

EMAMI POSTS NET SALES GROWTH OF 4% IN Q2FY23

Q2FY23 HIGHLIGHTS

- ❖ **Consolidated Net Sales at Rs. 807 cr grew by 4%; 3 year CAGR of 8%**
 - Growth of 8% excluding Pain Management, Healthcare range and Helios Lifestyle
 - Correction in Pain Management and Healthcare range due to exceptionally high base in previous year
- ❖ **PBT at Rs. 186 cr declined by 18%**, due to high inflation in input costs and low base in COVID period, inclusion of new subsidiary costs, upfront marketing investments and strategic outlays on distribution expansion in rural, digital and modern trade channels. **However, it grew by 17% on a 3 year CAGR basis.**
- ❖ **PAT at Rs. 180 cr declined by 3%; However, it grew by 23% on a 3 year CAGR basis**
- ❖ **Board of Directors declared an Interim Dividend at 400% i.e. Rs. 4/- per equity share**
- ❖ **Helios Lifestyle Pvt. Ltd (The Man Company) became a Subsidiary of Emami Ltd after increase of stake from 49.53% to 50.40%**

Note: All financial figures are based on Consolidated Financials.

Kolkata, Friday 11th November 2022: The Board of Directors of Emami Limited met on Friday, 11th November 2022 to consider the unaudited financial results of the company for the second quarter and half year ended 30th September 2022.

The domestic FMCG industry continued to remain soft during the quarter and demand sentiment remained muted due to continued inflation, rural slowdown and liquidity pressure. In the given context, Consolidated Net Sales at ₹807 crore grew by 4% over previous year and by 8% on a 3 year CAGR basis in Q2FY23.

Excluding Pain Management, Healthcare range which saw corrections in this quarter as a result of decline in consumption of COVID contextual products and the new subsidiary Helios Lifestyle, Net sales grew by 8% during the quarter. Both Modern trade and e-commerce continued to perform exceedingly well, to post a growth of 28% and 55% respectively. In Q2FY23, the contribution of Modern Trade and e-commerce channel increased to 16.5% of domestic revenues.

International Business continued to grow strongly by 17% quarter on the back of good performance across most markets. MENA and CIS performed well in the international markets.



In Q2FY23, Gross margins contracted by 230 bps due to inflationary pressures combined with unfavorable portfolio mix due to extraordinary high sales of Pain Management products last year. PBT at ₹ 186 crore declined by 18% over previous year due to pressure on Gross margins as above, inclusion of new subsidiary costs, upfront marketing investments and strategic outlays on distribution expansion in rural, digital and modern trade channels. However, it grew by 17% on a 3 year CAGR basis. PAT at Rs. 180 cr declined by 3% but grew by 23% on a 3 year CAGR basis. Yet, the Company commands one of the highest Gross margins at 66.6%, PBT margin at 23% and PAT margin at 22 % compared to peers.

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

“We are happy that despite challenging business & industry environment, the first half delivered net sales growth of 10%. With our strong focus on cost control, distribution expansion, aggressive marketing campaigns and driving penetration, we expect to deliver double digit growth with healthy margins in the second half. Thus, on a full year basis, we aspire to deliver double digit growth with higher EBIDTA than previous year for our core business.”

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

“Consumer demand remained muted across markets with high inflation affecting consumption, especially in the rural markets. As anticipated, we witnessed a correction in the COVID contextual portfolio of pain management and healthcare products which grew significantly during the last two years. In the given context, the quarter delivered a low single digit growth on a year-on-year basis, however, the 3-year CAGR has been impressive with a high single digit growth of 8% if compared to pre-pandemic levels. Our international business also maintained its strong run, delivering a double-digit growth of 17%, notwithstanding various global and geo-political uncertainties.”

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



emami* limited

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.emamiltd.in for further information.

For further information, please contact:

Mahasweta Sen

AVP & Head -Corporate Communications

Email: mahasweta.sen@emamigroup.com