August 11, 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 Tuesday, August 4, 2026 on the un-audited financial results and operations of the Company for the quarter ended June 30, 2026, is enclosed.

The said transcript is also available on the Company's website at https://marico.com/investorspdf/Marico_Limited_Q1FY27_Earnings_Call_Transcript.pdf.

This is for your information and records.

Thank you.

For **Marico Limited**

VINAY M A

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Company Secretary & Compliance Officer

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“Marico Limited
Q1FY27 Earnings Conference Call”

August 04, 2026

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

Moderator: Ladies and gentlemen, good day, and welcome to the Marico Limited Q1 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 the conference call, please signal an operator by pressing star and then zero on your touchtone phone.

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 there is 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.

Saugata Gupta: Good evening, everyone, and thanks for joining the call. I'll start with a perspective on the operating environment during the quarter gone by, after which I'll cover our performance, strategic priorities and our outlook going forward. During the quarter, macro environment globally remained volatile with supply chain disruptions and increasing energy costs impacting economic activity. Despite these global headwinds, India continued to demonstrate resilience backed by strong underlying fundamentals.

Domestic demand remained healthy and economic activity continued to expand. While there was a rise in consumer inflation led by food and a marginal fuel price hike, it remained within RBI's threshold. On the other hand, some of the international economies where we are operating have experienced some transient headwinds due to ongoing geopolitical development in the form of inflation and other costs.

Moving on to our performance. We have started the year on a very strong note with a consolidated revenue growth of 23% and EBITDA and PAT growth of 25%, making our highest profit growth in the last 28 quarters. The India business delivered one of the strongest quarters in recent years with 11% volume growth and revenue growth of 21%, led by robust momentum in core business and continued scale-up of new growth engines.

Over 96% of the business continued to gain or sustain market share and over 99% of the business continued to gain or sustain penetration on a MAT basis. The strong brand performance was well complemented by sharp execution across channels. Both general trade and modern trade recorded double-digit growth. The success of Project SETU continued to strengthen our general trade execution, driving wider reach, superior assortment quality, improved service levels and therefore, improved ROI for our distribution partners.

Quick commerce continued its accelerated scale up, reporting more than 50% growth for our core business. It now contributes to around 5% of India business revenues, excluding digital brands, and all digital channels put together account to over 20% of India business revenues.

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International business reported 15% constant currency growth, led by outperformance in Vietnam and MENA.

Talking about our bottom-line performance, gross margin expanded 30 basis points year-on-year, led by softer copra prices, a favourable channel and portfolio mix coming from our strong growth in premium portfolio, GT growth and profitable scale up of our food and digital-first portfolio. Advertising and sales promotion expenses grew substantially at 25% as we continue to invest significantly behind our brands to strengthen their long-term equity, support innovation, some of the big innovations we have launched this quarter, and drive consumer salience.

EBITDA margin improved 40 basis points year-on-year to 20.7%. Overall, this was a very strong quarter for us, made even noteworthy as it builds on a high base from the corresponding period last year. On a two-year basis, volume, revenue and profit after tax have compounded at 10%, 23% and 17%, respectively, reflecting the strength of our portfolio, brands, execution prowess and our resilience.

Let us now touch upon the key trends across our domestic business. Parachute Rigids delivered 10% volume growth with strongest performance in the last 20 quarters and gained over 400 basis points in volume share, marking a new high. Revenue grew 23%, reflecting the anniversarization of prior year price increases and pricing actions done during the quarter as we proactively passed on value to the consumers in non-price point large packs amid softening in copra prices. Beyond the strong quarterly outcome, the performance underscores the enduring strength of the franchise and the competitive advantage we have built in supply chain compared to smaller players over decades. Our expertise in managing commodity cycles, combined with a differentiated supply chain and sharp execution enables us to respond faster to market changes based on a lot of learnings over the past few cycles where we have taken price drops.

Value-added hair oils continued its strong momentum, delivering 22% value growth led by mid- and premium segment. Mid and premium hair oils portfolio contributed close to high teens volume growth, this is the profitable part of the mix. We continue to gain market share handsomely. Further, we are seeing encouraging progress in our almond oil franchise, and our aim is to build it to INR100 crores plus ARR franchise by FY28.Our performance in VAHO reflects the growing strength of our premium portfolio, supported by sustained investment in innovation, premiumization and distribution expansion - VAHO has benefited immensely from Project SETU.

Saffola Edible Oil delivered 7% revenue growth during the quarter as we implemented calibrated pricing actions in response to further increase in input costs. The business reported a high single-digit volume decline as we rationalized supply of select variants in certain channels to maintain threshold profitability in the trade-off with volume growth. Our diversification agenda continues to gather momentum. The combined Foods and Premium Personal Care portfolio, including digital-first brands, has achieved significant scale and is increasingly becoming an important contributor to our growth.

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More importantly, these businesses are not only growing ahead of the core portfolio, but are also improving quality with stronger profitability, deeper consumer relevance and expanding addressable market besides our own internal capability. Foods continued its strong growth trajectory, reporting a 43% growth and crossing annualized revenue run rate of INR1,300 crores. The addition of 4700BC and Cosmix expands our addressable market into attractive demand spaces, while the core Saffola Foods franchise continues to deliver strong double-digit growth and strengthen its market position.

Premium Personal Care continues to scale well, reaching an annualized revenue run rate of around INR450 crores. We are witnessing encouraging traction in shampoos category and aspire to achieve near about INR100 crores of revenue this year. The launch of Parachute Advanced Protein hair conditioner further expands our addressable market and complements our broader premiumization agenda.

Our digital-first portfolio led by Beardo and Plix continued to deliver strong growth alongside structural improvement in profitability. With an ARR of over INR1,100 crores, the business has scaled up profitably, exemplifying our digital playbook of combining entrepreneurial brand building with disciplined capital allocation and operating leverage.

Our priority is to drive profitable growth in this portfolio. Taken together, these new-age and premium businesses are steadily strengthening Marico's growth architecture. As we expand into attractive demand spaces and scale new growth engines with discipline, we are not only diversifying the portfolio but also enhancing the quality and sustainability of future growth.

Moving on to international business. We delivered 15% constant currency growth during the quarter. Bangladesh reported a 4% constant currency growth as the business experienced a transient moderation in growth due to pricing anniversarization and demand softness due to persistent high inflation in the economy. This got further accentuated with a sharp rise in fuel and other energy prices. Through our focused category initiatives, we continue to strengthen our position and sustain market share gains.

Vietnam continued its growth trajectory, delivering 27% constant currency growth during the quarter, driven by strong performance across the male and female personal care categories. We have structurally transformed the business through investments in innovation, distribution and digital commerce capabilities. Particularly the progress of our go-to-market transformation on the likes of SETU in India has enhanced execution quality, strengthened market competitiveness and created a stronger platform for sustainable long-term growth.

MENA grew 24% with both Gulf and Egypt performing well. Despite the inflationary pressures and operating challenges in the Gulf region, the business delivered resilient performance driven by strong execution, focused innovation and continued market share gain in key categories.

South Africa posted 8% growth led by hair care with our key brands Black Chic, Just for Kids and Isoplus performing well. New country development and export business grew 16%.

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Summing up, we have delivered a strong all-around performance this quarter, setting a solid foundation for the year ahead. To draw a cricketing parallel in a match where weather interruptions are a possibility, the best teams aim to get off to a strong start, especially in the powerplay over and stay ahead of the Duckworth-Lewis curve.

In much the same way, we are looking to build momentum early in the year, positioning ourselves stronger to navigate any volatility that may arise later and deliver our full year aspirations with greater confidence.

Looking ahead, while global economic challenges persist, we remain optimistic about the consumption trends in India and believe that the strong fundamentals will continue to support economic activity in the country.

We will continue to monitor the evolving inflationary conditions and progress of the monsoon. But so far, the government has done a fantastic job insulating consumers from any significant inflation. Some of the international geographies, however, could experience macro headwinds due to the inflationary pressures. However, we are confident in our ability to navigate well through these short-term phases.

Despite the global supply chain disruptions, we have maintained strong supply chain assurance through strategic positioning of raw materials, packaging materials and finished goods because of our extreme agility.

In the near term, we remain focused on driving top quartile outcomes. The strong start to this year has set us well to achieve our full year aspirations of delivering double-digit revenue growth to cross INR15,000 crores easily. We are confident of achieving high-teens EBITDA growth and aspire to touch 20% EBITDA growth during this year. We expect India to deliver high single-digit volume growth and international business to deliver mid-teens constant currency growth. We will certainly try and hit another double-digit quarter in India volume growth sometime in the next three quarters.

On the cost front, we are witnessing divergent trends. Copra prices have corrected meaningfully. While it has seen some upward bias recently, we expect prices to be range bound at around 35% lower than the last year's peak levels.

On the other side, crude and vegetable oils continue to exhibit an upward bias. And consequently, we expect input costs to be relatively higher in Q2.

As we advance towards the Vision 2030 to achieve INR20,000 crores in revenues with mid-teens EBITDA CAGR, our focus remains clear: strengthen our core franchises, expand into adjacencies where we have a right to win, scale up our digital businesses profitably and further diversify our international growth engine.

To anchor the next phase of our growth journey, our EDGE framework, expanding total addressable market and portfolio, enhancing distribution and digitization, growing profitably

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and creating an empowered organization will serve as a backbone for translating our strategic priorities into measurable outcomes.

We are building larger growth engines by strengthening core categories through sustained investments and wider portfolio participation across consumer cohorts, formats and channels. Simultaneously, we are driving a structural shift in our portfolio towards the premium and more profitable categories by taking bigger bolder bets.

We're already reaping the benefits of GTM transformation led by our Project SETU in India and now in Vietnam. The next leg of our journey will focus on sharpening execution through use of smart analytics, AI and integrated digital ecosystems.

Profitable growth is pivotal to our strategy. We're reducing the share of commodity-linked businesses and progressively shifting our portfolio towards categories that are more profitable.As a result, our portfolio is being designed to compound more profitably with stronger unit economics, lower cyclicity and better operating leverage over time. Long-term profitable growth at scale is inherently linked to the depth of organization, quality and capability.

We have always focused on building a strong future-ready backbone, anchored in high-quality talent with founders' mentality and owner's mindset and a value-driven frugal culture. As people and technology are increasingly becoming interdependent, we are leveraging AI analytics and automation to improve visibility, speed and decision support while empowering teams to drive accountability, collaboration, execution excellence and discipline.

With this, I close my remarks and we can take some questions.

Moderator: Thank you very much. We will now begin with the question-and-answer session. The first question if from Abneesh Roy from Nuvama. Please go ahead.

Abneesh Roy: My first question is on plant protein, collagen and ACV. So we have seen a lot of competition coming here. HUL’s Oziva saw a weak quarter in terms of slower growth in Q1 and they called that this normal routine business things which keep happening. But if I see in your case also Plix did see a reset in terms of slightly lower growth and more focus on margins from Q3.

And then when we see competition and pricing, there is a lot of overall pricing war currently, every start-up company and a lot of the Tata One MG kind of players have also entered. So I wanted to understand in this kind of a very high-growth segment, how is the pricing power? And who will essentially win because here brands are new. And definitely, a lot of the e-commerce company and a lot of the medicine online companies are also present there through their own private labels also.

Saugata Gupta: See, let me address this in two parts. Firstly, if you look at our brands, we focus a lot on D2C, because D2C ensures that we own the consumer, partner him or her in the journey towards wellness. We look at LTV by CAC, return repeat rates, and we believe that they are healthy.

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Obviously, you can do performance marketing-led spends in a particular channel and grow, but that is not sustainable. In that context, both Plix and Cosmix have significantly loyal consumers with good repeat rate, good loyalty and good equity. We also are using other channels to grow.

Yes, there is competition. But sometimes what happens in categories like protein or ACV, it is good to have two-three players who are developing the category because it's important to have category investment to convert a fad into a habit. We believe in both the categories we participate, it's a habit. Having said that, as you know, Plix has also pivoted successfully towards premium personal care, which is plant-based hair and skin food. There's a journey to be had for Cosmix in the VMS space. Therefore, we'll not restrict ourselves to only plant protein and ACV for both these brands. We are extremely confident of these brands giving sustainable profitable growth, and as you know, Cosmix already, when we acquired the brand, had a mid to high-teens profitable margin.

Abneesh Roy: Sure. My second question is on the almond hair oil INR100 crores brand by FY28. That's a very aggressive number. In the past, other hair oil companies have also tried this without much success. So if you could tell us apart from, say, aggressive pricing, what else is needed here because the number one player in this segment also seems to be doing quite well. And another follow-up will be essentially on what is the status on the 4700BC and Cosmix on those new business versus initial benchmark, where are we?

Saugata Gupta: First, let me finish 4700BC and Cosmix, they are doing well. They are tracking very well in terms of integration. Right now, Marico offers two unique digital platforms, one on foods and one on premium personal care. Therefore, we are well placed in terms of providing synergies, expertise and sharing of best practices amongst all the brands. So it's tracking very well. Both the brands have very strong equity. I believe they will end the year ahead of what our initial assumptions are. And also the fact that we are also mindful of the profitability.

Now coming to the almond category. See, in any category, when a market leader makes super normal profit without significant innovation, this makes a case for disruption. We have proven that with Amla when we started the journey. Once upon a time, we were 9%, the leader was 78% and then we achieved market leadership.

I believe that there is a case for disruption in this category. In the last one or two years, our resource allocation metrics where we focus on fewer, bigger, better, bolder; in terms of SETU, which has given us access to distribution has given a case that we can take a critical market share in this category. Our ability to execute has, strengthened reasonably. Today, it's a machine which is executing this. Therefore, I believe given the size of the category, INR100 crores is a fair ambition.

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

Mihir Shah: Congrats on a great set of numbers. Firstly, on Parachute, copra has again started to go up again. Do you foresee any intervention required in the near or medium term? And given the large price hike that we have taken in 2Q of last year, can you help us understand what level of price decline can be expected in the near term over the next few quarters on Parachute? So that's question number one.

Saugata Gupta: So just when you measure price decline as in MRP price. So two things have happened last year. First, we had a 100% increase in input cost prices. We took a 60% hike. Therefore, we didn't pass on the entire cost push to the consumer. And it was unprecedented kind of input cost, but Parachute showed significant resilience. It was a very bold move.

Nowhere in the world, you take a 60% price increase and ensure that you get a slightly positive growth in terms of number of transactions. I think it's unprecedented. I have not seen it happening anywhere.

Now coming to this year, we were careful about two things. One, in the past, we hadn't executed some of the price drops well. So we waited and watched and therefore, we have taken only some price drops in the loyalty packs.

As you know, unlike other categories here, the usage of coconut oil in terms of the lower LSM is high, and therefore, some of the loyalty packs were slightly stressed by the inflation. So we have taken the pricing drops on the loyalty packs, and we hadn't taken in the small packs and the price point packs.

And the total drop was around 10%. Now we were clear that we will take only one drop. The other thing which we have done very well this time is because of significant investment in AI-led demand sensing and forecasting and the entire supply chain, our overall pipeline is very thin.

I believe in the entire FMCG category, our distributors stock will be one of the lowest. So therefore, in the past, any price drop used to take about eight weeks or ten weeks to get affected in the market. This has happened much faster. Secondly, what has also changed is that we have taken only one price drop. The other thing which we did last year is smoothening of all trade spends, no month-end spend.

Therefore, the pipeline is extremely clear. There are no blockages in the pipeline. So, that has resulted in significant kind of impact in terms of growth coming back in the larger packs.

Now coming to copra, we believe that it will stay range bound with maybe a slight upward bias at this 30% - 35% kind of a level below the peak. And we are okay with the kind of pricing interventions we have taken.

Obviously, the 10% growth in Parachute was also led also by some supply chain advantages, which we had compared to the small players. The other thing which we are witnessing, which is also good for us is that some of the larger players in this space are exhibiting more rationality in terms of pricing. So, with all this you will get a good volume growth, and we expect decent volume growth in Parachute even in the next subsequent one or two quarters.

Pawan Agrawal: Just to clarify, Mihir, what Saugata meant was one price drop. We don't want to take multiple price drops. And given the fact that we'll now be moving into off-season in the next couple of months, we don't see any pricing corrections to happen on the cost side. And therefore, we do not expect any further pricing action from our end.

Mihir Shah: Understood. I'll take it offline with you later, if that is okay. Secondly, I wanted to check on gross margins on a consol level. Do you see any headwind in gross margins over the next coming quarters? Because I'm unable to triangulate your EBITDA guidance of high teens given that you still will continue to get benefits on Copra. And if you hold on to these margins also, there is a material expansion that can happen on the EBITDA growth front at least. So if you can just help me to triangulate your gross margin and EBITDA growth guidance?

Pawan Agrawal: So if we look at the gross margin, in this quarter, we have expanded by approximately 30 basis points vis-a-vis Q1 FY26. Now while there are benefits with respect to consumption on the Copra side, but at the same time, we also have to be mindful that with respect to crude-led derivatives on LP and polymers, there is a significant cost push.

For example, on both these items, the cost increase has been anywhere in the range of 60% to 70%. So it will be a mix of both the gains coming in from the consumption of lower copra prices that we witnessed in quarter 1, but at the same time, higher impact on account of LP, polymers as well as edible oil prices. And we have not really passed on the entire hit to the consumer.

So just on the guidance side, very difficult to give on gross margin because we believe it will be a little bit of mix of both, but we would try and hold the gross margin percentage.

However, on EBITDA margins, again, giving quarter-wise guidance could be difficult. But on a full year basis, you heard Saugata mentioned that high teens is something which is the base case, and we would try for 20% growth for the full year. And if you do the reverse math and if you see that INR15,000 crores is something that we should definitely deliver, then the reverse math would suggest that EBITDA margin would expand in the range of about 140 to 150 basis points as compared to last year. I hope this answers your question.

Mihir Shah: Understood. Got it. No, that's what I was highlighting even after the strong beat on 1Q, you have kept a very conservative guidance on EBITDA growth. So I was just thinking on those lines. Ok I'll come back in the queue.

Pawan Agrawal: The only thing which I just want to mention is 20% growth is definitely not conservative by any standard. But yes, that's something which we definitely aspire to deliver.

Moderator: The next question comes from Harit Kapoor with Investec.

Harit Kapoor: So the first question was on Parachute. You did mention some supply chain benefits. Just if you could kind of deconstruct the 10% volume growth into how much of it would have been led by maybe a mix of, say, grammage increases also that you might have done? How much of it in your view is just competitive advantage because of supply chain?

And because we haven't seen these kind of double-digit volume growth in Parachute for a very, very long time. So just wanted to get some more color on this 10% number, that would be very helpful. That's my first question.

Saugata Gupta: I think it's very difficult to allocate a number to each one of them, but I don't think there has been any grammage changes as such. But two things would have happened. One, as I said, that we selectively took deep price cuts or relatively deeper price cuts in the loyalty packs, which are higher MRP. As you know, whenever there is a significant price increase, there is titration in use or downgradation. That took care of the downgradation.

The second thing is whenever there are supply chain challenges, which in respect to whatever packaging material, which could be in respect to fuel or anything, obviously, smaller players, they are impacted more compared to us, and therefore, we ensured there are no supply chain challenges.

And thirdly, I think we have executed the price drop phenomenally well compared to in the past, whether in respect to pipeline management, whether it is scheme management, waiting and watching and taking one price drop. And lastly, as I said, the fourth factor could be that maybe compared to the past, some of the organized competition is a little more rational and focused on not selling at negative gross margin.

Pawan Agrawal: Just to clarify one thing, Harit, if you're referring about the grammage cuts that we had taken in the price point pack last year, which is INR10 and INR20. Now as the copra prices have deflated, I want to clarify that we have not increased grammage. So this 10% volume growth is the organic volume growth.

Having said that, yes, 10% is an aberration. We don't really expect ourselves to keep delivering high single digit or 10% volume growth for the year. We would want to maintain the guidance of mid-single digit for the Parachute. But just to clarify, yes, we have not upped the grammage in the price point pack that we had cut down last year.

Harit Kapoor: The second part was how do I look at the so your 11% volume growth for the quarter, is that like a like-to-like number? How do you calculate that number? Because you have had additions in the portfolio over the last 3, 4 months in terms of new acquisitions. So when I look at 11%...

Pawan Agrawal: Yes. This is organic number. We haven't included 4,700BC and Cosmix into the volume growth. Till the time it comes into the base, we don't include.

Harit Kapoor: Third one was on A&P. Last 2 quarters, the A&P growth have been fairly modest this quarter also, I think 9% growth at a consolidated level. I was just trying to understand with these new acquisitions also coming in, assuming more money is going in, how are we able to kind of maintain level of investment as well as growth? Just some color on that would be helpful.

Pawan Agrawal: The assets that we have bought are capital outlay. So that does not impact our ability to invest behind the A&P line items. As far as if you look at the overall A&P, of course, we have grown by 25% in this quarter, which is a pretty healthy growth because as I said, of course, we had significant advantage in terms of our cost line items, and we found it appropriate to invest behind both the core and the new products. In India, for example, we launched shampoo. Of course, we have invested significantly behind shampoos.

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So I think yes, we had resources, and we thought it's the right thing to do to invest behind all the businesses for that matter, whether it is India, international or digital, and that's why you see about 25% growth in the A&P line item.

Harit Kapoor: Got it. Last quick one was on tax rate, a little bit lower this quarter. Any change in guidance for the full year at a consolidated level?

Pawan Agrawal: Yes. So this year, tax this quarter, it was about 17.5%. I think from a full year perspective, you can take a guidance of about 18% for FY27 and maybe about 19% to 20% for FY28.

Moderator: The next question comes from Nihal Mahesh Jham with HSBC.

Nihal Mahesh Jham: Three questions. The first one was on Plix actually. If you look at the growth specifically for the BPC segment, it has been quite spectacular for FY26. So just wanted more understanding that what would be the hero SKUs in this segment for Plix?

And also, how to get comfort on the fact that Saugata, you've seen a lot of brands maybe leaving about 1 to 2 D2C brands who sort of saturated close to this INR500 to 700 kind of range. So what sort of can give us the confidence to believe that Plix will not see that kind of a limitation? And you mentioned that to look at it more as a D2C brand. So that was my first question.

Saugata Gupta: Plix has pivoted a lot into hair and skin food. And obviously, there are some hero SKUs and one of its key capabilities is the ability to spot a trend and ride a trend. So therefore, there's a very good innovation engine. They have a very good digital marketing engine, especially in both the influencer and content, which is a source of competitive advantage. And having a strong AOV in our D2C business and the fact that the D2C part of the component being strong and profitable gives the edge.

Now you are right that, obviously, Plix at INR800 crores is not going to grow 30% - 40%. And also, we are not just chasing growth. We are also ensuring that this brand is profitable.

Having said that, at this level, I'm sure there is an opportunity for the brand to get into modern trade and into beauty outlets. And of course, given the wide spectrum, it's not a single category brand, there are legs to grow.

Nihal Mahesh Jham: Understood. That's very clear. Two quick clarifications on Parachute. We had mentioned about taking a 10% price cut in Q4 in the non-grammage packs. So that has been the only price cut we've taken for Parachute. Is that understanding right?

Saugata Gupta: Exactly.

Nihal Mahesh Jham: And just one last thing. Foods has obviously grown 43%, but this includes obviously Cosmix and 4700BC also coming in. So, ex of that, what would be the growth in the Foods portfolio?

Saugata Gupta: In double digits.

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

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Arnab Mitra: Congratulations on a very strong quarter. My first question was on Saffola oil, edible oil. Is there any impact from this very fast growth we are seeing in cold pressed oils on the Saffola core consumer in your understanding? And your own foray into cold pressed oils, how is it progressing? And how do you think about that segment as a new segment to operate in?

Saugata Gupta: I believe that it's a very good growth engine. And in fact, one of the things we are looking at in Saffola is ensuring that we maintain a threshold level of profitability. So we are not seeing any impact on a Saffola Gold or a total user. They are very loyal user. The entry point Saffola is a little more commoditized. And this is the one which we are selectively reducing in terms of both the share of contribution of the packs and ensuring we don't want consumers below a threshold level of profitability. I think cold pressed is the category of the future, and therefore, we are investing in cold pressed oil.

And I believe by the next year, it will be a sizable portion of the Saffola business. It also makes sense if multiple large players invest behind the category and grow the category of the future. And that is what we are pivoting to, and we are selectively making this choice that we don't want a certain part of the Saffola business in some channels below a threshold level of profitability. Just to answer your question, Saffola Gold has not got impacted because of cold pressed.

Arnab Mitra: Got it. And as you look at your own cold pressed business, does it have a margin structure which is attractive enough for you to invest in that business because you are but just wanted to understand.

Saugata Gupta: It is far superior to the core Saffola Edible Oil gross margin.

Arnab Mitra: Got it. Got it. My second question was on your premium Personal Care. There, you've done a INR450 crores plus ARR. There seems to have been some significant improvement there sequentially and also Y-o-Y.

So is this to do with the launch of shampoo and generally, the strategy? I mean, do you want to play it as a mainstream shampoo player? Or what is the thought process behind this entry into shampoo.

Saugata Gupta: We want to obviously play as a mainstream shampoo player. If you look at it, we now have learnings. We have a shampoo portfolio in almost all the big international markets. We have done relatively well. I wish I had launched this 10 years ago, but it's maybe 10 years late, but better late than never. And I believe that with a strong equity, people want naturals as a space for Parachute Advanced. I think the mix looks good. And just like we have done fairly well in Bangladesh or Middle East with Parachute, we are extremely confident that we will get a critical mass.

And therefore, our first step is to get INR100 crores in the first year. So far, I think it's very encouraging. And what has also helped is because of Project SETU, we now have very good quality direct market execution. And we don't want this product to just go through wholesale, but great market execution. And therefore, the results are encouraging. And I believe over the

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next three-four years, this will be one more big pivot of growth and premiumization of the core along with Almond.

Moderator: Your next question comes from the line of Ajay Thakur with Anand Rathi Securities.

Ajay Thakur: So, I wanted to understand a bit more on the VAHO growth. If you can just throw some light in terms of the breakup between the value and the volume growth in this segment for VAHO. And given the fact that the base might be catching up with VAHO maybe in a quarter or 2 post GST rate cut, so can we expect this momentum to be maintained going forward, like a mid-teen kind of a growth?

Pawan Agrawal: Yes. I think Saugata alluded to this in his opening remarks that while we are focusing on mid- and premium segment, and that segment has delivered high-teen growth in volume terms. Of course, value growth is even higher. Now going ahead, we definitely expect that we will maintain the trajectory of double digits. We will definitely drive for even delivering high teens growth.

So we are fairly confident because definitely the kind of investment that we have done has shown good return. Plus also the continuous investment in SETU is something which is really helping us grow in this segment. So yes, we are confident that we'll be able to maintain this trajectory.

Ajay Thakur: Understood. And continuing with the earlier question of the earlier participant in terms of the Parachute shampoo launch, what would be our aspiration in terms of the shampoo segment would we be looking at in terms of capturing certain market share in this segment being a number two, number three player? What would be the aspiration? And also how are we placed in terms of the launch? Are we launched only in certain specific markets so far? Or is it a kind of a natural launch?

Saugata Gupta: It is a national launch as we spoke on this in the last quarter. I think we'll take one year at a time. And as I said that it's a large category. I think we'll have to execute it well, be patient, be resilient and make it big. And so there's little steps and someday, it will become a critical mass. But as I said, in line with our fewer, bigger, bolder, faster in terms of the core, I think shampoo and Almond are two big bets and similarly cold pressed oil and maybe Muesli, these are big bets, and we hope to get critical mass very soon in all these.

Moderator: Your next question comes from the line of Sidharth Negandhi with CWC.

Sidharth Negandhi: Congrats on good set of numbers. Just a couple of questions. First on understanding your perspective on how you're seeing channels play out? And given the growth into quick commerce, how do you see that having an impact (a.) on your advertising spend; (b.) your margin profile given the relative customer concentration there? That was one.

The second one that I wanted to understand is if you look at the India growth, right, a large part of it is obviously driven by the core business, but there also seems to be good growth coming from the non stand-alone but India businesses, right? Which among the digital first premium personal care brands are you seeing on a faster path to profitability there? Yes, those are my two questions.

Saugata Gupta: See, I am a little old-fashioned person. I believe in "and" theory and not "or" theory as far as channel is concerned. What has happened over the last five to seven years is that the entry barriers to the organized trade has significantly gone down. So today, anybody with some capital can set up INR100 crores brand, throw money and get some market share.

But what has not changed in my belief is that India being such a large country, the entry barriers towards having a solid GT distribution remains and especially in rural India, middle India. This is something which we don't talk about because we only see people like us.

We have consciously invested behind the "and" strategy. In the last three-four years, I think we have ensured that our distribution partners make significant ROI profitability. We are investing behind technology. We are investing behind direct distribution. And therefore, GT can be a source of sustainable competitive advantage and will continue to be in the next five-seven years.

We believe alternate channels are a source of driving premiumization as well as a test market for innovation. And we have been avoiding cannibalistic growth. So therefore, I think that's the reason you have multiple levers of growth and not depend on one channel.

In fact, that's one of the shifts we did two-three years ago when we realized that we must pivot and that's when the operation of Project SETU started. So I believe India is a place of immense opportunities and there is opportunities for all the channels to grow.

Having said that, I think quick commerce has established itself. And I think quick commerce is unique to India where because of certain factors, quick commerce is bound to grow. And we are investing behind quick commerce. What helps us is those six-seven digital brands, and therefore, we are a very big on quick commerce.

Having said that, one trend we are seeing is there has been a slight slowing down of growth in modern trade and the marketplace e-commerce in the last few quarters.

The second question on digital. I think all the brands are growing well. But as I alluded to that for us, a 20% - 25% growth with profitability is much more important than growing 40% - 50% and burning cash. All the brands are doing fairly well. Beardo has done double-digit profitability.

Plix is in high single digit, trending towards double digit. We acquired Cosmix, which was already on high teens profitability. We are seeing a path to profitability for the other brands over the next 12 to 18 months, but the burn is now low. And therefore, we will grow it responsibly at the same time. And I think that the significant part of EBITDA growth, which we're going to witness this year is contributed by the profitability improvement in both food and digital brands, some through the mix and some obviously through the benefit which we have got from raw material.

Sidharth Negandhi: Sure. In fact, that's very evident where if we just look at on an EBIT level because that's where the segment comes in, right, there is a clear 40% jump in your non-standalone India EBIT. So that is clear. This is clear. Just a follow-up on that. So it is interesting you mentioned, right, that the quick commerce has seen growth has established itself, but you're seeing a slowdown in organized trade and that channel and considering that.

Saugata Gupta: Let me clarify, I said relative slowdown. I'm not saying a slowdown, but upside to the past. So that I want to make myself clear.

Sidharth Negandhi: So sorry, I did not mean to allude in any way that GT is I mean, I'm equally clear on the fact that GT is probably still going to remain the dominant channel. That part is clear. What I wanted to understand is on quick commerce, considering that a large part of quick commerce is really channel shift rather than the incremental demand, right? Are you seeing that channel shift happening more from modern trade or from general trade?

Saugata Gupta: Very difficult to say. I think it's coming from everything. But I believe there is a certain shopper who is slightly different, which is less price sensitive, maybe wanting more convenience. So we ensure that there is a channel pack architecture for each channel so that it is not cannibalistic and therefore, we maximize each channel and also ensure that we are test marketing new products to this quick commerce opportunity. So we are seeing it slightly differently so that we reduce the cannibalistic sale.

Moderator: The next follow-up question comes from the line of Abneesh Roy with Nuvama.

Abneesh Roy: Two follow-up questions. One is slightly medium-term structural question on Saffola. If I see the target audience of Saffola, there is a lot of commonality with customer who uses Air Fryer and GLP-1. And if you see Air Fryer, the pricing has become very democratized and there's very aggressive advertising also. And same thing is with GLP-1 also.

So I wanted to understand, yes, you're focusing on profitable growth in Saffola for the past 2 quarters and maybe years. But medium-term volume growth itself, is there a big question mark on Saffola because a lot of our penetration has happened. And if the same customer is now cutting down because of air fryer and GLP-1, volume growth itself will become a big question mark. Volume decline is my question. How are you worried on the volume decline?

Saugata Gupta: I think what we are doing is a structural reset of the portfolio where we are saying that we don't want a certain set of variants, which don't make a threshold cut in terms of profitability. Let me tell you, Saffola as a brand for the last 20 years has been encouraging consumers to use the right oil but use less oil. And in line with what the Prime Minister has spoken, we encourage consumers, and that's why the LOSORB technology was being discovered and invented so that it absorbs less oil. So we have been working towards a healthier India.

And we are attracting a certain set of consumers and Saffola will continue to attract new set of consumers. So mid-single-digit volume growth is absolutely fine. Having said that, it's pivoting towards food. And maybe in a couple of years, food will become the bigger part of the Saffola architecture.

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Abneesh Roy: Last question. You have essentially mastered and pioneered the D2C acquisition. So last 1, 2 years, whatever acquisitions you have done, say, 4700BC, Cosmix and some of the overseas brands, how much will be Marico or your involvement in day-to-day? So how is the transition working in terms of the management?

Saugata Gupta: So as you know that these brands have just come to us this year, early this year, all the 3 brands. For a minimum period of at least 3 years we learn these. And today, the way we are looking at it is, as I talked about that we look at from a platform point of view. We now have a BPC platform and we have a foods platform with common expertise and capability. They learn from each other, share resources and they share cost.

And yes, this is the exciting part of the portfolio. In our structure, we have ensured that you have a CEO India business, you have a CEO international business. And I spend definitely a lot of time in digital. It's equally exciting. And we now have a playbook so that we can have tuck-in into the platform rather than looking at a fragmented acquisition.

And as I had alluded to in the last call, when we did a special call with all of you, on the digital structure we are more or less done. We have still one or two things to do. But we will continue to experiment. This began as an iterative thing, and we now have a pretty structured playbook, and we are pretty confident to have a INR4,000 crores early teens kind of EBITDA margin business by 2030.

Abneesh Roy: One follow-up on the shampoo bit. So is there any learning from your skin lotion moisturizer business because that, again, great packaging, clearly, the Parachute brand extension, those things are good. But are you happy with where the scale-up has happened over the past few years? And are there some learnings because both are segments where multinationals really dominate and there are a few Indian companies also which are very strong there.

So would you want to be a niche player? Yes, you mentioned INR100 crores kind of ambition and take 1 year at a time. But if you could just correlate with the skin lotion, the moisturizer brand and that business, what are the commonalities and what are the learnings from there?

Saugata Gupta: Firstly, two things. On the body lotion as a category, the penetration is low. With global warming and winter shrinking, I think the category has not grown significantly. And the category has also pivoted towards low margin in terms of OT-driven brand. And therefore, we said that this is something which we don't want to participate because even if I get 10 or 15 market share in line with a fewer, bigger, bolder, it doesn't fit in.

Now shampoo, we have proven the model. And just to assure all of you that in most of the international markets, we have successfully competed with multinationals. Our growth rate has been pretty good on the shampoo category. Say, in Bangladesh, now it's year 4 or year 5. In Middle East, it's year 2, year 3, where it has got sustained growth. We have a proven model.

I think in India, shampoo category is very large. And Parachute Advanced has a very strong equity. We have significant distribution advantages. I think it is the right time when our execution engine is at its peak, we have a very focused allocation strategy. So the reason I don't

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want to give a three year, five year vision in today's world, we'll take one year at a time, but I'm extremely confident that we'll do fairly well in this. And as I said, it's a very, very large category.

Moderator: Ladies and gentlemen, we take that as the last question for today. I now hand the conference over to the management for closing comments.

Pawan Agrawal: Thanks for listening in. To conclude, we have started the year on a very strong note with multi-quarter high performance across key metrices, supported by robust business fundamentals and disciplined execution. While the near-term macro environment is evolving, we are confident in our ability to navigate it effectively and deliver our full year aspiration to cross INR15,000 crore mark and at the same time, aim for 20% EBITDA growth. We would remain focused on driving consistent, profitable and sustainable value creation for all stakeholders. That's it from our side. Should you have any further queries, please feel free to reach out to our IR team, and they'll 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, everyone, for joining us, and you may now disconnect your lines.

(This document has been edited to improve readability)

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