Equity Research Report

Marico Ltd

Diversified Consumer Play with Resilience

About the company

Marico Ltd (hereinafter referred to as “Marico” or “the Company”) is a multinational company headquartered in Mumbai, Maharashtra. Incorporated in 1988 under the name Marico Foods Limited, it was subsequently renamed Marico Ltd in 2005.
Currently, Marico is engaged in the business segments of VAHO(value-added hair oils), Super Premium Refined Edible Oil, Healthy Foods, Premium Personal Care, and Hygiene. And has 6 Domestic Manufacturing Facilities, 8 International Manufacturing Facilities, 5 Domestic Offices, 23 International Offices, and 24 Depot and Warehouses.
The Company is present in more than 20 countries in the world with geographical locations like South-West Asia, the Middle East & North Africa, and South Africa.
Marico is a major oil-based company whose 71% business comes from Edible Oils and Hair Oils, but they are focusing more on the Healthy Food segment with all channels like Modern Trade, General Trade, Online, etc.

Brief Overview

In Q4, the India business continued to deliver sequential improvement in volume growth and strong topline growth, aided by pricing intervention in core franchises.

Due to supply chain disruption among local players and competition taking significant price increases and reducing BTL, the company can see some volume growth in Q2FY26.

This volume growth can be seen in Q2FY26 due to the end of Rising Copra prices, which have an 18-24-month commodity cycle, and it is towards the end of it, and project SETU, which is improving the direct reach through which the volume growth can be seen.

Food Portfolio can be a growth driver too, which has shown robust value growth of 44% in Q4 and 30%+ in FY25, and is expected to deliver 25%+ growth over the medium term.

In FY26, Marico can see double-digit topline growth backed by the first half of the inflation-led growth.

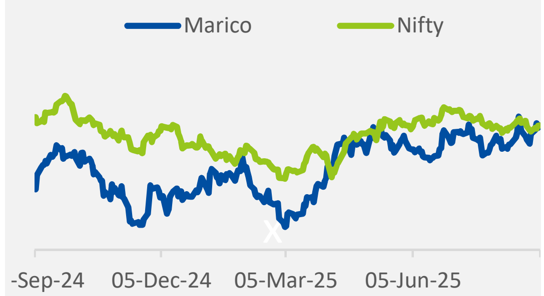
Key Highlights

- The Company reached 5.8 million outlets overall and 1 million for direct distribution. Project SETU will improve the quality of direct distribution in rural and urban areas and also help them reach 1.5 million outlets by FY27.
- Marico has shown topline growth of 12% on a YoY basis for FY25 and growth of 20% on a QoQ basis for Q4FY25.
- In the Foods Category, gross margins were structurally expanded by 1,000 basis points YoY.
- A&P spends were up by 35% in Q4 and up by 18% in FY25.
- The Master brand Parachute prices were increased by 30%+ in FY25, which is their strongest moat.
- Volume growth was 7% for Q4 and 5% for FY25, which is less than their base case of 6-7% and is expected to improve in Q2FY26.
- The Company has done 161 Crore of Capex in FY25, which is 5.25% more than the previous year and 1.4% of the FY25 Revenue.

Recommendation : XXX
Market Price : INR 738.6
Target Price : XXX

Stock Data (as on 05-Aug-2025)	
NIFTY	: 24,734.3
52 Week H/L (INR)	: 759.0/ 577.8
Market Cap (INR Cr)	: 95,863
O/Shares (Cr)	: 129.55
Diviedend Yeild (%)	: 1.50
NSE Code	: MARICO

Relative Stock Performance – 1Y



Absolute Returns (as on 05-Aug-2025)	
1 Year	: 14.23%
3 Years	: 40.86%
5 Years	: 97.26%

Shareholding Pattern (as on June-2025)	
Promoters	: 59.5%
FII	: 25.1%
DII	: 10.3%
Public	: 5.1%

Financial Summary

In INR Crores	FY25	FY26E	FY27E
Net Revenue	10,831.0	12,347.3	14076.0
YoY Growth %	***12.0%***	***14.0%***	***14.0%***
EBITDA	2,139.0	2,438.5	2,779.8
EBITDA Margin	19.7%	19.7%	19.7%
PAT	1,658.0	1,819.0	2,060.0
YoY Growth %	***10.0%***	***9.7%***	***13.2%***
ROE	42.5%	44.3%	45.5%
EPS (in INR)	12.8	14.1	16.0
EV/EBITDA	39.36 x	37.50 x	32.75 x

Prepared by: Mohd Yasir

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Global Economy

Global growth was stable, followed by an unprecedented series of shocks in this and the preceding year. However, the landscape has changed as governments around the world recorded policy priorities, and uncertainties have climbed to new highs.

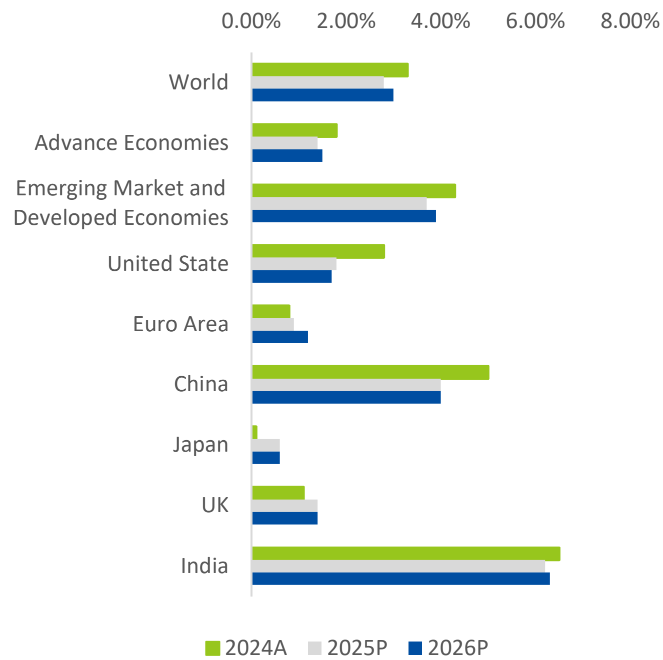
Concern over the shockwaves unleashed by Donald Trump's trade policies, the IMF trimmed its forecasts for almost every economy, paring global growth projections by 50 basis points to 2.8 percent (from 3.3% earlier) for 2025, after growing at 2.7% in 2024. It also estimates that the US will witness a sharp deceleration from 2.7% in 2024 to 1.8%, while many emerging economies may face significant slowdowns.

Global Headline Inflation remains stable, and Core Inflation is slightly coming to an uptrend. Selected uncertainty measures like EPU(Economic Policy Uncertainty) and TPU(Trade Policy Uncertainty) have gone high.

For Emerging Market and Developing Economy, the growth for CY24 remains at 4.3% and is predicted at 3.7% for CY25 and 3.9% for CY26. which was less than the pre-COVID levels.

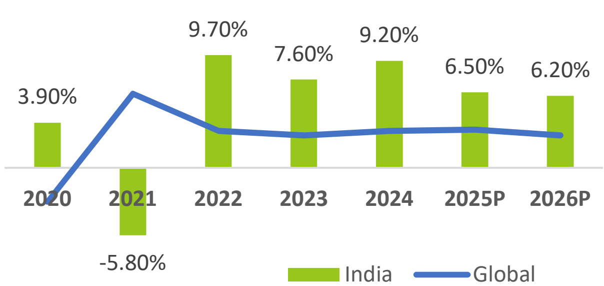
Source: IMF WEO, Company Analysis

Global GDP Projection (%)

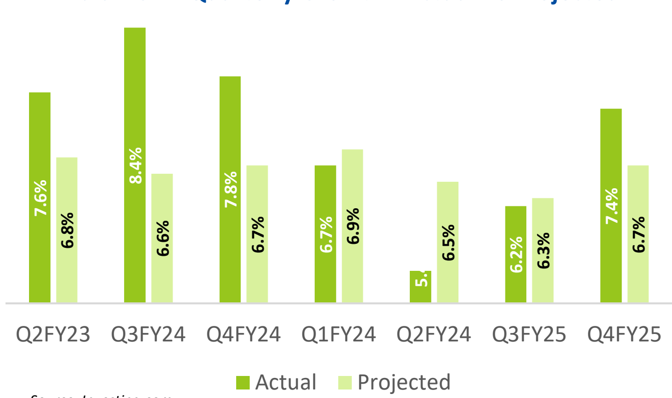


Source: IMF WEO

India Vs Global GDP Growth (%)



Indian GDP Quarterly Growth - Actual Vs Projected



Source: Investing.com

Indian Economy

Despite challenging global conditions, India's economic trajectory remains resilient, supported by strong domestic demand and structural reforms.

Despite global uncertainties, India demonstrated steady economic growth, with a real GDP growth of 6.4% in FY 24-25. While this growth was slower than expected, it continues to be one of the fastest-growing major economies and is expected to grow at 6.2% for FY25 and 6.3% for FY26.

India has achieved a major economic landmark by overtaking Japan to become the world's 4th largest economy, with a GDP of $4 trillion. This advancement places India behind only the United States, China, and Germany in global rankings. India's GDP is projected to expand to $5.7 trillion by fiscal 2028, making it the third-largest economy in the world, surpassing Germany.

India's economy is growing steadily, with Q4FY25 GDP rising to 7.4% and full-year growth at 6.4%, supported by strong rural demand, private consumption, and investments. Inflation has sharply declined, with CPI at a six-year low of 3.2% in April 2025. With inflation expected to remain below the 4% target in FY26, the RBI's Monetary Policy Committee (MPC) cut the repo rate by 50 basis points to 5.5% to boost growth.

Source: IMF WEO, Company Analysis, RBI (MPC), Adda247

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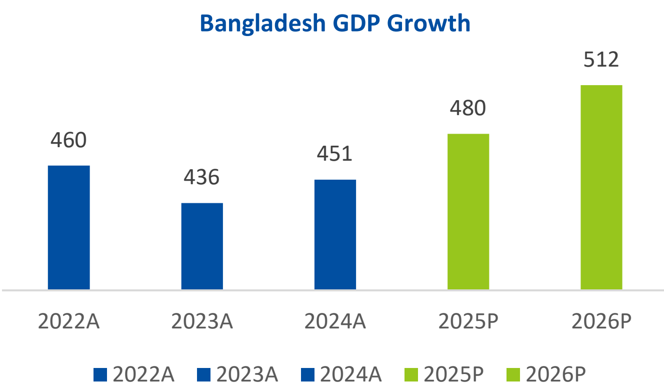
Bangladesh Economy

Bangladesh is a fast-growing South Asian economy driven by textiles and remittances. Its GDP stands at $451 billion in FY24 and is expected to grow at 5-7% on a YoY basis and to reach somewhere around $515 billion by the end of FY26. The per capita income in FY24 is $2,593, which is expected to reach $2,936 by the end of FY26 with a CAGR of 6.4%.

Inflation has risen from 5.36% in July 2021 to 11.7% in July 2024. The ready-made-garment sector in particular thrived, accounting for around 13% of the country's GDP and generating nearly 85% of the total export revenue in FY24.

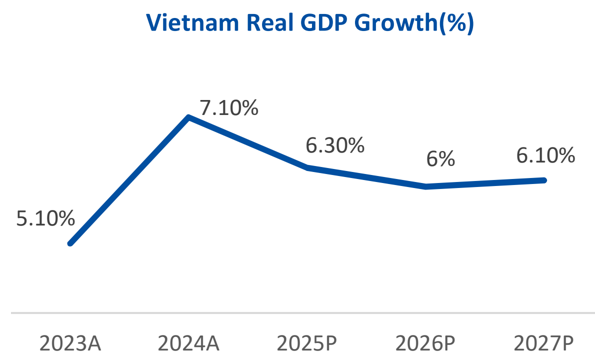


Source: World-Bank, Focus Economics, ADBs Asian Development Outlook

Vietnam Economy

Vietnam has shown a robust growth of 7.1% in FY24 from FY23 to reach its GDP of $459.47 billion and continue to grow at a rate of 6.3% for FY25 and 6% for FY26.

Vietnam's middle class is growing, leading to higher domestic consumption and boosting retail, real estate, and services sectors. Vietnam's economy is expected to remain resilient in 2025 and 2026, though growth will slow due to tariff pressures. In early July 2025, due to higher tariffs imposed by the US government, it can reduce export demand for the rest of 2025 and into 2026 in Vietnam.

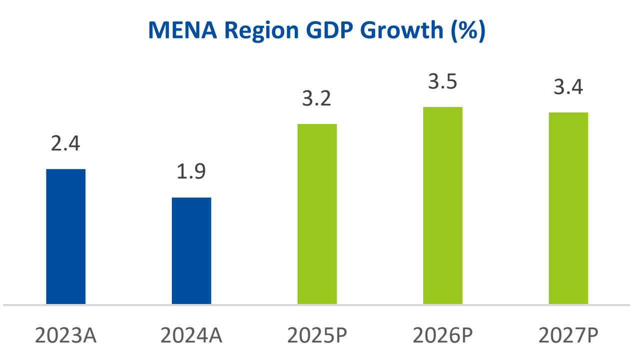


Source: World-Bank, Focus Economics, ADBs Asian Development Outlook

MENA Economy

The Middle East and North Africa (MENA) region is expected to grow moderately at 3.2 % in FY2025. The nominal GDP of MENA stands at $5.52 trillion in FY2024 and is projected to reach $5.73 trillion. However, the outlook remains highly uncertain amid ongoing regional conflicts. Growth in the GCC is forecast at 3.3% in 2025 and 4.6% in 2026.

According to OPEC data, the MENA region holds more than half of the world's oil reserves and two-fifths of the world's natural gas reserves. The World Bank includes 21 countries as part of MENA, and based on their 2020 population reports, the region accounts for approximately 6% of the world's population.

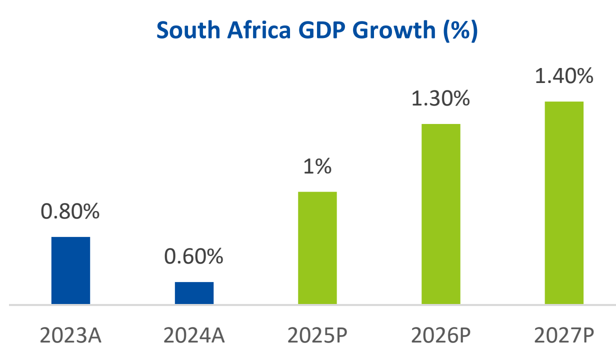


Source: Company Analysis, Statista, IMF WEO

South Africa's Economy

South Africa's GDP accounts for $411 billion in FY24 and is expected to grow at the rate of 1-1.3%. the country is the world's largest producer of platinum, vanadium, and manganese. It also has a relatively high gross domestic product (GDP) per capita compared to other countries in sub-Saharan Africa.

South Africa is a major exporter of pearls, stones, precious metals, etc., and a major importer of mineral fuels, mineral oil, machinery, vehicles, etc. South Africa is a part of the WTO and comes under MFN (Most Favored Nation) with many countries, and the adult literacy rate in 2025 was 95% which was the second highest in Africa behind only Seychelles.



Source: International Trade Administration, IMF WEO

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Global FMCG Industry

Fast-moving consumer goods (FMCG), also called consumer packaged goods (CPG), represent one of the largest industries globally. The CPG market is forecasted to grow at a CAGR of 5.1% between 2025-2033. And by 2033, the market size is expected to be USD 4.22 trillion, a substantial rise from the USD 2.66 trillion recorded in 2024.

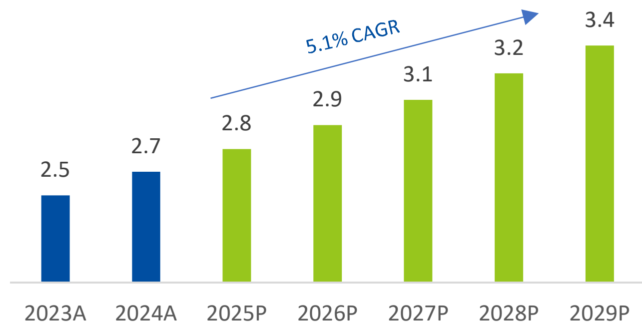
The FMCG market is experiencing significant growth in the ready-to-cook and ready-to-eat food product segment.

The Consumer Packaged Goods industry has lots of opportunities to grow globally, like Expansion of health-conscious product lines, Growth of E-Commerce platforms, Sustainable packaging, and with that many challenges it faces like Supply chain disruption, Intense competition, changing consumer preferences, Regulatory compliance and etc.

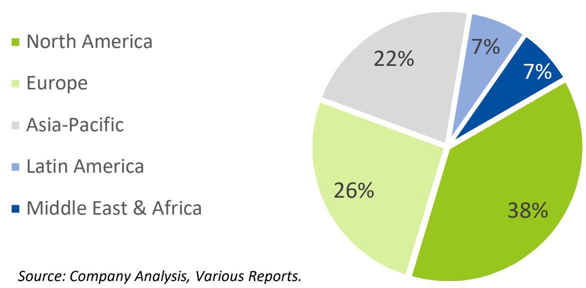
The Largest segment in FMCG/CPG by product type is Foods & Beverages, and the fastest growing segment is Personal Care, driven by heightened consumer awareness regarding hygiene and self-care. And By Distribution channel, for Largest segment is supermarkets/hypermarkets, and the fastest growing segment is Online retail.

Source: Company Analysis, Various Research Reports

Global FMCG Market Size in USD (trillion)

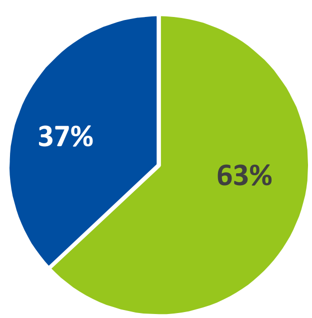


Estimated Revenue Share by Region (Top 7 FMCG/CPG)

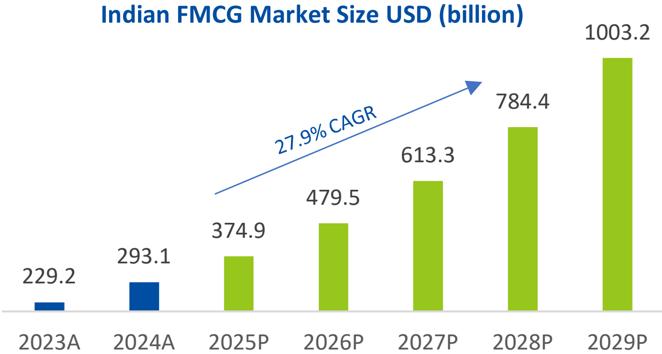


Source: Company Analysis, Various Reports.

Rural Vs Urban Sales Contribution



Indian FMCG Market Size USD (billion)



Source: Indian Brand Equity Foundation

Indian FMCG Industry

Indian food processing market size reached USD 293.1 billion in 2024 and is expected to reach USD 1003.2 billion by 2029, exhibiting a growth rate (CAGR) of 27.9% during FY 2025 to FY 2030.

The Fast-moving Consumer Goods (FMCG) sector is India's 4th largest sector and has been expanding at a healthy rate over the years because of rising disposable income, a rising youth population, and rising brand awareness among consumers, with household and personal care accounting for 50% of FMCG sales in India, the industry is an important contributor to India's GDP.

The FMCG sector provides employment to around 3 million people, accounting for approximately 5% of the total factory employment in India. FMCG sales in the country grew 7-9% by revenue in 2022-23. The key growth drivers for the sector include favorable government initiatives & policies

Although the Indian government doesn't have any direct scheme for the FMCG Industry but there are some schemes through which the industry can see a boost, like the PLI Scheme, where the govt budget is 9,000 Crore Rs, PM FME Scheme, PM Gati-Shakti, Skill Indian Mission, etc.

In 2024, India's consumer spending was Rs. 2,08,51,200 crore (USD 2.4 trillion) and is expected to rise to Rs. 3,73,58,400 crore (US 4.3 trillion) by 2030.

Source: Indian Brand Equity Foundation

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Business Model

Marico is a multinational Consumer Products Company incorporated in 1988. Edible Oil and Hair Oil are their principal products, which account for almost 71% of the business. With that said, Marico works under many portfolios like VAHO(value-added hair oils), Super Premium Refined Edible Oil, Healthy Foods, Premium Personal Care, and Hygiene Product Portfolio.

It also made a Registered Users Agreement with Bombay Oil Industries Ltd (BOIL) in 1990, for the use of the Parachute brand and Saffola brand. It further extended its hands and established a new plant at Kanjikode, Palghat District of Kerala, in order to manufacture Parachute Coconut Oil. Currently, Marico has 6 Domestic Manufacturing Facilities located in Puducherry, Himachal Pradesh, Tamil Nadu, Gujarat, and 2 in Maharashtra, and has 8 International Manufacturing Facilities located in Vietnam, Egypt, United Arab Emirates, Malaysia, Nepal, South Africa, and 2 in Bangladesh.

Marico doesn't typically extract oil itself. Instead, they procure processed raw materials (eg, Edible grade Copra, RBO, Sunflower Oil) from external suppliers, both local and global. Then they refine, blend (if needed), Package, Brand It, and then distribute the final product under powerful brands like Parachute, Saffola, Hair & Care, etc. Here are the key raw materials.

Category	Key Raw Materials	Key Usage
Agricultural Oils	Copra, Rice Bran Oil (RBO), Soybean Oil, Sunflower Oil, Corn Oil	Coconut Oil, Hair Oils, Edbile Oils
Other Food Ingredients	Soya Chunks, Spices, Grains	Saffola Munchies, Oats, Mealmakers
Non-Food Ingredients	LLP (Light Liquid Paraffin), Silicon, Polymers, emulsifier.	Hair Serum, Creams, Deodrands
Packaging Material	Monocartons, Labels, Sleeves, Laminates, CFC(Chlorofluorocarbons)	Bottles, Pouches, Sprays

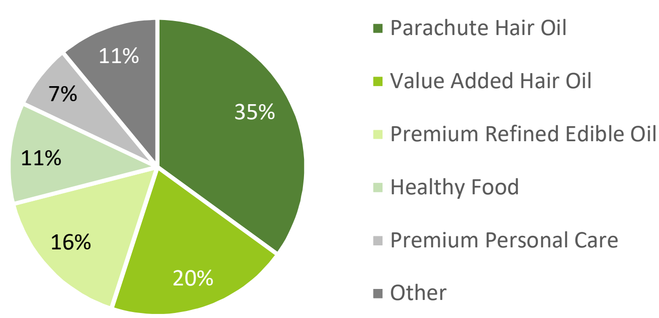
95% of Marico's Procurement spend is on indigenous/local sourcing. The Company uses the SAMYUT Responsible Sourcing Framework to promote a transparent, ethical, and sustainable value chain. It applies to all critical supply chain partners, including suppliers of raw and packaging materials, logistics providers, warehouse associates, third-party manufacturers, and service providers.

It works through a maturity-based transition program, which helps suppliers to evolve in three stages: Level-1 focuses on Educating Supplier in which 93% of critical supplier have completed this level, Level-2 focuses on Evaluate like detailed risk assessment, third-party audit, and 33% of suppliers have completed this level, and lastly Level-3, which focuses on Evolve - technical support and capacity-building in sustainability.

Marico has also established a Procurement Infrastructure in South India, where they have established Copra Collection Centers, and now over 50% of the Copra is sourced through these collection centers. Farmers deal directly with Marico, avoiding exploitative middlemen. The process is transparent, efficient, and accessible—even small farmers (as low as 50 kg) are accepted.

Currently, Marico's 52% revenue comes from Hair Oils, 19% revenue from Premium Refined Edible Oil, 11% revenue from Healthy Foods, 7% revenue from Premium Personal Care, and 11% revenue from other portfolios like Livon, Revive, Pure Sense and etc.

Segment Wise Breakup of Product Portfolio



Business Input

Intellectual Capital

- Rs 50 Crore on R&D
- 108 R&D Team Members
- 10.4% of Sales invested in brand Building

Manufactured Capital

- 6 Domestic Manufacturing Facilities
- 8 International Manufacturing Facilities
- 5 Domestic Offices
- 23 International Offices
- 24 Depot and Offices

Financial Capital

- Rs 161 Crore Capital Investment
- Rs 3,975 Crore Equity
- Rs 379 Crore Debt
- Rs 2,622 Crore Working Capital

Source: Company Annual Report

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SCOT Analysis

Strength

- Marico is a well-diversified company with many portfolios, which gives the benefit of diversification and reduces the risk for the company.
- Marico transformed itself from an Indian company to a global brand by focusing on value-added products and implementing the right set of strategies.
- Marico brands focus on niche segments and target a larger market. Example: Saffola focuses on heart health in the crowded edible oil market and now offers health food options too. Medikare is on lice removal in the shampoo market, and Livon is on smooth hair.
- The company is well-positioned in the market and enjoys the highest market share in most of its portfolio, like Coconut Oils, Parachute Rigids, Saffola Oats, Value Added Hair Oils, Leave-on Serums, etc.
- The Company has an excellent distribution network, which allows them to penetrate their products in deep rural areas
- Marico has experienced management and a strong research and development team.
- Parachute dominates India's coconut oil shampoo market. This leadership shows that consumers favor the brand over competitors, proving its exceptional popularity.

Challenges

- Marico has had many product failures, including the Parachute Hot Oil and the Saffola Snacks. These mistakes have proven to be costly for the company, resulting in losses.
- Marico has attempted to establish a presence in the market's premium segments through many new product releases and acquisitions.
- Though Marico holds the highest market share among its many portfolios but due to the presence of other strong FMCG brands, the market is limited to capture.
- Marico's product portfolio relies on various raw materials, including oils and other natural ingredients. Fluctuations in the prices of these raw materials can impact the company's profitability and supply chain management.
- Parachute sells many items, but its coconut oil is its best-known. This one association may hurt its hair care and wellness brand image. Parachute may be overlooked as a coconut oil brand despite its efforts to innovate and expand as consumers look for various items to satisfy their needs.
- Today's digital market requires a strong online presence and an engaging e-commerce platform. Parachute's internet footprint could limit its reach, especially among tech-savvy young people, reducing sales and brand visibility.

Opportunity

- Marico has a lot of opportunities to grow in the International Market, which they are doing right now, like placing them in Egypt, South African countries, North African Countries, and many emerging markets.
- Marico can tap into untapped rural markets domestically and internationally where they operate, while expanding their distribution network and tailoring products to meet specific customers' requirements.
- Pursuing mergers and acquisitions can enable Marico to strengthen its brand portfolio and expand its market reach.
- As disposable incomes increase, consumers are willing to spend more on personal care and wellness products. Marico can capitalize on this trend by introducing innovative products, leveraging its brand equity, and effectively targeting the evolving preferences of consumers.
- The increasing digitalization and increasing e-commerce business model can assist Marico in forming partnerships with local suppliers and logistics providers in the international market.

Threat

- The FMCG industry is characterized by aggressive competition, with numerous companies vying for market share. Marico faces competition from both established and emerging brands. Continuous innovation and differentiation are essential to stay ahead in this competitive landscape.
- The liberalization of FDI regulations in the retail sector allows international brands to enter the market more easily. Increased competition from global players poses a threat to Marico's market share. The company needs to focus on maintaining its competitive edge and brand loyalty.
- Parachute has intense market competition in the hair care industry, competing with numerous brands for consumer attention. Industry giants have large product lines and marketing budgets that eclipse those of smaller competitors.
- Customers around the world are concerned about the dangers of using chemical additives in consumables, which has resulted in a shift in preference for organic products. This will be a challenge for FMCG companies in the future.
- Product-based companies depend on their supply chain. Parachute relies on coconut oil availability. Climate change, geopolitical conflict, and logistical issues can raise prices or eliminate product lines, as seen in recent natural oil supply shocks due to harsh weather.

Source: Company Analysis, Various Research Reports

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Result Analysis Quarterly Q4FY25

Operating Environment

- Market Sentiments were positive due to the ease in Retail and Food inflation. Rural demand was up due to higher MSP and a good monsoon.
- In Q4, Marico has seen Pricing Intervention in its core portfolio and experienced healthy momentum in new business, which they wanted. Quick commerce has scaled up to 3% of the Indian Business.
- Due to a rise in global vegetable oil prices, Saffola edible oil was impacted, and the growth remained stable. If global vegetable oil prices do not go down, the growth will remain stable.
- If we talk about the 30%+ price increase in Parachute, Q4 was the season of hyperinflation, during which many small players were disrupted, but Marico has absorbed some price hikes. When in Q2FY26, the Price of copra will correct (which is expected), which will show some volume growth.

Financial Performance

- The composite revenue share of Foods and Premium Personal Care in Indian Business stood at 22% in FY25, representing a combined ARR of nearly Rs 2,000 Crores. And Management is expecting to expand this share to 25% by FY27.
- Marico has two distinct cohorts.
- First is of Beardo and Plix, which is profitable and expected to cross Rs 1,000 Crore in combined ARR next year.
- Second is of Just Herbs and True Elements, which are not yet at break-even.
- This year, Marico has achieved the Mark of Rs 10,000 Crore revenue and is now focused and aims to achieve the 20,000 crore mark.

Category Performance

- Parachute brand recorded low single-digit volume growth in Q4 due to ML-age reduction, which has been happening over the last 6-9 months. Marico is also seeing the first signs of Supply chain disruption in local players due to price hikes and more use of BTL(Below The Line).
- Due to their Strongest MOAT brand, Parachute, they have successfully taken a 30%+ price increase.
- Plix is positioned in a way that it can cater to all five nutraceutical bands, which are Cardiovascular, diabetes, gut health, bone health, and stress & sleep, and Plix can operate in all and has a lot of potential to grow.

International Business

- Before 7-8 years, Parachute coconut oil formed 90% of the portfolio in the Bangladesh business. Now, the number has been reduced to 60%, which means more products are added in the region.

Strategic Focus

- Marico is focusing more on increasing its Premium Product Portfolio, and its Premium Portfolio has grown at 24% over FY21 to FY25. As a result, the International Business revenue share has increased from 20% to 29% in FY25.

Insight into the Digital and Food portfolio

- Foods delivered robust value growth of 44% YoY in Q4 and 30%+ growth in FY25, surpassing the annual revenue mark of Rs 900Cr. On a medium-term basis, for the Food category, 25%+ growth is expected.
- Marico has structurally expanded its gross margin by 1,000 bps (10%) in the Food Category, and expects to expand this more in the medium term.

Management Guidance

- Management is expecting ARR to be 2.5x of FY24 to FY27 for the Premium personal care portfolio.
- In Q4, Marico has seen 7% volume growth, and for the full year, it was 5%. Now from this year due to better positioning of Project SETU it will increase the Volume growth and it can be first seen in the VAHO category because if we see the Parachute strong markets are South and Maharashtra and for VAHO it is North, Project SETU will increases the direct distribution channel not only in North but also in south and with already existing and new distribution channel we can see immediate growth in VAHO.
- Marico's Management is so focused on building long-term growth, where they are using SOV traps, which means they will spend more on A&P in core, and if it doesn't work, they will pull back from it. In the full year, they also increased their A&P spending by 18% and are now focusing on transferring to ATL in core from BTL.

Margins

- Generally, in this kind of inflationary cycle, margins will always remain compressed because of the significant denominator effect.
- Which we can see now with Marico, which is optical, not structural. Management is very confident in getting back the margins in line by controlling the volume growth.
- Marico expects a strong recovery in margins and a double-digit profit CAGR over 2 years.

Source: Company Analysis

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Result Analysis Quarterly Q1FY26

Business Overview

- Marico witnessed stable to improving demand trends in India across both urban and Rural Areas. Premium Categories continued to outperform, while channels like Modern Trade, Quick Commerce, and E-commerce continued to lead growth.
- General Trade moved into growth backed by focused initiatives, improved execution, and the progress of Project SETU. The copra market is expected to settle down over the course of this fiscal year.

International Business

- IB has seen high teen CCG (Constant Currency Growth). Bangladesh delivered a robust performance in both core and new franchises, while Vietnam had a muted quarter.
- In MENA, particularly Egypt and the Gulf region, continues to accelerate, supported by healthy traction in new franchises and sustained market share gains in core and NPD (New Product Development).
- The Middle East is a very strong focus and investment market for the company because it has a lot of headroom in top-line growth and bottom-line growth. This will reduce the dependency on Bangladesh.
- The South Africa region should be able to see double-digit growth over the full year. Bangladesh has seen a volume growth in its core and inflation and price increase, which is lower than the India, because International Copra prices are not impacted as much as Indian Copra.

Parachute

- After multiple price increases and ml-age reduction, Parachute has exhibited minimal volume impact and consolidated its market share. This amounts to an effective price increase of 60% plus over the year. And into this, we have seen a 30% price increase in Q1FY26.
- Copra prices spiked due to reduced productivity and unseasonal rains. As this year's rains are good, the prices of Copra should soften, but till then, Marico’s priority is to ensure supply security.

Value Added Hair Oils

- VAHO, the franchise gained 140 bps (1.4%) in value market share on a MAT basis. Double-digit growth can be seen in the franchise throughout the year, and therefore, we can see increased SOV (Share of Voice), especially in mid and premium segments.
- The company is getting the first benefit of SETU in VAHO, especially in rural areas. The company is also diverting from ATL to BTL spends, especially in mid and premium segments, which have better margins.

Foods

- Saffola Oil has bounced back to deliver mid-single digit volume growth, and management is expecting the brand to be steady on a full-year basis.
- Food growth looked lower this quarter because of some new launches last year. The fluctuation is mainly coming from the smaller brands like Plix and True Elements, where the core portfolio (Masala Oats, Honey) is growing in double digits. 40% growth for the food segment is expected, and their realistic long-term growth target is 25%+.
- Over the last two years, the company has improved the gross margins in the food business by 1,000 bps.

Strategic Objective

- With high single-digit growth in India, the company will strive to deliver double-digit volume growth in some quarters, supported by pricing growth and targeting around 25% revenue this year. But delivering double-digit EBITDA growth this year may be somewhat of a challenge, which can impact the margins.
- Four digital-first brands (True Element, Plix, Beardo, Just Herbs) are currently around Rs 900 crore, and the management aspiration is to take them to Rs 2,000 Crore by FY27.

Advertising and Promotion Spending

- A&P spend rationalized. Premium focus categories (VAHO, Foods, PPC) saw no cuts. In the BOP of VAHO, ATL was reduced. India A&P up 60%, International almost flat.

Project SETU

- The first six months of Project SETU have been for the prototype, and from this Quarter, we are seeing the first sign of growth in SETU, and as we go into the second half, we will see much better results for Project SETU.
- Using far more technology through the Project SETU company is getting control of its EBITDA ranges and also converting its indirect distribution to direct distribution in rural areas. And about Urban, where they are increasing their presence in food specialty stores, cosmetics, as well as chemists, which they expand as they grow.
- Marico is one of those who first recognized the issue of GT and started resolving it through Project SETU by increasing the direct distribution network.

Source: Company Analysis

Marico Ltd

Management Analysis

❑ Leadership

Harsh Charandas Mariwala
Founder, Chairman, and Non–Executive Director

Harsh C. Mariwala, who founded Marico, currently serves as Chairman and Non-Executive Director of Marico and Kaya Limited. He holds a Bachelor of Commerce from Sydenham College, Mumbai, and has over 53 years of experience. Harsh C. Mariwala has completely turned around the traditional oil company business into a fast-moving beauty and wellness business (Marico).

Saugata Gupta
Managing Director & Chief Executive Officer

He is a B.Tech Chemical Engineer from IIT Kharagpur and did PGDM from IIM Bangalore. He has 13 years of previous experience in marketing before joining Marico in 2014 as Head of Marketing, and after many positions in 3 years, he became CEO & after 7 years, he is now MD & CEO of Marico. He is a well-educated and experienced person, having performed many diverse roles in his career, and has taken Marico to Rs 10,000+ Crore Revenue Company.

Ananth Sankaranarayanan
Independent Director

Mr. Ananth is the founder and CEO of the MENSA brand, and he has been part of Marico as an Independent Director since 2017 and a Member of the Audit Committee, and Chairman of the Corporate Social Responsibility committee at Marico Ltd. With this, he is also an Independent and Non-Executive Director at Birla Soft Ltd and an Independent Director at Ola Electricity Mobility Ltd since 2023.

Apurva Purohit
Independent Director

Apurva Purohit is a Member of the Audit and Nomination & Remuneration Committee. Co-Founder of Aazol Home Food Brand, and is also an Independent Director at L&T Tech and Service Ltd, LTI Mindtree Ltd, and at Navin Flourin International Ltd. She has done PGDM from IIM Bangalore. She has 25+ years of experience managing businesses. And she has been part of Marico since 2022.

Nayantara Bali
Independent Director

Nayantara Bali has been a member of the Corporate Social Responsibility Committee at Marico since 2022. She is also an Independent Director at Torrent Pharmaceuticals Ltd, ANV Consulting Singapore, and Senior Advisor at Venture Partner and Alvarez & Marsel Singapore. and done her PGDM from IIM Ahmedabad, previously worked with Procter & Gamble for more than 27 years in various roles.

Source: Company Analysis, Marketscreener, LinkedIn, Google search

Marico Ltd

Management Analysis

Leadership

Rajeev Vasudev
Independent Director

He is Chairman of the Nomination & Remuneration Committee at Marico since 2021, and also serves as an Independent Director at Pidiite Industries Ltd, and Corporate Officer/Principal at The Institute of Chartered Accountants of India, and Chairman of Centrum Learning Ltd, and has other Independent Directorships Out of India. He did his Master's from the University of Michigan.

Nikhil Khattau
Non-Independent & Non-Executive Director

Mr. Nikhil is a member of the Sustainability Committee and part of Marico since July 2002. He is also an Independent Director at Torrent Pharma, Kaya Ltd, and Managing Director at Mayfield Fund, and has invested in many companies. With managing companies since 1986, Nikhil Khattau brings many expertise to Marico.

Rajendra Mariwala
Non-Executive Director

Mr. Rajendra Mariwala has been Managing Director of Eternis Fine Chemical Ltd since 1990 and part of Marico as a Non-Executive Director and member of the Stakeholders' Relationship Committee. He is a Non-Executive Director at Kaya Ltd, Westlife Foodwork Ltd, Apoctex Industries Ltd, Indian Chemical Council. Mr. Rajendra Mariwala completed his Master's in Chemical Engineering from Cornell University, USA.

Rishabh Mariwala
Non-Executive Director

Rishabh Mariwala is the Founder and Managing Director of Sharpe Venture. He has been a Non-Executive Director at Kaya Industries and Marico Ltd since 2017. With a well-rounded perspective across entrepreneurship, investing, and operations with over 16 years of experience, Rishabh brings deep strategic insights into both digital and offline businesses. He graduated from Hofstra University, New York.

Milind Barve
Lead Independent Director

Milind Barve is Chairman of Audit, Risk Management and Stakeholders Relationship Committee and a member of the Social & Responsibility Committee. His is an Chartered Accountant from the Institute of Chartered Accountants of India, and holds a Bachelor's degree in Commerce from the University of Pune. He is also an Independent Director on the Board of ASK Investment Managers Limited. He was the former Managing Director of HDFC Asset Management Company.

Marico Ltd

Management Analysis

Management

Amit Bhasin
Chief Legal Officer & Group General Counsel

Mr. Amit has been part of Marico for 4 years, starting here as Legal Head, and before this, he was part of Hindustan Unilever as General Manager & Company Secretary. He is part of the Executive Committee of Marico Limited and is responsible for the Legal and Corporate Affairs Function for Marico Group, both in India and International markets. He is also part of many Industry Committees like the Institute of Company Secretaries of India, FICCI FMCG, Indian Beauty & Hygiene Association, and many.

Amit Prakash
Chief Human Resource Officer

Amit Prakash has more than 25 years of experience in Human Resource Management, where his previous positions are mainly in consumer-based companies like Hindustan Coca-Cola Beverages, Delhpi Automotive System Ltd, ITC, and LG. He joined Marico in 2015 as Head of HR for the Indian Business, and now he is Secretary of the Nomination & Remuneration Committee.

Ashish Goupal
Chief Executive Officer – Indian Core Business

Ashish did MMS – Marketing from Jamnalal Baja Institute of Management in 2004 and then started his career at Samsung India Electronics Ltd in 2004 as Sales Manager, and then, in 2006, joined Marico Ltd as Area Sales Manager. Now he has reached the CEO level position after working with Marico for more than 19 years. Beyond his commitments at Marico, He held positions on prominent organizations, including the American School of Dhaka, FICCI Bangladesh, and the Indo-Bangla Chamber of Commerce.

Dr. Shilpa Vora
Chief Research & Development Officer

Dr. Shilpa did her PhD in Immunology from the University of Cincinnati, United States. She started her career as Sr Research Scientist at Hindustan Unilever in 1997 and, after 21 years of various roles, became Head R&D at Hindustan Unilever. During her tenure, Lifebuoy grew to $1 billion in 2020 at Hindustan Unilever. She joined Marico as Chief R&D Officer in 2022.

Pawan Agrawal
Group Chief Finance Officer & CEO: International Business

Pawan has worked across various finance verticals, including Financial Planning & Analysis, Corporate Finance, Treasury, Investor Relations, and Taxation. Before joining Marico, Pawan worked with Eveready Industries Ltd for 4 years, focusing on Internal Audit and Sales Commercial functions. Pawan is a Chartered Accountant and holds a B.Com degree from St. Xavier's College, Calcutta. He joined Marico as Regional Operations Manager in 2004 and then in every 2-3 years, progressed with his work and efforts and took the responsibility of higher positions.

Marico Ltd

Management Analysis

Leadership

Akash Banerji
Executive Vice President & Head, Digital Transformation and Beauty & Styling Digital Business

He is Business Graduate from University of Delhi and Started his Career as Management Trainee at PepsiCo in 2003, then served in many positions and companies like Vice President & Marketing Head at Star India Private Ltd in 2014, SVP & Business Head at Viacom18 Media Pvt Ltd in 2015, India Marketing Head at Amazon in 2020, Business Head at Tata Digital Pvt Ltd in 2022 and now at Marico from 2024. With his diverse role and achievements, Akash brings his expertise, which can drive the growth of Marico's digital business.

Nitin Kathuria
Chief Supply Chain Officer - India

Nitin did his B.Tech in Dairy Technology from NDRI, then did an MBA in Agri Business Management from IIM Ahmedabad. And started his career as a Management Trainee at Marico in 2002, and after so many strategic positions, including Head Edible Oil Buying, Factory Head, Head Supply Chain, to Executive Vice President in 22 years. Nitin has shown his dedication and commitment to Marico and its growth.

Vrjiesh Nagathan
Chief Information & Digital Technology Officer

Vrjiesh did his PGDM(MBA) in Operations Management from Symbiosis University, Pune, in 2003. And started his career in 2003 as Asst Manager at Ashok Leland, then moved to Bristlecone, Hindustan Unilever, and The Coca-Cola Company. He joined Marico in 2022 as Chief Information & Digital Tech Officer. He is a seasoned technology leader with extensive experience of over 20 years in IT Leadership and Business Transformation, Business Planning, Supply Chain & Manufacturing, across the FMCG, IT consulting, and Engineering industries.

Shareholding Pattern

The Company has the majority of its shares held by Promoters, with 59.03% of the shares as of June 30, 2025. The remaining shares are held by Foreign Institutional Investors (23.62%), Domestic Institutional Investors (12.61%), Government (0.10%), and the Public (4.51%). Promoters pledging stood at a 0.13% share of their holding as of 31 Mar 2023, remaining flat until Mar 2025, and then increasing to a 2.03% share of their holding as of Jun 2025. Now, on a yearly basis, the Promoter's holding remains consistent with a slight decrease from 59.72% in Mar 2017 to 59.05% in Mar 2025. Though there slight decrease in promoter holding is not significant enough to conclude management's strategic exit from the business.

The yearly shareholding pattern of the company is as follows:

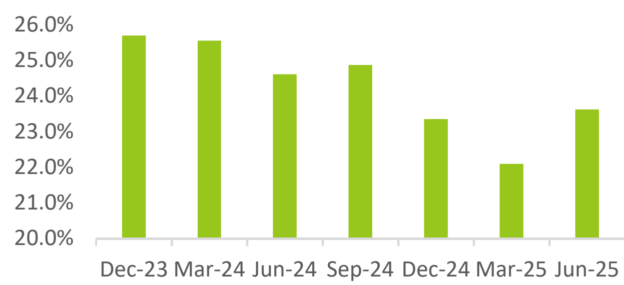
	Mar-17	Mar-18	Mar-19	Mar-20	Mar-21	Mar-22	Mar-23	Mar-24	Mar-25
Promoters	59.72%	59.71%	59.71%	59.60%	59.61%	59.49%	59.42%	59.34%	59.05%
FIIs	28.89%	27.42%	26.56%	22.69%	24.04%	25.11%	24.97%	25.55%	22.09%
DIIs	4.00%	6.38%	5.47%	10.51%	10.06%	8.76%	9.99%	9.78%	14.12%
Government	0.15%	0.13%	0.17%	0.23%	0.18%	0.09%	0.10%	0.10%	0.10%
Public	7.02%	6.22%	8.01%	6.89%	6.01%	6.45%	5.43%	5.13%	4.53%

Marico Ltd

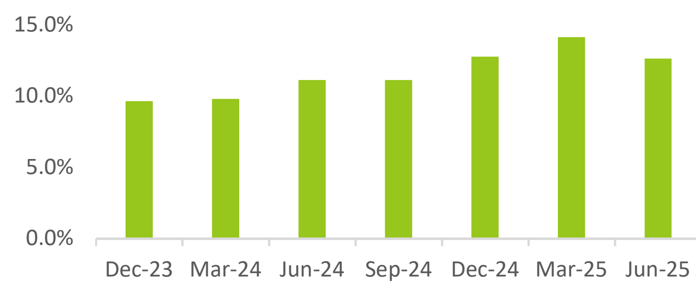
Management Analysis

	Sep-22	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25
Promoters	59.48%	59.48%	59.42%	59.41%	59.40%	59.38%	59.34%	59.28%	59.20%	59.11%	59.05%	59.03%
FIIs	25.00%	25.07%	24.97%	24.96%	25.91%	25.69%	25.55%	24.61%	24.87%	23.35%	22.09%	23.62%
DIIs	9.86%	9.78%	9.99%	10.20%	9.50%	9.63%	9.78%	11.10%	11.12%	12.76%	14.12%	12.61%
Government	0.09%	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%
Public	5.46%	5.46%	5.43%	5.20%	4.99%	5.12%	5.13%	4.80%	4.61%	4.61%	4.53%	4.51%

Quaterly FII's Holding Pattern



Quaterly DII's Holding Pattern



❑ Remuneration

During FY25, many executive personnel have seen an increase in their remuneration. MD & CEO – Mr. Saugata Gupta has seen a 65% increase from FY24, CFO – Mr. Pawan Agarwal has seen a 55.96% increase, Company Secretary & Compliance Officer – Mr. Vinay MA has seen 26.38% of increase. While most of the Independent and Non-Executive Directors has seen a decrease of 1-2% in their remuneration.

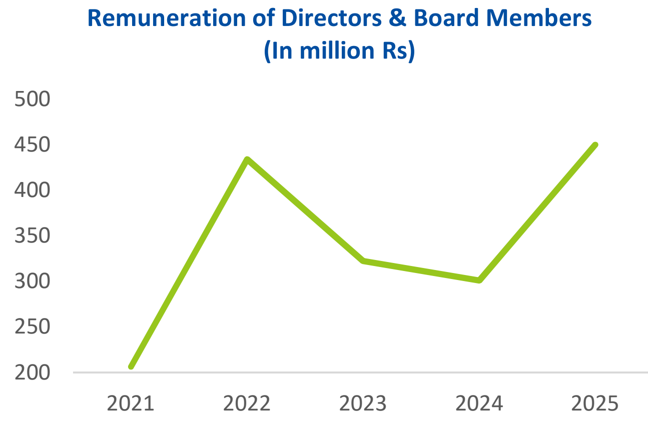
Directors	Designation	Salary for FY25	Salary for FY24	Ratio of Remuneration to Median Remuneration of Employee Salary	Growth in Remuneration	Sales Growth YoY%	Net Growth YoY%
Mr Saugat Gupta	MD & CEO	391.3	237.1	288.1	65.0%	12.20%	9.95%
Mr Harsh Mariwala	Chairman	12.1	12.62	9.24	-4.5%	12.20%	9.95%
Mr Rajendra Mariwala	Non-Executive Director	4.3	4.5	3.26	-4.4%	12.20%	9.95%
Mr Rishabh Mariwala	Non-Executive Director	4.0	4.5	3.24	-11.1%	12.20%	9.95%
Mr Milind Barve	Lead Independent Director	6.1	4.9	4.5	24.5%	12.20%	9.95%
Mr Nikhil Khattau	Non Independent Non Executive	7.2	8.7	5.3	-17.2%	12.20%	9.95%
Ms Narayantara Bali	Independent Director	4.7	4.7	3.46	0.0%	12.20%	9.95%
Mr Ananth S	Independent Director	4.9	5	3.64	-2.0%	12.20%	9.95%
Ms Apurva Purohit	Independent Director	5.0	5.1	3.68	-2.0%	12.20%	9.95%
Mr Rajan Bharti Mittal	Independent Director	4.4	3.5	3.24	25.7%	12.20%	9.95%
Mr Rajeev Vasudev	Independent Director	5.1	4.8	3.75	6.3%	12.20%	9.95%
		449.1	**295.42**		**52%**		

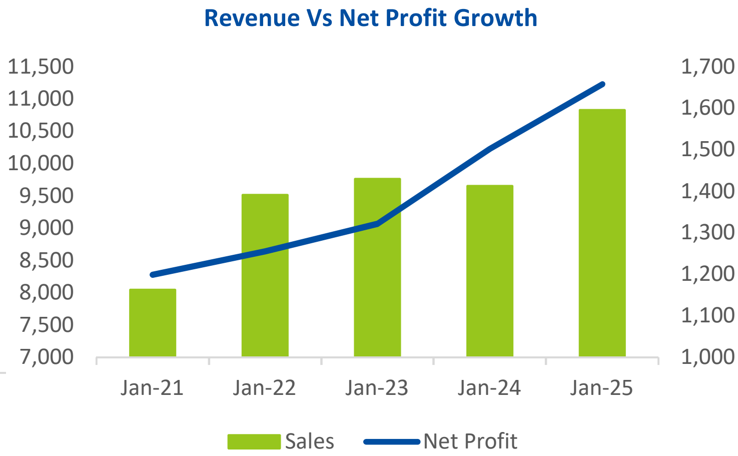
The Total Salary drawn by the Directors & Board Members in FY25 is 449.1 Million Rs, which was 52% higher than the Salary drawn in FY24. The Revenue growth is 12.2% for FY25 and has grown with 10.9% CAGR over the last 3 years and 34.6% CAGR over the last 5 years, and the Net Profit Growth is 9.9% for FY25 and has grown with 25.4% CAGR over the last 3 years and 38.3% CAGR over the last 5 years. And according to our research, we observed a step increase in Directors & Board Members' Salaries with a 118% CAGR over the last 5 years and increased by 40% CAGR over the last 3 years.

Source: Company Analysis, Trendlyne, BSE, Screener.in

Marico Ltd

Management Analysis





Board Efficiency

Based on our research, the Board of Directors (BOD) has adequate representation of independent directors, industry experts, finance and legal experts as required by the statute.

The efficiency of BOD can be gauged by its contribution in various important meetings held in FY25. The details are as under:

Name	Exec/Non-Exec/Independent	No of Board Meeting		Attendance at last AGM
		Held	Attended	
Mr Saugat Gupta	Promoter & Executive Director	4	4	yes
Mr Harsh Mariwala	Promoter & Non-Executive Director	4	4	yes
Mr Rajendra Mariwala	Promoter & Non-Executive Director	4	4	yes
Mr Rishabh Mariwala	Promoter & Non-Executive Director	4	4	yes
Mr Milind Barve	Independent Director	4	4	yes
Mr Nikhil Khattau	Independent Director	4	4	yes
Ms Narayantara Bali	Independent Director	4	4	yes
Mr Ananth S	Independent Director	4	2	yes
Ms Apurva Purohit	Independent Director	4	4	yes
Mr Rajan Bharti Mittal	Independent Director	4	4	yes
Mr Rajeev Vasudev	Independent Director	4	4	yes

The remuneration of all Non-Executive Directors includes sitting fees paid during the financial year.

During FY25, the Company has been supervised by the BOD efficiently as all the members of the board have attended all the meetings held during FY24-25, except one, who is Mr. Ananth Sankaranarayanan, who is also Chairman of the Corporate Social Responsibility Committee. This shows good participation by the board in key matters discussed during the year and helped the company in making effective decisions.

With 7 out of 11 directors being independent, the company demonstrates compliance with SEBI norms and a focus on transparency, accountability, and minority shareholder protection. The board's effective functioning is further reflected in the performance of board committees, such as CSR, Audit, Nomination & Remuneration Committees, etc.

Source: Company Analysis, Trendlyne, BSE, Screener.in

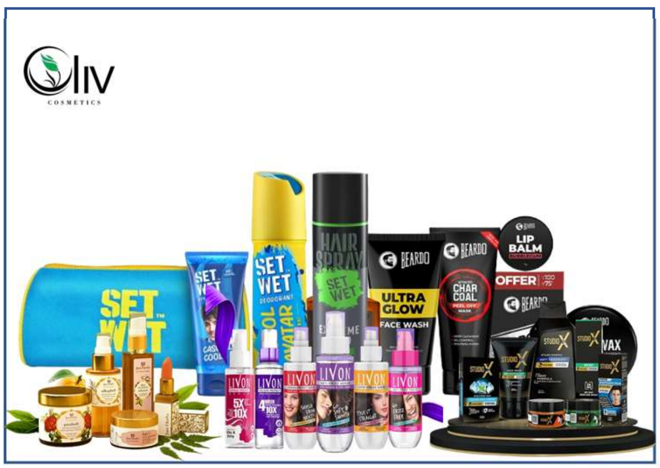
Marico Ltd

Product Portfolio

Parachute Hair Oils

Value Added Hair Oils

Premium Personal Care



Healthy Foods

Premium Refined Edible Oil

Others

Source: Company Analysis

Marico Ltd

marico

Financial Analysis

Consolidated - Quarterly Earnings

Particulars (Inr Cr)	FY23Q4	FY24Q1	FY24Q2	FY24Q3	FY24Q4	FY25Q1	FY25Q2	FY25Q3	FY25Q4	FY26Q1
Net Revenue	**2240**	**2477**	**2476**	**2422**	**2278**	**2643**	**2664**	**2794**	**2730**	**3259**
QoQ Growth %		10.6%	0.0%	-2.2%	-5.9%	16.0%	0.8%	4.9%	-2.3%	19.4%
Total Expenditure	1,847	1,903	1,979	1,909	1,836	2,017	2,142	2,261	2,272	2,604
EBITDA	**393**	**574**	**497**	**513**	**442**	**626**	**522**	**533**	**458**	**655**
EBITDA Margins	17.5%	23.2%	20.1%	21.2%	19.4%	23.7%	19.6%	19.1%	16.8%	20.1%
Dep	43	36	39	42	41	41	41	44	52	45
Interest	17	17	20	19	17	17	11	13	12	10
Other Income	68	46	38	43	15	37	82	42	47	56
Profit Before Tax	**401**	**567**	**476**	**495**	**399**	**605**	**552**	**518**	**441**	**656**
Tax	24%	23%	24%	22%	20%	22%	22%	22%	22%	22%
Net Profit	**305**	**436**	**360**	**386**	**320**	**474**	**433**	**406**	**345**	**513**
QoQ Growth %		43.0%	-17.4%	7.2%	-17.1%	48.1%	-8.6%	-6.2%	-15.0%	48.7%
Net Profit Margin %	13.6%	17.6%	14.5%	15.9%	14.0%	17.9%	16.3%	14.5%	12.6%	15.7%

Consolidated - Yearly Earnings

Particulars	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Sales	**6017**	**5918**	**6322**	**7334**	**7315**	**8048**	**9512**	**9764**	**9653**	**10831**
% Growth YOY		*-2%*	*7%*	*16%*	*0%*	*10%*	*18%*	*3%*	*-1%*	*12%*
COGS	3010	2430	3129	3627	3072	3756	4992	4579	4149	4985
Gross Profit	**3007**	**3488**	**3193**	**3707**	**4243**	**4292**	**4520**	**5185**	**5504**	**5846**
Gross Profit Margin	*50%*	*59%*	*51%*	*51%*	*58%*	*53%*	*48%*	*53%*	*57%*	*54%*
EBITDA	**1051**	**1159**	**1137**	**1325**	**1469**	**1589**	**1681**	**1810**	**2026**	**2139**
EBITDA Margins	*17%*	*20%*	*18%*	*18%*	*20%*	*20%*	*18%*	*19%*	*21%*	*20%*
Other Income	93	96	85	103	95	107	98	144	142	208
Depreciation	95	90	89	131	140	139	139	155	158	178
EBIT	**957**	**1069**	**1048**	**1194**	**1329**	**1450**	**1542**	**1655**	**1868**	**1961**
Interest	21	17	16	40	50	34	39	56	73	53
Profit before tax (PBT)	**1029**	**1149**	**1117**	**1257**	**1374**	**1523**	**1601**	**1743**	**1937**	**2116**
% Growth YOY		*12%*	*-3%*	*13%*	*9%*	*11%*	*5%*	*9%*	*11%*	*9%*
PBT Margin	*17%*	*19%*	*18%*	*17%*	*19%*	*19%*	*17%*	*18%*	*20%*	*20%*
Tax	305	338	290	126	331	324	346	421	435	458
Actual Tax Rate	30%	29%	26%	10%	24%	21%	22%	24%	22%	22%
Net profit	**723**	**811**	**827**	**1131**	**1043**	**1199**	**1255**	**1322**	**1502**	**1658**
% Growth YOY		*12%*	*2%*	*37%*	*-8%*	*15%*	*5%*	*5%*	*14%*	*10%*
Net Profit Margin	*12%*	*14%*	*13%*	*15%*	*14%*	*15%*	*13%*	*14%*	*16%*	*15%*
EPS	**5.6**	**6.3**	**6.4**	**8.8**	**8.1**	**9.3**	**9.7**	**10.2**	**11.6**	**12.8**
% Growth YOY		*12%*	*2%*	*37%*	*-8%*	*15%*	*5%*	*5%*	*14%*	*10%*
Dividend Payout	76%	56%	66%	54%	83%	81%	95%	44%	82%	82%

Source: Company Analysis, Screener.in

Marico Ltd

Financial Analysis

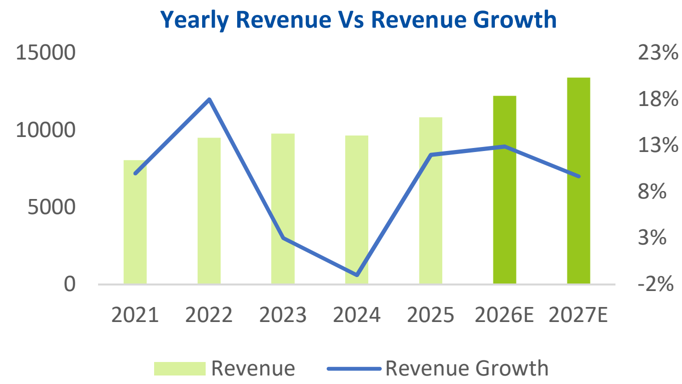
Revenue

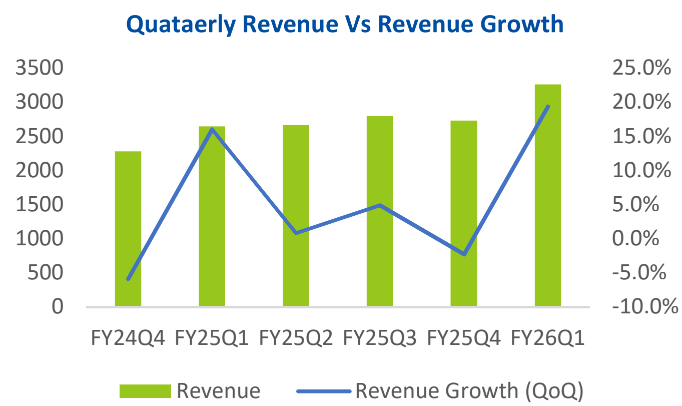
The Company generated Rs 10,831 crore in revenue for FY25, which is 12% higher than the previous FY24. Recently, in Q1 FY26, the Company generated Rs 3,259 Crore of Revenue, which is 19.4% higher than the previous quarter and has achieved a 23.3% CAGR on a YoY basis.

According to our research from the last 3-4 years, we have seen a pattern in the quarterly growth of revenue where every time in Q4 the revenue growth slows, and in Q1 it gives a strong jump. This is common in the FMCG Industry because post-festival demands slow down, and consumers start to spend less after the heavy spending in Diwali and Christmas festivals. In Q1FY26, Marico has seen a high quarter backed by strong demand, price hikes, and volume recovery.

In FY25, Marico has seen a double-digit revenue growth and is expected to deliver double-digit revenue growth next year, while holding margins steady and strong volume growth.

The composite revenue share of both Foods and Premium Personal Care in the Indian business stood at 22% in FY25 and is expected to hit 25% in FY27. Currently, the ARR (annual recurring revenue) of both segments combined shows Rs 2,000 Crore. And Marico is on a mission to diversify its portfolio very aggressively and aspire to achieve the mark of Rs 15,000 Crore revenue after the 10,000 mark in FY25.





EBITDA Margins

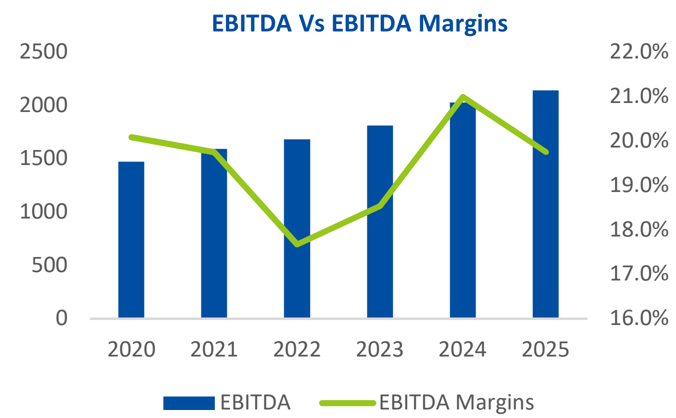
The EBITDA Margins of the Company have been between 17-20% for a long time, and in recent years, 2025, the Company has shown 19.7% of EBITDA Margins with Rs 2,139 Crores of EBITDA, which is somewhere 2% lower than the FY24 due to the currency headwinds impacting on consolidated EBITDA in Q3FY25.

Digital-first portfolio has not achieved double-digit EBITDA Margins and management's aspiration to do this in the next 18 months on a sustainable & Profitable basis.

In Premium Personal Care, the company is striving to deliver double-digit EBITDA margins by FY27.

According to management, it is difficult to challenging to deliver double-digit EBITDA growth in FY26 because of rising inflation, but they see better visibility in the second half (H2), and they are confident that the historical cost cycle will help them to deliver double-digit profit CAGR over FY26-27.

While some peers are operating in such high margins, Marico is steady in between 17-21% margins, which shows its ability to protect profitability even in a volatile input cost cycle.



EBITDA Margins	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
AWL	2.7%	2.8%	3.5%	3.8%	4.4%	3.6%	3.2%	1.6%	2.2%	3.9%
Patanjali Foods	0.1%	-3.7%	-43.0%	0.7%	59.2%	5.4%	5.9%	4.5%	4.0%	5.3%
Dabur	19.5%	19.8%	20.9%	20.4%	20.6%	20.9%	20.7%	18.7%	19.3%	18.4%
Emami	26.4%	28.2%	25.4%	27.0%	26.0%	30.6%	29.8%	25.3%	26.6%	26.9%
HUL	18.7%	19.1%	21.1%	22.6%	24.8%	24.7%	24.5%	23.4%	23.7%	23.5%
Marico	***17.5%***	***19.6%***	***18.0%***	***18.1%***	***20.1%***	***19.7%***	***17.7%***	***18.5%***	***21.0%***	***19.7%***

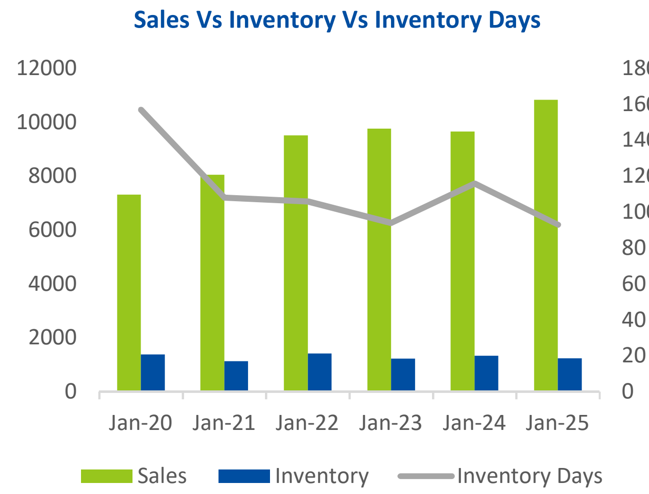
Source: Company Analysis, Conference Calls, Screener.in

Marico Ltd

Financial Analysis

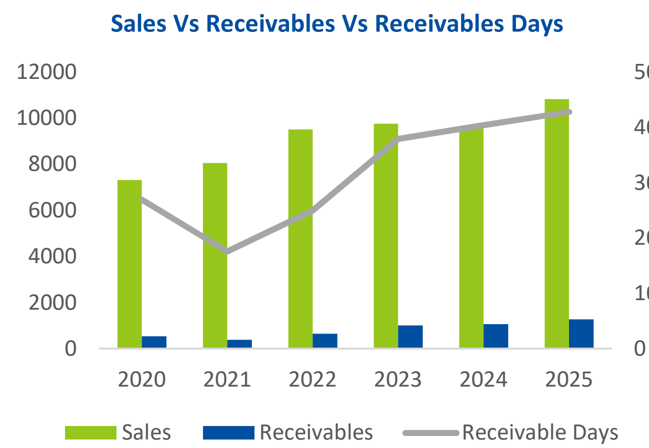
Inventory

Marico has managed to decline its inventory Days from 157 days in FY20 to 93 days in FY25, which is a 40% decline, while growing its sales by 48% from FY20 to FY25, which is a completely good sign of robust supply chain management.
Inventory as % of Sales also decreased from around 19% to 11% over the last 5 years gives a healthy signal and tells us that sales are growing much faster than the Inventory.
While Inventory growth also declined by 10% over the last 5 years. If we compare Marico with its peers, Marico is close to the average of 92 days of Inventory turnover and also near the median of its peers with 86 days of Inventory turnover ratio.
The Marico has already completed most of its channel destocking, and it is now operating on a leaner and more efficient model. With that in FY26, the company also reduced the packaging material stocks by 11% which helped them to optimize storage space, minimize inventory, and perform an efficient supply chain.



Trade Receivables

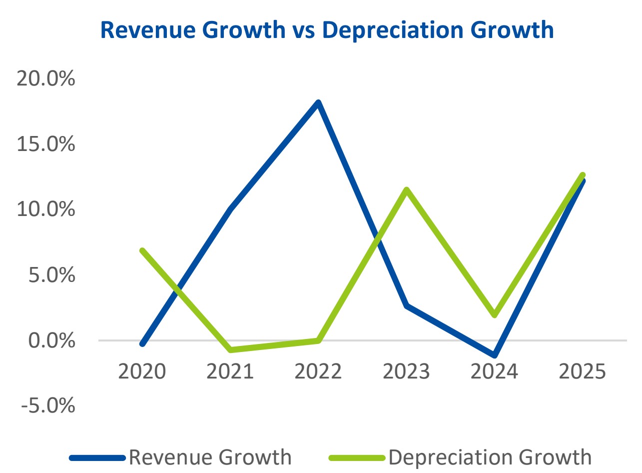
Marico's receivables stood at Rs 1,271 Crore at the end of FY25, which is 12% of the revenue. Over the past five years, the company has seen a 59% increase in its receivable days, with the average now at 43 Days. The increase in receivables is mostly not due & below the 6 months of receivables ageing.
Basis our research, Receivable Turnover Ratio among the peers, most of them were either decreased or sustained over the past 5 years, except Dabur, whose Ratio increased from 11x to 14x. For Marico, it was 14x in FY20 and 9x in FY25.
There is also a sequential increase in the ageing of the trade receivables in less than 6 months, which is increased from 37.3% in FY22 to 40.1% in FY25 and other segments like 6months-1 year, 1-2 years, 2-3 years and more than 3 years, all has seen a drop in their contribution to trade receivable ageing.



Depreciation

Marico uses the straight-line method to calculate the depreciation of the company, where it incurred Rs 178 crore of depreciation in FY25, which is 12.7% higher than the previous FY24. In which property, plant, and equipment accounts for 60% of the depreciation, Right-of-use assets account for around 30% and the remaining 10% is with amortization and investment in properties. Basis our research, we have seen an increase in the growth of depreciation among Marico peers, during which most of the peer companies, like Emami, Patanjali Foods, AWL Agri Business, have also seen an increase in their revenue. The Useful life of Factory and Office buildings is between 5-25 years, Plant and Machinery 2-15 years, Furniture and fixtures 2-15 years, and Vehicles 3-10 years.

Assets individually costing Rs 25,000 or less are depreciated fully in the year of acquisition.



Source: Company Analysis, Screener.in

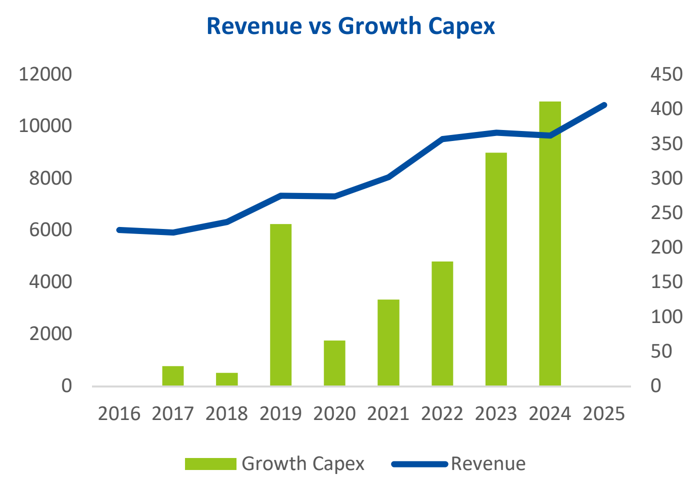
Marico Ltd

marico

Financial Analysis

Capital Expenditure

During the FY19-24, the company has done around Rs 1,350 crore of Capex, and after this heavy Capex, the company has only the maintenance Capex to sustain its manufacturing facilities. Recently, in FY25, Marico has also seen a little dip in its gross block with Rs 49 crore, which is possibly happened because to the sale of assets in Q2FY25.
The company has seen a heavy cycle of Capex, and now it is time to see the revenue growth.
Marico peers have also done their Capex during the COVID pandemic, and most of them did it single year, whereas Marico has done its Capex over the period of 5 years.



Particulars	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**
Gross Block	1142	1261	1369	1734	1940	2204	2523	3015	3584	3535
Change in Gross Block	_	*119*	*108*	*365*	*206*	*264*	*319*	*492*	*569*	*-49*
Less - Accumulated Depreciation	85	167	249	434	540	592	763	769	860	777
Net Fixed Assets	**1057**	**1094**	**1120**	**1300**	**1400**	**1612**	**1760**	**2246**	**2724**	**2758**
Growth in FA	_	*3.5%*	*2.4%*	*16.1%*	*7.7%*	*15.1%*	*9.2%*	*27.6%*	*21.3%*	*1.2%*
Change in FA	_	*37*	*26*	*180*	*100*	*212*	*148*	*486*	*478*	*34*

Growth vs Maintainance Capex	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**
Depreciation charge during the year	95	90	89	131	140	139	139	155	158	178
Maintanance Capex	84	95	90	89	131	140	139	139	155	161
Growth Capex	0	29	19	234	66	125	180	337	411	0
Growth Capex as % of Revenue	***0.0%***	***0.5%***	***0.3%***	***3.2%***	***0.9%***	***1.6%***	***1.9%***	***3.5%***	***4.3%***	***0.0%***

Peer Capex

HUL	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**
Maintenance Capex	322	353	432	520	565	1002	1074	1091	1138	1216
Growth Capex	0	1144	61	142	518	45871	0	848	671	0
Growth Capex as % of Revenue	*0.0%*	*3.4%*	*0.2%*	*0.4%*	*1.3%*	*97.5%*	*0.0%*	*1.4%*	*1.1%*	*0.0%*
Dabur										
Maintenance Capex	115	133	143	162	177	220	240	253	311	399
Growth Capex	0	216	41	0	270	0	9	1231	233	95
Growth Capex as % of Revenue	*0.0%*	*2.8%*	*0.5%*	*0.0%*	*3.1%*	*0.0%*	*0.1%*	*10.7%*	*1.9%*	*0.8%*
Emami										
Maintenance Capex	34	255	309	311	325	336	367	335	247	186
Growth Capex	1459	0	0	0	0	0	199	0	0	0
Growth Capex as % of Revenue	*61.9%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*6.2%*	*0.0%*	*0.0%*	*0.0%*
Patanjali Foods										
Maintenance Capex	148	160	156	140	138	136	133	137	160	269
Growth Capex	1959	0	0	0	0	0	0	242	0	0
Growth Capex as % of Revenue	*7.1%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.8%*	*0.0%*	*0.0%*
AWL Agri Business										
Maintenance Capex	107	115	119	146	182	241	268	309	358	364
Growth Capex	1128	0	2057	1684	50	1274	7680	0	0	2240
Growth Capex as % of Revenue	*5.9%*	*0.0%*	*7.8%*	*5.8%*	*0.2%*	*3.4%*	*14.2%*	*0.0%*	*0.0%*	*3.5%*

Source: Company Analysis, Screener.in, Goindiastocks.in

Marico Ltd

Financial Ratio Analysis

Leverage Ratios

Particulars	Mar-2020	Mar-2021	Mar-2022	Mar-2023	Mar-2024	Mar-2025
Debt/Equity	11.2%	15.8%	14.3%	16.0%	13.8%	13.9%
Debt/Assets	6.8%	9.4%	8.4%	8.9%	7.2%	6.7%
Debt/EBITDA	23.0%	32.2%	28.5%	33.6%	26.1%	25.9%
Debt/Capital	10.1%	13.6%	12.5%	13.8%	12.1%	12.2%
CFO/Debt	359.2%	392.8%	212.1%	233.4%	262.7%	246.0%
Debt Burden	-466.9%	-223.3%	-170.8%	-168.3%	-116.1%	-241.3%
Interest Coverage (Times)	28.5	45.8	42.1	32.1	27.5	40.9
Operating Leverage	-43.6	0.9	0.3	2.8	-11.3	0.4
Financial Leverage	1.6	1.7	1.7	1.8	1.9	2.1

DuPont Ratio

Particulars	Mar-2020	Mar-2021	Mar-2022	Mar-2023	Mar-2024	Mar-2025
DuPont ROA	21.0%	22.1%	22.1%	19.4%	20.4%	20.0%
Net Profit Margin	14.3%	14.9%	13.2%	13.5%	15.6%	15.3%
Sales/Total Asset	147.4%	148.3%	167.6%	143.6%	131.3%	130.8%
Return on Equity	34.5%	37.0%	37.5%	34.8%	39.2%	41.7%

Capital Allocation Ratios

Particulars	Mar-2020	Mar-2021	Mar-2022	Mar-2023	Mar-2024	Mar-2025
Return on Capital Employed	42.4%	41.5%	42.9%	40.8%	46.1%	47.9%
EBIT Margins	18.2%	18.0%	16.2%	17.0%	19.4%	18.1%
Sales/Capital Employed	2.2	2.1	2.5	2.2	2.2	2.4
NOPAT	1008.8	1141.5	1208.8	1255.3	1448.5	1536.5
Return on Invested Capital	33.8%	42.7%	38.6%	36.2%	44.0%	44.2%

Cash Ratios

Particulars	Mar-2020	Mar-2021	Mar-2022	Mar-2023	Mar-2024	Mar-2025
Free Cash Flow (Rs Cr)	-1578.0	-1141.0	-818.0	-1023.0	-613.0	-1337.0
Operating Cash Flow Growth	14.3%	65.3%	-49.4%	39.7%	-2.3%	-1.7%
Free Cash Flow Growth	-21.5%	-27.7%	-28.3%	25.1%	-40.1%	118.1%
FCF/Sales	-21.6%	-14.2%	-8.6%	-10.5%	-6.4%	-12.3%
CFO/Total Assets	24.5%	37.0%	17.9%	20.9%	18.9%	16.5%
CFO/Total Debt	359.2%	392.8%	212.1%	233.4%	262.7%	246.0%
Cash Interest Coverage	31.9	69.6	35.9	33.9	26.0	35.4
CFO/Capex	0.4	0.6	0.6	0.6	0.7	0.5

Valuation Ratios

Particulars	Mar-2020	Mar-2021	Mar-2022	Mar-2023	Mar-2024	Mar-2025
Enterprise Value (EV)	35542.1	52682.3	65018.3	61894.9	63927.7	84198.3
EV/EBITDA	24.2	33.2	38.7	34.2	31.6	39.4
Price/Earnings	34.0	44.3	51.9	46.9	42.8	50.9
Price/Sales	4.9	6.6	6.8	6.4	6.7	7.8
Price/CFO	29.2	26.5	64.1	43.7	46.4	61.9
Price/Book Value	11.7	16.4	19.4	16.3	16.8	21.2

Source: Company Analysis, Screener.in, Goindiastocks.in

Marico Ltd

Financial Ratio Analysis

Profitability Ratios

Particulars	Mar-2020	Mar-2021	Mar-2022	Mar-2023	Mar-2024	Mar-2025
Sales Growth	-0.3%	10.0%	18.2%	2.6%	-1.1%	12.2%
Expenses Growth	-11.0%	14.4%	26.7%	-5.3%	-1.5%	19.5%
Sustainable Growth Rate	5.7%	7.1%	1.8%	19.5%	7.2%	7.6%
Gross Profit Growth	14.5%	1.2%	5.3%	14.7%	6.2%	6.2%
EBITDA Growth	10.9%	8.2%	5.8%	7.7%	11.9%	5.6%
EBIT Growth	11.3%	9.1%	6.3%	7.3%	12.9%	5.0%
PBT Growth	9.3%	10.8%	5.1%	8.9%	11.1%	9.2%
Net Profit Growth	-7.8%	15.0%	4.7%	5.3%	13.6%	10.4%
Dividend Growth	42.1%	11.1%	23.3%	-51.4%	111.1%	10.5%
Dividend Payout	83.5%	80.7%	95.1%	43.9%	81.6%	81.7%
Gross Margin	58.0%	53.3%	47.5%	53.1%	57.0%	54.0%
Operating Margin	20.1%	19.7%	17.7%	18.5%	21.0%	19.7%
PBT Margin	18.8%	18.9%	16.8%	17.9%	20.1%	19.5%
Net Margin	14.3%	14.9%	13.2%	13.5%	15.6%	15.3%

Efficiency Ratios

Particulars	Mar-2020	Mar-2021	Mar-2022	Mar-2023	Mar-2024	Mar-2025
Debtor Days	26.9	17.6	25.0	37.9	40.4	42.8
Debtor Turnover	13.6	20.7	14.6	9.6	9.0	8.5
Inventory Days	68.9	51.1	54.2	45.8	50.5	41.6
Inventory Turnover	5.3	7.1	6.7	8.0	7.2	8.8
Net Fixed Asset Turnover	5.2	5.0	5.4	4.3	3.5	3.9
Total Asset Turnover	1.5	1.5	1.7	1.4	1.3	1.3
Sales/Capital Employed	2.2	2.1	2.5	2.2	2.2	2.4

Ratio Analysis Summary

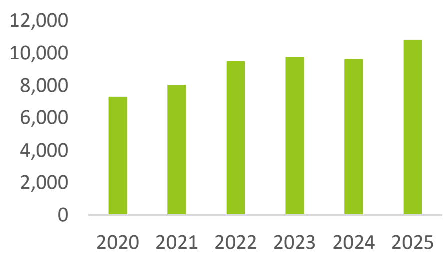
- In the past three years, Marico has lowered its Debt/Equity, Debt/Assets, Debt/EBITDA, and Debt/Capital ratios, while maintaining very strong CFO/Debt and Interest Coverage levels. This reflects a conscious effort to reduce leverage risk and strengthen debt-servicing ability. This shows Marico is reducing debt risk and improving its ability to repay, while still using some debt to boost shareholder returns.
- Marico has maintained strong ROA and ROE, with margins improving in recent years. Even though asset turnover has declined, higher profitability has supported shareholder returns, keeping ROE above 35% and rising.
- Marico has improved its capital allocation through ROCE and ROIC, showing an upward trend, with EBIT margin recovery and better capital turnover being the key drivers behind this higher growth.
- Even though Free Cash Flow is negative every year, it doesn’t signal cash weakness. Marico is still generating strong operating cash, more than enough to cover debt, capex, and interest. The negative FCF is mainly because of high dividend payouts and investments, not because the business can’t generate cash.
- Overall, Marico’s valuation has gone up steadily over the years and remains on the expensive side across all key ratios - whether we look at P/E, EV/EBITDA, or P/B. Even though earnings and cash flows are strong, the market is already pricing in a lot of optimism.
- This company looks financially solid. Sales growth is inconsistent (up and down), but margins are very strong and steady, which means even when sales don’t grow much, the company still earns healthy profits. Expense growth is sometimes high, but gross and net margins show good control. Dividend payout is unusually high – almost everything is paid back to shareholders, so the company may not be reinvesting much into expansion.
- Inventory management has improved – stock is moving faster and turnover is higher. The company is good at managing inventory but is struggling with cash collection and asset efficiency. For long-term strength, they must improve receivables management and use assets more productively.

Source: Company Analysis, Screener.in, Goindiastocks.in

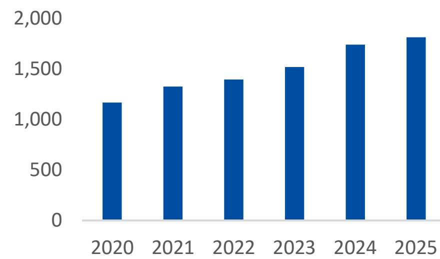
Marico Ltd

Financial Story in Charts

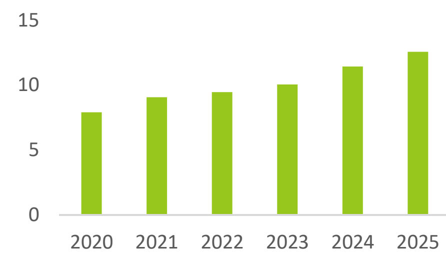
Revenue



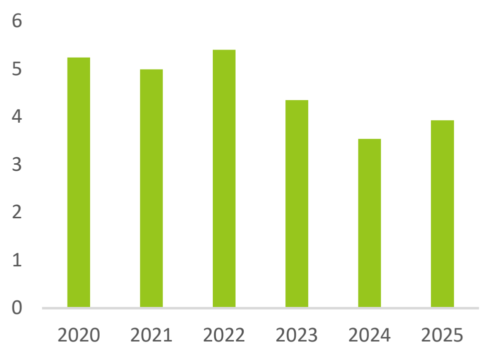
Net Profit



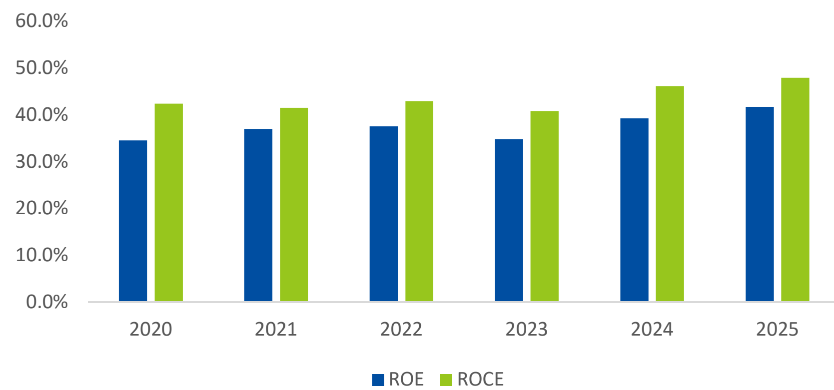
Earning Per Share



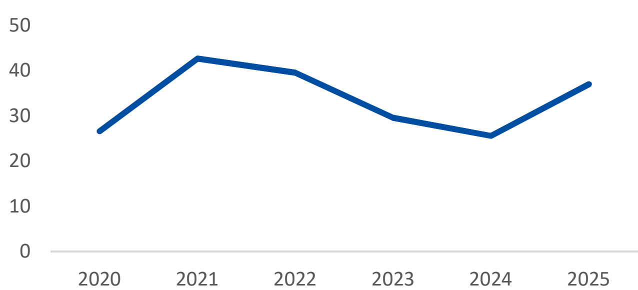
Asset Turnover Ratio



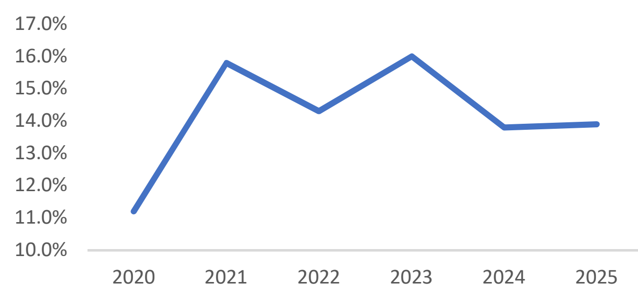
Return on Equity vs Return on Capital Employed



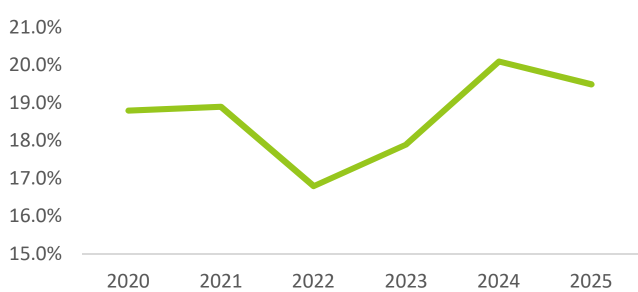
Interest Coverage Ratio



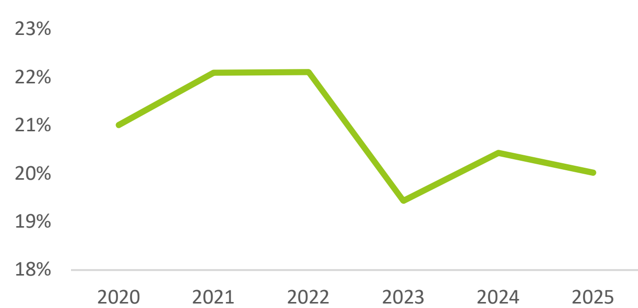
Debt to Equity Ratio



Profit Before Tax Margins



Return on Asset



Source: Company Analysis, Screener.in

Marico Ltd

Dupont Analysis

Return on Equity	Mar-19	Mar-20	Mar-21	Mar-22	Mar-23	Mar-24	Mar-25
Net Profit	1,131.0	1,043.0	1,199.0	1,255.0	1,322.0	1,502.0	1,658.0
Average Shareholder Equity	2,759.0	2,999.0	3,131.5	3,294.0	3,573.5	3,815.5	3,903.5
Return on Equity	**40.99%**	**34.78%**	**38.29%**	**38.10%**	**36.99%**	**39.37%**	**42.47%**

ROE - Dupont Equation	Mar-19	Mar-20	Mar-21	Mar-22	Mar-23	Mar-24	Mar-25
Net Profit	1,131.0	1,043.0	1,199.0	1,255.0	1,322.0	1,502.0	1,658.0
Revenue	7,334.0	7,315.0	8,048.0	9,512.0	9,764.0	9,653.0	10,831.0
Net Profit Margin (A)	**15.42%**	**14.26%**	**14.90%**	**13.19%**	**13.54%**	**15.56%**	**15.31%**
Revenue	7,334.0	7,315.0	8,048.0	9,512.0	9,764.0	9,653.0	10,831.0
Average Total Asset	4,484.0	4,930.0	5,195.0	5,551.5	6,238.5	7,076.5	7,817.0
Asset Turnover Ratio (B)	**1.64x**	**1.48x**	**1.55x**	**1.71x**	**1.57x**	**1.36x**	**1.39x**
Average Total Asset	4,484.0	4,930.0	5,195.0	5,551.5	6,238.5	7,076.5	7,817.0
Average Shareholder Equity	2,759.0	2,999.0	3,131.5	3,294.0	3,573.5	3,815.5	3,903.5
Equity Multiplier (C)	**1.63x**	**1.64x**	**1.66x**	**1.69x**	**1.75x**	**1.85x**	**2.00x**
Return on Equity (A*B*C)	**40.99%**	**34.78%**	**38.29%**	**38.10%**	**36.99%**	**39.37%**	**42.47%**

Return on Asset	Mar-19	Mar-20	Mar-21	Mar-22	Mar-23	Mar-24	Mar-25
Net Profit	1,131.0	1,043.0	1,199.0	1,255.0	1,322.0	1,502.0	1,658.0
Average Total Asset	4,484.0	4,930.0	5,195.0	5,551.5	6,238.5	7,076.5	7,817.0
Return on Asset	**25.22%**	**21.16%**	**23.08%**	**22.61%**	**21.19%**	**21.23%**	**21.21%**

ROA - Dupont Equation	Mar-19	Mar-20	Mar-21	Mar-22	Mar-23	Mar-24	Mar-25
Net Profit	1,131.0	1,043.0	1,199.0	1,255.0	1,322.0	1,502.0	1,658.0
Revenue	7,334.0	7,315.0	8,048.0	9,512.0	9,764.0	9,653.0	10,831.0
Net Profit Margin (A)	**15.42%**	**14.26%**	**14.90%**	**13.19%**	**13.54%**	**15.56%**	**15.31%**
Revenue	7,334.0	7,315.0	8,048.0	9,512.0	9,764.0	9,653.0	10,831.0
Average Total Asset	4,484.0	4,930.0	5,195.0	5,551.5	6,238.5	7,076.5	7,817.0
Asset Turnover Ratio (B)	**1.64x**	**1.48x**	**1.55x**	**1.71x**	**1.57x**	**1.36x**	**1.39x**
Return on Asset (A*B)	**25.22%**	**21.16%**	**23.08%**	**22.61%**	**21.19%**	**21.23%**	**21.21%**

Return on Capital Employed	Mar-19	Mar-20	Mar-21	Mar-22	Mar-23	Mar-24	Mar-25
NOPAT	1,074.3	1,008.8	1,141.5	1,208.8	1,255.3	1,448.5	1,536.5
Average Capital Employed	2,590.0	2,838.0	2,657.0	3,085.5	3,191.0	3,611.0	3,261.0
Return on Asset	**41.48%**	**35.55%**	**42.96%**	**39.18%**	**39.34%**	**40.11%**	**47.12%**

ROCE - Dupont Equation	Mar-19	Mar-20	Mar-21	Mar-22	Mar-23	Mar-24	Mar-25
NOPAT	1,074.3	1,008.8	1,141.5	1,208.8	1,255.3	1,448.5	1,536.5
Revenue	7,334.0	7,315.0	8,048.0	9,512.0	9,764.0	9,653.0	10,831.0
Net Profit Margin (A)	**14.65%**	**13.79%**	**14.18%**	**12.71%**	**12.86%**	**15.01%**	**14.19%**
Revenue	7,334.0	7,315.0	8,048.0	9,512.0	9,764.0	9,653.0	10,831.0
Average Capital Employed	2,590.0	2,838.0	2,657.0	3,085.5	3,191.0	3,611.0	3,261.0
Capital Turnover Ratio (B)	**2.83x**	**2.58x**	**3.03x**	**3.08x**	**3.06x**	**2.67x**	**3.32x**
Return on Capital Employed (A*B)	**41.48%**	**35.55%**	**42.96%**	**39.18%**	**39.34%**	**40.11%**	**47.12%**

Source: Company Analysis, Screener.in

Marico Ltd

Dupont Analysis

Peer Comparison Dupont Equation	Hindustan Uniliver	Dabur	AWL Agri Business	Emami	Patanjali Foods	Marico
Net Profit Margin (A)	16.94%	13.85%	1.73%	21.43%	3.40%	15.31%
Asset Turnover Ratio (B)	0.79	0.77	2.84	1.08	2.2	1.39
Financial Leverage (B)	1.62	1.5	2.38	1.31	1.36	2
Return on Equity (A*B*C)	**21.68%**	**16.00%**	**11.69%**	**30.32%**	**10.17%**	**42.56%**

Peer Comparison	Marico	Median	Average
Net Profit Margin (A)	15.31%	14.58%	12.11%
Asset Turnover Ratio (B)	1.39	1.24	1.51
Financial Leverage (B)	2.00	1.56	1.70
Return on Equity (A*B*C)	**42.56%**	**28.09%**	**31.03%**

MOAT Assessment	Mar-20	Mar-21	Mar-22	Mar-23	Mar-24	Mar-25
Gross Profit Margin	58.0%	53.3%	47.5%	53.1%	57.0%	54.0%
EBITDA Margin	20.1%	19.7%	17.7%	18.5%	21.0%	19.7%
PBT Margin	18.8%	18.9%	16.8%	17.9%	20.1%	19.5%
Net Profit Margin	14.3%	14.9%	13.2%	13.5%	15.6%	15.3%
Interest Coverage	28x	46x	42x	32x	28x	41x
ROCE	35.5%	43.0%	39.2%	39.3%	40.1%	47.1%
ROE	34.5%	37.0%	37.5%	34.8%	39.2%	41.7%
EPS	8.08	9.28	9.71	10.22	11.61	12.80
ROA	21.2%	23.1%	22.6%	21.2%	21.2%	21.2%

DuPont Summary

- In the past five years, the Return on Equity (ROE) of the company has increased from 34.78% in FY20 to 42.74% in FY25. This happened mainly because of the Equity Multiplier/Financial Leverage, which rose from 1.64x in FY20 to 2x in FY25. Meaning now Marico is borrowing more debt, which is increasing its ROE. On the other hand, Marico has managed to get a very slight improvement in its Net Profit Margins from 14.26% in FY20 to 15.31% in FY25.
- As of FY25, Companies' Return On Equity and Net Profit Margins are higher than the Industry Median & Average, due to which the company is seeing improvements in its ROE.
- But Return on Asset (ROA) remains almost stagnant at the end of FY25 with 21.21%, in which the slight improvement in Net Profit Margins helped decrease Asset Turnover Ratio to stabilize the Return on Asset.
- Gross Profit Margins have decreased in the past five years mainly because of increased cost of raw materials, but in the past 3 years, it has given almost 650bps of growth.
- EBITDA margins have not shown any drastic changes in their growth, where in the past 3 years, we can see a growth of almost 300 bps (3%) in Profit Before Tax Margins.
- Interest Coverage Ratio is increased from 28x in FY20 to 41x in FY25, which means Marico EBIT (Operating Profit) is 41 times larger than the interest expense, which is almost negligible, showing low debt burden and very high safety.
- Return on Capital Employed (ROCE) has also increased from 35.55% in FY20 to 47.12% in FY25, which is a good showing that now Marico can use its capital more efficiently and generate more profit from its capital employed.
- This jump in ROCE is largely seen due to the increased capital turnover ratio, while margins remain almost flat.
- While higher Financial Leverage shows a risk on debt in the company, the increase in Interest Coverage Ratio and Increased Return on Capital Employed shows how the company is managing its capital.
- The increase in the company's Earnings Per Share (EPS) shows the company is earning more profit for each share over time.

Source: Company Analysis, Screener.in

Marico Ltd

Discounted Cash Flow - Valuation

WACC Calculation Marico Ltd		
Particulars		**Source**
Risk Free Rate	6.29%	10Y Govt Bond Yeild
Equity Risk Premium	28.77%	Rm-Rf (3Years)
Beta(3Y Daily)	28.75%	Regression Based Beta
Cost of Equity	**14.56%**	**Calculated using CAPM approach**
Corporate Credit Rating	AAA	ICRA Credit rating report - July 2025
Corporate default spread	0.90%	Excess return over Rf - Goldenpi
Cost of Debt (Pre-Tax)	**7.19%**	**Rf + Corporate default spread**
Marginal Tax Rate	22.88%	Notified tax rate in finance 2025
Cost of Debt (Post-Tax)	**6.67%**	**Cost of Debt post Tax shield**
Debt to Equity ratio	14.00%	Latest Financials
Debt to Capita Ratio	12.28%	
Weightate Average Cost of Capital	**13.59%**	

DCF Valuation of Marico Ltd.

	Historical			Explicit Growth Period				
Particulars	**2023A**	**2024A**	**2025A**	**2026E**	**2027E**	**2028E**	**2029E**	**2030E**
Sales	9764	9653	10831	*12781*	*14570*	*16610*	*18935*	*21586*
Sales Growth		-1.1%	12.2%	*18.0%*	*14.0%*	*14.0%*	*14.0%*	*14.0%*
EBIT Margins	17.0%	19.4%	18.1%	*18%*	*18%*	*18%*	*18%*	*18%*
EBIT	**1655**	**1868**	**1961**	**2301**	**2623**	**2990**	**3408**	**3885**
Less: Actual Tax Payment	-379	-427	-449	-526	-600	-684	-780	-889
NOPAT	**1276**	**1441**	**1512**	**1774**	**2023**	**2306**	**2628**	**2996**
Less: Capex		-250	-300	-204	-233	-266	-303	-345
Less: Change in WC		33	-477	-351	-186	-212	-242	-276
Add: Depreciation		154	173	204	233	266	303	345
Free Cash Flow to Firm		1378	909	1423	1836	2093	2386	2720
Cost of Capital		13.59%						
Discounting Period Years				1	2	3	4	5
Present Value Factor				0.880	0.775	0.682	0.601	0.529
Present Value of Free Cash Flow to Firm				1253	1423	1428	1433	1438

DCF Valuation of Marico Ltd.	
Terminal Year FCFF	2720
Terminal Year Growth Rate	6.23%
Value of Terminal CF at 5Year	39254.976
Present Value of Terminal Cash Flows	20756.548
Present Value of Forecasted Cash Flows	6976
Total Value of FCFFs	**27732**
Less: Value of Debt	554
Add: Cash & Other non operating Investments	1387
Less: Value of Stock Options/Warrants	0
Equity Value	**28565**
No of Equity Share	130
Equity Value/Share	220
Market Price	720
Verdict	**Overvalued**

DCF Valuation Summary

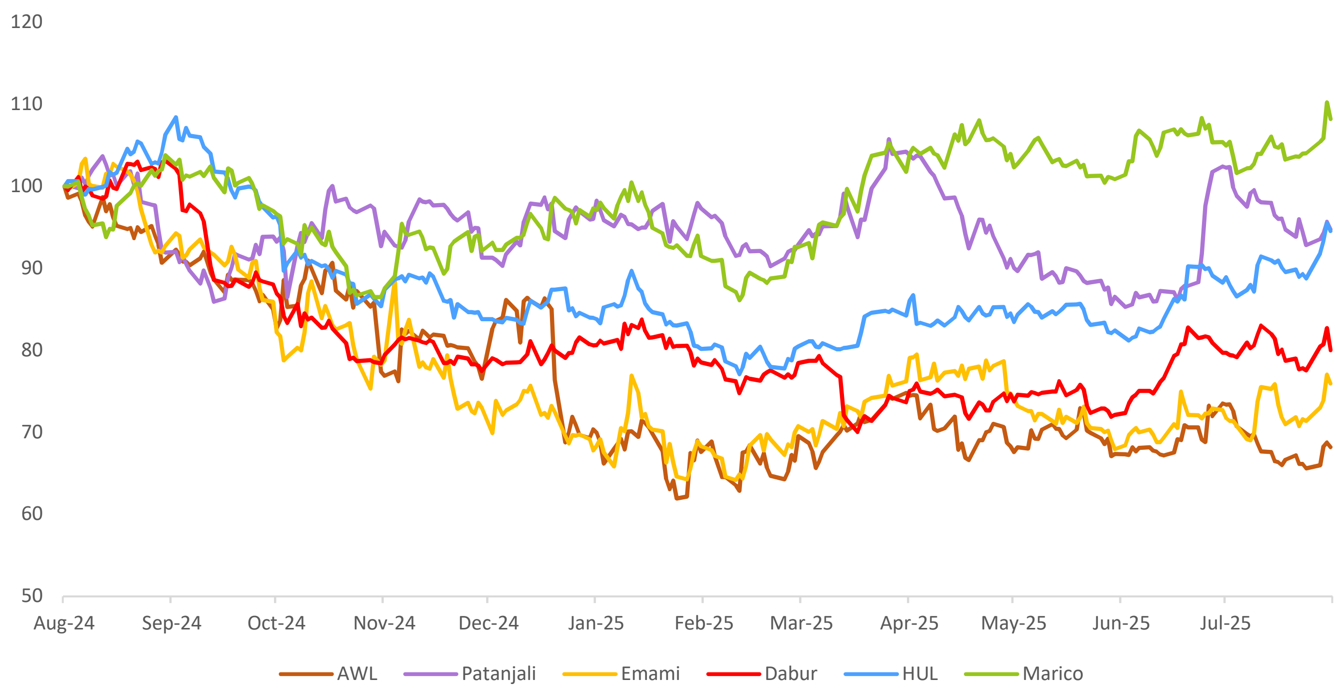
- The Weighted Average Cost of Capital (WACC) for Marico is estimated at 13.6% which is mainly driven by the high beta and limited leverage.
- Revenue Growth projection from 12% to 18% for the next five years is based on the management guidance and consensus estimates.
- Free Cash Flow to the firm stays healthy at Rs 1,378 crore for FY24 to Rs 2,088 crore for FY29 (expected).
- Under these assumptions, Marico appeared significantly overvalued, though results are highly dependent on beta, cost of capital, and terminal growth rate.
- The sensitivity check shows Marico's fair value per share comes in between ₹160–₹300 across different WACC and terminal growth assumptions. Even in the best case, it is much lower than the current market price of ₹720. This means the valuation is quite sensitive to assumptions, but in all cases, the stock looks overvalued.

Source: Company Analysis, Screener.in

Marico Ltd

Relative Pricing

Marico & Peer's Stock Performance – 1Y (Indexed)



Company	Ticker	Revenue	Net Profit	ROE	ROCE	Dividend Yeild (%)	EPS Growth (%)	EV/Revenue	EV/EBITDA	P/E
AWL Agri Business	AWL	63672	1226	13.9%	20.9%	0.0%	727.2%	0.5x	27.0x	29
Patanjali Foods	Patanjali	34157	1301	12.1%	15.5%	0.6%	70.1%	1.9x	50.4x	54
Hindustan Unieliver	Hindunilvr	63121	10671	20.7%	27.8%	2.0%	3.6%	9.7x	57.3x	58
Dabur	Dabur	12563	1740	17.1%	20.2%	1.5%	-4.1%	7.3x	52.7x	51
Emami	Emamiltd	3809	803	30.2%	32.4%	1.7%	11.5%	6.9x	33.0x	33
Marico	Marico	10831	1658	41.3%	45.2%	1.5%	9.9%	8.7x	57.1x	57
Maximum				41.3%	45.2%	2.0%	727.2%	9.7x	57.3x	58
Average				22.6%	27.0%	1.2%	136.3%	5.9x	46.3x	47
Median				18.9%	24.4%	1.5%	10.7%	7.1x	51.6x	52
Minimum				12.1%	15.5%	0.0%	-4.1%	0.5x	27.0x	29

Relative Pricing Summary

- Marico is performing well compared to its peers, where the median of Return on Equity (ROE) and Return on Capital Employed (ROCE) is 18.9%. Marico is giving 41.3% ROE and 45.2% ROCE, which is more than double that of its peers.
- Dividend yield of Marico, based on its historical price or price as on 25-Aug-2025, is 1.5% which is aligned with its peers' median dividend yield.
- Where many companies like AWL Agri Business, Patanjali Foods Ltd have shown a drastic growth in their Earnings Per Share (EPS) with 727% and 70% respectively from FY24 to FY25, Marico is close to its peers' median EPS growth of 10.7% with 9.9%.
- EV/Revenue, which shows how much the investor is valuing the company for each rupee of sales. Their Marico stood at 8.7x, higher than its peers, which is 7.1x.
- And for EV/EBITDA and P/E, Marico stood at 57.1x and 57, respectively, which is also higher than its peers with 51.6x of EV/EBITDA and 52 P/E.

Source: Company Analysis, Yahoo Finance

Marico Ltd

marico

Analyst Coverage Universe

S.No	Date	Research House	Target	Price at Recommendation	Rating
1	22-Aug-2025	Consensus Share Price Target	791	740	Buy
2	05-Aug-2025	Anand Rathi	850	716	Buy
3	04-Aug-2025	Prabhudas Lilladhar	743	723	Accumulate
4	17-Jul-2025	Emkay	810	733	Buy
5	04-Jul-2025	Sharekhan	825	729	Buy
6	20-May-2025	Sharekhan	825	704	Buy
7	16-May-2025	Geojit BNP Paribas	804	724	Accumulate
8	05-May-2025	BOB Capital Markets Ltd.	801	723	Hold
9	04-May-2025	Emkay	810	698	Buy
10	04-May-2025	Prabhudas Lilladhar	718	698	Accumulate
11	03-May-2025	Motilal Oswal	800	698	Buy
12	25-Mar-2025	Motilal Oswal	775	625	Buy
13	17-Feb-2025	Sharekhan	780	625	Buy
14	01-Feb-2025	Motilal Oswal	775	694	Buy
15	01-Feb-2025	BOB Capital Markets Ltd.	695	694	Hold
16	19-Nov-2024	Geojit BNP Paribas	678	591	Accumulate
17	30-Oct-2024	BOB Capital Markets Ltd.	695	651	Hold
18	29-Oct-2024	Sharekhan	780	629	Buy
19	07-Oct-2024	BOB Capital Markets Ltd.	653	679	Hold
20	26-Sep-2024	BOB Capital Markets Ltd.	532	694	Sell
21	11-Sep-2024	Sharekhan	821	680	Buy
22	06-Aug-2024	BOB Capital Markets Ltd.	713	629	Hold
23	06-Aug-2024	BOB Capital Markets Ltd.	532	629	Sell
24	05-Aug-2024	ICICI Securities Limited	780	672	Buy
25	06-Jul-2024	Emkay	630	615	Sell
26	15-May-2024	Geojit BNP Paribas	668	592	Buy
27	09-May-2024	BOB Capital Markets Ltd.	668	581	Buy
28	06-May-2024	Sharekhan	620	530	Buy
29	31-Jan-2024	BOB Capital Markets Ltd.	618	528	Buy

Source: Company Analysis, Yahoo Finance