## Marico Limited – Q3FY25 Results

*Consolidated Revenue up 15% and India Volume Growth at 6%– both at 13 quarter high*
*Parachute and Saffola Oils log strong double-digit growth*
*Diversification through Foods and Digital-first portfolios on track*
*International business maintains robust growth momentum*
*On course to deliver double-digit revenue growth in FY25*

**In Q3FY25, Revenue from Operations was at ₹2,794 crore, up 15% YoY, with underlying volume growth of 6% in the India business and constant currency growth of 16% in the international business.**

**Consolidated and domestic revenue growth, as well as underlying volume growth in the India business, stood at a 13-quarter high.**

The **India business posted an uptick in underlying volume growth on a sequential basis**, which was underpinned by a resilient performance across the core portfolios and scale-up of the new businesses. **Offtake growth remained strong as >90% of the business either gained or sustained market share and ~80% of the portfolio either gained or sustained penetration, both on a MAT basis. Domestic revenue was ₹2,101 crore, up 17% YoY,** led by price hikes in core portfolios in response to the sharp rise in input costs. Among channels, **MT and E-commerce (including Quick Commerce) continued to lead with high double-digit volume growth**, while GT was flattish. Project SETU extended to 1 more state during the quarter, taking the current count to 11 states. We continue to drive efficient coverage across all geographies to deliver business growth and investments in infrastructure across all town classes.

The **International business upheld its robust broad-based growth trajectory** as most of the markets delivered in line with expectations.

**Gross margin contracted by ~180 bps YoY**, primarily impacted by the rising trend in copra and vegetable oil prices, which was only partly offset by pricing interventions in key portfolios. **A&P spends were up 19% YoY**, in line with our strategic intent to continually strengthen our franchises and accelerate diversification. Consequently, **EBITDA was up 4%,** as EBITDA margin stood at 19.1%, down 210 bps. **PAT was up 4% YoY**.

At its meeting held on January 31, 2025, the Board of Directors of the Company declared an interim dividend ₹3.50 per share on its paid up equity share capital of ~₹129.5 crores.

### India Business

**Parachute Rigids** registered 3% volume growth. The brand exhibited strength despite the steeper-than-anticipated rise in copra prices. Volume offtakes grew in high single digits, leading to **~140bps gain in market share** on MAT basis. The brand logged 15% revenue growth, aided by pricing hikes taken during this year.

**Saffola Edible Oils** demonstrated stability, delivering low-single digit volume growth amidst the sharp rise in vegetable oil prices. The brand posted 24% revenue growth, led by price hikes taken over the last few months.

**Value-Added Hair Oils** declined by 2% in value terms, witnessing definitive signs of recovery on a sequential basis. Mid and premium segments fared relatively better and drove ~**70bps gain in market share** on a MAT basis. We expect gradually improving trends in VAHO on the back of ATL investments, brand activations and gradually improving trends in rural consumption sentiment.

**Foods** posted robust 31% value growth YoY, nearing ₹1,000 cr. ARR in Q3. **Saffola Oats** delivered double-digit growth, while the newer franchises fared healthily. True Elements and the plant-based nutrition portfolio of Plix maintained their accelerated growth momentum.

Marico has been awarded for the Best Business Responsibility & Sustainability Reporting in the Non-Service Sector by ICSI

Marico has been recognised with the coveted Best Food Safety Practices Award at the India Foods Summit & Awards 2024

Marico has won the 'Best CX Solutions' award at the 2nd Edition Innovation Summit & Awards 2024 by Krypton.

Marico has been honoured with the 'Great Managers Award' by GMA, an initiative by People Business

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**Premium Personal Care** also continued its strong run during the quarter. The Digital-first portfolio, comprising Beardo, Just Herbs and the personal care portfolio of Plix, scaled ahead of expectations to reach ~600 cr. in ARR in Q3. Beardo is on course to deliver double-digit EBITDA margin this year.

**The composite revenue share of Foods and Premium Personal Care (including Digital-first brands) in the domestic business stood at ~21% in 9MFY25**, signifying furtherance of the portfolio diversification agenda of the India business.

**International Business**

**Bangladesh posted 20% CCG**, demonstrating strong resilience of the business model amidst a challenging macro environment. The fundamentals and medium-term growth construct of the business remain intact. **MENA delivered 35% CCG** with broad based growth in the Gulf region and Egypt. **South Africa registered 17% CCG** with both the Hair Care and Health Care franchises faring well. South East Asia had a soft quarter. **NCD and Exports posted 15% growth**.

**Outlook**

Amidst the stable macro backdrop, we expect gradual improving growth trends in the core categories of our domestic business through the ongoing initiatives to support select General Trade (GT) channel partners and transformative expansion in our direct reach footprint under Project SETU. We also continue to draw confidence from healthy offtakes, penetration and market share gains in our key portfolios.

Sustained investment towards the accelerated scale up of our Foods and Premium Personal Care portfolios has not only resulted in a visible shift in the revenue construct of the domestic business, but also enabled differential growth outcomes amidst relatively slower demand in mass consumption-led franchises over the past few quarters. **We will continue to aggressively diversify the portfolio through these portfolios in line with our medium-term strategic priorities.** After the structural refinements in supply chain and GTM last year, **we aim to grow Foods at 20-25%+ CAGR to 2x of FY24 revenues in FY27. The Digital-first portfolio is on course to cross ARR of ₹600 crore on exit basis in FY25 and scale to 2x of FY24 ARR in FY27.** We expect the domestic revenue share of the Foods and Premium Personal Care portfolios to expand to ~25% by FY27. After the structural GM expansion of ~800 bps in FY24, we expect a gradual improvement in gross and operating margins of the Foods portfolio as we scale over the medium term. **We are on course to deliver double-digit EBITDA margin in Beardo this year.** We will aim to replicate the Beardo playbook as we scale the Digital-first franchises and **achieve double-digit EBITDA margin in the portfolio in FY27**.

**The International business has grown from strength to strength** in the face of transient headwinds in select regions. We aim to maintain the double-digit constant currency growth momentum over the medium term.

In the medium term, we aim to deliver double-digit revenue growth through consistent outperformance vis-à-vis the category and market share gains in the domestic core portfolios, accelerated growth in the Foods and Premium Personal Care and double-digit constant currency growth in the International business. We also expect operating margin to inch up over the medium term with leverage benefits as well as premiumisation of the portfolios across both the domestic and International businesses.

**Saugata Gupta, MD & CEO commented**, *"We have delivered a considerably resilient performance in this quarter with the highest underlying volume and revenue growth in 13 quarters. The core domestic portfolios have held firm amidst inflationary conditions and witnessed market share and penetration gains, with the accelerated scale-up in Foods and Digital-first brands visibly advancing the diversification agenda. The robust momentum in the overseas business, despite challenging operating conditions in select markets, reinforces our medium-term growth algorithm. While the sharper-than-anticipated rise in input costs will have some transient impact on margins in the near term, we remain biased towards driving top quartile volume growth and double-digit revenue growth in the near and medium term."*

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