November 6, 2026

The Secretary,
Listing Department,
BSE Limited,
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai – 400 001
Scrip Code: 531642

The Manager,
Listing Department,
National Stock Exchange of India Limited,
Exchange Plaza, C-1 Block G,
Bandra Kurla Complex, Bandra (East),
Mumbai – 400 051
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 Monday, November 2, 2026 on the un-audited financial results and operations of the Company for the quarter and half year ended September 30, 2026, is enclosed.

The said transcript is also available on the Company's website at https://marico.com/investorspdf/Marico%20Limited%20Q2FY27%20Earnings%20Call%20Transcript.pdf.

This is for your information and records.

Thank you.

Yours faithfully,
For **Marico Limited**

VINAY M A
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Vinay M A
Company Secretary & Head - Legal Operations

Encl.: As above

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“Marico Limited
Q2FY27 Earnings Conference Call”

November 02, 2026

MANAGEMENT: **MR. SAUGATA GUPTA – MD & CEO, MARICO LIMITED**
MR. PAWAN AGRAWAL – GROUP CFO & CEO-INTERNATIONAL BUSINESS, MARICO LIMITED

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Moderator: Ladies and gentlemen, good day, and welcome to Marico Limited's Q2 FY27 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 an opportunity for you to ask questions after the presentation concludes. Should you need assistance during this conference, please signal an operator by pressing star then zero on your touchtone 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 for institutional investors and analysts. And therefore, if there's 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: Good evening, everyone, and thank you for joining the call. I'll start with a perspective on the operating environment during the quarter, and we'll then cover our performance followed by our outlook and strategic priorities. The global operating environment remained volatile during the quarter Geopolitical developments in West Asia led to higher energy prices and renewed concerns around supply chain and inflation. In India, however, the economic activity remained resilient, supported by domestic consumption and investment. Consumer inflation increased led by food, edible oil and fuel. These developments reinforce the importance of managing agility in pricing, sourcing and execution.

Against this backdrop, we delivered yet another quarter of strong all-round performance. Consolidated revenue grew 13%, driven by 10% volume growth in India business and 13% constant currency growth in the international business. EBITDA grew 27% while PAT increased 31%, marking the highest profit growth in the last 50 quarters.

Gross margin expanded by approximately 600 basis points year-on-year. This improvement was driven by favorable portfolio mix. improving profitability across our new growth engines and the benefit of softer copra prices.

Advertising and promotion expenditure increased by 44% during the quarter as we continue to invest in strengthening the long-term equity of our core franchises while accelerating the scale-up of our new growth engines. Even as we significantly stepped up our A&P investments, EBITDA margin expanded by 200 basis points to 18.2%.

Our performance stands out even on a 2-year basis with revenue growth and EBITDA compounded at 22% and 17%, respectively, underpinned by 8% volume growth in India Business and 16% constant currency growth in the International Business.

This strong performance demonstrates how Marico has evolved over the last few years. We have built a more diversified portfolio with multiple increasingly complementary growth engines: our

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core franchises, foods and premium personal care and digital-first brands and a geographically diverse steady international business.

This diversification has increased the resilience of our business across multiple commodity cycles. Last year, when copra prices reached multiyear high, we delivered resilient earnings growth and stable volumes in Parachute. This year, even after passing on the benefit of softer copra prices to consumer, we have sustained strong top line growth led by double-digit volume growth in India and an unprecedented volume growth in Parachute post a significant price drop.

The consistency of our performance reflects something fundamental about Marico. The willingness to challenge the status quo, the courage to set bold ambitions independent of external issues and a deep sense of ownership to deliver on what we promise. That combination of strategic clarity, execution excellence in adversity and accountability to our outcomes is what continues to raise the bar on our performance and the numbers bear this out. Over the last 10 quarters, India has delivered high single-digit or better volume growth in 7 quarters, the international business has delivered teens or high constant currency growth in 9, while consolidated revenue growth has grown in the teens or higher in 8 of the last 10 quarters.

Pivotal to our strong performance has been our GTM transformation under Project SETU, which has given us significant advantage in terms of better reach, assortment, rural distribution and sharpened our execution. Our direct reach has gone up by more than 1.5x while we have deepened our rural distribution by nearly doubling the number of stockist. We estimate that through SETU we have been able to drive 1% to 2% incremental volume growth in the business over the last couple of years with VAHO being the key portfolio that benefited from this and now PCNO getting some benefits. In addition, SETU has delivered a far better rhythm of business every day of the month with significant savings in below-the-line spend and a very thin stock pipeline. We are now embarking upon SETU 2.0 in India with a focus on AI and tech-led smarter growth and GTM expansion of our premium core and digital brands.

Let me touch upon the key trends across the domestic business.

Parachute which has delivered volume growth of 13%, its highest in 22 quarters. The franchise gained around 570 basis points of volume market share and reached a new high of 60%. Importantly, Parachute delivered positive value growth despite a deflationary pricing environment. This performance reflects the formidable equity of the brand, the trust consumer places in it and the competitive advantage provided by our sourcing and supply chain capability.

Value-Added Hair Oil delivered its sixth consecutive quarter of stellar growth with a 21% value growth and an 80-basis point gain in value market share on a MAT basis. This consistency points to a structural shift in the portfolio growth strategy. It is driven by our strategic pivot towards the mid and premium segments. This segment is both growth and margin accretive for us and delivered mid-teens volume growth in this quarter. Our almond hair oil franchise accelerated further. We remain on track to scale it to an annualized revenue run rate of over INR100 crores by FY28 with a medium-term aspiration of being a scaled challenger by building it into a INR200 crore to INR250 crores ARR franchise by FY30.

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In Saffola Edible Oil, we are undertaking a deliberate reset to strengthen the long-term profitability of the franchise. We rationalized the supply of select low-margin variants, which led to a high single-digit volume decline, while revenue grew 6%. This process will get completed over the next 2 or 3 quarters. At the same time, our premium portfolio, led by cold pressed oils and Saffola Total continued to grow significantly ahead of the overall franchise.

Beyond our core the diversification agenda keeps gaining scale. Foods grew 45% and crossed annualized revenue run rate of INR1,500 crores, a significant jump from the last quarter. Saffola Foods delivered early teens growth led by Oats, Muesli and Soya chunks. Saffola Oats retained its position as India's number one oats brand. True Elements, 4700BC and Cosmix are scaling up in line with our plans, with growth accelerating sequentially. We are expanding these brands into relevant adjacencies and addressing a wider set of consumer needs and consumption occasion. At the same time, we're generating synergies across our food platform in order to drive margin improvement in the overall franchise.

Premium Personal Care delivered a strong performance led by Livon Serums and Parachute Advanced Protein shampoo. The portfolio comprising premium hair nourishment, hair cleansing, male grooming and skin care has crossed an annualized revenue run rate of INR500 crores. We are witnessing very good traction in shampoos and are confident of achieving INR100 crores plus ARR this year with an aspiration to build it into a INR400 crores to INR500 crores ARR portfolio in the medium term. Interestingly, shampoo as a category globally across different brands is beginning to contribute nearly 4% to 5% of our total turnover.

Talking about digital-first Personal Care, we had identified quite early that this will be a key growth driver and had accordingly pivoted towards covering this white space and building digital capabilities. Over the years, our digital first personal care portfolio has grown to about INR1,150 crores and we have built some serious holistic internal capabilities to scale our digital brands profitably. Beardo perfectly exemplifies this. Since we took over the brand under Marico's leadership in 2020, the business has scaled by more than 6x and is expected to cross INR400 crores this year. At the same time, the profitability has improved by 1,900 bps. Our recent integration experience with True elements has also been very good. This is indeed a strong proof of our ability to deliver sustained and profitable growth across the digital brands we fully acquire and scale up.

Shifting gears to the international business, we continue to see robust momentum with 13% constant currency growth and 23% growth in INR terms.

Bangladesh delivered a 5% constant currency growth. The business recorded sequential improvement despite continued demand softness amidst persistent inflation and a broader macroeconomic challenge. The business continues to grow competitively on a high base compounding 13% on a 2-year basis and strengthen its market position to sustain market share gains in the core portfolio along with robust growth in shampoo. We expect the business to see a gradual improvement in growth in the subsequent quarters, driven by focused consumer activations and GTM transformation as we leverage our Project SETU playbook globally.

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Vietnam delivered another outstanding quarter with 22% constant currency growth, led by strong performance across the portfolio and a sustained acceleration in e-commerce. Project SETU was rolled out in Vietnam during the last year and is already delivering encouraging results through direct reach expansion, sharper in-store execution, and AI-led selling, building a strong platform for sustainable long-term growth.

MENA grew 15% in constant currency terms despite the inflationary pressures and operational challenges. The business delivered a resilient performance, driven by strong execution, focused innovation and continued market share gains in key categories. South Africa grew 15% in constant currency, accelerating on the back of a strong performance in hair care. New Country Development and Exports grew 17%.

Summing up, it has been a very strong first half, with Revenue, EBITDA and PAT increasing by 18%, 26% and 28%, respectively. Importantly, all growth engines, including India Core, Foods, Premium Personal Care, Digital-first and International Business contributed to this stellar performance. We enter the second half with high confidence and a strong momentum that positions us well to sustain the robust growth trajectory as we navigate the geopolitical challenges with disciplined execution.

We are improving our annual outlook across key parameters. We expect to deliver teens revenue growth this year and comfortably cross the INR15,000 crores revenue mark. We are confident to deliver mid-twenties EBITDA growth up from around 20% that we had estimated earlier as we now have better visibility of the full year picture. India Business volume growth is also expected to touch double digits for the full year.

On the cost front, copra prices have stayed rangebound about 35% below last year's peak. Crude linked derivatives and vegetable oils, however, have risen further on the back of geopolitical developments and weather-related concerns. We are well equipped to manage these pressures. We will draw on the pricing power of our brands and have distinct advantage in the form of softer copra prices and an aggressive cost management program to help cushion crude-linked inflation.

A repeatable business model and way of working is what powers our growth flywheel, strong brands, wider reach and better assortment drive volume and favorable portfolio mix leading to improved profitability, giving us the headroom to reinvest in our brands, people and capabilities, which in turn fuels the next round of growth. We have chosen to keep investing through cycles, and that consistency is now visible in our results. The quality of our execution and coping with adversity has become a key differentiating factor for us and is what keeps the virtuous flywheel chugging along. This is further supported by the longevity and stability of our leadership. We're fully aware that the biggest enemy that stalls a virtuous cycle of growth is management complacency overconfidence and arrogance. And therefore, we are mindful of being hungry, humble and paranoid every day.

As we progress towards our stated vision to reach INR20,000 crores by FY30 with mid-teens EBITDA CAGR, we feel more confident about our strategy, our capabilities and the strength of our brands and people. With our current momentum, we aspire to wrap up our INR20,000 crores

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target by 2029. This will mean that we will be doubling from INR10,000 crores to INR20,000 crores in 4 years without any major inorganic component, which will be unprecedented in the sector.

We remain committed to growing profitably with sharper portfolio choices and disciplined capital allocation. Underpinning all of this is an empowered organization built on depth of top talent across functions and specifically P&L leaders or general managers, AI-led capabilities and strong execution discipline. Today, we have a portfolio that is insulated from the impact of a single category or a single commodity cycle and multiple growth engines that strengthen one another. We have built deep capabilities in brand building, TAM expansion, digital marketing, GTM transformation, cost management, etc. and we have shown that we can deploy them at scale across our key businesses. The strong performance over the last several quarters is an outcome of the choices we made and stayed committed to. With the strategy, the momentum and the organization in place, we are determined to compound this performance and deliver consistent profitable growth in the medium term.

With this, I close my remarks and we can take 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 with Nuvama.

Abneesh Roy: Thanks and congrats on numbers and EBITDA upgrade. I wanted to understand the EBITDA upgrade. So if I see copra is fairly stable last 4, 5 months and your non-coconut portfolio impact sees more inflation versus 3, 6 months back either in terms of Foods, personal care or even edible oil. So what has led to the upgrade? Is it because operating leverage kicks in a bit more stronger given overall pricing environment is strong? Or is it that the growth portfolio either is doing better than expectation, I think, that you mentioned or because the funding needs for the growth business are a bit lower? Or the Saffola edible oil because you said some of the lower margin segments you are culling down and more focused on the premium end. Is that a bigger reason for the upgrade? That's the first question.

Saugata Gupta: So I think it's a combination of 4, 5 things. Obviously, a favorable mix where we are consistently ensuring that we keep on chopping things which are not profitable in the long term. Secondly, I think we now have a fair idea about how the year will go. And as you know, we believe procurement as a position holding is a source of competitive advantage. So therefore, the consumption cost and the market prices are different, depending on how your procurement efficiency is.

Secondly, as you know that about Parachute growth when we started the year, we were not sure about Parachute volume growth during a deflationary cycle, although we have now taken only one pricing, we have a very thin pipeline. So therefore, we have managed it, very well this time.

Obviously, there are improvements in profitability of the diversification part of the business. And lastly, what has happened is even in Value-Added Hair Oil, if you notice the premium and the mid segments are growing further. Of course, we have a very able cost management program. So, I think we now have a fairer visibility than what we had 1 quarter ago to call this out.

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Abneesh Roy: Sure. My second question is two parts. First is the protein segment in India is doing really well. if we see Milky Mist numbers, there is a 40% growth consistently. You also do have the Soya Chunks business where you have done quite well. So if you can discuss ARR for Soya Chunks, what kind of market share in modern trade and e-commerce it has and what will be the 2030 aim in this part of the portfolio.

Second is, are you looking at value-added protein because ultimately, protein value-added sells at a much higher pricing and margin, for example, something like Tofu, which will be a process product of soya, but obviously, that requires cold chain and a lot of different elements. So what's your thought on participating in the value-added protein.

Second quick question on shampoo. Anything in Kirana you have managed to take and what is the success you're seeing? What is the reason for the success? Is it just the brand extension, which is working or something different because 5% of your salience international comes from shampoo. So something from there is able to plug the gap here? Or is it just the brand extension and your normal very focused market share gain in a new category that is helping, if you can elaborate on that.

Saugata Gupta: Okay. The first, let me answer on protein. Now if I look at protein, we see protein as a big bet and we want to participate across different categories, across different price points and catering to different consumer segments. And therefore, we see holistically, we will operate and participate in protein through atleast four brands, which is Saffola, Cosmix, Plix and True Elements. So therefore, our participation in protein is aggressive, broad-based and ensuring that we plug multiple consumer segments.

Now at the mass-end, we obviously participate in Soya Chunks. Now it is near about 100 ARR. And you're absolutely right that what we did on oats, we need to do on Soya Chunks, which is basically how do we premiumize that segment and participate in the mass end.

We participate at the premium end with Cosmix, which is plant protein and yeast protein. Plix also participates in it. True Element has come up with protein bars. And Saffola in protein in terms of oats and muesli, we are now participating in protein.

So overall, we see protein by participating with multiple brands, multiple categories, we believe to be a broad-spectrum protein player and will be a big protein player over the medium term.

Now the second question is on Shampoos. It is available in both sachet and rigid format, which is available across all channels. We are seeing a good response to it, and we should be able to cross INR100 crores ARR this year. Not many new products cross INR100 crores in the first year of launch. And in fact, if you look at it, we launched it in May and we expanded in GT actually in July, August. So actually, it's not even 12 months. So, we will be crossing INR100 crores.

Now the issue is, this is a tried and tested mix, and we used uncommon sense rather than launching in the home market we ensured we can launch it in some of the markets where the risks are low and we learn. I think it has been a fantastic success in Bangladesh. We replicated this model in Middle East with Parachute as a brand. And mind you, we have participated in the

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shampoo category also through X-Men in Vietnam, and we have been participating in it over the last 15 years. So I think we know the category.

Parachute Advansed is obviously strong both in terms of brand equity and distribution. I strongly believe that it's a question of execution. If you look at globally, the natural space is something which is available in the shampoo category globally. And therefore, we believe that Parachute Advansed with its equity has a strong right to win. It has a great product and obviously, that we continuously execute well. The other interesting thing is that given our overall cost structure this year, we have the leeway to invest heavily behind it. And in line with our fewer, bigger, bolder and faster philosophy, we will do a few things. And therefore, the entire concentration as far as the core is that we continue to diversify and premiumize and to focus on shampoo and Almond. These are the 2 big bets as far as we're concerned. And therefore, we'll continue to focus on that. We strongly believe that given our experience, we should be able to do INR400 crores to INR500 crores in the medium term. And the good thing is that in both sachets and rigid, we are getting good response across channels.

Moderator: Our next question comes from the line of Arnab Mitra with Goldman Sachs.

Arnab Mitra: Congratulations on a very consistent and strong performance again. My first question was on Parachute where definitely the expectations have been exceeded significantly in the first half of this quarter. So, compared to the past in these deflationary cycles, you did mention the pricing change you did in terms of how you put the price cut, but other than that, do you see any other drivers why it has exceeded your expectations so much? And do those drivers sustain in the second half? Or was there were some specific advantages versus competition, which may or may not like hold through as you go ahead for the next few quarters?

Saugata Gupta: I would say there are four drivers besides, of course, the flawless execution we have done which has helped Parachute to sustain. We still stand by that and we will be happy over the medium term to be able to deliver 4% to 6% volume growth in Parachute. Now coming to this year, specifically, what worked for us.

What we did was we did selective price drops in loyalty packs and that reversed the down trading, which we had been witnessing last year because of inflation. And we didn't pass on the benefit in terms of adding volume in the price point packs so the price adjustments were more in the mid and the larger packs, which are loyalty packs. We did one price change.

Secondly, because of SETU and our rhythm we believe in doing 3.5% sale every day. Our overall pipeline in the trade, pipeline with the distributor is one of the thinnest in the industry today. So in the previous time, what used to happen is by the time the price drop got executed, it used to take 4 weeks to 8 weeks in rural. This has happened in record time. The third thing, which has also helped us is SETU. SETU which has helped VAHO. Now with the very fact that we are going deep in rural with increasing the number of stockists, which are nearly 1.8x, we have increased the stockist which is now helping Parachute.

So two factors which are extras, which have helped. One, I think, is more consistent, one could be slightly more transient. First is, obviously, whenever there was supply chain shocks that happened, there was a shortage of packaging material, there could have been a shortage of things

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like commercial gas. Obviously, smaller players get more impacted. Secondly, obviously, our procurement advantages we get a cost advantage. And lastly, I think organized competitive pressure given some of them have other priorities or it could be also because of the hyperinflation that happened, so there has been no irrational competitive activity also.

Now I'm hoping that it's slightly less transient. The first one is transient, but today also, the overall supply chain conditions continue to be slightly favorable as far as we are concerned. So, it's a combination of all that. I believe that, yes, this year will be a very good growth for Parachute. But what we have now done is we have now got the playbook for both the hyperinflation cycle and a deflation cycle, which we will replicate in the future, there will be no shock. Having said that, given our multiple vectors of growth, we are not dependent on copra and Parachute performance anyway for total performance. I think that we have moved away from that dependence.

Arnab Mitra: Sure. That's very helpful to understand this. The second question was actually on A&P. So you've obviously done a big increase in investment, 44% growth this time, even the standalone A&P has significantly gone up, it's not just in the consol. So just two parts to the question on a standalone side, is it largely going on the new vectors that you discussed right on the last question? Or is there generally higher spend you're doing on the core itself?

And secondly, on the new businesses, the digital first brands, while they're still growing, the growth rate is now more in a normative like 20% type of range, at least it looks like from the ARR. Is there a case to like further accelerate A&P there? Or given the scale of the business this is a growth which is more sustainable for that part of the business?

Saugata Gupta: So coming to the A&P and the standalone, what you are seeing, obviously, a significant amount of A&P has gone towards shampoo and almond. As you know, Almond, we want to be a challenger. We believe that what we did in Amla between 2009 and 2016, there's a case for replicating that over the next 5 to 7 years in almond and we think we got the mix right this time.

Also, we have invested in core. We're investing in VAHO. We are also investing in driving Parachute in the non-Maharashtra markets. And, as we notice one more thing is food has also accelerated - core foods. So, we are ensuring that. Interestingly, if you look at it, we must be one of the very few companies which hasn't cut back on A&P in any cycle. A&P, investing behind talent and investing behind capability development, develops muscle in the organization for the long term, we have not taken any short-term bets.

Coming to the digital business, your question, we have always stated that we are happy to get 25% growth while we do it profitably. And this is something which is our base case. If there are opportunities, we will definitely take advantage of them, but we don't believe in steroid-based growth. And there will be always new things we'll be adding up, which can accelerate the group. But whatever we have, I think, in our organic digital, it's okay to grow that kind of a rate.

Moderator: Our next question comes from the line of Tejash Shah with Avendus Spark Institutional Equities.

Tejash Shah: Congrats on a very good set of numbers. The kind of numbers that we are showing and the guidance raise also that we have done in terms of preponing our EDGE target also. It needs a lot

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of macro support as well. So just wanted to understand if you can comment on how are you reading the demand scenario in general and then specific to the core portfolio? And also the competitive landscape you touched upon, but how bad or how good it can go from here for us not to deviate or achieve our target on time?

Saugata Gupta: One of the things we always believed in is that we want to create a resilient organization and execution and agile capability where the strong gets stronger and the weak gets weaker. So therefore, coping with adversity has been a source of competitive advantage for us. And if you really look at globally or even in India, organizations, which are what I call self-help organization and who don't believe in being a victim of external circumstances, perhaps tend to do better.

Having said that, we are mindful of two things. In India, obviously, we are mindful of the demand situation if in certain states, there has been a little bit of deficient rainfall more than others. We are with the very fact that if crude continues to be at high level, whether there will be more inflation in some of the international markets and the supply chain complexity

So, as I said that we don't want to be overconfident and complacent about this growth, we are paranoid every day and ensure we have a Plan B, Plan C, Plan D for everything.

Having said that, I mean, if the what I call black swans keep on increasing, that's a different case. But then at this current crude levels, whenever we are giving an outlook, we have baked in a current crude level. And we are not hoping in the next 6 months, things will drastically improve.

Tejash Shah: And would you say that the consumer sentiment are better Q-o-Q versus when we spoke last versus today?

Saugata Gupta: So as of now we are seeing resilient consumption as far as India is concerned, and I think if you look at the overall results of all the companies in the FMCG sector. Although some of them you have to look at from a 2-year perspective and that's why we shared the year numbers with you are improving. Now we have to see how it pans out in the next couple of quarters.

Having said that, as far as we are concerned, we have baked in kind of a scenario continues to be at this rate. And as I said, that sometimes we believe procurement decisions and other things, supply chain can be a source of competitive advantage. But usually, in tough times, it is the smaller players, regional players who get squeezed and the larger players consolidate.

Tejash Shah: Sure. And if I may squeeze the last one. So, Project SETU you spoke multiple times execution Rhythm there. Is it that SETU 2.0 is largely about more of a quality of execution rather than numeric expansion? So, is it largely helping in quality of distribution, A and B, what percentage of our portfolio have not seen benefit of Project SETU yet?

Saugata Gupta: Yes. So, it is twofold. First, it's both quantity and quality. If you look at the sheer direct distribution, we have improved 1.5x-plus. Whenever there is direct distribution, what happens is you start selling, not just the leader brands but the second, third brand. So, it started benefiting VAHO brands like Jasmin, Haircare, Aloe, in the first instance and basically, we were a little under-indexed in direct distribution, especially in North and East of the country.

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But now as we are going deep in rural, I think we are now beginning to see significant benefit even to brands like Parachute say, like Maharashtra, we are deepening rural distribution by adding stockist. Now I would say the first phase of SETU is maybe 70% complete. We still have a job to do. So, on a conservative basis, we have definitely got structural 1% to 2% extra growth.

The part which has not got still covered, and that's a huge opportunity for us and compared to a lot of other brands is the premium part of the portfolio or the urban SETU, and the tech and AI-enabled things, which can lead to far better execution.

So, if I look at it, we have not yet leveraged the power of the digital brands in GT. We have done in bits and spurts and also food. And to me, that is the second part of SETU that will give you a benefit in SETU 2.0. And the good thing is now SETU has become a playbook.

So we have seen the advantage in Vietnam in 1 year. If you see the growth impetus that has happened because of SETU and we are now starting to implement SETU in Bangladesh from this quarter. So, I think now it's a global playbook for us wherever in GT and in other places.

And the other thing in SETU, which is the unsaid part of SETU is that I talked about this uniform rhythm of sales. So, we have stopped all month end, quarter end, there are no skews. And that means that I don't have to give extra trade loads in the month end to do our numbers or at quarter end to do our numbers.

I mean I can give you an example. I was walking kin the market on 31st of October with the sales team and nobody was tracking sales. It happens automatically today. And therefore, that has also saved a lot of money, which we have now put it into ATL. So some of the A&P spend, which you are seeing is actually because of the BTL savings which we have done.

Tejash Shah: Very interesting. Thanks, and Diwali wishes to you and the team.

Moderator: Our next question comes from the line of Avi with 360 ONE Capital.

Avi: I just had one question. I just wanted to follow up on the marketing bit. So, you are indicating a focused approach on new launches and also sustain brand investment intensity. What in your view is the advertisement to the sales ratio which you see panning out either at the end or on an overall basis, you kind of give us a sense?

Saugata Gupta: Yes. I think this year, obviously, and as I said, that we have ensured that this is resourced well. Having said that, in line with our fewer, bigger, bolder better, we are trying to focus on the few things and doing it well rather than proliferating. I think that is something we are doing. So, you are seeing a marginal increase and it will stay at this level, a 1% increase of A2S kind of a level which we will see.

Pawan Agrawal: Many times, it's also a function of how the revenues are panning out, depending on the inflation, deflation cycle. So, the thing is that we've never underinvested and will continue to invest behind both India and International and as well as Digital Businesses. Broadly at this point in time with whatever visibility we have from, let's say, next year perspective, you can take about 10% to 10.5% of A2S.

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Avi: Got it, Pawan. Is this level sustainable, or is it more near-term? Given the focused approach, should we expect the stable A&P for India to be lower than the current year's level? Is that the right way to interpret it?

Pawan Agrawal: That's the right understanding because we can't be expected to continue to spend at 30%, 40%, A&P. Of course, we had some levers in our hand, which were deployed and plus also a lot of NPDs that we have launched. And the reason the spends in this year is higher. On a steady-state basis, you can expect in the range of double-digit growth in A&P that will definitely happen in the India business.

Moderator: Our next question comes from the line of Harit Kapoor with Investec.

Harit Kapoor: Just two questions from my end. The first one was on international. I just wanted to understand is the confidence of accelerating growth in international driven by your SETU interventions beginning to kick in H2, that's the first question.

And second was slightly on the broader growth expectation? I know you have a target for FY'30, which you would like to kind of achieve in FY29, which actually implies kind of a teens growth even beyond FY27 on revenues. So just kind of wanted to understand your level of confidence on this. I know it's an aim, but just your level of confidence and what are the pockets that you believe are surprising you from a growth standpoint that can further accelerate. So these are my two questions.

Saugata Gupta: As far as international is concerned, I think the biggest driver would be sequential improvement in growth in Bangladesh. As you know, that Bangladesh has been lapping a very high growth over last year, while 2-year CAGR is still very high. I think sequential improvement in the growth in Bangladesh. And yes, I mean, as SETU as it has proven in Vietnam, we believe that we'll start delivering incremental growth in Bangladesh out there. While Vietnam and Southeast Asia continue to grow and others staying at these levels.

I think that gives us the confidence of a marginal improvement in the overall IBG growth. We are not saying we are going to hit the ball out of the park and get into '20, but a marginal improvement in IBG growth. Your second question is the construct of the future book. If you look at the construct of our growth, it is like this - we believe that we should be able to deliver high single-digit growth definitely in India. That's a base case for us in the next couple of years. Mid-teens kind of international business growth. And if you look at inflation, broadly, you can take 3%.

That construct actually leads to the kind of growth which we are talking about, we have a visibility of our FY27 number, which will be comfortably above 15,000. So, all I can say is that, that journey to FY29 is an aspiration. But is the number impossible or very difficult. It's not. The number is broadly, as you indicated at the kind of a growth rate, which we have been doing.

So, I think it's very much possible if we continue to execute and unless there are multiple black swans or something happens. I think it's good to aspire. And I believe that when you are on a virtuous cycle, it's better to press the acceleration, but do it the right way as we believe in doing growth the right way and it should happen.

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Harit Kapoor: Just if I could add 1 more question was if you could just give an update on the recent additions to the portfolio, which is Cosmix and 4700 BC, they were typically both similar sized businesses at the time of acquisition. I just wanted a sense of what you've done to those in terms of execution and what you've seen in terms of green shoots challenges, etcetera?

Saugata Gupta: I think they are two great essential buys, very strong brands. They are both tracking ahead of our acquisition assumptions. I think Cosmix is also very profitable, as you know, makes high-teens operating margins. It's a brand with a very loyal consumer base. It is going to move into VMS in a structural way very soon.

As far as 4700 BC is concerned, again, what I call premium gourmet snacking is a big trend. We are doing very well. And quick commerce is helping and this is one brand which has leveraged quick commerce very well. And it's trending very well, including the Nachos, and you will see far more innovation. The other area which has surprised us very positively is gifting. Between Raksha Bandhan and Diwali, gifting of this brand and institutional selling this brand is doing well.

So, all I can say is that when we talked about the digital brands aspiration, both are tracking ahead of the medium-term aspiration, and we should be able to share with you a definitive run rate by the end of next quarter, but it is definitely tracking ahead of our initial assumptions with these brands.

And other good news is that I think the breakeven of 4700BC will be definitely significantly ahead of our target dates. So what we are doing differently here unlike in the earlier brands where we let it be completely run independently, we believe our internal digital capabilities, especially in the supply chain, product development and other areas and also the cost synergies are high. We are getting into delivering these synergies for the founder brands from day one. As a result, that extra money, which is now available to them because we have unlocked those synergies is invested behind A&P to fuel further growth. And that's the one thing which we are doing differently from the earlier acquisition we had done.

Moderator: Our next question comes from the line of Mihir Shah with Nomura.

Mihir Shah: Congrats on a great set of numbers and upgrading the guidance once again. I just wanted to understand on your growth portfolio, which is now 27% of India, which used to be 20% earlier, once the acquisitions are in the base and once the A&P kind of normalizes, what is the kind of growth that one should expect for food, personal care and digital portfolio? I know you said digital portfolio 20%, 21%, 25% is normative for that. But for Foods and Personal Care, if you can highlight in the near to medium term, what is the kind of growth that one should build in.

Saugata Gupta: Similar growth portfolio should deliver 20% to 25% while improving profitability. In the premium personal care, obviously, the driver will be serums and shampoos. And in the case of digital, obviously, while we continue to grow, there will be different brands in different growth phases. And while we subsequently improve profitability.

So, 20% to 25% growth in the construct is something which is very much possible. So, if we look at the overall growth construct, it should be like mid-single-digit growth for Parachute and

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Saffola in the medium term. Value-added Hair Oils delivering double-digit value growth and these parts of the business consistently delivering 20% to 25%. That adds up to a kind of a number, which enables us to double every 4 to 5 years.

Mihir Shah: Understood. And this is despite A&P normalizing later on so that construct holds?

Saugata Gupta: Yes, So if I'll tell you what is happening. if you add up all the digital brands and the kind of synergies and the cost synergies we get. For example, we now have consolidated manufacturing in some cases, consolidated media buying with some of the digital media buying. So these are significant synergies, which are there. So obviously, the A&P efficiency will now accelerate further in spite of inflation of digital media.

Mihir Shah: Got it. Secondly, on Project SETU 2.0, is there any tangible impact that you have in mind that you would want to share on the project, like how you had said for project SETU 1.0?

Saugata Gupta: So two things. Quality of execution and significant range selling. And I would say that can you get a critical mass of food, premium personal care and digital. So basically, how do we create significant strength in cosmetic, specialty food and chemist outlets in urban and therefore, as you know margins of digital brands are higher. And unfortunately, for a lot of standalone players, they don't have the capital to invest capital and capability to invest behind GT which Marico can.

So if we have a successful GT business and obviously, we have learnt from others and from us, what kind of assortment to do, like different pricing, different pack sizes, so that it's not cannibalistic. Sizable GT business of our digital brands is something which is the endgame.

IT capability will also enable you to do far more assortment selling driving behavior. So, one of the big projects which we are very excited about is the entire gamification of incentives and the entire assortment selling. Ultimately, we want to automate the selling and not depend on that person in the last mile. And we are doing something unprecedented in the industry, and we will be happy to share once we get some prototype results over the next 6 months.

Mihir Shah: Sounds exciting. One question to Pawan, if I may. Pawan, after the mid-20s growth in FY27 on EBITDA level, should one also continue to expect mid-teens EBITDA growth in '28? Or there can be some risk to that assumption?

Pawan Agrawal: No, that's what we had alluded earlier also that our expectation is that from here on, after this year, the EBITDA growth should be at least mid-teens.

Mihir Shah: Wishing you all the very best.

Moderator: Our next question comes from the line of Nihal Mahesh Jham with HSBC.

Nihal Mahesh Jham: Congrats on this great performance. Saugata, my first question was again on the target that you've sort of preponed from FY30 to '29. Just to understand, you've earlier called out that the premium personal and the Foods portfolio will sort of contribute by 33% by FY30 in the earlier guidance. So does that number of 33% sort of still get revised to FY29 when you're sort of targeting to achieve the INR20,000 crores number a year earlier?

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Saugata Gupta: I think bringing it forward is an aspiration. We haven't broken it up. I'm sure the team will go about it. And therefore, what we have said is that that will be a derived number. I think what we have done is a more ballpark-ish number and that if I maintain this construct of growth. I think because we have visibility that next year will not be major deflationary, we know if we can deliver this volume growth automatically that value growth can happen.

Now coming to some of the diversification and other parameters, can it get forwarded by 1 year, yes, we will aspire to, but this is something we'll see how it pans out. But definitely, as far as the top line is concerned, we see a strong possibility of aspiring to and making it happen.

Pawan Agrawal: If I may just add, looking at the current year visibility what Saugata mentioned, that we comfortably cross INR15,000 crores. And if you're able to do that, there's an opportunity to push towards mid-teens in terms of revenue growth for this year. And if you look at FY29, the CAGR will be about 13% to 14%, which is fairly achievable. If you really ask me at this point in time, do we have a bottom-up of that, we don't have.

But achieving a 13%, 14% CAGR, given the kind of strong momentum that we have at this point in time. looks achievable. But this is an aspiration, and that's what we are running the organization towards that can we really achieve our targets 1 year ahead. So that's the broad philosophy here.

Nihal Mahesh Jham: Fair point Pawan. Saugata, the second question was on PLIX or Satiya Nutraceuticals. It was interesting to note that we've entered into Korean beauty via Joyun there. Just wanted to understand your thoughts for this specific subsidiary that are we looking at getting into multi-diverse brands? And this also is separately other than PLIX we'll see a lot more diversifiction? And do you have similar plans for the other acquisition that you've also made that beyond the existing brands, there could be new sub-brands which could potentially flow out and that's also an incremental take to the growth that can play out?

Saugata Gupta: Yes. I think this is a prototype which we are doing. We'll see how it pans out. But yes, brand like Beardo or PLIX, which have scaled up, we can experiment with other brands because there's an ecosystem, there's a consumer knowledge and there's a capability to test out. But as far as the other brands are concerned, they are still small in size. There's a huge journey ahead. But yes, for Beardo and PLIX we can experiment. And maybe we will.

Moderator: Our next question comes from the line of Percy Panthaki with IIFL Capital.

Percy Panthaki: This is Percy Panthaki here. Sir, my question is that you have upgraded the EBITDA target of this year by about 5% to 7%, does that automatically mean that FY28 EBITDA also would see a similar amount of upgrade. Where I'm coming from is that the upgrade is mainly coming from better margins this year. It's not as if the top line for this year is sort of getting upgraded in any material fashion.

So is it just that the margin normalization is happening earlier instead of over a 4 to 6-quarter period, it's happening earlier. And therefore, the FY28 EBITDA would not materially change because we are just reaching there in a steeper curve rather than in a gradual curve. Is that the right interpretation? Or should we say that no FY28 also would see similar kind of upgrades?

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Pawan Agrawal: I think we have a better visibility into the year given that we know what positions we have, we have a fairly good idea of what could be the consumption cost in the rest of the year. And plus also we have now better understanding of where our volume growth and revenue growth trajectory will be for the year.

And that is the reason why we are upgrading the guidance for this year only, which means, of course, we are saying mid-20s about in the range of 24%, 25% on the minimum side. Now whether it sort of increases the guidance for FY28, not really, we are saying for FY28 or '29 we stick by our guidance of mid-teens growth.

Percy Panthaki: Okay. So let me just ask it in a slightly different way. If, let's say, FY28 on FY27, whatever margin we reach for FY27 full year, do you see a material margin expansion potential in FY28 on that base? And if so, what would drive it?

Pawan Agrawal: So, Percy, again, I'm not giving you guidance on margin percentage. I'm giving you guidance on EBITDA absolute growth. So, this year, percentage margin could expand by about 120 to 150 basis points. From next year perspective, what we are saying is that operating profit growth will be in mid-teens, again for our business, as we have discussed earlier as well that depending on inflation deflation cycle, how the revenue pan out, the percentages could inflate or deflate but at least from a growth perspective, what we are saying is that we'll definitely deliver mid-teens profit growth.

Moderator: Our next question comes from the line of Anurag Dayal with PhillipCapital.

Anurag Dayal: First question is on our Saffola, the food business, our core food business, what has been the growth in that business? And secondly, on Just Herbs, where we are right now in terms of scale and there was some profitability issue and growth issue there. So, what we have done to address and to ensure that also comes back to the growth path?

Saugata Gupta: So as far as Saffola Foods portfolio is concerned, it delivered early teens growth, and most of them are growing. So we are going to continue to invest while improvement in profitability. Just Herbs yes, we had some integration issues in the first year, and we have got it back on track.

And the significant improvement in performance of both top line and bottom line and then the losses improvement, it will still take some time to break even. It should happen sometime over the few quarters. But I think the growth is back on the franchise. I think it's been a good learning, and I think we applied all the learning to ensure a very smooth integration of True Elements.

Anurag Dayal: Could you I mean, give some detail about what changes will it in Just Herbs. Anything specific which you can callout?

Saugata Gupta: Better execution, rationalizing of SKUs, ensuring that we focus on only certain channels, improving the D2C AOV, it's a complete playbook on digital business segment. So basically, we now have a much more focused portfolio, we improved product from the founders in terms of product quality, far more investment behind content and influencers, so basically, what was going right in Beardo and PLIX were replicated simple.

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Anurag Dayal: And secondly, just to chase this INR20,000 crores target, which we have, is it based on a current portfolio? Or do we account for some inorganic addition there as well?

Saugata Gupta: See, we believe that inorganic should never be an escape button for our ability to do organic growth. And that is why if you look at even in international business compared to a lot of people, we have been less adventurous in places like Africa and Latam we have primarily focused on organic disciplined growth, building equity and investing behind organic growth creates long-term sustainable focused capability, and therefore, we never give surprises in the International Business.

So similarly, this is based on organic, any inorganic will be an upside. And plus we have a very good M&A team, who continues to look at digital opportunities, and I'm sure there will be some more opportunities. And we are a strategic a partner of choice for other digital brands and we, of course, want to do in the right value, we don't pay 6x for all this.

Moderator: Ladies and gentlemen, we will take that as a last question for today. I would now like to hand the conference over to the management for closing comments. Over to you, sir.

Pawan Agrawal: Okay, to sum up, we are pleased with the progress we have made in the first half, with strong growth across key metrics and increasing traction across businesses. While the external environment remains challenging, but the strength of our performance and improved visibility for the balance of the year, give us the confidence to raise the full year profitability guidance to mid-20s growth. On revenues as well, we are increasingly confident of delivering teens growth with an opportunity to push towards the mid-teens.

We enter the second half with a strong momentum and remain focused on sustaining the trajectory while continuing to invest for long-term growth and value creation. That is all from our side. If you have any further queries, please feel free to reach out to our IR team. 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)

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