



Quarterly Update: Q2 FY24

This update seeks to provide an overall summary of the operating performance and demand trends witnessed during the quarter ended 30th September, 2023. A detailed Information Update will follow this once the Board approves the financial results for Q2 FY24.

During the quarter, demand trends largely mirrored the trends observed in the preceding quarter. Instances of rising food prices and below-normal rainfall distribution in some regions seemed to impede the anticipated recovery in rural demand. Consumption trends, particularly in rural, are expected to improve in H2 owing to retail inflation levels staying within RBI's target range, hike in MSPs, healthy sowing season, easing liquidity pressures and government spending.

In the given context, **domestic volumes grew in low-single digits on a year-on-year basis**, with **low single digit volume growth in Parachute Coconut Oil and Saffola Edible Oils**, and **low single-digit value growth in Value Added Hair Oils**. We continued to witness healthy trends in offtakes, market share and penetration across key franchises. The newer portfolios, **Foods and Premium Personal Care (including Digital-First)**, remained on course to achieve full year aspirations.

The **International business delivered double-digit constant currency growth**, thereby exhibiting sustained resilience amidst a volatile global operating environment.

Consolidated revenue was marginally lower on a year-on-year basis, dragged by pricing corrections in key domestic portfolios over the last 12 months, which will progressively come into the base going ahead. Moreover, currency depreciation in some of the overseas markets had an adverse effect on the reported INR growth in the international business.

Among key inputs, copra and edible oil prices stayed in a favourable range, although the latter continued to exhibit some volatility. Crude derivatives remained firm with an upward bias. Consequently, we expect **robust gross margin expansion** on a year-on-year basis. While **A&P spends were also significantly ramped up** towards strategic brand building of its core and new categories, we expect **healthy operating profit margin expansion** leading to **low double-digit operating profit growth**.

We expect to maintain an improving trend across key performance parameters in H2, supported by a gradual pickup in volume and topline growth in the domestic business and healthy momentum in the international business, while the full-year margin guidance remains intact.

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.

Marico Limited

Reg Office: 7th floor, Grande Palladium, 175, CST Road, Kalina, Santacruz (East), Mumbai - 400 098

Tel: (91-22) 6648 0480

Fax: (91-22) 2650 0159

Website: www.marico.com

E-mail: investor@marico.com

CIN: L15140MH1988PLC049208

Websites:

www.marico.com, www.maricoinnovationfoundation.org, www.parachuteadvansed.com,
www.niharnaturals.com, www.saffola.marico.in, www.fittify.in, www.saffolalife.com, www.setwet.com,
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