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

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

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

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Marico conferred with Food Safety & Quality Awards by CII for Performance Excellence in Quality and Food Safety management across its value chain

Marico Limited – Q1FY21 Results

India Business recovers smartly in May and June after a tough April

Market Share Gains in more than 90% of the portfolio

Saffola Oils and Foods continue to lead the way

Resilient Bangladesh grows in double-digits

Operating Margin up 300 bps

In Q1FY21, Revenue from Operations was at INR 1,925 crores (USD 257 million), down 11% YoY. The domestic business was severely impacted in April due to supply-chain disruptions following the extension of the national lockdown but was able to scale up sequentially in May and June as restrictions were relatively eased. **The domestic business clocked sales at 104% of the annual average monthly run rate of FY20.** However, given the very significant revenue skew in Q1FY20, which was circa 31% (unrelated to portfolio seasonality), the underlying volume decline was at 14% on a year-on-year basis.

Secondary volume growth was in line with the reported primary volume growth as the Company continued to operate at lower distributor inventory levels after the drop at the end of Q4FY20, in order to protect channel partner ROIs in the current environment.

The Company gained market share in more than 90% of the portfolio on MAT basis, with accentuated gains during Q1.

With social distancing becoming increasingly prevalent, consumers favored neighborhood GT stores as well as E-Commerce platforms over Modern Trade during the quarter. The CSD business during the quarter was nearly reduced to its half, which had a meaningful impact on the overall volume growth of India business.

While the international business de-grew by 4% in constant currency terms, Bangladesh continued to hold the fort by delivering a commendable 10% constant currency growth, while other geographies recorded double-digit drops.

EBITDA was up 1%, led by 300 bps expansion in operating margins which was attributable to softer input costs, rationalization of A&P spends in discretionary portfolios and very aggressive cost control. **PAT was at INR 331 cr., up 3% YoY on a like-to-like basis.**

A&P spends stood at 7.1% of sales, given the rationalization of spends in a subdued demand environment with supply constraints. After minimal spends in April, the Company continued to invest for growth in the core portfolios in light of improving traction during the rest of the quarter. Similarly, **Trade spends** during the quarter were also rationalized accordingly.

Since the business has recovered to near-normal levels and growth trends have been improving from May, the Company will strive to sustain the momentum and deliver growth in the balance part of the year, provided the ongoing COVID-19 crisis doesn't drastically worsen in the times to come. The Company expects operating margins to be circa 20% for the rest of the year.

Other Updates:

- Marico has been recognized amongst India's 5 Best Workplaces in FMCG as per a study conducted by Great Place to Work® Institute (India) in association with The Economic Times.
- Marico ranked as the 7th Most Preferred FMCG/Beverage Company amongst B-school students and one of the 25 Most Desirable Companies To Work for across sectors, as per the Dare2Compete Employer Branding Report 2020.

Marico (BSE: 531642, NSE: "MARICO") is one of India's leading consumer products companies, in the global beauty and wellness space. During 2019-20, Marico recorded a turnover of about INR 73.1 billion (USD 1.03 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, Veggie Clean, Kaya Youth O2, Travel Protect, House Protect, Mediker, Revive and Beardo. The international consumer products portfolio contributes to about 23% of the Group's revenue, with brands like Parachute, Parachute Advansed, Mediker SafeLife, HairCode, Fiancée, Caivil, Hercules, Black Chic, Code 10, Ingwe, X-Men, Sedure, Thuan Phat and Isoplus.

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

Media Release



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Marico's India Business recorded a turnover of INR 1,480 crore, down 15% on a year-on-year basis. The operating margin improved to 25.7% in Q1FY21 as against 22.6% in Q1FY20.

Parachute Rigids remained on a firm footing as lockdown restrictions eased in May and June and recorded sales at 111% of annual average monthly run rate of the last year. However, volumes declined by 11% on a year-on-year basis on a high base (9% volume growth in Q1FY20) and due to heavily skewed sales in the first quarter last year. The volume market share of the Coconut Oil franchise (includes Nihar Naturals and Oil of Malabar) strengthened by about 180bps to 62% (MAT Jun'20).

Saffola refined edible oils grew by 16% in volume terms, furthering its healthy growth journey and topped up by the in-home consumption tailwind. The volume market share of the brand in the Super Premium Refined Edible Oils segment has expanded by ~330 bps to 77% (MAT Jun'20).

The **Foods** franchise posted value growth of 30% in Q1FY21, led by 41% growth in the Saffola Oats franchise. Both the plain and savory offerings grew healthily. **Saffola Masala Oats** continued to fortify its stronghold in the flavoured oats segment as its value market share expanded to 88% (MAT Jun'20).

In response to the heightened immunity boosting needs of the consumer, the Company launched **Saffola Honey**, 100% pure honey with no added sugar. Every batch of Saffola Honey undergoes the strict NMR (Nuclear Magnetic Resonance) test, which is one of the most advanced tests in the world to check for purity and origin of food items through spectroscopic fingerprinting. The product has been made available across channels in 250 GM, 500 GM and 1 KG PET and Glass jars

Value Added Hair Oils clocked sales at ~94% of the annual average monthly run rate of the last year. Billing for the category was stalled for a large part of April due to the extended lockdown and tepid demand for premium hair oils. With easing of restrictions thereafter, manufacturing resumed in the last week of April and the franchise also witnessed considerably healthy traction, especially in the bottom of the pyramid segment. However, growth in the May-June period could not offset the deficit in April and volumes were down 30% in Q1FY21 on a year-on-year basis. The volume market share of the franchise expanded by ~130 bps to 36%, while its value market share consolidated at 27%. (MAT Jun'20). **Nihar Shanti Amla Badam** led the recovery in May and June, while among the newer introductions, **Parachute Advanced Aloe Vera Enriched Coconut Hair Oil** witnessed encouraging trends in June.

The **Premium Personal Care** recorded sharp declines given the significant fall in discretionary category sales.

The Company had forayed into the **Hygiene** segment with the launch of **Mediker Hand Sanitizer** and **Veggie Clean** in April. Both have witnessed healthy traction and the Company will continue to invest for growth in these franchises. In the current quarter, the hygiene portfolio contributed to more than 1.5% of the India business topline. During the quarter, the Company also launched indoor and outdoor surface disinfectants under the aegis of new brands, **House Protect** and **Travel Protect** respectively. The brand is now available on Amazon and Flipkart and will soon be introduced in General Trade. Marico's digital-first Hygiene brand '**KeepSafe by Marico**' was launched in mid-June on all leading E-Commerce channels.

Marico's International business declined by 4% in constant currency terms in Q1FY21. The operating margin in the international business stood at 29.8% in Q1FY21 vs 25.6% in Q1FY20.

Bangladesh (49% of the International Business) grew by 10% in constant currency (cc) terms, led by healthy growth in the non-Coconut Oil businesses. **South East Asia (26% of the International Business)** de-grew by 17% (in cc terms). Vietnam de-grew by 14%. **MENA (12% of the International Business)** and **South Africa (7% of the International Business)** declined by 27% and 25% respectively. The **New Country Development & Exports** business de-grew by 16%.

Saugata Gupta, MD & CEO commented, "The Company has delivered a fairly resilient performance in the quarter despite the pervasive impact of the ongoing COVID-19 crisis. Marico stands united and is working closely with its stakeholders to ensure safety and good health of all in these unusually difficult times. After a significantly challenging April, the business has reached near-normal levels and expects to deliver growth in the rest of the year. Market share gains in more than 90% of the portfolio has also been reassuring. We will continue to invest for growth in our core portfolio of trusted leader brands as well as adapt to evolving consumer needs in the areas of health, immunity and hygiene, while focusing on agility, excellence in execution, aggressive cost management and financial discipline."