April 8, 2020

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

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

Sub.: Quarterly Update – Q4 FY 2019-20

Dear Sir/Madam,

Please find enclosed an update on the operating performance and demand trends witnessed during the quarter ended March 31, 2020. The same will also be made available on the website of the Company shortly.

This will be followed by a detailed Information Update once the Board approves the audited consolidated and Standalone financial results for quarter and financial year ended March 31, 2020.

Thank you.

Yours faithfully,

For Marico Limited
Renu Desai
Assistant Company Secretary

Encl.: As above
Quarterly Update: Q4 FY20

This update seeks to provide an overall summary of the operating performance and demand trends witnessed in the quarter ended 31st March 2020. This will be followed by a detailed Information Update once the Board approves the financial results for Q4 FY20.

In the India business, early signs of improvement across categories seen until early March were more than offset by disruptions in the last 12 days, due to lockdowns in some states culminating into a first-ever national lockdown, to contain the outbreak of COVID-19. During the impacted period, the Company could register sales largely in the Edible Oils and Foods portfolio. The continued healthy growth in the Saffola portfolio was further topped up by households stocking up on food and essential items in the early stages of the outbreak. Overall, the India business posted a low single-digit volume decline in the quarter, with very skewed high growth in the Saffola portfolio. However, overall secondary growth in the quarter was in low single digits, as primary movement of goods was relatively more impacted during the lockdown period. Value growth for the business continued to trail volume growth. Traditional trade, which was already reeling under liquidity constraints, was further weakened. However, Modern Trade and E-Commerce still managed to stay on the path of growth.

In view of the nation-wide lockdown announced by the Government of India, all offices across India have been shut down and all employees are working from home using remote access, virtual private network and enterprise communication platforms. In line with the directives from Government authorities, production at units that manufacture essential food and grocery products continues at a much reduced scale, while deploying highest safety standards. Production is currently suspended at Company’s other manufacturing units and shall commence as and when Government approvals to that effect are received. The distribution network has also been significantly impacted due to lack of manpower at each point. We are focusing on movement of essential food and grocery items to the consumers subject to necessary approvals from local Government authorities and taking all possible efforts to ensure uninterrupted supplies of essential products to our customers across channels (General Trade, Modern Trade and E-Commerce) within the existing constraints.

With COVID-19 assuming the nature of a pandemic, the International businesses were also affected. With many of the territories experiencing partial or complete lockdown in March, the International business recorded a mid-single digit decline on a constant currency basis.

Revenue decline (both in India and International business), coupled with an unfavourable mix in the India business, will translate into a modest decline in EBITDA in this quarter vs the corresponding quarter last year.

In these unprecedented times, the Company will aim to serve its consumers, to the extent possible, by exhibiting agility and resilient execution, until normalcy returns. At the same time, it has started an aggressive cost management exercise to mitigate the impact of reduced sales.

The Company will continue to drive sustained profitable volume-led growth over the medium term, through its focus on strengthening the franchise in the core categories and driving the new engines of growth towards gaining critical mass.
About Marico:

Marico (BSE: 531642, NSE: “MARICO”) is one of India’s leading consumer products companies in the global beauty and wellness space. During 2018-19, Marico recorded a turnover of INR 73 billion (USD 1.05 billion) through its products sold in India and chosen markets in Asia and Africa.

Marico touches the lives of 1 out of every 3 Indians, through its portfolio of brands such as Parachute, Parachute Advanced, Saffola, Saffola FITTIFY Gourmet, Coco Soul, Hair & Care, Nihar Naturals, Livon, Set Wet, Set Wet Studio X, True Roots, Kaya Youth O₂, Mediker and Revive. The International business contributes to about 22% of the Group’s revenue, with brands like Parachute, Parachute Advanced, HairCode, fiancée, Caivil, Hercules, Black Chic, Code 10, Ingwe, X-Men, Thuan Phat, Sedure and Isoplus.

Marico’s focus on delivering sustainable business and earnings growth has so far resulted in a healthy shareholder return of 25% CAGR since listing in 1996.

Marico Limited
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