

February 18, 2026

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

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

Sub.: Transcript of conference call

Dear Sir/Madam,

Further to our letter dated February 17, 2026, please find enclosed copy of transcript of the conference call held on Friday, February 13, 2026 on the announcement of recent strategic investments.

The said transcript is also available on the Company's website at:

https://marico.com/investorspdf/Marico_Limited_-_Conference_Call_Transcript_-_13th_February_2026.pdf

This is for your information and records.

Thank you.

Yours faithfully,
For **Marico Limited**

Vinay M A
Company Secretary & Compliance Officer

Encl.: As above



Marico Limited
Transforming into a Digital-first Powerhouse

Conference Call
February 13, 2026

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

Moderator:

Ladies and gentlemen, good day, and welcome to Marico Limited's Conference Call. We have with us the senior management of Marico represented by Mr. Saugata Gupta, MD and CEO; and Mr. Pawan Agrawal, Group CFO and CEO, International Business. As a reminder, all participant lines will be in the listen-only mode, and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing star then zero on your touch-tone phone.

Before we get started, I would like to remind you that the Q&A session is only for institutional investors and analysts. And therefore, if there is anybody else who is not an institutional investor or analyst, who would like to ask questions, please directly reach out to Marico's Investor Relations team.

I now hand the conference over to Mr. Saugata Gupta for his opening comments. Thank you, and over to you, sir.

Saugata Gupta:

Good afternoon and thank you for joining us once again. It's been a short period of time. So let me begin by setting the context for this call and sharing our perspective on the recent strategic investments we have made in India and Vietnam, and how these fit into our big picture aspiration to structurally diversify the business beyond the core in India and the international markets.

We have also published a detailed deck earlier today. Trust you have had a chance to go through the same. We believe Marico is at an inflection point, transforming from a legacy FMCG incumbent into a scaled, profitable, digital-first consumer powerhouse. And this deck outlines how we are building a portfolio which is profitable, digital-first franchise in India and international markets, anchored in strong brands, disciplined execution, and a repeatable playbook for growth that has already delivered demonstrable successes in some of the brands.

Taking a step back, if you look at what has consistently held us in good stead over the years, it would be our ability to spot opportunities early while anticipating and mitigating future risks of growth. For instance, the digital imperative in India and Vietnam is unmistakable in view of the exponential growth in internet penetration and e-commerce adoption, and we realize that we must seize this moment decisively. Since these trends are structurally reshaping consumer behavior, Marico is strategically positioned itself to capture this opportunity. Our vision rests on five strategic pillars, namely: evidence-based acquisitions, profitable scale-up via operational discipline, synergy acceleration, prudent capital allocation, and a repeatable playbook. Speaking of the recent acquisitions in particular, each of these are designed to fill white spaces, leverage Marico's distribution and supply chain strengths, and accelerate growth through digital-first engagement. We are building across what we call the digital chessboard, which spans three strategic domains: digital foods, digital personal care, and global digital brands.

In foods, our portfolio now spans from mainstream health and wellness with Saffola, clean label and modern breakfast and snacking with True Elements, premium snacking which is indulgent but better for you with 4700BC, and functional nutrition with Cosmix and Plix. 4700BC gives us immediate entry into the fast-growing 24,000 crores Western snacking market and it elevates it through gourmet offerings. Already the number two player in popcorn with 140 crores ARR,

4700BC fills a critical white space in our foods portfolio. The brand's goal is to scale beyond popcorn with nachos, pop chips, and fox nuts being few steps in that direction. There are interesting examples of such brands in the Western developed markets, and we will draw inspiration from them. Cosmix is a brand with proven D2C economics which strengthens our participation in the functional wellness space. With a INR100 crores ARR and a high-teen EBITDA margin. Cosmix addresses a pressing consumer need. 73% of Indians and 90% of vegetarians are protein deficient and taps into the growing preference for gut-friendly plant proteins. This brand is well-positioned to scale into nutraceuticals, supplements, and functional foods.

In personal care, we are driving thoughtful premiumization. Beardo leads male grooming, Plix is scaling plant-based personal care which is hair and skin food, Kaya offers dermatologist-backed solutions, and Just Herbs elevates Ayurveda-inspired beauty. Each brand is positioned to capture distinct demand spaces from self-expression to science-based or clinical efficacy.

Internationally, we aim to replicate this playbook in high-growth markets such as Vietnam and certain countries in the Middle East. In Vietnam, Candid, which is roughly two-thirds of Skinetiq business, is scaling rapidly in this science-based skin care segment with a mid-premium positioning in Vietnam. It exemplifies how a high-quality product-first brand combined with social commerce leadership can deliver superior unit economics given its mid-20s EBITDA. In the Middle East, we will aim to tap markets like the UAE or KSA, which are amongst the highest smartphone penetration markets globally. Our ambition is to build leadership in digital beauty and grooming across these focused emerging markets. Now, with our sizeable digital portfolio, we also have a strong platform to build digital brands organically. We have already launched men's and women's personal care brands in Vietnam, namely Astroman and Lashe, gaining first-mover advantage. Since Vietnam and Middle East are relatively nascent in their D2C journey, this positions us as one of the very few companies perhaps globally that is building digital brands both organically and inorganically at scale.

Looking ahead, our strategic outlook is ambitious yet disciplined. We are targeting 3x to 3.5x revenue growth in these digital acquisitions by FY30. The focus will be on category expansion, driving or sustaining profitability through scale synergies, and leveraging Marico's platform to accelerate penetration and operational efficiencies. Beardo and Plix are powerful proof points of our model. Beardo has scaled 5x post-acquisition, which is 100% into the Marico fold in 2020, with a visible transformation in EBITDA margins. Plix has grown 6x in just two years and is on track to deliver double-digit margins in the next 12 to 15 months. These success stories validate our disciplined synergy-driven approach to acquisitions. Plix is also a rare example of a brand that pivoted seamlessly from nutraceuticals into hair and skin food, substantially enhancing its growth journey and the profitable profile.

The conclusion of recent investments in quick succession has been nothing but a result of strategic convergence and a deliberate choice to move with speed, ensuring we avoided any FOMO-led premium in valuation and secure assets at attractive valuations.

Our inorganic approach is clear: we screen for product-market fit, category attractiveness with right to win that cannot be attributed to our existing franchises, healthy unit economics, founder

mentality with built-to-last as opposed to built-to-sell, and scalability of the business. This ensures we create value while maintaining discipline. Also, we are now cherry-picking profitable brands with a minimum INR100 to INR150 crores scale, an inflection point at which we can rapidly grow them 4x to 5x without the burden of losses. We have been able to pull this off because of Marico's culture of agility, openness, willingness, and humility to learn from founders. Also, now that we have two distinct and comprehensive portfolio of brands in foods and premium personal care, there is tremendous potential to unlock operational and cost synergies across multiple dimensions including GTM, CRM, first-party data, manufacturing capabilities, back-end supply chain, media buying, and content creation to name a few. Therefore, when we recalibrate our near and medium-term aspirations around diversification through new businesses and profitability of the digital-first portfolio, we expect material progress on all counts. We expect foods revenue to reach 9x of FY20 levels next year and 15x by FY30. Digital-first PPC annual run rate is expected to be 5x of FY24 levels. And EBITDA margin of the portfolio is expected to be in teens in FY30. This would take the share of new businesses in India revenues to about 33% in FY30, illustrating the structural and strategic metamorphosis that would have come about in the business. We expect all digital brands globally to collectively clock at least around a top line of INR4,000 crores in FY30.

To summarize, Marico is not just participating in the digital consumer revolution; we are shaping it. With strong brand equity, operational muscle, and a proven playbook, we are confident of delivering sustainable profitable growth in the years ahead. We are building the next decade's growth engines: digital-first, premium, and globally scalable in multiple markets without compromising our DNA of disciplined value creation. Thank you, and we would now be happy to take questions.

Moderator:

We'll take our first question from the line of Abneesh Roy from Nuvama.

Abneesh Roy:

Congrats on fantastic portfolio transformation. My first question is on Vietnam. Vietnam is around 20%-25% of international business and I think around 5%-6% of the console. Is there a thought process that over the next five years, the 2030 targets you have given, you want Vietnam to be even more salience within the international? And any chance that this anti-aging, hydration, and anti-acne, at some stage you will bring some of these into your other markets, even Bangladesh, India also? Any thought process on that?

Saugata Gupta:

So, there are two things we have been doing in the international business: reducing concentration risk in terms of country as well as portfolio. If you look at the share of the premium business has been going up drastically, and we are participating in premium personal care categories like shampoo, baby, and body care successfully across multiple markets. Vietnam is a stable economy with high growth opportunities, significant amount of internet penetration. We believe that the organized trade, which is e-commerce plus modern trade contribution, will be ahead of India in the next couple of years, including e-commerce which is very big, including social commerce using TikTok. And therefore, we want obviously to invest in this country and continue to do tuck-ins because we have created capability. Yes, you are right, we can think of looking at it, but even there are opportunities to now have a e-commerce or a digital play in adjacent countries of Southeast Asia also with this portfolio. See, this product is also inspired by K-Beauty and we also have a similar portfolio like a Kaya in India. So, therefore, there is obvious

chance of replicating and cross-learning in terms of chassis and product formulation. And as you know, K-Beauty is also quite a trend in India.

Abneesh Roy:

Sure. Second question was on the 2030 target. If I see those targets over the next 4 years work out to 3 to 3.5 for 4,700 Cosmix, and Candid. Now the size of these three are pretty small when I compare to your other acquisitions and even say, Marico's overall sales. Because when I see the kind of scale-up you have done in Beardo 5x and Plix 6x, of course the time periods are different?

But from a 4-year perspective, taking a INR100 crores brand or a INR140 crores brand 3x -- is this quite conservative? Are you seeing some challenges here? Because versus your own performance and versus the INR100 crores to INR140 crores size, this looks very conservative to me?

Saugata Gupta:

See, culturally as a company, we first do and then say as opposed to saying and doing. And therefore, this is a base case. When I talked about Beardo, I would have given you a much lower number and similarly for Plix. This is something which is a base case which will beat our acquisition assumptions. Obviously, in the case of Beardo and Plix, it has overtaken those assumptions by a mile. But these are the starting assumptions and you will see. And especially 4700BC, which has a INR24,000 crores TAM, you're absolutely right Abneesh that we can do much better. But we have to get the thing right and get into a profitable sustainable growth cycle, which is very, very critical.

Abneesh Roy:

Last question. So when I see Plix and when I see Cosmix, they seem fairly adjacent in terms of product portfolio. So Plix is basically nutraceuticals, hair and skin food. Fantastic scale-up. Was there a thought process that we can do plant protein, plant functional foods even in Plix because Cosmix the size is INR100 crores? Build versus buy, I wanted to understand that better. Because see, too many brands and you always say Saugata that fewer bigger bets plus advertising budget to each brand, was there possibility that you could have done this in Plix also, these products?

Saugata Gupta:

Okay. So if you look at Plix today, the center of gravity has moved into a beauty and personal care because, you know, hair and skin food. And even in nutraceuticals, it is a slightly fun brand, fun and vibrancy if you look at the way the branding and colors are. What Cosmix does is, there is a serious movement and we needed a offering towards the vegan, vegetarian, and serious nutrition and wellbeing. So you will see the divergence between the positioning of the brands. And therefore, Cosmix will focus on nutraceuticals and getting into spaces like, you know, other nutraceutical spaces which are there, which I have been talking about. It could be gut health, it could be sleep, it could be stress, it could be, you know, different. And you will see that coming. For example, it could be even more and you must realize in India today, a significant portion of the population with high, purchasing power wants vegetarian and vegan options. And vegan is a big trend at the top of pyramid. So therefore Cosmix is going to be specialized because we realized that if the center of gravity of Plix has moved to a lot to hair and skin food and personal care, we need a brand in this space. The approach has been very simple: plot all the adjacencies which have significant runway for growth and ensure that there is a brand that fits snugly into that position.

Abneesh Roy:

One last follow-up, Saugata. Given your targets are almost the same for all three, 3 to 3.5 broadly, given the kind of success Plix has seen 6x within 2 years or 3 years, will it be fair to say that the most conservative target is for Cosmix out of these three?

Saugata Gupta:

I would think 4700BC because of the different vectors of growth.

Abneesh Roy:

Okay. Sure, understood. Thank you.

Moderator:

Thank you. Next question is from the line of Latika Chopra from JP Morgan. Please go ahead.

Latika Chopra:

Yes, hi Saugata and Pawan. The first question was regarding the Indian acquisitions. Both the brands that you bought, 4700BC and Cosmix, they derive fairly high revenue from the key product: popcorn is about 75% and protein powders is about 95%, which of course established these brands with a high consumer recall?

How do you think about the other emerging parts of these brands to scale up and salience to look like? Perhaps you could share some color on how this journey happened for Plix and Beardo, any learnings from there? Thank you.

Saugata Gupta:

There are two-three things. One is as you move first you need to have a certain core and a hero SKU. Even in the case of Beardo, for example, we looked at one issue that suppose beards becomes a fad. And within 2 years we started the diversification process in terms of getting into things which are adjacent, which are profitable, and which is in line with the brand equity. As you know, Beardo is the so-called Harley-Davidson of male grooming. Now Cosmix, while it started with plant protein powder, it has already gone into protein bars. Tomorrow there are enough opportunities in other nutraceutical spaces and you will see some of the launches, it has also got a pancake mix, and you will see some of the launches that are coming very soon. What we want to do is a one-stop shop for people who believe in vegetarian, plant and vegan across nutraceuticals. For example, hypothetically some people don't like fish oil in nutraceuticals like Omega-3. Can I give them an option? I mean so and therefore there would be some similar approach which we will follow.

Now similarly for as far as 4700BC is concerned, we have already gone into nachos, there are pop chips this and that opportunity is huge. In fact, humongous, which is there in 4700BC and also the good thing about 4700BC is the because of the institutional clientele across premium passengers of a lot of foreign airlines, Air India, as well as things like Vande Bharat. We are getting a opportunity to do a lot of forced trials like what Paper Boat did with Indigo. So that opportunity and this is with a very premium set of audience. And we want to participate in significant areas of gourmet snacking as an option. And you will see that playing out, we have looked at the innovation cycle when we acquired these brands, over the next 12 months. And the other interesting thing that which will aid the journey of 4700 BC is the manufacturing capability and the supply chain capability of Marico. As you know, food gross margins are slightly lower compared to premium personal care and therefore cost structures, sourcing, manufacturing and that is where the entire Marico weight can give a significant competitive advantage.

Pawan Agrawal:

And if I may just add, Latika, this let's say about Cosmix, it's just not a protein brand. It's establishing itself into a comprehensive wellness brand and therefore the opportunity is pretty

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large. For example, if I just talk about vitamins, mineral and supplement space, that itself is about INR11,000 crores. So if we have to extend into multiple other categories, the opportunity is pretty large and that's exactly what we have done with let's say a Beardo or a Plix where we started with one particular category, but really expanded into multiple other adjacent categories. So we don't really think that the opportunity is limited to the category where it is participating at this point in time, but it definitely has legs to travel to a lot of adjacent categories.

Saugata Gupta: But at the same time, we don't believe in spray and pray. So therefore we will get scale in categories, win and then move to multiple categories, but we don't want to launch in 15 categories, I don't have anybody to sell to.

Latika Chopra: Understood. No, that's very helpful. I think just probably you partly answered it, but on 4700 BC, if possible to share any color on what could be the potential margin levels at a scaled-up level or what you have say by FY30 since you've talked about a revenue target, because I'm not sure if this brand is EBITDA positive. It could be because of the institutional sales mix being high and also the manufacturing bit that you alluded to. If you could give us some more color on this? Thank you.

Pawan Agrawal: So as of now, it is an EBITDA bleed. And hopefully in the next 12 to 18 months, we are targeting to become EBITDA positive. And that is one of the reasons we're not looking at making it 6x, 7x because we believe in scaling up profitably. So therefore in the next three years when we are talking about 3.5x, we are also equally mindful about the fact that we have to make it EBITDA positive in the next as I said 12 to 18 months and then of course move into at least mid-to-high single-digit EBITDA in the next three years. So that's how we are looking at this business. Of course, other two businesses are definitely at a much higher profitability scale at this point itself.

Latika Chopra: Understood. Thank you so much and all the best.

Moderator: Thank you. Next question is from the line of Percy Panthaki from IIFL Securities. Please go ahead.

Percy Panthaki: Hi, just one clarification. I'm looking at Slide 27, in which you have given the EBITDA margins for the digital-first PPC business, but can you also give some idea on EBITDA margins for the food business, please, over the same timelines?

Pawan Agrawal: So, when we talk about foods from a diversification standpoint, it includes the core foods portfolio as well, which is Saffola Masala Oats plus honey, soya, etc., where depending on what scale we are talking about, for example Masala Oats is already making company operating margin. So once those different portfolios reach a scale of INR200 to INR250 crores, we believe that it has a potential of making double-digit operating margin and as it scales further can of course reach to company operating margin. Why we are calling out digital-first PPC brand separately? Because these are newer businesses and there we had committed that we will move to about double-digit operating margin by FY27, which we have a fairly good visibility about and of course over the next three to four years we can move to teens EBITDA margin.

Saugata Gupta: To just clarify, if I take the composite blended foods, it could be higher.

Percy Panthaki: No, so by FY30 would we be able to do the similar kind of margins in foods as we are having a target for digital-first PPC?

Saugata Gupta: Yes, in fact, blended margin of foods could be higher.

Percy Panthaki: Even in FY30 with the new business coming in next year?

Saugata Gupta: Yes, which includes Saffola core, yes, it could be higher.

Percy Panthaki: Understood. Secondly, just wanted to understand your framework for selecting which companies to acquire. How do you go about it and second part to that question is that do you think you would need any more acquisitions over the next three to four years, or now more or less you think that your portfolio is complete?

Saugata Gupta: Definitely not in the next three weeks because my team needs rest and relaxation, they have been very busy. But we will look into tuck-ins and maybe very few spaces. But more or less at least the food chessboard is complete. Now there could be opportunities in mass foods. As I said, obviously globally, say in Vietnam or Middle East if there is play, yes. And maybe again tuck-in opportunities in personal care but yes, we have done a majority of it. We also wanted to hurry it because of two things, we don't want the FOMO premium to set in, we don't like paying 6x, 7x, in multiples. And secondly, once you have all the three, it's much more easier to synergize and get the cost advantages. Like say for example can Cosmix, True Elements, and 4700BC and Saffola have a common food GTM? Those are the kind of synergies we now have critical mass to do. So coming back to your first question, what we look at, we have already cherry-picked broadly the categories. Then we look at the business. We now have a complete analytics playbook on quality of revenue, quality of the founders, the kind of the headroom for top-line growth, headroom for bottom-line growth, synergies with Marico. So we look at these and, for example for every company we have chosen, we have also de-selected certain things at the same point in time. So it starts with the category we want to get into and then looks at the companies. And things where we are not adjacency or are not a no right to win, say for example, I can't win in pet care. If something in yogurt or ice creams is available, I can't because I don't have a right to win it is not an adjacency, I will not get into it.

Percy Panthaki: Understood. And in terms of the two big spaces which is foods and digital PPC, there are subcategories. Do you think that you are already in all the subcategories that you want to be or are there some categories of interest which are still unoccupied by you? You need not name them, but just wanted to understand?

Saugata Gupta: No, no, so the trends might emerge. So we are constantly looking at trends. See, if you look at our history of digital and food is because we believe that our core has a certain amount of penetration and if we have to consistently grow in double digits, we need to diversify. So we will look at trends and adjacent trends that something picks up we believe that it is something worth picking up, we will do that. So we are continuously looking at, what we need to do is our mix of countries into category we need to have a majority of our portfolios as a tailwind as opposed to headwind. And that's the formula which we are looking at.

Percy Panthaki: As of today, there is no subcategory where you feel, this is really somewhere I need to be and I'm not there?

Saugata Gupta: See, I mean, could be some tuck-in opportunities but we are largely filled up my chessboard...

Pawan Agrawal: At least on the digital food side we're pretty content, so to say. Maybe in the digital on the personal care, we could be still open. As Saugata mentioned, in mass categories, of course we could be open.

Saugata Gupta: Like mass category we be open, and of course in digital in some of the countries of interest for us, we are open. Having said that just to also address the thing that in Vietnam we are doing an unique experiment with two brands, Astroman and Lashes, because we are going to use the platform which is available and as you know, Vietnam is a very high social commerce market and one of the Co-Founders is one of the biggest blogger and influencer in Vietnam. We are also looking to use this platform to do organically, need not be always everything inorganically. Similarly in Middle East, some of the food brands has enough potential.

Percy Panthaki: Got it, Saugata. Thanks so much.

Moderator: Thank you. Next question is from the line of Harit Kapoor from Investec. Please go ahead.

Harit Kapoor: Yes, hi good afternoon. So just had two questions. One was, is there any incremental investment you need to make in team scale-up also, as you've rapidly kind of expanded into new categories, new businesses, new brands? I know that some of these basis milestone will still be with you in terms of old founders, but do you see that investment required in terms of team, people, etc., as well? That's my first question?

Saugata Gupta: So, we are doing some centralized capability, it could be helping on so to give an give an analogy, can we have people who learn from these businesses and take up these businesses? Because what we do is, 1 year before the we take over we start, implanting people. We have a central team that helps in, I can give you analogy just like operating partners in PE help, we have people who are providing that service. I spend personally a lot of time in these digital businesses, because I believe this is high growth, and there is a centralized team of people which are centers of excellence from a Marico to help. And obviously in that we are also, shaping up our own capability of doing high velocity supply chain because all the things which are things like supply chain, things like, content all these capabilities which we are also building, starting to build in-house.

Harit Kapoor: Got it, got it. And the second one is, it seems like obviously you've done three fairly quickly. I just wanted to get your sense of the market. Is there a more motivated kind of seller or a more motivated founder there now, with a more rational multiple environment here? It's not only you -- you've seen some other companies also close acquisitions recently. Obviously, you have done it at a larger scale and pace. But just wanted to get your sense -- is it a more conducive market to buy? Is what my question was?

Saugata Gupta: I would look at it that we are a strategic partner of choice in terms of our ability to partner the founder into realizing his dreams and participating jointly. And therefore, if you ask me, we have

continued to make these at far more rational valuations. I read about something happened yesterday also. So, secondly, I would think that we have the synergy which we provide in terms of a bouquet of services, whether it relates to cost, to procurement, or even say digital media buying, when we buy say through Meta or Google in terms of all the brands including Marico core brands, access to modern trade, access to GT, those are the things which are mutually beneficial for both the founders and us in terms of having this model. This model is unique and this model can only work if culturally the organization is tuned to this model, which is leaving the founders some space and because we have a significant empowered culture in our organization.

Harit Kapoor: Very helpful. Thank you, wish you all the best.

Moderator: Thank you. Next question is from the line of Akshay Krishnan from ICICI Securities. Please go ahead.

Akshay Krishnan: So if you look at your past playbook, we emphasize more on retaining the founders' DNA. Now how do you prevent the cultural frictions while still enforcing Marico's operational discipline and the governance standards? I just want to understand the overall framework into this?

Saugata Gupta: Obviously we have a point of view on the portfolio, we have point of view on the governance, the regulatory, the quality reputation. We learn with the founders, and if you notice, We have been also entrepreneurial. And if you look at Beardo, Beardo we integrated 100% we bought in 2020. We still the mojo and the secret sauce of Beardo we have been able to preserve. And therefore, those three years as a learning, you know, for all of us to understand the unique thing. Obviously as I said these four-five things which is capital, the allocation of capital, portfolio, you know, compliance, GMP, those are non-negotiable.

Akshay Krishnan: Got it, got it. So, my second question is on prioritizing adjacencies like expansion within the existing categories or entering completely into new verticals. Now what are the strategic filters that determine the move on the adjacency versus white spaces and also on the expansion spree?

Saugata Gupta: It's the headroom for growth and a right to win. At the same time, we believe in focus and therefore at if you look at all the brands which are acquiring, they have significant amount of hero SKUs or proven SKUs. We don't believe in spraying and praying. Even we have been prudent enough into going into GT, we have a broad playbook into GT that only if there is a scale and have a limited amount of SKUs. So it's a broad but you must realize the good thing we have is that the business model allows us to continuously experiment. So we keep on experimenting, you start small, either scale up or drop fast.

Akshay Krishnan: Okay, okay, but how do you determine this white space and what is the timeframe that you generally take up to determine these white spaces?

Saugata Gupta: See, it is a continuous process because there's lot of social listening. In today's world, as I said that it is a very high velocity innovation. Just to give you an example, a innovation cycle can be 60 to 90 days in these digital brands. In Marico, it can be anything between 8 to 12 months.

So it's a very, very compressed, low I mean, we don't have MOQs in this, you just put in, experiment with one partner in quick commerce or in e-commerce, see if it works or in D2C. There are action standards whether it respects to repeats, trials, the kind of reviews you get and determine that within 90 days or 120 days you scale up or you drop.

Akshay Krishnan: Perfect, perfect. And one final thing now on the digital-first playbook. India and Vietnam has really played up well for us. Now what's structural difference in Indonesia and how could this alter the unit economics? Is it on the consumer behavior or the platform?

Saugata Gupta: No, no, I just gave you a hypothetical example that if there is a e-com I'm it's not that I'm saying I'm going into Indonesia. I said that it was response to the question that can the Vietnam thing be replicated in other countries? I talked about that see a traditional GTM obviously has a lot of entry barriers. A digital ecosystem has less entry barriers, you can experiment in a country and entry into a country. So I gave it as a hypothetical example.

Akshay Krishnan: Okay, okay, got it, got it. And one final thing sir, so just wanted to understand and dissect between the CAC and the LTV evolving in the competitive intensity. Is the incremental growth coming more on the relative early safe growth or is it more on the expansion spree?

Saugata Gupta: See if you notice most of our businesses including Plix and Cosmix has a significant D2C play, which has therefore high amount of repeat users and a loyal users in D2C base and a profitable D2C play. Now obviously food is a far more, flirtatious category based on taste and far more experimental category, that doesn't have a D2C play. But our LTV by CAC and repeat rate for both these businesses where there is high D2C is pretty high and best in class.

Akshay Krishnan: And how will this improve the margins and the earnings momentum?

Saugata Gupta: I didn't get your question.

Akshay Krishnan: Margins and the earnings momentum. So, what will be the uplift into this?

Saugata Gupta: We have done a Beardo which now makes double-digit EBITDA. There are enough areas on cost, there is ACOS, improving ROAS, there are net revenue management -- there are multiple levers in play to drive the margin.

Pawan Agrawal: There's also a lot of stuff on the back-end side with the supply chain, logistics, procurement. For example, we have taken in-house some of the products of Beardo and the gross margin has got significantly uplifted. So there'll be time when you would deploy some of these things and therefore we're very confident of the margin guidance that we've given of double digit in the next year and hopefully in teens over the next three to four years.

Moderator: Thank you. Next question is from the line of Nitin Gupta from Emkay Global. Please go ahead.

Nitin Gupta: Yes, thanks for taking my questions. First question is around like I want to understand the thought process around management bandwidth. So far it has been creep acquisition where the founders have stayed with us and sort of helped grow the brands. Now as we sort of gain 100% ownership of some of the brands, how are we getting prepared for the management transition?

Saugata Gupta: So we have only integrated so far Just Herbs, Plix, and True Elements. We have obviously leaders managing those businesses. There is still a time away, including some of the brands which we have just acquired three years to go. And as and when we have an evolving digital business structure and we are to ensure that we have dedicated people already helping these businesses grow and therefore there is no separate or it's almost runs as a as I call Marico 2.0 Engine 2. So therefore, there is no overlap of management bandwidth, perhaps the only overlap is me and some of the one or two Excom members, but hardly any management there they're dedicated people looking into these businesses.

Nitin Gupta: Should be good. And second question pertains to like with this acquisition are we the largest digital-first FMCG company in India? And also, like do you have any aspiration of digital brand salience like for 2030? Like overall, how much of our business will be from digital?

Saugata Gupta: Yes, we want to be a scale player which is profitable and admired and as I said transforming ourselves from a incumbent as well as having some place in some of the international markets.

Pawan Agrawal: And in terms of size for the total business, Saugata had called out in the opening commentary, which is about INR4,000 crores is what we think we should be able to reach by FY '30 for all the digital brands globally.

Nitin Gupta: Sure, thank you. And the last question pertains to quick commerce. So I want to understand like the channel salience for our domestic revenue and also for the 22% of the portfolio where we have the food and digital-first brands.

Saugata Gupta: So in the core, it's 5%. These ones obviously is higher depending on some of the brands. But as I said that ultimately some of the brands have a very strong D2C also.

Nitin Gupta: Sure, got it. Thank you, and all the best.

Moderator: Thank you. We'll take our next question from the line of Mihir Shah from Nomura. Please go ahead.

Mihir Shah: Hi team. Thank you for taking my questions and congrats on a great set of acquisitions. So firstly, wanted to just understand the real penetration opportunity. For a long period of time, we had seen Saffola Oil's distribution was just limited to metros and then probably went into Tier 1. While in the next few years, these new brands can have a scale-up opportunity in metros, how do you see the opportunity for these brands scaling up beyond metro Tier 1 over the next three to five years? So that's my first question.

Saugata Gupta: If you look at the contribution of organized trade in the current, amongst the TG these brands operate, it will be more than 50%. If you look at some of the metros today, e-comm plus modern trade itself is reaching 40% plus in some of the top metros. So I don't see the need for penetrating right now. There is enough opportunity in the premium and focus is important. Profitability is important. One of the reasons as you know that Saffola hasn't penetrated is because of pricing. Having said that, we would get into some GT but having our SKUs and price points which are different. For example, I mean, in popcorn there could be a hypothetically INR10, INR20 price point which exists and you can use GT for that.

Mihir Shah:

Understood, got it. Second, actually just wanted to check on popcorn. There is -- there is a very large player in popcorn in the mass market. Now this is in the gourmet format. Any plans to eventually get into those markets so that one-stop shop thought process that you had, if somebody wants to think of popcorn, they want to think about Marico? So thoughts around that?

Saugata Gupta:

So if I look at it, Masala Oats, which is priced at INR18 rupees is available in 2.5 lakh outlets and we do have our INR10, INR20 popcorn in 4700BC which is available.

Pawan Agrawal:

So that is one of the biggest synergy we are looking at to support them on the GT distribution for the price point because price points are actually very, very relevant for the kind of stores that we go to. So that's an immediate, you know, quick win that we are looking at.

Mihir Shah:

Got it. Thank you. And lastly just wanted to check on the -- if you see the current founders, they have done a great job in scaling up this business and then now anchoring and partnering with Marico to take this further. The synergies of Marico we do understand. But the kind of investments that will be required, will this have any bearing except for the other two which are profitable, will this have any bearing on the margin profiles in the near to medium term over the next few years for Marico in any sorts? Or these margins that we see on the other brands will hold up or these margins can for some time come down as in they are in the investment phase?

Saugata Gupta:

We have indicated the sustainable margins for both the brands. And see, at the end of the day if the unit economics is right, you don't need to do it. And as I said in fact the margins for the rest of the brands will improve. And if you look at the two case studies which were put in the presentation, which is Plix and Beardo, there has been a significant improvement in the margins. Because don't underestimate the power of common buying, the Marico procurement, Marico supply chain, and Marico manufacturing.

Pawan Agrawal:

And Mihir, if you meant that whether it will have any impact on the group margins because of investment phase, the answer is no. Because the guidance that we had given at the end of the earnings call for the next year, we had considered that these acquisitions will come through and we continue to maintain that, which is mid-teens operating profit growth is something that we continue to hold from a group perspective.

Mihir Shah:

Got it, yes, that is what I was referring to Pawan. Thank you and wishing you all the very best.

Pawan Agrawal:

Thank you.

Moderator:

Thank you. Next question is from the line of Anurag Dayal from PhillipCapital. Please go ahead.

Anurag Dayal:

Yes, hi. Thank you for the opportunity, sir. Sir, basically, we have developed this playbook behind these acquisitions, you know, referring to digital-first consumers and rapid innovation cycles, premium positioning. Now could we see that eventually these will reshape how Marico builds and scales brands within its core portfolio? So do you see some elements of this model being embedded into legacy brands as well, where it seems that the growth is somewhat tapering? Or do we -- I mean just wanted to get your response on this.

Saugata Gupta:

Yes, we can get inspiration from premiumizing some of the hair oils or serums, for example, and participating far more aggressively. Obviously in the premium part of both hair oils and serums there are digital brands, and therefore this learning can be transplanted into we participating in those much more aggressively. And as I said, in Vietnam, since the market is still nascent and it is maturing, we have already started two brands as an example. One is while our X-Men will continue to play in the mass, a super premium digital brand, a premium digital brand called Astroman. Similarly in the case of shampoo and female grooming and other adjacent categories like wash, deo, and all, we have used the brand called Lashe, which is a hair and skin food brand which we are experimenting with it. So therefore the core also has digital opportunities and we believe that capability will help us in participating in that. If you look at already things like, we are doing cold-pressed oils or we have premiumizing serums, we have premiumizing hair oils. That journey has already started and that has happened, because of both inspiration, capability building and learning from the digital businesses.

Anurag Dayal:

Got it. Thank you so much.

Moderator:

Thank you. We will take our next question is from the line of Vaishnavi Gurung from Craving Alpha Wealth Fund. Please go ahead.

Vaishnavi Gurung:

Yes, hi sir, thank you for taking my question. Just two-three questions from my end. First of all, I wanted to understand that since we have been acquiring brands recently, so like are we sort of lacking organic growth opportunities?

Pawan Agrawal:

You're asking about whether we are confident about organic growth opportunity.

Vaishnavi Gurung:

Yes, I was asking if we are lacking organic growth opportunities?

Saugata Gupta:

If you look at it, we believe that always these acquisitions are a kind of an accelerator. It can't be what I call an escape button for not doing organic growth. And if you look at some of our organic volume growths, we continue to be reasonably good. And I don't think it's a question of organic growth opportunities. Having said that, in any portfolio if you see you're participating higher penetrated categories, if you have high growth ambitions, and we do have high growth ambitions of doubling in five years, which translates to a CAGR of anything between 13% and 14%, you need diversification. So it's a combination. A lot of food has actually been organic, the diversification like if you look at the oats journey, if you look at the honey journey, soya journey. So it's a combination of organic and inorganic. And the reason we have acquired in inorganic in digital is that, that business model is something which is very difficult to build organically. Because the organizational capability and gearing is towards and therefore sometimes you can accelerate by doing this. And we have been extremely prudent in capital allocation and the valuations have been one of the best in the industry.

Pawan Agrawal:

And again, these are not random acquisitions. It's a well-thought-out strategy in terms of identifying what are the portfolio gaps, what are the categories which has significantly large opportunity of growth, and also trying to look at in terms of our existing equities do have a right to win or not. And then we go after these acquisitions, and that all these things also we have

detailed out in terms of, in the deck that we have shared, and it's very clearly a top-up to our growth. And we believe that these will continue to add value over the long term.

Vaishnavi Gurung: Noted sir. Also sir, just wanted to understand, what kind of acquisitions are we looking for in the future, like say three to four years down the line? And one more question on 4700BC brand, like how are we planning to scale this premium brand, considering our premium our major distribution channels are through GT?

Saugata Gupta: It's too premature to comment on future acquisitions. I have indicated already we could look at something but we can't be specific. As far as 4700BC is concerned, I said GT is an accelerator for Marico. As you know most of our brands in terms of we have been significantly over-indexed even in our core on modern trade and OT. We have been developing these channels, and anyway these brands are run independently, and they have strong opportunity. And the if you look at quick commerce or e-com or modern, I mean, they are going to grow. GT is just a synergy with Marico that further accelerates. That's about it.

Vaishnavi Gurung: Okay, thank you so much.

Moderator: Thank you. Ladies and gentlemen, that was the last question for today. On behalf of Marico Limited, we conclude this conference. Thank you for joining us, and you may now disconnect.

(This document has been edited to improve readability)