INVasset Knowledge Bank

marico

make a difference

24th October, 2024

INVASSET

India's Best Performing and Most Customer Centric PMS

Marico Limited

Marico Limited stands as a paragon in India's consumer goods sector, distinguished by its extensive array of celebrated health, beauty, and wellness brands. Headquartered in the bustling metropolis of Mumbai, Marico has transcended borders, establishing a formidable presence in over 25 countries, predominantly across the dynamic markets of Asia and Africa. With a reach that extends to millions of consumers, Marico is synonymous with quality and reliability, offering a product range that includes iconic brands like Parachute, Saffola, and Livon. These brands dominate diverse categories such as hair care, skincare, edible oils, and health foods, and have become an indelible part of daily life for countless households.

Parachute, Marico's flagship, has become emblematic of the highest quality coconut oil, while Saffola is heralded for its heart-healthy edible oils and expanding line of nutritious food products. Marico's commitment to innovation and relevance is evidenced by its continuous exploration of emerging wellness trends, as well as the expansion into personal care and functional foods. The company also prioritizes sustainability, investing in environmentally-conscious initiatives, digital innovation, and rigorous product research to stay ahead of evolving consumer expectations.

Marico's international footprint is a testament to its strategic foresight, with significant contributions to revenue stemming from markets like Bangladesh, Vietnam, and South Africa. Through a focus on operational excellence and market penetration, Marico is poised to capitalize on the surging demand for lifestyle-enhancing and wellness-oriented products in both emerging and mature markets. As it looks to the future, Marico remains steadfast in its commitment to fostering consumer well-being and delivering sustained shareholder value, embodying a balanced approach to growth, innovation, and market leadership.

Investment Rationale

1. Robust Financial Performance and Profitability: Marico exhibits impressive financial health, with a robust net profit margin of 12.93%, a stellar Return on Equity of 38.5%, and a Return on Capital Employed of 44.8%. These figures underscore Marico's efficiency in generating shareholder returns and its ability to sustain profitability through meticulous cost management and economies of scale.

2. Market Leadership and Brand Dominance: Marico commands a formidable presence in hair care and edible oils with iconic brands like Parachute and Saffola, which enjoy deep-rooted consumer loyalty. This entrenched market leadership, coupled with high brand equity, fortifies Marico's competitive advantage and provides resilience against market competition.

3. Strategic Expansion into Wellness and Digital Transformation: Marico's expansion into health-focused foods under the Saffola brand aligns seamlessly with the growing wellness trend. The company's embrace of e-commerce, contributing 22% of domestic revenue, showcases its commitment to digital transformation, positioning Marico as a forward-thinking leader ready to capitalize on shifting consumer behaviors.

4. Financial Prudence and Shareholder Value Creation: With a conservative debt-to-equity ratio of 0.11, Marico enjoys a robust balance sheet that offers financial flexibility. The high dividend payout ratio of 83% and substantial cash flow generation highlight its dedication to shareholder returns, making it an attractive proposition for investors seeking both income and growth.

Stock Data	
CMP	660.65
52 Week High/Low	719.85/486.30
Face Value	Rs 1.00
Market Cap (In Crs)	₹ 64,304
NSE	MARICO
BSE	531642
Bloomberg	MRCO
Sector	FMCG

Shareholding Pattern (in %)		
Metrics	Mar 2024	June 2024
Promoter	59.34%	59.28%
FII	25.55%	24.61%
DII	9.78%	11.10%
Public	5.13%	4.80%

Price Performance (in%)			
(%)	1M	6M	1Yr
Nifty 50	-5.37 %	9.76 %	27.33%
Marico	-6.05 %	29.5%	23.00%

Key Ratios	
Debt Equity Ratio	0.11
Interest Service Coverage Ratio	28
Current Ratio	1.11
Net Profit Margin	15.34%
ROCE	44.7%
Return on Net Worth	38.8%

Company History and Milestones

Year	Milestone
1971	➢ Harsh Mariwala joins the family business, Bombay Oil Industries.
1974	➢ Introduction of branded FMCG products, including coconut and refined edible oils in consumer packs. National distribution network for Parachute.
1980s	➢ Shift from traditional tin packs to plastic packaging, modernizing the FMCG market.
1990	➢ Establishment of Marico Limited as an independent entity.
1991	➢ Launch of Hair & Care (non-sticky hair oil) and Sweekar sunflower oil.
1992	➢ Marico shifts headquarters from Masjid Bundar to Bandra, Mumbai.
1994	➢ International expansion begins with the first overseas office in Dubai.
1996	➢ Marico goes public, listing on the Indian stock exchanges.
1999	➢ Faced competition from an international giant; successful "Parachute Ki Kasam" campaign. First overseas manufacturing facility in Bangladesh.
2002	➢ Launch of Kaya Skin Clinics, India's first unisex dermatology-led clinics.
2003	➢ Marico sets up copra collection centers to procure directly from farmers, enhancing farmer margins.
2006	➢ Acquisition of Nihar and expansion into Africa with acquisitions in Egypt and South Africa.
2009	➢ Marico's Bangladesh subsidiary goes public.
2010	➢ Expansion into Southeast Asia; launch of Saffola Masala Oats in India.
2011	➢ Launch of Parachute Advansed Body Lotion and Parachute Gold Hair Cream; acquisitions in Vietnam.
2012	➢ Set Wet becomes a leading styling brand for India's youth.
2013	➢ Demerger of Kaya Skin Care business, forming a separate entity.
2014	➢ Group turnover surpasses ₹5,000 crore.
2015	➢ Market capitalization exceeds ₹25,000 crore.
2017	➢ Acquisitions of Beardo and Isoplus, expanding digital presence and strengthening position in South Africa.
2019	➢ Market capitalization crosses ₹50,000 crore.
2020	➢ Net profit surpasses ₹1,000 crore; launch of Saffola Honey and Saffola Soya Chunks.
2021	➢ Acquisition of Just Herbs and market capitalization crosses ₹75,000 crore.
2022	➢ Acquisitions of Pure de Provence and Oliv in Vietnam; entry into nutraceuticals with True Elements.
2023	➢ Saffola Oats becomes the market leader in the oats category.

Business Verticals



Edible Oil

Saffola Total
Saffola Gold
Saffola Active
Saffola Active+



Baby Care

Hercules
Stylin' Dredz Kids
Parachute Just for Baby



Hair Oil

Parachute
Nihar Naturals



Foods

Fish Sauce
Chili Sauce
Soya Sauce
Condiments



Grooming

X-Men
Olive
Purité
Livon
Set Wet



Hair Care

Black Chic
Shanti Badam Amla
HairCode
Livon
Naturals



Health Care

Hercules
Ingwe
Stylin' Dredz



Hygiene

Mediker
SafeLife



Skin Care

Parachute SkinPure
SkinCare Naturals

Geographical Presence

Country	Product Category	Products
Vietnam	Grooming	X-Men
	Foods	Fish Sauce, Chili Sauce, Soya Sauce, Condiments
	Grooming	Oliv, Purité
South Africa	Hair Care	Black Chic
	Baby Care	Hercules, Stylin' Dredz Kids
	Health Care	Hercules, Ingwe, Stylin' Dredz
India	Coconut Oil	Parachute
	Edible Oil	Saffola Total, Saffola Gold, Saffola Active
	Hair Care	Hair & Care, Nihar Shanti Amla, Parachute Advansed, Parachute Advansed Aloe Vera, Parachute Advansed Ayurvedic, Shanti Badam Amla
	Grooming	Livon, Set Wet, Beardo, Kaya Youth
	Foods	Saffola Oats, Saffola Masala Oats, Saffola Munchiez, Saffola Fittify, Coco Soul
	Grooming	Beardo, Just Herbs, True Roots, Pure Sense
Bangladesh	Coconut Oil	Parachute
	Hair Care	HairCode, Livon, Naturals
	Grooming	Beardo, Studio X
	Baby Care	Parachute Just for Baby
	Hair Care	Parachute Advansed, Parachute Naturale, Nihar Naturals, HairCode, Jataa
	Skin Care	Parachute SkinPure, SkinCare Naturals
	Hygiene	Mediker SafeLife
	Edible Oil	Saffola Active+
	Foods	Saffola Honey
Middle East	Coconut Oil	Parachute
	Foods	Saffola Masala Oats
	Hair Care	Parachute Advansed, HairCode, Parachute Gold, Parachute Naturale, Black Seed Hair Oil, Amla Hair Oil, Hair & Care
Egypt	Hair Care	Fiancée, Herbal Star, HairCode
	Grooming	HairCode Men, X-Men

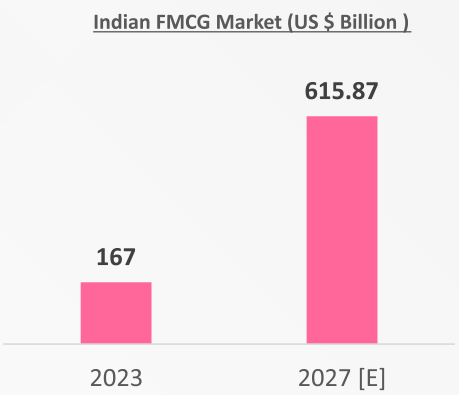
Global Economy

➢ The global economy showed more resilience than expected in 2023-24 despite the after-effects of the prolonged Russia-Ukraine conflict, though the growth outlook remained weak.

➢ Despite the cost-of-living crisis in several countries, sharp currency devaluations, and a spike in commodity prices driven largely by attacks on container ships in the Red Sea, the global economy grew by 3.1% in 2023.

➢ With deflation and steady growth, IMF stated that the likelihood of a hard landing has receded, and risks to global growth are broadly balanced.

➢ While faster deflation could lead to further easing of financial conditions on the one hand, new commodity price spikes from geopolitical shocks like the Red Sea conflict and resultant supply chain disruptions could prolong tight monetary conditions.



➢ In its World Economic Outlook released in January 2024, the IMF stated that the world's economy would match 2023's growth of 3.1% in 2024 and rise to 3.2% in 2025.

➢ Global headline inflation is expected to fall to 5.8% in 2024 and 4.4% in 2025

Indian FMCG Sector

➢ Despite softening inflation and a general improvement in consumer sentiments, the domestic Fast-Moving Consumer Goods (FMCG) sector witnessed sluggish demand during the year, mainly led by a rural slowdown.

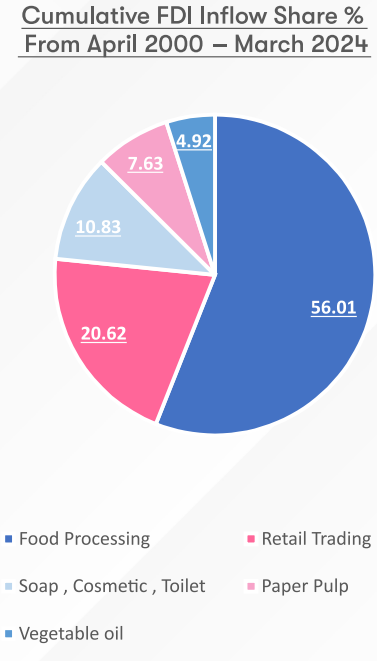
➢ As per Kantar, the household consumption trends suggested a reduction in bulk purchases by consumers to manage expenses, allowing for some discretionary spending which saw a pickup.

➢ Low wage growth in the rural economy led to down trading and weak consumption trends in FMCG categories. That said, demand is expected to progressively improve in 2024, helped by a good harvest and the expectation of an above-normal monsoon.

➢ While rural demand continued to lag behind urban markets for most of the year, the gap between the two narrowed progressively.

➢ As per Nielsen, rural growth in sales of FMCG products in villages outpaced that in cities for the first time since Covid in December 2023, an early indication of demand recovery in the hinterland.

➢ Rural markets grew 7.6% by volume in the quarter ending on 31st March 2024 according to Nielsen IQ data, while urban markets, in comparison, grew by 5.7% in the same period.



Marico Limited Business Overview

Marico Limited, one of India's leading consumer goods companies, operates in the FMCG (Fast-Moving Consumer Goods) sector with a diverse portfolio of products across various categories such as healthcare, personal care, and food. Established in 1990 and headquartered in Mumbai, Marico has built a strong presence not only in India but also in over 25 countries across Asia and Africa, establishing itself as a key player in the global market.

Core Product Segments:

- **Edible Oils and Healthy Foods:** Saffola, Marico's flagship brand in the edible oils segment, holds a dominant market share in premium healthy oils. Expanding beyond oils, Saffola has diversified into health foods, including Saffola Oats, Honey, and FITTIFY Gourmet products, catering to the growing consumer preference for healthier alternatives.
- **Hair Care:** Parachute, an iconic brand, is synonymous with coconut oil in India. It holds a leadership position in the hair oil market. Marico has also expanded into value-added hair oils with offerings like Parachute Advansed, Nihar Naturals, and Hair & Care, further strengthening its dominance in the segment.
- **Male Grooming and Skin Care:** Marico has ventured into the male grooming segment with brands such as Set Wet and Beardo, capturing the attention of the evolving male consumer base. In the personal care category, brands like Livon and Kaya Youth O2 offer skincare solutions tailored to urban consumers.
- **International Business:** Marico's international business, accounting for approximately 26% of its revenue, has a strong presence in markets like Bangladesh, the Middle East, South Africa, and Southeast Asia. In Bangladesh, Marico is the market leader in both the coconut oil and value-added hair oil segments. The company continues to strengthen its international portfolio through strategic acquisitions and organic growth in emerging markets.

Strategic Focus Areas:

- **Innovation and Expansion:** Marico has embraced innovation as a core pillar of its growth strategy, continuously expanding its portfolio in response to shifting consumer trends. With the rise of health-conscious consumers, Marico has strategically entered the wellness segment with Saffola FITTIFY, Saffola ImmuniVeda and True Elements, marking its presence in superfoods and nutraceuticals.
- **Digital Transformation:** In keeping with the digital revolution, Marico has successfully integrated e-commerce and digital marketing into its sales and distribution strategy. E-commerce now contributes to 22% of domestic revenue, enabling the company to reach urban and millennial consumers more effectively.
- **Sustainability and Social Responsibility:** Marico places great emphasis on sustainability, aiming to reduce its environmental footprint through responsible sourcing, reducing plastic usage, and improving energy efficiency. The company's direct procurement model for copra from farmers helps in fair trade and improving livelihoods.

Global Footprint:

While India remains Marico's largest market, its international operations are gaining increasing importance. Its key international markets include:

- Bangladesh: Market leader in coconut oil and value-added hair oils.
- Middle East and North Africa (MENA): Expanding its presence with brands like Parachute and HairCode.
- Southeast Asia: Through acquisitions like Isoplus and Beardo, Marico is solidifying its presence in grooming and skincare in regions like Vietnam and Malaysia.
- South Africa: Entry into new haircare markets, enhancing growth prospects in Sub-Saharan Africa.

Financial Resilience:

Marico has consistently demonstrated financial prudence, maintaining a low debt-to-equity ratio and a high level of profitability. With a debt-to-equity ratio of 0.11, the company maintains significant financial flexibility to pursue growth initiatives while delivering a dividend payout ratio of 83%, which underlines its commitment to shareholder returns.

Relative Price Movements





Key Drivers and Challenges

Key Drivers:

- **Revenue Growth and Expanding Profit Margins:** Over the reported quarters, Marico has demonstrated a consistent increase in total revenue, from ₹2,308 crore in March 2023 to ₹2,680 crore in June 2024. This growth is a testament to the company's strong market presence and successful expansion across its product categories. Notably, the operating profit margin has shown a significant improvement, rising from 17.54% in March 2023 to 23.69% by June 2024. This margin expansion indicates better cost control and operational efficiency, likely driven by product mix optimization, improved pricing strategies, and operational scale across both domestic and international markets.

- **Strong Operating Performance:** The operating profit has also witnessed a remarkable jump, with consistent growth from ₹393 crore in March 2023 to ₹626 crore by June 2024. This can be attributed to Marico's focus on premiumization of its product portfolio, particularly in health foods and personal care segments, as well as effective supply chain management. With growing consumer demand for health and wellness products, Marico's portfolio of brands like Saffola and Parachute has benefitted from increased consumer focus on nutrition and self-care.

- **Net Profit and Earnings Growth:** Marico's net profit has grown steadily, rising from ₹302 crore in March 2023(Quarter) to ₹464 crore in June 2024(Quarter). This growth reflects not only the company's ability to drive top-line expansion but also its focus on cost containment and improving profitability. Additionally, Marico's EPS has increased significantly, from ₹2.3 in March 2023 to ₹3.6 in June 2024. The 12-month trailing EPS figures further support this, growing from ₹10.1 to ₹11.8 over the same period, signaling a strong return on equity for shareholders. This consistent growth in earnings highlights Marico's ability to generate sustainable profits and enhance shareholder value.

- **Robust Market Position and Brand Equity:** Marico has been able to leverage its strong brand equity in both the domestic and international markets. Parachute, Saffola, and Set Wet are iconic names in their respective segments, giving Marico a competitive edge. The company's strategic expansion into high-growth international markets, including Bangladesh, Vietnam, and Africa, along with its aggressive push into the health and wellness space with products like Saffola Honey and Saffola Oats, has positioned it as a leader in the FMCG space. This broad market reach, combined with innovative product launches, ensures that Marico stays ahead of market trends and consumer preferences.

Key Challenges:

- **Cost Inflation and Margin Pressure:** One of the key challenges that Marico faces is cost inflation, particularly in raw materials such as edible oils. While the company has managed to improve its margins, any significant increase in raw material costs could exert downward pressure on profitability. Although Marico has successfully navigated rising costs in recent quarters, the FMCG sector remains vulnerable to volatility in commodity prices. Continued inflationary trends could challenge Marico's ability to maintain its impressive operating margins, especially if price hikes cannot be fully passed on to consumers.

- **Competition and Market Saturation:** Marico operates in highly competitive categories such as hair oils, health foods, and personal care, where it faces stiff competition from both domestic players and multinational giants. Competitors like Hindustan Unilever, Dabur, and Emami pose significant challenges in capturing greater market share. While Marico's premium positioning helps differentiate its products, competition in the mass-market segments could impact growth, especially in categories where pricing plays a crucial role in consumer purchasing decisions.

- **Slowdown in Consumer Demand:** Although Marico's revenue growth has been strong, any slowdown in consumer demand, particularly in rural areas, poses a risk. Consumer sentiment, especially in the low- to middle-income segments, is sensitive to inflation and economic fluctuations. Any prolonged economic downturn or reduced consumer spending on discretionary items could impact Marico's growth trajectory. Given the company's exposure to rural markets, it needs to stay agile in responding to shifts in consumer behavior.

- **International Expansion Risks:** Marico's growing international footprint is a key driver of growth, but it also exposes the company to geopolitical, regulatory, and currency risks in foreign markets. Expanding into emerging markets like Vietnam, South Africa, and Bangladesh can present challenges, such as managing operational complexities, navigating local competition, and adapting to regional consumer preferences. Additionally, currency volatility and trade restrictions could impact the profitability of its international operations, especially if the company encounters unfavorable macroeconomic conditions in these regions.

- **Digital Transformation and E-commerce Strategy:** Marico is making strides in building its digital presence and leveraging e-commerce, but it needs to accelerate this transformation to stay competitive in a rapidly changing retail environment. The post-pandemic consumer is increasingly turning to online channels for purchasing, and Marico's ability to successfully integrate e-commerce into its growth strategy will be a critical factor. Failure to build a robust digital ecosystem could mean losing out to more digitally savvy competitors in the long term.

Comprehensive Investment Rationale

1. Robust Financial Performance and Profitability

- Marico's strong financial performance is evidenced by its outstanding profitability metrics, which highlight its operational efficiency and strategic execution.

- With a net profit margin of **15.34 %**, Marico effectively converts its revenue into profits, showing an ability to manage costs while maintaining competitive pricing.

- The **Return on Equity (ROE)** of **38.5%** showcases Marico's excellent capacity to generate returns on shareholders' investments, positioning it as a company that effectively utilizes its capital.

- Furthermore, the **Return on Capital Employed (ROCE)** at **44.8%** underscores the firm's efficient deployment of both debt and equity to generate profitability.

- These high profitability ratios signal that Marico can generate consistent returns for investors, making it a prime choice for long-term wealth accumulation.

- The combination of strong margins and return ratios reveals Marico's ability to maintain profitability even amidst challenges like rising raw material costs and competitive market dynamics.

2. Market Leadership and Brand Dominance

- Marico holds a dominant position in the hair care and edible oils segments, led by iconic brands such as **Parachute and Saffola.**

- Parachute, synonymous with coconut oil, has become a household name in India, with a strong consumer loyalty that makes it difficult for competitors to displace.

- Saffola, meanwhile, commands a leading position in the health-focused edible oils segment, appealing to an increasingly health-conscious Indian population.

- The strength of these brands is a testament to Marico's successful brand management, which has helped it sustain and grow its market share in highly competitive industries.

- This brand equity acts as a formidable moat, protecting Marico from competition and enabling it to maintain premium pricing, further enhancing profitability.

• Additionally, its strategic expansion of product lines under these flagship brands—such as Saffola Honey and Saffola Oats—has helped the company tap into adjacent high-growth markets, thereby bolstering its revenue streams.

• This entrenched market leadership positions Marico as a resilient player capable of weathering market challenges.

3. Strategic Expansion into Wellness and Digital Transformation

• In response to the global shift towards health and wellness, Marico's focus on expanding its **Saffola** brand into the health foods space has proven to be a forward-looking strategy.

• As consumers prioritize healthier lifestyles, Marico has capitalized on this trend by introducing products such as **Saffola Masala Oats, Saffola Honey**, and **Saffola FITTIFY Gourmet.**

• This strategic expansion has allowed Marico to diversify its revenue base while aligning with evolving consumer preferences, especially in urban markets.

• Beyond the wellness trend, Marico's commitment to digital transformation is another key driver of its future growth.

• With e-commerce accounting for 22% of domestic revenue, the company has effectively leveraged online channels to reach a broader audience and increase sales.

• Marico's investment in digital platforms enables it to tap into the burgeoning demand for convenience shopping, particularly among millennial and Gen Z consumers.

• This dual focus on health and digitalization positions Marico as a future-ready company that is well-prepared to thrive in an evolving consumer landscape.

4. Financial Prudence and Shareholder Value Creation

• One of Marico's standout strengths is its prudent financial management, particularly its conservative approach to debt.

• The company's **debt-to-equity ratio of 0.11** reflects a strong balance sheet with minimal leverage, providing the company with significant financial flexibility.

• This low level of debt ensures that Marico is not burdened by high interest costs, allowing it to retain more of its earnings for reinvestment in the business or for shareholder returns.

• Additionally, Marico's **high dividend payout ratio of 83%** demonstrates its commitment to rewarding shareholders.

- By consistently distributing a large portion of its profits, Marico appeals to income-seeking investors, while also maintaining healthy cash reserves to fuel future growth.

- The substantial cash flow generated by the company allows it to continue these dividend payouts while investing in growth initiatives.

- This balance between growth and income makes Marico an attractive investment for those seeking both capital appreciation and regular income.

- The combination of low leverage, high profitability, and strong shareholder returns reinforces Marico's status as a financially sound and investor-friendly company.

Conclusion:

Marico stands out as a compelling investment option due to its strong profitability, dominant market position, strategic foresight, and financial prudence.

The company's ability to consistently generate high returns on capital, coupled with its expansion into high-growth sectors such as wellness and digital, positions it for continued success.

Investors seeking both growth and income will find Marico's conservative financial management and generous dividend policy particularly attractive.

Despite challenges such as cost inflation and competition, Marico's strong brand equity, operational efficiency, and innovation-driven approach make it a resilient and forward-thinking player in the FMCG space.

Quarter-wise Performance

Figures in Rs are in Crs (apartfrom Ratios)

Indicator	Mar '23	Jun '23	Sep '23	Dec '23	Mar '24	Jun '24
Total Revenue	2,308	2,523	2,514	2,465	2,293	2,680
Operating Expenses	1,847	1,903	1,979	1,909	1,836	2,017
Operating Profit	393.0	574.00	497	513.00	442	626
Operating Profit Margin %	17.54%	23.17%	20.07%	21.18%	19.40%	23.69%
Depreciation	43.0	36.00	39	42.00	41	41
Interest	17.0	17.00	20	19.00	17	17
Profit Before Tax	401.0	567.00	476	495.00	399	605
Tax	96.0	131.00	116	109.00	79	131
Net Profit	302.0	427.00	353	383.00	318	464
Basic EPS	2.3	3.30	2.7	3.00	2.5	3.6
Net profit TTM	1,302	1,358	1,410	1,465	1,481	1,518
Basic EPS TTM	10.1	10.50	10.9	11.40	11.5	11.8

Over the course of the six quarters from March 2023 to June 2024, Marico has demonstrated steady revenue growth, with total revenue increasing from ₹2,308 crore in March 2023 to ₹2,680 crore by June 2024.

Notably, the operating profit margin has also shown consistent improvement, reaching 23.69% in June 2024 from 17.54% in March 2023, indicating improved operational efficiency and cost management.

Additionally, net profit has risen from ₹302 crore in March 2023 to ₹464 crore in June 2024, reflecting robust bottom-line growth.

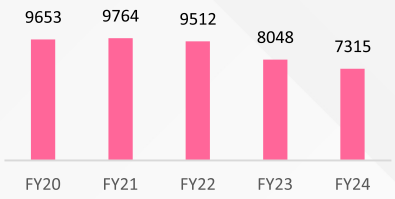
The company's earnings per share (EPS) has grown from ₹2.3 in March 2023 to ₹3.6 in June 2024, a testament to its strong financial performance.

Marico's performance across these quarters highlights a resilient and upward growth trajectory, particularly in operating margins and EPS.

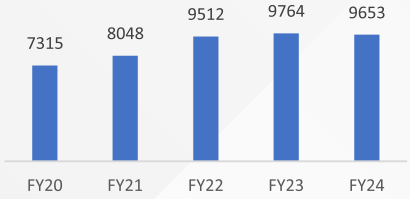
With consistent revenue growth and improved profitability, it is well-positioned to deliver sustained returns to investors. Given its strong fundamentals, attractive operating margins, and increasing EPS, Marico presents a compelling investment opportunity for long-term investors seeking stable returns from a reputable FMCG leader.

Company Performance

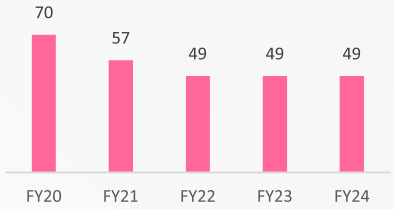
Consolidated Turnover



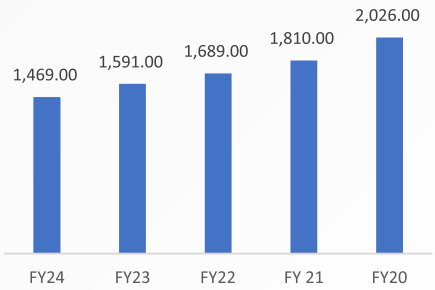
Revenue from Operations



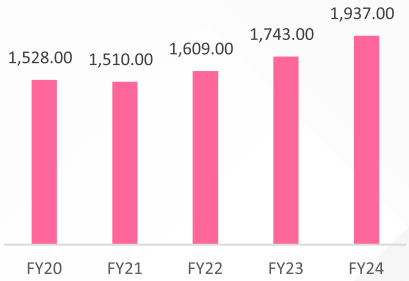
Inventory Turnover Ratio



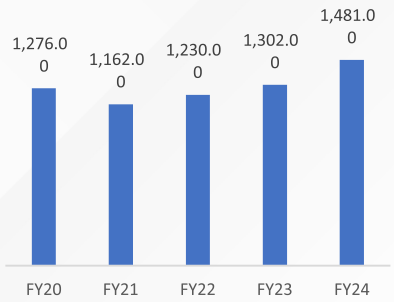
EBITDA



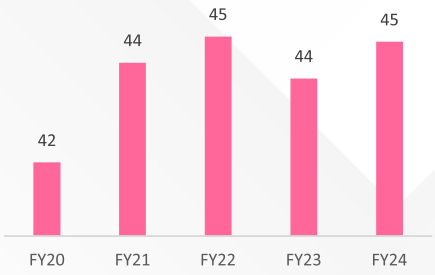
Profit Before Tax



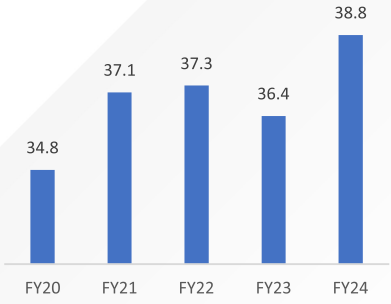
Profit After Tax



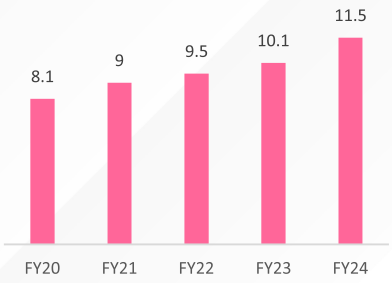
ROCE %



RONW %



EPS



Figures in Rs are in Crs (apartfrom Ratios)

Peer Comparison

Name	Marico	Patanjali Foods	Adani Wilmar
CMP Rs.	685.7	1730.05	335.95
Sales Rs.Cr.	9819	31127.31	50613.79
PAT 12M Rs.Cr.	1518	940.3	689.06
Mar Cap Rs.Cr.	₹88,825.61	₹62,746.71	₹43,675.68
P/E	58.51	66.73	63.38
Div Yld %	1.39	0.35	0
CMP / BV	23.16	6.14	5.28
ROCE %	43.08	11.14	10.41
ROA 12M %	21.06	5.77	1.54
EPS 12M Rs.	11.73	25.98	4.93
ROE %	38.51	7.63	3.65
Debt / Eq	0.14	0.1	0.29
EV / EBITDA	39.99	36.15	22.68
EV Rs.Cr.	88410.61	62961.86	43374.44
Qtr Sales Var %	6.7	-7.65	11.08
PAT Qtr Rs.Cr.	464	262.9	323.55
Earnings Yield %	2.32	2.36	3.66
Current ratio	1.53	2.23	1.28
3mth return %	2.75	10.96	1.57
6mth return %	35.41	23.14	-0.04
PEG	10.11	1.15	-15.88
Int Coverage	28.05	8.06	2.37
Inven TO	3.31	6.95	6.29
Asset Turnover	1.36	2.39	2.56
Leverage	1.85	1.3	2.32
Cash Cycle	19.15	46.03	17.2
Graham's Number Rs.	88.4	405.92	83.99

Financial Snapshot

Indicator	Mar '20	Mar '21	Mar '22	Mar '23	Mar '24
Book Value Per Share	23.5	25.3	26.4	30.7	32.3
RoA %	20.54%	21.27%	21.17%	18.74%	19.95%
ROE %	33.77%	36.17%	36.58%	34.27%	38.64%
ROCE %	45.16%	44.20%	45.14%	39.82%	40.38%
Profitability Ratio					
EBDIT Margin %	21.77%	20.93%	18.70%	20.01%	22.45%
EBIT Margin %	19.86%	19.20%	17.24%	18.42%	20.82%
PBT Margin %	18.78%	18.94%	16.83%	17.85%	20.06%
Net Profit Margin %	14.25%	14.92%	13.19%	13.53%	15.55%
Asset Turnover %	1.3	1.3	1.5	1.5	1.3
Liquidity Ratio					
Current Ratio	1.8	1.7	1.6	1.6	1.6
Quick Ratio	1	1.1	1	1.1	1.1
Dividend Payout to NP %	0.9	0.8	1	0.4	0.8
Earning Retention %	12.25%	17.41%	2.45%	55.30%	17.02%
Cash Earning Retention %	22.83%	26.17%	12.40%	60.06%	25.02%
Cash Earning Retention %	22.83%	26.17%	12.40%	60.06%	25.02%
Valuation Ratio					
EnterpriseValue	35,524.70	52,505.50	64,793.90	61,757.30	63,877.10
EV Per Net Sales	4.9	6.5	6.8	6.3	6.6
EV Per EBITDA	22.3	31.2	36.4	31.6	29.5
Market Cap Per Sales	4.8	6.6	6.8	6.3	6.6
Retention Ratio %	12.24%	17.40%	2.44%	55.29%	17.01%
Earnings Yield	0	0	0	0	0
Total Debt to Total Equity	0.1	0.1	0.1	0.1	0.1
Cash from Operating Activity (Rs. in Crs.)	1,214	2,068	1,016	1,419	1,436
Cash from Investing Activity (Rs. in Crs.)	-39	-938	428	-929	176
Cash from Financing Activity (Rs. in Crs.)	-1,147	-1,119	-1,290	-560	-1,542

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