Marico – Information Update for Q1FY26 (Quarter ended June 30, 2025)

Executive Summary: Consolidated Results

Particulars (₹ Cr)	Q1FY26	YoY Growth
Revenue from Operations	3,259	23%
EBITDA	655	5%
EBITDA Margin (%)	20.1%	Down 360 bps
Profit After Tax	504	9%
Domestic Volume Growth (%)		9%
International Business (% CCG)		19%

In Q1FY26, Revenue from Operations was at ₹3,259 crore, up 23% YoY, with underlying volume growth of 9% in the India business and constant currency growth of 19% in international business. Consolidated and India revenue growth, as well as underlying volume growth in the India business, stood at multi-quarter highs.

The India business continued to post sequential improvement in underlying volume growth, driven by positive trends in the core franchises and accelerated scale up of new businesses. **The India business revenues stood at ₹2,495 crore, up 27% YoY**, further aided by price hikes in core portfolios in response to sharp inflation in input costs. Offtake growth also remained strong, with ~99% of the business gaining or sustaining market share and ~80% of the business gaining or sustaining penetration, both on MAT basis.

The **International business maintained its robust double-digit constant currency growth** momentum. The business has remained resilient amidst high input costs and currency headwinds in select markets.

Gross margin contracted by ~530 bps YoY as sharp inflation in key commodities continued to exert pressure, in addition to a particularly high base and the pricing-led denominator effect. Despite these constraints, A&P spend was up 25% YoY, as we maintained investments to adequately strengthen our franchises and accelerate diversification. **Consequently, EBITDA was up 5%. EBITDA margin stood at 20.1%, down ~360 bps. PAT was at ₹504 crore, up 9% YoY.**

Other highlights relating to the quarterly performance are as follows:

- **Parachute Rigids registered 1% volume decline** amidst unprecedented hyperinflationary input costs and pricing conditions. After normalising for ml-age changes (i.e. in terms of number of packs sold), the brand grew by 1% during the quarter. The brand has continued to demonstrate resilience and pricing inelasticity, having absorbed multiple rounds of price hikes and ml-age reductions (amounting to cumulative increase of 60%+), with minimal impact on volumes and consolidation in market share on MAT basis. As a result, the brand posted **robust 31% growth in revenues.** While copra prices continued to witness sequential inflation due to irregular weather patterns and market-specific dynamics, we remain confident of navigating these short-term headwinds on the back of robust brand strength and scaled back-end capabilities. **We expect Parachute to remain steady and reinforce its competitive edge while market conditions settle during the course of this year.**
- **Value-Added Hair Oils grew by 13% in value terms,** witnessing a considerable step-up in the pace of recovery, driven by sustained traction in the mid and premium segments. **The portfolio gained ~140 bps in value market share on a MAT basis.** We expect a healthy growth momentum in the franchise as we gradually pivot investments from trade-led activations to brand-building initiatives and drive direct reach expansion through Project SETU.
- **Saffola Edible Oils** posted **mid-single digit volume growth** amidst a relatively elevated pricing environment**.** The brand registered **28% revenue growth**, while also proactively passing on the benefit of the recent import duty reduction on vegetable oils to consumers**.** During the quarter, we launched the **Saffola Cold Pressed Oils range**, offering a balanced blend of innovation and authentic taste through its Single Seed and Dual Seed variants. The range has been initially launched on E-commerce and Q-com platforms.
- **Foods posted ~20% value growth YoY. Saffola Oats** continued to gain market share on MAT basis, thereby retaining its position as the #1 Oats brand. **True Elements** and the **plant-based nutraceuticals portfolio of Plix**

maintained their strong growth momentum. **Saffola Muesli** has witnessed healthy traction since its launch. During the quarter, we added two new variants to the Saffola Muesli portfolio – namely Mango Crunch and a no-added-sugar variant of Berry Crunch.

- **Premium Personal Care** sustained its accelerated growth trajectory, led by the Digital-first portfolio**. The Digital-first portfolio**, comprising Beardo, Just Herbs and the personal care portfolio of Plix, exited the quarter at ₹850+ cr. ARR.
- Copra prices rose 18% on a sequential basis and 107% on a year-on-year basis. Vegetable oil prices moderated following a reduction in import duties, while crude oil derivatives remained rangebound. We will continue to prioritize the expansion of our consumer franchises, while judiciously leveraging their pricing power.
- In the International business, **Bangladesh** posted 17% CCG, continuing to demonstrate resilience. The fundamentals and medium-term growth outlook of the business remain intact. **Vietnam** had a muted quarter, but is expected to witness gradual recovery in the coming quarters. **MENA** continued its robust growth momentum and delivered 42% CCG, with both the Gulf region and Egypt recording strong growth. **South Africa** recorded flattish growth in CCG terms, while the growth aspiration for the year remains intact. **NCD and Exports** recorded 37% growth.

Outlook

The sector has witnessed stable to improving demand trends over the last couple of years. Looking ahead, we anticipate a gradual uptick in overall demand patterns in the quarters ahead, aided by a combination of easing inflation levels, favorable monsoon season and continued policy support.

Amidst this backdrop, we expect a steady growth trajectory in our core categories, despite input cost headwinds in the near term. This will be further aided by ongoing initiatives to support select 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 across 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 in the medium term by executing a more focused and channel-specific portfolio and SKU strategy.

Sustained investment towards the accelerated scale up of our Foods and Premium Personal Care portfolios (incl. Digital-first businesses) has not only resulted in a visible shift in the revenue construct of the India business, but also enabled differential growth outcomes over the past few quarters. We will continue to aggressively diversify through these portfolios in line with our medium-term strategic priorities. Foods stood at 5x of FY20 revenues in FY25, surpassing the ₹900 crore mark. **We aim to grow Foods at 25%+ CAGR to ~8x of FY20 revenues in FY27**. The Digital-first portfolio clocked ARR of ₹750 crore on exit basis in FY25. **We aim to scale this portfolio to ~2.5x of FY24 ARR (earlier ~2x of FY24 ARR) in FY27.** We expect to unlock substantial growth levers in the digital-first franchises over the medium term through TAM expansion and driving brand penetration. **Consequently, we expect the India revenue share of the Foods and Premium Personal Care portfolios to expand to ~25% by FY27**.

The rapid scale up of these portfolios has been accompanied by significant improvement in their profitability, resulting in their share of India Net Contribution (NC) moving to double digits (~5x of FY22 levels). This underscores the profitable and sustainable growth focus of the diversification strategy. We will continue to focus on driving consistent improvements in profitability as constituent franchises of the Foods and Digital-First portfolios attain critical mass. We have driven structural GM expansion of ~1000 bps in Foods over FY24 and FY25. We expect gradual improvement in gross and operating margins of the Foods portfolio as we scale up over the medium term. Among Digital-first brands, Beardo is likely to cross double-digit EBITDA margin this year, while Plix is delivering single-digit EBITDA margin. **We aim to maintain the pace of scale up and achieve double-digit EBITDA margin in this portfolio in FY27.**

The International business has navigated headwinds, including macroeconomic volatility and currency devaluation in select markets. While the Bangladesh and Vietnam businesses remain strong anchors, the robust momentum in the MENA and South Africa businesses has visibly strengthened the revenue construct of the overall international business. This also reflects in the steadily reducing topline and bottomline dependence on the Bangladesh business. We have also made visible strides towards premiumisation of our portfolios across markets through innovation and expansion into premium personal care categories such as shampoos, skin care, hair styling/ care (ex-hair oils) and baby care. These portfolios have scaled at 24% CAGR over FY21-25 period and **we aim to deliver 25%+ growth in the medium term.** As a result, their revenue share in the International business rose from ~20% in FY21 to ~29% in FY25. 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 double-digit constant currency growth momentum in the International business 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.

In line with the strategic objectives outlined at the beginning of the year, the India business started the year on a strong footing, sustaining an upward volume growth trajectory and tracking strong double-digit revenue growth. The international business also maintained its robust double-digit growth momentum. We remain committed to consistent investments towards brand building, in line with our strategic vision to strengthen the core and drive accelerated growth across new franchises both in India and overseas markets. **We expect to sustain positive volume and revenue growth momentum through the year, while driving resilient profit growth amidst heightened input cost pressures. We expect the impact of these unprecedented margin headwinds to peak out in the first half of this year and ease gradually thereafter.**

Owing to the strengthening growth construct of the business, we maintain our aspiration to deliver double-digit revenue growth in the medium term through consistent outperformance vis-à-vis the category and market share gains in the India core portfolios, accelerated growth in the Foods and Premium Personal Care and double-digit constant currency growth in the International business. We also expect operating margin to inch up over the medium term, with leverage benefits as well as premiumisation of the portfolios across both the India and International businesses.

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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. 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.

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