

Emami posts all round growth in Q2FY21

Q2FY21 HIGHLIGHTS

- ❖ **Net Sales grew by 12%**
 - Domestic Business ex-winter portfolio grew strongly by 28%
 - Highest ever quarterly sales registered for Kesh King and Balms portfolio
- ❖ **Profits & Margins improved during the quarter**
 - Gross Profits grew by 12%. Margins improved by 60 bps
 - EBIDTA grew by 33%. Margins improved by 570 bps.
 - PAT grew by 23%. Margins improved by 160 bps.
- ❖ **20 New Launches in H1FY21 contributed 4% of Domestic sales**
 - 8 New products launched in Q2FY21- Major being BoroPlus Antiseptic + Moisturizing Handwash, Zandu Health Juices and Zandu Immu Soft Chews
- ❖ **Board of Directors declare Interim Dividend at 400% i.e. Rs. 4/- per equity share**

Kolkata, November 5th 2020: The Board of Directors of Emami Limited met on Thursday, 5th November 2020 to consider the unaudited financial results of the company for the second quarter and half year ended 30th September 2020.

Emami closed the 2nd quarter with an all-round record performance across brands, signifying revival of consumer sentiment. Defying the COVID-19 infused challenging environment, the Company posted a double-digit revenue growth for the quarter, with its domestic business recording a strong 13% growth. The sustained growth momentum achieved by the Health & Hygiene segment along with the sequential recovery in the personal care brands aided the Company to post one of the strongest quarter growths in the past few years.

During the quarter, Rural markets continued to perform better than urban aided by Government packages, relatively lower impact of the pandemic and the consumption shift due to reverse migration of labour. All the channels posted convincing growth with e-commerce channel tripling its revenues during the quarter. Modern Trade, which was impacted due to social distancing norms in the first quarter has bounced back during the quarter registering a growth of 9% during the quarter.

During the quarter, the company's healthcare and hygiene portfolio range contributing 47% of sales performed exceedingly well growing strongly by 44%. However, offtakes of winter portfolio were impacted due to a high base of 39% growth in Q2FY20. Domestic Business ex-winter portfolio grew robustly by 28% during the quarter. The performance of Kesh King stood



out strongly, registering its highest ever sales during a quarter since its acquisition by Emami in June 2015. Other brands like Navratna and 7 Oils in One also performed well, while Male Grooming recovered and demonstrated positive sequential performance.

With a continued focus on the health and hygiene segment, the company continued to launch innovative products during the quarter. The company launched Zandu Immu Jelly - a tasty immunity booster that boosts immunity by 2X in a unique jelly format making it palatable for kids. The company also launched BoroPlus Antiseptic + Moisturizing Handwash and Zandu Amla, Aloe Vera and Karela Jamun Health juices among others. The overall contribution to the domestic revenues during the quarter by the new launches was 4%.

Emami roped in Bollywood Superstar, Juhi Chawla during the quarter to endorse the BoroPlus hygiene range. A new commercial featuring Juhi Chawla was aired generating good consumer traction. Further, new campaigns for Zandu Pancharishta, Zandu Ayurvedic Cough Syrup, and Navratna also garnered very encouraging consumer traction and interest.

International business grew by 11% led by Bangladesh and MENAP during the quarter. The company also introduced a hygiene range specially made for International Business which was well received. The CSD business however declined marginally by 2% during the quarter.

During the quarter, both profits and margins of Emami increased significantly. Stringent cost control measures and benign raw material prices, helped the Company to improve its margins. Gross Margins at 70.3% grew by 60 bps. While EBIDTA grew by 33%, EBIDTA Margins at 35.0% grew by 570 bps. Profits after Tax increased by 23% and PAT margins at 16.1% increased by 160 bps. Cash Profits at Rs. 233 cr also increased by 31% and Cash Profit margins at 31.7% increased by 480 bps.

Mr Mohan Goenka, Director, Emami Limited said:

“We are happy with the company’s performance as majority of our portfolio returned to healthy growth, signifying improved consumer sentiment and supply chain operations. Rural offtakes have also started looking up and Modern Trade is now looking positive with malls opening up. Our pain management portfolio has performed exceedingly well along with Kesh King, which has achieved its highest ever quarter sales. We continue to undertake stringent cost control measures and are very optimistic of sustaining the growth momentum in the future.”

Mr Harsha V Agarwal, Director, Emami Limited said:

“Our health & hygiene portfolio, led by Zandu continues to perform very well and is a significant contributor to the company’s growth. With consumer focus on health & hygiene segment driving the future trends, new launches like our immunity and personal hygiene products are doing well and we expect 3-4% contribution from new launches going forward. We are happy not only with our e-comm sales having doubled, but also with the performance



emami* limited

of our very own e-commerce portal, www.zanducare.com, an online zandu healthcare brand store, which has also started contributing to our healthcare business. We are poised to leverage the benefit of emerging opportunities.”

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. In, 2019, the company acquired Creme 21, a German brand with strong roots & brand recall. Emami products are available in over 4.5 million retail outlets across India through its network of ~3250 distributors and its global footprint spans over 60 countries including GCC, Europe, Africa, CIS countries & the SAARC.

Emami has maintained a 10% 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, Salman Khan Hrithik Roshan, Shahid Kapoor, Madhuri Dixit, Katrina Kaif, Kareena Kapoor Khan, Yami Gautam, Kangana Ranaut, Shilpa Shetty, Sonakshi Sinha, Shruti Haasan, Juhi Chawla, Vidyut Jamwal, Kartik Aryaan, Varun Dhawan, Milkha Singh, Tiger Shroff, Sachin Tendulkar, Surya, Jr. NTR, Sania Mirza, Saina Nehwal, Bipasha Basu etc over the years.

With a market cap of around Rs. 16,500 cr, Emami Ltd is the flagship Company of the diversified Emami Group. Please visit www.emamilttd.in for further information.

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