

**HE**  
ADVANCED GROOMING

**1<sup>ST</sup> TIME  
IN INDIA**



**PACK EK  
FRAGRANCE DO  
GOD PROMISE BRO**

ALSO AVAILABLE IN YIN & YANG



**emami\* limited**

Making people healthy & beautiful, naturally

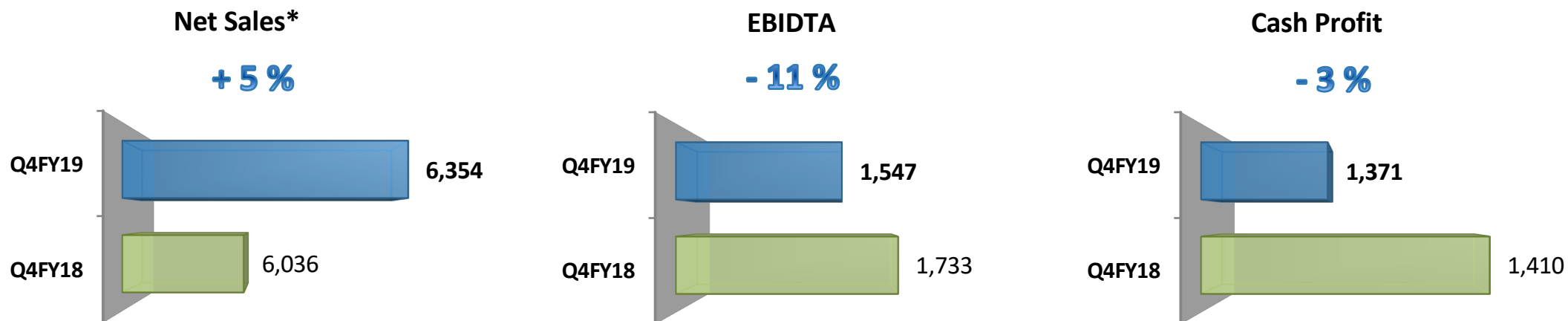
**Q4 & FY19 Performance Update**

27<sup>th</sup> May 2019

# Q4FY19 Snapshot (Consolidated)



₹ in Millions



\*Revenue from Operations (which includes Other Operating Income) at Rs.6,396 mn grew by 4% in Q4FY19

## ❑ Demand slowdown in Domestic business impacted growth in Q4

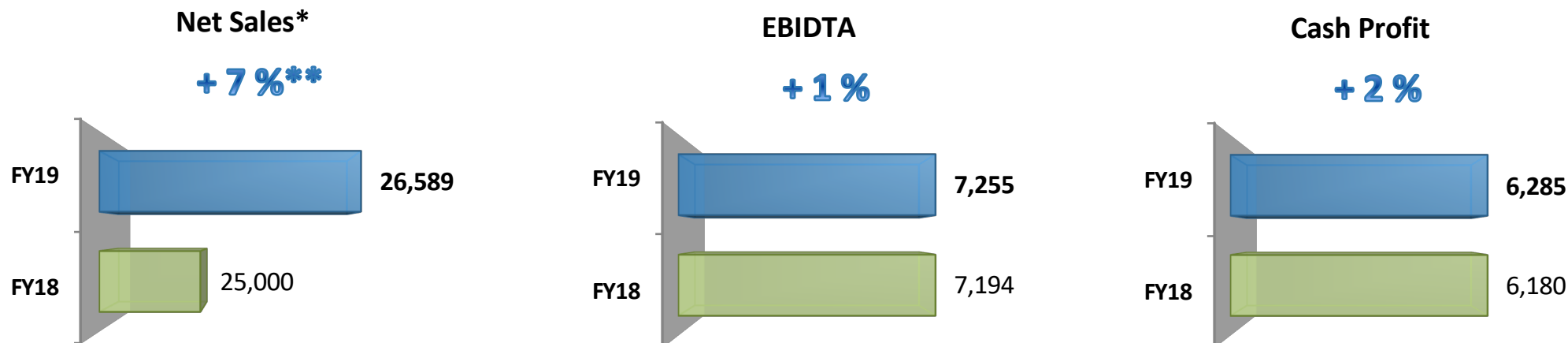
- Extended winter impacted the sales of summer products which account for >40% domestic business during the quarter;
- Weak rural sentiment due to low agri-price inflation;
- Adverse liquidity conditions witnessed

## ❑ Higher RM Costs impacted profitability

- Menthol & LLP prices increased during the year
- However, prices have cooled off from their peak.

# FY19 Snapshot (Consolidated)

₹ in Millions



\*Revenue from Operations (which includes Other Operating Income) at Rs. 26,929 mn in FY19 grew by 6%.

\*\*FY19 Net Sales is LTL growth (adjusted for GST in Q1)

## ☐ Kesh King, Healthcare range post strong growth after strategic initiatives in H2FY19

- Kesh King grew by 20% in H2FY19 (15% decline in FY18)
- Zandu Healthcare grew by 13% in H2FY19 (9% decline in FY18)

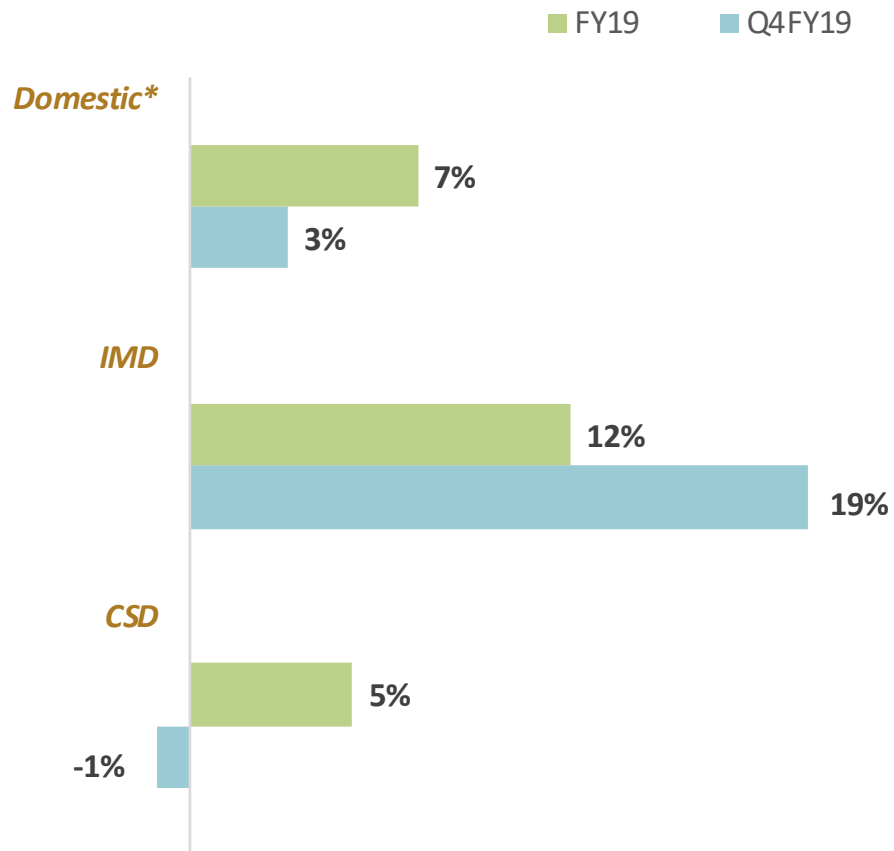
## ☐ Maintained profits despite higher RM costs and exceptional items

- Materials cost increased by 200bps
- ₹ 9.8 cr incurred towards VRS paid in Q3FY19

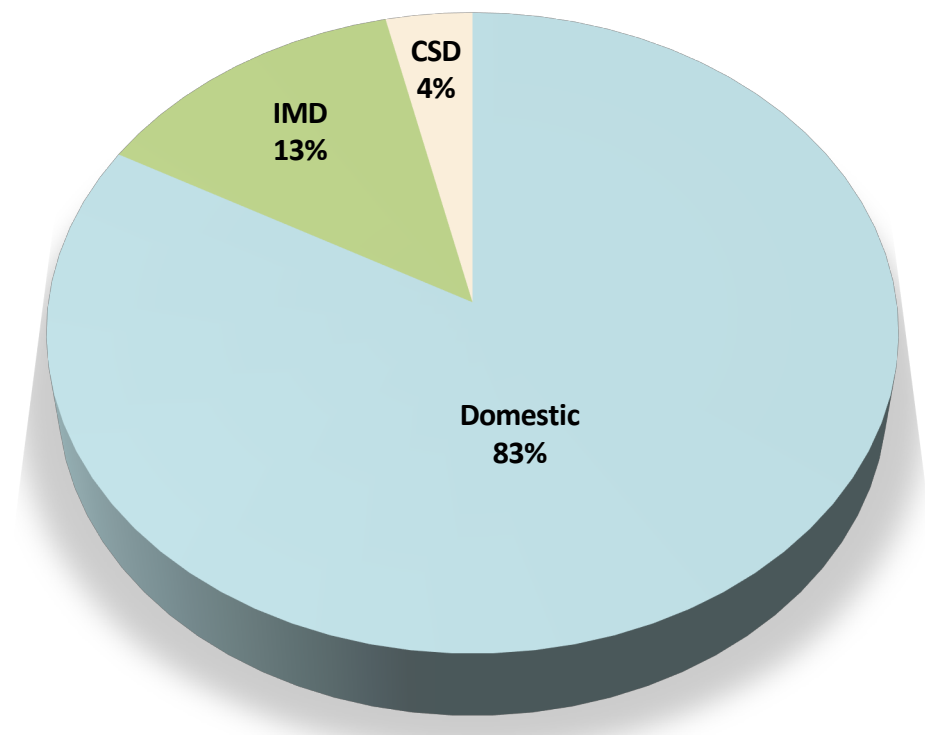
# Business Performance



## BUSINESS WISE NET SALES PERFORMANCE



## FY19 Business Wise Sales Split



\*Note: FY19 Domestic Net sales & Brand wise sales is LTL growth (adjusted for GST in Q1)

# Navratna



- ❑ Grew by **1%** during the quarter and by **8%** in FY19
  - Sales impacted due to extended winters in Q4FY19.
  - Cool Oils Market Share (vol) at **66.3%** increased by **140 bps** in Q4 and by **220 bps** in FY19 with Market share of **66.1%**
  - Roped in **Varun Dhawan** to endorse **Navratna Cool**



# Pain Management

- ❑ Pain management range grew by **1%** in Q4 and by **7%** in FY19.
  - Balms Market Share (vol) at **54.8%** increased by **140 bps** in Q4FY19 and maintained leadership with a Market Share (vol) of **54.1%** in FY19

# BoroPlus



- ❑ Grew by **17%** in Q4 and by **2%** in FY19.
  - Antiseptic cream maintained leadership with a Market Share (vol) of **73.5%** in Q4FY19 and **73.3%** in FY19



# Kesh King

- ❑ Grew by **15%** in Q4 and by **13%** in FY19.
  - Q4FY19 Market Share (vol) at **26.4%** grew by **220 bps** and by **200 bps** in FY19 with Market share of **25.8%**



# Healthcare range

- ❑ Healthcare range grew by **9%** in Q4 and by **12%** in FY19
  - Growth led by Nityam and Generics & Ethicals

# Male Grooming

- ❑ Male grooming range declined by **4%** in Q4. However, it grew by **3%** in FY19.
  - Fairness creams maintained leadership with a Market Share (vol) of **64.7%** in Q4FY19 and **65.0%** in FY19.
  - Fairness Face wash Market Share (vol) at **14.7%** grew by **90 bps** in Q4FY19 and by **60 bps** in FY19 with a Market share of **14.4%**
  - Launched HE Magic Duo, a unique deodorant that packs two fragrances in one bottle



# 7 Oils in One

- ❑ 7 Oils in One grew by **24%** in Q4 and by **29%** in FY19.



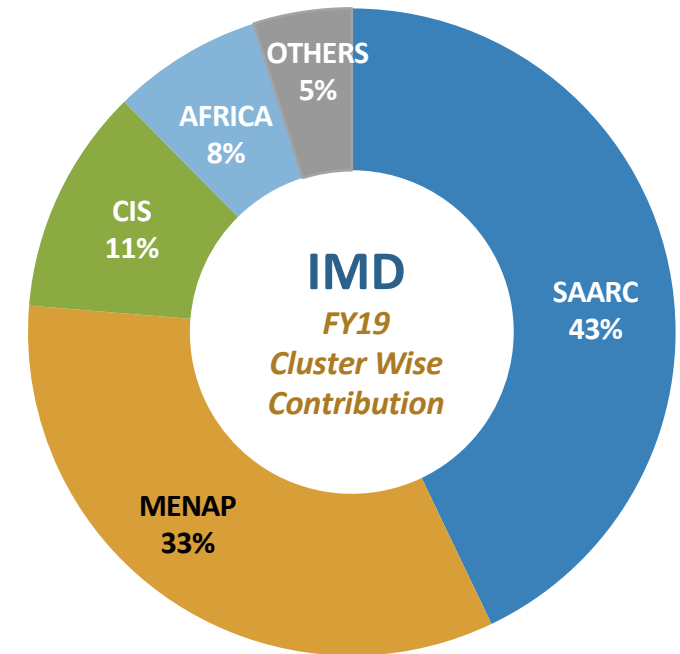


# International Business



☐ Sales grew by **19%** in Q4 and grew by **12%** in FY19.

- Excluding Creme 21, sales grew by **13%** in Q4 and by **10%** in FY19.
- SAARC and MENAP regions performed well during the quarter
- Market share gains across key geographies
- Realigning marketing strategy and product formulations for Creme 21, (acquired in Jan'19) along with geographic expansion plans. Expect to post strong growth in coming quarters.



- SAARC** South Asian Association for Regional Cooperation (Major countries – Bangladesh, Nepal, Sri Lanka etc.)
- SEA** South East Asia (Major countries – Malaysia, Myanmar & Singapore)
- MENAP** Middle East, North Africa & Pakistan (Major countries – UAE, Qatar, Oman, Kuwait, Bahrain etc.)
- CIS** Commonwealth of Independent States (Major Countries – Russia, Ukraine etc.)





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## Financial Analysis

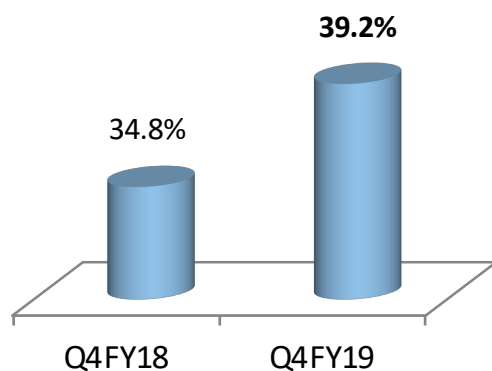
Earnings analysis for Q4 & FY19

# Q4FY19 Financial analysis

## Cost of Goods Sold

(as a % of Sales)

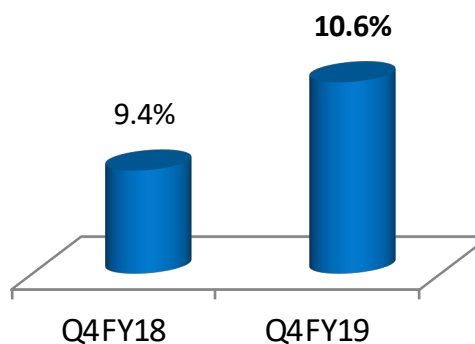
+ 440 bps



## Staff Costs

(as a % of Sales)

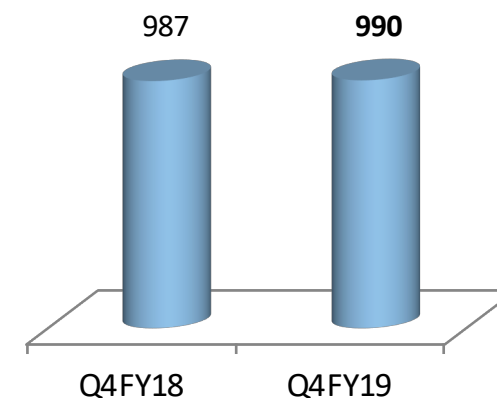
+ 130 bps



## A&P Spends

(₹ in Millions)

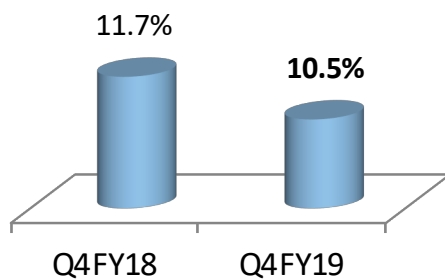
-50 bps



## Admin & Other Exp

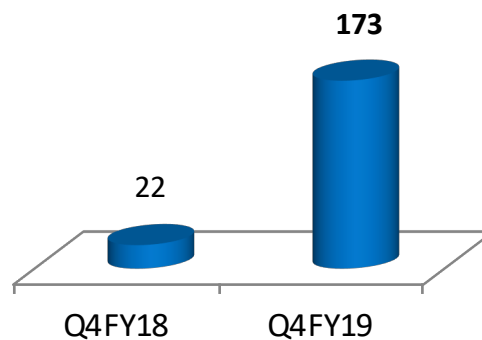
(as a % of Sales)

- 90 bps



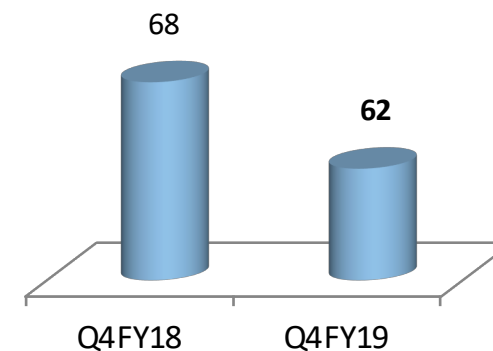
## Other Income

(₹ in Millions)



## Interest Paid

(₹ in Millions)

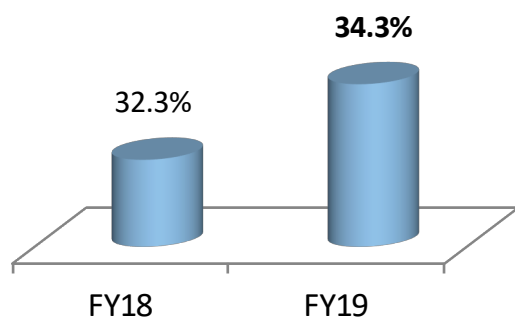


# FY19 Financial analysis

## Cost of Goods Sold

(as a % of Sales)

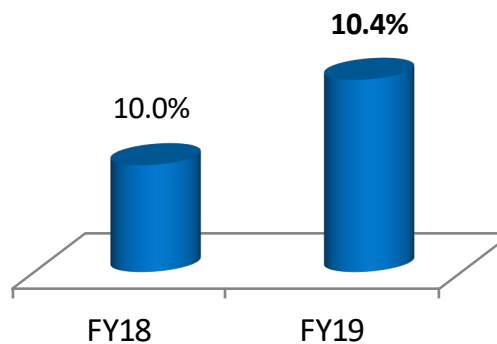
+ 200 bps



## Staff Costs

(as a % of Sales)

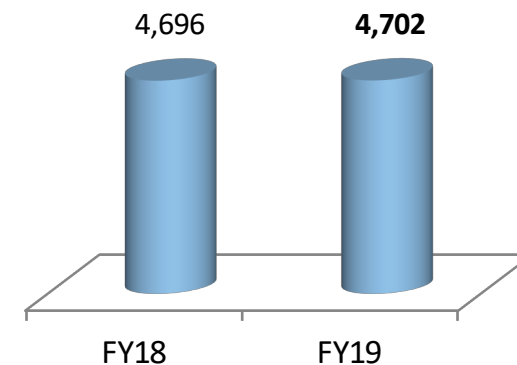
+ 40 bps



## A&P Spends

(₹ in Millions)

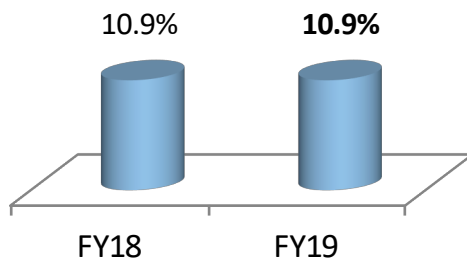
- 100 bps



## Admin & Other Exp

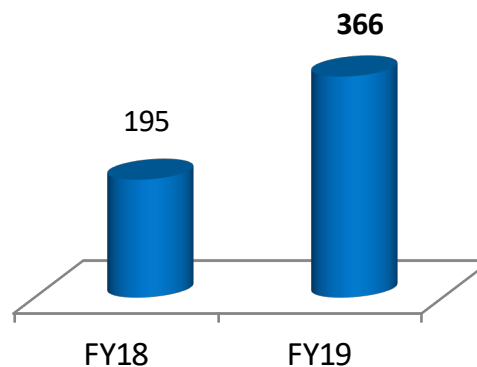
(as a % of Sales)

+0 bps



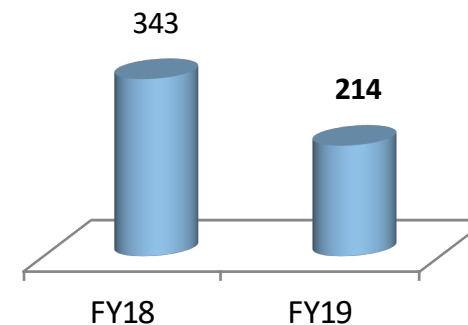
## Other Income

(₹ in Millions)



## Interest Paid

(₹ in Millions)



# Q4FY19 Summarized Financials



₹ in Millions

Particulars	Q4FY19	%	Q4FY18	%	Growth %	FY19	%
<b>Net Sales</b>	<b>6,354.2</b>	<b>99.3%</b>	<b>6,035.5</b>	<b>97.8%</b>	<b>5.3%</b>	<b>26,589.2</b>	<b>98.7%</b>
Other Operating Income	42.2	0.7%	134.2	2.2%	-68.6%	340.2	1.3%
<b>Revenue from Operations</b>	<b>6,396.4</b>	<b>100.0%</b>	<b>6,169.7</b>	<b>100.0%</b>	<b>3.7%</b>	<b>26,929.4</b>	<b>100.0%</b>
Materials Cost	2,507.7	39.2%	2,148.8	34.8%	16.7%	9,230.1	34.3%
A&P	989.8	15.5%	987.0	16.0%	0.3%	4,701.8	17.5%
Staff Cost	680.9	10.6%	580.2	9.4%	17.4%	2,797.2	10.4%
Admn & Other Exp	670.8	10.5%	721.2	11.7%	-7.0%	2,945.0	10.9%
<b>EBIDTA</b>	<b>1,547.2</b>	<b>24.2%</b>	<b>1,732.5</b>	<b>28.1%</b>	<b>-10.7%</b>	<b>7,255.3</b>	<b>26.9%</b>
Other Income	172.6	2.7%	21.6	0.4%	699.1%	365.9	1.4%
Interest	62.1	1.0%	67.6	1.1%	-8.1%	214.0	0.8%
Amortisation of acquired TM's/ brands	650.3	10.2%	601.5	9.7%	8.1%	2,485.0	9.2%
Depreciation/Amortisation of other assets	159.7	2.5%	206.6	3.3%	-22.7%	768.2	2.9%
<b>PBT before Exceptional Items</b>	<b>847.7</b>	<b>13.3%</b>	<b>878.4</b>	<b>14.2%</b>	<b>-3.5%</b>	<b>4,154.0</b>	<b>15.4%</b>
Exceptional Items	-	0.0%	-	0.0%	0.0%	98.0	0.4%
<b>PBT</b>	<b>847.7</b>	<b>13.3%</b>	<b>878.4</b>	<b>14.2%</b>	<b>-3.5%</b>	<b>4,056.0</b>	<b>15.1%</b>
Tax	279.8	4.4%	269.8	4.4%	3.7%	1,008.8	3.7%
PAT	567.9	8.9%	608.6	9.9%	-6.7%	3,047.2	11.3%
Share of Minority Interest & P/L of Associate	(6.4)	-0.1%	(6.3)	-0.1%	1.6%	(14.9)	-0.1%
<b>PAT After Minority Interest &amp; Associate</b>	<b>561.5</b>	<b>8.8%</b>	<b>602.3</b>	<b>9.8%</b>	<b>-6.8%</b>	<b>3,032.3</b>	<b>11.3%</b>
<b>Cash Profit (PAT + Dep. &amp; Amortization)</b>	<b>1,371.5</b>	<b>21.4%</b>	<b>1,410.4</b>	<b>22.9%</b>	<b>-2.8%</b>	<b>6,285.5</b>	<b>23.3%</b>
EPS - Rs.	1.24		1.33			6.68	
Cash EPS- Rs.	3.02		3.11			13.85	

# FY19 Summarized Financials



₹ in Millions

Particulars	FY19	%	FY18	%	Growth %
<b>Net Sales</b>	<b>26,589.2</b>	<b>98.7%</b>	<b>25,000.1</b>	<b>98.4%</b>	<b>6.4%</b>
Other Operating Income	340.2	1.3%	408.2	1.6%	-16.7%
<b>Revenue from Operations</b>	<b>26,929.4</b>	<b>100.0%</b>	<b>25,408.3</b>	<b>100.0%</b>	<b>6.0%</b>
Materials Cost	9,230.1	34.3%	8,201.3	32.3%	12.5%
A&P	4,701.8	17.5%	4,696.0	18.5%	0.1%
Staff Cost	2,797.2	10.4%	2,546.5	10.0%	9.8%
Admn & Other Exp	2,945.0	10.9%	2,770.1	10.9%	6.3%
<b>EBIDTA</b>	<b>7,255.3</b>	<b>26.9%</b>	<b>7,194.4</b>	<b>28.3%</b>	<b>0.8%</b>
Other Income	365.9	1.4%	195.0	0.8%	87.6%
Interest	214.0	0.8%	343.1	1.4%	-37.6%
Amortisation of acquired TM's/ brands	2,485.0	9.2%	2,435.8	9.6%	2.0%
Depreciation/Amortisation of other assets	768.2	2.9%	672.8	2.6%	14.2%
<b>PBT before Exceptional Items</b>	<b>4,154.0</b>	<b>15.4%</b>	<b>3,937.7</b>	<b>15.5%</b>	<b>5.5%</b>
Exceptional Items	98.0	0.4%	-	0.0%	100.0%
<b>PBT</b>	<b>4,056.0</b>	<b>15.1%</b>	<b>3,937.7</b>	<b>15.5%</b>	<b>3.0%</b>
Tax	1,008.8	3.7%	862.6	3.4%	16.9%
PAT	3,047.2	11.3%	3,075.1	12.1%	-0.9%
Share of Minority Interest & P/L of Associate	(14.9)	-0.1%	(3.7)	0.0%	302.7%
<b>PAT After Minority Interest &amp; Associate</b>	<b>3,032.3</b>	<b>11.3%</b>	<b>3,071.4</b>	<b>12.1%</b>	<b>-1.3%</b>
<b>Cash Profit (PAT + Dep. &amp; Amortization)</b>	<b>6,285.5</b>	<b>23.3%</b>	<b>6,180.0</b>	<b>24.3%</b>	<b>1.7%</b>
EPS - Rs.	6.68		6.77		
Cash EPS- Rs.	13.85		13.61		

# Summarized Balance Sheet



₹ in Millions

S.N.	PARTICULARS	Consolidated		S.N.	PARTICULARS	Consolidated	
		Audited	Audited			Audited	Audited
		As at 31.03.2019	As at 31.03.2018			As at 31.03.2019	As at 31.03.2018
	<b>EQUITY AND LIABILITIES</b>				<b>ASSETS</b>		
	<b>Equity</b>			<b>1 Non -Current Assets</b>			
(a)	Equity Share capital	454	227	(a) <b>Property, Plant and Equipment</b>	7,490	7,446	
(b)	Other Equity	20,307	19,909	(b) <b>Capital work-in-progress</b>	352	226	
	<b>Total Equity attributable to owners of the company</b>	<b>20,761</b>	<b>20,136</b>	(c) <b>Investment Property</b>	548	559	
(c)	Non-Controlling Interest	(2)	6	(d) <b>Goodwill on Consolidation</b>	41	41	
	<b>Total Equity</b>	<b>20,759</b>	<b>20,142</b>	(e) <b>Other Intangible Assets</b>	8,722	9,975	
	<b>LIABILITIES</b>			(f) <b>Intangible assets under development</b>	11	79	
<b>1</b>	<b>Non-Current Liabilities</b>			(g) <b>Financial Assets</b>			
(a)	<b>Financial Liabilities</b>			(i) <b>Investments</b>			
	(i) Other Financial Liabilities	69	83	(a) Investment in Associate	160	182	
(b)	<b>Provisions</b>	200	238	(b) Others	1,631	1,673	
(c)	<b>Deferred tax liabilities (Net)</b>	160	147	(ii) <b>Loans</b>	142	119	
(d)	<b>Other Non-Current Liabilities</b>	237	258	(iii) <b>Other Non-Current Financial assets</b>	291	272	
		<b>666</b>	<b>726</b>	(h) <b>Deferred tax Assets (net)</b>	38	29	
				(i) <b>Other Non-Current Assets</b>	177	273	
					<b>19,730</b>	<b>21,000</b>	
<b>2</b>	<b>Current liabilities</b>			<b>2 Current assets</b>			
(a)	<b>Financial Liabilities</b>			(a) <b>Inventories</b>	2,217	1,940	
	(i) Borrowings	1,099	3,259	(b) <b>Financial Assets</b>			
	(ii) Trade Payables			(i) <b>Investments</b>	79	1,281	
	Total outstanding dues of Micro, Small & Medium Enterprises (MSME)	30	13	(ii) <b>Trade Receivables</b>	2,164	1,559	
	Total outstanding dues of creditors Others than MSME	2,883	2,407	(iii) <b>Cash &amp; Cash Equivalents</b>	1,165	162	
	(iii) Other Financial Liabilities	1,326	598	(iv) <b>Bank Balances other than (iii) above</b>	869	633	
(b)	<b>Other Current Liabilities</b>	245	222	(v) <b>Loans</b>	47	30	
(c)	<b>Provisions</b>	1,153	622	(vi) <b>Other Financial Assets</b>	498	568	
(d)	<b>Current Tax Liabilities (Net)</b>	63	19	(c) <b>Other Current Assets</b>	1,455	836	
		<b>6,799</b>	<b>7,139</b>		<b>8,493</b>	<b>7,008</b>	
	<b>Total Equity and Liabilities</b>	<b>28,224</b>	<b>28,007</b>	<b>Total Assets</b>	<b>28,224</b>	<b>28,007</b>	

Net Cash of ₹ 1014 mn

# Awards & Accolades

❑ Received the prestigious **'Golden Peacock Innovative Product/Service Award'** for the year 2019 for “Kesh King Oil Applicator”

❑ Boroplus ranked **91st** among the **Top 100 Brands** in the **Economic Times Brand Equity -Most Trusted Brands, 2018** survey conducted by Nielsen across categories

- BoroPlus, Zandu, Navratna and Fair and Handsome were also ranked 25th, 27th, 30th and 50th positions in the Health & Personal Care Category respectively







Thank  
you