

5th August 2025

Close* – ₹723/-

 View – **Accumulate**
Q1FY26 Performance

- Revenue from operations was at ₹3259crs, up 23% YoY, with underlying volume growth of 9% in the domestic business and constant currency growth of 19% in the international business. India business revenue grew 27% YoY.
- Gross margin contracted by ~530bps to 46.9% YoY as sharp inflation in key commodities continued to exert pressure, in addition to a particularly high base and the pricing-led denominator effect.
- A&P spend was up 25% YoY, as Marico maintained investments to strengthen franchises and accelerate diversification. Consequently, EBITDA was up 5%. EBITDA margin stood at 20.1%, down ~360 bps. PAT was at ₹504crs, up 9% YoY. Reported PAT grew 8.2% YoY to ₹513crs with PAT margin of 15.7%.

Important Statistics

Nifty	24,723
Sensex	81,019
Close*	₹723
M.CAP (₹ Crs)	₹93,852
52 Week H/L (₹)	₹745/₹578
NSE Code	MARICO
BSE Code	531642
Bloomberg Code	MRCO:IN

Close as on 04th Aug 2025*

Shareholding pattern (%)	Jun'25
Promoter	59.03
FIIIs	23.62
DIIIs	12.61
Public & Others	04.73

Key takeaways from Q1FY26 result

- The India business continued to post sequential improvement in underlying volume growth, driven by positive trends in the core franchises and accelerated scale up of new businesses.
- The sector has witnessed stable to improving demand trends over the last couple of years. Looking ahead, management expects a gradual uptick in overall demand patterns in the quarters ahead, aided by a combination of easing inflation levels, favorable monsoon season, and continued policy support.
- Management will continue focusing on driving differential growth in urban-centric and premium portfolios through the organized retail and ECommerce channels. Therefore, it expects to deliver consistent and competitive growth in the medium term by executing a more focused and channel-specific portfolio and SKU strategy.
- A&P spending was up 25% YoY in Q1FY26 (up 18% in FY25), as a strategic intent to continually strengthen franchises and accelerate diversification.

Relative Performance

Absolute Return (%)	1 Yr	3Yr	5 Yr
Marico	8	39	95
Nifty 50	3	42	120
Sensex	3	39	113

Source: Company, Way2Wealth
Financials

Particulars	FY23	FY24	FY25
Revenues	9,764	9,653	10,831
YoY Growth	3%	-1%	12.2%
EBITDA	1,810	2,026	2,139
EBITDA Margin	19%	21%	19.7%
PAT	1,322	1,502	1,658
PAT Margin	14%	16%	15.3%
EPS	10.07	11.6	12.9
PE	71.6	62.3	56.0

Source: Company, Way2Wealth
Domestic Business:

- **Parachute Coconut Oil (~35% of domestic revenue): Parachute Rigids** registered a 1% volume decline amidst an increase in input costs and pricing conditions. The impact of ml-age reduction in select packs. Revenue grew 31% YoY. While copra prices continued to witness sequential inflation due to irregular weather patterns and market-specific dynamics.
- **Value-Added Hair Oils (~20% of domestic revenues)** grew by 13% in value terms, witnessing a considerable step-up in the pace of recovery, driven by sustained traction in the mid and premium segments. The portfolio gained ~140 bps in value market share on a MAT basis. The company expects a healthy growth momentum in the franchise as it gradually pivots investments from trade-led activations to brand-building initiatives and drives direct reach expansion through Project SETU.
- **Saffola Edible Oils (~16% of domestic revenues)** delivered 28% growth in value terms with mid-single digit volume growth. During the quarter, Marico launched the Saffola Cold Pressed Oils range, offering a balanced blend of innovation and authentic taste through its Single Seed

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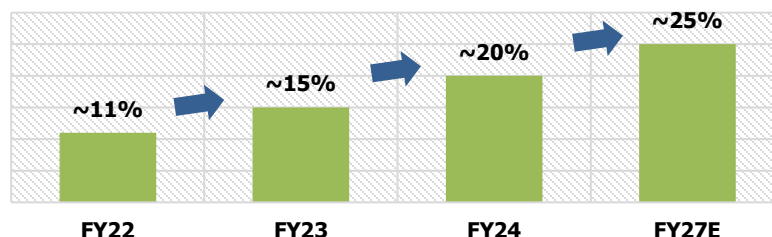
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and Dual Seed variants. The range has been initially launched on E-commerce and Q-com platforms.

- **Foods posted** ~20% value growth YoY. Saffola Oats continued to gain market share on MAT basis, thereby retaining its position as the #1 Oats brand. True Elements and the plant-based nutraceuticals portfolio of Plix maintained their strong growth momentum. Saffola Muesli has witnessed healthy traction since its launch. During the quarter, the company added two new variants to the Saffola Muesli portfolio – namely Mango Crunch and a no-added-sugar variant of Berry Crunch.
- Foods stood at 5x of FY20 revenues in FY25, surpassing the ₹900crs mark. We aim to grow Foods at 25%+ CAGR to ~8x of FY20 revenues in FY27.
- **Premium Personal Care** sustained its accelerated growth trajectory, led by the Digital-first portfolio. The Digital first portfolio, comprising Beardo, Just Herbs and the personal care portfolio of Plix, exited the quarter at ₹850+crs. ARR
- In the International business, Bangladesh posted 17% CCG, continuing to demonstrate resilience. The fundamentals and medium-term growth outlook of the business remain intact.
- Vietnam had a muted quarter but is expected to witness a gradual recovery in the coming quarters. MENA continued its robust growth momentum and delivered 42% CCG, with both the Gulf region and Egypt recording strong growth. South Africa recorded flattish growth in CCG terms, while the growth aspiration for the year remains intact. NCD and Exports recorded 37% growth.

Foods & Premium Personal Care - Revenue Share (%)



Source: Company, Way2Wealth

- Copra prices rose 18% on a sequential basis and 107% on a year-on-year basis. Vegetable oil prices moderately followed a reduction in import duties, while crude oil derivatives remained rangebound.
- **Guidance:**
 - Expect to sustain the double-digit revenue growth momentum and will strive to deliver double-digit operating profit growth in FY26.
 - Among Digital-first brands, Beardo is likely to cross a double-digit EBITDA margin in FY26, while Plix is delivering single-digit EBITDA margin.
 - Aim to scale this portfolio to ~2.5x of FY24 ARR (earlier ~2x of FY24 ARR) in FY27.
 - Expect the operating margin to inch up over the next few years with leverage benefits as well as premiumisation of the portfolios across both the India and International businesses.



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Risks

- Inflation in raw material prices
- Slowdown in the economy

View

Management expects gradually improving growth trends in the core categories on the back of moderating trends in retail and food inflation as well as promise of a healthy monsoon season. This will be further aided by ongoing initiatives to support select General Trade (GT) channel partners and transformative expansion in direct reach footprint under Project SETU.

Overall international business, reflecting in the reducing dependence on the Bangladesh business and management is planning to reduce its share to 40% in FY27 from 44% in FY24. Marico will continue to invest aggressively towards diversifying the portfolio, expanding the total addressable market and driving market share gains in each of the markets and aim to maintain the double-digit constant currency growth momentum over the medium term. A gradual recovery is expected in the urban sector, led by easing food inflation and a consumption boost in the budget.

At the current price of ₹723, it is trading at 56 P/E to its FY25 EPS of ₹12.9. We advise long-term investors to Accumulate the stock.

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 View – **Accumulate**
Quarterly Performance

(₹ crs)

Particulars	Q1FY26	Q1FY25	VAR	Q4FY25	VAR	FY25
Net Sales	3,259.0	2,643.0	23.3%	2,730.0	19.4%	10,831.0
Other Income	56.0	37.0	51.4%	47.0	19.1%	208.0
TOTAL INCOME	3,315.0	2,680.0	23.7%	2,777.0	19.4%	11,039.0
Cost Of Materials Consumed	1,184.0	1,107.0	7.0%	1,033.0	14.6%	4,572.0
Purchase of stock in trade	317.0	207.0	53.1%	252.0	25.8%	960.0
Stock Adjustment	229.0	(52.0)	-540.4%	119.0	92.4%	(144.0)
	<i>RMC as a %age of sales</i>	<i>53.1%</i>	<i>47.7%</i>	<i>51.4%</i>		<i>49.7%</i>
Employee Benefit Expenses	220.0	203.0	8.4%	208.0	5.8%	831.0
	<i>EPC as a %age of sales</i>	<i>6.8%</i>	<i>7.7%</i>	<i>7.6%</i>		<i>7.7%</i>
Advertisement & Promotion	299.0	240.0	24.6%	305.0	-2.0%	1,128.0
	<i>Advertisement Expenses as a %age of sales</i>	<i>9.2%</i>	<i>9.1%</i>	<i>11.2%</i>		<i>10.4%</i>
Other Expenses	355.0	312.0	13.8%	355.0	0.0%	1,345.0
	<i>Other Expenses as a %age of sales</i>	<i>10.9%</i>	<i>11.8%</i>	<i>13.0%</i>		<i>12.4%</i>
TOTAL EXPENDITURE	2,604.0	2,017.0	29.1%	2,272.0	14.6%	8,692.0
EBIDTA	655.0	626.0	4.6%	458.0	43.0%	2,139.0
	<i>EBIDTA Margins %</i>	<i>20.1%</i>	<i>23.7%</i>	<i>16.8%</i>		<i>19.7%</i>
Finance Costs	10.0	17.0	-41.2%	12.0	-16.7%	53.0
PBDT	701.0	646.0	8.5%	493.0	42.2%	2,294.0
Depreciation	45.0	41.0	9.8%	52.0	-13.5%	178.0
PBT before exceptional items	656.0	605.0	8.4%	441.0	48.8%	2,116.0
Profit before exception item	656.0	605.0	8.4%	441.0	48.8%	2,116.0
PBT	656.0	605.0	8.4%	441.0	48.8%	2,116.0
Tax	143.0	131.0	9.2%	96.0	49.0%	458.0
	<i>Tax Rate</i>	<i>21.8%</i>	<i>21.7%</i>	<i>21.8%</i>		<i>21.6%</i>
Reported Profit After Tax	513.0	474.0	8.2%	345.0	48.7%	1,658.0
	<i>PATM %</i>	<i>15.7%</i>	<i>17.9%</i>	<i>12.6%</i>		<i>15.3%</i>
Adjusted Profit After Extra-ordinary item	513.0	474.0	8.2%	345.0	48.7%	1,658.0
Other Comprehensive Income (Net of tax)- net credit / (charge)	(14.0)	(59.0)		(15.0)		(74.0)
Total Comprehensive Income	499.0	415.0	20.2%	330.0	51.2%	1,584.0
EPS	3.98	3.67	8.2%	2.67	48.7%	12.85
Equity	129.0	129.0		129.0		129.0
Face Value	1.0	1.0		1.0		1.0

Source: Company, Way2wealth

Segmental Performance

(₹ crs)

Particulars	Q1FY26	Q1FY25	VAR	Q4FY25	VAR	FY25
Segment Revenue	3259	2643	23.3%	2730	19.4%	10831
India	2495	1962	27.2%	2068	20.6%	8110
<i>Mix</i>	<i>77%</i>	<i>74%</i>		<i>76%</i>		<i>75%</i>
International	764	681	12.2%	662	15.4%	2721
<i>Mix</i>	<i>23%</i>	<i>26%</i>		<i>24%</i>		<i>25%</i>
Segment Result (PBIT)						
India	469	444	5.6%	322	45.7%	1550
<i>Margin</i>	<i>18.8%</i>	<i>22.6%</i>		<i>15.6%</i>		<i>19.1%</i>
International	213	197	8.1%	159	34.0%	711
<i>Margin</i>	<i>27.9%</i>	<i>28.9%</i>		<i>24.0%</i>		<i>26.1%</i>
Total PBIT	682	641	6.4%	481	41.8%	2261

Source: Company, Way2wealth

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Disclosure of Interest Statement: Marico Ltd. as on 5th August 2025

Name of the Security	Marico Ltd.
Name of the analyst	Ashwini Sonawane
Analysts' ownership of any stock related to the information contained	
Financial Interest	No
Analyst :	No
Analyst's Relative : Yes / No	No
Analyst's Associate/Firm : Yes/No	No
Conflict of Interest	No
Receipt of Compensation	No
Way2Wealth ownership of any stock related to the information contained	NIL
Broking relationship with company covered	NIL
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