

November 14, 2025

Q2FY26 Result Update

☑ Change in Estimates | ☑ Target | ■ Reco

Change in Estimates

	Current		Previous	
	FY27E	FY28E	FY27E	FY28E
Rating	ACCUMULATE		ACCUMULATE	
Target Price	787		778	
Sales (Rs. m)	1,38,990	1,53,398	1,36,266	1,50,268
% Chng.	2.0	2.1		
EBITDA (Rs. m)	27,760	31,508	27,183	30,678
% Chng.	2.1	2.7		
EPS (Rs.)	15.8	17.8	15.4	17.3
% Chng.	2.3	3.0		

Key Financials - Consolidated

Y/e Mar	FY25	FY26E	FY27E	FY28E
Sales (Rs. m)	1,08,310	1,34,164	1,38,990	1,53,398
EBITDA (Rs. m)	21,389	23,323	27,760	31,508
Margin (%)	19.7	17.4	20.0	20.5
PAT (Rs. m)	15,840	17,133	20,364	22,980
EPS (Rs.)	12.3	13.3	15.8	17.8
Gr. (%)	10.8	8.2	18.9	12.9
DPS (Rs.)	10.5	10.5	12.3	13.0
Yield (%)	1.4	1.4	1.7	1.8
RoE (%)	40.6	41.3	44.7	45.1
RoCE (%)	45.8	47.3	52.2	53.7
EV/Sales (x)	8.6	7.0	6.7	6.0
EV/EBITDA (x)	43.7	40.0	33.5	29.3
PE (x)	60.2	55.6	46.8	41.5
P/BV (x)	24.0	22.0	19.9	17.6

Key Data

MRCO.BO | MRCO IN

52-W High / Low	Rs.761 / Rs.578
Sensex / Nifty	84,563 / 25,910
Market Cap	Rs.959bn / \$ 10,804m
Shares Outstanding	1,298m
3M Avg. Daily Value	Rs.1292.83m

Shareholding Pattern (%)

Promoter's	58.94
Foreign	24.21
Domestic Institution	11.99
Public & Others	4.60
Promoter Pledge (Rs bn)	0.13

Stock Performance (%)

	1M	6M	12M
Absolute	4.3	2.2	24.7
Relative	1.2	(1.7)	14.4

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Healthy demand outlook, margin recovery likely post 2H26

Quick Pointers:

- VAHO posts ~16% growth while Saffola delivers flattish volume growth
- EBITDA margin to see ~200bps expansion in FY27, Rs200bn revenue by FY30
- MRCO guided for ~25% revenue and double-digit EBITDA growth in FY26

We have increased our FY27/FY28 estimates by 2.3%/3.0% given 1) healthy demand outlook for 2H 2) Sustained market share gains across key portfolio. 3) Focus on urban-centric and premium portfolio drive margins post 2HFY26 and 4) Innovation funnel remains strong with portfolio diversification and scale up in Foods, D2C portfolio & B2C acquisitions. Company remains committed towards Sustained investment in Foods with 25%+ CAGR in sales, supported by scaling existing franchises and continued innovation. MRCO delivered 30.7% revenue growth along with ~7% volume growth led by prices hikes in core portfolio amidst sharp inflation in key input prices, robust growth in Foods and Premium Personal Care along with sustained recovery in VAHO despite impact of GST transition. Beardo has double-digit EBITDA margins whereas Plix has maintained its strong momentum. MRCO plans to adopt the same strategy for scaling Digital-first franchises and targets double-digit margins by FY27.

Given sharp spike in copra prices, MRCO has taken another price increase in Q226. We expect margins to remain under pressure until Q4 even as improving profits in Foods and B2C will provide some respite. However, we expect margins to improve post 2HFY26 driven by premiumization with strong sales momentum in B2C & Foods and revival of growth in VAHO. We estimate a CAGR of 15.9% in EPS over FY26-28. We value MRCO at 48x Sep27 EPS and assign a target price of Rs 787 (Rs 778 earlier). Retain Accumulate.

Sales up 30.7%, Domestic Volume up 7% (Ple: 8%) whereas Parachute volumes down 3%. Revenues grew by 30.7% YoY to Rs34.8bn (PLe: Rs34.49bn). Volume Growth: Parachute up 7% (PLe: 8%). Gross margins contracted by 814bps YoY to 42.6% (PLe: 44.0%) amidst sharp inflation in key commodities. EBITDA grew by 7.3% YoY to Rs5.6bn (PLe: Rs 5.4bn); Margins contracted by 351bps YoY to 16.1% (PLe:15.8%). A&P Spends contracted by 98bps YoY to 9.9%. Adj. PAT increased by 10% YoY to Rs4.3bn (PLe:Rs4.12bn)

International business: Bangladesh posted 22% 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 remain intact. **Vietnam** grew 6% in CCG, exhibiting signs of a gradual recovery. **MENA** delivered 27% CCG, with both the Gulf region and Egypt recording strong growth. While **South Africa** recorded 1% CCG, and management remains confident of a recovery in H2FY26. **NCD and Exports** recorded 53% growth.

Concall takeaways: 1) Consumer sentiment remained stable except for the transitional disruption in trade channels due to GST 2.0, with gradual pickup expected given easing inflation, healthy crop outlook and policy stimulus. 2) 30% of its India business has benefited from the GST rate rationalization and company has passed benefits of GST rates to consumers across relevant product categories. 3) MRCO aims to increase margins by 200bps by FY27 and reach revenue of Rs200bn by FY30 4) 2Q experienced 2% impact on sales due to GST transition 5) Copra and vegetable oil prices remained at elevated levels, while crude oil derivatives remained range bound 6) Ad spends to remain in double digits due to high competitive pressure 7) VAHO grew by 16% despite GST transition issue led by 150bps market share gain, market also grew in double digits. 8) Saffola Edible Oils had a flattish quarter in volume terms amidst a relatively elevated pricing environment. 9) True Elements expanded its ready-to-eat portfolio with high protein and fibre-rich offerings with the prototype of Protein Bars and Overnight Oats. 10) MRCO guided 25%+ CAGR in food business to ~8x of FY20 revenues in FY27 & aims to scale the Digital-first portfolio to ~2.5x of FY24 ARR in FY27. 11) The company expects India revenue share of the Foods and Premium Personal Care portfolios to expand to ~25% with company level margins by FY27. 12) Parachute volumes declined 3% due to a sharp rise in consumer pricing and volume reduction in select packs.

Exhibit 1: 1QFY26 Results: Revenues up 30.7%, GM and EBITDAM contract 814bps & 351bps YoY resp.

Consolidated	2QFY26	2QFY25	YoY gr. (%)	1QFY26	1HFY26	1HFY25	YoY gr. (%)
Net Sales	34,820	26,640	30.7	32,590	67,410	53,070	27.0
COGS	19,970	13,110	52.3	17,300	37,270	25,730	44.9
% of Net Sales	57.4	49.2	8.1	53.1	55.3	48.5	6.8
Gross Profit	14,850	13,530	9.8	15,290	30,140	27,340	10.2
% of NS	42.6	50.8	-8.1	46.9	44.7	51.5	-6.8
Advt. & Prom.	3,450	2,900	19.0	2,990	6,440	5,300	21.5
% of NS	9.9	10.9	-1.0	9.2	9.6	10.0	-0.4
Total Expenses	29,220	21,420	36.4	26,040	55,260	41,590	32.9
EBITDA	5,600	5,220	7.3	6,550	12,150	11,480	5.8
Margins (%)	16.1	19.6	-3.5	20.1	18.0	21.6	-3.6
Depreciation	470	410	14.6	450	920	820	12.2
EBIT	5,130	4,810	6.7	6,100	11,230	10,660	5.3
Interest	120	110	9.1	100	220	280	(21.4)
Other Income	490	400	22.5	560	1,050	770	36.4
PBT	5,500	5,100	7.8	6,560	12,060	11,150	8.2
Tax	1,180	1,190	(0.8)	1,430	2,610	2,500	4.4
Effective tax rate (%)	21.5	23.3	-1.9	21.8	21.6	22.4	-0.8
Adjusted PAT	4,190	3,810	10.0	5,040	9,230	8,550	8.0

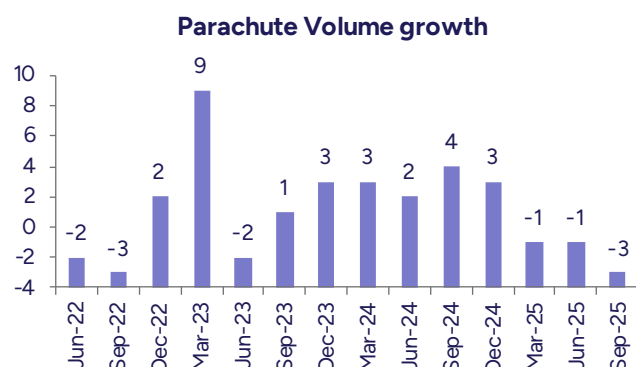
Source: Company, PL

Exhibit 2: Consolidated Segmental: IBD business delivered 20% CCG led by MENA with 27% and Bangladesh with 22% growth

(Rs m)	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25	1QFY26	2QFY26
Net Sales	24,760	24,220	22,780	26,430	26,640	27,940	27,300	32,590	34,820
Domestic	18,320	17,930	16,800	19,620	19,790	21,010	20,680	24,950	26,670
International	6,440	6,290	5,980	6,810	6,850	6,930	6,620	7,640	8,150
Sales Growth %	-0.8	-1.9	1.7	6.7	7.6	15.4	19.8	23.3	30.7
Domestic	-3.4	-3.1	-0.2	7.4	8.0	17.2	23.1	27.2	34.8
International	7.3	1.6	7.4	4.8	6.4	10.2	10.7	12.2	19.0
EBIT	5,260	5,360	4,860	6,410	5,670	5,720	4,810	6,820	5,930
Domestic	3,760	3,800	3,390	4,440	3,920	3,920	3,220	4,690	3,980
International	1,500	1,560	1,470	1,970	1,750	1,800	1,590	2,130	1,950
EBIT Growth %	15.4	12.1	15.7	5.3	7.8	6.7	-1.0	6.4	4.6
Domestic	14.3	10.5	12.3	3.7	4.3	3.2	-5.0	5.6	1.5
International	18.1	16.4	24.6	8.8	16.7	15.4	8.2	8.1	11.4
EBIT Margins %	21.2	22.1	21.3	24.3	21.3	20.5	17.6	20.9	17.0
Domestic	20.5	21.2	20.2	22.6	19.8	18.7	15.6	18.8	14.9
International	23.3	24.8	24.6	28.9	25.5	26.0	24.0	27.9	23.9
Capital Employed	35,370	37,540	36,400	39,360	42,470	43,100	38,280	35,370	43,370
Domestic	22,540	24,560	24,260	27,080	29,420	30,800	26,540	23,700	28,690
International	12,830	12,980	12,140	12,280	13,050	12,300	11,740	11,670	14,680
International Sales Growth %									
Bangladesh (46%)	2.0	-6.0	8.0	10.0	8.0	20.0	11.0	17.0	22.0
MENA (15%)	34.0	26.0	19.0	20.0	43.0	35.0	47.0	42.0	27.0
South Africa (8%)	23.0	33.0	13.0	28.0	20.0	17.0	13.0	0.0	1.0
SE Asia (26%)	13.0	4.0	0.0	0.0	7.0	-1.0	-1.0	1.0	6.0

Source: Company, PL

Exhibit 3: Parachute volumes decline 3% YoY



Source: Company, PL

Exhibit 4: Domestic volumes up 7% YoY



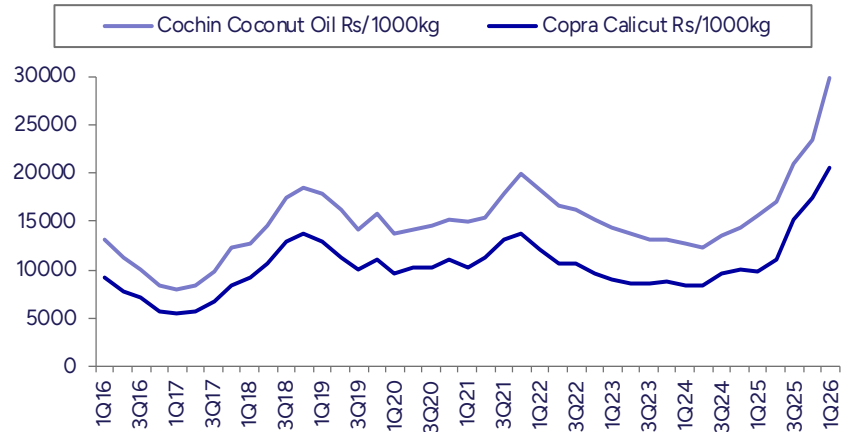
Source: Company, PL

Exhibit 5: Market share remains strong across brands

Market Share (%)	Q2FY24	Q3FY24	Q4FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26	Q2FY26
Coconut Oil	62	62	63	64	63	63	63	63	63
Saffola	53	53	54	55	54	55	54	53	53
Hair Oil VAHO	27	27	27	27	28	28	28	29	29
Livon & Silk and Shine	55	53	50	49	48	47	47	47	46
Hair Creams/Gel	53	52	52	51	52	52	53	53	52
Saffola Oats	42	41	41	41	41	41	41	41	41

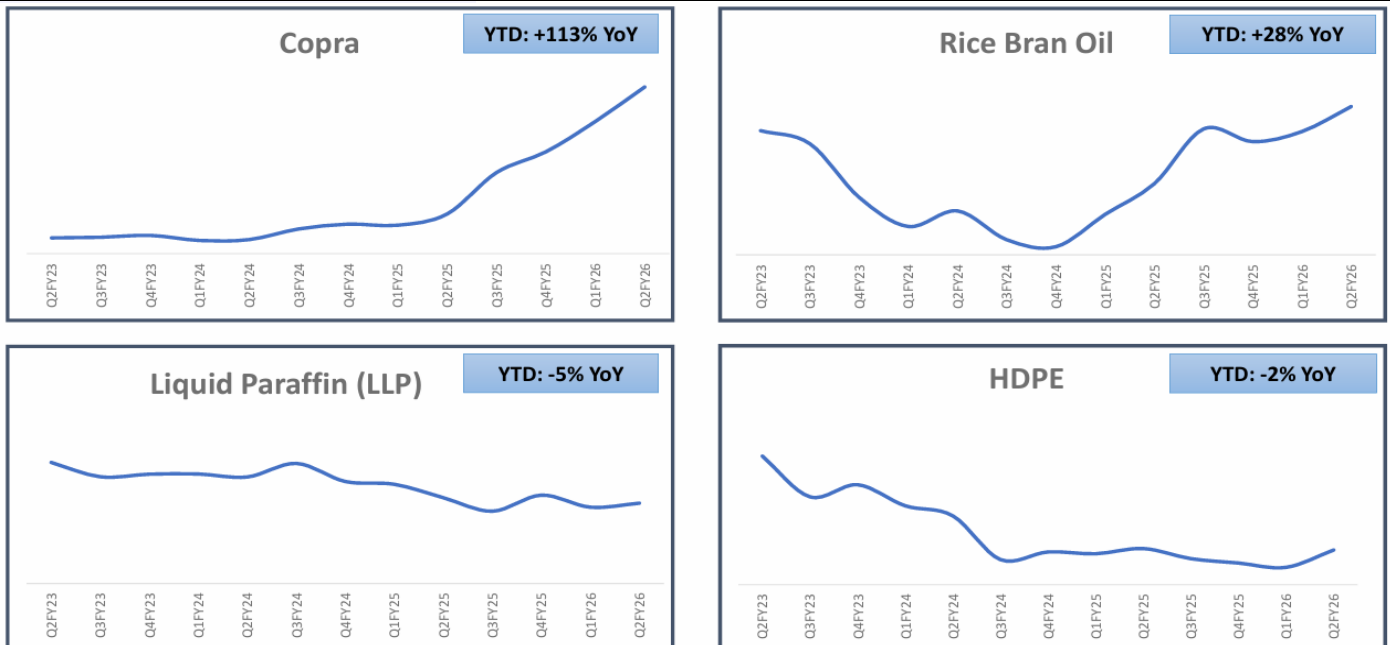
Source: Company, PL

Exhibit 6: Cochin/Calicut Copra prices continue to remain firm



Source: Company, PL

Exhibit 7: Movement of key raw material prices wherein Copra prices up 113% YoY



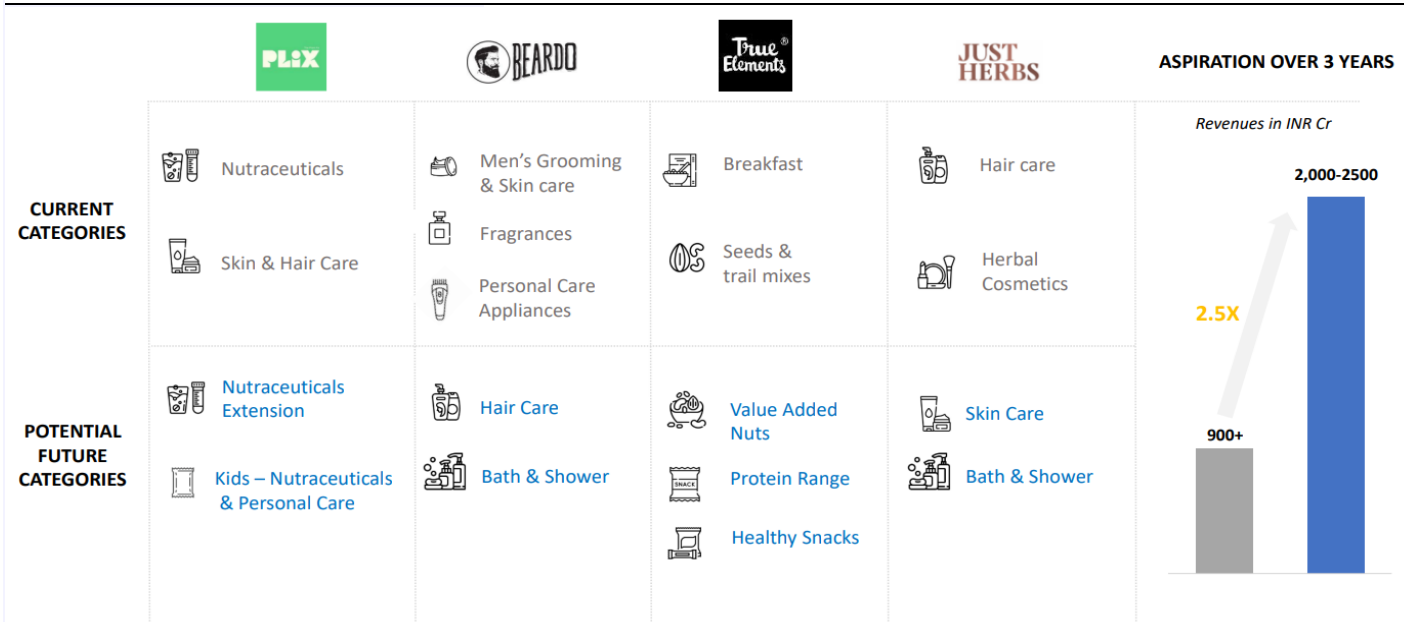
Source: Company, PL

Exhibit 8: International Markets continue to grow despite headwinds from macroeconomic volatility & currency devaluation



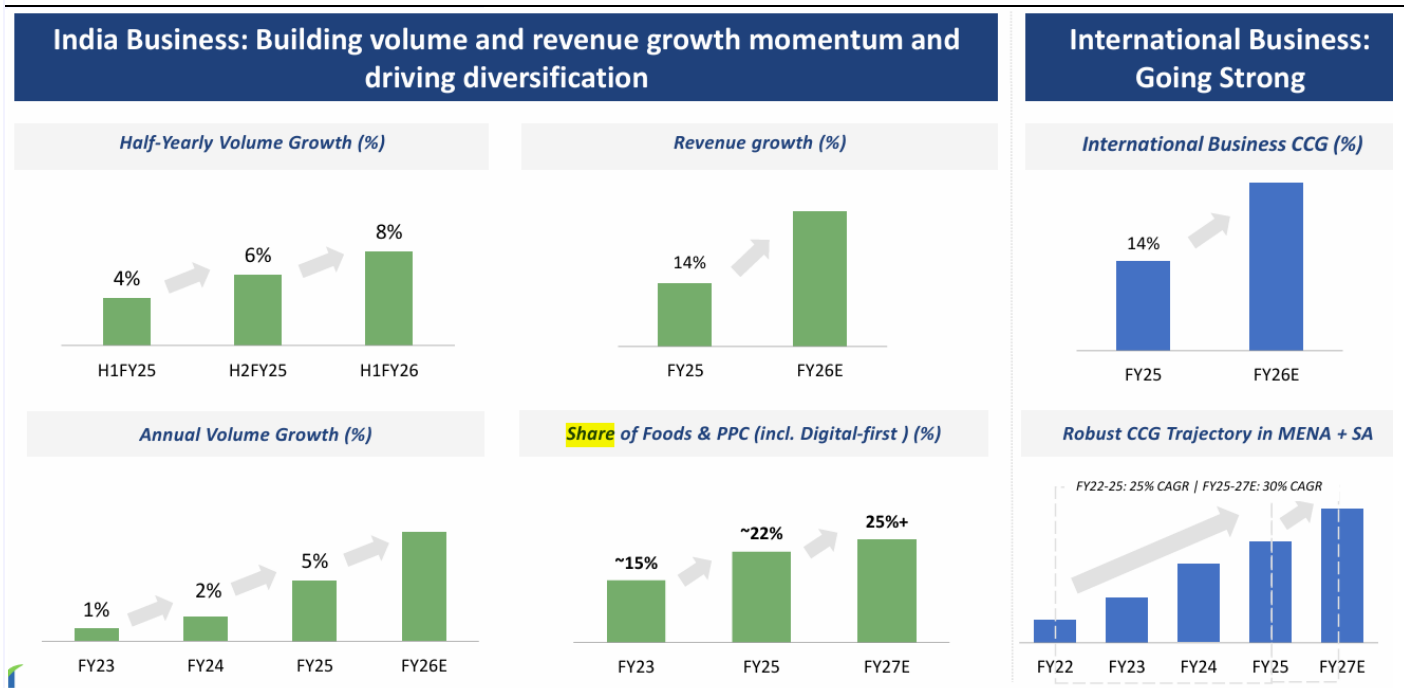
Source: Company, PL

Exhibit 9: Digital Businesses: Driving TAM Expansion & Brand Penetration



Source: Company, PL

Exhibit 10: 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	1,34,164	1,38,990	1,53,398
YoY gr. (%)	12.2	23.9	3.6	10.4
Cost of Goods Sold	53,880	74,012	71,191	77,873
Gross Profit	54,430	60,151	67,799	75,526
Margin (%)	50.3	44.8	48.8	49.2
Employee Cost	8,310	9,123	10,007	11,121
Other Expenses	-	-	-	-
EBITDA	21,389	23,323	27,760	31,508
YoY gr. (%)	5.6	9.0	19.0	13.5
Margin (%)	19.7	17.4	20.0	20.5
Depreciation and Amortization	1,780	1,891	2,018	2,140
EBIT	19,610	21,432	25,741	29,368
Margin (%)	18.1	16.0	18.5	19.1
Net Interest	530	579	605	632
Other Income	2,080	2,304	2,295	2,388
Profit Before Tax	21,160	23,158	27,431	31,124
Margin (%)	19.5	17.3	19.7	20.3
Total Tax	4,580	5,211	6,172	7,159
Effective tax rate (%)	21.6	22.5	22.5	23.0
Profit after tax	16,580	17,947	21,259	23,965
Minority interest	740	814	895	985
Share Profit from Associate	-	-	-	-
Adjusted PAT	15,840	17,133	20,364	22,980
YoY gr. (%)	10.8	8.2	18.9	12.9
Margin (%)	14.6	12.8	14.7	15.0
Extra Ord. Income / (Exp)	-	-	-	-
Reported PAT	15,840	17,133	20,364	22,980
YoY gr. (%)	10.8	8.2	18.9	12.9
Margin (%)	14.6	12.8	14.7	15.0
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	15,840	17,133	20,364	22,980
Equity Shares O/s (m)	1,290	1,290	1,290	1,290
EPS (Rs)	12.3	13.3	15.8	17.8

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	9,397	10,867	12,450
Tangibles	7,452	8,659	9,979	11,411
Intangibles	587	738	888	1,039
Net fixed assets	16,710	16,852	16,882	16,799
Tangibles	7,250	7,543	7,723	7,791
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	4,358	4,914	5,535
Current Assets				
Investments	13,750	14,087	12,509	14,113
Inventories	12,350	17,210	16,255	17,689
Trade receivables	12,710	9,189	9,139	10,086
Cash & Bank Balance	7,790	10,049	13,784	18,310
Other Current Assets	4,130	3,354	3,475	3,835
Total Assets	83,380	87,279	89,121	98,527
Equity				
Equity Share Capital	1,290	1,290	1,290	1,290
Other Equity	38,459	42,013	46,538	52,716
Total Network	39,749	43,303	47,828	54,006
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	18,440	17,625	19,415
Other current liabilities	7,190	6,379	6,765	7,416
Total Equity & Liabilities	83,379	87,278	89,120	98,526

Source: Company Data, PL Research

Cash Flow (Rs m)

Y/e Mar	FY25	FY26E	FY27E	FY28E
PBT	21,160	23,158	27,431	31,124
Add. Depreciation	1,780	1,891	2,018	2,140
Add. Interest	530	579	605	632
Less Financial Other Income	2,080	2,304	2,295	2,388
Add. Other	8,680	(4,003)	(2,691)	267
Op. profit before WC changes	32,149	21,625	27,364	34,164
Net Changes-WC	(12,250)	3,058	2,031	(1,914)
Direct tax	(4,580)	(5,211)	(6,172)	(7,159)
Net cash from Op. activities	15,319	19,473	23,222	25,091
Capital expenditures	(2,080)	(2,532)	(2,469)	(2,497)
Interest / Dividend Income	-	-	-	-
Others	1,280	-	-	-
Net Cash from Invst. 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)	2,259	3,735	4,526
Free Cash Flow	13,240	16,941	20,754	22,594

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	17.8
CEPS	13.7	14.7	17.4	19.5
BVPS	30.8	33.6	37.1	41.9
FCF	10.3	13.1	16.1	17.5
DPS	10.5	10.5	12.3	13.0
Return Ratio(%)				
RoCE	45.8	47.3	52.2	53.7
ROIC	31.7	33.9	41.0	44.4
RoE	40.6	41.3	44.7	45.1
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	60.2	55.6	46.8	41.5
P/B	24.0	22.0	19.9	17.6
P/CEPS	54.1	50.1	42.6	37.9
EV/EBITDA	43.7	40.0	33.5	29.3
EV/Sales	8.6	7.0	6.7	6.0
Dividend Yield (%)	1.4	1.4	1.7	1.8

Source: Company Data, PL Research

Quarterly Financials (Rs m)

Y/e Mar	Q3FY25	Q4FY25	Q1FY26	Q2FY26
Net Revenue	27,940	27,300	32,590	34,820
YoY gr. (%)	15.4	19.8	23.3	30.7
Raw Material Expenses	14,110	14,040	17,300	19,970
Gross Profit	13,830	13,260	15,290	14,850
Margin (%)	49.5	48.6	46.9	42.6
EBITDA	5,330	4,580	6,550	5,600
YoY gr. (%)	3.9	3.6	4.6	7.3
Margin (%)	19.1	16.8	20.1	16.1
Depreciation / Depletion	440	520	450	470
EBIT	4,890	4,060	6,100	5,130
Margin (%)	17.5	14.9	18.7	14.7
Net Interest	130	120	100	120
Other Income	420	470	560	490
Profit before Tax	5,180	4,410	6,560	5,500
Margin (%)	18.5	16.2	20.1	15.8
Total Tax	1,120	960	1,430	1,180
Effective tax rate (%)	21.6	21.8	21.8	21.5
Profit after Tax	4,060	3,450	5,130	4,320
Minority interest	-	-	90	130
Share Profit from Associates	-	-	-	-
Adjusted PAT	4,060	3,450	5,040	4,190
YoY gr. (%)	5.2	7.8	6.3	10.8
Margin (%)	14.5	12.6	15.5	12.0
Extra Ord. Income / (Exp)	-	-	-	-
Reported PAT	4,060	3,450	5,040	4,190
YoY gr. (%)	5.2	7.8	6.3	(0.9)
Margin (%)	14.5	12.6	15.5	12.0
Other Comprehensive Income	(170)	(150)	(140)	240
Total Comprehensive Income	3,890	3,300	4,900	4,430
Avg. Shares O/s (m)	1,291	1,291	1,291	1,300
EPS (Rs)	3.1	2.7	3.9	3.2

Source: Company Data, PL Research



Price Chart



Recommendation History

No.	Date	Rating	TP (Rs.)	Share Price (Rs.)
1	08-Oct-25	Accumulate	778	715
2	04-Aug-25	Accumulate	743	723
3	09-Jul-25	Accumulate	718	726
4	04-May-25	Accumulate	718	699
5	09-Apr-25	Accumulate	672	679
6	31-Jan-25	Accumulate	704	671
7	08-Jan-25	Accumulate	675	638

Analyst Coverage Universe

Sr. No.	Company Name	Rating	TP (Rs)	Share Price (Rs)
1	Asian Paints	Reduce	2,448	2,770
2	Avenue Supermarts	Hold	4,111	4,320
3	Britannia Industries	BUY	6,761	6,158
4	Colgate Palmolive	Hold	2,534	2,287
5	Dabur India	Hold	490	502
6	Emami	Accumulate	608	525
7	Hindustan Unilever	Accumulate	2,772	2,602
8	ITC	BUY	530	419
9	Jubilant FoodWorks	BUY	700	574
10	Kansai Nerolac Paints	Accumulate	272	246
11	Marico	Accumulate	778	715
12	Metro Brands	Hold	1,276	1,203
13	Mold-tek Packaging	Accumulate	821	761
14	Nestle India	Hold	1,359	1,277
15	Pidilite Industries	BUY	1,714	1,445
16	Restaurant Brands Asia	Accumulate	87	72
17	Titan Company	BUY	4,397	3,725
18	Westlife Foodworld	Hold	604	583

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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