

12th May 2025

Close* – ₹723.3

View – **Accumulate**
Q4FY25 Performance

- Revenue from operations was at ₹2,730crs, up 19.8% YoY, with underlying volume growth of 7% in the domestic business and constant currency growth of 16% in the international business. India volume and revenue growth were at 14-quarter high.
- Gross margin contracted by ~300 bps YoY, primarily impacted by the rise in copra and vegetable oil prices, which was partly offset by pricing interventions in key portfolios.
- Consequently, EBITDA was up 4%, as EBITDA margin stood at 16.8%, down ~260 bps. Reported PAT grew 7.8% YoY to ₹345crs.
- In FY25, Revenue from operations was at ₹10,831crs, up 12% YoY, with underlying volume growth of 5% in the India business and constant currency growth of 14% in the international business.

Important Statistics

Nifty	24,008
Sensex	79,454
Close*	723.3
M.CAP (₹ Crs)	₹93,740
52 Week H/L (₹)	₹740/₹574
NSE Code	MARICO
BSE Code	531642
Bloomberg Code	MRCO:IN

Close* as on 09th May 2025

Shareholding pattern (%)	Mar'25
Promoter	59.05
FIIIs	22.09
DIIIs	14.12
Public & Others	04.75

Key takeaways from Q4FY25 result

- During Q4FY25, consumer sentiment remained stable amidst improving demand in rural areas and mixed trends among mass and premium urban segments. Both the HPC and Foods segments exhibited steady growth vis-à-vis the preceding quarter.
- The India business continued to deliver sequential improvement in volume growth in this quarter and witnessed the transient impact of hyperinflation and resultant steep price increases in core portfolios but maintained robust momentum in the new businesses. Offtakes remained strong, with ~95% of the business gaining or sustaining market share and ~80% of the business gaining or sustaining penetration, both on a MAT basis.
- In addition to improved direct reach and weighted distribution, Project SETU will drive market share gains across categories in urban and rural markets, as well as enhance assortment levels in urban stores, thereby enabling diversification & premiumization in the domestic business.
- A&P spending was up 35% YoY in Q4 (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	22	17	84
Nifty 50	12	41	144
Sensex	12	48	145

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

Source: Company, Way2Wealth

Domestic Business:

- **Parachute Coconut Oil (~30% of domestic revenue):** Parachute Riggins registered a 1% volume decline amidst a steep increase in consumer pricing and the impact of ml-age reduction in select packs.
- **Value-Added Hair Oils (~20% of domestic revenues)** grew by 1% in value terms, charting a gradual recovery on a sequential basis, led by steady performance in the mid and premium segments of the portfolio. The portfolio logged ~120 bps gain in value market share on a MAT basis.
- **Saffola Edible Oils (~18% of domestic revenues)** delivered 26% growth in value terms. The brand posted low single digit volume growth and 13% revenue growth in FY25.
- **Foods** posted robust 44% value growth YoY, crossed ₹900cr revenue in FY25. True Elements and the plant-based nutrition portfolio of Plix maintained their accelerated growth momentum.

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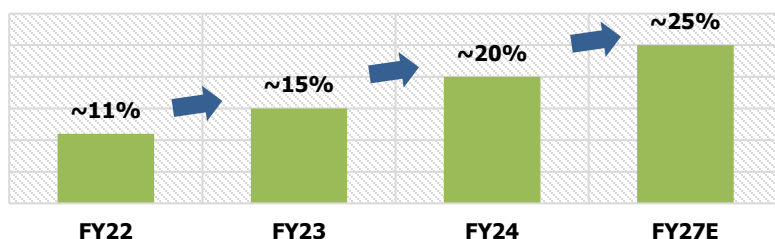
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- Premium Personal Care also continued its strong run during the quarter, led by the Digital-first portfolio. The digital-first portfolio, comprising Beardo, Just Herbs and the personal care portfolio of Plix, scaled ahead of expectations to reach ~750cr in ARR in FY25.
- The composite revenue share of Foods and Premium Personal Care (including Digital-first brands) in the domestic business stood at ~22% in FY25, signifying furtherance of the portfolio diversification agenda of the India business.

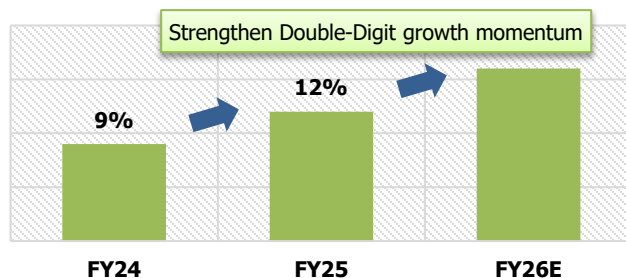
Foods & Premium Personal Care - Revenue Share (%)



Source: Company, Way2Wealth

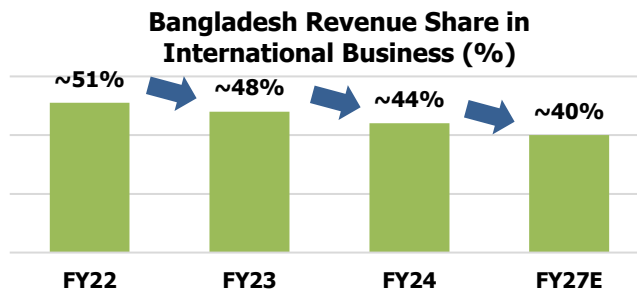
- Among key inputs, copra prices were up 14% QoQ (48% in FY25), ahead of internal forecasts, and vegetable oil prices were firm sequentially (up ~25% YoY in FY25).
- International Business – Bangladesh** registered 11% CCG (constant currency growth). Vietnam had a flattish quarter but is expected to chart a gradual pickup in the coming quarters. MENA continued its robust growth momentum and delivered 47% CCG, with both the Gulf region and Egypt recording strong growth. South Africa registered 13% CCG, mainly led by the Hair Care segment. NCD and Exports posted 16% growth.

International Business (CCG) – Going Strong



Source: Company, Way2Wealth

International Business – Reducing Bangladesh Share



Guidance:

- Expect to sustain the double-digit revenue growth momentum and will strive to deliver double-digit operating profit growth in FY26.
- Also, aim to grow Foods at 25%+ CAGR to 2x of FY24 revenues in FY27, with a domestic revenue share of the Foods and Premium Personal Care portfolios to expand to ~25% by FY27.

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View – **Accumulate**

- Expect the operating margin to inch up over the next few years with leverage benefits as well as premiumization of the portfolios across both the India and International businesses.

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 the 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 ₹723.3, it is trading at 56.1 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	Q4FY25	Q4FY24	VAR	Q3FY25	VAR	FY25	FY24	VAR
Net Sales	2,730.0	2,278.0	19.8%	2,794.0	-2.3%	10,831.0	9,653.0	12.2%
Other Income	47.0	15.0	213.3%	42.0	11.9%	208.0	142.0	46.5%
TOTAL INCOME	2,777.0	2,293.0	21.1%	2,836.0	-2.1%	11,039.0	9,795.0	12.7%
Cost Of Materials Consumed	1,033.0	938.0	10.1%	1,283.0	-19.5%	4,572.0	3,941.0	16.0%
Purchase of stock in trade	252.0	119.0	111.8%	245.0	2.9%	960.0	752.0	27.7%
Stock Adjustment	119.0	46.0	158.7%	(117.0)	-201.7%	(144.0)	55.0	-361.8%
<i>RMC as a %age of sales</i>	<i>51.4%</i>	<i>48.4%</i>		<i>50.5%</i>		<i>49.7%</i>	<i>49.2%</i>	
Employee Benefit Expenses	208.0	186.0	11.8%	207.0	0.5%	831.0	743.0	11.8%
<i>EPC as a %age of sales</i>	<i>7.6%</i>	<i>8.2%</i>		<i>7.4%</i>		<i>7.7%</i>	<i>7.7%</i>	
Advertisement & Promotion	305.0	226.0	35.0%	293.0	4.1%	1,128.0	952.0	18.5%
<i>Advertisement Expenses as a %age of sales</i>	<i>11.2%</i>	<i>9.9%</i>		<i>10.5%</i>		<i>10.4%</i>	<i>9.9%</i>	
Other Expenses	355.0	321.0	10.6%	350.0	1.4%	1,345.0	1,184.0	13.6%
<i>Other Expenses as a %age of sales</i>	<i>13.0%</i>	<i>14.1%</i>		<i>12.5%</i>		<i>12.4%</i>	<i>12.3%</i>	
TOTAL EXPENDITURE	2,272.0	1,836.0	23.7%	2,261.0	0.5%	8,692.0	7,627.0	14.0%
EBIDTA	458.0	442.0	3.6%	533.0	-14.1%	2,139.0	2,026.0	5.6%
EBIDTA Margins %	16.8%	19.4%	-2.6%	19.1%		19.7%	21.0%	-1.2%
Finance Costs	12.0	17.0	-29.4%	13.0	-7.7%	53.0	73.0	-27.4%
PBDT	493.0	440.0	12.0%	562.0	-12.3%	2,294.0	2,095.0	9.5%
Depreciation	52.0	41.0	26.8%	44.0	18.2%	178.0	158.0	12.7%
PBT before exceptional items	441.0	399.0	10.5%	518.0	-14.9%	2,116.0	1,937.0	9.2%
Share of Profit/(loss) of JV						0.0	0.0	
Profit before exception item	441.0	399.0	10.5%	518.0	-14.9%	2,116.0	1,937.0	9.2%
Exceptional items			#DIV/0!		#DIV/0!	0.0	0.0	#DIV/0!
PBT	441.0	399.0	10.5%	518.0	-14.9%	2,116.0	1,937.0	9.2%
Tax	96.0	79.0	21.5%	112.0	-14.3%	458.0	435.0	5.3%
<i>Tax Rate</i>	<i>21.8%</i>	<i>19.8%</i>		<i>21.6%</i>		<i>21.6%</i>	<i>22.5%</i>	
Reported Profit After Tax	345.0	320.0	7.8%	406.0	-15.0%	1,658.0	1,502.0	10.4%
PATM %	12.6%	14.0%		14.5%		15.3%	15.6%	
Extra-ordinary Items			#DIV/0!		#DIV/0!	0.0	0.0	#DIV/0!
Adjusted Profit After Extra-ordinary item	345.0	320.0	7.8%	406.0	-15.0%	1,658.0	1,502.0	10.4%
Other Comprehensive Income (Net of tax)- net credit / (charge)	(15.0)	(36.0)		(17.0)		(74.0)	(73.0)	
Total Comprehensive Income	330.0	284.0	16.2%	389.0	-15.2%	1,584.0	1,429.0	10.8%
EPS	2.67	2.48	7.8%	3.15	-15.0%	12.85	11.64	10.4%
Equity	129.0	129.0		129.0		129.0	129.0	
Face Value	1.0	1.0		1.0		1.0	1.0	

Source: Company, Way2wealth

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Segmental Performance

(₹ crs)

Particulars	Q4FY25	Q4FY24	VAR	Q3FY25	VAR	FY25	FY24	VAR
Segment Revenue	2730	2278	19.8%	2794	-2.3%	10831	9653	12.2%
India	2068	1680	23.1%	2101	-1.6%	8110	7132	13.7%
Mix	76%	74%		75%		75%	74%	
International	662	598	10.7%	693	-4.5%	2721	2521	7.9%
Mix	24%	26%		25%		25%	26%	
Segment Result (PBIT)								
India	322	339	-5.0%	392	-17.9%	1550	1523	1.8%
Margin	15.6%	20.2%		18.7%		19.1%	21.4%	
International	159	147	8.2%	180	-11.7%	711	634	12.1%
Margin	24.0%	24.6%		26.0%		26.1%	25.1%	
Total PBIT	481	486	-1.0%	572	-15.9%	2261	2157	4.8%

Source: Company, Way2wealth

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Disclosure of Interest Statement: Marico Ltd. as on 12th May 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
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