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POSITIVE OUTLOOK

Emami expects 8-10% growth in domestic biz

Kolkata: Emami Ltd, which had seen its domestic business grow by around 5 per cent in Q4 FY23, is expecting 8-10 per cent growth this fiscal, driven by a mix of macroeconomic support and internal interventions, including its investments in new age start-ups such as The Man Company and Brillare. **p2**

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Emami expects 8-10% growth in domestic business in FY24

GOOD OMEN. Easing input cost pressure, a positive indicator; 'future looks promising'

Shobha Roy
Kolkata

Emami Ltd, which had seen its domestic business grow by around 5 per cent in Q4 FY23, is expecting 8-10 per cent growth this fiscal, driven by a mix of macroeconomic support and internal interventions, including its investments in new age start-ups such as The Man Company and Brillare.

The company is also looking at close to 150-basis point expansion in gross margins in FY24. In Q4, it had expanded by around 60 bps to 63.1 per cent.

MIXED DEMAND

Though the summer has been a little weak, the company has witnessed some momentum from the rural markets, said Mohan Goenka, Vice Chairman.

"What is very, very heart-



Mohan Goenka,
Vice Chairman, Emami Ltd

ening is that the input cost pressure has really eased and we are seeing margin expansion. So we would be able to put in some money on advertising on most of our categories," Goenka was quoted as saying in the earnings call transcript uploaded on BSE.

The industry is experiencing a mixed-demand environment and discretionary categories like personal care remain muted as consumers, especially in rural areas, are

MARGIN OUTLOOK

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reducing non-essential expenditures. Rural inflation surpassed urban for the first time since FY18 last fiscal. Additionally, excessive rainfall in several parts of the country in March impacted the demand for summer products, said Goenka.

INNOVATION

"With inflation moderating, the upcoming quarters look promising for the industry..." Goenka said. The

company's constant efforts to innovate its product portfolio with a clear focus on digital first launches and its sustained initiatives to ramp up the distribution network has augured well. The company would continue to develop new products, particularly in the D2C space.

Emami launched around 20 products in FY23, the majority being digital first launches. The recent launches contributed more than 3 per cent to its domestic sales in FY23 and around 7 per cent to modern trade, and 20 per cent to e-commerce sales.

The company continued its investments in Project Khoj, a rural expansion programme and added close to 11,000 towns last year reaching around 52,000 towns and villages at the end of the last financial year. It plans to add 8,000 towns by the end of FY24.