

Marico Limited – Q1FY26 Results

India Volume Growth and Revenue Growth at multi-quarter highs
 Consolidated Revenue grew 23% in Q1
 Improving trends in core franchises lift India volume growth to 9%
 Foods and Digital-first portfolios sustain accelerated scale up
 International business delivers robust 19% constant currency growth
 EBITDA up 5% and PAT up 9%

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 & 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 spends were up 25% YoY** as we maintained investments to adequately strengthen our franchises and accelerate diversification through accelerated growth in new businesses. **Consequently, EBITDA was up 5%. EBITDA margin stood at 20.1%, down ~360 bps. PAT was at ₹504 crore, up 9% YoY.**

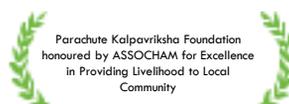
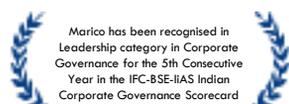
India Business

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 with minimal impact on volumes and consolidation in market share on MAT basis. The brand posted robust 31% growth in revenues. 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 going forward.

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, maintaining its position as the #1 Oats brand. True Elements and the plant-based nutrition 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 exited the quarter at ₹850+ cr. ARR, scaling up well-ahead of aspirations.

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.

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 will continue our focus on **driving differential growth in our urban-centric and premium portfolios through the organized retail and E-Commerce channels.**

We will continue to aggressively diversify through **Foods and Premium Personal Care (incl. the Digital-first portfolio)** 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 (~2x of FY24 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 the India revenue share of the Foods and Premium Personal Care portfolios is expected to expand to ~25% by FY27.** 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. We aim to maintain double-digit constant currency growth momentum in the International business over the medium term.

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.

Saugata Gupta, MD & CEO commented, *“The new fiscal has begun on a promising note for both our India and international businesses, with growth trends moving in a positive direction. The improving trajectory of our core portfolios, coupled with accelerated growth in foods and digital-first portfolio, have driven underlying volume growth in the India business closer to double digits. The new businesses continue to scale up ahead of our aspirations, reaffirming their differentiated long-term potential. The international business delivered a stellar quarter, and we remain confident of sustaining this performance in the quarters ahead. Despite sharp inflationary headwinds in key commodities in the near term, we expect to maintain strong volume and revenue momentum, along with a resilient earnings performance, over the course of the full year.”*

