BUY
TP: Rs 948 | ▲ 19%

MARICO

| Consumer Staples | 02 November 2026

Healthy Momentum

- **India business delivered 10% underlying volume growth, sustaining double-digit growth for another quarter**
- **Selective price cuts in larger packs helped reverse consumer downtrading; management expects 4–6% medium-term growth**
- **International business reported 13% constant currency growth, led by Vietnam, MENA and South Africa**

Lavita Lasrado
Research Analyst

Nistha Pala
Research Associate
research@bobcaps.in

Result highlights: Marico delivered a strong Q2FY27 performance, with consolidated revenue growing 13% YoY to Rs38.97bn, EBITDA increasing 27% to Rs7.09bn and EBITDA margin expanding 200bps to 18.2%. India domestic volume growth stood at a healthy 10%, while international business reported 13% constant-currency growth. Parachute Rigids volumes grew 13%, supported by market-share gains, while VAHO delivered 21% value growth. Foods continued its strong momentum, growing 45%, with the portfolio crossing Rs15bn ARR. Digital-first brands also sustained growth, with portfolio ARR at ~Rs11.5bn and improving profitability. Project SETU continued to strengthen distribution, with direct reach exceeding 1.5x FY24 levels. Management upgraded FY27 EBITDA growth guidance to mid-20s, with 120–150bps margin expansion, while retaining its expectation of double-digit revenue growth. The company remains focused on its FY30 ambition of Rs200bn revenue, with potential to achieve this target a year earlier, by FY29.

Key Concall Summary: Co remains confident of sustaining a healthy growth trajectory, driven by strong execution across core franchises and a steadily expanding premium portfolio. In Parachute, selective price reductions in larger packs helped reverse consumer downtrading, while improved distribution and lower trade inventory supported volume recovery; management expects medium-term growth of 4–6%. VAHO is expected to sustain double-digit value growth, with increased investments behind Almond Hair Oil and premium hair-care products. The growth portfolio, comprising Foods, Premium Personal Care and digital-first brands, is expected to deliver 20–25% growth, alongside a gradual improvement in profitability. Management is also stepping up investments in innovation and brand building, particularly in shampoos, Almond Hair Oil and core Foods. International growth is expected to accelerate in H2FY27, while Bangladesh is likely to see a gradual recovery. From FY28 onwards, management expects operating profit to grow at least at a mid-teens rate.

Our view: We broadly maintain our estimates and model Rev/EBITDA/PAT CAGR of 11%/18%/16% over FY26–29E, with BUY rating and TP of Rs 948, valuing the stock at 45x P/E on Sept'28 EPS.

Key changes

Target	Rating
▼	▲

Ticker/Price	MRCO IN/Rs 799
Market cap	US$ 10.9bn
Free float	40%
3M ADV	US$ 14.6mn
52wk high/low	Rs 889/Rs 706
Promoter/FPI/DII	59%/23%/18%

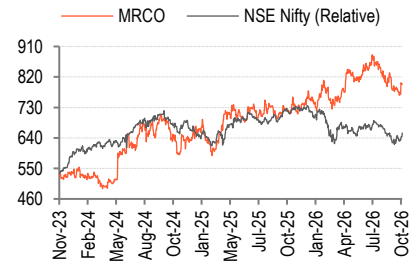
Source: NSE | Price as of 2 Nov 2026

Key financials

Y/E 31 Mar	FY26A	FY27E	FY28E
Total revenue (Rs mn)	1,36,110	1,55,102	1,70,521
EBITDA (Rs mn)	23,980	28,897	35,285
Adj. net profit (Rs mn)	18,580	21,271	25,951
Adj. EPS (Rs)	14.3	16.4	20.0
Consensus EPS (Rs)	14.3	17.0	19.5
Adj. ROAE (%)	42.4	42.6	42.6
Adj. P/E (x)	55.9	48.8	40.0
EV/EBITDA (x)	43.2	35.8	29.3
Adj. EPS growth (%)	13.2	14.5	22.0

Source: Company, Bloomberg, BOBCAPS Research

Stock performance



Source: NSE

Earnings KTAs

Overall Performance: Marico reported consol revenue growth of 13% YoY to Rs38.97bn, driven by 10% domestic volume growth and 13% international CCG. India business revenue grew 10% YoY to Rs29.16bn, supported by robust offtakes and broad-based gains in market share and penetration, with over 95% of the portfolio gaining or sustaining market share and penetration on a MAT basis. Both Traditional and Organised Trade delivered double-digit growth, while Quick Commerce continued to accelerate. On a two-year CAGR basis, consolidated revenue and EBITDA grew 22% and 17%, respectively, supported by 8% India volume growth and 16% international CCG. The company continues to benefit from its diversified portfolio, with core franchises, Foods, Premium Personal Care and digital-first brands contributing to growth.

Strong gross margin recovery drives profitability: Consol GM expanded approximately 600bps YoY, supported by softer copra prices and favourable portfolio mix, alongside improving profitability across the newer growth businesses. A&P spends increased 44% YoY as the company continued to invest behind its core brands and growth initiatives. Despite higher brand investments, EBITDA grew 27% YoY to Rs7.09bn, with EBITDA margin expanding 200bps to 18.2%. PAT increased 31% YoY to Rs5.50bn, marking the highest growth in 50 quarters for EBITDA and 51 quarters for PAT, respectively. Copra prices remained range-bound at approximately 35% below last year's peak levels, while crude-linked derivatives and vegetable oil prices witnessed further inflation amid geopolitical developments and weather-related concerns. Management highlighted procurement efficiency, portfolio mix, pricing power and the MarVal cost-management programme as key levers to mitigate input cost pressures.

Parachute delivers strongest volume growth in 22 quarters: Parachute Rigids delivered 13% volume growth (highest in 22 quarters), while revenue growth stood at approximately 1%, reflecting the anniversary of earlier pricing actions and price reductions undertaken to pass on the benefit of softer copra prices to consumers. The brand gained over 570bps in volume market share to reach a new high of 60%. Management attributed the strong performance to selective price reductions in loyalty packs, which helped reverse consumer downtrading, faster execution through a thinner distributor pipeline and deeper rural distribution under Project SETU. Direct reach has increased over 1.5x and rural stockists have expanded to approximately 1.8x levels. Management reiterated a medium-term volume/value growth construct of mid-single-digit growth for Parachute, with the current year's performance benefiting from favourable supply-chain conditions and procurement advantages.

VAHO sustains structural growth momentum: VAHO delivered its sixth consecutive quarter of strong performance, registering 21% value growth and gaining 80bps in MAT value market share to 30%. Growth was driven by the mid and premium segments, which recorded mid-teens volume growth, supported by focused innovation, sustained brand investments and distribution gains through Project SETU. Management highlighted that the shift towards premium and mid-segment products is structural, with these categories offering better growth and margin opportunities. The Almond Hair Oil franchise continued to accelerate, with management targeting an annualised revenue run-rate (ARR) of over Rs1.00bn by FY28 and aspiring to scale it to Rs2.00–2.50bn by

FY30. Management expects VAHO to sustain double-digit value growth over the medium term.

Saffola Edible Oils undergoes profitability reset: Saffola Edible Oils reported 6% revenue growth, despite a high-single-digit volume decline, as the company continued to rationalise select low-margin variants and channels to improve the long-term profitability of the franchise. Management indicated that the rationalisation exercise is expected to be completed over the next 2–3 quarters. The premium portfolio, particularly cold-pressed oils and Saffola Total, continued to grow significantly ahead of the overall business, supporting the premiumisation strategy. Towards the end of the quarter, the company also passed on the benefit of lower import duties on vegetable oils to consumers through calibrated pricing actions. Management reiterated its medium-term growth construct of mid-single-digit growth for Saffola, while prioritising profitability over volumes.

Foods business scales up with improving profitability: The Foods portfolio delivered 45% growth, crossing an annualised revenue run-rate of Rs15.00bn, with improvement in profitability supported by a sharper focus on unit economics and favourable portfolio mix. Core Saffola Foods recorded early-teens growth, led by Oats, Muesli and Soya Chunks, with Saffola Oats retaining its leadership position as India's No. 1 oats brand and a 42% value market share. True Elements, 4700BC and Cosmix recorded sequential acceleration and are tracking ahead of initial acquisition assumptions. Management highlighted that 4700BC is benefiting from Quick Commerce, gifting and institutional sales, while its break-even is expected significantly ahead of the earlier targeted timeline. Cosmix continues to scale profitably, supported by a loyal consumer base and expansion into adjacencies. Marico is also building a broader presence in the protein category through Saffola, Cosmix, Plix and True Elements, targeting multiple consumer segments and price points. Management expects the overall growth portfolio to deliver 20–25% growth while progressively improving profitability.

Premium Personal Care and digital-first brands continue to scale: Premium Personal Care (PPC), including premium hair nourishment, hair cleansing, male grooming and skincare, crossed an ARR of Rs5.00bn, led by Livon Serums and Parachute Advansed Protein Shampoo. The shampoo business has witnessed encouraging traction across sachet and rigid formats and is expected to cross Rs1.00bn ARR within its first year of launch, with a medium-term aspiration of Rs4.00–5.00bn ARR. Management highlighted that shampoo is a significant growth opportunity, with the category already contributing approximately 4–5% of Marico's total turnover across markets. The digital-first portfolio reached an ARR of approximately Rs11.50bn, with Beardo expected to cross Rs4.00bn revenue this year and having improved profitability by 1,900bps since acquisition. Management reiterated its focus on profitable growth rather than aggressive cash-burning expansion, with the overall growth portfolio expected to deliver 20–25% growth. Digital-first businesses are targeted to achieve double-digit EBITDA margins by FY27 exit and teens margins over the medium term.

International business maintains broad-based growth: The International business delivered 13% CCG and 23% revenue growth in INR terms, supported by strong performances across key markets. Bangladesh recorded 5% CCG, marking a sequential improvement despite persistent inflation, demand softness and a high base;

management expects gradual improvement in subsequent quarters, supported by consumer activations and Project SETU rollout. Vietnam delivered 22% CCG, driven by broad-based portfolio growth and accelerating e-commerce, while MENA reported 15% CCG, supported by focused execution and resilient performance in the Gulf. South Africa also delivered 15% CCG, led by Hair Care and healthcare, while New Country Development (NCD) and Exports grew 17%. Management expects international growth to improve marginally in the coming quarters, led by Bangladesh recovery and continued momentum in Vietnam, with a medium-term aspiration of sustaining teens CCG.

Project SETU 2.0 to drive distribution and execution gains: Management indicated that the first phase of SETU is approximately 70% complete and has contributed an estimated 1–2% incremental volume growth over the last couple of years. The next phase will focus on expanding premium and digital-first brands into GT, chemist and speciality food outlets, alongside AI-enabled selling and gamification of sales-force incentives. The SETU playbook is also being extended internationally, with Vietnam already witnessing encouraging results and Bangladesh rollout in its early stages.

FY27 guidance upgraded; stronger profitability outlook: Following a strong H1 performance, with revenue, EBITDA and PAT growing 18%, 26% and 28%, respectively, management upgraded its FY27 profitability outlook. The company now expects double-digit revenue growth, comfortably crossing Rs150bn, with an opportunity to deliver growth towards the mid-teens. EBITDA growth guidance has been raised to mid-20s (approximately 24–25% or higher), compared with the earlier expectation of around 20%. Management indicated that FY27 EBITDA margin could expand by approximately 120–150bps. India business volume growth is expected to reach double digits, while international business is expected to witness accelerating CCG in H2FY27.

Vision 2030: Management indicated an aspiration to achieve the Rs200bn revenue milestone as early as FY29, subject to sustained execution, representing an estimated 13–14% revenue CAGR from FY27 levels. This growth is expected to be driven by high-single-digit India volume growth, mid-teens international CCG and approximately 3% inflation. The growth portfolio (Foods and PPC, including digital-first brands) is targeted to contribute approximately 27% of India revenue by FY27-end and 33% by FY30, compared with 23% in FY26. Digital-first businesses are expected to achieve double-digit EBITDA margins by FY27 exit and expand to teens over the medium term. Internationally, the company aims to increase premium categories' contribution to revenue from approximately 30% in FY26 to 40% by FY30, while increasing the non-Bangladesh share from 55% to 65%. Management clarified that the Rs200bn ambition is based on organic growth, with any acquisitions providing additional upside.

Portfolio premiumisation and margin improvement remain key priorities: Co reiterated its focus on reducing dependence on commodity-linked categories and increasing the contribution of premium and higher-margin businesses across India and international markets. Over the medium term, Parachute and Saffola are expected to deliver mid-single-digit growth, VAHO double-digit value growth, while Foods, PPC and digital-first businesses are expected to grow at 20–25%. The company also highlighted cost synergies through consolidated manufacturing, media buying and supply-chain capabilities across its acquired digital brands. From FY28 onwards, management

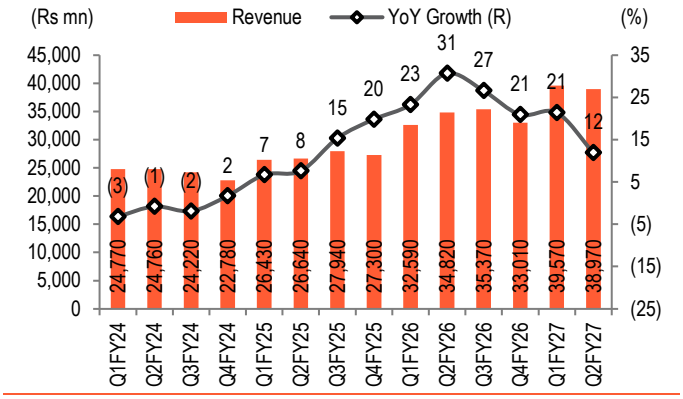
expects operating profit growth to sustain at least mid-teens, with profitability improvement supported by operating leverage, premiumisation and disciplined investments. The company continues to prioritise profitable growth over aggressive expansion, while maintaining investments behind brands, people and capabilities.

Fig 1 – Quarterly Table

Consolidated (mn)	Q2FY27	Q1FY26	QoQ (%)	Q2FY26	YoY (%)
Total Revenues	38,970	39,570	-1.5%	34,820	11.9%
COGS	20,220	21,120	-4%	19,970	1.3%
as % of sales	51.9	53.4	(149 bps)	57.4	(547 bps)
Gross Profit	18,750	18,450	2%	14,850	26.3%
Gross margin (%)	48.1	46.6	149 bps	42.6	547 bps
Employee costs	2,590	2,690	-4%	2,180	18.8%
as % of sales	6.6	6.8	(15 bps)	6.3	39 bps
Other expenses	4,560	4,300	6%	3,620	26.0%
as % of sales	11.7	10.9	83 bps	10.4	130 bps
EBITDA	7,090	8,190	-13%	5,600	26.6%
EBITDA margin (%)	18.2	20.7	(250 bps)	16.1	211 bps
D&A	640	560	14%	470	36.2%
Interest cost	240	210	14%	120	100.0%
PBT	6,740	7,900	-15%	5,500	22.5%
Tax	1,160	1,380	-16%	1,180	-1.7%
Reported PAT	5,580	6,520	-14%	4,200	32.9%
PAT margin	14	16	(216 bps)	12	226 bps

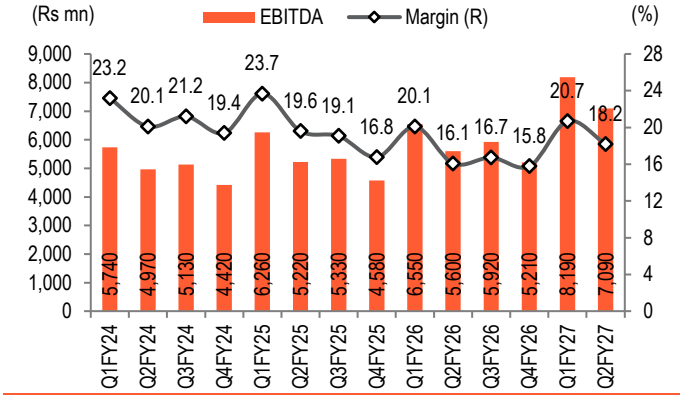
Source: Company, BOBCAPS Research

Fig 2 – Revenue Growth



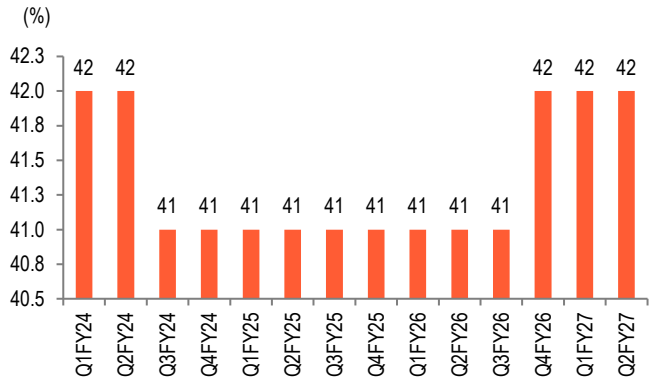
Source: BOBCAPS Research, Company

Fig 3 – EBITDA & EBITDA Margins



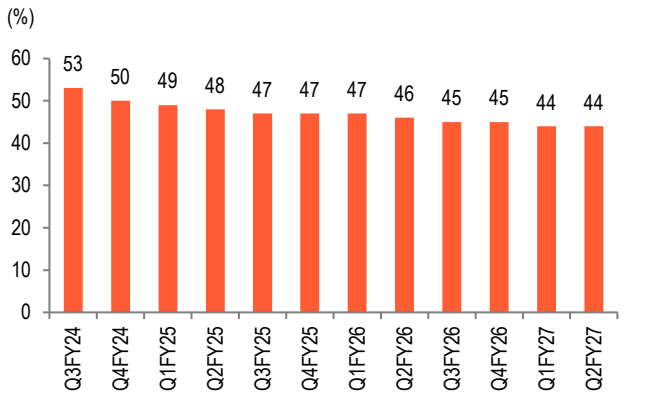
Source: BOBCAPS Research, Company

Fig 4 – Saffola Oats (Market Share)



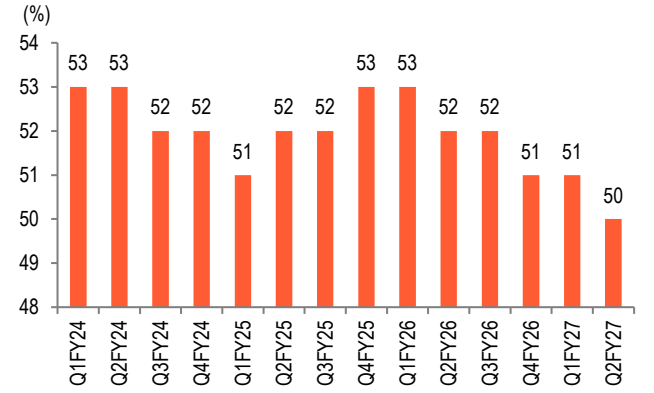
Source: Company, BOBCAPS Research

Fig 5 – Post-wash leave on serum (Market share)



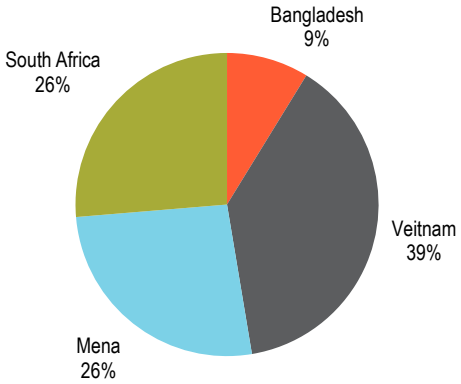
Source: Company, BOBCAPS Research

Fig 6 – Hair gels/waxes/creams (Market share)



Source: Company, BOBCAPS Research

Fig 7 – International Business (in cc terms)



Source: Company, BOBCAPS Research

Fig 8 – Actual vs Estimates

Rs mn	Q2FY27A	Q2FY27E	Deviation (%)
Revenue	38,970	39,695	-1.83%
EBITDA	7,090	7,344	-3.46%
EBITDA Margin (%)	18.2	18.5	(31 bps)
PAT	5,580	5,289	5.50%

Source: Company, BOBCAPS Research

Valuation methodology

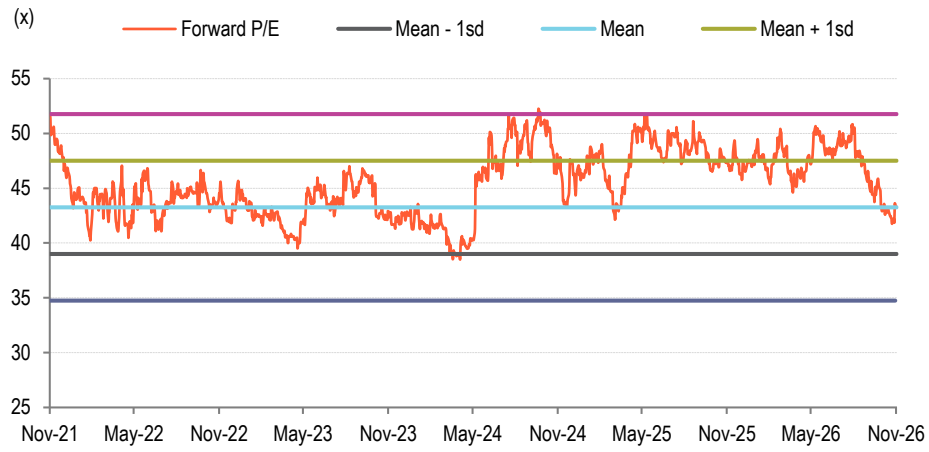
We broadly maintain our estimates and model Rev/EBITDA/PAT CAGR of 11%/18%/16% over FY26–29E, with BUY rating and TP of Rs 948, valuing the stock at 45x P/E on Sept'28 EPS.

Fig 9 – Revised estimates

(Rs mn)	New			Old			Change (%)		
	FY27E	FY28E	FY29E	FY27E	FY28E	FY29E	FY27E	FY28E	FY29E
Sales	1,55,102	1,70,521	1,85,418	1,54,607	1,69,934	183328	0.32	0.35	1.14
EBITDA	28,897	35,285	39,507	28,134	32,363	36026	2.71	9.03	9.66
EBITDA Margin (%)	18.6	20.7	21.3	18.2	19.0	19.7	43 bps	165 bps	166 bps
Adj. PAT	21,271	25,951	28,826	20,205	23,101	25426	5.27	12.34	13.37
Adj EPS	16.4	20.0	22.2	15.5	17.8	19.6	5.27	12.34	13.37

Source: BOBCAPS Research

Fig 10 – Marico 1Yr fwd PE Band chart



Source: Company, BOBCAPS Research

Key risks

Key upside/downside risks to our estimates are:

- Lower- / higher-than-expected volatility in sales, due to inventory destocking from Project SETU
- Earlier / delayed and/or higher / lower-than-anticipated benefits from Project SETU
- Stronger / weaker-than-expected recovery from rural markets

Financials

Income Statement

Y/E 31 Mar (Rs mn)	FY25A	FY26A	FY27E	FY28E	FY29E
Total revenue	**1,08,310**	**1,36,110**	**1,55,102**	**1,70,521**	**1,85,418**
EBITDA	21,390	23,980	28,897	35,285	39,507
Depreciation	1,780	2,020	2,291	2,555	2,986
EBIT	19,610	21,960	26,607	32,730	36,522
Net interest inc./(exp.)	530	530	719	726	815
Other inc./(exp.)	2,080	2,040	2,474	2,598	2,728
Exceptional items	0	0	0	0	0
EBT	21,160	23,470	28,361	34,601	38,434
Income taxes	4,580	4,640	7,090	8,650	9,609
Extraordinary items	0	0	0	0	0
Min. int./Inc. from assoc.	290	250	0	0	0
Reported net profit	**16,290**	**18,580**	**21,271**	**25,951**	**28,826**
Adjustments	0	0	0	0	0
Adjusted net profit	**16,290**	**18,580**	**21,271**	**25,951**	**28,826**

Balance Sheet

Y/E 31 Mar (Rs mn)	FY25A	FY26A	FY27E	FY28E	FY29E
Accounts payables	13,630	16,340	17,932	18,870	20,412
Other current liabilities	2,320	2,210	2,518	2,769	3,011
Provisions	220	100	101	103	104
Debt funds	3,790	3,550	4,260	5,112	6,134
Other liabilities	20,760	33,610	37,708	41,035	44,250
Equity capital	1,290	1,300	1,300	1,300	1,300
Reserves & surplus	41,370	43,640	53,589	65,726	79,208
Shareholders' fund	42,660	44,940	54,889	67,026	80,508
Total liab. and equities	**83,380**	**1,00,750**	**1,17,408**	**1,34,915**	**1,54,418**
Cash and cash eq.	7,770	4,930	15,660	28,354	42,613
Accounts receivables	12,710	13,040	14,860	16,337	17,764
Inventories	12,350	16,110	17,680	18,605	20,125
Other current assets	4,250	5,040	5,729	6,289	6,830
Investments	15,900	20,830	20,830	20,830	20,830
Net fixed assets	7,100	8,320	9,665	11,106	12,466
CWIP	400	850	850	850	850
Intangible assets	9,460	14,980	14,980	14,980	14,980
Deferred tax assets, net	570	1,250	1,424	1,566	1,703
Other assets	12,870	15,400	15,731	15,999	16,259
Total assets	**83,380**	**1,00,750**	**1,17,408**	**1,34,915**	**1,54,418**

Cash Flows

Y/E 31 Mar (Rs mn)	FY25A	FY26A	FY27E	FY28E	FY29E
Cash flow from operations	**22,190**	**21,540**	**23,223**	**27,780**	**31,014**
Capital expenditures	(1,610)	(3,190)	(3,635)	(3,996)	(4,346)
Change in investments	(5,230)	180	0	0	0
Other investing cash flows	630	(4,210)	2,474	2,598	2,728
Cash flow from investing	**(6,210)**	**(7,220)**	**(1,161)**	**(1,399)**	**(1,618)**
Equities issued/Others	460	1,540	0	0	0
Debt raised/repaid	(50)	(240)	710	852	1,022
Interest expenses	(510)	(370)	(719)	(726)	(815)
Dividends paid	(4,530)	(9,080)	(11,322)	(13,814)	(15,344)
Other financing cash flows	(1,390)	(3,830)	0	0	0
Cash flow from financing	**(6,490)**	**(12,790)**	**(11,332)**	**(13,688)**	**(15,137)**
Chg in cash & cash eq.	**9,490**	**1,530**	**10,730**	**12,693**	**14,259**
Closing cash & cash eq.	**3,210**	**4,740**	**14,770**	**27,464**	**41,723**

Per Share

Y/E 31 Mar (Rs)	FY25A	FY26A	FY27E	FY28E	FY29E
Reported EPS	12.6	14.3	16.4	20.0	22.2
Adjusted EPS	12.6	14.3	16.4	20.0	22.2
Dividend per share	3.9	7.7	8.8	10.7	11.9
Book value per share	33.1	34.8	42.5	52.0	62.4

Valuations Ratios

Y/E 31 Mar (x)	FY25A	FY26A	FY27E	FY28E	FY29E
EV/Sales	9.6	7.6	6.7	6.1	5.6
EV/EBITDA	48.4	43.2	35.8	29.3	26.2
Adjusted P/E	63.2	55.9	48.8	40.0	36.0
P/BV	24.1	22.9	18.8	15.4	12.8

DuPont Analysis

Y/E 31 Mar (%)	FY25A	FY26A	FY27E	FY28E	FY29E
Tax burden (Net profit/PBT)	77.0	79.2	75.0	75.0	75.0
Interest burden (PBT/EBIT)	107.9	106.9	106.6	105.7	105.2
EBIT margin (EBIT/Revenue)	18.1	16.1	17.2	19.2	19.7
Asset turnover (Rev./Avg TA)	129.9	135.1	132.1	126.4	120.1
Leverage (Avg TA/Avg Equity)	2.0	2.2	2.1	2.0	1.9
Adjusted ROAE	38.2	41.3	38.8	38.7	35.8

Ratio Analysis

Y/E 31 Mar	FY25A	FY26A	FY27E	FY28E	FY29E
YoY growth (%)					
Revenue	12.2	25.7	14.0	9.9	8.7
EBITDA	5.6	12.1	20.5	22.1	12.0
Adjusted EPS	10.0	13.2	14.5	22.0	11.1
Profitability & Return ratios (%)					
EBITDA margin	19.7	17.6	18.6	20.7	21.3
EBIT margin	18.1	16.1	17.2	19.2	19.7
Adjusted profit margin	15.0	13.7	13.7	15.2	15.5
Adjusted ROAE	38.6	42.4	42.6	42.6	39.1
ROCE	26.5	28.0	28.7	29.5	27.9
Working capital days (days)					
Receivables	39	35	33	33	34
Inventory	87	69	74	76	75
Payables	100	72	75	77	76
Ratios (x)					
Gross asset turnover	1.2	1.2	1.2	1.1	1.1
Current ratio	2.1	1.4	1.6	1.8	2.0
Net interest coverage ratio	37.0	41.4	37.0	45.1	44.8
Adjusted debt/equity	8.9	7.9	7.8	7.6	7.6

Source: Company, BOBCAPS Research | Note: TA = Total Assets

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Registered office Address: **1704, B Wing, Parinee Crescenzo, G Block, BKC, Bandra East, Mumbai 400051**
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SEBI Depository Participant Registration No: **IN-DP-728-2022**
SEBI Merchant Banker Registration No: **INM000009926**
Phone: +91-22-61389300
Name of the Compliance Officer: Mr. Sameer Khobrekar
Email ID: Compliance@bobcaps.in; Phone no.: +91-22-61389358
For any queries or grievances, you may contact the Grievance Officer.
Name of the Grievance Officer: Mr. Nilesh Mehta
Email ID: head-customercare@bobcaps.in; Phone no: 92288 60945

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Recommendation scale: Recommendations and Absolute returns (%) over 12 months

BUY – Expected return >+15%

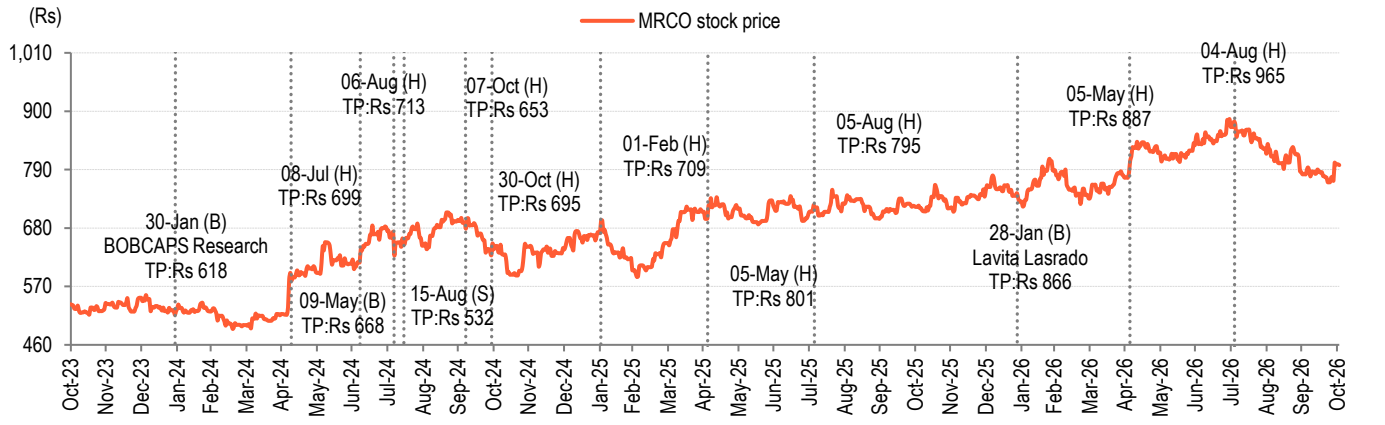
HOLD – Expected return from -6% to +15%

SELL – Expected return <-6%

Note: Recommendation structure changed with effect from 21 June 2021

Our recommendation scale does not factor in short-term stock price volatility related to market fluctuations. Thus, our recommendations may not always be strictly in line with the recommendation scale as shown above.

Ratings and Target Price (3-year history): MARICO (MRCO IN)



B – Buy, H – Hold, S – Sell, A – Add, R – Reduce

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