

## EMAMI POSTS 18% REVENUE GROWTH IN Q1FY23

### Q1FY23 HIGHLIGHTS

- ❖ **Consolidated Revenues grew by 18% on a high base of 37% growth in PY;**
  - Domestic Business grew by 13%; Dermicool contributed 8% to Domestic Business
  - International Business grew by 45%
- ❖ **EBIDTA grew by 2%** despite inflationary pressures
- ❖ **Adjusted PAT\* posted flat growth** on a high base of 45% growth in PY
- ❖ **Independent Directors appointed on the Board** – Mr. Anand Rathi, Mr. Anjani Agrawal, Mr. Anjan Chatterjee, Ms. Avani Davda and Mr. Rajiv Khaitan appointed as Independent Directors subject to Shareholders' approval

*Note: All financial figures are based on Consolidated Financials.*

*\*Adjusted PAT = Reported PAT + Exceptional Items + Amortization of Kesh King & other brand related intangible assets*

**Kolkata, Friday 29<sup>th</sup> July 2022:** The Board of Directors of Emami Limited met on Friday, 29<sup>th</sup> July 2022 to consider the unaudited financial results of the company for the first quarter ended 30<sup>th</sup> June 2022.

Unprecedented inflationary headwinds continued to impact the FMCG sector leading to softening of consumer sentiment across urban and rural markets, resulting in lower margins during the quarter. Despite the overall challenging macro environment Emami's consolidated revenues at ₹778 cr grew by 18% in Q1FY23, on a high base of 37% growth in previous year with 2% EBIDTA growth.

Domestic Net Sales grew by 13% on a high base of 42% with a volume growth of 8%. The quarter was dominated by strong performance of major brands like Navratna, Kesh King and Fair and Handsome. However Pain Management and Healthcare range, particularly the immunity portfolio, witnessed corrections on account of exceptional growth in the same quarter last year due to the 2nd wave of the pandemic. Excluding Pain Management, Healthcare range and the acquired brand Dermicool, other brands witnessed growth of 30% in the Domestic business.



Both Modern trade and e-commerce continued to perform exceedingly well, to post a growth of 42% and 55% respectively. In Q1FY23, the contribution of Modern Trade and e-commerce channel increased to 15.8% of domestic revenues. CSD revenues also grew by 23%.

International Business grew by 45% over previous year led by key geographies like MENA and SAARC. All major brands performed well in the international markets.

In Q1FY23, Gross margins at 62.6% contracted by 340 bps due to inflationary pressures combined with unfavorable portfolio mix due to extraordinary high sales of Pain Management products last year. EBITDA at ₹ 173 cr grew by 2% and Adjusted PAT at ₹ 138 cr was flat compared to last year.

In view of completion of full term of appointment, the veteran Independent Directors Mr. K.N. Memani, Mr. Y.P. Trivedi, Mr. P.K. Khaitan, Mr. S.B. Ganguly and Mr. A.K. Deb would be vacating the office with effect from 1<sup>st</sup> August 2022. Accordingly, based on the recommendation of the Nomination and Remuneration committee, the Board of Directors have appointed five new Independent Directors from 2<sup>nd</sup> August, 2022, subject to approval of the shareholders. The new Independent Directors - Mr. Anand Rathi, Mr. Anjani Agarwal, Mr. Anjan Chatterjee, Ms. Avani Davda and Mr. Rajiv Khaitan who come from diverse professional backgrounds, bring their rich industry experience and wide knowledge to the Board. While welcoming and congratulating the incoming Independent Directors, the Board also conveys its gratitude to the exiting Directors for serving the Company for over a decade with their wide experience and knowledge and rich industry insights.

**Mr Harsha V Agarwal, Vice Chairman and Managing Director, Emami Limited said:**

*"We are happy to post another quarter of strong resilient performance despite unprecedented inflationary headwinds impacting consumer offtakes as well as material costs. We remained focused on optimising costs while driving growth. Our international business posted a growth of 45% led by strong performances by MENA & SAARC regions. The quarter also witnessed strong performances of some of our leading brands like Navratna, Kesh King and Fair and Handsome posting high double digit growth and Dermicool making its mark. We look forward to a consistent and profitable growth in times to come."*

**Mr Mohan Goenka, Vice Chairman and Whole-Time Director, Emami Limited said:**

*"This quarter saw some corrections in our Pain Management and Healthcare range, particularly the immunity portfolio due to its high base in Q1FY22. However, despite the correction and inflationary impact, we are happy to have posted an overall double digit growth of 18% including our newly acquired brand, Dermicool. Modern Trade and e-commerce channels also continued to perform strongly and increased their contribution to 8.2% and 7.6% respectively to domestic revenues."*



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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 and Kesh King. After a successful takeover of Zandu Pharmaceuticals Works Ltd in 2008, in 2015, the Company acquired the business of 'Kesh King' and forayed into the Ayurvedic hair & scalp care segment. Emami, following the acquisition of Creme 21, a German brand with strong roots and brand recall in 2019, went on to acquire 'Dermicool', one of the leading Prickly Heat and Cool Talc brands of India in 2022. Emami products are available in over 4.9 million retail outlets across India through its network of ~2800 distributors and its global footprint spans over 60 countries including SAARC, MENAP, SEA, Africa, Eastern Europe and the CIS countries.

Emami is well known for its aggressive marketing powered by celebrity endorsements like Amitabh Bachchan, Late Pt Birju Maharaj, Shah Rukh Khan, Salman Khan, Hrithik Roshan, Shahid Kapoor, Ayushmann Khurrana, Madhuri Dixit, Juhi Chawla, Katrina Kaif, Kareena Kapoor Khan, Bipasha Basu, Malaika Arora Khan, Nushratt Bharuccha, Yami Gautam, Kangana Ranaut, Shilpa Shetty, Sonakshi Sinha, Shruti Haasan, Juhi Chawla, Sonu Sood, Vidyut Jammwal, Kartik Aaryan, Varun Dhawan, Milkha Singh, Tiger Shroff, Sachin Tendulkar, Surya, Jr. NTR, Sachin Tendulkar, Sourav Ganguly, Shikhar Dhawan, Sania Mirza, Saina Nehwal, etc over the years.

With a market cap of over Rs.20,000 crores, 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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**For further information, please contact:**

**Mahasweta Sen**

AVP & Head -Corporate Communications

Email: [mahasweta.sen@emamigroup.com](mailto:mahasweta.sen@emamigroup.com)