

Q1 FY24 Results

JULY 2023



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Macro Overview

4



Performance Highlights

6



Outlook

14



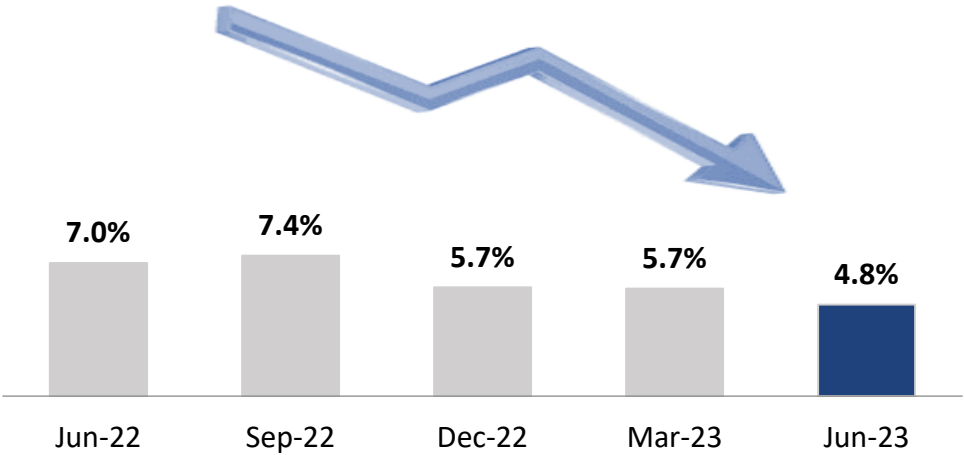
Financials

18



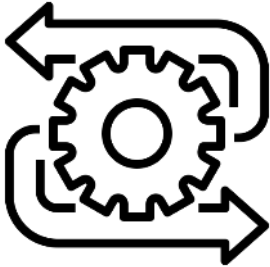
Demand environment retaining positivity | Inflation continues to moderate

Downtrend in Retail Inflation continues



Retail inflation now at sub 5% levels

Expectations of Gradual Recovery in FMCG intact



- FMCG volume growth stays in positive territory
- Pricing growth tapering sequentially; growth likely to be volume-led going ahead

However,



- Higher pricing still weighing on rural demand
- Erratic weather patterns, early onset of El-Nino and spatial distribution of rainfall could influence recovery in overall sentiment

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4



Performance Highlights

6



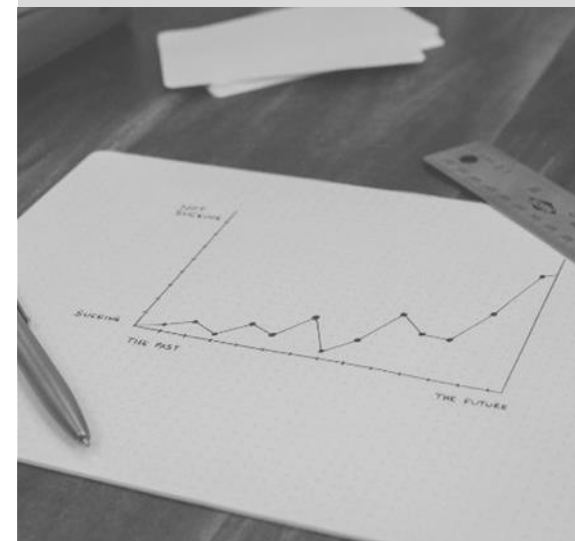
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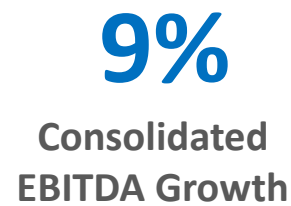
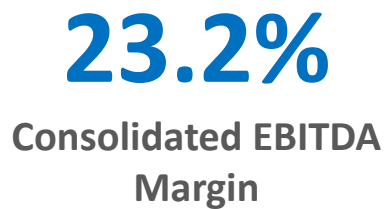
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18



Domestic business stable despite transient headwinds | International business stays resilient

Q1 FY24 (YoY)



~85% of the portfolio either sustains or gains market share and penetration on MAT basis
Pricing drops in key domestic portfolios & currency headwinds in international markets subdue revenue growth

Core portfolios witness healthy offtakes | Volumes tempered by one-off channel adjustments

Parachute Coconut Oil (34% of Domestic Revenues)



(2%) Volume Growth **(5%)** Value Growth

Saffola Franchise (Edible Oils + Foods) (24% of Domestic Revenues)



Edible Oils: Low double digit volume growth **(13%)** Value Growth

Value Added Hair Oils (25% of Domestic Revenues)



~20 bps Gain in Value MS **Flat** Value Growth

Healthy Scale-up in Foods continues



24%

Foods Value Growth

42% Value MS

Saffola Oats maintains leadership position

Recent Campaigns/Launches Across Foods



Indian Crunch League by Saffola Munchiez

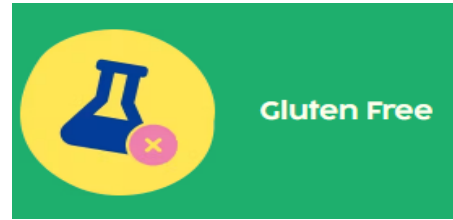
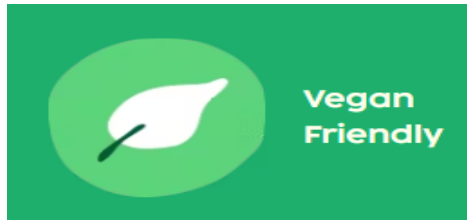


Saffola Mayonnaise Campaign



Saffola Oats Gold (with 16% Millets)

Foray into Plant-based Nutraceuticals through strategic investment in 'Plix'



~ ₹ 150 Cr.
Current ARR

Plix is committed to the mission of 'Making Nutrition Fun'.
Extensive product range across Weight Management, Hair & Beauty, Sleep and Lifestyle Nutrition categories.
One of the leading players in the online plant-based nutrition segment.



Apple Cider Vinegar Effervescent



Super Garcinia Effervescent



Plant Protein Shake



Glowly Skin (Glutathione)



Flaunt Your Hair (Biotin)

Premium Personal Care: On course to contribute ~10% of domestic business in FY24

Serums | Male Grooming | Skin Care



Digital First Portfolio



~ ₹ 400 cr.

Expected FY24 exit ARR
of the portfolio

Higher share of voice driving brand salience and relevance across key portfolios



International Business – Resilient amidst global uncertainty



Bangladesh



9%
Q1 CCG

**Growth across
core and new
portfolios**



Vietnam



5%
Q1 CCG

**Economic
slowdown impacts
HPC category**



South Africa



37%
Q1 CCG

**Broad-based
performance**



MENA



15%
Q1 CCG

**Double-digit
growth in Gulf
region and Egypt**

International business records 9% CCG in Q1

Macro Overview

4



Performance Highlights

6



Outlook

14



Financials

18



Looking ahead

What happened in Q1

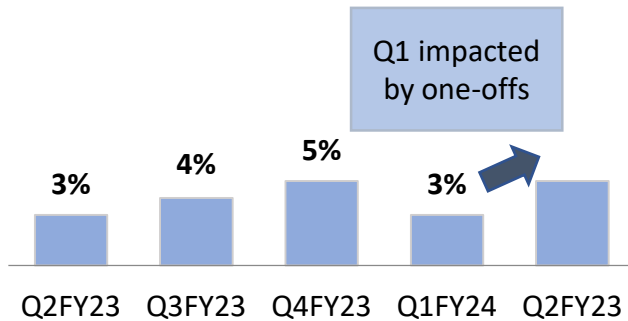
- ✓ **Volume trends in the FMCG sector seem to be improving;** incremental green shoots in rural still awaited.
- ✓ **Domestic volume growth resilient,** despite material impact of one-offs.
- ✓ **Healthy offtakes along with market share and penetration gains across key categories;** indicating likelihood of uptick in volume growth in coming quarters.
- ✓ International business sustained its strong growth trajectory.
- ✓ **Robust expansion in gross and operating margins,** while making adequate **A&P investments to maintain SoV>SoM.**

What we expect in FY24

- ✓ **Expectations of a gradual volume recovery, especially in rural, remains intact.** However, the impact of erratic weather patterns on agri-incomes to be monitored.
- ✓ **Growth uptick in Parachute CNO and VAHO from Q2. Saffola Oils to stay stable** amidst volatility in vegetable oil prices.
- ✓ Pricing decline to taper off from Q2 onwards. **Revenue growth to move into positive territory in H2.**
- ✓ **Foods and Premium Personal Care** on course to contribute **~20%** of domestic revenues (<10% in FY21).
- ✓ **Growth momentum in International to continue.**
- ✓ With incremental gross margin tailwinds in Q1, **expect highest-ever operating margin (20%+) in FY24.**

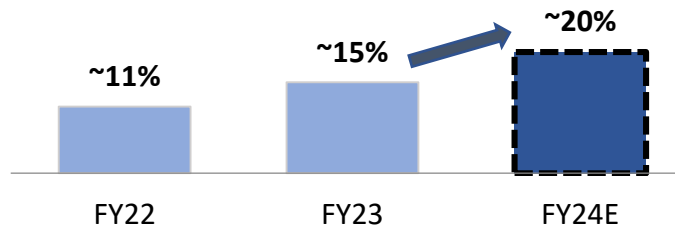
Summing up: On course to post all-round improvement in FY24

India Vol. Growth – to improve going ahead



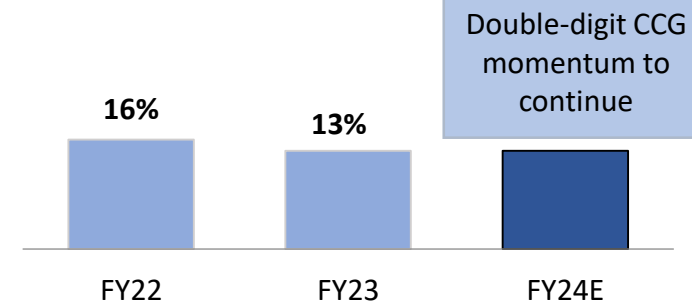
Revenue growth to inch up as pricing comes into the base from H2FY24 onwards

India – Diversification Journey



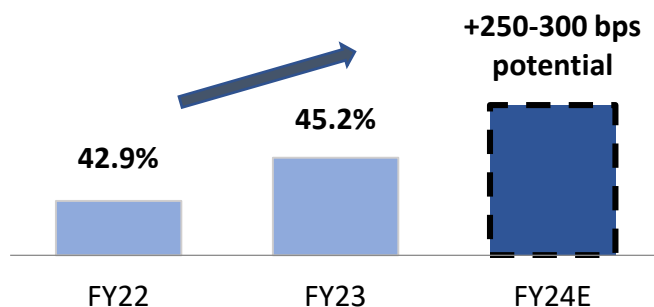
Consistent uptick in revenue share of Foods & Premium Personal Care (incl. Digital-first brands)

International Business (CCG) - Going Strong



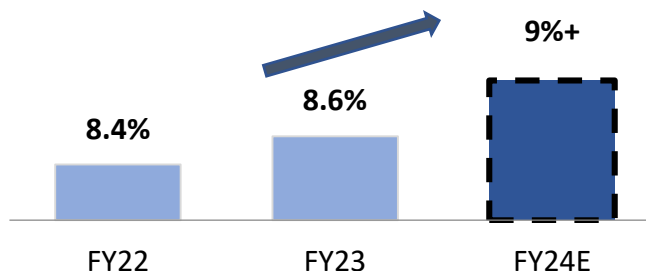
Maintain double-digit CCG momentum with all markets performing

Gross Margin Trending Up



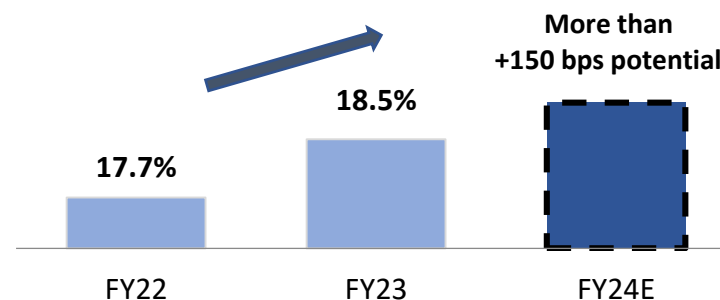
GM uptrend to continue with RM moderating and improving portfolio mix

A&P as a % of sales – Key Thrust for Growth



A&P spends to continue as long term growth driver

Operating Margin Expansion Likely



EBITDA margin expected to expand by more than 100 bps

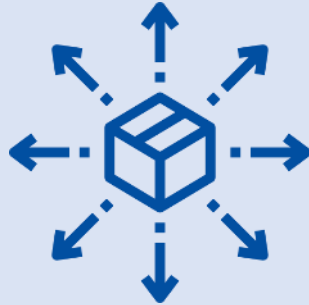
Staying True to the 4Ds

Unlock the next leg of growth through...

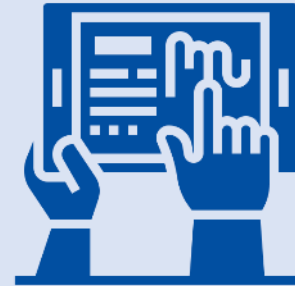
Diversification



Distribution



Digital



Diversity



.....and continue to maintain focus on

Grow the Core

Cost Management

ESG Commitments

Macro Overview

4



Performance Highlights

6



Outlook

14



Financials

18



Consolidated Profit & Loss Statement

(in ₹ cr.)

Particulars	Q1FY24	Q1FY23	Change (%)
Revenue from Operations	2,477	2,558	(3%)
Material Cost	1,239	1,406	(12%)
ASP	212	199	7%
Employee Cost	181	156	16%
Other Expenses	271	269	1%
EBITDA	574	528	9%
EBITDA Margin	23.2%	20.6%	253 bps
PBT	567	499	14%
PAT	427	371	15%
Recurring PAT	416	371	12%

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

Particulars (% of Revenues)	Q1FY24	Q4FY23	Q1FY23
Material Cost (Raw + Packaging)	50.0%	52.6%	55.0%
Advertising & Sales Promotion (ASP)	8.6%	9.4%	7.8%
Personnel Costs	7.3%	7.6%	6.1%
Other Expenses	10.9%	12.9%	10.5%
PBDIT margins	23.2%	17.5%	20.6%
PBDIT before ASP	31.7%	26.9%	28.4%

Annexure 2: Working Capital

Particulars	Q4FY23	Q1FY24
Debtors Turnover (Days)	41	39
Inventory Turnover (Days)	48	44
Net Working Capital (Days)	25	20

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

Annexure 3: Market Shares in Key Categories in the India Business - MAT Jun'23

Franchise	~MS%	Rank
^ Coconut Oil Franchise	62%	1 st
^ Parachute Rigids within Coconut Oils	53%	1 st
* Saffola Oats	42%	1 st
* Value Added Hair Oils	28%	1 st
^ Post wash Leave-on Serums	57%	1 st
* Hair Gels/Waxes/Creams	53%	1 st

^ Volume Market Share * Value Market Share

Annexure 4: ESG Performance Snapshot (Q1 FY24)



Emissions & Energy

- **72%** reduction in GHG emission intensity (Scope 1+2)

Water Stewardship

- **100% replenishment** of water consumed in operations
- **119** farm ponds constructed; **300+ crore liters** of water conservation potential created till date

Circular Economy

- **94%** recyclable packaging by weight
- **20%** recycled PET in Nihar shanti amla bottles
- Fulfilment of EPR targets

Sustainable Coconut

- **0.32 Mn** acreage enrolled covering **84,000 farmers** till date
- **16%** improvement in productivity in farms that have completed more than a year under the program

Social Value Creation

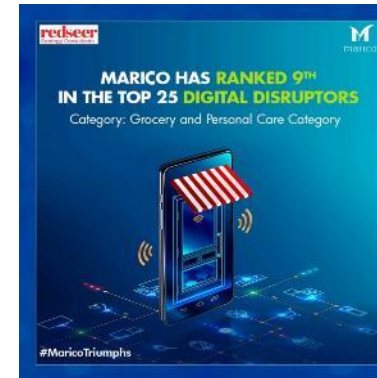
- **2.56 lakh+ teachers and 10.81 lakhs students** registered in Nihar Shanti Pathshala Funwala's WhatsApp-based English literacy program

The eight focus areas of ESG 2.0 are achievement of Climate change, Water stewardship, Circular economy, Responsible sourcing, Brands with purpose, Inclusion and diversity, Sustainable agriculture and Corporate governance.

Annexure 5: Awards and Recognitions (1/2)



Marico recognized among the **Top 3 Sustainable Companies in the FMCG sector** at the Sustainable World Conclave by **BW Businessworld**



Marico recognized amongst the **Top 25 Digital Disruptors in India** by **Redseer Strategy Consultants**



Marico awarded the **Quality Manufacturing Award** at **The Corporate Titan Awards**



Marico has achieved **ISO27001:2013 Certification** for Compliance with ISO Information Security Management System Standard by **Alcumus ISOQAR**



Marico's Consumer Cell has won the **Service Quality Excellence Award** at the **Star of the Industry 2023** event.

Annexure 5: Awards and Recognitions (2/2)



Marico's NER Operations awarded the 'IMC Ramkrishna Bajaj National Quality Performance Excellence Award' and Pondicherry Operations was awarded the "IMC RBNQA Milestone Merit award" in the Manufacturing business category by IMC Ramkrishna Bajaj National Quality Awards (RBNQA)

Marico felicitated by The Honourable Governor of Maharashtra, His Excellency – Hon. Shri Ramesh Bais for supporting the Millet Eat Right Program, at an event organized by FSSAI ,Food License Registration Services (THE INDIA DOCS) Western Region





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Thank You