kotak Securities

Dated: 17th November 2025

Marico (MRCO) - REDUCE

Q2FY26 Result Update

Current Market Price (CMP)	Fair Value (FV)
Rs.739	**Rs.730**

Rationale:

- MRCO delivered resilient 7.3% EBITDA growth.
- Performance was despite sharp copra inflation, outperforming the 3-5% range of the past four quarters.
- Execution has been reasonably robust, supported by effective RM inflation management.
- There was revival in VAHO, successful portfolio diversification led by Plix and strong overseas performance, including Bangladesh.
- We expect earnings to grow by 15.1% in FY27E & grow by 11.3% in FY28E.
- We tweak estimates, roll over and revise FV to Rs730 (Rs710), valuing MRCO at 43X December 2027E. Retain REDUCE.
- Stock is currently trading at valuation of 43.0x P/E FY28E EPS.

Positives:

- MRCO’s consolidated revenue growth stood at 30.7% (~3.5% beat).
- EBITDA growth at 7.3% (~3% beat), a tad ahead of its quarter-end update.
- Domestic volume growth stood at +7% (KIE: +6%) versus +9% in 1Q.
- About 95% of business gained/sustained market share.
- Confident about delivering double-digit EBITDA growth in 2HFY26.

Negatives:

- EBITDA margin contracted 350 bps yoy to 16.1% (KIE: 16.2%).

Holding Period: 12 months

Rating Scale (Private Client Group)

Definitions of ratings

BUY	–	We expect the stock to deliver more than 15% returns over the next 12 months
ADD	–	We expect the stock to deliver 5% - 15% returns over the next 12 months
REDUCE	–	We expect the stock to deliver -5% - +5% returns over the next 12 months
SELL	–	We expect the stock to deliver < -5% returns over the next 12 months
NR	–	**Not Rated.** Kotak Securities is not assigning any rating or price target to the stock. The report has been prepared for information purposes only.
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NA	–	**Not Available or Not Applicable.** The information is not available for display or is not applicable
NM	–	**Not Meaningful.** The information is not meaningful and is therefore excluded.
NOTE	–	Our target prices are with a 12-month perspective. Returns stated in the rating scale are our internal benchmark.

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