

July 5, 2022

The Secretary,  
Listing Department,  
BSE Limited,  
1<sup>st</sup> Floor, Phiroze Jeejeebhoy Towers,  
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 FY2022-23**

Dear Sir/Madam,

Please find enclosed an update on the operating performance and demand trends witnessed during the quarter ended June 30, 2022. 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, 2022.

Thank you.

Yours faithfully,

For **Marico Limited**

**Vinay M A**  
**Company Secretary & Compliance Officer**

Encl.: As above



## Quarterly Update: Q1 FY23

*This update seeks to provide an overall summary of the operating performance and demand trends witnessed during the quarter ended 30th June, 2022. A detailed Information Update will follow this once the Board approves the financial results for Q1 FY23.*

In India, the sector continued to witness tepid demand as rising retail inflation exerted pressure on share of wallet for FMCG. Current trends indicate that consumers titrated consumption in some non-essential categories and either downtraded among brands or switched to smaller packs in the essential categories. In contrast, premium discretionary categories fared relatively better because of a lower base and lower consumption dip in the upper income consumer segment.

In the given context, **India business volumes declined in mid-single digits**. The performance was particularly dragged by a sharp drop in Saffola Oils. **Excluding Saffola Oils, the India business posted marginal volume growth**. Parachute Coconut Oil recorded a minor volume decline. The brand passed on more value to consumers towards the second half of the quarter amidst steady deflation in copra. **Value Added Hair Oils** grew in low single digits in value terms despite weak consumption sentiment, especially in rural. **Saffola Oils** declined in double digits, having to contend with high in-home consumption in the base quarter and significant downtrading visible from super premium to mass segment in Edible Oils. The brand chose to maintain threshold margins over volumes in the face of unprecedented raw material inflation, supply chain issues and the undesirable effect of price hikes on the absolute outlay for the consumer. **Foods** also had a slow quarter due to high in-home consumption base in Oats and sharp decline in immunity-led categories like honey, among others. **Premium Personal Care** posted robust growth across all segments of the portfolio. Digital-first brands remained on track and met internal aspirations.

The **International business maintained its strong momentum, delivering high-teen constant currency growth**. All markets exhibited strength and stayed on the path of sustained profitable growth, despite the prevailing global uncertainty and inflationary pressures.

Consolidated revenue in the quarter ended marginally higher on a year-on-year basis.

Among key inputs, copra prices remained soft during the quarter. Edible and crude oil prices cooled to some extent towards the end of the quarter, but the Company consumed higher cost inventory in this quarter. **Gross margin is expected to expand on a year-on-year basis**, but remain near the same levels as the preceding quarter. A&P spends grew in low teens on a year-on-year basis, as the Company maintained investments towards strategic brand building of core and new franchises. **We expect operating margin to expand, leading to reasonable operating profit growth on a year-on-year basis**. The effective tax rate (ETR) will be higher by 250-300 bps in FY23 due to expiration of fiscal benefits in one of the manufacturing units. Therefore, **net profit growth is expected to lag operating profit growth**.

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 Gourmet, Saffola ImmuniVeda, Saffola Mealmaker, Hair & Care, Parachute Advanced, 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 Advanced, HairCode, Fiancée, Caivil, Hercules, Black Chic, Code 10, Ingwe, X-Men, Thuan Phat and Isoplus.

## **Marico Limited**

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## Websites:

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