



Quarterly Update: Q2 FY26

This update seeks to provide an overall summary of the operating performance and demand trends witnessed during the quarter ended 30th September, 2025. A detailed Information Update will follow this once the Board approves the financial results for Q2 FY26.

The sector witnessed stable demand trends during most of the quarter. We expect sentiment to gradually improve during the upcoming festive season and months ahead, aided by easing inflation, above-average monsoons, healthy crop outlook and policy stimulus.

The recent GST rate rationalization announced by the Government is a welcome step toward stimulating demand and long-term growth in the FMCG sector. ~30% of our India business has benefited from the GST rate rationalization. In line with the intent of the Government's measures, we have passed on the benefits of revised GST rates to consumers across relevant product categories, reinforcing affordability and accessibility.

During the quarter, the India business continued to exhibit steady momentum through the months of July and August, while having to absorb the transitory impact of disruption in trade channels and purchases by the Canteen Stores Department ahead of the implementation of new GST rates in September. Despite the same, **underlying volume growth in the India business remained in high single digits, albeit moderating sequentially.** **Parachute** recorded low single digit decline in volumes amidst unprecedented hyperinflationary input cost and pricing conditions. After normalising for ml-age reductions in lieu of price increases, the brand was flattish in volume terms during the quarter, demonstrating formidable strength even after effective price hikes of more than 60% on a year-on-year basis. **Saffola Oils** delivered flattish volumes with a high base and revenue growth in the high teens. **Value Added Hair Oils** delivered high teens growth, reflecting a sustained recovery path. We expect the franchise to maintain a healthy growth momentum over the near and medium term, supported by the strategic focus in the mid and premium segments of the portfolio, enhanced direct reach driven by Project SETU and the recent GST rate rationalization. **Foods and Premium Personal Care (incl. digital-first brands)** maintained the accelerated scale up and kept up the pace of diversification.

The **International business maintained its robust momentum with constant currency growth touching the twenties.** Bangladesh and MENA businesses visibly outperformed, while other markets were steady in their course.

Consolidated revenue growth on a year-on-year basis will be touching the thirties on the back of pricing interventions and mix improvement, thereby closing the first half of the year on a strong note and staying well on course to achieve the full year aspiration.

Among key inputs, copra prices remained rangebound after correcting ~10-12% from the highs. Vegetable oil prices also sustained high levels, while crude oil derivatives were benign. Owing to the above, gross margin is expected to come under incremental pressure, on a relatively high base and partly due to the pricing-led high denominator effect. We expect gross margin pressures to ease in the second half of the year. Despite the input cost push, we sustained brand-building investments to reinforce the long-term equity of our franchises and drive accelerated portfolio diversification. In addition, we also extended discounts on the pipeline inventory to our channel partners during the two weeks leading up to the effective date of the GST rate changes. In the given context, **we expect modest operating profit growth on a year-on-year basis.**

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 operating in the global beauty and wellness categories. During FY 2024-25, Marico recorded a turnover of ₹108.3 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, Hair & Care, Parachute Advansed, Nihar Naturals, Mediker, Pure Sense, Coco Soul, Revive, Set Wet, Livon, Beardo, Just Herbs, True Elements and Plix. The overseas 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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