



KEY DATA

Rating	BUY
Sector relative	Neutral
Price (INR)	661
12 month price target (INR)	785
52 Week High/Low	737/491
Market cap (INR bn/USD bn)	856/10.0
Free float (%)	40.4
Avg. daily value traded (INR mn)	1,128.6

SHAREHOLDING PATTERN

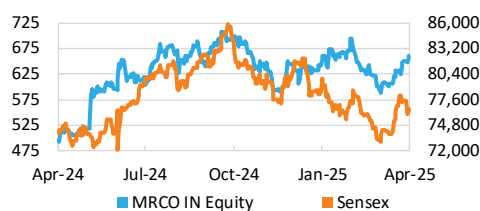
	Dec-24	Sep-24	Jun-24
Promoter	59.11%	59.20%	59.28%
FII	23.35%	24.87%	24.61%
DII	12.76%	11.12%	11.10%
Pledge	0.13 %	0.13%	0.13%

FINANCIALS

(INR mn)

Year to March	FY24A	FY25E	FY26E	FY27E
Revenue	96,530	1,07,905	1,19,817	1,31,954
EBITDA	20,260	22,013	25,521	29,096
Adjusted profit	14,810	16,829	19,654	23,457
Diluted EPS (INR)	11.5	13.0	15.2	18.2
EPS growth (%)	13.7	13.6	16.8	19.3
RoAE (%)	38.8	39.2	37.1	36.2
P/E (x)	57.5	50.6	43.3	36.3
EV/EBITDA (x)	0	0	0	0
Dividend yield (%)	0.5	0.9	1.0	1.2

PRICE PERFORMANCE



Healthy showing along expected lines

Marico released its Q4FY25 update; revenue/volume growth came in marginally ahead of our expectations. We now reckon consolidated revenue/EBITDA shall grow 17.6%/4% YoY (versus initial expectation of 16.5%/3% YoY). Domestic volumes to clock sequential uptick with 6.5% YoY growth in Q4FY25 (our initial expectation at 6%). Parachute shall deliver high-teens revenue growth, driven by price hikes, though volumes stayed sluggish in Q4FY25. International business is likely to expand 15% YoY in CC terms (our initial estimate at 13% YoY).

For FY25, we expect Marico to clock 11.8% revenue growth and EBITDA margin of 19.8%. FY26 shall see double-digit revenue growth due to easing inflation and strong monsoons. Retain 'BUY' with TP of INR785.

Strong performance across segments

Domestic business logged a sequential uptick in underlying volume growth, with improved market share across key franchises.

Parachute achieved strong high-teens revenue growth, driven by pricing interventions despite input costs at peak levels. Volumes temporarily decreased due to a reduction in consumption amid higher prices and pack-size reductions but are likely to recover with anticipated seasonal moderation in copra prices.

Saffola oils clocked strong revenue growth in the twenties despite price interventions. **Foods** and **Premium Personal Care** brands maintained their robust momentum while **VAHO** improved steadily, driven by mid and premium segments.

International business delivered mid-teens CC growth driven by broad-based market expansion. Bangladesh exhibited strong resilience with double-digit CC growth while MENA and South Africa continued their robust double-digit growth momentum.

Raw materials such as copra and vegetable oil remained firm at peak levels while crude oil derivatives remained range bound.

Outlook: Marico anticipates a gradual recovery in consumer sentiment, driven by easing retail and food inflation along with a normal monsoon. The company is targeting double-digit revenue growth in FY26.

Q4FY25E updated preview

In Q4FY25, revenue is likely to expand 17.6% YoY (15.4% YoY growth in Q3FY25 and 1.7% YoY in Q4FY24). Domestic volume is projected to rise 6.5% YoY in Q4FY25, driven by Foods and Digital, offsetting a slight moderation in Parachute Core and Saffola edible oils. EBITDA is estimated to grow 4% YoY in Q4FY25 (3.9% in Q3FY25, 12.5% in Q4FY24). Parachute sales are likely to grow 17% (up 15% in Q3FY25), with volumes up 1% YoY. VAHO sales may remain flat YoY while Saffola edible oils sales are likely to surge 22% YoY, driven by pricing. Foods and Digital shall surge 25% YoY. International business is likely to grow 15% YoY in CC terms. Due to inflation in key raw materials, gross/EBITDA margins are likely to fall by 178bp/225bp YoY to 49.8%/17.2%. A&P is estimated to be 12% of revenue.

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