marico
make a difference

January 30, 2026

The Secretary,
Listing Department,
BSE Limited,
1st 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.: Transcript of the earnings conference call

Dear Sir/Madam,

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, copy of transcript of the earnings conference call held on Tuesday, January 27, 2026 on the un-audited financial results and operations of the Company for the quarter and nine months ended December 31, 2025, is enclosed.

The said transcript is also available on the Company's website at https://marico.com/investorspdf/Marico_Limited_Q3FY26_Earnings_Call_Transcript.pdf.

This is for your information and records.

Thank you.

Yours faithfully,
For **Marico Limited**

VINAY M A
Digitally signed by VINAY M A
Date: 2026.01.30 17:06:22 +05'30'

Vinay M A
Company Secretary & Compliance Officer

Encl.: As above

CIN: L15140MH1988PLC049208
Email: investor@marico.com

Marico Limited
Regd Office:
7th Floor
Grande Palladium
175, CST Road, Kalina
Santacruz (E)
Mumbai 400 098, India
Tel: (91-22) 6648 0480
Fax: (91-22) 2650 0159
www.marico.com

"Marico Limited
Q3FY26 Earnings Conference Call"

January 27, 2026

MANAGEMENT: **MR. SAUGATA GUPTA – MD & CEO, MARICO LIMITED**
MR. PAWAN AGRAWAL – GROUP CFO & CEO-INTERNATIONAL BUSINESS (REST OF SOUTH ASIA & SE ASIA), MARICO LIMITED

Moderator: Ladies and gentlemen, good day and welcome to Marico Limited's Q3 FY26 Earnings Conference call.

We have with us the Senior Management of Marico represented by Mr. Saugata Gupta - MD and CEO and Mr. Pawan Agrawal - Group CFO and CEO - International Business.

As a reminder, all participant lines will be in the listen-only mode, and there will be opportunity for you to ask questions after the presentation concludes. Should you need assistance during this conference call, please signal an operator by pressing '*' and then '0' on your touch-tone phone. Please note that this conference is being recorded.

Before we get started, I would like to remind you that the Q&A session is only for institutional investors and analysts. And therefore, if anybody else who is not an institutional investor or analyst, but would like to ask questions, please directly reach out to Marico's Investor Relations team.

I now hand the conference over to Mr. Saugata Gupta. Thank you, and over to you, sir.

Saugata Gupta: Hi. Good evening to all those who have joined the call. I would like to begin with a brief overview of the operating environment during the quarter, after which I will take you through our performance and strategic objectives going forward.

Our demand conditions during the quarter remained stable. We continued to see the building blocks for a gradual recovery in consumption, supported by moderating inflation, improved affordability following the recent GST rate rationalization, which has been transformative, higher MSPs, and a healthy crop sowing season. We believe these factors provide a constructive backdrop for demand improvement across both urban and rural markets in the coming quarters.

Moving on to our quarterly performance, the India business demonstrated a sequential improvement in volume growth despite an elevated pricing environment, which started tapering off towards the end of the quarter. Revenue momentum remained strong, aided by calibrated pricing actions across core portfolios over the last 12 months in response to the rise in input costs. Our franchises have continued to record strong offtakes, with more than 95% of the business gaining or sustaining market share and about 80% gaining or sustaining penetration on a MAT basis. Among channels, while e-commerce and quick commerce were leading growth drivers, we saw a clear improvement in traditional trade, marking the outcome of consistent investments and targeted actions over the last 2 years. Project SETU has continued to strengthen our distribution fundamentals, execution capabilities, and the coverage expansion remains firmly on track, led by deeper presence in upgraded towns and pan-India rural scale-up. We will now commence our initiatives on targeted expansion in urban channels, such as chemist, cosmetic, and specialty food outlets. These actions are enhancing our direct reach, improving product

Regd. Off: 7th Floor, Grande Palladium, 175, CST Road, Kalina, Santa Cruz (East), Mumbai – 400098. CIN: L15140MH1988PLC049208.
Email: investor@marico.com

assortment and availability in rural, and will subsequently accelerate our premiumization and diversification agenda in general trade in the top towns.

Delving deeper into the India business, I will now share the performance of our key categories. Parachute continued to demonstrate inherent brand strength despite prevailing consumer prices, underlying volume growth after adjusting for ml-age reduction remained positive, demonstrating remarkable price elasticity and deep consumer trust and loyalty. With correction having set in and copra prices down by around 25% to 30% from peak levels, the brand will be passing on the benefit to the consumer in the coming months, as and when we believe it is the right time to do it. While we expect near-term performance to remain stable, easing absolute consumer prices will support a gradual recovery in volume growth over the course of the next year.

Value-added hair oils delivered another strong quarter with accelerated market share gains. Our value share on MAT basis stands at an all-time high of nearly 30%, showing considerable progress towards premiumization of the mix and bridging the gap between volume and value share, along with our intended lines and long-term aspirations. We remain confident of sustaining a double-digit growth trajectory in the near-to-medium term, supported by sharp strategic focus on the mid and premium segments, consistent innovation across channels, enhanced direct reach through Project SETU, and structural tailwinds from the recent GST rate rationalization, which has driven affordability.

Saffola Edible Oil had a soft quarter in a relatively elevated pricing environment, with revenue growth moderating as prior pricing actions largely anniversarized in this quarter. Like in the previous quarter, we have sacrificed volumes which are below our threshold margins across certain packs and channels. Going forward, the brand will continue to sharpen its premiumization agenda, led by Saffola Gold and Total variants, and the recently introduced Cold Pressed Oils, which is doing quite well. Backed by strong equity and focused consumer activations, we expect Saffola to chart an improving volume growth trajectory in the coming quarters.

The Foods portfolio performed broadly in line with the stated expectations, as we had talked about in the last call, that we will take a pause on our growth as we rectify some of the portfolio which is not delivering high on profitability. So, Saffola Oats continued to gain market share and consolidate market leadership. As we had conveyed earlier, with the portfolio rapidly scaling up to ARR of INR 1,000 crore, our focus has been on stabilization and strengthening profitability towards building a sustainable, profitable growth engine. We remain very bullish on value-added foods and nutra opportunity in India, and our strategy to invest in fewer, bigger, better plays in terms of our portfolio approach. That being said, we are confident of resuming the accelerated growth trajectory in our organic food business over the next two quarters.

Regd. Off: 7th Floor, Grande Palladium, 175, CST Road, Kalina, Santa Cruz (East), Mumbai – 400098. CIN: L15140MH1988PLC049208.
Email: investor@marico.com

We also announced the strategic investment in one of India's leading premium gourmet snacking brands, 4700BC. This is renowned for its popcorn and also offers a range of innovative snack offerings such as popped chips, makhana, crunchy corn, and a recently launched nachos with avocado oil. We would like to share our perspective on this investment. When you look at our Foods portfolio today, among Saffola, which stands for healthy foods, playing in the mass-stage segment, True Elements, which stands for the clean label, premium breakfast cereals, nuts and seeds, and snacking segment, and Plix, which does nutraceuticals, there was a gap in our portfolio of our premium gourmet snack, which is better for you and can deliver a mix of offerings for all occasions. I am particularly excited about how the better-for-you gourmet snacking brands are becoming a choice for the consumer, who want taste and differentiated flavors as a part of their routine. We believe 4700BC is an underleveraged and an underinvested brand that can, if afforded the required investment and our overall capabilities, including cost, channel, GTM, and with a strong new product pipeline ahead, it will continue to push boundaries in the premium gourmet snacking arena. Together, we will tap the opportunity to leverage our existing scale in foods and drive synergies and broaden the brand's presence across channels. It is clocking at about INR 140 crores ARR in the last three months. We see tremendous potential for the brand to scale its ARR to 3x in the next three years.

In Premium Personal Care, the portfolio comprising Serums, Male Grooming, and Skincare grew in double digits and is expected to exit the year at an ARR of INR 350+ crores. In addition, the Digital-First portfolio is expected to exit FY '26 with an ARR of INR +1,000 crores. We are on track to reach 2.5x of FY '24 ARR next year, and we are making concerted efforts to move to double-digit EBITDA margin in the Digital-First portfolio by end of FY '27.

Moving on, the international business continued to deliver robust and broad-based growth. Bangladesh led from the front, supported by a steady core business and a scale-up of new franchises like shampoos. Vietnam and South Africa bounced back to deliver double-digit constant currency growth, driven by targeted initiatives. MENA continued to deliver strong performance in key franchises across both the Gulf region and Egypt. The NCD business also delivered accelerated growth. Overall, the international business is now exhibiting a virtuous growth flywheel, and we expect this momentum to sustain across markets over the medium term.

To sum up, we delivered a strong and resilient performance in Q3, with both the India and international businesses progressing well in a steady operating environment. We will remain sharply focused on execution, strengthening our franchises and driving sustainable volume-led growth. In India, we expect to drive improved trajectory in the core portfolio while driving the profitable scale-up of foods and digital-first businesses. We aim to sustain the volume growth momentum even as pricing growth is likely to moderate over the course of the next few quarters. With input cost easing and margin pressure subsiding, we expect progressive improvement in operating profit growth rates over the coming quarters.

Regd. Off: 7th Floor, Grande Palladium, 175, CST Road, Kalina, Santa Cruz (East), Mumbai – 400098. CIN: L15140MH1988PLC049208.
Email: investor@marico.com

As we look ahead, we are moving from stability to purposeful acceleration, leveraging a resilient operating model and a disciplined cost architecture. Our priorities are clear: sharp portfolio choices, enabling faster decision-making and driving agile execution. Importantly, our agility has enabled us to take targeted initiatives and successfully turn around portfolios within just a few quarters. This is exhibited by the turnaround of VAHO in India and more recently, the quick recovery in Vietnam and South Africa businesses. What gives us confidence as we move forward is that this acceleration is grounded in strong fundamentals and a high degree of accountability in the senior management. This balance of resilience and execution discipline, coupled with the tremendous leadership depth which we have developed over the past few years, has well-positioned us to sustain momentum and further accelerate the growth flywheel we have built.

With that, I conclude my remarks. Thank you. And we can now take some questions.

Moderator: Thank you very much. We will now begin the question-and-answer session. Our first question comes from the line of Abneesh Roy from Nuvama. Please go ahead.

Abneesh Roy: My first question is on the new acquisition. So, my questions here are, if you want to take it 3x in three years, if you could talk about what all are needed apart from the brand support. So, in terms of distribution, for example, where is the company now? For example, INR 140 crore ARR, how much is coming from which kind of distribution channel? And where do you see the delta? Second is from a pricing, obviously, this is gourmet, so it is premium. Would you plan to have some kind of a offering, which also appeals to the smaller box GT? I do understand the larger box GT will have an audience, but the small box GT, is there a pricing or positioning which is possible? And if you could also talk about profitability. I do understand initially investment will be needed, and it is unfair to look at first-year profitability for a brand which anyway may not be making profit. But from a three-year perspective, what will be the expectation on the profitability?

Saugata Gupta: First of all, I would urge you to look at two interesting brands globally, which started off with popcorn and have diversified and become reasonably blockbuster brands. One is called Lesser Evil in the U.S., and the other brand is called Proper, which is a UK-based brand. And I am sure we will follow their trajectories and get inspired from these brands. And there is another big trend in the U.S., there is a brand called SkinnyPop, which is growing, again, which is a popcorn and better-for-you brand. Now, that will give you an idea of what is possible in terms of the portfolio. Now, if I look at the overall, broad sense of the portfolio of 4700BC, PVR Cinemas is very low. It is just about double digits. There is a big institutional business and exports, but they are very, very good because, as you know, these institutional business creates very good sampling opportunities. At the same time, it also ensures that there is no marketing cost of doing so. So, 4700BC is available in the following airlines. It is available in all business class lounges of Etihad. It is available in Qatar, Cathay Pacific, in first and business class of Air India. Most recently in some of the European routes of IndiGo, which goes to Amsterdam, Manchester, and just recently, last week to Athens. It is available in Vande Bharat and in one or two hotels. And that business, plus we have a very good business that just started in the Middle East. We believe there is significant opportunity now with Marico's access to the e-commerce and other channels. So, that is around 20% to 25%. The rest is all online, very little retail. So, we believe that modern trade, for example where Marico can give access, and the top-end food is the best route to grow. If you look at the trajectory of some of the brands, let's take iD, Veeba, Epigamia, they now have significant part of their business in retail, and that business is missing. in terms of investments, we are happy to do, and at the same time, you must realize today we already have some digital brands like True Elements. There will be huge opportunities in shared costs and other things when they come into the Marico fold. So, therefore, this will all happen, there will be no incremental investment to expand into GT. So, that takes care, and last year it made about INR 12 crores loss. This plus True Elements together can now have an accelerated path to breaking even with all the tapping of the synergies. There is a strong innovation pipeline with this brand, and we will unfold.

And if you really look at it, Indians, while they love healthy products, they don't compromise on taste. Perhaps indulgence gourmet is going to grow. As people's habits in terms of binge-watching OTT and other things like Friday night in, those things which I have seen, which you see in developed markets, this progress, the tailwinds towards adoption of this brand is very high. And therefore, this was a missing link in our entire foods portfolio. If you look at it, Saffola plays in mass-stage health, True Elements in clean, premium seeds and breakfast and snacking. So, this was a gap out there, and it is a perfect gap. And I believe, we also believe we love the founders who have a mindset of build to last rather than build to sell. And we are extremely confident about scaling this brand up, and it is a brand we all love. The products are very nice, and we are very, very optimistic about growing this brand.

Pawan Agrawal: Just to add on the profitability, Abneesh, the brand has gross contribution and CM2, which is ahead of Marico's food business at this point in time. And it is a premium brand, which has significant pricing power. So, therefore, of course, we can also expect that the margins can go even higher in the future. And there are significant synergies in the back-end cost and GTM, which will be leveraged in the near term and unlock synergies. So, overall, from a profitability context, of course, we will be investing at this point in time, but whether the brand has path to profitability to reach, let's say, double-digit margin over a period of time, we are fairly confident it can really go there.

Abneesh Roy: One or two follow-ups there. So one is, Saugata, you always mention Marico, and you obviously want to take bigger bets. Now, this is around 1% of your revenue. So, does it fit that? Not everything needs to fit. So, that was one question. Second is, your example of the Lesser Evil brand, for example. Those need a different mindset, and you did say the founders, etc. So, I

Regd. Off: 7th Floor, Grande Palladium, 175, CST Road, Kalina, Santa Cruz (East), Mumbai – 400098. CIN: L15140MH1988PLC049208.
Email: investor@marico.com

wanted to understand, does this signal that now you want to play in the gourmet, in the impulse category much more over a longer term? Because this is completely new white space you have opened up. Till now, Saffola or the other brands have been mostly in the health space. This opens up the impulse and the gourmet. Obviously, this is too small. So, I wanted to understand, does this open up much bigger opportunity on your own or, say, even M&A-wise, in the longer term?

Saugata Gupta: So, our digital business, entire philosophy is think big, start small, scale up fast or drop fast. And therefore, it is a string of pearls strategy to do something big. We are another, maybe two years from now, we have a INR 2,500 crore+ digital business, which is bigger than some of the multinationals companies who have stayed in India for 20-25 years. So, it is big. The digital business and the entire diversification agenda has been big. There are steps to that bigness rather than doing one thing. We obviously have done big things. our VAHO turnaround is a big thing. There are opportunities in organically growing big things. Digital Plix, we took it at INR 150 crore. It should be hitting INR 1,000 crore. Again, we have done this. The question is, I don't believe in buying something big and paying 6x for that. That is something which we don't want to do. We are far more prudent. We want the founders to have the skin in the game, grow with us, and we learn the business from them. So, the question is, we have started small, but there is no reason to not develop and make it big together rather than buying something big and then not growing it.

Pawan Agrawal: And just for the context, Abneesh, our diversified portfolio just a few years ago, was just about 11%-12% of India business, and we have taken a target of reaching about 25%. We have already reached about 22%. So, it is not about the size of the business when you acquire. It is all about the potential that we assess it can become. For example, Saugata talked about Plix. Similarly, we are very hopeful that all these businesses will grow bigger over a period of time.

Saugata Gupta: And to answer your second question, Abneesh, you are absolutely right. I believe that with True Elements plus Saffola, we found that snacking, if I really want to grow snacking, it could become restrictive, and therefore we opened up. Having said that, we will continue to play in the premium end, which is organized trade plus maybe metro food outlets. I don't think we have a right to win today in a paan plus or doing a INR 5, INR 10 product right now. We don't have the GTM, neither the capability. But it at least opens up as India progresses and the premium set opens up, I believe there is enough critical mass. And you are right, , this significantly improves the TAM expansion for our food business.

Abneesh Roy: My second and last question is on hair oil. So, overall excitement in the hair oil is coming back in the minds of investors. We have seen the small hair oil company with the new CEO doing well. They have also called out hair oil as a category, is seeing a somewhat of a revival. You have done exceedingly well past few quarters in VAHO. So, my question is, as a category in hair oil, how do you see next one year? Last few quarters has been good for VAHO. And second,

Regd. Off: 7th Floor, Grande Palladium, 175, CST Road, Kalina, Santa Cruz (East), Mumbai – 400098. CIN: L15140MH1988PLC049208.
Email: investor@marico.com

adjacent question is, yes, volume growth is still quite strong for Marico as a company, but when Parachute starts seeing deflation, and we have seen already 20%-25% deflation in copra from top, and next crop is also looking decent. As a company, would you see that challenge that suddenly the sales growth for the company in India business becomes a challenge at some stage? What will be your take on that?

Saugata Gupta: See, there are two things. One is, this time the absolute inflation was very high, which actually impacted volume growth, and we had done some of the ml-age reduction, which anniversarizes in the first quarter next year. Secondly, you will be surprised because we were pleasantly surprised with the price elasticity of the brand. And therefore, when the deflation happens, some deflation has already happened, we will be far better prepared, including a far, far thinner pipeline to manage it. As far as hair oil VAHO growth is concerned, if you look at the VAHO growth, the two-year CAGR ex of Shanti is 14%, the quarterly Y-o-Y growth is very high teens. So, we are at a double digit two-year CAGR and it is great turnaround. I believe that there is enough opportunity, and what is also helping is SETU, because if I look at the biggest impact so far in the states where we have expanded distribution, improved the quality of rural distribution, converted a lot of indirect to direct, has been the growth of the second and the third brand, because that is where range selling happens. And SETU, we are today, if you ask me, we have done ~30%. There is still 70% to go, and it is a 3-5-year project. I mean, three years obviously was initially designed, but I am sure if we can get it, it is going to continue for the next three to five years. So, we are extremely confident about this. And one more interesting thing we are doing is that at one point in time, the volume value share gap in hair oils was 10%. It has now gone down to 5%. So, focus on abandoning the, I won't call it abandoning, but holding fort in the bottom of pyramid and INR 10-20 price points, not doing anything irrational, but focusing on the packs like Jasmine, Aloe, Hair & Care, and some of the other brands, is actually helping, and we will continue to focus on value share. And as you know, these brands are actually high margin. So, they are helping in the mix. They are helping in the overall gross margin improvement over the next couple of years.

Abneesh Roy: That's all from me.

Saugata Gupta: And sorry, just to add, just to reassure everyone, this is a category which is very close to India. Not only that, it is a category that is significant, even the Middle East, including Middle Eastern countries, Egypt. I mean, this is a category that continues to grow, and we have great faith in this category, and we have ensured that we continue to invest behind this habit. And this habit is going to stay. That is something which we have proven in the last 20 years, contrary to some people thinking this category will die down.

Moderator: Our next question comes from the line of Mihir Shah from Nomura. Please go ahead.

Regd. Off: 7th Floor, Grande Palladium, 175, CST Road, Kalina, Santa Cruz (East), Mumbai – 400098. CIN: L15140MH1988PLC049208.
Email: investor@marico.com

Mihir Shah: So, just continuing on VAHO, except for SETU, the kind of growth that we are seeing is really sharp, and apparently the other players are also seeing sharper growth. But I don't see them marrying together because each of these subcategories have a different market. They are more ingredient-based hair oils, which are preferred. So, what is really driving this growth? What is a sustainable number for VAHO that we can think about over the near term, maybe the next two to four quarters? So, that is part A. Part B is, given VAHO has the highest margin in the core business, higher than Parachute and Saffola, and as copra headwinds start to wane and those margins will start improving, higher growth from VAHO can add to that margin expansion. So, how should one think about that play as well? So that is my first question.

Saugata Gupta: Coming to, , we are extremely confident of delivering double-digit value growth in VAHO. And as you see, recent trends about also a double-digit volume growth is also very much possible. And see, it is a combination of different factors. the resource allocation is working. We have converted a lot of monies which was locked into BTL, spends in the 10-20 packs of Shanti Amla into ATL. We believe, the job of a market leader is to drive equity and not be satisfied if the competitor doesn't spend with a SOV, because ultimately we have significantly invested in SOV. If you look at the reach and the weighted distribution of each of the brands due to SETU has increased sufficiently, and far more sharper positioning and a portfolio approach across states. You are absolutely right about the mix, because the moment the mix of VAHO increases, that will be a margin kind of a tailwind. And I will want Pawan to answer the expectation on the margins.

Pawan Agrawal: Mihir, the first thing that you said is, of course, value-added hair oil has better margins, and that exactly is the reason as to why we could still deliver reasonably resilient profit growth this year, despite significant copra inflation, because the mix has helped. Now, as far as next year is concerned, again, giving a guidance with respect to what kind of a percentage margin we can deliver is difficult, but at least we are very confident of delivering at least mid-teen growth. We could try for more, and at least we would strive for improving the operating margin by about 150-200 basis points.

Mihir Shah: That is very clear. Thanks for that. Second, on the copra-led price cuts, given that this time around price increases were relatively very sharp, , there is an expectation that the price cuts also probably will be very sharp. So, wanted to get a sense on how should one think about the pricing in Parachute as you go down the quarter, given copra is already down 30%. Maybe in a month or two, you had earlier highlighted that price cuts can probably start in Feb or March. I wanted to get a sense of that, and how many times do you think that one will have to take price cuts to ensure the trade channel remains healthy in terms of stocking? So, that is the second question.

Pawan Agrawal: So, Mihir, we haven't taken any pricing action so far, and there are two, three reasons for that. Firstly, we had not taken price increase in line with the increase in copra prices. Copra prices

Regd. Off: 7th Floor, Grande Palladium, 175, CST Road, Kalina, Santa Cruz (East), Mumbai – 400098. CIN: L15140MH1988PLC049208.
Email: investor@marico.com

had shot up by more than 100%, but we had taken price increase of 60%. So, now that the copra prices have corrected by 25%-30%, we are not taking any immediate correction from a premium standpoint, as in premium to loose oil, we are still comfortable, and therefore, we need not be getting into pricing action immediately. Secondly, we are still awaiting to get a firm handle on how the copra price trajectory will move, which we will get by March-April, and then take correction in one go, rather than taking in multiple steps, because if you take pricing correction in multiple steps, it disturbs the trade rhythm. So, that is how we are looking at it. However, we may pass on some benefit through some sort of consumer offers, etc., in lieu of pricing in the interim before we get a firm handle with respect to how copra will behave, and then we take firmer price cuts.

Saugata Gupta: See, we want to be clear about the visibility of what should be the price cut and take one price cut. We will not take multiple price cuts. The big change that has happened is that we work with far, far thinner pipelines because of our supply chain efficiencies and our AI-based forecasting models. So, therefore, we are compared to, say, five years ago and all that, that the changeover, which used to take 8 weeks to 12 weeks, especially in rural, this is going to be much faster because of what we are doing now.

Mihir Shah: That is very clear.

Moderator: Our next question comes from the line of Harit Kapoor from Investec. Please go ahead.

Harit Kapoor: There is two questions. First is on foods. The growth rates, you had already mentioned in the last quarter that you will relook at the profitability, just adjust it and then see an acceleration in growth. You have spoken about 25% CAGR as well in your presentation. Just wanted to know, what is the timeline that we can expect that you see a recovery in the growth rate starting to kind of pick up again on the food side? And the second question is on Bangladesh. Again, phenomenal performance in that market, as you have continued to do extremely well, but there continue to be some macroeconomic uncertainties. So, just wanted your thought, the last time something like this happened, you kind of went through relatively unscathed. Just wanted to get your sense on how do you see the position on ground? So, these are the two questions.

Saugata Gupta: As far as food is concerned, as far as the organic part of the food is concerned, we will get back into growth in the coming two quarters. When we talk about food, 20%-25% growth, it is a combination of organic, inorganic, and we are absolutely certain we will start getting back into 25% growth of food business. Now, coming to Bangladesh, yes, , we are waiting, we are closely monitoring the situation. So far, we have been extremely resilient. Even in Quarter 2, when the issues were quite grim in terms of the, it was in August that this thing happened. That quarter, we grew by 8%. So, we have taken steps out there, and we don't see any reason to be extremely concerned at this moment in time in terms of delivering business.

Harit Kapoor: And if I could take one more question. The Parachute process that you have mentioned is basically saying that there was a reduction in the RPIs that you were making because you took a much lower price increase than you did, and you wait for those RPIs to maybe slightly normalize a little bit, and then you take the one shot price tag. That is right?

Saugata Gupta: Yes, that is right. That is right. See, if you look at it, copra actually moved more than 100%. We took a 60% price hike. At current levels, our price premium is still tolerable, and therefore, we will wait, , by a certain time, where we get a visibility of what will be the likely input cost for the large part of the year. When it happens, we will take one shot, one price, we will take. And as I said, that the two differences are that we obviously have a far more thinner pipeline and a far better position in terms of our ability to handle this. Yes, in the past we have struggled, but this time we are confident that there will be no such issues as far as volume growth is concerned. And in any case, the absolute pricing was so high this time, that had impacted volume growth.

Harit Kapoor: Great to hear.

Moderator: Our next question comes from the line of Percy from IIFL. Please go ahead.

Percy: Hi, Saugata. My question is also on the copra pricing only. So, supposing if this price remains where it is, which is like a 20% down, and you are saying that you are comfortable with this kind of a premium to the other players, in that kind of a situation, what kind of margin expansion can we expect on a overall consol basis for the company because of the pricing benefit on the copra?

Pawan Agrawal: So, we didn't say that we will not take any pricing action. We just want to get a firm handle of what the copra trajectory could be. If it were to remain 20% lower, then still we might take correction, but over a period of time, which we may not be doing immediately. And therefore, from a margin standpoint, I just mentioned, I mean, very difficult to give you margin percentage guidance, very confident of delivering mid-teens growth. But we will definitely strive for, as I said earlier, that 150 to 200 basis points margin expansion we should try and improve.

Percy: Okay, mid-teens growth in rupee terms on EBITDA.

Pawan Agrawal: Operating profit, yes.

Saugata Gupta: Yes, that should be our base case.

Percy: Secondly, just wanted to understand on Saffola foods, this quarter growth is only 5%. What is the reason for that?

Saugata Gupta: As I told you that, two things: One, we are ensuring profitability, so we take, a lot of businesses which we believe is, two things. One, we had these things like mayo, peanut butter and all that we have rationalized, which was there perhaps in the base. Some of the SKUs which, we have reduced complexity, rationalized some of the SKUs. And thirdly, in certain SKUs into customer/channel, which are not so profitable, we have rationalized that also. Because I believe in food, you have to continuously, after every two, three years, get into one step jump into profitability.

Percy: So, would I be right in assuming that if you have sort of rationalized the SKUs itself, this burden will be there for another three quarters before it anniversarizes and your growth would probably in single digit?

Saugata Gupta: No, one to two quarters. We started this 1.5 quarters ago, so within over the next 2 quarters, we will start seeing growth, good growth. In any case, as I said, that our ambition on foods of 20%-25% includes organic plus inorganic. So, you will start seeing 20%+ growth in any case there from next quarter.

Percy: Yes, but that is because of 4700BC, right?

Saugata Gupta: Yes, that is fine, because we have always said that over a long term, our growth ambition is a mixture of organic and inorganic. So, it is fine.

Percy: That's all from me.

Moderator: Our next question comes from the line of Nihal Mahesh Jham from HSBC. Please go ahead.

Nihal Mahesh Jham: Saugata, congratulations on the good performance. Just, continuing on the foods bit of it, as you highlighted, is it mainly a case of moderation in the portfolio on the SKU basis? Or are we also, say, optimizing some of the advertising spends in, say, a lot of these online first brands? And whereas the confidence coming, if I leave apart the inorganic element, that you mentioned about 4700BC sort of being consolidated, that the growth is going to recover in two quarters. So, what is driving that confidence?

Saugata Gupta: Two things. One, as I said, so we have stopped, rationalized, some of the products, like we had some flavors, some things like, what I call mayo, peanut butter and some of the stuff we had launched. So, that anniversarization is going to happen. Secondly, obviously, all the investments will go focused back into driving penetration of our core. So, we have now rationalized and that should drive some of the growth back. Now, as I said, as long as, we expect the growth go, to go back into double digits. And, obviously, this doesn't include any innovation. Any innovation which we do organically from our base portfolio also adds to that. So, our first step is over the next two quarters to get into double digits, which we are pretty confident about. And then, the overall foods growth will continue because of whatever organic plus inorganic into the 20%-25%+.

Regd. Off: 7th Floor, Grande Palladium, 175, CST Road, Kalina, Santa Cruz (East), Mumbai – 400098. CIN: L15140MH1988PLC049208.
Email: investor@marico.com

Nihal Mahesh Jham: Saugata, again, on the copra bit, that historically, as you said, whenever there has been a sharp correction in copra on a quarter-on-quarter basis, now we are seeing a 30% correction from peak. There are only two things at play. We are obviously sitting on our raw material inventory, so that somewhere limits immediate pricing action. And then there is channel pipeline also, which ends up, say, impacting how the pass-through happens to the channel, and that sort of affects volume growth.

On the channel pipeline, you mentioned you are running much thinner, but is there a case where we may have to maybe aggressively reduce our prices, and that can maybe have an impact in terms of seeing the benefits of gross margin play out? Just wanted to understand that, would there be a lot of dynamic elements this quarter which could end up impacting the performance of the PCNO category?

Saugata Gupta: No, I don't think so. Now, we are talking about one month is down the quarter, in this quarter. And as I said, two things. One is that we are comfortable with our price premium as we are today. Number two is that we don't need to take an aggressive price down because, see, you must also realize that we are, the brand equity keeps on growing stronger. Usually after such a long, I mean, an inflationary cycle, weaker brands, they really become weak. Number three, which is also gives us hope that at least one of our competitors is being extremely rational on pricing, because we also faced, as you know, irrational pricing from two competitors in the past, and now at least one of them is following a rational pricing model, which I believe is good, because at the end of the day, there is no point selling at negative gross margin. That spoils the market long term and creates equity. So, a combination of all that. And as I said that today we are sitting on 33% of this quarter gone, and we are sitting pretty comfortably. And as I said that, also the third thing that will help us is there is about 3% loss which we were having on ml-age, that gets anniversarized from Quarter 1 next year. So, a combination of that, we are fairly certain. Obviously, I know because of the past, there could be certain kinds of issues which we are far, far in a better shape to cope with. And , as I said, to give positive growth, and really look at it this way, that, with a 60% price hike in transaction terms, we have still given growth. Now, that itself, I am yet to see any brand in the world which has done that. So, we are far more confident, and therefore, there is no need to take, as I said, we will not take multiple price hikes. We will take one single price hike, which will ensure a far more smoother transition. And some of it obviously will go towards margin expansion.

Nihal Mahesh Jham: Just, just one quick follow-up on the foods business. You did mention that the CAGR growth that you are giving includes 4700BC. Now, just to get a sense that it may be difficult for us to get a sense of how acquisitions will play out over the next three years. But for this current foods portfolio, what is the bare minimum organic growth that you will be targeting?

Saugata Gupta: We have always said we will deliver double-digit growth, organic growth, and we have been delivering double-digit organic growth. This is an aberration, and we have to get it sorted within the next 1 or 2 quarters, we are confident of.

Moderator: Our next question comes from the line of Prakash Kapadia from Kapadia Financial Services. Please go ahead.

Prakash Kapadia: Just wanted to get a sense on the cold-pressed market. Any thoughts? Are we late in the segment because it is already a competitive market, or the TAM is very large, and we see structural opportunities with increasing health awareness? So, what is your thought on that? And typically, it is more for the Q-com, e-com customer only, the general trade would be lower, is what I would guess.

And secondly, Saugata, on the GST cuts, how do we see volume growth picking up? Is there a tailwind for larger players like us where growth can be higher and we can gain market share?

Saugata Gupta: Coming to cold-pressed oils, it started off as a niche kind, but it is rapidly catching up. In fact, it is a big trend today in the Western markets. And as you know, India picks up a lot of trends from U.K. and the U.S., the developed markets, in terms of food habits at the premium end. Yes, it is currently a far more skew in e-com, but we believe we are now seeing this in modern trade, and it will very soon be a critical mass. We are not late to the party at all. I would call ourselves a fast follower with a brand which has significant equity, and we have now a broad participation strategy. The good thing is it makes significant higher margins than some of the entry-level Saffola, which will also help in the profitability of Saffola, and we will also invest. And sometimes what happens in a category with low penetration, if you have two, three serious players investing behind the category, the category grows. And this is exactly the position where cold-pressed oil is. And it is today a drop in the ocean in the large edible oil space. But as you know, you had all the premium hair oils, premium edible oils, which grew. For example, how we grew Saffola, how the premium part grew or some of the other spaces grew. cold pressed oil also will have a critical mass very soon. modern trade and premium GT will see a significant presence of cold-pressed oil in the couple of years.

Prakash Kapadia: And typically, consumers are ready to pay 2x price of edible oil. Is that the broader price you want to?

Saugata Gupta: See, I will tell you how it works. Today, at the premium end, while people are wanting to pay for healthy oil, they are also using less oil. Also, if you look at people eating out, people ordering in through food apps, people traveling abroad, actual cooking oil consumption at the premium end, in terms of total volume actually has gone down a bit. So, I don't think the outlay is that significant enough for the top end. So, that delta for health is absolutely acceptable because they

Regd. Off: 7th Floor, Grande Palladium, 175, CST Road, Kalina, Santa Cruz (East), Mumbai – 400098. CIN: L15140MH1988PLC049208.
Email: investor@marico.com

are doing it for lots of things. For example, on food today, people are willing to spend on health as long as whether it is nutritionists, doctors, some of the influencers who are actually advocating for such things and some things which have also grown in the Western markets, something which has a health tailwind.

Prakash Kapadia: And on the midterm growth with some of these cuts, is there a play for higher growth? Because some of these smaller players could get marginalized. How do we see that shaping up?

Saugata Gupta: I didn't get your question. This is for which category you are talking about?

Prakash Kapadia: No, in general, volume growth in the midterm, given that GST cut has happened, which was not expected last quarter. From here on, is there room for higher growth and smaller players could lose market share structurally? Is that an opportunity?

Saugata Gupta: Absolutely. See, I will tell you what has happened is that at least in food and packaged food, where packaged food penetration in India is low, the fact that the entire packaged food is at 5%, that definitely encourages conversion from unbranded to branded, unpackaged to packaged. Packaged food is hygienic, packaged food is aspirational.

Similarly, in some of the Personal Care categories, mass categories, which have become 5%, there will be a medium to long-term movement towards aspirational brands, because of the affordability factor, which has now set in with this significant reduction in GST, especially Personal Care categories, which have moved from 18% to 5%, which means a significant reduction and driving affordability because as the country's GDP improves, as the per capita income improves, people want aspirational brands.

It is the outlay which sometimes is a restriction. And therefore, structurally, in the medium term, GST is transformative. It will definitely give added growth to all the brands, especially in categories which have seen a significant GST cut.

Moderator: Ladies and gentlemen, we will now take our last question from the line of Sheela Rathi from Morgan Stanley. Please go ahead.

Sheela Rathi: My question is with respect to the 4700BC acquisition. The first part of the question is, now that, Saugata, you talked about how different the distribution for this brand has been, where they are catering to institutions, airlines, and malls, is there a need for us to learn or unlearn with respect to the distribution strategy, or we will just focus on what we are strong at, which is the retail distribution? And the second part to this question is, what is the real competition in this category at this point in time? I am sure the TAM is still small, but who are the real competitors here?

Regd. Off: 7th Floor, Grande Palladium, 175, CST Road, Kalina, Santa Cruz (East), Mumbai – 400098. CIN: L15140MH1988PLC049208.
Email: investor@marico.com

Saugata Gupta: Let me first address the second question. , see, you have to see TAM as snacking. A consumer can take a samosa, a consumer can have a popcorn, soup, noodles, and they can have ragi chips. So, the entire thing that you have to look at, you are playing in a slightly more indulgent but better-for-you gourmet portion of snacking, and the market is enormous. So, it doesn't have popcorn to popcorn, unless you are going only for a movie. And as I said that part of the business is extremely low. There is no need to unlearn. This brand has significant legs, and I said that for sampling people to experience the product, what they are doing in institutional selling will continue. The brand is still 60%-70% retail. It is currently mostly e-com. So, therefore, the first thing is obviously to grow that in things like modern trade, premium food outlets using the Marico GTM. And in fact, this will help us tomorrow, for example, looking at True Elements for institutional sales. If a person can have popcorn on a flight, why can't they have some mixed nuts on a flight from True Elements? So, therefore, actually it opens up multiple synergies. It opens up multiple vectors of growth. At the same time, as I said, with True Elements, this brand and others, there are a lot of synergies at the back end and cost. Today, each brand has their own sales system and cost structures, when it is standalone versus Marico. So, there will be significant opportunities, which then can be plowed back towards investment behind the brand to grow it further.

Moderator: Thank you. I would now like to hand the conference over to the management for closing comments. Over to you, gentlemen.

Pawan Agrawal: Thanks for dialing in on the call. To conclude, we have continued to deliver high single-digit volume growth and log market shares and penetration gains in India business, despite inflationary headwinds in some of the key core categories. The international business continues to grow from strength-to-strength, supported by a broad-based performance across markets. We remain focused on advancing our diversification agenda in both India and overseas businesses and will maintain investments to drive the same. With input cost pressures exhibiting moderating trends, we will aim to sustain the top quartile volume growth momentum and are confident of strengthening our operating profit growth trajectory in the quarters ahead.

That is it from our side. If you have any further questions, please feel free to reach out to our IR team, and they would be happy to address. Thank you and have a great evening.

Moderator: Thank you. On behalf of Marico Limited, that concludes this conference. Thank you all for joining us. You may now disconnect your lines.

(This document has been edited to improve readability)

Regd. Off: 7th Floor, Grande Palladium, 175, CST Road, Kalina, Santa Cruz (East), Mumbai – 400098. CIN: L15140MH1988PLC049208.
Email: investor@marico.com