

## AR FY25: Diversification aids growth, consumer connect

Consumer Goods ▶ Company Update ▶ August 03, 2025

CMP (Rs): 710 | TP (Rs): 810

We maintain BUY with Jun-26E TP of Rs810, on 50x P/E. We see improved execution ahead helping in driving growth and better margins which would enable the company to see ~12% earnings CAGR over FY25-28E. The new portfolio (1/4<sup>th</sup> of consolidated revenue) in India and internationally is aligning with consumer needs, enhancing longevity of growth. In India, the new-age portfolio in food and digital brands accounts for 22% of revenue. Internationally, Marico has created a premium portfolio, which represents 29% of sales. We see execution in this portfolio being key for its aspiration to double revenue by 2030 (~15% CAGR). In FY25, the company's earnings grew by 10% which helped with a better dividend and return profile (ROE ~42%, +3ppt YoY), although higher working capital needs kept the OCF flat YoY.

**Aspiring to double revenue by 2030 by strengthening growth construct**

Having crossed the Rs100bn milestone in FY25, the company now aims to double revenue over the next 5Y. The focus remains on outperforming core categories, gaining market share, and scaling up emerging businesses profitably. In India, the management sees tailwinds in rural and opportunities among the youth (where D2C brands are reshaping the FMCG ecosystem). Ahead, Marico would maintain its thrust on execution around new-age consumers, where needs are evolving fast. In FY25, the company's new growth engine in India (combined ARR of Rs20bn) was sized at Rs9bn in food, Rs3bn in premium personal care, and Rs6bn in the digital-first portfolio. Amid digital brands, Plix is now the biggest with revenue of Rs4.3bn (grew 179% YoY; holds the potential to reach Rs10bn in the medium term), followed by Beardo at Rs2.1bn (grew 24% YoY; medium-term potential at Rs5bn). The company maintains its focus on general trade (5.8mn outlets; under Project SETU, it aspires to expand its current 1mn direct reach to 1.5mn outlets by FY27). Internationally, its focus is on innovation and expansion in premium personal care categories, which now account for 29% of international revenue.

**Coconut oil revenue concentration influences profitability**

Marico's sizable revenue (1/3<sup>rd</sup> in India and ~3/5<sup>th</sup> in Bangladesh) is concentrated in the coconut oil segment, which now accounts for 31% of revenue. With a focus on diversification, it has reduced category dependence by ~5ppt in the last five years. This diversification is reflected in relatively better gross margin management in the current inflationary cycle. We see steady revenue diversification ahead which will arrest margin volatility. Copra, a key raw material, has seen a sharp surge in prices in the last 6M across India and Indonesia. Recent trends suggest easing in copra prices, with price deflation accelerating on improvement in seasonal supplies. We believe the initial thrust should be on maintaining the current price premium; as copra prices reach comfort zone, the company should focus on recouping the price premium.

**Valuation aligns with 5YF average; re-rating likely on enhanced execution**

We like Marico, given its attentiveness to align the business with evolving consumer needs. Its current valuation (FY27E P/E at 43x) aligns with the 5YF average P/E which is likely to expand on better delivery ahead. We maintain BUY with a TP of Rs810.

Target Price – 12M	Jun-26
Change in TP (%)	-
Current Reco.	BUY
Previous Reco.	BUY
Upside/(Downside) (%)	14.1

Stock Data	MRCO IN
52-week High (Rs)	745
52-week Low (Rs)	578
Shares outstanding (mn)	1,297.8
Market-cap (Rs bn)	921
Market-cap (USD mn)	10,527
Net-debt, FY26E (Rs mn)	(9,584.6)
ADTV-3M (mn shares)	2
ADTV-3M (Rs mn)	1,627.8
ADTV-3M (USD mn)	18.6
Free float (%)	40.8
Nifty-50	24,565.3
INR/USD	87.5

**Shareholding, Jun-25**

Promoters (%)	59.0
FPIs/MFs (%)	23.6/12.7

**Price Performance**

(%)	1M	3M	12M
Absolute	(1.0)	(0.1)	5.2
Rel. to Nifty	2.9	(1.0)	7.1

**1-Year share price trend (Rs)****Marico: Financial Snapshot (Consolidated)**

Y/E March (Rs mn)	FY24	FY25	FY26E	FY27E	FY28E
Revenue	96,530	108,310	122,640	133,780	147,024
EBITDA	20,260	21,390	23,737	27,876	30,704
Adj. PAT	14,810	16,290	17,717	20,698	22,714
Adj. EPS (Rs)	11.5	12.6	13.7	16.0	17.6
EBITDA margin (%)	21.0	19.7	19.4	20.8	20.9
EBITDA growth (%)	11.9	5.6	11.0	17.4	10.1
Adj. EPS growth (%)	13.7	10.0	8.8	16.8	9.7
RoE (%)	38.8	41.7	43.0	46.8	47.7
RoIC (%)	55.5	51.2	54.9	62.3	65.9
P/E (x)	61.8	56.2	51.7	44.2	40.3
EV/EBITDA (x)	44.9	42.5	38.3	32.6	29.6
P/B (x)	23.9	23.0	20.9	18.6	17.0
FCFF yield (%)	1.3	1.4	1.8	2.1	2.3

Source: Company, Emkay Research

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## Targets to double revenue by 2030

### Aspires to be a globally admired digital FMCG company

As the company attained the revenue milestone of Rs100bn in FY25, the management's thrust is to double revenue in the next five years. It has a clear roadmap in place rooted in innovation, purposeful brand-building, and operational excellence. The management's thrust remains on a) outperforming the category and gaining share in core portfolios and b) profitable scale-up of emerging businesses. The company will have strategic investments and a commitment to building scalable, resilient businesses; it has cultivated a vibrant new-age digital-first portfolio that is progressively stepping up its contribution to both the topline and bottomline each year.

### Focus on 4Ds: Diversification, Distribution, Digital, and Diversity

The management's thrust is on driving the 4Ds to deliver sustainable and profitable growth – Diversification, Distribution, Digital, and Diversity.

- **Diversification:** In India, the company has made steady progress in diversification with thrust on food and premium personal care, which now contributes 22% to revenue vs 11% in FY22. The management's endeavor is to expand the contribution to 25% by FY27. Notably, the rapid scale-up in these portfolios was accompanied by an improvement in their margin profiles, thus reflected in their share of India Net Contribution moving to double digits (~5x of FY22) in FY25. Internationally, faster growth in MENA and South Africa helped in reducing dependence on Bangladesh to 42% vs 51% in FY22. Even in Bangladesh, revenue dependence on coconut oil has reduced to 58%.
- **Distribution:** In India, organized trade continues to gain traction where GT remains a critical channel for its core categories and in tier 2 and beyond markets. The company, under project SETU, has taken concerted efforts to revive GT's performance. The project is active in 11 states and focuses on rural outlet expansion on a pan-India level, underpinned by robust control frameworks. The initiative will also aid in better assortment in urban stores and drive premiumization. Internationally, Marico continues to deepen its presence across key markets—Bangladesh, Vietnam, Middle East, and Egypt, where it sees meaningful headroom for distribution-led growth.
- **Digital:** The company has consistently invested in digital and analytical capabilities across the value chain and core functions. Since launching in 2019, its digital transformation initiatives enabled data-led decisions by using AI/ML and real-time systems, driving a measurable impact in demand sensing, spend effectiveness, inventory optimization, and innovation via social listening. The company has embarked on a Next-gen ERP journey by implementing SAP S/4 under RISE (SaaS) across geographies.
- **Diversity:** Inclusion and diversity are central to Marico's organizational strategy, with a clear focus on three pillars—Gender, Persons with Disability, and Thought Diversity.

### Management capability augmentation aiding growth agenda

The company has onboarded three professionals on the management team – Dr Shilpa Vora (Chief R&D officer) and Vrijesh Nagathan (Chief Information and Digital Technology officer) in Mar-22. In Mar-24, it onboarded Akash Banerji (Executive VP and Head, Digital transformation and Beauty and Styling Digital business).

### Dr Shilpa aided innovation agenda at the company

The innovation funnel enhanced under Dr Shilpa, who joined Marico in Mar-22 after serving 24 years at Hindustan Unilever. Marico's focus has been on delivering high-impact, science-backed solutions that reflect local consumers' aspirations, traditions, and evolving lifestyles. The company launched 8 products in FY25.

- In **Beauty and personal category**, the 4 noteworthy launches were: a) *Parachute Advanced Baby Care Range* – Nurturing with Nature, Infused with the natural goodness of Virgin Coconut Oil, Almond Oil, and Vitamins E & F; b) *Set Wet* – Styling for the New-Age Man; c) *Livon Style Pro* – Breaking Ground Female Grooming Products, and d) *Herbs India* (MENA and Egypt) – Powered by Nature, Backed by Science

**Exhibit 1: Innovations in Beauty and Personal Care**



Source: Company, Emkay Research

- In **Food**, the noteworthy innovations were: a) Oats and oat products - *Saffola Cuppa Oat*, b) Breakfast cereal – launched in three flavors: Kesar Crunch, Berry Crunch, and Choco Crunch, c) *Saffola Honey Gold* (100% pure honey sourced from Kashmir) and *Saffola Honey Active* (harvested from Sundarbans), and d) *True Elements*.

**Exhibit 2: Product introductions in Food**

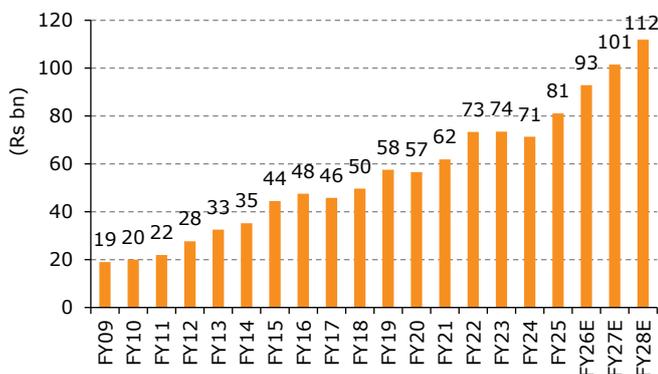


Source: Company, Emkay Research

**India: Rural demand recovery and steady urban in FY25**

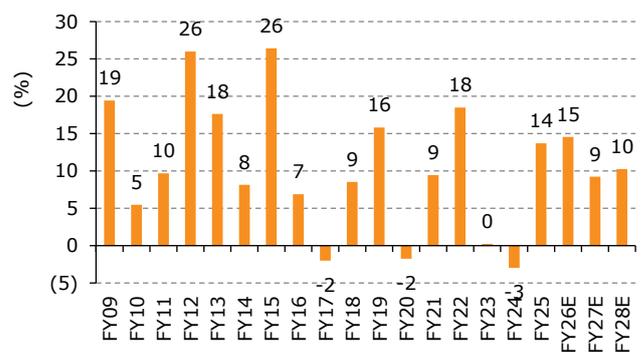
The India business delivered a growth of 14% YoY, aided by price interventions in core categories in response to sharp rises in input costs. The underlying volume growth stood at 5%. The operating margin for the India segment was 20.2% in FY25, down by 220bps YoY. Margin moderation was attributed to elevated copra and vegetable oil prices, although partially mitigated by pricing actions in key portfolios.

**Exhibit 3: India revenue trend**



Source: Company, Emkay Research

**Exhibit 4: India revenue growth**



Source: Company, Emkay Research

The management noted that the FMCG sector had demonstrated steady demand, underpinned by a gradual recovery in rural sentiment and stable urban consumption. Rural growth was aided by favorable rainfall, higher minimum support prices (MSPs), and continued government expenditure while urban consumption presented a more nuanced picture (with positive momentum in the upper-middle income and affluent segments and heightened retail and food inflation during most of the year, weighing on mass urban consumption). Moderation in retail and food inflation toward the end of FY25, coupled with forecasts of a healthy monsoon season, augurs well for FY26.

## Efforts to address consumer needs across channels

Alternate channels such as Modern Trade and E-commerce continued to gain momentum. With quick commerce rapidly scaling up to ~3% of India business in FY25, the company is building assortment across categories to effectively capitalize on the potential of this channel. Additionally, GT remains stressed where the company is looking to revive growth under Project SETU, which is now active in 11 states. Under Project SETU, the company is looking to enhance its direct reach from 1mn to 1.5mn by FY27. This project is initiated to:

- Enhance in-store assortment,
- Optimize infrastructure, and
- Improve distributor ROI.

The thrust now is on rural outlet expansion on a pan-India basis.

## Ky opportunities and trends in India business

In a consumption driven economy, per-capita FMCG consumption at USD49 is less than a quarter of regional peers' levels. This provides a growth runway to the company. The management sees key opportunities and trends shaping up the FMCG industry:

- **Youth redefining the FMCG playbook:** Millennials and Gen Z—projected to make up nearly 50% of India's population by 2030—are shaping the next wave of consumer trends. Their preferences are rooted in convenience, digital-first behavior, and wellness. They are research-driven, comparison-oriented, and demand transparency—prompting a surge in 'know before you buy' behavior.
- **Aspirations fuel consumption, aiding premiumization:** McKinsey projects India will be home to the world's third largest high-income household base by 2030. A burgeoning middle class now represents the largest segment of the population, as the low-income cohort shrinks and affluence rises. This shift is catalyzing greater consumer spending, driving demand for premium and aspiration-led products across categories such as personal care, home care, nutrition, and wellness.
- **D2C brands reshaping the FMCG ecosystem:** The traditional FMCG model—marked by time-consuming consumer research, broad-based product development, and reliance on fragmented distribution networks—is being redefined. The rise of a) digital technology, b) a more experimental consumer mindset, and c) an entrepreneurial start-up ecosystem has given birth to a new breed of FMCG players: Direct-to-Consumer (D2C) brands.
  - These brands leverage digital channels to go straight to the consumer, skipping intermediaries. With sharp value propositions, targeted digital marketing, and deep consumer insights, they've scaled rapidly. Their agility allows them to innovate faster, build emotional resonance, and form tight-knit communities of brand loyalists.
  - D2C brands are also masters of retention and re-engagement – often using social media, influencer tie-ups, and subscription models to maintain direct and repeat touchpoints with their consumers. As they continue to mature, many are exploring hybrid models and offline expansion, further strengthening their presence.
- **Rapid growth in e-commerce aided by quick commerce:** As per Nielsen, online FMCG sales could reach 11% by 2030, an eightfold increase from the current level. A big trend in this space is the rapid rise of Quick Commerce— a model that promises deliveries in minutes. Over two-thirds of all online grocery orders and nearly 10% of total e-retail spending in 2024 occurred via Q-commerce platforms. These platforms now include personal care, medicines, drinks, and snacks.
  - Bain & Company expects it to grow over 40% annually through 2030, driven by expansion into new categories, beyond metro cities, and growing consumer comfort with app-based instant shopping.
- **The New Digital India:** In the post-Covid world, digital transformation is no longer optional— it's central to FMCG competitiveness. Predictive analytics and machine learning now guide everything from product development to distribution strategy.

**The company has overall outlet reach of 5.8mn.**

- **Sustainability – a natural part of India’s consumer journey:** According to Bain & Company, while Indian consumers do consider sustainability, they take less conscious decisions and more of intuitive ones, shaped by culture and values.
- **Rural, a structural tailwind for FMCG:** The average rural FMCG basket size has surged ~60% between 2022 and 2024 (Kantar), with a clear shift toward premium products. Increasing internet access and smartphone adoption are enabling deeper engagement through e-commerce and digital marketing. With rural per capita income rising and the share of population remaining dominant (~65%), FMCG companies are well positioned to capture long-term value.

**Parachute volumes to see recovery, on expected easing in copra**

The rigid pack portfolio strengthened its market leadership (gained 70bps of volume market share on a MAT basis), despite consumption titration and sharp price hikes in response to hyperinflationary trends in input costs. To address inflationary stress, brands implemented ml-age reduction in select packs during FY25. In FY25, the portfolio saw 13% revenue growth, with 2% volume growth. With expected easing in copra prices in FY26, the management expects a gradual recovery in volumes. With robust supply chain and execution agility, the management is confident about outperforming local players as the setting improves ahead.

Flanker Coconut Oil portfolio (including Nihar Naturals and Oil of Malabar) recorded mid-single digit volume growth in FY25. Overall, the volume market share of the Coconut Oil franchise was at 63%. Unbranded coconut oil market share remains at 25-30%, presenting an opportunity for branded offerings.

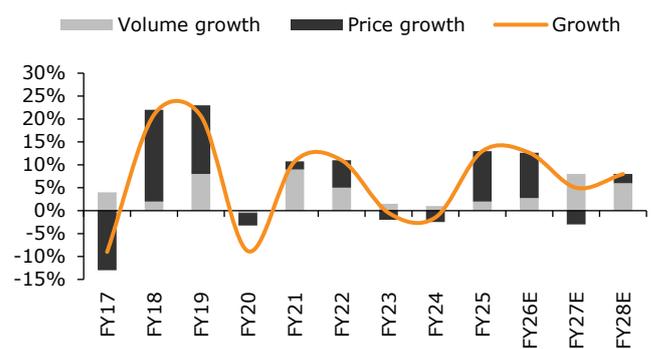
**Parachute rigid pack sales represent 38% of domestic revenue.**

**Exhibit 5: Parachute revenue (rigid pack)**



Source: Company, Emkay Research

**Exhibit 6: Parachute growth trend and expectations**



Source: Company, Emkay Research

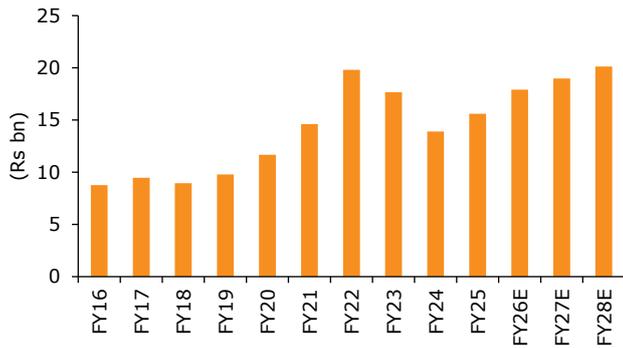
**Edible oil volumes to improve with stability in RM prices**

The company had to react with sharp price hikes in H2FY25, on sharp inflation in RM prices and duty imposition. Segmental revenue (19% of domestic revenue) grew 13% with low single-digit volume growth. The management’s strategic priority was to safeguard profitability threshold in this portfolio while maintaining stability in volumes. In FY26, on the back of easing in duty, the company has reacted with cuts in selling prices, thus aiding volumes.



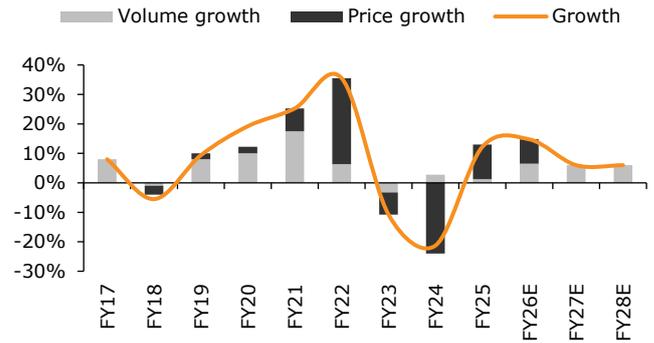
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Exhibit 7: Edible oil revenue



Source: Company, Emkay Research

Exhibit 8: Edible oil growth trend and expectations



Source: Company, Emkay Research



**VAHO portfolio had a muted FY25; expected to have a robust FY26**

Affected by aggressive competitive intensity, particularly at the bottom of the pyramid, VAHO portfolio had a muted FY25, with revenue declining 4% YoY. Mid-and-premium segments continued to perform relatively better. The franchise maintained its leadership position with 28% value market share, up 120bps YoY on MAT basis.

**VAHO represents 19% of domestic revenue.**

- *Nihar Shanti Amla* had a challenging year amid persistent irrational competition. The management is looking to turn around the franchise with focused interventions.
- *Parachute Advansed Jasmine* delivered a resilient performance, maintaining its momentum despite intensifying competition, and continued to gain market share during the year.
- With its refreshed damage repair proposition, *Hair & Care* continued to drive brand penetration.

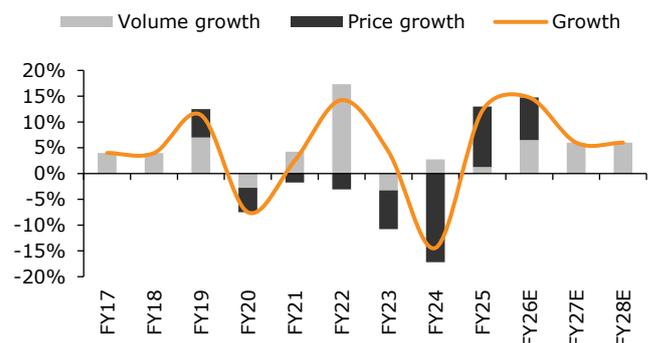
The management is assured of marked improvement in growth in FY26, backed by a) focused interventions for the bottom-of-the-pyramid segment, b) consistent brand-building investments, and c) sharper brand activations. Its efforts are on driving growth in mid-and-premium segments; meanwhile, stabilizing the bottom-of-the-pyramid segment will lead to improved mix and steady uptick in value growth.

Exhibit 9: VAHO revenue



Source: Company, Emkay Research

Exhibit 10: VAHO growth trend and expectations



Source: Company, Emkay Research



**Food revenue (11% of domestic revenue) at ~Rs9bn**

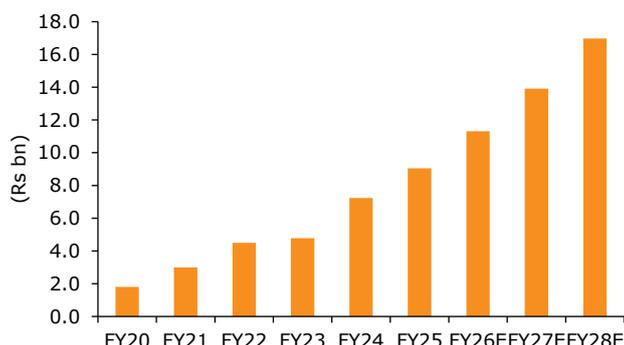
The management’s concerted efforts in diversification of revenue from food have been aiding in a healthy scale-up of the portfolio. In the last five years, the company has expanded revenue ~5x to Rs9bn (up 33% YoY in FY25) and aspires to expand the multiple to 8x by FY27, at 25% revenue CAGR. During the year, Saffola brands expanded into Muesli, Masala Millets, and Cuppa Oats. With focused efforts, the company has enhanced its portfolio gross

margin by ~10ppt in the last couple of years. Over the medium term, the management is looking to gradually expand margins.

Saffola’s product portfolio is designed to reinforce Marico’s commitment to the No Nasties policy (no palm oil, maida, preservatives, artificial colors or flavors).

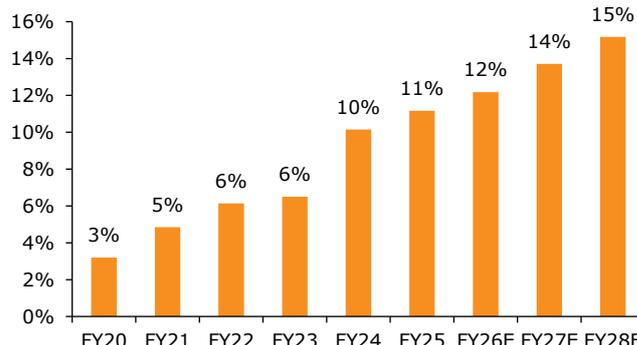
- *Saffola Oats* retained its position as the No 1 brand in the oats category, delivering healthy double-digit growth while continuing to gain volume market share.
- *Saffola Soya Chunks*, plant-based protein proposition, continued its strong trajectory and is on track to becoming a Rs1bn brand in the medium term.
- *Saffola Honey* continued to strengthen its presence, holding close to double-digit market share in Modern Trade and +20% market share in e-commerce.
- During the year, the brand relaunched its offering in the ready-to-eat snacks category with *Saffola Crunchiez Ragi Chips*.
- The brand also entered the fastest growing segment within breakfast cereals with *Saffola Muesli* in three exciting variants — Berry Crunch, Kesar Crunch, and Choco Crunch.
- The company has launched *Saffola Masala Millets* in two flavorful variants — Masala Delight and Tomato Delight.
- *True Elements* scaled up impressively in FY25, remaining steadfast in its commitment to innovation and clean nutrition.
- *Plix*, a plant-based brand in nutraceuticals and personal care, sustained its rapid growth trajectory in FY25. *Plix* holds the potential to scale up to Rs10bn revenue in the medium term.

Exhibit 11: Food portfolio revenue



Source: Company, Emkay Research

Exhibit 12: Food- contribution to domestic revenue



Source: Company, Emkay Research

**'Sprinklr', Marico's social listening platform, serves as a key enabler in capturing the voice of customers across digital touchpoints. This enables the team to stay agile and responsive to consumer sentiment, preferences, and emerging trends.**

**Health and nutrition thrust aligns portfolio with consumer needs**

Unlike other FMCG companies, Marico is building its food portfolio by aligning with nutritional needs of consumers. It has a Nutritional Profiling System, which benchmarks every food product against health and nutrition criteria, derived from scientific research and global best practices. This ensures that offerings align with international standards of sugar, sodium, fat, protein, fibre, and essential micronutrients.

The entire Saffola portfolio is based on stringent Health and Nutrition guidelines stated in Marico's Product Stewardship policy, with no palm oil, maida or artificial colors/flavors as the mandate for any food product of Marico.

To further enhance the health quotient, the company has worked on:

- **Sodium reduction:** Launched new variants with up to 20% reduced sodium content in key products such as Saffola Masala Oats, Saffola Masala Millets, and Saffola Crunchiez
- **Sugar reduction:** None of the products of the portfolio contain refined sugar.
- **Fortification and Functional Nutrition:** Saffola edible oil is enriched with vitamins A and D and contains natural form of vitamin E. Saffola Muesli is fortified with 8 essential micronutrients, including B complex vitamins, iron, and biotin. Saffola Multigrain Oats offers a goodness of oats plus multigrain, with a bundle of protein, fiber, and micronutrients.

- **Nutritive Ingredients Portfolio:** The company exclusively uses proven, health-supportive base ingredients such as oats, soya, millets, multi-source edible oils (MSEOs), nuts and seeds, and honey.

### Premium personal care stood flat; digital-first expands

Premium personal care had flat sales YoY in FY25 with revenue at Rs3bn. However, digital brands had a strong scale-up. The management’s focused attention on the digital-first portfolio has aided an annualized revenue run rate of Rs7.5bn, which is ahead of its initial targets. Seeing the path ahead, the management has revised up its expectations for FY27 to 2.5x of FY24 levels vs 2x earlier.

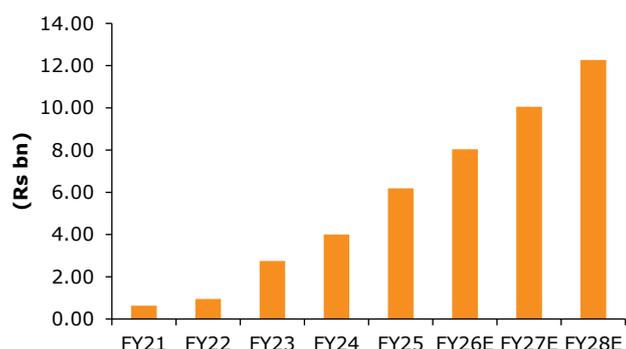


The digital-first portfolio comprises Beardo, Just Herbs, and the personal care segment of Plix, scaling up well ahead of aspirations.

- *Beardo* has scaled nearly 4x since FY21, reaching close to double-digit EBITDA margin. The brand posted +20% growth in FY25 and has the potential to reach the Rs5bn mark in the medium term.
- *Just Herbs* blends traditional Ayurvedic wisdom with modern science to offer beauty solutions that are safe, honest, and effective. In FY25, the brand crossed the Rs1bn revenue milestone, supported by portfolio expansion into natural makeup and pure fragrances.
- *Plix*’s personal care portfolio is steadily gaining consumer traction and delivered single-digit EBITDA margin during the year.

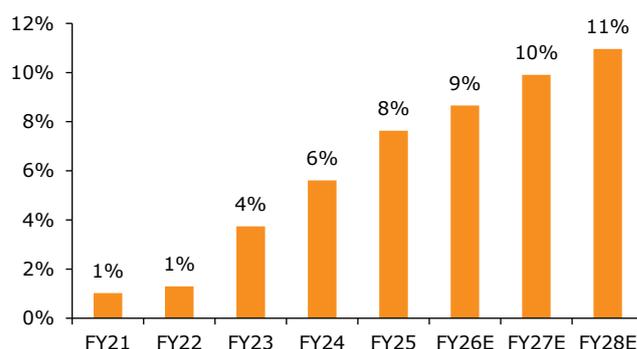
With continued focus on profitability and scale, Marico aspires to deliver double-digit EBITDA margin across its digital-first portfolio by FY27.

**Exhibit 13: Digital brands portfolio revenue**



Source: Company, Emkay Research

**Exhibit 14: Digital brands’ contribution to domestic revenue**



Source: Company, Emkay Research

The management considers its model as unique (since it has engineered a profitable and sustainable growth model, which does not rely on cash burns). Among the acquired digital brands, the company now has 2 distinct cohorts at different stages of their growth journey.

- The first cohort consists of *Beardo* and *Plix*, which are profitable at the EBITDA level and are on an accelerated growth path. The management expects these two brands to cross Rs10bn in combined ARR in FY26, with a clear focus on driving operating profitability with scale.



This report is intended for Team White Marque Solutions (team.emkay@whitemarqueresolutions)

**Exhibit 15: Digital brands portfolio**



Source: Company, Emkay Research

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**Exhibit 16: Beardo – Profit and loss statement**

(Rs mn)	FY20	FY21	FY22	FY23	FY24	FY25
<b>Revenue from operations</b>	<b>796</b>	<b>634</b>	<b>949</b>	<b>1,066</b>	<b>1,732</b>	<b>2,142</b>
growth		-20%	50%	12%	62%	24%
COGS	323	231	296	369	675	941
<b>Gross profit</b>	<b>473</b>	<b>403</b>	<b>652</b>	<b>698</b>	<b>1,056</b>	<b>1,201</b>
growth		-15%	62%	7%	51%	14%
gross margin	59%	64%	69%	65%	61%	56%
Employee costs	122	104	106	126	125	141
as a % of revenue	15%	16%	11%	12%	7%	7%
A&P spends	241	189	373	413	439	524
as a % of revenue	30%	30%	39%	39%	25%	24%
Other operating spends	76	162	178	228	420	340
as a % of revenue	10%	26%	19%	21%	24%	16%
<b>EBITDA</b>	<b>33</b>	<b>(52)</b>	<b>(5)</b>	<b>(70)</b>	<b>72</b>	<b>196</b>
growth		-256%	-91%	1415%	-204%	172%
EBITDA margin	4%	-8%	0%	-7%	4%	9%
Depreciation	4	6	6	8	11	19
<b>EBIT</b>	<b>29</b>	<b>(57)</b>	<b>(11)</b>	<b>(78)</b>	<b>61</b>	<b>177</b>
growth		-299%	-81%	619%	-178%	191%
Finance costs	0	2	2	9	13	10
Other income	7	8	7	3	1	7
<b>PBT</b>	<b>36</b>	<b>(52)</b>	<b>(5)</b>	<b>(84)</b>	<b>48</b>	<b>174</b>
growth		-245%	-90%	1462%	-158%	261%
Tax	(9)	(1)	13	23	(12)	(44)
<b>PAT</b>	<b>27</b>	<b>(53)</b>	<b>8</b>	<b>(61)</b>	<b>36</b>	<b>130</b>
growth		-296%	-114%	-912%	-158%	264%

Source: Company, Emkay Research

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**Exhibit 17: Satiya Nutraceuticals Private (Plix) – Profit and loss statement**

(Rs mn)	Standalone	Consolidated	
	FY25	FY24	FY25
Contracted price	4,233	1,565	4,380
Less: Discounts	51	12	51
as a % of contracted price	1%	1%	1%
<b>Revenue from operations</b>	<b>4,182</b>	<b>1,553</b>	<b>4,328</b>
growth	188%		179%
COGS	1,160	419	1,148
<b>Gross profit</b>	<b>3,022</b>	<b>1,134</b>	<b>3,180</b>
Gross margin	72%	73%	73%
Employee costs	195	162	198
as a % of revenue	5%	10%	5%
A&P spends	1,916	687	1,942
as a % of revenue	46%	44%	45%
Other operating spends	812	427	963
as a % of revenue	19%	27%	22%
<b>EBITDA</b>	<b>100</b>	<b>(142)</b>	<b>77</b>
EBITDA margin	2%	-9%	2%
Depreciation	26	14	26
<b>EBIT</b>	<b>74</b>	<b>(155)</b>	<b>51</b>
Finance costs	6	2	6
Other income	29	31	35
<b>PBT</b>	<b>96</b>	<b>(126)</b>	<b>80</b>
Tax	-36	35	-32
<b>PAT</b>	<b>60</b>	<b>(92)</b>	<b>48</b>

Source: Company, Emkay Research

**Exhibit 18: Key revenue streams for Plix**

	FY25	FY24	FY25
Weight management	2,214	1,013	2,292
Personal care	1,940	502	2,009
Others	28	38	28
<b>Revenue</b>	<b>4,182</b>	<b>1,553</b>	<b>4,328</b>

Source: Company, Emkay Research

- The second cohort consists of *Just Herbs* and *True Elements*, though not yet at breakeven, and will focus on sustainable 20-25% growth and leveraging scale and synergy to achieve breakeven at the earliest over the next 18 to 24 months.

This report is intended for Team White Marque Solutions (team.emkay@whitemarquesolutions)

**Exhibit 19: Apcos Natural – Just Herbs – Profit and loss statement**

(Rs mn)	FY21	FY22	FY23	FY24	FY25
<b>Revenue from operations</b>	<b>173</b>	<b>351</b>	<b>593</b>	<b>960</b>	<b>988</b>
growth		103%	69%	62%	3%
COGS	26	73	161	238	265
<b>Gross profit</b>	<b>146</b>	<b>278</b>	<b>432</b>	<b>722</b>	<b>723</b>
growth		90%	55%	67%	0%
Gross margin	85%	79%	73%	75%	73%
Employee costs	21	43	66	96	131
as a % of revenue	12%	12%	11%	10%	13%
A&P spends	91	220	385	504	630
as a % of revenue	53%	63%	65%	53%	64%
Other operating spends	43	80	122	193	216
as a % of revenue	25%	23%	21%	20%	22%
<b>EBITDA</b>	<b>(9)</b>	<b>(65)</b>	<b>(141)</b>	<b>(71)</b>	<b>(254)</b>
growth		617%	117%	-50%	256%
EBITDA margin	-5%	-19%	-24%	-7%	-26%
Depreciation	6	7	8	10	13
<b>EBIT</b>	<b>(16)</b>	<b>(72)</b>	<b>(149)</b>	<b>(81)</b>	<b>(267)</b>
growth		364%	106%	-45%	228%
Finance costs	3	2	4	9	29
Other income	3	5	2	2	1
<b>PBT</b>	<b>(15)</b>	<b>(70)</b>	<b>(152)</b>	<b>(88)</b>	<b>(294)</b>
growth		353%	117%	-42%	233%
Tax	0	20	36	-19	-77
<b>PAT</b>	<b>(15)</b>	<b>(50)</b>	<b>(115)</b>	<b>(70)</b>	<b>(217)</b>

Source: Company, Emkay Research

**Exhibit 20: Just Herbs revenue split**

	FY23	FY24	FY25
Hair care	76	68	67
Skin care	104	86	74
Body care	24	31	
Make up	369	689	711
Fragrances	18	86	136
Others	1	1	
<b>Total revenue</b>	<b>592</b>	<b>960</b>	<b>988</b>

Source: Company, Emkay Research

This report is intended for Team White Marque Solutions (team.emkay@whitemarquesolutions)

**Exhibit 21: HW Wellness Solutions – True Elements – Profit and loss statement**

<b>(Rs mn)</b>	<b>FY24</b>	<b>FY25</b>
Contracted price	841	1,733
Less: Discounts	79	93
as a % of contracted price	9%	5%
Add: Others	2	0
<b>Revenue from operations</b>	<b>764</b>	<b>1,644</b>
growth	33%	115%
COGS	418	947
Gross profit	346.1	696.8
Gross margin	45%	42%
Employee costs	185	242
as a % of revenue	24%	15%
A&P spends	163	416
as a % of revenue	21%	25%
Other operating spends	205	273
as a % of revenue	27%	17%
<b>EBITDA</b>	<b>(207)</b>	<b>(234)</b>
EBITDA margin	-27%	-14%
Depreciation	27	34
<b>EBIT</b>	<b>(234)</b>	<b>(268)</b>
Finance costs	11	20
Other income	19	4
<b>PBT</b>	<b>(225)</b>	<b>(284)</b>
Tax	66	51
<b>PAT</b>	<b>(159)</b>	<b>(233)</b>

Source: Company, Emkay Research

The company is looking to drive significant operational synergies and leverage 1P data across its digital business to unlock further efficiencies. The management firmly believes that the company is on track to becoming one of the most successful digital FMCG companies in the country.

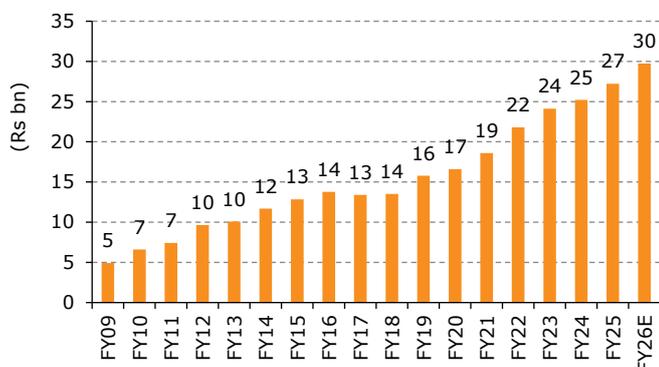
The combined revenue share of Food and Premium Personal Care in the India business stood at ~22% in FY25, representing a combined ARR of ~Rs20bn. The management is looking to continue to aggressively diversify through these portfolios, in line with its medium-term strategic priorities, and expects these to expand domestic revenue to ~25% by FY27. These new businesses continue to deliver higher gross margins compared to core categories, thereby bearing the potential of margin accretion as they scale further. The share of combined businesses in the India business net contribution rose to double digits, which is ~5x of FY22 levels. As a result of the evolving revenue mix, the company is building a structurally resilient India business with lower dependency on commodity-linked businesses.

This report is intended for Team White Marque Solutions (team.emkay@whitemarquesolutions)

## International: Thrust on sustaining double-digit growth

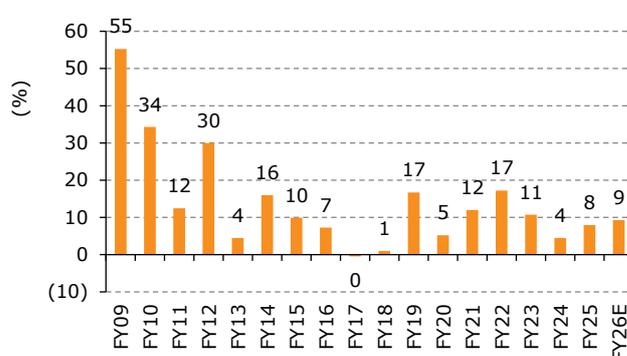
Marico saw broad-based double-digit constant currency growth at ~14% in FY25. In rupee terms, growth was 8% YoY to Rs27.2bn (~25% of consolidated revenue). Bangladesh remained resilient with double-digit growth despite a tough environment. MENA and South Africa continued their strong growth trajectories, while Vietnam saw a relatively subdued year with mid-single-digit growth. Operating margin improved to 27.9% in FY25, up from 26.8% in the previous year, driven by premiumization of portfolios across markets and operating leverage from accelerated scale-up in MENA and South Africa.

**Exhibit 22: International revenue trend**



Source: Company, Emkay Research

**Exhibit 23: International revenue growth**



Source: Company, Emkay Research

### Premium portfolios’ share at 29%

The company made visible progress in premiumizing its portfolios across markets, with innovations and expansions into Premium Personal Care categories like shampoos, skincare, hair styling care (excluding hair oils), and baby care. These premium portfolios have grown at a disproportionately higher pace than the core portfolio over the last 4 years, with their revenue share reaching ~29% in FY25. The management noted that it will continue to invest aggressively toward diversifying the portfolio, expanding the total addressable market, and driving market-share gains in each of the markets.

### Bangladesh (42% of international) saw 12% CC growth

Marico Bangladesh reported improved revenue growth in FY25, with constant currency revenue growing 12%. Adjusted for currency in rupee terms, revenue grew 7% YoY. Bangladesh continued to demonstrate visible resilience despite early operational headwinds, which eased in the latter half of the year. On the macro front, GDP growth in the country decelerated to 3.9% in FY25, from 4.2% in FY24 (Jun-24) and 5.8% in FY23. As per the Asian Development Bank, GDP growth is likely to improve to 5.1% in FY26.

The business has steadily reduced its dependence on the Coconut Oil portfolio, which now contributes ~60%. Leveraging its strong distribution backbone and learnings from India, the company remains focused on scaling up these growth engines and enhancing brand presence. The medium-term outlook for Bangladesh remains strong.

This report is intended for Team White Marque Solutions (team.emkay@whitemarquesolutions)

**Exhibit 24: Marico Bangladesh – Profit and loss statement**

(BDT mn)	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25
<b>Turnover</b>	<b>7,349</b>	<b>7,066</b>	<b>6,916</b>	<b>7,815</b>	<b>8,768</b>	<b>9,796</b>	<b>11,307</b>	<b>13,032</b>	<b>14,136</b>	<b>14,524</b>	<b>16,309</b>
growth	15.4%	-3.9%	-2.1%	13.0%	12.2%	11.7%	15.4%	15.3%	8.5%	2.7%	12.3%
<b>Gross profit</b>	<b>3,306</b>	<b>3,181</b>	<b>3,206</b>	<b>3,585</b>	<b>4,295</b>	<b>5,672</b>	<b>6,668</b>	<b>7,071</b>	<b>7,325</b>	<b>8,425</b>	<b>9,711</b>
Gross margin	45.0%	45.0%	46.4%	45.9%	49.0%	57.9%	59.0%	54.3%	51.8%	58.0%	59.5%
Marketing spends	943	639	538	580	774	1,148	1,358	1,254	989	1,015	1,190
as a % of sales	13%	9%	8%	7%	9%	12%	12%	10%	7%	7%	7%
<b>EBITDA</b>	<b>1,930</b>	<b>2,020</b>	<b>2,060</b>	<b>2,430</b>	<b>2,860</b>	<b>3,509</b>	<b>4,445</b>	<b>4,860</b>	<b>5,369</b>	<b>6,423</b>	<b>7,370</b>
OPM	26.3%	28.6%	29.8%	31.1%	32.6%	35.8%	39.3%	37.3%	38.0%	44.2%	45.2%
growth	9.0%	4.7%	2.0%	18.0%	17.7%	22.7%	26.7%	9.3%	10.5%	19.6%	14.7%
<b>PBT</b>	<b>1,830</b>	<b>1,920</b>	<b>1,930</b>	<b>2,240</b>	<b>2,750</b>	<b>3,572</b>	<b>4,194</b>	<b>4,497</b>	<b>5,032</b>	<b>5,857</b>	<b>7,572</b>
PBT margin	24.9%	27.2%	27.9%	28.7%	31.4%	36.5%	37.1%	34.5%	35.6%	40.3%	46.4%
growth	-2.7%	4.9%	0.5%	16.1%	22.8%	29.9%	17.4%	7.2%	11.9%	16.4%	29.3%
Tax	490	510	490	600	727	926	1,086	943	1,159	1,250	1,666
Tax rate	26.8%	26.6%	25.4%	26.8%	26.4%	25.9%	25.9%	21.0%	23.0%	21.3%	22.0%
<b>PAT</b>	<b>1,340</b>	<b>1,410</b>	<b>1,440</b>	<b>1,640</b>	<b>2,023</b>	<b>2,646</b>	<b>3,109</b>	<b>3,554</b>	<b>3,872</b>	<b>4,606</b>	<b>5,906</b>
PAT margin	18.2%	20.0%	20.8%	21.0%	23.1%	27.0%	27.5%	27.3%	27.4%	31.7%	36.2%
growth	-3.6%	5.2%	2.1%	13.9%	23.4%	30.8%	17.5%	14.3%	9.0%	19.0%	28.2%

Source: Company, Emkay Research

**Exhibit 25: Marico Bangladesh's revenue by segment, growth, and contribution**

(BDT mn)	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25
Parachute Coconut oil	5,958	5,630	5,346	5,809	6,054	6,363	6,989	8,035	8,576	8,593	9,464
VAHO	908	944	1,078	1,497	2,095	2,623	3,218	3,788	4,045	4,236	4,859
Color	121	81	68	48	56	58	60	45	45	40	36
Beauty and health						144	394	420	597	765	980
Baby care						93	167	228	277	336	388
Saffola - Edible Oil	18	13	26	51	107	97					
Parachute body lotion	17	70	62	70	51	0					
Others	326	327	337	340	407	417	479	515	596	554	584
<b>Total</b>	<b>7,349</b>	<b>7,066</b>	<b>6,916</b>	<b>7,815</b>	<b>8,770</b>	<b>9,795</b>	<b>11,307</b>	<b>13,031</b>	<b>14,136</b>	<b>14,524</b>	<b>16,309</b>
<b>growth</b>											
Parachute Coconut oil	7%	-6%	-5%	9%	4%	5%	10%	15%	7%	0%	10%
VAHO	38%	4%	14%	39%	40%	25%	23%	18%	7%	5%	15%
Color	8%	-33%	-16%	-29%	17%	4%	3%	-25%	0%	-12%	-10%
Beauty and health							174%	7%	42%	28%	28%
Baby care							80%	37%	21%	21%	15%
Saffola - Edible Oil	176%	-25%	92%	97%	110%	-9%					
Parachute body lotion		314%	-11%	13%	-27%						
Others	992%	0%	3%	1%	20%	2%	15%	8%	16%	-7%	5%
<b>Total</b>	<b>15%</b>	<b>-4%</b>	<b>-2%</b>	<b>13%</b>	<b>12%</b>	<b>12%</b>	<b>15%</b>	<b>15%</b>	<b>8%</b>	<b>3%</b>	<b>12%</b>
<b>Contribution</b>											
Parachute Coconut oil	81%	80%	77%	74%	69%	65%	62%	62%	61%	59%	58%
VAHO	12%	13%	16%	19%	24%	27%	28%	29%	29%	29%	30%
Color	2%	1%	1%	1%	1%	1%	1%	0%	0%	0%	0%
Beauty and health							1%	3%	4%	5%	6%
Baby care							1%	1%	2%	2%	2%
Saffola - Edible Oil	0%	0%	0%	1%	1%	1%					
Parachute body lotion	0%	1%	1%	1%	1%						
Others	4%	5%	5%	4%	5%	4%	4%	4%	4%	4%	4%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>						

Source: Company, Emkay Research

This report is intended for Team White Marquee Solutions (team.emkay@whitemarquesolutions.com)

**Exhibit 26: Bangladesh portfolio**



Source: Company, Emkay Research

**Vietnam (20% of international) had a muted show in FY25**

The company registered 4% constant currency growth in FY25, impacted by transient sluggishness in core categories. The business has seen strong traction in the shower gel segment, while Purité de Prôvence and Ôliv strengthened presence in the female personal care segment. GDP growth remained healthy at 7.1% for CY24 vs 5.1% in CY23. For CY25 and CY26, the Asian Development Bank projects GDP growth of 6.6% and 6.5%, respectively. Vietnam government had set a target of 8% GDP growth for CY25 and double-digit growth in the following year.

**Exhibit 27: Vietnam product portfolio**



Source: Company, Emkay Research

**MENA region (~18% of international) saw a strong FY25**

The MENA region posted constant currency growth of 36% in FY25, led by strong traction across markets. The Middle East and Egypt businesses grew 26% and 73%, respectively, in constant currency terms, driven by well-rounded performances across portfolios and successful product launches in both geographies.

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Exhibit 28: Vietnam product portfolio



Source: Company, Emkay Research

**South Africa (9% of international) had a healthy show**

South Africa business delivered constant currency growth of 19% in FY25, led by strong performances in the Health Care and Hair Care segments. South Africa’s economy grew by 0.6% in 2024, and the National Treasury expects medium-term GDP growth to average at 1.6% over 2025-27.

**New Country Development and Exports (~9% of international)**

The New Country Development and Exports segment grew 16% in FY25. The company continues to remain optimistic about the long-term prospects of this business as it incubates new geographies, to broaden its global footprint.

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## Outlook: Strengthening the growth construct

In India, the company expects to gradually improve growth trends in core categories on the back of moderating trends in retail and food inflation as well as the promise of a healthy monsoon season. This will be further aided by ongoing initiatives to support select General Trade (GT) channel partners and transformative expansion in the direct reach footprint under Project SETU. The company also continues to draw confidence from healthy offtakes, penetration, and market share gains in key portfolios. The management asserted that it would continue to focus on driving differential growth in urban-centric and premium portfolios through the organized retail and e-commerce channels. Therefore, it expects to deliver consistent and competitive growth in the medium term through a much sharper and targeted portfolio and SKU strategy in each channel.

With the strengthening growth construct of the business, the management maintains its aspiration to deliver double-digit revenue growth in the medium term through:

- Consistent outperformance vis-à-vis the category and market-share gains in India’s core portfolios;
- Accelerated growth in the Food and Premium Personal Care in India, and
- Double-digit constant currency growth in the international business.

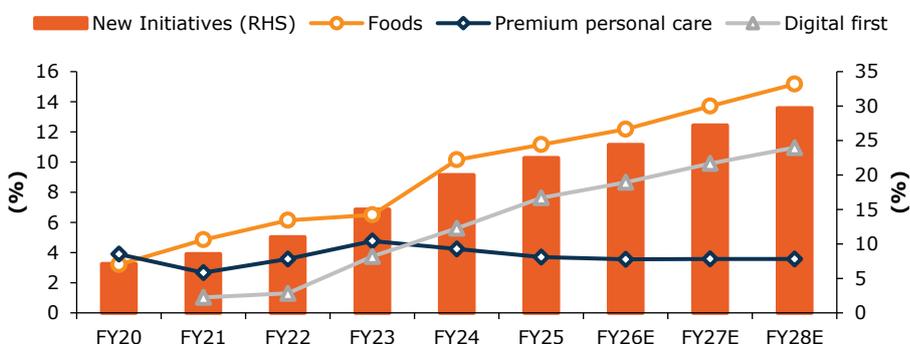
The company also expects operating margin to inch up over the medium term, with leverage benefits as well as premiumization of portfolios across India and international businesses.

### Visible shift in India revenue construct with food and digital brands

Sustained investment toward accelerated scale-up of Food and Premium Personal Care portfolios enabled differential growth outcomes amid relatively slower demand in mass consumption-led franchises over the past few quarters. As discussed above, evolved food and digital brand business is likely to see steady expansion in contribution to 25% by FY27.

- Food clocked revenue of Rs9bn in FY25, which is a 5x scale-up since FY20. Here, the management has an aspiration to raise revenue over 25% CAGR. The company aspires for revenue of Rs14bn in FY27, which is 8x of FY20 revenue. The company saw structural gross margin expansion of ~1000bps in Food over FY24-25.
- The digital-first brands clocked an annual revenue rate of Rs7.5bn on exit basis in FY25 which was better than the company’s aspiration. By FY27, the management expects revenue from digital brands to scale to 2.5x ARR of FY24 (Rs4.5bn then). In this portfolio, Berdo and Plix clocked 9% and 2% EBITDA margins, respectively, while the rest of the portfolio saw negative margins. The management aspires for double-digit EBITDA margin for the portfolio by FY27.

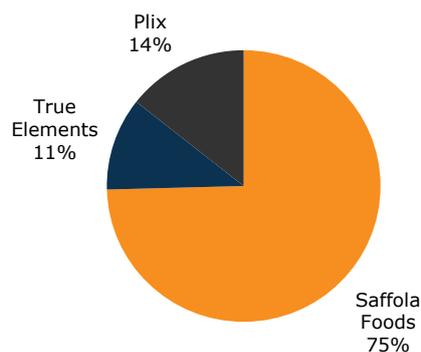
**Exhibit 29: Food, premium personal care, and digital brands revenue contribution in India**



Source: Company, Emkay Research

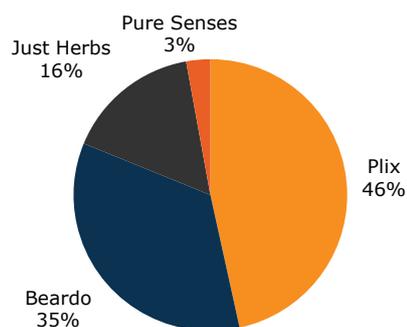
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Exhibit 30: Estimated food revenue breakdown



Source: Company, Emkay Research

Exhibit 31: Estimated digital brands revenue breakdown



Source: Company, Emkay Research

The company has seen rapid scale-up of these portfolios, accompanied by significant improvement in profitability, resulting in their share of India's Net Contribution (NC; calculated as revenue adjusted for all variable costs and marketing spends) moving to double digits (~5x of FY22 levels).

Exhibit 32: Snapshot of digital brand performance in FY25

(Rs mn)	Beardo	Plix	Just Herbs	True Elements	Combined
<b>Revenue</b>	<b>2,142</b>	<b>4,328</b>	<b>988</b>	<b>1,644</b>	<b>9,102</b>
Growth	24%	179%	3%	115%	82%
<b>EBITDA</b>	<b>196</b>	<b>77</b>	<b>(254)</b>	<b>(234)</b>	<b>(214)</b>
Growth	172%	NM	256%	13%	NM
EBITDA margin	9%	2%	-26%	-14%	-2%
<b>Adj PAT</b>	<b>130</b>	<b>48</b>	<b>(217)</b>	<b>(233)</b>	<b>(272)</b>
Growth	264%	NM	211%	47%	NM

Source: Company, Emkay Research; Note: NM means Not Meaningful (given losses in base)

### Visible strides toward premiumization in international business

The company has made visible strides toward premiumization of portfolios across international markets through innovation and expansion into premium personal care categories like shampoos, skin care, hair styling/care (ex-hair oils), and baby care.

These portfolios have scaled at a CAGR of 24% over FY21-25. As a result, the revenue share in the international business rose to ~29% in FY25, from ~20% in FY21. In this portfolio, the company aspires for growth of more than 25% in the medium term. Marico will continue to invest aggressively in diversifying its portfolio, expanding the total addressable market, and driving market-share gains in each of the markets.

### Aspiring for double-digit constant currency growth internationally

Over the medium term, the company aims to maintain double-digit constant currency growth momentum in the international business. The company is also open for inorganic opportunities that offer a meaningful chance to consolidate its competitive position in existing categories, expand the total addressable market in existing geographies or access markets of interest, thereby adding visible levers to drive long-term value creation.

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## Better earnings to aid returns and cash creation

Marico's strategy is focused on double-digit profitable growth. With no major capex needs in the business, the company is well placed to see steady return ratio expansions and healthy cash generation. However, during FY25, the company had a muted show, as increased working capital needs affected cash generation. On the back of 10% increase in earnings, its dividend increased 11%, however, the payout remains steady at 83%.

### Working capital needs stretched on lower payable days

The company has maintained its net working capital requirement of 47 days in its standalone business; however, it has reduced inventory by 10 days to 39 on the back of its focus on supply chain efficiency amid inflationary copra prices. Its payable days have been reduced by 11 days to 37, which, in our view, would support farmers and assure supplies of (inflationary) copra. In the subsidiaries business, the company has seen increase in working capital requirement by 10 days YoY to 29. Payable days have shrunk by 29 days and receivable days increased by 10 days to 38. Meanwhile, focused interventions have aided a reduction in inventory days by 7 days YoY to 48. Overall, on a consolidated level, working capital requirement increased by 7 days YoY to 39. Inventory days reduced by 9 days (to 42), while payable days shrunk by 14 days (to 46).

**Exhibit 33: Working capital requirements in the business**

	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25
<b>Consolidated</b>								
Revenue	63,220	73,340	73,150	80,480	95,120	97,640	96,530	108,310
Inventory	15,110	14,110	13,800	11,260	14,120	12,250	13,360	12,350
Receivables	3,400	5,170	5,390	3,880	6,520	10,150	10,690	12,710
Payables	8,220	9,440	9,780	11,340	13,440	14,520	15,810	13,630
Inventory days	87	70	69	51	54	46	51	42
Receivable days	20	26	27	18	25	38	40	43
Payable days	47	47	49	51	52	54	60	46
Net working capital	59	49	47	17	28	29	31	39
<b>Standalone</b>								
Revenue	51,810	59,710	58,530	63,370	75,000	74,780	70,020	75,810
Contribution	82%	81%	80%	79%	79%	77%	73%	70%
Inventory	13,130	12,340	11,650	8,730	10,930	8,950	9,360	8,040
Receivables	2,880	4,300	4,650	3,100	5,550	8,380	8,700	9,350
Payables	5,870	7,150	7,090	8,420	10,000	10,060	9,130	7,670
Inventory days	93	75	73	50	53	44	49	39
Receivable days	20	26	29	18	27	41	45	45
Payable days	41	44	44	48	49	49	48	37
Net working capital	71	58	57	20	32	35	47	47
<b>Subsidiaries</b>								
Revenue	11,410	13,630	14,620	17,110	20,120	22,860	26,510	32,500
Contribution	18%	19%	20%	21%	21%	23%	27%	30%
Inventory	1,980	1,770	2,150	2,530	3,190	3,300	4,000	4,310
Receivables	520	870	740	780	970	1,770	1,990	3,360
Payables	2,350	2,290	2,690	2,920	3,440	4,460	6,680	5,960
Inventory days	63	47	54	54	58	53	55	48
Receivable days	17	23	18	17	18	28	27	38
Payable days	75	61	67	62	62	71	92	67
Net working capital	5	9	5	8	13	10	-10	19

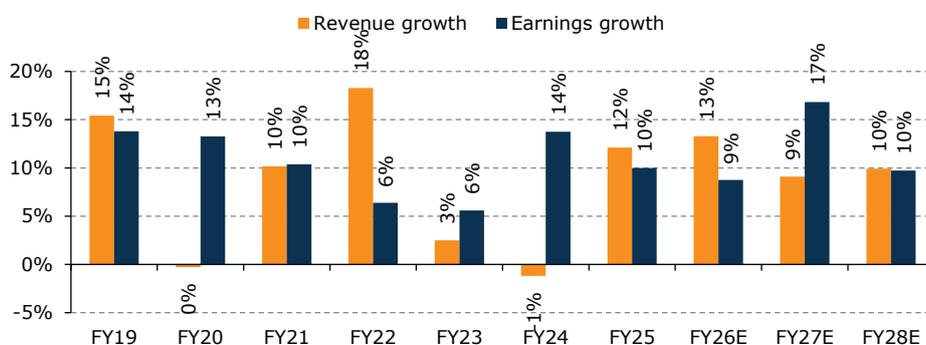
Source: Company, Emkay Research

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## Enhanced profitability largely shared with shareholders

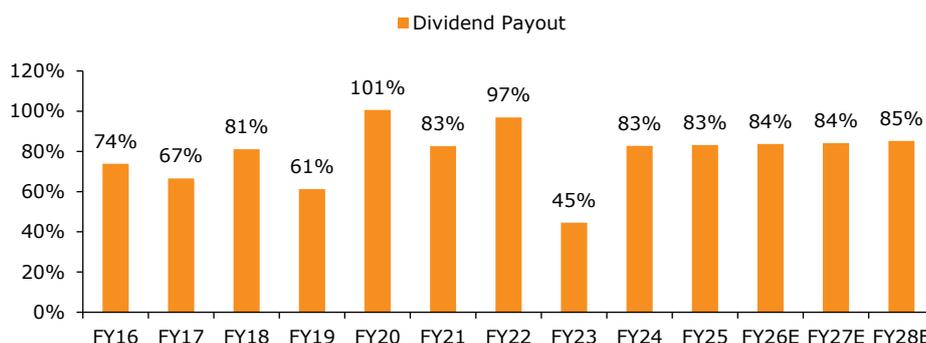
Marico has clocked low double-digit earnings CAGR in the last couple of years which we believe would sustain over the medium term. Its actions to enhance the portfolio mix, with high gross margin offering, are likely to help extend the double-digit earnings growth momentum. In our view, with earnings improving, the company is likely to sustain over 80% dividend payout, which is a decent reward to shareholders.

**Exhibit 34: Revenue and earnings growth trends**



Source: Company, Emkay Research

**Exhibit 35: Dividend payout**

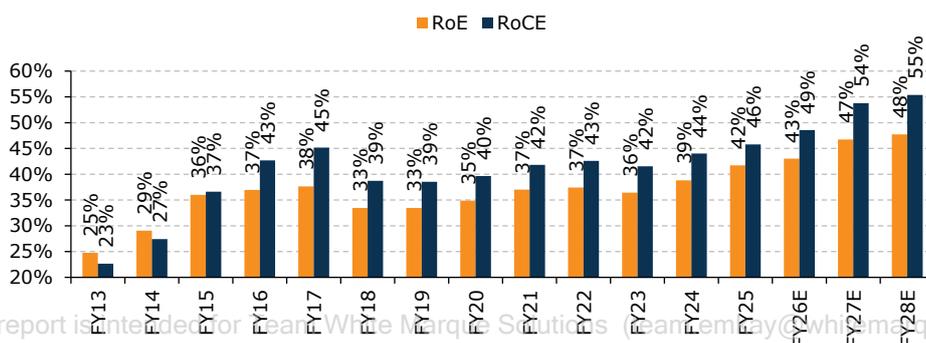


Source: Company, Emkay Research

## Return profile continues to expand

With limited capex needs in the business, the company has been generous with its dividend payouts. Healthy operating cash generation is sufficient to fund any expansionary needs. Return on equity expanded by 290bps YoY to 41.7%, while return on capital (pre-tax) employed grew 175bps YoY to 45.8%. Adjusted for liquidity, ROIC expanded by 9ppt YoY to 66%.

**Exhibit 36: Return ratios continue to see expansion**



Source: Company, Emkay Research

Exhibit 37: Du Pont analysis

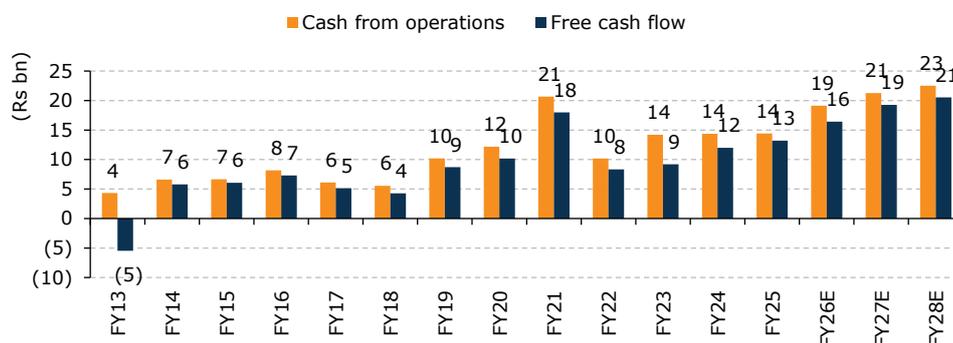
	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25
Fixed asset turn (x)	3.6	3.5	5.9	9.4	8.1	7.6	7.9	6.9	6.7	6.8	5.9	4.6	4.3
Net profit margin (%)	8.6	10.8	10.2	12.0	14.0	13.1	12.9	14.7	14.8	13.3	13.5	15.6	15.3
Fixed assets/ equity (x)	0.8	0.8	0.6	0.3	0.3	0.3	0.3	0.4	0.4	0.4	0.5	0.5	0.6
<b>ROE (%)</b>	<b>25.4</b>	<b>30.2</b>	<b>36.7</b>	<b>37.9</b>	<b>38.2</b>	<b>34.0</b>	<b>34.1</b>	<b>35.6</b>	<b>37.9</b>	<b>38.3</b>	<b>37.0</b>	<b>39.4</b>	<b>42.5</b>

Source: Company, Emkay Research

### OCF stood flat, while lower capex aided FCF generation

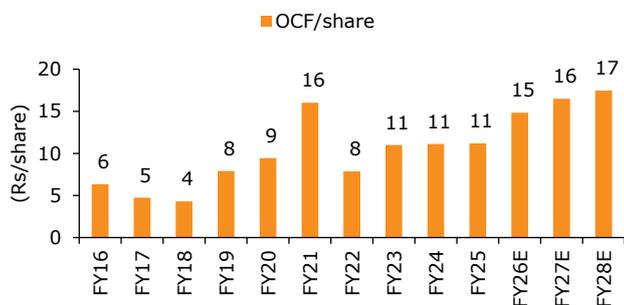
In FY25, Marico’s earnings grew 10% YoY, while operating cash flow stood flat YoY, given higher working capital need in the business. Capex spending in the year stood at Rs1.2bn, down from Rs2.4bn in FY24. This aided 10% YoY expansion in free cash generation in the business. We see better earnings ahead.

Exhibit 38: Cash generation steady YoY



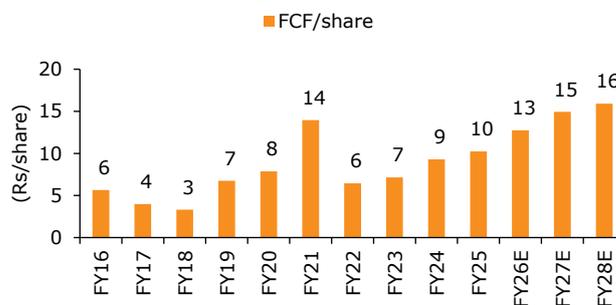
Source: Company, Emkay Research

Exhibit 39: OCF/share



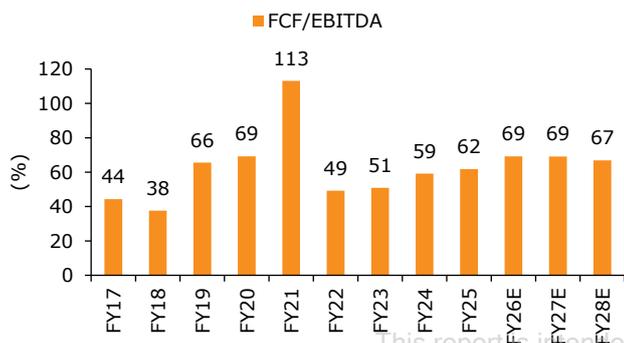
Source: Company, Emkay Research

Exhibit 40: FCF/share



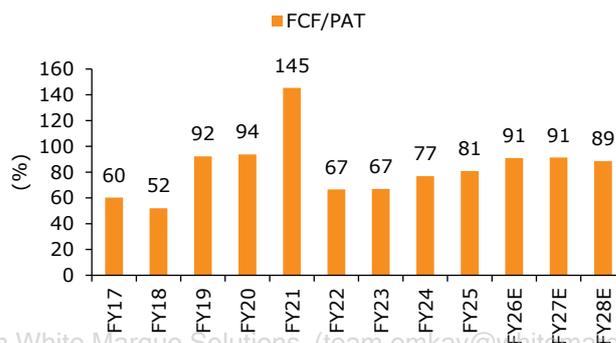
Source: Company, Emkay Research

Exhibit 41: EBITDA to FCF conversion



Source: Company, Emkay Research

Exhibit 42: Earnings to free cash conversion has been healthy



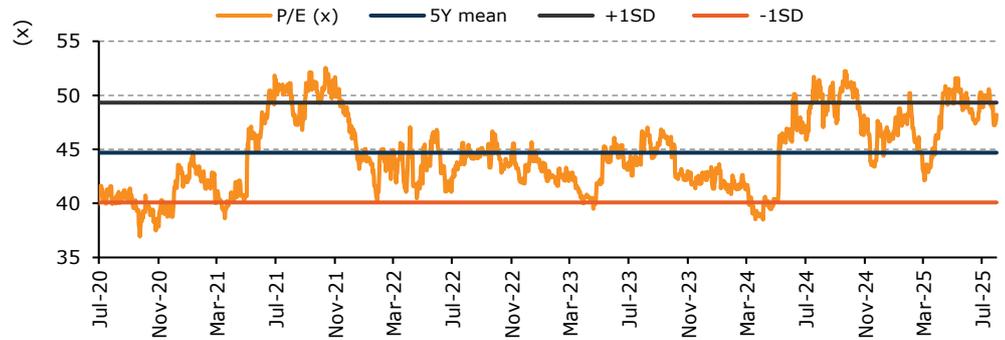
Source: Company, Emkay Research

This report is intended for Team White Marquee Solutions (team.emkay@whitemarquesolutions.com)

## Valuation to factor in enhanced execution

On the back of relatively better execution, Marico has been trading between its mean and +1SD 5Y average valuations. As noted in our recent note: **Inflationary copra prices, a near-term concern ([link](#))**, amid a steady surge in copra prices, the stock has seen some de-rating over the last fortnight. However, copra prices have arrested their inflationary trend and are seeing moderate deflation. If the trend continues, we expect the stock to re-rate to +1SD.

**Exhibit 43: One year forward P/E (on consensus)**



Source: Bloomberg, Emkay Research

**Exhibit 44: Copra price trend**



Source: Company, Emkay Research

**Exhibit 45: Coconut oil price trend**



Source: Company, Emkay Research

We maintain BUY with Jun-26E TP of Rs810, on 50x P/E. We see improved execution ahead helping the company in driving growth and margins. The new portfolio in India and internationally is aligning with consumer needs, enhancing longevity of growth. In India (75% of revenue), the new-age portfolio in food and digital brands represents 22% of revenue, while internationally, the premium portfolio represents 29% of sales. Put together, the company has 1/4<sup>th</sup> revenue here and is looking to drive faster growth ahead. We see execution in this portfolio (where core can drive high single-digit growth) being key for the 15% CAGR aspiration ahead.

This report is intended for Team White Marquee Solutions ([team.emkay@whitemarquesolutions.com](mailto:team.emkay@whitemarquesolutions.com))

**Exhibit 46: Key assumptions**

	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
<b>Profit and loss account</b>								
Sales growth	10%	18%	3%	-1%	12%	13%	9%	10%
EBITDA growth	8%	6%	7%	12%	6%	11%	17%	10%
Earnings growth	10%	6%	6%	14%	10%	9%	17%	10%
Gross margin	47%	43%	45%	51%	50%	50%	52%	52%
A&P spends as a % of sales	9%	8%	9%	10%	10%	11%	11%	11%
EBITDA margin	20%	18%	19%	21%	20%	19%	21%	21%
Adj EPS (Rs)	9.0	9.6	10.1	11.5	12.6	13.7	16.0	17.6
DPS (Rs)	7.5	9.3	4.5	9.5	10.5	11.5	13.5	15.0
<b>Balance sheet</b>								
Avg. ROCE	42%	43%	42%	44%	46%	49%	54%	55%
Avg. RoE	37%	37%	36%	39%	42%	43%	47%	48%
Inventory days	51	54	46	51	42	42	42	42
Receivable days	18	25	38	40	43	43	43	44
Payable days	51	52	54	60	46	50	50	50

Source: Bloomberg, Emkay Research

**Exhibit 47: Emkay estimates vs consensus**

(Rs mn)	Emkay estimates			Consensus			Emkay estimate vs consensus		
	FY26E	FY27E	FY28E	FY26	FY27	FY28	FY26E	FY27E	FY28E
Revenue	122,640	133,780	147,024	119,588	131,716	142,445	3%	2%	3%
Growth	13.3%	9.1%	9.9%	10.5%	10.1%	8.1%			
EBITDA	23,737	27,876	30,704	24,158	27,410	29,195	-2%	2%	5%
Growth	11.0%	17.4%	10.1%	12.9%	13.5%	6.5%			
EBITDA margin	19.4%	20.8%	20.9%	20.2%	20.8%	20.5%			
Adj PAT	17,717	20,698	22,714	18,201	20,663	22,782	-3%	0%	0%
Growth	8.8%	16.8%	9.7%	11.7%	13.5%	10.3%			
EPS	13.73	16.05	17.61	14.08	15.98	17.61	-2%	0%	0%

Source: Bloomberg, Emkay Research

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## Marico: Consolidated Financials and Valuations

### Profit & Loss

Y/E March (Rs mn)	FY24	FY25	FY26E	FY27E	FY28E
<b>Revenue</b>	<b>96,530</b>	<b>108,310</b>	<b>122,640</b>	<b>133,780</b>	<b>147,024</b>
Revenue growth (%)	(1.1)	12.2	13.2	9.1	9.9
<b>EBITDA</b>	<b>20,260</b>	<b>21,390</b>	<b>23,737</b>	<b>27,876</b>	<b>30,704</b>
EBITDA growth (%)	11.9	5.6	11.0	17.4	10.1
Depreciation & Amortization	1,580	1,780	1,900	2,050	2,200
<b>EBIT</b>	<b>18,680</b>	<b>19,610</b>	<b>21,837</b>	<b>25,826</b>	<b>28,504</b>
EBIT growth (%)	12.9	5.0	11.4	18.3	10.4
Other operating income	800	980	1,049	1,122	1,201
Other income	1,420	2,080	1,850	2,100	2,500
Financial expense	730	530	525	525	525
<b>PBT</b>	<b>19,370</b>	<b>21,160</b>	<b>23,162</b>	<b>27,401</b>	<b>30,479</b>
Extraordinary items	0	0	0	0	0
Taxes	4,350	4,580	5,096	6,302	7,315
Minority interest	(210)	(290)	(350)	(400)	(450)
Income from JV/Associates	-	-	-	-	-
<b>Reported PAT</b>	<b>14,810</b>	<b>16,290</b>	<b>17,717</b>	<b>20,698</b>	<b>22,714</b>
PAT growth (%)	13.7	10.0	8.8	16.8	9.7
<b>Adjusted PAT</b>	<b>14,810</b>	<b>16,290</b>	<b>17,717</b>	<b>20,698</b>	<b>22,714</b>
<b>Diluted EPS (Rs)</b>	<b>11.5</b>	<b>12.6</b>	<b>13.7</b>	<b>16.0</b>	<b>17.6</b>
Diluted EPS growth (%)	13.7	10.0	8.8	16.8	9.7
<b>DPS (Rs)</b>	<b>9.5</b>	<b>3.5</b>	<b>11.5</b>	<b>13.5</b>	<b>15.0</b>
<b>Dividend payout (%)</b>	<b>83.0</b>	<b>27.8</b>	<b>83.7</b>	<b>84.1</b>	<b>85.2</b>
EBITDA margin (%)	21.0	19.7	19.4	20.8	20.9
EBIT margin (%)	19.4	18.1	17.8	19.3	19.4
Effective tax rate (%)	22.5	21.6	22.0	23.0	24.0
<b>NOPLAT (pre-IndAS)</b>	<b>14,485</b>	<b>15,365</b>	<b>17,033</b>	<b>19,886</b>	<b>21,663</b>
Shares outstanding (mn)	1,290	1,290	1,290	1,290	1,290

Source: Company, Emkay Research

### Cash flows

Y/E March (Rs mn)	FY24	FY25	FY26E	FY27E	FY28E
PBT (ex-other income)	17,950	19,080	21,312	25,301	27,979
Others (non-cash items)	(110)	(580)	(510)	(510)	(109)
Taxes paid	(3,510)	(3,690)	(3,780)	(4,840)	(5,096)
Change in NWC	(1,220)	(1,350)	(26)	(806)	(1,144)
<b>Operating cash flow</b>	<b>14,360</b>	<b>14,420</b>	<b>19,133</b>	<b>21,268</b>	<b>22,521</b>
Capital expenditure	(2,380)	(1,870)	(2,706)	(2,000)	(2,000)
Acquisition of business	1,750	1,280	(500)	(500)	(500)
Interest & dividend income	-	-	-	-	-
<b>Investing cash flow</b>	<b>1,760</b>	<b>(6,210)</b>	<b>(2,356)</b>	<b>(1,400)</b>	<b>(1,000)</b>
Equity raised/(repaid)	340	0	0	0	0
Debt raised/(repaid)	(910)	(50)	(40)	0	250
Payment of lease liabilities	(340)	(210)	(115)	(121)	(127)
Interest paid	(540)	(510)	(525)	(525)	(525)
Dividend paid (incl tax)	(12,290)	(4,530)	(14,835)	(17,415)	(19,350)
Others	(1,680)	(1,190)	115	121	127
<b>Financing cash flow</b>	<b>(15,420)</b>	<b>(6,490)</b>	<b>(15,400)</b>	<b>(17,940)</b>	<b>(19,625)</b>
Net chg in Cash	700	1,720	1,376	1,928	1,896
OCF	14,360	14,420	19,133	21,268	22,521
Adj. OCF (w/o NWC chg.)	15,580	15,770	19,159	22,074	23,665
FCFF	11,980	12,550	16,426	19,268	20,521
FCFE	11,250	12,020	15,901	18,743	19,996
OCF/EBITDA (%)	70.9	67.4	80.6	76.3	73.3
FCFE/PAT (%)	76.0	73.8	89.8	90.6	88.0
<b>FCFF/NOPLAT (%)</b>	<b>82.7</b>	<b>81.7</b>	<b>96.4</b>	<b>96.9</b>	<b>94.7</b>

Source: Company, Emkay Research

### Balance Sheet

Y/E March (Rs mn)	FY24	FY25	FY26E	FY27E	FY28E
Share capital	1,290	1,290	1,290	1,290	1,290
Reserves & Surplus	37,030	38,460	41,342	44,625	47,989
<b>Net worth</b>	<b>38,320</b>	<b>39,750</b>	<b>42,632</b>	<b>45,915</b>	<b>49,279</b>
Minority interests	3,370	2,910	3,260	3,660	4,110
Non-current liab. & prov.	2,790	2,480	2,604	2,734	2,871
<b>Total debt</b>	<b>5,290</b>	<b>13,630</b>	<b>14,312</b>	<b>15,027</b>	<b>15,778</b>
<b>Total liabilities &amp; equity</b>	<b>49,770</b>	<b>58,770</b>	<b>62,807</b>	<b>67,336</b>	<b>72,038</b>
Net tangible fixed assets	-	-	-	-	-
Net intangible assets	-	-	-	-	-
Net ROU assets	2,090	2,300	2,415	2,536	2,663
Capital WIP	440	400	500	500	500
Goodwill	8,630	8,570	9,695	9,695	9,695
Investments [JV/Associates]	3,430	2,150	2,650	3,150	3,650
<b>Cash &amp; equivalents</b>	<b>12,020</b>	<b>21,520</b>	<b>23,896</b>	<b>26,824</b>	<b>29,720</b>
Current assets (ex-cash)	28,730	29,940	33,436	36,266	39,997
Current Liab. & Prov.	24,440	24,610	27,956	29,849	32,299
<b>NWC (ex-cash)</b>	<b>4,290</b>	<b>5,330</b>	<b>5,480</b>	<b>6,417</b>	<b>7,697</b>
<b>Total assets</b>	<b>49,770</b>	<b>58,770</b>	<b>62,807</b>	<b>67,336</b>	<b>72,038</b>
Net debt	(6,730)	(7,890)	(9,585)	(11,797)	(13,941)
Capital employed	49,770	58,770	62,807	67,336	72,038
<b>Invested capital</b>	<b>29,440</b>	<b>30,610</b>	<b>31,467</b>	<b>32,353</b>	<b>33,434</b>
BVPS (Rs)	29.7	30.8	33.0	35.6	38.2
Net Debt/Equity (x)	(0.2)	(0.2)	(0.2)	(0.3)	(0.3)
Net Debt/EBITDA (x)	(0.3)	(0.4)	(0.4)	(0.4)	(0.5)
Interest coverage (x)	27.5	40.9	45.1	53.2	59.1
<b>RoCE (%)</b>	<b>44.5</b>	<b>42.0</b>	<b>40.7</b>	<b>44.8</b>	<b>46.4</b>

Source: Company, Emkay Research

### Valuations and key Ratios

Y/E March	FY24	FY25	FY26E	FY27E	FY28E
P/E (x)	61.8	56.2	51.7	44.2	40.3
EV/CE(x)	19.4	16.2	15.1	14.1	13.1
P/B (x)	23.9	23.0	20.9	18.6	17.0
EV/Sales (x)	9.5	8.5	7.5	6.9	6.2
EV/EBITDA (x)	44.9	42.5	38.3	32.6	29.6
EV/EBIT(x)	48.7	46.4	41.6	35.2	31.9
EV/IC (x)	30.9	29.7	28.9	28.1	27.2
FCFF yield (%)	1.3	1.4	1.8	2.1	2.3
FCFE yield (%)	1.2	1.3	1.6	2.0	2.2
Dividend yield (%)	1.3	0.5	1.5	1.7	2.0
<b>DuPont-RoE split</b>					
Net profit margin (%)	15.3	15.0	14.4	15.5	15.4
Total asset turnover (x)	2.1	2.1	2.1	2.1	2.2
Assets/Equity (x)	1.2	1.3	1.4	1.4	1.4
<b>RoE (%)</b>	<b>38.8</b>	<b>41.7</b>	<b>43.0</b>	<b>46.8</b>	<b>47.7</b>
<b>DuPont-RoIC</b>					
NOPLAT margin (%)	15.0	14.2	13.9	14.9	14.7
IC turnover (x)	3.7	3.6	4.0	4.2	4.5
<b>RoIC (%)</b>	<b>55.5</b>	<b>51.2</b>	<b>54.9</b>	<b>62.3</b>	<b>65.9</b>
<b>Operating metrics</b>					
Core NWC days	16.2	18.0	16.3	17.5	19.1
<b>Total NWC days</b>	<b>16.2</b>	<b>18.0</b>	<b>16.3</b>	<b>17.5</b>	<b>19.1</b>
Fixed asset turnover	3.3	3.2	3.4	3.5	3.7
Opex-to-revenue (%)	29.8	30.5	30.6	30.7	30.6

Source: Company, Emkay Research

This report is intended for Team White Marque Solutions (team.emkay@whitemarqueresolutions)

RECOMMENDATION HISTORY - DETAILS

Date	Closing Price (INR)	TP (INR)	Rating	Analyst
17-Jul-25	733	810	Buy	Nitin Gupta
05-Jul-25	729	810	Buy	Nitin Gupta
30-Jun-25	722	810	Buy	Nitin Gupta
24-Jun-25	704	810	Buy	Nitin Gupta
04-May-25	698	810	Buy	Nitin Gupta
24-Apr-25	713	700	Add	Nitin Gupta
03-Apr-25	661	700	Add	Nitin Gupta
17-Mar-25	608	700	Add	Nitin Gupta
26-Feb-25	622	700	Add	Nitin Gupta
18-Feb-25	626	700	Add	Nitin Gupta
02-Feb-25	694	700	Add	Nitin Gupta
31-Jan-25	671	700	Add	Nitin Gupta
03-Jan-25	661	700	Add	Nitin Gupta
30-Oct-24	651	700	Add	Nitin Gupta
02-Oct-24	694	775	Add	Nitin Gupta
26-Sep-24	694	775	Add	Nitin Gupta
05-Aug-24	672	700	Reduce	Nitin Gupta
05-Aug-24	672	700	Reduce	Nitin Gupta
06-Jul-24	615	630	Reduce	Nitin Gupta
04-Jul-24	608	630	Reduce	Nitin Gupta
26-Jun-24	613	600	Add	Nitin Gupta
04-Jun-24	615	600	Add	Nitin Gupta
13-May-24	595	600	Add	Nitin Gupta
08-May-24	596	600	Add	Nitin Gupta
07-May-24	584	600	Add	Nitin Gupta
15-Apr-24	509	570	Add	Nitin Gupta
05-Apr-24	510	570	Add	Nitin Gupta
14-Mar-24	506	540	Reduce	Nitin Gupta
30-Jan-24	523	540	Reduce	Nitin Gupta
23-Jan-24	521	570	Reduce	Nitin Gupta
07-Jan-24	546	570	Reduce	Nitin Gupta
12-Dec-23	540	560	Reduce	Nitin Gupta
30-Nov-23	539	560	Reduce	Nitin Gupta
24-Nov-23	524	560	Hold	Nitin Gupta
30-Oct-23	532	560	Hold	Nitin Gupta
20-Oct-23	542	585	Hold	Nitin Gupta
04-Oct-23	571	585	Hold	Nitin Gupta
03-Oct-23	576	585	Hold	Nitin Gupta
28-Aug-23	558	565	Hold	Nitin Gupta
15-Aug-23	568	565	Hold	Nitin Gupta

Source: Company, Emkay Research

RECOMMENDATION HISTORY - TREND



Source: Company, Bloomberg, Emkay Research

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<b>SELL</b>	>15% downside

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