



Quarterly Update: Q4 FY24

This update seeks to provide an overall summary of the operating performance and demand trends witnessed during the quarter ended 31st March, 2024. A detailed Information Update will follow this once the Board approves the financial results for Q4 FY24.

During the quarter, FMCG demand sentiment stayed consistent vis-à-vis the preceding quarters with trends in urban and rural consumption largely converging.

In Q4, **the domestic business posted a slight uptick in volume growth** on a sequential basis owing to steadying trends in majority of the portfolios. **Parachute Coconut Oil registered low single-digit volume growth** as we witnessed a continuing revival in loose to branded conversions amidst firming up of copra prices, which was along expected lines. **Saffola Oils delivered mid-single-digit volume growth** as trade-led headwinds subsided with input and consumer pricing exhibiting stability. **Value Added Hair Oils** had an optically weak quarter, declining on a high base amidst persistent sluggishness in the bottom of the pyramid segment. **Foods** continued its steady run to close the year at **~4x of its scale in FY20** and **Digital-first brands** also sustained its strong growth trajectory, thereby meeting our stated portfolio diversification objective for the year.

Amidst the backdrop of improving macro-indicators, **we expect a gradual uptick in the growth of our core categories** through the ongoing initiatives to enhance the profitability of our General Trade (GT) channel partners and focused investments towards a transformative expansion in our direct reach footprint across urban and rural outlets over the next couple of years. We will continue our focus on driving differential growth in our urban-centric and premium portfolios through the organised retail and E-Commerce channels. We will **continue to aggressively diversify the portfolio through the accelerated scale up of Foods and Digital-first brands** and improve profitability parameters in line with our medium-term strategic priorities.

The **International business reverted to clocking double-digit constant currency growth**, led by Bangladesh bouncing back from transient headwinds and rest of the markets maintaining their positive momentum.

Consolidated revenue grew in low single digits, moving back into positive territory after 3 quarters, due to incremental anniversary of pricing cuts in key domestic portfolios. **We expect consolidated revenue growth to trend upwards, with domestic revenue growth outpacing volume growth in the quarters ahead.**

Among key inputs, copra prices inched up in line with forecasts, while edible oil and crude oil derivatives remained stable. In this context, we expect **strong gross margin expansion on a year-on-year basis**. We also **maintained investments behind brand building** in line with our strategic intent to continually strengthen the long-term equity of both the core and new franchises. Consequently, we expect **low double-digit operating profit growth** on the back of a healthy expansion in operating margin, thereby staying on track to deliver on the margin guidance for the full year.

The Company maintains its aspiration of delivering sustainable and profitable volume-led growth over the medium term, enabled by the strengthening brand equity of its core franchises and scale up of new engines of growth.

About Marico:

Marico (BSE: 531642, NSE: "MARICO") is one of India's leading consumer products companies in the global beauty and wellness space. During FY 2022-23, Marico recorded a turnover of INR 97.6 billion (USD 1.2 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, Saffola, Saffola FITTIFY, Hair & Care, Parachute Advansed, Nihar Naturals, Mediker, Pure Sense, Coco Soul, Revive, Set Wet, Livon, Beardo, Just Herbs, True Elements and Plix. The international consumer products portfolio contributes to about 25% of the Group's revenue, with brands like Parachute, Parachute Advansed, HairCode, Fiancée, Purité de Prôvence, Ôliv, Caivil, Hercules, Black Chic, Code 10, Ingwe, X-Men, Thuan Phat and Isoplus.

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