

Emami to widen 'all weather' products portfolio

ABHISHEK LAW

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FMCG major Emami Ltd will look to widen its portfolio of 'all weather' products - those which have demand throughout the year - as it seeks to de-risk the business from seasonal vagaries.

Historically, many of Emami's products are seasonal in nature, that is, they are focussed on summer or winter months. The mix varies between 60 per cent and 70 per cent in favour of seasonal offerings, sources say. These offerings are spread primarily across brands such as 'Navratna' (cooling oil and talcs); 'Boroplus' (moisturising cream, prickly heat talcum powder and so on) and Zandu (balm).

According to Harsha Vardhan Agarwal, Director, the share of weather agnostic products in its portfolio will go up in the coming days.

"Going forward, the portfolio of round-the-year offerings will move up. There are certain brands where offerings are already all weather," Agarwal told *BusinessLine* during an interview.

Balanced portfolio

Foray and brand extensions into deodorants, facewash, hair-oils and shampoos through Fair and



Harsha Vardhan Agarwal, Director, Emami

Handsome, 'HE', 'Kesh King' and '7-Oils-in-One' (apart from Zandu's over the counter portfolio) are seen as a step towards having such weather agnostic offerings.

"There was no harm in having products that are seasonal by nature. But sometimes, the vagaries of the weather played their role (in the company's performance). From that perspective, we now have a balanced portfolio," he added.

For example, extended winters were positive for winter brands like BoroPlus. However, this led to an adverse impact on the sales of summer products in

Q4 (Jan to Dec) of last fiscal. In the fourth quarter, Emami's summer products normally see higher traction.

Impacting performance

Abneesh Roy, Senior V-P, Edelweiss, points out that an ideal mix of weather agnostic to seasonal products should be somewhere around the 50-50 range.

"In Q1 of this fiscal (April to June), the early onset of monsoons can impact cooling oil sales. A softer winter could mean impact on cold creams or moisturisers. Emami has been trying to increase its portfolio of all

weather products for quite some time. Many acquisitions have been towards this end too," he pointed out.

Interestingly, Agarwal, during the interview, did not rule out new acquisitions in the coming days.

Emami reported a consolidated turnover of ₹2,624 crore in FY-16, with nearly 50 per cent of it coming from rural India.

Brand extensions

According to Agarwal, Emami would look to extend the 'HE' brand to include grooming products. Currently, offerings are in deodorants only, with Hrithik Roshan being the brand ambassador.

"Going forward, HE will be extended to include grooming products. This might happen towards the end of this fiscal or early next fiscal," he said.

This apart, leveraging 'Fair And Handsome' through other variants in facewash is also being explored.

Zandu too, will be extended to include healthcare offerings like daily tonics.

"Some two to three new products are being test marketed in certain regions already," he added.