

Emami looks for 'handsome' revenue from global sales

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To increase revenue from international sales, Emami Ltd has prepared a blueprint that includes acquisitions in regions such as south-east Asia and organic growth in European countries and other regions.

In the previous financial year (FY16), revenues from international business contributed to 14 per cent (₹365 crore) of the company's total earnings, which stood at ₹2,623 crore. Compared to FY15's turnover of ₹318 crore, Emami's international business grew 15 per cent in FY16.

"This year, the contribution of international revenue to total business is expected to increase to 16 per cent. In the coming five years, this contribution will go up to 30-35 per cent of the total sales," Prashant Goenka, the company's director, told *Business Standard*.

According to Goenka, an outline has been carved out for organic growth in regions such as West Asia, Russia and Commonwealth of Independent States (CIS), and acqui-

EMAMI'S GLOBAL PLANS

- Strengthen presence in West Asia, Russia, Commonwealth of Independent States and Bangladesh through enhancing existing brands and strategic launches
- Extend and innovate existing brands into new and smaller geographies like Africa and south-east Asia
- Opt for organic growth in European countries, while eye inorganic growth in south-east Asia, West Asia and Africa
- Accelerate innovation in terms of product mix
- Moderate costs and advance IT-enabled support
- Deploy talented personnel in charge of critical responsibilities

Global earnings vis-à-vis consolidated net revenue

Financial year	Consolidated net revenue (₹ cr)	Revenue from international sales (₹ cr)	Contribution of international sales to total revenue (%)
2013-14	1,820	221	12
2014-15	2,217	318	14
2015-16	2,623	365	14

sitions that will help the company achieve the target in the coming five years.

In this regard, it is increasing its spend on internation-

al products by 25-30 per cent during 2016-17.

"About 70 per cent of the allocation will be on marketing activities, while 30 per

cent will be used for product development," he added.

The company has already set up a facility in Bangladesh, which mostly makes non-organic products to cater to 25 per cent of the international market's demand, while its Australian subsidiary Fravin Pty Ltd entirely takes care of the organic range of products meant for the global trade.

While the company aims to strengthen its presence in West Asia, Russia and CIS through existing brands and strategic launches, Africa will be playing a key role in the years to come.

In FY16, Emami outperformed the market in West Asia, North Africa and Pakistan by 38 per cent while it fared better than the market in the SAARC region and south-east Asia by 26 per cent.

The firm, which is already present in around 60 countries, plans to strengthen its African market with a range of skin care products.

"African conditions are not suitable for formulations adapted to the Indian climate. In another three

months, we'll come up with a new range of skin care products for Africa," said Goenka.

Emami tailors its product formulations based on the climatic needs of the area it is sold in.

Some of its power brands including Boro Plus, Fair and Handsome and others already enjoy leadership positions in Russia, United Arab Emirates, Saudi Arabia, and Bangladesh.