

January 27, 2026

Q3FY26 Result Update

☑ Change in Estimates | ■ Target | ■ Reco

Change in Estimates

	Current		Previous	
	FY27E	FY28E	FY27E	FY28E
Rating	ACCUMULATE		ACCUMULATE	
Target Price	801		801	
Sales (Rs. m)	1,40,829	1,55,395	1,38,990	1,53,398
% Chng.	1.3	1.3		
EBITDA (Rs. m)	27,898	31,787	27,760	31,508
% Chng.	0.5	0.9		
EPS (Rs.)	15.8	18.0	15.8	17.8
% Chng.	(0.1)	1.0		

Key Financials - Consolidated

Y/e Mar	FY25	FY26E	FY27E	FY28E
Sales (Rs. m)	1,08,310	1,36,092	1,40,829	1,55,395
EBITDA (Rs. m)	21,389	23,766	27,898	31,787
Margin (%)	19.7	17.5	19.8	20.5
PAT (Rs. m)	15,840	17,183	20,343	23,218
EPS (Rs.)	12.3	13.3	15.8	18.0
Gr. (%)	10.8	8.5	18.4	14.1
DPS (Rs.)	10.5	10.5	12.3	13.0
Yield (%)	1.4	1.4	1.6	1.7
RoE (%)	40.6	41.4	44.6	45.5
RoCE (%)	45.8	48.1	52.4	54.0
EV/Sales (x)	8.7	6.9	6.7	6.0
EV/EBITDA (x)	44.2	39.6	33.7	29.4
PE (x)	60.7	56.0	47.3	41.4
P/BV (x)	24.2	22.2	20.1	17.7

Key Data

MRCO.BO | MRCO IN

52-W High / Low	Rs.780 / Rs.578
Sensex / Nifty	81,857 / 25,175
Market Cap	Rs.968bn / \$ 10,555m
Shares Outstanding	1,298m
3M Avg. Daily Value	Rs.1267.86m

Shareholding Pattern (%)

Promoter's	59.06
Foreign	24.07
Domestic Institution	12.34
Public & Others	4.51
Promoter Pledge (Rs bn)	0.13

Stock Performance (%)

	1M	6M	12M
Absolute	0.3	7.5	13.6
Relative	4.2	7.0	4.6

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Healthy demand and margin outlook

Quick Pointers:

- 30% decline in copra prices and rising sales of higher margin VAHO to support margin expansion in coming quarters
- MRCO guided Rs20bn-25bn revenue for digital business in three years while foods business to grow at 25% CAGR
- 4700BC ARR to reach Rs~4200mn by FY29 from Rs1400mn currently

MRCO remains confident of sustaining high single digit volume growth driven by 1) healthy near-term demand outlook and GST led gains. 2) sustained market share gains across the core portfolio. 3) increasing focus on urban-centric and premium offerings and 4) strong innovation pipeline with portfolio diversification and scale-up in Foods, D2C and B2C acquisitions (incl. 4700BC) further expanding TAM in premium segment. MRCO is looking at expanding its digital first portfolio sales from Rs9bn to Rs20-25bn in three years with improved profitability. Beardo delivers double-digit EBITDA margins, while Plix maintains strong momentum. Management plans to replicate this playbook across digital-first brands, targeting double-digit margins by FY27.

Copra prices have corrected by ~30% from peak levels and are likely to remain benign in the near term. MRCO is looking at calibrated price cuts but is also looking at margin restoration. We expect margins to improve over FY26-28, driven by 1) benign copra prices 2) premiumization supported by strong momentum in B2C and Foods and 3) revival in higher margin VAHO business. We factor in ~310bps margin expansion over FY26-FY28 and estimate a CAGR of 15.6% in EPS over FY26-28. We value MRCO at 48x Dec27 EPS and assign a target price of Rs 801 (no change). Retain Accumulate.

Domestic Volumes up 8%, Parachute volumes down 1%: Revenues grew by 26.6% YoY to Rs35.4bn (PLe: Rs35.7bn). Volumes up in Parachute by -1.0% (PLe: -1.0%). Gross margins contracted by 596bps YoY to 43.5% (PLe: 43.3%). EBITDA grew by 11.1% YoY to Rs5.9bn (PLe:Rs 5.4bn); Margins contracted by 234bps YoY to 16.7% (PLe:17.3%). A&P Spends contracted by 99bps YoY to 9.5%. Adj PAT grew by 13.3% YoY to Rs4.6bn (PLe:Rs4.7bn)

International business: Bangladesh posted 21% CCG, maintaining its robust growth momentum on the back of the steady core business and scale up of new franchises, medium-term growth outlook of the business remains intact. **Vietnam** grew 22% in CCG, exhibiting signs of a recovery. **MENA** delivered 17% CCG, with both the Gulf region and Egypt recording strong growth. While **South Africa** recorded 16% CCG.

Marico to acquire 4700 BC to fill in portfolio gap -Marico will acquire 93.27% of Zea Maize's paid-up share capital, with the right to acquire the remaining stake after completion of 3 years. The company has current exit ARR of Rs1.4bn which it plans to expand by 3x by FY29. The brand has presence in leading international airlines, QC and Ecom. It will fill in the product gap in the gourmet snacking segment and enable increase presence in the overall foods market.

Concall takeaways: 1) Demand remains strong with gradual pickup to continue in near term led by favorable macro environment 2) E-commerce continues to lead the growth while traditional trade saw improved traction in Q3. 3) 95% of the portfolio sustained market share. 4) GM saw sequential improvement led by easing of copra prices (down 30% from peak) 5) Company recognized the one-off impact of new labor code to the tune of Rs60mn. 6) Parachute rigids saw 2% volume growth (adjusting volume reductions) with 50% revenue growth. 7)VAHO saw 29% value growth with 170bps gain in value market share, MRCO expects the momentum in VAHO to continue in coming quarters. 8) Saffola saw muted quarter amidst elevated pricing scenarios. 9) international business sustained its robust growth trajectory with 21% CC growth led by double digit growth across all markets 10) 11) Current ARR for 4700BC stands at Rs1400mn with expected to reach Rs4200mn by FY29. 12)

Exhibit 1: 3QFY26 Results: Revenues up 26.6%, GM and EBITDAM contract 596bps & 234bps YoY resp.

Consolidated	3QFY26	3QFY25	YoY gr. (%)	2QFY26	9MFY26	9MFY25	YoY gr. (%)
Net Sales	35,370	27,940	26.6	34,820	1,02,780	81,010	26.9
COGS	19,970	14,110	41.5	19,970	57,240	39,840	43.7
% of Net Sales	56.5	50.5	6.0	57.4	55.7	49.2	6.5
Gross Profit	15,400	13,830	11.4	14,850	45,540	41,170	10.6
% of NS	43.5	49.5	-6.0	42.6	44.3	50.8	-6.5
Advt. & Prom.	3,360	2,930	14.7	3,450	9,800	8,230	19.1
% of NS	9.5	10.5	-1.0	9.9	9.5	10.2	-0.6
Total Expenses	29,450	22,610	30.3	29,220	84,710	64,200	31.9
EBITDA	5,920	5,330	11.1	5,600	18,070	16,810	7.5
Margins (%)	16.7	19.1	-2.3	16.1	17.6	20.8	-3.2
Depreciation	500	440	13.6	470	1,420	1,260	12.7
EBIT	5,420	4,890	10.8	5,130	16,650	15,550	7.1
Interest	140	130	7.7	120	360	410	(12.2)
Other Income	390	420	(7.1)	490	1,860	1,190	56.3
PBT	5,670	5,180	9.5	5,500	18,150	16,330	11.1
Tax	1,070	1,120	(4.5)	1,180	3,680	3,620	1.7
Effective tax rate (%)	18.9	21.6	-2.8	21.5	20.3	22.2	-1.9
Adjusted PAT	4,600	4,060	13.3	4,190	14,250	12,610	13.0

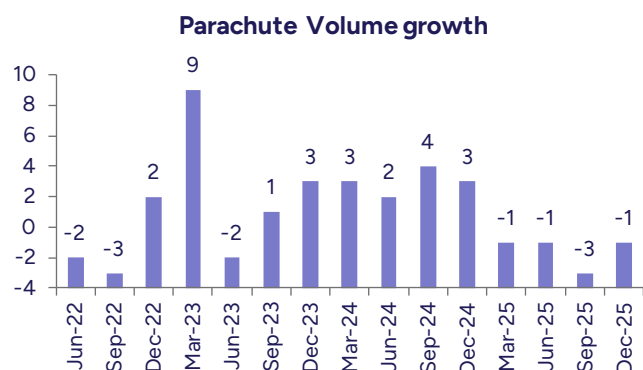
Source: Company, PL

Exhibit 2: Consolidated Segmental: IBD business delivered 21% CCG led by Bangladesh with 29% and SE Asia with 22% growth

(Rs m)	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25	1QFY26	2QFY26	3QFY26
Net Sales	24,220	22,780	26,430	26,640	27,940	27,300	32,590	34,820	35,370
Domestic	17,930	16,800	19,620	19,790	21,010	20,680	24,950	26,670	26,810
International	6,290	5,980	6,810	6,850	6,930	6,620	7,640	8,150	8,560
Sales Growth %	-1.9	1.7	6.7	7.6	15.4	19.8	23.3	30.7	26.6
Domestic	-3.1	-0.2	7.4	8.0	17.2	23.1	27.2	34.8	27.6
International	1.6	7.4	4.8	6.4	10.2	10.7	12.2	19.0	23.5
EBIT	5,360	4,860	6,410	5,670	5,720	4,810	6,820	5,930	6,340
Domestic	3,800	3,390	4,440	3,920	3,920	3,220	4,690	3,980	4,280
International	1,560	1,470	1,970	1,750	1,800	1,590	2,130	1,950	2,060
EBIT Growth %	12.1	15.7	5.3	7.8	6.7	-1.0	6.4	4.6	10.8
Domestic	10.5	12.3	3.7	4.3	3.2	-5.0	5.6	1.5	9.2
International	16.4	24.6	8.8	16.7	15.4	8.2	8.1	11.4	14.4
EBIT Margins %	22.1	21.3	24.3	21.3	20.5	17.6	20.9	17.0	17.9
Domestic	21.2	20.2	22.6	19.8	18.7	15.6	18.8	14.9	16.0
International	24.8	24.6	28.9	25.5	26.0	24.0	27.9	23.9	24.1
Capital Employed	37,540	36,400	39,360	42,470	43,100	38,280	35,370	43,370	42,460
Domestic	24,560	24,260	27,080	29,420	30,800	26,540	23,700	28,690	26,750
International	12,980	12,140	12,280	13,050	12,300	11,740	11,670	14,680	15,710
International Sales Growth %									
Bangladesh (46%)	-6.0	8.0	10.0	8.0	20.0	11.0	17.0	22.0	29.0
MENA (15%)	26.0	19.0	20.0	43.0	35.0	47.0	42.0	27.0	17.0
South Africa (8%)	33.0	13.0	28.0	20.0	17.0	13.0	0.0	1.0	16.0
SE Asia (26%)	4.0	0.0	0.0	7.0	-1.0	-1.0	1.0	6.0	22.0

Source: Company, PL

Exhibit 3: Parachute volumes decline 1% YoY



Source: Company, PL

Exhibit 4: Domestic volumes up 8% YoY



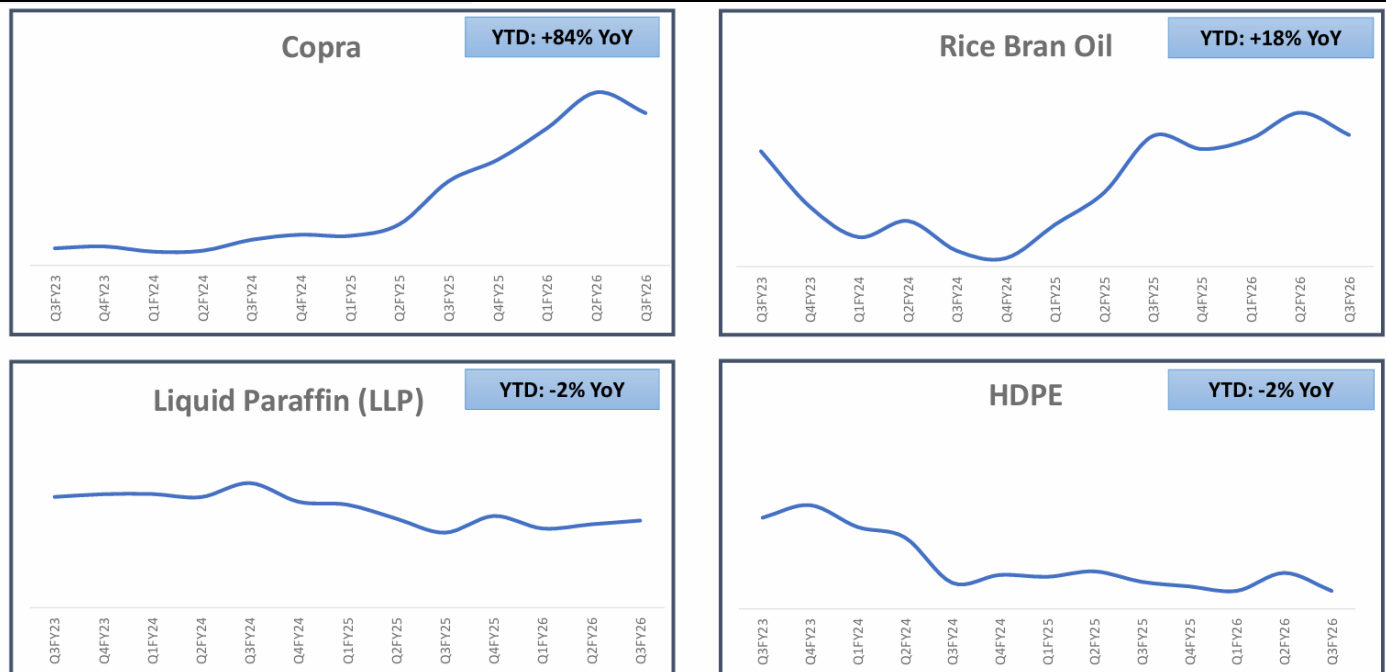
Source: Company, PL

Exhibit 5: Market share remains strong across brands

Market Share (%)	Q3FY24	Q4FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26	Q2FY26	Q3FY26
Coconut Oil	62	63	64	63	63	63	63	63	64
Parachutes Rigid with Coconut Oil	53	54	55	54	55	54	53	53	54
Hair Oil VAHO	27	27	27	28	28	28	29	29	30
Livon & Silk and Shine	53	50	49	48	47	47	47	46	45
Hair Creams/Gel	52	52	51	52	52	53	53	52	52
Saffola Oats	41	41	41	41	41	41	41	41	41

Source: Company, PL

Exhibit 6: Movement of key raw material prices wherein Copra prices are still up +84% YoY while it saw QoQ dip



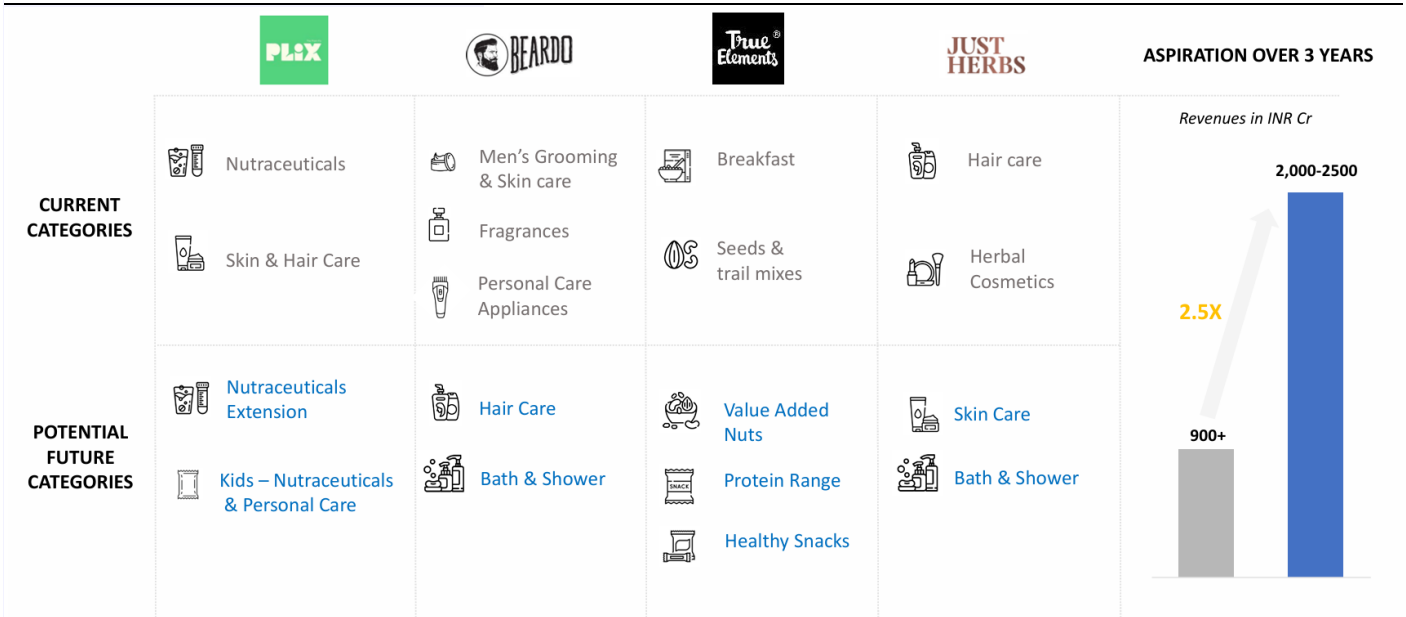
Source: Company, PL

Exhibit 7: International Markets continue to grow despite headwinds from macroeconomic volatility & currency devaluation



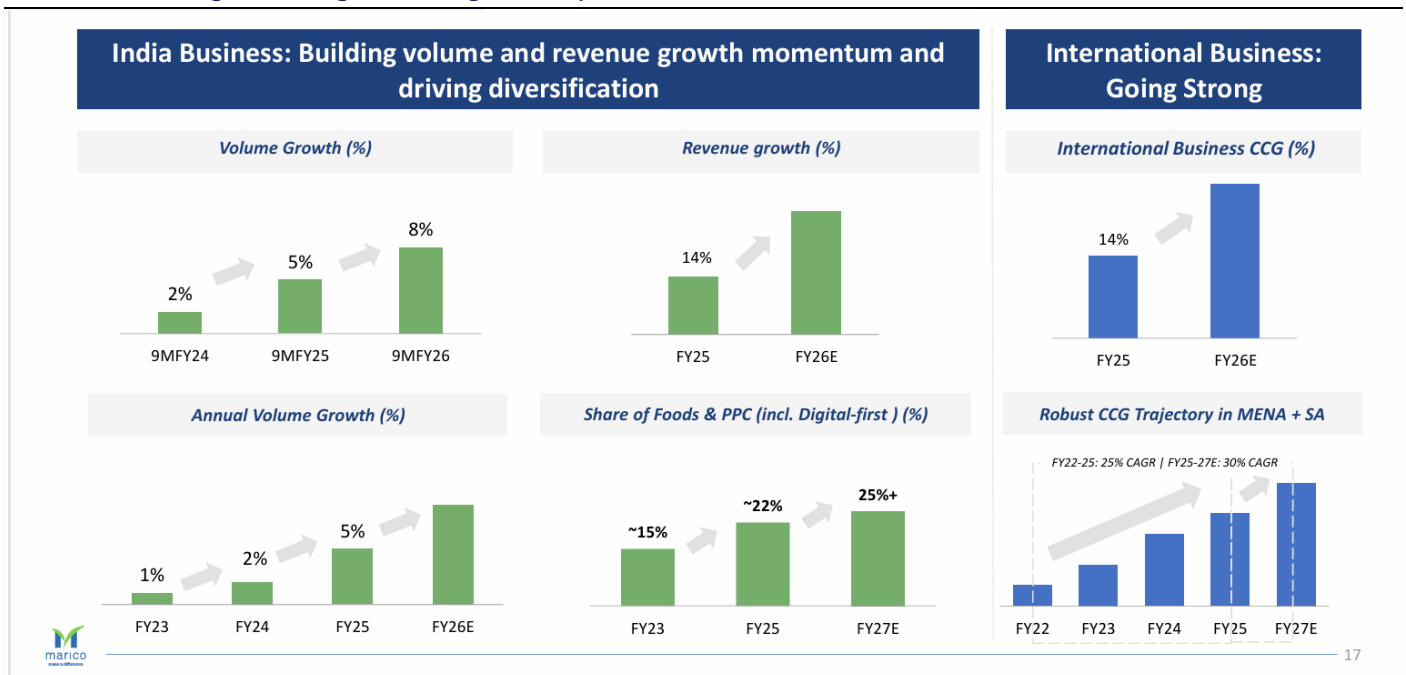
Source: Company, PL

Exhibit 8: Digital Businesses: Driving TAM Expansion & Brand Penetration



Source: Company, PL

Exhibit 9: Powering double-digit revenue growth aspirations in near & medium term



Source: Company, PL

Financials

Income Statement (Rs m)

Y/e Mar	FY25	FY26E	FY27E	FY28E
Net Revenues	1,08,310	1,36,092	1,40,829	1,55,395
YoY gr. (%)	12.2	25.7	3.5	10.3
Cost of Goods Sold	53,880	75,246	72,368	79,023
Gross Profit	54,430	60,846	68,462	76,372
Margin (%)	50.3	44.7	48.6	49.1
Employee Cost	8,310	8,982	10,140	11,266
Other Expenses	-	-	-	-
EBITDA	21,389	23,766	27,898	31,787
YoY gr. (%)	5.6	11.1	17.4	13.9
Margin (%)	19.7	17.5	19.8	20.5
Depreciation and Amortization	1,780	1,939	2,018	2,140
EBIT	19,610	21,828	25,880	29,647
Margin (%)	18.1	16.0	18.4	19.1
Net Interest	530	579	605	632
Other Income	2,080	1,973	2,130	2,417
Profit Before Tax	21,160	23,222	27,405	31,432
Margin (%)	19.5	17.1	19.5	20.2
Total Tax	4,580	5,225	6,166	7,229
Effective tax rate (%)	21.6	22.5	22.5	23.0
Profit after tax	16,580	17,997	21,239	24,203
Minority interest	740	814	895	985
Share Profit from Associate	-	-	-	-
Adjusted PAT	15,840	17,183	20,343	23,218
YoY gr. (%)	10.8	8.5	18.4	14.1
Margin (%)	14.6	12.6	14.4	14.9
Extra Ord. Income / (Exp)	-	-	-	-
Reported PAT	15,840	17,183	20,343	23,218
YoY gr. (%)	10.8	8.5	18.4	14.1
Margin (%)	14.6	12.6	14.4	14.9
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	15,840	17,183	20,343	23,218
Equity Shares O/s (m)	1,290	1,290	1,290	1,290
EPS (Rs)	12.3	13.3	15.8	18.0

Source: Company Data, PL Research

Balance Sheet Abstract (Rs m)

Y/e Mar	FY25	FY26E	FY27E	FY28E
Non-Current Assets				
Gross Block	24,749	26,249	27,749	29,249
Tangibles	14,702	16,202	17,702	19,202
Intangibles	10,047	10,047	10,047	10,047
Acc: Dep / Amortization	8,039	9,445	10,915	12,498
Tangibles	7,452	8,707	10,027	11,459
Intangibles	587	738	888	1,039
Net fixed assets	16,710	16,804	16,834	16,751
Tangibles	7,250	7,495	7,675	7,743
Intangibles	9,460	9,309	9,159	9,008
Capital Work In Progress	400	500	500	500
Goodwill	8,570	8,569	8,569	8,569
Non-Current Investments	2,430	2,458	2,489	2,523
Net Deferred tax assets	(1,910)	(2,339)	(2,818)	(3,356)
Other Non-Current Assets	3,870	4,365	4,921	5,542
Current Assets				
Investments	13,750	14,290	12,675	14,296
Inventories	12,350	17,521	16,521	17,949
Trade receivables	12,710	9,321	9,260	10,218
Cash & Bank Balance	7,790	9,810	13,604	18,343
Other Current Assets	4,130	3,402	3,521	3,885
Total Assets	83,380	87,693	89,500	99,145
Equity				
Equity Share Capital	1,290	1,290	1,290	1,290
Other Equity	38,459	42,062	46,568	52,982
Total Network	39,749	43,352	47,858	54,272
Non-Current Liabilities				
Long Term borrowings	-	-	-	-
Provisions	10	-	-	-
Other non current liabilities	270	297	327	359
Current Liabilities				
ST Debt / Current of LT Debt	3,790	3,790	3,790	3,790
Trade payables	13,630	18,772	17,914	19,701
Other current liabilities	7,190	6,411	6,826	7,482
Total Equity & Liabilities	83,379	87,693	89,499	99,145

Source: Company Data, PL Research

Cash Flow (Rs m)

Y/e Mar	FY25	FY26E	FY27E	FY28E
PBT	21,160	23,222	27,405	31,432
Add. Depreciation	1,780	1,939	2,018	2,140
Add. Interest	530	579	605	632
Less Financial Other Income	2,080	1,973	2,130	2,417
Add. Other	8,680	(4,009)	(2,690)	267
Op. profit before WC changes	32,149	21,730	27,338	34,471
Net Changes-WC	(12,250)	2,729	2,110	(1,939)
Direct tax	(4,580)	(5,225)	(6,166)	(7,229)
Net cash from Op. activities	15,319	19,234	23,281	25,303
Capital expenditures	(2,080)	(2,532)	(2,469)	(2,497)
Interest / Dividend Income	-	-	-	-
Others	1,280	-	-	-
Net Cash from Inv. activities	(800)	(2,532)	(2,469)	(2,497)
Issue of share cap. / premium	(2,066)	(537)	(586)	(640)
Debt changes	(40)	-	-	-
Dividend paid	(13,545)	(13,566)	(15,827)	(16,796)
Interest paid	(530)	(579)	(605)	(632)
Others	-	-	-	-
Net cash from Fin. activities	(16,180)	(14,682)	(17,018)	(18,069)
Net change in cash	(1,660)	2,020	3,794	4,738
Free Cash Flow	13,240	16,702	20,813	22,807

Source: Company Data, PL Research

Key Financial Metrics

Y/e Mar	FY25	FY26E	FY27E	FY28E
Per Share(Rs)				
EPS	12.3	13.3	15.8	18.0
CEPS	13.7	14.8	17.3	19.7
BVPS	30.8	33.6	37.1	42.1
FCF	10.3	12.9	16.1	17.7
DPS	10.5	10.5	12.3	13.0
Return Ratio(%)				
RoCE	45.8	48.1	52.4	54.0
ROIC	31.7	34.3	40.9	44.6
RoE	40.6	41.4	44.6	45.5
Balance Sheet				
Net Debt : Equity (x)	(0.4)	(0.5)	(0.5)	(0.5)
Net Working Capital (Days)	39	22	20	20
Valuation(x)				
PER	60.7	56.0	47.3	41.4
P/B	24.2	22.2	20.1	17.7
P/CEPS	54.6	50.3	43.0	37.9
EV/EBITDA	44.2	39.6	33.7	29.4
EV/Sales	8.7	6.9	6.7	6.0
Dividend Yield (%)	1.4	1.4	1.6	1.7

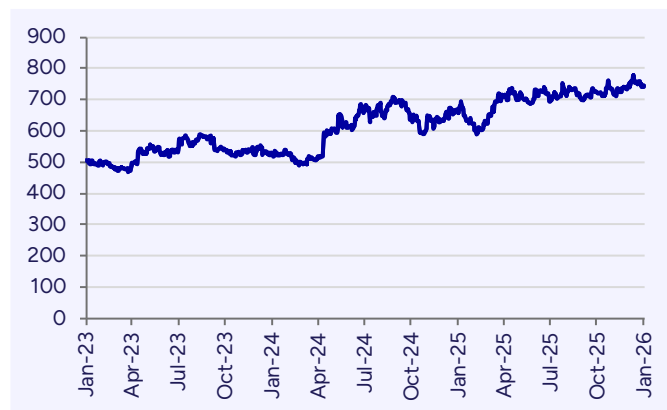
Source: Company Data, PL Research

Quarterly Financials (Rs m)

Y/e Mar	Q4FY25	Q1FY26	Q2FY26	Q3FY26
Net Revenue	27,300	32,590	34,820	35,370
YoY gr. (%)	19.8	23.3	30.7	26.6
Raw Material Expenses	14,040	17,300	19,970	19,970
Gross Profit	13,260	15,290	14,850	15,400
Margin (%)	48.6	46.9	42.6	43.5
EBITDA	4,580	6,550	5,600	5,920
YoY gr. (%)	3.6	4.6	7.3	11.1
Margin (%)	16.8	20.1	16.1	16.7
Depreciation / Depletion	520	450	470	500
EBIT	4,060	6,100	5,130	5,420
Margin (%)	14.9	18.7	14.7	15.3
Net Interest	120	100	120	140
Other Income	470	560	490	390
Profit before Tax	4,410	6,560	5,500	5,670
Margin (%)	16.2	20.1	15.8	16.0
Total Tax	960	1,430	1,180	1,070
Effective tax rate (%)	21.8	21.8	21.5	18.9
Profit after Tax	3,450	5,130	4,320	4,600
Minority interest	-	90	130	-
Share Profit from Associates	-	-	-	-
Adjusted PAT	3,450	5,040	4,190	4,600
YoY gr. (%)	7.8	6.3	10.8	13.3
Margin (%)	12.6	15.5	12.0	13.0
Extra Ord. Income / (Exp)	-	-	-	-
Reported PAT	3,450	5,040	4,190	4,600
YoY gr. (%)	7.8	6.3	(0.9)	13.3
Margin (%)	12.6	15.5	12.0	13.0
Other Comprehensive Income	(150)	(140)	240	260
Total Comprehensive Income	3,300	4,900	4,430	4,860
Avg. Shares O/s (m)	1,291	1,291	1,300	1,291
EPS (Rs)	2.7	3.9	3.2	3.6

Source: Company Data, PL Research

Price Chart



Recommendation History

No.	Date	Rating	TP (Rs.)	Share Price (Rs.)
1	08-Jan-26	Accumulate	801	774
2	14-Nov-25	Accumulate	787	739
3	08-Oct-25	Accumulate	778	715
4	04-Aug-25	Accumulate	743	723
5	09-Jul-25	Accumulate	718	726
6	04-May-25	Accumulate	718	699
7	09-Apr-25	Accumulate	672	679
8	31-Jan-25	Accumulate	704	671

Analyst Coverage Universe

Sr. No.	Company Name	Rating	TP (Rs)	Share Price (Rs)
1	Asian Paints	Reduce	2,448	2,809
2	Avenue Supermarts	Hold	3,783	3,801
3	Britannia Industries	BUY	6,761	6,185
4	Colgate Palmolive	Hold	2,355	2,077
5	Dabur India	Hold	506	521
6	Emami	Accumulate	582	526
7	Hindustan Unilever	Accumulate	2,669	2,399
8	ITC	Reduce	348	341
9	Jubilant FoodWorks	BUY	666	537
10	Kansai Nerolac Paints	Accumulate	255	238
11	Marico	Accumulate	801	774
12	Metro Brands	Hold	1,214	1,156
13	Mold-tekk Packaging	Accumulate	746	608
14	Nestle India	Hold	1,359	1,315
15	Pidilite Industries	BUY	1,714	1,515
16	Restaurant Brands Asia	Accumulate	81	64
17	Titan Company	BUY	4,600	4,273
18	Westlife Foodworld	Hold	579	525

PL's Recommendation Nomenclature (Absolute Performance)

Buy	: > 15%
Accumulate	: 5% to 15%
Hold	: +5% to -5%
Reduce	: -5% to -15%
Sell	: < -15%
Not Rated (NR)	: No specific call on the stock
Under Review (UR)	: Rating likely to change shortly

ANALYST CERTIFICATION

(Indian Clients)

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