

News monitored for: Emami Group

‘Power brands’ drive Emami’s Q3 net

FMCG firm posts 7% rise in profit to ₹148 cr even as revenue dips 1% to ₹748 crore

OUR BUREAU

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Homegrown FMCG company Emami Ltd on Friday reported an over 7 per cent increase in standalone net profit to ₹148 crore for the quarter ended December 31, 2019, against ₹138 crore in the previous-year period.

Its revenue from operations during the period saw a marginal 1 per cent dip year-on-year (YoY) to ₹748 crore, said an Emami press release.

In the domestic market, Emami’s offerings in the pain management categories, and across brands like Kesh King, Navratna and ‘7 Oils in One’, posted “robust

growth”. It launched the Navratna Garam Tel, an Ayurvedic offering specifically for winters, and ₹5 sachets of Zandu Ayurvedic cough syrup.

Market share

According to Mohan Goenka, Director, Emami’s Q3 performance has been led by a robust performance by its power brands, which account for nearly 65 per cent of its portfolio, and witnessed a near 8 per cent growth. This excluded the winter portfolio.

“The power brands, irrespective of the demand environment, continued to

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gain market share and strengthen their leadership positions. Our international business and modern trade channel continue to perform well. We are hopeful that in the next two or three quarters, the overall consumption environment will improve to drive offtake,” Goenka said, adding that the delayed onset of the season impacted the sales of its winter portfolio.

On a consolidated basis,

the company saw a 5 per cent YoY growth in net profit to ₹144.4 crore, while revenues remained flat at ₹813 crore. Emami’s EBIDTA (earnings before interest, depreciation, tax and amortisation) stood at ₹264 crore, remaining flat, with margins at 32.5 per cent.

The company’s international business segment saw an 18 per cent growth led by “robust performance in SAARC and MENAP regions”, the release said, adding that the CSD (Canteen Stores Department) channel and modern trade grew 7 and 15 per cent, respectively.

In Q3 FY20, Emami’s advertisement spends stood at 17 per cent of sales, increasing by 110 basis points following product launches.