

August 11, 2025

The Secretary,  
Listing Department,  
BSE Limited,  
1<sup>st</sup> Floor, Phiroze Jeejeebhoy Towers,  
Dalal Street, Mumbai – 400001.  
Scrip Code: 531642

The Manager,  
Listing Department,  
The National Stock Exchange of India Limited,  
Exchange Plaza, C-1 Block G,  
Bandra Kurla Complex, Bandra (East),  
Mumbai – 400051.  
Scrip Symbol: MARICO

**Sub: Transcript of the earnings conference call**

Dear Sir/Madam,

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, copy of transcript of the earnings conference call held on Monday, August 4, 2025 on the un-audited financial results and operations of the Company for the quarter ended June 30, 2025 is enclosed.

The said transcript is also available on the Company's website at  
[https://marico.com/investorspdf/Marico\\_Limited\\_Q1FY26\\_Earnings\\_Call\\_Transcript.pdf](https://marico.com/investorspdf/Marico_Limited_Q1FY26_Earnings_Call_Transcript.pdf).

This is for your information and records.

Thank you.

Yours faithfully,  
For **Marico Limited**

**Vinay M A**  
**Company Secretary & Compliance Officer**

Encl.: As above



Marico Limited  
Q1FY26 Earnings Conference Call  
**August 04, 2025**

**MANAGEMENT: MR. SAUGATA GUPTA – MD & CEO, MARICO LIMITED  
MR. PAWAN AGRAWAL – GROUP CFO & CEO -  
INTERNATIONAL BUSINESS (REST OF SOUTH ASIA & SE  
ASIA), MARICO LIMITED**

**Moderator:** Ladies and gentlemen, good day and welcome to Marico Limited's Q1 FY26 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 & CEO - International Business (Rest of South Asia & SE Asia). As a reminder, all participants' lines will be in the listen-only mode, and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during this conference call, please signal an operator by pressing “\*,” then “0” on your touch-tone phone. Please note that this conference is being recorded.

Before we get started, I would like to remind you that the Q&A session is only for institutional investors and analysts. And therefore, if there is anybody else who is not an institutional investor or analyst who 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 for his opening comments. Thank you, and over to you, sir.

**Saugata Gupta:** Yes. Hi, everyone. Good evening to all those who have joined the call.

I would like to start with a narrative on the operating environment during the quarter gone by, after which I will touch upon our performance and strategic objectives going forward.

During the quarter, we witnessed stable to improving demand trends in India across urban and rural. Premium categories continued to outperform the mass segments, while alternate channels like Modern Trade, E-commerce and especially Quick Commerce continued to lead growth. While General Trade also moved into growth after some quarters as a result of focused initiatives, improved execution, and the ongoing progress of Project SETU. Looking ahead, we are optimistic about a gradual and broad based recovery in consumption sentiment supported by easing retail and food inflation, a favorable monsoon, increased government spending and higher MSP.

Moving on to the quarterly performance, we have continued to deliver a sequential uptick in underlying volume growth in India, which is nearing double-digits, backed by improving traction in the core aided by GT improvement and sustained momentum in our new businesses. Offtake trends have remained encouraging, with nearly the entire business either sustaining or gaining market share, and over 80% of the business sustaining on improving penetration. Revenue growth in the India business reached multi-year highs, as the strengthening volume trajectory was supplemented by pricing actions in core portfolios, taken in response to the sharp inflation in key commodities like copra and edible oil over the last 12 months.

Delving further into India business, I will now share some perspective on the performance of our key categories.

Parachute has continued to demonstrate resilience amidst the hyperinflationary conditions in copra prices. In such hyperinflation, while consumption titration is typical, Parachute has exhibited minimal volume impact and consolidated its market share, underscoring its inherent strength in terms of price inelasticity and deep consumer trust, despite multiple rounds of price increases and ml-age reductions amounting to an effective price increase of 60% plus. After normalizing for ml-age changes, the brand remained in growth territory during the quarter. We have delivered this growth despite consciously rationing certain low margin volumes to protect brand profitability. During the quarter, the brand continued to gain share in Modern Trade and E-com, while pricing transitions are in fact quicker and the new prices have already hit the shelves.

We understand that the unprecedented levels of inflation in this particular cycle has been due to the supply-demand gap created by a combination of drop in crop yields due to an uneven weather pattern in the first half of 2024 and speculative activities. Further, some unseasonal rains in April and May, and the temperature fluctuation this year, further extended this cycle and led to a sharp spike in April period when normally conversion starts, but this year because of rains, the conversions got delayed. Principally, it is the inelasticity of certain sources of demand that accentuates the demand supply gap during such times, as you know copra cannot be imported. While the length and severity of this inflationary cycle poses short-term challenges, we have been able to hold our ground and deliver stable outcomes on the back of pricing inelasticity and enduring equity of Parachute. The brand has successfully navigated multiple hyperinflationary cycles whether it's in 2014-15 or over an 18 to 24-month cycle in 2017-19 where we had also taken around 35% price increase and still delivered 5.5% growth over a period of 2017-19 and a 6.5% growth in 2014-15. The scale of our operations, coupled with resilient back-end capabilities and prudent inventory management, continues to reinforce a competitive edge. That being said, we believe the current market conditions are unsustainable, and the copra market should settle down over the course of this fiscal year given the forecast of monsoons and the decent progress so far. In fact, prices have just come down around 12% from the highs in the last two weeks. As consumer pricing gradually normalizes, we expect Parachute to chart meaningful recovery in volume growth given our competitive advantage under such conditions where the smaller players are out of the market.

Saffola oil has bounced back to deliver mid-single digit volume growth, which is in line with our medium-term aspiration. We expect the brand to be steady on a full year base. During the quarter, we launched the Saffola Cold Pressed Oils range on E-commerce and Quick Commerce platform. This is in line with our purpose of the brand to reinforce healthy cooking choices in Indian households and premiumize its play.

Value-Added Hair Oils had a strong step-up in its recovery, led by sustained momentum in the mid and premium segments. The franchise gained 140 bps in value market share on a MAT

basis. We are confident of maintaining a double-digit growth momentum in the franchise throughout the year on the back of sharper brand activations supported by a strategic pivot from trade-led investments towards brand-building and therefore increasing SOV, especially in the mid and premium segments, along with enhanced direct reach through Project SETU, which invariably benefits VAHO.

The Foods portfolio scaled in line with expectations. The core Saffola franchise grew in double-digits, while True Elements and Plix's plant-based nutrition range sustained accelerated growth momentum. We remain on track to deliver over 25% growth this year and over the medium-term, while steadily improving profitability. During the quarter, we also expanded our Muesli range with two variants. We will continue the innovation momentum and expand the TAM of Saffola through extensions into relevant adjacencies. We have a clear path for each of the three Foods brands and see tremendous TAM expansion opportunities across the board, and some of it we have shared in the presentation for Plix and True Elements.

Premium Personal Care continued its strong growth momentum during the quarter, led by the Digital-first portfolio. The Digital-first portfolio, comprising Beardo, Just Herbs and the Personal Care portfolio of Plix, exited the quarter with an ARR of over ₹ 850 crores, scaling up well ahead of our earlier targets. Given this trajectory, we are on track to reach 2.5x of FY24 ARR by FY27. We continue to operate with a keen eye on the profitability and are striving to deliver double-digit EBITDA margins in this portfolio by FY27.

Moving to our international business, we recorded high-teen constant currency growth, maintaining a stellar momentum. Bangladesh delivered a robust performance underpinned by broad-based growth across core and new franchises, while Vietnam had a muted quarter. Strategic interventions are underway, and we expect a gradual recovery in this business in the quarters ahead. In MENA, the accelerated scale-up in the Gulf region and Egypt continued, supported by healthy traction in new franchises and sustained market share gains in our core and in the NPD. South Africa was static this quarter, but we aim to achieving our full-year growth aspirations.

To sum up, we have started the year on a strong footing, with both India volume growth, overseas business constant currency growth and the consolidated revenue growth trending positively and reaching multi-year highs.

We firmly believe that we are in a virtuous growth flywheel, and I would like to share a perspective on why we see it in that way.

Over the past few years, the CPG landscape has undergone significant shifts shaped by macro events and evolving consumer behavior. During the COVID period, while categories like Foods,

Health and Hygiene benefited from natural tailwinds, we believe it also brought a degree of complacency among CPG players since the share of wallet was artificially shifting in their favor given that the lockdown created situation where other spends, such as out of home, travel and entertainment were not being done.

Subsequently, during the inflationary environment following the Ukraine war, the sector delivered pricing-led top-line growth along with A&P cut and other cost-led margin expansion, while some of them got rewarded. In emerging markets, however, we believe the core mantra for consumer companies must remain centered on driving volume-led growth, which is a far more sustainable and enduring lever for growth. We draw a lot of confidence from 99% of the business gaining or sustaining market share in India, which has happened after a while. We are consciously staying away from the trap of optimizing margins at the cost of long-term brand investments. We have also resisted steroid-based selling in organized trade and investing in below-the-line of price-led selling. We believe our resource allocation strategy over the past few quarters is paying off. We have also done significant SKU rationalization so that we believe in fewer, bigger and better.

We are also seeing the positive impact of Project SETU-led initiatives in rural, and on mid-premium segments of VAHO. As we scale this up further in urban, we expect it to catalyze growth in Foods and PPC categories like Serum and Male Grooming. In addition to inflationary cycles being conducive to GT ROIs, our prior investments towards re-invigorating the GT distribution system have already begun to yield early wins with the revival of growth in the channel after a long hiatus. In addition, this high top-line growth is helping in improvement of ROI of our GT distribution partners after a long time.

Next, the scale-up of our digital brands has opened new frontiers for diversification and innovation, offering avenues for accelerated revenue and profit growth in the medium term. Our brands are earning recognition, with three of our digital brands featuring in the latest edition of the Insurgent Brands List published by one of the top VCs and one of the big three MBB management consulting firms. In addition to that, we have started the process of cost synergies amongst the digital brands as well as data synergies.

Coming to our strategic objectives for this year, with high single-digit volume growth in India as our base case, we will strive to deliver double-digit volume growth in some quarters. Supported by pricing growth, we will target around 25% revenue growth this year. While the pricing-led denominator effect may suppress optical margins this year, we are not alarmed by the optical drop in operating margins and firmly believe this is a temporary hiatus and not a structural concern. We would think of this inflationary cycle like a one-time upheaval which could in some categories potentially uproot business models, although we are delivering sector leading growth and moderate profits in spite of this high inflation which is unprecedented, and

I believe exceptional. While delivering double-digit EBITDA growth this year may be somewhat of a challenge, we expect better visibility by the second half. That said, consistent with historical trends, moderate profit delivery during inflationary years has been invariably followed by considerable profit acceleration in deflationary periods and thus we are fairly confident of delivering double-digit profit CAGR over the next two years.

We have seen cycles like this before and each time we have come out stronger. We believe that what continues to anchor us through these cycles is a resilient and experienced senior leadership team with collective experience of over 140 years in Marico and an average leadership tenure of eight to ten years that reflects deep institutional memory and understanding of various business cycles. Ashish, the CEO of India Core business, and I have been working together for the past 20 years, and Pawan has also been with us for 21 years. So, between the three of us, we have around 63 years of combined experience at Marico. Over the last few years, we made significant investment and effort towards strengthening our leadership depth and we now have a solid Gen Next leadership in place.

Looking at the medium term, while the journey from ₹5,000 to ₹10,000 Crores took longer and we were not happy about it, there is a very fair chance that we could touch ₹15,000 Crores over the next two years. Therefore, we also believe that the ₹10,000 Crores to ₹20,000 Crores leap can be achieved within the next five years if we continue to maintain this momentum.

Last but not the least, sustainability remains central to our strategy. Our Sustainability 2.0 framework is delivering strong progress across all key focus areas and moving up towards our 2030 goals. We are confident that our commitment to creating shared value will drive long term sustainable and differentiated growth.

With that, I conclude my remarks and thank you. And we are happy to take your questions.

**Moderator:**

Thank you very much, sir. We will now begin with the question and answer session. The first question is from the line of Abneesh Roy from Nuvama. Please go ahead.

**Abneesh Roy:**

Yes, congrats on a very good volume and revenue growth. My first question is on the India Hair Oil business, so three subparts to that. First is, copra, how is the supply side now looking? And what kind of correction do you see in the next two, three quarters? That is my first sub-question. Second is, VAHO has seen a smart recovery after a few years of challenging times, the entire category saw challenging times. Now with urban recovery being talked about by most FMCG companies and rural continuing to remain reasonably robust, would you expect VAHO volume growth to accelerate from here? That is the first question.

**Saugata Gupta:**

Let me first address your question on Coconut Oil. As far as copra is concerned, as I said that the correction has started, we also need to understand that we being a significant buyer of copra,

we have to also manage the entire supply chain assurance as well as pricing. We are now in a state where we believe we have much more control of the situation. Because, as you know that copra and the overall coconut demand titration happens in these kinds of inflation, the normal supply & demand imbalance adjusted itself because every consumption point gets titrated. And given our supply chain and other advantages, along with our position building, I think we are in a far better control. So, we believe that things are much better. And therefore, I do not see any further inflation at this point in time. But we will be able to give a much better kind of a feel in the second half. But, as I said that in spite of taking such price increases, we have actually in transaction terms still delivered a slight growth of 1%. And given the outlook on Parachute, we should be under control.

Coming to Value-Added Hair Oils, we took a conscious call over the last two, three quarters because we faced unreasonable competition where a lot of spends went from ATL to BTL in the bottom of pyramid, especially in Amla segment that we wanted to defocus. And what happens normally if competitive spend falls, you can maintain the same SOV at half the spend. We said that it was a suicidal strategy, as it does not make sense, so we had re-pivoted towards investing behind medium and premium brands which make better margins.

In addition to that, we are getting the first benefits of SETU, especially in rural, because whenever you do direct distribution, the second and third brand distribution increases and therefore we are extremely confident of maintaining this double-digit value growth in the Value-Added Hair Oil business. And if you take ex-Amla, actually the volume growth is in double-digits. And this is the high margin part of the business, so you can understand this along with the Foods and Digital margin improvement, we have been able to hold on to margin in spite of this kind of a unprecedented, input cost inflation.

**Abneesh Roy:**

Thanks. One quick follow-up question here on the coconut oil business. Whenever we see such sharp inflation in FMCG and specifically in coconut oil, we see local players lower their intensity and presence in market, and obviously copra has seen absolutely insane inflation. So, if you could talk about some of the local players in the core market. And similarly on the consumption side, because customer in India is extremely value focused, have you seen any kind of a consumer change that some part is going to other oils? I do notice your very resilient volumes, but that could be a function of market share again, because the very big retailer which had a concall recently, said that in coconut oil they saw very sharp decline versus your almost flattish volume. So, you have done quite well. But have you seen some section of customers shift to other oils? And since you have gained market share so it's kind of getting hidden?

**Saugata Gupta:**

So, I think as you know that our entire growth model is based on unbranded to branded and getting market share from other smaller players in the coconut oil market. I alluded to two pieces of statistics, in 2014-15, we had taken a 35% price increase and we delivered a 6.5% volume



growth and as well as market share gain. Over '17 to '19, because it was over an 18 to 20 month period, the average price increase was again 35%, and we had delivered a two year CAGR of 5% in Parachute. So, I believe that we should be able to hold on to the volume. There could be titration, but all I can tell you that we are taking certain steps in terms of our strategy which will ensure that the volumes are not impacted. Yes, the smaller players and other smaller branded players will be far more impacted.

**Abneesh Roy:**

Sure. Last question. On the International business, if you could comment, three sub-questions there. In terms of the Gulf and Egypt, with regards to 42% CCG, is there some base effect? Is this sustainable? On South Africa, what is happening there, why have you not changed the full year guidance in spite of weak, flattish number? And Bangladesh, are you getting volume growth? My sense is that the pricing growth in the coconut oil business will be quite sharp there as well. Of course, lower than India, given you do have import option there, how is the volume growth in Bangladesh?

**Saugata Gupta:**

Okay. So, let me address one by one. As far as MENA is concerned, the growth is being fueled by two things. One, growth in the core in terms of market share gain. As you know that we never participated in VAHO in Egypt, we had launched VAHO in Egypt two to three years ago, and then we launched a full portfolio of VAHO in Egypt, which is Herbs India, we have got Fiancee and we have got Amla as well. Similarly, we have got an aggressive distribution and investments. And, we have launched shampoos in Egypt and Middle East, in addition to shower gels and body lotion. So, the NPD contribution has been significant, and all the NPDs are doing well, as well as we are getting share in our core. Hence, last year we grew 30% plus, and this will continue. We are expecting to have this accelerated growth in the Middle East because it's a very strong focus and investment market for us in terms of the opportunity or the headroom for both top line and bottom line growth. We have also done significant improvement in operating margin, due to which we continue to reduce our dependence on Bangladesh for both top line and bottom line.

I think your second question was on South Africa. Sometimes in quarters we do some certain readjustment of strategy, so we are pretty confident that we could start getting back on track from Quarter 2, and then we have visibility of July on growth returning back. And over the full year we should be able to hit double-digit growth which has been our consistent delivery. Having said that, again as you know, over the last four, five years we have outperformed the sector by a mile in South Africa and significantly improved profitability, and we have proved it. Although, we have not made so much investment in South Africa or Africa. But with being very frugal and efficient capital allocation, we have been able to give sector beating growth consistently in South Africa over the last five years.

Now coming to Bangladesh, Bangladesh has two components as a volume growth in the core, there is significant NPD performance as you know, we have done very well recently in shampoo, and we are doing well in baby. There is some part of inflation and price increase in Bangladesh which has been far lower than India, because international copra has not gotten impacted as much as Indian copra.

**Abneesh Roy:**

Sure. Thanks. That's all from my side. Thank you.

**Moderator:**

Thank you. The next question is from the line of Vivek Maheshwari from Jefferies. Please go ahead.

**Vivek Maheshwari:**

Saugata and team, good to see results. Firstly Saugata on ATL versus BTL what you mentioned. So, at a consolidated level I see your advertising spends have gone up quite a bit, about 25%, but India business is actually down 20%, the absolute number is like lowest in the last five years or let's say 20 quarters. The percentage number I know the denominator shifts quite a bit in your case but we have seen inflationary cycles in the past, at about 3.5% this is also the lowest number that at least I recall or we have ever seen. Can you just elaborate more on this?

**Pawan Agrawal:**

You are right, Vivek, it's incorrect to look at ASP percentage to sales because of the denominator effect. Having said that, yes, of course there has been some cut in India ASP, but let me just tell you two three broad counters for that. #1, we have not cut in the focus categories of premium, VAHO, Foods and PPC. So, in these categories we have invested adequately. Also, Saugata touched upon the fact that we have ensured that our share of voice is higher than our share of market in focus categories. Secondly in BOP of VAHO we have definitely cut down due to competitive activity at the trade and therefore we have rationalized ATL spends towards consumer beneficial pricing in that segment. Additionally, I think in this quarter we have cut down lot of non-media spends, like we have rationalized the frequency of Nielsen subscription data, we have deferred some of the new film shoots which was discretionary and hence reduction in utilization of celebrity time cost. And additionally, we also extracted lot of inefficiency out of media and non-media spends and hence getting more bang for the buck for the same dollar spent. So, these are some of the reasons because of which you see the A&P spends going down a little. But going ahead, we believe that A&P will trend upwards in India business. And of course, at a consol level, we continue to invest behind all the focus categories and new parts of the business.

**Vivek Maheshwari:**

I see. Okay.

**Saugata Gupta:**

Just to add, practically though, in terms of media spends there has been no reduction.

**Vivek Maheshwari:**

Why do you say that Saugata? Sorry, because the number is just about like ₹85 Crores.

- Saugata Gupta:** That is because all the cuts have been done in non-media and production, and other activities. We have ensured that the media spends have not been compromised.
- Pawan Agrawal:** Media spends on the focus categories in fact has increased. For other part as I explained, largely because of non-media cut in some of the elements, and plus in some of the non-focus categories of course we have cut down.
- Vivek Maheshwari:** Got it, Pawan, and Saugata. And so when I subtract standalone from consol, the advertising spend over there is up 60%. I am guessing that bulk of this will be on India business only and international movement will be relatively lower, right, is that fair?
- Saugata Gupta:** Yes, you are right, so it is largely on the new businesses and also international business also has gone up but not to that extent.
- Vivek Maheshwari:** Got it. And the second thing is your comment in the press release or the information update about the M&As. So, what you mentioned in the existing geographies or even a new geographies, I am guessing that is more in the context of international business that you are talking about. And you have done, I would say, exceptionally well on the acquisitions that you have done in the digital first D2C space in India. Are there still wide spaces that you are looking at in India or do you think the platforms are ready (the brand platforms)? And you have also given in your release the categories that you can expand into with the existing platforms? So, how do you think about India acquisitions from here on?
- Saugata Gupta:** There are one or two spaces which I think are still available. See, we are clearly going into not only market attractiveness but a right-to-win which are adjacencies. So, we believe that there are one or two spaces which are available whether it's in Foods or Personal Care. In addition to that, I mean, as you know, Foods is an interest for us, so therefore we will continue to be looking into these acquisitions. Our track record for acquisition has been good. We now have a good playbook. And we also believe that we see ourselves as a strategic investor of choice, because given that we have multiple brands; the kind of synergies, and the kind of cost, and the kind of knowledge we can give and help a Founder to grow his or her business is I think significant.
- Vivek Maheshwari:** Got it. Thank you. Wishing you all the very best.
- Pawan Agrawal:** Thank you.
- Saugata Gupta:** Thank you.
- Moderator:** Thank you. The next question is from the line of Aarushi Lunia from Macquarie. Please go ahead.

**Avi Mehta:** Hi team. This is Avi here from Macquarie.

**Saugata Gupta:** Hi, Avi.

**Avi Mehta:** Hi sir. So, I just had one question on copra. Just wanted to understand a bit, how is current copra versus the sector average is it if you could kind of give us a sense? And based on that would it be fair to say if you could kind of help first clarify that part.

**Saugata Gupta:** We didn't get the question Avi?

**Pawan Agrawal:** Versus sector average as in?

**Avi Mehta:** Versus the quarter average. I am really sorry 1Q average. Is it ahead of that? Is it below that? How would it be just to get a perspective?

**Pawan Agrawal:** Are you asking about inflation, the copra inflation?

**Avi Mehta:** More in terms of the cost.

**Saugata Gupta:** Yes, yes, 12% down in the last few weeks. So, that 107% was for the quarter on a year on year basis. But yes, if you take a point today it's 12% down from the last peak.

**Pawan Agrawal:** From the peak.

**Saugata Gupta:** From the peak, yes.

**Avi Mehta:** From the peak. So, can the quarter average still be down, that's the correct understanding?

**Pawan Agrawal:** The prices level went up in Quarter 1, it went up further in July and now we are seeing about 10% to 12% correction from the peak that we had seen in July. And again, to sort of bring it back to the point which Saugata had mentioned earlier, we do not see any further pricing action at least given the recent trends that we have seen in the copra prices.

**Avi Mehta:** Got it. Sir, just a clarification, would it be fair to say that whatever was the 1Q EBITDA growth, the growth logically should kind of improve as we go forward given that VAHO is improving. Is that a fair expectation?

**Pawan Agrawal:** It is difficult to give quarter-on-quarter guidance, Avi. In fact, Saugata touched upon in his opening commentary that while we had given a double-digit profit growth guidance earlier. In the current scenario it looks a little challenging, but we will still strive for high single-digit growth in this year. But typically what we have seen is that inflationary years get followed by a

deflationary year, and we have been able to make up for more than what we could not do in the previous year. Therefore, from a two year perspective, we are fairly confident that we should be able to deliver double-digit profit growth CAGR.

**Saugata Gupta:** The only thing, which I have also alluded to is, just wait and watch in the second half. See, right now, as I said that, yes, double-digit looks a bit challenging as of now, but you never know. See, I mean, three months ago I never could have predicted copra prices, no?

**Avi Mehta:** Yes. I understood, so except copra, there is nothing that I have to look.

**Saugata Gupta:** I would look at last 6 months, but as you know, we never give up like the Indian cricket team till the last ball. So, we will not give up. We will be like the Indian cricket team.

**Avi Mehta:** Perfect. That's all from my side. I just wanted to clarify that point only. Thank you very much.

**Saugata Gupta:** Thank you.

**Moderator:** Thank you. The next question is from the line of Mihir Shah from Nomura. Please go ahead.

**Mihir Shah:** Hi, team. Thank you for taking my question. Firstly, on Parachute, just one small clarification. In the press update you highlighted that there is a consumer pricing of about 60% and that translates to closer to about 30%, 31% for the quarter. I wanted to know, after this 31%, what is the incremental pricing that you have taken that has yet to come through in the numbers?

**Pawan Agrawal:** So, we have taken additional 30% price increase in Quarter 1. We do not intend to take any further price increase, as I just mentioned. So, the full effect of this price increase will be visible in Quarter 2, where the value growth probably could be even higher on the Parachute franchise. But again, from Quarter 2 onwards, or later half of the Quarter 2, we will also start anniversarizing in the base. So, in H2, your pricing growth will progressively come down from the peaks of Quarter 2.

**Mihir Shah:** Understood, Pawan. Thank you for clarifying that. After such sharp price increases, I mean, historically, I do not think, I recall much price declines in Parachute maybe in '17, '18 and thereabouts. But how confident are you on the volume growth front you sustained this quarter? But does this kind of price increase put significant pressure on titrating for consumers? Can one expect a sharper decline on volumes of Parachute or not really?

**Saugata Gupta:** No. So, I think there are two things. One is, obviously, we will take steps now and I cannot get into details of what are the steps we will take to ensure that protecting some of the packs which are much more sensitive to pricing. We are taking steps. Secondly, as I told you, is that during such times the small players are really stretched in terms of their presence. Also some of our

branded large competitors who have been doing unreasonable kind of pricing, which was lost last year I think will not do that. So, I think there will be market share gains. So, combination of that we will be able to hold broadly the volumes. I do not see any reason to be stressed out. And I think the other thing is that, what I believe is going to happen is that, the peak has been reached and therefore as we go towards the second half I think there will be a little bit of stability as far as pricing and other things go.

**Mihir Shah:**

Thanks, Saugata, for that. Secondly, on VAHO, great set of numbers after such a long period of time. Is there any element of channel filling or is largely Project SETU that is driving this? What is the core driver for this and sustainability of this? I know you mentioned that you were trying to do double-digits, but just wanted to check on that one.

**Saugata Gupta:**

I think we have a very high confidence level on sustaining double-digit growth in VAHO. And two things, one is that, as you have seen, we are seeing also a significant increase in market share. See, what happens is that normally wholesalers take a high velocity item. To give you an example, a Parachute or a Shanti Amla will be a natural choice which will go through the wholesale system or the indirect sales system. Now that we are over a three year period adding 0.5 million set of outlets, invariably it is the second or third brand that goes into the range selling. And that is the advantage we are getting. Therefore, we must, not only taking share from the organized players, we will be also taking share from some of the smaller players. And the second thing which we are doing is that, because we have said that we are not going to get into the BTL fight at the bottom of pyramid, but instead invest behind equity building, we are significantly investing behind equity building. This also means that our share of voice is increasing, and we are investing behind it because it is my job as a category leader to drive category growth. So, we are fulfilling the job which we had abdicated because we were trying to fight at the bottom of pyramid. So, it's a combination of that. The biggest illustration of the fact is that if you take out Shanti Amla from the equation; because we are not getting into the BTL fight which is I think is very inane; volume growth of the other brands which is brands like Hair and Care, Jasmine, Aloe, Ayurvedic; they have actually grown in double-digit for the first time after a lot of quarters and we expect this kind of a trend to be maintained.

**Mihir Shah:**

Fantastic. That's wonderful, heartening to hear. Lastly, if I can just push in one more on margins, I wanted to understand how should one think about margins in the near term with this kind of inflation in copra? VAHO is margin accretive category if that goes by double-digits while the kind of pressure that you see from copra, I mean, when will this converge and when can we start seeing margins starting to expand, can it be like in two to three quarters, is that a fair understanding?

**Pawan Agrawal:**

So, see, from a margin percentage standpoint, very honestly, it is very difficult to sort of gauge because there are multiple moving parts in terms of the commodity inflation, price increase that

we have taken etc. But as I mentioned earlier, in this kind of inflationary scenario, what is important is to look at the profit growth, because margins will definitely look compressed because of the significant denominator effect. And as you would have heard, Saugata said that we are expecting even higher revenue growth going ahead. Therefore, margin percentage guidance is difficult. But yes, we hold on to what I just said a while ago in terms of the profit growth.

**Saugata Gupta:**

And as I said again and reinforcing, let us wait a quarter because situation is volatile. We have far more control on volume and revenue growth, and I think with that margin will follow. And as I said that, we strongly believe that in emerging markets, volume growth is important. So, if we can in some of the quarters go for a double-digit volume growth, automatically margins will come next year, and on a two-year basis it will be healthy profit growth. I mean, there is no reason to be concerned at all, as one or two quarters is fine. Also, I do not think any power brand globally has taken this kind of a price increase and actually also been able to hold volume.

**Pawan Agrawal:**

And we have seen in the past that any compression in margin in a particular year has been supplemented by a significant expansion in the subsequent year, so that will play out as we move along to FY27.

**Mihir Shah:**

Fair point. Thank you very much, gents. Wishing you all the very best. Congrats on a great set of numbers.

**Saugata Gupta:**

Thank you.

**Moderator:**

Thank you. The next question is from the line of Percy Panthaki from IIFL Securities. Please go ahead.

**Percy Panthaki:**

Hi, everyone. My question is on the Parachute segment. You mentioned that now there is like a 60% price increase on Parachute. We have seen inflationary cycles in the past, but I do not think we have ever taken a 60% YoY pricing in Parachute. So, in light of this, I know you said you will take measures to protect volume. But in light of this, do you think it is possible that with a 60% pricing, volume might touch a negative double-digit kind of number? Or you think that that's out of the question, it cannot get so bad?

**Saugata Gupta:**

First of all, I the 60% is a point-to-point. And as Pawan alluded to, as we move towards second half, this number will go down drastically. It could go to between 35% to 45%, if there is no pricing action. And I gave some piece of statistics that this has happened twice in the past, we have taken 35% hikes earlier. That time, India might have been the 11th largest economy, today we are far bigger, and the aspirations have grown accordingly. Number two is, this 60% is a one-quarter phenomenon. It's not a two, three-quarter phenomenon. And as I said that there has been stabilization happening on the copra prices from the peak. Thus, this kind of supply-demand

mismatch, was a function of some speculation as well. It is not a structural or major issue. So, it will get sorted out. Now, obviously, you will only see proof of this as the second quarter ends. But we are not unduly perturbed by this one. There could be minor volume pressure here and there. But I mean, a doomsday scenario is unlikely to happen. I do not think anything like that will happen.

**Pawan Agrawal:**

Let me just add, I think we are confident nothing of that sort will happen. In fact, in this quarter also if you adjust for ml-age, it is 1% positive growth. And also, this is despite taking certain calls of rationalizing the supply on certain channel SKU combinations, which were very low margin. So, we took a very conscious call in terms of not supplying to protect margin. So, therefore, we are absolutely confident that there would not be a scenario where we will have any major decline. In all probability, we should be able to deliver growth adjusted for ml-age.

**Percy Panthaki:**

Got it. And secondly, just wanted to understand the drivers behind the copra price, what is the reason that the inflation is so high and even like even taking a slight moderation from here, it would still for the full year remain much higher than what our original estimates were. So, what led to this basically?

**Saugata Gupta:**

I talked about this in my opening commentary. So what happened was there was a slight drop in coconut productivity, of around 9%. Now as I mentioned earlier, some of the demand for coconut which is used for consumption and religious purposes are inelastic. So, Copra is the end of that entire supply chain. What also happened was there were some unseasonal rains in April, and copra needs dry weather for conversion, that conversion cycle got delayed and since all the other demands were met with a certain pricing, the availability for copra further shrank because of 9% overall productivity drop. As demand remained at certain level, it led to some speculative activity in copra. Now what has happened, given all the pricing changes, demand rationing has happened automatically. As a result, we are seeing first signs of demand rationing happening, and we are still in the season. The season continues till September. Our first job is to ensure that we have supply assurance. We believe that we have far better control of the situation as of now. Now going forward, yes, I think the overall full year copra prices will still be high, but at the same time, sequentially copra prices are expected to go down directionally unless there is again some other black swan event or something. And what happens is that if you see, inflationary cycles are invariably followed by a deflationary cycle, because what happens is that demand titration happens, also the rains this time are good. Our initial view of the crop is also decent, so we believe that it will be followed by a deflationary cycle.

**Percy Panthaki:**

So, when you are saying productivity is 9% down, does it mean that the crop itself is sort of 9% down? What exactly does it mean?

**Saugata Gupta:**

Broadly, yes.



- Percy Panthaki:** Okay. And this is because of some seasonal vagaries that the 9% has got affected or what is the underlying reason for that?
- Saugata Gupta:** Temperature and seasonal rain are the functions of that.
- Percy Panthaki:** Understood. And this VAHO, basically you are focusing more on the mid and premium because you think that the lower end does not really make profit, but what we have seen across many --
- Saugata Gupta:** It does make profit. But it does not make as much margin as the rest of the portfolio.
- Percy Panthaki:** Correct. So, we have seen across many segments that consumption is under a huge amount of pressure and in this kind of a scenario, basically the consumer is willing to go for cheaper alternatives. You have seen that in multiple categories in the consumption space. So, while your strategy is sort of good of focusing on the more profitable part, but do you think this is the right time to do that?
- Saugata Gupta:** I do not know. We have not noticed. See, first of all, the indexation of RPI is not that massive. So, even within VAHO, in brands like Amla category, we are not focusing on BTL. That does not mean I am not going to invest behind Shanti Amla, mid and large packs. It is about that Rs. 20 price point, BTL driven strategy. Once we have now got VAHO, the rest of the things, I might invest in Amla also and grow the category. What we are saying is, we do not believe that by converting ATL to BTL, that does not necessarily lead to consumption. The question is if I give 10%, 20% BTL, am I getting increased offtake? My hypothesis is that increase in BTL does not give you long-term off-take.
- Percy Panthaki:** Right. Got it. Yes, that's it for me, Saugata.
- Saugata Gupta:** I am not saying I am taking price increases in Amla. All I am saying is, I am not buying volume by doing BTL. That's all.
- Percy Panthaki:** Understood. Thank you very much.
- Saugata Gupta:** That does not mean the consumer will stop buying because Marico has stopped giving BTL to the wholesaler.
- Percy Panthaki:** Got it. Understood.
- Moderator:** Thank you. The next question is from the line of Aditya Soman from CLSA. Please go ahead.

- Aditya Soman:** Hi, good evening and thanks for your time. So, two questions. Firstly, on VAHO, what would be the volume growth? I mean, you indicated that it's sort of double-digit, excluding Shanti Amla. Including Shanti Amla, would it be like low single-digit?
- Saugata Gupta:** No, it will be slightly more.
- Pawan Agrawal:** It is mid-single-digit.
- Aditya Soman:** Mid-single-digit. And so, that effectively means that volumes for the remaining 30% of your portfolio, other than Parachute, Saffola and VAHO, would be sort of north of 25%. Would that be the right rate to get you to the 9% overall.
- Saugata Gupta:** All I can say is that we have indicated that Saffola is mid single-digits, we would not get into individual category-wise growth. But yes, the premium part of the business, and diversification of business, would be higher growth.
- Aditya Soman:** I understand. No, that's very clear. And then just lastly, on this VAHO bit again, one of your competitors on their call, they mentioned that they have gained probably the most market share in their oil category. And obviously, they compete in Amla. So, would that be the right inference that they are gaining market share because of BTL or whatever?
- Saugata Gupta:** I cannot comment on this one. We have gained 140 bps value share. We focus on value share.
- Aditya Soman:** Very clear. So, that's it for me. Thank you.
- Saugata Gupta:** Thank you.
- Moderator:** Thank you. The next question is from the line of Nihal Mahesh Jham from HSBC Securities. Please go ahead.
- Nihal Mahesh Jham:** Yes, good evening and congratulations. Focusing on the Foods business, there has been a slight moderation from the 40% growth you saw in Q4 to 20%, so any specific parts you want to highlight on that?
- Saugata Gupta:** On a quarterly basis this happened because last year there were some launches. So, we are fairly confident about delivering 25%-plus growth in the Foods business. There is nothing to be worried about. We look at two things. One, we look at it if the core of the Foods portfolio, which is the Saffola Oats, Masala Oats, Honey etc, are growing in double-digits. Yes, they are growing in double-digits. Sometimes, parts of True Elements, or some parts of Plix can cause some fluctuation. So, I do not think there's any cause for concern. Maybe 40% would have been a slightly higher number because we have always been talking about a 25% plus kind of growth.

- Nihal Mahesh Jham:** So, Saugata, second is on the profitability of the foods business itself. In case of Personal Care, you have given this outlook of double-digit EBITDA. In Foods you mentioned that you expect to see a gradual improvement in the gross margin from where you already reached. But just if I had to speak in terms of the EBITDA profitability, what would be the aspirations, say, similar by FY27 for this part of the business?
- Saugata Gupta:** So, I think two things. One is, as far as the Oats plus Masala Oats, the core of the business, which is a significant part of the portfolio, we are almost touching the company EBITDA. Now, what we have realized is that as long as you concentrate on the value-added part, we breakeven in any category at ₹150 crores to ₹200 crores, and then we can hit ₹300 crores to ₹400 crores. So, our objective will be to get some of these categories into that range. Having said that, over the last two years, we have improved gross margin by 1,000 basis points. It's still a work in progress. We need to continue to do that. And what we actually look at is the blended gross margin of our NPD versus our current portfolio. The blended gross margin of our NPD is higher right now than that of our current portfolio, and this will progressively move up.
- Pawan Agrawal:** Also, just to add, Foods operates on a low A&P and low gross margin model, and therefore at a net contribution level, it would not be very different. Once it reaches a particular scale, then to reach to a company EBITDA is not much of an effort because it's a low A&P model.
- Saugata Gupta:** And also continuing on that, we are using the Saffola master brand and getting amortization of the spend. So, you have to look at it from the perspective of the Saffola master brand, Saffola Total, this one in net contribution terms.
- Nihal Mahesh Jham:** So, just quickly one last question that the ₹20,000 Crores number you have given by FY20, just more clarity in terms of, the different segment contribution. You mentioned Foods and D2C 25% by '27, but just more clarity on the statement you made in the annual report.
- Pawan Agrawal:** It's very difficult to give an exact breakup of that ₹20,000 Crores, but the idea is that on all the core categories, we have given some guidance. For example, let's say we are talking about Foods 25% plus growth, D2C 25% plus growth, VAHO we are expecting to deliver double-digit growth. A combination of all of these, plus of course international business, we also expect mid-teens sort of a number. With a combination of all this, this ₹20,000 Crores can be achieved.
- Nihal Mahesh Jham:** Got it. Thank you so much. Wish you all the best.
- Moderator:** Thank you. Thank you, sir. The next question is from the line of Harit Kapoor from Investec. Please go ahead.

**Harit Kapoor:**

Yes, hi. Good evening. So, just had three questions. One was on SETU. So, it's almost a year and a half in your three-year journey. Just wanted to get a sense of, how much of the 500,000 direct would we have broadly covered and any target for this year?

**Saugata Gupta:**

So, to be honest, while we kicked off SETU sometime around one and a half years ago, but the impact has just started because we were prototyping SETU. I would say that we are seeing the first signs of growth of SETU, and you will see perhaps better, impact of SETU as we go into the second half of the year. There are two parts to it. One is the rural, where we are not only doing direct distribution, but also converting some of our indirect to direct using far more technology and getting control of EBITDA ranges. The second part of the SETU is urban, where we will increase our presence in food specialty stores, cosmetic as well as chemists, which we will unfold as we grow. So, this will lead to two things. One, it we will certainly see a GT improvement and GT growth as we move from quarter to quarter. This process, while we said has been around for three years, I would knock off the first six months because we were trying to get the model right. I would say it has been one year and there are two more years to go. But we are quite confident, that what we have achieved in this is two things. One, we believe that the long term sustainable competitive advantage for incumbents or large players in the FMCG sector is strength in GT. GT is not going to vanish overnight. Therefore, while we get short term sales by investing in OT, we have said that it is on our interest to ensure that our distribution system in terms of ROI stability stays continuously in control. We were the first to call about this issue of GT and yes, that's why we started this SETU. And the second thing it will start doing is we will be able to do range selling. Tomorrow, when some of the digital brands hit a certain critical mass, we can create a specialized GT channel for the say the top 10,000 to 15,000 food outlets or the top 5,000 beauty stores or the top 10,000 chemists. So, that's the other thing which we have not even leveraged yet. That will be Phase 2B of SETU.

**Harit Kapoor:**

Got it. The second question was on VAHO, given that the non-Amla brands have grown in double-digit and clearly share has come from those brands, just wanted to get a sense of, who are the players that or which are the type of players that we have been successful in gaining share from? The question essentially is, if you look at it a few years back, you also had certain, D2C-led players in premium space who came in and took up some space there, created certain brands there. So, is some of it coming from there? As well that as you are expanding your reach, customers coming back to umbrella brands, a little bit more color on that, that's all.

**Saugata Gupta:**

So, I think mere distribution or placing a product does not lead to market share. I am alluding to some D2C brands. And I do not think Nielsen captures them at all. So, whatever share we have got would have come from the large, organized players. So, I do not think there is any concern with respect to D2C players. As I said, I think the biggest gain has come because of our SETU initiative, which is involved in direct distribution availability and weighted distribution.

Secondly, because of the fact that we are now investing behind some of these brands, it is leading to overall brand preference.

**Harit Kapoor:** Got it. And lastly, in your presentation you did, you had a slide where you spoke about the ₹900 Crores to ₹2,000 Crores journey for the four brands in the digital space. Is this pertaining to digital-first brands overall or it's pertaining to these four brands in the journey you see these four brands going over the next three years? Because I just want to know if there is an acquisition element to that ₹900 Crores to ₹2,000 crores also.

**Saugata Gupta:** No. So, I think as of now it is the four brands, but we will be happy to acquire some and ensure that this number is definitely achieved or crossed. What we want to allude to in this chart is the potential TAM expansion for each of these four brands.

**Harit Kapoor:** Yes, I got that. Great. Thanks. Wish you all the best. Thank you.

**Moderator:** Thank you. The next question is from the line of Arnab Mitra from Goldman Sachs. Please go ahead.

**Arnab Mitra:** Hi, congratulations on a great quarter. My first question is again on the digital brand. So, you have given this enhanced aspiration of 2.5x and also margins going up sharply. Your chart shows a significant jump from where you are today to '27. So, now what you have seen in other digital companies sometimes, is that all the things do not happen together. If you try to pull the margin up, it does affect the growth rate at least to some extent. So, what's giving you the confidence that you can do both which is scale up the top line but take up the percentage margins in some of these businesses?

**Saugata Gupta:** Okay. I think I covered this last time. There are two cohorts. Beardo and Plix have broken even. In fact, Beardo is close to double-digit EBITDA. Plix has broken even too. They are now on an accelerated growth path, and obviously they will continue to perform, because of cost and scale synergies. So, in order to make them grow at an accelerated pace, I do not need to sacrifice margins. Actually, EBITDA will also increase. As far as Just Herbs and True Elements are concerned, we are okay with moderate growth and get to a path to breakeven within the next 18 months. The biggest one, is that I think we have a unique opportunity for all these brands to have access to the entire Marico cost structure, whether it's procurement, whether it's supply chain. Take for example, digital media buying – we are buying as One Marico, which gives us structural cost advantages that standalone digital brands don't have. And those are the things we are tapping. For example, in Beardo, when we insourced one or two of the hero SKUs into our own manufacturing system, we straightaway got a 500 bps to 600 bps improvement in gross margin. We are starting that process now.

**Pawan Agrawal:**

Just to add, there are two broad levers. One is, of course, the back-end synergies which Saugata spoke about. And secondly, also with the scale, operating leverage will kick in. Now, businesses are becoming sizable, and therefore, let's say, overheads will get absorbed better, which will give an operating leverage. So, this is giving us the confidence that even operating margin percentage will improve and again we have work to do in Just Herbs and True Elements, which we are expecting to move them to breakeven soon. Therefore, the overall digital cohort will contribute positively.

**Arnab Mitra:**

Just one follow-up on this. I mean so what we have seen again in some of the other digital brands is that this advertising spend which tends to be a really large cost in these businesses they almost become like a variable cost because it's performance marketing which is almost variable. So, are you saying that in your case the way the P&L of these brands look there is actually going to be decent operating leverage on advertising which I assume would be a really large percentage of sales at the early stage when the brand is scaling out?

**Saugata Gupta:**

So, let me give you a construct. As far as advertising is concerned a good digital marketing leads to lower ROAS. Number two, if you look at say D2C part of the business, as long as the AOVs are high and your digital marketing spends are better you actually get a better profitability. The second thing that happens is that we also believe that it's just not about performance marketing but also off-platform spends that needs to also drive, and as I alluded to us as one Marico buyer, off-platform spend efficiencies are far better than standalone brands. So, unlike some of the standalone brands we are also getting economies of scale as far as A2S is concerned and as you look at it, it's not that we make super obscene gross margin, Beardo is the fact, anything between ₹250 Crores to ₹300 Crores level, I can make double-digit EBITDA. It proves that our cost structure can be manageable, and as you know I think it was mentioned in my opening remarks - recently there's a study done by a VC in partnership with an MBB consulting firm on Insurgent brands. You will notice that not only our brands are high growth, they are also extremely capital efficient.

**Arnab Mitra:**

Got it. And my last question is actually on the copra, that where copra prices today are how much do they have to drop then before you have to start taking price drops what I mean is I mean till where have you priced copra on a broad-based basis. Do you expect second half there maybe need to take price hikes given, how much the cycle has gone up even if it comes off let's say 10%, 15% from here you may not need to take price corrections.

**Saugata Gupta:**

So, it all depends on the situation. What we will do is, we will always balance volume and margin. And I think, we now have a broad pricing model which has been developed with around 15 years of data. So, we will not be greedy about margin. At the same time, we believe that usually in the deflationary cycle we have been able to increase our margins.

- Pawan Agrawal:** I just want to call out one thing, Arnab, that our vulnerability towards copra price fluctuations have come down over the years, as we pulled multiple levers of margin expansion that we discussed over the call in the last one or two quarters. For example, Foods gross margin or digital business margins. In fact, driving VAHO growth through mid and premium segments is also helping us drive up margins with a better mix. In fact, rapid scale-up of the premium portfolio in international business, and the scaling up of smaller business units in international business, all these are additional profit levers. And therefore, our dependence on copra as a lever of profitability has come down, and will keep going down over the next few years. Just to share a number, the dependence on Parachute and Saffola for profits has gone down by approximately 1,000 basis points over the last few years. So, therefore, we are not as vulnerable due to copra and edible oil prices now, as we used to be let's say few years ago.
- Saugata Gupta:** And I think, if VAHO keeps on growing double-digit, your digital businesses grow, this number will progressively, even this year, become less impactful. So, it's fine. I mean, yes, it's something which has been unprecedented, but it's not giving us sleepless nights.
- Arnab Mitra:** Understood. Thanks so much. That's it from my side. All the best.
- Moderator:** Thank you. Ladies and gentlemen, we will take the last question for today, which is from the line of Nitin from Emkay Global. Please go ahead.
- Nitin Gupta:** Yes, thanks a lot for the opportunity. So, my questions are around copra prices. There is a drop of around 12%. So, based on the previous answer, it seems like we are not going to take any price cut right now and we will look to balance. So, the other two questions are around, there was a solvent extractor in press release which talks about pest attack, hurting yield of copra. So, is there any such concern for this year? And second is around, as import of copra is banned in the country? So, can we import finished goods from Bangladesh?
- Pawan Agrawal:** No, we cannot import either copra or oil. We can only import to the extent what we can export. Now, the representation is from the independent industry body. So, again, we do not have such information of pests etc. damaging the crop in a wide scale manner. Yes, there could be some limited impact. But again, it's an industry body which represents the industry as a whole.
- Saugata Gupta:** Just to add that, as I said that the drop has not been major, it's 8% to 9%. It happens in any crop and whatever little visibility we have is, there's no additional concern as we go into the next year.
- Nitin Gupta:** Yes, this is reassuring. Second, in terms of like the long-term path, we have discussed in the annual report about around doubling revenue by 2030. So, this implies around mid-teens sort of a growth ahead. So, would you be able to highlight how much of the business we are expecting from organic business and inorganic?

**Saugata Gupta:**

Yes, I think when we talk about a five-year number, it's an aspiration. We now put the building blocks in place to do it. It's very difficult to say inorganic vs. organic. I have never believed inorganic to be a substitute for organic growth. Inorganic is always an accelerator therefore for us, and in today's uncertain world, there always has to be a Plan B and a Plan C. So, I do not see any inorganic component in that kind of a plan. Given that we have started the year on a good note and have the building blocks in place - diversification, getting VAHO back into double-digit value growth, international business getting into teens, our ability to deliver 14%-15% growth which takes us to that goal is possible. I think this year we have talked about around 25% which accelerates this. And that's why I told in the opening commentary that in order to secure that aspiration, we will try and attempt to hit the first 5000 cr., I mean to move to 15,000 cr. in two years.

**Nitin Gupta:**

Thank you, sir. Thanks for the opportunity. All the very best.

**Moderator:**

Thank you. As that was the last question for today, I would now like to hand the conference over to the management for closing comments. Thank you and over to you, sir.

**Pawan Agrawal:**

To conclude, we have had an encouraging start to the new fiscal, having delivered robust growth and resilient margins in both India and international businesses, despite facing unprecedented levels of input cost pressures. In India, there are clear signs of gradual pickup in the core portfolios while the new businesses are playing their part in accelerating growth. International business has been a consistent growth driver and we intend to further solidify its double-digit growth trajectory over the medium term. We are fairly confident of maintaining the strong volume and revenue momentum in the quarters ahead, while tapping multiple levers at our disposal to effectively navigate transient inflationary pressures in the immediate term. We will continue to prioritize driving a sustainable and profitable growth construct for the medium and long term.

That is it from our side. If you have any further queries, please feel free to reach out to our IR team and they will be happy to address them. Thank you and have a great evening.

**Moderator:**

Thank you, members of the management. Ladies and gentlemen, on behalf of Marico Limited, that concludes this conference. Thank you for joining us and you may now disconnect your lines. Thank you.

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*(This document has been edited to improve readability)*