*

Foods Gross Margin (%)

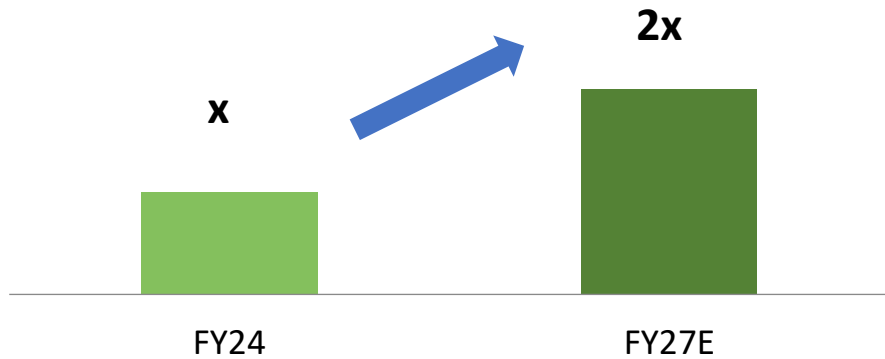


*Focused initiatives led to
robust ~800 bps GM expansion in FY24*

Diversification remains a key priority: Digital Business to leverage enhanced capabilities

Exit ARR of Digital-First brands expected to be **2x of FY24 ARR in FY27**

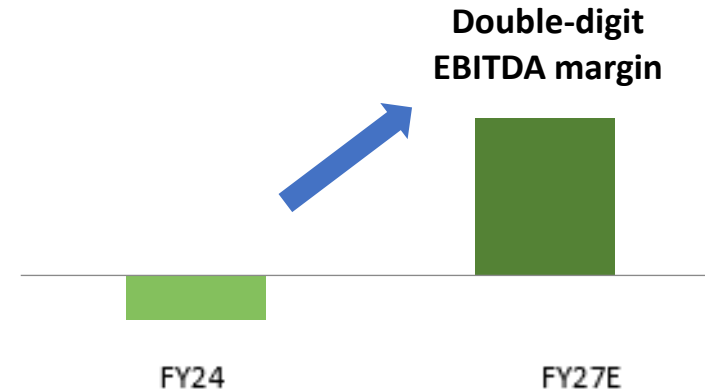
Digital-first brands exit ARR (in ₹ cr.)



Beardo scales by ~3x since FY21;
Just Herbs crossed INR 1bn ARR in FY24;
Personal Care play in Plix gaining traction

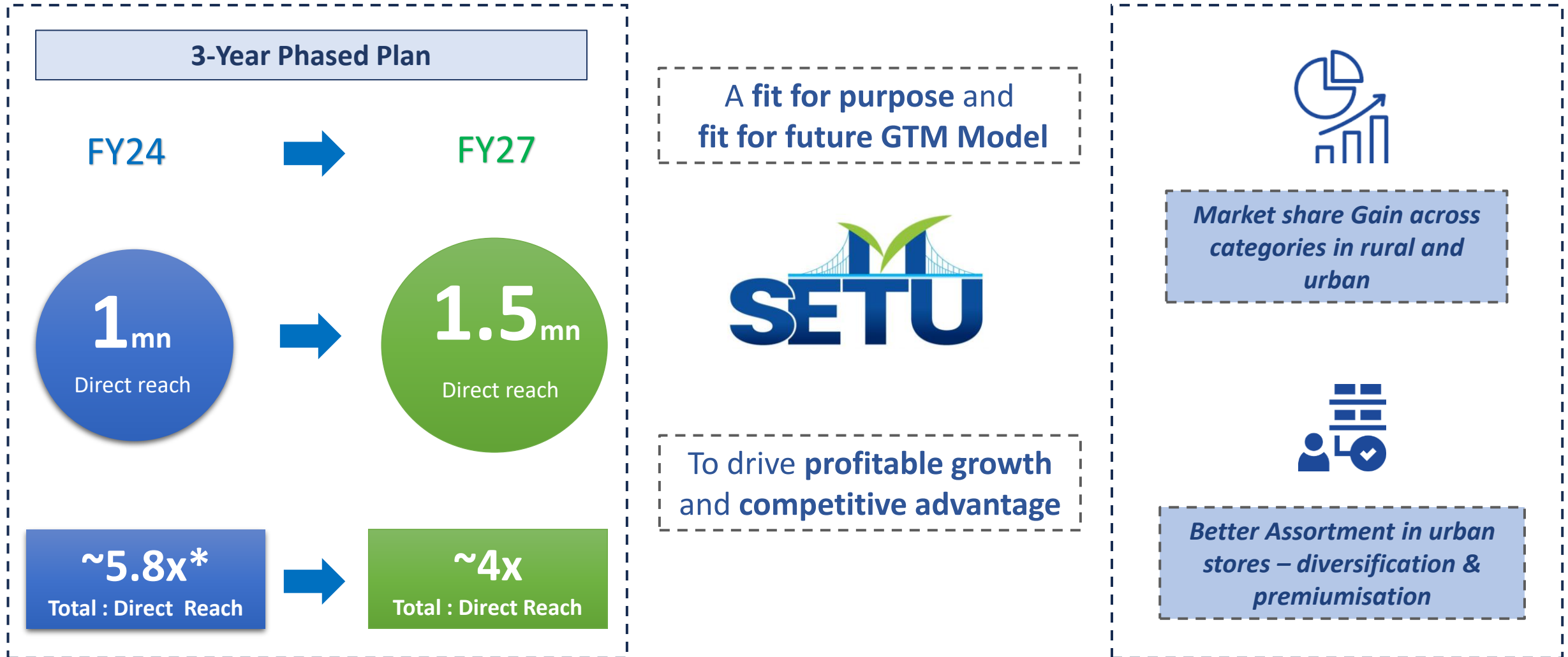
Aim for **Double Digit EBITDA margin** in Digital-first brands in FY27

Digital-first brands EBITDA Margin (%)



Beardo on course to deliver **double digit EBITDA margin in FY25**;
Minimal cash burn in *Just Herbs* and *Plix*

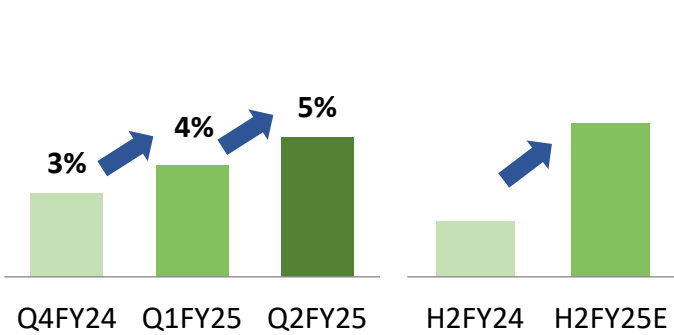
Project SETU: Drive growth in GT through transformative expansion in Direct Reach



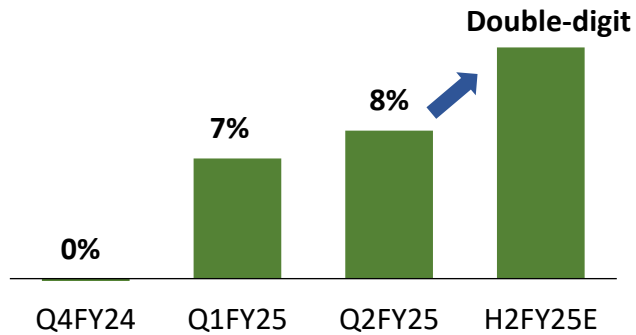
Aiming for robust revenue-led earnings growth in the near & medium term

India Business – Improving trajectory

Volume Growth

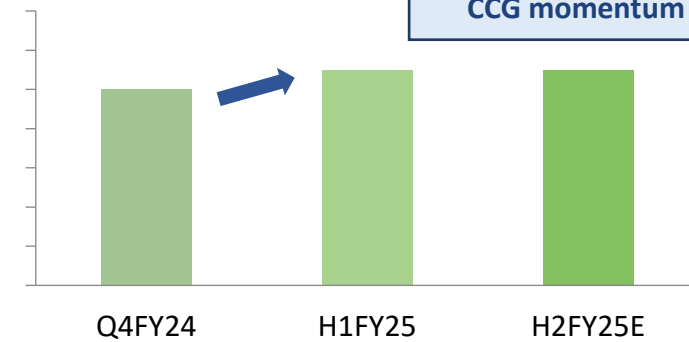


Revenue Growth



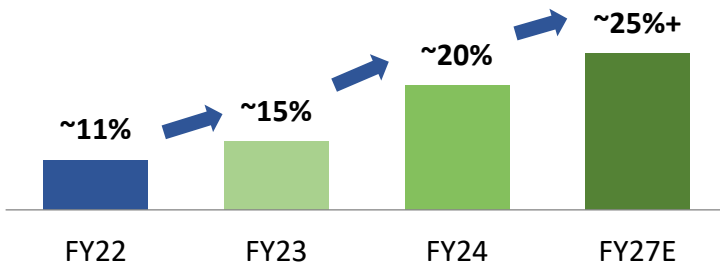
International Business (CCG) - Going Strong

Retain double-digit CCG momentum



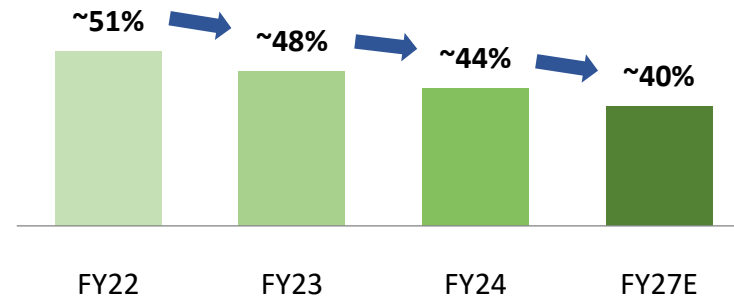
India Business – Robust Diversification Journey

Foods & Premium Personal Care - Revenue Share(%)



International Business – Reducing Bangladesh Share

Bangladesh Revenue Share in International Business (%)



Domestic revenue growth to trend higher with pricing & volume growth gradually picking up; Aggressive diversification to continue

Bangladesh to maintain double digit momentum; MENA & South Africa scaling up – broad basing of the business in progress

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Consolidated Profit & Loss Statement

(in ₹ cr.)						
Particulars	Q2FY25	Q2FY24	Change (%)	H1FY25	H1FY24	Change (%)
Revenue from Operations	2,664	2,476	8%	5,307	4,953	7%
Material Cost	1,311	1,226	7%	2,573	2,465	4%
ASP	290	268	8%	530	480	10%
Employee Cost	213	187	14%	416	368	13%
Other Expenses	328	298	10%	640	569	12%
EBITDA	522	497	5%	1,148	1,071	7%
EBITDA Margin	19.6%	20.1%	(50 bps)	21.6%	21.6%	-
PBT	552	476	16%	1,157	1,043	11%
Reported PAT	423	353	20%	887	780	14%
Recurring PAT	388	353	10%	852	769	11%

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

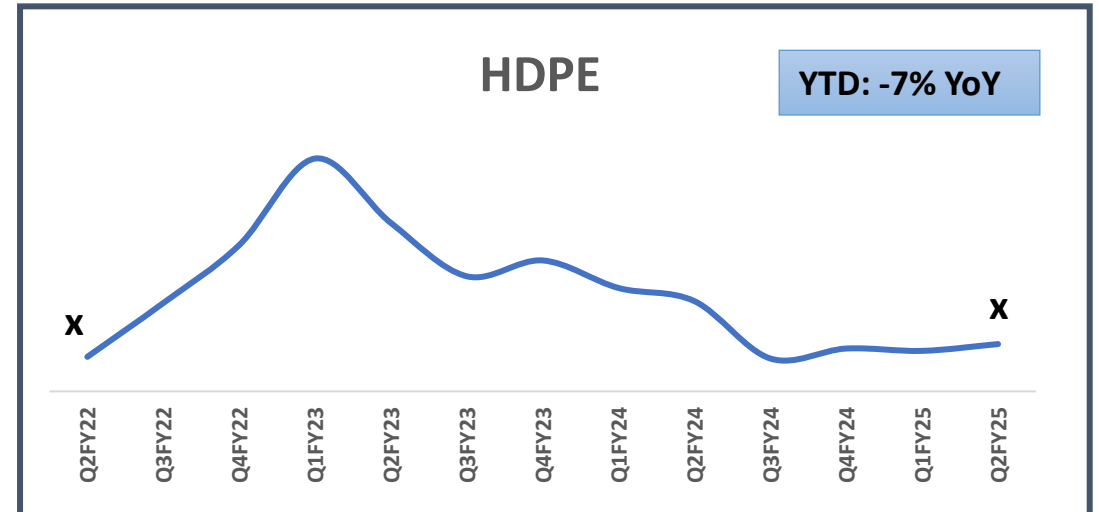
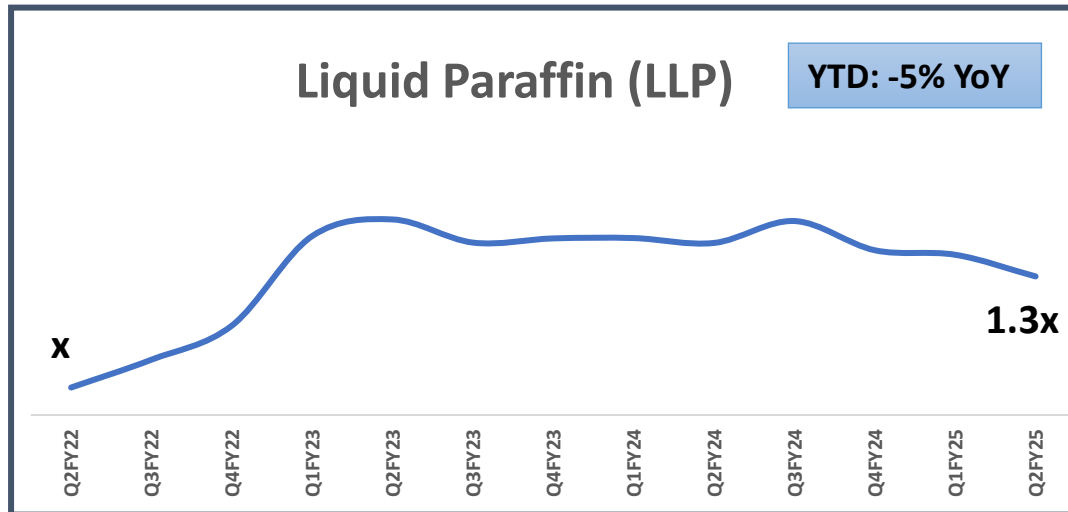
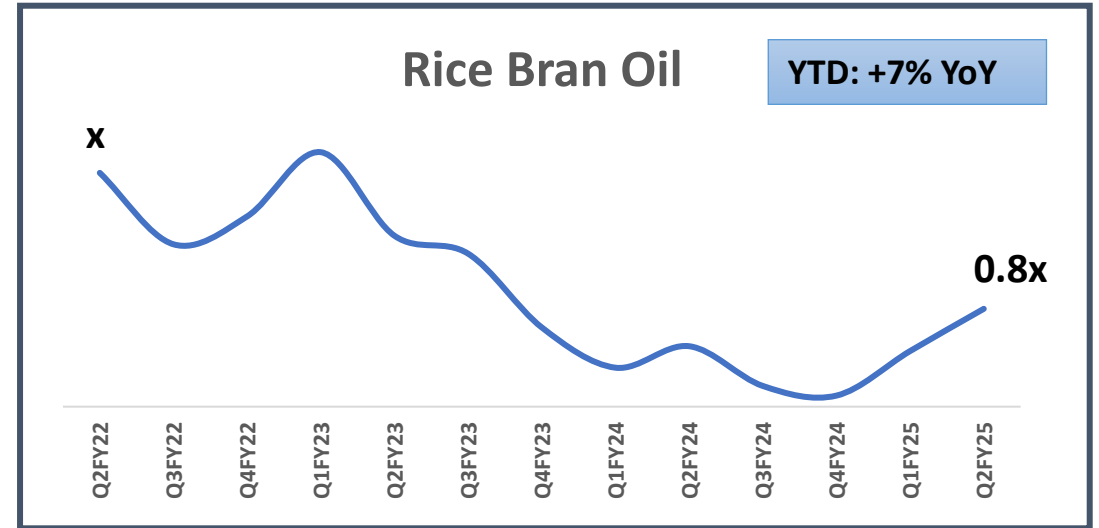
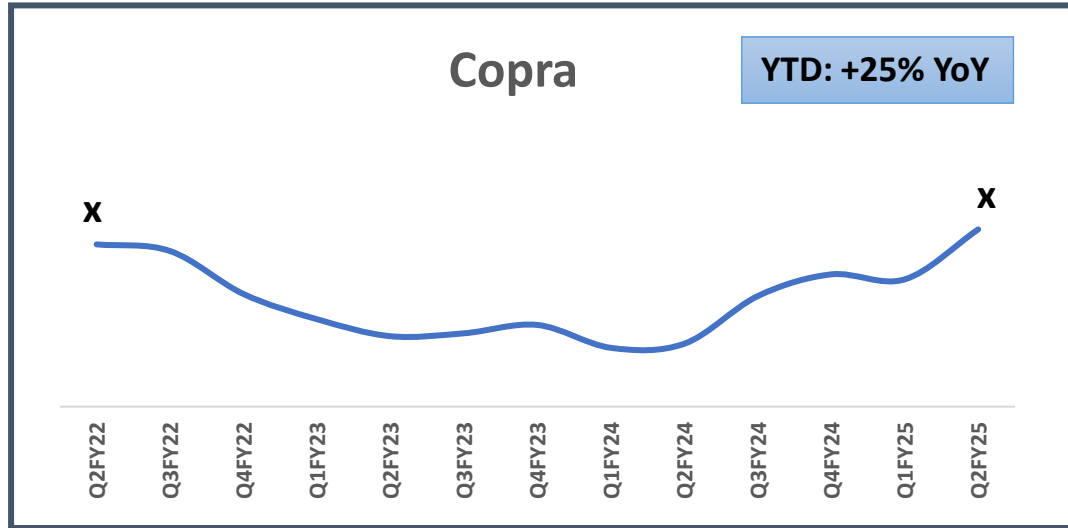
(as a % of Revenues)	Q2FY25	Q1FY25	Q2FY24	H1FY25	H1FY24
Material Cost (Raw + Packaging)	49.2%	47.7%	49.5%	48.5%	49.8%
Advertising & Sales Promotion (ASP)	10.9%	9.1%	10.8%	10.0%	9.7%
Personnel Costs	8.0%	7.7%	7.6%	7.8%	7.4%
Other Expenses	12.3%	11.8%	12.0%	12.1%	11.5%
EBITDA margins	19.6%	23.7%	20.1%	21.6%	21.6%
EBITDA before ASP	30.5%	32.8%	30.9%	31.6%	31.3%

Annexure 2: Working Capital

Particulars	Q2FY25	Q1FY25
Debtors Turnover (Days)	42	38
Inventory Turnover (Days)	47	47
Net Working Capital (Days)	39	28

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

Annexure 3: Movement of Key Raw Material Prices



Annexure 4: Market Shares in Key Categories in the India Business - MAT Sep'24

Franchise	~MS%	Rank
^ Coconut Oil Franchise	63%	1 st
^ Parachute Rigids within Coconut Oil	54%	1 st
* Saffola Oats	41%	1 st
* Value Added Hair Oils	28%	1 st
^ Post wash Leave-on Serums	48%	1 st
^ Hair Gels/Waxes/Creams	52%	1 st

^ Volume Market Share * Value Market Share

Annexure 5: ESG Performance Snapshot (Q2 FY25)



Emissions & Energy

- **80.75%** reduction in GHG emission intensity (Scope 1+2) from baseline of FY 13
- **75.4%** Renewable energy share (thermal + electrical) till date

Water Stewardship

- **54.5 %** reduction in water consumption intensity from the baseline FY 13
- About **5 billion liters (cumulative)** of water conservation potential created

Circular Economy

- **95.3%** recyclable packaging share by weight
- **<1%** use of PVC in packaging

Sustainable Agriculture Parachute Kalpavriksha Foundation:

- **1.10 lakhs** of farmers enrolled till date
- **3.94 lakh acres** of farmland enrolled till date
- **17%** improvement in productivity

Social Value Creation

- About **14 lakh** of students impacted and **2.5 lakh** teachers enrolled in the financial year 2024-25 under the **Nihar Shanti Amla Funwala Programme**
- **1.95 lakh trees** plantation initiated under afforestation programme
- **3.71 lakh** beneficiaries (cumulative) impacted till date through community sustenance programmes
- Nearly **12 lakh** beneficiaries impacted through “Eat Right” programme

Annexure 6: Recent ESG Recognitions



Marico awarded as **“Gold Winner”** - Times Now Global Sustainability Alliance SDG Summit – Climate Action Awards 2024



Marico awarded as **“Organisation with Sustainable Practices”** at the India Sustainability Leadership Congress & Awards



Marico ranked among the **Top 5 Companies Leading the Sustainability Journey for the FMCG Sector** by BW BusinessWorld.

Annexure 7: Awards and Recognitions



Marico has been honored as the **'Best Organization for Customer Experience'** by the ET-Times Group.



Marico has won the Global CSR, Sustainability, and ESG Awards 2024 from Brand Honchos for **Best Water Management Initiative of the Year.**



Marico was recognized by ET Now at the 7th Edition of **Iconic Brands of India 2024.**



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www.beardo.in

www.mycocosoul.com

www.puresense.co.in

www.justherbs.in

www.true-elements.com

www.maricoinnovationfoundation.org

www.parachutekalpavriksha.org

Thank You

Investor Relations Contact:

Harsh Rungta | Head – M&A and Investor Relations | harsh.rungta@marico.com

Marico – Information Update for Q2FY25 (Quarter ended September 30, 2024)

Executive Summary: Consolidated Results

Particulars (₹ Cr)	Q2FY25	YoY Growth	H1FY25	YoY Growth
Revenue from Operations	2,664	8%	5,307	7%
EBITDA	522	5%	1,148	7%
EBITDA Margin (%)	19.6%	Down 50 bps	21.6%	Flat
Profit After Tax (excl. one-offs)	388	10%	852	11%
Domestic Volume Growth (%)		5%		4%
International Business (% CCG)		13%		12%

In Q2FY25, Revenue from Operations was at ₹2,664 crore, up 8% YoY, with underlying volume growth of 5% in the domestic business and constant currency growth of 13% in the international business.

During the quarter, we witnessed stable demand trends in India with **rural growing at 2x the pace of urban on a year- on-year basis. Pricing growth for the sector turned positive on a YoY basis** as brands effected price increases in response to rising commodity prices.

The **domestic business maintained its improving volume growth trajectory** on the back of healthy trends across most of the core and new franchises. **Offtakes remained strong as more than 80% of the business either gained or sustained market share and penetration both on a MAT basis. Domestic revenue was ₹1,979 crore, up 8% YoY**, as volume growth was supplemented by price hikes in the Coconut Oil portfolio and favorable reversal in the pricing cycle in Saffola Oils. Alternate channels continued to gain salience vis-à-vis General Trade.

After the successful initiation in the preceding quarter, **Project SETU was extended to 4 more states, taking the tally to 10 states.** The execution at the state level has progressed as planned, supported by robust governance mechanisms to ensure sustainable outlet expansion. In addition to **improved direct reach and weighted distribution, Project SETU will drive market share gains across categories in urban and rural markets, as well as enhance assortment levels in urban stores, thereby enabling diversification & premiumisation in the domestic business.**

The International business exhibited persistent strength across all key markets, underpinned by strong fundamentals and enduring growth potential.

Gross margin expanded by 30 bps YoY, as the impact of higher input costs in the core portfolios of the domestic business was more than offset by healthy margin improvements in the digital-first franchises in India and international businesses. **A&P spends was up 8% YoY**, as the Company sustained investments towards strategic brand building. **EBITDA margin stood at 19.6%, down 50 bps YoY and EBITDA grew by 5% YoY. Reported PAT was up 20% YoY**, due to one-off gains on the sale of fixed assets and favorable settlement of a past litigative claim (both classified under 'Other Income'), amounting to ₹42 cr. **PAT (excluding one-offs) was up 10% YoY.**

Other highlights relating to the quarterly performance are as follows:

- **Parachute Rigids registered 4% volume growth**, after absorbing the impact of ml-age reduction in one of the key price-point packs implemented in lieu of a price increase. **Volume offtakes grew in high single digits, resulting in ~120 bps gain in market share on MAT basis. The brand recorded 10% revenue growth**, aided by pricing interventions made at the start of the year. The brand has taken another round of price increase (~4% at a brand level) at the end of this quarter in response to the sequential rise in copra prices.
- **Value-Added Hair Oils declined 8% YoY in value terms** amidst persistent sluggishness and competitive headwinds in the bottom of the pyramid segment. **The franchise gained ~110 bps in value market share during the quarter, as mid and premium segments of the franchise fared relatively better.** The growth trajectory of the franchise has bottomed out and we expect gradually improving trends ahead on the back of visible ATL investments and brand activations leading into the festive season.

Marico – Information Update for Q2FY25 (Quarter ended September 30, 2024)

- **Saffola Edible Oils delivered flattish volumes, while revenues grew 2% YoY** after the pricing cycle for the brand turned slightly favorable after 8 quarters. **The brand implemented a price increase of ~15% in response to the sharp hike in import duties on vegetable oils recently.** Building on last year's #RozKaHealthyStep message, the brand launched the **Step-Up For Your Heart** campaign to mark the **World Heart Day**, encouraging people to check their heart health. Inspired by a study showing that climbing stairs daily can reduce the risk of heart disease by 20%, the campaign encouraged consumers to inculcate the habit for a healthy heart.
- **Foods posted robust 28% value growth YoY and crossed ₹1,000 cr. in ARR in Q2.** Saffola Oats delivered mid teen growth, while the relatively newer franchises also fared healthily. We launched **Saffola Masala Millets** during the quarter, aiming to expand our millet-based offerings and support the increasing consumer shift towards healthier eating habits. The objective was to create a product that marries the nutritional benefits of millets with the appeal of savoury flavours. **The product is currently available in two flavours – Masala Delight and Tomato Delight at a price point of Rs. ₹20.** True Elements and the **plant-based nutrition portfolio of Plix** maintained their accelerated growth momentum.
- **Premium Personal Care** continued its strong run during the quarter, led by the Digital-first portfolio. **The Digital-first brands crossed 525 cr. in ARR in Q2.** Beardo continued to scale ahead of expectations and is on course to deliver double-digit EBITDA margin this year. **Just Herbs and the personal care portfolio of Plix** continued to gain traction. The Company also initiated the sales of Kaya (<https://kayascience.com/>) products on select online channels in Sept'24.
- **The composite revenue share of Foods and Premium Personal Care (including Digital-first brands) in the domestic business moved up to ~21% in H1**, furthering the portfolio diversification agenda of the India business.
- Copra prices rose ahead of internal forecasts and the recent import duty hike led to vegetable oil prices moving higher towards the end of the quarter. Crude oil derivatives, however, remained rangebound. **Forecasts for most commodities indicate an upward bias in the near term.** We will continue to exercise the pricing power of our key franchises judiciously to alleviate any input cost pressures during the year.
- Within the International business, **Bangladesh registered 8% CCG** (constant currency growth) as the business stayed resilient amidst challenges in the operating environment, which progressively subsided in the latter half of the quarter. The fundamentals and medium-term growth construct of the business remain intact. **Vietnam grew 7% in cc terms** on the back of a recovery in demand in HPC categories. **MENA delivered 43% CCG** with strong performance in the Gulf region and Egypt. **South Africa registered 20% CCG** with both the Hair Care and Health Care franchises faring well. **NCD and Exports posted 20% growth.**
- The EBITDA margin of the **domestic business** was at **20.1%, down ~150 bps YoY**, and that of the **International business** was at **27.0%, up ~190 bps YoY.**

Outlook

The encouraging demand trends in the first half of the year holds promise of an improving trajectory in the second half. The above-normal monsoon season, Government's budgetary allocations towards boosting the rural economy and upcoming festive season also bode well. However, elevated food and retail inflation will be key factors to be monitored in the near term.

Amidst the backdrop of improving macro-indicators, we expect a **gradual uptick in the growth of our core categories in the domestic business** through the ongoing initiatives to enhance the profitability of our General Trade (GT) channel partners and transformative expansion in our direct reach footprint under **Project SETU**. We also continue to draw confidence from **healthy offtakes, penetration and market share gains in our key portfolios**. We will continue our focus on driving **differential growth in our urban-centric and premium portfolios** through the organized retail and E-Commerce channels. Therefore, we expect to deliver consistent and competitive growth over the medium term through a much sharper and targeted portfolio and SKU strategy in each channel.

Sustained investment towards driving accelerated growth in new businesses has led to a significant shift in the revenue construct of the domestic business since FY20. We will continue to **aggressively diversify the portfolio**

Marico – Information Update for Q2FY25 (Quarter ended September 30, 2024)

through the scale up of Foods and Premium Personal Care portfolios, while improving profitability parameters in line with our medium-term strategic priorities. After successful initiatives towards refinements in supply chain and GTM during FY24, **we aim to grow Foods at 20-25%+ CAGR to 2x of FY24 revenues in FY27**. The Digital-first portfolio is **expected to exit FY25 at an ARR of ~INR 600 cr.** and scale to **2x of FY24 ARR in FY27**. **Consequently, we expect the domestic revenue share of the Foods and Premium Personal Care portfolios to expand to ~25% by FY27.**

We will also focus on driving consistent improvements in profitability as constituent franchises of the Foods and Digital-First portfolios attain critical mass. After the structural **GM expansion of ~800 bps in FY24**, **we expect a gradual improvement in gross and operating margins of the Foods portfolio as we scale over the medium term**. We are on course to deliver **double-digit EBITDA margin in Beardo this year**. We will aim to replicate the Beardo playbook as we scale the Digital-first franchises and **achieve double-digit EBITDA margin in the portfolio in FY27**.

The International business has grown from strength to strength in the face of transient macroeconomic and currency devaluation headwinds in select regions. While Bangladesh and Vietnam have led from the front, the strong growth momentum in the MENA and South Africa businesses has visibly strengthened the broad-based construct and offers margin upside over the medium term. This has resulted into visible geographical diversification in the overall international business, reflecting in the **reducing dependence on the Bangladesh business**. We will continue to invest aggressively towards diversifying the portfolio, expanding the total addressable market and driving market share gains in each of the markets. We aim to **maintain the double-digit constant currency growth momentum over the medium term**.

We will also **continue to scout for inorganic growth opportunities** that offer meaningful potential to consolidate our competitive position in existing categories, expand the total addressable market in existing geographies or access markets of interest, thereby adding visible levers to drive long term value creation.

Consolidated revenue growth in the first half was in high single digits, as higher realizations in the domestic business was offset by incremental currency headwinds in some overseas markets. **Consolidated revenue growth is likely to move into double digits in the second half of the year. Operating margin in the first half has been in line with the corresponding period of the preceding year.** In view of the higher-than anticipated degree of inflation in copra prices and sharp import duty hike in vegetable oils, **the Company will focus on its stated revenue growth aspiration while remaining watchful on the margin front during the second half of the year.**

In the medium term, we aim to deliver **double-digit revenue growth** through **consistent outperformance vis-à-vis the category and market share gains in the domestic core portfolios, accelerated growth in the Foods and Premium Personal Care and double-digit constant currency growth in the International business**. We expect **operating margin to inch up over the next few years** with leverage benefits as well as premiumisation of the portfolios across both the domestic and International businesses.

Marico – Information Update for Q2FY25 (Quarter ended September 30, 2024)

Mode of Issue of this update

We have issued this Information Update, first to the Stock Exchanges, posted it on Marico’s website and then sent it to the financial community members who are on Marico’s regular mailing list.

We recommend that readers refer to the Marico Group financials to get a better appreciation of the business performance. A copy of the latest Annual Audited Financial Results of Marico Limited (Standalone and Consolidated) is available on Marico’s website.

Disclosure of Information, Communication with Investors / Analysts / Financial Community

Marico issues fresh information updates, like the one you are reading now, on the day it declares its Quarterly Financial Results. Some forward-looking statements on projections, estimates, expectations, outlook etc. are included in such updates to help investors/ analysts get a better comprehension of the Company's prospects and make informed investment decisions.

Actual results may, however, differ materially from those stated on account of factors such as changes in government regulations, tax regimes, economic developments within India and the countries within which the Company conducts its business, exchange rate and interest rate movements, impact of competing products and their pricing, product demand and supply constraints.

All the aforesaid information is also available on Marico’s Website: www.marico.com. In view of this, information contained in such updates is made public and thus not therefore constitute unpublished price sensitive information under the SEBI (Prohibition of Insider Trading) Regulations, 2015.

Marico holds periodic meetings/ conference calls, from time to time, with individual members of the financial community.

Marico Investor Relations Team

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Marico Limited – Q2FY25 Results

Consolidated Revenue up 8% YoY

Domestic Volume Growth rises sequentially to 5%

Parachute logs double-digit revenue growth

Foods and Digital-first portfolios scale to new highs

Robust International business delivers 13% CCG

PAT up 10% YoY on like-to-like basis

In Q2FY25, Revenue from Operations was at ₹2,664 crore, up 8% YoY, with underlying volume growth of 5% in the domestic business and constant currency growth of 13% in the international business.

During the quarter, we witnessed stable demand trends in India with rural growing at 2x the pace of urban on a year- on-year basis. Pricing growth for the sector turned positive on a YoY basis as brands effected price increases in response to rising commodity prices.

The domestic business maintained its improving volume growth trajectory on the back of healthy trends across most of the core and new franchises. Offtakes remained strong as more than 80% of the business either gained or sustained market share and penetration both on a MAT basis. **Domestic revenue was ₹1,979 crore, up 8% YoY**, as volume growth was supplemented by price hikes in the Coconut Oil portfolio and favorable reversal in the pricing cycle in Saffola Oils. Alternate channels continued to gain salience vis-à-vis General Trade.

After the successful initiation in the preceding quarter, Project SETU was extended to 4 more states, taking the tally to 10 states. The execution at the state level has progressed as planned, supported by robust governance mechanisms to ensure sustainable outlet expansion.

The International business exhibited persistent strength across all key markets, underpinned by strong fundamentals and enduring growth potential.

Gross margin expanded by 30 bps YoY, as the impact of higher input costs in the core portfolios of the domestic business was more than offset by healthy margin improvements in the digital-first franchises in India and international businesses. A&P spends was up 8% YoY, as the Company sustained investments towards strategic brand building. EBITDA margin stood at 19.6%, down 50 bps YoY and EBITDA grew by 5% YoY. Reported PAT was up 20% due to one-off gains, on the sale of fixed assets and favorable settlement of a past litigative claim (both classified under 'Other Income'), amounting to ₹42 cr. PAT (excluding one-offs) was up 10%.

Domestic Business

Parachute Rigids registered 4% volume growth. Volume offtakes grew in high single digits, resulting in ~120 bps gain in market share on MAT basis. The brand recorded 10% revenue growth, aided by pricing interventions made at the start of the year.

Value-Added Hair Oils declined 8% YoY in value terms amidst persistent sluggishness and competitive headwinds in the bottom of the pyramid segment. The franchise gained ~110 bps in value market share during the quarter, as mid and premium segments of the franchise fared relatively better. The growth trajectory of the franchise has bottomed out and we expect gradually improving trends ahead.

Saffola Edible Oils delivered flattish volumes, while revenues grew 2% YoY after the pricing cycle for the brand turned slightly favorable after 8 quarters.

Foods posted robust 28% value growth YoY and crossed ₹1,000 cr. in ARR in Q2. Saffola Oats delivered mid teen growth, while the relatively newer franchises fared healthily. We launched **Saffola Masala Millets** during the quarter. True Elements and the plant-based nutrition portfolio of Plix maintained their accelerated growth momentum.

Marico has won the Global CSR, ESG and Sustainability Award by Brand Honchos for Best Water Management Initiative

Marico has been honoured as the Best Organisation for Customer Service by ET Times Group.

Marico was awarded for the Iconic Brands of India 2024 by ET Now

Premium Personal Care continued its strong run during the quarter, led by the Digital-first portfolio. The Digital-first brands crossed 525 cr. in ARR in Q2. Beardo continued to scale ahead of expectations and is on course to deliver double-digit EBITDA margin this year. Just Herbs and the personal care portfolio of Plix continued to gain traction.

The composite revenue share of Foods and Premium Personal Care (including Digital-first brands) in the domestic business moved up to ~21% in H1.

International Business

Bangladesh registered 8% CCG (constant currency growth) as the business stayed resilient amidst challenges in the operating environment, which progressively subsided in the latter half of the quarter. The fundamentals and medium-term growth construct of the business remain intact. Vietnam grew 7% in cc terms on the back of a recovery in demand in HPC categories. MENA delivered 43% CCG with strong performance in the Gulf region and Egypt. South Africa registered 20% CCG with both the Hair Care and Health Care franchises faring well. NCD and Exports posted 20% growth.

Outlook

The encouraging demand trends in the first half of the year holds promise of an improving trajectory in the second half. Amidst the backdrop of improving macro-indicators, we expect a gradual uptick in the growth of our core categories in the domestic business through the ongoing initiatives to enhance the profitability of our General Trade (GT) channel partners and transformative direct reach expansion under Project SETU.


We will **continue to aggressively diversify the portfolio** through the scale up of Foods and Premium Personal Care portfolios, while improving profitability parameters in line with our medium-term strategic priorities. After successful initiatives towards refinements in supply chain and GTM during FY24, we aim to grow Foods at 20-25%+ CAGR to 2x of FY24 revenues in FY27. **The Digital-first portfolio is expected to exit FY25 at an ARR of ~₹600 cr. and scale to 2x of FY24 ARR in FY27.** Consequently, we expect the domestic revenue share of the Foods and Premium Personal Care portfolios to expand to ~25% by FY27.

After the structural GM expansion of ~800 bps in FY24, we expect a gradual improvement in gross and operating margins of the Foods portfolio as we scale over the medium term. We are on course to deliver double-digit EBITDA margin in Beardo this year. We will aim to replicate the Beardo playbook as we scale the Digital-first franchises and achieve double-digit EBITDA margin in the portfolio in FY27.

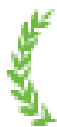
The International business has grown from strength to strength in the face of transient headwinds in select regions. We aim to maintain the double-digit constant currency growth momentum over the medium term.

Consolidated revenue growth is likely to move into double digits in the second half of the year. Operating margin in the first half has been in line with the corresponding period of the preceding year. In view of the higher-than anticipated degree of inflation in copra prices and sharp import duty hike in vegetable oils, the Company will focus on its stated revenue growth aspiration while remaining watchful on the margin front during the second half of the year.


Saugata Gupta, MD & CEO, commented, *“We closed the first half of the fiscal on a fairly positive note with the growth trajectory of the business heading in the right direction. We have delivered healthy volume-led revenue growth in the domestic business buoyed by sustained market share and penetration gains across core portfolios. Foods and Digital-first brands continued to ramp up impressively and reinforce the diversification agenda. The international business has exhibited remarkable strength despite challenging operating conditions in select markets. We will take calibrated pricing actions in response to the rising trend in input costs, while focusing on achieving our stated growth aspirations for the year.”*



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