

July 5, 2023

The Secretary,
Listing Department,
BSE Limited,
1st Floor, Phiroze Jeejeebhoy Tower,
Dalal Street,
Mumbai – 400001
Scrip Code: 531642

The Manager,
Listing Department,
The National Stock Exchange of India Limited,
Exchange Plaza, C-1 Block G,
Bandra Kurla Complex, Bandra (East),
Mumbai – 400051
Scrip Symbol: MARICO

Sub.: Quarterly Update – Q1 FY2023-24

Dear Sir/Madam,

Please find enclosed an update on the operating performance and demand trends witnessed during the quarter ended June 30, 2023. The same will also be made available on the website of the Company shortly.

This will be followed by a detailed Information Update once the Board of Directors of the Company approves the un-audited consolidated and standalone financial results for the quarter ended June 30, 2023.

Thank you.

Yours faithfully,

For **Marico Limited**

Vinay M A
Company Secretary & Compliance Officer

Encl.: As above



Quarterly Update: Q1 FY24

This update seeks to provide an overall summary of the operating performance and demand trends witnessed during the quarter ended 30th June, 2023. A detailed Information Update will follow this once the Board approves the financial results for Q1 FY24.

Demand trends in the sector remained stable during the quarter, although signs of improvement on a sequential basis were not clearly visible. While urban markets were steady, the anticipated pickup in rural demand remained elusive. Moderating headline inflation, hike in MSPs, easing liquidity pressures and forecast of a near-normal monsoon continue to fuel hopes of a gradual recovery in rural demand in the course of the year.

During the quarter, the performance of the domestic business was affected by significant trade destocking in Saffola Edible Oils in reaction to sharply falling vegetable oil prices and channel inventory adjustments in core portfolios triggered by the last leg of trade scheme rationalization for correction of the historical Q1 revenue skew. In the given context, **domestic volumes grew in low-single digits**, with a minor volume drop in **Parachute Coconut Oil**, low double digit volume growth in **Saffola Edible Oils** and flattish quarter for **Value Added Hair Oils**. Among the newer portfolios, **Foods** continued its strong run, while **Premium Personal Care (including Digital-First portfolio)** remained steady.

While primary volume growth was marred by one-time internal and external factors mentioned above, **we expect a visible pickup from the coming quarter** given the sustained healthy trends in offtakes, market share and penetration across our key franchises.

The **International business** maintained its healthy growth momentum as it delivered **high single-digit constant currency growth** during the quarter, with most geographies exhibiting resilience in a volatile global operating environment.

Consolidated revenue in the quarter declined in low-single digits on a year-on-year basis, dragged by **pricing interventions in key domestic portfolios last year** and **further pricing drops in Saffola Edible Oils** (amounting to a pricing decline of ~30% YoY) during the quarter.

Among key inputs, copra prices stayed in a favourable zone and edible oil prices declined sharply, while crude derivatives remained firm. As a result, **gross margin is expected to expand materially** on a year-on-year as well as on a sequential basis. **A&P spends continued to trend upwards** in line with the Company's focus on strategic brand building of core and new categories. **Expansion in operating margin** is expected to drive **double-digit growth in the bottom line**.

The business has exhibited a healthy margin upside, and as indicated above, the Company remains confident of resuming an upward trajectory across key growth parameters from hereon.

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, Just Herbs, True Elements and Beardo. 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

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