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The Food Safety and Standards Authority of India (FSSAI) awarded Marico the 'Eat Right Awards' in the Community Outreach, Professional and Product categories.

Marico was recognized as one of the 'Most Honored Companies' among Small and Mid-cap companies in India in the All-Asia (ex-Japan) Executive Team Rankings 2018 by Institutional Investor

Saugata Gupta, MD & CEO, was recognised as one of India's Most Valuable CEOs in the large companies category by Business World

Marico was presented with the Milestone Merit Award in the leadership and workforce categories by the IMC Ramkrishna Bajaj National Quality Award

Marico CQA team received a Special Recognition at the 6th CII National Excellence Practice Competition 2018 in the Services & Manufacturing Category

Marico Jalgaon was awarded Champion of the Champions 2018 by CII for consistent improvement initiatives

Marico NER 1 Guwahati Factory was awarded as 'Best Labour Law Compliant Establishment' by the Labour Welfare Society Assam

Marico's India Business has achieved a 'Level 4-TCM Enabled Company' rating by CII

Marico has won Best in Class Supply Chain Strategy & Design Award 2017" in 11th edition of Express Logistics & Supply Chain (ELSC) Leadership Awards

Marico's Baddi unit was declared as First Runners-Up for its 'Quality Analytics - IOT for Process Improvement' project at the 30th QualTech Prize 2018

## Marico Limited – Q1FY20 Results

**Strong Earnings Growth backed by Stable Volume Growth**  
**Margins Look Up despite Increased Investment in Brand Building**  
**Key Overseas Markets Maintain Momentum**

**Revenue from Operations grew by 7% YoY to INR 2,166 crores (USD 314 million), with an underlying domestic volume growth of 6% and constant currency growth of 7% in the international business.** Adjusting for a one-time trade inventory correction in the Gulf business, the International business posted **constant currency growth of 9%**. The core franchises continued to lead category growth and gain market share during the quarter.

Easing raw material costs in the domestic and key overseas markets led to gross margin expansion by 524 bps on a year-on-year basis. However, EBITDA margin expanded by 324 bps, as the Company stepped up A&P spends to support its core and new franchises. **Both EBITDA and PAT (excluding exceptional items) grew 26%.**

In the traditional channel, **growth was led by rural**, while the new-age channels of **Modern Trade and E-Commerce continued their stellar run. CSD sales grew for the third quarter in row**, but should be monitored over the next few quarters for a definitive trend to emerge.

**Advertising & Sales Promotion spends, at 10.1% of sales, was up 32% YoY**, to support market growth initiatives in core categories and expansion into adjacent categories. **A&P spends is expected to be at circa 10% of Sales on an annualized basis.**

Over the medium term, the Company retains the target of **8-10% volume growth and healthy market share gains in the India business.** The Company aims to build **Healthy Foods, Premium Hair Nourishment and Male Grooming** into growth engines of the future and expects to deliver value growth at 20% plus CAGR over the medium term in these portfolios. In the **International business**, the Company expects to clock organic broad-based double-digit constant currency growth over the medium term. Operating margin is expected to be maintained at 18-19%.

Taking ahead our sustainability focus and climate action, we are implementing projects at two of our manufacturing units to replace fossil fuel and grid electricity with biomass and **solar roof-top energy** sources respectively. We have augmented our flagship program '**Kalpavriksha**' which has now touched over 100+ villages and imparted trainings for 4,000+ farmers. In our pursuit to be a water steward organization, Marico has executed a Memorandum of Undertaking with the Government of Maharashtra and has adopted **Jalgaon district** under the 'Galmukt Dharan Galyukt Shivar' (silt free dam, silt enriched farm) Yojana (scheme).

The Company published its maiden Integrated Report for FY2018-19, thereby embarking on a new corporate reporting journey that aims to articulate how the organization creates value using both financial and non-financial resources. The same is available on the Company website [here](#).

### Other Updates:

- Marico was presented with the **Milestone Merit Award** in both leadership and workforce categories for outstanding customer orientation and quality management at the **Indian Merchant Chambers' Ramakrishna Bajaj National Quality Awards.**
- Marico was bestowed with the Leaders Award – Mega Large Business, FMCG Sector, at the Sustainability 4.0 Awards, 2019, by Frost and Sullivan and The Energy and Resources Institute (TERI).

Marico (BSE: 531642, NSE: "MARICO") is one of India's leading consumer products companies, in the global beauty and wellness space. During 2018-19, Marico recorded a turnover of about INR 73.3 billion (USD 1.05 billion) through its products sold in India and chosen markets in Asia and Africa.

Marico touches the lives of 1 out of every 3 Indians, through its portfolio of brands such as Parachute, Parachute Advansed, Saffola, Saffola FITTIFY Gourmet, Coco Soul, Hair & Care, Nihar Naturals, Livon, Set Wet, Set Wet Studio X, True Roots, Kaya Youth O2, Mediker and Revive. The international consumer products portfolio contributes to about 22% of the Group's revenue, with brands like Parachute, Parachute Advansed, HairCode, Fiancée, Caivil, Hercules, Black Chic, Code 10, Ingwe, X-Men, Sedure, Thuan Phat and Isopulus.

***Business Unit-wise details have been given on the next page. More details are available in the Information Update issued today and posted on the Company's website [www.marico.com](http://www.marico.com)***

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**Marico's India Business** recorded a turnover of **INR 1,731 crores** (USD 249 million), a growth of 6% over the same period last year. The operating margin was at 22.6% before corporate allocations.

**Parachute Rigids (packs in blue bottles)** posted volume growth of 9% in Q1FY20. Brand volume offtakes grew at 3x of that of the category, resulting in volume market share gain of 246 bps during the quarter. Tactical inputs to maintain the value proposition enabled accelerated activation in non-core markets. Overall, the volume market share of the Coconut Oil franchise (includes Nihar Naturals and Oil of Malabar) rose to 60% (June 2019 MAT).

**Saffola refined edible oils** grew by 3% in volume terms, slowed down further by sluggishness in the traditional urban channel. Growth during the quarter was led by the new-age channels of Modern Trade and E-Commerce. While the renewed communication seems to have resonated with the consumer, differential packs/pricing introduced met with a mixed response. We continue to roll out incremental marketing initiatives to accelerate growth, but still remain cautiously optimistic on the franchise. Consequently, the brand consolidated its volume market share in the super premium refined edible oils segment at ~73% volume market share (June 2019 MAT).

**Foods** grew by 38% in value terms. The value market share of **Saffola Masala Oats** strengthened to ~75% in the flavoured oats category (June 2019 MAT), accompanied by a significant increase in overall penetration, especially in metro cities of Mumbai and New Delhi.

**Value Added Hair Oils** grew by 7% in volume terms, short of medium term aspiration, due to the underperforming premium segment as growth in the sub-category visibly slowed in a subdued demand environment. Overall, the franchise gained 148 bps in volume market share and 120 bps in value market share during the quarter. On a MAT basis, the Company consolidated its market leadership with **volume share at ~34%** and **value share at ~27%**.

**Nihar Naturals Shanti Amla Badam** has been the leading hair oil in volume sales among all sub-brands in Value Added Hair Oils category. The brand gained 176 bps in volume share (MAT June 2019) in the Amla Hair Oils category. **Parachute Advanced Aloe Vera Enriched Coconut Hair Oil**, now scaled up to a pan-India level, continued its accelerated growth trend. During the quarter, **Hair & Care** was relaunched in its classical pack and fragrance in prototype markets and subsequently extended across the country. This move is expected to rejuvenate the brand and regain its identity as the preferred non-sticky hair oil among consumers. **Hair & Care Dry Fruit Oil** gained traction on the back of a multimedia campaign that championed the proposition "2X better than Almond Oil" in the launch markets.

**Premium Hair Nourishment** grew 28% in value terms. **Livon Serums** registered strong growth during the quarter.

The **Male Grooming franchise** had a flat quarter due to a weak performance in deodorants. We do not expect any medium term concerns, given the healthy traction in hair gels, hair waxes and the Set Wet Studio X range. **Excluding deodorants, the Male Grooming franchise posted double digit value growth.** The digital campaign for **Set Wet Studio X** (including the Charcoal range) has been generating healthy conversions.

**Marico's International business grew by 7% in constant currency terms in Q1FY20.** The operating margin was at 25.6% before corporate allocations.

**Bangladesh** grew by 11% in constant currency (cc) terms, led by robust growth in the non-Coconut oil portfolio in line with the stated diversification strategy. **Vietnam** grew by 11% (in cc terms), led by the Home and Personal Care (HPC) business. **Middle East and North Africa** declined in double-digits in constant currency terms, on account of one-time trade inventory correction in the Middle East business. Adjusting for the same, MENA grew in low single digits (in cc terms). **South Africa** grew 6% (in cc terms).

**Commenting on the performance, Saugata Gupta, MD & CEO** said, "The Company delivered a decent performance in a challenging demand environment for the industry at large. As we hope for a recovery in the overall sentiment towards the second half of the year, we will continue to push for volume driven growth and market share gains. After being constrained during the last two years, margins should see an uptick this year despite higher investments required to support our core franchises as well as fuel the new engines of growth."