



Quarterly Update: Q3 FY23

This update seeks to provide an overall summary of the operating performance and demand trends witnessed during the quarter ended 31st December, 2022. A detailed Information Update will follow this once the Board approves the financial results for Q3 FY23.

During the quarter, the sector witnessed some improvement in demand, which was more visible in specific categories buoyed by the festive fervour and oncoming winter season. Urban and premium categories maintained their steady pace of growth. However, recovery in rural demand was not as discernible as retail inflation stayed at elevated levels. Easing of commodity inflation, higher crop realizations, ongoing government interventions and likely stimulus from the upcoming Union Budget augurs well for the sector in the forthcoming calendar year.

In the given context, the **India business marked a slight improvement over the preceding quarter** to post a **mid-single-digit volume growth**. **Parachute Coconut Oil** posted low single-digit volume growth after a visible recovery in December as consumer pricing stabilised with copra prices firming up in the off-season. Going forward, we expect the brand to deliver growth in line with medium term aspiration. The **Saffola franchise** grew in double digits in value terms with **Saffola Oils** posting low teen volume growth and **Foods** continuing its strong run towards the stated revenue aspiration. **Value Added Hair Oils** had a subdued quarter, which was mainly a reflection of tepid sentiment in rural and mass personal care categories. **Premium Personal Care**, on the other hand, witnessed double-digit growth in line with sectoral trends.

The **International business continued its healthy growth momentum with high single-digit constant currency growth**, even while contending with implications of currency depreciation and high inflation in key markets. Bangladesh held steady despite challenging macros, while the other markets performed well. Furthering our strategy of increasing the total addressable market in key markets, the acquisition of female personal care brands, **Purité de Prôvence** and **Ôliv**, will provide a fillip to the Vietnam business.

Consolidated revenue in the quarter grew in low single digits on a year-on-year basis.

As we witnessed some semblance of stability in key input prices and consumer pricing across key franchises, **gross and operating margins are expected to improve** both on a sequential and year-on year basis. In view of the lower revenue growth, we expect a **modest growth in operating profit**.

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 scaling up 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 2021-22, Marico recorded a turnover of about INR 95 billion (USD 1.3 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, Just Herbs, True Elements and Beardo. The international consumer products portfolio contributes to about 23% of the Group's revenue, with brands like Parachute, Parachute Advansed, HairCode, Fiancée, Caivil, Hercules, Black Chic, Code 10, Ingwe, X-Men, Thuan Phat and Isoplus.

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