

February 3, 2023

The Secretary,  
Listing Department,  
BSE Limited,  
1<sup>st</sup> 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 nine months ended December 31, 2022**

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 nine months ended December 31, 2022.

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



# Q3 FY23 Results

FEBRUARY 2023



# 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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## Outlook

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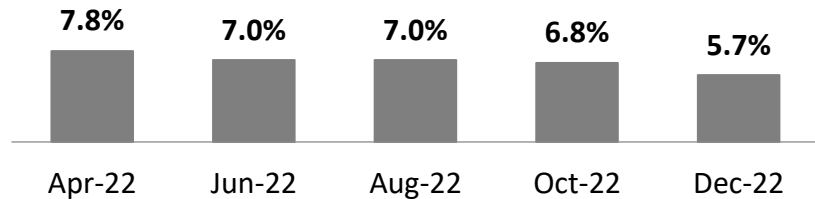
## Financials

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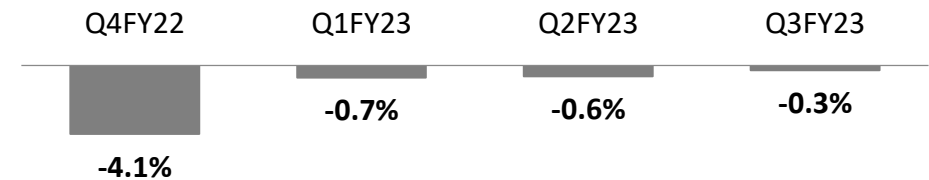
# Operating Environment: Early signs of gradual demand revival

CPI Inflation (%)



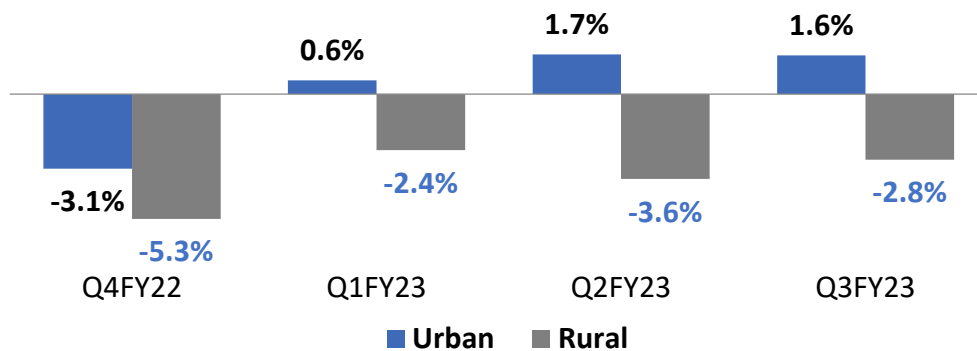
Retail inflation easing; on a softening trajectory

Nielsen FMCG Vol. Gr (%) – All India (U+R)



Lowest volume decline in recent quarters

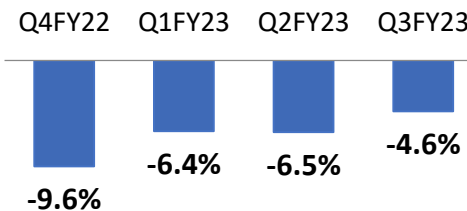
Nielsen FMCG Vol. Gr (%) – Urban and Rural



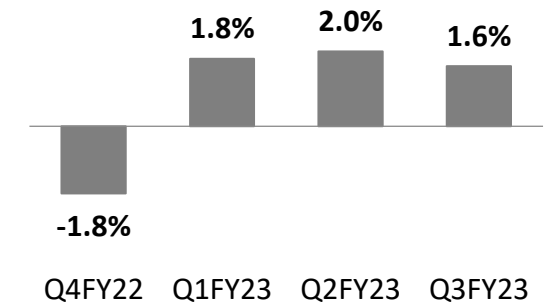
Urban ahead of Rural; Rural Trajectory better sequentially

Nielsen FMCG Vol. Gr (%) – HPC and Foods

HPC



Foods



HPC witnessing lower declines; Foods staying in the green

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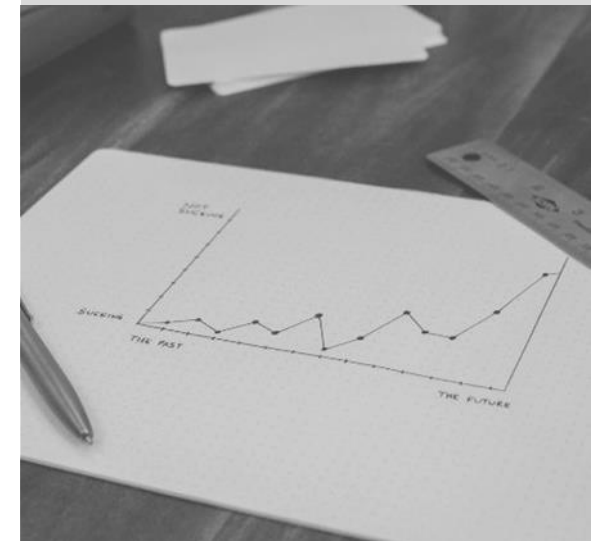
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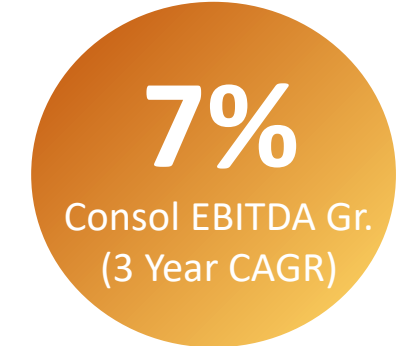
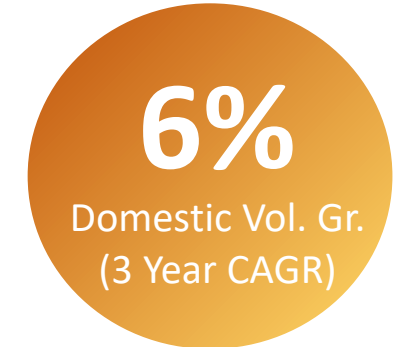
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# Improving growth trends in domestic business | International business holds firm

Q3 FY23 (YoY)



**18.5%**

Consolidated  
EBITDA Margin

**6%**

Consolidated  
EBITDA Growth

**6%**

Consolidated  
PAT Growth

Market share & Penetration gains in key franchises continue  
Gross margin expanded 123 bps YoY and 131 bps sequentially  
A&P spends at 8.9% of sales, was up 3% sequentially; up 6% on a 3-yr CAGR basis

# Steadying trajectory in Core | Pickup in rural to spur VAHO growth

## Parachute Coconut Oil



**2%** Volume Growth      **(6%)** Value Growth

## Saffola Franchise (Edible Oils + Foods)



Low teen volume growth in Edible Oils      **10%** Value Growth

## Value Added Hair Oils



**80 bps** Gain in Value MS      **(3%)** Value Growth



# Foods: Healthy Growth Momentum in Oats and Newer Franchises

## Q3 Launches

Entered into the Ready-to-Eat (RTE) space with Saffola Munchiez



Launched 2 flavours in Ragi Chips  
50% less saturated fat vs other leading chips brand in the market  
Does not contain palm oil

Launched 2 flavours in Roasted Makhana  
Superior quality makhana pieces – superior crunch vs competition  
Roasted (not fried) in rice bran oil

**43%** value MS

Saffola Oats maintains stronghold with MS gains

**20%**

Oats Franchise Value Growth

**31%**

Foods Value Growth

# Premium Personal Care: Going Strong



Livon Serums continues double digit growth momentum

~INR 300 cr.

YTD ARR

50%+

YTD Value Growth



Set Wet portfolio nearing pre-Covid levels

# Digital First Portfolio: In-line quarter



~INR 250 cr.

Expected FY23 Exit ARR



# International Business resilient amidst global macro uncertainty | Delivers 8% CCG



Bangladesh



**9%**  
Q3 CCG

Broad-based  
growth  
momentum



Vietnam



**13%**  
Q3 CCG

HPC & Foods  
exhibit strength



South Africa



**13%**  
Q3 CCG

Robust  
performance



MENA



**13%**  
Q3 CCG

Double-digit  
growth in Gulf  
region and Egypt

International Business (ex-Myanmar) sustained its double-digit growth momentum, delivering 11% CCG

# Acquisition | Entry into Female Personal Care in Vietnam

“Purité de Prôvence” and “Ôliv” offer a range of premium and differentiated hair care and skin care products in Vietnam



Significantly expand play in female beauty and personal care category

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# Near Term Outlook



## External Stimulus

- Retail inflation on a softening path
- Gradual recovery in FMCG sector growth likely
- Visible green shoots in rural awaited



## Business and Competitive Position

- Maintain Improving Growth Trajectory in Domestic Business
- Strengthen market shares across categories
- Sustain growth momentum in the International Business



## Margins

- Gross Margin to remain steady with upward bias
- 18-19% operating margin in FY23 intact
- Maintain Investments in Brand Building | 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	Q3FY23	Q3FY22	Change (%)	9MFY23	9MFY22	Change (%)
<b>Revenue from Operations</b>	<b>2,470</b>	<b>2,407</b>	<b>3%</b>	<b>7,524</b>	<b>7,351</b>	<b>2%</b>
Material Cost	1,360	1,355	0%	4,173	4,236	(1%)
ASP	220	223	(1%)	632	592	7%
Employee Cost	160	144	11%	482	447	8%
Other Expenses	274	254	8%	820	741	11%
<b>EBITDA</b>	<b>456</b>	<b>431</b>	<b>6%</b>	<b>1,417</b>	<b>1,335</b>	<b>6%</b>
EBITDA Margin	18.5%	17.9%	55 bps	18.8%	18.2%	67 bps
<b>PBT</b>	<b>443</b>	<b>407</b>	<b>9%</b>	<b>1,342</b>	<b>1,279</b>	<b>5%</b>
<b>PAT</b>	<b>328</b>	<b>310</b>	<b>6%</b>	<b>1,000</b>	<b>975</b>	<b>3%</b>

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

Particulars (% of Revenues)	Q3FY23	Q2FY23	Q3FY22	9MFY23	9MFY22
<b>Material Cost (Raw + Packaging)</b>	55.1%	56.4%	56.3%	55.5%	57.6%
<b>Advertising &amp; Sales Promotion (ASP)</b>	8.9%	8.5%	9.3%	8.4%	8.1%
<b>Personnel Costs</b>	6.5%	6.7%	6.0%	6.4%	6.1%
<b>Other Expenses</b>	11.1%	11.1%	10.6%	10.9%	10.1%
<b>PBDIT margins</b>	18.5%	17.3%	17.9%	18.8%	18.2%
<b>PBDIT before ASP</b>	27.4%	25.9%	27.2%	27.2%	26.2%

## Annexure 2: Working Capital

Particulars	Q2FY23	Q3FY23
Debtors Turnover (Days)	34	38
Inventory Turnover (Days)	51	48
Net Working Capital (Days)	26	26

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

## Annexure 3: Market Shares in Key Categories in the India Business - MAT Dec'22

Franchise	~MS%	Rank
^ Coconut Oil Franchise	62%	1 <sup>st</sup>
^ Parachute Rigids within Coconut Oils	53%	1 <sup>st</sup>
* Saffola Oats	43%	1 <sup>st</sup>
* Value Added Hair Oils	28%	1 <sup>st</sup>
^ Post wash Leave-on Serums	61%	1 <sup>st</sup>
* Hair Gels/Waxes/Creams	54%	1 <sup>st</sup>

^ Volume Market Share    \* Value Market Share

# Annexure 4: ESG Performance Snapshot (Q3 FY23)

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



## Emissions & Energy

- **77.3%** reduction in GHG emission intensity (Scope 1+2)
- **66%** energy sourced from renewables



## Water Stewardship

- **100% replenishment** of water consumed in operations
- **119** farm ponds constructed; **283.34 crore liters** of water conservation potential created till date



## Circular Economy

- **96%** recyclable packaging by weight
- **20%** recycled PET in Nihar shanti amla bottles; Fulfilment of EPR targets is on track.



## Sustainable Coconut

- **0.29 Mn** acreage enrolled covering **74,000 farmers** till date
- **15%** improvement in productivity in farms that have completed more than a year under the program



## Social Value Creation

- **2.1lakhs+** teachers and **4.7 lakhs+** students impacted from Nihar Shanti Pathshala Funwala's WhatsApp-based English literacy program
- **Plastics Report Launch** – Marico Innovation Foundation (MIF) launched an extensive research report - 'Innovation in Plastics: The Potential & Possibilities' on 11<sup>th</sup> Jan 2023 in Delhi.

The eight focus areas of ESG 2.0 are achievement of net zero targets, water neutrality, circular economy, responsible sourcing, brands with purpose, inclusion and diversity, sustainable coconut and mandatory human rights certification.

# Annexure 5: Awards and Recognitions (1/2)



**Marico was awarded [Steward Leadership](#) excellence within Asia-Pacific region for equipping farmers with sustainable agriculture methods.**

Steward Leadership 25 (SL25) is an annual listing of initiatives from 25 for-profit organizations that have shown Steward Leadership excellence within the Asia-Pacific region. Steward Leadership excellence demands genuine desire and persistence to create a collective better future for stakeholders, society, future generations and the environment. The 25 initiatives were honored at the Steward Leadership Summit, which was held at Shangri-La Singapore.

# Annexure 5: Awards and Recognitions (2/2)



Marico has been recognized as one of the **Top 25 Safest Workplaces in India** at the **Kelphr PSOH Awards 2022**



Marico has been awarded **1st Prize in Edible Oil Sector** at the **National Energy Conservation Award 2022**

Parachute Kalpavriksha Foundation recognized for **Outstanding Sustainable Farmer Income Enhancement** at the **FICCI Sustainable Agriculture Summit & Awards 2022**



Marico has been recognized with the **Company with Great Managers Award 2022** by **People Business and Economic Times**







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[www.hairsutras.com](http://www.hairsutras.com)  
[www.parachuteadvansed.com](http://www.parachuteadvansed.com)  
[www.livonilovemyhair.com](http://www.livonilovemyhair.com)  
[www.saffola.marico.in](http://www.saffola.marico.in)  
[puresense.co.in](http://puresense.co.in)

[www.saffolalife.com](http://www.saffolalife.com)  
[www.fitfoodie.in](http://www.fitfoodie.in)  
[www.setwet.com](http://www.setwet.com)  
[www.cocosoul.in](http://www.cocosoul.in)  
[www.maricoinnovationfoundation.org](http://www.maricoinnovationfoundation.org)  
[www.beardo.in](http://www.beardo.in)  
[www.parachutekalpavriksha.org](http://www.parachutekalpavriksha.org)

### Investor Relations Contact:

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**Nitish Purohit** | Manager- Investor Relations | [nitish.purohit@marico.com](mailto:nitish.purohit@marico.com)

# Thank You

## Marico – Information Update for Q3FY23 (Quarter ended December 31, 2022)

### Executive Summary: Consolidated Results

Particulars (₹ Cr)	Q3FY23	YoY Growth	3-Yr CAGR
Revenue from Operations	2,470	3%	11%
EBITDA	456	6%	7%
EBITDA Margin (%)	18.5%	Up 55 bps	
Profit After Tax	328	6%	6%
Domestic Volume Growth (%)		4%	6%
International CCG (%)		8%	11%

In Q3FY23, Revenue from Operations grew by 3% YoY to ₹2,470 crores with underlying volume growth of 4% in the domestic business and constant currency growth of 8% in the international business.

During the quarter, the FMCG sector in India showed some signs of a gradual improvement in overall demand trends, in addition to the festive spirit and oncoming winter season providing some fillip to specific categories. With retail inflation easing month on month, the sector recorded its lowest volume decline in the last five quarters. Within the sector, Foods categories stayed on the growth path, while HPC categories were still under pressure. Rural remained a drag although its trajectory improved sequentially, while urban and premium categories continued to fare better.

In keeping with the sector, the India business also witnessed a pickup in the performance over the preceding quarter on the back of steadying trends in the core franchises of Coconut Oil and Saffola Edible Oils coupled with continued momentum in Foods and Premium Personal Care portfolios. The underlying domestic volume growth in Q3 was 4%. Notably, the impact of pack size reductions in the VAHO franchise on domestic volume growth was about 100 bps. On a 3-year CAGR basis, quarterly domestic volume growth stood at a healthy 6%. Domestic revenues was at ₹1,851 Crore, up 2% YoY, lagging volume growth due to varying pricing interventions across portfolios during the year. Sustained focus on execution and brand building investments translated into key franchises consolidating market shares during the quarter. Among the sales channels, General Trade declined in mid-single digits, with rural still behind urban. MT and E-commerce grew in high double digits.

The international business sustained its healthy growth momentum with constant currency growth of 8%. Each of the markets exhibited strength amidst macroeconomic uncertainty and currency devaluation headwinds.

Gross margin expanded 123 bps YoY and 131 bps sequentially, owing to the prevalence of stability in consumer and raw material pricing and improved portfolio mix in the India business, while the business also contended with the impact of currency devaluation in key overseas markets. A&P spends at 8.9% of sales, was up 3% sequentially. The Company has maintained investments towards strategic brand building of core and new franchises despite input cost headwinds. On a 3-yr CAGR basis, quarterly A&P spends have risen at 6% leading to 11% revenue growth during the period. EBITDA margin stood at 18.5%, up 55 bps YoY and 111 bps sequentially. EBITDA was up 6% YoY. PBT growth perked up to 9% owing to higher other income. PAT was up 6% YoY because of higher effective tax rate (ETR).

Other highlights relating to the quarterly performance are as follows:

- **Parachute Rigids was up 2% in volume terms** after a tepid last few quarters, as the loose to branded conversions in the coconut oil picked up with copra prices firming up favorably in the off-season. In the given market context, **the brand gained 30 bps in volume MS during the quarter**. The brand is witnessing healthy traction and penetration gains on the back of micro-marketing interventions in relevant markets. **We expect to clock volume growth in line with our medium-term aspiration going ahead as structural drivers of growth have come back in play.**
- **Value Added Hair Oils posted value decline of 3%** given the muted consumption sentiment in rural and sluggishness in mass personal care categories. **Value growth on 3 year CAGR basis stood at 7%**. Within the

## Marico – Information Update for Q3FY23 (Quarter ended December 31, 2022)

category, **mid and premium segments continued to fare better** than the bottom of the pyramid segment, also reflecting in the **80 bps gain in value MS**. We expect the VAHO franchise to grow in line with the overall BPC category and regain fervor once rural recovery comes about on expected lines in the upcoming quarters.

- **The Saffola franchise, comprising Refined Edible Oils and Foods, grew 10% in value terms.**
- **Saffola Oils stepped up growth from the last quarter to post low teen volume growth** as stability in trade inventory and consumer pricing prevailed. Revenue growth was lower owing to pricing corrections. However, the extent of volatility in the international vegetable oil complex needs to be watched going ahead.
- **Foods grew 31% in value terms** with 20% growth in the Oats franchise and newer offerings scaling up well. **Saffola Oats maintained its strong leadership position in the Oats category.** During the quarter, the Company launched healthy and lip-smacking snack offerings under the aegis of **Saffola Munchiez**. The brand introduced **Ragi Chips** and **Roasted Makhana** in multiple flavours by leveraging India's own super grains. In both offerings, Saffola stayed true to its "Healthier for You" credentials as Ragi Chips have 50% less saturated fat compared to chips fried in palm oil and Roasted Makhanas moves its consumers away from fried snacks. **The Foods franchise is poised to achieve the FY24 aspiration of INR 850 - 1,000 cr.**
- **Premium Personal Care continued to clock double-digit growth. Digital-first portfolios are** scaling up in line with expectations.
- **Copra prices were up 1% sequentially and down 18% YoY.** With seasonal supplies slowing down, prices should remain range-bound in the near term. **Rice Bran oil was down 4% sequentially and 2% YoY.** Rice Bran Oil prices are likely to be range bound in the near term. However, multiple global factors remain a watch-out for the international vegetable oil complex in the coming quarters. **Crude derivatives such as Liquid Paraffin (LLP) and HDPE were up 31% and 4% YoY.** Both inputs should trend in line with crude oil prices.
- Within the International business, **Bangladesh** clocked 9% constant currency growth. Both the core and newer portfolios remained steady. **Vietnam** grew by 13% in constant currency terms as the HPC and Foods franchises performed well. **Myanmar** business dropped due to forex-led challenges. Both **MENA and South Africa** grew by 13% in constant currency terms. **NCD and Exports business** grew 18% in constant currency terms.
- EBITDA margin of the **domestic business was at 19.6%, up 134 bps YoY**, and that of the **International business was at 22.9%, down 121 bps YoY.**

### Outlook

#### Near Term

In the **domestic business**, we will maintain sharp focus on **driving penetration and market share gains** across our portfolios aided by distribution expansion, aggressive cost controls, and sufficient investment in market development and brand building. **Prominent green shoots in rural are eagerly awaited** as an encouraging winter crop-sowing season, indications of higher farm income and continued government stimulus bode well. **We expect to maintain an improving growth trend in the quarters ahead.**

The **International business** has been resilient and maintained a steady momentum of healthy profitable growth over the last 5 years. While there are risks of currency depreciation and inflation in some markets, **we are confident of maintaining this growth momentum** in the coming quarters.

**Gross margin should remain steady with an upward bias going ahead** unless sharp volatility in key input costs resumes. Taking into account the quarterly gyrations of all cost line items, **EBITDA margin will be in the 18-19% band in FY23.**

#### Medium Term

Over the medium term, we hold our aspiration to deliver **13-15% revenue growth on the back of 8-10% domestic volume growth in the domestic business** and **double-digit constant currency growth in the international business.** We will aim to maintain consolidated operating margin above the threshold of 19% over the medium term.

**India:** In **Parachute Rigid**s, we expect to grow volumes in the range of 5-7% over the medium term, given the market construct and strengthening brand equity. In **Value-Added Hair Oils**, we aim to deliver double-digit value growth

## Marico – Information Update for Q3FY23 (Quarter ended December 31, 2022)

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over the medium term. Driving value share gains ahead of volume share in the overall portfolio through mix improvement and innovations in the premium segment will be our key focus over the medium term. In **Saffola Edible Oils**, we expect to deliver high single-digit volume growth over the medium term. In **Foods**, we aim to scale up to ₹850-1000 crores in revenues by FY24 on the back of innovation, focused distribution initiatives and market development. We will build the **Premium Personal Care** portfolios into growth engines of the future and deliver double-digit value growth over the medium term in these portfolios. We aim to accelerate our digital transformation journey by building a portfolio of digital brands with a combined turnover of ₹450-500 crores by FY24.

**International:** In **Bangladesh**, the competitive strength of our brands and our distribution reach in the region have enabled the business to stay firm amidst recent macro headwinds. Over the medium term, we expect double-digit constant currency growth in the business given our competitive position and significant growth headroom in the market. In **Vietnam and MENA**, we have set the fundamentals right and are suitably replicating attributes from the strategy that has worked in Bangladesh, in order to build a sustained growth momentum in both businesses. The acquisition of female personal care brands, Purité de Prôvence and Ôliv, will provide a fillip to the Vietnam business. The MENA market presents an attractive growth opportunity and we will invest to grow in this market. In **South Africa**, we expect to protect the core franchise of ethnic hair care and health care over the medium term.

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## Marico – Information Update for Q3FY23 (Quarter ended December 31, 2022)

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### 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](http://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

Harsh Rungta	Head – Investor Relations	( <a href="mailto:harsh.rungta@marico.com">harsh.rungta@marico.com</a> )
Nitish Purohit	Manager – Investor Relations	( <a href="mailto:nitish.purohit@marico.com">nitish.purohit@marico.com</a> )

## Marico Limited – Q3FY23 Results

Consolidated Revenue up 3%  
 Domestic volume growth resilient at 4%  
 International business maintains robust momentum  
 Gross and EBITDA margin expand more than 100 bps sequentially  
 EBITDA up 6% YoY; PAT up 6% YoY

**In Q3FY23, Revenue from Operations grew by 3% YoY to ₹2,470 crores with underlying volume growth of 4% in the domestic business and constant currency growth of 8% in the international business.**

During the quarter, the FMCG sector in India showed some signs of a gradual improvement in overall demand trends, in addition to the festive spirit and oncoming winter season providing some fillip to specific categories.

In keeping with the sector, the India business also witnessed a pickup in the performance over the preceding quarter. The underlying domestic volume growth in Q3 was 4%. Notably, the impact of pack size reductions in the VAHO franchise on domestic volume growth was about 100 bps. **On a 3-year CAGR basis, quarterly domestic volume growth stood at a healthy 6%.** Sustained focus on execution and brand building investments translated into key franchises consolidating market shares during the quarter. Among the sales channels, General Trade declined in mid-single digits, with rural still behind urban. MT and E-commerce grew in high double digits.

The international business sustained its healthy growth momentum with constant currency growth of 8%. Each of the markets exhibited strength amidst macroeconomic uncertainty and currency devaluation headwinds.

**Gross margin expanded 123 bps YoY and 131 bps sequentially. A&P spends at 8.9% of sales, was up 3% sequentially. EBITDA margin stood at 18.5%, up 55 bps YoY and 111 bps sequentially. EBITDA was up 6% YoY. PBT growth perked up to 9% owing to higher other income. PAT was up 6% YoY because of higher effective tax rate (ETR).**

### Domestic Business

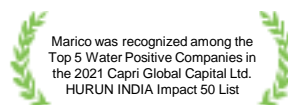
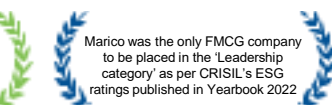
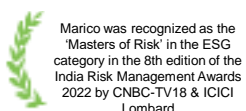
India Business delivered a turnover of ₹ 1,851 crore, up 2% on a YoY basis.

**Parachute Rigids was up 2% in volume terms** after a tepid last few quarters, as the loose to branded conversions in the coconut oil picked up with copra prices firming up favorably in the off-season. In the given market context, **the brand gained 30 bps in volume MS during the quarter.** The brand is witnessing healthy traction and penetration gains on the back of micro-marketing interventions in relevant markets. We expect to clock volume growth in line with our medium-term aspiration going ahead as structural drivers of growth have come back in play.

**Value Added Hair Oils posted value decline of 3%** given the muted consumption sentiment in rural and sluggishness in mass personal care categories. **Value growth on 3 year CAGR basis stood at 7%.** Within the category, mid and premium segments continued to fare better than the bottom of the pyramid segment, also reflecting in the 80 bps gain in value MS.

The **Saffola franchise**, comprising Refined Edible Oils and Foods, **grew by 10%** in value terms.

**Saffola Oils** stepped up growth from the last quarter to post **low teen volume growth** as stability in trade inventory and consumer pricing prevailed. Revenue growth was lower owing to pricing corrections.



**Foods grew 31% in value terms** with 20% growth in the Oats franchise and newer offerings scaling up well. **Saffola Oats maintained its strong leadership position in the Oats category.** During the quarter, the Company launched healthy and lip-smacking snack offerings under the aegis of **Saffola Munchiez**. The brand introduced **Ragi Chips** and **Roasted Makhana** in multiple flavours by leveraging India's own super grains. In both offerings, Saffola stayed true to its "Healthier for You" credentials as Ragi Chips have 50% less saturated fat compared to chips fried in palm oil and Roasted Makhanas moves its consumers away from fried snacks.

**Premium Personal Care continued to clock double-digit growth. Digital-first portfolios are scaling up in line with expectations.**

### International Business

International business posted a turnover of ₹ 619 crore with 8% constant currency (cc) growth.

**Bangladesh** clocked 9% constant currency growth. Both the core and newer portfolios remained steady. **Vietnam** grew by 13% in constant currency terms as the HPC and Foods franchises performed well. Both **MENA and South Africa** grew by 13% in constant currency terms.

### Outlook

#### Near Term

In the **domestic business**, we will maintain sharp focus on **driving penetration and market share gains** across our portfolios aided by distribution expansion, aggressive cost controls, and sufficient investment in market development and brand building. **Prominent green shoots in rural are eagerly awaited** as an encouraging winter crop-sowing season, indications of higher farm income and continued government stimulus bode well. **We expect to maintain an improving growth trend in the quarters ahead.**

The **International business** has been resilient and maintained a steady momentum of healthy profitable growth over the last 5 years. While there are risks of currency depreciation and inflation in some markets, **we are confident of maintaining this growth momentum** in the coming quarters.

**Gross margin should remain steady with an upward bias going ahead** unless sharp volatility in key input costs resumes. Taking into account the quarterly gyrations of all cost line items, **EBITDA margin will be in the 18-19% band in FY23.**

#### Medium Term

The Company holds its medium term aspiration of delivering 13-15% revenue growth on the back of 8-10% domestic volume growth and double-digit constant currency growth in the International business. The Company will aim to maintain operating margin above the threshold of 19%.

**Saugata Gupta, MD & CEO, commented,** *"The quarter was characterized by improving trends in topline and earnings growth as the domestic business witnessed emerging signs of a gradual demand revival, while the international business stood its ground amidst macro headwinds in some markets. It was reassuring to see continued market share and penetration gains in most of our key portfolios and sustained growth momentum in new franchises. As the operating environment is expected to evolve favorably, we will aim to maintain an upward trajectory across growth parameters in the quarters ahead through consistent investment in our brands and focus on execution."*

