

## Robust growth momentum continues in Q3FY21

### Q3FY21 HIGHLIGHTS

- ❖ **Net Sales grew by 16%. Revenue from Operations grew by 15%**
  - Domestic Business grew by 16%
  - International Business grew by 26%
- ❖ **Profits & Margins improved during the quarter**
  - Gross Profits grew by 19%. Margins improved by 210 bps
  - EBIDTA grew by 29%. Margins improved by 390 bps.
  - PAT grew by 45%. Margins improved by 460 bps.
- ❖ **New Launches in 9MFY21 contributed 4% of Domestic sales**
  - Emasol Range of home hygiene products (Floor Cleaner, Toilet Cleaner, Dishwash Gel & Surface Sanitizer), launched during the quarter.
- ❖ **Board of Directors declare 2<sup>nd</sup> Interim Dividend at 400% i.e. Rs. 4/- per equity share**

**Kolkata, January 27<sup>th</sup> 2021:** The Board of Directors of Emami Limited met on Wednesday, 27<sup>th</sup> January 2021 to consider the unaudited financial results of the company for the third quarter and nine months ended 31<sup>st</sup> December 2021.

Emami continued its growth momentum in the third quarter with an all-round record performance across brands, channels and geographies. Led by a favourable season and a favourable consumption environment, the Company posted a strong growth of 16% in its domestic business led by 13% growth in volumes. The quarter witnessed an all-round growth across major brands; Healthcare Range grew by 38%, BoroPlus grew by 21%, Kesh King grew by 16%, Pain Management Range grew by 12% and 7 Oils in one grew by 32%. Male Grooming range recovered and posted positive growth led by the relaunch of Fair and Handsome Range.

While rural markets continued to perform better, growth in urban markets also picked up. All the channels continued to perform well and posted convincing growth with e-commerce channel growing by 3.5x during the quarter. Modern Trade also registered a strong growth of 51% during the quarter.

During the quarter, the company launched a new brand – “EMASOL” which offers a complete range for home hygiene products. EMASOL is the first Home Hygiene Range to hit the Indian market that apart from killing 99.9% germs, also has BGV24™\* advanced antimicrobials action that offers upto 24 Hours protection from virus, germs and bacteria. The company has roped in



International Cricketer - **Shikhar Dhawan** as the Global Brand Ambassador for its EMASOL Range. Apart from EMASOL range of home hygiene products, the company also launched **Zandu Ortho Vedic Oil** for knee and joint pain relief. The product is first in its category to provide “7 Days Visible Improvement”. Overall, new launches contributed to 4% of Domestic sales in 9MFY21.

The quarter also marked the relaunch of Fair and Handsome with fresh packaging, communication and strategy as Fair and Handsome Radiance Cream and Fair and Handsome Instant Radiance Face Wash. A new differentiated packaging design for Fair and Handsome Facewash was launched in line with Men’s Face Wash category codes. Further, a new thematic Campaign – “*AB HAR ROZ HANDSOME GIRI*” featuring new brand celebrity superstar Salman Khan was rolled out in mid-November.

The company’s International business also grew strongly by 26% led by MENAP and SAARC regions during the quarter. Special focus on immunity boosting products & launch of hygiene range during the ongoing COVID pandemic helped in boosting sales. Further, the strategy of identifying & tapping opportunities in markets with high hair oil usage, with brands like Kesh King & 7 Oils in One paid off well in International markets. The CSD business however declined by 27% 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 70.4% grew by 210 bps. While EBIDTA grew by 29%, EBIDTA Margins at 36.4% grew by 390 bps. Profits after Tax increased by 45% and PAT margins at 22.4% increased by 460 bps. Cash Profits at Rs. 303 cr also increased by 32% and Cash Profit margins at 32.5% increased by 420 bps.

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

*“We are happy to have continued our growth momentum aided by aggressive growth strategies, dedicated team efforts, quality products and stringent cost control measures. Some of our brands in the healthcare & hygiene range, winter portfolio and 7 oils have done exceedingly well during the quarter, signifying positive consumer sentiment. Rural offtakes continue to march ahead of Urban, which too have started picking up. We are optimistic to close the year not only on a positive note but expect to post a high single digit overall growth.”*

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

*“We are witnessing a consistent and all-round growth coming from all channels over the last two quarters and expect to continue with this growth trajectory. Most of our brands, including power brands & digital-first brands in the healthcare segment are on their growth path.*



*International business too grew strongly by 26% led by MENAP and SAARC regions during the quarter. Our strategy to focus on immunity boosting and hygiene range of products and tapping opportunities in market with high hair oil usage with our brands paid off well in International markets. Our ad-spends having returned to Pre-COVID levels, we will continue to invest in our existing brand and categories, to increase market penetration where we believe we have a strong Right-to-Win.”*

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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. 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. 21,000 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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