

## **EMAMI POSTS RESILIENT PERFORMANCE AMIDST SLOWDOWN. PROFITS UP BY 5% IN Q3 AND BY 13% IN 9MFY20**

### **HIGHLIGHTS** **(CONSOLIDATED FINANCIALS)**

- ❖ Flat revenue growth in Q3 and 3% in 9MFY20.
  - **Revenues excluding winter portfolio grew by 8% in Q3 and by 5% in 9MFY20**
  - **International business grew by 18% in Q3 and by 24% in 9MFY20**
- ❖ PAT grew by **5%** in Q3 and by **13%** in 9MFY20.
- ❖ Launched innovative products to address consumer need gaps - Navratna GaramTel and Zandu Ayurvedic Cough syrup in a smart sachet priced at just ₹ 5/-

**Kolkata, February 7<sup>th</sup> 2020:** The Board of Directors of Emami Limited met on Friday, 7<sup>th</sup> February 2020 to consider the unaudited financial results of the company for the quarter and nine months ended 31<sup>st</sup> December 2019.

The Company posted resilient growth during the quarter despite ongoing challenges such as overall weak consumption environment in the domestic business, weak rural demand, liquidity concerns and hike in food inflation. Nearly 65% of the portfolio (i.e. excluding winter products) grew by 8%. However, delayed onset of winters impacted the sales of winter portfolio leading to an overall flat revenue growth in Q3FY20 with consolidated revenues at ₹ 813 cr.

In the Domestic Business, Pain Management range, Kesh King range, Navratna range, 7 Oils in One posted robust growth while healthcare range performed satisfactorily. International Business also grew by 18% led by robust performance in SAARC and MENAP regions. CSD channel and Modern trade also grew by 7% and 15% respectively.

During the quarter, the company launched Navratna Garam Tel, an ayurvedic innovation that provides instant warmth and relief in harsh winters in North and Central India. Under the healthcare umbrella, the company also launched Zandu Ayurvedic Cough Syrup (in a smart sachet at just ₹ 5/- price point).



During the quarter, Gross margins at 68.2% grew by 120 bps. Advertisement spends at 17.0% of sales increased by 110 bps due to investments in new launches. EBIDTA at ₹ 264 cr posted flat growth with margins at 32.5% and PAT at ₹ 144 cr grew by 5% with PAT margins at 17.8% growing by 80 bps.

**Mr Mohan Goenka, Director, Emami Limited said:**

*"We are happy that our Q3 performance has been led by the robust performance by most of our power brands, growing by 8%, excluding the winter portfolio. We are also delighted that our power brands, irrespective of the demand environment, continued to gain market shares during the quarter and strengthen their leadership positions in categories where they are present. Our international business and modern trade channel continues to perform well and we are hopeful that in the next 2-3 quarters, the overall consumption environment will improve to drive offtake."*

**Mr Harsha V Agarwal, Director, Emami Limited said:**

*"This quarter we launched innovative products like Navratna Garam Tel and Zandu Ayurvedic Cough Syrup to address market need gaps and lifestyle requirement of the consumers. While lower raw material costs helped the company to increase its gross margins, ongoing cost control measures are expected to aide profitability in the coming quarters. We will continue to invest in our brands and marketing initiatives to capitalize the positive market condition that we expect to emerge in the days to come."*

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**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. 13,000 cr, Emami Ltd is the flagship Company of the diversified Emami Group. Please visit [www.emamilttd.in](http://www.emamilttd.in) for further information.

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