

EMAMI POSTS 47% PROFIT GROWTH IN Q1FY20

HIGHLIGHTS

- ❖ Revenue from Operations at ₹ 649 crore grew by 6%
- ❖ EBIDTA at ₹ 134 crore grew by 11%.
- ❖ PAT at ₹ 39 crore grew by 47%.

Kolkata, August 8th 2019: The Board of Directors of Emami Limited met on Thursday, 8th August 2019 to consider the unaudited financial results of the company for the quarter ended 30th June 2019.

The June quarter witnessed challenges in terms of adverse economic conditions such as channel liquidity issues and muted rural incomes which coupled with a high base in Q1FY19 impacted growth levels in the domestic business. Despite such challenges, the company closed the quarter with Revenues of ₹ 649 cr which grew by 6% over previous year.

During the quarter, both Kesh King and 7 Oils continued to post robust growth, while Navratna grew satisfactorily. However, muted performance of Pain Management, Male Grooming, BoroPlus and Healthcare range led to lower growth in the domestic business. While, key brands like Navratna, Zandu & Mentho Plus balms, Kesh King and BoroPlus continued to gain market shares, Fair and Handsome maintained its leadership.

International Business grew by 34% during the quarter led by a strong performance in SAARC and MENAP regions. Excluding the new acquisition Creme 21, International Business grew by 10%.

During the quarter, Gross margins at 64.2% declined by 210 bps due to an increase in raw material costs. Despite this, EBIDTA grew by 11% and EBIDTA margins at 20.7% grew by 110 bps. PAT at ₹ 39 cr grew by 47% and PAT margins increased by 170 bps.

Mr Mohan Goenka, Director, Emami Limited said:

“We are happy to report a healthy profit-led growth this quarter with revenues growing by 6% and PAT growing by 47%. Despite continuing input cost pressure, our EBIDTA margins expanded by 110 bps. However, the macroeconomic environment continues to be challenging, with a distinct slowdown in the consumer demand curve particularly for



discretionary products. Despite such challenges, we are satisfied with the performance of Kesh King, Navratna, 7 Oils in One and international business this quarter. With the stabilization of raw material prices and the government impetus to put rural growth on the fast track, we expect business to bounce back in the coming quarters”

Mr Harsha V Agarwal, Director, Emami Limited said:

“Our power brands reinforced leadership in the respective categories increasing their market shares during the quarter which we believe is credible given a hesitant consumer sentiment. In the international front, our new acquisition of the German personal care brand Creme 21 received encouraging consumer traction. Our outlook for the balance quarters in FY 20 remains positive based on the business strategy adopted to build a strong foundation for sustainable profitable growth, efficient management of risks /challenges and improvement of operating margins.”

About Emami Ltd

Emami: (NSE: EMAMILTD, BSE: 531162) Emami Ltd, founded in 1974, is one of India’s leading FMCG Companies engaged in manufacturing & marketing of personal care & healthcare products.

With over 300 diverse products, Emami’s portfolio includes trusted power brands like Navratna, BoroPlus, Fair & Handsome, Zandu Balm & Mentho Plus. In 2015, the Company acquired the business of ‘Kesh King’ and forayed into the Ayurvedic hair & scalp care segment. Emami products are available in over 4.5 million retail outlets across India through its network of ~3200 distributors and its global footprint spans *over 60 countries including GCC, Europe, Africa, CIS countries & the SAARC.*

Emami has maintained a 14% CAGR in topline for the past 10 years through its consistent business performance. Emami is well known for its aggressive marketing powered by celebrity endorsements like Amitabh Bachchan, Pt Birju Maharaj, Shah Rukh Khan, Hrithik Roshan, Shahid Kapoor, Madhuri Dixit, Kareena Kapoor Khan, Yami Gautam, Kangana Ranaut, Shilpa Shetty, Sonakshi Sinha, Shruti Haasan, Juhi Chawla, Vidyut Jamwal, Kartik Aryaan, Varun Dhawan, Milkha Singh, Sachin Tendulkar, Surya, Jr. NTR, Sania Mirza, Saina Nehwal, Bipasha Basu etc over the years.

With a market cap of around Rs. 14,000 cr, Emami Ltd is the flagship Company of the diversified Emami Group. Please visit www.emamltd.in for further information.

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